Shaily Engineering

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR3,367 TP: INR4,074 (+21%) Buy

Robust outlook intact, led by healthcare segment

Revenue/EBIDTA/PAT grew 14%/22%/17% YoY in 1QFY27

- Shaily Engineering's (SHEP) 1QFY27 result was driven by its healthcare segment, while weakness persisted in the consumer segment.
- Healthcare revenue surged 84% YoY (in line), driven by increasing traction in GLP-1 pen volume following patent expiry in India and Canada.
- Consumer revenue slid 24% YoY (miss) due to continued weak consumer sentiment in the US and Europe. Industrial revenue grew 25% YoY.
- EBITDA margin expanded 190bp YoY to 29.6%, driven by greater revenue mix of higher-margin healthcare segment, despite losses in UK subsidiary.
- Domestic revenue surged 114% YoY with its mix rising to 58%. This was driven by expanding GLP-1 pen volume supply to domestic pharma customers after opening of generic drug market.
- Export revenue fell 7% YoY due to weakness in consumer segment and low revenue booking in the UK subsidiary (down 73% YoY).

Key highlights from the management commentary

- **Healthcare:** FY27 guidance of 36m pen has upside risk; Dr. Reddy's volume intact; sold 9m pen devices in 1Q (50-60% GLP-1); appointed dedicated sales heads for the US and Europe to expand business; additional 25m pen capacity is expected by Sep'25 to take total to 75m+ pens; received approvals to supply Semaglutide pens in Canada and Brazil; two new projects signed for IP-led platforms.
- **Consumer:** Revenue slid due to continued weak consumer sentiment in the US and Europe; revenue is likely to be flat in FY27E.
- **Consumer electronics:** To manufacture critical products; started suppling in small batches; business confirmation from a new customer to supply five new products likely from 4Q; acquired land for a new plant in South India for ~INR1b capex; to disclose further update in 2Q.
- **Semiconductor:** Revenue is likely to accrue from 4Q; manufacturing specialized trays having volume requirement in millions.
- Consumer electronics and Semicon will be domestic-focused businesses.
- UK subsidiary is expected to come back strongly in next few quarters.

Valuation and view: Reiterate BUY

We cut FY27E earnings by 3% after a miss in 1Q earnings. However, we raise FY28E earnings by 8% owing to higher-than-earlier-expected growth and margins in healthcare. We now expect a CAGR of 33%/44%/48% in revenue/ EBITDA/PAT over FY26-28, with a 32%+ EBITDA margin in FY28, driven by volume commitments from key healthcare customers. Robust RoE/RoCE (~29%/39% in FY28E) and OCF (~INR8b over FY26-28) will support the expansion of GLP-1 pen capacity by ~5x. Thus, **we are constructive on SHEP and reiterate our BUY rating with a revised TP of INR4,074, based on 50x FY28E EPS. Slower-than-expected growth and earnings could lead to a de-rating in the scrip's valuation and pose a risk to our positive view.**

Bloomberg	SHEP IN
Equity Shares (m)	46
M.Cap.(INRb)/(USDb)	154.9 / 1.6
52-Week Range (INR)	3434 / 1604
1, 6, 12 Rel. Per (%)	20/57/110
12M Avg Val (INR M)	851
Free float (%)	58.9

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	9.9	12.6	17.6
EBITDA	2.8	3.8	5.8
Adj. PAT	1.7	2.3	3.7
Adj. EPS (INR)	37.0	50.5	81.5
EPS Gr. (%)	82.5	36.7	61.2
BV/Sh. (INR)	156	202	278
Ratios			
RoE (%)	23.7	25.0	29.3
RoCE (%)	29.3	32.7	39.4
Payout (%)	8.1	7.9	7.4
Valuations			
P/E (x)	91.0	66.6	41.3
P/BV (x)	21.6	16.6	12.1
EV/EBITDA (x)	55.8	41.1	27.1
Div. Yield (%)	0.1	0.1	0.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	41.1	43.4	43.7
DII	14.8	10.6	14.1
FII	18.2	16.7	9.7
Others	25.9	29.3	32.4

Ashish Poddar - Research Analyst (Ashish.Poddar@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Consolidated quarterly performance

(INR m)

	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Net Sales	**2,467**	**2,567**	**2,505**	**2,368**	**2,807**	**3,070**	**3,239**	**3,446**	**9,907**	**12,561**	**2,988**	**-6**
YoY Change (%)	37.5	33.7	26.8	8.7	13.8	19.6	29.3	45.5	25.9	26.8	21.1	
Total Expenditure	1,784	1,773	1,842	1,712	1,976	2,148	2,257	2,383	7,107	8,765	2,089	
EBITDA	**683**	**793**	**663**	**656**	**831**	**922**	**982**	**1,062**	**2,799**	**3,796**	**898**	**-8**
Margins (%)	27.7	30.9	26.5	27.7	29.6	30.0	30.3	30.8	28.3	30.2	30.1	
Depreciation	114	120	125	133	140	145	150	155	492	592	138	
Interest	39	39	44	37	33	40	40	40	159	153	40	
Other Income	21	23	1	37	3	10	10	10	78	33	20	
PBT before EO expense	**551**	**657**	**495**	**523**	**659**	**746**	**802**	**877**	**2,226**	**3,084**	**741**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**551**	**657**	**495**	**523**	**659**	**746**	**802**	**877**	**2,226**	**3,084**	**741**	**-11**
Tax	140	144	121	122	179	179	192	210	527	761	174	
Rate (%)	25.3	22.0	24.5	23.3	27.2	24.0	24.0	24.0	23.7	24.7	23.5	
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	
Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**411**	**513**	**374**	**402**	**480**	**567**	**610**	**667**	**1,699**	**2,323**	**566**	**-15**
Adj PAT	**411**	**513**	**374**	**402**	**480**	**567**	**610**	**667**	**1,699**	**2,323**	**566**	**-15**
YoY Change (%)	136.2	133.8	48.4	40.5	16.7	10.7	63.1	66.0	82.5	36.7	37.8	
Margins (%)	16.7	20.0	14.9	17.0	17.1	18.5	18.8	19.3	17.2	18.5	19.0	

E: MOFSL Estimates

Quarterly Performance

	4QFY25	1QFY26	2QFY25	3QFY26	4QFY26	1QFY27	% YoY	% QoQ
Segment Revenues (INR m)								
Consumer	1,481	1,514	1,349	1,228	1,021	1,155	(24)	13
Healthcare	560	772	986	1,043	1,128	1,424	84	26
Industrial	137	181	232	234	219	227	25	4
Total revenue	**2,178**	**2,467**	**2,567**	**2,505**	**2,368**	**2,806**	**14**	**18**
Segment Revenues - Mix (%)								
Consumer	68	61	53	49	43	41		
Healthcare	26	31	38	42	48	51		
Industrial	6	7	9	9	9	8		
Geographical Revenue (INR m)								
Exports	1,624	1,713	1,590	1,686	1,279	1,596	(7)	25
Domestic	409	538	766	679	961	1,151	114	20
UK, UAE Subs. (Platform Fees)	145	216	210	141	128	59	(73)	(54)
Total revenue	**2,178**	**2,467**	**2,567**	**2,505**	**2,368**	**2,807**	**14**	**19**
Geographical Revenue - Mix (%)								
Exports	75	69	62	67	54	57		
Domestic	19	22	30	27	41	41		
UK, UAE Subs. (Platform Fees)	7	9	8	6	5	2		



Key highlights from the management commentary

Business development

- Shaily was able to mitigate challenges with calibrated price hikes and operational efficiency. Gross margin was impacted by a steep rise on RM prices, which will be fully passed on gradually.
- Domestic revenue surged 114% YoY, led by expanding GLP-1 pen volume supply to domestic pharma customers, which, in turn, are selling in global markets.
- Export revenue fell 7% YoY due to weakness in consumer segment and low revenue booking in the UK subsidiary (down 73% YoY).
- **UK subsidiary business is expected to come back strongly in next few quarters.**

Healthcare (revenue up 84% YoY, 51% mix)

- Sold 9m pen devices in 1Q (50-60% GLP-1, rest insulin and other therapies).
- 6 of 8 pens platforms are commercial now.
- Working to expand capacity by 30% by 2Q end via some line changing etc.
- Appointed dedicated sales heads for US and Europe to expand businesses
- Additional 25m pen capacity is expected by Sep'25 to take total to 75m+
- **FY27 guidance of 36m pens has upside risk; Dr. Reddy's volume is intact**
- Received customer approvals to supply Semaglutide pens in Canada and Brazil
- Two new projects signed for IP-led platforms
- Reusable auto injectors are expected to be launched by FY27-end
- In advance discussion with a pharma innovator; expect to onboard this customer in next six quarters
- Pen business is not a cost-plus-contract but a market-driven price business.
- No.2 supplier in Canada; expect a similar status in Brazil.
- Abu Dhabi plant is planned to start production in FY28.

Consumer (revenue down 24% YoY, 41% mix)

- Revenue slid due to continued weak consumer sentiment in US and Europe.
- **Revenue is likely to be flat in FY27.**
- Business confirmation received for global project from FMCG customer.
- Engaged for a new projects from customer in LED lights.

Industrial (revenue up 25% YoY, 8% mix)

- Business confirmation received for new projects from customers in Consumer Appliance, Consumer Electronics and Auto sectors.
- Consumer electronics and Semicon business will be more domestic focused.

Consumer Electronics

- Manufacturing high critical products; started commercial supply in small batches
- Confirmation from a new logo for five new products; supply likely from 4Q.
- Acquired land for a new plant in South India for ~INR1b capex; to disclose further update by next quarter.

Semiconductor

- Revenue is likely to accrue from 4Q.
- Manufacturing specialized trays having volume requirement in millions.

Story in charts

Exhibit 1: Geography revenue mix (%,1QFY27)

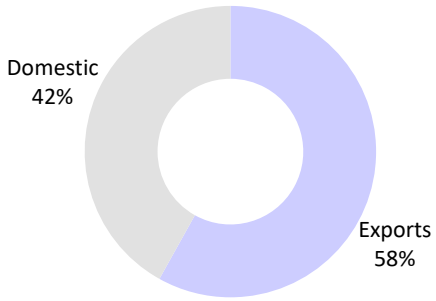


Exhibit 2: Segment revenue mix (%,1QFY27)

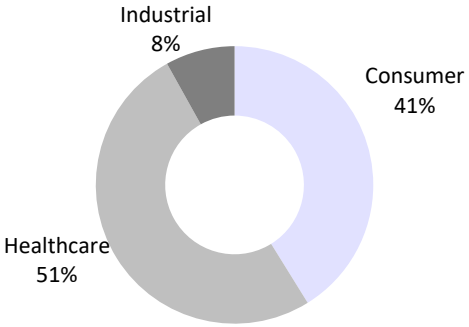


Exhibit 3: Quarterly revenue and growth trends

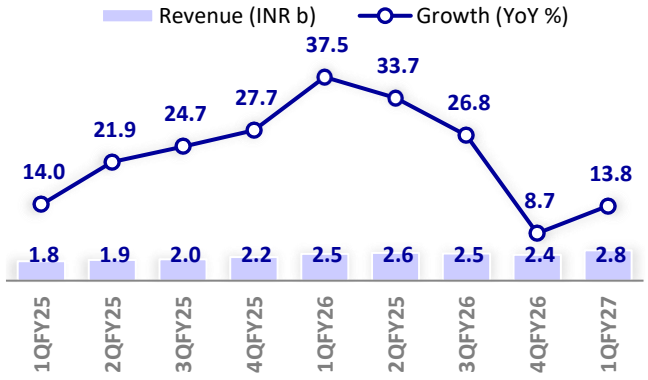


Exhibit 4: Expenses as % of quarterly revenue

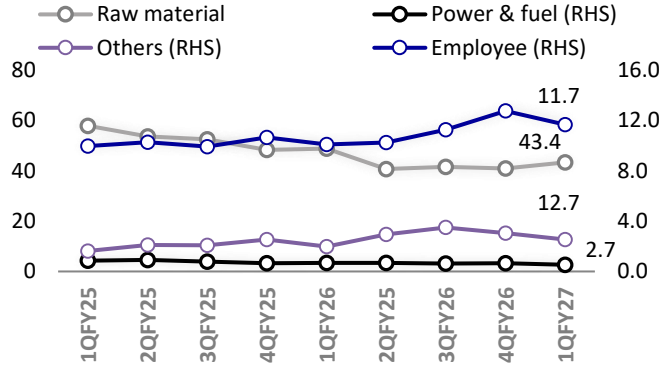


Exhibit 5: Quarterly EBITDA and Adj. PAT trends (%)

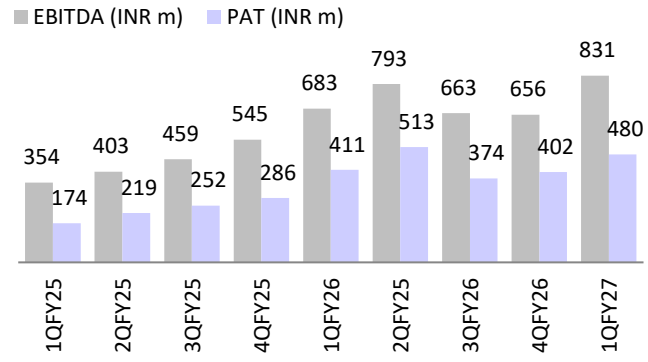


Exhibit 6: Quarterly EBITDA, PAT margins trends

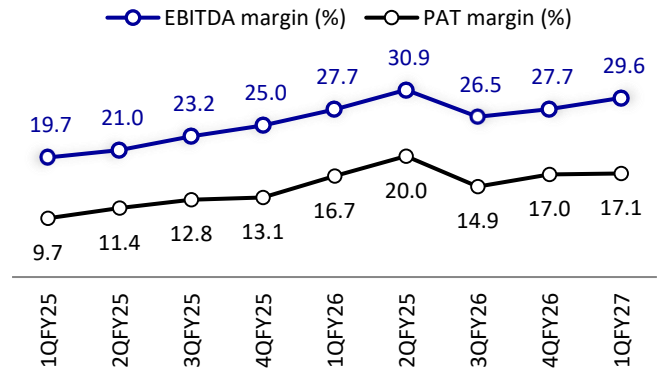


Exhibit 7: Consolidated annual revenue and growth trends

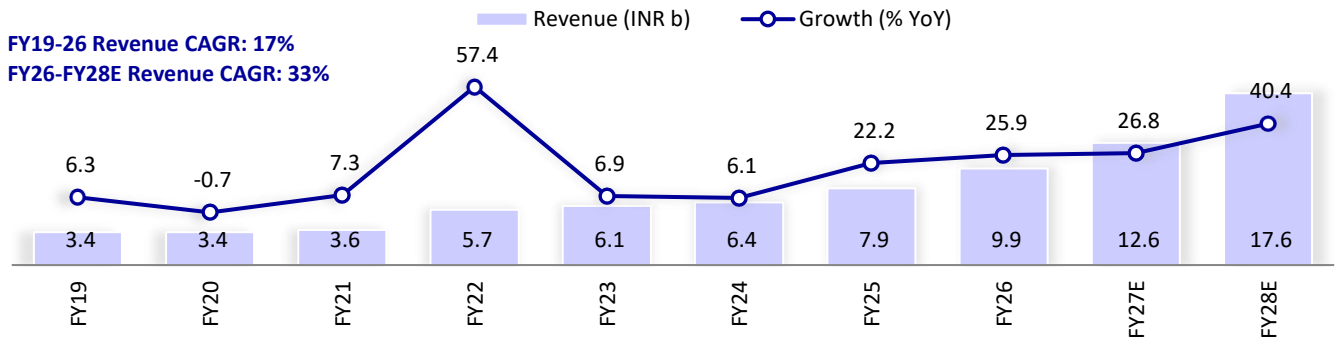
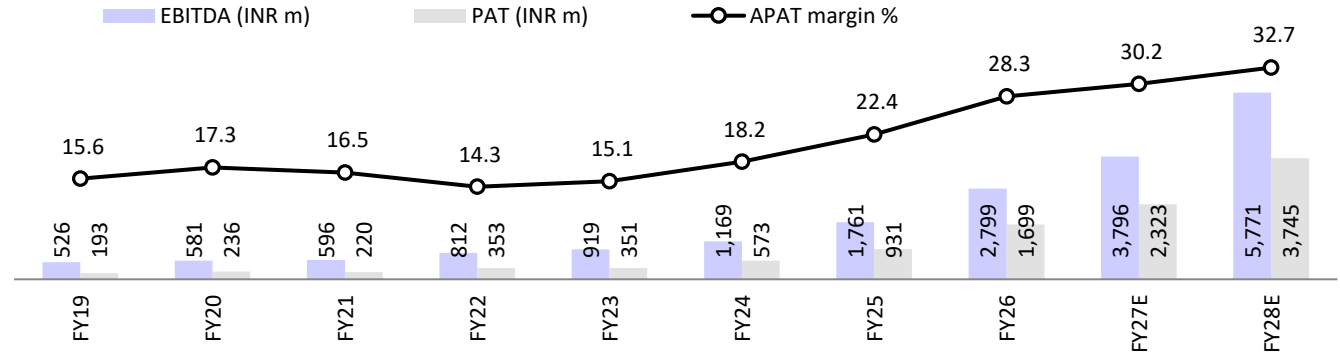


Exhibit 8: Annual EBITDA, Adj. PAT, and margin trends (%)



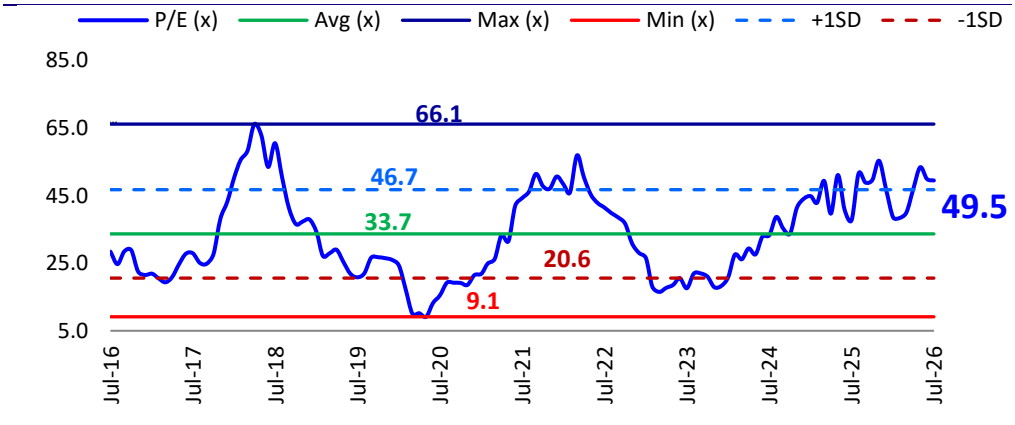
Source: Company, MOFSL

Exhibit 9: Changes to our estimates

INR m	Old		New		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	12,599	16,490	12,561	17,637	(0)	7
EBITDA	3,812	5,319	3,796	5,771	(0)	9
EBITDA margin %	*30.3*	*32.3*	*30.2*	*32.7*		
PAT	2,396	3,476	2,323	3,745	(3)	8
EPS	52.1	75.6	50.5	81.5	(3)	8

Source: MOFSL, Company

Exhibit 10: One-year forward P/E band and standard deviation



Source: Bloomberg, MOFSL

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**3,606**	**5,677**	**6,071**	**6,439**	**7,868**	**9,907**	**12,561**	**17,637**
Change (%)	7.3	57.4	6.9	6.1	22.2	25.9	26.8	40.4
RM Cost	2,153	3,575	3,865	3,701	4,158	4,262	5,346	7,242
Gross Profit	**1,453**	**2,102**	**2,206**	**2,738**	**3,710**	**5,645**	**7,215**	**10,395**
Employees Cost	342	433	479	573	804	1,097	1,400	1,878
Other Expenses	516	857	808	995	1,145	1,749	2,018	2,745
Total Expenditure	**3,010**	**4,865**	**5,152**	**5,269**	**6,107**	**7,107**	**8,765**	**11,865**
% of Sales	83.5	85.7	84.9	81.8	77.6	71.7	69.8	67.3
EBITDA	**596**	**812**	**919**	**1,169**	**1,761**	**2,799**	**3,796**	**5,771**
Margin (%)	16.5	14.3	15.1	18.2	22.4	28.3	30.2	32.7
Depreciation	195	265	333	357	422	492	592	723
EBIT	**400**	**547**	**586**	**813**	**1,339**	**2,307**	**3,205**	**5,048**
Int. and Finance Charges	127	169	179	179	169	159	153	141
Other Income	26	88	45	65	23	78	33	53
PBT bef. EO Exp.	**299**	**465**	**452**	**698**	**1,193**	**2,226**	**3,084**	**4,960**
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	**299**	**465**	**452**	**698**	**1,193**	**2,226**	**3,084**	**4,960**
Total Tax	79	113	101	126	262	527	761	1,215
Tax Rate (%)	26.3	24.2	22.2	18.0	21.9	23.7	24.7	24.5
Share of Profit/Loss of JV	0	0	0	0	0	0	0	0
Share of Minority Interests	0	0	0	0	0	0	0	0
Reported PAT	**220**	**353**	**351**	**573**	**931**	**1,699**	**2,323**	**3,745**
Adjusted PAT	**220**	**353**	**351**	**573**	**931**	**1,699**	**2,323**	**3,745**
Change (%)	-6.7	60.1	-0.3	63.0	62.5	82.5	36.7	61.2
Margin (%)	6.1	6.2	5.8	8.9	11.8	17.2	18.5	21.2

Consolidated - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	83	92	92	92	92	92	92	92
Total Reserves	1,735	3,578	3,922	4,500	5,385	7,075	9,214	12,683
Net Worth	**1,819**	**3,670**	**4,014**	**4,592**	**5,477**	**7,167**	**9,306**	**12,775**
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	2,017	1,749	1,872	2,084	1,877	1,740	1,590	2,190
Deferred Tax Liabilities	103	132	170	208	236	340	0	0
Capital Employed	**3,938**	**5,550**	**6,056**	**6,884**	**7,590**	**9,247**	**10,896**	**14,965**
Gross Block	3,426	4,788	5,534	6,818	7,471	9,121	9,871	14,121
Less: Accum. Deprn.	1,084	1,350	1,683	2,040	2,461	2,953	3,545	4,268
Net Fixed Assets	**2,342**	**3,438**	**3,851**	**4,778**	**5,010**	**6,167**	**6,326**	**9,853**
Goodwill on Consolidation	0	0	0	0	0	0	0	0
Capital WIP	231	161	490	153	174	288	1,288	288
Total Investments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Curr. Assets, Loans&Adv.	**2,098**	**3,156**	**2,575**	**2,887**	**4,069**	**4,953**	**5,946**	**8,031**
Inventory	669	1,114	730	836	1,378	1,508	2,065	2,899
Account Receivables	695	1,017	919	1,174	1,717	2,148	2,689	3,728
Cash and Bank Balance	29	471	230	264	231	252	112	289
Loans and Advances	705	555	695	613	742	1,045	1,080	1,115
Curr. Liability & Prov.	**732**	**1,205**	**859**	**934**	**1,662**	**2,160**	**2,664**	**3,206**
Account Payables	466	856	534	687	990	859	1,377	1,933
Other Current Liabilities	242	322	290	213	562	1,163	1,145	1,127
Provisions	24	27	35	35	110	139	143	147
Net Current Assets	**1,366**	**1,951**	**1,715**	**1,953**	**2,406**	**2,792**	**3,282**	**4,824**
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	**3,938**	**5,551**	**6,056**	**6,884**	**7,590**	**9,248**	**10,896**	**14,965**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
Adj EPS	**4.8**	**7.7**	**7.6**	**12.5**	**20.3**	**37.0**	**50.5**	**81.5**
Cash EPS	9.0	13.4	14.9	20.2	29.4	47.7	63.4	97.2
BV/Share	40	80	87	100	119	156	202	278
DPS	0.0	0.0	0.0	1.0	2.0	3.0	4.0	6.0
Payout (%)	0.0	0.0	0.0	8.0	9.9	8.1	7.9	7.4
Valuation (x)								
P/E	702.2	438.5	439.9	269.9	166.1	91.0	66.6	41.3
Cash P/E	372.2	250.2	225.9	166.3	114.3	70.6	53.1	34.6
P/BV	85.0	42.1	38.5	33.7	28.2	21.6	16.6	12.1
EV/Sales	43.4	27.5	25.7	24.3	19.9	15.8	12.4	8.9
EV/EBITDA	263.0	192.0	170.1	133.8	88.8	55.8	41.1	27.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2
FCF per share	-13.2	-14.3	-4.7	-0.6	8.3	8.8	16.2	0.7
Return Ratios (%)								
RoE	12.1	9.6	8.8	12.5	17.0	23.7	25.0	29.3
RoCE (pre-tax)	12.8	13.7	11.2	14.0	19.4	29.3	32.7	39.4
RoIC (pre-tax)	13.9	14.8	12.3	14.9	20.0	30.0	35.6	42.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.1	1.2	1.1	0.9	1.1	1.1	1.3	1.2
Net Working Capital Cycle (Days)	91	82	67	75	98	103	98	97
Debtor (Days)	70	65	55	67	80	79	78	77
Inventory (Days)	68	72	44	47	64	56	60	60
Creditor (Days)	47	55	32	39	46	32	40	40
Leverage Ratio (x)								
Current Ratio	2.9	2.6	3.0	3.1	2.4	2.3	2.2	2.5
Interest Cover Ratio	3.3	3.7	3.5	4.9	8.0	15.0	21.1	36.2
Net Debt/Equity	1.1	0.3	0.4	0.4	0.3	0.2	0.2	0.1

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	299	465	452	698	1,193	2,226	3,084	4,960
Depreciation	195	265	333	357	422	492	592	723
Interest & Finance Charges	127	169	179	179	169	159	153	141
Direct Taxes Paid	-60	-64	-60	-88	-175	-494	-670	-1,124
(Inc)/Dec in WC	-326	-266	-6	-270	-483	-169	-629	-1,365
CF from Operations	**235**	**570**	**898**	**877**	**1,126**	**2,215**	**2,529**	**3,335**
Others	-11	-20	2	46	-25	43	-33	-53
CF from Operating incl EO	**225**	**550**	**900**	**923**	**1,101**	**2,257**	**2,496**	**3,282**
(Inc)/Dec in FA	-830	-1,207	-1,116	-950	-721	-1,852	-1,750	-3,250
Free Cash Flow	**-605**	**-657**	**-216**	**-27**	**379**	**405**	**746**	**32**
(Pur)/Sale of Investments	0	0	0	0	0	0	0	0
Others	11	-84	107	12	8	5	33	53
CF from Investments	**-819**	**-1,291**	**-1,009**	**-938**	**-713**	**-1,847**	**-1,718**	**-3,197**
Issue of Shares	0	1,497	0	0	0	0	0	0
Inc/(Dec) in Debt	659	-256	112	205	-205	-145	-150	600
Interest Paid	-125	-158	-163	-159	-168	-158	-153	-141
Dividend Paid	0	0	0	0	-46	-90	-184	-276
Others	0	0	0	0	0	0	-432	-91
CF from Fin. Activity	**534**	**1,083**	**-51**	**46**	**-419**	**-393**	**-919**	**92**
Inc/Dec of Cash	**-61**	**341**	**-160**	**31**	**-31**	**17**	**-140**	**177**
Opening Balance	70	10	351	191	222	191	208	68
Other cash & cash equivalent	0	0	0	0	0	0	0	0
Closing Balance	**10**	**351**	**191**	**222**	**191**	**208**	**68**	**245**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.