

# Ipca Laboratories

Estimate change



TP change



Rating change



Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We [request your ballot.](#)



|                       |             |
|-----------------------|-------------|
| Bloomberg             | IPCA IN     |
| Equity Shares (m)     | 126         |
| M.Cap.(INRb)/(USD\$)  | 253.8 / 3.5 |
| 52-Week Range (INR)   | 2175 / 844  |
| 1, 6, 12 Rel. Per (%) | 16/68/106   |
| 12M Avg Val (INR M)   | 498         |

## Financials & Valuations (INR b)

| Y/E MARCH            | 2020  | 2021E | 2022E |
|----------------------|-------|-------|-------|
| Sales                | 46.5  | 55.5  | 61.6  |
| EBITDA               | 9.6   | 15.4  | 15.4  |
| Adj. PAT             | 6.5   | 11.2  | 11.2  |
| EBIT Margin (%)      | 16.1  | 24.0  | 21.5  |
| Cons. Adj. EPS (INR) | 51.4  | 89.0  | 88.7  |
| EPS Gr. (%)          | 41.6  | 73.2  | -0.3  |
| BV/Sh. (INR)         | 287.9 | 363.5 | 439.0 |

## Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D:E    | -0.1 | -0.2 | -0.3 |
| RoE (%)    | 19.2 | 27.3 | 22.1 |
| RoCE (%)   | 17.8 | 25.3 | 20.9 |
| Payout (%) | 14.8 | 15.0 | 15.0 |

## Valuations

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 39.2 | 22.6 | 22.7 |
| EV/EBITDA (x)  | 26.3 | 15.9 | 15.5 |
| Div. Yield (%) | 0.4  | 0.7  | 0.7  |
| FCF Yield (%)  | 1.6  | 3.3  | 3.5  |
| EV/Sales (x)   | 5.4  | 4.4  | 3.9  |

## Shareholding pattern (%)

| As On    | Jun-20 | Mar-20 | Jun-19 |
|----------|--------|--------|--------|
| Promoter | 46.1   | 46.1   | 46.1   |
| DII      | 28.2   | 26.7   | 24.1   |
| FII      | 12.4   | 12.6   | 15.6   |
| Others   | 13.3   | 14.6   | 14.3   |

FII Includes depository receipts

**CMP: INR2,008**
**TP: INR2,420 (+20%)**
**Buy**

## A supernormal quarter

### On a strong growth trajectory even post adjusting for HCQS business

- Ipca Laboratories (IPCA) delivered a phenomenal performance, with unprecedented high sales/EBITDA/PAT for the quarter. This was led by Export Formulations and Domestic APIs. COVID-19-led demand for Hydroxychloroquine Sulfate (HCQS) sustained the momentum in API, and the spillover of some business QoQ aided 3x YoY PAT for 1QFY21.
- We raise our EPS estimate by 36%/15% for FY21/FY22 to factor: (a) HCQS-led opportunity, (b) an improving outlook / reduced opex for Domestic Formulations (DF), and (c) lower raw material cost. We further raise the PE multiple to 25x (in line with the five-year average) from 23x earlier to factor IPCA's capability to: (a) grow better than the industry in DF and (b) benefit from supply disruption in the API industry and increased backward integration driving better gross margins. Accordingly, we revise our TP to INR2,420 (from INR1,955 earlier) and reiterate Buy on the stock.

### Strong beat on earnings

- IPCA's 1QFY21 sales were up 42% YoY to INR15.3b (our estimate: INR11.7b), led by strong growth in Export Formulations and API.
- Exports (Generic Formulations) grew 89% YoY to INR2.4b (16% of sales). API grew 72% YoY to INR5.2b (33% of sales) for the quarter.
- Branded Formulations exports grew 46% YoY to INR1.3b (9% of sales). Institutional Sales exports rose to INR887m YoY from INR273m. DF sales grew 8% YoY to INR4.9b (32% of sales).
- The gross margin (GM) was up 940bp YoY at 71.7%, led by a superior product mix.
- The EBITDA margin further expanded by ~1,980bp YoY to 38.2% on account of a better GM and strong operating leverage (employee cost / other expenses down 330bp/710bp YoY).
- EBITDA at INR5.9b (our estimate: INR2.5b) was ~3x YoY.
- PAT stood at INR4.4b (our estimate: INR1.7b) and was ~3.6x YoY.

### Highlights from management commentary

- COVID-19-led CQS/HCQS sales stood at INR2.6b for 1QFY21.
- Overall sales are expected to grow 18–19% YoY in FY21, with 10–12% growth in the DF business, a 20% YoY increase in API, and better opportunities in Export Formulations. Gross margins are expected to expand 100–150bps YoY in FY21 on lower raw material cost and a product mix change.
- Overall, operational expenses are expected to grow 5–6% YoY in the near term.
- With environmental clearance in place, IPCA would commence construction at Dewas post the monsoons; it intends to spend INR2.5–3b capex over the next 15M to expand API capacity.

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)

Hitakshi Chandrani (Hitakshi.Chandrani@motilaloswal.com); / Bharat Hegde – (Bharat.Hegde@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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Valuation and view**

- We expect an earnings CAGR of 31% (FY20–22), supported by: a) a sales CAGR of 20% in International Generics and 22% in API, b) healthy outperformance by the DF segment, and c) 500bp margin expansion owing to a better product mix and operating leverage. Optically, FY22 earnings may look flat YoY. However, adjusted for HCQS, we expect healthy YoY growth in FY22 as well.
- We value IPCA on a 25x 12M forward earnings basis to arrive at TP of INR2,420 (from INR1,955 earlier).
- We remain positive on IPCA on the back of: a) superior performance in the DF segment, b) the addition of new APIs as well as increased traction in existing API molecules, c) product launches under its own label in the UK, and d) increased backward integration to derive further benefit by improving manufacturing efficiency. Reiterate **Buy**.

**Quarterly Performance**

| Y/E March                    | FY20          |               |               |               | FY21E         |               |               |               | (INR m)       |               |               |              |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           | FY20          | FY21E         | Est. 1QE      | % Chg        |
| <b>Net Revenues (Core)</b>   | <b>10,782</b> | <b>12,839</b> | <b>12,129</b> | <b>10,738</b> | <b>15,344</b> | <b>13,678</b> | <b>14,199</b> | <b>12,312</b> | <b>46,487</b> | <b>55,534</b> | <b>11,716</b> | <b>31.0</b>  |
| YoY Change (%)               | 23.2          | 26.9          | 20.5          | 22.1          | 42.3          | 6.5           | 17.1          | 14.7          | 23.2          | 19.5          | 8.7           |              |
| <b>EBITDA</b>                | <b>1,987</b>  | <b>2,659</b>  | <b>2,737</b>  | <b>2,197</b>  | <b>5,863</b>  | <b>3,420</b>  | <b>3,493</b>  | <b>2,663</b>  | <b>9,580</b>  | <b>15,438</b> | <b>2,495</b>  | <b>135.8</b> |
| YoY Change (%)               | 40.4          | 29.8          | 32.8          | 33.5          | 195.0         | 28.6          | 27.6          | 21.2          | 33.6          | 61.2          | 25.6          |              |
| Depreciation                 | 461           | 496           | 508           | 639           | 510           | 490           | 520           | 563           | 2,105         | 2,083         | 480           |              |
| <b>EBIT</b>                  | <b>1,526</b>  | <b>2,162</b>  | <b>2,228</b>  | <b>1,558</b>  | <b>5,353</b>  | <b>2,930</b>  | <b>2,973</b>  | <b>2,100</b>  | <b>7,475</b>  | <b>13,355</b> | <b>2,015</b>  | <b>166.6</b> |
| YoY Change (%)               | 60.7          | 35.6          | 39.0          | 30.0          | 250.7         | 35.5          | 33.4          | 34.8          | 39.8          | 78.7          | 32.1          |              |
| Interest                     | 46            | 42            | 40            | 37            | 27            | 34            | 45            | 64            | 165           | 170           | 40            |              |
| Other Income                 | 112           | 148           | 181           | 137           | 121           | 125           | 130           | 134           | 578           | 510           | 120           |              |
| <b>PBT before EO Expense</b> | <b>1,592</b>  | <b>2,268</b>  | <b>2,369</b>  | <b>1,658</b>  | <b>5,446</b>  | <b>3,021</b>  | <b>3,058</b>  | <b>2,170</b>  | <b>7,888</b>  | <b>13,695</b> | <b>2,095</b>  |              |
| One-off (gain)/ Expense      | -91           | 0             | 0             | 536           | 0             | 0             | 0             | 0             | 445           | 0             | 0             |              |
| <b>PBT after EO Expense</b>  | <b>1,683</b>  | <b>2,268</b>  | <b>2,369</b>  | <b>1,123</b>  | <b>5,446</b>  | <b>3,021</b>  | <b>3,058</b>  | <b>2,170</b>  | <b>7,442</b>  | <b>13,695</b> | <b>2,095</b>  |              |
| Tax                          | 374           | 319           | 369           | 292           | 999           | 529           | 535           | 403           | 1,353         | 2,465         | 335           |              |
| Rate (%)                     | 23.5          | 14.1          | 15.6          | 17.6          | 18.3          | 17.5          | 17.5          | 18.6          | 17.2          | 18.0          | 16.0          |              |
| <b>Reported PAT</b>          | <b>1,310</b>  | <b>1,949</b>  | <b>2,001</b>  | <b>830</b>    | <b>4,448</b>  | <b>2,492</b>  | <b>2,523</b>  | <b>1,767</b>  | <b>6,090</b>  | <b>11,230</b> | <b>1,760</b>  | <b>153.8</b> |
| Minority Interest            | -16           | -14           | -25           | -23           | -11           | 6             | 2             | 3             | -78           | 0             | -20           |              |
| <b>Adj PAT</b>               | <b>1,223</b>  | <b>1,936</b>  | <b>1,975</b>  | <b>1,352</b>  | <b>4,437</b>  | <b>2,498</b>  | <b>2,525</b>  | <b>1,770</b>  | <b>6,485</b>  | <b>11,230</b> | <b>1,740</b>  | <b>150.4</b> |
| YoY Change (%)               | 44.2          | 37.5          | 47.2          | 37.6          | 262.8         | 29.1          | 27.8          | 30.9          | 41.6          | 73.2          | 42.3          |              |
| Margins (%)                  | 11.3          | 15.1          | 16.3          | 12.6          | 28.9          | 18.3          | 17.8          | 14.4          | 14.0          | 20.2          | 14.9          |              |

**Key performance Indicators (Consolidated)**

| Y/E March               | FY20  |       |       |       | FY21E |       |       |        | FY20   | FY21E  | Est. 1QE |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|----------|
|                         | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2QE   | 3QE   | 4QE    |        |        |          |
| <b>INRm</b>             |       |       |       |       |       |       |       |        |        |        |          |
| Domestic formulations   | 4,528 | 5,432 | 4,856 | 4,310 | 4,894 | 5,704 | 5,390 | 4,668  | 20,656 | 23,548 | 4,936    |
| YoY Change (%)          | 12.9  | 15.9  | 16.0  | 21.2  | 8.1   | 5.0   | 11.0  | 8.3    | 8.0    | 14.0   | 9.0      |
| Exports formulations    | 2,448 | 3,408 | 3,534 | 2,825 | 4,636 | 3,573 | 3,979 | 3,483  | 15,671 | 17,584 | 2,608    |
| YoY Change (%)          | 9.3   | 18.2  | 25.2  | 11.4  | 89.4  | 4.8   | 12.6  | 23.3   | 28.3   | 12.2   | 6.5      |
| Domestic APIs           | 657   | 672   | 532   | 649   | 2,030 | 1,900 | 1,595 | 1,500  | 7,026  | 7,518  | 723      |
| YoY Change (%)          | 9.5   | 10.0  | 18.0  | 40.9  | 209.0 | 13.0  | 200.0 | 131.2  | 180.0  | 7.0    | 10.0     |
| Export APIs             | 2,326 | 2,472 | 2,322 | 2,102 | 3,103 | 2,281 | 2,400 | 1,646  | 9,429  | 10,034 | 2,838    |
| YoY Change (%)          | 47.5  | 20.0  | 35.0  | 27.0  | 33.4  | 23.0  | 23.0  | (21.7) | 2.2    | 6.4    | 22.0     |
| <b>Cost Break-up</b>    |       |       |       |       |       |       |       |        |        |        |          |
| RM Cost (% of Sales)    | 37.7  | 35.0  | 34.9  | 34.0  | 28.3  | 33.0  | 33.5  | 33.4   | 35.4   | 28.3   | 35.2     |
| Staff Cost (% of Sales) | 20.0  | 18.1  | 19.1  | 22.6  | 16.7  | 19.0  | 18.9  | 20.6   | 19.8   | 16.7   | 20.0     |
| Other Cost (% of Sales) | 23.9  | 26.2  | 23.4  | 23.0  | 16.8  | 23.0  | 23.0  | 24.4   | 24.2   | 16.8   | 23.5     |
| Gross Margins(%)        | 62.3  | 65.0  | 65.1  | 66.0  | 71.7  | 67.0  | 66.5  | 66.6   | 64.6   | 71.7   | 64.8     |
| EBITDA Margins(%)       | 18.4  | 20.7  | 22.6  | 20.5  | 38.2  | 25.0  | 24.6  | 21.6   | 20.6   | 27.8   | 21.3     |
| EBIT Margins(%)         | 14.2  | 16.8  | 18.4  | 14.5  | 34.9  | 21.4  | 20.9  | 17.1   | 16.1   | 24.0   | 17.2     |



### Highlights from management commentary

- The new plant at Dewas is expected to increase API capacity by 300 TPA (+20% from current levels).
- The Institutional business is expected to generate INR2b+ revenues for FY21. The Promotional business would grow 17–18% YoY for FY21, including spillovers from previous quarter.
- HCQS sales have normalized on an overall basis. Some API demand is witnessed in the LATAM market.
- IPCA has worked on two Drug Master Files (DMFs); these are high in value and small in volume. Remediation measures have been completed and IPCA awaits inspection before filing these DMFs with the USFDA.
- IPCA is tracking well on Sartans and would further increase capacity on these products.
- IPCA has received approval for some of its products in the UK under its own label, and it plans to launch the products from 3QFY21.

### Valuation and view

#### Improving outlook for DF

- IPCA recorded 8% YoY growth in DF sales. Adjusting for HCQS sales to the government, YoY growth would be at 2% for the quarter. IPCA exhibited consistently robust growth in the Pain-Analgesics and Anti-Malaria therapies for the quarter. However, this was offset, to some extent, by moderate growth in Cardiac and decline in Anti-Infectives. Product-wise, Zerodol continues to do well. Considering the gradually improving outlook for the DF segment, we expect an 11% sales CAGR over FY20–22 in this segment.

#### Good prospects for API segment

- The API business (33% of sales) posted 72% YoY growth in 1QFY21, largely led by domestic APIs. Overall growth in API sales was partly driven by higher demand for HCQS. While HCQS demand has already normalized, except for some demand from LATAM countries, other APIs are expected to pick up as manufacturing is moving away from HCQS in favor of other APIs. IPCA has a strong API product portfolio in the CVS, Anti-Malaria, and Pain segments, which account for >75% of sales. IPCA continues to strengthen its position in Sartans. It is also in the process of adding some KSM products to its in-house manufacturing capabilities to improve profitability.
- Furthermore, it is expanding capacity, with the addition of a new API facility in Dewas, to address future demand. As a result, we expect IPCA to deliver a 22% sales CAGR in the API segment over FY20–22.

### EU business to improve gradually

- Apart from HCQS-led opportunity in Export Formulations, IPCA is working on replacing the distributor label in the UK with its own label and subsequently doing launches under its label (14–15 in FY21). While this move is a positive for margin expansion opportunities in the long run, IPCA expects start-up costs and the migration of the business from the distributor to lead to short-term disruption. This would, in turn, result in the UK business moderating in FY21.
- The Europe business (excl. the UK) is on track and should sustain the growth momentum in FY21 as well (42% YoY growth in FY20 to INR1.7b). This would be led by increased product offerings and better traction in existing products. IPCA has multiple distributors in other countries within Europe; thus, it is not likely to face disruption similar to the UK in this region.

### Valuation and view

- We raise our EPS estimate by 36%/15% for FY21/FY22 to factor HCQS-led opportunity, an improving outlook / reduced opex for Domestic Formulations (DF), and lower raw material cost. Accordingly, we expect an earnings CAGR of 31% (FY20–22).
- We further raise the PE multiple to 25x (in line with the five-year average) from 23x earlier to factor IPCA's capability to: (a) grow better than the industry in DF and (b) benefit from supply disruption in the API industry and increased backward integration driving better gross margins. Accordingly, we revise our TP to INR2,420 (from INR1,955 earlier). Reiterate **Buy**.

Exhibit 1: P/E chart

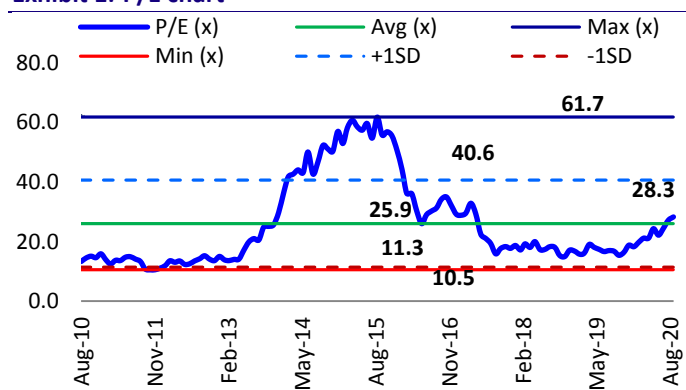
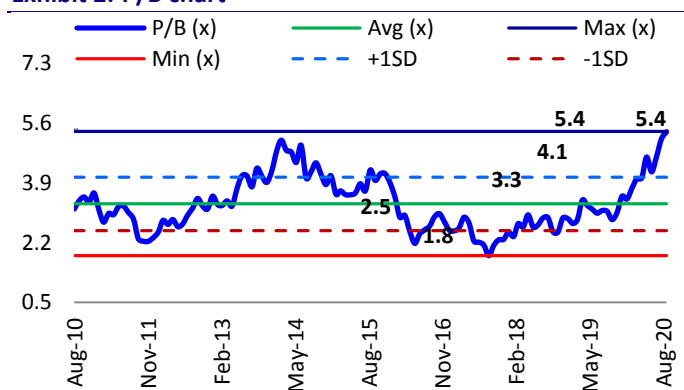
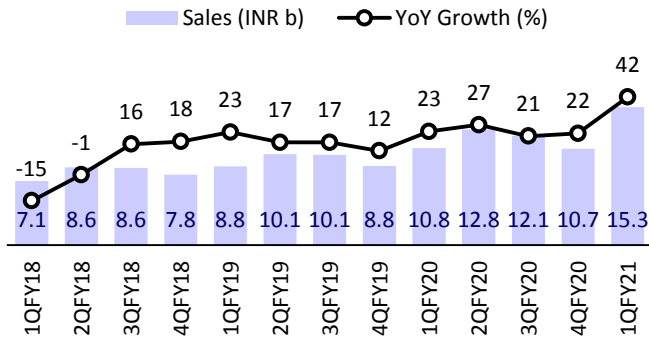


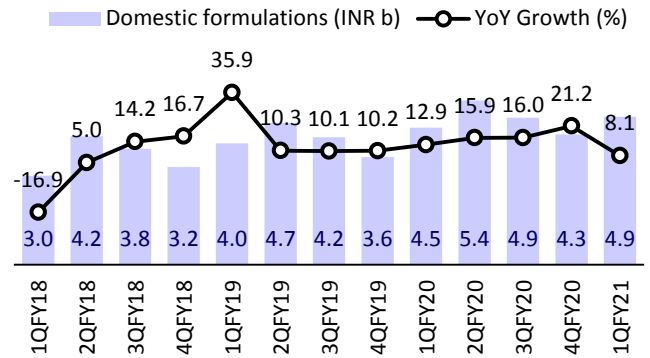
Exhibit 2: P/B chart



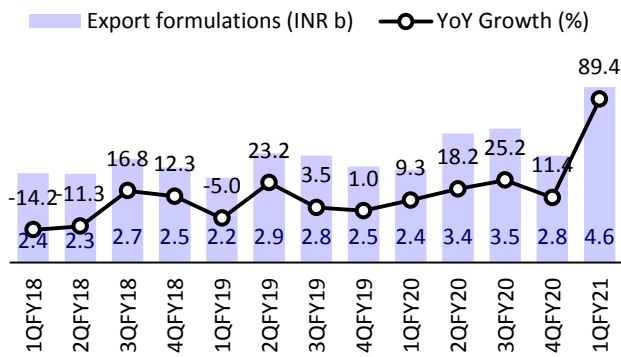
## Story in charts

**Exhibit 3: Total sales up 42% YoY in 1QFY21**


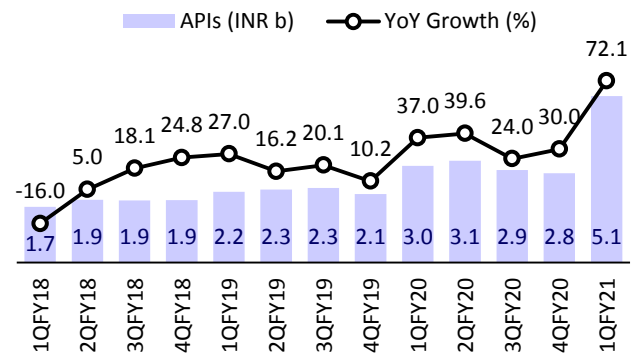
Source: Company, MOFSL

**Exhibit 4: DF sales up 8% YoY**


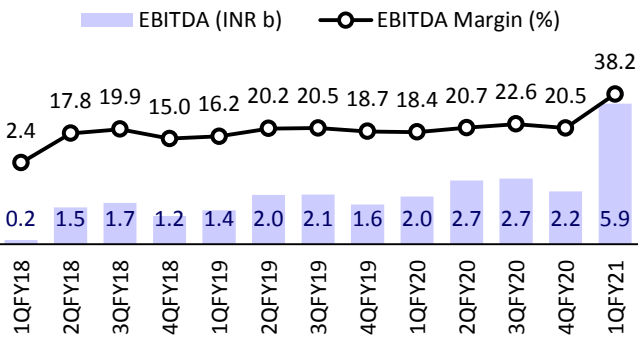
Source: Company, MOFSL

**Exhibit 5: Export Formulations grows 89% YoY**


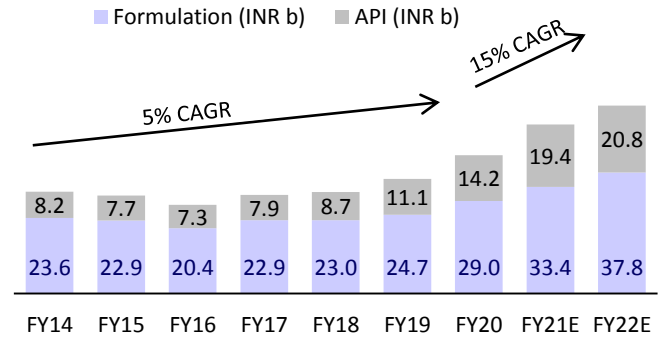
Source: Company, MOFSL

**Exhibit 6: APIs witness strong growth of 72% YoY**


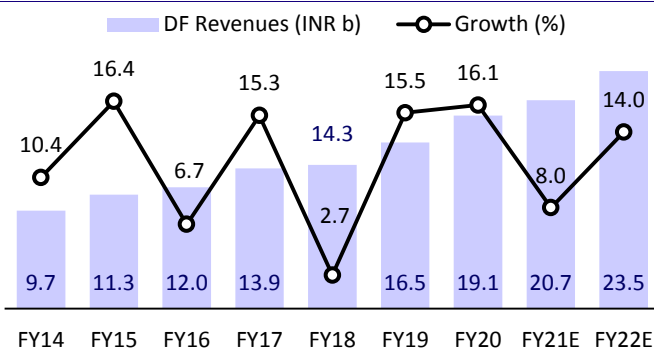
Source: Company, MOFSL

**Exhibit 7: EBITDA margin expands by 1,980bp YoY to 38.2%**


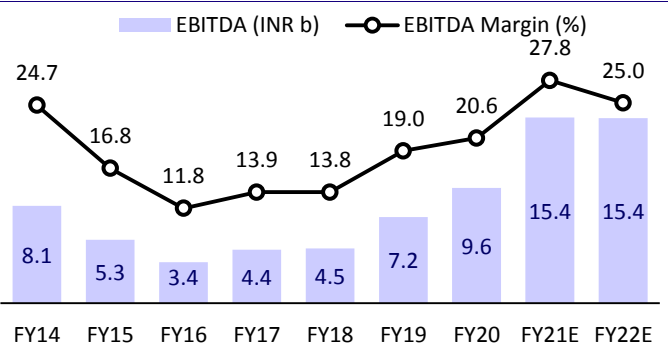
Source: Company, MOFSL

**Exhibit 8: Expect sales CAGR of 15% over FY20–22**


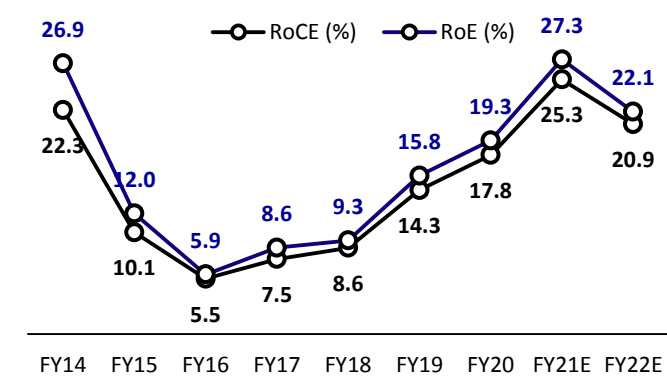
Source: Company, MOFSL

**Exhibit 9: Expect DF CAGR of 11% over FY20–22**


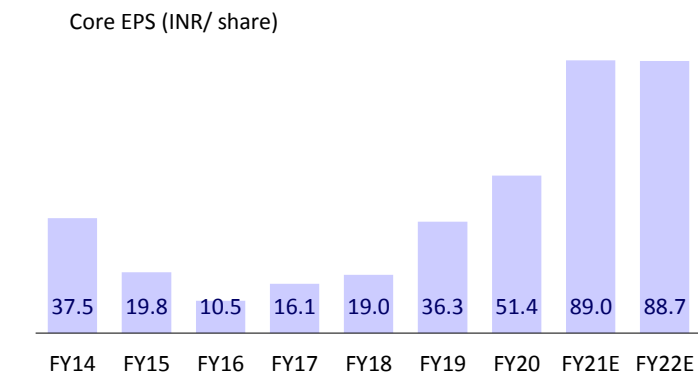
Source: Company, MOFSL

**Exhibit 10: Margins to remain on an uptrend (adjusting for HCQS)**


Source: Company, MOFSL

**Exhibit 11: Return ratios to improve from FY20 levels**

Source: Company, MOFSL

**Exhibit 12: Expect EPS CAGR of 31% over FY20–22**

Source: Company, MOFSL

## Financials and valuations

| Income Statement             |               |               |               |               |               |               |               |               | (INR m)       |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                    | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21E         | FY22E         |
| <b>Net Revenues</b>          | <b>32,818</b> | <b>31,418</b> | <b>28,850</b> | <b>32,106</b> | <b>32,836</b> | <b>37,732</b> | <b>46,487</b> | <b>55,534</b> | <b>61,579</b> |
| Change (%)                   | 16.7          | -4.3          | -8.2          | 11.3          | 2.3           | 14.9          | 23.2          | 19.5          | 10.9          |
| <b>EBITDA</b>                | <b>8,106</b>  | <b>5,291</b>  | <b>3,417</b>  | <b>4,448</b>  | <b>4,547</b>  | <b>7,170</b>  | <b>9,580</b>  | <b>15,438</b> | <b>15,395</b> |
| Margin (%)                   | 24.7          | 16.8          | 11.8          | 13.9          | 13.8          | 19.0          | 20.6          | 27.8          | 25.0          |
| Depreciation                 | 1,031         | 1,796         | 1,722         | 1,730         | 1,777         | 1,824         | 2,105         | 2,083         | 2,165         |
| <b>EBIT</b>                  | <b>7,074</b>  | <b>3,495</b>  | <b>1,695</b>  | <b>2,718</b>  | <b>2,770</b>  | <b>5,346</b>  | <b>7,475</b>  | <b>13,355</b> | <b>13,229</b> |
| Int. and Finance Charges     | 269           | 284           | 316           | 241           | 240           | 189           | 165           | 170           | 163           |
| Other Income - Rec.          | -500          | 358           | 169           | 226           | 418           | 483           | 578           | 510           | 525           |
| <b>PBT before EO Expense</b> | <b>6,306</b>  | <b>3,569</b>  | <b>1,548</b>  | <b>2,703</b>  | <b>2,948</b>  | <b>5,640</b>  | <b>7,888</b>  | <b>13,695</b> | <b>13,591</b> |
| EO Expense/(Income)          | 0             | -42           | 395           | 0             | 0             | 157           | 445           | 0             | 0             |
| <b>PBT after EO Expense</b>  | <b>6,306</b>  | <b>3,611</b>  | <b>1,153</b>  | <b>2,703</b>  | <b>2,948</b>  | <b>5,483</b>  | <b>7,442</b>  | <b>13,695</b> | <b>13,591</b> |
| Current Tax                  | 1,357         | 747           | 228           | 533           | 614           | 1,218         | 1,406         | 2,191         | 2,120         |
| Deferred Tax                 | 167           | 272           | -42           | 142           | -102          | -176          | -53           | 274           | 272           |
| Tax                          | 1,524         | 1,019         | 186           | 675           | 511           | 1,042         | 1,353         | 2,465         | 2,392         |
| Tax Rate (%)                 | 24.2          | 28.6          | 12.0          | 25.0          | 17.3          | 18.5          | 17.2          | 18.0          | 17.6          |
| <b>Reported PAT</b>          | <b>4,782</b>  | <b>2,592</b>  | <b>967</b>    | <b>2,028</b>  | <b>2,436</b>  | <b>4,441</b>  | <b>6,090</b>  | <b>11,230</b> | <b>11,198</b> |
| Less: Minority Interest      | 49            | 49            | 35            | 0             | 42            | 18            | 78            | 0             | 0             |
| <b>Net Profit</b>            | <b>4,733</b>  | <b>2,542</b>  | <b>933</b>    | <b>2,028</b>  | <b>2,394</b>  | <b>4,423</b>  | <b>6,012</b>  | <b>11,230</b> | <b>11,198</b> |
| <b>Adj PAT</b>               | <b>4,733</b>  | <b>2,501</b>  | <b>1,328</b>  | <b>2,028</b>  | <b>2,394</b>  | <b>4,580</b>  | <b>6,485</b>  | <b>11,230</b> | <b>11,198</b> |
| Adj PAT growth (%)           | 46.3          | -47.2         | -46.9         | 52.8          | 18.1          | 91.3          | 41.6          | 73.2          | -0.3          |

| Balance Sheet                      |               |               |               |               |               |               |               |               | (INR m)       |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21E         | FY22E         |
| Equity Share Capital               | 252           | 252           | 252           | 252           | 252           | 252           | 252           | 252           | 252           |
| Total Reserves                     | 19,344        | 21,832        | 22,340        | 24,300        | 26,633        | 30,971        | 36,081        | 45,626        | 55,145        |
| <b>Net Worth</b>                   | <b>19,597</b> | <b>22,084</b> | <b>22,592</b> | <b>24,553</b> | <b>26,886</b> | <b>31,224</b> | <b>36,333</b> | <b>45,878</b> | <b>55,397</b> |
| Deferred liabilities               | 1471          | 1743          | 1565          | 1705          | 1580          | 1457          | 1405          | 1678          | 1950          |
| Total Loans                        | 4,379         | 8,286         | 6,691         | 5,290         | 4,731         | 3,505         | 3,820         | 3,748         | 3,514         |
| <b>Capital Employed</b>            | <b>25,447</b> | <b>32,113</b> | <b>30,848</b> | <b>31,548</b> | <b>33,196</b> | <b>36,342</b> | <b>41,557</b> | <b>51,304</b> | <b>60,861</b> |
| Gross Block                        | 19,321        | 25,463        | 22,121        | 23,508        | 24,969        | 26,657        | 28,157        | 30,657        | 32,157        |
| Less: Accum. Deprn.                | 5,785         | 7,459         | 1,628         | 3,350         | 5,127         | 6,951         | 9,056         | 11,139        | 13,305        |
| <b>Net Fixed Assets</b>            | <b>13,536</b> | <b>18,004</b> | <b>20,493</b> | <b>20,158</b> | <b>19,842</b> | <b>19,706</b> | <b>19,101</b> | <b>19,518</b> | <b>18,852</b> |
| Capital WIP                        | 1,649         | 2,672         | 936           | 621           | 418           | 361           | 361           | 361           | 361           |
| Investments                        | 92            | 162           | 258           | 1,358         | 869           | 1,204         | 1,204         | 1,204         | 1,204         |
| <b>Curr. Assets</b>                | <b>16,827</b> | <b>17,285</b> | <b>17,230</b> | <b>17,458</b> | <b>20,027</b> | <b>24,217</b> | <b>32,133</b> | <b>43,960</b> | <b>55,471</b> |
| Inventory                          | 8,476         | 9,266         | 8,374         | 8,822         | 8,806         | 10,725        | 13,464        | 16,394        | 19,032        |
| Account Receivables                | 4,495         | 3,530         | 4,459         | 5,002         | 6,023         | 6,815         | 8,484         | 10,136        | 11,582        |
| Cash and Bank Balance              | 763           | 1,248         | 1,755         | 359           | 1,506         | 2,823         | 5,943         | 12,362        | 19,236        |
| Loans & Advances                   | 3,093         | 3,242         | 2,641         | 3,276         | 3,693         | 3,854         | 4,242         | 5,068         | 5,621         |
| <b>Curr. Liability &amp; Prov.</b> | <b>6,656</b>  | <b>6,011</b>  | <b>8,069</b>  | <b>8,047</b>  | <b>7,960</b>  | <b>9,147</b>  | <b>11,242</b> | <b>13,739</b> | <b>15,027</b> |
| Account Payables                   | 5,950         | 5,471         | 7,245         | 7,141         | 7,029         | 8,190         | 10,342        | 12,663        | 13,835        |
| Provisions                         | 706           | 540           | 824           | 906           | 931           | 957           | 900           | 1,075         | 1,192         |
| <b>Net Current Assets</b>          | <b>10,171</b> | <b>11,275</b> | <b>9,160</b>  | <b>9,410</b>  | <b>12,068</b> | <b>15,070</b> | <b>20,891</b> | <b>30,221</b> | <b>40,444</b> |
| <b>Appl. of Funds</b>              | <b>25,447</b> | <b>32,113</b> | <b>30,848</b> | <b>31,548</b> | <b>33,196</b> | <b>36,342</b> | <b>41,557</b> | <b>51,304</b> | <b>60,861</b> |



## Financials and valuations

### Ratios

| Y/E March                       | FY14        | FY15        | FY16        | FY17        | FY18        | FY19        | FY20        | FY21E       | FY22E       |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>EPS (INR)</b>                | <b>37.5</b> | <b>19.8</b> | <b>10.5</b> | <b>16.1</b> | <b>19.0</b> | <b>36.3</b> | <b>51.4</b> | <b>89.0</b> | <b>88.7</b> |
| Cash EPS                        | 45.7        | 34.4        | 21.0        | 29.8        | 33.1        | 49.5        | 64.3        | 105.5       | 105.9       |
| BV/Share                        | 155.3       | 175.0       | 179.0       | 194.6       | 213.0       | 247.4       | 287.9       | 363.5       | 439.0       |
| DPS                             | 5.9         | 1.0         | 0.0         | 1.0         | 1.0         | 1.0         | 7.2         | 13.4        | 13.4        |
| Payout (%)                      | 15.4        | 4.9         | 0.0         | 6.2         | 5.2         | 2.8         | 14.8        | 15.0        | 15.0        |
| <b>Valuation (x)</b>            |             |             |             |             |             |             |             |             |             |
| P/E                             | 53.7        | 101.6       | 191.4       | 125.3       | 106.1       | 55.5        | 39.2        | 22.6        | 22.7        |
| P/BV                            | 13.0        | 11.5        | 11.2        | 10.3        | 9.4         | 8.1         | 7.0         | 5.5         | 4.6         |
| EV/Sales                        | 7.9         | 8.3         | 9.0         | 8.1         | 7.8         | 6.8         | 5.4         | 4.4         | 3.9         |
| EV/EBITDA                       | 31.8        | 49.3        | 75.8        | 58.2        | 56.6        | 35.5        | 26.3        | 15.9        | 15.5        |
| Dividend Yield (%)              | 0.3         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.4         | 0.7         | 0.7         |
| <b>Return Ratios (%)</b>        |             |             |             |             |             |             |             |             |             |
| RoE                             | 26.9        | 12.0        | 5.9         | 8.6         | 9.3         | 15.8        | 19.2        | 27.3        | 22.1        |
| RoCE                            | 22.3        | 10.1        | 5.5         | 7.5         | 8.6         | 14.3        | 17.8        | 25.3        | 20.9        |
| RoIC                            | 24.9        | 9.8         | 5.3         | 7.1         | 7.7         | 14.0        | 18.8        | 30.7        | 28.2        |
| <b>Working Capital Ratios</b>   |             |             |             |             |             |             |             |             |             |
| Fixed Asset Turnover (x)        | 2.7         | 2.0         | 1.5         | 1.6         | 1.6         | 1.9         | 2.4         | 2.9         | 3.2         |
| Debtor (Days)                   | 50          | 41          | 56          | 56          | 66          | 65          | 66          | 66          | 68          |
| Inventory (Days)                | 94          | 108         | 106         | 100         | 98          | 104         | 106         | 108         | 113         |
| Working Capital Turnover (Days) | 105         | 116         | 94          | 103         | 117         | 118         | 117         | 117         | 126         |
| <b>Leverage Ratio (x)</b>       |             |             |             |             |             |             |             |             |             |
| Interest Cover Ratio            | 26.3        | 12.3        | 5.4         | 11.3        | 11.5        | 28.3        | 45.3        | 78.4        | 81.0        |
| Debt/Equity                     | 0.2         | 0.3         | 0.2         | 0.2         | 0.1         | 0.0         | -0.1        | -0.2        | -0.3        |

### Cash Flow Statement

(INR m)

| Y/E March                         | FY14          | FY15          | FY16          | FY17          | FY18         | FY19          | FY20          | FY21E         | FY22E         |
|-----------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Oper. Profit/(Loss) before Tax    | 8,106         | 5,291         | 3,417         | 4,448         | 4,547        | 7,170         | 9,580         | 15,438        | 15,395        |
| Interest/Dividends Recd.          | -500          | 358           | 169           | 226           | 418          | 483           | 578           | 510           | 525           |
| Direct Taxes Paid                 | -1,357        | -747          | -364          | -535          | -636         | -1,165        | -1,406        | -2,191        | -2,120        |
| (Inc)/Dec in WC                   | -339          | -619          | 2,622         | -1,647        | -1,510       | -1,686        | -2,701        | -2,911        | -3,348        |
| <b>CF from Operations</b>         | <b>5,910</b>  | <b>4,282</b>  | <b>5,844</b>  | <b>2,491</b>  | <b>2,819</b> | <b>4,803</b>  | <b>6,051</b>  | <b>10,846</b> | <b>10,451</b> |
| <b>CF from Oper. incl EO Exp.</b> | <b>5,910</b>  | <b>4,324</b>  | <b>5,449</b>  | <b>2,491</b>  | <b>2,819</b> | <b>4,646</b>  | <b>5,605</b>  | <b>10,846</b> | <b>10,451</b> |
| (inc)/dec in FA                   | -3,887        | -7,166        | 5,079         | -1,072        | -1,258       | -1,632        | -1,500        | -2,500        | -1,500        |
| <b>Free Cash Flow</b>             | <b>2,023</b>  | <b>-2,842</b> | <b>10,527</b> | <b>1,420</b>  | <b>1,561</b> | <b>3,014</b>  | <b>4,105</b>  | <b>8,346</b>  | <b>8,951</b>  |
| (Pur)/Sale of Investments         | -1            | -70           | -96           | -1,100        | 489          | -336          | 0             | 0             | 0             |
| <b>CF from Investments</b>        | <b>-3,888</b> | <b>-7,236</b> | <b>4,982</b>  | <b>-2,172</b> | <b>-768</b>  | <b>-1,967</b> | <b>-1,500</b> | <b>-2,500</b> | <b>-1,500</b> |
| (Inc)/Dec in Debt                 | -854          | 3,906         | -1,594        | -1,401        | -560         | -1,070        | 159           | -72           | -234          |
| Interest Paid                     | -269          | -284          | -316          | -241          | -240         | -189          | -165          | -170          | -163          |
| Dividend Paid                     | -738          | -126          | 0             | -126          | -126         | -126          | -902          | -1,684        | -1,680        |
| Others                            | 20            | -73           | -8,013        | 77            | 48           | 49            | -78           | 0             | 0             |
| <b>CF from Fin. Activity</b>      | <b>-1,841</b> | <b>3,424</b>  | <b>-9,923</b> | <b>-1,691</b> | <b>-878</b>  | <b>-1,335</b> | <b>-986</b>   | <b>-1,927</b> | <b>-2,077</b> |
| <b>Inc/Dec of Cash</b>            | <b>180</b>    | <b>511</b>    | <b>508</b>    | <b>-1,371</b> | <b>1,173</b> | <b>1,343</b>  | <b>3,120</b>  | <b>6,419</b>  | <b>6,874</b>  |
| Add: Beginning Balance            | 582           | 763           | 1,248         | 1,755         | 359          | 1,506         | 2,823         | 5,943         | 12,362        |
| <b>Closing Balance</b>            | <b>763</b>    | <b>1,274</b>  | <b>1,756</b>  | <b>384</b>    | <b>1,531</b> | <b>2,849</b>  | <b>5,943</b>  | <b>12,362</b> | <b>19,236</b> |



| 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 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. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do 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 director/officer/employee in the subject company
- 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 in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from 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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website [www.motilaloswal.com](http://www.motilaloswal.com) CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)\*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-71881085.

\* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.