

S H Kelkar and Co.

BSE SENSEX	S&P CNX
35,082	10,789
Bloomberg	SHKL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	37.5 / 0.6
52-Week Range (INR)	333 / 237
1, 6, 12 Rel. Per (%)	9/-4/-38
Avg Val, INRm	52
Free float (%)	42.4

CMP: INR289
TP: INR343(+19%)
Buy
Volume recovery leads to a strong quarter

- Robust performance led by a recovery in FMCG growth trend:** SHKL's revenue increased 13.5% YoY to INR2,831m (est. of INR2,551m) in 3QFY18 (22% YoY growth post netting off GST from the base quarter). Fragrance business reported growth of 16.5% YoY to INR2,546m, while Flavors business reported de-growth of 8.4% YoY to INR272m. EBITDA rose 46% YoY to INR576m (est. of INR459m post excise adjustment), with the margin expanding by 440bp YoY to 20.3% (est. of 18% post excise adjustment). Gross margin contracted sharply by 600bp YoY to 46.1%, while other expenses declined 180bp YoY to 14.1% of sales. Fragrance PBIT margin came in at 15.5% (v/s 13.6% in 3QFY17), while Flavors PBIT margin stood at 25.5% (v/s 30.8% in 3QFY17). Consequently, adj. PAT grew 33% to INR338m (est. of INR286m post excise adjustment) from INR254m in the year-ago period.
- Strategy to strengthen fine fragrance presence in Europe:** SHKL launched its first collection of perfumes from the recently established fine fragrance development center in Amsterdam. The company also acquired Italy-based Creative Flavors & Fragrances (CFF), which has a strong presence in fine fragrance and fabric in Italy. With the acquisition, SHKL has now strengthened its presence in Europe with facilities in Milan and Amsterdam, and is well on track to achieve its target of ~10% revenue contribution from fine fragrances over three years (as of now, it contributes 2% of Fragrance revenue).
- Valuation view:** With a recovery in FMCG growth, SHKL appears set to step into the growth phase. Additionally, it has been evaluating cost-saving measures like shifting of the ingredients business from high-cost Netherlands, which should aid margin expansion. We largely maintain our earnings estimates, and value the stock at 28x FY20E EPS. Maintain **Buy** with a target price of INR343.

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	10.6	12.3	14.1
EBITDA	1.9	2.4	2.9
PAT	1.1	1.5	1.8
EPS (INR)	7.9	10.4	12.2
Gr. (%)	9.1	31.6	17.7
BV/Sh (INR)	61.4	68.8	77.5
RoE (%)	13.4	16.0	16.7
RoCE (%)	19.8	23.4	24.6
P/E (x)	36.6	27.8	23.6
P/BV (x)	4.7	4.2	3.7

Estimate change

TP change

Rating change

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY17	FY18E	FY18	Var (%)
Net Sales	2,768	2,453	2,494	2,698	2,529	2,219	2,831	3,075	10,412	10,655	2,551	11
YoY Change (%)	25.2	9.8	1.9	-6.5	-8.6	-9.5	13.5	14.0	6.5	2.3	10.0	
Total Expenditure	2,294	2,032	2,099	2,328	2,102	1,865	2,255	2,506	8,762	8,729	2,283	
EBITDA	474	420	395	370	427	355	576	569	1,650	1,926	268	115
Margins (%)	17.1	17.1	15.9	13.7	16.9	16.0	20.3	18.5	15.9	18.1	10.5	
Depreciation	44	49	48	53	58	57	58	60	194	234	51	
Interest	17	22	2	10	6	11	7	6	52	30	3	
Other Income	32	25	19	40	38	12	7	20	115	76	25	
PBT before EO expense	444	375	364	346	401	298	517	523	1,520	1,739	239	116
Extra-Ord expense	0	0	0	0	0	0	101	0	0	101	0	
PBT	444	375	364	346	401	298	416	523	1,520	1,638	239	74
Tax	169	132	110	71	133	110	144	176	482	563	80	
Rate (%)	38.1	35.1	30.2	20.7	33.1	36.8	34.7	33.6	31.7	34.3	33.6	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	-10	0	-10	0	
Reported PAT	275	243	254	274	268	189	272	357	1,038	1,086	159	71
Adj PAT	275	243	254	274	268	189	338	357	1,038	1,152	159	113
YoY Change (%)	41.0	246.2	16.4	12.5	-2.5	-22.4	33.0	30.2	42.8	11.0	107.6	
Margins (%)	9.9	9.9	10.2	10.2	10.6	8.5	11.9	11.6	10.0	10.8	6.2	

E: MOSL Estimates

Niket Shah – Research Analyst (Niket.Shah@MotilalOswal.com); +91 22 6129 1535

Aksh Vashishth – Research Analyst (Aksh.Vashishth@motilalosal.com); +91 22 6129 1553

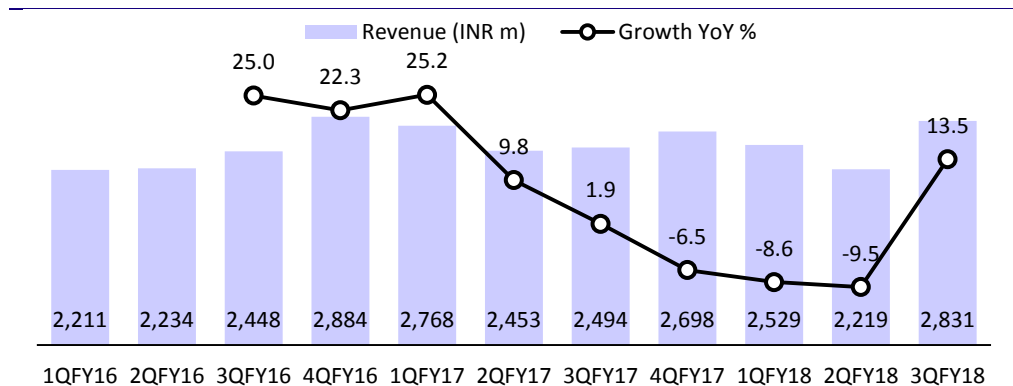
Investors are advised to refer through important disclosures made at the last page of the Research Report.

 Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Creative Flavors & Fragrance (CFF) acquisition a boost for SHKL

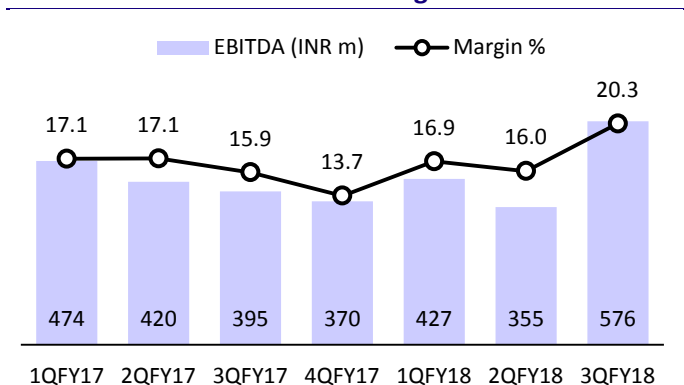
- SHKL acquired 51% share capital of CFF for ~EUR12m with a view to acquire remaining stake over a period of next three years, the consideration for which shall be paid based on CFF’s performance.
- With the acquisition, SHKL will be immediately able to use CFF’s library in the fabric care segment to boost its market share in other geographies. The direct access to CFF’s library would save SHK a research time of ~4 years.
- CFF’s 95% of revenue comes from the fragrance business, of which 35% is contributed by the fabric segment.
- Apart from fabric care, the acquisition will boost SHK’s presence in the European fine fragrance market. The company has launched its first collection of perfumes from the recently established fine fragrance development center in Amsterdam. The company’s presence would be aided by CFF’s leadership position in Italian fine fragrance market, which as a business segment fetches them a revenue contribution of ~10%.

Exhibit 1: Revenue trend



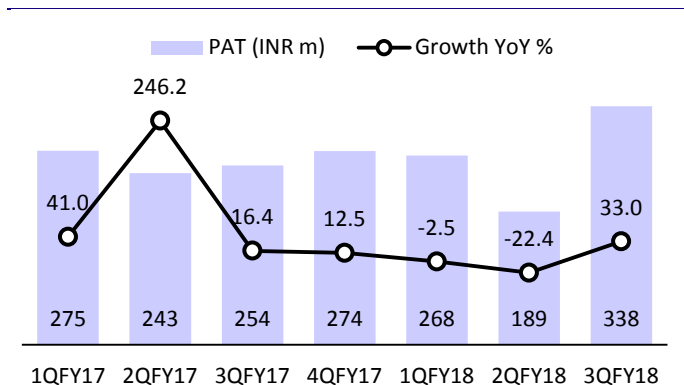
Source: MOSL, Company

Exhibit 2: EBITDA and EBITDA margin trend



Source: MOSL, Company

Exhibit 3: PAT trend



Source: MOSL, Company

Exhibit 4: Fragrance revenue trend

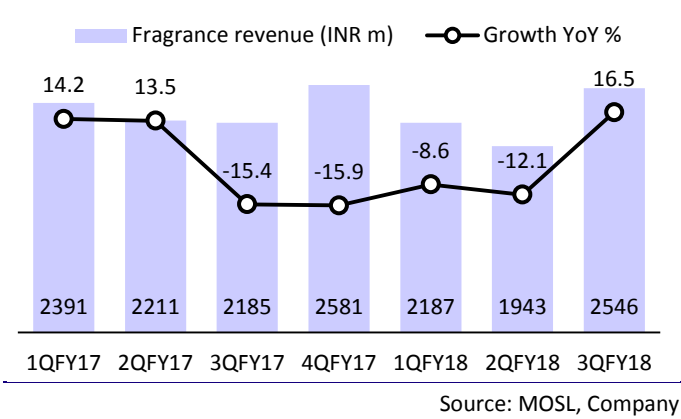


Exhibit 5: Flavor revenue trend

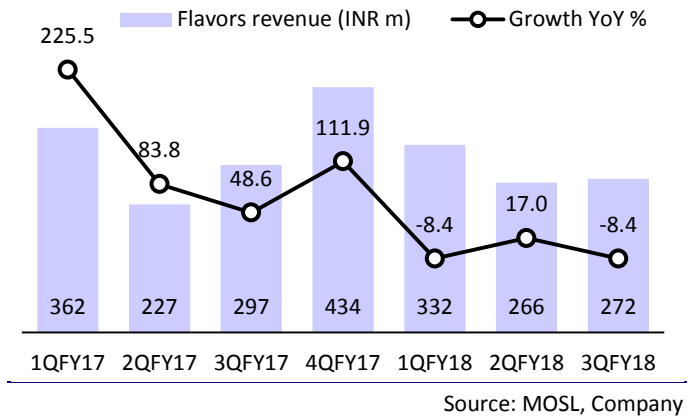


Exhibit 6: Fragrance PBIT margin trend

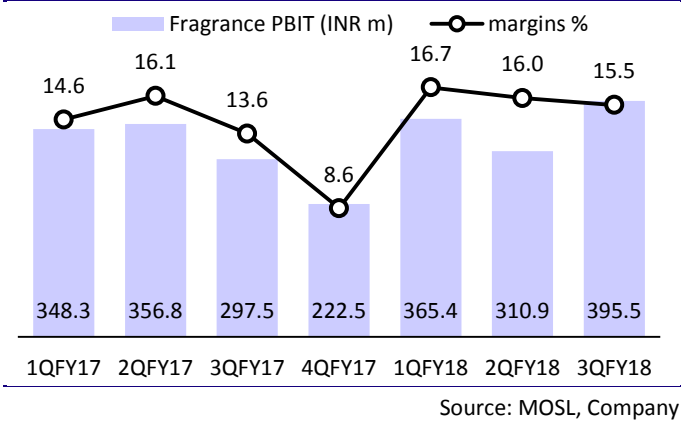


Exhibit 7: Flavor PBIT margin trend

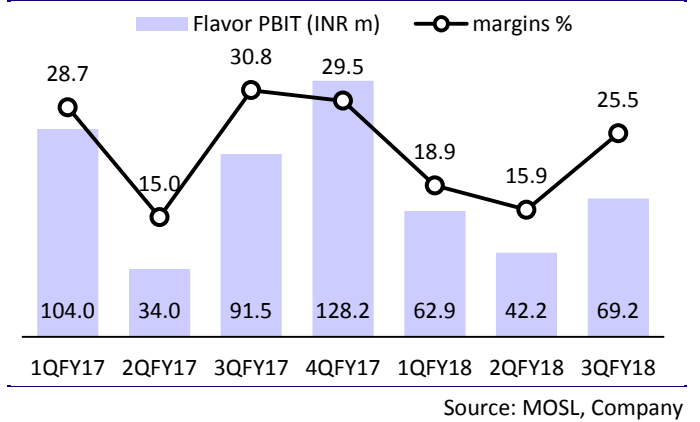
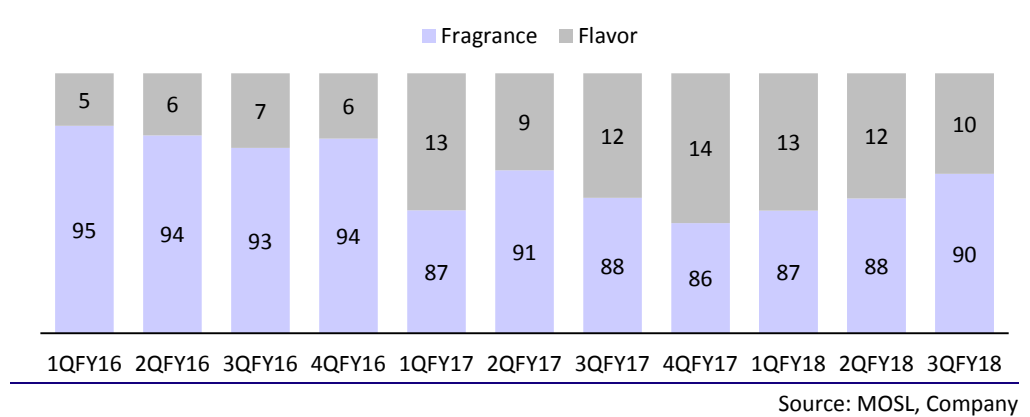


Exhibit 8: Revenue mix



Valuation and view

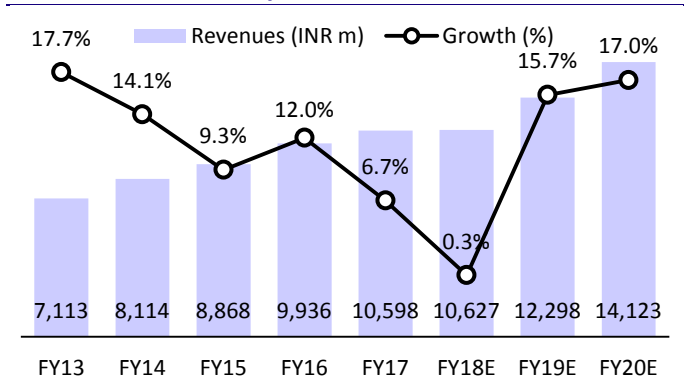
SHKL has witnessed a robust quarter, and with a recovery witnessed in FMCG growth, the company is set to step into the growth phase. Additionally, the company has been evaluating cost-saving measures like the shifting of the ingredients business from high-cost Netherlands, which will aid margin expansion.

We largely maintain our earnings estimates and value the stock at 28x FY20E EPS. Maintain **Buy** with a target price of INR343.

Assumptions	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Fragrance (INR m)	7204	7763	8642	8568	9053	10409	11951
Growth %	14.6	7.8	11.3	-0.9	5.7	15.0	14.8
Flavor (INR m)	410	607	587	1244	1574	1888	2172
Growth %	11.8	48.2	-3.3	112.0	26.5	20.0	15.0

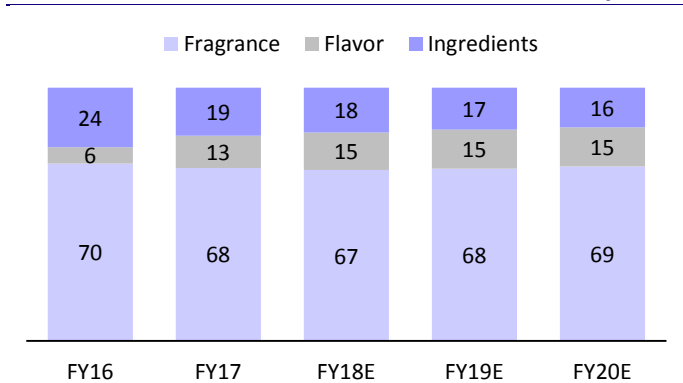
Story in charts

Exhibit 9: Revenue to post 15% CAGR over FY18-20E



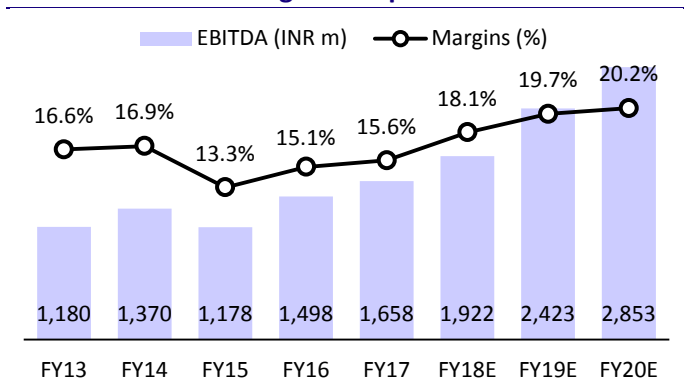
Source: MOSL, Company

Exhibit 10: Contribution of Flavor to remain steady



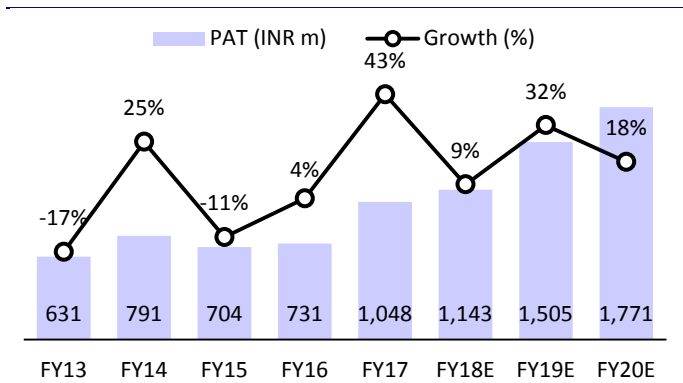
Source: MOSL, Company

Exhibit 11: EBITDA margins on uptrend



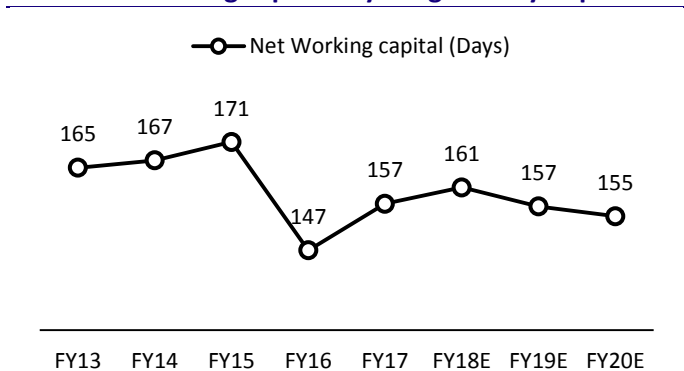
Source: MOSL, Company

Exhibit 12: PAT to record CAGR of 24% over FY18E-20E



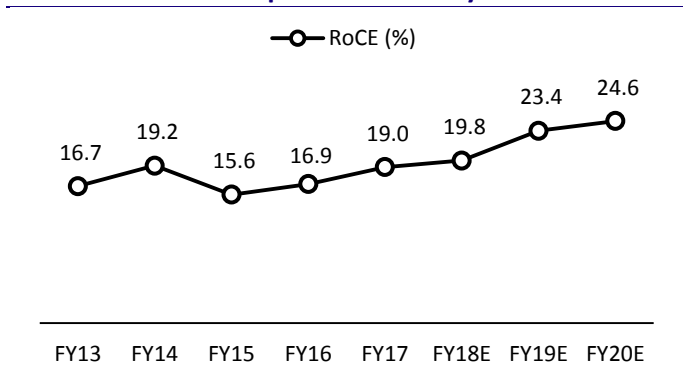
Source: MOSL, Company

Exhibit 13: Working capital days to gradually improve



Source: MOSL, Company

Exhibit 14: RoCE to improve to ~25% by FY20E



Source: MOSL, Company

Financials and Valuations

Consolidated - Income Statement

(INR Million)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Total Income from Operations	7,113	8,114	8,868	9,936	10,598	10,627	12,298	14,123
Change (%)	17.7	14.1	9.3	12.0	6.7	0.3	15.7	14.8
EBITDA	1,180	1,370	1,178	1,498	1,658	1,922	2,423	2,853
Margin (%)	16.6	16.9	13.3	15.1	15.6	18.1	19.7	20.2
Depreciation	173	188	293	297	194	248	300	349
EBIT	1,007	1,183	885	1,201	1,464	1,674	2,123	2,504
Int. and Finance Charges	218	175	185	202	52	26	0	0
Other Income	15	78	246	105	116	69	83	100
PBT bef. EO Exp.	805	1,085	945	1,103	1,528	1,717	2,206	2,604
EO Items	-23	0	0	0	0	-101	0	0
PBT after EO Exp.	782	1,085	945	1,103	1,528	1,616	2,206	2,604
Current Tax	250	328	286	446	459	549	750	885
Deferred Tax	-7	-33	-45	-74	20	0	0	0
Tax Rate (%)	31.0	27.1	25.5	33.8	31.4	34.0	34.0	34.0
Less: Minority Interest	-76	0	0	0	0	-10	-49	-53
Reported PAT	616	791	704	731	1,048	1,077	1,505	1,771
Adjusted PAT	631	791	704	731	1,048	1,143	1,505	1,771
Change (%)	-16.6	25.3	-11.0	3.7	43.5	9.1	31.6	17.7
Margin (%)	8.9	9.8	7.9	7.4	9.9	10.8	12.2	12.5

Consolidated - Balance Sheet

(INR Million)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	120	132	1,323	1,446	1,446	1,446	1,446	1,446
Total Reserves	4,077	4,669	3,682	5,714	6,671	7,436	8,507	9,766
Net Worth	4,720	4,810	5,097	7,161	8,117	8,883	9,953	11,212
Deferred Tax Liabilities	6	-19	-50	57	73	73	73	73
Total Loans	1,518	2,111	2,427	732	624	0	0	0
Capital Employed	6,244	6,902	7,474	7,949	8,814	8,955	10,026	11,285
Gross Block	3,655	4,233	4,573	2,494	3,252	4,037	4,904	5,517
Less: Accum. Deprn.	2,259	2,548	2,612	427	495	743	1,042	1,392
Net Fixed Assets	1,395	1,686	1,961	2,067	2,757	3,294	3,861	4,126
Goodwill on Consolidation	707	828	776	206	206	206	206	206
Capital WIP	432	503	105	181	75	740	423	360
Total Investments	410	2	0	354	497	0	0	0
Curr. Assets, Loans&Adv.	4,760	5,573	6,502	7,220	7,213	7,211	8,491	9,988
Inventory	2,254	2,788	3,175	3,352	3,502	3,721	4,166	4,693
Account Receivables	1,719	1,794	1,945	2,288	2,170	2,176	2,518	2,892
Cash and Bank Balance	332	415	759	822	555	325	661	1,088
Loans and Advances	456	576	622	758	987	989	1,145	1,315
Curr. Liability & Prov.	1,461	1,689	1,870	2,126	1,975	2,536	2,997	3,435
Account Payables	757	879	977	1,633	1,107	1,216	1,407	1,606
Other Current Liabilities	592	527	553	400	757	759	878	1,008
Provisions	112	283	340	93	111	561	712	821
Net Current Assets	3,299	3,885	4,632	5,094	5,238	4,675	5,494	6,553
Appl. of Funds	6,244	6,902	7,474	7,949	8,814	8,956	10,026	11,285

Financials and Valuations

Ratios								
Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Basic (INR)								
EPS	4.8	6.0	5.3	5.1	7.2	7.9	10.4	12.2
Cash EPS	5.9	7.4	7.5	7.1	8.6	9.6	12.5	14.7
BV/Share	35.7	36.4	38.5	49.5	56.1	61.4	68.8	77.5
DPS	0.6	1.1	1.1	1.5	1.7	1.8	2.5	2.9
Payout (%)	15.6	22.2	25.6	35.7	28.9	28.9	28.9	28.9
Valuation (x)								
P/E		48.3	54.3	57.2	39.9	36.6	27.8	23.6
Cash P/E		39.1	38.3	40.7	33.6	30.0	23.2	19.7
P/BV		7.9	7.5	5.8	5.1	4.7	4.2	3.7
EV/Sales		4.9	4.5	4.2	4.0	3.9	3.3	2.9
EV/EBITDA		29.1	33.9	27.8	25.2	21.6	17.0	14.3
Dividend Yield (%)	0.2	0.4	0.4	0.5	0.6	0.6	0.9	1.0
FCF per share	5.2	-0.5	3.0	4.3	1.5	1.8	4.4	5.4
Return Ratios (%)								
RoE	15.0	16.6	14.2	11.9	13.7	13.4	16.0	16.7
RoCE	16.7	19.2	15.6	16.9	19.0	19.8	23.4	24.6
Working Capital Ratios								
Asset Turnover (x)	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.3
Inventory (Days)	116	125	131	123	121	128	124	121
Debtor (Days)	88	81	80	84	75	75	75	75
Creditor (Days)	39	40	40	60	38	42	42	41
Leverage Ratio (x)								
Debt/Equity	0.3	0.4	0.5	0.1	0.1	0.0	0.0	0.0

Consolidated - Cash Flow Statement						(INR Million)		
Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	785	1,088	945	1,206	1,528	1,717	2,206	2,604
Depreciation	173	188	293	294	194	248	300	349
Interest & Finance Charges	201	146	175	130	-64	-43	-83	-100
Direct Taxes Paid	-259	-343	-285	-394	-480	-549	-750	-885
(Inc)/Dec in WC	103	-729	-375	-374	-412	334	-483	-632
CF from Operations	1,005	350	753	863	767	1,706	1,189	1,335
Others	26	-29	-136	1	108	0	0	0
CF from Operating incl EO	1,031	321	617	864	875	1,706	1,189	1,335
(Inc)/Dec in FA	-344	-386	-219	-238	-652	-1,450	-550	-550
Free Cash Flow	687	-65	399	626	222	256	639	785
(Pur)/Sale of Investments	0	0	3	4	-143	497	0	0
Others	14	-211	17	-331	116	69	83	100
CF from Investments	-330	-597	-199	-565	-680	-884	-467	-450
Issue of Shares	10	0	-38	1,956	0	0	0	0
Inc/(Dec) in Debt	-259	527	322	-1,589	-108	-624	0	0
Interest Paid	-210	-161	-183	-162	-52	-26	0	0
Dividend Paid	-114	0	-176	-441	-303	-311	-435	-512
Others	-34	-6	0	0	0	-91	49	53
CF from Fin. Activity	-607	360	-75	-236	-463	-1,053	-386	-459
Inc/Dec of Cash	94	84	344	63	-268	-230	337	426
Opening Balance	237	332	415	759	822	555	325	661
Closing Balance	332	415	759	822	555	325	661	1,088

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 Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, 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. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. 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), Metropolitan Stock Exchange Of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice. The matter is currently pending.

MOSL, its associates, Research Analyst or their relative may have a financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have 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. MOSL 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 MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL 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 MOSL 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.

Terms & Conditions:

This report has been prepared by MOSL 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 MOSL. 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. MOSL will not treat recipients as customers by virtue of their receiving this report.

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.

Disclosure of Interest Statement

S H Kelkar and Co.

Analyst ownership of the stock

No

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 MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL 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 MOSL & 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 Securities Limited (MOSL) 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 MOSL 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 MOSL, 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., MOSL 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

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time. In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

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. MOSL, 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 MOSL. 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 MOSL 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, nor 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 MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL 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: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-30801085.

Registration details of group entities.: MOSL: SEBI Registration: INZ000158836 (BSE/NSE/MSE); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA000007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. *Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. * Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. * Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. * Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products