

BSE SENSEX

59,035

S&P CNX

17,640


Stock Info

Bloomberg	EPLL IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	57.8 / 0.8
52-Week Range (INR)	294 / 149
1, 6, 12 Rel. Per (%)	10/-23/-38
12M Avg Val (INR M)	95
Free float (%)	48.1

Financials Snapshot (INR b)

Y/E MARCH	2022E	2023E	2024E
Sales	34.8	38.4	41.6
EBITDA	5.8	7.1	8.3
Adj. PAT	2.1	3.0	3.8
EBITDA margin (%)	16.6	18.6	20.0
Cons. Adj. EPS (INR)	6.7	9.4	11.8
EPS Gr. (%)	-17.0	41.0	25.9
BV/Sh. (INR)	57.5	61.9	68.2

Ratios

Net D:E	0.1	0.1	-0.1
RoE (%)	12.0	15.7	18.2
RoCE (%)	11.4	15.0	18.0
Payout (%)	67.5	53.2	46.5

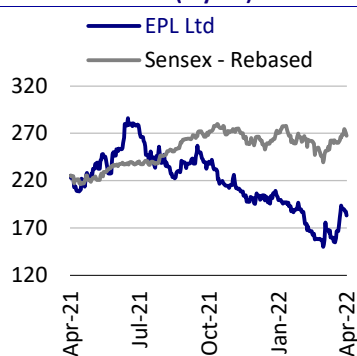
Valuations

P/E (x)	27.5	19.5	15.5
EV/EBITDA (x)	10.5	8.3	6.9
Div. Yield (%)	2.5	2.7	3.0
FCF Yield (%)	3.6	5.0	7.1

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	51.9	51.9	52.0
DII	14.1	14.8	15.6
FII	15.0	14.7	13.8
Others	19.1	18.6	18.7

FII Includes depository receipts

Stock Performance (1-year)

CMP: INR183
TP: INR250 (+37%)
Buy
Unpacking sustainable growth despite interim hiccups
Price hikes and better demand to combat margin pressure

- We believe EPL with its new management under Blackstone is destined for long-term growth, driven by: a) growing revenue contribution from Personal Care products, b) a gradual shift to laminated tubes from plastic/aluminum tubes, c) a recovery in travel tube, with the lifting of travel restrictions across the globe, d) higher revenue sustainability owing to long-term contracts in the Oral Care segment, and e) customer additions across geographies as well as greater cross-selling opportunities.
- However, EPL has been witnessing margin pressures since the last five quarters, which is likely to continue in the next couple of quarters too due to volatility in raw material prices.
- We believe EPL deserves to trade at higher multiples than its peers owing to its better global presence, strong management and leadership position in the Oral Care segment. We value the stock at 21x FY24E EPS to arrive at our TP of INR250. We maintain our BUY rating on the stock.
- Key risks to our call: a) fluctuation in the key raw material price of polymer, a derivative of crude, which could pressurize margins; b) higher concentration risk as the top 10 clients contribute predominantly to its revenue; and c) slower growth in oral care could impact earnings adversely as the Oral Care segment dominates its revenue mix.

Near-term challenges likely on higher raw material costs

- EPL has been witnessing margin pressures since the previous five quarters mainly led by rising polymer prices, freight costs (3.0%/3.4% of FY20/FY21 sales) and power costs (2.6%/2.4% of FY20/FY21 sales). Freight costs increased 24% YoY to INR1,039m in FY21 due to shortage of shipping containers caused by the pandemic. Volatile raw material prices amid the geopolitical conflict and supply-side disruption led to a surge in LLDPE/HDPE prices by 69%/71% in the current quarter v/s the same quarter in the previous year. The raw material price volatility is likely to put EPL's margins under pressure in the near term.
- Polymer prices softened during Nov'21-Dec'21; however, prices surged ~25% over Dec'21-Mar'22 due to the third Covid wave. According to the management communication in the recent analyst meet, EPL has already taken two rounds of price hikes in recent quarters and is planning to take further hikes depending upon the directional shift in raw material prices.
- Although EPL enters into long-term contracts (of three to five years) with majority of its clients in the Oral Care segment (54% of its total sales in FY21 and ~80% of its oral care revenue originate from these long-term contracts), the company has been unable to pass on the extreme fluctuations in raw material prices and power costs to its clients. Of the overall revenue, EPL generates more than 50% sales through the long-term contracts.

Sumant Kumar - Research Analyst (Sumant.Kumar@motilaloswal.com)

Research Analyst: Pranav Lala (Pranav.Lala@MotilalOswal.com) | Meet Jain (Meet.Jain@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.

Entry into the Brazilian market is likely to augment growth

- The global tubes market is dominated by the Personal Care tube segment with an estimated volume share of 62-64% (26-28b tubes) at present. Out of the 42b tube industry, Oral Care currently contributes ~16b to the total volume, followed by Beauty and Cosmetics at 14b, Pharmaceuticals at 10b and Food & others at 2b. EPL enjoys volume market share of 7-8% in the global Personal Care segment.
- The global tube market was valued at USD9.91b in 2020, which is projected to report a 6.2% CAGR to reach USD13b in 2026, according to a Grandview Research report. The laminated tube market constituted 44.8% of the global tube packaging market in 2020 (valued at ~USD4.4b).
- EPL currently commands a ~36% global market share in Oral Care and a 7-8% market share in Personal Care segments. EPL was able to maintain its leadership position and dominate about half of the Indian market in FY21. EPL single-handedly accounted for two-thirds of the overall domestic volumes in FY21.
- EPL is likely to add new clients from increasing conversion of plastic bottle/ aluminum tube to laminated tubes. In the past, EPL was able to convert a leading anti-fungal ointment brand to laminated tubes in the AMESA region.
- In line with its global vision, EPL has entered into the Brazilian market (market size of ~3.5b tubes – more than 8% of global laminated tube market) under the Oral Care segment with support from its anchor customers. EPL aims to win over the customers, which have shifted to local manufacturing companies, post-exit of Albea from the Brazilian market. Albea is the single largest unlisted global competitor to EPL, which was bought out by a PE firm in 2018. The company aims to expand in new geographies and capture share from the unorganized regional players.
- EPL also aims to expand through the inorganic route, wherein synergy benefits would lead to the addition of new customers, product categories, geographies, and/or technologies. In line with its objective, EPL completed the acquisition of Creative Stylo Packs Ltd in India in FY21.

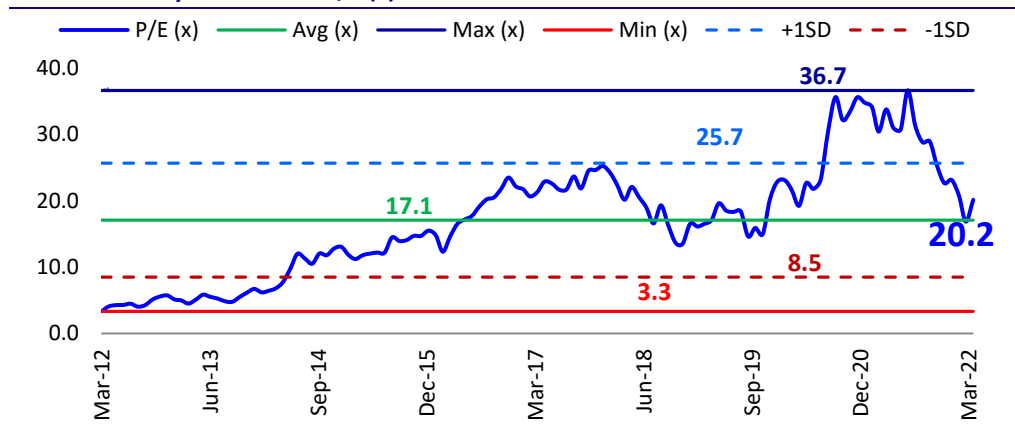
New product launches and novel initiatives promise long-term growth

- EPL's Platina laminate portfolio is expanding fast, with new extensions such as Platina Pro, Platina Clear, Platina Shine, Platina Me, Platina PCR Max, and Platina Bio Max. Some of these laminates are now in advanced storage trials with global customers and are awaiting commercialization. EPL has received strong global recognition for these efforts and the portfolio has been qualified by the Association of Plastic Recyclers (APR) as the world's first 100% recyclable tubes, including shoulder and caps.
- EPL applied for several patents and it was granted 66 patents in FY21. EPL, in line with its objective to migrate to eco-friendly and 100% recyclable packaging, was successfully able to convince its leading brand partners – such as Vicco, Colgate-Palmolive, Unilever, GSK Consumer Health and Hela Gewürzwerk Hermann Laue GmbH – to use recyclable Platina Tubes in India for multiple segments such as Oral Care, Health & Beauty, and FMCG in FY21.
- During the pandemic, EPL introduced its line of 'hand sanitizer tubes' that fueled Personal Care product growth. Within a short span of time, EPL has become a leading global supplier of hand sanitizer tubes with large quantum of orders.

Earnings momentum to sustain; deserves to trade at premium multiples

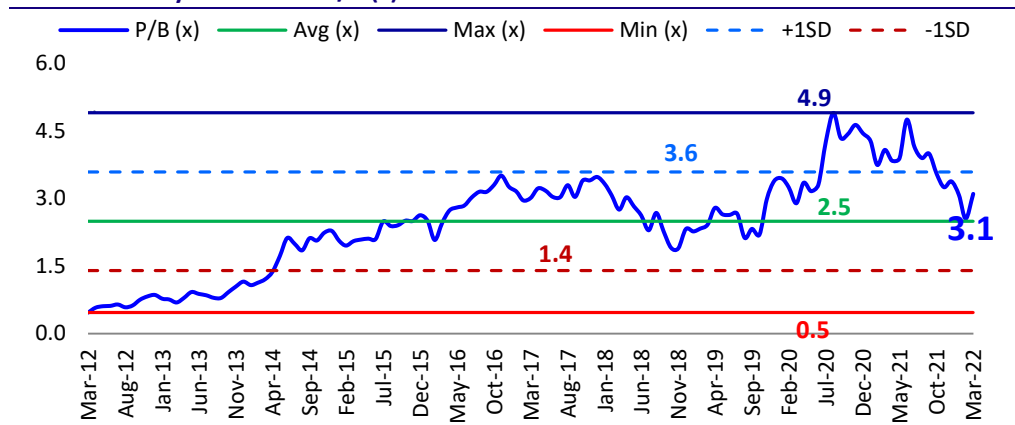
- We expect EPL’s earnings momentum to sustain, driven by: a) growing revenue contribution from Personal Care products, b) a gradual shift to laminated tubes from plastic/aluminum tubes, c) a recovery in travel tube, with the lifting of travel restrictions across the globe, d) higher revenue sustainability owing to long-term contracts in the Oral Care segment, and e) customer additions across geographies as well as greater cross-selling opportunities.
- EPL generated an FCF of INR7.7b over FY17-21. We forecast the company to generate an FCF of ~INR9.2b over FY22-24E, backed by increased profitability and prudent capital allocation.
- We expect a revenue/EBITDA/PAT CAGR of 10%/11%/14% over FY21-24, respectively. We believe EPL deserves to trade at higher multiples than its peers owing to its better global presence, strong management and leadership position in the Oral Care segment. We value the stock at 21x FY24E EPS to arrive at our TP of INR250. We retain our **BUY rating** on the stock.

Exhibit 1: One-year forward P/E (x)



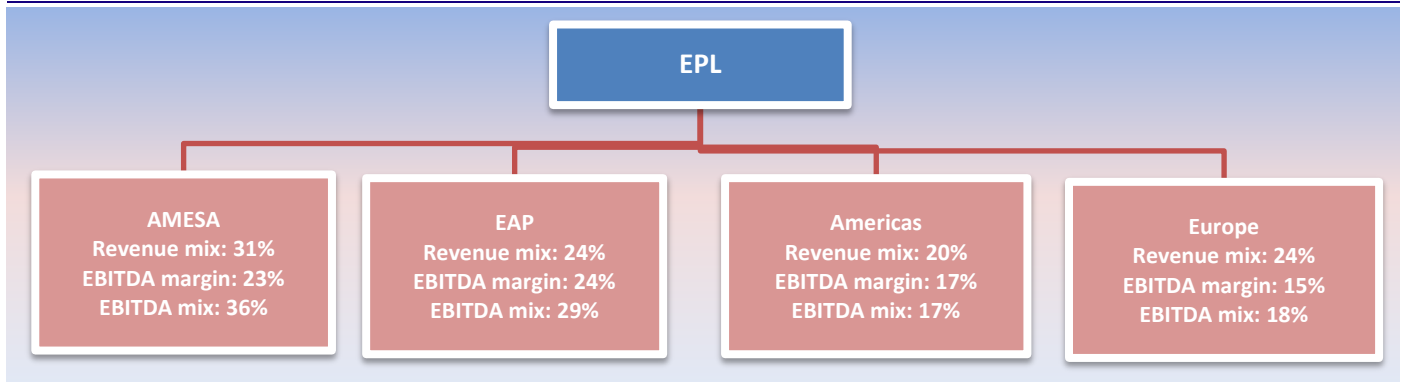
Source: Bloomberg, MOFSL

Exhibit 2: One-year forward P/B (x)



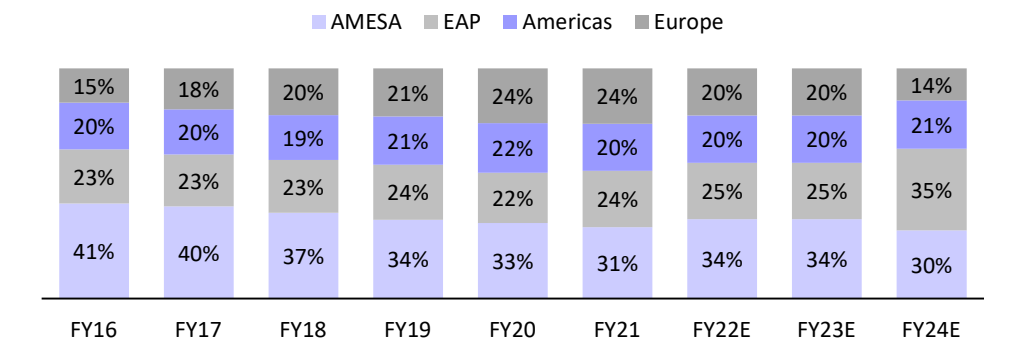
Source: Bloomberg, MOFSL

Exhibit 3: Geographical revenue composition and EBITDA margin



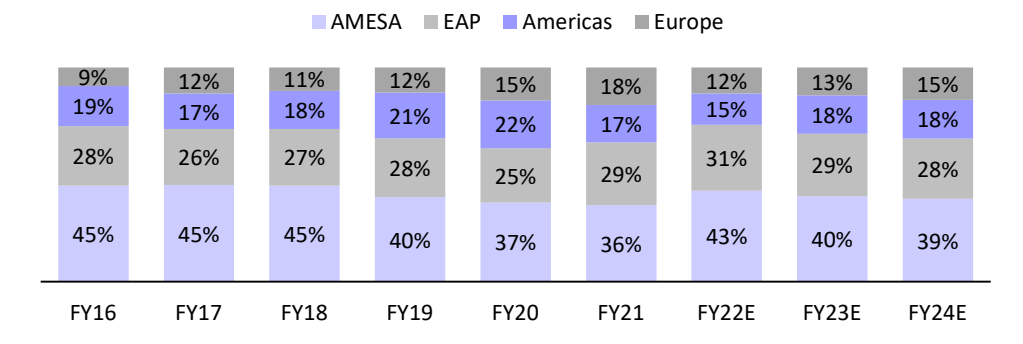
Note: Figures as of FY20, Source: Company, MOFSL

Exhibit 4: Geographical revenue composition gradually equalizing



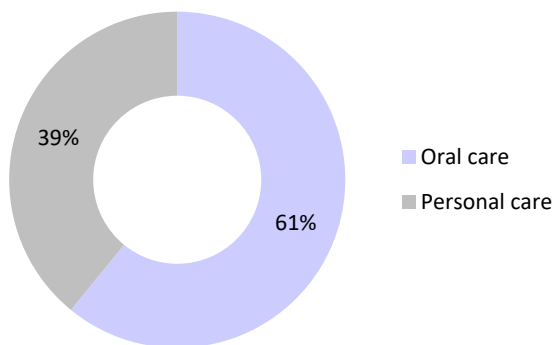
Source: Company, MOFSL

Exhibit 5: Geographical EBITDA mix



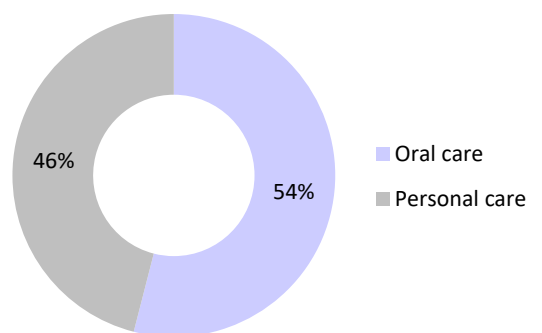
Source: Company, MOFSL

Exhibit 6: Product mix (as of FY14)



Source: Company, MOFSL

Exhibit 7: Product mix (as of FY20)



Source: Company, MOFSL

Exhibit 8: EPL's cross-segment presence



Source: MOFSL, Company

Exhibit 9: EPL's suite of marquee customers



Source: Company, MOFSL

Exhibit 10: Vicco Labs launches its cosmetic products in EPL's Sustainable Platina tube packaging



Source: Company, MOFSL

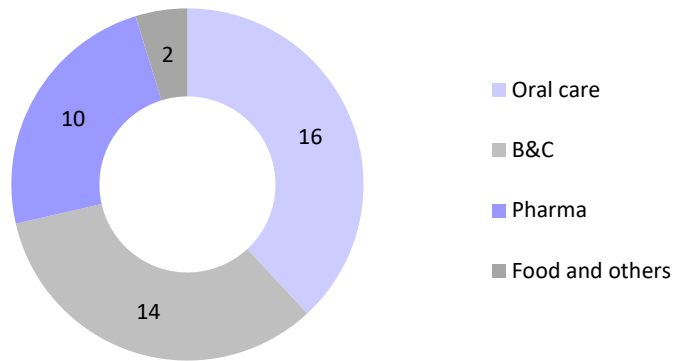
Exhibit 11: EPL partners with Colgate-Palmolive to create the first-ever recyclable toothpaste tubes



Colgate Active Salt

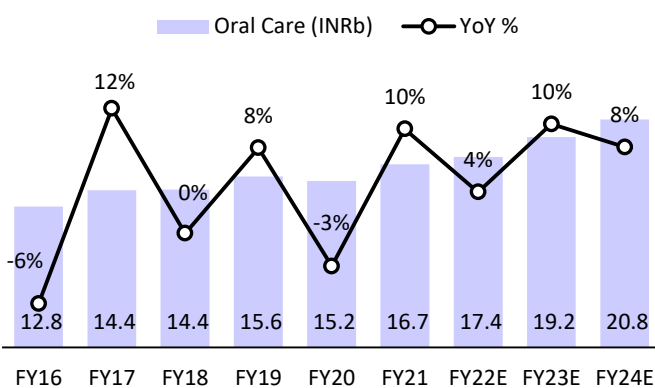
Source: Company, MOFSL

Exhibit 12: Global tube market mix (in b tubes)



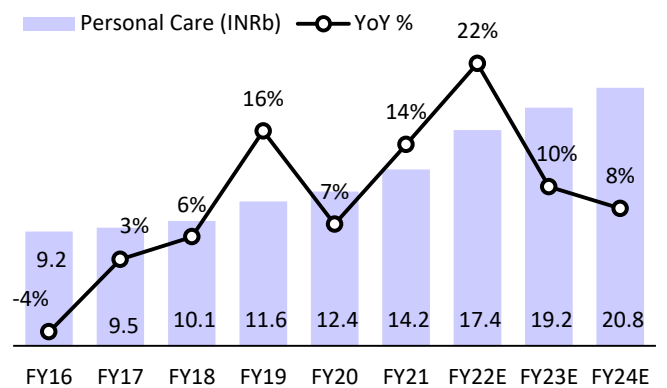
Source: Company, MOFSL

Exhibit 13: Expect Oral Care to post 8% CAGR over FY21-24



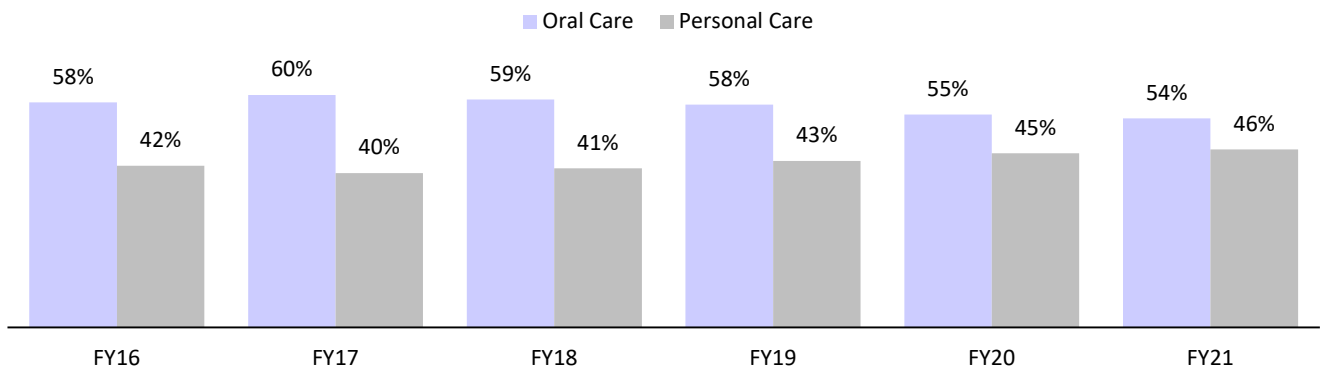
Source: MOFSL, Company

Exhibit 14: Expect Personal Care to post 13% CAGR over FY21-24



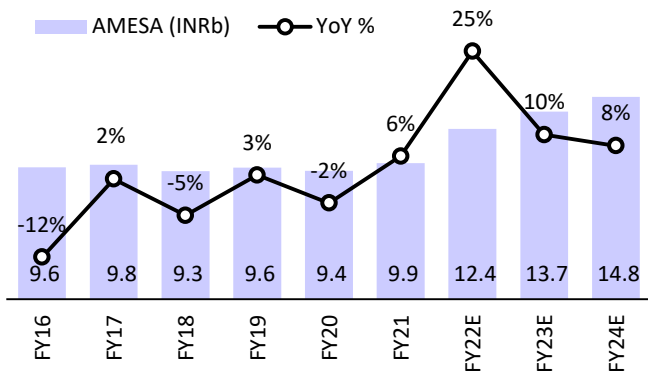
Source: MOFSL, Company

Exhibit 15: Gradually increasing mix of Personal Care products over the years



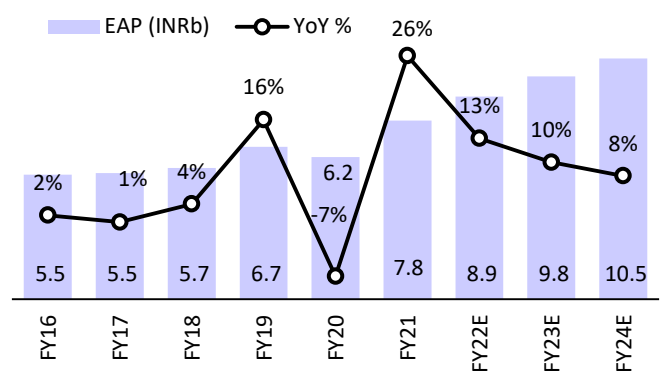
Source: MOFSL, Company

Exhibit 16: Expect AMESA to post 14% CAGR over FY21-24



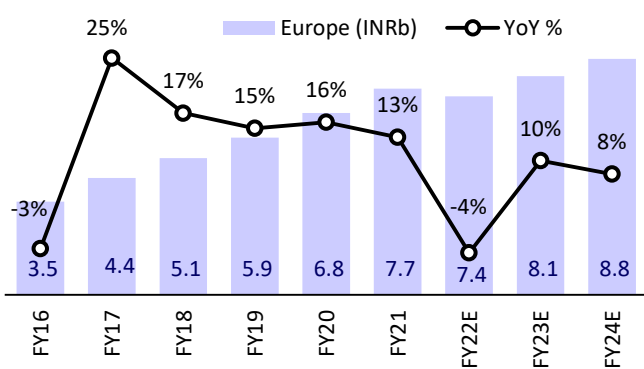
Source: MOFSL, Company

Exhibit 17: Expect EAP to post 10% CAGR over FY21-24



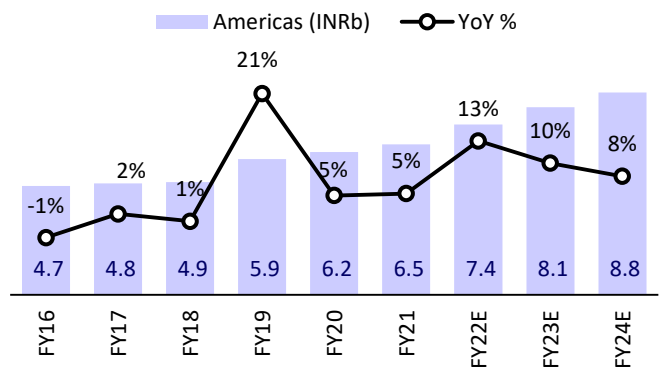
Source: MOFSL, Company

Exhibit 18: Expect Europe to post 5% CAGR over FY21-24



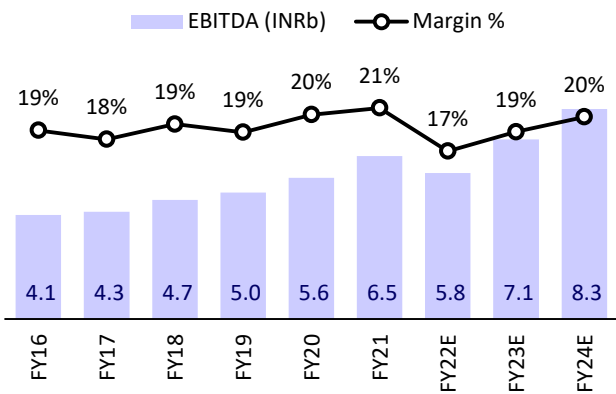
Source: Company, MOFSL

Exhibit 19: Expect America to post 10% CAGR over FY20-24



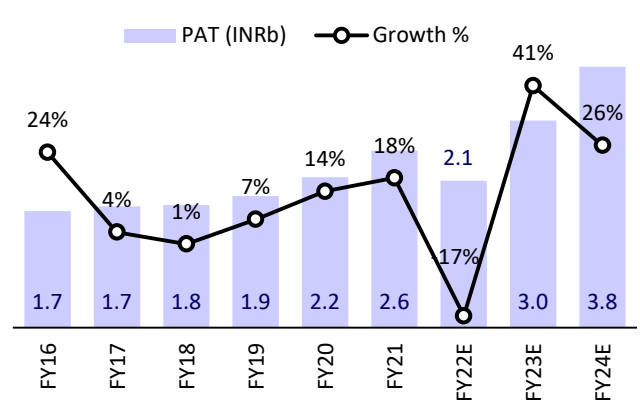
Source: Company, MOFSL

Exhibit 20: EBITDA to post 9% CAGR over FY21-FY24E



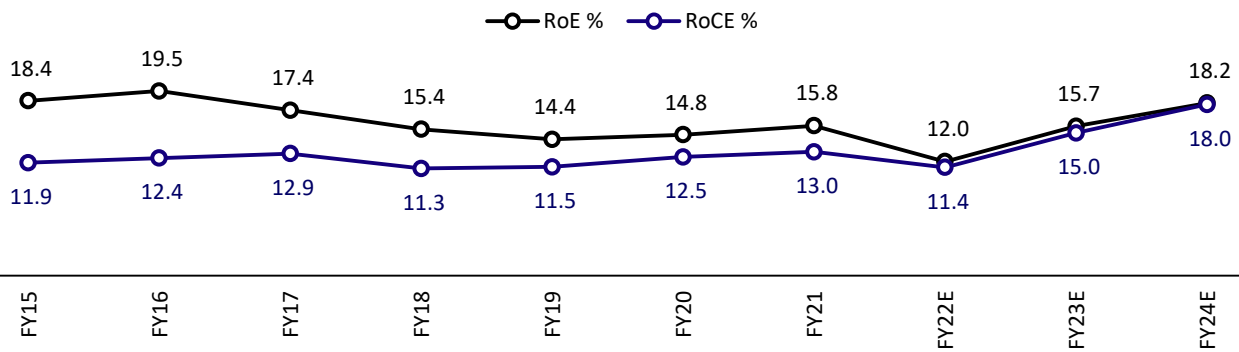
Source: Company, MOFSL

Exhibit 21: PAT to post 14% CAGR over FY21-24E



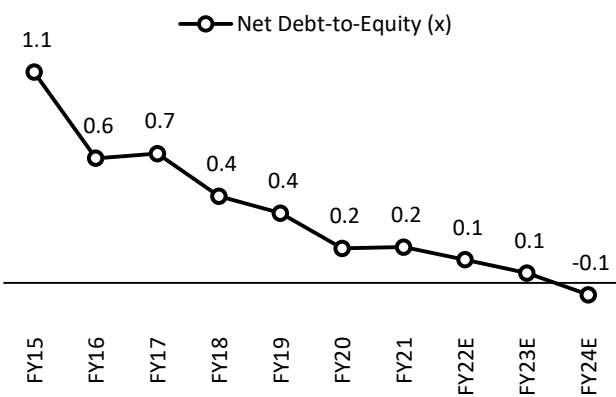
Source: Company, MOFSL

Exhibit 22: Return ratios to improve going forward



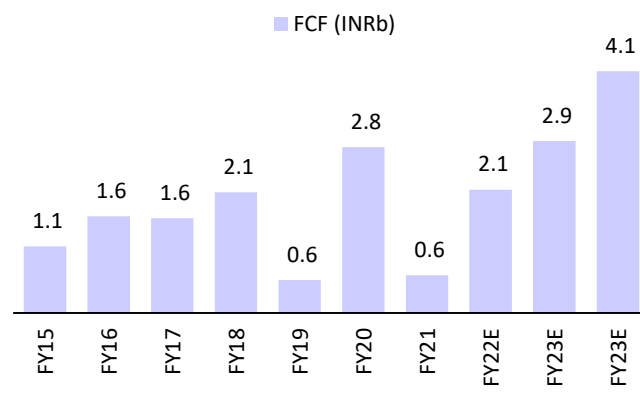
Source: Company, MOFSL

Exhibit 23: Net debt-to-equity to contract further



Source: Company, MOFSL

Exhibit 24: Increase in FCF to reduce leverage



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	23,023	24,239	27,069	27,614	30,916	34,783	38,393	41,570
Change (%)	8.2	5.3	11.7	2.0	12.0	12.5	10.4	8.3
Raw material cost	10,079	10,366	11,648	11,581	12,934	15,429	16,893	18,083
Employee Cost	4,052	4,338	5,006	5,311	6,064	6,582	6,949	7,400
Other Expenses	4,673	4,886	5,424	5,147	5,807	6,982	7,421	7,754
Total Expenditure	18,804	19,590	22,078	22,039	24,805	28,993	31,263	33,237
% of Sales	81.7	80.8	81.6	79.8	80.2	83.4	81.4	80.0
EBITDA	4,219	4,649	4,991	5,575	6,111	5,790	7,130	8,334
Margin (%)	18.3	19.2	18.4	20.2	19.8	16.6	18.6	20.0
Depreciation	1,415	1,671	1,861	2,298	2,346	2,528	2,707	2,958
EBIT	2,804	2,978	3,130	3,277	3,765	3,262	4,422	5,375
Int. and Finance Charges	581	550	613	556	429	379	263	143
Other Income	353	264	285	133	145	133	161	175
PBT bef. EO Exp.	2,576	2,691	2,802	2,854	3,481	3,015	4,321	5,407
EO Items	157	-50	31	-94	-161	0	0	0
PBT after EO Exp.	2,732	2,642	2,833	2,760	3,320	3,015	4,321	5,407
Total Tax	787	889	932	638	868	746	1,167	1,460
Tax Rate (%)	28.8	33.7	32.9	23.1	26.1	24.7	27.0	27.0
Profit/loss from associates	10.5	-10.4	53.2	-6.0	-9.0	-78	-86	-95
Minority Interest	53	26	29	43	52	73	82	92
Reported PAT	1,903	1,716	1,925	2,073	2,391	2,118	2,986	3,760
Adjusted PAT	1,747	1,766	1,895	2,167	2,552	2,118	2,986	3,760
Change (%)	4.1	1.1	7.3	14.4	17.8	-17.0	41.0	25.9
Margin (%)	7.6	7.3	7.0	7.8	8.3	6.1	7.8	9.0

Consolidated Balance Sheet

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	314	315	631	631	631	636	636	636
Total Reserves	10,076	12,191	13,249	14,695	16,350	17,633	19,030	21,042
Net Worth	10,390	12,506	13,880	15,326	16,981	18,268	19,665	21,677
Minority Interest	57	43	52	86	333	333	333	333
Total Loans	7,924	7,299	6,313	6,432	5,536	4,036	2,536	1,036
Deferred Tax Liabilities	317	357	510	475	543	543	543	543
Capital Employed	18,688	20,204	20,754	22,319	23,393	23,180	23,077	23,589
Gross Block	15,637	17,691	20,495	22,434	25,500	27,500	29,500	31,500
Less: Accum. Deprn.	3,984	5,992	7,564	9,862	12,208	14,736	17,443	20,402
Net Fixed Assets	11,652	11,699	12,931	12,572	13,292	12,764	12,057	11,098
Goodwill on Consolidation	142	142	142	142	1,159	1,159	1,159	1,159
Capital WIP	193	417	413	352	273	355	371	374
Total Investments	153	131	168	160	149	149	149	149
Current Investments	0	0	0	0	0	0	0	0
Curr. Assets, Loans and Adv.	10,254	12,032	11,547	14,833	15,241	16,333	17,586	19,634
Inventory	2,460	2,864	3,234	3,692	4,149	4,845	5,225	5,555
Account Receivables	3,766	4,590	4,934	4,903	5,891	6,480	7,363	7,972
Cash and Bank Balance	1,028	1,735	1,344	3,715	2,414	1,872	1,537	2,360
Loans and Advances	3,000	2,843	2,035	2,523	2,787	3,136	3,461	3,747
Curr. Liability and Prov.	3,707	4,217	4,447	5,740	6,721	7,579	8,244	8,825
Account Payables	1,473	1,884	2,065	3,538	4,222	4,766	5,139	5,464
Other Current Liabilities	1,834	2,037	2,113	1,942	2,163	2,435	2,688	2,910
Provisions	400	295	269	260	336	378	417	452
Net Current Assets	6,547	7,815	7,100	9,093	8,520	8,754	9,342	10,809
Misc. Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	18,688	20,204	20,754	22,319	23,393	23,180	23,077	23,589

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Basic (INR)								
EPS	5.5	5.6	6.0	6.8	8.0	6.7	9.4	11.8
Cash EPS	9.9	10.8	11.8	14.0	15.4	14.6	17.9	21.1
BV/Share	32.7	39.3	43.7	48.2	53.4	57.5	61.9	68.2
DPS	1.1	1.2	1.2	3.3	4.1	4.5	5.0	5.5
Payout (%)	21.8	26.4	23.6	57.0	54.5	67.5	53.2	46.5
Valuation (x)								
P/E	33.3	33.0	30.7	26.9	22.8	27.5	19.5	15.5
Cash P/E	18.4	16.9	15.5	13.0	11.9	12.5	10.2	8.7
P/BV	5.6	4.7	4.2	3.8	3.4	3.2	3.0	2.7
EV/Sales	2.8	2.6	2.3	2.2	2.0	1.7	1.6	1.4
EV/EBITDA	15.4	13.7	12.7	10.9	10.1	10.5	8.3	6.9
Dividend Yield (%)	0.6	0.6	0.6	1.8	2.2	2.5	2.7	3.0
FCF per share	5.1	6.5	1.8	8.9	2.0	6.6	9.2	13.0
Return Ratios (%)								
RoE	17.4	15.4	14.4	14.8	15.8	12.0	15.7	18.2
RoCE	12.9	11.3	11.5	12.5	13.0	11.4	15.0	18.0
RoIC	12.2	11.2	11.4	13.6	14.4	11.9	15.4	18.8
Working Capital Ratios								
Fixed Asset Turnover (x)	1.5	1.4	1.3	1.2	1.2	1.3	1.3	1.3
Asset Turnover (x)	1.2	1.2	1.3	1.2	1.3	1.5	1.7	1.8
Inventory (Days)	39	43	44	49	49	51	50	49
Debtor (Days)	60	69	67	65	70	68	70	70
Creditor (Days)	23	28	28	47	50	50	49	48
Leverage Ratio (x)								
Current Ratio	2.8	2.9	2.6	2.6	2.3	2.2	2.1	2.2
Interest Coverage Ratio	4.8	5.4	5.1	5.9	8.8	8.6	16.8	37.6
Net Debt/Equity	0.7	0.4	0.4	0.2	0.2	0.1	0.1	-0.1

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	2,743	2,631	2,886	2,854	3,481	3,015	4,321	5,407
Depreciation	1,415	1,671	1,861	2,298	2,346	2,528	2,707	2,958
Interest and Finance Charges	284	277	380	423	284	247	102	-32
Direct Taxes Paid	-764	-816	-901	-638	-868	-746	-1,167	-1,460
(Inc.)/Dec. in WC	494	-488	-404	-127	-423	-776	-923	-644
CF from Operations	4,172	3,276	3,821	4,811	4,821	4,267	5,041	6,230
Others	-485	159	-257	-100	-170	-78	-86	-95
CF from Operations incl. EO	3,687	3,435	3,564	4,711	4,651	4,189	4,955	6,135
(Inc.)/Dec. in FA	-2,069	-1,375	-3,003	-1,878	-4,004	-2,082	-2,016	-2,003
Free Cash Flow	1,618	2,060	561	2,833	647	2,108	2,938	4,132
(Pur.)/Sale of Investments	98	1	2	8	11	0	0	0
Others	-769	184	1,122	680	1,188	133	161	175
CF from Investments	-2,740	-1,189	-1,879	-1,190	-2,805	-1,949	-1,855	-1,829
Issue of Shares	7	510	53	0	0	600	0	0
Inc./(Dec.) in Debt	546	-1,199	-1,028	119	-896	-1,500	-1,500	-1,500
Interest Paid	-392	-372	-485	-556	-429	-379	-263	-143
Dividend Paid	-414	-478	-478	-1,182	-1,303	-1,430	-1,589	-1,748
Others	-508	-1	-138	469	-518	-73	-82	-92
CF from Fin. Activity	-762	-1,539	-2,076	-1,150	-3,147	-2,783	-3,434	-3,483
Inc./Dec. in Cash	184	706	-391	2,371	-1,301	-542	-335	823
Opening Balance	844	1,028	1,735	1,344	3,715	2,414	1,872	1,537
Closing Balance	1,028	1,735	1,344	3,715	2,414	1,872	1,537	2,360

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. 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://online.reports.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, 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.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, 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.