

Barbeque Nation Hospitality

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BARBEQUE IN
Equity Shares (m)	39
M.Cap.(INRb)/(USD\$)	41 / 0.5
52-Week Range (INR)	1950 / 879
1, 6, 12 Rel. Per (%)	-7/-13/-46
12M Avg Val (INR M)	202

Financials & Valuations (INR b)

Y/E March	2022	2023E	2024E
Sales	8.6	13.6	16.8
Sales Gr. (%)	69.7	57.5	23.7
EBITDA	1.3	2.8	3.4
Margins (%)	15.5	20.4	20.5
Adj. PAT	-0.3	0.4	0.7
Adj. EPS (INR)	-6.6	10.2	17.3
EPS Gr. (%)	N/M	L/P	70.0
BV/Sh.(INR)	99.2	109.4	126.8

Ratios

RoE (%)	-6.7	9.3	13.7
RoCE (%)	2.8	9.0	10.7

Valuation

P/E (x)	N/M	103.1	60.6
P/BV (x)	10.6	9.6	8.3
EV/EBITDA (x)	30.1	14.0	10.9
Pre-IND AS EV/EBITDA (x)	54.5	23.0	16.6

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	34.0	34.5	35.7
DII	27.5	17.1	16.4
FII	15.8	11.4	9.3
Others	22.7	37.0	38.6

FII Includes depository receipts

CMP: INR1052 TP: INR1,120 (+6%) Neutral

In line results; margin recovery likely to be gradual

- While BARBEQUE's 2QFY23 results were broadly in line with estimates on sales and EBITDA, the extent of sequential ADS dip over 1QFY23 levels was surprising. Delivery sales declined more than expected and margin recovery trajectory going ahead would be slower than expected earlier.
- Valuations are fair at 16.6x FY24E pre-Ind AS EV/EBITDA. **We reiterate our Neutral rating on the stock with a TP of INR1,120 based on 17x Sep'24 EV/EBITDA.**

In-line operating performance

- Sales grew 41% YoY and was flat QoQ at INR3,105m (est. INR3,203m) in 2QFY23.
- SSSG stood at 23.4% YoY (est. 39%) in 2QFY23.
- BARBEQUE opened 10 Barbeque Nation (BBQN) stores, leading to **186 stores in India and 6 international stores** at the end of 2QFY23. It has **15 extension kitchens** for BBQN and **13 Toscano** outlets at the end of 2QFY23. The total number of stores in metro and tier-1 cities stood at 148 (v/s 141 stores in 2QFY22) and tier-2/3 accounted for 57 stores (v/s 54 stores in 2QFY22).
- Gross margin grew 50bp YoY and contracted 70bp QoQ to 66.1% (est. 66.0%). EBITDA grew 41.1% YoY to INR583m (est. 604m). EBITDA margin came in at 18.8% v/s 18.7% YoY and 22.4% QoQ (est. 18.9%) in 2QFY23.
- Adj. PAT grew 39.2% YoY to INR43m v/s 31m YoY (est. 25m) in the quarter.
- Exceptional gain on INR32.6m pertains to:
 - INR34m gain from liquidated damages received from lessors relating to outlets closed.
 - INR14.8m gain (net) from termination of lease with respect to the above number of outlets as per IND AS 116.
 - INR16.2m loss from the write off of leasehold improvement, pertaining to above outlets vacated.

Highlights from the management commentary

- Dine in business grew 61%, driven by increased volume and value growth. The management is witnessing a trend similar to that of the last quarter in terms of covers and this may increase going ahead with employees returning to the office space in IT companies. At the per outlet basis, the dine-in business is at pre-covid levels.
- Expansion** -The management maintains its guidance of adding 40 stores in FY23. ~33-35 BBQ stores will be added in India, ~1-2 BBQ in international markets and ~3-5 Toscano stores. Currently, there are 16 restaurants under construction.
- Margins** – The management is seeing some moderation in input cost inflation. Gross margin is expected to improve marginally in 2HFY23. EBITDA margin was positively impacted by healthy salience of new restaurants.

Krishnan Sambamoorthy – Research Analyst (Krishnan.Sambamoorthy@MotilalOswal.com)

Aditya Kasat – Research Analyst (Aditya.Kasat@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.

- At the company level, 3Q ADS is generally 12-15% higher than that in 2Q. On a per store basis, it would be ~10% higher.

Valuation and view

- Changes to our model led to a marginal dip of ~4% each in our FY23/FY24 EBITDA forecasts.
- We reiterate our Neutral rating on fair valuations, inherently lower return ratios as compared to QSRs, and its potential vulnerability of its higher ticket size delivery business in an inflationary environment.

Quarterly Performance

Y/E March	FY22				FY23E				FY22	FY23E	FY23	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
SSSG (%)	960.0	184.0	42.7	5.5	182.0	23.4	14.0	25.0	64.7	25.9	39.0	
No. of stores	166	167	174	185	195	205	215	225	185	225	205	
Net Sales	1,020	2,209	2,867	2,510	3,149	3,105	3,727	3,571	8,606	13,552	3,203	-3.1
YoY change (%)	939.1	190.3	47.1	10.9	208.8	40.6	30.0	42.3	69.7	57.5	45.0	
Gross Profit	600	1,450	1,886	1,622	2,103	2,051	2,478	2,393	5,558	9,026	2,114	
Margin (%)	58.9	65.6	65.8	64.6	66.8	66.1	66.5	67.0	64.6	66.6	66.0	
EBITDA	-178	413	657	445	705	583	763	715	1,337	2,765	604	-3.5
EBITDA growth %	N/M	N/M	59.6	-2.1	N/M	41.1	16.2	60.4	188.3	106.8	46.2	
Margin (%)	-17.5	18.7	22.9	17.7	22.4	18.8	20.5	20.0	15.5	20.4	18.9	
Depreciation	289	304	340	340	352	350	400	518	1,273	1,619	450	
Interest	166	153	172	162	175	180	190	197	653	741	170	
Other Income	74	85	45	59	30	16	30	50	263	126	50	
PBT	-559	41	190	2	208	69	203	50	-326	531	34	104.0
Tax	-120	10	44	-3	48	26	47	12	-69	134	9	
Rate (%)	21.5	24.9	23.2	-109.0	23.1	38.3	23.0	24.8	21.1	25.2	26.0	
Adjusted PAT	-439	31	146	5	160	43	157	38	-257	397	25	70.2
YoY change (%)	N/M	L/P	L/P	-92.4	N/M	39.2	7.1	675.1	-	-	-18.2	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY22				FY23	
	1Q	2Q	3Q	4Q	1Q	2Q
Channel mix (%)						
Dine-in	45.0	76.8	83.7	82.2	86.6	87.4
Delivery	55.0	23.2	16.3	17.8	13.4	12.6
2Y average growth (%)						
Sales	939.1	190.3	47.1	14.7	573.9	115.4
EBITDA	-	-	59.6	40.0	-	-
PAT	-	-	-	-92.4	-	-
% of Sales						
COGS	41.1	34.4	34.2	35.4	33.2	33.9
Operating Expenses	76.3	46.9	42.9	46.9	44.4	47.3
Depreciation	28.3	13.8	11.9	13.5	11.2	11.3
YoY change (%)						
COGS	511.9	163.5	46.4	17.5	149.3	38.8
Operating Expenses	99.4	101.3	41.8	11.8	79.6	41.6
Other Income	-51.5	-27.1	-47.6	-44.2	-59.4	-81.2
EBIT	-29.9	-131.7	221.6	-35.4	-175.5	113.7



Key takeaways from the management interaction

Performance and outlook

- Dine in business grew 61% on the back of increased volume and value growth. They are seeing the same trends as last quarter in terms of covers and it may increase going ahead as employees coming back to office in the IT companies. At the per outlet basis, dine-in business is at the same level at pre-covid basis.
- It is seeing marginal uptick on monthly delivery revenues. The number of transaction has increased while AOV decreased due to decrease in box consumption and increase in a la carte orders. In long term, average AOV will be INR500-500. From FY24, INR20m run rate will be achievable.
- Ratings have improved from 3.2 previously to 3.9 at present.
- They have launched few combo meals during the quarter which is receiving encouraging response.
- Dumsafar: It is the biryani brand which they launched in the 2nd half of the quarter and has received encouraging response. It will be launched in a phased manner and will be available in all the restaurants by the end of FY23. In Sep'22 it was available in 26 outlets, in Oct'22 in 42 outlets, aims at 75 outlets by Dec'22 and in all outlets by end of Mar'23. It should be able to do ~INR10m per month over medium term.
- The management is confident of achieving INR70m per matured restaurant with 21% ROM.

Costs and margins

- They are seeing some moderation in input cost inflation. Gross margin should improve marginally in 2HFY23.
- EBITDA margin was impacted by healthy salience of new restaurants.
- Not taken any structural price hike in 2QFY23. 7-8% price increase YoY. Total increase over three years would be ~15%.
- For the new stores, margin should be zero to low single digits in 0-6 months, ~7-8% during 1st year, ~13-15% during 2nd year and at 21% in 3rd year.
- Rental cost is ~10% of revenue (~INR6.2m for the quarter)

Expansion

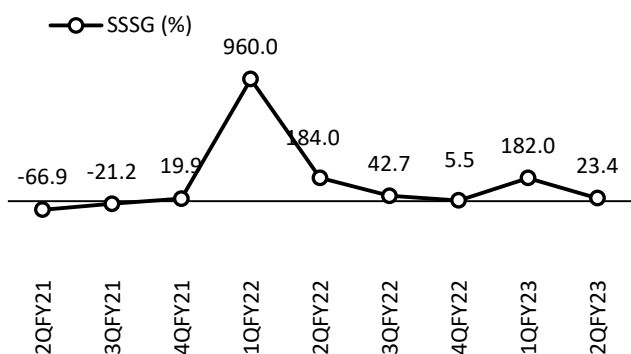
- The management maintains its guidance of adding 40 stores in FY23. ~33-35 BBQ stores will be added in India, ~1-2 BBQ in international markets and ~3-5 Tascano stores.
- Currently, there are 16 restaurants under construction.

Others

- It generally takes 2-3 years for a new store to get matured.
- Capex will be INR13.5m in FY23 and ~INR13.5-15m in FY24.
- 3Q ADS is generally 12-15% higher compared to 2Q at company level. On per store basis it would be ~10% higher.

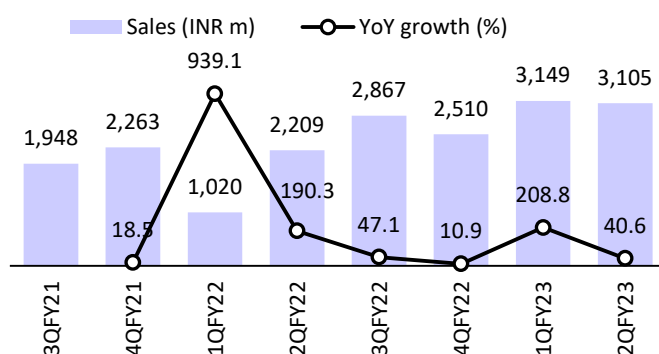
Key exhibits

Exhibit 1: YoY SSSG stood at 23.4% in 2QFY23



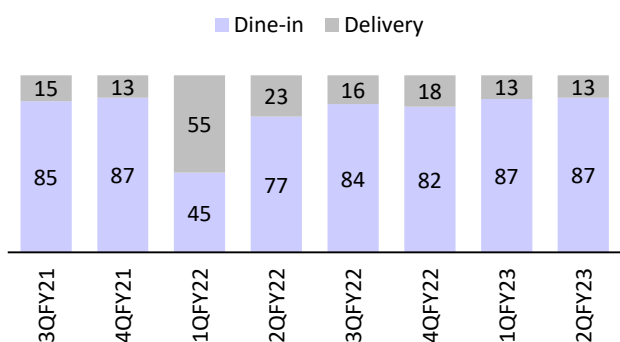
Source: Company, MOFSL

Exhibit 2: Net sales grew 40.6% YoY to INR3.1b in 2QFY23



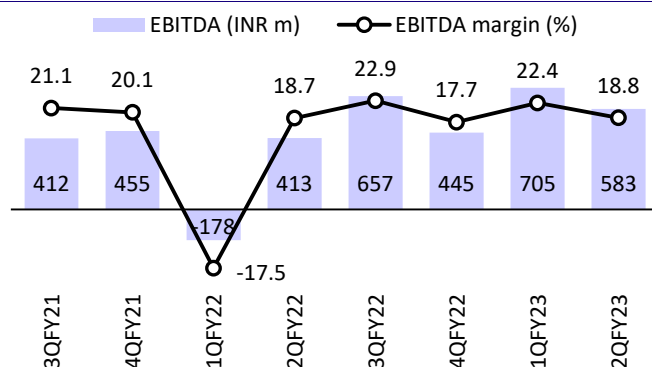
Source: Company, MOFSL

Exhibit 3: Dine-in contribution at 87% in 2QFY23



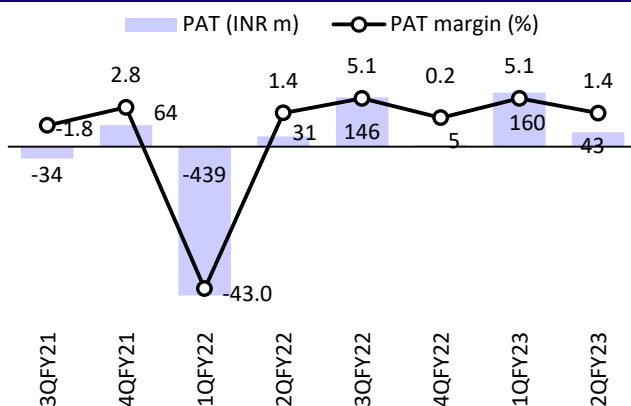
Source: Company, MOFSL

Exhibit 4: EBITDA margin came in at 18.8% in 2QFY23



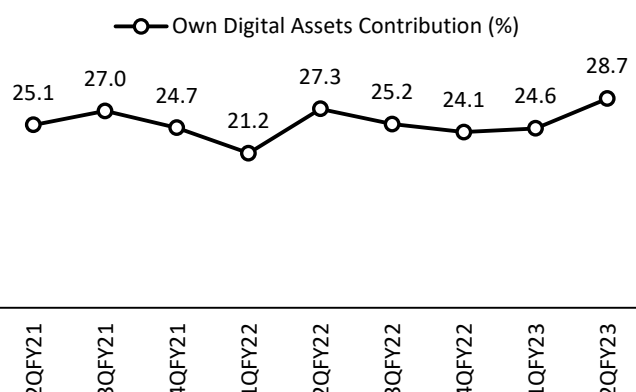
Source: Company, MOFSL

Exhibit 5: Adjusted PAT came in at INR43m in 2QFY23



Source: Company, MOFSL

Exhibit 6: Contribution from its own digital assets stood at 28.7% in 2QFY23



Source: Company, MOFSL

Valuation and view

- Changes to our model led to a marginal dip of ~4% each in our FY23/FY24 EBITDA forecasts.
- We reiterate our Neutral rating on fair valuations, inherently lower return ratios as compared to QSRs, and its potential vulnerability of its higher ticket size delivery business in an inflationary environment.

Exhibit 7: We decrease our EBITDA forecast for FY23/FY24 by 4.3%/3.7%, respectively

	New estimate		Old estimate		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Sales	13,552	16,767	13,643	16,873	-0.7	-0.6
EBITDA	2,765	3,433	2,889	3,565	-4.3	-3.7
PAT	397	675	307	773	29.3	-12.7

Source: Company, MOFSL

Financials and valuations

Income Statement						(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Net Sales	5,863	7,390	8,470	5,071	8,606	13,552	16,767
Change (%)	19.8	26.0	14.6	-40.1	69.7	57.5	23.7
Material Consumed	1,978	2,476	2,922	1,782	3,047	4,526	5,533
Gross Profit	3,885	4,914	5,548	3,288	5,558	9,026	11,234
Gross Margin %	66.3	66.5	65.5	64.8	64.6	66.6	67.0
Operating expenses	2,522	3,455	3,906	2,825	4,221	6,260	7,801
EBITDA	1,363	1,459	1,642	464	1,337	2,765	3,433
Change (%)	15.9	7.0	12.6	-71.8	188.3	106.8	24.2
Margin (%)	23.2	19.7	19.4	9.1	15.5	20.4	20.5
Depreciation	703	895	1,340	1,212	1,273	1,619	1,911
Int. and Fin. Ch.	536	564	756	849	653	741	771
Other Non-recurring Inc.	41	35	38	460	263	126	152
PBT	165	35	-415	-1,136	-326	531	903
Tax	124	144	78	-197	-69	134	227
Tax Rate (%)	74.9	416.8	-18.8	17.3	21.1	25.2	25.2
Adjusted PAT	41	-109	-493	-940	-257	397	675
Change (%)	-37.5	P/L	-	-	-	L/P	70.0
Margin (%)	0.7	-1.5	-5.8	-18.5	-3.0	2.9	4.0
Non-rec. (Exp)/Inc.	-99	-275	164	21	0	0	0
Minority interest	0	0	-5	-14	0	0	0
Reported PAT	-58	-384	-324	-905	-257	397	675

Balance Sheet						(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Share Capital	138	140	140	170	195	195	195
Reserves	1,312	1,176	-81	2,269	3,665	4,062	4,738
Net Worth	1,450	1,316	59	2,439	3,860	4,257	4,932
Loans	1,277	1,579	2,450	1,528	218	400	400
Lease Liabilities	3,507	4,200	4,816	4,498	5,887	6,342	6,883
Others	0	0	52	38	93	93	93
Capital Employed	6,234	7,095	7,377	8,503	10,057	11,092	12,308
Gross Block	7,446	9,619	11,910	12,049	14,728	16,251	17,768
Less: Accum. Depn.	2,197	2,986	4,507	5,456	6,728	9,070	10,981
Net Fixed Assets	5,249	6,634	7,404	6,593	8,000	7,181	6,787
Capital WIP	185	159	109	60	212	212	212
Goodwill	230	190	723	723	723	723	723
Investments	0	0	0	0	0	1,300	1,600
Deferred tax assets	0	0	0	0	0	0	0
Curr. Assets, L&A	1,568	1,209	1,319	4,002	2,478	3,362	4,988
Inventory	190	193	149	202	358	408	551
Account Receivables	56	49	22	26	57	85	92
Cash and Bank Balance	436	120	147	2,455	853	1,295	2,301
Others	886	847	1,001	1,319	1,210	1,573	2,044
Curr. Liab. and Prov.	945	1,057	2,167	2,855	1,356	1,685	2,001
Other Current Liabilities	152	141	894	1,237	199	209	213
Creditors	673	768	1,125	1,468	988	1,299	1,608
Provisions	120	148	148	150	168	177	180
Net Curr. Assets	623	152	-848	1,147	1,122	1,677	2,987
Current tax liabilities	-53	-40	-11	-20	0	0	0
Appl. of Funds	6,234	7,095	7,377	8,503	10,057	11,092	12,308

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Basic (INR)							
EPS	1.5	-3.9	-17.6	-27.7	-6.6	10.2	17.3
BV/Share	52.5	47.0	2.1	71.9	99.2	109.4	126.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Valuation (x)

P/E	700.1	N/M	N/M	N/M	N/M	103.1	60.6
EV/Sales	5.1	4.2	3.7	6.9	4.7	2.9	2.2
EV/EBITDA	21.9	21.2	19.3	75.0	30.1	14.0	10.9
P/BV	20.0	22.4	497.9	14.6	10.6	9.6	8.3

Return Ratios (%)

RoE	2.9	-8.3	-833.5	-38.5	-6.7	9.3	13.7
RoCE	3.2	-28.5	5.6	-3.0	2.8	9.0	10.7
RoIC	3.3	-28.7	5.2	-9.4	0.7	9.9	13.8

Working Capital Ratios

Debtor (Days)	3	2	1	2	2	2	2
Inventory (Days)	12	10	6	15	15	11	12
Creditor (Days)	42	38	48	106	42	35	35
Asset Turnover (x)	0.9	1.0	1.1	0.6	0.9	1.2	1.4

Leverage Ratio

Debt/Equity (x)	0.9	1.2	41.4	0.6	0.1	0.1	0.1
-----------------	-----	-----	------	-----	-----	-----	-----

Cash Flow Statement

Y/E March	2018	2019	2020	2021	2022	2023E	2024E
(INR m)							
OP/(loss) before Tax	66	-295	-251	-1,115	-321	531	903
Int./Div. Received	8	207	-149	-412	-137	-126	-152
Depreciation & Amort.	753	1,022	1,340	1,212	1,273	1,619	1,911
Interest Paid	-472	-488	-659	-739	-500	-741	-771
Direct Taxes Paid	145	143	78	-12	31	134	227
Incr/(Dec) in WC	-121	57	-291	-244	686	112	305
CF from Operations	1,275	1,223	1,811	679	598	2,519	2,901
Incr/(Dec) in FA	-1,010	-1,299	-840	-143	-932	-1,522	-1,517
Free Cash Flow	266	-76	971	536	-334	997	1,384
Others	42	7	-678	71	30	3,086	2,475
Pur of Investments	3	0	0	0	0	-1,300	-300
CF from Invest.	-965	-1,292	-1,518	-72	-902	264	659
Issue of Shares	478	320	1	1,495	1,844	0	0
Incr in Debt	405	302	876	73	-1,310	182	0
Dividend Paid	-33	-34	-34	0	0	0	0
Others	-778	-836	-1,109	133	-1,832	-2,524	-2,554
CF from Fin. Activity	73	-247	-265	1,700	-1,298	-2,341	-2,554
Incr/Decr of Cash	384	-316	27	2,308	-1,602	442	1,005
Add: Opening Balance	53	436	120	147	2,455	853	1,295
Closing Balance	436	120	147	2,455	853	1,295	2,301

E: MOFSL Estimates

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOFSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. 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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however, the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

Registered Office Address: 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 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products. Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.