

Estimate change



TP change



Rating change

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	77.6 / 0.9
52-Week Range (INR)	1649 / 823
1, 6, 12 Rel. Per (%)	2/-11/-36
12M Avg Val (INR M)	163

Financial Snapshot (INR b)

Y/E MARCH	FY23E	FY24E	FY25E
Sales	88.5	93.1	100.5
EBITDA	8.8	12.7	14.8
Adj. PAT	1.0	3.8	5.5
EBITDA Margin (%)	9.9	13.7	14.7
Adj. EPS (INR)	12.9	49.6	71.2
EPS Gr. (%)	-77.0	285.2	43.6
BV/Sh. (INR)	790	829	889

Ratios

Net D:E	0.6	0.6	0.5
RoE (%)	1.6	6.1	8.3
RoCE (%)	3.1	5.7	6.9
Payout (%)	61.6	20.2	16.9

Valuations

P/E (x)	78.3	20.3	14.1
P/BV (x)	1.3	1.2	1.1
EV/EBITDA(x)	12.8	8.7	7.1
EV/ton (USD)	71	66	63
Div. Yield (%)	0.7	1.0	1.2

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	62.9	62.9	62.9
DII	15.8	16.1	15.4
FII	4.3	4.3	3.7
Others	17.0	16.7	18.1

FII Includes depository receipts

CMP: INR1,007

TP: INR1,210 (+20%)

Buy

Higher costs dent performance; debt increases further

Announces changes in the leadership team

- BCORP's 2QFY23 performance was below estimate due to lower sales volume (-4% v/s estimate) and higher opex (+5% v/s estimate). Consol. EBITDA stood at INR940m v/s estimated INR1.9b and EBITDA/t was at INR258 v/s estimated INR496. Net loss was at INR565m v/s estimated loss of INR36m.
- Mr. Arvind Pathak has stepped down from the position of MD & CEO. Mr. Sandip Ghose (having a rich experience of 39 years with 13 years in the cement industry), Ex-Chief Operating Officer of the company will join from 1st Dec'22 and will be the MD/CEO effective 1st Jan'23 for a three-year period.
- Lower profits in 1HFY23 due to the delay in stabilization of Mukutban plant lead us to cut our EBITDA estimate for FY23/24 by 17%/8%. Profit estimates are being reduced by 56%/18% for FY23/24. BCORP's valuation at 8.7x/7.1x FY24E/25E EV/EBITDA looks reasonable. **Maintain BUY.**

Weak volume and higher Opex/t impact profitability adversely

- BCORP's revenue/EBITDA stood at INR20b/INR940m (+18%/-65% YoY and 3%/50% below our estimates). Cement realization rose 6% YoY (-4% QoQ). Sales volume was up 11% YoY (-7% QoQ) to 3.64mt (-4% v/s our estimate).
- Blended cost of production/t grew 20% YoY, led by a 25%/20%/15% increase in variable cost/other expenses/freight cost, respectively. Employee cost was up 18% YoY to INR1.3b. EBITDA/t declined 68% YoY and OPM fell 11pp YoY.
- For 1HFY23, revenue grew 22% YoY led by 14%/7% growth in realization/sales volume. However, cost pressures (Opex/t up 19% YoY) led to 42% YoY decline in EBITDA to INR3.5b. OPM fell 9.3pp YoY to 8.4% and EBITDA/t declined 49% YoY to INR467. Adjusted PAT was down 92% YoY to INR171m.
- CFO turned negative at INR2.8b v/s INR4.6b in 1HFY22, partly due to increase in working capital by INR4.6b. Consolidated gross/net debt stood at INR44.7b/INR41.7b v/s INR42.1b/INR34.7 in Mar'22, respectively.

Highlights from the management commentary

- Mukutban plant commissioned in Apr'22 is estimated to produce 1mt cement in FY23. EBITDA/t excluding Mukutban would have been at INR409.
- The kiln at Mukutban plant was shut for a substantial period due to weak demand (~26% capacity utilization in 2QFY23). Further, cost was higher due to dependence on imported coal and higher logistics cost. With commissioning of railway siding and WHRS (from Dec'22), usage of petcoke and GST incentives from FY24, performance of this unit is likely to improve.
- AFR contributed 9% to fuel consumption v/s 6% in 2QFY22. This is expected to increase to ~12% going forward. Green energy share was at 20.6% in 2Q.

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)

Mudit Agarwal - Research analyst (Mudit.Agarwal@MotilalOswal.com)

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

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

Valuations attractive; maintain BUY

- BCORP's profitability has been impacted adversely due to a delay in stabilization of Mukutban plant, which led to higher-than-estimated opex. We estimate margins to improve in 2HFY23 (OPM at 11.3% v/s 8.4% in 1HFY23).
- BCORP's net debt has increased in 1HFY23 due to completion of Mukutban Project and higher working capital requirement. We estimate net debt to be at INR38.8b by FY23-end v/s INR41.7b as of Sep'22.
- BCORP trades at 8.7x/7.1x FY24E/FY25E EV/EBITDA (v/s one-year forward EV/EBITDA of 8x over FY14-22), a much lower valuation than the average for companies with similar capacities. We maintain our BUY rating with a TP of INR1,210 (v/s INR1,275 earlier), based on 9x Sep'24 EV/EBITDA (earlier Mar'24).

Consolidated performance

(INR b)

Y/E March	FY22				FY23				FY22	FY23E	FY23 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cement Sales (MT)	3.35	3.27	3.35	4.24	3.93	3.64	3.97	4.54	14.22	16.08	3.77	(4)
YoY Change (%)	39.0	0.3	(5.6)	1.7	17.3	11.3	18.4	7.1	6.2	13.1	15.4	
Cement Realization	4,943	4,878	4,934	5,071	5,344	5,151	5,201	5,213	4,961	5,228	5,184	(1)
YoY Change (%)	0.2	(0.0)	3.4	4.4	8.1	5.6	5.4	2.8	2.2	5.4	6.3	
QoQ Change (%)	1.8	(1.3)	1.2	2.8	5.4	(3.6)	1.0	0.2			(3.0)	
Net Sales	17.5	17.0	17.5	22.6	22.0	20.0	21.7	24.8	74.6	88.5	20.7	(3)
YoY Change (%)	43.1	2.6	(1.5)	6.2	26.0	17.8	24.0	9.6	10.0	18.7	21.8	
Total Expenditure	14.1	14.3	15.3	19.9	19.4	19.1	19.7	21.6	63.5	79.7	18.8	1
EBITDA	3.4	2.7	2.2	2.8	2.6	0.9	2.0	3.2	11.1	8.8	1.9	(50)
Margin (%)	19.6	15.7	12.7	12.2	11.8	4.7	9.4	13.0	14.9	9.9	9.0	(435bp)
Depreciation	1.0	1.0	1.0	1.0	1.1	1.3	1.3	1.3	4.0	5.0	1.3	(2)
Interest	0.6	0.6	0.6	0.5	0.7	0.9	1.0	1.0	2.4	3.6	0.8	13
Other Income	0.1	0.1	0.1	0.7	0.1	0.4	0.2	0.4	1.0	1.2	0.2	132
Profit before Tax	1.9	1.2	0.7	1.9	0.9	-0.8	0.0	1.3	5.7	1.3	0.0	NM
EO (Income)/Expense	-	-	(70)	341	117	-	-	-	271	117	-	
Profit before Tax after EO	1.9	1.2	0.7	1.6	0.8	-0.8	0.0	1.3	5.4	1.2	0.0	NM
Tax	0.5	0.3	0.1	0.5	0.2	-0.3	0.0	0.5	1.4	0.3	0.0	NM
Rate (%)	25.7	28.2	19.2	29.5	19.7	31.5	26.0	35.5	26.5	28.5	26.0	
Reported PAT	1.4	0.9	0.6	1.1	0.6	-0.6	0.0	0.8	4.0	0.9	0.0	NM
Adj. PAT	1.4	0.9	0.7	1.4	0.7	-0.6	0.0	0.8	4.3	1.0	0.0	NM
Margin (%)	8.1	5.0	3.8	6.1	3.3	-2.8	-0.1	3.4	5.8	1.1	-0.2	NM
YoY Change (%)	115.3	(48.7)	(55.7)	(16.0)	(48.0)	NM	NM	(39.0)	(21.0)	(77.0)	NM	
Per tonne analysis (INR)												
Blended Realization	5,221	5,192	5,224	5,340	5,608	5,494	5,468	5,466	5,247	5,507	5,481	0
YoY Change (%)	3.0	2.3	4.4	4.4	7.4	5.8	4.7	2.3	3.5	5.0	5.6	
Raw Material	477	772	510	1,110	565	592	642	813	741	660	665	(11)
Staff Cost	324	341	343	267	325	361	333	293	315	326	323	12
Power and Fuel	1,113	1,035	1,383	1,062	1,564	1,671	1,521	1,358	1,142	1,520	1,664	0
Transport and Forwarding	1,242	1,185	1,238	1,252	1,330	1,361	1,340	1,335	1,230	1,341	1,200	13
Other Exp.	1,039	1,042	1,087	997	1,163	1,250	1,120	955	1,038	1,113	1,133	10
Total Expenditure	4,196	4,375	4,560	4,688	4,948	5,236	4,956	4,754	4,466	4,960	4,985	5
EBITDA	1,026	817	664	653	660	258	512	712	781	547	496	(48)

Source: Company, MOFSL Estimates

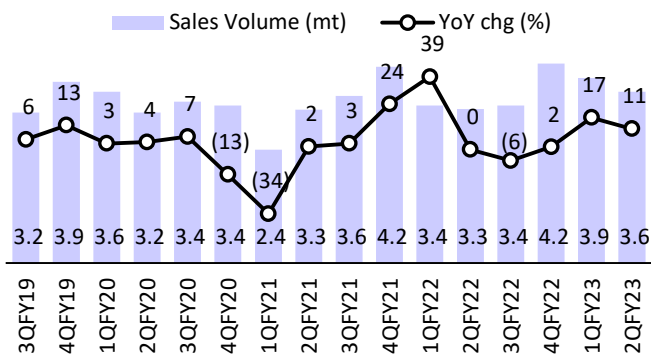
Exhibit 1: Revisions to our estimates

(INR b)	Revised		Old		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	88.5	93.1	88.0	92.2	1	1
EBITDA	8.8	12.7	10.6	13.8	(17)	(8)
PAT	1.0	3.8	2.3	4.7	(56)	(18)
EPS (INR)	12.9	49.6	29.6	60.7	(56)	(18)

Source: Company, MOFSL estimates

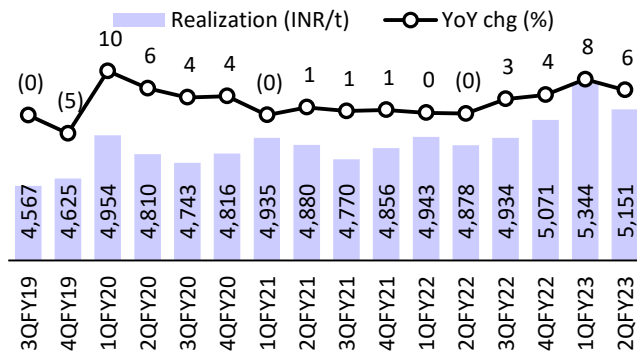
Story in charts

Exhibit 2: Sales volume up 11% YoY but declined 7% QoQ



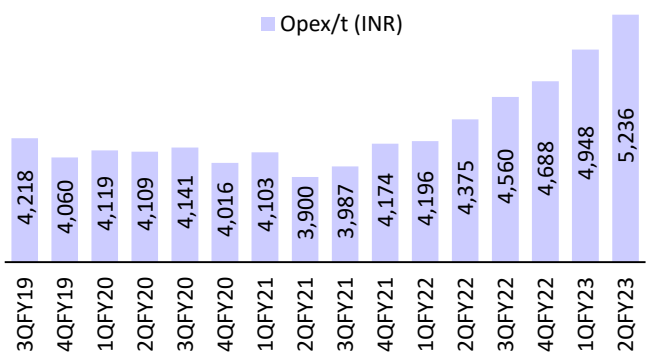
Source: Company, MOFSL

Exhibit 3: Cement realization up 6% YoY but down 4% QoQ



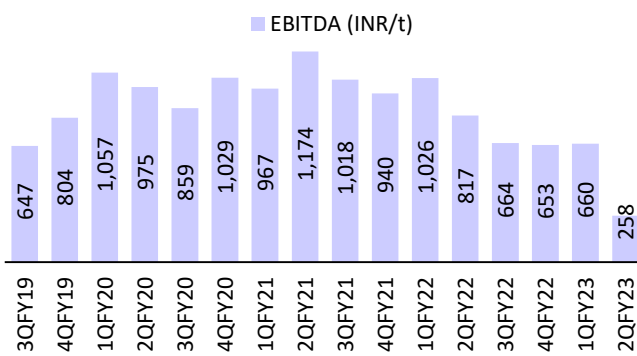
Source: Company, MOFSL

Exhibit 4: OPEX/t increased 20% YoY....



Source: Company, MOFSL

Exhibit 5:leading to 68% YoY EBITDA/t decline



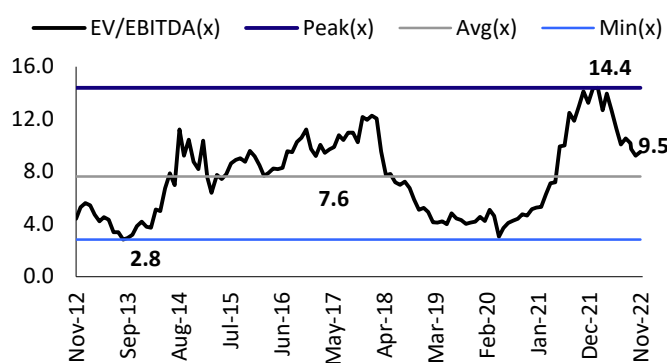
Source: Company, MOFSL

Exhibit 6: Key performance indicators – per tonne analysis

INR/t	2QFY23	2QFY22	YoY (%)	1QFY23	QoQ (%)
Blended realization	5,494	5,192	6	5,608	(2)
RM Cost	592	772	(23)	565	5
Employee Expenses	361	341	6	325	11
Power, Oil, and Fuel	1,671	1,035	61	1,564	7
Freight and Handling Outward	1,361	1,185	15	1,330	2
Other Expenses	1,250	1,042	20	1,163	8
Total Expenses	5,236	4,375	20	4,948	6
EBITDA	258	817	(68)	660	(61)

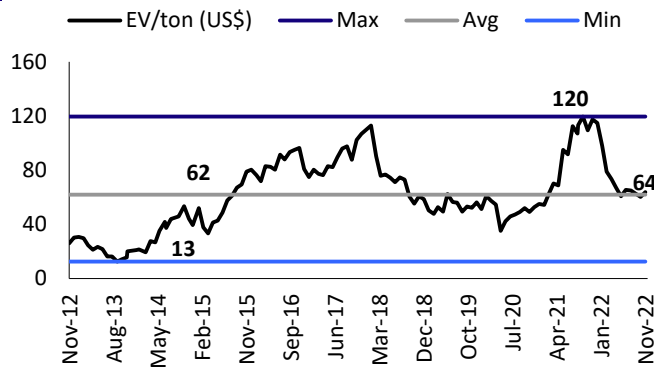
Source: Company, MOFSL

Exhibit 7: One-year forward EV/EBITDA trend



Source: Company, MOFSL

Exhibit 8: One-year forward EV/t trend



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

	(INR m)							
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net Sales	57,342	65,487	69,157	67,855	74,612	88,542	93,087	1,00,478
Change (%)	31.9	14.2	5.6	-1.9	10.0	18.7	5.1	7.9
Total Expenditure	49,275	56,001	55,797	54,163	63,512	79,744	80,344	85,664
EBITDA	8,066	9,486	13,360	13,691	11,100	8,798	12,743	14,814
Margin (%)	14.1	14.5	19.3	20.2	14.9	9.9	13.7	14.7
Depreciation	3,322	3,391	3,519	3,708	3,969	5,033	5,252	5,416
EBIT	4,745	6,095	9,841	9,984	7,131	3,765	7,491	9,398
Int. and Finance Charges	3,776	3,705	3,877	2,963	2,427	3,577	3,543	3,296
Other Income - Rec.	755	785	851	673	988	1,151	1,210	1,306
PBT after EO	1,598	3,174	6,815	8,375	5,421	1,223	5,158	7,408
Change (%)	-30.6	98.6	114.7	22.9	-35.3	-77.4	321.9	43.6
Tax	59	617	1,763	2,074	1,435	348	1,341	1,926
Tax Rate (%)	3.7	19.4	25.9	24.8	26.5	28.5	26.0	26.0
Reported PAT	1,540	2,557	5,052	6,301	3,986	874	3,817	5,482
Extra-Ordinary Expenses	125	0	0	-681	271	117	0	0
PAT Adjusted for EO Items	1,664	2,557	5,052	5,460	4,313	991	3,817	5,482
Change (%)	-26.4	53.6	97.6	8.1	-21.0	-77.0	285.2	43.6
Margin (%)	2.9	3.9	7.3	8.0	5.8	1.1	4.1	5.5

Balance Sheet

	(INR m)							
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	770	770	770	770	770	770	770	770
Reserves	42,028	44,182	47,291	54,090	59,718	60,054	63,101	67,659
Net Worth	42,798	44,952	48,061	54,860	60,488	60,824	63,871	68,429
Loans	38,951	40,492	42,820	40,464	42,080	42,080	41,280	36,280
Deferred Liabilities	7,452	7,422	8,568	8,668	9,722	9,722	9,722	9,722
Capital Employed	89,201	92,866	99,449	1,03,992	1,12,291	1,12,626	1,14,873	1,14,431
Gross Block	81,071	83,400	87,430	91,087	97,586	1,26,097	1,30,097	1,34,097
Less: Accum. Deprn.	7,361	10,738	14,158	17,852	21,821	26,854	32,106	37,522
Net Fixed Assets	73,710	72,662	73,273	73,235	75,765	99,242	97,990	96,574
Capital WIP	7,599	9,119	16,020	21,048	25,511	3,000	3,000	3,000
Investments	6,723	8,769	8,363	7,526	10,093	6,093	6,093	6,093
Curr. Assets	22,717	22,765	24,098	27,147	27,147	31,392	31,832	33,802
Inventory	6,870	7,830	7,876	8,101	8,200	9,740	9,309	10,048
Account Receivables	1,914	2,622	2,504	2,795	3,028	3,630	3,817	4,120
Cash and Bank Balance	2,198	1,390	2,558	1,773	1,380	1,302	1,484	1,895
Others	11,735	10,924	11,160	14,479	14,539	16,721	17,223	17,740
Curr. Liability and Prov.	21,548	20,450	22,306	24,964	26,225	27,102	24,042	25,039
Account Payables	21,056	19,911	21,637	24,230	25,453	26,563	23,272	24,115
Provisions	492	538	669	734	772	539	770	924
Net Current Assets	1,169	2,316	1,793	2,184	922	4,291	7,790	8,763
Appl. of Funds	89,201	92,866	99,449	1,03,992	1,12,291	1,12,626	1,14,874	1,14,431

Source: Company, MOFSL Estimates

Financials and valuations

Ratios								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)								
EPS	21.6	33.2	65.6	70.9	56.0	12.9	49.6	71.2
Cash EPS	64.7	77.2	111.3	119.0	107.6	78.2	117.8	141.5
BV/Share	555.8	583.7	624.1	712.4	785.5	789.8	829.4	888.6
DPS	6.5	7.5	7.5	10.0	10.0	7.0	10.0	12.0
Payout (%)	37.8	26.2	13.3	12.2	19.3	61.6	20.2	16.9
Valuation (x)								
P/E		30.3	15.4	14.2	18.0	78.3	20.3	14.1
Cash P/E		13.0	9.0	8.5	9.4	12.9	8.6	7.1
P/BV		1.7	1.6	1.4	1.3	1.3	1.2	1.1
EV/Sales		1.5	1.4	1.3	1.1	1.2	1.2	1.0
EV/EBITDA		11.4	8.2	7.9	9.7	12.8	8.7	7.1
EV/t - Cap (USD)		86	87	86	86	71	66	63
Dividend Yield (%)		0.7	0.7	1.0	1.0	0.7	1.0	1.2
Return Ratios (%)								
RoE	4.4	5.8	10.9	10.6	7.5	1.6	6.1	8.3
RoCE	6.3	6.1	8.2	7.9	5.5	3.1	5.7	6.9
RoIC	6.8	6.7	10.0	10.3	7.0	3.0	5.4	6.7
Working Capital Ratios								
Inventory (Days)	44	44	42	44	40	40	37	37
Debtor (Days)	12	15	13	15	15	15	15	15
Working Capital Turnover (Days)	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.9
Leverage Ratio								
Current ratio	1.1	1.1	1.1	1.1	1.0	1.2	1.3	1.3
Debt/Equity (x)	0.9	0.9	0.9	0.7	0.7	0.7	0.6	0.5

Cash Flow Statement									(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	
OP/(Loss) before Tax	1,598	3,174	6,815	7,126	5,378	1,223	5,158	7,408	
Depreciation	3,322	3,391	3,519	3,708	3,969	5,033	5,252	5,416	
Interest and Finance Charges	3,776	3,705	3,877	2,963	2,427	3,577	3,543	3,296	
Direct Taxes Paid	-552	-469	-418	-843	-610	-348	-1,341	-1,926	
(Inc.)/Dec. in WC	481	1,309	207	-201	-2	-3,446	-3,317	-563	
CF from Operations	8,625	11,111	14,000	12,752	11,162	6,038	9,295	13,631	
Others	-577	-470	-588	532	-770	0	0	0	
CF from Operating incl. EO	8,049	10,641	13,412	13,284	10,392	6,038	9,295	13,631	
(Inc.)/Dec. in FA	-2,754	-4,030	-9,860	-8,028	-7,762	-6,000	-4,000	-4,000	
Free Cash Flow	5,295	6,611	3,552	5,256	2,629	38	5,295	9,631	
(Pur.)/Sale of Investments	-541	-1,521	-446	2,438	-1,269	4,000	0	0	
Others	-129	-550	74	-1,699	950	0	0	0	
CF from Investments	-3,423	-6,101	-10,232	-7,289	-8,082	-2,000	-4,000	-4,000	
Issue of Shares	0	0	0	0	0	0	0	0	
Inc./(Dec.) in Debt	-1,391	-1,297	1,860	-2,252	1,246	0	-800	-5,000	
Interest Paid	-3,558	-3,448	-3,872	-3,493	-3,179	-3,577	-3,543	-3,296	
Dividend Paid	-501	-501	0	-1,036	-770	-539	-770	-924	
Others	-102	-103	0	0	0	0	0	0	
CF from Fin. Activity	-5,552	-5,349	-2,012	-6,781	-2,703	-4,116	-5,113	-9,220	
Inc./Dec. in Cash	-926	-808	1,169	-786	-393	-78	182	411	
Opening Balance	3,125	2,198	1,390	2,559	1,772	1,380	1,302	1,484	
Closing Balance	2,198	1,390	2,559	1,772	1,380	1,302	1,484	1,895	

Source: Company, 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 - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

A graph of daily closing prices of securities is available at www.nseindia.com, 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 Advisers 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 dpgrievances@motilaloswal.com.