

# Vinati Organics

**BSE SENSEX**  
60,858

**S&P CNX**  
18,108

**CMP: INR1,972**
**TP: INR2,740 (+39%)**
**Buy**

**Stock Info**

Bloomberg	VO IN
Equity Shares (m)	103
M.Cap.(INRb)/(USDb)	202.6 / 2.5
52-Week Range (INR)	2373 / 1675
1, 6, 12 Rel. Per (%)	1/-17/-6
12M Avg Val (INR M)	125
Free float (%)	25.9

**Financials Snapshot (INR b)**

Y/E March	FY23E	FY24E	FY25E
Sales	22.2	27.6	36.8
EBITDA	5.9	8.1	11.0
PAT	4.6	6.3	8.6
EPS (INR)	45.0	61.2	84.0
EPS Gr. (%)	33	36	37
BV/Sh.(INR)	214	264	331

**Ratios**

Net D:E	0.1	0.1	0.1
RoE (%)	23.0	25.6	28.2
RoCE (%)	21.0	23.0	25.7
Payout (%)	19.3	19.3	19.3

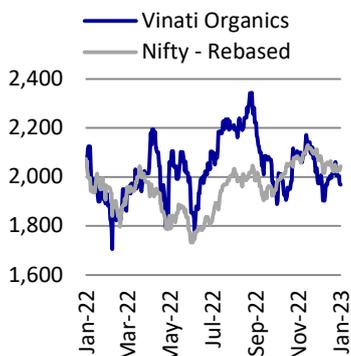
**Valuations**

P/E (x)	43.7	32.1	23.4
P/BV (x)	9.2	7.5	5.9
EV/EBITDA (x)	34.5	25.3	18.6
Div. Yield (%)	0.4	0.6	0.8
FCF Yield (%)	0.4	1.2	2.1

**Shareholding pattern (%)**

As On	Dec-22	Sep-22	Dec-21
Promoter	74.1	74.1	74.1
DII	7.9	8.0	7.5
FII	4.8	4.8	4.5
Others	13.2	13.2	13.9

FII Includes depository receipts

**Stock performance (one-year)**

**ATBS demand outlook robust; realizations firm**

- Oil drilling activities remain vigorous globally as the countries move away from their dependence on Russian oil and gas. Average global rig counts have risen 10% since the Russia-Ukraine conflict started in Mar'22.
- In line with the above, Vinati Organics (VO)'s management outlook for ATBS remains robust and it has announced a 50% capacity expansion to 60ktpa (from 40ktpa), which is likely to come online in 2HFY24. ATBS primarily caters to the oil and gas industry.
- Exports form a major part of VO's overall revenue and according to our database, volumes remain steady YoY. Implied blended realizations in USD/kg have also been firm and move in line with the Brent prices over a longer period of time, according to our research.
- We expect RoE to improve to 26% for FY24 from 21% in FY22. The stock is trading at 32x FY24E EPS and 25x FY24E EV/EBITDA. **We reiterate BUY on the stock, and value it at 35x Dec'24 EPS to arrive at our TP of INR2,740.**

**ATBS demand to remain strong in the near term...**

- ATBS is a unique versatile compound having a variety of end-user industry applications such as in water treatment chemicals, paints & coatings, adhesives, textile chemicals and personal care. However, its most important use is in the enhanced oil recovery industry.
- According to Baker Hughes, the global rig counts have increased to an average of 1,747 in CY22 from an average of 1,361 in CY21 with North America's rig count being at an average of 897 in CY22 v/s an average of 606 in CY21. Average rig counts in Europe have risen 47% to 115 in Dec'22 v/s Mar'22 level.
- ATBS demand is likely to stay strong as oil drilling activities remain robust with the US, Europe and the world at large trying to move away from their dependence on Russian oil and gas after the Russia-Ukraine conflict started, which created volatility in the global oil markets.
- The global ATBS market stood at USD7.7b in CY21 and it is expected to increase to USD17b by end-CY28, reporting ~12% CAGR during the period. In line with all the above, VO has announced an expansion of its ATBS capacity by 50% to 60ktpa (>65% global market share) from 40ktpa, which is likely to come online in 2HFY24, **although the upcoming domestic competition could be a worry.**

**...with exports realization moving in line with Brent prices**

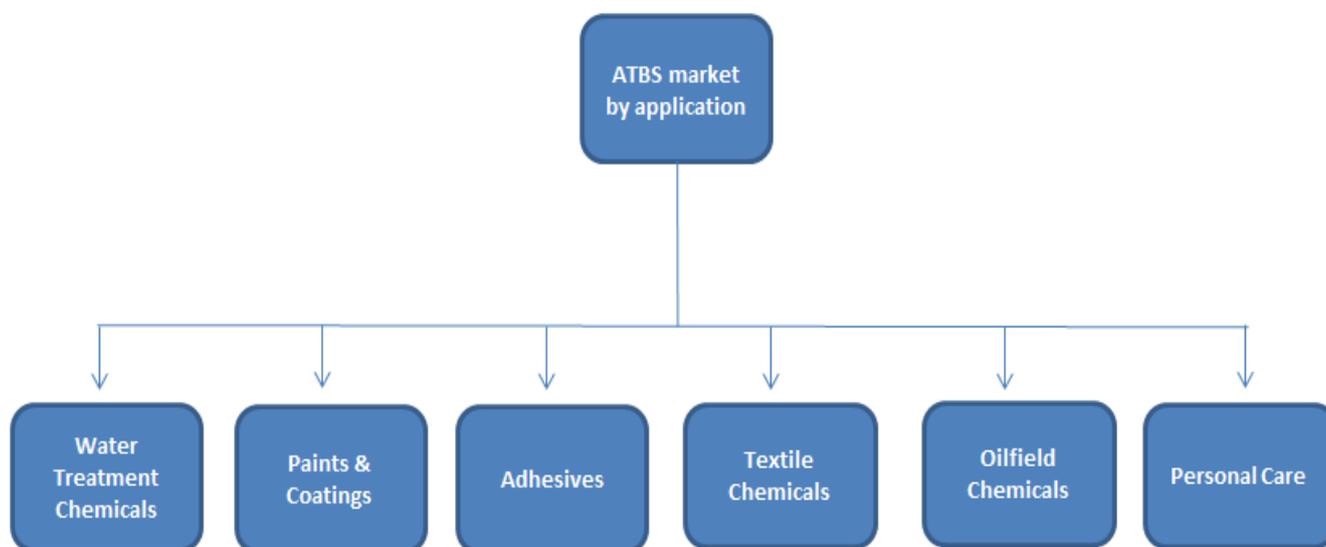
- Exports accounted for 69% of VO's overall revenue in FY22. ATBS is the largest product of VO and currently contributes 48% to its overall revenue (53% in FY22). VO also enjoys >65% global market share in IBB, which is one of the main raw materials used in production of Ibuprofen. Demand for both remains strong after a lackluster FY21 and FY22.
- VO reported export sales of 13,359mt in 3QFY23, down 10% QoQ and 3% YoY. Average rig counts fell in North America during the quarter and that might have been one of the reasons for this decline. Export sales for 9MFY23 at 43,353mt were similar to that of the 9MFY22 level.

- As per our database, overall export realizations for VO stood at ~USD3/kg in 3QFY23, flat v/s 2QFY23. During the same period, Brent has corrected 11% QoQ to USD88.4/bbl. That being said, if we look at a much longer period, our research suggests that the realizations move in line with Brent prices (*Exhibit 7*).
- Though global oil market volatility persists due to concerns on both demand and supply, we believe that near-term ATBS demand should remain strong and VO's realizations would be healthy in the export market. Our Brent assumptions too stand at USD98/USD90/USD90 for FY23E/FY24E/FY25E, respectively.

#### Valuation and view

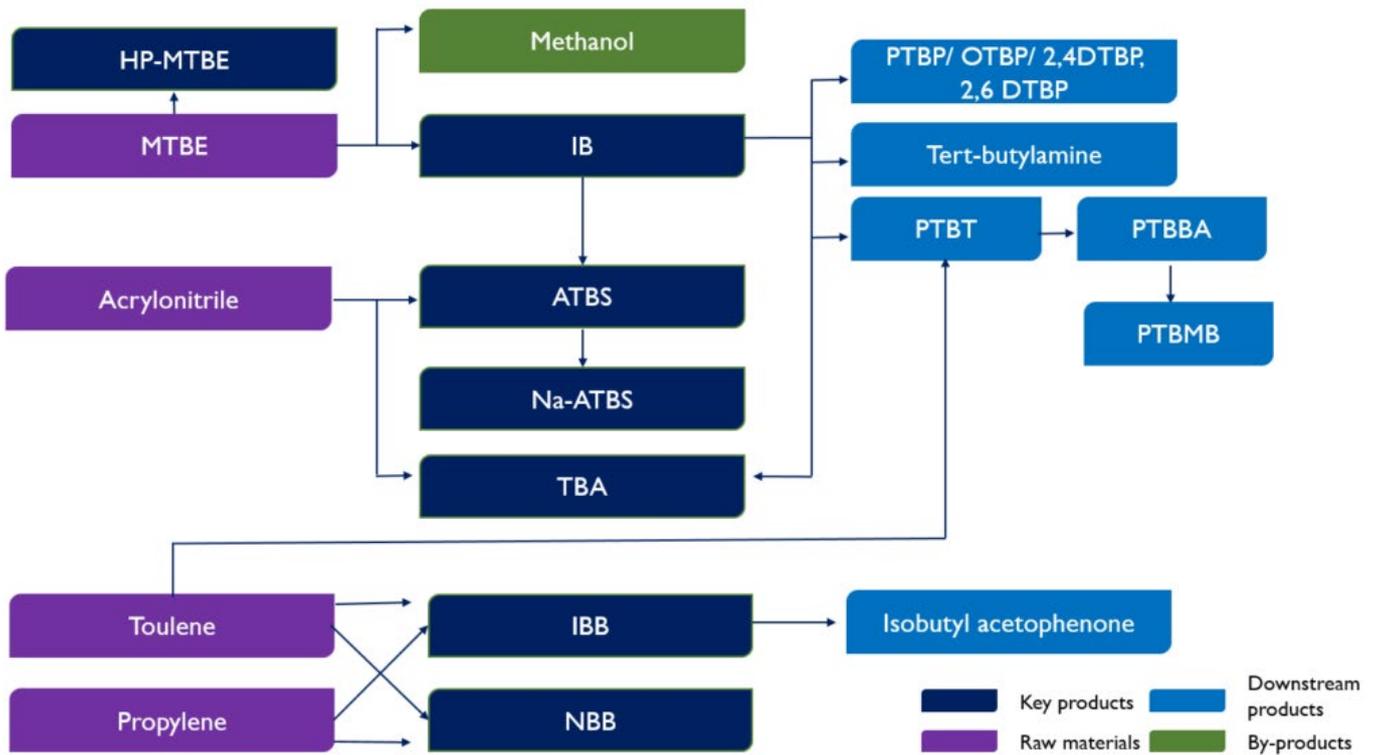
- ATBS demand outlook remains quite strong going forward in FY24E. Veeral Organics Pvt. Ltd. (a wholly owned subsidiary of VO) is also set to commence production of MEHQ, Guaiacol, and Iso Amylene in 1HFY24E, which should propel VO into the next leg of its growth story.
- Veeral Additives has commenced production of AOs and awaits customers' approvals. Post-amalgamation, VO would become the largest and the only doubly integrated manufacturer of AOs in India. Currently, AOs are being imported and the domestic market is seeing huge demand for PP, LLDPE, etc. (which is likely to grow at 8% YoY).
- The stock is trading at 32x FY24E EPS and 25x FY24E EV/EBITDA, with return ratios of 23-26%. It had a fixed asset turnover of 2x as of FY22. We value the company at 35x Dec'24E EPS to arrive at our TP of INR2,740. **Reiterate BUY.**
- Key risk to our call is the upcoming competition in ATBS, which could hurt VO.

**Exhibit 1: End-user industries of ATBS**



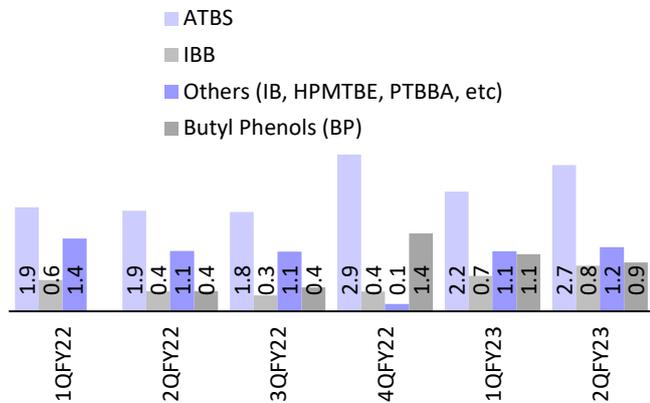
Source: Industry, Company, MOFSL

Exhibit 2: Complete value chain of the existing products of VO



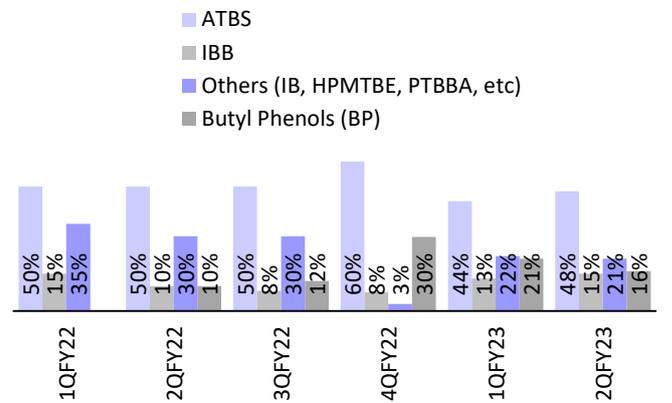
Source: Industry, MOFSL

Exhibit 3: Segment revenue of VO (INR b)



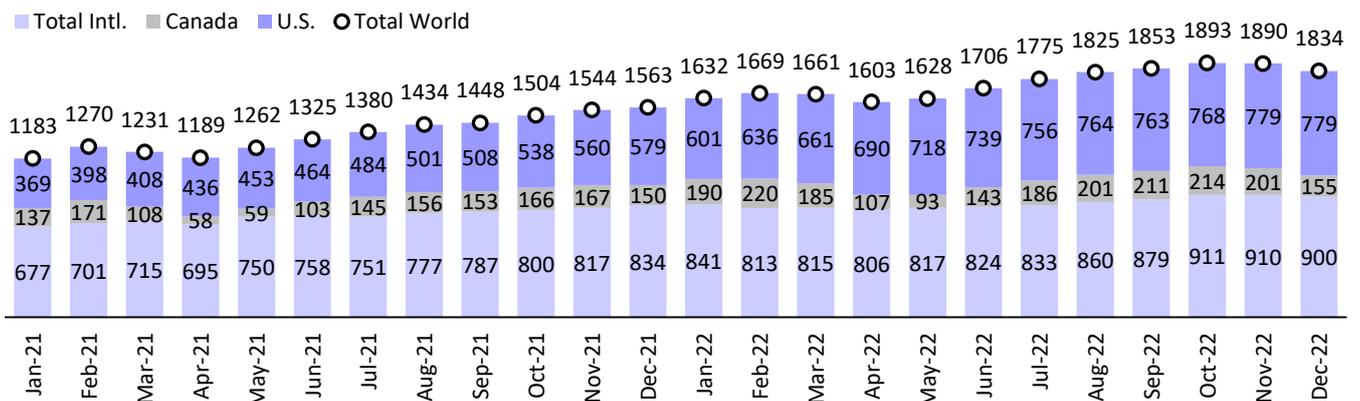
Source: Company, MOFSL

Exhibit 4: Revenue mix of VO (%)



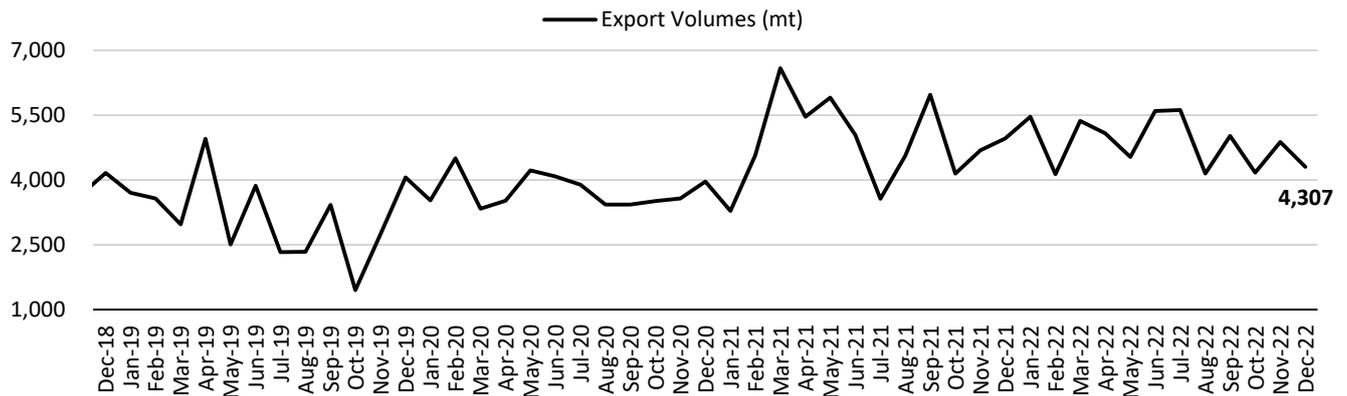
Source: Company, MOFSL

Exhibit 5: Global rig counts have been on a rise since the Russia-Ukraine conflict began, up 10% since Mar'22



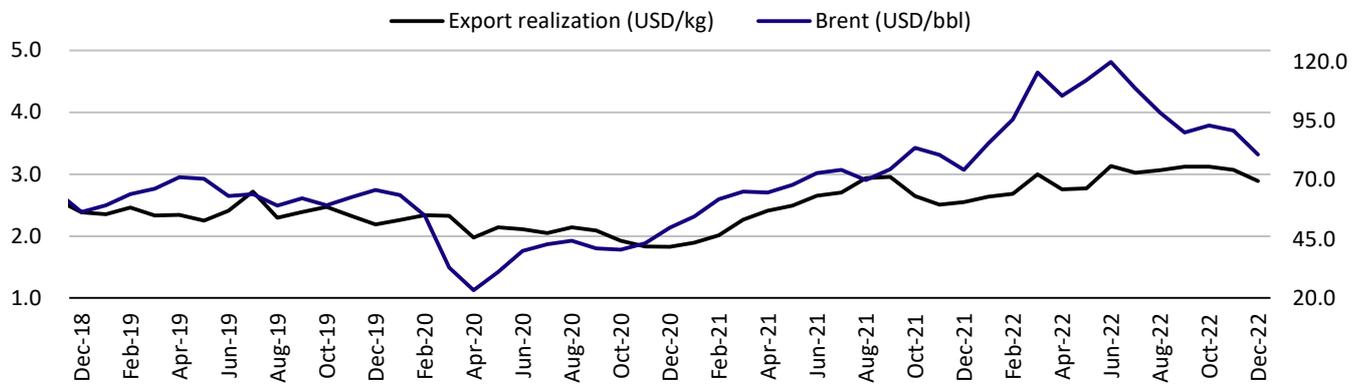
Source: Baker Hughes, MOFSL

**Exhibit 6: Demand for ATBS has been steady that augurs well for VO**



Source: Industry, MOFSL

**Exhibit 7: Over a longer period of time, export realization for VO moves in congruence with the Brent movement**



Source: Industry, MOFSL

Story in charts

Exhibit 8: Expect 32% revenue CAGR over FY22-25...

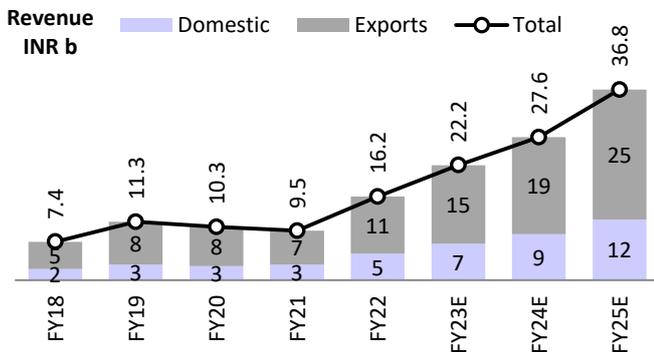


Exhibit 9: ...with Exports likely to remain high

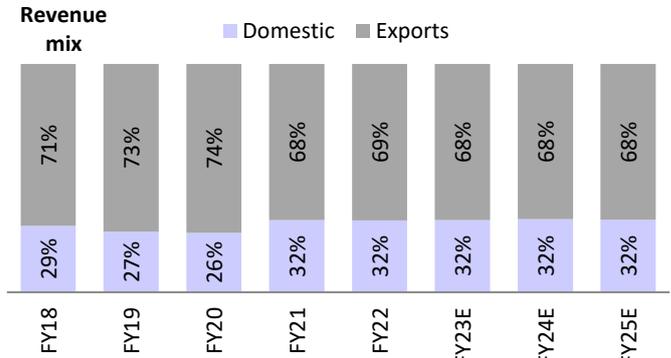


Exhibit 10: EBITDAM to improve as new projects start...

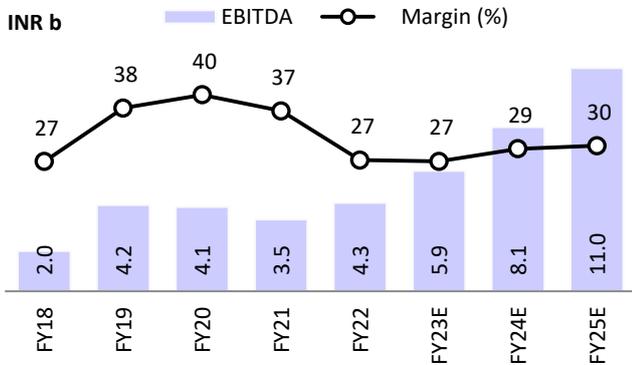


Exhibit 11: ...with product excellence to expand PAT margin

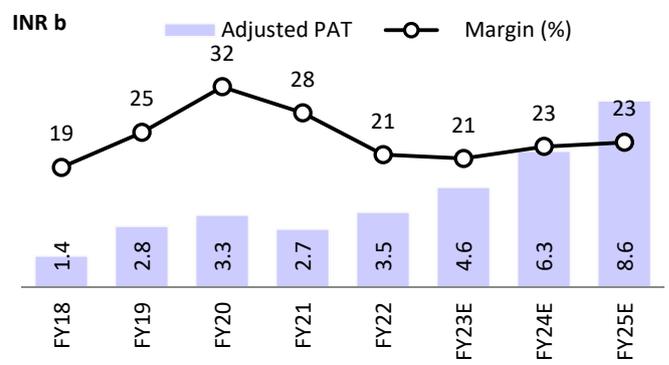


Exhibit 12: One-year forward P/E trades at 34.3x...

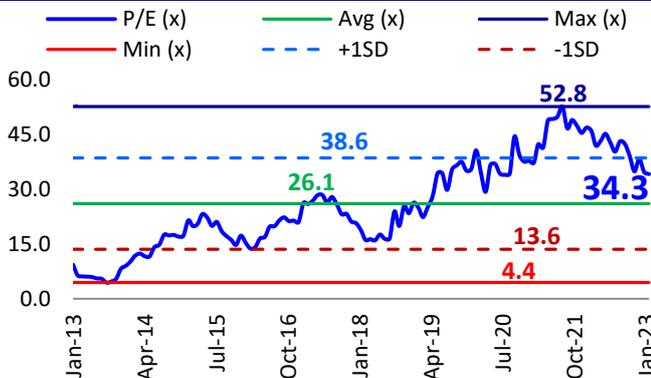


Exhibit 13: ...with return ratios improving to 26-28%

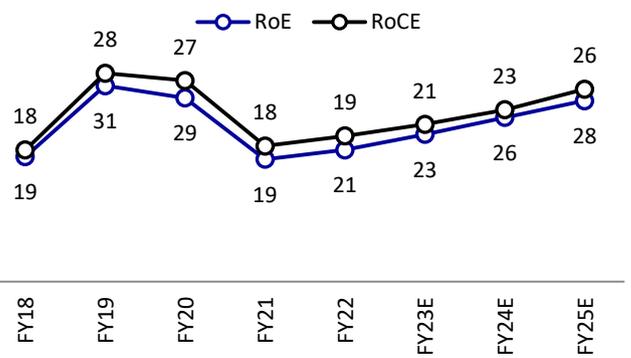


Exhibit 14: Capex for the next three years at INR8b

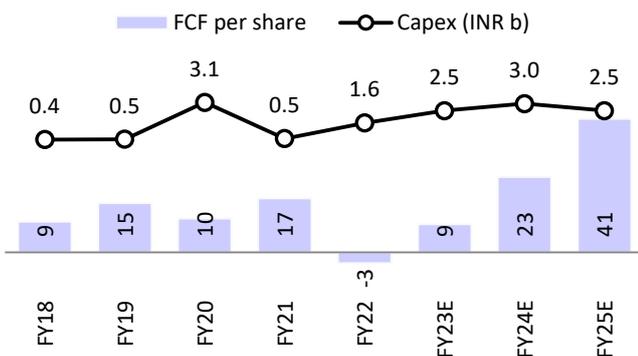
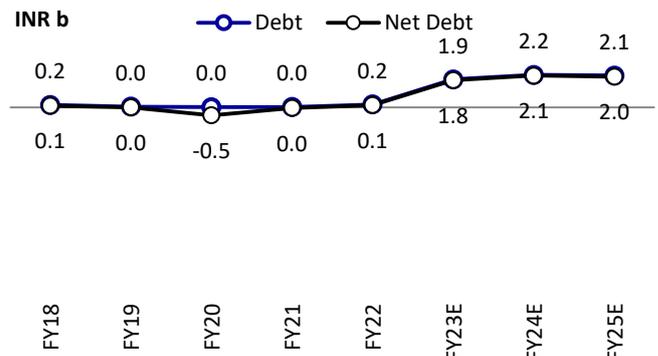


Exhibit 15: Debt profile of VO



Source: Company, MOFSL

Source: Company, MOFSL

## Financials and valuations

### Standalone- Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Total Income from Operations</b>	<b>7,422</b>	<b>11,279</b>	<b>10,289</b>	<b>9,543</b>	<b>16,155</b>	<b>22,220</b>	<b>27,635</b>	<b>36,828</b>
Change (%)	8.9	52.0	-8.8	-7.3	69.3	37.5	24.4	33.3
Gross Margin (%)	49.1	53.4	58.3	59.4	46.7	45.5	47.0	47.0
<b>EBITDA</b>	<b>1,973</b>	<b>4,234</b>	<b>4,139</b>	<b>3,525</b>	<b>4,341</b>	<b>5,914</b>	<b>8,066</b>	<b>10,973</b>
Margin (%)	26.6	37.5	40.2	36.9	26.9	26.6	29.2	29.8
Depreciation	234	274	332	429	455	550	677	804
<b>EBIT</b>	<b>1,739</b>	<b>3,960</b>	<b>3,808</b>	<b>3,096</b>	<b>3,886</b>	<b>5,363</b>	<b>7,389</b>	<b>10,169</b>
Int. and Finance Charges	12	9	11	2	3	19	23	23
Other Income	307	302	450	259	610	838	1,043	1,390
<b>PBT bef. EO Exp.</b>	<b>2,034</b>	<b>4,252</b>	<b>4,247</b>	<b>3,353</b>	<b>4,493</b>	<b>6,183</b>	<b>8,409</b>	<b>11,536</b>
<b>PBT after EO Exp.</b>	<b>2,034</b>	<b>4,252</b>	<b>4,247</b>	<b>3,353</b>	<b>4,493</b>	<b>6,183</b>	<b>8,409</b>	<b>11,536</b>
Total Tax	595	1,428	908	659	1,026	1,556	2,117	2,904
Tax Rate (%)	29.3	33.6	21.4	19.7	22.8	25.2	25.2	25.2
<b>Reported PAT</b>	<b>1,439</b>	<b>2,825</b>	<b>3,338</b>	<b>2,693</b>	<b>3,467</b>	<b>4,626</b>	<b>6,292</b>	<b>8,632</b>
<b>Adjusted PAT</b>	<b>1,439</b>	<b>2,825</b>	<b>3,338</b>	<b>2,693</b>	<b>3,467</b>	<b>4,626</b>	<b>6,292</b>	<b>8,632</b>
Change (%)	2.6	96.3	18.2	-19.3	28.7	33.4	36.0	37.2
Margin (%)	19.4	25.0	32.4	28.2	21.5	20.8	22.8	23.4

### Standalone - Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	103	103	103	103	103	103	103	103
Total Reserves	7,864	10,410	12,691	15,331	18,179	21,913	26,993	33,962
<b>Net Worth</b>	<b>7,967</b>	<b>10,513</b>	<b>12,794</b>	<b>15,434</b>	<b>18,281</b>	<b>22,016</b>	<b>27,096</b>	<b>34,065</b>
Total Loans	152	37	3	20	189	1,850	2,150	2,100
Deferred Tax Liabilities	809	846	705	779	900	900	900	900
<b>Capital Employed</b>	<b>8,927</b>	<b>11,395</b>	<b>13,502</b>	<b>16,234</b>	<b>19,370</b>	<b>24,766</b>	<b>30,146</b>	<b>37,065</b>
Gross Block	5,023	5,473	8,551	9,045	10,675	13,175	16,175	18,675
Less: Accum. Deprn.	454	728	1,060	1,489	1,944	2,494	3,171	3,975
<b>Net Fixed Assets</b>	<b>4,569</b>	<b>4,745</b>	<b>7,491</b>	<b>7,557</b>	<b>8,732</b>	<b>10,682</b>	<b>13,005</b>	<b>14,701</b>
Capital WIP	349	1,912	310	547	473	473	473	473
<b>Total Investments</b>	<b>1,317</b>	<b>965</b>	<b>2,274</b>	<b>2,887</b>	<b>979</b>	<b>979</b>	<b>979</b>	<b>979</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>3,565</b>	<b>4,654</b>	<b>4,355</b>	<b>6,345</b>	<b>10,714</b>	<b>14,733</b>	<b>18,302</b>	<b>24,393</b>
Inventory	822	924	932	1,219	1,762	2,423	3,013	4,016
Account Receivables	1,771	2,440	2,018	2,772	4,584	6,305	7,841	10,449
Cash and Bank Balance	52	38	537	68	43	56	47	67
Cash and liquid investments	1,318	492	1,586	1,762	11	56	47	67
Bank Balance	52	38	0	52	33	0	0	0
Loans and Advances	919	1,252	869	2,285	4,326	5,950	7,400	9,862
<b>Curr. Liability and Prov.</b>	<b>872</b>	<b>881</b>	<b>927</b>	<b>1,102</b>	<b>1,527</b>	<b>2,100</b>	<b>2,612</b>	<b>3,481</b>
Account Payables	635	531	557	664	1,146	1,576	1,960	2,612
Other Current Liabilities	174	211	213	391	328	451	560	747
Provisions	64	139	157	47	54	74	92	122
<b>Net Current Assets</b>	<b>2,693</b>	<b>3,774</b>	<b>3,428</b>	<b>5,243</b>	<b>9,187</b>	<b>12,633</b>	<b>15,690</b>	<b>20,912</b>
<b>Appl. of Funds</b>	<b>8,927</b>	<b>11,395</b>	<b>13,502</b>	<b>16,234</b>	<b>19,371</b>	<b>24,766</b>	<b>30,146</b>	<b>37,065</b>

## Financials and valuations

<b>Ratios</b>								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Basic (INR)</b>								
EPS	14.0	27.5	32.5	26.2	33.7	45.0	61.2	84.0
EPS Growth (%)	2.6	96.3	18.2	-19.3	28.7	33.4	36.0	37.2
Cash EPS	16.3	30.1	35.7	30.4	38.2	50.4	67.8	91.8
BV/Share	77.5	102.3	124.5	150.2	177.9	214.2	263.6	331.4
DPS	0.3	2.3	5.5	6.0	6.5	8.7	11.8	16.2
Payout (%)	2.2	9.9	31.6	22.9	19.3	19.3	19.3	19.3
<b>Valuation (x)</b>								
P/E	140.4	71.5	60.5	75.0	58.3	43.7	32.1	23.4
Cash P/E	120.8	65.2	55.1	64.7	51.5	39.0	29.0	21.4
P/BV	25.4	19.2	15.8	13.1	11.1	9.2	7.5	5.9
EV/Sales	27.2	17.9	19.6	21.2	12.5	9.2	7.4	5.5
EV/EBITDA	102.5	47.7	48.7	57.3	46.6	34.5	25.3	18.6
Dividend Yield (%)	0.0	0.1	0.3	0.3	0.3	0.4	0.6	0.8
FCF per share	9.4	15.1	10.4	16.5	-3.4	8.6	23.1	41.0
<b>Return Ratios (%)</b>								
RoE	19.5	30.6	28.6	19.1	20.6	23.0	25.6	28.2
RoCE	17.6	27.9	26.9	18.1	19.5	21.0	23.0	25.7
RoIC	17.6	33.5	31.7	21.5	19.6	19.5	21.3	23.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.6	2.4	1.7	1.3	2.0	2.3	2.3	2.7
Asset Turnover (x)	0.8	1.0	0.8	0.6	0.8	0.9	0.9	1.0
Inventory (Days)	40	30	33	47	40	40	40	40
Debtor (Days)	87	79	72	106	104	104	104	104
Creditor (Days)	31	17	20	25	26	26	26	26
<b>Leverage Ratio (x)</b>								
Current Ratio	4.1	5.3	4.7	5.8	7.0	7.0	7.0	7.0
Net Debt/Equity ratio	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	2,034	4,252	4,247	3,353	4,493	6,183	8,409	11,536
Depreciation	254	274	332	429	455	550	677	804
Direct Taxes Paid	-491	-1,262	-1,005	-607	-1,081	-1,556	-2,117	-2,904
(Inc.)/Dec. in WC	-316	-1,138	811	-874	-2,257	-1,809	-1,615	-2,742
<b>CF from Operations</b>	<b>1,384</b>	<b>2,003</b>	<b>4,159</b>	<b>2,190</b>	<b>1,271</b>	<b>3,387</b>	<b>5,377</b>	<b>6,718</b>
(Inc.)/Dec. in FA	-422	-450	-3,094	-490	-1,618	-2,500	-3,000	-2,500
<b>Free Cash Flow</b>	<b>962</b>	<b>1,553</b>	<b>1,065</b>	<b>1,700</b>	<b>-347</b>	<b>887</b>	<b>2,377</b>	<b>4,218</b>
Change in Investments	1	-442	-674	127	267	0	0	0
Others	33	-1,534	1,793	-1,619	-1,206	-1,624	-1,450	-2,462
<b>CF from Investments</b>	<b>-388</b>	<b>-2,427</b>	<b>-1,975</b>	<b>-1,982</b>	<b>-2,558</b>	<b>-4,124</b>	<b>-4,450</b>	<b>-4,962</b>
Issue of Shares	-240	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	0	0	0	17	164	1,661	300	-50
Interest Paid	-11	-9	-11	-2	-3	-19	-23	-23
Dividend Paid	-32	-278	-1,046	-55	-618	-892	-1,213	-1,664
<b>CF from Fin. Activity</b>	<b>-298</b>	<b>-403</b>	<b>-1,090</b>	<b>-31</b>	<b>-464</b>	<b>750</b>	<b>-936</b>	<b>-1,737</b>
<b>Inc./Dec. in Cash</b>	<b>697</b>	<b>-826</b>	<b>1,094</b>	<b>176</b>	<b>-1,751</b>	<b>14</b>	<b>-9</b>	<b>19</b>
Opening Balance	621	1,318	492	1,586	1,762	43	56	47
<b>Closing Balance</b>	<b>1,318</b>	<b>491</b>	<b>1,585</b>	<b>1,762</b>	<b>10</b>	<b>56</b>	<b>47</b>	<b>67</b>

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](http://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](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

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

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company 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, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt 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](http://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](mailto: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](mailto: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](mailto:grievances@motilaloswal.com), for DP to [dp grievances@motilaloswal.com](mailto:dp grievances@motilaloswal.com).