

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	EPLL IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	48.3 / 0.6
52-Week Range (INR)	197 / 147
1, 6, 12 Rel. Per (%)	-9/-10/-22
12M Avg Val (INR M)	84

Financials & Valuations (INR b)

Y/E Mar	2023E	2024E	2024E
Sales	37.0	42.8	46.1
EBITDA	5.9	7.5	8.5
PAT	2.0	2.9	3.6
EBITDA (%)	15.9	17.5	18.4
EPS (INR)	6.3	9.2	11.3
EPS Gr. (%)	-6.6	45.3	23.1
BV/Sh. (INR)	59.5	63.7	70.1

Ratios

Net D/E	0.3	0.2	0.1
RoE (%)	10.8	14.9	16.9
RoCE (%)	10.3	13.4	15.5
Payout (%)	71.4	54.3	44.1

Valuations

P/E (x)	24.0	16.5	13.4
EV/EBITDA (x)	9.1	7.0	5.9
Div Yield (%)	3.0	3.3	3.3
FCF Yield (%)	3.0	6.9	8.8

Shareholding pattern (%)

	Dec-22	Sep-22	Dec-21
Promoter	51.5	51.9	51.9
DII	15.9	15.9	14.1
FII	12.1	12.2	15.0
Others	20.4	20.0	19.1

Note: FII includes depository receipts

CMP: INR152 TP: INR210 (+38%) Buy

Muted operating performance due to drag from EAP and Europe

EBITDA below our estimate

- EPLL reported a muted operating performance (EBITDA margins expanded marginally by 10bp YoY), on account of a drag in margins from EAP and Europe which was offset by AMESA and America, while revenue improved 7%, on the back of a broad-based growth across all regions, except EAP.
- Factoring in muted 3QFY23 earnings, we lower our earnings estimates for FY23/FY24/FY25 by 1%/8%/5%, respectively. We value the stock at 19x Dec'24 EPS to arrive at our TP of INR210. We reiterate our **Buy** rating on the stock.

America, AMESA, and Europe drive sales growth

- Revenue grew 7% YoY to INR9.5b (est. INR9.75b), on the back of broad-based growth across all regions, except EAP (down 8% YoY). Gross Margin contracted 20bp YoY to 54.8%, due to volatility in raw material prices. EBITDA margin expanded marginally by 10bp YoY to 15.8% (est. 16.4%) on account of a drag in margins from EAP and Europe, which was offset by AMESA and America. EBITDA grew 7% YoY to INR1.5b (est. INR1.6b). Adjusted PAT grew 10% YoY to INR628m (est. INR574m).
- Revenue from AMESA/Americas/Europe grew 9%/19%/10% YoY to INR3.5b/INR2.3b/INR1.9b, respectively. While, revenue from EAP declined 8% YoY to INR2.3b. EBIT margin expanded 60bp/200bp YoY to 11.5%/4.8% for AMESA/Americas, respectively, while the same for EAP declined by 90bp to 16.1%.
- The Oral Care/Personal care segment grew 7%/13% YoY, respectively, in 9MFY23, with the share of Personal care segment standing at ~47% for 9MFY23 v/s 46% in FY22.
- In 9MFY23, revenue grew 7% YoY to INR27.3b, while EBITDA/adjusted PAT declined 4%/13% to INR4.2b/INR1.4b, respectively.

Highlights from the management commentary

- Guidance:** EPLL is targeting double-digit revenue growth in the medium term. Revenue growth going ahead will be a combination of growth in volume and prices along with a better product mix.
- The margins have improved on a sequential basis, on the back of a decline in raw material prices. The company is making continued efforts toward margin recovery and aims to take operating margin back to historical levels.
- EPLL **Brazil** project is on track and customer's trials are underway in the new plant. The management is expecting a significant ramp-up of plant from 1QFY24 onwards.

Valuation and view

- With the softening of raw material prices and price hikes taken across regions in recent months, we expect the sequential recovery in margin witnessed in 3QFY23 to continue going forwards.
- We expect a revenue/EBITDA/adjusted PAT CAGR of 12%/20%/34%, respectively, over FY23-25.

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

Research Analyst: Meet Jain (meet.jain@motilalosal.com) / Omkar Shintre (omkar.shintre@motilalosal.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.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Factoring in muted 3QFY23 earnings, we lower our earnings estimates for FY23/FY24/FY25 by 1%/8%/5%, respectively. We value the stock at 19x Dec'24 EPS to arrive at our TP of INR210. We reiterate our **Buy** rating on the stock.

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Gross Sales	7,991	8,701	8,834	8,802	8,318	9,481	9,449	9,710	34,328	36,958	9,748	-3
YoY Change (%)	7.8	13.0	14.9	8.6	4.1	9.0	7.0	10.3	11.1	7.7	10.4	
Total Expenditure	6,542	7,107	7,447	7,471	7,062	7,995	7,959	8,057	28,567	31,073	8,150	
EBITDA	1,449	1,594	1,387	1,331	1,256	1,486	1,490	1,653	5,761	5,885	1,599	-7
Margins (%)	18.1	18.3	15.7	15.1	15.1	15.7	15.8	17.0	16.8	15.9	16.4	
Depreciation	619	622	642	631	652	664	699	720	2,514	2,735	680	
Interest	89	97	103	114	122	157	189	185	403	653	150	
Other Income	53	14	31	22	42	68	43	40	120	193	50	
PBT before EO expense	794	889	673	608	524	733	645	788	2,964	2,690	819	
Extra-Ord expense	0	0	0	0	11	0	0	0	0	11	0	
PBT	794	889	673	608	513	733	645	788	2,964	2,679	819	
Tax	189	297	82	107	141	249	10	213	675	613	221	
Rate (%)	23.8	33.4	12.2	17.6	27.5	34.0	1.6	27.0	22.8	22.9	27.0	
Minority Interest & Profit/Loss of Asso. Cos.	-26	-85	-20	-14	-38	-22	-7	-8	-145	-75	-24	
Reported PAT	579	507	571	487	334	462	628	567	2,144	1,991	574	
Adj PAT	579	507	571	487	345	462	628	567	2,144	2,002	574	9
YoY Change (%)	-4.3	-24.3	-19.5	-14.3	-40.4	-8.9	10.0	16.5	-16.0	-6.6	0.5	
Margins (%)	7.2	5.8	6.5	5.5	4.1	4.9	6.6	5.8	6.2	5.4	5.9	

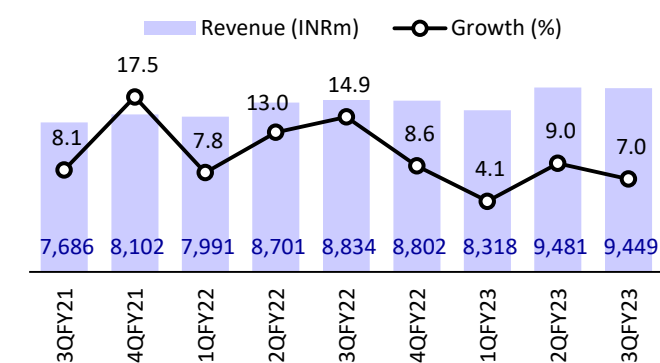
Exhibit 1: Key performance indicators

Y/E March	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Segment Revenue Gr. (%)									
AMESA	-6	28	29	19	36	14	13	17	9
EAP	17	37	2	12	20	7	-6	1	-8
Americas	19	2	9	22	9	12	20	20	19
Europe	9	6	-10	-3	-2	4	11	9	10
Segment EBIT Margin (%)									
AMESA	13	8	11	11	11	9	10	9	11
EAP	19	12	17	17	17	8	13	17	16
Americas	12	12	7	9	3	10	5	5	5
Europe	6	9	6	4	-1	5	2	3	-2
Cost Break-up									
RM Cost (% of sales)	40	43	42	43	45	46	44	46	45
Employee Cost (% of sales)	20	19	19	19	19	18	20	18	19
Other Cost (% of sales)	19	20	20	19	20	20	21	20	21
Gross Margins (%)	60	57	58	57	55	54	56	54	55
EBITDA Margins (%)	21	17	18	18	16	15	15	16	16
EBIT Margins (%)	13	10	10	11	8	8	7	9	8

Source: Company, MOFSL

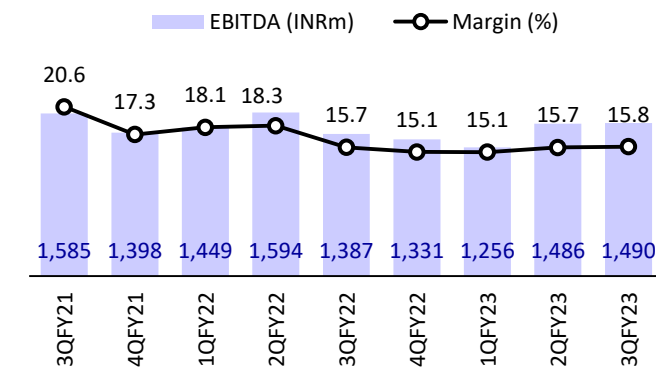
Key exhibits

Exhibit 2: Consolidated revenue trend



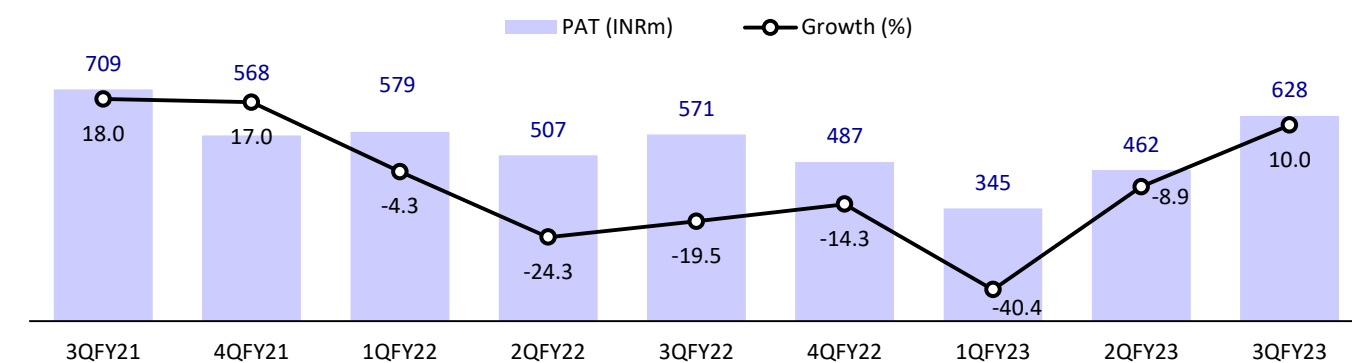
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



Source: Company, MOFSL

Exhibit 4: Consolidated adjusted PAT trend



Source: Company, MOFSL

Exhibit 5: AMESA region

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (INR m)	2,376	2,766	2,819	3,075	3,225	3,140	3,197	3,595	3,521
Growth (%)	-6	28	29	19	36	14	13	17	9
EBIT (INR m)	315	224	311	352	353	277	309	333	404
Margin (%)	13	8	11	11	11	9	10	9	11
Growth (%)	-15	-7	94	-8	12	24	-1	-5	14

Source: Company, MOFSL

Exhibit 6: EAP region

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (INR m)	2,043	1,849	2,060	2,136	2,459	1,971	1,928	2,166	2,263
Growth (%)	17	37	2	12	20	7	-6	1	-8
EBIT (INR m)	385	216	345	353	419	160	247	377	365
Margin (%)	19	12	17	17	17	8	13	17	16
Growth (%)	18	45	-21	-11	9	-26	-28	7	-13

Source: Company, MOFSL

Exhibit 7: Americas region

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (INR m)	1,736	1,749	1,639	1,860	1,899	1,964	1,973	2,226	2,260
Growth (%)	19	2	9	22	9	12	20	20	19
EBIT (INR m)	201	202	119	168	53	189	105	106	109
Margin (%)	12	12	7	9	3	10	5	5	5
Growth (%)	-7	-32	-23	8	-74	-6	-12	-37	106

Source: Company, MOFSL

Exhibit 8: Europe region

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (INR m)	1,768	2,002	1,784	1,882	1,732	2,086	1,972	2,050	1,911
Growth (%)	9	6	-10	-3	-2	4	11	9	10
EBIT (INR m)	99	189	99	75	-22	104	34	70	-36
Margin (%)	6	9	6	4	-1	5	2	3	-2
Growth (%)	2	40	-45	-53	-122	-45	-66	-7	64

Source: Company, MOFSL

**Highlights from the management commentary****Europe**

- Business in Europe was adversely impacted by general softening of demand witnessed in the Christmas quarter and postponement of an order by a key customer.
- Accordingly, Europe witnessed higher losses during the quarter, due to the absence of operating leverage
- The price increases in Europe is more regular as compared to other regions because of continuous increase in the cost for the region.
- The management is expecting Europe to bounce back in 4QFY23.

EAP

- Revenues from EAP were adversely impacted due to Covid in China. The pandemic, along with annual Chinese holiday, continues to adversely impact the demand from the region.
- However, the management is expecting demand from China to improve on the back of stabilizing Covid situation and the end of Chinese annual holidays.

AMESA

- The company is confident of continuing its growth momentum in AMESA on the back of the current demand trend in the region.
- The management is expecting margins in the region to improve in the medium term.

Upcoming Brazil plant

- The Brazil project is progressing well for the company and customer trials are underway in the new plant.
- The management is expecting the new plant to contribute toward the sales volume from 4QFY23. However, a significant ramp-up of plant is expected from 1QFY24.

Oral and Non Oral Segment

- The Personal care segment is growing faster than the Oral segment. However, the company is not witnessing any slowdown in demand in the Oral segment
- For 9MFY23, the personal care segment contribution to total sales stood at ~47%. The contribution from the personal care segment is increasing over the period of time.

Margins

- Raw material prices were continuously rising during the year. However, it started to decline from 2QFY23. Accordingly, margins are under pressure on a YoY basis, but are improving sequentially.
- The company is making continued efforts toward margin recovery and aims to take operating margins back to historical levels.

- The management is aiming for mid teen margins in both Europe and America.

Guidance

- The management is expecting a double-digit revenue growth, led by continued focus on margin improvement plan.
- Revenue growth going ahead will be a combination of growth in volume and prices along with a better product mix.

Other key highlights

- Indian business is performing well for EPL and is not seeing any signs of recessions.
- EPLL continues its focus on (i) margin improvement through mix and cost efficiency and (ii) efficient capital allocation.
- Excluding the set up cost of the new Brazil plant, EBITDA margins stood at ~16.6%, while EBITDA grew 13.2% on a YoY basis.
- Tax provisions made for the quarter was a result of various assessment order received by the company during the quarter.
- Effective Tax Rate is expected to be around ~26-27% for FY23.
- EPL is among the leadership band in CDP rating for Climate change. Its rating upgraded to A- from B last year. This is the best rating in the packaging industry.
- The management is actively looking for a strategic M&A opportunity. Inorganic growth is the part of the company's growth strategy.

Valuation and view

- We expect EPLL's earnings momentum to improve, led by: a) growing revenue contribution from B&C and the Pharma segment, b) a gradual shift to laminated tubes from aluminum tubes and rigid packaging, c) customer additions across geographies as well as greater cross-selling opportunities, d) its entry into the Brazil market, and e) a focus on sustainability, which will propel double-digit profitable growth.
- With the softening of raw material prices and aggressive price hikes in recent months, we expect a sequential recovery in margin witnessed in 3QFY23 to continue going forward.
- We expect a revenue/EBITDA/adjusted PAT CAGR of 12%/20%/34%, respectively, over FY23-25E.
- Factoring in muted 3QFY23 earnings, we lower our earnings estimates for FY23/FY24/FY25 by 1%/8%/5%, respectively. We value the stock at 19x Dec'24 EPS to arrive at our TP of INR210. We reiterate our Buy rating on the stock.

Exhibit 9: Change in our estimates

(INRm)	Old			New			Change		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY24E	FY25E	FY24E	FY25E
Revenue	37,352	43,390	46,957	36,958	42,763	46,129	-1%	-1%	-2%
EBITDA	6,063	7,848	8,785	5,885	7,478	8,507	-3%	-5%	-3%
Adj. PAT	2,032	3,167	3,762	2,002	2,909	3,581	-1%	-8%	-5%

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement									(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	23,023	24,239	27,069	27,614	30,916	34,328	36,958	42,763	46,129
Change (%)	8.2	5.3	11.7	2.0	12.0	11.0	7.7	15.7	7.9
Raw material cost	10,079	10,366	11,648	11,581	12,934	15,176	16,455	18,816	19,835
Employees Cost	4,052	4,338	5,006	5,311	6,064	6,500	6,889	7,697	8,211
Other Expenses	4,673	4,886	5,424	5,147	5,807	6,891	7,729	8,772	9,576
Total Expenditure	18,804	19,590	22,078	22,039	24,805	28,567	31,073	35,285	37,622
% of Sales	81.7	80.8	81.6	79.8	80.2	83.2	84.1	82.5	81.6
EBITDA	4,219	4,649	4,991	5,575	6,111	5,761	5,885	7,478	8,507
Margin (%)	18.3	19.2	18.4	20.2	19.8	16.8	15.9	17.5	18.4
Depreciation	1,415	1,671	1,861	2,298	2,346	2,514	2,735	2,977	3,257
EBIT	2,804	2,978	3,130	3,277	3,765	3,247	3,150	4,501	5,250
Int. and Finance Charges	581	550	613	556	429	403	653	607	434
Other Income	353	264	285	133	145	120	193	205	217
PBT bef. EO Exp.	2,576	2,691	2,802	2,854	3,481	2,964	2,690	4,099	5,032
EO Items	157	-50	31	-94	-161	0	-11	0	0
PBT after EO Exp.	2,732	2,642	2,833	2,760	3,320	2,964	2,679	4,099	5,032
Total Tax	787	889	932	638	868	675	613	1,107	1,359
Tax Rate (%)	28.8	33.7	32.9	23.1	26.1	22.8	22.9	27.0	27.0
Profit/loss from associates	10.5	-10.4	53.2	-6.0	-9.0	-76	-38	-42	-46
Minority Interest	53	26	29	43	52	69	37	41	46
Reported PAT	1,903	1,716	1,925	2,073	2,391	2,144	1,991	2,909	3,581
Adjusted PAT	1,747	1,766	1,895	2,167	2,552	2,144	2,002	2,909	3,581
Change (%)	4.1	1.1	7.3	14.4	17.8	-16.0	-6.6	45.3	23.1
Margin (%)	7.6	7.3	7.0	7.8	8.3	6.2	5.4	6.8	7.8

Consolidated - Balance Sheet									(INR M)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	314	315	631	631	631	632	632	632	632
Total Reserves	10,076	12,191	13,249	14,695	16,350	17,613	18,182	19,511	21,513
Net Worth	10,390	12,506	13,880	15,326	16,981	18,245	18,814	20,143	22,145
Minority Interest	57	43	52	86	333	336	336	336	336
Total Loans	7,924	7,299	6,313	6,432	5,536	6,572	6,572	5,572	3,572
Deferred Tax Liabilities	317	357	510	475	543	619	619	619	619
Capital Employed	18,688	20,204	20,754	22,319	23,393	25,772	26,341	26,670	26,672
Gross Block	15,637	17,691	20,495	22,434	25,500	27,236	29,536	33,136	35,436
Less: Accum. Deprn.	3,984	5,992	7,564	9,862	12,208	14,722	17,457	20,433	23,691
Net Fixed Assets	11,652	11,699	12,931	12,572	13,292	12,514	12,079	12,702	11,745
Goodwill on Consolidation	142	142	142	142	1,159	1,159	1,159	1,159	1,159
Capital WIP	193	417	413	352	273	1,466	2,766	1,466	1,466
Total Investments	153	131	168	160	149	72	72	72	72
Current Investments	0	0	0	0	0	0	0	0	0
Curr. Assets, Loans&Adv.	10,254	12,032	11,547	14,833	15,241	17,715	18,044	20,294	21,754
Inventory	2,460	2,864	3,234	3,692	4,149	5,941	6,215	6,767	6,906
Account Receivables	3,766	4,590	4,934	4,903	5,891	6,367	6,885	7,967	8,594
Cash and Bank Balance	1,028	1,735	1,344	3,715	2,414	1,927	1,433	1,711	2,103
Loans and Advances	3,000	2,843	2,035	2,523	2,787	3,480	3,511	3,849	4,152
Curr. Liability & Prov.	3,707	4,217	4,447	5,740	6,721	7,154	7,779	9,023	9,524
Account Payables	1,473	1,884	2,065	3,538	4,222	4,547	4,938	5,607	5,978
Other Current Liabilities	1,834	2,037	2,113	1,942	2,163	2,268	2,476	2,993	3,091
Provisions	400	295	269	260	336	339	365	422	456
Net Current Assets	6,547	7,815	7,100	9,093	8,520	10,561	10,265	11,271	12,230
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	18,688	20,204	20,754	22,319	23,393	25,772	26,341	26,670	26,672

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)									
EPS	5.5	5.6	6.0	6.9	8.1	6.8	6.3	9.2	11.3
Cash EPS	10.0	10.9	11.9	14.1	15.5	14.7	15.0	18.6	21.6
BV/Share	32.9	39.6	43.9	48.5	53.7	57.7	59.5	63.7	70.1
DPS	1.1	1.2	1.2	3.3	4.1	4.3	4.5	5.0	5.0
Payout (%)	21.8	26.4	23.6	56.7	54.2	63.4	71.4	54.3	44.1
Valuation (x)									
P/E	27.5	27.2	25.3	22.2	18.8	22.4	24.0	16.5	13.4
Cash P/E	15.2	14.0	12.8	10.8	9.8	10.3	10.1	8.2	7.0
P/BV	4.6	3.8	3.5	3.1	2.8	2.6	2.6	2.4	2.2
EV/Sales	2.4	2.2	2.0	1.8	1.7	1.5	1.4	1.2	1.1
EV/EBITDA	13.0	11.5	10.6	9.1	8.4	9.2	9.1	7.0	5.9
Dividend Yield (%)	0.7	0.8	0.8	2.2	2.7	2.8	3.0	3.3	3.3
FCF per share	5.1	6.5	1.8	9.0	5.8	1.4	4.5	10.4	13.4
Return Ratios (%)									
RoE	17.4	15.4	14.4	14.8	15.8	12.2	10.8	14.9	16.9
RoCE	12.9	11.3	11.5	12.5	13.0	11.0	10.3	13.4	15.5
RoIC	12.2	11.2	11.4	13.6	14.4	11.7	10.9	14.4	16.5
Working Capital Ratios									
Fixed Asset Turnover (x)	1.5	1.4	1.3	1.2	1.2	1.3	1.3	1.3	1.3
Asset Turnover (x)	1.2	1.2	1.3	1.2	1.3	1.3	1.4	1.6	1.7
Inventory (Days)	39	43	44	49	49	63	61	58	55
Debtor (Days)	60	69	67	65	70	68	68	68	68
Creditor (Days)	23	28	28	47	50	48	49	48	47
Leverage Ratio (x)									
Current Ratio	2.8	2.9	2.6	2.6	2.3	2.5	2.3	2.2	2.3
Interest Cover Ratio	4.8	5.4	5.1	5.9	8.8	8.1	4.8	7.4	12.1
Net Debt/Equity	0.7	0.4	0.4	0.2	0.2	0.3	0.3	0.2	0.1

Consolidated - Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
(INR M)									
OP/(Loss) before Tax	2,743	2,631	2,886	2,854	3,311	2,888	2,690	4,099	5,032
Depreciation	1,415	1,671	1,861	2,298	2,346	2,514	2,735	2,977	3,257
Interest & Finance Charges	284	277	380	423	381	355	460	402	218
Direct Taxes Paid	-764	-816	-901	-638	-866	-776	-613	-1,107	-1,359
(Inc)/Dec in WC	494	-488	-404	-127	-380	-2,217	-198	-728	-567
CF from Operations	4,172	3,276	3,821	4,811	4,792	2,764	5,074	5,644	6,581
Others	-485	159	-257	-100	432	353	-49	-42	-46
CF from Operating incl EO	3,687	3,435	3,564	4,711	5,224	3,117	5,025	5,602	6,535
(Inc)/Dec in FA	-2,069	-1,375	-3,003	-1,878	-3,396	-2,668	-3,600	-2,300	-2,300
Free Cash Flow	1,618	2,060	561	2,833	1,828	449	1,425	3,302	4,235
(Pur)/Sale of Investments	98	1	2	8	5	4	0	0	0
Others	-769	184	1,122	680	586	22	193	205	217
CF from Investments	-2,740	-1,189	-1,879	-1,190	-2,805	-2,642	-3,407	-2,095	-2,083
Issue of Shares	7	510	53	0	7	50	0	0	0
Inc/(Dec) in Debt	546	-1,199	-1,028	119	-1,219	1,031	0	-1,000	-2,000
Interest Paid	-392	-372	-485	-556	-321	-278	-653	-607	-434
Dividend Paid	-414	-478	-478	-1,176	-1,341	-1,380	-1,422	-1,580	-1,580
Others	-508	-1	-138	469	-317	-377	-37	-41	-46
CF from Fin. Activity	-762	-1,539	-2,076	-1,143	-3,191	-954	-2,112	-3,229	-4,061
Inc/Dec of Cash	184	706	-391	2,377	-772	-479	-494	278	391
Opening Balance	844	1,028	1,735	1,344	3,116	2,414	1,927	1,433	1,711
Closing Balance	1,028	1,735	1,344	3,715	2,414	1,927	1,433	1,711	2,103

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://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 dpgrievances@motilaloswal.com.