

KNR Constructions

Estimate change

TP change

Rating change



Bloomberg	KNRC IN
Equity Shares (m)	281
M.Cap.(INRb)/(USDb)	73.8 / 0.9
52-Week Range (INR)	324 / 203
1, 6, 12 Rel. Per (%)	1/-1/-18
12M Avg Val (INR M)	91

Financials & Valuations (INR b)

Y/E Mar	2023E	2024E	2025E
Sales	35.1	40.9	48.4
EBITDA	6.8	8.0	9.2
PAT	3.9	4.8	5.6
EBITDA (%)	19.5	19.5	19.0
EPS (INR)	13.8	17.1	20.0
EPS Gr. (%)	7.8	23.7	16.9
BV/Sh. (INR)	96.0	112.6	132.1
Ratios			
Net D/E	-0.1	-0.1	-0.1
RoE (%)	15.7	16.4	16.3
RoCE (%)	16.3	17.2	17.0
Payout (%)	3.0	2.9	2.5
Valuations			
P/E (x)	19.0	15.4	13.2
P/BV (x)	2.7	2.3	2.0
EV/EBITDA (x)	10.3	8.7	7.6
Div Yield (%)	0.2	0.2	0.2
FCF Yield (%)	5.4	4.1	2.5

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	51.1	51.1	51.5
DII	34.9	34.6	34.1
FII	5.8	5.7	4.6
Others	8.2	8.6	9.9

FII Includes depository receipts

CMP: INR262

TP: INR305 (+16%)

Buy

Performance muted; but order pipeline healthy

Project awarding and execution to accelerate in FY24E

- KNR Constructions (KNRC)'s revenue was up 8% YoY/down 2% QoQ to ~INR8.3b (6% below our estimate) in 3QFY23. While EBITDA was at INR1.6b (in line), EBITDA margin contracted 190bp YoY/350bp QoQ to 18.8% (v/s our estimate of 18.5%) during the quarter.
- With respect to the search operation by the Income Tax Department, KNRC created a provision of INR240m towards income tax and INR95m towards interest on income tax, leading to a rise in interest cost during the quarter.
- KNRC reported an exceptional profit of INR1.4b during the quarter, relating to the divestments of the company's 51% stake in KNR Tirumala Infra Pvt Ltd and KNR Shankarampat Projects Pvt Ltd, and 100% stake in KNR Srirangam Pvt Ltd to CUBE Highways and Infrastructure III Pte Ltd. The transaction was completed in Oct'22.
- APAT (adjusted for tax on exceptional profit of INR1.4b and provisions) for the quarter stood at INR777m.
- KNRC's order book stood at ~INR80b. The order pipeline is decent, with management expecting INR40-50b of new project wins in FY23.
- Irrigation projects contributed INR1.9b (~25% of revenue) in 3QFY23. The pending receivables from the irrigation projects have reduced substantially and now stand at INR6.5b (v/s INR9b at end-2QFY23).
- While execution has been largely in line with expectations, order inflows have been muted. KNRC, however, is seeing robust order pipeline and expects some order wins in 4QFY23. **With an order book of INR80b, we expect KNRC to clock 17% revenue CAGR over FY23-25, with ~19% EBITDA margin. We marginally cut our estimates for FY24 and maintain our BUY rating on the stock with a revised SoTP-based TP of INR305.**

Key takeaways from the management commentary

- Aggressive bidding for NHAI projects is hurting the industry. Projects are being bid at 30% discount to the authority's base price.
- The irrigation receivables situation is now stabilizing and management expects more payments to come through in the next few months.
- Management expects INR35b of revenue in FY23 and INR40b in FY24. It is targeting INR50b of new order inflows. KNRC is not willing to compromise on margins to bag orders.
- The company expects margin to be in the range of 18-19% in FY23 and FY24.

Valuation and view

- While reduction in irrigation receivables provides comfort, new order inflows hold the key for the next leg of growth. With massive tender pipeline, KNRC could win some projects. We expect margins to be stable with input costs stabilizing and some execution seen from high-margin irrigation projects.
- We have marginally cut our estimates on execution front for FY24 due to subdued order inflows. **Retain BUY** with a revised SoTP-based TP of INR305.

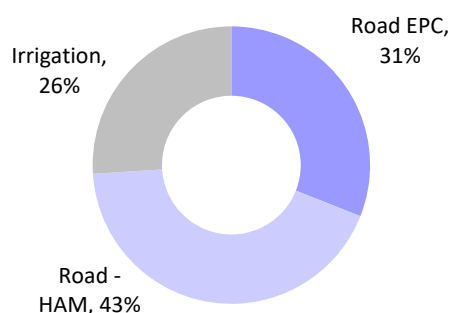
Quarterly performance – Standalone

(INR m)

Y/E March	FY22				FY23				FY22	FY23E	FY23	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Net Sales	7,400	7,556	7,663	10,107	8,906	8,474	8,302	9,421	32,726	35,103	8,800	-6
YoY Change (%)	54.4	25.7	11.7	8.0	20.4	12.2	8.3	-6.8	21.1	7.3	14.8	
Total Expenditure	5,967	5,880	6,074	8,027	7,256	6,586	6,742	7,675	25,949	28,258	7,172	
EBITDA	1,433	1,675	1,589	2,080	1,650	1,888	1,560	1,747	6,777	6,845	1,628	-4
Margin (%)	19.4	22.2	20.7	20.6	18.5	22.3	18.8	18.5	20.7	19.5	18.5	
Depreciation	269	320	358	399	327	366	381	386	1,346	1,460	330	
Interest	79	72	64	60	69	84	160	73	274	386	60	
Other Income	48	105	78	185	91	76	59	91	417	316	90	
Extra-Ord expense	0	0	214	0	0	0	1,380	0	214	1,380	0	
PBT before EO expense	1,133	1,389	1,246	1,806	1,345	1,514	1,079	1,378	5,574	5,315	1,328	-19
Tax	403	437	452	679	336	438	840	353	1,970	1,967	334	
Rate (%)	35.5	31.4	36.3	37.6	25.0	28.9	77.9	25.6	35.3	37.0	25.2	
Reported PAT	730	952	1,008	1,128	1,008	1,076	1,619	1,025	3,818	4,728	994	
Adj PAT	730	952	794	1,128	1,008	1,076	777	1,025	3,604	3,886	994	-22
YoY Change (%)	83.5	55.9	2.3	46.5	38.1	13.0	-2.1	-9.1	42.4	7.8	25.2	
Margin (%)	9.9	12.6	10.4	11.2	11.3	12.7	9.4	10.9	11.0	11.1	11.3	

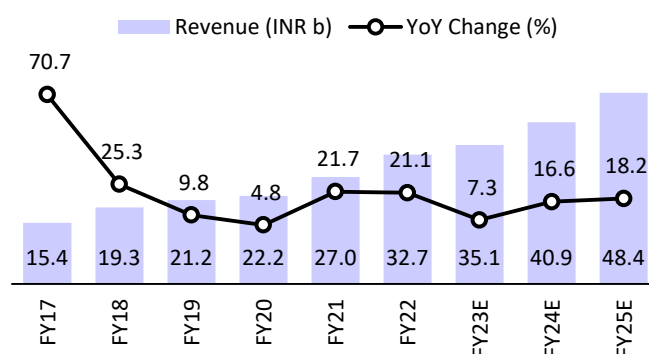
E: MOFSL Estimates; 3Q FY23 APAT calculated after adjusting for extra-ordinary gain and tax adjustments

Exhibit 1: OB breakup (3QFY23: INR80b)



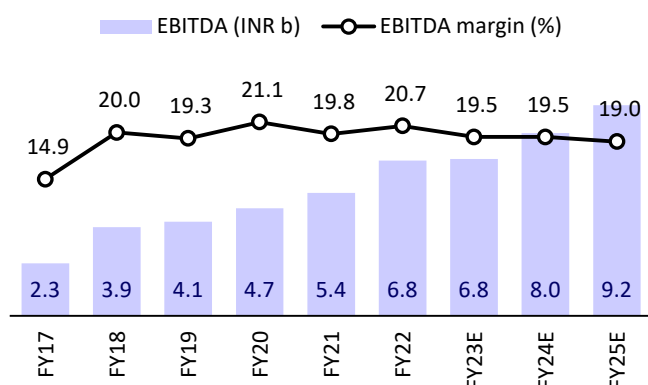
Source: MOFSL, Company

Exhibit 2: With Current OB, revenue likely to witness ~17% CAGR over FY23–25E



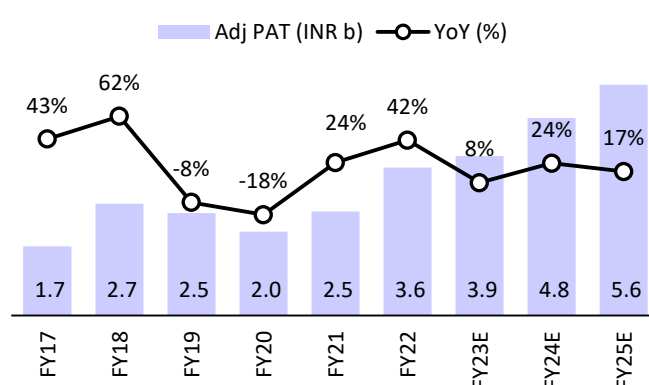
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



Source: MOFSL, Company

Exhibit 4: Adjusted PAT to grow at 20% CAGR over FY23–25E



Source: MOFSL, Company

Highlights from the management commentary

Overview

- Project awarding by NHAI has been picking up. However, the aggression is very high and projects are being bid at 30% discount to the authority's base price. Some of these projects would not get executed as they would be unviable.
- NHAI has been exploring to float HAM projects with reduced NHAI contribution of 20% (from current levels of 40%). However, it seems unlikely to be implemented considering the pressure from several stakeholders.
- FASTag toll collections continued to show robust growth during the quarter. Toll collections in future would be through GPS.
- The tender pipeline is robust at INR350b. KNRC has bid for 12 tenders in Feb'23 and is looking to bid for 22 tenders in Mar'23. These are mainly HAM project bids. KNRC is also exploring other Infra segments but no bid has been made yet in those segments.
- The order book stood at INR80b as on end of 3QFY23. Order inflows of INR40-50b are targeted for the remaining part of FY23.

Irrigation projects

- Irrigation revenue for 3QFY23 stood at INR1.9b and INR6.2b for 9MFY23.
- The pending receivables in Irrigation stand at INR6.5b which has reduced from INR9b at end of 2QFY23. The INR6.5b includes INR3.3b of outstanding payments and INR3.2b of bills yet to be certified by the authority.

Guidance

- Due to monsoon, several projects in the order book have been slow in execution. Hence, management has provided revenue guidance of INR35b for FY23 and INR40b for FY24.
- Margin to be in the range of 18-19% in FY23 and FY24.
- KNRC would be bidding for projects worth INR170b in Feb and Mar'23.
- KNRC will spend ~INR1.5b towards capex in FY23 (INR1.1b has already been spent in 9MFY23). Similar capex is expected in FY24.

Other details

- The Standalone cash on books stood at INR1.2b and Consolidated cash was at INR1.5b
- At end-Dec'22, Inventory was at INR1.9b and Payables stood at INR2.1b.
- Receivables at end-Dec'22 stood at INR6.3b. This included receivables of INR3.3b from Irrigation and INR2.7b from Highways segments.

Exhibit 5: Earnings revision summary

Earnings Change INR m	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	36,003	42,642	35,103	40,913	-2.5%	-4.1%
EBITDA	7,021	7,889	6,845	7,978	-2.5%	1.1%
EBITDA margin	19.5%	18.5%	19.5%	19.5%	0.0%	1.0%
Adj. PAT	4,308	5,034	3,886	4,807	-9.8%	-4.5%

Source: Company, MOFSL

Valuation and view

- KNRC has delivered muted execution and margins in 3QFY23. Going forward, the strong bidding pipeline should help its order inflows.
- **With an order book of INR80b, we expect KNRC to clock 17% revenue CAGR over FY23-25, with ~19% EBITDA margin. We marginally cut our estimates for FY24 and maintain our BUY rating on the stock with a revised SoTP-based TP of INR305.**

Exhibit 6: SoTP-based TP stands at INR305/share

Particulars	INR m	Per share (INR)
Valuation		
March'24E PAT – 16x P/E	76,914	275
BOT Portfolio valuation at Investment value	8,328	30
Total	87,221	305

Source: MOFSL, Company

Financials and valuations

Standalone Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	22,212	27,026	32,726	35,103	40,913	48,357
Change (%)	4.8	21.7	21.1	7.3	16.6	18.2
EBITDA	4,691	5,358	6,777	6,845	7,978	9,188
Margin (%)	21.1	19.8	20.7	19.5	19.5	19.0
Depreciation	1,918	1,444	1,346	1,460	1,595	1,775
EBIT	2,772	3,915	5,431	5,385	6,383	7,413
Int. and Finance Charges	474	487	274	386	327	290
Other Income	346	496	417	316	368	387
PBT bef. EO Exp.	2,644	3,924	5,574	5,315	6,424	7,510
EO Items	213	-90	214	1,380	0	0
PBT after EO Exp.	2,857	3,834	5,788	6,695	6,424	7,510
Total Tax	605	1,392	1,970	1,967	1,617	1,890
Tax Rate (%)	21.2	36.3	34.0	29.4	25.2	25.2
Reported PAT	2,252	2,442	3,818	4,728	4,807	5,619
Adjusted PAT	2,039	2,532	3,604	3,886	4,807	5,619
Change (%)	-18.3	24.1	42.4	7.8	23.7	16.9
Margin (%)	9.2	9.4	11.0	11.1	11.7	11.6

Standalone Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	281	562	562	562	562	562
Total Reserves	15,958	18,116	21,857	26,445	31,111	36,590
Net Worth	16,239	18,678	22,420	27,007	31,674	37,152
Total Loans	2,300	7	0	0	0	0
Deferred Tax Liabilities	-1,610	-1,486	-1,183	-1,183	-1,183	-1,183
Capital Employed	16,929	17,199	21,237	25,825	30,491	35,970
Gross Block	12,671	13,518	15,471	16,971	18,471	20,971
Less: Accum. Deprn.	8,233	9,482	10,668	12,128	13,723	15,498
Net Fixed Assets	4,438	4,036	4,803	4,843	4,748	5,473
Capital WIP	102	24	206	206	206	206
Total Investments	7,149	4,898	4,828	6,328	8,328	10,328
Current Assets	13,880	18,764	22,275	26,112	30,804	36,032
Inventory	1,232	1,480	2,270	2,435	2,838	3,355
Account Receivables	4,761	8,632	8,494	9,478	11,456	14,507
Cash and Bank Balance	330	1,173	1,733	3,711	4,287	3,722
Other current assets	7,557	7,478	9,778	10,488	12,224	14,448
Current Liability	8,639	10,522	10,875	11,665	13,595	16,069
Account Payables	2,511	2,397	2,945	3,159	3,682	4,352
Other current liabilities	5,896	7,780	7,590	8,142	9,489	11,215
Provisions	232	345	339	364	424	501
Net Current Assets	5,241	8,241	11,400	14,447	17,209	19,963
Appl. of Funds	16,929	17,199	21,237	25,825	30,491	35,970

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)						
EPS	7.3	9.0	12.8	13.8	17.1	20.0
Cash EPS	14.1	14.1	17.6	19.0	22.8	26.3
BV/Share	57.7	66.4	79.7	96.0	112.6	132.1
DPS	0.5	0.0	0.2	0.4	0.4	0.4
Payout (%)	6.8	0.0	1.8	3.0	2.9	2.5
Valuation (x)						
P/E	36.3	29.2	20.5	19.0	15.4	13.2
P/BV	4.6	4.0	3.3	2.7	2.3	2.0
EV/EBITDA	16.2	13.6	10.7	10.3	8.7	7.6
Dividend Yield (%)	0.2	0.0	0.1	0.2	0.2	0.2
FCF per share	6.8	7.3	1.8	14.2	10.8	6.6
Return Ratios (%)						
RoE	13.4	14.5	17.5	15.7	16.4	16.3
RoCE	13.9	15.1	18.8	16.3	17.2	17.0
RoIC	24.5	24.4	28.0	25.3	28.7	28.2
Working Capital Ratios						
Fixed Asset Turnover (x)	1.8	2.0	2.1	2.1	2.2	2.3
Asset Turnover (x)	1.3	1.6	1.5	1.4	1.3	1.3
Inventory (Days)	20	20	25	25	25	25
Debtor (Days)	78	117	95	99	102	110
Creditor (Days)	41	32	33	33	33	33
Leverage Ratio (x)						
Current Ratio	1.6	1.8	2.0	2.2	2.3	2.2
Interest Coverage Ratio	5.8	8.0	19.8	13.9	19.5	25.5
Net Debt/Equity	0.1	-0.1	-0.1	-0.1	-0.1	-0.1

Standalone Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	2,937	3,811	5,788	5,315	6,424	7,510
Depreciation	1,923	1,444	1,346	1,460	1,595	1,775
Interest and Finance Charges	473	427	271	386	327	290
Direct Taxes Paid	-844	-787	-1,826	-1,967	-1,617	-1,890
(Inc.)/Dec. in WC	-310	-2,004	-1,660	-1,069	-2,186	-3,318
CF from Operations	4,180	2,891	3,919	4,125	4,543	4,366
Others	-239	89	-487	1,380	0	0
CF from Operating incl. EO	3,941	2,980	3,432	5,505	4,543	4,366
(Inc.)/Dec. in FA	-2,036	-939	-2,939	-1,500	-1,500	-2,500
Free Cash Flow	1,905	2,041	493	4,005	3,043	1,866
(Pur.)/Sale of Investments	-1,098	1,424	296	-1,500	-2,000	-2,000
Others	291	127	161	0	0	0
CF from Investments	-2,843	612	-2,483	-3,000	-3,500	-4,500
Inc./(Dec.) in Debt	-511	-2,290	-7	0	0	0
Interest Paid	-401	-459	-312	-386	-327	-290
Dividend Paid	-153	0	-70	-141	-141	-141
Others	168	0	0	0	0	0
CF from Fin. Activity	-897	-2,749	-390	-527	-468	-431
Inc./Dec. in Cash	200	843	560	1,978	575	-565
Opening Balance	130	331	1,173	1,733	3,711	4,287
Closing Balance	331	1,173	1,733	3,711	4,287	3,722

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 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.