

Mahindra Logistics

Estimate change	
TP change	
Rating change	

Bloomberg	MAHLOG IN
Equity Shares (m)	72
M.Cap.(INRb)/(USDb)	30 / 0.4
52-Week Range (INR)	499 / 347
1, 6, 12 Rel. Per (%)	8/6/-31
12M Avg Val (INR M)	114

Financial Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	55.1	67.1	82.7
EBITDA	2.3	3.2	4.2
Adj. PAT	-0.5	0.5	1.2
EBITDA Margin (%)	4.2	4.7	5.1
Adj. EPS (INR)	-6.5	7.1	17.1
EPS Gr. (%)	-276.3	-209.3	141.8
BV/Sh. (INR)	70.0	74.6	89.2
Ratios			
Net D:E	0.8	0.5	0.0
RoE (%)	-8.7	9.8	20.9
RoCE (%)	8.5	10.7	17.8
Payout (%)	-42.1	35.3	14.6
Valuations			
P/E (x)	-64.4	59.0	24.4
P/BV (x)	6.0	5.6	4.7
EV/EBITDA(x)	13.6	9.5	6.5
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.5	5.2	8.8

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	58.0	58.0	58.1
DII	15.7	14.6	15.5
FII	5.9	12.1	15.6
Others	20.3	13.5	10.9

FII Includes depository receipts

CMP: INR417

TP: INR380 (-9%)

Neutral

MILL Express's subpar performance negatively impacts the overall performance

- Mahindra Logistics (MLL)'s 3QFY24 revenue grew ~5% YoY to INR13.9b (6% below estimates). EBITDA margin came in at 3.7% (vs. est. of 4.4%) in 3QFY24 (down 100bp YoY and down 20bp QoQ). EBITDA declined ~17% YoY to INR522m (vs. est. of INR646m) during the quarter.
- The company posted a net loss of INR212m in 3QFY24 vs. APAT of INR14m in 3QFY23 (our loss estimate was INR3m).
- The company's EBITDA and PAT were adversely impacted by MLL Express's weak performance (Rivigo B2B express business) and high tax outgo. The division reported elevated EBITDA loss of INR224m in 3QFY24.
- Due to high competition and slower volume growth, the express business continued to report elevated loss at operating level. MLL now expects EBITDA breakeven by end-1HFY25 and PAT breakeven by the end of FY25 for the MLL Express business (Rivigo). We cut our EBITDA margin estimates for FY24/FY25/FY26 by 30bp/20bp/10bp to factor in the extended losses in the express business. We expect MLL to clock a revenue/EBITDA CAGR of 17%/18% over FY23-26. We reiterate our Neutral rating with a revised TP of INR380 (premised on 22x FY26E EPS).

MLL's express business to see delayed EBITDA breakeven than initially expected; funding infused to support losses

- Express Logistics posted a revenue of INR956m (up 5% YoY). For Rivigo, EBITDA breakeven is now expected by 1HFY25, and PAT breakeven is anticipated by the end of FY25. Earlier, the EBITDA breakeven was expected by the end of FY24.
- In 3QFY24, Rivigo received funding of INR 500m to support the EBITDA loss of INR 224m during the quarter and address some working capital needs.

Highlights from the management commentary

- In 3QFY24, the 3PL Contract Logistics business grew 6% YoY. The contract logistics business secured an order intake of ~INR1.5b during the quarter.
- Enterprise Mobility Services (EMS) reported revenues of INR 839m (up 29% YoY) and EBIT of ~INR 4m. MLL achieved a successful turnaround in the mobility sector. The market is experiencing recovery with consolidation in the B2B segment, and there is a notable shift in B2C toward EVs.
- Warehouse space under management stood at 18.7m sq. ft. in the 3PL business, and the company's multi-client warehousing expansion is progressing as per plan, with new expansion announcements totaling 1.1m sq. ft.

Valuation and view

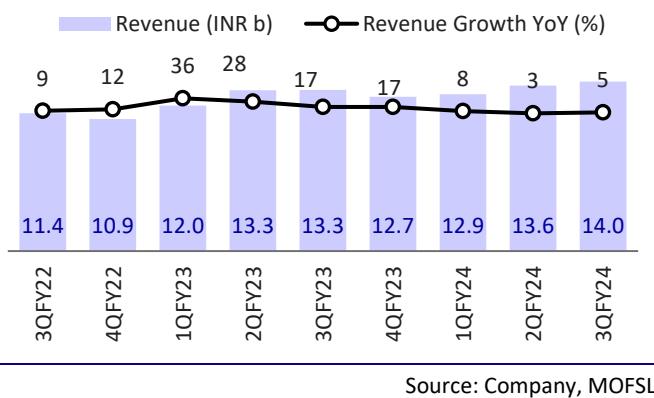
- Though the B2B express business continues to drag overall profitability, management remains optimistic regarding turnaround of the business in the next few quarters. The other businesses are also expected to improve going ahead, in line with improved industry outlook.
- Given slower-than-expected recovery in the express logistics segment, we cut our revenue/EBITDA/PAT estimates for FY26 by 1%/3%/11%. We estimate MLL to achieve a revenue/EBITDA CAGR of 17%/ 18% over FY23-26. **We reiterate our Neutral rating with a revised TP of INR380 (premised on 22x FY26E EPS).**

Quarterly snapshot

Y/E March (INR m)	INR m											
	FY23				FY24E				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	11,999	13,263	13,296	12,725	12,932	13,648	13,972	14,504	51,283	55,056	14,849	(6)
YoY Change (%)	35.9	28.4	17.0	16.9	7.8	2.9	5.1	14.0	23.8	7.4	11.7	
EBITDA	657	676	627	637	666	536	522	584	2,598	2,308	646	(19)
Margins (%)	5.5	5.1	4.7	5.0	5.2	3.9	3.7	4.0	5.1	4.2	4.4	
YoY Change (%)	61.8	43.8	38.4	23.8	1.4	-20.7	-16.8	-8.3	41.0	-11.1	3.0	
Depreciation	409	436	498	553	545	518	515	531	1,895	2,109	522	
Interest	89	107	150	169	178	165	164	161	516	668	180	
Other Income	31	34	56	38	62	66	23	69	159	219	50	
PBT before EO Items	190	167	36	-46	6	-82	-134	-40	345	-249	-6	(194)
Extra-Ord expense	0	0	0	0	0	0	-38	0	0	-38	0	
PBT	190	167	36	-46	6	-82	-96	-40	345	-211	-6	
Tax	53	47	19	-48	89	73	68	-10	71	220	-2	
Rate (%)	28.1	28.5	53.0	104.3	1,556.1	-89.2	-71.4	25.4	20.6	-104.0	25.2	
PAT before MI, Associates	136	119	17	2	-83	-155	-164	-29	274	-431.3	-4.5	
Share of associates/ MI	-1	3	-3	-10	-3	-5	-10	23	-11	6	2	
Reported PAT	135	122	14	-8.2	-85.5	-159	-174	-6	263	-425	-3	
Adj PAT	135	122	14	-8.2	-85.5	-159	-212	-6	263	-463	-3	NM
YoY Change (%)	310.9	132.2	-21.5	-111.1	NA	PL	PL	NA	49.7	-276.3	-118.3	
Margins (%)	1.1	0.9	0.1	-0.1	-0.7	-1.2	-1.5	0.0	0.5	-0.8	0.0	

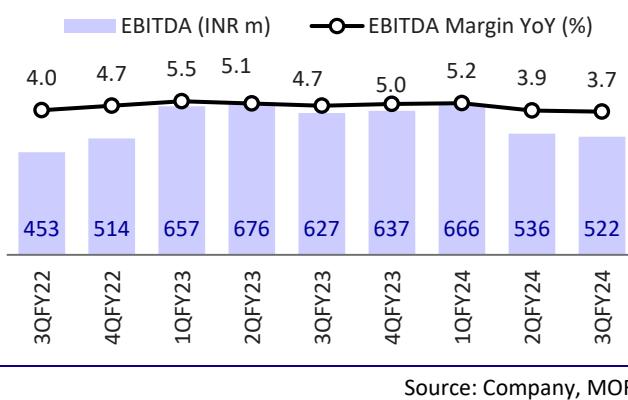
Result in charts: 3QFY24

Exhibit 1: Revenue grew 3% YoY



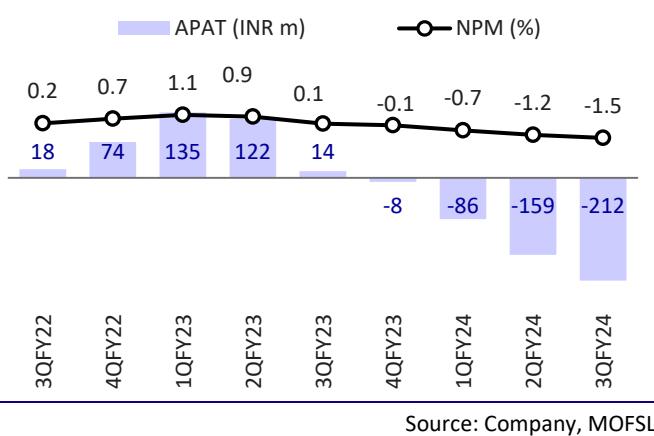
Source: Company, MOFSL

Exhibit 2: EBITDA margin adversely impacted by higher operating loss in MLL express business (Rivigo)



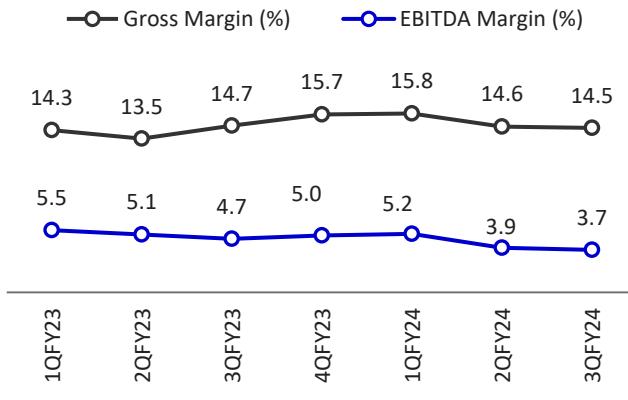
Source: Company, MOFSL

Exhibit 3: Weak operating performance dragged profitability



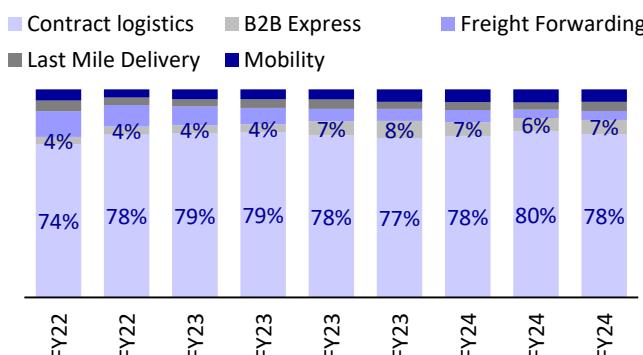
Source: Company, MOFSL

Exhibit 4: Gross margin flattish YoY



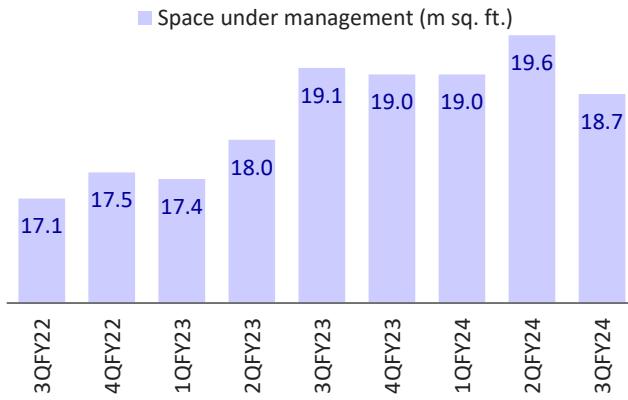
Source: Company, MOFSL

Exhibit 5: Contract logistics and express formed ~85% of the revenue



Source: Company, MOFSL

Exhibit 6: Space under management



Source: Company, MOFSL



Highlights from the management commentary

Operational highlights

Industry overview

- The quarter witnessed a period of moderate demand, where sustained growth in the engineering and FMCG sectors was offset by sluggish expansion in other markets.
- Although the festive season saw an increase in volume, it was negatively impacted by reduced volumes due to capacity consolidation and heightened shutdowns, particularly in E-commerce and certain Automotive OEM customers.

Business update

- The SCM segment contributed and the Enterprise mobility segment contributed 94% and 6%, respectively, to the company's revenue in 3QFY24.
- Supply Chain management recorded revenues of ~INR 13.1b (up 3.9% YoY) and EBIT loss of INR 99m.
- Enterprise Mobility Services (EMS) reported revenues of INR 839m (up 29% YoY) and EBIT of ~INR 4m. MLL achieved a successful turnaround in the mobility sector. The market is experiencing recovery with consolidation in the B2B segment, and there is a notable shift in B2C towards EVs.
- In 3QFY24, the 3PL Contract Logistics business grew 6% YoY. The contract logistics business secured an order intake of ~INR 1.5b during the quarter.
- In 3QFY24, Freight Forwarding reported a revenue of INR 600m (down 24% YoY). MLL reported ocean freight volume of ~2,362 TEU's and air freight volume of ~1,610 tons in 3QFY24. Significant volatility was observed in cross-border freight prices during the quarter. Additionally, the Charter Broking entity (VLink) executed three charters during the reported period.
- Express Logistics posted revenue of INR 956m (up 5% YoY). There is a robust pipeline in both corporate and retail sectors, accompanied by an improvement in service levels. The primary focus of the management is on achieving volume recovery and enhancing utilization. As volumes increase in the coming months, the losses would reduce.
- Last Mile Delivery clocked a revenue of INR 610m (up 1% YoY), led by enhanced operating performance in Whizzard. The management is focused on growing the non-e-commerce business and optimizing fleet utilization.
- Revenue from warehousing solutions amounted to ~INR 2.8b in 3QFY24. Higher seasonal labor and start-up costs adversely impacted yields in the warehousing solutions business in 3QFY24, but stabilization is expected in the coming quarters.
- Nine new facilities were opened during the quarter, adversely impacting margins due to pre-operational costs.

Other highlights

- For MLL Express Business (Rivigo), EBITDA breakeven is now expected by 1HFY25, and PAT breakeven is anticipated by the end of FY25, due to integration issues.
- Rivigo received funding of INR 500m to support the EBITDA loss of INR 224m in 3QFY24 and address working capital needs.

- Warehouse space under management stood at 18.7m sq. ft. in the 3PL business, and the company's multi-client warehousing expansion is progressing as per plan, with new expansion announcements totaling 1.1m sq. ft.

Future growth

- The management remained optimistic regarding robust growth, fueled by order intake across businesses, ongoing enhancements in the express business, and the integration of the Rivigo acquisition in the coming quarters.
- B2B express (Rivigo) is focusing on business turnaround, having successfully completed integration and adding 23 new accounts. Fleet utilization is currently operating at sub-optimal levels.
- MLL aims for a revenue of INR100b and RoE of 18% by FY26, with a focus on growing the 3PL business in the mid-teens. This involves generating INR65b of revenue from the 3PL business as well as rapidly expanding its network services.

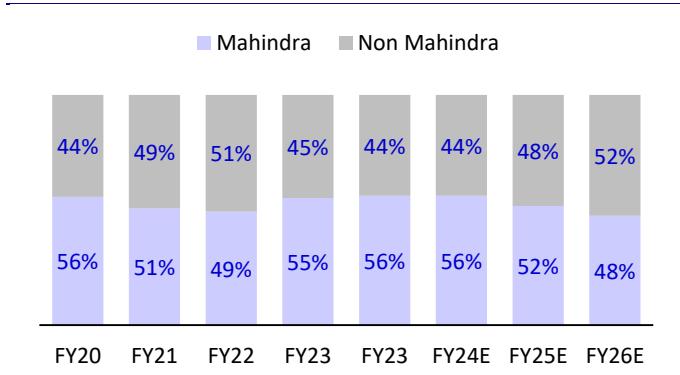
Exhibit 7: Our revised forecasts

(INR m)	FY24E			FY25E			FY26E		
	Rev	Old	Chg(%)	Rev	Old	Chg(%)	Rev	Old	Chg(%)
Net Sales	55,056	57,104	-4	67,101	68,684	-2	82,738	83,934	-1
EBITDA	2,308	2,552	-10	3,181	3,368	-6	4,221	4,358	-3
EBITDA Margin (%)	4.2	4.5	-28 bps	4.7	4.9	-16 bps	5.1	5.2	-9 bps
PAT	-463	-216	NM	506	648	-22	1,224	1,371	-11
EPS (INR)	-6.5	-3.0	NM	7.1	9.1	-22	17.1	19.2	-11

Source: Company, MOFSL

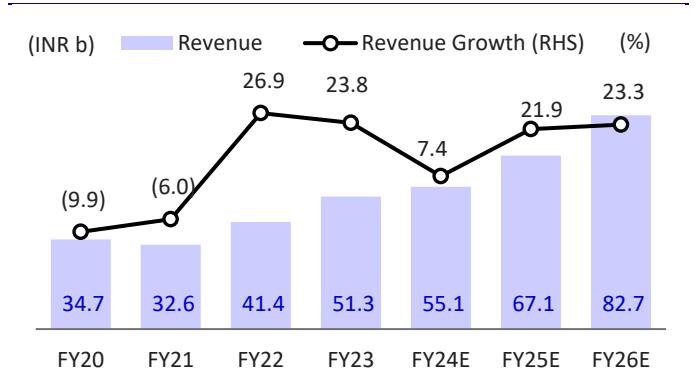
Financial story in charts

Exhibit 8: Non-MM's share to increase gradually

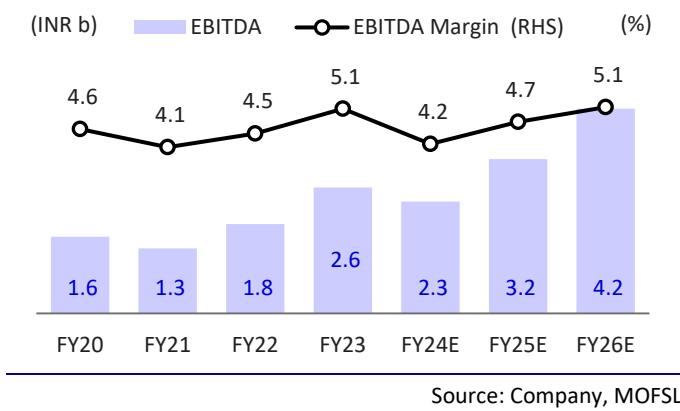


Source: Company, MOFSL

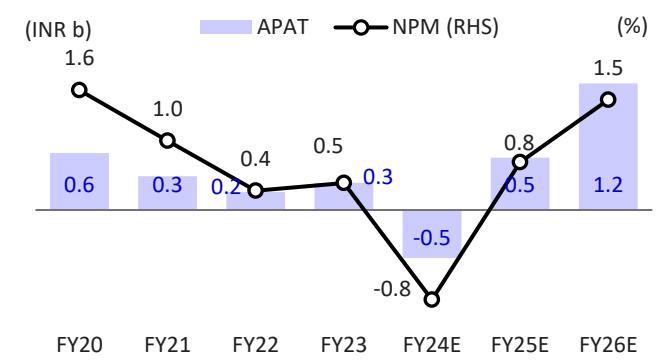
Exhibit 9: Revenue growth to be driven by SCM segment



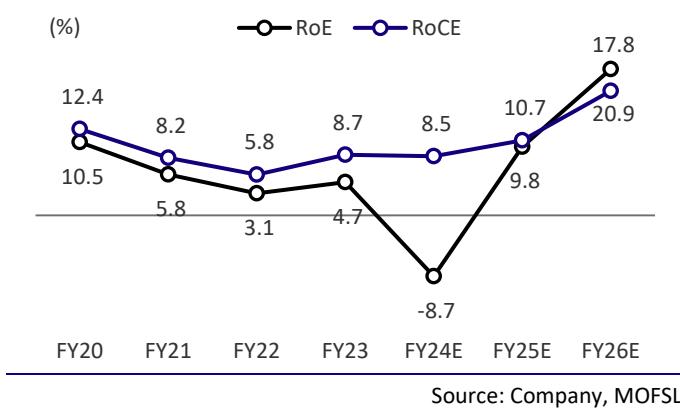
Source: Company, MOFSL

Exhibit 10: Higher share of non-MM to drive margins

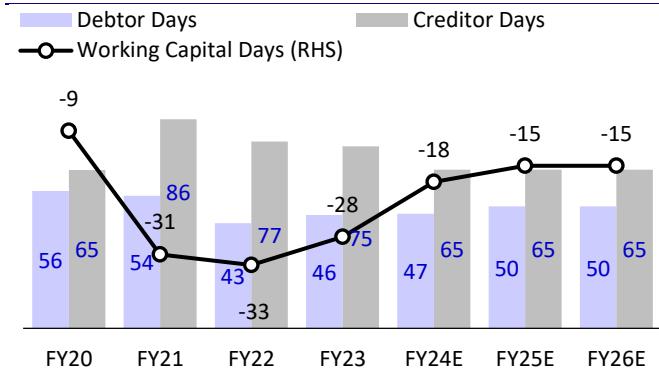
Source: Company, MOFSL

Exhibit 11: PAT to improve with increasing margins

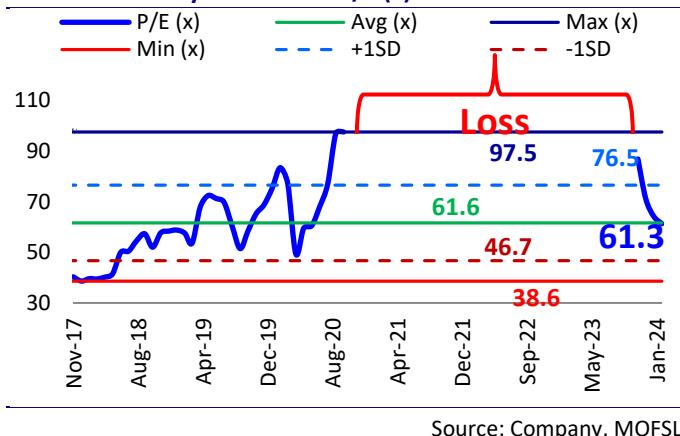
Source: Company, MOFSL

Exhibit 12: Return ratios to improve as earnings pick up

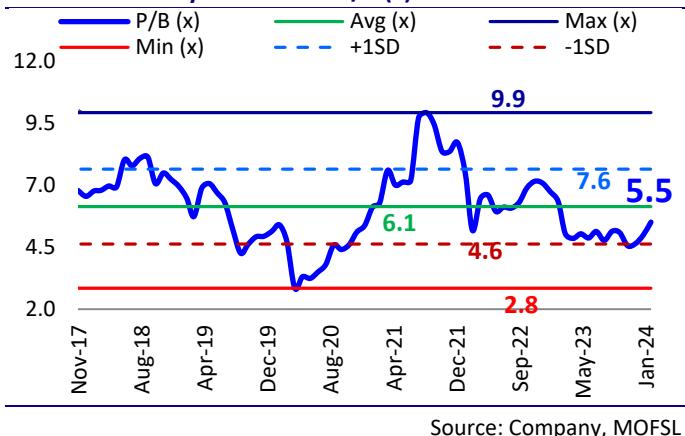
Source: Company, MOFSL

Exhibit 13: Comfortable working capital position

Source: Company, MOFSL

Exhibit 14: One-year forward P/E (x)

Source: Company, MOFSL

Exhibit 15: One-year forward P/B (x)

Source: Company, MOFSL

Financials and valuations

Consolidated – Income Statement

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	34,711	32,637	41,408	51,283	55,056	67,101	82,738
Change (%)	-9.9	-6.0	26.9	23.8	7.4	21.9	23.3
Gross Margin (%)	15.5	15.3	14.3	14.5	13.4	13.4	13.0
EBITDA	1,583	1,342	1,843	2,598	2,308	3,181	4,221
Margin (%)	4.6	4.1	4.5	5.1	4.2	4.7	5.1
Depreciation	734	897	1,417	1,895	2,109	2,123	2,278
EBIT	848	446	426	703	200	1,058	1,944
Int. and Finance Charges	176	201	298	516	668	619	557
Other Income	140	175	136	159	219	230	241
PBT	812	420	263	345	-249	668	1,628
Tax	257	100	113	71	220	168	410
Effective Tax Rate (%)	31.7	25.6	42.8	20.6	-88.1	25.2	25.2
PAT before MI, Associates, and EO Items	555	319	151	274	-469	500	1,218
Share of profit/(loss) of Associates and JVs	-3	8	0	-28	6	6	6
Extraordinary Items	0	28	0	0	-38	0	0
Reported PAT	552	300	176	263	-425	506	1,224
Adjusted PAT	552	328	176	263	-463	506	1,224
Change (%)	-36.1	-40.7	-46.4	49.7	-276.3	-209.3	141.8
Margin (%)	1.6	1.0	0.4	0.5	-0.8	0.8	1.5

Consolidated – Balance Sheet

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	715	717	719	720	720	720	720
Total Reserves	4,731	4,964	4,746	4,897	4,293	4,620	5,665
Net Worth	5,447	5,681	5,465	5,617	5,012	5,340	6,385
Minority Interest	54	28	3	-14	-14	-14	-14
Deferred Tax Liabilities	-200	0	0	0	0	0	0
Total Loans	359	292	405	4,014	4,114	3,614	3,114
Capital Employed	5,660	6,000	5,873	9,617	9,113	8,940	9,485
Gross Block	3,594	5,520	8,252	12,704	13,104	13,604	14,104
Less: Accum. Deprn.	1,285	1,903	3,113	4,402	6,511	8,634	10,912
Net Fixed Assets	2,310	3,617	5,139	8,302	6,594	4,970	3,193
Capital WIP	150	21	4	33	33	33	33
Total Investments	31	0	0	0	2,250	2,250	2,250
Curr. Assets, Loans, and Adv.	11,527	13,149	14,611	17,195	15,868	20,723	27,465
Inventory	0	0	14	4	0	0	0
Account Receivables	5,356	4,856	4,889	6,525	7,089	9,192	11,334
Cash and Bank Balances	995	1,978	1,343	1,262	243	1,129	3,305
Cash	995	1,978	1,343	1,262	243	1,129	3,305
Bank Balance	0	0	0	0	0	0	0
Loans and Advances	150	0	0	0	0	0	0
Others	5,026	6,315	8,364	9,404	8,535	10,402	12,826
Current Liab. and Prov.	8,359	10,787	13,882	15,912	15,631	19,036	23,456
Account Payables	6,172	7,661	8,684	10,481	9,805	11,949	14,734
Other Current Liabilities	1,974	3,065	5,126	5,363	5,758	7,017	8,653
Provisions	213	61	72	69	69	69	69
Net Current Assets	3,169	2,362	729	1,282	236	1,687	4,010
Application of Funds	5,660	6,000	5,873	9,617	9,112	8,940	9,485

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)							
EPS	7.7	4.6	2.5	3.7	-6.5	7.1	17.1
EPS growth (%)	-36.1	-40.7	-46.4	49.7	-276.3	-209.3	141.8
Cash EPS	18.0	17.1	22.3	30.1	23.0	36.7	48.9
BV/Share	76.1	79.4	76.4	78.5	70.0	74.6	89.2
DPS	1.5	2.5	2.0	2.5	2.5	2.5	2.5
Payout (incl. Div. Tax, %)	19.5	59.8	81.5	68.1	-42.1	35.3	14.6
Valuation (x)							
P/E	54.1	91.1	170.0	113.6	-64.4	59.0	24.4
Cash P/E	23.2	24.4	18.7	13.8	18.1	11.4	8.5
EV/EBITDA	18.4	21.0	15.7	12.5	13.6	9.5	6.5
EV/Sales	0.8	0.9	0.7	0.6	0.6	0.4	0.3
P/BV	5.5	5.3	5.5	5.3	6.0	5.6	4.7
Dividend Yield (%)	0.4	0.6	0.5	0.6	0.6	0.6	0.6
Return Ratios (%)							
RoE	10.5	5.8	3.1	4.7	-8.7	9.8	20.9
RoCE	12.4	8.2	5.8	8.7	8.5	10.7	17.8
RoIC	14.2	7.8	5.7	8.7	5.0	13.1	30.9
Working Capital Ratios							
Fixed Asset Turnover (x)	14.0	7.2	6.0	4.9	4.3	5.0	6.0
Asset Turnover (x)	6.1	5.4	7.1	5.3	6.0	7.5	8.7
Inventory (Days)	0	0	0	0	0	0	0
Debtors (Days)	56	54	43	46	47	50	50
Creditors (Days)	65	86	77	75	65	65	65
Leverage Ratio (x)							
Net Debt/Equity	-0.1	-0.3	-0.2	0.5	0.8	0.5	0.0

Consolidated – Cash Flow Statement

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	812	392	263	345	-249	668	1,628
Depreciation	734	897	1,417	1,895	2,109	2,123	2,278
Direct Taxes Paid	-325	515	-626	-738	-220	-168	-410
(Inc.)/Dec. in WC	-653	838	507	-883	-1,554	-970	-672
Other Items	285	295	348	574	449	389	316
CF from Operations	854	2,937	1,910	1,194	535	2,043	3,140
(Inc.)/Dec. in FA	-617	-690	-1,559	-195	-400	-500	-500
Free Cash Flow	237	2,247	351	999	135	1,543	2,640
Change in Investments	786	-588	0	-3,043	-2,250	0	0
Others	186	198	161	138	1,548	-166	-273
CF from Investments	355	-1,080	-1,399	-3,100	-1,102	-666	-773
Change in Equity	4	2	5	1	0	0	0
Inc.-(Dec.) in Debt	-18	-67	77	3,609	100	-500	-500
Dividends Paid	-155	-107	-179	-144	-179	-179	-179
Others	-594	-702	-1,073	-1,641	-373	188	489
CF from Fin. Activity	-763	-875	-1,171	1,825	-452	-491	-190
Inc.-(Dec.) in Cash	446	982	-659	-81	-1,019	885	2,177
Opening Balance	550	995	2,002	1,343	1,262	243	1,129
Closing Balance	995	1,978	1,343	1,262	243	1,129	3,305

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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 CCR and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/ListOf%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 warranty, 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 alterations 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 used 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.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; 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.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; 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 dpgrivances@motilaloswal.com.