

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

CMP: INR7,213 TP: INR6,775 (-6%) Neutral

In line 3Q; demand recovers across segments

Domestic 2W industry volumes to grow 8-10% YoY in coming months

- BJAUT reported an in-line performance in 3QFY24. The company reported its highest ever EBITDA margin of 20.1%, up 100bp YoY, supported by healthy volume growth in the domestic market, better realizations, and cost control.
- We maintain our FY24/FY25 estimates. We now value BJAUT at ~20x Dec'25E EPS (vs. 18x Dec'25E EPS earlier) to factor in a healthy recovery in domestic 2W volumes, a gradual pickup in exports, and its growth in the growing e2W market through products and channel expansion. **Reiterate Neutral rating with a TP of INR6,775.**

EBITDA margin expansion continues

- BJAUT's 3QFY24 revenue/EBITDA/PAT grew 30%/20%/37% YoY to INR121.1b/INR24.3b/INR20.4b. In 9MFY24, its revenue/EBITDA/PAT rose 21%/35%/32% YoY.
- Volumes grew 22% YoY with ASPs growing 6.5% YoY to INR100.9/unit (est. INR100.7k). Net sales grew 30% YoY to INR121.1b (in line) in 3Q.
- Gross margin contracted 50bp YoY/10bp QoQ to 28.9% (est. 28.8%) despite favorable FX. This was partially offset by better cost control, resulting in EBITDA growth of ~37% YoY to INR24.3b (est. INR24.2b).
- EBITDA margin rose 100bp YoY/30bp QoQ to 20.1% (est. 20.1%).
- Despite slightly lower-than-estimated other income, adj. PAT came in at INR20.4b (+37% YoY, in line).
- Cash on the balance sheet as of Dec'23 stood at INR184.4b (vs. INR173.3b as of Sep'23).

Highlights from the management commentary

- **Domestic 2W-** Retails grew 11% YoY for the industry in 3QFY24 and the management expects industry volumes to grow by 8-10% in the coming months. Festive demand was strong and it was further supported by healthy retails in Dec'23.
- **Exports-** The macro environment is uncertain due to geopolitical issues. However, the continuing devaluation of emerging market currencies has eased now. Exports currently stand at 70% of peak FY22 volumes. However, volume grew ~2% sequentially during the quarter. Africa and South Asia are dragging down the recovery.
- **Triumph-** In places like Bangalore and Kerala, BJAUT's market share has reached 20% in the category. It plans to grow its footprint beyond 100 cities, covering 50% of the market. The current capacity now stands at 10k units per month and is being increased to 20k units, with a target to reach ~30k units in 1HFY25.
- **EVs- 3W:** BJAUT currently has a presence in 23 cities and plans to expand to 50 cities in 4Q and 400 cities before the season in 2024. Capacity has already been put in position. Chetak: It aims to achieve the 15k units per month sales mark, which will be driven by new launches and network expansion.

| | |
|-----------------------|---------------|
| Bloomberg | BJAUT IN |
| Equity Shares (m) | 283 |
| M.Cap.(INRb)/(USD\$b) | 2042.5 / 24.6 |
| 52-Week Range (INR) | 7420 / 3611 |
| 1, 6, 12 Rel. Per (%) | 13/39/77 |
| 12M Avg Val (INR M) | 2289 |

Financials & Valuations (INR b)

| Y/E MARCH | 2023 | 2024E | 2025E |
|------------------|------|-------|-------|
| Sales | 364 | 452 | 510 |
| EBITDA | 65.5 | 88.9 | 100.9 |
| EBITDA (%) | 18.0 | 19.7 | 19.8 |
| Adj. PAT | 60.6 | 78.5 | 88.0 |
| EPS (INR) | 214 | 277 | 311 |
| EPS Gr. (%) | 16.7 | 29.5 | 12.1 |
| BV/Sh. (INR) | 899 | 989 | 1,082 |
| Ratios | | | |
| RoE (%) | 23.3 | 29.4 | 30.0 |
| RoCE (%) | 21.3 | 27.7 | 27.6 |
| Payout (%) | 70.4 | 65.8 | 64.3 |
| Valuation | | | |
| P/E (x) | 33.7 | 26.0 | 23.2 |
| P/BV (x) | 8.0 | 7.3 | 6.7 |
| Div. Yield (%) | 1.9 | 2.4 | 2.8 |
| FCF Yield (%) | 2.3 | 3.0 | 3.4 |

Shareholding pattern (%)

| As On | Dec-23 | Sep-23 | Dec-22 |
|----------|--------|--------|--------|
| Promoter | 54.9 | 55.0 | 55.0 |
| DII | 8.7 | 9.1 | 11.0 |
| FII | 14.7 | 14.4 | 11.8 |
| Others | 21.7 | 21.7 | 22.2 |

FII Includes depository receipts

Amber Shukla - Research analyst (Amber.Shukla@MotilalOswal.com)

Aniket Desai - Research analyst (Aniket.Desai@motiloswal.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.motiloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- Both domestic and export volumes are expected to recover in FY25 from the low base, driving a healthy earnings recovery. We expect BJAUT to benefit from market share gains over the long term, driven by: 1) the premiumization trend, 2) the opportunity in exports, and 3) the potential sizeable position in the Scooter market via EVs. However, a large part of its India profit pool (of premium motorcycle and 3Ws) is vulnerable to possible disruption from electrification.
- At ~26x/23x FY24E/FY25E consolidated EPS, the stock's valuation fairly reflects the expected recovery as well as the risk of EVs. **We reiterate our Neutral rating with a TP of INR6,775 (based on 20x Dec'25E consolidated EPS).**

Quarterly Performance**(INR Million)**

| | FY23 | | | | FY24E | | | | FY23 | FY24E | |
|------------------------|---------------|-----------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE |
| Volumes ('000 units) | 934 | 1,151 | 983 | 860 | 1,027 | 1,054 | 1,201 | 1,155 | 3,928 | 4,438 | 1,201 |
| Growth YoY (%) | -7.2 | 0.6 | -16.8 | -12.0 | 10.0 | -8.4 | 22.1 | 34.4 | (8.8) | 13.0 | 22.1 |
| Realization (INR/unit) | 85,739 | 88,642 | 94,720 | 1,03,573 | 1,00,347 | 1,02,256 | 1,00,862 | 1,03,988 | 92,742 | 1,01,888 | 1,00,722 |
| Growth YoY (%) | 16.8 | 17.7 | 24.0 | 26.8 | 17.0 | 15.4 | 6.5 | 0.4 | 21.1 | 9.9 | 6.3 |
| Net Sales | 80,050 | 1,02,028 | 93,151 | 89,047 | 1,03,098 | 1,07,773 | 1,21,135 | 1,20,157 | 3,64,276 | 4,52,163 | 1,20,967 |
| Change (%) | 8.4 | 18.4 | 3.3 | 11.7 | 28.8 | 5.6 | 30.0 | 34.9 | 10.4 | 24.1 | 29.9 |
| EBITDA | 12,970 | 17,587 | 17,768 | 17,166 | 19,539 | 21,329 | 24,299 | 23,741 | 65,491 | 88,907 | 24,255 |
| EBITDA Margins (%) | 16.2 | 17.2 | 19.1 | 19.3 | 19.0 | 19.8 | 20.1 | 19.8 | 18.0 | 19.7 | 20.1 |
| Other Income | 3,193 | 3,332 | 2,691 | 2,598 | 3,463 | 3,614 | 3,461 | 3,564 | 11,814 | 14,102 | 3,700 |
| Interest | 43 | 109 | 85 | 157 | 121 | 65 | 121 | 113 | 395 | 420 | 100 |
| Depreciation | 673 | 670 | 740 | 742 | 835 | 876 | 881 | 884 | 2,824 | 3,477 | 880 |
| PBT after EO | 15,447 | 20,140 | 19,635 | 18,865 | 22,046 | 24,000 | 26,758 | 26,307 | 74,086 | 99,112 | 26,975 |
| Effective Tax Rate (%) | 24.0 | 24.0 | 24.0 | 24.0 | 24.5 | 23.5 | 23.7 | 24.8 | 24.0 | 24.1 | 24.2 |
| Adj. PAT | 11,733 | 15,300 | 14,914 | 14,329 | 16,648 | 18,361 | 20,419 | 19,781 | 56,276 | 75,209 | 20,447 |
| Change (%) | 10.6 | 31.3 | 22.8 | 16.9 | 41.9 | 20.0 | 36.9 | 38.1 | 20.6 | 33.6 | 37.1 |

Key Performance Indicators

| | FY23 | | | | FY24E | | | | FY23 | FY24E | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 3Q |
| Volumes ('000 units) | 934 | 1,151 | 983 | 860 | 1,027 | 1,054 | 1,201 | 1,155 | 3,928 | 4,438 | 1,201 |
| Growth YoY (%) | -7.2 | 0.6 | -16.8 | -12.0 | 10.0 | -8.4 | 22.1 | 34.4 | -8.8 | 13.0 | 22.1 |
| Dom. M/Cycle Mkt Sh (%) | 13.1 | 20.7 | 18.0 | 18.1 | 19.8 | 17.3 | 21.2 | | 17.7 | | |
| Realization (INR/unit) | 85,739 | 88,642 | 94,720 | 1,03,573 | 1,00,347 | 1,02,256 | 1,00,862 | 1,03,988 | 92,742 | 1,01,888 | 1,00,722 |
| Growth YoY (%) | 16.8 | 17.7 | 24.0 | 26.8 | 17.0 | 15.4 | 6.5 | 0.4 | 21.1 | 9.9 | 6.3 |
| Cost Break-up | | | | | | | | | | | |
| RM Cost (% of sales) | 72.2 | 73.4 | 70.6 | 69.8 | 71.9 | 71.0 | 71.1 | 71.3 | 71.5 | 71.3 | 71.2 |
| Staff Cost (% of sales) | 4.7 | 3.5 | 3.8 | 4.1 | 3.7 | 3.5 | 3.2 | 3.3 | 4.0 | 3.4 | 3.3 |
| Other Cost (% of sales) | 6.9 | 6.0 | 6.6 | 7.0 | 5.6 | 5.7 | 5.8 | 5.8 | 6.6 | 5.7 | 5.5 |
| Gross Margins (%) | 27.8 | 26.6 | 29.4 | 30.2 | 28.1 | 29.0 | 28.9 | 28.7 | 25.1 | 25.3 | 28.8 |
| EBITDA Margins (%) | 16.2 | 17.2 | 19.1 | 19.3 | 19.0 | 19.8 | 20.1 | 19.8 | 18.0 | 19.7 | 20.1 |
| EBIT Margins (%) | 15.4 | 16.6 | 18.3 | 18.4 | 18.1 | 19.0 | 19.3 | 19.0 | 13.9 | 14.4 | 19.3 |

E:MOFSL Estimates



Key takeaways from the earnings call

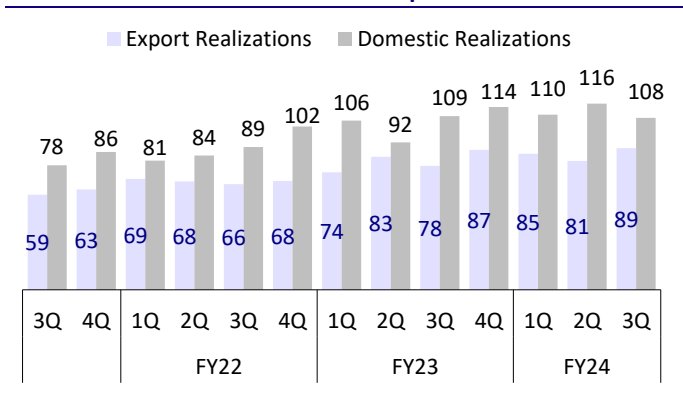
- **Domestic 2W-** Retails grew 11% YoY for the industry in 3QFY24 and the management expects industry volumes to grow by 8-10% in the coming months. Festive demand was strong and it was further supported by healthy retails in Dec'23.
- **Exports-** The macro environment remains uncertain due to geopolitical tensions. However, the continuing devaluation of emerging market currencies has eased now. Exports currently stand at 70% of peak FY22 volumes. However, volume grew ~2% sequentially during the quarter. Africa and South Asia are dragging the recovery. LATAM, Middle East, and Philippines have crossed their previous peak volumes. Recorded highest ever retail in Mexico.
 - Pulsar's mix increased from 19% 3QFY23 to 28% 3QFY24. Export revenue grew 10% YoY, despite a 4% volume decline, due to a better mix and Fx.
 - Geography mix- Africa 45-48%, LatAm ~25%, South Asia 15-18%, Middle East and North America is 19%.
 - Brazil – Starting new a new plant wherein production is expected to start by end of 1Q.
 - Red Sea issue- Freight has doubled and supply has been delayed by 3 weeks for LatAm and Africa. As of now, it is not expected to impair the performance on a continuous basis unless there is a wild escalation. Alternate routes are being put in place.
- **Chetak-** BJAUT has a presence in 140 cities, with 160 all exclusive dealerships covering 80% of the high-speed market. Retail market share has reached 14%, which is the third largest. The company aims to achieve 15k units per month sales mark, which will be driven by new launches and network expansion. The segment reported revenue of INR10b in 9MFY24.
- **Triumph-** Scrambler 400X sales are 50% of the total Triumph sales. Both models put together retailed 2,800 units in just 40 cities. In places like Bangalore and Kerala, market share of BJAUT has reached 20% in the category. It plans to grow footprint beyond 100 cities, covering 50% of the market. The current capacity now stands at 10k units per month and is being increased to 20k units, with a target to reach ~30k units in 1HFY25.
- **3W business-** BJAUT's overall market share stands at 77%, while it is ~85% for the passenger segment. CNG now contributes ~60% of the industry and BJAUT's market share in the category is 80%.
 - 3W EV- Currently the company has a presence in 23 cities and it plans to expand to 50 cities in 4Q and 400 cities before the season in 2024. Capacity has already been put in position.
 - Payback for CNG 3W is just 6-9 months and BJAUT aims to leverage the growing CNG infrastructure of ~4000 stations. As CNG is more efficient vs. petrol, the company is also working on 2W CNG.
- **Others-**
 - The USD-INR situation rate is stable as it stood at 83.2 vs. 82.6 in previous quarter and 81.7 in 3QFY23.
 - Current cash balance stands at INR18.5k crore.
 - Spares revenue stood at INR13b, with domestic revenue of INR10b and exports at INR10.5b; Export revenue stood at USD450m.

Exhibit 1: Trend in product mix

| | 3QFY24 | 3QFY23 | YoY (%) | 2QFY24 | QoQ (%) |
|--------------------------|------------------|-----------------|-------------|------------------|-------------|
| Motorcycles | | | | | |
| Domestic | 6,55,453 | 4,55,313 | 44.0 | 5,05,320 | 29.7 |
| % of total volumes | 54.6 | 46.3 | | 47.9 | |
| Exports | 3,84,740 | 3,95,901 | -2.8 | 3,76,263 | 2.3 |
| % of total volumes | 32.0 | 40.3 | | 35.7 | |
| Total Motorcycles | 10,40,193 | 8,51,214 | 22.2 | 8,81,583 | 18.0 |
| % of total volumes | 86.6 | 86.6 | | 83.6 | |
| Three Wheelers | | | | | |
| Domestic | 1,22,828 | 89,042 | 37.9 | 1,32,236 | -7.1 |
| % of total volumes | 10.2 | 9.1 | | 12.5 | |
| Exports | 37,976 | 43,187 | -12.1 | 40,134 | -5.4 |
| % of total volumes | 3.2 | 4.4 | | 3.8 | |
| Total 3Ws | 1,60,804 | 1,32,229 | 21.6 | 1,72,370 | -6.7 |
| % of total volumes | 13.4 | 13.4 | | 16.4 | |
| Total Volumes | 12,00,997 | 9,83,443 | 22.1 | 10,53,953 | 14.0 |

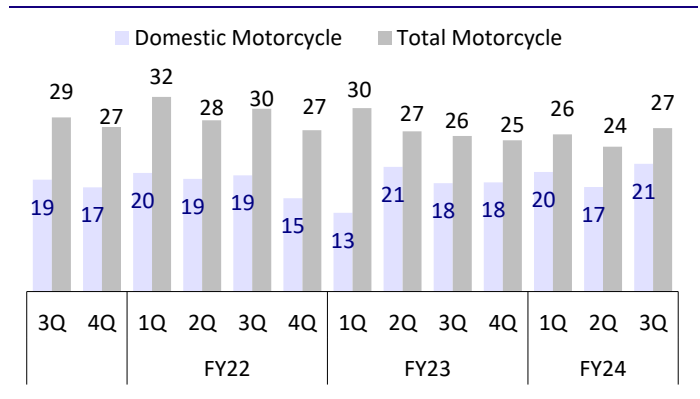
Source: Company, MOFSL

Exhibit 2: Trends in domestic and export realizations



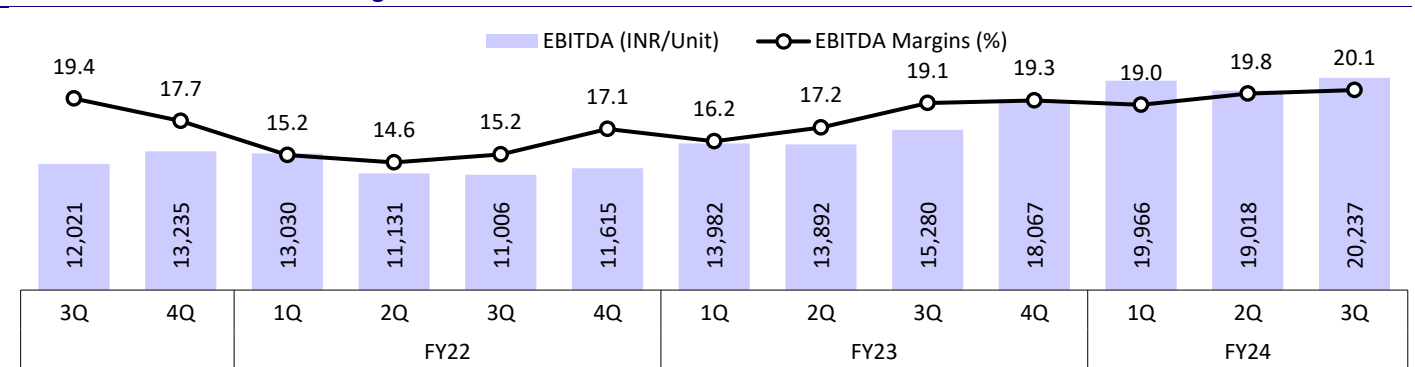
Sources: Company reports, MOFSL estimates

Exhibit 3: Trends in domestic and total 2W market share



Sources: Company reports, MOFSL estimates

Exhibit 4: EBITDA and EBITDA margin trends



Sources: Company reports, MOFSL estimates

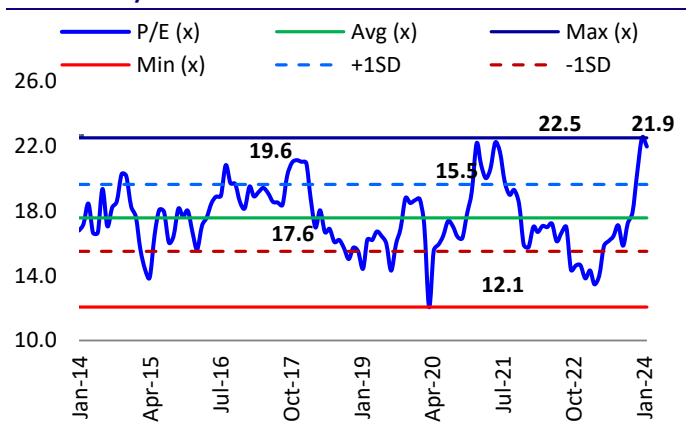
Valuation and view

- Volumes hit by slowdown in 2W industry:** FY21-23 has been a challenging period for the domestic 2W industry due to the pandemic. BJAUT, however, sailed through on the back of a good recovery in the domestic market (led by the Pulsar 125cc). BJAUT is better positioned than its mainstream 2W peers, owing to its strong exports and the premium motorcycle segment. We estimate a 9% CAGR in volumes over FY23-26.
- Well placed to ride the premiumization trend:** By leveraging its strong alliance with KTM and its latest partnerships with Husqvarna and Triumph, BJAUT could offer the widest range of premium motorcycles. Husqvarna and KTM present an opportunity for BJAUT to grow its contract manufacturing volumes by 3x over the next few years. Meanwhile, Triumph has facilitated the company's entry into the large segment of mid-capacity Cruiser (~1m motorcycles annually) with the launch of Speed 400 and Scrambler 400.
- Electrification – opportunity or threat?** BJAUT has re-entered the lucrative Scooter segment through its Chetak e-scooter. This would expand its addressable market, as the Scooter category makes up ~30-33% of the domestic 2W industry. The company plans to focus solely on e-scooters and it is one of the early movers in this segment. BJAUT would be at the forefront in driving electrification and has the opportunity to gain a sizeable share of the e-Scooter market. However, a large part of its existing India profit pool (of premium motorcycle and 3Ws) is vulnerable to possible disruption from electrification.
- Better positioned to protect margins vs. peers:** Unlike its 2W peers, BJAUT has several levers to support its margins and dilute the impact of cost inflation and operating deleverage. The company can support its margins through: 1) a healthy mix (premium motorcycles, domestic 3Ws, and exports), 2) favorable Fx, and 3) keeping fixed costs lower vs. peers. We expect BJAUT to maintain an EBITDA margin of around 18-20% over the next two years.
- Valuation and view:** We maintain our FY24/FY25 estimates. We now value BJAUT at ~20x Dec'25E EPS (vs 18x Dec-25E EPS) to factor in a healthy recovery in domestic 2W volumes, a gradual pickup in exports, and its growth in the growing e2W market through products and channel expansion. We expect BJAUT to benefit from market share gains over the long term, led by: 1) the premiumization trend, 2) the opportunity in exports, and 3) the potential sizeable position in the Scooter market via EVs. However, a large part of its India profit pool (of premium motorcycle and 3Ws) is vulnerable to possible disruption from electrification. At 26x/23x FY24E/FY25E consolidated EPS, the stock's valuation fairly reflects the expected recovery as well as the risk of EVs. **We reiterate our Neutral rating with a TP of INR6,775.**

Exhibit 5: Our revised forecasts (INR m)

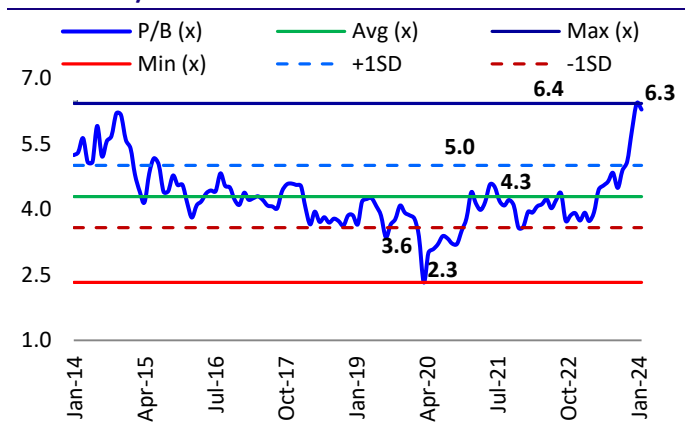
| | FY24E | | | FY25E | | |
|--------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Vols ('000 units) | 4,438 | 4,483 | -1.0 | 4,919 | 4,969 | -1.0 |
| Net Sales | 4,52,163 | 4,56,573 | -1.0 | 5,10,390 | 5,15,370 | -1.0 |
| EBITDA | 88,907 | 90,334 | -1.6 | 1,00,944 | 1,02,030 | -1.1 |
| EBITDA Margins (%) | 19.7 | 19.8 | -10bp | 19.8 | 19.8 | 0bp |
| Net Profit | 78,473 | 79,952 | -1.8 | 87,986 | 89,200 | -1.4 |
| EPS (INR) | 277.3 | 282.6 | -1.8 | 310.9 | 315.2 | -1.4 |

Exhibit 6: P/E band



Source: MOFSL

Exhibit 7: P/BV band



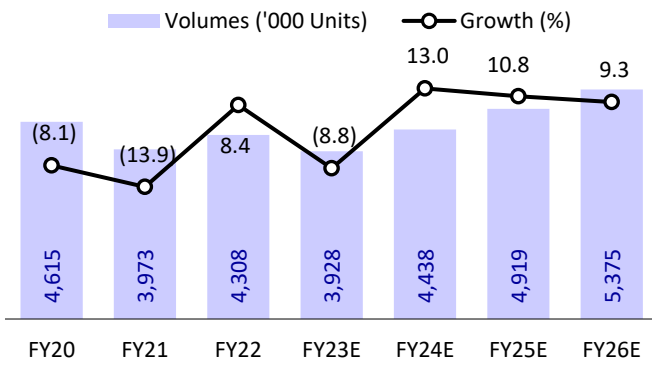
Source: MOFSL

Exhibit 8: Snapshot of Revenue Model

| 000 units | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Motorcycles (units) | | | | | | | | |
| Domestic | 2,541 | 2,078 | 1,809 | 1,641 | 1,806 | 2,203 | 2,379 | 2,570 |
| Growth (%) | 28.7 | -18.2 | -12.9 | -9.3 | 10.0 | 22.0 | 8.0 | 8.0 |
| % of total volumes | 50.6 | 45.0 | 45.5 | 38.1 | 46.0 | 49.6 | 48.4 | 47.8 |
| Exports | 1,696 | 1,869 | 1,797 | 2,196 | 1,637 | 1,506 | 1,732 | 1,940 |
| Growth (%) | 21.6 | 10.2 | -3.9 | 22.2 | -25.4 | -8.0 | 15.0 | 12.0 |
| % of total volumes | 33.8 | 40.5 | 45.2 | 51.0 | 41.7 | 33.9 | 35.2 | 36.1 |
| Total M/Cycles | 4,237 | 3,948 | 3,606 | 3,837 | 3,443 | 3,709 | 4,111 | 4,510 |
| Growth (%) | 25.7 | -6.8 | -8.7 | 6.4 | -10.3 | 7.7 | 10.8 | 9.7 |
| % of total volumes | 84.4 | 85.5 | 90.8 | 89.1 | 87.7 | 83.6 | 83.6 | 83.9 |
| 3Ws | | | | | | | | |
| Domestic | 399 | 366 | 109 | 161 | 301 | 463 | 498 | 533 |
| Growth (%) | 8.1 | -8.4 | -70.1 | 47.1 | 87.1 | 54.0 | 7.5 | 7.0 |
| % of total volumes | 8.0 | 7.9 | 2.8 | 3.7 | 7.7 | 10.4 | 10.1 | 9.9 |
| Exports | 383 | 302 | 258 | 311 | 184 | 170 | 190 | 213 |
| Growth (%) | 43.1 | -21.2 | -14.6 | 20.6 | -40.7 | -8.0 | 12.0 | 12.0 |
| % of total volumes | 7.6 | 6.5 | 6.5 | 7.2 | 4.7 | 3.8 | 3.9 | 4.0 |
| 3Ws | 783 | 668 | 367 | 472 | 485 | 633 | 688 | 745 |
| Growth (%) | 22.8 | -14.7 | -45.0 | 28.5 | 2.9 | 30.4 | 8.7 | 8.4 |
| % of total volumes | 15.6 | 14.5 | 9.2 | 10.9 | 12.3 | 14.3 | 14.0 | 13.9 |
| Total Volumes | 5,020 | 4,615 | 3,973 | 4,308 | 3,928 | 4,438 | 4,919 | 5,375 |
| Growth (%) | 25.3 | -8.1 | -13.9 | 8.4 | -8.8 | 13.0 | 10.8 | 9.3 |
| Avg. Net Realn (INR/unit) | 52,928 | 56,462 | 60,588 | 65,467 | 79,010 | 88,145 | 89,883 | 91,351 |
| Growth (%) | -5.1 | 6.7 | 7.3 | 8.1 | 20.7 | 11.6 | 2.0 | 1.6 |
| Net Revenues (INR B) | 296 | 291 | 271 | 321 | 354 | 441 | 497 | 551 |
| Growth (%) | 19.7 | -1.5 | -6.8 | 18.4 | 10.0 | 24.7 | 12.7 | 10.9 |
| EBITDA (INR B) | 52 | 51 | 49 | 51 | 65 | 89 | 101 | 112 |
| EBITDA margins (%) | 17.1 | 17.0 | 17.8 | 15.5 | 18.0 | 19.7 | 19.8 | 19.9 |
| EBITDA (INR/Unit) | 10,345 | 11,042 | 12,405 | 11,877 | 16,674 | 20,034 | 20,521 | 20,927 |
| Growth (%) | 7.3 | -1.9 | -3.3 | 3.8 | 28.0 | 35.8 | 13.5 | 11.4 |
| Consol. PAT (INR B) | 47 | 52 | 49 | 53 | 61 | 78 | 88 | 99 |
| Consol. EPS | 162 | 180 | 168 | 184 | 214 | 277 | 311 | 348 |

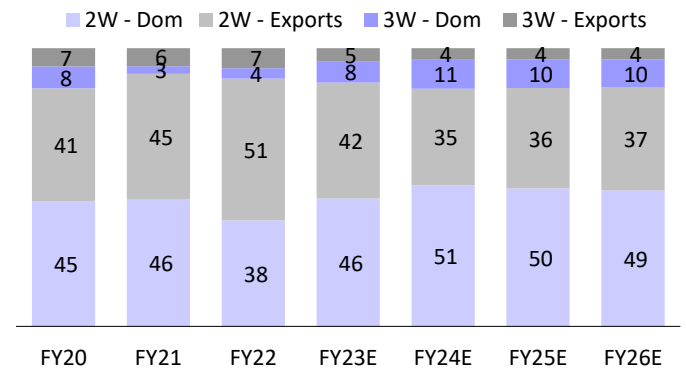
Story in charts

Exhibit 9: Trends in volume and volume growth



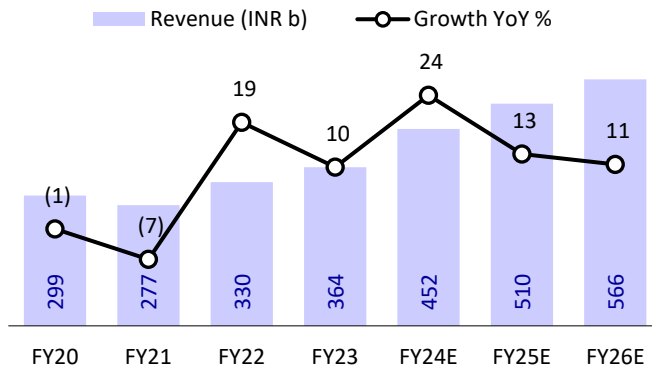
Sources: Company reports, MOFSL estimates

Exhibit 10: Product mix trend



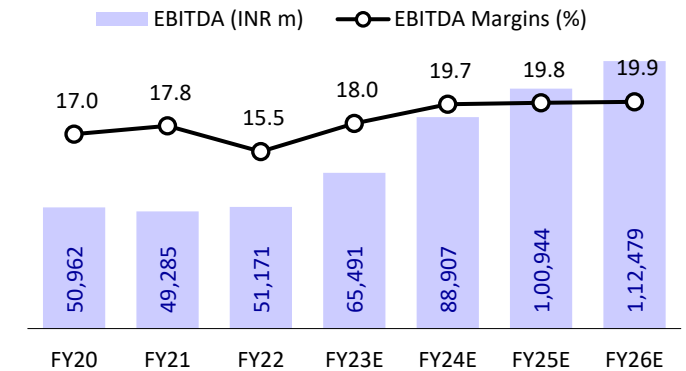
Sources: Company reports, MOFSL estimates

Exhibit 11: Trend in revenue growth



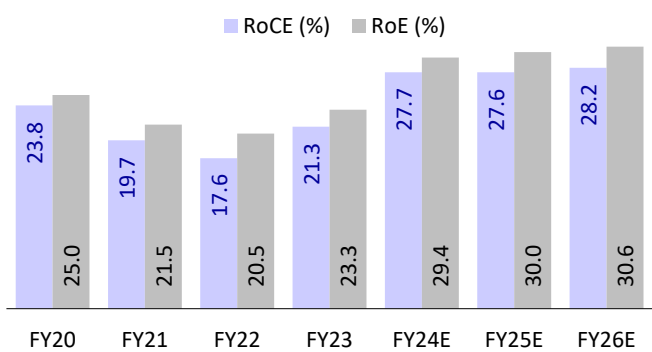
Sources: Company reports, MOFSL

Exhibit 12: Trends in EBITDA and EBITDA margin



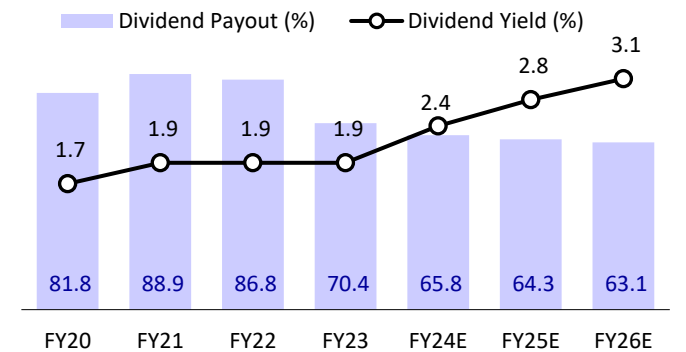
Sources: Company reports, MOFSL

Exhibit 13: Trends in return ratios



Sources: Company reports, MOFSL estimates

Exhibit 14: Dividend payout to remain healthy



Sources: Company reports, MOFSL estimates

Financials and valuations

| Income Statement | | | | | | (INR m) | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
| Volumes | 50,19,503 | 46,15,212 | 39,72,914 | 43,08,433 | 39,27,857 | 44,37,848 | 49,19,082 | 53,74,902 |
| Change (%) | 25.3 | -8.1 | -13.9 | 8.4 | -8.8 | 13.0 | 10.8 | 9.3 |
| Net Sales | 3,03,576 | 2,99,187 | 2,77,411 | 3,30,032 | 3,64,276 | 4,52,163 | 5,10,390 | 5,66,010 |
| Change (%) | 20.4 | -1.4 | -7.3 | 19.0 | 10.4 | 24.1 | 12.9 | 10.9 |
| Total Expenditure | 2,51,651 | 2,48,224 | 2,28,126 | 2,78,861 | 2,98,785 | 3,63,255 | 4,09,446 | 4,53,532 |
| EBITDA | 51,925 | 50,962 | 49,285 | 51,171 | 65,491 | 88,907 | 1,00,944 | 1,12,479 |
| Change (%) | 7.3 | -1.9 | -3.3 | 3.8 | 28.0 | 35.8 | 13.5 | 11.4 |
| EBITDA Margins (%) | 17.1 | 17.0 | 17.8 | 15.5 | 18.0 | 19.7 | 19.8 | 19.9 |
| Depreciation | 2,657 | 2,464 | 2,593 | 2,692 | 2,824 | 3,477 | 3,704 | 4,052 |
| EBIT | 49,268 | 48,498 | 46,692 | 48,480 | 62,667 | 85,430 | 97,240 | 1,08,427 |
| Int. & Fin. Charges | 45 | 32 | 67 | 87 | 395 | 420 | 440 | 450 |
| Other Income | 14,389 | 17,336 | 12,765 | 12,092 | 11,814 | 14,102 | 13,163 | 15,600 |
| Non-recurring Exp. | -3,420 | 0 | 0 | -4,568 | 0 | 0 | 0 | 0 |
| PBT | 67,032 | 65,802 | 59,390 | 65,054 | 74,086 | 99,112 | 1,09,962 | 1,23,577 |
| Tax | 20,280 | 14,802 | 13,844 | 14,865 | 17,810 | 23,903 | 27,026 | 30,330 |
| Effective Rate (%) | 30.3 | 22.5 | 23.3 | 22.8 | 24.0 | 24.1 | 24.6 | 24.5 |
| PAT | 46,752 | 51,000 | 45,546 | 50,189 | 56,276 | 75,209 | 82,936 | 93,247 |
| Change (%) | 14.9 | 9.1 | -10.7 | 10.2 | 12.1 | 33.6 | 10.3 | 12.4 |
| Share in profit of ass. & others | 2,524 | 1,119 | 3,024 | 11,469 | 4,326 | 3,264 | 5,049 | 5,352 |
| Adj. Consol PAT | 46,891 | 52,119 | 48,570 | 53,122 | 60,602 | 78,473 | 87,986 | 98,599 |
| Change (%) | 10.6 | 11.1 | (6.8) | 9.4 | 14.1 | 29.5 | 12.1 | 12.1 |

| Balance Sheet | | | | | | (INR m) | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
| Share Capital | 2,894 | 2,894 | 2,894 | 2,894 | 2,830 | 2,830 | 2,830 | 2,830 |
| Net Worth | 2,17,799 | 1,99,255 | 2,52,023 | 2,66,688 | 2,54,259 | 2,79,950 | 3,06,294 | 3,37,289 |
| Deferred Tax | 5,427 | 3,464 | 5,221 | 4,033 | 3,452 | 5,434 | 7,633 | 10,105 |
| Loans | 1,685 | 1,669 | 1,601 | 1,588 | 1,576 | 1,576 | 1,576 | 1,576 |
| Capital Employed | 2,24,910 | 2,04,388 | 2,58,845 | 2,72,309 | 2,59,286 | 2,86,959 | 3,15,503 | 3,48,969 |
| Gross Fixed Assets | 42,956 | 41,573 | 43,443 | 46,312 | 55,045 | 60,864 | 66,864 | 72,864 |
| Less: Depreciation | 25,317 | 24,583 | 26,794 | 27,972 | 27,885 | 31,362 | 35,066 | 39,118 |
| Net Fixed Assets | 17,639 | 16,990 | 16,649 | 18,340 | 27,160 | 29,502 | 31,798 | 33,746 |
| Capital WIP | 480 | 602 | 160 | 768 | 819 | 1,000 | 1,000 | 1,000 |
| Investments | 1,91,594 | 1,81,960 | 2,26,310 | 2,38,188 | 2,29,233 | 2,29,233 | 2,29,233 | 2,29,233 |
| Current Assets | 64,091 | 48,181 | 72,183 | 61,923 | 54,064 | 95,091 | 1,30,078 | 1,69,945 |
| Inventory | 9,615 | 10,635 | 14,939 | 12,305 | 13,979 | 18,582 | 20,975 | 23,261 |
| Sundry Debtors | 25,597 | 17,251 | 27,169 | 15,164 | 17,761 | 24,776 | 27,967 | 31,014 |
| Cash & Bank Balances | 9,054 | 2,773 | 5,051 | 5,883 | 2,858 | 27,569 | 53,862 | 85,423 |
| Loans & Advances | 380 | 386 | 372 | 87 | 59 | 73 | 83 | 92 |
| Others | 19,445 | 17,136 | 24,653 | 28,484 | 19,408 | 24,090 | 27,192 | 30,156 |
| Current Liab. & Prov. | 48,894 | 43,345 | 56,457 | 46,910 | 51,991 | 67,867 | 76,607 | 84,955 |
| Sundry Creditors | 37,867 | 31,997 | 45,738 | 36,332 | 40,739 | 49,777 | 56,187 | 62,310 |
| Other Liabilities | 9,475 | 8,964 | 9,175 | 9,028 | 9,584 | 11,896 | 13,428 | 14,892 |
| Provisions | 1,552 | 2,385 | 1,544 | 1,551 | 1,668 | 6,194 | 6,992 | 7,754 |
| Net Current Assets | 15,197 | 4,836 | 15,727 | 15,013 | 2,073 | 27,224 | 53,472 | 84,990 |
| Application of Funds | 2,24,911 | 2,04,387 | 2,58,845 | 2,72,309 | 2,59,286 | 2,86,959 | 3,15,503 | 3,48,969 |

E: MOFSL Estimates

Financials and valuations

Ratios

| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Basic (INR) | | | | | | | | |
| Consol EPS | 162.0 | 180.1 | 167.8 | 183.6 | 214.2 | 277.3 | 310.9 | 348.5 |
| EPS growth (%) | 10.6 | 11.1 | -6.8 | 9.4 | 16.7 | 29.5 | 12.1 | 12.1 |
| Consol Cash EPS | 171.2 | 188.6 | 176.8 | 192.9 | 224.2 | 289.6 | 324.0 | 362.8 |
| Book Value per Share | 752.7 | 688.6 | 870.9 | 921.6 | 898.6 | 989.4 | 1,082.5 | 1,192.0 |
| DPS | 60.0 | 120.0 | 140.0 | 140.0 | 140.0 | 175.0 | 200.0 | 220.0 |
| Payout (% of S/A PAT) | 47.0 | 81.8 | 88.9 | 86.8 | 70.4 | 65.8 | 64.3 | 63.1 |
| Valuation (x) | | | | | | | | |
| P/E | 44.5 | 40.0 | 43.0 | 39.3 | 33.7 | 26.0 | 23.2 | 20.7 |
| Cash P/E | 42.1 | 38.2 | 40.8 | 37.4 | 32.2 | 24.9 | 22.3 | 19.9 |
| EV/EBITDA | 36.4 | 37.4 | 37.7 | 36.0 | 27.6 | 20.1 | 17.4 | 15.4 |
| EV/Sales | 6.2 | 6.4 | 6.7 | 5.6 | 5.0 | 3.9 | 3.4 | 3.1 |
| Price to Book Value | 9.6 | 10.5 | 8.3 | 7.8 | 8.0 | 7.3 | 6.7 | 6.0 |
| Dividend Yield (%) | 0.8 | 1.7 | 1.9 | 1.9 | 1.9 | 2.4 | 2.8 | 3.1 |
| Profitability Ratios (%) | | | | | | | | |
| RoE | 22.9 | 25.0 | 21.5 | 20.5 | 23.3 | 29.4 | 30.0 | 30.6 |
| RoCE | 21.1 | 23.8 | 19.7 | 17.6 | 21.3 | 27.7 | 27.6 | 28.2 |
| RoIC | 193 | 176 | 154 | 94 | 120 | 146 | 159 | 170 |
| Turnover Ratios | | | | | | | | |
| Debtors (Days) | 31 | 21 | 36 | 17 | 18 | 20 | 20 | 20 |
| Inventory (Days) | 12 | 13 | 20 | 14 | 14 | 15 | 15 | 15 |
| Creditors (Days) | 46 | 39 | 60 | 40 | 41 | 40 | 40 | 40 |
| Working Capital (Days) | -3 | -5 | -5 | -10 | -9 | -5 | -5 | -5 |
| Asset Turnover (x) | 1.3 | 1.5 | 1.1 | 1.2 | 1.4 | 1.6 | 1.6 | 1.6 |
| Fixed Asset Turnover | 6.8 | 7.1 | 6.5 | 7.4 | 7.2 | 7.8 | 8.0 | 8.1 |

Cash Flow Statement

| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (INR m) | | | | | | | | |
| Profit before Tax | 67,032 | 65,802 | 59,390 | 65,053 | 74,086 | 99,112 | 1,09,962 | 1,23,577 |
| Depreciation & Amort. | 2,657 | 2,464 | 2,593 | 2,692 | 2,824 | 3,477 | 3,704 | 4,052 |
| Direct Taxes Paid | -19,643 | -16,777 | -13,397 | -17,015 | -19,184 | -21,921 | -24,827 | -27,859 |
| (Inc)/Dec in Working Capital | -7,030 | 3,765 | -5,105 | 6,006 | 7,230 | -439 | 45 | 43 |
| Other Items | -18061 | -16635 | -12339 | -11480 | -9,838 | -13682 | -12723 | -15150 |
| CF from Oper. Activity | 24,954 | 38,620 | 31,142 | 45,255 | 55,119 | 66,548 | 76,162 | 84,663 |
| Extra-ordinary Items | -58 | -3 | -4 | -3,179 | 0 | 0 | 0 | 0 |
| CF after EO Items | 24,895 | 38,618 | 31,139 | 42,076 | 55,119 | 66,548 | 76,162 | 84,663 |
| (Inc)/Dec in FA+CWIP | -1,082 | -2,800 | -2,509 | -5,176 | -8,064 | -6,000 | -6,000 | -6,000 |
| Free Cash Flow | 23,814 | 35,818 | 28,630 | 36,900 | 47,055 | 60,548 | 70,162 | 78,663 |
| (Pur)/Sale of Invest. | -1,629 | 20,367 | -26,157 | 4,252 | 21,288 | 14,102 | 13,163 | 15,600 |
| CF from Inv. Activity | -2,710 | 17,567 | -28,665 | -924 | 13,224 | 8,102 | 7,163 | 9,600 |
| Inc. / Dec.in Networkth | 0 | 0 | 0 | 0 | -30,939 | 0 | 0 | 0 |
| Interest Paid | -35 | -21 | -108 | -74 | -380 | -420 | -440 | -450 |
| Dividends Paid | -20,733 | -62,444 | -87 | -40,490 | -40,470 | -49,518 | -56,592 | -62,251 |
| CF from Fin. Activity | -20,741 | -62,465 | -195 | -40,563 | -71,789 | -49,938 | -57,032 | -62,701 |
| Inc/(Dec) in Cash | 1,444 | -6,281 | 2,278 | 588 | -3,446 | 24,712 | 26,292 | 31,561 |
| Add: Beginning Bal. | 7,609 | 9,054 | 2,773 | 5,051 | 5,640 | 2,194 | 26,906 | 53,198 |
| Closing Balance | 9,054 | 2,773 | 5,051 | 5,640 | 2,194 | 26,906 | 53,198 | 84,760 |

E: MOFSL Estimates

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

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.

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 dpgrievances@motilaloswal.com.