




Birla Corporation

Estimate change 
TP change 
Rating change 

Motilal Oswal values your support in the
Asiamoney Brokers Poll 2021 for India
Research, Sales, Corporate Access and
Trading team. We [request your ballot](#).



Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USD\$)	106.9 / 1.4
52-Week Range (INR)	1560 / 559
1, 6, 12 Rel. Per (%)	11/60/74
12M Avg Val (INR M)	239

Financial Snapshot (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	67.9	75.9	92.2
EBITDA	13.7	13.4	17.7
Adj. PAT	5.6	5.2	7.2
EBITDA Margin (%)	20.2	17.6	19.2
Adj. EPS (INR)	73.0	67.4	93.7
EPS Gr. (%)	11.3	-7.7	39.1
BV/Sh. (INR)	712	768	849

Ratios

Net D:E	0.6	0.7	0.5
RoE (%)	10.9	9.1	11.6
RoCE (%)	9.5	6.9	9.0
Payout (%)	14.2	17.2	13.6

Valuations

P/E (x)	19.0	20.6	14.8
P/BV (x)	1.9	1.8	1.6
EV/EBITDA(x)	9.8	10.4	7.4
EV/ton (USD)	116	96	85
Div. Yield (%)	0.7	0.7	0.8

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	62.9	62.9	62.9
DII	13.8	13.8	14.6
FII	4.0	3.6	3.6
Others	19.4	19.7	18.9

FII Includes depository receipts

CMP: INR1,388 TP: INR1,740 (+25%) Buy

Expansion plans provide growth visibility

Reiterate Buy on attractive valuation

- BCORP's 1QFY22 result was in line, with EBITDA growing by 47% YoY to INR3.4b, led by 39% growth in volume and EBITDA/t at INR1,026 (+6% YoY).
- The ongoing 3.9mtpa greenfield expansion at Mukutban (to be commissioned in 4QFY22) provides strong volume growth visibility in FY23.
- We expect a 14% EBITDA CAGR in FY21-23E, led by 14% volume CAGR, as it expands capacity by ~30% over the next 12 months. Valuation is also attractive at 7.4x FY23E EV/EBITDA. We reiterate our **Buy** rating.

EBITDA up 47% YoY driven by 39% volume growth

- Revenue/EBITDA/PAT stood at INR17.5b/INR3.4b/INR1.4b in 1QFY22, up 43%/47%/115% YoY and was 3%/5%/7% above our estimate.
- Cement volume grew 39% YoY to 3.35mt (est. 3.25mt).
- While blended realization rose 3% YoY to INR5,221/t due to higher jute revenue, cement realization was flat YoY at INR4,943/t (+2% QoQ).
- Cost per tonne increased 1% QoQ to INR4,196 (up 2% YoY) due to fuel and freight cost inflation and higher other expenses.

Highlights from the management commentary

- In sales volume, Blended Cement accounted for 92% in 1QFY22 v/s 94% in 1QFY21, and trade sales accounted for 83% (v/s 85% in 1QFY21). Premium Cement accounted for 51% of trade sales volume v/s 43% in 1QFY21.
- Share of green power in power consumption improved to 22% in 1QFY22 as against 20% in FY21, which should control power inflation. It is also taking steps to increase the usage of alternative fuel.
- Mukutban 3.9mtpa greenfield integrated plant commissioning has been delayed further due to labor availability issues, and is now expected to be commissioned by 4QFY22. Project cost has been revised up to INR27.4b (from INR24.5b) on revision of commencement schedule, augmentation of infrastructure, and other factors (including commodity price inflation).

Valuation and view

- BCORP plans to increase capacity by ~30% over the next 12 months, which should support volume growth. Around 55% of its capacity is in Central India (a preferred market), which bodes well for the margin outlook.
- Valuation is reasonable at 7.4x FY23E EV/EBITDA (~10% discount to its 10-year average) and USD85/t of capacity (~15% discount to its replacement cost). We value BCORP at 8x Sep'23E EV/EBITDA to arrive at our TP of INR1,740. **Buy**.

Amit Murarka - Research analyst (Amit.Murarka@motilaloswal.com)

Research analyst - Basant Joshi (Basant.Joshi@motilaloswal.com); Jayant Gautam (Jayant.Gautam@motilaloswal.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.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Consolidated performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E	FY22E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net sales	12,220	16,543	17,766	21,326	17,491	17,609	18,975	21,863	67,855	75,938	16,911	3
YoY change (%)	-35.1	1.7	3.6	26.2	43.1	6.4	6.8	2.5	-1.9	11.9	38.4	
Total expenditure	9,889	12,716	14,153	17,406	14,055	14,608	15,923	17,997	54,163	62,583	13,648	3
EBITDA	2,331	3,827	3,613	3,920	3,436	3,001	3,051	3,866	13,691	13,354	3,263	5
Margin (%)	19.1	23.1	20.3	18.4	19.6	17.0	16.1	17.7	20.2	17.6	19.3	0.3
Depreciation	877	918	908	1,005	984	990	990	1,114	3,708	4,078	980	0
Interest	800	760	730	674	639	614	589	877	2,963	2,719	650	-2
Other Income	190	212	136	135	93	110	120	131	673	454	155	-40
Profit before tax	845	2,361	2,112	2,376	1,906	1,507	1,592	2,005	7,694	7,010	1,788	7
EO (income)/expense	0	0	-11	579	0	0	0	0	568	0	0	
Profit before Tax after EO	845	2,361	2,122	1,798	1,906	1,507	1,592	2,005	7,126	7,010	1,788	7
Tax	188	694	638	-696	491	392	414	526	825	1,823	465	6
Rate (%)	22.2	29.4	30.1	-38.7	25.7	26.0	26.0	26.2	11.6	26.0	26.0	
Reported PAT	657	1,666	1,484	2,493	1,415	1,115	1,178	1,479	6,301	5,188	1,323	7
Adjusted PAT	657	1,666	1,474	1,823	1,415	1,115	1,178	1,479	5,620	5,188	1,323	7
YoY change (%)	-59.5	59.4	54.3	27.8	115.3	-33.1	-20.0	-18.8	11.2	-7.7	101.3	

E: MOFSL estimates

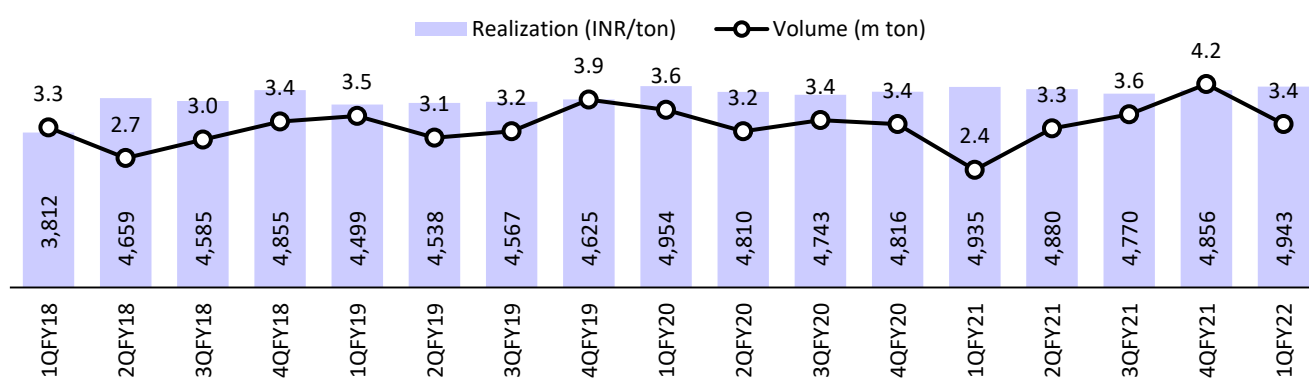
Key operating indicators

(INR/t)

	FY21				FY22				FY21	FY22E	FY22E	Var.
(INR/t)*	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Blended realization	5,070	5,074	5,005	5,114	5,221	5,194	5,139	5,208	5,068	5,191	5,199	0
YoY change (%)	-2.0	-0.2	0.1	1.4	3.0	2.4	2.7	1.8	-0.1	2.4	2.5	
Raw material	879	507	652	908	477	700	750	912	737	722	730	-35
Staff cost	365	309	289	255	324	319	298	265	297	299	301	7
Power and fuel	866	973	940	844	1,113	1,050	1,070	949	905	1,041	1,030	8
Transport and forwarding	1,068	1,127	1,159	1,254	1,242	1,225	1,230	1,239	1,164	1,234	1,215	2
Other expenses	925	984	947	913	1,039	1,015	965	923	941	981	920	13
Total expenditure	4,103	3,900	3,987	4,174	4,196	4,309	4,313	4,288	4,045	4,278	4,196	0
EBITDA	967	1,174	1,018	940	1,026	885	827	921	1,023	913	1,003	2

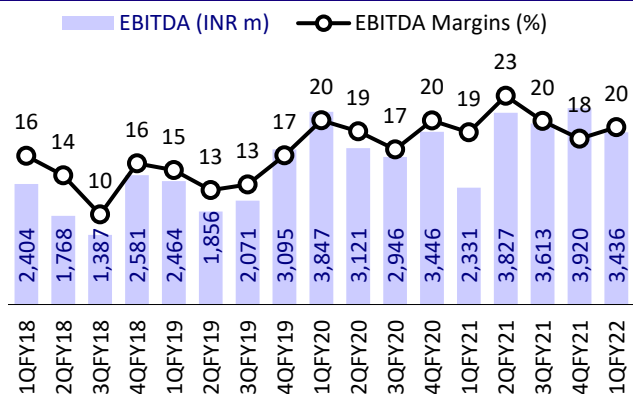
Key exhibits

Exhibit 1: Volumes/realization increase by 39%/flat YoY



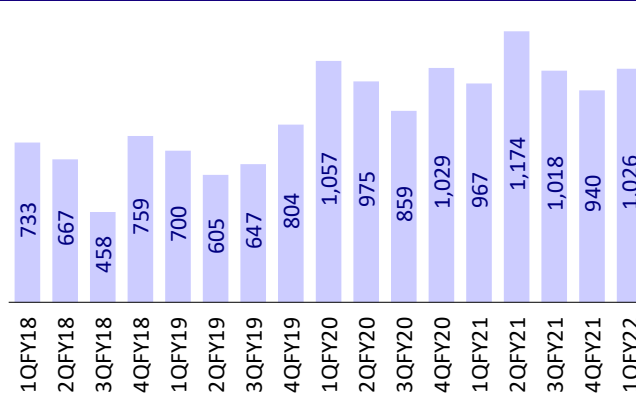
Source: Company, MOFSL

Exhibit 2: EBITDA margin improves by 57bp YoY



Source: Company, MOFSL

Exhibit 3: Trend in blended EBITDA/t (INR/t)



Source: Company, MOFSL

Exhibit 4: Blended per tonne analysis (including jute)

INR/t	1QFY22	1QFY21	YoY	4QFY21	QoQ
Net realization	5,221	5,070	3%	5,114	2%
RM cost	477	879	-46%	908	-47%
Employee expenses	324	365	-11%	255	27%
Power, oil, and fuel	1,113	866	29%	844	32%
Freight and handling outward	1,242	1,068	16%	1,254	-1%
Other expenses	1,039	925	12%	913	14%
Total expenses	4,196	4,103	2%	4,174	1%
EBITDA	1,026	967	6%	940	9%

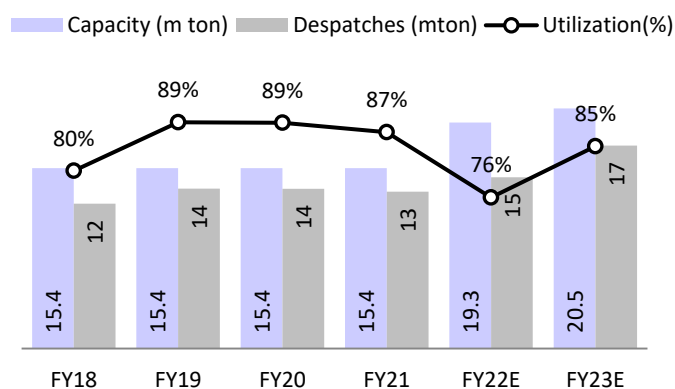
Source: MOFSL, Company

Valuation and view

- BCORP plans to increase capacity by ~30% over the next 12 months. The 3.9mtpa greenfield plant in Yavatmal (capex of INR27.4b, implying an EV/t of USD95) is guided to come on stream by 4QFY22. Clinker capacity expansion of 0.4mtpa in Chanderia (capex of INR1.5b) is nearly complete and would service the 1.2mt Kundanganj grinding unit (capex of INR2.5b) planned to be commissioned in FY23. We expect 14% volume CAGR over FY21-23E.
- Around 55% of its capacity is in Central India (a preferred market), which bodes well for the margin outlook.
- The higher share of Premium products (~50% of trade sales) should support blended realization. On the other hand, a higher share of Blended Cement (92% of volumes) and rising share of WHRS and solar in the power and fuel mix should aid cost control.
- Valuation is reasonable at 7.4x FY23E EV/EBITDA (~10% discount to its 10-year average) and USD85/t of capacity (~15% discount to its replacement cost). We value BCORP at 8x Sep'23E EV/EBITDA to arrive at our TP of INR1,740. **Buy.**

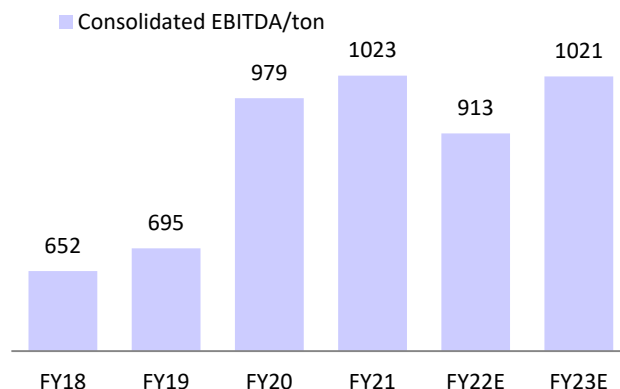
Story in charts

Exhibit 5: Expansion to drive volume growth



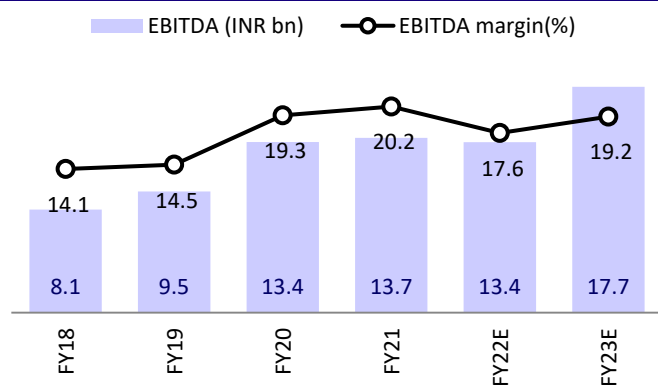
Source: Company, MOFSL

Exhibit 6: Consolidated EBITDA/t trends



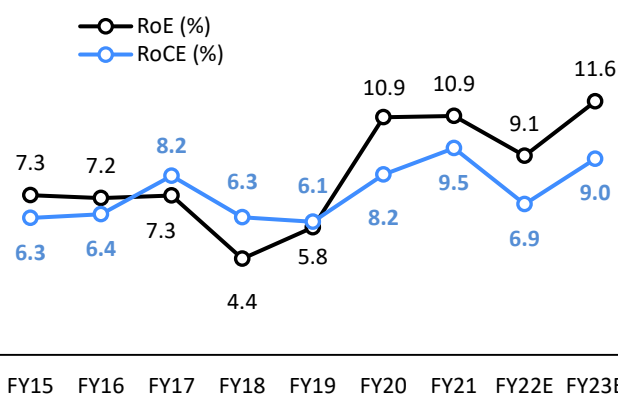
Source: Company, MOFSL

Exhibit 7: EBITDA to grow by ~14% CAGR over FY21-23E



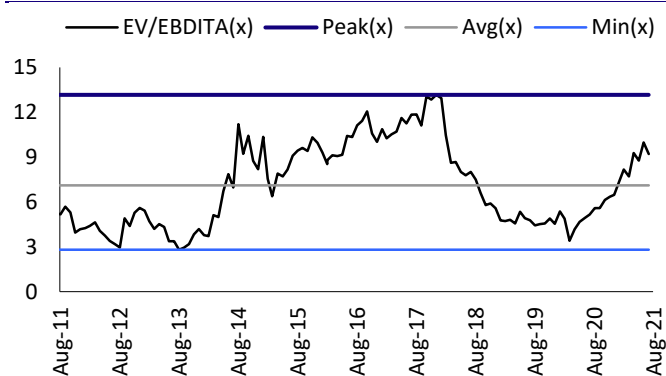
Source: Company, MOFSL

Exhibit 8: Return ratios to improve from FY23E



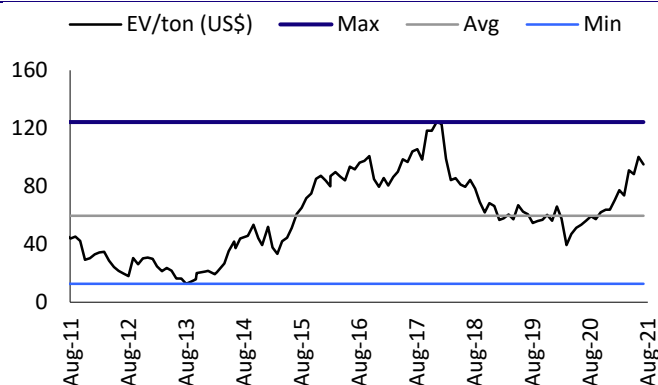
Source: Company, MOFSL

Exhibit 9: EV/EBITDA trend



Source: MOFSL, Company

Exhibit 10: EV/t trend



Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Net Sales	32,682	43,477	57,342	65,487	69,157	67,855	75,938	92,194
Change (%)	1.8	33.0	31.9	14.2	5.6	-1.9	11.9	21.4
Total Expenditure	29,823	37,241	49,275	56,001	55,797	54,163	62,583	74,503
EBITDA	2,859	6,235	8,066	9,486	13,360	13,691	13,354	17,691
Margin (%)	8.7	14.3	14.1	14.5	19.3	20.2	17.6	19.2
Depreciation	1,485	2,555	3,322	3,391	3,519	3,708	4,078	5,094
EBIT	1,374	3,680	4,745	6,095	9,841	9,984	9,276	12,597
Int. and Finance Charges	823	2,768	3,776	3,705	3,877	2,963	2,719	3,361
Other Income - Rec.	1,772	1,459	755	785	851	673	454	519
PBT after EO	2,009	2,303	1,598	3,174	6,815	7,126	7,010	9,754
Change (%)	-5.5	14.6	-30.6	98.6	114.7	4.6	-1.6	39.1
Tax	335	108	59	617	1,763	825	1,823	2,536
Tax Rate (%)	16.7	4.7	3.7	19.4	25.9	11.6	26.0	26.0
Reported PAT	1,674	2,195	1,540	2,557	5,052	6,301	5,188	7,218
Extra-Ordinary Expenses	315	68	124.8	0.0	0.0	568.0	0.0	0.0
PAT Adjusted for EO Items	1,989	2,263	1,664	2,557	5,052	5,620	5,188	7,218
Change (%)	5.7	13.8	-26.4	53.6	97.6	11.3	-7.7	39.1
Margin (%)	6.1	5.2	2.9	3.9	7.3	8.3	6.8	7.8

Balance Sheet							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	770	770	770	770	770	770	770	770
Reserves	28,483	32,092	42,028	44,182	47,291	54,090	58,383	64,617
Net Worth	29,253	32,862	42,798	44,952	48,061	54,860	59,153	65,387
Loans	9,324	40,705	38,951	40,492	42,820	36,348	41,348	33,348
Deferred Liabilities	1,830	5,645	7,452	7,422	8,568	8,668	8,668	8,668
Capital Employed	40,407	79,212	89,201	92,866	99,449	99,876	109,169	107,403
Gross Block	21,824	67,689	81,071	83,400	87,430	91,099	118,033	124,533
Less: Accum. Deprn.	1,485	4,042	7,361	10,738	14,158	17,865	21,943	27,037
Net Fixed Assets	20,339	63,647	73,710	72,662	73,273	73,235	96,090	97,496
Capital WIP	634	8,034	7,599	9,119	16,020	21,048	5,000	3,000
Investments	16,900	5,644	6,723	8,769	8,363	7,526	7,526	7,526
Curr. Assets	14,421	19,653	22,717	22,765	24,098	27,147	28,482	33,267
Inventory	5,674	6,302	6,870	7,830	7,876	8,101	8,733	10,602
Account Receivables	942	1,325	1,914	2,622	2,504	2,795	2,658	3,227
Cash and Bank Balance	3,634	3,125	2,198	1,390	2,558	1,773	1,164	2,393
Others	4,171	8,901	11,735	10,924	11,160	14,479	15,927	17,044
Curr. Liability and Prov.	11,886	17,766	21,548	20,450	22,306	29,080	27,929	33,886
Account Payables	11,451	17,215	21,056	19,911	21,637	28,346	26,578	32,268
Provisions	435	551	492	538	669	734	1,351	1,618
Net Current Assets	2,535	1,887	1,169	2,316	1,793	-1,932	553	-619
Appl. of Funds	40,407	79,212	89,201	92,866	99,449	99,876	109,169	107,403

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)								
EPS	25.8	29.4	21.6	33.2	65.6	73.0	67.4	93.7
Cash EPS	45.1	62.6	64.7	77.2	111.3	121.1	120.3	159.9
BV/Share	379.9	426.7	555.8	583.7	624.1	712.4	768.1	849.1
DPS	6.0	6.5	6.5	7.5	7.5	10.0	10.0	11.0
Payout (%)	32.1	26.5	37.8	26.2	13.3	14.2	17.2	13.6
Valuation (x)								
P/E				41.8	21.2	19.0	20.6	14.8
Cash P/E				18.0	12.5	11.5	11.5	8.7
P/BV				2.4	2.2	1.9	1.8	1.6
EV/Sales				2.0	1.8	1.7	1.8	1.4
EV/EBITDA				14.5	10.4	9.8	10.4	7.4
EV/t - Cap (USD)				119	120	116	96	85
Dividend Yield (%)				0.5	0.5	0.7	0.7	0.8
Return Ratios (%)								
RoE	7.2	7.3	4.4	5.8	10.9	10.9	9.1	11.6
RoCE	6.4	8.2	6.3	6.1	8.2	9.5	6.9	9.0
RoIC	5.6	8.6	6.8	6.7	10.0	12.4	8.3	9.8
Working Capital Ratios								
Inventory (Days)	63	53	44	44	42	44	42	42
Debtor (Days)	11	11	12	15	13	15	13	13
Working Capital Turnover (Days)	0.8	0.5	0.6	0.7	0.7	0.7	0.7	0.9
Leverage Ratio								
Current ratio	1.2	1.1	1.1	1.1	1.1	0.9	1.0	1.0
Debt/Equity (x)	0.3	1.2	0.9	0.9	0.9	0.7	0.7	0.5

Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	2,010	2,303	1,598	3,174	6,815	7,126	7,010	9,754
Depreciation	1,488	2,555	3,322	3,391	3,519	3,708	4,078	5,094
Interest and Finance Charges	823	2,768	3,776	3,705	3,877	2,963	2,719	3,361
Direct Taxes Paid	-338	-505	-552	-469	-418	-843	-1,823	-2,536
(Inc.)/Dec. in WC	158	1,066	481	1,309	207	-201	-3,094	2,402
CF from Operations	4,139	8,187	8,625	11,111	14,000	12,752	8,892	18,075
Others	-1,652	-1,414	-577	-470	-588	532	0	0
CF from Operating incl. EO	2,487	6,773	8,049	10,641	13,412	13,284	8,892	18,075
(Inc.)/Dec. in FA	-1,640	-2,041	-2,754	-4,030	-9,860	-8,028	-10,886	-4,500
Free Cash Flow	848	4,732	5,295	6,611	3,552	5,256	-1,994	13,575
(Pur.)/Sale of Investments	-566	13,119	-541	-1,521	-446	2,438	0	0
Others	704	-21,163	-129	-550	74	-1,699	0	0
CF from Investments	-1,502	-10,085	-3,423	-6,101	-10,232	-7,289	-10,886	-4,500
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	-616	6,102	-1,391	-1,297	1,860	-2,252	5,000	-8,000
Interest Paid	-847	-2,744	-3,558	-3,448	-3,872	-3,493	-2,719	-3,361
Dividend Paid	-462	-462	-501	-501	0	-1,036	-895	-984
Others	-94	-94	-102	-103	0	0	0	0
CF from Fin. Activity	-2,019	2,803	-5,552	-5,349	-2,012	-6,781	1,386	-12,346
Inc./Dec. in Cash	-1,034	-509	-926	-808	1,169	-786	-609	1,230
Opening Balance	4,668	3,634	3,125	2,198	1,390	2,559	1,772	1,164
Closing Balance	3,634	3,125	2,198	1,390	2,559	1,772	1,164	2,393

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 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, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). 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://onlinereports.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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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 71934200/ 022-71934263; Website www.motilaloswal.com CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.