

Fine Organic Industries

Estimate changes 

TP change 

Rating change 

Bloomberg	FINEORG IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	131.4 / 1.6
52-Week Range (INR)	5165 / 4005
1, 6, 12 Rel. Per (%)	0/-14/-25
12M Avg Val (INR M)	177

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	19.5	20.0	21.0
EBITDA	4.8	4.4	4.4
PAT	3.7	3.4	3.3
EPS (INR)	120.0	109.9	108.1
EPS Gr. (%)	-37.7	-8.4	-1.6
BV/Sh.(INR)	607.1	707.8	806.9

Ratios

Net D:E	-0.5	-0.6	-0.6
RoE (%)	21.8	16.7	14.3
RoCE (%)	21.7	16.8	14.4
Payout (%)	8.3	8.3	8.3

Valuations

P/E (x)	35.8	39.1	39.8
P/BV (x)	7.1	6.1	5.3
EV/EBITDA (x)	25.4	26.9	26.7
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	4.1	2.6	2.6

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	75.0	75.0	75.0
DII	10.8	11.8	12.1
FII	4.5	3.6	4.8
Others	9.8	9.6	8.1

FII Includes depository receipts

CMP: INR4,287

TP: INR3,785 (-12%)

Sell

Export markets and stable RM prices drive performance

- Fine Organic Industries (FINEORG) reported higher-than-estimated EBITDA at INR1.3b (-29% YoY) in 4QFY24. EBITDAM contracted 140bp YoY to 25.4%, while gross margin improved 450bp YoY to 43.6%, primarily due to stable vegetable oil prices. Management does not expect any volatility in vegetable oil prices, at least for the next few months. PAT dipped 24% YoY to INR1b (est. INR590m).
- All plants are currently running at optimal capacity, except Patalganga-II, where there is still some headroom for capacity ramp up. Management guided that it would take another 3-4 years for Patalganga-II to reach optimum utilization. FINEORG is currently awaiting the official land allotment letter from the Maharashtra government (~30 acres) in SEZ that it expects anytime now. This would primarily cater to the export markets.
- It would take six months for environment clearance (EC) and another 18-24 months to set up the newer capacities. Although the greenfield capacity is expected to take care of growth for the next 10 years, we do not expect the growth to commence until end-FY26. Exports accounted for 55% of the total revenue for FINEORG as of 4QFY24. The commissioning of the Thailand JV plant is also now expected by end-Jun'24.
- Management highlighted that some regions have started showing demand recovery on a selective basis, while some headwinds still exist in the export markets, with lead time also increasing because of the Red Sea crisis. FINEORG is considering establishing manufacturing facilities closer to its customers in the US. This move is expected to enable the sale of products at a premium, leading to higher margins, given its US manufacturing base.
- Due to the outperformance in 4Q and subsequent upward revision in margin guidance from the management, we raise our revenue/EBITDA/EPS estimates by 5%/10%/9% for FY25 and by 5%/13%/13% for FY26. Valuations are expensive for a company that is going to have YoY earnings decline for the next two years (-8%/-2% in FY25/26). **Reiterate SELL.**

Beat across the board; EBITDAM contracts YoY

- Revenue stood at INR5.2b (-25% YoY). Gross margin expanded 450bp YoY to 43.6%, with EBITDAM at 25.4% (-140bp YoY).
- EBITDA stood at INR1.3b (est. of INR771m, -29% YoY), while PAT stood at INR1b (est. of INR590m, -24% YoY). An exceptional item of INR6m has been recorded toward insurance coverage for the fire at one of its plants in Jan'24.
- **For FY24**, revenue was down 36% to INR19.5b, while EBITDA stood at INR4.8b (-38% YoY). PAT was INR3.7b (-38% YoY). EBITDAM contracted 110bp YoY to 24.6% in FY24.
- The BoD declared a final dividend of INR10/share for FY24.

Research Analyst: Aman Chowdhary (Aman.Chowdhary@MotilalOswal.com)

Abhishek Nigam – Research Analyst (Abhishek.nigam@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.

Valuation and view

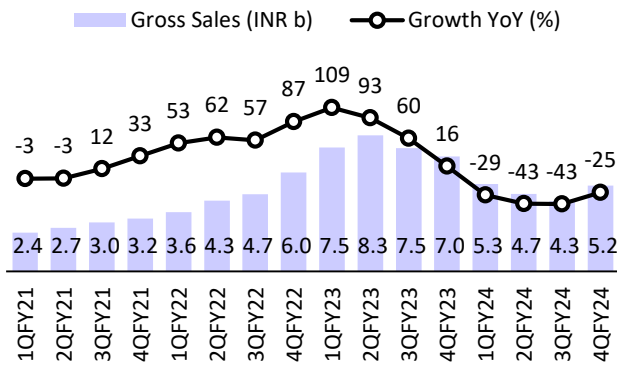
- The long-term prospects remain robust as the company is in the Oleochemical industry and is primarily driven by R&D innovations over the years. However, we believe that the performance would be hit in the near to medium term by: 1) longer-than-expected commissioning of new capacities for further expansion, 2) existing plants that are running at optimum utilization with no further scope of debottlenecking, and 3) further delay in the start-up of the Thailand JV.
- The stock has underperformed the Nifty-50/Sensex by 24%/20% in the past one year. We estimate a compounded EBITDA/PAT decline of 5% each over FY24-26, with margin in the range of 21-22% during the same period.
- FINEORG is currently trading at ~40x FY26E EPS and ~27x FY26E EV/EBITDA. Valuations are expensive for a company that is going to have YoY earnings decline for the next two years (-8%/-2% in FY25/26). **Reiterate SELL.**

Standalone - Quarterly Snapshot

Y/E March	FY23				FY24				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)	
Gross Sales	7,526	8,281	7,499	6,986	5,321	4,717	4,258	5,215	30,291	19,511	3,888	34%
YoY Change (%)	109.1	92.8	60.1	16.3	-29.3	-43.0	-43.2	-25.3	63.0	-35.6	-44.3	
Gross Margin (%)	41.3%	38.2%	35.1%	39.1%	42.9%	41.9%	41.8%	43.6%	38.4%	42.6%	41.1%	2.5%
EBITDA	2,056	2,138	1,747	1,872	1,519	1,044	924	1,322	7,813	4,809	771	72%
Margin (%)	27.3	25.8	23.3	26.8	28.5	22.1	21.7	25.4	25.8	24.6	19.8	5.5
Depreciation	111	115	123	130	117	144	147	153	479	561	151	
Interest	11	13	11	9	6	7	5	5	44	23	7	
Other Income	166	193	152	130	145	172	174	226	640	717	177	
PBT before EO expense	2,099	2,203	1,764	1,863	1,540	1,064	946	1,391	7,930	4,941	789	76%
Extra-Ord expense	0	0	0	0	0	0	0	6	0	6	0	
PBT	2,099	2,203	1,764	1,863	1,540	1,064	946	1,385	7,930	4,935	789	75%
Tax	526	563	452	483	397	270	249	342	2,024	1,259	199	
Rate (%)	25.1	25.6	25.6	25.9	25.8	25.4	26.4	24.7	25.5	25.5	25.2	
Reported PAT	1,573	1,640	1,313	1,381	1,142	794	697	1,043	5,906	3,676	590	77%
Adj PAT	1,573	1,640	1,313	1,381	1,142	794	697	1,047	5,906	3,680	590	77%
YoY Change (%)	350.2	228.2	135.6	25.5	-27.4	-51.6	-46.9	-24.2	135.6	-37.7	-57.2	
Margin (%)	20.9	19.8	17.5	19.8	21.5	16.8	16.4	20.1	19.5	18.9	15.2	4.9

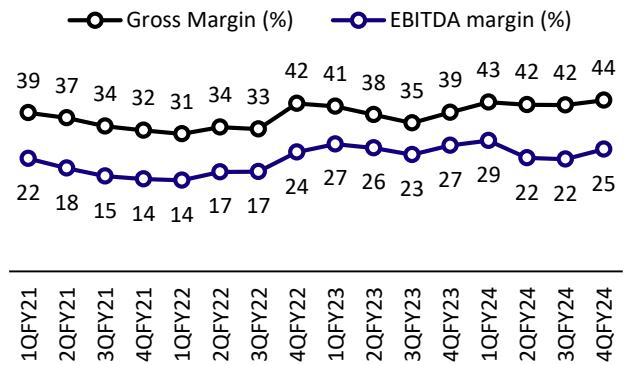
Story in charts – 4QFY24

Exhibit 1: Sales declined 25% YoY...



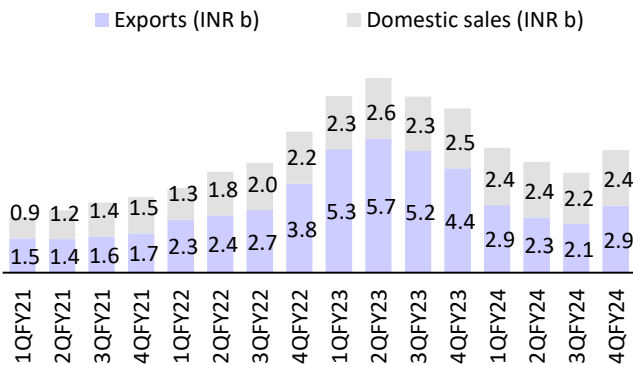
Source: Company, MOFSL

Exhibit 2: ...with EBITDAM contracting 140bp YoY to 25.4%



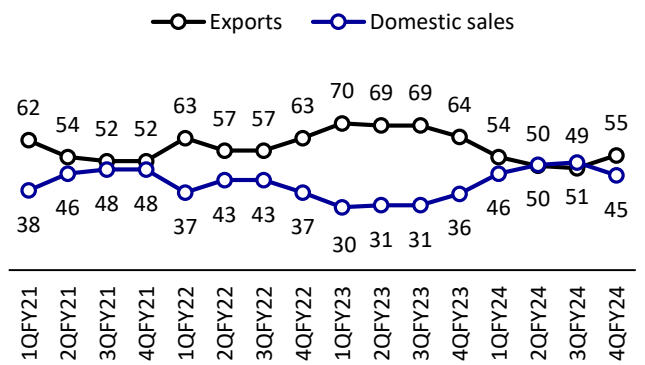
Source: Company, MOFSL

Exhibit 3: Exports declined 36% YoY...



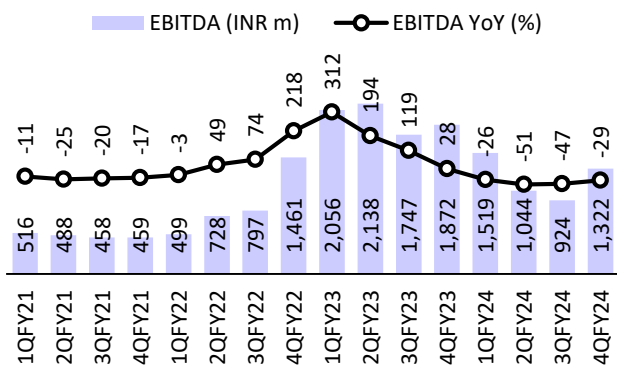
Source: Company, MOFSL

Exhibit 4: ...with domestic sales at 45% of total revenue



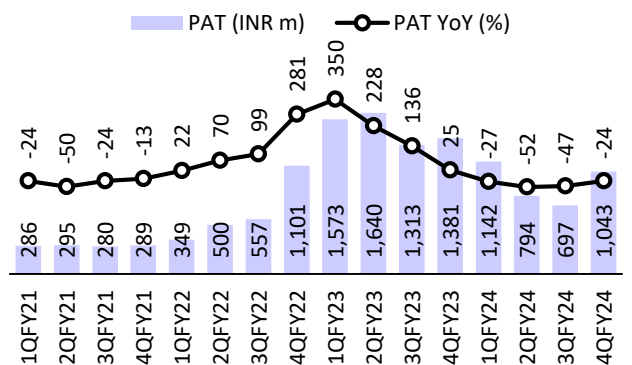
Source: Company, MOFSL

Exhibit 5: EBITDA was down 29% YoY



Source: Company, MOFSL

Exhibit 6: PAT was down 24% YoY



Source: Company, MOFSL



Management concall highlights

- Vegetable oil prices are stable as demand has stabilized now. This also led to expansion in margin on sequential basis
- Management does not expect any volatility in vegetable oil prices, at least for the next few months.
- If there aren't any major changes in the global macro situation, there wouldn't be major changes in the performance of the company as well
- Some headwinds still exist for exports (US and Europe) because of the Red Sea crisis, with lead time now at 30-45 days
- Some regions have started showing demand recovery but not Europe (uncertainty when it will recover)
- All plants are running at optimum utilization with some headroom for expansion in utilization rate (at the Patalganga plant)
- Patalganga plant to achieve optimum utilization in another 3-4 years
- Incorporated a WoS in Maharashtra SEZ area with land size of 30acres
- Once possession of land is taken then would apply for EC
- There has been some progress with respect to land, allotment letter is still awaited though
- Would primarily cater to the export markets
- **Thailand JV**
- Have got one approval from Thailand authorities that would help the company send RMs to Thailand
- Will get another approval this week itself
- Commissioning would be done by the end of Jun'24
- Only two other players are making this product and FINEORG JV would be the third company globally
- Globally, contracts with customers vary from three to six months to one year. Same on the supplier side as well.
- Sustainable EBITDAM at 20-22%

Financial story in charts

Exhibit 7: Revenue expected to decline from its FY23 peak...

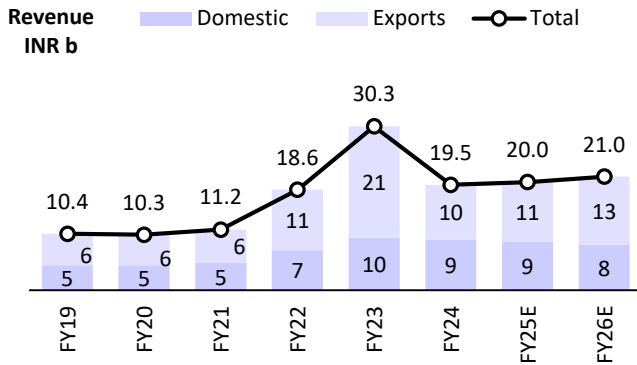


Exhibit 8: ...with the share of exports increasing to 60%

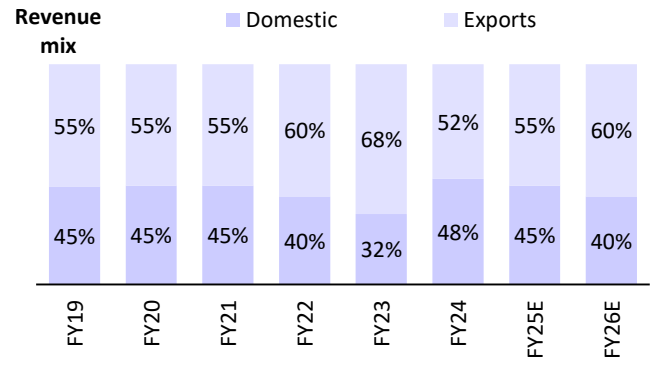


Exhibit 9: Expect EBITDAM to be at 21-22%...

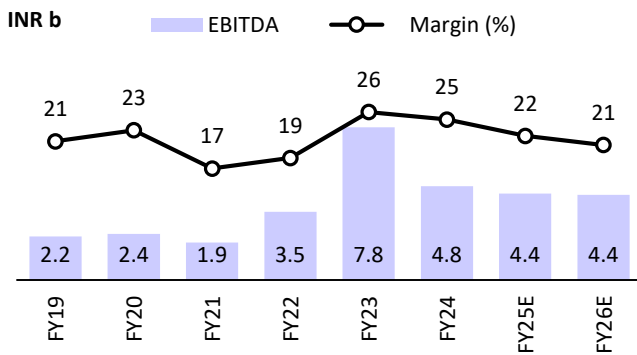


Exhibit 10: ...along with a drop in PAT margin

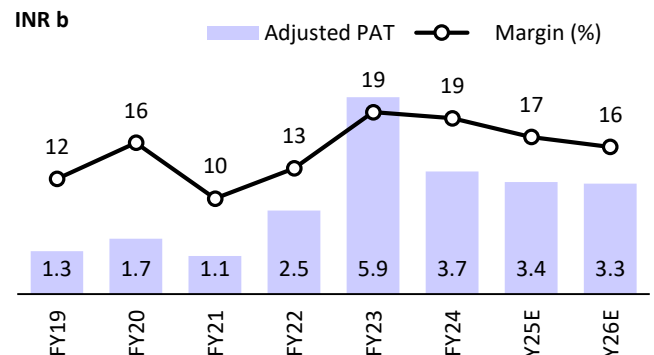


Exhibit 11: Capex for the next two years stands at INR0.6b

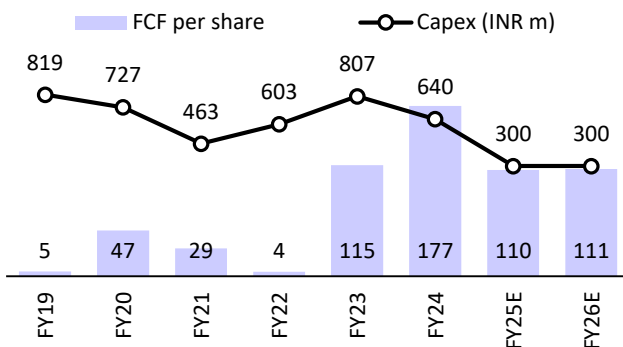


Exhibit 12: FINEORG expected to remain cash positive

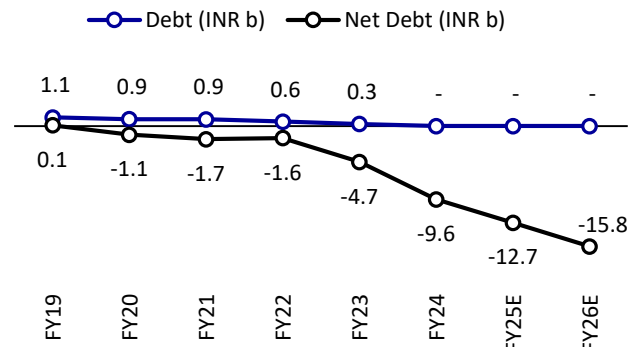


Exhibit 13: Return ratios to decline in the coming years

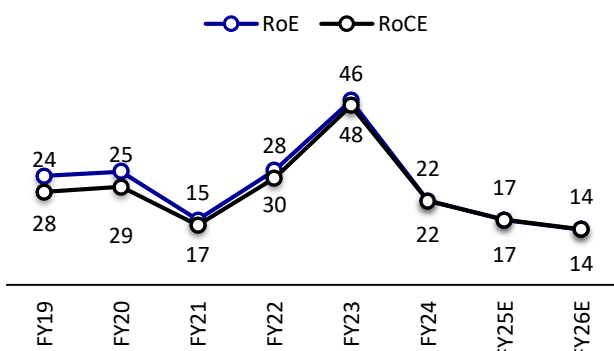
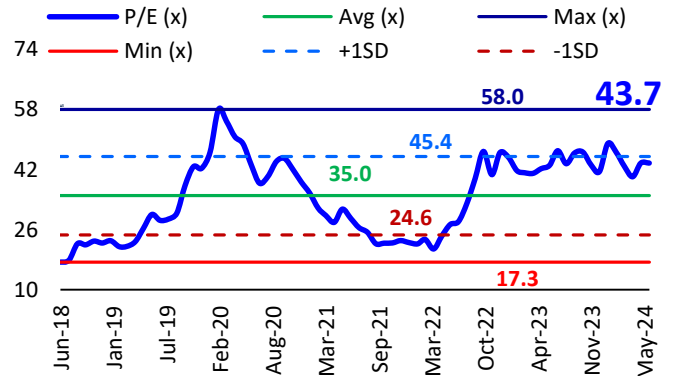


Exhibit 14: FINEORG trades at ~43.7x 1-year forward P/E



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Standalone - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	10,440	10,262	11,213	18,584	30,291	19,511	19,999	20,999
Change (%)	20.7	-1.7	9.3	65.7	63.0	-35.6	2.5	5.0
Gross Margin (%)	37.3	40.9	35.2	35.7	38.4	42.6	41.9	41.9
EBITDA	2,223	2,361	1,921	3,485	7,813	4,808	4,428	4,354
Margin (%)	21.3	23.0	17.1	18.8	25.8	24.6	22.1	20.7
Depreciation	175	347	468	399	479	561	626	638
EBIT	2,048	2,014	1,453	3,086	7,334	4,247	3,803	3,716
Int. and Finance Charges	18	48	61	51	45	23	24	26
Other Income	202	205	170	332	641	717	725	740
PBT bef. EO Exp.	2,233	2,172	1,562	3,368	7,930	4,941	4,503	4,431
EO Items	0	0	0	0	0	-6	0	0
PBT after EO Exp.	2,233	2,172	1,562	3,368	7,930	4,935	4,503	4,431
Total Tax	942	507	413	861	2,024	1,259	1,133	1,115
Tax Rate (%)	42.2	23.3	26.4	25.6	25.5	25.5	25.2	25.2
Reported PAT	1,290	1,665	1,149	2,507	5,906	3,676	3,369	3,316
Adjusted PAT	1,290	1,665	1,149	2,507	5,906	3,680	3,369	3,316
Change (%)	27.3	29.0	-31.0	118.1	135.6	-37.7	-8.4	-1.6
Margin (%)	12.4	16.2	10.2	13.5	19.5	18.9	16.8	15.8

Standalone - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	153	153	153	153	153	153	153	153
Total Reserves	4,931	6,154	7,235	9,432	15,068	18,460	21,548	24,587
Net Worth	5,084	6,308	7,388	9,585	15,221	18,613	21,701	24,740
Total Loans	1,130	915	892	585	272	0	0	0
Capital Employed	6,219	7,222	8,280	10,170	15,493	18,613	21,701	24,740
Gross Block	2,464	4,192	4,459	5,192	5,518	6,267	6,567	6,867
Less: Accum. Deprn.	1,686	2,033	2,500	2,899	3,378	3,940	4,565	5,203
Net Fixed Assets	778	2,159	1,958	2,293	2,140	2,327	2,002	1,664
Capital WIP	1,063	58	263	141	404	297	297	297
Total Investments	167	442	437	431	531	1,156	1,156	1,156
Curr. Assets, Loans&Adv.	5,086	5,964	6,902	9,413	14,648	16,661	20,563	24,056
Inventory	790	1,195	1,089	2,017	2,987	1,952	2,655	2,788
Account Receivables	1,670	1,451	1,752	3,316	4,769	3,480	3,567	3,746
Cash and Bank Balance	1,031	2,056	2,612	2,158	4,974	9,610	12,684	15,790
Cash	1,020	2,009	2,564	2,089	4,892	6,075	9,150	12,255
Bank Balance	11	48	48	69	82	3,535	3,535	3,535
Loans and Advances	1,595	1,262	1,449	1,922	1,918	1,618	1,655	1,732
Curr. Liability & Prov.	875	1,401	1,281	2,108	2,230	1,828	2,316	2,432
Account Payables	523	843	990	1,514	1,707	1,320	1,795	1,885
Other Current Liabilities	307	526	156	290	366	308	316	332
Net Current Assets	4,211	4,563	5,622	7,305	12,418	14,833	18,247	21,624
Appl. of Funds	6,219	7,222	8,280	10,170	15,493	18,613	21,701	24,740

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	42.1	54.3	37.5	81.8	192.6	120.0	109.9	108.1
EPS Growth (%)	27%	29%	-31%	118%	136%	-38%	-8%	-2%
Cash EPS	47.8	65.6	52.7	94.8	208.2	138.3	130.3	129.0
BV/Share	165.8	205.7	241.0	312.6	496.5	607.1	707.8	806.9
DPS	7.0	11.0	11.0	9.0	9.0	10.0	9.2	9.0
Payout (%)	20.0	24.4	29.3	11.0	4.7	8.3	8.3	8.3
Valuation (x)								
P/E	102.2	79.2	114.7	52.6	22.3	35.8	39.1	39.8
Cash P/E	90.0	65.5	81.5	45.4	20.6	31.1	33.0	33.3
P/BV	25.9	20.9	17.8	13.8	8.7	7.1	6.1	5.3
EV/Sales	12.6	12.7	11.6	7.0	4.2	6.3	6.0	5.5
EV/EBITDA	59.4	55.4	67.7	37.4	16.3	25.4	26.9	26.7
Dividend Yield (%)	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2
FCF per share	5.0	47.3	28.7	4.5	115.1	176.7	110.2	111.1
Return Ratios (%)								
RoE	28.1	29.2	16.8	29.5	47.6	21.8	16.7	14.3
RoCE	24.0	25.3	15.4	27.6	46.3	21.7	16.8	14.4
RoIC	29.4	35.8	22.2	37.0	64.2	36.9	37.7	36.9
Working Capital Ratios								
Fixed Asset Turnover (x)	12.6	7.0	5.4	8.7	13.7	8.7	9.2	11.5
Asset Turnover (x)	1.7	1.4	1.4	1.8	2.0	1.0	0.9	0.8
Inventory (Days)	28	42	35	40	36	37	48	48
Debtor (Days)	58	52	57	65	57	65	65	65
Creditor (Days)	18	30	32	30	21	25	33	33
Leverage Ratio (x)								
Current Ratio	5.8	4.3	5.4	4.5	6.6	9.1	8.9	9.9
Interest Cover Ratio	114.4	42.1	23.9	61.0	164.4	183.1	156.1	145.3
Net Debt/Equity	0.0	-0.2	-0.2	-0.2	-0.3	-0.5	-0.6	-0.6

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	2,232	2,172	1,562	3,368	7,930	4,935	4,503	4,431
Depreciation	174	347	468	399	479	561	626	638
Others	-158	-144	-106	-257	-546	-668	24	26
Direct Taxes Paid	-855	-612	-415	-769	-2,092	-1,380	-1,133	-1,115
(Inc)/Dec in WC	-423	416	-167	-2,001	-1,435	2,610	-339	-272
CF from Operations	972	2,178	1,343	741	4,336	6,058	3,680	3,708
(Inc)/Dec in FA	-819	-727	-463	-603	-807	-640	-300	-300
Free Cash Flow	153	1,451	880	137	3,529	5,418	3,380	3,408
Change in Investments	-42	-287	4	-18	-150	-4,114	0	0
Others	-73	172	57	60	110	464	0	0
CF from Investments	-934	-842	-402	-561	-847	-4,290	-300	-300
Inc/(Dec) in Debt	1,081	-14	-347	-306	-357	-274	0	0
Interest Paid	-33	-63	-52	-37	-44	-21	-24	-26
Dividend Paid	-258	-407	-92	-337	-276	-276	-281	-277
Others	139	137	106	27	-9	-14	0	0
CF from Fin. Activity	929	-346	-385	-654	-686	-584	-305	-302
Inc/Dec of Cash	966	989	555	-475	2,803	1,183	3,075	3,105
Opening Balance	54	1,020	2,009	2,564	2,089	4,892	6,075	9,150
Closing Balance	1,020	2,009	2,564	2,089	4,892	6,075	9,150	12,255

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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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.