

Balkrishna Industries

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR3,059 **TP: INR2,770(-9%)** **Neutral**

Healthy results but outlook remains weak

Demand likely to moderate, while RM/freight costs to increase

Bloomberg	BIL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	591.3 / 7
52-Week Range (INR)	3378 / 2194
1, 6, 12 Rel. Per (%)	-4/21/6
12M Avg Val (INR M)	877

- BIL's overall performance was healthy in 1QFY25, led by volume growth and lower operating expenses. However, the management has guided for a muted outlook as demand is likely to moderate and RM and freight costs are likely to increase in the coming quarters, which will dent overall margins.

- In the light of these challenges, we cut our FY25/FY26 EPS estimates by ~4% each. We maintain our Neutral rating with a TP of INR2,770, based on ~24x Jun'26E EPS.

Financials & valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	94.5	102.9	118.9
EBITDA	23.7	26.2	32.4
Adj. PAT	14.8	16.3	21.1
EPS (Rs)	76.5	84.1	109.1
EPS Growth (%)	39.6	9.9	29.7
BV/Share (Rs)	458.0	520.2	601.3

Marginal growth guidance for FY25 despite strong Q1 growth

- BIL's standalone 1QFY25 revenue/EBITDA/PAT grew 30%/47%/53% YoY to INR27.4b/INR7.1b/INR4.8b (est. INR25.6b/INR6.6b/INR4.1b).
- Volumes grew 24% YoY to 83.6k tons (est.78.6k tons). Realizations grew 4% YoY at INR328.1k/unit (est. INR325.3k).
- Gross margins expanded 140bp YoY (-20bp QoQ) to 53.1% (est.53%). The company expects RM costs to increase by 2-3% QoQ in 2QFY25.
- Along with lower operating expenses, EBIDTA margins expanded 300bp YoY to 26% (est. 25.6%). However, the freights cost is expected to increase by ~200bp in the coming quarter.
- Further aided by lower interest costs and higher other income, adj. PAT grew 53% YoY to INR4.8b (est. 4.1b).
- The board has declared the first interim dividend of INR4/share for FY25.
- The company would be incurring a capex of INR13b to add capacity of about 35k MTPA at its Bhuj facility. Its current achievable capacity stands at 360k MTPA.

Ratios	FY24	FY25E	FY26E
RoE (%)	18.0	17.2	19.5
RoCE (%)	13.3	13.8	16.1
Payout (%)	21.0	26.2	25.7

Valuations

P/E (x)	39.9	36.3	28.0
P/BV (x)	6.7	5.9	5.1
Div. yield (%)	0.5	0.7	0.9
FCF yield (%)	1.7	2.6	2.5

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter (%)	58.3	58.3	58.3
DII (%)	22.4	22.1	21.0
FII (%)	12.6	12.2	12.4
Others (%)	6.7	7.4	8.3

FII Includes depository receipts

Highlights from the management commentary

- **Demand outlook-** Despite a 24% YoY volume growth posted in Q1FY25, BIL has guided for minor volume growth YoY in FY25 as it expects demand headwinds in its key markets in Europe, North America and Middle East in the coming quarters. There has been some channel filling as well by distributors due to increased transit time on account of the Red Sea Crisis.
- **Freight cost-** This was already negotiated for Q1. The freight cost is expected to increase to 8-9% of revenue in 2Q, largely due to the Red Sea crisis. It was 6.4% in 1QFY25.
- **Raw material costs-** BIL expects a 2-3% increase in 2Q. The company has not taken any price hike as market demand is weak.
- **Margin guidance -** While Q1FY25 margins stood at 26%, management has indicated that they would strive to maintain margin at FY24 levels of 25% in FY25, given the rising cost pressure highlighted above
- **European Union De-forestation Union (EUDR):** Effective 31st Dec'24, EUDR requires that rubber supplied to the EU must not come from land deforested after Dec'20. While the company has secured compliant suppliers, costs could increase by USD300 per metric ton over the current base price of USD1,800 per metric ton.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Research analyst - Amber Shukla (Amber.Shukla@MotilalOswal.com) | Aniket Desai - (Aniket.Desai@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

- Retail demand in key global markets is currently weak and is likely to remain uncertain due to ongoing geopolitical challenges. As a result, despite the strong growth in Q1, management has guided for flat volume growth in FY25. Further, rising cost pressures are likely to cap margin upside – management expects margins to remain stable in FY25.
- At a P/E multiple of 36x/28x FY25E/FY26E EPS, the stock appears fairly-valued. We value BIL at 24x June'26E EPS (vs ~22x, 10-year LPA) to arrive at our TP of INR2,770. We reiterate our **Neutral** stance on the stock.

Quarterly Earning Model (Standalone)

(INR Million)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	74,820	74,204	77,905	2,92,628	3,10,499	78,635
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	6.0	2.0	-5.1	-2.8	6.1	17.0
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	329.0	329.2	330.5	320.4	329.2	325.3
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	3.4	3.4	0.6	-4.2	2.7	3.4
Net Revenues	21,150	22,468	23,158	26,971	27,415	24,619	24,428	25,751	93,760	1,02,212	25,579
YoY Change (%)	-22.4	-19.9	4.5	16.0	29.6	9.6	5.5	-4.5	-6.9	9.0	20.9
EBITDA	4,863	5,480	5,868	7,098	7,137	6,105	6,156	6,401	23,322	25,799	6,548
Margins (%)	23.0	24.4	25.3	26.3	26.0	24.8	25.2	24.9	24.9	25.2	25.6
Depreciation	1,537	1,586	1,591	1,724	1,617	1,650	1,700	1,743	6,438	6,710	1,600
Interest	208	229	354	299	143	150	175	152	1,089	620	220
Forex loss/(gain)	-330	-250	520	-490	-60	0	0	0	-550	500	0
Other Income	660	520	700	870	830	700	750	783	2,750	3,063	680
PBT before EI	4,108	4,435	4,104	6,436	6,267	5,005	5,031	5,289	19,095	21,032	5,408
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0	0
PBT	4,108	4,435	4,104	6,337	6,267	5,005	5,031	5,289	18,997	21,032	5,408
Rate (%)	23.9	24.5	24.8	24.1	23.8	23.7	23.7	23.3	24.3	24.3	23.7
Reported PAT	3,125	3,350	3,084	4,809	4,773	3,819	3,839	4,056	14,382	15,927	4,126
Adj PAT	3,125	3,350	3,084	4,884	4,773	3,819	3,839	4,056	14,456	15,927	4,126
YoY Change (%)	-2.3	-17.1	209.9	89.6	52.7	14.0	24.5	-17.0	34.0	10.2	32.0

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE			
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	74,820	74,204	77,905	2,92,628	3,10,499	78,635
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	6.0	2.0	-5.1	-2.8	6.1	17.0
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	329.0	329.2	330.5	320.4	329.2	325.3
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	3.4	3.4	0.6	-4.2	2.7	3.4
Gross Margins (%)	51.7	51.9	52.0	53.3	53.1	52.5	52.5	52.4	52.3	52.6	53.0
EBITDA Margins (%)	23.0	24.4	25.3	26.3	26.0	24.8	25.2	24.9	24.9	25.2	25.6
Gross Profit (INR '000/ton)	162.6	165.1	165.6	175.1	174.2	172.7	172.8	173.3	167.5	173.3	172.4
EBITDA (INR '000/ton)	72.4	77.6	80.7	86.5	85.4	81.6	83.0	82.2	79.7	83.1	83.3

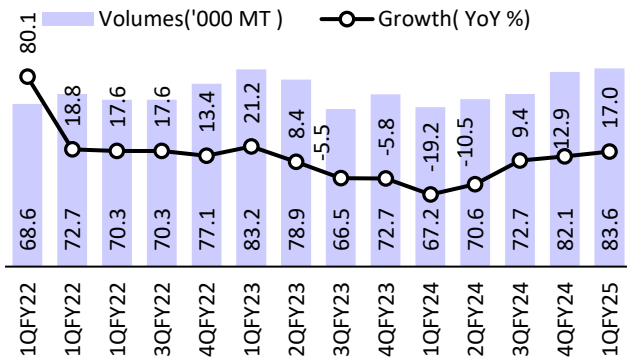


Highlights from the management commentary

- **Demand outlook-** Despite a 24% YoY volume growth posted in Q1FY25, BIL has guided for minor volume growth YoY in FY25 as it expects demand headwinds in its key markets in Europe, North America and Middle East in the coming quarters. There has been some channel filling as well by distributors due to increased transit time on account of the Red Sea Crisis.
 - In 1QFY25, sales volume grew 24% YoY to 83,570MT. However, the 1QFY24 base was also low due to the cyclonic issue in western India.
 - It has market share of 6-7% and is likely to sustain it in FY25.
- **Freight cost-** This was already been negotiated for Q1. However, freight cost is expected to increase to 8-9% of revenue in 2Q, largely due to the Red Sea crisis. It was 6.4% in 1QFY25.
- **Raw material-** BIL expects a 2-3% increase in 2Q. The company has not taken any price hikes as market demand is weak.
- **EUDR:** Effective 31st Dec'24, EUDR regulations in Europe requires that rubber supplied to the EU must not come from land deforested after Dec'20. While the company has secured compliant suppliers, but costs could increase by USD300 per metric ton above the current base price of USD1,800 per metric ton.
- **Margin guidance:** While Q1FY25 margins stood at 26%, management has indicated that they would strive to maintain margin at FY24 levels of 25% in FY25, given the rising cost pressure highlighted above.
- **Capex guidance-** The company has guided for capex of INR6-7b for FY25, out of which it has already incurred capex of INR2b in 1QFY25.
- **New capex-**
 - With the acceptance and success in the OTR range of tires, the company is planning to add fresh capacity. It is embarking on a new capex of up to INR13b for capacity addition of 35k MTPA at Bhuj.
 - It is working on advanced carbon black project of 30k MT and the commissioning is expected in Q2 as per schedule.
 - Commenced operations for the new mould manufacturing unit in Bhuj. This will be used for internal consumption.
- **Others**
 - Third party Carbon Black Sales stood at ~8% of total revenue in 1QFY25.
 - EUR-INR rate- INR92; For future it has hedged at INR92.5.
 - EPR- The net impact would be INR40m for this quarter after adjusting for the reversal attributable to the last year.

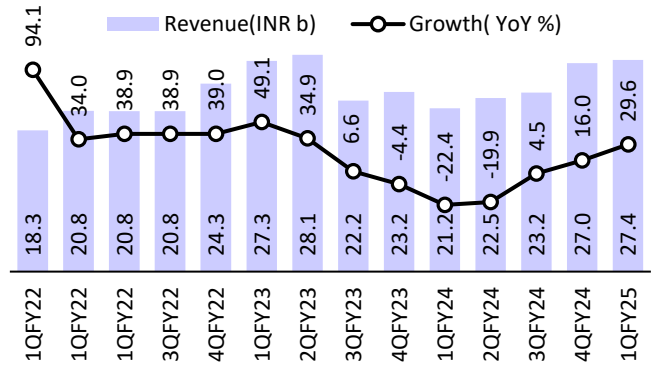
Key exhibits

Exhibit 1: Volume trend



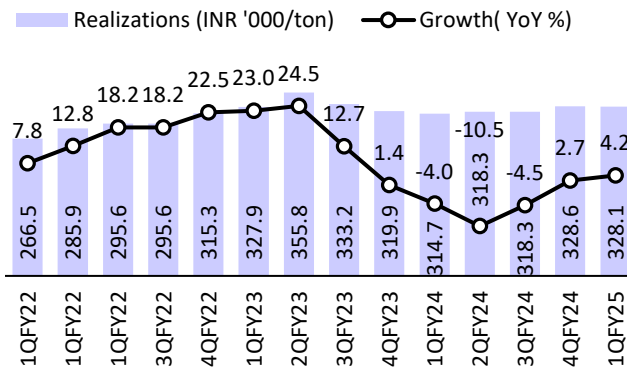
Source: MOFSL, Company

Exhibit 2: Trend in revenue



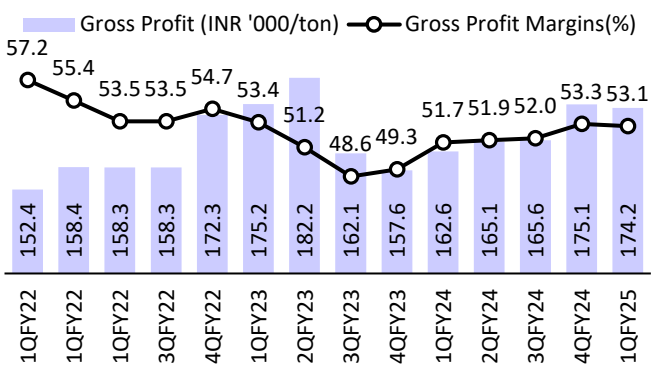
Source: MOFSL, Company

Exhibit 3: Net realization trend



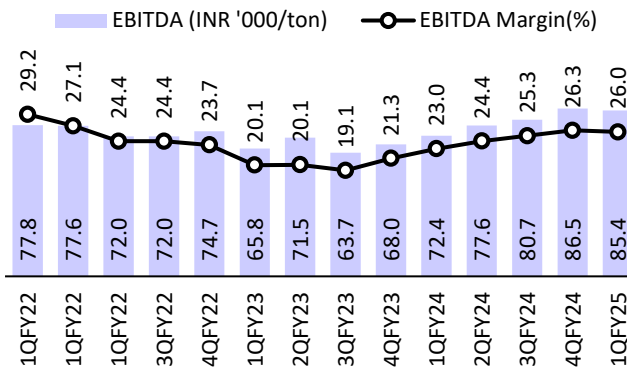
Source: MOFSL, Company

Exhibit 4: Gross profit margin trend



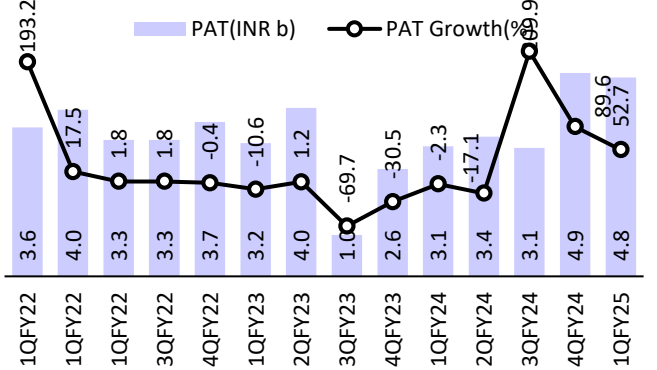
Source: MOFSL, Company

Exhibit 5: EBITDA margin trend



Source: MOFSL, Company

Exhibit 6: PAT and PAT growth trends



Source: MOFSL, Company

Exhibit 7: Geography-wise contribution

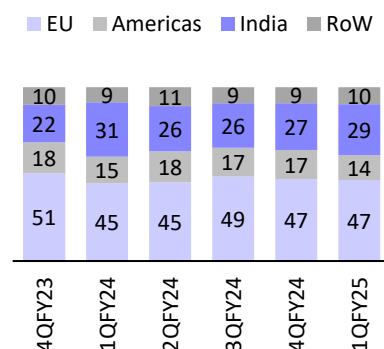


Exhibit 8: Channel-wise sales

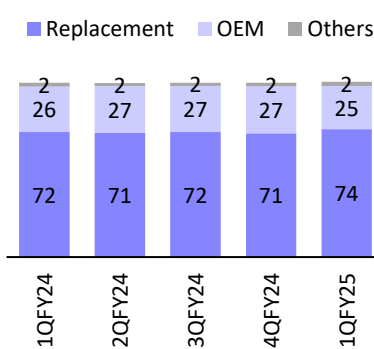
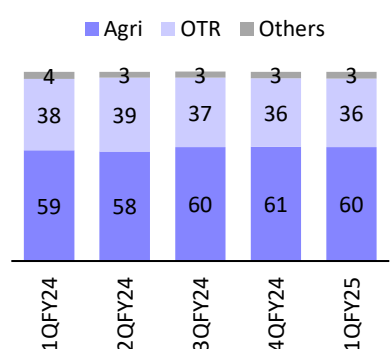


Exhibit 9: Segment-wise sales



Source: Company, MOFSL

Valuation and view

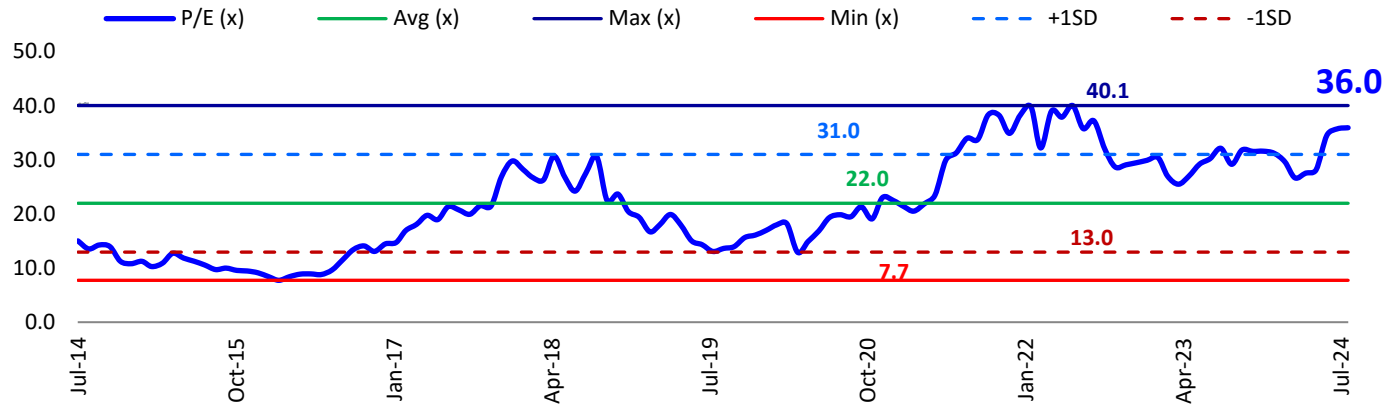
- Profitable market share gains to continue:** BIL has a well-established competitive advantage, which has enabled consistent market share gains. Its competitive advantage is driven by: a) competitive cost and pricing, b) consistent product portfolio expansion, and c) expanding reach. With a current market share of 6-7% in the USD15b global Specialty Tyre segment, BIL aspires to increase this to 10% over the next four-to-five years by: a) ramping up in the OTR segment, which is much larger than Agri Tyres, b) strengthening its presence in North America and RoW markets, and c) gaining share with OEMs. We estimate ~9%/13% volume/revenue CAGR over FY24-26E, largely back-ended.
- Investing to improve its competitiveness:** The management has invested over ~INR44b in the last three years toward expanding capacity in tyres as well as carbon black and modernization & automation. At the company level, achievable capacity stands at 360k MTPA. Moreover, with the acceptance and success in the OTR range of tires, the company is planning to add fresh capacity. BIL is embarking on a new capex of up to INR13b. The capacity addition will be for 35k MTPA at Bhuj. Overall the company has guided for INR6-7b of capex for FY25E. As a percentage of sales, capex intensity would start moderating in FY25-26E to ~6% of sales (vs. the last five-year average of 16%), driving improvement in FCF generation.
- Factor in earnings revival from FY26 onwards:** As highlighted above, BIL is likely to see near term earnings pressure in FY25. However, we have factored in its performance to pick-up from FY26 onwards, assuming a normalization of demand macro. Overall, we estimate consol revenue/EBITDA/PAT for BIL to grow at 12%/17%/19% over FY24-26E. We expect an improvement in EBITDA margin of ~210bp over FY24-26E to ~27.2%. With total capex likely to be ~INR13.5b over FY24-26E, we estimate FCF generation of INR30b over the same period.
- Valuations factor in a focused business model:** We reduce our FY25/FY26 EPS estimates by ~4% each to factor in moderate demand and increase operational costs. BIL ranks the highest among domestic peers in terms of cost competitiveness and financial strength and hence enjoys premium valuations relative to its mainstream peers. Given the earnings pressure expected in the near term, the stock at 36x/28x of FY25E/FY26E EPS appears fairly valued. We value BIL at 24x June'26E EPS (vs ~22x, 10-year LPA) to arrive at our TP of INR2,770. We reiterate our **Neutral** rating on the stock.

Exhibit 10: Revisions to our estimates

(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,02,911	1,05,992	-2.9	1,18,907	1,21,950	-2.5
EBITDA	26,210	27,499	-4.7	32,351	33,448	-3.3
EBITDA (%)	25.5	25.9	-50bp	27.2	27.4	-20bp
Adj. PAT	16,260	16,966	-4.2	21,092	21,925	-3.8
EPS (INR)	84.1	87.8	-4.2	109.1	113.4	-3.8

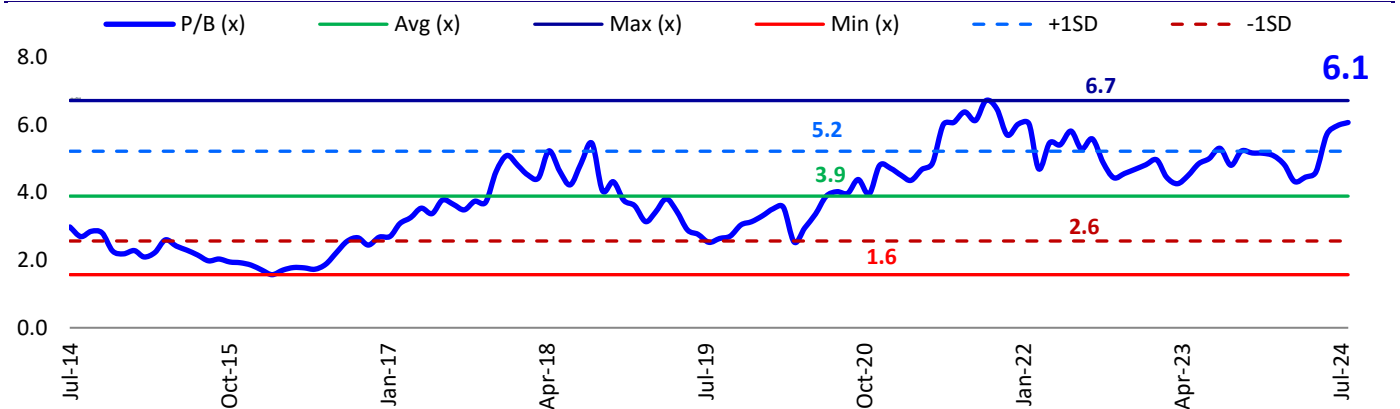
Source: MOFSL, Company

Exhibit 11: One-year forward P/E



Source: MOFSL, Company

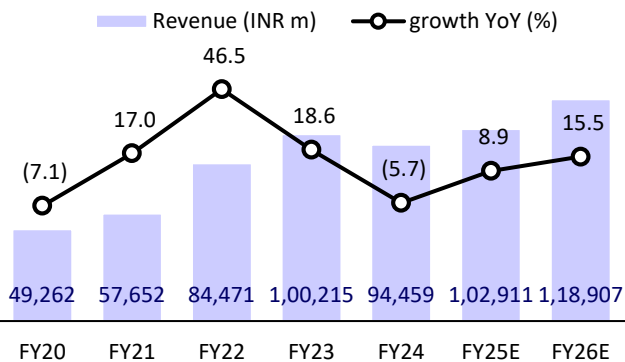
Exhibit 12: One-year forward P/B band



Source: MOFSL, Company

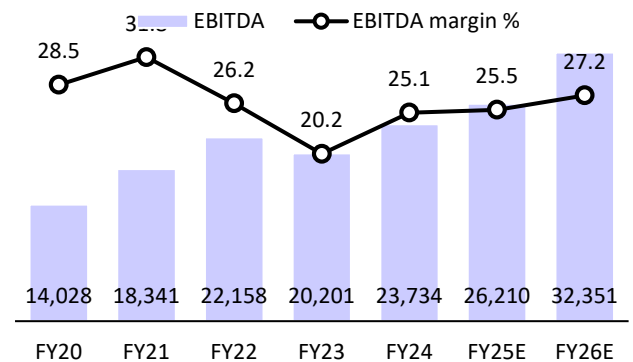
Story in charts

Exhibit 13: Revenue to register a ~14% CAGR over FY24-26E



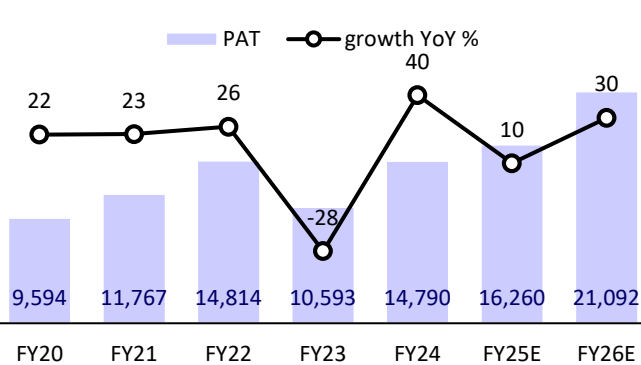
Source: Company, MOFSL

Exhibit 14: EBITDA margin to improve over FY24-26E



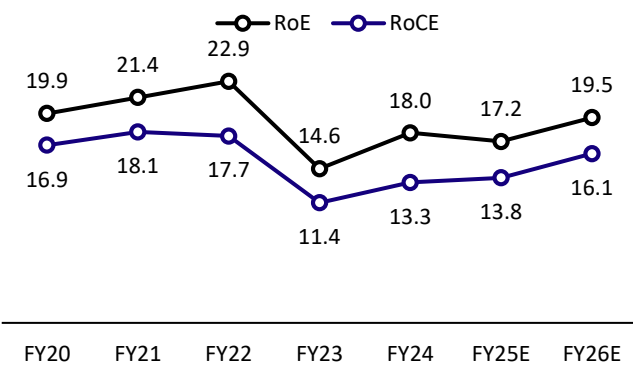
Source: Company, MOFSL

Exhibit 15: PAT to register a ~22% CAGR over FY24-26E



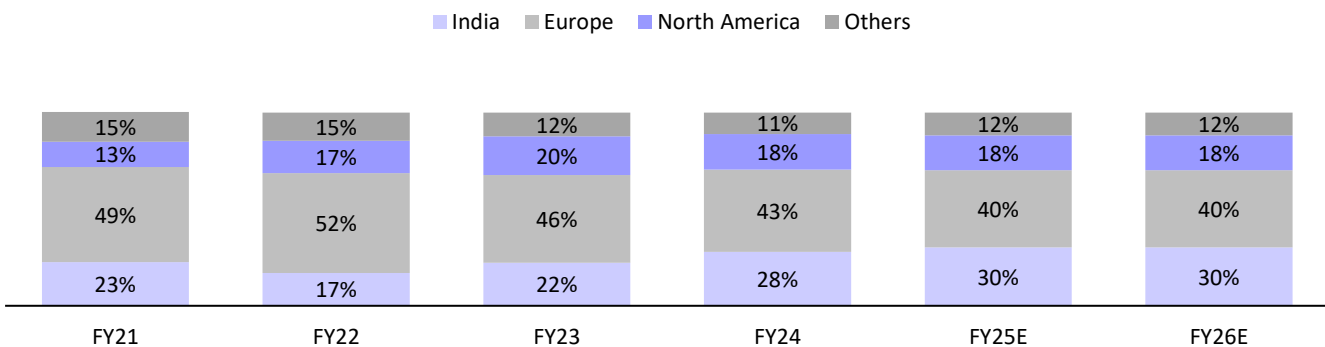
Source: Company, MOFSL

Exhibit 16: RoE to see a gradual pickup



Source: Company, MOFSL

Exhibit 17: Revenue mix trend across geographies over the years



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement							(INR Million)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Adj. Net Revenues	53,010	49,262	57,652	84,471	1,00,215	94,459	1,02,911	1,18,907
Change (%)	13.6	-7.1	17.0	46.5	18.6	-5.7	8.9	15.5
Raw Materials	24,441	21,388	23,110	37,778	49,153	44,914	48,574	56,124
Employees Cost	2,992	3,286	3,709	4,301	4,594	4,995	5,395	5,934
Other Expenses	11,367	10,561	12,492	20,235	26,267	20,816	22,732	24,497
Total Expenditure	38,800	35,235	39,311	62,314	80,014	70,725	76,701	86,556
% of Sales	73.2	71.5	68.2	73.8	79.8	74.9	74.5	72.8
EBITDA	14,210	14,028	18,341	22,158	20,201	23,734	26,210	32,351
EBITDA Margin (%)	26.8	28.5	31.8	26.2	20.2	25.1	25.5	27.2
Depreciation	3,326	3,736	4,163	4,554	5,708	6,507	6,779	7,233
EBIT	10,884	10,292	14,178	17,604	14,493	17,227	19,431	25,119
EBIT Margin (%)	20.5	20.9	24.6	20.8	14.5	18.2	18.9	21.1
Int. and Finance Charges	111	89	114	92	480	1,129	660	560
Fx loss/(gain)	-100	0	-180	-390	880	-550	500	500
Other Income	990	1,190	1,297	1,920	1,217	2,810	3,123	3,694
PBT bef. EO Exp.	11,863	11,393	15,541	19,822	14,350	19,458	21,395	27,753
EO Items	0	0	0	-615	-23	-98	0	0
PBT after EO Exp.	11,863	11,393	15,541	19,207	14,327	19,360	21,395	27,753
Total Tax	4,029	1,799	3,774	4,852	3,751	4,645	5,135	6,661
Eff. Tax Rate (%)	34.0	15.8	24.3	25.3	26.2	24.0	24.0	24.0
Reported PAT	7,833	9,594	11,767	14,354	10,576	14,715	16,260	21,092
Adjusted PAT	7,833	9,594	11,767	14,814	10,593	14,790	16,260	21,092
Change (%)	6.5	22.5	22.7	25.9	-28.5	39.6	9.9	29.7

Consolidated - Balance Sheet							(INR Million)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	387	387	387	387	387	387	387	387
Total Reserves	46,150	49,696	59,612	68,944	75,183	88,152	1,00,159	1,15,839
Net Worth	46,537	50,083	59,998	69,330	75,569	88,538	1,00,546	1,16,225
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	8,796	9,316	10,006	25,286	33,465	30,994	28,994	26,994
Deferred Tax Liabilities	3,255	1,783	2,035	2,509	2,419	3,490	3,490	3,490
Capital Employed	58,588	61,182	72,039	97,125	1,11,453	1,23,023	1,33,030	1,46,710
Gross Block	39,355	48,210	52,954	64,051	83,240	99,070	1,09,514	1,16,514
Less: Accum. Deprn.	12,264	15,992	20,115	24,651	30,108	36,538	43,317	50,550
Net Fixed Assets	27,091	32,218	32,839	39,401	53,133	62,532	66,198	65,965
Goodwill on Consolidation	0	0	0	0	0	0	0	0
Capital WIP	6,004	5,866	8,555	12,584	13,916	9,444	5,500	5,500
Investment property	772	857	864	793	708	643	643	643
Total Investments	10,826	10,625	14,177	18,967	20,367	26,857	37,857	47,857
Curr. Assets, Loans&Adv.	20,099	18,498	25,230	38,045	35,353	37,370	37,513	43,707
Inventory	7,587	6,156	9,397	16,721	16,674	13,315	14,097	16,289
Account Receivables	5,171	5,899	7,536	10,962	11,153	14,454	12,688	14,660
Cash and Bank Balance	656	691	780	517	763	800	860	1,357
Loans and Advances	6,684	5,752	7,517	9,846	6,763	8,800	9,868	11,402
Curr. Liability & Prov.	6,202	6,882	9,626	12,665	12,024	13,823	14,680	16,961
Account Payables	3,861	3,837	6,550	8,293	4,921	9,102	9,868	11,402
Other Current Liabilities	2,073	2,746	2,750	4,056	6,754	4,329	4,229	4,887
Provisions	267	299	326	316	348	392	582	673
Net Current Assets	13,897	11,616	15,604	25,380	23,330	23,547	22,833	26,746
Appl. of Funds	58,589	61,182	72,039	97,125	1,11,453	1,23,023	1,33,030	1,46,710

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	40.5	49.6	60.9	76.6	54.8	76.5	84.1	109.1
Cash EPS	57.7	69.0	82.4	100.2	84.3	110.2	119.2	146.5
BV/Share	240.7	259.1	310.4	358.7	390.9	458.0	520.2	601.3
DPS	7.5	22.0	17.0	28.0	16.0	16.0	22.0	28.0
Payout (%)	22.3	53.4	27.9	37.7	29.2	21.0	26.2	25.7
Valuation (x)								
P/E	75.4	61.6	50.2	39.9	55.8	39.9	36.3	28.0
Cash P/E	52.9	44.3	37.1	30.5	36.2	27.7	25.6	20.9
P/BV	12.7	11.8	9.8	8.5	7.8	6.7	5.9	5.1
EV/Sales	11.3	12.2	10.4	7.3	6.2	6.6	6.0	5.2
EV/EBITDA	42.1	42.7	32.7	27.8	30.9	26.2	23.6	19.0
Dividend Yield (%)	0.2	0.7	0.6	0.9	0.5	0.5	0.7	0.9
FCF per share	4.4	20.2	21.5	-35.2	-15.7	51.8	77.9	77.6
Return Ratios (%)								
RoE	17.9	19.9	21.4	22.9	14.6	18.0	17.2	19.5
RoCE	15.0	16.9	18.1	17.7	11.4	13.3	13.8	16.1
RoIC	17.7	20.4	23.2	23.2	15.1	16.1	16.9	21.1
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.0	1.1	1.3	1.2	1.0	0.9	1.0
Asset Turnover (x)	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.8
Inventory (Days)	52	46	59	72	61	51	50	50
Debtor (Days)	36	44	48	47	41	56	45	45
Creditor (Days)	27	28	41	36	18	35	35	35
Leverage Ratio (x)								
Current Ratio	3.2	2.7	2.6	3.0	2.9	2.7	2.6	2.6
Interest Cover Ratio	97.8	115.6	124.6	192.4	30.2	15.3	29.4	44.9
Net Debt/Equity	-0.1	0.0	-0.1	0.1	0.2	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	11,863	11,393	15,541	19,207	14,327	19,410	21,395	27,753
Depreciation	3,326	3,736	4,163	4,554	5,708	6,507	6,779	7,233
Interest & Finance Charges	49	-135	-289	-324	116	661	-2,245	-2,905
Direct Taxes Paid	-4,076	-2,884	-3,510	-4,579	-3,429	-4,235	-5,135	-6,661
(Inc)/Dec in WC	-1,934	544	-1,273	-8,289	-1,865	1,536	773	-3,416
CF from Operations	9,228	12,653	14,632	10,569	14,857	23,879	21,567	22,004
Others	-1,024	-922	-1,242	-1,488	-378	-3,053	0	0
CF from Operating incl EO	8,204	11,731	13,390	9,080	14,480	20,826	21,567	22,004
(Inc)/Dec in FA	-7,344	-7,830	-9,232	-15,889	-17,523	-10,814	-6,500	-7,000
Free Cash Flow	860	3,901	4,159	-6,809	-3,043	10,013	15,067	15,004
(Pur)/Sale of Investments	877	863	-2,891	-3,516	-883	-4,574	-11,000	-10,000
Others	108	190	388	431	575	632	2,905	3,465
CF from Investments	-6,360	-6,778	-11,734	-18,975	-17,831	-14,755	-14,595	-13,535
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	213	279	857	15,498	7,097	-1,902	-2,000	-2,000
Interest Paid	-115	-88	-114	-90	-420	-1,022	-660	-560
Dividend Paid	-1,745	-5,126	-2,316	-5,603	-3,091	-3,095	-4,253	-5,412
Others	0	-13	-3	0	-1	1	0	0
CF from Fin. Activity	-1,647	-4,947	-1,575	9,804	3,585	-6,018	-6,912	-7,972
Inc/Dec of Cash	197	7	81	-90	234	53	60	497
Opening Balance	265	462	468	549	459	693	746	806
Closing Balance	462	468	549	459	693	746	806	1,303

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://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") (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 alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or 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: INH00000412 . 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.