

Jyothy Laboratories

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	JYL IN
Equity Shares (m)	367
M.Cap.(INRb)/(USDb)	161.9 / 1.9
52-Week Range (INR)	554 / 200
1, 6, 12 Rel. Per (%)	3/-17/89
12M Avg Val (INR M)	521

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Net Sales	27.6	30.3	33.4
Sales Gr. (%)	10.9	10.0	10.1
EBITDA	4.8	5.3	6.0
EBITDA Margins (%)	17.4	17.6	17.8
Adj. PAT	3.6	4.0	4.5
Adj. EPS (INR)	9.8	10.9	12.2
EPS Gr. (%)	54.8	11.0	11.9
BV/Sh (INR)	49.2	52.0	57.6

Ratios

RoE (%)	21.5	21.5	22.2
RoCE (%)	21.1	21.1	22.5
Payout (%)	43.2	60.0	53.6

Valuation

P/E (x)	45.4	40.9	36.5
P/BV (x)	9.0	8.6	7.7
EV/EBITDA	33.5	29.7	26.2
Div. Yield (%)	0.8	1.2	1.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	62.9	62.9	62.9
DII	13.3	13.9	16.8
FII	16.4	14.7	13.8
Others	7.4	8.6	6.5

FII Includes depository receipts

CMP: INR441 **TP: INR475 (+8%)** **Neutral**

Performance below estimates; focus on volume-driven growth

- Jyothy Laboratories (JYL) reported lower-than-expected revenue and margin in 4QFY24. Revenue grew 7% YoY to INR6.6b, led by 7% volume growth. In FY24, JYL delivered 11%/9% YoY revenue/volume growth.
- Fabric care sustained double-digit growth (10%); JYL focused on value in main-wash and expanded into new territories for the post-wash category. Dishwash growth was slow at 6%; the company focused on driving growth through LUPs. HI declined 10% YoY due to seasonality. Personal care remained the growth driver, clocking 18% YoY growth, led by Margo.
- Gross margin (GM) was up 380bp YoY to 49.5%, of which 160bp was reinvested in A&P (up 30% YoY in 4Q; up 31% in FY24). EBITDA margin improved moderately by 160bp YoY to 16.4% (470bp expansion in FY24).
- We model a 10%/11% revenue/EBITDA CAGR over FY24-26E. With a stable RM basket, we expect the EBITDA margin to sustain at 17-18%.
- We believe a large part of the GM-led earnings growth seen in FY24 will be normalized in FY25. From here on, market share gains and the success of new launches will be critical for JYL's earnings growth. Due to its expensive valuations, **we reiterate our Neutral rating on the stock with a TP of INR475 (premised on 40x FY26E P/E).**

Miss on growth and margins

- Muted sales growth:** JYL registered net sales growth of 7% YoY to INR6.6b (est. INR6.8b). Fabric Care/Dishwashing/Personal Care grew 10%/6%/18% YoY to INR2.8b/INR2.2b/INR0.6b revenue, while HI declined 10% YoY to INR0.7b in 4QFY24. The four-year CAGR for Fabric Care stood at 16%, Dishwash was at 15%, HI at 3%, and Personal Care was 20%.
- Miss on EBITDA margins:** GM expanded ~380bp YoY to 49.5% (est. 49.2). However, as a percentage of sales, an increase in staff costs (+50bp YoY to 11%), and ad spending (+160bp YoY to 9%), as well as other expenses (+13% YoY), restricted EBITDA margin expansion to 160bp YoY (contracted 110bp QoQ) to 16.4% (est. 17.1%).
- Segmental profitability:** EBIT margins in the Fabric Care/Dishwashing segments expanded 350bp/50bp to 23.0%/18.0%. Personal Care and Household Insecticides' EBIT margins contracted 920bp/480bp YoY to 8.5%/(10.4%) during the quarter.
- APAT rose 32% YoY on higher other income:** EBITDA grew 19% YoY to INR1,084m (est. of INR1,170m). PBT increased 31% YoY to INR1,072m (est. INR1,143m). Adj. PAT grew 32% YoY to INR781m (est. INR851m).
- In FY24,** JYL's net sales/EBITDA/Adj. PAT increased 11%/52%/55%.

Highlights from the management commentary

- Management expects an acceleration in volume growth driven by a good monsoon, government welfare measures, and easing inflation. The demand recovery is anticipated in rural India.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Pratik Prajapati (pratik.prajapati@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

- In FY24, JYL delivered 9% volume growth. The company remained focused on volume-driven growth rather than margin expansion. Thus, reinvestment spending will remain high.
- Direct distribution reached 1.2m outlets in FY24 (vs. 1.1m in FY23) and JYL will aim to add more than 100-112k outlets in FY25.
- Capex will be INR400-500m in FY25; it will be used for media spending on the development of new categories.

Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- We **reiterate our Neutral rating** with a TP of **INR475 (based on 40x FY26E P/E)** as JYL's product portfolio is in the highly-penetrated categories, limiting future volume growth to single digit. JYL's margin expansion beyond 17-18% is also constrained by its focus on mass and rural segments. Therefore, we believe its growth potential is adequately priced-in at its current valuation.

Consolidated Quarterly Performance

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	5,972	6,592	6,127	6,170	6,871	7,323	6,775	6,600	24,860	27,569	6,837	-3.5
YoY change (%)	14.4	14.0	15.9	13.0	15.1	11.1	10.6	7.0	13.2	10.9	10.8	
Gross Profit	2,380	2,670	2,640	2,821	3,289	3,604	3,371	3,267	10,511	13,531	3,361	-2.8
Margins (%)	39.9	40.5	43.1	45.7	47.9	49.2	49.8	49.5	42.3	49.1	49.2	0.7
EBITDA	599	804	844	913	1,174	1,354	1,186	1,084	3,159	4,798	1,170	-7.4
EBITDA growth %	-7.9	19.9	39.4	59.4	96.2	68.3	40.6	18.7	26.4	51.9	28.2	
Margins (%)	10.0	12.2	13.8	14.8	17.1	18.5	17.5	16.4	12.7	17.4	17.1	
Depreciation	130	130	122	119	120	123	128	129	501	500	134	
Interest	33	35	32	31	11	12	12	13	131	47	10	
Other Income	44	53	153	57	79	132	106	130	395	447	117	
PBT	479	693	842	819	1,123	1,351	1,152	1,072	2,922	4,698	1,143	-6.2
Tax	90	109	169	227	250	311	243	291	595	1,095	292	
Rate (%)	18.8	15.8	20.0	27.7	22.3	23.0	21.1	27.1	19.9	23.3	25.6	
Adjusted PAT	389	584	674	593	873	1,040	909	781	2,327	3,603	851	-8.2
YoY change (%)	-2.9	38.5	90.4	78.0	124.1	78.2	34.9	31.9	54.2	54.8	43.6	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY23				FY24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
2Y average growth %								
Sales	18.1	14.9	14.3	12.5	14.7	12.5	13.2	10.0
EBITDA	-12.4	-2.3	7.6	20.7	44.1	44.1	40.0	39.0
PAT	-11.7	4.0	29.1	22.0	60.6	58.4	62.6	54.9
% sales								
COGS	60.1	59.5	56.9	54.3	52.1	50.8	50.2	50.5
Other expenditure	29.8	28.3	29.3	30.9	30.8	30.7	32.3	33.1
Depreciation	2.2	2.0	2.0	1.9	1.7	1.7	1.9	1.9
YoY change %								
COGS	21.0	12.5	11.9	4.8	-0.3	-5.2	-2.4	-0.5
Other expenditure	11.4	14.8	14.9	12.9	18.7	20.6	21.6	14.4
Other income	-8.9	1.9	259.1	2.7	80.0	147.8	-30.6	127.5
EBIT	5.4	44.9	82.6	122.0	125.2	82.6	46.5	20.4

E: MOFSL Estimates



Highlights from the management commentary

Performance and outlook

- Management expects an acceleration in volume growth driven by a good monsoon, government welfare measures, and easing inflation.
- The demand recovery is anticipated in rural India.
- JYL has gained market share across its brands.
- It has a continued focus on enhancing direct distribution, higher allocation of resources towards brand building initiatives, and new product launches.
- Direct distribution reached 1.2m outlets in FY24 (vs. 1.1m in FY23) and JYL will aim to add more than 100-112k outlets in FY25.
- The growth was primarily led by 7.2% YoY volume growth in 4QFY24. In FY24, it delivered 9% volume growth. JYL focused more on volume-driven growth.
- South market contributed 38-40% of overall sales.

Costs and margins

- A&P spending increased 30% YoY in 4QFY24 and constituted 9.1% of sales. In FY24, it increased 31% YoY and comprised 8.3% of sales. Management will maintain 8-9% going forward.
- It maintains its EBITDA guidance of 16-17% in FY25.
- ETR will be in the range of 20-23% in FY25.

Segmental details

Fabric Care

- It delivered 10% sales growth in 4QFY24 and 13% in FY24.
- Segment seen healthy growth by maintaining a sharp focus on delivering value in main wash detergents and expanding into new territories for post-wash products.
- Distribution helps in faster growth and expansion across product categories.
- Liquid detergents (Ujala, Henko) has small contribution in the category however, it is growing well.
- Liquid detergents is growing more on modern trade, urban areas and in south market.

Dishwashing

- It delivered 6% sales growth in 4QFY24 and 8% in FY24.
- JYL will continue to enhance the brand equity by driving LUP's, enhanced digital awareness, ground activations to strengthen their position.
- It maintained its market share in the category. It is growing in line with the dishwash category growth.
- Market share in the East has increased to double digits.

Household Insecticides

- The sales declined 9.8% YoY due to seasonality impacting the demand. Winter season in the north (core market) affects the growth.
- Focus on strengthening liquid portfolio by focusing on continued brand investment emphasizing the unique automatic feature of the Maxo machine.
- Maxo Coil and liquid vaporizer market share stood at 23.8% and 8.3% respectively in FY24.
- JYL aims to generate profit from the category in FY25.

Personal Care

- It delivered 18% sales growth in 4QFY24 and 21% in FY24.
- Neem-based Margo Soap with its natural benefits proposition delivered a robust performance.
- Strengthening the brand equity of Margo to venture into new formats and categories.

Other points

- JYL launched an improved distribution management system across its distribution network.
- Capex will be INR400-500m in FY25; it will be used for media spending on the development of new categories.

Key exhibits**Exhibit 1: Consolidated quarterly performance**

Sales (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Fabric Care	2,511	2,862	2,635	2,553	2,966	3,166	2,948	2,811
Dishwashing	2,093	2,279	2,213	2,062	2,315	2,507	2,361	2,183
Household Insecticides	448	435	434	800	494	450	457	722
Personal Care	694	733	591	524	841	896	723	618
Other Products	225	284	253	230	256	304	286	266
Total	5,972	6,592	6,127	6,170	6,871	7,323	6,775	6,600
Sales salience (%)								
Fabric Care	42	43	43	41	43	43	44	43
Dishwashing	35	35	36	33	34	34	35	33
Household Insecticides	8	7	7	13	7	6	7	11
Personal Care	12	11	10	8	12	12	11	9
Other Products	4	4	4	4	4	4	4	4
Total	100	100	100	100	100	100	100	100
Sales growth (%)								
Fabric Care	39	34	26	20	18	11	12	10
Dishwashing	10	6	10	9	11	10	7	6
Household Insecticides	(38)	(31)	(16)	1	10	3	5	(10)
Personal Care	2	11	12	12	21	22	22	18
Other Products	68	7	4	26	14	7	13	16
Total	14	13	14	13	15	11	11	7
EBIT (INR m)								
Fabric Care	308	433	485	499	656	828	744	647
Dishwashing	275	352	338	361	463	523	425	393
Household Insecticides	(45)	(79)	(69)	(9)	(94)	(79)	(93)	(75)
Personal Care	25	74	90	70	153	98	93	52
Other Products	(10)	(15)	(15)	(8)	5	1	15	(3)
Total	554	765	830	912	1,184	1,370	1,183	1,014
EBIT salience (%)								
Fabric Care	56	57	58	55	55	60	63	64
Dishwashing	50	46	41	40	39	38	36	39
Household Insecticides	(8)	(10)	(8)	(1)	(8)	(6)	(8)	(7)
Personal Care	4	10	11	8	13	7	8	5
Other Products	(2)	(2)	(2)	(1)	0	0	1	(0)
Total	100	100	100	100	100	100	100	100
EBIT margin (%)								
Fabric Care	12.3	15.1	18.4	19.5	22.1	26.1	25.2	23.0
Dishwashing	13.2	15.4	15.3	17.5	20.0	20.9	18.0	18.0
Household Insecticides	(10.0)	(18.2)	(15.9)	(1.2)	(19.0)	(17.6)	(20.4)	(10.4)
Personal Care	3.6	10.1	15.3	13.3	18.2	10.9	12.9	8.5
Other Products	(4.4)	(5.3)	(6.1)	(3.5)	1.9	0.2	5.3	(1.1)
Total	9.3	11.6	13.5	14.8	17.2	18.7	17.5	15.4

Source: Company, MOFSL

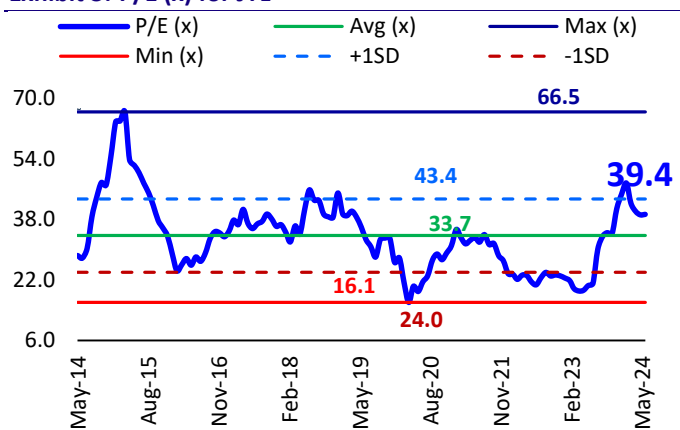
Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- We **reiterate our Neutral rating** with a TP of **INR475 (based on 40x FY26E P/E)** as JYL's product portfolio is in the highly-penetrated categories, limiting future volume growth to single digit. JYL's margin expansion beyond 17-18% is also constrained by its focus on mass and rural segments. Therefore, we believe its growth potential is adequately priced-in at its current valuation.

Exhibit 2: No material changes to our estimation for FY25/FY26

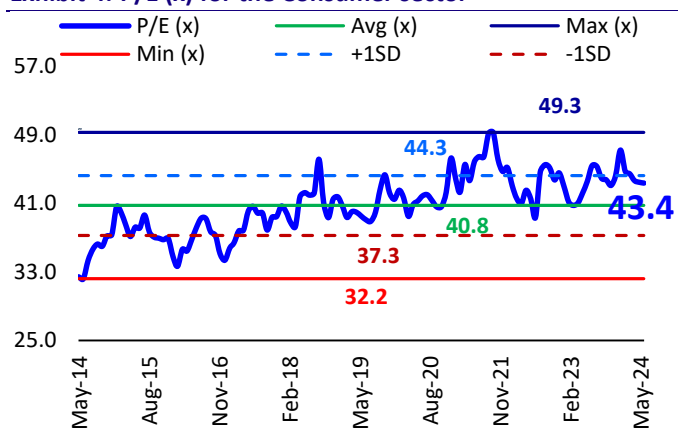
	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	30,319	33,366	30,457	33,315	-0.5	0.2
EBITDA	5,323	5,951	5,311	5,849	0.2	1.7
PAT	3,999	4,476	4,022	4,458	-0.6	0.4

Exhibit 3: P/E (x) for JYL



Source: Company, MOFSL

Exhibit 4: P/E (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	18,136	17,112	19,091	21,965	24,860	27,569	30,319	33,366
Change (%)	8.4	-5.6	11.6	15.1	13.2	10.9	10.0	10.1
Gross Profit	8,429	8,103	8,987	9,135	10,511	13,531	14,644	16,182
Margin (%)	46.5	47.4	47.1	41.6	42.3	49.1	48.3	48.5
Personnel Expenses	2,076	2,193	2,325	2,475	2,644	3,005	3,365	3,670
% of Sales	11.4	12.8	12.2	11.3	10.6	10.9	11.1	11.0
Other Expenses	3,542	3,398	3,517	4,178	4,709	5,728	5,956	6,561
% of Sales	19.5	19.9	18.4	19.0	18.9	20.8	19.6	19.7
Total Expenditure	15,325	14,601	15,946	19,483	21,702	22,771	24,996	27,415
% of Sales	84.5	85.3	83.5	88.7	87.3	82.6	82.4	82.2
EBITDA	2,811	2,511	3,145	2,482	3,159	4,798	5,323	5,951
Margin (%)	15.5	14.7	16.5	11.3	12.7	17.4	17.6	17.8
Depreciation	306	529	556	582	501	500	535	572
EBIT	2,505	1,982	2,589	1,901	2,657	4,298	4,788	5,379
Int. and Finance Charges	352	329	192	118	131	47	52	55
Other Income	278	203	185	187	395	447	479	512
PBT after EO Exp.	2,430	1,818	2,346	1,969	2,992	4,788	5,215	5,836
Current Tax	454	189	440	378	595	1,095	1,216	1,361
Tax Rate (%)	18.7	10.4	18.7	19.2	19.9	22.9	23.3	23.3
Reported PAT	2,051	1,706	1,994	1,620	2,397	3,695	3,999	4,476
Adjusted PAT	1,976	1,667	2,142	1,591	2,327	3,603	3,999	4,476
Change (%)	10.5	-15.6	28.5	-25.7	46.2	54.8	11.0	11.9
Margin (%)	10.9	9.7	11.2	7.2	9.4	13.1	13.2	13.4

Consolidated - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	367	367	367	367	367	367	367	367
Total Reserves	12,898	11,919	13,918	14,068	15,123	17,716	18,710	20,787
Net Worth	13,265	12,286	14,286	14,435	15,490	18,083	19,077	21,154
Minority Interest	-215	-291	-379	-407	21	19	19	19
Deferred Liabilities	-928	-1,027	-962	-907	-845	-594	-594	-594
Total Loans	2,809	2,830	1,169	1,265	0	1,062	0	0
Capital Employed	14,932	13,798	14,114	14,387	14,665	18,570	18,502	20,578
Gross Block	12,046	13,050	13,556	13,764	14,125	13,715	14,215	14,415
Less: Accum. Deprn.	1,040	1,558	2,089	2,546	2,962	2,462	2,997	3,569
Net Fixed Assets	11,006	11,492	11,467	11,218	11,163	11,253	11,218	10,846
Capital WIP	143	245	101	76	155	134	123	123
Total Investments	1,044	0	0	0	0	1,915	0	0
Curr. Assets, Loans&Adv.	6,301	5,598	7,029	8,027	8,454	10,108	13,450	16,859
Inventory	1,974	2,251	2,786	2,972	3,019	2,835	4,245	4,671
Account Receivables	1,534	1,224	944	1,431	1,378	2,014	1,516	1,668
Cash and Bank Balance	964	289	1,938	2,112	2,835	1,661	4,837	7,380
Loans and Advances & Others	1,830	1,834	1,361	1,512	1,222	3,599	2,853	3,140
Curr. Liability & Prov.	3,563	3,537	4,483	4,933	5,107	4,840	6,289	7,250
Account Payables	2,134	1,450	2,143	2,364	2,143	2,761	3,032	3,337
Other Current Liabilities	715	1,299	1,520	1,767	2,037	1,756	2,196	2,745
Provisions	715	788	820	802	927	324	1,061	1,168
Net Current Assets	2,738	2,061	2,546	3,093	3,347	5,268	7,161	9,609
Appl. of Funds	14,932	13,798	14,114	14,387	14,665	18,570	18,502	20,578

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	5.4	4.5	5.8	4.3	6.3	9.8	10.9	12.2
Cash EPS	6.2	6.0	7.3	5.9	7.7	11.2	12.3	13.7
BV/Share	36.1	33.5	38.9	39.3	42.2	49.2	52.0	57.6
DPS	6.0	0.0	4.0	2.5	3.0	3.5	5.4	5.4
Payout (%)	134	0	83	70	57	43	60	54
Valuation (x)								
P/E	82.7	98.0	76.3	102.7	70.2	45.4	40.9	36.5
Cash P/E	71.6	74.4	60.6	75.2	57.8	39.8	36.0	32.4
P/BV	12.3	13.3	11.4	11.3	10.5	9.0	8.6	7.7
EV/Sales	9.1	9.7	8.5	7.4	6.5	5.8	5.2	4.7
EV/EBITDA	58.4	66.1	51.7	65.5	50.8	33.5	29.8	26.2
Dividend Yield (%)	1.3	0.0	0.9	0.6	0.7	0.8	1.2	1.2
FCF per share	7.2	3.5	10.3	4.9	8.6	2.7	13.3	12.2
Return Ratios (%)								
RoE	16.0	13.0	16.1	11.1	15.6	21.5	21.5	22.2
RoCE	13.7	12.6	14.7	10.8	15.7	21.1	21.1	22.5
RoIC	15.7	13.6	16.6	12.7	17.8	25.0	25.9	31.0
Working Capital Ratios								
Asset Turnover (x)	1.2	1.2	1.4	1.5	1.7	1.5	1.6	1.6
Inventory (Days)	39.7	48.0	53.3	49.4	44.3	37.5	51.1	51.1
Debtor (Days)	30.9	26.1	18.0	23.8	20.2	26.7	18.3	18.3
Creditor (Days)	80.2	58.7	77.4	67.3	54.5	71.8	70.6	70.9
Working Cap. Turnover (Days)	35.7	37.8	11.6	16.3	7.5	47.8	28.0	24.4
Leverage Ratio (x)								
Current Ratio	1.8	1.6	1.6	1.6	1.7	2.1	2.1	2.3
Interest Cover Ratio	7	6	13	16	20	91	92	98
Debt/Equity	0.2	0.2	0.1	0.1	0.0	0.1	0.0	0.0

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY25E
(INR m)								
OP/(Loss) before Tax	2,430	1,815	2,346	1,969	2,992	4,698	5,215	5,836
Depreciation	306	529	556	582	501	500	535	572
Interest & Finance Charges	314	304	161	82	54	47	52	55
Other income	-25	-21	232	-36	-197	-507	-479	-512
Direct Taxes Paid	-418	-386	-327	-313	-567	-1,095	-1,216	-1,361
(Inc)/Dec in WC	409	-527	1,055	-259	502	-3,095	1,283	95
CF from Operations	3,016	1,715	4,022	2,025	3,286	547	5,390	4,685
CF from Operating incl EO	3,016	1,715	4,022	2,025	3,286	547	5,390	4,685
(inc)/dec in FA	-383	-415	-257	-214	-122	432	-489	-200
(Pur)/Sale of Investments	112	1,061	0	0	0	-1,915	1,915	0
Others	37	4	45	29	65	303	-127	512
CF from Investments	-234	650	-212	-185	-57	-1,181	1,299	312
Issue of Shares	4	0	0	0	0	0	0	0
(Inc)/Dec in Debt	-610	41	-1,669	100	-1,250	1,062	-1,062	0
Interest Paid	-342	-212	-281	-74	-104	-47	-52	-55
Dividend Paid	-182	-2,656	0	-1,469	-918	-1,555	-2,399	-2,399
Others	-2,055	-211	-212	-224	-235	0	0	0
CF from Fin. Activity	-3,185	-3,039	-2,161	-1,667	-2,507	-540	-3,513	-2,454
Inc/Dec of Cash	-403	-674	1,649	174	723	-1,174	3,176	2,543
Opening Balance	1,367	964	289	1,938	2,112	2,835	1,661	4,837
Closing Balance	964	289	1,938	2,112	2,835	1,661	4,837	7,380

E: MOFSL Estimates

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

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://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 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.