

# Navin Fluorine International

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR5,190**

**TP: INR5,100 (-2%)**

**Neutral**

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	265.7 / 3
52-Week Range (INR)	5245 / 3160
1, 6, 12 Rel. Per (%)	10/26/38
12M Avg Val (INR M)	816

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	23.5	32.0	38.3
EBITDA	5.3	8.2	10.0
PAT	2.9	4.5	5.8
EPS (INR)	58.2	88.5	112.4
EPS Gr. (%)	26.2	52.0	27.1
BV/Sh.(INR)	529.5	729.6	818.9

## Ratios

Net D:E	0.5	0.2	0.2
RoE (%)	11.5	14.2	14.5
RoCE (%)	8.8	11.8	12.8
Payout (%)	20.6	20.6	20.6

## Valuations

P/E (x)	89.2	58.7	46.2
P/BV (x)	9.8	7.1	6.3
EV/EBITDA (x)	50.9	33.7	27.7
Div. Yield (%)	0.2	0.4	0.4
FCF Yield (%)	0.0	-0.2	0.4

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	28.0	28.4	28.8
DII	28.7	30.0	27.4
FII	21.6	20.2	18.0
Others	21.7	21.4	25.8

FII includes depository receipts

## Better pricing and operating leverage drive operating performance

### Earnings in line with our estimate

- 1QFY26 was a strong quarter for Navin Fluorine International (NFIL), with revenue rising 39% YoY, supported by strong performance across all three business segments. Revenue in HPP/specialty chemicals/CDMO grew 45%/35%/22% YoY. EBITDA grew 2x YoY, driven by operating efficiencies and a better pricing environment.
- We expect this momentum to sustain, supported by the successful commercialization of the R32 project in Mar'25, along with the stable pricing environment of refrigerant gases. Moreover, the launch of three new molecules in specialty chemicals—expected to commence in 2QFY26—and the commissioning of new capacities in 2HFY26 (in HPP and CDMO) are expected to further reinforce growth going forward.
- With new capacities expected to commercialize and the visibility of a strong order book, we broadly maintain our FY26/FY27 earnings estimates and reiterate our Neutral rating on the stock with a TP of INR5100 (45x FY27E EPS)

## HPP and specialty chemicals key growth drivers in 1QFY26

- NFIL reported revenue of INR7.3b (est. INR7.8b), up 39% YoY, driven by growth across all three segments.
- Gross margin stood at 57.6% (up 160bp), while EBITDA margin expanded 930bp YoY to 28.5%, driven by operational efficiencies and a better pricing environment.
- EBITDA stood at INR2.1b (est. in line), up 2.06x YoY, and PAT grew 2.3x YoY to INR1.2b in 1QFY26 (est. in line).
- Revenue in the HPP segment (up 45%) was driven by higher volumes and improved realizations in 1Q, supported by the successful commercialization of the R32 project in Mar'25.
- Revenue in the Specialty Chemicals segment grew 35% YoY to INR2.2b, driven by 37% growth in the international business, while the CDMO business continued its growth trajectory in 1QFY26, with revenue growing 23% YoY to INR990m.
- India's revenue grew 28% YoY, while revenue from the International business grew 44% YoY.

## Highlights from the management commentary

- **High-purity electronic grade:** The company has announced an exclusive partnership with Buss ChemTech AG, Switzerland, to commercialize high-purity electronic grade HF. It is progressing well in engaging with global electronics customers, supporting the development of its broader product portfolio.
- **HPP:** The company successfully commercialized the R32 project in Mar'25 and is currently running it at optimal capacity. With global demand for R32 accelerating, the company is actively working with international partners to further capitalize on this opportunity.

- **Capacity allocation:** The AHF capex for INR4.5b at Dahej is expected to be commissioned by the end of 2QFY26, while the Phase 1 capex of INR1.6b for cGMP4 remains on track for commissioning by the end of 3QFY26.

### Valuation and view

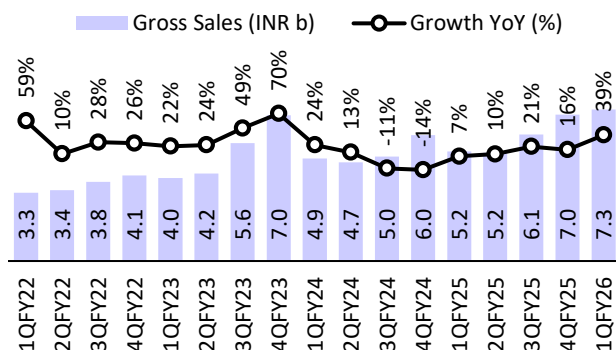
- We believe the company is well-positioned to sustain its growth momentum in FY26, supported by the commercialization of three new molecules in 2QFY26 and material contributions expected from the Fluoro Specialty unit at Dahej, which commenced operations in Dec'24.
- The medium-term outlook is further supported by: 1) a strategic partnership with Chemours to foray into high-growth advanced materials and 2) the approval of a key molecule by both the US and EU, enabling expanded applications in the CDMO segment.
- We expect a revenue/EBITDA/adj. PAT CAGR of 28%/37%/41% over FY25-27. The stock is trading at ~46x FY27E EPS of INR112.4. and 27.7x FY27E EV/EBITDA. We value the company at 45x FY27E EPS to arrive at our TP of INR5,100. Valuations remain expensive; thus, **we reiterate our Neutral rating.**

### Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY25	FY26E	FY26 1QE	Var (%)
<b>Gross Sales</b>	<b>5,237</b>	<b>5,186</b>	<b>6,062</b>	<b>7,009</b>	<b>7,254</b>	<b>7,986</b>	<b>8,184</b>	<b>8,528</b>	<b>23,494</b>	<b>31,952</b>	<b>7,788</b>	<b>-7%</b>
YoY Change (%)	6.6	9.9	21.2	16.4	38.5	54.0	35.0	21.7	13.8	36.0	48.7	
Gross Margin (%)	56.0%	56.8%	56.6%	54.2%	57.6%	54.4%	57.0%	57.4%	55.8%	56.6%	56.7%	0.8%
<b>EBITDA</b>	<b>1,004</b>	<b>1,074</b>	<b>1,473</b>	<b>1,787</b>	<b>2,068</b>	<b>1,711</b>	<b>2,101</b>	<b>2,272</b>	<b>5,337</b>	<b>8,151</b>	<b>2,026</b>	<b>2%</b>
Margin (%)	19.2	20.7	24.3	25.5	28.5	21.4	25.7	26.6	22.7	25.5	26.0	2.5
Depreciation	267	279	296	353	352	371	410	420	1,194	1,553	361	
Interest	156	139	202	283	304	291	290	279	779	1,164	286	
Other Income	103	112	105	118	139	123	125	109	437	496	121	
<b>PBT before EO expense</b>	<b>683</b>	<b>768</b>	<b>1,080</b>	<b>1,270</b>	<b>1,551</b>	<b>1,172</b>	<b>1,526</b>	<b>1,682</b>	<b>3,801</b>	<b>5,931</b>	<b>1,499</b>	<b>3%</b>
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>683</b>	<b>768</b>	<b>1,080</b>	<b>1,270</b>	<b>1,551</b>	<b>1,172</b>	<b>1,526</b>	<b>1,682</b>	<b>3,801</b>	<b>5,931</b>	<b>1,499</b>	<b>3%</b>
Tax	171	179	244	320	379	295	385	433	915	1,493	377	
Rate (%)	25.0	23.4	22.6	25.2	24.5	25.2	25.2	25.8	24.1	25.2	25.2	
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>512</b>	<b>588</b>	<b>836</b>	<b>950</b>	<b>1,172</b>	<b>877</b>	<b>1,141</b>	<b>1,249</b>	<b>2,886</b>	<b>4,438</b>	<b>1,122</b>	<b>4%</b>
<b>Adj. PAT</b>	<b>512</b>	<b>588</b>	<b>836</b>	<b>950</b>	<b>1,172</b>	<b>877</b>	<b>1,141</b>	<b>1,249</b>	<b>2,886</b>	<b>4,438</b>	<b>1,122</b>	<b>4%</b>
YoY Change (%)	-16.8	-2.9	131.2	35.0	128.8	49.1	36.5	31.4	26.3	53.8	119.2	
Margin (%)	9.8	11.3	13.8	13.6	16.2	11.0	13.9	14.6	12.3	13.9	14.4	1.7
<b>Segmental Revenue (INR m)</b>												
High Performance Products (HPP)	2,810	2,930	3,060	3,260	4,070	3,633	3,580	3,351	12,060	9,250	3,807	7%
Specialty Chemicals	1,620	1,580	2,210	2,590	2,190	2,923	3,094	3,270	8,000	6,380	2,688	-19%
CDMO	810	680	790	1,150	990	1,414	1,493	1,570	3,430	2,620	1,290	-23%

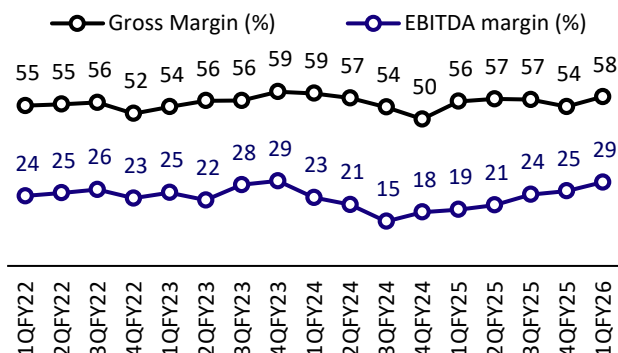
## Story in charts – 1QFY26

**Exhibit 1: Sales increased 39% YoY**



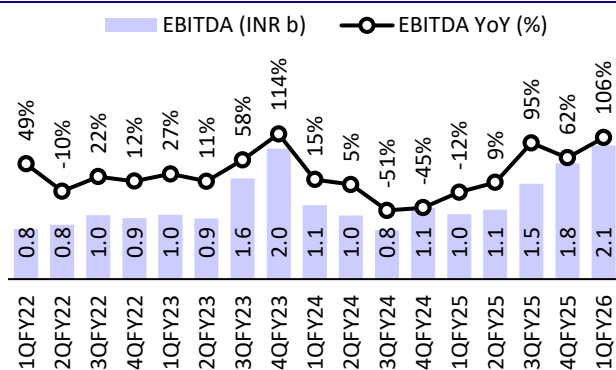
Source: Company, MOFSL

**Exhibit 2: Margin trend**



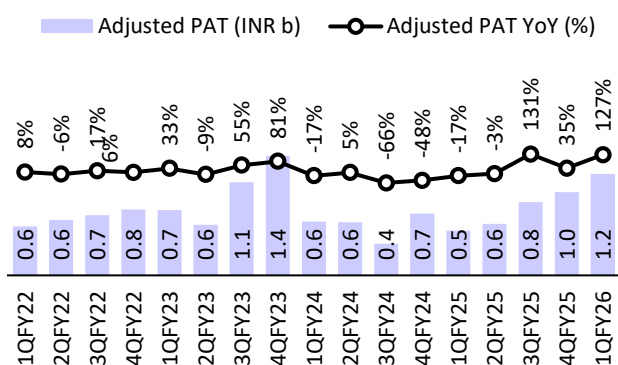
Source: Company, MOFSL

**Exhibit 3: EBITDA up 2.06x**



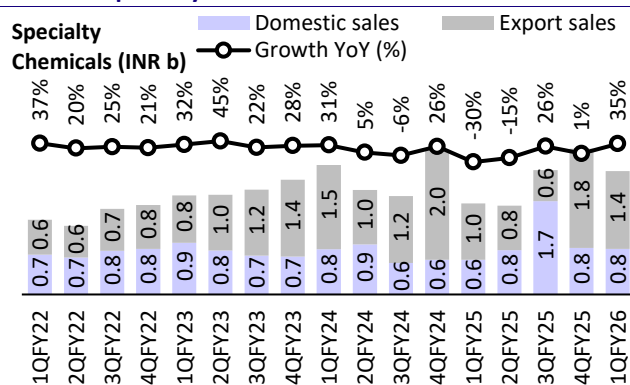
Source: Company, MOFSL

**Exhibit 4: Adjusted PAT trend**



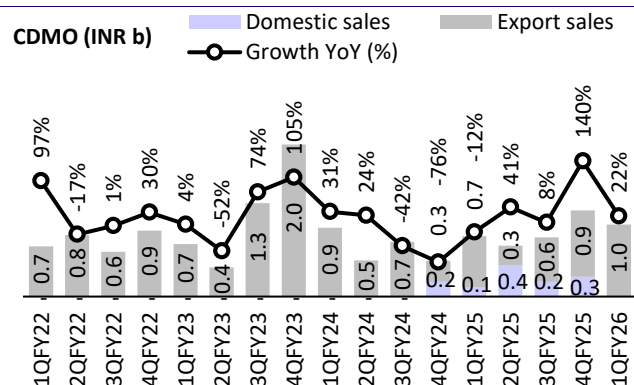
Source: Company, MOFSL

**Exhibit 5: Specialty Chemicals revenue increased 35% YoY**



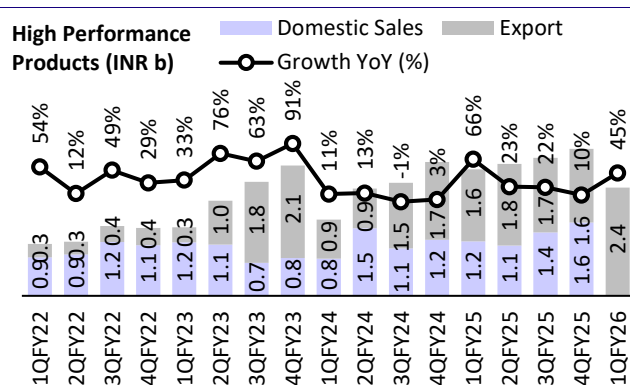
Source: Company, MOFSL

**Exhibit 6: CDMO revenue increased 22% YoY**



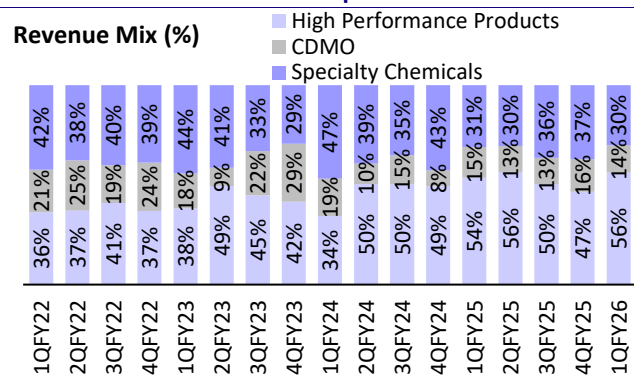
Source: Company, MOFSL

**Exhibit 7: HPP sales increased 45% YoY**



Source: Company, MOFSL

**Exhibit 8: Revenue mix for the quarter**



Source: Company, MOFSL



## Management concall highlights

### Specialty Chemicals

- The company will start supplying three new molecules in 2QFY26, with orders already in place.
- The Fluor Specialty unit at Dahej, which commenced in Dec'24, will have a meaningful contribution in FY26.
- A strategic partnership with Chemours has been announced to manufacture its proprietary product (Opteon); execution of a two-phase immersion cooling fluid project is already underway, alongside plans to foray into the high-growth advanced materials sector.
- The company is facing pricing pressure from Chinese competitors, though volume recovery is currently underway.

### CDMO

- The company has strong revenue visibility backed by a robust order book for FY26.
- Orders are expected in FY26.
- EU Major – Material order received for supply in 2QFY26.
- Another EU Major – Scale up order expected in 2QFY26.
- US Major – Commercial order expected for delivery in FY26 (Scale-up order delivered).
- Total capex for cGMP4 is INR2.9b; Phase 1 capex of INR1.6b is on track and set to be commissioned by the end of 3QFY26.
- The company possesses strong capabilities, platforms, and technologies in the CRAMS (Contract Research and Manufacturing Services) or CDMO (Contract Development and Manufacturing Organization) segment, with proven expertise in handling complex chemistries and specialty processes.

### HPP

- Capex for AHF stands at INR4.5b at Dahej and is expected to be commissioned by the end of 2QFY26.
- The company's R32 capacity is at optimum utilization. The company indicated that prices for refrigerant gases are stable.
- There will be no impact of US tariffs on refrigerant gases; however, it is too early to comment on the implications for long-term contracts.

### Capex

- The company has raised its capex from INR5b-6b to INR7b, and subsequently to INR10b, allocating funds to projects that offer the right value.
- The company has raised INR7.5b through QIP, proceeds of which will be used to strengthen the balance sheet and address fund capex requirements.

### Others

- Margin expansion – The company witnessed a 2/3<sup>rd</sup> margin expansion due to operating leverage and 1/3<sup>rd</sup> due to the overall environment (increase in demand and improvement in price realization).
- The company has raised INR7.5b through QIP, proceeds of which will be used to strengthen the balance sheet and address fund capex requirements.
- The company remains firm with its margin guidance at 25%.

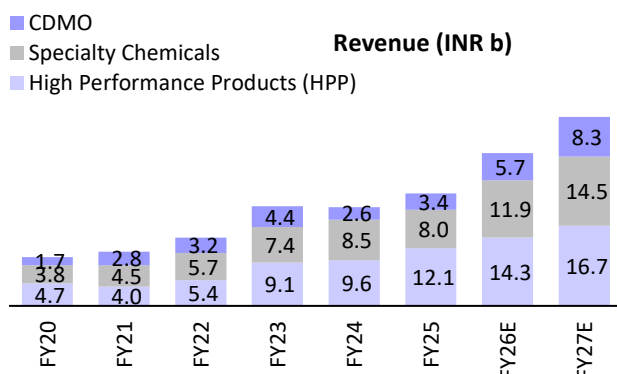
- There will be no impact of US tariffs on refrigerant gases. However, management intimated that it is too early to comment on long-term contracts.
- The company has an exclusive partnership with Buss ChemTech AG, Switzerland, to commercialize its high-purity electronic grade HF, making significant progress in engaging global customers in the electronic market. This serves as a foundation for advancing its broader product portfolio, with several products currently in the development and pilot stages.
- The company witnessed a QoQ decline, as sales are campaign-driven. Capacity utilization in the last quarter was 80%, compared to ~70% utilization in the current quarter.

#### Exhibit 9: Summary of our revised estimates

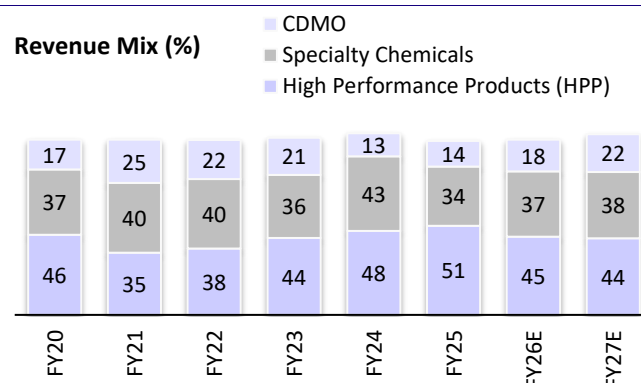
Particulars	Revised		Previous		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (INR m)	31,952	38,292	31,952	38,012	0%	1%
EBITDA (INR m)	8,151	9,979	8,053	9,858	1%	1%
PAT (INR m)	4,529	5,757	4,400	5,714	3%	1%
EPS (INR)	88.5	112.4	88.7	115.2	0%	-2%

## Financial story in charts

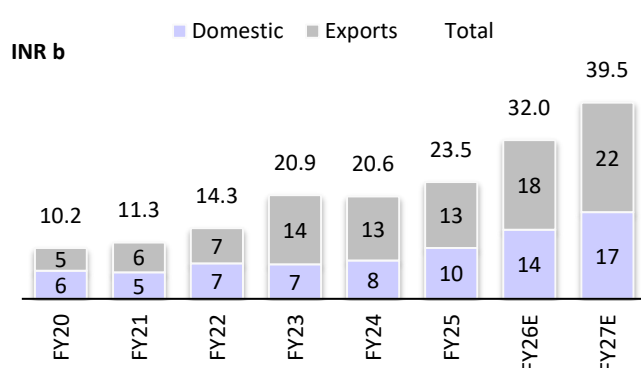
**Exhibit 10: Expect ~30% revenue CAGR over FY25-27**



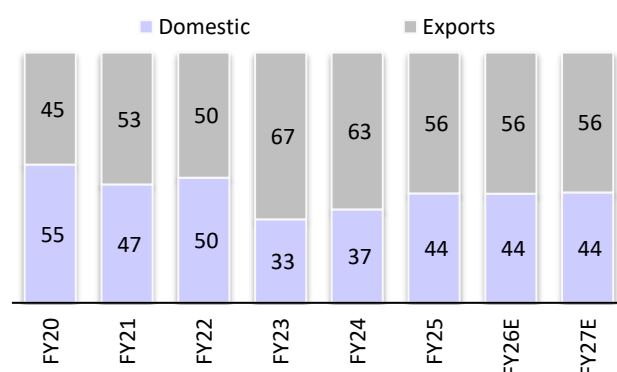
**Exhibit 11: Revenue mix**



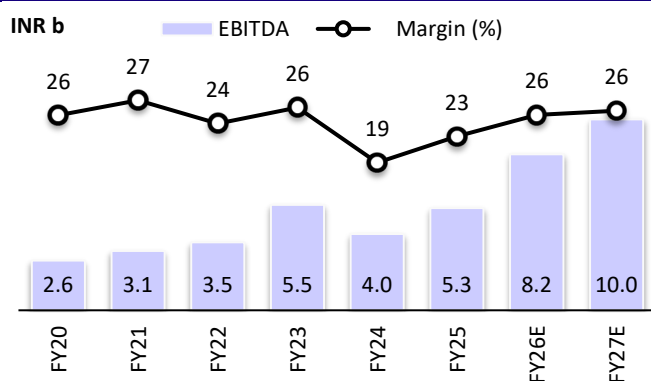
**Exhibit 12: Geographic revenue split**



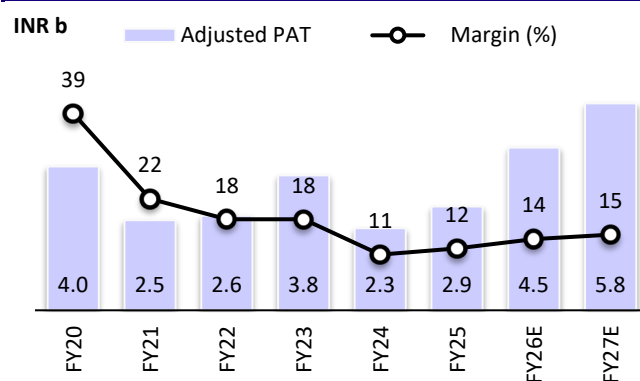
**Exhibit 13: Geographic revenue mix**



**Exhibit 14: Expect ~37% EBITDA CAGR over FY25-27...**



**Exhibit 15: ...with adj. PAT CAGR of ~41% over FY25-27**



## Financials and valuations

### Consolidated - Income Statement

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Total Income from Operations</b>	<b>10,223</b>	<b>11,331</b>	<b>14,534</b>	<b>20,774</b>	<b>20,650</b>	<b>23,494</b>	<b>31,952</b>	<b>38,292</b>
Change (%)	7.0	10.8	28.3	42.9	-0.6	13.8	36.0	19.8
Raw Materials (INR m)	4,649	5,110	6,656	8,960	9,354	10,386	13,867	16,545
Employees Cost (INR m)	1,165	1,162	1,815	2,494	2,858	2,967	3,560	4,130
Other Expenses (INR m)	1,801	1,951	2,514	3,817	4,455	4,804	6,373	7,638
<b>Total Expenditure</b>	<b>7,615</b>	<b>8,223</b>	<b>10,986</b>	<b>15,271</b>	<b>16,667</b>	<b>18,157</b>	<b>23,800</b>	<b>28,313</b>
Gross Margin (%)	54.5	54.9	54.2	56.9	54.7	55.8	56.6	56.8
<b>EBITDA</b>	<b>2,607</b>	<b>3,108</b>	<b>3,548</b>	<b>5,503</b>	<b>3,983</b>	<b>5,337</b>	<b>8,151</b>	<b>9,979</b>
Margin (%)	25.5	27.4	24.4	26.5	19.3	22.7	25.5	26.1
Depreciation	337	407	479	626	962	1,194	1,553	1,820
<b>EBIT</b>	<b>2,270</b>	<b>2,702</b>	<b>3,069</b>	<b>4,877</b>	<b>3,021</b>	<b>4,143</b>	<b>6,598</b>	<b>8,159</b>
Int. and Finance Charges	16	14	19	275	746	779	1,041	1,059
Other Income	313	745	392	357	559	437	495	594
<b>PBT bef. EO Exp.</b>	<b>2,567</b>	<b>3,433</b>	<b>3,442</b>	<b>4,959</b>	<b>2,834</b>	<b>3,801</b>	<b>6,053</b>	<b>7,694</b>
EO Items	0	662	0	0	521	0	0	0
<b>PBT after EO Exp.</b>	<b>2,567</b>	<b>4,095</b>	<b>3,442</b>	<b>4,959</b>	<b>3,355</b>	<b>3,801</b>	<b>6,053</b>	<b>7,694</b>
Total Tax	-1,431	1,103	812	1,207	650	915	1,523	1,937
Tax Rate (%)	-55.7	26.9	23.6	24.3	19.4	24.1	25.2	25.2
<b>Reported PAT</b>	<b>3,998</b>	<b>2,992</b>	<b>2,631</b>	<b>3,752</b>	<b>2,705</b>	<b>2,886</b>	<b>4,529</b>	<b>5,757</b>
<b>Adjusted PAT</b>	<b>3,998</b>	<b>2,508</b>	<b>2,631</b>	<b>3,752</b>	<b>2,285</b>	<b>2,886</b>	<b>4,529</b>	<b>5,757</b>
Change (%)	169.3	-37.3	4.9	42.6	-39.1	26.3	56.9	27.1
Margin (%)	39.1	22.1	18.1	18.1	11.1	12.3	14.2	15.0

### Consolidated - Balance Sheet

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	99	99	99	99	99	99	102	102
Total Reserves	13,790	16,402	18,343	21,750	23,728	26,163	37,254	41,827
<b>Net Worth</b>	<b>13,889</b>	<b>16,501</b>	<b>18,442</b>	<b>21,850</b>	<b>23,827</b>	<b>26,262</b>	<b>37,357</b>	<b>41,929</b>
Total Loans	0	0	1,000	8,487	13,399	14,407	10,085	11,094
Deferred Tax Liabilities	206	167	201	348	643	754	754	754
<b>Capital Employed</b>	<b>14,096</b>	<b>16,668</b>	<b>19,644</b>	<b>30,684</b>	<b>37,869</b>	<b>41,424</b>	<b>48,196</b>	<b>53,777</b>
Gross Block	4,643	4,937	5,714	17,629	20,890	30,712	37,010	43,870
Less: Accum. Deprn.	1,053	1,459	1,938	2,565	3,526	4,721	6,274	8,093
<b>Net Fixed Assets</b>	<b>3,591</b>	<b>3,478</b>	<b>3,776</b>	<b>15,065</b>	<b>17,363</b>	<b>25,992</b>	<b>30,737</b>	<b>35,777</b>
Capital WIP	389	365	7,421	2,786	7,111	3,498	4,200	4,340
<b>Total Investments</b>	<b>3,387</b>	<b>4,503</b>	<b>1,181</b>	<b>955</b>	<b>5,453</b>	<b>5,293</b>	<b>5,293</b>	<b>5,293</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>7,042</b>	<b>10,319</b>	<b>11,477</b>	<b>15,610</b>	<b>12,964</b>	<b>12,644</b>	<b>16,285</b>	<b>18,473</b>
Inventory	1,361	1,543	2,575	4,681	3,717	3,224	4,226	5,028
Account Receivables	2,093	2,759	3,577	5,615	5,125	5,824	7,921	9,493
Cash and Bank Balance	2,640	3,889	902	348	276	405	948	763
Cash	1,692	761	757	145	66	197	739	554
Bank Balance	890	3,128	201	203	209	208	208	208
Loans and Advances	947	2,128	4,423	4,966	3,847	3,190	3,190	3,190
<b>Curr. Liability and Prov.</b>	<b>1,644</b>	<b>1,998</b>	<b>4,211</b>	<b>4,609</b>	<b>5,900</b>	<b>6,880</b>	<b>9,196</b>	<b>10,983</b>
Account Payables	922	1,027	141	2,435	3,025	3,270	4,286	5,099
Other Current Liabilities	590	824	3,879	1,944	2,569	3,342	4,545	5,447
Provisions	131	147	191	231	306	269	366	438
<b>Net Current Assets</b>	<b>5,398</b>	<b>8,322</b>	<b>7,266</b>	<b>11,001</b>	<b>7,064</b>	<b>5,764</b>	<b>7,089</b>	<b>7,490</b>
<b>Appl. of Funds</b>	<b>14,096</b>	<b>16,668</b>	<b>19,644</b>	<b>30,684</b>	<b>37,869</b>	<b>41,424</b>	<b>48,196</b>	<b>53,777</b>



## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
EPS	80.8	50.7	53.1	75.7	46.1	58.2	88.5	112.4
EPS Growth (%)	169.3	-37.3	4.7	42.6	-39.1	26.2	52.0	27.1
Cash EPS	87.6	58.9	62.8	88.4	65.5	82.3	118.8	148.0
BV/Share	280.7	333.5	372.2	441.0	480.9	529.5	729.6	818.9
DPS	11.0	11.0	11.0	12.0	15.0	12.0	18.2	23.1
Payout (%)	17.9	18.2	20.7	15.8	27.4	20.6	20.6	20.6
<b>Valuation (x)</b>								
P/E	64.2	102.4	97.7	68.5	112.5	89.2	58.7	46.2
Cash P/E	59.2	88.1	82.7	58.7	79.2	63.1	43.7	35.1
P/BV	18.5	15.6	13.9	11.8	10.8	9.8	7.1	6.3
EV/Sales	24.9	22.3	17.7	12.8	13.1	11.6	8.6	7.2
EV/EBITDA	97.5	81.4	72.5	48.2	67.9	50.9	33.7	27.7
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.2	0.4	0.4
FCF per share	11.8	52.1	-101.1	-165.3	14.5	0.9	-12.9	20.5
<b>Return Ratios (%)</b>								
RoE	32.7	16.5	15.1	18.6	10.0	11.5	14.2	14.5
RoCE	32.2	16.4	14.6	15.7	8.4	8.8	11.8	12.8
RoIC	55.7	25.3	26.0	20.1	9.4	11.0	14.1	15.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.2	3.2	4.0	2.2	1.3	1.1	1.1	1.2
Asset Turnover (x)	0.7	0.7	0.7	0.7	0.5	0.6	0.7	0.7
Inventory (Days)	49	50	65	82	66	50	48	48
Debtor (Days)	75	89	90	99	91	90	90	90
Creditor (Days)	33	33	4	43	53	51	49	49
<b>Leverage Ratio (x)</b>								
Current Ratio	4.3	5.2	2.7	3.4	2.2	1.8	1.8	1.7
Net Debt/Equity ratio	-0.2	-0.2	0.0	0.4	0.6	0.5	0.2	0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,567	4,095	3,442	4,959	3,355	3,801	6,053	7,694
Depreciation	337	407	479	626	962	1,194	1,553	1,820
Others	-210	-1,054	-289	184	-86	560	1,041	1,059
Direct Taxes Paid	-456	-186	-781	-1,098	-343	-780	-1,523	-1,937
(Inc.)/Dec. in WC	-684	-305	-2,104	-5,308	3,611	933	-783	-586
<b>CF from Operations</b>	<b>1,555</b>	<b>2,958</b>	<b>748</b>	<b>-636</b>	<b>7,499</b>	<b>5,708</b>	<b>6,340</b>	<b>8,050</b>
Capex	-972	-382	-5,758	-7,555	-6,783	-5,665	-7,000	-7,000
<b>Free Cash Flow</b>	<b>582</b>	<b>2,576</b>	<b>-5,011</b>	<b>-8,191</b>	<b>717</b>	<b>43</b>	<b>-660</b>	<b>1,050</b>
Change in Investments	1,706	-914	3,757	799	-4,313	402	0	0
<b>CF from Investments</b>	<b>766</b>	<b>-3,452</b>	<b>-1,724</b>	<b>-6,556</b>	<b>-10,936</b>	<b>-5,110</b>	<b>-7,000</b>	<b>-7,000</b>
Inc./(Dec.) in Debt	0	0	1,020	7,442	4,913	1,014	-4,322	1,009
Interest Paid	-16	-14	-19	-275	-746	-786	-1,041	-1,059
Dividend Paid	-714	-394	-542	-543	-743	-595	-932	-1,185
<b>CF from Fin. Activity</b>	<b>-756</b>	<b>-437</b>	<b>415</b>	<b>6,579</b>	<b>3,359</b>	<b>-467</b>	<b>1,202</b>	<b>-1,235</b>
<b>Inc./Dec. in Cash</b>	<b>1,565</b>	<b>-931</b>	<b>-561</b>	<b>-613</b>	<b>-78</b>	<b>131</b>	<b>543</b>	<b>-185</b>
Opening Balance	127	1,692	760	758	144	67	197	740
<b>Closing Balance</b>	<b>1,692</b>	<b>760</b>	<b>758</b>	<b>144</b>	<b>67</b>	<b>197</b>	<b>740</b>	<b>554</b>

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



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](http://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](http://www.nseindia.com), [www.bseindia.com](http://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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).  
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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.