

Kaynes Technologies

BSE SENSEX 81,688 S&P CNX 25,015

CMP: INR5,049 TP: INR6,400 (+27%) BUY



Stock Info

	KAYNES IN
Bloomberg	KAYNES IN
Equity Shares (m)	64
M.Cap.(INRb)/(USD\$)	323.2 / 3.8
52-Week Range (INR)	5811 / 2158
1, 6, 12 Rel. Per (%)	4/77/82
12M Avg Val (INR M)	1053
Free Float (%)	42.2

Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	30.5	47.3	70.0
EBITDA	4.6	7.6	11.3
Adj. PAT	3.4	6.0	9.2
EBITDA Margin (%)	15.2	16.0	16.1
Cons. Adj. EPS (INR)	53.4	94.2	143.7
EPS Gr. (%)	86.2	76.3	52.6
BV/Sh. (INR)	442.5	536.7	680.4

Ratios

Net D:E	-0.4	-0.4	-0.3
RoE (%)	12.8	19.2	23.6
RoCE (%)	13.8	18.9	23.2

Valuations

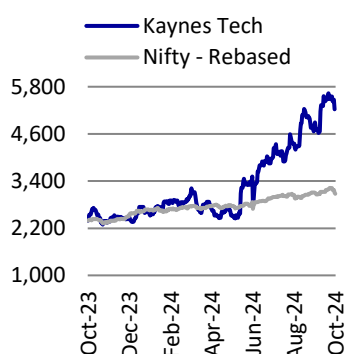
P/E (x)	95	54	35
EV/EBITDA (x)	67	41	27

Shareholding Pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	57.8	57.8	63.6
DII	17.9	18.4	13.1
FII	14.3	14.2	8.0
Others	10.0	9.6	15.3

FII includes depository receipts

Stock Performance (1-year)



Scaling up the smart meter business amid growing market demand

Kaynes Technologies (KAYNES) is rapidly scaling up its smart meter business to tap the huge 250m (INR750b) smart meter market over the next few years. The company has recently inaugurated its electronics manufacturing facility in Hyderabad for the production of smart meters, and has acquired its client Iskraemeco.

- Smart meters are gaining momentum due to India's RDSS scheme, which aims to replace 250m conventional meters by CY25. As of Sep'24, only 14.5m meters have been installed, but the installation rates are projected to rise, presenting a substantial INR632.8b opportunity for Advanced Metering Infrastructure Service Providers (AMISPs) and System Integrators (SIs).
- While KAYNES already manufactures smart meters for clients such as Iskraemeco and L&T from its Mysore facility, it has recently opened a large Hyderabad plant with a capacity of 4m meters annually. The company has also acquired Iskraemeco India (AMISPs/SI) for INR492.86m, enhancing its manufacturing and customer service capabilities. This acquisition enables KAYNES to offer installation and after-sales services while expanding into smart meters for other utilities (gas or water).
- KAYNES has launched a fully automated facility in Hyderabad, producing 3,000 smart meters daily (4m meters p.a.). The company's plans to add another building next year thereby increasing the capacity to 10m meters annually, supporting future expansions.

Smart meters – a short-term boon

- Smart meters are gaining momentum following the Government of India's Revamped Distribution Sector Scheme (RDSS) launched in July'21, which focuses on replacing conventional meters with smart meters to reduce Aggregate Technical & Commercial (AT&C) losses and eliminate the cost-tariff gap for state distribution utilities (discoms).
- As of Sep'24, 222m meters have been sanctioned, of which 111.7m meters have been awarded to AMISPs or SIs.
- However, only 14.5m smart meters have been installed, falling far short of GOI's target to replace 250m conventional meters by CY25.
- Despite slow progress, we anticipate a sharp increase in installations over the next two years. Additionally, tendering activity is expected to remain high in the near to medium term due to the pending award of 104.7m meters, offering significant opportunities for AMISPs and SIs.
- The total opportunity for AMISPs translates into ~INR632.8b, i.e. 207.9m meters (of the total 222m meters, 14.5m meters have already been installed) at a price of ~INR3,000 per meter (including the manufacturing cost of INR2,000-INR2,500 and the balance for services).
- Of the 111.7m awarded meters, KAYNES expects to gain substantial market share in this segment (~20m meters opportunity; INR60b-INR65b over the next three to four years) as its customers include two of the best global companies.

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Meet Jain (Meet.Jain@MotilalOswal.com) | Omkar Shintre (Omkar.Shintre@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.

- Further, KAYNES will have an additional revenue stream (post acquisition of Iskraemeco) in the form of a **maintenance charge** of INR100-INR125 per meter per month for 10 years, following the installation that AMISPs will charge to Discoms.

Strengthening its position in the smart meters universe

- KAYNES has been manufacturing smart meters from its Mysore facility in India for key clients such as Iskraemeco and L&T.
- With strong expertise in the EMS space, the company has also recently inaugurated a large facility (~46 acres in Hyderabad) dedicated to the manufacturing of smart meters (4m meters p.a.).
- To further strengthen its position in the fast-growing smart meter industry, **KAYNES has recently acquired 100% stake in Iskraemeco India Private Limited** for a purchase consideration of INR492.86m.
- Iskraemeco is engaged in the business supply, installation, operations, and maintenance of smart meters in India, with an annual turnover of INR654.2m in FY24. It is one of the AMISPs/SIs with an in-hand order book of ~3.5m meters from Power Grid Corporation of India Ltd (PGCIL) -Gujarat. This order is slated to be delivered over the next 1-1.5 years and would translate into a potential short-term revenue of ~INR10.5b for KAYNES.
- With this acquisition, KAYNES aims to become a full-fledged smart meter company, with offerings ranging from manufacturing to providing maintenance services. With this acquisition, the company will gain the technical know-how for smart meters (including the software part) and foray into the smart meter market for other end uses (gas or water).
- KAYNES, through Iskraemeco, has already received an order from PGCIL to install ~3.5m smart meters in Gujarat and is expecting more orders from other states such as West Bengal government.
- KAYNES will not only operate as an EMS company to manufacture smart meters for its clients but also provide installation and after-sales services for orders received through Iskraemeco.
- KAYNES expects to generate annual revenue of ~INR8b-INR10b from smart meters from FY26 onwards (i.e. ~17-21% of FY26E consolidated revenue), with anticipated revenue of ~INR4b-INR5b in FY25.
- The margins from this segment are better than the current margin profile of KAYNES, thus expecting to drive up overall margins going forward.
- The asset turn of this business will be 6-8x (mostly near 8x as it is a product-focused business) while working capital is ~90 days.

Advanced smart meter facility with potential for future growth

- KAYNES has set up a new facility in Hyderabad, which can produce 3,000 meters per day (one product to be made in every nine seconds) in one assembly line. The company will install two more lines going forward, taking the total capacity to 4m meters p.a.
- This is a fully automated facility with SMT lines, injection molding, and assembly units, involving minimal human intervention. Further, KAYNES uses robots to transport raw materials to the SMT line and pack the final products.

- The facility is only a small part of the large 46-acre land parcel that KAYNES owns and will incorporate further expansions going forward.
- The company plans to add another building next year, taking the total annual capacity to 10m meters.

Valuation and view

- KAYNES is a prominent end-to-end and IoT-enabled integrated electronics manufacturer with strong order book growth (85% CAGR over FY20-FY24) and a higher share of Box Build (~42% in FY24) and PCBA (~55%).
- We estimate a revenue/EBITDA/Adj. PAT CAGR of 57%/64%/71% over FY24-FY27, driven by a healthy order book growth trajectory and a better margin profile (increasing mix of high-value orders).
- **We reiterate our BUY rating on the stock with a TP of INR6,400 (premised on 60x Jun'26E EPS).**

Exhibit 1: Opportunity size of the smart meter industry

Particulars	million meters	Opportunity (INRb)		
		Manufacturing	AMC (annual)	Total
Total required meters	250.0	750	25	775
Sanctioned meters*	222.5	667	22	690
Awarded meters*	117.7	353	12	365
Pending sanctions	104.8	314	10	325
Installed meters to date	14.5	44	1	45
Meters yet to be installed	103.2	310	10	320
KAYNES' potential orders out of the awarded meters	20	60	2	62

*as of 2nd Oct'24

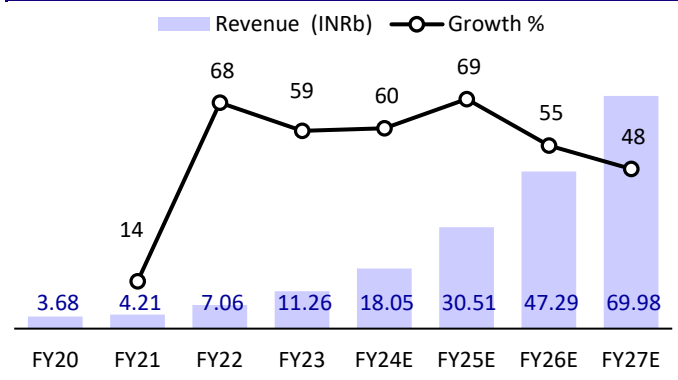
Source: National Smart Grid Mission, MOFSL

Exhibit 2: Smart meters' status as of 2nd Oct'24

State	Total Sanctioned	Total Awarded	% Awarded	Cumulative Installed	% Progress
Uttar Pradesh	3,09,78,280	3,09,78,280	100%	13,07,567	4%
Tamil Nadu	3,01,40,849	1,40,849	0%	1,29,641	92%
Maharashtra	2,35,64,747	2,35,64,747	100%	2,88,365	1%
West Bengal	2,12,08,759	37,24,273	18%	1,09,802	3%
Bihar	1,72,08,939	1,36,98,600	80%	47,40,162	35%
Gujarat	1,65,10,860	1,07,94,960	65%	1,28,866	1%
Rajasthan	1,49,00,527	6,25,571	4%	6,14,307	98%
Madhya Pradesh	1,34,44,401	48,84,284	36%	12,49,446	26%
Kerala	1,32,90,166	805	0%	805	100%
Punjab	98,30,007	10,45,200	11%	8,02,826	77%
Assam	69,21,329	70,16,629	101%	26,37,589	38%
Chhattisgarh	59,62,115	70,70,288	119%	2,72,873	4%
Andhra Pradesh	56,10,846	56,10,846	100%	1,90,089	3%
Himachal Pradesh	29,52,685	10,70,832	36%	1,58,241	15%
Jammu and Kashmir	21,34,095	20,72,762	97%	6,07,622	29%
Uttarakhand	15,84,205	15,84,205	100%	-	0%
Jharkhand	13,41,306	10,41,772	78%	-	0%
Haryana	10,00,000	10,00,000	100%	8,47,467	85%
Goa	7,41,160	-	0%	-	-
Tripura	5,47,489	4,15,647	76%	-	0%
Meghalaya	4,60,000	-	0%	-	-
Puducherry	4,03,767	-	0%	-	-
Nagaland	3,17,210	3,17,210	100%	-	0%
Mizoram	2,90,039	656	0%	656	100%
Arunachal Pradesh	2,87,446	2,86,940	100%	-	0%
Delhi	2,60,000	2,60,000	100%	2,60,000	100%
Andaman and Nicobar	1,58,773	75,200	47%	75,200	100%
Manipur	1,54,400	1,54,400	100%	-	0%
Sikkim	1,44,680	1,44,680	100%	-	0%
Ladakh	58,930	58,930	100%	55,580	94%
Chandigarh	29,433	29,433	100%	24,214	82%
Telangana	8,882	8,882	100%	8,882	100%
Odisha	4,500	4,500	100%	4,500	100%
Total	22,24,50,825	11,76,81,381	53%	1,45,14,700	12%

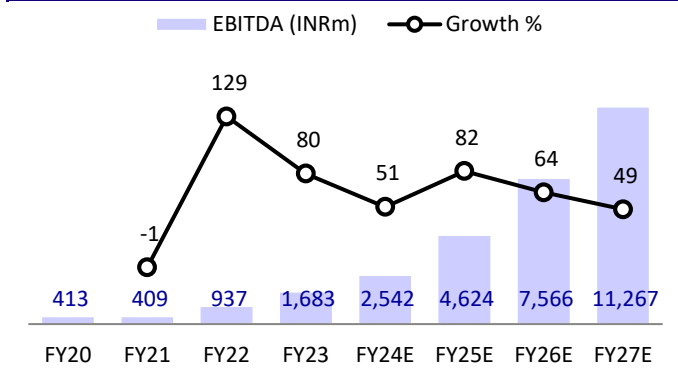
Source: National Smart Grid Mission, MOFSL

Exhibit 3: Strong revenue growth trajectory...



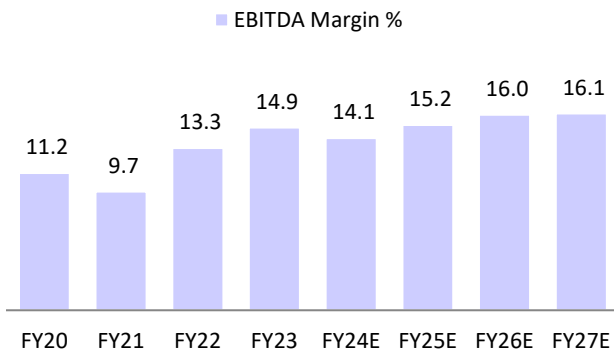
Source: MOFSL, Company

Exhibit 4: ...with EBITDA growing at a faster pace, led by...



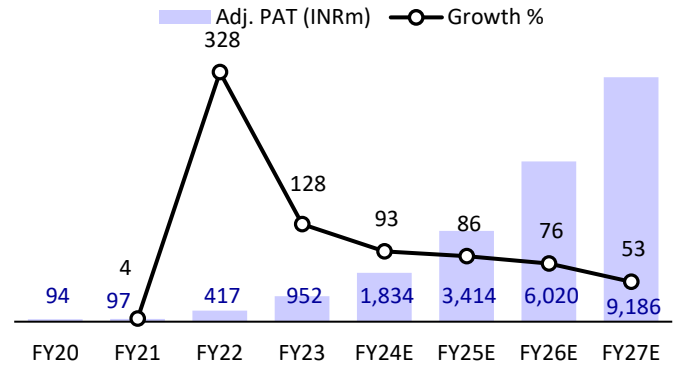
Source: MOFSL, Company

Exhibit 5: ...expanding EBITDA margin



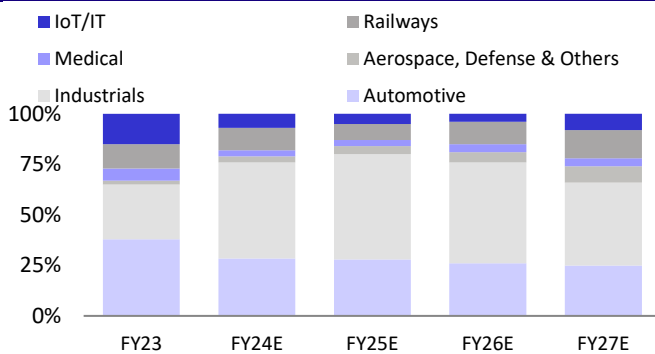
Source: MOFSL, Company

Exhibit 6: Adj. PAT trend



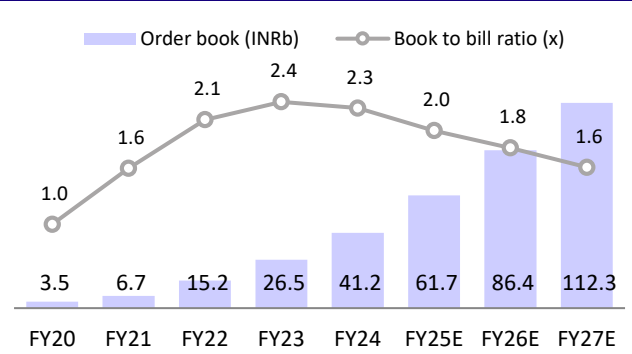
Source: MOFSL, Company

Exhibit 7: KAYNES' revenue mix



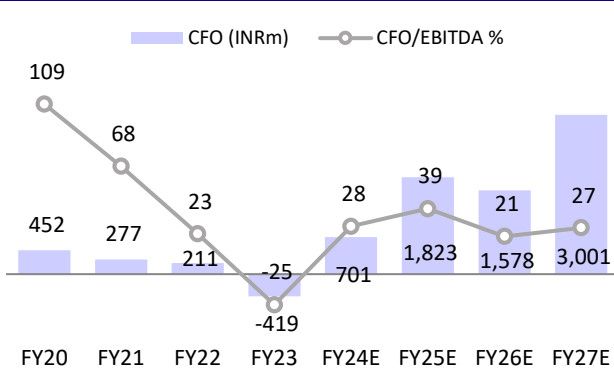
Source: Company, MOFSL

Exhibit 8: Strong order book trend



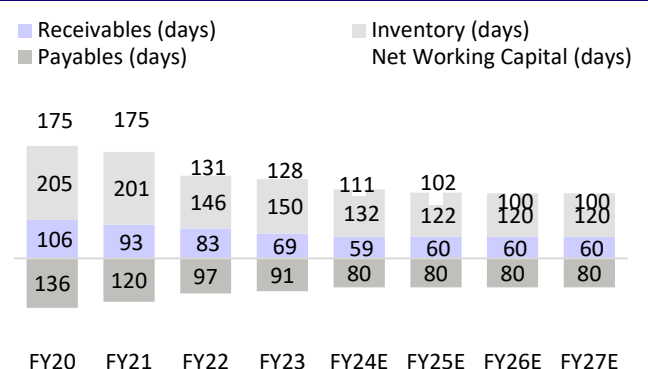
Source: Company, MOFSL

Exhibit 9: Healthy CFO generation...



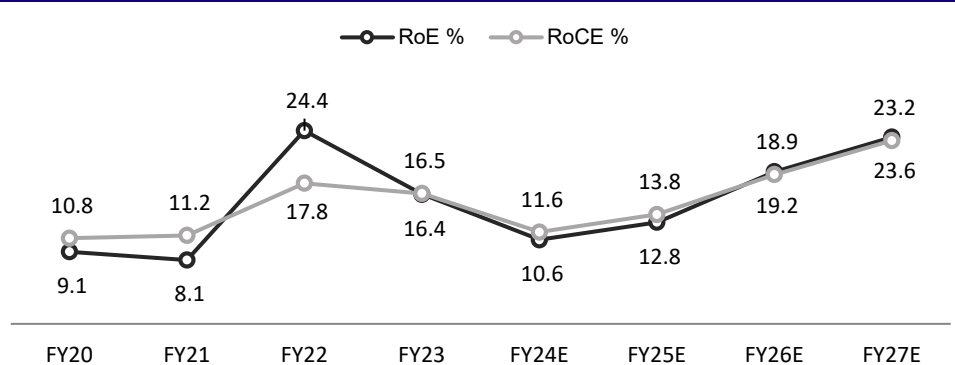
Source: Company, MOFSL

Exhibit 10: ...led by improved working capital days



Source: Company, MOFSL

Exhibit 11: Return ratios to improve going forward



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	3,682	4,206	7,062	11,261	18,046	30,507	47,286	69,983
Change (%)	1.1	14.2	67.9	59.4	60.3	69.1	55.0	48.0
RM Cost	2,417	2,861	4,894	7,801	13,299	22,303	34,282	50,738
Employees Cost	424	459	602	771	1,028	1,573	2,459	3,639
Other Expenses	428	477	629	1,006	1,178	2,008	2,979	4,339
Total Expenditure	3,269	3,797	6,126	9,578	15,505	25,883	39,720	58,716
% of Sales	88.8	90.3	86.7	85.1	85.9	84.8	84.0	83.9
EBITDA	413	409	937	1,683	2,542	4,624	7,566	11,267
Margin (%)	11.2	9.7	13.3	14.9	14.1	15.2	16.0	16.1
Depreciation	84	101	132	187	251	417	582	728
EBIT	330	308	805	1,496	2,290	4,206	6,984	10,539
Int. and Finance Charges	236	240	256	349	533	822	404	317
Other Income	19	40	41	114	559	913	946	1,260
PBT bef. EO Exp.	113	109	590	1,260	2,317	4,297	7,526	11,482
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	113	109	590	1,260	2,317	4,297	7,526	11,482
Total Tax	19	11	174	308	483	883	1,505	2,296
Tax Rate (%)	17.1	10.5	29.4	24.5	20.8	20.5	20.0	20.0
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	94	97	417	952	1,834	3,414	6,020	9,186
Adjusted PAT	94	97	417	952	1,834	3,414	6,020	9,186
Change (%)	-3.8	4.0	328.2	128.4	92.7	86.2	76.3	52.6
Margin (%)	2.5	2.3	5.9	8.5	10.2	11.2	12.7	13.1

Consolidated - Balance Sheet

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	68	68	462	581	639	639	639	639
Preference Capital	0	11	4	0	0	0	0	0
Total Reserves	959	1,308	1,560	9,009	24,230	27,644	33,664	42,850
Net Worth	1,027	1,387	2,026	9,590	24,869	28,283	34,304	43,489
Minority Interest	6	9	11	13	16	16	16	16
Total Loans	1,643	1,526	1,779	1,359	3,061	2,561	2,061	1,561
Deferred Tax Liabilities	79	52	68	77	102	102	102	102
Capital Employed	2,755	2,974	3,884	11,039	28,047	30,961	36,482	45,167
Gross Block	930	1,181	1,544	1,925	3,831	5,797	7,615	9,178
Less: Accum. Deprn.	382	483	615	802	1,054	1,471	2,053	2,781
Net Fixed Assets	547	698	929	1,123	2,777	4,325	5,562	6,397
Goodwill on Consolidation	23	23	23	23	152	152	152	152
Capital WIP	119	126	83	293	1,051	1,335	1,017	953
Total Investments	16	17	15	33	1,318	1,318	1,318	1,318
Current Investments	0	0	0	0	0	0	0	0
Curr. Assets, Loans & Adv.	3,075	3,330	5,173	12,715	27,354	30,550	38,785	51,667
Inventory	1,511	1,639	2,264	4,132	5,483	7,455	11,271	16,681
Account Receivables	937	1,218	1,977	2,271	3,556	5,015	7,773	11,504
Cash and Bank Balance	123	143	216	4,860	15,256	14,420	14,539	16,483
Loans and Advances	504	331	716	1,453	3,060	3,661	5,201	6,998
Curr. Liability & Prov.	1,027	1,219	2,340	3,148	4,605	6,719	10,351	15,320
Account Payables	921	954	1,641	2,229	3,610	4,888	7,514	11,121
Other Current Liabilities	76	226	648	857	920	1,678	2,601	3,849
Provisions	30	39	52	62	74	153	236	350
Net Current Assets	2,048	2,110	2,833	9,567	22,750	23,831	28,433	36,347
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	2,755	2,974	3,884	11,039	28,047	30,961	36,482	45,167

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	13.8	14.3	9.0	16.4	28.7	53.4	94.2	143.7
Cash EPS	26.1	29.1	11.9	19.6	32.6	59.9	103.3	155.1
BV/Share	151.0	203.9	43.9	164.9	389.1	442.5	536.7	680.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	367.0	352.8	559.3	308.4	176.0	94.5	53.6	35.1
Cash P/E	193.6	173.3	425.0	257.7	154.8	84.2	48.9	32.6
P/BV	33.4	24.8	115.1	30.6	13.0	11.4	9.4	7.4
EV/Sales	9.7	8.5	33.2	25.8	17.2	10.2	6.6	4.4
EV/EBITDA	86.8	87.4	250.5	172.4	122.2	67.2	41.0	27.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF Per Share	20.6	4.0	-4.6	-17.2	-32.7	-6.7	1.2	23.5
Return Ratios (%)								
RoE	9.1	8.1	24.4	16.4	10.6	12.8	19.2	23.6
RoCE	10.8	11.2	17.8	16.5	11.6	13.8	18.9	23.2
RoIC	10.9	10.7	18.2	24.0	22.3	27.5	33.4	36.6
Working Capital Ratios								
Fixed Asset Turnover (x)	4.0	3.6	4.6	5.9	4.7	5.3	6.2	7.6
Asset Turnover (x)	1.0	1.0	1.1	0.8	0.6	0.8	1.0	1.2
Inventory (Days)	205	201	146	150	132	122	120	120
Debtor (Days)	106	93	83	69	59	60	60	60
Creditor (Days)	136	120	97	91	80	80	80	80
Leverage Ratio (x)								
Current Ratio	3.0	2.7	2.2	4.0	5.9	4.5	3.7	3.4
Interest Cover Ratio	1.4	1.3	3.1	4.3	4.3	5.1	17.3	33.3
Net Debt/Equity	1.5	1.0	0.8	-0.4	-0.5	-0.4	-0.4	-0.3

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	113	109	590	1,260	2,317	4,297	7,526	11,482
Depreciation	84	101	132	187	251	417	582	728
Interest & Finance Charges	228	233	-11	-100	-27	-91	-541	-943
Direct Taxes Paid	-19	-28	-22	-503	-483	-883	-1,505	-2,296
(Inc)/Dec in WC	44	-137	-743	-1,629	-1,358	-1,918	-4,483	-5,969
CF from Operations	451	277	-53	-784	701	1,823	1,578	3,001
Others	2	0	265	365	0	0	0	0
CF from Operating incl EO	452	277	211	-419	701	1,823	1,578	3,001
(Inc)/Dec in FA	-312	-250	-422	-581	-2,792	-2,250	-1,500	-1,500
Free Cash Flow	140	27	-211	-1,001	-2,091	-427	78	1,501
(Pur)/Sale of Investments	205	2	-33	0	0	0	0	0
Others	8	7	11	-4,352	-12,261	913	946	1,260
CF from Investments	-99	-241	-445	-4,933	-15,052	-1,337	-554	-240
Issue of Shares	0	270	228	6,600	13,436	0	0	0
Inc/(Dec) in Debt	-118	-44	301	-336	1,702	-500	-500	-500
Interest Paid	-236	-240	-256	-349	-533	-822	-404	-317
Dividend Paid	0	0	0	0	0	0	0	0
Others	0	-6	0	-371	-320	0	0	0
CF from Fin. Activity	-354	-19	272	5,543	14,285	-1,322	-904	-817
Inc/Dec of Cash	-1	17	38	191	-67	-835	119	1,944
Opening Balance	8	126	143	216	4,860	15,255	14,420	14,539
Other Cash & Cash Equivalent	115	0	35	4,453	10,462	0	0	0
Closing Balance	123	143	216	4,860	15,255	14,420	14,539	16,483

Investment in securities market is 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.raiani@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 dp@grievances@motilaloswal.com.