

Deepak Nitrite

Estimate change

TP change

Rating change



Bloomberg	DN IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	253.2 / 2.9
52-Week Range (INR)	3095 / 1775
1, 6, 12 Rel. Per (%)	-4/-10/-37
12M Avg Val (INR M)	679

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	82.8	86.5	92.9
EBITDA	10.9	12.0	14.1
PAT	7.0	7.7	8.9
EPS (INR)	51.1	56.6	65.2
EPS Gr. (%)	-7.3	10.7	15.2
BV/Sh.(INR)	395.1	443.3	499.0

Ratios

Net D:E	0.1	0.3	0.4
RoE (%)	13.7	13.5	13.8
RoCE (%)	11.9	10.7	10.4
Payout (%)	14.7	14.7	14.7

Valuations

P/E (x)	35.8	32.4	28.1
P/BV (x)	4.6	4.1	3.7
EV/EBITDA (x)	23.6	22.2	19.5
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-2.0	-2.9	-2.4

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	49.3	49.3	49.2
DII	22.6	23.2	21.2
FII	6.7	6.7	6.9
Others	21.4	20.9	22.7

FII includes depository receipts

CMP: INR1,857

TP: INR1,630 (-12%)

Sell

Margin hit by pricing pressure

- Deepak Nitrite (DN) reported a muted operating performance in 1QFY26, as EBITDA declined by 39% YoY to INR1.9b. Gross margin contracted by 280bp YoY to 28% and EBITDA margins contracted by 420bp, led by the persistent pricing pressure and a slower-than-expected recovery in some agrochemical intermediates.
- Amid a volatile geopolitical environment and shifting global trade dynamics, DN reported volume growth across its diverse product portfolio, driven by a strong recovery in demand from non-agrochemical applications.
- Considering a muted performance and macroeconomic headwinds, we cut our EPS estimates by 9% for FY26 and largely maintain our FY27 estimates. We value the stock at 25x FY27E EPS to arrive at a TP of INR1,630. Reiterate Sell.

Phenolics and Intermediates segments face margin headwinds

- 1Q revenue rose 3% YoY to INR19b (our est. INR19.3b), which included government incentive income of INR170m.
- EBITDA declined 39% YoY to INR1.9b (our est. INR2b). EBITDA, adjusted for government incentive, was INR1.7b.
- Gross margin came in at 28% (down 280bp YoY), while EBITDAM stood at 10% (down 420bp YoY).
- Reported PAT declined 45% YoY to INR1.1b (in line with est.), down 20% YoY.
- Advanced Intermediates revenue stood at INR6b (down 15% YoY), EBIT declined 47% YoY to INR355m, and EBIT margin came in at ~5.9% (down 340bp YoY).
- Phenolics revenue stood at INR13b (down 11% YoY), EBIT declined 43% YoY to INR1.2b, and EBIT margin came in at ~9% (down 340bp YoY).

Highlights from the management commentary

- **Guidance and outlook:** For the MIBK product (Methyl Isobutyl ketone), management expects merchant revenue of ~INR5.5b. Planned capex for FY26 stands at INR8b-10b. Peak debt is projected at INR70b-75b. For the polycarbonate project, management anticipates a payback period of 5-5.5 years with IRR of 16-18%.
- **Macro environment:** DN navigated a challenging global environment, marked by a slower-than-expected recovery in agrochemicals, pricing pressure from Chinese oversupply, and heightened geopolitical uncertainties. Management expects potential US tariff impacts to be moderate, given the limited consolidated exposure of 2.5-3%, and underscored India's distinct advantage of balanced supply and demand-led growth.
- **Pricing:** In the Advanced Intermediates segment, DN faced pricing pressures, while the phenolics segment benefited from better realizations, supported by bottlenecking and capacity augmentation initiatives. MIBK prices remained highly volatile, particularly over the past six months. In 1Q, phenolics spreads improved QoQ, although segment revenue declined 6%.

Valuation and view

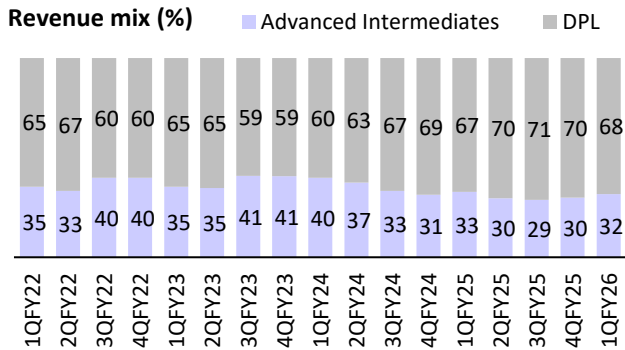
- Despite capacity expansion, new projects, process optimization, and a focus on innovation and sustainability, we expect DN's performance to be weighed down by industry-wide challenges.
- A slower-than-expected recovery in some agrochemical intermediates, persistent oversupply from China, and rapidly evolving geopolitical developments continue to exert pricing pressure and add to pressure on operational performance.
- DN aims to become the largest player in the solvents market by focusing on import substitution. It is foraying into PC (165ktpa), Methyl Isobutyl Ketone (MIBK, 40ktpa), Methyl Isobutyl Carbinol (MIBC, 8ktpa), and Sodium Nitrite/Nitrate, among other products. These products are taking shape and are likely to be commissioned in FY26. Some other previously announced capex projects have already been commissioned (fluorination plant, specialty salts unit).
- We cut our EPS estimates by 9% for FY26 and largely maintain our FY27 estimates. The stock trades at ~28x FY27E EPS of INR65.2 and ~19.5x FY27E EV/EBITDA. We expect a CAGR of 6%/14%/13% in revenue/EBITDA/adj. PAT over FY25-27 and value the stock at 25x FY27E EPS to arrive at a TP of INR1,630. Reiterate Sell.

Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Gross Sales	21,668	20,320	19,034	21,797	18,899	21,073	22,744	23,738	82,819	86,453	19,306	-2%
YoY Change (%)	22.5	14.3	-5.3	2.5	-12.8	3.7	19.5	8.9	7.8	4.4	-10.9	
Gross Margin (%)	30.8%	32.0%	26.8%	30.6%	28.0%	30.7%	32.0%	33.0%	30.1%	31.1%	28.1%	-0.1%
EBITDA	3,092	2,975	1,685	3,166	1,896	2,853	3,418	3,797	10,918	11,963	2,001	-5%
Margin (%)	14.3	14.6	8.9	14.5	10.0	13.5	15.0	16.0	13.2	13.8	10.4	-0.3
Depreciation	475	485	482	513	513	525	560	600	1,954	2,198	537	
Interest	58	63	61	93	81	102	107	113	275	403	97	
Other Income	188	213	210	228	246	237	225	291	839	998	218	
PBT before EO expense	2,748	2,640	1,352	2,788	1,547	2,462	2,976	3,375	9,528	10,360	1,586	-2%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	2,748	2,640	1,352	2,788	1,547	2,462	2,976	3,375	9,528	10,360	1,586	-2%
Tax	723	698	371	762	425	621	751	846	2,554	2,643	399	
Rate (%)	26.3	26.4	27.4	27.3	27.5	25.2	25.2	25.1	26.8	25.5	25.2	
Reported PAT	2,025	1,942	981	2,025	1,123	1,841	2,225	2,529	6,974	7,717	1,187	-5%
Adj PAT	2,025	1,942	981	2,025	1,123	1,841	2,225	2,529	6,974	7,717	1,187	-5%
YoY Change (%)	35.1	-5.3	-51.4	3.4	-44.6	-5.2	126.8	24.8	-7.3	10.7	-41.4	
Margin (%)	9.3	9.6	5.2	9.3	5.9	8.7	9.8	10.7	8.4	8.9	6.1	-0.2
Segmental Revenue (INR m)												
Advanced Intermediates	7,157	6,060	5,517	6,539	6,053	6,181	6,620	6,866	23,266	21,790	5,829	4%
Phenolic	14,636	14,435	13,657	15,323	13,040	15,012	16,252	17,008	34,194	33,579	13,591	-4%
Segmental EBIT (INR m)												
Advanced Intermediates	665	475	169	449	355	603	725	808	3,989	3,548	470	-25%
Phenolic	2,076	2,149	1,212	2,393	1,179	2,063	2,290	2,369	3,917	4,351	1,851	-36%
Segmental EBIT Margin (%)												
Advanced Intermediates	9.3%	7.8%	3.1%	6.9%	5.9%	9.7%	11.0%	11.8%	17.1%	16.3%	8.1%	-2.2%
Phenolic	14.2%	14.9%	8.9%	15.6%	9.0%	13.7%	14.1%	13.9%	11.5%	13.0%	13.6%	-4.6%

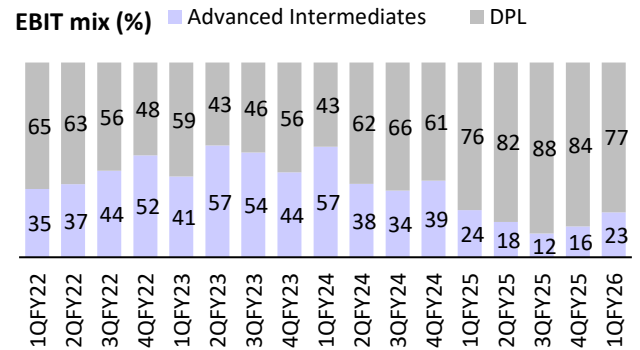
1QFY26 in charts

Exhibit 1: Contribution of Phenolics to total revenue increased to 68% in 1QFY26 from 67% in 1QFY25



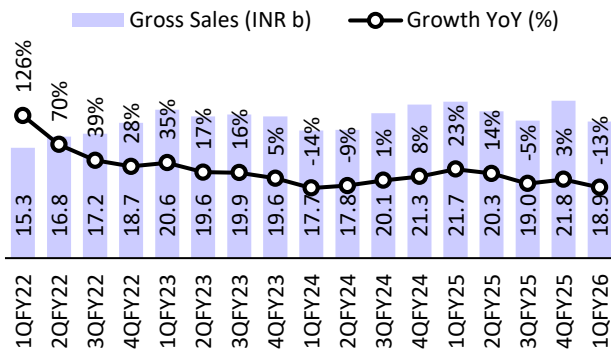
Source: Company, MOFSL

Exhibit 2: EBIT mix improved



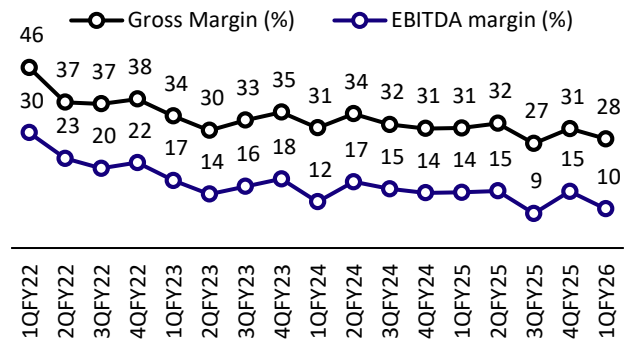
Source: Company, MOFSL

Exhibit 3: Sales down 13% YoY



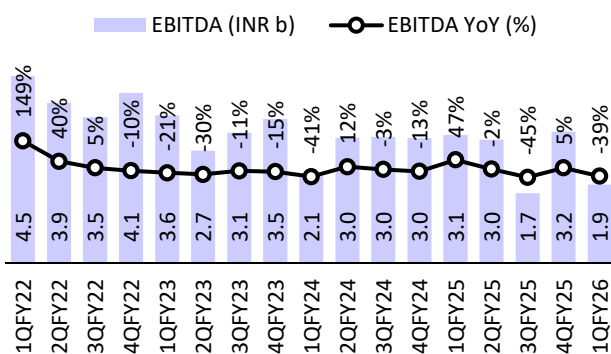
Source: Company, MOFSL

Exhibit 4: Margin trends



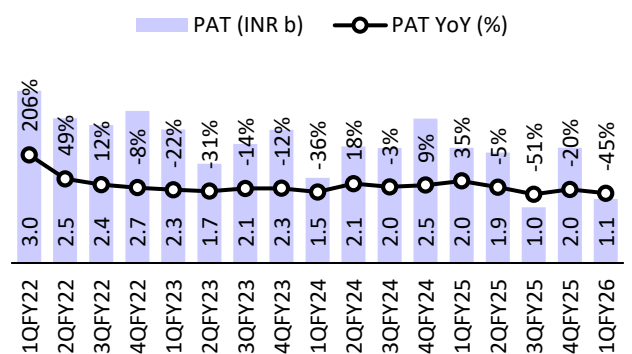
Source: Company, MOFSL

Exhibit 5: EBITDA trend



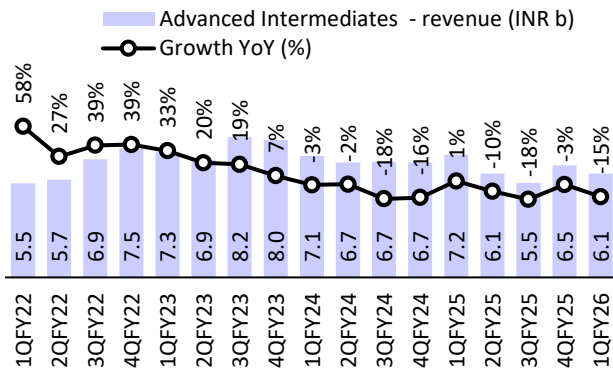
Source: Company, MOFSL

Exhibit 6: Reported PAT was down 45% YoY



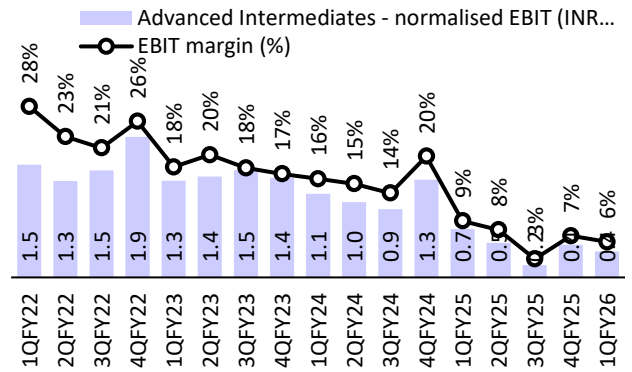
Source: Company, MOFSL

Exhibit 7: Revenue from AI declined 15% YoY



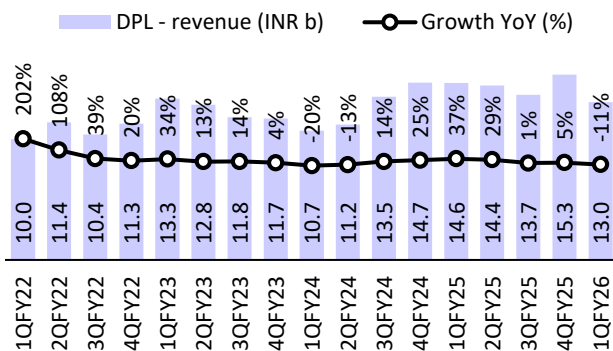
Source: Company, MOFSL

Exhibit 8: AI EBITM trend



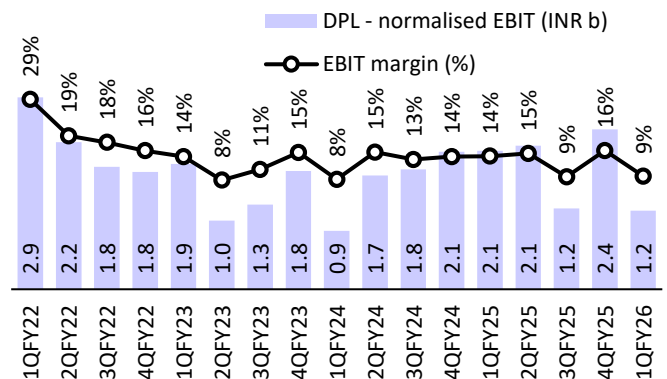
Source: Company, MOFSL

Exhibit 9: Revenue from DPL declined 11% YoY...



Source: Company, MOFSL

Exhibit 10: ...with EBIT margin at 9%



Source: Company, MOFSL



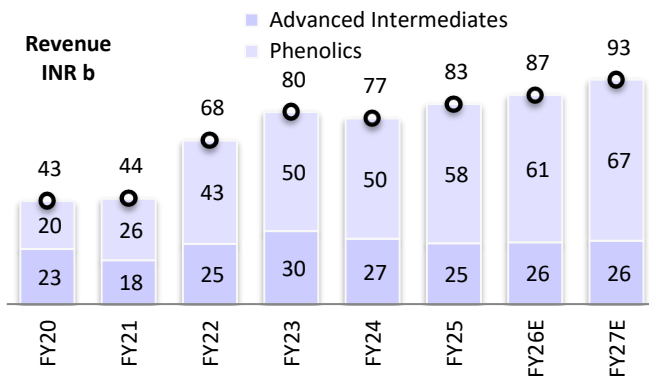
Earnings concall highlights

- Over the past several months, the company has navigated multiple challenges that have significantly impacted the industry. A slower-than-expected recovery in certain agrochemical intermediates, combined with persistent oversupply from China, has exerted pressure on pricing. These headwinds, further intensified by rapidly evolving geopolitical developments, have added to the overall complexity of operations.
- The company's resilience in the current environment has been underpinned by strong business fundamentals, including an import substitution strategy, capacity expansion and new projects, process optimization, and a continued emphasis on innovation and sustainability.
- Despite these challenges, the company anticipates an improvement in demand momentum, supported by evolving market dynamics.
- DN saw a notable recovery in demand from non-agrochemical applications and the initial success from certain cost-optimization initiatives.
- In the advanced intermediate segment, although agrochemical intermediates are experiencing subdued global demand, the company projects a recovery in the upcoming period.
- The phenolic segment witnessed steady demand with better realizations, backed by the bottlenecking and capacity augmentation initiatives.
- The segment's resilience reinforces the strength of its integrated approach. The company is progressing well on key projects that will enhance its backward and forward integration, strengthening its competitive advantage.
- DN is expanding into new applications to broaden its market presence and diversify its customer base.
- This growth will be driven by the commercialization of a new value stream integrated product for the dyes and cosmetics segment and the launch of a new product through a long-term co-manufacturing agreement.
- Existing assets and negligible investment: While DN may have launched these products in the middle of the year, they are going to be tested by customers for stability, and then the company will be able to supply commercial volume after the next contractual cycle begins.
- DN's concentrated nitric acid plant is in the trial production phase. For the weak nitric acid, commissioning activities are ongoing with the technology partner at the site; expected to be commissioned in this quarter.
- Leveraging its extensive expertise in hydrogenated aromatics and non-aromatics, DN has commenced trial production at its new hydrogenation facility, thereby significantly enhancing the Group's overall production capacity.
- Marketing reinvestment for the quarter was at 9.3% of net sales. The full year guidance is same and it may step up to 9.5-10% in the peak season (Oct-Dec).
- DN is not planning to decrease its capex due to tariffs as it is focusing on Indian customers.
- Import duty reduction benefits should flow in in 1QFY27.
- FY26 capex expected to be INR8-10b, FY27 capex expected around INR30b, and the remaining in FY28, with some spillover into the following year.
- Peak debt is expected to be around INR70-75b.

- For the polycarbonate project, the expected payback period is 5-5.5 years with IRR of 16-18%.
- The nitric acid project is expected to add 200-300bp to advanced intermediate segment margins.
- DN's direct exposure to the US market is limited to 2.5-3% at a consolidated level.
- Its consolidated domestic-to-export revenue ratio is 86:14
- The company plans total capex of INR100-110b, including the BPA project.
- DN saw improved spreads QoQ in phenolics in 1Q, though revenue declined 6%.
- A new INR2.2b facility for agrochemical intermediates and fluorochemicals is under construction and expected to be commissioned between Jan'26 end and mid-Mar'26.

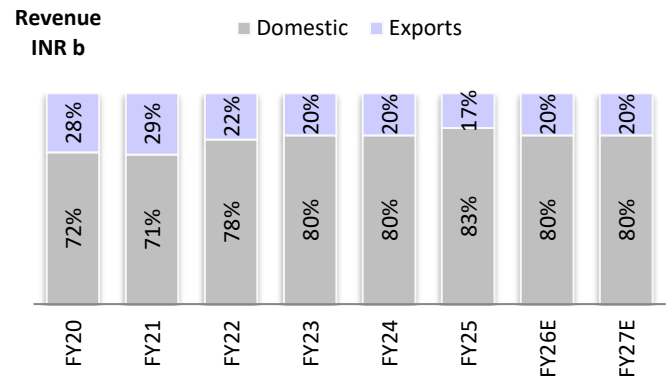
Financial story in charts

Exhibit 11: Revenue contribution from Phenol to remain higher...



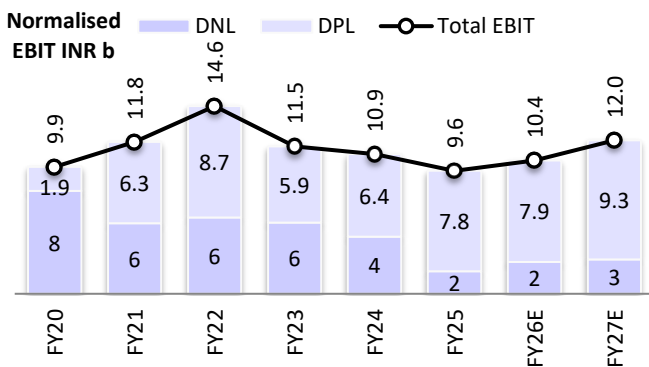
Source: MOFSL

Exhibit 12: ...with a focus on the domestic market as a play on import substitution



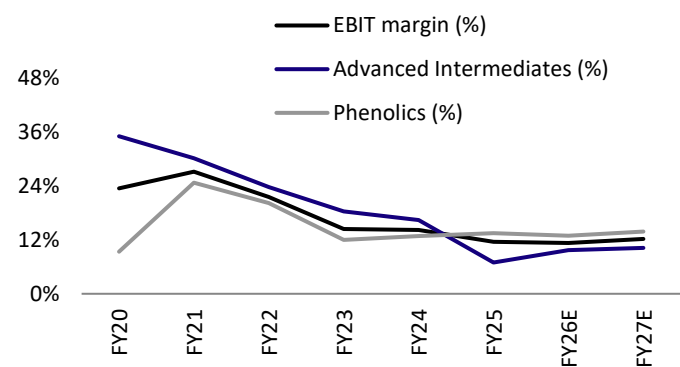
Source: Company, MOFSL

Exhibit 13: Segmental EBIT breakdown of DN...



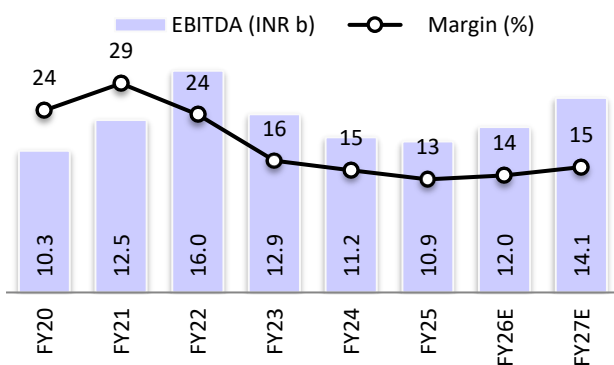
Source: Company, MOFSL

Exhibit 14: EBIT margin



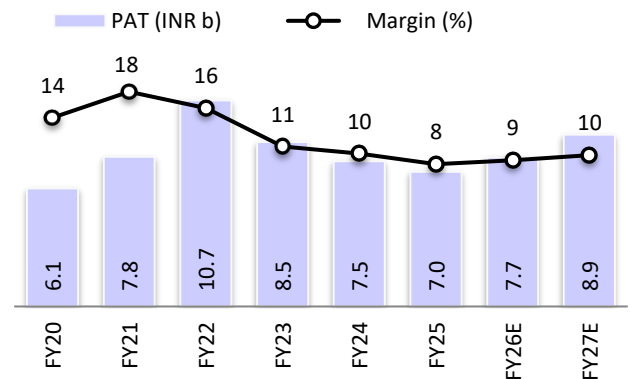
Source: Company, MOFSL

Exhibit 15: EBITDA margin to normalize from FY22 levels



Source: Company, MOFSL

Exhibit 16: Expect ~13% PAT CAGR over FY25-27



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	42,297	43,598	68,022	79,721	76,818	82,819	86,453	92,935
Change (%)	56.7	3.1	56.0	17.2	-3.6	7.8	4.4	7.5
Gross Margin (%)	43.9	48.1	39.5	32.9	31.8	30.1	31.1	31.5
EBITDA	10,258	12,470	16,036	12,894	11,233	10,918	11,963	14,071
Margin (%)	24.3	28.6	23.6	16.2	14.6	13.2	13.8	15.1
Depreciation	1,397	1,526	1,777	1,663	1,657	1,954	2,198	2,727
EBIT	8,861	10,944	14,259	11,231	9,576	8,964	9,765	11,343
Int. and Finance Charges	1,149	742	340	248	118	275	403	483
Other Income	352	215	426	476	761	839	998	1,022
PBT bef. EO Exp.	8,064	10,417	14,345	11,459	10,219	9,528	10,360	11,883
EO Items	0	0	0	0	798	0	0	0
PBT after EO Exp.	8,064	10,417	14,345	11,459	11,017	9,528	10,360	11,883
Total Tax	1,954	2,659	3,678	2,939	2,908	2,554	2,643	2,991
Tax Rate (%)	24.2	25.5	25.6	25.6	26.4	26.8	25.5	25.2
Minority Interest	-	-	-	-	0	-	-	-
Reported PAT	6,110	7,758	10,666	8,520	8,109	6,974	7,717	8,892
Adjusted PAT	6,110	7,758	10,666	8,520	7,522	6,974	7,717	8,892
Change (%)	251.9	27.0	37.5	-20.1	-11.7	-7.3	10.7	15.2
Margin (%)	14.4	17.8	15.7	10.7	9.8	8.4	8.9	9.6

Consolidated - Balance Sheet

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	273	273	273	273	273	273	273	273
Total Reserves	15,446	23,194	33,112	40,627	47,693	53,614	60,199	67,786
Net Worth	15,719	23,467	33,384	40,900	47,966	53,887	60,472	68,059
Minority Interest	-	-	-	-	261	360	360	360
Total Loans	10,279	5,775	3,007	545	2,170	11,705	18,728	26,220
Deferred Tax Liabilities	796	1,078	1,229	1,566	1,736	2,128	2,128	2,128
Capital Employed	26,794	30,320	37,620	43,011	52,133	68,080	81,688	96,767
Gross Block	20,460	22,441	25,263	26,523	31,690	35,262	52,006	68,749
Less: Accum. Deprn.	2,140	3,666	5,443	7,106	8,763	10,717	12,914	15,642
Net Fixed Assets	18,320	18,774	19,820	19,416	22,927	24,546	39,091	53,107
Goodwill on Consolidation	-	-	-	-	-	27	27	27
Capital WIP	1,723	2,068	1,037	3,008	7,735	16,491	16,491	16,491
Total Investments	24	1,893	4,390	3,794	1,219	5,109	5,109	5,109
Curr. Assets, Loans, and Adv.	12,019	12,868	19,057	25,069	29,081	31,004	30,425	32,109
Inventory	3,945	3,827	5,846	8,931	7,599	9,264	9,598	10,161
Account Receivables	6,127	7,563	11,291	13,095	12,984	12,738	13,297	14,294
Cash and Bank Balance	314	334	418	400	4,655	4,066	2,383	2,129
Cash	21	89	229	376	2,380	1,794	111	-143
Bank Balance	293	245	189	23	2,275	2,272	2,272	2,272
Loans and Advances	1,633	1,144	1,503	2,644	3,844	4,937	5,148	5,525
Curr. Liability and Prov.	5,292	5,283	6,684	8,277	8,829	9,097	9,455	10,075
Account Payables	3,643	4,367	5,117	6,618	5,823	5,217	5,405	5,723
Other Current Liabilities	1,385	640	1,272	1,216	2,476	3,259	3,402	3,657
Provisions	264	276	296	443	531	620	648	696
Net Current Assets	6,727	7,585	12,373	16,792	20,252	21,908	20,971	22,034
Appl. of Funds	26,794	30,320	37,620	43,011	52,133	68,080	81,688	96,767

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	44.8	56.9	78.2	62.5	55.1	51.1	56.6	65.2
EPS Growth (%)	252%	27%	37%	-20%	-12%	-7%	11%	15%
Cash EPS	55.0	68.1	91.2	74.7	67.3	65.5	72.7	85.2
BV/Share	115.2	172.0	244.8	299.9	351.7	395.1	443.3	499.0
DPS	4.5	5.5	7.0	7.5	7.5	7.5	8.3	9.6
Payout (%)	12.1	9.7	9.0	12.0	12.6	14.7	14.7	14.7
Valuation (x)								
P/E	40.9	32.2	23.4	29.3	33.2	35.8	32.4	28.1
Cash P/E	33.3	26.9	20.1	24.5	27.2	28.0	25.2	21.5
P/BV	15.9	10.6	7.5	6.1	5.2	4.6	4.1	3.7
EV/Sales	6.1	5.9	3.7	3.1	3.2	3.1	3.1	2.9
EV/EBITDA	25.3	20.5	15.7	19.4	22.0	23.6	22.2	19.5
Dividend Yield (%)	0.2	0.3	0.4	0.4	0.4	0.4	0.5	0.5
FCF per share	25.6	57.8	46.8	21.3	8.0	-36.2	-52.6	-43.7
Return Ratios (%)								
RoE	46.2	39.6	37.5	22.9	16.9	13.7	13.5	13.8
RoCE	27.6	29.1	32.1	21.6	16.0	11.9	10.7	10.4
RoIC	28.0	32.1	36.7	24.7	19.0	16.2	14.5	13.0
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	2.4	3.5	4.1	3.6	3.5	2.7	2.0
Asset Turnover (x)	1.6	1.4	1.8	1.9	1.5	1.2	1.1	1.0
Inventory (Days)	34	32	31	41	36	41	41	40
Debtor (Days)	53	63	61	60	62	56	56	56
Creditor (Days)	31	37	27	30	28	23	23	22
Leverage Ratio (x)								
Current Ratio	2.3	2.4	2.9	3.0	3.3	3.4	3.2	3.2
Interest Coverage Ratio	7.7	14.7	41.9	45.3	80.9	32.6	24.2	23.5
Net Debt/Equity ratio	0.6	0.2	0.1	0.0	-0.1	0.1	0.3	0.4

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
(INR m)								
OP/(Loss) before Tax	8,064	10,417	14,345	11,459	11,017	9,528	10,360	11,883
Depreciation	1,397	1,526	1,777	1,663	1,657	1,954	2,198	2,727
Others	1,262	852	295	63	-509	-285	403	483
Direct Taxes Paid	-1,985	-2,365	-3,535	-2,600	-2,665	-2,152	-2,643	-2,991
(Inc.)/Dec. in WC	-1,092	-412	-4,643	-4,085	-720	-2,798	-746	-1,317
CF from Operations	7,647	10,019	8,239	6,499	8,781	6,247	9,572	10,785
(Inc.)/Dec. in FA	-4,160	-2,140	-1,862	-3,599	-7,685	-11,191	-16,743	-16,743
Free Cash Flow	3,487	7,879	6,377	2,900	1,096	-4,944	-7,171	-5,958
Change in Investments	3	-1,854	-2,401	816	427	-4,059	0	0
Others	-122	33	22	22	40	337	0	0
CF from Investments	-4,279	-3,961	-4,241	-2,761	-7,218	-14,913	-16,743	-16,743
Issue of Shares	0	0	0	0	0	102	0	0
Inc./(Dec.) in Debt	-1,088	-5,246	-2,812	-2,523	1,625	9,277	7,023	7,491
Interest Paid	-1,134	-736	-320	-233	-98	-194	-403	-483
Dividend Paid	-1,060	-4	-750	-955	-1,023	-1,023	-1,132	-1,304
Others	-94	-5	24	120	-68	-100	0	0
CF from Fin. Activity	-3,376	-5,990	-3,858	-3,591	435	8,062	5,488	5,704
Inc./Dec. in Cash	-8	68	139	148	1,998	-605	-1,683	-254
Opening Balance	30	22	90	229	377	2,380	1,795	111
Closing Balance	22	90	229	377	2,380	1,795	111	-142

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

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 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/NCDX); 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.