

# Jindal Steel & Power

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR972      TP: INR1200 (+23%)      Buy**

Bloomberg	JSP IN
Equity Shares (m)	1020
M.Cap.(INRb)/(USDb)	992 / 11.8
52-Week Range (INR)	1097 / 582
1, 6, 12 Rel. Per (%)	-13/24/30
12M Avg Val (INR M)	1844
Free float (%)	38.8

## Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	500	600	755
EBITDA	102	134	181
APAT	59	65	97
Adj. EPS (INR)	58	64	96
EPS Gr. (%)	60.4	8.9	50.4
BV/Sh. (INR)	442	499	585

## Ratios

Net D:E	0.2	0.2	0.1
RoE (%)	14.1	13.5	17.6
RoCE (%)	12.2	15.1	19.5
Payout (%)	3.4	10.0	10.0

## Valuations

P/E (x)	16.6	15.3	10.2
P/BV (x)	2.2	1.9	1.7
EV/EBITDA(x)	10.7	8.2	5.8
Div. Yield (%)	0.2	0.7	1.0
FCF Yield (%)	-2.6	3.0	6.2

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	61.2	61.2	61.2
DII	15.3	14.7	14.8
FII	13.4	13.7	14.2
Others	10.0	10.4	9.9

FII Includes depository receipts

## In-line revenue with a slight miss on margins; outlook bright

- Jindal Steel & Power (JSP)'s 1QFY25 revenue stood in line at INR136b (YoY/QoQ: +8%/+1%), driven by decent volume growth. Sales volume came in at 2.09mt (YoY/QoQ: +14%/ +4%) vs. our est. of 2.02mt. Production volume stood at 2.05mt (YoY/QoQ: flat) in 1QFY25.
- EBITDA came in at INR28b (YoY/QoQ: +8%/+16%), 8% below our est. of INR31b led by higher-than-expected cost and weak realization. EBITDA/t was INR13,585 (YoY/QoQ: -5%/+12%) vs. our est. of INR15,195 in 1QFY25.
- APAT for the quarter stood at INR13b (YoY/QoQ: -21%/+43%) vs. our est. of INR14b. The share of exports reduced to 7% in 1QFY25 vs. 11% in 4QFY24.
- Net debt stood at INR104.6b at the end of Jun'24 (vs. INR112b at the end of Mar'24). Net debt-to-EBITDA stood at 1x as of Jun'24 vs. 1.1x at Mar'24.

## Expansion status and update

- The BOF-II plant construction is delayed and is likely to be completed by Mar'25 (earlier 2QFY25). BOF-III, which will be in the same vicinity, should be commissioned by 3QFY26E.
- As of Jun'24, JSP spent ~INR175b of the INR310b of the announced capex plan. Management does not foresee any cost increase due to the delay in the expansion process. Going forward, JSP foresees incurring the remaining ~INR135b in the next three years (~INR75-100b each year) subject to better operating cash flows and balance sheet position.
- The company is targeting to increase the EC limit of Gare Palma IV/6 coal mine to 5MTPA by FY25-end from 4MTPA.
- JSP is in the last leg of EC limit approvals for Utkal B1 mines and expects the same in the next 2-3 months. Utkal B2 is under clearance and is likely to open in FY25.

## Highlights from the management commentary

- Based on current price trends, management expects coking coal costs to moderate by USD30-35/t in 2QFY25
- Iron ore costs to reduce by ~INR500-INR1000/t in 2QFY25
- Blended realization would see softening of 1% going forward, as the overall steel prices remain soft.
- Management targets to keep net debt/EBITDA below 1.5x.

## Valuation and view

- While 1Q EBITDA was marginally lower than our estimate, the outlook remains bright. JSP foresees coking coal/iron costs to be lower in 2QFY25, translating into a better margin despite softening NSR. The ongoing capex would lead to more value-added products, which would yield better profitability.
- We broadly retain our estimates and reiterate our BUY rating on JSP with a TP of INR1200, based on 7x FY26E EV/EBITDA. The stock is currently trading at 5.8x FY26E EV/EBITDA and 1.7x FY26E P/B.**

**Alok Deora - Research analyst** (Alok.Deora@MotilalOswal.com)

**Sonu Upadhyay - Research analyst** (Sonu.Upadhyay@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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson ReuteINR, Factset and S&P Capital.

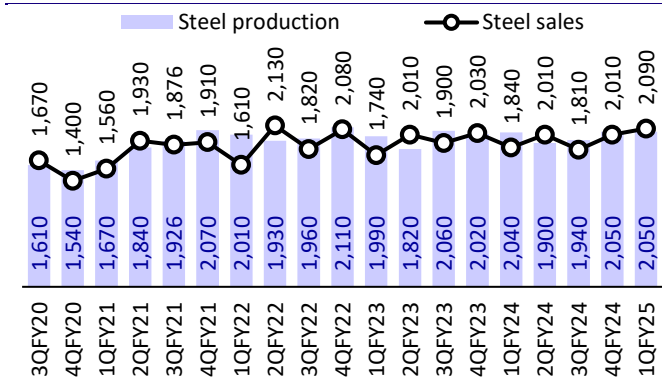
## Consolidated quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25 1QE	Vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Sales (kt)</b>	1,840	2,010	1,810	2,010	2,090	2,312	2,250	2,399	7,670	9,050	2,024	3
Change (YoY %)	5.7	0.0	-4.7	-1.0	13.6	15.0	24.3	19.3	-0.1	18.0		
ASP	68,415	60,946	64,648	67,099	65,157	64,506	66,332	69,116	65,224	66,332	67,532	-4
<b>Net Sales</b>	<b>126</b>	<b>123</b>	<b>117</b>	<b>135</b>	<b>136</b>	<b>149</b>	<b>149</b>	<b>166</b>	<b>500</b>	<b>600</b>	<b>137</b>	<b>-0</b>
Change (YoY %)	-3.5	-9.4	-6.0	-1.5	8.2	21.7	27.5	22.9	-5.1	20.0		
Change (QoQ %)	-8.1	-2.7	-4.5	15.3	1.0	9.5	0.1	11.1				
Total Expenditure	100	100	89	110	108	115	115	129	398	467		
<b>EBITDA</b>	<b>26</b>	<b>23</b>	<b>28</b>	<b>24</b>	<b>28</b>	<b>34</b>	<b>34</b>	<b>37</b>	<b>102</b>	<b>134</b>	<b>31</b>	<b>-8</b>
Change (YoY %)	-23.6	18.3	19.6	11.8	8.0	50.3	19.5	51.5	2.7	31.1		
Change (QoQ %)	20.2	-13.0	24.4	-14.0	16.2	21.0	-1.1	9.0				
<b>EBITDA/t</b>	<b>14,283</b>	<b>11,372</b>	<b>15,705</b>	<b>12,162</b>	<b>13,585</b>	<b>14,861</b>	<b>15,102</b>	<b>15,443</b>	<b>13,306</b>	<b>14,781</b>	<b>15,195</b>	<b>-11</b>
Interest	3	3	3	3	3	3	3	8	13	18		
Depreciation	6	6	6	10	7	7	7	11	28	31		
Other Income	1	0	0	0	0	0	0	0	2	2		
<b>PBT (before EO item)</b>	<b>18</b>	<b>14</b>	<b>19</b>	<b>12</b>	<b>19</b>	<b>25</b>	<b>24</b>	<b>19</b>	<b>62</b>	<b>87</b>	<b>19</b>	
Extra-ordinary Income	0	0	0	0.0	0	0	0	0.0	0	0		
<b>PBT (after EO item)</b>	<b>18</b>	<b>14</b>	<b>19</b>	<b>12</b>	<b>19</b>	<b>25</b>	<b>24</b>	<b>19</b>	<b>62</b>	<b>87</b>	<b>19</b>	<b>-2</b>
Total Tax	1	-0	-0	2	5	6	6	4	3	22		
% Tax	4.2	-0.4	-0.1	19.8	28.0	25.2	25.2	22.5	4.8	0.0		
<b>PAT (before MI/Sh. Asso.)</b>	<b>17</b>	<b>14</b>	<b>19</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>18</b>	<b>15</b>	<b>59</b>	<b>65</b>	<b>14</b>	
MI - Loss/(Profit)	0	0	-0	-0	0	0	0	0	0	0		
Associate	-0	-0	0	0	0	0	0	0	-0	0		
<b>PAT (after MI and Sh. of Asso.)</b>	<b>17</b>	<b>14</b>	<b>19</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>18</b>	<b>15</b>	<b>59</b>	<b>65</b>	<b>14</b>	
<b>Adjusted PAT</b>	<b>17</b>	<b>14</b>	<b>19</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>18</b>	<b>15</b>	<b>59</b>	<b>65</b>	<b>14</b>	<b>-6</b>
Change (YoY %)	15.3	102.2	114.9	52	-20.7	32.3	-6.2	59	62.3	8.9		
Change (QoQ %)	173.8	-17.7	38.9	-51	43.0	37.2	-1.5	-18				

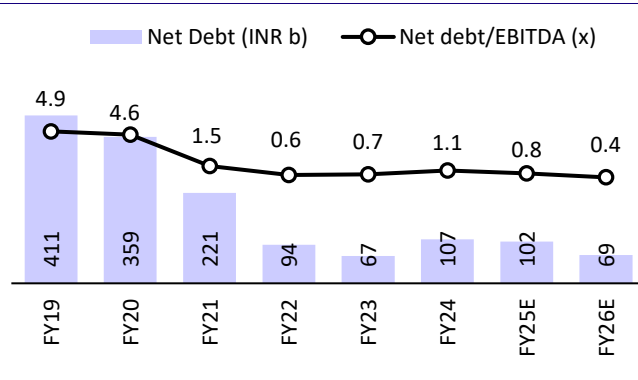
## Story in charts

**Exhibit 1: Production volume stood flat QoQ/YoY in 1QFY25**



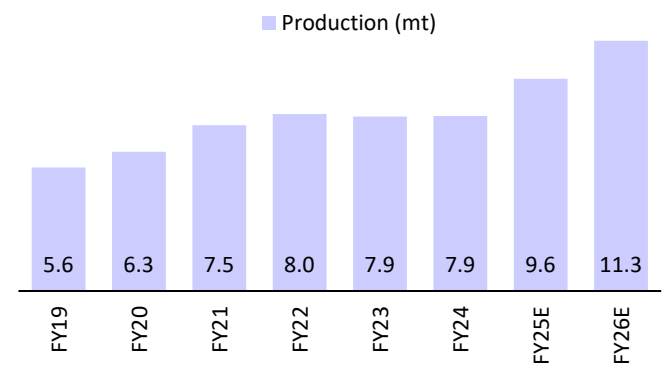
Source: MOFSL, Company

**Exhibit 2: Net debt/EBITDA likely to reduce**



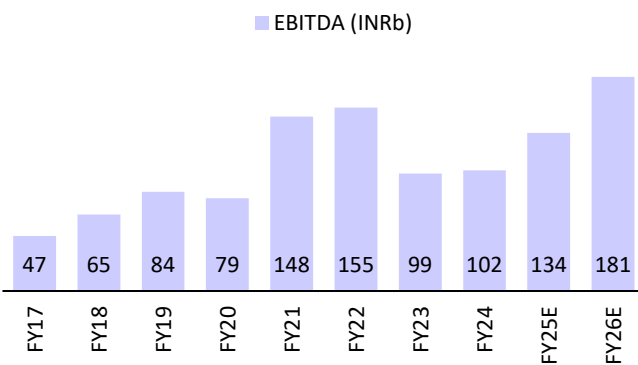
Source: MOFSL, Company

**Exhibit 3: Annual steel production (mt) anticipated to grow from FY25 as facilities commence production**



Source: MOFSL, Company

**Exhibit 4: EBITDA to improve from FY25**



Source: MOFSL, Company



## Key highlights from the management commentary

### Guidance for 2Q / FY25

- Coking coal costs declined USD23/t during 1QFY25 and management expects the coal costs to further moderate by USD30-35/t in 2QFY25.
- Management expects iron ore costs to reduce ~INR500-INR1000/t in 2QFY25, on account of seasonal weakness of iron ore prices.
- Management hinted that the overall steel prices are declining 1% QoQ, which could result in a 1% decline in blended realization going forward.
- The company is targeting to increase the EC limit of Gare Palma IV/6 coal mine to 5MTPA by FY25-end from 4MTPA.
- JSP is in the last leg of EC limit approvals for Utkal B1 mines and expects the same in the next 2-3 months. Utkal B2 is under clearance and is likely to open in FY25. Management plans to raise EC limit of both Utkal B1 & B2 to 5MT each.
- Production capacity of Utkal C coal block will increase to 4.78mt from 3.37mt, owing to higher EC limit of Utkal B1 & B2.

### Capex and timelines

- As of Jun'24, JSP spent ~INR175b of the INR310b of the announced capex plan. Management does not foresee any cost increase due to the delay in the expansion process.

- Going forward, JSP foresees incurring the remaining ~INR135b in the next three years (~INR75-100b each year) subject to better operating cash flows and balance sheet position.
- JSP will increase its total finished steel capacity from 7.25mt to 13.75mt by FY26 at a total capex of INR310b.
- BOF-II plant construction is delayed and now is expected to complete by Mar'25 (earlier 2QFY25). BOF-III which will be in the same vicinity now should be commissioned by 3QFY26.

**Other highlights**

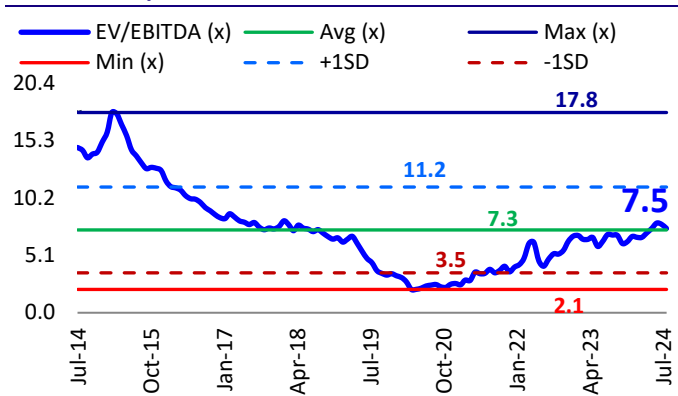
- As compared to FY24, management believes to deliver better volumes in FY25E.
- Tensa mine supplies ~3mt of iron ore and Kasia mine supplies ~6mt of iron ore and the rest is procured from OMC and NMDC.
- The partnership with RINL is strategic in nature as it bridges the gap between internal availability of steel and external metallic resources.
- Management targets to remain below 1.5x of net debt/EBITDA and currently it stood at 1x.

**Exhibit 5: Valuation and TP**

Y/E March	UoM	FY26E
Volume	mt	11.3
Blended EBITDA/t	INR	15,993
Consol EBITDA	INR b	181
Target EV/EBITDA(x)	x	7.0
Target EV	INR b	1,268
Net Debt	INR b	69
Equity Value	INR b	1,199
No of shares o/s	b	1.0
<b>Target price (INR/share)</b>	<b>INR/sh</b>	<b>1,200</b>

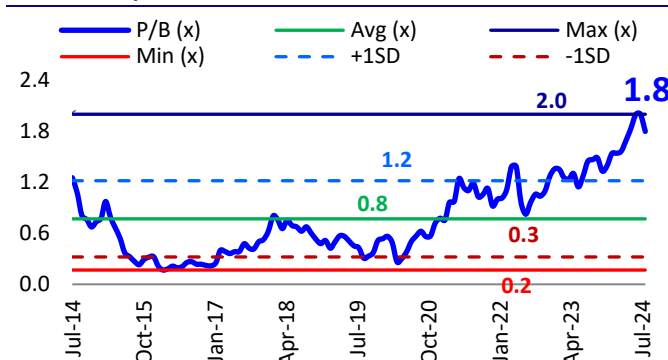
Source: MOFSL

**Exhibit 6: EV/EBITDA is near LTA**



Source: MOFSL, Company Data

**Exhibit 7: P/B ratio**



**Exhibit 8: Key assumptions and changes to our estimates**

	UoM	FY25E			FY26E		
		New	Old	Change	New	Old	Change
Volumes	mt	9.1	9.0	1%	11.3	11.3	0%
Realization/t	INR/t	66,332	67,532	-2%	66,690	66,690	0%
EBITDA/t	INR/t	14,781	15,161	-3%	15,993	15,993	0%
Revenue	INR b	600	608	-1%	755	755	0%
EBITDA	"	134	136	-2%	181	181	0%
PAT	"	65	67	-3%	97	97	0%

Source: Company, MOFSL

## Financials and valuation

### Consolidated Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net sales</b>	<b>394</b>	<b>370</b>	<b>389</b>	<b>511</b>	<b>527</b>	<b>500</b>	<b>600</b>	<b>755</b>
Change (%)	43	-6	5	31	3	-5	20	26
Total Expenses	310	291	241	356	428	398	467	574
<b>EBITDA</b>	<b>84</b>	<b>79</b>	<b>148</b>	<b>155</b>	<b>99</b>	<b>102</b>	<b>134</b>	<b>181</b>
As a percentage of Net Sales	21	21	38	30	19	20	22	24
Depn. and Amortization	42	42	35	21	27	28	31	35
<b>EBIT</b>	<b>42</b>	<b>37</b>	<b>113</b>	<b>134</b>	<b>72</b>	<b>74</b>	<b>103</b>	<b>147</b>
Net Interest	43	41	31	19	14	13	18	18
Other income	0	0	4	1	1	2	2	2
<b>PBT before EO</b>	<b>0</b>	<b>-4</b>	<b>86</b>	<b>116</b>	<b>59</b>	<b>62</b>	<b>87</b>	<b>130</b>
EO income	-28	2	-13	-4	-14	0	0	0
<b>PBT after EO</b>	<b>-28</b>	<b>-2</b>	<b>73</b>	<b>112</b>	<b>45</b>	<b>62</b>	<b>87</b>	<b>130</b>
Tax	-4	2	18	29	13	3	22	33
Rate (%)	14	-63	24	26	29	5	25	25
<b>PAT (before MI and Sh. of Asso.)</b>	<b>-24</b>	<b>-4</b>	<b>55</b>	<b>82</b>	<b>32</b>	<b>59</b>	<b>65</b>	<b>97</b>
Minority interests	-8	0	3	0	0	0	0	0
Other adj.	0	0	0	0	-9	0	0	0
Share of Associates	0	0	0	0	0	0	0	0
<b>PAT (after MI and Sh. of Asso.)</b>	<b>-16</b>	<b>-4</b>	<b>53</b>	<b>83</b>	<b>32</b>	<b>59</b>	<b>65</b>	<b>97</b>
<b>Adjusted PAT</b>	<b>11</b>	<b>-5</b>	<b>66</b>	<b>87</b>	<b>37</b>	<b>59</b>	<b>65</b>	<b>97</b>
Change (%)	LP	PL	LP	32	-58	62	9	50

### Consolidated Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Share Capital	1	1	1	1	1	1	1	1
Reserves	323	320	317	355	386	442	499	586
<b>Net Worth</b>	<b>324</b>	<b>321</b>	<b>318</b>	<b>356</b>	<b>387</b>	<b>443</b>	<b>500</b>	<b>587</b>
Minority Interest	-3	-8	-9	15	3	4	4	4
Total Loans	415	368	293	139	124	159	156	152
Deferred Tax Liability	54	56	62	73	59	59	59	59
<b>Capital Employed</b>	<b>790</b>	<b>738</b>	<b>665</b>	<b>582</b>	<b>574</b>	<b>665</b>	<b>720</b>	<b>802</b>
Gross Block	900	951	833	681	690	766	826	901
Less: Accum. Deprn.	210	252	286	223	247	275	306	341
<b>Net Fixed Assets</b>	<b>690</b>	<b>699</b>	<b>547</b>	<b>458</b>	<b>443</b>	<b>491</b>	<b>520</b>	<b>560</b>
Capital WIP	40	20	9	17	71	89	104	104
Goodwill and Revaluation	6	6	5	4	1	1	1	1
Investments	1	1	1	1	1	1	1	1
<b>Curr. Assets</b>	<b>158</b>	<b>171</b>	<b>216</b>	<b>285</b>	<b>179</b>	<b>205</b>	<b>225</b>	<b>281</b>
Inventory	65	64	59	73	59	71	85	107
Account Receivables	30	35	28	13	10	17	20	25
Cash and Bank Balance	4	10	72	45	57	52	54	83
Loans and advances and others	58	62	57	155	53	66	66	66
<b>Curr. Liability and Prov.</b>	<b>106</b>	<b>159</b>	<b>113</b>	<b>184</b>	<b>120</b>	<b>121</b>	<b>131</b>	<b>145</b>
Account Payables	32	56	41	53	47	47	56	71
Provisions and Others	74	104	73	132	73	75	75	75
<b>Net Current Assets</b>	<b>52</b>	<b>12</b>	<b>103</b>	<b>101</b>	<b>58</b>	<b>84</b>	<b>94</b>	<b>136</b>
<b>Appl. of Funds</b>	<b>790</b>	<b>738</b>	<b>665</b>	<b>582</b>	<b>574</b>	<b>665</b>	<b>720</b>	<b>802</b>

## Financials and valuation

### Consolidated ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>11.5</b>	<b>-5.3</b>	<b>64.7</b>	<b>86.0</b>	<b>36.4</b>	<b>58.4</b>	<b>63.6</b>	<b>95.7</b>
Cash EPS	18.4	36.9	88.0	102.4	58.6	87.5	95.5	131.6
BV/Share	335.0	315.1	311.9	352.5	385.1	442.1	499.2	585.1
DPS	0.0	0.0	0.0	3.0	2.0	2.0	6.4	9.6
Payout (%)	0.0	0.0	0.0	3.5	5.5	3.4	10.0	10.0
<b>Valuation (x)</b>								
P/E	84.2	-181.8	15.0	11.3	26.7	16.6	15.3	10.2
Cash P/E	52.8	26.4	11.0	9.5	16.6	11.1	10.2	7.4
P/BV	2.9	3.1	3.1	2.8	2.5	2.2	1.9	1.7
EV/Sales	3.4	3.7	3.1	2.1	2.0	2.2	1.8	1.4
EV/EBITDA	16.1	17.2	8.2	6.9	10.5	10.7	8.2	5.8
Dividend Yield (%)	0.0	0.0	0.0	0.3	0.2	0.2	0.7	1.0
<b>Return Ratios (%)</b>								
EBITDA Margin (%)	21.3	21.2	38.0	30.4	18.8	20.4	22.3	24.0
Net Profit Margin (%)	2.8	-1.5	17.0	17.0	6.9	11.9	10.8	12.9
RoE	3.6	-1.6	20.6	25.9	9.9	14.1	13.5	17.6
RoCE (pre-tax)	5.3	4.9	16.7	21.6	12.6	12.2	15.1	19.5
RoIC (pre-tax)	5.7	5.1	17.7	24.6	15.1	15.3	19.0	25.0
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.5	0.5	0.7	1.1	1.0	0.9	1.0	1.1
Asset Turnover (x)	0.5	0.5	0.6	0.9	0.9	0.8	0.4	0.4
Inventory (Days)	60	63	56	52	41	52	52	52
Debtor (Days)	28	35	26	9	7	12	12	12
Payable (Days)	30	55	38	38	33	34	34	34
Work. Cap. Turnover (Days)	59	43	44	24	15	30	30	30
<b>Leverage Ratio (x)</b>								
Current Ratio	1.5	1.1	1.9	1.5	1.5	1.7	1.7	1.9
Interest Coverage Ratio	1.0	0.9	3.7	7.1	5.0	5.7	5.8	8.1
Debt/Equity ratio	1.3	1.1	0.7	0.3	0.2	0.2	0.2	0.1

### Consolidated Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>(INR b)</b>								
<b>EBITDA</b>	<b>84</b>	<b>79</b>	<b>148</b>	<b>155</b>	<b>99</b>	<b>102</b>	<b>134</b>	<b>181</b>
Non-cash exp./ (income)	1	2	-2	25	-5	1	0	0
(Inc.)/Dec. in Wkg. Cap.	-24	19	-12	-8	11	-19	-8	-13
Tax Paid	0	0	1	-20	-27	-7	-22	-33
others	29	-11	-14	9	-6	-17	0	0
<b>CF from Op. Activity</b>	<b>90</b>	<b>88</b>	<b>120</b>	<b>160</b>	<b>73</b>	<b>60</b>	<b>104</b>	<b>136</b>
(Inc.)/Dec. in FA + CWIP	-14	-17	-9	-29	-64	-85	-75	-75
(Pur.) /Sale of Investments	2	0	0	1	0	1	0	0
Loans and advances	3	1	-11	4	23	-2	0	0
Int. and Dividend Income	1	1	1	2	1	2	2	2
Other investing activities	-12	-16	-8	-29	-64	-84	0	0
<b>CF from Inv. Activity</b>	<b>-8</b>	<b>-15</b>	<b>-19</b>	<b>-23</b>	<b>-40</b>	<b>-83</b>	<b>-73</b>	<b>-73</b>
Equity raised/(repaid)	0	5	0	-5	-2	-2	0	0
Debt raised/(repaid)	-30	-61	-23	-119	-6	34	-3	-4
Dividend (incl. tax)	0	0	0	-1	-2	-2	-7	-11
Interest paid	-46	-40	-23	-26	-15	-16	-18	-18
<b>CF from Fin. Activity</b>	<b>-83</b>	<b>-70</b>	<b>-46</b>	<b>-151</b>	<b>-25</b>	<b>14</b>	<b>-28</b>	<b>-33</b>
<b>(Inc.)/Dec. in Cash</b>	<b>-1</b>	<b>3</b>	<b>55</b>	<b>-14</b>	<b>8</b>	<b>-10</b>	<b>2</b>	<b>29</b>
Add: opening cash balance	3	2	5	60	35	43	33	35
Discontinued operations (/adj.)	0	0	0	-11	0	0	0	0
Closing cash balance	2	5	60	35	43	33	35	64
Bank balance	3	5	12	10	15	18	18	18
<b>Closing Balance</b>	<b>4</b>	<b>10</b>	<b>72</b>	<b>45</b>	<b>57</b>	<b>52</b>	<b>54</b>	<b>83</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://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](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

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.