

BSE SENSEX	S&P CNX
37,494	11,058
Bloomberg	SHKL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	18.4 / 0.3
52-Week Range (INR)	248 / 105
1, 6, 12 Rel. Per (%)	4/-19/-42
12M Avg Val (INR M)	33
Free float (%)	43.1

CMP: INR139 TP: INR177 (+27%) Buy

Growth bounces back but revival to be gradual

- Revenue growth beats estimate:** Revenue grew 15.6% YoY to INR2,744m (v/s est. INR2,611m), due to new product launches in the domestic FMCG market and healthy demand in international markets. EBITDA stood at INR464m (v/s est. INR371m), up 37% YoY. EBITDA margins expanded 260bp YoY (+770bp QoQ) to 16.9% (v/s est. 14.2%), largely driven by lower other expenses (down 330bp YoY) on adoption of IND-AS 116, which led to lower rental costs. PAT stood at INR185m (v/s est. INR196m), up 2% YoY.
- Fragrances & flavors see healthy growth; RM pressure likely to ease:** Fragrances business grew 15% YoY (+1% QoQ) to INR2,435m, driven by strong traction in both domestic (up 10% YoY) and international business (up 26% YoY). Flavors business grew 14% YoY (+6% QoQ) to INR280m on increased client engagements and uptick in international business. Further, normalizing RM supply environment is likely to ease cost pressure.
- Concall highlights:** (a) Company has re-iterated strong double-digit growth for FY20 to be largely driven by both domestic and international business. (b) It has forayed into a new product category – Industrial use of fragrances for consumer durables and automobile accessories; (c) Creative Flavors & Fragrances (CFF) acquisition is expected to be completed by 3QFY20.
- Valuation view:** We expect revenue/PAT CAGR of 22%/25% over FY19-21E partly driven by CFF consolidation, better RM pricing environment leading to gross margin improvement and new product launches. We value the stock at 18x FY21E consol. earnings of INR9.8/share. Maintain **Buy** with a revised TP of INR177/share.

Financials & Valuations (INR b)

Y/E March	FY19	FY20E	FY21E
Sales	10.4	12.8	15.6
EBITDA	1.3	2.3	2.9
NP	0.9	1.1	1.4
EPS (INR)	6.1	7.9	9.8
EPS Gr. (%)	-13.4	28.4	25.1
BV/Sh. (INR)	59.7	62.5	69.5
RoE (%)	10.3	12.7	14.9
RoCE (%)	11.6	16.4	19.5
P/E (x)	22.7	17.7	14.2
P/BV (x)	2.3	2.2	2.0
EV/EBITDA (x)	17.4	9.9	7.7
Div. Yield (%)	1.1	1.4	1.7
Payout (%)	28.9	28.9	28.9

Estimate change ↔

TP change ↔

Rating change ↔

Consolidated - Quarterly Earning Model

Y/E March	FY19								FY20E				INR million	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY19	FY20E	FY20	Var (%)		
Net Sales	2,374	2,845	2,565	2,697	2,744	2,987	3,539	3,811	10,481	13,082	2,611	5		
YoY Change (%)	1.3	28.2	-9.4	-5.4	15.6	5.0	38.0	41.3	2.3	24.8	10.0			
Total Expenditure	2,035	2,467	2,165	2,448	2,280	2,524	3,005	3,202	9,114	11,010	2,241			
EBITDA	340	378	400	249	464	463	534	610	1,367	2,072	371	25		
Margins (%)	14.3	13.3	15.6	9.2	16.9	15.5	15.1	16.0	13.0	15.8	14.2			
Depreciation	68	76	89	79	121	88	115	114	312	438	85			
Interest	15	19	45	61	70	54	48	50	140	222	58			
Other Income	23	50	50	111	14	67	40	50	234	171	65			
PBT before EO expense	280	334	316	220	287	388	411	496	1,149	1,582	293	-2		
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0			
PBT	280	334	316	220	287	388	411	496	1,149	1,582	293	-2		
Tax	100	49	103	19	96	124	136	169	270	525	94			
Rate (%)	35.7	14.6	32.5	8.5	33.6	32.0	33.0	34.0	23.5	133	32.0			
Minority Interest & Profit/Loss of Asso. Cos.	-1	3	-1	6	6	5	4	-7	1	8	3			
Reported PAT	181	288	214	196	185	259	272	334	878	1,049	196	-6		
Adj PAT	181	288	214	196	185	259	272	334	878	1,049	196	-6		
YoY Change (%)	-32.6	52.8	-36.7	-15.2	2.2	-10.2	27.0	70.9	-14.3	19.5	8.6			
Margins (%)	7.6	10.1	8.3	7.3	6.7	8.7	7.7	8.8	8.4	8.0	7.5			

E: MOFSL Estimates

Chintan Modi – Research Analyst (Chintan.Modi@MotilalOswal.com); +91 22 6129 1554

Alpesh Thacker – Research Analyst (Alpesh.Thacker@motilalosal.com); +91 22 5036 2561

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

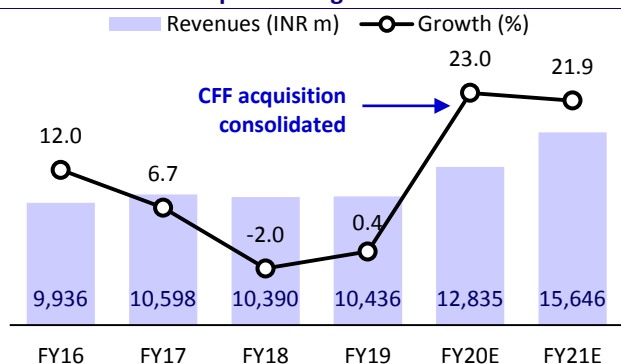
Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Other takeaways

- **RM volatility weaning off, but gradually:** In the last 18 months, the uncertainty in RM supplies led to volatility in global RM prices. However, management believes that the situation has started easing and if the same continues, the RM situation will fully normalize. Ease of RM supplies is likely to help SHKL take on growth opportunities.
- Post the election results, company saw encouraging levels of product launches from FMCG customers.
- Management expects net debt level to remain closer to INR3b by FY20-end (similar to levels seen in Mar'19). While the CFF acquisition would increase long-term debt, easing of working capital cycle will help maintain debt level.
- The CFF business is expected to be PAT accretive; synergies in RM sourcing and management overheads should drive net profit margin similar to its own (8-8.5%).
- Working capital has been stretched due to inventory build-up at the newly commissioned Mahad facility and stocking of raw materials due to uncertainties regarding their availability. Management expects the same to ease; and hence, FCF generation should be strong.
- Adoption of IND-AS 116 has led to lower rental expenses in 1QFY20 by INR39m, resulting in higher EBITDA growth. Consequently, new standard adoption has led to increased depreciation cost by INR32.5m and increased finance cost by INR10m. Hence, PAT growth was subdued.

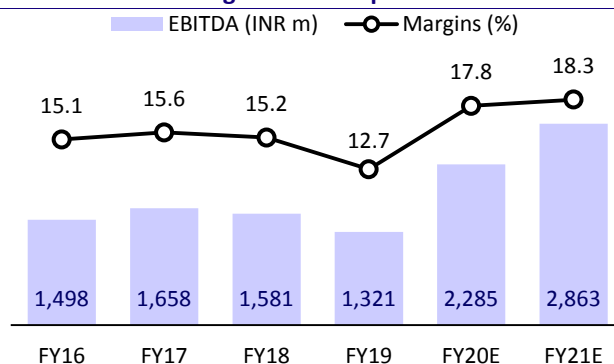
Story in Graphs

Exhibit 1: Revenue expected to grow at 22% CAGR



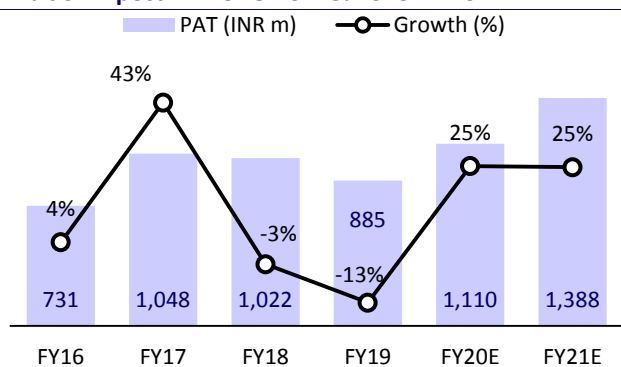
Source: MOFSL, Company

Exhibit 2: EBITDA margins set to improve on efficiencies



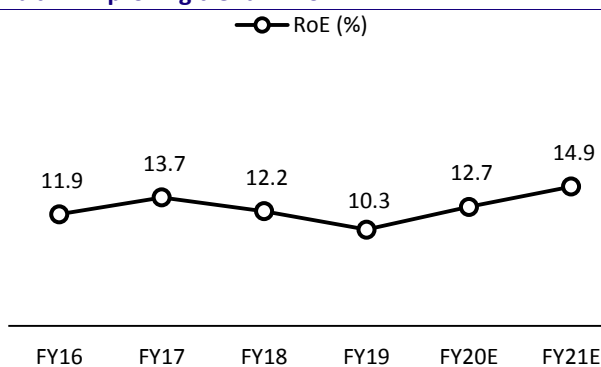
Source: MOFSL, Company

Exhibit 3: Expect PAT CAGR of 25% over FY19-21E



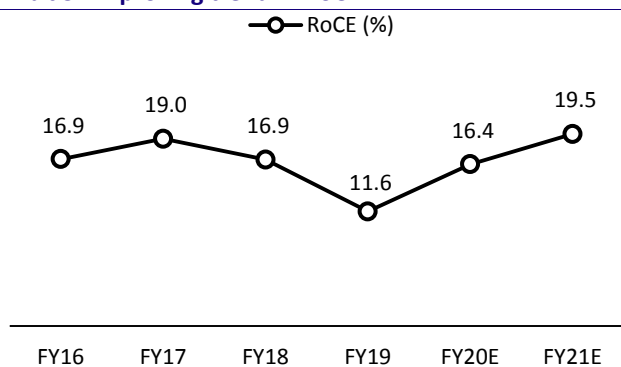
Source: MOFSL, Company

Exhibit 4: Improving trend in RoE



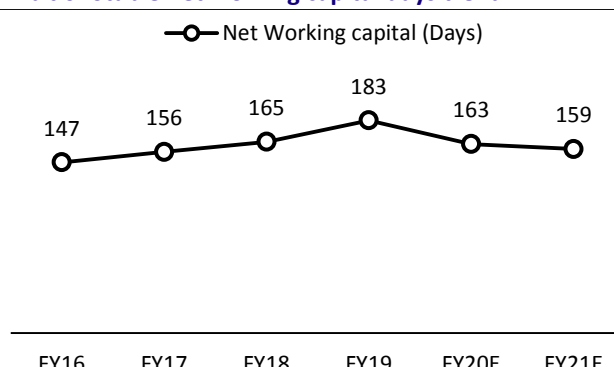
Source: MOFSL, Company

Exhibit 5: Improving trend in RoCE



Source: Company, MOFSL

Exhibit 6: Stable net working capital days trend



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								(INR Million)	
Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Total Income from Operations	7,113	8,114	8,868	9,936	10,598	10,390	10,436	12,835	15,646
Change (%)	17.7	14.1	9.3	12.0	6.7	-2.0	0.4	23.0	21.9
Total Expenditure	5,933	6,743	7,690	8,438	8,940	8,808	9,115	10,551	12,783
% of Sales	83.4	83.1	86.7	84.9	84.4	84.8	87.3	82.2	81.7
EBITDA	1,180	1,370	1,178	1,498	1,658	1,581	1,321	2,285	2,863
Margin (%)	16.6	16.9	13.3	15.1	15.6	15.2	12.7	17.8	18.3
Depreciation	173	188	293	297	194	238	312	506	613
EBIT	1,007	1,183	885	1,201	1,464	1,343	1,009	1,779	2,250
Int. and Finance Charges	218	175	185	202	52	40	140	272	286
Other Income	15	78	246	105	116	257	279	187	149
PBT bef. EO Exp.	805	1,085	945	1,103	1,528	1,560	1,149	1,693	2,114
EO Items	-23	0	0	0	0	-129	0	0	0
PBT after EO Exp.	782	1,085	945	1,103	1,528	1,432	1,149	1,693	2,114
Current Tax	250	328	286	446	459	505	352	566	706
Deferred Tax	-7	-33	-45	-74	20	1	-82	0	0
Tax Rate (%)	31.0	27.1	25.5	33.8	31.4	35.3	23.5	33.4	33.4
Less: Minority Interest	-76	0	0	0	0	-13	-6	18	20
Reported PAT	616	791	704	731	1,048	939	885	1,110	1,388
Adjusted PAT	631	791	704	731	1,048	1,022	885	1,110	1,388
Change (%)	-16.6	25.3	-11.0	3.7	43.5	-2.5	-13.4	25.4	25.1
Margin (%)	8.9	9.8	7.9	7.4	9.9	9.8	8.5	8.6	8.9

Consolidated - Balance Sheet								(INR Million)	
Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Equity Share Capital	120	132	1,323	1,446	1,446	1,446	1,446	1,413	1,413
Total Reserves	4,077	4,669	3,682	5,714	6,671	7,123	7,187	7,415	8,402
Net Worth	4,720	4,810	5,097	7,161	8,117	8,569	8,634	8,829	9,816
Deferred Tax Liabilities	6	-19	-50	57	73	82	179	179	179
Total Loans	1,518	2,111	2,427	732	624	1,643	3,340	3,140	2,840
Capital Employed	6,244	6,902	7,474	7,949	8,814	10,294	12,261	12,256	12,943
Gross Block	3,655	4,233	4,573	2,494	3,378	3,879	5,254	6,514	6,664
Less: Accum. Deprn.	2,259	2,548	2,612	427	621	860	1,171	1,677	2,290
Net Fixed Assets	1,395	1,686	1,961	2,067	2,757	3,019	4,083	4,837	4,374
Goodwill on Consolidation	707	828	776	206	206	356	398	398	398
Capital WIP	432	503	105	181	75	602	376	0	0
Total Investments	410	2	0	354	497	1,105	1,112	1,112	1,112
Curr. Assets, Loans&Adv.	4,760	5,573	6,502	7,220	7,196	7,669	8,226	8,780	10,584
Inventory	2,254	2,788	3,175	3,352	3,502	3,480	3,739	4,047	4,868
Account Receivables	1,719	1,794	1,945	2,288	2,170	2,766	2,845	3,270	3,858
Cash and Bank Balance	332	415	759	822	555	239	409	180	294
Loans and Advances	456	576	622	758	970	1,185	1,233	1,284	1,565
Curr. Liability & Prov.	1,461	1,689	1,870	2,126	1,958	2,502	2,190	3,127	3,781
Account Payables	757	879	977	1,633	1,138	1,556	1,343	1,590	1,926
Other Current Liabilities	592	527	553	400	709	816	738	907	1,106
Provisions	112	283	340	93	111	130	110	630	749
Net Current Assets	3,299	3,885	4,632	5,094	5,238	5,167	6,036	5,653	6,803
Deferred Tax assets	0	0	0	47	41	44	255	255	255
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	6,244	6,902	7,474	7,949	8,814	10,294	12,261	12,256	12,943

Financials and valuations

Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Basic (INR)									
EPS	4.8	6.0	5.3	5.1	7.2	7.1	6.1	7.9	9.8
Cash EPS	5.9	7.4	7.5	7.1	8.6	8.7	8.3	11.4	14.2
BV/Share	35.7	36.4	38.5	49.5	56.1	59.3	59.7	62.5	69.5
DPS	0.6	1.1	1.1	1.5	1.7	1.6	1.5	1.9	2.4
Payout (%)	15.6	22.2	25.6	35.7	28.9	28.9	28.9	28.9	28.9
Valuation (x)									
P/E	29.1	23.2	26.1	27.5	19.2	19.7	22.7	17.7	14.2
Cash P/E	23.4	18.8	18.4	19.6	16.2	16.0	16.8	12.2	9.8
P/BV	3.9	3.8	3.6	2.8	2.5	2.3	2.3	2.2	2.0
EV/Sales	2.8	2.5	2.3	2.0	1.9	2.1	2.2	1.8	1.4
EV/EBITDA	16.6	14.7	17.0	13.4	12.2	13.6	17.4	9.9	7.7
Dividend Yield (%)	0.4	0.8	0.8	1.1	1.3	1.1	1.1	1.4	1.7
FCF per share	5.2	-0.5	3.0	4.3	0.7	-2.1	-5.8	7.0	6.9
Return Ratios (%)									
RoE	15.0	16.6	14.2	11.9	13.7	12.2	10.3	12.7	14.9
RoCE	16.7	19.2	15.6	16.9	19.0	16.9	11.6	16.4	19.5
Working Capital Ratios									
Asset Turnover (x)	1.1	1.2	1.2	1.2	1.2	1.0	0.9	1.0	1.2
Inventory (Days)	116	125	131	123	121	122	131	115	114
Debtor (Days)	88	81	80	84	75	97	99	93	90
Creditor (Days)	39	40	40	60	39	55	47	45	45
Leverage Ratio (x)									
Current Ratio	3.3	3.3	3.5	3.4	3.7	3.1	3.8	2.8	2.8
Interest Cover Ratio	4.6	6.7	4.8	5.9	28.4	33.8	7.2	6.5	7.9
Debt/Equity	0.3	0.4	0.5	0.1	0.1	0.2	0.4	0.4	0.3

Consolidated - Cash Flow Statement

(INR Million)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
OP/(Loss) before Tax	785	1,088	945	1,206	1,528	1,560	1,149	1,693	2,114
Depreciation	173	188	293	294	194	238	312	506	613
Interest & Finance Charges	201	146	175	130	-64	-217	-139	85	136
Direct Taxes Paid	-259	-343	-285	-394	-480	-506	-270	-566	-706
(Inc)/Dec in WC	103	-729	-375	-374	-412	-245	-698	153	-1,036
CF from Operations	1,005	350	753	863	767	830	352	1,872	1,121
Others	26	-29	-136	1	108	41	2	0	0
CF from Operating incl EO	1,031	321	617	864	875	872	354	1,872	1,121
(Inc)/Dec in FA	-344	-386	-219	-238	-778	-1,178	-1,192	-884	-150
Free Cash Flow	687	-65	399	626	96	-306	-837	989	971
(Pur)/Sale of Investments	0	0	3	4	-143	-608	-7	0	0
Others	14	-211	17	-331	241	-22	279	187	149
CF from Investments	-330	-597	-199	-565	-680	-1,808	-920	-697	-1
Issue of Shares	10	0	-38	1,956	0	0	0	-594	0
Inc/(Dec) in Debt	-259	527	322	-1,589	-108	1,019	1,697	-200	-300
Interest Paid	-210	-161	-183	-162	-52	-40	-140	-272	-286
Dividend Paid	-114	0	-176	-441	-303	-271	-256	-321	-401
Others	-34	-6	0	0	0	-88	-566	-18	-20
CF from Fin. Activity	-607	360	-75	-236	-463	620	736	-1,405	-1,007
Inc/Dec of Cash	94	84	344	63	-268	-316	170	-229	114
Opening Balance	237	332	415	759	822	554	239	409	180
Closing Balance	332	415	759	822	554	239	409	180	294

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 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, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). 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") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOSL, 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 MOSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOSL, 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 MOSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOSL 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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.