

Estimate changes

TP change

Rating change



Bloomberg	NMDC IN
Equity Shares (m)	2931
M.Cap.(INRb)/(USDb)	756.5 / 9.1
52-Week Range (INR)	286 / 104
1, 6, 12 Rel. Per (%)	1/30/119
12M Avg Val (INR M)	3039

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	213	244	263
Adj EBITDA	73	90	103
Adj. PAT	58	75	83
EBITDA Margin (%)	34	37	39
Cons. Adj. EPS (INR)	20	26	28
EPS Gr. (%)	18	29	12
BV/Sh. (INR)	88	105	125

Ratios

Net D:E	-0.4	-0.4	-0.4
RoE (%)	23.9	26.5	24.7
RoCE (%)	29.3	30.3	29.0
Payout (%)	45.2	30.3	29.8

Valuations

P/E (x)	13.1	10.1	9.1
P/BV (x)	2.9	2.4	2.1
EV/EBITDA(x)	9.1	7.1	5.9
Div. Yield (%)	2.8	3.0	3.3

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	60.8	60.8	60.8
DII	14.1	17.3	19.4
FII	12.6	9.9	7.3
Others	12.5	12.0	12.5

FII Includes depository receipts

CMP: INR258

TP: INR300 (+16%)

Buy

Earnings below estimates; outlook remains bright

Highlights of the 4QFY24 consolidated results:

- NMDC's revenue was in line with our est. at INR65b (YoY/QoQ: +11%/+20%), led by better realizations during the quarter. Iron ore production came in at 13.3mt (YoY/QoQ: -6%/+8%), while sales stood at 12.5mt (YoY/QoQ: +1%/+10%). ASP for the quarter improved to INR5,174/t (YoY/QoQ: +10%/+9%) vs. our estimate of INR4,955/t.
- EBITDA came in at INR21b (YoY/QoQ: -3%/+5%) and was below our estimate of INR23b. The miss was due to higher operating costs and royalty & cess. EBITDA/t stood at INR1,676 (YoY/QoQ: -4%/-5%) vs. our estimate of INR1,819 in 4QFY24.
- APAT for the quarter was INR14b (YoY/QoQ: -14%/-19%) vs. our est. of INR19b. APAT was hit by soft operating performance and a higher tax outgo.

FY24 performance highlights:

- Production volume stood at 45.1mt (+10% YoY), and sales volume was 44.5mt (+16% YoY).
- Revenue came in at INR213b (+21% YoY), EBITDA was INR73b (+21% YoY), and APAT stood at INR57b (+18% YoY).
- EBITDA/t stood at INR1,640 (+4% YoY) in FY24.
- The Board declared a final dividend of INR1.5/share (along with an interim dividend of INR5.75/share) during FY24.

Highlights from the management commentary

- Management reiterated its volume guidance of 50mt for FY25 and expected to produce ~54mt of iron ore in FY26.
- In FY25, incremental 2mt is likely to be produced from Karnataka and 3mt from Chhattisgarh mines.
- The royalty % to sales increased to 47% during 4QFY24. Management expects royalty expenses to be 43% of revenue going forward.
- NMDC incurred a capex of ~INR21b during FY24 and it guided to spend in the similar range of INR15-20b for the current fiscal.
- Over the next few years, it is targeting a production of 100mt.
- Currently, NMDC Steel's monthly production run-rate is 0.12mt. NMDC Steel is procuring iron-ore from NMDC.

Valuations remain attractive; fundamentals supportive

- While the 4QFY24 performance saw some pressure on profitability, the outlook remains bright. NMDC has taken two price hikes in 1QFY25, which would improve its ASP and earnings.
- With the requisite approvals in place, production is likely to ramp up in FY25 and FY26, which will provide strong growth comfort.
- In FY24, India's crude steel production witnessed 15% YoY growth (~144mt) and is expected to clock 8-10% CAGR in the near term. All the major steel manufacturers in India are planning to double their capacities by FY30-31E. Thus, steel demand will remain robust, backed by government initiatives for infrastructure. This will drive the overall demand for iron ore.

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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- With challenges due to the pending EC clearances behind, volume growth is expected to be robust. With two price hikes in 1QFY25 itself, the ASP is anticipated to improve. We raise our EBITDA estimates by 9%/7% for FY25/26 to factor in a better realization outlook. NMDC trades at 5.9x FY26E EV/EBITDA. We reiterate our BUY rating with a revised TP of INR300 (premised on 7x FY26 EV/EBITDA).

Consolidated Quarterly Performance

(INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Iron ore Production (mt)	9	7	11	14	11	9	12	13	41	45	13	
Iron ore Sales (mt)	8	8	10	12	11	10	11	13	38	44	13	
Avg NSR (INR/t)	6,111	3,947	3,885	4,716	4,915	4,194	4,748	5,174	4,623	4,730	4955	
Net Sales	48	33	37	59	54	40	54	65	177	213	64	2
Change (YoY %)	-26.8	-51.0	-36.7	-12.7	13.2	20.6	45.4	10.9	-31.7	20.6		
Change (QoQ %)	-28.9	-30.2	11.8	57.3	-7.8	-25.6	34.8	20.0				
EBITDA	19	9	11	22	20	12	20	21	61	73	23.3	(10)
Change (YoY %)	-54.5	-72.7	-56.3	-19.4	5.0	39.9	76.0	-2.8	-51.9	20.5		
Change (QoQ %)	-29.2	-55.2	34.0	89.6	-7.8	-40.3	68.6	4.7				
EBITDA per ton (INR/t)	2,434	1,009	1,191	1,743	1,816	1,244	1,762	1,676	1,584	1,640	1819	(8)
Interest	0.2	0.2	0.3	0.1	0.1	0.2	0.3	0.2	0.8	0.8		
Depreciation	0.8	0.7	0.8	0.9	0.7	0.9	0.8	1.1	3.4	3.5		
Other Income	1.5	4.3	2.0	-0.1	2.9	3.2	3.4	4.2	7.7	13.7		
PBT (before EO Item)	19	12	12	20	22	14	22	24	64	82	25	(5)
Extra-ordinary item	0.0	0.0	0.0	12.4	0.0	0.0	-2.5	-0.3	12.4	-2.8		
PBT (after EO Item)	19	12	12	33	22	14	20	24	76	80		
Total Tax	4.7	3.0	3.3	10.1	5.5	3.8	5.1	9.4	21.1	23.8		
% Tax	24.3	25.3	26.6	30.7	24.9	27.0	25.7	40.0	27.6	29.9		
PAT before MI and Sh. of Asso.	15	9	9	23	17	10	15	14	55	56		
MI	0	0	0	0	0	0	0	0	0	0		
Sh. of Asso.	0	1	0	0	0	0	0	0	1	0		
PAT after MI and Sh. of Asso.	14	10	9	23	17	10	15	14	56	56		
Adjusted PAT	14	10	9	16	17	10	17	14	49	58	19	(24)
Change (YoY %)	-54.7	-58.5	-55.5	-13.3	14.3	5.6	83.6	-9.0	-47.7	18.0		
Change (QoQ %)	-20.3	-32.7	-6.2	72.3	5.1	-37.9	63.2	-14.6				



Highlights from the management commentary

Guidance

- For FY25, NMDC reiterated 50mt of volume guidance backed by newly sanctioned EC limits for its mines. For FY26, management anticipates to produce ~54mt of iron ore.
- The royalty % to sales increased to 47% during 4QFY24. Management expects royalty expenses to be 43% of revenue going forward.
- Over the next few years, it is targeting to clock a production of 100mt.
- The company has taken two price hikes in 1QFY25 and currently it is largely in-line with landed prices.

Capex and mine developments

- NMDC incurred a capex of ~INR21b during FY24 and it guided to spend in the similar range of INR15-20b for the current fiscal.
- NMDC plans to invest INR500b over the next five years, which would be spent across several projects and processes.
- It is expanding its pellet plant and beneficiation plant, with a goal of increasing the capacity to 6mt from 2mt currently. The project was delayed due to layout redesign, but it is expected to be completed by 3QFY25.

Environment clearance

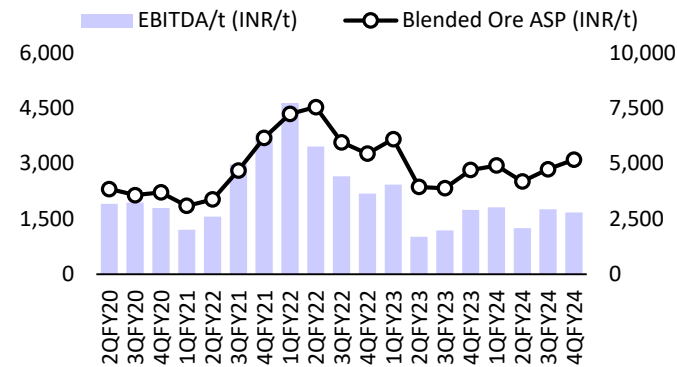
- NMDC got 1.5mt of EC for Kumaraswamy mines and management would restart the application process for taking the capacity to 10mt, which will take overall capacity to 64mt by next year.
- NMDC is expected to enhance the EC at Kirandul to 30-35mt and similarly Bacheli is expected to reach 30mt over the next 4-5 years.
- NMDC has submitted an application to increase EC limits by 10% for Deposit 5 and 11 at Bacheli.

Other highlights

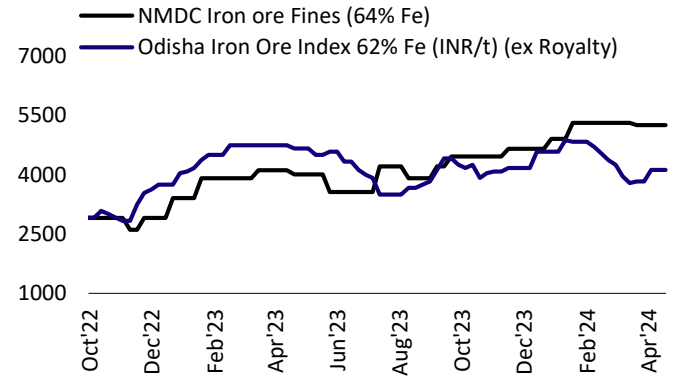
- Wage negotiation has been largely completed and it does not expect any major change in wage costs. Provisioning has already been made and it does not expect any sharp rise in the numbers.
- The company is looking to recruit 800 people for some its expansion plans, and the recruitment process is likely to take six months to be completed.
- JSW contributes ~30% of the total volumes, AMNS at ~18% and RINL at ~15%.
- Domestic demand for steel is expected to remain robust over the next decade.

NMDC Steel

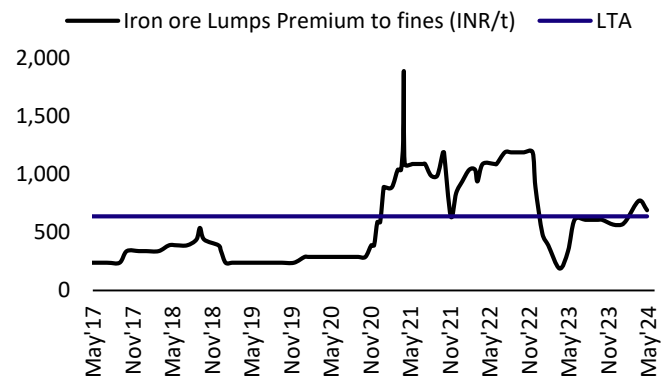
- Currently, NMDC Steel's monthly production run-rate is 0.12mt. NMDC Steel is procuring iron-ore from NMDC.
- NMDC commissioned PCI (pulverized coal injection), which will lead to a substantial reduction in cost going forward.
- With 90% utilization (~2.5LT monthly production run-rate) the EBITDA margin would reach to 25% with stable pricing and cost level.

Exhibit 1: ASP improved QoQ but EBITDA/t remained a drag due to higher royalty & cess

Source: MOFSL, Company

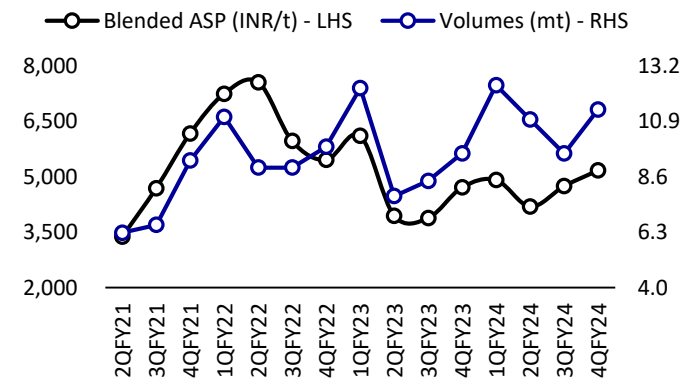
Exhibit 2: NMDC's iron ore prices remained resilient v/s Odisha Iron ore index

Source: MOFSL, SteelMint

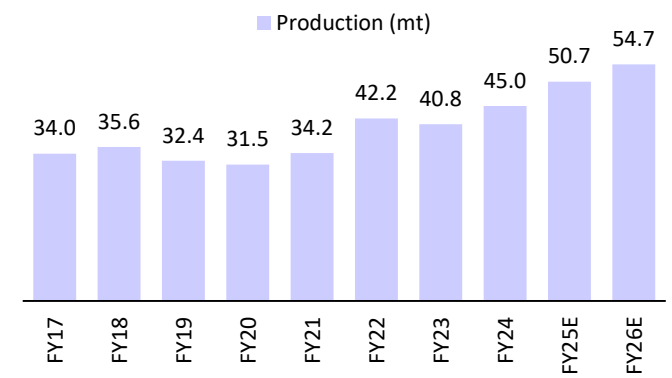
Exhibit 3: The lumps premium to fines remained rangebound near to its LTA

Source: MOFSL, Company

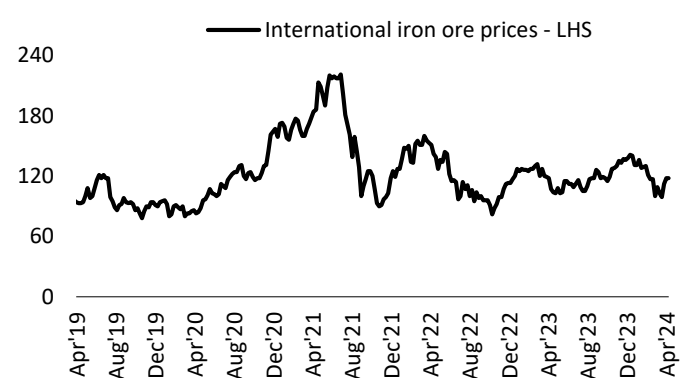
Note: The prices are adjusted to royalty, DMF and NMET

Exhibit 4: Sales volume and blended ASP continued to move in tandem

Source: MOFSL, Company

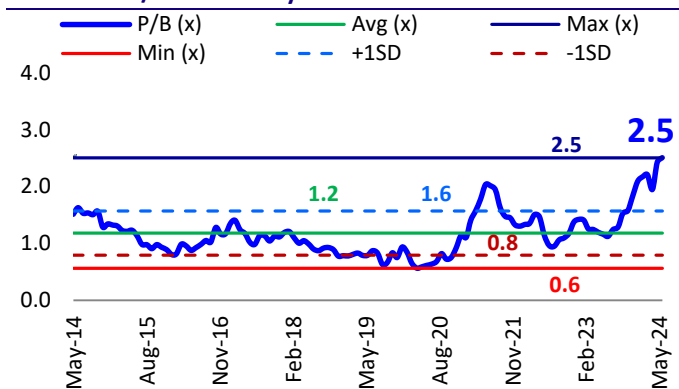
Exhibit 5: NMDC's production to surpass ~50mt by FY25E

Source: MOFSL, Company

Exhibit 6: International iron ore prices (\$/t) rebound in 4Q

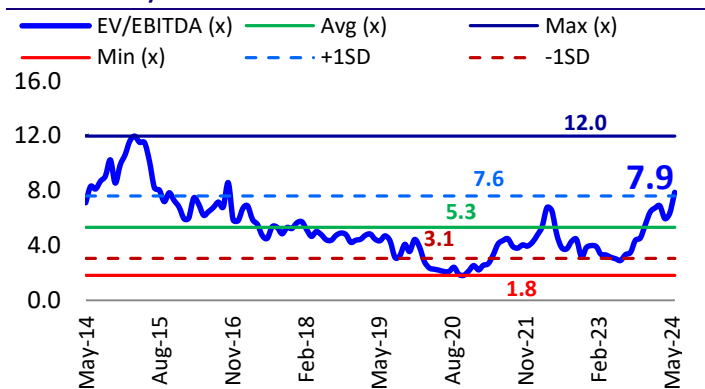
Source: MOFSL, Company Source: MOFSL, SteelMint

Exhibit 7: P/B is currently above Max



Source: MOFSL, Company data

Exhibit 8: EV/EBITDA above +1SD



Source: MOFSL, Company data

Exhibit 9: Key assumptions and summary of changes to our estimates

	UoM	FY25E			FY26E		
		New	Old	% change	New	Old	% change
Iron ore Volumes - mt	mt	50.7	50.7	0.0	54.7	54.7	0.0
Blended ASP (INR/t)	INR/t	4,816	4,513	6.7	4,807	4,590	4.7
Revenue	INRb	244	229	6.7	263	251	4.7
EBITDA/t - INR	INR/t	1,779	1,635	8.8	1,881	1,761	6.8
EBITDA	INR b	90	83	8.8	103	96	6.8
Adj PAT	"	75	68	10.8	83	76	9.4

Exhibit 10: Calculation of the TP

Y/E March	UoM	FY26E
Iron ore		
Volumes	mt	54.7
EBITDA	INR/t	1,881
EBITDA	INR m	1,02,835
Target EV/EBITDA(x)	x	7.0
Target EV	INR m	7,19,843
Add: Net Cash	INR m	1,51,314
Equity Value	INR m	8,71,157
Share o/s	Mn	2,931
Target price (INR/share)	INR/sh	300

Financials and valuation

Consolidated Income Statement										(INR b)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net sales	88	116	122	117	154	259	177	213	244	263
Change (%)	37.1	31.5	4.6	-3.7	31.4	68.4	-31.7	20.6	14.5	7.7
Total Expenses	43	53	50	55	66	133	116	140	154	160
EBITDA	45	63	71	62	88	126	61	73	90	103
% of Net Sales	50.9	54.4	58.8	53.2	57.2	48.6	34.3	34.2	36.9	39.1
EBITDA/t	1,262	1,752	2,207	1,974	2,669	3,138	1,584	1,640	1,779	1,881
Depn. & Amortization	2	3	3	3	2	3	3	4	4	4
EBIT	43	61	69	59	86	123	57	69	87	99
Net Interest	0	0	0	0	0	0	1	1	1	1
Other income	9	5	6	5	3	7	8	14	14	14
PBT before EO	52	65	74	64	89	130	64	82	100	111
EO income	(9)	(5)	(2)	(11)	-	-	12	(3)	-	-
PBT after EO	43	60	72	54	89	130	76	80	100	111
Tax	17	22	26	17	26	36	21	24	25	28
Rate (%)	39.7	36.7	35.5	32.5	29.8	27.6	27.6	29.9	25.0	25.0
PAT before MI and Sh. of Asso.	26	38	46	36	63	94	55	56	75	83
MI	0	0	(0)	(0)	(0)	(0)	0	(0)	-	-
Sh. of Asso.	(0)	0	(0)	(0)	0	(0)	1	(0)	-	-
PAT after MI and Sh. of Asso.	25	38	46	36	63	94	56	56	75	83
Adjusted PAT	31	41	48	47	63	94	49	58	75	83
Change (%)	-4.3	34.3	14.8	-2.0	34.6	49.3	-47.7	18.0	29.4	11.5

Consolidated Balance Sheet										(INR b)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Share Capital	3	3	3	3	3	3	3	3	3	3
Reserves	222	240	256	272	295	177	223	254	306	365
Shareholders' funds	225	244	260	275	298	180	226	257	309	367
Loans	0	5	4	6	20	18	21	34	34	34
Long-term Provisions	6	7	8	8	9	12	14	16	16	16
Capital Employed	231	256	271	289	327	211	262	306	358	417
Gross Block	40	49	53	59	62	70	54	59	80	102
Less: Accum. Deprn.	20	23	26	28	31	34	22	25	29	33
Net Fixed Assets	20	27	27	30	32	37	32	34	51	70
Capital WIP	118	125	138	155	171	13	20	32	32	32
Investments	7	8	9	10	10	9	9	10	10	10
Curr. Assets	112	126	123	116	156	190	238	281	316	357
Inventories	5	6	7	7	9	21	27	28	32	34
Sundry Debtors	10	15	14	22	21	30	44	35	40	43
Cash and Bank	53	54	46	24	58	80	71	124	150	185
Loans and Advances	43	51	56	63	67	60	97	95	95	95
Curr. Liability & Prov.	26	30	27	22	41	38	38	50	51	51
Sundry Creditors	2	2	2	2	4	7	4	4	5	5
Other Liabilities & prov.	24	29	25	20	37	32	34	46	46	46
Net Current Assets	86	96	96	94	115	152	200	231	265	305
Application of Funds	231	256	271	289	327	211	262	306	358	417

Financials and valuation

Key Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)										
EPS	9.8	13.1	15.5	15.2	21.4	32.0	16.7	19.7	25.5	28.5
Cash EPS	10.4	13.9	16.5	16.2	22.2	33.0	17.9	20.9	26.8	29.9
BV/Share	71.2	77.0	84.8	89.9	101.5	61.5	77.2	87.6	105.4	125.4
DPS	5.2	5.3	5.5	5.3	7.8	14.7	6.6	7.3	7.8	8.5
Payout (%)	56.4	62.9	45.9	54.0	36.4	46.0	19.8	45.2	30.3	29.8
Valuation (x)										
P/E	26.6	19.8	16.7	17.0	12.1	8.1	15.5	13.1	10.1	9.1
Cash P/E	25.0	18.6	15.7	16.0	11.7	7.9	14.5	12.4	9.7	8.7
P/BV	3.6	3.4	3.1	2.9	2.6	4.2	3.4	3.0	2.5	2.1
EV/Sales	8.7	6.6	6.2	6.6	4.7	2.7	4.0	3.1	2.6	2.3
EV/EBITDA	17.1	12.2	10.5	12.5	8.2	5.5	11.7	9.2	7.1	5.9
Dividend Yield (%)	2.0	2.0	2.1	2.0	3.0	5.7	2.5	2.8	3.0	3.3
Return Ratios (%)										
EBITDA Margins	50.9	54.4	58.8	53.2	57.2	48.6	34.3	34.2	36.9	39.1
Net Profit Margins	35.0	35.7	39.2	39.9	40.9	36.2	27.8	27.1	30.7	31.8
RoE	13.3	17.7	19.2	17.5	22.4	39.3	24.1	23.9	26.5	24.7
RoCE	19.0	27.0	28.3	23.0	28.9	48.4	27.5	29.3	30.3	29.0
RoIC	72.7	100.2	94.2	66.6	90.6	124.8	42.3	46.0	56.3	55.4
Working Capital Ratios										
Fixed Asset Turnover (x)	2.2	2.3	2.3	2.0	2.5	3.7	3.3	3.6	3.1	2.6
Asset Turnover (x)	0.4	0.5	0.4	0.4	0.5	1.2	0.7	0.7	0.7	0.6
Debtor (Days)	43	46	43	69	51	42	90	60	60	60
Inventory (Days)	22	18	20	23	22	30	55	47	47	47
Creditors (Days)	8	5	6	7	9	9	9	7	7	7
Growth (%)										
Sales	37.1	31.5	4.6	-3.7	31.4	68.4	-31.7	20.6	14.5	7.7
EBITDA	40.6	40.6	13.0	-12.9	41.4	43.0	-51.9	20.5	23.6	14.1
PAT	-4.3	34.3	14.8	-2.0	34.6	49.3	-47.7	18.0	29.4	11.5
Leverage Ratio (x)										
Current Ratio	4.4	4.2	4.6	5.3	3.8	5.0	6.3	5.6	6.2	6.9
Debt/Equity	-0.2	-0.2	-0.2	-0.1	-0.1	-0.3	-0.2	-0.4	-0.4	-0.4

Consolidated Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Pre-tax profit	43	60	72	54	89	130	76	80	100	111
Depreciation	2	3	3	3	2	3	3	4	4	4
(Inc)/Dec in Wkg. Cap.	13	-9	-8	-21	5	-23	-31	19	-9	-5
Tax paid	-19	-23	-26	-23	-25	-44	-21	-18	-25	-28
Other operating activities	-18	3	0	8	2	3	-3	-10	1	1
CF from Op. Activity	21	34	41	21	73	69	25	74	71	83
(Inc)/Dec in FA + CWIP	-24	-21	-20	-24	-16	-12	-14	-18	-21	-23
(Pur)/Sale of Investments	0	-2	7	17	1	-24	9	-52		
Others	76	4	5	4	-28	4	6	10		
CF from Inv. Activity	52	-19	-8	-3	-43	-32	0	-61	-21	-23
Equity raised/(repaid)	-76		-10		-17					
Interest paid	0	0	0	0	0	0	-1	-1	-1	-1
Debt raised/(repaid)	-15	5	-1	2	14	3	-14	12		
Dividend (incl. tax)	-15	-24	-21	-20	-23	-43	-11	-25	-23	-25
Other financing activities	33	4	0	0	0	-1	0	1		
CF from Fin. Activity	-72	-16	-33	-18	-26	-41	-25	-13	-24	-26
(Inc)/Dec in Cash	0	0	0	1	4	-3	0	0	26	35
Add: opening Balance	0	1	0	0	1	5	1	1	1	27
Closing cash balance	1	0	0	1	5	1	1	1	27	62
Bank Balance	52	54	46	23	53	79	70	123	123	123
Closing cash balance (incl bank balance)	53	54	46	24	58	80	71	124	150	185

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://onlineinreports.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

- 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.