

Hindustan Zinc

Estimate changes

TP change

Rating change



Bloomberg	HZ IN
Equity Shares (m)	4225
M.Cap.(INRb)/(USDb)	1331.6 / 16
52-Week Range (INR)	383 / 291
1, 6, 12 Rel. Per (%)	0/-12/-36
12M Avg Val (INR M)	277

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Net Sales	297.0	332.0	355.4
EBITDA	137.2	169.8	189.7
PAT	77.3	99.0	111.4
EPS (INR)	18.3	23.4	26.4
GR. (%)	(26.4)	28.0	12.6
BV/Sh (INR)	33.9	45.3	59.7

Ratios

ROE (%)	56.7	59.1	50.2
RoCE (%)	40.1	45.3	42.8

Valuations

P/E (X)	17.2	13.4	11.9
P/BV (X)	9.3	6.9	5.3
EV/EBITDA (X)	9.6	7.4	6.2
Div Yield (%)	4.8	3.8	3.8

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	64.9	64.9	64.9
DII	32.5	32.5	32.6
FII	0.7	0.8	0.9
Others	1.9	1.8	1.6

FII Includes depository receipts

CMP: INR315
TP: INR310 (-2%)
Neutral

Performance in line; cost of production declines further

- Hindustan Zinc (HZ)'s 3QFY24 revenue stood at INR73b (down 7% YoY), in line with our estimate of INR75b. EBITDA stood at INR35b (down 5% YoY), in line with our estimate of INR34b. The YoY decline in EBITDA was due to lower zinc sales volumes, lower zinc ASP, higher marketing cost and strategic hedging impact, partially offset by increased silver/lead volumes, reduction in CoP, and favorable exchange rates.
- The CoP stood at USD1,095/t (the lowest CoP in the last 10 quarters and the fourth consecutive quarter of consistent improvement). The reduction in CoP is driven by better volumes, enhanced operational efficiencies, and the benefits of lower coal prices.
- APAT stood at INR20b (down 6% YoY), above our estimate of INR18b. APAT was higher on the back of higher 'other income' and lower-than-expected tax outgo. HZ declared a second Interim dividend of INR6 per share in Dec 2023.
- Mined metal production stood at 271kt (up 5% YoY), refined Zinc volume stood at 203kt (down 3% YoY), refined Lead volume stood at 56kt (up 22% YoY) and silver volume stood at 197t (up 22% YoY).
- During 9MFY24, revenue stood at INR214b (down 16% YoY), EBITDA stood at INR100b (down 24% YoY), and APAT stood at INR57b (down 28% YoY). HZ posted the highest ever 9M mined metal production of 780kt (up 2% YoY) on the back of improved metal grades.
- Gross debt as on Dec'23 stood at INR101b and cash and cash equivalents on the books are over INR97b.

Guidance on volume and CoP maintained

- HZ has kept its mined metal production target unchanged at 1,075-1,100kt and saleable silver target at 725-750t for FY24. However, silver volumes are expected to be better than anticipated.
- Fumer facility is expected to add 30kt of silver production from FY25E onwards (30kt run rate expected by 4QFY24).
- Once the alloy facility is completely operational, it will increase the total VAP to 25% from the current 18-20%.
- HZ maintained its cost guidance at USD1,125-1,175/t for FY24.

Valuation and view

- The performance has been largely in line with our estimates. To account for lower CoP ahead and improved demand outlook, we have slightly increased our FY25/FY26 EBITDA estimates by 1%/4%.
- HZ currently trades at 6.7x FY26E EV/EBITDA and we believe all positives are priced in at current levels. We reiterate our Neutral rating on the stock with a TP of INR310 (premised on 6x FY26E EV/EBITDA).

Research analyst – **Alok Deora** (Alok.Deora@MotilalOswal.com)
Parthiv Jhonsa (Parthiv.Jhonsa@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.

Quarterly Performance

INR b

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Vs. Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Mine prodn. (kt)	252	255	257	301	257	252	271	289	1,062	1,069		
Sales												
Zinc refined (kt)	206	189	210	216	208	185	203	219	821	815		
Lead refined (kt)	54	57	46	54	50	57	56	57	211	220		
Silver (tonnes)	177	194	161	182	179	181	197	180	714	737		
Net Sales	94	83	79	85	73	68	73	83	341	297	75	(2)
Change (YoY %)	43.7	36.2	-1.6	-3.3	-22.4	-18.5	-7.1	-2.2	15.8	-12.9		
Change (QoQ %)	6.7	-11.2	-5.6	8.2	-14.4	-6.7	7.6	13.8				
EBITDA	51	44	37	43	33	31	35	37	175	137	34	5
Change (YoY %)	44.4	32.1	-15.2	-14.2	-34.8	-28.8	-5.0	-12.8	7.9	-21.6		
Change (QoQ %)	3.5	-14.2	-15.9	14.8	-21.3	-6.2	12.2	5.4				
As % of Net Sales	54.7	52.9	47.1	50.0	46.0	46.2	48.2	44.6	51.3	46.2		
Finance cost	0	1	1	2	2	2	2	3	3	10		
DD&A	7	8	8	9	8	8	9	10	33	35		
Other Income	3	4	3	4	3	2	3	2	14	10		
PBT (before EO item)	47	39	32	35	26	23	27	27	153	103		
EO exp. (income)	0	0	0	0	0	0	0	0	0	0		
PBT	47	39	32	35	26	23	27	27	153	103		
Total Tax	16	12	10	9	6	6	6	7	48	25		
% Tax	33.8	31.7	32.3	26.3	24.8	25.0	24.0	25.2	31.2	24.7		
Reported PAT	31	27	22	26	20	17	20	20	105	77	18	11
Adjusted PAT	31	27	22	26	20	17	20	20	105	77	18	11
Change (YoY %)	55.9	32.9	-20.2	-11.8	-36.5	-35.5	-5.9	-22.2	9.2	-26.4		
Change (QoQ %)	5.6	-13.3	-19.6	19.8	-24.0	-12.0	17.3	-0.9				



Highlights from the management commentary

Guidance on volume

- Management has kept its FY24 mined metal volumes unchanged at 1,075-1,100kt.
- Silver production, which was guided around 725-750t, is expected to surpass the guided volumes in FY24. However, 4QFY24 silver volumes will depend on the mined metal grade.
- As HZ reaches its yearly mined metal target of 1.2mt from the current ~1.05mt, silver volumes can reach ~800t and to achieve 1,000t of silver production, HZ needs to increase its mined metal volumes to 1.5mt.
- The Fumer facility is expected to add 30kt of silver production from FY25E onwards (achieve 30kt run rate by 4QFY24).
- Once the alloy facility is completely operational, it will increase the VAP to 25% by 1QFY25 from the current 18-20%.

Guidance on CoP

- 3QFY24 marked the fourth consecutive quarter of consistent CoP improvement and the lowest in last 10 quarters. Better coal linkages and softening of coal prices led to improved CoP.
- HZ has kept its CoP guidance unchanged at USD1,125-1,175/t for FY24.
- This solidifies HZ's position as the global cost leader and is now in the first decile in the global zinc mining.

Capex

- Fumer and alloy plants are currently operational with the complete ramp up expected in 4QFY24.
- 160kt roaster at Debari is progressing as per timelines and is expected to be commissioned by 4QFY25.
- Once the roaster is operational, it will help HZ achieve refined metal capacity of 1.2mt.
- 510kt of DAP/NPK Fertilizer Plant at Chanderiya is progressing as per timelines.

Silver demand

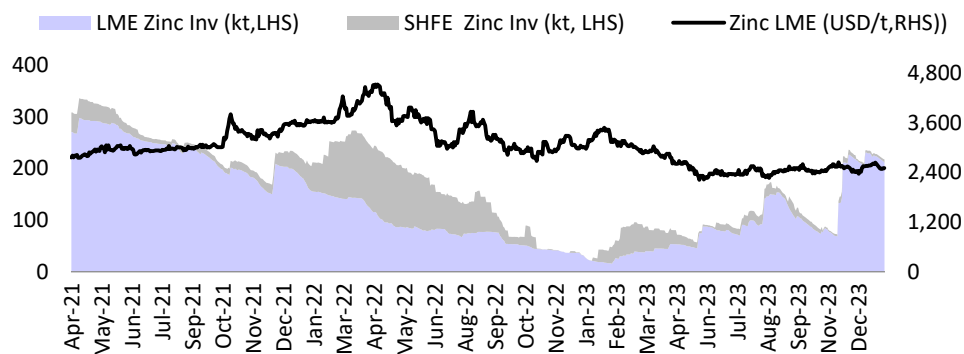
- Industrial silver demand is expected to touch 632m oz in CY23, on the back of higher investments in photovoltaics, power grid, 5G networks, consumer electronics, and automobiles.
- Global silver demand is expected to witness a deficit as it reaches 1.14b oz with lower-than-estimated mined output in CY23.
- Since FY14, HZ has increased its ranking in global silver leadership from rank number 23 to being the fifth largest producer globally.
- Considering robust silver demand, the outlook looks robust.

Other developments

- The proposed demerger of HZL's corporate structure to unlock value by establishing distinct legal entities for Zinc & Lead, Silver, and Recycling business units is currently in advanced stage of discussion by the BoD and the company would arrive at a decision by Mar-Apr'24.
- HZ expects the debt to be reduced by INR20b in 4QFY24.
- The demand for zinc remains robust, driven by strong infrastructure push from countries such as India, Vietnam, and Mexico.
- Demand for lead is expected to remain strong, driven by increased demand from the automobile segment.
- HZ domestic primary zinc market share stands at ~79%.
- HZ anticipates to elevate the utilization of domestic coal to ~45%, a move which is expected to further improve the CoP.

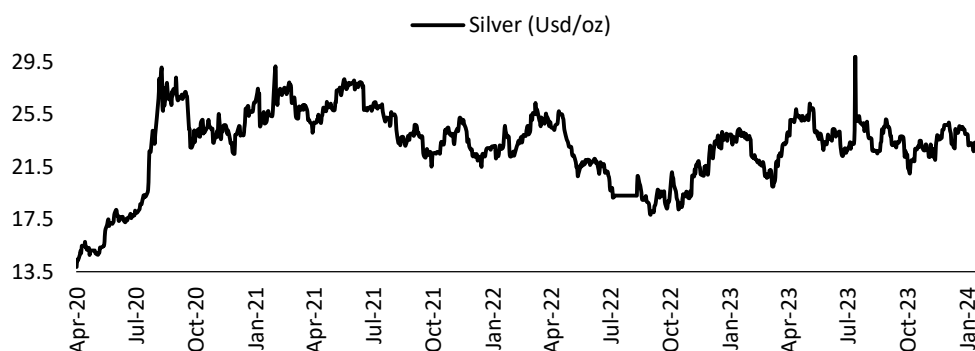
Story in chart

Exhibit 1: LME Zinc inventory as on date has increased to over 215kt



Source: MOFSL, Bloomberg

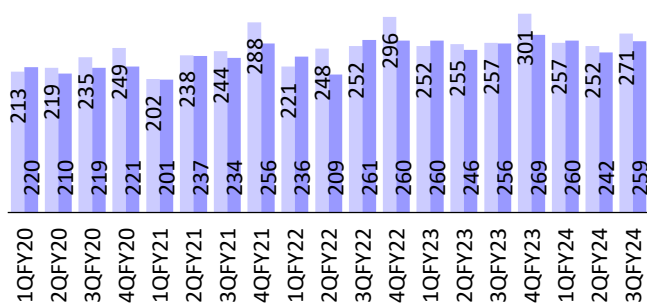
Exhibit 2: Silver prices have remained range bound in 3QFY24



Source: MOFSL, investing.com, Bloomberg

Exhibit 3: Mine production and refined metal production (QoQ)

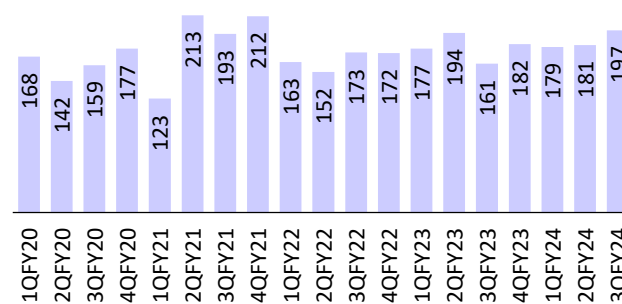
■ Mine production - kt ■ Refined metal production - kt



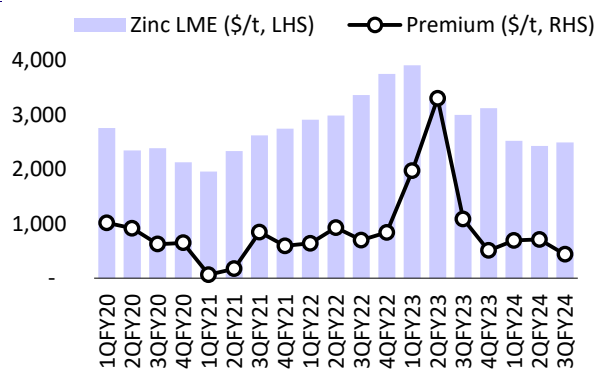
Source: Company, MOFSL

Exhibit 4: Silver production (t) was up 9% QoQ and 22% YoY at 197t

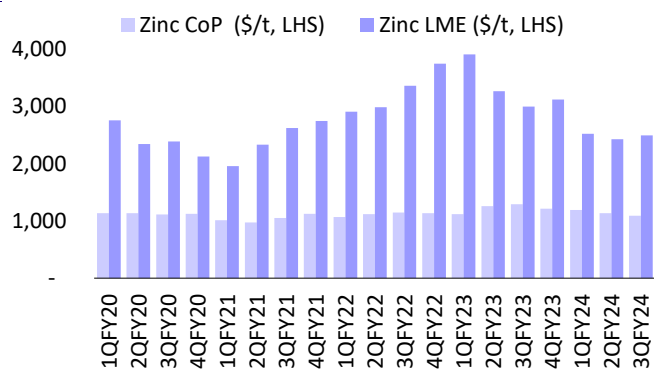
■ Silver production - t



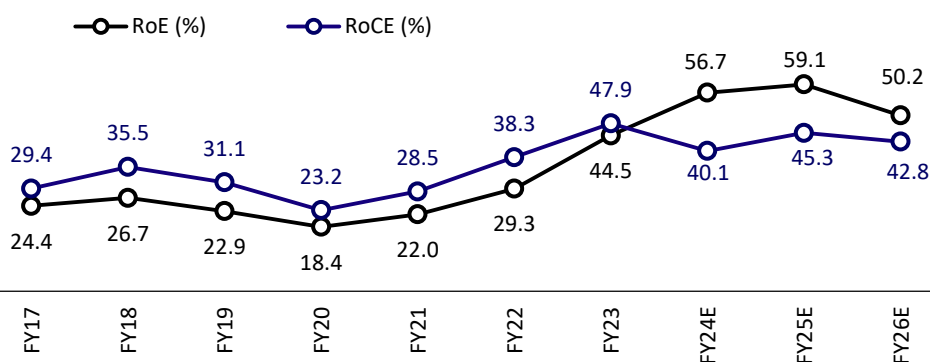
Source: Company, MOFSL

Exhibit 5: Premium during the quarter contracted to USD166/t

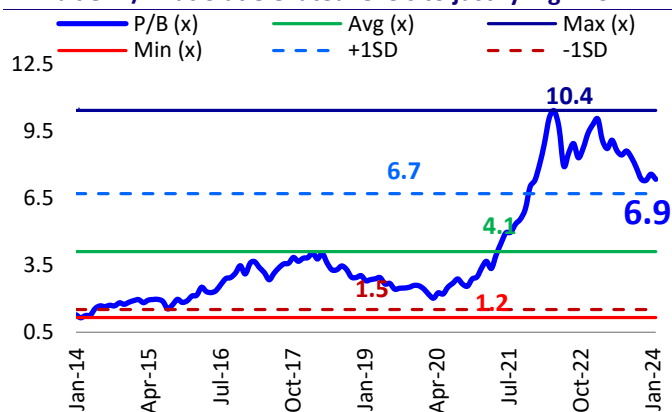
Source: Company, MOFSL

Exhibit 6: CoP eased by USD42/t QoQ and USD198/t over the last five quarters

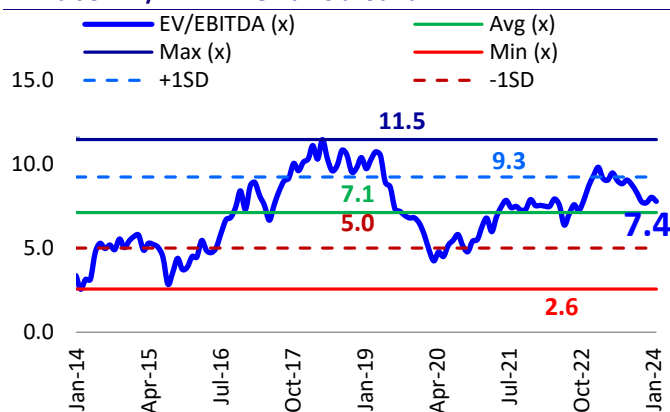
Source: Company, MOFSL

Exhibit 7: ROE(%) and ROCE(%)

Source: Company, MOFSL

Exhibit 8: P/B ratio at elevated levels to justify high RoE

Source: Company, MOFSL

Exhibit 9: EV/EBITDA remains around LTA

Source: Company, MOFSL

Exhibit 10: Changes to our assumptions and key financials

		FY24E			FY25E			FY26E		
		New	Old	% change	New	Old	% change	New	Old	% change
Sales Volume Assumptions										
Refined Zinc	kt	815	823	-1%	834	834	0%	844	834	1%
Refined Lead	kt	220	219	0%	209	209	0%	211	209	1%
Silver	t	737	727	1%	724	724	0%	732	724	1%
Financial Estimates										
Revenue	INR bn	297	300	-1%	332	332	0%	355	349	2%
EBITDA	"	137	136	1%	170	168	1%	190	182	4%
Adj PAT	"	77	76	2%	99	98	1%	111	105	6%
EPS	INR/sh	18	18	2%	23	23	1%	26	25	6%

Source: MOFSL, Company

Exhibit 11: Valuation

Valuation	UoM	FY26E
EBITDA	INR b	190
EV/EBITDA Multiple	x	6.0
Enterprise Value	INR b	1,138
Net Cash	INR b	159
Equity value	INR b	1,297
Shares outstanding	bn	4.23
Target price (INR/sh; rounded-off)	INR/sh	310

Source: MOFSL

Financials and Valuation

Income Statement

(INR Million)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	186	226	294	341	297	332	355
change%	(12.1)	21.9	30.1	15.8	(12.9)	11.8	7.0
Total Expense	97	110	132	166	160	162	166
EBITDA	88	117	162	175	137	170	190
EBITDA Margin%	47.7	51.6	55.1	51.3	46.2	51.2	53.4
Depreciation	23	25	29	33	35	37	39
EBIT	66	91	133	142	102	133	151
Interest and finance charge	1	4	3	3	10	11	14
other income	19	18	12	14	10	11	11
PBT Before EO	84	106	142	153	103	132	149
PBT after EO	84	106	141	153	103	132	149
Total Tax	16	26	45	48	25	33	38
Reported PAT	68	80	96	105	77	99	111
Adjusted PAT	68	80	98	105	77	99	111
change%	(14.5)	17.3	22.3	7.7	(26.4)	28.0	12.6
margin%	0.4	0.4	0.3	0.3	0.3	0.3	0.3

E: MOFSL estimates

Balance Sheet

(INR Million)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	8	8	8	8	8	8	8
Total Reserves	395	315	334	121	135	183	244
Networth	403	323	343	129	143	192	252
Other Liability + Def Tax Liabilities	(18)	(11)	9	23	23	23	23
Total Loans	6	65	28	119	124	132	140
Capital Employed	391	377	381	271	290	346	415
Gross Block	272	323	354	382	415	432	449
Less: Accum Dep	107	155	180	206	241	278	316
Fixed Asset (Net Block)	165	168	174	176	175	154	133
CWIP	25	19	21	22	22	22	22
Curr. Assets Loans & Advances	262	259	252	156	173	252	344
Inventory	18	14	20	19	16	18	19
Account Receivables	4	4	7	4	4	5	5
Cash and Bank	222	223	208	113	132	209	299
Loans and Advances	17	18	17	21	21	21	21
Current Liab and Provision	61	69	66	84	81	83	84
Account Payables	15	15	20	21	18	20	22
Other current liabilities	46	54	46	63	63	63	63
Net Current Assets	201	190	186	72	93	169	259
Application of Funds	391	377	381	271	290	346	415

E: MOFSL estimates

Financials and Valuation

Ratios							
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)							
EPS	16.1	18.9	23.1	24.9	18.3	23.4	26.4
Cash EPS	21.5	24.9	30.0	32.6	26.6	32.2	35.5
Book Value	95.4	76.5	81.1	30.6	33.9	45.3	59.7
DPS	16.5	21.3	18.0	75.5	15.0	12.0	12.0
Payout (incl. div. text)	122.9	112.7	77.9	303.5	82.0	51.2	45.5
Valuation (X)							
P/E	19.6	16.7	13.6	12.7	17.2	13.5	11.9
Cash P/E	14.7	12.7	10.5	9.7	11.9	9.8	8.9
Price/ Book Value	3.3	4.1	3.9	10.3	9.3	7.0	5.3
EV/Sales	6.0	5.2	3.9	3.9	4.5	3.8	3.3
EV/EBITDA	12.6	10.0	7.1	7.6	9.6	7.4	6.2
Div Yield (%)	5.2	6.8	5.7	24.0	4.8	3.8	3.8
Profitability Ratios (%)							
ROE%	18.4	22.0	29.3	44.5	56.7	59.1	50.2
ROCE%	23.2	28.5	38.3	47.9	40.1	45.3	42.8
Turnover Ratios (%)							
Debtors (No.of days)	8	7	9	4	5	5	5
Inventory (No. of days)	36	23	24	20	20	20	20
Creditors (No. of days)	29	25	25	22	22	22	22
Leverage Ratios (%)							
Net Debt/ Equity (x)	(0.5)	(0.5)	(0.5)	0.0	(0.1)	(0.4)	(0.6)

E: MOFSL estimates

Cash Flow Statement					(INR Million)		
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Adj EBITDA	88	117	162	175	137	170	190
Non Cash Op. Exp (Inc)	0	0	1	2	0	0	0
(Inc)/Dec in Wkg Cap	(11)	6	(12)	6	(1)	0	0
Tax Paid	(11)	(18)	(24)	(31)	(26)	(33)	(38)
CF. From Op Activity	66	106	127	151	111	136	152
(Inc)/Dec in FA & CWIP	(36)	(24)	(30)	(35)	(33)	(17)	(17)
Free Cashflows	30	81	97	116	77	120	135
Interest & Dividend Income	5	15	9	14	10	11	11
others	5	(15)	29	87	-	-	-
CF. From Inv Activity	(26)	(24)	8	66	(23)	(6)	(6)
(Inc)/dec in Debt	(19)	65	(43)	90	5	8	8
Interest Paid	(2)	(2)	(3)	(3)	(10)	(11)	(14)
Dividend Paid (Incl.tax)	-	(160)	(76)	(319)	(63)	(51)	(51)
Others	0	0	0	0	0	0	0
CF. From Fin Activity	(21)	(97)	(123)	(232)	(68)	(54)	(56)
(Inc)/dec in cash	19	(16)	13	(15)	20	76	90
Add: Opening cash balance	0	19	3	16	1	20	97
Adjustments	0	0	0	0	0	0	0
Closing cash balance	19	3	16	1	20	97	186
Bank balance and current investments	204	220	192	112	112	112	112
Closing Balance	222	223	208	113	132	209	299

E: MOFSL estimates

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. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (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 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 alterations 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, nor 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.