

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	30,690	-1.5	-25.6
Nifty-50	8,994	-1.3	-26.1
Nifty-M 100	12,376	-1.4	-27.6
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	2,846	3.1	-11.9
Nasdaq	8,516	3.9	-5.1
FTSE 100	5,791	-0.9	-23.2
DAX	10,697	1.2	-19.3
Hang Seng	9,847	0.4	-11.8
Nikkei 225	19,639	3.1	-17.0
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	27	1.7	-59.3
Gold (\$/OZ)	1,715	1.9	13.1
Cu (US\$/MT)	4,993	0.0	-18.8
Almn (US\$/MT)	1,441	0.0	-19.1
Currency	Close	Chg. %	CYTD.%
USD/INR	76.3	0.0	6.9
USD/EUR	1.1	-0.1	-2.7
USD/JPY	107.8	-0.7	-0.8
YIELD (%)	Close	1MChg	CYTDchg
10 Yrs G-Sec	6.5	0.00	-0.1
10 Yrs AAA Corp	7.6	0.00	0.0
Flows (USD b)	13-Apr	MTD	CYTD
FII	-0.16	0.19	-6.24
DII	-0.14	-0.51	9.78
Volumes (INRb)	13-Apr	MTD*	CYTD*
Cash	481	489	443
F&O	6,270	10,050	14,876

Note: \*Average

Today's top research idea



Consumer 4QFY20 Preview: Weak earnings continue, exacerbated by COVID-19 situation

- ❖ The extremely weak trend in the sector topline and earnings, which began 2QFY20 onward, is likely to continue, with ~4%/~8% YoY sales / EBITDA growth expected in 4QFY20.
- ❖ The impact of COVID-19, and consequent Janta Curfew and lockdown, has been witnessed on both the supply chain and consumer goods manufacturing. The outlook for FY21 is also weak, with GDP decline likely for the year, resulting in sharp EPS cuts (ranging from 4–11% for staples and 15–33% for discretionary).
- ❖ The benefit of low material cost is now not expected to be as high as it would have been in a more favorable operating environment. PAT growth is estimated to be higher at 13.9%, largely on the assumption of lower tax rates.
- ❖ Our framework for earnings visibility, longevity of growth, and quality management drives our choices in the consumer universe. We continue to prefer HUVR, MRCO, and UNSP.



Research covered

Cos/Sector	Key Highlights
Consumer 4QFY20 Preview	Weak earnings continue, exacerbated by COVID-19 situation
Motherson Sumi	Mar'20-end debt lowest in 11 quarters
Metals	Hindalco's Novelis completes acquisition of Aleris



Piping hot news

**India to grow at 1.9% in FY21, recover to 7.4% path in 2021-22: IMF**  
 The International Monetary Fund (IMF) has cut its projection of India's economic growth to 1.9 per cent for the current financial year, the lowest since the 1991 balance of payments (BoP) crisis. It had earlier forecast a growth rate of 5.8%.



Chart of the Day: Consumer (Weak earnings continue, exacerbated by COVID-19 situation)

Expect subdued 4QFY20 volume growth

Quarter Ending	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20E
Asian Paints (Dom Deco)	10.0	4.0	9.0	6.0	10.0	10.0	11.0	21.0	10.0	16.0	14.0	11.0	10.0
Britannia (Biscuits)	2.0	2.0	5.0	11.0	11.0	11.0	11.0	7.0	7.0	3.0	3.0	3.0	0.0
Colgate (Toothpaste)	(3.0)	(5.0)	(0.9)	12.0	4.0	4.0	7.0	7.0	5.0	4.0	4.0	2.3	1.0
Dabur	2.4	(4.4)	7.2	13.0	7.7	21.0	8.1	12.4	4.3	9.6	4.8	5.6	5.0
Emami	(1.5)	(18.0)	10.0	6.0	8.0	18.0	(4.0)	3.5	0.0	0.0	1.0	(2.0)	(4.0)
GSK Consumer	(1.0)	0.0	2.5	15.0	8.0	12.0	10.0	8.0	6.5	4.0	3.6	3.0	2.0
Hindustan Unilever	4.0	0.0	4.0	11.0	11.0	12.0	10.0	10.0	7.0	5.0	5.0	5.0	4.0
ITC (cigarette)	0.0	1.0	(6.0)	(3.0)	(2.0)	1.0	6.0	7.0	8.0	3.0	2.5	2.5	(1.0)
Marico													
Domestic	10.0	(9.0)	8.0	9.4	1.0	12.4	6.0	5.0	8.0	6.0	1.0	(1.0)	(3.0)
Pidilite	7.0	0.0	15.0	23.0	13.0	20.2	11.0	13.0	4.0	6.0	(1.0)	2.0	4.0

Source: Company, MOFSL

Research Team (Gautam.Duggad@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.



Kindly click on textbox for the detailed news link

1

**Banks seek govt guarantees on small business loans of at least ₹50,000 crore**

As covid-19 threatens operations of small businesses in India, banks have requested the Union government to fully guarantee their incremental loans to micro, small and medium enterprises (MSMEs) of at least ₹50,000 crore, said two people aware of the development...

2

**FTSE Russell proposes to raise India's weight in its global indices**

Global index providers have taken note of the government's decision to virtually increase foreign ownership in listed companies. After MSCI, FTSE Russell has proposed to increase India's weight on its global indices, which are tracked by funds with billions of dollars in corpus. On Tuesday, the UK-based entity issued a new methodology to compute the weight of the country and individual stocks in its indices. The move could increase India's weight on the widely-tracked emerging market (EM) indices by as much as 156 basis points (bps).

3

**Hindalco closes \$2.8 billion deal to acquire Aleris**

The Aditya Birla group's flagship company Hindalco on Tuesday completed the buyout of Aleris Corp by its wholly owned subsidiary Novelis Inc at an enterprise value of \$2.8 billion (Rs 21,295 crores). The deal marks Novelis' potential entry into the high-end aerospace segment.

4

**SBI seeks loan guarantees, extension of moratorium**

State Bank of India's Chairman Rajnish Kumar has sought government guarantees to enable banks to lend to companies to expedite a post-lockdown economic recovery in the aftermath of the Covid-19 pandemic.

5

**Tariff cut likely for regulated power companies**

Regulated power plants may have to take a tariff haircut on return on equity and fixed costs, as the government is considering a demand from electricity distribution companies to lower costs amid the Covid-19 pandemic.

6

**Realty developers may see a 20% fall in housing prices, says Deepak Parekh**

Property developers should be prepared for up to a 20 per cent fall in housing prices and have to create liquidity by selling their inventory at whatever prices they get, HDFC Chairman Deepak Parekh said on Tuesday...

7

**Ecommerce cos, kirana stores tie-up to maintain essentials' supply**

The government is keen on ecommerce companies tying up with kirana stores to maintain supply of essential goods and ensure that people do not step out of their houses to buy essentials during the extended nationwide lockdown.



# Consumer

## Result Preview



Asian Paints
Britannia Industries
Colgate
Dabur
Emami
Godrej Consumer
GSK Consumer
Hindustan Unilever
ITC
Jyothy Laboratories
Marico
Nestle India
Page Industries
Pidilite Industries
P&GHH
United Breweries
United Spirits

### Weak earnings continue, exacerbated by COVID-19 situation

#### Weakest sales growth for any quarter since GST implementation

#### Excluding Tata Consumer, second weakest EBITDA growth since GST

The extremely weak trend in sector topline and earnings that began from 2QFY20 onward is likely to continue, with ~4% YoY sales growth and ~8% YoY EBITDA growth in 4QFY20. Sales and EBITDA growth (adjusted for unusually high 38% sales growth and 71% EBITDA growth in Tata Consumer) is the weakest / second weakest, respectively, for any quarter since June 2017 (which was affected by down stocking ahead of the GST implementation). The impact of COVID-19 and consequent Janta Curfew and lockdown has been witnessed on both supply chain and manufacturing of consumer companies. The outlook for FY21 is also weak with likely GDP decline for the year, resulting in sharp EPS cuts (ranging from 4–11% for staples and 15–33% for discretionary). The benefit of low material cost is now not expected to be as high as it would have been in a more favorable operating environment as promotions and price discounts were in evidence. On the other hand, ad spends and new launches are expected to remain lower than usual as companies await signs of revival. PAT growth is expected to be higher at 13.9%, largely on the assumption of lower rates post the corporate tax cuts announced in Sept'19.

HUVR's sales growth is expected at ~3% YoY (with 4% volume growth) in 4QFY20, and EBITDA growth at ~7% YoY. Boosted by low other income in the base quarter, HUVR's PAT growth is expected to be up ~14% YoY. We expect ITC to report 1% decline in cigarette volumes, with sales growth of ~6% YoY and EBITDA growth of 11% YoY. A tepid operating performance is expected from most others during the quarter, barring APNT and PIDI, both of which are likely to report over 20% EBITDA growth despite mid-single digit sales growth on account of decline in RM cost. While Tata Consumer's reported numbers are likely to be unusually high due to the addition of the Tata Chemicals consumer business, like-for-like sales and EBITDA would remain healthy at 7% and 25%, respectively. On the other hand, double-digit EBITDA decline is likely for UNSP, UBBL, GCPL, and PAG.

#### Commodity costs largely benign

PFAD prices grew 49.5% YoY in 4QFY20 (26.8% sequential growth), while Mentha prices were down 21.8% YoY. Wheat costs increased modestly 7.5% YoY and declined 3.1% sequentially, while sugar costs declined 2–3% both YoY and sequentially. Barley costs were up 10.8% YoY for the quarter. TiO2 costs declined 5.6% YoY, while YTD costs of VAM plummeted 18.2% YoY. Copra costs came in flattish YoY, while HDPE costs declined 15.2% YoY. LLP costs were down 2.1% YoY.

#### Preference for quality and longevity of growth

Our framework for earnings visibility, longevity of growth, and quality management drives our choices in the consumer universe. We continue to prefer **HUVR as our large-cap pick**. Particularly in volatile times such as this, HUVR stands out like a beacon in terms of superior visibility on near- and medium-term earnings, and is thus deserving of premium valuations. **We upgraded MRCO to BUY a month ago, which remains our top mid-cap pick**, with valuations close to 10-year average P/E. **UNSP remains our top discretionary pick**. Despite the likely sharp impact on near-term earnings due to the COVID-19 situation, valuations at 32x FY22 EPS are at a substantial discount to other discretionary peers.

# Motherson Sumi

BSE SENSEX 30,690 S&P CNX 8,994



Motherson Sumi Systems Limited

### Stock Info

Bloomberg	MSS IN
Equity Shares (m)	3,158
M.Cap.(INRb)/(USD\$b)	199.4 / 2.7
52-Week Range (INR)	163 / 49
1, 6, 12 Rel. Per (%)	8/-15/-37
12M Avg Val (INR M)	1271
Free float (%)	38.3

### Financials & Valuations (INR b)

Y/E March	FY20E	FY21E	FY22E
Sales	633.3	617.0	706.2
EBITDA	49.1	48.4	69.1
Adj. PAT	11.8	9.7	18.1
EPS (INR)	3.7	3.1	5.7
EPS Gr. (%)	-27.1	-17.2	85.6
BV/Sh. (INR)	38.3	40.4	44.3

### Ratios

Net D:E	0.6	0.4	0.1
RoE (%)	10.1	7.8	13.5
RoCE (%)	6.8	5.9	10.3
Payout (%)	31.5	31.5	31.5

### Valuations

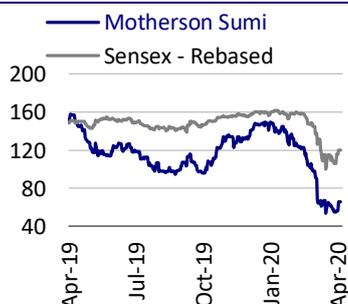
P/E (x)	17.0	20.5	11.0
P/BV (x)	1.7	1.6	1.4
Div. Yield (%)	1.6	1.3	2.4
FCF Yield (%)	6.9	11.1	15.8

### Shareholding Pattern (%)

As On	Dec-19	Sep-19	Dec-18
Promoter	61.7	61.7	61.7
DII	12.6	13.5	9.9
FII	16.4	15.0	17.5
Others	9.3	9.8	10.9

FII Includes depository receipts

### Stock Performance (1-year)



CMP: INR63

TP: INR84 (+33%)

Buy

## Mar'20-end debt lowest in 11 quarters

Comfortable liquidity, with focus on further growing liquid assets

- Motherson Sumi (MSS) issued an update on the COVID-19 situation, financial gearing/liquidity, and M&A opportunities. The company announced it was well-positioned on liquidity, with an 11-quarter low debt and adequate liquidity as well as a focus on generating further cash. It expects the current crisis to introduce M&A opportunities, and key customers are already pointing it in the direction of certain troubled companies. Here are the key highlights from the press release:
- MSS is seeing positive development in demand from its China plants, which had initially been shut down at the onset of the pandemic but have since recovered their production levels to nearly the pre-COVID-19 state soon after resuming operations.
- For all other plants (India, the EU, and the US), MSS has received positive reopening dates for the vast majority of its plants by end-April / early May.
- Governments in various parts of the world have instituted employment protection schemes during the shutdown period, as per which they are bearing part of the employee cost. MSS is actively working with the governments to further reduce fixed cost during this period of non-production.
- The company is monetizing engineering working capital by actively working with customers.
- It is working closely with its customers to realize receivables as well as with the supply chain for smooth continuity in operations as lockdown restrictions are lifted.

## Comfortable with liquidity

- MSS' net debt as of Mar'20 stood at an 11-quarter low of INR71.5b at a consolidated level and EUR702m at Samvardhana Motherson Automotive Systems Group BV (SMRPBV).
- Consol cash stood at INR46.9b, with EUR412m at SMRPBV.
- Consol drawable committed/uncommitted facilities stood at INR55b, with EUR458m (committed lines) at SMRPBV.
- It has adequate headroom in its bond documents to utilize the above, and no major debt maturities are scheduled over the next 12 months.
- To further enhance liquidity in these uncertain times, the Board of Directors has accorded in-principle approval to raise debt of up to INR10b.
- On pledged shares: SAMIL has repaid part of its debt, and subsequently 30.5m MSS shares (a total pledge of 254.4m or 8.05% of equity) are expected to be released from the pledge this week. SAMIL intends to pay back more facilities from internal accruals and dividends going forward.

**Mr V C Sehgal on M&A**

- Mr Sehgal stated that while aspirational five-year plans could not be timed perfectly, and the unprecedented COVID-19 situation had hampered the closings of many of MSS' target acquisitions, the company believed these same opportunities had turned more attractive in valuation since the COVID-19 crisis.
- With its strong financial position and customer faith intact, MSS is also being approached by customers to look at more specific companies in trouble, which it opines can be acquired at low valuations.

**Valuation and view**

Our positive view on MSS remains intact (owing to the stabilization of its greenfield plants, execution of SMRPBV's strong order book, and recovery in India). However, near-term stock performance would be influenced by COVID-19 developments (China exposure for SMRPBV and PKC Group) as well as ongoing restructuring exercises. Maintain Buy, with TP of ~INR 84 (Mar'22 SOTP).

# Metals

## Hindalco's Novelis completes acquisition of Aleris

- Hindalco's wholly-owned subsidiary Novelis has completed the acquisition of US-based Aleris for an EV of USD2.8b (including debt of USD2.0b), implying 7.2x CY19 EV/EBITDA (EBITDA – USD388m in CY19).
- The EV was higher by USD0.2b than the earlier announced EV of USD2.58b due to higher working capital at the time of deal closure.
- Novelis would fund the acquisition through debt of USD2.3b (including USD0.4b raised in Jan'20) and internal accruals of USD0.5b.
- The transaction closure follows the European Commission's recent approval to sell the Duffel plant of Aleris to the Liberty Group for USD0.34b (at ~7x EV/EBITDA). Novelis is working with the Liberty Group to close the transaction, subject to approval by Chinese Authorities.
- As part of the regulatory process, Novelis is also required to sell Aleris' Lewisport facility in the US. Novelis is working with the US Department of Justice to define the timeline and terms for the divestment of Lewisport.
- Acquisition of Aleris allows Novelis entry into the high-end aerospace segment. It would also position Novelis as leader in the Building and Construction segment in the US. Also, Novelis expects synergy benefits of USD150m on recurring basis in 3-5 years from the Aleris buy-out.
- During CY19, Aleris sold 858kt, recording revenues of USD3.38b and adjusted EBITDA of USD0.39b. Novelis sold 3,332kt, recording revenues of USD11.58b and adjusted EBITDA of USD1.44b.
- Post the Aleris acquisition, Hindalco's trailing 12 months combined net debt to adjusted EBITDA stands at 3.3x.



### **PRESTIGE ESTATES: WHEREVER PRESENT, COMPANY TAKING CARE OF THE LABOURERS AND THEIR HYGIENE; Irfan Razack, MD**

- Have already seen two weeks of lockdown, One more week has to be seen through and hopefully if the curve comes down, there will be some partial opening up.
- Right now, need to see how company can control overheads and expenses. Will have to bounce back.
- Housing is an important segment and there is an opportunity - will present itself may be in the next quarter. This quarter will have to just see how company can evaluate the situation and then restart the work. Have to see how company can at least deliver the goods that was promised to customers.
- On retail front, have stopped the rents for customers till it restarts. On the office front, the goods are safe since company dealing with the MNCs. Though they are working from home, they are linked to their office spaces. So, they will be paying the rents and hence do not see any problem there.
- Hospitality of course has become nil and it will take at least two quarters for it to bounce back.
- Some of the labourers have left and there is nothing that company can do but have managed to contain most of the labourers working on large projects in the camp itself. They are pretty safe and medical checkups also have been given. Company is doing this in Bangalore, Hyderabad, in Kochi and in Chennai. In fact, in Kochi company has a major labour camp. Doing an IT park and a shopping centre.
- Confident they (labour force) will come back but there will be a break in work. Should be able to resume at least with a 50-75 per cent capacity.

[➔ Read More](#)



## HOW COVID-19 IS TRANSFORMING GLOBAL MANUFACTURING

- As the covid-19 pandemic escalates, the risks inherent in global supply chains are more apparent than ever. Rather than await a return to business as usual, with manufacturing activities concentrated in countries where labour is cheap and plentiful, advanced-economy companies are shifting their focus to the lowest-wage workers of all: robots. Firms began relocating production to low-wage countries in the early 1990s, aided by the fall of the Iron Curtain, China's global integration and eventual accession to the World Trade Organization, and the rise of containerization. The period between 1990 and the 2008 global financial crisis has been called an era of hyper-globalization in which global value chains accounted for about 60% of global trade. The 2008 global financial and economic crisis marked the beginning of the end of this era of hyper-globalization. In 2011, global value chains stopped expanding. They have not grown again since. This reversal was driven by uncertainty. From 2008 to 2011, the World Uncertainty Index—constructed by Hites Ahir, Nicholas Bloom, and Davide Furceri—increased by 200%. To compare, during the 2002-03 outbreak of [the] Severe acute respiratory syndrome, or Sars, the World Uncertainty Index rose by 70%. After the United Kingdom voted in 2016 to leave the European Union, the World Uncertainty Index surged by 250%.

[➔ Read More](#)

## SCALE UP THE RELIEF PACKAGE TO 5-6% OF GDP

- The covid-19 crisis is a bolt from the blue. There is no precedent of this particular strain of coronavirus, and hence, any projections of its impact can just be intelligent guesses. Predictive numbers need to be relied upon with great caution. One has to keep a very close watch on how the crisis unfolds and keep tinkering with different actions as facts regarding the virus trajectory, the effectiveness or otherwise of containment efforts, and reactions of economic actors become clearer. The crisis would, as any crisis does, affect both the supply and demand sides of the economy and stress not only the financial markets but the socio-economic fabric of society. The country has been put under a nationwide lockdown since 25 March. While social distancing is necessary to prevent the rapid spread of the epidemic, there is a huge economic cost that it entails. There is no denying the fact that the choice seemed to be between the economy and lives. However, sooner than later, questions regarding rising unemployment, shutting down of businesses, increasing non-performing assets, supply chain disruptions, reduced investments, and contracting demand would become serious challenges. The sooner we reframe the choice from being between GDP and lives to being between lives and lives, the better we would be able to manage the crisis.

[➔ Read More](#)

## NOTES

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](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOFSL) 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/Document/documents/Associate%20Details.pdf>. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. MOFSL, its associates, Research Analyst or their relative may have any financial interest in the subject company, MOFSL and/or its associates and/or Research Analyst may have actual/beneficial ownership of 1% or more securities in the subject company in the past 12 months. 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. Research Analyst may have served as director/officer, etc. in the subject company in the past 12 months. MOFSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the past 12 months, MOFSL or any of its associates may have:

- a) managed or co-managed public offering of securities from subject company of this research report,
- b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- d) Subject Company may have been a client of MOFSL or its associates in the past 12 months.

MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the 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. 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. 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.

**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.

**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.

Disclosure of Interest Statement	Companies where there is interest
Analyst ownership of the stock	No

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

**Regional Disclosures (outside India)**

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

**For Hong Kong:**

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (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 Advisers 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.

**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, 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 its affiliates 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](http://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)\*: IN2000158836(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](mailto:na@motilaloswal.com), Contact No.:022-71881085.\* MOFSL 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 Ben