Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	38,194	-0.4	-7.4
Nifty-50	11,278	-0.3	-7.3
Nifty-M 100	16,450	-0.5	-3.8
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	3,399	2.0	5.2
Nasdaq	11,142	2.7	24.2
FTSE 100	6,013	1.4	-20.3
DAX	13,237	2.1	-0.1
Hang Seng	9,729	-1.0	-12.9
Nikkei 225	23,033	-1.0	-2.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	40	2.3	-39.7
Gold ($/OZ)	1,947	0.8	28.3
Cu (US$/MT)	6,759	0.9	9.9
Almn (US$/MT)	1,746	-0.5	-2.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	73.5	-0.1	3.0
USD/EUR	1.2	0.2	5.3
USD/JPY	106.2	0.1	-2.2
YIELD (%)	**Close**	**1MChg**	**CYTDchg**
10 Yrs G-Sec	6.0	-0.07	-0.6
10 Yrs AAA Corp	6.8	-0.07	-0.8
Flows (USD b)	**9-Sep**	**MTD**	**CYTD**
FIIs	-0.13	-0.05	4.89
DIIs	-0.04	-0.14	8.93
Volumes (INRb)	**9-Sep**	**MTD***	**CYTD***
Cash	568	555	544
F&O	20,974	19,787	15,951

Note: *Average

Today's top research idea

Expert Speak | Financials: Prudent approach in resolving COVID-19-related corporate stress

Due consideration on transparency, restructuring efficacy, and sector-specific needs

We hosted an interaction with Mr Ashvin Parekh, Managing Partner– Ashvin Parekh Advisory Services, who is also a member of the Expert Committee led by Mr K V Kamath on the Resolution Framework. Here are the key insights from the discussion:

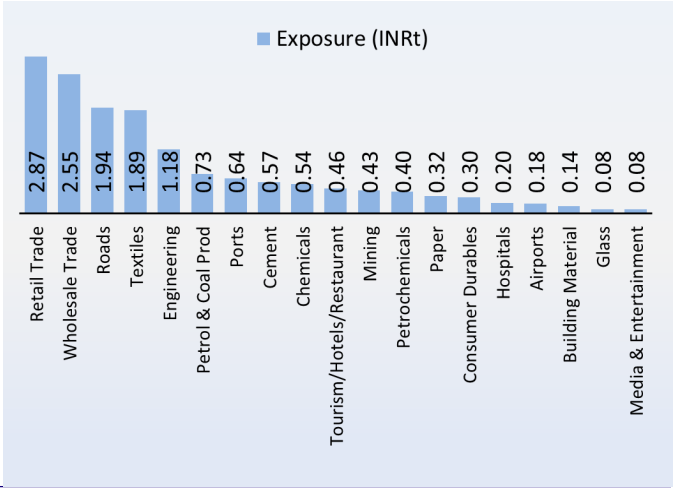
- Overall, the broad perspective of the current one-time restructuring is to include borrowers who were performing well pre-COVID, but were severely impacted by the pandemic. Thus, they may be given additional support for the maximum period of two years through the restructuring of the loan mechanism.
- Mr Parekh believes that some of the stressed real estate projects would not be able to avail restructuring and could potentially slip into NPA unless there is some stimulus from the government.
- ~387 accounts have exposure greater than INR15b in the system. Some of these availed moratorium largely from a cautionary perspective to preserve liquidity and may thus not need restructuring.

Research covered

Cos/Sector	Key Highlights
Expert Speak	FINANCIALS: Prudent approach in resolving COVID-19-related corporate stress
Reliance Industries	First deal in Reliance Retail; More could follow
Ashok Leyland (ART)	High R&D investments amid weak operating environment
Essel Propack	Best placed for next growth trajectory
Healthcare	IPM declines in Aug'20 after posting muted growth in Jul'20

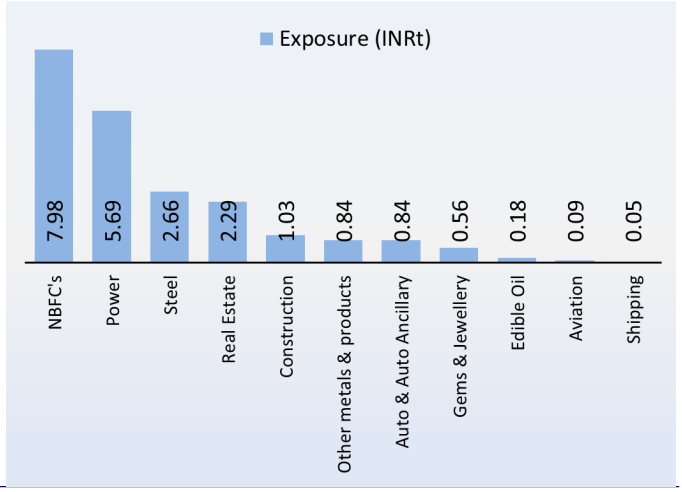
Chart of the Day: Expert Speak—Financials: Prudent approach in resolving COVID-19-related corporate stress

Sectors not under stress pre-COVID and impacted by COVID



Source: MOFSL, RBI

Sectors under stress pre-COVID and further impacted by COVID



Source: MOFSL, RBI

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Middle East sovereign wealth funds in talks to buy stakes in Reliance Retail: Report

Middle East sovereign wealth funds, including the Abu Dhabi Investment Authority (Adia) and Saudi Arabia's Public Investment Fund (PIF), are in talks to buy stakes in Mukesh Ambani-led Reliance Industries's arm Reliance Retail, Financial Times reported on Wednesday. …

2

August passenger vehicle retail sales down 7% YoY, but improves sequential

Retail sales of passenger vehicles declined 7% year-on-year to 178,513 units in the domestic market in August due to covid-19 related disruptions, according to data released by Federation of Automobile Dealers Associations (Fada) on Tuesday. Showroom sales though improved from 157,373 units sold in July due to increase in demand in rural and semi-urban markets and shift in customer preference for personal transport to avoid getting infected. The same trend was witnessed in the two-wheeler and tractor segments.

3

Highways Ministry releases over Rs 10,000 crore for developers to expedite work

The government on Wednesday said it has released over Rs 10,000 crore to developers amid COVID-19 to boost the 'Atmanirbhar Bharat' scheme and expedite highways construction. "A sum of Rs 10,339 crore has been released by the Ministry of Road Transport and Highways (MoRTH) during the COVID-19 period under the simplified payment process as…

4

Daily toll collection via FASTag reaches 98% of pre-lockdown levels

The daily toll collection in the country via NETC FASTags has reached 98 percent of pre-lockdown levels, data reviewed by CNBC-TV18 shows. The daily toll collection through NETC FASTags under National Electronic Toll Collection programme has reached Rs 65.08 crore at 697 active toll …

5

Retail industry showing signs of recovery: Survey by Retailers Association of India

The Southern region is faring slightly better followed by East, West and North in terms of sale, according to the latest report by the Retailers Association of India. Report said that large retailers are performing marginally better than medium-sized retailers. "The retail industry has started to witness some green shoots especially in states that are allowing retail to operate with fewer interruptions," said said Kumar Rajagopalan, CEO, Retailers Association of India.

6

Hotels expected to see only 30% occupancy till early next year: Report

Underscoring the massive revenue losses caused by the covid-19 pandemic, hotels are likely to see only 30% occupancy till the start of 2021, a research by industry body Confederation of Indian Industry (CII) has found. Currently, hotels are seeing an 80-85% erosion in …

7

Equity schemes see net outflows for second straight month in August

Equity schemes saw net outflows for the second straight month in August, as the market's upward trajectory and the need for cash amid the Covid-19 pandemic prompted investors to pull out money. Equity schemes witnessed outflows to the tune of Rs 4,000-4,200 crore in August, led by …

pdf

Expert Speak

Prudent approach in resolving COVID-19-related corporate stress

Due consideration on transparency, restructuring efficacy, and sector-specific needs

We hosted an interaction with Mr Ashvin Parekh, Managing Partner– Ashvin Parekh Advisory Services, who is also a member of the Expert Committee led by Mr K V Kamath on the Resolution Framework. The Committee has assessed the impact of COVID-19-related stress on the Banking sector and proposed a resolution framework to the RBI, which has been largely accepted by the central bank for implementation. We discussed the rationale behind identifying the sectors and the specific threshold limits on five key financial parameters. Here are the key insights from the discussion:

Mr Ashvin Parekh, Managing Partner, Ashvin Parekh Advisory Services

Mr Parekh is registered as an expert in the Financial Services sector with the World Bank and Asian Development Bank, and works closely with the Government of India. In the past five years, he has been on nine committees set up by the Ministry of Finance. He has been a member of several committees set up by the RBI, IRDAI, and SEBI, and is instrumental in bringing about reforms in the Financial sector. His work has been focused on the areas of business strategy and capital expansion, with more than 45 transactions in the areas of JV and M&A. He was involved in the formation of four new banks in India. He is also a Member of the K V Kamath Committee.

Key principles adhered to in devising Resolution Framework

- The underlying principles for the Resolution Framework (RF) were clearly established by the regulator. The key principles used are:
  - Consider only those borrowers who were standard as of 1st Mar'20 and continue to remain standard.
  - The new restructuring framework should differentiate from the existing framework, already in place for non-standard assets.
  - The period over which the asset should return to normalcy and start paying all dues.
- The Committee also needs to make sure not to impact any other stakeholders adversely, i.e., customers, employees, lenders, depositors, etc.
- Furthermore, there has been a significant focus on ensuring the right compliance structure in the Resolution Framework, such as Forensic Audit and Independent Credit Evaluation, to establish the financial viability of the resolution plan and its legal requirements, etc.
- If any stressed account needs restructuring for more than two years, then the current framework is not eligible for such borrowers. Also, the current framework does not include NBFCs (as a borrower).
- Overall, the broad perspective of the current one-time restructuring is to include borrowers who were performing well pre-COVID, but were severely impacted by the pandemic. Thus, they may be given additional support for the maximum period of two years through the restructuring of the loan mechanism.

Key aspects considered in identifying financial parameters

- The Committee has invited all trade associations, rating agencies, and bankers to give their inputs in determining the financial parameters to be used in the resolution mechanism. They have broadly suggested parameters based on leverage, liquidity, and debt serviceability of the companies. The aim is to set up quantitative measures in deciding the financial parameters.
- The parameters are applicable to all 307 sectors, as defined by the RBI. Furthermore, the Committee has explicitly identified 26 key sectors as stressed based on varying severity – mild, moderate, and severe – and suggested specific financial parameter ranges for these sectors.
- The Committee has discussed with bankers, other lenders, and rating agencies to decide on the threshold limit range for each ratio in the respective sectors.
- For those sectors where the threshold parameters have not been specified, lenders could use their own assessments for the solvency ratios.

Some key sectors highly impacted by COVID-19

- Mr Parekh suggested that some sectors such as Aviation, Hotels, and Tourism are likely to take longer to revive. On the other hand, some other sectors, such as NBFC and Real Estate, that were stressed pre-COVID as well

were further impacted by the COVID-19 pandemic due to demand and supply disruption and decline in consumer spending, etc.

- He also believes that some of the stressed real estate projects would not be able to avail restructuring and could potentially slip into NPA unless there is some stimulus from the government.
- **On large corporate exposure:** ~387 accounts totally have exposure greater than INR15b in the system. All of these accounts were standard as of 1st Mar'20. Some of them availed moratorium largely from a cautionary perspective to preserve liquidity and may thus not need restructuring.

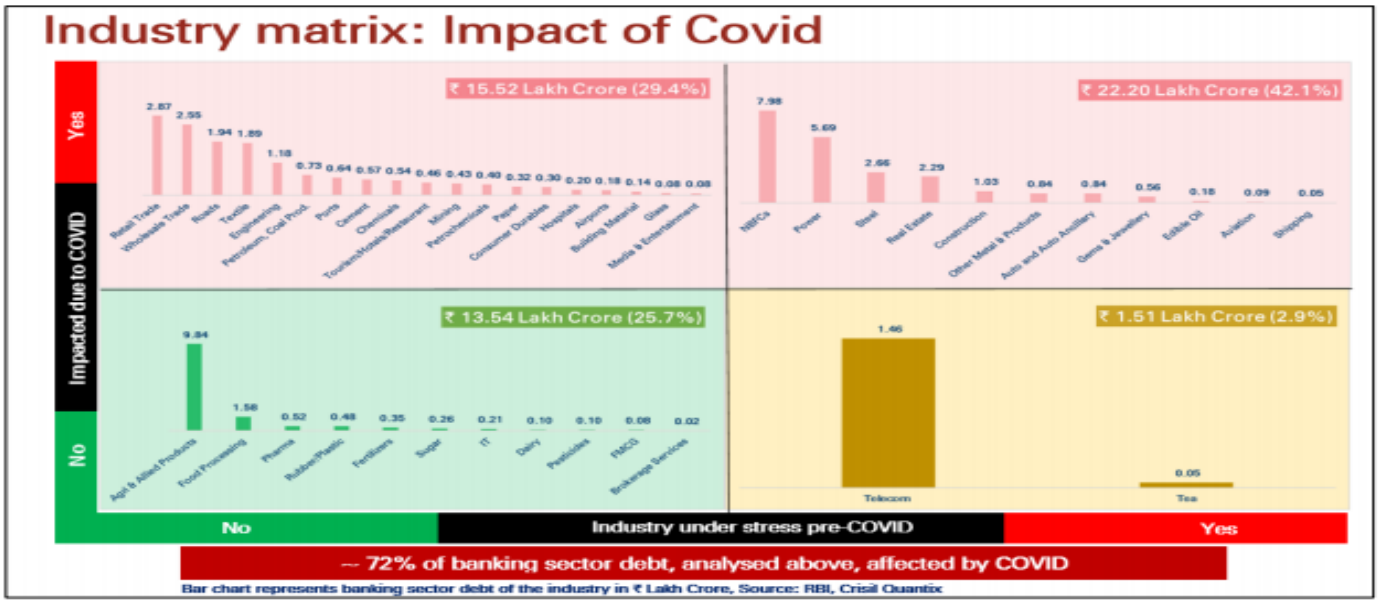
Others highlights

- In the current restructuring mechanism, if the borrower defaults post the implementation of a resolution plan, it would trigger a review period of 30 days. If the borrower remains in default at the end of the review period, all lenders (including those that did not sign an inter-creditor agreement) would have to downgrade the account as NPA.
- If the borrower is not eligible for restructuring and has turned NPA, the normal IBC process would be followed.
- There is no general rule on the projections to be followed, but it could be based on either quarterly or half-yearly numbers, and audited results could be used to monitor the progress as per the plan.
- With regard to large corporates (>INR15b), the resolution plan would be approved by the lenders, while the Committee would examine only the compliance part.

Valuation and view

Overall, we believe the Resolution Framework is a prudent attempt by the Expert Committee and clearly lays down the financial parameters for impacted sectors. This would enable transparency in restructuring across lenders when focusing on the efficacy of the resolution plan. We believe large banks are better placed as they have strengthened provision coverage, build higher COVID-19-related provision buffers, and are better positioned to gain incremental market share. **We continue to prefer ICICIBC, HDFCB, and SBIN.**

Impact of COVID-19 on various sectors



Source: RBI, MOFSL

Reliance Industries

BSE SENSEX	S&P CNX
38,194	11,278

Stock Info

Bloomberg	RIL IN
Equity Shares (m)	6,339
M.Cap.(INRb)/(USDb)	14236.9 / 188.6
52-Week Range (INR)	2199 / 867
1, 6, 12 Rel. Per (%)	0/89/76
12M Avg Val (INR M)	26427
Free float (%)	50.9

Financials Snapshot (INR b)

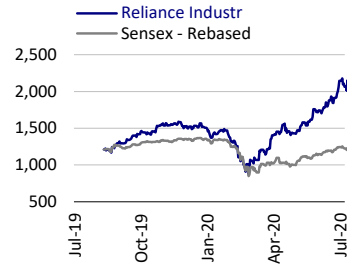
Y/E March	2020	2021E	2022E
Net Sales	5,959	4,882	6,115
EBITDA	881	885	1,269
Net Profit	431	427	706
Adj. EPS (INR)	67.9	67.4	111.4
EPS Gr. (%)	8.1	-0.8	65.3
BV/Sh. (INR)	715.1	782.5	884.7
Ratios			
Net D:E	0.6	0.5	0.4
RoE (%)	10.2	9.0	13.4
RoCE (%)	8.5	8.3	11.1
Payout (%)	11.6	9.3	8.3
Valuations			
P/E (x)	31.8	31.2	19.4
P/BV (x)	3.0	2.8	2.4
EV/EBITDA(x)	18.5	18.5	12.4
EV/Sales (x)	2.7	3.4	2.6
Div. Yield (%)	0.3	0.3	0.4

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	49.2	48.9	46.2
DII	13.5	13.6	11.6
FII	26.6	25.9	26.2
Others	10.8	11.6	16.0

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR2,161 TP: INR2,250 (+4%) Buy

First deal in Reliance Retail; More could follow

Silver Lake picks 1.75% stake for INR75b

Contours of the RIL-Silver Lake deal

- Reliance Industries (RIL) has announced that Silver Lake would invest INR75b in Reliance Retail Ventures Ltd (RRVL) at pre-money equity value of INR4.21t. At an estimated net debt of INR100b, the enterprise value stands at INR4.31t.
- This implies 1.75% stake at post-money equity value of INR4.29t. We understand this is fresh capital infusion in the company unlike the stake sale done in Jio Platforms.
- Media reports suggest that more investments could follow in RRVL. These reports are in line with the Chairman and Managing Director's comments in the RIL AGM about strategic stake sale in RRVL, which would aid in nurturing its new ventures like Jiomart.

Deal reaffirms RRVL's robust valuation

- Silver Lake has already invested INR101b in RIL (it has picked up 2.08% stake in Jio Platforms). The current deal strengthens our conviction in RIL's retail business valuations.
- With combined AUM of >USD60b focused on global tech-enabled opportunities, Silver Lake is a leader in large-scale technology investing. It boasts of other investments such as Airbnb, Alibaba, Alphabet's Verily and Waymo units, Dell Technologies and Twitter, etc.
- RRVL could leverage Silver Lake's digital experience to expand its JioMart business – its e-commerce venture.

RRVL's core business garnering steady scale and profitability

- RRVL is a subsidiary of RIL and holding company of its retail business. Its interests include consumer electronics, food and grocery, and fashion and lifestyle verticals. It is also present in petro retail and connectivity businesses, which services RJio's customers. Apart from Reliance Retail, RRVL has other subsidiaries and JVs like Reliance Brands and Marks & Spencer, which hold the rest of the apparel/other retail businesses.
- RRVL's revenue/EBITDA stood at INR1,629b/INR97b in FY20. We expect the company to deliver revenue/EBITDA CAGR of 21%/23% over FY20-22E to reach INR2,405b/INR145b by FY22E. Its core revenue/EBTDA including grocery, fashion and lifestyle as well as consumer electronics (excluding connectivity and petro retail) currently stands at INR928b/INR86.3b.
- **Grocery business:** Reliance Retail runs its grocery business across three formats – Reliance Fresh, Reliance SMART, and Reliance Markets (cash-and-carry model). As of FY20, Reliance Retail's grocery segment had

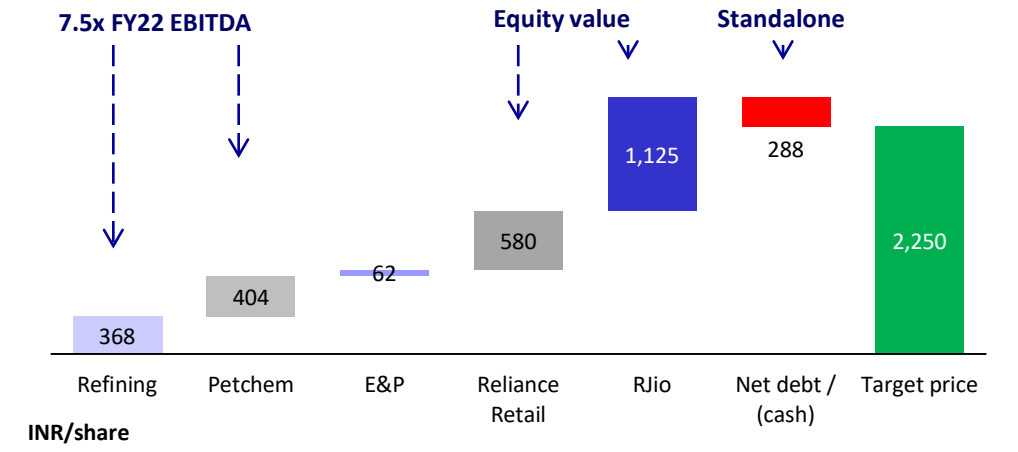
revenue/EBITDA of INR346b/INR23b, with EBITDA margin of 6.5%. Reliance Retail has 797 stores across grocery formats and Reliance Market has 52 stores. Thus, the company has an estimated ~745 grocery stores catering directly to the consumers (Reliance Fresh and Reliance SMART).

- **Fashion and Lifestyle business:** This business' revenue/EBITDA stood at ~136b/INR32b in FY20. As at FY20, this format had a total of ~2,400 stores; of this, Reliance Trends had ~1,400 stores, while jewelry, footwear and stores with JVs had ~1,000 stores.
- **Consumer electronics:** Count of Reliance Digital stores reached 500 in FY20, while that of 'Jio Digital' stores stood at 8,100. Consumer Electronics' revenue/EBITDA grew 14%/50% YoY in FY20 to INR446b/INR28b with margins expanding by 150bp to 6.2%.

Valuation and view

- We have ascribed INR3.68t equity value to RRVL. Thus, this deal values the company at 14% premium to our valuation. At this valuation, the implied share price of Reliance Retail would be INR664 v/s our TP of INR580 and would increase our current TP of RIL (INR2,250) by 4%.
- This deal values RIL's retail business (excluding the Future Group's retail business) at 45x/30x EV/EBITDA on FY20/22E against our estimate of 26x on FY22E. Including Future Group's retail business, the deal values RRVL at EV/EBITDA of 42x/29x on FY20/FY22E.
- We estimate RRVL's revenue/EBITDA CAGR at 21%/23% to INR2,405b/INR145b in FY22E. Of this, core revenue/EBITDA should contribute 53%/83% i.e. INR1,271b/INR121b.
- We maintain our TP by assigning 30x/5x EV/EBITDA multiple to core/petro and connectivity EBITDA on FY22E to reach a TP of INR580/share.

RIL – DCF Valuation (INR b)



Source: MOFSL, Company

Post-money, RRVL's equity value stands at INR4.29t (INR b)

RRVL	Pre-money	Silverlake amount infused in RRVL	Post-money
Equity value	4,210	75	4,285
Debt	100	0	100
Enterprise Value	4,310	75	4,385

Source: Company

Annual Report Threadbare

ASHOK LEYLAND FY20

Ashok Leyland's (AL) FY20 Annual Report highlights its muted operating performance. Standalone EBITDA declined by 63% YoY to INR11.7b (FY19: INR31.4b), led by decrease in domestic volumes of LCVs/M&HCVs by 14%/46% due to the weak operating environment. HLF's standalone PAT growth was subdued 4% YoY to INR2.9b due to 92% decline in other income to INR0.1b. Losses of other subsidiaries increased to INR1.8b (FY19:INR1.5b) while revenue declined. Standalone capitalization of expenses increased to INR4.6b, 68.9%/5.2% of overall R&D spends/gross block (FY19: INR2.9b, 43.6%/3.8%). Standalone Intangible assets increased 46% YoY to INR10.8b, 14.9% of net worth (NW), mainly comprising 'in-house developed' intangible assets. In FY20, 'acquired technical knowhow' of INR528m (net block) has been regrouped into 'in-house developed'. Useful life of 'acquired'/'in-house developed' intangible assets stands at 5-6 years/6-10 years. CFO turned positive to INR9.4b (FY19: -INR3.6b), primarily due to liquidation of BS-IV inventory worth INR14.5b. As a result, inventory days reduced by 12 days in FY20 to 37 days and cash conversion cycle improved to -33days (FY19: -25 days). Inter-corporate deposits (ICDs) of INR9.5b (FY19: INR 7.4b) were given during the year from standalone; of which INR5.0b remained outstanding as at end-FY20. These ICD's o/s pertain to 5 companies (of INR 1 b each), which includes Hinduja Energy – a fellow subsidiary. Standalone gross and net debt increased in FY20 to INR33.2b (FY19: INR6.3b) and INR20.0b (FY19: net cash of INR7.4b), respectively.

- **Liquidation of BS-IV inventory led to spurt in cash flow:** Cash flow from operations increased to INR9.4b in FY20 (FY19: -INR3.6b), primarily due to liquidation of BS-IV inventory, which led to decline in inventory by INR14.5b YoY to INR12.4b in FY20. This resulted in inventory days declining by 10 days YoY to 37 days. Thus, earnings to cash conversion ratio increased to 88% in FY20 (FY19: 6%). Standalone free cash flow (post interest) remained negative at INR5.0b (FY19: INR12.0b) due to rising capital intensity. Capex in FY20 rose to INR12.9b (FY19: INR7.3b).
- **Expense capitalization increases intangibles (including IAUD) to 14.9% of NW:** During FY20, the company capitalized expenses of INR4.6b, 68.9%/5.2% of overall R&D expense/gross block (v/s FY19: INR2.9b, 43.6%/3.8% of R&D/gross block). This primarily pertains to BSVI, AVTR (Modular Platform) and the LCV project. These mainly comprised (a) employee benefit expense of INR0.7b, (b) finance cost of INR0.3b, and (c) other expense of INR3.6b. Total intangibles increased to 9.1b, 12.5% of NW in FY20 (FY19: INR3.6b, 4.3% of NW), mainly due to 'in-house developed' technical knowhow of INR8.2b. IAUD stood at INR1.7b, 2.4% of NW.
- **Losses of other subs continue; capital infused, impairment recognized:** During FY20, AL made fresh investments of INR4.3b in subsidiaries, primarily by (a) Increasing stake in HLF to 67.2% (FY19: 61.9%) by purchasing shares from existing shareholders for INR3.0b, (b) Optare PLC – INR1.0b. HLF's standalone PAT increased by 4% to INR2.9b, while losses of other subsidiaries increased to INR1.8b (FY19: INR1.5b). AL made an additional impairment provision of INR3.6b, writing down the entire value of investment in Optare PLC. Impairment provision of all the investments in subsidiaries/ JVs/ associates increased to INR10.3b (FY19: INR6.6b).

The ART of annual report analysis

- **Capitalization of expense increased to INR4.6b, 68.9% of overall R&D spends in FY20.**
- **Outstanding ICDs stood at INR5b equally spread amongst 5 companies.**
- **Inventory liquidation of INR14.5b due to BSVI transition turned CFO positive to INR9.4b (FY19: -INR3.6b).**
- **HLF's performance muted; losses of other subsidiaries increased to INR1.8b (FY19: INR1.5b).**

Stock Info

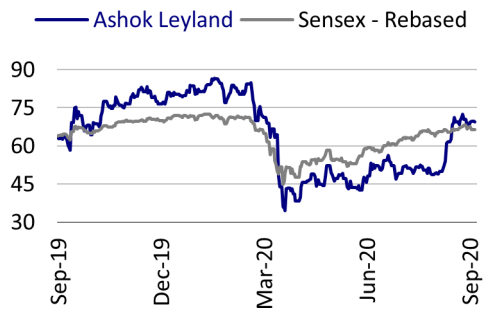
Bloomberg	AL IN
Equity Shares (m)	2,927
M.Cap.(INRb)/(USDb)	198.3 / 2.8
52-Week Range (INR)	88 / 34
1, 6, 12 Rel. Per (%)	34/-7/2
12M Avg Val (INR M)	2293
Free float (%)	48.9

Shareholding pattern (%)

As on	Jun-20	Mar-20	Jun-19
Promoter	51.1	51.1	51.1
DII	14.0	14.9	11.0
FII	16.3	17.6	18.8
Others	18.6	16.3	19.1

Note: FII Includes depository receipts

Stock Performance (1-year)



Essel Propack

BSE SENSEX	S&P CNX
38,194	11,278

Stock Info

Bloomberg	ESEL IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	81.8 / 1.2
52-Week Range (INR)	319 / 101
1, 6, 12 Rel. Per (%)	-1/48/141
12M Avg Val (INR M)	46
Free float (%)	25.0

Financials Snapshot (INR b)

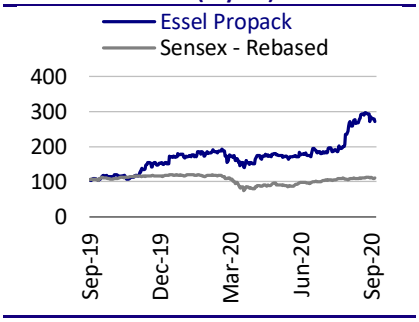
Y/E MARCH	2021E	2022E	2023E
Sales	31.1	34.2	37.9
EBITDA	6.7	7.5	8.5
Adj. PAT	2.9	3.5	4.2
EBITDA margin (%)	21.5	22.0	22.5
Cons. Adj. EPS (INR)	9.3	10.9	13.2
EPS Gr. (%)	35.3	17.9	20.9
BV/Sh. (INR)	52.8	59.1	67.6
Ratios			
Net D:E	0.1	0.0	-0.1
RoE (%)	18.3	19.6	20.9
RoCE (%)	15.1	16.8	18.5
Payout (%)	49.9	41.3	36.4
Valuations			
P/E (x)	28.3	24.0	19.9
EV/EBITDA (x)	12.7	11.1	9.5
Div. Yield (%)	1.3	1.4	1.5
FCF Yield (%)	3.3	4.1	5.2

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	52.3	52.3	52.3
DII	11.3	11.3	11.3
FII	17.1	18.3	18.2
Others	19.3	18.1	18.2

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR263 TP: INR314 (+20%) Buy

Best placed for next growth trajectory

We interacted with Essel Propack's (ESEL) management to learn and discuss some key factors such as (a) future growth drivers, (b) improving performance in Europe, (c) gradual shift from plastic to laminated tubes, and (d) growing share of Personal care products. Key insights highlighted below:

Several growth levers in place

- At the peak of COVID-19, ESEL launched a new product – 'Hand Sanitizer' tubes – in just 15 days to meet the sudden demand surge. ESEL plans to achieve sales volume of 150m tubes in FY21, and is already close to achieving two-thirds of its annual volume target (100m Hand Sanitizer tubes) by 2QFY21. This new product segment under Personal care is expected to provide steady volumes, as Sanitizers are increasingly becoming a part of daily consumption.
- Under Phase-I of project Phoenix, ESEL managed to increase EBITDA margin by 180bp YoY to 20.2% in FY20. The company has already initiated Phase-II of project Phoenix, which aims to expand margins further by virtue of cost management and rationalization. ESEL's already best-in-class margins (v/s other domestic players) are expected to improve further.
- ESEL's integrated operations, right from laminating-to printing to tubing makes it a one-stop solutions for its clients, thereby allowing the company to form long-term partnerships. These long-term partnerships have proved to be a sustainable revenue source as ~50% of ESEL's revenue is generated through these contracts. Further, the company's 7-stage pipeline development process/customer acquisition, has led to signing-up of several new customers in Oral and Personal care segments, which should be a key growth driver.
- Further, as part of its prudent capital allocation policy and in order to maintain sufficient liquidity, ESEL has reduced capex for FY20 to INR1.3b (v/s average capex spend of INR2b over the last five years), which proved beneficial for the company during the pandemic, as cash balance for FY20 increased by 1.8x YoY to INR3.7b. Huge cash reserves and steady FCF inflow allows ESEL to carry out its investment plans. Currently, the company plans to prioritize its investment into R&D capability, brownfield expansion (as existing laminated tubes capacity is capable of meeting 2x of the current demand) and go-to-market strategy. All these initiatives are expected to support ESEL's revenue and margin growth in the medium to near term.

Improving margins to drive Europe's profitability

- Europe is expected to continue its growth momentum, primarily due to higher share of Personal care products, huge traction from its new product category ('Hand sanitizers') and new customer wins in the Oral care segment. EPL now serves all the major Oral care players in Europe.

- Share of Personal care products (high margins compared to Oral care) reached an all-time high of 64%/70% in FY20/1QFY21, respectively; this coupled with kicking-in of operating leverage and cost rationalization measures has led to improvement in margins. As a result, Europe's cost structure which was previously higher (compared to other regions) is gradually stabilizing and is expected to further improve operating margin in the medium-to-near term.
- Sharp jump in volumes (from the new launch) was reported, albeit a drop in Beauty and Cosmetics (B&C) volumes was observed across regions, particularly in Europe, during the lockdown. Also, increasing customers in Oral care points toward the diversification of its revenue profile in Europe.
- We expect volumes in Europe to grow in high single-digit, as Hand Sanitizers' volume demand should remain subdued in the short term as customers have already stocked-up their necessary inventory. However, the drop in volume growth should partially be offset by pick-up in B&C segment by end-CY20.
- Europe margins are expected to gradually improve from current level of 15% (in 1QFY21), with normalization of B&C volumes, pick-up in new categories such as Hand Sanitizers, Food segment, etc. and further improvement in operating leverage.

Shift to laminated tubes to benefit in the long run

- Surge in the use of laminated tubes over plastic/aluminum tubes is expected to benefit ESEL significantly in the medium-to-long term. Better aesthetics, lower cost, higher plastic-barrier properties, product and design flexibility and higher sustainability, are some of the drivers believed to lead the shift from plastic/rigid tubes to laminated tubes.
- An increasing shift toward laminated tubes is seen among FMCG players, especially B&C players, as laminated tubes can be easily printed and offer better aesthetics/ product appeal compared to plastic and aluminum tubes.
- Furthermore, ESEL's Platina – in Oral care segment and Green Maple Leaf – in Personal care segments have been recognized by the Association of Plastic Recyclers (APR) as fully recyclable laminated tubes, which maintain product freshness. Multiple cogs are at play and ESEL is expected to benefit significantly from the transition.

Personal care to drive next growth phase

- The entire Oral and Personal care market stands at 16b and 14b (in volume terms), respectively. ESEL enjoys leadership position with 36% market share in the Oral care segment whereas its share in the Personal care market stands at 7-8%.
- Personal care market mainly comprises 14b from the B&C segment and 10b from the pharma segments. This offers huge potential for ESEL to grow, by virtue of both, incremental wallet share gains from existing clients and acquisition of new clients.
- ESEL's revenue contribution from Personal care stands at 45% (as at FY20), which the company plans to increase to nearly 50%, as ASP of Personal care products is 1.5-3x higher v/s Oral care products. Also, transition from plastic tubes to laminated tubes should increase the share of Personal care and

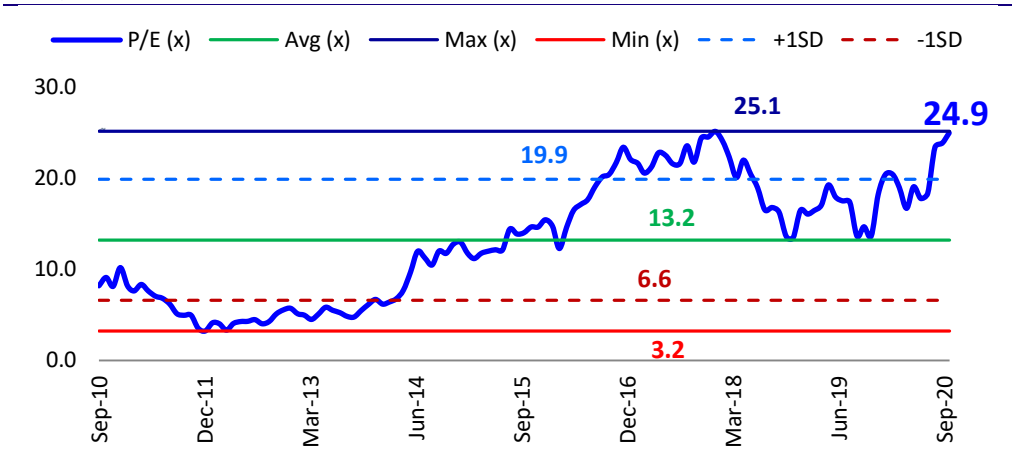
improve overall margins, as B&C currently have lower minimum quantity orders (MOQs).

- Except for the AMESA region, all regions reported increase in revenue share from Personal care segment (*refer Exhibit 15*), on the back of new launches, strong business pipeline, new customer wins and cross-selling to existing Oral care clients. We believe all these advantages would fructify in the medium-to-near term, leading to an increase in revenue share of Personal care products.

Valuation and view

- ESEL managed to keep its units running even during the pandemic as the products are classified as essential services. In 1QFY21, ESEL reported strong set of numbers; revenue grew 18% YoY despite the partial lockdown across multiple geographies. EBITDA grew 35% YoY due to higher share of Personal care products.
- We believe earnings momentum would continue on the back of (a) increasing revenue share from Personal care, (b) new launches (hand sanitizers) and recyclable tubes (Green Maple Leaf & Platina), (c) kicking-in of operating leverage (namely, Europe region), (d) increasing shift from plastic to laminated tubes, and (e) market leadership position in the Oral care segment.
- Also, the increasing health consciousness among people should drive Hand Sanitizer sales across geographies. Cross-selling of Personal care products to existing Oral care customers, coupled with normalization of operations across geographies (post-pandemic) is expected to complement sales in the medium-to-near term.
- Despite the recent rally in the stock, we still believe there is room for further upside. The stock currently trades at 24x/20x FY22/FY23 P/E.
- Over the last 3 years, ESEL has traded at an average P/E of 19x.
- We expect revenue/EBITDA/PAT CAGR of 11%/15%/24% over FY20-23E and value the stock at 26x Sept'22 EPS. Our TP of INR314 implies 20% upside. Maintain **Buy**.

One-year fwd P/E (x)



Source: Bloomberg, MOFSL

Healthcare

Performance of top companies: August 2020

Company	MAT gr (%)	Aug-20 (%)
IPM	**4.1**	**-2.2**
Glenmark	13.1	31.6
JB Chemicals	15.7	10.7
Ipca	10.2	9.8
Ajanta	5.9	8.0
Cipla	4.6	7.4
Merck	3.6	6.7
Pfizer	11.8	6.4
USV	9.6	4.3
Emcure	7.0	3.2
Eris LS	6.0	1.7
Sanofi India	1.7	1.0
Alembic	0.2	-0.5
Cadila HC	5.6	-1.1
Intas	6.2	-1.6
Abbott	4.5	-1.9
Torrent	7.2	-2.8
Lupin	5.4	-2.9
Dr. Reddys	5.1	-3.7
Mankind	9.1	-3.7
Sun Pharma	4.6	-5.0
AstraZeneca	6.7	-6.9
MSD	-0.2	-7.6
Alkem	2.0	-7.7
Indoco	-0.4	-8.9
Biocon	-6.8	-11.1
GSK	-2.4	-11.9
FDC	3.2	-12.5
Natco	-3.5	-22.0
Wockhardt	-25.0	-32.7

IPM declines in Aug'20 after posting muted growth in Jul'20

- The Indian Pharma market (IPM) declined by 2.2% YoY in Aug'20 (v/s muted growth of 0.2% YoY in Jul'20). The volume decline of 9.2% YoY dragged the IPM's performance, which was offset by growth in (a) prices by 4.4% YoY, and (b) new launches by 2.5% YoY to some extent.
- Therapy-wise in Aug'20, Anti-Infective/Respiratory/Anti-Malaria declined 11%/12.4%/19.6% YoY, while Cardiac/VMN/Anti-Diabetic grew 11.5%/6.2%/1.6% YoY.
- For the quarter ending Aug'20, the IPM's growth was subdued at 0.2%YoY. Volumes declined 6.6% YoY, prices grew 4.6% YoY and growth in new products was up 2.2% YoY. NLEM products grew 0.8% YoY while growth in Non-NLEM products were muted YoY.
- On MAT basis, industry growth came in at 4.1% YoY.

Volume decline dents overall IPM growth

- In value terms, secondary sales dipped 1.3% YoY for NLEM (~16% of IPM) while sales for Non-NLEM (~84% of IPM) declined 2.4% YoY in Aug'20.
- While price growth for non-NLEM products was 4.5% YoY, volumes declined by 10% YoY. NLEM products posted volume decline of 1.7% YoY.

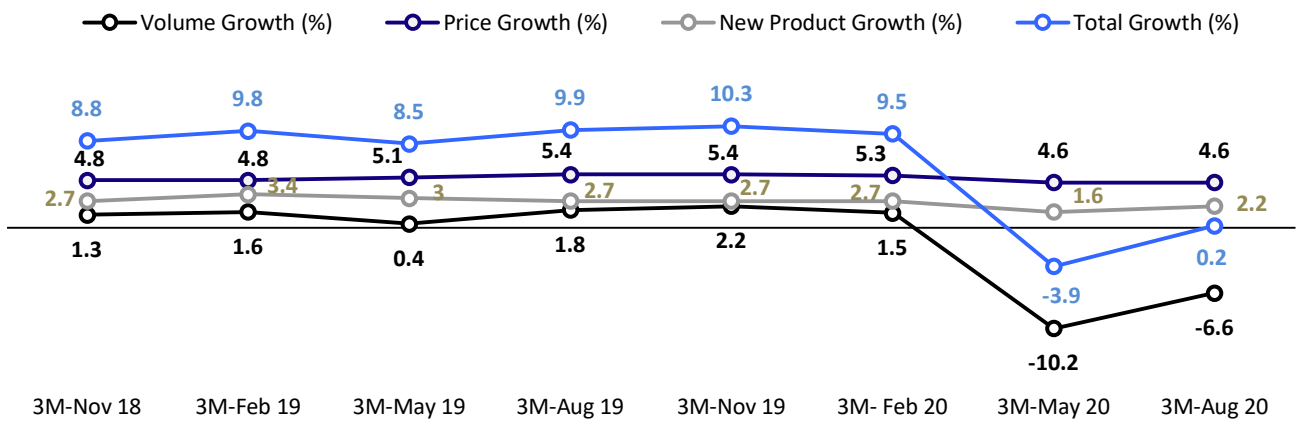
Glenmark, JB Chemicals and Ipca remain outperformers

- In Aug'20, Glenmark (+31.6% YoY), JB Chemicals (+10.7% YoY) and Ipca (+9.8% YoY) delivered highest growth.
- Glenmark witnessed growth of 1.8x YoY in the Anti-infective segment, mainly due to Fabiflu (COVID drug) sales. JB Chemicals grew due to strong uptake in Cardiac therapy (50.9% of therapy mix), which grew 18.3% YoY. Ipca witnessed good traction in Pain/Analgesics (+22.5% YoY) and Cardiac (+16% YoY).
- Sun Pharma's sales were down 5% YoY (v/s decline of 3.2% YoY in Jul'20), mainly dragged by the Anti-Infective segment (-23.3% YoY) and Gastro (-10.9% YoY).
- FDC/Natco exhibited largest YoY decline of 12.5%/22% in Aug'20.
- On MAT basis, JB Chemicals/Torrent reported highest price growth of 10%/7.7% YoY. Glenmark saw highest growth in new launches (+9.8% YoY).

Pain, Anti-Infective and Gynecology drag overall sales

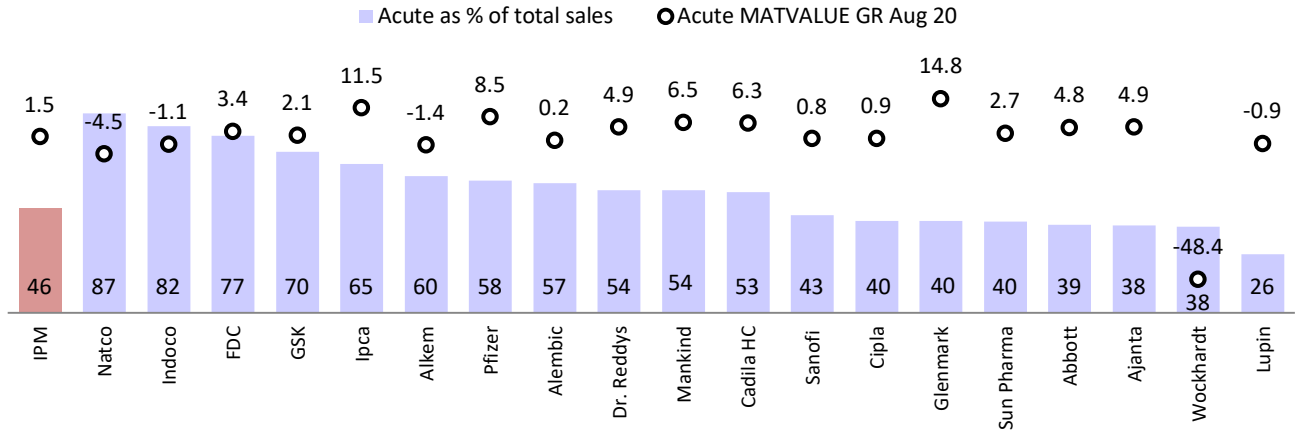
- Cardiac/ Anti-Diabetic/Respiratory sales grew 11.6%/ 8.4%/ 7.9% YoY on MAT basis in Aug'20. Pain/ Anti-Infective/Gynecology sales growth at 0.4%/ 0.1%/-1.4% YoY adversely impacted growth on MAT basis in Aug'20.

Exhibit 1: Volumes decline continues for the quarter ended Aug'20



Source: AIOCD, MOFSL

Exhibit 2: Acute as % of total sales and the growth rate on MAT Aug'20 basis



Source: MOSL, Company

In conversation

1. Manappuram Finance: Golden times for gold financiers; B.N. Raveendra Babu, Director

- Expect AUM growth of 12-15%
- Enhancing online transactions 3-4x every day and other verticals collections are coming to normal; more than doubled from June
- We will reach nearly 90-95% collection this month in non-gold portfolio
- Not too focused on bank biz but convert money lender biz to NBFCs
- Definitely are looking at doubling our online gold business by next year

Read More

2. Amber Enterprise: QIP funds will be used for debt repayment & capex; Jasbir Singh, Chairman & CEO

- Targeting a 25% compound annualised growth in EBITDA
- Currently doing 50-70% revenues of last year, gradually moving towards normalcy
- Receiving enquiries from customer who earlier used to import components
- Pune plant to be operational by Q4FY22
- Sidwal growing well due to orders from Metros, expect it to register 25% CAGR over longterm

Read More

3. Bharat Dynamics: Expect govt. to come out with a list of more defense items for import curbs; Siddharth Mishra, CMD

- All missiles in the 101 items on the import ban will be from Bharat Dynamics
- Expecting orders worth Rs. 13,000 cr for Akash Missile Systems & Astra by year end
- Current order book stands at Rs. 7,700 cr
- Receivables are coming in a timely manner & have sufficient cash balance

Read More

1. India can soon be the tech garage of the world

- Even as the world continues to grapple with the covid-19 pandemic, the remarkable resilience of India's tech industry has been on display, with investments soaring to a mammoth $38 billion. A significant portion of these investments went to software as a service (SaaS)-based companies, which witnessed a major growth brought about by an increasing demand for digital tools and automation amid the current crisis. Unsurprisingly, eight of the world's 10 richest companies grew and expanded because they are tech companies.
- India is the youngest country in the world with a vibrant startup ecosystem. In 2019 alone, over 1,300 startups were added, thereby solidifying India's position as the third largest startup ecosystem in the world. This opportunity did not go unnoticed with private equity investments hitting a 10-year-high in 2019, attracting $17.3 billion and registering a yearly growth of 60.5%. Investor confidence in India has never been higher; India has, in fact, been able to turn the covid-19 crisis into an opportunity by positioning itself as the preferred investment destination.
- The strong and sustained growth and innovation in the technology space presents a unique opportunity for India to position itself as the 'Tech Garage of the World'. Through the development of innovative digital and technology solutions, India can successfully find solutions to the massive and intractable challenges across sectors such as healthcare, education, financial inclusion, modernisation of agriculture and others. The role of government in crafting such tech solutions at scale to tackle these challenges is critical but must be augmented through the nimbleness and creativity of the private entrepreneur. As John Maynard Keynes said in 1926, "the important thing for the government to do is not to do what individuals are doing already and to do them a little better, but to do things that are at present not being done at all". To rephrase Keynes—the government and the private sector can together do what has not yet been conceived let, alone done, devise solutions that cannot occur in silos and to execute to perfection.
- The government has a crucial role to play in positioning India as the Tech Garage of the World. It should act as a catalyst, and bring together the synergies of the private sector with the aim of innovating for India and the world. It has the potential to provide an enabling environment and a favourable regulatory ecosystem for the development of technology products and provide the size and scale necessary for their rollout. The product development should ideally be undertaken through private entrepreneurship, with the government acting as a facilitator. The key principles of product design should incorporate transparency, security and ease of access. The products must have open architecture, should be portable to any hosting environment and should be available in official and regional languages.

Read More

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - 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://onlinereports.motilaloswal.com/Dormant/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, it's 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 it's 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, 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 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.

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.
CIN No.: L67190MH2005PLC153397.Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579 ;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs,Insurance Products and IPOs.Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.* 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