

Havells India

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,665 TP: INR1,710 (+3%) Neutral

Steady margins; Llyod and cable drive growth

The slow start to summer hampers early demand for the season

- Havells India (HAVL)'s 4QFY25 revenue grew 20% YoY to INR65.4b (5% beat), led by better-than-expected growth in the Lloyd/C&W segments. Higher margins in the Lloyd and ECD segments have resulted in ~19% YoY EBITDA growth to INR7.6b (+17% vs. our est.). OPM stood at 11.6% (flat YoY) vs. our est. of 10.4%. PAT grew ~16% YoY to INR5.2b (15% above our est.)
- Management highlighted that the large appliances and cables fueled revenue growth. The ramp-up of new capacity in the C&W segment is underway. HAVL's margin would reach a normalized level (ex-Lloyd) of 13.5-14.0%, as the benefits of operating leverage kick in. Delayed summer has affected secondary demand in the ongoing season and the growth trajectory in rest of the season needs to be seen.
- We marginally increase our EPS estimates by ~3% each for FY26/FY27 as we raise our margin assumption for the Lloyd segment by 150-200bp. HAVL's valuations at 60x/49x FY26/27E EPS remain expensive. **We reiterate our Neutral rating** with a revised TP of INR1,710 (based on 50x FY27E EPS).

ECD/Llyod's EBIT margins improve 1.3pp/3.4pp YoY to ~13%/6%

- HAVL's consolidated revenue/EBITDA/PAT stood at INR65.4b/INR7.6b/INR5.2b (+20%/+19%/+16% YoY and +5%/+17%/+15% vs. our estimates). Gross margin stood at ~32% (-65bp YoY). OPM flat YoY at 11.6%. Ad spending was at 2.2% of revenue vs. 2.4%/3.7% in 4QFY24/3QFY25.
- Segmental highlights: 1) HAVL revenue (excl. Lloyd) increased ~13% YoY to INR46.3b. The **C&W** revenue grew ~21% YoY to INR21.7b, and the EBIT margin flat YoY at ~12%. The **Switchgear** revenue rose ~6% YoY to INR6.9b, while the EBIT margin contracted 2.5pp YoY to ~26%. The **Lighting** revenue inched up 1% YoY to INR4.4b, while the EBIT margin dipped 1.6pp YoY to ~16%. The **ECD** revenue rose 10% YoY to INR10.0b, and the EBIT margin improved 1.3pp YoY to 13%. 2) **Lloyd's** revenue grew ~39% YoY to INR18.7b. Margin improved 3.4pp to ~6%, leading to a profit of INR1.1b.
- For FY25, HAVL's revenue/EBITDA/PAT grew 17%/16%/16% YoY. OPM margin flat YoY at ~10%. Among segments, Lloyd/ECD/C&W's revenue rose 35%/15%/14% YoY, while Switchgear/Lighting's revenue grew 7%/2% YoY. CFO declined 22% YoY to INR15.2b due to higher tax payments and an increase in WC. Capex stood at INR7.2b in FY25 vs. INR7.3b in FY24. FCF stood at INR7.9b in FY25 vs. INR12.3b in FY24.

Key highlights from the management commentary

- Low base of last year and inventory stocking led to higher revenues for Lloyd. However; delayed summer in both the South and North regions has hurt secondary sales, though there has been some accentuation of heatwaves recently in the North. So far there is no panic in the trade channel.
- In 4QFY25, half of the revenue growth in C&W was driven by volumes, while the rest was related to price hikes led by higher RM costs. HAVL witnessed more value growth in the wires segment, whereas volume growth was higher in underground cables.

Bloomberg	HAVL IN
Equity Shares (m)	627
M.Cap.(INRb)/(USDb)	1043.7 / 12.3
52-Week Range (INR)	2106 / 1360
1, 6, 12 Rel. Per (%)	9/-5/-1
12M Avg Val (INR M)	1964
Free float (%)	40.6

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	217.8	247.4	284.9
EBITDA	21.3	25.3	31.2
Adj. PAT	14.7	17.3	21.4
EBITDA Margin (%)	9.8	10.2	10.9
Cons. Adj. EPS (INR)	23.5	27.6	34.2
EPS Gr. (%)	15.7	17.9	23.8
BV/Sh. (INR)	133.1	151.0	173.3

Ratios

Net D:E	(0.4)	(0.3)	(0.4)
RoE (%)	17.6	18.3	19.7
RoCE (%)	17.2	18.0	19.4
Payout (%)	42.6	35.0	35.0

Valuations

P/E (x)	71.2	60.4	48.8
P/BV (x)	12.6	11.1	9.6
EV/EBITDA (x)	47.5	40.2	32.3
Div Yield (%)	0.6	0.6	0.7
FCF Yield (%)	0.8	0.5	1.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	59.4	59.4	59.4
DII	12.8	11.6	9.9
FII	22.3	23.5	24.8
Others	5.5	5.6	5.9

FII Includes depository receipts

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)

Research analyst - Mudit Agarwal (Mudit.Agarwal@MotilalOswal.com) | Abhishek Sheth (Abhishek.Sheth@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.

- Measures taken in the Union Budget as well as by the RBI augur well for a pickup in consumption. Volume growth in the lighting segment was in high single digits in 4QFY25.

Valuation and view

- We believe the demand pickup in the summer season and the sustainability of Lloyd's margin will be key monitorables in the near term. Wires demand too, has been hit by the slow real estate demand. This has also hurt the margin of wires, and recovery needs to be monitored. We marginally raise our EPS estimates by ~3% each for FY26/27 by factoring in a 150-200bp increase in margins for Lloyd.
- We expect HAVL to report a revenue/EBITDA/PAT CAGR of 14%/21%/21% over FY25-27. We estimate OPM to reach 10.9% in FY27 vs. 9.8% in FY25. RoIC of the company is expected to improve to ~29% by FY27 from 24% in FY25, and its RoE is likely to be ~20% in FY27 vs. ~18% in FY25.
- The stock trades at rich valuations of 60x/49x FY26/27E EPS, and hence, **we reiterate our Neutral rating** with a revised TP of INR1,710 (premised on 50x FY27E EPS).

Quarterly performance

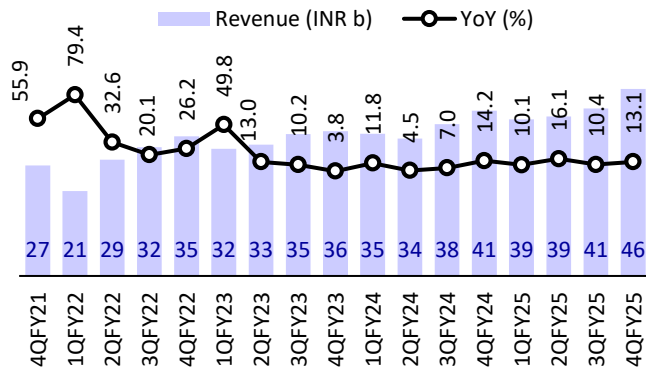
Y/E March	FY24				FY25				(INR m)		MOFSL 4QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY24	FY25		
Sales	48,338	39,003	44,139	54,420	58,062	45,393	48,890	65,436	1,85,900	2,17,781	62,208	5%
Change (%)	13.9	6.3	7.1	12.0	20.1	16.4	10.8	20.2	10.1	17.1	14	
Adj. EBITDA	4,020	3,734	4,327	6,346	5,722	3,751	4,265	7,570	18,426	21,309	6,481	17%
Change (%)	11.2	30.1	2.1	20.4	42.4	0.5	-1.4	19.3	15.2	15.6	2	
Adj. EBITDA margin (%)	8.3	9.6	9.8	11.7	9.9	8.3	8.7	11.6	9.9	9.8	10.4	115
Depreciation	763	812	877	934	920	946	1,041	1,097	3,385	4,004	1,054	4%
Interest	85	93	102	177	86	101	94	152	457	432	100	53%
Other Income	648	525	559	758	773	929	643	687	2,490	3,033	723	-5%
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-	0	
PBT	3,821	3,353	3,907	5,993	5,490	3,633	3,773	7,009	17,074	19,905	6,050	16%
Tax	950	862	1,028	1,526	1,415	955	994	1,839	4,366	5,203	1,543	
Effective Tax Rate (%)	24.9	25.7	26.3	25.5	25.8	26.3	26.3	26.2	25.6	26.1	26	
Reported PAT	2,871	2,491	2,879	4,467	4,075	2,678	2,780	5,170	12,708	14,702	4,507	15%
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	(3.5)	15.7	18.5	15.7	1	
Adj. PAT	2,871	2,491	2,879	4,467	4,075	2,678	2,780	5,170	12,708	14,702	4,507	15%
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	(3.5)	15.7	18.5	15.7	1	

Segmental performance (INR m)

Y/E March	FY24				FY25				(INR m)		FY25 4QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY24	FY25		
Sales												
Switchgear	5,409	5,336	5,206	6,513	5,768	5,513	5,769	6,918	22,463	23,968	6,986	-1%
Cables & Wires	14,852	14,702	15,727	17,896	15,212	18,052	16,879	21,694	63,176	71,836	20,930	4%
ECD	8,775	7,331	9,615	9,104	10,554	8,564	11,048	9,973	34,825	40,139	10,057	-1%
Lighting & Fixtures	3,710	3,999	4,335	4,353	3,876	3,951	4,464	4,417	16,398	16,708	4,599	-4%
Lloyd	13,109	4,974	6,561	13,459	19,287	5,896	7,422	18,736	38,103	51,341	16,167	16%
EBIT												
Switchgear	1,499	1,409	1,244	1,836	1,422	1,150	1,048	1,776	5,988	5,395	1,668	6%
Cables & Wires	1,691	1,707	1,625	2,154	1,711	1,548	1,870	2,586	7,175	7,715	2,476	4%
ECD	957	848	1,062	1,025	1,147	643	953	1,248	3,892	3,991	998	25%
Lighting & Fixtures	532	570	607	785	630	501	651	725	2,493	2,507	785	-8%
Lloyd	(616)	(745)	(654)	360	636	(243)	(361)	1,144	(1,655)	1,175	456	151%
EBIT Margin (%)												
Switchgear	27.7	26.4	23.9	28.2	24.6	20.9	18.2	25.7	26.7	22.5	23.9	179
Cables & Wires	11.4	11.6	10.3	12.0	11.2	8.6	11.1	11.9	11.4	10.7	11.8	9
ECD	10.9	11.6	11.0	11.3	10.9	7.5	8.6	12.5	11.2	9.9	9.9	259
Lighting & Fixtures	14.3	14.3	14.0	18.0	16.2	12.7	14.6	16.4	15.2	15.0	17.1	(67)
Lloyd	(4.7)	(15.0)	(10.0)	2.7	3.3	(4.1)	(4.9)	6.1	(4.3)	2.3	2.8	328

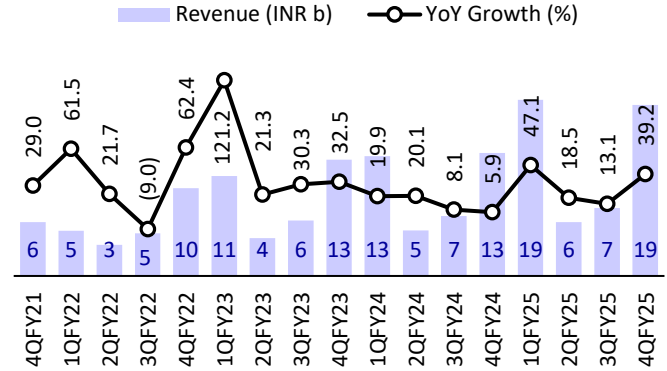
Story in charts

Exhibit 1: HAVL's (ex-Lloyd) revenue rose 13% YoY



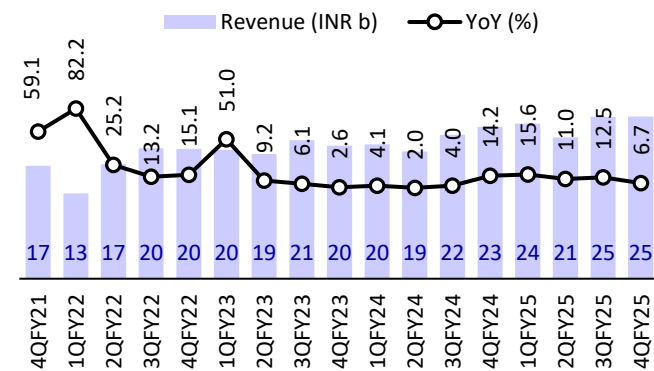
Source: MOFSL, Company

Exhibit 2: Lloyd's revenue jumped ~39% YoY



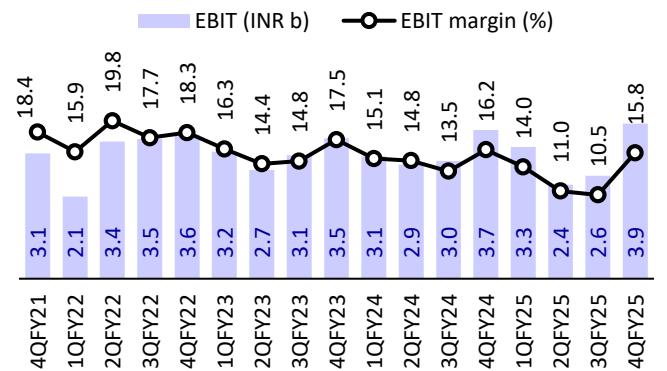
Source: MOFSL, Company

Exhibit 3: HAVL's (ex-C&W) sales up ~7% YoY



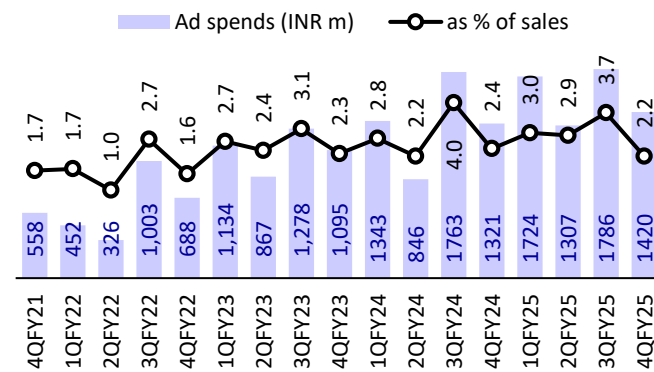
Source: MOFSL, Company

Exhibit 4: HAVL's (ex-C&W) EBIT margin trend



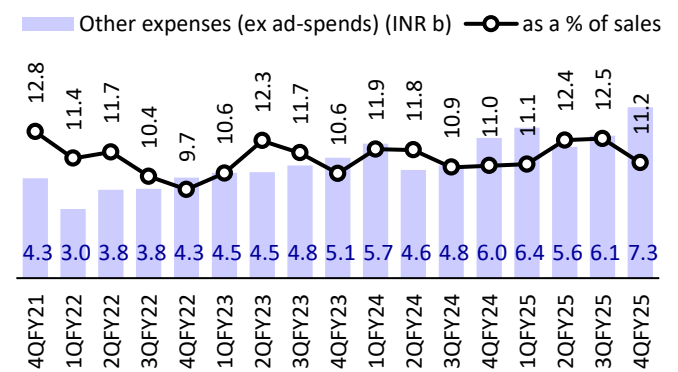
Source: MOFSL, Company

Exhibit 5: Ad spending as a % of revenue declined in 4QFY25



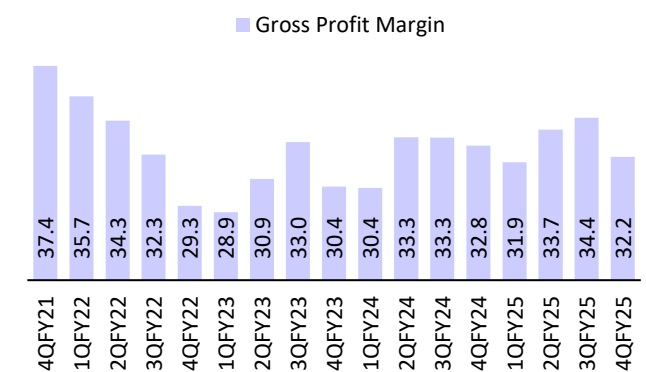
Source: MOFSL, Company

Exhibit 6: Other expenses (ex-ad spending) as a % of sales



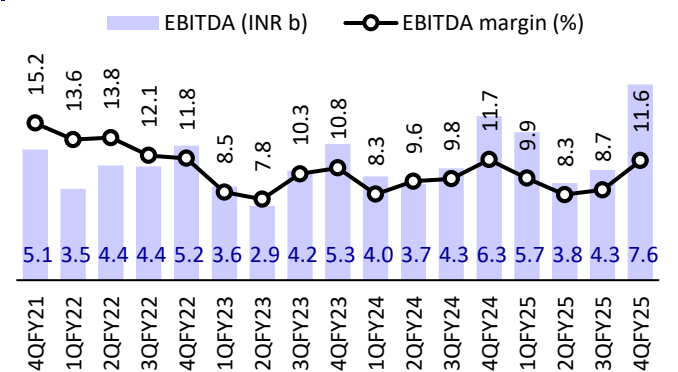
Source: MOFSL, Company

Exhibit 7: Gross margin down 65bp YoY in 4QFY25



Source: MOFSL, Company

Exhibit 8: EBITDA margin dipped 10bp YoY to 11.6%



Source: MOFSL, Company

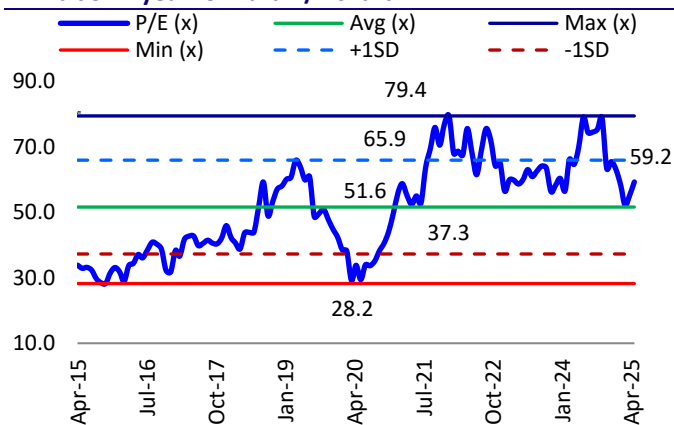


Conference call highlights

- **Key highlights:** Large appliances and cables led to revenue growth in 4Q. Secondary sales for RAC and fans have been impacted due to delayed summer and demand at the beginning of 1Q also remains impacted; though; there doesn't seem to be any panic in the trade channels. The company is investing in R&D and trying for premiumization which should lead to market share improvement in the future. The refrigerator business has a lower contribution margin due to outsourcing as of now; however; in the medium-term, there should be an improvement led by own manufacturing. The endeavor would be to reach a normalized margin of 13.5-14.0% (ex-Lloyd) as the benefits of operating leverage kick in.
- **Lloyd:** Delayed summer in both the South and North regions have impacted secondary sales; though; there has been some pick up in heat waves recently in the North region. The base of Lloyd was not strong and positive surprises in demand last year led to inventory building. So far there is no panic in the trade channel and need to see how the rest of the season pans out. There is no more challenge of compressor availability this year also due to delayed summer and lower demand in the last one month.
- The company always maintains a balance between revenue growth and margin improvement. It reiterated that Lloyd is a long-term journey and management will continue to invest in the growth as it has a large opportunity. Lloyd remains a key growth engine for HAVL. Currently, the higher contributing business (RAC) has more or less stabilized, though it targets a market share in low-to-mid teen digits.
- The company is investing in R&D and trying for premiumization which should lead to market share improvement in the future. Further, it endeavors to increase other businesses in this segment. Investments in product enhancement, brand building, distribution network, etc. will continue till it reaches a certain scale. The refrigerator business has a lower contribution margin due to outsourcing as of now; however; in the medium-term, there should be an improvement led by own manufacturing.
- It has seen movement from traditional channels to modern channels (initially in the South which is catching up in the North too) and now 50% of sales are done from modern channels. No material capex is planned in Lloyd, except the planned capex for refrigerators' new capacity.
- **Cables and Wires –** The contribution margin dipped due to volatility in copper prices and product mix change due to the commissioning of new capacity in the south region. It believes the entry of new players in C&W will drive more organized competition and the industry can go through further consolidation between branded players.
- In 4Q; half of the revenue growth was contributed through volumes; while the rest was related to price hikes led by higher RM costs. It witnessed more value growth in wires whereas; volume growth was higher in underground cables. Cable demand continues to remain strong; though; volatility in RM prices is impacting margins in the last 3-4 months. The company's mix remains 65% wire and 35% cable.

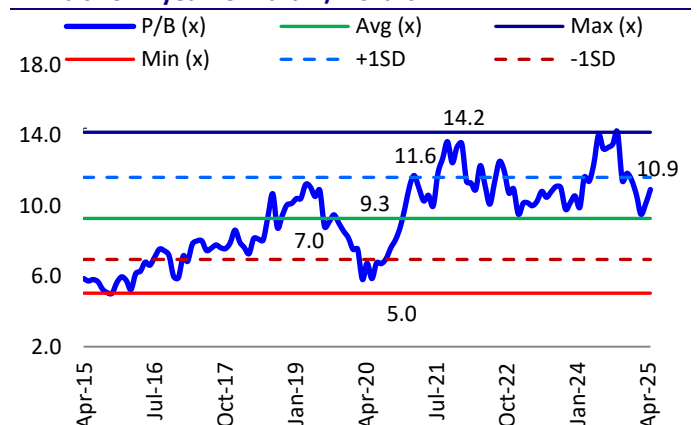
- It will continue to invest in brand building, scaling, and technology advancement. Increasing exports of C&W is part of its strategic initiative for international markets.
- **ECD segment, small appliances, and lighting:** Because of delayed summer; fan demand was not as robust. Measures taken in the Union Budget as well as by RBI augurs well for pick up for consumption. However, it would remain watchful for the real estate demand to pick up as inflationary pressures have increased. Volume growth in the lighting segment was in the high-single-digit in 4QFY25.
- **Switches & Switchgear segment** – The market share of the company is small in industrial switchgear and there has been pressure on demand in this segment in FY25. The focus was more on the residential and consumer side historically; however; in the last few years there has been a focus on increasing its product portfolio and now its product range is at par with any other player. A contribution margin of 38-40% is sustainable in this segment.
- **New investment (Goldi Solar):** HAVL built a strong business of INR4.0-4.5b in inverters, modules, solar cables, and DC switchgear. Renewables is an emerging sector and there is scope for growth. It believes that growth would have suffered in case there had been no investment in this sector. Further, there is a lot of focus by the government on own manufacturing. Its focus would be to increase the business from a consumer perspective and more on residential sectors. It is a strategic investment, though the margin is low and the main focus is to increase business scale at a much faster pace.
- **Total capex planned of INR20b spread in the next two years including new R&D center.**

Exhibit 9: 1-year forward P/E chart



Source: MOFSL, Company

Exhibit 10: 1-year forward P/B chart



Source: MOFSL, Company

Financials and valuations (Consolidated)

Income Statement							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	1,04,279	1,38,885	1,69,107	1,85,900	2,17,781	2,47,414	2,84,904
Change (%)	10.6	33.2	21.8	9.9	17.1	13.6	15.2
Raw Materials	64,749	93,840	1,17,055	1,25,687	1,46,084	1,63,788	1,86,612
Gross margin (%)	37.9	32.4	30.8	32.4	32.9	33.8	34.5
Staff Cost	8,853	10,147	12,816	15,484	18,700	22,440	26,928
Other Expenses	15,024	17,322	23,245	26,304	31,688	35,875	40,171
EBITDA	15,653	17,576	15,991	18,426	21,309	25,311	31,192
% of Net Sales	15.0	12.7	9.5	9.9	9.8	10.2	10.9
Depreciation	2,489	2,608	2,962	3,385	4,004	4,658	5,196
Interest	726	534	336	457	432	476	523
Other Income	1,450	1,604	1,777	2,490	3,033	3,209	3,473
PBT	13,888	16,038	14,471	17,074	19,905	23,387	28,946
Tax	3,590	4,091	3,753	4,366	5,203	6,057	7,497
Rate (%)	25.8	25.5	25.9	25.6	26.1	25.9	25.9
Extra-ordinary Inc.(net)	98	0	0	0	0	0	0
Reported PAT	10,396	11,948	10,717	12,708	14,702	17,329	21,449
Change (%)	41.8	14.9	-10.3	18.6	15.7	17.9	23.8
Adjusted PAT	10,298	11,948	10,717	12,708	14,702	17,329	21,449
Change (%)	40.5	16.0	-10.3	18.6	15.7	17.9	23.8

Balance Sheet							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	626	626	627	627	627	627	627
Reserves	51,019	59,260	65,628	73,841	82,783	94,047	1,07,989
Net Worth	51,645	59,886	66,255	74,468	83,410	94,674	1,08,616
Loans	4,922	3,955	0	0	0	0	0
Deferred Tax Liability	3,391	3,506	3,615	3,575	3,753	3,753	3,753
Capital Employed	59,958	67,348	69,870	78,043	87,163	98,427	1,12,369
Gross Fixed Assets	41,965	46,005	50,838	57,896	68,540	78,540	85,540
Less: Depreciation	9,062	11,670	14,632	18,017	22,021	26,678	31,875
Net Fixed Assets	32,903	34,335	36,207	39,879	46,519	51,861	53,665
Capital WIP	899	572	1,664	2,987	1,182	1,182	1,182
Investments	3,079	4,261	2,009	200	110	6,110	6,110
Curr. Assets	51,321	65,884	71,695	81,261	90,283	96,605	1,16,840
Inventory	26,199	29,681	37,086	34,086	40,469	46,094	53,078
Debtors	5,636	7,675	9,755	11,652	12,587	14,300	16,467
Cash & Bank Balance	16,247	25,358	18,702	30,382	33,781	29,433	39,490
Other Current Assets	3,238	3,169	6,152	5,141	3,447	6,778	7,806
Current Liab. & Prov.	28,245	37,704	41,705	46,284	50,931	57,331	65,428
Creditors	15,968	23,794	26,432	26,919	30,470	34,616	39,861
Other Liabilities	9,117	10,615	11,157	15,711	16,565	18,819	21,671
Provisions	3,160	3,295	4,116	3,654	3,896	3,896	3,896
Net Current Assets	23,076	28,180	29,990	34,977	39,352	39,274	51,412
Application of Funds	59,958	67,348	69,870	78,043	87,163	98,427	1,12,369

Financials and valuations (Consolidated)

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)							
Adjusted EPS	16.5	19.1	17.1	20.3	23.5	27.6	34.2
Growth (%)	40.4	16.0	-10.3	18.5	15.7	17.9	23.8
Cash EPS	20.4	23.2	21.8	25.7	29.8	35.1	42.5
Book Value	82.5	95.6	105.8	118.8	133.1	151.0	173.3
DPS	2.5	6.5	7.5	9.0	10.0	9.7	12.0
Payout (incl. Div. Tax.)	18.2	34.1	43.9	37.0	42.6	35.0	35.0
Valuation (x)							
P/Sales	10.0	7.5	6.2	5.6	4.8	4.2	3.7
P/E (standalone)	101.5	87.5	97.6	82.4	71.2	60.4	48.8
Cash P/E	81.8	71.9	76.5	65.0	56.0	47.6	39.3
EV/EBITDA	66.1	58.3	64.3	55.1	47.5	40.2	32.3
EV/Sales	9.9	7.4	6.1	5.5	4.7	4.1	3.5
Price/Book Value	20.2	17.5	15.8	14.1	12.6	11.1	9.6
Dividend Yield (%)	0.1	0.4	0.4	0.5	0.6	0.6	0.7
Profitability Ratios (%)							
RoE	19.9	20.0	16.2	17.1	17.6	18.3	19.7
RoCE	18.1	18.3	15.7	16.7	17.2	18.0	19.4
RoIC	24.0	29.6	19.6	23.6	24.0	24.3	28.9
Turnover Ratios							
Debtors (Days)	20	20	21	23	21	21	21
Inventory (Days)	92	78	80	67	68	68	68
Creditors. (Days)	56	63	57	53	51	51	51
Asset Turnover (x)	1.7	2.1	2.4	2.4	2.5	2.5	2.5
Leverage Ratio							
Net Debt/Equity (x)	-0.2	-0.4	-0.3	-0.4	-0.4	-0.3	-0.4

Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
PBT before EO Items	14,104	16,272	14,610	17,185	20,465	23,387	28,946
Add : Depreciation	2,489	2,608	2,962	3,385	4,004	4,658	5,196
Interest	(315)	(717)	(898)	(1,393)	(1,823)	(2,734)	(2,950)
Less : Direct Taxes Paid	2,714	4,138	3,919	3,919	5,055	6,057	7,497
(Inc)/Dec in WC	6,985	(3,420)	7,105	(4,272)	2,438	4,270	2,082
CF from Operations	6,579	17,446	5,649	19,529	15,153	14,984	21,614
(Inc)/Dec in FA	(1,227)	(2,490)	(5,855)	(7,278)	(7,209)	(10,000)	(7,000)
Free Cash Flow	5,353	14,956	(206)	12,251	7,944	4,984	14,614
(Pur)/Sale of Investments	(2,169)	(5,102)	6,206	(8,861)	4,193	(2,791)	3,473
CF from Investments	(3,396)	(7,592)	350	(16,139)	(3,016)	(12,791)	(3,527)
(Inc)/Dec in Net Worth / Others	195	(183)	(360)	(558)	(346)	-	-
(Inc)/Dec in Debt	4,136	(973)	(3,937)	-	-	-	-
Less : Interest Paid	459	245	70	76	75	476	523
Dividend Paid	1,878	4,073	4,703	4,701	6,268	6,065	7,507
CF from Fin. Activity	1,994	(5,473)	(9,069)	(5,336)	(6,689)	(6,541)	(8,030)
Inc/Dec of Cash	5,178	4,380	(3,070)	(1,945)	5,449	(4,348)	10,056
Add: Beginning Balance	11,069	20,978	21,771	32,327	30,382	35,830	31,482
Closing Balance	16,247	25,358	18,702	30,382	35,830	31,482	41,539

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh

Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
financial interest in the subject company

- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

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

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.