

Craftsman Automation

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	CRAFTSMA IN
Equity Shares (m)	24
M.Cap.(INRb)/(USD\$)	175.9 / 1.9
52-Week Range (INR)	8069 / 3700
1, 6, 12 Rel. Per (%)	7/12/62
12M Avg Val (INR M)	372

Consol. Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Sales	80.9	91.6	103.7
EBITDA	12.2	14.8	17.3
Adj. PAT	3.9	5.5	7.2
EPS (INR)	163.2	231.5	301.3
EPS Gr. (%)	77.1	41.8	30.2
BV/Sh. (INR)	1,347	1,565	1,849

Ratios

RoE (%)	12.8	15.9	17.6
RoCE (%)	10.8	11.3	12.3
Payout (%)	6.1	5.6	5.6

Valuations

P/E (x)	44.8	31.6	24.3
P/BV (x)	5.4	4.7	4.0
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	-3.6	0.8	2.5

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	48.7	48.7	48.7
DII	25.2	24.4	21.0
FII	16.0	15.4	17.0
Others	10.0	11.5	13.3

FII includes depository receipts

CMP: INR7,375 TP: INR7,096 (-4%) Neutral

Earnings beat largely driven by higher other income

Sharp input cost inflation weighs on the aluminum business

- Craftsman Automation (Craftsman)'s 3QFY26 consol. adj. PAT of INR1.1b was ahead of our estimate of INR965m, largely led by a higher-than-expected other income, even as EBITDA margin was in line.
- The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. However, post the recent run-up in the stock, most of the positives seem factored in at **31.6x FY27E and at 24.3x FY28E. We reiterate our Neutral rating with a TP of INR7,096 (valued at 25x Dec'27E EPS).**

Earnings beat led by higher other income

- Consolidated revenues grew 30.5% YoY/3% QoQ to INR 20.5b (in line with our estimates). Even on a standalone basis, revenue was largely in line with our estimates.
- Despite operating losses at the new alloy wheel plant and higher aluminum prices, consolidated margins were flat QoQ at 15.2% (in-line) due to improved margins in the powertrain and Industrial engineering segments.
- Given the strong revenue growth, EBITDA grew 57% YoY/3.5% QoQ to INR 3.1b, in line with our estimates.
- Segmental performance:
 - **Powertrain:** Revenue at INR5.4b, rose 17.3% YoY (a miss of 6.5% on our est). EBIT margin at 16.8% was up 680bp YoY (220bp **beat** on our est.).
 - **Aluminum:** Revenue at INR12b was up 31% YoY (3.5% **miss** on est.), EBIT margin at 9.2% was up 140bp YoY (250bp **miss** on our est.). Margin miss in this segment was largely due to a spurt in Al prices in 3Q and the losses at the new alloy wheel plant.
 - **Industrial:** Revenue at INR3.2b, up 57% YoY and 15% **beat** on est, EBIT margins at 6.7%, up 660bp YoY and 530bp **beat** on est. Management has indicated that these margins are sustainable as the industry pricing discipline has improved.
 - DR Axion's revenue grew 17% YoY to INR3.8b, while Sunbeam recorded a strong 32.5% revenue growth. Despite the ramp-up of subsidiaries, the aluminum margin in the subsidiaries was flat YoY, down 70bp QoQ.
- The company has posted an exceptional expense for 3Q worth INR 36.8m on account of the labor code impact.
- Adjusted for this, PAT surged 353% YoY on a low base to INR1.1b (vs. our est. of INR965m), led by higher-than-expected other income at INR277m (vs. our est. of INR45m).

Highlights from the management commentary

- **Growth guidance:** Management expects revenue growth for the industrial and powertrain segment to be in the high-single to low double-digit range, while the aluminum segment is expected to record a high-teens revenue growth
- Annualized RoE and RoCE stood at 12% and 16%, respectively.
- Standalone capex guidance for FY26 was maintained at INR10b
- For stationary engines, Craftsman has secured an order book worth USD60m with a balance of USD30-40m to be signed in the upcoming fiscal, and first invoicing for the same is expected to take place in the next 1.0-1.5 years, with peak revenue expected to be hit by FY30.
- At Sunbeam, utilization has now reached over 50%, and margins are expected to improve starting from 2QFY27. The company aims to move to 10% EBITDA margins next year, from the current 7% levels.
- Management expects margins to be sustained in the Industrial Engineering business, given the pricing discipline that has set in the industry.

Valuation and view

- The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. Management has indicated that while the Aluminum segment can grow at high-teens going forward, the powertrain and Industrial engineering segments can grow at a high single-digit rate. However, post the recent run-up in the stock, most of the positives seem factored in at **31.6x FY27E and at 24.3x FY28E. We reiterate our Neutral rating with a TP of INR7,096 (valued at 25x Dec'27E EPS).**

Quarterly (Consol)

	FY25				FY26E				FY25	FY26E	3QE	(INR m) Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net operating income	11,512	12,140	15,761	17,493	17,840	20,016	20,573	22,454	56,905	80,883	20,968	-1.9
Change (%)	10.9	3.0	39.5	58.3	55.0	64.9	30.5	28.4	27.8	42.1	33.0	
RM/Sales (%)	56.3	55.6	52.7	54.2	53.9	54.7	55.0	55.2	54.5	54.7	54.5	50bp
Staff Cost (% of Sales)	6.4	6.9	8.5	8.3	8.1	7.2	7.3	7.1	7.7	7.4	7.5	-20bp
Other Exp. (% of Sales)	20.1	21.6	26.2	23.6	23.2	23.0	22.6	22.3	23.2	22.8	22.6	0bp
EBITDA	1,973	1,928	1,990	2,436	2,649	3,019	3,122	3,447	8,327	12,238	3,229	-3.3
EBITDA Margins (%)	17.1	15.9	12.6	13.9	14.9	15.1	15.2	15.4	14.6	15.1	15.4	-20bp
Change (%)	-7.9	-18.8	-9.6	17.7	34.3	56.6	56.9	41.5	1,110.9	182.0	62.3	
Non-Operating Income	48	64	86	52	50	96	277	59	251	481	45	
Interest	492	413	583	679	663	770	794	806	2166	3033	820	
Depreciation	725	762	1035	949	1019	1090	1149	1199	3470	4457	1138	
Minority Int./Share of Profit	61	-4	-2	-2	-2	-4	-3	-6	-10	-14	-4	
PBT after EO items	744	821	313	755	937	1,253	1,422	1,506	2,951	5,119	1,320	7.7
Eff. Tax Rate (%)	28.5	24.9	58.6	11.6	25.7	27.5	24.7	25.2	23.3	25.7	26.9	
Rep. PAT	532	617	129	668	696	909	1,071	1,126	2,263	3,802	965	11.0
Change (%)	-28.6	-34.7	-82.3	7.1	30.9	47.3	728.4	68.7	-25.7	68.0	646.3	
Adj. PAT	532	617	242	750	757	912	1,098	1,126	2,263	3,894	965	13.8
Change (%)	-28.6	-34.7	-66.9	20.3	42.3	47.9	353.2	50.2	-25.7	72.0	298.1	

Key Performance Indicators

	FY25				FY26E				FY25 FY26E		(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Segment Revenues												
Auto Powertrain	4,163	4,311	4,575	5,065	4,964	5,380	5,366	5,811	18,115	21,520	5,741	-6.5
Growth (%)	8.9	9.5	16.6	30.0	19.2	24.8	17.3	14.7	16.2	18.8	25.5	
PBIT Margin (%)	17.0	14.7	11.0	13.2	15.2	14.6	16.8	16.8	13.9	15.9	14.6	220bp
Aluminium Products	5,282	5,827	9,164	10,055	10,713	12,041	12,034	13,211	30,328	47,997	12,464	-3.5
Growth (%)	8.3	-1.0	68.4	88.7	102.8	106.6	31.3	31.4	230.6	58.3	36.0	
PBIT Margin (%)	13.2	14.0	7.8	8.8	10.1	11.7	9.2	9.4	10.3	10.1	11.7	-250bp
Industrial	2,067	2,002	2,022	2,372	2,163	2,596	3,174	3,432	8,463	11,365	2,764	14.8
Growth (%)	23.5	1.8	4.8	29.8	4.7	29.7	56.9	44.7	15.6	34.3	36.7	
PBIT Margin (%)	2.1	0.3	0.1	5.6	2.2	1.4	6.7	6.9	2.2	4.7	1.4	530bp
Total Product sales	11,512	12,140	15,761	17,493	17,840	20,016	20,573	22,454	56,905	80,883	20,968	



Highlights from the management commentary

Update on the overall business and outlook

- **Growth Guidance:** Management expects revenue growth for the industrial and powertrain segment to be in the high single to low double digit range, while the aluminum segment is expected to record a high teens revenue growth.
- As of the latest 9-month annualized data, the company's net debt-to-EBITDA ratio stands at 2.55x and is expected to improve from these levels. Debt level can materially come down once they can sell the Sunbeam land at the "right" valuation. Book value for the same is INR 3.5b
- Annualized RoE and RoCE stood at 12% and 16%, respectively.
- Standalone capex guidance for FY26 was maintained at INR10b
- The consolidated revenue mix is: CV: 12%, PV: 34%, Two-Wheelers: 24%, Storage: 9%, Tractors: 4%, Off-Highway (OHT): 5%, Other Powertrain: 4%.

Update on powertrain business

- Over the past couple of years, both the Tractor and CV segments have been muted. However, the Tractor segment is now performing better, and the Commercial Vehicle segment is showing signs of recovery.
- For stationary engines, Craftsman has secured an order book worth \$60m with a balance of USD30-40m to be signed in the upcoming fiscal, and first invoicing for the same is expected to take place in the next 1.0-1.5 years with peak revenues expected to be hit by FY30.
- Craftsman plans to continue investing in the powertrain segment over the next 5-10 years to cater to the ICE demand. The recent capacity expansion will add 5-10% to the current powertrain capacity, which will come through within the next 12months.

Update on the aluminum business

- The aluminum margins experienced a dip in QoQ performance due to operational losses at the new alloy wheel plant at Hosur. Production is expected to ramp up from 4Q onwards, which will help normalize margins. While their value addition remained similar, higher aluminum prices led to optically lower margins.
- Aluminum content in Indian vehicles is still much lower than that in the West, and hence, the long-term growth opportunity for Craftsman in this segment is high.

- The CAFÉ norms will push OEMs to reduce emissions, and lightweighting will be key. This is particularly important for EVs, where more lightweighting leads to greater range and lower battery costs. This will drive up Al content in vehicles where Craftsman can play a key role. For ICE and hybrid vehicles, new designs will create an opportunity for Craftsman to increase aluminum content as OEMs build new platforms.
- Craftsman remains a relatively small supplier with a size of under USD0.5b in revenue, when compared to global majors who generate between USD 3b and USD8b from this business. Given its subpar scale, Craftsman is still not able to bid for large global orders. However, with the recent acquisitions, they are moving in the right direction.

Update on Sunbeam

- Utilization has now reached over 50%, and margins are expected to improve starting from 2QFY27. The company aims to move to 10% EBITDA margins next year, from the current 7% levels.
- No new business has been taken on so far, but the company plans to acquire new business in the premium 2W segment for the machining business starting in the upcoming quarters.
- The segment sold to Shriram in the NCR region generated INR300m in revenue from the 2W segment, but this is not expected to have a major impact as Craftsman plans to focus on its key business and customers and not diversify into smaller customers.
- Currently, about 95% of Sunbeam's revenues come from 4-5 large customer groups, and it wants to focus on them going forward

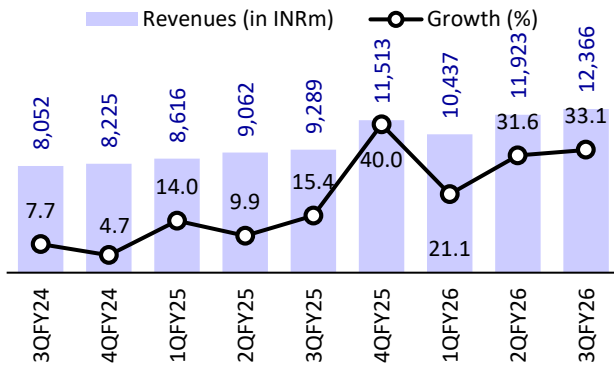
Update on DR Axion

- The company is putting up another large plant in DR Axion to cater to the new orders, and this capacity is expected to reach full utilization over the next 3-4 years.

Update on industrial and engineering business

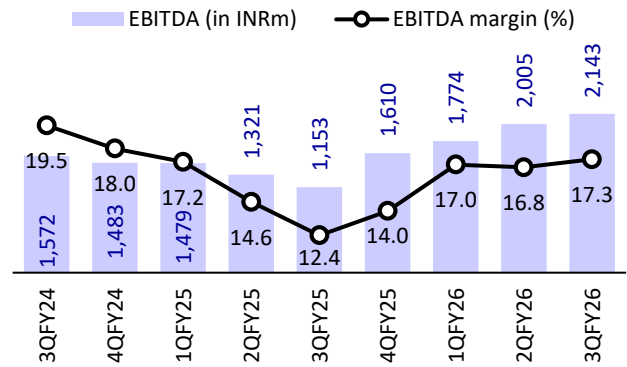
- Craftsman is the second largest player for static racking and amongst the top two players in Automotive storage.
- There is now a clear gap between the top 2 players and the rest of the industry in this business, with large project execution coming to these large players. Hence, there is no need for price undercutting to secure new business. Hence, management expects margins in this business to sustain at current levels and then improve further from 2Q onwards as operating leverage benefits kick in.

Exhibit 1: SA revenue and revenue growth (%)



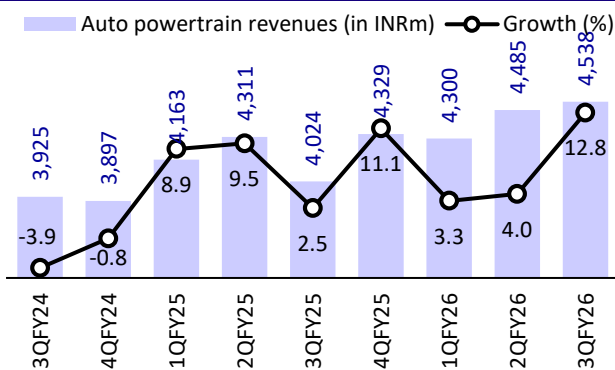
Source: Company, MOFSL

Exhibit 2: SA EBITDA and EBITDA margin (%)



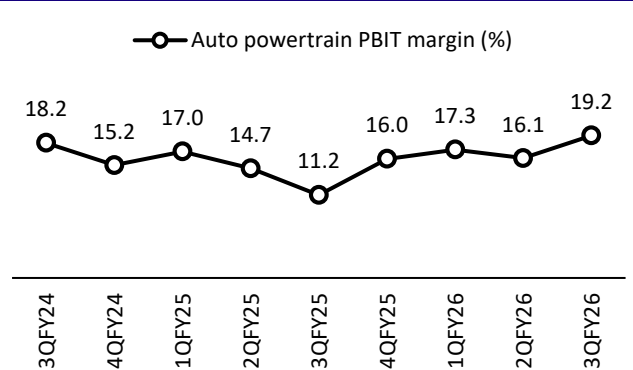
Source: Company, MOFSL

Exhibit 3: Auto powertrain's revenue and growth (%)



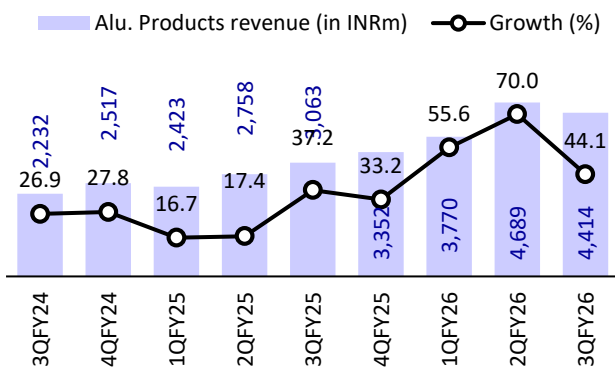
Source: Company, MOFSL

Exhibit 4: Auto powertrain's PBIT margin (%)



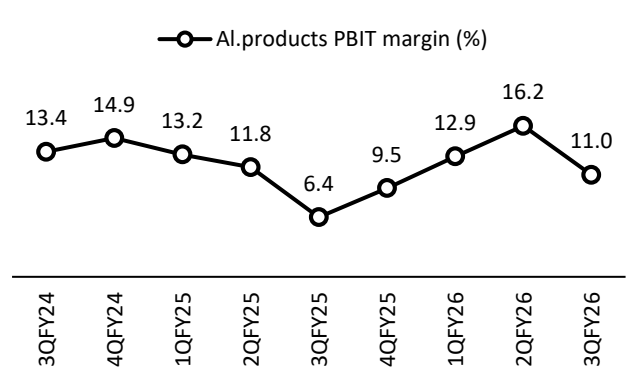
Source: Company, MOFSL

Exhibit 5: Aluminum products' revenue and growth (%)



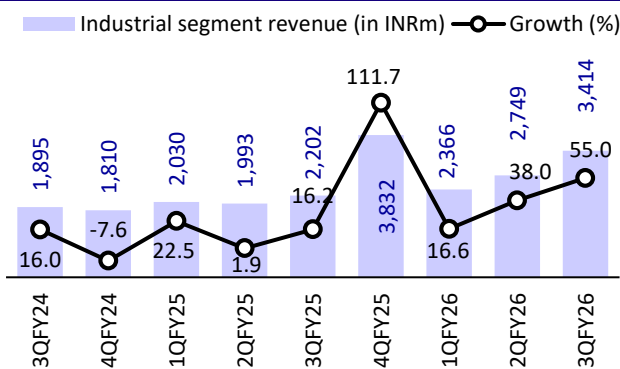
Source: Company, MOFSL

Exhibit 6: Aluminum products' PBIT margin (%)



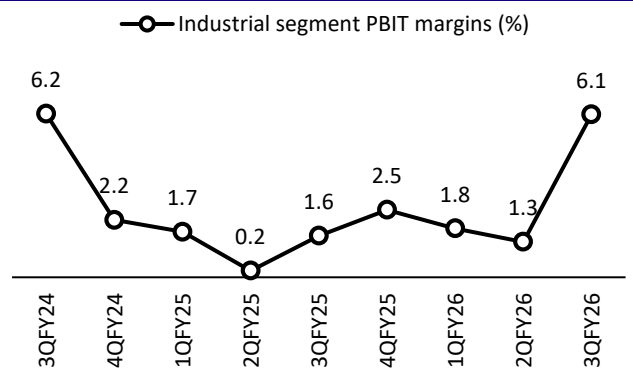
Source: Company, MOFSL

Exhibit 7: Industrial segment's revenue and growth (%)



Source: Company, MOFSL

Exhibit 8: Industrial segment's PBIT margin (%)



Source: Company, MOFSL

Valuation and view

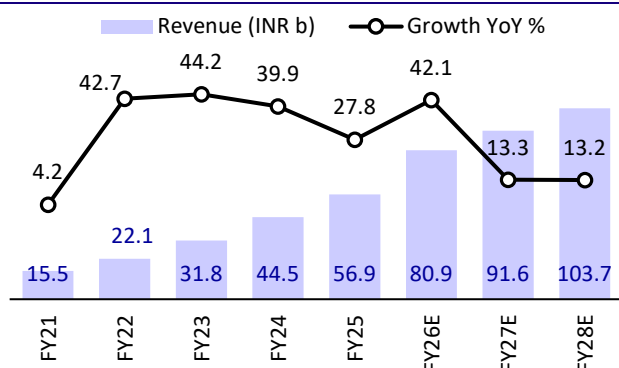
- Craftsman is a leader in machining critical engine and transmission components for MHCVs and tractors. Its in-house engineering and tool-making capabilities provide a competitive moat. It is also amongst the top 3 players in the storage solutions business in India. Further, it has significantly solidified its position in the domestic AI castings segment post the acquisitions of DR Axion and Sunbeam over the last few years. Particularly commendable has been the way management is on track to turn around operations at Sunbeam.
- The Auto demand revival across segments post-GST 2.0 augurs very well for players like Craftsman, who have a diversified mix with presence across all auto segments.
- Further, the company is setting up a new plant in Kothavadi to cater to components for the fast-growing data center segment in India. It is in advanced discussions with many large global OEMs who have set up plants in India to supply to their requirements. Based on their current assessment, they expect this business to scale up to USD 100m by FY30.
- The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. Management has indicated that while the Aluminum segment can grow at high-teens going forward, the powertrain and Industrial engineering segments can grow at a high single-digit rate. However, post the recent run-up in the stock, most of the positives seem factored in at **31.6x FY27E and at 24.3x FY28E. We maintain Neutral with a TP of INR7,096 (valued at 25x Dec'27E EPS).**

Exhibit 9: Our revised estimates

(INR b)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	80.9	80.6	0.3	91.6	91.5	0.2
EBITDA Margin (%)	15.1	15.3	-20bp	16.2	16.5	-30bp
PAT	3.9	3.6	7.2	5.5	5.6	-1.6
EPS (Rs)	163.2	152.3	7.2	231.5	235.1	-1.6

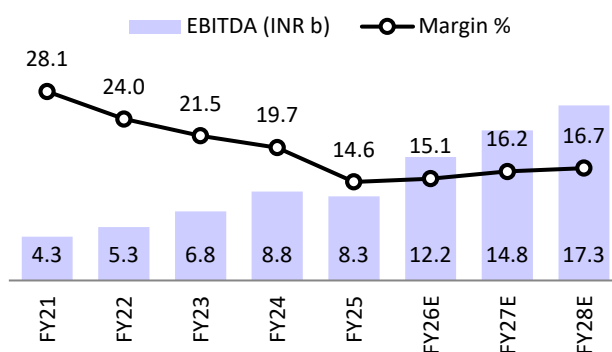
Key operating indicators

Exhibit 10: Consol. revenue trend



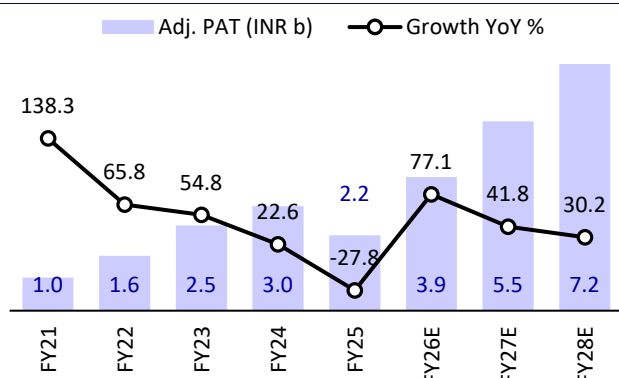
Source: Company, MOFSL

Exhibit 11: Consol. EBITDA trend



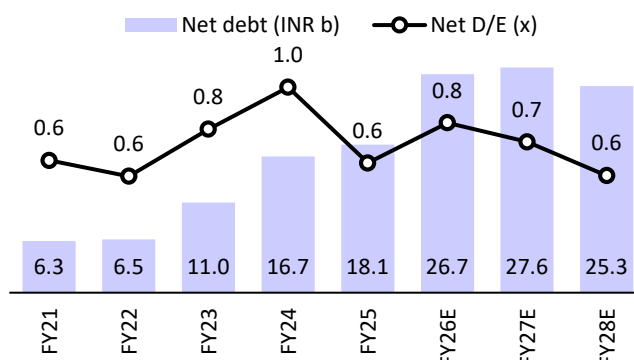
Source: Company, MOFSL

Exhibit 12: Consol. PAT trend



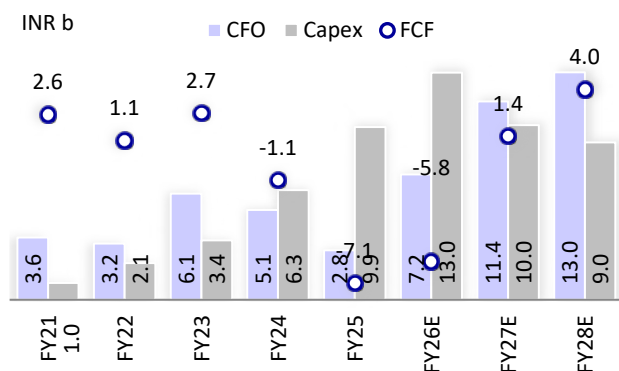
Source: Company, MOFSL

Exhibit 13: Debt likely to decline



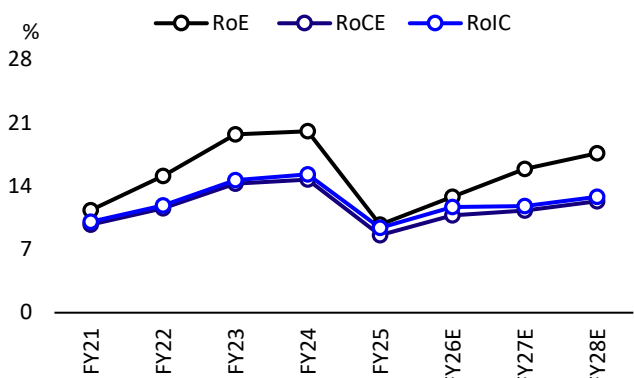
Source: Company, MOFSL

Exhibit 14: CFO to grow over FY24-27E...



Source: Company, MOFSL

Exhibit 15: ...leading to a gradual improvement in returns



Source: Company, MOFSL

Financials and valuations

Income Statement (Consol)								(INR m)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Revenues	15,463	22,064	31,826	44,517	56,905	80,883	91,631	1,03,700
Change (%)	4.2	42.7	44.2	39.9	27.8	42.1	13.3	13.2
EBITDA	4,340	5,293	6,836	8,788	8,327	12,238	14,843	17,317
EBITDA Margin (%)	28.1	24.0	21.5	19.7	14.6	15.1	16.2	16.7
Change (%)	9.9	22.0	29.2	28.6	-5.2	47.0	21.3	16.7
Depreciation	1,924	2,060	2,216	2,777	3,470	4,457	5,401	6,133
EBIT	2,416	3,233	4,620	6,011	4,857	7,781	9,442	11,184
EBIT Margins (%)	15.6	14.7	14.5	13.5	8.5	9.6	10.3	10.8
Interest cost	1,073	842	1,202	1,745	2,166	3,033	2,426	1,941
Other Income	132	93	125	172	251	481	529	582
Non-recurring Expense	0	0	0	0	255	124	0	0
PBT	1,476	2,484	3,543	4,438	2,686	5,105	7,545	9,825
Eff.Tax Rate (%)	34.4	35.4	29.3	24.2	25.6	25.8	27.0	27.0
PAT	968	1,605	2,505	3,365	1,999	3,788	5,508	7,172
Minority Interest	-	-	20.9	320.1	-10.0	-14.0	-15.4	-16.9
Adj. PAT	968	1,605	2,484	3,045	2,198	3,894	5,523	7,189
Change (%)	138.3	65.8	54.8	22.6	-27.8	77.1	41.8	30.2

Balance Sheet (Consol)								(INR m)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sources of Funds								
Share Capital	106	106	106	106	119	119	119	119
Reserves	9,679	11,316	13,663	16,474	28,448	32,011	37,224	44,008
Net Worth	9,785	11,422	13,769	16,580	28,567	32,131	37,344	44,127
Minority interest	0	0	610	937	0	0	0	0
Deferred Tax	691	1,168	1,411	1,315	61	61	61	61
Loans	7,035	7,156	11,527	17,548	23,582	29,582	29,582	28,082
Capital Employed	17,511	19,746	27,317	36,380	52,210	61,773	66,986	72,270
Application of Funds								
Gross Fixed Assets	23,360	25,464	31,256	37,990	52,144	65,144	75,144	84,144
Less: Depreciation	8,255	10,026	11,917	14,223	17,341	21,798	27,199	33,332
Net Fixed Assets	15,105	15,438	19,339	23,767	34,803	43,346	47,945	50,812
Capital WIP	320	420	966	1,786	3,453	3,453	3,453	3,453
Investments	436	422	235	240	4,470	2,470	1,570	2,070
Goodwill			1,900	1,900	1,901	1,901	1,901	1,901
Curr.Assets, L & Adv.	7,755	10,559	15,628	19,364	26,539	35,742	40,394	45,820
Inventory	3,976	6,206	8,360	10,408	13,321	18,933	21,449	24,275
Sundry Debtors	2,355	2,942	5,353	5,766	9,206	13,085	14,824	16,776
Cash & Bank Balances	263	227	273	635	974	382	445	725
Loans & Advances	1,161	1,185	1,641	2,555	3,038	3,342	3,676	4,044
Current Liab. & Prov.	6,105	7,094	10,750	10,678	18,955	25,138	28,276	31,785
Sundry Creditors	3,523	4,654	7,116	8,006	13,343	18,966	21,486	24,316
Other Liabilities	2,544	2,393	3,566	2,559	5,362	5,898	6,488	7,136
Provisions	38	47	68	112	250	275	302	332
Net Current Assets	1,650	3,466	4,878	8,686	7,584	10,604	12,119	14,035
Application of Funds	17,511	19,746	27,317	36,380	52,210	61,773	66,986	72,270

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
EPS	45.8	76.0	117.6	144.2	92.1	163.2	231.5	301.3
EPS Growth (%)	127.0	65.8	54.8	22.6	-36.1	77.1	41.8	30.2
Cash EPS	136.9	173.5	223.5	290.8	229.2	345.5	457.2	557.6
Book Value per Share	463.3	540.8	651.9	785.0	1,197.3	1,346.6	1,565.1	1,849.4
DPS	0.0	3.8	11.3	11.3	5.0	10.0	13.0	17.0
Payout (Incl. Div. Tax) %	0.0	4.9	9.6	7.8	5.4	6.1	5.6	5.6
FCF per share	123.1	53.1	126.9	-54.3	-296.1	-243.7	56.8	168.8
Valuation (x)								
P/E	148.3	89.4	57.8	47.1	73.7	44.8	31.6	24.3
Cash P/E	49.6	39.1	30.4	23.4	29.6	21.1	16.0	13.1
EV/EBITDA	34.5	28.3	22.6	18.2	21.6	16.4	13.6	11.5
EV/Sales	9.7	6.8	4.9	3.6	3.2	2.5	2.2	1.9
Price to Book Value	14.7	12.6	10.4	8.7	5.7	5.4	4.7	4.0
Dividend Yield (%)	0.0	0.1	0.2	0.2	0.1	0.1	0.2	0.2
Profitability Ratios (%)								
RoE	11.3	15.1	19.7	20.1	9.7	12.8	15.9	17.6
RoCE (post-tax)	9.7	11.5	14.3	14.7	8.6	10.8	11.3	12.3
RoIC	10.1	11.9	14.7	15.3	9.4	11.7	11.8	12.8
Turnover Ratios								
Debtors (Days)	56	49	61	47	59	59	59	59
Inventory (Days)	94	103	96	85	85	85	85	85
Creditors (Days)	83	77	82	66	86	86	86	86
Working Capital (Days)	39	57	56	71	49	48	48	49
Asset Turnover (x)	0.9	1.1	1.2	1.2	1.1	1.3	1.4	1.4
Leverage Ratio								
Net Debt/Equity (x)	0.6	0.6	0.8	1.0	0.6	0.8	0.7	0.6

E: MOFSL Estimates

Cash Flow Statement

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Profit before Tax	1,476	2,484	3,548	4,447	2,697	5,105	7,545	9,825
Depreciation & Amort.	1,924	2,060	2,216	2,777	3,470	4,457	5,401	6,133
Direct Taxes Paid	-226	-368	-726	-1,475	-736	-1,317	-2,037	-2,653
(Inc)/Dec in Working Capital	-352	-1,519	105	-1,924	-4,277	-3,612	-1,452	-1,636
Interest/Div. Received	-52	-39	-73	0	-100	2552	1897	1359
Other Items	792	606	1,007	1,308	1,776	0	0	0
CF after EO Items	3,561	3,224	6,077	5,133	2,829	7,184	11,354	13,027
(Inc)/Dec in FA+CWIP	-961	-2,103	-3,396	-6,281	-9,893	-13,000	-10,000	-9,000
Free Cash Flow	2,600	1,121	2,681	-1,148	-7,064	-5,816	1,354	4,027
Interest/dividend received	12	14	65	23	127	481	529	582
(Pur)/Sale of Invest.	27	28	2	-2	-6,917	2,000	900	-500
CF from Inv. Activity	-922	-2,061	-7,075	-6,254	-16,424	-10,519	-8,571	-8,918
Issue of Shares	1,456	-19	0	0	11,802	0	0	0
Inc/(Dec) in Debt	-2,387	10	2,042	3,938	5,070	6,000	0	-1,500
Interest Paid	-1,093	-769	-1,027	-1,718	-2,139	-3,033	-2,426	-1,941
Dividends Paid	0	0	-79	-238	-238	-239	-310	-406
CF from Fin. Activity	-2,960	-1,200	730	1,482	13,934	2,742	-2,721	-3,830
Inc/(Dec) in Cash	-322	-37	-268	362	340	-592	63	280
Add: Beginning Balance	585	263	541	273	635	975	383	445
Closing Balance	263	227	273	635	975	383	445	725

E: MOFSL Estimates

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.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>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. 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.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

Registration granted by SEBI, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.