

Estimate change	↑
TP change	↑
Rating change	↓

Bloomberg	HAVL IN
Equity Shares (m)	625
M.Cap.(INRb)/(USDb)	1042.8 / 12.5
52-Week Range (INR)	1688 / 1211
1, 6, 12 Rel. Per (%)	9/13/10
12M Avg Val (INR M)	1306
Free float (%)	40.6

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	185.9	211.0	243.3
EBITDA	18.4	23.1	28.1
Adj. PAT	12.7	16.4	20.3
EBITA Margin (%)	9.9	10.9	11.5
Cons. Adj. EPS (INR)	20.3	26.2	32.4
EPS Gr. (%)	18.5	29.4	23.3
BV/Sh. (INR)	118.8	135.9	156.9
Ratios			
Net D:E	(0.4)	(0.4)	(0.4)
RoE (%)	17.1	19.3	20.6
RoCE (%)	16.7	18.8	20.1
Payout (%)	37.0	35.0	35.0
Valuations			
P/E (x)	82.0	63.4	51.4
P/BV (x)	14.0	12.2	10.6
EV/EBITDA (x)	54.9	43.6	35.6
Div Yield (%)	0.5	0.6	0.7
FCF Yield (%)	1.2	0.7	1.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	59.4	59.4	59.5
DII	9.9	10.1	10.4
FII	24.8	24.0	23.1
Others	5.9	6.5	7.1

FII Includes depository receipts

CMP: INR1,664 TP: INR1,780 (+7%) Downgrade to Neutral

Strong revenue growth in ECD/cables; Lloyd turns EBIT positive

Promising start of summer season driving revenue growth

- HAVL beat our estimates in 4QFY24, aided by better margins in all business segments, except ECD. Lloyd reported EBIT margin of 2.7% after losses in 10 consecutive quarters. Revenue growth of mere 6% YoY for Lloyd was disappointing, though FY24 revenue growth stood at 12.5% YoY. EBITDA for the company came in at INR6.3b vs. estimated INR5.7b and OPM was 11.7% vs. estimated 10.3%. Profit stood at INR4.5b vs. estimated INR3.9b.
- The management highlighted that primary sales have been strong for RACs, though the north region is yet to witness demand pick-up. The company is neither stocking too much nor facing stock-outs. Lloyd maintains its market share on a full-year basis and would maintain a balance between growth and profitability, though market share gains will always be preferred.
- We raise our EPS estimates for FY25/FY26 by 4%/5% to account for better margins in the cables and switchgear businesses. The stock has been up 25% since our initiation and currently trades at 63x/51x FY25E/FY26E EPS, reflecting the growth we anticipate. Given its expensive valuations, we are revising our rating to Neutral from BUY. We value the stock at 55x FY26E EPS to arrive at our TP of INR1,780 with a 7% potential upside.

Margin higher than estimate across segments, except ECD

- Consolidated revenue/EBITDA/PAT stood at INR54.4b/INR6.3b/INR4.5b (up 12%/20%/25% YoY and in line/up 13.5%/16% vs. our estimates). Gross margin grew 2.4pp YoY to 32.8%. OPM rose 81bp YoY to 11.7% (est. 10.3%).
- Ad spending stood at 2.4% of revenue vs. 2.3%/4.0% in 4QFY23/3QFY24. Depreciation/interest costs rose 21%/82% YoY, whereas 'Other income' grew 62% YoY.
- Segmental highlights: (a) Havells (ex-Lloyd) revenue grew 14% YoY to INR41b. **C&W** revenue rose 14% YoY to INR17.9b and EBIT margin was flat at 12%. **Switchgear** revenue was up 8% YoY at INR6.5b and EBIT margin declined 30bp to 28.2%. **Lighting** revenue was up 5% YoY at INR4.4b and EBIT margin improved to 18%. **ECD** revenue rose 21.5% YoY to INR9b and EBIT margin declined 1.5pp to 11.3%. (b) **Lloyd's** revenue grew 6% YoY to INR13.5b. Lloyd reported EBIT of INR360m in 4Q vs. a loss of INR234m in 4QFY23 (estimated EBIT loss of INR136m).
- In FY24, revenue increased 10% YoY, led by 13-14% growth in the Lloyd and cables segments, ~6% growth in the switchgear and ECD segments, and 2% growth in the lighting segment. EBIT of the cables and wires segment rose 37% YoY, while switchgear EBIT grew 8% YoY. ECD segment's EBIT declined 7% YoY, while it was a mere 1% growth for the lighting segment. EBIT loss of Lloyd narrowed to INR1.7b in FY24 from INR2.2b in FY23. EBITDA of the company increased by 15% YoY to INR18.4b, with a 40bp improvement in OPM to 9.9%. Profit was up 19% YoY at INR12.7b.

- In FY24, OCF surged 2.5x YoY, aided by profitability improvement and INR11.4b reduction in working capital. Working capital days improved to 37 from 44 in Mar'23. Net cash increased to INR30.4b vs. INR18.7b in FY23. RoE improved to 17.1% vs. 16.2% in FY23. RoCE improved to 23.6% vs. 19.6% in FY23.

Key highlights from the management commentary

- Continued industrial and infrastructure-led demand and the promising start of the summer season are driving revenue growth. HAVL is also witnessing an early sign of benefits from an uptick in real estate. The fans segment posted robust growth, albeit on a low base, as demand was impacted in past several quarters by the transition to new BEE norms.
- The cables & wires segment reported volume growth of 18% YoY in 4Q and ~15% YoY in FY24. The revenue mix stood at 60% from wires and 40% from cables. New capacity (25% incremental) is likely to be commissioned in Jun'24 and benefits of higher capacity utilization should be seen in 2HFY25.
- Lloyd over the last few years has grown strongly in the west and east regions, while it is already a strong player in the south (except Tamil Nadu) and north regions. Lloyd maintains its market share on a full-year basis. It will continue to invest in product, brand, channel and R&D and is on a journey of growth, profitability and market share gains.

Valuation and view

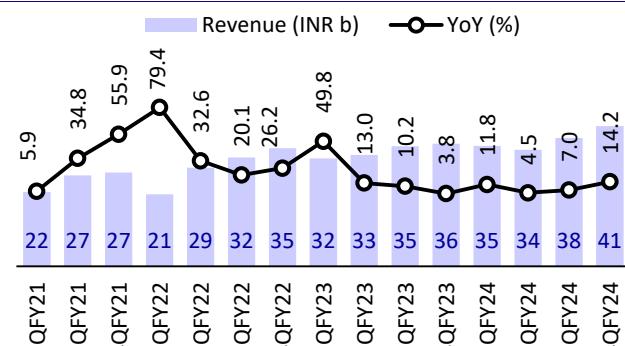
- We expect HAVL to report a CAGR of 14%/23%/26% in revenue/EBITDA/PAT over FY24-26. We have assumed a revenue CAGR of 20% for Lloyd, while other business segments should deliver a revenue CAGR of 11-14%. We have factored in Lloyd to break-even in FY25E and estimate EBIT margin of 2% in FY26. We believe that investments in strengthening the brand equity of Lloyd and increasing the distribution network would benefit the company in the long run.
- We estimate the company's RoE/RoIC to improve to 20.6%/30.4% in FY26 vs. 17.1%/23.6% in FY24 (average RoE/RoCE of 18.3%/28.8% during FY15-24). HAVL has generated FCF in most of the years despite significant capex. Over FY15-23, it generated OCF of INR92.9b and spent INR47.2b in capex. Going forward, we expect it to generate OCF of INR34.7b over FY24-26, while capex will be INR15b. This will help improve net cash to INR43.6b vs. INR30.4b in Mar'24.
- We raise our EPS estimates for FY25/FY26 by 4%/5% to account for better margins in the cables and switchgear businesses. The stock has been up 25% since our initiation and currently trades at 63x/51x FY25E/FY26E EPS, reflecting the growth we anticipate. Given its expensive valuations, we are revising our rating to Neutral from BUY. We value the stock at 55x FY26E EPS to arrive at our TP of INR1,780 with a 7% potential upside.

Quarterly performance (INR m)												
Y/E March	FY23				FY24				FY23	FY24	MOFSL 4QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	42,445	36,689	41,197	48,592	48,338	39,003	44,139	54,420	1,68,923	1,85,900	54,526	-0.2%
Change (%)	63.4	13.9	12.8	10.0	13.9	6.3	7.1	12.0	21.6	10.1	12.2	
Adj EBITDA	3,615	2,871	4,237	5,271	4,020	3,734	4,327	6,346	15,995	18,426	5,590	13.5%
Change (%)	2.4	-35.3	-3.8	1.3	11.2	30.1	2.1	20.4	(9.0)	15.2	6.0	
Adj EBITDA margin (%)	8.5	7.8	10.3	10.8	8.3	9.6	9.8	11.7	9.5	9.9	10.3	141
Depreciation	721	721	746	774	763	812	877	934	2,961	3,385	856	9.0%
Interest	98	68	73	98	85	93	102	177	336	457	90	96.8%
Other Income	476	433	399	467	648	525	559	758	1,775	2,490	595	27.3%
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-	-	-
PBT	3,273	2,515	3,818	4,867	3,821	3,353	3,907	5,993	14,473	17,074	5,239	14.4%
Tax	841	646	978	1,287	950	862	1,028	1,526	3,752	4,366	1,383	
Effective Tax Rate (%)	25.7	25.7	25.6	26.4	24.9	25.7	26.3	25.5	25.9	25.6	26.4	
Reported PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	4,467	10,720	12,708	3,856	15.9%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	24.8	(10.3)	18.5	7.7	
Adj PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	4,467	10,720	12,708	3,856	15.9%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	24.8	(10.3)	18.5	7.7	

Segmental Performance (INR m)

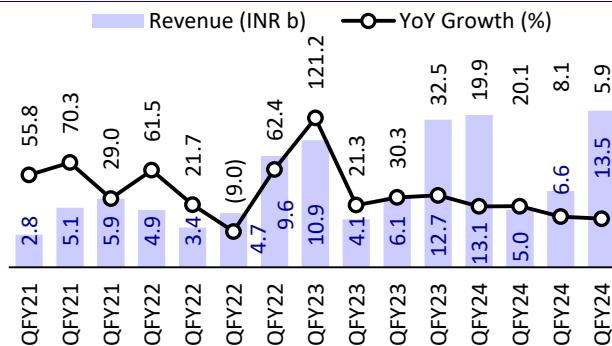
Y/E March	FY23				FY24				FY23	FY24	FY24 4QE	Var.	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Sales													
Switchgear	5,169	4,878	5,141	6,010	5,409	5,336	5,206	6,513	21,199	22,463	6,306	3.3%	
Cables & Wires	11,929	13,594	14,121	15,682	14,852	14,702	15,727	17,896	55,326	63,176	16,962	5.5%	
ECD	8,396	7,735	9,348	7,495	8,775	7,331	9,615	9,104	32,972	34,825	8,226	10.7%	
Lighting & Fixtures	3,737	3,970	4,201	4,160	3,710	3,999	4,335	4,353	16,067	16,398	4,451	-2.2%	
Lloyd	10,938	4,141	6,068	12,710	13,109	4,974	6,561	13,459	33,857	38,103	15,778	-14.7%	
Profit Contribution													
Switchgear	1,354	1,220	1,270	1,712	1,499	1,409	1,244	1,836	5,556	5,988	1,734	5.8%	
Cables & Wires	875	859	1,628	1,880	1,691	1,707	1,625	2,154	5,242	7,175	1,941	10.9%	
ECD	1,100	901	1,228	954	957	848	1,062	1,025	4,184	3,892	1,128	-9.1%	
Lighting & Fixtures	614	570	534	749	532	570	607	785	2,467	2,493	659	19.0%	
Lloyd	(563)	(833)	(596)	(234)	(616)	(745)	(654)	360	(2,227)	(1,655)	(136)	n/m	
Contribution Margin (%)													
Switchgear	26.2	25.0	24.7	28.5	27.7	26.4	23.9	28.2	26.2	26.7	27.5	68	
Cables & Wires	7.3	6.3	11.5	12.0	11.4	11.6	10.3	12.0	9.5	11.4	11.4	59	
ECD	13.1	11.6	13.1	12.7	10.9	11.6	11.0	11.3	12.7	11.2	13.7	(245)	
Lighting & Fixtures	16.4	14.4	12.7	18.0	14.3	14.3	14.0	18.0	15.4	15.2	14.8	322	
Lloyd	(5.1)	(20.1)	(9.8)	(1.8)	(4.7)	(15.0)	(10.0)	2.7	(6.6)	(4.3)	(0.9)	353	

Exhibit 1: HAVL's (ex-Lloyd) revenue up 14% YoY

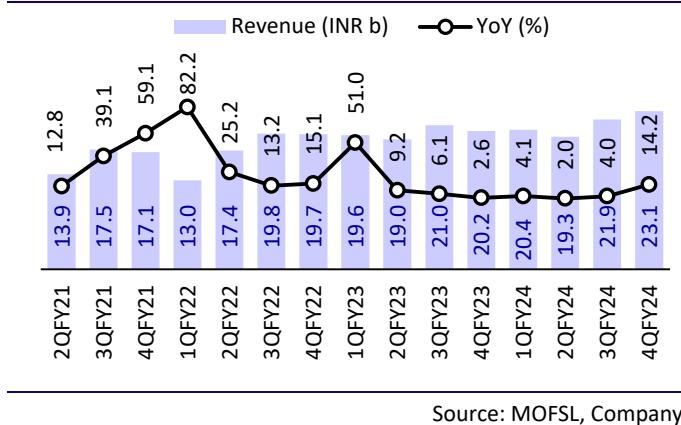


Source: MOFSL, Company

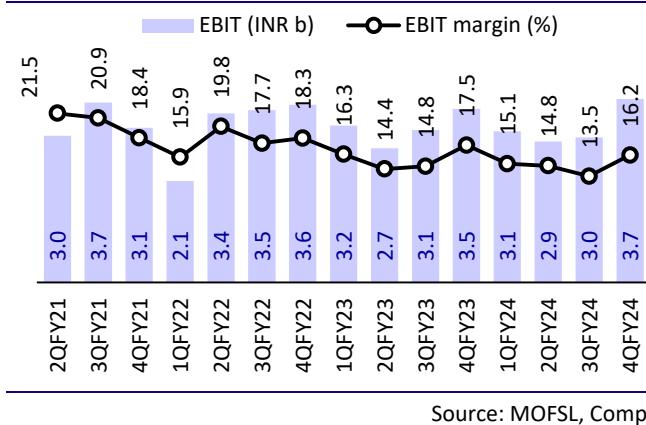
Exhibit 2: Lloyd's revenue grew ~6% YoY



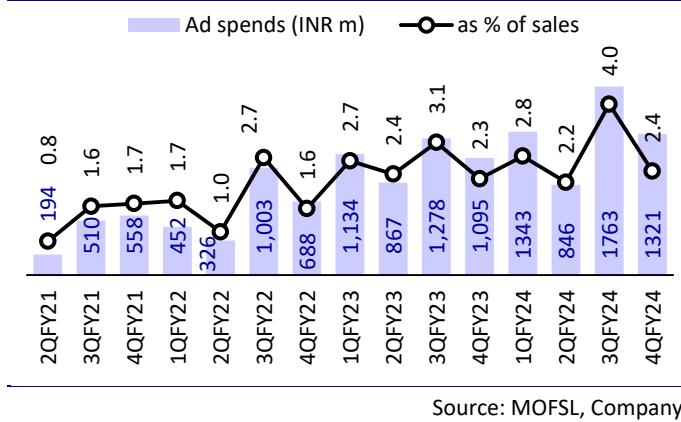
Source: MOFSL, Company

Exhibit 3: HAVL's (ex-Cable and Wires) sales up 14% YoY

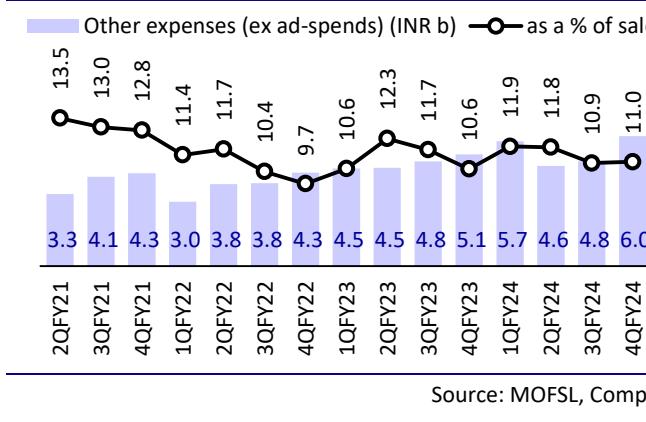
Source: MOFSL, Company

Exhibit 4: HAVL's (ex- Cables and Wires) EBIT margin trend

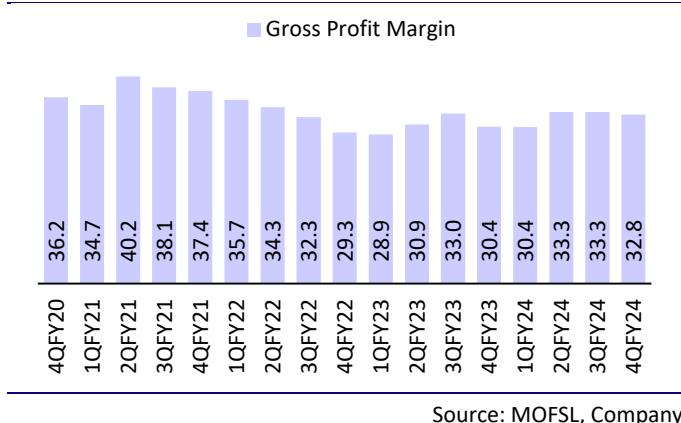
Source: MOFSL, Company

Exhibit 5: Ad spending declined sequentially in 4QFY24

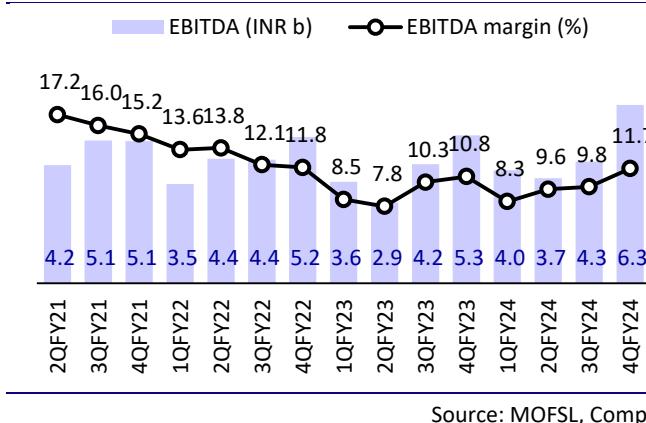
Source: MOFSL, Company

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

Source: MOFSL, Company

Exhibit 7: Gross margin up 2.4pp YoY in 4QFY24

Source: MOFSL, Company

Exhibit 8: EBITDA margin up 81bp YoY to 11.7%

Source: MOFSL, Company



Conference call highlights

Demand and key segment performance

- Continued industrial and infrastructure-led demand and the promising start of the summer season are driving revenue growth. HAVL is also witnessing early signs of benefits from an uptick in real estate. Lloyd's performance was satisfactory and remains positive with a pickup in the market.
- **ECD segment:** The fans segment registered robust growth, albeit on a low base, as demand was impacted in the past several quarters by the transition to new BEE norms. The ECD segment's contribution margin was flat YoY. Infrastructure and industrial demand have been positive over the last one to two years, while consumer demand from real estate has been subdued. There was no price hike in fans in 4Q, as this was not necessary, given stable raw material prices in the past six months. There was some uptick in commodity prices in early Apr'24, which needs to be evaluated. In the past, margins were lower due to higher advertisement expenses and lower offtake due to inflation. Going forward, HAVL will make efforts to improve margin in the ECD segment. It will focus on non-fan businesses like appliances and improving efficiencies, which should help HAVL become stronger in weak regions. Existing channel and brand strength should help to leverage synergies in the appliances segment. In the Kitchen appliances category, the company will initially focus on outsourcing and will grow gradually. Channel inventory is at normal levels.
- **Cable and wire** – Volume grew 18% YoY in 4QFY24 and ~15% in FY24. Revenue mix stood at 60% from wires and 40% from cables. New capacity (25% incremental) is likely to be commissioned in Jun'24 and benefits of higher capacity utilization should be seen in 2HFY25. Demand for cables is largely from the infrastructure and real estate sectors, while demand for wires is coming from the commercial and residential markets. The company faces capacity constraints in industrial cables.
- **Switchgear, Lighting & fixtures** – Switchgear delivered decent growth despite a higher base. HAVL has gained market share in the last two to three years in switches, which was earlier lost to unorganized players. Contribution margin improved 1.5pp YoY to 41.1%. In the lighting segment, volume growth was healthy; however, continued price correction hurt overall revenue growth. Contribution margin was flat YoY at 31.9%. The industry is at fag-end of price erosion in bulbs and battens.

Lloyd Performance

- Primary sales were strong. Initially, strong growth was seen in the south, west and east markets, while the north region is yet to pick up. The company is neither stocking too much nor facing stock-outs. It is maintaining market share on a full year basis. The company witnessed an over 30% revenue CAGR in the last two years. The company's RAC capacity stood at 2m units and average capacity utilization was ~65% in FY24.
- Lloyd, over the last few years, has grown strongly in the west and east regions, while it is already a strong player in the south (except TN) and north regions.

- The company maintains a balance between growth and profitability. It will continue to invest in product, brand, channel and R&D and is on a journey of growth, profitability and market share gains.
- Lloyd's contribution margin improved 6.3pp YoY to 12.5% and reported EBIT of INR360m vs. loss before interest and tax of INR234m in 4QFY24. Channel mix, product mix, premiumization and cost efficiency led to performance improvement. New plant efficiency (at Ghiloth and Sri City) has also started kicking in.
- The company remains fairly stable in its strategy for pricing, branding and channels. Further, it has maintained prices for the last six months in Lloyd. Market share growth will always be a preference.
- Washing machine and refrigerator are also growing at a decent pace. RAC is expected to deliver faster growth.

Exhibit 9: Revisions to our estimates

(INR b)	Revised		Old		% Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	211.0	243.3	209.6	238.0	0.7	2.2
EBITDA	23.1	28.1	22.6	27.7	2.1	1.5
PAT	16.4	20.3	15.8	19.3	4.3	5.3
EPS (INR)	26.2	32.4	25.2	30.7	4.2	5.3

Source: Company, MOFSL estimate

Exhibit 10: 1-year forward P/E chart

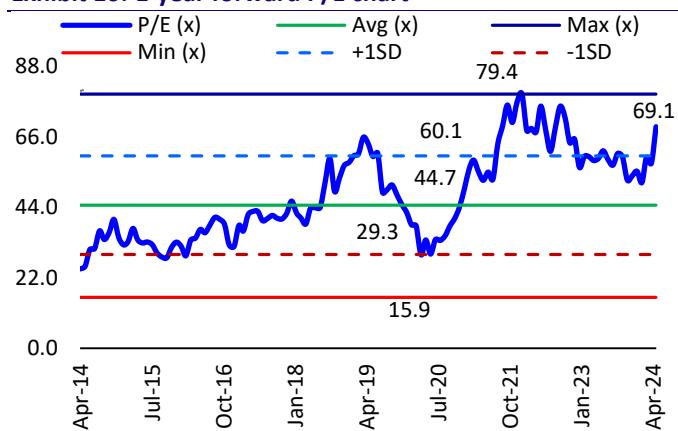
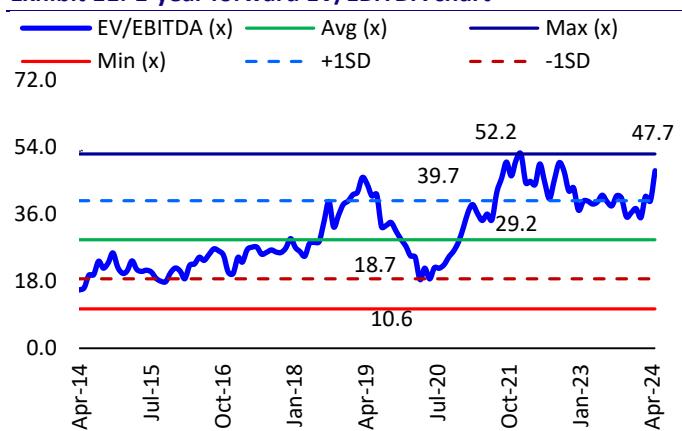


Exhibit 11: 1-year forward EV/EBITDA chart



Financials and valuations (Consolidated)

Income Statement							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net Sales	94,292	1,04,279	1,38,885	1,69,107	1,85,900	2,11,046	2,43,334
Change (%)	-6.3	10.6	33.2	21.8	9.9	13.5	15.3
Raw Materials	58,351	64,749	93,840	1,17,055	1,25,687	1,38,130	1,56,950
Gross margin (%)	38.1	37.9	32.4	30.8	32.4	34.6	35.5
Staff Cost	8,996	8,853	10,147	12,816	15,485	18,582	22,299
Other Expenses	16,671	15,024	17,322	23,245	26,302	31,235	36,013
EBITDA	10,274	15,653	17,576	15,991	18,426	23,100	28,072
% of Net Sales	10.9	15.0	12.7	9.5	9.9	10.9	11.5
Depreciation	2,179	2,489	2,608	2,962	3,385	3,854	4,321
Interest	197	726	534	336	457	340	325
Other Income	1,120	1,450	1,604	1,777	2,490	3,190	3,815
PBT	9,017	13,888	16,038	14,471	17,074	22,096	27,241
Tax	1,687	3,590	4,091	3,753	4,366	5,650	6,966
Rate (%)	18.7	25.8	25.5	25.9	25.6	25.6	25.6
Extra-ordinary Inc.(net)	0	98	0	0	0	0	0
Reported PAT	7,330	10,396	11,948	10,717	12,708	16,446	20,275
Change (%)	-6.9	41.8	14.9	-10.3	18.6	29.4	23.3
Adjusted PAT	7,330	10,298	11,948	10,717	12,708	16,446	20,275
Change (%)	-6.9	40.5	16.0	-10.3	18.6	29.4	23.3
Balance Sheet							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Share Capital	626	626	626	627	627	627	627
Reserves	42,422	51,019	59,260	65,628	73,841	84,530	97,709
Net Worth	43,048	51,645	59,886	66,255	74,468	85,157	98,336
Loans	405	4,922	3,955	0	0	0	0
Deferred Tax Liability	2,865	3,391	3,506	3,615	3,575	3,575	3,575
Capital Employed	46,318	59,958	67,348	69,870	78,043	88,732	1,01,911
Gross Fixed Assets	40,479	41,965	46,005	50,838	57,896	65,896	72,896
Less: Depreciation	6,985	9,062	11,670	14,632	18,017	21,870	26,191
Net Fixed Assets	33,494	32,903	34,335	36,207	39,879	44,025	46,704
Capital WIP	861	899	572	1,664	2,987	2,987	2,987
Investments	16	3,079	4,261	2,009	200	200	200
Curr. Assets	36,107	51,321	65,884	71,695	81,261	91,924	1,09,576
Inventory	18,719	26,199	29,681	37,086	34,086	39,318	45,333
Debtors	2,489	5,636	7,675	9,755	11,652	12,142	14,000
Cash & Bank Balance	11,069	16,247	25,358	18,702	30,382	34,682	43,576
Other Current Assets	3,830	3,238	3,169	6,152	5,141	5,782	6,667
Current Liab. & Prov.	24,160	28,245	37,704	41,705	46,284	50,404	57,556
Creditors	14,141	15,968	23,794	26,432	26,919	30,560	35,236
Other Liabilities	7,564	9,117	10,615	11,157	15,711	16,190	18,667
Provisions	2,456	3,160	3,295	4,116	3,654	3,654	3,654
Net Current Assets	11,947	23,076	28,180	29,990	34,977	41,520	52,020
Application of Funds	46,318	59,958	67,348	69,870	78,043	88,732	1,01,911

Financials and valuations (Consolidated)

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)							
Adjusted EPS	11.7	16.5	19.1	17.1	20.3	26.2	32.4
Growth (%)	-6.9	40.4	16.0	-10.3	18.5	29.4	23.3
Cash EPS	15.2	20.4	23.2	21.8	25.7	32.4	39.2
Book Value	68.8	82.5	95.6	105.8	118.8	135.9	156.9
DPS	8.5	2.5	6.5	7.5	9.0	9.2	11.3
Payout (incl. Div. Tax.)	87.5	18.2	34.1	43.9	37.0	35.0	35.0
Valuation (x)							
P/Sales	11.0	10.0	7.5	6.2	5.6	4.9	4.3
P/E (standalone)	142.0	101.1	87.2	97.2	82.0	63.4	51.4
Cash P/E	109.4	81.4	71.6	76.2	64.8	51.3	42.4
EV/EBITDA	100.3	65.8	58.0	64.0	54.9	43.6	35.6
EV/Sales	10.9	9.9	7.3	6.1	5.4	4.8	4.1
Price/Book Value	24.2	20.2	17.4	15.7	14.0	12.2	10.6
Dividend Yield (%)	0.5	0.2	0.4	0.5	0.5	0.6	0.7
Profitability Ratios (%)							
RoE	17.0	19.9	20.0	16.2	17.1	19.3	20.6
RoCE	16.2	18.1	18.3	15.7	16.7	18.8	20.1
RoIC	18.7	24.0	29.6	19.6	23.6	26.6	30.4
Turnover Ratios							
Debtors (Days)	10	20	20	21	23	21	21
Inventory (Days)	72	92	78	80	67	68	68
Creditors. (Days)	55	56	63	57	53	53	53
Asset Turnover (x)	2.0	1.7	2.1	2.4	2.4	2.4	2.4
Leverage Ratio							
Net Debt/Equity (x)	-0.2	-0.2	-0.4	-0.3	-0.4	-0.4	-0.4

Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
PBT before EO Items	9,216	14,104	16,272	14,610	17,185	22,096	27,241
Add : Depreciation	2,179	2,489	2,608	2,962	3,385	3,854	4,321
Interest	(535)	(315)	(717)	(898)	(1,393)	(2,850)	(3,490)
Less : Direct Taxes Paid	2,398	2,714	4,138	3,919	3,919	5,650	6,966
(Inc)/Dec in WC	215	6,985	(3,420)	7,105	(4,272)	2,244	1,605
CF from Operations	8,248	6,579	17,446	5,649	19,529	15,206	19,500
(Inc)/Dec in FA	(3,592)	(1,227)	(2,490)	(5,855)	(7,278)	(8,000)	(7,000)
Free Cash Flow	4,655	5,353	14,956	(206)	12,251	7,206	12,500
(Pur)/Sale of Investments	625	(2,169)	(5,102)	6,206	(8,861)	3,190	3,815
CF from Investments	(2,968)	(3,396)	(7,592)	350	(16,139)	(4,810)	(3,185)
(Inc)/Dec in Net Worth / Others	313	195	(183)	(360)	(558)	-	-
(Inc)/Dec in Debt	(937)	4,136	(973)	(3,937)	-	-	-
Less : Interest Paid	52	459	245	70	76	340	325
Dividend Paid	6,413	1,878	4,073	4,703	4,701	5,756	7,096
CF from Fin. Activity	(7,088)	1,994	(5,473)	(9,069)	(5,336)	(6,096)	(7,421)
Inc/Dec of Cash	(1,808)	5,178	4,380	(3,070)	(1,945)	4,300	8,894
Add: Beginning Balance	12,877	11,069	20,978	21,771	32,327	30,382	34,682
Closing Balance	11,069	16,247	25,358	18,702	30,382	34,682	43,576

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

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERI, COMRIS and CCR 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/ListOf%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

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

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

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, 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/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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