

# Tata Consumer Products

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↑ |
| Rating change   | ↔ |

|                       |             |
|-----------------------|-------------|
| Bloomberg             | TATACONS IN |
| Equity Shares (m)     | 990         |
| M.Cap.(INRb)/(USDb)   | 1185 / 13.3 |
| 52-Week Range (INR)   | 1203 / 883  |
| 1, 6, 12 Rel. Per (%) | 2/-2/13     |
| 12M Avg Val (INR M)   | 1531        |
| Free float (%)        | 66.2        |

## Financials & valuations (INR b)

| Y/E MARCH            | 2025 | 2026E | 2027E |
|----------------------|------|-------|-------|
| Sales                | 197  | 213   | 230   |
| EBITDA               | 28   | 32    | 35    |
| Adj. PAT             | 17   | 20    | 22    |
| EBITDA Margin (%)    | 14   | 15    | 15    |
| Cons. Adj. EPS (INR) | 17   | 20    | 22    |
| EPS Gr. (%)          | 21   | 19    | 9     |
| BV/Sh. (INR)         | 228  | 242   | 258   |

## Ratios

|            |    |    |    |
|------------|----|----|----|
| Net D:E    | 0  | 0  | 0  |
| RoE (%)    | 8  | 9  | 9  |
| RoCE (%)   | 10 | 11 | 12 |
| Payout (%) | 38 | 32 | 29 |

## Valuations

|                |    |    |    |
|----------------|----|----|----|
| P/E (x)        | 71 | 60 | 54 |
| EV/EBITDA (x)  | 39 | 33 | 30 |
| Div. Yield (%) | 1  | 1  | 1  |
| FCF Yield (%)  | 1  | 2  | 2  |

## Shareholding pattern (%)

| As On    | Sep-25 | Jun-25 | Sep-24 |
|----------|--------|--------|--------|
| Promoter | 33.8   | 33.8   | 33.8   |
| DII      | 22.2   | 22.0   | 18.8   |
| FII      | 22.1   | 22.0   | 24.4   |
| Others   | 21.9   | 22.2   | 23.0   |

Note: FII includes depository receipts

**CMP: INR1,198**      **TP: INR1,450 (+21%)**      **Buy**

## Healthy revenue growth across segments

### Operating performance beats estimates

- Tata Consumer Products (TATACONS) reported ~8% YoY growth in EBIT, marking a recovery after three consecutive quarters of decline. The improvement was driven by strong performance in the India Branded business, which reported 47% YoY growth in EBIT. It was partially offset by a decline of 12% and 28% YoY in the International Beverages and Non-Branded businesses, respectively.
- The core India business witnessed the second consecutive quarter of double-digit growth in both tea and salt. Tea business revenue grew 12% with 5% volume growth, while salt revenue grew 16% YoY with 6% volume growth.
- We expect margins to expand in 2HFY26, led by softening tea prices, improving product mix in the tea business (higher sales of premium tea); and the scale-up of the growth business (includes RTD, Tata Sampann, Capital and Organic India; 30% of revenue contribution in 2Q).
- We maintain our FY26/FY27/FY28 earnings estimates and **reiterate BUY with an SoTP-based TP of INR1,450.**

### Resilient performance driven by branded and growth portfolios

- Consolidated revenue in 2Q grew 18% YoY to ~INR50b (est. INR48b). EBITDA margin contracted 130bp YoY to 13.5% (est. 13.2%) due to volatility in coffee prices and tariffs, leading to pressure on the international market. EBITDA grew 7% YoY to INR6.7b (est. INR6.3b). Adj. PAT grew 5% YoY to INR4b (est. INR3.7b).
- Indian branded business revenue grew 18% YoY to INR31.2b, led by revenue growth of 15%/20% YoY in the Indian branded beverage/Indian food businesses to INR15.8b/INR15.4b. EBIT grew ~9% YoY to INR5.1b.
- RTD segment (NourishCo) revenue rose ~25% YoY to ~INR1.9b, while volumes recorded a moderate growth of 31%, despite headwinds from unseasonal rains and heightened competitive intensity.
- Growth businesses (including RTD, Capital Foods, and Organic India) reported strong growth this quarter (27% YoY), led by robust growth in RTD (up 25%). Organic India and Capital Foods grew 16% YoY on a combined basis.
- International branded beverages revenue grew 15% YoY to ~INR12.9b, EBIT declined 12% YoY to ~INR1.5b, and EBIT margins stood at 11.5% (down 350bp YoY). Non-branded business revenue increased 28% YoY to ~INR5.9b, while EBIT declined 28% YoY to INR760m.
- In 1HFY26, revenue/adj PAT grew 14%/7% YoY to INR97.4b/INR7.4b, while EBITDA declined by 1% to INR12.8b.
- Gross debt stood at INR5.8b as of Sep'25 vs. INR5.4b as of Mar'25. Further, CFO stood at ~INR2b as of Sep'25 vs. INR2.9b as of Sept'24.

Research Analyst: **Sumant Kumar** (Sumant.Kumar@MotilalOswal.com) | **Meet Jain** (Meet.Jain@MotilalOswal.com)

Research Analyst: **Nirvik Saini** (Nirvik.Saini@MotilalOswal.com) | **Yash Darak** (Yash.Darak@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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### Highlights from the management commentary

- **International Business:** The international segment grew 9% YoY but margins were impacted by coffee price volatility and Brazil tariffs. Management expects normalization in coffee costs and benefits from upcoming price hikes to support gradual margin recovery over the next 1-2 quarters.
- **Core India business:** The India branded portfolio maintained strong momentum, delivering double-digit growth in tea and salt for the second consecutive quarter. Softening tea prices, improved product mix in premium tea, and enhanced distribution reach should drive margin expansion in 2H.
- **RTD:** Despite headwinds from unseasonal rains and heightened competitive intensity, the segment reported a strong performance. Sales growth is expected to pick up in 2H, in line with the anticipated volume growth.

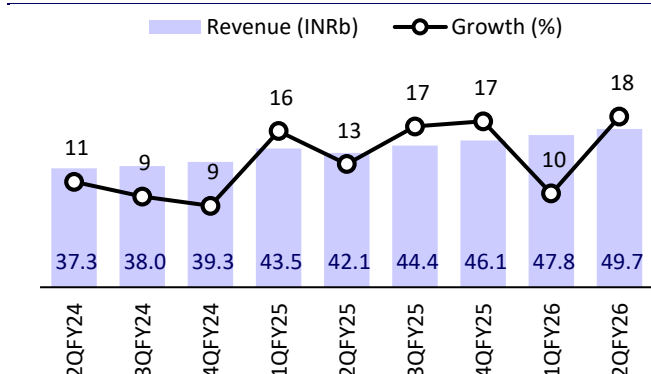
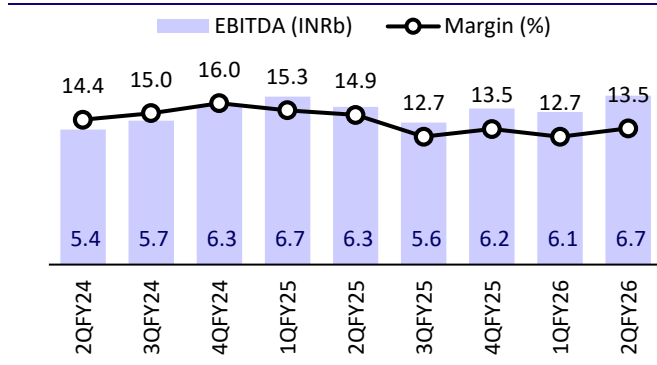
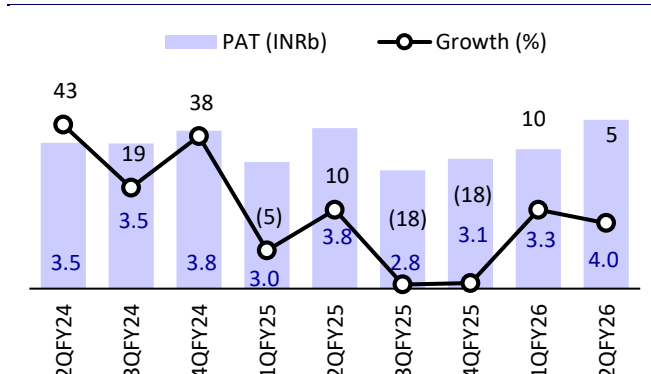
### Valuation and view

- We expect TATACONS to maintain its growth momentum, aided by growth in the core India business on the back of new product launches and volume growth in the tea business. Tea gross margins are expected to remain stable at 34-36%. Growth businesses are expected to maintain their strong momentum after the temporary headwinds caused by the GST rate cuts are normalized in 2HFY26.
- We expect TATACONS to clock a CAGR of 9%/12%/16% in revenue/EBITDA/PAT during FY25-28. **Reiterate BUY with an SoTP-based TP of INR1,450.**

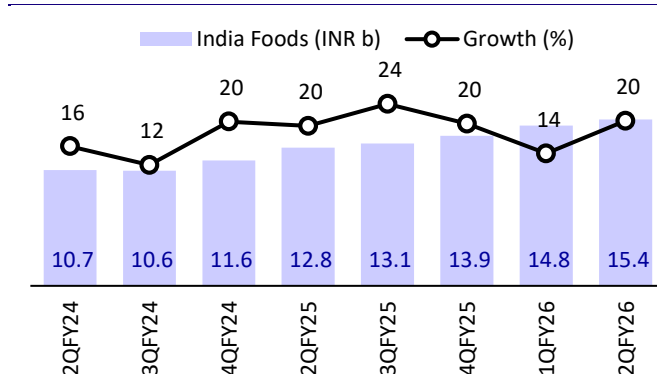
### Consolidated - Quarterly Earning Model

| Y/E March                    | FY25          |               |               |               | FY26          |               |               |               | (INR m)         |                 |               |            |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           | FY25            | FY26E           | FY25E         | Var 2Q (%) |
| <b>Gross Sales</b>           | <b>43,521</b> | <b>42,145</b> | <b>44,436</b> | <b>46,082</b> | <b>47,789</b> | <b>49,659</b> | <b>49,265</b> | <b>50,653</b> | <b>1,76,183</b> | <b>1,97,367</b> | <b>47,886</b> | <b>4</b>   |
| YoY Change (%)               | 16.3          | 12.9          | 16.8          | 17.3          | 9.8           | 17.8          | 10.9          | 9.9           | 15.9            | 12.0            | 13.6          |            |
| Total Expenditure            | 36,847        | 35,882        | 38,788        | 39,873        | 41,720        | 42,941        | 41,958        | 42,944        | 1,51,390        | 1,69,563        | 41,551        |            |
| <b>EBITDA</b>                | <b>6,674</b>  | <b>6,263</b>  | <b>5,647</b>  | <b>6,210</b>  | <b>6,069</b>  | <b>6,718</b>  | <b>7,307</b>  | <b>7,709</b>  | <b>24,794</b>   | <b>27,804</b>   | <b>6,335</b>  | <b>6</b>   |
| Margins (%)                  | 15.3          | 14.9          | 12.7          | 13.5          | 12.7          | 13.5          | 14.8          | 15.2          | 14.1            | 14.1            | 13.2          |            |
| Depreciation                 | 1,480         | 1,493         | 1,503         | 1,531         | 1,489         | 1,533         | 1,540         | 1,550         | 6,007           | 6,112           | 1,520         |            |
| Interest                     | 936           | 987           | 579           | 400           | 338           | 332           | 345           | 350           | 2,902           | 1,365           | 340           |            |
| Other Income                 | 392           | 460           | 516           | 565           | 412           | 380           | 600           | 635           | 1,933           | 2,027           | 575           |            |
| <b>PBT before EO expense</b> | <b>4,650</b>  | <b>4,242</b>  | <b>4,081</b>  | <b>4,844</b>  | <b>4,654</b>  | <b>5,233</b>  | <b>6,022</b>  | <b>6,444</b>  | <b>17,817</b>   | <b>22,353</b>   | <b>5,050</b>  |            |
| Extra-Ord expense            | -171          | -272          | -62           | 453           | 0             | 0             | 0             | 0             | -51             | 0               | 0             |            |
| <b>PBT</b>                   | <b>4,479</b>  | <b>3,971</b>  | <b>4,019</b>  | <b>5,297</b>  | <b>4,654</b>  | <b>5,233</b>  | <b>6,022</b>  | <b>6,444</b>  | <b>17,766</b>   | <b>22,353</b>   | <b>5,050</b>  |            |
| Tax                          | 1,337         | 377           | 1,022         | 1,226         | 1,190         | 1,262         | 1,516         | 1,603         | 3,962           | 5,571           | 1,271         |            |
| Rate (%)                     | 29.9          | 9.5           | 25.4          | 23.2          | 25.6          | 24.1          | 25.2          | 24.9          | 22.3            | 24.9            | 25.2          |            |
| Minority Interest            | -11           | 28            | 30            | 39            | -24           | 21            | 33            | 43            | 86              | 73              | 30.7          |            |
| Profit/Loss of Asso. Cos.    | -249          | 79            | -178          | -584          | -147          | 95            | -150          | -530          | -932            | -732            | -15           |            |
| <b>Reported PAT</b>          | <b>2,903</b>  | <b>3,644</b>  | <b>2,789</b>  | <b>3,449</b>  | <b>3,342</b>  | <b>4,045</b>  | <b>4,323</b>  | <b>4,268</b>  | <b>12,785</b>   | <b>15,977</b>   | <b>3,734</b>  |            |
| <b>Adj PAT</b>               | <b>3,031</b>  | <b>3,848</b>  | <b>2,835</b>  | <b>3,109</b>  | <b>3,342</b>  | <b>4,045</b>  | <b>4,323</b>  | <b>4,268</b>  | <b>12,823</b>   | <b>15,977</b>   | <b>3,734</b>  | <b>8</b>   |
| YoY Change (%)               | -5.4          | 10.2          | -18.4         | -17.9         | 10.2          | 5.1           | 52.5          | 37.3          | -8.1            | 24.6            | -3.0          |            |
| Margins (%)                  | 7.0           | 9.1           | 6.4           | 6.7           | 7.0           | 8.1           | 8.8           | 8.4           | 7.3             | 8.1             | 7.8           |            |

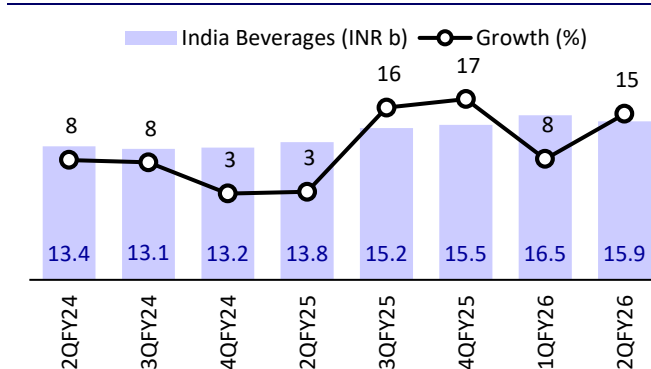
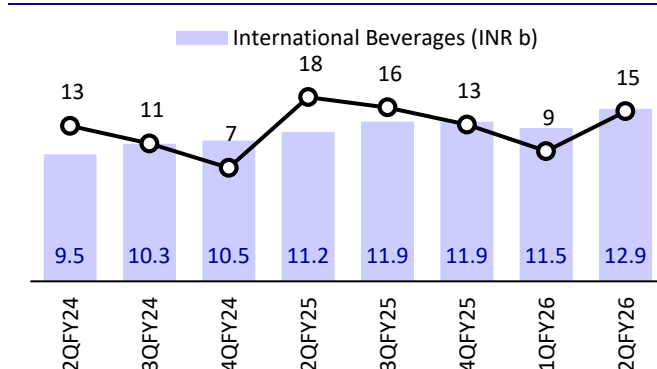
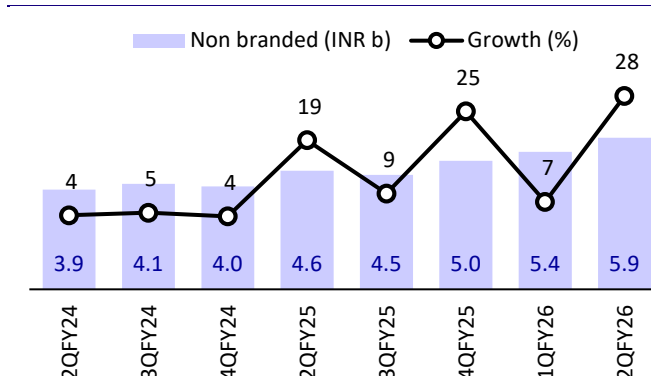
## Key exhibits

**Exhibit 1: Consolidated revenue trend**

**Exhibit 2: Consolidated EBITDA trend**

**Exhibit 3: Consolidated adjusted PAT trend**


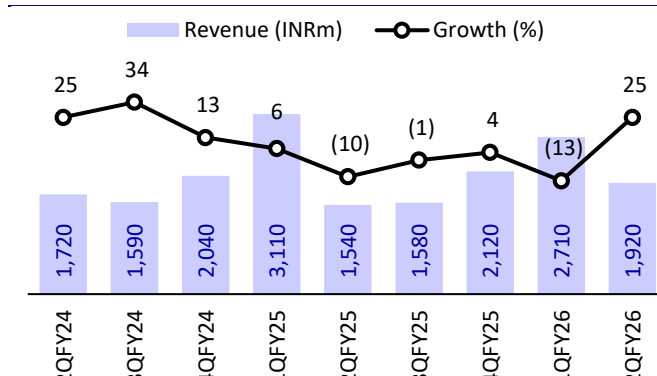
Source: Company, MOFSL

**Exhibit 4: India Foods revenue trend**


Source: Company, MOFSL

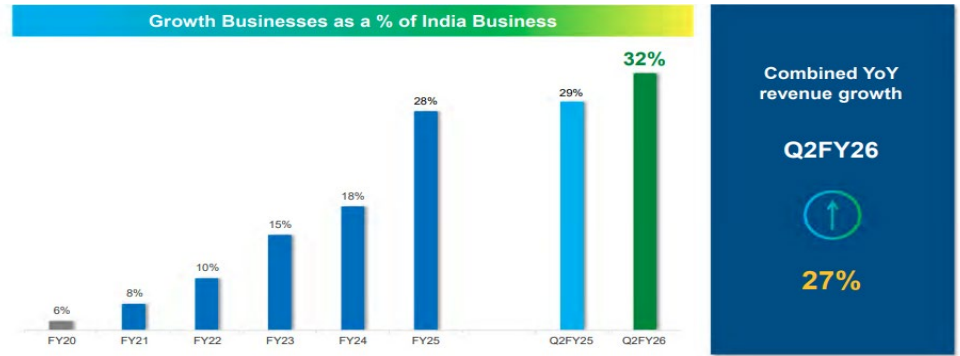
**Exhibit 5: India Beverages revenue trend**

**Exhibit 6: International Branded Beverages revenue trend**

**Exhibit 7: Non-Branded business revenue trend**


Source: Company, MOFSL

**Exhibit 8: NourishCo revenue trend**


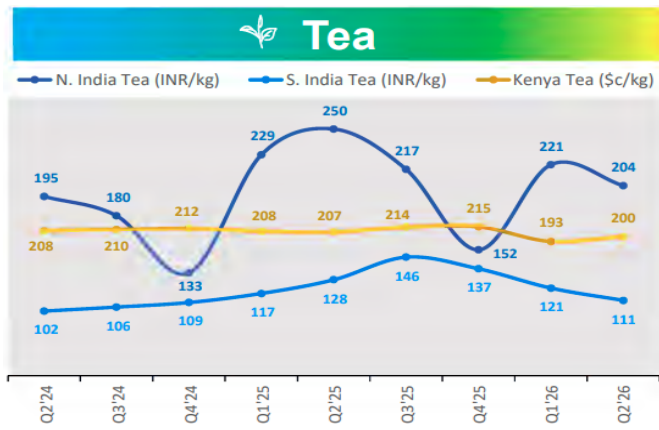
Source: Company, MOFSL

**Exhibit 9: Growth business accounts for ~32% of the Indian business in 2QFY26**

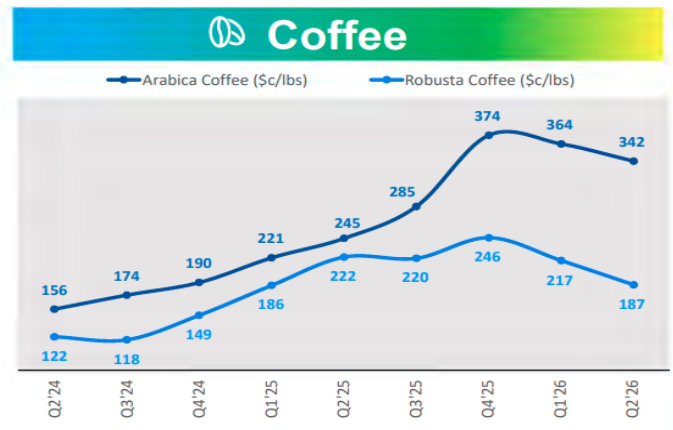


Source: Company

**Exhibit 10: Key commodity price movements**



- **Tea prices** in India continue to remain stable. North India tea prices were 18% lower on average in the quarter vs last year.
- **Kenyan tea** prices are 3% lower YoY.



- **Arabica** prices declined at the start of Q2 but stabilized at a higher level towards the end of the quarter.
- **Robusta** prices followed a similar trend, ending the quarter above Q2 opening levels.

Source: Company

**Exhibit 11: Consolidated segmental results**

| INR m                          | 2QFY25        | 1QFY26        | 2QFY26        | %/bp ch YoY | %/bp ch QoQ |
|--------------------------------|---------------|---------------|---------------|-------------|-------------|
| <b>Segmental revenue</b>       |               |               |               |             |             |
| <b>Branded Business</b>        |               |               |               |             |             |
| India - Beverages              | 13,800        | 16,470        | 15,860        | 8%          | 6%          |
| India - Foods                  | 12,752        | 14,787        | 15,362        | 14%         | 7%          |
| International - Beverages      | 11,160        | 11,452        | 12,877        | 9%          | -4%         |
| <b>Total Branded Business</b>  | <b>37,712</b> | <b>42,709</b> | <b>44,099</b> | <b>11%</b>  | <b>3%</b>   |
| Non-Branded Business           | 4,623         | 5,358         | 5,902         | 7%          | 7%          |
| <b>Total Segment Revenue</b>   | <b>42,335</b> | <b>48,067</b> | <b>50,000</b> | <b>10%</b>  | <b>4%</b>   |
| Others                         | 99            | 103           | 115           |             |             |
| International segment sales    | -290          | -381          | -457          |             |             |
| <b>Revenue from Operations</b> | <b>42,145</b> | <b>47,789</b> | <b>49,659</b> | <b>10%</b>  | <b>4%</b>   |
| <b>Segment Results</b>         |               |               |               |             |             |
| <b>Branded Business</b>        |               |               |               |             |             |
| India - Business               | 2,432         | 2,903         | 3,588         | -11%        | 20%         |
| International - Beverages      | 1,671         | 1,546         | 1,478         | -12%        | -2%         |
| <b>Total Branded Business</b>  | <b>4,104</b>  | <b>4,448</b>  | <b>5,065</b>  | <b>-11%</b> | <b>12%</b>  |
| <b>Non-Branded Business</b>    | <b>1,061</b>  | <b>645</b>    | <b>760</b>    | <b>-33%</b> | <b>-42%</b> |
| <b>Total Segment Results</b>   | <b>5,165</b>  | <b>5,094</b>  | <b>5,825</b>  | <b>-15%</b> | <b>0%</b>   |
| <b>EBIT margins</b>            |               |               |               |             |             |
| India - Business               | 9.2%          | 9.3%          | 11.5%         | (228)       | 106         |
| International - Beverages      | 15.0%         | 13.5%         | 11.5%         | (328)       | 32          |
| Total Branded Business         | 10.9%         | 10.4%         | 11.5%         | (257)       | 76          |
| Non-Branded Business           | 23.0%         | 12.0%         | 12.9%         | (715)       | (1,032)     |

Note: India - Business includes India - Beverages and India - Foods

Source: Company, MOFSL



## Highlights from the management commentary

### Guidance

- Management expects to return to ~15% EBITDA margins by 4Q.
- Tea gross margins are expected to operate within the 34-36% range; going beyond this risks losing market share due to the competitive environment.
- The growth portfolio (~30% of the total portfolio) is expanding at a 30% rate, driven by low penetration, strong category tailwinds, and expanding distribution. It is expected to maintain the same growth rate in the near foreseeable future.

### India packaged beverages business

- India packaged beverages business reported revenue growth of 12% YoY, with 5% volumes growth. This growth was broad-based across brands/segments.
- Margins showed a healthy recovery, supported by favorable input costs.
- Coffee continued its robust performance; revenue grew 56% in 2QFY26.
- Tata Tea Agni launched a category-first Energy Tea (with added caffeine) in select markets.
- Management reiterated its guidance for the tea segment – mid-single-digit volume growth along with a slight improvement in price mix, resulting in overall mid- to high-single-digit revenue growth.

### India foods business

- The business posted 19% YoY revenue growth, with volume growth of 11% YoY.
- Salt revenue grew 16%, backed by strong 9% volume growth.
- In line with the company's premiumization agenda, value-added salt products maintained their strong momentum, up 23% YoY in 2QFY26.
- Tata Sampann delivered a notable 40% sales growth in 2QFY26. New launches and innovations continued to perform well.
- During the quarter, the company launched Tata Sampann Gravy Masala Mixes with four hyper-regional blends for restaurant-style curries at home.
- Tata Sampann introduced a range of unpolished millets to champion nutrition and meet rising consumer demand.
- Capital Foods accelerated innovation with multiple new product launches during the quarter- Chings Chilli Oil, Korean Ramen and Korean Kimchi noodles.

### RTD

- Revenue rose 25% YoY to INR1.9b, led by strong volume growth of 31% despite headwinds from unseasonal rains and heightened competitive intensity.
- Tata Copper+ maintained its strong performance with 36% growth.
- The company has re-entered the caffeine energy segment with Zip Zap, India's first still-based energy drink, backed by a new marketing mix.
- Zip Zap, positioned around the value proposition at INR10 price point, is currently in an advanced pilot phase.
- RTD net revenue is expected to pick up in 2HFY26, in line with the anticipated volume growth.
- In RTD beverages, the company faced competition from Campa, which offered higher retailer margins, forcing them to adjust their own margins.

### Capital Foods and Organic India

- Capital Foods/Organic India revenue stood at ~INR2.2b/INR1.3b. The two segments grew 16% on a combined basis (including international operations).
- Combined gross margin stood at 48% in 2QFY26 and 49% in 1HFY26.

- Capital Foods' sales, especially in Modern Trade, were adversely impacted in September following the GST rate change announcement.
- Healthy subscriptions on Amazon USA are generating predictable revenue.
- Around half of Organic India's business comes from exports. The supply chain challenges in the US, which affected the previous quarter, have now been resolved, leading to a strong rebound in performance.

#### **Tata Starbucks**

- 2Q revenue grew 8% YoY and the division reported same-store sales growth (SSSG).
- The company added seven new stores (net) in 2Q, with footprint growth in metros and smaller cities, including new store formats, bringing the total store count to 492 as of Sep'25 in 80 cities.
- The company boosted regional relevance with a special Pujo menu, with targeted marketing across East India, enhancing brand resonance.
- The recent innovations and launches continue to support growth.

#### **Non-branded business**

- Non-branded business revenue in constant currency grew 26% YoY in 2Q.
- Soluble business revenue in constant currency rose 34% YoY, while plantations delivered 17% growth.
- Coffee prices began climbing higher during the quarter.
- Profitability of the business remained healthy even as margins corrected YoY.

#### **International operations**

- Revenue from international operations grew 9% (constant currency) in 2QFY26 and 7% (constant currency) in 1HFY26.
- **US business:** The US continued to witness strong growth, up 21%. Eight O'clock continued to gain market share within bags as well as K-cups with a fourth consecutive quarter of growth. The market share for coffee bags reached 4.1%.
- In the US coffee segment, management implemented a price increase in July, with another planned for early next year, aligning its pricing strategy with broader market trends.
- **UK business:** 2Q revenue declined 5% YoY as the business had a high base; Teapigs penetration expanded 35% YoY, whereas Good Earth sales doubled in 2Q. The company's value market share in Everyday Black/Fruit & Herbal is 19.2%/9.9%.
- Management aims to maintain its share in the black tea segment in the UK market while driving growth in the fruit, herbal, and specialty tea categories.
- **Canada business:** It posted revenue growth of 7% YoY in 2Q, primarily driven by 13% YoY growth in specialty tea. Tetley retained its market leadership position. Meanwhile, ethnic foods portfolio continued to gain momentum.

#### **Other highlights**

- Momentum on innovation continued across categories, with focus on Heath & Wellness, Convenience, and Premiumization with 25 new launches in 2Q.
- Most of the growth-oriented businesses, including RTD, fall under the 12-18% GST bracket. While the company saw a temporary disruption toward the end of 2Q, this was largely offset by the RTD segment, which is driven by impulse consumption, where consumers tend to make immediate purchase decisions for products such as bottled water or glucose drinks.
- While tea prices are expected to normalize, coffee remains the key segment to watch in the coming quarters.

- E-commerce, quick commerce, and modern trade channels together contributed 37% to total sales during the quarter.
- Coffee prices had started to ease from around USD4 to nearly USD3 before the imposition of a 50% tariff in Brazil, which supplies ~30% of the US coffee demand, causing the prices to spike again. However, the prices have started to soften.
- The company cut prices of its INR10 and INR20 water bottles to INR9 and INR18, respectively.
- International margins faced pressure from coffee prices and tariffs, with normalization expected to take at least 1-2 quarters.
- For the non-branded business, margins normalized compared to last year, when they had benefited from low-cost inventory and higher price.
- The company prioritizes maintaining market share over margins when facing competitive pressure.

### Valuation and view

- We expect TATACONS to maintain its growth momentum, aided by growth in the core India business on the back of new product launches and volume growth in the tea business. Tea gross margins are expected to remain at 34-36%. Growth businesses are expected to maintain their strong momentum after the temporary headwinds caused by the GST rate cuts are normalized in 2H.
- We expect TATACONS to clock a CAGR of 9%/12%/16% in revenue/EBITDA/PAT during FY25-28. **Reiterate BUY with an SoTP-based TP of INR1,450.**

### Exhibit 12: Valuation methodology

| EV/EBITDA                      | FY27 EBITDA | Multiple (x) | EV               |
|--------------------------------|-------------|--------------|------------------|
| India Branded Business         | 24,824      | 44           | 10,94,717        |
| International Branded Business | 7,188       | 16           | 1,15,006         |
| Non Branded Business           | 1,439       | 16           | 23,018           |
| Elimination                    | 4,895       | 15           | 73,420           |
| DCF                            |             |              |                  |
| Starbucks JV                   |             |              | 90,724           |
| <b>Enterprise value</b>        |             |              | <b>13,96,885</b> |
| Less: Net debt                 |             |              | (37,527)         |
| <b>Market value (INRm)</b>     |             |              | <b>14,34,412</b> |
| No. of shares (m)              |             |              | 990              |
| <b>Target price (INR)</b>      |             |              | <b>1,450</b>     |

\* includes Tea, Nourishco, Salt, and other food products

Source: MOFSL

### Exhibit 13: Revisions to our estimates

| Earnings Change<br>(INR m) | Old      |          |          | New      |          |          | Change |       |       |
|----------------------------|----------|----------|----------|----------|----------|----------|--------|-------|-------|
|                            | FY26E    | FY27E    | FY28E    | FY26E    | FY27E    | FY28E    | FY26E  | FY27E | FY28E |
| Revenue                    | 1,93,826 | 2,08,975 | 2,25,899 | 1,97,367 | 2,12,707 | 2,29,849 | 2%     | 2%    | 2%    |
| EBITDA                     | 27,346   | 31,852   | 34,414   | 27,804   | 32,421   | 35,015   | 2%     | 2%    | 2%    |
| Adj. PAT                   | 16,535   | 19,667   | 21,540   | 16,782   | 19,938   | 21,827   | 1%     | 1%    | 1%    |

Source: MOFSL

## Financials and valuations

### Consolidated Income Statement

(INRM)

| Y/E March               | 2021            | 2022            | 2023            | 2024            | 2025            | 2026E           | 2027E           | 2028E           |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Sales</b>        | <b>1,16,020</b> | <b>1,24,254</b> | <b>1,37,832</b> | <b>1,54,260</b> | <b>1,76,183</b> | <b>1,97,367</b> | <b>2,12,707</b> | <b>2,29,849</b> |
| Change (%)              | 20.4            | 7.1             | 10.9            | 11.9            | 14.2            | 12.0            | 7.8             | 8.1             |
| <b>Gross Profit</b>     | <b>46,997</b>   | <b>53,414</b>   | <b>57,775</b>   | <b>65,745</b>   | <b>75,490</b>   | <b>82,432</b>   | <b>92,404</b>   | <b>99,373</b>   |
| Margin (%)              | 40.5            | 43.0            | 41.9            | 42.6            | 42.8            | 41.8            | 43.4            | 43.2            |
| Other operating exp.    | 31,560          | 36,226          | 39,210          | 43,274          | 50,697          | 54,628          | 59,983          | 64,358          |
| <b>EBITDA</b>           | <b>15,438</b>   | <b>17,188</b>   | <b>18,565</b>   | <b>22,470</b>   | <b>24,794</b>   | <b>27,804</b>   | <b>32,421</b>   | <b>35,015</b>   |
| Margin (%)              | 13.3            | 13.8            | 13.5            | 14.6            | 14.1            | 14.1            | 15.2            | 15.2            |
| Depreciation            | 2,547           | 2,780           | 3,041           | 3,691           | 6,007           | 6,112           | 6,914           | 7,113           |
| Net Interest            | 687             | 728             | 872             | 1,298           | 2,902           | 1,365           | 1,011           | 1,011           |
| Other income            | 1,214           | 1,401           | 1,689           | 2,456           | 1,933           | 2,027           | 2,148           | 2,277           |
| <b>PBT before EO</b>    | <b>13,417</b>   | <b>15,081</b>   | <b>16,341</b>   | <b>19,938</b>   | <b>17,817</b>   | <b>22,353</b>   | <b>26,644</b>   | <b>29,168</b>   |
| EO income/(exp.)        | -307            | -521            | 1,595           | -3,270          | -51             | 0               | 0               | 0               |
| <b>PBT after EO</b>     | <b>13,111</b>   | <b>14,560</b>   | <b>17,936</b>   | <b>16,667</b>   | <b>17,766</b>   | <b>22,353</b>   | <b>26,644</b>   | <b>29,168</b>   |
| Tax                     | 3,173           | 3,770           | 4,470           | 3,947           | 3,962           | 5,571           | 6,706           | 7,342           |
| Rate (%)                | 24.2            | 25.9            | 24.9            | 23.7            | 22.3            | 24.9            | 25.2            | 25.2            |
| Minority and Associates | 1,371           | 1,432           | 1,428           | 1,507           | 1,018           | 805             | 704             | 218             |
| <b>Reported PAT</b>     | <b>8,567</b>    | <b>9,358</b>    | <b>12,038</b>   | <b>11,213</b>   | <b>13,803</b>   | <b>16,782</b>   | <b>19,938</b>   | <b>21,827</b>   |
| <b>Adjusted PAT</b>     | <b>8,716</b>    | <b>9,748</b>    | <b>10,842</b>   | <b>13,666</b>   | <b>13,854</b>   | <b>16,782</b>   | <b>19,938</b>   | <b>21,827</b>   |
| Change (%)              | 20.8            | 11.8            | 11.2            | 26.1            | 1.4             | 21.1            | 18.8            | 9.5             |

### Balance Sheet

(INRM)

| Y/E March                          | 2021            | 2022            | 2023            | 2024            | 2025            | 2026E           | 2027E           | 2028E           |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Share Capital                      | 922             | 922             | 929             | 953             | 990             | 990             | 990             | 990             |
| Reserves                           | 1,44,424        | 1,50,498        | 1,61,838        | 1,59,615        | 1,99,021        | 2,08,778        | 2,21,791        | 2,37,179        |
| <b>Net Worth</b>                   | <b>1,45,345</b> | <b>1,51,419</b> | <b>1,62,767</b> | <b>1,60,568</b> | <b>2,00,011</b> | <b>2,09,767</b> | <b>2,22,781</b> | <b>2,38,169</b> |
| Minority Interest                  | 10,925          | 11,516          | 8,502           | 13,793          | 13,892          | 13,965          | 14,171          | 14,171          |
| Loans                              | 12,066          | 10,106          | 11,828          | 29,539          | 18,487          | 13,487          | 13,487          | 13,487          |
| <b>Capital Employed</b>            | <b>1,68,337</b> | <b>1,73,042</b> | <b>1,83,097</b> | <b>2,03,900</b> | <b>2,32,390</b> | <b>2,37,219</b> | <b>2,50,438</b> | <b>2,65,826</b> |
| Gross Block                        | 61,773          | 66,671          | 71,650          | 1,13,913        | 1,31,132        | 1,35,132        | 1,39,132        | 1,43,132        |
| Less: Accum. Deprn.                | 21,371          | 24,151          | 27,192          | 30,883          | 36,890          | 43,002          | 49,916          | 57,029          |
| <b>Net Fixed Assets</b>            | <b>40,402</b>   | <b>42,520</b>   | <b>44,458</b>   | <b>83,030</b>   | <b>94,242</b>   | <b>92,130</b>   | <b>89,216</b>   | <b>86,103</b>   |
| Capital WIP                        | 1,129           | 4,618           | 5,097           | 4,044           | 4,317           | 4,317           | 4,317           | 4,317           |
| Goodwill & Intangibles             | 75,966          | 77,541          | 80,254          | 1,03,343        | 1,13,304        | 1,13,304        | 1,13,304        | 1,13,304        |
| Investments                        | 4,827           | 5,993           | 6,782           | 6,319           | 6,765           | 6,032           | 5,534           | 5,317           |
| <b>Curr. Assets</b>                | <b>79,855</b>   | <b>80,077</b>   | <b>91,034</b>   | <b>82,052</b>   | <b>99,679</b>   | <b>1,11,303</b> | <b>1,32,119</b> | <b>1,55,431</b> |
| Inventories                        | 22,492          | 22,665          | 27,017          | 27,694          | 35,999          | 38,933          | 41,959          | 45,340          |
| Account Receivables                | 7,613           | 8,352           | 7,983           | 8,968           | 8,698           | 11,896          | 12,821          | 13,854          |
| Cash and Bank Balance              | 33,980          | 27,979          | 35,517          | 26,931          | 31,101          | 35,401          | 51,014          | 68,595          |
| Others                             | 15,770          | 21,082          | 20,517          | 18,460          | 23,881          | 25,074          | 26,326          | 27,642          |
| <b>Curr. Liability &amp; Prov.</b> | <b>28,372</b>   | <b>30,235</b>   | <b>36,384</b>   | <b>58,358</b>   | <b>65,514</b>   | <b>69,464</b>   | <b>73,650</b>   | <b>78,243</b>   |
| Account Payables                   | 16,255          | 19,159          | 23,482          | 27,072          | 35,084          | 37,851          | 40,793          | 44,081          |
| Other liabilities                  | 9,175           | 8,589           | 10,453          | 27,399          | 26,878          | 27,960          | 29,096          | 30,288          |
| Provisions                         | 2,942           | 2,488           | 2,449           | 3,887           | 3,551           | 3,653           | 3,761           | 3,874           |
| <b>Net Curr. Assets</b>            | <b>51,484</b>   | <b>49,842</b>   | <b>54,650</b>   | <b>23,695</b>   | <b>34,165</b>   | <b>41,838</b>   | <b>58,470</b>   | <b>77,188</b>   |
| Def. tax liability                 | 5,470           | 7,472           | 8,144           | 16,531          | 20,403          | 20,403          | 20,403          | 20,403          |
| <b>Appl. of Funds</b>              | <b>1,68,337</b> | <b>1,73,042</b> | <b>1,83,097</b> | <b>2,03,900</b> | <b>2,32,390</b> | <b>2,37,219</b> | <b>2,50,438</b> | <b>2,65,826</b> |

## Financials and valuations

### Ratios

| Y/E March                     | 2021       | 2022        | 2023        | 2024        | 2025        | 2026E       | 2027E       | 2028E       |
|-------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |            |             |             |             |             |             |             |             |
| <b>EPS</b>                    | <b>9.1</b> | <b>10.2</b> | <b>11.4</b> | <b>14.3</b> | <b>14.0</b> | <b>17.0</b> | <b>20.1</b> | <b>22.1</b> |
| Cash EPS                      | 11.4       | 12.7        | 14.0        | 17.5        | 20.1        | 24.8        | 29.1        | 31.4        |
| BV/Share                      | 146.9      | 153.0       | 164.5       | 162.3       | 202.1       | 227.6       | 241.7       | 258.4       |
| DPS                           | 4.1        | 6.1         | 6.1         | 6.5         | 6.5         | 6.5         | 6.5         | 6.5         |
| Payout (%)                    | 43.6       | 59.6        | 46.7        | 55.2        | 46.6        | 38.3        | 32.3        | 29.5        |
| Dividend yield (%)            | 0.3        | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         |
| <b>Valuation (x)</b>          |            |             |             |             |             |             |             |             |
| P/E                           | 131.1      | 117.2       | 105.4       | 83.6        | 85.7        | 70.7        | 59.5        | 54.4        |
| Cash P/E                      | 105.4      | 94.7        | 85.5        | 68.4        | 59.8        | 48.3        | 41.2        | 38.2        |
| P/BV                          | 8.2        | 7.8         | 7.3         | 7.4         | 5.9         | 5.3         | 5.0         | 4.6         |
| EV/Sales                      | 9.3        | 8.8         | 7.8         | 7.2         | 6.2         | 5.5         | 5.0         | 4.6         |
| EV/EBITDA                     | 70.2       | 63.3        | 58.3        | 49.3        | 44.1        | 39.0        | 32.9        | 30.0        |
| Dividend Yield (%)            | 0.3        | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         |
| FCF per share                 | 15.7       | 13.5        | 12.4        | 16.8        | 16.1        | 15.2        | 21.1        | 23.0        |
| <b>Return Ratios (%)</b>      |            |             |             |             |             |             |             |             |
| RoE                           | 6.1        | 6.6         | 6.9         | 8.5         | 7.7         | 8.2         | 9.2         | 9.5         |
| RoCE                          | 8.2        | 8.9         | 9.5         | 10.5        | 9.1         | 9.8         | 11.1        | 11.6        |
| RoIC                          | 10.9       | 10.5        | 11.2        | 12.1        | 10.5        | 11.2        | 13.1        | 14.9        |
| <b>Working Capital Ratios</b> |            |             |             |             |             |             |             |             |
| Fixed Asset Turnover (x)      | 2.9        | 2.9         | 3.1         | 1.9         | 1.9         | 2.1         | 2.4         | 2.7         |
| Asset Turnover (x)            | 0.7        | 0.7         | 0.8         | 0.8         | 0.8         | 0.8         | 0.8         | 0.9         |
| Debtor (Days)                 | 24         | 25          | 21          | 21          | 18          | 22          | 22          | 22          |
| Creditor (Days)               | 51         | 56          | 62          | 64          | 73          | 70          | 70          | 70          |
| Inventory (Days)              | 71         | 67          | 72          | 66          | 75          | 72          | 72          | 72          |
| <b>Leverage Ratio (x)</b>     |            |             |             |             |             |             |             |             |
| Net Debt/Equity               | -0.2       | -0.1        | -0.1        | 0.0         | -0.1        | -0.1        | -0.2        | -0.2        |

### Cash flow statement

| Y/E March                           | 2021          | 2022           | 2023          | 2024           | 2025           | 2026E          | 2027E         | 2028E         |
|-------------------------------------|---------------|----------------|---------------|----------------|----------------|----------------|---------------|---------------|
| <b>EBITDA</b>                       |               |                |               |                |                |                |               |               |
| EBITDA                              | 15,438        | 17,188         | 18,565        | 22,470         | 24,794         | 27,804         | 32,421        | 35,015        |
| Prov. & FX                          | 41            | 7              | 4             | 123            | 0              | 0              | 0             | 0             |
| WC                                  | 3,054         | 1,992          | 340           | 1,929          | -23            | -3,163         | -807          | -926          |
| Others                              | 1,203         | -258           | 175           | -1,208         | -241           | 0              | 0             | 0             |
| Direct taxes (net)                  | -3,173        | -3,770         | -4,470        | -3,947         | -3,962         | -5,571         | -6,706        | -7,342        |
| <b>CF from Op. Activity</b>         | <b>16,564</b> | <b>15,158</b>  | <b>14,613</b> | <b>19,367</b>  | <b>20,567</b>  | <b>19,070</b>  | <b>24,908</b> | <b>26,748</b> |
| Capex                               | -2,107        | -2,733         | -3,118        | -3,347         | -4,595         | -4,000         | -4,000        | -4,000        |
| <b>FCFF</b>                         | <b>14,457</b> | <b>12,425</b>  | <b>11,495</b> | <b>16,020</b>  | <b>15,971</b>  | <b>15,070</b>  | <b>20,908</b> | <b>22,748</b> |
| Interest/dividend                   | 731           | 881            | 1,214         | 1,906          | 1,180          | 2,027          | 2,148         | 2,277         |
| Investments in subs/assoc.          | -2,241        | -7,362         | -1,957        | -38,844        | -19,340        | 0              | 0             | 0             |
| Others                              | -467          | -4,004         | -4,417        | 20,976         | -781           | 0              | 0             | 0             |
| <b>CF from Inv. Activity</b>        | <b>-4,084</b> | <b>-13,218</b> | <b>-8,278</b> | <b>-19,309</b> | <b>-23,536</b> | <b>-1,973</b>  | <b>-1,852</b> | <b>-1,723</b> |
| Share capital                       | 0             | 0              | 0             | 0              | 0              | 0              | 0             | 0             |
| Borrowings                          | -573          | -4,947         | -38           | 12,540         | -11,602        | -5,000         | 0             | 0             |
| Finance cost                        | -654          | -625           | -817          | -1,183         | -2,606         | -1,365         | -1,011        | -1,011        |
| Dividend                            | -2,673        | -3,982         | -5,734        | -8,089         | -7,415         | -6,432         | -6,432        | -6,432        |
| Others                              | 851           | 1,613          | 7,791         | -11,912        | 28,762         | 0              | 0             | 0             |
| <b>CF from Fin. Activity</b>        | <b>-3,049</b> | <b>-7,941</b>  | <b>1,203</b>  | <b>-8,643</b>  | <b>7,139</b>   | <b>-12,797</b> | <b>-7,443</b> | <b>-7,443</b> |
| <b>(Inc)/Dec in Cash</b>            | <b>9,430</b>  | <b>-6,001</b>  | <b>7,538</b>  | <b>-8,586</b>  | <b>4,170</b>   | <b>4,300</b>   | <b>15,613</b> | <b>17,582</b> |
| Opening balance                     | 24,550        | 33,980         | 27,979        | 35,517         | 26,931         | 31,101         | 35,401        | 51,014        |
| <b>Closing balance (as per B/S)</b> | <b>33,980</b> | <b>27,979</b>  | <b>35,517</b> | <b>26,931</b>  | <b>31,101</b>  | <b>35,401</b>  | <b>51,014</b> | <b>68,595</b> |

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

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto: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, 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 dp grievances@motilaloswal.com.