motilal oswal
Financial Services

9 November 2025
2QFY26 Results Update | Sector: Automobiles

Happy Forgings

Estimate changes	⟷
TP change	↑
Rating change	⟷

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	96 / 1.1
52-Week Range (INR)	1185 / 716
1, 6, 12 Rel. Per (%)	6/24/-16
12M Avg Val (INR m)	51

Consol. Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.2	17.9	22.3
EBITDA	4.4	5.4	7.0
Adj. PAT	2.8	3.5	4.8
EPS (INR)	30.1	37.5	51.4
EPS growth %	5.9	24.9	36.9
BV/Sh. (INR)	222	254	297
Ratios			
RoE (%)	14.4	15.8	18.7
RoCE (%)	13.2	14.5	17.2
Payout (%)	13.3	16.0	16.5
Valuations			
P/E (x)	33.7	27.0	19.7
P/BV (x)	4.6	4.0	3.4
EV/EBITDA (x)	21.2	17.7	13.6
Div. Yield (%)	0.4	0.6	0.8

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	78.5	78.5	78.6
DII	17.0	17.0	17.1
FII	2.0	2.2	2.3
Others	2.5	2.3	2.0

CMP: INR1,018 TP: INR1,200 (+18%) Buy

Record high margins despite weak export demand

Demand across key segments likely to revive from here

- Happy Forgings' (HFL) 2QFY26 PAT at INR734m was largely in line with our estimate. The key highlight of 2Q was its record high margins at 30.7% (+150bp YoY) in a weak demand environment, especially in exports.
- HFL's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. Given this, we expect HFL to continue to outperform core industry growth. Overall, we expect HFL to post a CAGR of 17%/20%/22% in standalone revenue/EBITDA/PAT during FY25-28E. **We reiterate our BUY rating on the stock with a TP of INR1,200 (based on 27x Sep'27E EPS).**

Margins improve sequentially despite global headwinds

- HFL's revenue was INR3.8b in 2QFY26, up 4.5% YoY, and was largely in line.
- Revenue growth was driven by 5.2% volume growth, while realizations remained largely stable YoY at INR251 per kg.
- Revenue growth was driven by healthy demand across domestic (CVs, tractors, PVs, and non-auto) segments, while exports remained muted due to weak end-market conditions and customer de-stocking amid the evolving tariff situation.
- Despite the adverse global macro, EBITDA margins expanded 150bp YoY to a record high level of 30.7%, ahead of our estimates of 28.8%.
- EBITDA came in at INR1.1b, up 10% YoY and 6% ahead of our estimates on the back of improved gross margins (+150bp YoY).
- However, lower other income at INR63m (INR83m in 2QFY25 and INR104m in Q1FY26) limited PAT growth.
- PAT stood at INR734m, up 10.2% YoY, and was broadly in line.
- HFL's 1HFY26 CFO stood at INR2.2b, while capex was INR2.1b. Cash surplus at the end of Sep'25 stood at INR3.15b.

Key highlights from the management commentary

- Revenue growth is expected to come from the execution of new orders in PV, off-highway (large axle for German OEMs), new lines for wind and heavy tractor, and the industrial business over the medium term. GST rate cuts are likely to further support growth in the domestic markets. Thus, FY27 revenue growth is likely to be much better than the current fiscal.
- With its focus on diversification, they expect the mix for CV + farm to come down to about 50% over the next few years, and the balance to be contributed by Industrial + Off-highway + PV + Others.
- CV business is likely to improve in the coming quarters led by a pick-up in domestic demand and revival of volumes from a key exports OEM.

Aniket Mhatre - Research analyst (Aniket.Mhatre@MotilalOswal.com)

- While the 2H outlook for the US/European tractor industry remains subdued with an anticipated uncertainty for FY27, the momentum in the off-highway segment is expected to improve in FY27 with new programs ramping up.
- For the new INR6.5b capex for heavy forgings, the company has already garnered orders worth INR3.5b.
- In the US, demand for components in the 50% tariff bracket has sharply reduced, and management is hopeful of a downward revision for this tariff in the coming quarters.

Valuation and view

- HFL is expected to outperform the industry on the back of its healthy order backlog. A recovery in domestic CV demand, a healthy tractor outlook, and strong order wins in Industrials and PVs should help to offset the weakness in export markets in the near term.
- HFL's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. Given this, we expect HFL to continue to outperform core industry growth. Overall, we expect HFL to post a CAGR of 17%/20%/22% in standalone revenue/EBITDA/PAT during FY25-28E. **We reiterate our BUY rating on the stock with a TP of INR1,200 (based on 27x Sep'27E EPS)**.

Quarterly (Standalone) **(INR m)**

	FY25				FY26E				FY25	FY26	2QE	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				(%)
Net operating income	**3,415**	**3,611**	**3,543**	**3,520**	**3,538**	**3,774**	**3,827**	**4,018**	**14,089**	**15,157**	**3,792**	**-0.5**
Change (%)	3.5	5.3	3.6	2.5	3.6	4.5	8.0	14.2	3.7	7.6	5.0	
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	39.7	41.8	42.4	42.0	41.5	42.0	
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	8.9	8.8	8.8	8.9	8.9	9.0	
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.7	20.6	19.7	20.3	20.3	20.2	
EBITDA	**976**	**1,054**	**1,015**	**1,023**	**1,012**	**1,158**	**1,102**	**1,170**	**4,067**	**4,442**	**1,092**	**6.0**
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	30.7	28.8	29.1	28.9	29.3	28.8	
Non-Operating Income	77	83	66	101	104	63	75	87	376	329	108	
Interest	14	16	21	24	23	19	18	18	75	78	22	
Depreciation	180	197	191	203	206	216	228	236	771	885	220	
EO Exp		-48			0	0	0	0		0	0	
PBT after EO items	**859**	**973**	**868**	**897**	**886**	**986**	**931**	**1,004**	**3,597**	**3,807**	**958**	
Tax	220	259	223	219	230	252	239	254	921	975	240	
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.5	25.7	25.3	25.6	25.6	25.0	
Rep. PAT	**639**	**714**	**645**	**678**	**657**	**734**	**692**	**750**	**2,676**	**2,833**	**719**	
Change (%)	-0.3	29.3	11.4	3.0	2.9	2.8	7.2	10.6	-68.1	5.9	0.6	
Adj. PAT	**639**	**666**	**645**	**678**	**657**	**734**	**692**	**750**	**2,676**	**2,833**	**719**	**2.2**
Change (%)	-0.3	20.6	11.4	3.0	2.9	10.2	7.2	10.6	10.1	5.9	7.8	

E: MOFSL Estimates

CONFERENCE CALL

Key highlights from the management commentary

Outlook

- The 14,000-ton press line utilization stood at ~55–60%, with headroom to go up to ~75%.
- With its focus on diversification, they expect the mix for CV + farm to come down to about 50% over the next few years, and the balance to be contributed by Industrial + Off-highway + PV + Others.
- New order wins for 1H stood at INR800m with better realization. However, 1H growth remained muted due to a decline in the existing business along with a challenging global business environment. 3Q is expected to see the commencement of some of the new orders, which would see a ramp-up in 4Q and beyond, according to the management.
- Revenue growth is expected to come from execution of new orders in PV, off-highway (large axle for German OEMs), new lines for wind and heavy tractor, and the industrial business over the medium term. GST rate cuts are expected to further support growth in the domestic markets. Thus, FY27 revenue growth is likely to be much better than the current fiscal.
- Management is evaluating a few probable inorganic opportunities. These would be largely in forgings space, in areas where HFL would not have a presence, and where they could be able to add some new technology as well as new customers/components.

CV update

- Domestic MHCV saw marginal growth, supported by infrastructure activity, higher freight, and demand from steel/cement/construction.
- However, CV revenues remained muted due to weak export demand. Volumes for one of its key CV export OE fell to 24K run-rate from 40k units YoY in 2Q. However, as per this OEM, its volumes are expected to pick up to 36k run-rate in FY27E, and hence management is hopeful of CV exports recovery in FY27.
- They are working on a few CV orders, which are yet to materialize
- The domestic CV business is expected to improve in the coming quarters on the back of the execution of new orders from a leading CV OEM.

PV update

- Mid-double-digit growth driven by ramp-up of a key SUV program.
- One of the PV export orders to the US is expected to gradually ramp up from 4Q, given the 25% tariff on PV component exports from India.
- HFL would be investing INR800m capex in FY26E for the PV business itself. On the back of the new order wins, it targets to increase the PV contribution to its revenues to 8-10% over the next two years.

Farm/Off-Highway update

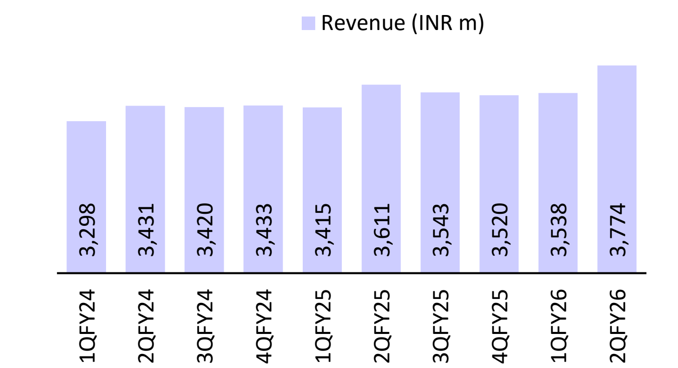
- On the back of pick-up in tractor demand in the domestic market, overall tractor mix improved to 34% from 33% YoY.
- While direct exports of tractors are just about 1%, they have deemed exports which eventually go into European / US OEMs. A sharp slowdown (~45% decline) European tractor industry offset the strong growth seen in the domestic

market. The outlook for the US / European tractor industry for H2 remains subdued, with uncertainty over the outlook for FY27.
- Management expects Off-highway momentum to improve in FY27 with new programs ramping up.

Industrials update
- Capex of INR6.5b is on schedule. Phase 1 capex would be INR5.5b
- Out of the INR5.5b, INR1.5b would be for the wind and farm segment, while the remaining INR4b would be for the large hammer. Of the INR6.5b, INR2b would be spent on machining lines in two phases.
- For this new capex, they have already garnered orders worth INR3.5b, of which INR2.5b are for fully machined components and INR1b semi-machined.
- Some of the order wins include: 1) INR3b lifetime order (INR600-700m pa) won for wind shafts, which is likely to commence from Jan'26, 2) fully machined order worth INR1.8b pa for data center application, 3) INR500m order for 500HP tractor to be supplied to Europe / North American markets. Only about 15-20% of the above orders are for the domestic market.
- Once the first phase is operational, management is confident of garnering higher orders as clients are waiting to see their plant before awarding further orders.

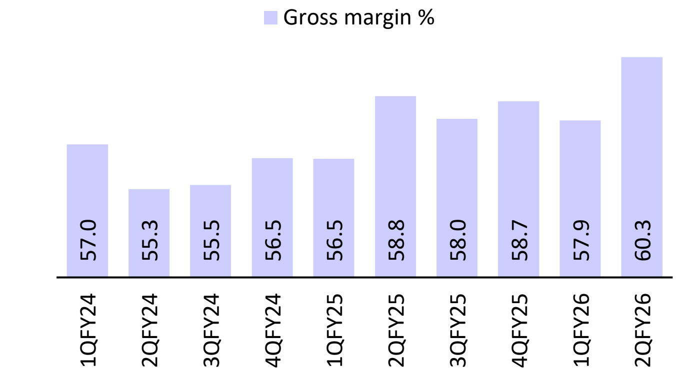
Exports update
- 50% of direct exports come from industrials, while the rest come from the CV segment.
- Overall exposure to overseas customers stands at ~40% of revenues: direct exports 18-20%, deemed exports 10-12% and the balance is component assemblies that eventually go to overseas locations.
- US exposure for HFL is about 10% of the mix (direct + deemed). This total US revenue for HFL has fallen by 35-40% which has led to muted exports. While US tariffs on PV component exports from India are 25%, the same for CV components and non-auto, including agri, are 50%. For the 50% tariff category, customers are largely in a wait-and-watch mode and are buying only in cases where inventory has been exhausted. Management is hopeful that the US tariffs, especially for the 50% bracket, will reduce going forward.
- One of the genset orders for the US is currently under testing and is likely to be delayed, given the 50% tariff on the components.

Exhibit 1: SA revenue trend



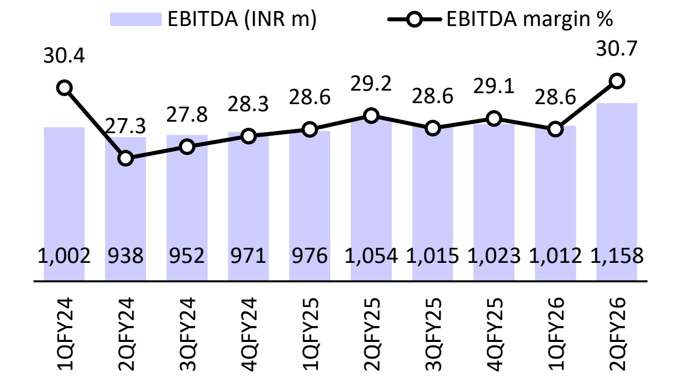
Source: Company, MOFSL

Exhibit 2: SA gross margin trend



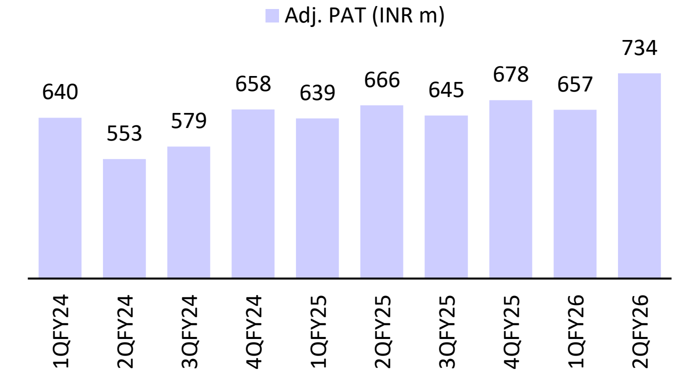
Source: Company, MOFSL

Exhibit 3: EBITDA and margin trends



Source: Company, MOFSL

Exhibit 4: Adj. PAT trend over the quarters



Source: Company, MOFSL

Valuation and view

- **Ability to deliver safety-critical, complex forged and machined products:** HFL embarked on its journey by manufacturing basic forged components and evolved to manufacture complex and safety-critical products with tight tolerances. This transformation involved expanding capabilities in both light and heavy forgings as well as machining processes. It is the second company in India to have a 14k-ton forging press and one of the four companies to have an 8k-ton or higher press. It is a supplier to each of the top five Indian OEMs in the M&HCV industry. It has announced a capex of INR6.5b to expand in the heavyweight forgings, which further indicates its commitment to grow in the high-margin industrials category. Transitioning from solely a forgings player, HFL has now evolved into a fully machined player, with its machining mix increasing to 88% in 1HFY26 from 53% in FY14.
- **Well-diversified mix to help offset cyclical uncertainty**: Over the years, HFL has successfully diversified its user industry across segments and customers. Its exports surged to 16% in 1HFY26 from just 13% in FY23. Additionally, the contribution from its Industrials segment increased to 13% in 1HFY26 from just 4% in FY23. Further, the PV segment contributed to 5% of revenue in 1HFY26 from nil in FY23. This diversified customer base has helped HFL reduce cyclicality in its core segments, such as CVs and tractors. It is noteworthy that despite weak demand in CVs and exports for both CVs and tractors, HFL has been able to deliver revenue growth of ~4% YoY in FY25 due to a strong performance in the Industrials (non-tractor) and PV segments.

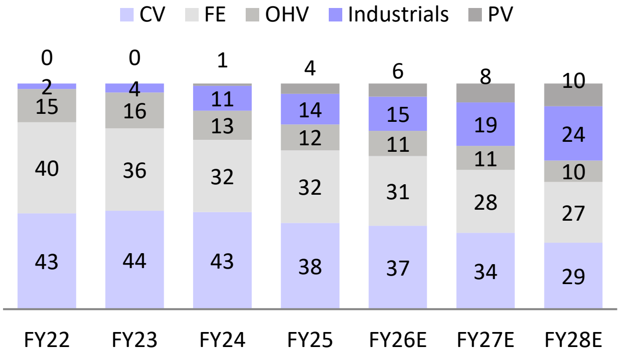
- **Revival in core segments and healthy new orders to offset export weakness:** HFL's major revenue share is attributed to CV and Farm Equipment, constituting 37% and 34%, respectively, in 1HFY26. After witnessing weak demand over the last couple of years, the CV segment is likely see a pick-up in demand in the coming quarters on the back of the GST rate cuts which is likely to boost economic activity in the country. Even tractor demand is expected to post low double-digit growth in FY26E given a positive rural sentiment. Further, HFL has already secured orders from both domestic and global PV OEMs as also in the industrial segments. These two segments together have a strong order backlog of INR16b to be executed over the next 5-8 years. We expect these factors to help offset the weakness in CV and tractor export markets in the near term. Overall, we expect HFL to post 17% revenue CAGR over FY25-28, largely back-ended.
- **Valuation and view:** HFL's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. Given this, we expect HFL to continue to outperform core industry growth. Overall, we expect HFL to post a CAGR of 17%/20%/22% in standalone revenue/EBITDA/PAT during FY25-28E. **We reiterate our BUY rating on the stock with a TP of INR1,200 (based on 27x Sep'27E EPS)**.

Exhibit 5: Our revised forecasts

(INR b)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	15.2	15.2	0.0	17.9	17.8	0.6
EBITDA Margin (%)	**29.3**	**28.9**	**40bp**	**30.1**	**29.9**	**10bp**
PAT	2.8	2.8	-0.4	3.5	3.5	0.2
EPS (INR)	**30.1**	**30.2**	**-0.4**	**37.5**	**37.5**	**0.2**

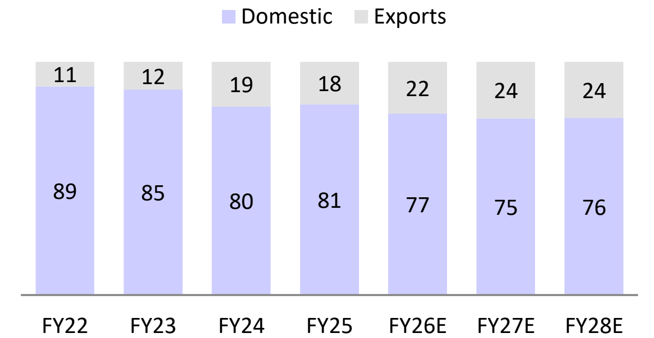
Key operating indicators

Exhibit 6: Revenue mix % – Share of industrials & PVs to rise



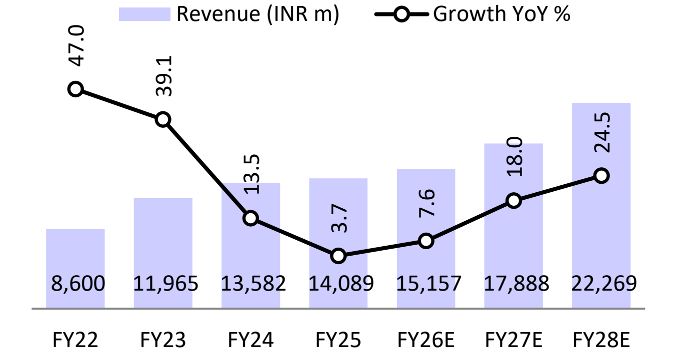
Source: Company, MOFSL

Exhibit 7: Revenue share % of exports to keep improving



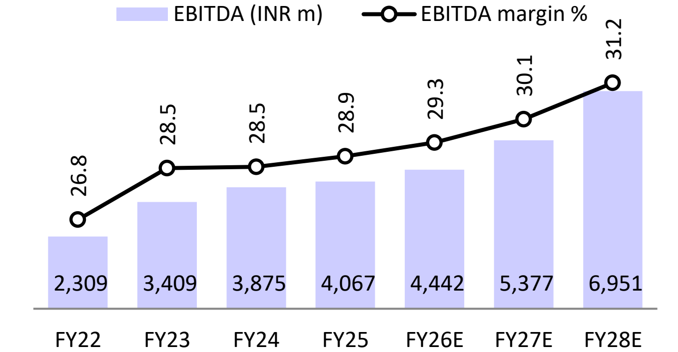
Source: Company, MOFSL

Exhibit 8: Revenue to register ~17% CAGR over FY25-28



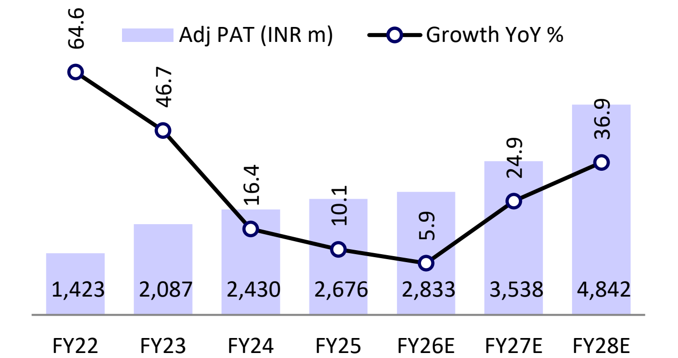
Source: Company, MOFSL

Exhibit 9: EBITDA margin to expand ~230bp over FY25-28



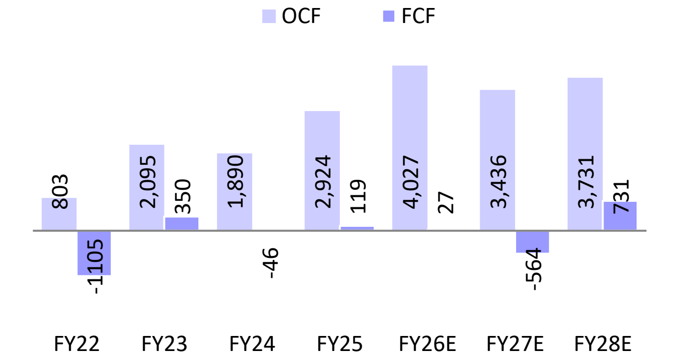
Source: Company, MOFSL

Exhibit 10: PAT to register ~22% CAGR over FY25-28



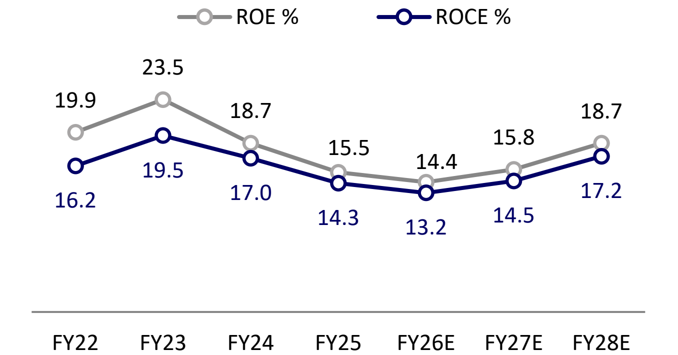
Source: Company, MOFSL

Exhibit 11: Bulk of capex will be met from internal accruals



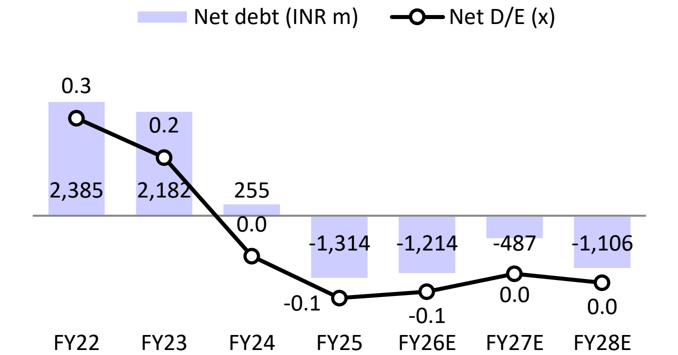
Source: Company, MOFSL

Exhibit 12: Returns to remain steady in the coming years



Source: Company, MOFSL

Exhibit 13: Overall debt continues to decline



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**8,600**	**11,965**	**13,582**	**14,089**	**15,157**	**17,888**	**22,269**
Change (%)	47.0	39.1	13.5	3.7	7.6	18.0	24.5
EBITDA	**2,309**	**3,409**	**3,875**	**4,067**	**4,442**	**5,377**	**6,951**
Margin (%)	26.8	28.5	28.5	28.9	29.3	30.1	31.2
Depreciation	377	542	647	771	885	1,024	1,132
EBIT	**1,931**	**2,868**	**3,228**	**3,296**	**3,557**	**4,353**	**5,819**
Int. and Finance Charges	72	125	118	75	78	70	61
Other Income	61	58	134	376	329	472	750
PBT after EO Exp.	**1,920**	**2,800**	**3,244**	**3,597**	**3,807**	**4,756**	**6,508**
Current Tax	471	685	748	848	975	1,217	1,666
Deferred Tax	27	29	65.67	72.81	-	-	-
Tax Rate (%)	25.9	25.5	25.1	25.6	25.6	25.6	25.6
Reported PAT	**1,423**	**2,087**	**2,430**	**2,676**	**2,833**	**3,538**	**4,842**
Adj PAT	**1,423**	**2,087**	**2,430**	**2,676**	**2,833**	**3,538**	**4,842**
Change (%)	65	47	16	10	6	25	37

Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	179	179	188	188	188	188	188
Total Reserves	7,697	9,704	15,937	18,308	20,764	23,737	27,778
Net Worth	**7,876**	**9,883**	**16,125**	**18,497**	**20,953**	**23,925**	**27,966**
Deferred Liabilities	229	230	316	393	393	393	393
Total Loans	2,404	2,185	1,430	2,273	2,173	2,473	2,373
Capital Employed	**10,509**	**12,299**	**17,871**	**21,163**	**23,519**	**26,791**	**30,732**
Gross Block	5,858	8,591	9,880	12,277	16,277	20,277	23,277
Less: Accum. Deprn.	1,296	1,807	2,444	3,205	4,091	5,114	6,247
Net Fixed Assets	**4,562**	**6,784**	**7,437**	**9,072**	**12,187**	**15,163**	**17,031**
Capital WIP	2,123	748	1,267	1,227	1,227	1,227	1,227
Total Investments	**4**	**3**	**1,169**	**3,457**	**2,957**	**2,857**	**3,357**
Curr. Assets, Loans&Adv.	**4,610**	**5,726**	**8,987**	**8,390**	**8,209**	**8,790**	**10,656**
Inventory	1,840	1,696	2,242	2,324	2,456	2,898	3,608
Account Receivables	2,220	3,081	3,569	4,265	3,976	4,411	5,247
Cash and Bank Balance	15	0	5	129	430	103	122
Loans and Advances	535	950	3,170	1,671	1,348	1,378	1,678
Curr. Liability & Prov.	**790**	**963**	**988**	**983**	**1,061**	**1,246**	**1,538**
Creditors	442	477	555	454	543	640	797
Other Current Liabilities	321	448	388	481	468	552	687
Provisions	27	38	45	49	51	54	54
Net Current Assets	**3,821**	**4,763**	**7,998**	**7,407**	**7,148**	**7,544**	**9,117**
Appl. of Funds	**10,509**	**12,299**	**17,871**	**21,163**	**23,519**	**26,791**	**30,732**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**15.9**	**23.3**	**25.8**	**28.4**	**30.1**	**37.5**	**51.4**
Cash EPS	20.1	29.4	32.7	36.6	39.4	48.4	63.4
BV/Share	88.0	110.4	171.2	196.3	222.3	253.9	296.8
DPS	-	-	4.0	3.0	4.0	6.0	8.5
Payout (%)	-	-	15.5	10.6	13.3	16.0	16.5
Dividend Yield (%)	-	-	0.4	0.3	0.4	0.6	0.9
FCF per share	-12.4	3.9	-0.5	1.3	0.3	-6.0	7.8
Valuation (x)							
P/E	63.7	43.4	39.3	35.7	33.7	27.0	19.7
Cash P/E	50.3	34.5	31.0	27.7	25.7	20.9	16.0
P/BV	11.5	9.2	5.9	5.2	4.6	4.0	3.4
EV/Sales	10.8	7.8	7.0	6.7	6.2	5.3	4.2
EV/EBITDA	40.3	27.2	24.7	23.1	21.2	17.7	13.6
Return Ratios (%)							
RoE	19.9	23.5	18.7	15.5	14.4	15.8	18.7
RoCE (Post-tax)	16.2	19.5	17.0	14.3	13.2	14.5	17.2
RoIC	18.0	21.5	17.9	15.4	15.0	15.6	17.8
Working Capital Ratios							
Fixed Asset Turnover (x)	1.5	1.4	1.4	1.1	0.9	0.9	1.0
Inventory (Days)	65	54	53	59	58	55	53
Debtor (Days)	82	81	89	101	99	86	79
Creditor (Days)	17	14	14	13	12	12	12
Working Capital (Days)	152	131	171	198	169	144	135
Leverage Ratio (x)							
Net Debt/Equity	0.3	0.2	0.0	-0.1	-0.1	0.0	0.0

Cash Flow Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operating PBT	1,921	2,800	3,244	3,597	3,807	4,756	6,508
Depreciation	377	542	647	771	885	1,024	1,132
Interest/Div paid	-72	-125	118	75	78	70	61
Direct Taxes Paid	-431	-638	-839	-832	-975	-1,217	-1,666
(Inc)/Dec in WC	-1,088	-779	-1,230	486	560	-723	-1,554
Other items	96	295	-50	**-1,172**	**-329**	**-472**	**-750**
CF from Operations	**803**	**2,095**	**1,890**	**2,924**	**4,027**	**3,436**	**3,731**
(inc)/dec in FA	-1,908	-1,745	-1,936	-2,804	-4,000	-4,000	-3,000
Free Cash Flow	**-1,105**	**350**	**-46**	**119**	**27**	**-564**	**731**
(Pur)/Sale of Investments	230	15	-2,770	-587	500	100	-500
Others	21	5	12	**196**	**329**	**472**	**750**
CF from Investments	**-1,657**	**-1,725**	**-4,694**	**-3,194**	**-3,172**	**-3,428**	**-2,750**
Issue of Shares	-	-	3,810	7	-	-	-
Inc/(Dec) in Debt	895	-251	-755	839	-100	300	-100
Interest Paid	-68	-119	-130	-74	-78	-70	-61
Dividend Paid	-	-	-116	-377	-377	-565	-801
CF from Fin. Activity	**825**	**-370**	**2,809**	**395**	**-555**	**-335**	**-962**
Inc/Dec of Cash	**-29**	**-0**	**5**	124	301	-327	19
Add: Beginning Balance	29	0	0	**5**	**129**	**430**	**103**
Closing Balance	**0**	**0**	**5**	**129**	**430**	**103**	**122**

E: MOFSL Estimates

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://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 > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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

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