

Escorts Kubota

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	ESCORTS IN
Equity Shares (m)	112
M.Cap.(INRb)/(USD\$)	379.7 / 4.3
52-Week Range (INR)	4422 / 2776
1, 6, 12 Rel. Per (%)	5/-1/-13
12M Avg Val (INR M)	734

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	102.4	105.2	115.0
EBITDA	11.7	12.8	14.0
EBITDA Margin (%)	9.0	9.8	9.6
Adj. PAT	11.3	12.9	14.3
EPS (INR)	100.6	105.2	117.0
EPS Gr. (%)	17.9	4.6	11.1
BV/Sh. (INR)	927	927	1,012

Ratios

RoE (%)	11.4	11.9	12.1
RoCE (%)	13.7	15.6	15.8
Payout (%)	27.9	27.3	27.4

Valuations

P/E (x)	33.7	32.2	29.0
P/BV (x)	3.7	3.7	3.4
EV/EBITDA (x)	30.6	27.9	25.5
Div. Yield (%)	0.8	0.9	0.9
FCF yield (%)	2.1	1.0	2.3

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	68.0	68.0	67.7
DII	11.4	11.4	10.4
FII	6.9	6.9	8.1
Others	13.6	13.7	13.8

FII includes depository receipts

CMP: INR3,394

TP: INR3,380

Neutral

Tractor margins improve

Market share loss in tractors remains the key concern

- Escorts Kubota's (ESCORTS) 1QFY26 PAT of INR3.1b was in line with our estimate. Tractor segment margins exceeded our estimates, whereas construction equipment (CE) margins came in below estimates.
- While the tractor industry outlook is positive, continued market share loss for ESCORTS has been the key concern. Further, the CE business is likely to take time to normalize given the recent sharp price hikes after the shift to new emission norms. Though there are notable synergies between Escorts and Kubota, they will likely materialize over the medium to long term. Given this, the stock at ~32x/29x FY26E/27E EPS appears fairly valued. We maintain a Neutral rating with a TP of INR3,380, based on ~28x Jun'27E EPS.

1Q earnings in line with estimates

- 1QFY26 standalone revenue came in below our estimate at INR24.8b (est. INR26.1b), down ~3% YoY (growing 2.2% QoQ), primarily due to lower-than-expected blended ASP in tractors.
- On the other hand, EBITDA margin improved 70bp YoY to 13.1%, ahead of our estimate of 12.3%.
- Despite this, EBITDA remained broadly in line with our estimate at INR3.3b (~3% YoY) given the lower revenue.
- PAT grew 18.5% YoY to INR3.1b, in line with our estimate.
- Among segments, agri machinery revenue inched up 0.4% YoY, while CE division revenue fell severely by 20.8% YoY due to weak demand.
- Agri machinery EBIT margin improved to 12.6% (vs. 11.7% in 1QFY25) likely due to the healthy pricing discipline in the industry.
- However, CE margins dropped to 5.8% (vs. 10.3% in 1QFY25) due to weak demand.
- An exceptional gain of INR759m was reported due to the sale of certain land and buildings to Sona Comstar.

Highlights from the management commentary

- Domestic tractor:** Domestic tractor industry volumes grew 9% YoY to 286k units in 1Q, with North and Central regions marginally up 0.5% and the rest of India substantially up 19.3%. However, domestic volumes for Escorts declined 2% YoY to 28,848 units with a market share of 10.5%. Dealer inventory currently stands at ~ five weeks.
- Exports grew strongly by 80% YoY to 1.7k units over a low base. Exports contribute ~6% of ESCORTS' total volumes. Tractor export growth guidance stands at 25-30% for FY26, led by new product launches and Kubota network access. Exports through Kubota's global network contributed ~52% of total export volumes.

- **Domestic tractor outlook:** 2HFY25 saw 15% YoY growth in tractors. Given this high base, management expects the industry to remain flat or post marginal growth in 2HFY26. Hence, management expects the tractor industry to post 4-5% YoY growth in FY26. Also, the outperformance of ESCORTS' weak markets, South and West, is likely to cease in 2H as it will be in the base. Hence, ESCORTS expects to marginally outperform the industry or grow in line in 2H. Overall, the company expects to post some growth in tractor volumes in FY26.
- **Greenfield plant:** ESCORTS is pursuing a greenfield expansion plan and is evaluating land acquisition in Uttar Pradesh, following the cancellation of its Rajasthan facility plans. There have been delays in acquiring the land from farmers by the UP government; however, this should be resolved in the next month or so. Management expects to close the acquisition by FY26 end after conducting the required due diligence.

Valuation and view

- While the tractor industry outlook is positive, continued market share loss for ESCORTS has been the key concern. Further, CE business is likely to take time to normalize given the recent sharp price hikes after the shift to new emission norms. Though there are significant synergies between Escorts and Kubota, they will likely materialize over the medium to long term. Given this, the stock at ~32x/29x FY26E/27E EPS appears fairly valued. We maintain a Neutral rating on the stock with a TP of INR3,380, based on ~28x Jun'27E EPS.

Standalone Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	1Q	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	25,563	22,649	29,354	24,303	24,834	23,347	30,943	26,052	101,870	105,175	26,100	-4.9
YoY Change (%)	9.8	-8.1	8.5	6.1	-2.9	3.1	5.4	7.2	4.1	7.5	2.1	
Total Expenditure	22,394	20,321	26,001	21,374	21,584	20,802	27,199	22,759	90,091	92,344	22,890	
EBITDA	3,169	2,328	3,353	2,929	3,250	2,545	3,744	3,293	11,778	12,831	3,210	1.2
Margins (%)	12.4	10.3	11.4	12.1	13.1	10.9	12.1	12.6	11.6	12.2	12.3	
Depreciation	590	610	612	615	591	630	650	693	2,426	2,564	680	
Interest	101	92	31	47	36	35	40	39	270	150	50	
Other Income	1,024	1,152	1,092	1,316	1,556	1,500	1,600	1,994	4,584	6,650	1,600	
PBT	3,502	2,778	3,802	3,313	4,939	3,380	4,654	4,555	13,395	16,008	4,080	21.0
Rate (%)	24.0	-8.9	23.6	24.3	24.5	22.0	23.0	22.1	17.1	25.2	24.0	
Adj. PAT	2,662	3,027	2,905	2,710	3,153	2,636	3,584	3,550	11,465	14,070	3,101	1.7
YoY Change (%)	-5.9	41.9	7.7	9.1	18.5	-12.9	23.4	31.0	21.6	49.2	16.5	
Margins (%)	10.4	13.4	9.9	11.1	12.7	11.3	11.6	13.6	11.3	13.4	11.9	

E: MOFSL Estimates

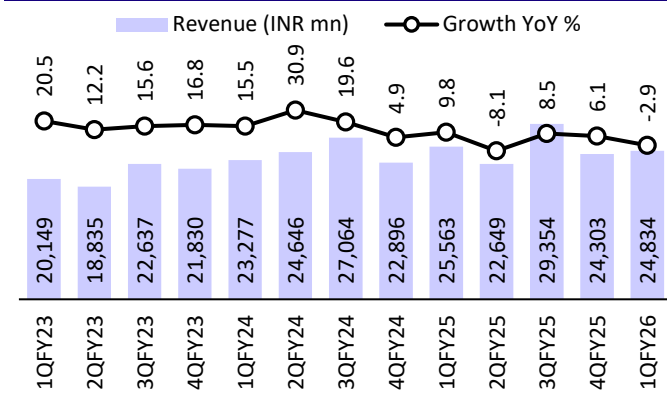
Key Performance Indicators

	FY25				FY26E				FY25	FY26E	1QE	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Volumes ('000 units)	30,370	25,989	32,556	24,801	30,581	27,029	34,835	26,576	115,554	119,021	30,581	0.0
Change (%)	14.3	-1.0	16.7	6.0	0.7	4.0	7.0	7.2	1.0	4.0	0.7	
Net Realn (INR '000/unit)	715.1	725.0	742.3	796.3	713.3	732.2	749.7	797.1	735.9	747.0	743.7	-4.1
Change (%)	14.0	6.3	-6.2	4.9	-0.2	1.0	1.0	0.1	5.7	7.2	4.0	
Cost Break-up												
RM Cost (% of sales)	70.8	69.6	73.1	69.4	69.1	69.3	69.5	69.2	70.8	69.3	70.7	
Staff Cost (% of sales)	6.8	8.2	6.8	8.2	7.4	8.0	7.3	7.4	7.4	7.5	6.8	
Other Cost (% of sales)	10.1	11.9	8.8	10.4	10.4	11.8	11.1	10.7	10.2	11.0	10.2	
Gross Margins (%)	29.2	30.4	26.9	30.6	30.9	30.7	30.5	30.8	48.4	30.7	29.3	
EBITDA Margins (%)	12.4	10.3	11.4	12.1	13.1	10.9	12.1	12.6	11.6	12.2	12.3	
EBIT Margins (%)	10.1	7.6	9.3	9.5	10.7	8.2	10.0	10.0	9.2	9.8	9.7	
Segmental PBIT Margin (%)												
Agri Machinery	11.7	9.1	10.4	11.4	12.6	10.0	11.5	11.4	10.6	11.4	11.8	
Construction Equipment	10.3	9.3	11.0	9.1	5.8	6.0	6.5	7.3	9.9	6.5	8.5	

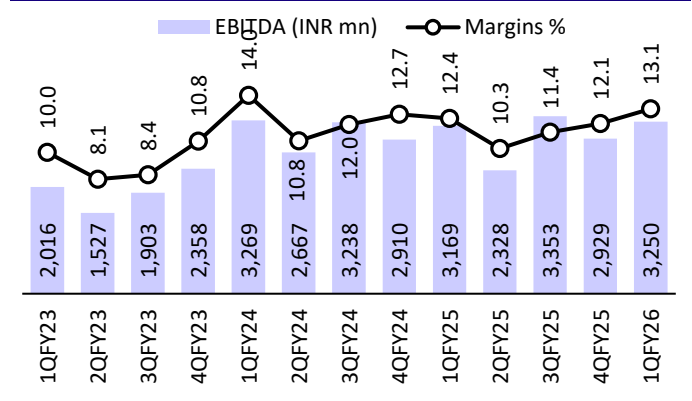


Highlights from the management commentary

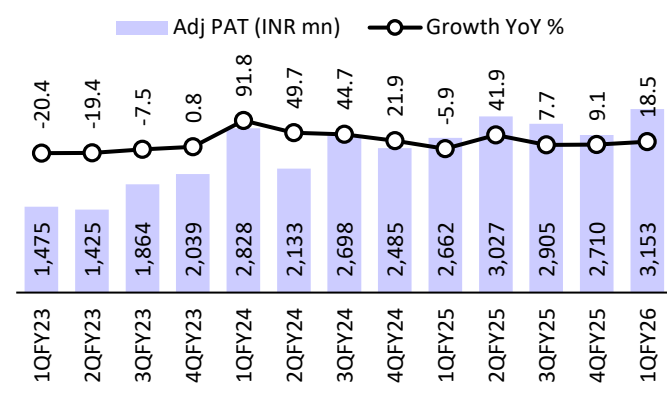
- **Domestic tractor industry** volumes grew 9% YoY to 286k units in 1Q, with North and Central regions slightly up 0.5% and the rest of India substantially up by 19.3%. However, domestic volumes fell 2% YoY to 28,848 units with a market share of 10.5%. Dealer inventory currently stands at ~five weeks.
- Export grew strongly by 80% YoY to 1.7k units on a low base. Exports make up ~6% of ESCORTS' total volumes. Tractor export growth guidance stands at 25-30% in FY26, led by new product launches and Kubota network access. Exports through Kubota's global network formed 52% of total export volumes.
- **Domestic tractor outlook:** 2HFY25 saw 15% YoY growth in tractors. Given this high base, management expects the industry to remain flat or post marginal growth in 2HFY26. Hence, management expects the tractor industry to post 4-5% YoY growth in FY26. Also, the outperformance of ESCORTS weak markets, South and West, is likely to cease in 2H as it will be in the base. Hence, ESCORTS expects to marginally outperform the industry or grow in line in 2H. Overall, ESCORTS expects to post some growth in tractor volumes for FY26.
- ESCORTS launched **the PROMAXX series** under the Farmtrac brand (30-50 HP) to strengthen its presence in Gujarat, Maharashtra, Chhattisgarh, Odisha, and MP. It has recently launched the Kubota MU series in the 41-50HP category, and its effect will be seen from 2Q. The Wetland series will be launched in the coming quarters under the Powertrac brand.
- Kubota currently operates predominantly in the South region, whereas Farmtrac operates in the North region. Current focus is to strengthen weaker markets for each of the brands to grow the overall brand of ESCORTS.
- Non-tractor revenue (spares, engines, implements) contributed ~21% of agri machinery revenue. Farm implement revenue stood at ~INR6b in FY25, with expectations to grow further this fiscal. Harvester sales grew >30% YoY; however, as these are currently imported, margins remain under pressure. Localization efforts are underway and expected to support margin improvement in the medium term.
- **Construction Equipment:** CE revenue declined 21% YoY to INR30.1b. Volume declined 24% YoY, which led to margin pressure. EBIT margin fell to ~5.8% (from ~10% YoY). Three new product launches are planned to revive growth in 2HFY26. Crane segment outperformed the industry, resulting in market share gain of 150bp to 41%, and mini excavators gained strong traction of 600+bp YoY, reaching ~19% market share.
- **Railway Equipment (discontinued operations):** ESCORTS completed the sale of its Railway Equipment division to Sona Comstar for INR16b, resulting in a one-time post-tax gain of INR10b.
- The company also sold ~33,000 sq. yards of land for INR1.1b to Sona Comstar, where its spare parts operations were housed (now being relocated), and received an exceptional gain of ~INR759m.
- **Greenfield plant:** ESCORTS is pursuing a greenfield expansion plan and is evaluating land acquisition in Uttar Pradesh, following the cancellation of its Rajasthan facility plans. There have been delays in acquiring the land from the farmers by the UP government; however, this should be resolved in the next month or so. Management expects to close out the acquisition by FY26 end after conducting the required due diligence on the land.

Exhibit 1: Revenue and revenue growth trends


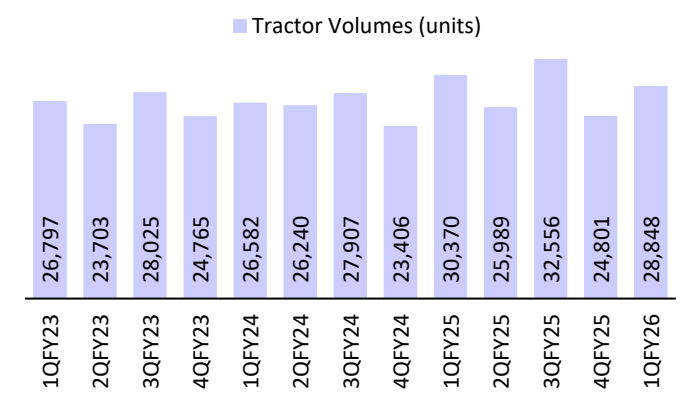
Source: MOFSL, Company

Exhibit 2: EBITDA and EBITDA margin trends


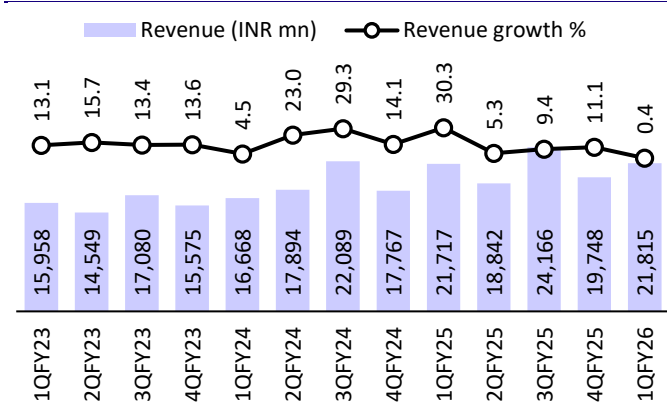
Source: MOFSL, Company

Exhibit 3: Adjusted PAT and growth trend


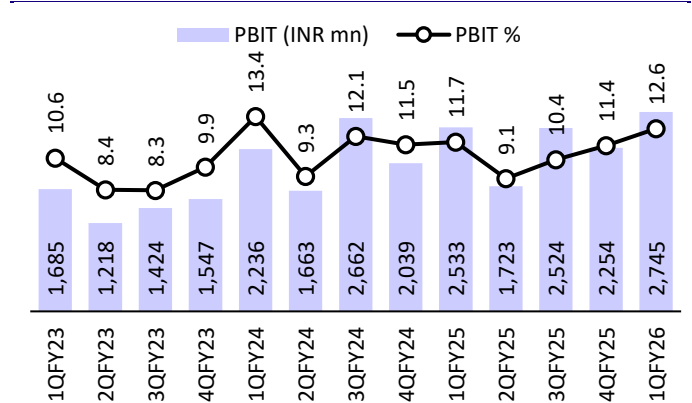
Source: MOFSL, Company

Exhibit 4: Trend in Tractor volumes


Source: MOFSL, Company

Exhibit 5: Revenue and growth in the Tractor segment


Source: MOFSL, Company

Exhibit 6: PBIT trend in the Tractor segment


Source: MOFSL, Company

Exhibit 7: Revenue and growth in CE

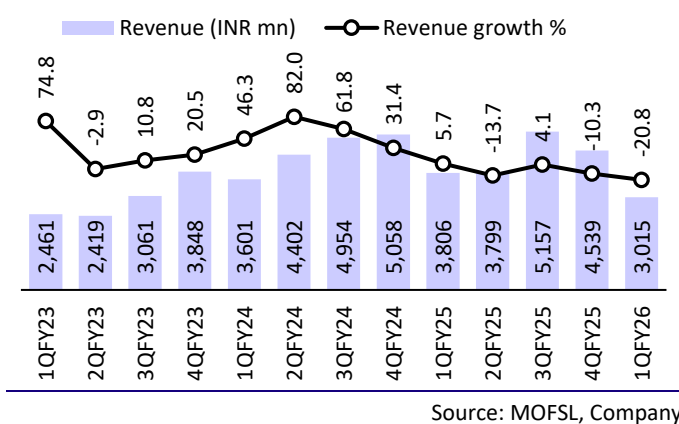
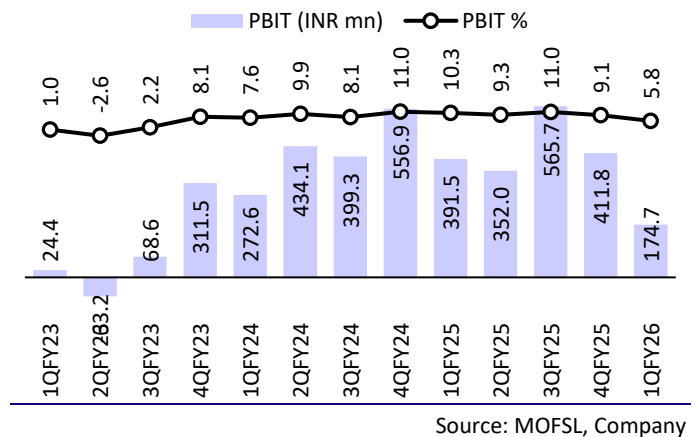


Exhibit 8: PBIT trend in CE

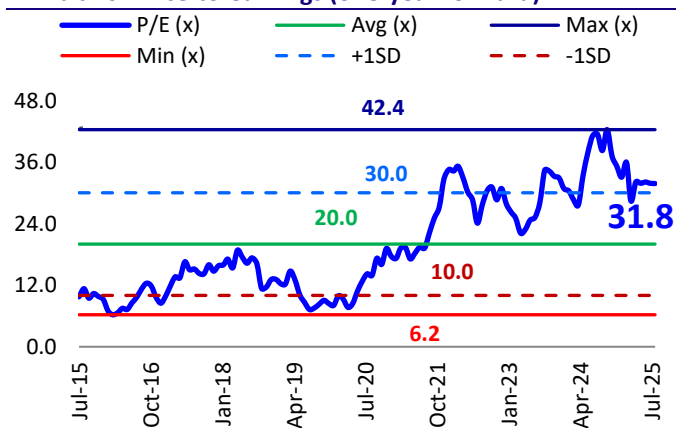
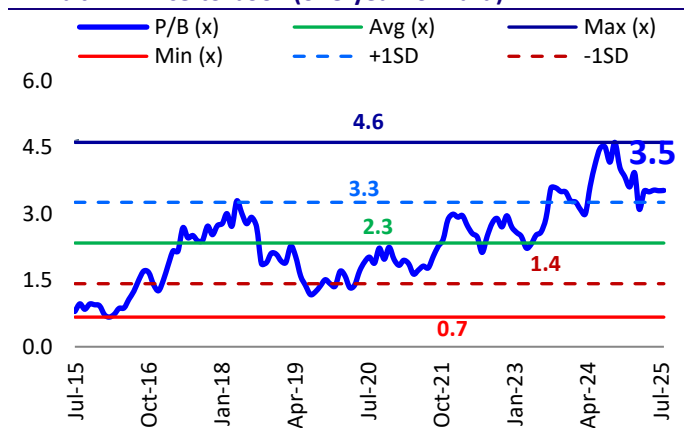


Valuation and view

- **Tractor industry outlook positive, but, market share revival to be the key:** The demand outlook for tractors has turned positive over the last couple of quarters due to healthy monsoon, favorable crop prices, and government support. Most of the regions have started showing signs of improvement, especially some of the key margins in southern states, MH, and eastern states (excl. Bihar). However, the key concern remains that ESCORTS has lost almost 60bp market share to 11.8% in FY25 to competition, partly due to unfavorable regional mix. Market share revival from hereon is likely to be the key driver for a stock re-rating in our view. Overall, we estimate a 4% CAGR in ESCORTS' tractor volumes over FY25-27, given its focus on growing in the exports market and the likelihood of its key geographies doing better.
- **Kubota parentage can unleash many synergies:** Kubota's parentage will help ESCORTS improve its competitive positioning in: a) small tractors (less than 30HP), b) the export markets (by leveraging Kubota's distribution network), c) the Agri Implements business, d) component sourcing, and e) the CE business (Kubota is a global leader in small excavators). Through this partnership, ESCORTS gains access to global product know-how (in tractors and implements), global distribution network, and global supply chain (by leveraging its India cost base).
- **CE segment likely to take time to normalize:** The CE industry has undergone an emission change to BS5 w.e.f. Jan'25. This led to some pre-buying in prior quarters and, consequently, muted demand over the last couple of quarters. Overall, we expect the CE industry to normalize gradually over the coming quarters. We expect its CE volumes to revive to FY25 levels in FY27E.
- **Stock appears fairly valued:** While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock is trading at a premium of ~32x/29x FY26E/27E EPS, compared to its 10-year average of ~18x, mainly due to the Kubota parentage. We maintain a Neutral rating on the stock with a TP of INR3,380, based on ~28x Jun'27E EPS.

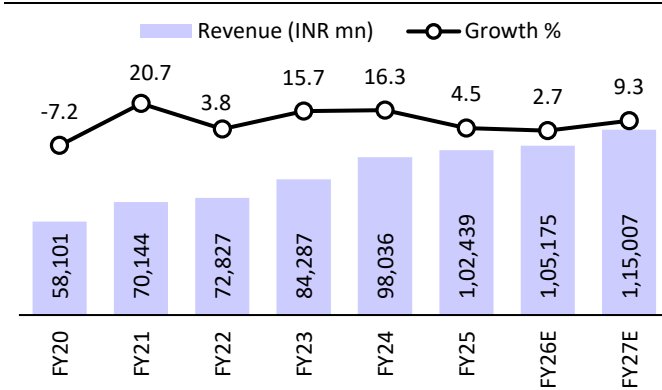
Exhibit 9: Revised forecast (Consol)

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	105,175	110,265	-4.6	115,007	120,577	-4.6
EBITDA	12,831	12,460	3.0	14,031	14,107	-0.5
EBITDA (%)	12.2	11.3	90bp	12.2	11.7	50bp
Adj. PAT	12,900	12,376	4.2	14,336	14,120	1.5
EPS (INR)	105.2	101.0	4.2	117.0	115.2	1.5

Exhibit 10: Price-to-earnings (one-year forward)

Exhibit 11: Price-to-book (one-year forward)


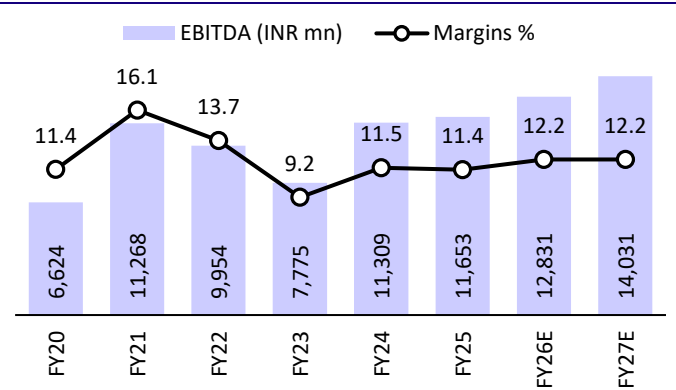
Story in charts

Exhibit 12: Revenue and revenue growth trends



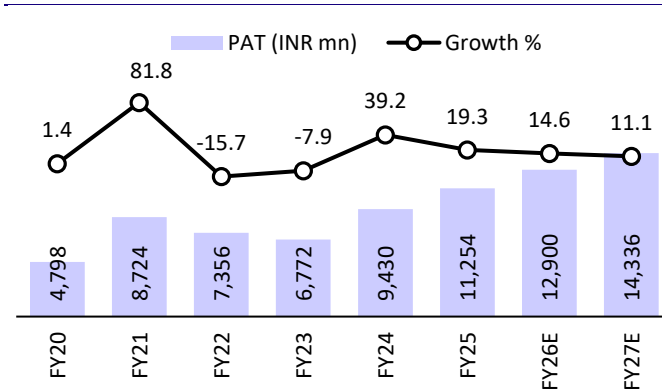
Source: MOFSL, Company

Exhibit 13: EBITDA and EBITDA margin trajectories



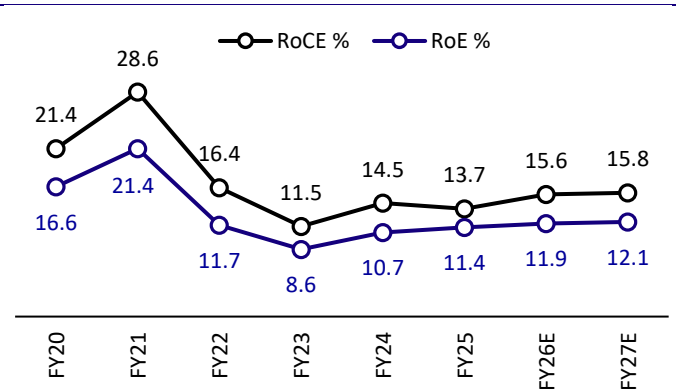
Source: MOFSL, Company

Exhibit 14: PAT and PAT growth trends



Source: MOFSL, Company

Exhibit 15: RoE and RoCE trends



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	58,101	70,144	72,827	84,287	98,036	102,439	105,175	115,007
Change (%)	-7.2	20.7	3.8	15.7	16.3	4.5	2.7	9.3
EBITDA	6,624	11,268	9,954	7,775	11,309	11,653	12,831	14,031
Margin (%)	11.4	16.1	13.7	9.2	11.5	11.4	12.2	12.2
Depreciation	1,072	1,183	1,321	1,501	2,241	2,437	2,564	2,989
EBIT	5,552	10,085	8,634	6,275	9,068	9,217	10,268	11,042
Int. and Finance Charges	172	133	150	133	417	292	150	110
Other Income	976	1,604	1,738	2,809	3,918	4,613	6,650	7,700
PBT bef. EO Exp.	6,356	11,555	10,222	8,951	12,569	13,538	16,768	18,632
EO Items	-92	0	0	-531	0	-17	760	0
PBT after EO Exp.	6,263	11,555	10,222	8,421	12,569	13,521	17,528	18,632
Current Tax	1,535	2,832	2,572	1,979	3,134	2,270	4,031	4,285
Deferred Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	24.5	24.5	25.2	23.5	24.9	16.8	23.0	23.0
Less: Minority Interest	0	0	294	75	5	11	11	11
Reported PAT	4,728	8,724	7,356	6,367	9,430	11,241	13,485	14,336
Adjusted PAT	4,798	8,724	7,356	6,772	9,430	11,254	12,900	14,336
Change (%)	1.4	81.8	-15.7	-7.9	39.2	19.3	14.6	11.1

Consolidated - Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	1,226	1,348	1,319	1,319	1,105	1,119	1,226	1,226
Total Reserves	29,948	48,913	74,680	80,548	92,780	102,549	112,357	122,770
Net Worth	31,174	50,261	75,999	81,867	93,885	103,668	113,583	123,996
Minority Interest	51	-9	-38	-39	-39	-39	-39	-39
Deferred Liabilities	307	233	373	646	985	576	576	576
Total Loans	192	17	0	0	3,676	23	23	23
Capital Employed	31,724	50,502	76,334	82,475	98,506	104,227	114,142	124,555
Gross Block	27,834	29,350	30,799	31,726	37,506	38,822	48,085	54,967
Less: Accum. Deprn.	10,608	11,388	12,389	13,613	15,853	18,290	20,854	23,842
Net Fixed Assets	17,227	17,962	18,411	18,114	21,653	20,532	27,231	31,125
Capital WIP	1,044	647	878	1,137	1,614	1,525	1,262	1,380
Total Investments	7,974	19,380	48,358	48,465	60,064	69,877	70,877	75,877
Curr. Assets, Loans&Adv.	23,895	30,792	23,431	33,137	40,687	39,051	41,615	45,526
Inventory	8,834	7,182	8,466	12,177	17,162	13,990	15,648	17,283
Account Receivables	7,319	6,576	7,926	11,797	14,279	13,318	14,167	15,492
Cash and Bank Balance	3,249	13,218	2,718	4,719	2,365	3,427	2,653	2,690
Loans and Advances	4,494	3,817	4,320	4,445	6,881	8,316	9,147	10,062
Curr. Liability & Prov.	18,430	18,279	14,743	18,378	25,511	26,758	26,844	29,353
Account Payables	16,867	16,771	13,341	16,912	23,459	24,684	24,715	27,025
Provisions	1,563	1,508	1,402	1,466	2,052	2,074	2,129	2,328
Net Current Assets	5,465	12,513	8,687	14,760	15,176	12,293	14,771	16,173
Deferred Tax assets	14	0	0	0	0	0	0	0
Appl. of Funds	31,724	50,502	76,334	82,475	98,506	104,227	114,142	124,555

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS (ex treasury)	54.0	86.3	66.6	51.3	85.3	100.6	105.2	117.0
BV/Share	350.7	497.0	687.8	620.5	849.6	926.6	926.6	1,011.6
DPS	2.5	7.5	7.0	7.0	18.0	28.0	30.0	32.0
Payout (%)	5.7	8.7	10.5	14.5	21.1	27.9	27.3	27.4
Valuation (x)								
P/E	62.8	39.3	50.9	66.1	39.7	33.7	32.2	29.0
P/BV	9.7	6.8	4.9	5.5	4.0	3.7	3.7	3.4
EV/Sales	4.2	4.9	4.9	4.2	3.7	3.5	3.4	3.1
EV/EBITDA	36.7	20.6	28.6	45.7	32.0	30.6	27.9	25.5
Dividend Yield (%)	0.1	0.2	0.2	0.2	0.5	0.8	0.9	0.9
FCF per share	50.2	75.3	-10.7	2.5	47.1	67.7	32.3	74.1
Return Ratios (%)								
RoE	16.6	21.4	11.7	8.6	10.7	11.4	11.9	12.1
RoCE	21.4	28.6	16.4	11.5	14.5	13.7	15.6	15.8
RoIC	20.2	41.5	31.0	18.3	21.7	24.0	23.0	20.3
Working Capital Ratios								
Asset Turnover (x)	1.8	1.4	1.0	1.0	1.0	1.0	0.9	0.9
Inventory (Days)	84	56	62	73	90	70	78	78
Debtor (Days)	46	34	40	51	53	47	49	49
Creditor (Days)	106	87	67	73	87	88	86	86
Leverage Ratio (x)								
Net Debt/Equity	-0.3	-0.6	-0.6	-0.6	-0.3	-0.3	-0.3	-0.3

Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	6,253	11,548	9,928	8,346	14,352	15,397	16,768	18,632
Depreciation	1,072	1,183	1,321	1,501	2,332	2,437	2,564	2,989
Interest & Finance Charges	0	0	-906	-1,620	-2,226	-2,100	150	110
Direct Taxes Paid	-1,748	-2,527	-2,547	-1,864	-2,409	-3,585	-4,031	-4,285
(Inc)/Dec in WC	3,272	2,748	-6,526	-4,102	-3,393	-432	-3,252	-1,365
CF from Operations	8,849	12,952	1,270	2,260	8,656	11,718	12,198	16,080
Others	-877	-1,639	-948	-21	-770	-1,686	760	0
CF from Operating incl EO	7,972	11,313	323	2,239	7,886	10,032	12,958	16,080
(inc)/dec in FA	-1,822	-1,157	-1,732	-1,904	-2,680	-2,462	-9,000	-7,000
Free Cash Flow	6,150	10,155	-1,409	336	5,206	7,570	3,958	9,080
(Pur)/Sale of Investments	-2,390	-20,778	-17,898	1,167	-7,708	-608	-1,000	-5,000
Others	0	0	1,066	116	213	1,131	0	0
CF from Investments	-4,212	-21,936	-18,564	-621	-10,175	-1,940	-10,000	-12,000
Issue of Shares	0	10,576	19,021	206	135	247	107	0
Inc/(Dec) in Debt	-2,644	-221	-87	0	1,238	-3,958	0	0
Interest Paid	-100	-76	-98	-91	-366	-253	-150	-110
Dividend Paid	-260	-245	-737	-757	-758	-3,055	-3,677	-3,923
CF from Fin. Activity	-3,001	9,991	17,805	-712	248	-7,019	-3,731	-4,044
Inc/Dec of Cash	758	-632	-436	906	-2,041	1,074	-774	36
Opening Balance	931	1,689	1,057	622	4,406	2,353	3,427	2,653
Closing Balance	1,689	1,057	622	1,528	2,365	3,427	2,653	2,689

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

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

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

Disclosures

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

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

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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

The associates of MOFSL may have:
financial interest in the subject company
actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
received compensation/other benefits from the subject company in the past 12 months
any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
Served subject company as its clients during twelve months preceding the date of distribution of the research report.
The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

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

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

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

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

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH00000412 .

AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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