10 February 2026

3QFY26 Results Update | Sector: Automobiles

Happy Forgings

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	108.5 / 1.2
52-Week Range (INR)	1194 / 716
1, 6, 12 Rel. Per (%)	2/14/9
12M Avg Val (INR M)	40

Consol. Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.4	18.1	22.6
EBITDA	4.6	5.5	7.1
Adj. PAT	3.0	3.6	4.9
EPS (INR)	31.7	38.4	51.5
EPS growth %	11.6	21.0	34.3
BV/Sh. (INR)	224	257	302
Ratios			
RoE (%)	15.1	15.9	18.4
RoCE (%)	13.8	14.5	16.9
Payout (%)	12.6	13.0	13.6
Valuations			
P/E (x)	36.3	30.0	22.3
P/BV (x)	5.1	4.5	3.8
EV/EBITDA (x)	23.2	19.6	15.1
Div. Yield (%)	0.3	0.4	0.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	78.5	78.5	78.6
DII	16.7	17.0	17.1
FII	1.8	2.0	2.3
Others	2.9	2.5	2.1

CMP: INR1,150 TP: INR1,350 (+17%) Buy

Earnings beat led by better-than-expected margins

Demand outlook improves for core segments

- Happy Forgings' (HFL) 3QFY26 earnings at INR789m beat estimates by 7.5%, led by better-than-expected margin, even as revenue was in line with our estimates. EBITDA margin expanded 220bp YoY to 30.8% (vs an estimate of 29.2%). Margin beat was led by a reduction in steel prices, improved mix, and operating leverage benefit.
- Given its healthy new order wins and an improving mix, we expect HFL to post a 17%/21%/22% CAGR in revenue/EBITDA/PAT over FY25-28. 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. **We reiterate our BUY rating on the stock with a TP of INR1,350 (based on 28x Dec'27E EPS).**

Earnings beat led by better-than-expected margins

- Revenue in 3QFY26 grew 10% YoY to INR3.9b (in line), and was driven by 13.8% YoY growth in volumes (16,323 MT). However, realizations were 3% lower YoY at INR240/kg due to benign steel prices. Volume growth was driven by domestic end-markets across CV, Farm, and PV, but was offset by weaker export conditions. While domestic revenue grew 16% YoY, export revenue declined 13%.
- EBITDA margins expanded 220bp YoY to 30.8% (vs est of 29.2%) and remained largely stable QoQ. As a result, EBITDA grew at a robust 18.7% YoY to INR1.2b (in line).
- The revenue mix during 9MFY26 (vs 9MFY25) was as follows: CV - 37% (38%), Farm Equipment - 33% (32%), Off-highway - 11% (12%), Industrials - 14% (14%), PV - 5% (4%).
- Management indicated that there is no impact of new labor codes on its financials, as the company is already in compliance with the same.
- Due to strong operating performance, PAT grew 22.4% YoY to INR789m (7.5% above estimates).
- For 9MFY26, revenue/EBITDA/PAT grew 6%/11%/9% YoY, respectively.
- OCF generation in 9MFY26 stood at INR3.15b, and capex for 9M stood at INR3b. Cash/cash equivalents stood at over INR4b as of Dec'25.

Key highlights from the management commentary

- HFL now has visibility on incremental business of INR8b at peak annual run-rate, which will help sustain a healthy revenue growth momentum. About 80-85% of this incremental business is likely to be materialized by FY28E. Order breakup: PV – 24%, CV – 27%, Industrials – 44%, and Farm – 4%.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)
Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | **Uday Nair** (Uday.Nair@MotilalOswal.com)

- HFL expects an INR3-4/kg increase in the input sourcing of alloy steel, while the pass-through to the customer is expected to occur with a quarter lag.
- HFL has provided a margin guidance of 29-31% over the medium term, led by an improving mix and rising scrap prices.
- Capex for 9MFY26 stood at INR3b, with capex guidance for FY26 in the range of INR4-5b. Normal capex for FY27E is expected to be INR4b, which will increase to INR4.8b after factoring in the solar power project.
- Total capacity for HFL is expected to increase to 180k MT by FY29, and the machining capacity will rise to 92k MT.

Valuation and view

HFL's cost-competitive advantage is expected to help the company drive sustainable outperformance to the core. Given its healthy new order wins, we expect HFL to post a 17% standalone revenue CAGR over FY25-28. Further, we expect the company to post a 260bp margin expansion to 31.5% over FY25-28, led by an improved mix, operating leverage benefits, and the advantage of solar power generation in the coming years. We, thus, expect HFL to post a 22% earnings CAGR over FY25-28. The company'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. **We reiterate our BUY rating on the stock with a TP of INR1,350 (based on 28x Dec'27E EPS)**.

Quarterly (Standalone) (INR M)

	FY25				FY26E				FY25	FY26E		Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	(%)
Net operating income	**3,415**	**3,611**	**3,543**	**3,520**	**3,538**	**3,774**	**3,913**	**4,170**	**14,089**	**15,395**	**3,968**	**-1.4**
Change (%)	3.5	5.3	3.6	2.5	3.6	4.5	10.4	18.5	3.7	9.3	12.0	
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	39.7	41.1	41.8	42.0	41.2	41.8	
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	8.9	8.8	8.7	8.9	8.9	8.8	
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.7	19.3	19.2	20.3	19.9	20.2	
EBITDA	**976**	**1,054**	**1,015**	**1,023**	**1,012**	**1,158**	**1,204**	**1,259**	**4,067**	**4,633**	**1,159**	**3.9**
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	30.7	30.8	30.2	28.9	30.1	29.2	**160bp**
Change (%)	-2.6	12.4	6.6	5.3	3.6	9.9	18.7	23.1	4.9	13.9		
Non-Operating Income	77	83	66	101	104	63	82	97	376	345	75	
Interest	14	16	21	24	23	19	25	27	75	93	18	
Depreciation	180	197	191	203	206	216	224	246	771	891	228	
PBT after EO items	**859**	**973**	**868**	**897**	**886**	**986**	**1,037**	**1,084**	**3,597**	**3,993**	**988**	
Tax	220	259	223	219	230	252	247	278	921	1006	254	
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.5	23.9	25.6	25.6	25.2	25.7	
Adj. PAT	**639**	**666**	**645**	**678**	**657**	**734**	**789**	**806**	**2,676**	**2,987**	**734**	**7.6**
Change (%)	-0.3	20.6	11.4	3.0	2.9	10.2	22.4	19.0	10.1	11.6	13.8	

CONFERENCE CALL

Key highlights from the management commentary

Q3 performance

- The volume growth of 13.8% was primarily driven by an uptick in the commercial vehicle (CV), farm, and industrial segments. However, realizations declined 3% YoY, which were slightly lower due to a change in the product mix and declining steel prices.
- Approximately 55-57% of HFL's revenue comes from the domestic CV and farm segments, where revenue has grown 22% YoY in 3QFY26.
- Gross margin expanded as a result of a better product mix and declining raw material prices. This positive momentum is expected to continue in the medium term, driven by an improving mix of exports and industrial sales.
- HFL generated FCF of INR3.15b in 9MFY26, with liquidity now reaching INR4b+.
- The company expects a INR3-4/kg increase in the input sourcing of alloy steel, while the pass through to the customer would occur with a quarter lag.
- HFL has provided a margin guidance of 29-31% over the medium term, led by an improving mix and rising scrap prices.

Order wins

- HFL now has visibility on incremental business of INR8b at peak annual run-rate, which will help sustain a healthy revenue growth momentum. About 80-85% of this incremental business is likely to materialize by FY28E.
- Order breakup: PV – 24%, CV – 27%, Industrials – 44%, and Farm – 4%.
- For the heavy components plant, orders worth INR1.8b are already booked, with some revenue flowing in from FY28, while major revenues are expected to come from FY29.
- Once the plant is online, management is confident of securing incemental orders to fill up the plant.

CV update

- The GST rate cut, infrastructure-led demand, and higher freight activity all supported growth of the domestic CV business for HFL. The company expects this positive momentum to continue in the coming quarters.
- However, the North American and European markets have yet to fully recover, with the US market seeing a more significant decline in CV volumes.
- OEMs in EU markets have raised their volume growth guidance for the industry to 5% for CY26.

PV update

- HFL experienced strong 37% growth in the PV segment in 3QFY26, with the segment contributing a mid-single-digit share of total revenue.
- The ramp-up of export orders in both the ICE and EV segment will support growth on a low base over the next few years.

Farm/OHV update

- HFL experienced softer performance YoY in the off-highway segment, driven by slower project awards and delays in land acquisition contributing to weaker volumes in the domestic market. Further, market environment in EU and US remained challenging, with its large customer witnessing a dip in volumes. However, management expects exports to improve in FY27.

- On the farm side, domestic industry growth was driven by positive Kharif outlook, improved cash flows, and a normal monsoon season. Demand in the domestic market is expected to continue going forward, while NA and EU industry is expected to remain stable in CY26.
- Farm exports for HFL are expected to grow over a low base in FY27.

Industrials update

- Industrial volumes grew 2% YoY in 3QFY26, and demand was stable due to sustained demand from the power segment.
- The segment outlook was positive due to the expansion of data center ecosystem in the country, solar and grid capacity additions, rail modernization, and maintenance cycles.
- Additionally, HFL has started ramping up production from its 8,000MT press line for industrials, targeting incremental volumes for FY27.

Exports update

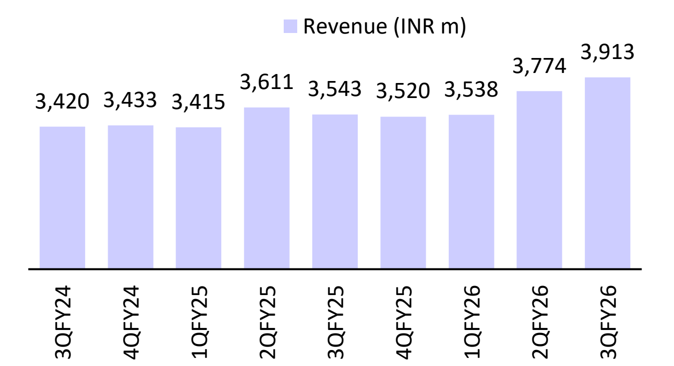
- Currently, both direct and indirect exports make up 25% of HFL's total revenue, with the following breakdown: 8% from industrial, 4% from farm, 10-12% from CV, 1% from PV, and 3% from off-highway.
- Exports to the US, including indirect exports, currently account for 7-8% of HFL's total revenue. The company aims to increase this to 15-16% over the next 2-3 years, driven by PV and industrial programs. However, HFL does not have a presence in the US CV segment so far.
- Tariff uncertainty and weak end-market demand led to subdued export performance in 3QFY26.
- While management awaits the fineprint on India's trade deals with Europe and the US, the outcome is likely to be positive for auto ancillary suppliers.
- In terms of exports ramp-up, the three meaningful orders for HFL include: 1) Three programs in the Industrial segment for genset application, which it has already started supplying; 2) EV business order that has commenced production since Dec'25; and 3) PV export order where it has to build up stock till Jul'26 for launch in US by Sep. Given the clear visibility of the order execution, management expects exports to see a material pick-up in FY27.

Update on capacity

- The company is in the process of commissioning a 10,000-ton forging press in 4QFY26, with plans to add a 4,000-ton press in H1FY27. Following this, its total forging capacity will increase to 150k MT from 127k MT currently.
- Further, once the INR6.5b large capex is commissioned, its total forging capacity will rise to 180k MT.
- In 3QFY26, the company's machining capacity has increased to 68,000 MT, up from 58,200 MT, in anticipation of a rise in volumes.
- The machining capacity is likely to rise to 82k MT in FY27E. This will increase to 92k MT once the heavy forging capex is fully commissioned (this will add two machining lines of 5k T each)

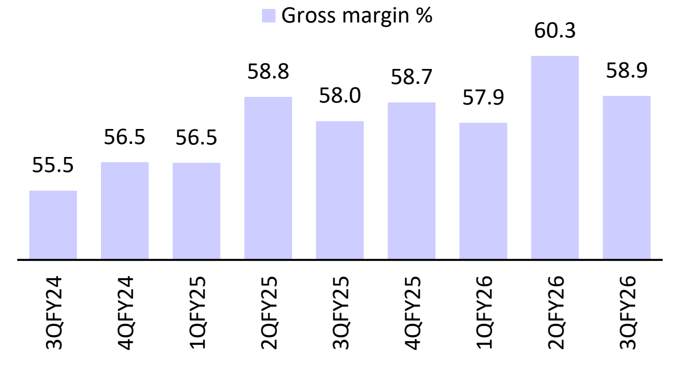
- The company has acquired 80 acres of land for a captive solar power plant, which is expected to commence operations in 3QFY27. This initiative is projected to help reduce power costs by approximately INR250-300m per annum, with peak production expected to commence in Feb'27.
- Capex for 9MFY26 stood at INR3b, with capex guidance for FY26 in the range of INR4-5b. Normal capex for FY27E is expected to be INR4b, which will increase to INR 4.8b after factoring in the solar power project.

Exhibit 1: SA revenue trend



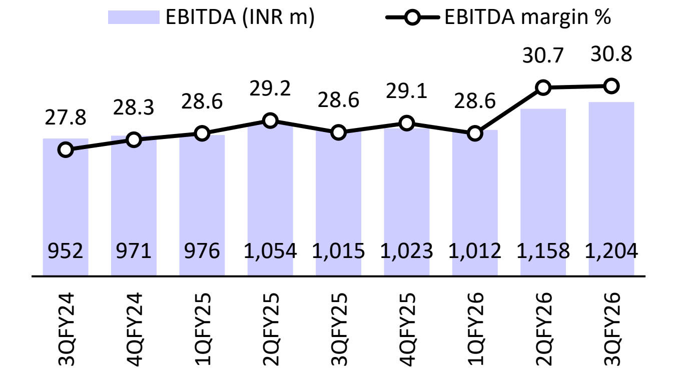
Source: Company, MOFSL

Exhibit 2: SA gross margin trend



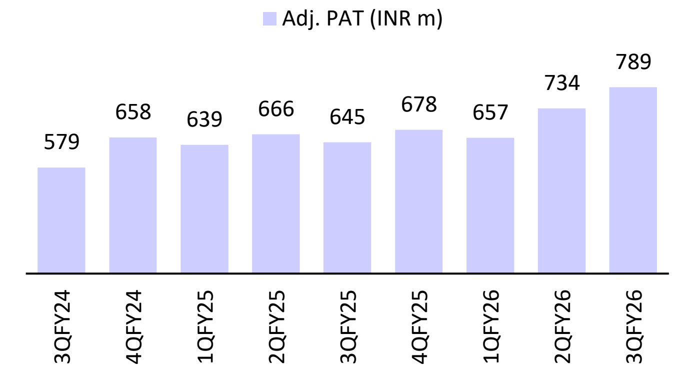
Source: Company, MOFSL

Exhibit 3: EBITDA and margin trends



Source: Company, MOFSL

Exhibit 4: Adj. PAT trend over the quarters



Source: Company, MOFSL

Valuation and view

- **Industrial business to remain the long-term growth driver:** The Industrials segment continues to be a key growth driver for the company. HFL is now investing INR6.5b to set up a heavyweight precision components facility, which will be among the largest in Asia, capable of producing 250-3,000kg forged and fully-machined parts. The company has already secured orders worth INR3.5b from this new facility and expects a further boost once the new plant is on stream and customers gain confidence in its execution capabilities. Given the company's healthy new order wins, we expect the Industrials segment to post a robust 41% revenue CAGR over FY25-28. HFL appears well on track to achieve its guidance of 30% contribution from the Industrials sector by FY30E.
- **PV mix on track to reach 10% of mix in a couple of years**: The PV segment, which is a focus area for the management, remains a major growth driver, contributing 5% of revenue in 9MFY26, up from just 1% in FY24. Leveraging its competitive advantage, the company has won multiple orders over the last few

years, both for domestic and export businesses. To execute these orders, HFL plans to invest INR800m in the PV business in FY26. The company has also set a target for PV contribution to rise to 8-10% of revenue over the next two years.

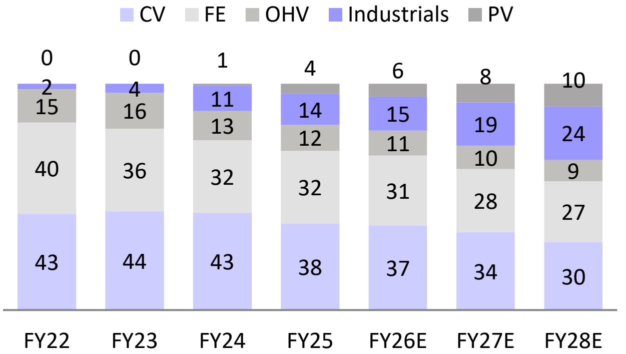
- **Outlook has improved in core segments:** The outlook for HFL's core segments, domestic CVs and tractors, has improved following the GST rate cuts announced in Sept. While the domestic market outlook has improved, the demand in key developed markets such as the US and Europe is now stabilizing at lower levels. The outlook for CV exports has improved for FY27E, as one of the company's key export clients anticipates a recovery. Tractor exports are also expected to drive a revenue pick-up for HFL next year, supported by new order wins. Overall, we expect the CV and tractor segments for HFL to deliver a steady 9% revenue CAGR over FY25-28.
- **Valuation and view:** HFL's cost-competitive advantage would help the company drive sustainable outperformance to the core. Given its healthy new order wins, we expect HFL to post a 17% standalone revenue CAGR over FY25-28. Further, we expect HFL to post a 260bp margin expansion to 31.5% over FY25-28, led by an improved mix, operating leverage benefits, and the advantage of solar power generation in the coming years. We, thus, expect HFL to post a 22% earnings CAGR over FY25-28. 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. **We reiterate our BUY rating on the stock with a TP of INR1,350 (based on 28x Dec'27E EPS)**.

Exhibit 5: Our revised forecasts

(INR b)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	15.4	15.4	0.0	18.1	18.1	0.0
EBITDA Margin (%)	**30.1**	**29.4**	**60bp**	**30.5**	**30.2**	**30bp**
PAT	3.0	2.9	3.0	3.6	3.6	0.1
EPS (INR)	31.7	30.8	**3.0**	38.4	38.3	**0.1**

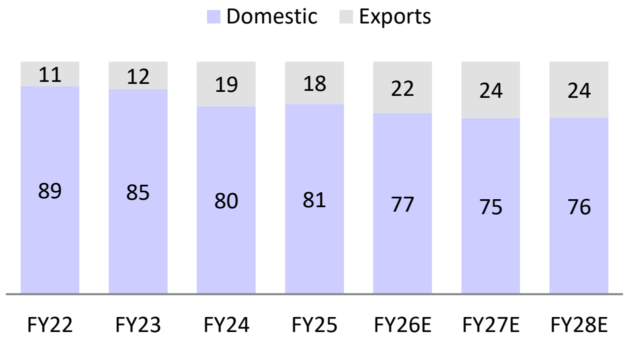
Key operating indicators

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



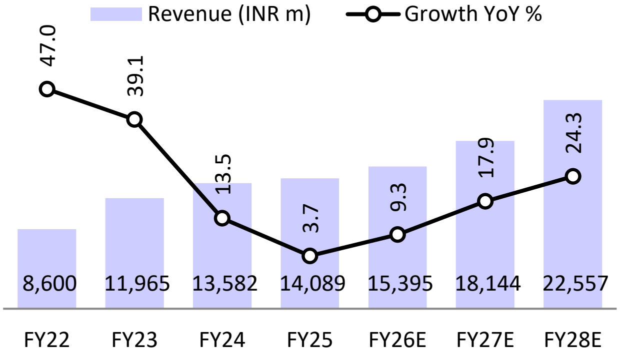
Source: Company, MOFSL

Exhibit 7: Revenue share % of exports to continue improving



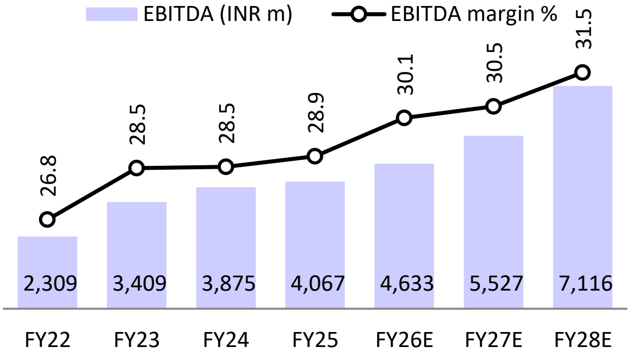
Source: Company, MOFSL

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



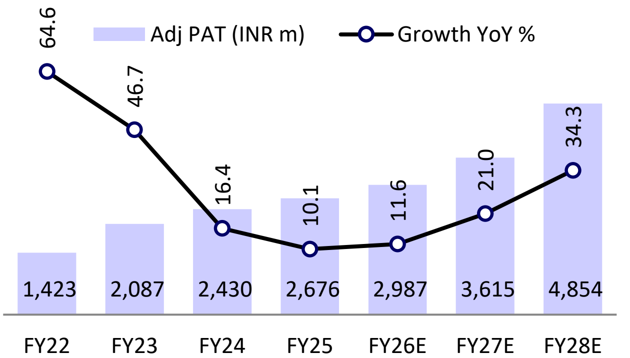
Source: Company, MOFSL

Exhibit 9: EBITDA margin to expand ~260bp over FY25-28



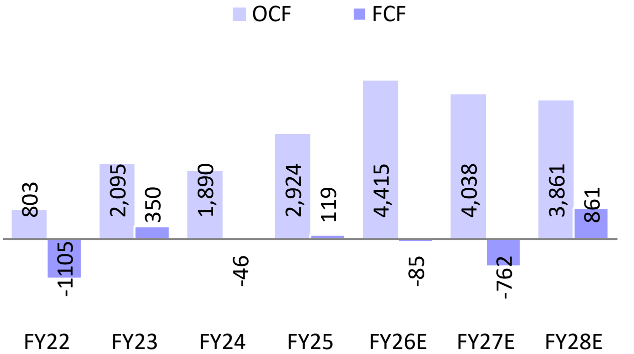
Source: Company, MOFSL

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



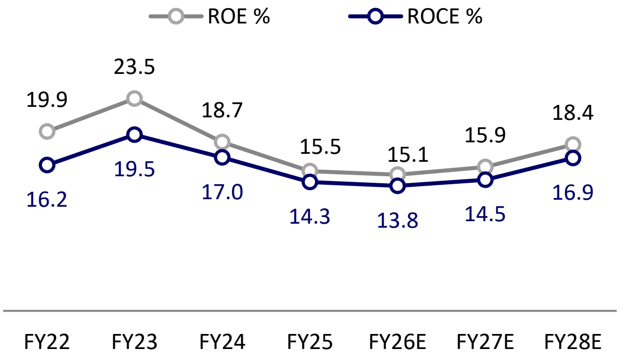
Source: Company, MOFSL

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



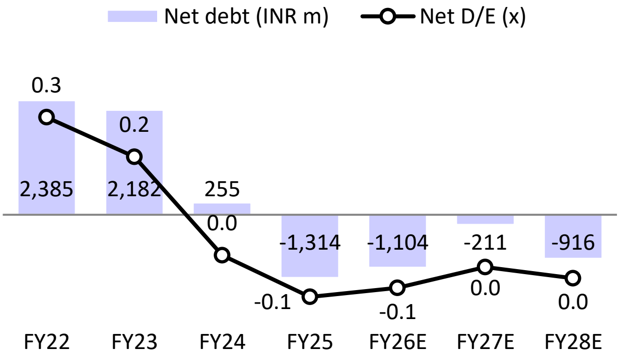
Source: Company, MOFSL

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**	**15,395**	**18,144**	**22,557**
Change (%)	47.0	39.1	13.5	3.7	9.3	17.9	24.3
EBITDA	**2,309**	**3,409**	**3,875**	**4,067**	**4,633**	**5,527**	**7,116**
Margin (%)	26.8	28.5	28.5	28.9	30.1	30.5	31.5
Depreciation	377	542	647	771	891	1,036	1,131
EBIT	**1,931**	**2,868**	**3,228**	**3,296**	**3,742**	**4,492**	**5,985**
Int. and Finance Charges	72	125	118	75	93	79	66
Other Income	61	58	134	376	345	420	570
PBT after EO Exp.	**1,920**	**2,800**	**3,244**	**3,597**	**3,993**	**4,833**	**6,489**
Current Tax	471	685	748	848	1,006	1,218	1,635
Deferred Tax	27	29	65.67	72.81	-	-	-
Tax Rate (%)	25.9	25.5	25.1	25.6	25.2	25.2	25.2
Reported PAT	**1,423**	**2,087**	**2,430**	**2,676**	**2,987**	**3,615**	**4,854**
Adj PAT	**1,423**	**2,087**	**2,430**	**2,676**	**2,987**	**3,615**	**4,854**
Change (%)	65	47	16	10	12	21	34

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	20,919	24,062	28,257
Net Worth	**7,876**	**9,883**	**16,125**	**18,497**	**21,107**	**24,251**	**28,445**
Deferred Liabilities	229	230	316	393	393	393	393
Total Loans	2,404	2,185	1,430	2,273	2,273	2,973	2,323
Capital Employed	**10,509**	**12,299**	**17,871**	**21,163**	**23,773**	**27,617**	**31,161**
Gross Block	5,858	8,591	9,880	12,277	16,777	21,577	24,577
Less: Accum. Deprn.	1,296	1,807	2,444	3,205	4,097	5,132	6,263
Net Fixed Assets	**4,562**	**6,784**	**7,437**	**9,072**	**12,681**	**16,445**	**18,315**
Capital WIP	2,123	748	1,267	1,227	1,227	1,227	1,227
Total Investments	**4**	**3**	**1,169**	**3,457**	**3,257**	**3,057**	**3,097**
Curr. Assets, Loans&Adv.	**4,610**	**5,726**	**8,987**	**8,390**	**7,721**	**8,233**	**10,183**
Inventory	1,840	1,696	2,242	2,324	2,365	2,635	3,275
Account Receivables	2,220	3,081	3,569	4,265	3,933	4,225	5,253
Cash and Bank Balance	15	0	5	129	119	127	142
Loans and Advances	535	950	3,170	1,671	1,303	1,246	1,512
Curr. Liability & Prov.	**790**	**963**	**988**	**983**	**1,112**	**1,346**	**1,660**
Creditors	442	477	555	454	571	696	865
Other Current Liabilities	321	448	388	481	491	597	742
Provisions	27	38	45	49	51	54	54
Net Current Assets	**3,821**	**4,763**	**7,998**	**7,407**	**6,608**	**6,887**	**8,522**
Appl. of Funds	**10,509**	**12,299**	**17,871**	**21,163**	**23,773**	**27,617**	**31,161**

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**	**31.7**	**38.4**	**51.5**
Cash EPS	20.1	29.4	32.7	36.6	41.2	49.3	63.5
BV/Share	88.0	110.4	171.2	196.3	224.0	257.3	301.8
DPS	-	-	4.0	3.0	4.0	5.0	7.0
Payout (%)	-	-	15.5	10.6	12.6	13.0	13.6
Dividend Yield (%)	-	-	0.4	0.3	0.3	0.4	0.6
FCF per share	-12.4	3.9	-0.5	1.3	-0.9	-8.1	9.1
Valuation (x)							
P/E	72.4	49.3	44.6	40.5	36.3	30.0	22.3
Cash P/E	57.2	39.2	35.2	31.5	28.0	23.3	18.1
P/BV	13.1	10.4	6.7	5.9	5.1	4.5	3.8
EV/Sales	12.3	8.8	8.0	7.6	7.0	6.0	4.8
EV/EBITDA	45.6	30.8	28.0	26.3	23.2	19.6	15.1
Return Ratios (%)							
RoE	19.9	23.5	18.7	15.5	15.1	15.9	18.4
RoCE (Post-tax)	16.2	19.5	17.0	14.3	13.8	14.5	16.9
RoIC	18.0	21.5	17.9	15.4	15.8	15.9	17.9
Working Capital Ratios							
Fixed Asset Turnover (x)	1.5	1.4	1.4	1.1	0.9	0.8	0.9
Inventory (Days)	65	54	53	59	56	50	48
Debtor (Days)	82	81	89	101	97	82	77
Creditor (Days)	17	14	14	13	12	13	13
Working Capital (Days)	152	131	171	198	163	133	122
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	3,993	4,833	6,489
Depreciation	377	542	647	771	891	1,036	1,131
Interest/Div paid	-72	-125	118	75	93	79	66
Direct Taxes Paid	-431	-638	-839	-832	-1,006	-1,218	-1,635
(Inc)/Dec in WC	-1,088	-779	-1,230	486	789	-272	-1,620
Other items	96	295	-50	**-1,172**	**-345**	**-420**	**-570**
CF from Operations	**803**	**2,095**	**1,890**	**2,924**	**4,415**	**4,038**	**3,861**
(inc)/dec in FA	-1,908	-1,745	-1,936	-2,804	-4,500	-4,800	-3,000
Free Cash Flow	**-1,105**	**350**	**-46**	**119**	**-85**	**-762**	**861**
(Pur)/Sale of Investments	230	15	-2,770	-587	200	200	-40
Others	21	5	12	**196**	**345**	**420**	**570**
CF from Investments	**-1,657**	**-1,725**	**-4,694**	**-3,194**	**-3,955**	**-4,180**	**-2,470**
Issue of Shares	-	-	3,810	7	-	-	-
Inc/(Dec) in Debt	895	-251	-755	839	-	700	-650
Interest Paid	-68	-119	-130	-74	-93	-79	-66
Dividend Paid	-	-	-116	-377	-377	-471	-660
CF from Fin. Activity	**825**	**-370**	**2,809**	**395**	**-470**	**150**	**-1,376**
Inc/Dec of Cash	**-29**	**-0**	**5**	124	-10	8	15
Add: Beginning Balance	29	0	0	**5**	**129**	**119**	**127**
Closing Balance	**0**	**0**	**5**	**129**	**119**	**127**	**142**

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. 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

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

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

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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