

Estimate change 

TP change 

Rating change 

**CMP: INR1,293**

**TP: INR1,580 (+22%)**

**BUY**

**Consumer demand weak; while B2B demand remained strong**

**Capacity constraints limit growth in cables business**

	HAVL IN
Bloomberg	HAVL IN
Equity Shares (m)	625
M.Cap.(INRb)/(USDb)	810.3 / 9.7
52-Week Range (INR)	1466 / 1025
1, 6, 12 Rel. Per (%)	-7/-4/-4
12M Avg Val (INR M)	1038
Free float (%)	40.6

#### Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	191.8	217.0	246.9
EBITDA	19.6	24.7	29.0
Adj. PAT	13.3	17.0	20.3
EBITA Margin (%)	10.2	11.4	11.7
Cons. Adj. EPS (INR)	21.2	27.1	32.3
EPS Gr. (%)	23.5	27.8	19.4
BV/Sh. (INR)	119.4	137.0	158.0

#### Ratios

Net D:E	(0.3)	(0.4)	(0.4)
RoE (%)	17.8	19.8	20.5
RoCE (%)	17.2	19.2	20.0
Payout (%)	35.0	35.0	35.0

#### Valuations

P/E (x)	61.0	47.7	40.0
P/BV (x)	10.8	9.4	8.2
EV/EBITDA (x)	40.1	31.5	26.5
Div Yield (%)	0.6	0.7	0.9
FCF Yield (%)	1.0	1.6	2.0

#### Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	59.4	59.4	59.5
DII	9.5	9.8	9.8
FII	24.2	23.8	23.3
Others	6.9	7.0	7.4

FII Includes depository receipts

- HAVL reported a miss of 4-6% on Revenue/EBITDA/PAT vs. our estimates in 2QFY24 primarily driven by lower-than-estimated profits in the Cables & Wires (C&W) segment. Soft consumer demand and capacity constraints in underground cables adversely impacted the company's performance.
- Management remains optimistic for the upcoming festive season and believes that festive demand shifted from 2Q to 3Q. Commodity price normalization and product cost-led initiatives will help to improve margins. The company continues to invest in product portfolio and talent pool for sustainable growth.
- We cut our EPS estimates by 4%/8% for FY24/FY25 as we factor in lower margins in the ECD/Lighting segments. We remain structurally positive on HAVL, given its diversified product portfolio, premiumization strategy, and continued focus on brand building. We value HAVL at 53x Sep'25E EPS to arrive at our TP of INR1,580.

#### Margin improves YoY with softening commodity prices

- HAVL's consolidated revenue was up 6% YoY to INR39b and EBITDA up 30% YoY to INR3.7b. EBITDA margin came in at 9.6% (in line with our estimate). Gross margin stood at 33.3% vs. 30.9%/30.4% in 2QFY23/1QFY24. Adj. PAT grew 33% YoY to INR2.5b (6% below estimates).
- Ad spends stood at 2.2% of revenue vs. 2.4%/2.8% in 2QFY23/1QFY24. Depreciation/interest cost was up 13%/37% YoY, whereas 'other income' grew 21% YoY.
- Segmental highlights: (a) Havells (ex-Lloyd): revenue up 4.5% YoY to INR34b. **C&W**: revenue up 8% YoY to INR14.7b and EBIT margin expanded 5.3pp to 11.6%. **Switchgear**: revenue up 9% YoY to INR5.3b and EBIT margin expanded 1.4pp to 26.4%. **Lighting**: revenue was up 1% YoY to INR4b and EBIT margin was flat at 14.3%. **ECD**: revenue declined 5.2% YoY to INR7.3b and EBIT margin was flat at 11.6%. (b) **Lloyd's** revenue grew 20% YoY to INR5b. EBIT loss of the segment stood at INR745m vs. a loss of INR833m in 2QFY23 (estimated EBIT loss of INR897m).
- In 1HFY24, revenue increased 10% YoY, led by 20%/16%/7% growth in revenue of Lloyd/C&W/Switchgear segments. EBITDA increased 19.5% YoY to INR7.8b with OPM improvement of 70bp YoY to 8.9%. Ad. Profit was up 24.7% YoY to INR5.4b. OCF in 1HFY24 stands at INR8.1b vs. INR5.7b in FY23, primarily due to working capital reduction.

#### Key highlights from the management commentary

- Growth primarily has been driven by the housing segment and the government's sustained thrust on infrastructure projects. Volume growth of the C&W segment stood at ~10% YoY.
- RAC sales were better than the average growth of Lloyd. Under-utilization of Sri City facility in a seasonally weak quarter led to increased overheads.

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)

Mudit Agarwal - Research analyst (Mudit.Agarwal@MotilalOswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Excluding Lloyd, HAVL has historically maintained an EBITDA margin between 13% and 14% and it is now back to that level. The company continues to focus on improving margin by optimizing internal efficiencies and expanding its market reach. This strategic approach is essential due to the persistent high levels of competition in the market.

#### Valuation and view

- We estimate HAVL's revenue/EBITDA/PAT CAGR of 14%/22%/24% over FY23-26. We expect EBITDA margin to improve gradually to 11.7% in FY26 vs. 9.5% in FY23, led by benefits from commodity cost stabilization and lower losses for Lloyds.
- HAVL has been generating positive free cash flows in most of the years despite higher capex (due to focus on in-house manufacturing). We expect cumulative OCF to be at INR52.8b over FY24-26 and cumulative capex at INR16b over this period. RoE and RoCE are likely to be at 20.5% and 20% in FY26 vs. an average level of 18% and 17%, respectively, over FY15-23.
- Our target price of INR1,580 is based on 53x Sep'25E EPS. We reiterate our BUY rating on the stock.

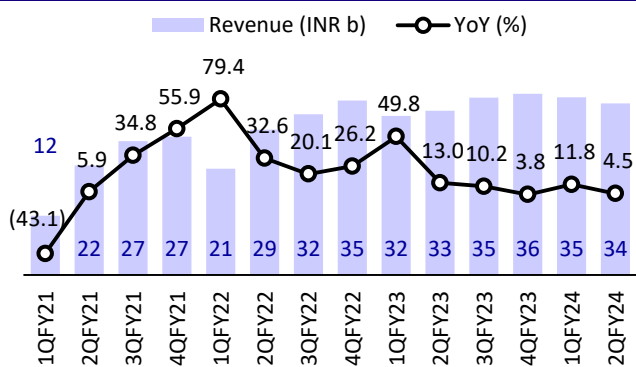
#### Quarterly performance

Y/E March	FY23				FY24				FY23	FY24E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
<b>Sales</b>	<b>42,445</b>	<b>36,689</b>	<b>41,197</b>	<b>48,592</b>	<b>48,338</b>	<b>39,003</b>	<b>44,908</b>	<b>59,537</b>	<b>1,68,923</b>	<b>1,91,787</b>	<b>41,017</b>	-4.9%
Change (%)	63.4	13.9	12.8	10.0	13.9	6.3	9.0	22.5	21.6	13.5	11.8	
<b>Adj EBITDA</b>	<b>3,615</b>	<b>2,871</b>	<b>4,237</b>	<b>5,271</b>	<b>4,020</b>	<b>3,734</b>	<b>4,470</b>	<b>7,405</b>	<b>15,995</b>	<b>19,629</b>	<b>3,903</b>	-4.4%
Change (%)	2.4	-35.3	-3.8	1.3	11.2	30.1	5.5	40.5	-9.0	22.7	36.0	
Adj EBITDA margin (%)	8.5	7.8	10.3	10.8	8.3	9.6	10.0	12.4	9.5	10.2	9.5	6
Depreciation	721	721	746	774	763	812	828	890	2,961	3,292	771	
Interest	98	68	73	98	85	93	78	69	336	325	70	
Other Income	476	433	399	467	648	525	495	231	1,775	1,899	457	
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-	-	
<b>PBT</b>	<b>3,273</b>	<b>2,515</b>	<b>3,818</b>	<b>4,867</b>	<b>3,821</b>	<b>3,353</b>	<b>4,059</b>	<b>6,678</b>	<b>14,473</b>	<b>17,911</b>	<b>3,520</b>	-4.7%
Tax	841	646	978	1,287	950	862	1,044	1,779	3,752	4,635	875	
Effective Tax Rate (%)	25.7	25.7	25.6	26.4	24.9	25.7	25.7	26.6	25.9	25.9	24.9	
<b>Reported PAT</b>	<b>2,432</b>	<b>1,869</b>	<b>2,839</b>	<b>3,580</b>	<b>2,871</b>	<b>2,491</b>	<b>3,015</b>	<b>4,899</b>	<b>10,720</b>	<b>13,276</b>	<b>2,645</b>	-5.8%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	6.2	36.8	(10.3)	23.8	41.5	
<b>Adj PAT</b>	<b>2,432</b>	<b>1,869</b>	<b>2,839</b>	<b>3,580</b>	<b>2,871</b>	<b>2,491</b>	<b>3,015</b>	<b>4,899</b>	<b>10,720</b>	<b>13,276</b>	<b>2,645</b>	-5.8%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	6.2	36.8	(10.3)	23.8	41.5	

Segmental Performance (INR m)

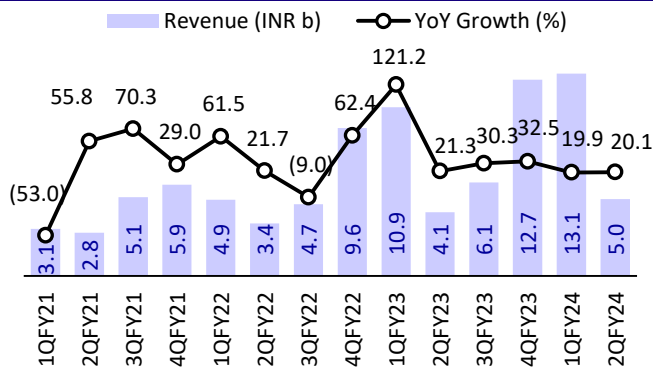
Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Sales</b>												
Switchgear	5,169	4,878	5,141	6,010	5,409	5,336	5,603	6,757	21,199	23,104	5,300	0.7%
Cables & Wires	11,929	13,594	14,121	15,682	14,852	14,702	15,731	17,788	55,326	63,072	15,891	-7.5%
ECD	8,396	7,735	9,348	7,495	8,775	7,331	8,430	11,058	32,972	35,595	8,336	-12.1%
Lighting & Fixtures	3,737	3,970	4,201	4,160	3,710	3,999	4,239	5,508	16,067	17,457	4,007	-0.2%
Lloyd	10,938	4,141	6,068	12,710	13,109	4,974	8,456	15,568	33,857	42,107	4,981	-0.2%
<b>Profit Contribution</b>												
Switchgear	1,354	1,220	1,270	1,721	1,499	1,409	1,485	1,846	5,565	6,238	1,378	2.2%
Cables & Wires	875	859	1,628	1,885	1,691	1,707	1,856	2,189	5,247	7,442	1,859	-8.2%
ECD	1,100	901	1,228	962	957	848	1,096	1,548	4,191	4,449	834	1.8%
Lighting & Fixtures	614	570	534	755	532	570	615	849	2,473	2,566	561	1.6%
Lloyd	(563)	(833)	(596)	(229)	(616)	(745)	(499)	597	(2,222)	(1,263)	(897)	n/m
<b>Contribution Margin (%)</b>												
Switchgear	26.2	25.0	24.7	28.6	27.7	26.4	26.5	27.3	26.2	27.0	26.0	40
Cables & Wires	7.3	6.3	11.5	12.0	11.4	11.6	11.8	12.3	9.5	11.8	11.7	(9)
ECD	13.1	11.6	13.1	12.8	10.9	11.6	13.0	14.0	12.7	12.5	10.0	157
Lighting & Fixtures	16.4	14.4	12.7	18.1	14.3	14.3	14.5	15.4	15.4	14.7	14.0	25
Lloyd	(5.1)	(20.1)	(9.8)	(1.8)	(4.7)	(15.0)	(5.9)	3.8	(6.6)	(3.0)	(18.0)	301

Exhibit 1: HAVL's (ex-Lloyd) revenue up 4.5% YoY



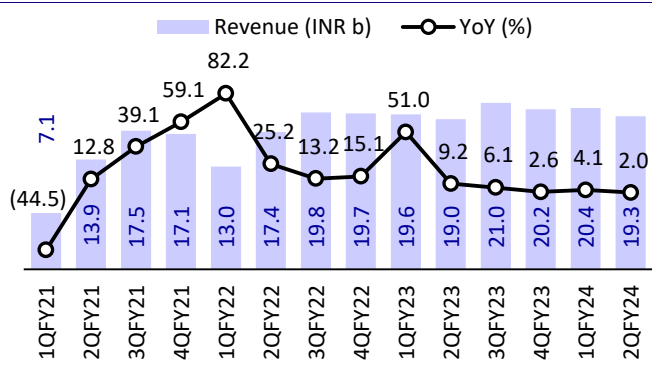
Source: MOFSL, Company

Exhibit 2: Lloyd's revenue grew ~20% YoY



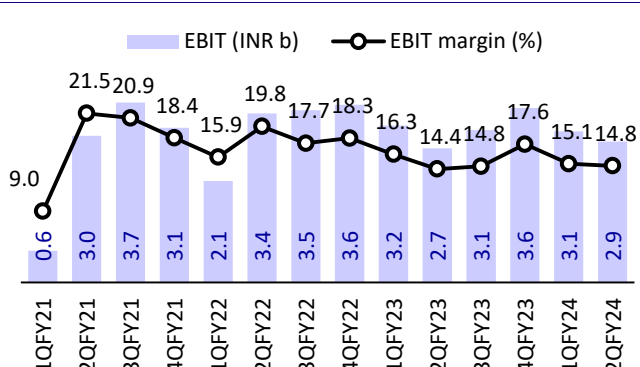
Source: MOFSL, Company

Exhibit 3: HAVL's (ex-Cable and Wires) sales up 2% YoY...



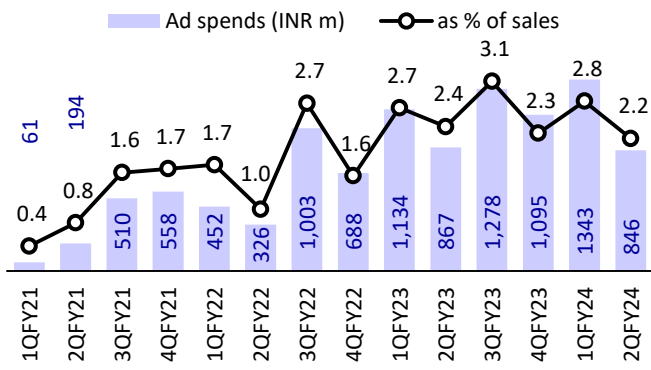
Source: MOFSL, Company

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



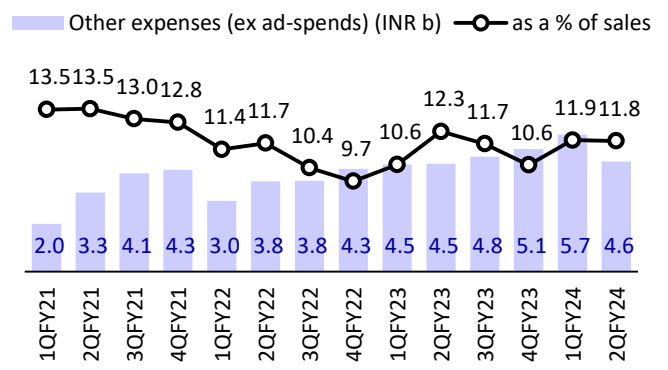
Source: MOFSL, Company

**Exhibit 5: Trend in ad spends as a % of sales**



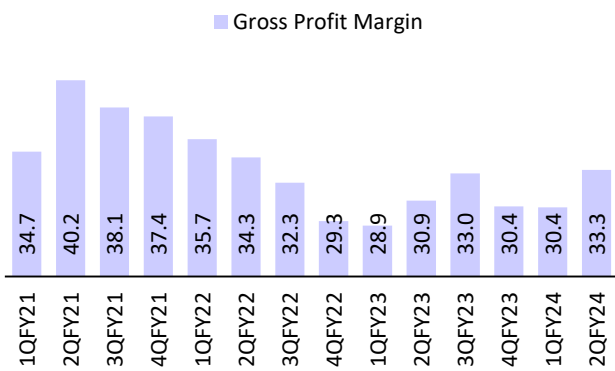
Source: MOFSL, Company

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



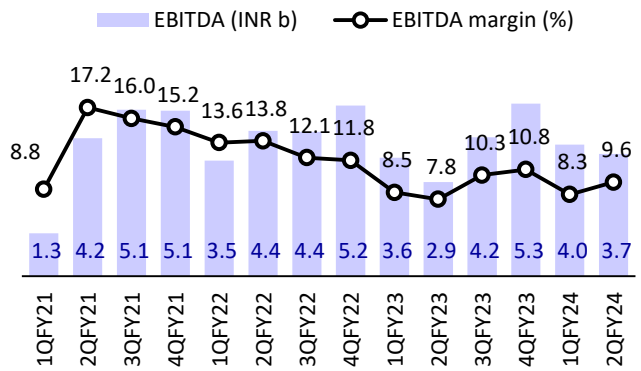
Source: MOFSL, Company

**Exhibit 7: Gross margin up 2.4pp YoY/3pp QoQ in 2QFY24**



Source: MOFSL, Company

**Exhibit 8: EBITDA margin up 1.75pp YoY to 9.6%**



Source: MOFSL, Company



## Conference call highlights

### Demand and key segment performance

- Consumer demand has been subdued, but there is optimism for a recovery in sentiments during the upcoming festival season. The growth has primarily been fueled by the housing segment and the government’s consistent focus on infrastructure projects.
- Cable and wire witnessed ~10% volume growth YoY. Underground cables saw a higher offtake, which is a smaller business in the C&W segment for the company and it also faces capacity constraints in this segment. Despite weak consumer demand, the company has been undertaking capacity expansion in the domestic wire segment, which has demonstrated resilience and strong performance.
- The capacity expansion in the C&W segment is set to be completed in the next year. Notably, 40% of our revenues are generated from underground cables, where growth was hindered due to capacity constraints. Currently, channel inventory in wires has reached a normalized level, and the management anticipates revenue growth to be driven by increased demand from the real estate segment. To accommodate this growing demand, the company is expanding cable capacity by 25%.

- HAVL is the market leader in the premium fans segment. Demand for fans has remained weak in the last six months after rating change norms came into effect. Demand for fans is expected to improve in the next season and the company would continue its focus on premium category.
- Volume growth was in double-digits in the lighting segment, though value growth was adversely impacted by significant price erosion. Prices seem to be bottoming out now. About 60% of revenues of this segment are being contributed by the consumer lighting and the remaining 40% is from professional luminaries.
- While competition will remain a constant factor, there is an anticipated shift towards branded products in the foreseeable future.

### Lloyd

- The growth of RAC outperformed the average growth of Lloyd. However, the under-utilization of the Sri City plant resulted in higher manufacturing overhead costs. We anticipate margin improvement in 3Q, driven by increased demand during the festive season, and further improvements are expected in the next peak season in 4QFY24.
- Focus will continue to be on increasing sales, reach, market share gains in RAC in 2HFY24. The company would continue to spend on brand building efforts, R&D, and in-house manufacturing to support these objectives. This strategic approach is geared toward the long-term, considering the company's smaller size compared to competitors in the overall consumer durable category. The aim is to tap into significant growth opportunities, positioning the company among the top two or three players in this category.
- Lloyd's non-RAC revenues continue to be low and 2Q was adversely impacted compared to the previous year due to a shift in festive demand by one quarter. RAC has experienced better growth in comparison to refrigerators and washing machines. The company is facing constraints not only in sales but also in manufacturing capabilities.
- 50% of revenue of Lloyd is from RAC and the remaining from other (largely refrigerator, washing machines and TV) categories. Product-mix is not likely to change significantly in the medium-term as it has very low market share in the other product categories.

### Other highlights

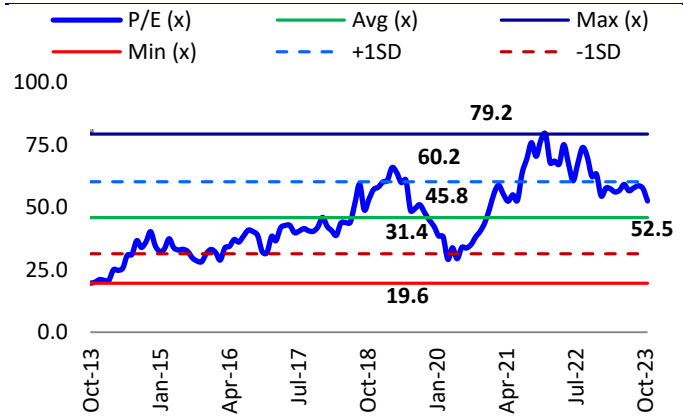
- Excluding Lloyd, HAVL has historically maintained an EBITDA margin between 13% and 14% and it is now back to that level. The company continues to focus on improving margin by optimizing internal efficiencies and expanding its market reach. This strategic approach is essential due to the persistent high levels of competition in the market.
- Commodity price stabilization is expected to continue and would further lead to margin improvement. Ad spends will be maintained at around 2.5% to 3% of revenues.
- Traditionally, HAVL was primarily focused on dealers and distributors. However, in the recent years, the company has expanded its presence in modern retail format, regional retailers, and ecommerce channels. This diversified approach provides a comprehensive platform for launching new products.

**Exhibit 1: Revisions to our estimates**

(INR b)	Revised		Old		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	191.8	217.0	192.0	217.5	-0.1%	-0.2%
EBITDA	19.6	24.7	20.4	26.5	-3.9%	-6.9%
PAT	13.3	17.0	13.9	18.3	-4.3%	-7.5%
EPS (INR)	21.2	27.1	22.1	29.3	-4.3%	-7.5%

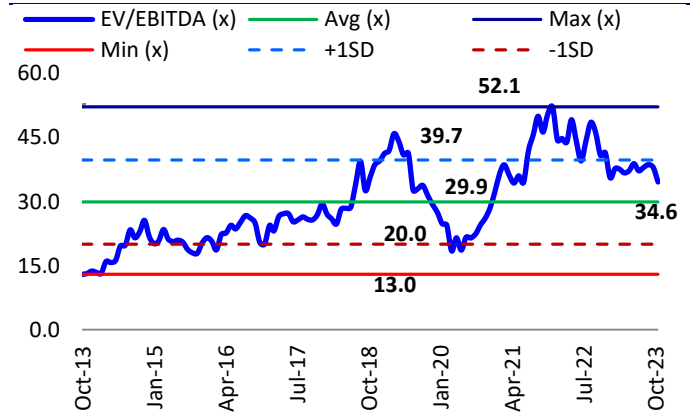
Source: Company, MOFSL estimate

**Exhibit 9: 1-year forward P/E chart**



Source: MOFSL, Company

**Exhibit 10: 1-year forward EV/EBITDA chart**



Source: MOFSL, Company

## Financials and valuations (Consolidated)

Income Statement							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>94,292</b>	<b>1,04,279</b>	<b>1,38,885</b>	<b>1,68,684</b>	<b>1,91,787</b>	<b>2,17,018</b>	<b>2,46,872</b>
Change (%)	-6.3	10.6	33.2	21.5	13.7	13.2	13.8
Raw Materials	58,351	64,749	93,840	1,16,713	1,28,881	1,42,364	1,59,973
Gross margin (%)	38.1	37.9	32.4	30.8	32.8	34.4	35.2
Staff Cost	8,996	8,853	10,147	12,617	14,509	17,411	20,893
Other Expenses	16,671	15,024	17,322	23,325	28,768	32,553	37,031
<b>EBITDA</b>	<b>10,274</b>	<b>15,653</b>	<b>17,576</b>	<b>16,030</b>	<b>19,629</b>	<b>24,691</b>	<b>28,975</b>
% of Net Sales	10.9	15.0	12.7	9.5	10.2	11.4	11.7
Depreciation	2,179	2,489	2,608	2,961	3,292	3,629	3,934
Interest	197	726	534	336	325	300	300
Other Income	1,120	1,450	1,604	1,770	1,899	2,125	2,585
<b>PBT</b>	<b>9,017</b>	<b>13,888</b>	<b>16,038</b>	<b>14,503</b>	<b>17,911</b>	<b>22,887</b>	<b>27,326</b>
Tax	1,687	3,590	4,091	3,753	4,635	5,923	7,071
Rate (%)	18.7	25.8	25.5	25.9	25.9	25.9	25.9
Extra-ordinary Inc.(net)	0	98	0	0	0	0	0
<b>Reported PAT</b>	<b>7,330</b>	<b>10,396</b>	<b>11,948</b>	<b>10,750</b>	<b>13,276</b>	<b>16,964</b>	<b>20,254</b>
Change (%)	-6.9	41.8	14.9	-10.0	23.5	27.8	19.4
<b>Adjusted PAT</b>	<b>7,330</b>	<b>10,298</b>	<b>11,948</b>	<b>10,750</b>	<b>13,276</b>	<b>16,964</b>	<b>20,254</b>
Change (%)	-6.9	40.5	16.0	-10.0	23.5	27.8	19.4

Balance Sheet							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Share Capital	626	626	626	627	627	627	627
Reserves	42,422	51,019	59,260	65,518	74,148	85,174	98,340
<b>Net Worth</b>	<b>43,048</b>	<b>51,645</b>	<b>59,886</b>	<b>66,145</b>	<b>74,774</b>	<b>85,801</b>	<b>98,966</b>
Loans	405	4,922	3,955	0	0	0	0
Deferred Tax Liability	2,865	3,391	3,506	3,615	3,615	3,615	3,615
<b>Capital Employed</b>	<b>46,318</b>	<b>59,958</b>	<b>67,348</b>	<b>69,760</b>	<b>78,389</b>	<b>89,416</b>	<b>1,02,581</b>
Gross Fixed Assets	40,479	41,965	46,005	50,837	56,837	61,837	66,837
Less: Depreciation	6,985	9,062	11,670	14,631	17,923	21,552	25,486
<b>Net Fixed Assets</b>	<b>33,494</b>	<b>32,903</b>	<b>34,335</b>	<b>36,206</b>	<b>38,913</b>	<b>40,285</b>	<b>41,350</b>
Capital WIP	861	899	572	1,664	1,664	1,664	1,664
Investments	16	3,079	4,261	2,009	2,009	2,009	2,009
<b>Curr. Assets</b>	<b>36,107</b>	<b>51,321</b>	<b>65,884</b>	<b>71,554</b>	<b>82,619</b>	<b>97,892</b>	<b>1,16,638</b>
Inventory	18,719	26,199	29,681	37,085	40,985	45,187	50,051
Debtors	2,489	5,636	7,675	9,729	11,062	12,517	14,239
Cash & Bank Balance	11,069	16,247	25,358	18,619	23,613	32,313	43,390
Other Current Assets	3,830	3,238	3,169	6,121	6,959	7,875	8,958
<b>Current Liab. &amp; Prov.</b>	<b>24,160</b>	<b>28,245</b>	<b>37,704</b>	<b>41,672</b>	<b>46,816</b>	<b>52,433</b>	<b>59,080</b>
Creditors	14,141	15,968	23,794	26,425	30,045	33,997	38,674
Other Liabilities	7,564	9,117	10,615	11,130	12,655	14,320	16,290
Provisions	2,456	3,160	3,295	4,116	4,116	4,116	4,116
<b>Net Current Assets</b>	<b>11,947</b>	<b>23,076</b>	<b>28,180</b>	<b>29,881</b>	<b>35,803</b>	<b>45,458</b>	<b>57,558</b>
<b>Application of Funds</b>	<b>46,318</b>	<b>59,958</b>	<b>67,348</b>	<b>69,760</b>	<b>78,389</b>	<b>89,416</b>	<b>1,02,581</b>



## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>							
<b>Adjusted EPS</b>	<b>11.7</b>	<b>16.5</b>	<b>19.1</b>	<b>17.2</b>	<b>21.2</b>	<b>27.1</b>	<b>32.3</b>
Growth (%)	-6.9	40.4	16.0	-10.1	23.5	27.8	19.4
Cash EPS	15.2	20.4	23.2	21.9	26.4	32.9	38.6
Book Value	68.8	82.5	95.6	105.6	119.4	137.0	158.0
DPS	8.5	2.5	6.5	7.5	7.4	9.5	11.3
Payout (incl. Div. Tax.)	87.5	18.2	34.1	43.8	35.0	35.0	35.0
<b>Valuation (x)</b>							
P/Sales	8.6	7.8	5.8	4.8	4.2	3.7	3.3
P/E (standalone)	110.4	78.6	67.8	75.3	61.0	47.7	40.0
Cash P/E	85.1	63.3	55.6	59.1	48.9	39.3	33.5
EV/EBITDA	77.7	51.0	44.8	49.4	40.1	31.5	26.5
EV/Sales	8.5	7.7	5.7	4.7	4.1	3.6	3.1
Price/Book Value	18.8	15.7	13.5	12.2	10.8	9.4	8.2
Dividend Yield (%)	0.7	0.2	0.5	0.6	0.6	0.7	0.9
<b>Profitability Ratios (%)</b>							
RoE	17.0	19.9	20.0	16.3	17.8	19.8	20.5
RoCE	16.2	18.1	18.3	15.8	17.2	19.2	20.0
RoIC	18.7	24.0	29.6	19.7	22.9	28.3	32.5
<b>Turnover Ratios</b>							
Debtors (Days)	10	20	20	21	21	21	21
Inventory (Days)	72	92	78	80	78	76	74
Creditors. (Days)	55	56	63	57	57	57	57
Asset Turnover (x)	2.0	1.7	2.1	2.4	2.4	2.4	2.4
<b>Leverage Ratio</b>							
Net Debt/Equity (x)	-0.2	-0.2	-0.4	-0.3	-0.3	-0.4	-0.4

### Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT before EO Items	<b>9,216</b>	<b>14,104</b>	<b>16,272</b>	<b>14,473</b>	<b>17,911</b>	<b>22,887</b>	<b>27,326</b>
Add : Depreciation	2,179	2,489	2,608	2,961	3,292	3,629	3,934
Interest	(535)	(315)	(717)	(898)	(1,574)	(1,825)	(2,285)
Less : Direct Taxes Paid	2,398	2,714	4,138	3,919	4,635	5,923	7,071
(Inc)/Dec in WC	215	6,985	(3,420)	6,969	927	956	1,022
<b>CF from Operations</b>	<b>8,248</b>	<b>6,579</b>	<b>17,446</b>	<b>5,647</b>	<b>14,067</b>	<b>17,812</b>	<b>20,882</b>
(Inc)/Dec in FA	(3,592)	(1,227)	(2,490)	(5,815)	(6,000)	(5,000)	(5,000)
<b>Free Cash Flow</b>	<b>4,655</b>	<b>5,353</b>	<b>14,956</b>	<b>(167)</b>	<b>8,067</b>	<b>12,812</b>	<b>15,882</b>
(Pur)/Sale of Investments	625	(2,169)	(5,102)	6,206	1,899	2,125	2,585
<b>CF from Investments</b>	<b>(2,968)</b>	<b>(3,396)</b>	<b>(7,592)</b>	<b>391</b>	<b>(4,101)</b>	<b>(2,875)</b>	<b>(2,415)</b>
(Inc)/Dec in Net Worth / Others	313	195	(183)	(360)	-	-	-
(Inc)/Dec in Debt	(937)	4,136	(973)	(3,937)	-	-	-
Less : Interest Paid	52	459	245	70	325	300	300
Dividend Paid	6,413	1,878	4,073	4,703	4,647	5,938	7,089
<b>CF from Fin. Activity</b>	<b>(7,088)</b>	<b>1,994</b>	<b>(5,473)</b>	<b>(9,069)</b>	<b>(4,972)</b>	<b>(6,238)</b>	<b>(7,389)</b>
<b>Inc/Dec of Cash</b>	<b>(1,808)</b>	<b>5,178</b>	<b>4,380</b>	<b>(3,031)</b>	<b>4,994</b>	<b>8,699</b>	<b>11,078</b>
Add: Beginning Balance	12,877	11,069	20,978	21,650	18,619	23,613	32,313
<b>Closing Balance</b>	<b>11,069</b>	<b>16,247</b>	<b>25,358</b>	<b>18,619</b>	<b>23,613</b>	<b>32,313</b>	<b>43,390</b>

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

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

#### Analyst Certification

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

#### Terms & Conditions:

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

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances.

The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and 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, nor 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.