18 August 2025

1QFY26 Results Update | Sector: Automobiles

Amara Raja

Estimate changes	↓
TP change	↓
Rating change	⟷

Bloomberg	ARENM IN
Equity Shares (m)	183
M.Cap.(INRb)/(USDb)	179.4 / 2
52-Week Range (INR)	1360 / 805
1, 6, 12 Rel. Per (%)	-4/0/-31
12M Avg Val (INR M)	669

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	135.3	148.4	162.8
EBITDA	16.1	18.5	21.2
Adj. PAT	7.8	9.2	10.6
EPS (INR)	42.7	50.1	57.8
EPS Gr. (%)	-11.5	17.4	15.5
BV/Sh. (INR)	438	479	526
Ratios			
RoE (%)	10.1	10.8	11.4
RoCE (%)	10.0	10.6	11.1
Payout (%)	16.9	18.0	18.2
Valuations			
P/E (x)	23.0	19.6	17.0
P/BV (x)	2.2	2.0	1.9
Div. Yield (%)	0.9	1.0	1.1
FCF yield (%)	3.9	5.5	6.7

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	32.9	32.9	32.9
DII	16.2	14.0	15.4
FII	18.0	19.4	22.3
Others	32.9	33.8	29.4

FII Includes depository receipts

CMP: INR980 **TP: INR940 (-4%)** **Neutral**

Steady quarter

Medium-term margin guidance maintained

- Amara Raja's (ARENM) 2QFY26 PAT at INR2.1b came in line with our estimates. Even at the operating level, EBITDA margin was in line with our estimates at 12% (+50bp QoQ).
- We cut our FY26/FY27 EPS estimates by 6%/8.5% to factor in continued margin pressure in 2Q. While the market is optimistic about ARENM's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 23.0x FY26E/19.6x FY27E EPS, appears fairly valued. We reiterate a Neutral rating with a TP of INR940, based on 15x standalone EPS and Investment in New Energy business valued at INR 131 per share.

2Q earnings in line with estimates

- ARENM's revenue grew 8% YoY to INR33.9b, in line with our estimate. This growth was primarily driven by the new energy business (+68.9% to INR1.7b), while lead acid and allied products posted modest growth (+4.7% to INR33b).
- EBITDA margin expanded 50bp QoQ (-210bp YoY) to 12% and was in line with our estimate. EBITDA declined ~8% YoY to INR4.1b.
- During the quarter, ARENM received a reimbursement in response to claims against a fire accident at its Chittoor facility. This translated into a one-time extraordinary gain of INR1.2b.
- Hence, reported PAT grew 25.4% YoY to INR4.1b. However, adjusted for this gain, PAT declined 12.1% YoY to INR2.1b (in line with our estimate).
- The Board has approved an interim dividend of INR5.4 per equity share for this quarter.
- At a consolidated level, OCF for 1HFY26 came in at INR5.3b, with INR6.4b spent on capex. AMRJ posted a negative free cash of INR1.1b for 1HFY26.
- 1HFY26 Revenue/EBITDA/PAT grew 7.5%/ -9.0%/ -16.4%, respectively, to INR67b/7.9b/4.1b, respectively. For the remainder of FY26, we expect each of these metrics to grow ~11%/8%/-5%, respectively, to INR68b/INR8.1b/INR3.7b.

Highlights from the management commentary

- OEM volumes across both 4W and 2W grew ~30% YoY, supported by strong festive season demand and pre-buying following GST revisions. Management expects growth to normalize to industry levels in subsequent quarters.
- Management reiterated its confidence in sustaining high single-digit growth in the lead-acid business and scaling the new energy business to contribute 7-8% of total revenue by FY27.
- Management guided for further improvement in the coming quarters, as the tubular battery plant ramps up to full capacity in 3Q and the battery recycling facility commences operations in 4QFY26.

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

- The company aims to restore consolidated EBITDA margins to 13-14% over time, driven by operational efficiencies, backward integration through recycling, and cost normalization.
- FY26 outlay of INR13b is planned. Of this, about INR6b is likely to be invested in the lead acid battery business (including tubular plant and battery breaking operations) and another INR7b is likely to be invested in the cell manufacturing facility.
- The company is likely to incur capex of INR3.5-4b for its lead acid business in FY27E, and INR10b for its cell manufacturing facility.

Valuation and view

- ARENM's venture into the lithium-ion business is strategically sound, given the opportunities in the segment and risks facing its core business. However, there are notable challenges: 1) market opportunities are limited by existing OEM partnerships; 2) the low-margin nature of the lithium-ion business is likely to dilute returns; and 3) the long-term viability of the technology remains uncertain despite the large capital investment.
- While the market is optimistic about ARENM's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 23.0x FY26E/19.6x FY27E EPS, appears fairly valued. Therefore, we reiterate a Neutral rating with a TP of INR940, based on 15x standalone EPS and Investment in New Energy business valued at INR 131 per share.

Quarterly Performance- SA **(INR M)**

Y/E March (INR m)	FY25				FY26E				FY25	FY26E		VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
Net Sales	**31,312**	**31,358**	**31,640**	**29,739**	**33,499**	**33,882**	**34,488**	**33,405**	**1,24,049**	**1,35,274**	**33,553**	**1.0**
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	8.0	9.0	12.3	10.2	9.0	7.0	
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	67.2	69.0	68.9	67.8	68.9	69.5	-230bp
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.6	5.8	5.7	6.0	6.0	6.0	60bp
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	14.2	13.2	13.4	13.1	13.2	12.5	170bp
EBITDA	**4,304**	**4,407**	**4,158**	**3,422**	**3,867**	**4,059**	**4,139**	**4,033**	**16,291**	**16,098**	**4,026**	**0.8**
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.0	12.0	12.1	13.1	11.9	12.0	0bp
Depreciation	1,183	1,220	1,233	1,284	1,292	1,380	1,390	1,399	4,921	5,461	1,298	**6.3**
Interest	90	131	107	95	104	83	115	149	422	450	110	**-24.9**
Other Income	256	185	293	200	139	241	180	139	933	700	135	**78.4**
PBT before EO expense	**3,287**	**3,240**	**3,111**	**2,244**	**2,610**	**2,838**	**2,814**	**2,625**	**11,881**	**10,886**	**2,753**	**3.1**
Extra-Ord expense	0	0	-1,111	0	0	-1,218	0	0	-1,111	-1,218	0	
PBT after EO	**3,287**	**3,240**	**4,222**	**2,244**	**2,610**	**4,056**	**2,814**	**2,625**	**12,992**	**12,104**	**2,753**	**47.3**
Tax	841	833	1,103	576	670	1,032	715	1,009	3,353	3,425	688	
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.4	25.4	38.5	25.8	28.3	25.0	
Adj PAT	**2,446**	**2,407**	**2,298**	**1,668**	**1,940**	**2,116**	**2,099**	**1,615**	**8,815**	**7,805**	**2,065**	**2.5**
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-12.1	-8.7	-3.2	-2.7	-11.5	-14.2	

E: MOFSL Estimates

Key takeaways from the management commentary

Result highlights

- ARENM’s revenue rose 8% YoY to INR33.9b, driven by robust OEM demand in both 4W and 2W segments, healthy traction in industrial and lubes, and a strong growth in the new energy business.
- Revenue from the core lead-acid segment stood at INR32.97b, up 4.7% YoY, supported by strong OEM demand across 4W and 2W segments (+30% YoY). Aftermarket volumes remained stable (while 4W was flat, 2W grew 1-2% YoY) due to temporary GST-related channel destocking, while industrial demand was mixed with telecom volumes declining 35% YoY but UPS volumes growing modestly at 5%.
- The lubricants business crossed INR500m in quarterly revenue, showcasing continued momentum.
- The new energy division reported a sharp rise in revenue to INR1.7b, driven by strong traction in telecom lithium packs (150 MWh supplied) and continued momentum in EV chargers, where the order book crossed 5,000 units. The company has also begun commercial supplies of LFP-based 3W battery packs.
- Export revenue remained muted due to tariff uncertainties and logistical disruptions. The company expects a gradual recovery as global trade conditions stabilize in 2HFY26.
- Gross margins expanded sequentially in 2QFY26, aided by a favorable product mix, lower antimony prices (down ~10%), and reduced trading of tubular batteries as in-house production ramped up. However, elevated warranty and EPR provisions partly offset these gains.
- However, reported PAT grew 25.4% YoY on account of an exceptional gain of INR1.2b as reimbursement for an insurance claim. Adjusted for one-offs, PAT declined 12.1% YoY to INR2.1b

Auto demand outlook

- **Demand outlook**: OEM volumes across both 4W and 2W grew ~30% YoY, supported by strong festive season demand and pre-buying following GST revisions. Management expects growth to normalize to industry levels in subsequent quarters.
- Replacement demand remained stable, impacted temporarily by channel inventory corrections post-GST rate changes. Retailers are expected to resume normal stocking in the coming quarters.
- UPS volumes grew 5% YoY, while telecom lead-acid demand declined ~35%, offset by higher lithium telecom pack sales. Combined, telecom and UPS make up ~20% of the company’s total revenue base.
- Export remained muted due to tariff challenges and weaker demands in some of the markets. ARENM continues expanding its international footprint, with new offices in Dubai, and the first Amaron pit stops launched in Qatar and Morocco.
- Management reiterated confidence in sustaining high single-digit growth in the lead-acid business and new energy business to contribute 7–8% of total revenue by FY27.

Margin outlook

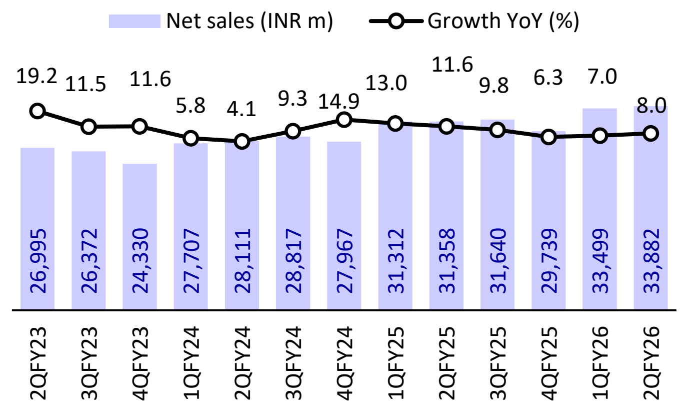
- Management has indicated that rising lead price remains a concern in the near term.
- However, over the medium term, management guided for further margin improvement as the tubular battery plant ramps up to full capacity in 3Q and the battery recycling facility commences operations in 4QFY26.
- The company aims to restore consolidated EBITDA margins at 13–14% over time, driven by operational efficiencies, backward integration through recycling, and cost normalization.
- Warranty and EPR related costs are unlikely to be recurring expenses.

Capex guidance

- FY26 outlay of INR13b is planned. Of this, about INR 6b is likely to be invested in the lead acid battery business (including tubular plant and battery breaking operations) and another INR 7b is likely to be invested in the cell manufacturing facility. Of this, they have invested INR 4b in H1.
- About INR 12b is invested in the new energy business so far.
- The company is likely to incur capex of INR3.5-4b in the lead acid business in FY27E, and INR10b in its cell manufacturing facility.
- The advanced lead recycling plant (1.5 lakh MTPA) has commenced refinery operations. The battery-breaking operations are scheduled to begin in 4QFY26, enhancing lead recovery.

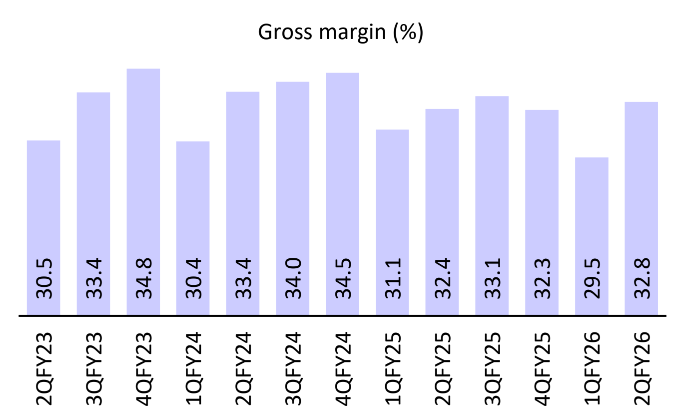
Key exhibits

Exhibit 1: Trend in revenue and growth



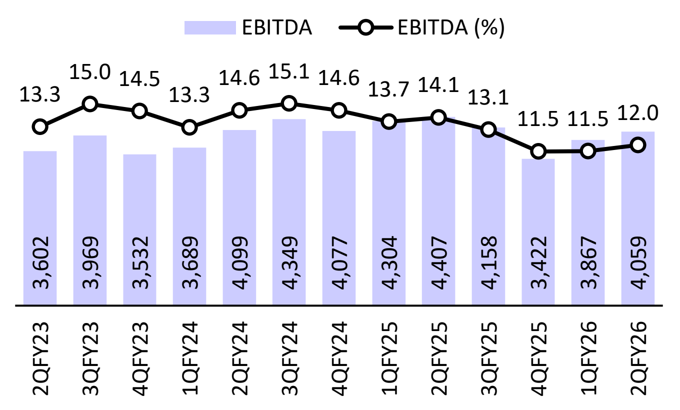
Source: Company, MOFSL

Exhibit 2: Gross margin impacted by RM cost inflation



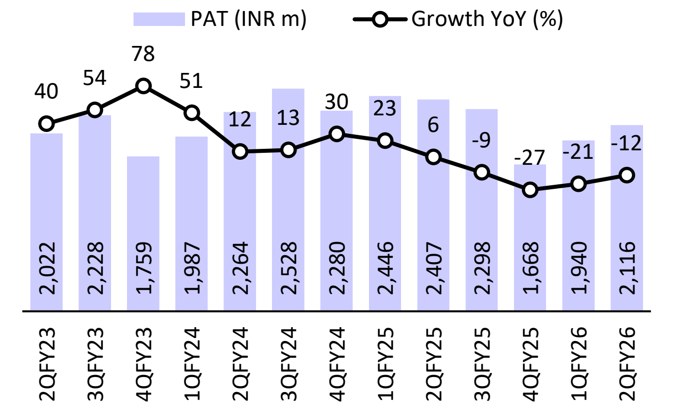
Source: Company, MOFSL

Exhibit 3: Trend in EBITDA and EBITDA margin



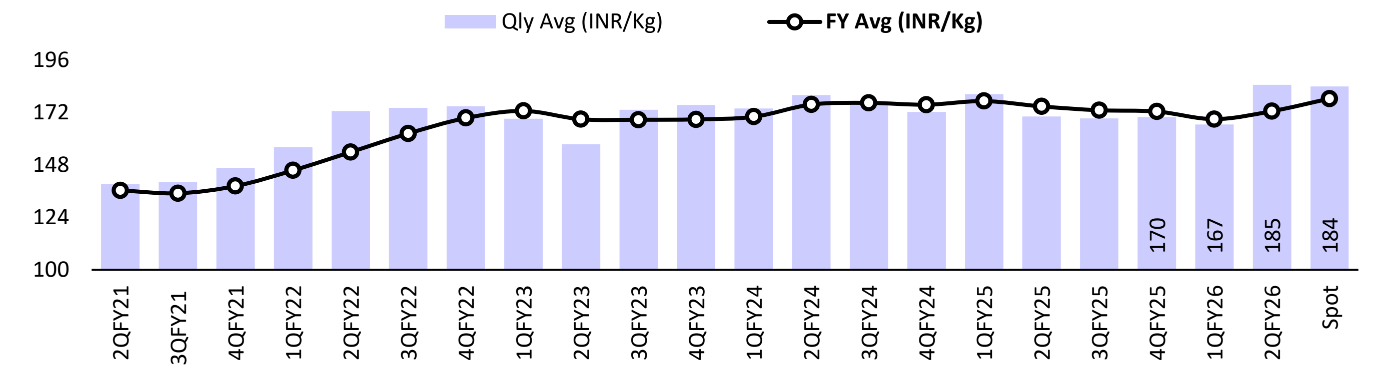
Source: Company, MOFSL

Exhibit 4: PAT and growth trend



Source: Company, MOFSL

Exhibit 5: Trend in spot lead prices (INR/kg)



Source: Bloomberg, MOFSL

Valuation and view

- **ARENM to emerge as one of the beneficiaries of a steady outlook in LAB:** The outlook on both auto and industrial segments has improved post the GST rate cuts. In the auto segment, steady growth posted by the industry over the last three years is expected to translate into healthy replacement demand in the coming years. The industrial segment is expected to benefit from the surge in demand for power backup for data centers. Thermal power generation is seeing a comeback and should see strong incremental demand with growth visibility for the next 5-6 years. Given its strong position in LAB in both auto and industrial segments, we expect the company to emerge as a beneficiary of the healthy demand outlook in the industry.
- **Foray into lithium-ion will have its own challenges**: Given the significant imminent risk to its core business, the company has forayed into the manufacturing of lithium-ion cells in partnership with a Chinese major. The total capex outlay will be INR95b over a 10-year period, which will have an eventual cell manufacturing capacity of 16 GWh. While ARENM can fund the initial couple of years of this project through internal accruals, we expect the company will need to raise funds to finance the remaining project. Further, we think the company's foray into lithium-ion cell manufacturing is likely to see multiple challenges in the coming years, which include: 1) most domestic PV OEMs either having their own lithium-ion manufacturing plans or having existing tie-ups, limiting ARENM's potential addressable market in this space; 2) given ARENM is setting up a greenfield in this segment without prior experience, we expect its facility to take at least a couple of years to stabilize operations as it goes through its testing and validation phase initially for interested OEMs; 3) since lithium-ion cell manufacturing is a low-margin business, we expect this business to be return-dilutive for ARENM in the long run, even if this venture is successful; and 4) given that it is still not certain if the lithium-ion cell technology will emerge as a sustainable technology in the long run, we think the outcome of this venture remains highly uncertain at this stage, despite the significant capital commitment required.
- **Valuations fair; reiterate our Neutral rating:** We cut our FY26/FY27 EPS estimates by 6%/8.5% to factor in continued margin pressure in 2Q. While the market is optimistic about ARENM's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 23.0x FY26E/19.6x FY27E EPS, appears fairly valued. Therefore, we maintain a Neutral rating with a TP of INR940, based on 15x FY27E standalone EPS and Investment in New Energy business valued at INR 131 per share.

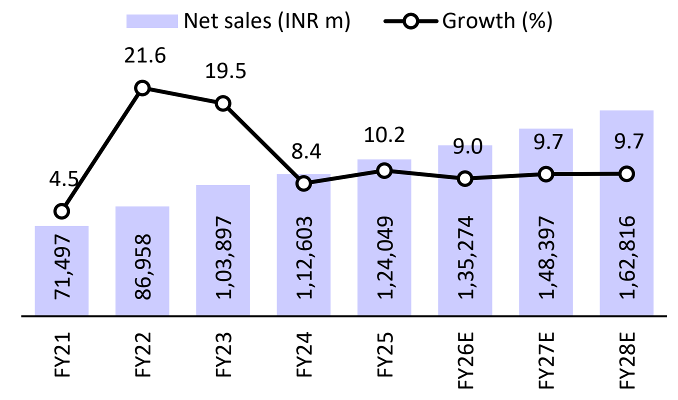
Exhibit 6: Revisions to our estimates

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	135,274	135,274	0.0	148,397	148,397	0.0
EBITDA (%)	11.9	12.0	-10bp	12.5	12.8	-30bp
Net Profit	7,805	8,304	-6.0	9,160	10,008	-8.5
EPS (INR)	42.7	45.4	-6.0	50.1	54.7	-8.5

Source: MOFSL

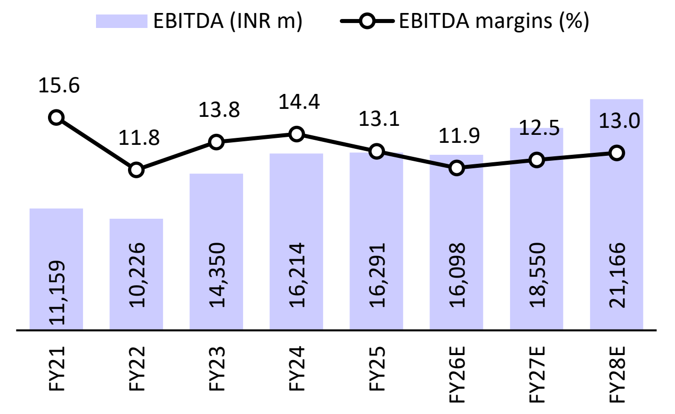
Story in charts

Exhibit 7: Trend in revenue



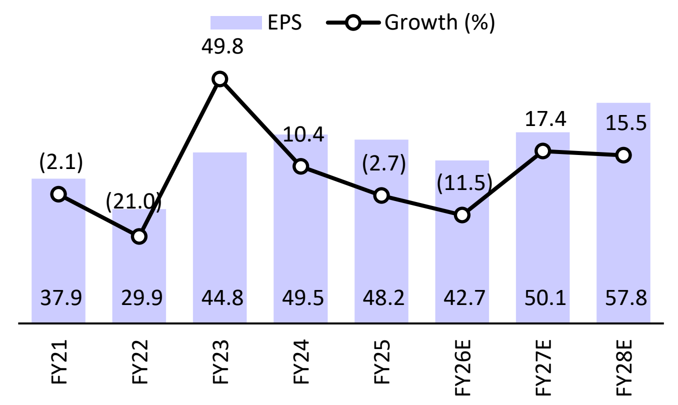
Source: Company, MOFSL

Exhibit 8: EBITDA and EBITDA margin trend



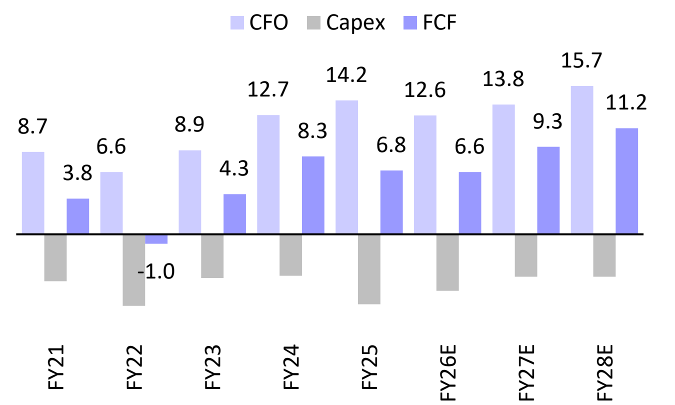
Source: Company, MOFSL

Exhibit 9: Earnings likely to see a rebound from FY27E



Source: Company, MOFSL

Exhibit 10: Trend in CFO, capex, and FCF



Source: Company, MOFSL

Financials and valuations

Standalone - Income Statement (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**71,497**	**86,958**	**103,897**	**112,603**	**124,049**	**135,274**	**148,397**	**162,816**
Change (%)	4.5	21.6	19.5	8.4	10.2	9.0	9.7	9.7
EBITDA	**11,159**	**10,226**	**14,350**	**16,214**	**16,291**	**16,098**	**18,550**	**21,166**
Margin (%)	15.6	11.8	13.8	14.4	13.1	11.9	12.5	13.0
Growth	1.6	-8.4	40.3	13.0	0.5	-1.2	15.2	14.1
Depreciation	3,192	3,957	4,504	4,787	4,921	5,461	5,787	6,152
EBIT	**7,967**	**6,269**	**9,846**	**11,427**	**11,370**	**10,636**	**12,762**	**15,014**
Int. and Finance Charges	105	151	296	332	422	450	600	770
Other Income - Rec.	874	780	897	1,015	933	700	560	448
PBT bef. EO Exp.	**8,736**	**6,898**	**10,447**	**12,110**	**11,881**	**10,886**	**12,722**	**14,692**
EO Expense/(Income)	0	0	477	0	-1,111	0	0	0
PBT after EO Exp.	**8,736**	**6,898**	**9,970**	**12,110**	**12,992**	**10,886**	**12,722**	**14,692**
Current Tax	2,265	1,786	2,620	3,191	3,259	2,830	3,308	3,820
Deferred Tax	0	0	43	-140	93	250	254	294
Tax Rate (%)	25.9	25.9	26.7	25.2	25.8	28.3	28.0	28.0
Reported PAT	**6,470**	**5,112**	**7,307**	**9,059**	**9,639**	**7,805**	**9,160**	**10,578**
PAT Adj for EO items	**6,470**	**5,113**	**7,656**	**9,059**	**8,815**	**7,805**	**9,160**	**10,578**
Change (%)	-2.1	-21.0	49.8	18.3	-2.7	-11.5	17.4	15.5

Standalone - Balance Sheet (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	171	171	171	183	183	183	183	183
Total Reserves	41,932	45,343	59,886	67,504	73,600	79,941	87,454	96,110
Net Worth	**42,103**	**45,514**	**60,056**	**67,687**	**73,783**	**80,124**	**87,637**	**96,293**
Deferred Liabilities	407	314	1,036	885	732	983	1,237	1,531
Total Loans	234	234	2,014	1,527	2,583	3,800	5,700	7,100
Capital Employed	**42,744**	**46,062**	**63,106**	**70,098**	**77,098**	**84,906**	**94,574**	**104,924**
Gross Block	38,628	42,498	57,236	59,035	63,199	69,199	73,699	78,199
Less: Accum. Deprn.	14,081	17,575	20,354	23,532	28,452	33,914	39,701	45,853
Net Fixed Assets	**24,548**	**24,923**	**36,882**	**35,503**	**34,747**	**35,285**	**33,998**	**32,346**
Capital WIP	3,993	8,297	2,343	3,217	8,441	8,441	8,441	8,441
Total Investments	**2,805**	**778**	**4,860**	**14,791**	**19,979**	**27,979**	**37,979**	**47,979**
Curr. Assets, Loans&Adv.	**26,625**	**29,761**	**35,288**	**34,833**	**36,763**	**36,440**	**39,686**	**44,226**
Inventory	14,382	18,038	16,752	18,095	20,364	21,496	23,581	25,872
Account Receivables	7,875	7,926	7,797	10,171	11,428	11,860	13,010	14,274
Cash and Bank Balance	967	343	894	892	1,528	379	127	823
Loans and Advances	3,401	3,455	9,845	5,674	3,443	2,705	2,968	3,256
Curr. Liability & Prov.	**15,227**	**17,697**	**16,267**	**18,245**	**22,832**	**23,239**	**25,530**	**28,068**
Account Payables	7,465	8,065	7,514	8,398	10,465	11,489	12,604	13,828
Other Current Liabilities	5,623	7,177	6,005	6,924	8,863	9,469	10,388	11,397
Provisions	2,140	2,455	2,749	2,923	3,503	2,281	2,539	2,842
Net Current Assets	**11,398**	**12,064**	**19,021**	**16,588**	**13,931**	**13,201**	**14,156**	**16,158**
Appl. of Funds	**42,744**	**46,062**	**63,106**	**70,098**	**77,098**	**84,906**	**94,574**	**104,924**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**37.9**	**29.9**	**44.8**	**49.5**	**48.2**	**42.7**	**50.1**	**57.8**
Growth	-2.1	-21.0	49.8	10.4	-2.7	-11.5	17.4	15.5
Cash EPS	56.6	53.1	71.2	75.7	75.1	72.5	81.7	91.4
BV/Share	246.5	266.5	351.6	369.9	403.2	437.8	478.9	526.2
DPS	11.0	4.5	6.1	9.9	11.3	8.6	9.6	11.3
Payout (%)	29.0	15.0	14.3	20.0	19.9	18.8	18.0	18.2
Valuation (x)								
P/E	25.9	32.7	21.9	19.8	20.3	23.0	19.6	17.0
Cash P/E	17.3	18.5	13.8	13.0	13.1	13.5	12.0	10.7
P/BV	4.0	3.7	2.8	2.6	2.4	2.2	2.0	1.9
EV/Sales	2.3	1.9	1.6	1.5	1.4	1.3	1.2	1.1
EV/EBITDA	14.9	16.4	11.7	10.4	10.3	10.6	9.3	8.2
Dividend Yield (%)	1.1	0.5	0.6	1.0	1.1	0.9	1.0	1.1
FCF per share	17.9	-7.4	28.8	47.8	34.5	36.1	50.7	61.5
Return Ratios (%)								
RoE	16.5	11.7	14.5	14.2	12.5	10.1	10.9	11.5
RoCE	16.4	11.8	14.4	14.0	12.4	10.0	10.7	11.2
RoIC	19.0	13.0	15.7	16.1	17.2	16.0	19.1	22.6
Working Capital Ratios								
Inventory (Days)	73.4	75.7	58.9	58.7	59.9	58.0	58.0	58.0
Debtor (Days)	40	33	27	33	34	32	32	32
Creditor (Days)	38	34	26	27	31	31	31	31
Working Capital Turnover (Days)	53	49	64	51	36	35	35	34
Leverage Ratio (x)								
Current Ratio	1.7	1.7	2.2	1.9	1.6	1.6	1.6	1.6
Interest Cover Ratio	76	42	33	34	27	24	21	19

Standalone - Cash Flow Statement (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net P/L Before Tax and E/O Items	8,733	6,898	10,447	12,110	12,992	10,886	12,722	14,692
Depreciation	3,192	3,957	4,504	4,787	4,921	5,461	5,787	6,152
Interest & Finance Charges	105	151	-601	-684	-511	-250	40	322
Direct Taxes Paid	1,995	1,993	2,563	3,289	3,283	3,081	3,562	4,114
(Inc)/Dec in WC	-1,301	-2,406	-2,866	-271	85	-418	-1,207	-1,306
CF from Operations	**8,734**	**6,607**	**8,921**	**12,654**	**14,204**	**12,599**	**13,780**	**15,746**
Others	-714	-277	641	488	-452	0	0	0
CF from Operating incl EO	**8,020**	**6,329**	**9,562**	**13,142**	**13,752**	**12,599**	**13,780**	**15,746**
(inc)/dec in FA	-4,964	-7,598	-4,647	-4,401	-7,440	-6,000	-4,500	-4,500
Free Cash Flow	**3,056**	**-1,268**	**4,915**	**8,741**	**6,312**	**6,599**	**9,280**	**11,246**
(Pur)/Sale of Investments	-14,598	-13,440	-27,976	-35,190	-37,490	0	0	0
Others	13,212	16,219	24,731	28,871	33,386	-7,300	-9,440	-9,552
CF from Investments	**-6,350**	**-4,819**	**-7,892**	**-10,720**	**-11,543**	**-13,300**	**-13,940**	**-14,052**
(Inc)/Dec in Debt	-321	-359	-377	-871	583	1,467	2,154	1,694
Interest Paid	-40	-67	-161	-188	-253	-450	-600	-770
Dividend Paid	-854	-1,708	-581	-1,367	-1,904	-1,464	-1,647	-1,922
CF from Fin. Activity	**-1,215**	**-2,135**	**-1,119**	**-2,425**	**-1,573**	**-447**	**-93**	**-998**
Inc/Dec of Cash	**455**	**-624**	**551**	**-2**	**636**	**-1,149**	**-253**	**696**
Add: Beginning Balance	512	967	343	894	892	1,528	379	127
Closing Balance	**967**	**343**	**894**	**892**	**1,528**	**379**	**127**	**823**

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.