

Motilal Oswal values your support in the Asiamoney Brokers Poll 2023 for India Research, Sales, Corporate Access and Trading team.

We [request your ballot.](#)



Soft demand outlook; focus on long-term growth

We hosted a retail investor day, which saw reception far more than our expectation. Following are the key highlights from our meetings:

- The softness in demand environment suggests an early onset of EOSS to effectively manage and clean up the inventory.
- As yarn pricing cools off, companies will look to pass on the benefits, aiding demand revival.
- We can expect improved store-level performance in various segments as companies look to increase their penetration beyond Tier 1 cities with sharper store sizes.

Players resort to discounting for inventory clean up

Almost every lifestyle company indicated that the demand scenario continues to remain soft across product categories, price ranges, and geographical regions. While April-May'23 has possibly seen more pronounced impact due to the higher base of last fiscal, clearly footfalls have been weak. Although revenue trends have been better in June, it continues to remain modest. Many retailers have indicated that an early initiation of EOSS is necessary to address the high inventory levels. Last year, strong demand resulted in limited EOSS. However, this approach may translate to a.) lower margins and b.) and potentially higher inventory at the system level.

Softening RM pricing could aid margins or be passed on to stimulate demand recovery

RM prices, particularly that of cotton yarn, are softening. Although most companies are hesitant to pass on the savings to reduce ASPs, we expect the retailer/brands to lower the prices in the upcoming AW'24 season. The weak demand will compel them to do so in order to revive demand. Further, being a price taker, each company will have to follow the market trends. There is a possibility of demand revival from 3QFY24 due to lower overall inflation, price reductions and the festive period. However, there is limited visibility around the same at the moment.

Market is shifting to modern retail with healthy store economics

Notably, all brands across price ranges and fashion styles have been hinting at aggressively expanding their exclusive brand outlets (EBOs) network. However, there is no significant plan for expanding multi-brand outlets (MBOs) and large format stores (LFS) channels. This is a notable shift from the pre-covid era, as the expansion of EBOs is no longer limited to premium brands and larger tier cities. This indicates a clear sign of value migration from MBOs to EBOs. Additionally, retailers are achieving healthy store-level EBITDA of 20% or more even in tier 2-3 cities with robust store productivity (similar or higher than top tier cities) and lower rental costs. The only consideration is that store sizes are relatively smaller, at ~1,000 sq. ft., to accommodate lower footfalls in smaller cities. But this has significantly increased the target number of cities where organized retailers/brands can effectively establish their presence.

Opportunity across brands and price points

In our conference, we observed healthy growth targets from brands with revenue sizes ranging from INR5b-10b. These brands are expecting a substantial growth rate of 18-20%. In the listed space, brands such as Killer (Kewal Kiran), Monte Carlo, Cantabil, Indian Terrain, Raymond, and Arvind Fashion indicated healthy growth targets, led by the EBO channel expansion. Further, in the unlisted space, Pepe and Spykar brands had steady growth targets.

Favorable valuation metrics observed in many companies

In contrast to our listed coverage, where valuations remain at elevated levels due to established business models and significant growth potential, the listed companies attending our conference were valued at much more reasonable multiples. These companies were operating at ~50% discount to our coverage universe. Based on the average growth projection of 18-20% indicated by all the players, they are valued at P/E and EV/EBITDA of 24x/10x on FY25 basis (blended basis).

Exhibit 1: Snapshot of details on retail coverage universe

	Reco	M.Cap (INR b)	CMP (INR)	Revenue (INR b) FY23	Revenue (INR b)		EBITDA margins (%)		PAT (INR m)		ROE (%)		ROCE (%)		P/E		EV/EBITDA	
					FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Retail																		
DMART	Buy	2,556	3,946	428	536	689	9	9	29,332	39,706	17	19	16	19	87	64	54	41
Apparel																		
Trent	Buy	599	1,685	82	108	137	15	15	7,784	10,430	26	27	14	15	77	57	40	31
ABFRL	Neutral	200	211	124	148	173	13	14	317	806	1	2	6	7	674	265	14	12
VMART	Buy	42	2,124	25	29	35	13	13	536	1,249	6	13	6	9	95	41	17	13
Shoppers Stop	Neutral	109	785	40	46	52	18	19	1,739	2,366	55	45	13	13	38	28	13	11
Vedant Fashions	Buy	329	1,354	14	16	20	50	50	5,198	6,360	19	27	33	33	58	40	37	31
Footwear																		
Metro Brands	Buy	262	966	21	26	33	29	31	4,047	5,448	24	28	17	19	65	48	35	26
Campus Activewear	Buy	98	319	15	17	21	19	21	1,633	2,342	23	25	20	22	60	42	30	22
Relaxo	Neutral	229	919	28	32	39	15	17	2,605	3,631	13	17	13	15	88	63	47	35
Bata India	Neutral	208	1,617	35	39	44	14	16	4,052	5,259	25	25	17	18	51	40	23	19
QSR																		
Devyani	Buy	219	182		39	48	23	24	3,292	4,309	29	30	16	17	68	52	24	19
Sapphire	Buy	89	1,395		29	35	20	21	1,374	2,040	10	14	10	11	64	43	15	11
Jubilant	Buy	321	486		57	65	23	24	4,461	5,975	18	25	12	14	72	54	24	20
Westlife	Neutral	131	842		27	32	17	17	1,464	2,033	23	25	12	13	90	65	32	26
Barbeque	Neutral	26	657		14	16	19	20	398	511	9	10	8	9	64	50	12	10

Source: Company, MOFSL

Exhibit 2: Snapshot of details on retail coverage universe

INR m	Arvind Fashions				Cantabil Retail India				Indian Terrain Fashions				Kewal Kiran Clothing				Monte Carlo Fashions				PDS				Raymond				Spykar Jeans			
	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR	FY20	FY22	FY23	CAGR
Revenue	38.7	22.0	44.2	4.6	3.4	3.8	5.5	17.8	3.7	3.4	5.0	10.6	5.3	3.0	6.1	4.7	7.3	9.0	11.2	15.5	66.5	88.3	105.8	16.7	64.8	61.8	82.2	8.2	3.7	3.9	6.1	17.7
EBITDA	-1.2	1.8	4.5		0.9	1.1	1.6	24.5	0.3	0.3	0.6		1.0	0.2	1.0		1.2	1.8	2.2		2.0	3.3	4.6	31.0	5.2	7.1	12.0	32.5	0.3	0.4		
Margins	-3.0	8.2	10.2		25.1	29.2	29.7		7.6	8.0	11.2		17.9	6.2	16.5		17.1	20.1	19.5		3.1	3.8	4.3		8.0	11.4	14.6		7.8	9.9		
PAT	-6.9	-1.0	0.9		0.2	0.4	0.7		-0.1	-0.0	0.1		0.7	0.2	0.8		0.6	1.1	1.3		0.8	2.9	3.3	59.2	2.0	2.7	5.4	38.5	-0.0	0.2		-
PAT Margins	-17.9	-4.7	2.0		4.7	9.9	12.1		-2.7	-0.6	1.4		13.8	6.3	13.5		8.7	12.6	11.9		1.2	3.3	3.1		3.1	4.3	6.5		-0.2	5.1		
ROCE	-18.1	0.6	8.8		17.0	22.0	25.0		3.0	3.0	12.0		20.0	21.0	-		17.0	22.0	20.0		14.0	25.0	25.0		9.0	13.0	22.0		11.6	19.2		
CAGR (%)																																



Key highlights from management commentary:

KKCL

- **New growth engine:** Over the last few years, it has been focused on a) product category extension b) expansion of reach through EBO and online channel c) aggressive marketing, trade shows, and branding to drive growth.
- **Healthy growth targets:** It aims to increase sales by 18–20% while maintaining an EBITDA margin of 18–20% and adding 80-100 EBOs per annum. It expects an annual capex of INR300-350m for the next two years.
- **Weak demand Environment:** The demand environment continues to be weak, therefore Killer had to participate in the EOSS along with its peers. It expects recovery post 2QFY24.
- **Healthy store economics:** The average store size is between 600sqft and 800 sqft and the capex per sqft is between INR4,000 and INR5,000 with a payback period of around 3-3.5 years. The store usually generates 18% ROCE in the first year, 21-22% in the second year, and 24% there onwards.



Pepe

- **Market sizing:** The Jeans wear industry size is around INR150-160b, and is categorized into three segments a) Super premium to luxury (>INR6000 ASP), b) Premium segment (INR3000-6000 ASP), and c) standard segment (<INR3000). Pepe caters to the premium segment and its market size is INR70-80b.
- **Targeting lower price segment:** The company has introduced a sub brand under Pepe named – ‘Beat London’ to tap the standard market of ASP < INR3,000. The gross margin for the new brand is 400-500 bp lower than Pepe.
- **Passing lower RM costs:** As the RM price is normalizing from the peak of 15-20% higher level, Denim players have started passing on lower prices (to the tune of 5-10%) from June’23 onwards.
- **Weakening demand:** The demand has weakened in the mass segment from 2QFY23, while even the premium segment witnessed demand weakness from Mar’23. Apr-May’23 was tough. But Jun’23 was better and expected to improve post the festive season.



Spykar Jeans

- **Financial Metrics:** Revenues for FY23 improved YoY to INR6.1b (INR3.8b for FY22), backed by better pricing (20% hike in denim category undertaken) and a volume growth of ~45%. The Gross/EBITDA (Pre-Ind AS 116) margin stood at 44%/12%.
- **Steady industry growth:** The denim industry has historically witnessed 15-16% growth. Segment-wise, the company sees the highest growth opportunity within the lower price point category, followed by the premium category.
- **Growth strategy:** Going ahead, the company looks to open net 50 stores (60 stores gross adds) annually. The company operates ~270 retail outlets, majorly on the COFO model, where the inventory and lease stands with the company, but capex is done by the franchisee.
- **New category launch:** The company is planning to expand in the inner wear segment along with increased focus on Women wear, given the lack of presence of organized denim players. This is a lower margin product and being a Men’s



brand, it will look to grow this category through the LFS model to attract customer offtake.

- **Low leverage:** The company has a debt of ~INR1.7b as on date with a leverage ratio of less than 1x.

Arvind Fashion

- **Steady growth:** The company has guided revenue growth to range between 12% and 15%, aiming to achieve an annual run rate of INR10b for all its brands.
- **Improving margins:** It expects EBITDA margin to improve 100-200bp in the next two years to 10% EBITDA (pre-INDAS 116) and PBT margin to hover around mid-single digits. This improvement will be toward Emerging brands segment (currently 6% EBITDA margin), while the Power brands is expected to sustain its current 12-13% EBITDA margin.
- **Leaner Balance sheet:** The company expects to attain Net Cash position in the next two to three years as the improved profitability and positive FCF will be utilized toward payment of debt. The company expects its annual capex to be in the range of ~INR1b as it continues to grow through FOFO model.
- **Healthy ROCE:** The company has attained an ROCE of ~15%, backed by improved focus on profitability. It further stated that it is well on target to reach closer to 20% ROCE mark by FY24.
- **Focus on Beauty segment:** The beauty brand Sephora, is in conversation to receive online distribution rights along with its existing offline distribution rights to its accelerate growth.



Monte Carlo

- **Softening Demand:** Following a period of flattish SSSG in April-May'23, there has been some recovery since Jun'23. This recovery is expected to be supported by the anticipated softening of inflation and potential interest rate cuts. However, there is a possibility of an early EOSS, given the lower product uptake.
- **Growth plans:** Revenue growth guidance of 18-20% over the next three years to reach INR20b, with the growing mix of summer wear. The growth will be led by a) footprint addition as it looks to add 50-60 store adds in FY24 and 70-80 stores in subsequent years, and b) category extension toward the home textile, targeting INR5b revenue in the next four years.
- **Capex plans for new category:** The company indicated a capex of INR1b toward the Jammu division of Home textile, which is expected to commence in FY25. The company expects a revenue potential of INR2b from this division. As a result of internal sourcing, the company projects an improvement in home textile margins from 13% to ~20%.
- **Normalizing WC:** The increase in inventory days by 30 days as on Mar'23 was primarily due to delayed winter. However, the company expects this to normalize to 120 days in the coming period.
- **Inorganic opportunities:** The company continues to seek inorganic opportunities that operate at EBITDA margins exceeding 18-20%. It is open to exploring various categories such as shoes and bags as long as it does not result in cannibalization of its in-house brand.



Indian Terrain

- **Weak Demand:** The demand environment continues to remain weak, but there are indications of a potential pickup from Aug'23. The company foresees a revival in demand from 3QFY24.
- **Growth plans:** The management has guided revenue to reach INR7.5b from INR5b in FY23 with EBITDA margin improving to 14% from 12%. The company looks to add 30 stores annually and will focus on expanding through the COFO model within Metro and Tier 1 cities, where the location is strategic.
- **Passing reducing RM price:** In FY23, the company increased ASP by INR200, resulting in stagnant volumes. However, in the current fiscal, the company undertook a 15% price cut, passing on the benefits of lower cotton pricing. Furthermore, based on the stability of raw material prices, the company is open to further reducing prices in order to stimulate demand.
- **Healthy store economics:** The average store size stands at ~800sqft/stores, with a capex and inventory of INR2,500 per sqft each (3-4 month inventory). Revenue per store stands at INR8m (INR 10,000/sqft).



Cantabil

- **Industry demand levers:** The expansion of the retail industry in India will be fueled by: b) under-penetration of the organized retail market; and c) an increase in consumer fashion sense and brand awareness. The management anticipates a turnaround after the upcoming holiday season (3QFY24).
- **Growth plans:** The company expects a revenue CAGR of 21% over FY23-25, with INR7b/ INR8b revenues in FY24/ FY25. The growth will be driven by the addition of 80 new stores annually, resulting in a total of 690 stores by FY26, compared to the current 458 stores. This implies a 15% CAGR in store additions. Additionally, the company aims to maintain a steady SSSG rate of 7-8% each year.
- **Improving margin profile:** The company aims to maintain its current EBITDA margin levels of 23-24% and 12% PAT margin with a potential to add another 100 bp in the future.
- **Store economics:** The average store size stands at 1,200 sqft with a capex of INR2.5m (INR 2k/sqft) and the WC of INR 2.5-3m (INR2k/sqft). Average sales/store is about INR12.5m (INR10k/sqft) with a store payback period of 2-2.5 year.



PDS Ltd

- **Global demand bottoming:** The management expects the slowdown in global demand to bottom out from 2HFY24 onwards. Orders for Spring Summer'24 season in the next one month should provide better clarity on the demand scenario.
- **Growth guidance:** The company has guided revenue growth to range between mid-teens for the next five years with PAT margins of 5% from its current 3.5%. It further indicated that the sourcing as a service revenue share is expected to improve to 8-10% going ahead from its current 1%, which could help drive up margins as well.
- **Financial Metrics:** The company's revenue as on FY23 stood at ~INR105b, of which, 90% share came in from design-led sourcing segment. The company



operates at 16%/5.5%/3% Gross/EBITDA/PAT margins. The softening in cotton pricing is further expected to improve the margins in the coming period

- **Lower concentration risk:** The company maintains a healthy customer mix, with ~10% of revenue coming from the largest customer and the top 10 accounts contributing to around ~70% of the total revenue. Moreover, the company operates with a negative working capital model, leveraging bank recourse for ~90% of the debtors. Additionally, credit insurance is in place to provide coverage for customers.

Raymond

- **Focus on financial health:** The company has reset the business model by 1.) reducing the opex by INR 9b, with INR 4b attributed to sustainable cost reductions, 2) improving net working capital (NWC) management, 3) reducing net debt, 4) entering the real estate (RE) business by monetizing land assets. These measures have contributed to improved liquidity and fueled growth for the company.
- **FMCG business sold:** The company has recently sold its FMCG business for INR28.5b, which has facilitated debt repayment. The target is to demerge the lifestyle business and list it as a separate entity.
- **Limited capex needs:** There won't be any significant amount of capex in the lifestyle business, given the FOFO model. The company expects to add 500 new stores in the next two years, including TRS and 4 brands.



Belgian Waffle

- **Footprint:** The Belgian waffle is present across 170 cities with 430 stores and targets to add 15+ stores/month. It has closed 10 stores in FY23. The brand primarily targets customers in the range of 15-30 years.
- **Store economics:** An average store generates INR 7.5-9.5m with 18-20% margin at franchisee level and 30% at the COCO level. The average store size is 150-300sqft. The average payback period is less than 15 months.
- **Limited demand concerns:** The company does not perceive any weakness in the market environment. It generated 25% SSSG in FY23. Additionally, the company maintains food cost discipline by periodically revising pricing strategies.
- **Warehousing:** The company develops recipes, while the management of supply chain is outsourced. It works with a single vendor based in Mumbai for its supply chain operations. The company operates a 10k sqft warehouse in Mumbai and 5k sqft in Delhi. The Delhi WH caters to the Delhi-NCR region, while the Mumbai WH caters to the entire India market.



Jumboking

- **Growth plans:** Operating on a fully franchisee model, the GMV was INR1.3b in FY23 with 150 stores as of Jun'23. The target is to add 70-100 stores annually and FY24 revenue expectation stands at INR1.65b. Its FY30 vision is to reach GMV INR10b.
- **Asset-light model:** The company operates on a fully asset-light model, relying entirely on franchisees. Manufacturing is completely outsourced to Vista. The company targets locations near metro stations in Mumbai and New Delhi,

aiming to position their products as a convenient “on the go” option for consumers.

- **Store Economics:** The average store size is 200 sqft with an average capex of INR2.5m. The throughput is 3x of the capex, i.e., INR7.5m revenue per store with 18-20% EBITDA margin. The payback period is 2-3 years.
- **Limited demand concerns:** The company does not express any major concerns about the demand in the economy. It has achieved 17% SSSG, which could be due to the higher ticket size (contributed by the shift in consumer preferences from vadapav to burgers).

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	$\geq 15\%$
SELL	$< -10\%$
NEUTRAL	$-10\% \text{ to } 15\%$
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://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, 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.

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 dp@motilaloswal.com.