

P&G Hygiene and Healthcare

Estimate changes	↔↔
TP change	↔↔
Rating change	↔↔

Bloomberg	PG IN
Equity Shares (m)	32
M.Cap.(INRb)/(USDb)	463.2 / 5.4
52-Week Range (INR)	17748 / 12106
1, 6, 12 Rel. Per (%)	-3/-13/-18
12M Avg Val (INR M)	127

Financials & valuations (INR b)

Y/E June	FY25E	FY26E	FY27E
Sales	44.2	47.6	51.7
Sales Gr. (%)	5.0	7.7	8.7
EBITDA	10.7	11.8	13.0
Margin (%)	24.3	24.9	25.1
Adj. PAT	8.0	8.9	9.7
Adj. EPS (INR)	246.5	273.0	300.0
EPS Gr. (%)	11.9	10.8	9.9
BV/Sh.(INR)	288.1	342.8	402.8
Ratios			
RoE (%)	93.7	86.7	80.6
RoCE (%)	104.7	95.5	88.2
Valuations			
P/E (x)	57.9	52.3	47.6
P/BV (x)	49.5	41.6	35.4
EV/EBITDA (x)	42.5	38.3	34.8
Div. Yield (%)	1.4	1.5	1.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	70.6	70.6	70.6
DII	15.5	15.4	15.1
FII	1.3	1.4	1.6
Others	12.5	12.6	12.7

FII Includes depository receipts

CMP: INR14,269 **TP: INR15,000 (+5%)** **Neutral**

Miss on all fronts; quarterly inconsistency continues

- P&G Hygiene and Healthcare's (PGHH) 3QFY25 (FY ending June) performance missed our estimates on all fronts. We have noted such performance volatility on a quarterly basis in the past. Revenue was down 1% YoY at INR9.9b (vs. 14%/10% growth in 3QFY24/2QFY25).
- Gross margin contracted 610bp YoY/460bp QoQ to 60.2% (est. 65%). Gross profit was down by 10% YoY. Ad spends were down 10% YoY (12.2% of sales). EBITDA declined 19% YoY to INR2.1b (est. INR2.7b). EBITDA margin contracted 450bp YoY and 860bp QoQ to 21.1% (est. 24.7%).
- PGHH delivered a 7% revenue CAGR during FY19-24, and we estimate a 7% CAGR during FY24-27E. The company is less predictable on a quarterly basis, but its annual performance is still quite steady. EBITDA margin has also seen consistent improvement, with 250bp expansion during FY19-24 to ~23.5%. We model 24%-25% EBITDA margin during FY24-27E. EBITDA saw a 10% CAGR during FY19-24, and we model a similar ~10% CAGR during FY24-27E.
- The stock trades at a rich valuation of 52x/48x FY26E/FY27E P/E. **We reiterate Neutral rating at a TP of INR15,000 (50x Mar'27E EPS).**

Revenue down 1%; sharp drop in gross margin

- Miss on revenue:** Sales declined 1% YoY to INR9.9b (est. INR10.9b) after posting 10% growth in 2QFY25. Performance volatility in quarters has been witnessed in the past similarly.
- Sharp margin contraction:** Gross margin contracted 610bp YoY and 460bp QoQ to 60.2% (est. 65%). Employee costs fell 18% YoY and A&P declined 10% YoY, while other expenses rose 2% YoY. EBITDA margin contracted 450bp YoY and 860bp QoQ to 21.1% (est. 24.7%).
- Pressure on profitability:** EBITDA fell 19% YoY to INR2.1b (est. INR2.7b). EBITDA saw a beat in 2QFY25 with 20% YoY growth, indicating quarterly volatility in performance. Adj. PAT fell 16% YoY to INR1.6b. (est. INR2.0b).
- In 9MFY25, revenue/EBITDA/APAT grew by 3%/2%/2%.

Valuation and view

- We cut our EPS estimates by 2% each for FY25/FY26.
- Two factors make PGHH an attractive long-term core holding: 1) high growth potential for feminine hygiene segment (65-68% mix of FY24 sales), coupled with the potential for market share gains, aided by strategic initiatives, including the fortification of significant market advantages; and 2) potential to sustain high operating margin from the long-term trend of premiumization in the feminine hygiene segment.
- With a portfolio of essentials and healthcare, PGHH remains focused on product innovation-led customer acquisition. Penetration play would continue but at a stable pace, despite the high scope of user additions. The stock trades at rich valuations of 52x/48x FY26E/FY27E P/E. Further, we do not see any medium-term trigger. **Reiterate Neutral with a TP of INR15,000, based on 50x Mar'27E EPS.**

Naveen Trivedi – Research Analyst (Naveen.Trivedi@MotilalOswal.com)

Research Analyst: Amey Tiwari (Amey.Tiwari@MotilalOswal.com) | **Tanu Jindal** (Tanu.Jindal@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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Standalone - Quarterly Earnings

Y/E June	FY24								FY25E			FY24	FY25E	3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE							
Net Sales	11,384	11,334	10,022	9,318	11,352	12,476	9,916	10,427	42,057	44,171	10,874				-8.8%
YoY Change (%)	9.2	-0.3	13.5	9.7	-0.3	10.1	-1.1	11.9	7.5	5.0	8.5				
Gross profit	6,932	6,825	6,644	5,514	7,139	8,085	5,969	6,546	25,915	27,740	7,068				-15.5%
Margin (%)	60.9	60.2	66.3	59.2	62.9	64.8	60.2	62.8	61.6	62.8	65.0				
EBITDA	2,849	3,097	2,573	1,313	2,905	3,709	2,097	2,023	9,833	10,734	2,691				-22.1%
Growth	33.1	6.6	72.4	-37.9	2.0	19.8	-18.5	54.1	13.2	9.2	4.6				
Margins (%)	25.0	27.3	25.7	14.1	25.6	29.7	21.1	19.4	23.4	24.3	24.7				
Depreciation	143	143	145	134	117	99	104	116	565	435	145				
Interest	19	26	224	-1	19	66	58	12	268	155	40				
Other Income	158	156	136	73	85	97	191	194	523	567	140				
PBT	2,845	3,085	2,339	1,253	2,854	3,641	2,127	2,089	9,522	10,711	2,646				-19.6%
PBT after EO expense	2,845	3,085	2,029	1,123	2,854	3,641	2,127	2,089	9,082	10,711	2,646				-19.6%
Tax	738	796	796	345	735	955	566	443	2,674	2,699	635				
Rate (%)	25.9	25.8	39.2	30.7	25.7	26.2	26.6	21.2	29.4	25.2	24.0				
Adj PAT	2,107	2,289	1,854	908	2,119	2,686	1,561	1,646	7,159	8,012	2,011				-22.4%
YoY Change (%)	36.4	10.1	72.5	-38.5	0.6	17.3	-15.8	81.2	15.3	11.9	8.4				
Margins (%)	18.5	20.2	18.5	9.7	18.7	21.5	15.7	15.8	17.0	18.1	18.5				

E: MOFSL Estimates

Key Performance Indicators

Y/E June	FY24				FY25				1Q	2Q	3Q	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q					
2Y average growth (%)												
Sales	3.8	1.9	6.3	10.9	4.4	4.9						6.2
EBITDA	2.1	2.3	31.4	88.6	17.6	13.2						26.9
PAT	3.6	4.1	33.8	104.3	18.5	13.7						28.3
% of Sales												
COGS	39.1	39.8	33.7	40.8	37.1	35.2						39.8
Employee Expenses	5.6	4.8	6.0	7.2	5.3	5.3						5.0
A&P Expenses	13.5	11.2	13.4	16.5	15.2	12.7						12.2
Other Expenses	16.8	16.9	21.2	21.4	16.7	17.1						21.9
Depreciation	1.3	1.3	1.5	1.4	1.0	0.8						1.0
YoY change (%)												
COGS	3.2	-7.2	-12.0	5.7	-5.4	-2.6						16.9
Employee Expenses	24.3	-3.9	21.3	39.7	-5.0	21.0						-17.8
A&P Expenses	-1.4	14.4	25.9	187.1	12.7	25.0						-9.6
Other Expenses	0.3	-1.0	9.8	13.0	-0.6	11.4						1.8
Other Income	134.3	67.3	-5.9	-27.6	-46.1	-37.7						40.8
EBIT	35.3	7.0	80.2	-39.8	3.0	22.2						-17.9

E: MOFSL estimates

Key exhibits

Exhibit 1: Net sales down 1% YoY to INR9.9b

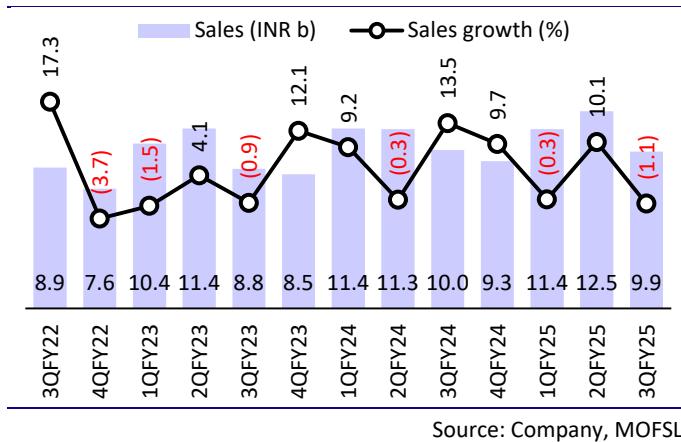


Exhibit 2: EBITDA declined 19% YoY to INR2.1b

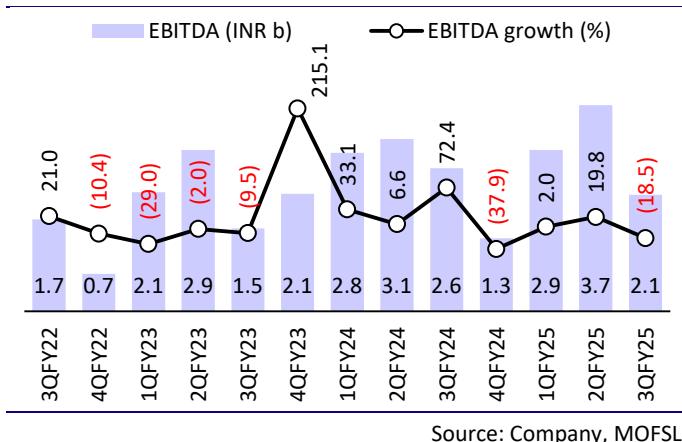


Exhibit 3: Gross margin contracted 610bp YoY to 60.2%

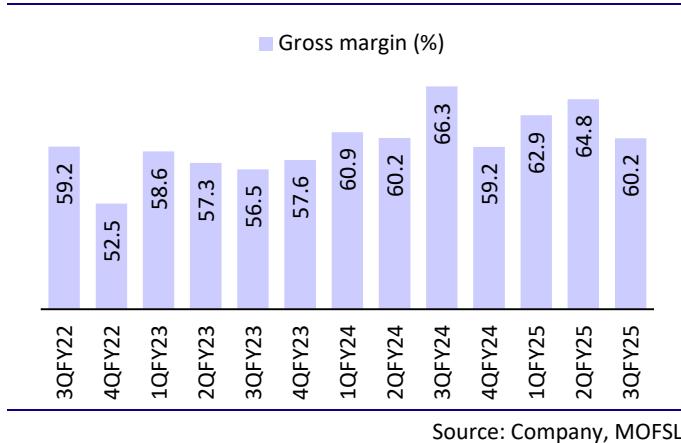


Exhibit 4: EBITDA margin declined 450bp YoY to 21.1%

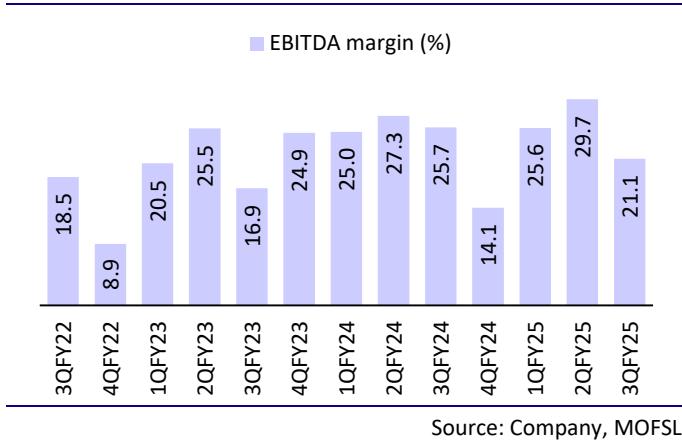
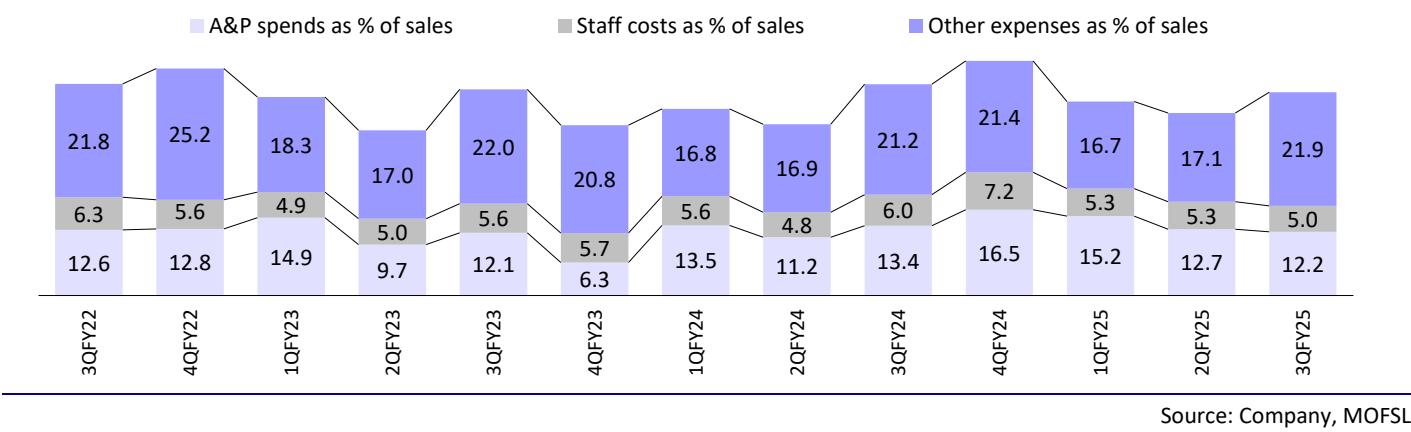


Exhibit 5: As a percentage of sales, ad spending declined 120bp, staff costs down 100bp and other expenses up 60bp YoY



Valuation and view

Our view on the stock

- We cut our EPS estimates by 2% each for FY25/FY26.
- Two factors make PGHH an attractive long-term core holding: 1) high growth potential for feminine hygiene segment (65-68% mix of FY24 sales), coupled with the potential for market share gains, aided by strategic initiatives, including the fortification of significant market advantages; and 2) potential to sustain high operating margin from the long-term trend of premiumization in the feminine hygiene segment.
- With a portfolio of essentials and healthcare, PGHH remained focused on product innovation-led customer acquisition. Penetration play would continue but at a stable pace, despite the high scope of user additions. The stock trades at rich valuations of 52x/48x FY26E/FY27E P/E. Further, we do not see any medium-term trigger. **Reiterate Neutral with a TP of INR15,000, based on 50x Mar'27E EPS.**

Exhibit 6: We cut our EPS estimates by 2% each for FY25 and FY26

INR m	New		Old		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	44,171	47,550	44,912	48,646	-1.6%	-2.3%
EBITDA	10,734	11,840	11,138	12,210	-3.6%	-3.0%
Adjusted PAT	8,012	8,874	8,164	9,065	-1.9%	-2.1%

Source: MOFSL

Exhibit 7: PGHH's P/E (x)

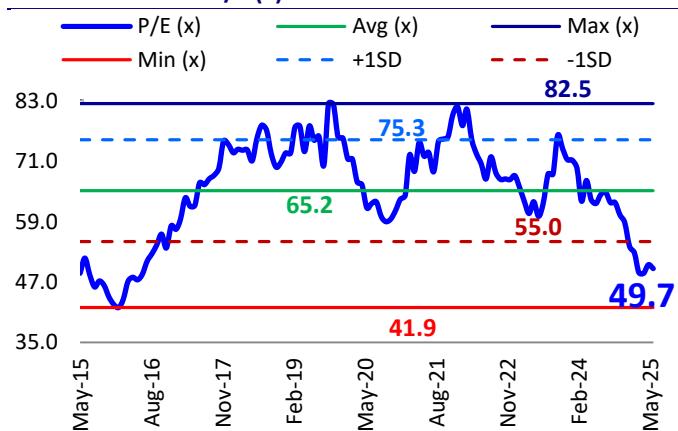
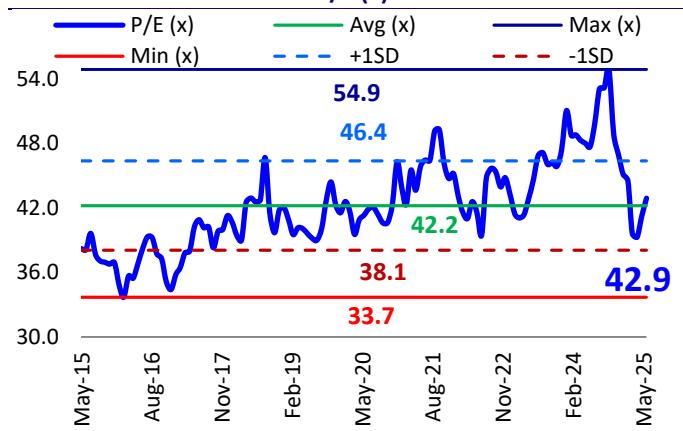


Exhibit 8: Consumer sector P/E (x)



Financials and valuations

Standalone - Income Statement									
Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	(INR m)
Total Income from Operations	29,469	30,020	35,741	37,998	39,123	42,057	44,171	47,550	51,677
Change (%)	20.0	1.9	19.1	6.3	3.0	7.5	5.0	7.7	8.7
Raw Materials	12,368	11,068	11,593	14,582	16,575	16,142	16,432	17,594	19,379
% of Sales	42.0	36.9	32.4	38.4	42.4	38.4	37.2	37.0	37.5
Employees Cost	1,338	1,733	2,017	2,143	2,058	2,456	2,650	2,853	3,101
% of Sales	4.5	5.8	5.6	5.6	5.3	5.8	6.0	6.0	6.0
Other Expenses	9,670	11,003	15,160	12,974	11,805	13,626	14,356	15,264	16,226
% of Sales	32.8	36.7	42.4	34.1	30.2	32.4	32.5	32.1	31.4
Total Expenditure	23,376	23,804	28,770	29,699	30,437	32,224	33,438	35,710	38,706
% of Sales	79.3	79.3	80.5	78.2	77.8	76.6	75.7	75.1	74.9
EBITDA	6,093	6,216	6,972	8,299	8,686	9,833	10,734	11,840	12,971
Margin (%)	20.7	20.7	19.5	21.8	22.2	23.4	24.3	24.9	25.1
Depreciation	498	479	477	529	584	565	435	446	458
EBIT	5,595	5,738	6,495	7,770	8,103	9,268	10,299	11,394	12,513
Int. and Finance Charges	55	61	61	112	114	268	155	110	113
Other Income	533	441	394	243	406	523	567	580	633
PBT bef. EO Exp.	6,073	6,118	6,828	7,901	8,395	9,522	10,711	11,863	13,033
EO Items	-105	1,450	-101	571	-441	0	0	0	0
PBT after EO Exp.	6,073	6,013	8,277	7,800	8,966	9,082	10,711	11,863	13,033
Total Tax	1,882	1,642	1,759	2,042	2,184	2,674	2,699	2,990	3,284
Tax Rate (%)	31.0	27.3	21.3	26.2	24.4	29.4	25.2	25.2	25.2
Reported PAT	4,191	4,371	6,518	5,757	6,781	6,718	8,012	8,874	9,749
Adjusted PAT	4,191	4,476	5,068	5,858	6,210	7,159	8,012	8,874	9,749
Change (%)	9.5	6.8	13.2	15.6	6.0	15.3	11.9	10.8	9.9
Margin (%)	14.2	14.9	14.2	15.4	15.9	17.0	18.1	18.7	18.9

Standalone - Balance Sheet									
Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	(INR m)
Equity Share Capital	325	325	325	325	325	325	325	325	325
Total Reserves	8,766	11,254	6,818	7,051	9,136	7,424	9,026	10,801	12,751
Net Worth	9,091	11,579	7,143	7,376	9,460	7,749	9,351	11,126	13,075
Deferred Tax Liabilities	-368	-296	-380	-519	-655	-749	-824	-906	-997
Total Loans	0	15	35	19	8	0	0	0	0
Capital Employed	8,723	11,298	6,797	6,876	8,813	7,000	8,527	10,220	12,079
Gross Block	4,000	4,495	4,719	5,012	5,582	5,838	6,036	6,236	6,436
Less: Accum. Deprn.	1,657	2,430	2,881	3,376	3,881	4,446	4,881	5,328	5,785
Net Fixed Assets	2,342	2,065	1,838	1,637	1,700	1,392	1,155	908	651
Goodwill on Consolidation	0	0	0	0	0	0	0	0	0
Capital WIP	146	222	376	439	228	278	278	200	200
Total Investments	0								
Curr. Assets, Loans&Adv.	13,315	15,702	13,733	14,231	18,790	16,168	16,864	19,680	22,743
Inventory	2,034	2,051	2,493	2,340	2,198	2,256	2,662	2,866	3,115
Account Receivables	1,814	1,663	1,424	1,921	2,163	2,408	2,662	2,866	3,115
Cash and Bank Balance	5,405	9,025	6,602	6,393	9,780	5,882	6,891	9,299	11,864
Loans and Advances	4,063	2,963	3,214	3,578	4,649	5,622	4,649	4,649	4,649
Curr. Liability & Prov.	7,080	6,691	9,150	9,431	11,905	10,837	9,769	10,568	11,515
Account Payables	5,477	5,313	7,541	7,798	9,711	8,517	7,333	7,888	8,566
Other Current Liabilities	895	587	731	710	1,036	1,185	1,303	1,433	1,577
Provisions	709	790	878	923	1,158	1,136	1,133	1,247	1,371
Net Current Assets	6,235	9,011	4,583	4,801	6,885	5,331	7,095	9,111	11,228
Appl. of Funds	8,723	11,298	6,797	6,876	8,813	7,000	8,527	10,220	12,079

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	129.0	137.7	156.1	180.5	191.3	220.3	246.5	273.0	300.0
Cash EPS	144.5	152.7	170.8	196.8	209.3	237.9	260.2	287.1	314.4
BV/Share	280.1	356.7	220.0	227.2	291.4	238.7	288.1	342.8	402.8
DPS	101	105	315	160	185	255	197	219	240
Payout (%)	78.6	78.1	202.0	88.8	96.8	123.4	80.0	80.0	80.0
Valuation (x)									
P/E	110.6	103.6	91.4	79.1	74.6	64.8	57.9	52.3	47.6
Cash P/E	98.8	93.5	83.5	72.5	68.2	60.0	54.8	49.7	45.4
P/BV	51.0	40.0	64.8	62.8	49.0	59.8	49.5	41.6	35.4
EV/Sales	15.5	15.1	12.8	12.0	11.6	10.9	10.3	9.5	8.7
EV/EBITDA	75.1	73.1	65.5	55.0	52.2	46.5	42.5	38.3	34.8
Dividend Yield (%)	0.7	0.7	2.2	1.1	1.3	1.8	1.4	1.5	1.7
FCF per share	126.4	130.5	256.2	161.2	240.7	155.4	218.1	281.0	306.1
Return Ratios (%)									
RoE	48.9	43.3	54.1	80.7	73.8	83.2	93.7	86.7	80.6
RoCE	51.1	44.9	60.0	86.5	82.0	87.4	104.7	95.5	88.2
Working Capital Ratios									
Asset Turnover (x)	3.4	2.7	5.3	5.5	4.4	6.0	5.2	4.7	4.3
Inventory (Days)	20	25	23	23	21	22	22	22	22
Debtor (Days)	20	21	16	16	19	22	22	22	22
Creditor (Days)	59	66	66	74	82	60	60	60	60
Net WCC	-18	-20	-27	-34	-41	-16	-16	-16	-16
Growth (%)									
Sales	20.0	1.9	19.1	6.3	3.0	7.5	5.0	7.7	8.7
EBITDA	-3.0	2.0	12.2	19.0	4.7	13.2	9.2	10.3	9.6
PAT	9.5	6.8	13.2	15.6	6.0	15.3	11.9	10.8	9.9
Leverage Ratio (x)									
Current Ratio	1.9	2.3	1.5	1.5	1.6	1.5	1.7	1.9	2.0
Interest Cover Ratio	102.1	94.5	106.3	69.4	71.2	34.6	66.4	103.6	110.4
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Standalone - Cash Flow Statement

(**INR m**)

Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	6,073	5,939	8,699	7,901	8,395	9,392	10,711	11,863	13,033
Depreciation	498	479	477	529	584	565	435	446	458
Net interest expense	-317	-266	-250	-154	-237	-367	-412	-470	-520
Others	54	203	139	115	67	97	0	0	0
(Inc)/Dec in WC	172	-179	2,101	-166	1,745	-2,321	-756	392	449
Taxes	-2,350	-1,435	-2,534	-2,494	-2,295	-2,782	-2,699	-2,990	-3,284
CF from Operations	4,130	4,741	8,631	5,731	8,258	4,584	7,279	9,242	10,135
CF from Operating incl EO	4,130	4,741	8,631	5,731	8,258	4,584	7,279	9,242	10,135
(Inc)/Dec in FA	-28	-503	-315	-497	-444	461	-198	-123	-200
Free Cash Flow	4,102	4,237	8,317	5,234	7,814	5,045	7,081	9,120	9,935
Others	451	1,265	325	246	344	-325	567	580	633
CF from Investments	416	783	11	-251	-100	136	369	457	433
Dividend Paid	-3,131	-1,878	-11,037	-5,681	-4,707	-8,602	-6,409	-7,099	-7,799
Interest Paid	-7	-9	-10	-25	-51	-5	-155	-110	-113
Others	0	-16	-18	16	-12	-10	-75	-82	-91
CF from Fin. Activity	-3,137	-1,903	-11,064	-5,689	-4,770	-8,618	-6,639	-7,291	-8,003
Inc/Dec of Cash	1,409	3,621	-2,423	-210	3,387	-3,898	1,009	2,408	2,566
Opening Balance	3,996	5,405	9,025	6,603	6,393	9,780	5,882	6,891	9,299
Closing Balance	5,405	9,025	6,603	6,393	9,780	5,882	6,891	9,299	11,864

E: MOFSL Estimates

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. INH00000412. 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. INH00000412) 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 alterations 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 guarantees 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 dpgrivances@motilaloswal.com.