

Motilal Oswal values your support in the EXTEL POLL 2025 for India Research, Sales, Corporate Access and Trading team. We request your ballot.

**EXTEL POLL**  
2025



Company	Target Price (INR)	Reco
<b>Staples</b>		
BRIT	7,150	Buy
CLGT	2,850	Buy
DABUR	525	Neutral
HMN	675	Buy
GCPL	1,400	Buy
HUVR	3,050	Buy
ITC	515	Buy
JYL	350	Neutral
MRCO	850	Buy
NESTLE	1,300	Neutral
PG	14,000	Neutral
<b>Paints</b>		
APNT	3,000	Neutral
INDIGOPN	1,400	Buy
PIDI	1,500	Neutral
<b>Liquor</b>		
UNSP	1,575	Neutral
RDCK	3,600	Buy
UBBL	1,750	Neutral
<b>Innerwear</b>		
PAGE	45,000	Buy
<b>QSR</b>		
BBQ	215	Neutral
DEVYANI	180	Buy
JUBI	650	Neutral
RBA	120	Buy
SAPPHIRE	350	Buy
WESTLIFE	675	Neutral
<b>Jewelry</b>		
KALYANKJ	675	Buy
PNG	825	Buy
SENO	375	Neutral
TTAN	4,500	Buy

## Consumer day – Titan, PAGE, and UBBL

We visited Bengaluru and interacted with CXOs of Titan (TTAN), Page Industries (PAGE), and United Breweries (UBBL). The objective was to understand the demand trends, category specific performance medium-term growth outlook, operating margins, and the competitive landscape.

Following are the key takeaways from these meetings.

### TTAN

- Gold prices have inflated sharply over the past 2-3 years, significantly impacting consumer sentiment, ticket sizes, and product mix. Elevated prices have led to higher coin demand, a shift toward lower caratage products, and higher reliance on exchange offers.
- The company remains focused on driving buyer growth and is undertaking multiple initiatives (exchange programs, etc) to accelerate it. Festive demand was strong, and trends over the past 30 days have also been healthy. Buyer growth in diamond jewelry is higher than in gold.
- Exchange contribution rose to ~50% of sales during the recent festive season, up from 30–35% in the same period last year. TTAN's gold exchange program contributes ~30% to mix, while the Tanishq Exchange Program (TEP) currently contributes ~10%.
- High growth in gold coins can impact the mix (industry-wide), potentially putting near-term pressure on EBIT margins YoY. Given that margins are sensitive to multiple factors (market mix, product mix, gold prices, etc.), tracking EBIT growth provides a clearer indication of the company's underlying performance. The company has maintained its EBIT margin guidance at 11-11.5% for the medium term.
- CaratLane continues to outperform, aided by deeper online penetration and stronger resonance among younger cohorts. EBIT margin continues to inch up each year, and the business remains on track to achieve double-digit EBIT over the medium term.
- The company's top priority remains achieving long-term earnings growth of 15-20%.
- We reiterate our FY26-28E EPS estimates and maintain a TP of INR4,500 (60x Sep'27).**

### PAGE

- Management indicated that PAGE is witnessing a prolonged slowdown, especially in the GT channel, while e-commerce is scaling up well. Festive demand was healthy, with growth picking up during the festive season, though some pressure has been witnessed during the past 30 days. That said, PAGE is currently witnessing a growth trend similar to the previous quarter.
- The GT channel in Metro and Tier-1 cities (60% mix) has been under pressure, partially offset by strong growth in the e-commerce channel. Tier-2 and Tier-3 cities continue to sustain healthy growth.
- Consumption macros remain challenging, and it will be critical to track demand improvement following the government's various initiatives.

**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](http://www.motilaloswal.com)/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- In the innerwear category, the premium segment's growth is healthy, while the value segment remains under pressure.
- PAGE stated that the men's innerwear inventory is below 30 days (in line with its normal levels), while the athleisure inventory is at 42 days (normal is 35-40 days).
- The company remains confident about achieving double-digit growth over the medium term despite recent growth weakness. Price hikes, which were absent over the past few years, are expected to return in FY27.
- PAGE has maintained its EBITDA margin guidance of 19-21%. EBITDA margin could remain under pressure in the near term due to a high base and increased ad spends.
- **Given the near-term softness in demand, we cut our EPS estimates for FY26-28E by ~3% with a TP of INR45,000 (55x Sep'27).**

#### UBBL

- Despite a broad-based slowdown in the consumption space, liquor remains a high-growth segment, supported by strong demographic tailwinds and category-specific momentum.
- Management indicated that the beer category witnessed slower growth due to numerous reasons, including affordability issues, particularly when comparing low-priced beer with low-priced spirits.
- UBBL indicated that tax stability for beer and tax increases on spirits in Maharashtra are driving beer volumes in the state. Management further noted that wherever such price gaps widen, beer growth tends to accelerate.
- UBBL's focus on strengthening infrastructure (visi coolers, exclusive beer bars, local sourcing, etc) is enhancing operational efficiency and cost control. The company is currently redeploying cost savings into marketing to drive volumes, with operating margins expected to gradually improve in the coming years.
- The extended monsoon impacted demand in 1HFY26, though the company expects this to improve in FY27, aiming for a high single-digit volume growth.
- The company remains optimistic on growth acceleration, projecting an expansion for operating margins over the next 2-3 years.
- **We reiterate a Neutral rating with a TP of INR1,750 (55x Sep'27).**

**Exhibit 1: Valuation summary**

Company	CMP (INR)	TP INR	Reco	EPS (INR)			P/E (x)			EV/EBITDA (x)			RoE (%)	Div. (%)
				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E		
<b>Staples</b>														
Britannia Inds.	5,845	7,150	Buy	108.4	126.4	143.5	54	46	41	37	32	28	55.2	1.3
Colgate-Palm.	2,172	2,850	Buy	51.9	57.8	63.0	42	38	34	30	27	24	87.0	2.5
Dabur India	517	525	Neutral	10.8	12.2	13.4	48	43	39	33	30	27	17.2	1.8
Emami	530	675	Buy	20.3	21.9	23.6	26	24	22	21	19	17	31.2	2.2
Godrej Consumer	1,146	1,400	Buy	21.3	25.9	30.1	54	44	38	38	32	28	17.8	1.9
Hind. Unilever	2,467	3,050	Buy	45.8	52.1	56.4	54	47	43	36	32	30	21.6	1.7
ITC	404	515	Buy	16.8	18.5	19.8	24	22	20	17	16	15	29.6	3.9
Jyothy Labs	300	350	Neutral	10.3	11.7	13.0	29	26	23	21	19	16	18.3	1.8
Marico	717	850	Buy	13.6	16.3	18.1	54	45	40	40	33	29	43.3	1.7
Nestle India	1,260	1,300	Neutral	16.9	20.1	22.5	75	63	56	47	40	36	77.9	1.2
P & G Hygiene	12,747	14,000	Neutral	268.1	296.7	330.1	48	43	39	35	32	28	105.7	1.7
<b>Paints</b>														
Asian Paints	2,873	3,000	Neutral	46.8	54.1	61.9	62	53	46	41	36	32	22.9	1.4
Indigo Paints	1,284	1,400	Buy	33.2	38.5	44.5	39	33	29	23	19	16	14.5	0.6
Pidilite Inds.	1,470	1,500	Neutral	23.9	27.6	31.6	62	53	47	43	38	33	23.4	0.8
<b>Liquor</b>														
United Spirits	1,452	1,575	Neutral	23.0	25.6	28.2	63	57	51	44	39	35	17.5	0.8
Radico Khaitan	3,206	3,600	Buy	41.9	53.3	65.5	75	59	48	47	39	33	17.9	0.3
United Breweries	1,692	1,750	Neutral	16.4	26.9	34.8	103	63	49	52	39	30	9.7	0.4
<b>Innerwear</b>														
Page Industries	38,356	45,000	Buy	715.4	803.0	911.2	54	49	43	37	33	29	47.1	1.2
<b>CSR</b>														
United Foodbrands	186	215	Neutral	-14.0	-13.4	-12.4	NM	NM	NM	4	4	3	-17.8	0.0
Devyani intl.	136	180	Buy	-0.1	1.2	2.2	NM	117	62	25	19	15	-1.9	0.0
Jubilant Food.	601	650	Neutral	5.3	8.1	10.7	115	75	57	24	20	17	17.4	0.3
Restaurant Brands	62	120	Buy	-3.2	-1.4	-0.2	NM	NM	NM	11	7	5	-23.4	0.0
Sapphire Foods	249	350	Buy	-0.3	2.0	3.1	NM	125	81	17	13	11	-0.7	0.0
Westlife Foodworld	567	675	Neutral	-0.2	2.0	5.4	NM	277	104	30	25	21	-0.6	0.0
<b>Jewelry</b>														
Kalyan Jewellers	506	675	Buy	11.2	14.3	17.0	44	35	29	25	20	17	22.1	0.6
P N Gadgil Jewellers	630	825	Buy	25.1	29.5	34.8	25	21	18	17	15	13	19.8	0.0
Senco Gold	311	375	Neutral	17.7	18.5	22.6	17	17	14	10	11	9	13.8	0.5
Titan Company	3,909	4,500	Buy	56.8	67.2	79.5	69	58	49	43	37	31	37.7	0.4

Source: Company, MOFSL

# Titan Company

BSE SENSEX 85,707 S&P CNX 26,203



## Stock Info

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	3469.2 / 38.8
52-Week Range (INR)	3956 / 2925
1, 6, 12 Rel. Per (%)	4/3/12
12M Avg Val (INR M)	3429
Free float (%)	47.1

## Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	757.1	873.7	1,002.5
Sales Gr. (%)	25.2	15.4	14.7
EBITDA	81.5	94.5	108.9
EBITDA Margin (%)	10.8	10.8	10.9
Adj. PAT	50.5	59.9	70.7
Adj. EPS (INR)	56.8	67.2	79.5
EPS Gr. (%)	34.3	18.4	18.2
BV/Sh.(INR)	170.4	217.4	273.1

## Ratios

RoE (%)	37.7	34.7	32.4
RoCE (%)	17.4	17.8	18.1
Payout (%)	30.0	30.0	30.0

## Valuation

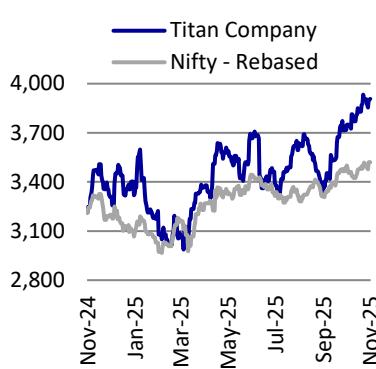
P/E (x)	69.0	58.3	49.3
P/BV (x)	23.0	18.0	14.4
EV/EBITDA (x)	42.7	37.3	31.5
Div. Yield (%)	0.4	0.5	0.6

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	52.9	52.9	52.9
DII	14.2	12.8	11.5
FII	16.2	17.6	18.3
Others	16.8	16.7	17.3

FII Includes depository receipts

## Stock Performance (1-year)



CMP: INR3,908 TP: INR4,500 (+15%)

Buy

## Focusing on buyer growth amid inflationary gold prices

- We met with Mr. Ashok Sonthalia, CFO of TTAN, to discuss industry trends, the company's growth across segments, and long-term strategies. Gold price inflation has impacted buyer growth, but the company is gearing up well to regain momentum. Its gold exchange program continues to gain traction and currently contributes ~30% of the mix. Besides, greater availability of <22-carat products and studded jewelry priced at <INR150k-200k is expected to attract more buyers.
- Festive demand was strong, and growth momentum has remained healthy over the past 30 days. Coin growth (industry-wide) was robust, and the mix is expected to impact jewelry EBIT margins YoY. Given the sensitivity of margins to multiple factors (market mix, product mix, etc), EBIT growth provides a clearer indication of the company's operating performance. TTAN has maintained its EBIT margin guidance at 11-11.5%.
- TTAN remains focused on improving revenue growth, market share, and ROC to meet its long-term earnings growth ambition of 15–20%. Further, CaratLane continues its strong performance, aided by deeper online penetration and stronger resonance among younger cohorts. It is projected to achieve a double-digit EBIT margin over the medium term.
- Valuation and view: TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to deliver stronger performance than other branded players, despite its size. The brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category. TTAN's long-term growth potential and a superior execution story will continue to attract investors. We reiterate our FY26-28E EPS estimates and maintain a TP of INR4,500 (60x Sep'27).

## Demand environment remains healthy

- Gold prices have inflated sharply over the past 2-3 years, significantly impacting consumer sentiment, ticket sizes, and product mix. Elevated gold prices have driven higher coin demand, a shift toward lower caratage products, and higher reliance on exchange offers.
- Regional jewelers have reportedly been hit much harder, experiencing pressure on inventory, working capital, and volume throughput, which has resulted in market share gains for organized players.
- There has been a noticeable growth in the sub-INR100k-200k categories as consumers recalibrate spending.
- Post 2Q, footfalls have improved, driven by festival traffic, new collections, and promotional intensity.
- TTAN expects demand to improve once gold prices stabilize, enabling both buyer-led and price-led growth.

### Buyer growth - Core metric being tracked

- Management reiterated that buyer growth is the single-most important KPI in the current inflationary environment, particularly the split between new customers vs. repeat customers.
- Buyer growth in diamond jewelry is higher than in gold.
- TTAN reported a 2% decline in buyer growth in 2QFY26, reflecting an industry-wide trend.
- TTAN is using gold exchange schemes aggressively to accelerate buyer additions and drive conversions among value-conscious customers.

### Share of coins/bars rising amid higher gold prices

- **Coins/Bars:**
  - The industry mix of coins and bars has increased sharply, as customers defer fresh jewelry purchases and choose value formats.
  - In certain quarters, coins contribute high single digits to low double digits to sales, representing a significant increase from historical levels.
- **Studded Jewelry:**
  - Studded has historically been a high-margin business, contributing ~30% to the revenue mix.
  - Even if studded unit volumes remain healthy, elevated gold prices raise the gold component per piece, compressing gross contribution (GC).
  - In a rising gold price environment, higher gold content automatically reduces value-added margin percentage, making mix improvement challenging.
- For LGD, the company indicated that the market is still fluid. According to industry reports, the LGD market is ~INR15b, with expected growth of 20-25% in India. A major issue in this segment is the continuously declining prices.
- Higher gold prices naturally drive customers toward lighter, modern, everyday-wear gold. TTAN has started selling 9-carat jewelry in select formats and has expanded 14/16-carat offerings across channels.
- 9-carat offerings are gaining traction among teenagers and first-time buyers, with increasing adoption across online channels as well as CaratLane stores.

### EBIT margin to remain at 11-11.5%

- ~80% of TTAN's cost base comprises gold and diamonds, leaving only 20% for branding, retailing, rentals, franchise share, and staff.
- Due to the adverse product mix shift caused by high coin volume, overall EBIT margin is facing pressure, but TTAN has maintained its EBIT margin guidance of 11-11.5%.
- TTAN prefers to prioritize market share, volume recovery, and ROC-led execution instead of focusing on margin expansion during gold inflation cycles.

### TTAN exchange program - Traffic driver

- Gold exchange initiatives have become a core strategic pillar for driving incremental footfalls.
- TTAN stated that gold exchange contribution rose to ~50% of sales during the recent festive season, up from ~35% in the same period last year. The TTAN gold exchange program currently contributes ~30% of the mix, while the Tanishq Exchange Program (TEP) contributes ~10%.

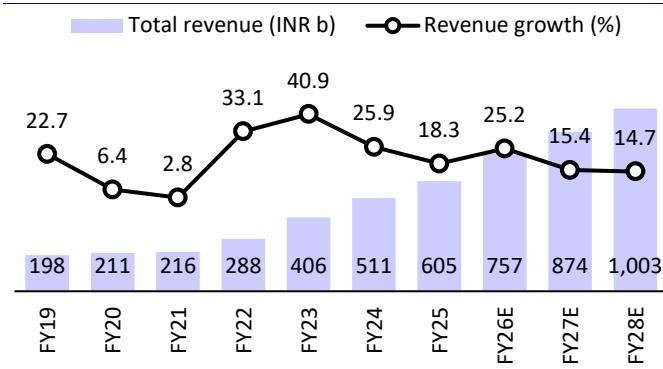
- **Offer innovations:**
  - TTAN has waived the traditional loss percentage (where lower carats below 22 typically incurred a 1–3% deduction), now offering 0% loss for gold up to 9 carat.
  - Customers exchanging even 16-carat gold receive full value (like ~INR100k vs typical INR97k–98k earlier).
  - This has significantly improved perceived fairness and transparency among customers.
- Gold exchanges exert minor pressure at the transaction level, but management views the lifetime value uplift, such as repeat behavior, referral impact, and trust-building acts, as a strong positive ROI.

#### **CaratLane improving unit economics**

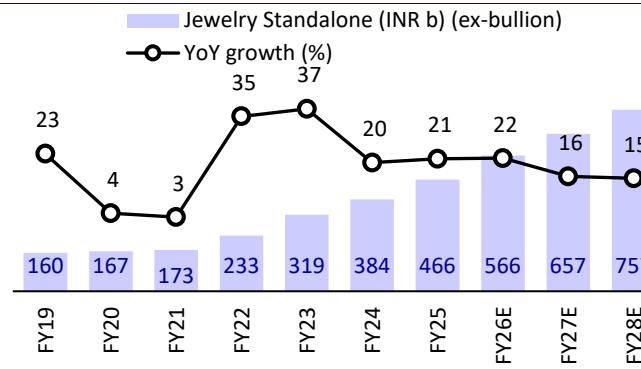
- CaratLane continues to outperform, aided by deeper online penetration and stronger resonance in younger cohorts. Digital-first product design and lower-carat focus enable higher gross margins vs Tanishq.
- EBIT margin continues to inch up each year, and the business is on track to achieve double-digit EBIT over the medium term.
- CaratLane's 9/14-carat and entry price-point innovations complement TTAN's broader strategy of driving affordable gold in a high-price environment.

## Story in charts

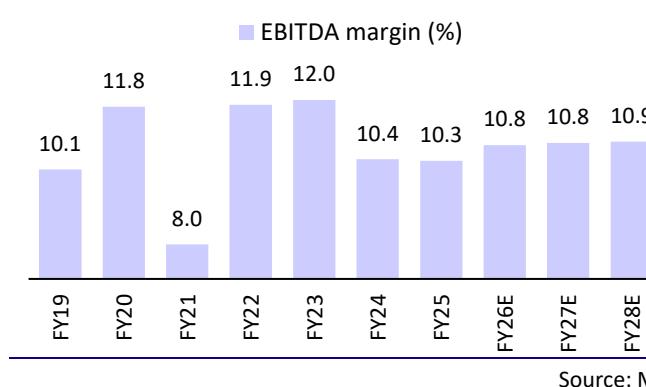
**Exhibit 2: We expect revenue CAGR of 18% over FY25-28...**



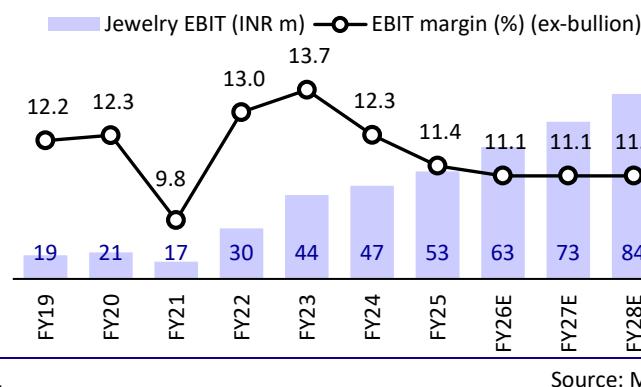
**Exhibit 3: ...and a similar CAGR in jewelry sales (ex-bullion)**



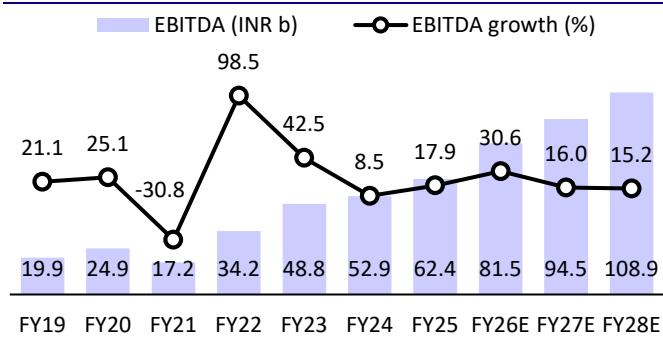
**Exhibit 4: EBITDA margin expected to remain stable**



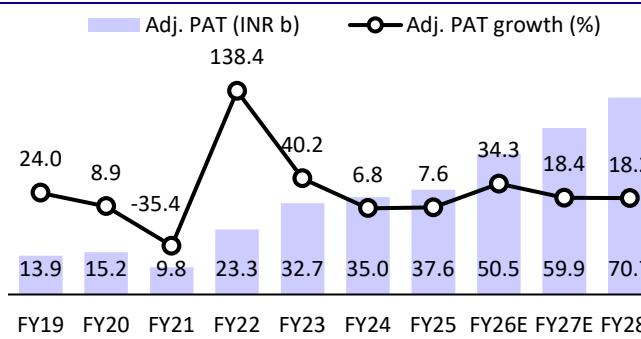
**Exhibit 5: Jewelry EBIT margins to be in the 11-11.5% range**



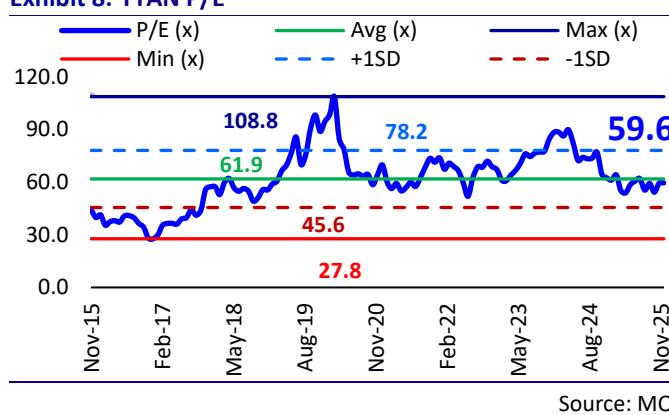
**Exhibit 6: EBITDA to clock 20% CAGR over FY25-28E**



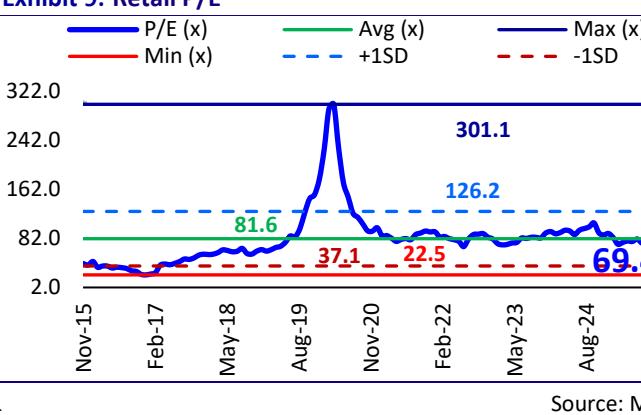
**Exhibit 7: APAT CAGR of 23% over FY25-28E**



**Exhibit 8: TTAN P/E**



**Exhibit 9: Retail P/E**



## Financials and valuations

Income Statement									
	(INR b)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>210.5</b>	<b>216.4</b>	<b>288.0</b>	<b>405.8</b>	<b>510.8</b>	<b>604.6</b>	<b>757.1</b>	<b>873.7</b>	<b>1,002.5</b>
Change (%)	6.4	2.8	33.1	40.9	25.9	18.3	25.2	15.4	14.7
<b>Gross Profit</b>	<b>59.0</b>	<b>52.3</b>	<b>71.6</b>	<b>102.2</b>	<b>116.5</b>	<b>135.4</b>	<b>177.9</b>	<b>205.3</b>	<b>235.6</b>
Margin (%)	28.0	24.2	24.9	25.2	22.8	22.4	23.5	23.5	23.5
Other expenditure	34.0	35.1	37.4	53.4	63.6	73.1	96.5	110.8	126.7
<b>EBITDA</b>	<b>24.9</b>	<b>17.2</b>	<b>34.2</b>	<b>48.8</b>	<b>52.9</b>	<b>62.4</b>	<b>81.5</b>	<b>94.5</b>	<b>108.9</b>
Change (%)	25.1	-30.8	98.5	42.5	8.5	17.9	30.6	16.0	15.2
Margin (%)	11.8	8.0	11.9	12.0	10.4	10.3	10.8	10.8	10.9
Depreciation	3.5	3.8	4.0	4.4	5.8	6.9	7.6	8.4	9.3
Int. and Fin. Charges	1.7	2.0	2.2	3.0	6.2	9.5	10.6	11.0	10.6
Other Income - Recurring	1.5	1.9	2.3	3.1	5.3	4.9	4.5	5.2	6.0
Deferred Revenue Expenditure	0	0	0	0	0	0	0	0	0
<b>Profit before Taxes</b>	<b>21.3</b>	<b>13.3</b>	<b>30.4</b>	<b>44.5</b>	<b>46.2</b>	<b>50.8</b>	<b>67.8</b>	<b>80.3</b>	<b>94.9</b>
Change (%)	8.8	-37.5	128.2	46.3	4.0	9.8	33.6	18.4	18.2
Margin (%)	10.1	6.2	10.6	11.0	9.0	8.4	9.0	9.2	9.5
Tax	5.8	3.6	7.9	11.5	11.0	13.0	17.3	20.5	24.2
Deferred Tax	-0.4	0.1	0.8	-0.2	-0.3	-0.2	0.0	0.0	0.0
Tax Rate (%)	28.9	26.5	23.2	26.4	24.4	25.9	25.5	25.5	25.5
<b>Profit after Taxes</b>	<b>15.2</b>	<b>9.8</b>	<b>23.3</b>	<b>32.7</b>	<b>35.0</b>	<b>37.6</b>	<b>50.5</b>	<b>59.9</b>	<b>70.7</b>
Change (%)	8.9	-35.4	138.4	40.2	6.8	7.6	34.3	18.4	18.2
Margin (%)	7.2	4.5	8.1	8.1	6.8	6.2	6.7	6.9	7.1
Extraordinary income	0	0	-1	0	0	-4	0	0	0
<b>Reported PAT</b>	<b>14.9</b>	<b>9.7</b>	<b>22.0</b>	<b>32.7</b>	<b>35.0</b>	<b>33.4</b>	<b>50.5</b>	<b>59.9</b>	<b>70.7</b>

Balance Sheet									
	(INR b)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Preference Share Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	65.8	74.1	92.1	117.6	93.0	115.4	150.7	192.6	242.1
<b>Net Worth</b>	<b>66.7</b>	<b>75.0</b>	<b>93.0</b>	<b>118.5</b>	<b>93.9</b>	<b>116.2</b>	<b>151.6</b>	<b>193.5</b>	<b>243.0</b>
Loans	7.2	1.7	5.2	22.0	78.4	102.9	105.9	99.9	93.9
Lease liabilities	12.4	12.6	13.6	18.7	23.5	26.8	30.1	33.0	35.9
Deferred Tax	-1.5	-1.0	-1.8	-1.6	-1.8	-1.7	-1.7	-1.7	-1.7
<b>Capital Employed</b>	<b>100.7</b>	<b>130.4</b>	<b>164.3</b>	<b>211.2</b>	<b>247.4</b>	<b>322.3</b>	<b>349.9</b>	<b>415.1</b>	<b>452.4</b>
Gross Block	17.5	18.0	19.3	21.9	27.3	30.4	33.9	37.4	40.9
Less: Accum. Depn.	4.6	5.8	7.1	8.4	10.0	11.8	14.8	18.2	21.9
<b>Net Fixed Assets</b>	<b>12.9</b>	<b>12.2</b>	<b>12.2</b>	<b>13.4</b>	<b>17.4</b>	<b>18.5</b>	<b>19.0</b>	<b>19.2</b>	<b>19.0</b>
Intangibles	2.7	2.4	2.3	2.5	3.1	3.1	3.4	3.6	3.7
Capital WIP	0.1	0.2	0.7	1.3	0.9	0.9	0.9	0.9	0.9
Right of use asset	9.3	9.1	9.7	12.9	15.4	17.7	17.8	17.3	16.4
Investments	1.6	28.2	2.9	25.2	23.5	19.9	16.4	16.4	16.4
<b>Curr. Assets, L&amp;A</b>	<b>105.8</b>	<b>109.7</b>	<b>180.8</b>	<b>212.1</b>	<b>252.1</b>	<b>343.2</b>	<b>396.0</b>	<b>475.4</b>	<b>529.1</b>
Inventory	81.0	84.1	136.1	165.8	190.5	281.8	236.7	361.7	325.0
Account Receivables	3.1	3.7	5.7	6.7	10.2	10.7	15.6	18.0	20.6
Cash and Bank Balance	3.8	5.6	15.7	13.4	15.3	15.8	102.5	50.6	133.9
Others	17.9	16.3	23.4	26.1	36.2	34.9	41.2	45.2	49.6
<b>Curr. Liab. and Prov.</b>	<b>33.2</b>	<b>33.0</b>	<b>45.8</b>	<b>57.5</b>	<b>66.3</b>	<b>82.4</b>	<b>105.0</b>	<b>119.0</b>	<b>134.5</b>
Current Liabilities	24.4	23.3	30.5	41.6	48.4	58.3	78.2	88.1	99.1
Provisions	2.9	1.9	2.4	3.7	3.7	4.5	6.0	6.9	8.0
<b>Net Current Assets</b>	<b>72.6</b>	<b>76.6</b>	<b>135.0</b>	<b>154.6</b>	<b>185.9</b>	<b>260.8</b>	<b>291.0</b>	<b>356.4</b>	<b>394.6</b>
Misc. Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>100.7</b>	<b>130.3</b>	<b>164.3</b>	<b>211.2</b>	<b>247.4</b>	<b>322.3</b>	<b>349.9</b>	<b>415.1</b>	<b>452.4</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>									
EPS	<b>17.1</b>	<b>11.0</b>	<b>26.2</b>	<b>36.8</b>	<b>39.3</b>	<b>42.3</b>	<b>56.8</b>	<b>67.2</b>	<b>79.5</b>
Cash EPS	18.8	12.9	28.2	38.8	41.9	45.3	60.2	71.0	83.6
BV/Share	74.9	84.2	104.5	133.2	105.5	130.6	170.4	217.4	273.1
DPS	6.1	4.0	7.5	10.0	11.0	12.4	17.0	20.2	23.8
Payout %	35.8	36.4	28.6	27.2	28.0	29.3	30.0	30.0	30.0
<b>Valuation (x)</b>									
P/E	229.7	355.5	149.5	106.6	99.8	92.7	69.0	58.3	49.3
Cash P/E	208.3	304.7	138.9	101.1	93.7	86.5	65.1	55.2	46.9
EV/Sales	16.6	16.0	12.1	8.6	6.9	5.9	4.6	4.0	3.4
EV/EBITDA	140.1	200.5	101.5	71.2	66.7	57.0	42.7	37.3	31.5
P/BV	52.3	46.5	37.5	29.4	37.1	30.0	23.0	18.0	14.4
Dividend Yield (%)	0.2	0.1	0.2	0.3	0.3	0.3	0.4	0.5	0.6
<b>Return Ratios (%)</b>									
RoE	23.8	13.8	27.8	30.9	32.9	35.8	37.7	34.7	32.4
Operating RoE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RoCE	17.7	9.8	17.0	18.6	17.3	15.7	17.4	17.8	18.1
RoIC	18.2	10.3	19.2	20.7	18.8	16.7	21.4	22.2	22.9
<b>Working Capital Ratios</b>									
Debtor (Days)	5	6	7	6	7	6	8	8	8
Asset Turnover (x)	2.1	1.7	1.8	1.9	2.1	1.9	2.2	2.1	2.2
<b>Leverage Ratio</b>									
Debt/Equity (x)	0.1	0.0	0.1	0.2	0.8	0.9	0.7	0.5	0.4

### Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	21.0	13.3	29.0	44.5	46.2	45.4	67.8	80.3	94.9
Int./Div. Received	-0.4	-0.6	-1.3	-1.1	-1.7	-1.2	-4.5	-5.2	-6.0
Deferred Revenue Exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amort.	3.5	3.8	4.0	4.4	5.8	6.9	7.6	8.4	9.3
Interest Paid	0.7	1.4	1.2	1.6	3.7	6.7	10.6	11.0	10.6
Direct Taxes Paid	5.6	2.7	8.0	11.5	11.7	10.9	17.3	20.5	24.2
Incr in WC	22.7	-26.2	32.2	24.1	25.4	52.3	-42.2	90.8	-36.0
<b>CF from Operations</b>	<b>-3.5</b>	<b>41.4</b>	<b>-7.2</b>	<b>13.7</b>	<b>17.0</b>	<b>-5.4</b>	<b>106.4</b>	<b>-16.8</b>	<b>120.6</b>
Extraordinary Income	-0.2	0.0	-1.4	0.0	0.0	-4.3	0.0	0.0	0.0
Incr in FA	3.5	1.4	2.2	4.2	6.7	4.7	4.3	4.3	4.3
<b>Free Cash Flow</b>	<b>-6.9</b>	<b>40.0</b>	<b>-9.4</b>	<b>9.5</b>	<b>10.2</b>	<b>-10.1</b>	<b>102.1</b>	<b>-21.1</b>	<b>116.3</b>
Investments	-3.2	27.3	-16.4	18.6	-3.1	3.4	-3.5	0.0	0.0
Others	0.7	-1.4	-7.1	-2.2	-1.8	-14.1	-0.5	-1.2	-1.9
<b>CF from Invest.</b>	<b>-1.0</b>	<b>-27.3</b>	<b>21.4</b>	<b>-20.6</b>	<b>-1.8</b>	<b>6.1</b>	<b>-0.3</b>	<b>-3.1</b>	<b>-2.4</b>
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Incr in Debt	6.9	-5.6	3.4	16.8	56.3	22.1	3.0	-6.0	-6.0
Dividend Paid	5.4	3.6	3.6	6.7	8.9	9.8	15.2	18.0	21.2
Others	4.0	3.2	3.9	5.5	60.7	12.5	7.3	8.1	7.7
<b>CF from Fin. Activity</b>	<b>-2.4</b>	<b>-12.3</b>	<b>-4.0</b>	<b>4.6</b>	<b>-13.3</b>	<b>-0.1</b>	<b>-19.4</b>	<b>-32.0</b>	<b>-34.9</b>
<b>Incr/Decr of Cash</b>	<b>-6.9</b>	<b>1.8</b>	<b>10.1</b>	<b>-2.3</b>	<b>1.8</b>	<b>0.6</b>	<b>86.6</b>	<b>-51.9</b>	<b>83.3</b>
Add: Opening Balance	10.7	3.8	5.6	15.7	13.4	15.3	15.8	102.5	50.6
<b>Closing Balance</b>	<b>3.8</b>	<b>5.6</b>	<b>15.7</b>	<b>13.4</b>	<b>15.3</b>	<b>15.8</b>	<b>102.5</b>	<b>50.6</b>	<b>133.9</b>

E: MOFSL Estimates

# Page Industries

BSE SENSEX 85,707 S&P CNX 26,203



PAGE INDUSTRIES LIMITED

## Stock Info

Bloomberg	PAG IN
Equity Shares (m)	11
M.Cap.(INRb)/(USDb)	427.4 / 4.8
52-Week Range (INR)	50590 / 38100
1, 6, 12 Rel. Per (%)	-8/-23/-24
12M Avg Val (INR M)	1186
Free float (%)	57.1

## Financials Snapshot (INR b)

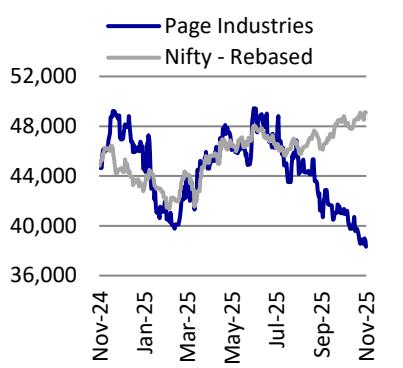
Y/E March	2026E	2027E	2028E
Sales	51.8	57.2	63.3
Sales Gr. (%)	5.1	10.4	10.5
EBITDA	11.2	12.5	14.0
EBITDA Margin (%)	21.6	21.8	22.1
Adj. PAT	7.8	8.7	9.8
Adj. EPS (INR)	696.4	780.5	880.2
EPS Gr. (%)	6.7	12.1	12.8
BV/Sh.(INR)	1511.6	1791.8	2107.8
<b>Ratios</b>			
RoE (%)	46.1	43.6	41.8
RoCE (%)	44.8	42.6	41.1
Payout (%)	75.0	75.0	75.0
<b>Valuation</b>			
P/E (x)	56.0	50.0	44.3
P/BV (x)	25.8	21.8	18.5
EV/EBITDA (x)	38.4	34.2	30.3
Div. Yield (%)	1.1	1.3	1.4

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	42.9	42.9	44.3
DII	29.2	28.5	29.5
FII	23.2	24.0	20.8
Others	4.7	4.6	5.4

FII Includes depository receipts

## Stock Performance (1-year)



**CMP: INR38,320 TP: INR45,000 (+17%)**

**Buy**

## Demand softness continues; eyes for better outlook

- We met with Mr. Deepanjan Bandyopadhyay, the CFO of PAGE, to discuss consumption trends in the innerwear segment and the company's growth and profitability outlook.
- PAGE is currently witnessing a prolonged slowdown, especially in the GT channel, while the e-commerce channel is scaling up well. The company witnessed a pickup in growth during the festive season, though momentum moderated soon after. PAGE is currently witnessing a growth trend similar to previous quarters. The GT channel in Metro and Tier-1 cities (60% mix) has remained under pressure, while Tier 2/3 cities have sustained healthy growth. The premium segment's growth is healthy, but the value segment is still under pressure. The company remains confident about achieving double-digit growth over the medium term despite recent growth weakness.
- PAGE has maintained its EBITDA margin guidance of 19-21%. EBITDA margin could remain under pressure in the near term, given the high base and increased ad spends. PAGE stated that men's innerwear inventory is less than 30 days (at normal levels), while the athleisure inventory is slightly higher at 42 days (normal level is 35-40 days).
- Valuation and view: PAGE had a stupendous track record of revenue and earnings growth over the past decade. In our view, inventory optimization through the ARS system, new product launches, capacity expansion, and digitalization initiatives will support growth. PAGE's brand equity is evolving from an innerwear brand into a lifestyle brand, with plans to expand the brand across multiple product lines. Benign input costs and cost efficiencies are likely to lead to a better margin print. Growth weakness is putting pressure on earnings and valuation multiples. Given the near-term softness in demand, we cut our EPS estimates by 3% for FY26-28E. We reiterate a BUY rating with a TP of INR45,000 (55x Sep'27).

## Traditional channel remains weak

- Management indicated that PAGE is witnessing a prolonged slowdown, especially in the GT channel, while the e-commerce channel is scaling up well. The GT channel in Metro and Tier-1 cities (60% mix) has remained under pressure, while Tier 2/3 cities have sustained healthy growth.
- PAGE is currently witnessing a growth trend similar to previous quarters. Going forward, it expects a new steady-state volume growth of 8-9% and a pricing contribution of 2-3% pricing to drive double-digit revenue growth.
- Urban demand, which was resilient for the past three years, has softened over the past 6-9 months.
- The innerwear/athleisure category remains non-seasonal, with PAGE positioned in the affordable premium/mass premium.

### Trade inventory at normal levels

- PAGE continues to maintain industry-best inventory discipline.
- Management stated that the men's innerwear inventory is less than 30 days (in line with its normal levels), while the athleisure inventory is 42 days (normal is 35-40 days).
- Management indicated that channel filling is a continuous, not seasonal, process, minimizing obsolescence and reverse logistics risk.

### Sufficient capacity for the next two years

- PAGE is currently executing planned expansion projects:
  - The Odisha plant is already operational.
  - The KR Pete (Krishnarajpet) facility is expected to be operational by FY26 end.
- With these upcoming additions, PAGE's capacity is expected to be sufficient for at least two years, implying muted incremental capex beyond current projects.

### Priorities intact: Product innovation and brand penetration

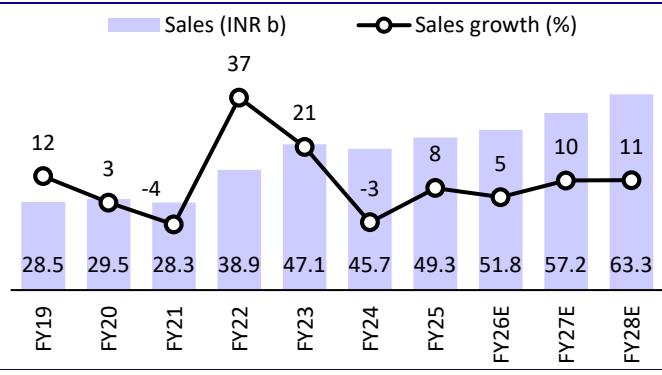
- New launches are expected over the next 6–7 months across both innerwear and outerwear categories.
- Bonded technology products and newer material innovations are underway.
- **Gen-Z initiatives:**
  - Jockey Grooves has seen strong initial traction.
  - Designed with a shorter lifecycle (6–7 months) vs. traditional long-life, Jockey offerings are aimed at younger consumers who prefer faster fashion turnover.
- PAGE's long-term strategic pivot is from an innerwear-only brand to a broader lifestyle position.
- Women's portfolio is the second-largest segment and is growing faster than the men's innerwear category.
- Exports are currently <1% of revenue, and PAGE is targeting to reach 2–3% through its Middle East scale-up.
- While PAGE has not pursued acquisitions historically, management indicated willingness to explore inorganic opportunities that leverage its backend and distribution strengths.

### EBITDA margin to remain in the 19-21% range

- PAGE has maintained strong margins while avoiding price hikes for nearly four years, despite inflation. Management indicated that maintaining zero price hikes for four years is not feasible; a price increase is likely in FY27.
- A&P will be stepped up to revive demand and reinforce brand positioning.
- The company has maintained its EBITDA margin guidance of 19-21%; 2HFY26 margins may see pressure on account of higher ad spends.

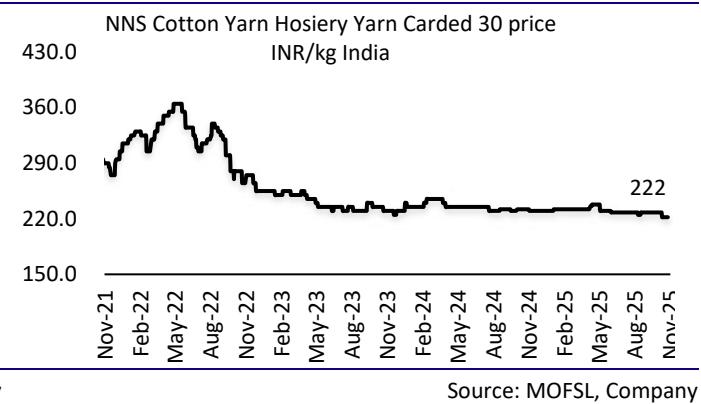
## Story in charts

**Exhibit 10: Sales expected to deliver 9% CAGR over FY25-28E**



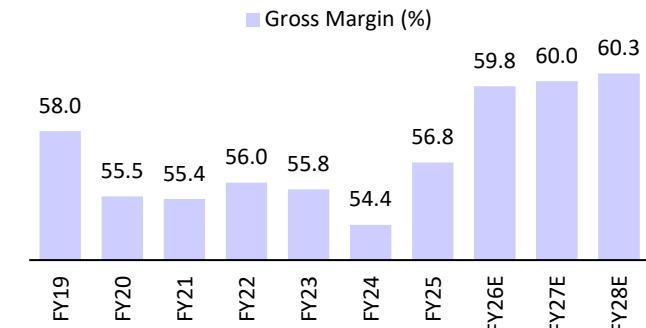
Source: MOFSL, Company

**Exhibit 11: Yarn prices stable over the last two years**



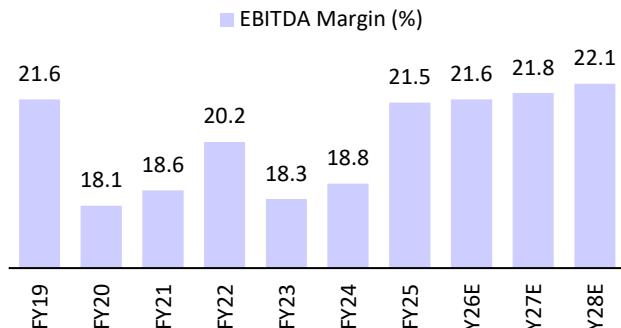
Source: MOFSL, Company

**Exhibit 12: Gross margins expected to expand in FY26 on stable RM prices...**



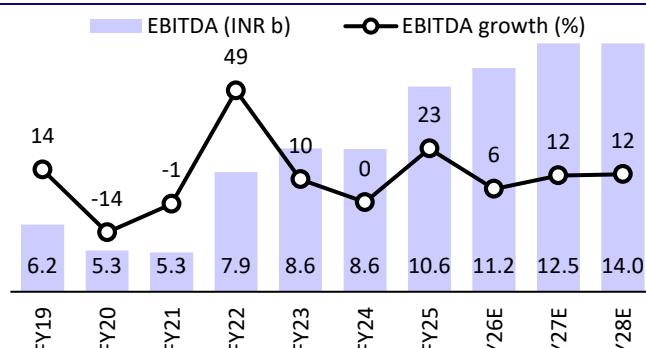
Source: MOFSL, Company

**Exhibit 13: ...leading to EBITDA margin expansion**



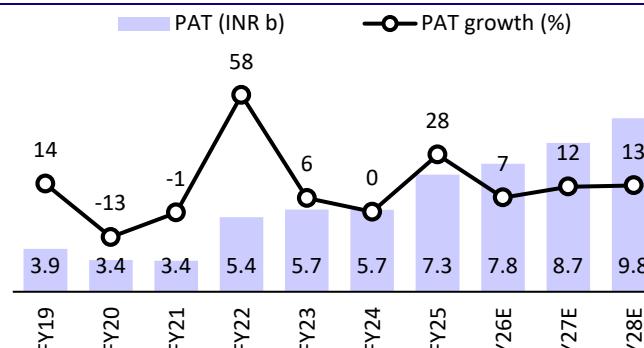
Source: MOFSL, Company

**Exhibit 14: EBITDA to clock 10% CAGR over FY25-28...**



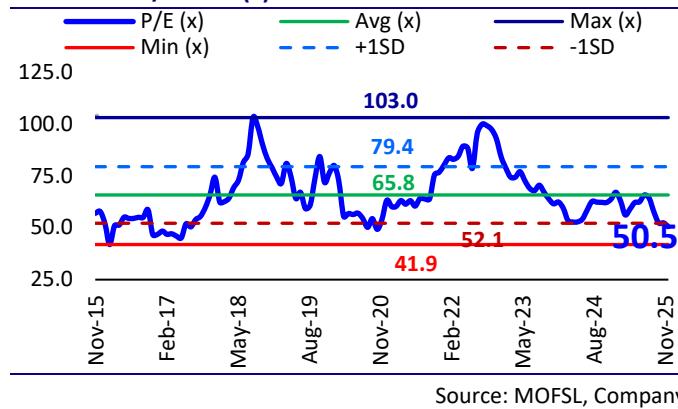
Source: MOFSL, Company

**Exhibit 15: ...leading to APAT CAGR of 11% over FY25-28**



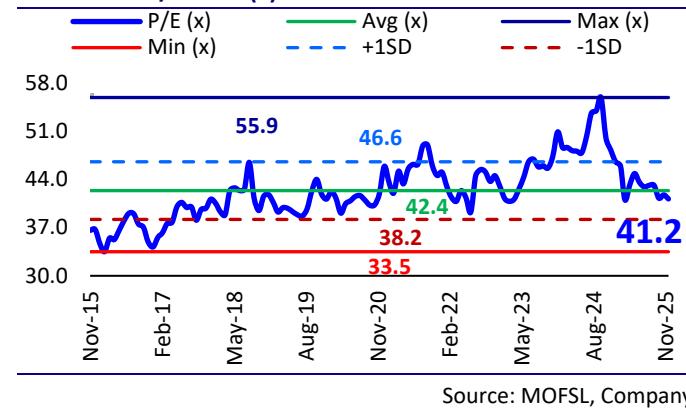
Source: MOFSL, Company

**Exhibit 16: P/E ratio (x) for PAGE**



Source: MOFSL, Company

**Exhibit 17: P/E ratio (x) for the Consumer sector**



Source: MOFSL, Company

## Financials and valuations

Income Statement										(INR m)
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	
<b>Net Sales</b>	<b>29,454</b>	<b>28,330</b>	<b>38,865</b>	<b>47,142</b>	<b>45,692</b>	<b>49,340</b>	<b>51,834</b>	<b>57,244</b>	<b>63,273</b>	
Change (%)	3.3	-3.8	37.2	21.3	-3.1	8.0	5.1	10.4	10.5	
<b>Gross Profit</b>	<b>16,346</b>	<b>15,690</b>	<b>21,775</b>	<b>26,290</b>	<b>24,846</b>	<b>28,036</b>	<b>30,997</b>	<b>34,347</b>	<b>38,154</b>	
Margin (%)	55.5	55.4	56.0	55.8	54.4	56.8	59.8	60.0	60.3	
Other operating expenditure	11,020	10,424	13,920	17,662	16,248	17,419	19,786	21,846	24,142	
<b>EBITDA</b>	<b>5,326</b>	<b>5,266</b>	<b>7,855</b>	<b>8,627</b>	<b>8,598</b>	<b>10,617</b>	<b>11,210</b>	<b>12,500</b>	<b>14,012</b>	
Change (%)	-13.7	-1.1	49.2	9.8	-0.3	23.5	5.6	11.5	12.1	
Margin (%)	18.1	18.6	20.2	18.3	18.8	21.5	21.6	21.8	22.1	
Depreciation	614	629	655	781	908	992	1,083	1,209	1,339	
Int. and Fin. Ch.	339	297	322	413	449	464	506	531	557	
Other Inc.- Rec.	246	195	210	147	324	616	750	863	992	
<b>PBT</b>	<b>4,620</b>	<b>4,534</b>	<b>7,088</b>	<b>7,581</b>	<b>7,565</b>	<b>9,777</b>	<b>10,371</b>	<b>11,623</b>	<b>13,107</b>	
Change (%)	-23.8	-1.9	56.3	7.0	-0.2	29.2	6.1	12.1	12.8	
Tax	1,188	1,128	1,722	1,869	1,873	2,494	2,603	2,917	3,290	
Tax Rate (%)	25.7	24.9	24.3	24.6	24.8	25.5	25.1	25.1	25.1	
<b>Adjusted PAT</b>	<b>3,432</b>	<b>3,406</b>	<b>5,365</b>	<b>5,712</b>	<b>5,692</b>	<b>7,282</b>	<b>7,768</b>	<b>8,706</b>	<b>9,817</b>	
Change (%)	-12.9	-0.8	57.5	6.5	-0.4	27.9	6.7	12.1	12.8	
Margin (%)	11.7	12.0	13.8	12.1	12.5	14.8	15.0	15.2	15.5	
<b>Reported PAT</b>	<b>3,432</b>	<b>3,406</b>	<b>5,365</b>	<b>5,712</b>	<b>5,692</b>	<b>7,282</b>	<b>7,768</b>	<b>8,706</b>	<b>9,817</b>	
Balance Sheet										(INR m)
Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	
Share Capital	112	112	112	112	112	112	112	112	112	
Reserves	8,087	8,737	10,775	13,599	15,858	13,960	16,749	19,874	23,398	
<b>Net Worth</b>	<b>8,199</b>	<b>8,849</b>	<b>10,886</b>	<b>13,710</b>	<b>15,969</b>	<b>14,072</b>	<b>16,860</b>	<b>19,986</b>	<b>23,510</b>	
Loans	1,764	1,270	1,099	4,064	1,848	2,621	2,831	3,058	3,302	
<b>Capital Employed</b>	<b>9,963</b>	<b>10,119</b>	<b>11,985</b>	<b>17,774</b>	<b>17,818</b>	<b>16,693</b>	<b>19,692</b>	<b>23,043</b>	<b>26,812</b>	
Right of use assets	1,045	976	910	1,451	1,675	2,450	2,572	2,701	2,836	
Gross Block	4,319	4,505	5,067	5,685	5,861	8,200	9,100	10,100	11,100	
Less: Accum. Depn.	1,309	1,618	1,953	2,285	2,658	3,074	4,157	5,366	6,705	
<b>Net Fixed Assets</b>	<b>3,010</b>	<b>2,887</b>	<b>3,114</b>	<b>3,401</b>	<b>3,203</b>	<b>5,126</b>	<b>4,942</b>	<b>4,733</b>	<b>4,394</b>	
Capital WIP	287	279	653	1,505	2,387	722	722	722	722	
Investments	0	0	0	0	0	0	0	0	0	
<b>Curr. Assets, L&amp;A</b>	<b>10,787</b>	<b>12,835</b>	<b>16,356</b>	<b>20,521</b>	<b>19,468</b>	<b>18,042</b>	<b>22,160</b>	<b>26,719</b>	<b>31,946</b>	
Inventory	7,186	5,549	9,749	15,953	11,703	8,589	10,651	11,763	13,001	
Account Receivables	738	1,371	1,651	1,461	1,586	1,916	2,414	2,666	2,947	
Cash and Bank Balance	1,169	4,350	2,835	81	3,210	4,714	7,039	10,091	13,642	
Others	1,694	1,564	2,122	3,026	2,968	2,823	2,057	2,199	2,356	
<b>Curr. Liab. and Prov.</b>	<b>5,165</b>	<b>6,879</b>	<b>9,084</b>	<b>9,154</b>	<b>9,008</b>	<b>9,731</b>	<b>10,790</b>	<b>11,916</b>	<b>13,171</b>	
Account Payables	938	2,175	3,628	2,876	2,200	2,549	3,976	4,391	4,854	
Other Liabilities	3,953	4,504	5,198	5,955	6,526	6,888	6,246	6,898	7,624	
Provisions	273	200	258	322	282	294	568	627	693	
<b>Net Curr. Assets</b>	<b>5,622</b>	<b>5,956</b>	<b>7,272</b>	<b>11,367</b>	<b>10,460</b>	<b>8,311</b>	<b>11,371</b>	<b>14,802</b>	<b>18,775</b>	
Def. Tax Liability	2	-22	-36	-51	-93	-84	-84	-84	-84	
<b>Appl. of Funds</b>	<b>9,963</b>	<b>10,119</b>	<b>11,985</b>	<b>17,774</b>	<b>17,818</b>	<b>16,693</b>	<b>19,692</b>	<b>23,043</b>	<b>26,812</b>	

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E
<b>Basic (INR)</b>									
EPS	<b>307.7</b>	<b>305.3</b>	<b>481.0</b>	<b>512.2</b>	<b>510.3</b>	<b>652.9</b>	<b>696.4</b>	<b>780.5</b>	<b>880.2</b>
Cash EPS	362.7	361.8	539.7	582.2	591.7	741.9	793.6	888.9	1,000.2
BV/Share	735.1	793.3	976.0	1,229.2	1,431.7	1,261.6	1,511.6	1,791.8	2,107.8
DPS	161	250	300	260	370	900	446	500	564
Payout incldg DDT (%)	79.1	81.9	62.4	50.8	72.5	137.8	75.0	75.0	75.0
<b>Valuation (x)</b>									
P/E	126.7	127.7	81.1	76.1	76.4	59.7	56.0	50.0	44.3
Cash P/E	107.5	107.8	72.3	67.0	65.9	52.6	49.1	43.9	39.0
EV/Sales	14.8	15.2	11.1	9.3	9.5	8.8	8.3	7.5	6.7
EV/EBITDA	81.8	82.0	55.2	50.9	50.4	40.8	38.4	34.2	30.3
P/BV	53.1	49.2	40.0	31.7	27.2	30.9	25.8	21.8	18.5
Dividend Yield (%)	0.4	0.6	0.8	0.7	0.9	2.3	1.1	1.3	1.4
<b>Return Ratios (%)</b>									
Asset Turn	3.0	2.8	3.2	2.7	2.6	3.0	2.6	2.5	2.4
Leverage	1.2	1.1	1.1	1.3	1.1	1.2	1.2	1.2	1.1
Net Margin	11.7	12.0	13.8	12.1	12.5	14.8	15.0	15.2	15.5
RoE	41.9	38.5	49.3	41.7	35.6	51.8	46.1	43.6	41.8
RoCE	39.7	36.1	50.7	40.5	33.9	44.2	44.8	42.6	41.1
RoIC	42.2	49.8	77.9	47.9	40.7	61.1	65.4	70.0	76.9
<b>Working Capital Ratios</b>									
Asset Turnover (x)	3.2	2.8	3.5	3.2	2.6	2.9	2.8	2.7	2.5
Debtor Days	12	14	14	12	12	13	15	16	16
Creditor Days	13	20	27	25	20	18	23	27	27
Inventory Days	91	82	72	99	110	75	68	71	71
<b>Leverage Ratio</b>									
Debt/Equity (x)	0.2	0.1	0.1	0.3	0.1	0.2	0.2	0.2	0.1

### Cash Flow Statement

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	(INR m)
Profit before Tax	4,620	4,534	7,088	7,581	7,565	9,786	10,371	11,623	13,107	
Depreciation	614	629	655	781	908	992	1,083	1,209	1,339	
Other Non Cash & Non operating activities	179	304	186	308	295	64	-244	-332	-435	
Incr in WC	1,024	2,751	-2,910	-6,782	3,878	3,641	-734	-379	-422	
Direct Taxes Paid	-1,270	-1,259	-1,750	-1,904	-1,841	-2,447	-2,603	-2,917	-3,290	
<b>CF from Operations</b>	<b>5,167</b>	<b>6,959</b>	<b>3,269</b>	<b>-16</b>	<b>10,805</b>	<b>12,036</b>	<b>7,873</b>	<b>9,204</b>	<b>10,299</b>	
Incr in FA	-744	-135	-979	-1,638	-946	-791	-900	-1,000	-1,000	
<b>Free Cash Flow</b>	<b>4,423</b>	<b>6,824</b>	<b>2,290</b>	<b>-1,654</b>	<b>9,858</b>	<b>11,245</b>	<b>6,973</b>	<b>8,204</b>	<b>9,299</b>	
Pur of Investments	400	-3,950	2,050	1,900	0	0	0	0	0	
Others	-319	3,967	-1,891	-1,259	-515	359	628	734	857	
<b>CF from Invest.</b>	<b>-663</b>	<b>-119</b>	<b>-820</b>	<b>-997</b>	<b>-1,461</b>	<b>-431</b>	<b>-272</b>	<b>-266</b>	<b>-143</b>	
Issue of Shares	0	0	0	0	0	0	0	0	0	
Incr in Debt	-470	-321	0	1,916	-2,474	-700	210	226	245	
Dividend Paid	-2,716	-2,787	-3,347	-2,900	-3,458	-9,146	-4,980	-5,581	-6,293	
Others	-589	-551	-617	-757	-283	-255	-506	-531	-557	
<b>CF from Fin. Activity</b>	<b>-3,775</b>	<b>-3,659</b>	<b>-3,964</b>	<b>-1,741</b>	<b>-6,214</b>	<b>-10,101</b>	<b>-5,275</b>	<b>-5,885</b>	<b>-6,606</b>	
<b>Incr/Decr of Cash</b>	<b>729</b>	<b>3,181</b>	<b>-1,515</b>	<b>-2,754</b>	<b>3,129</b>	<b>1,503</b>	<b>2,325</b>	<b>3,053</b>	<b>3,550</b>	
Add: Opening Balance	440	1,169	4,350	2,835	81	3,210	4,714	7,039	10,091	
<b>Closing Balance</b>	<b>1,169</b>	<b>4,350</b>	<b>2,835</b>	<b>81</b>	<b>3,210</b>	<b>4,714</b>	<b>7,039</b>	<b>10,091</b>	<b>13,642</b>	

E: MOFSL Estimates

# United Breweries

BSE SENSEX  
85,707

S&P CNX  
26,203



## Stock Info

Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USDb)	446.8 / 5
52-Week Range (INR)	2300 / 1677
1, 6, 12 Rel. Per (%)	-9/-24/-22
12M Avg Val (INR M)	411
Free float (%)	29.2

## Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	95.4	107.6	120.9
Sales Gr. (%)	7.1	12.8	12.3
EBITDA	8.2	11.3	13.9
EBITDA Margin (%)	8.6	10.5	11.5
Adj. PAT	4.3	6.9	9.0
Adj. EPS (INR)	16.4	26.3	34.1
EPS Gr. (%)	-7.2	60.2	30.0
BV/Sh.(INR)	173.7	187.7	206.0
<b>Ratios</b>			
RoE (%)	9.7	14.5	17.3
RoCE (%)	10.4	14.7	17.5
<b>Valuation</b>			
P/E (x)	103.8	64.8	49.8
P/BV (x)	9.8	9.1	8.3
EV/EBITDA (x)	52.4	39.6	30.9
Div. Yield (%)	4.5	4.1	3.5

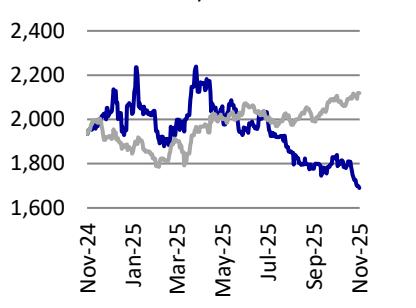
## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	70.8	70.8	70.8
DII	17.8	17.5	17.8
FII	6.3	6.7	6.3
Others	5.1	4.9	5.1

FII Includes depository receipts

## Stock Performance (1-year)

United Breweries  
Nifty - Rebased



CMP: INR1,690

TP: INR1,750 (+4%)

Neutral

## Active efforts to drive volume and cost savings

- We met with Mr. Vivek Gupta, the MD and CEO of UBBL, to discuss industry trends, the company's long-term strategies, and outlook on growth and profitability. Despite a broad-based slowdown in the wider consumption space, liquor continues to deliver strong growth, supported by favorable demographics and robust category momentum. UBBL highlighted that beer growth has been relatively slower, affected by affordability challenges relative to low-priced spirits. The extended monsoon adversely impacted 1HFY26, though demand is expected to recover with aspirations of high single-digit volume growth in FY27. UBBL noted that tax stability in beer vs higher taxes on spirits in Maharashtra is aiding volumes. The company added that similar benefits are seen in markets where price gaps are widening between beer and spirits. The company is focusing on strengthening infrastructure through visi coolers, dedicated beer bars, and local sourcing to reduce operational costs, enabling reinvestment into marketing. Over the next 2-3 years, UBBL remains optimistic about accelerating growth alongside expanding operating margins.
- Valuation and view:** UBBL faces multiple headwinds, including prolonged monsoon-led disruptions in 1HFY26, high excise duties, and affordability pressures in key markets such as Karnataka, Telangana, and Odisha, which have weighed on category growth. Management is focusing on portfolio premiumization, cost discipline, and proactive engagement with state authorities to drive recovery. UBBL remains focused on volume-led growth and further market share gains in the premium segment. We model ~11% revenue CAGR over FY25-28E, led by high single-digit volume growth and a steady recovery in margins, which have been under pressure for the past five years. However, given the rich valuations and lingering regulatory headwinds, we reiterate our Neutral stance on the stock with a TP of INR1,750 (55x Sep'27E EPS).

## Long-term category drivers intact

- Despite a broad-based slowdown in the consumption space, liquor remains a high-growth segment, supported by strong demographic tailwinds and category-specific momentum.
- The proportion of young consumers willing to drink alcohol increased from 40% (2018) to 70% (2024), aided by Western lifestyle exposure and awareness.
- For 75-80% of new drinkers, beer is the first alcoholic beverage as it is perceived as safer, lighter, and more refreshing.
- UBBL has guided for high single-digit volume growth in FY27.

### Spirit-like taxation impacts beer growth

- Management indicates that the biggest structural error is treating beer and spirits as one category, and UBBL advocates for a different taxation.
- Beer is frequently taxed on volume, similar to spirits, despite the significant difference in alcohol content.
- UBBL is actively engaging states to explain why beer taxation should be rationalized to encourage moderation and healthier consumption.

### Historical examples of successful state interventions

- **Maharashtra:** Held beer taxes steady after 14 years while increasing spirits taxes, which led to 20% growth in the economy segment
- **Assam:** Beer tax reduction led to category volumes doubling
- **Meghalaya:** Lowered beer taxes while raising spirits taxes, leading to positive early traction
- **West Bengal:** Successfully avoided a price hike
- **Ongoing Discussions:** Odisha (currently in double-digit decline) and large markets like Karnataka
- **On-Premise Expansion:** States like Andhra Pradesh (~900 pubs approved) and Kerala have expanded on-premise beer formats, which is crucial as beer must be consumed cold

### Operational efficiency to aid margin expansion

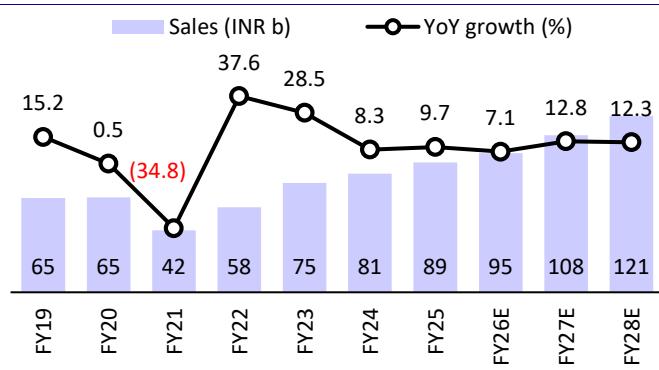
- Historically, premium beer had lower margins, primarily due to longer brewing time, higher raw material costs, and complex packaging.
- Management has been focusing on front-loaded cost control and operational efficiency, leading to margin expansion.
- Over time, UBBL has adopted several initiatives, such as localizing production, optimizing brewing cycles, and rationalizing packaging and supply chain. Such initiatives have resulted in ~1,500bp expansion in gross margin. A large part of these savings is being reinvested into the business.
- UBBL is investing across breweries to localize sourcing of bottles, tanks, and components as it reduces logistics costs and de-risks the supply chain.
- Management stated that capex on coolers in the last two years was 4x compared to the entire previous decade.

### Increasing focus on premiumization

- UBBL aims to deliver beer that is less prone to hangovers, tastes better, and is lighter on calories.
- **Brewing cycle optimization:**
  - Premium brands (Ultra, Heineken) require 20–28 days of tank time vs ~13 days for mainstream beers.
  - Optimization and process redesign are currently underway.
- **Premium production localization:**
  - Premium beer used to be brewed in 4–5 breweries; this has now expanded to 18 breweries.
  - Significant reduction in transport costs is expected to lead to a meaningful margin uplift.
- PET bottle pilots are underway, but challenges remain around shelf life and dependency on cold storage.

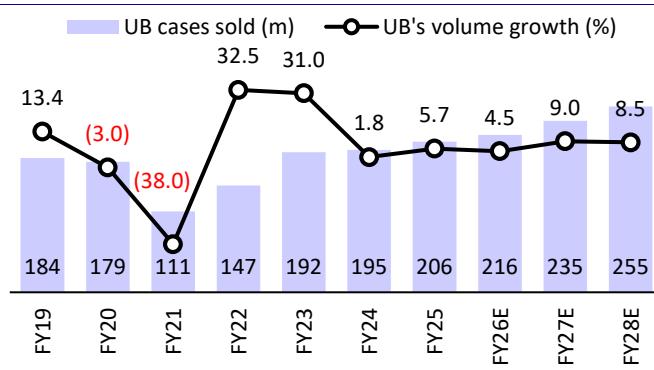
## Story in charts

**Exhibit 18: We expect revenue CAGR of 11% over FY25-28...**



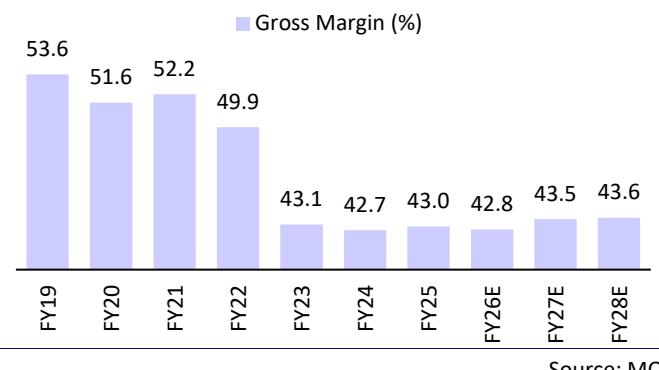
Source: MOFSL

**Exhibit 19: ...with a high single-digit volume CAGR**



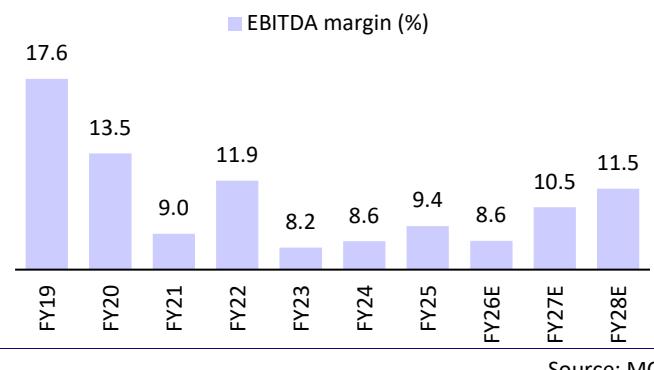
Source: MOFSL

**Exhibit 20: Gross margin expected to remain stable**



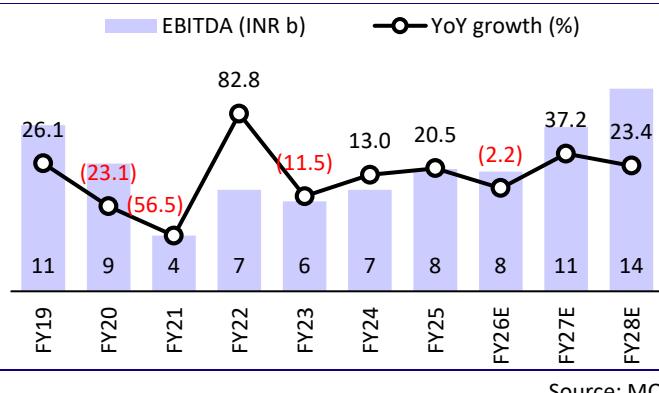
Source: MOFSL

**Exhibit 21: EBITDA margins to gradually expand on cost efficiencies**



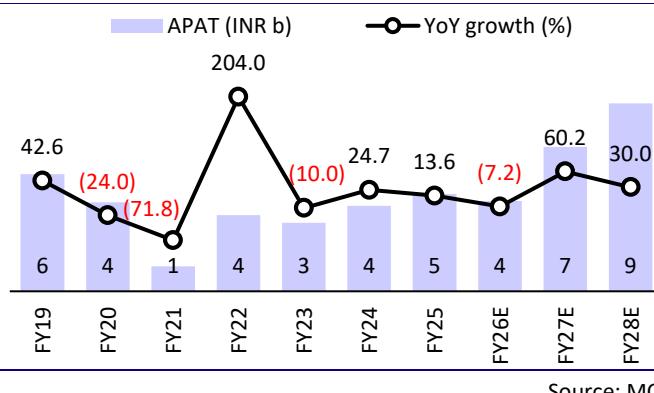
Source: MOFSL

**Exhibit 22: EBITDA to clock 18% CAGR over FY25-28**



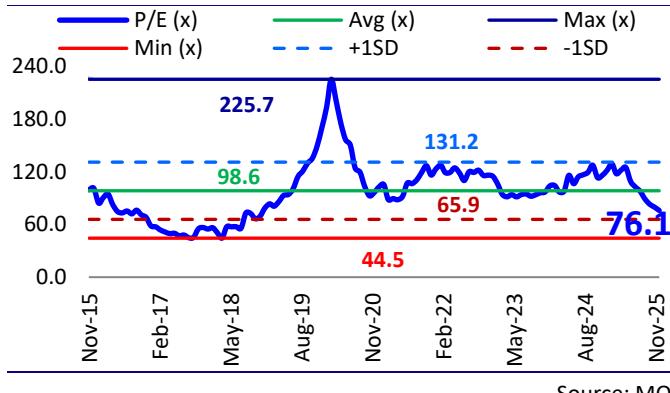
Source: MOFSL

**Exhibit 23: APAT CAGR of 25% over FY25-28E**



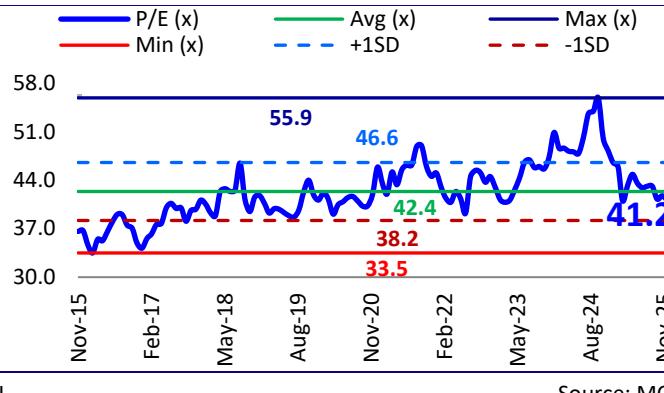
Source: MOFSL

**Exhibit 24: UBBL P/E**



Source: MOFSL

**Exhibit 25: Consumer P/E**



Source: MOFSL

## Financials and valuations

Consolidated - Income Statement									
	(INR m)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenue</b>	<b>65,092</b>	<b>42,431</b>	<b>58,384</b>	<b>74,999</b>	<b>81,227</b>	<b>89,074</b>	<b>95,409</b>	<b>1,07,635</b>	<b>1,20,872</b>
Less: Excise Duty									
<b>Total Income from Operations</b>	<b>65,092</b>	<b>42,431</b>	<b>58,384</b>	<b>74,999</b>	<b>81,227</b>	<b>89,074</b>	<b>95,409</b>	<b>1,07,635</b>	<b>1,20,872</b>
Change (%)	0.5	-34.8	37.6	28.5	8.3	9.7	7.1	12.8	12.3
Raw Materials	31,511	20,294	29,261	42,654	46,524	50,768	54,574	60,814	68,172
% of Sales	48.4	47.8	50.1	56.9	57.3	57.0	57.2	56.5	56.4
<b>Gross Profit</b>	<b>33,581</b>	<b>22,137</b>	<b>29,123</b>	<b>32,346</b>	<b>34,703</b>	<b>38,305</b>	<b>40,835</b>	<b>46,821</b>	<b>52,700</b>
Margin (%)	51.6	52.2	49.9	43.1	42.7	43.0	42.8	43.5	43.6
Employees Cost	5,041	4,855	5,231	5,955	6,474	7,131	7,702	8,395	9,192
% of Sales	7.7	11.4	9.0	7.9	8.0	8.0	8.1	7.8	7.6
Other Expenses	19,782	13,472	16,926	20,228	21,268	22,785	24,926	27,169	29,614
% of Sales	30.4	31.7	29.0	27.0	26.2	25.6	26.1	25.2	24.5
<b>Total Expenditure</b>	<b>56,334</b>	<b>38,620</b>	<b>51,418</b>	<b>68,837</b>	<b>74,265</b>	<b>80,684</b>	<b>87,201</b>	<b>96,378</b>	<b>1,06,978</b>
% of Sales	86.5	91.0	88.1	91.8	91.4	90.6	91.4	89.5	88.5
<b>EBITDA</b>	<b>8,758</b>	<b>3,811</b>	<b>6,966</b>	<b>6,162</b>	<b>6,962</b>	<b>8,390</b>	<b>8,208</b>	<b>11,258</b>	<b>13,894</b>
Margin (%)	13.5	9.0	11.9	8.2	8.6	9.4	8.6	10.5	11.5
Depreciation	2,851	2,320	2,172	2,106	2,119	2,327	2,517	2,600	2,700
<b>EBIT</b>	<b>5,907</b>	<b>1,491</b>	<b>4,794</b>	<b>4,056</b>	<b>4,843</b>	<b>6,063</b>	<b>5,690</b>	<b>8,658</b>	<b>11,194</b>
Int. and Finance Charges	311	227	148	46	69	129	450	125	100
Other Income	93	503	298	494	737	357	536	723	940
<b>PBT bef. EO Exp.</b>	<b>5,689</b>	<b>1,766</b>	<b>4,944</b>	<b>4,504</b>	<b>5,511</b>	<b>6,291</b>	<b>5,776</b>	<b>9,256</b>	<b>12,033</b>
EO Items	0	-72	-263	-248	0	-258	0	0	0
<b>PBT after EO Exp.</b>	<b>5,689</b>	<b>1,694</b>	<b>4,682</b>	<b>4,257</b>	<b>5,511</b>	<b>6,034</b>	<b>5,776</b>	<b>9,256</b>	<b>12,033</b>
Total Tax	1,406	556	1,284	1,210	1,403	1,622	1,444	2,314	3,008
Tax Rate (%)	24.7	32.8	27.4	28.4	25.5	26.9	25.0	25.0	25.0
<b>Reported PAT</b>	<b>4,277</b>	<b>1,132</b>	<b>3,398</b>	<b>3,047</b>	<b>4,109</b>	<b>4,412</b>	<b>4,332</b>	<b>6,942</b>	<b>9,025</b>
<b>Adjusted PAT</b>	<b>4,277</b>	<b>1,204</b>	<b>3,661</b>	<b>3,295</b>	<b>4,109</b>	<b>4,669</b>	<b>4,332</b>	<b>6,942</b>	<b>9,025</b>
Change (%)	-24.0	-71.8	204.0	-10.0	24.7	13.6	-7.2	60.2	30.0
Margin (%)	6.6	2.8	6.3	4.4	5.1	5.2	4.5	6.4	7.5

Consolidated - Balance Sheet									
	(INR m)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Equity Share Capital</b>	<b>264</b>								
Total Reserves	34,938	35,558	39,087	39,385	41,519	43,327	45,649	49,370	54,207
<b>Net Worth</b>	<b>35,203</b>	<b>35,823</b>	<b>39,351</b>	<b>39,649</b>	<b>41,783</b>	<b>43,592</b>	<b>45,913</b>	<b>49,634</b>	<b>54,472</b>
Minority Interest	33	38	41	46	52	0	0	0	0
Total Loans	1,691	1,154	0	0	0	0	0	0	0
<b>Capital Employed</b>	<b>36,927</b>	<b>37,014</b>	<b>39,393</b>	<b>39,695</b>	<b>41,836</b>	<b>43,592</b>	<b>45,913</b>	<b>49,634</b>	<b>54,472</b>
Gross Block	45,077	47,808	49,615	51,102	52,466	54,440	57,440	60,440	63,440
Less: Accum. Deprn.	26,058	28,378	30,550	32,656	34,775	37,102	39,619	42,219	44,919
<b>Net Fixed Assets</b>	<b>19,019</b>	<b>19,430</b>	<b>19,065</b>	<b>18,446</b>	<b>17,691</b>	<b>17,338</b>	<b>17,821</b>	<b>18,221</b>	<b>18,521</b>
Goodwill on Consolidation	242	65	65	65	65	65	65	65	65
Capital WIP	1,991	1,288	1,099	771	1,727	2,510	1,402	1,180	1,136
<b>Total Investments</b>	<b>3</b>	<b>61</b>	<b>84</b>	<b>81</b>	<b>80</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>34,254</b>	<b>37,679</b>	<b>39,182</b>	<b>43,442</b>	<b>50,972</b>	<b>62,049</b>	<b>58,253</b>	<b>72,687</b>	<b>70,775</b>
Inventory	10,939	11,367	9,358	14,278	13,687	16,149	14,695	20,102	18,974
Account Receivables	13,504	13,950	12,549	14,073	23,138	28,601	11,131	34,283	16,716
Cash and Bank Balance	786	4,693	9,097	3,953	2,142	4,419	19,033	4,372	20,598
Loans and Advances	9,025	7,669	8,178	11,138	12,004	12,879	13,394	13,930	14,487
<b>Curr. Liability &amp; Prov.</b>	<b>18,582</b>	<b>21,507</b>	<b>20,101</b>	<b>23,109</b>	<b>28,698</b>	<b>38,525</b>	<b>31,782</b>	<b>42,673</b>	<b>36,180</b>
Account Payables	5,450	6,181	6,380	7,170	9,485	11,492	3,669	13,435	5,772
Provisions	13,131	15,326	13,721	15,939	19,214	27,032	28,114	29,238	30,408
<b>Net Current Assets</b>	<b>15,672</b>	<b>16,171</b>	<b>19,081</b>	<b>20,333</b>	<b>22,274</b>	<b>23,524</b>	<b>26,471</b>	<b>30,013</b>	<b>34,595</b>
<b>Appl. of Funds</b>	<b>36,927</b>	<b>37,014</b>	<b>39,393</b>	<b>39,695</b>	<b>41,836</b>	<b>43,592</b>	<b>45,913</b>	<b>49,634</b>	<b>54,472</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>									
EPS	<b>16.2</b>	<b>4.6</b>	<b>13.8</b>	<b>12.5</b>	<b>15.5</b>	<b>17.7</b>	<b>16.4</b>	<b>26.3</b>	<b>34.1</b>
Cash EPS	27.0	13.3	22.1	20.4	23.6	26.5	25.9	36.1	44.3
BV/Share	133.1	135.5	148.8	150.0	158.0	164.9	173.7	187.7	206.0
DPS	2.5	0.5	10.5	7.5	10.0	6.7	6.6	10.5	13.7
Payout (%)	15.5	11.7	81.7	65.1	64.4	40.0	40.0	40.0	40.0
<b>Valuation (x)</b>									
P/E	105	373	123	136	109	96	103.8	64.8	49.8
Cash P/E	63.1	127.5	77.1	83.2	72.2	64.2	65.6	47.1	38.3
P/BV	12.8	12.5	11.4	11.3	10.8	10.3	9.8	9.1	8.3
EV/Sales	6.9	10.5	7.5	5.9	5.5	5.0	4.5	4.1	3.5
EV/EBITDA	51	117	63	72	64	53	52.4	39.5	30.9
Dividend Yield (%)	0.1	0.0	0.6	0.4	0.6	0.4	0.4	0.6	0.8
FCF per share	4.0	17.8	27.5	-10.4	-4.3	-0.8	116.9	-119.5	133.9
<b>Return Ratios (%)</b>									
RoE	12.8	3.4	9.7	8.3	10.1	10.9	9.7	14.5	17.3
RoCE	12.8	3.6	9.7	8.2	10.2	11.0	10.4	14.7	17.5
RoIC	13.5	3.1	11.6	9.1	9.9	11.9	13.8	18.8	21.9
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	1.4	0.9	1.2	1.5	1.5	1.6	1.7	1.8	1.9
Asset Turnover (x)	1.8	1.1	1.5	1.9	1.9	2.0	2.1	2.2	2.2
Inventory (Days)	60	96	65	58	63	61	59	59	59
Debtor (Days)	80	118	83	65	84	106	76	77	77
Creditor (Days)	32	50	39	33	37	43	29	29	29
Working Cap. (Days)	108	164	108	89	109	124	106	107	107
<b>Leverage Ratio (x)</b>									
Current Ratio	1.8	1.8	1.9	1.9	1.8	1.6	1.8	1.7	2.0
Interest Cover Ratio	19.0	6.6	32.4	87.4	70.3	47.2	12.6	69.3	111.9
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	5,689	1,694	4,944	4,173	5,511	6,291	5,776	9,256	12,033
Depreciation	2,851	2,320	2,172	2,106	2,119	2,327	2,517	2,600	2,700
Interest & Finance Charges	305	224	146	44	67	121	450	125	100
Direct Taxes Paid	-1,903	-823	-1,301	-1,397	-1,388	-1,913	-1,083	-1,735	-2,256
(Inc)/Dec in WC	-2,196	2,976	2,994	-6,160	-5,166	-4,223	26,233	-38,861	25,801
<b>CF from Operations</b>	<b>4,746</b>	<b>6,392</b>	<b>8,956</b>	<b>-1,234</b>	<b>1,144</b>	<b>2,603</b>	<b>33,893</b>	<b>-28,616</b>	<b>38,378</b>
Others	332	-189	40	39	-370	-268	0	0	0
<b>CF from Operating incl EO</b>	<b>5,078</b>	<b>6,203</b>	<b>8,996</b>	<b>-1,196</b>	<b>773</b>	<b>2,335</b>	<b>33,893</b>	<b>-28,616</b>	<b>38,378</b>
(Inc)/Dec in FA	-4,033	-1,498	-1,728	-1,543	-1,907	-2,546	-2,980	-2,980	-2,980
<b>Free Cash Flow</b>	<b>1,045</b>	<b>4,705</b>	<b>7,268</b>	<b>-2,739</b>	<b>-1,134</b>	<b>-211</b>	<b>30,913</b>	<b>-31,596</b>	<b>35,398</b>
(Pur)/Sale of Investments	0	0	13	3	0	0	0	0	0
Others	231	86	-10	515	625	315	-14,429	20,088	-15,211
<b>CF from Investments</b>	<b>-3,802</b>	<b>-1,412</b>	<b>-1,726</b>	<b>-1,025</b>	<b>-1,282</b>	<b>-2,231</b>	<b>-17,409</b>	<b>17,108</b>	<b>-18,191</b>
Issue of Shares	0	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	115	61	-2,551	-100	0	0	0	0	0
Interest Paid	-268	-281	-181	-45	-19	-61	-450	-125	-100
Dividend Paid	-800	-663	-134	-2,779	-1,985	-2,644	-1,733	-2,777	-3,610
Others	0	0	0	0	701	4,879	312	-251	-251
<b>CF from Fin. Activity</b>	<b>-952</b>	<b>-884</b>	<b>-2,867</b>	<b>-2,923</b>	<b>-1,302</b>	<b>2,174</b>	<b>-1,870</b>	<b>-3,153</b>	<b>-3,961</b>
<b>Inc/Dec of Cash</b>	<b>324</b>	<b>3,907</b>	<b>4,404</b>	<b>-5,144</b>	<b>-1,811</b>	<b>2,277</b>	<b>14,614</b>	<b>-14,661</b>	<b>16,225</b>
Opening Balance	462	786	4,693	9,097	3,953	2,142	4,419	19,033	4,372
<b>Closing Balance</b>	<b>786</b>	<b>4,693</b>	<b>9,097</b>	<b>3,953</b>	<b>2,142</b>	<b>4,419</b>	<b>19,033</b>	<b>4,372</b>	<b>20,598</b>

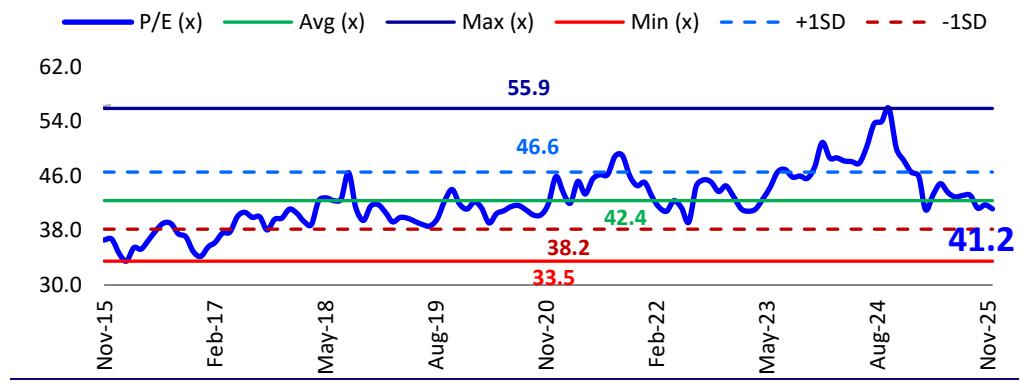
E: MOFSL Estimates

**Exhibit 26: Valuation changes vs. historical averages**

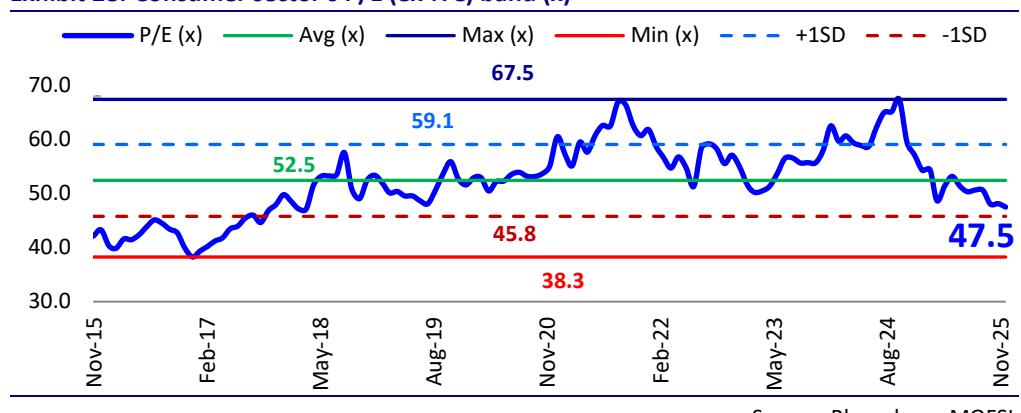
Companies	Current P/E (x)	Average P/E (x)			Prem / Disc P/E (x) vs.		
		15 YR	10 YR	5 YR	15 YR	10 YR	5 YR
<b>Consumer</b>	<b>41.1</b>	<b>38.6</b>	<b>42.4</b>	<b>45.2</b>	<b>6.6</b>	<b>-2.9</b>	<b>-9.0</b>
<b>Consumer Ex ITC</b>	<b>47.6</b>	<b>38.6</b>	<b>52.4</b>	<b>56.8</b>	<b>23.5</b>	<b>-9.1</b>	<b>-16.1</b>
Asian Paints	55.7	49.7	57.5	64.1	12.1	-3.1	-13.2
Britannia Inds.	48.7	40.0	48.5	50.7	21.9	0.3	-4.0
Colgate-Palm.	38.8	34.7	41.6	43.3	11.8	-6.6	-10.4
Dabur India	43.8	41.2	48.0	52.7	6.3	-8.7	-16.9
Emami	24.1	23.3	28.9	28.7	3.4	-16.6	-16.2
Godrej Consumer	46.9	41.8	48.4	53.3	12.2	-3.0	-12.0
Hind. Unilever	48.2	47.0	53.7	56.6	2.5	-10.2	-14.7
Indigo Paints	34.6	65.2	60.5	60.5	-46.9	-42.8	-42.8
ITC	22.4	23.5	22.6	21.5	-4.9	-1.0	3.8
Jyothy Lab.	26.9	35.0	32.6	32.2	-23.0	-17.4	-16.3
L T Foods	16.3	8.1	10.7	11.1	102.9	53.3	46.8
Marico	47.5	35.3	44.5	47.9	34.7	6.8	-0.8
Nestle India	66.3	54.6	61.4	67.8	21.5	8.0	-2.2
P & G Hygiene	44.6	57.0	67.0	68.6	-21.8	-33.4	-35.0
Page Industries	49.8	55.8	65.9	68.7	-10.7	-24.4	-27.5
Pidilite Inds.	55.6	49.9	61.7	74.4	11.3	-10.0	-25.3
Tata Consumer	61.7	44.3	50.7	64.3	39.3	21.6	-4.1
Radico Khaitan	66.4	31.3	37.8	56.3	111.8	75.6	18.0
United Breweries	72.7	92.4	98.5	107.2	-21.3	-26.3	-32.2
United Spirits	57.8	8244.0	63.2	58.7	-99.3	-8.5	-1.5
Varun Beverages	44.1	47.7	47.8	49.8	-7.7	-7.9	-11.5

Source: Bloomberg, MOFSL

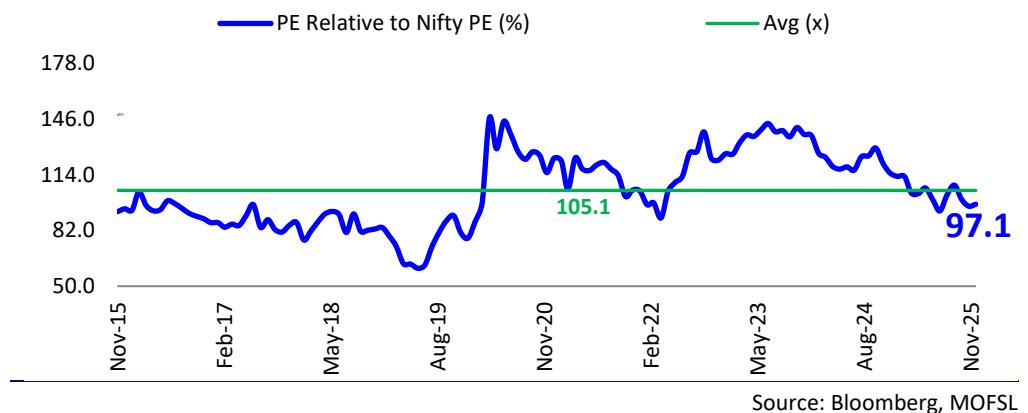
**Exhibit 27: Consumer sector's P/E band (x)**



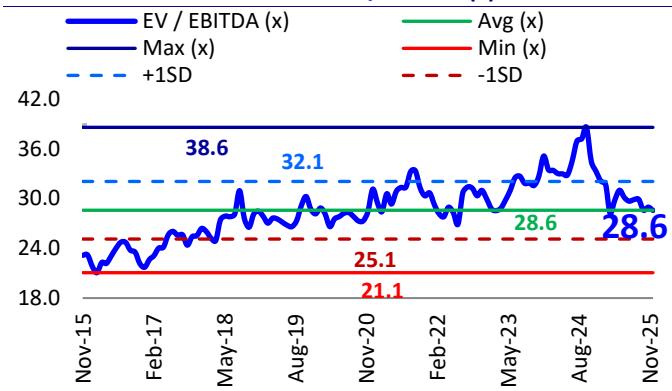
**Exhibit 28: Consumer sector's P/E (ex-ITC) band (x)**



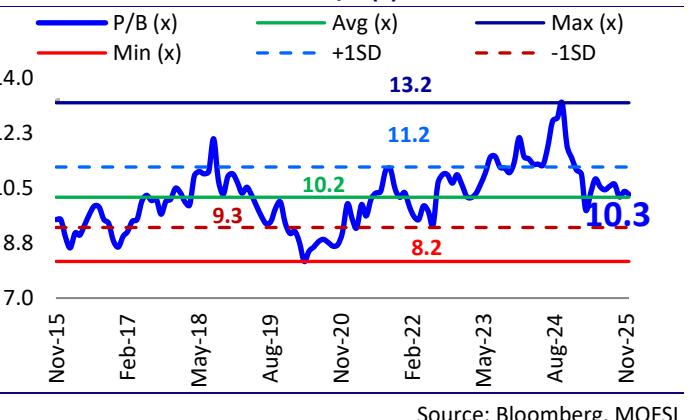
**Exhibit 29: Consumer sector's P/E relative to the Nifty P/E (%)**



**Exhibit 30: Consumer sector – EV/EBITDA (x)**



**Exhibit 31: Consumer sector – P/B (x)**



Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## 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 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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>. As per Regulatory requirements, Research Audit Report is uploaded on [www.motilaloswal.com](http://www.motilaloswal.com) > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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: INH00000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .. 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.