

Raymond Lifestyle

Estimate change 

TP change

Rating change 

Bloomberg	RAYMONDL IN
Equity Shares (m)	61
M.Cap.(INRb)/(USD\$)	90.1 / 1
52-Week Range (INR)	3100 / 1385
1, 6, 12 Rel. Per (%)	-29/-/-
12M Avg Val (INR M)	328

Financials & valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	65.4	63.8	68.7
EBITDA	9.4	6.7	8.4
Adj. PAT	4.9	2.4	3.7
EPS (INR)	80.2	38.7	61.0
EPS Gr. (%)	-	-51.8%	57.7%

Ratios

BV/Sh. (INR)	1,599	1,628	1,686
RoE (%)	10.9	5.1	7.7
RoCE (%)	15.1	8.6	10.6

Valuations

P/E (x)	18.5	38.4	24.3
P/BV (x)	0.9	0.9	0.9
EV/EBITDA (x)	10.2	14.3	11.4
Div. Yield (%)	-	-	-

Shareholding pattern (%)

As On	Dec-24	Sep-24
Promoter	54.7	54.7
DII	7.9	7.9
FII	12.4	12.7
Others	25.0	24.8

FII includes depository receipts

CMP: INR1,484

TP: INR1,900 (+28%)

Buy

Weak quarter; demand recovery key for re-rating

- Raymond Lifestyle (RLL) reported a weak 3Q with modest ~2% YoY revenue growth. EBITDA declined 37% YoY due to operating deleverage, higher ad spends in branded apparels and adverse segmental mix.
- RLL's secondary sales were healthy, which led to: 1) a decline in the Net Working Capital (NWC) to 89 days (from 97 days in 2Q) and 2) a net cash balance of INR0.6b (vs. net debt of INR5.7b in 2Q).
- RLL has corrected ~33% in the last three months and is trading at reasonable valuations of ~24x FY26 P/E. However, we believe improvement in execution and sustained growth recovery remain the key for re-rating.
- We lower our FY25-26E revenue by 2-5%. However, our EBITDA cut is higher at ~14-19% as we now build in a gradual margin recovery.
- We value RLL at a PE multiple of 25x on Mar'27E to arrive at our TP of INR1,900 per share. We maintain **BUY on RLL, primarily on reasonable valuations.**

Below our conservative estimates due to weak margins

- Consolidated revenue was up by a modest 2% YoY at INR17.5b (2% miss).
- RLL opened 61 new stores (incl. 14 Ethnix by Raymond stores) in 3Q, bringing its total retail store network to 1,653 stores (up 9% YoY).
- Gross profit declined 5% YoY to INR7.5b (10% miss) as gross margin contracted 290bp YoY to 42.5% (350bp miss).
- EBITDA declined 37% YoY to INR1.8b (-16% QoQ, 26% miss) due to higher employee (+4% YoY) and other (+21% YoY) expenses.
- EBITDA margin contracted ~620bp YoY to 10.2% (~325bp miss).
- Depreciation and amortization rose 34% YoY, while finance cost jumped 24% YoY.
- Reported PAT declined 60% YoY due to lower EBITDA, higher D&A, and a higher tax rate.
- RLL has once again become net debt free with net cash of INR0.61b (vs. INR5.7b net debt in 2Q). This is driven by better secondary sales, which, thus, improved collections in 3QFY25.
- Further, RLL's net working capital improved to 89 days (vs. 97 days in 2Q).

Highlights from the management commentary

- Demand environment:** The 3Q operating environment remained challenging, driven by a slowdown in urban discretionary spending. There has been no significant change in demand trends in January. However, early signs for next year have been positive from the trade channels.
- Secondary sales:** Secondary sales were healthy, which led to improvement in collections. Further, bookings at retail channels have been positive and management expects FY26 to be a growth year for RLL.
- Growth strategy:** RLL has a threefold strategy for growth: 1) premiumization in Branded Textiles, 2) ramp-up of Ethnix and foray into adjacencies (sleepwear and innerwear), and 3) customer acquisition in Garmenting.

Aditya Bansal - Research Analyst (Aditya.Bansa@MotilalOswal.com)

Siddhesh Chaudhari - Research Analyst (Siddhesh.Chaudhari@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.

- **Margins:** EBITDA margins were impacted by weak consumer demand, operating deleverage, higher ad spends in branded apparels, and an adverse segment mix (higher Garmenting and lower Branded Textiles). Management expects margins to gradually recover to ~15% on a sustainable basis once the headwinds and expansions stabilize.

Valuation and view

- RLL has corrected ~33% in the last three months and is trading at reasonable valuations of ~24x FY26 P/E.
- RLL's focus on increasing its network footprint, ramping up Ethnix, and foray into new segments (inner-wear, sleepwear), along with tailwinds in Garmenting, remain the key growth driver. However, we believe improvement in execution and sustained growth recovery remain the key for re-rating.
- We lower our FY25-26E revenue by 2-5%. However, our EBITDA cut is higher at ~14-19% as we now build in a gradual margin recovery.
- We value RLL at a PE multiple of 25x on Mar'27E to arrive at our TP of INR1,900 per share. We maintain BUY on RLL, primarily on reasonable valuations.

Consolidated - Quarterly performance

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	3QE	Var (%)
Revenue	13,212	18,034	17,263	16,846	12,201	17,083	17,542	17,012	65,354	63,838	17,968	-2.4%
YoY Change (%)					-8%	-5%	2%	1%		-2%		
Total Expenditure	11,745	15,431	14,429	14,383	11,604	14,935	15,745	14,894	55,988	57,178	15,540	1.3%
EBITDA	1,467	2,602	2,834	2,462	597	2,148	1,797	2,119	9,366	6,661	2,428	-26.0%
EBITDA Margin	11.1%	14.4%	16.4%	14.6%	4.9%	12.6%	10.2%	12.5%	14.3%	10.4%	13.5%	
Change YoY (%)					-59%	-17%	-37%	-14%		-29%		
Depreciation	568	598	595	702	746	763	794	784	2,463	3,087	773	2.8%
Interest	617	428	438	473	463	532	544	568	1,957	2,108	559	-2.6%
Other Income	327	458	329	430	294	270	413	463	1,544	1,439	270	53.2%
PBT	517	2,035	2,129	1,717	-323	528	867	1,230	6,398	2,303	1,366	-36.5%
Tax	34	641	505	423	-91	106	226	310	1,603	552	344	-34.3%
Rate (%)	6.6%	31.5%	23.7%	24.6%	28.1%	20.1%	26.0%	25.2%	25.1%	24.0%	25.2%	
Reported PAT	483	1,393	1,624	1,294	-232	422	642	920	4,795	1,751	1,022	-37.2%
Adj PAT	575	1,393	1,624	1,294	-227	1,016	645	920	4,887	2,354	1,022	-36.8%
YoY Change (%)					-139.5%	-27.1%	-60.3%	-29%		-51.8%		

Exhibit 1: Valuation: We ascribe INR1,720 TP to RLL

Mar-26	INR m
PAT	4,626
PE	25x
Equity	1,15,736
NOS	61
per share	1,900
CMP	1,484
upside	28%

Exhibit 2: Consol P&L (INR m)

Consol P&L (INR m)	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Total Revenue	17,263	17,083	17,542	2	3	17,968	-2
Raw Material cost	9,426	9,443	10,090	7	7	9,703	4
Gross Profit	7,837	7,639	7,453	-5	-2	8,265	-10
Gross margin (%)	45.4%	44.7%	42.5%	-291	-224	46.0%	-352
Employee Costs	2,341	2,422	2,437	4	1	2,336	4
Other expenses	2,662	3,070	3,219	21	5	3,502	-8
EBITDA	2,834	2,148	1,797	-37	-16	2,428	-26
EBITDA margin (%)	16.4%	12.6%	10.2%	-617	-233	13.5%	-327
Depreciation and amortization	595	763	794	34	4	773	3
EBIT	2,239	1,385	1,003	-55	-28	1,655	-39
EBIT margin (%)	0.1	8.1%	5.7%	NM	NM	9.2%	-3.5
Finance Costs	438	532	544	24	2	559	-3
Other income	329	270	413	26	53	270	53
Exceptional item	0	-594	-4	NM	NM	0	NM
Profit before Tax	2,129	528	867	-59	64	1,366	-36
Tax	505	106	226	-55	112	344	-34
Tax rate (%)	23.7%	20.1%	26.0%	9.7	29.2	25%	3.4
Profit after Tax	1,624	422	642	-60	52	1,022	-37
Adj Profit after Tax	1,624	1,016	645	-60	-36		

Segment Revenue	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Branded Textile	9,089	8,535	8,563	-6%	0%	8,726	-2%
Branded Apparel	4,373	4,410	4,580	5%	4%	4,851	-6%
Garmenting	2,605	2,596	3,088	19%	19%	2,951	5%
HVCS	2,143	2,284	2,010	-6%	-12%	2,183	-8%
Consolidated Revenue	17,263	17,083	17,542	2%	3%	17,968	-2%
Elimination	947	742	698			742	

Segment EBITDA	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Branded Textile	1,963	1,610	1,538	-22%	-4%	1,789	-14%
Branded Apparel	608	573	438	-28%	-24%	631	-31%
Garmenting	294	250	240	-18%	-4%	288	-17%
HVCS	234	221	207	-11%	-7%	240	-14%
Consolidated EBITDA	2,834	2,148	1,797	-37%	-16%	2,428	-26%
Elimination	265	507	626			520	

Segmental performance:

- **Branded Textile:** Revenue at INR8.6b (2% miss) declined ~6% YoY (vs. -9% YoY in 2Q) on account of continued weakness in customer demand. EBITDA declined 22% YoY to INR1.5b (14% miss) as the margin contracted 365bp YoY to 18% (255bp miss) on account of operating leverage.
- **Branded Apparel:** Revenue at INR4.6b (6% miss) inched up 5% YoY as 9% YoY store addition was offset by a likely decline in SSSG as market conditions remained challenging amid muted consumer demand. However, EBITDA at INR440m (31% miss) declined 28% YoY as the margin contracted 430bp YoY to 9.6% (340bp miss), due to higher ad spends and upfront investments in retail store expansions.
- **Garmenting:** Revenue at INR3.1b (5% beat) grew 19% YoY. However, EBITDA declined 18% YoY to INR240m (16% miss) as the margin contracted 350bp YoY to 7.8% (200bp miss) on account of an adverse sales mix, higher freight costs, and additional costs for the new lines.
- **High-Value Cotton Shirting (HVCS):** Revenue at INR2b (in line) declined ~6% YoY. EBITDA declined 11% YoY to INR207m (14% miss) as the margin contracted 60bp YoY to 10.3% (70bp miss) on account of operating leverage.

Exhibit 3: Key estimate changes

Consol	FY25	FY26	FY27
Revenue (INR mn)			
Old	64,835	72,065	80,577
Actual/New	63,838	68,687	74,043
Change (%)	-1.5%	-4.7%	-8.1%
Gross Profit (INR mn)			
Old	29,176	32,789	36,824
Actual/New	27,770	30,737	33,689
Change (%)	-4.8%	-6.3%	-8.5%
Gross margin (%)			
Old	45.0	45.5	45.7
Actual/New	43.5	44.8	45.5
Change (%)	-1.5	-0.8	-0.2
EBITDA (INR mn)			
Old	7,728	10,334	11,835
Actual/New	6,661	8,366	9,692
Change (%)	-13.8%	-19.0%	-18.1%
EBITDA margin (%)			
Old	11.9	14.3	14.7
Actual/New	10.4	12.2	13.1
Change (%)	-148.5	-216.1	-159.9
PAT (INR mn)			
Old	2,836	4,692	5,726
Actual/New	2,354	3,713	4,626
Change (%)	-17.0%	-20.9%	-19.2%

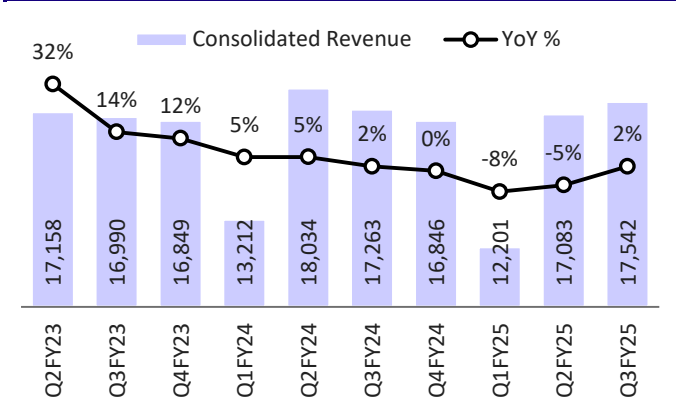


Highlights from the management commentary

- **Demand environment:** The 3Q operating environment remained challenging, driven by a slowdown in urban discretionary spending. There has been no significant change in demand trends in January. However, early signs for next year have been positive from the trade channels.
- **Secondary sales:** Secondary sales were healthy, which led to improvement in collections. Further, bookings at retail channels have been positive and management expects FY26 to be a growth year for RLL.
- **Growth strategy:** RLL has a threefold strategy for growth: 1) premiumization in Branded Textiles, 2) ramp-up of Ethnix and foray into adjacencies (sleepwear and innerwear), and 3) customer acquisition in Garmenting.
- **Margins:** EBITDA margins were impacted by weak consumer demand, operating deleverage, higher ad spends in branded apparels, and adverse segment mix (higher Garmenting and lower Branded Textiles). Management expects margins to gradually recover to ~15% on a sustainable basis once the headwinds and expansions stabilize.
- **Segmental margins:** Branded Textiles is the key margin driver for the company and management expects margins to improve to 21-22%. Further, it expects: 1) 12-13% margins in the long run in the branded apparel segment and 2) double-digit margins in Garmenting.
- **Garmenting:** The company added 15 new clients during 3Q. While this led to better growth for the segment, margins were impacted by a weaker product mix, as new clients have started with lower-end products. Further, there was an impact from blue collar manpower training for expansion.
- **Branded Textiles:** RLL typically takes 1-2% price hikes every year in the segment. However, management has made a conscious decision not to implement price hikes this year. Despite this, it remains optimistic about premium bookings and scale benefits to drive growth in FY26.

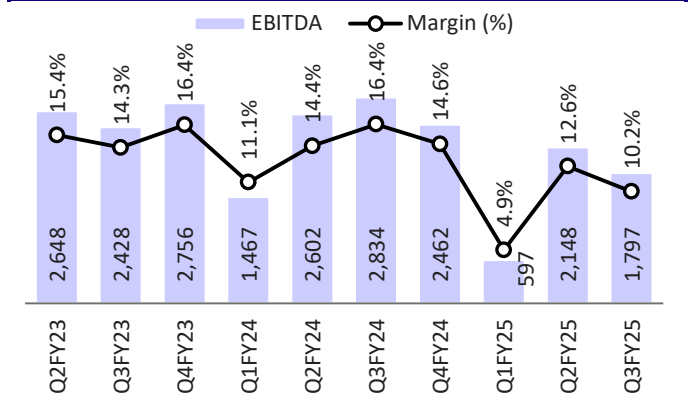
Key exhibits

Exhibit 4: Consolidated revenue increased 2% YoY



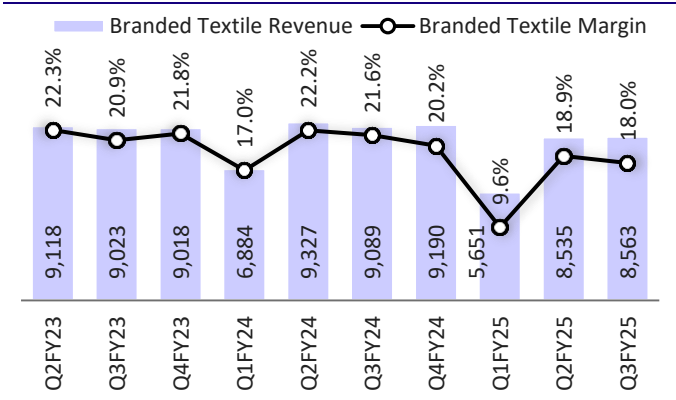
Source: Company, MOFSL

Exhibit 5: Consolidated EBITDA declined 37% YoY as margins contracted ~620bp YoY



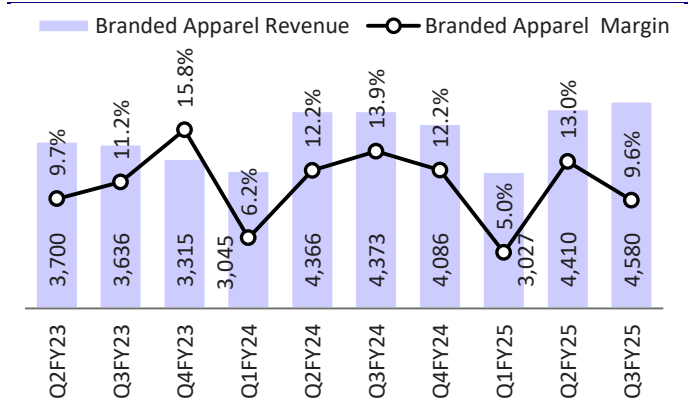
Source: Company, MOFSL

Exhibit 6: Branded Textile revenue declined 6% YoY; margin contracted 365bp YoY



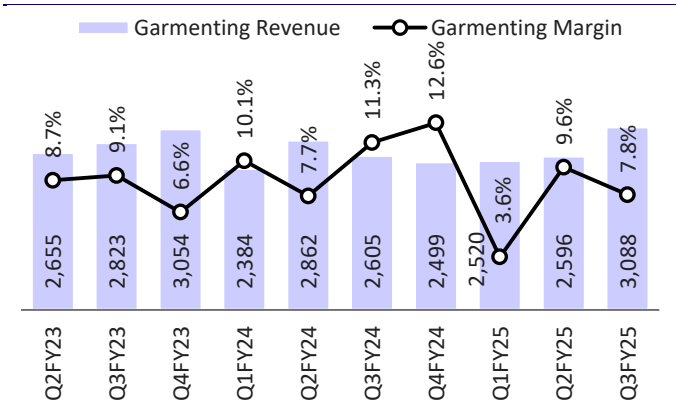
Source: Company, MOFSL

Exhibit 7: Branded Apparel revenue inched up 5% YoY; margins contracted ~435bp YoY



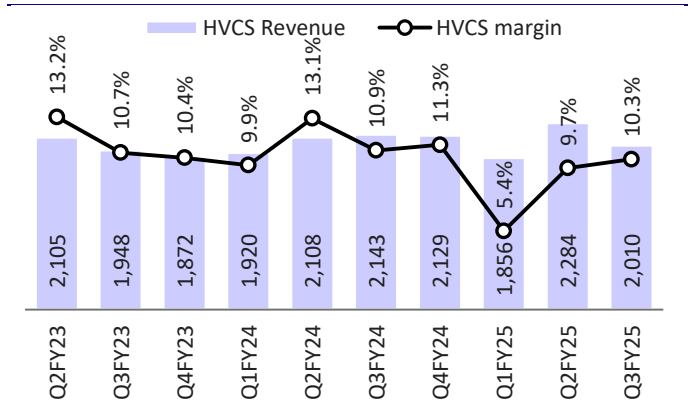
Source: Company, MOFSL

Exhibit 8: Garmenting revenue increased 19% YoY; margins contracted ~355bp YoY



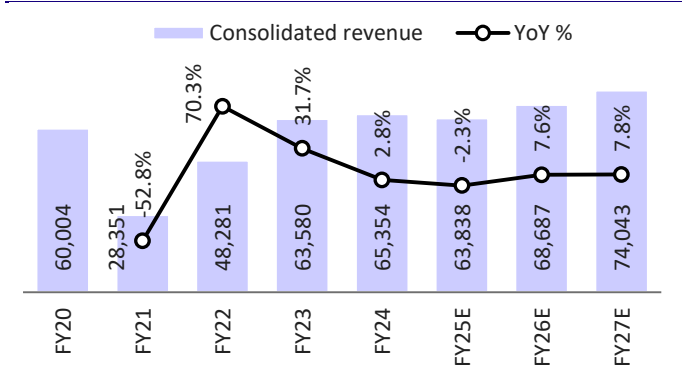
Source: Company, MOFSL

Exhibit 9: HVCS revenue declined 6% YoY; margins contracted 60bp YoY



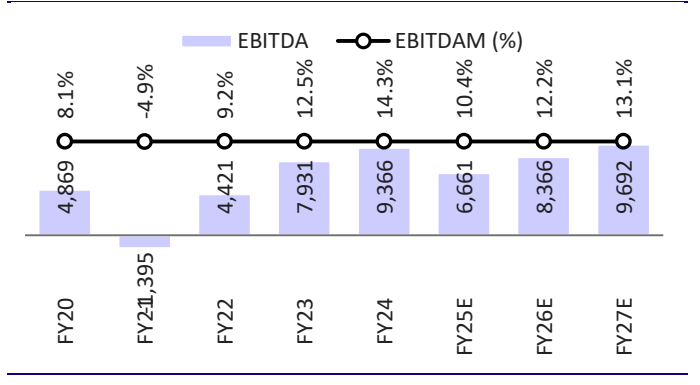
Source: Company, MOFSL

Exhibit 10: Consolidated revenue to record ~4% CAGR over FY24-27E



Source: Company, MOFSL

Exhibit 11: Expect FY27 EBITDA to be broadly similar to FY24 levels



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement				(INR m)
Y/E March	FY24	FY25E	FY26E	FY27E
Revenue from Operations	65,354	63,838	68,687	74,043
Change (%)		-2	8	8
Raw Materials	29,259	28,727	30,394	32,579
Manufacturing & opex	6,902	7,341	7,556	7,774
Gross Profit	29,193	27,770	30,737	33,689
Margin (%)	44.7	43.5	44.8	45.5
Employee Costs	9,182	9,576	9,960	10,366
Other Expenses	10,646	11,533	12,412	13,632
EBITDA	9,366	6,661	8,366	9,692
Margin (%)	14.3	10.4	12.2	13.1
Depreciation	2,463	3,087	3,196	3,542
EBIT	6,903	3,574	5,169	6,150
Margin (%)	10.6	5.6	7.5	8.3
Finance costs	1,957	2,108	1,756	1,638
Other Income	1,544	1,439	1,549	1,670
Exceptional Items loss (gain)	-92	-603	0	0
PBT bef. EO Exp.	6,398	2,303	4,962	6,182
Total Tax	-1,603	-552	-1,249	-1,556
Tax Rate (%)	25.1	24.0	25.2	25.2
PAT	4,795	1,751	3,713	4,626
Adjusted PAT	4,887	2,354	3,713	4,626
Change (%)		-52	58	25

Consolidated - Balance Sheet				(INR m)
Y/E March	FY24	FY25E	FY26E	FY27E
Equity Share Capital	122	122	122	122
Total Reserves	97,273	99,024	1,02,737	1,07,362
Net Worth	97,394	99,146	1,02,859	1,07,484
Total Loans	8,254	10,004	9,004	8,004
Lease Liability	7,135	8,910	11,046	13,970
Capital Employed	1,12,783	1,18,060	1,22,909	1,29,458
Fixed Assets	75,461	77,446	78,768	80,739
Total Investments	9,000	9,000	9,000	9,000
Curr. Assets, Loans&Adv.	32,276	35,770	41,476	48,637
Inventory	17,328	17,490	18,818	20,286
Account Receivables	9,248	10,494	10,350	10,143
Cash and Bank Balance	1,524	3,609	8,131	14,032
Loans and Advances	4,177	4,177	4,177	4,177
Curr. Liability & Prov.	18,491	18,141	19,071	20,098
Account Payables	12,593	12,243	13,173	14,200
Other Current Liabilities	5,100	5,100	5,100	5,100
Provisions	798	798	798	798
Net Current Assets	13,786	17,629	22,405	28,539
Deferred Tax assets	12,159	11,607	10,358	8,802
Other Assets	2,378	2,378	2,378	2,378
Appl. of Funds	1,12,783	1,18,060	1,22,909	1,29,458

E: MOFSL Estimates

Financials and valuations

Ratios				
Y/E March	FY24	FY25E	FY26E	FY27E
Basic (INR)				
EPS	80.2	38.7	61.0	76.0
Cash EPS	120.7	89.3	113.5	134.1
BV/Share	1,599	1,628	1,689	1,765
Valuation (x)				
P/E	18.5	38.4	24.3	19.5
Cash P/E	12.3	16.6	13.1	11.1
P/BV	0.9	0.9	0.9	0.8
EV/Sales	1.5	1.5	1.4	1.3
EV/EBITDA	10.2	14.3	11.4	9.8
FCF per share	-21.0	-18.1	65.2	85.9
Return Ratios (%)				
--Adjusted to revaluation, goodwill and cash				
Adj RoE	10.9	5.1	7.7	8.8
Adj RoCE	15.1	8.6	10.6	11.3
Adj RoIC	20.8	10.4	14.3	16.5
--Pre Ind-AS ratios				
Adj RoCE	22.0	11.8	14.7	15.8
Adj RoIC	25.0	12.0	18.4	23.7
Working Capital Ratios				
Fixed Asset Turnover (x)	0.9	0.8	0.9	0.9
Asset Turnover (x)	0.6	0.5	0.6	0.6
Inventory (Days)	97	100	100	100
Debtor (Days)	52	60	55	50
Creditor (Days)	70	70	70	70
WC (Days)	78	90	85	80
Leverage Ratio (x)				
Current Ratio	1.7	2.0	2.2	2.4
Interest Cover Ratio	3.5	1.7	2.9	3.8
Net Debt/EBITDA	0.5	0.9	0.3	-0.1
Net Debt/Equity	0.0	0.1	0.0	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	3,316	2,303	4,962	6,182
Depreciation	2,478	3,087	3,196	3,542
Interest & Finance Charges	1,957	2,108	1,756	1,638
Others	2,102	-1,439	-1,549	-1,670
Direct Taxes Paid	-1,768	0	0	0
(Inc)/Dec in WC	-5,041	-1,757	-255	-233
CF from Operating	3,044	4,300	8,111	9,459
(Inc)/Dec in FA	-1,352	-2,000	-1,000	-1,000
Free Cash Flow	1,692	2,300	7,111	8,459
(Pur)/Sale of Investments	-8,812	0	0	0
Others	20,543	1,439	1,549	1,670
CF from Investments	10,379	-561	549	670
Inc/(Dec) in Debt	-11,054	1,750	-1,000	-1,000
Inc/(Dec) in Lease	-1,365	-1,903	-1,990	-2,215
Interest Paid	-1,607	-1,501	-1,148	-1,013
CF from Fin. Activity	-14,026	-1,654	-4,138	-4,228
Inc/Dec of Cash	-604	2,086	4,522	5,900
Opening Balance	1,424	1,524	3,610	8,132
Other bank balance	704			
Closing Balance	1,524	3,610	8,132	14,032

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. 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.motilalosal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilalosal.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.motilalosal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilalosal.com.

Nainesh Rajani

Email: nainesh.rajani@motilalosal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.

8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of

Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.