

Relaxo Footwears

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USD\$b)	136.8 / 1.6
52-Week Range (INR)	950 / 525
1, 6, 12 Rel. Per (%)	-11/-31/-44
12M Avg Val (INR M)	78

Financials & Valuations (INR b)

INRb	FY24	FY25E	FY26E
Net Sales	29.1	28.4	31.1
Gross Profit	16.9	17.1	18.8
EBITDA	4.1	3.9	4.4
Adj. PAT	2.0	1.7	2.0
Gross Margin (%)	58.1	60.1	60.4
EBITDA Margin (%)	14.0	13.6	14.2
Adj. EPS (INR)	8.1	6.9	7.9
EPS Gr. (%)	29.8	-14.9	15.6
BV/Sh. (INR)	80.4	85.5	91.5

Ratios

Net D:E	0.0	-0.1	-0.1
RoE (%)	10.4	8.3	9.0
RoCE (%)	10.0	8.0	8.7
RoIC (%)	10.6	8.6	10.0

Valuations

P/E (x)	68.2	80.2	69.4
EV/EBITDA (x)	33.7	34.9	30.5
EV/Sales (X)	4.7	4.7	4.3
Div. Yield (%)	0.5	0.3	0.4

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	71.3	71.3	71.3
DII	10.5	10.0	8.9
FII	3.3	3.4	3.4
Others	14.9	15.3	16.5

FII includes depository receipts

CMP: INR549 TP: INR425 (-23%) Downgrade to Sell

Another weak quarter; Downgrade to Sell

- Relaxo Footwears (RLXF) reported another weak quarter with revenue declining 6% YoY due to a 15% YoY dip in volume.
- The volume decline was majorly on account of weak consumer demand in the mass and value segments. Over the past few quarters, RLXF has also been facing competitive pressure from unorganized retailers.
- RLXF has been working on revamping its distribution system (consolidating the distribution network), which has led to a loss in volume market share; however, management expects the benefits to accrue after 2-3 quarters.
- We cut our FY25-26E revenue by 4-5% and EBITDA by 5-10% due to uncertainty in volume recovery and ~100bp cut in gross margin assumption.
- We build in a 5-7% CAGR in revenue/EBITDA/PAT over FY24-27E as we optimistically model a volume recovery from FY26.
- However, given the continued volume decline amid market share loss and weaker demand in the mass footwear segment, we **downgrade the stock to Sell with a revised TP of INR425** (premised on 45x FY27E P/E).

~11%/16% miss on revenue/EBITDA as volume decline persists

- Revenue declined 6% YoY to INR 6.7b (11% miss), on account of subdued overall demand, especially in the mass and value segments.
- Volume declined 15% YoY (vs. 10% YoY in 2Q) to 40m pairs, while ASP was up 10% YoY to INR166/pair.
- Gross profit declined ~6% YoY to INR3.8b (15% miss) as gross margin expanded 10bp YoY (-390bp QoQ, 290bp miss).
- RLXF continued to exhibit good cost controls, with employee expenses flat YoY and other expenses declining 10% YoY.
- EBITDA at INR834m, declined 4% YoY (17% miss), as weaker revenue growth was partly offset by good cost controls.
- EBITDA margin expanded ~25bp YoY to 12.5% (90bp miss).
- Depreciation/finance costs rose 7%/11% YoY, while other income increased ~14% YoY during the quarter.
- PAT declined 14% YoY to INR330m (27% miss) due to weaker EBITDA and higher tax rates.
- PAT margin contracted ~45bp YoY to 4.9% (110bp miss).
- 9MFY25 revenue/EBITDA/PAT declined by 3%/6%/18% YoY.

Management commentary

- Demand environment:** Consumer demand remains weak, particularly in the mass and value segments. This led to ~15% YoY volume decline for RLXF.
- Distribution strategy:** The company is focused on revamping its distribution system. It has launched the "Relaxo Parivaar" app, which has helped the company to streamline its network of distributors and retailers. The distribution system is likely to stabilize, and management expects the benefits to be visible in the next 2-3 quarters.

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.

- **Online strategy:** RLXF continues to improve its online presence through the “Brand as a Seller” model and is regularly launching exclusives across online channels.
- **Cost optimization:** The company’s focus remains on cost optimization efforts. They are targeting operational efficiencies in the manufacturing facilities as well as the vendors.

Valuation and view

- A gradual recovery in rural demand sentiments is crucial for RLXF’s volume growth. Recovery in the open footwear category, product mix-led ASP improvement, and an increase in the mix of closed footwear – particularly in the S&A wear – remain the key growth drivers for RLXF.
- RLXF has been working on revamping its distribution system (consolidating the distribution network), which has led to a loss in volume market share, but management expects benefits to accrue after 2-3 quarters.
- We cut our FY25-26E revenue by 4-5% and EBITDA by 5-10% due to uncertainty in volume recovery and ~100bp cut in our gross margin assumption.
- We build in a CAGR of 5-7% in revenue/EBITDA/PAT over FY24-27E as we optimistically model a volume recovery from FY26.
- Despite a sharp correction over the past few months, RLXF still trades at an expensive ~70x FY26E P/E.
- Given the continued volume decline amid market share loss and weaker demand in the mass footwear segment, we **downgrade RLXF to Sell with a revised TP of INR425** (premised on 45x FY27E P/E, in line with its five-year average multiple pre-Covid).

Consolidated - Quarterly earnings summary

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	Var (%)	
Gross Sales	7,388	7,153	7,127	7,472	7,482	6,794	6,669	7,496	29,141	28,440	7,452	-11
YoY Change (%)	10.7	6.8	4.7	-2.3	1.3	-5.0	-6.4	0.3	4.7	-2.4	4.6	
Total RM Cost	3,151	3,013	3,065	2,968	2,847	2,648	2,861	2,992	12,197.0	11,348	2,981	-4
Gross Profit	4,237	4,140	4,062	4,504	4,635	4,146	3,808	4,504	16,944	17,093	4,471	-15
Margins (%)	57.4	57.9	57.0	60.3	62.0	61.0	57.1	60.1	58.1	60.1	60.0	-5
Total Expenditure	6,313	6,238	6,255	6,269	6,493	5,917	5,835	6,327	25,075	24,573	6,453	-10
EBITDA	1,076	915	872	1,204	989	877	834	1,168	4,066	3,868	999	-16
Margins (%)	14.6	12.8	12.2	16.1	13.2	12.9	12.5	15.6	14.0	13.6	13.4	-7
Depreciation	346	369	375	385	391	398	402	424	1,475	1,615	409	-2
Interest	45	47	48	47	49	50	54	54	187	207	47	15
Other Income	73	105	60	51	54	66	68	65	289	253	63	7
PBT before EO expense	758	604	508	823	603	496	446	755	2,693	2,300	606	-26
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	758	604	508	823	603	496	446	755	2,693	2,300	606	-26
Tax	195	162	123	209	160	128	116	190	688	594	153	-24
Rate (%)	25.7	26.8	24.1	25.4	26.5	25.9	26.0	25.2	25.6	25.9	25.2	
Reported PAT	563	442	386	614	444	367	330	564	2,005	1,705	453	-27
Adj PAT	563	442	386	614	444	367	330	564	2,005	1,705	453	-27
YoY Change (%)	45.6	97.0	28.3	-3.0	-21.2	-16.9	-14.4	-8.1	29.8	-14.9	17.5	
Margins (%)	7.6	6.2	5.4	8.2	5.9	5.4	4.9	7.5	6.9	6.0	6.1	-19

E: MOFSL Estimates

Exhibit 1: Valuation based on Mar'27E

Particulars	INR/share
EPS	9
Target P/E ratio (x)	45
Equity value/share (INR)	425
CMP (INR)	550
Upside/downside (%)	-23%

Source: MOFSL, Company

Exhibit 2: Quarterly performance (INR m)

INRm	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Net sales	7,127	6,794	6,669	-6.4	-1.8	7,452	-10.5
Total Revenue	7,127	6,794	6,669	-6.4	-1.8	7,452	-10.5
Raw Material cost	3,065	2,648	2,861	-6.7	8.0	2,981	-4.0
Gross Profit	4,062	4,146	3,808	-6.3	-8.1	4,471	-14.8
Gross margin (%)	57.0	61.0	57.1	10	-392	60.0	-290
Employee Costs	960	1,062	960	0.0	-9.6	1,073	-10.5
SGA Expenses	2,230	2,207	2,014	-9.7	-8.7	2,399	-16.1
Total Opex	6,255	5,917	5,835	-6.7	-1.4	6,453	-9.6
EBITDA	872	877	834	-4.3	-4.9	999	-16.5
EBITDA margin (%)	12.2	12.9	12.5	27	-40	13.4	-90
Depreciation and amortization	375	398	402	7.2	1.1	409	-1.8
EBIT	497	479	432	-13.0	-9.9	589	-26.7
EBIT margin (%)	7.0	7.1	6.5	-49	-58	7.9	-143
Finance Costs	48	50	54	11.4	8.0	47	15.5
Other income	60	66	68	13.5	2.4	63	7.3
Profit before Tax	508	496	446	-12.2	-10.0	606	-26.4
Tax	123	128	116	-5.4	-9.7	153	-24.0
Tax rate (%)	24.1	25.9	26.0			25.2	
Profit after Tax	386	367	330	-14.4	-10.1	453	-27.2
Adj Profit after Tax	386	367	330	-14.4	-10.1	453	-27.2
PAT margin (%)	5.4	5.4	4.9	-46	-46	6.1	-113

Source: MOFSL, Company

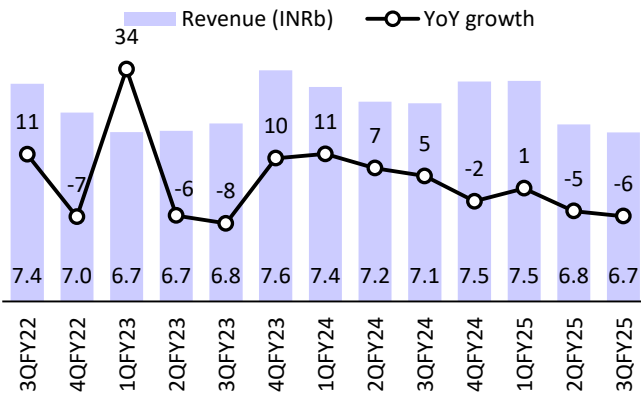
Exhibit 3: Revisions to our estimates

	FY25E	FY26E	FY27E
Revenue (INR m)			
Old	29,538	32,565	35,902
Actual/New	28,440	31,055	34,066
Change (%)	-3.7	-4.6	-5.1
EBITDA (INR m)			
Old	4,076	4,885	5,780
Actual/New	3,868	4,410	5,042
Change (%)	-5.1	-9.7	-12.8
EBITDA margin (%)			
Old	13.8%	15.0%	16.1%
Actual/New	13.6%	14.2%	14.8%
Change (bp)	-20	-80	-130
Net Profit (INR m)			
Old	1,881	2,361	2,921
Actual/New	1,705	1,972	2,335
Change (%)	-9.4	-16.5	-20.1
EPS (INR)			
Old	7.6	9.5	11.7
Actual/New	6.9	7.9	9.4
Change (%)	-9.4	-16.5	-20.1

Source: MOFSL, Company

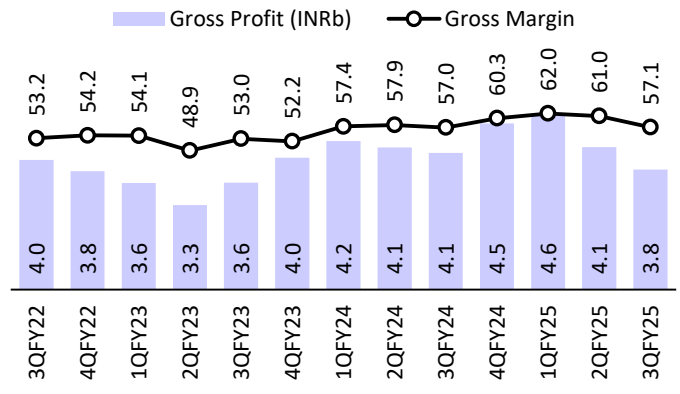
Story in charts

Exhibit 4: Revenue declined 6% YoY due to volume declines



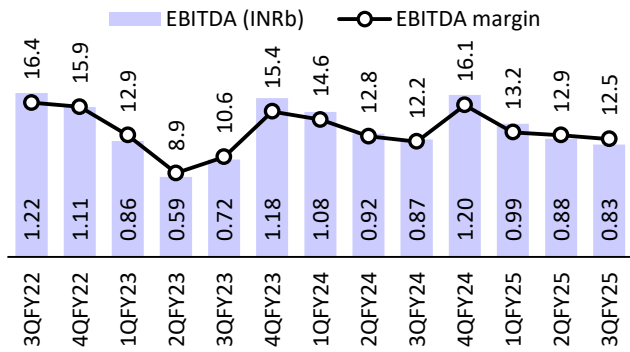
Source: MOFSL, Company

Exhibit 5: GM remained flat YoY despite the ASP increase



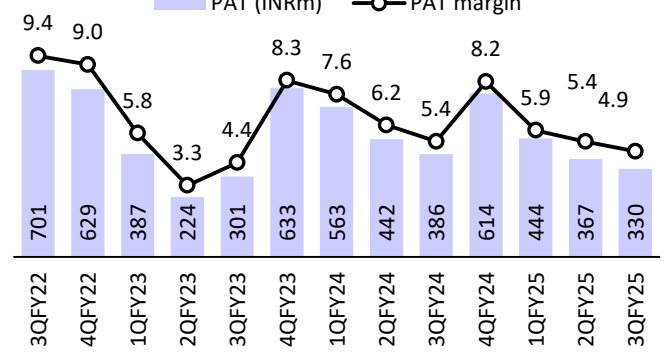
Source: MOFSL, Company

Exhibit 6: EBITDA declined 4% YoY; margin up 30bp YoY



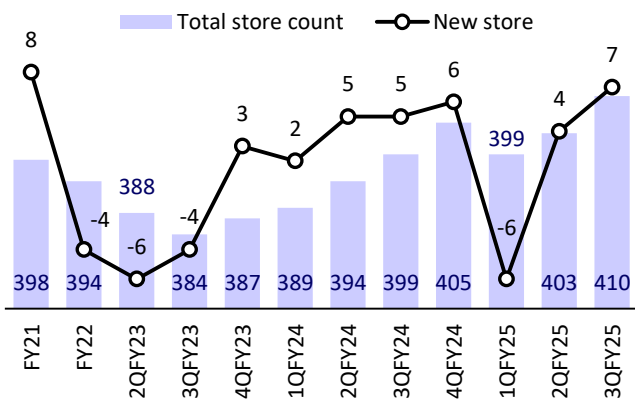
Source: MOFSL, Company

Exhibit 7: PAT declined 14% YoY; margin down 50bp YoY



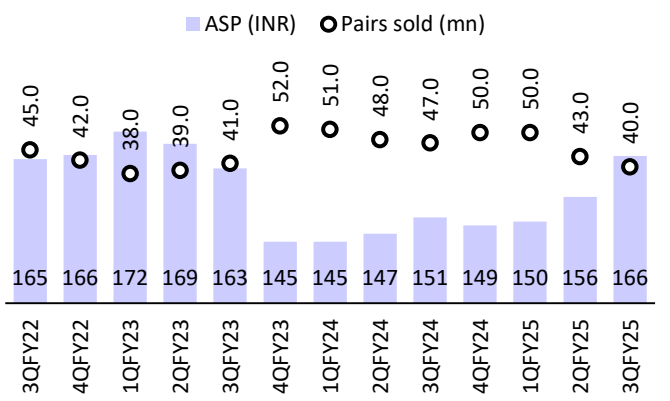
Source: MOFSL, Company

Exhibit 8: Total store count stood at 410; 7 stores added



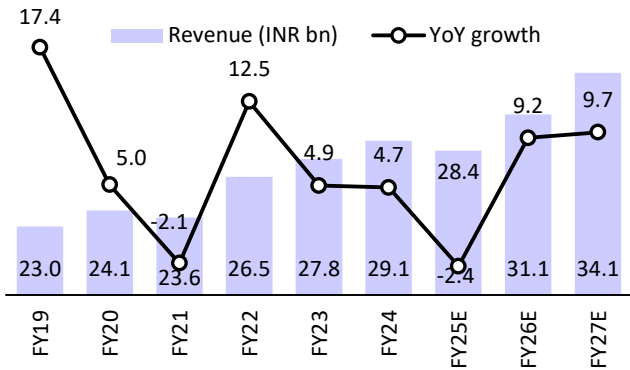
Source: MOFSL, Company

Exhibit 9: ASP increased 10% while volume declined 15% YoY



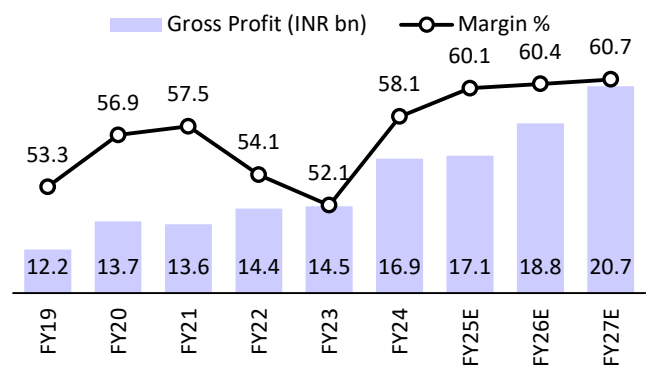
Source: MOFSL, Company

Exhibit 10: Expect revenue CAGR of 5% over FY24-27



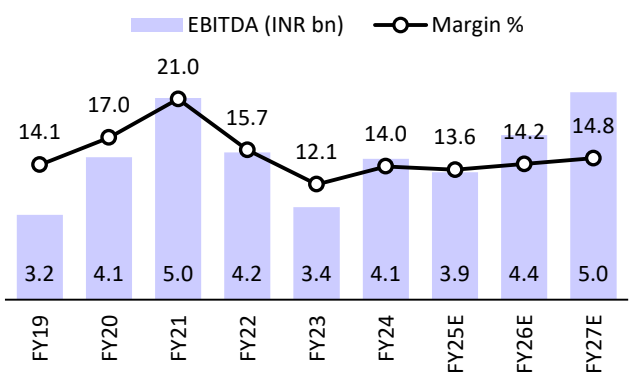
Source: MOFSL, Company

Exhibit 11: Expect gross profit CAGR of 7% over FY24-27



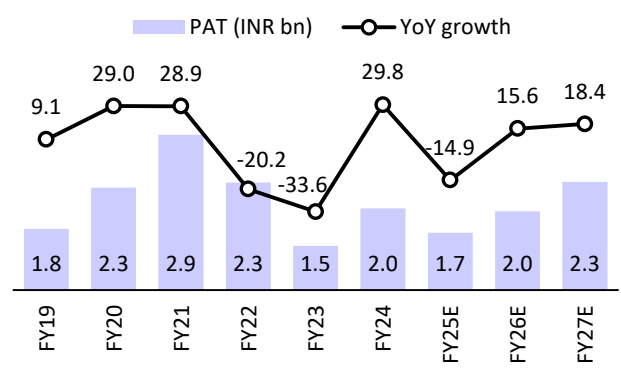
Source: MOFSL, Company

Exhibit 12: Expect EBITDA CAGR of 7% over FY24-27



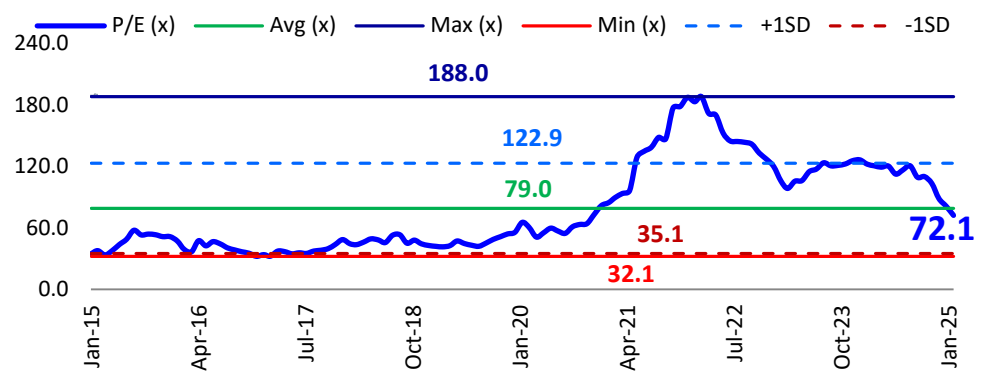
Source: MOFSL, Company

Exhibit 13: Expect PAT CAGR of 5% over FY24-27



Source: MOFSL, Company

Exhibit 14: Despite the recent correction, RLXF trades at an expensive ~70x 1-year forward P/E



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Total Income from Operations	24,105	23,592	26,533	27,827	29,141	28,440	31,055	34,066	
Change (%)	5.0	-2.1	12.5	4.9	4.7	-2.4	9.2	9.7	
RM Cost	10,393	10,032	12,167	13,343	12,197	11,348	12,298	13,388	
Gross Profit	13,712	13,559	14,366	14,484	16,944	17,093	18,757	20,678	
Margin (%)	57%	57%	54%	52%	58%	60%	60%	61%	
Employees Cost	2,940	3,014	3,347	3,433	3,891	4,152	4,472	4,837	
Other Expenses	6,682	5,590	6,861	7,694	8,987	9,073	9,875	10,799	
Total Expenditure	20,015	18,636	22,375	24,470	25,075	24,573	26,645	29,024	
% of Sales	83.0	79.0	84.3	87.9	86.0	86.4	85.8	85.2	
EBITDA	4,090	4,956	4,158	3,358	4,066	3,868	4,410	5,042	
Margin (%)	17.0	21.0	15.7	12.1	14.0	13.6	14.2	14.8	
Depreciation	1,094	1,100	1,135	1,251	1,475	1,615	1,784	1,972	
EBIT	2,995	3,855	3,022	2,107	2,591	2,253	2,625	3,070	
Margin (%)	12.4	16.3	11.4	7.6	8.9	7.9	8.5	9.0	
Int. and Finance Charges	169	171	153	192	187	207	263	244	
Other Income	91	228	237	186	289	253	274	296	
PBT bef. EO Exp.	2,917	3,912	3,106	2,100	2,693	2,300	2,636	3,122	
Total Tax	655	996	779	555	688	594	664	787	
Tax Rate (%)	22.4	25.5	25.1	26.4	25.6	25.9	25.2	25.2	
Reported PAT	2,263	2,916	2,327	1,545	2,005	1,705	1,972	2,335	
Adjusted PAT	2,263	2,916	2,327	1,545	2,005	1,705	1,972	2,335	
Change (%)	29.0	28.9	-20.2	-33.6	29.8	-14.9	15.6	18.4	
Margin (%)	9.4	12.4	8.8	5.6	6.9	6.0	6.3	6.9	

Consolidated - Balance Sheet									(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Equity Share Capital	248	248	249	249	249	249	249	249	
Total Reserves	12,476	15,476	17,352	18,302	19,762	21,041	22,520	24,271	
Net Worth	12,724	15,724	17,601	18,551	20,011	21,290	22,769	24,520	
Minority Interest	0	0	0	0	0	0	0	0	
Total Loans	192	0	200	0	185	185	185	185	
Lease Liabilities	1,474	1,442	1,540	1,641	1,864	2,561	2,428	2,336	
Deferred Tax Liabilities	248	228	199	215	271	271	271	271	
Capital Employed	14,637	17,394	19,540	20,406	22,331	24,307	25,653	27,312	
Provision and others	109	163	188	194	192	199	217	238	
Gross Block	10,235	10,524	11,673	14,017	15,621	17,445	19,485	21,768	
Less: Accum. Deprn.	2,324	2,980	3,694	4,471	5,339	6,378	7,535	8,823	
Net Fixed Assets	7,911	7,544	7,980	9,547	10,283	11,067	11,950	12,945	
Capital WIP	456	1,180	1,490	890	333	351	361	371	
Right to use asset	1,899	1,837	1,893	1,956	3,429	3,233	3,011	2,748	
Total Investments	2	3,382	1,943	2,253	1,077	1,077	1,077	1,077	
Current Investments	0	3,380	1,693	2,006	829	829	829	829	
Loans and others	231	396	344	373	384	384	384	384	
Curr. Assets, Loans&Adv.	7,912	7,419	10,177	9,930	11,635	12,754	13,830	15,207	
Inventory	4,477	4,221	6,733	5,638	5,988	4,663	5,054	5,502	
Account Receivables	1,721	1,815	2,508	2,703	3,577	3,491	3,812	4,182	
Cash and Bank Balance	41	77	125	740	977	3,746	4,032	4,501	
Loans and Advances	1,673	1,306	812	849	1,093	853	932	1,022	
Curr. Liability & Prov.	3,665	4,202	4,098	4,349	4,616	4,360	4,742	5,180	
Account Payables	1,838	2,228	2,217	2,529	2,547	2,369	2,568	2,795	
Other Current Liabilities	1,531	1,702	1,589	1,568	1,668	1,706	1,863	2,044	
Provisions	297	272	292	251	401	284	311	341	
Net Current Assets	4,247	3,218	6,079	5,582	7,019	8,394	9,088	10,027	
Misc Expenditure	0	0	0	0	0	0	0	0	
Appl. of Funds	14,746	17,556	19,728	20,599	22,523	24,505	25,870	27,551	

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	9.1	11.7	9.3	6.2	8.1	6.9	7.9	9.4
Cash EPS	13.5	16.2	13.9	11.2	14.0	13.3	15.1	17.3
BV/Share	51.3	63.3	70.7	74.5	80.4	85.5	91.5	98.5
DPS	1.3	2.5	2.5	2.5	3.0	1.7	2.0	2.3
Payout (%)	13.7	21.3	26.7	40.3	37.2	25.0	25.0	25.0
Valuation (x)								
P/E	60.3	46.8	58.8	88.5	68.2	80.2	69.4	58.6
Cash P/E	40.6	34.0	39.5	48.9	39.3	41.2	36.4	31.8
P/BV	10.7	8.7	7.8	7.4	6.8	6.4	6.0	5.6
EV/Sales	5.7	5.7	5.2	4.9	4.7	4.7	4.3	3.9
EV/EBITDA	33.8	27.2	32.9	40.4	33.7	34.9	30.5	26.6
Dividend Yield (%)	0.2	0.5	0.5	0.5	0.5	0.3	0.4	0.4
FCF per share	8.2	15.7	-3.3	8.7	-0.4	14.2	5.2	6.0
Return Ratios (%)								
RoE	19.0	20.5	14.0	8.5	10.4	8.3	9.0	9.9
RoCE	17.8	19.0	13.2	8.4	10.0	8.0	8.7	9.5
RoIC	17.7	21.4	15.8	9.5	10.6	8.6	10.0	11.1
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	2.2	2.3	2.0	1.9	1.6	1.6	1.6
Asset Turnover (x)	2.0	2.2	1.9	1.8	1.7	1.5	1.5	1.5
Inventory (Days)	68	65	93	74	75	60	59	59
Debtor (Days)	26	28	35	35	45	45	45	45
Creditor (Days)	28	34	31	33	32	30	30	30
Working Capital (Days)	66	59	97	76	88	74	74	74
Leverage Ratio (x)								
Current Ratio	2.2	1.8	2.5	2.3	2.5	2.9	2.9	2.9
Interest Cover Ratio	17.8	22.6	19.7	10.9	13.9	10.9	10.0	12.6
Net Debt/Equity	0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1	-0.1

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	2,917	3,912	3,106	2,100	2,693	2,300	2,636	3,122
Depreciation	1,094	1,100	1,135	1,251	1,475	1,615	1,784	1,972
Interest & Finance Charges	169	171	153	192	187	207	263	244
Interest Income & Dividend	-4	-7	-12	-56	0	-253	-274	-296
Direct Taxes Paid	-831	-891	-839	-555	-668	-594	-664	-787
(Inc)/Dec in WC	-198	930	-2,816	1,101	-1,151	1,394	-408	-470
CF from Operations	3,146	5,214	728	4,034	2,535	4,668	3,337	3,786
Others	43	-83	-168	-33	-184	0	0	0
CF from Operating incl EO	3,189	5,131	560	4,001	2,351	4,668	3,337	3,786
(Inc)/Dec in FA	-1,159	-1,219	-1,389	-1,843	-2,461	-1,136	-2,050	-2,293
Free Cash Flow	2,030	3,912	-829	2,158	-110	3,532	1,287	1,493
(Pur)/Sale of Investments	11	-3,306	1,519	-247	1,269	0	0	0
CF from Investments	-1,157	-4,532	146	-2,585	-986	-883	-1,776	-1,997
Issue of Shares	32	49	139	4	0	0	0	0
Inc/(Dec) in Debt	-914	-192	200	-200	185	0	0	0
Payment of LL	-326	-248	-263	-511	-590	-390	-538	-512
Interest Paid	-174	-171	-153	-55	-37	-207	-263	-244
Dividend Paid	-643	0	-621	-622	-622	-426	-493	-584
Others	0	0	0	0	0	7	18	21
CF from Fin. Activity	-2,026	-562	-698	-1,385	-1,064	-1,015	-1,275	-1,319
Inc/Dec of Cash	7	38	8	32	301	2,770	285	469
Opening Balance	23	30	68	76	107	408	3,178	3,463
Closing Balance	30	68	76	107	408	3,178	3,463	3,933
Add: Bank Balance	11	9	49	633	569	569	569	569
Net Closing Balance	41	77	125	740	977	3,747	4,032	4,502

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.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf> MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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