8 November 2026
2QFY27 Results Update | Sector: Retail

# Vedant Fashions

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↑ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | MANYAVAR IN |
| Equity Shares (m) | 243 |
| M.Cap.(INRb)/(USDb) | 114.9 / 1.2 |
| 52-Week Range (INR) | 653 / 329 |
| 1, 6, 12 Rel. Per (%) | -16/6/-25 |
| 12M Avg Val (INR M) | 270 |

**Financials & Valuations Consol (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 15.1 | 16.1 | 17.0 |
| EBITDA | 6.5 | 7.0 | 7.4 |
| Adj. PAT | 4.0 | 4.4 | 4.7 |
| EBITDA Margin (%) | 43.2 | 43.5 | 43.7 |
| Adj. EPS (INR) | 16.3 | 18.0 | 19.4 |
| EPS Gr. (%) | 5.1 | 10.6 | 7.4 |
| BV/Sh. (INR) | 86.7 | 96.3 | 106.3 |
| **Ratios** | | | |
| Net D:E | (0.5) | (0.6) | (0.6) |
| RoE (%) | 18.2 | 18.2 | 17.7 |
| RoCE (%) | 17.5 | 17.8 | 17.5 |
| Payout (%) | 50.0 | 50.0 | 50.0 |
| **Valuations** | | | |
| P/E (x) | 29.1 | 26.4 | 24.5 |
| EV/EBITDA (x) | 18.0 | 16.3 | 15.0 |
| EV/Sales (X) | 7.8 | 7.1 | 6.6 |
| Div. Yield (%) | 1.7 | 1.9 | 2.0 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 74.9 | 74.9 | 75.0 |
| DII | 14.1 | 13.2 | 11.0 |
| FII | 7.4 | 8.0 | 9.8 |
| Others | 3.5 | 3.9 | 4.4 |

FII Includes depository receipts

**CMP: INR473** **TP: INR475** **Neutral**

## Muted performance; recovery in 2H remains key watch

- Vedant Fashions (VFL) reported a muted 2QFY27, with customer sales largely flat YoY due to ~5.8% YoY SSS decline and continued store closures, amid a shift in the festive and wedding calendar.
- Gross margin (after job charges) contracted ~35bp YoY to 64.9% (~110bp beat), while reported EBITDA declined ~5% YoY (3% miss), as margin contracted ~310bp YoY to 39% (~215bp miss), due to operating deleverage.
- Domestic EBO count declined to 497 stores (vs. 501 QoQ), with retail area largely stable QoQ at ~1.67m sqft. Management expects store additions to accelerate in 2H and targets mid-single digit network expansion in FY27.
- Management noted that SSSG was in positive territory in 2Q, when adjusted for last 10 days. It reiterated the aim to achieve high single digit to early double digit SSSG over the medium term.
- We fine-tune our FY27-28 estimates and now forecast a ~6-8% CAGR in revenue, reported EBITDA and PAT over FY26-29.
- The wedding calendar improves over the next few quarters, which should help VFL, however, we await evidence of a sustainable demand recovery and earnings acceleration before turning constructive. **Maintain Neutral rating on VFL with a revised TP of INR475, premised on 25x Dec'28E EPS.**

## Muted quarter; operating deleverage drives EBITDA margin below 40%

- Customer sales grew 0.6% YoY at INR3.5b, as SSS declined ~5.8% in 2Q.
- Domestic EBO count declined to 497 in 2QFY27 (vs. 501 in 1QFY27), while EBO area remained stable QoQ at 1.67m sqft.
- 2Q revenue grew ~2% YoY to INR2.7b (vs. our estimate of flat YoY).
- Gross profit (after job charges) inched up ~2% YoY to INR1.75b (vs. our est. INR1.68b), as gross margin contracted ~35bp YoY to 64.9% (~110bp beat).
- Employee expenses increased ~5% YoY (4% above our est.), while other expenses rose ~18% YoY (22% above estimates), reflecting elevated operating costs amid subdued revenue growth.
- Reported EBITDA declined ~5% YoY to INR1.05b (3% below our est.), as EBITDA margin contracted ~310bp YoY to 39.0% (~215bp miss), due to weaker gross margin and operating deleverage.
- PAT remained flat YoY at INR562m (in line), despite the ~5% decline in EBITDA, supported by lower finance costs (-14% YoY) and higher other income (+17% YoY).

## 1HFY27: Tepid performance; notable WC build-up ahead of festive

- 1H customer sales inched up ~2% YoY to INR7.7b, with SSS declining 0.3%.
- Revenue grew ~5% YoY to INR5.7b.
- Reported EBITDA inched up ~2% YoY to INR2.4b as margin contracted ~115bp YoY to 41.4%, largely due to ~120bp contraction in gross margin.
- Pre-IND AS EBITDA stood at INR1.4b (flat YoY), with margins at 24.3% (-80bp YoY).
- Reported PAT grew ~8% YoY to INR1.4b, supported by ~16% higher other income and ~11% YoY decline in finance costs.

**Aditya Bansal - Research Analyst** (Aditya.Bansal@MotilalOswal.com)
**Research Analyst: Avinash Karumanchi** (Avinash.Karumanchi@MotilalOswal.com) | **Siddhesh Chaudhari** (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.**

- Working capital days increased sharply to 199 (vs. 153 YoY), driven by sharp surge in receivables (180 days vs. 121 YoY, likely indicating channel stuffing). Inventory days moderated to 36 (vs. 48 YoY), while payables increased to 77 days (vs. 72 YoY). Consequently, net working capital increased to INR8.0b (up 33% YoY, vs. ~2% YoY growth in sales).
- Operating cash flow (post-interest and leases) declined to INR109m in 1HFY27 (vs. INR186m YoY), largely due to working capital build-up (INR700m vs. INR580m YoY). However, lower capex of INR9m (vs. INR112m) supported FCF improvement to INR100m (vs. INR74m in 1HFY26).
- For 2H, we expect ~4-5% YoY growth in revenue, reported EBITDA and PAT.

## Highlights from the management commentary

- **Festive shift impact**: 2QFY27 performance was impacted by the shift in the festive calendar as the last 10 days of 2QFY27 coincided with Shraddh, replacing a strong festive sales period in the base quarter. Management indicated that SSSG would have been positive excluding the last 10 days of the quarter.
- **Demand trends**: On a comparable Diwali-30 days basis, the demand trends remain encouraging, with green shoots emerging from recent product, marketing and retail initiatives. ASP growth, average basket size and repeat customer purchases have improved, although new customer acquisition remains a key challenge. Management remains confident of a strong 2H, with demand expected to be concentrated in Nov'26-Jan'27 period.
- **Area/Store Addition**: VFL adopted a calibrated expansion strategy in 1HFY27, prioritizing store rationalization and additions in high-potential locations, with net area additions of only ~5k sqft. in 2Q. Management expects the majority of store openings in 2H and targets mid-single-digit network expansion in FY27, with similar or slightly better growth in FY28. It aims to accelerate expansion to early double digits in FY29.
- **Vision**: Management's long-term vision is to establish VFL as a leading player across the Indian-wear market, with a 4-5-year focus on strengthening its position across premium, mid-premium and value men's celebration wear. It expects high-single-digit to double-digit SSSG, accelerating store additions and growth in newer brands to support a return to stronger double-digit revenue growth over the medium term. Women's celebration wear and potential new brands are expected to provide additional growth levers.

## Valuation and view

- Over the past few years, VFL's sales have stagnated (<3% CAGR since FY23) due to higher competition, subdued demand sentiment in mid-premium categories, and an uneven wedding calendar.
- While the wedding calendar creates quarterly fluctuations, VFL's growth has been structurally weak for the past few years despite a largely stable number of wedding days in FY24 and FY26 (refer: Exhibit 4 and 5).
- We believe rising organized competition in ethnic wear, coupled with a slower-than-expected shift from unorganized to organized in ethnic wear, has been the key headwind for VFL.
- We fine-tune our FY27-28 estimates and now forecast a ~6-8% CAGR in revenue, EBITDA and PAT over FY26-29.
- The wedding calendar improves over the next few quarters, which should help VFL, however, we await evidence of a sustainable demand recovery and earnings acceleration before turning constructive. **Maintain Neutral rating on VFL with a revised TP of INR475, premised on 25x Dec'28E EPS.**

**Exhibit 1: Valuation based on Dec'28E P/E**

| Valuation | Dec'28E |
|---|---|
| EPS | 19.0 |
| PE multiple (x) | 25 |
| **Target Price (INR)** | **475** |
| CMP (INR) | 475 |
| **Upside (%)** | - |

Source: MOFSL, Company

**Quarterly Earnings Snapshot** **(INR m)**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Var (%) |
| **Revenue** | **2,812** | **2,632** | **4,917** | **3,994** | **3,014** | **2,694** | **5,082** | **4,311** | **14,355** | **15,100** | **2,638** | **2.1** |
| YoY Change (%) | 17.2 | -1.8 | -3.8 | 8.7 | 7.2 | 2.4 | 3.4 | 7.9 | 3.5 | 5.2 | | |
| Total Expenditure | 1,606 | 1,524 | 2,720 | 2,206 | 1,704 | 1,643 | 2,893 | 2,345 | 8,055 | 8,584 | 1,552 | 5.8 |
| **EBITDA** | **1,206** | **1,108** | **2,197** | **1,788** | **1,310** | **1,051** | **2,189** | **1,966** | **6,299** | **6,516** | **1,086** | **-3.2** |
| EBITDA margins (%) | 42.9 | 42.1 | 44.7 | 44.8 | 43.5 | 39.0 | 43.1 | 45.6 | 43.9 | 43.2 | 41.2 | |
| Change YoY (%) | 7.0 | -9.2 | -9.3 | 7.9 | 8.6 | -5.2 | -0.4 | 10.0 | -2.0 | 3.4 | | |
| Depreciation | 398 | 417 | 442 | 439 | 422 | 414 | 422 | 474 | 1,696 | 1,733 | 435 | -4.7 |
| Interest | 141 | 150 | 140 | 132 | 130 | 128 | 130 | 130 | 563 | 520 | 132 | -3.1 |
| Other Income | 258 | 199 | 214 | 263 | 297 | 233 | 247 | 252 | 935 | 1,028 | 229 | 1.7 |
| **PBT before EO expense** | **925** | **740** | **1,829** | **1,481** | **1,055** | **741** | **1,883** | **1,614** | **4,975** | **5,291** | **748** | **-0.9** |
| Tax | 222 | 180 | 464 | 338 | 249 | 179 | 474 | 430 | 1,204 | 1,332 | 188 | -4.8 |
| Rate (%) | 24.1 | 24.3 | 25.6 | 22.8 | 23.6 | 24.2 | 25.2 | 26.6 | 24.3 | 25.2 | 25.2 | -4.0 |
| **Reported PAT** | **703** | **561** | **1,349** | **1,143** | **806** | **562** | **1,409** | **1,184** | **3,755** | **3,960** | **560** | **0.5** |
| **Adj PAT** | **703** | **561** | **1,361** | **1,143** | **806** | **562** | **1,409** | **1,184** | **3,768** | **3,960** | **560** | **0.5** |
| YoY Change (%) | 12 | -16 | -14 | 13 | 15 | 0 | 4 | 4 | -3 | 5 | 0 | |

E: MOFSL Estimates

**Exhibit 2: Quarterly performance (INR m)**

| | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% | 2QFY27E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| **Total Revenue** | **2,632** | **3,014** | **2,694** | **2** | **-11** | **2,638** | **2** |
| Raw Material cost | 746 | 886 | 779 | 4 | -12 | 778 | 0 |
| **Gross Profit** | **1,885** | **2,128** | **1,914** | **2** | **-10** | **1,860** | **3** |
| **Gross margin (%)** | **71.6** | **70.6** | **71.1** | **-57.5** | **46.4** | **70.5** | **56.9** |
| Employee Costs | 165 | 152 | 174 | 5 | 15 | 168 | 4 |
| Other expenses | 613 | 666 | 690 | 13 | 4 | 607 | 14 |
| **EBITDA** | **1,108** | **1,310** | **1,051** | **-5** | **-20** | **1,086** | **-3** |
| **EBITDA margin (%)** | **42.1** | **43.5** | **39.0** | **-310.0** | **-446.5** | **41.2** | **-215.0** |
| Depreciation and amortization | 417 | 422 | 414 | -1 | -2 | 435 | -5 |
| EBIT | 691 | 888 | 636 | -8 | -28 | 651 | -2 |
| EBIT margin (%) | *26.3* | *29.5* | *23.6* | *-263.0* | *-583.6* | *24.7* | *-104.6* |
| Finance Costs | 150 | 130 | 128 | -14 | -1 | 132 | -3 |
| Other income | 199 | 297 | 233 | 17 | -22 | 229 | 2 |
| **Profit before Tax** | **740** | **1,055** | **741** | **0** | **-30** | **748** | **-1** |
| Tax | 180 | 249 | 179 | 0 | -28 | 188 | -5 |
| Tax rate (%) | *24.3* | *23.6* | *24.2* | | | *25.2* | *-4.0* |
| **Profit after Tax** | **561** | **806** | **562** | **0** | **-30** | **560** | **0** |

Source: MOFSL, Company

**Operating metrics**

| | 2QFY26 | 1QFY27 | 2QFY27 | *YoY%* | *QoQ%* |
|---|---|---|---|---|---|
| **SSSG (%)** | **-2.0%** | **3.8%** | **-5.8%** | | |
| Domestic EBOs | 508 | 501 | 497 | -2 | -1 |

**Exhibit 3: Summary of key estimates for VFL**

| (INR m) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|
| **Stores** | **583** | **649** | **676** | **678** | **669** | **660** | **670** | **685** |
| Net Adds | 53 | 66 | 27 | 2 | -9 | -9 | 10 | 15 |
| Area | 1.30 | 1.47 | 1.70 | 1.79 | 1.79 | 1.82 | 1.84 | 1.88 |
| % YoY | 18% | 13% | 16% | 5% | 0% | 1% | 2% | 2% |
| Revenue per sq ft | 8,674 | 9,783 | 8,628 | 7,945 | 8,019 | 8,320 | 8,731 | 9,004 |
| YoY Growth % | 1% | 13% | -12% | -8% | 1% | 4% | 5% | 3% |
| **Sales of Customers** | **14,736** | **18,614** | **18,527** | **18,929** | **20,081** | **20,828** | **22,188** | **23,396** |
| % YoY | 76% | 26% | 0% | 2% | 6% | 4% | 7% | 5% |
| **Revenues** | **10,408** | **13,549** | **13,675** | **13,865** | **14,355** | **15,100** | **16,086** | **16,962** |
| % YoY | 84% | 30% | 1% | 1% | 4% | 5% | 7% | 5% |
| Gross Profit (incl job work) | 6,958 | 9,127 | 9,186 | 9,315 | 9,424 | 9,815 | 10,439 | 10,991 |
| % Margin | 66.9% | 67.4% | 67.2% | 67.2% | 65.7% | 65.0% | 64.9% | 64.8% |
| **EBITDA** | **4,959** | **6,708** | **6,581** | **6,426** | **6,299** | **6,516** | **6,997** | **7,412** |
| % YoY | 104% | 35% | -2% | -2% | -2% | 3% | 7% | 6% |
| % Margin | 47.6% | 49.5% | 48.1% | 46.3% | 43.9% | 43.2% | 43.5% | 43.7% |
| **PAT** | **3,149** | **4,291** | **4,142** | **3,885** | **3,755** | **3,960** | **4,380** | **4,703** |
| % YoY | 137% | 36% | -3% | -6% | -3% | 5% | 11% | 7% |
| % Margin | 30.3% | 31.7% | 30.3% | 28.0% | 26.2% | 26.2% | 27.2% | 27.7% |

Source: MOFSL, Company

## Improvement in wedding calendar to support demand through 2HFY27

The festive shift weighed on 2QFY27 demand, with only five wedding dates during the quarter (even though there were NIL wedding dates in 2QFY26), as the delayed festive season pushed wedding-related purchases into 3QFY27. The wedding calendar is expected to improve in 2HFY27, with 40 wedding dates (vs. 37 in 2HFY26), largely concentrated in 4QFY27 (29 vs. 20 in 4QFY26), which should support a recovery in demand. Further, the wedding calendar remains favorable in FY28, with 96 wedding dates in CY27 (vs. 60 in CY26). However, while calendar shifts can lead to quarterly volatility, VFL's prolonged subdued performance despite intermittent favorable wedding seasons suggests that the underlying weakness is more structural than cyclical.

**Exhibit 4: Month-wise wedding date trends**

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec | CY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2023** | 9 | 13 | 6 | - | 12 | 11 | - | - | - | - | 5 | 7 | **63** |
| **2024** | 9 | 11 | 10 | 3 | - | - | 6 | - | - | - | 11 | 5 | **55** |
| **2025** | 10 | 14 | 5 | 9 | 15 | 5 | - | - | - | - | 14 | 3 | **75** |
| **2026** | - | 12 | 8 | 8 | 8 | 8 | 5 | - | - | - | 4 | 7 | **60** |
| **2027** | 9 | 13 | 7 | 9 | 19 | 16 | 5 | - | - | - | 11 | 7 | **96** |

Source: Company, MOFSL

**Exhibit 5: Correlation between no of wedding dates and revenue growth**

| | No of wedding dates | | | | | % YoY revenue growth | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY |
| **FY23** | 39 | 6 | 6 | 28 | **79** | 119.1 | 20.0 | (2.9) | 21.3 | **30.2** |
| **FY24** | 23 | - | 12 | 30 | **65** | (15.6) | (8.2) | 11.1 | 5.9 | **0.9** |
| **FY25** | 3 | 6 | 16 | 29 | **54** | (21.9) | 23.9 | 9.0 | 1.9 | **1.4** |
| **FY26** | 29 | - | 17 | 20 | **66** | 23.2 | 4.6 | (2.4) | 7.8 | **3.5** |
| **FY27E** | 24 | 5 | 11 | 29 | **69** | 3.4 | 0.6 | | | |

Source: Company, MOFSL

**Exhibit 6: Our estimate change summary**

| | FY27E | FY28E | FY29E |
|---|---|---|---|
| **Revenue (INR m)** | | | |
| Old | 14,980 | 16,034 | 17,027 |
| Actual/New | 15,100 | 16,086 | 16,962 |
| Change (%) | 0.8 | 0.3 | -0.4 |
| **EBITDA (INR m)** | | | |
| Old | 6,509 | 7,079 | 7,603 |
| Actual/New | 6,516 | 6,997 | 7,412 |
| Change (%) | 0.1 | -1.2 | -2.5 |
| **Margin (%)** | | | |
| Old | 43.5 | 44.2 | 44.7 |
| Actual/New | 43.2 | 43.5 | 43.7 |
| Change (bp) | -30 | -65 | -95 |
| **Net Profit (INR m)** | | | |
| Old | 3,905 | 4,352 | 4,719 |
| Actual/New | 3,960 | 4,380 | 4,703 |
| Change (%) | 1.4 | 0.6 | -0.3 |
| **EPS (INR)** | | | |
| Old | 16.1 | 17.9 | 19.4 |
| Actual/New | 16.3 | 18.0 | 19.4 |
| Change (%) | 1.4 | 0.6 | -0.3 |

Source: MOFSL, Company




## Detailed takeaways from the management interaction

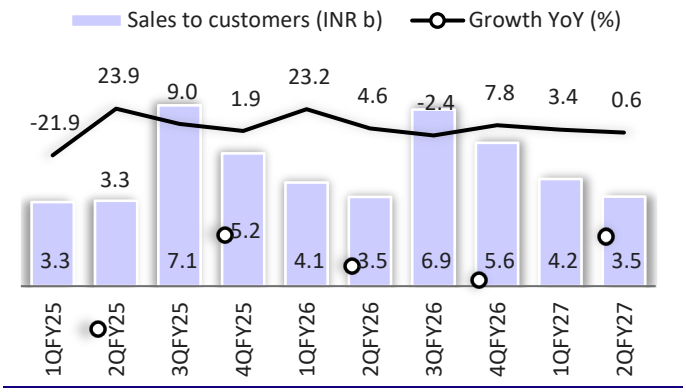
- **Festive shift impact**: 2QFY27 performance was impacted by the shift in the festive calendar as the last 10 days of 2QFY27 coincided with Shraddh, replacing a strong festive sales period in the base quarter. Management indicated that SSSG would have been positive excluding the last 10 days of the quarter.
- **Demand trends**: On a comparable Diwali-30 days basis, the demand trends remain encouraging, with green shoots emerging from recent product, marketing and retail initiatives. ASP growth, average basket size and repeat customer purchases have improved, although new customer acquisition remains a key challenge. Management remains confident of a strong 2H, with demand expected to be concentrated in Nov'26-Jan'27 period.
- **Area/Store Addition**: VFL adopted a calibrated expansion strategy in 1HFY27, prioritizing store rationalization and additions in high-potential locations, with net area additions of only ~5k sqft. in 2Q. Management expects the majority of store openings in 2H and targets mid-single-digit network expansion in FY27, with similar or slightly better growth in FY28. It aims to accelerate expansion to early double digits in FY29.
- **Vision**: Management's long-term vision is to establish VFL as a leading player across the Indian-wear market, with a 4-5-year focus on strengthening its position across premium, mid-premium and value men's celebration wear. It expects high-single-digit to double-digit SSSG, accelerating store additions and growth in newer brands to support a return to stronger double-digit revenue growth over the medium term. Women's celebration wear and potential new brands are expected to provide additional growth levers.
- **Margins**: Management attributed the moderation in 2QFY27 EBITDA margin to operating deleverage arising from subdued revenue growth, rather than higher advertising expenditure or structural cost pressures. Given the seasonally higher revenue contribution from 2H, it expects improved operating leverage and remains confident of delivering historically strong margins for FY27.
- **Manyavar Club**: VFL launched its first-ever loyalty program, Manyavar Celebration Club, offering customers 1% reward points on purchases to encourage repeat transactions and strengthen customer retention. The initiative complements the company's broader focus on improving retail KPIs, customer engagement and purchase frequency.
- **Twamev**: Management remains highly confident about Twamev's growth trajectory, with the premium brand expanding VFL's addressable market by ~20–30%. The company plans to establish ~30 flagship stores across India's top 30 markets, with nine locations already operational or committed and 21 remaining. However, expansion has been slower than anticipated due to build-to-suit properties, which typically require ~2 years for development.
- **EBO**: VFL's domestic EBO network stood at 497 stores (vs. 508 YoY), and retail area remained stable YoY at ~1.67m sqft. EBOs currently contribute ~90% of overall sales, compared with ~92% three years ago, reflecting the increasing contribution from e-commerce. Management continues to prioritize store productivity and rationalization over aggressive expansion.
- **Divas**: Divas, positioned in the value festive-wear segment, expands VFL's addressable market by ~30–35%, particularly through affordable festive kurtas.

Management highlighted strong growth on a relatively small base and expects the brand to cross INR1b in revenue in FY27. It sees significant potential to scale Divas through online marketplaces and MBO channels over the next 1–2 years.

- **Inventory**: VFL has more than doubled its number of designs over the past ~2.5 years to improve product assortment, customer conversion and addressable demand. Management highlighted that this expansion was enabled by ~6-7 months of improvements in inventory replenishment algorithms, SOPs and internal processes, allowing a wider product range without increasing deadstock. The company also plans to launch six new collections in 3QFY27.
- **Mohey**: Mohey currently contributes slightly over 10% of VFL's revenue, with ~6-7 standalone EBOs and a growing presence within the Manyavar-Mohey network. The brand has expanded beyond bridal lehengas into stitched suits, skirt-top lehengas and occasion wear for wedding attendees, supporting improved traction. Management expects to spend another 2-3 quarters refining standalone store economics before accelerating expansion.
- **Campaign**: VFL has intensified its digital marketing initiatives through influencer collaborations, celebrity associations and AI-led advertising optimization. Twamev's True You campaign featuring Orry generated over 700m cumulative views, significantly improving brand visibility. Management plans to launch ~150 short-form videos in 3QFY27, leveraging AI-driven optimization across Meta and Google to improve customer consideration and conversion.
- **MBO and SIS**: Management highlighted improving traction in the MBO channel, which achieved 100% of its internal sales budget in 2QFY27 after an extended period. The company is targeting high-double-digit growth in the channel and aims to at least double the business over the next two years. Separate SIS disclosures have been discontinued to provide flexibility to the team in choosing between SIS and MBO formats based on location-level economics and business potential.
- **M&A**: Management noted struggle for several players in the ethnic wear space and remains open to acquisitions within the Indian-wear segment, although there are currently no active transactions in the pipeline. VFL's strong cash position and expertise in inventory management and deadstock reduction could provide meaningful synergies for potential acquisitions. The company currently relies on external partners to evaluate opportunities and plans to build an internal M&A team to assess potential assets more actively.

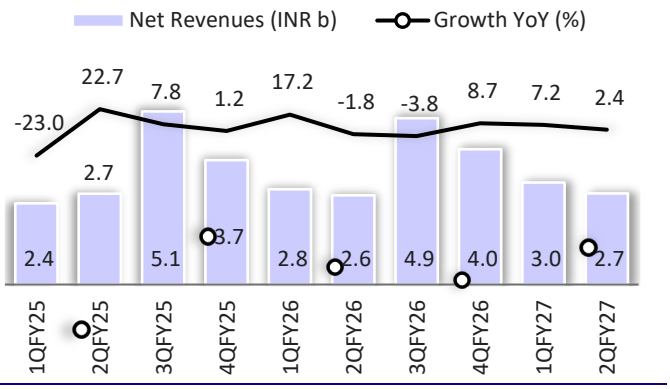
## Story in charts

### Exhibit 7: Customer sales remained flat YoY



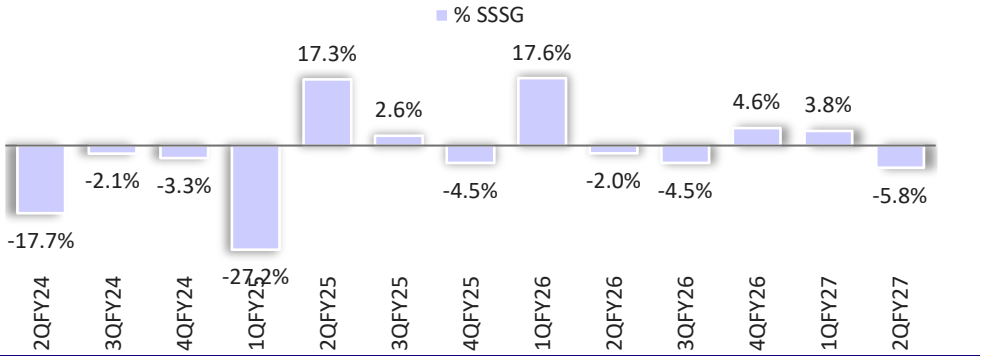

Source: MOFSL, Company

### Exhibit 8: Net revenue increased ~2% YoY



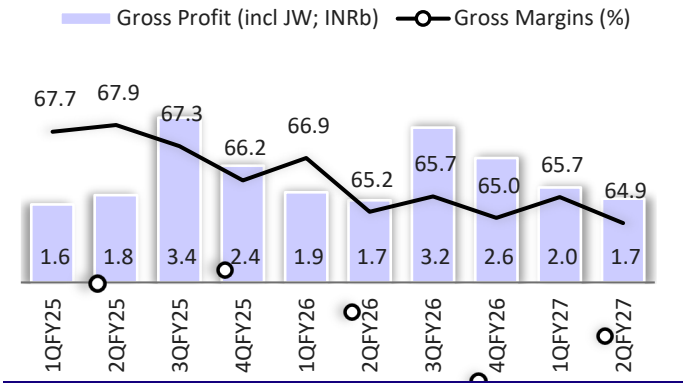

Source: MOFSL, Company

### Exhibit 9: Same store sales declined 5.8% in 2QFY27



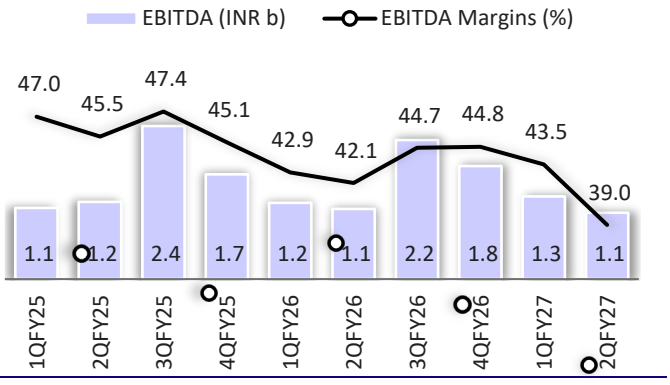

Source: MOFSL, Company

### Exhibit 10: Gross margin (incl. job work) dipped ~35bp YoY



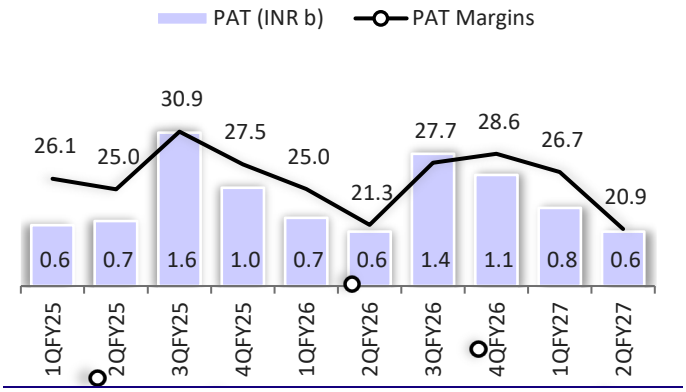

Source: MOFSL, Company

### Exhibit 11: EBITDA margin contracted ~310bp YoY to 39%



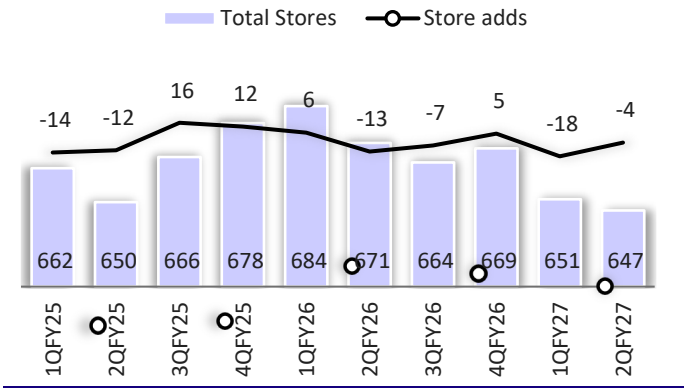

Source: MOFSL, Company

**Exhibit 12: PAT remained flat YoY**



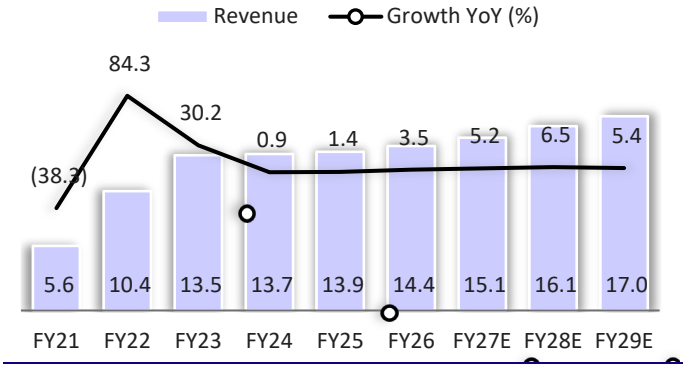

Source: MOFSL, Company

**Exhibit 13: 4 net domestic EBO closures in 2QFY27**



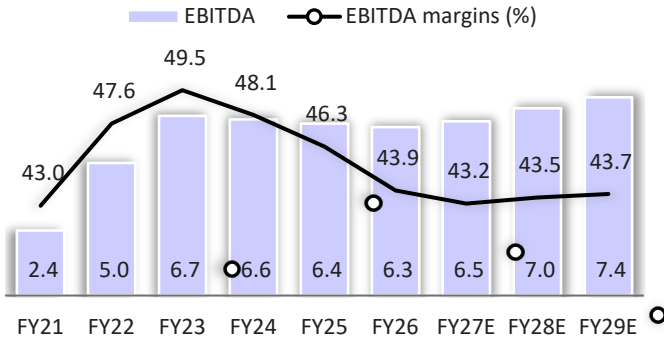

Source: MOFSL, Company

**Exhibit 14: Expect revenue CAGR of ~6% over FY26-29**




Source: MOFSL, Company

**Exhibit 15: Expect 6% EBITDA CAGR- FY26-29**




Source: MOFSL, Company

# Financials and valuations

| Consolidated - Income Statement | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| **Total Income from Operations** | **10,408** | **13,549** | **13,675** | **13,865** | **14,355** | **15,100** | **16,086** | **16,962** |
| Change (%) | 84.3 | 30.2 | 0.9 | 1.4 | 3.5 | 5.2 | 6.5 | 5.4 |
| Raw Materials | 2,668 | 3,519 | 3,792 | 3,691 | 4,220 | 4,530 | 4,826 | 5,089 |
| **Gross Profit** | **7,740** | **10,030** | **9,883** | **10,174** | **10,135** | **10,570** | **11,260** | **11,873** |
| Margin (%) | 74.4 | 74.0 | 72.3 | 73.4 | 70.6 | 70.0 | 70.0 | 70.0 |
| **Gross Profit (Incl Job Work)** | **6,958** | **9,127** | **9,186** | **9,315** | **9,424** | **9,815** | **10,439** | **10,991** |
| Margin (%) | 66.9 | 67.4 | 67.2 | 67.2 | 65.7 | 65.0 | 64.9 | 64.8 |
| Employees Cost | 575 | 566 | 568 | 598 | 644 | 657 | 684 | 712 |
| Other Expenses | 2,206 | 2,755 | 2,735 | 3,150 | 3,191 | 3,398 | 3,579 | 3,749 |
| **Total Expenditure** | **5,450** | **6,841** | **7,094** | **7,439** | **8,055** | **8,584** | **9,089** | **9,550** |
| % of Sales | 52.4 | 50.5 | 51.9 | 53.7 | 56.1 | 56.9 | 56.5 | 56.3 |
| **EBITDA** | **4,959** | **6,708** | **6,581** | **6,426** | **6,299** | **6,516** | **6,997** | **7,412** |
| Margin (%) | 47.6 | 49.5 | 48.1 | 46.3 | 43.9 | 43.2 | 43.5 | 43.7 |
| Depreciation | 944 | 1,038 | 1,349 | 1,531 | 1,696 | 1,733 | 1,847 | 2,006 |
| **EBIT** | **4,015** | **5,671** | **5,232** | **4,895** | **4,604** | **4,783** | **5,151** | **5,407** |
| Int. and Finance Charges | 284 | 315 | 445 | 552 | 563 | 520 | 480 | 481 |
| Other Income | 499 | 402 | 697 | 852 | 935 | 1,028 | 1,183 | 1,360 |
| **PBT bef. EO Exp.** | **4,230** | **5,758** | **5,484** | **5,195** | **4,975** | **5,291** | **5,853** | **6,285** |
| EO Items | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 |
| **PBT after EO Exp.** | **4,230** | **5,758** | **5,484** | **5,195** | **4,959** | **5,291** | **5,853** | **6,285** |
| Total Tax | 1,081 | 1,467 | 1,342 | 1,310 | 1,204 | 1,332 | 1,473 | 1,582 |
| Tax Rate (%) | 25.6 | 25.5 | 24.5 | 25.2 | 24.3 | 25.2 | 25.2 | 25.2 |
| **Reported PAT** | **3,149** | **4,291** | **4,142** | **3,885** | **3,755** | **3,960** | **4,380** | **4,703** |
| **Adjusted PAT** | **3,149** | **4,291** | **4,142** | **3,885** | **3,768** | **3,960** | **4,380** | **4,703** |
| Change (%) | 136.9 | 36.3 | -3.5 | -6.2 | -3.0 | 5.1 | 10.6 | 7.4 |
| Margin (%) | 30.3 | 31.7 | 30.3 | 28.0 | 26.2 | 26.2 | 27.2 | 27.7 |

| Consolidated - Balance Sheet | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| Equity Share Capital | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 |
| Total Reserves | 10,585 | 13,756 | 15,776 | 17,620 | 19,400 | 21,479 | 23,879 | 26,392 |
| **Net Worth** | **10,827** | **13,999** | **16,019** | **17,863** | **19,643** | **21,722** | **24,122** | **26,635** |
| Total Loans | 2,787 | 2,934 | 4,444 | 4,829 | 4,576 | 3,753 | 3,541 | 3,604 |
| Lease Liabilities | 2,787 | 2,934 | 4,444 | 4,829 | 4,576 | 3,753 | 3,541 | 3,604 |
| Deferred Tax Liabilities | 168 | 197 | 219 | 262 | 192 | 192 | 192 | 192 |
| Other Liabilities | 1,335 | 1,539 | 1,855 | 1,925 | 1,851 | 1,851 | 1,851 | 1,851 |
| **Capital Employed** | **15,118** | **18,669** | **22,537** | **24,879** | **26,263** | **27,518** | **29,706** | **32,282** |
| Gross Block | 7,845 | 8,620 | 11,089 | 11,334 | 13,005 | 13,655 | 14,755 | 16,105 |
| Less: Accum. Deprn. | 2,856 | 3,573 | 4,612 | 4,612 | 6,568 | 8,301 | 10,147 | 12,153 |
| **Net Fixed Assets** | **4,989** | **5,047** | **6,477** | **6,722** | **6,437** | **5,355** | **4,608** | **3,952** |
| Other Non-Current | 867 | 882 | 320 | 318 | 285 | 285 | 285 | 285 |
| Capital WIP | 1 | 22 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Total Investments** | **5,608** | **8,501** | **10,410** | **11,451** | **13,167** | **13,167** | **13,167** | **13,167** |
| **Curr. Assets, Loans&Adv.** | **6,219** | **7,201** | **7,875** | **8,975** | **8,637** | **11,107** | **14,198** | **17,569** |
| Inventory | 1,430 | 1,736 | 1,386 | 2,020 | 1,446 | 1,521 | 1,621 | 1,709 |
| Account Receivables | 3,967 | 4,734 | 5,645 | 6,186 | 6,512 | 6,850 | 7,297 | 7,694 |
| Cash and Bank Balance | 39 | 100 | 217 | 172 | 111 | 2,132 | 4,637 | 7,487 |
| Loans and Advances | 783 | 630 | 627 | 597 | 569 | 604 | 643 | 678 |
| **Curr. Liability & Prov.** | **2,580** | **2,991** | **2,550** | **2,586** | **2,265** | **2,396** | **2,552** | **2,691** |
| Account Payables | 730 | 859 | 891 | 1,023 | 624 | 670 | 714 | 753 |
| Other Current Liabilities | 1,845 | 2,130 | 1,656 | 1,560 | 1,633 | 1,718 | 1,830 | 1,930 |
| Provisions | 4 | 2 | 3 | 3 | 7 | 8 | 8 | 9 |
| **Net Current Assets** | **3,639** | **4,210** | **5,325** | **6,389** | **6,372** | **8,711** | **11,646** | **14,878** |
| Deferred Tax assets | 13 | 7 | 4 | 0 | 0 | 0 | 0 | 0 |
| **Appl. of Funds** | **15,118** | **18,669** | **22,537** | **24,879** | **26,262** | **27,518** | **29,706** | **32,282** |

# Financials and valuations

| Ratios | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| **Basic (INR)** | | | | | | | | |
| **EPS** | **13.0** | **17.7** | **17.0** | **16.0** | **15.5** | **16.3** | **18.0** | **19.4** |
| Cash EPS | 16.3 | 21.3 | 21.9 | 21.6 | 21.8 | 22.7 | 24.9 | 26.8 |
| BV/Share | 43.2 | 55.9 | 64.0 | 71.3 | 78.4 | 86.7 | 96.3 | 106.3 |
| DPS | 5.0 | 9.0 | 8.5 | 8.0 | 7.7 | 8.1 | 9.0 | 9.7 |
| Payout (%) | 38.5 | 50.9 | 49.8 | 50.0 | 50.1 | 50.0 | 50.0 | 50.0 |
| **Valuation (x)** | | | | | | | | |
| P/E | 36.6 | 26.9 | 27.9 | 29.7 | 30.6 | 29.1 | 26.4 | 24.5 |
| Cash P/E | 29.1 | 22.3 | 21.7 | 22.0 | 21.8 | 20.9 | 19.1 | 17.7 |
| P/BV | 11.0 | 8.5 | 7.4 | 6.7 | 6.1 | 5.5 | 4.9 | 4.5 |
| EV/Sales | 11.3 | 8.7 | 8.7 | 8.7 | 8.4 | 7.8 | 7.1 | 6.6 |
| EV/EBITDA | 23.8 | 17.6 | 18.2 | 18.7 | 19.0 | 18.0 | 16.3 | 15.0 |
| Dividend Yield (%) | 1.1 | 1.9 | 1.8 | 1.7 | 1.6 | 1.7 | 1.9 | 2.0 |
| FCF per share | 14.9 | 19.6 | 20.0 | 15.9 | 19.3 | 19.6 | 20.6 | 22.0 |
| **Return Ratios (%)** | | | | | | | | |
| RoE | 29.0 | 34.6 | 27.6 | 22.9 | 19.2 | 18.2 | 18.2 | 17.7 |
| RoCE | 25.2 | 29.6 | 23.9 | 19.9 | 17.9 | 17.5 | 17.8 | 17.5 |
| RoIC | 33.3 | 43.3 | 36.0 | 29.1 | 26.6 | 28.4 | 32.0 | 34.4 |
| **Working Capital Ratios** | | | | | | | | |
| Fixed Asset Turnover (x) | 1.3 | 1.6 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 |
| Asset Turnover (x) | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Inventory (Days) | 196 | 180 | 133 | 200 | 125 | 123 | 123 | 123 |
| Debtor (Days) | 139 | 128 | 151 | 163 | 166 | 166 | 166 | 166 |
| Creditor (Days) | 100 | 89 | 86 | 101 | 54 | 54 | 54 | 54 |
| **Leverage Ratio (x)** | | | | | | | | |
| Current Ratio | 2.4 | 2.4 | 3.1 | 3.5 | 3.8 | 4.6 | 5.6 | 6.5 |
| Interest Cover Ratio | 14.1 | 18.0 | 11.8 | 8.9 | 8.2 | 9.2 | 10.7 | 11.2 |
| Net Debt/Equity | -0.3 | -0.4 | -0.4 | -0.4 | -0.4 | -0.5 | -0.6 | -0.6 |

| Consolidated - Cash Flow Statement | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| OP/(Loss) before Tax | 4,230 | 5,758 | 5,484 | 5,195 | 4,959 | 5,291 | 5,853 | 6,285 |
| Depreciation | 944 | 1,038 | 1,349 | 1,531 | 1,696 | 1,733 | 1,847 | 2,006 |
| Interest & Finance Charges | 284 | 315 | 454 | 433 | 436 | 520 | 480 | 481 |
| Direct Taxes Paid | -1,090 | -1,472 | -1,301 | -1,256 | -1,245 | -1,332 | -1,473 | -1,582 |
| (Inc)/Dec in WC | -450 | -569 | -498 | -1,315 | -263 | -318 | -430 | -382 |
| **CF from Operations** | **3,918** | **5,070** | **5,488** | **4,588** | **5,583** | **5,895** | **6,277** | **6,809** |
| Others | -408 | -372 | -657 | -702 | -768 | -1,028 | -1,183 | -1,360 |
| **CF from Operating incl EO** | **3,510** | **4,698** | **4,831** | **3,886** | **4,814** | **4,866** | **5,095** | **5,449** |
| (Inc)/Dec in FA | 109 | 57 | 13 | -31 | -123 | -100 | -100 | -100 |
| **Free Cash Flow** | **3,619** | **4,755** | **4,844** | **3,855** | **4,691** | **4,766** | **4,995** | **5,349** |
| (Pur)/Sale of Investments | 37 | -2,492 | -1,149 | -408 | -1,227 | 0 | 0 | 0 |
| Others | 418 | 116 | 41 | 281 | 330 | 1,028 | 1,183 | 1,360 |
| **CF from Investments** | **565** | **-2,319** | **-1,096** | **-159** | **-1,020** | **928** | **1,083** | **1,260** |
| Issue of Shares | 47 | 15 | 31 | 23 | 12 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Paid | -223 | -241 | -337 | -434 | -436 | -520 | -480 | -481 |
| Repayment of loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | -3,928 | -2,091 | -3,310 | -3,360 | -3,432 | -3,254 | -3,192 | -3,377 |
| **CF from Fin. Activity** | **-4,105** | **-2,317** | **-3,616** | **-3,772** | **-3,856** | **-3,773** | **-3,672** | **-3,858** |
| **Inc/Dec of Cash** | **-30** | **62** | **119** | **-45** | **-61** | **2,021** | **2,505** | **2,850** |
| Opening Balance | 66 | 36 | 98 | 217 | 172 | 111 | 2,132 | 4,637 |
| **Closing Balance** | **36** | **98** | **217** | **172** | **111** | **2,132** | **4,637** | **7,487** |
| **Other Bank Balance** | **3** | **3** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Net Closing Balance** | **39** | **100** | **217** | **172** | **111** | **2,132** | **4,637** | **7,487** |

**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. 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 > MOFSL-Important Links > MOFSL Research Analyst Compliace Audit Report.

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. 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 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, 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: INH000000412, 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 dpgrievances@motilaloswal.com.