

P N Gadgil Jewellers

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	PNGJL IN
Equity Shares (m)	136
M.Cap.(INRb)/(USD\$b)	84.2 / 1
52-Week Range (INR)	848 / 495
1, 6, 12 Rel. Per (%)	2/-/-
12M Avg Val (INR M)	773

Financials & Valuations (INR b)

Y/E March (INR b)	FY25E	FY26E	FY27E
Sales	77.6	96.0	116.7
Sales Growth (%)	27.1	23.6	21.6
EBITDA	3.6	4.9	6.2
Margins (%)	4.6	5.1	5.3
Adj. PAT	2.4	3.1	3.9
Adj. EPS (INR)	17.4	22.6	29.0
EPS Growth (%)	33.2	29.8	28.4
BV/Sh.(INR)	119.4	142.0	171.1

Ratios

Debt/Equity	0.1	0.2	0.4
RoE (%)	21.9	17.3	18.5
RoIC (%)	21.0	19.3	19.0

Valuations

P/E (x)	35.7	27.5	21.4
EV/EBITDA(x)	21.7	15.8	12.7

Shareholding Pattern (%)

As On	Dec-24	Sep-24
Promoter	83.1	83.1
DII	5.3	5.8
FII	1.9	3.8
Others	9.6	7.3

FII includes depository receipts

CMP: INR621 **TP: INR950 (+53%)** **Buy**

Robust revenue growth; focus on store expansion

- PN Gadgil Jewellers (PNG) delivered consolidated revenue growth of 24% YoY to INR24.4b (est. INR23.4b) in 3QFY25, led by strong festive demand during Navratri and Diwali. Retail revenue surged ~42% YoY, while E-commerce and Franchisee revenues grew by 97% and 87% YoY, respectively. The Average Transaction Value (ATV) increased by a strong 22% to INR86,000. Lower bullion sales impacted reported revenue.
- PNG expanded its network footprint with nine new store openings in 3Q, bringing the total to 48 (37 COCO, 11 FOCO) across 25 cities. The company targets to reach a count of 53 stores by the end of 4QFY25 (two already opened in Jan'25, three planned for Mar'25). Additionally, it plans to add 25 more stores in FY26, with eight COCO stores, seven FOCO stores, and 10 stores under the 'LiteStyle by PNG' brand (small-size stores with a focus on youth/modern design).
- Gross margin expanded by 130bp YoY to 9.8% (est. 10.3%), supported by a 39% YoY growth in studded jewelry, which led to an 80bp improvement in the stud mix to 7.4%. There was no inventory loss impact from customs duty in 3Q, as the ~INR185m loss was fully absorbed in 2Q. EBITDA margin expanded 40bp YoY to 5% (est. 5.1%). The company is focusing on increasing the studded jewelry ratio to 12-13% over the next three years, as well as expanding LiteStyle stores, which offer gross margins of 15-16%. We model an EBITDA margin of ~5% for FY26 and FY27.
- We model a CAGR of 23% in sales, 31% in EBITDA, and 29% in APAT over FY25E-27E. With the successful execution of store rollouts, an effective gold hedging policy, and margin expansions, we reiterate our BUY rating on the stock with a TP of INR950 at 35x Dec'26 EPS.

In-line operating performance; store expansion on track

- **Robust sales growth:** PNG's consolidated sales rose 24% YoY to INR24.4b (est. INR23.3b) in 3QFY25, led by strong demand during Navratri and Diwali. Retail revenue increased by 42% YoY to INR18.8b, the E-commerce segment grew by 97% YoY to INR666m, and Franchise revenue grew by 87% YoY to INR2264m. On account of lower bullion sales, reported numbers appear lower than the underlying performance. The company has added nine stores during the quarter, bringing the total count to 48 stores in 25 cities, and plans to reach 53 stores by the end of 4QFY25.
- **Expansion in margins:** Gross margin expanded by 130bp YoY to 9.8% (est. 10.3%). Employee expenses were up 46% YoY and other expenses were up 56% YoY. Other expenses increased due to higher marketing spending, hedging costs, and discounting schemes launched during Diwali and Navratri. EBITDA margin was up 40bp YoY to 5% (est. 5.1%). Stud ratio improved 80bp YoY to 7.4% in 3QFY25 vs 6.6% in 3QFY24.

- **Strong >30% EBITDA growth:** EBITDA grew by 33% YoY to INR1.2b (est. INR1.2b). Other income increased to INR70m in 3QFY25 vs INR24m in 3QFY24, due to an insurance cover of INR50m received from the US store theft. PAT grew by 49% YoY to INR860m (est. INR860m). PAT margin stood at 3.5% vs 2.9% in 3QFY25.
- In 9MFY25, net sales, EBITDA, and APAT grew by 33%, 42% and 71%. SSSG grew by 25.7% in 9MFY25.

Key takeaways from the management commentary

- Despite price increases, footfall remained stable in 4Q. Rising gold prices have led to an increase in old gold exchanges.
- The company has seen no demand for LGD as it primarily sells 11-12 cent diamonds, whereas LGD demand is in the 30-40 cent range, thus facing no competition in this segment.
- In FY26, the company plans to add 25 stores, including a mix of COCO, FOCO, and Lifestyle by PNG formats. The expansion plan includes eight COCO stores, seven FOCO stores, and 10 'LiteStyle by PNG' stores (split equally between COCO and FOCO), along with two stores in the US.
- The Lifestyle by PNG format requires a lower capex of INR50-70m per store, with a size of 1,000-1,100sq ft. These stores target younger customers seeking stylish jewelry.

Valuation and view

- There is no material change in our FY25 and FY26 EPS estimates.
- With a more favorable product mix, operating leverage (as the initial expansion is focused on core markets, eliminating the need for additional corporate overhead), and improved sourcing, the company is well-positioned to expand its operating margin. We model an EBITDA margin of ~5% for FY27 and FY27.
- The company has strengthened its balance sheet by reducing debt, having repaid INR3b from IPO proceeds. It has also implemented a robust hedging strategy through Gold Metal Loans (GML), with 84% hedged by Dec'24 and now fully covered. This will lower interest costs and further boost profitability.
- We model a CAGR of 23% in sales, 31% in EBITDA, and 29% in APAT over FY24-27. With the successful execution of store rollouts, an effective gold hedging policy, and margin expansions, we reiterate our BUY rating on the stock with a TP of INR950 at 35x Dec'26 EPS.

Consol. Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25 3QFY25	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	12,568	13,715	19,722	15,120	16,682	20,013	24,358	16,588	61,109	77,640	23,358	4%
YoY change (%)	N/A	N/A	N/A	N/A	32.7	45.9	23.5	9.7	35.6	27.1	18.5	
Gross Profit	919	966	1,681	1,578	1,386	1,531	2,391	1,847	5,128	7,155	2,406	-1%
Margins (%)	7.3	7.0	8.5	10.4	8.3	7.6	9.8	11.1	8.4	9.2	10.3	
EBITDA	446	452	921	890	643	721	1,228	1,005	2,693	3,597	1,199	2%
Margins (%)	3.5	3.3	4.7	5.9	3.9	3.6	5.0	6.1	4.4	4.6	5.1	
YoY growth (%)	N/A	N/A	N/A	N/A	44.2	59.4	33.3	13.0	119.4	33.6	32.5	
Depreciation	56	61	60	55	63	72	84	86	232	304	80	5%
Finance Cost	97	109	112	123	123	129	63	99	459	414	110	-42%
Other Income	10	23	24	22	19	118	70	8	82	215	15	367%
PBT	303	304	774	734	477	638	1,150	828	2,084	3,094	1,024	12%
YoY growth (%)	N/A	N/A	N/A	N/A	57.3	110.2	48.6	12.8	76.5	48.5	37.9	
PAT	222	219	576	549	353	529	860	621	1,543	2,364	768	12%
Margins (%)	1.8	1.6	2.9	3.6	2.1	2.6	3.5	3.7	2.5	3.0	3.3	
YoY change (%)	N/A	N/A	N/A	N/A	59.5	141.1	49.4	13.1	64.7	53.2	38.9	

E: MOFSL estimates



Key takeaways from the management commentary

Financial and operational metrics

- In Oct'24, the company's revenue surpassed INR10,500m, driven by strong festive demand during Navratri and Diwali, with Navratri sales increasing by 18% and Diwali sales by 53%.
- Despite price increases, footfall remained stable in 4Q. Rising gold prices led to an increase in old gold exchanges
- The company had hedged 83.6% through GML by Dec'24 and is now fully hedged.
- The transaction count grew by 21% and ATV increased by 22% to INR86K.
- Consumer footfalls increased by 36%, supported by a strong conversion rate of 94%.
- There was no impact of customs duty on inventory in 3Q as the complete loss was absorbed in 2Q.
- The company has repaid INR3b in debt using IPO proceeds.
- Wedding jewelry sales are primarily driven by 22K gold, while lightweight jewelry is typically 18K.
- The company has seen no demand for LGD, as it primarily sells 11-12 cent diamonds, while LGD demand is typically in the 30-40 cent range, resulting in no competition in this segment.
- The company booked an inventory gain of INR25m in 3QFY25.
- In 3QFY25, gold volume growth stood at 14%, while value growth reached 44%.
- Over 9MFY25, the 22 stores that operated last year recorded a 27% increase in gold value, a 5% growth in gold volume, and an overall volume growth of 13%, along with a value growth of 40%.
- Normal hedging expenses are included in COGS, but for gold programs hedged in advance, the mark-to-margin expenses are recorded under other expenses.

Cost and margins

- Other expenses increased due to higher marketing spending, mark-to-market adjustments for GML, and discounting schemes launched during Diwali and Navratri.
- The company expects margins to improve further with a higher studded ratio and full gold hedging.
- The company expects PAT margins to expand further, driven by savings in interest costs, as it has fully hedged its inventory.
- The company targets a studded ratio of 12-13% over the next 2-3 years.
- The annualized marketing spend run rate is INR550-600m, ~1% of revenue.
- Other income increased due to an insurance cover of INR50m received from the US store theft.

Inventory and hedging strategies

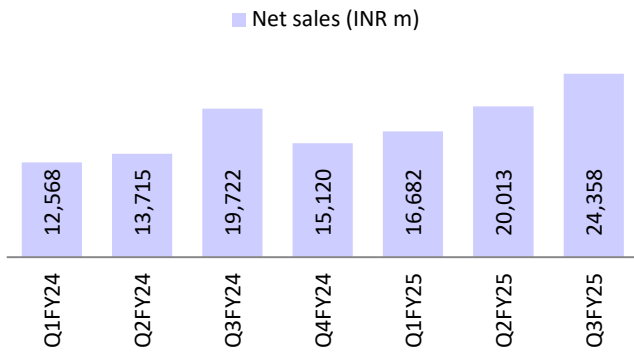
- As of Dec'24, the company held inventory worth INR18,000m and GML of ~INR 5,500m.
- The company sources its gold procurement as follows: 32-35% from GML, 30% from old gold exchanges, and the remaining from spot purchases through bullion vendors and IEBX.

Store expansion

- During Navratri in Oct'24, the company opened nine stores, bringing the total count to 48.
- The company plans to reach 53 stores by 4QFY25. Two stores were added in Jan'25, with three more planned for Mar'25 in Pimpri, Laxmi Road, and the Pune-Mumbai Highway.
- A new store typically takes 15-18 months to break even. However, the nine stores opened during Navratri are currently operating without cash infusion and are on track to achieve cash break even within a year.
- The nine stores opened in Oct'24 contributed INR2400m to topline revenue in 3Q, with a break-even target at INR10,000m.
- In FY26, the company plans to add 25 stores, including a mix of COCO, FOCO, and Lifestyle by PNG formats.
- The expansion plan includes eight COCO stores, seven to eight FOCO stores, 10 lifestyle by PNG stores (split equally between COCO and FOCO), along with two stores in the US.
- The company launched LiteStyle by PNG in 2023 as a dedicated brand for lightweight jewelry crafted in 22K and 18K gold. Currently, the brand operates a single store on JM Road, Pune.
- The Lifestyle by PNG format requires a lower capex of INR 50-70m per store, spanning 1,000-1,100sq ft. These stores target younger customers seeking stylish jewelry.
- The Lifestyle stores will offer 18K-22K gold designs with a greater focus on diamonds, featuring premium pricing and an expected gross margin of 15-16%.
- They are projected to break even within 12 months, with their ATV being lower than that of standard PNG showrooms.
- New store expansion will be funded through internal accruals.

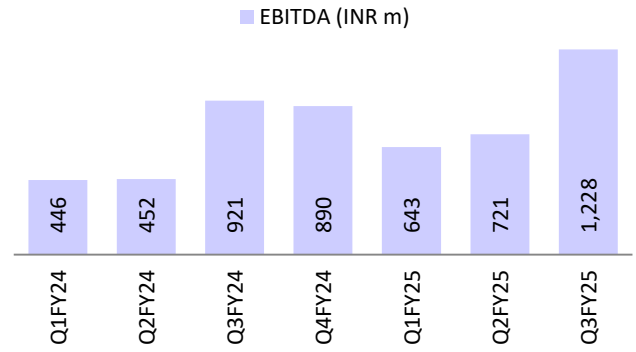
Key exhibits

Exhibit 1: Consol. sales grew 24% YoY in 3QFY25



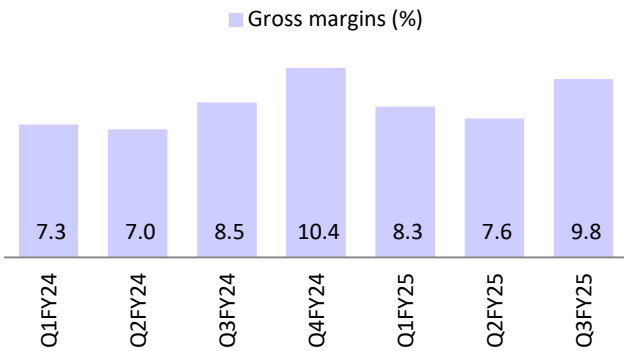
Source: Company, MOFSL

Exhibit 2: Consol. EBITDA grew 33% YoY in 3QFY25



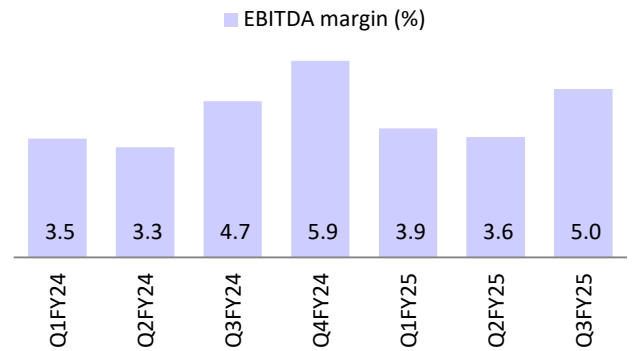
Source: Company, MOFSL

Exhibit 3: GP margin expanded 130bp YoY to 9.8%



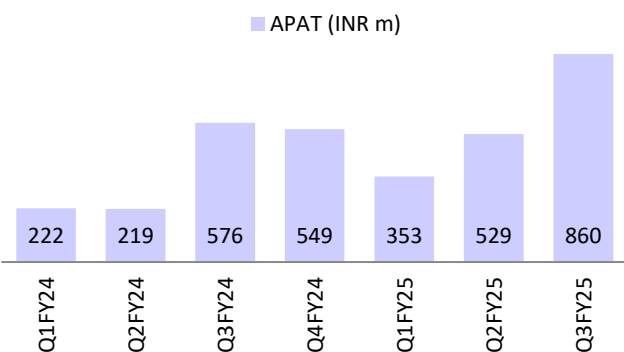
Source: Company, MOFSL

Exhibit 4: EBITDA margin expanded 40bp YoY to 5.0% in 3QFY25



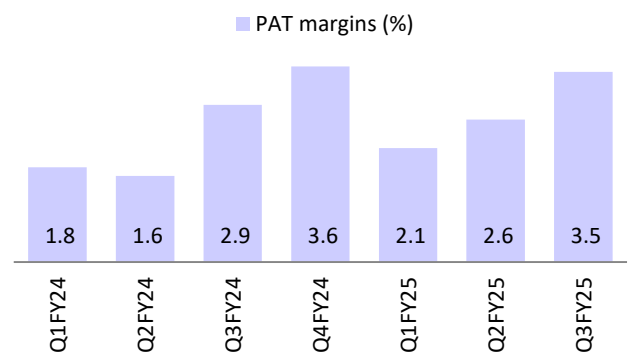
Source: Company, MOFSL

Exhibit 5: APAT grew by 49% YoY to INR860m



Source: Company, MOFSL

Exhibit 6: APAT margin expanded 60bp YoY to 3.5% in 3QFY25



Source: Company, MOFSL

Valuation and view

- There is no material change in our FY25 and FY26 EPS estimates.
- With a more favorable product mix, operating leverage (as the initial expansion is focused on core markets, eliminating the need for additional corporate overhead), and improved sourcing, the company is well-positioned to expand its operating margin. We model an EBITDA margin expansion of 70bp over the next two years to 5.3% in FY27.
- The company has strengthened its balance sheet by reducing debt, having repaid INR3b from IPO proceeds. It has also implemented a robust hedging strategy through GML, with 84% hedged by Dec'24 and now fully covered. This will lower interest costs and further boost profitability.
- We model a CAGR of 23% in sales, 31% in EBITDA, and 29% in APAT over FY24-27. With the successful execution of store rollouts, an effective gold hedging policy, and margin expansions, we reiterate our BUY rating on the stock with a TP of INR950 at 35x Dec'26 EPS.

Exhibit 7: No material change in our EPS estimates for FY25/FY26

(INR b)	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	77,640	95,977	77,705	95,802	0%	0%
EBITDA	3,597	4,871	3,627	4,944	-1%	-1%
Adjusted PAT	2,364	3,068	2,317	3,150	2%	-3%

Financials and valuations

Income Statement							(INR m)
Y/E March	2021	2022	2023	2024	2025E	2026E	2027E
Net Sales	19,301	25,556	45,075	61,109	77,640	95,977	1,16,740
Change (%)	-21.4	32.4	76.4	35.6	27.1	23.6	21.6
Gross Profit	1,846	2,501	3,621	5,128	7,155	9,237	11,626
Margin (%)	9.6	9.8	8.0	8.4	9.2	9.6	10.0
Other expenditure	1,278	1,388	2,394	2,435	3,558	4,367	5,446
EBITDA	569	1,113	1,227	2,693	3,597	4,871	6,180
Change (%)	-32.8	95.7	10.3	119.4	33.6	35.4	26.9
Margin (%)	2.9	4.4	2.7	4.4	4.6	5.1	5.3
Depreciation	267	218	215	232	304	403	525
Int. and Fin. Charges	379	351	349	459	414	521	554
Other Income - Recurring	144	307	518	82	215	145	150
Profit before Taxes	66	850	1,181	2,084	3,094	4,091	5,251
Change (%)	-87.3	1,180.9	38.9	76.5	48.5	32.2	28.4
Margin (%)	0.3	3.3	2.6	3.4	4.0	4.3	4.5
Tax	134	155	244	540	730	1,023	1,313
Deferred Tax							
Tax Rate (%)	201.2	18.2	20.6	25.9	23.6	25.0	25.0
APAT	-67	695	937	1,543	2,364	3,068	3,938
Change (%)	-123.2	-1,134.7	34.8	64.7	53.2	29.8	28.4
Margin (%)	-0.3	2.7	2.1	2.5	3.0	3.2	3.4
Reported PAT	-67	695	937	1,543	2,229	3,068	3,938

Balance Sheet							(INR m)
Y/E March	2021	2022	2023	2024	2025E	2026E	2027E
Share Capital	1,180	1,180	1,180	1,180	1,357	1,357	1,357
Reserves	960	1,640	2,477	4,164	14,851	17,919	21,857
Net Worth	2,140	2,820	3,657	5,344	16,208	19,276	23,214
Loans	2,983	2,949	2,832	3,965	1,000	400	300
GML	0	0	0	0	5,216	6,104	7,963
Lease liabilities	411	407	409	587	978	1,150	1,321
Deferred Tax	49	56	64	74	74	74	74
Capital Employed	5,582	6,232	6,963	9,970	23,476	27,003	32,872
Gross Block	1,663	1,712	1,771	1,864	2,303	2,495	2,687
Less: Accum. Depn.	205	283	356	362	456	597	763
Net Fixed Assets	1,459	1,429	1,415	1,502	1,848	1,898	1,924
Goodwill	448	415	253	332	332	332	332
Intangibles	84	75	11	10	225	243	264
Capital WIP	35	35	35	35	0	0	0
Right of use asset	425	416	404	578	622	1,180	1,246
Investments	11	12	12	10	10	260	510
Curr. Assets, L&A	7,680	8,721	8,497	12,183	27,182	31,355	38,766
Inventory	6,382	7,035	5,969	9,589	17,387	20,345	28,438
Account Receivables	336	288	395	377	665	920	1,148
Cash and cash equivalent	69	124	176	261	4,934	3,478	-403
Bank balances (inc. cash margin for borrowing)	150	329	317	536	2,100	3,931	6,241
Others	743	944	1,640	1,421	2,095	2,680	3,342
Curr. Liab. and Prov.	4,559	4,870	3,663	4,680	6,741	8,263	10,169
Trade Payables	739	1,697	1,317	1,489	2,124	2,376	2,880
Provisions	42	40	49	30	43	85	98
Other current liabilities	3,778	3,132	2,296	3,161	4,574	5,802	7,191
Net Current Assets	3,121	3,851	4,834	7,503	20,440	23,092	28,597
Application of Funds	5,582	6,232	6,964	9,970	23,476	27,003	32,872

E: MOFSL Estimates

Financials and valuations

Ratios							
Y/E March	2021	2022	2023	2024	2025E	2026E	2027E
Basic (INR)							
EPS	-0.6	5.9	7.9	13.1	17.4	22.6	29.0
Cash EPS	1.7	7.7	9.8	15.0	19.7	25.6	32.9
BV/Share	18.1	23.9	31.0	45.3	119.4	142.0	171.1
Valuation (x)							
P/E	-1090.7	105.4	78.2	47.5	35.7	27.5	21.4
Cash P/E	366.7	80.2	63.6	41.3	31.6	24.3	18.9
EV/Sales	3.9	3.0	1.7	1.3	1.0	0.8	0.7
EV/EBITDA	133.7	68.1	61.6	28.4	21.7	15.8	12.7
P/BV	34.2	26.0	20.0	13.7	5.2	4.4	3.6
Dividend Yield (%)							
Return Ratios (%)							
RoE	-3.1	28.0	28.9	34.3	21.9	17.3	18.5
RoCE	-9.5	16.6	18.4	22.2	16.0	13.7	14.5
RoIC	-10.2	17.8	20.0	24.2	21.0	19.3	19.0
Working Capital Ratios							
Inventory days	130	96	53	46	63	72	76
Debtor (Days)	6	4	3	2	2	3	3
Payables days	7	17	12	8	8	9	8
Cash conversion days	137	95	61	58	69	76	80
Inventory turnover (x)	2.8	3.8	6.9	7.9	5.8	5.1	4.8
Asset Turnover (x)	3.5	4.1	6.5	6.1	3.3	3.6	3.6
Leverage Ratio							
Net Debt/Equity (x)	1.4	1.0	0.7	0.7	0.1	0.2	0.4

Cash Flow Statement							(INR m)
Y/E March	2021	2022	2023	2024	2025E	2026E	2027E
OP/(loss) before Tax	66	850	1,181	2,084	3,094	4,091	5,251
Int./Div. Received	10	-53	-14	-39	-215	-145	-150
Depreciation & Amort.	267	218	215	232	304	403	525
Interest Paid	379	351	349	459	414	521	554
Direct Taxes Paid	70	-92	-363	-380	-730	-1,023	-1,313
Incr in WC	682	-557	-814	-2,496	-1,482	-1,639	-5,468
Others	-3	9	493	204	-	-	-
CF from Operations	1,473	728	1,048	63	1,385	2,209	-601
Incr in FA	-336	-52	-480	-305	-874	-1,029	-639
Free Cash Flow	1,137	676	568	-242	511	1,180	-1,239
Investments	65	-179	12	-216	-	-	-
Others	10	15	18	33	-1,350	-1,686	-2,159
CF from Invest.	-261	-216	-450	-488	-2,224	-2,715	-2,798
Issue of Shares	628	-	-	-	8,500	-	-
Incr in Debt	-1,445	-33	-117	1,133	-2,965	-600	-100
Dividend Paid	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-
Others	-463	-424	-428	-623	-23	-350	-382
CF from Fin. Activity	-1,281	-457	-546	510	5,512	-950	-482
Incr/Decr of Cash	-69	54	52	85	4,674	-1,456	-3,881
Add: Opening Balance	138	69	124	176	261	4,934	3,478
Closing Balance	69	124	176	261	4,934	3,478	-403

E: MOFSL Estimates

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

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.

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 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 dp grievances@motilaloswal.com.