

Vedant Fashions

Estimate change

TP change

Rating change



Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	156.9 / 1.8
52-Week Range (INR)	1512 / 642
1, 6, 12 Rel. Per (%)	-11/-23/-60
12M Avg Val (INR M)	223

Financials & Valuations Consol (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	14.8	15.7	17.0
EBITDA	6.6	7.0	7.6
Adj. PAT	3.9	4.2	4.5
EBITDA Margin (%)	44.7	44.7	45.1
Adj. EPS (INR)	16.3	17.2	18.6
EPS Gr. (%)	1.6	5.6	8.1
BV/Sh. (INR)	79.3	88.1	97.8

Ratios

Net D:E	(0.5)	(0.5)	(0.5)
RoE (%)	19.9	18.9	18.4
RoCE (%)	18.6	18.0	17.6
Payout (%)	50.0	50.0	50.0

Valuations

P/E (x)	39.7	37.6	34.7
EV/EBITDA (x)	23.8	22.2	20.1
EV/Sales (X)	10.6	9.9	9.1
Div. Yield (%)	1.3	1.3	1.4

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	11.0	11.1	11.6
FII	9.8	9.9	9.5
Others	4.4	4.1	3.9

FII Includes depository receipts

CMP: INR646

TP: INR725 (+12%)

Neutral

Growth pangs continue; all hopes pinned on stronger 2H

- Vedant Fashion's (VFL) 2Q performance was impacted by GST-linked dispatch disruptions, creating a ~6% delta between primary and secondary sales. However, the company has been struggling to revive growth sustainably, with its 1HFY26 revenue tracking 5% below 1HFY23 levels.
- Margins contracted ~270bp/340bp YoY at the gross/EBITDA level, reflecting a lower wedding mix and continued operating deleverage.
- VFL continued to consolidate its retail footprint in order to improve overall quality. The company closed eight net domestic EBOs and seven SIS for a net closure of 13 stores during 2Q. Management indicated that further store consolidation is likely in 2HFY26.
- We cut our FY26-27E earnings estimates by 5-8% due to lower gross margins and operating deleverage. We build in 7%/6%/5% Revenue/EBITDA/PAT over FY25-28E.
- Following a sharp correction (VFL: -50% YTD), the stock now trades at ~38x FY27E EPS (~40% below its LT average). While valuations have moderated, we await evidence of sustainable growth rebounding for VFL before we turn constructive. **Reiterate Neutral with a revised TP of INR725 (earlier INR785), premised on 40x Dec'27E P/E.**

Another weak quarter; revenue/EBITDA declines 2%/9% YoY

- Customer sales grew 4.6% YoY to INR3.5b, driven largely by ~5% YoY store additions as SSS declined 2% YoY.
- Consolidated 2Q revenue declined 2% YoY to INR2.6b (weaker vs. our estimate of +1% YoY) due to low wedding days and the transitory impact of the GST implementation.
- VFL closed net 13 stores (net closure of eight domestic EBOs and seven SIS offset by two EBO additions internationally). However, net area inched up 3.5k sqft QoQ to 1.79m sqft (up 5% YoY).
- Gross profit (GP) declined 7% YoY to INR1.9b, as gross margin contracted 375bp YoY to 71.6% (355bp miss). Including job work charges, GP declined ~6% YoY, with margins contracting ~270bp YoY.
- Employee cost increased 14% YoY (8% higher), while other expenses declined ~7% YoY (10% lower).
- EBITDA declined ~9% YoY to INR1.1b (8% miss), driven by weaker revenue growth and lower gross margin.
 - EBITDA margin contracted ~340bp YoY to 42.1% (~220bp miss).
 - Pre-IND AS EBITDA for 1HFY26 came in at INR1.39b (down 8% YoY), with margins at 25.5% (down 420bp YoY).
- Depreciation/finance cost rose 12%/9% YoY, while other income rose ~3% YoY.
- As a result, reported PAT declined ~16% YoY to INR0.56b (14% miss).
- For 1HFY26, revenue grew at a modest 7% YoY (on a low base), but remained ~5% below 1HFY23 levels, while EBITDA/PAT declined 1%/2% YoY.

- Based on our estimates, the implied growth rate for revenue/EBITDA/PAT in 2HFY26 stands at 6%/5%/4%.
- OCF (post interest and leases) stood at INR186m (vs. INR55m outflow YoY), driven by favorable WC movement. FCF (post interest and leases) came in at INR74m (vs. INR77m outflow YoY).
- Overall WC capital days declined to 201 (vs. 247 YoY), led by a sharp decline in receivable days to 158 (vs. 220 YoY), partly offset by lower payable days at 20 (vs. 35 YoY). Inventory days were broadly steady YoY at ~63.

Highlights from the management commentary

- **Demand:** VFL's primary sales were adversely impacted by the GST transition during 2Q, due to disruptions in dispatches for 15-20 days. This led to ~6pp delta between reported and customer sales.
- **Pricing post GST 2.0:** For VFL, most of its products are priced upwards of INR2,500, where GST rates have increased from 12% to 18%. The company took calibrated pricing actions with selective pass-throughs, partial price absorption, and tactical markdowns. Management expects improvement in broader consumer sentiment, with GST rationalization at the lower end to aid demand.
- **Regional trends:** After a slump in FY25, AP and Telangana markets have rebounded sharply in 1HFY26, with 20%+ growth.
- **SSSG:** Management targets for ~8-9% SSSG in the medium to long term, driven by an ASP increase (~2.5–3%), a change in the brand mix (~0.5–0.6%), and a focus on footfall recovery and repeat behavior to unlock volume leverage.
- **Store additions:** Management continues to focus on improving the quality of retail footprint, which is likely to result in the continuation of store consolidation in the near term.

Valuation and view

- Over the past few years, VFL has experienced sales stagnation, driven by a high base (COVID bump in FY23), weaker wedding calendar, and subdued overall consumer sentiment. However, we believe that rising competition and slower-than-expected shift from unorganized to organized in the ethnic wear category have also been the key headwinds for VFL.
- Growth recovery in Manyavar (on a low base over the past few years), the scale-up of Mohey (women's celebration wear), and Twamev (premium offering in celebration wear), along with improved traction from recent forays into newer categories (Diwas, value brand catering to festive wear) remain the key growth drivers.
- VFL's focus on boosting SSSG and improving the retail area quality is a positive development and remains key for the re-rating of the stock.
- We cut our FY26-27E earnings estimates by 5-8% due to lower gross margins and operating deleverage. We build in 7%/6%/5% Revenue/EBITDA/PAT over FY25-28E.
- Following a sharp correction (VFL: -50% YTD), the stock now trades at ~38x FY27E EPS (~40% below its LT average). While valuations have moderated, we await evidence of sustainable growth rebounding for VFL before we turn constructive. **Reiterate Neutral with a revised TP of INR725 (earlier INR785), premised on 40x Dec'27E P/E.**

Quarterly Earnings Snapshot

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue	2,398	2,679	5,113	3,674	2,812	2,632	5,534	3,824	13,865	14,801	2,709	-2.9
YoY Change (%)	-23.0	22.7	7.8	1.2	17.2	-1.8	8.2	4.1	1.4	6.7	1.1	
Total Expenditure	1,271	1,460	2,691	2,017	1,606	1,524	2,918	2,138	7,439	8,186	1,508	1.0
EBITDA	1,127	1,220	2,422	1,657	1,206	1,108	2,615	1,686	6,426	6,614	1,201	-7.7
EBITDA margins (%)	47.0	45.5	47.4	45.1	42.9	42.1	47.3	44.1	46.3	44.7	44.3	
Change YoY (%)	-23.9	31.4	0.1	-5.3	7.0	-9.2	8.0	1.7	63.2	172.1	-1.6	
Depreciation	372	373	391	395	398	417	425	438	1,531	1,678	410	1.8
Interest	139	137	139	136	141	150	146	173	552	610	141	5.9
Other Income	215	192	224	221	258	199	242	237	852	937	221	-10.0
PBT before EO expense	831	902	2,115	1,347	925	740	2,285	1,312	5,195	5,263	871	-15.0
Tax	206	233	535	336	222	180	575	338	1,310	1,316	219	-18.1
Rate (%)	24.8	25.8	25.3	24.9	24.1	24.3	25.2	25.8	25.2	25.0	25.2	-3.6
Reported PAT	625	669	1,580	1,011	703	561	1,710	974	3,885	3,947	652	-14.0
YoY Change (%)	-32	37	0	-13	12	-16	8	-4	-6	2	-	

E: MOFSL Estimates

Exhibit 1: Valuation based on Dec'27E P/E

Valuation	Dec'27E
EPS	18
PE multiple (x)	40
Target Price (INR)	725
CMP (INR)	646
Upside (%)	12%

Source: MOFSL, Company

Exhibit 2: Quarterly performance (INR m)

	2QFY25	1QFY26	2QFY26	YoY%	QoQ%	2QFY26E	v/s Est (%)
Total Revenue	2,679	2,812	2,632	-2	-6	2,709	-3
Raw Material cost	659	777	746	13	-4	672	11
Gross Profit	2,021	2,035	1,885	-7	-7	2,037	-7
Gross margin (%)	75.4	72.4	71.6	-377.4	-72.9	75.2	-355.7
Employee Costs	145	156	165	14	6	152	8
Other expenses	656	673	613	-7	-9	684	-10
EBITDA	1,220	1,206	1,108	-9	-8	1,201	-8
EBITDA margin (%)	45.5	42.9	42.1	-342.7	-78.5	44.3	-223.0
Depreciation and amortization	373	398	417	12	5	410	2
EBIT	847	808	691	-18	-14	791	-13
EBIT margin (%)	31.6	28.7	26.3	NM	NM	29.2	-294.8
Finance Costs	137	141	150	9	6	141	6
Other income	192	258	199	3	-23	221	-10
Profit before Tax	902	925	740	-18	-20	871	-15
Tax	233	222	180	-23	-19	219	-18
Tax rate (%)	25.8	24.1	24.3	-6.1	0.9	25.2	-3.6
Profit after Tax	669	703	561	-16	-20	652	-14
Operating metrics	2QFY25	1QFY26	2QFY26	YoY%	QoQ%	2QFY26E	v/s Est (%)
SSSG (%)	17.3%	17.6%	-2.0%				
Retail area (m sqft)	1.70	1.78	1.79	5	1		
Total stores	650	684	671	3	-2	689	-3
Net store adds	-12	6	-13	NM	NM	5	NM
EBOs	528	530	524	-1	-1		
Domestic	512	516	508	-1	-2		
International	16	14	16	0	14		
SIS	122	154	147	20	-5		

Source: MOFSL, Company

Exhibit 3: Summary of key estimates for VFL

(INR m)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Stores	530	583	649	676	678	670	690	715
Net Adds		53	66	27	2	-8	20	25
Area	1.10	1.30	1.47	1.70	1.79	1.79	1.86	1.93
% YoY	-8%	18%	13%	16%	5%	0%	4%	4%
Revenue per sq ft	4,923	8,674	9,783	8,628	7,945	8,263	8,594	8,938
YoY Growth %	-43%	1%	13%	-12%	-8%	4%	4%	4%
Sales of Customers	8,362	14,736	18,614	18,527	18,929	20,207	21,443	23,144
% YoY		76%	26%	0%	2%	7%	6%	8%
Revenues	5,648	10,408	13,549	13,675	13,865	14,801	15,706	16,952
% YoY		84%	30%	1%	1%	7%	6%	8%
Gross Profit (incl job work)	3,770	6,958	9,127	9,186	9,315	9,747	10,320	11,113
% Margin	66.8%	66.9%	67.4%	67.2%	67.2%	65.9%	65.7%	65.6%
EBITDA	2,431	4,959	6,708	6,581	6,426	6,614	7,013	7,645
% YoY		104%	35%	-2%	-2%	3%	6%	9%
% Margin	43.0%	47.6%	49.5%	48.1%	46.3%	44.7%	44.7%	45.1%
PAT	1,329	3,149	4,291	4,142	3,885	3,947	4,169	4,507
% YoY		137%	36%	-3%	-6%	2%	6%	8%
% Margin	23.5%	30.3%	31.7%	30.3%	28.0%	26.7%	26.5%	26.6%

Source: MOFSL, Company

Exhibit 4: Summary of our estimate changes

	FY26E	FY27E	FY28E
Revenue (INR m)			
Old	14,787	15,807	17,078
Actual/New	14,801	15,706	16,952
Change (%)	0.1	-0.6	-0.7
EBITDA (INR m)			
Old	6,721	7,239	8,001
Actual/New	6,614	7,013	7,645
Change (%)	-1.6	-3.1	-4.4
EBITDA margin (%)			
Old	45.5	45.8	46.9
Actual/New	44.7	44.7	45.1
Change (bp)	-76	-115	-175
Net Profit (INR m)			
Old	4,151	4,533	5,046
Actual/New	3,947	4,169	4,507
Change (%)	-4.9	-8.0	-10.7
EPS (INR)			
Old	17.1	18.7	20.8
Actual/New	16.3	17.2	18.6
Change (%)	-4.9	-8.0	-10.7

Source: MOFSL, Company



Detailed takeaways from the management interaction

- **Demand:** VFL's primary sales were adversely impacted by the GST transition during 2Q, due to disruptions in dispatches for 15-20 days. This led to ~6pp delta between reported and customer sales.
- **Pricing post GST 2.0:** For VFL, most of its products are priced upwards of INR2,500, where GST rates have increased from 12% to 18%. The company took calibrated pricing actions with selective pass-throughs, partial price absorption, and tactical markdowns (kurtas priced at INR3k earlier saw a price reduction to INR2,624, moving to the 5% GST slab). Management expects an improvement in broader consumer sentiment, with GST rationalization at the lower end to aid demand.
- **Regional trends:** After a slump in FY25, AP and Telangana markets have rebounded sharply in 1HFY26, with 20%+ growth, supported by improving footfalls and stronger conversions. The recovery underscores improving consumer sentiment and effective brand execution in key consumption markets.
- **SSSG:** Management targets for ~8-9% SSSG in the medium to long term, anchored by an ASP increase (~2.5–3%), a change in the brand mix (~0.5-0.6%), and a focus on footfall recovery and repeat behavior to unlock volume leverage.
- **Store additions:** Management continues to focus on improving the quality of retail footprint, which is likely result in the continuation of store consolidation in the near term. The company experimented with flagship COCO format in Bengaluru during 1H and will look to expand the concept through franchises at a later stage.
- **Gross margin** contraction (~270bp) was largely driven by the lack of wedding days in 2QFY26 (vs. wedding days in early July last year). Underlying unit economics was broadly intact.
- **Design and merchandising** are increasingly data-led, with 2.5x more design testing, sharper curation, and tighter inventory turns driving conversion gains.
- **Manyavar** continues to perform as the flagship brand with intensified marketing to drive footfalls.
- **Mohey** evolved from focusing solely on lehengas to gradually scaling to occasion wear. Designs have ramped meaningfully over the last few years, with the bridal mix reducing from ~50%+ earlier to ~30%, supporting a broader positioning and accelerating growth.
- **Twamev** is gaining traction in the bridge-to-luxury ethnic wear, targeting top 30-40m affluent consumers in India.
- **Divas by Manyavar** was introduced to cater to the festive wear needs at relatively lower price points (vs. Manyavar). The brand has seen good traction, especially online and in MBO channels.

Story in charts

Exhibit 5: Customer sales grew 5% YoY

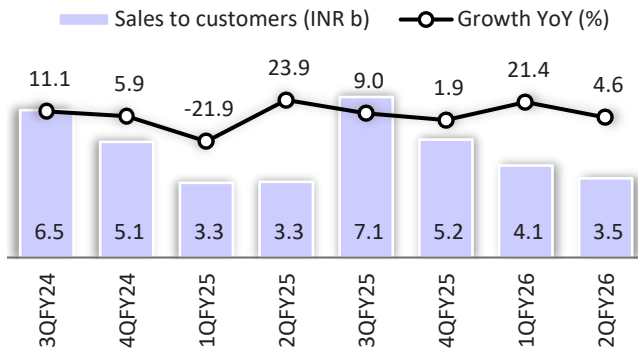


Exhibit 6: Net revenue declined 2% YoY

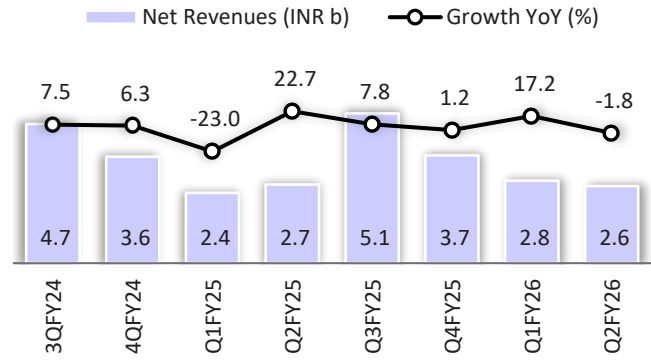


Exhibit 7: Numbers are quoting much below FY23 levels

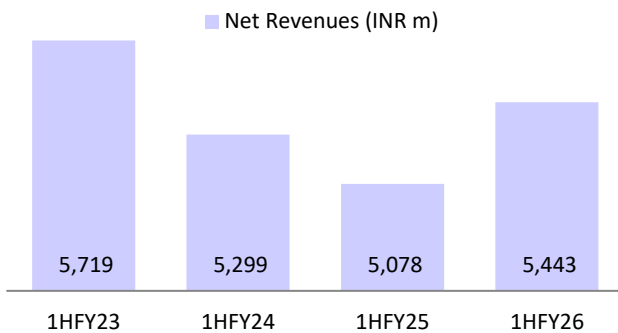


Exhibit 8: Thus, operating leverage has hurt margins

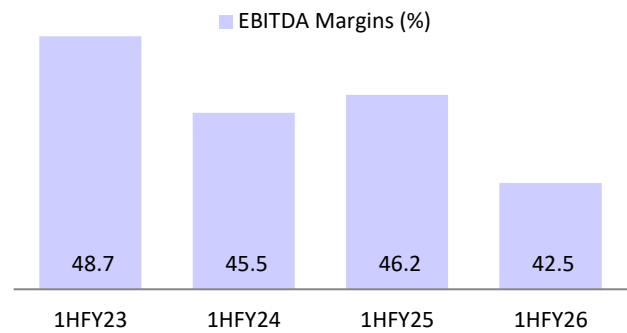


Exhibit 9: Same store sales declined 2% YoY in 2QFY26

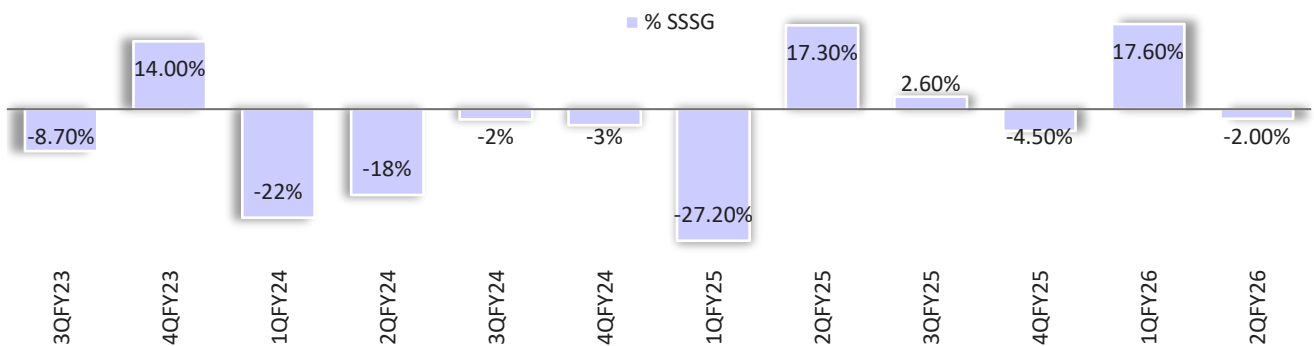
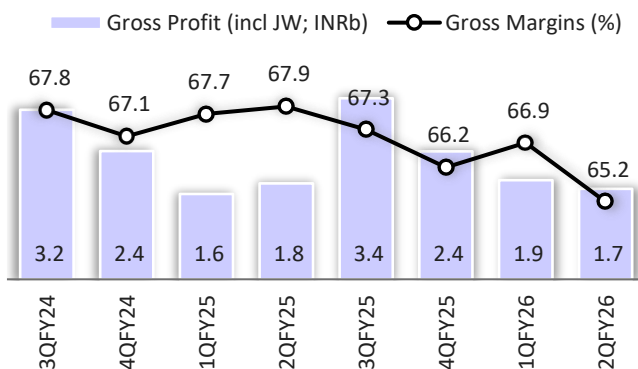
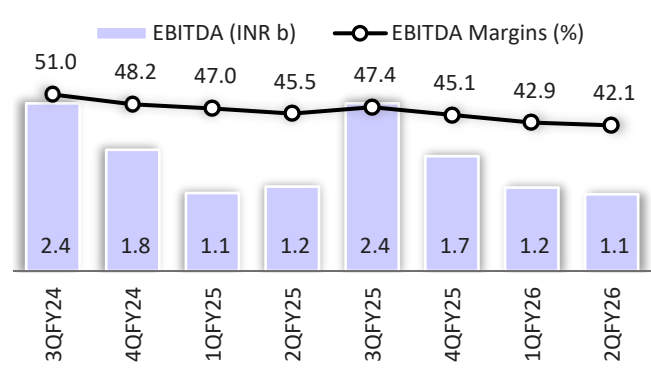


Exhibit 10: Gross margin (incl. job work) contracted ~270bp YoY



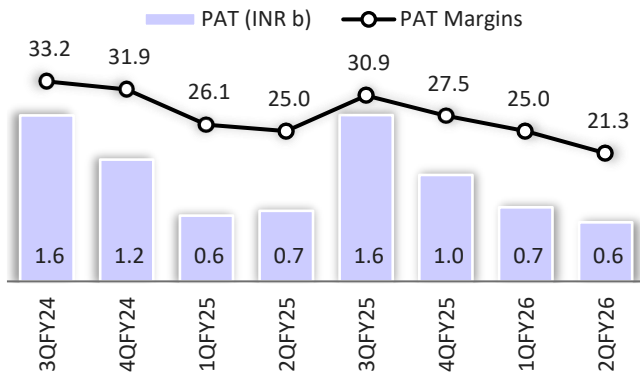
Source: MOFSL, Company

Exhibit 11: EBITDA margin contracted 340bp YoY to 42.1%



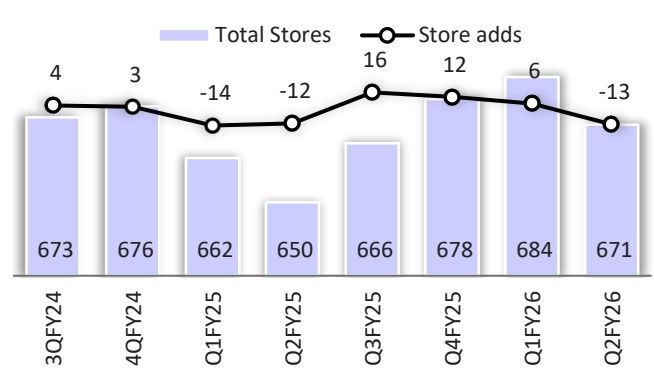
Source: MOFSL, Company

Exhibit 12: PAT declined 16% YoY



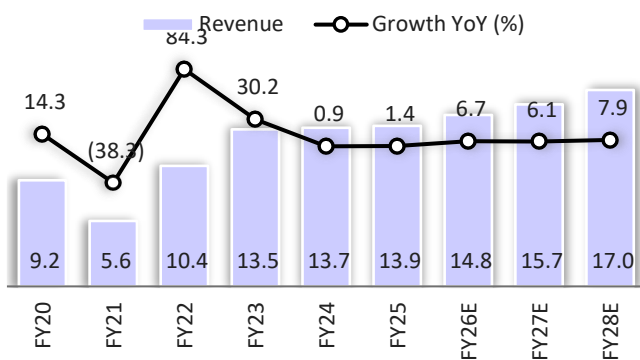
Source: MOFSL, Company

Exhibit 13: 13 net stores closure in 2QFY26



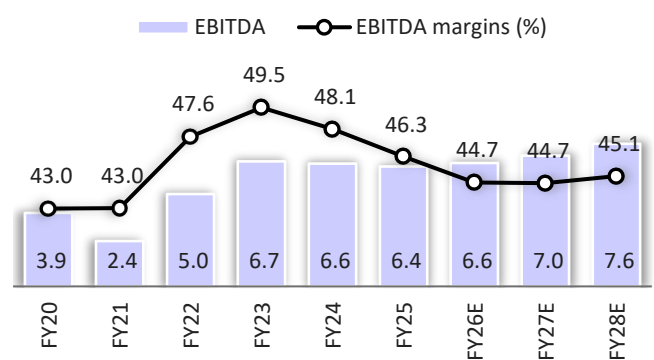
Source: MOFSL, Company

Exhibit 14: Expect revenue CAGR of ~7% over FY25-28



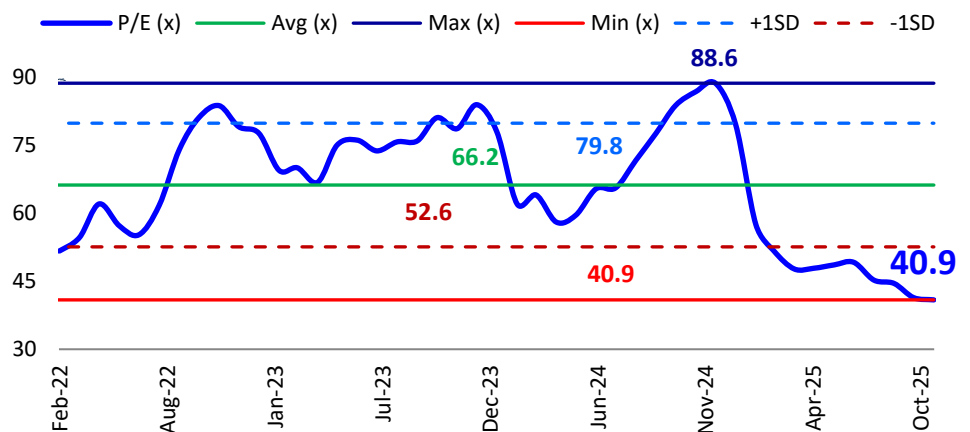
Source: MOFSL, Company

Exhibit 15: Expect ~6% EBITDA CAGR over FY25-28



Source: MOFSL, Company

Exhibit 16: Post correction, VFL trades ~40% below its mean one-year forward P/E



Source: Bloomberg, Company, MOFSL

Financials and valuations

Consolidated - Income Statement						(INR m)		
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	5,648	10,408	13,549	13,675	13,865	14,801	15,706	16,952
Change (%)	-38.3	84.3	30.2	0.9	1.4	6.7	6.1	7.9
Raw Materials	1,463	2,668	3,519	3,792	3,691	4,100	4,335	4,662
Gross Profit	4,185	7,740	10,030	9,883	10,174	10,701	11,371	12,290
Margin (%)	74.1	74.4	74.0	72.3	73.4	72.3	72.4	72.5
Gross Profit (Incl Job Work)	3,770	6,958	9,127	9,186	9,315	9,747	10,320	11,113
Margin (%)	66.8	66.9	67.4	67.2	67.2	65.9	65.7	65.6
Employees Cost	381	575	566	568	598	653	699	746
Other Expenses	1,373	2,206	2,755	2,735	3,150	3,434	3,660	3,899
Total Expenditure	3,218	5,450	6,841	7,094	7,439	8,186	8,693	9,307
% of Sales	57.0	52.4	50.5	51.9	53.7	55.3	55.4	54.9
EBITDA	2,431	4,959	6,708	6,581	6,426	6,614	7,013	7,645
Margin (%)	43.0	47.6	49.5	48.1	46.3	44.7	44.7	45.1
Depreciation	955	944	1,038	1,349	1,531	1,678	1,823	2,064
EBIT	1,475	4,015	5,671	5,232	4,895	4,937	5,190	5,581
Int. and Finance Charges	258	284	315	445	552	610	672	744
Other Income	602	499	402	697	852	937	1,054	1,186
PBT bef. EO Exp.	1,819	4,230	5,758	5,484	5,195	5,263	5,572	6,023
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	1,819	4,230	5,758	5,484	5,195	5,263	5,572	6,023
Total Tax	490	1,081	1,467	1,342	1,310	1,316	1,402	1,516
Tax Rate (%)	26.9	25.6	25.5	24.5	25.2	25.0	25.2	25.2
Reported PAT	1,329	3,149	4,291	4,142	3,885	3,947	4,169	4,507
Adjusted PAT	1,329	3,149	4,291	4,142	3,885	3,947	4,169	4,507
Change (%)	-43.8	136.9	36.3	-3.5	-6.2	1.6	5.6	8.1
Margin (%)	23.5	30.3	31.7	30.3	28.0	26.7	26.5	26.6

Consolidated - Balance Sheet						(INR m)		
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	248	243	243	243	243	243	243	243
Total Reserves	10,666	10,585	13,756	15,776	17,620	19,626	21,822	24,244
Net Worth	10,914	10,827	13,999	16,019	17,863	19,869	22,064	24,487
Total Loans	2,104	2,787	2,934	4,444	4,829	4,731	5,343	5,602
Lease Liabilities	2,104	2,787	2,934	4,444	4,829	4,731	5,343	5,602
Deferred Tax Liabilities	147	168	197	219	262	262	262	262
Other Liabilities	1,201	1,335	1,539	1,855	1,925	1,925	1,925	1,925
Capital Employed	14,367	15,118	18,669	22,537	24,879	26,787	29,594	32,277
Gross Block	6,345	7,845	8,620	11,089	11,334	13,557	15,612	17,417
Less: Accum. Deprn.	1,912	2,856	3,573	4,612	4,612	7,208	9,031	11,095
Net Fixed Assets	4,432	4,989	5,047	6,477	6,722	6,349	6,581	6,322
Other Non-Current	820	867	882	320	318	318	318	318
Capital WIP	4	1	22	1	1	1	1	1
Total Investments	5,790	5,608	8,501	10,410	10,548	10,548	10,548	10,548
Curr. Assets, Loans&Adv.	5,195	6,219	7,201	7,875	9,877	12,474	15,223	18,404
Inventory	1,012	1,430	1,736	1,386	2,020	2,027	2,152	2,322
Account Receivables	3,612	3,967	4,734	5,645	7,088	6,082	6,455	6,967
Cash and Bank Balance	71	39	100	217	172	3,772	5,989	8,437
Loans and Advances	500	783	630	627	597	592	628	678
Curr. Liability & Prov.	1,890	2,580	2,991	2,550	2,586	2,903	3,076	3,315
Account Payables	499	730	859	891	1,023	1,123	1,188	1,277
Other Current Liabilities	1,387	1,845	2,130	1,656	1,560	1,776	1,885	2,034
Provisions	4	4	2	3	3	3	4	4
Net Current Assets	3,305	3,639	4,210	5,325	7,291	9,571	12,147	15,088
Deferred Tax assets	16	13	7	4	0	0	0	0
Appl. of Funds	14,367	15,118	18,669	22,537	24,879	26,787	29,595	32,277

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	5.5	13.0	17.7	17.1	16.0	16.3	17.2	18.6
Cash EPS	9.1	16.3	21.3	21.9	21.6	22.5	23.9	26.2
BV/Share	43.6	43.2	55.9	64.0	71.3	79.3	88.1	97.8
DPS	0.0	5.0	9.0	8.5	8.0	8.1	8.6	9.3
Payout (%)	0.0	38.5	50.9	49.8	50.0	50.0	50.0	50.0
Valuation (x)								
P/E	137.7	58.1	42.7	44.2	47.1	39.7	37.6	34.7
Cash P/E	82.7	46.1	35.4	34.4	34.9	28.7	27.0	24.6
P/BV	17.3	17.4	13.5	11.8	10.6	8.1	7.3	6.6
EV/Sales	33.4	17.8	13.7	13.7	13.5	10.6	9.9	9.1
EV/EBITDA	77.7	37.5	27.7	28.5	29.2	23.8	22.2	20.1
Dividend Yield (%)	0.0	0.7	1.2	1.1	1.1	1.3	1.3	1.4
FCF per share	10.8	14.9	19.6	20.0	15.9	27.0	21.4	23.0
Return Ratios (%)								
RoE	12.3	29.0	34.6	27.6	22.9	19.9	18.9	18.4
RoCE	11.6	25.2	29.6	23.9	19.9	18.6	18.0	17.6
RoIC	11.8	33.3	43.3	36.0	28.1	27.8	30.4	31.7
Working Capital Ratios								
Fixed Asset Turnover (x)	0.9	1.3	1.6	1.2	1.2	1.1	1.0	1.0
Asset Turnover (x)	0.4	0.7	0.7	0.6	0.6	0.6	0.5	0.5
Inventory (Days)	253	196	180	133	200	181	181	182
Debtor (Days)	233	139	128	151	187	150	150	150
Creditor (Days)	124	100	89	86	101	100	100	100
Leverage Ratio (x)								
Current Ratio	2.7	2.4	2.4	3.1	3.8	4.3	4.9	5.6
Interest Cover Ratio	5.7	14.1	18.0	11.8	8.9	8.1	7.7	7.5
Net Debt/Equity	-0.3	-0.3	-0.4	-0.4	-0.3	-0.5	-0.5	-0.5

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	1,819	4,230	5,758	5,484	5,195	5,263	5,572	6,023
Depreciation	955	944	1,038	1,349	1,531	1,678	1,823	2,064
Interest & Finance Charges	258	284	315	454	433	610	672	744
Direct Taxes Paid	-345	-1,090	-1,472	-1,301	-1,256	-1,316	-1,402	-1,516
(Inc)/Dec in WC	399	-450	-569	-498	-1,315	1,319	-359	-493
CF from Operations	3,087	3,918	5,070	5,488	4,588	7,555	6,305	6,822
Others	-561	-408	-372	-657	-702	-937	-1,054	-1,186
CF from Operating incl EO	2,526	3,510	4,698	4,831	3,886	6,618	5,251	5,636
(Inc)/Dec in FA	151	109	57	13	-31	-55	-55	-55
Free Cash Flow	2,677	3,619	4,755	4,844	3,855	6,563	5,196	5,581
(Pur)/Sale of Investments	-1,424	37	-2,492	-1,149	-408	0	0	0
Others	389	418	116	41	281	937	1,054	1,186
CF from Investments	-884	565	-2,319	-1,096	-159	882	999	1,131
Issue of Shares	-1,084	47	15	31	23	0	0	0
Interest Paid	-207	-223	-241	-337	-434	-610	-672	-744
Repayment of loan	0	0	0	0	0	0	0	0
Others	-373	-3,928	-2,091	-3,310	-3,360	-3,290	-3,362	-3,575
CF from Fin. Activity	-1,665	-4,105	-2,317	-3,616	-3,772	-3,900	-4,034	-4,319
Inc/Dec of Cash	-23	-30	62	119	-45	3,600	2,217	2,448
Opening Balance	89	66	36	98	217	172	3,772	5,989
Closing Balance	66	36	98	217	172	3,772	5,989	8,437
Other Bank Balance	5	3	3	0	0	0	0	0
Net Closing Balance	71	39	100	217	172	3,772	5,989	8,437

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

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://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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

The associates of MOFSL may have:

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

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

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

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

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

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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