

Jubilant FoodWorks

Estimate changes	↔
TP change	↑
Rating change	↔

CMP: INR599

TP: INR 550 (-8%)

Neutral

Bloomberg	JUBI IN
Equity Shares (m)	660
M.Cap.(INRb)/(USDb)	395.2 / 4.7
52-Week Range (INR)	615 / 421
1, 6, 12 Rel. Per (%)	5/12/-5
12M Avg Val (INR M)	1544

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	56.5	79.2	89.7
Sales Gr. (%)	9.6	40.1	13.2
EBITDA	11.4	16.0	19.2
EBITDA Margin (%)	20.2	20.2	21.4
Adj. PAT	2.6	3.6	5.5
Adj. EPS (INR)	3.9	5.5	8.3
EPS Gr. (%)	-32.9	39.5	51.1
BV/Sh.(INR)	32.9	35.2	37.8

Ratios

RoE (%)	12.0	15.6	22.0
RoCE (%)	11.6	9.7	11.8

Valuation

P/E (x)	151.6	108.6	71.9
P/BV (x)	18.2	17.0	15.8
EV/EBITDA (x)	37.8	26.8	22.3
EV/Sales (x)	7.6	5.4	4.8

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	41.9	41.9	41.9
DII	29.9	26.1	22.5
FII	20.8	23.6	25.4
Others	7.4	8.4	10.1

FII Includes depository receipts

Delivery business outperforms; focus on network expansion

- Jubilant Foodworks (JUBI) reported sales growth of 10% YoY to INR14.4b (in line) in 1QFY25. Domino's LFL was 3% (in line), and same store sales are also turning positive (at ~1.5-2.0%) after six quarters. Delivery business performed well, growing 16% YoY and improving the share to 69%, while dine-in contracted 6% YoY. Waiving of delivery charges transitioned dine-in demand to delivery.
- Domino's has added 34 new stores and entered 6 new cities in 1Q. The store expansion spree for Domino's and other brands will continue and plans to open 180 Domino's stores in FY25.
- Gross margin was up marginally (+10bp YoY to 76.1%), while EBITDA margin contracted 180bp YoY to 19.3%. This contraction is attributed to increased investments in technology, supply chain enhancements, and adverse operating leverage. Additionally, the company intensified its value proposition by offering free delivery.
- Weak operating margins were further hit by higher depreciation (investments in backend) and interest costs. PBT declined 33% YoY, and margin came in at 4.7% in 1QFY25.
- The international business was doing well with 15%/17%/42% revenue growth in DPEU/Domino's Sri Lanka/Bangladesh.
- The QSR industry is still reeling under pressure on unit economics. Outperformance of delivery demand has aided healthy traffic growth for JUBI. The growth recovery still looks more gradual, and operating print will also lag some quarters for meaningful revision. Owing to its rich valuation, **we reiterate our Neutral rating** with a TP of INR550.

EBITDA in line; PBT down 33% YoY

- SSS turning positive** –JUBI reported sales growth of 10% YoY to INR14.4b (est. INR14.2b). **LFL grew by 3% (inline)**. SSSG is turning positive and was close to 1.5-2%.
- Store expansion continues** – JUBI opened 52 net stores in India, taking the count to 2,148 stores. **Domino's**: It opened 34 new Domino's Pizza stores to reach 2,029. **Popeyes**: It opened eight new stores, taking the count to 50. **Hong's Kitchen**: It opened five stores, taking the count to 33. **Dunkin' Donuts**: It opened five new stores, taking the count to 36.
- Weak EBITDA margin** – Gross profit reported 10% YoY growth of INR11b (est. INR 10.9b). Margin improved slightly by 10bp YoY to 76.1% (est. 76.5%). EBITDA flattish YoY at INR2.8b (est. INR2.8b). Margins contracted 180bp YoY while expanded 20bp QoQ to 19.3% (est. 19.5%). PBT margin was at 4.7% vs. 3.8% 4QFY24 and 7.7% 1QFY24.
- Decline in PBT/PAT** – PBT (before exceptional items) declined 33% YoY to INR683m (est. INR774m). Adj. PAT dipped 32% YoY to INR515m (est. INR579m).

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Tanu Jindal – Research Analyst (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

MotilalOswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

International business

- Dominos Sri Lanka's revenue rose 17% YoY to INR174m. During the quarter, no store was opened in the country.
- Dominos Bangladesh's revenue grew 42% YoY to INR170m led by network expansion. Bangladesh saw two store additions, taking the total count to 30 stores.

DPEU

- Domino's system sales stood at INR7,151m. Domino's Turkey LFL growth was 10.3%.
- COFFY's system sales came in at INR657m; LFL growth was 8.7%.
- Revenue for DPEU was INR4,614m (up 15.4% YoY) with an Op. EBITDA of 25.0% and PAT margin of 9.2%.
- In DP Eurasia, the company opened 12 stores in 1QFY25, taking the total count to 829 stores.

Highlights from the management commentary

- There has been no major improvement in the underlying demand situation. Growth was led by delivery channel initiatives like free delivery and Lunch Feast (meal at INR99).
- The company's sharp focus on delivery value to the consumer helped to deliver 8.5% YoY growth in Domino's India, driven by 3% LFL growth.
- Gross margins of the DP Eurasia (64-65%) business are structurally lower than JFL standalone (76%) due to the franchisee-driven business model.
- Management plans to open 180 stores for Domino's India, 50 for Domino's in Turkey, and 20 for Domino's in Bangladesh in FY25. In COFFY plan to open 70 stores, 50 stores for Popeyes restaurants, and 25 Hong's Kitchen outlets.

Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- The QSR industry is still reeling under pressure on unit economics. Outperformance of delivery demand has aided healthy traffic growth for JUBI. The growth recovery still looks more gradual, and operating print will also lag some quarters for meaningful revision.
- We value the India business at 65x P/E and international business at 40x P/E on FY26E to arrive at our TP of INR550. **Reiterate Neutral.**

Quarterly Standalone Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25 1QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
No of stores (Dominos)	1,838	1,888	1,928	1,995	2,029	2,074	2,119	2,175	1,995	2,175	2,040	
LFL growth (%)	-1.3	-1.3	-2.9	0.1	3.0	3.0	5.0	5.0	-1.4	4.0	2.5	
Net Sales	13,097	13,448	13,551	13,313	14,396	14,928	15,312	14,915	53,409	59,550	14,210	1.3%
YoY change (%)	5.6	4.5	2.9	6.3	9.9	11.0	13.0	12.0	4.8	11.5	8.5	
Gross Profit	9,956	10,275	10,387	10,200	10,955	11,390	11,714	11,498	40,817	45,556	10,871	0.8%
Gross margin (%)	76.0	76.4	76.7	76.6	76.1	76.3	76.5	77.1	76.4	76.5	76.5	
EBITDA	2,764	2,807	2,827	2,543	2,782	2,895	3,085	2,861	10,941	11,622	2,775	0.2%
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.6	3.1	9.1	12.5	-5.6	6.2	0.4	
Margins (%)	21.1	20.9	20.9	19.1	19.3	19.4	20.1	19.2	20.5	19.5	19.5	
Depreciation	1,328	1,379	1,465	1,511	1,552	1,573	1,581	1,589	5,684	5,953	1,528	
Interest	513	534	583	609	619	635	640	650	2,239	2,544	564	
Other Income	91	69	40	86	73	75	90	104	285	342	91	
PBT	1,014	963	819	508	683	763	954	726	3,303	3,466	774	-11.7%
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-32.6	-20.8	16.5	42.8	-38.6	4.9	-23.6	
Tax	262	241	209	132	168	192	240	235	844	867	195	
Rate (%)	25.8	25.1	25.6	26.0	24.6	25.2	25.2	32.3	25.6	25.0	25.2	
Adjusted PAT	752	721	610	345	515	571	714	491	2,428	2,600	579	-11.1%
YoY change (%)	-38.2	-39.5	-31.16	-44.38	-31.5	-20.9	17.07	42.28	-38.0	7.1	-22.9	

E: MOFSL Estimates

Exhibit 1 - Store count

Total Stores	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Q1FY25
Management control									
India:									
Domino's	1,625	1,701	1,760	1,816	1,838	1,888	1,928	1,995	2,029
Popeyes	6	8	12	13	17	22	32	42	50
Dunkin	25	24	24	21	21	21	25	31	36
Hong's Kitchen	17	14	12	13	15	18	22	28	33
Ekdum	3	6	6	-	-	-	-	-	-
Total Stores in India	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,148
Store addition	51	77	61	49	28	58	58	89	52
Sri Lanka and Bangladesh	46	51	60	65	70	73	76	78	80
Total Stores under MGT control	1,722	1,804	1,874	1,928	1,961	2,022	2,083	2,174	2,228
Store addition	53	82	70	54	33	61	61	91	54
DP Eurasia	-	-	859	859	714	742	761	817	829
Total	1,722	1,804	2,733	2,787	2,675	2,764	2,844	2,991	3,057
Store addition	53	82	929	54	(112)	89	80	147	66

Exhibit 2 - Domino's growth metrics

Growth metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Q1FY25
Revenue Growth (%)	41.1	16.9	10.3	8.2	5.6	4.5	2.9	6.3	9.9
Store Growth (%)	17.8	18.5	17.7	15.9	13.1	11.0	9.5	9.9	10.4
Like-like SSG (%)	28.3	8.4	0.3	(0.6)	(1.3)	(1.3)	(2.9)	0.1	3.0
ADS per store (INR)	85,397	84,105	83,609	77,822	78,773	78,463	78,044	75,413	78,625
YoY Gr (%)	(0.8)	(1.1)	(5.6)	(7.4)	(7.8)	(6.7)	(6.7)	(3.1)	(0.2)

Highlights from the management commentary

Business environment

- There has been no major improvement in the underlying demand situation. Growth was led by delivery channel initiatives like free delivery and Lunch Feast (meal at INR99).
- The monthly active users were high at 12.1m (+17.5% YoY), with higher new customer acquisitions (+32% YoY).
- The delivery channel revenue rose 15.7% YoY, driven by Delivery LFL growth of 12.1% YoY.
- Dine-in channel revenue declined 5.7% YoY. However, on a sequential basis, it grew 4.6% (+1.7% LFL QoQ) on account of double-digit growth in orders.
- The company has taken no price hikes in the last eight quarters.
- In 1QFY25, JUBI absorbed the inflation impact with internal cost optimization and productivity enhancement programs.
- The company's sharp focus on delivery value to the consumer helped deliver an 8.5% YoY growth in Domino's India, driven by 3% LFL growth.
- SSS has been turning positive, and it has been close to 1.5-2.0%.
- The company believes that providing value to consumers is crucial in this environment to acquire new consumers and retain existing ones.
- The company waived off delivery fees, which has enhanced the value quotient of customers materially.
- There are no plans for price increases, and the focus is on giving more value to gain more share.

Costs and margin

- The company is focusing on driving margin expansion in India and expects margins to improve from the last quarter (19.1% in 4QFY24).
- Gross margins of the DP Eurasia (64-65%) business are structurally lower than JFL standalone (76%) due to the franchisee-driven business model.
- Standalone EBITDA margin would be ~19.8% adjusting the political contribution.
- The company has worked to reduce the cost of goods sold, resulting in healthy margins compared to competition.

Product innovation

- Three new products launch in Domino's India – 1) 4 course meal starting INR99 - Lunch Feast, 2) Innovation for Cheese lovers: Cheese Volcano, and 3) New Beverage Range- Chillrz
- In Dunkin, company launched new Bubble Teas range which is driving up the beverage mix.
- They introduced three new wraps starting at INR99 in Hong's Kitchen, further bolstering the successful home kitchen wrap range.
- In Bangladesh, Company launched a new range of Saucy and Messy Pizza.

Guidance

- There is no change in the company's network guidance.
- Management plans to open 180 stores for Domino's India, 50 for Domino's in Turkey, and 20 for Domino's in Bangladesh in FY25.
- In COFFY, management plans to open 70 stores, 50 stores for Popeyes restaurants, and 25 Hong's Kitchen outlets.

Key exhibits

Exhibit 1: Domino's LFL grew 3% in 1QFY25

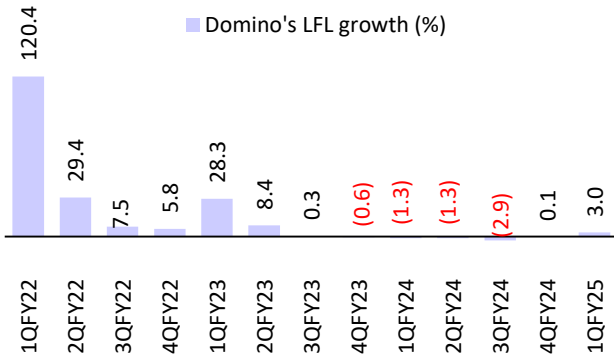


Exhibit 2: Domino's added 34 new stores in six new cities

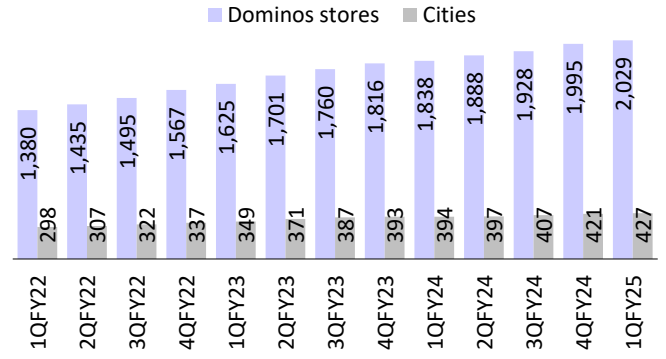


Exhibit 3: Net sales grew 10% YoY to INR14.4b

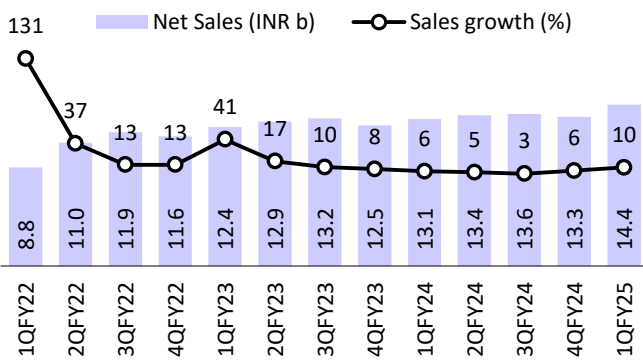


Exhibit 4: EBITDA growth was flattish YoY at INR2.8b

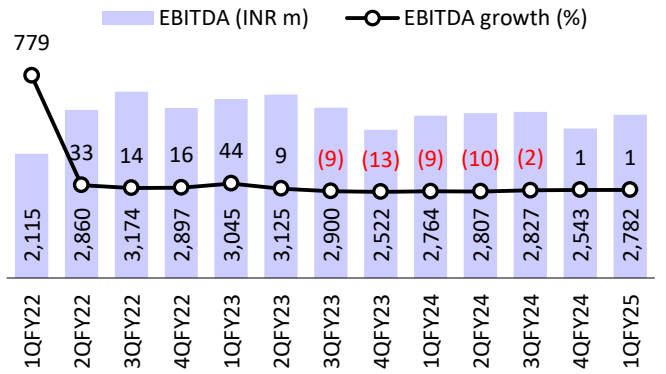


Exhibit 5: Adjusted PAT declined YoY to INR515m

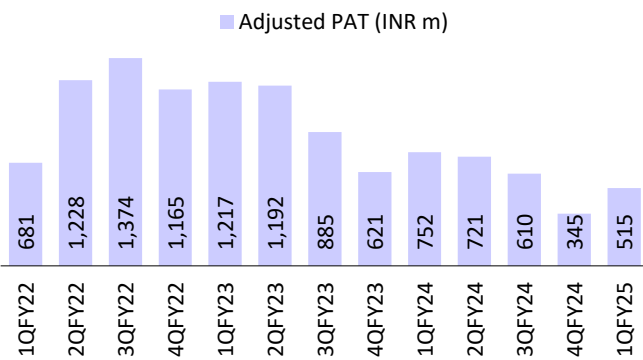


Exhibit 6: PAT declined 31% YoY in 1QFY25

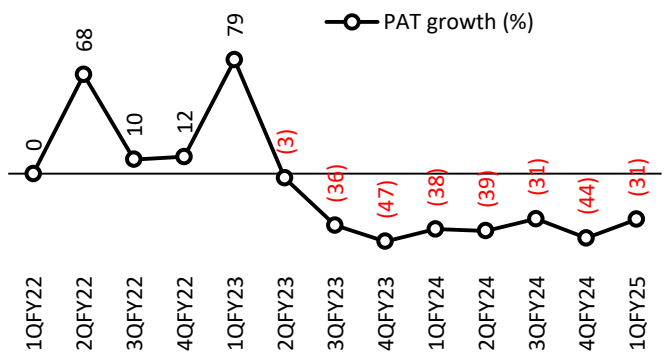


Exhibit 7: Gross margin expanded slightly by 10bp YoY to 76.1%

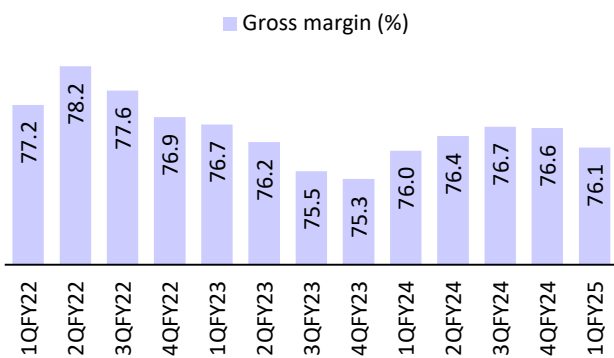
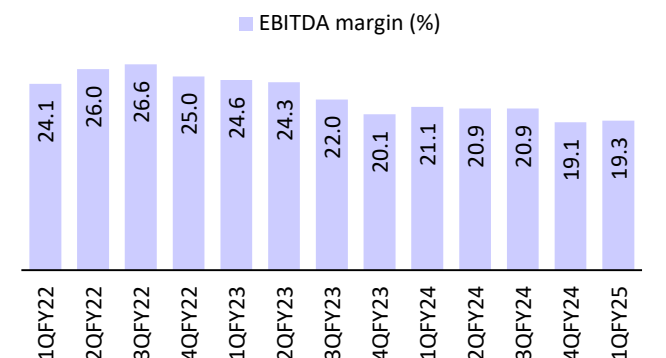


Exhibit 8: EBITDA margin contracted 180bp YoY to 19.3%



Source: MOFSL, Company

Source: MOFSL, Company

Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- The QSR industry is still reeling under pressure on unit economics. Outperformance of delivery demand has aided healthy traffic growth for JUBI. The growth recovery still looks more gradual, and operating print will also lag some quarters for meaningful revision.
- We value the India business at 65x P/E and international business at 40x P/E on FY26E to arrive at our TP of INR550. **Reiterate Neutral.**

Exhibit 9: No material changes to our EPS estimates for FY25/FY26

INR m	New		Old		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	79,212	89,695	76,841	87,076	3.1%	3.0%
EBITDA	16,005	19,181	15,765	18,781	1.5%	2.1%
Adjusted PAT	3,633	5,488	3,631	5,384	0.1%	1.9%

Source: MOFSL

Financials and valuations

Income Statement							(INR m)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	35,631	39,273	33,119	43,961	51,582	56,541	79,212	89,695	1,01,020
Change (%)	18.0	10.2	-15.7	32.7	17.3	9.6	40.1	13.2	12.6
Material Consumed	8,861	9,835	7,262	9,899	12,478	13,411	13,994	15,887	18,427
Gross Profit	26,770	29,438	25,856	34,062	39,104	43,130	65,218	73,807	82,593
Gross Margin %	75.1	75.0	78.1	77.5	75.8	76.3	82.3	82.3	81.8
Operating expenses	20,773	20,682	18,144	22,974	27,589	31,695	49,213	54,626	60,393
EBITDA	5,998	8,756	7,712	11,088	11,516	11,435	16,005	19,181	22,199
Change (%)	36.3	46.0	-11.9	43.8	3.9	-0.7	40.0	19.8	15.7
Margin (%)	16.8	22.3	23.3	25.2	22.3	20.2	20.2	21.4	22.0
Depreciation	1,575	3,523	3,754	3,931	4,859	5,980	7,921	8,969	10,102
Int. and Fin. Ch.	0	1,652	1,627	1,761	2,012	2,878	3,521	3,238	3,284
Other Non-recurring Inc.	474	447	731	236	243	2,280	292	360	442
PBT	4,897	4,028	3,062	5,633	4,887	4,857	4,854	7,334	9,256
Change (%)	61.6	-17.7	-24.0	83.9	-13.2	-0.6	-0.1	51.1	26.2
Margin (%)	13.7	10.3	9.2	12.8	9.5	8.6	6.1	8.2	9.2
Tax	1,717	1,240	757	1,452	1,357	850	1,222	1,846	2,330
Tax Rate (%)	35.1	30.8	24.7	25.8	27.8	17.5	25.2	25.2	25.2
Adjusted PAT	3,180	3,537	2,266	4,254	3,883	2,604	3,633	5,488	6,926
Change (%)	65.8	11.2	-35.9	87.8	-8.7	-32.9	39.5	51.1	26.2
Margin (%)	8.9	9.0	6.8	9.7	7.5	4.6	4.6	6.1	6.9
Non-rec. (Exp)/Inc.	0	-249	0	-73	0	1,702	0	0	0
Reported PAT	3,180	2,788	2,306	4,181	3,530	4,008	3,633	5,488	6,926
Balance Sheet							(INR m)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
Reserves	11,277	9,901	12,949	18,130	19,058	20,387	21,901	23,628	26,312
Share Premium	477	477	477	477	477	477	477	477	0
P&L Balance	10799	9423	12471	17653	19103	19923	20282	20353	0
Net Worth	12,596	11,220	14,268	19,450	20,378	21,706	23,221	24,948	27,631
Loans	5	16,706	16,205	21,066	25,537	41,973	42,871	43,482	44,093
Capital Employed	12,627	28,033	30,567	40,617	45,915	64,406	66,817	69,156	72,450
Goodwill	0	0	0	0	0	7,706	7,706	7,706	7,706
Gross Block	12,288	27,542	28,778	35,390	45,564	57,999	62,853	67,858	72,582
Less: Accum. Depn.	4,577	6,036	7,688	8,591	11,759	15,761	20,348	25,012	30,086
Net Fixed Assets	7,711	21,506	21,090	26,798	33,805	42,238	42,505	42,847	42,496
Intangible property	383	381	365	567	1,141	11,894	11,894	11,894	11,894
Capital WIP	157	412	285	465	1,838	1,178	715	715	715
Investments	1,808	512	5,167	9,268	8,218	3,080	3,742	3,942	4,142
Deferred tax assets	-500	751	831	526	743	-1613	-1613	-1613	-1613
Curr. Assets, L&A	8,498	10,137	9,881	10,192	8,077	14,280	13,233	16,405	21,341
Inventory	771	947	1,331	1,612	1,770	4,099	2,718	3,078	3,466
Account Receivables	274	166	168	220	287	2,695	441	500	563
Cash and Bank Balance	4,943	6,559	5,344	5,634	2,506	1,570	5,142	7,338	11,218
Others	2,510	2,464	3,038	2,726	3,514	5,916	4,932	5,490	6,094
Curr. Liab. and Prov.	5,430	5,666	7,053	7,200	7,906	14,357	11,366	12,741	14,232
Other Current Liabilities	919	873	1,300	1,420	1,873	4,344	2,266	2,493	2,742
Creditors	4,209	4,470	5,330	5,370	5,614	9,216	8,681	9,830	11,071
Provisions	303	322	423	411	419	796	419	419	419
Net Curr. Assets	3,067	4,471	2,828	2,992	171	-77	1,867	3,664	7,109
Appl. of Funds	12,627	28,032	30,566	40,616	45,915	64,406	66,817	69,155	72,450

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	4.8	5.4	3.4	6.4	5.9	3.9	5.5	8.3	10.5
BV/Share	19.1	17.0	21.6	29.5	30.9	32.9	35.2	37.8	41.9
DPS	1.0	1.2	1.2	1.2	1.2	1.8	1.8	1.8	1.8
Payout %	20.8	22.4	34.9	18.6	20.4	44.4	31.8	21.0	16.7
Valuation (x)									
P/E	124.1	111.6	174.2	92.8	101.6	151.6	108.6	71.9	57.0
EV/Sales	10.9	10.3	12.1	9.1	7.9	7.6	5.4	4.8	4.2
EV/EBITDA	64.7	46.2	51.9	36.1	35.6	37.8	26.8	22.3	19.1
P/BV	31.3	35.2	27.7	20.3	19.4	18.2	17.0	15.8	14.3
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Return Ratios (%)									
RoE	25.2	31.5	15.9	21.9	19.1	12.0	15.6	22.0	25.1
RoCE	28.5	19.4	12.1	15.5	11.5	11.6	9.7	11.8	13.4
RoIC	50.7	27.6	14.8	23.6	16.4	9.8	10.4	13.4	15.9
Working Capital Ratios									
Debtor (Days)	3	2	2	2	2	17	2	2	2
Inventory (Days)	8	9	15	13	13	26	13	13	13
Creditor (Days)	43	42	59	45	40	59	40	40	40
Asset Turnover (x)	2.8	1.4	1.1	1.1	1.1	0.9	1.2	1.3	1.4
Leverage Ratio									
Debt/Equity (x)	0.0	1.5	1.1	1.1	1.3	1.9	1.8	1.7	1.6

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(loss) before Tax	4,897	4,028	3,062	5,633	4,887	4,850	4,854	7,334	9,256
Int./Div. Received	-200	-395	-414	-294	-267	-194	-342	-410	-492
Depreciation & Amort.	1,575	3,523	3,754	3,931	4,859	5,980	7,921	8,969	10,102
Interest Paid	0	1,652	1,627	1,761	2,012	2,878	3,521	3,238	3,284
Direct Taxes Paid	-1,779	-1,402	-869	-1,410	-1,263	-893	-1,222	-1,846	-2,330
Incr in WC	-36	-82	509	-275	-83	-956	1,852	869	943
CF from Operations	4,235	7,278	7,506	9,436	10,262	10,096	16,586	18,154	20,763
Others	(221)	(47)	(162)	91	117	(1,568)	0	0	0
Incr in FA	-1,657	-2,883	-2,427	-4,563	-8,382	-8,476	-3,958	-5,000	-5,200
Free Cash Flow	2,578	4,395	5,080	4,873	1,879	1,620	12,628	13,154	15,563
Others	4,376	334	554	694	-2,968	-930	-1,627	-3,401	-3,559
Pur of Investments	-3,134	1,502	-3,961	-2,212	2,225	-5,399	-886	-670	-708
CF from Invest.	-416	-1,047	-5,834	-6,080	-9,126	-14,805	-6,471	-9,071	-9,468
Issue of Shares	44	95	0	29	-262	0	0	0	0
Incr in Debt	0	-1,323	0	1,198	629	10,094	-500	-500	-500
Dividend Paid	-329	-1,448	0	-790	-790	-790	-1154.73	-1154.73	-1154.73
Others	118	-1,937	-2,887	-3,504	-3,841	-5,531	-4,887	-5,233	-5,761
CF from Fin. Activity	-167	-4,614	-2,887	-3,066	-4,264	3,772	-6,542	-6,888	-7,415
Incr/Decr of Cash	3,652	1,616	-1,215	290	-3,128	-936	3,573	2,195	3,880
Add: Opening Balance	1,290	4,943	6,559	5,344	5,634	2,506	1,570	5,142	7,338
Closing Balance	4,943	6,559	5,344	5,634	2,506	1,570	5,142	7,338	11,218

E: MOFSL Estimates

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://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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

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/NCD/EX); 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@motilaloswal.com.