

# Campus Activewear | BUY

## Ushering in new phase of Campus 2.0

We recently met the management of Campus Activewear, which said it is confident on regaining the lost growth momentum and is targeting mid teen's revenue growth and 15-17% margins over the medium term led by multiple initiatives it has taken over the past 18 months like (1) Plugging product portfolio gap, (2) curated marketing to improve brand image, (3) centralised planning and supply chain management, (4) shift towards a more market place model vs. outright earlier and (5) unlocking new channels of growth. We build in revenue/PAT (Pre-AS 116) CAGR of ~14%/32% over FY24-27 as we believe a combination of these measures coupled with BIS implementation should help lift revenue growth once the demand environment improves. In addition, a combination of low base, cost-efficiency measures and upfront investments in marketing and manpower should lead to higher growth in profits. We cut our EPS estimates by 1-4% over FY25-27E baking in margin pressure due to some front-loading of cost, benefits of which will be seen in future. We maintain BUY with a revised TP of INR 350 (from INR 340) based on 50x P/E as we roll over our target multiple to Mar'27.

- **Key challenges encountered:** In the last 18 months, Campus faced challenges such as (i) distributor consolidation, (ii) channel conflicts pertaining to pricing and lack of coordination amongst SBUs, (iii) multiple top-level exits, (iv) large number of designs resulting in poor inventory management, (v) higher % of outright sales vs. market place, resulting in lower control over pricing and inventory, (vi) late entry in sneakers category.
- **Many steps taken to revive growth and profitability** like (i) Centralised planning for all channels, resulting in coordinated ordering and fulfilment; this will also lower finished good inventory and eliminate pricing conflict among channels (ii) completion of distributor consolidation and focus on driving higher throughput per retailer, (iii) de-cluttering inventory from 1,300 styles to only 500 now (200 core styles/ 300 new launches) with 150 separate designs for each channel (iv) reducing outright sales to 20% vs. 80% earlier, improving pricing and inventory control, (v) addition of sneakers category 18 months ago; aims to increase the share to double digits (7-8% now) with upcoming sneaker plant in Mar'25, (vi) focus on increasing share of high-growth women's category and (vii) increasing penetration in the South (only 10% of revenue) through open footwear and gradually seeding in the closed footwear category.
- **Realigned channel growth drivers: D2C Offline** – focus to drive aggressive growth and increase salience to 15% by FY27 (11% in FY24) led by EBO addition (largely franchise mode) and increasing the LFS counters (Reliance, Lifestyle, etc.). Primarily role of the channel is to drive premiumisation and elevate consumer experience. **D2C Online** - cautious growth with focus on profitability; adding quick commerce platforms. It targets to maintain 80:20 market place: outright sale mix and expects ~35% contribution from the channel. Role will be to drive sneakers and women's portfolio. **Trade Distribution** – Will remain the cash cow; Campus is targeting 50% revenue salience by FY27 with focus on improving throughput/distributor and increasing geographical reach.

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	14,701	14,359	15,898	18,576	21,363
Sales Growth (%)	23.8	-2.3	10.7	16.8	15.0
EBITDA	2,536	2,108	2,476	3,125	3,760
EBITDA Margin (%)	17.1	14.6	15.4	16.7	17.4
Adjusted Net Profit	1,171	894	1,271	1,698	2,117
Diluted EPS (INR)	3.8	2.9	4.2	5.6	6.9
Diluted EPS Growth (%)	7.8	-23.8	42.1	33.6	24.7
ROIC (%)	17.3	12.4	16.0	19.3	21.3
ROE (%)	23.9	14.9	17.8	19.7	20.1
P/E (x)	81.2	106.5	74.9	56.1	45.0
P/B (x)	17.2	14.6	12.3	10.1	8.2
EV/EBITDA (x)	38.8	45.9	38.7	30.4	25.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 02/Jan/2025



**Gaurav Jogani**  
gaurav.jogani@jmfl.com | Tel: (91 22) 66303085

**Mehul Desai**  
mehul.desai@jmfl.com | Tel: (91 22) 66303065

**Tanuj Pandia**  
tanuj.pandia@jmfl.com | Tel: (91 22) 66303051

We acknowledge the support of **Akshaan Agrawal** (akshaan.agrawal@jmfl.com) in preparation of this report

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	350
Upside/(Downside)	12.1%
Previous Price Target	340
Change	2.9%

### Key Data – CAMPUS IN

Current Market Price	INR312
Market cap (bn)	INR95.3/US\$1.1
Free Float	26%
Shares in issue (mn)	305.3
Diluted share (mn)	305.3
3-mon avg daily val (mn)	INR285.8/US\$3.3
52-week range	372/213
Sensex/Nifty	79,944/24,189
INR/US\$	85.8

### Price Performance

%	1M	6M	12M
Absolute	8.5	6.1	5.8
Relative*	8.9	5.4	-4.9

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Pivoting towards high-growth sneakers and women's segments

- **Increasing salience of sneaker category** – Campus had a total addressable market of INR 220bn, which has increased by INR 10bn due to the introduction of sneaker products in its portfolio. The company is now launching new sneaker products with superior quality. This will help to drive higher realisation as MRP in the sneakers category is higher by ~INR 400 vs. average company MRP. ASP for the sneaker ranges from INR 1,299 to INR 3,500. The company started its sneaker category 12-18 months back and has increased the salience to 7-8% from 4% in FY24; it now targets to increase it to 20% over the next couple of years. The category has seen 70% YoY growth in H1.
- **Enhanced focus towards women segment** – Men/Women/Kids contribute 78%/14%/8% of overall revenue. The company aims to increase the share of women in overall revenue led by higher focus and offerings especially targeted at women. Increasing penetration in LFS counter and EBO addition will also led to increase in salience of the women's segment as these channels have higher women contribution vs. MBOs.
- **Controlling width to drive higher efficiency and inventory control** – The Company earlier offered 1,300 styles with 3 colours and 6 sizes, which created complexity in terms of assortment and inventory management. It has now reduced styles to only 500. This de-cluttering of SKUs has helped the company to manage its finished good inventory efficiently.

## Supply chain management and coordinated execution

- **Centralised planning and inter channel synergies** – Earlier, different channel heads had different strategies, which resulted in channel conflicts and poor coordination. Now, the process of planning and strategy formation is done differently for all the channels but is centralised at the business head level (headed by Uplaksh Tewary), which has reduced channel conflicts by offering different SKUs in different channels. The company has decided to offer ~150 different SKUs in its three channels. This also helps to drive inter-channel synergies as the product offered in different channels at different prices reduces channel conflicts.
- **WHS and RM efficiencies** – The Company is consolidating its three RM warehouses into one centralised warehouse, which is likely to improve the lead time by 5 days. It is also consolidating its two online warehouses into one facility with higher area to cater to demand over the next 2-3 years. With more scientific and analytic process of ordering, Campus has been able to reduce its inventory of finished goods by 20% and the management feels that there is still scope of some inventory reduction, which will be done in due course.
- **Capacity expansion** – The Company is enhancing its sole production capacity by installing two new EVA injection lines, this would result in increase in sole capacity by 15%. It is also setting up a plant for uppers for sneaker, which will increase upper capacity by 2.5mn pairs annually. With increase in production capacity, the difference in cost will not be material but it will help in timely launch of new products and improve its way of working.
- **Investment in automation** – The company is investing in automation with its initial focus on digitisation of the front end. It has implemented DMS software and QR-based scanning system, which helps it track retailer level demand for its products. Its own stores are enabled with the Genesis system, which is integrated to its ERP system. The company is in the process of implementing SAP software in 4QFY25. It has already implemented PeopleStrong (HR-related software) and is also exploring automation tools for order management and tracking the entire process of new product development from concept to commercialisation.

## Redefining roles of the channel

- **D2C Offline** – The company is targeting aggressive growth in its D2C offline channel and is aiming for 15% salience of the D2C offline channel in overall revenue by FY27 vs. ~11% in FY24. The growth will be led by (i) increasing store reach (292 stores as of now), and (ii) offering products at LFS counters (already partnered with Reliance Footprint, and Lifestyle; trying to partner with other LFS partners also). Primary role of the channel will be to drive premiumisation and elevate consumer experience. The company currently has 50:50 mix between franchise and own stores. It targets to add majority of the new stores under the franchise model, which will be asset light and drive store expansion at a fast pace.
- **D2C online** – The company is adopting a cautious approach for growth in its online channel and the major focus will be on increasing profitability. It will leverage its market place expertise to drive growth in the segment. Earlier, 80% of its products in the online segment were sold on outright basis and only 20% of the products were sold in the market place, which led to higher discounting, channel conflicts and lower control on inventory. It has now pivoted itself to the market place channel (80% contribution), and only 20% is on outright basis. It targets to maintain the salience of D2C online channel at ~35% by FY27. The company has also started offering products on quick commerce platforms like Blinkit and is trying to list with other players too.
- **Trade distribution** – The company has consolidated its distributors from 425+ earlier to 300+ now. The focus, going ahead, will be to increase its retailer reach and throughput per retailer. It has deployed 170 FoS (feet on street) who are working on its rolls and additional 150 FoS from the distributor with the primary objective of increasing retail penetration, increasing sales/outlet and maintain channel hygiene. It targets to expand its regional presence by using analytical and tech support via MBOs with higher growth in other channels; the channel contribution is expected to be 50% by FY27.
- **Geographical expansion** – The company plans to improve its presence in the South and is working on multiple enablers including product and channel to gain its fair share in southern India.

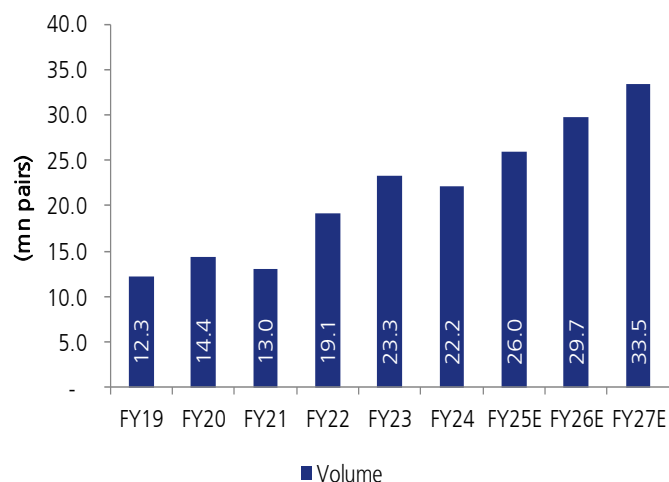
## Others

- **Profitability** – All the three channels are profitable for the company, and it expects gradual uptick in profitability. Majority of the upfront spending is done in terms of (i) marketing, (ii) capacity expansion, (iii) automation cost, and (iv) manpower hiring expense. The company has an employee base of ~1,000 employees, which the management feels is sufficient to clock a revenue of INR 40bn. It has already lifted gross margin to 52-53% (vs. 49-50% in the past), which, along with benefits from higher capacity utilisation, reduced upfront cost, and better operating leverage will lead to improvement in EBITDA margin.
- **Working capital** – The company has a core working capital cycle of 79 days in FY24, constituting 100 days of inventory, 30 days of debtors, and 50 days of creditors. Finished goods inventory constitute 20% of the overall inventory and the balance 80% is raw material only. Inventory days are expected to reduce down to 90 days in the next few years led by optimisation of RM inventory (100 days of inventory expected in FY25).
- **Marketing** – The company has heightened its focus on marketing and has increased its spends ~3x in FY24 vs. FY21. Segregated channel strategies, improved product quality and better marketing, as well as onboarding of actors Vicky Kaushal and Sonam Bajwa for brand endorsement have helped improve the company's brand image. Marketing strategies for different channels are set differently to target specific customers, which helps drive growth in all channels separately.

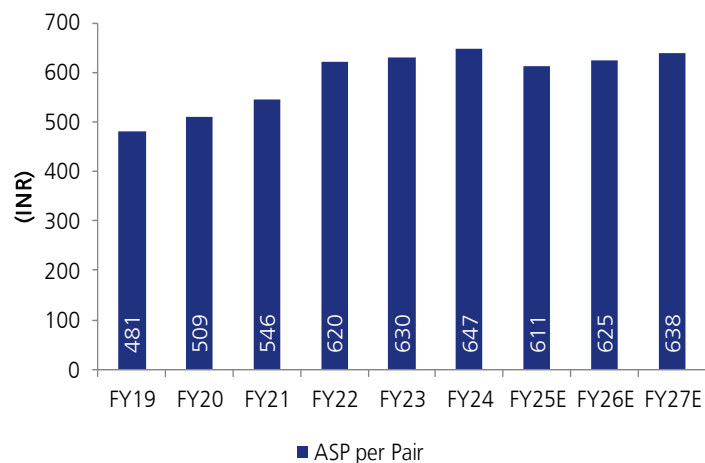
**Exhibit 1. We cut our EPS estimates by 1-4% over FY25-27E primarily due to cut in margins on front loading of costs**

	FY25E			FY26E			FY27E		
	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)
Revenues (INR mn)	16,035	16,015	0.1	18,736	18,617	0.6	21,547	21,314	1.1
EBITDA (INR mn)	2,476	2,568	(3.6)	3,125	3,207	(2.5)	3,760	3,821	(1.6)
EBITDA (%)	15.4	16.0	-59 bps	16.7	17.2	-55 bps	17.4	17.9	-48 bps
PAT (INR mn)	1,271	1,330	(4.4)	1,698	1,757	(3.4)	2,117	2,151	(1.6)
EPS (INR)	4.2	4.4	(4.4)	5.6	5.8	(3.4)	6.9	7.0	(1.6)
<b>Pre IND AS</b>									
EBITDA (INR mn)	2,117	2,209	(4.2)	2,702	2,783	(2.9)	3,271	3,330	(1.8)
EBITDA (%)	13.2	13.8	-59 bps	14.4	15.0	-53 bps	15.2	15.6	-45 bps
PAT (INR mn)	1,270	1,329	(4.4)	1,707	1,765	(3.3)	2,144	2,175	(1.4)
EPS (INR)	4.2	4.4	(4.4)	5.6	5.8	(3.3)	7.0	7.1	(1.4)
Volume (mn Pair)	26,008	25,978	0.1	29,713	29,512	0.7	33,462	33,068	1.2
ASP (INR)	611	611	0.0	625	625	(0.0)	638	639	(0.1)

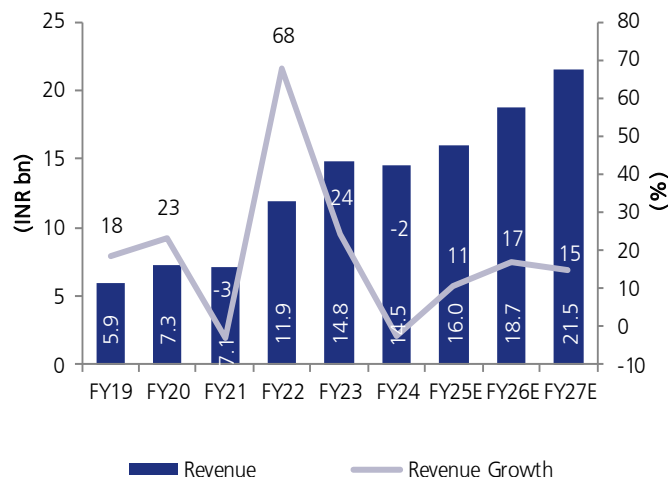
Source: Company, JM Financial

**Exhibit 2. 15% volume CAGR expected over FY24-27E**

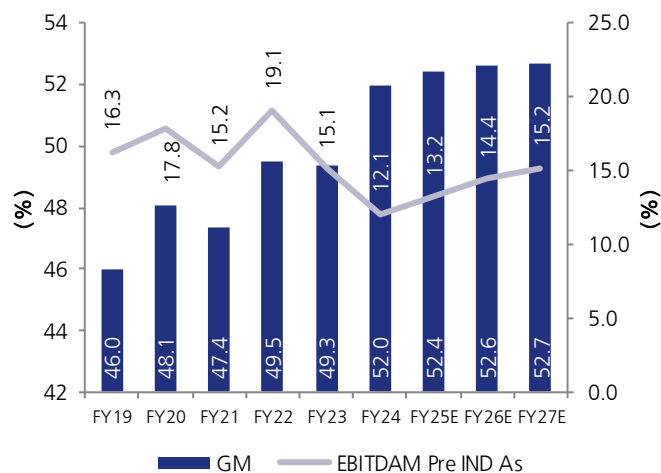
Source: Company, JM Financial

**Exhibit 3. ASP/pair to decline by 0.5% CAGR over FY24-27E**

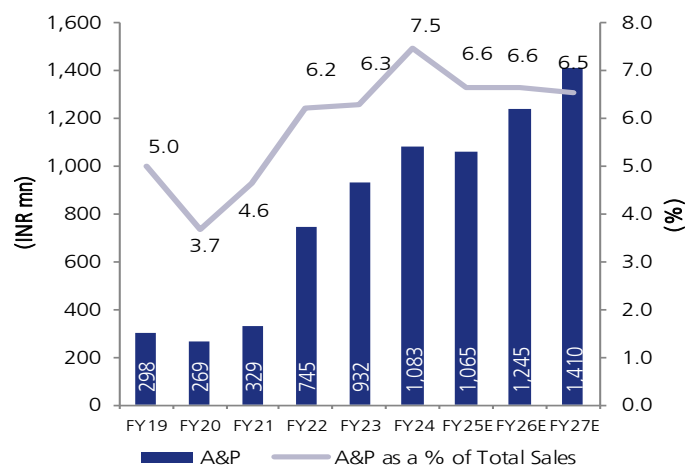
Source: Company, JM Financial

**Exhibit 4. Revenue CAGR of 14% likely over FY24-27E**

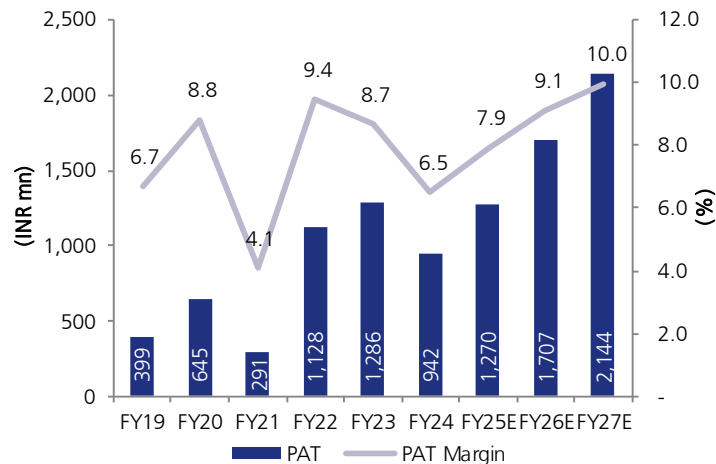
Source: Company, JM Financial

**Exhibit 5. Gradual margin improvement expected over FY24-27E**

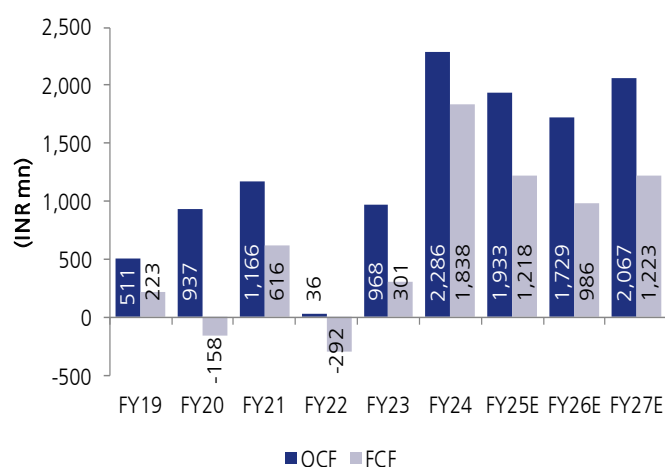
Source: Company, JM Financial

**Exhibit 6. A&P expense has gone up ~3x from FY21 to FY24**

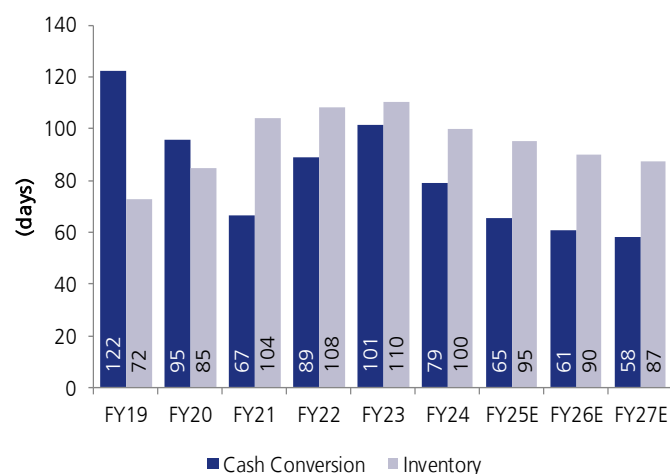
Source: Company, JM Financial

**Exhibit 7. PAT CAGR of 32% expected over FY24-27E**

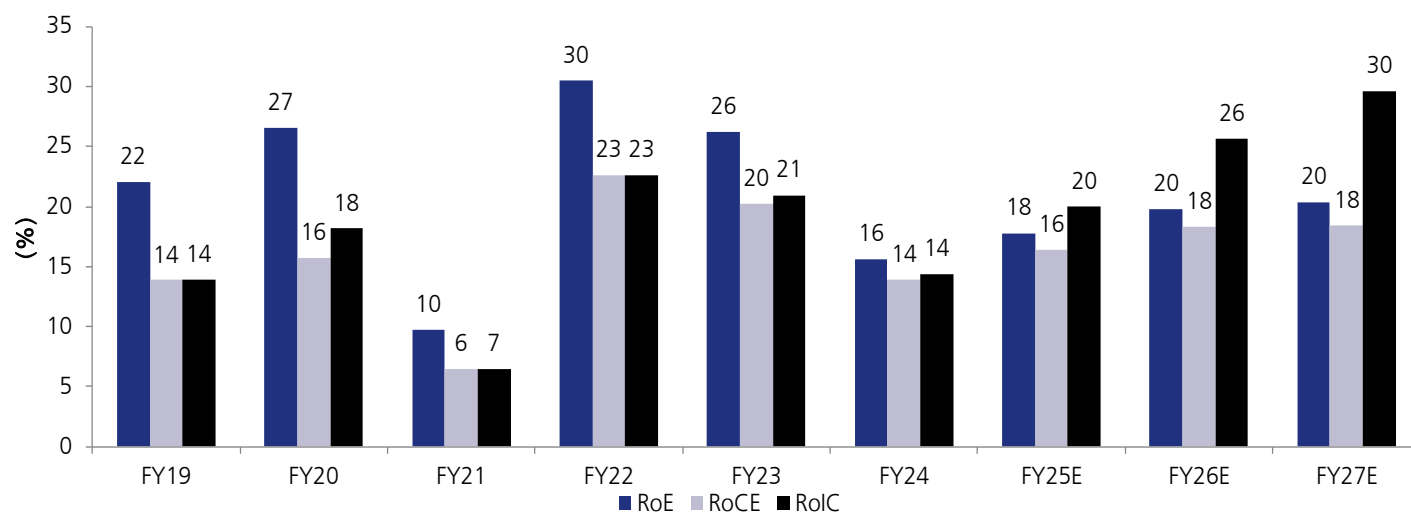
Source: Company, JM Financial

**Exhibit 8. Cumulative OCF/FCF of INR 5.7bn/3.4bn over FY24-27E**

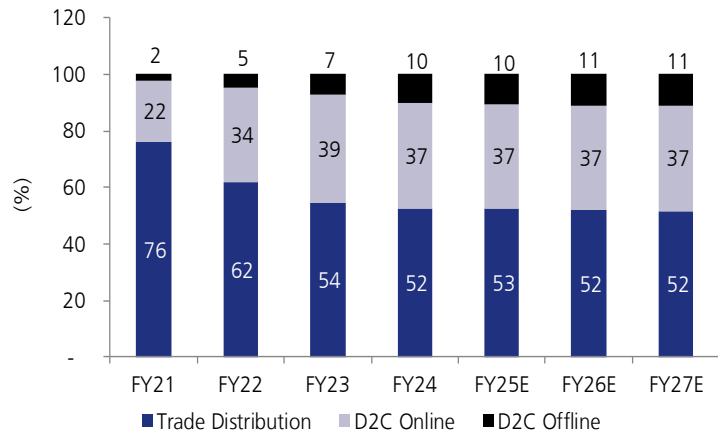
Source: Company, JM Financial

**Exhibit 9. Cash conversion days to improve over FY24-27E**

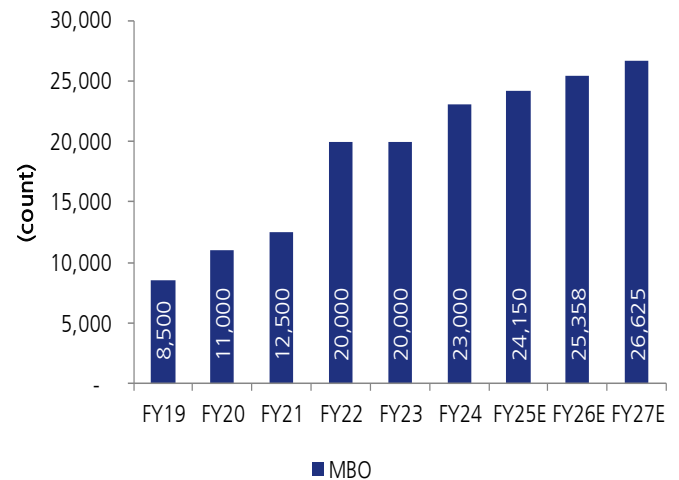
Source: Company, JM Financial

**Exhibit 10. Return ratios are expected to improve led by improvement in margins**

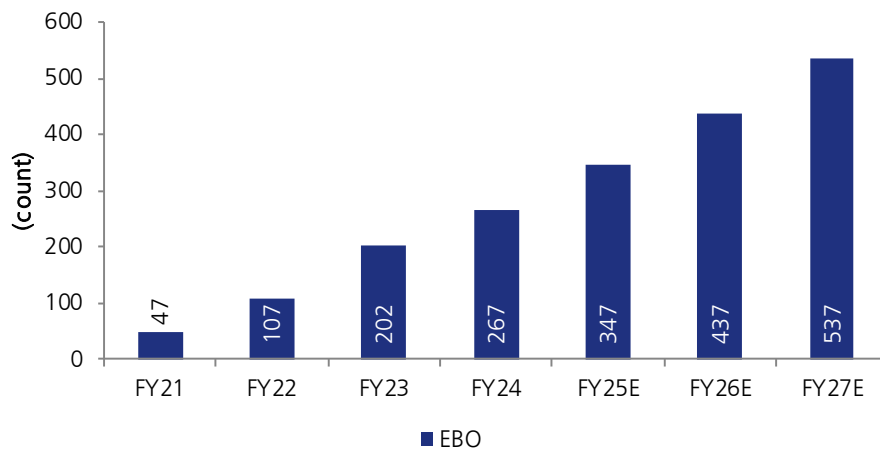
Source: Company, JM Financial

**Exhibit 11. Trade distribution ~50% share; D2C saliency rising**

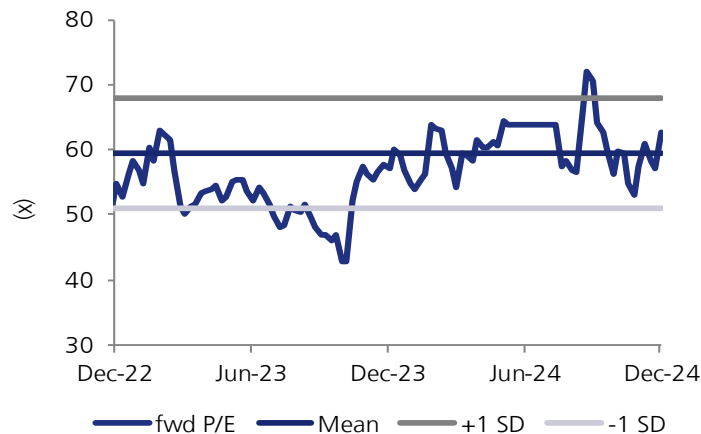
Source: Company, JM Financial

**Exhibit 12. Campus reaches 23k outlets; robust expansion over FY19**

Source: Company, JM Financial

**Exhibit 13. EBO count increased ~2.5x over FY22-24**

Source: Company, JM Financial

**Exhibit 14. 1 year forward P/E (x)**

Source: Bloomberg

**Exhibit 15. 1 year Forward EV/EBITDA (x)**

Source: Bloomberg

## Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	14,701	14,359	15,898	18,576	21,363
Sales Growth	23.8%	-2.3%	10.7%	16.8%	15.0%
Other Operating Income	142	124	137	160	184
<b>Total Revenue</b>	<b>14,843</b>	<b>14,483</b>	<b>16,035</b>	<b>18,736</b>	<b>21,547</b>
Cost of Goods Sold/Op. Exp	7,520	6,955	7,631	8,879	10,190
Personnel Cost	802	1,015	1,240	1,430	1,634
Other Expenses	3,985	4,405	4,688	5,301	5,963
<b>EBITDA</b>	<b>2,536</b>	<b>2,108</b>	<b>2,476</b>	<b>3,125</b>	<b>3,760</b>
EBITDA Margin	17.1%	14.6%	15.4%	16.7%	17.4%
EBITDA Growth	4.8%	-16.9%	17.5%	26.2%	20.3%
Depn. & Amort.	710	721	718	837	960
EBIT	1,825	1,387	1,758	2,288	2,800
Other Income	28	45	120	182	272
Finance Cost	287	232	171	191	229
PBT before Excep. & Forex	1,566	1,200	1,706	2,279	2,842
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,566	1,200	1,706	2,279	2,842
Taxes	395	306	435	581	725
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,171	894	1,271	1,698	2,117
<b>Adjusted Net Profit</b>	<b>1,171</b>	<b>894</b>	<b>1,271</b>	<b>1,698</b>	<b>2,117</b>
Net Margin	7.9%	6.2%	7.9%	9.1%	9.8%
Diluted Share Cap. (mn)	304.7	305.3	305.3	305.3	305.3
<b>Diluted EPS (INR)</b>	<b>3.8</b>	<b>2.9</b>	<b>4.2</b>	<b>5.6</b>	<b>6.9</b>
Diluted EPS Growth	7.8%	-23.8%	42.1%	33.6%	24.7%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before Tax	1,566	1,200	1,706	2,279	2,842
Depn. & Amort.	710	721	718	837	960
Net Interest Exp. / Inc. (-)	259	187	51	9	-43
Inc (-) / Dec in WCap.	-954	560	275	-407	-494
Others	207	327	0	0	0
Taxes Paid	-525	-350	-458	-567	-710
<b>Operating Cash Flow</b>	<b>1,265</b>	<b>2,645</b>	<b>2,293</b>	<b>2,151</b>	<b>2,556</b>
Capex	-667	-447	-715	-743	-844
Free Cash Flow	598	2,198	1,577	1,408	1,712
Inc (-) / Dec in Investments	-33	-356	0	0	0
Others	3	58	120	182	272
<b>Investing Cash Flow</b>	<b>-697</b>	<b>-745</b>	<b>-596</b>	<b>-561</b>	<b>-572</b>
Inc / Dec (-) in Capital	38	98	-30	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	65	-1,565	-243	0	0
Others	-434	-458	-368	-423	-489
<b>Financing Cash Flow</b>	<b>-331</b>	<b>-1,925</b>	<b>-641</b>	<b>-423</b>	<b>-489</b>
<b>Inc / Dec (-) in Cash</b>	<b>236</b>	<b>-25</b>	<b>1,056</b>	<b>1,168</b>	<b>1,495</b>
Opening Cash Balance	3	273	248	1,304	2,472
Closing Cash Balance	240	248	1,304	2,472	3,967

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Shareholders' Fund	5,521	6,517	7,758	9,456	11,573
Share Capital	1,523	1,526	1,526	1,526	1,526
Reserves & Surplus	3,998	4,990	6,231	7,930	10,047
Lease Liabilities	1,542	1,535	1,894	2,294	2,740
Minority Interest	0	0	0	0	0
Total Loans	1,808	243	0	0	0
Def. Tax Liab. / Assets (-)	-239	-311	-311	-311	-311
<b>Total - Equity &amp; Liab.</b>	<b>8,632</b>	<b>7,984</b>	<b>9,341</b>	<b>11,440</b>	<b>14,002</b>
Net Fixed Assets	2,270	2,302	2,500	2,651	2,827
Gross Fixed Assets	3,606	3,882	4,597	5,340	6,184
Less: Depn. & Amort.	1,375	1,781	2,298	2,889	3,558
Capital WIP	38	201	201	201	201
ROU Assets	1,501	1,437	1,792	2,178	2,591
Investments	0	0	0	0	0
Current Assets	7,750	6,917	8,375	10,479	13,024
Inventories	4,490	3,963	4,181	4,622	5,165
Sundry Debtors	1,766	1,183	1,307	1,527	1,756
Cash & Bank Balances	240	248	1,304	2,472	3,967
Loans & Advances	251	582	628	743	855
Other Current Assets	1,003	941	954	1,115	1,282
Current Liab. & Prov.	2,888	2,672	3,325	3,869	4,440
Current Liabilities	2,144	2,002	2,613	3,041	3,490
Provisions & Others	744	670	712	828	950
Net Current Assets	4,862	4,245	5,049	6,610	8,584
<b>Total - Assets</b>	<b>8,632</b>	<b>7,984</b>	<b>9,341</b>	<b>11,440</b>	<b>14,002</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin	7.9%	6.2%	7.9%	9.1%	9.8%
Asset Turnover (x)	1.8	1.7	1.8	1.7	1.6
Leverage Factor (x)	1.6	1.4	1.3	1.2	1.2
RoE	23.9%	14.9%	17.8%	19.7%	20.1%

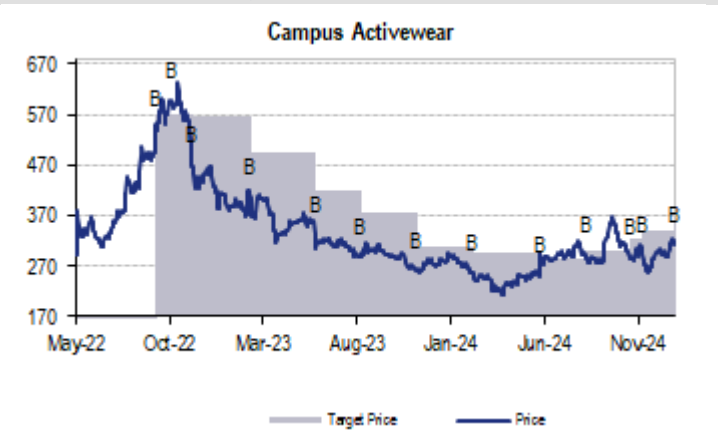
Key Ratios					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)	18.1	21.3	25.4	31.0	37.9
ROIC	17.3%	12.4%	16.0%	19.3%	21.3%
ROE	23.9%	14.9%	17.8%	19.7%	20.1%
Net Debt/Equity (x)	0.6	0.2	0.1	0.0	-0.1
P/E (x)	81.2	106.5	74.9	56.1	45.0
P/B (x)	17.2	14.6	12.3	10.1	8.2
EV/EBITDA (x)	38.8	45.9	38.7	30.4	25.0
EV/Sales (x)	6.6	6.7	6.0	5.1	4.4
Debtor days	43	30	30	30	30
Inventory days	110	100	95	90	87
Creditor days	53	50	59	59	59

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
12-Sep-22	Buy	570	
7-Oct-22	Buy	570	0.0
11-Nov-22	Buy	565	-0.9
14-Feb-23	Buy	495	-12.4
30-May-23	Buy	420	-15.2
11-Aug-23	Buy	375	-10.7
10-Nov-23	Buy	310	-17.3
10-Feb-24	Buy	295	-4.8
28-May-24	Buy	285	-3.4
12-Aug-24	Buy	300	5.3
22-Oct-24	Buy	325	8.3
12-Nov-24	Buy	340	4.6
2-Jan-25	Buy	355	4.4

Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [sahil.salastekar@jmfl.com](mailto:sahil.salastekar@jmfl.com)Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

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

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

**Research Analyst(s) Certification**

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures**

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**Additional disclosure only for U.S. persons:** JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

**Additional disclosure only for U.K. persons:** Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

**Additional disclosure only for Canadian persons:** This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.