

BSE SENSEX	S&P CNX
36,321	10,890
Bloomberg	TRID IN
Equity Shares (m)	498
M.Cap.(INRb)/(USD\$b)	36 / 0.5
52-Week Range (INR)	91 / 51
1, 6, 12 Rel. Per (%)	8/32/-24
12M Avg Val (INR M)	58
Free float (%)	31.6

### Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	52.1	55.0	57.5
EBITDA	10.5	11.2	11.7
PAT	4.2	4.8	5.2
EPS (INR)	8.5	9.7	10.5
Gr. (%)	60.9	13.7	8.6
BV/Sh (INR)	64.0	70.4	77.3
RoE (%)	13.8	14.4	14.2
RoCE (%)	8.8	9.8	10.3
P/E (x)	8.4	7.4	6.8
P/BV (x)	1.1	1.0	0.9

Estimate change



TP change



Rating change



**CMP: INR71 TP: INR94 (+33%)**

**Buy**

## Sharpened by realization improvement across key segments

### Textile volumes impressive; mix/price increase drive paper segment

- Revenue/EBITDA in line, PAT exceeds estimate:** TRID's revenue grew 18% YoY to INR12,914m (our estimate: INR12,923m) in 3QFY19. EBITDA adjusted for forex loss increased 21% YoY to INR2,427m (our estimate: INR2,339m). EBITDA margin expanded 50bp YoY to 18.8% (our estimate: 18.1%), largely driven by inventory gain and better realizations. Adj. PAT grew 74.8% YoY to INR945m (our estimate: INR849m). For 9MFY19, revenue/adj. PAT grew 12.8%/78.3% YoY, with margin expansion of 310bp YoY to 20.9%.
- Growth momentum intact:** Volumes grew strongly in both the bed linen (+41.7% YoY) and bath linen (10.1% YoY) segments. Realization, too, was up by a healthy 15%/8% YoY in bed/bath linen. In the paper segment, a better product mix and price increases more than offset the impact of the 10% YoY volume decline, resulting in overall value growth of 15.7% YoY (implying ~26% YoY realization growth). The only drag to the margins came from yarn due to a decline in the spread (as cotton cost rose ~10% YoY, but realization increased merely by 5% YoY).
- Valuation view:** TRID sustained its momentum in the bed linen (utilization of 60% in 9MFY19) and paper segments (EBIT margin up 910bp YoY to 38.1% in 3QFY19). However, bath linen utilization remained contained at 48% in 9MFY19 (v/s 49% in 1HFY19). We maintain our estimates: 8%/26% revenue/PAT CAGR over FY18-21. The stock has traded at 9x one-year forward P/E over the last five years, and we value it at the same multiple on FY21E EPS, given (a) sustained growth momentum with a positive outlook and (b) estimated RoE improvement of 500bp to 14.2% by FY21. Our target price of INR94 implies a 33% upside. Maintain **Buy**.

### Standalone - Quarterly Earning Model

Y/E March	FY18				FY19				FY18	FY19E	FY19	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	(%)	
Net Sales	11,658	11,205	10,941	11,850	11,312	13,915	12,914	13,927	45,654	52,068	12,923	0
YoY Change (%)	1.5	-2.4	-2.4	-6.1	-3.0	24.2	18.0	17.5	-1.5	14.0	18.2	
Total Expenditure	9,361	9,471	8,941	9,682	8,941	10,746	10,487	11,413	37,455	41,588	10,584	
EBITDA	2,297	1,734	2,000	2,168	2,371	3,169	2,427	2,514	8,199	10,480	2,339	4
Margins (%)	19.7	15.5	18.3	18.3	21.0	22.8	18.8	18.1	18.0	20.1	18.1	
Depreciation	1,023	1,022	1,013	982	944	917	892	1,050	4,040	3,911	1,000	
Interest	334	319	252	277	280	260	294	310	1,182	1,084	265	
Other Income	201	352	43	-29	85	98	150	99	568	470	99	
PBT before EO expense	1,141	746	777	880	1,232	2,090	1,391	1,253	3,544	5,955	1,173	19
Extra-Ord expense	-96	0	0	0	0	0	0	0	-96	0	0	
Forex (gain)/loss		-5	-273		416	558	-260		-278	714		
PBT	1,237	751	1,050	880	816	1,532	1,650	1,253	3,918	5,241	1,173	41
Tax	348	242	320	371	224	441	529	348	1,281	1,520	324	
Rate (%)	28.1	32.2	30.5	42.2	27.4	28.8	32.1	27.8	32.7	29.0	27.6	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	889	509	730	509	592	1,091	1,121	905	2,637	3,721	849	32
Adj PAT	820	506	541	509	894	1,489	945	905	2,375	4,232	849	11
YoY Change (%)	4.6	-36.9	-31.2	-48.9	8.9	194.5	74.8	77.8	-29.3	78.2	16.3	
Margins (%)	7.0	4.5	4.9	4.3	7.9	10.7	7.3	6.5	5.2	8.1	6.6	

E: MOSL Estimates

Sumant Kumar – Research analyst (Sumant.Kumar@motiloswal.com); +91 22 6129 1569

Aksh Vashishth – Research analyst (Aksh.Vashishth@motiloswal.com); +91 22 6129 1553

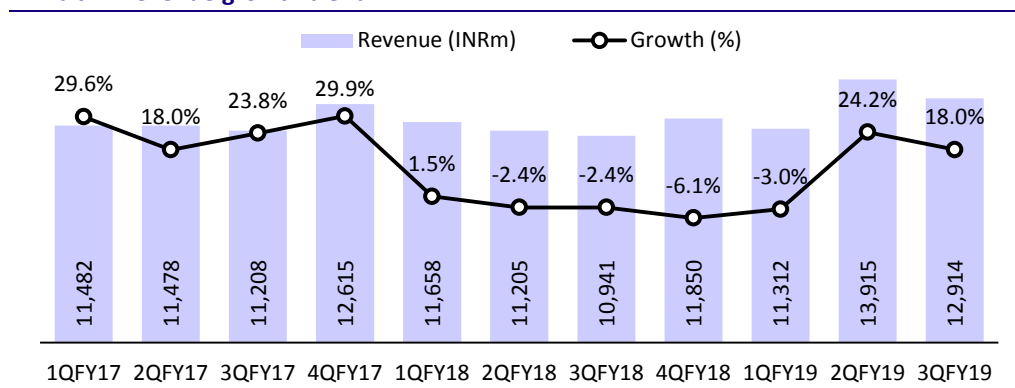
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motiloswal.com/Institutional-Equities](http://www.motiloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Revenue/EBITDA in line, PAT exceeds estimates**

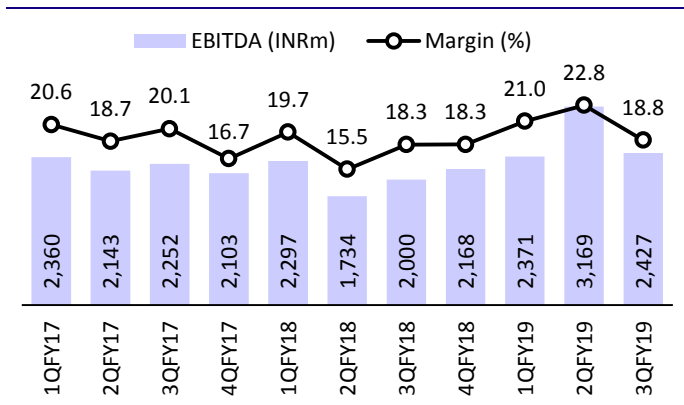
- TRID’s revenue increased 18% YoY to INR12,914m (our estimate: INR12,923m) in 3QFY19.
- EBITDA margin expanded 50bp YoY to 18.8% (our estimate: 18.1%), led by lower RM cost (-450bp YoY to 45.9% of net sales) and power & fuel expenses (-40bp YoY to 9.2%), partly offset by higher employee expense (+260bp YoY to 12.3%) and other costs (+170bp YoY to 13.7%).
- EBITDA adjusted for forex gain increased 21% YoY to INR2,427m (our estimate: INR2,339m).
- Adj. PAT grew 74.8% YoY to INR945m (our estimate: INR849m), driven by higher other income (INR150m v/s our estimate of INR99m) and lower depreciation (INR892m v/s our estimate of INR1,000m). Forex gain stood at INR260m v/s INR273m in the year-ago period. Tax rate was at 32.1% v/s 30.5% in 3QFY18.
- Textiles segment grew by 18.6% YoY to INR10,323m and Paper & Chemicals segment by 15.7% to INR2,592m. EBIT margin expanded by 240bp YoY to 8% in Textiles (after adjusting for forex gain) and by 910bp to 38.1% in Paper & Chemicals.
- For 9MFY19, revenue grew by 12.8% YoY to INR38,141m, margins expanded 310bp YoY to 20.9% and adj. PAT increased 78.3% YoY to INR3,328m.

**Exhibit 1: Revenue growth trend**



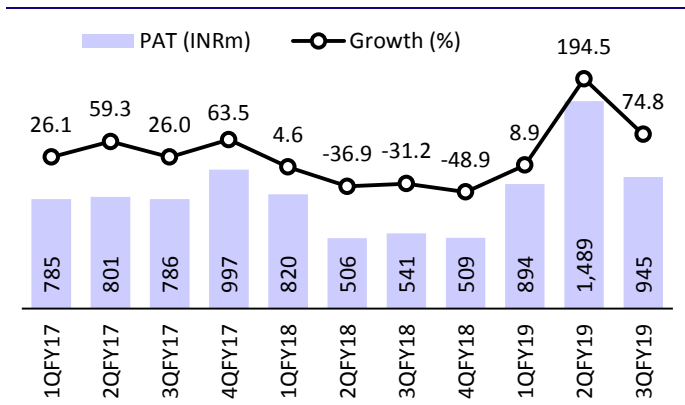
Source: Company, MOSL

**Exhibit 2: EBITDA trend**



Source: Company, MOSL

**Exhibit 3: PAT trend**



Source: Company, MOSL

### Bed linen utilization strengthens further

- Bed linen volumes grew by a stellar 41.7% YoY, with realizations increasing 15% YoY.
- Utilization rate stood at 63% in 3QFY19 and 60% in 9MFY19 (v/s 44% in FY18).
- Management guided to achieve utilization of 65-70% by FY20.
- We expect the segment to deliver revenue CAGR of 28% over FY18-21.

### Bath linen utilization struggles

- Bath linen volumes grew 10.1% YoY, with realizations increasing 8% YoY.
- However, the segment's utilization level remained muted at 48% in 9MFY19 (49% in 1HFY19).
- Management expects utilization of 50% by end-FY19.
- We expect the segment to deliver revenue CAGR of 14% over FY18-21.

### Better product mix and price hike drive realization in paper segment

- Paper segment grew by 15.7% YoY to INR2,592m in 3QFY19.
- Margins expanded significantly by 910bp YoY to 38.1%.
- Volumes, however, declined 10% YoY. However, better realization pulled up overall value growth. On a QoQ basis, volumes declined by 2-3%, while realization increased 7% on account of a better product mix and price increases.
- We expect the segment to deliver revenue CAGR of 2% over FY18-21.

### Highlights from press release

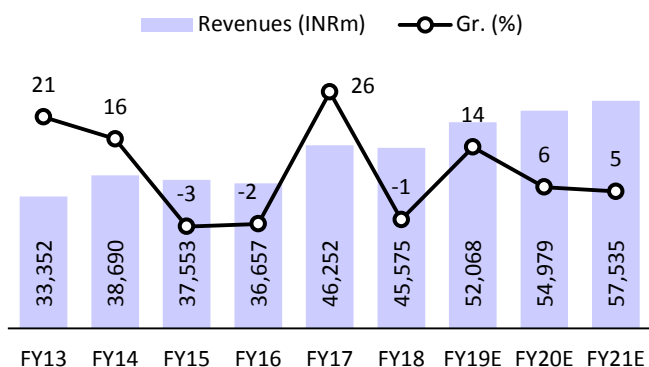
- Net debt stood at INR21.9b as on 31<sup>st</sup> Dec'18 (INR26.2b as on 31<sup>st</sup> Mar'18), with net debt to equity of 0.7x.
- Gross debt stood at INR27.3b as on 31<sup>st</sup> Dec'18 (INR27.9b as on 31<sup>st</sup> Mar'18).
- Bed linen volumes grew 41.7% YoY, while bath linen volumes increased 10.1% YoY.
- The board declared 3<sup>rd</sup> interim dividend of INR1.2 per fully paid up share of INR10 each. The total dividend declared for 9MFY19 is INR2.4 per share.

### Valuation and view

TRID sustained its momentum in the bed linen (utilization of 60% in 9MFY19) and paper segments (EBIT margin up 910bp YoY to 38.1% in 3QFY19). However, bath linen utilization remained contained at 48% in 9MFY19 (v/s 49% in 1HFY19). We maintain our estimates: 8%/26% revenue/PAT CAGR over FY18-21. The stock has traded at 9x one-year forward P/E over the last five years, and we value it at the same multiple on FY21E EPS, given (a) sustained growth momentum with a positive outlook and (b) estimated RoE improvement of 500bp to 14.2% by FY21. Our target price of INR94 implies a 33% upside. Maintain **Buy**.

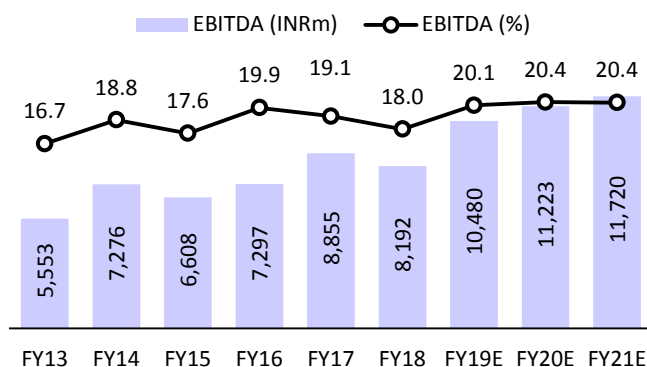
## Story in charts

**Exhibit 4: Expect revenue CAGR of 8% over FY18–21**



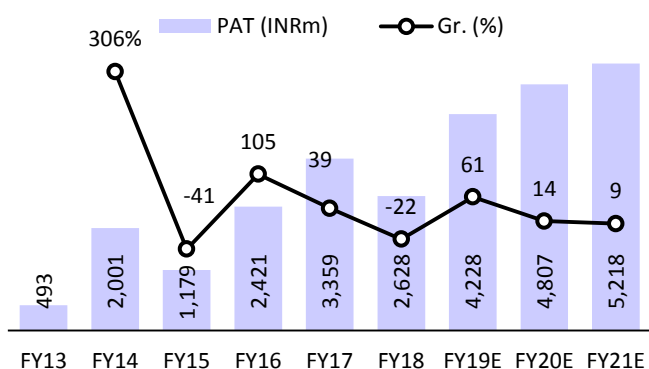
Source: MOSL, Company

**Exhibit 5: Margins to expand 240bp over FY18-21**



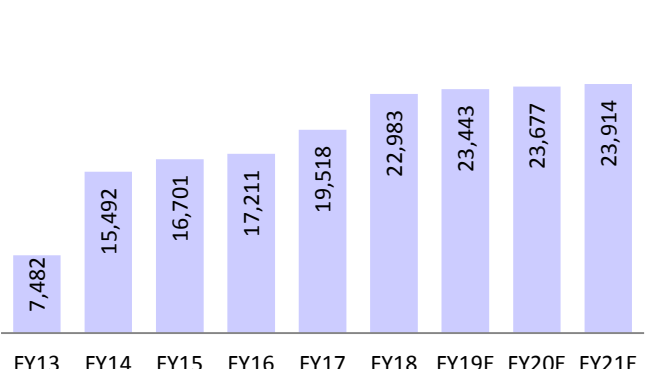
Source: MOSL, Company

**Exhibit 6: Expect adj. PAT CAGR of 26% over FY18-21**



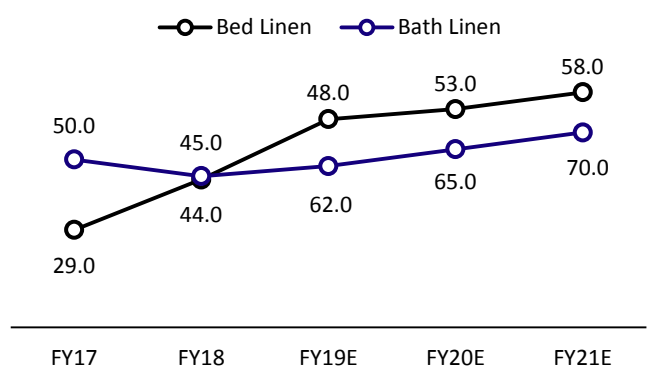
Source: MOSL, Company

**Exhibit 7: EBITDA/MT in paper segment to remain steady**



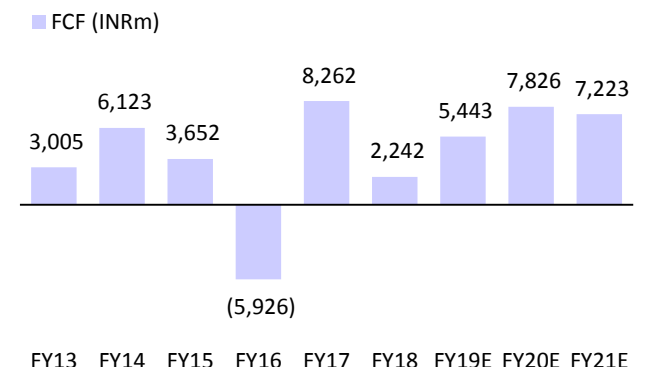
Source: MOSL, Company

**Exhibit 8: Utilization levels to inch upward**



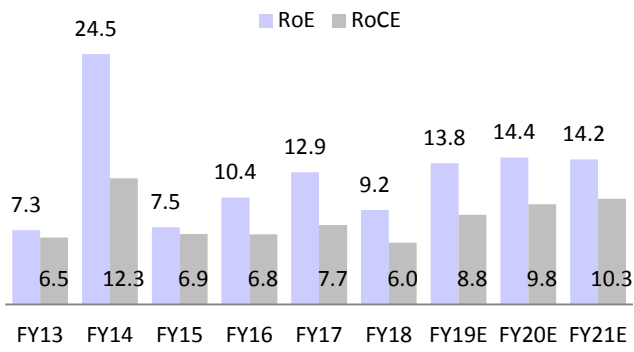
Source: MOSL, Company

**Exhibit 9: Free cash flow generation to remain strong**



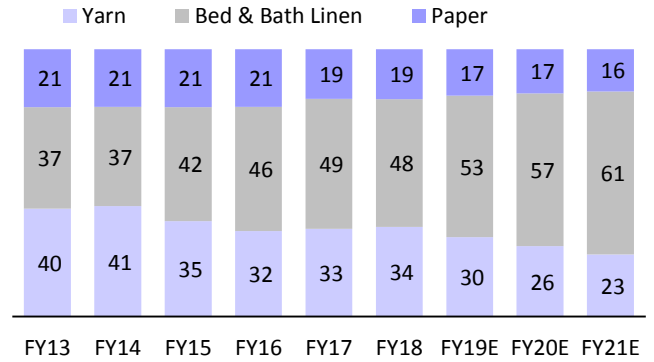
Source: MOSL, Company

**Exhibit 10: Return ratios to remain healthy**



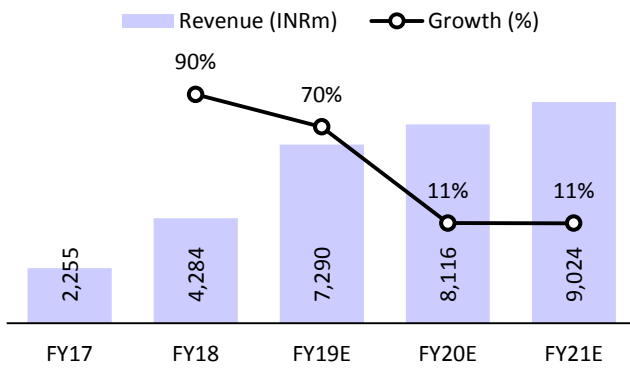
Source: MOSL, Company

**Exhibit 11: Revenue mix (%)**



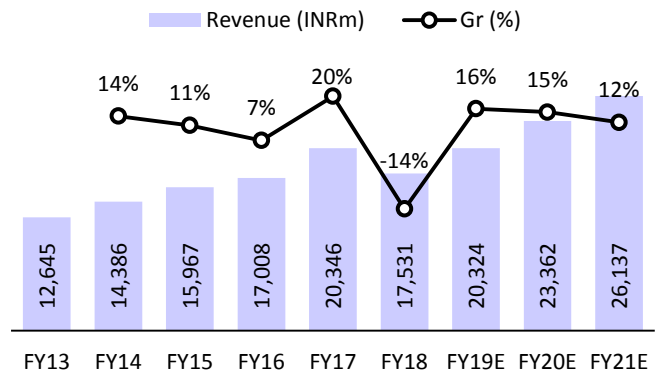
Source: MOSL, Company

**Exhibit 12: Expect bed linen rev CAGR of 28% over FY18-21**



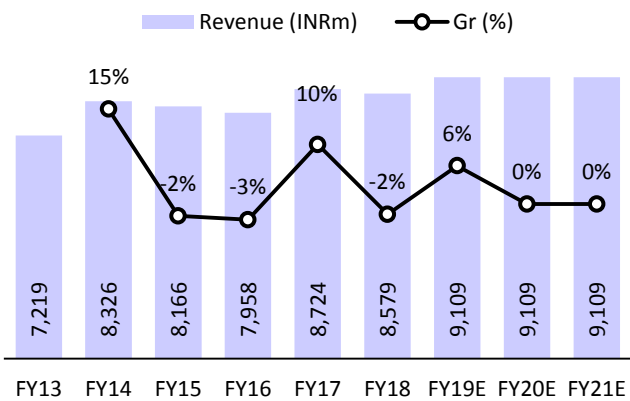
Source: MOSL, Company

**Exhibit 13: Expect bath linen rev CAGR of 14% over FY18-21**



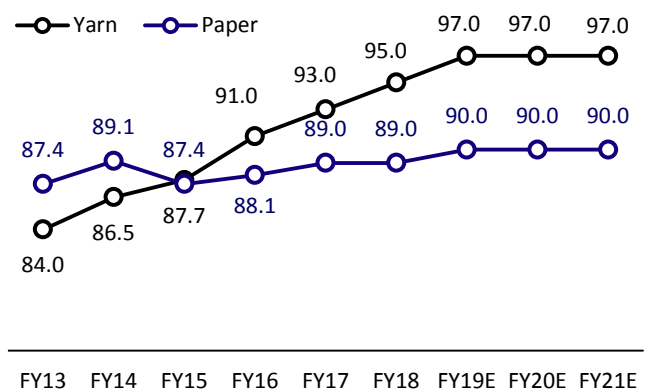
Source: MOSL, Company

**Exhibit 14: Expect paper rev CAGR of 2% over FY18-21**



Source: MOSL, Company

**Exhibit 15: Yarn and paper utilization to remain steady**



Source: MOSL, Company

## Financials and Valuations

### Consolidated - Income Statement

(INR M)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
<b>Total Income from Operations</b>	<b>33,352</b>	<b>38,690</b>	<b>37,553</b>	<b>36,657</b>	<b>46,252</b>	<b>45,575</b>	<b>52,068</b>	<b>54,979</b>	<b>57,535</b>
Change (%)	22.1	16.0	-2.9	-2.4	26.2	-1.5	14.2	5.6	4.7
Raw Material Cost	18,415	20,521	19,309	17,287	22,307	22,829	25,330	26,661	27,925
Employees Cost	2,379	2,870	3,872	4,295	5,794	5,243	5,725	6,066	6,348
Other Expenses	7,005	8,023	7,766	7,778	9,296	9,310	10,533	11,029	11,542
<b>Total Expenditure</b>	<b>27,799</b>	<b>31,414</b>	<b>30,946</b>	<b>29,359</b>	<b>37,397</b>	<b>37,383</b>	<b>41,588</b>	<b>43,756</b>	<b>45,815</b>
% of Sales	83.3	81.2	82.4	80.1	80.9	82.0	79.9	79.6	79.6
<b>EBITDA</b>	<b>5,553</b>	<b>7,276</b>	<b>6,608</b>	<b>7,297</b>	<b>8,855</b>	<b>8,192</b>	<b>10,480</b>	<b>11,223</b>	<b>11,720</b>
Margin (%)	16.7	18.8	17.6	19.9	19.1	18.0	20.1	20.4	20.4
Depreciation	2,614	2,684	3,213	3,366	4,125	4,041	3,911	3,994	4,053
<b>EBIT</b>	<b>2,939</b>	<b>4,592</b>	<b>3,395</b>	<b>3,931</b>	<b>4,730</b>	<b>4,151</b>	<b>6,569</b>	<b>7,229</b>	<b>7,668</b>
Int. and Finance Charges	2,353	2,103	2,060	1,452	1,410	1,182	1,084	966	853
Other Income	224	163	345	334	1,062	942	470	414	433
<b>PBT bef. EO Exp.</b>	<b>810</b>	<b>2,652</b>	<b>1,680</b>	<b>2,813</b>	<b>4,382</b>	<b>3,911</b>	<b>5,955</b>	<b>6,676</b>	<b>7,247</b>
EO Items	0	0	0	0	0	0	714	0	0
<b>PBT after EO Exp.</b>	<b>810</b>	<b>2,652</b>	<b>1,680</b>	<b>2,813</b>	<b>4,382</b>	<b>3,911</b>	<b>5,241</b>	<b>6,676</b>	<b>7,247</b>
Total Tax	318	681	501	392	1,016	1,277	1,520	1,869	2,029
Tax Rate (%)	39.2	25.7	29.8	13.9	23.2	32.7	29.0	28.0	28.0
Share of profit/(loss) of associates	0	-30	0	0	7	6	0	0	0
<b>Reported PAT</b>	<b>493</b>	<b>1,940</b>	<b>1,179</b>	<b>2,421</b>	<b>3,372</b>	<b>2,640</b>	<b>3,721</b>	<b>4,807</b>	<b>5,218</b>
<b>Adjusted PAT</b>	<b>493</b>	<b>2,001</b>	<b>1,179</b>	<b>2,421</b>	<b>3,359</b>	<b>2,628</b>	<b>4,228</b>	<b>4,807</b>	<b>5,218</b>
Change (%)	-212.0	305.8	-41.1	105.4	38.7	-21.8	60.9	13.7	8.6
Margin (%)	1.5	5.2	3.1	6.6	7.3	5.8	8.1	8.7	9.1

### Consolidated - Balance Sheet

(INR M)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Equity Share Capital	3,108	3,111	5,086	5,094	4,979	4,978	4,978	4,978	4,978
Eq. Share Warrants & App. Money	0	430	0	0	0	0	0	0	0
Total Reserves	3,953	5,737	16,935	19,267	22,590	24,436	26,890	30,061	33,502
<b>Net Worth</b>	<b>7,061</b>	<b>9,278</b>	<b>22,022</b>	<b>24,361</b>	<b>27,568</b>	<b>29,414</b>	<b>31,869</b>	<b>35,039</b>	<b>38,480</b>
Minority Interest	0	0	0	0	0	0	0	0	0
Total Loans	22,398	18,623	26,505	34,427	28,498	28,192	24,692	20,929	18,429
Deferred Tax Liabilities	1,070	1,082	1,796	1,582	1,655	2,126	2,126	2,126	2,126
<b>Capital Employed</b>	<b>30,530</b>	<b>28,983</b>	<b>50,323</b>	<b>60,369</b>	<b>57,721</b>	<b>59,732</b>	<b>58,687</b>	<b>58,094</b>	<b>59,035</b>
Gross Block	34,056	34,858	57,087	70,389	70,988	72,281	74,194	75,377	76,413
Less: Accum. Deprn.	14,374	16,902	20,049	23,415	27,540	31,581	35,492	39,486	43,539
<b>Net Fixed Assets</b>	<b>19,682</b>	<b>17,956</b>	<b>37,038</b>	<b>46,974</b>	<b>43,448</b>	<b>40,700</b>	<b>38,702</b>	<b>35,891</b>	<b>32,874</b>
Goodwill on Consolidation	0	0	0	0	0	0	0	0	0
Capital WIP	281	363	1,989	571	1,232	1,766	853	671	634
Current Investments	25	301	1	1	49	109	0	0	0
<b>Total Investments</b>	<b>639</b>	<b>1,152</b>	<b>180</b>	<b>723</b>	<b>1,054</b>	<b>1,151</b>	<b>1,151</b>	<b>1,151</b>	<b>1,151</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>12,266</b>	<b>12,344</b>	<b>14,651</b>	<b>17,025</b>	<b>16,107</b>	<b>19,694</b>	<b>22,014</b>	<b>24,634</b>	<b>28,419</b>
Inventory	6,911	6,429	7,482	9,065	7,747	9,226	10,699	11,297	11,980
Account Receivables	2,322	2,641	2,737	2,513	3,751	4,604	5,260	5,554	5,990
Cash and Bank Balance	336	250	144	819	1,326	1,665	1,258	2,718	4,811
Loans and Advances	2,698	3,024	4,289	4,627	3,282	4,199	4,797	5,065	5,638
<b>Curr. Liability &amp; Prov.</b>	<b>2,338</b>	<b>2,832</b>	<b>3,536</b>	<b>4,924</b>	<b>4,119</b>	<b>3,579</b>	<b>4,034</b>	<b>4,253</b>	<b>4,044</b>
Account Payables	1,659	2,210	2,191	2,237	1,730	1,693	1,878	1,977	1,913
Other Current Liabilities	609	383	895	2,539	2,182	1,748	1,997	2,108	1,956
Provisions	71	239	450	148	207	139	159	168	175
<b>Net Current Assets</b>	<b>9,928</b>	<b>9,513</b>	<b>11,115</b>	<b>12,101</b>	<b>11,988</b>	<b>16,115</b>	<b>17,981</b>	<b>20,381</b>	<b>24,375</b>
Misc Expenditure	0	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>30,530</b>	<b>28,983</b>	<b>50,323</b>	<b>60,369</b>	<b>57,721</b>	<b>59,732</b>	<b>58,687</b>	<b>58,094</b>	<b>59,035</b>

## Financials and Valuations

### Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>1.0</b>	<b>4.0</b>	<b>2.4</b>	<b>4.9</b>	<b>6.7</b>	<b>5.3</b>	<b>8.5</b>	<b>9.7</b>	<b>10.5</b>
Cash EPS	6.2	9.4	8.8	11.6	15.0	13.4	16.3	17.7	18.6
BV/Share	14.2	18.6	44.2	48.9	55.4	59.1	64.0	70.4	77.3
DPS	0.0	0.3	0.6	0.9	1.5	1.5	2.1	2.7	3.0
Payout (%)	0.0	8.1	28.9	22.6	27.1	34.0	34.0	34.0	34.0
<b>Valuation (x)</b>									
P/E			30.0	14.6	10.5	13.5	8.4	7.4	6.8
Cash P/E			8.0	6.1	4.7	5.3	4.3	4.0	3.8
P/BV			1.6	1.5	1.3	1.2	1.1	1.0	0.9
EV/Sales			1.6	1.9	1.4	1.4	1.1	1.0	0.9
EV/EBITDA			9.3	9.4	7.1	7.6	5.6	4.8	4.2
Dividend Yield (%)	0.0	0.4	0.8	1.3	2.1	2.1	3.0	3.8	4.2
FCF per share	6.0	12.3	7.3	-11.9	16.6	4.5	10.9	15.7	14.5
<b>Return Ratios (%)</b>									
RoE	7.3	24.5	7.5	10.4	12.9	9.2	13.8	14.4	14.2
RoCE	6.5	12.3	6.9	6.8	7.7	6.0	8.8	9.8	10.3
RoIC	6.1	12.1	6.3	6.4	6.5	5.1	8.4	9.6	10.4
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	1.0	1.1	0.7	0.5	0.7	0.6	0.7	0.7	0.8
Asset Turnover (x)	1.1	1.3	0.7	0.6	0.8	0.8	0.9	0.9	1.0
Inventory (Days)	137	114	141	191	127	148	154	155	157
Debtor (Days)	25	25	27	25	30	37	37	37	38
Creditor (Days)	33	39	41	47	28	27	27	27	25
<b>Leverage Ratio (x)</b>									
Current Ratio	5.2	4.4	4.1	3.5	3.9	5.5	5.5	5.8	7.0
Interest Cover Ratio	1.2	2.2	1.6	2.7	3.4	3.5	6.1	7.5	9.0
Net Debt/Equity	3.1	1.9	1.2	1.4	1.0	0.9	0.7	0.5	0.4

### Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
OP/(Loss) before Tax	811	2,652	1,680	2,766	4,382	3,911	5,241	6,676	7,247
Depreciation	2,614	2,684	3,213	3,376	4,125	4,041	3,911	3,994	4,053
Interest & Finance Charges	2,310	2,028	1,939	1,230	1,410	1,182	1,084	966	853
Direct Taxes Paid	-113	-584	-347	-600	-1,016	-1,277	-1,520	-1,869	-2,029
(Inc)/Dec in WC	-1,767	435	-977	-1,424	620	-3,788	-2,273	-941	-1,901
<b>CF from Operations</b>	<b>3,855</b>	<b>7,214</b>	<b>5,509</b>	<b>5,348</b>	<b>9,521</b>	<b>4,069</b>	<b>6,443</b>	<b>8,826</b>	<b>8,223</b>
Others	-53	255	-68	-60	0	0	0	0	0
<b>CF from Operating incl EO</b>	<b>3,803</b>	<b>7,469</b>	<b>5,441</b>	<b>5,288</b>	<b>9,521</b>	<b>4,069</b>	<b>6,443</b>	<b>8,826</b>	<b>8,223</b>
(Inc)/Dec in FA	-797	-1,345	-1,789	-11,214	-1,259	-1,827	-1,000	-1,000	-1,000
<b>Free Cash Flow</b>	<b>3,005</b>	<b>6,123</b>	<b>3,652</b>	<b>-5,926</b>	<b>8,262</b>	<b>2,242</b>	<b>5,443</b>	<b>7,826</b>	<b>7,223</b>
(Pur)/Sale of Investments	-83	-411	192	-250	-331	-98	0	0	0
Others	37	-58	396	132	695	0	0	0	0
<b>CF from Investments</b>	<b>-844</b>	<b>-1,814</b>	<b>-1,200</b>	<b>-11,332</b>	<b>-895</b>	<b>-1,925</b>	<b>-1,000</b>	<b>-1,000</b>	<b>-1,000</b>
Issue of Shares	64	433	187	611	-115	0	0	0	0
Inc/(Dec) in Debt	-555	-4,062	-1,966	7,809	-5,929	-305	-3,500	-3,763	-2,500
Interest Paid	-2,362	-2,106	-2,056	-1,367	-1,410	-1,182	-1,084	-966	-853
Dividend Paid	0	-5	-486	-360	-915	-899	-1,267	-1,637	-1,777
Others	0	0	-26	0	250	582	0	0	0
<b>CF from Fin. Activity</b>	<b>-2,853</b>	<b>-5,740</b>	<b>-4,347</b>	<b>6,694</b>	<b>-8,119</b>	<b>-1,805</b>	<b>-5,851</b>	<b>-6,367</b>	<b>-5,130</b>
<b>Inc/Dec of Cash</b>	<b>105</b>	<b>-86</b>	<b>-106</b>	<b>649</b>	<b>507</b>	<b>339</b>	<b>-407</b>	<b>1,459</b>	<b>2,093</b>
Opening Balance	230	336	250	170	819	1,327	1,666	1,258	2,718
<b>Closing Balance</b>	<b>336</b>	<b>250</b>	<b>144</b>	<b>819</b>	<b>1,327</b>	<b>1,666</b>	<b>1,258</b>	<b>2,718</b>	<b>4,811</b>

NOTES



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst becomes inconsistent with the investment rating legend, the Research Analyst shall within 28 days of the inconsistency, 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 Securities Ltd. (MOSL)\* is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). 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 (MCX) & National Commodity & Derivatives Exchange Ltd. (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOSL 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 MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOSL 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 MOSL 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 Securities 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](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL 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 MOSL & 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 Securities Limited (MOSL) 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 MOSL 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 MOSL, 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., MOSL 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. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of 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, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### Specific Disclosures

- 1 MOSL, 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 MOSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOSL, 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 MOSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOSL has not engaged in market making activity for the subject company

The associates of MOSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- 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 MOSL 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.

The associates of MOSL 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 MOSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOSL 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 MOSL 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 MOSL. 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. MOSL 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. MOSL, 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 MOSL. 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 MOSL 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 MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL 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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-38281085.

Registration details: MOSL: SEBI Registration: INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA000007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. \*Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. \*Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. \* Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products.

\* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench. The existing registration no(s) of MOSL would be used until receipt of new MOFSL registration numbers.