

TCNS Clothing

Refer to important disclosures at the end of this report

Sails through Covid peak efficiently; healthy recovery trends in Q3

- Our channel checks suggest the recovery in physical channels likely improved to ~90% in Q3 vs. ~65% in H2FY21/Q2FY22. The recovery is aided by marketing investments in 'Alia for Aurelia'/Plus-size campaigns, traction in footwear and the launch of new styles.
- Unlike its peers, TCNS did not see any operating cash loss in the last 18 months with lower participation in discounting during EoSS. Due to its focus on profitability and slower ethnic recovery, TCNS has lagged behind peers in terms of recovery by 10-15% (Exhibits 1-2).
- Increase in the addressable market through introduction of accessories/plus-sizes should help deliver relatively better SSG/earnings when normalcy returns. After successful launch in ~100 W stores (~10% contribution), TCNS has also launched footwear in Aurelia stores.
- As TCNS delivers on our earnings expectations (~40% CAGR over FY20-24E), it should narrow down the 30-75% valuation discount vs. peers. Given the robust supply chain, penetration potential and strong online presence, we retain Buy with a TP of Rs1,050.

Healthy recovery trends: As per our channel checks, recovery in physical channels is likely to have improved significantly to ~90% in Q3 vs. ~65% in H2FY21/Q2FY22. The recovery is aided by marketing investments in 'Alia for Aurelia'/Plus-size campaigns, traction in footwear (~10% sales contribution in ~100 W stores) and the launch of new styles. Continued traction in the online channel (~10% CAGR over pre-Covid levels) should lead to an overall recovery of ~95% in Q3, in our view. In terms of recovery, TCNS is lagging behind most western peers by 10-15%, due to 1) a slower pick-up in the ethnic category amid restricted gatherings in weddings/occasions, and 2) its focus on profitability with lower discounting during EoSS. However, the increase in the addressable market through footwear/plus-sizes should lead to a relatively better SSG/earnings performance upon the return of complete normalcy, in our view. Store additions should also pick up in H2 after muted additions in H1.

Focus remains on profitable growth: With relatively lower discounting during EoSS and cost savings, TCNS did not see any operating cash loss (vs. significant losses for peers) in the last 18 months (FY21-H1FY22). While this has led to a slower recovery for TCNS (vs. western peers), it helped the company maintain a healthy balance sheet, unlike peers, which have raised significant capital during the pandemic (Exhibit-3).

Long growth runway; valuations remain comforting: We expect TCNS to deliver a healthy earnings CAGR of ~40% over FY20-24E, led by a ~12% revenue CAGR and the rest through a full margin recovery. Importantly, the scope for penetration improvement, a robust supply chain and strong online presence should help TCNS maintain earnings growth in the mid-teens beyond FY24. With consistent delivery, TCNS should gradually narrow down the 30-75% valuation discount vs. peers. Reiterate Buy with a TP of Rs1,050 (42x Dec'23E EPS).

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Goods & Retail \(Page 7\)](#)

Financial Snapshot (Standalone)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	11,487	6,355	9,805	15,413	18,118
EBITDA	1,863	24	1,266	3,065	4,160
EBITDA Margin (%)	16.2	0.4	12.9	19.9	23.0
APAT	694	(564)	222	1,208	1,856
EPS (Rs)	10.8	(8.9)	3.4	18.2	27.5
EPS (% chg)	(68.0)	(181.6)	0.0	432.3	50.7
ROE (%)	10.9	(8.9)	3.6	17.2	21.5
P/E (x)	70.5	(86.3)	223.3	41.9	27.8
EV/EBITDA (x)	25.3	1,918.1	37.5	15.8	11.6
P/BV (x)	7.4	8.0	7.8	6.6	5.4

Source: Company, Emkay Research

CMP	Target Price
Rs 764 as of (January 12, 2022)	Rs 1,050 (■) 12 months
Rating	Upside
BUY (■)	37.4 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	-/-
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	3.4	18.2
Consensus	3.3	18.2
Mean Consensus TP (12M)	Rs 829	

Stock Details

Bloomberg Code	TCNSBR IN
Face Value (Rs)	2
Shares outstanding (mn)	62
52 Week H/L	933 / 392
M Cap (Rs bn/USD bn)	47 / 0.64
Daily Avg Volume (nos.)	1,14,314
Daily Avg Turnover (US\$ mn)	1.3

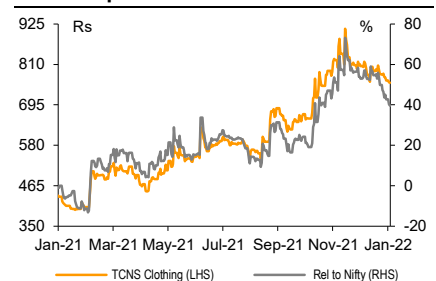
Shareholding Pattern Sep '21

Promoters	32.3%
FIIs	17.9%
DIIIs	6.1%
Public and Others	43.7%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(5)	16	27	74
Rel. to Nifty	(9)	15	9	39

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Devanshu Bansal

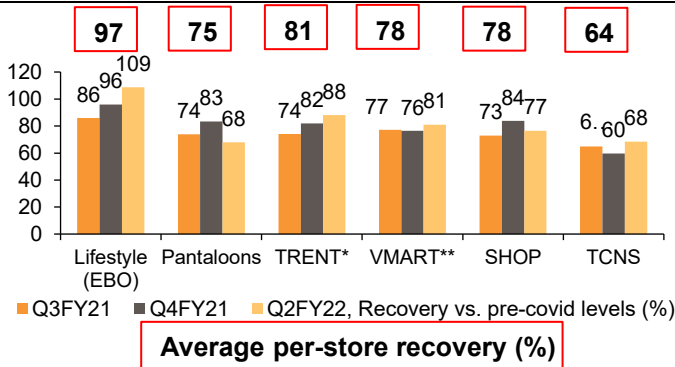
devanshu.bansal@emkayglobal.com
+91 22 6612 1385

Ashit Desai

ashit.desai@emkayglobal.com
+91 22 6612 1340

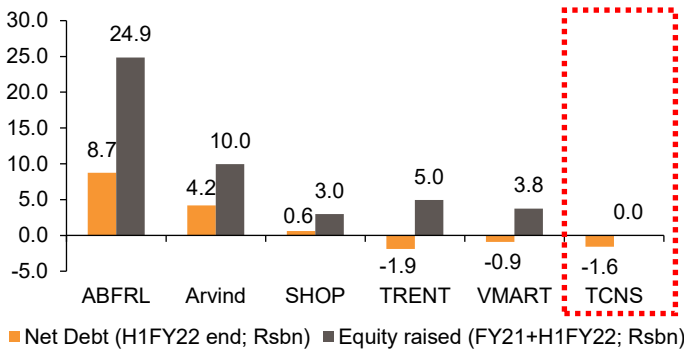
Story in Charts

Exhibit 1: Lower participation in EoS and relatively slower pick-up in ethnic led to 10-15% slower per-store recovery vs. most peers



Source: Company, Emkay Research, *Rev/sqft for Trent (18K/7K sq. ft. store size for Westside/Zudio), **ex-Unlimited recovery for VMART

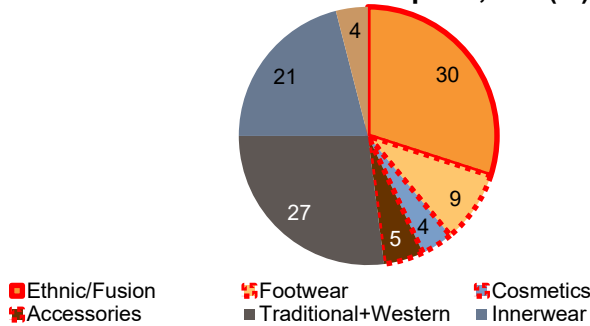
Exhibit 3: TCNS remains a net cash company with Rs1.6bn reserves, despite no primary capital infusion during FY21-H1FY22 (18 months)



Source: Company, Emkay Research

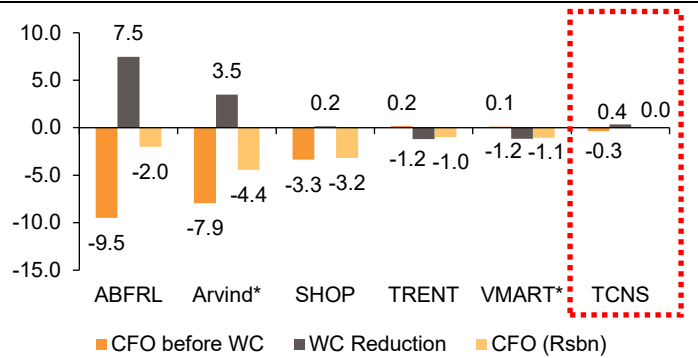
Exhibit 5: Entry into footwear/cosmetics/accessories helped TCNS expand its addressable share in overall women fashion spends

Women Fashion Spend, Mix (%)



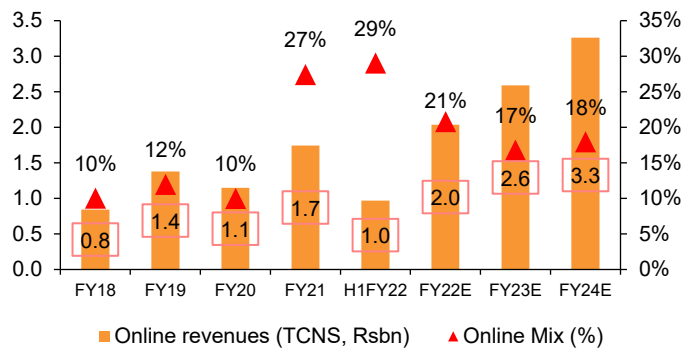
Source: Company, Emkay Research

Exhibit 2: Focus on profitability and cost savings led to no operating cash loss during FY21-H1FY22 (18 months)



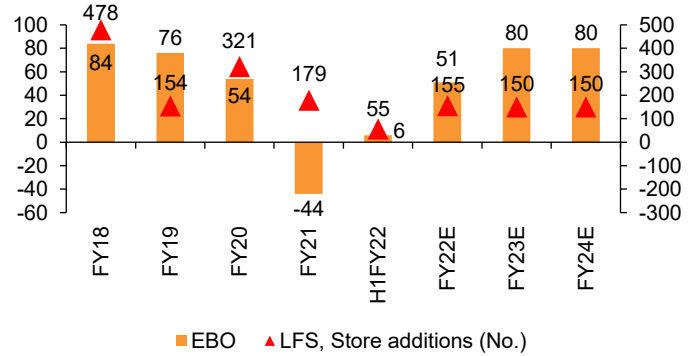
Source: Company, Emkay Research, *includes transfer of ~Rs1bn working capital from Arvind Fashions to VMART on Unlimited sale; CFO includes interest cost

Exhibit 4: Investments in online channel led to consistent growth in this channel (~12% CAGR in Q2 vs. Pre-covid levels)



Source: Company, Emkay Research

Exhibit 6: Store addition is expected to pick up in H2FY22 after muted additions in H1FY22



Source: Company, Emkay Research

Exhibit 7: Relative valuation comparison with apparel peers; TCNS trades at 30-75% valuation discount to peers

Company	CMP (Rs)	M-Cap (Rs bn)	EPS (Rs)			P/E (x)			EV/EBITDA (x); Pre-IndAS 116		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
TCNS	764	47	3.4	18.2	27.5	223.3	41.9	27.8	173.9	24.1	16.2
V-Mart	3,871	76	16.7	59.3	84.4	231.4	65.3	45.9	53.9	28.8	22.8
ABFRL	305	286	-0.7	3.6	5.3	-430.3	83.8	57.4	86.2	32.3	26.1
Trent	1,138	404	3.9	9.0	12.9	290.3	126.0	87.9	133.2	80.7	63.7
Page Industries	43,900	490	443.0	655.8	777.6	99.1	66.9	56.5	71.1	48.8	41.2

Source: Company, Emkay Research, *Estimates for TRENT/VMART are Bloomberg estimates as these companies are not under active coverage

Exhibit 8: 'Alia for Aurelia' campaign led to strong traction for Aurelia; Likely the best-performing brand, as per channel checks



Source: Company, Emkay Research

Exhibit 9: Introduction of Plus-Size offerings in both W/Aurelia increased addressable market with no major incremental investments



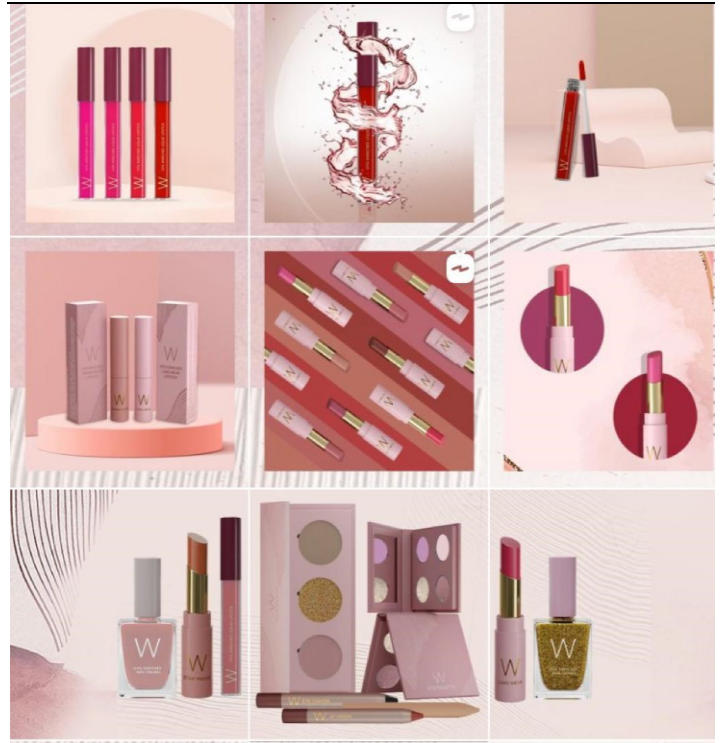
Source: Company, Emkay Research

Exhibit 10: Initial success for footwear in W stores led to launch of footwear in Aurelia stores as well



Source: Company, Emkay Research

Exhibit 11: TCNS has launched vegan/cruelty free and avocado/vita enriched beauty range in select W stores currently



Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	11,487	6,355	9,805	15,413	18,118
Expenditure	9,624	6,331	8,538	12,348	13,958
EBITDA	1,863	24	1,266	3,065	4,160
Depreciation	1,032	919	905	1,111	1,316
EBIT	831	(895)	362	1,954	2,843
Other Income	123	401	290	80	120
Interest expenses	293	276	354	419	482
PBT	661	(769)	297	1,615	2,481
Tax	(34)	(206)	75	407	625
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	694	(564)	222	1,208	1,856
Adjusted PAT	694	(564)	222	1,208	1,856

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	123	123	126	128	131
Reserves & surplus	6,477	5,997	6,277	7,543	9,457
Net worth	6,600	6,120	6,403	7,671	9,588
Minority Interest	0	0	0	0	0
Loan Funds	3,620	3,304	3,293	3,519	3,619
Net deferred tax liability	194	182	132	132	132
Total Liabilities	10,413	9,607	9,829	11,323	13,339
Net block	4,831	4,142	4,260	4,554	4,678
Investment	1,181	1,724	1,724	1,224	1,224
Current Assets	5,943	4,871	5,339	7,516	9,741
Cash & bank balance	532	149	450	971	2,246
Other Current Assets	353	292	322	422	496
Current liabilities & Provision	1,563	1,135	1,499	1,976	2,309
Net current assets	4,381	3,736	3,840	5,540	7,432
Misc. exp	0	0	0	0	0
Total Assets	10,413	9,607	9,829	11,323	13,339

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	538	(845)	7	1,535	2,361
Other Non-Cash items	87	61	61	61	61
Chg in working cap	(555)	264	197	(1,180)	(616)
Operating Cashflow	1,428	879	1,449	1,539	2,979
Capital expenditure	(121)	(61)	(268)	(346)	(377)
Free Cash Flow	1,307	819	1,181	1,193	2,602
Investments	197	(543)	0	500	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(238)	(342)	(32)	175	(321)
Equity Capital Raised	45	7	0	0	0
Loans Taken / (Repaid)	5	40	(104)	0	0
Dividend paid (incl tax)	0	0	0	0	0
Other Financing Cash Flow	(933)	(943)	(1,007)	(1,194)	(1,383)
Financing Cashflow	(889)	(921)	(1,115)	(1,194)	(1,383)
Net chg in cash	301	(383)	301	520	1,275
Opening cash position	231	532	149	450	971
Closing cash position	532	149	450	971	2,246

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/13/2022 01:33 PM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Key Ratios

Profitability (%)	FY20	FY21	FY22E	FY23E	FY24E
EBITDA Margin	16.2	0.4	12.9	19.9	23.0
EBIT Margin	7.2	(14.1)	3.7	12.7	15.7
Effective Tax Rate	(5.1)	26.7	25.2	25.2	25.2
Net Margin	6.0	(8.9)	2.3	7.8	10.2
ROCE	14.5	(7.5)	10.2	28.4	33.8
ROE	10.9	(8.9)	3.6	17.2	21.5
RoIC	12.4	(10.9)	4.7	23.3	30.0

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	10.8	(8.9)	3.4	18.2	27.5
CEPS	27.0	5.6	17.3	35.0	46.9
BVPS	103.1	96.1	98.5	115.7	141.8
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	70.5	(86.3)	223.3	41.9	27.8
P/CEPS	29.1	140.5	45.2	22.4	16.7
P/BV	7.4	8.0	7.8	6.6	5.4
EV / Sales	4.1	7.4	4.8	3.1	2.7
EV / EBITDA	25.3	1,918.1	37.5	15.8	11.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY20	FY21	FY22E	FY23E	FY24E
Net Debt/ Equity	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
Net Debt/EBIDTA	(0.9)	(76.8)	(1.7)	(0.7)	(0.8)
Working Cap Cycle (days)	122.3	206.0	126.2	108.2	104.5

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	0.1	(44.7)	54.3	57.2	17.5
EBITDA	5.3	(98.7)	5,090.2	142.1	35.7
EBIT	(46.2)	(207.7)	0.0	440.0	45.5
PAT	(47.2)	(181.2)	0.0	442.9	53.7

Quarterly (Rs mn)	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Revenue	2,379	2,211	938	2,393	3,110
EBITDA	385	229	(234)	302	595
EBITDA Margin (%)	16.2	10.4	(24.9)	12.6	19.1
PAT	127	39	(361)	111	235
EPS (Rs)	2.1	0.6	(5.4)	1.7	3.6

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Promoters	32.3	32.3	32.3	32.3	32.3
FIs	16.4	17.0	19.5	17.8	17.9
DIs	7.6	7.1	4.4	5.9	6.1
Public and Others	43.8	43.6	43.8	43.9	43.7

Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
13-Nov-21	822	1,050	12m	Buy	Devanshu Bansal
15-Aug-21	568	860	12m	Buy	Devanshu Bansal
09-Aug-21	567	800	12m	Buy	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Consumer Goods & Retail



Analyst: Ashit Desai

Contact Details

ashit.desai@emkayglobal.com
+91 22 6612 1340

Sector

Consumer Goods & Retail

Analyst bio

Ashit Desai holds a PGDM and FRM (US GARP) with 13 years of research experience on the sell side. His team currently covers 24 stocks in the Indian Consumer and Retail space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Consumer Goods & Retail	10.11	10.11	0%	0	100.00	
Asian Paints	1.51	0.76	-50%	-76	7.47	0
Berger Paints	0.18	0.00	-100%	-18	0.00	0
Britannia Industries	0.42	0.51	23%	10	5.09	0
Colgate-Palmolive	0.18	0.20	8%	1	1.96	0
Dabur India	0.32	0.35	7%	2	3.43	0
Emami	0.10	0.09	-4%	0	0.93	0
Godrej Consumer Products	0.33	0.32	-3%	-1	3.15	0
Hindustan Unilever	2.03	1.38	-32%	-65	13.66	0
ITC	1.84	1.88	2%	4	18.60	0
Marico	0.25	0.29	19%	5	2.90	0
Nestle India	0.67	0.36	-46%	-31	3.56	0
Pidilite Industries	0.39	0.00	-100%	-39	0.00	0
Radico Khaitan	0.00	0.26	NA	26	2.57	0
United Breweries	0.10	0.47	351%	37	4.67	0
United Spirits	0.00	0.32	NA	32	3.18	0
Varun Beverages	0.12	0.21	75%	9	2.10	0
ABFRL	0.09	0.17	81%	7	1.64	0
Jubilant FoodWorks	0.28	0.25	-8%	-2	2.52	0
Page Industries	0.24	0.54	128%	30	5.30	0
Titan Company	1.05	1.28	22%	23	12.66	0
TCNS Clothing	0.00	0.23	NA	23	2.23	0
Westlife Development	0.00	0.24	NA	24	2.37	0
Cash	0.00	0.00	NA	0	0.00	0

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	11-Jan-21	12-Jul-21	11-Oct-21	10-Dec-21	11-Jan-22
EAP - Consumer Goods & Retail	100.0	122.9	131.6	151.6	147.5	149.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	119.3	125.1	140.8	134.5	138.2

*Performance measurement base date 1st April 2019

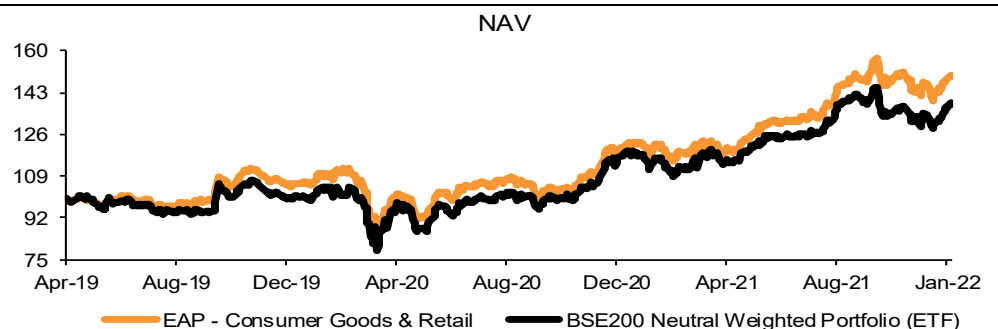
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Consumer Goods & Retail	1.5%	-1.2%	13.8%	21.8%
BSE200 Neutral Weighted Portfolio (ETF)	2.8%	-1.9%	10.4%	15.8%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/13/2022 01:33 PM

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 12 Jan 2022 23:15:35 (SGT)

Dissemination Date: 12 Jan 2022 23:16:35 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of January 12, 2022
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of January 12, 2022.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the January 12, 2022
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment services banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the January 12, 2022

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com