

Metro Brands

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap.(INRb)/(USD\$)	327.7 / 3.9
52-Week Range (INR)	1299 / 736
1, 6, 12 Rel. Per (%)	12/32/25
12M Avg Val (INR M)	186

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	21.3	24.9	30.3
EBITDA	6.8	7.3	9.7
Adj. PAT	3.6	3.6	5.0
EBITDA Margin (%)	31.9	29.5	32.0
Adj. EPS (INR)	13.3	13.4	18.5
EPS Gr. (%)	70.7	1.0	37.8
BV/Sh. (INR)	58.3	66.9	78.8

Ratios

Net D:E	0.2	0.2	0.2
RoE (%)	25.7	22.0	26.0
RoCE (%)	18.4	15.5	17.6
Payout (%)	37.4	37.2	37.2

Valuations

P/E (x)	90.8	89.9	65.3
EV/EBITDA (x)	49.5	45.8	34.7
EV/Sales (X)	15.8	13.5	11.1
Div. Yield (%)	0.4	0.4	0.6
FCF Yield (%)	0.8	1.5	1.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	74.2	74.2	74.3
DII	6.1	5.7	4.7
FII	2.3	2.6	3.3
Others	17.4	17.5	17.7

FII Includes depository receipts

CMP: INR1,206 TP: INR1,350 (+12%) Buy

Weak SSSG dents earnings

- Metro reported 17% YoY revenue growth (in line), supported by strong store additions. Revenue productivity declined 6% due to the pent-up demand base and a shift in the festive season. As a result, EBITDA margin contracted 290bp, translating into a 13% decline in PAT (12% beat).
- In the near term, we believe that the risk of soft demand, potential losses in Fila, and a moderation in margins could weigh on growth. But, in the long term, healthy store economics, steady store adds and a growth opportunity in Fila should drive a CAGR of 19%/18% in revenue/PAT over FY23-25. We reiterate our BUY rating on the stock.

Adj revenue/EBITDA up 14%/10% YoY; CBL loss continues

- Revenue increased by 17% YoY to INR5.6b in 2QFY24 (4% beat), led by 22% store adds. Revenue per store grew 3% YoY and per sqft declined 6% YoY to INR7.5m/INR21.2k (annualized).
- Excluding CBL revenue, total revenue grew 14% YoY to INR5.4b, led by 18% store adds. SSSG was negative possibly due to pent-up demand last year and the delayed festive season.
- Gross profit rose 16% YoY to INR3.2b (4% beat). Gross margin stood at 56.8%, down 50bp YoY, due to CBL's low gross margin.
- EBITDA grew 6% YoY to INR1.5b (10% beat), while margins fell 300bp to 28%. **Adjusting for CBL loss, EBITDA rose 10% YoY to INR1.6b with 30% margin (90bp down YoY).**
- Depreciation and finance costs grew 37% YoY, which led to a 13% drop in PAT to INR671m (12% beat). Margins declined by 420bp to 12.1%.
- **However, adjusting CBL loss, PAT grew 5% YoY to INR811m and PAT margin stood at 14.9% (130bp down YoY).**
- The company added 33 new stores and closed 1 fila/ 4 Metro Standalone stores in the quarter, leading to a total store count of 817 (including 22 Fila stores) in 189 cities (7 new cities added) vs. 2,100 stores of Bata in 700 cities.

Key takeaways from management commentary

- Gross margin guidance maintained at 55-57% with CBL gross margin at ~35%
- Implementation of BIS well within the timeline of Jan'24; frontloaded inventory to mitigate supply issues related to BIS implementation
- Currently looking to clear old inventory under CBL by FY24 end, post which it will focus on brand positioning and acceleration of expansion
- Will continue to manage growth in the online segment without diluting the brand value and by focusing on omni-channel growth

Valuation and view

- Metro trades at rich valuations, backed by 1) internally funded growth thanks to a strong OCF-to-EBITDA ratio of over 50%, and 2) a balance sheet that is par excellence with a healthy RoIC of 25% for FY23.
- The company has been consistently reporting healthy double-digit revenue/PAT growth for the last 10 years.
- In the near term, we believe that the risk of soft demand, potential losses in Fila, and a moderation in margins could weigh on growth. But, in the long term, healthy store economics, steady store adds and growth opportunity in Fila should drive a CAGR of 19%/18% in revenue/PAT over FY23-25.
- A combination of superior store economics and a strong runway of growth should allow Metro to garner rich valuations going ahead. We increase the valuation multiple of the stock to 65x P/E on Sep'25E EPS to arrive at a TP of INR1,350. We reiterate our BUY rating on the stock.

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue	5,080	4,763	5,987	5,441	5,825	5,557	7,295	6,262	21,271	24,939	5,362	3.6
YoY Change (%)	286.6	46.7	23.8	35.0	14.7	16.7	21.8	15.1	58.4	17.2	12.6	
Total Expenditure	3,251	3,292	3,935	4,006	3,959	4,003	4,847	4,785	14,483	17,595	3,954	1.2
EBITDA	1,829	1,472	2,052	1,436	1,866	1,554	2,447	1,478	6,788	7,345	1,408	10.4
EBITDA Margin (%)	36.0	30.9	34.3	26.4	32.0	28.0	33.6	23.6	31.9	29.5	26.3	-1.7
Depreciation	390	414	504	502	543	572	559	534	1,810	2,207	552	3.6
Interest	134	148	173	175	185	197	201	221	631	804	196	0.5
Other Income	93	118	146	187	144	162	153	140	544	599	150	7.9
PBT	1,397	1,027	1,521	946	1,282	946	1,841	862	4,891	4,932	809	16.9
Tax	345	253	394	267	353	275	479	175	1,257	1,282	210	30.9
Rate (%)	24.7	24.6	25.9	28.2	27.5	29.1	26.0	20.3	25.7	26.0	26.0	
MI & Profit/Loss of Asso. Cos.	5	5	2	8	0	0	0	0	20	0	0	
PAT before MI	1,052	774	1,128	680	929	671	1,362	687	3,634	3,650	599	12.0
Adj PAT post MI	1,058	779	1,130	688	929	671	1,362	687	3,654	3,650	599	12.0
YoY Change (%)	-973	41	11	-1	-12	-14	21	0	70.4	-0.1	-23	

E: MOFSL Estimates

Exhibit 1: Valuation based on Sep'25

Particulars	INR/Share
EPS (INR)	21
Target P/E (x)	65
Target Price (INR/share)	1,350
CMP	1,206
Upside (%)	12%

Source: MOFSL, Company

Update on implementation of BIS for footwear

- The Department for Promotion of Industry and Internal Trade (DPIIT) issued BIS Quality Control Order (QCO) for footwear, which was mandatory from 1-July-23 but the implementation is now deferred to 1-Jan-24 for most categories of footwear.
- In order to circumvent any potential supply chain disruptions, the company has frontloaded inventory to some extent, which would lead to higher inventory levels in FY24.

Store adds-

- METRO added 33 new stores and closed 1 fila and 4 Metro standalone stores, taking the total store count to 817 (including 22 Fila stores) in 189 cities (7 new cities added) vs. 2,053 POS of Bata in 698 cities in 1QFY24
- Almost all net store additions were in Metro and Mochi formats (22 store adds in both) out of 28 adds.

Balance sheet and cash flow analysis-

- WC days increased to 86 in 1HFY24 vs. 79 in FY23. Excluding CBL, WC days increased to 74 vs. 62 in FY23.
- OCF for 1HFY24 improved YoY by INR790m (adj. for lease liability), largely led by the inventory release of INR590m. Capex increased by INR257m, leading to FCF of INR574m (vs. INR1.2b in FY23).
- The company reported net cash of INR7b in 1HFY24 vs. INR6.7b in FY23.

Cravatex brands (CBL) update-

- CBL contributed INR130m of revenue (2% of standalone sales).
- EBITDA loss decreased to INR70m in 2QFY24 from INR90m in 1QFY24.
- The liquidation of excess inventory (INR450m) is 'on track' and will be completed by Mar'24.
- The company's vision for FY25 involves a strategic repositioning of FILA brand. In FY26, the primary focus will be on propelling its growth and enhancing its prominence in the athleisure industry.

Exhibit 2: Metro and CBL performance bifurcation

INRm	FY22	FY23	FY24E	FY25E
Consol revenue	13,429	21,271	24,939	30,330
Standalone revenue	13,429	20,961	24,339	28,330
CBL revenue	1,565	310*	600	2,000
Mix of CBL	12%	4%	2%	7%
Consol GP	7,770	12,351	14,377	17,485
Standalone GP	7,770	12,340	14,167	16,485
CBL GP	702	110*	210	1,000
Mix of CBL	9%	2%	1%	6%
Consol margin	57.9%	58.1%	57.7%	57.7%
Standalone margin	57.9%	58.9%	58.2%	58.2%
CBL margin	44.8%	35.5%	35.0%	50.0%
Consol EBITDA	4,092	6,788	7,345	9,690
Standalone EBITDA	4,092	6,908	7,669	9,590
CBL EBITDA	NA	-120*	-324	100
Mix of CBL	NA	-7%	-4%	1%
Consol margin	30.5%	31.9%	29.5%	32.0%
Standalone margin	30.5%	33.0%	31.5%	33.9%
CBL margin	NA	-38.7%	-54.0%	5.0%

*Numbers for 4 reported months i.e. Dec'22- Mar'23

Source: MOFSL, Company

Exhibit 3: Metro and CBL mix share in performance for 2QFY24

INRm	Consol	Standalone	CBL	Mix
Total Revenue	5,557	5,427	130	2%
YoY	17	14		
EBITDA	1,554	1,626	-72	-4%
margin	28.0%	30.0%	-55.4%	
YoY	6	10		
PAT	671	808	-137	-17%
margin	12.1%	14.9%	-105.5%	
YoY	-13	4		

Source: MOFSL, Company

**Key takeaways from the management commentary****Key highlights**

- Gross margin guidance maintained at 55-57% with CBL gross margins ~35%
- Implementation of BIS well within the timeline of Jan'24; Frontloaded inventory to mitigate supply issue related to BIS implementation
- Currently looking to clear the old inventory under CBL by FY24 end, after which it will focus on brand positioning and acceleration of expansion
- Will continue to manage growth in the online segment without diluting the brand value and by focusing on omni-channel growth

Detailed notes**Demand and performance:**

- The company stated that despite a higher base in 2QFY23 and a shift in the festive period, it reported healthy revenue growth of 15% in 2QFY24.
- The initial trends are positive in demand during the current quarter due to the festive season.
- E-Com:
 - E-com (including Omni) sales stood at INR600m, up 45% YoY.
 - Omni growth remained lower vs. pure-play e-com sales due to supply of inventory to online players to stack up for their sales.
 - The company will focus on Omni channel growth to improve inventory utilization and control discounting online.

- The margin profile of the segment remains healthy vs. other online players.
- It will continue to manage growth in this segment without diluting the brand value.
- Seeing a temporary headwind in form of timing due to a shift in festive demand and a higher base in 2QFY23 due to pent-up demand. It does not see it as an economic headwind with any significant change in demand profile.

Pricing and ASP

- The company stated that ~48% of business share pertained to premium category (INR3,000 and above).
- The lower ASP of INR1,600 despite higher share of premium products is due to the sale of accessories. Excluding accessories, the ASP range was around INR2,200.

Expenses and Margins

- Despite a shift in the festive period and incremental expenses of 100bp due to ESOP and Ind-AS, Metro delivered guided PAT growth of 15%.
- Split between Variable: Fixed cost would be 40:60 on blended basis, which would see some changes based on regional level.
- Gross Margins:
 - Gross margins guidance maintained at 55-57%; CBL GM close to 35% in 2QFY24.
 - Gross margins remained higher despite increased share of third-party brands, mainly because of higher sales by Crocs and Fitflops. Margins in this segment are in line with company average.

Brands:

- Crocs: The lower market size for the segment as compared to flagship brands (Metro and Mochi) limits the number of stores for Crocs.
- Walkway:
 - The company has stated that it will look to understand and improve the business model before accelerating the expansion
 - It has seen good traction in larger markets, which is evident from Hyderabad being a very large market for the brand
 - Store level capex remains lower at INR7-8m vs. INR10-12m for Metro/Mochi formats.
- FILA:
 - The company, in FY24, will look to clean old inventory and thereafter look to improve brand positioning and store expansion and acceleration.
 - It will continuously monitor the distribution outside the company channel to control the discounting and inventory management.

BIS Standard execution:

- The company is gearing up for compliance of BIS, which is expected to be implemented in Jan'24.
- The company has frontloaded inventory to mitigate supply issue due to this transition and has also asked its vendor base to certify themselves under the regulation.

Store additions and capex:

- The company added net 29 stores in 2QFY24 and entered 8 new cities.
- It recently announced opening of 800th store in the current quarter.
- The company added 2 Crocs stores and closed 5 stores in 2QFY24 and plans to add a total of 12 stores in 9MFY24.

Exhibit 4: Quarterly performance

	2QFY23	1QFY24	2QFY24	YoY%	QoQ%	2QFY24E	v/s Est (%)	2QFY24*	YoY%	QoQ%
Total Revenue	4,763	5,825	5,557	17	-5	5,362	4	5,427	14	-4
Raw Material cost	2,032	2,384	2,401	18	1	2,332	3			
Gross Profit	2,732	3,442	3,156	16	-8	3,029	4			
Gross margin (%)	57.3	59.1	56.8	-55	-228	56.5	30			
Employee Costs	428	533	553	29	4	550	1			
SGA Expenses	832	1,043	1,050	26	1	1,072	-2			
EBITDA	1,472	1,866	1,554	6	-17	1,408	10	1,626	10	-17
EBITDA margin (%)	30.9	32.0	28.0	-294	-407	26.3	170.8	30.0	-94	-463
Depreciation and amortization	414	543	572	38	5	552	4			
EBIT	1,058	1,323	982	-7	-26	856	15			
EBIT margin (%)	22.2	22.7	17.7	-453	-505	16.0	171			
Finance Costs	148	185	197	33	7	196	0			
Other income	118	144	162	37	12	150	8			
Exceptional item	0	0	0	NM	NM	0	NM			
Profit before Tax	1,027	1,282	946	-8	-26	809	17			
Tax	253	353	275	9	-22	210	31			
Tax rate (%)	24.6	27.5	29.1	451	155	26.0	NM			
Profit after Tax	774	929	671	-13	-28	599	12	808	4	-24
Adj Profit after Tax	774	929	671	-13	-28	599	12	808	4	-24
PAT margin (%)	16.3	15.9	12.1	-418	-387	11.2	91	14.9	-136	-401

* Refer to the core Metro financials (excluding Fila)

Source: MOFSL, Company

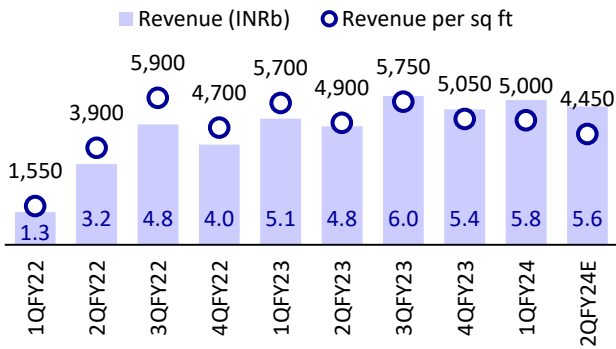
Exhibit 5: Summary of changes to our estimates

	FY24E	FY25E
Revenue (INR m)		
Old	24,939	30,330
Actual/New	24,939	30,330
Change (%)	0.0	0.0
GP (INR m)		
Old	14,340	17,440
Actual/New	14,377	17,485
Change (%)	0.3	0.3
EBITDA (INR m)		
Old	7,307	9,645
Actual/New	7,345	9,690
Change (%)	0.5	0.5
EBITDA margin (%)		
Old	29.3	31.8
Actual/New	29.5	32.0
Change (bp)	15	15
Net Profit (INR m)		
Old	3,622	4,997
Actual/New	3,650	5,030
Change (%)	0.8	0.7
EPS (INR)		
Old	13.3	18.4
Actual/New	13.4	18.5
Change (%)	0.8	0.7

Source: MOFSL, Company

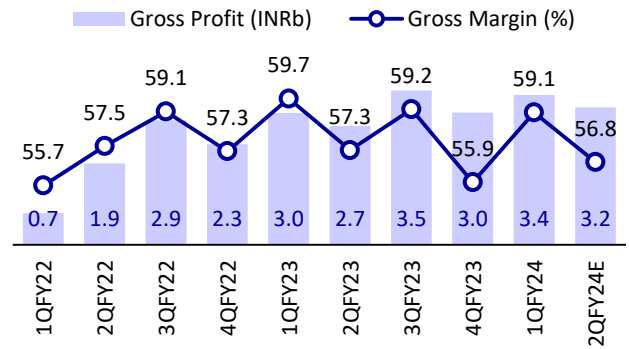
Story in charts

Exhibit 6: Revenue up 17% YoY; revenue per sqft down 6%



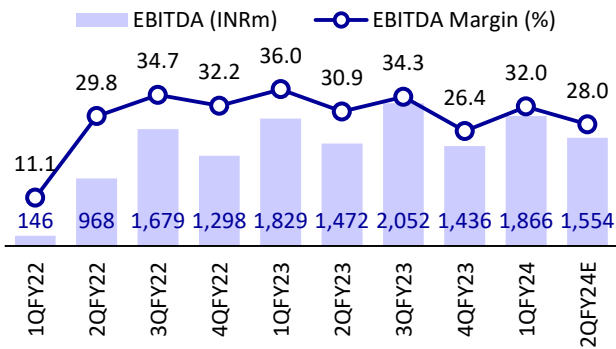
Source: MOFSL, Company

Exhibit 7: GP grew 16% YoY; margins down led by CBL



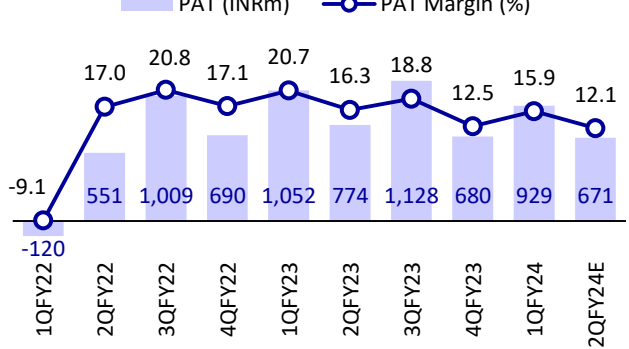
Source: MOFSL, Company

Exhibit 8: EBITDA margins fell due to CBL loss



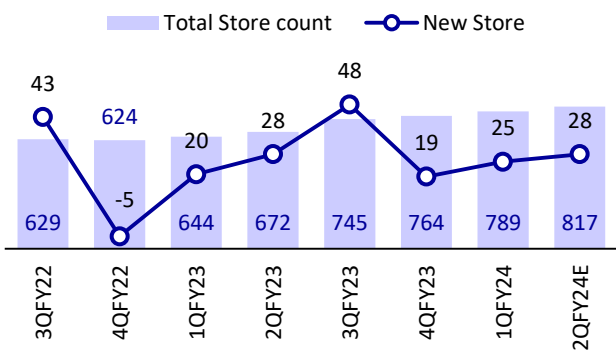
Source: MOFSL, Company

Exhibit 9: PAT declined due to CBL loss



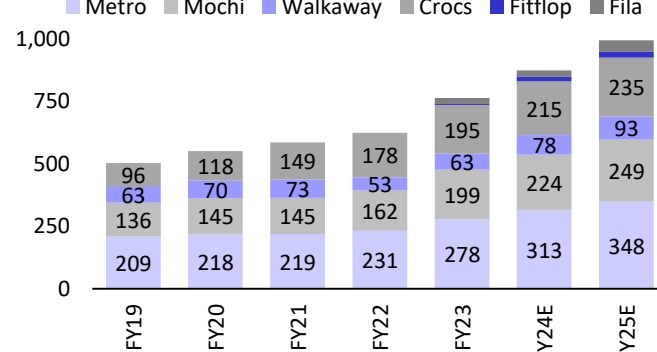
Source: MOFSL, Company

Exhibit 10: Total store count at 817 stores



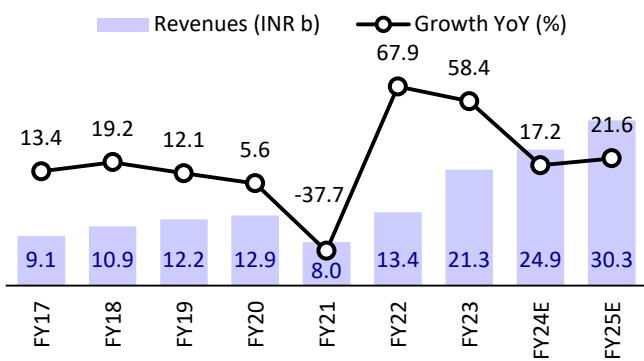
Source: MOFSL, Company

Exhibit 11: Format-wise store counts



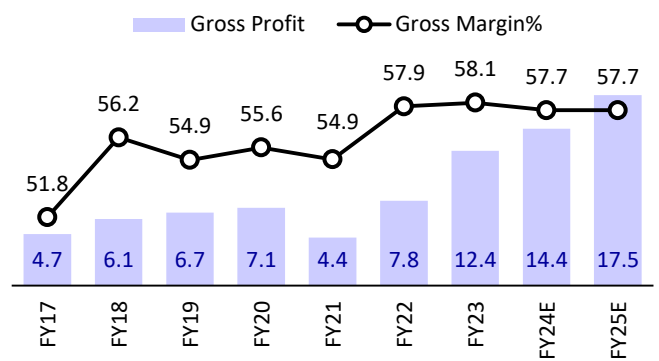
Source: MOFSL, Company

Exhibit 12: Expect 19% revenue CAGR over FY23-25



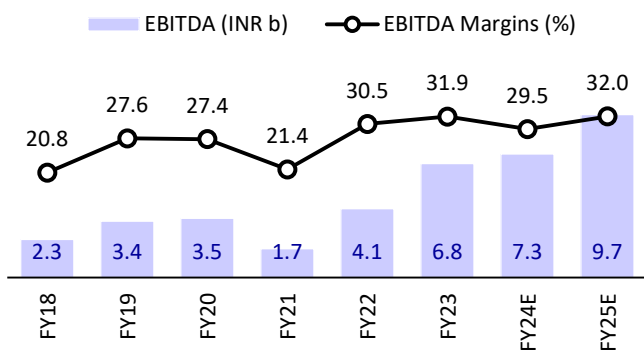
Source: MOFSL, Company

Exhibit 13: Expect GP to grow in line with revenue of 19%



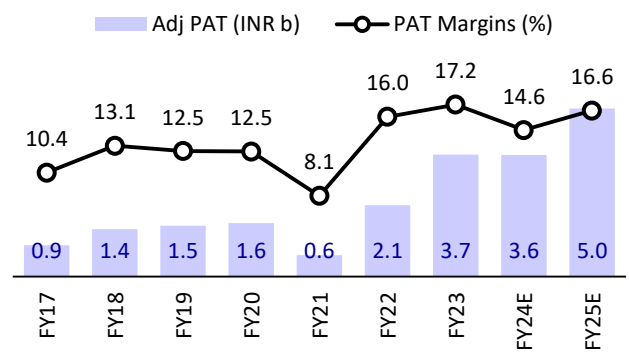
Source: MOFSL, Company

Exhibit 14: Expect EBITDA margins to recover by FY25



Source: MOFSL, Company

Exhibit 15: PAT margins to improve from FY25



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	10,853	12,171	12,852	8,001	13,429	21,271	24,939	30,330
Change (%)	19.2	12.1	5.6	-37.7	67.9	58.4	17.2	21.6
Raw Materials	4,759	5,487	5,707	3,605	5,659	8,920	10,562	12,845
Gross Profit	6,094	6,683	7,145	4,396	7,770	12,351	14,377	17,485
Margin (%)	56.2	54.9	55.6	54.9	57.9	58.1	57.7	57.7
Employees Cost	975	1,121	1,268	1,026	1,212	1,843	2,294	2,548
Other Expenses	2,860	2,204	2,351	1,655	2,466	3,720	4,738	5,247
Total Expenditure	8,594	8,813	9,325	6,285	9,338	14,483	17,595	20,639
% of Sales	79.2	72.4	72.6	78.6	69.5	68.1	70.6	68.1
EBITDA	2,259	3,358	3,527	1,715	4,092	6,788	7,345	9,690
Margin (%)	20.8	27.6	27.4	21.4	30.5	31.9	29.5	32.0
Depreciation	195	936	1,206	1,218	1,342	1,810	2,207	2,537
EBIT	2,064	2,422	2,321	497	2,749	4,978	5,138	7,153
Int. and Finance Charges	4	339	395	437	504	631	804	954
Other Income	89	198	259	785	586	544	599	599
PBT bef. EO Exp.	2,149	2,281	2,184	845	2,831	4,891	4,932	6,798
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	2,149	2,281	2,184	845	2,831	4,891	4,932	6,798
Total Tax	730	769	587	193	702	1,257	1,282	1,767
Tax Rate (%)	34.0	33.7	26.9	22.8	24.8	25.7	26.0	26.0
Minority Interest	0	15	8	-6	15	20	0	0
Reported PAT	1,418	1,512	1,597	652	2,130	3,634	3,650	5,030
Adjusted PAT	1,418	1,497	1,589	658	2,115	3,613	3,650	5,030
Change (%)	50.0	5.5	6.2	-58.6	221.3	70.8	1.0	37.8
Margin (%)	13.1	12.3	12.4	8.2	15.7	17.0	14.6	16.6

Consolidated - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	147	1,328	1,328	1,328	1,358	1,359	1,359	1,359
Total Reserves	5,624	5,366	6,980	7,147	11,289	14,118	16,412	19,574
Net Worth	5,771	6,694	8,308	8,474	12,647	15,477	17,771	20,932
Minority Interest	146	0	0	0	224	264	264	264
Total Loans	60	4,244	5,491	5,669	6,922	9,430	12,165	14,159
Lease Liabilities		4,146	5,376	5,655	6,922	9,430	12,165	14,159
Deferred Tax Liabilities	23	0	0	0	0	0	0	0
Other Liabilities	61	6	6	6	6	45	45	45
Capital Employed	6,061	10,944	13,804	14,150	19,800	25,216	30,246	35,401
Gross Block	0	7,566	9,798	10,394	12,765	19,118	23,733	27,828
Less: Accum. Deprn.	0	1,636	2,718	3,158	4,287	6,097	8,304	10,841
Net Fixed Assets	1,846	5,930	7,080	7,236	8,478	13,021	15,429	16,986
Other Non-Current	0	381	444	493	614	683	683	683
Capital WIP	60	41	130	45	62	178	178	178
Total Investments	2,274	2,099	3,484	3,997	3,625	4,763	4,763	4,763
Curr. Assets, Loans&Adv.	3,539	4,624	4,912	4,655	10,140	10,579	13,554	17,596
Inventory	2,794	3,646	3,761	2,898	4,242	6,458	7,234	8,622
Account Receivables	394	519	701	506	577	1,261	1,503	2,077
Cash and Bank Balance	154	121	109	879	4,350	1,985	3,845	5,924
Loans and Advances	197	338	341	373	971	875	972	972
Curr. Liability & Prov.	1,658	2,271	2,370	2,444	3,342	4,056	4,410	4,854
Account Payables	1,413	1,939	2,015	2,047	2,343	2,813	3,038	3,519
Other Current Liabilities	187	307	331	389	958	1,114	1,247	1,213
Provisions	58	25	25	8	40	129	125	121
Net Current Assets	1,881	2,353	2,542	2,212	6,798	6,522	9,144	12,742
Appl. of Funds	6,061	10,944	13,804	14,150	19,800	25,216	30,246	35,401

Financials and valuations

Ratios								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)								
EPS	48.2	5.6	6.0	2.5	7.8	13.3	13.4	18.5
Cash EPS	54.8	9.2	10.5	7.1	13.0	20.4	22.1	28.5
BV/Share	195.9	25.2	31.3	31.9	47.6	58.3	66.9	78.8
DPS	0.0	3.5	3.0	1.1	0.8	5.0	5.0	6.9
Payout (%)	0.0	30.7	24.9	45.8	9.6	37.4	37.2	37.2
Valuation (x)								
P/E	25.1	214.3	201.9	487.4	155.1	90.8	89.9	65.3
Cash P/E	22.1	131.8	114.8	170.9	92.8	59.1	54.8	42.4
P/BV	6.2	47.9	38.6	37.9	25.4	20.7	18.0	15.3
EV/Sales	3.3	13.5	12.9	40.7	24.6	15.8	13.5	11.1
EV/EBITDA	15.7	49.0	47.0	189.8	80.8	49.5	45.8	34.7
Dividend Yield (%)	0.0	0.3	0.2	0.1	0.1	0.4	0.4	0.6
FCF per share	41.2	10.3	17.3	9.0	8.6	10.3	18.0	22.0
Return Ratios (%)								
RoE	27.1	24.0	21.2	7.8	20.0	25.7	22.0	26.0
RoCE	27.0	20.7	15.3	7.1	14.9	18.4	15.5	17.6
RoIC	39.7	26.2	18.1	4.0	19.7	24.6	19.1	23.0
Working Capital Ratios								
Fixed Asset Turnover (x)	NA	1.6	1.3	0.8	1.1	1.1	1.1	1.1
Asset Turnover (x)	1.8	1.1	0.9	0.6	0.7	0.8	0.8	0.9
Inventory (Days)	214	243	241	293	274	264	250	245
Debtor (Days)	13	16	20	23	16	22	22	25
Creditor (Days)	108	129	129	207	151	115	105	100
Leverage Ratio (x)								
Current Ratio	2.1	2.0	2.1	1.9	3.0	2.6	3.1	3.6
Interest Cover Ratio	504.0	7.2	5.9	1.1	5.5	7.9	6.4	7.5
Net Debt/Equity	-0.4	0.3	0.2	0.1	-0.1	0.2	0.2	0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	2,149	2,281	2,184	845	2,831	4,891	4,932	6,798
Depreciation	195	936	1,206	1,218	1,342	1,810	2,207	2,537
Interest & Finance Charges	5	339	395	437	491	629	804	954
Direct Taxes Paid	-682	-803	-608	-204	-715	-1,412	-1,282	-1,767
(Inc)/Dec in WC	47	-570	-156	1,135	-638	-1,726	-762	-1,518
CF from Operations	1,713	2,183	3,021	3,432	3,312	4,192	5,899	7,003
Others	-167	-227	-291	-779	-491	-385	-599	-599
CF from Operating incl EO	1,546	1,957	2,731	2,653	2,821	3,807	5,300	6,405
(Inc)/Dec in FA	-331	-584	-440	-251	-479	-996	-413	-413
Free Cash Flow	1,215	1,373	2,291	2,402	2,342	2,811	4,887	5,992
(Pur)/Sale of Investments	-853	-140	-1,243	-329	538	-620	0	0
Others	247	51	57	-644	68	-748	599	599
CF from Investments	-937	-673	-1,626	-1,224	127	-2,365	186	186
Issue of Shares	0	7	0	0	2,924	28	0	0
Inc/(Dec) in Debt	31	39	17	-101	-14	-1,023	0	0
Interest Paid	-5	-6	-8	-6	-1	-1	-804	-954
Repayment of loan	-532	-446	0	-498	0	-883	-1,356	-1,869
Others	0	-913	-1,124	-665	-1,038	-1,710	-1,466	-1,688
CF from Fin. Activity	-505	-1,320	-1,115	-1,271	1,870	-3,588	-3,626	-4,510
Inc/Dec of Cash	104	-37	-10	158	4,818	-2,146	1,860	2,080
Opening Balance	48	152	115	105	263	5,081	2,935	4,795
Closing Balance	152	115	105	263	5,081	2,935	4,795	6,875
Other Bank Balance/(OD)	3	6	4	616	-732	-950	-950	-950
Net Closing Balance	155	121	109	879	4,350	1,985	3,845	5,924

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

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. 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 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances.

The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

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

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

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

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

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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