

Trent

BSE SENSEX 74,006 S&P CNX 22,502

CMP: INR4,643 TP: INR5,100 (+10%) Buy



Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1,650.5 / 19.8
52-Week Range (INR)	4,699 / 1,472
1,6,12 Rel. Per (%)	12 / 60 / 160
12M Avg Val (INR M)	2,306.0

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	123.8	169.3	210.9
EBITDA	19.2	25.3	31.7
NP	10.4	13.3	17.1
EBITDA Margin (%)	15.5	14.9	15.0
Adj. EPS (INR)	29.4	37.3	48.1
EPS Gr. (%)	163.7	27.0	29.0
BV/Sh. (INR)	122.4	162.3	213.8

Ratios

Net D:E	0.0	0.3	0.2
RoE (%)	31.3	28.0	27.4
RoCE (%)	18.0	23.4	22.1
Payout (%)	0.0	0.0	0.0

Valuations

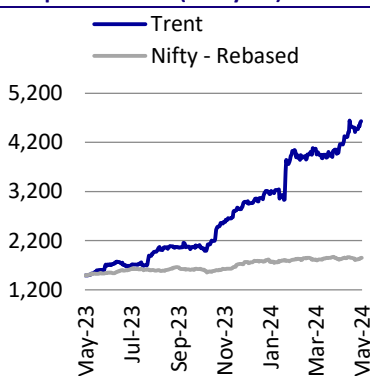
P/E (x)	158.2	124.6	96.5
EV/EBITDA (x)	85.9	65.9	52.7
EV/Sales (x)	13.5	9.9	8.0
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.6	0.4	1.0

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	37.0	37.0	37.0
DII	13.9	14.8	16.1
FII	26.8	25.9	24.4
Others	22.3	22.3	22.4

FII Includes depository receipts

Stock's performance (one-year)



Conviction intact!

We met with the CEO and CFO of Trent Limited (TRENT), Mr. P. Venkatesalu and Mr. Neeraj Basur, who stated that the opportunity in the value retail space is still substantial, with the company's market share at 2%/8% of total/organized retail value market size. The company remained focused on being relevant to the customer needs, and hence, the store additions will not be a challenge for TRENT. It will be growing with a lighter balance sheet (FOCO/COCO model), which will be able to deliver a higher ROCE. The company will continue to expand the Westside, Zudio, and Star formats in the coming years.

Huge market opportunity

The total market size of value retail is around INR5.0t, and it is growing at 15-16%. Out of this, only 30% (i.e. ~INR1.5t) is organized. TRENT's market share in the total/organized market is about 2%/8%. Growth will further be augmented by the transition from unorganized to organized and from organized to becoming a brand. As a result, Zudio and Westside have a modest market share in India, but the company still believes that it has a lot of potential. We are baking in 25 and 150 store additions for Westside and Zudio, respectively.

Star poised for store acceleration

The company continues to remain confident about the grocery business, which could be an additional growth engine. Star has merely 66 stores (+1m sqft retail area) in 10 cities with a revenue of INR22b, and the grocery market size of +INR41t offers huge growth opportunity. The other players, such as Reliance Retail and DMART, have reached revenue sizes of ~INR910b and INR508b (with 565/15.15m stores/sqft), respectively. In FY24, Star has seen strong LFL growth in FY24, with revenue per sqft of ~INR27k, EBITDA breakeven (~1% EBITDA margin) and Asset turnover of 2.7x. We expect TRENT to accelerate store additions, as it is now on track to achieve healthy store economics.

Growth model continues

The company will maintain its high ROCE by pursuing growth with profitability and maintaining a lighter balance sheet (a hybrid of the FOCO and COCO models). The company continues to sell its own brands exclusively through its own distribution channels (excluding EBOs) and without any advertising. In Star, the own brand contribution increased to 69% of total sales (from 60% in FY23). The product proposition, price point, and customer experience are the three cornerstones that will be the company's main focus areas.

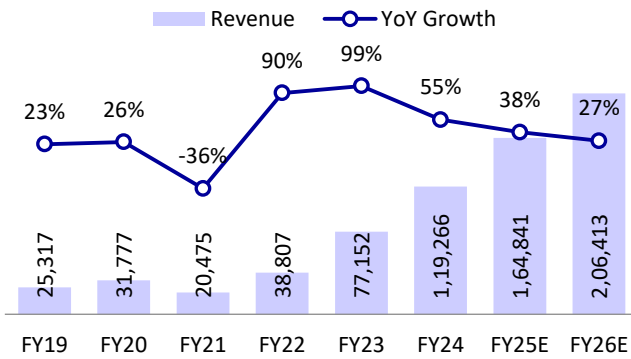
Valuation and view

- We believe TRENT offers a huge runway for growth over the next three years, supported by healthy productivity, robust footprint additions, and healthy scale up within the Zudio and Star formats.

- TRENT's strong performance, with 10% LFL growth and robust footprint additions, remains an outlier within our retail coverage universe, which is experiencing a challenging demand environment. Unlike peers who passed on the sharp raw material price increases last fiscal year, TRENT absorbed the impact. This decision resulted in strong customer reception, and now TRENT is reaping the benefits as raw material prices become more favorable.
- We factor in 32%/30%/38% standalone revenue/EBITDA/PAT CAGR over FY24-26E, fueled by a strong 20% YoY footprint addition and a healthy SSSG.
- We assign 52x EV/EBITDA to the standalone business (Westside and Zudio), which is at a premium over our Retail Universe, given its superior growth, 2x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara on FY26E, and arrive at our TP of INR5,100. Adjusting for Star and Zara's value, the stock is trading at 80x P/E on FY26E for the standalone business. **Reiterate BUY.**

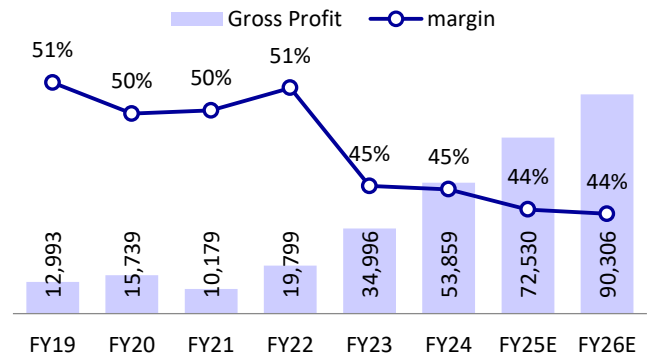
Story in charts

Exhibit 1: Expect 32% stand. revenue CAGR over FY24-26



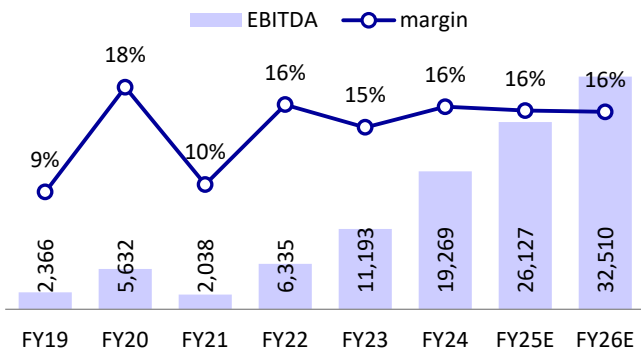
Source: MOFSL, Company

Exhibit 2: Expect 29% stand. GP CAGR over FY24-26



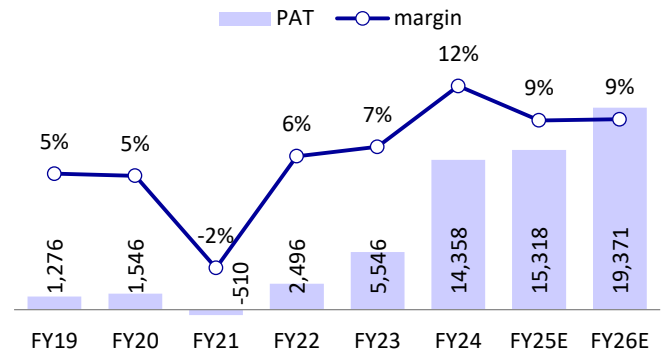
Source: MOFSL, Company

Exhibit 3: Expect 30% stand. EBITDA CAGR over FY24-26



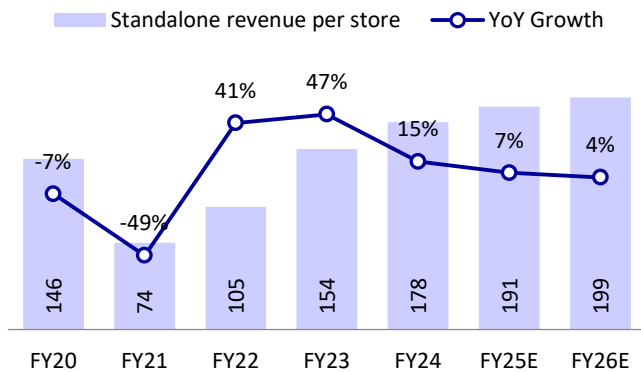
Source: MOFSL, Company

Exhibit 4: Expect 16% stand. PAT CAGR over FY24-26



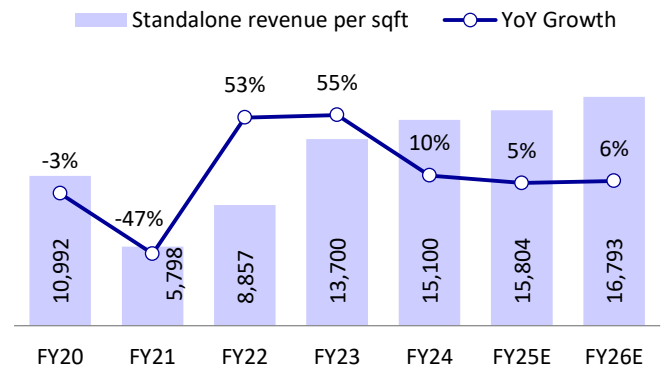
Source: MOFSL, Company

Exhibit 5: Expect 6% Revenue/store growth over FY24-26

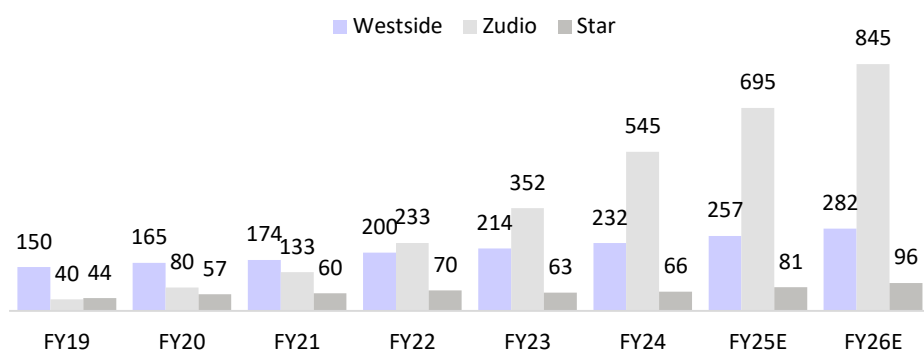


Source: MOFSL, Company

Exhibit 6: Expect 5% Revenue/sqft growth over FY24-26



Source: MOFSL, Company

Exhibit 7: Number of stores

Source: MOFSL, Company

Exhibit 8: Grocery players' revenue

INRb	FY19	FY20	FY21	FY22	FY23	FY24
Reliance grocery	234	346	379	450	697	913
<i>growth</i>	69%	48%	9%	19%	55%	31%
DMART	200	249	241	310	428	508
<i>growth</i>	33%	24%	-3%	28%	38%	19%
Star	10	12	12	13	18	22
<i>growth</i>	6%	23%	-4%	13%	35%	21%

Source: MOFSL, Company

Exhibit 9: STAR and DMART FY24 financials

INRm – FY24	DMART	STAR
Revenue	5,07,888	21,889
Gross Profits	75,143	4,437
Gross margins	15%	20%
Cost of retailing	34,105	4,182
EBITDA	41,038	255
EBITDA margin	8%	1%
dep	33,730	1,099
EBIT	7,308	(844)
EBIT Margin	1%	-4%
PAT	25,363	(6)
PAT margin	5%	0%
Capital Employed	1,93,814	6,548
Share Capital	1,86,978	6,548
Invested Capital	1,77,014	5,324
ROCE (pre tax)	4%	-13%
ROE	14%	0%
ROIC (post tax)	4%	-16%

Source: MOFSL, Company

Detailed notes

Huge market opportunity

- The total market size of value retail is around INR5t, and it is growing at 15-16%. Out of this, only 30% (i.e. ~INR1.5t) is organized. TRENT's market share in the total/organized market is about 2%/8%. Growth will further be augmented by the transition from unorganized to organized and from organized to becoming a brand.
- As a result, Zudio and Westside have a modest market share in India, but the company still believes that it has a lot of potential.
- The market is not a constraint, and the company has successfully optimized the model, allowing it to expand its retail presence.
- We are baking in 25 and 150 store additions for Westside and Zudio, respectively.

Growth model continues

- The company will maintain its high ROCE by pursuing growth with profitability and maintaining a lighter balance sheet (a hybrid of the FOCO and COCO models).
- The company continues to sell its own brands exclusively through its own distribution channels (excluding EBOs) and without any advertising.
- After the end of season sale (EOSS), the company no longer sells those goods. Typically, it writes off the products, leading to occasional volatility in the gross margin.

Online strategy

- The nature of their brands does not allow TRENT to operate online because free returns and additional discounts are not conducive to its business model.
- However, Westside has entered the online business, but the products can only be purchased from Tata Cliq.
- Returns are only accepted in-store, which helps the company save money on return costs. This policy also encourages customers to visit the store, potentially leading to additional offline purchases.

On being relevant to the customers

- Globally, around 40% of products are sold at full price, over 50% are sold through markdowns, and the remainder is either scrapped or discarded. As TRENT's full-price sales have increased by over 80%, the company continues to sell the right and relevant merchandise.
- The company focuses on meeting customers' needs, as evidenced by its approach at Zudio. The Zudio model is now very different from three years ago and will be different three years from now. This is because customer preferences and tastes keep changing. Therefore, the company wants to remain relevant in the current environment, which is a major challenge in maintaining the store's economics.
- Examples: a) TRENT has reduced the product range in Zudio vs. what it had five years ago; b) trends are changing from slim fit to oversize now. Thus, a brand loses relevance if it does not evolve.

Target customers

- Indian customers are evolving with higher household income and aspirations, but they are not willing to pay more. TRENT continues to maintain focus on cracking the market by selling the right products to customers.
- In India, consumption is higher in the areas where per capita income exceeds the national average.

The difference between Westside and Zudio

- Management considers Westside to be a value retail player. It is targeting more than 20k sqft stores for Westside vs. 7-8k sqft stores for Zudio. Currently, it has around 551 Zudio and 233 Westside stores.
- In Westside, the fabrics, design, and shopping experiences are better than in Zudio. However, Zudio is positioned differently as compared to price points for the customer.
- The supply chain and integration (finance, IT, and property acquisition) are the same for both brands.

Other brands

- The four formats – Utsa, Samoh, Misbu, and JV with MAS – are new and will grow slowly.
- TRENT currently has 22-23 Utsa stores. The company doesn't want to play men-focused ethnics due to its lower recurrence. In Utsa, the majority of the merchandise are women-focused.
- The company will not pursue any inorganic acquisitions as it aims to build and create its brand and value internally.
- Currently, the relevant formats are Westside, Zudio, and Star.

Reassessment context

- The company clarified that the reassessment of lease liability occurred in 4QFY24, amounting of INR5.4b in exceptional gains.
- There has been a shift in the strategy, leading to the consolidation of the existing stores into a new store and extending the time period even further. This reduces the right-to-use asset and lease liability.
- The company clarified that there is no shift from COCO to FOCO/FOFO stores and there have been no changes in lease contracts.

Financials and Valuation

Standalone - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	25,317	31,777	20,475	38,807	77,152	1,19,266	1,64,841	2,06,413
Change (%)	22.5	25.5	-35.6	89.5	98.8	54.6	38.2	25.2
Raw Materials	12,324	16,037	10,296	19,009	42,156	65,407	92,311	1,16,108
Employees Cost	2,524	3,131	2,550	3,379	5,801	9,379	13,022	15,481
Other Expenses	4,924	4,950	5,591	10,084	18,003	25,210	33,380	42,315
Total Expenditure	22,951	26,145	18,437	32,472	65,959	99,996	1,38,714	1,73,903
% of Sales	90.7	82.3	90.0	83.7	85.5	83.8	84.2	84.3
EBITDA	2,366	5,632	2,038	6,335	11,193	19,269	26,127	32,510
Margin (%)	9.3	17.7	10.0	16.3	14.5	16.2	15.9	15.8
Depreciation	465	2,311	2,359	2,831	4,632	6,385	6,945	7,412
EBIT	1,902	3,321	-321	3,505	6,560	12,884	19,183	25,098
Int. and Finance Charges	368	2,383	2,380	2,933	3,572	3,094	2,267	2,721
Other Income	363	1,518	2,042	2,790	4,117	3,509	3,509	3,509
PBT bef. EO Exp.	1,897	2,456	-658	3,362	7,105	13,300	20,424	25,887
EO Items	-5	0	-63	-132	0	5,434	0	0
PBT after EO Exp.	1,892	2,456	-721	3,230	7,105	18,733	20,424	25,887
Total Tax	617	909	-211	734	1,559	4,375	5,106	6,516
Tax Rate (%)	32.6	37.0	29.3	22.7	21.9	23.4	25.0	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	1,276	1,546	-510	2,496	5,546	14,358	15,318	19,371
Adjusted PAT	1,279	1,546	-465	2,598	5,546	10,194	15,318	19,371
Change (%)	9.6	20.9	-130.1	-658.4	113.5	83.8	50.3	26.5
Margin (%)	5.1	4.9	-2.3	6.7	7.2	8.5	9.3	9.4

Standalone - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	332	355	355	356	356	356	356	356
Total Reserves	16,636	24,627	24,803	26,845	30,444	44,116	59,435	78,806
Net Worth	16,968	24,983	25,159	27,200	30,799	44,472	59,790	79,161
Total Loans	3,942	24,468	28,612	45,893	43,186	17,383	21,595	25,911
Lease Liability		21,471	25,612	40,835	38,206	12,398	16,609	20,926
Deferred Tax Liabilities	-72	-1,070	-1,080	-1,225	-1,540	-553	-553	-553
Capital Employed	20,838	48,382	52,690	71,868	72,445	61,302	80,832	1,04,519
Net Fixed Assets	6,271	26,175	29,232	45,083	43,659	24,002	32,588	33,859
Right to use assets		19,041	22,265	37,336	34,346	12,021	15,943	15,712
Capital WIP	850	231	340	448	415	1,614	1,614	1,614
Total Investments	9,410	16,068	17,292	17,239	16,483	19,022	19,019	19,022
Curr. Assets, Loans&Adv.	9,001	10,399	9,126	14,126	21,114	29,390	45,289	71,689
Inventory	4,894	5,865	3,946	8,225	13,369	15,648	22,581	28,276
Account Receivables	141	133	206	163	314	786	903	1,131
Cash and Bank Balance	509	441	669	744	789	2,862	8,562	27,217
Loans and Advances	3,457	3,960	4,306	4,994	6,642	10,094	13,243	15,065
Curr. Liability & Prov.	4,696	4,492	3,301	5,028	9,226	12,726	17,679	21,665
Account Payables	2,289	2,565	2,196	3,142	6,437	7,523	11,290	14,138
Other Current Liabilities	2,221	1,710	938	1,572	2,121	3,480	4,665	5,804
Provisions	186	218	167	314	669	1,723	1,723	1,723
Net Current Assets	4,306	5,907	5,826	9,098	11,888	16,664	27,610	50,024
Appl. of Funds	20,838	48,381	52,690	71,868	72,445	61,302	80,832	1,04,519

Financials and Valuation

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	3.8	4.3	-1.3	7.3	15.6	28.7	43.1	54.5
Cash EPS	5.2	11.6	5.7	16.3	30.6	49.9	67.0	80.6
BV/Share	51.1	75.2	75.7	81.9	92.7	133.8	179.9	238.2
DPS	1.3	1.0	0.0	1.7	2.2	0.0	0.0	0.0
Payout (%)	40.8	23.0	0.0	24.2	14.1	0.0	0.0	0.0
Valuation (x)								
P/E	1,207.0	1,067.9	-3,548.7	635.6	297.8	162.0	107.8	85.2
Cash P/E	885.3	400.2	815.3	284.3	151.7	93.1	69.3	57.6
P/BV	91.0	61.8	61.4	56.7	50.1	34.7	25.8	19.5
EV/Sales	61.1	52.7	82.0	43.7	22.0	14.0	10.1	8.0
EV/EBITDA	653.8	297.5	823.9	267.8	151.3	86.4	63.7	50.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-4.7	7.4	8.7	-1.4	12.6	27.2	32.1	50.3
Return Ratios (%)								
RoE	7.7	7.4	-1.9	9.9	19.1	27.1	29.4	27.9
RoCE	7.4	8.7	2.4	7.7	11.3	18.5	23.8	23.0
RoIC	13.3	10.0	-0.7	6.2	9.5	21.1	31.7	34.7
Working Capital Ratios								
Fixed Asset Turnover (x)	3.0	3.2	2.1	3.5	5.7	NA	NA	NA
Asset Turnover (x)	1.2	0.7	0.4	0.5	1.1	1.9	2.0	2.0
Inventory (Days)	71	67	70	77	63	48	50	50
Debtor (Days)	2	2	4	2	1	2	2	2
Creditor (Days)	33	29	39	30	30	23	25	25
Leverage Ratio (x)								
Current Ratio	1.9	2.3	2.8	2.8	2.3	2.3	2.6	3.3
Interest Cover Ratio	5.2	1.4	-0.1	1.2	1.8	4.2	8.5	9.2
Net Debt/Equity	-0.4	0.3	0.4	1.0	0.8	-0.1	-0.1	-0.3

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	1,896	2,454	-658	3,362	7,105	13,300	20,424	25,887
Depreciation	465	2,311	2,359	2,831	4,639	6,392	6,945	7,412
Interest & Finance Charges	180	2,058	2,084	2,725	3,411	2,913	2,267	2,721
Direct Taxes Paid	-781	-807	-1	-782	-1,869	-2,942	-5,106	-6,516
(Inc)/Dec in WC	-1,356	-1,112	1,131	-4,020	-2,707	-2,725	-5,247	-3,759
CF from Operations	404	4,905	4,915	4,116	10,579	16,938	19,284	25,745
Others	-122	-1,220	-782	-2,624	-3,951	-3,455	-3,509	-3,509
CF from Operating incl EO	282	3,685	4,133	1,492	6,628	13,484	15,775	22,236
(Inc)/Dec in FA	-1,859	-1,050	-1,031	-1,979	-2,144	-3,819	-4,369	-4,369
Free Cash Flow	-1,577	2,635	3,102	-487	4,485	9,665	11,405	17,867
(Pur)/Sale of Investments	2,234	-5,870	1,195	2,317	57	-926	0	0
Others	-833	-650	-557	-397	657	-241	3,509	3,509
CF from Investments	-457	-7,570	-393	-59	-1,430	-4,985	-860	-860
Issue of Shares	0	9,498	0	0	0	0	0	0
Inc/(Dec) in Debt	1,061	-2,725	0	1,969	-1,202	-2,566	0	0
Interest Paid	-220	-2,437	-2,376	-2,350	-3,557	-3,076	-2,267	-2,721
Dividend Paid	-459	-520	-355	-426	-394	-783	0	0
Others	0	0	-780	-552	0	0	-6,948	0
CF from Fin. Activity	382	3,816	-3,512	-1,359	-5,153	-6,425	-9,215	-2,721
Inc/Dec of Cash	206	-69	229	74	45	2,074	5,699	18,655
Opening Balance	303	509	441	669	744	789	2,862	8,562
Closing Balance	509	441	669	744	789	2,862	8,562	27,217

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. INH00000412. 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. INH00000412) 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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

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

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

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/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.