

Campus Activewear

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CAMPUS IN
Equity Shares (m)	305
M.Cap.(INRb)/(USD\$b)	89 / 1.1
52-Week Range (INR)	324 / 213
1, 6, 12 Rel. Per (%)	0/4/-24
12M Avg Val (INR M)	459

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	14.5	16.0	18.8
EBITDA	2.1	2.5	3.3
Adj. PAT	0.9	1.3	1.7
EBITDA Margin (%)	14.6	15.9	17.3
Adj. EPS (INR)	2.9	4.3	5.6
EPS Gr. (%)	-23.6	46.8	30.6
BV/Sh. (INR)	21.3	25.6	31.2

Ratios

Net D:E	0.2	0.2	0.0
RoE (%)	13.7	16.8	18.0
RoCE (%)	13.1	16.3	17.6
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	99.8	68.0	52.1
EV/EBITDA (x)	43.1	35.6	27.6
EV/Sales (X)	6.3	5.7	4.8
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	2.1	0.9	1.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	73.9	73.9	73.9
DII	9.5	7.8	6.6
FII	5.9	5.2	11.5
Others	10.8	13.1	7.9

FII Includes depository receipts

CMP: INR292 **TP: INR335 (+15%)** **Buy**

Weak revenue hurts PAT

- Campus Activewear (Campus) posted a revenue decline of 4% YoY (9% miss), due to weak performances of both the trade distribution channel (TD) and D2C online channel. Growth in open footwear was a silver lining in 1QFY25. Weak revenue led to 22%/19% YoY decline in EBITDA/PAT (21%/22% miss) for the quarter.
- We broadly maintain our estimates, factoring in 14%/38% revenue/PAT CAGR over FY24-26. The stock has corrected sharply; however, Campus's strong market position, stabilization of D2C online/TD channels, and a long runway for growth should result in a market recovery in 2HFY25E. **Reiterate BUY with a TP of INR335.**

Revenue/PAT down 4%/19% YoY

- Revenue declined 4% YoY to INR 3.4b (9% miss) due to muted demand environment.
- Volumes increased 3% YoY to 5.8m led by open footwear; however, the ASP declined 7% YoY to INR585 due to a change in mix towards open footwear.
- TD channel declined 9% YoY; D2C channel declined 6% YoY and expect stabilization.
- Gross profit declined 5% YoY to INR 1.8b (9% miss), and margin dipped 40bp YoY to 53%. GM contraction could be due to a change in mix towards open footwear.
- EBITDA declined 22% YoY to INR517m (21% miss) due to decline in GP. Margins declined 350bp YoY to 15.3%.
- This has led to decline in PAT by 19% YoY to INR254m (22% miss). PAT margin contracted 140bp YoY to 7.5%.

Key takeaways from the management commentary

- **BIS:** It is fully effective from 1st Aug'24, while the mandated time to liquidate the inventory is the end of Jun'25. The cheap imports have reduced. Campus is fully compliant with the BIS norms. The cost impact on BIS for the company is very small.
- **Distribution:** The company has strengthened its distribution side by adding a few more superstockists and eight new distributors. The dip in trade distribution was due to open footwear sales-driven lower ASP. In terms of volumes, the channel grew YoY. Management expects to keep the mix at 50:50 going forward.
- **ASP:** The ASP decline was largely led by the higher share of open footwear. Management does not expect the ASP to increase considerably in FY25; however, as demand picks up, management is hopeful of the ASP to improve.

Valuation and view

- Our channel checks depict: 1) prolonged macro headwinds, particularly in the value segment, in the northern belt, as evident from the performances of all players, and 2) increased competitive intensity as other players are offering low-ASP products and high channel commissions, which have led to distributor churn. Campus's premiumization strategy, focusing on the INR1,000-2,000 ASP segment, could see headwinds in the current weak environment, where we see down-trading across discretionary categories.
- The ongoing weak environment, coupled with the churn in distributors and decline in O2O business partners, hurt revenue growth. However, stabilization in D2C online and trade distribution channels provides comfort.
- We broadly retain our estimates, factoring in 14%/38% revenue/PAT CAGR over FY24-26. **Reiterate BUY with a TP of INR335 (premised on 60x P/E on FY26E EPS).**

Consolidated - Quarterly Earnings

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Var. (%)	
Revenue	3,538	2,587	4,720	3,639	3,392	3,360	5,251	3,999	14,483	16,001	3,724	-8.9
YoY Change (%)	4.8	-22.4	1.4	4.6	-4.1	29.9	11.2	9.9	-2.4	10.5	5.3	
Gross Profit	1,888	1,406	2,420	1,815	1,797	1,781	2,720	2,023	7,528	8,321	1,974	-9.0
Gross margin	53.4	54.3	51.3	49.9	53.0	53.0	51.8	50.6	52.0	52.0	53.0	-3
Total Expenditure	2,876	2,342	4,158	3,000	2,874	2,833	4,400	3,350	12,375	13,457	3,072	-6.4
EBITDA	662	245	563	639	517	528	851	649	2,108	2,544	652	-20.6
EBITDA margins (%)	18.7	9.5	11.9	17.6	15.3	15.7	16.2	16.2	14.6	15.9	17.5	-224
Depreciation	171	181	184	186	162	172	182	195	721	713	192	-15.5
Interest	69	65	58	40	37	40	40	44	232	161	40	-8.7
Other Income	2	4	14	25	23	23	23	12	45	80	13	79.9
PBT	424	4	335	438	341	338	651	421	1,200	1,750	432	-21.1
Tax	109	1	86	110	87	84	163	103	306	438	108	-19.3
Rate (%)	25.8	13.5	25.6	25.2	25.6	25.0	25.0	24.6	25.5	25.0	25.0	
Reported PAT	315	3	249	328	254	253	488	318	894	1,313	324	-21.6
Adj PAT	314	3	249	328	254	253	488	318	894	1,313	324	-21.6
YoY Change (%)	1	-98	-48	43	-19	7,811	96	-3	-23.6	46.8		

E: MOFSL Estimates

Exhibit 1: Valuation based on Mar'26E

Particulars	INR/Share
EPS	5.6
Target PE (x)	60
Equity value/share (INR)	335
Upside/(Downside) (%)	15%
CMP (INR)	292

Source: MOFSL, Company



Key takeaways from the management interaction

Detailed takeaways

Open footwear:

- The company saw higher sales of open footwear (ahead of anticipated) largely led by seasonal factors like heatwaves. Open footwear majorly included Sandals and Slippers.
- The price range in open footwear starts from INR499 to INR999. The difference in ASP will be INR150-200 for open v/s closed.
- The share of open footwear stood at 22% v/s 18% YoY.

LFS: The Company strengthened its distribution channel by adding LFS account. LFS is fast growing channel for Campus. Though it is small contributor the company's focus is to add big LFS partner going forward.

Distribution:

- The company has strengthened its distribution side by adding a few more superstockists and eight new distributors.
- The dip in trade distribution was due to open footwear sales-driven lower ASP. In terms of volumes, the channel grew YoY. Management expects to keep the mix at 50:50 going forward.

EBO: The company added 13 new EBOs during the quarter taking the total to 275+. The addition includes seven COCO and six franchisees. Along with footwear, it also sells backpacks, socks and caps in its EBO. The decision to include apparel will be taken once the company reach to a sizeable amount of EBO. The company will maintain mix at 65-70% COCO and 30-35% franchisee.

ASP: The ASP decline was largely led by the higher share of open footwear. Management does not expect the ASP to increase considerably in FY25; however, as demand picks up, management is hopeful of the ASP to improve.

Price point: During the quarter, contribution from <INR1000 sales increased from 27% to 30% YoY, for INR1000-1500 the contribution increased from 25% to 30% while for >INR1500 it declined from 46% to 40% YoY.

Industry: S&A is the fastest-growing category across footwear for the last six years. Lower double-digit growth is expected as demand recovers. The company is expected to grow in line or faster than the category.

Geographic: North saw a slight decline in YoY primarily due to heat wave. West and South grew 4%. While East was flattish, Central grew 6 to 7%.

BIS:

- It is fully effective from 1st Aug'24, while the mandated time to liquidate the inventory is the end of Jun'25.
- The cheap imports have reduced. Campus is fully compliant with the BIS norms. The cost impact on BIS for the company is very small. Smaller players will have a cost impact of BIS.
- For SME with <INR50cr turnover there is no timeline. They are not falling in the BIS compliance bracket.

Channel mix:

- For MBO, the company recorded two consecutive quarters of 4.5% plus volume growth. In online sales, the marketplace grew by 24% YoY while all other online channel saw decline. Overall, online sales decline was 5%. The D2C (EBO) grew 8%.
- The decline in online sales is expected to end this quarter as the corrected base (Q2FY24) will come into play.
- **Strategy:** Distribution will focus on volume growth while EBO, online channels will focus to drive premiumization.

Others:

- The company launched 78 new designs during 1QFY25.
- **Channel inventory:** The channel inventory was at normal level at 60 days.
- **Men v/s Women/Kids:** The mix changed from 80:20 in previous year to 77:23 which is in line with the company's strategy.
- Addition of stores staff and inflation in increments impacted employee cost.
- **Sneakers:** The portfolio have grown by 120% on low base. The demand and acceptance in market is huge. Going forward the company will focus on these category also along with Women and Children.
- The management is noticing decent recovery in demand post July.

Exhibit 2: Quarterly performance

INR m	1QFY24	4QFY24	1QFY25E	YoY%	QoQ%	1QFY25E	v/s Est (%)
Total Revenue	3,538	3,639	3,392	-4	-7	3,724	-9
Raw Material cost	1,650	1,824	1,595	-3	-13	1,750	-9
Gross Profit	1,888	1,815	1,797	-5	-1	1,974	-9
Gross margin (%)	53.4%	49.9%	53.0%	-39	310	53.0%	-3
Employee Costs	237	272	287	21	6	279	3
SGA Expenses	988	904	992	0	10	1,043	-5
EBITDA	662	639	517	-22	-19	652	-21
EBITDA margin (%)	18.7%	17.6%	15.3%	-346	-230	17.5%	-224
Depreciation and amortization	171	186	162	-5	-13	192	-15
EBIT	491	453	355	-28	-22	460	-23
EBIT margin (%)	13.9%	12.4%	10.5%	-342	-198	12.3%	-187
Finance Costs	69	40	37	-47	-8	40	-9
Profit before Tax	424	438	341	-20	-22	432	-21
Tax	109	110	87	-20	-21	108	-19
Profit after Tax	315	328	254	-19	-23	324	-22
PAT margin (%)	8.9%	9.0%	7.5%	-142	-152	8.7%	-121

Source: MOFSL, Company

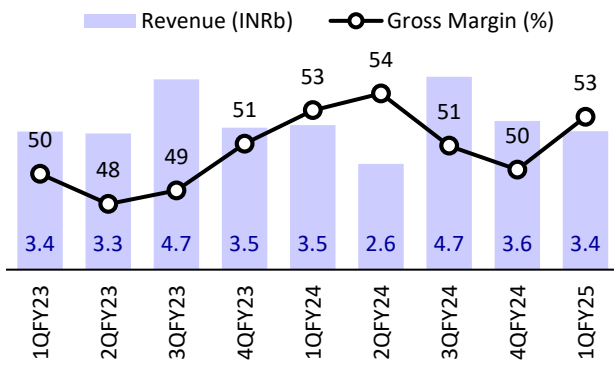
Exhibit 3: Summary of revisions to our estimates

	FY25E	FY26E
Revenue (INR m)		
Old	16,100	18,921
Actual/New	16,001	18,805
Change (%)	-0.6	-0.6
Gross Profit (INR m)		
Old	8,372	9,933
Actual/New	8,321	9,873
Change (%)	-0.6	-0.6
Gross margin (%)		
Old	52.0%	52.5%
Actual/New	52.0%	52.5%
Change (bp)	0	0
EBITDA (INR m)		
Old	2,576	3,273
Actual/New	2,544	3,253
Change (%)	-1.2	-0.6
EBITDA margin (%)		
Old	16.0%	17.3%
Actual/New	15.9%	17.3%
Change (bp)	-10	0
Net Profit (INR m)		
Old	1,273	1,703
Actual/New	1,313	1,714
Change (%)	3.2	0.6
EPS (INR)		
Old	4.2	5.6
Actual/New	4.3	5.6
Change (%)	3.2	0.6

Source: MOFSL, Company

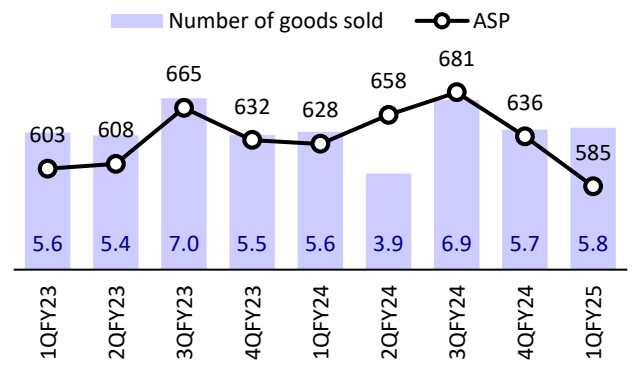
Story in charts

Exhibit 4: Revenue declined 4% YoY, led by a decline in ASP



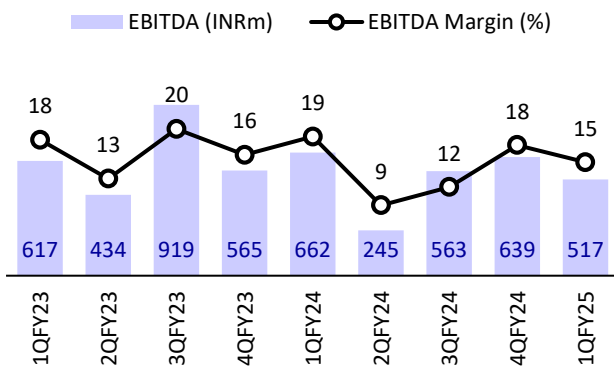
Source: MOFSL, Company

Exhibit 5: Volume increased 3% YoY and ASP dipped 7% YoY



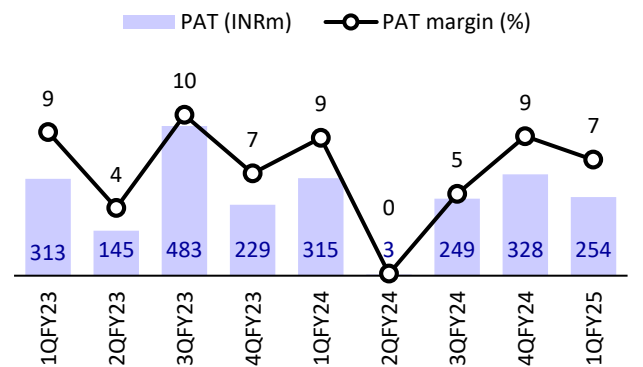
Source: MOFSL, Company

Exhibit 6: EBITDA declined 22% YoY; margin dipped 350bp



Source: MOFSL, Company

Exhibit 7: PAT declined 19% YoY; margin contracted 140bp



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Revenue from Operations	5,949	7,320	7,113	11,942	14,842	14,483	16,001	18,805
Change (%)	17	23	-3	68	24	-2	10	18
Raw Materials	3,212	3,801	3,744	5,973	7,520	6,955	7,681	8,932
GROSS PROFIT	2,737	3,519	3,369	5,968	7,323	7,528	8,321	9,873
Margin (%)	46	48	47	50	49	52	52	53
Employees Cost	431	570	552	679	802	1,015	1,216	1,260
Other Expenses	1,305	1,586	1,657	2,874	3,985	4,405	4,560	5,359
Total Expenditure	1,736	2,157	2,209	3,553	4,787	5,420	5,777	6,619
% of Sales	29.2	29.5	31.1	29.8	32.3	37.4	36.1	35.2
EBITDA	1,000	1,363	1,160	2,415	2,536	2,108	2,544	3,253
Margin (%)	16.8	18.6	16.3	20.2	17.1	14.6	15.9	17.3
Depreciation	144	231	327	532	710	721	713	901
EBIT	857	1,132	833	1,883	1,826	1,387	1,832	2,352
Margin (%)	14.4	15.5	11.7	15.8	12.3	9.6	11.4	12.5
Finance costs	212	165	172	196	287	232	161	161
Other Income	18	21	38	24	28	45	80	94
PBT bef. EO Exp.	663	988	699	1,711	1,567	1,200	1,750	2,285
Total Tax	277	364	431	634	396	306	438	571
Tax Rate (%)	41.8	36.8	61.6	37.0	25.0	25.0	25.0	25.0
Reported PAT	386	624	269	1,078	1,171	894	1,313	1,714
Adjusted PAT	386	612	279	1,273	1,171	894	1,313	1,714
Change (%)	23.0	58.4	-54.5	356.9	-8.0	-23.6	46.8	30.6
Margin (%)	6.5	8.4	3.9	10.7	7.9	6.2	8.2	9.1

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1	1,519	1,519	1,522	1,523	1,526	1,526	1,526
Total Reserves	2,017	1,329	1,608	2,754	3,998	4,990	6,303	8,017
Net Worth	2,018	2,847	3,126	4,276	5,521	6,517	7,829	9,543
Minority Interest	-26	1	4	0	0	0	0	0
Total Loans	1,986	2,756	1,772	2,890	3,350	1,778	1,930	2,045
Lease Liability	239	323	416	1,147	1,542	1,535	1,687	1,802
Capital Employed	3,978	5,604	4,902	7,166	8,871	8,294	9,760	11,588
Gross Block	1,480	2,474	3,318	4,460	5,695	6,384	7,588	8,792
Less: Accum. Deprn.	229	429	753	1,214	1,924	2,645	3,358	4,259
Net Fixed Assets	1,251	2,044	2,564	3,246	3,770	3,739	4,230	4,533
Right to use assets	298	416	491	1,208	1,501	1,437	1,867	2,304
Capital WIP	246	352	3	25	38	201	201	201
Total Investments	0	450	0	0	0	0	0	0
Curr. Assets, Loans&Adv.	2,874	3,348	3,067	4,975	6,677	5,599	7,022	8,810
Inventory	1,182	1,699	2,025	3,543	4,490	3,963	4,629	5,139
Account Receivables	1,620	1,443	982	1,337	1,766	1,183	1,534	1,803
Cash and Bank Balance	18	153	12	3	240	248	652	1,662
Loans and Advances	54	53	48	92	181	206	206	206
Curr. Liability & Prov.	1,045	1,524	1,888	2,386	2,776	2,504	2,944	3,421
Account Payables	806	1,228	1,709	1,966	2,144	2,002	2,315	2,692
Other Current Liabilities	237	279	175	414	623	484	611	711
Provisions	2	17	5	6	10	18	18	18
Net Current Assets	1,829	1,824	1,179	2,590	3,901	3,095	4,078	5,390
Deferred Tax assets	634	621	401	218	309	382	382	382
Other Assets	265	665	758	1,112	891	1,078	1,070	1,284
Appl. of Funds	3,978	5,604	4,902	7,166	8,871	8,294	9,760	11,588

Financials and valuations

Ratios								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	NA	2.0	0.9	4.2	3.8	2.9	4.3	5.6
Cash EPS	NA	2.8	2.0	5.9	6.1	5.3	6.6	8.5
BV/Share	NA	9.4	10.3	14.1	18.0	21.3	25.6	31.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	NA	144.6	317.8	69.7	76.2	99.8	68.0	52.1
Cash P/E	NA	105.0	146.2	49.2	47.5	55.3	44.1	34.1
P/BV	NA	31.1	28.3	20.7	16.2	13.7	11.4	9.4
EV/Sales	0.3	12.5	12.7	7.7	6.2	6.3	5.7	4.8
EV/EBITDA	2.0	66.9	77.8	37.9	36.4	43.1	35.6	27.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	NA	-1.8	2.3	-0.5	1.9	6.2	2.7	4.8
Return Ratios (%)								
RoE	19.2	21.5	8.9	29.8	21.2	13.7	16.8	18.0
RoCE	16.2	16.4	8.4	21.1	18.2	13.1	16.3	17.6
RoIC	16.8	18.4	8.4	20.8	18.2	13.2	16.6	19.1
Working Capital Ratios								
Fixed Asset Turnover (x)	4.0	3.0	2.1	2.7	2.6	2.3	2.1	2.1
Asset Turnover (x)	1.5	1.3	1.5	1.7	1.7	1.7	1.6	1.6
Inventory (Days)	120	138	182	170	195	222	220	210
Debtor (Days)	108	76	62	35	38	37	35	35
Creditor (Days)	108	98	143	112	100	109	110	110
WC (Days)	120	117	101	93	133	150	145	135
Leverage Ratio (x)								
Current Ratio	2.8	2.2	1.6	2.1	2.4	2.2	2.4	2.6
Interest Cover Ratio	4.0	6.9	4.9	9.6	6.4	6.0	11.4	14.6
Net Debt/Equity	1.0	0.8	0.6	0.7	0.6	0.2	0.2	0.0

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INR m)								
OP/(Loss) before Tax	663	988	699	1,711	1,566	1,200	1,750	2,285
Depreciation	144	231	327	532	710	721	713	901
Interest & Finance Charges	212	165	172	196	287	232	161	161
Others	100	187	87	65	180	282	0	0
Direct Taxes Paid	-92	-397	-252	-436	-525	-350	-438	-571
(Inc)/Dec in WC	-483	-179	210	-1,890	-954	560	-570	-515
CF from Operations	544	995	1,243	178	1,265	2,645	1,616	2,260
Others	0	0	0	0	0	0	0	0
CF from Operating incl EO	544	995	1,243	178	1,265	2,645	1,616	2,260
(Inc)/Dec in FA	-288	-1,545	-539	-341	-697	-745	-804	-804
Free Cash Flow	257	-550	704	-163	568	1,900	813	1,457
(Pur)/Sale of Investments	0	0	449	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
CF from Investments	-288	-1,545	-90	-341	-697	-745	-804	-804
Issue of Shares	0	179	0	32	38	98	0	0
Inc/(Dec) in Debt	-54	654	-1,077	387	65	-1,565	0	0
Interest Paid	-201	-148	-140	-121	-137	-99	-25	-25
Lease instalment	0	0	-77	-143	-297	-359	-384	-422
Minority	0	0	0	0	0	0	0	0
CF from Fin. Activity	-255	686	-1,294	155	-331	-1,925	-408	-447
Inc/Dec of Cash	1	135	-141	-9	236	-25	404	1,010
Opening Balance	16	18	153	12	3	240	248	652
Closing Balance	18	153	12	3	240	248	652	1,662

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") (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 dp@grievances@motilaloswal.com.