Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	78,139	-0.1	8.2
Nifty-50	23,645	0.0	8.8
Nifty-M 100	57,199	0.0	23.9
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,882	-0.4	23.3
Nasdaq	19,311	-0.9	28.6
FTSE 100	8,173	0.6	5.7
DAX	19,909	0.0	18.8
Hang Seng	7,290	0.1	26.4
Nikkei 225	39,895	0.0	19.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	74	0.2	-4.5
Gold ($/OZ)	2,625	0.7	27.2
Cu (US$/MT)	8,653	-1.6	2.2
Almn (US$/MT)	2,527	0.1	7.7
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	85.6	0.1	2.9
USD/EUR	1.0	-0.5	-6.2
USD/JPY	157.2	0.2	11.5
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	-0.01	-0.4
10 Yrs AAA Corp	7.2	-0.02	-0.5
Flows (USD b)	**31-Dec**	**MTD**	**CYTD**
FIIs	-0.5	1.40	-0.1
DIIs	0.53	4.01	62.4
Volumes (INRb)	**31-Dec**	**MTD***	**YTD***
Cash	885	1107	1254
F&O	2,52,619	2,09,275	3,64,167

Note: Flows, MTD includes provisional numbers. *Average

Today's top research theme

India Strategy: On cloud 9 with a tinge of grey!

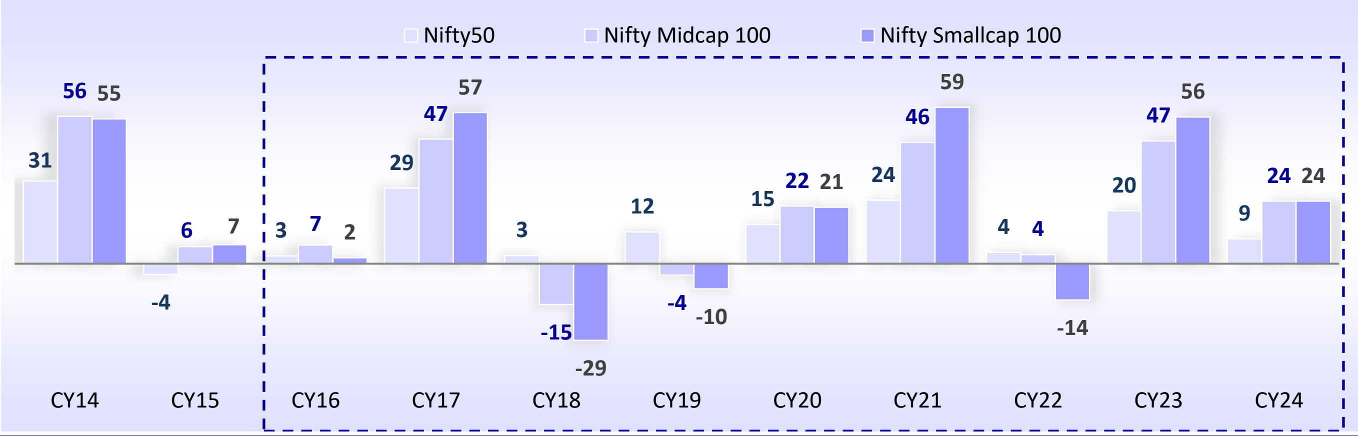
- As CY24 wraps up, Indian markets have once again celebrated a year of gains, marking a historic milestone with nine consecutive years of positive returns. India's market capitalization reached USD5.2t, representing 4.2% of the global market cap.
- The year saw a series events influencing global and Indian equity markets, leading to volatility in FII flows into India. Despite FII selloffs causing market jitters, strong domestic liquidity has dominated flows into the Indian equity market, reducing volatility. Also, the year witnessed a slowdown in consumption and corporate earnings, geopolitical uncertainties, and high valuations in some mid and small-cap sectors.
- CY25 may alleviate some concerns, with a gradual recovery in corporate earnings and consumption, led by expected increased government spending in early CY25 and improved rural incomes. However, there may be some volatility in global trade and currencies after the new US administration takes charge, and persistent inflation could slow anticipated interest rate cuts.
- Against this backdrop, we would maintain cautious optimism for potential upside, though lower than the past two years. We remain optimistic on IT, Healthcare, BFSI, Consumer Discretionary, Industrials, and Real Estate sectors with a distinct bias towards large-caps.

Research covered

Cos/Sector	Key Highlights
India Strategy	On cloud 9 with a tinge of grey!
Metro Brands | Top Pick 2025	Long runway for growth
EcoScope	Total spending remains muted

Chart of the Day: India Strategy (On cloud 9 with a tinge of grey!)

Over the last nine years, mid-caps have delivered seven and small-caps have reported six years of positive returns



Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Rs 1,500 crore to be transferred to ITC for growth & contingency requirements

ITC will demerge its hotel business effective January 1, 2025. Shareholders will get one ITC Hotels share for every 10 ITC shares on the record date, January 6, 2025. ITC Hotels will list its shares within 60 days of NCLT order.

2

Kalpataru Projects International bags orders worth Rs 1,011 cr

Kalpataru Projects International Ltd and its international subsidiaries have secured new orders worth Rs 1,011 crore. The orders include projects in transmission and distribution overseas, and in the Railways and Buildings & Factories sectors in India.

3

RBI approves re-appointment of Anup Kumar Sinha as non-executive chairman of Bandhan Bank

The Reserve Bank of India (RBI) on Tuesday approved re-appointment of Anup Kumar Sinha as the Non-Executive Chairman of Bandhan Bank, the company said.

4

Blinkit launches large order fleet

To boost the demand for bulkier and costlier items, Blinkit also introduced an EMI option on service for those priced above Rs 2,999.

5

Govt widen ambit of quality control for steel

The import-export gap is set to widen further in the current fiscal year, hitting an eight-year high of 11 million tonnes.

6

Food companies in APAC focusing on healthy foods as consumers ready to spend more, says GlobalData

For packaged food companies in the Asia-Pacific (APAC) region, health and convenience have become the key focus areas, said GlobalData.

7

Bharatiya Vayuyan Adhiniyam to be effective from Jan 1

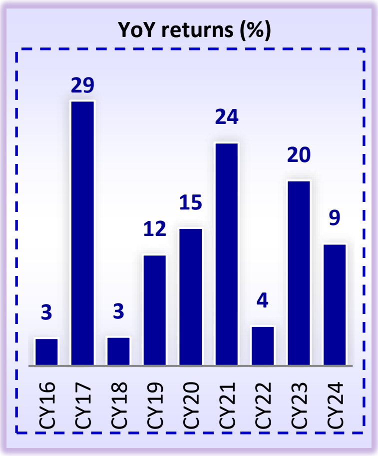
The new Bharatiya Vayuyan Adhiniyam, 2024, aimed at enhancing aircraft design and manufacturing in India, will take effect on January 1, 2025.

India Strategy

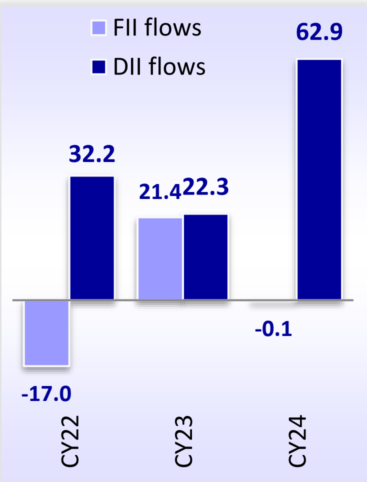
BSE Sensex: 78,139 **Nifty-50: 23,645**

Refer to our recent Strategy report on fundraising

Nifty-50: Nine successive years of positive returns



FII-DII yearly flows (USD b)



FII flows as of 30th Dec'24 and DII flows as of 31st Dec'24

On cloud 9 with a tinge of grey!

CY24: A look back – Thriving in turbulent times

- **India – the cynosure of all eyes…:** As CY24 wraps up, Indian markets have once again celebrated a year of gains, marking a historic milestone with nine consecutive years of positive returns. The last three years have been remarkable, as domestic markets have navigated through global hurdles, all while facing significant selling from FIIs.
- **…against all odds:** Both the global and Indian markets faced significant challenges in CY24, including geopolitical headwinds, regulatory tightening, a minor setback for the NDA in the Lok Sabha elections, mixed state election outcomes, increased capital gains taxes, a strengthening USD, persistent inflation, high interest rates, a consumption slowdown, earnings moderation, valuation concerns in mid/small caps, and volatile FII flows, leading to heightened market volatilities. Nevertheless, the Nifty-50 ended CY24 with a 9% gain and India's market capitalization reached USD5.2t, representing 4.2% of the global market cap.

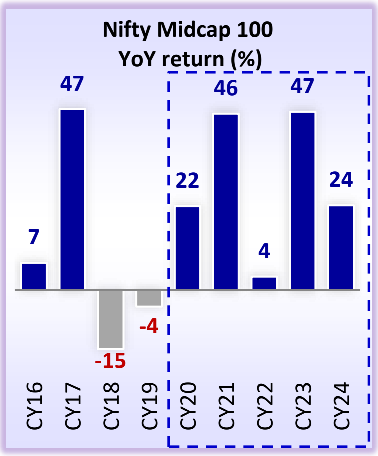
Domestic liquidity showcases its prowess

- The year experienced a series of events influencing global and Indian equity markets, including the Fed's rate cut cycle, strong US markets, China's stimulus packages, Japan's yen carry trade, Mr. Trump's presidential win, and geopolitical tensions, leading to volatility in FII flows into India. As a result, Indian markets corrected from their Sep'24 highs.
- However, despite FII selloffs causing market jitters, strong domestic liquidity has dominated flows into the Indian equity market, reducing volatility. The increase in demat accounts (at ~180.5m) and SIP flows (of over INR250b per month) continues to strengthen domestic liquidity against the sharp FII outflows and global volatility during the year.
- DIIs invested a record ~USD63b during the year, achieving 17 subsequent months of inflows and exceeding the combined DII inflows of CY22 and CY23. In contrast, FII inflows in CY24 remained flat.

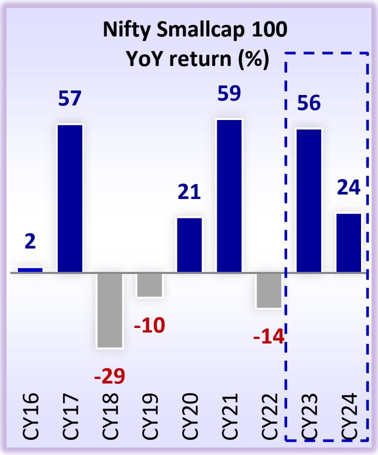
Macro and micro momentum ebbs; resurgence likely in 2HFY25

- **Moderation in macro indicators..:** Following a strong FY24, 1HFY25 experienced a slowdown in key macroeconomic indicators. Real GDP growth fell to 5.4% YoY in 2QFY25, down from 8.2% YoY in FY24, due to lower government spending and reduced consumption. Total capital spending of the Central Government (excl. Loans and Advances) is budgeted at INR9.2t for FY25, down 13.5% YoY in 1HFY25, achieving only 39.1% of BE in 1HFY25 (vs. 50% each in the last two years). Given the past run rate, we estimate the Center's actual capex could reach 92-95% of BE (INR8.5-8.7t) this year. We project FY25 GDP growth at approximately 5.8% YoY, lower than the earlier estimate of 6.1%. In addition, high-frequency data (e.g., GST collections, auto monthly numbers, power demand, PMI data, et al.) also showed a slight moderation from previous highs.

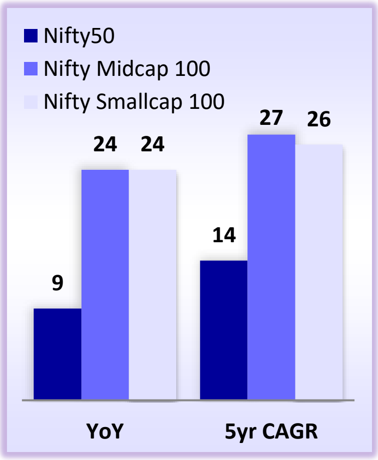
Nifty Midcap 100: Five consecutive years of positive returns



Nifty Smallcap 100: Two consecutive years of positive returns



Indices performance (%)



- **…along with earnings momentum…:** Following a healthy MOFSL Universe/Nifty-50 CAGR of 26%/21% over FY20-24, corporate earnings also moderated in 1HFY25. The earnings performances for MOFSL Universe (-1% YoY) and Nifty-50 (+4% YoY) in 2QFY25 were the lowest in 8 and 17 quarters, respectively. However, excluding global commodities, the performances remained strong at +12% and +11% YoY, respectively.
- **…but, recovery in sight…:** Notably, we expect earnings to recover in 2HFY25 (~9% YoY growth for the MOFSL Universe in 2H vs. flat performance in 1H).

Political continuity in a volatile world

- **The NDA's victories in the Center and key states ensure policy continuity:** The BJP-led NDA secured a full majority in the 2024 Lok Sabha elections for a third consecutive term, marking a significant pro-incumbency trend amid global anti-incumbency challenges. The government's retention of key cabinet positions and victories in state elections, including Maharashtra, Haryana, and Uttar Pradesh by-elections, enhance market confidence in policy continuity and administrative stability.

Broader markets back in the spotlight!

- **Mid-and small-caps remain the winners for the second consecutive year:** The business momentum in sectors such as Real Estate, Capital Goods, Automobiles, Infrastructure, Industrials, Utilities, Hotels, and PSUs (mainly falling under the mid- and small-cap categories) is driving stock prices as well. Conversely, sharp FII outflows from large-cap stocks (Nifty-50) have led to their underperformance this year again. Despite ~30% correction in a few stock prices from their Sep'24 highs, the mid- and small-cap indices handsomely outperformed the large-cap index. Both Nifty Midcap 100 and Nifty Smallcap 100 grew 24% YoY each, outperforming Nifty-50 by 15% each in CY24.
- **Strong retail participation induces launches of multiple mid-, small-cap and thematic funds:** The strong retail participation and outperformance of mid- and small-cap stocks since CY23 have led to new mutual fund launches and higher investments. Favorable conditions in these sectors have also led to numerous thematic fund launches, boosting mid- and small-cap performance in CY24.

Reducing interest rates to bring relief to global markets

- After holding rates at a two-decade high, the US Fed began easing rates in CY24, its first reduction in four years. The Fed lowered rates by 100bp in its last three meetings, setting the target range at 4.25-4.50%.
- Several global central banks are also easing rates from multi-year highs due to waning inflation and weak economic growth. The RBI, however, continued to hold rates due to higher-than-expected inflation, and it is likely to start easing by Feb'25, in our opinion. Continued global rate easing may attract sustained capital flows to emerging markets, including India.

Back to the Future – CY25!

- As we conclude 2024, we explore the key factors driving growth and market influence going forward.
- Despite global challenges, India continues to be the fastest-growing economy among major nations, reflecting its resilience. Factors such as sustained growth, political stability, prudent reforms, infrastructure investment, healthy corporate finances, ample foreign reserves, controlled twin deficits, stable crude prices,

FII flows remained flat in CY24 (vs. an inflow of USD21.2b in CY23)

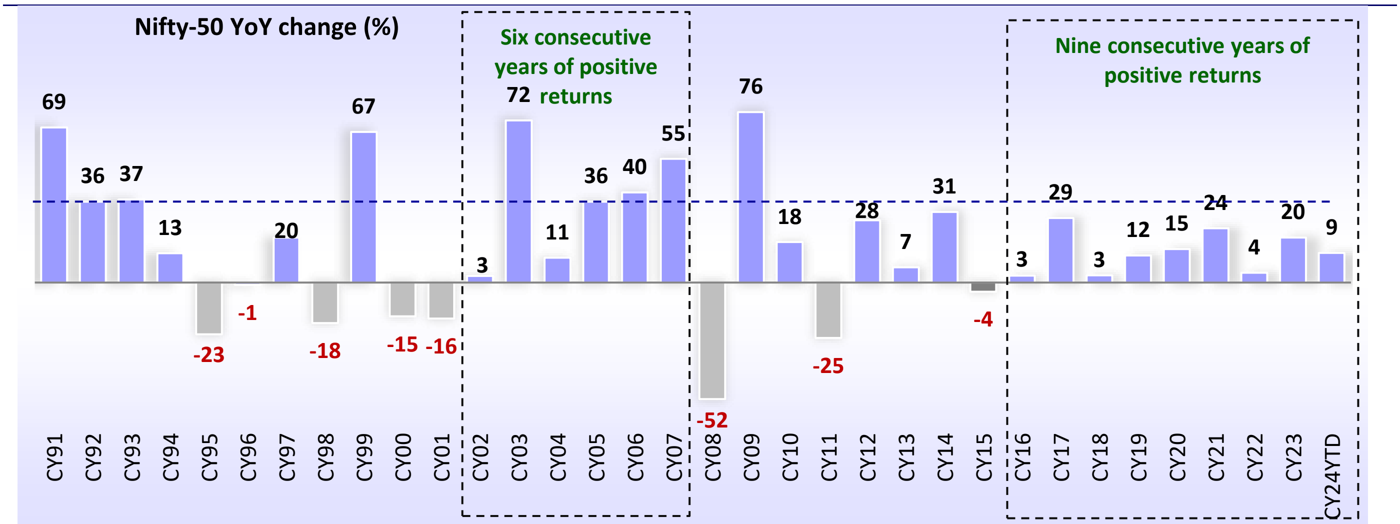
DIIs posted the highest inflow of USD63b in CY24, ~15% higher than the combined inflows of CY22 and CY23

India’s contribution to the world market cap stood at 4.2% in CY24, up 40bp YoY

and lower commodity inflation protect India from external shocks and position it for future growth.

- The past year experienced a slowdown in earnings and consumption, rising global interest rates, geopolitical uncertainties, and high valuations in some mid- and small-cap sectors. CY25 may alleviate some concerns, with a gradual recovery in corporate earnings and consumption expected due to increased government spending in early CY25 and improved rural incomes after a successful kharif season. However, there may be some volatility in global trade and currencies after the new US administration takes charge, and persistent inflation could slow anticipated interest rate cuts.
- **Valuations and view:** After a relentless rise, valuations have moderated from the CY24 highs. The 12-month forward P/E of Nifty-50 trades at 19.9x in Dec’24 (vs. 22.5x in Sep’24) at a discount to its LPA of 20.5x. Notably, Nifty-50’s EPS CAGR of 17% over FY20-25E (at INR1,061 in FY25E) has been higher with the index CAGR of 14% during the last five years (ending Dec’24). Further, Nifty-50’s earnings are anticipated to clock an 11% CAGR between FY24 and FY26.
- Despite recent corrections, mid-cap and small-cap indices trade at premiums of 56% and 17% over the Nifty-50, at ~31x and 23x, respectively. Thus, large caps remain attractive amid historically high valuations for broader markets.
- Against this backdrop, we would maintain cautious optimism for potential upside, though lower than the past two years. We remain optimistic on IT, Healthcare, BFSI, Consumer Discretionary, Industrials, and Real Estate sectors with a distinct bias towards large-caps.
- **Top Ideas:** Among **large-caps**, we favor HDFC Bank, Bharti Airtel, SBI, L&T, HCL Tech, M&M, Zomato, Titan Company, Mankind Pharma, and Dixon Tech. Among **mid- and small-caps**, we are bullish on Indian Hotels, Cummins India, Kaynes, BSE, Godrej Properties, Coforge, Metro Brands, IPCA, Angel One, and JSW Infra.

Nine consecutive years of positive returns for the first time in history!



Source: Exhibit data is sourced from Bloomberg, NDSL, SEBI, Capitaline, and MOFSL database

Motilal Oswal | Morning India

TOP PICK 2025

31 December 2024

Update | Sector: Retail

Metro Brands

BSE SENSEX	S&P CNX
78,248	23,645

CMP: INR1,217 TP: INR1,460 (+20%) Buy

Stock Info

Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	331.1 / 3.9
52-Week Range (INR)	1430 / 990
1, 6, 12 Rel. Per (%)	1/1/-13
12M Avg Val (INR M)	237

Financials & Valuations (INR b)

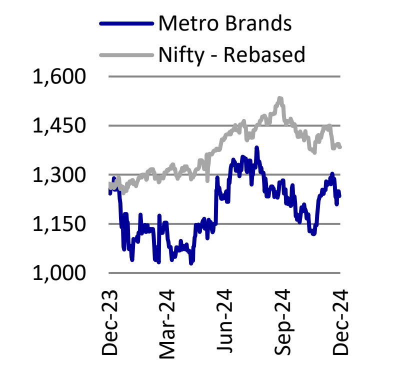
Y/E March	FY24	FY25E	FY26E
Sales	23.6	25.3	29.8
EBITDA	7.0	7.5	9.3
Adj. PAT	4.1	3.7	4.8
EBITDA Margin (%)	29.7	29.4	31.2
Adj. EPS (INR)	12.7	13.8	17.5
EPS Gr. (%)	(5.2)	8.5	26.9
BV/Sh. (INR)	70.2	81.8	96.6
Ratios			
Net D:E	0.1	(0.0)	(0.1)
RoE (%)	20.3	18.6	20.1
RoCE (%)	17.7	14.1	15.5
Payout (%)	14.8	17.7	17.6
Valuations			
P/E (x)	95.0	87.5	69.0
EV/EBITDA (x)	48.4	45.2	35.9
EV/Sales (X)	14.4	13.3	11.2
Div. Yield (%)	0.2	0.2	0.3

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	72.0	74.2	74.2
DII	7.0	5.6	6.1
FII	3.4	3.1	2.3
Others	17.7	17.2	17.4

FII includes depository receipts

Stock Performance (1-year)



Long runway for growth

Metro Brands' (MBL) stock performance has been flattish in CY24 and has underperformed benchmark indices due to both internal and external factors. Internal factors included: a) the liquidation of old FILA inventory, which impacted gross margins, and b) a decline in revenue per sq. ft., driven by a lower share of Crocs in the incremental store rollouts. External factors included: a) challenges arising from the BIS implementation, which led to delays in the FILA expansion, and b) overall demand weakness in the footwear category. However, we believe these are short-term bumps and remain optimistic about the long-term outlook for MBL, given its: a) strong runway for growth, funded through internal accruals, and b) superior execution and store economics, as reflected by its healthy RoIC of 30%+. We reiterate our BUY rating with a TP of INR1,460 (based on 70x Dec'26E P/E).

FILA and Foot Locker ramp-up delayed, but remains the key growth driver

- Sports and Athleisure (S&A), the fastest-growing footwear category, was a key whitespace in MBL's portfolio. MBL addressed this by acquiring licenses for FILA and Foot Locker (Sneakers and Nike).
- MBL planned to relaunch FILA in FY25, but due to challenges arising from the BIS implementation, it has deferred the opening of FILA EBOs to 2HFY26.
- MBL opened its first Foot Locker store in 3QFY25, but the ramp-up is likely to be gradual, with only three leases signed so far.
- We view the delays as short-term bumps and believe that FILA and Foot Locker will continue to be key growth drivers for MBL in the long term.
- Given the long runway for growth in S&A, MBL can potentially open ~300 FILA EBOs, similar to the top sportswear brands in India, and generate ~INR6-9b sales over the medium term.
- Similarly, Foot Locker offers a premium play in sneakers for MBL and has the potential to generate ~INR2.5-6b in sales from tier 1 cities over the medium term.
- We believe that FILA and Foot Locker together could generate ~INR9-15b in sales (38-63% of MBL's FY24 revenue) at margins similar to MBL's existing margin profile over the medium term.

Superior store economics and cost controls to drive outperformance

- Weak discretionary spending over the past few quarters, along with BIS-related challenges, have weighed on MBL's performance as well, resulting in modest revenue growth of ~2% in 1HFY25.
- Despite weak revenue growth and the impact of FILA liquidation, strong cost controls have helped MBL maintain its gross, EBITDA, and PAT margins at 57%, 28%, and 14%, respectively, all of which remained within the guided range in 1HFY25.
- In our view, MBL's superior store economics (~INR20k SPSF, ~2 years store payback), combined with its strong cost controls, has enabled it to continue its outperformance over other footwear peers.
- With the liquidation of FILA inventory largely behind and a higher number of wedding days, we expect both SSSG and margins to improve from 2HFY25.

Long runway for growth funded by internal accruals

- MBL has a presence of 873 stores across its formats in <200 cities compared to 400+ cities for Titan and ~600+ cities for Raymond, offering a long runway for growth.
- MBL can expand its presence to 300 cities for its Metro and Mochi formats, while also deepening its presence in existing cities over the medium term.
- The company is focused on refining the store economics for its value format, Walkway, which we believe could expand its presence in tier 3+ cities.
- Further, the ramp-up of recent additions to MBL's portfolio, such as FILA and Foot Locker, provides a long runway for growth.
- With a strong net cash balance sheet and healthy OCF generation of ~INR13.5b over FY24-27, MBL can potentially double its store count (average capex of INR10-12m per store) over the next three years through internal accruals.
- Conservatively, we assume ~100-110 store additions on average annually over FY24-27 (vs. an average of 380 annually based on MBL's OCF generation).

Valuation and view

- MBL trades at a rich valuation, with a P/E of ~70x on FY26 EPS, driven by: a) superior store economics, with industry-leading store productivity and strong cost controls, and b) a long runway for growth, largely funded through internal accruals, given its strong balance sheet and healthy RoIC of ~30%+.
- Although the ramp-up of FILA and Foot Locker has been delayed due to challenges posed by BIS implementation, we continue to view FILA and Foot Locker as key growth drivers for MBL in the medium term.
- Our earnings estimates remain largely unchanged. We factor in 14% revenue CAGR over FY24-27, driven by ~12% footprint CAGR and ~17%/20% EBITDA/PAT CAGR over FY24-27, supported by continued strong cost controls.
- We value MBL at 70x Dec'26 PE to arrive at a valuation of INR1,460 per share. We have not factored any significant contribution from FILA and Foot Locker in our estimates till FY27, and a faster ramp-up could provide further upside potential.
- Our TP implies ~12%/13% revenue/EBITDA CAGR over FY25-50E, driven by a) ~7% CAGR in store additions, b) ~4% annual increase in store sales throughput, c) discount rate of 10.5%, d) a terminal growth rate of 6.5% and e) FCF to pre IND-AS 116 EBITDA improving from ~41% in FY24 to ~70% by FY2035.

Total spending remains muted

Fiscal deficit at 52.5% of FY25BE in Apr-Nov'24

- **Total spending growth by the central government plunged to 3.6% in Nov'24 vs. 31.7% growth in Oct'24. At the same time, core spending (total spending excluding interest payments and subsidies) contracted 5.1% in Nov'24 (lowest in five months) vs. a growth of 30.6% in Oct'24.**
- **Deceleration in total spending growth was mainly led by revenue spending, which grew at the four-month lowest pace of 0.5% YoY in Nov'24 (vs. 41.9% in Oct'24). On the other hand, total capital spending picked up in Nov'24 after contracting for three straight months (21.3% YoY in Nov'24 vs. -8.4% in Oct'24). However, the growth in capital spending was solely led by a massive 507.3% increase in loans and advances. Capital spending excluding loans and advances marked its fourth straight contraction in Nov'24 (-20.2% in Nov'24 vs. -26.6% in Oct'24). *(Exhibits 1 and 2)***
- **Accordingly, the government's total spending in Apr-Nov'24 stood at INR27.4t, up 3.3% YoY and accounting for 56.9% of FY25BE, the lowest in at least a decade (vs. INR26.5t in Apr-Nov'23; 59% of FY24BE). Capital spending in Apr-Nov'24 stood at INR5.1t (down 12.3% YoY), representing 46.2% of FY25BE (vs. 59% of FY24BE or INR5.9t in Apr-Nov'23). On the other hand, revenue spending stood at INR22.3t (up 7.8% YoY) in Apr-Nov'24, representing 60% of FY25BE (vs. 59% of FY24BE or INR20.4t in Apr-Nov'23).**
- **Meanwhile, total receipts picked up to grow at a five-month high of 10.6% YoY in Nov'24 (vs. -50.4% growth in Oct'24). *(Exhibit 3).* While net tax revenue grew 3.5% in Nov'24 (-71.9% in Oct'24), non-tax receipts grew 49.1% (highest in five months). The pick-up in net tax revenue was mainly led by direct taxes (24.8% in Nov'24, highest in five months). Income tax collections increased sharply by 60.9% YoY in Nov'24 (highest in four months). At the same time, corporate tax collections fell 26.6% in Nov'24 (worst in three months). Indirect tax collections growth remained muted at 1% in Nov'24 (vs. 13.5% growth in Oct'24, worst in six months), mainly led by lower GST (-4.8% YoY in Nov'24) and excise duty tax collections (-7.9% in Nov'24, third consecutive contraction).**
- **Therefore, for Apr-Nov'24, the total receipts of the government rose 8.5% YoY. Corporate tax collection was down 0.5% YoY and income tax revenue grew 23.5% YoY. Total receipts stood at INR18.9t, representing 60% of FY25BE (vs. INR17.5t or 66% of FY24BE during Apr-Nov'23).**
- **Consequently, in Apr-Nov'24, the government's fiscal deficit stood at INR8.5t, accounting for 52.5% of FY25BE vs. 51% of its FY24BE (or INR9.1t) in Apr-Nov'23 *(Exhibit 4).***

Exhibit 1: Total spending remained muted in Nov'24...

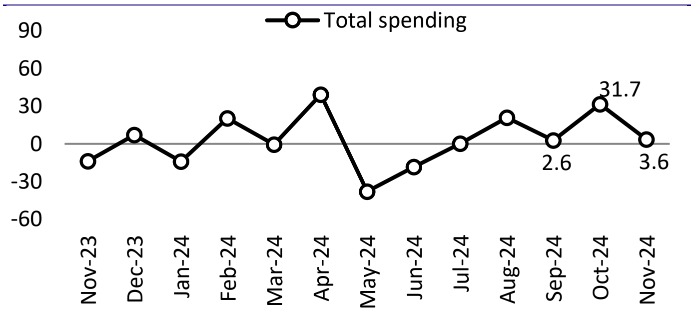
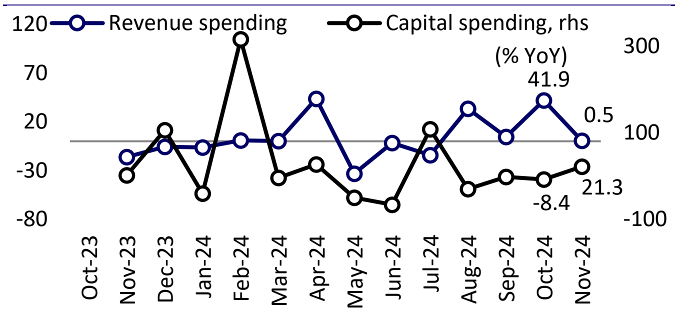


Exhibit 2: ...mainly led by deceleration in revenue spending



Source: Controller General of Accounts (CGA), MOFSL

Exhibit 3: Total receipts picked up in Nov'24

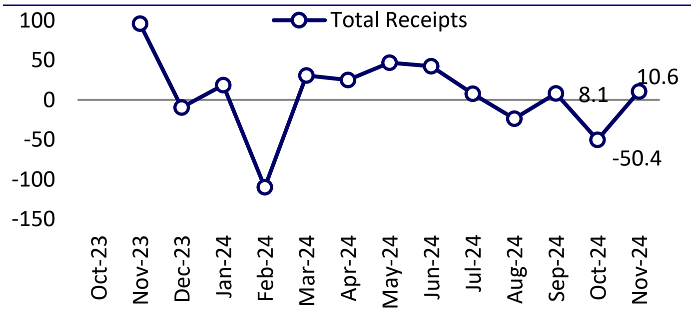
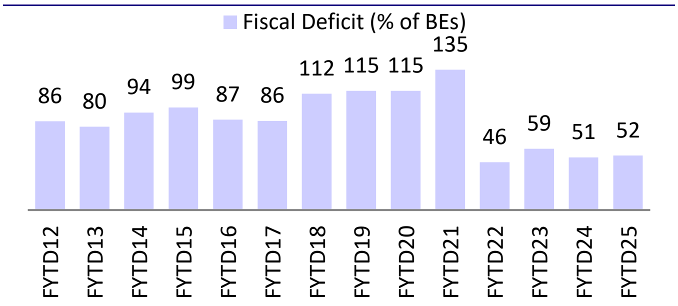


Exhibit 4: Fiscal deficit stood at 52.5% of BEs in Apr-Nov'24 vs. 51% in Apr-Nov'23



Apr-Sep for all years; Source: CGA, MOFSL

Shriram Finance: Would remain conservative on our estimates of growth; Umesh Revankar, Exec VC

- See pickup in unskilled & semi-skilled labour transfer to big city
- Would remain conservative on estimates of growth
- There is no direct competition for larger NBFCs
- Expect loan growth of 15-20%, will be looking at new sources of funds

Read More

Muthoot Finance: Rising stress in loans;what rbi financial stability report says?; George Alexander Muthoot, MD

- Demand for secured gold loan has increased as customers are not able to access unsecured loans
- For next two quarters there will be subdued or de-growth in microfinance segment for Muthoot
- NPAs have gone up in microfinance segment
- Funding is not essential for microfinance segment because of de-growth
- Will wait for at least two quarters for Belstar IPO
- Will stick to growth guidance, will revisit guidance during Q4 results

Read More

Vinati Organics: Expect 20% revenue growth in FY26 & FY27; Vinati Mutreja, MD

- Expect 20% growth in revenue in FY26 & FY27
- Expect EBITDA margings to be nearly 26% in FY26
- Government is intervening in the China problem by implementing anti-dumping duty
- Chemical industry is expected to grow in the next 5-10 years
- Currently anti-oxidants is nearly 10% of the revenue which is facing China problem

Read More

Zen Technologies: Expect 50% revenue growth over the next 3 years with margin at 35%; Ashok Atluri, Chairman & MD

- Maintain FY25 Revenue guidance of Rs 900 cr and EBITDA margin of 35%
- Expect 50% revenue growth over the next 3 yrs with margin at 35%
- AVT Simulation is a company we intend to collaborate with in Air simulations
- Expect R&D expenditure to ramp up to Rs 50-60 Crs
- Company looking at US as one of the key markets going ahead

Read More

NOTES

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall 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 Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have 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. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, 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.

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) 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.
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.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the 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.

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.

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.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

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 Financial Services Limited (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

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.