

BSE SENSEX	S&P CNX
27,518	8,526
Bloomberg	PAG IN
Equity Shares (m)	11.2
M.Cap.(INRb)/(USDb)	167.1 / 2.5
52-Week Range (INR)	17351 / 9770
1, 6, 12 Rel. Per (%)	-2/8/11
Avg Val, INRm/ Vol m	162
Free float (%)	51.0

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	17.8	21.4	26.5
EBITDA	3.8	4.3	5.8
PAT	2.3	2.8	3.7
EPS (INR)	208.6	251.8	331.1
Gr. (%)	18.7	20.7	31.5
BV/Sh (INR)	453.0	578.8	744.4
RoE (%)	46.0	43.5	44.5
RoCE (%)	42.6	40.9	43.1
P/E (x)	71.8	59.5	45.2
EV/EBITDA (x)	44.5	38.8	28.9

Estimate change

TP change

Rating change



CMP: INR 14,978

TP: INR17,515(+19%)

Buy

Double digit volume growth, but below expectations

- **Page Industries 2QFY17** net sales grew 15.3% YoY to INR5.38b (est. INR5.78b) with 10.7% volume growth. EBITDA grew 6.6% YoY to INR1,075m (est. INR 1276m). Adj. PAT growth was up 14% YoY to INR687m (est. INR828m).
- **2QFY17 volumes grew 10.7% YoY.** Men's Innerwear, women's innerwear and sportswear segment posted 16.6%, 20.9% and 11.6% growth respectively with volume growth of 10.4%, 19.6% and 5.5% respectively. Performance, while healthy, was below expectations in the men's innerwear segment which comprises half of company sales and the sportswear segment.
- **Gross margin contracted 130bp YoY (est. 50bp decline) to 59.9%.** Higher employee costs (up 140bp YoY due to senior management hires) was offset by lower other expenses (down 100bp YoY) resulting in 170bp EBITDA margin contraction to 20%. With yarn costs back down to INR 210/kg and likely price increase in the March quarter, YoY margins are not a worry going forward.
- **Management interaction takeaways:** (1) There was some front ending of demand in 1QFY17 which witnessed 21% volume growth YoY which meant that 2QFY17 volume growth of ~11% was relatively muted; (2) Management guided for 13-15% volume growth for the full year; (3) Karnataka may not see a steep 20% increase in minimum wages next year unlike earlier fears.
- **Valuation and view:** We believe Page offers a compelling, capital-efficient long-term lifestyle play on the premium zing innerwear category. It enjoys a natural first mover advantage and has no comparable competitor with similar scale in its niche. A widening product and brand portfolio, coupled with distribution expansion will aid share expansion and drive multiple years of growth, in our view. We have reduced our estimates for FY17/FY18 by 6%/10% mostly due to revised volume estimates and higher interest cost. Maintain **Buy** with a revised target price of INR17,515 (46x September'18 EPS, 5% discount to 3 year average P/E).

Quarterly Performance

Y/E MARCH	FY16				FY17				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY16	FY17E	FY17 2QE	Var. (%)
Net Sales	4,489	4,663	4,408	4,343	5,719	5,378	5,026	5,264	17,840	21,386	5,776	-6.9%
YoY Change (%)					27.4	15.3	14.0	21.2	15.6	19.9	25.0	
COGS	1,783	1,808	1,653	1,630	2,570	2,156	1,885	1,913	6,913	8,523	2,282	
Gross Profit	2,705	2,855	2,755	2,712	3,149	3,222	3,141	3,351	10,927	12,863	3,494	-7.8%
Gross margin (%)	60.3	61.2	62.5	62.5	55.1	59.9	62.5	63.7	61.2	60.1	60.5	
Other Expenditure	1,701	1,844	1,852	1,811	2,057	2,147	2,136	2,212	7,150	8,552	2,218	
% to sales	37.9	39.6	42.0	41.7	36.0	39.9	42.5	42.0	40.1	40.0	38.4	
EBITDA	1,004	1,011	904	901	1,092	1,075	1,005	1,139	3,776	4,311	1,276	-15.8%
Margins (%)	22.4	21.7	20.5	20.7	19.1	20.0	20.0	21.6	21.2	20.2	22.1	
YoY Change					8.8	6.3	11.2	26.4	18.5	14.2	25.0	
Depreciation	56	58	57	69	59	60	51	50	238	221	51	
Interest	50	37	34	36	39	40	40	50	153	170	21	
Other Income	56	9	2	3	59	62	60	65	62	246	15	
PBT	953	926	814	800	1,053	1,037	973	1,104	3,448	4,166	1,218	-14.9%
Tax	327	323	241	241	373	350	292	337	1,116	1,352	390	
Rate (%)	34.3	34.9	29.5	30.2	35.5	33.8	30.0	30.5	32.4	32.5	32.0	
PAT	626	602	574	558	679	687	681	767	2,332	2,814	828	-17.1%
YoY Change (%)					8.5	14.0	18.7	37.4	19.0	20.7	35.8	

E: MOSL Estimates

Krishnan Sambamoorthy (Krishnan.sambamoorthy@motilaloswal.com); +91 22 3982 5428

Vishal Punmiya (Vishal.Punmiya@MotilalOswal.com); +91 22 3980 4261

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Operating metrics

Exhibit 1: Quarterly operational data

Volume ('000)	2QFY15	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17
Men innerwear	19,621	17,745	17,460	19,795	20,727	19,540	17,310	23,720	22,880
Women innerwear	5,866	5,547	5,670	7,754	6,681	6,650	6,450	9,080	8,000
Leisure wear	5,769	6,304	5,900	5,992	7,101	6,550	7,260	7,810	7,320
Speedo	54	34	16	166	65	30	210	290	80
Total	31,310	29,630	29,046	33,707	34,575	32,770	31,230	40,900	38,280
% YoY									
Men innerwear	22.4	15.6	38.5	NA	NA	10.1	-0.9	19.8	10.4
Women innerwear	16.2	9.9	23.2	NA	NA	19.9	13.8	17.1	19.7
Leisure wear	22.1	19.7	18.7	NA	NA	3.9	23.1	30.3	3.1
Speedo	8.6	-33.5	-90.9	NA	NA	-11.7	1,212.50	74.2	23.8
Total	21.1	15.2	29.9	NA	NA	10.6	7.5	21.3	10.7
Sales value (INR m)									
Men innerwear	2,048	1,869	1,854	2,174	2,235	2,123	1,959	2,671	2,607
Women innerwear	683	663	671	923	874	838	800	1,141	1,056
Leisure wear	1,114	1,215	1,099	1,194	1,370	1,352	1,352	1,590	1,509
Speedo	31	19	95	92	37	15	15	166	45
Total	3,875	3,766	3,720	4,383	4,515	4,329	4,244	5,568	5,216
% YoY									
Men innerwear	37.9	27.9	46.8	NA	NA	13.6	5.6	22.8	16.7
Women innerwear	33.8	24.6	27.8	NA	NA	26.5	19.2	23.7	22.1
Leisure wear	30.5	20.9	21.3	NA	NA	11.3	21.4	33.2	9.3
Speedo	24.4	-27.7	4.1	NA	NA	-21.9	59.9	80.2	21.5
Total	34.9	24.5	33.5	NA	NA	14.9	14.1	27	15.5
Avg realization (INR/unit)									
Men innerwear	104	105	106	110	108	109	113	113	114
Women innerwear	116	119	118	119	129	126	124	126	132
Leisure wear	193	193	186	199	194	206	184	204	206
Speedo	564	571	5,920	553	570	505	721	572	559
Total	124	127	128	130	131	132	136	136	136
% YoY									
Men innerwear	12.7	10.6	5.9	NA	NA	3.2	6.5	2.7	5.7
Women innerwear	15.1	13.4	3.7	NA	NA	5.5	4.8	5.7	1.9
Leisure wear	6.9	1	2.2	NA	NA	7.1	-1.4	2	5.8
Total	11.4	8	2.7	NA	NA	3.9	6.1	4.7	4.3

Note: 1Q and 2Q of FY16 and FY17 are as per Ind AS

Source: Company, MOSL

Key takeaways from management call

- Blended volume growth was 10.7%. Men's Innerwear volumes grew by 10.35%, Sportswear by 5.5%, Women's Innerwear by 19.5%, and the smaller Socks and Speedo segments by 1.6% and 20% respectively in 2QFY17.
- Management said that there was some front ending of demand in 1QFY17 which had witnessed 21% YoY volume growth, which they had indicated to us at the end of the last quarter. Nevertheless volume growth was lower than expectations.
- October has been good with festive season demand healthy.
- The management has however revised to full year volume growth expectations from 15-17% that they had indicated in our conference and our discussions earlier to 13-15%.
- The CFO admitted that there may be some impact on demand in the current month because of the prevailing liquidity crunch. They do not intend to increase credit period of dealers and distributors.

- Increase in employee cost YoY has been due to the addition of some senior management personnel.
- Yarn costs have come down to INR 210/kg after increasing to INR 230-INR 235/kg a couple of months ago. If this sustains then the gross margin outlook will be far better YoY in 2HFY17.
- In any case the management intends to take another price increase in the March quarter as is usually the case every year. In the current year they had delayed a price increase and taken it in the June quarter as they awaited clarity on increase in minimum wage from the Karnataka government.
- For FY18 too they now believe that the rumored 20% increase in minimum wage to INR 10,000 may not come through.
- The quantum of price increase is usually 4-6% but they will wait for further clarity on GST rates applicable to them before deciding on quantum of price increase to be taken in the March quarter. Current indirect tax incidence is 9% and the company is hoping for 12% rate to be applicable to them.
- Nevertheless realization growth for the full year FY17 will definitely be higher than the 4.5% already taken in June quarter.

Valuation and view

- We believe Page offers a compelling, capital-efficient long-term lifestyle play on the premiumizing innerwear category. It enjoys a natural first mover advantage and has no comparable competitor with similar scale in its niche. A widening product and brand portfolio, coupled with distribution expansion will aid share expansion and drive multiple years of growth, in our view.
- We have reduced our estimates for FY17/FY18 by 6%/10% mostly due to revised volume estimates and higher interest cost.
- Maintain **Buy** with a revised target price of INR17,515 (46x September'18 EPS, 5% discount to 3 year average P/E).

Exhibit 2: Revised estimates downwards by 6%/10%

	New		Old		Change (%)	
	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Sales	21,386	26,502	22,463	28,613	-5%	-7%
EBITDA	4,311	5,795	4,663	6,301	-8%	-8%
PAT	2,814	3,708	3,000	4,122	-6%	-10%

Source: Company, MOSL

Exhibit 3: Page Inds P/E (x)

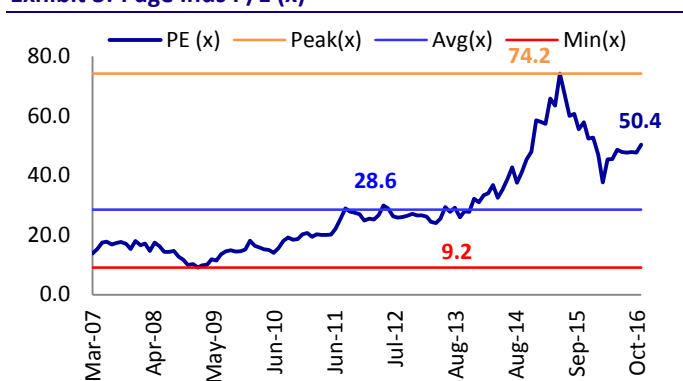


Exhibit 4: Page Inds P/E relative to Sensex

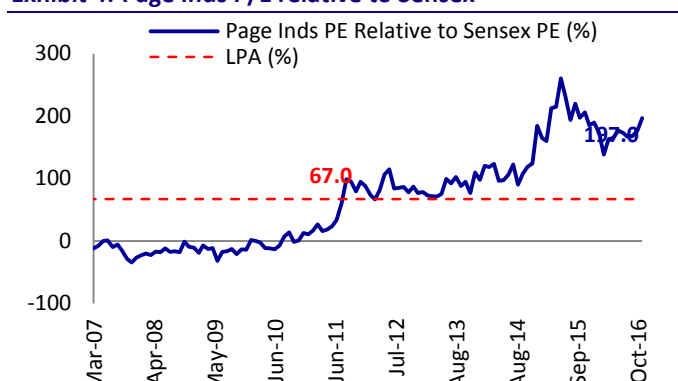


Exhibit 5: Valuation Matrix of coverage universe

Company	Reco	Price (INR)	Mkt Cap (USD M)	EPS Growth YoY (%)			P/E (x)			EV/EBITDA (x)			ROE (%)	Div. (%)
				FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY16
Consumer														
Asian Paints	Neutral	1,015	14,613	26.3	16.0	18.8	54.2	46.7	39.3	34.4	29.7	25.2	34.7	0.9
Britannia	Buy	3,201	5,765	46.3	7.2	22.5	45.7	42.6	34.8	32.7	30.4	24.2	55.9	0.6
Colgate	Buy	964	3,937	8.7	1.3	31.3	43.1	42.6	32.4	27.4	25.5	19.7	67.9	1.1
Dabur*	Neutral	297	7,846	17.2	6.6	18.5	41.7	39.1	33.0	33.5	31.4	26.3	33.3	0.7
Emami*	Buy	1,180	4,020	17.7	3.8	26.8	46.8	45.1	35.6	39.9	33.6	27.9	43.4	0.7
Godrej Consumer	Neutral	1,505	7,693	24.4	16.7	30.7	45.3	38.8	29.7	33.7	29.8	23.7	23.4	0.6
GSK Consumer	Neutral	5,573	3,519	20.4	-4.6	13.5	33.4	35.0	30.8	21.9	24.2	21.0	30.8	1.0
Hind. Unilever	Neutral	822	26,694	12.9	6.9	12.7	43.1	40.4	35.8	30.1	28.2	25.0	82.4	1.9
ITC	Buy	251	45,461	-3.5	16.5	16.9	32.5	27.9	23.9	20.7	18.6	15.7	29.3	2.7
Jyothy Labs	Neutral	369	1,002	-41.6	102.3	16.2	89.9	44.4	38.2	32.1	25.6	22.0	9.1	1.1
Marico*	Neutral	267	5,179	26.1	12.9	23.7	47.7	42.3	34.2	32.7	29.4	23.9	36.9	1.3
Nestle	Neutral	6,429	9,308	-7.3	2.0	25.8	53.6	52.6	41.8	37.7	31.7	25.0	40.9	0.8
Page Industries	Buy	14,978	2,509	18.7	20.7	31.5	71.8	59.5	45.2	44.5	38.8	28.9	46.0	0.6
Parag Milk Foods	Neutral	304	384	-66.7	38.2	37.9	45.3	32.7	23.7	17.0	15.6	12.4	19.5	0.0
Pidilite Inds.	Buy	668	5,140	47.3	14.6	19.6	45.3	39.5	33.1	27.5	25.4	21.1	29.9	0.6
P&G Hygiene	Buy	6,995	3,410	22.3	9.5	21.6	53.7	49.0	40.3	35.7	31.6	25.3	30.9	0.6
Radico Khaitan	Neutral	125	248	3.9	-8.7	34.1	18.1	19.8	14.8	11.9	12.1	10.7	10.3	0.6
United Breweries	Buy	903	3,585	12.8	27.0	26.2	81.4	64.1	50.8	35.8	31.6	26.0	14.8	0.1
United Spirits	Buy	2,025	4,419	LP	105.7	50.8	121.1	58.8	39.0	38.1	30.6	23.1	19.8	0.0
Retail														
Jubilant Foodworks	Neutral	947	936	-11.7	-1.4	67.3	63.3	64.2	38.4	23.2	21.6	15.1	13.4	0.3
Shopper's Stop	Neutral	350	432	19.3	58.8	29.4	60.1	37.8	29.2	14.4	13.2	10.6	6.3	0.0
Titan Company	Neutral	349	4,653	-13.4	13.2	21.2	43.4	38.4	31.7	35.9	28.3	23.2	21.3	0.7

Note: For Nestle FY16 means CY15

Source: Company, MOSL

Financials and Valuation

Income Statement							(INR Million)	
Y/E March	2011	2012	2013	2014	2015	2016	2017E	2018E
Net Sales	4,977	6,966	8,758	11,877	15,430	17,840	21,386	26,502
Change (%)	44.6	40.0	25.7	35.6	29.9	15.6	19.9	23.9
Total Expenditure	4,016	5,504	6,992	9,326	12,240	14,063	17,076	20,706
EBITDA	960	1,462	1,766	2,551	3,190	3,776	4,311	5,795
Change (%)	40.0	52.2	20.8	44.5	25.1	18.4	14.2	34.4
Margin (%)	19.3	21.0	20.2	21.5	20.7	21.2	20.2	21.9
Depreciation	98	106	114	139	176	238	221	271
Int. and Fin. Ch.	48	67	80	142	167	153	170	144
Other Inc.- Rec.	63	52	85	65	86	62	246	106
PBT	878	1,341	1,657	2,335	2,933	3,448	4,166	5,486
Change (%)	50.0	52.8	23.6	40.9	25.6	17.6	20.8	31.7
Tax	292	441	531	797	973	1,116	1,352	1,778
Tax Rate (%)	33.3	32.9	32.1	34.1	33.2	32.4	32.5	32.4
Adjusted PAT	585	900	1,125	1,538	1,960	2,332	2,814	3,708
Change (%)	47.8	53.7	25.1	36.7	27.5	19.0	20.7	31.8
Reported PAT	585	900	1,125	1,538	1,960	2,332	2,814	3,708

Balance Sheet							(INR Million)	
Y/E March	2011	2012	2013	2014	2015	2016	2017E	2018E
Share Capital	112	112	112	112	112	112	112	112
Reserves	1,126	1,546	2,024	2,778	3,756	4,941	6,345	8,191
Net Worth	1,238	1,658	2,135	2,890	3,868	5,052	6,456	8,303
Loans	1,150	759	1,007	1,632	1,573	949	1,880	1,000
Capital Employed	2,388	2,417	3,142	4,522	5,440	6,001	8,336	9,303
Gross Block	1,259	1,504	1,860	2,404	3,059	3,251	3,869	5,174
Less: Accum. Depn.	328	428	538	676	886	1,120	1,340	1,612
Net Fixed Assets	931	1,076	1,322	1,728	2,173	2,132	2,529	3,563
Capital WIP	102	165	138	36	1	4	4	4
Investments	30	18	10	0	0	0	0	0
Curr. Assets, L&A	2,327	2,457	3,248	5,092	6,061	7,312	9,485	10,270
Inventory	1,647	1,726	2,350	3,626	4,435	5,393	5,740	6,966
Account Receivables	258	437	581	727	884	1,034	1,113	1,379
Cash and Bank Balance	26	31	46	35	44	86	1,644	716
Others	395	263	271	705	698	797	987	1,208
Curr. Liab. and Prov.	976	1,263	1,518	2,239	2,680	3,335	3,571	4,423
Account Payables	251	373	473	586	821	941	996	1,234
Other Liabilities	78	155	216	423	504	640	644	798
Provisions	646	734	830	1,230	1,355	1,754	1,931	2,392
Net Curr. Assets	1,351	1,194	1,730	2,853	3,381	3,976	5,914	5,846
Def. Tax Liability	26	36	57	95	114	110	110	110
Appl. of Funds	2,388	2,417	3,142	4,522	5,440	6,001	8,336	9,302

E: MOSL Estimates

Financials and Valuation

Ratios

Y/E March	2011	2012	2013	2014	2015	2016	2017E	2018E
Basic (INR)								
EPS	52.5	80.7	100.9	137.9	175.7	208.6	251.8	331.1
Cash EPS	61.3	90.2	111.1	150.4	191.6	230.4	272.1	356.8
BV/Share	111.0	148.6	191.4	259.1	346.8	453.0	578.8	744.4
DPS	26.0	37.0	50.0	60.0	72.0	85.0	107.6	141.5
Payout (%)	57.7	53.3	57.6	50.9	48.9	49.1	50.0	50.0
Valuation (x)								
P/E	285.3	185.7	148.5	108.6	85.2	71.8	59.5	45.2
Cash P/E	244.3	166.1	134.9	99.6	78.2	65.0	55.0	42.0
EV/Sales	33.8	24.1	19.2	14.2	10.9	9.4	7.8	6.3
EV/EBITDA	175.1	114.8	95.2	66.1	52.8	44.5	38.8	28.9
P/BV	135.0	100.8	78.2	57.8	43.2	33.1	25.9	20.1
Dividend Yield (%)	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.9
Return Ratios (%)								
RoE	47.3	54.3	52.7	53.2	50.7	46.0	43.5	44.5
RoCE	31.4	39.3	42.4	42.6	41.6	42.6	40.9	43.1
RoIC	31.4	41.0	43.6	42.9	40.9	42.3	43.9	48.9
Working Capital Ratios								
Asset Turnover (x)	2.9	3.2	3.1	3.1	3.1	3.0	3.0	3.2
Debtor Days	17	18	21	20	19	20	18	17
Creditor Days	17	16	18	16	17	18	17	15
Inventory Days	95	88	85	92	95	101	95	88
Leverage Ratio								
Debt/Equity (x)	0.5	0.5	0.6	0.4	0.2	0.3	0.1	0.1

Cash Flow Statement

(INR Million)

Y/E March	2011	2012	2013	2014	2015	2016	2017E	2018E
Profit before Tax	878	1,341	1,657	2,335	2,933	3,443	4,160	5,470
Depreciation	98	106	114	139	176	238	221	271
Other Non Cash & Non op activities	40	59	74	122	96	90	-76	38
Incr in WC	-720	147	-457	-1,098	-569	-553	-380	-860
Direct Taxes Paid	-298	-427	-516	-750	-966	-1,116	-1,352	-1,778
CF from Operations	-2	1,226	871	747	1,670	2,102	2,573	3,142
Incr in FA	-281	-271	-435	-511	-534	-193	-618	-1,305
Free Cash Flow	-283	955	436	237	1,136	1,909	1,955	1,837
Pur of Investments	9	18	16	22	2	62	246	106
CF from Invest.	-273	-253	-419	-489	-531	-131	-372	-1,199
Incr in Debt	603	-503	238	625	-59	-624	931	-880
Dividend Paid	-286	-402	-596	-756	-899	-1,142	-1,404	-1,846
Others	-46	-63	-80	-139	-170	-162	-180	-154
CF from Fin. Activity	271	-968	-438	-270	-1,128	-1,928	-653	-2,880
Incr/Decr of Cash	-4	5	14	-11	10	44	1,548	-938
Add: Opening Balance	30	26	31	46	34	43	96	1,654
Closing Balance	26	31	46	34	44	87	1,644	716

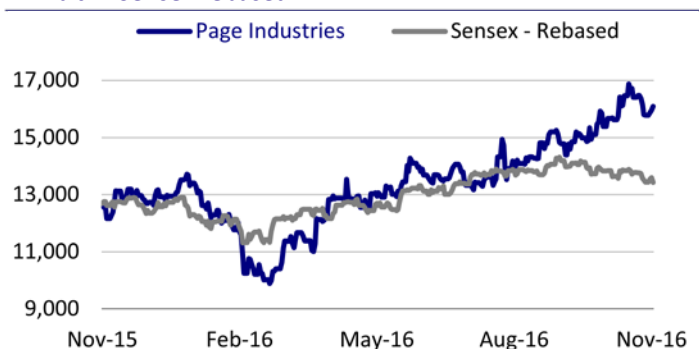
E: MOSL Estimates

Corporate profile

Company description

Page Industries commenced operations in the year 1994 with the key objective of bringing the innerwear brand “Jockey” to India. The company has the exclusive right for manufacturing, distribution and marketing of Jockey International products in India, Sri Lanka, Maldives, Bangladesh, Nepal and UAE as well as “Speedo” brand in India. Page Industries is promoted by the Genomal family who have been associated with Jockey International Inc for more than 50 years.

Exhibit 1: Sensex rebased



Source: MOSL/Bloomberg

Exhibit 2: Shareholding pattern (%)

	Sep-16	Jun-16	Sep-15
Promoter	49.0	49.0	51.0
DII	4.6	4.7	5.2
FII	37.2	37.4	33.7
Others	9.2	8.9	10.1

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
Nalanda India Fund Limited	10.0
Cartica Capital Ltd	7.8
Steadview Capital Mauritius Limited	3.7
Abg Capital	2.4
Ltr Focus Fund	2.2

Source: Capitaline

Exhibit 4: Top management

Name	Designation
Pradeep Jaipuria	Chairman
Sunder Genomal	Managing Director
Shamir Genomal	Executive Director
Pius Thomas	Executive Director (Finance)
C Murugesh	Company Secretary

Source: Capitaline

Exhibit 5: Directors

Name	Name
B C Prabhakar	G P Albal
Nari Genomal	Ramesh Genomal
Rukmani Menon	Sandeep Kumar Maini
Timothy Ralph Wheeler	Vikram Gamanlal Shah
P V Menon	V Sivadas

*Independent

Exhibit 6: Auditors

Name	Type
Haribhakti & Co LLP	Statutory
R Vijayakumar	Secretarial Audit

Source: Capitaline

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY17	251.8	-	-
FY18	331.1	-	-

Source: Bloomberg

Disclosures

This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company (ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient(s) and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred as MOSI) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOST and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOST and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOST.

MOST generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOST generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOST and its affiliated company(ies), their directors and employees 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 affiliates of MOST even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOST has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc., and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST 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. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOST's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOST and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOST and/or its affiliates from doing so. MOST or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its 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 Most or its associates during twelve months preceding the date of distribution of the research report

MOST and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOST 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.

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

Pending Regulatory inspections against Motilal Oswal Securities Limited:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations; MOSL replied to the Show Cause Notice whereby SEBI granted us an opportunity of Inspection of Documents. Since all the documents requested by us were not covered we have requested to SEBI vide our letter dated June 23, 2015 to provide pending list of documents for inspection.

List of associate companies of Motilal Oswal Securities Limited -[Click here to access detailed 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. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement

- Analyst ownership of the stock
- Served as an officer, director or employee

PAGE INDUSTRIES

No
No

A graph of daily closing prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>

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 MOST & 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 Securities Limited (MOSL) 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 MOSL 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 MOSL, 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., MOSL 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

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time.

In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

Varun Kumar

Varun.kumar@motilaloswal.com

Contact : (+65) 68189232

Office Address: 21 (Suite 31), 16 Collyer Quay, Singapore 04931



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 9, Sayani Road, Prabhadevi, Mumbai 400 025

Phone: +91 22 3982 5500 E-mail: reports@motilaloswal.com