

### Improving volume and margin trajectory

- Bajaj Auto's Q2FY21 performance was broadly in line with estimates. Despite 7% YoY fall in revenue, EBITDA remained flat at Rs 12.66bn with margin of 17.7% (+110bps YoY) owing to sharp improvement in domestic 2W business margin (higher share of Pulsar 125 and ultra-premium segment and better FX realization). APAT declined 18% YoY due to lower other income.
- The management expects volume recovery momentum to continue in 2HFY21, aided by increasing preference for personal mobility, ramp up in export volume and pick up in domestic festival season sales.
- As per management, Initial cues are indicating an encouraging festive season demand for 2Ws. Inventory for the festival season is at a normal level of 45-48 days. Exports visibility is also improving with highest ever exports in September and expect October and November months sales to beat September numbers, led by strong revival of demand in Latin America and Africa.
- The management expects near term margin to be sustainable despite the commodity headwinds led by price hike, richer product and geography mix.
- We maintain our positive stance on Bajaj Auto given 1) improving outlook for domestic and export 2W segments owing to increasing preference for personal mobility; 2) operating efficiency and volume recovery to support EBITDA margin and 3) strong cash reserves. We believe the company will continue to gain market share in the export market led by superior product offerings, better distribution network, lean cost structure due to high economies of scale and higher resale value. We increase our EPS estimates by 2/4% for FY22/23E and maintain an Accumulate rating with target price Rs 3,352 (16x FY23E core EPS + cash + KTM stake).

### Domestic 2W on a strong footing

2W retail sales have recovered quickly in Q2 led by 1) pent up demand; 2) preference for personal vehicles; 3) increasing traction from home delivery business and 4) improvement in rural sentiment. (Contd...)

#### Q2FY21 Result (Rs Mn)

Particulars	Q2FY21	Q2FY20	YoY (%)	Q1FY21	QoQ (%)
Revenue	71,559	77,073	(7.2)	30,792	132.4
Total Expense	58,896	64,293	(8.4)	26,707	120.5
EBITDA	12,662	12,780	(0.9)	4,085	209.9
Depreciation	643	613	4.9	638	0.8
EBIT	12,019	12,167	(1.2)	3,447	248.6
Other Income	2,858	3,934	(27.4)	3,379	(15.4)
Interest	27	12	113.7	10	178.9
EBT	14,851	16,089	(7.7)	6,817	117.9
Tax	3,469	2,065	68.0	1,536	125.8
RPAT	11,382	14,024	(18.8)	5,280	115.6
APAT	11,382	14,024	(18.8)	5,280	115.6
			(bps)		(bps)
Gross Margin (%)	29.3	29.5	(14)	32.9	(357)
EBITDA Margin (%)	17.7	16.6	111	13.3	443
NPM (%)	15.9	18.2	(229)	17.1	(124)
Tax Rate (%)	23.4	12.8	1052	22.5	82
EBIT Margin (%)	16.8	15.8	101	11.2	560

CMP	Rs 3,006
Target / Upside	Rs 3,352 / 12%
NIFTY	11,897

#### Scrip Details

Equity / FV	Rs 2,894mn / Rs 10
Market Cap	Rs 870bn
	USD 12bn
52-week High/Low	Rs 3,315/ 1,789
Avg. Volume (no)	9,58,412
Bloom Code	BJAUT IN

Price Performance	1M	3M	12M
Absolute (%)	1	1	(4)
Rel to NIFTY (%)	(7)	(6)	(8)

#### Shareholding Pattern

	Mar'20	Jun'20	Sep'20
Promoters	53.7	53.7	53.7
MF/Banks/FIs	8.8	10.1	10.4
FIIIs	13.9	13.7	13.6
Public / Others	23.6	22.5	22.3

#### Valuation (x)

	FY21E	FY22E	FY23E
P/E	19.9	16.6	15.2
EV/EBITDA	18.5	14.6	12.8
ROE (%)	19.1	19.3	19.1
RoACE (%)	18.8	19.0	18.9

#### Estimates (Rs mn)

	FY21E	FY22E	FY23E
Revenue	2,63,323	3,13,514	3,39,087
EBITDA	44,121	54,569	60,103
PAT	43,770	52,248	57,397
EPS (Rs.)	151.3	180.6	198.4

**Analyst: Abhishek Jain**

Tel: +9122 40969739

E-mail: abhishekj@dolatcapital.com

**Associate: Ketul Dalal**

Tel: +91 22 4096 9770

E-mail: ketuld@dolatcapital.com

Rural and semi-rural markets are outperforming urban regions. Introduction of Pulsar 125cc (commands 16% market share in the 125cc segment despite being the most expensive amongst competition) is helping the company to gain market share in the 110-125cc segment where Hero and HMSI have strong presence with their brands Glamour, Splendor and CB Shine. In addition, other premium segments (Avenger, KTM and Dominar) are also receiving good response.

Domestic CV volumes continue to remain muted and are dependent on return of adequate short distance mobility demand. Demand is back to 25% of normal level for passenger segment while 40% for cargo segment.

### Exports in top gear

The export volume outlook is improving with 2W demand back to normal levels and CV back to 70-80% in different overseas markets. We believe the company will continue to gain market share in the export market led by superior product offerings, better distribution network, lean cost structure due to high economies of scale and higher resale value.

The DGFT on 1st September, 2020 capped the benefits under the Merchandise Export from India Scheme (MEIS) at Rs 20mn per IE code which has resulted in reversal of MEIS for H1FY21 of Rs 780mn for Bajaj Auto. The management does not have clarity whether the MEIS withdrawal is retrospective or prospective in nature. The company has taken price hikes in the international markets to offset the withdrawal of MEIS.

#### Exhibit 1: Actual vs DART Estimates

Particulars (Rs mn)	Actual	Dart Estimates	Variance	Comments
Revenue	71,559	72,154	(1)	NA
EBIDTA	12,662	13,009	(3)	NA
EBIDTA Margin (%)	17.7	18.0	(33)bps	
PAT	11,382	12,368	(8)	Lower other income

Source: Company, DART

#### Exhibit 2: Change in estimates

Particulars (Rs Mn)	FY22E			FY23E		
	New	Previous	% Change	New	Previous	% Change
Net sales	3,13,514	3,09,245	1.4	3,39,087	3,35,251	1.1
EBITDA	54,569	52,314	4.3	60,103	56,496	6.4
EBITDA margin(%)	17.4	16.9	49bps	17.7	16.9	87bps
APAT	52,248	51,303	1.8	57,397	55,505	3.4
EPS	180.6	177.3	1.8	198.4	191.8	3.4

Source: Company, DART

#### Exhibit 3: Key Assumptions

(in units)	FY19	FY20	FY21E	FY22E	FY23E
2W	42,36,873	39,77,846	34,51,848	40,07,381	42,17,779
% YoY	25.7	(6.1)	(13.2)	16.1	5.3
3W	7,77,603	6,67,644	3,79,578	5,01,322	5,35,436
% YoY	22.3	(14.1)	(43.1)	32.1	6.8
<b>Total Sales</b>	<b>50,14,476</b>	<b>46,45,490</b>	<b>38,31,426</b>	<b>45,08,703</b>	<b>47,53,215</b>
<b>% YoY</b>	<b>25.2</b>	<b>(7.4)</b>	<b>(17.5)</b>	<b>17.7</b>	<b>5.4</b>

Source: DART, Company

#### Exhibit 4: Peer Valuation

	Mcap		TP	Adj EPS (Rs/sh)			P/E (X)			EV/EBITDA (X)			ROE (%)		
Company	(Rs Bn)	Rating	(Rs)	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Eicher Motors	619	Sell	2,095	44.9	77.8	95.2	50.5	29.2	23.8	33.4	20.9	16.6	11.5	16.9	19.3
<b>Bajaj Auto</b>	<b>870</b>	<b>Accumulate</b>	<b>3,352</b>	<b>151.3</b>	<b>180.6</b>	<b>198.4</b>	<b>19.9</b>	<b>16.6</b>	<b>15.2</b>	<b>18.5</b>	<b>14.6</b>	<b>12.8</b>	<b>19.1</b>	<b>19.3</b>	<b>19.1</b>
Hero Motocorp	668	Accumulate	3,193	117.4	158.5	177.4	28.5	21.1	18.9	15.2	11.1	9.7	15.5	18.8	19.3
TVS Motor	220	Sell	392	7.7	14.8	18.7	60.2	31.2	24.7	22.0	15.2	12.7	9.8	17.1	19.0

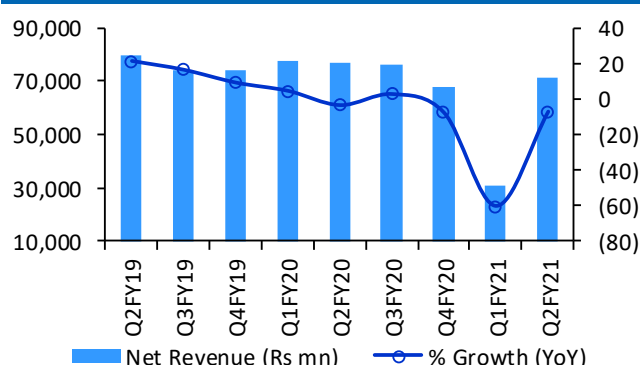
Source: DART, Company

#### Key Concall Highlights

- Bajaj Auto's growth story is premised on 1) the premiumization theme playing out with improvement in KTM and Husqvarna sales; 2) Pulsar 125cc outperforming in the entry segment and 3) company's robust exports performance.
- In Q2, management was focused on capturing domestic market recovery by resolving supply chain issues along with protecting margins and profitability.
- PAT declined due to base effect of corporate tax rate in Q2FY20 and lower interest rates/yields during Q2FY21, which led to reduction of treasury income.
- For Q2, Bajaj Auto volumes declined 10% YoY in line with the industry.
- Restriction on MEIS benefit on exports to a max of Rs 20mn per IE code by DGFT has resulted in reversal of MEIS for H1FY21 of Rs 780mn. There is no clarity whether MEIS withdrawal is retrospective or prospective. Company has taken price hikes in the international markets to offset withdrawal of MEIS.
- Domestic motorcycle business delivered highest margins in the last 16 quarters. Demand for motorcycle is back to 90% of normal. Festival demand is at similar level as last year.
- Pulsar 125 has outperformed in the 125cc segment despite being the most expensive amongst competition, commanding 16% market share. Decline in the other Pulsar segments (150, 180 and NS) was due to supply chain constraints, which are being resolved. Premium category of motorcycles is doing well.
- While uncertainty persists, pan India demand recovery (ex-metros) is steady and uniform. Pent up demand for 2W is exhausted.
- Export visibility is improving with highest exports in September with October and November sales to outperform with supply chain issues being resolved. Bajaj's market share has improved across segments in 13 out of 17 regions.
- Strong revival of demand was witnessed in Latin America (80% of normal) and Africa (95% of normal) while ASEAN continues to be weak (50% of normal) and Sri Lanka has stopped all vehicle imports. The growth in LATAM is driven by the Sports segment - Pulsar and Dominar. Currency stability will enable Africa to recovery. Expect growth in exports in Q3FY21.
- In value terms, exports were Rs 28bn in Q2FY21.
- Domestic CV volumes continue to remain muted due to inadequate new demand for short distance mobility. Demand is back to 25% of normal level for passenger segment and 40% for cargo segment. Within CV, cargo has fared better than passenger and Bajaj's market share has increased to 37%. Overall, market share is 53.3%.
- Marketing spends have declined due to cost saving exercises and delayed festival season. Rising input cost is a cause of concern, but manageable.

- Financing is forthcoming for the motorcycle segment, improving sequentially and, at present, stands at 60%. However, its lagging by 10% of normal level. For Q2FY21, 50-52% of Bajaj vehicles were financed, of which, 60% were by Bajaj Finance.
- No major discount offerings in the 2W industry this festive season.
- For Q2FY21, spare parts revenue was Rs 7.33bn.
- Inventory for festival season is at normal level of 45-48 days.
- Realization per US\$ was ~Rs 74 in Q2FY21 vs ~Rs 75.6 in Q1FY21.
- Cash and cash equivalents stood at Rs 162.4bn at the end of Q2FY21 vs Rs 142.3bn at Q1FY21 end.

**Exhibit 5: Net Revenue declined 7.2% YoY**



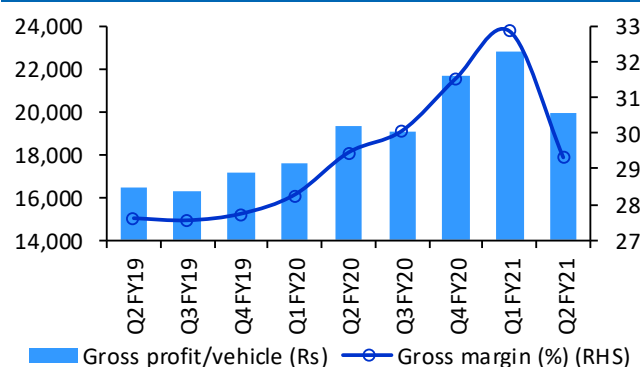
Source: DART, Company

**Exhibit 6: Net ASP grew 3.4% YoY**



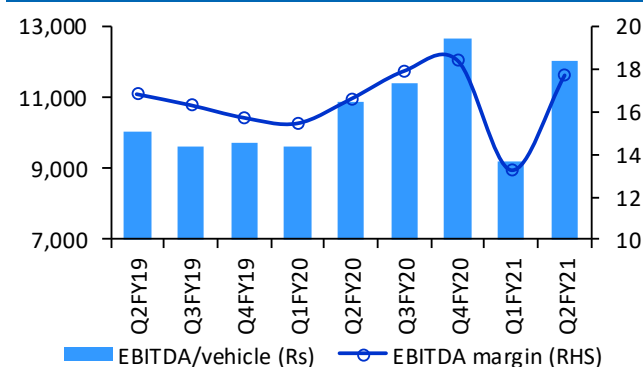
Source: DART, Company

**Exhibit 7: Gross Margin declined QoQ**

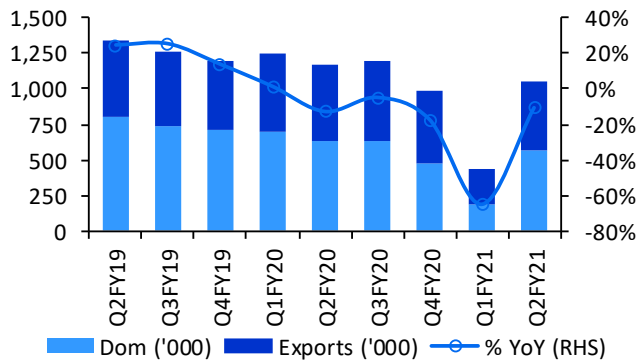


Source: DART, Company

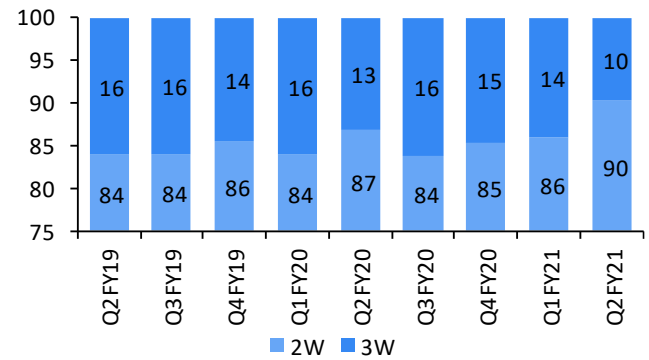
**Exhibit 8: EBITDA Margin improved QoQ/YoY**



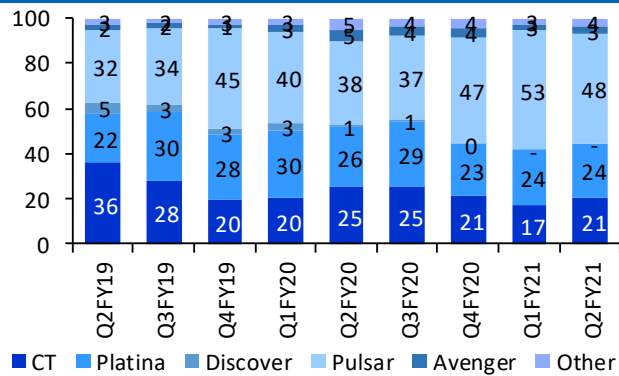
Source: DART, Company

**Exhibit 9: Export Volume Mix Was favorable**


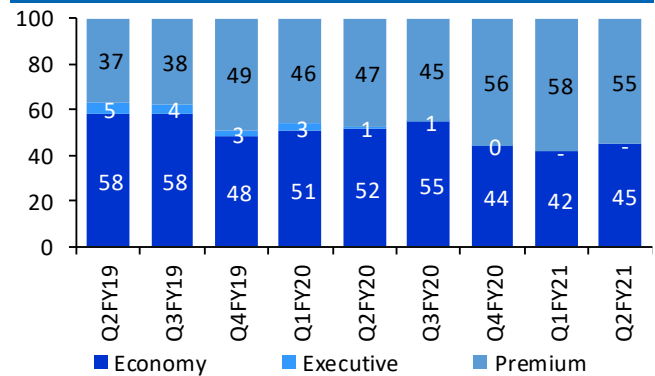
Source: DART, Company

**Exhibit 10: Sales Mix was Unfavorable**


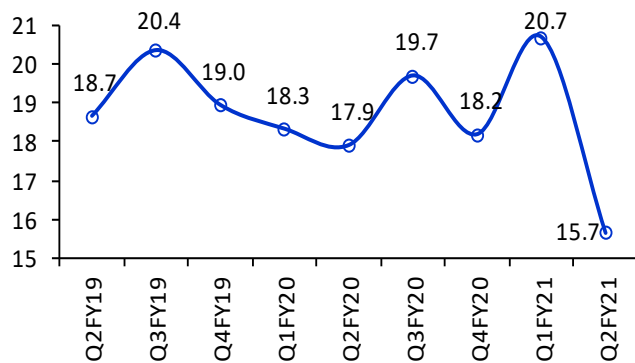
Source: DART, Company

**Exhibit 11: Model wise breakup (%)**


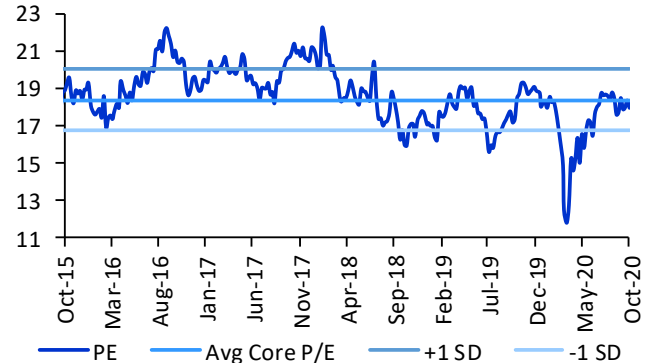
Source: DART, Company

**Exhibit 12: Segment wise breakup (%)**


Source: DART, Company

**Exhibit 13: Motorcycle market share (%)**


Source: DART, Company

**Exhibit 14: 1 Year Fwd P/E Band-Trading at average PE**


Source: DART, Company

**Profit and Loss Account**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>2,99,187</b>	<b>2,63,323</b>	<b>3,13,514</b>	<b>3,39,087</b>
<b>Total Expense</b>	<b>2,48,224</b>	<b>2,19,203</b>	<b>2,58,945</b>	<b>2,78,984</b>
COGS	2,10,083	1,84,654	2,18,635	2,35,130
Employees Cost	13,892	14,042	16,361	18,242
Other expenses	24,249	20,507	23,949	25,612
<b>EBIDTA</b>	<b>50,962</b>	<b>44,121</b>	<b>54,569</b>	<b>60,103</b>
Depreciation	2,464	2,587	2,600	2,673
<b>EBIT</b>	<b>48,498</b>	<b>41,533</b>	<b>51,969</b>	<b>57,431</b>
Interest	0	0	0	0
Other Income	17,483	16,865	18,348	19,816
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>65,981</b>	<b>58,398</b>	<b>70,317</b>	<b>77,247</b>
Tax	14,802	14,628	18,069	19,850
RPAT	51,178	43,770	52,248	57,397
Minority Interest	0	0	0	0
<b>Profit/Loss share of associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APAT</b>	<b>51,178</b>	<b>43,770</b>	<b>52,248</b>	<b>57,397</b>

**Balance Sheet**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Sources of Funds</b>				
Equity Capital	2,894	2,894	2,894	2,894
Minority Interest	0	0	0	0
Reserves & Surplus	1,96,361	2,55,229	2,81,424	3,12,767
<b>Net Worth</b>	<b>1,99,255</b>	<b>2,58,123</b>	<b>2,84,318</b>	<b>3,15,660</b>
Total Debt	0	0	0	0
Net Deferred Tax Liability	3,464	3,745	3,875	4,342
<b>Total Capital Employed</b>	<b>2,02,719</b>	<b>2,61,867</b>	<b>2,88,193</b>	<b>3,20,002</b>

**Applications of Funds**

Net Block	16,990	18,296	19,122	20,550
CWIP	602	500	500	500
Investments	1,81,960	1,87,519	1,94,190	2,02,196
<b>Current Assets, Loans &amp; Advances</b>	<b>48,181</b>	<b>1,02,267</b>	<b>1,31,254</b>	<b>1,62,060</b>
Inventories	10,635	7,936	9,448	10,219
Receivables	17,251	18,036	21,474	23,225
Cash and Bank Balances	3,083	51,893	72,583	99,549
Loans and Advances	7,203	13,693	16,303	17,633
Other Current Assets	10,009	10,709	11,446	11,434
<b>Less: Current Liabilities &amp; Provisions</b>	<b>45,014</b>	<b>46,714</b>	<b>56,874</b>	<b>65,304</b>
Payables	31,997	27,626	32,634	35,160
Other Current Liabilities	13,017	19,089	24,239	30,145
<i>sub total</i>				
Net Current Assets	3,167	55,552	74,380	96,756
<b>Total Assets</b>	<b>2,02,719</b>	<b>2,61,867</b>	<b>2,88,192</b>	<b>3,20,002</b>

E – Estimates

### Important Ratios

Particulars	FY20A	FY21E	FY22E	FY23E
<b>(A) Margins (%)</b>				
Gross Profit Margin	29.8	29.9	30.3	30.7
EBIDTA Margin	17.0	16.8	17.4	17.7
EBIT Margin	16.2	15.8	16.6	16.9
Tax rate	22.4	25.0	25.7	25.7
Net Profit Margin	17.1	16.6	16.7	16.9
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	70.2	70.1	69.7	69.3
Employee	4.6	5.3	5.2	5.4
Other	8.1	7.8	7.6	7.6
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage				
Inventory days	13	11	11	11
Debtors days	21	25	25	25
Average Cost of Debt				
Payable days	39	38	38	38
Working Capital days	4	77	87	104
FA T/O	17.6	14.4	16.4	16.5
<b>(D) Measures of Investment</b>				
AEPS (Rs)	176.9	151.3	180.6	198.4
CEPS (Rs)	185.4	160.2	189.6	207.6
DPS (Rs)	65.0	70.0	75.0	76.0
Dividend Payout (%)	36.7	46.3	41.5	38.3
BVPS (Rs)	688.6	892.1	982.6	1091.0
RoANW (%)	24.5	19.1	19.3	19.1
RoACE (%)	24.0	18.8	19.0	18.9
RoAIC (%)	23.4	20.3	24.4	26.3
<b>(E) Valuation Ratios</b>				
CMP (Rs)	3006	3006	3006	3006
P/E	17.0	19.9	16.6	15.2
Mcap (Rs Mn)	8,69,821	8,69,821	8,69,821	8,69,821
MCap/ Sales	2.9	3.3	2.8	2.6
EV	8,66,738	8,17,928	7,97,239	7,70,272
EV/Sales	2.9	3.1	2.5	2.3
EV/EBITDA	17.0	18.5	14.6	12.8
P/BV	4.4	3.4	3.1	2.8
Dividend Yield (%)	2.2	2.3	2.5	2.5
<b>(F) Growth Rate (%)</b>				
Revenue	(1.1)	(12.0)	19.1	8.2
EBITDA	2.3	(13.4)	23.7	10.1
EBIT	2.8	(14.4)	25.1	10.5
PBT	(1.6)	(11.5)	20.4	9.9
APAT	18.1	(14.5)	19.4	9.9
EPS	18.1	(14.5)	19.4	9.9

### Cash Flow

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
CFO	38,617	43,388	57,079	64,613
CFI	17,545	46,349	7,824	8,418
CFF	(62,466)	(24,316)	(26,053)	(26,054)
FCFF	36,681	39,597	53,653	60,512
Opening Cash	1,88,595	1,72,710	2,27,079	2,54,440
Closing Cash	1,72,710	2,27,079	2,54,440	2,89,412

E – Estimates

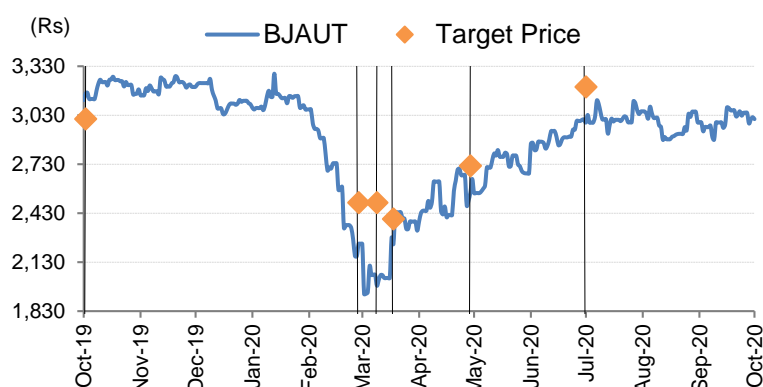


## DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

## Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Oct-19	Sell	3,008	3,163
Mar-20	Accumulate	2,495	2,242
Mar-20	Accumulate	2,495	1,987
Apr-20	Reduce	2,395	2,242
May-20	Reduce	2,721	2,558
Jul-20	Reduce	3,204	2,985

\*Price as on recommendation date

## DART Team

<b>Purvag Shah</b>	<b>Managing Director</b>	<b>purvag@dolatcapital.com</b>	<b>+9122 4096 9747</b>
--------------------	--------------------------	--------------------------------	------------------------

<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>
--------------------------	-------------------------	------------------------------	------------------------

### CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Derivatives Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

**Dolat Capital Market Private Limited.**

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013



---

**Analyst(s) Certification**

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

---

**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**

---

**II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**For U.S. Entity/ persons only:** This research report is a product of Dolat Capital Market Private Limited., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Dolat Capital Market Private Limited. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited. has entered into an agreement with a U.S. registered broker-dealer Ltd Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer/Entity as informed by Dolat Capital Market Private Limited. from time to time.



---

**Dolat Capital Market Private Limited.**

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685

Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu

Board: +9122 40969700 | Fax: +9122 22651278 | Email: [research@dolatcapital.com](mailto:research@dolatcapital.com) | [www.dolatresearch.com](http://www.dolatresearch.com)

---