

CESC

Refer to important disclosures at the end of this report

T&D loss remains key for profitability of distribution franchisees

- In the past few years, CESC has secured the distribution franchisees (DF) for four states – namely Bikaner, Bharatpur, Kota, and Malegaon. However, these still remain a drag on the company's performance due to various reasons including Covid.
- In FY22, Kota incurred loss of Rs410mn and Malegaon suffered loss of Rs575mn. While Malegaon circle is yet to complete three years, Kota has been reporting loss for the past six years.
- We highlight that Kota witnessed a ~17% decline in its sales in FY21 due to Covid. Although FY22 reported 11% growth, sales in FY22 at Rs8bn still remained below FY20 levels (Rs8.7bn). It is important to note that FY22 T&D loss levels were brought down to 19.2% from 20.4% in FY20, indicating better operational efficiency. During Q1FY23, Kota circle witnessed 17.5% demand growth, and various media articles of Q2 suggest uptick in demand as students have returned to India's coaching capital.
- We believe improvement in the performance of Kota circle, Noida Power, and Dhariwal IPP will lead to decent earnings growth in FY22, which was missing in the past two years. We maintain our BUY rating with March'23 TP of Rs108.
- A look into the performance of DFs in FY22 and Q1FY23:** 1) Bharatpur: Sales growth remained muted at 4%, with PAT of Rs22mn. This circle has reported breakeven since FY19. In this circle, T&D loss has come down from 32% to ~13% in the past six years. Since FY20, T&D loss has remained at 12-14%; hence, unless significant improvement in demand is seen, substantial uptick in PAT will not be reported. 2) Bikaner: Sales growth in this circle also remained muted at 2%, with PAT of Rs89mn. This circle has reported breakeven since FY20. In this circle, T&D loss has come down from 28% to ~14% in the past six years. Since FY20, T&D loss has remained at 14-15%. 3) Kota: Sales growth in FY22 stood at 11%, but it was largely due to a 17% decline in FY21. Sales at Rs8bn in FY22 still remain below Rs8.7bn seen in FY20. While sales in FY22 were below FY20 levels, things seem to be turning around on the operational front. T&D loss levels declined to 19.2% in FY22, as against 20.4%/21.8% in FY20/FY21. During Q1FY23, sales growth stood at 17.5%; hence, we believe, there will be significant improvement in performance of Kota circle in the next 18 months. Loss levels in FY22 stood at Rs410mn. 4) Malegaon: Loss stood at Rs575mn. T&D loss levels have remained high at 35-39% during FY21-FY22. We believe improvement in this circle will take some more time.
- Valuation and outlook:** CESC will likely see double-digit earnings growth in FY23 with 210MW medium-term PPA of Dhariwal (Q1FY23 PAT of Rs750mn vs. Rs250mn YoY), expectation of lower loss in Kota, and demand growth in Noida. We maintain BUY with March'23 TP of Rs108. Risks include: Higher T&D loss levels and lower demand growth.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Eng. & Cap. Goods, Infra, Power \(Page 5\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,16,320	1,25,440	1,27,762	1,33,045	1,38,637
EBITDA	35,910	36,540	37,805	38,244	39,017
EBITDA Margin (%)	30.9	29.1	29.6	28.7	28.1
APAT	13,310	13,590	15,048	15,676	16,410
EPS (Rs)	10.0	10.2	11.3	11.8	12.3
EPS (% chg)	5.0	2.1	10.7	4.2	4.7
ROE (%)	13.8	13.4	13.9	13.4	13.0
P/E (x)	7.9	7.8	7.0	6.7	6.4
EV/EBITDA (x)	5.8	5.9	5.5	5.2	4.8
P/BV (x)	1.1	1.0	0.9	0.9	0.8

Source: Company, Emkay Research

CMP	Target Price
Rs 79 as of (September 25, 2022)	Rs 108 (■) 12 months
Rating	Upside
BUY (■)	36.2 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	-/
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	11.3	11.8
Consensus	11.6	12.9
Mean Consensus TP (12M)	Rs 105	

Stock Details

Bloomberg Code	CESC IN
Face Value (Rs)	1
Shares outstanding (mn)	1,326
52 Week H/L	102 / 68
M Cap (Rs bn/USD bn)	105 / 1.30
Daily Avg Volume (nos.)	25,00,985
Daily Avg Turnover (US\$ mn)	2.4

Shareholding Pattern Jun '22

Promoters	52.1%
FIIs	13.9%
DIIIs	21.3%
Public and Others	12.6%

Price Performance

(%)	1M	3M	6M	12M
Absolute	2	15	5	(8)
Rel. to Nifty	3	3	5	(5)

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Abhineet Anand

abhineet.anand@emkayglobal.com
+91 22 6624 2466

Abhishek Mody

abhishek.mody@emkayglobal.com
+91 22 6624 2491

Chinmay Kabra

chinmay.kabra@emkayglobal.com
+91 22 6624 2453

Key Financials (Consolidated)**Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,16,320	1,25,440	1,27,762	1,33,045	1,38,637
Expenditure	80,410	88,900	89,957	94,801	99,620
EBITDA	35,910	36,540	37,805	38,244	39,017
Depreciation	8,670	8,850	9,038	9,268	9,500
EBIT	27,240	27,690	28,767	28,976	29,517
Other Income	2,420	2,760	3,000	3,120	3,245
Interest expenses	12,140	11,290	11,885	11,557	11,254
PBT	17,520	19,160	19,882	20,539	21,507
Tax	3,890	5,110	4,374	4,519	4,732
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(320)	(460)	(460)	(344)	(365)
Reported Net Income	13,310	13,590	15,048	15,676	16,410
Adjusted PAT	13,310	13,590	15,048	15,676	16,410

Balance Sheet

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	1,332	1,332	1,332	1,332	1,332
Reserves & surplus	97,400	1,02,640	1,11,384	1,20,648	1,30,039
Net worth	98,732	1,03,972	1,12,716	1,21,980	1,31,371
Minority Interest	3,970	4,340	4,800	5,144	5,509
Loan Funds	1,24,650	1,47,390	1,44,557	1,44,639	1,44,639
Net deferred tax liability	41,590	42,870	42,870	42,870	42,870
Total Liabilities	2,68,942	2,98,572	3,04,943	3,14,634	3,24,389
Net block	2,39,710	2,30,190	2,29,307	2,32,358	2,28,809
Investment	3,090	4,590	4,590	4,590	4,590
Current Assets	93,502	1,16,812	1,23,819	1,32,455	1,45,645
Cash & bank balance	18,580	32,500	38,830	46,288	58,244
Other Current Assets	42,522	51,432	51,590	51,750	51,914
Current liabilities & Provision	70,960	56,020	55,773	57,769	57,655
Net current assets	22,542	60,792	68,046	74,685	87,990
Misc. exp	0	0	0	0	0
Total Assets	2,68,942	2,98,572	3,04,943	3,14,634	3,24,389

Cash Flow

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	15,100	16,400	16,882	17,419	18,263
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(13,454)	(23,050)	(924)	819	(1,349)
Operating Cashflow	27,990	8,007	32,439	34,438	33,043
Capital expenditure	(6,800)	980	(8,155)	(12,320)	(5,951)
Free Cash Flow	21,190	8,987	24,284	22,118	27,092
Investments	(1,290)	(1,500)	0	0	0
Other Investing Cash Flow	(9,160)	0	0	0	0
Investing Cashflow	(14,830)	2,240	(5,155)	(9,200)	(2,706)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	2,834	22,740	(2,833)	82	0
Dividend paid (incl tax)	(5,940)	(6,030)	(6,304)	(6,412)	(7,020)
Other Financing Cash Flow	876	(1,747)	69	106	(106)
Financing Cashflow	(14,370)	3,674	(20,954)	(17,780)	(18,381)
Net chg in cash	(1,210)	13,920	6,330	7,458	11,956
Opening cash position	19,790	18,580	32,500	38,830	46,288
Closing cash position	18,580	32,500	38,830	46,288	58,244

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 09/26/2022 11:26 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	30.9	29.1	29.6	28.7	28.1
EBIT Margin	23.4	22.1	22.5	21.8	21.3
Effective Tax Rate	22.2	26.7	22.0	22.0	22.0
Net Margin	11.7	11.2	12.1	12.0	12.1
ROCE	11.2	10.7	10.5	10.4	10.3
ROE	13.8	13.4	13.9	13.4	13.0
RoIC	8.9	8.1	8.7	8.7	8.9

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	10.0	10.2	11.3	11.8	12.3
CEPS	16.5	16.8	18.1	18.7	19.4
BVPS	74.1	78.0	84.6	91.6	98.6
DPS	4.5	4.5	4.7	4.8	5.3

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	7.9	7.8	7.0	6.7	6.4
P/CEPS	4.8	4.7	4.3	4.2	4.0
P/BV	1.1	1.0	0.9	0.9	0.8
EV / Sales	1.8	1.7	1.6	1.5	1.4
EV / EBITDA	5.8	5.9	5.5	5.2	4.8
Dividend Yield (%)	5.6	5.7	6.0	6.1	6.6

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	1.1	1.1	0.9	0.8	0.6
Net Debt/EBIDTA	2.9	3.0	2.7	2.5	2.1
Working Cap Cycle (days)	12.4	82.3	83.5	77.9	78.3

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(4.3)	7.8	1.9	4.1	4.2
EBITDA	(4.9)	1.8	3.5	1.2	2.0
EBIT	(6.9)	1.7	3.9	0.7	1.9
PAT	5.0	2.1	10.7	4.2	4.7

Quarterly (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Revenue	19,310	20,910	16,620	16,100	23,470
EBITDA	3,110	4,190	2,120	1,760	3,940
EBITDA Margin (%)	16.1	20.0	12.8	10.9	16.8
PAT	1,380	2,350	1,840	2,590	1,380
EPS (Rs)	1.0	1.8	1.4	1.9	1.0

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	49.9	52.1	52.1	52.1	52.1
FII	13.4	13.0	13.5	13.8	13.9
DII	23.6	23.0	22.1	21.0	21.3
Public and Others	13.1	12.0	12.4	13.1	12.6

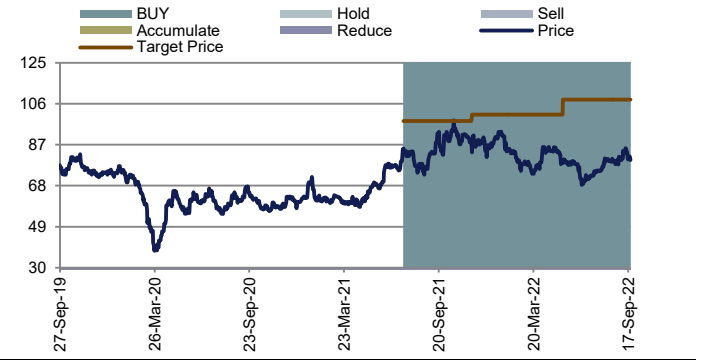
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
11-Sep-22	83	108	12m	Buy	Abhineet Anand
21-Jun-22	71	108	12m	Buy	Abhineet Anand
09-Jun-22	78	108	12m	Buy	Abhineet Anand
15-May-22	79	108	12m	Buy	Abhineet Anand
22-Feb-22	76	101	12m	Buy	Abhineet Anand
13-Jan-22	92	101	12m	Buy	Abhineet Anand
22-Nov-21	84	101	12m	Buy	Abhineet Anand
14-Jul-21	85	98	12m	Buy	Abhineet Anand

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Eng. & Capital Goods, Infra, Power



Analyst: Abhineet Anand

Contact Details

abhineet.anand@emkayglobal.com
+91 22 66242466

Sector

Engineering, Infra and Power

Analyst bio

Abhineet has experience of over 19 years in Engineering, Infrastructure and Power sectors as Analyst, Consultant and Engineer. Abhineet has completed his B.E. in Mechanical Engineering and PGDM in Finance from IIM Kozhikode.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Engineering & Capital Goods, Infra, Power	3.71	3.71	0%	0	100.00	
Action Construction Equipments	0.00	0.00	NA	0	0.00	0
HG Infra Engineering	0.00	0.00	NA	0	0.00	0
Kalpataru Power	0.00	0.21	NA	21	5.70	0
KEC International	0.00	0.21	NA	21	5.65	0
Larsen & Toubro	2.15	1.51	-30%	-64	40.74	0
CESC	0.00	0.35	NA	35	9.54	0
NHPC	0.10	0.00	-100%	-10	0.00	0
NTPC	0.76	0.75	0%	0	20.33	0
Power Grid Corporation	0.71	0.67	-5%	-4	18.05	0
Cash	0.00	0.00	NA	0	0.00	0

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	23-Sep-21	24-Mar-22	23-Jun-22	23-Aug-22	22-Sep-22
EAP - Engineering & Capital Goods, Infra, Power	100.0	132.4	132.3	113.2	116.7	117.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	127.5	129.1	113.2	115.9	117.5

*Performance measurement base date 1st April 2019

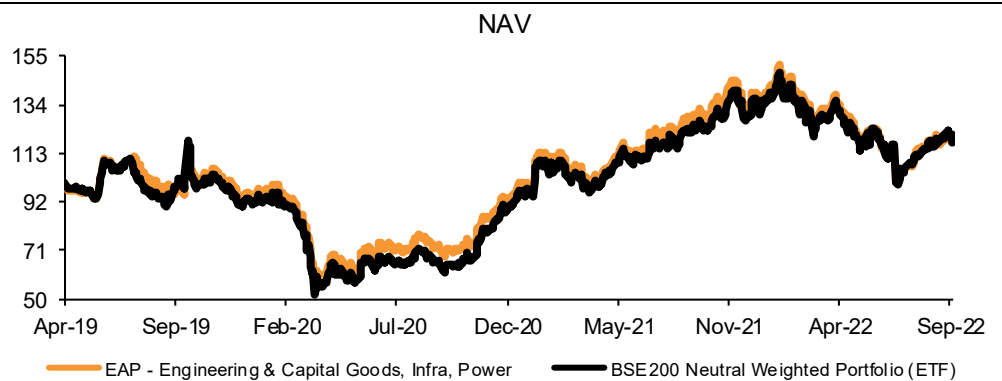
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Engineering & Capital Goods, Infra, Power	0.6%	3.6%	-11.3%	-11.4%
BSE200 Neutral Weighted Portfolio (ETF)	1.3%	3.8%	-9.0%	-7.9%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 26 Sep 2022 09:02:36 (SGT)

Dissemination Date: 26 Sep 2022 09:03:36 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals 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 may be 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), 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 Financial Institutions Regulatory Authority (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 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, which is not the Major Institutional Investor. 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.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of September 26, 2022
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
Disclosure of previous investment recommendation produced:
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of September 26, 2022.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the September 26, 2022
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment services banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the September 26, 2022

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com