

Mahindra & Mahindra

Refer to important disclosures at the end of this report

Strong quarter; Growth prospects intact for auto and farm segments

M&M's Q3FY23 revenue surged 41% YoY to Rs216.5bn, broadly in line with our estimates. EBITDA also grew strongly by 56% to Rs28.1bn, slightly below estimates owing to lower-than-expected gross profit. The PV order book is strong at 2,66,000+ units, driven by robust demand for Scorpio-N, XUV700, Thar, and XUV400 models. EVs remain a focus area, with deliveries of Electric XUV400 to commence this quarter. Five more electric PVs are expected to be launched over FY25-27. Going forward, we build in revenue/earnings CAGR of 12%/13% over FY23-25E. We maintain BUY with a TP of Rs1,590 (Rs1,550 earlier), based on 12x its FY25E standalone core EPS (Dec-24E earlier) and value of subsidiaries/investments at Rs680/share. Key downside risks: Lower-than-expected growth in key segments; failure of new products; monsoon deficit in 2023; higher competitive intensity; and adverse movement in currency/commodity prices.

Strong quarter; Earnings in line: Revenue grew by 41% YoY to Rs216.5bn (est.: Rs214.1bn), broadly in line with estimates. Auto volume grew by 45% and realization grew by 5%. Tractors volume grew by 14% and realization grew by 6%. EBITDA grew by 56% YoY to Rs28.1bn, slightly lower than our estimates due to lower-than-expected gross profit. EBITDA margin expanded by 130bps to 13%. The auto segment's EBIT margin expanded by 320bps to 6.7%. The farm segment's EBIT margin contracted by 80bps to 16.6%. Other income grew by 30% to Rs6.7bn (of this, dividend stood at Rs4.5bn). Overall, adjusted PAT grew by 52% to Rs20.3bn, broadly in line with our estimates. Tax rate stood at 21.6% in Q3FY23 vs. 17.6% in Q3FY22 and 21.6% in Q2FY23. Auto subsidiaries' EBIT loss stood at Rs382mn vs. profit of Rs137mn in Q3FY22. Farm subsidiaries' EBIT stood at Rs971mn in Q3FY23 vs. Rs344mn in Q3FY22. Reported numbers include exceptional loss of Rs6.3bn, which relates to investment impairment on trucks and buses assets after netting off income on freehold land. Numbers include the merger impact of Mahindra Electric Mobility and a few other wholly owned subsidiaries. **What we liked:** Strong revenue and margin performance. **What we did not like:** Post the recent launch of E-XUV400, the dedicated platform-based EV launch (XUV.E8) is next, targeted for Dec-24. This indicates a long gap in the model launch timeline.

Analyst meet KTAs: 1) The tractor industry's growth is expected at over 10% in FY23 due to positive customer sentiments on higher government spending, improving terms of trade, and normal rainfall season. FY24 performance is uncertain, as rainfall would remain a key driver of customer sentiments and demand. 2) FY24's CV industry volumes are expected to reach the previous peak of FY19. 3) The farm machinery industry's size stood at Rs93bn in FY22. In FY23 YTD, the company's revenue grew by 40%. The company expects 10x growth on account of new products, channel expansion, local manufacturing, and global expansion. The target remains at 10x for 2027. 4) SUV order book is at 266,000+ units. Of this, the order book for Scorpio-N is at 119,000 units, XUV700 is at 77,000 units, Thar is at 37,000 units, XUV400 is at 15,000 units, XUV300 is at 8,000 units, and Bolero is at 9,000 units. 5) Channel expansion continues with 120 dealers added over the last year in tractors. In SUVs, the company is expanding its network with the addition of 130 small-size outlets (Cube outlets with a space of 800-1,200 sq. ft.), which can provide good ROI to dealers. 6) Cost increases due to RDE norms are expected up to Rs22,000. 7) No penalties are expected due to CAFÉ norms implementation.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	446,299	574,460	840,902	964,408	1,059,178
EBITDA	69,575	70,423	105,846	122,484	134,536
EBITDA Margin (%)	15.6	12.3	12.6	12.7	12.7
APAT	40,714	51,439	74,317	85,431	94,767
EPS (Rs)*	28.2	30.4	46.1	57.8	64.7
EPS (% chg.)*	37.8	7.8	51.5	25.4	12.1
ROE (%)*	19.0	19.2	24.1	25.1	23.2
P/E (x)*	25.2	23.4	15.4	12.3	11.0
EV/EBITDA (x)*	12.3	11.9	7.7	6.4	5.4
P/BV (x)*	5.0	4.1	3.4	2.8	2.3

Source: Company, Emkay Research. *Relates to the core business excluding dividends and investment for subsidiaries

CMP	Target Price
Rs 1,365 as of (February 10, 2023)	Rs 1,590 (▲) 12 months
Rating	Upside
BUY (■)	16.4 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	2.3/0.4
Target Price change (%)	2.6
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	59.8	68.7
Consensus	57.3	71.1
Mean Consensus TP (12M)	Rs 1,498	

Stock Details

Bloomberg Code	MM IN
Face Value (Rs)	5
Shares outstanding (mn)	1,243
52 Week H/L	1,392 / 671
M Cap (Rs bn/USD bn)	1,698 / 20.58
Daily Avg Volume (nos.)	2,359,946
Daily Avg Turnover (US\$ mn)	36.9

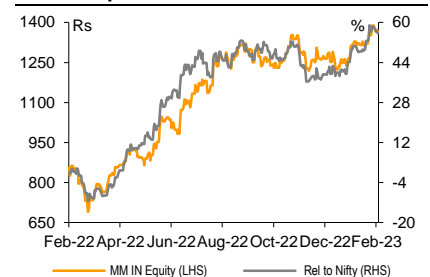
Shareholding Pattern Dec '22

Promoters	18.9%
FIIIs	38.2%
DIIIs	27.0%
Public and Others	16.0%

Price Performance

(%)	1M	3M	6M	12M
Absolute	4	5	8	60
Rel. to Nifty	4	6	6	58

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:

Raghunandhan N L

raghunandhan.nl@emkayglobal.com
+91 22 6624 2428

Mumuksh Mandlesha

mumuksh.mandlesha@emkayglobal.com
+91 22 6612 1334

Bhargava Perni

bhargava.perni@emkayglobal.com

Exhibit 1: Key assumptions; Expect a revenue CAGR of 12% over FY23-25E

	FY21	FY22	FY23E	FY24E	FY25E	CAGR % (FY23-25E)
Volumes (units)						
Domestic tractors	343,833	337,052	382,094	397,378	423,208	5
YoY %	17.8	(2.0)	13.4	4.0	6.5	
Domestic PVs	157,215	225,895	360,605	411,164	446,358	11
YoY %	(15.9)	43.7	59.6	14.0	8.6	
Domestic CVs	156,159	177,117	249,753	262,657	281,176	6
YoY %	(21.6)	13.4	41.0	5.2	7.1	
Domestic 3Ws	16,897	30,079	55,797	62,492	68,741	11
YoY %	(70.9)	78.0	85.5	12.0	10.0	
Total Domestic	674,104	770,143	1,048,250	1,133,691	1,219,484	8
YoY %	(8.4)	14.2	36.1	8.2	7.6	
Exports	29,015	50,156	53,128	57,720	62,711	9
YoY %	(21.4)	72.9	5.9	8.6	8.6	
Total Sales	703,119	820,299	1,101,378	1,191,412	1,282,195	8
YoY %	(9.1)	16.7	34.3	8.2	7.6	
Realization (Rs/unit)						
	634,741	700,305	763,500	809,467	826,067	4
YoY %	9.4	10.3	9.0	6.0	2.1	
Revenue (Rs mn)						
	446,299	574,460	840,902	964,408	1,059,178	12
YoY %	(0.5)	28.7	46.4	14.7	9.8	

Source: Company, Emkay Research

Exhibit 2: Changes in estimates

Rs mn	FY23E				FY24E				FY25E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volume (units)	1,090,539	1,101,378	1.0	34.3	1,187,120	1,191,412	0.4	8.2	1,277,777	1,282,195	0.3	7.6
Revenue	828,013	840,902	1.6	46.4	955,438	964,408	0.9	14.7	1,049,502	1,059,178	0.9	9.8
EBIDTA	103,580	105,846	2.2	50.3	121,846	122,484	0.5	15.7	134,196	134,536	0.3	9.8
EBIDTA margin (%)	12.5	12.6	8 bps	33 bps	12.8	12.7	(5) bps	11 bps	12.8	12.7	(8) bps	0 bps
Core PAT	56,317	57,279	1.7	51.5	72,047	71,801	(0.3)	25.4	80,621	80,456	(0.2)	12.1
Adj. PAT	72,673	74,317	2.3	44.5	85,132	85,431	0.4	15.0	94,360	94,767	0.4	10.9
EPS (Rs)	58.5	59.8	2.3	44.5	68.5	68.7	0.4	15.0	75.9	76.2	0.4	10.9

Source: Company, Emkay Research

Exhibit 3: SOTP valuation at Rs1,590

Components (Rs bn)	Basis of Valuation	Mar'25E Implied P/E (x)	Equity value	M&M stake (%)	Pro-rata value	Hold-co discount (%)	Contr. To SOTP	SOTP (Rs/share)	SOTP breakdown (%)
Tractor division	DCF	17	604		604		604	486	30
CV and 3W divisions	DCF	18	305		305		305	245	15
PV-ICE division	DCF	8	228		228		228	183	11
Standalone business		12	1,137		1,137		1,137	914	57
PV-EV division	30% discount to transaction value	2.6x FY27E EV/S (TTM) Discounted to Mar'25E	429		429	30	300	241	15
Tech Mahindra	TP (Emkay)		1,187	25.5	302	20	242	195	12
M&M Financial Services	TP (Emkay)		309	52.2	161	20	129	104	7
Other Subs/investments	Current m-cap/ investment value						174	140	9
Total							1,982	1,594	100
Total (Rounded off)								1,590	

Source: Company, Emkay Research; Note: Holdco discount calculated based on factors such as management control, size of free float, listed/unlisted, etc.

Exhibit 4: SOTP change

Components	New SOTP (Rs/share)	Earlier SOTP (Rs/share)	(Change%)
Tractor division	486	470	3
CV and 3W divisions	245	242	1
PV-ICE division	183	183	0
PV - EV division	241	236	2
Core business (S/A + E-PV)	1,156	1,130	2
Tech Mahindra	195	195	(0)
M&M Financial Services	104	91	14
Other Subs/investments	140	137	2
Total	1,594	1,553	3

Source: Company, Emkay Research

Exhibit 5: Actual vs. Estimates (Q3FY23)

(Rs mn)	Actual	Estimate		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	216,537	214,071	215,065	1.2	0.7	Broadly in line with estimates
EBITDA	28,142	29,248	27,576	(3.8)	2.1	Slightly below estimates owing to lower-than-expected gross profit
EBITDA Margin (%)	13.0	13.7	12.8	(67) bps	17 bps	
Adjusted Net Profit	20,290	20,107	18,121	0.9	12.0	Broadly in line with estimates

Source: Bloomberg, Company, Emkay Research

Exhibit 6: Quarterly financial summary

Rs mn	3QFY22	2QFY23	3QFY23	YoY (%)	QoQ (%)
Revenue	153,491	210,101	216,537	41.1	3.1
Expenditure	135,463	185,128	188,395	39.1	1.8
As a % of sales	88.3	88.1	87.0		
Consumption of RM	114,629	160,768	164,471	43.5	2.3
As a % of sales	74.7	76.5	76.0		
Employee Cost	8,831	9,224	9,342	5.8	1.3
As a % of sales	5.8	4.4	4.3		
Other expenditure	12,003	15,137	14,583	21.5	(3.7)
As a % of sales	7.8	7.2	6.7		
EBITDA	18,027	24,973	28,142	56.1	12.7
Depreciation	6,447	7,913	8,292	4.5	4.8
EBIT	11,580	17,060	19,851	71.4	16.4
Other Income	5,173	13,134	6,700	29.5	(49.0)
Interest	540	641	686	26.9	6.9
PBT	16,213	29,553	25,865	59.5	(12.5)
Total Tax	2,859	6,394	5,575	95.0	(12.8)
Adjusted PAT	13,354	23,159	20,290	51.9	(12.4)
Extraordinary items	-	(2,479)	(5,009)		
Reported PAT	13,354	20,680	15,281	14.4	(26.1)
Margins (%)				(bps)	(bps)
EBIDTA	11.7	11.9	13.0	125	111
EBIT	7.5	8.1	9.2	162	105
EBT	10.6	14.1	11.9	138	(212)
PAT	8.7	11.0	9.4	67	(165)
Effective Tax rate	17.6	21.6	21.6	392	(8)

Source: Company, Emkay Research

Exhibit 7: Segment-wise details (Standalone)

Segmental details (Rs mn)	3QFY22	2QFY23	3QFY23	YoY (%)	QoQ (%)
Farm Equipment					
Tractor (Units)	92,967	93,540	105,765	13.8	13.1
Net Sales (Rs mn)	52,178	55,381	62,777	20.3	13.4
Avg realisations	561,249	592,060	593,549	5.8	0.3
EBIT (Rs mn)	9,052	9,085	10,393	14.8	14.4
Margins %	17.3	16.4	16.6	(79) bps	15 bps
Capital Employed (Rs mn)	43,976	58,532	54,774	24.6	(6.4)
ROCE %	82.3	62.1	75.9	(643)	1,382
Automotive (Incl MVML)					
Auto (units)	121,167	179,683	176,094	45.3	(2.0)
Net Sales (Rs mn)	96,539	148,958	147,965	53.3	(0.7)
Avg realisations (Rs)	796,743	829,006	840,263	5.5	1.4
Results (Rs mn)	3,335	8,886	9,896	196.7	11.4
Margins %	3.5	6.0	6.7	323 bps	12 bps
Capital Employed (Rs mn)	128,683	102,135	114,734	(10.8)	12.3
ROCE %	10.4	34.8	34.5	2,413 bps	(30) bps

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	446,299	574,460	840,902	964,408	1,059,178
Expenditure	376,724	504,037	735,056	841,924	924,642
EBITDA	69,575	70,423	105,846	122,484	134,536
Depreciation	23,699	24,511	31,308	33,952	36,609
EBIT	45,876	45,912	74,538	88,533	97,927
Other Income	11,995	20,759	23,429	23,690	26,252
Interest expenses	3,963	2,230	2,689	2,696	2,682
PBT	53,907	64,441	95,278	109,527	121,497
Tax	13,193	13,002	20,961	24,096	26,729
Extraordinary Items	(30,873)	(2,087)	(7,898)	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	9,842	49,352	66,419	85,431	94,767
Adjusted PAT	40,714	51,439	74,317	85,431	94,767

Balance Sheet

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	5,974	5,983	5,983	5,983	5,983
Reserves & surplus	343,536	383,627	431,467	495,540	566,615
Net worth	349,510	389,610	437,450	501,523	572,598
Minority Interest	0	0	0	0	0
Loan Funds	83,584	70,490	71,022	70,874	70,296
Net deferred tax liability	14,497	17,008	17,103	17,213	17,334
Total Liabilities	447,590	477,108	525,575	589,610	660,228
Net block	120,113	145,486	208,153	228,942	243,281
Investment	217,826	251,098	291,098	341,098	406,098
Current Assets	216,451	224,537	301,052	337,219	362,584
Cash & bank balance	63,952	36,505	25,032	20,660	14,917
Other Current Assets	26,570	36,016	52,721	60,464	66,406
Current liabilities & Provision	168,055	194,195	285,676	328,598	361,735
Net current assets	48,397	30,342	15,375	8,622	850
Misc. exp.	0	0	0	0	0
Total Assets	447,590	477,108	525,575	589,610	660,228

Cash Flow

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	41,913	43,682	71,850	85,837	95,245
Other Non-Cash items	0	0	0	0	0
Chg in working cap	35,866	4,967	(5,403)	(2,250)	(1,689)
Operating Cashflow	83,942	50,178	75,817	98,101	107,624
Capital expenditure	(33,113)	(31,859)	(54,741)	(54,741)	(50,000)
Free Cash Flow	50,829	18,319	21,076	43,361	57,624
Investments	(120,585)	(29,019)	(40,000)	(50,000)	(65,000)
Other Investing Cash Flow	8,338	17,289	0	0	0
Investing Cashflow	(133,365)	(22,830)	(71,312)	(81,051)	(88,748)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	42,115	(13,168)	532	(147)	(578)
Dividend paid (incl. tax)	(2,936)	(10,891)	(18,579)	(21,358)	(23,692)
Other Financing Cash Flow	35,869	(25,943)	4,759	2,778	2,334
Financing Cashflow	71,010	(54,795)	(15,978)	(21,423)	(24,618)
Net chg. in cash	21,587	(27,447)	(11,473)	(4,372)	(5,743)
Opening cash position	42,365	63,952	36,505	25,032	20,660
Closing cash position	63,952	36,505	25,032	20,660	14,917

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 02/14/2023 02:08 PM

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	15.6	12.3	12.6	12.7	12.7
EBIT Margin	10.3	8.0	8.9	9.2	9.2
Effective Tax Rate	24.5	20.2	22.0	22.0	22.0
Net Margin	9.1	9.0	8.8	8.9	8.9
ROCE	10.3	10.8	14.7	15.1	14.9
ROE	11.7	13.9	18.0	18.2	17.6
RoIC	29.8	30.1	34.4	33.2	34.2

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	32.7	41.4	59.8	68.7	76.2
CEPS	51.8	61.1	85.0	96.0	105.7
BVPS	281.1	313.4	351.9	403.4	460.6
DPS	8.4	11.1	14.9	17.2	19.1

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	41.7	33.0	22.8	19.9	17.9
P/CEPS	26.4	22.4	16.1	14.2	12.9
P/BV	4.9	4.4	3.9	3.4	3.0
EV / Sales	3.7	2.9	1.9	1.7	1.5
EV / EBITDA	24.0	23.5	15.4	13.0	11.5
Dividend Yield (%)	0.6	0.8	1.1	1.3	1.4

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
Net Debt/EBIDTA	(0.4)	(0.6)	(0.6)	(0.8)	(1.2)
Working Cap Cycle (days)	(12.7)	(3.9)	(4.2)	(4.6)	(4.8)

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(0.5)	28.7	46.4	14.7	9.8
EBITDA	9.6	1.2	50.3	15.7	9.8
EBIT	15.0	0.1	62.3	18.8	10.6
PAT	33.0	401.5	34.6	28.6	10.9

Quarterly (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Revenue	153,491	171,240	196,126	210,101	216,537
EBITDA	18,027	19,455	23,410	24,973	28,142
EBITDA Margin (%)	11.7	11.4	11.9	11.9	13.0
PAT	13,354	11,672	14,711	23,159	20,290
EPS (Rs)	10.7	9.4	11.8	18.6	16.3

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	18.9	18.9	18.9	18.9	18.9
FIs	37.5	36.2	36.8	37.3	38.2
DIs	27.0	27.9	28.1	27.8	27.0
Public and Others	16.6	17.0	16.2	16.1	16.0

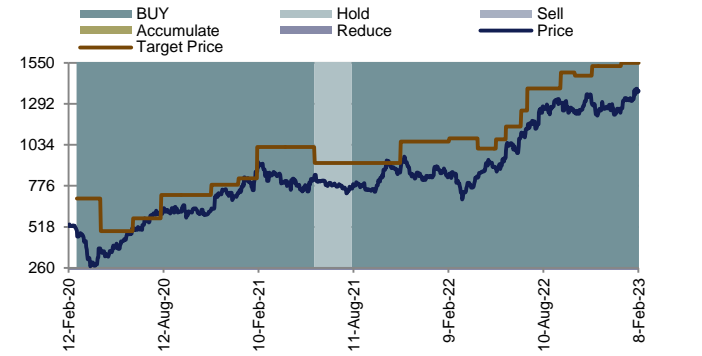
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
5-Feb-23	1,388	1,550	12m	Buy	Raghunandhan NL
13-Jan-23	1,328	1,550	12m	Buy	Raghunandhan NL
6-Jan-23	1,265	1,550	12m	Buy	Raghunandhan NL
11-Nov-22	1,287	1,530	12m	Buy	Raghunandhan NL
9-Oct-22	1,239	1,470	12m	Buy	Raghunandhan NL
12-Sep-22	1,297	1,490	12m	Buy	Raghunandhan NL
5-Aug-22	1,236	1,390	12m	Buy	Raghunandhan NL
10-Jul-22	1,134	1,390	12m	Buy	Raghunandhan NL
28-Jun-22	1,112	1,250	12m	Buy	Raghunandhan NL
30-May-22	998	1,150	12m	Buy	Raghunandhan NL
11-May-22	887	1,070	12m	Buy	Raghunandhan NL
6-Apr-22	828	1,010	12m	Buy	Raghunandhan NL
24-Feb-22	796	1,075	12m	Buy	Raghunandhan NL
10-Feb-22	853	1,075	12m	Buy	Raghunandhan NL
9-Nov-21	892	1,055	12m	Buy	Raghunandhan NL
7-Aug-21	758	920	12m	Buy	Raghunandhan NL
2-Jul-21	783	920	12m	Hold	Raghunandhan NL
18-Jun-21	782	920	12m	Hold	Raghunandhan NL
1-Jun-21	806	920	12m	Hold	Raghunandhan NL
30-May-21	846	920	12m	Hold	Raghunandhan NL
28-May-21	846	920	12m	Hold	Raghunandhan NL
7-Feb-21	866	1,020	12m	Buy	Raghunandhan NL
2-Jan-21	732	824	12m	Buy	Raghunandhan NL
11-Nov-20	633	783	12m	Buy	Raghunandhan NL
11-Oct-20	633	718	12m	Buy	Raghunandhan NL
28-Sep-20	615	718	12m	Buy	Raghunandhan NL
28-Aug-20	631	718	12m	Buy	Raghunandhan NL
7-Aug-20	600	718	12m	Buy	Raghunandhan NL
29-Jun-20	507	572	12m	Buy	Raghunandhan NL
14-Jun-20	508	572	12m	Buy	Raghunandhan NL
15-May-20	381	490	12m	Buy	Raghunandhan NL
4-May-20	357	490	12m	Buy	Raghunandhan NL
13-Apr-20	363	490	12m	Buy	Raghunandhan NL
27-Feb-20	494	697	12m	Buy	Raghunandhan NL
11-Feb-20	524	697	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

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: 11 Feb 2023 00:19:19 (SGT)

Dissemination Date: 11 Feb 2023 00:20:19 (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. Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities 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 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 distributed in Canada or 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 February 10, 2023
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 February 10, 2023.
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 February 10, 2023
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 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 February 10, 2023

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