Emkay©
Your success is our success

Nitin Spinners

Improving sector fundamental

CMP	Target Price
Rs 203 as of (February 4, 2023)	Rs 302 (▼) 12 months
Rating	Upside
BUY (■)	49.1 %

Result highlights

- For Q3FY23, Nitin Spinners reported 6% sales growth QoQ due to increased utilization with a slight improvement in demand scenario. Spinning utilization grew from 65% to 80%.
- EBITDAM stood at 11.2%, in line with our estimate and was flat QoQ. PAT for the quarter came in at Rs316mn, up 8% QoQ.
- Correction in domestic cotton price, lower differential between domestic and international cotton, and some improvement in demand scenario point towards improving fundamentals for the industry and the company. Post 3Q, spinning utilization has hit 90%, weaving is at 100%, though knitting demand remains subdued, leading to utilization at 45-50%. We maintain our Buy rating on the stock as improving fundamentals of the sector and capacity addition of ~40% would lead to re-rating for the stock.

- **Sequential improvement:** During the quarter, spinning utilization increased to 80% from 65% on a QoQ basis. Management indicated global spinning, which stood at 50% in the past six months, has also started to improve. Yarn sales increased by 32% QoQ, though knitted fabric sales fell by 22% due to lower demand in the sub-segment. Management indicated higher inventory of the knitting fabric side as the key reason for the same. Due to correction in domestic cotton prices in the recent past, the differential with international cotton prices has come down, which provides better opportunity for spinners. In 2QFY23, the differential stood at 36%, which corrected to 20% in 3QFY23.
- **4Q can be even better:** During the current quarter, utilization has further improved as per management. Spinning/weaving/knitting utilizations presently stand at 90%/100%/~50%. The differential between domestic and international cotton has further corrected to ~12%.
- **Expansion on track**: NSPL is on track to increase its yarn, knitting, and weaving capacities by 30-50% within the next 12 months at an investment of Rs9.5bn – this will grant the benefit of low-cost debt, given initiatives offered by the state government. NSPL will have spinning capacity to the tune of ~4.2lakh spindles post the expansion.
- **Valuation and outlook:** We maintain our BUY recommendation on the stock with Dec-23 TP of Rs302 based on 8x PE. Lower domestic cotton price, narrowing differential between domestic and international cotton price, expanding yarn-cotton spread, and improved demand from some retailers point towards positive fundamentals for the sector. We believe any strong uptick in global demand will imply a continued improvement in utilization for the company and lead to re-rating of the stock.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	16,244	26,923	23,373	24,126	26,957
EBITDA	2,573	6,516	3,067	3,934	4,476
EBITDA Margin (%)	15.8	24.2	13.1	16.3	16.6
APAT	689	3,307	1,605	1,716	2,251
EPS (Rs)	12.3	58.8	28.5	30.5	40.0
EPS (% chg)	189.2	380.2	(51.5)	6.9	31.2
ROE (%)	13.0	46.0	16.9	15.5	17.4
P/E (x)	16.5	3.4	7.1	6.6	5.1
EV/EBITDA (x)	8.2	2.8	6.0	5.4	4.2
P/BV (x)	2.0	1.3	1.1	1.0	0.8

Source: Company, Emkay Research

Change in Estimates	
EPS Chg. FY23E/FY24E (%)	15/(3)
Target Price change (%)	(2.5)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs. Consensus

EPS Estimates	FY23E	FY24E
Emkay	28.5	30.5
Consensus	33.3	45.4
Mean Consensus TP (12M)		Rs 512

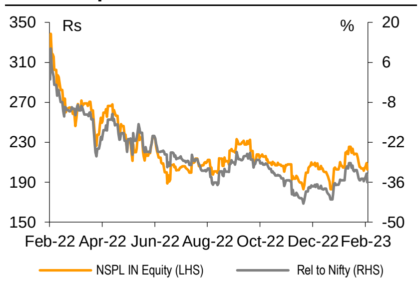
Stock Details	
Bloomberg Code	NSPL IN
Face Value (Rs)	10
Shares outstanding (mn)	56
52 Week H/L	346 / 182
M Cap (Rs bn/USD bn)	11 / 0.14
Daily Avg Volume (nos.)	1,48,415
Daily Avg Turnover (US$ mn)	0.4

Shareholding Pattern Dec '22	
Promoters	56.4%
FIIs	3.8%
DIIs	5.4%
Public and Others	34.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(4)	(2)	(3)	(35)
Rel. to Nifty	(1)	(1)	(6)	(36)

Relative price chart



Source: Bloomberg

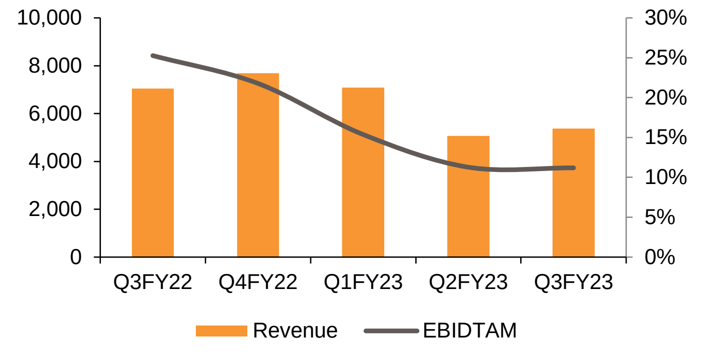
This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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

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

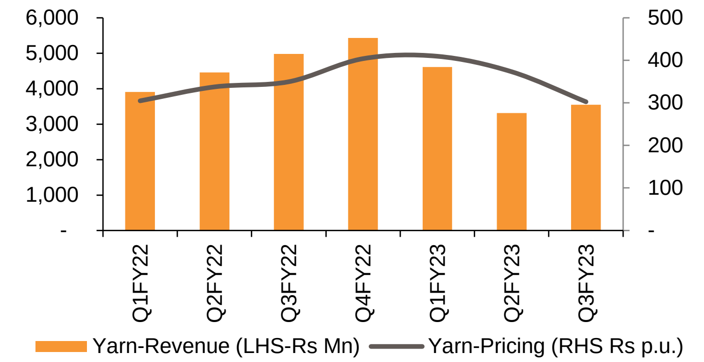
Story in Charts

Exhibit 1: Revenue seeing recovery QoQ; Margins remain flat QoQ



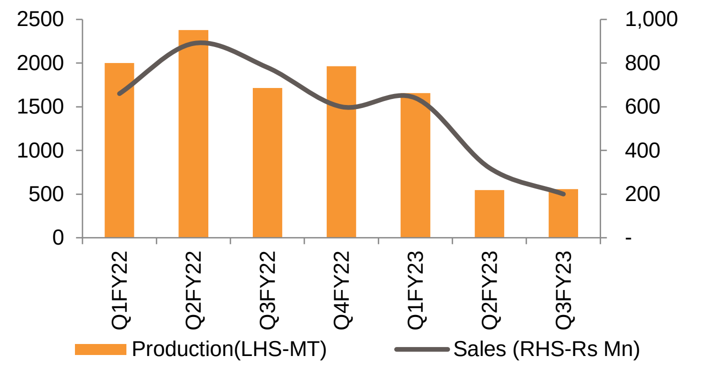
Source: Company, Emkay Research

Exhibit 2: Yarn revenue up QoQ; Softening in prices continues due to fall in cotton prices



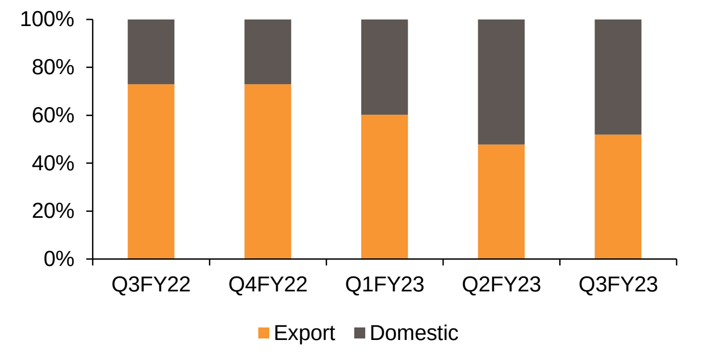
Source: Company, Emkay Research

Exhibit 3: Low demand for knitted fabric bringing production and sales down to all-time low



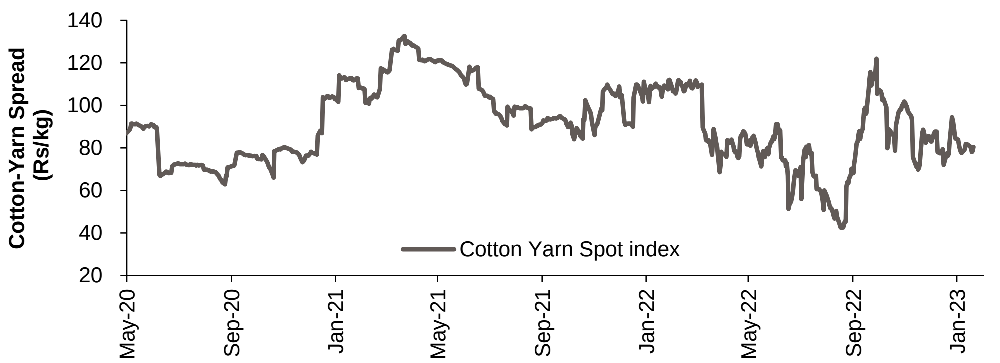
Source: Company, Emkay Research

Exhibit 4: Focus is on regaining the lost export market, while retaining the domestic market



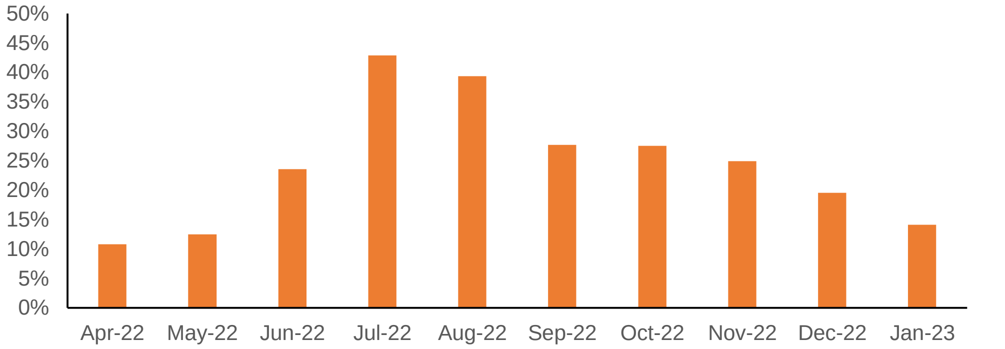
Source: Company, Emkay Research

Exhibit 5: Cotton yarn spread coming back to normal levels



Source: Industry, Emkay Research

Exhibit 6: Reducing premium of Indian cotton prices over international prices



Source: Industry, Emkay Research

Exhibit 7: Change in Estimates

Y/E, March (Rs mn)	FY23E			FY24E			FY25E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenue	23,254	23,373	1%	23,085	24,126	5%	25,775	26,957	5%
EBITDA	3,136	3,067	-2%	3,984	3,934	-1%	4,525	4,476	-1%
EBITDAM (%)	*13.5%*	*13.1%*	*-36 bps*	*17.3%*	*16.3%*	*-95 bps*	*17.6%*	*16.6%*	*-95 bps*
APAT	1,399	1,605	15%	1,764	1,716	-3%	2,305	2,251	-2%
EPS (Rs)	24.9	28.5	15%	31.4	30.5	-3%	41.0	40.0	-2%

Source: Emkay Research

Exhibit 8: Quarterly Results

	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	YoY (%)	QoQ (%)	YTD FY22	YTD FY23	YoY (%)
Revenue	7,049	7,691	7,088	5,059	5,372	-23.8	6.2	19,232	17,519	(8.9)
Material cost	3,814	4,548	4,654	3,468	3,592	-5.8	3.6	10,214	11,715	14.7
As a % of sales	54.1	59.1	65.7	68.6	66.9	1276bps	-170bps	53.1	66.9	1376bps
Employee Cost	348	324	348	293	341	-2.0	16.6	1,003	982	(2.0)
As a % of sales	4.9	4.2	4.9	5.8	6.4	141bps	57bps	5.2	5.6	39bps
Other expenditure	1,106	1,144	996	727	838	-24.3	15.2	3,174	2,561	(19.3)
As a % of sales	15.7	14.9	14.1	14.4	15.6	-10bps	122bps	16.5	14.6	-189bps
Total expenditure	5,268	6,016	5,999	4,489	4,771	-9.4	6.3	14,391	15,258	6
EBITDA	1,781	1,674	1,089	570	601	-66.2	5.4	4,842	2,261	(53)
Depreciation	219	215	218	219	218	-0.1	-0.4	659	655	(1)
EBIT	1,563	1,459	872	351	383	-75.5	9.1	4,183	1,606	(62)
Other Income	4	5	8	8	3	-34.7	-65.4	13	19	47
Interest	135	140	115	85	74	-45.0	-13.1	413	274	(34)
PBT	1,432	1,324	765	274	312	-78.2	13.7	3,783	1,351	(64)
Taxes	500	470	109	(17)	(4)	-100.9	-74.5	1,331	88	(93)
PAT	933	855	656	291	316	-66.1	8.6	2,452	1,263	(48)
Adjusted PAT	933	855	656	291	316	-66.1	8.6	2,452	1,263	(48)
Extraordinary / Exceptional item	-	-	-	-	-			45	-	(100)
Reported PAT	933	855	656	291	316	-66.1	8.6	2,407	1,263	(48)
Margins (%)										
Gross Margins	45.9	40.9	34.3	31.4	33.1	(424)	(504)	46.9	33.1	(1,376)
EBIDTAM	25.3	21.8	15.4	11.3	11.2	140	(349)	25.2	12.9	(1,227)
EBITM	22.2	19.0	12.3	6.9	7.1	293	(319)	21.7	9.2	(1,258)
PBTM	20.3	17.2	10.8	5.4	5.8	423	(310)	19.7	7.7	(1,196)
PATM	13.2	11.1	9.3	5.8	5.9	274	(212)	12.7	7.1	(558)
Effective Tax rate	34.9	35.5	14.3	(6.1)	(1.4)	(4)	58	35.2	6.5	(2,864)

Source: Company, Emkay Research

Key Financials (Standalone)

Income Statement

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	**16,244**	**26,923**	**23,373**	**24,126**	**26,957**
Expenditure	**13,672**	**20,407**	**20,306**	**20,193**	**22,481**
EBITDA	**2,573**	**6,516**	**3,067**	**3,934**	**4,476**
Depreciation	910	874	875	1,034	1,034
EBIT	**1,662**	**5,642**	**2,192**	**2,899**	**3,442**
Other Income	19	18	24	111	186
Interest expenses	616	553	409	722	627
PBT	**1,065**	**5,107**	**1,807**	**2,288**	**3,001**
Tax	377	1,800	202	572	750
Extraordinary Items	0	(45)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	**689**	**3,261**	**1,605**	**1,716**	**2,251**
Adjusted PAT	**689**	**3,307**	**1,605**	**1,716**	**2,251**

Balance Sheet

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	562	562	562	562	562
Reserves & surplus	5,071	8,196	9,721	11,351	13,376
Net worth	**5,634**	**8,758**	**10,283**	**11,913**	**13,939**
Minority Interest	**0**	**0**	**0**	**0**	**0**
Loan Funds	**9,616**	**6,885**	**7,475**	**12,325**	**10,325**
Net deferred tax liability	535	1,251	1,251	1,251	1,251
Total Liabilities	**15,785**	**16,895**	**19,010**	**25,490**	**25,515**
Net block	**10,597**	**10,119**	**10,494**	**16,709**	**15,675**
Investment	**0**	**0**	**0**	**0**	**0**
Current Assets	**6,150**	**8,124**	**8,443**	**9,958**	**11,135**
Cash & bank balance	9	6	672	2,702	3,185
Other Current Assets	819	1,067	1,067	1,067	1,067
Current liabilities & Provision	**978**	**1,349**	**1,414**	**1,414**	**1,532**
Net current assets	**5,172**	**6,775**	**7,029**	**8,544**	**9,603**
Misc. exp.	0	0	0	0	0
Total Assets	**15,785**	**16,895**	**19,010**	**25,490**	**25,515**

Cash Flow

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	**1,046**	**5,089**	**1,783**	**2,177**	**2,815**
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(684)	(890)	174	506	(588)
Operating Cashflow	**1,889**	**5,627**	**3,241**	**4,440**	**3,889**
Capital expenditure	(128)	(381)	(2,499)	(6,000)	0
Free Cash Flow	**1,761**	**5,246**	**742**	**(1,560)**	**3,889**
Investments	0	0	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	**(109)**	**(362)**	**(2,475)**	**(5,874)**	**201**
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(788)	(2,731)	590	4,850	(2,000)
Dividend paid (incl tax)	0	0	0	0	0
Other Financing Cash Flow	(372)	(1,983)	(282)	(663)	(979)
Financing Cashflow	**(1,776)**	**(5,267)**	**(339)**	**3,471**	**(3,602)**
Net chg. in cash	**4**	**(2)**	**428**	**2,036**	**487**
Opening cash position	4	9	6	434	2,455
Closing cash position	**8**	**6**	**672**	**2,702**	**3,185**

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	15.8	24.2	13.1	16.3	16.6
EBIT Margin	10.2	21.0	9.4	12.0	12.8
Effective Tax Rate	35.3	35.3	11.2	25.0	25.0
Net Margin	4.2	12.3	6.9	7.1	8.3
ROCE	10.7	34.6	12.3	13.5	14.2
ROE	13.0	46.0	16.9	15.5	17.4
RoIC	6.8	22.4	11.5	10.9	11.4

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	12.3	58.8	28.5	30.5	40.0
CEPS	28.4	74.4	44.1	48.9	58.4
BVPS	100.2	155.8	182.9	211.9	247.9
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	16.5	3.4	7.1	6.6	5.1
P/CEPS	7.2	2.8	4.7	4.2	3.5
P/BV	2.0	1.3	1.1	1.0	0.8
EV / Sales	1.3	0.7	0.8	0.9	0.7
EV / EBITDA	8.2	2.8	6.0	5.4	4.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	1.7	0.8	0.7	0.8	0.5
Net Debt/EBIDTA	3.7	1.1	2.3	2.5	1.7
Working Cap Cycle (days)	116.0	91.8	103.0	92.1	90.4

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	13.0	65.7	(13.2)	3.2	11.7
EBITDA	51.5	153.3	(52.9)	28.3	13.8
EBIT	86.6	239.4	(61.2)	32.3	18.7
PAT	189.2	373.6	(50.8)	6.9	31.2

Quarterly (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Revenue	7,049	7,691	7,088	5,059	5,372
EBITDA	1,781	1,674	1,089	570	601
EBITDA Margin (%)	**25.3**	**21.8**	**15.4**	**11.3**	**11.2**
PAT	933	855	656	291	316
EPS (Rs)	**16.6**	**15.2**	**11.7**	**5.2**	**5.6**

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	56.3	56.3	56.4	56.4	56.4
FIIs	4.0	4.8	4.3	3.8	3.8
DIIs	4.3	4.6	5.0	5.6	5.4
Public and Others	35.5	34.3	34.4	34.3	34.4

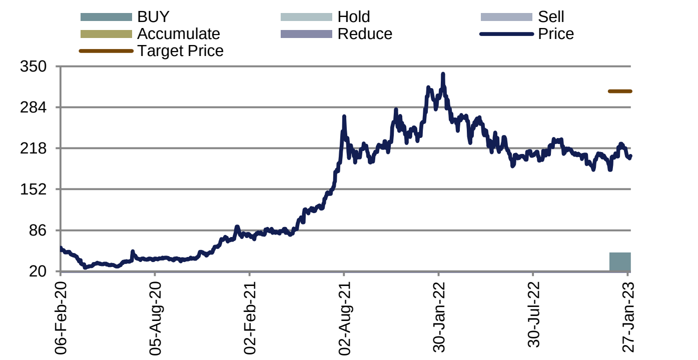
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
23-Dec-22	183	310	12m	Buy	Abhineet Anand

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: 06 Feb 2023 08:42:54 (SGT)
Dissemination Date: 06 Feb 2023 08:43:54 (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 associate[1] 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 interests[2] 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 6, 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 6, 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 6, 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 6, 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, 6th 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

SANJAY CHAWLA

Digitally signed by SANJAY CHAWLA
DN: c=IN, o=EMKAY GLOBAL FINANCIAL SERVICES LIMITED, ou=-, 2.5.4.20=0e110317a8bd3bd3f96249f6a4c209160ecb5613fd9b5a6ec3cfa00ceb0094c5, postalCode=400013, st=Maharashtra, serialNumber=177d8e34b7d575833905ec37ed0d9ea162f9fc49c24ac020da16b923271eaebb, cn=SANJAY CHAWLA
Date: 2023.02.06 06:16:38 +05'30'