

Another quarter of strong execution

Information Technology ▶ Result Update ▶ November 5, 2023

TARGET PRICE (Rs): 140

Zomato delivered yet another impressive performance, with strong growth across segments. Food Delivery growth was solid for the second consecutive quarter, aided by demand uptick, strong execution, and growing adoption of the Gold program, which led to higher order volumes. Contribution margin for food delivery also saw an uptick to 6.6% from 6.4% in Q1. Blinkit GOV bounced back sharply by 29% QoQ, after temporary disruptions in Q1. Blinkit also managed to turn contribution-positive for the first time, delivering contribution margin (as a % of GOV) of 1.3%, and is on track to break even by Q1FY25. The company remains profitable, in line with its guidance in the last quarter. The management reiterated its adjusted revenue CAGR expectations of over 40% for the next couple of years. Consistent delivery in the last few quarters has reaffirmed our faith in the company's execution capabilities. We raise FY24-26E EPS by 12-31%, factoring-in the Q2 performance. We retain BUY on the stock, with revised DCF-based TP of Rs140/share (earlier Rs120).

Zomato: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	41,924	70,792	1,18,733	1,68,117	2,17,435
EBITDA	(18,508)	(12,105)	470	14,377	26,277
Adj. PAT	(15,061)	(9,716)	2,706	12,365	21,918
Adj. EPS (Rs)	(1.7)	(1.1)	0.3	1.4	2.4
EBITDA margin (%)	(44.1)	(17.1)	0.4	8.6	12.1
EBITDA growth (%)	NM	NM	NM	2,957.7	82.8
Adj. EPS growth (%)	NM	NM	NM	357.0	88.1
RoE (%)	(12.2)	(5.4)	1.4	6.1	9.9
RoIC (%)	(131.5)	(41.1)	(8.1)	13.1	32.4
P/E (x)	(70.4)	(109.5)	393.1	86.0	48.5
EV/EBITDA (x)	(50.9)	(78.7)	2,007.4	64.5	34.2
P/B (x)	6.4	5.5	5.4	5.1	4.6
FCFF yield (%)	(0.9)	(1.1)	0.5	1.5	2.4

Source: Company, Emkay Research

Results Summary

Zomato delivered revenue growth of 17.9% QoQ to Rs28.5bn, well ahead of our estimate of Rs26.7bn. Growth was strong across segments, with food delivery/Hyperpure/Quick Commerce growth of 12.7%/20.7%/ 31.5% QoQ. Strong food Delivery GOV growth of 9% QoQ sustained for the second consecutive quarter, aided by uptick in demand, solid execution and growing adoption of the Gold program. The program now has 3.8mn members (~21% of MTU) and contributes to 40% of the GOV. Average monthly transacting users grew 5% QoQ to 18.4mn. Blinkit GOV surged 29% QoQ to Rs27.6bn, as the prior quarter had seen temporary business disruption in April. Overall adjusted revenue grew 16% QoQ to Rs32.2bn. The contribution margin for the food delivery further improved to 6.6%, from 6.4% in Q1. Also, adjusted EBITDA improved to Rs410mn, from Rs120mn in Q1. **What we liked:** Strong operating performance, GOV growth across segments, margin improvement across segments, healthy OCF in H1. **What we did not like:** Weaker-than-estimated EBITM due to higher ESOP costs.

Earnings Call KTAs

i) Company remains on track to deliver over 40% growth rate on adjusted revenue in the next couple of years. ii) Food delivery order volume growth is typically negatively impacted in Q2 due to lower delivery partner availability during the rains which was offset by better execution. iii) The Gold program continues to drive higher order frequency among members. iv) The management expects sequential food delivery GOV growth to be in a high single-digit, translating into 25-30% YoY. v) Management highlighted that majority of the growth is expected to come from growth in MTC, as more low-frequency customers start ordering more frequently. vi) Gold order is less profitable than a non-Gold order due to impact of program benefits. However, expects gap to narrow, driven by efficiencies across both—pricing and cost of the program. vii) Food delivery take rate increased due to introduction of platform fee and ad monetization. viii) Company added 28 new Blinkit stores in Q2, taking the total store-count to 411. It plans adding at least 100 net new stores in FY24. With major festivals like Navratri, Dussehra, Diwali, etc. lined up in Q3, the management expects another high-growth quarter from Blinkit. New store addition will be a short-term drag on margins. Over 60% of the stores are contribution-positive, with some already noting over 5% contribution margin (as a % of GOV). ix) Consolidated cash balance as on 30-Sep-2023 stands at Rs118bn (vs Rs116bn at Q1-end). x) Company maintained target of Rs4.5bn ESOP costs in FY24.

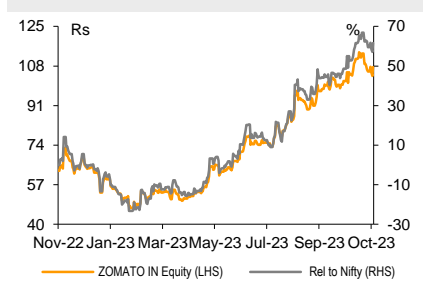
Target Price – 12M	Sep-24
Change in TP (%)	16.7
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	20.2
CMP (03-Nov-23) (Rs)	116.5

Stock Data	Ticker
52-week High (Rs)	120
52-week Low (Rs)	44
Shares outstanding (mn)	8,604.4
Market-cap (Rs bn)	1,002
Market-cap (USD mn)	12,036
Net-debt, FY24E (Rs mn)	0
ADTV-3M (mn shares)	88
ADTV-3M (Rs mn)	8,742.6
ADTV-3M (USD mn)	105.0
Free float (%)	48.0
Nifty-50	19,231
INR/USD	83.3
Shareholding, Sep-23	
Promoters (%)	-
FPIs/MFs (%)	54.7/13.0

Price Performance

(%)	1M	3M	12M
Absolute	10.6	34.6	87.3
Rel. to Nifty	12.4	35.7	75.8

1-Year share price trend (Rs)



Dipesh Mehta

dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Ayush Bansal

ayush.bansal@emkayglobal.com
+91 22 6612 1344

Pulkit Chawla

pulkit.chawla@emkayglobal.com
+91 22 6642 4258

Exhibit 1: Quarterly snapshot

(Rs mn)	Q2 FY24	Q1 FY24	QoQ (%)	Q2 FY23	YoY (%)
Food delivery GOV	79,800	73,180	9.0	66,310	20.3
Blinkit GOV	21,400	20,460	4.6	11,720	82.6
Net sales	28,480	24,160	17.9	16,613	71.4
Operating expenses	28,950	24,640	17.5	19,727	46.8
EBITDA	(470)	(480)	(2)	(3,114)	(85)
- Margins (%)	(2)	(2)	30	(19)	1,710
Depreciation	1280	1300		1067	
EBIT	(1,750)	(1,780)	(2)	(4,181)	(58)
- Margins (%)	(6)	(7)	120	(25)	1,900
Interest Paid	160	180		119	
Other income	2120	1810		1695	
Non-recurring items	0	0		0	
Pre-tax profit	210	(150)	(240)	(2,605)	(108)
Tax provided	-150	-170		-97	
Profit after tax	360	20		(2,508)	
Minority	-	-		-	
Emkay Net profit	360	20	1,700	(2,508)	(114)
EPS (Rs)	0.0	-	NA	(0.3)	(112.9)

Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates

(Rs mn)	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Net sales	28,480	26,672	25,593	6.8%	11.3%	Revenue growth came ahead of estimates on the back of all-round outperformance
EBIT	(1,750)	(1,555)	(1,691)	NM	NM	EBIT missed estimates due to higher ESOP costs
EBIT margin	-6.1%	-5.8%	-6.6%	-30 bps	50 bps	
PAT	360	3	-131	NM	NM	PAT beat estimates due to higher other income and tax reversals

Source: Company, Bloomberg, Emkay Research

Exhibit 3: Changes in estimates

(Rs mn)	FY24E			FY25E			FY26E		
	Old	New	Change	Old	New	Change	Old	New	Change
Net sales	1,09,876	1,18,733	8.1%	1,50,933	1,68,117	11.4%	1,94,041	2,17,435	12.1%
- YoY growth	55.2%	67.7%		37.4%	41.6%		28.6%	29.3%	
EBIT	-4,175	-4,553	NM	8,270	9,318	12.7%	18,519	20,939	13.1%
- EBIT margin (%)	-3.8	-3.8		5.5	5.5		9.5	9.6	
Net profit	2,072	2,706	30.6%	11,034	12,365	12.1%	19,376	21,918	13.1%
EPS (Rs)	0.2	0.3	30.6%	1.2	1.4	12.1%	2.1	2.4	13.1%

Source: Company, Emkay Research

Exhibit 4: SOTP-based valuation

	Methodology	Rs bn	Rs/share
Valuation of food delivery business	DCF	1,086	119
Valuation of Quick commerce and investments	Book value	64	7
Cash	Book value	120	13
Total equity value		1,270	139

Source: Company, Emkay Research

Zomato: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	41,924	70,792	1,18,733	1,68,117	2,17,435
Revenue growth (%)	110.3	68.9	67.7	41.6	29.3
EBITDA	(18,508)	(12,105)	470	14,377	26,277
EBITDA growth (%)	0.0	0.0	0.0	2,957.7	82.8
Depreciation & Amortization	1,503	4,369	5,023	5,059	5,338
EBIT	(20,011)	(16,474)	(4,553)	9,318	20,939
EBIT growth (%)	0.0	0.0	0.0	0.0	124.7
Other operating income	0	0	0	0	0
Other income	4,949	6,815	7,940	8,111	9,431
Financial expense	120	487	743	943	1,146
PBT	(15,182)	(10,146)	2,644	16,487	29,224
Extraordinary items	2,974	1	0	0	0
Taxes	20	(436)	(62)	4,122	7,306
Minority interest	138	(3)	0	0	0
Income from JV/Associates	3	(3)	0	0	0
Reported PAT	(12,087)	(9,715)	2,706	12,365	21,918
PAT growth (%)	0.0	0.0	0.0	357.0	77.3
Adjusted PAT	(15,061)	(9,716)	2,706	12,365	21,918
Diluted EPS (Rs)	(1.7)	(1.1)	0.3	1.4	2.4
Diluted EPS growth (%)	0.0	0.0	0.0	357.0	88.1
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
EBITDA margin (%)	(44.1)	(17.1)	0.4	8.6	12.1
EBIT margin (%)	(47.7)	(23.3)	(3.8)	5.5	9.6
Effective tax rate (%)	(0.1)	4.3	(2.3)	25.0	25.0
NOPLAT (pre-IndAS)	(20,037)	(15,766)	(4,659)	6,989	15,704
Shares outstanding (mn)	7,871.9	8,553.5	8,604.4	8,604.4	8,604.4

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	(15,182)	(10,146)	2,644	16,487	29,224
Others (non-cash items)	5,961	3,771	1,983	847	(1,192)
Taxes paid	(192)	(308)	62	(4,122)	(7,306)
Change in NWC	2,483	(1,759)	480	920	909
Operating cash flow	(6,930)	(8,442)	5,169	14,133	21,635
Capital expenditure	(572)	(1,014)	(1,058)	(1,222)	(1,312)
Acquisition of business	(209)	(607)	0	0	0
Interest & dividend income	1,126	4,904	7,540	7,711	9,031
Investing cash flow	(79,378)	4,573	12,654	2,489	(3,281)
Equity raised/(repaid)	90,000	40	0	0	0
Debt raised/(repaid)	(13)	(231)	(404)	0	0
Payment of lease liabilities	(298)	(1,055)	0	0	0
Interest paid	(7)	(93)	0	0	0
Dividend paid (incl tax)	0	0	0	0	0
Others	(2,184)	65	(4,500)	(3,500)	(2,500)
Financing cash flow	87,498	(1,274)	(4,904)	(3,500)	(2,500)
Net chg in Cash	1,190	(5,143)	12,919	13,122	15,853
OCF	(6,930)	(8,442)	5,169	14,133	21,635
Adj. OCF (w/o NWC chg.)	(4,447)	(10,201)	5,649	15,053	22,544
FCFF	(7,502)	(9,456)	4,111	12,911	20,323
FCFE	(6,496)	(5,039)	10,908	19,680	28,207
OCF/EBITDA (%)	37.4	69.7	1,099.3	98.3	82.3
FCFE/PAT (%)	53.7	51.9	403.1	159.2	128.7
FCFF/NOPLAT (%)	37.4	60.0	(88.2)	184.7	129.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	7,643	8,364	8,364	8,364	8,364
Reserves & Surplus	1,57,412	1,86,234	1,88,940	2,01,305	2,23,223
Net worth	1,65,055	1,94,598	1,97,304	2,09,669	2,31,587
Minority interests	(66)	(66)	(66)	(66)	(66)
Deferred tax liability (net)	0	0	0	0	0
Total debt	0	404	0	0	0
Total liabilities & equity	1,64,989	1,94,936	1,97,238	2,09,603	2,31,521
Net tangible fixed assets	509	2,085	2,302	2,536	2,789
Net intangible assets	799	9,905	7,710	5,690	3,670
Net ROU assets	642	4,272	5,061	5,709	6,150
Capital WIP	6	75	1	1	1
Goodwill	12,093	47,166	47,166	47,166	50,597
Investments [JV/Associates]	30,860	22,796	21,624	21,624	21,624
Cash & equivalents	1,17,504	1,12,041	1,19,960	1,37,082	1,63,935
Current assets (ex-cash)	10,857	17,647	19,367	25,028	30,703
Current Liab. & Prov.	8,281	21,051	25,951	35,232	44,517
NWC (ex-cash)	2,576	(3,404)	(6,584)	(10,204)	(13,813)
Total assets	1,64,989	1,94,936	1,97,238	2,09,603	2,31,521
Net debt	(1,17,504)	(1,11,637)	(1,19,960)	(1,37,082)	(1,63,935)
Capital employed	1,64,989	1,94,936	1,97,238	2,09,603	2,31,521
Invested capital	16,619	60,024	55,653	50,896	45,961
BVPS (Rs)	18.1	21.3	21.6	23.0	25.4
Net Debt/Equity (x)	(0.7)	(0.6)	(0.6)	(0.7)	(0.7)
Net Debt/EBITDA (x)	6.3	9.2	(255.1)	(9.5)	(6.2)
Interest coverage (x)	0.0	(0.1)	0.2	0.1	0.0
RoCE (%)	(12.2)	(5.4)	1.7	8.6	13.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	(70.4)	(109.5)	393.1	86.0	48.5
P/CE(x)	0.0	0.0	137.6	61.1	39.0
P/B (x)	6.4	5.5	5.4	5.1	4.6
EV/Sales (x)	22.5	13.5	7.9	5.5	4.1
EV/EBITDA (x)	(50.9)	(78.7)	2,007.4	64.5	34.2
EV/EBIT(x)	0.0	0.0	0.0	92.9	40.0
EV/IC (x)	48.1	14.7	15.9	17.0	18.2
FCFF yield (%)	(0.9)	(1.1)	0.5	1.5	2.4
FCFE yield (%)	(0.7)	(0.5)	1.1	2.0	2.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
DuPont-RoE split					
Net profit margin (%)	(35.9)	(13.7)	2.3	7.4	10.1
Total asset turnover (x)	0.3	0.4	0.6	0.8	1.0
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	(12.2)	(5.4)	1.4	6.1	9.9
DuPont-RoIC					
NOPLAT margin (%)	(47.8)	(22.3)	(3.9)	4.2	7.2
IC turnover (x)	2.8	1.8	2.1	3.2	4.5
RoIC (%)	(131.5)	(41.1)	(8.1)	13.1	32.4
Operating metrics					
Core NWC days	22.4	(17.6)	(20.2)	(22.2)	(23.2)
Total NWC days	22.4	(17.6)	(20.2)	(22.2)	(23.2)
Fixed asset turnover	2.1	1.5	1.6	2.2	2.8
Opex-to-revenue (%)	131.6	97.4	75.0	64.0	58.7

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
02-Oct-23	102	120	Buy	Dipeshkumar Mehta
04-Aug-23	95	110	Buy	Dipeshkumar Mehta
02-Jul-23	75	90	Buy	Dipeshkumar Mehta
20-May-23	65	90	Buy	Dipeshkumar Mehta
01-Apr-23	51	90	Buy	Dipeshkumar Mehta
10-Feb-23	53	90	Buy	Dipeshkumar Mehta
02-Jan-23	60	90	Buy	Dipeshkumar Mehta
11-Nov-22	73	90	Buy	Dipeshkumar Mehta
04-Oct-22	64	90	Buy	Dipeshkumar Mehta
28-Sep-22	58	90	Buy	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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 BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] 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 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 the Securities and Exchange Board of India ("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. However, SEBI and Stock Exchanges had conducted their 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 its existing 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.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company 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. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 EGFSL; 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. 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 affiliates. 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 report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

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. Except 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. 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.

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 associated persons¹ may have served 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 may 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 associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) 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:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of November 5, 2023
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- 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.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of November 5, 2023
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 5, 2023
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received 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.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

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

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

OTHER DISCLAIMERS AND DISCLOSURES:**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) -:**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . 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. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.