PL Capital
PRABHUDAS LILLADHER

Avenue Supermarts (DMART IN)

Rating: HOLD | CMP: Rs4,573 | TP: Rs4,748

October 13, 2024

Q2FY25 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	HOLD		ACCUMULATE	
Target Price	4,748		5,166	
Sales (Rs.m)	5,95,156	7,12,217	6,08,112	7,27,651
% Chng.	*(2.1)*	*(2.1)*		
EBITDA (Rs.m)	47,663	57,250	49,781	60,022
% Chng.	*(4.3)*	*(4.6)*		
EPS (Rs.)	45.3	54.2	47.6	57.4
% Chng.	*(5.0)*	*(5.5)*		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	5,07,888	5,95,156	7,12,217	8,48,424
EBITDA (Rs. m)	41,038	47,663	57,250	68,471
Margin (%)	*8.1*	*8.0*	*8.0*	*8.1*
PAT (Rs. m)	25,351	29,448	35,272	42,209
EPS (Rs.)	39.0	45.3	54.2	64.9
Gr. (%)	*6.2*	*16.2*	*19.8*	*19.7*
DPS (Rs.)	-	-	-	5.0
Yield (%)	-	-	-	*0.1*
RoE (%)	*14.6*	*14.6*	*15.1*	*15.6*
RoCE (%)	*19.4*	*19.5*	*20.3*	*21.1*
EV/Sales (x)	5.8	5.0	4.2	3.5
EV/EBITDA (x)	72.1	62.2	51.9	43.4
PE (x)	117.4	101.0	84.4	70.5
P/BV (x)	15.9	13.7	11.8	10.2

Key Data AVEU.BO | DMART IN

52-W High / Low	Rs.5,485 / Rs.3,619
Sensex / Nifty	81,381 / 24,964
Market Cap	Rs.2,976bn/ $ 35,394m
Shares Outstanding	651m
3M Avg. Daily Value	Rs.2865.77m

Shareholding Pattern (%)

Promoter's	74.65
Foreign	8.28
Domestic Institution	7.67
Public & Others	9.37
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(13.7)	(3.8)	18.7
Relative	(13.6)	(11.3)	(3.0)

Amnish Aggarwal
amnishaggarwal@plindia.com | 91-22-66322233

Vishwa Solanki
vishwasolanki@plindia.com | 91-22-66322244

Hasti Savla
hastisavla@plindia.com |

Online retail hurts 2Q parameters

Quick Pointers:

- 2Q has seen deterioration in retail metrics with LTL at 5.5% (9.1% in 1Q), sales/sq ft. is up by just 0.5% and Bills/store/day is up by 1.6% only.
- Gen. merchandise & Apparel sales at 23.45% continue to hold positive trends (22.37% in 2H24 and 23.21% in 1H24)

We cut our FY25/26/27 EPS by 5.0%/5.5%/4.9% and rating from Accumulate to Hold with target price of Rs4748 (Rs5168 earlier). Q2FY25 revenue/PAT were miss on our estimate by 3.4%/12.5%. This follows disappointing retail metrics as 1) Quick commerce and other online grocery platform players impacted sales in metro cities 2) lower SSG of 5.5% in 2Q vs 9.5% SSG in 1Q 3) tepid growth parameters with growth of 1.2% YoY in Sales/store, 1.6% YoY in bills/store/day and just 0.5% increase in sales/sq ft. Cost of retail inched up by 65bps as D'Mart added 6 stores in 2Q25.

General merchandise and apparel continue to improve in 2Q, 1H sales proportion at 23.45% improved by 24bps YoY; however, the loss of sales to value formats like Zudio, and Reliance Trends seems irreversible. D'Mart has added 2 stores in Oct beginning and has started offering same day delivery in D'Mart Ready, which will further boost sales post 21.5% growth in 1H25. We factor in 45/50 store additions, 18.4% CAGR in sales, with stable margins at ~8.1% to enable 18.5% PAT CAGR over FY24-27. D'Mart LT growth story remains intact with 1500+ store potential in duopoly market and gradual scale up in D'Mart Ready. We would keenly watch out for sales trends in festival season. HOLD with DCF based TP of Rs4748 (Rs5168 earlier)

Consol Revenues grew by 14.4% YoY to Rs144.4bn. Gross margins expanded by 24bps YoY to 14.9% (PLe:14.9%). EBITDA grew by 8.8% YoY to Rs10.9bn (PLe: Rs12.04bn). Margins contracted by -39bps YoY to 7.6%. (PLe:8.1%). Cost of Retail expanded by 63bps YoY to 7.3%. Adj PAT grew by 5.8% YoY to Rs6.6bn (PLe:Rs7.49bn). Dmart Ready sales grew by 21.5% for 1H25.

LFL for Q2FY25 came at 5.5%: Overall 1HFY25 LFL revenue growth was 7.4% for 2 years and older stores, LTL sales declined from 9.1% in 1Q to 5.5% in 2Q. D'Mart is clearly seeing impact of online grocery formats including D'Mart Ready in large metro D'Mart stores, which operate at a very high sales/ft.

Discretionary segment stabilize: GMA continued to see uptick that it saw in 1Q25, with its share increasing by ~185bps to 23.45% vs 21.6% in 2HFY24. Food segment continue to see traction with contribution in 1HFY25 up by 22bps YoY to 56.40%.**Adds 6 stores in 2Q, store size higher both YoY and QoQ:** D'Mart added 6 stores in 2QFY25 vs 6/9 stores in 1QFY25/2QFY24 taking the total store count to 377 with retail business area of 15.8mn sq. ft. The average area per new store opened is 66.6k versus 50k sq ft in 1Q25 and 33.3k in 2Q24. Eight stores are added in states having 20-50 stores while 4 stores were added in states with more than 50 stores.

Exhibit 1: Consolidated Revenues grew by 14.4% YoY, EBITDA margin contract by 38bps YoY

Y/e March	2QFY25	2QFY24	YoY gr. (%)	1QFY25	H1FY25	H1FY24	YoY gr. (%)
	1,44,445	1,26,244	*14.4*	1,40,691	2,85,136	2,44,898	*16.4*
Gross Profit	21,548	18,526	*16.3*	21,933	43,481	36,547	*19.0*
% of NS	*14.9*	*14.7*	*0.243*	*15.6*	*15.2*	*14.9*	*0.3*
Other Expenses	10,611	8,476	*25.2*	9,720	20,331	16,145	*25.9*
% of NS	*7.3*	*6.7*	*0.6*	*6.9*	*7.1*	*6.6*	*0.5*
EBITDA	10,938	10,050	*8.8*	12,213	23,150	20,402	*13.5*
Margins (%)	*7.6*	*8.0*	*(0.4)*	*8.7*	*8.1*	*8.3*	*(0.2)*
Depreciation	2,078	1,744	*19.2*	1,928	4,005	3,365	*19.0*
Interest	163	156	*4.7*	160	323	302	*7.0*
Other Income	335	369	*(9.2)*	416	751	757	*(0.7)*
PBT	9,032	8,519	*6.0*	10,541	19,573	17,492	*11.9*
Tax	2,438	2,286	*6.6*	2,805	5,242	4,671	*12.2*
Tax rate (%)	*27.0*	*26.8*	*0.2*	*26.6*	*26.8*	*26.7*	*0.1*
Adjusted PAT	6,596	6,236	*5.8*	7,737	14,334	12,823	*11.8*

Source: Company, PL

Exhibit 2: Added 6 stores in 2QFY25; Cost of retail increased by ~65bps YoY

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
No of Stores	306	324	327	336	341	365	371	377
Area (mn Sq.ft.)	12.6	13.4	13.5	14	14	15.1	15.4	15.8
Sales/store	372	328	356	371	391	351	373	376
% growth	4.4%	4.3%	4.9%	6.5%	5.2%	7.0%	4.7%	1.2%
Sales/Ft	9,044	7,952	8,613	8,984	9,462	8,489	8,991	9,007
% growth	-1.7%	0.7%	3.6%	6.0%	4.6%	6.8%	4.4%	0.3%
Gross Profit/Ft	1292	1067	1254	1255	1344	1164	1340	1277
EBIDTA/FT	780	602	771	731	801	644	801	708
Cost of retail %	6.5	6.8	6.5	6.7	6.6	7.0	6.9	7.3

Source: Company, PL

Exhibit 3: Gross Profit/Ft sustain growth, cost of retail to remain range bound

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales/Ft	32879	27306	27454	31096	32941	35808	37535	39660
Gross Profit/Ft	5500	4318	4507	5185	5273	5594	5940	6265
EBIDTA/FT	3107	2098	2459	2922	2880	3094	3299	3484
Capex/Ft	10338	9586	9898	11512	14362	14616	15264	16117
Cost of retail %	6.6%	7.6%	6.7%	6.6%	6.7%	6.6%	6.6%	6.6%
Working Cap/Ft	2194	1813	1890	1904	1785	1844	2145	2165

Source: Company, PL

Exhibit 4: Bill cuts/store grew by 1.6% in 1HFY25 to 161mn, ABV grew by 0.1% in 1HFY25

	FY19	FY20	FY21	FY22	FY23	FY24	1HFY25	FY25E	FY26E	FY27E
D'Mart Bills (mn)	172	201	152	181	258	303	161	348	404	467
Growth	*28%*	*17%*	*-24%*	*19%*	*43%*	*17%*	*5.5%*	*14.7%*	*16.2%*	*15.6%*
Number of Stores	176	214	234	284	324	365	377	410	460	512
Addition	21	38	20	50	40	41	12	45	50	52
Bills/Store/Day	2847	2824	1859	1915	2325	2410	1227	2544	2632	2721
Growth	*11%*	*-1%*	*-34%*	*3%*	*21%*	*4%*	*1.6%*	*2.0%*	*3.5%*	*3.5%*
Average Bill Value (Rs/Bill)	1158	1228	1565	1677	1621	1635	1667	1701	1743	1787
Growth	*3.7%*	*6.0%*	*27.5%*	*7.2%*	*-3.3%*	*0.8%*	*0.1%*	*1.5%*	*2.5%*	*2.5%*

Source: Company, PL

Exhibit 5: Emerging cluster see 25.0% store addition, account for 23.9% of stores

Stores	FY17	FY18	FY19	FY20	FY21	FY22	FY23	1HFY24	FY24	1HFY25
Total Stores	131	155	176	214	234	284	324	336	365	377
Addition	21	24	21	38	20	50	40	12	41	12
Mature Clusters (Top 5 States)	120	133	152	174	185	219	250	259	278	287
Addition	14	13	19	22	11	34	31	9	28	9
% of Total	*66.7*	*54.2*	*90.5*	*57.9*	*55.0*	*68.0*	*77.5*	*75.0*	*41.4*	*75*
Total States	11	12	12	12	12	12	12	12	12	12
Stores in Emerging Clusters	11	22	24	40	49	65	74	77	87	90
% of Total	*8.4*	*14.2*	*13.6*	*18.7*	*20.9*	*22.9*	*22.8*	*23.0*	*24.3*	*23.9*
Emerging Cluster Addition	7	11	2	16	9	16	9	3	13	3
% of Total	*33.3*	*45.8*	*9.5*	*42.1*	*45.0*	*32.0*	*22.5*	*25.0*	*31.5*	*25*

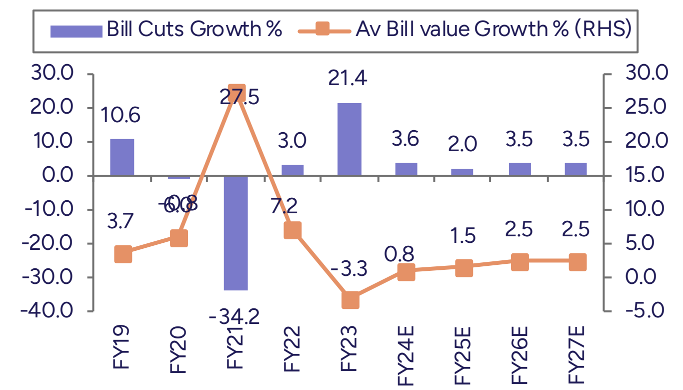
Source: Company, PL

Exhibit 6: General merchandise & Apparel share at 23.4% in 1H25, up 27% up by ~20bps YoY

Sales Mix	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	1H24	FY24	1H25
Foods	53.1%	53.7%	51.6%	51.3%	52.4%	57.4%	56.9%	56.0%	56.2%	57.0%	56.4%
Non Foods	20.6%	20.0%	20.0%	20.5%	20.3%	19.7%	19.7%	20.9%	20.6%	20.7%	20.2%
General merchandise & Apparel	26.4%	26.4%	28.4%	28.3%	27.3%	22.9%	23.4%	23.0%	23.2%	22.4%	23.4%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

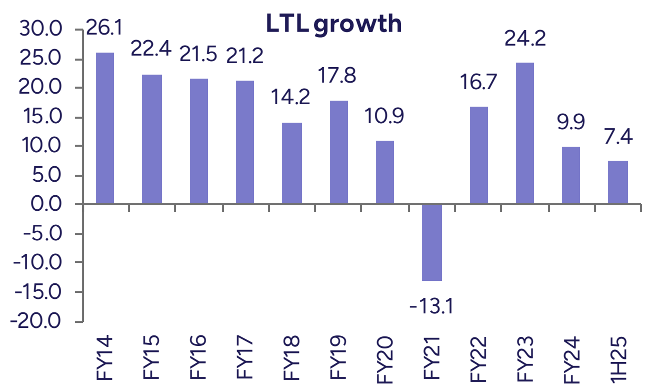
Source: Company, PL

Exhibit 7: Bill Cut to grow by 3.6% in FY25



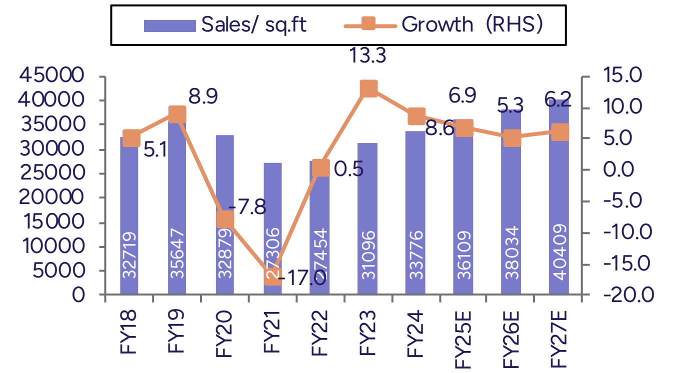
Source: Company, PL

Exhibit 8: LTL sales growth at 7.4% in 1HFY25



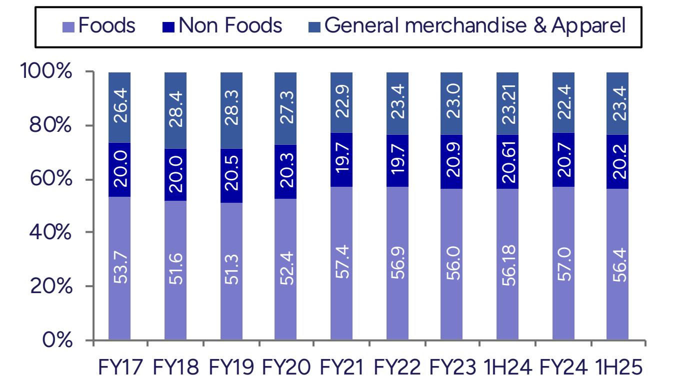
Source: Company, PL

Exhibit 9: Sales/Sq. ft. to grow by 6.9% in FY25



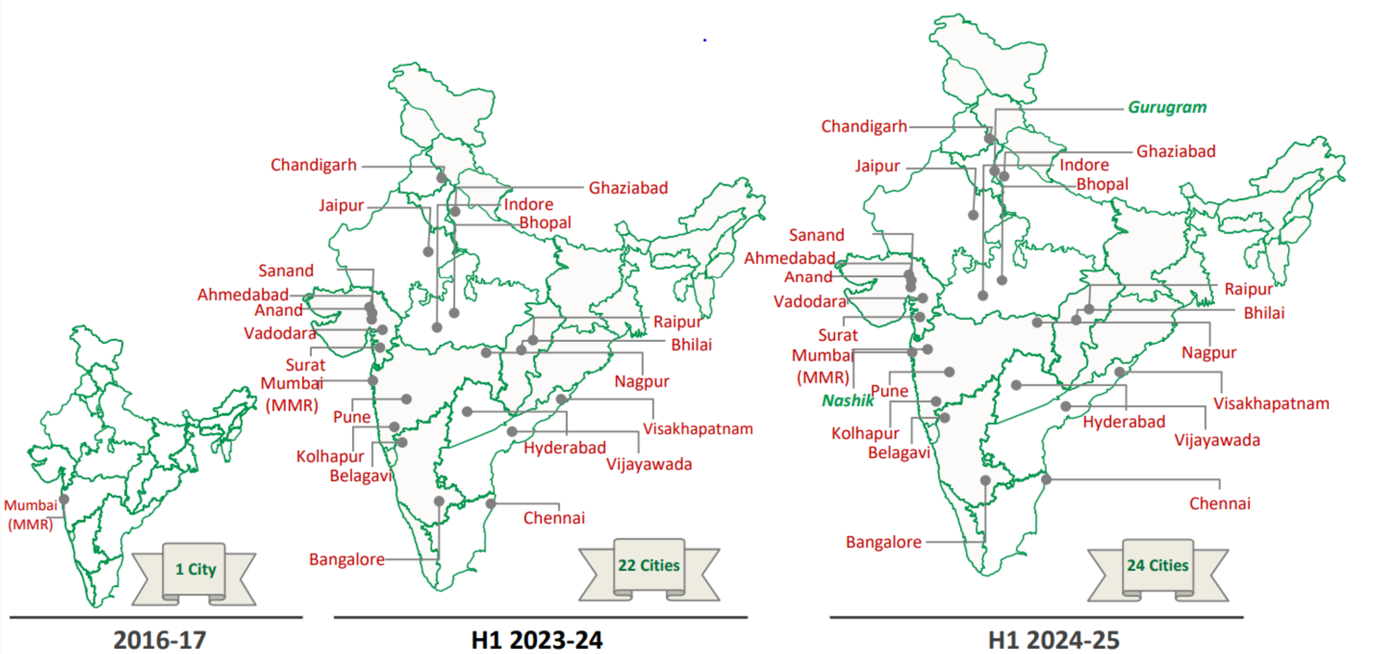
Source: Company, PL

Exhibit 10: Foods continue to remain highest contributor



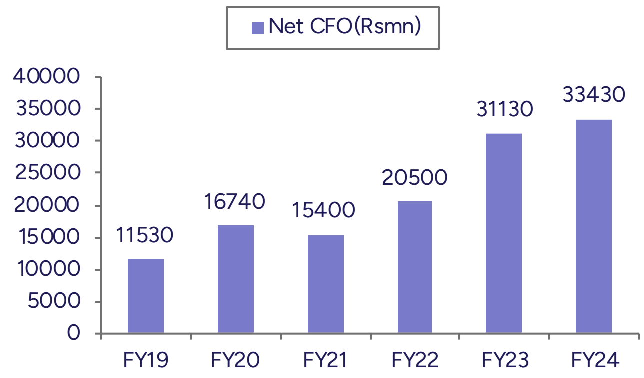
Source: Company, PL

Exhibit 11: D'Mart Ready – Presence increased to 24 cities (added Nashik in 1H25)



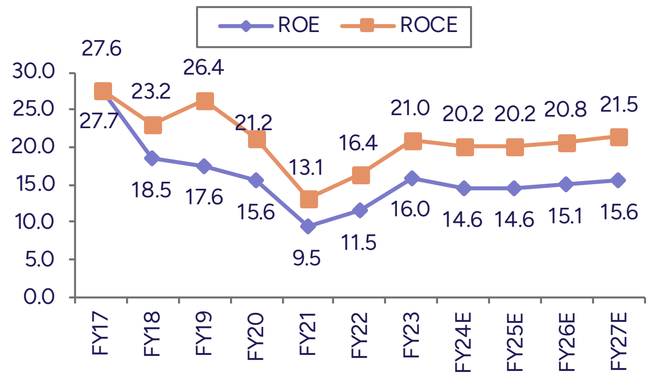
Source: Company, PL

Exhibit 12: CFO saw robust growth in FY24



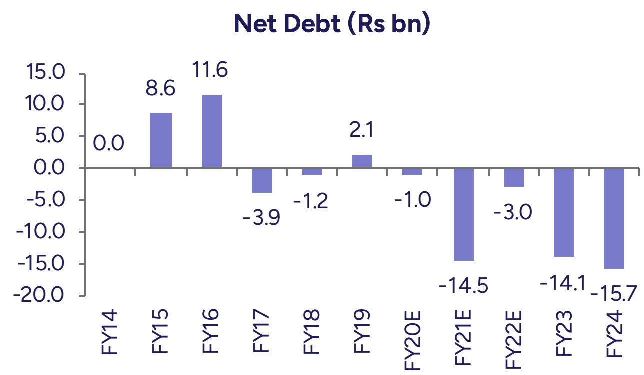
Source: Company, PL

Exhibit 13: ROE, ROCE to improve post FY25



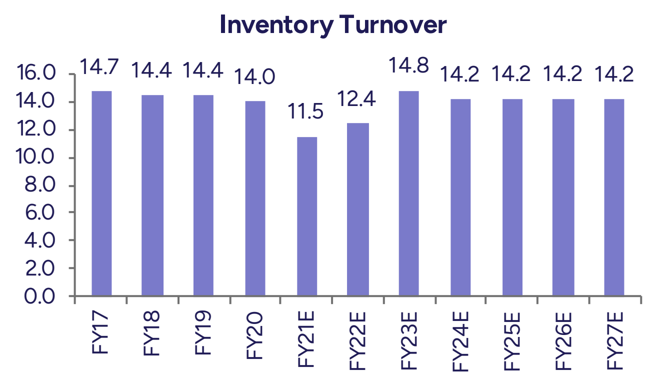
Source: Company, PL

Exhibit 14: D'Mart remains net cash positive



Source: Company, PL

Exhibit 15: Inventory turnover to stabilize at 14.2 over LT



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	**5,07,888**	**5,95,156**	**7,12,217**	**8,48,424**
YoY gr. (%)	*18.6*	*17.2*	*19.7*	*19.1*
Cost of Goods Sold	4,32,745	5,07,073	6,06,809	7,22,857
Gross Profit	75,143	88,083	1,05,408	1,25,567
Margin (%)	*14.8*	*14.8*	*14.8*	*14.8*
Employee Cost	9,061	11,172	13,385	15,983
Other Expenses	25,044	29,248	34,773	41,113
EBITDA	**41,038**	**47,663**	**57,250**	**68,471**
YoY gr. (%)	*12.8*	*16.1*	*20.1*	*19.6*
Margin (%)	*8.1*	*8.0*	*8.0*	*8.1*
Depreciation and Amortization	7,308	8,336	9,716	11,269
EBIT	**33,730**	**39,327**	**47,534**	**57,203**
Margin (%)	*6.6*	*6.6*	*6.7*	*6.7*
Net Interest	581	573	596	638
Other Income	1,465	1,421	1,149	981
Profit Before Tax	**34,613**	**40,175**	**48,087**	**57,545**
Margin (%)	*6.8*	*6.8*	*6.8*	*6.8*
Total Tax	9,257	10,727	12,815	15,336
Effective tax rate (%)	*26.7*	*26.7*	*26.7*	*26.7*
Profit after tax	**25,356**	**29,448**	**35,272**	**42,209**
Minority interest	6	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**25,351**	**29,448**	**35,272**	**42,209**
YoY gr. (%)	*6.6*	*16.2*	*19.8*	*19.7*
Margin (%)	*5.0*	*4.9*	*5.0*	*5.0*
Extra Ord. Income / (Exp)	(88)	-	-	-
Reported PAT	**25,262**	**29,448**	**35,272**	**42,209**
YoY gr. (%)	*6.4*	*16.6*	*19.8*	*19.7*
Margin (%)	*5.0*	*4.9*	*5.0*	*5.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	25,262	29,448	35,272	42,209
Equity Shares O/s (m)	**651**	**651**	**651**	**651**
EPS (Rs)	**39.0**	**45.3**	**54.2**	**64.9**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	**1,42,577**	**1,74,474**	**2,07,572**	**2,44,466**
Tangibles	1,41,487	1,73,220	2,06,131	2,42,808
Intangibles	1,090	1,254	1,442	1,658
Acc: Dep / Amortization	**24,601**	**30,752**	**37,931**	**46,274**
Tangibles	23,814	29,884	36,969	45,205
Intangibles	787	868	962	1,069
Net fixed assets	**1,17,976**	**1,43,722**	**1,69,642**	**1,98,191**
Tangibles	1,17,673	1,43,336	1,69,162	1,97,603
Intangibles	304	386	480	588
Capital Work In Progress	9,352	10,287	11,316	12,448
Goodwill	783	783	783	783
Non-Current Investments	2,348	7,432	8,772	10,317
Net Deferred tax assets	(919)	(798)	(678)	(534)
Other Non-Current Assets	19,246	21,406	23,569	25,378
Current Assets				
Investments	1,067	1,173	1,291	1,420
Inventories	39,273	41,970	54,784	60,243
Trade receivables	1,664	1,631	1,951	2,324
Cash & Bank Balance	15,728	8,527	2,470	4,991
Other Current Assets	2,397	2,979	3,564	4,245
Total Assets	**2,11,772**	**2,42,587**	**2,81,347**	**3,24,158**
Equity				
Equity Share Capital	6,507	6,507	6,507	6,507
Other Equity	1,80,471	2,09,925	2,45,197	2,84,152
Total Networth	**1,86,978**	**2,16,432**	**2,51,704**	**2,90,660**
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	92	125	165	213
Other non current liabilities	3,992	3,994	4,155	4,450
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	9,848	11,215	13,632	16,023
Other current liabilities	9,943	10,023	11,013	12,278
Total Equity & Liabilities	**2,11,772**	**2,42,587**	**2,81,347**	**3,24,158**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	34,613	40,175	48,087	57,545
Add. Depreciation	7,308	8,336	9,716	11,269
Add. Interest	581	573	596	638
Less Financial Other Income	1,465	1,421	1,149	981
Add. Other	(2,302)	(7,285)	(3,423)	(3,154)
Op. profit before WC changes	40,201	41,800	54,976	66,298
Net Changes-WC	(1,725)	(2,583)	(10,840)	(3,470)
Direct tax	(9,257)	(10,727)	(12,815)	(15,336)
Net cash from Op. activities	**29,218**	**28,490**	**31,321**	**47,492**
Capital expenditures	(28,771)	(35,017)	(36,664)	(40,950)
Interest / Dividend Income	-	-	-	-
Others	867	(107)	(117)	(129)
Net Cash from Invt. activities	**(27,904)**	**(35,124)**	**(36,781)**	**(41,079)**
Issue of share cap. / premium	918	6	-	-
Debt changes	-	-	-	-
Dividend paid	-	-	-	(3,254)
Interest paid	(581)	(573)	(596)	(638)
Others	(6)	-	-	-
Net cash from Fin. activities	**331**	**(567)**	**(596)**	**(3,892)**
Net change in cash	**1,645**	**(7,201)**	**(6,057)**	**2,521**
Free Cash Flow	447	(6,527)	(5,343)	6,542

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Net Revenue	**1,35,725**	**1,27,266**	**1,40,691**	**1,44,445**
YoY gr. (%)	*17.3*	*20.1*	*18.6*	*14.4*
Raw Material Expenses	1,15,523	1,08,872	1,18,759	1,22,897
Gross Profit	20,202	18,394	21,933	21,548
Margin (%)	*14.9*	*14.5*	*15.6*	*14.9*
EBITDA	**11,199**	**9,436**	**12,213**	**10,938**
YoY gr. (%)	*16.0*	*22.3*	*18.0*	*8.8*
Margin (%)	*8.3*	*7.4*	*8.7*	*7.6*
Depreciation / Depletion	1,893	2,049	1,928	2,078
EBIT	**9,306**	**7,387**	**10,285**	**8,860**
Margin (%)	*6.9*	*5.8*	*7.3*	*6.1*
Net Interest	146	134	160	163
Other Income	329	379	416	335
Profit before Tax	**9,489**	**7,632**	**10,541**	**9,032**
Margin (%)	*7.0*	*6.0*	*7.5*	*6.3*
Total Tax	2,585	2,001	2,805	2,438
Effective tax rate (%)	*27.2*	*26.2*	*26.6*	*27.0*
Profit after Tax	**6,904**	**5,631**	**7,737**	**6,594**
Minority interest	(2)	-	-	(2)
Share Profit from Associates	-	-	-	-
Adjusted PAT	**6,906**	**5,632**	**7,737**	**6,596**
YoY gr. (%)	*17.1*	*22.4*	*17.5*	*5.8*
Margin (%)	*5.1*	*4.4*	*5.5*	*4.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**6,906**	**5,632**	**7,737**	**6,596**
YoY gr. (%)	*17.1*	*22.4*	*17.5*	*5.8*
Margin (%)	*5.1*	*4.4*	*5.5*	*4.6*
Other Comprehensive Income	(38)	25	(24)	(63)
Total Comprehensive Income	**6,868**	**5,657**	**7,714**	**6,533**
Avg. Shares O/s (m)	648	651	651	648
EPS (Rs)	**10.7**	**8.7**	**11.9**	**10.2**

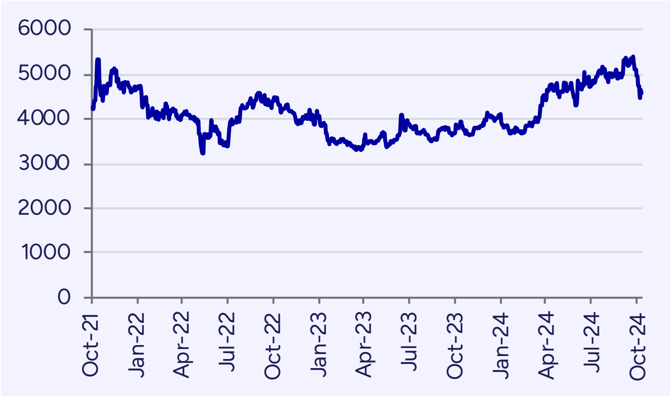
Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	39.0	45.3	54.2	64.9
CEPS	50.2	58.1	69.1	82.2
BVPS	287.3	332.6	386.8	446.7
FCF	0.7	(10.0)	(8.2)	10.1
DPS	-	-	-	5.0
Return Ratio(%)				
RoCE	19.4	19.5	20.3	21.1
ROIC	17.3	16.9	17.1	18.0
RoE	14.6	14.6	15.1	15.6
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	0.0	0.0
Net Working Capital (Days)	22	20	22	20
Valuation(x)				
PER	117.4	101.0	84.4	70.5
P/B	15.9	13.7	11.8	10.2
P/CEPS	91.1	78.8	66.1	55.6
EV/EBITDA	72.1	62.2	51.9	43.4
EV/Sales	5.8	5.0	4.2	3.5
Dividend Yield (%)	-	-	-	0.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-24	Accumulate	5,166	4,738
2	30-Jul-24	Accumulate	5,104	5,027
3	13-Jul-24	Accumulate	5,104	4,944
4	09-Jul-24	BUY	5,106	4,853
5	06-May-24	BUY	5,031	4,612
6	09-Apr-24	BUY	4,704	4,716
7	13-Jan-24	BUY	4,484	3,841
8	08-Jan-24	BUY	4,484	3,804
9	14-Oct-23	BUY	4,724	3,920

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,605	3,073
2	Avenue Supermarts	Accumulate	5,166	4,738
3	Britannia Industries	Accumulate	6,397	6,206
4	Colgate Palmolive	Reduce	3,130	3,740
5	Dabur India	Hold	603	572
6	Emami	Hold	836	743
7	Hindustan Unilever	Hold	2,811	2,849
8	ITC	Accumulate	541	504
9	Jubilant FoodWorks	Hold	582	629
10	Kansai Nerolac Paints	Reduce	286	292
11	Marico	Hold	681	690
12	Metro Brands	Hold	1,268	1,255
13	Mold-tek Packaging	Accumulate	853	749
14	Nestle India	Accumulate	2,862	2,598
15	Pidilite Industries	Accumulate	3,454	3,226
16	Restaurant Brands Asia	Accumulate	129	110
17	Titan Company	Accumulate	3,969	3,670
18	Westlife Foodworld	Hold	889	889

PL's Recommendation Nomenclature (Absolute Performance)

Buy : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

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

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that 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.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

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

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

Prabhudas Lilladher Pvt. Ltd.
3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209
www.plindia.com

Amnish Aggarwal

Digitally signed by Amnish Aggarwal
Date: 2024.10.13 14:23:33 +05'30'