

7 November 2024

Amara Raja Energy & Mobility

Greater potential; upgrading to a Hold

Rating: **Hold**

Target Price: Rs.1,490

Share Price: Rs.1,332

Believing our Rs5bn estimate, Amara Raja's Q2 standalone EBITDA grew 14% y/y to Rs4.4bn due to the lower-than-expected gross margin. The outlook for automotive and industrial demand is bright and Amara is expected to gain share. It plans to set up a lithium-ion cell manufacturing plant, commencing FY27. Larger customer wins and sustainable profit, though, are key challenges as prices fall and technologies change. The stock is fairly valued and factors in the lithium plant opportunity; however, on the recent stock fall, the potential is greater. We introduce FY27e with 11%/12%/13% revenue/EBITDA/PAT growth, and upgrade our rating to a Hold with a higher, Rs1,490, TP, 12x FY27e parent EPS (earlier Rs1,330), and the ARACT NPV (new lithium energy unit) at Rs542/sh.

EBITDA miss. Standalone revenue grew 12% y/y to Rs31.4bn, broadly in line with our Rs31.8bn estimate. **Volumes: 4Ws** - aftermarket up 15%, exports up 20%, OEM down 3%. **2Ws** - OEM up 17%, aftermarket up 17%. **Industrials** - overall down 10%, telecoms down 30%, inverters/UPS up 10%. EBITDA grew 14% to Rs4.4bn, below our Rs5bn estimate due to the lower-than-expected gross margin. The gross margin expanded 80bps y/y, 120bps q/q, to 32.4%, but expansion belied expectations due to the partial pass-through of higher input cost. Interest rocketed 111% y/y to Rs131m. Accordingly, PAT grew 12% y/y to Rs2.4bn, below our estimated Rs3bn due to lower-than-expected margins.

Valuation. We expect 12%/15% parent revenue/EBITDA CAGRs over FY24-27. We mainly lower our FY25e EPS 13% on higher input cost and traded mix. We upgrade the stock to a Hold with a higher TP of Rs1,490, 12x the parent FY27e EPS (earlier Rs1330, 11x parent FY26e), and the ARACT NPV at Rs542/sh (unchanged). We estimate ARACT's revenue/PAT at Rs49.8bn/ 4.98bn by FY29 (earlier FY28) and a valuation of 25x discounted PAT (a 12% discounting factor). We raise our parent multiple on market-share gains. **Key upside risks:** More-than-estimated growth in lead batteries; good orders for lithium-ion cells; lower commodity prices.

Key financials (YE Mar) - P	FY23	FY24	FY25e	FY26e	FY27e
Sales (Rs m)	1,03,897	1,12,603	1,25,491	1,41,097	1,56,312
Net profit (Rs m)	7,784	9,059	9,795	12,736	14,414
EPS (Rs)	45.6	49.5	53.5	69.6	78.8
P/E (x)	29.2	26.9	24.9	19.1	16.9
EV / EBITDA (x)	17.0	14.8	14.1	11.2	10.0
P/BV (x)	4.1	3.6	3.2	2.8	2.5
RoE (%)	14.7	14.2	13.6	15.6	15.5
RoCE (%)	13.8	13.2	12.5	14.1	14.0
Dividend yield (%)	0.5	0.4	0.6	0.8	0.9
Net debt / equity (x)	-0.0	-0.0	0.0	0.0	0.0

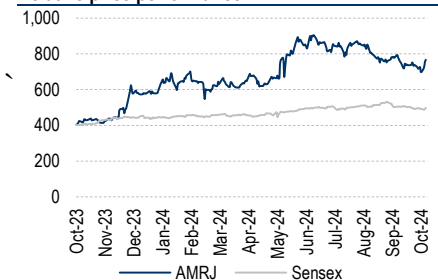
Source: Company, Anand Rathi Research

Key data	ARENM IN / AMAR.BO
52-week high / low	Rs.1,776 / 626
Sensex / Nifty	80,378 / 24,484
3-m average volume	\$45.6m
Market cap	Rs243.8bn / \$2937m
Shares outstanding	183m

Shareholding pattern (%)	Sep'24	Jun'24	Jun'24
Promoters	32.9	32.9	32.9
- of which, Pledged	-	-	-
Free float	67.1	67.1	67.1
- Foreign institutions	22.3	23.8	23.8
- Domestic institutions	15.4	14.6	14.6
- Public	29.4	28.8	28.8

Estimates revision (%)	FY25e	FY26e
Sales	-1.1	-1.5
EBITDA	-10.5	-3.5
EPS	-12.8	-2.5

Relative price performance



Source: Bloomberg

Mumuksh Mandlesha

Research Analyst

Shagun Beria

Research Associate

Anand Rathi Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Quick Glance – Financials and Valuations (standalone)

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Net revenues	1,03,897	1,12,603	1,25,491	1,41,097	1,56,312
Growth (%)	19.5	8.4	11.4	12.4	10.8
Raw material	69,981	75,341	85,083	93,124	1,03,166
Employee & other expenses	19,566	21,048	22,917	25,908	28,390
EBITDA	14,350	16,214	17,491	22,065	24,757
EBITDA margins (%)	13.8	14.4	13.9	15.6	15.8
- Depreciation	4,504	4,787	4,923	5,349	5,813
Other income	897	1,015	1,007	1,054	1,105
Interest expenses	296	332	480	742	779
PBT	9,970	12,110	13,095	17,027	19,269
Effective tax rates (%)	26%	26%	25%	25%	25%
Adj. income	7,784	9,059	9,795	12,736	14,414
Extraordinary items	-477	-	-	-	-
Net income	7,307	9,059	9,795	12,736	14,414
WANS	171	183	183	183	183
FDEPS (Rs)	45.6	49.5	53.5	69.6	78.8
Growth (%)	52.3	8.6	8.1	30.0	13.2

Fig 3 – Cash-flow statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
PBT	7,307	9,059	9,795	12,736	14,414
+ Non-cash items	4,504	4,787	4,923	5,349	5,813
Operating profit before WC chg	11,811	13,846	14,718	18,085	20,226
- Incr./ (decr.) in WC	2,866	271	1,498	1,793	1,758
Others incl. taxes	-467	571	-	-	-
Operating cash-flow	9,412	13,004	13,220	16,292	18,468
- Capex (tangible + intangible)	4,647	4,401	5,000	4,000	4,000
Free cash-flow	4,766	8,603	8,220	12,292	14,468
- Dividend (incl. buyback & taxes)	581	1,367	1,469	1,910	2,162
+ Equity raised	-	12	-	-	-
+ Debt raised	-111	-577	5,500	2,000	-0
- Financial investments	2,543	5,317	12,000	12,000	12,000
- Misc. items (CFI + CFF)	1,068	1,307	-	-	-
Net cash-flow	463	46	251	382	306

Source: Company, Anand Rathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 2 – Balance sheet (Rs m)

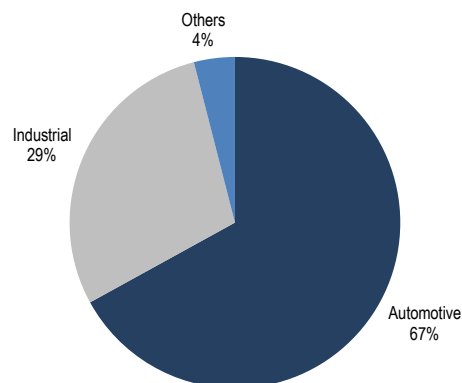
Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Share capital	171	183	183	183	183
Net worth	60,056	67,687	76,012	86,838	99,090
Debt (incl. Pref)	1,111	533	6,033	8,033	8,033
Minority interest	-	-	-	-	-
Deferred tax liability / (Asset)	1,036	885	885	885	885
Capital employed	62,203	69,105	82,931	95,756	1,08,008
Net tangible assets	36,882	35,503	35,580	34,231	32,418
Net Intangible assets	-	-	-	-	-
CWIP (tang and intangible)	2,343	3,217	3,217	3,217	3,217
Investments (strategic)	4,622	12,142	24,142	36,142	48,142
Investments (financial)	238	2,650	2,650	2,650	2,650
Current assets (excl. cash)	34,290	33,788	37,299	41,507	45,630
Cash	998	1,045	1,296	1,678	1,984
Current liabilities	17,170	19,238	21,252	23,667	26,032
Working capital	17,120	14,549	16,047	17,840	19,598
Capital deployed	62,203	69,105	82,931	95,757	1,08,008

Fig 4 – Ratio analysis

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
P/E (x)	29.2	26.9	24.9	19.1	16.9
EV / EBITDA (x)	17.0	14.8	14.1	11.2	10.0
EV / Sales (x)	2.3	2.1	2.0	1.8	1.6
P/B (x)	4.1	3.6	3.2	2.8	2.5
RoE (%)	14.7	14.2	13.6	15.6	15.5
RoCE (%) - after tax	13.8	13.2	12.5	14.1	14.0
RoIC (%) - after tax	13.8	15.1	16.7	21.8	24.6
DPS (Rs)	6.1	5.1	8.0	10.4	11.8
Dividend yield (%)	0.5	0.4	0.6	0.8	0.9
Dividend payout (%)	14%	10%	15%	15%	15%
Net debt / equity (x)	-0.0	-0.0	0.0	0.0	0.0
Receivables (days)	27	33	33	33	33
Inventory (days)	59	59	59	59	59
Payables (days)	51	53	53	53	53
CFO : PAT (%)	121	144	135	128	128

Source: Company, Anand Rathi Research

Fig 6 – Consolidated revenue, by segment (FY24), %



Source: Company, Anand Rathi Research

Result highlights

Fig 7 – Quarterly performance (standalone)

(Rs m)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Y/Y (%)	Q/Q(%)	FY25 YTD	FY24 YTD	Y/Y (%)
Revenue	28,108	28,817	27,967	31,312	31,358	11.6	0.1	62,670	55,807	12.3
Expenditure	24,238	24,468	23,890	27,008	26,952	11.2	(0.2)	53,960	48,403	11.5
as % of sales	86.2	84.9	85.4	86.3	85.9			86.1	86.7	
Consumption of RM	19,230	19,025	18,314	21,563	21,212	10.3	(1.6)	42,775	38,925	9.9
as % of sales	68.4	66.0	65.5	68.9	67.6			68.3	69.7	
Employee cost	1,617	1,812	1,629	1,856	1,899	17.4	2.3	3,755	3,229	16.3
as % of sales	5.8	6.3	5.8	5.9	6.1			6.0	5.8	
Other expenditure	3,390	3,631	3,947	3,590	3,841	13.3	7.0	7,430	6,249	18.9
as % of sales	12.1	12.6	14.1	11.5	12.2			11.9	11.2	
EBITDA	3,870	4,349	4,077	4,304	4,407	13.9	2.4	8,710	7,405	17.6
EBITDA margins (%)	13.8	15.1	14.6	13.7	14.1			13.9	13.3	
Depreciation	1,148	1,202	1,210	1,183	1,220	6.3	3.2	2,403	2,259	6.4
EBIT	2,721	3,147	2,867	3,121	3,186	17.1	2.1	6,307	5,146	22.6
Other income	275	238	283	256	185	(32.9)	(27.7)	440	491	(10.4)
Interest	62	77	97	90	131	111.1	46.4	221	119	86.5
PBT	2,935	3,307	3,053	3,287	3,240	10.4	(1.4)	6,526	5,518	18.3
Total tax	791	779	773	841	833	5.2	(1.0)	1,674	1,450	15.4
Adjusted PAT	2,143	2,528	2,280	2,446	2,407	12.3	(1.6)	4,853	4,068	19.3
Extraordinary items Loss/(Gain)	0	0	0	0	0			0	0	
Reported PAT	2,143	2,528	2,280	2,446	2,407	12.3	(1.6)	4,853	4,068	19.3
Adjusted EPS	12.5	14.8	12.5	13.4	13.2	4.8	(1.6)	26.5	23.8	11.3
Margins (%)						(bps)	(bps)			(bps)
Gross	31.6	34.0	34.5	31.1	32.4	77	122	31.7	30.3	150
EBITDA	13.8	15.1	14.6	13.7	14.1	28	31	13.9	13.3	63
EBIT	9.7	10.9	10.3	10.0	10.2	48	19	10.1	9.2	84
PAT	7.6	8.8	8.2	7.8	7.7	5	(13)	7.7	7.3	45
Effective tax rate	27.0	23.6	25.3	25.6	25.7	(127)	11	25.6	26.3	(63)
Source: Company										

Earnings call highlights

- **Q2 standalone volumes (y/y).** 4Ws - aftermarket up 15%, exports up 20%, OEM down 3%. 2Ws - OEM up 17%, aftermarket up 17%. **Industrials** - overall down 10%, telecoms down 30% (due to shift to lithium batteries), inverters/UPS up 10%.
- **Tubular battery** traded revenue was Rs8bn (1m units) in H1 FY25. Q2 FY25 trading mix is 300bps higher y/y (or Rs1bn-1.2bn). New manufacturing plant for tubular batteries to start from end-FY25, which would expand tubular batteries' EBITDA margin ~400-500bps, from 10-11% now. Overall standalone EBITDA margin to increase from ~14% currently to ~15.5% with the new tubular battery plant.
- **Q2 other expenses** included fuel purchase cost adjustment levy of Rs150m imposed by the Andhra Pradesh government for FY23. This levy will continue through FY24 and FY25. The company has made provisions for the levy but expects a further increase of Rs100m–150m in the coming two quarters.
- **The Q2 EBITDA margin** was impacted by 50bps due to higher input costs, despite a 1.5% price hike (aftermarket). The OEM/export price hike impact would come with a lag.
- **Insurance claim.** With reference to the tubular battery plant, the company has received an insurance claim of Rs2bn by Sep'24 and expects another Rs1.5bn in Q3 FY25. More claims are expected ahead.
- **Standalone capex** for FY25 is unchanged at Rs5bn. Capex was Rs3.9bn in H1 FY25. The higher spend in H1 FY25 was due to the advancement of some new line purchases for its 4W capacity.
- **New energy business.** Q2 battery packs/charger revenues have declined due to lower offtake from OEMs and changes in product specifications/localisation for chargers; however, a rebound is expected in H2 FY25. ARACT FY25 capex expected at Rs12bn in FY25 and >Rs10bn in FY26.

Valuations

Lithium cell batteries. Despite losing out in the PLI-ACC scheme, Amara Raja plans to set up a lithium-ion cell manufacturing plant, to be gradually commissioned from FY27. It has developed NMC technology with Highstar, while LFP technologies are being developed with Gotion Inobat. E positive labs, customer qualification (60MWh/year) and NMC cell (2GWh) plants are being constructed at Rs20bn capex and would be ready by Q1 FY27.

LFP cell plant could be of 4-5 GWh with two cell types and would be ready by CY27. Capex would be Rs20bn-25bn. Average realisation expected is \$80-90/kWh.

Larger customer wins and sustainable profitability are key challenges due to falling prices and changing technologies.

Battery packs and chargers. Battery packs are supplied to 3W OEMs (Piaggio, M&M) and telecoms (BSNL). Chargers are supplied to 3W OEMs (M&M, Piaggio) and for stationary applications. The company is preparing for 2W and certain high-voltage applications, having entered a technology agreement. The 1.5GW/h battery pack capacity can be raised to 2GW/h. Larger OEMs prefer in-house facilities to maintain quality/differentiated technologies, and the evolution of cell-to-pack technologies would be challenging for this business.

Lead batteries. The outlook for automotive and industrial demand is bright. Volume growth would be in high-single digits. We expect a 12% revenue CAGR over FY24-27. Margins would improve, led by better nett pricing and new tubular plant.

Valuation. We expect standalone 12%/15% revenue/EBITDA CAGRs over FY24-27. We raise our recommendation on Amara Raja to a Hold, with a higher TP of Rs1,490, 12x the parent's FY26e EPS and Amara Raja Advance Cell Technologies (new lithium energy unit) at Rs542/sh. We estimate ARACT's FY28 revenue/PAT at Rs49.8bn/Rs4.98bn and a valuation of 25x discounted PAT (a 12% discounting factor).

Fig 8 – Change in estimates – standalone

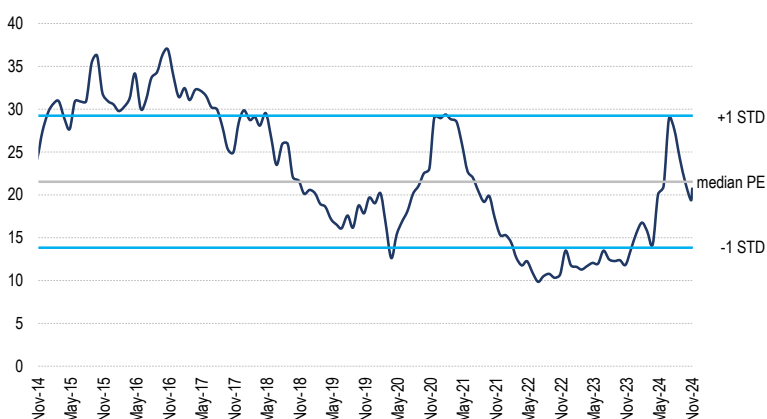
(Rs m)	Old		New		Change (%)		Introducing
	FY25e	FY26e	FY25e	FY26e	FY25	FY26	FY27e
Revenue	1,26,839	1,43,295	1,25,491	1,41,097	-1.1%	-1.5%	1,56,312
EBITDA	19,543	22,867	17,491	22,065	-10.5%	-3.5%	24,757
% of revenue	15.4	16.0	13.9	15.6			15.8
Adj. PAT	11,238	13,058	9,795	12,736	-12.8%	-2.5%	14,414
EPS (Rs)	61.4	71.4	53.5	69.6	-12.8%	-2.5%	78.8

Source: Anand Rath Research

Fig 9 – Key assumptions - standalone

(Rs m)	FY22	FY23	FY24	FY25E	FY26E	FY27E	CAGR % FY24-27e
Automotive (2Ws, 4Ws)	56,001	67,006	74,498	90,235	1,04,587	1,18,408	17
Growth (%)	24	20	11	21	16	13	
-OEM	9,168	11,398	12,253	13,545	15,072	16,482	10
Growth (%)	28	24	8	11	11	9	
-Aftermarket	46,833	55,608	62,245	76,690	89,516	1,01,926	18
Growth (%)	24	19	12	23	17	14	
Industrial	28,298	31,376	34,700	31,510	32,389	33,455	-1
Growth (%)	17	11	11	(9)	3	3	
Others	2,659	3,021	3,405	3,746	4,120	4,450	9
Growth (%)	13	14	13	10	10	8	
Total Revenue	86,958	1,01,403	1,12,603	1,25,491	1,41,097	1,56,312	12
Growth (%)	22	17	11	11	12	11	

Source: Anand Rath Research

Fig 10 - One-year-forward P/E (median 22x) – Valuations factor in the new energy opportunities

Source: Company, Anand Rath Research

Risks

- More-than-estimated growth in lead batteries.
- Good orders for the lithium-ion cell plant.
- Lower commodity prices.

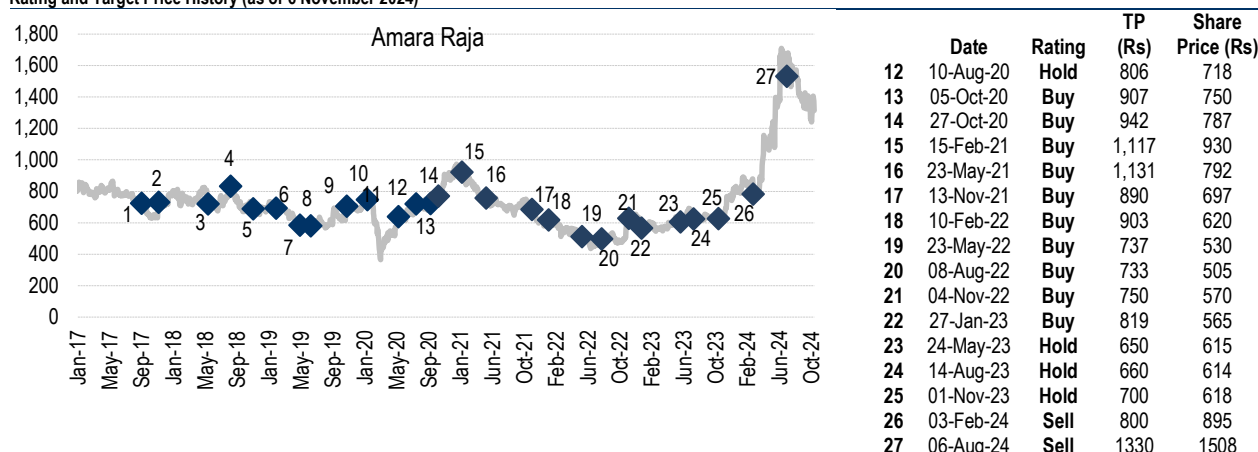
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 6 November 2024)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Metropolitan Stock Exchange of India Ltd. (MSE), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: 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 ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative 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?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative 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	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

Other Disclosures pertaining to distribution of research in the United States of America

Research report is a product of Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) 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 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.

Research reports are intended for distribution by 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, ARSSBL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2024. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Additional information on recommended securities/instruments is available on request.

Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 9th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.