Emami Reduce

Consumer Staples | Q3FY25 Result Update

CMP: Rs. 556 | TP: Rs. 601 | Upside 8%

DOLAT CAPITAL
IN-DEPTH-PRECISE-ACTIONABLE

Demonstrates sustained growth with profitability

- **HMN's Q3FY25 revenue was in line; however, EBITDA and APAT were ahead of our estimates. Domestic business revenue grew by 9.0% led by 6.0% volume growth, while IB de-grew by 3.0% YoY. In constant currency (CC) terms, IB reported 2% de-growth.**
- **In Q3FY25, organized channels like Modern Trade, E-Commerce, and Institutional sales contributed 28.6% to domestic business, a 160bps increase in Q3FY25. HMN is continuously improving its share in the new trade channels and is expected to accelerate sales.**
- **Though Q3 profitability was ahead, we have decreased our FY25/26/27E EPS estimates by 6.4/2.4/1.4% at Rs. 18.7/20.4/21.5 to factor in overall slowdown in the industry and seasonality associated with the company. We continue to value the stock at 28x FY27E EPS and arrive at a TP of Rs. 601. Considering the recent correction in stock price, we have upward revised our rating to 'Reduce'.**

Revenue in line; EBITDA and APAT ahead of our estimates

Net sales grew by 5.3% YoY to Rs. 10.5bn in Q3FY25, in line with our estimates. Domestic business grew by 9.0% led by 6.0% volume growth, while IB reported 3.0% YoY de-growth (incl. Bangladesh) (de-grew 2.0% in CC terms). GM expanded by 150bps YoY to 70.3%. A 150bps decline in RM cost was partially offset by a 10/50/30bps increase in ad spends/employee cost/ other expenses. Consequently, EBITDA margin expanded by 70bps to 32.3%. EBITDA increased by 7.6% YoY to Rs. 3.4bn. APAT grew by 5.6% to Rs. 2.8bn.

Mixed segmental performance

Urban demand faced challenges due to food inflation and liquidity issues, while rural demand remained resilient, driven by favorable monsoons and a strong harvest, offering a positive outlook amidst market uncertainties. New launches and brand investment helped Navratna and Dermicool/ Healthcare/ Boroplus/ Pain management to report 3/13/20/3% growth during the quarter. However, Kesh King/ Male grooming posted a decline of 10/4% during Q3. The company purchased the remaining stake in Helios Lifestyle (The Man Company) for a total consideration of Rs. 1.8bn, consequent to which Helios has become a wholly owned subsidiary of the company. We remain optimistic about future growth given the headroom for further expansion in rural markets across categories. In H2FY25E, the company expects stronger offtakes in Boroplus and Healthcare portfolio despite its unfavourable base.

Key Data

Nifty	22,957
Equity / FV	Rs 437mn / Rs 1
Market Cap	Rs 242bn
	USD 2.8bn
52-Week High/Low	Rs 860/ 417
Avg. Volume (no)	6,25,390
Bloom Code	HMN IN

	Current	Previous
Rating	Reduce	SELL
Target Price	601	610

Change in Estimates

(Rs.bn)	Current		Chg (%)/bps	
	FY25E	FY26E	FY25E	FY26E
Revenue	38	41	(1.1)	(1.0)
EBITDA	10	12	(1.1)	2.2
EBITDA (%)	27.2	28.2	0	90
APAT	8	9	(6.4)	(2.4)
EPS (Rs)	18.7	20.4	(6.4)	(2.4)

Valuation (x)

	FY25E	FY26E	FY27E
P/E	29.8	27.2	25.9
EV/EBITDA	23.1	20.5	18.9
ROE (%)	32.8	34.9	35.6
RoACE (%)	39.2	41.9	42.4

Q3FY25 Result (Rs Mn)

Particulars	Q3FY25	YoY (%)	QoQ (%)
Revenue	10,495	5.3	17.8
Total Expense	7,108	4.3	11.0
EBITDA	3,387	7.6	35.2
Depreciation	456	(0.5)	2.1
EBIT	2,931	8.9	42.4
Other Income	149	(10.7)	(30.8)
Interest	22	(19.9)	(6.9)
EBT	3,059	8.1	35.9
Tax	224	44.5	137.0
RPAT	2,791	8.0	31.2
APAT	2,791	5.6	31.2
		(bps)	(bps)
Gross Margin	70.3	153	(40)
EBITDA (%)	32.3	67	415
NPM (%)	26.6	65	270
Tax Rate (%)	7.3	173	312
EBIT (%)	27.9	92	482

Director Research: Sachin Bobade
+91 22 40969731
sachinb@dolatcapital.com

Associate: Jyoti Amonkar
+9122 61764822
jyotia@dolatcapital.com

Associate: Akshay Patel
+9122 40969753
akshayp@dolatcapital.com

Exhibit 1: Actual V/s Dolat estimates

Particulars (Rs mn)	Actual	Estimates	Variance (%)	Comments
Revenue	10,495	10,661	(1.6)	
EBITDA	3,387	3,252	4.2	GM expansion was higher than estimate
EBITDA margin %	32.3	30.5	180bps	
APAT	2,790	2,624	6.3	Lower than estimated other income and tax.

Source: Company, Dolat Capital

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenue	37,992	38,397	1.1)	41,301	41,738	(1.0)	44,950	45,425	(1.0)
EBITDA	10,322	10,432	(1.1)	11,634	11,381	2.2	12,662	12,432	1.8
EBITDA margin (%)	27.2	27.2	0bps	28.2	27.3	90bps	28.2	27.4	80bps
PAT	8,141	8,699	(6.4)	8,922	9,139	(2.4)	9,380	9,514	(1.4)
EPS (Rs)	18.7	19.9	(6.4)	20.4	20.9	(2.4)	21.5	21.8	(1.4)

Source: Company, Dolat Capital

We have reduced our FY25/26/27E revenue estimates to factor in slowdown in revenue growth. However, we have increased our EBITDA margin estimates to factor in Q3 performance. We have lowered our other income estimates in line with Q3. In line with the change, we have revised our APAT and EPS estimates.

Exhibit 3: 9MFY25 performance

Particulars (Rs.mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Net Sales	10,495	9,963	5.3	8,906	17.8	28,461	26,869	5.9
Total Expenditure	7,108	6,815	4.3	6,401	11.0	20,405	19,483	4.7
RM Cost	3,118	3,112	0.2	2,610	19.5	8,658	8,556	1.2
Employee Exp	1,125	1,021	10.2	1,129	(0.4)	3,364	3,052	10.2
Ad spends	1,757	1,657	6.0	1,457	20.6	5,051	4,720	7.0
Other Exp	1,108	1,024	8.2	1,205	(8.1)	3,331	3,156	5.6
PBIDT (Excl OI)	3,387	3,149	7.6	2,505	35.2	8,057	7,386	9.1
Other Income	149	167	(10.7)	216	(30.8)	470	361	30.1
Depreciation	456	458	(0.5)	447	2.1	1,347	1,379	(2.3)
EBIT	3,080	2,858	7.8	2,274	35.5	7,179	6,368	12.8
Interest	22	27	(19.9)	23	(6.9)	66	71	(7.6)
PBT	3,059	2,831	8.1	2,251	35.9	7,114	6,297	13.0
Tax	224	155	44.5	94	137.0	596	442	34.8
RPAT	2,835	2,676	5.9	2,156	31.5	6,518	5,854	11.3
APAT (After EI & OCI)	2,790	2,643	5.6	2,127	31.2	6,443	5,805	11.0
EPS (Rs)	6.4	6.1	5.6	4.9	31.2	14.8	13.3	11.3
			bps		bps			bps
Gross Profit (%)	70.3	68.8	150	70.7	(40)	69.6	68.2	140
Ad spends (%)	16.7	16.6	10	16.4	40	17.7	17.6	20
Employee Cost (%)	10.7	10.2	50	12.7	(200)	11.8	11.4	50
Other Exp (%)	10.6	10.3	30	13.5	(300)	11.7	11.7	0
EBITDA (%)	32.3	31.6	70	28.1	410	28.3	27.5	80
PAT (%) Adj	26.6	26.5	10	23.9	270	22.6	21.6	100

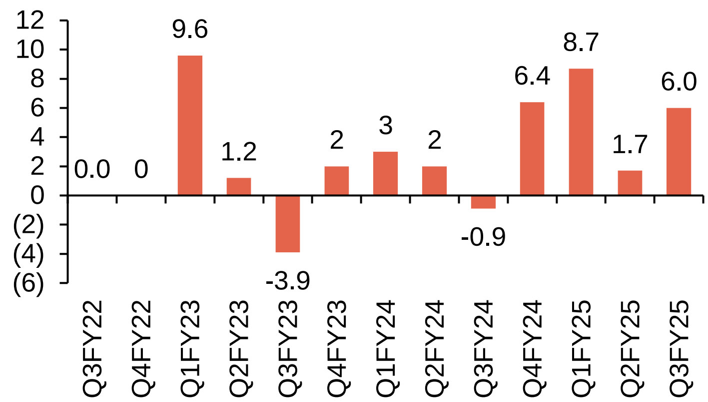
Source: Company, Dolat Capital

Earning call KTAs

- Domestic business revenue grew by ~9% YoY with ~6% volume growth led by double-digit growth in Boroplus and Healthcare range despite challenges posed by delayed and mild winters. Going ahead, HMN expects strong growth in the coming periods led by the successful rebranding of Smart and Handsome, strategic initiatives for Kesh King and an expected rebound in international business.
- Urban demand faced challenges due to food inflation and liquidity issues in retail and wholesale trade channels, while rural demand remained resilient, driven by favorable monsoons and a strong harvest, offering a positive outlook amidst market uncertainties.
- GM expanded by 150bps YoY to 70.3% led by price hike (resulting in a 1.5-2.5% pricing benefit) and input cost deflation in packaging material in Q3FY25. Further, the EBITDA margin expanded by 70bps YoY to 32.3% as a result of operation efficiency. In Q4FY25E, HMN anticipates a 1.5-2% weighted average price benefit.
- IB revenue de-grew by 3% (incl Bangladesh) (2% in cc terms) due to weak performance in Russia & Ukraine and geopolitical crisis. During the quarter, SAARC & SEA/ MENA/ CIS contributed 39/45/10% respectively. Going ahead, the management expects a revival in international business in Q4FY25E.
- The BoroPlus range delivered strong growth of 20% driven by BoroPlus Antiseptic Cream and Lotions. Additionally, the Boroplus range continued its positive trajectory in Jan'25. Going ahead, the company expects to sustain this momentum with double-digit growth in Q4FY25E.
- The Healthcare range grew by 13% led by Zanducare, Zandu Ayurvedic Cough Syrup, Zandu Health Juices and Immunity range. Further, Navratna and Dermicool/Pain management grew by 3/3% YoY respectively. Going ahead, the company expects sustained momentum with double-digit growth in the Healthcare range in Q4FY25E.
- Kesh King/ Male grooming de-grew by 10/4% YoY during the quarter due to lower discretionary consumption. The company rebranded and relaunched Fair and Handsome as 'Smart and Handsome' in Jan’25 with a new brand ambassador Kartik Aaryan. Further, the management remains optimistic about driving growth for Kesh King through targeted initiatives in the upcoming quarters.
- During the quarter, the company purchased the remaining stake in Helios Lifestyle (The Man Company) for a total consideration of Rs. 1.8bn, consequent to which Helios has become a wholly owned subsidiary of the company.
- The revenue of strategic subsidiaries (The Man Company & Brillare) declined by 13% YoY in Q3FY25. The Man Company's (low-single-digit market share) performance was impacted by increased competitive intensity, a shorter festive season, delays in transitioning to Q-com and subdued urban consumption. As a result, the company resorted to calibrated discounts, which had a short-term impact on revenues. However, the company remains confident that it will achieve sustainable and profitable growth over the next couple of quarters. Furthermore, management anticipates a better performance for The Man Company in Q4 compared to Q3.

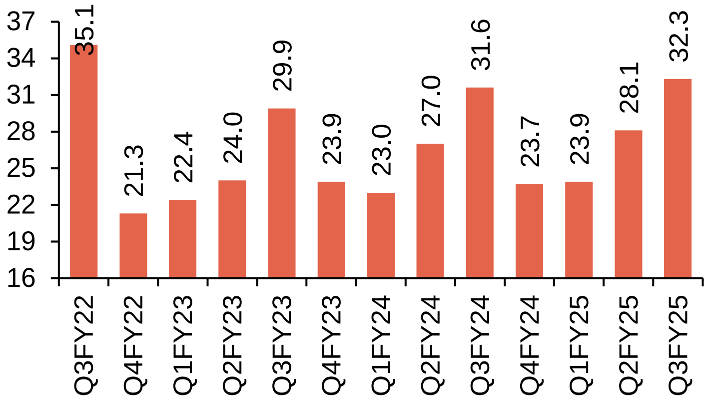
- The company launched Mentho Plus Balm Total in the southern region in Dec'24, positioned as an aromatic balm addressing all types of body pain leveraging the equity of menthol plus pain balm in the southern region.
- In Q3FY25, organized channels like Modern Trade, E-Commerce, and Institutional sales contributed 28.6% to domestic business, a 160bps increase. Further, the rural contribution stood at ~53-54% in the domestic business.
- The average tax rate is expected to be in the range of 8-9% for FY25E and for FY26E, it would be in the region of 10%.
- Receivable days improved YoY to 16-17 in 9MFY25. The company's operating cash flow for 9MFY25 was between Rs. 5.5-5.6bn. Amortization for FY26E is expected to be ~Rs. 900mn.

Exhibit 4: Domestic Volume Growth Trend (YoY%)



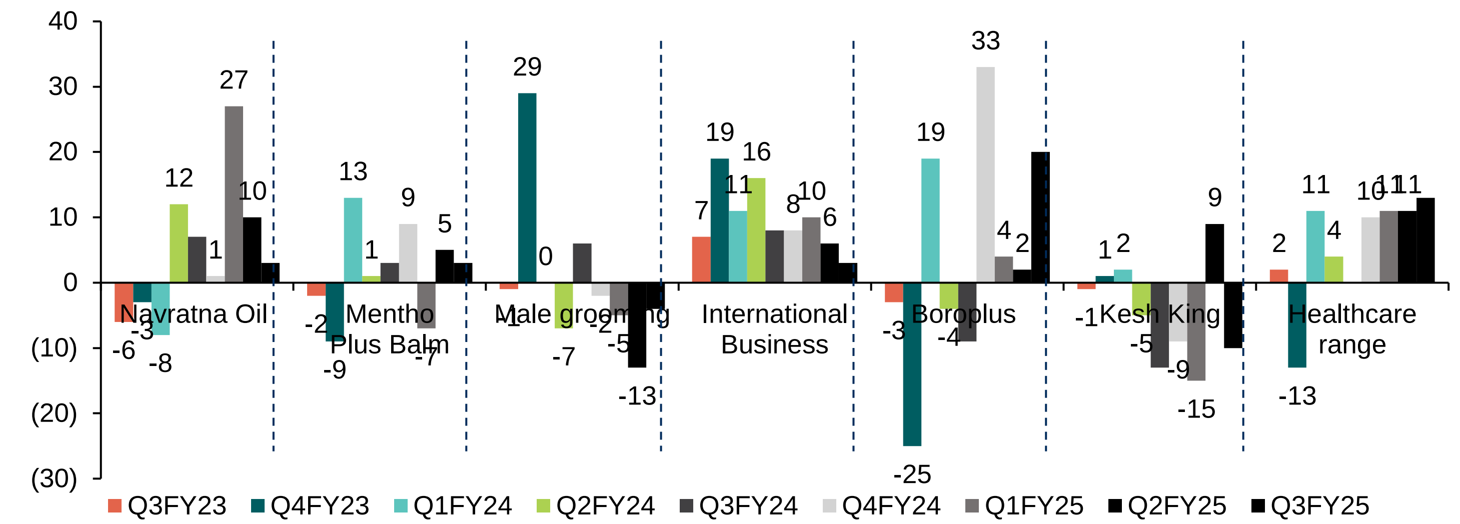
Source: Company, Dolat Capital

Exhibit 5: EBITDA Margins Trend (%)



Source: Company, Dolat Capital

Exhibit 6: Category-wise Growth Trend (YoY %)



Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
Revenue	**35,781**	**37,992**	**41,301**	**44,950**
Total Expense	**26,286**	**27,670**	**29,667**	**32,288**
COGS	11,605	11,777	12,555	13,934
Employees Cost	3,956	4,179	4,626	5,034
Other expenses	10,724	11,713	12,486	13,319
EBIDTA	**9,495**	**10,322**	**11,634**	**12,662**
Depreciation	1,859	1,809	2,105	2,265
EBIT	**7,636**	**8,513**	**9,529**	**10,397**
Interest	100	92	95	96
Other Income	468	630	655	683
Exc. / E.O. items	(59)	0	0	0
EBT	**7,945**	**9,051**	**10,089**	**10,984**
Tax	667	860	1,110	1,538
Minority Interest	**43**	**50**	**57**	**66**
Profit/Loss share of associates	0	0	0	0
RPAT	7,235	8,141	8,922	9,380
Adjustments	59	0	0	0
APAT	**7,294**	**8,141**	**8,922**	**9,380**

Balance Sheet

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
Sources of Funds				
Equity Capital	437	437	437	437
Minority Interest	111	161	218	284
Reserves & Surplus	24,029	24,722	25,480	26,278
Net Worth	**24,466**	**25,158**	**25,917**	**26,714**
Total Debt	657	657	657	657
Net Deferred Tax Liability	(4,271)	(4,704)	(4,704)	(4,704)
Total Capital Employed	**20,964**	**21,273**	**22,088**	**22,952**
Applications of Funds				
Net Block	**11,145**	**12,535**	**13,630**	**14,565**
CWIP	67	70	70	70
Investments	2,805	800	800	800
Current Assets, Loans & Advances	**14,401**	**15,268**	**15,392**	**15,766**
Current Investments	1,610	800	800	800
Inventories	3,234	3,610	3,811	4,025
Receivables	4,942	4,163	4,526	4,926
Cash and Bank Balances	2,014	4,095	3,655	3,415
Loans and Advances	2,382	2,382	2,382	2,382
Other Current Assets	219	219	219	219
Less: Current Liabilities & Provisions	**7,454**	**7,401**	**7,804**	**8,249**
Payables	4,546	4,493	4,896	5,340
Other Current Liabilities	2,908	2,908	2,908	2,908
sub total				
Net Current Assets	6,947	7,867	7,588	7,517
Total Assets	**20,964**	**21,273**	**22,088**	**22,952**

E – Estimates

Important Ratios

Particulars	FY24A	FY25E	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	67.6	69.0	69.6	69.0
EBIDTA Margin	26.5	27.2	28.2	28.2
EBIT Margin	21.3	22.4	23.1	23.1
Tax rate	8.4	9.5	11.0	14.0
Net Profit Margin	20.2	21.4	21.6	20.9
(B) As Percentage of Net Sales (%)				
COGS	32.4	31.0	30.4	31.0
Employee	11.1	11.0	11.2	11.2
Other	30.0	30.8	30.2	29.6
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	76.5	92.6	100.7	108.4
Inventory days	33	35	34	33
Debtors days	50	40	40	40
Average Cost of Debt	14.3	14.0	14.4	14.6
Payable days	46	43	43	43
Working Capital days	71	76	67	61
FA T/O	3.2	3.0	3.0	3.1
(D) Measures of Investment				
AEPS (Rs)	16.7	18.7	20.4	21.5
CEPS (Rs)	21.0	22.8	25.3	26.7
DPS (Rs)	15.2	17.1	18.7	19.7
Dividend Payout (%)	90.8	91.5	91.5	91.5
BVPS (Rs)	56.1	57.6	59.4	61.2
RoANW (%)	30.5	32.8	34.9	35.6
RoACE (%)	36.0	39.2	41.9	42.4
RoAIC (%)	40.8	47.1	53.5	54.8
(E) Valuation Ratios				
CMP (Rs)	556	556	556	556
Mcap (Rs Mn)	2,42,498	2,42,498	2,42,498	2,42,498
EV	2,39,530	2,38,260	2,38,700	2,38,940
MCap/ Sales	6.8	6.4	5.9	5.4
EV/Sales	6.7	6.3	5.8	5.3
P/E	33.2	29.8	27.2	25.9
EV/EBITDA	25.2	23.1	20.5	18.9
P/BV	9.9	9.6	9.4	9.1
Dividend Yield (%)	2.7	3.1	3.4	3.5
(F) Growth Rate (%)				
Revenue	5.1	6.2	8.7	8.8
EBITDA	10.1	8.7	12.7	8.8
EBIT	24.1	11.5	11.9	9.1
PBT	17.4	13.9	11.5	8.9
APAT	14.1	11.6	9.6	5.1
EPS	14.1	11.6	9.6	5.1

E – Estimates

Cash Flow

Particulars	FY24A	FY25E	FY26E	FY27E
Profit before tax	**8,004**	**9,051**	**10,089**	**10,984**
Depreciation & w.o.	1,859	1,809	2,105	2,265
Net Interest Exp	100	92	95	96
Direct taxes paid	(1,463)	(860)	(1,110)	(1,538)
Change in Working Capital	(337)	(83)	(161)	(169)
Non Cash	1,417	0	0	0
(A) CF from Operating Activities	**9,580**	**10,009**	**11,018**	**11,639**
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(288)	(3,203)	(3,200)	(3,200)
Free Cash Flow	**9,292**	**6,806**	**7,818**	**8,439**
(Inc)./ Dec. in Investments	(363)	2,815	0	0
Other	0	0	0	0
(B) CF from Investing Activities	**(651)**	**(387)**	**(3,200)**	**(3,200)**
Issue of Equity/ Preference	(5)	0	0	0
Inc./(Dec.) in Debt	(2,039)	0	0	0
Interest exp net	(100)	(92)	(95)	(96)
Dividend Paid (Incl. Tax)	(6,620)	(7,449)	(8,163)	(8,583)
Other	0	0	0	0
(C) CF from Financing	**(8,763)**	**(7,541)**	**(8,258)**	**(8,678)**
Net Change in Cash	166	2,081	(440)	(240)
Opening Cash balances	**1,848**	**2,014**	**4,095**	**3,655**
Closing Cash balances	**2,014**	**4,095**	**3,655**	**3,415**

E – Estimates

Notes

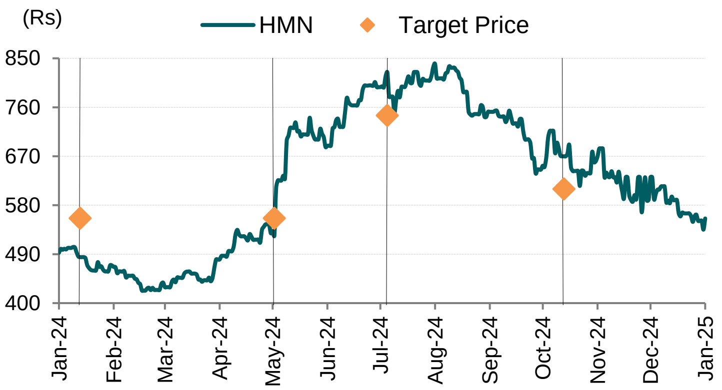
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(12)	(15)	13
Rel to NIFTY (%)	(7)	(9)	5

Shareholding Pattern

Particulars	Jun'24	Sep'24	Dec'24
Promoters	54.8	54.8	54.8
MF/Banks/FIs	21.6	21.5	21.7
FIIs	14.0	14.4	14.1
Public / Others	9.5	9.3	9.4



Month	Rating	TP (Rs.)	Price (Rs.)
Feb-24	Accumulate	556	485
May-24	Accumulate	556	524
Aug-24	Sell	745	824
Nov-24	Sell	610	670

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

Dolat Team

Purvag Shah	**Managing Director**	**purvag@dolatcapital.com**	**+9122 4096 9747**
Amit Khurana, CFA	**Head of Equities**	**amit@dolatcapital.com**	**+9122 4096 9745**

CONTACT DETAILS

Equity Sales	**Designation**	**E-mail**	**Direct Lines**
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	Director - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	**Designation**	**E-mail**	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), 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 or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), 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 company(ies) mentioned herein 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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed 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, regulation or which would subject Dolat Capital Market Private Limited. and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 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 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, Dolat Capital Market Private Limited 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 affected through Marco Polo or another U.S. registered broker dealer.

DOLAT CAPITAL
IN-DEPTH-PRECISE-ACTIONABLE

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741
Member: BSE Limited and National Stock Exchange of India Limited.
SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012
Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com