

Mayur Uniquoters Ltd

New products, new model wins, recovery at exports front to aid growth

Despite pain from global slowdown and subdued footwear business, Mayur Uniquoters came out with YoY flattish volume performance in Q3FY23, led by good show from auto segment. With PVC price correction and price stabilization, the company witnessed margin recovery as well. Despite loads of challenges like slower traction at footwear and PU fronts, we maintain BUY rating on Mayur Uniquoters with a slightly upgraded TP of Rs 571, as the company is expected to get traction in higher margin business clients. Mayur is set to get good amount of new businesses from Mercedes and BMW in coming years. With volume recovery in footwear, the ramp up of PU plant and businesses from new clients such as VW, Mercedes, and BMW, we expect a much stronger performance from FY24 onwards.

A flattish volume, Autos strong but footwear weakness continues

- Mayur Uniquoters' revenue came in at Rs1,945mn, a small growth of 3.6% yoy (down 3.2% qoq), in-line with our estimates.
- As PVC prices kept on correcting during 2Q, clients immediately asked for price cut and that led to an almost 10% drop in realization QoQ. Volume grew by 7.2% QoQ, but was down 5.5% YoY.

Margin expansion was a positive surprise

- EBITDA stood at Rs 334mn, with margin of 19.7% during the quarter compared to 19.1% in Q3FY22 and 17.3% in Q2FY23. Sequential improvement in product mix and PVC price correction resulted in better margin performance.
- On consolidated level in 3QFY23, the company has posted sales of Rs1,779mn, down marginally 1.4% YoY and PAT of ~Rs266mn, 2.6% YoY growth.

Several new opportunities to fuel the momentum

- Besides, working on BMW business, the company is working on a big opportunity on Auto PU front which has huge potential to aid growth. The management indicates export OEMs business to multiply when businesses from new clients reach to guided levels by clients.
- The management has given a guidance of reaching Rs11-12bn sales by FY25E and we believe Rs10bn sales in FY25 is on cards for the company.
- The company continues to focus on high margin businesses and new client additions in high margin business will be continued in the future. Start of BMW business and ramp up of Mercedes business will further boost margins going forward.

Valuation

- As chip shortage issues waning, more recovery is expected on auto front.
- The company has incorporated a new subsidiary to create a brand name and hit the retail business. They are onboarding retailers and expect 1,000 dealers to be added by CY23.
- With PU plant ramp up, commencement of Mercedes business and BMW business and much awaited traction at margin front, we estimate good earnings growth in coming years.
- Considering BS strength and consistent handsome payouts to shareholders, **we value Mayur at 18.0x its FY25e earnings to arrive at a TP of Rs 571 apiece and recommend BUY.**

Y/E Mar (Rs mn)	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	Q3FY23e	Var. (%)
Net Sales	1,698	1,694	0.3	1,945	(12.7)	1,752	(3.1)
Op. cost	1,365	1,370	(0.4)	1,609	(15.2)		
EBITDA	334	323	3.2	336	(0.6)	308	8.4
EBITDA margin (%)	19.7	19.1	56 bps	17.3	239 bps	17.6	208 bp
Depreciation	53	52	0.7	51	3.2		
Interest	5	6	(8.2)	5	13.4		
Other Income	51	24	113.4	45	14.4		
PBT	327	289	13.0	325	0.7		
Taxes paid	66	71	(6.3)	71	(6.3)		
-effective tax rate	20.3	24.4	-417 bps	21.8	-152 bps		
Reported PAT	261	219	19.2	254	2.7	222	17.5
PAT margin (%)	15.3	12.9	244 bps	13.1	229 bps	12.7	269 bp

Source: Company, SMIFS research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY21	5,008	(3.0)	1,204	24.0	890	10.4	20.0	14.6	14.1	13.7	8.5
FY22	6,310	26.0	1,136	18.0	843	(5.3)	18.9	12.5	12.2	25.0	17.2
FY23e	7,551	19.7	1,418	18.8	1,087	28.9	24.7	14.9	14.6	17.8	12.6
FY24e	8,638	14.4	1,760	20.4	1,281	17.8	29.1	16.2	15.9	15.1	9.6
FY25e	10,021	16.0	2,057	20.5	1,395	8.9	31.7	15.7	15.5	13.8	8.3

Source: Company, SMIFS research estimates



Rating: Buy

Upside: 30.1%

Current Price: 439

Target Price: 571

Earlier recommendation

Previous Rating:	Buy
Previous Target Price:	559

Market data

Bloomberg:	MUNI IN
52-week H/L (Rs):	547/319
Mcap (Rs bn/USD bn):	19.3/0.2
Shares outstanding (mn):	44.0
Free float:	40.0%
Daily vol. (3M Avg):	0.05mn
Face Value (Rs):	5

Source: Bloomberg, SMIFS research

Shareholding pattern (%)

	Dec-22	Sep-22	Jun-22	Mar-22
Promoter	59.1	59.1	59.5	59.4
FII's	1.6	1.6	1.3	1.6
DII's	9.4	7.2	4.3	4.3
Public/others	29.9	32.1	34.9	34.7

Source: BSE

Promoters pledging (%)

% of o/s shares	0.0	0.0	0.0	0.0
-----------------	-----	-----	-----	-----

Source: BSE

Price performance (%) *

	1M	3M	12M	36M
Nifty 50	0.1	-1.8	3.5	47.7
Nifty 500	-1.6	-3.8	1.2	50.3
Mayur	5.1	-7.4	-10.6	97.3

* As on 08th Feb 2023; Source: AceEquity, SMIFS research

Awanish Chandra

Executive Director
8693822293
awanish.chandra@smifs.com

Amit Hiranandani

Sector Lead - Automobile
9619848422
amit.hiranandani@smifs.co.in

Q3FY23 – Key takeaways from the management call

Robust outlook across businesses with margin improvement

- Set to witness robust growth in FY24 & FY25, that would be driven by good traction in export OEMs and recovery in footwear segments. In the long run, Auto PUs and retail business to propel growth.
- Expect revenue to touch Rs11-12bn by FY25.
- Long term plan is to have plants in Europe and the US to have a global presence in the future.
- Q3 EBITDA margin was better owing to higher realization & soft RMC, expect traction to continue in the upcoming quarters.
- Margins to improve in FY24 & FY25 largely led by increase in higher margin export business.

Footwear business – traction looking healthy moving forward

- In Q3FY23, revenue saw a decline due to lower sales in a seasonally weaker quarter, but orders are now picking up.
- The company participated in an exhibition in Chennai, which had presence of all global top brands like Nike, Adidas, Louis Vuitton, among others. The management expects to have good business in the future.

Automotive – optimistic for domestic & exports

- Domestic OEM business was slightly lower QoQ, due to the seasonal impact as people await new car model launches in the new year, which impacted sales of Dec month.
- Expect good performance from the domestic market in the coming quarters.
- Started supplying for specific models of Hyundai & Kia. The orders are in the range of 32-35K meters per month. The run rate for Mercedes business is 30-35K meter per month.
- For BMW, the current run rate is only 3-4K meters per month as Mayur supply only to their Thailand plant.
- However, the company received orders for BMW's South African plant, which will increase its supply to 30K meter per month in one year time.
- Expect revenue from Export OEMs to double in FY24 and increase by 50% in FY25, as indicated by the order in hand and RFQs.
- The exports command a higher price, which will improve both topline and bottom line in the coming two years.
- Exports impacted due to chip problems, however, now chip supply has normalized and expect export business to sustain despite macroeconomic situations.

PU Business

- Mayur Uniquoters is optimistic about its PU business and has been developing new different types of PUs as demand for natural leather is fading due to environmental concerns.
- It is only the 3rd company in the world to have a new different type of PU, which command higher prices and higher margins.

- The new PU received good response from the automotive industry and has already started supplying to the Chrysler's plant in Thailand.
- Additionally, samples of new PU have also been sent to the US companies and negotiations with Ford is ongoing.

Furnishing and accessories

- Optimistic about the new furnishing business to give tremendous growth in the coming years and expect to have 1,000 dealers across India by CY23.
- Received a major order from a 5-star hotel chain for its hotels across India and a huge order got from a customer dealing in women purses and bags.
- The management is in talks with many brands in accessories segments to drive growth in the PU business.

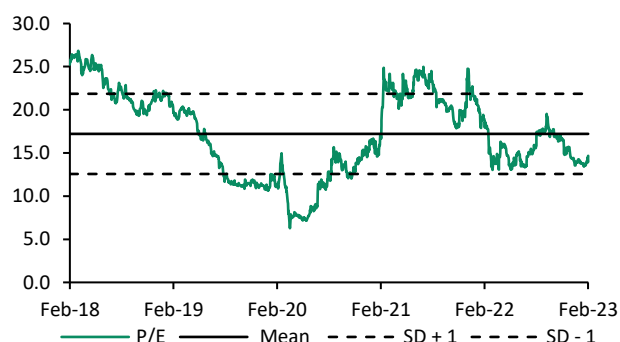
Succession planning

- The whole endeavour is to get as many professionals to run the business. The management is looking for new CXOs to run everything professionally.
- Mr Poddar talked about his grand son who is doing graduation in the US. He will join the business and hence, there is no worries at all from the succession point of view.

Outlook and valuations

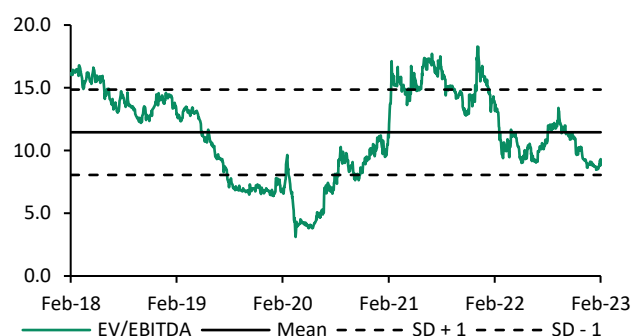
- As chip shortage issues waning, more recovery is expected on auto front. The company has incorporated a new subsidiary to create a brand name and hit the retail business. They are onboarding retailers and expect 1,000 dealers to be added by CY23.
- With PU plant ramp up, commencement of Mercedes business and BMW business and much awaited traction at margin front, we estimate good earnings growth in coming years.
- Considering BS strength and consistent handsome payouts to shareholders, **we value Mayur at 18.0x its FY25e earnings to arrive at a TP of Rs 571 apiece and recommend BUY.**

Fig 1: 1-year forward P/E



Source: AceEquity, SMIFS research

Fig 2: 1-year forward EV/EBITDA



Source: AceEquity, SMIFS research

Fig 3: Change in Estimates

Rs mn	New estimates			Old estimates			Change (%)		
	FY23e	FY24e	FY25e	FY23e	FY24e	FY25e	FY23e	FY24e	FY25e
Revenue	7,551	8,638	10,021	7,864	8,961	10,366	-4.0%	-3.6%	-3.3%
Gross profit	2,831	3,374	3,810	2,867	3,385	3,860	-1.3%	-0.3%	-1.3%
Gross margin (%)	37.5	39.1	38.0	36.5	37.8	37.2	103 bps	129 bps	78 bps
EBITDA	1,418	1,760	2,057	1,454	1,771	2,107	-2.5%	-0.6%	-2.4%
EBITDA margin (%)	18.8	20.4	20.5	18.5	19.8	20.3	29 bps	61 bps	20 bps
PAT	1,087	1,281	1,395	1,046	1,239	1,416	3.9%	3.4%	-1.5%
EPS (Rs)	25	29	32	24	28	32	3.1%	4.1%	-0.8%

Source: Company, SMIFS research estimates

Quarterly financials, operating metrics & key performance indicators

Fig 4: Quarterly Financials

Y/E March (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Net Sales	1,888	1,269	1,877	1,694	1,469	2,009	1,945	1,698
Raw Materials	1,023	751	1,211	1,053	940	1,251	1,239	1,015
Employee Costs	93	99	102	99	86	89	97	97
Other Expenditure	226	183	219	218	212	301	273	253
EBITDA	547	237	345	323	231	369	336	334
Depreciation	51	51	52	52	50	51	51	53
Interest	20	6	6	6	5	3	5	5
Other Income	49	58	43	24	79	45	45	51
PBT	525	237	330	289	255	360	325	327
Tax	134	57	81	71	61	73	71	66
Tax rate (%)	25.5	23.8	24.5	24.4	23.8	20.3	21.8	20.3
Reported PAT	391	181	249	219	195	286	254	261
Adjusted PAT	391	181	249	219	195	286	254	261
YoY Growth (%)								
Revenue	35.4	233.6	69.7	3.7	(22.2)	58.3	3.6	0.3
EBITDA	52.6	NM	58.9	(27.3)	(57.8)	55.9	(2.8)	3.2
PAT	47.3	2,119.8	73.0	(36.9)	(50.3)	58.4	1.8	19.2
QoQ Growth (%)								
Revenue	15.6	(32.8)	47.9	(9.8)	(13.3)	36.8	(3.2)	(12.7)
EBITDA	22.9	(56.7)	46.0	(6.4)	(28.7)	59.9	(9.0)	(0.6)
PAT	13.0	(53.8)	37.9	(12.3)	(11.0)	47.2	(11.4)	2.7
Margin (%)								
RMC/revenue (%)	54.2	59.2	64.5	62.2	64.0	62.3	63.7	59.7
Gross margin (%)	45.8	40.8	35.5	37.8	36.0	37.7	36.3	40.3
Employee cost/revenue (%)	4.9	7.8	5.4	5.9	5.9	4.4	5.0	5.7
Other expenses/revenue (%)	12.0	14.4	11.7	12.9	14.5	15.0	14.0	14.9
EBITDA margin (%)	28.9	18.6	18.4	19.1	15.7	18.4	17.3	19.7
PAT margin (%)	20.7	14.2	13.3	12.9	13.2	14.3	13.1	15.3

Source: Company, SMIFS research

Fig 5: Key Assumptions

Operating Details	FY20	FY21	FY22	FY23e	FY24e	FY25e
Total volume (Mn Meter)	24.5	22.6	23.8	28.2	34.1	39.9
YoY change (%)	(13.5)	(7.6)	5.1	18.7	21.0	17.0
Net realization (Rs/Meter)	211	217	254	258	255	262
YoY change (%)	4.2	2.9	16.8	1.6	(1.2)	2.6
Domestic revenues	3,645	3,614	4,898	5,794	6,617	7,553
Export revenues	1,520	1,393	1,412	1,757	2,021	2,468
Total revenues	5,165	5,008	6,310	7,551	8,638	10,021
YoY change (%)						
Domestic revenues	(16.7)	(0.8)	35.5	18.3	14.2	14.1
Export revenues	11.7	(8.3)	1.3	24.5	15.0	22.1
Total revenues	(9.9)	(3.0)	26.0	19.7	14.4	16.0

Source: Company, SMIFS research estimates

Financial Statements

Income Statement					
YE March (Rs mn)	FY21	FY22	FY23e	FY24e	FY25e
Revenues	5,008	6,310	7,551	8,638	10,021
Raw Materials	2,806	3,955	4,721	5,264	6,211
% of sales	56.0	62.7	62.5	60.9	62.0
Personnel	337	386	448	513	557
% of sales	6.7	6.1	5.9	5.9	5.6
Manufacturing & Other Expenses	660	832	965	1,102	1,195
% of sales	13.2	13.2	12.8	12.8	11.9
EBITDA	1,204	1,136	1,418	1,760	2,057
Other Income	196	203	233	238	209
Depreciation & Amortization	184	204	207	249	365
EBIT	1,216	1,135	1,444	1,749	1,901
Finance cost	34	23	23	37	37
Core PBT	986	909	1,188	1,474	1,656
Exceptional items	-	-	-	-	-
PBT	1,182	1,112	1,421	1,712	1,865
Tax-Total	291	269	334	431	470
Tax Rate (%) - Total	24.7	24.2	23.5	25.2	25.2
Reported PAT	890	843	1,087	1,281	1,395
Adjusted PAT	890	843	1,087	1,281	1,395

Source: Company, SMIFS research estimates

Key Ratios					
YE March	FY21	FY22	FY23e	FY24e	FY25e
Growth Ratio (%)					
Net Sales	(3.0)	26.0	19.7	14.4	16.0
EBITDA	12.7	(5.7)	24.8	24.1	16.9
Adjusted Net Profit	10.4	(5.3)	28.9	17.8	8.9
Margin Ratio (%)					
Gross Margin	44.0	37.3	37.5	39.1	38.0
EBITDA Margin	24.0	18.0	18.8	20.4	20.5
EBIT Margin	24.3	18.0	19.1	20.2	19.0
Core PBT margin	19.7	14.4	15.7	17.1	16.5
PAT Margin	17.8	13.4	14.4	14.8	13.9
Return Ratios					
ROE	14.6	12.5	14.9	16.2	15.7
ROCE	14.1	12.2	14.6	15.9	15.5
Turnover Ratios (days)					
Gross Block Turnover (x)	2.0	2.1	2.2	2.3	2.3
Adjusted OCF/ PAT (%)	61	12	89	116	63
Inventory	85	90	90	80	70
Debtors	107	90	90	85	90
Creditors	42	31	35	35	35
Cash Conversion Cycle	150	149	145	130	125
Solvency ratio (x)					
Debt-equity	0.1	0.0	0.0	0.0	0.0
Net Debt-Equity	(0.3)	(0.2)	(0.2)	(0.3)	(0.2)
Gross Debt/EBITDA	0.3	0.3	0.2	0.2	0.1
Current ratio	3.0	5.1	3.9	5.4	4.4
Interest coverage ratio	35.5	49.8	63.2	47.8	52.0
Dividend					
DPS (Rs.)	2.0	2.0	7.0	8.0	10.0
Dividend Yield (%)	0.7	0.4	1.6	1.8	2.3
Dividend Payout (%)	10.1	10.6	28.3	27.4	31.5
Per share (Rs.)					
Basic EPS (reported)	20.0	18.9	24.7	29.1	31.7
Adjusted EPS	19.97	18.92	24.73	29.14	31.7
CEPS	24.1	23.5	29.4	34.8	40.0
BV	142.5	159.1	169.8	191.0	212.7
Valuation					
P/E	13.7	25.0	17.8	15.1	13.8
P/BV	1.9	3.0	2.6	2.3	2.1
EV/EBITDA	8.5	17.2	12.6	9.6	8.3
EV/Sales	2.0	3.1	2.4	2.0	1.7
Adj Mcap/Core PBT	10.0	21.2	14.8	11.3	10.1
Adj Mcap/Adj OCF	18.1	197.7	18.3	11.2	19.1

Source: Company, SMIFS research estimates

Balance Sheet					
YE March (Rs mn)	FY21	FY22	FY23e	FY24e	FY25e
Sources of funds					
Capital	223	223	220	220	220
Reserves & Surplus	6,131	6,868	7,244	8,174	9,129
Shareholders' Funds	6,354	7,091	7,464	8,394	9,349
Total Loan Funds	407	305	305	305	305
Other non current liabilities	43	44	44	44	44
Total Liabilities	6,804	7,439	7,813	8,742	9,697
Application of funds					
Gross Block	2,814	3,270	3,628	4,042	4,542
Accumulated Dep.	1,942	2,196	2,348	2,512	2,648
Capital WIP	150	118	200	36	36
Investments	2,121	1,605	1,605	1,605	1,605
Other non current assets	56	83	100	114	132
Inventories	1,268	1,831	1,893	1,893	1,950
Sundry Debtors	1,549	1,562	2,162	1,861	3,080
Cash & Bank Balances	219	270	102	1,020	992
Other Current Assets	383	494	623	713	827
Total Current Asset	3,419	4,157	4,780	5,487	6,849
Sundry Creditors	571	497	951	706	1,216
Other Current Liabilities	313	222	269	307	357
Total Current Liabilities	883	720	1,220	1,013	1,573
Net Current Assets	2,535	3,437	3,560	4,474	5,276
Total Assets	6,804	7,439	7,813	8,742	9,697

Source: Company, SMIFS research estimates

Cash Flow					
YE March (Rs mn)	FY21	FY22	FY23e	FY24e	FY25e
Operating profit before WC changes	1,221	1,182	1,628	1,962	2,230
Net chg in working capital	(421)	(760)	(308)	(11)	(848)
Income taxes paid	(224)	(301)	(334)	(431)	(470)
Cash flow from operating activities (a)	577	120	986	1,519	912
Adjusted Operating Cashflow	543	97	964	1,483	875
Capital expenditure	(273)	(479)	(440)	(250)	(500)
Adjusted FCF	304	(359)	546	1,269	412
Cash flow from investing activities (b)	(186)	169	(440)	(250)	(500)
Debt raised/(repaid)	65	(102)	-	-	-
Dividend (incl. tax)	(49)	(91)	(308)	(352)	(440)
Other financing activities	(24)	(19)	-	-	-
Cash flow from financing activities (c)	(379)	(212)	(714)	(352)	(440)
Net chg in cash (a+b+c)	12	77	(168)	918	(28)

Source: Company, SMIFS research estimates

Disclaimer

Analyst Certification:

We /I, the above-mentioned Research Analyst(s) of SMIFS Limited (in short “SMIFS / the Company”), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities and distributed as per SEBI (Research Analysts) Regulations 2014. 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 Research Report. It is also confirmed that We/I, the above mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

Terms & Conditions and Other Disclosures:

SMIFS Limited is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. SMIFS Limited is registered as Research Analyst Entity with Securities & Exchange Board of India (SEBI) with Registration Number – INH300001474.

SMIFS and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Research Analysts. SMIFS generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by SMIFS and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of SMIFS Limited. While we would endeavor to update the information herein on a reasonable basis, SMIFS is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent SMIFS from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of SMIFS, in circumstances where SMIFS might be acting in an advisory capacity to this company, or in certain other circumstances.

This Research 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 Research 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. Securities as defined in clause (h) of section 2 of the Securities Contract Act, 1956, includes Financial Instruments, Currency and Commodity Derivatives. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. SMIFS will not treat recipients as customers by virtue of their receiving this Research Report. Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. SMIFS accepts no liabilities whatsoever for any loss or damage of any kind arising

out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. The information given in this report is as of date of this report and there can be no assurance that future results or events will be consistent with this information. The information provided in this report remains, unless otherwise stated, the copyright of SMIFS. All layout, design, original artwork, concepts and intellectual Properties remains the property and copyright of SMIFS and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the SMIFS.

SMIFS shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of SMIFS to present the data. In no event shall SMIFS be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the SMIFS through this report.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (a) Exchange Rates can be volatile and are subject to large fluctuations; (b) the value of currencies may be affected by numerous market factors, including world and notional economic, political and regulatory events, events in Equity & Debt Markets and changes in interest rates; and (c) Currencies may be subject to devaluation or government imposed Exchange Controls which could affect the value of the Currency. Investors in securities such as Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Since associates of SMIFS are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may: (i) from time to time may have long or short positions in, and buy or sell the Securities, mentioned herein or (ii) be engaged in any other transaction involving such Securities and earn brokerage or other compensation of the Subject Company/ companies mentioned herein or act as an Advisor or Lender/Borrower to such Companies or have other potential/material Conflict of Interest with respect to any recommendation and related information and opinions at the time of the publication of the Research Report or at the time of Public Appearance.

SMIFS does not have proprietary trades but may at a future date, opt for the same with prior intimation to Clients/ Investors and extant Authorities where it may have proprietary long/short position in the above Scrip(s) and therefore should be considered as interested.

The views provided herein are general in nature and do not consider Risk Appetite or Investment Objective of any particular Investor; Clients/ Readers/ Subscribers of this Research Report are requested to take independent professional advice before investing, however the same shall have no bearing whatsoever on the specific recommendations made by the analysts, as the recommendations made by the analysts are completely independent views of the Associates of SMIFS even though there might exist an inherent conflict of interest in some of the stocks mentioned in the Research Report.

The information provided herein should not be construed as invitation or solicitation to do business with SMIFS.

SMIFS or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

SMIFS encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither SMIFS and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

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

SMIFS or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.

SMIFS or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

SMIFS or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may have been engaged in market making activity for the companies mentioned in the Research Report.

SMIFS may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

A graph of daily closing prices of the securities/commodities is also available at www.nseindia.com and/or www.bseindia.com, www.mcxindia.com and/or www.icex.com.

SMIFS submit' s that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities in last 3 years.

This Research 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 SMIFS and affiliates 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Specific Disclosures

1. SMIFS, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2. SMIFS, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company.
3. SMIFS, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months.
4. SMIFS, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as director/officer/employee in the subject company
6. SMIFS has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. SMIFS has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8. SMIFS has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months.
9. SMIFS has not received any compensation or other benefits from third party in connection with the research report.
10. SMIFS has not engaged in market making activity for the subject company

Analyst holding in stock: **NO**

Key to SMIFS Investment Rankings

Buy: Return >15%, Accumulate: Return between 5% to 15%, Reduce: Return between -5% to +5%, Sell: Return < -5%

Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Sudipto Datta,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5401 / +91 33 6634 5401

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5408, (B) +91 33 4011 5400

Email Id: smifs.institutional@smifs.com
