

India

HOLD (no change)

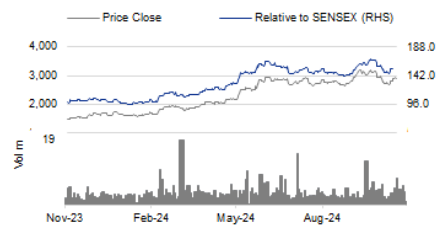
Consensus ratings*: Buy 36 Hold 4 Sell 1

Current price:	Rs2,891
Target price:	Rs2,915
Previous target:	Rs2,455
Up/downside:	0.8%
InCred Research / Consensus:	-13.2%
Reuters:	
Bloomberg:	MM IN
Market cap:	US\$49,514m
	Rs3,595,477m
Average daily turnover:	US\$134.0m
	Rs9731.4m
Current shares o/s:	1,110.3m
Free float:	81.4%

*Source: Bloomberg

Key changes in this note

- FY25F-26F sales raised by 1%.
- FY25F-26F EBITDA raised by 7-8%.
- FY25F-26F EPS raised by 4-6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(5.5)	7.9	95.4
Relative (%)	(3.7)	7.8	59.5

Major shareholders	% held
Mahindra Family	18.6
LIC	6.7
SBI Mutual Fund	3.8

Research Analyst(s)



Pramod AMTHE

T (91) 22 4161 1541
E pramod.amthe@incredresearch.com

Ravi GUPTA

T (91) 02241611552
E ravi.gupta@incredresearch.com

Mahindra & Mahindra

Changing gear for rural market recovery

- 2Q EPS spike of 45% qoq to Rs34 was in line with our estimate and 5% above the Bloomberg consensus estimate. Automotive division sustains peak margin.
- Better-than-expected rural demand recovery in the festive season & superior margin management in the automotive division led to our 4-6% EPS upgrade.
- However, rich P/E (+2SD) and P/BV (+3SD) valuations are a cause of concern and undermine EV/ hybrid risk on the car industry. Retain our HOLD rating.

Automotive division sustains peak EBIT margin

The 2QFY25 standalone EBITDA of Mahindra & Mahindra or M&M rose by 21% yoy but down 2% qoq at Rs.39.5bn, just 3% above our estimate. The automotive division's EBIT margin sustenance at 9.5%, flat qoq, was impressive (Fig. 5), overcoming challenges from price cuts and product mix weakness. The tractor division's EBIT margin eased 100bp qoq to 17.5%. Normalized PAT rose by 45% qoq to Rs37.8bn, aided by seasonally strong other income (+452% qoq).

Management conference-call highlights

Festive demand for its sports utility vehicle or SUV has been very strong, helping to reduce channel inventory. Good customer response to the Thar 5-door launch aids management to build an additional 2,000 vehicles/month capacity, leading to total Thar capacity of 11,500 vehicles by Jan 2025F. Management feels product price rationalization of XUV700 and Thar 3-door helped overcome the urban demand slowdown challenges and revive volume growth. Good festive demand for tractors in recent months led management to upgrade industry volume growth outlook by 200bp to 7% for FY25F, which builds mid-teen growth in 2HFY25F.

Raise FY25F-26F EPS by 4-6% due to rural market recovery

Rural demand recovery benefit in small trucks and tractors led us to increase our sales volume estimates by 2% for FY25F-26F. Better margin management in the automotive division and operating leverage in tractors led to our 7-8% EBITDA upgrade for FY25F-26F. Rising interest costs limit PAT upgrade to 4-6%.

Rich valuation overlooks EV portfolio transition risk

While the core diesel engine business is witnessing strong momentum aided by product introduction and industry tailwinds, the company's plan to introduce a series of electric vehicles or EVs from early CY25F, we feel, is a new journey with a different cost structure and consumer behaviour. With forward P/E valuation at +2SD above the mean level (adjusted for subsidiaries' value, see Fig. 10), we feel there is limited upside left. We value the stock at 18.5x P/E (+2SD above the mean level) and assign subsidiaries' value per share at Rs691, leading to a higher sum-of-the-parts or SOTP-based target price of Rs2,915 (Rs2,455 earlier). Retain HOLD rating on it. Upside risk: Double-digit growth sustenance in tractors in FY26F. Downside risk: EV margin drag & policy risk on hybrid cars.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	849,603	992,682	1,171,631	1,309,124	1,459,598
Operating EBITDA (Rsm)	104,424	134,243	164,530	177,512	195,052
Net Profit (Rsm)	79,781	103,443	119,603	126,708	137,830
Core EPS (Rs)	71.9	93.2	107.7	114.1	124.1
Core EPS Growth	55.2%	29.7%	15.6%	5.9%	8.8%
FD Core P/E (x)	40.24	31.03	26.84	25.34	23.29
DPS (Rs)	16.3	23.8	25.0	27.5	30.0
Dividend Yield	0.61%	0.89%	0.93%	1.03%	1.12%
EV/EBITDA (x)	28.16	21.39	17.32	15.84	14.04
P/FCFE (x)	107.58	99.85	224.28	116.03	47.15
Net Gearing	(21.6%)	(23.7%)	(20.2%)	(18.9%)	(22.0%)
P/BV (x)	7.40	6.14	5.24	4.55	3.97
ROE	19.4%	21.6%	21.1%	19.2%	18.2%
% Change In Core EPS Estimates			6.28%	4.27%	0.08%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Changing gear for rural market recovery

Management conference-call highlights➤

- **Automotive business:** SUV revenue market share stood at 21.9%, +190bp yoy, led by new launches and robust festive demand. Volume was up 18% yoy, leading to margin expansion of 140bp. The industry witnessed double-digit volume growth in the festive season. Management expects mid-high teen growth rate in FY25F. It is confident of maintaining the growth momentum-led new launches and healthy demand. The endeavour is to achieve 10% EBITDA margin in the medium term.
- **Tractor business:** The tractor industry is likely to see a growth of 6-7% in FY25F, led by a 13-15% growth in 2HFY25 led by recovery in the rural market sentiment. Volume in the farm business was up 4% yoy, driven by rural demand recovery while the international business is witnessing challenges in the US market and the hyperinflation scenario in Turkey. Improved its market share in the domestic market to 43.7% in 1HFY25 vs. 41.6% in FY24. Export volume was up 27% yoy.
- **Light commercial vehicles:** Witnessing a turnaround in industry growth on account of mandi (market) arrivals, which were up 20% yoy in 2QFY25.
- **Commercial vehicles:** Launched Veero in Sep 2024, which offers multi-energy commercial vehicle platforms like diesel, CNG & electric. Also, infotainment facility, like in cars.
- **Last mile mobility:** Remains the market leader in electric three-wheelers or E-3W, with a 43.6% share. Two new products are eAlfa Plus and Alfa Duo. During the quarter, it launched Zeo - E-4W.
- **Farm machinery business:** Witnessed a revenue growth of 14% yoy, which is below management's expectation. New upgraded Swaraj harvester is gaining traction.
- **Product-wise:** Thar Roxx opened with 176k bookings within 60 minutes. The price cut in XUV 700 improved the premium mix of the total portfolio, which helped the margin to grow by 140bp yoy to 9.5%. Witnessed weak demand for its Bolero model, but is likely to improve on the back of the upcoming marriage season.
- **Manufacturing capacity:** Total capacity touched 54k units per annum, up 10% from FY24. Management's endeavour is to add 100,000 units per annum for its new electric vehicle.
- **Electric vehicle portfolio:** Mahindra & Mahindra will launch it two EV models - BE 6e and XEV 9e - on 26 Nov 2024 and delivery of the vehicle will start early next year.
- **Financial performance:** Revenue for the quarter grew by 10% yoy, driven by market share gains in the automotive segment and growth in other businesses. PAT grew by 27% yoy, excluding a one-time gain of Rs3.04bn.
- **Demand scenario:** The urban market continues to witness weak demand while the rural market is seeing demand uptick led by favourable monsoons and positive sentiment.
- **Raw material costs:** Rubber saw a spike in its price, which slightly impacted farm margin. Going ahead, management expects raw material prices to remain flat.
- **Inventory level:** The dealer-level inventory is below 30 days in the automotive business while it is above the comfortable level in the tractor business.

Figure 1: Results comparison

Y/E Mar (Rs m)	2QFY25	2QFY24	yoy % chg	1QFY25	qoq % chg	1HFY25	1HFY24	yoy % chg	Comments
Revenue	2,75,533	2,44,975	12.5	2,70,388	1.9	5,45,921	4,88,658	11.7	In line with our estimate.
Raw material costs	2,04,440	1,83,793	11.2	1,99,394	2.5	4,03,834	3,64,941	10.7	
RM as % of revenue	74.2	75.0	(83)	73.7	45	74	75	(71)	
EBITDA	39,497	32,536	21.4	40,222	(1.8)	79,719	68,010	17.2	3% above our estimate.
EBITDA margin (%)	14.3	13.3	105	14.9	(54)	14.6	13.9	69	26bp above our estimate.
Depreciation & amortization	9,614	8,158	17.8	9,146	5.1	18,760	16,440	14.1	-
EBIT	29,884	24,377	22.6	31,076	(3.8)	60,960	51,570	18.2	
Interest expenses	551	329	67.4	529	4.2	1,080	653	65.5	
Other income	20,433	18,847	8.4	3,515	481.3	23,948	21,374	12.0	2% above our estimate.
Pre-tax profit	49,765	42,896	16.0	34,062	46.1	83,828	72,291	16.0	1% below our estimate.
Tax	10,901	9,153	19.1	7,936	37.4	18,837	14,861	26.8	
Tax rate (%)	21.9	21.3	57	23.3	(139.3)	22.5	20.6	191.3	
Normalized net profit	38,864	33,742	15.2	26,126	48.8	64,991	57,430	13.2	In line with our estimate.
Exceptional items	0	2,096	nm	-	nm	-	6,146	nm	-
Other comprehensive income	(456)	(1,319)	nm	-	nm	(456)	(1,319)	nm	-
Reported net profit	38,409	34,519	11.3	26,126	47.0	65,446	64,895	0.8	
Normalized EPS (Rs)	34.9	30.3	15.2	23.5	48.8	58	52	13.2	
Volume (nos)	3,24,420	3,01,313	7.7	3,33,017	(2.6)	6,57,437	6,03,154	9.0	
Net realization (Rs)	8,49,308	8,13,024	4.5	8,11,934	4.6	8,30,377	8,10,171	2.5	-
EBITDA/vehicle	1,21,747	1,07,980	12.7	1,20,781	0.8	1,21,258	1,12,757	7.5	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: M&M's segment-wise sales volume performance

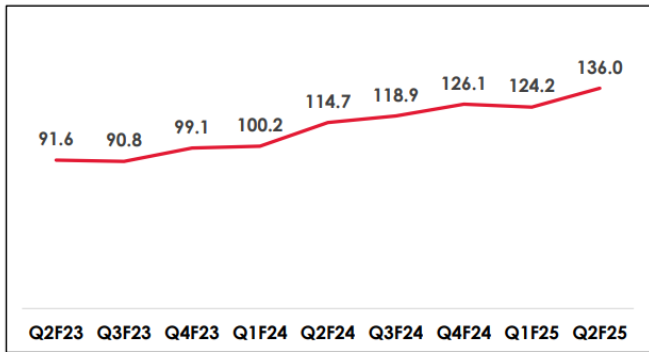
	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	FY23	FY24	yoy (%)
Tractors	89,306	86,849	2.8%	1,16,930	-23.6%	3,90,513	3,86,463	-1.0%
Passenger vehicles	1,35,962	1,14,742	18.5%	1,24,248	9.4%	3,74,600	4,69,740	25.4%
LCVs	54,627	62,198	-12.2%	53,321	2.4%	2,39,393	2,39,552	0.1%
MHCVs	9,884	5,484	80.2%	9,201	7.4%	12,016	20,533	70.9%
3-wheelers	22,963	21,446	7.1%	17,655	30.1%	62,357	83,466	33.9%
Automotive exports	7,602	7,382	3.0%	7,125	6.7%	32,115	27,407	-14.7%
Tractor exports	4,076	3,212	26.9%	4,537	-10.2%	17,362	13,661	-21.3%
Total	3,24,420	3,01,313	7.7%	3,02,139	7.4%	11,28,356	12,40,822	-9.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Volume and revenue market share trend

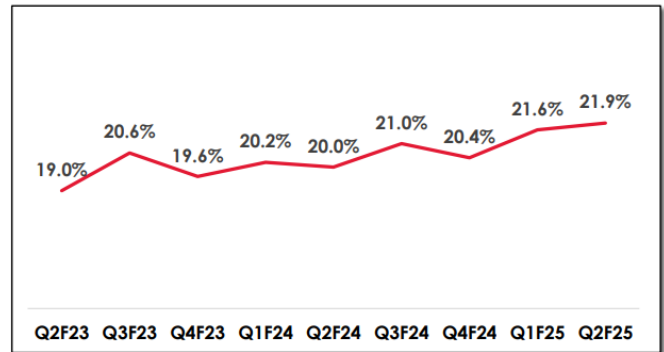
VOLUMES ('000s)

#2 in MS for 9 consecutive quarters



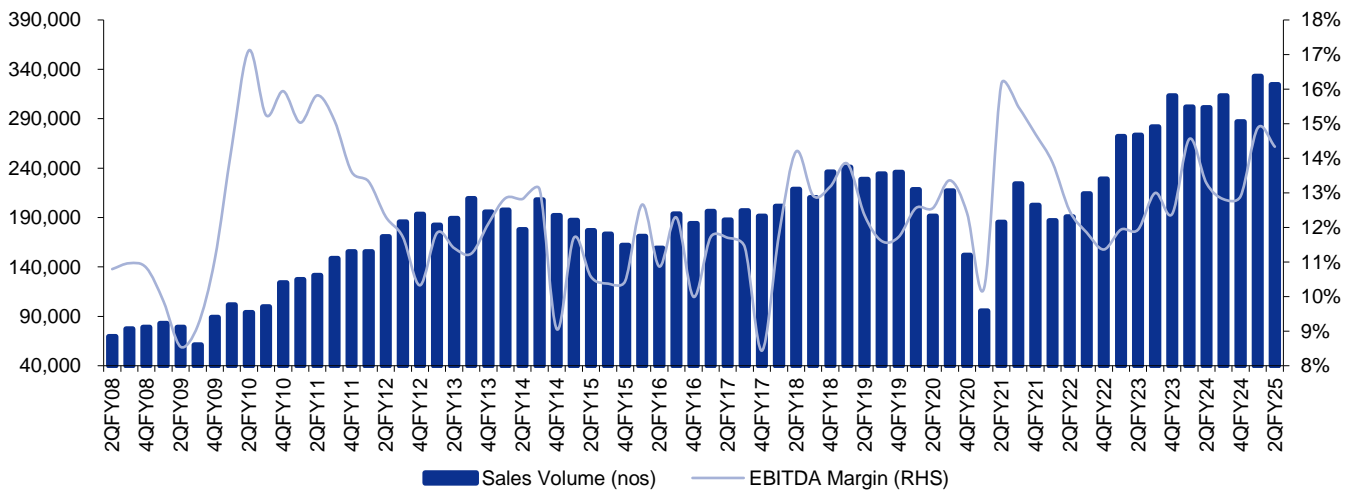
REVENUE MARKET SHARE

#1 Revenue MS in Q2 F25



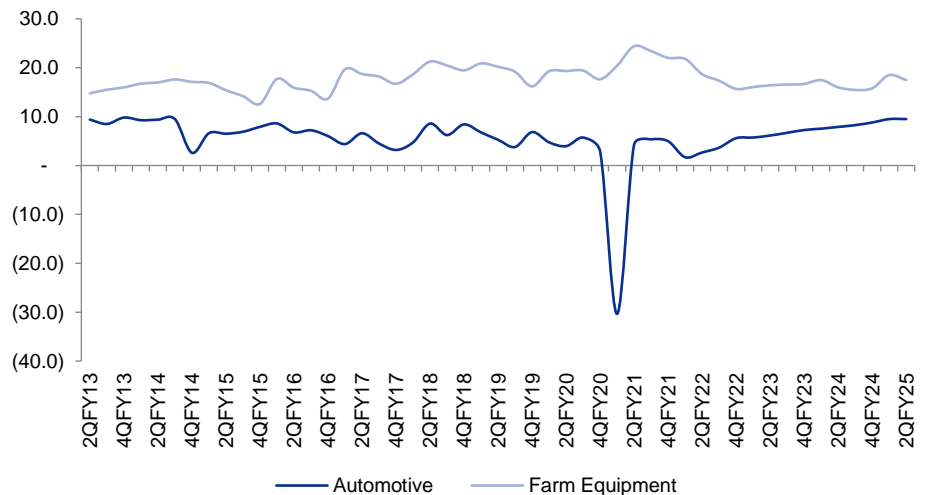
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Quarterly sales and EBITDA margin trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Segment-wise EBIT margin trend (%)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: EPS revision summary

(Rs m)	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales volume (nos)	13,45,842	13,73,310	14,64,521	14,96,318	16,03,451	16,35,797
% change		2.0%		2.2%		2.0%
Net sales	11,59,658	11,71,631	12,94,103	13,09,124	14,44,093	14,59,598
% change		1.0%		1.2%		1.1%
EBITDA	1,52,607	1,64,530	1,66,418	1,77,512	1,91,913	1,95,052
% change		7.8%		6.7%		1.6%
Normalized PAT	1,12,538	1,19,603	1,21,524	1,26,708	1,37,724	1,37,830
% change		6.3%		4.3%		0.1%
EPS (Rs)	101.2	107.5	109.3	113.9	123.8	123.9
% change		6.3%		4.3%		0.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Key assumptions

Nos	FY23	FY24F	FY25F	FY26F	FY27F
Scorpio	76,935	1,41,462	1,69,754	1,86,730	2,05,403
Growth (%)	98.8%	83.9%	20.0%	10.0%	10.0%
XYLO / Marazzo	4,451	8,743	14,400	30,000	60,000
XUV500/700	66,473	79,398	91,308	97,699	1,07,469
Bolero/ Other hardtops	1,01,023	1,10,841	1,20,817	1,26,858	1,35,738
Growth (%)	53.4%	9.7%	9.0%	5.0%	7.0%
Pick-ups & 1-ton LCV	2,38,540	2,35,696	2,49,685	2,73,127	3,01,517
Growth (%)	39.8%	-1.2%	5.9%	9.4%	10.4%
Total Domestic UV's & LCVs	5,95,501	6,95,560	8,26,259	9,14,539	10,22,283
Growth (%)	51.0%	16.8%	18.8%	10.7%	11.8%
Export UV's & LCVs	32,107	24,663	27,869	32,050	36,857
Growth (%)	-1.2%	-23.2%	13.0%	15.0%	15.0%
CVs	10,036	27,114	31,181	34,923	38,415
Growth (%)	56.0%	170.2%	15.0%	12.0%	10.0%
3-wheelers	58,520	77,589	87,676	96,443	1,06,087
Growth (%)	94.6%	32.6%	13.0%	10.0%	10.0%
Tractors domestic	2,30,731	2,07,326	2,17,692	2,26,400	2,33,192
Growth (%)	20.0%	-10.1%	5.0%	4.0%	3.0%
Swaraj Tractors	1,58,800	1,57,200	1,66,632	1,74,964	1,81,962
Growth (%)	9.7%	-1.0%	6.0%	5.0%	4.0%
Tractors exports	18,014	13,860	16,000	17,000	17,000
Growth (%)	2.1%	-23.1%	15.4%	6.3%	0.0%
Tractors total	4,07,545	3,78,386	4,00,324	4,18,364	4,32,154
Growth (%)	14.9%	-7.2%	5.8%	4.5%	3.3%
Total sales volume	11,03,709	12,03,526	13,73,310	14,96,318	16,35,797
Growth (%)	34.9%	9.0%	14.1%	9.0%	9.3%
Rs per unit metrics					
Net sales realization	7,69,770	8,24,812	8,53,144	8,74,897	8,92,285
Growth (%)	9.7%	7.2%	3.4%	2.5%	2.0%
Contribution	1,84,850	2,09,899	2,17,552	2,20,474	2,23,071
Growth (%)	0.2%	13.6%	3.6%	1.3%	1.2%
EBITDA	94,612	1,11,541	1,19,806	1,18,632	1,19,240
EBITDA (%)	12.3%	13.5%	14.0%	13.6%	13.4%
PAT	72,285	85,950	87,091	84,680	84,258
Growth (%)	15.0%	18.9%	1.3%	-2.8%	-0.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Subsidiaries' value updated for listed stock prices

Subsidiary Company	Tech Mahindra	Mahindra Holidays	Mahindra Financial Services	Mahindra Lifespaces	Last Mile Mobility EV	E4W subsidiary	Mahindra Logistics	Swaraj Engines
Value per share of M&M (Rs)	295.0	36.8	126.8	29.5	14.6	134.4	12.5	13.9
Equity capital of company (m)	974.2	201.2	1,235.4	154.6	na	na	72.0	12.1
M&M holding	25%	67%	52%	51%	86.4%	95%	58.1%	52.1%
Valuation method	CMP	CMP	CMP	CMP	PE deal lower range	PE deal lower range	CMP	CMP
Current/derived price (Rs)	1,651.0	379.0	273.0	516.0	18.3	168.0	414.0	3,046.0
Subsidiary Company	Mahindra China Tractors	Mahindra Heavy Engines	EPC Industry	Mahindra First Choice	PORTER	Mahindra Susten	Mahindra Agri solution	Total
Value per share of M&M (Rs)	(5.4)	4.7	1.5	10.3	8.1	3.4	4.4	691
Equity capital of hompany (m)	705.1	634.4	27.8	330.0	-	195.5	81.3	
M&M Holding	100%	100%	54%	51%	30%	20%	98%	
Valuation method	8x FY22 P/E	10x FY22 P/E	CMP	P/E valuation	P/E valuation	Deal value	2x FY22 M-CAP/Sales	
Current/derived price (Rs)	(10.6)	10.2	141.0	85.0	33.8	121.3	88.7	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Our SOTP valuation methodology

Standalone business value (Rs)	2,224
One-year forward EPS (Rs)	120
P/E (x)	18.5
Total subsidiaries' value per share (Rs)	691
Target Price (Rs)	2,915

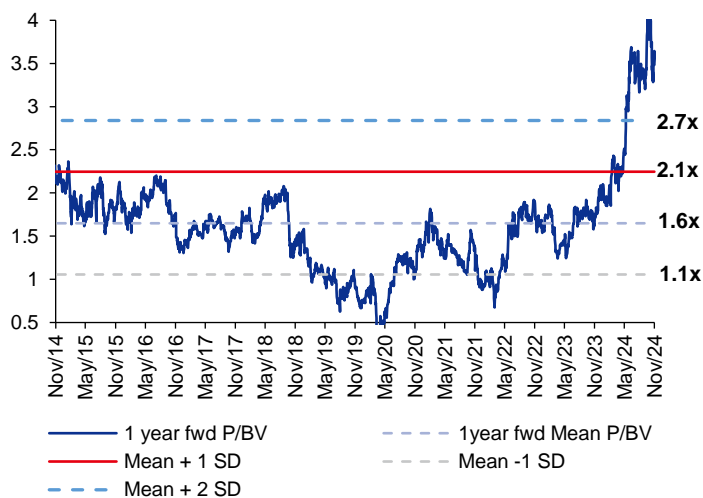
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Forward P/E valuation adjusted for subsidiaries' valuation is rich at +2SD



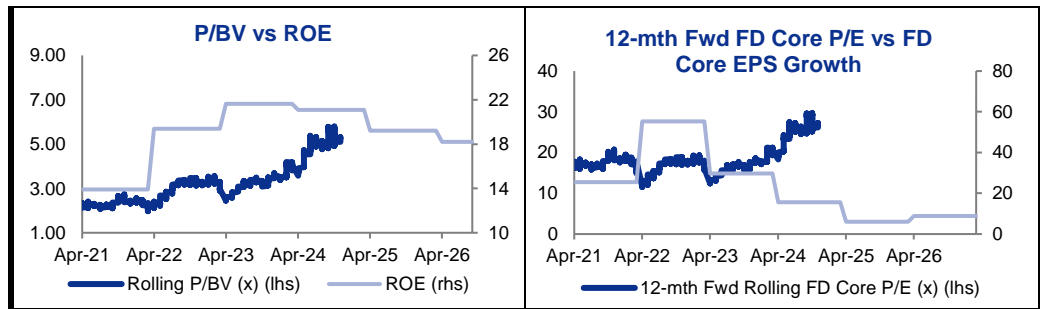
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Forward P/BV valuation adjusted for subsidiaries' valuation super-rich at +3SD



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	849,603	992,682	1,171,631	1,309,124	1,459,598
Gross Profit	204,020	252,619	298,766	329,899	364,899
Operating EBITDA	104,424	134,243	164,530	177,512	195,052
Depreciation And Amortisation	(31,545)	(34,389)	(40,845)	(49,125)	(57,405)
Operating EBIT	72,879	99,854	123,686	128,387	137,647
Financial Income/(Expense)	(2,728)	(1,388)	(2,300)	(2,600)	(2,000)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	25,452	32,955	33,943	36,659	41,058
Profit Before Tax (pre-EI)	95,603	131,421	155,329	162,446	176,705
Exceptional Items					
Pre-tax Profit	95,603	131,421	155,329	162,446	176,705
Taxation	(15,822)	(27,978)	(35,726)	(35,738)	(38,875)
Exceptional Income - post-tax					
Profit After Tax	79,781	103,443	119,603	126,708	137,830
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	79,781	103,443	119,603	126,708	137,830
Recurring Net Profit	79,781	103,443	119,603	126,708	137,830
Fully Diluted Recurring Net Profit	79,781	103,443	119,603	126,708	137,830

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	104,424	134,243	164,530	177,512	195,052
Cash Flow from Invt. & Assoc.					
Change In Working Capital	2,470	3,151	(25,074)	(1,165)	(144)
(Incr)/Decr in Total Provisions	8,936	(12,929)	(3,750)	(5,000)	(5,000)
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(13,957)	8,313			
Net Interest (Paid)/Received	22,724	31,567	31,643	34,059	39,058
Tax Paid	(18,465)	(27,978)	(35,726)	(35,738)	(38,875)
Cashflow From Operations	106,131	136,367	131,624	169,668	190,091
Capex	(38,056)	(44,544)	(79,777)	(100,000)	(80,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(19,773)	(29,083)	(32,533)	(37,000)	(37,000)
Cash Flow From Investing	(57,828)	(73,627)	(112,310)	(137,000)	(117,000)
Debt Raised/(repaid)	(18,462)	(30,588)	(5,000)	(5,000)	(5,000)
Proceeds From Issue Of Shares	8	6			
Shares Repurchased					
Dividends Paid	(19,469)	(28,482)	(29,981)	(32,979)	(35,977)
Preferred Dividends					
Other Financing Cashflow	(2,066)	9,410			
Cash Flow From Financing	(39,990)	(49,654)	(34,981)	(37,979)	(40,977)
Total Cash Generated	8,312	13,085	(15,667)	(5,311)	32,114
Free Cashflow To Equity	29,840	32,151	14,314	27,668	68,091
Free Cashflow To Firm	51,030	64,127	21,614	35,268	75,091

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	140,298	139,726	134,592	139,281	178,394
Total Debtors	40,417	45,495	70,619	75,319	91,975
Inventories	88,814	95,048	112,348	125,532	131,964
Total Other Current Assets	36,701	50,204	55,704	62,204	68,704
Total Current Assets	306,229	330,473	373,263	402,337	471,037
Fixed Assets	187,292	212,615	251,770	302,646	325,241
Total Investments	175,391	215,487	237,487	264,487	294,487
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	362,682	428,103	489,258	567,133	619,728
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	171,456	185,920	203,270	219,990	242,933
Other Current Liabilities					
Total Current Liabilities	171,456	185,920	203,270	219,990	242,933
Total Long-term Debt	46,437	15,849	10,849	5,849	849
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	46,437	15,849	10,849	5,849	849
Total Provisions	32,842	34,265	36,015	37,515	39,015
Total Liabilities	250,736	236,033	250,133	263,354	282,797
Shareholders Equity	433,567	522,766	612,388	706,116	807,969
Minority Interests					
Total Equity	433,567	522,766	612,388	706,116	807,969

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	47.9%	16.8%	18.0%	11.7%	11.5%
Operating EBITDA Growth	48.3%	28.6%	22.6%	7.9%	9.9%
Operating EBITDA Margin	12.3%	13.5%	14.0%	13.6%	13.4%
Net Cash Per Share (Rs)	84.54	111.57	111.45	120.18	159.91
BVPS (Rs)	390.49	470.83	551.55	635.96	727.70
Gross Interest Cover	26.72	71.96	53.78	49.38	68.82
Effective Tax Rate	16.5%	21.3%	23.0%	22.0%	22.0%
Net Dividend Payout Ratio	24.4%	27.5%	25.1%	26.0%	26.1%
Accounts Receivables Days	15.20	15.79	18.09	20.34	20.92
Inventory Days	41.74	45.34	43.36	44.33	42.93
Accounts Payables Days	84.92	88.13	81.37	78.88	77.18
ROIC (%)	27.7%	41.2%	42.7%	33.5%	29.9%
ROCE (%)	15.1%	19.0%	20.7%	18.8%	17.7%
Return On Average Assets	12.8%	14.6%	15.0%	14.0%	13.5%

Key Drivers					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
ASP (% chg, main prod./serv.)	9.7%	7.2%	3.4%	2.5%	2.0%
Unit sales grth (% , main prod./serv.)	34.9%	9.0%	14.1%	9.0%	9.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

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

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.