

September 23, 2024

## Management Meet Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	BUY		BUY	
Target Price	3,326		3,330	
Sales (Rs.m)	11,34,846	13,10,803	11,35,386	13,04,984
% Chng.	(0.0)	0.4		
EBITDA (Rs.m)	1,66,822	1,91,377	1,66,902	2,02,925
% Chng.	(0.0)	(5.7)		
EPS (Rs.)	106.3	117.0	110.8	132.3
% Chng.	(4.1)	(11.6)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. bn)	988	1,135	1,311	1,504
EBITDA (Rs. bn)	127	167	191	220
Margin (%)	12.8	14.7	14.6	14.6
PAT (Rs. bn)	107	127	140	158
EPS (Rs.)	89.4	106.3	117.0	131.4
Gr. (%)	34.2	18.9	10.1	12.3
DPS (Rs.)	21.1	25.0	26.0	27.0
Yield (%)	0.7	0.8	0.9	0.9
RoE (%)	22.4	22.3	20.8	19.9
RoCE (%)	18.0	21.7	20.8	20.1
EV/Sales (x)	3.5	3.0	2.6	2.3
EV/EBITDA (x)	27.0	20.5	17.8	15.5
PE (x)	33.0	27.8	25.2	22.5
P/BV (x)	6.8	5.7	4.9	4.1

### Key Data

### MAHM.BO | MM IN

52-W High / Low	Rs.3,014 / Rs.1,450
Sensex / Nifty	84,544 / 25,791
Market Cap	Rs.3,669bn / \$ 43,907m
Shares Outstanding	1,244m
3M Avg. Daily Value	Rs.8241.86m

### Shareholding Pattern (%)

Promoter's	18.56
Foreign	41.90
Domestic Institution	26.25
Public & Others	13.29
Promoter Pledge (Rs bn)	0.06

### Stock Performance (%)

	1M	6M	12M
Absolute	6.5	60.0	80.6
Relative	1.8	36.4	42.7

### Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

## Solidifying its position in auto & farm business

### Quick Pointers:

- Current production capacity at 53.5k units/month, additional capacity planned towards BEVs
- Expects to outpace industry growth in UVs over next 2 years

**We met with Mahindra & Mahindra's (MM IN) management to understand the outlook for its Automotive and Farm divisions. In the Automotive business, it remains on track to delivering mid-teen volume growth for FY25 and is confident of outpacing industry growth in UVs over the next 2 years. In Farm division, it aims to increase monthly dispatches in domestic as well as international markets, which shall aid in healthy growth in the upcoming years.**

**We slightly cut our EBITDA/EPS estimates for FY26E by 6%/12% to factor in the initial impact of its EV business. However, the outlook of its UVs and Farm divisions remains healthy, hence we maintain our bullish view on MM's growth prospects. Factoring this, we estimate its revenue/EBITDA/PAT to grow at a CAGR of 15%/20%/13.7% over FY24-27E. We retain our 'BUY' rating with a TP of Rs3,326 (previous Rs3,330) valuing it at 25x on its Sep-27E core EPS and Rs229 for its EV business and Rs429 for its listed subsidiaries.**

**Aims to increase BEV penetration sizably in the next few years:** MM increased its production capacity from 49k units/month to 53.5k units/month for its UVs during H1FY25. It aims to increase the capacity to ~62k units/month, with additional capacity for its upcoming BEVs. MM aims to launch its 1<sup>st</sup> BEV in H1CY25 and increase BEV penetration to high double digits by FY27/28. However, the recent sluggishness in EV sales, low penetration of fast charging infrastructure and lack of meaningful subsidy towards BEVs, could hamper growth. Factoring this, we estimate its BEV penetration in overall volume to reach ~10% by FY27E.

**Anticipating strong growth in Farm division:** The new range of low HP tractors (Oja & Target series) have been well received by customers in domestic as well as international markets. With focus on increasing penetration in southern regions in domestic markets and various global markets, the company aims to reach a monthly run-rate of 60k units/month (in peak period of the year) over the course of next 3 years. Considering this, we estimate its tractor volume to increase at a CAGR of 8% over FY24-FY27E.

**Robust product portfolio to fuel healthy growth:** Both its new launches (XUV 3XO & Thar Roxx) have been well received by customers. As compared to the predecessor (XUV 300), XUV 3XO has helped increase its monthly volume run rate significantly (8.3k vs 4.5k units/month) and the trajectory is expected to continue due to a healthy order book and strong response. With the arrival of Thar Roxx, the company aims to increase Thar monthly run-rate from ~6k units/month to 9k units/month. With a strong product portfolio in the high-growth segment, consistent capacity addition and anticipated new launches, we estimate its automotive division volume to grow at a CAGR of 10% over FY24-27E.

**Higher exposure to diesel, but gradually increasing its fuel options:** MM has high exposure to diesel powertrains, but it is gradually reducing the mix of diesel engines across its product portfolio (down by ~800bps YoY as per Vahan data). The company believes that diesel vehicles will continue to co-exist in the industry as its diesel powertrain emissions are in-line with the industry standards.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>9,87,634</b>	<b>11,34,846</b>	<b>13,10,803</b>	<b>15,04,208</b>
YoY gr. (%)	16.2	14.9	15.5	14.8
Cost of Goods Sold	7,40,064	8,38,651	9,67,373	11,10,105
Gross Profit	2,47,571	2,96,195	3,43,430	3,94,102
Margin (%)	25.1	26.1	26.2	26.2
Employee Cost	44,164	48,798	59,642	68,441
Other Expenses	76,745	80,574	92,412	1,06,047
<b>EBITDA</b>	<b>1,26,662</b>	<b>1,66,822</b>	<b>1,91,377</b>	<b>2,19,614</b>
YoY gr. (%)	22.0	31.7	14.7	14.8
Margin (%)	12.8	14.7	14.6	14.6
Depreciation and Amortization	34,389	38,519	47,059	56,939
<b>EBIT</b>	<b>92,273</b>	<b>1,28,303</b>	<b>1,44,318</b>	<b>1,62,675</b>
Margin (%)	9.3	11.3	11.0	10.8
Net Interest	1,388	993	765	745
Other Income	43,944	36,071	36,316	40,047
<b>Profit Before Tax</b>	<b>1,34,830</b>	<b>1,63,381</b>	<b>1,79,869</b>	<b>2,01,978</b>
Margin (%)	13.7	14.4	13.7	13.4
Total Tax	27,652	35,944	39,571	44,435
Effective tax rate (%)	20.5	22.0	22.0	22.0
<b>Profit after tax</b>	<b>1,07,178</b>	<b>1,27,437</b>	<b>1,40,298</b>	<b>1,57,543</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,07,178</b>	<b>1,27,437</b>	<b>1,40,298</b>	<b>1,57,543</b>
YoY gr. (%)	34.3	18.9	10.1	12.3
Margin (%)	10.9	11.2	10.7	10.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,07,178</b>	<b>1,27,437</b>	<b>1,40,298</b>	<b>1,57,543</b>
YoY gr. (%)	63.7	18.9	10.1	12.3
Margin (%)	10.9	11.2	10.7	10.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,07,178	1,27,437	1,40,298	1,57,543
<b>Equity Shares O/s (m)</b>	<b>1,199</b>	<b>1,199</b>	<b>1,199</b>	<b>1,199</b>
<b>EPS (Rs)</b>	<b>89.4</b>	<b>106.3</b>	<b>117.0</b>	<b>131.4</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>4,12,243</b>	<b>5,27,243</b>	<b>6,49,243</b>	<b>7,74,243</b>
Tangibles	4,12,243	5,27,243	6,49,243	7,74,243
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>2,36,963</b>	<b>2,75,481</b>	<b>3,22,541</b>	<b>3,79,480</b>
Tangibles	2,36,963	2,75,481	3,22,541	3,79,480
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>1,75,280</b>	<b>2,51,761</b>	<b>3,26,702</b>	<b>3,94,763</b>
Tangibles	1,75,280	2,51,761	3,26,702	3,94,763
Intangibles	-	-	-	-
Capital Work In Progress	37,558	35,680	37,464	39,337
Goodwill	-	-	-	-
Non-Current Investments	2,21,864	2,32,513	2,43,695	2,57,784
Net Deferred tax assets	(15,551)	(16,328)	(17,145)	(18,002)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	79,021	79,021	79,021	79,021
Inventories	95,048	1,11,930	1,29,285	1,48,360
Trade receivables	45,495	52,276	60,381	69,290
Cash & Bank Balance	55,259	63,135	69,782	78,014
Other Current Assets	48,788	56,106	64,522	74,201
<b>Total Assets</b>	<b>8,46,823</b>	<b>9,79,783</b>	<b>11,20,382</b>	<b>12,66,730</b>
<b>Equity</b>				
Equity Share Capital	5,996	5,996	5,996	5,996
Other Equity	5,16,769	6,14,226	7,23,343	8,48,506
<b>Total Network</b>	<b>5,22,766</b>	<b>6,20,222</b>	<b>7,29,339</b>	<b>8,54,503</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	14,652	13,652	13,152	12,652
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	5,712	5,712	5,712	5,712
Trade payables	1,85,920	2,11,423	2,44,204	2,76,115
Other current liabilities	1,02,223	1,12,445	1,10,829	99,746
<b>Total Equity &amp; Liabilities</b>	<b>8,46,823</b>	<b>9,79,783</b>	<b>11,20,382</b>	<b>12,66,730</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	1,34,830	1,63,381	1,79,869	2,01,978
Add. Depreciation	34,389	38,519	47,059	56,939
Add. Interest	1,388	993	765	745
Less Financial Other Income	43,944	36,071	36,316	40,047
Add. Other	(43,944)	(36,071)	(36,316)	(40,047)
Op. profit before WC changes	1,26,662	1,66,822	1,91,377	2,19,614
Net Changes-WC	(6,244)	(4,106)	(14,881)	(33,265)
Direct tax	(26,804)	(35,166)	(38,755)	(43,578)
<b>Net cash from Op. activities</b>	<b>93,614</b>	<b>1,27,550</b>	<b>1,37,742</b>	<b>1,42,771</b>
Capital expenditures	(77,858)	(1,23,771)	(1,34,966)	(1,40,962)
Interest / Dividend Income	-	-	-	-
Others	43,944	36,071	36,316	40,047
<b>Net Cash from Inv. activities</b>	<b>(33,914)</b>	<b>(87,700)</b>	<b>(98,650)</b>	<b>(1,00,915)</b>
Issue of share cap. / premium	7,324	-	-	-
Debt changes	(29,891)	(1,000)	(500)	(500)
Dividend paid	(25,304)	(29,981)	(31,180)	(32,379)
Interest paid	(1,388)	(993)	(765)	(745)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(49,258)</b>	<b>(31,974)</b>	<b>(32,445)</b>	<b>(33,624)</b>
<b>Net change in cash</b>	<b>10,442</b>	<b>7,876</b>	<b>6,647</b>	<b>8,233</b>
Free Cash Flow	43,995	14,428	13,958	15,898

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25
<b>Net Revenue</b>	<b>2,43,099</b>	<b>2,52,885</b>	<b>2,51,828</b>	<b>2,70,388</b>
YoY gr. (%)	15.7	16.8	11.6	12.0
Raw Material Expenses	1,83,793	1,90,660	1,84,348	1,99,394
Gross Profit	59,306	62,225	67,481	70,994
Margin (%)	24.4	24.6	26.8	26.3
<b>EBITDA</b>	<b>29,341</b>	<b>32,364</b>	<b>31,770</b>	<b>40,222</b>
YoY gr. (%)	17.5	15.0	13.9	22.4
Margin (%)	12.1	12.8	12.6	14.9
Depreciation / Depletion	8,158	8,179	9,882	9,146
<b>EBIT</b>	<b>21,182</b>	<b>24,186</b>	<b>21,888</b>	<b>31,076</b>
Margin (%)	8.7	9.6	8.7	11.5
Net Interest	329	348	397	529
Other Income	22,819	7,370	4,753	3,515
<b>Profit before Tax</b>	<b>43,672</b>	<b>31,207</b>	<b>26,244</b>	<b>34,062</b>
Margin (%)	18.0	12.3	10.4	12.6
Total Tax	9,153	6,668	6,243	7,936
Effective tax rate (%)	21.0	21.4	23.8	23.3
<b>Profit after Tax</b>	<b>34,519</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>34,519</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>
YoY gr. (%)	49.1	13.8	(2.9)	(5.3)
Margin (%)	14.2	9.7	7.9	9.7
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>34,519</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>
YoY gr. (%)	66.9	60.6	29.1	(5.3)
Margin (%)	14.2	9.7	7.9	9.7
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>34,519</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>
Avg. Shares O/s (m)	1,198	1,198	1,198	1,198
<b>EPS (Rs)</b>	<b>28.8</b>	<b>20.5</b>	<b>16.7</b>	<b>21.8</b>

Source: Company Data, PL Research

**Key Financial Metrics**

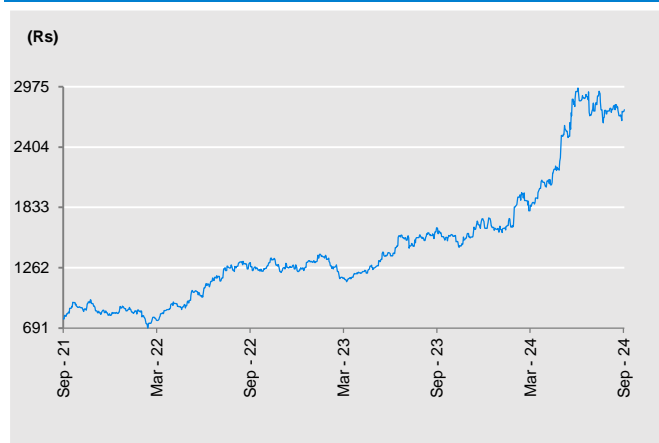
Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	89.4	106.3	117.0	131.4
CEPS	118.0	138.4	156.2	178.8
BVPS	435.9	517.2	608.2	712.5
FCF	36.7	12.0	11.6	13.3
DPS	21.1	25.0	26.0	27.0
<b>Return Ratio(%)</b>				
RoCE	18.0	21.7	20.8	20.1
ROIC	19.3	22.3	20.7	19.4
RoE	22.4	22.3	20.8	19.9
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	(17)	(15)	(15)	(14)
<b>Valuation(x)</b>				
PER	33.0	27.8	25.2	22.5
P/B	6.8	5.7	4.9	4.1
P/CEPS	25.0	21.3	18.9	16.5
EV/EBITDA	27.0	20.5	17.8	15.5
EV/Sales	3.5	3.0	2.6	2.3
Dividend Yield (%)	0.7	0.8	0.9	0.9

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Tractor Volumes	3,78,386	4,06,675	4,44,531	4,87,545
Auto volumes	8,24,926	9,13,170	10,12,965	10,91,820

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	01-Aug-24	BUY	3,330	2,908
2	08-Jul-24	BUY	3,250	2,881
3	18-Jun-24	BUY	3,250	2,929
4	17-May-24	BUY	2,716	2,372
5	08-Apr-24	BUY	2,306	2,013
6	15-Feb-24	BUY	1,875	1,657
7	08-Jan-24	BUY	1,830	1,642
8	10-Nov-23	BUY	1,740	1,524
9	09-Oct-23	BUY	1,775	1,549

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	635	735
2	Ashok Leyland	Accumulate	261	246
3	Bajaj Auto	Accumulate	10,326	9,718
4	Bharat Forge	Accumulate	1,701	1,605
5	Bharat Petroleum Corporation	Reduce	269	302
6	Bharti Airtel	Accumulate	1,593	1,444
7	CEAT	Accumulate	2,992	2,667
8	Clean Science and Technology	Hold	1,516	1,562
9	Deepak Nitrite	Reduce	2,717	2,970
10	Divgi Torqtransfer Systems	Accumulate	734	665
11	Eicher Motors	BUY	5,335	4,577
12	Endurance Technologies	Accumulate	2,696	2,478
13	Exide Industries	Hold	559	532
14	Fine Organic Industries	Accumulate	6,172	5,535
15	GAIL (India)	Reduce	211	241
16	Gujarat Fluorochemicals	Reduce	2,907	3,330
17	Gujarat Gas	Accumulate	666	622
18	Gujarat State Petronet	BUY	417	336
19	Hero Motocorp	Accumulate	5,911	5,072
20	Hindustan Petroleum Corporation	Sell	340	396
21	Indian Oil Corporation	Sell	151	183
22	Indraprastha Gas	Sell	374	541
23	Jubilant Ingrevia	Hold	592	586
24	Laxmi Organic Industries	Sell	206	257
25	Mahanagar Gas	Hold	1,864	1,883
26	Mahindra & Mahindra	BUY	3,330	2,908
27	Mangalore Refinery & Petrochemicals	Sell	135	218
28	Maruti Suzuki	BUY	15,145	13,116
29	Navin Fluorine International	Accumulate	4,144	3,771

**PL's Recommendation Nomenclature (Absolute Performance)**

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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

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

### **(US Clients)**

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

## **DISCLAIMER**

### **Indian Clients**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is confirmed that Mr. Swarnendu Bhushan- IIT, MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

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

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

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

### **US Clients**

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

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

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

### **Prabhudas Lilladher Pvt. Ltd.**

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

[www.plindia.com](http://www.plindia.com)