

Maruti Suzuki | BUY

Focus shifting to Hybrids amidst slowing EVs? MSIL: Ahead of the curve

Global electrification, previously driven by strong EV sales, is now showing signs of growth moderation despite supply chain normalization and price reductions by OEMs. Global automakers (Mercedes, Ford, GM, VW, etc) are scaling back EV investments and turning towards hybrids due to shifting consumer preferences and challenges like inadequacy and slow pace of charging infrastructure expansion. We believe the situation is no different in India. Tata Motors reduced its EV sales estimate and prices recently to boost adoption, citing similar hurdles. MSIL, with its tech-agnostic approach (Hybrids, EVs, CNG, Flex-fuel, etc.), is well-positioned (& hedged) amidst slowing pace of electrification. Media reports indicate of MSIL's strong Hybrid model launch pipeline going forward (five models in next 2-3 years). Tax rationalization on Hybrids could act as a fillip and shift consumer preference towards this choice of powertrain. Given the evolving global landscape and MSIL's tech-agnostic approach, we remain positive on the company and maintain BUY with TP of INR 13,000.

- Pace of electrification slowing down?:** Till last year, global EV sales continued to outpace supplies (partially owing to semiconductor shortages) with OE's orderbook piling to record levels. However, despite normalisation of supply chain, pace of electrification seems to have moderated. Reduction in EV prices (by Tesla, Ford etc.) to drive wider adoption also isn't helping. Global automakers like Mercedes, Ford, GM, VW have deferred EV related investments, reduced their EV sales guidance indicating moderation in EV growth going ahead. Few of these auto OEMs are turning their focus back to Hybrids amidst shifting consumer preference. Domestic demand scenario for electric PVs is no different. Recently, Tata Motors (mkt. leader with c.73% share) reduced its FY24 EV sales estimate by c.20% (to 75-80k units) and also cut prices by upto INR 125k/vehicle to drive wider adoption. Lack of adequate charging infra and hesitant customers (to pay premium over ICE vehicles) are the primary reasons for slower EV adoption.
- MSIL's tech-agnostic approach hedges all such risks:** Back in 2010, MSIL was the first OEM in India to introduce factory-fitted CNG vehicles owing to its affordability and ability to offer better TCO over other petrol/diesel vehicles. Its CNG sales have grown 5x in the last 5 years and its CNG penetration has increased to c.30%. Peers like Hyundai (2018) and Tata Motors (2022) followed suit at a much later stage. MSIL's decision to exit diesel has also turned out to be in the right direction as industry diesel penetration continues to fall (<15% currently). Currently, MSIL is working on multiple technologies (Hybrids, EVs, Flex-fuel and Bio-gas in addition to ICE/CNG) as the company believes multiple technologies can co-exist in the medium-to-long term. The company had a foresight back then (when it launched CNG) and we believe its current tech-agnostic approach is again a well thought-out approach against committing resources to a single technology.
- MSIL's upping its Hybrid game; tax rationalisation remain key:** Various [media articles](#) suggest that MSIL is developing its own cost-effective 'series' hybrid solution for small car segment and will continue to source Toyota's Hybrid technology for larger SUVs/MPVs. It plans to launch 5 Hybrid models over next 2-3 years (**exh.11**). Our calculation highlights that currently (with 43% GST) TCO of a mid-sized EV-SUV* is 10% higher than Strong Hybrid Grand Vitara. [Rationalisation of GST rate](#) can reduce TCO of a Strong Hybrid Grand Vitara by another 8% and that would bring it almost at par with compact EV-SUV.



Vivek Kumar

vivek.kumar@jmfl.com | Tel: (91 22) 66303019

Ronak Mehta

ronak.mehta@jmfl.com | Tel: (91 22) 66303125

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	13,000
Upside/(Downside)	13.4%
Previous Price Target	12,250
Change	6.1%

Key Data – MSIL IN

Current Market Price	INR11,467
Market cap (bn)	INR3,605.3/US\$43.5
Free Float	40%
Shares in issue (mn)	302.0
Diluted share (mn)	314.3
3-mon avg daily val (mn)	INR6,583.2/US\$79.4
52-week range	11,720/8,127
Sensex/Nifty	72,790/22,122
INR/US\$	82.9

Price Performance

%	1M	6M	12M
Absolute	16.1	20.6	32.4
Relative*	12.7	7.5	8.2

* To the BSE Sensex

* GV Hybrid is compared to a mid-sized EV SUV i.e. MG ZS EV. Nexon EV is compact SUV i.e. from a segment below.

Financial Summary					(INR mn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	837,981	1,125,008	1,333,729	1,473,742	1,682,957
Sales Growth (%)	25.9	34.3	18.6	10.5	14.2
EBITDA	57,012	110,077	161,789	187,430	215,397
EBITDA Margin (%)	6.5	9.4	11.6	12.2	12.3
Adjusted Net Profit	37,663	80,492	128,401	145,601	162,994
Diluted EPS (INR)	124.7	266.5	408.5	463.2	518.6
Diluted EPS Growth (%)	-11.0	113.7	53.3	13.4	11.9
ROIC (%)	26.9	52.8	62.6	50.9	43.4
ROE (%)	7.1	14.1	17.9	16.4	16.1
P/E (x)	92.5	43.3	28.2	24.9	22.2
P/B (x)	6.4	5.8	4.4	3.8	3.4
EV/EBITDA (x)	53.7	27.5	17.6	15.0	12.8
Dividend Yield (%)	0.4	0.5	0.8	0.9	0.0

Source: Company data, JM Financial. Note: Valuations as of 26/Feb/2024

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Global automakers are flagging slowing EV penetration; Studies indicate consumer preference shifting to hybrids

The Six Months That Short-Circuited the Electric-Vehicle Revolution

Nora Eckert, Mike Colias, Sean McLain, The Wall Street Journal | 9 min read



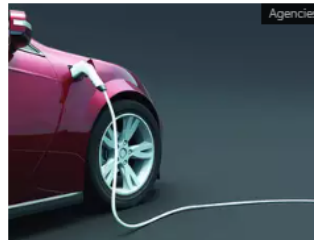
SUMMARY

Automakers went all in on battery power, but buyers have proven more hesitant. "Reality has set in," said one auto worker.

Despite cost edge, buyers prefer hybrids over EVs

Synopsis

The intent to buy hybrids over pure battery electric vehicles comes to the fore even as EVs benefit from state as well as central government funded incentives which in turn has allowed manufacturers to price them better as compared to hybrids. This is despite the hybrids costing more than EVs.

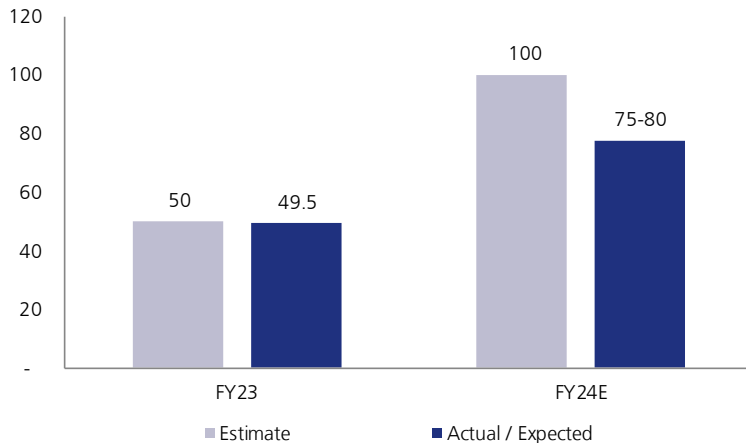


Mumbai: More car buyers intend to buy hybrid vehicles as compared to electric as their next vehicle even as the former comes at a steep premium according to a study. Factors like charging time, availability of charging infrastructure and safety of battery technology continue to impede faster adoption to BEVs (battery electric vehicles)

according to the findings of Deloitte's 2024 Global Automotive Consumer Study.

Source: [Livemint article](#), [ET article](#), JM Financial

Exhibit 2. TaMo has recently cut its FY24 EV volume estimate by c.20%



Source: Company, JM Financial

Investors Flee Tumbling EV Upstarts Once Hailed as Next Tesla

Concern is that cash-burning, unprofitable cos will struggle to sell cars at a time when even Tesla is cutting prices to boost demand

Bloomberg

There was a time when the backing of some of the world's deepest pockets and the mere ambition to sell electric cars was enough to inspire confidence in the stocks of upstarts Rivian Automotive and Lucid Group. Now investors have all but thrown in the towel on the shares. All it took was a fresh dose of reality from the two companies this week around cooling demand for EVs. Rivian, which makes electric pickups, SUVs and delivery vans and counts Amazon.com as its top shareholder, said its production will stay flat at last year's levels. It also announced plans to shrink its workforce again.

Lucid, majority-owned by Saudi Arabia's sovereign wealth fund, projected only a slight increase in output over 2023. Both forecasts fell short of analysts' expectations. For investors, the sense of gloom has been building since October, when Tesla warned of sagging interest in EVs. Though shares of the EV giant have fared poorly since then, losing around 20% and massively underperforming the broader market, the impact on smaller rivals like Rivian and Lucid has been nothing short of disastrous. "If you are a hyper-growth company in what is seen as a disruptive industry and you are not growing your topline, you are in trouble," said David Mazza, chief strategy officer at

Roundhill Investments. "Having an anchor investor like Amazon or the Saudis gives them a longer runway from a capital perspective, but their growth will still be slower and margins thinner than what was once expected." Shares of Irvine, California-based Rivian are down by about 44% since Tesla's October warning — the first in a series of grim outlooks from global EV-makers and suppliers — and closed Friday at a record low. Newark, California-based Lucid has dropped some 33% in the same period, and isn't far above its own nadir. Still, had it not been for their wealthy backers — Amazon has a 17% stake in Rivian, and Saudi Arabia's Public Investment Fund holds roughly 60% of Lu-

"The pace at which we wanted the charging infra to grow didn't pan out as per our expectations. Also, the rate of EV adoption in certain cities did not meet our projections. We will now delve into each of the cities with reinforced action to drive our aspiration."

- Shailesh Chandra, Tata Motors

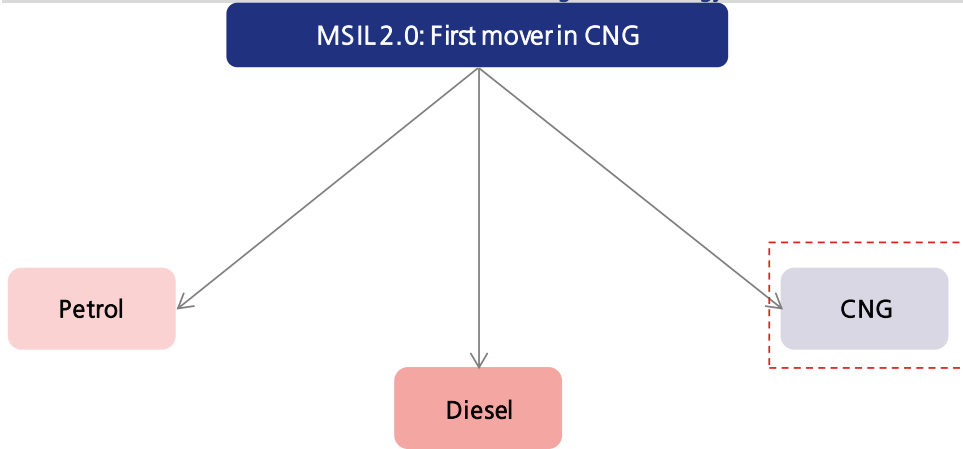
Ford defers \$12bn in EV investments and focus on increasing hybrid production, citing the need to better match demand.

GM delays its \$4bn overhaul of Detroit factory to build new electric pickup trucks by one year, citing evolving EV demand. Its management described the transition to EVs as bumpy and said that GM wouldn't meet a self-imposed goal of producing 400,000 EVs over a two year period through mid-2024.

VW also expressed concerns about slower than expected growth in demand for EVs. Its order intake for EVs in Europe dropped in 2023 over 2022.

Mercedes-Benz has delayed its goal of becoming an EV-only brand by 2030 and now says it will produce combustion powered engines "well into" the next decade.

Exhibit 3. MSIL's CNG launch in 2010 was a well thought-out strategy back then

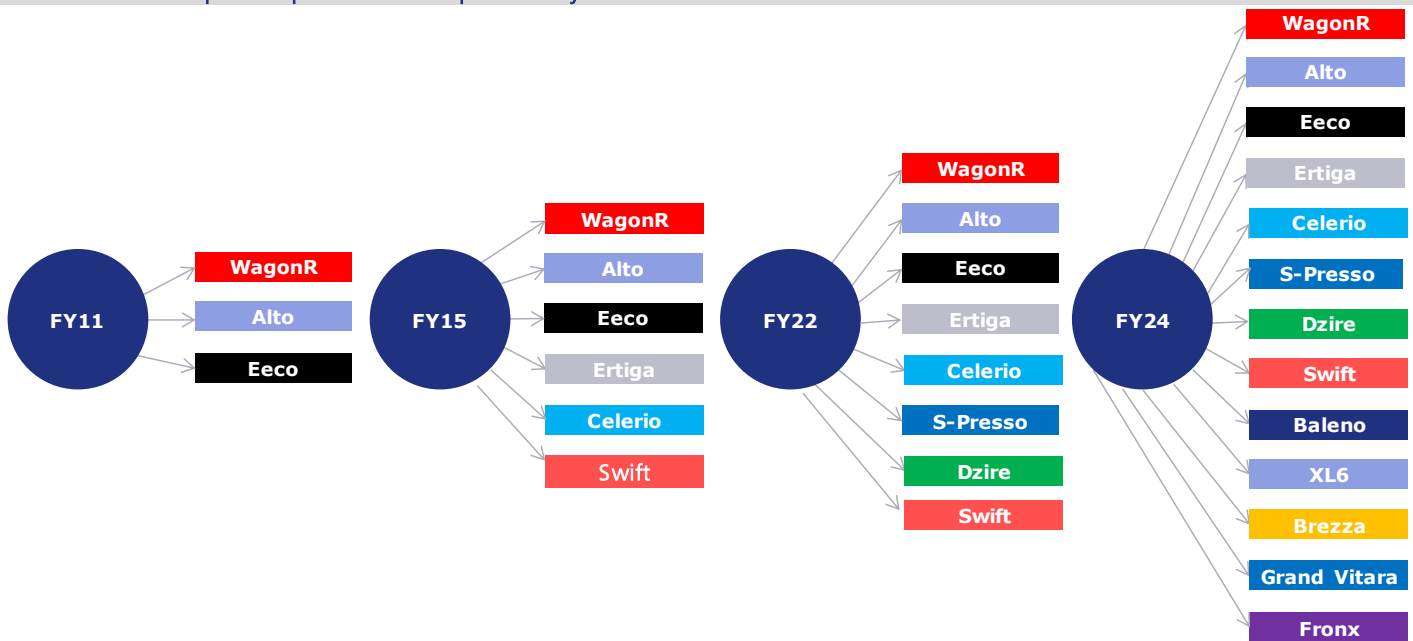


MD & CEO, MSIL in FY11 Annual report

"Globally, hybrid and electric vehicles are being explored as a solution to energy security and environment friendliness. While there are a lot of questions and challenges in this area, Maruti Suzuki is studying the feasibility of electric mobility in India along with the government and industry. In this context, use of CNG as an auto fuel is a brilliant solution that can help reduce India's oil import and also reduce CO2 emissions drastically, while being affordable for the consumer."

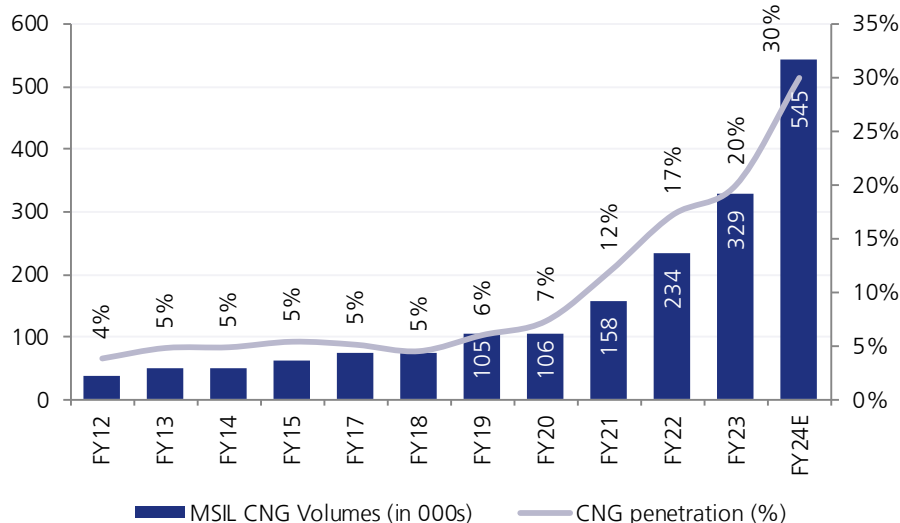
Source: Company, JM Financial

Exhibit 4. MSIL's CNG product portfolio build-up over the years



Source: Company, JM Financial

Exhibit 5. Strong volume growth for CNG models

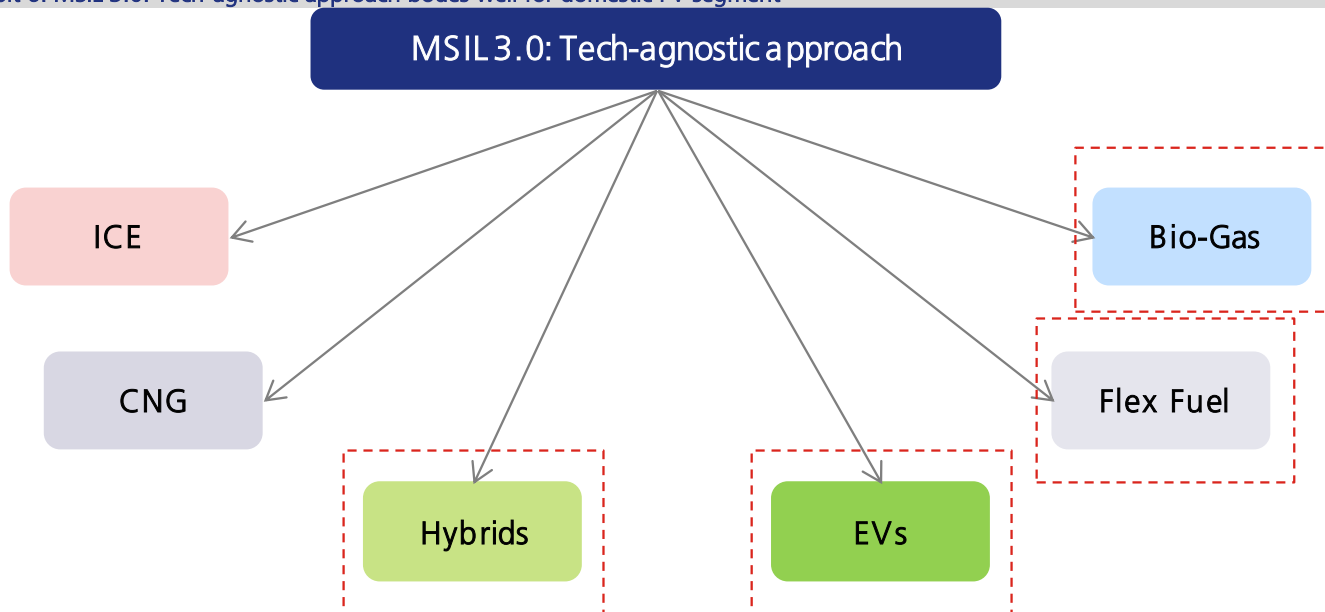


Industry peers followed MSIL at much later stage

Year	OEM
2010	Maruti Suzuki
2012	Honda Motor
2018	Hyundai India
2022	Tata Motors

Source: Company, JM Financial, SIAM, FY16 CNG volumes info not available

Exhibit 6. MSIL 3.0: Tech-agnostic approach bodes well for domestic PV segment



Source: Company, JM Financial

Exhibit 7. MSIL's approach is of co-existence of multiple technologies

Segment/Technology	BEV	HEV	CNG	LNG	Bio-fuels	FCEV
Small Passenger Vehicle	●	●	●		●	
Big Passenger Vehicle	●	●	●		●	● 2030 onwards

Source: Industry, Company, JM Financial

Exhibit 8. MSIL is developing cost-effective Hybrid for small cars

Maruti Suzuki is developing its own cost-effective 'series' hybrid solution for its small cars; Toyota's 'series-parallel' hybrid tech will be used on larger SUVs and MPVs.

AUTOCAR

MARUTI'S SERIES HYBRID TECH EXPLAINED



Source: Industry, Company

Exhibit 9. MSIL's Hybrid launch pipeline

Model name	Expected launch
Grand Vitara	Launched - 2022
Invicto MPV	Launched - 2023
Grand Vitara based three-row SUV	Upcoming - 2025
Fronx Hybrid	Upcoming - 2025
Baleno Hybrid	Upcoming - 2026
MPV	Upcoming - 2026
Swift Hybrid	Upcoming - 2027

Source: Industry, Company

Exhibit 10. Indian PV OEMs' presence/capabilities in Full-Hybrid system globally

Sr No.	OEM	Full-Hybrid system	
		in India	outside India
1	MSIL-Suzuki	✓	✓
2	TaMo-JLR	✗	✗
3	M&M	✗	✗
4	Hyundai	✗	✓
5	Kia Motors	✗	✓
6	Toyota	✓	✓
7	MG Motors	✗	✗
8	Honda Cars	✓	✓
9	VW	✗	✓

Source: Company, Industry, JM Financial; Note – JLR & MG Motors are present in Plug-in Hybrid models globally

Hyundai-Kia looking to launch Hybrids:

"I think there is some possibility [for hybrids] and we are looking for some opportunity to introduce our new technology of the hybrid that could replace diesel."

- Tae-Jin Park, CEO, Kia India

"It seems the government wants us to invest in BEVs and that is what we are doing. At the current taxation structure, BEV looks much more logical than hybrids. We have hybrids globally and in case government wants us to bring hybrids we can,"

- Tarun Garg, Director (Sales, Marketing & Service), Hyundai Motor India

Exhibit 11. TCO analysis of Hybrid (@ 43% / 28% taxation) vs. ICE vs. EVs

Particulars	G.Vitara Hybrid @28% tax	G.Vitara Hybrid @43% tax	Hyundai Creta Petrol	Hyundai Creta Diesel	MG ZS EV	Nexon EV Emp.Plus Long Range	Remarks
On-road price (INR '000s)	2,074	2,318	2,176	2,376	2,538	2,050	For Delhi
Downpayment (INR '000s)	415	464	435	475	508	410	20% of on-road price
Loan+Interest over 5 years (INR '000s)	2,067	2,309	2,168	2,366	2,528	2,042	9% p.a. interest rate
Insurance (INR '000s)	209	209	199	211	240	200	Additional for 4 years
No. of Kms	60,000	60,000	60,000	60,000	60,000	60,000	12,000 kms annually.
Avg. mileage	20	20	11	15	-	-	Real-time mileage
Petrol/Diesel price per litre	97	97	97	90	-	-	Delhi
Battery size (Kwh)	-	-	-	-	40.5	40.5	
Electricity cost (Rs/kwh)	-	-	-	-	8	8	
Range at full charge (km)	-	-	-	-	320	320	Real-world range is considered to be 0.67x of the claimed range.
Fuel / Electricity cost for 5yrs (INR '000s)	290	290	528	358	61	61	Electricity cost at INR 8/kwh and range at 320 km
Service cost for 5yrs (INR '000s)	40	40	36	48	40	40	20-30% higher service cost for diesel variant and lower service cost for EVs.
Residual value	1,141	1,275	1,088	1,188	1,142	922	50% resale value for Hyundai and 55% for MSIL in 5 years. EV: 45% resale value after 5 years.
Total cost of ownership (TCO)	1,879	2,037	2,278	2,271	2,234	1,830	
Premium over cheapest TCO	-	8%	21%	21%	19%	-3%	Nexon EV TCO favourable. However, it's a compact E-SUV

Source: Company, Industry, JM Financial

Key takeaway from TCO analysis:

At 43% tax on GV Hybrid, Nexon EV is 11% cheaper to own over a 5 year period.

With taxation at 28% for GV Hybrid, the TCO of GV Hybrid and Nexon EV is almost the same.

As Nexon EV is from a segment below, GV Hybrid still stands out at better value for money option.

Hyundai Creta Petrol / Diesel with respect to GV Hybrid at 28% tax have a c.21% higher TCO.

Exhibit 12. MSIL – change in assumptions

Particulars	New assumption			Old assumption			% Change		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Volume (units)	2,103,000	2,252,000	2,456,380	2,103,000	2,252,000	2,404,380	0.0%	0.0%	2.2%
Revenue (INR mn)	1,393,747	1,538,586	1,756,165	1,393,747	1,538,586	1,712,173	0.0%	0.0%	2.6%
EBITDA (INR mn)	161,789	187,430	215,397	161,789	187,430	206,516	0.0%	0.0%	4.3%
EBITDA margin (%)	11.6%	12.2%	12.3%	11.6%	12.2%	12.1%	0 bps	0 bps	20bps
PAT (INR mn)	128,401	145,601	162,994	128,401	145,601	155,056	0.0%	0.0%	5.1%
EPS (INR)	408	463	519	408	463	493	0.0%	0.0%	5.1%

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	837,981	1,125,008	1,333,729	1,473,742	1,682,957	
Sales Growth	25.9%	34.3%	18.6%	10.5%	14.2%	
Other Operating Income	44,975	50,221	60,018	64,845	73,209	
Total Revenue	882,956	1,175,229	1,393,747	1,538,586	1,756,165	
Cost of Goods Sold/Op. Exp	660,373	862,435	1,004,298	1,103,833	1,270,632	
Personnel Cost	40,222	46,051	54,340	59,231	65,154	
Other Expenses	125,349	156,666	173,319	188,093	204,982	
EBITDA	57,012	110,077	161,789	187,430	215,397	
EBITDA Margin	6.5%	9.4%	11.6%	12.2%	12.3%	
EBITDA Growth	6.7%	93.1%	47.0%	15.8%	14.9%	
Depn. & Amort.	27,865	28,233	31,158	39,421	48,126	
EBIT	29,147	81,844	130,632	148,010	167,271	
Other Income	17,935	21,613	36,747	41,662	44,944	
Finance Cost	1,259	1,866	1,700	1,800	1,900	
PBT before Excep. & Forex	45,823	101,591	165,678	187,872	210,315	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	45,823	101,591	165,678	187,872	210,315	
Taxes	8,160	21,099	37,278	42,271	47,321	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	37,663	80,492	128,401	145,601	162,994	
Adjusted Net Profit	37,663	80,492	128,401	145,601	162,994	
Net Margin	4.3%	6.8%	9.2%	9.5%	9.3%	
Diluted Share Cap. (mn)	302.0	302.0	314.3	314.3	314.3	
Diluted EPS (INR)	124.7	266.5	408.5	463.2	518.6	
Diluted EPS Growth	-11.0%	113.7%	53.3%	13.4%	11.9%	
Total Dividend + Tax	13,594	18,120	28,289	31,432	0	
Dividend Per Share (INR)	45.0	60.0	90.0	100.0	0.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	45,823	101,591	165,678	187,872	210,315	
Depn. & Amort.	27,865	28,233	31,158	39,421	48,126	
Net Interest Exp. / Inc. (-)	1,259	1,866	1,700	1,800	1,900	
Inc (-) / Dec in WCap.	-30,970	10,476	31,220	8,856	14,347	
Others	0	0	0	0	0	
Taxes Paid	-8,160	-21,099	-37,278	-42,271	-47,321	
Operating Cash Flow	35,817	121,067	192,479	195,678	227,368	
Capex	-29,864	-68,785	-108,970	-128,970	-128,970	
Free Cash Flow	5,953	52,282	83,509	66,708	98,398	
Inc (-) / Dec in Investments	10,234	-69,931	-158,411	-30,000	-30,000	
Others	-1,259	-1,866	-1,700	-1,800	-1,900	
Investing Cash Flow	-20,889	-140,582	-269,081	-160,770	-160,870	
Inc / Dec (-) in Capital	0	0	62	0	0	
Dividend + Tax thereon	-13,594	-18,120	-28,289	-31,432	0	
Inc / Dec (-) in Loans	-1,117	8,284	0	0	0	
Others	-219	-634	128,351	0	-31,432	
Financing Cash Flow	-14,930	-10,470	100,124	-31,432	-31,432	
Inc / Dec (-) in Cash	-2	-29,985	23,522	3,475	35,066	
Opening Cash Balance	30,364	30,362	377	23,899	27,374	
Closing Cash Balance	30,362	377	23,899	27,374	62,440	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	540,860	603,820	832,345	946,513	1,078,075	
Share Capital	1,510	1,510	1,572	1,572	1,572	
Reserves & Surplus	539,350	602,310	830,773	944,941	1,076,504	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	4,189	12,473	12,473	12,473	12,473	
Def. Tax Liab. / Assets (-)	3,648	2,426	2,426	2,426	2,426	
Total - Equity & Liab.	548,697	618,719	847,244	961,412	1,092,974	
Net Fixed Assets	166,467	207,019	284,831	374,380	455,224	
Gross Fixed Assets	341,448	410,557	519,527	648,497	777,467	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	204,275	232,508	263,666	303,087	351,213	
Capital WIP	29,294	28,970	28,970	28,970	28,970	
Investments	407,633	477,564	635,975	665,975	695,975	
Current Assets	152,387	138,064	185,242	204,573	261,896	
Inventories	35,331	42,838	54,811	60,565	69,163	
Sundry Debtors	20,301	32,958	36,541	40,376	46,108	
Cash & Bank Balances	30,362	377	23,899	27,374	62,440	
Loans & Advances	25,511	21,782	26,675	29,475	33,659	
Other Current Assets	40,882	40,109	43,318	46,783	50,526	
Current Liab. & Prov.	177,790	203,928	258,805	283,517	320,121	
Current Liabilities	97,610	117,804	165,090	181,452	208,871	
Provisions & Others	80,180	86,124	93,715	102,065	111,250	
Net Current Assets	-25,403	-65,864	-73,563	-78,943	-58,225	
Total - Assets	548,697	618,719	847,244	961,412	1,092,974	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	4.3%	6.8%	9.2%	9.5%	9.3%	
Asset Turnover (x)	1.7	2.0	1.9	1.7	1.7	
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0	
RoE	7.1%	14.1%	17.9%	16.4%	16.1%	

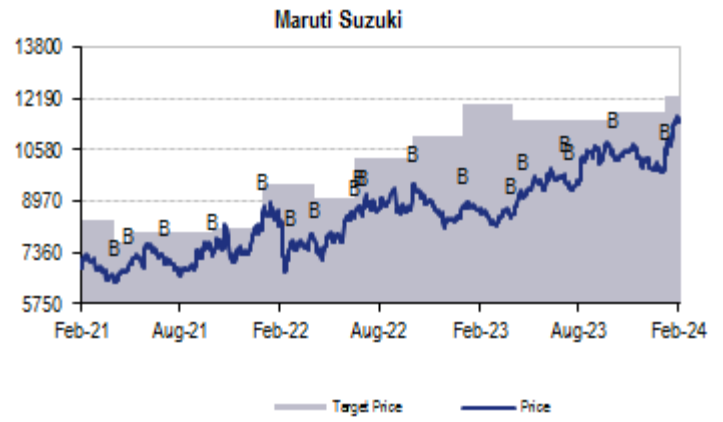
Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	1,790.9	1,999.4	2,648.1	3,011.3	3,429.8	
ROIC	26.9%	52.8%	62.6%	50.9%	43.4%	
ROE	7.1%	14.1%	17.9%	16.4%	16.1%	
Net Debt/Equity (x)	-0.8	-0.8	-0.8	-0.7	-0.7	
P/E (x)	92.5	43.3	28.2	24.9	22.2	
P/B (x)	6.4	5.8	4.4	3.8	3.4	
EV/EBITDA (x)	53.7	27.5	17.6	15.0	12.8	
EV/Sales (x)	3.5	2.6	2.0	1.8	1.6	
Debtor days	8	10	10	10	10	
Inventory days	15	13	14	14	14	
Creditor days	43	40	49	49	49	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
29-Oct-20	Buy	8,100	
28-Jan-21	Buy	8,400	3.7
27-Apr-21	Buy	7,700	-8.3
25-May-21	Buy	8,000	3.9
28-Jul-21	Buy	8,000	0.0
27-Oct-21	Buy	8,100	1.3
26-Jan-22	Buy	9,500	17.3
16-Mar-22	Buy	9,500	0.0
29-Apr-22	Buy	9,050	-4.7
12-Jul-22	Buy	10,300	13.8
20-Jul-22	Buy	10,300	0.0
28-Jul-22	Buy	10,300	0.0
28-Oct-22	Buy	11,000	6.8
25-Jan-23	Buy	12,000	9.1
26-Apr-23	Buy	11,500	-4.2
15-May-23	Buy	11,500	0.0
31-Jul-23	Buy	11,500	0.0
8-Aug-23	Buy	11,500	0.0
27-Oct-23	Buy	11,750	2.2
31-Jan-24	Buy	12,250	4.3

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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