

Healthy all-round performance in FY24; de-leveraging on track

In 4QFY24, JLR reported EBITDAM of 16.3%. 170bps YoY improvement was led by higher operating leverage and lower RM cost. India business (CV+PV) EBITDAM stood at 10.5%, 50bps above JMFe. Supply normalization aided JLR in reducing its order backlog to c.133k units. While the US market continues to be strong, demand environment in EU has turned sluggish. Management indicated of higher marketing spends going forward to drive JLR's order book. FY25 EBIT margin is expected to be flattish. Strong FCF generation is expected to support investments towards electrification at JLR and the company is on track to turn net cash by FY25 (£0.7bn currently). In the domestic PV segment, new launches/ramp-up of capacity is expected to drive growth. Domestic CV demand is also expected to pick-up from 2Q. Improving margins for both domestic CV and PV segments augurs well and net cash position in India auto business provides comfort. Maintain BUY with Mar'25 SOTP of INR 1,200 (standalone / JLR valued at 12x / 3.0x EV/EBIDTA). Slowdown in key global markets remains a monitorable.

- JLR –margin misses estimates:** JLR reported revenue of £7.86bn (+11% YoY, +6% QoQ), 2% below JMFe, led by unfavourable model mix. Wholesale volume (ex-CJLR) grew 16% YoY to c.110k units (+9% QoQ) on receding supply constraints. Normalisation of component supplies helped the company lower order backlog to 133k units (vs.148k units at 3Q end). EBITDA margin stood at 16.3% (+170bps YoY; +10bps QoQ), 50bps below JMFe. Margin miss was primarily owing to higher variable and fixed marketing (VME & FME). FCF stood at positive £892mn for 4QFY24 (positive £2.3bn for FY24). Share of electrified model stood at 79% during 4Q, with 16% share of BEVs & PHEVs. For the upcoming RR Electric c.33k+ customers have signed-up so far.
- JLR – outlook:** TTMT highlighted that demand environment in North America (NA) continuous to remain strong. However, EU market has turned sluggish. JLR's order backlog continues to remain healthy at 133k units (vs. avg.110k units pre-covid). The company indicated that it will continue to focus on brand activation (through higher VME and FME) to maintain order book. Despite this, JLR has guided for flattish EBIT margin in FY25 over FY24 (c.8.5%). FY25 investment guidance stands at over ~£3.5bn (£3.3bn in FY24). Current net debt stands at £0.7bn (vs. £3bn at FY23 end) and the company expects to turn net cash by FY25.
- India business – strong performance:** Standalone revenue (pro forma of India CV + PV business) stood at INR 347bn (+8% YoY, +10% QoQ), 3% below JMFe. Standalone business reported a positive FCF of ~INR 48.7bn during 4Q (INR 48.5bn in FY24) led by healthy operating performance and reduction in working capital. EBITDAM stood at – CV: 12% (+90bps QoQ; JMFe +50bps), PV: 7.3% (+70bps QoQ; JMFe +50bps).
- India CV segment performance and outlook:** CV segment EBITDA margin stood at 12% (+190bps YoY, +90bps QoQ). YoY improvement was led by better realisation (incl. lower discounts) and lower RM cost. Fleet owners' sentiment index and freight index continue to remain healthy. The management expects CV demand to pick-up from 2QFY25 (1Q to remain muted owing to general elections). Overall, it expects CV industry to report flattish to slight decline in volumes during FY25. Continued focus of GOI on infrastructure spends

Financial Summary					(INR mn)	
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Sales	27,84,536	34,59,670	43,79,278	48,17,122	51,81,875	
Sales Growth (%)	11.5	24.2	26.6	10.0	7.6	
EBITDA	3,39,440	4,25,954	7,05,450	6,91,785	7,57,039	
EBITDA Margin (%)	12.2	12.3	16.1	14.4	14.6	
Adjusted Net Profit	-1,08,119	8,238	3,24,241	2,13,964	2,50,925	
Diluted EPS (INR)	-28.2	2.2	84.6	55.8	65.5	
Diluted EPS Growth (%)	0.0	0.0	3,833.6	-34.0	17.3	
ROIC (%)	-0.1	3.0	28.8	16.1	17.1	
ROE (%)	-21.7	1.8	49.8	22.6	21.8	
P/E (x)	-37.1	486.8	12.4	18.8	16.0	
P/B (x)	9.0	8.8	4.7	3.9	3.2	
EV/EBITDA (x)	14.4	11.4	6.5	6.4	5.6	
Dividend Yield (%)	0.0	0.0	0.6	0.5	0.7	

Source: Company data, JM Financial. Note: Valuations as of 10/May/2024

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

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

We acknowledge the support services of Dev Jogani in preparation of this report

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,200
Upside/(Downside)	14.7%
Previous Price Target	1,000
Change	20.0%

Key Data – TTMT IN

Current Market Price	INR1,047
Market cap (bn)	INR3,838.1/US\$46.0
Free Float	49%
Shares in issue (mn)	3,830.1
Diluted share (mn)	3,832.5
3-mon avg daily val (mn)	INR11,102.9/US\$133.0
52-week range	1,066/505
Sensex/Nifty	72,664/22,055
INR/US\$	83.5

Price Performance

%	1M	6M	12M
Absolute	3.3	60.8	104.6
Relative*	5.5	43.7	74.6

* To the BSE Sensex

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.

remains industry tailwind for medium-to-long term. Company's focus will be on improving market share in SCV segment, driving higher realisation for overall CV business and scaling up e-CVs.

- **India PV segment performance and outlook:** PV segment EBITDA came-in at 7.3% (flat YoY, +70bps QoQ). Share of EV/CNG vehicles in total volumes stood at 13%/ 16% during FY24. EBITDA margin for EV business (excl. product develop cost) stood at +1.1% during 4Q (0.2% in 3Q). Management indicated that 1) softening of key RM prices (incl. battery cost), 2) higher operating leverage, and 3) PLI incentive is expected to support EV business margins going ahead. Near-to-medium term focus is on driving EV penetration by leveraging expanded range of products and expanding charging infrastructure. With respect to ICE business, recently launched CNG variants are driving growth. The company indicated that it plans to launch Tata Curvv in 2H 2024 and Tata Sierra in 2H 2025 in addition to multiple refresh/facelift models going forward. Sanand facility commenced production in Jan'24. Currently it produces 6.5k cars/month and TTMT plans to ramp this up gradually to 10k/15k cars/month going forward.

Exhibit 1. Quarterly financial result (Consolidated)

(INR mn)	Q4FY24	Q4FY23	% YoY	Q3FY24	% QoQ	Q4FY24E	% A/E
Sales	1,199,863	1,059,324	13.3	1,105,771	8.5	1,216,068	-1.3
Cost of Goods sold	737,849	681,944	8.2	682,777	8.1	746,069	-1.1
As a % of sales	61.5	64.4	-290.0	61.7	-30.0	61.4	10.0
Staff Cost	114,337	93,775	21.9	111,022	3.0	113,232	1.0
As a % of sales	9.5	8.9	70.0	10.0	-50.0	9.3	20.0
Other expenses	176,324	152,323	15.8	157,789	11.7	174,979	0.8
As a % of sales	14.7	14.4	30.0	14.3	40.0	14.4	30.0
EBITDA	171,353	131,282	30.5	154,184	11.1	181,788	-5.7
EBITDA Margin (%)	14.3	12.4	190bps	13.9	30bps	14.9	-70bps
PAT (Adjusted, Post MI)	174,953	56,231	211.1	71,134	145.9	83,496	109.5
PAT Margin (%)	14.6	5.3	930bps	6.4	810bps	6.9	770bps

Source: Company, JM Financial

Exhibit 2. Quarterly financial result (JLR)

JLR (GBP mn)	Q4FY24	Q4FY23	% YoY	Q3FY24	% QoQ	Q4FY24E	% A/E
JLR (Units, excl China JV)	110,190	94,649	16.4	101,043	9.1	110,190	0.0
Sales	7,860	7,102	10.7	7,375	6.6	8,043	-2.3
Cost of Goods Sold	4,535	4,327	4.8	4,237	7.0	4,625	-1.9
As a % of sales	57.7	60.9	-3.2	57.5	0.2	57.5	0.2
Staff Cost	826	696	18.7	809	2.1	844	-2.2
As a % of sales	10.5	9.8	0.7	11.0	-0.5	10.5	0.0
Other expenses	1,215	1,044	16.4	1,137	6.9	1,222	-0.6
As a % of sales	15.5	14.7	0.8	15.4	0.0	15.2	0.3
Expenditure	6,576	6,067	8.4	6,183	6.4	6,691	-1.7
EBITDA	1,284	1,035	24.1	1,192	7.7	1,351	-5.0
EBITDA Margin (%)	16.3	14.6	170bps	16.2	10bps	16.8	-50bps
Adj. PBT (bei)	656.0	364.0	80.2	624.0	5.1	706.2	(7.1)

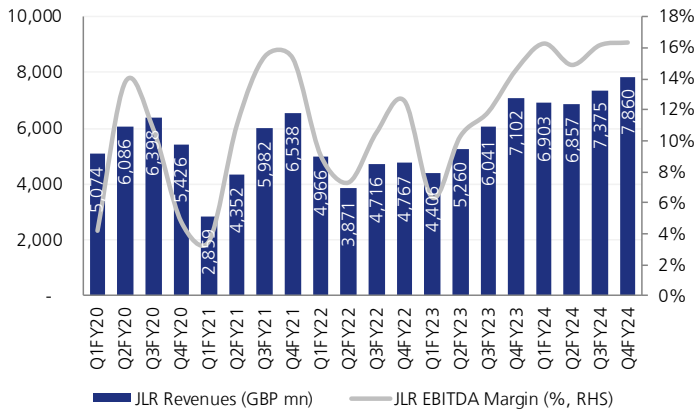
Source: JM Financial, Company; nmf – not meaningful

Exhibit 3. Quarterly financial result (domestic CV + PV)

	Q4FY24	Q4FY23	% YoY	Q3FY24	% QoQ	Q4FY24E	% A/E
CV (Units)	96,526	95,914	0.6	104,085	-7.3	96,526	0.0
PV (Units)	138,455	132,255	4.7	138,939	-0.3	138,455	0.0
Total Volumes (Units)	234,981	228,169	3.0	243,024	-3.3	234,981	0.0
Standalone Realisation (INR)	1,476,323	1,412,774	4.5	1,299,401	13.6	1,524,292	-3.1
Sales	346,908	322,351	7.6	315,786	9.9	358,180	-3.1
EBITDA	36,443	30,280	20.4	30,857	18.1	35,992	1.3
EBITDA Margin (%)	10.5	9.4	110bps	9.8	70bps	10.0	50bps

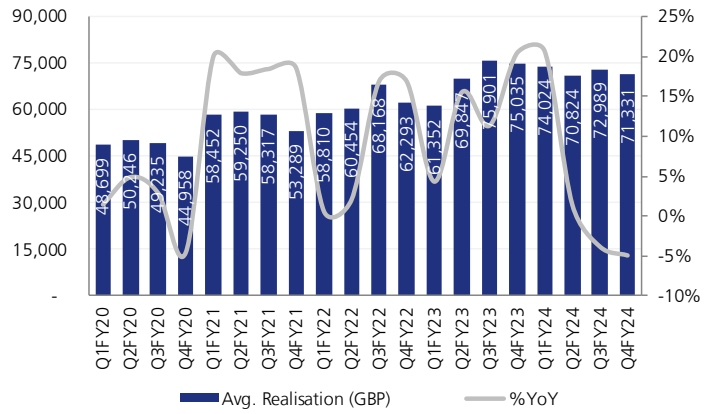
Source: Company, JM Financial

Exhibit 4. JLR revenue and margin trend



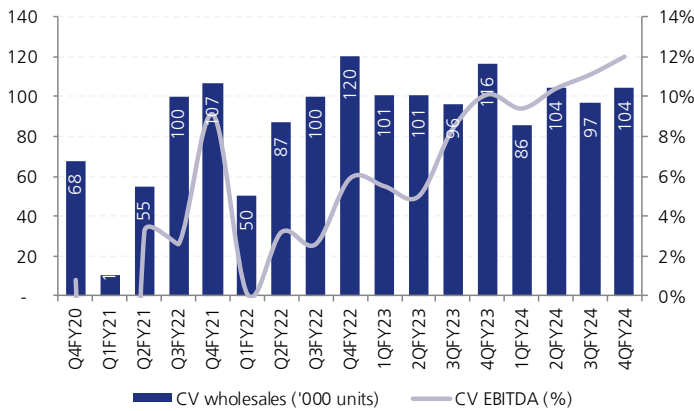
Source: JM Financial, Company

Exhibit 5. JLR avg. realisation (GBP) trend



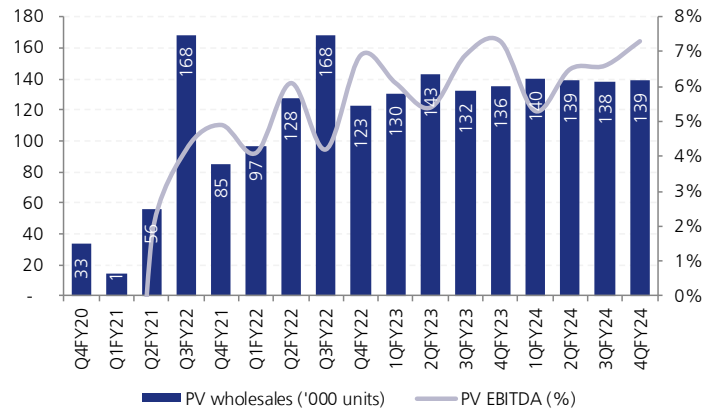
Source: JM Financial, Company

Exhibit 6. Standalone CV EBITDA margins



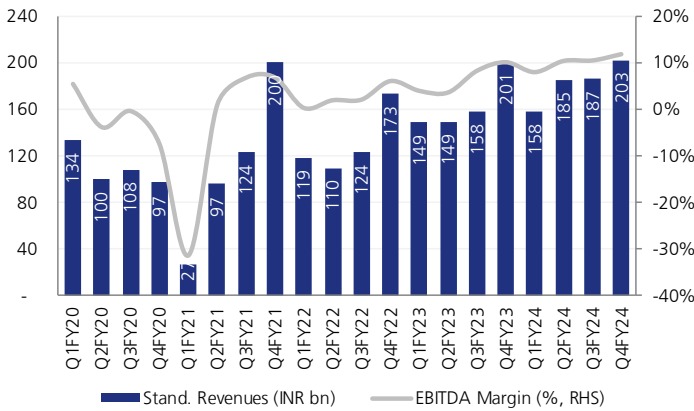
Source: Company, JM Financial

Exhibit 7. Standalone PV EBITDA margins



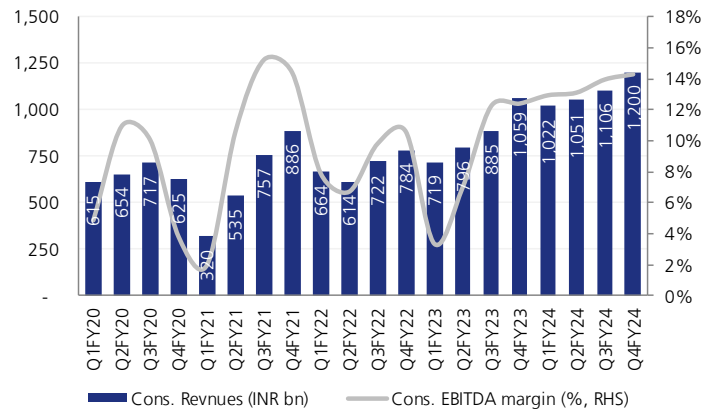
Source: Company, JM Financial

Exhibit 8. Standalone revenue and margin trend



Source: Company, JM Financial

Exhibit 9. Consolidated revenue and margin trend



Source: Company, JM Financial

Our Estimates

Exhibit 10. Standalone - key assumptions (INR mn)

	FY25E	FY26E
Revenue (INR mn)	1,459,262	1,596,400
Blended ASP (INR)	1,330,346	1,350,504
Growth	2.7%	1.5%
Total volume	1,065,143	1,148,913
Growth	8.5%	7.9%
CV - domestic revenue (INR mn)	624,219	665,133
Volume	398,040	423,561
Growth	5.3%	6.4%
PV – domestic revenue (INR mn)	768,436	859,873
Volume	644,680	701,135
Growth	10.6%	8.8%
EBITDA (INR mn)	140,551	159,541
EBITDA margin (%)	9.6%	10.0%
PAT (INR mn)	72,976	87,311
EPS (INR)	19	23

Source: Company, JM Financial

Exhibit 11. JLR - key assumptions (GBP mn)

	FY25E	FY26E
Revenue (GBP mn)	30,802	32,828
ASP (GBP)	71,233	72,302
Growth	-1%	2%
Volume	432,416	454,037
Growth	8%	5%
EBITDA (GBP mn)	4,836	5,220
EBITDA margin (%)	15.7%	15.9%
EBIT (excl. CJLR)	2,445	2,572
EBIT margin (%)	7.9%	7.8%

Source: Company, JM Financial

Exhibit 12. CJLR - key assumptions (GBP mn)

	FY25E	FY26E
Revenue (GBP mn)	1,640	1,761
ASP (GBP)	30,143	30,389
Growth	-0.2%	0.8%
Volume	54,394	57,931
Growth	8.5%	6.5%
EBITDA (GBP mn)	230	246
EBITDA margin (%)	14.0%	14.0%

Source: Company, JM Financial

Exhibit 13. TTMT fair value @ INR 1,200/share - SOTP

	Parameter	Multiple (x)	EBITDA, Sales (INR bn)	Total value (INR bn)	Value / Share (INR)
JLR	EV/EBITDA	3.0	543	1,629	425
CJLR (50% share)	EV/Sales	0.5	92	46	15
Total JLR enterprise value				1,674	440
Less: JLR net debt				78	20
JLR equity value				1,596	420
Domestic business enterprise value	EV/EBITDA	12	160	1,914	503
Less: Domestic automotive net debt				(10)	(2)
Domestic business equity value				1,924	505
Domestic PV EV business enterprise value				819	215
Tata Technologies stake at 25% hold co. discount				171	45
Sum of investments @ 25% discount				57	15
TTMT fair value				4,396	1,200

Source: JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Sales	27,84,536	34,59,670	43,79,278	48,17,122	51,81,875	
Sales Growth	11.5%	24.2%	26.6%	10.0%	7.6%	
Other Operating Income	0	0	0	0	0	
Total Revenue	27,84,536	34,59,670	43,79,278	48,17,122	51,81,875	
Cost of Goods Sold/Op. Exp	18,08,858	22,64,696	27,27,557	30,18,407	32,45,235	
Personnel Cost	3,08,085	3,36,547	4,24,866	4,17,805	4,40,876	
Other Expenses	3,28,152	4,32,472	5,21,405	6,89,124	7,38,725	
EBITDA	3,39,440	4,25,954	7,05,450	6,91,785	7,57,039	
EBITDA Margin	12.2%	12.3%	16.1%	14.4%	14.6%	
EBITDA Growth	-9.5%	25.5%	65.6%	-1.9%	9.4%	
Depn. & Amort.	3,40,452	3,55,223	3,82,289	4,07,818	4,43,290	
EBIT	-1,011	70,731	3,23,161	2,83,967	3,13,749	
Other Income	30,536	46,332	59,499	66,639	74,636	
Finance Cost	93,263	1,02,392	99,858	75,947	66,947	
PBT before Excep. & Forex	-63,738	14,670	2,82,803	2,74,659	3,21,438	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	-63,738	14,670	2,82,803	2,74,659	3,21,438	
Taxes	42,313	7,041	-38,516	64,545	75,538	
Extraordinary Inc./Loss(-)	-6,296	15,905	-10,250	0	0	
Assoc. Profit/Min. Int.(-)	2,068	-608	-2,921	-3,849	-5,025	
Reported Net Profit	-1,14,415	24,143	3,13,991	2,13,964	2,50,925	
Adjusted Net Profit	-1,08,119	8,238	3,24,241	2,13,964	2,50,925	
Net Margin	-3.9%	0.2%	7.4%	4.4%	4.8%	
Diluted Share Cap. (mn)	3,829.0	3,830.1	3,832.5	3,832.5	3,832.5	
Diluted EPS (INR)	-28.2	2.2	84.6	55.8	65.5	
Diluted EPS Growth	0.0%	0.0%	3,833.6%	-34.0%	17.3%	
Total Dividend + Tax	0	0	26,535	22,113	30,958	
Dividend Per Share (INR)	0.0	0.0	6.0	5.0	7.0	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Shareholders' Fund	4,45,612	4,53,218	8,49,180	10,41,031	12,60,998	
Share Capital	7,658	7,660	7,665	7,665	7,665	
Reserves & Surplus	4,37,954	4,45,558	8,41,515	10,33,366	12,53,333	
Preference Share Capital	0	0	0	0	0	
Minority Interest	42,711	72,777	81,759	86,447	91,838	
Total Loans	14,64,490	13,41,134	10,72,625	9,52,625	8,32,625	
Def. Tax Liab. / Assets (-)	-23,124	-37,777	-1,19,557	-1,19,557	-1,19,557	
Total - Equity & Liab.	19,29,688	18,29,352	18,84,008	19,60,547	20,65,905	
Net Fixed Assets	14,82,994	14,55,137	15,61,236	16,53,797	17,24,985	
Gross Fixed Assets	32,91,386	34,71,899	36,36,460	41,70,245	45,45,157	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	19,10,903	21,59,507	24,32,208	27,24,960	30,47,429	
Capital WIP	1,02,511	1,42,745	3,56,984	2,08,512	2,27,258	
Investments	2,93,795	2,63,792	2,29,711	2,38,429	2,48,018	
Current Assets	14,90,702	15,90,039	17,84,702	19,21,841	21,14,287	
Inventories	3,52,403	4,07,554	4,77,883	5,27,904	5,67,877	
Sundry Debtors	3,45,375	3,91,553	4,10,213	4,61,916	4,96,892	
Cash & Bank Balances	4,06,692	3,70,156	4,58,067	4,50,489	5,20,692	
Loans & Advances	3,78,160	4,12,371	4,29,937	4,72,931	5,20,224	
Other Current Assets	8,072	8,406	8,603	8,603	8,603	
Current Liab. & Prov.	13,37,802	14,79,615	16,91,642	18,53,520	20,21,385	
Current Liabilities	5,99,704	7,20,558	9,39,785	10,17,206	10,91,055	
Provisions & Others	7,38,098	7,59,057	7,51,857	8,36,314	9,30,329	
Net Current Assets	1,52,900	1,10,424	93,061	68,321	92,902	
Total - Assets	19,29,689	18,29,352	18,84,008	19,60,547	20,65,905	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Profit before Tax	-63,738	14,670	2,82,803	2,74,659	3,21,438	
Depn. & Amort.	3,40,452	3,55,223	3,82,289	4,07,818	4,43,290	
Net Interest Exp. / Inc. (-)	93,263	1,02,392	99,858	75,947	66,947	
Inc (-) / Dec in WCAP.	-3,36,986	44,983	1,51,322	17,161	45,622	
Others	18,612	46,580	1,654	8,538	10,416	
Taxes Paid	-42,313	-7,041	38,516	-64,545	-75,538	
Operating Cash Flow	9,290	5,56,808	9,56,441	7,19,578	8,12,175	
Capex	-2,34,767	-3,27,366	-4,88,388	-5,00,379	-5,14,478	
Free Cash Flow	-2,25,477	2,29,442	4,68,053	2,19,199	2,97,697	
Inc (-) / Dec in Investments	-11,012	-8,705	-11,770	-8,718	-9,590	
Others	-93,263	-1,02,392	-99,858	-75,947	-66,947	
Investing Cash Flow	-3,39,043	-4,38,464	-6,00,016	-5,85,043	-5,91,014	
Inc / Dec (-) in Capital	0	2	5	0	0	
Dividend + Tax thereon	0	0	-26,535	-22,113	-30,958	
Inc / Dec (-) in Loans	2,54,474	-1,23,356	-2,68,509	-1,20,000	-1,20,000	
Others	14,045	-31,526	26,526	0	0	
Financing Cash Flow	2,68,519	-1,54,880	-2,68,514	-1,42,113	-1,50,958	
Inc / Dec (-) in Cash	-61,233	-36,536	87,911	-7,578	70,203	
Opening Cash Balance	4,67,925	4,06,692	3,70,156	4,58,067	4,50,489	
Closing Cash Balance	4,06,691	3,70,156	4,58,067	4,50,489	5,20,692	

Source: Company, JM Financial

Dupont Analysis		FY22A	FY23A	FY24A	FY25E	FY26E
Net Margin		-3.9%	0.2%	7.4%	4.4%	4.8%
Asset Turnover (x)		1.5	1.8	2.3	2.4	2.4
Leverage Factor (x)		3.7	4.2	3.0	2.2	1.9
RoE		-21.7%	1.8%	49.8%	22.6%	21.8%

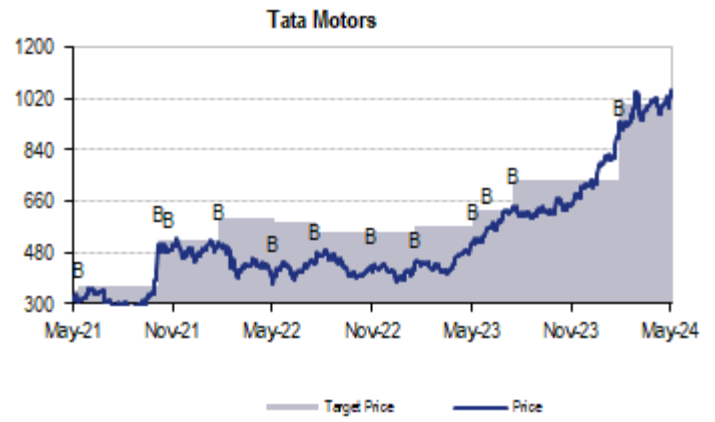
Key Ratios		FY22A	FY23A	FY24A	FY25E	FY26E
BV/Share (INR)		116.4	118.3	221.6	271.6	329.0
ROIC		-0.1%	3.0%	28.8%	16.1%	17.1%
ROE		-21.7%	1.8%	49.8%	22.6%	21.8%
Net Debt/Equity (x)		1.9	1.7	0.6	0.3	0.1
P/E (x)		-37.1	486.8	12.4	18.8	16.0
P/B (x)		9.0	8.8	4.7	3.9	3.2
EV/EBITDA (x)		14.4	11.4	6.5	6.4	5.6
EV/Sales (x)		1.8	1.4	1.0	0.9	0.8
Debtor days		45	41	34	35	35
Inventory days		46	43	40	40	40
Creditor days		90	87	93	90	90

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
31-Jan-20	Buy	230	
13-Apr-20	Buy	120	-47.8
16-Jun-20	Buy	120	0.0
2-Aug-20	Buy	125	4.2
28-Oct-20	Buy	170	36.0
31-Jan-21	Buy	320	88.2
28-Feb-21	Buy	350	9.4
19-May-21	Buy	365	4.3
27-Jul-21	Buy	365	0.0
13-Oct-21	Buy	525	43.8
2-Nov-21	Buy	525	0.0
31-Jan-22	Buy	600	14.3
13-May-22	Buy	585	-2.5
28-Jul-22	Buy	550	-6.0
9-Nov-22	Buy	550	0.0
26-Jan-23	Buy	575	4.5
14-May-23	Buy	625	8.7
7-Jun-23	Buy	625	0.0
26-Jul-23	Buy	730	16.8
4-Feb-24	Buy	1,000	37.0

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

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or 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 company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.