

Mahindra & Mahindra Ltd

In-line; Segmental margins continue to be healthy

Valuation and View – Smooth BEV ramp-up key to watch for

M&M (MM) 3QFY25 operating performance was in-line as EBITDA margins expanded 160bp YoY (+30bp QoQ) at 14.6% (in-line). Auto segment margins sustained at 9.7% (+120bp YoY) while Farm equipment segment's (FES) core EBIT margin stood at an impressive 19.5% (+260bp YoY). MM continues to gain market share in the domestic tractor market with 9MFY25 market share up by 170bp YoY at 43.9%. We expect the company to gain further market share in FY25, led by its new launches in the lightweight tractor category (OJA and Swaraj). We have assumed the tractor industry to post 6-7% growth while MM's tractor segment to grow ~9% in FY25E. Progressively from 4QFY25, auto EBITM will be diluted to the extent of BEV contract manufacturing to be done from Mahindra Electric Auto (MEAL). The management has slightly raised its tractor growth guidance to >5% for FY25 (from 6-7% earlier). The management indicated ICE capacity can be ramped up to an additional ~4k units (~2k each for 3XO and Roxx/Thar) and full fungibility within Thar portfolio is fully achieved.

We keep FY26/27EPS largely unchanged as we continue to build in sharp tractor volumes even for 1HFY26E. We expect auto business to continue lead the growth in the near-term, improving FES outlook would drive revenue/EBITDA/PAT CAGR to ~13.6%/17.9%/13.9% over FY24-27E. Implied core P/E for MM stands at 24.5x/22.7x FY26/FY27E EPS is attractive, despite recent outperformance. Hence, we reiterate BUY with SOTP based TP at Rs3,761 (vs Rs3,632) on Mar'27 EPS. Key near term margins risks are new BEV launch expenses impact in 4QFY25 and weak FES exports. MM is one of our top OEM pick along with TVSL, EIM.

Result Highlights – In line performance

- Revenues grew 20.3% YoY (+10.8% QoQ) at Rs305.4b (est ~Rs302.6) as volumes grew 17.3% YoY to ~367.3k units while ASP grew 2.6% YoY (-2.1% QoQ) at Rs831.5k/unit (est ~Rs823.8k/unit). Auto ASP grew by 3.3% YoY (flat QoQ) at Rs912.8k/unit while Farm ASP grew 1.3% YoY (-3.6% QoQ) at Rs670.7k/unit.
- Gross margins expanded 70bp YoY (-20bp QoQ) at 25.6% (est 26%). EBITDA came in at Rs44.7b (+35.6% YoY/+13.1% QoQ, est Rs44.2b) with margins at 14.6% (+160bp YoY/+30bp QoQ, est 14.6%). **Segmental EBIT** - Auto +120bp YoY (+20bp QoQ) at 9.7%, FES at +260bp YoY (+60bp QoQ) at 18.1%.
- Higher depreciation at Rs10.5b (+8.7% QoQ, est Rs9.7b) partially offset by higher other income at ~Rs6.1b (est Rs4.5b), led to Adj.PAT came in at Rs29.6b (+19.1% YoY/-23% QoQ, est Rs30.2b).
- 9MFY25 revenue/EBITDA/Adj.PAT grew 15.2%/28.2%/9%.

Exhibit 1: Actual vs estimates

Rs mn	Actual	Estimate		% variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	305,382	302,570	308,372	0.9	-1.0	Operating performance driven by healthy show in Auto and core FES.
EBITDA	44,681	44,181	44,592	1.1	0.2	
EBITDA margins %	14.6	14.6	14.5	0bp	20bp	
Adjusted PAT	29,643	30,238	29,209	-2.0	1.5	

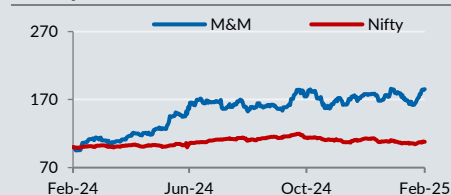
Source: Company, YES Sec

Reco	: BUY
CMP	: Rs 3,198
Target Price	: Rs 3,761
Potential Return	: +17.6%

Stock data (as on Feb 7, 2025)

Nifty	23,560
52 Week h/l (Rs)	3,271 / 1,623
Market cap (Rs/USD mn)	3,811,891 / 43,588
Outstanding Shares (mn)	1,199
6m Avg t/o (Rs mn):	9,298
Div yield (%):	0.7
Bloomberg code:	MM IN
NSE code:	M&M

Stock performance



	1M	3M	1Y
Absolute return	+2.9%	+10.6%	+85.8%

Shareholding pattern (As of Dec'24)

Promoter	18.5%
FII+DII	72.0%
Others	9.5%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	3,761	3,632

Δ in earnings estimates

	FY25E	FY26E
EPS (New)	118.8	131.2
EPS (Old)	117.6	129.9
% change	+1.0%	+1.0%

Financial Summary

INR bn	FY25E	FY26E	FY27E
Sales	1,145	1,284	1,449
EBITDA	164	185	212
Adj. Profit	126	142	157
EPS (INR)	105.2	118.8	131.2
EPS Gr. (%)	17.7	12.9	10.5
BV/Sh. (INR)	517	610	713
RoE (%)	22.1	21.1	19.8
RoCE (%)	20.9	20.2	19.1
P/E (x)	30.4	26.9	24.4
P/BV (x)	6.2	5.2	4.5
EV/EBITDA (x)	22.6	19.8	17.3
Div. Yield (%)	0.8	0.8	0.9

DEEP SHAH

Lead Analyst

deep.shah@ysil.in



MEGHNA GUNDU, Associate

Exhibit 2: Quarterly snapshot

Y/E Mar (Rs mn)	Q3FY25	Q3FY24	YoY chg	Q2FY25	9MFY25	9MFY24	YoY chg
Net Revenues	305,382	253,829	20.3	275,533	851,303	739,149	15.2
Raw Materials	227,268	190,725	19.2	204,440	631,102	555,601	13.6
% of Net Sales	74.4%	75.1%		74.2%	74.1%	75.2%	
Personnel	12,850	11,461	12.1	11,526	36,129	33,409	8.1
% of Net Sales	4.2%	4.5%		4.2%	4.2%	4.5%	
Manufacturing & Other Exp	20,584	18,692	10.1	20,069	59,671	53,086	12.4
% of Net Sales	6.7%	7.4%		7.3%	7.0%	7.2%	
Total Expenditure	260,701	220,879	18.0	236,035	726,902	642,096	13.2
EBITDA	44,681	32,950	35.6	39,497	124,400	97,053	28.2
EBITDA Margin (%)	14.6%	13.0%	1.6	14.3%	14.6%	13.1%	
Depreciation	10,451	8,312	25.7	9,614	29,210	24,998	16.9
EBIT	34,231	24,638	38.9	29,884	95,190	72,055	32.1
Interest Expenses	614	348	76.5	551	1,695	1,008	68.1
Non-operating income	6,063	7,412	(18.2)	19,978	29,555	37,288	(20.7)
Extraordinary Income	0	0		0	0	0	NA
PBT	39,679	31,702	25.2	49,310	123,051	108,335	13.6
Tax-Total	10,036	6,805	47.5	10,901	28,873	21,912	31.8
Tax Rate (%) - Total	25.3%	21.5%		22.1%	23.5%	20.2%	
Reported PAT	29,643	24,897	19.1	38,409	94,178	86,423	9.0
Adj. PAT	29,643	24,897	19.1	38,409	94,178	86,423	9.0
PAT Margin	9.7%	9.8%		13.9%	11.1%	11.7%	
Key Operating Metrics							
Sales Volume (nos)	367,273	313,115	17.3	324,420	1,024,710	916,401	11.8
Net Realisation/Vehicle	831,486	810,657	2.6	849,308	830,774	806,578	3.0
Material cost / vehicle	618,799	609,122	1.6	630,171	615,884	606,286	1.6
Gross Profit / vehicle	212,687	201,535	5.5	219,137	214,890	200,292	7.3
Employee cost /vehicle	34,987	36,604	(4.4)	35,528	35,258	36,456	(3.3)
Other expenses / vehicle	56,045	59,698	(6.1)	61,862	58,232	57,929	0.5
EBITDA/vehicle	121,656	105,234	15.6	121,747	121,401	105,906	14.6
Net Profit/vehicle	80,711	79,515	1.5	118,392	91,907	94,306	(2.5)

Source- Company, YES Sec

Exhibit 3: SOTP valuation

Particulars	FY26E	FY27E
Core EPS (excl. subsidiary dividend)	116.8	129.3
PE attributable (x)	24	24
Value of core business	2,804	3,102
Valuation of ePV business (@ 50% holdco)	325	325
Value of subsidiaries @ Hold Co discount	30	30
1. Tech Mahindra	250	250
2. M&M Financial Services	51	51
3. Mahindra Lifespaces	6	6
4. Mahindra Holidays	18	18
5. Mahindra Logistics	9	9
Target price	3,463	3,761

Source- Company, YES Sec

KEY CON-CALL HIGHLIGHTS

Auto

- **BEVs** capacity of ~5k units per month. Key building blocks are, 1) range of >500km in real world conditions, 2) battery warranty, 3) positive inclination to own vs need.
 - In phase 1, bookings will open in 250 dealership touchpoints on 14th Feb'25.
 - **Customer profile** - First set of customers will be multiple car owners. Very large customers are out of M&M who are for luxury cars and in Rs25-30L bracket.
 - Charging infra-audit is underway for prospective buyers.
 - **Pricing and cost** – work on cost aggressively post launch and same will be done for BEVs including localization. Will be able to take price hikes as current prices are based on applicability at a time of delivery. % margins are lower than ICE due to denominator. Capex related cost is MEAL.
 - **PLI for BEVs will be booked in Mahindra Electric Auto (MEAL).**
 - **All integration software such as BMS are within MEAL** whereas feature-based software can be with suppliers.
- **SUV capacities** – debottlenecking can add ~4k units to existing capacities for 3XO and Roxx/Thar
 - **3XO** at ~9k units. Demand for gasoline is higher at 80-85% (vs 60%). Working on expansion by 2k at same facility. Seeing good demand from SA with run rate of ~700 units a month (all gasoline).
 - **Roxx/Thar** at 9k is now have full fungibility with Thar 3 door. All the discounts on Thar 3 door is pulled down. Can increase capacities max by 1500-2000 units though debottlenecking.
- **LCV <3.5t market share** at 51.9% in 3QFY25 (vs 52.3% in 2QFY25, 50.9% in 1QFY25, 49.7% in 2QFY24, 49% in FY24 and 45.5% in FY23).
 - **There is no interplay from shift from 2-3.5 tons towards 3Ws.** There can be some level of shift in <2 tons though.
 - **Customer profile - First time buyers (market load operators) share is 40-60%.** Not seeing financing stress with healthy LTV.
- **Last mile mobility business**
 - **EV 3W+PV volumes** grew 8.4% YoY at 29.4k (vs 80.6k in 9MFY25, ~66k in FY24, ~43.6k in FY23, ~16.9k in FY22) with e3Wmarket share at 41.8% in 3QFY25 (vs 43.6% in 2QFY25, 43.4% in 1QFY25, 58.7% in FY24, 59.6% in 9MFY24 and ~63% in 1HFY24).
 - **EV 3W volumes** at 21.4k in 3QFY25.
 - **EV penetration in L5 category** is at ~24.9% in 3QFY25 (vs ~20% in 2QFY25, ~19.5% in 1QFY25, ~11.3% in FY24, ~11.6% in 9MFY24 and ~10.5% in 2QFY24 and ~7.2% 2QFY23).
- Received PLI incentive disbursement of Rs1.04b for FY24.

Farm segment

- Outlook – Expect industry to >15% in 4QFY25E and >7% in FY25E (vs mid-single digit growth indicated earlier) led by better monsoon and favorable terms of trade.
 - **Expect FY26 volumes to be positive however contingent upon closure of FY25 as Navratri festive to be partially come by end of Mar'25.**
- **Farm exports** – Exports continued to face challenges due to which exports revenues declined YoY. Reviewing market presence currently for structural changes (perpetual decline vs temporary). The study expected to be completed by 4QFY25.
- **FES market share at 43.9%** (vs 42.5% in 2QFY25, 44.7% in 1QFY25, 41.6% in 4QFY24, 41.6% in 2QFY24). Historically, co have highest market share in FES in 3Q. YTD FY25 market share at 43.9% (vs 1HFY25 market share at 43.7% and 41.6% in FY24).
 - Market share gains is led product strategies such as – 1) Swaraj portfolio as new launches in 20-30HP, few other HP gaps is addressed. 2) OJHA and Yuvo tech also helped market share gains. 3) South market share is also coming back which is helping overall
 - **By and large M&M is done with inventory correction** indicating healthy dispatches ahead.
- **Farm machinery revenues grew 12% YoY at Rs2.49b** (vs Rs2.53b in 2QFY25, Rs2.65b in 1QFY25, Rs8.66b in FY24 and Rs6.54b in FY23).
 - 9MFY25 revenues grew 20% YoY at Rs7.67b (vs Rs6.4b in 9MFY24 and Rs4.98b in 9MFY23).
- **Core tractor EBIT margins at 19.5%** (vs 18.7%/16.9% in 2QFY25/3QFY24 and FY19 margins of 19.8%).
- **Outlook** – Seeing some green shoots. **Expect industry to grow double digits in second half** (vs~6% in 1HFY25) led by better monsoon and favorable terms of trade.
 - TREM 5 implementation unlikely to be implemented in Apr'26 (for 25-50HP which is 90% of volumes).
 - FY25E domestic industry growth expected at 6-7% (and 2HFY25E would grow 13-15%).
 - **Have started to see rural improvement and saw strong double digit retail growth for festive (Navratri to Diwali).** Expect to do some inventory correction on tractor inventory over 4-5 months but don't expect it to be substantial.
 - Water reservoir levels are way above long period averages and confident of healthy sentiments even FY26.
- **Exports** – seeing challenges led by US and Turkey (hyper-inflation accounting). North America market is declining since past 11 quarters with overall industry size declined from ~300k units to ~180k units now. Expect NA to comeback which was triggered by political instability.
- **FES market share at 42.5%** (vs 44.7% in 1QFY25, 41.6% in 4QFY24, 41.6% in 2QFY24). Historically, co have highest market share in FES in 2Q. 1HFY25 market share at 43.7% (vs 41.6% in FY24).
- **Farm machinery revenues grew 14% YoY at Rs2.53b** (vs Rs2.65b in 1QFY25, Rs8.66b in FY24 and Rs6.54b in FY23).
 - 1HFY25 revenues grew 23% YoY at Rs5.2b (vs Rs4.3b in 1HFY24 and Rs3.25b in 1HFY23).
 - New updated Swaraj harvester introduced this season.

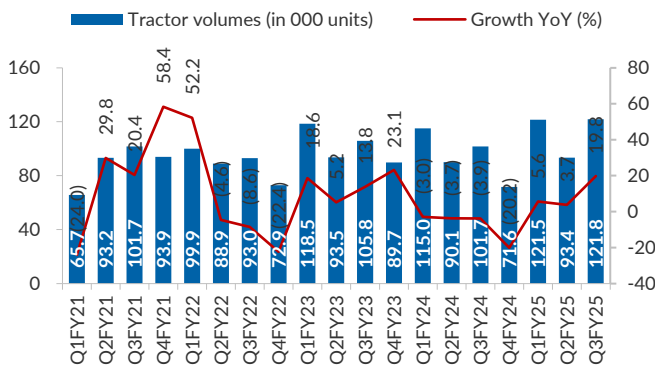
- Core tractor EBIT margins at 18.7% (vs 19.7%/17.7%/16.9%/17.5%/18.6%/17.9%/ 16.9% in 1QFY25/4QFY24/3QFY24/2QFY24/ 1QFY24/4QFY23/1QFY23 and FY19 margins of 19.8%).

Financials

- Auto margins of 9.7% does not have impact of launch of BEVs. Marketing spends is reflected in consolidated accounts and not part of standalone.
- Price hikes in Auto at ~0.7% as of Dec'24 and further ~0.8% in Jan'25.

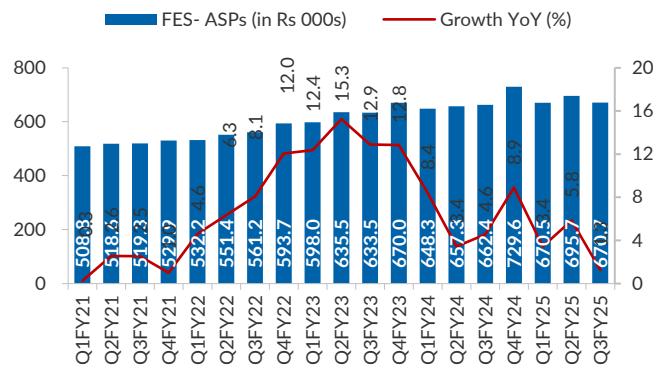
CHARTS

Exhibit 1: FES volumes grew 19.8% YoY to 121.8k units



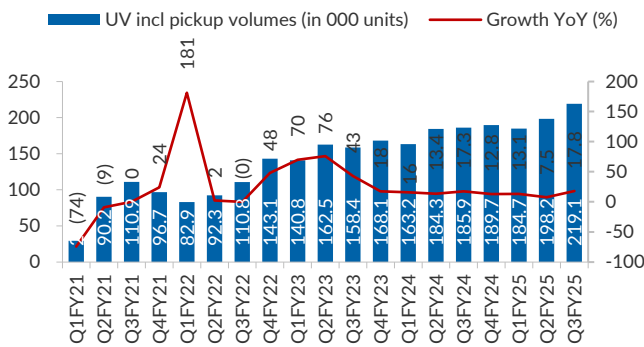
Source: Company, YES Sec

Exhibit 2: ASP grew 1.3% YoY at Rs670.7k units



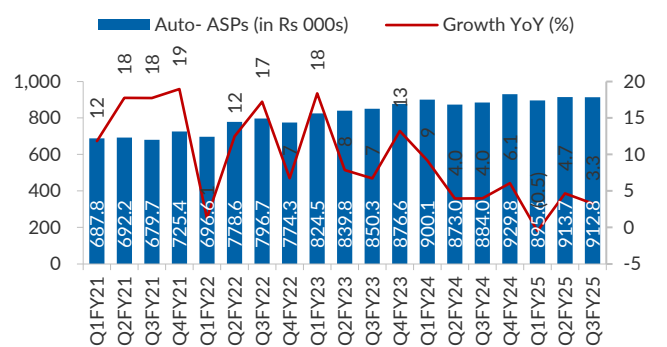
Source: Company, YES Sec

Exhibit 3: Auto vols grew 17.8% YoY...



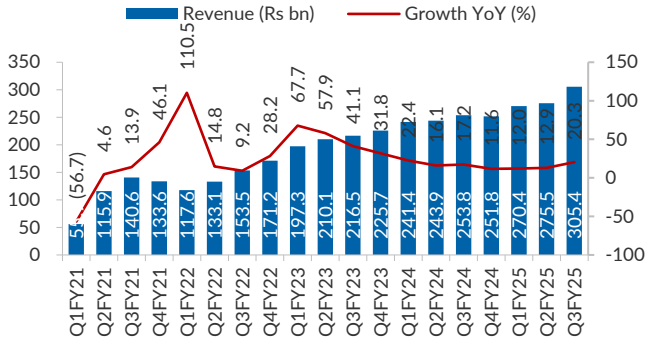
Source: Company, YES Sec

Exhibit 4: ..and ASP grew by 3.3% YoY at Rs912.8k/unit



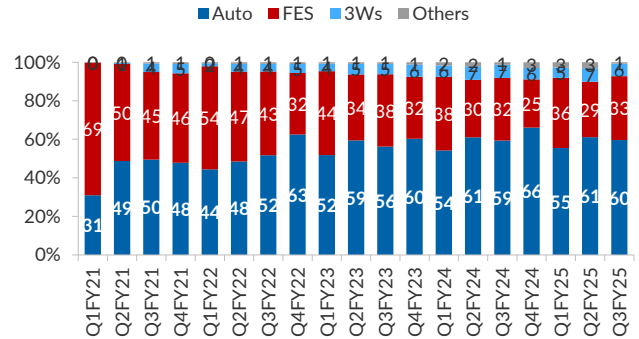
Source: Company, YES Sec

Exhibit 5: S/A revenue grew 20.3% YoY at Rs305.4b



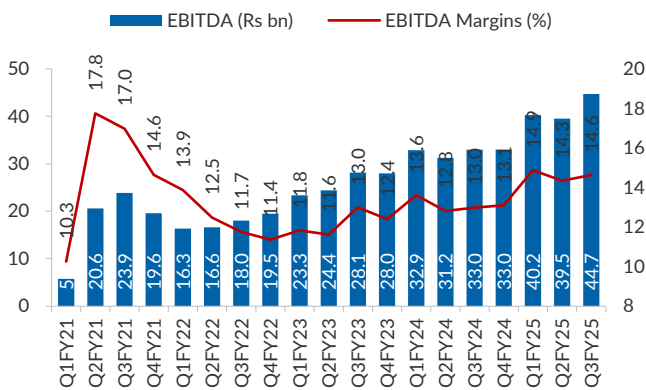
Source: Company, YES Sec

Exhibit 6: Tractor volume mix grew YoY



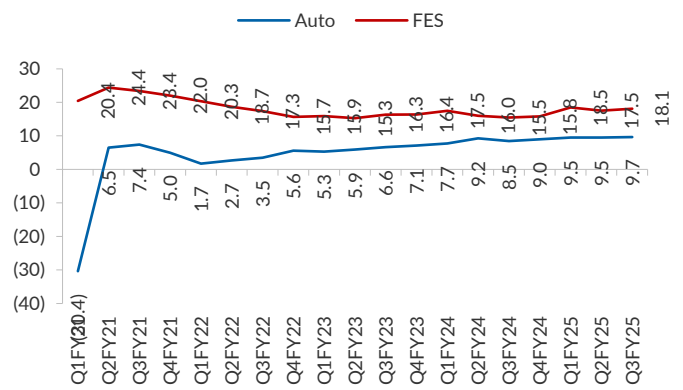
Source: Company, YES Sec

Exhibit 7: Margins expanded ~160bp YoY at 14.6%



Source: Company, YES Sec

Exhibit 8: Segmental EBIT margin trend of Auto/FES



Source: Company, YES Sec

FINANCIALS

Exhibit 9: Balance Sheet

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	5,983	5,991	5,996	5,996	5,996	5,996
Reserves	383,627	427,577	516,770	613,978	725,104	848,724
Net Worth	389,610	433,568	522,766	619,974	731,101	854,721
Deferred tax	17,008	14,703	15,551	15,706	15,863	16,022
Loans	67,336	50,255	20,365	18,565	16,765	14,965
Capital Employed	473,953	498,526	558,681	654,244	763,728	885,707
Application of Funds						
Gross Fixed Assets	308,460	362,150	394,670	452,228	562,228	672,228
Less: Depreciation	162,974	192,388	219,390	257,500	301,121	354,203
Net Fixed Assets	145,487	169,762	175,280	194,728	261,106	318,025
Capital WIP	50,182	27,846	37,558	90,000	90,000	90,000
Investments	251,098	270,871	299,954	320,267	365,047	379,827
Curr.Assets, L & Adv.	224,537	289,319	325,322	360,454	386,977	455,998
Inventory	58,829	88,814	95,048	109,755	123,147	158,832
Sundry Debtors	30,351	40,417	45,495	52,724	59,158	79,416
Cash & Bank Bal.	36,505	44,818	55,259	63,905	66,099	74,037
Loans & Advances	28,057	23,544	24,720	28,223	31,666	35,737
Others	70,795	91,727	104,799	105,847	106,906	107,975
Current Liab. & Prov.	197,350	259,273	279,433	311,205	339,402	358,143
Sundry Creditors	128,935	171,456	185,920	215,465	241,757	258,103
Other Liabilities	54,752	69,677	74,800	74,052	73,311	72,578
Provisions	13,663	18,139	18,714	21,688	24,334	27,463
Net Current Assets	27,187	30,047	45,888	49,249	47,574	97,855
Application of Funds	473,953	498,525	558,681	654,244	763,728	885,707

Source: Company, YES Sec

Exhibit 10: Income statement

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Op. Income	577,869	849,603	987,634	1,144,587	1,284,252	1,449,345
Change (%)	29.5	47.0	16.2	15.9	12.2	12.9
Total Expenditure	507,595	745,179	858,440	980,787	1,099,291	1,237,646
% of sales	87.8	87.7	86.9	85.7	85.6	85.4
EBITDA	70,275	104,424	129,194	163,800	184,961	211,699
Margins (%)	12.2	12.3	13.1	14.3	14.4	14.6
Depreciation	24,984	31,545	34,389	38,110	43,622	53,082
EBIT	45,291	72,879	94,806	125,690	141,340	158,618
Int. & Finance Charges	2,262	2,728	1,388	779	707	635
Other Income	20,538	25,452	41,412	34,722	39,654	41,155
Non-recurring Income	(2,087)	(14,295)	-	0	0	0
Profit before Tax	61,480	81,308	134,830	159,633	180,287	199,138
Tax	12,781	15,821	27,652	33,523	37,860	41,819
Eff. Tax Rate (%)	20.8	19.5	20.5	21.0	21.0	21.0
Profit after Tax	48,699	65,486	107,178	126,110	142,427	157,319
Adj. Profit after Tax	50,352	77,000	107,178	126,110	142,427	157,319
Change (%)	46.8	52.9	39.2	17.7	12.9	10.5
Adj. PAT	48,418	77,523	104,894	123,797	140,123	155,025

Source: Company, YES Sec

Exhibit 11: Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	64,441	95,603	134,830	125,690	141,340	158,618
Int./Dividends Received	(17,438)	(19,881)	(25,125)	34,722	39,654	41,155
Depreciation & Amort.	24,511	31,545	34,389	38,110	43,622	53,082
Direct Taxes Paid	(5,981)	(19,380)	(28,509)	(33,367)	(37,703)	(41,660)
(Inc)/Dec in Wkg. Capital	4,967	3,871	8,681	5,285	3,869	(42,342)
Other Items	3,220	(466)	(11,474)			
CF from Oper. Activity	73,720	91,293	112,792	170,439	190,781	168,851
Extra-ordinary Items	(2,783)	-	-	-	-	-
CF after EO Items	70,937	91,293	112,792	170,439	190,781	168,851
(Inc)/Dec in FA+CWIP	(31,859)	(34,313)	(48,328)	(110,000)	(110,000)	(110,000)
Free Cash Flow	41,861	56,980	64,464	60,439	80,781	58,851
(Pur)/Sale of Invest.	(11,730)	(13,222)	(3,497)	(20,313)	(44,780)	(14,780)
CF from Inv. Activity	(43,589)	(47,535)	(51,825)	(130,313)	(154,780)	(124,780)
Change in Net Worth	-	83	-	(0)	0	(0)
Inc/(Dec) in Debt	(13,168)	(19,752)	(32,148)	(1,800)	(1,800)	(1,800)
Interest Paid	(4,793)	(3,810)	(3,016)	(2,712)	(2,640)	(2,568)
Dividends Paid	(10,891)	(14,359)	(20,211)	(28,902)	(31,300)	(33,699)
CF from Fin. Activity	(28,852)	(37,838)	(55,375)	(33,413)	(35,740)	(38,066)
Inc/(Dec) in Cash	(1,504)	5,921	5,591	6,712	261	6,005
Add: Beginning Balance	8,676	7,180	13,102	55,259	63,905	66,099
Closing Balance	7,172	13,101	18,694	61,971	64,166	72,104

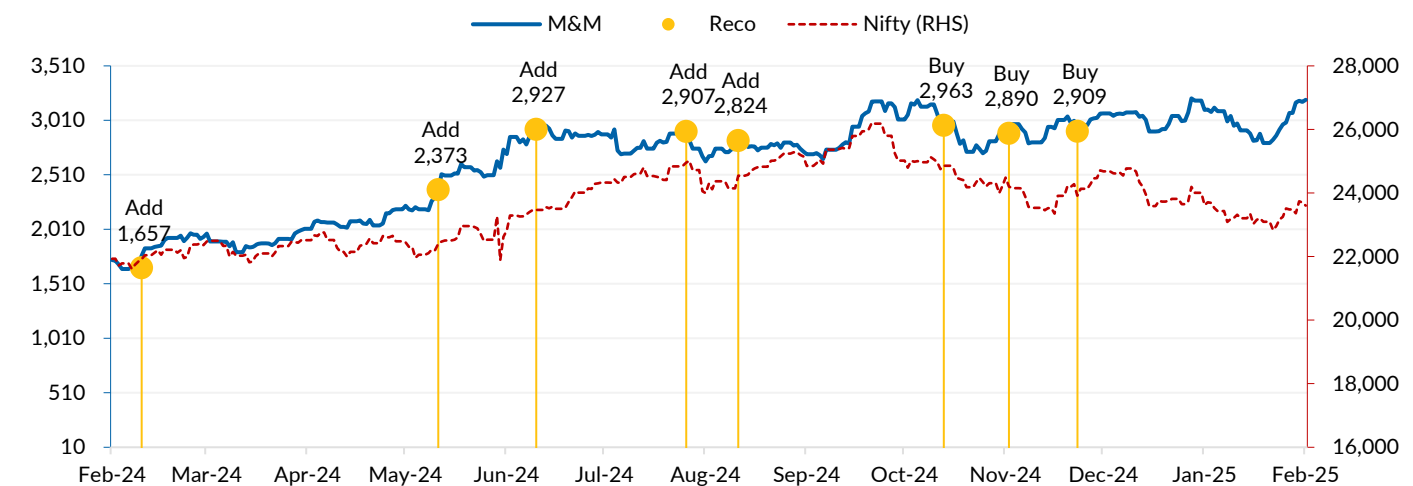
Source- Company, YES Sec

Exhibit 12: Growth and Ratio matrix

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)						
Fully diluted EPS	42.1	64.3	89.4	105.2	118.8	131.2
FD EPS (incl MVML)	40.5	64.7	87.5	103.2	116.8	129.3
Cash EPS	63.0	90.6	118.0	136.9	155.1	175.4
Book Value per Share	325.6	361.9	435.9	517.0	609.6	712.7
DPS	11.6	16.3	21.1	24.1	26.1	28.1
Payout (Incl. Div. Tax) %	28.4	29.7	23.6	22.9	22.0	21.4
Valuation (x)						
P/E	79.0	49.4	36.6	31.0	27.4	24.7
Cash P/E	50.8	35.3	27.1	23.4	20.6	18.2
EV/EBITDA	53.8	35.8	28.8	22.6	19.8	17.3
EV/Sales	6.5	4.4	3.8	3.2	2.9	2.5
Price to Book Value	9.8	8.8	7.3	6.2	5.2	4.5
Dividend Yield (%)	0.4	0.5	0.7	0.8	0.8	0.9
Profitability Ratios (%)						
RoE	13.6	18.7	22.4	22.1	21.1	19.8
RoCE	11.4	16.3	20.5	20.9	20.2	19.1
ROIC	30.5	40.3	47.0	57.4	52.8	42.9
Turnover Ratios						
Debtors (Days)	19.2	17.4	16.8	16.8	16.8	20.0
Inventory (Days)	37.2	38.2	35.1	35.0	35.0	40.0
Creditors (Days)	81.4	73.7	68.7	68.7	68.7	65.0
Working Capital (Days)	17.2	12.9	17.0	15.7	13.5	24.6
Asset Turnover (x)	1.2	1.7	1.8	1.7	1.7	1.6
Growth (%)						
Sales	29.5	47.0	16.2	15.9	12.2	12.9
Operating Profit	12.2	12.3	13.1	14.3	14.4	14.6
Net Profit	46.8	52.9	39.2	17.7	12.9	10.5
EPS	46.6	52.7	39.1	17.7	12.9	10.5
Leverage Ratio						
Debt/Equity (x)	0.2	0.1	0.0	0.0	0.0	0.0

Source- Company, YES Sec

Recommendation Tracker



Source - YES Sec

STANDARD DISCLAIMER:

YES Securities (India) Limited, Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | Correspondence Add: 7th Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: www.yesinvest.in | Email: customer.service@ysil.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (Cat III AIF) and YES Wealth Maximiser AIF (Cat III AIF) SEBI Registration No.: IN/AIF3/20- 21/0818 | AMFI ARN Code - 94338

Details of Compliance Officer: Aditya Goenka | Email: compliance@ysil.in / Contact No.: 022-65078127 | Grievances Redressal Cell: customer.service@ysil.in / igc@ysil.in

Standard Disclaimer: Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a subsidiary of YES Bank Limited ('YBL'). Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit https://yesinvest.in/standard_documents_policies

DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSIL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSIL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that Price of each of the securities or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

Technical analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSIL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSIL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")^[1] and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This research report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation the issuer(s) or securities as listed in this research report. This YES Securities (India) Limited research report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ 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. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

This report is intended for distribution by YES Securities (India) Limited 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). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. 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 or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

^[1] Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperone broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks³ acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

DISCLOSURE OF INTEREST

Name of the Research Analyst : Deep Shah, Meghna Gundu

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL's actual/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	No
3	Research Analyst or his/her relative or YSIL has any other material conflict of interest at the time of publication of the research report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL has 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	No
8	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

Since YSIL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSIL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSIL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

Analyst signature

Analyst signature

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ('YSIL') is a subsidiary of YES Bank Limited ('YBL'). YSIL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL.