

**BUY** Piramal Enterprises

Your success is our success

## Corner Office View

BFSI - NBFCs ▶ Company Update ▶ November 22, 2023

TARGET PRICE (Rs): 1,180

This is the first note in our new series *Corner Office View*, which offers interviews/meeting notes with CEOs, founders, and leaders of our coverage companies. We will bring you curated views from companies across multiple sectors. We recently met Jairam Sridharan, MD - Piramal Capital & Housing Finance, for an update on the developments in the company as well as in the NBFC sector amid the recent regulatory changes by the RBI in unsecured retail lending. Key views: i) The branch-led retail lending business is on track to deliver operating leverage, leading to OpEx-to-AUM reducing to ~3.5% in the next three years from ~6% now and retail RoA inching up, to ~3%. ii) The Wholesale 1.0 rundown remains in acceleration mode, with no negative surprise on credit costs. iii) Given the strong capital position (CRAR: 31% as of H1FY24) and the company's proactive approach of slowing unsecured retail loans for the last 3 quarters, impact of the recent move by the RBI is likely to be negligible. iv) Considering the high capital base and the large Wholesale 1.0 book running down, RoE will see gradual improvement as the leverage is likely to remain benign, unless a large synergistic acquisition materializes.

**Piramal Enterprises: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Net profits	19,988	99,686	9,001	12,655	22,345
AUM growths (%)	NA	(1.8)	7.4	17.6	23.0
NII growths (%)	NA	15.4	(9.6)	39.1	32.0
NIMs (%)	NA	6.3	5.8	7.1	7.8
PPOP growth (%)	NA	15.2	(55.4)	96.2	58.7
Adj. EPS (Rs)	32.0	79.7	15.5	56.3	99.5
Adj. EPS growth (%)	NA	149.3	(80.6)	263.8	76.6
Adj. BV (INR)	NA	1,196.6	1,231.7	1,265.8	1,326.1
Adj. BVPS growth (%)	NA	NA	2.9	2.8	4.8
RoA (%)	NA	NA	1.1	1.4	2.2
RoE (%)	NA	NA	3.4	4.5	7.7
P/E (x)	28.6	11.5	59.1	16.2	9.2
P/ABV (x)	NA	NA	0.7	0.7	0.7

Source: Company, Emkay Research

**Operating leverage to drive down cost, improve retail RoA to ~3% in medium term**

PIEL's retail business will be branch- & employee-driven, and its secured business is likely to be the core of its business model, with its unsecured business playing a supportive role at times, in helping improve returns and accelerate growth. With the growing AuM, operating leverage is likely to lead to OpEx-to-AuM improving to ~3.5% in the next 3 years from the current ~6%, and aiding in retail RoA reaching ~3%. The Wholesale 1.0 rundown remains in 'acceleration mode', with the book shrinking by ~Rs35bn a quarter. Given the excess capitalization (CRAR:31% at H1FY24) and the optionality of further capital being freed up from exits in Shriram Insurance's ventures, we believe the leverage will remain sub-optimally low over the medium term, unless a synergistic acquisition at a reasonable price pans out. Owing to the lower leverage, RoE improvement is likely to be gradual, in the absence of any inorganic transaction.

**Excess capital and putting a proactive brake on unsecured retail insulate PIEL from RBI's recent actions**

Recent RBI action to increase the risk weight on retail unsecured is aimed at checking any excessive growth in some pockets of consumption loans, amid emerging signs of stress seen by leading lenders. However, PIEL's considerably strong capitalization (CRAR: 31%, as of H1FY24, post the Buyback) and its proactively slowing down of unsecured retail disbursements starting Q1FY24 would mean that the company is unlikely to see a meaningful impact from such regulatory changes. PIEL is likely to start seeing pickup in unsecured retail, as the hit from its tightening the credit filters is already in the base.

**Retail growth and accelerated rundown of Wholesale 1.0, on the right track; valuation remains highly undemanding**

Various parts of the PIEL story: a) Profitable growth in Retail and Wholesale 2.0. b) Accelerated rundown of Wholesale 1.0 without a major credit cost shock. c) Optionality playing out in non-core asset exits (stake in Shriram Insurance, land parcels and deferred tax matters) is progressing well. The current overcapitalization would mean that RoE improvement would be gradual, unless the company does a synergistic acquisition at a reasonable price. However, PIEL's collected approach towards ascertaining the right acquisition candidate and returning excess capital to minority shareholders via the 'Buyback route' adds to our comfort. Trading at 0.63x FY25E P/BV for the core NBFC, PIEL's valuation is extremely undemanding and does not yet factor-in the progress on strategic goals.

Target Price – 12M	Sep-24
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.0
CMP (22-Nov-23) (Rs)	914.8

Stock Data	Ticker
52-week High (Rs)	1,140
52-week Low (Rs)	630
Shares outstanding (mn)	238.7
Market-cap (Rs bn)	218
Market-cap (USD mn)	2,620
Net-debt, FY24E (Rs mn)	8,415
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,416.3
ADTV-3M (USD mn)	17.0
Free float (%)	56.0
Nifty-50	19,812
INR/USD	83.3
<b>Shareholding, Sep-23</b>	
Promoters (%)	46.2
FPIs/MFs (%)	19.7/12.1

**Price Performance**

(%)	1M	3M	12M
Absolute	(9.9)	(13.6)	15.3
Rel. to Nifty	(11.1)	(15.5)	6.2

**1-Year share price trend (Rs)****Avinash Singh**

avinash.singh@emkayglobal.com  
+91 22 6612 1327

**Kishan Rungta**

kishan.rungta@emkayglobal.com  
+91 22 6624 2490

**Exhibit 1: SOTP-based valuation**

Business unit	Valuation Methodology	Multiple (x)	Stake	Factor value (Rs mn)	Holdco discount	Value (Rs mn)	Value per share (Rs)	Contribution to TP
Financial Services Business	Price-to-Book (Sep-25E)	0.8	100%	278,638	0%	228,483	1,017	86%
Shriram Insurance*	Fair Value of equity allocated	1.0	100%	25,000	25%	18,750	83	7%
AIF	Book value of equity allocated	1.0	JV	7,300	0%	7,300	32	3%
Insurance	Book value of equity allocated	1.0	50%	10,400	0%	10,400	46	4%
SOTP-based value						264,933	1,180	

Source: Company, Emkay Research; Note: \* Effective ownership in Shriram General: 13.33%; in Shriram Life: 14.91%

**Exhibit 2: Retail AUM dominated by secured product**

Retail AUM trend (Rs bn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
- Housing	147.0	147.0	156.7	164.6	175.5	183.1	196.9
- MSME Secured	62.5	60.1	64.7	72.5	73.9	77.5	84.9
- Used car loans	0.9	4.5	3.2	5.6	8.4	14.1	15.4
- Unsecured	4.5	11.1	24.9	36.3	63.6	77.5	88.8
<b>Total</b>	<b>214.9</b>	<b>222.7</b>	<b>249.5</b>	<b>279.0</b>	<b>321.4</b>	<b>352.2</b>	<b>386.0</b>

Source: Company, Emkay Research

**Exhibit 3: Proactively slowed the disbursement of unsecured product**

Retail Disbursement Trend (Rs bn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
- Housing	5.9	8.4	14.9	18.8	24.1	19.1	23.1
- MSME Secured	4.4	5.7	8.1	7.8	9.6	8.5	10.2
- Used car loans	0.6	0.7	1.6	2.4	3.3	2.8	3.9
- Unsecured	3.9	9.8	15.1	22.1	31.2	26.7	25.2
<b>Total</b>	<b>14.8</b>	<b>24.6</b>	<b>39.7</b>	<b>51.1</b>	<b>68.3</b>	<b>57.1</b>	<b>62.5</b>

Source: Company, Emkay Research

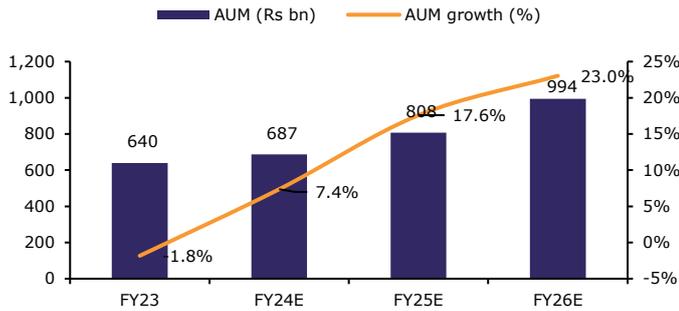
**Exhibit 4: Committed to building Wholesale 2.0 while running down its Wholesale 1.0**

Wholesale mix (Rs bn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Wholesale 1.0	380.8	351.0	290.5	260.0	238.3
Wholesale 2.0	1.1	18.7	27.9	30.5	45.0
New RE	0.3	7.0	13.0	14.3	25.9
CMML	0.8	11.7	15.0	16.2	19.1
<b>Total</b>	<b>381.8</b>	<b>369.7</b>	<b>318.5</b>	<b>290.5</b>	<b>283.3</b>

Source: Company, Emkay Research

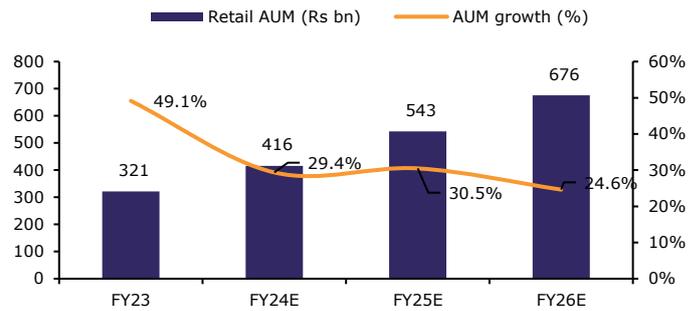
# Story in Charts

**Exhibit 5: Strong overall AUM growth**



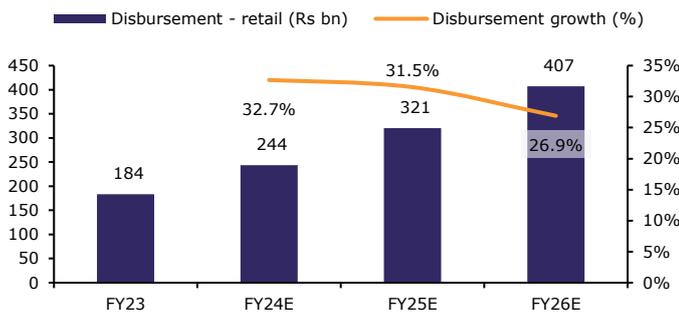
Source: Company, Emkay Research

**Exhibit 6: Retail AUM growth, with a balanced mix between secured and unsecured products**



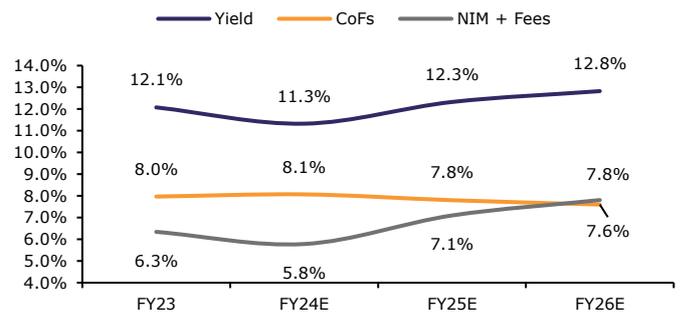
Source: Company, Emkay Research

**Exhibit 7: Healthy disbursement growth to continue**



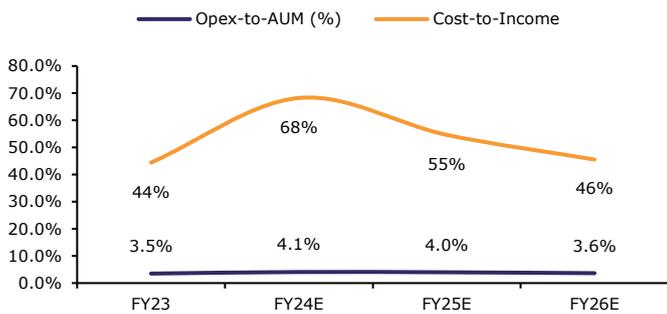
Source: Company, Emkay Research

**Exhibit 8: We do not expect CoFs to see any major impact on account of the RBI's new RWA guideline**



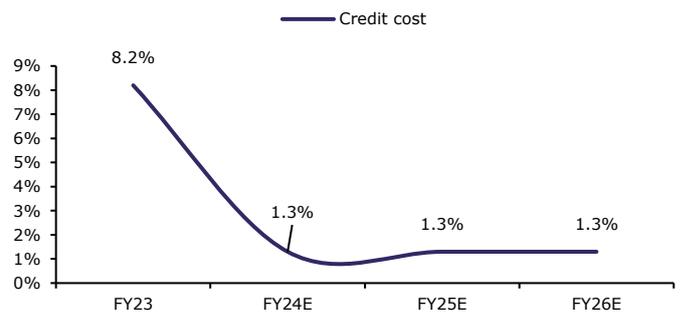
Source: Company, Emkay Research

**Exhibit 9: Cost-to-AUM to moderate to around 3.5% levels**



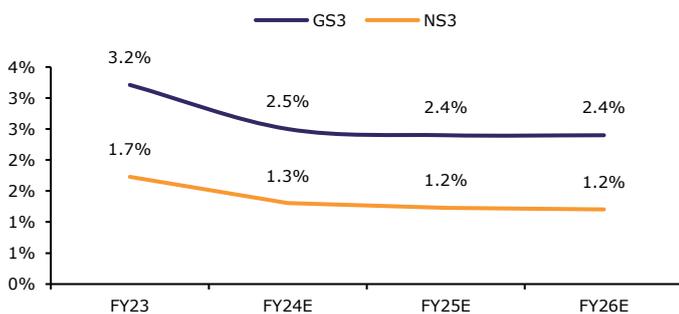
Source: Company, Emkay Research

**Exhibit 10: Credit cost to stabilize at around 1.3%**



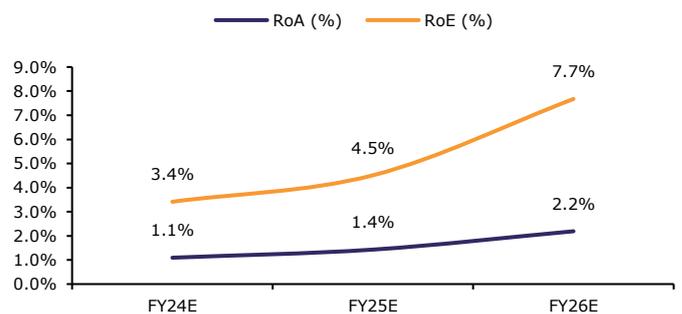
Source: Company, Emkay Research

**Exhibit 11: Overall asset quality expected to remain stable**



Source: Company, Emkay Research

**Exhibit 12: Overall margin improvement to be led by cost moderation over the medium term**



Source: Company, Emkay Research

## Piramal Enterprises: Consolidated Financials and Valuations

Profit & Loss				
Y/E Mar (Rs mn)	FY23	FY24E	FY25E	FY26E
Interest Income	77,986	75,131	92,116	1,15,540
Interest Expense	39,943	40,759	44,307	52,415
<b>Net interest income</b>	<b>38,043</b>	<b>34,372</b>	<b>47,809</b>	<b>63,125</b>
NII growth (%)	15.4	(9.6)	39.1	32.0
Non interest income	12,881	5,307	6,727	9,009
<b>Total income</b>	<b>50,924</b>	<b>39,680</b>	<b>54,536</b>	<b>72,134</b>
Operating expenses	22,617	27,064	29,787	32,848
<b>PPOP</b>	<b>28,307</b>	<b>12,615</b>	<b>24,749</b>	<b>39,286</b>
PPOP growth (%)	15.2	(55.4)	96.2	58.7
Provisions & contingencies	52,951	8,625	9,716	11,712
<b>PBT</b>	<b>(24,643)</b>	<b>3,991</b>	<b>15,032</b>	<b>27,574</b>
Extraordinary items	80,663	5,469	0	0
Tax expense	(39,781)	1,958	4,377	7,729
Minority interest	0	0	0	0
Income from JV/Associates	3,886	1,500	2,000	2,500
<b>Reported PAT</b>	<b>99,686</b>	<b>9,001</b>	<b>12,655</b>	<b>22,345</b>
PAT growth (%)	0.0	(91.0)	40.6	76.6
<b>Adjusted PAT</b>	<b>19,023</b>	<b>3,533</b>	<b>12,655</b>	<b>22,345</b>
<b>Diluted EPS (Rs)</b>	<b>79.7</b>	<b>15.5</b>	<b>56.3</b>	<b>99.5</b>
Diluted EPS growth (%)	149.3	(80.6)	263.8	76.6
<b>DPS (Rs)</b>	<b>31.0</b>	<b>1.8</b>	<b>22.2</b>	<b>39.2</b>
<b>Dividend payout (%)</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
Effective tax rate (%)	0.0	25.7	25.7	25.7
Net interest margins (%)	6.3	5.8	7.1	7.8
Cost-income ratio (%)	44.4	68.2	54.6	45.5
PAT/PPOP (%)	352.2	71.4	51.1	56.9
Shares outstanding (mn)	238.7	224.7	224.7	224.7

Source: Company, Emkay Research

Asset quality and other metrics				
Y/E Mar (Rs mn)	FY23	FY24E	FY25E	FY26E
<b>Asset quality</b>				
GNPL - Stage 3	20,550	17,174	19,389	23,856
NNPL - Stage 3	10,380	8,415	9,307	11,212
GNPL ratio - Stage 3 (%)	3.2	2.5	2.4	2.4
NNPL ratio - Stage 3 (%)	1.7	1.3	1.2	1.2
ECL coverage - Stage 3 (%)	49.5	51.0	52.0	53.0
ECL coverage - 1 & 2 (%)	4.9	5.0	5.1	5.2
Gross slippage - Stage 3	0	0	0	0
Gross slippage ratio (%)	0.0	0.0	0.0	0.0
Write-off ratio (%)	0.0	0.0	0.0	0.0
Total credit costs (%)	8.2	1.3	1.3	1.3
NNPA to networth (%)	3.3	2.8	3.0	3.5
<b>Capital adequacy</b>				
Total CAR (%)	43.6	0.0	0.0	0.0
Tier-1 (%)	42.4	0.0	0.0	0.0
<b>Miscellaneous</b>				
Total income growth (%)	38.2	(22.1)	37.4	32.3
Opex growth (%)	84.1	19.7	10.1	10.3
PPOP margin (%)	4.4	1.9	3.3	4.4
Credit costs-to-PPOP (%)	187.1	68.4	39.3	29.8
Loan-to-Assets (%)	71.7	75.2	78.9	82.4
Yield on loans (%)	12.1	11.3	12.3	12.8
Cost of funds (%)	8.0	8.1	7.8	7.6
Spread (%)	4.1	3.3	4.5	5.2

Source: Company, Emkay Research

Balance Sheet				
Y/E Mar (Rs mn)	FY23	FY24E	FY25E	FY26E
Share capital	477	449	449	449
Reserves & surplus	3,10,113	3,01,249	3,08,918	3,22,459
<b>Net worth</b>	<b>3,10,591</b>	<b>3,01,699</b>	<b>3,09,368</b>	<b>3,22,908</b>
<b>Borrowings</b>	<b>4,95,828</b>	<b>5,22,101</b>	<b>6,13,971</b>	<b>7,65,377</b>
<b>Other liabilities &amp; prov.</b>	<b>31,103</b>	<b>34,213</b>	<b>37,634</b>	<b>41,398</b>
<b>Total liabilities &amp; equity</b>	<b>8,37,522</b>	<b>8,58,013</b>	<b>9,60,973</b>	<b>11,29,683</b>
Net loans	6,00,260	6,45,138	7,57,893	9,31,319
Investments	87,004	47,004	47,004	47,004
Cash, other balances	46,491	61,145	50,296	44,420
<b>Interest earning assets</b>	<b>7,33,755</b>	<b>7,53,287</b>	<b>8,55,193</b>	<b>10,22,743</b>
Fixed assets	9,588	10,546	11,601	12,761
Other assets	94,179	94,179	94,179	94,179
<b>Total assets</b>	<b>8,37,522</b>	<b>8,58,013</b>	<b>9,60,973</b>	<b>11,29,683</b>
BVPS (Rs)	1,196.6	1,231.7	1,265.8	1,326.1
Adj. BVPS (INR)	1,196.6	1,231.7	1,265.8	1,326.1
Gross loans	6,39,890	6,86,975	8,07,857	9,93,996
<b>Total AUM</b>	<b>6,39,890</b>	<b>6,86,975</b>	<b>8,07,857</b>	<b>9,93,996</b>
On balance sheet	0	0	0	0
Off balance sheet	0	0	0	0
Disbursements	1,83,684	2,43,731	3,20,578	4,06,831
Disbursements growth (%)	527.3	32.7	31.5	26.9
Loan growth (%)	0.0	7.5	17.5	22.9
AUM growth (%)	(1.8)	7.4	17.6	23.0
Borrowings growth (%)	(5.1)	6.9	17.6	24.7
Book value growth (%)	0.0	2.9	2.8	4.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24E	FY25E	FY26E	
P/E (x)	11.5	59.1	16.2	9.2	
P/B (x)	0.8	0.7	0.7	0.7	
P/ABV (x)	0.0	0.7	0.7	0.7	
P/PPOP (x)	3.2	7.3	3.7	2.3	
Dividend yield (%)	3.4	0.2	2.4	4.3	
<b>DuPont-RoE split (%)</b>					
NII/avg AUM	5.9	5.2	6.4	7.0	
Other income	2.0	0.8	0.9	1.0	
Securitization income	0.0	0.0	0.0	0.0	
Opex	2.1	2.1	2.0	1.7	
Employee expense	1.4	2.0	2.0	1.9	
<b>PPOP</b>	<b>4.4</b>	<b>1.9</b>	<b>3.3</b>	<b>4.4</b>	
Provisions	8.2	1.3	1.3	1.3	
Tax expense	0.0	25.7	25.7	25.7	
<b>RoAUM (%)</b>	<b>15.4</b>	<b>1.4</b>	<b>1.7</b>	<b>2.5</b>	
Leverage ratio (x)	2.6	2.5	2.7	3.1	
<b>RoE (%)</b>	<b>0.0</b>	<b>3.4</b>	<b>4.5</b>	<b>7.7</b>	
<b>Quarterly data</b>					
Rs mn, Y/E Mar	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
NII	8,432	10,469	9,297	6,897	7,394
NIM (%)	6.0	7.4	7.2	6.4	7.1
PPOP	4,022	6,173	4,660	9,698	4,911
PAT	(15,364)	35,454	(1,959)	5,088	482
EPS (Rs)	(83.33)	100.88	(8.21)	21.32	4.72

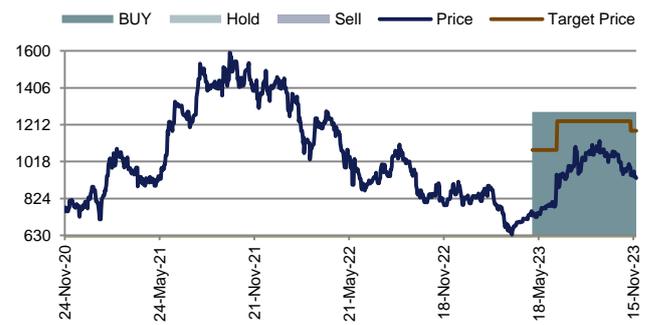
Source: Company, Emkay Research

**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
10-Nov-23	946	1,180	Buy	Avinash Singh
28-Aug-23	1,107	1,230	Buy	Avinash Singh
30-Jul-23	1,073	1,230	Buy	Avinash Singh
08-Jul-23	927	1,230	Buy	Avinash Singh
22-Jun-23	929	1,230	Buy	Avinash Singh
06-May-23	735	1,080	Buy	Avinash Singh

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

**GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

**Disclaimer for U.S. persons only:** Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**RESTRICTIONS ON DISTRIBUTION**

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons<sup>1</sup> may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of November 22, 2023
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report  
**Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of November 22, 2023
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 22, 2023
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

**Emkay Rating Distribution**

Ratings	Expected Return within the next 12-18 months.
<b>BUY</b>	Over 15%
<b>HOLD</b>	Between -5% to 15%
<b>SELL</b>	Below -5%

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

**OTHER DISCLAIMERS AND DISCLOSURES:****Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

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

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.