

21 June 2021

## MM Forgings

*Continuing to expect strong domestic, export growth; retaining a Buy*

**With recovery anticipated domestically and in exports, we expect MM Forging to post good growth in the next two years. Recently introduced products, higher machining content and strong volume growth would lead to margin expansion. Accordingly, we maintain a Buy, at a target price of Rs697 (15x FY23e).**

**Strong domestic growth, with greater machining content expected.** We expect very strong growth in domestic M&H CVs, driven by anticipated replacement demand assuming no further lockdowns, and strong exports. The company is reasonably confident about export growth, given the strong momentum in Class-5 and -8 trucks in the US. Accordingly, we expect strong growth. Also, with more products from more press lines, we expect machining content to go up 55% from 52% now.

**Profitability to increase.** With strong volume growth driven by operating leverage and greater machining content, we expect margin expansion in FY22 and FY23. We expect a 17.6% margin in FY22, and 18.1% in FY23.

**Valuation.** We expect revenue over FY21-23 to clock a 25% CAGR to Rs11.3bn, with the margin at 18%. Accordingly, we expect Rs1bn earnings, leading to a Rs46 EPS. We maintain a Buy recommendation at a TP of Rs697 (15x FY23e).

**Risk.** Less-than-estimated volume growth

Key financials (YE Mar)	FY19	FY20	FY21	FY22e	FY23e
Sales (Rs m)	9,039	7,273	7,256	9,088	11,304
Net profit (Rs m)	813	462	466	765	1,122
EPS (Rs)	34	19	19	32	46
P/E (x)	18	31	31	19	13
EV / EBITDA (x)	11	14	15	12	9
P/BV (x)	3.3	3.1	2.9	2.7	2.4
RoE (%)	18.6	9.8	9.3	14.0	18.3
RoCE (%)	9.7	5.6	5.3	7.7	10.2
Dividend yield (%)	1.9	1.1	0.8	1.8	2.6
Net debt/equity (x)	1.0	0.6	0.7	0.7	0.5

Source: Company, Anand Rathi Research

Anand Rathi Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Rating: Buy

Target Price: Rs.697

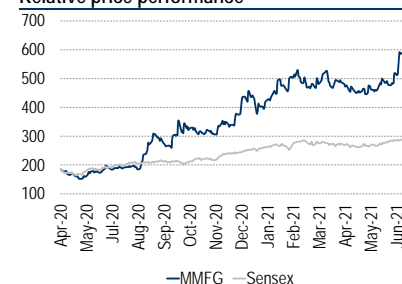
Share Price: Rs.602

Key data	MMFG IN / MMFO.NS
52-week high / low	Rs.624 / 172
Sensex / Nifty	52574 / 15747
3-m average volume	\$0.1m
Market cap	Rs.15bn / \$196.1m
Shares outstanding	24m

Shareholding pattern (%)	Mar'21	Dec'20	Sep'20
Promoters	56.3	56.3	56.3
- of which Pledged	-	-	-
Free float	43.7	43.7	43.7
- Foreign Institutions	0.9	0.4	0.0
- Domestic Institutions	21.1	21.2	21.9
- Public	21.7	22.0	21.8

Estimates revision (%)	FY22	FY23
Revenue	0.5	1.5
EBITDA	4.0	8.1
PAT	2.8	10.9

### Relative price performance



Source: Bloomberg

Vijay Sarthy TS  
Research Analyst

Akshay Karwa  
Research Associate

## Quick Glance – Financials and Valuations

**Fig 1 – Income statement (Rsm)**

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
Net revenues	9,039	7,273	7,256	9,088	11,304
<i>Growth (%)</i>	46	-20	-0	25	24
RM cost	4,088	3,339	3,469	4,180	5,200
Employee cost	875	828	765	945	1,176
Other expenses	2,343	1,854	1,809	2,363	2,882
Direct costs	7,307	6,021	6,044	7,488	9,258
<b>EBITDA</b>	<b>1,732</b>	<b>1,252</b>	<b>1,213</b>	<b>1,599</b>	<b>2,046</b>
<i>EBITDA margins (%)</i>	19.2	17.2	16.7	17.6	18.1
- Depreciation	544	532	567	620	670
Other income	158	185	216	241	266
Interest expenses	261	331	312	319	319
PBT	1,086	574	549	901	1,323
<i>Effective tax rates (%)</i>	25	19	15	15	15
Net income	814	462	466	765	1,122
Adjusted income	813	462	466	765	1,122
WANS	24	24	24	24	24
FDEPS (Rs/sh)	34	19	19	32	46

**Fig 2 – Balance sheet (Rsm)**

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
Share capital	241	241	241	241	241
Networth	4,362	4,704	5,004	5,462	6,135
Debt	6,306	4,913	5,323	5,323	5,323
Minority interest	-	-	-	-	-
DTL/(Assets)	186	298	309	309	309
<b>Capital employed</b>	<b>10,855</b>	<b>9,916</b>	<b>10,636</b>	<b>11,094</b>	<b>11,768</b>
Net tangible assets	5,881	6,616	6,350	6,730	7,060
CWIP (tang. & intang.)	392	-	-	-	-
Investments (financial)	49	49	49	49	49
Current assets (ex cash)	4,131	2,988	4,361	5,051	4,516
Cash	1,716	1,744	1,871	1,327	2,254
Current liabilities	1,313	1,481	1,994	2,062	2,112
Working capital	2,818	1,507	2,367	2,989	2,404
<b>Capital deployed</b>	<b>10,855</b>	<b>9,916</b>	<b>10,636</b>	<b>11,094</b>	<b>11,768</b>

**Fig 3 – Cash-flow statement (Rsm)**

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
PBT	1,086	574	549	901	1,323
+ Non-cash items	545	532	567	620	670
Oper. prof. before WC	1,631	1,107	1,117	1,521	1,992
- Incr./ (decr.) in WC	-941	1,422	-849	-622	584
Others incl. taxes	-272	-112	-83	-137	-200
Operating cash-flow	417	2,417	184	762	2,376
- Capex (tang. + intang.)	-2,892	-876	-301	-1,000	-1,000
Free cash-flow	-2,475	1,541	-116	-238	1,376
Acquisitions					
- Div. (incl. Buyback & taxes)	-326	-185	-121	-306	-449
+ Equity raised	-	-	-	-	-
+ Debt raised	2,698	-1,392	410	-	-
- Fin investments	-	-	-	-	-
- Misc. (CFI + CFF)	178	64	-46	-0	-0
Net cash-flow	76	28	127	-544	927

Source: Company, Anand Rathi Research

**Fig 4 – Ratio analysis**

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
P/E (x)	17.9	31.4	31.2	19.0	12.9
EV / EBITDA (x)	11.0	14.1	14.8	11.6	8.6
EV / Sales (x)	2.1	2.4	2.5	2.0	1.6
P/B (x)	3.3	3.1	2.9	2.7	2.4
RoE (%)	18.6	9.8	9.3	14.0	18.3
RoCE (%) - after tax	9.7	5.6	5.3	7.7	10.2
RoIC (%) - after tax	12.0	6.7	6.5	17.1	24.7
DPS (Rs / sh)	11.2	6.4	5.0	10.6	15.5
Dividend yield (%)	1.9	1.1	0.8	1.8	2.6
Dividend payout (%) - incl. DDT	40.0	40.0	25.9	40.0	40.0
Net debt / equity (x)	1.0	0.6	0.7	0.7	0.5
Receivables (days)	33	6	62	62	35
Inventory (days)	167	140	177	250	250
Payables (days)	43	76	103	105	105
CFO : PAT %	51.3	522.7	39.6	99.7	211.7

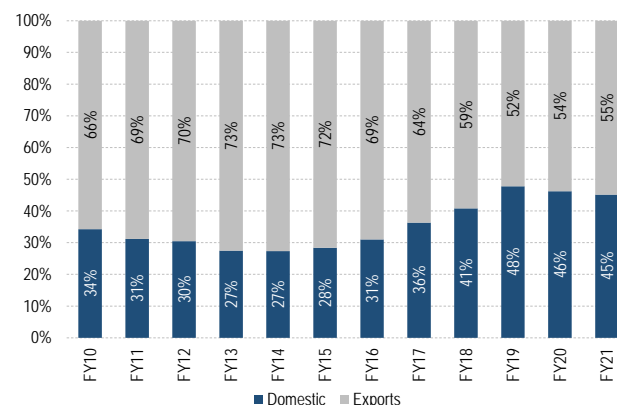
Source: Company, Anand Rathi Research

**Fig 5 – Price movement**



Source: Bloomberg

**Fig 6 – Revenue-mix trend**



Source: Company

## Result highlights

Fig 7 – Quarterly performance

(Rsm)	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
<b>Net sales</b>	<b>2,163</b>	<b>2,418</b>	<b>2,331</b>	<b>2,078</b>	<b>1,720</b>	<b>1,747</b>	<b>1,564</b>	<b>729</b>	<b>1,402</b>	<b>2,133</b>	<b>2,850</b>
<i>YY %</i>	<i>61.0</i>	<i>65.7</i>	<i>18%</i>	<i>5.9</i>	<i>-20.5</i>	<i>-27.7</i>	<i>-82%</i>	<i>-65%</i>	<i>-18%</i>	<i>22%</i>	<i>82%</i>
Other operating Income	82	27	12	65	72	14	13	34.65	70.42	28.29	8.44
<b>Income</b>	<b>2,245</b>	<b>2,446</b>	<b>2,343</b>	<b>2,143</b>	<b>1,792</b>	<b>1,762</b>	<b>1,577</b>	<b>764</b>	<b>1,473</b>	<b>2,162</b>	<b>2,858</b>
<i>YY %</i>	<i>58.3</i>	<i>60.8</i>	<i>17.4</i>	<i>6.8</i>	<i>-20.2</i>	<i>-28.0</i>	<i>-32.7</i>	<i>-64.3</i>	<i>-17.8</i>	<i>22.7</i>	<i>81.3</i>
<i>Q/Q %</i>	<i>11.9</i>	<i>8.9</i>	<i>17.4</i>	<i>-8.5</i>	<i>-16.4</i>	<i>-1.7</i>	<i>-10.5</i>	<i>-51.5</i>	<i>92.8</i>	<i>46.8</i>	<i>32.2</i>
Decr. / (Incr.) in stock-in-trade and WIP	(113)	(14)	(30)	(303)	(90)	309	236	112.85	(18.30)	(92.90)	152.54
Raw materials & components	1,074	1,160	1,100	1,204	868	571	544	289.77	723.53	1,111.85	1,190.11
Purchase of traded goods											
<b>RM cost</b>	<b>962</b>	<b>1,146</b>	<b>1,070</b>	<b>901</b>	<b>778</b>	<b>881</b>	<b>780</b>	<b>403</b>	<b>705</b>	<b>1,019</b>	<b>1,343</b>
<i>as % of sales</i>	<i>42.8</i>	<i>46.9</i>	<i>45.6</i>	<i>42.0</i>	<i>43.4</i>	<i>50.0</i>	<i>49.5</i>	<i>52.7</i>	<i>47.9</i>	<i>47.1</i>	<i>47.0</i>
<i>Gross margins (%)</i>	<i>57.2</i>	<i>53.1</i>	<i>54.4</i>	<i>58.0</i>	<i>56.6</i>	<i>50.0</i>	<i>50.5</i>	<i>47.3</i>	<i>52.1</i>	<i>52.9</i>	<i>53.0</i>
Gross profit	1,283	1,300	1,274	1,242	1,014	881	797	361	768	1,143	1,515
Employee cost	223	229	235	248	199	197	183	115.57	149.39	231.28	268.72
Emp cost/sales (%)	9.9	9.3	10.0	11.6	11.1	11.2	11.6	15.1	10.1	10.7	9.4
<i>YY (%)</i>	<i>36.6</i>	<i>40.1</i>	<i>32.2</i>	<i>31.6</i>	<i>-10.7</i>	<i>-13.8</i>	<i>-22.3</i>	<i>-53.4</i>	<i>-24.9</i>	<i>17.5</i>	<i>47.1</i>
Depreciation	138	138	132	140	130	130	132	130.00	130.00	140.00	167.33
Other expenditure	415	401	406	370	302	230	241	96.19	210.49	369.61	436.73
Power and Fuel	211	206	199	219	187	156	150	79.70	157.35	213.79	245.28
Other expenses as % of sales	27.9	24.9	25.8%	27.5	27.3	21.9	24.8	23.0	25.0	27.0	23.9
<b>Expenditure</b>	<b>1,948</b>	<b>2,120</b>	<b>2,042</b>	<b>1,878</b>	<b>1,596</b>	<b>1,593</b>	<b>1,485</b>	<b>824</b>	<b>1,352</b>	<b>1,974</b>	<b>2,461</b>
<i>YY %</i>	<i>58.3</i>	<i>61.8</i>	<i>19.1</i>	<i>7.9</i>	<i>-18.1</i>	<i>-24.8</i>	<i>-27.3</i>	<i>-56.1</i>	<i>-15.3</i>	<i>23.9</i>	<i>65.7</i>
<b>EBITDA</b>	<b>434</b>	<b>463</b>	<b>433</b>	<b>405</b>	<b>326</b>	<b>299</b>	<b>223</b>	<b>70</b>	<b>250</b>	<b>328</b>	<b>565</b>
<i>EBITDA margins %</i>	<i>19.3</i>	<i>18.9</i>	<i>18.5</i>	<i>18.9</i>	<i>18.2</i>	<i>16.9</i>	<i>14.2</i>	<i>9.1</i>	<i>17.0</i>	<i>15.2</i>	<i>19.8</i>
<i>YY %</i>	<i>48.4</i>	<i>46.8</i>	<i>12.1</i>	<i>0.6</i>	<i>-24.9</i>	<i>-35.6</i>	<i>-48.4</i>	<i>-82.7</i>	<i>-23.2</i>	<i>9.9</i>	<i>152.6</i>
<i>Q/Q %</i>	<i>8.0</i>	<i>6.8</i>		<i>-6.5</i>	<i>-19.5</i>	<i>-8.4</i>	<i>-25.1</i>	<i>-68.7</i>	<i>258.1</i>	<i>31.1</i>	<i>72.1</i>
<b>Operating Profit/EBIT</b>	<b>297</b>	<b>326</b>	<b>301</b>	<b>265</b>	<b>196</b>	<b>169</b>	<b>91</b>	<b>(60)</b>	<b>120</b>	<b>188</b>	<b>397</b>
<i>EBIT margins %</i>	<i>13.2</i>	<i>13.3</i>	<i>12.9</i>	<i>12.4</i>	<i>10.9</i>	<i>9.6</i>	<i>5.8</i>	<i>-7.9</i>	<i>8.2</i>	<i>8.7</i>	<i>13.9</i>
<i>YY %</i>	<i>58</i>	<i>55</i>	<i>7</i>	<i>0</i>	<i>-34</i>	<i>-48</i>	<i>-70</i>	<i>-123</i>	<i>-39</i>	<i>12</i>	<i>336</i>
Other non-operating income	31	61	46	31	47	50	56	80.39	45.73	64.75	25.05
Interest expense (net)	52	85	88	93	95	70	72	69.75	84.48	77.77	80.22
<b>Profit after interest before exceptional items and tax</b>	<b>275</b>	<b>302</b>	<b>260</b>	<b>203</b>	<b>148</b>	<b>149</b>	<b>76</b>	<b>(49)</b>	<b>82</b>	<b>175</b>	<b>342</b>
Exceptional items	-	-	0	-	-						
<b>Profit before tax</b>	<b>275</b>	<b>302</b>	<b>260</b>	<b>203</b>	<b>148</b>	<b>149</b>	<b>76</b>	<b>-49.46</b>	<b>82</b>	<b>175</b>	<b>342</b>
Total tax expense	63	63	85	40	26	36	10	-	18	25	41
<i>Effective tax rate %</i>	<i>22.7</i>	<i>20.7</i>	<i>32.6</i>	<i>19.6</i>	<i>17.7</i>	<i>24.1</i>	<i>13.4</i>	<i>0.0</i>	<i>21.5</i>	<i>14.3</i>	<i>11.9</i>
<b>Net profit after tax</b>	<b>213</b>	<b>240</b>	<b>175</b>	<b>163</b>	<b>122</b>	<b>113</b>	<b>65</b>	<b>(49)</b>	<b>64</b>	<b>150</b>	<b>301</b>
<i>Net profit margins %</i>	<i>9.5</i>	<i>9.8</i>	<i>7.5</i>	<i>7.6</i>	<i>6.8</i>	<i>6.4</i>	<i>4.1%</i>	<i>-6.5%</i>	<i>4.4%</i>	<i>6.9%</i>	<i>10.5%</i>
<i>YY %</i>	<i>53.3</i>	<i>58.3</i>	<i>-36.0</i>	<i>-12.1</i>	<i>-42.8</i>	<i>-53.0</i>	<i>-62.7</i>	<i>-130.3</i>	<i>-47.3</i>	<i>33.2</i>	<i>360.9</i>
<i>Q/Q %</i>	<i>14.6</i>	<i>12.8</i>	<i>-27.0</i>	<i>-6.9</i>	<i>-25.4</i>	<i>-7.4</i>	<i>-42.0</i>	<i>-175.6</i>	<i>-229.5</i>	<i>134.3</i>	<i>100.8</i>
<i>Basic/Diluted EPS (reported)</i>	<i>8.8</i>	<i>9.9</i>	<i>7.3</i>	<i>6.8</i>	<i>5.0</i>	<i>4.7</i>	<i>2.7</i>	<i>(2.05)</i>	<i>2.65</i>	<i>6.22</i>	<i>12.48</i>

Source: Company

## Valuations

We expect revenue over FY21-23 to clock a 25% CAGR to Rs11.3bn, with the margin at 18%. Accordingly, we expect earnings of Rs1bn, leading to an EPS of Rs46. We maintain a Buy recommendation at a TP of Rs697 (15x FY23e).

**Fig 8 – Change in estimates**

(Rs m)	Old estimates		New estimates		Change (%)	
	FY22	FY23	FY22	FY23	FY22	FY23
Revenue	9,044	11,137	9,088	11,304	0.5	1.5
EBITDA	1,537	1,893	1,599	2,046	4.0	8.1
Adj. PAT	744	1,012	765	1,122	2.8	10.9
EPS (Rs)	31	42	32	46	2.8	10.9

Source: Anand Rathi Research

**Fig 9 – One-year-forward standard deviation of PE**



Source: Bloomberg, Anand Rathi Research

## Risk

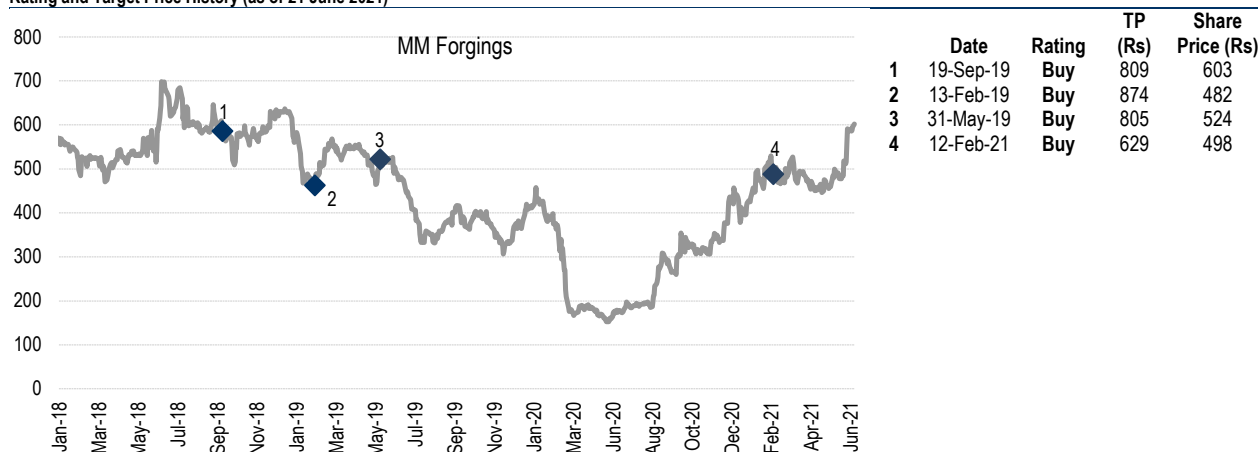
Less-than-estimated volume growth

## Appendix

### Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

### Important Disclosures on subject companies Rating and Target Price History (as of 21 June 2021)



### Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps (>US\$1bn) and Mid/Small Caps (<US\$1bn) as described in the Ratings Table below:

#### Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (>US\$1bn)	>15%	5-15%	<5%
Mid/Small Caps (<US\$1bn)	>25%	5-25%	<5%

### Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity) is a subsidiary of Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd. (NSEIL), Multi Stock Exchange of India Ltd (MCX-SX) and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. ARSSBL is engaged in the business of Stock Broking, Depository Participant and Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

**General Disclaimer:** This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. [www.rathionline.com](http://www.rathionline.com)

**Disclaimers in respect of jurisdiction:** 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 or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

#### Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

##### Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No

##### Other Disclosures pertaining to distribution of research in the United States of America

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

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

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, ARSSBL has entered into an agreement with a U.S. registered broker-dealer, Cabrera Capital Markets. ("Cabrera"). Transactions in securities discussed in this research report should be effected through Cabrera or another U.S. registered broker dealer.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2021. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

Additional information on recommended securities/instruments is available on request.

ARSSBL registered address: Express Zone, A Wing, 9th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.  
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.