ARVIND LTD

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	126
12 month price target (INR)	156
52 Week High/Low	142/77
Market cap (INR bn/USD bn)	33/0.4
Free float (%)	0.0
Avg. daily value traded (INR bn)	213.3

SHAREHOLDING PATTERN

	Jan-00	Jan-00	Jan-00
Promoter	41.16%	41.25%	41.25%
FII	9.63%	11.14%	12.05%
DII	8.58%	9.08%	9.85%
Pledge	7.39%	7.39%	7.39%

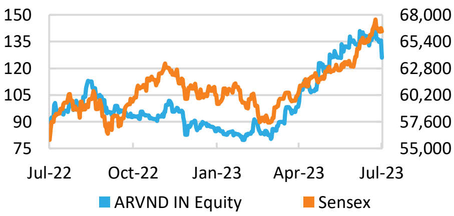
FINANCIALS (INR mn)

Year to March	FY22A	FY23A	FY24E	FY25E
Revenue	80,337	83,825	94,489	110,837
EBITDA	7,883	8,000	8,930	10,824
Adjusted profit	2,416	4,167	3,384	4,485
Diluted EPS (INR)	9.3	15.9	12.9	17.2
EPS growth (%)	nm	71.9	(18.8)	32.5
RoAE (%)	8.5	13.2	9.6	11.5
P/E (x)	13.6	7.9	9.7	7.4
EV/EBITDA (x)	6.3	5.7	4.8	3.6
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY24E	FY25E	FY24E	FY25E
Revenue				
EBITDA				
Adjusted profit				
Diluted EPS (INR)				

PRICE PERFORMANCE



Navigating uncertainties

Arvind reported an 18% YoY/ 6% QoQ dip in EBITDA to INR1.8bn (19% above consensus) on weak textiles partially offset by strong AMD.

Overall sales contracted by 21% YoY to INR19bn in Q1 (flat QoQ) dragged by a 28% YoY dip in textile revenue (flat QoQ). This was partially offset by 22% YoY/ 7% QoQ growth in AMD revenue. Besides, AMD margins (up 450bp YoY/80bp QoQ) continue to rise on the back of high operating leverage. We expect demand to stay muted in Q2. Domestic and export demand for textiles remains soft as Q2 progresses. However, demand revival is likely H2 onwards led by inventory re-stocking ahead of the upcoming festive season. We are keeping estimates unchanged; TP is unchanged too at INR156; 'BUY'.

Modest textiles; AMD susstains momentum

Textile revenue shrunk 28% YoY to INR14bn (flat QoQ). While denim/garments volume fell 35%/26% YoY, it expanded 18%/12% QoQ led by inventory re-stocking across global brands. Volumes in the woven segment dipped 9% YoY and QoQ each on weak retail demand. Textile EBITDA margins were flat YoY, but grew 65bp QoQ on softening cotton prices. AMD revenue grew 22% YoY/7% QoQ to INR3.4bn led by 32%/17%/14% YoY growth in Human protection/Industrials/composites segment. AMD EBITDA margin improved 405bp YoY/80bp QoQ on high operating leverage.

Demand to rebound from H2; operational leverage to drive margins

Domestic and export demand for textiles remains soft as Q2 progresses. The EU/UK seem to have bottomed out, albeit clear green shoots are few. While denim/garment volumes shall slightly inch up, woven volumes shall remain steady in the near term. However, demand revival is likely to be seen from H2 given the festive season. Softening cotton prices and lower freight rates shall marginally aid textile margins in the near term. AMD segment shall continue to grow at 20–25% over the next two years while maintaining margins at ~15%. Management has guided for overall top-line growth of 12–14% for the next two years and margins improvement of ~200bp.

Debt reduction continues; maintain 'BUY'

Net debt reduced by INR260mn QoQ to INR13bn in Q1. Overall, long-term debt will continue to reduce while WC shall increase due to increase in business activities. The company has guided for INR6bn in capex over the next two years. AMD and volume improvement in textiles shall drive future growth. We are keeping estimates unchanged and maintaining the TP at INR156, valuing the stock at 5x FY25E EV/EBITDA; retain '**BUY/SO**'..

Financials

Year to March	Q1FY24	Q1FY23	% Change	Q4FY23	% Change
Net Revenue	18,533	23,521	(21.2)	18,808	(1.5)
EBITDA	1,803	2,202	(18.1)	1,908	(5.5)
Adjusted Profit	659	1,056	(37.6)	921	(28.5)
Diluted EPS (INR)	2.5	4.0	(37.6)	3.5	(28.5)

Iqbal Khan
Iqbal.Khan@nuvama.com

Financial Statements

Income Statement (INR mn)

Year to March	FY22A	FY23A	FY24E	FY25E
Total operating income	80,337	83,825	94,489	110,837
Gross profit	39,117	39,116	47,055	55,197
Employee costs	8,093	8,676	9,457	10,308
Other expenses	23,141	22,440	28,669	34,065
EBITDA	7,883	8,000	8,930	10,824
Depreciation	2,720	2,530	2,750	3,000
Less: Interest expense	1,764	1,642	1,658	1,658
Add: Other income	506	445	508	508
Profit before tax	3,915	4,285	5,051	6,694
Prov for tax	1,363	706	1,667	2,209
Less: Other adj	(137)	588	0	0
Reported profit	2,416	4,167	3,384	4,485
Less: Excp.item (net)	0	0	0	0
Adjusted profit	2,416	4,167	3,384	4,485
Diluted shares o/s	261	262	262	262
Adjusted diluted EPS	9.3	15.9	12.9	17.2
DPS (INR)	0	0	0	0
Tax rate (%)	34.8	16.5	33.0	33.0

Balance Sheet (INR mn)

Year to March	FY22A	FY23A	FY24E	FY25E
Share capital	2,606	2,615	2,615	2,615
Reserves	26,899	30,841	34,225	38,710
Shareholders funds	29,505	33,456	36,840	41,325
Minority interest	557	586	586	586
Borrowings	17,595	14,038	21,100	21,101
Trade payables	21,828	12,376	18,898	22,167
Other liabs & prov	4,435	5,608	7,659	8,967
Total liabilities	76,966	68,975	90,760	100,641
Net block	34,375	33,946	34,196	34,196
Intangible assets	438	332	332	332
Capital WIP	453	787	787	787
Total fixed assets	35,265	35,065	35,315	35,315
Non current inv	1,061	2,486	2,486	2,486
Cash/cash equivalent	771	770	11,023	14,852
Sundry debtors	11,086	9,659	12,095	14,187
Loans & advances	405	301	301	301
Other assets	28,378	20,695	29,540	33,500
Total assets	76,966	68,975	90,760	100,641

Important Ratios (%)

Year to March	FY22A	FY23A	FY24E	FY25E
Denim cap (mn mts)	91.8	54.0	54.0	64.8
Wovens cap (mn mts)	144.0	131.4	144.0	161.5
Denim util (%)	85.0	50.0	50.0	60.0
EBITDA margin (%)	9.8	9.5	9.5	9.8
Net profit margin (%)	3.0	5.0	3.6	4.0
Revenue growth (% YoY)	58.4	4.3	12.7	17.3
EBITDA growth (% YoY)	70.4	1.5	11.6	21.2
Adj. profit growth (%)	nm	72.5	(18.8)	32.5

Free Cash Flow (INR mn)

Year to March	FY22A	FY23A	FY24E	FY25E
Reported profit	2,416	4,167	3,384	4,485
Add: Depreciation	2,720	2,530	2,750	3,000
Interest (net of tax)	1,323	1,232	1,243	1,243
Others	1,424	71	1,553	2,095
Less: Changes in WC	(3,433)	(625)	58	(657)
Operating cash flow	3,088	6,669	7,321	7,957
Less: Capex	(2,981)	(2,837)	(3,000)	(3,000)
Free cash flow	107	3,833	4,321	4,957

Assumptions (%)

Year to March	FY22A	FY23A	FY24E	FY25E
GDP (YoY %)	7.0	8.7	6.4	5.8
Repo rate (%)	3.5	4.0	6.0	5.5
USD/INR (average)	73.0	74.5	80.0	78.0
Wovens util (%)	80.0	73.0	80.0	85.0
Denim EBITDA (%)	11.8	10.0	11.7	11.7
Wovens EBITDA (%)	15.7	14.0	14.5	14.5
Garment EBITDA (%)	6.3	5.0	5.5	5.5

Key Ratios

Year to March	FY22A	FY23A	FY24E	FY25E
RoE (%)	8.5	13.2	9.6	11.5
RoCE (%)	12.2	12.4	12.5	13.7
Inventory days	149	157	151	158
Receivable days	50	45	42	43
Payable days	159	140	120	135
Working cap (% sales)	16.8	14.9	16.1	15.1
Gross debt/equity (x)	0.6	0.4	0.6	0.5
Net debt/equity (x)	0.6	0.4	0.3	0.1
Interest coverage (x)	2.9	3.3	3.7	4.7

Valuation Metrics

Year to March	FY22A	FY23A	FY24E	FY25E
Diluted P/E (x)	13.6	7.9	9.7	7.4
Price/BV (x)	1.1	1.0	0.9	0.8
EV/EBITDA (x)	6.3	5.7	4.8	3.6
Dividend yield (%)	0	0	0	0

Valuation Drivers

Year to March	FY22A	FY23A	FY24E	FY25E
EPS growth (%)	nm	71.9	(18.8)	32.5
RoE (%)	8.5	13.2	9.6	11.5
EBITDA growth (%)	70.4	1.5	11.6	21.2
Payout ratio (%)	0	0	0	0

Source: Company and Nuvama estimates

Exhibit 1: EBITDA declined 18% YoY/ 6% QoQ on muted textiles offset by strong AMD

Arvind Ltd	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ	Consensus	Deviation (%)
Revenues (INR mn)	18,533	23,521	(21.2)	18,808	(1.5)	18,922	(2.1)
EBITDA (INR mn)	1,803	2,202	(18.1)	1,908	(5.5)	1,522	18.5
Adj. PAT (INR mn)	696	984	(29.3)	970	(28.3)	510	36.4
EBITDA margins (%)	9.7	9.4	37.0	10.1	(41.4)	8.0	168.7
PAT margins (%)	3.8	4.2	(43.0)	5.2	(140.4)	2.7	105.9

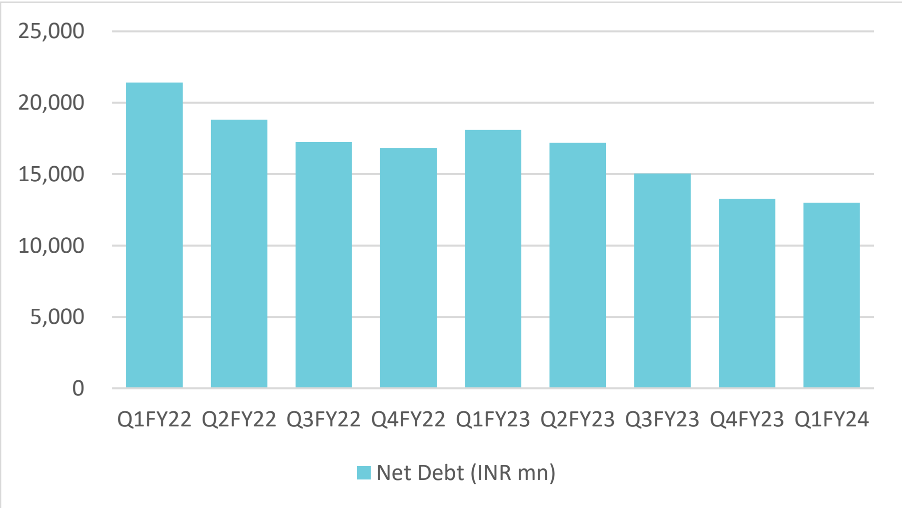
Source: Company, Nuvama Research

Exhibit 2: Key operational highlights

Segment highlights	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ
Revenue (INR mn)					
Textile	14,181	19,763	(28.2)	14,310	(0.9)
AMD	3,420	2,796	22.3	3,197	7.0
Others	1,147	1,255	(8.6)	1,603	(28.4)
EBITDA (INR mn)					
Textile	1,310	1,840	(28.8)	1,230	6.5
AMD	530	320	65.6	470	12.8
Others	-40	40	NA	210	NA
EBITDA Margins (%)					
Textile	9.2	9.3	(7.3)	8.6	64.2
AMD	15.5	11.4	405.3	14.7	79.8

Source: Company, Nuvama Research

Exhibit 3: Company continues to pare long-term debt



Source: Company, Nuvama Research

Exhibit 4: Quarterly financial snapshot (consolidated)

Year to March (INR mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23A	FY24E	FY25E
Net revenues	**18,533**	**23,521**	**(21.2)**	**18,808**	**(1.5)**	**83,825**	**94,489**	**110,837**
Direct costs	8,992	12,945	(30.5)	9,449	(4.8)	44,709	47,433	55,640
Employee expenses	2,382	2,271	4.9	2,180	9.3	8,676	9,457	10,308
Other expenses	5,355	6,104	(12.3)	5,271	1.6	22,440	28,669	34,065
EBIDTA	**1,803**	**2,202**	**(18.1)**	**1,908**	**(5.5)**	**8,000**	**8,930**	**10,824**
Depreciation & Amortisation	649	623	4.3	659	(1.5)	2,530	2,750	3,000
EBIT	**1,154**	**1,579**	**(26.9)**	**1,249**	**(7.6)**	**5,470**	**6,180**	**7,824**
Less: Interest Expense	365	405	(9.8)	382	(4.5)	1,642	1,658	1,658
Add: Other income	119	85	40.4	123	(3.8)	445	508	508
Add: Exceptional items	10	-	NM	91	(88.5)	588	-	-
Profit before Tax	**918**	**1,259**	**(27.1)**	**1,081**	**(15.0)**	**4,860**	**5,031**	**6,674**
Less: Provision for Tax	222	174	28.0	158	41.2	706	1,667	2,209
Add: Share of profit from associates	1	3		1		12	20	20
Less: Minority Interest	38	32	19.7	3	1,176.7	-	-	-
Reported Profit	**659**	**984**	**(33.1)**	**970**	**(32.1)**	**4,167**	**3,384**	**4,485**
Adjusted Profit	**648**	**984**	**(34.1)**	**879**	**(26.3)**	**3,665**	**3,384**	**4,485**
No. of Diluted shares outstanding (mn)	262	261	0.3	261	0.3	262	262	262
Adjusted Diluted EPS	2.5	3.8	(34.3)	3.4	(26.5)	14.0	12.9	17.2
As % of net revenue								
Direct costs	48.5	55.0		50.2		53.3	50.2	50.2
Employee expenses	12.9	9.7		11.6		10.3	10.0	9.3
Other expenses	28.9	25.9		28.0		26.8	30.3	30.7
EBIDTA	9.7	9.4		10.1		9.5	9.5	9.8
Net profit	3.5	4.2		4.7		4.4	3.6	4.0
Tax rate	24.2	13.8		14.6		14.5	33.1	33.1

Source: Company, Nuvama Research

Company Description

Incorporated in 1931, Arvind Ltd, is the largest textile company in India and is a part of the Lalbhai group. Arvind was the pioneer in the denim space in India and entered the export market for Denims in 1987-88. Currently it is the leader in the denim manufacturing space and supplies to customers like GAP, Lee, Wrangler, Levi's etc. Apart from denim, the company has also emerged as a leading manufacturer in the woven space (with customers like Madura Garments, Marks & Spencers etc.) and is now enhancing its presence in the garmenting segment (which has customers like GAP, Tommy Hilfiger, Calvin Klein etc.).

Investment Theme

Mature textile business to provide base for growth: Arvind is the largest cotton textile manufacturer in India. With capacity of 108mn meters, it is one of the largest denim manufacturers globally. Similarly, it is the leader in the woven segment in India and is also scaling up garmenting capacities to forge an integrated business model. Along with calibrated capacity addition, the company is steadily focussing on value addition.

Key Risks

Raw materials, mainly cotton/cotton yarn, constitute ~45% of the company's overall cost base. Any significant increase in raw material prices (FY11 saw spike in cotton prices) can adversely impact Arvind's profitability

Additional Data

Management

MD & CEO	Sanjay S. Lalbhai
CFO	Jayesh Shah
Exec. Director	Punit Lalbhai
Exec. Director	Kulin Lalbhai
Auditor	Deloitte Haskins & Sells

Holdings – Top 10*

	% Holding		% Holding
HDFC AMC	4.65	LIC	1.56
AURA BUSINESS	3.02	ZEN	1.18
AML EMPLOYEES	2.44	FundRock	1.11
TT Internationa	1.68	Dimensional Fun	1.04
Atul Ltd	1.59	Acadian AMC	1.01

**Latest public data*

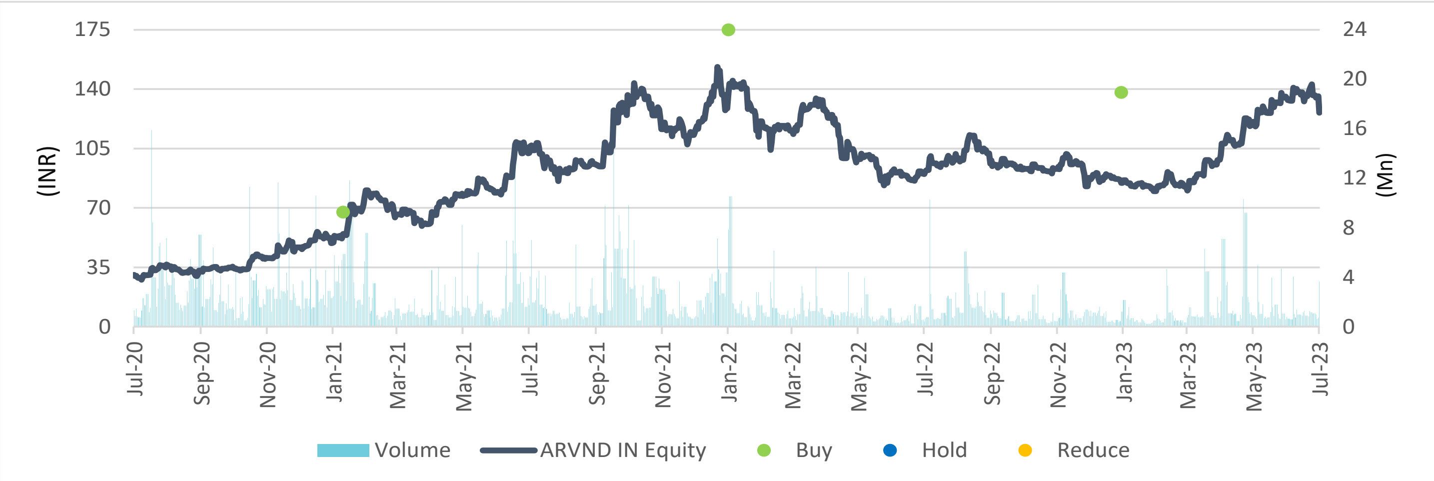
Recent Company Research

Date	Title	Price	Reco
19-May-23	Holding on amid weak environment; *Result Update*	122	Buy
25-Jan-23	Holding on in a weak environment; *Result Update*	85	Buy
09-Nov-22	Margins sustain; outlook uncertain ; *Result Update*	105	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
27-Apr-23	Welspun India	Tell-tale green shoots ; *Result Update*
30-Jan-23	Welspun India	Demand uncertainty continues; *Result Update*
09-Nov-22	Welspun India	Demand outlook remains foggy; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	197
Hold	<15% and >-5%	65
Reduce	<-5%	16

DISCLAIMER

Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) (defined as “NWML” or “Research Entity”) a company duly incorporated under the Companies Act, 1956 (CIN No U67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities.

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. 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 NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML (e) Registration granted by SEBI and certification from NISM in no way guarantee performance of NWML or provide any assurance of returns to investors and clients.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may 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 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML’s associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No

NWML has financial interest in the subject companies: No

NWML’s 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 publication of research report.

Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.

A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:

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.

Additional Disclaimers

Disclaimer for U.S. Persons

This research report is a product of NWML, 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 NWML 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, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc.(formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons

The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the "Order"); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons

This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons

In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons

This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance "SFO". This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH
KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=PERSONAL,
pseudonym=7cd317d5e10821d6aa9bacaae676714e,
2.5.4.20=94D8B562953A21CEAD76812230FD36A30252F71AF914A3B962677D8BC9798437,
postalCode=400098, st=MAHARASHTRA,
serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9,
cn=ABNEESH KUMAR ROY
Date: 2023.07.28 14:49:30 +05'30'
Adobe Acrobat version: 2023.003.20244