

MAHINDRA & MAHINDRA

BUY
CMP Rs672
TP Rs836

31 May 2011

SUBSIDIARY SHARING HURTS PROFIT

Mahindra & Mahindra's (M&M) Q4FY11 results were 10% below our estimate with disappointing margins. Despite record volumes, margins slumped 320bps YoY to 12.7% as against our estimate of 14.8%. The decline in margin was attributable to increased purchase from 100% subsidiary MVML as well as a 22.6% sequential increase in employee costs. Net profit at Rs6.1bn was below our estimate of Rs6.7bn.

On a volume high: The automotive division volumes during the quarter surpassed the 100k mark. Strong demand for Scorpio and Bolero led to a 12.6% growth in UVs to 47k units. Incremental volumes of Maxximo were instrumental in a 14.9% growth in Pickup and SCV segment. Three wheeler volumes too were higher by 42%. Tractor volumes surged 26.5% to 59k units to round off an excellent year for the segment. Revenues, up 27.8% YoY, at Rs67.8bn were inline with estimates.

The MVML effect on margins: Increased purchase of finished products from manufacturing subsidiary, MVML and higher employee expenses led to 300bps YoY decline in margins. On a proforma basis, consolidation of MVML with M&M standalone results would have boosted margins by 100bps. Employee expenses were higher due to ESOP amortisation of Rs260mn and higher provisioning for employee benefits. Net profits were higher 6.4% YoY at Rs6.1bn.

Outlook: We have marginally increased our volume estimate for FY12 by 1%. We expect a volume growth of ~12% in FY12 for the automotive and tractor divisions. The growth in tractor division would be primarily driven by low power Yuvraj range of tractors. Going forward, part of the profitability of the automotive division will flow to MVML. Additionally, the change in stance on VAT by Maharashtra government would depress margins. We have scaled down our margin estimates by 220bps. FY12E earnings are lower by 13.3% at Rs41.6. We introduce FY13E earnings of Rs48. We have assigned a value of Rs34 to MVML.

VALUATIONS AND RECOMMENDATION

We rollover valuations to FY13. We reiterate our 'BUY' rating on the stock with a revised target price of Rs836 (earlier Rs910) based on the Sum of the Parts (SOTP) valuation.

KEY FINANCIALS (STANDALONE) (Rs mn)

	FY09	FY10	FY11P	FY12E	FY13E
Net Sales	126,491	180,381	227,553	256,491	289,810
YoY Gr.(%)	17.1	42.6	26.2	12.7	13.0
EBITDA	10,923	29,758	34,562	33,665	38,576
EBITDA Marg.(%)	8.3	16.0	14.7	12.8	13.0
Adjusted Net Profit	8,287	20,181	25,447	24,318	28,053
YoY Gr.(%)	(11.7)	143.5	26.1	(4.4)	15.4

KEY RATIOS (STANDALONE)

Dil. EPS (Rs)	16.2	36.3	44.3	41.6	48.0
ROCE (%)	13.8	28.0	28.5	23.8	24.2
RoE (%)	17.3	30.9	28.0	21.7	21.4
PER (x)	41.5	18.5	15.2	16.1	14.0
EV/Net sales (x)	3.2	2.2	1.8	1.5	1.3
EV/EBDITA (x)	37.1	13.2	11.6	11.7	9.8

Vineet Hetamasaria, CFA +91-22-6618 6388

vineet.hetamasaria@pinc.co.in

Nikhil Deshpande +91-22-6618 6339

nikhil.deshpande@pinc.co.in

Tasmai Anil Merchant +91-22-6618 6377

tasmai.merchant@pinc.co.in

QUARTERLY SNAPSHOT (Rs mn)

	Quarter Ended		
	Sep-10	Dec-10	Mar-11
Net Sales	53,617	61,211	67,782
YoY Gr. (%)	19.5	36.1	27.8
EBITDA	8,482	9,238	8,619
EBITDA mar. (%)	15.8	15.1	12.7
Adj. Net Profit	7,293	6,172	6,066
YoY Gr. (%)	24.6	49.2	6.4

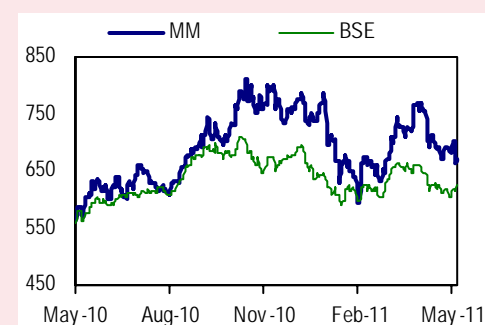
STOCK DATA

Market Cap	Rs380bn
Book Value per share	Rs179.2
Eq Shares O/S (F.V. Rs5)	566mn
Free Float	75.1%
Avg Traded Value (6 mths)	Rs1.4bn
52 week High/Low	Rs826/535
Bloomberg Code	MM IN
Reuters Code	MAHMB.O

PERFORMANCE (%)

	1M	3M	12M
Absolute	(10.8)	1.0	17.4
Relative	(7.5)	0.7	8.2

RELATIVE PERFORMANCE



Q4FY11 Performance Highlights

- Scorpio and Bolero continued to drive the volumes for M&M in the Utility Vehicle (UV) segment. Scorpio volumes were higher by 30% while Bolero grew by 22%. UV segment volumes were higher by 12.6% at 47k units. Incremental volumes from Maxximo and Gio led to 14.9% growth in the pickup and SCV segments. Logan which is rebranded as Verito doubled its volumes to 3.3k units during Q4FY11. Three wheelers continued to do well, growing 42.1% YoY to 17.7k units. Auto exports were higher by 31.5%.
- The tractor division helped by good monsoons and increase in crop prices had an impressive growth of 26.5% to 59.4k units during the quarter.
- Automotive segment realisations were flat sequentially at Rs390k/unit. Automotive division revenues increased 27% YoY to Rs40bn.
- Blended realisations for the farm equipment segment were higher sequentially due to higher contribution from non-tractor business. The revenues for the segment increased 28% YoY to Rs28bn. Overall revenues at Rs68bn were inline with estimates.
- **MVML Effect on Margins:** The manufacturing of Maxximo and Gio for M&M is done through 100% subsidiary Mahindra Vehicle Manufacturing (MVML), Chakan. MVML also contract manufactures MHCVs and LCVs for M&M's JV with Navistar. Purchase of finished goods by M&M from MVML had a dilutive effect of 100bps on margins during the quarter. In FY11, the effect on margins was 60bps. As per management, in FY12, MVML would account for ~25% of the total automotive production for M&M. We have considered the impact of MVML on standalone margins. Additionally we have valued MVML at 4x FY12 EV/EBITDA and assigned a value of Rs34 per share in M&M SOTP.
- **Ssangyong Update:** During the quarter M&M completed the acquisition of Ssangyong Korea. The company had a revenue of USD2bn in CY10. The management has guided for a revenue of USD3bn in CY11. However, the company is not expected to breakeven in the current year.
- **Capex:** Capex for the year was Rs13.5bn. Over the next three years, M&M is planning for a capex of Rs50bn and an investment of Rs20bn in group companies.

SOTP Valuation Table

Company name	Valuation Method	Per share (Rs)	Multiple	Value (Rs)	Remarks
Mahindra & Mahindra (Standalone)	P/E	44.8	13	582	Core EPS for FY13E
Mahindra Vehicle Mfg. (MVML)	EV/EBITDA	8.6	4.0	34	4x EV/EBITDA
Tech Mahindra	CMP	70.5	0.8	56	Discount of 20% to CMP
Mahindra Holiday & Resorts	CMP	43.0	0.8	34	Discount of 20% to CMP
M&M Financial Services	CMP	64.2	0.8	51	Discount of 20% to CMP
Mahindra Lifespace Developers	CMP	13.2	0.8	11	Discount of 20% to CMP
Mahindra & Mahindra (Treasury Stocks)	CMP	59.6	0.8	48	Discount of 20% to CMP
Swaraj Engines	CMP	2.9	0.8	2	Discount of 20% to CMP
Mahindra Forgings	CMP	5.8	0.8	5	Discount of 20% to CMP
Mahindra Ugine Steel	CMP	1.4	0.8	1	Discount of 20% to CMP
Mahindra Composites	CMP	1.3	0.8	1	Discount of 20% to CMP
Mahindra Navistar	P/BV	6.8	1.5	10	Book Value on 31st March 2010
SOTP Value (Rs)				836	

Source: PINC Research

Financial Table

(Rs mn)	Mar-11	Mar-10	YoY(%)	Dec-10	QoQ(%)	FY11	FY10	YoY(%)
Net Sales	67,782	53,046	27.8	61,211	10.7	234,210	185,296	26.4
EBIDTA	8,619	8,456	1.9	9,238	(6.7)	34,094	29,926	13.9
<i>EBIDTA margins %</i>	<i>12.7</i>	<i>15.9</i>	<i>-320bps</i>	<i>15.1</i>	<i>-240bps</i>	<i>14.6</i>	<i>16.2</i>	<i>-160bps</i>
Other Income	474	181	161.6	419	13.2	3,095	895	245.9
Interest	(158)	9	(1858.9)	-27	484.1	-503	278	(280.8)
Depreciation	1,171	947	23.6	1,022	14.6	4,139	3,708	11.6
PBT	8,081	7,681	5.2	8,662	(6.7)	33,554	26,835	25.0
Tax	2,015	1,978	1.9	2,490	(19.1)	8,400	7,133	17.8
<i>% PBT</i>	<i>24.9</i>	<i>25.8</i>	<i>-80bps</i>	<i>28.7</i>	<i>-380bps</i>	<i>25.0</i>	<i>26.6</i>	<i>-150bps</i>
PAT	6,066	5,703	6.4	6,172	(1.7)	25,154	19,702	27.7
Extra-ordinary Items (Net)	0	-		1,175		1,467	1,175	
Reported PAT	6,066	5,703	6.4	7,347	(17.4)	26,621	20,878	27.5
Adjusted EPS (Rs)	10.3	10.1	2.5	10.5	(1.7)	42.8	36.0	19.0

Vehicle Sales

(Unit)	Mar-11	Mar-10	YoY(%)	Dec-10	QoQ(%)	FY11	FY10	YoY(%)
Automotive Division								
Scorpio	12,372	9,512	30.1	11,900	4.0	43,439	36,426	19.3
Xylo	7,666	7,543	1.6	7,831	(2.1)	32,057	28,032	14.4
Other UVs	26,640	24,418	9.1	22,329	19.3	93,670	86,169	8.7
UVs	46,678	41,473	12.6	42,060	11.0	169,166	150,627	12.3
SCVs	31,616	27,521	14.9	27,137	16.5	105,626	76,581	37.9
LCV	2,254	2,641	(14.7)	2,143	5.2	10,273	9,828	4.5
MHCV	548	0	-	196	179.6	795	0	-
Logan	3,289	1,443	127.9	2,851	15.4	10,009	5,332	87.7
3 Wheelers	17,671	12,434	42.1	15,806	11.8	62,142	44,344	40.1
Domestic Sales	102,056	85,512	19.3	90,193	13.2	358,011	286,712	24.9
Exports	5,562	4,229	31.5	5,020	10.8	19,042	11,565	64.7
Total Sales	107,618	89,741	19.9	95,213	13.0	377,053	298,277	26.4
FES Division								
Domestic Sales	56,293	44,104	27.6	55,488	1.5	201,786	165,346	22.0
Exports	3,095	2,859	8.3	3,120	(0.8)	11,868	9,160 *	29.6
Total Tractors	59,388	46,963	26.5	58,608	1.3	213,654	174,506	22.4

(%) of Sales

%	Mar-11	Mar-10	YoY (bps)	Dec-10	QoQ (bps)	FY11	FY10	YoY (bps)
Material cost	70.6	67.6	310	69.2	140	69.4	66.6	290
Staff cost	6.3	5.0	130	5.7	60	6.1	6.5	(40)
Other Expenses	10.4	11.5	(110)	10.0	30	9.9	10.8	(90)
EBITDA	12.7	15.9	(320)	15.1	(240)	14.6	16.2	(160)

Per Vehicle

(Rs)	Mar-11	Mar-10	YoY(%)	Dec-10	QoQ(%)	FY11	FY10	YoY(%)
Auto Realisations	390,022	363,535	7.3	385,634	1.1	380,991	372,380	2.3
FES Realisations	471,418	463,416	1.7	450,157	4.7	458,535	454,720	0.8
Blended Realisations	421,227	399,987	5.3	411,831	2.3	411,162	404,910	1.5
Material cost	297,565	270,286	10.1	284,987	4.4	285,518	269,500	5.9
Employee cost	26,479	20,066	32.0	23,382	13.2	24,922	26,189	(4.8)
Other Expenses	42,031	46,129	(8.9)	39,917	5.3	39,411	46,284	(14.8)
EBITDA	55,152	63,506	(13.2)	63,545	(13.2)	61,311	62,938	(2.6)

Segmental Performance

(Rs mn)	Mar-11	Mar-10	YoY(%)	Dec-10	QoQ(%)	FY11	FY10	YoY(%)
Revenue								
Automotive	39,598	31,139	27.2	34,716	14.1	135,624	105,427	28.6
Farm Equipment	27,997	21,763	28.6	26,383	6.1	97,968	79,351	23.5
Others	289	201	43.8	210	37.7	983	841	17.0
Total	67,883	53,103	27.8	61,308	10.7	234,575	185,619	26.4
Less: Inter Segment Rev.	101	57	77.4	97	4.0	365	323	13.0
Net Revenue	67,782	53,046	27.8	61,211	10.7	234,210	185,296	26.4

EBIT

Automotive	4,182	4,065	2.9	4,266	(2.0)	16,441	12,663	29.8
Farm Equipment	4,756	4,358	9.1	4,872	(2.4)	17,342	15,009	15.5
Others	60	53	12.1	6	891.7	95	139	(31.5)
Total	8,997	8,476	6.1	9,143	(1.6)	33,879	27,811	21.8
Less: Interest	(158)	9	(1858.9)	(27)	484.1	(503)	278	(280.8)
Less: Other unalloc.exp.	1,075	786	36.7	(666)	(261.3)	(348)	(210)	65.9
Profit Before Tax	8,080	7,681	5.2	9,836	(17.9)	34,729	27,743	25.2

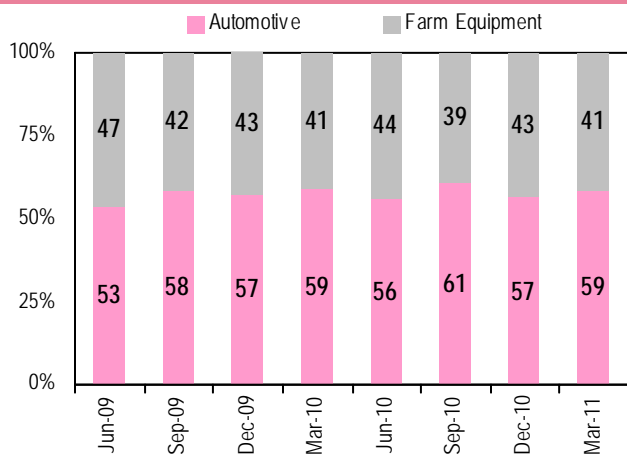
EBIT Margin %

Automotive	10.6	13.1	-250 bps	12.3	-170 bps	12.1	12.0	10 bps
Farm Equipment	17.0	20.0	-300 bps	18.5	-150 bps	17.7	18.9	-120 bps
Others	20.6	26.5	-580 bps	2.9	1780 bps	9.7	16.6	-690 bps
Total	13.3	16.0	-270 bps	14.9	-170 bps	14.4	15.0	-50 bps

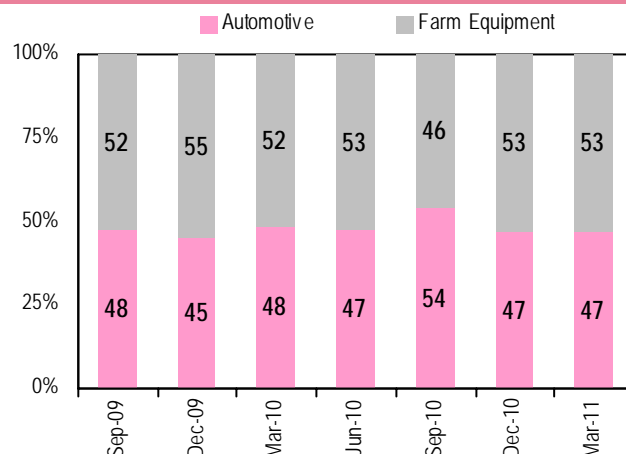
CAPITAL EMPLOYED

Automotive	27,548	20,755	32.7	28,856	(4.5)	27,548	20,755	32.7
Farm Equipment	10,315	11,147	(7.5)	11,324	(8.9)	10,315	11,147	(7.5)
Others	296	362	(18.0)	274	8.1	296	362	(18.0)
Total	38,159	32,263	18.3	40,454	(5.7)	38,159	32,263	18.3

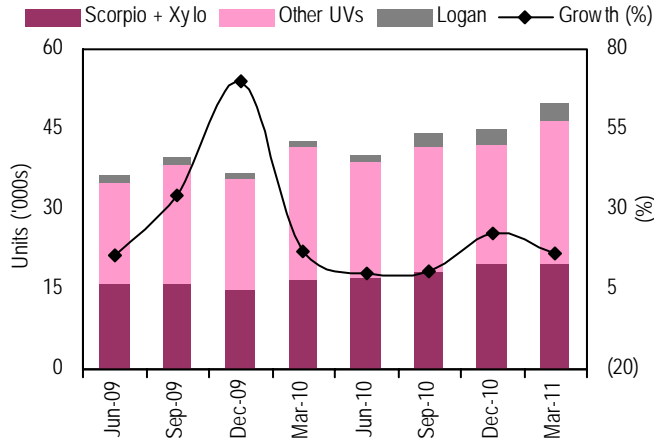
Revenue Mix Segmentwise



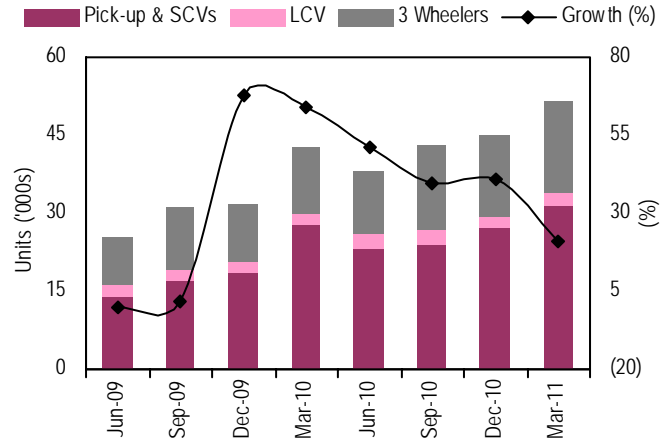
Profit Mix Segmentwise (EBIT)



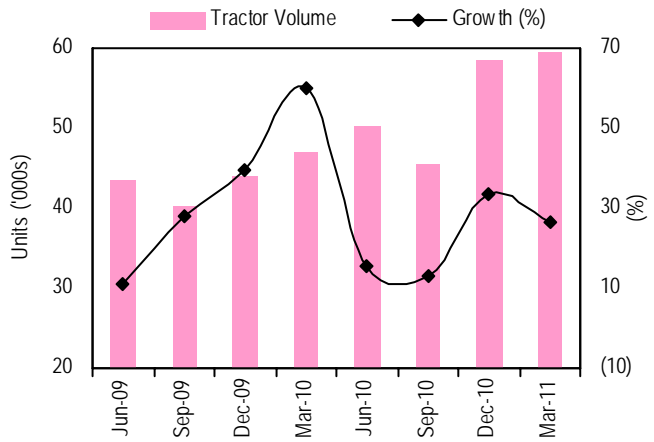
Passenger Vehicle Sales



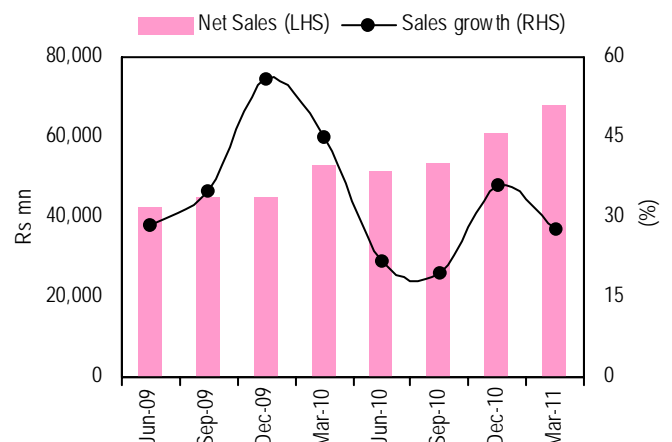
Commercial Vehicle Sales



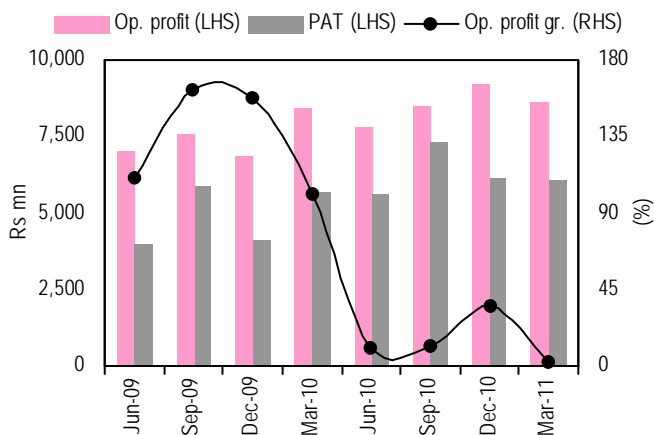
Tractor Sales



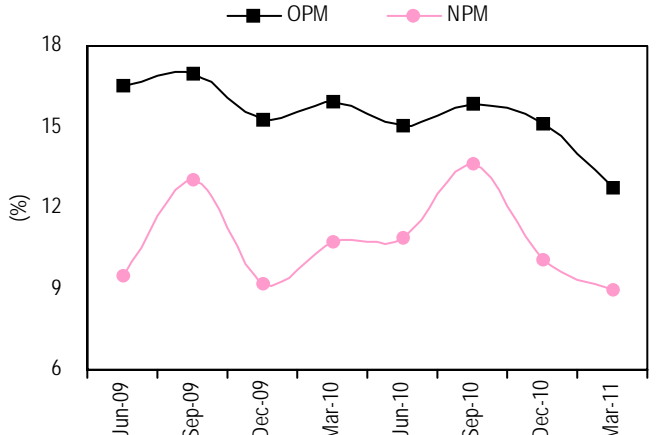
Revenue Trend



Operating Profit and Net Profit Trend



Profitability Trend



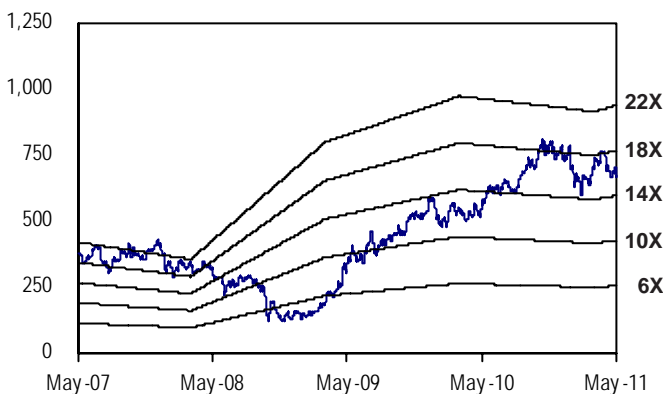
Income Statement	FY09	FY10	FY11P	FY12E	FY13E
Net sales	126,491	180,381	227,553	256,491	289,810
Growth (%)	17.1	42.6	26.2	12.7	13.0
Operating profit	6,476	24,118	27,178	27,083	31,628
Other operating income	4,446	5,641	7,384	6,582	6,947
EBITDA	10,923	29,758	34,562	33,665	38,576
Growth (%)	(20.6)	172.4	16.1	(2.6)	14.6
Depreciation	(2,915)	(3,708)	(4,139)	(4,799)	(5,424)
Other income	3,596	3,078	4,307	4,759	5,452
EBIT	11,603	29,129	34,730	33,625	38,604
Interest paid	(1,341)	(1,569)	(708)	(1,200)	(1,200)
PBT (before E/o items)	10,262	27,560	34,022	32,425	37,404
Tax provision	(1,975)	(7,379)	(8,575)	(8,106)	(9,351)
E/o Income / (loss)	388	697	1,175	-	-
Net profit	8,675	20,878	26,622	24,318	28,053
Adjusted net profit	8,287	20,181	25,447	24,318	28,053
Growth (%)	(11.7)	143.5	26.1	(4.4)	15.4
Diluted EPS (Rs)	16.2	36.3	44.3	41.6	48.0
Diluted EPS Growth (%)	(17.6)	124.3	21.8	(5.9)	15.4

Cash Flow Statement	FY09	FY10	FY11P	FY12E	FY13E
Pre-tax profit	10,650	28,257	35,197	32,425	37,404
Depreciation	4,846	2,115	4,139	4,799	5,424
Total tax paid	(3,295)	(4,578)	(8,165)	(5,782)	(8,900)
Chg in working capital	9,185	(7,451)	1,449	(527)	1,046
Other operating activities	-	-	-	-	-
Cash flow from oper. (a)	21,386	18,343	32,620	30,915	34,974
Capital expenditure	(13,380)	(6,999)	(10,830)	(12,228)	(8,850)
Chg in investments	(15,714)	(6,116)	(29,273)	(5,314)	(5,000)
Other investing activities	-	-	-	-	-
Cash flow from inv. (b)	(29,094)	(13,115)	(40,103)	(17,542)	(13,850)
Free cash flow (a+b)	(7,708)	5,228	(7,483)	13,373	21,124
Equity raised/(repaid)	(0)	7,509	6,167	0	0
Debt raised/(repaid)	14,657	(11,726)	(4,749)	(798)	(2,000)
Chg in Minorities int.	-	-	-	-	-
Dividend (incl. tax)	(3,211)	(3,121)	(6,238)	(7,860)	(6,834)
Other financing activities	3,395	3,798	-	-	-
Cash flow from fin. (c)	14,841	(3,540)	(4,820)	(8,657)	(8,834)
Net chg in cash (a+b+c)	7,132	1,688	(12,302)	4,716	12,289

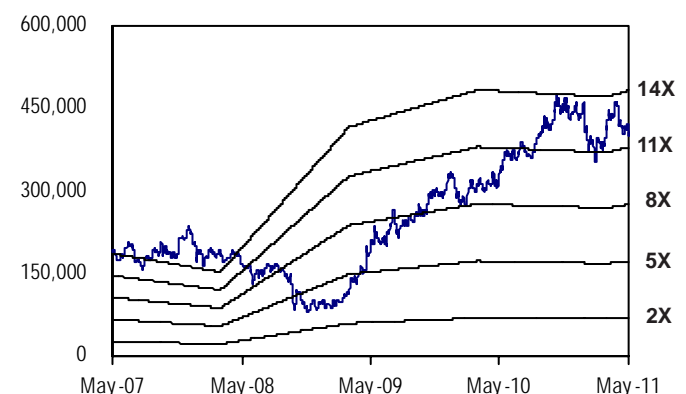
Balance Sheet	FY09	FY10	FY11P	FY12E	FY13E
Equity capital	2,792	2,910	3,260	3,260	3,260
Reserves & surplus	49,829	75,358	99,936	117,421	138,639
Shareholders' funds	52,314	78,261	103,190	120,674	141,893
Preference Share Capital	-	-	-	-	-
Total Debt	40,528	28,802	24,053	23,255	21,255
Capital Employed	92,842	107,063	127,243	143,929	163,148
Net fixed assets	32,143	37,027	43,719	51,147	54,574
Cash & Cash Eq.	15,744	17,432	5,130	9,846	22,135
Net other Current Assets	(13,093)	(8,974)	(11,315)	(11,677)	(12,723)
Investments	57,864	63,980	93,253	98,567	103,567
Net Deferred Tax Assets	183	(2,403)	(3,544)	(3,954)	(4,405)
Total assets	92,842	107,063	127,243	143,929	163,148

Key Ratios	FY09	FY10	FY11P	FY12E	FY13E
EBITDA Mar. (%)	8.3	16.0	14.7	12.8	13.0
Net margin (%)	6.6	11.2	11.2	9.5	9.7
Dividend yield (%)	0.8	1.5	1.7	1.5	1.5
Net debt/Equity (x)	0.5	0.1	0.2	0.1	(0.0)
Net Working Capital (days)	(44)	(29)	(35)	(30)	(30)
Asset turnover (x)	1.0	1.2	1.3	1.2	1.2
ROCE (%)	13.8	28.0	28.5	23.8	24.2
RoE (%)	17.3	30.9	28.0	21.7	21.4
EV/Net sales (x)	3.2	2.2	1.8	1.5	1.3
EV/EBITDA (x)	37.1	13.2	11.6	11.7	9.8
PER (x)	41.5	18.5	15.2	16.1	14.0
Price/Book (x)	6.6	4.8	3.7	3.3	2.8

P/E Band



EV/EBITDA



T E A M

EQUITY DESK

Sadanand Raje	Head - Institutional Sales Technical Analyst	sadanand.raje@pinc.co.in	91-22-6618 6366
---------------	---	--------------------------	-----------------

RESEARCH

Vineet Hetamasaria, CFA	Head of Research, Auto, Cement	vineet.hetamasaria@pinc.co.in	91-22-6618 6388
Nikhil Deshpande	Auto, Auto Ancillary, Cement	nikhil.deshpande@pinc.co.in	91-22-6618 6339
Tasmai Merchant	Auto, Auto Ancillary, Cement	tasmai.merchant@pinc.co.in	91-22-6618 6377
Vinod Nair	Construction, Power, Capital Goods	vinod.nair@pinc.co.in	91-22-6618 6379
Ankit Babel	Capital Goods	ankit.b@pinc.co.in	91-22-6618 6551
Hitul Gutka	Power	hitul.gutka@pinc.co.in	91-22-6618 6410
Subramaniam Yadav	Construction	subramaniam.yadav@pinc.co.in	91-22-6618 6371
Madhura Joshi	Power	madhura.joshi@pinc.co.in	91-22-6618 6395
Satish Mishra	Fertiliser, Natural Gas, Engineering	satish.mishra@pinc.co.in	91-22-6618 6488
Urvashi Biyani	Fertiliser, Natural Gas, Engineering	urvashi.biyani@pinc.co.in	91-22-6618 6334
Naveen Trivedi	FMCG	naveent@pinc.co.in	91-22-6618 6384
Rohit Kumar Anand	IT Services	rohit.anand@pinc.co.in	91-22-6618 6372
Ronak Bakshi	IT Services	ronak.bakshi@pinc.co.in	91-22-6618 6411
Namrata Sharma	Media	namrata.sharma@pinc.co.in	91-22-6618 6412
Sakshee Chhabra	Media	sakshee.chhabra@pinc.co.in	91-22-6618 6633
Bikash Bhalotia	Metals, Mining	bikash.bhalotia@pinc.co.in	91-22-6618 6387
Harleen Babber	Metals, Mining	harleen.babber@pinc.co.in	91-22-6618 6389
Dipti Vijaywargi	Metals, Mining	dipti.vijaywargi@pinc.co.in	91-22-6618 6393
Sushant Dalmia, CFA	Pharma	sushant.dalmia@pinc.co.in	91-22-6618 6462
Suman Memani	Real Estate, Mid caps	suman.memani@pinc.co.in	91-22-6618 6479
Abhishek Kumar	Real Estate, Mid caps	abhishek.kumar@pinc.co.in	91-22-6618 6398
C Krishnamurthy	Technical Analyst	krishnamurthy.c@pinc.co.in	91-22-6618 6747

SALES

Rajeev Gupta	Equities	rajeev.gupta@pinc.co.in	91-22-6618 6486
Ankur Varman	Equities	ankur.varman@pinc.co.in	91-22-6618 6380
Himanshu Varia	Equities	himanshu.varia@pinc.co.in	91-22-6618 6342
Shailesh Kadam	Derivatives	shaileshk@pinc.co.in	91-22-6618 6349
Ganesh Gokhale	Derivatives	ganeshg@pinc.co.in	91-22-6618 6347

DEALING

Mehul Desai	Head - Sales Trading	mehul.desai@pinc.co.in	91-22-6618 6303
Naresh Panjnani	Co-Head - Sales Trading	naresh.panjnani@pinc.co.in	91-22-6618 6333
Amar Margaje		amar.margaje@pinc.co.in	91-22-6618 6327
Ashok Savla		ashok.savla@pinc.co.in	91-22-6618 6321
Sajjid Lala		sajjid.lala@pinc.co.in	91-22-6618 6337
Raju Bhavsar		rajub@pinc.co.in	91-22-6618 6322
Kinjal Mehta		kinjal.mehta@pinc.co.in	91-22-6618 6333
Chandani Bhatia		chandani.bhatia@pinc.co.in	91-22-6618 6324
Hasmukh D. Prajapati		hasmukhp@pinc.co.in	91-22-6618 6325
Kamlesh Purohit		kamlesh.purohit@pinc.co.in	91-22-6618 6357

SINGAPORE DESK

Amul Shah		amul.shah@sg.pinc.co.in	65-6327 0626
-----------	--	-------------------------	--------------

DIRECTORS

Gaurang Gandhi		gaurangg@pinc.co.in	91-22-6618 6400
Hemang Gandhi		hemangg@pinc.co.in	91-22-6618 6400
Ketan Gandhi		ketang@pinc.co.in	91-22-6618 6400

COMPLIANCE

Rakesh Bhatia	Head Compliance	rakeshb@pinc.co.in	91-22-6618 6400
---------------	-----------------	--------------------	-----------------

PINC bright thinking

Infinity.com

Financial Securities Ltd

SMALL WORLD, INFINITE OPPORTUNITIES

Member : Bombay Stock Exchange & National Stock Exchange of India Ltd. : Sebi Reg No: INB 010989331. Clearing No : 211
1216, Maker Chambers V, Nariman Point, Mumbai - 400 021; Tel.: 91-22-66186633/6400 Fax : 91-22-22049195

Disclaimer: This document has been prepared by the Research Desk of M/s Infinity.com Financial Securities Ltd. (PINC) and is meant for use of the recipient only and is not for public circulation. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors

The information contained herein is obtained and collated from sources believed reliable and PINC has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The opinion expressed or estimates made are as per the best judgement as applicable at that point of time and PINC reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval

PINC, its affiliates, their directors, employees and their dependant family members may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document

This report has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of PINC. The views expressed are those of analyst and the PINC may or may not subscribe to all the views expressed therein

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions

Neither PINC, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Copyright in this document vests exclusively with PINC and this document is not to be reported or circulated or copied or made available to others.

Our reports are also available on Reuters, Thomson Publishers and Bloomberg PINV <GO>