

2 May 2021

IndiaMart InterMesh

Market leader with first mover advantage; maintaining a Buy

On keen competition (JD Mart already launched and Tata planning to enter) and fewer subscriptions added (as some MSMEs were hard hit during the pandemic), the IndiaMart stock fell ~20% in the last three months from its peak. We believe that the B2B market experienced strong network effects and it is not a one- or two- quarter game. It takes decades to build a strong B2B platform. The kind of data, insights and algorithms IndiaMart has put together over the years can't be launched overnight. We cut our FY23e revenue and EBITDA 6% each, factoring the impact on MSMEs of the recent lockdowns and retain our Buy rating with a new target price of Rs8,950 (Rs9,200 earlier) valued on a DCF basis on assuming a 10.5% WACC and a 5% terminal growth rate.

Competition hotting up, but IndiaMart has first-mover advantage. We believe that B2B businesses are difficult to build, but easy to scale up once network effects are in play. IndiaMart's registered buyer/supplier store-fronts registered ~27.7%/11.4% CAGRs in the last three years, ~57% of them being repeats. The company's buyers and sellers are mostly manufacturers and wholesale traders, catering to long-tail products with average orders of ~\$600 (Udaan ~\$60, Amazon/Flipkart ~\$16-20). Anyone can build a feature, we believe, but the kind of data and algorithms the company has built can't be launched in a short time.

We expect ~17% EBITDA CAGR over FY21-23. We expect the company to clock ~22% revenue CAGR over FY21-23, aided by 15% growth in paid-subscription suppliers and 6% in ARPU. We forecast a 16.6% EBITDA CAGR over FY21-23, aided by lower price sensitivity on suppliers added and optimisation of sales cost/other expenses. We expect EBITDA margins to come down to ~45% by FY23 from ~49% in FY21, as some of the cost cutting measures undertaken in FY21 will come back going forward.

Valuation. We maintain our Buy rating, with a target of Rs8,950. **Risks:** Pirated/counterfeit/illegal products.

Key financials (YE Mar)	FY19	FY20	FY21	FY22e	FY23e
Sales (Rs m)	5,074	6,389	6,696	7,920	9,993
Net profit (Rs m)	200	1,474	2,798	3,434	4,157
EPS (Rs)	7.6	50.2	92.3	113.3	137.1
PE (x)	1,163.4	158.2	83.4	67.9	56.1
EVEBITDA (x)	282.4	137.7	70.9	64.8	52.1
PBV (x)	145.8	84.8	14.5	12.6	10.8
RoE (%)	NA	68.5	30.0	20.0	20.9
RoCE (%)	9.3	19.7	17.1	11.8	12.9
Dividend yield (%)	-	0.1	0.2	0.3	0.4
Net debt / equity (x)	-4.3	-3.4	-1.4	-1.5	-1.4

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.8,950

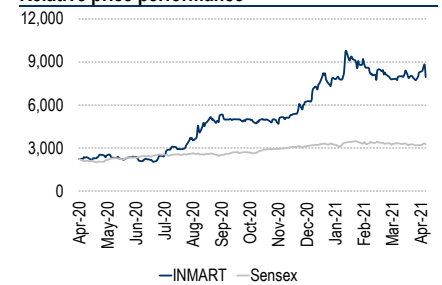
Share Price: Rs.7,949

Key data	INMART IN / INMR.BO
52-week high / low	Rs9952 / 2035
Sensex / Nifty	48782 / 14631
3-m average volume	\$18.7m
Market cap	Rs241bn / \$3258m
Shares outstanding	30m

Shareholding pattern (%)	Mar'21	Dec'20	Sep'20
Promoters	49.8	52.0	52.0
- of which, Pledged	-	-	-
Free float	50.2	48.0	48.0
- Foreign institutions	27.5	24.6	21.7
- Domestic institutions	3.4	3.7	5.7
- Public	19.3	19.7	20.6

Estimates revision (%)	FY22e	FY23e
Revenue	(7.6)	(5.9)
EBITDA	(7.2)	(6.1)
EPS	(1.5)	(4.4)

Relative price performance



Source: Bloomberg

Shobit Singhal

Research Analyst

+9122 6626 6511

shobitsinghal@rathi.com

Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rsm)

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
Net revenues	5,074.2	6,388.5	6,695.6	7,920.5	9,992.9
Growth (%)	24	26	5	18	26
No. of paying suppliers	1,30,000	1,47,000	1,52,000	1,70,240	2,00,883
Direct costs	3,719.9	4,261.5	3,208.9	3,923.0	4,862.8
Gross profit	1,354.3	2,127.1	3,486.7	3,997.5	5,130.1
Gross margins (%)	26.7	33.3	52.1	50.5	51.3
SG&A	531	438	206	409	666
EBITDA	823	1,689	3,281	3,588	4,464
EBITDA margins (%)	16.2	26.4	49.0	45.3	44.7
Depreciation	41	211	161	190	210
Other income	410	686	866	1,355	1,476
Interest expenses	-	33	67	63	60
PBT	539	2,131	3,919	4,690	5,670
Effective tax rate (%)	63	30	28	26	26
+Associates / (Minorities)	-	-16	-27	-27	-27
Net income	200	1,474	2,798	3,434	4,157
WANS	26.3	29.3	30.3	30.3	30.3
FDEPS (Rs / sh)	7.6	50.2	92.3	113.3	137.1

Fig 3 – Cash-flow statement (Rsm)

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
PBT	539	2,131	3,919	4,690	5,670
+ Non-cash items	380	-361	-577	-1,102	-1,206
Oper. prof. before WC	919	1,769	3,342	3,588	4,464
- Incr. / (decr.) in WC	-1,684	-1,023	-471	-981	-484
Others incl. taxes	-52	-186	-588	-1,229	-1,486
Operating cash-flow	2,551	2,606	3,225	3,341	3,463
- Capex (tang. + intang.)	51	45	0	24	30
Free cash-flow	2,500	2,561	3,225	3,317	3,433
- Div. (incl. buyback & taxes)	-	333	857	980	1,186
+ Equity raised	144	19	10,520	-0	-
+ Debt raised	-	-	-	-	-
- Fin investments	2,555	1,604	13,437	-	-
- Misc. (CFI + CFF)	46	817	116	-1,696	-1,343
Net cash-flow	44	-174	177	4,034	3,590

Source: Company, Anand Rathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 2 – Balance sheet (Rs m)

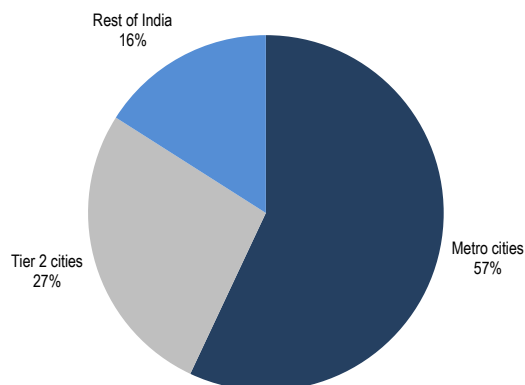
Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
Share capital	286	289	303	303	303
Net worth	1,599	2,751	16,109	18,563	21,535
Debt	-	-	-	-	-
Lease liability	3	765	634	634	634
DTL / (Assets)	-858	-246	-	-	-
Capital employed	744	3,270	16,744	19,198	22,169
Net tangible assets	85	52	22	18	16
Net intangible assets	6	5	3	3	3
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	2	2	2	2	2
Right of use assets	-	800	626	626	626
Investments (strategic)	-	296	270	270	270
Investments (financial)	6,074	8,719	22,274	22,274	22,274
Current assets (ex cash)	370	472	1,102	1,102	1,106
Cash	813	639	816	4,850	8,440
Current liabilities	6,606	7,714	8,372	9,946	10,567
Working capital	-6,236	-7,242	-7,270	-8,844	-9,461
Capital deployed	744	3,270	16,744	19,198	22,169

Fig 4 – Ratio analysis

Year-end: Mar	FY19	FY20	FY21	FY22e	FY23e
P/E (x)	1,163.4	158.2	83.4	67.9	56.1
EV / EBITDA (x)	282.4	137.7	70.9	64.8	52.1
EV / Sales (x)	45.8	36.4	34.7	29.4	23.3
P/B (x)	145.8	84.8	14.5	12.6	10.8
RoE (%)	NA	68.5	30.0	20.0	20.9
RoCE (%) - after tax	9.3	19.7	17.1	11.8	12.9
DPS (Rs / sh)	0.0	9.9	15.0	26.8	32.4
Dividend yield (%)	0.0	0.1	0.2	0.3	0.4
Dividend payout (%) - incl. DDT	-	24	24	24	24
Net debt / equity (x)	-4.3	-3.4	-1.4	-1.5	-1.4
Receivables (days)	0.6	0.6	0.6	0.6	0.6
Inventory (days)	-	-	-	-	-
Payables (days)	11	14	16	16	16
CFO : PAT %	1272.9	176.8	115.3	97.3	83.3

Source: Company, Anand Rathi Research

Fig 6 – Paid subscription suppliers' break-up, by area



Source: Company

Q4 FY21 Update

- IndiaMART's Rs1.8bn Q4 FY21 consolidated revenue grew 5.6% y/y on 4.5% higher realisation in existing customers to Rs47,004 and a 3.4% increase in number of paying-subscription suppliers, now 152,000(147,000a year ago, 148,000the previous quarter).
- Consolidated deferred revenue increased 6.1%/y/y, from Rs6.84bn a year ago to Rs7.26bn (current deferred revenue rose 11.4%/y/y representing 64% currently, against 66% the quarter prior and 61% a year ago). Non-current deferred revenue fell 2%/y/y, indicating customers are not opting for renewals or for higher-premium packages in case of monthly packages. Collections rose ~35%/y/y
- Consolidated EBITDA was Rs.853m, compared to Rs547m a year ago, rising ~56%/y/y. The higher EBITDA margin to 47.5% from 32.2% a year ago was primarily driven by sustained and temporary benefits arising from various cost-optimisations. Average cost for the quarter has been ~Rs944m, against Rs1.15bn a year back. The 14% savings in manpower cost came for two reasons: headcount reduction due to natural attrition and certain staff welfare expenses since most staff are working from home. Outsourced sales costs contracted 48%/y/y due to the reduction in headcount.
- Profit before tax was Rs907m and net profit was Rs556m, growing respectively ~41%and ~19%/y/y.
- Incl. Rs10.7bn from a QIP in Feb'21, cash and investment balances were Rs23.65bn atend-Mar'21 (Rs8.95bn a year ago).
- Dividend of Rs15 was declared for FY21.

Fig 7 – Quarterly results

Rs mn	4Q FY21	4Q FY20	% Change	FY21	FY20	% Change
Revenues	1,797	1,701	5.6	6,696	6,389	4.8
EBITDA	853	547	55.8	3,281	1,689	94.3
EBITDA margin %	47.5%	32.2%	1527 bps	49.0%	26.4%	2256 bps
EBIT	818	488	67.4	3,120	1,478	111.2
EBIT margin %	45.5%	28.7%	1679 bps	46.6%	23.1%	2347 bps
PBT	907	644	40.7	3,919	2,131	84.0
Net Profit	556	468	18.7	2,798	1,474	89.8

Source: Company

Fig 8 – Key operating parameters

Operational	FY20				FY21					
	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Registered buyers(m)	88	93	98	102	102	107	113	119	125	125
Business enquiries delivered (m)	113	123	112	116	464	131	175	154	150	610
Daily unique business enquiries (m)	18	20	18	18	74	20	28	25	24	96
Traffic (m)	184	196	188	180	748	191	259	253	257	960
Products live (m)	62	63	66	67	67	68	69	71	72	72
Indian supplier storefronts (m)	5.6	5.7	5.9	6	6	6.1	6.2	6.4	6.5	6.5
Paying subscription suppliers	133,000	137,000	142,000	147,000	147,000	133,000	141,000	148,000	152,000	152,000
Annualized revenue per paying customer(ARPU) (Rs)*	43,565	44,608	45,330	44,961	42,272	45,452	45,809	46,707	47,004	43,640
Revenue share:top-10% paying-subscription suppliers %	41	41	41	41	41	43	41	41	41	41
Employees	3,160	3,324	3,373	3,307	3,307	3,150	2,917	2,826	2,745	2,745
Outsourced field sales representatives	1,138	1,350	1,374	1,405	1,405	1,315	1,000	874	731	731
Total sales and service representatives	3,536	3,874	3,917	3,929	3,929	3,690	3,249	3,055	2,881	2,881

Source: Company, Anand Rathi Research, * Notes: For purposes of the quarter, this has been multiplied by four to find the annualised rate

Valuation

On keen competition (JD Mart and Tata planning to enter) and fewer subscriptions added (as some MSMEs were hard hit during the pandemic), the stock has fallen ~20% in the last nearly three months. We believe that the B2B market experiences strong network effects; it's not a one- or two-quarter game, but takes decades to build a strong B2B platform. The kind of data, insights and algorithms IndiaMart has put together over the years can't be launched overnight. We cut our FY23e revenue and EBITDA 6% each, factoring in the impact of the recent lockdowns on MSMEs. We retain our Buy rating with a new target price of Rs8,950 (Rs9,200 earlier) valued on a DCF basis on assuming a 10.5% WACC and a 5% terminal growth rate.

Fig 9 – change in estimates

Rs mn	FY22			FY23		
	New	Old	% Change	New	Old	% Change
Revenues	7,920	8,573	(7.6)	9,993	10,619	(5.9)
EBITDA	3,588	3,867	(7.2)	4,464	4,754	(6.1)
EBITDA margin %	45.3%	45.1%	20 bps	44.7%	44.8%	-10 bps
EBIT	3,398	3,677	(7.6)	4,254	4,544	(6.4)
EBIT margin %	42.9%	42.9%	2 bps	42.6%	42.8%	-22 bps
PBT	4,690	4,723	(0.7)	5,670	5,893	(3.8)
Net Profit	3,434	3,486	(1.5)	4,157	4,349	(4.4)

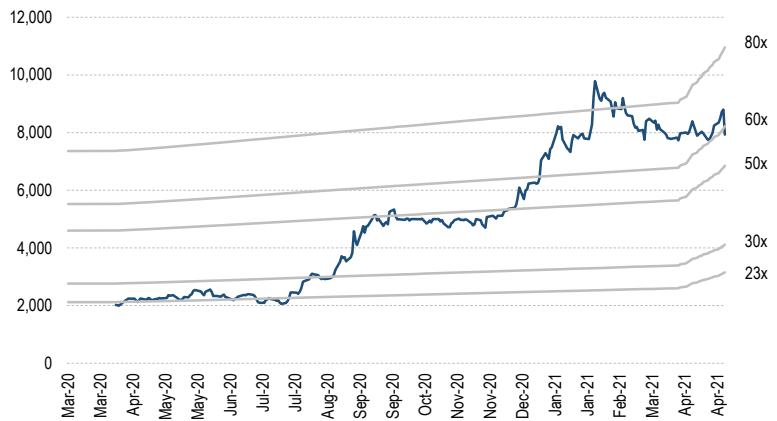
Source: Anand Rathi Research

Fig 10 – DCF Valuation

(Rs m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
No. of suppliers	5.5	6.0	6.5	7.2	8.2	9.4	10.7	12.2	13.9	15.8	18.0	20.6	23.5	26.7	30.5	34.8
Growth %		9.1	8.3	10.0	15.0	14	14	14	14	14	14	14	14	14	14	14
No. of paid suppliers	130000	147000	152000	170240	200883	241193	288851	345127	411499	489690	581709	689895	816973	966110	1140993	1345907
% of total suppliers	2.4	2.5	2.3	2.4	2.4	2.6	2.7	2.8	3.0	3.1	3.2	3.4	3.5	3.6	3.7	3.9
Revenue	5,074	6,389	6,696	7,920	9,993	12,405	15,569	19,477	24,291	30,207	37,462	46,340	57,181	70,391	86,459	105,964
ARPU/pa (Rs)	38373	42272	43640	45822	49030	51432	53901	56434	59030	61686	64401	67170	69991	72861	75775	78730
% growth		10.2	3.2	5.0	7.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1	4.0	3.9
EBIT	782	1,478	3,120	3,398	4,254	5,157	6,410	8,019	10,001	12,437	15,424	19,079	23,542	28,981	35,596	43,626
EBIT margins %	15.4	23.1	46.6	42.9	42.6	41.6	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2
ETR%	62.8	30.1	26.2	26.2	26.2	26.2	26.2	26.2	26.2	28	28	28	28	30.0	30.0	30.0
EBIT (1-TC)	291	1033	2303	2508	3139	3806	4731	5918	7381	9016	11182	13832	17068	20286	24917	30538
Depreciation	41	211	161	190	210	261	327	409	510	635	712	834	972	1126	1297	1483
as % of sales	0.8	3.3	2.4	2.4	2.1	2.1	2.1	2.1	2.1	2.1	1.9	1.8	1.7	1.6	1.5	1.4
Change in working capital	(1,684)	(1,023)	(471)	(981)	(484)	-1537	-1929	-2413	-3009	-3742	-4641	-5278	-5940	-6609	-7253	-7830
as % of sales	-33.2	-16.0	-7.0	-12.4	-4.8	-12.4	-12.4	-12.4	-12.4	-12.4	-12.4	-11.4	-10.4	-9.4	-8.4	-7.4
Capex	51	45	0	24	30	124	156	195	243	302	375	463	572	704	865	1060
as % of sales	1.0	0.7	0.0	0.3	0.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
FCF	1,965	2,223	2,934	3,655	3,804	5,479	6,831	8,545	10,657	13,092	16,160	19,480	23,408	27,318	32,602	38,792
PV	1,965	2,013	2,407	2,717	2,561	3,341	3,773	4,275	4,829	5,374	6,008	6,560	7,141	7,548	8,160	179,794
WACC %	10.5															
Terminal growth rate %	5															
EV (Rs m)	248,467															
Cash (Rs m)	22,990															
Total value (Rs m)	271,458															
Total shares (m)	30															
per share value (Rs)	8,950															
CMP (Rs)	7,949															
Upside %	12.6															

Source: Anand Rathi Research

Fig 11 – PE band



Source: Bloomberg, Anand Rathi Research

Risks

- Competition from new companies would result in shrinking demand for services or loss of visitor traffic, market share or paying suppliers.
- Negative publicity and lawsuits against the company, claiming products available on its “marketplace” to be pirated, counterfeit or illegal.

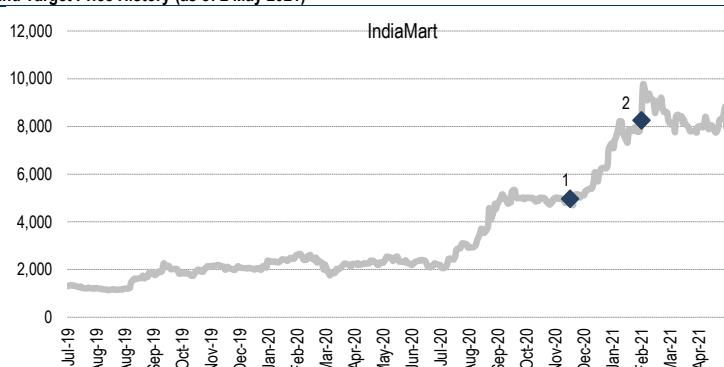
Appendix

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 2 May 2021)



	Date	Rating	TP (Rs)	Share Price (Rs)
1	26-Nov-20	Buy	5,670	4,700
2	03-Feb-21	Buy	9,200	8,200

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

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.