

July 31, 2022

RESULT REPORT Q1 FY23 | Sector: Capital Goods

Apar Industries Ltd

Stellar performance across segments

Our view

Apar Industries Ltd (APR) reported highest-ever quarterly revenue, primarily led by the Conductors segment (up 128% YoY). Conductors revenue growth was largely driven by higher volumes (up 64%), metal prices and improved share of higher value products (47% vs 44% in Q1FY22). Other segments such as Specialty Oils and Lubricants (up 28% YoY) and Cables (up 60% YoY) too witnessed healthy growth. Margins expanded by 54bps/191bps YoY/QoQ owing to operating leverage. Going forward management expects strong traction in India on the back of a capex-oriented budget, focus on railways, defence outlay, etc. On the international front, markets such as North America, Europe, Australia, GCC, etc. are expected to witness robust demand as well.

We like the company given its global leadership position, robust prospects of value-added products, strong positioning across product categories and consistent dividend pay-out. At CMP, the stock is trading at a P/E of 12.5x/11.5x and EV/EBITDA of 5.8x/5.0x for FY23E/24E. We revise our FY23/FY24 EPS estimates upward by 72%/73% respectively factoring in a) margin tailwinds, b) improving premiumization and c) robust Cables segment performance. However, give the recent run-up in the stock price we downgrade it to NEUTRAL (previously BUY) with a TP of Rs1,172 based on 12x FY24E EPS.

Result Highlights

- Sales came in at Rs30.9bn (up 71% YoY) above YSLe of ~Rs18.6bn led by strong growth in Conductors segment (up 128% YoY), Transformer & Specialty oil segment (up 28% YoY) and Cable segment (up 60% YoY).
- Due to unrecovered RM inflation, gross margin contracted by ~12bps YoY to 24.4% in Q1FY23
- EBITDA came in at Rs2.4bn (YSLe Rs 1.1bn), with EBITDA margin coming in at 7.7% (~54bps YoY expansion) despite lower gross margin and rise in other expenses.
- PBT grew by 97% YoY to Rs1.5bn mainly due to robust operating performance despite a 60% YoY growth in Interest cost at Rs613mn.
- PAT came in at Rs1.2bn (vs YSLe of Rs334mn) mainly due to strong operating performance.

Exhibit 1: Actual vs Estimate

Rs mn	Actual	Estimate		% variation		Comments
		YSec	Consensus	YSec	Consensus	
Sales	30,932	18,612	24,726	66.2	25.1	Topline growth led by strong operational performance
EBITDA	2,374	1,129	425	110.2	NM	
EBITDA margin %	7.7	6.1	1.7	160.6	595.6	
Adj.Pat	1,225	334	722	267.2	69.6	

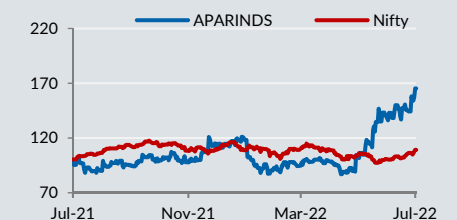
Source: Company, YES Sec

Reco	: NEUTRAL
CMP	: Rs 1,124
Target Price	: Rs 1,172
Potential Return	: +4%

Stock data (as on July 29, 2022)

Nifty	17,158
52 Week h/l (Rs)	1145 / 556
Market cap (Rs/USD mn)	42999 / 542
Outstanding Shares (mn)	38
6m Avg t/o (Rs mn):	209
Div yield (%):	1.3
Bloomberg code:	APR IN
NSE code:	APARINDS

Stock performance



	1M	3M	1Y
Absolute return	15.7%	67.8%	75.5%

Shareholding pattern (As of Jun'22 end)

Promoter	60.6%
FII+DII	23.8%
Others	15.6%

Δ in stance

(1-Yr)	New	Old
Rating	NEUTRAL	BUY
Target Price	1,172	878

Δ in earnings estimates

	FY23E	FY24E
EPS (New)	90.2	97.6
EPS (Old)	71.6	73.2
% change	26.0	33.4

Financial Summary

(Rs mn)	FY22	FY23E	FY24E
Revenues	93,200	99,949	107,739
YoY growth (%)	45.9	7.2	7.8
OPM (%)	5.9	7.5	8.0
EPS (Rs)	67.1	90.2	97.6
EPS growth (%)	60.0	34.5	8.2
P/E (x)	16.7	12.5	11.5
EV/EBITDA (x)	7.8	5.8	5.0
Debt/Equity (x)	0.1	0.1	0.1
RoE (%)	19.7	23.4	22.7
RoCE (%)	16.7	20.0	19.4

HARSH TEWANEY,
 Associate

harsh.tewaney@ysil.in
 +91 22 68850521

Exhibit 2: Quarterly snapshot (Consolidated)

Rs mn	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY gr. (%)	QoQ (%)	FY22	FY21	YoY gr. (%)
Revenue	18,096	22,691	22,288	30,125	30,932	70.9	2.7	93,200	63,871	45.9
Total Revenues	18,096	22,691	22,288	30,125	30,932	70.9	2.7	93,200	63,871	45.9
Expenditure	16,804	21,415	21,131	28,389	28,558	69.9	0.6	87,739	59,651	47.1
as % of sales	92.9	94.4	94.8	94.2	92.3			94.1	93.4	
Consumption of RM	13,653	17,711	17,271	23,443	23,374	71.2	(0.3)	72,078	48,012	50.1
as % of sales	75.4	78.1	77.5	77.8	75.6			77.3	75.2	
Employee Cost	434	411	443	437	483	11.1	10.4	1,725	1,604	7.5
as % of sales	2.4	1.8	2.0	1.5	1.6			1.9	2.5	
Other expenditure	2,717	3,293	3,417	4,509	4,702	73.1	4.3	13,936	10,035	38.9
as % of sales	15.0	14.5	15.3	15.0	15.2			15.0	15.7	
EBITDA	1,292	1,276	1,158	1,736	2,374	83.8	36.8	5,461	4,220	29.4
Depreciation	239	242	249	248	249	4.2	0.4	978	934	4.7
EBIT	1,053	1,034	909	1,487	2,125	101.9	42.9	4,482	3,286	36.4
Other Income	121	47	86	89	45	(63.1)	(49.4)	343	152	125.6
Interest	383	310	256	458	613	60.2	34.0	1,406	1,360	3.4
PBT	791	771	739	1,118	1,556	96.7	39.2	3,419	2,077	64.6
Total Tax	168	224	190	293	332	97.3	13.3	874	478	83.0
Adjusted PAT	623	547	549	826	1,225	96.6	48.3	2,544	1,599	59.1
(Profit)/loss from JV's/Ass/MI	-	1.0	2.0	3.0	-	-	-	-	-	-
PAT after MI	623	548	551	829	1,225	96.6	47.8	2,544	1,599	59.1
Extra ordinary items	-	-	-	-	-			-	(6)	(100.0)
Reported PAT	623	548	551	829	1,225	96.6	47.8	2,544	1,594	59.6
Adjusted EPS	16.3	14.3	14.4	21.6	32.0	96.6	48.2	66.5	41.8	59.2
Margins (%)										
EBIDTA	7.1	5.6	5.2	5.8	7.7	54	191	5.9	6.6	(75)
EBIT	5.8	4.6	4.1	4.9	6.9	105	193	4.8	5.1	(33)
EBT	4.4	3.4	3.3	3.7	5.0	66	132	3.7	3.3	42
PAT	3.4	2.4	2.5	2.8	4.0	52	121	2.7	2.5	23
Effective Tax rate	21.3	29.0	25.7	26.2	21.3	6	(486)	25.6	23.0	258

Source: Company, YES Sec

Exhibit 3: Segmental Performance

Segmental Performance	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY gr. (%)	QoQ (%)	FY22	FY21	YoY gr. (%)
Conductor										
Volume (MT)	21,901	29,191	22,415	33,849	35,877	63.8	6.0	107,356	128,460	(16.4)
Revenue	6,800	10,800	9,390	15,020	15,480	127.6	3.1	42,010	29,071	44.5
EBITDA	350	510	440	650	850	142.9	30.8	1,950	1,000	95.0
EBITDA margin (%)	5.1	4.7	4.7	4.3	5.5	34	116	5	3	120
EBITDA (Rs/MT)	15,797	17,303	19,835	19,227	23,670	49.8	23.1	72,162	30,667	135.3
Speciality Oil & Lubricant										
Volume (KL)	114,478	113,981	116,901	117,021	115,359	0.8	(1.4)	462,381	399,214	15.8
Revenue	8,320	8,950	9,050	9,280	10,680	28.4	15.1	35,600	23,620	50.7
EBITDA	890	560	740	710	1,180	32.6	66.2	2,900	2,810	3.2
EBITDA margin (%)	10.7	6.3	8.2	7.7	11.0	3	44	8.1	11.9	(32)
EBITDA (Rs/KL)	7,814	4,942	6,401	6,033	10,238	31.0	69.7	25,190	25,753	(2.2)
Cables										
Revenue	4,000	4,250	4,860	6,820	6,380	59.5	(6.5)	19,930	12,695	57.0
EBITDA	260	180	160	500	520	100.0	4.0	1,100	610	80.3
EBITDA margin (%)	6.5	4.2	3.3	7.3	8.2	25.4	11.2	6	5	14.6

Source: Company, YES Sec

Exhibit 4: Key Assumptions

Key segments	FY20	FY21	FY22	FY23E	FY24E
Conductor volumes	158,104	128,460	107,357	101,989	107,089
YoY growth	-14%	-19%	-16%	-5%	5%
Specialty Oils volumes	403,626	399,214	461,589	484,668	508,902
YoY growth	-6%	-1%	16%	5%	5%
Cables revenues	15,999	12,695	19,930	23,916	26,308
YoY growth	-5%	-21%	57%	20%	10%

Source: Company, YES Sec

CONCALL HIGHLIGHTS

- Management indicated strong FY22 performance was delivered despite ongoing challenges such as commodity inflation, high freight costs and logistics issues. 4QFY22 revenue at Rs3,08bn (all-time high) grew by 58% YoY on account of high commodity inflation and expansion into new geographies
- Management indicated strong Q1FY23 performance was on account of high volume growth, commodity prices and favourable product mix. 1QFY23 revenue at Rs3.09bn (all-time high) grew by 71% YoY while margins at 7.7% expanded 15bps YoY
- Export revenue contribution was at 42% vs 41% in 1QFY22
- Export markets such as North America, Australia, Europe are expected to do well in FY23. Rising anti-China sentiment has allowed Indian players to foray into these markets which were hitherto out of reach and the company expects to capitalize from the same
- Management expects government's thrust on capex through budgetary allocation, Aatmanirbhar Bharat, defence budget outlay (with 68% domestic procurement), railway capex of Rs2.45trn, growing adoption of EVs worldwide and infra spending in the US to present the company with good opportunities to capitalize on
- The company sees good opportunities in the Defence business especially in naval applications such as warships, reconnaissance equipment and vessels. It aims to achieve Rs500mn of revenue from this segment subject to the manufacturing schedules of key customers such as GRSE, Mazgaon Dockyard and L&T, etc.
- The new e-beam line for cables for wind power generation is expected to be commissioned by 3QFY23. It can add Rs70-80mn revenue on a monthly basis once it starts operating at full capacity
- The company has ventured into EV products such as wheels and batteries by leveraging its existing channel of mechanics. It aspires to get higher wallet share of mechanics as lubricant oil sales are poised to decline over the long term due to higher adoption of EVs
- Apar intends to increase the footprint of its Anushakti wires which are currently sold in South, West and Uttar Pradesh. From this business it aims to achieve revenues of ~Rs5bn by FY24 and the company has invested in sales personnel who will demonstrate the products to builders, etc and has signed up Sonu Sood as a brand ambassador. Marketing activity will see an uptick H2FY23 onwards
- Capex guidance for FY23 is ~Rs1.5bn most of which is carried over from FY22. 2/3rd of the capex will be for the Cables business

Segment wise

- **Conductors:** Revenue grew by 128% YoY on account of higher volume, metal prices and improved share of higher-value products (47% vs 44% in 1QFY22). Exports grew by 120% YoY. Order inflows came in at Rs20.17bn, up 30% YoY. Order book is robust at Rs36.47bn with 54% share from higher-value products. EBITDA/ton came in at Rs21,933 on account of better product mix. Company has given a volume outlook of 130k-140k MT for FY23
- **Specialty Oils:** Volumes grew by 1% YoY with Hamriyah plant operating 2 shifts currently. Based on demand, another shift can be added. EBITDA/KL came in at Rs9,712
- **Cables:** Revenue was Rs6.82bn, grew by 54% YoY with EBITDA post forex adj at Rs480mn. All sub-segments witnessed healthy growth except optical fibre which was impacted by muted Telco business. Going ahead management expects healthy demand from railways, defence, wind energy, construction and export markets such as US and Africa. Management guided for 8-8.5% EBITDA margin for FY23. The domestic cables market is pegged at Rs600bn

FINANCIALS

Exhibit 5: Balance Sheet (Consolidated)

Y/e 31 Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Sources of Funds					
Equity capital	383	383	383	383	383
Reserves	11,185	13,613	16,770	20,160	23,830
Non Minority Controlling Int.	0	0	0	0	0
Net worth	11,568	13,995	17,152	20,543	24,212
Debt	3,172	2,642	2,529	3,029	3,529
Deferred tax liab (net)	7	202	523	523	523
Total liabilities	14,746	16,839	20,204	24,095	28,264
Application of Funds					
Gross Block	11,456	12,282	13,184	14,184	15,184
Depreciation	2,634	3,521	4,387	5,450	6,741
Fixed Asset	8,847	8,779	8,814	8,734	8,443
CWIP	547	287	383	383	383
Investments	0	604	305	5	5
Net Working Capital	5,352	7,169	10,702	14,972	19,432
Inventories	13,314	15,627	21,387	24,645	26,566
Sundry debtors	18,955	18,683	25,424	27,383	29,517
Cash & equivalents	1,770	2,225	2,666	2,711	3,830
Loans & Advances	875	595	1,968	2,099	2,155
Other Current Asset	2,134	3,191	5,128	5,497	5,926
Sundry creditors	28,387	30,381	41,225	42,444	42,800
Provisions	96	112	187	100	108
Other current liabilities	3,212	2,659	4,459	4,819	5,653
Total Assets	14,746	16,839	20,204	24,095	28,264

Source: Company, YES Sec

Exhibit 6: Income statement (Consolidated)

Y/e 31 Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	74,255	63,880	93,200	99,949	107,739
% Change YoY	(6.8)	(14.0)	45.9	7.2	7.8
Operating profit	4,650	4,191	5,479	7,496	8,619
EBITDA margins	6.3	6.6	5.9	7.5	8.0
% Change YoY	0.1	(9.9)	30.7	36.8	15.0
Depreciation	871	934	978	1,064	1,291
EBIT	3,779	3,257	4,500	6,432	7,328
EBIT margins	5.1	5.1	4.8	6.4	6.8
Interest expense	2,277	1,360	1,406	2,271	2,823
Other income	180	186	325	450	485
Profit before tax	1,682	2,083	3,419	4,611	4,990
Taxes	343	478	853	1,158	1,254
Effective tax rate (%)	20.4	22.9	24.9	25.1	25.1
Net profit	1,339	1,605	2,566	3,453	3,737
Minorities and other	0	0	1	0	0
Net profit after minorities	1,339	1,605	2,565	3,453	3,737
Exceptional items	12	0	0	0	0
Net profit	1,352	1,605	2,565	3,453	3,737
% Change YoY	(0.7)	18.8	59.8	34.5	8.2
EPS (Rs)	35.3	41.9	67.1	90.2	97.6

Source: Company, YES Sec

Exhibit 7: Cash flow statement (Consolidated)

Y/e 31 Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Profit before Tax	1,694	2,083	3,419	4,611	4,990
Interest	1,515	562	608	2,271	2,823
Depreciation	871	935	979	1,064	1,291
Other Items	534	147	480	-	-
(Inc)/Dec in WC	(2,875)	(471)	(2,140)	(4,226)	(3,341)
Direct Taxes Paid	797	441	908	1,158	1,254
CF from Oper. Activity	942	2,814	2,438	2,562	4,509
(Inc)/Dec in FA	(1,453)	(558)	(1,305)	(1,000)	(1,000)
Free Cash Flow	2,394	3,372	1,133	1,562	3,509
(Pur)/Sale of Invest.	1,905	(589)	399	300	-
CF from Inv. Activity	452	(1,147)	(906)	(700)	(1,000)
Change in Networkth	-	-	-	-	-
Inc/(Dec) in Debt	580	(514)	(171)	500	500
Interest Paid	(1,540)	(663)	(474)	(2,271)	(2,823)
Dividends Paid	(875)	(1)	(364)	(62)	(67)
Others	(54)	(53)	(56)	16	(0)
CF from Fin. Activity	(1,888)	(1,232)	(1,064)	(1,817)	(2,390)
Inc/(Dec) in Cash	(494)	435	468	45	1,119
Opening cash Balance	2,132	1,639	2,070	2,532	2,577
Others	1	(4)	(7)	-	-
Closing cash Balance	1,639	2,070	2,532	2,577	3,696

Source: Company, YES Sec

Exhibit 8: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Tax burden (x)	8.8	5.3	4.0	4.2	4.4
Interest burden (x)	0.1	0.1	0.2	0.2	0.2
EBIT margin (x)	0.1	0.1	0.0	0.1	0.1
Asset turnover (x)	5.0	3.8	4.6	4.1	3.8
Financial leverage (x)	1.3	1.2	1.2	1.2	1.2
RoE (%)	26.0%	17.9%	19.7%	23.4%	22.7%

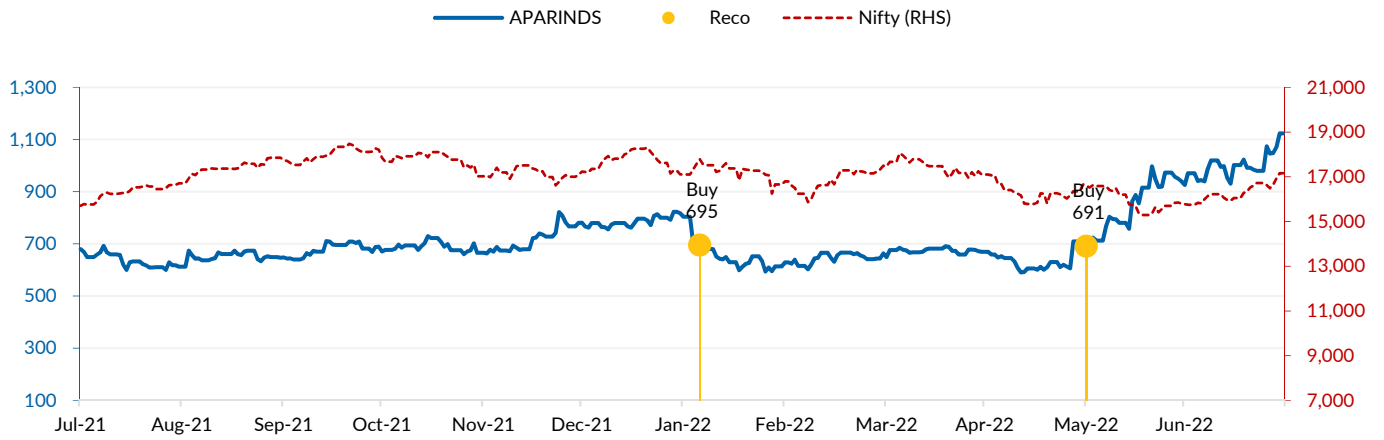
Source: Company, YES Sec

Exhibit 9: Ratio Analysis

Y/e 31 Mar	FY20	FY21	FY22E	FY23E	FY24E
Basic (Rs)					
EPS	35.3	41.9	67.1	90.2	97.6
Dividend per share	9.0	9.5	15.0	1.6	1.8
Cash EPS	46.2	58.1	69.7	70.8	100.1
Book value per share	302.3	365.7	448.2	536.8	632.7
Div. payout (%)	21.1	22.7	22.4	1.8	1.8
Valuation ratios (x)					
P/E	31.8	26.8	16.7	12.5	11.5
P/CEPS	24.3	19.3	16.1	15.9	11.2
P/B	3.7	3.1	2.5	2.1	1.8
EV/EBIDTA	9.5	10.4	7.8	5.8	5.0
Dividend yield (%)	0.8	0.8	1.3	0.1	0.2
Profitability Ratios (%)					
RoIC	26.3	14.9	18.5	20.2	19.7
RoE	26.0	17.9	19.7	23.4	22.7
RoCE	20.4	14.9	16.7	20.0	19.4
Liquidity ratios					
Debtor (days)	93	107	100	100	100
Inventory (days)	65	89	84	90	90
Creditor (days)	140	174	161	155	145
Net working Capital (days)	26	41	42	55	66
Asset Turnover (x)	5.0	3.8	4.6	4.1	3.8

Source: Company, YES Sec

Exhibit 10: Recommendation Tracker



DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited (YSL) distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YSL analyst's truthful views about the subject securities and/or issuers discussed herein. YSL is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

DISCLOSURE OF INTEREST

Name of the Research Analyst : Harsh Tewaney

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has 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
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.



YES Securities (India) Limited

Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 4th Floor, AFL House, Lok Bharti Complex, Marol Maroshi Road, Andheri East, Mumbai - 400059, Maharashtra, India.

☎ +91 22 68850521 | ✉ research@ysil.in
Website: www.yesinvest.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Single Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 | AMFI ARN Code - 94338.

Details of Compliance Officer: Name: Dhanraj Uchil, Email id: compliance@ysil.in, Contact No: +91-22- 6507 81228

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a SEBI registered stock broker holding membership of NSE, BSE, MCX & NCDEX. YSL is also a SEBI registered Category I Merchant Banker, Investment Adviser and a Research Analyst. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.