

August 11, 2022

Q1FY23 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	900		900	
Sales (Rs. m)	78,058	87,550	78,058	87,550
% Chng.	-	-	-	-
EBITDA (Rs. m)	20,880	23,814	20,880	23,814
% Chng.	-	-	-	-
EPS (Rs.)	26.1	30.0	26.1	30.0
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY21	FY22	FY23E	FY24E
Sales (Rs. m)	36,515	62,546	78,058	87,550
EBITDA (Rs. m)	7,276	17,157	20,880	23,814
Margin (%)	19.9	27.4	26.8	27.2
PAT (Rs. m)	3,190	10,532	12,152	13,977
EPS (Rs.)	6.9	22.6	26.1	30.0
Gr. (%)	(41.8)	230.2	15.4	15.0
DPS (Rs.)	2.0	3.0	5.5	7.0
Yield (%)	0.3	0.4	0.7	1.0
RoE (%)	5.6	16.1	16.0	16.2
RoCE (%)	4.1	12.6	13.3	13.9
EV/Sales (x)	9.7	5.8	4.6	4.1
EV/EBITDA (x)	48.7	21.0	17.3	15.1
PE (x)	107.4	32.5	28.2	24.5
P/BV (x)	5.8	4.8	4.2	3.7

Key Data

BFRG.BO | BHFC IN

52-W High / Low	Rs.848 / Rs.595
Sensex / Nifty	59,333 / 17,659
Market Cap	Rs.343bn/ \$ 4,302m
Shares Outstanding	466m
3M Avg. Daily Value	Rs.1019.69m

Shareholding Pattern (%)

Promoter's	45.25
Foreign	19.80
Domestic Institution	23.55
Public & Others	11.40
Promoter Pledge (Rs bn)	9.93

Stock Performance (%)

	1M	6M	12M
Absolute	12.3	0.5	(6.0)
Relative	3.0	(1.5)	(13.6)

Mansi Lall

mansilall@plindia.com | 91-22-66322391

Steady performance; demand outlook stable

Quick Pointers:

- Demand outlook stable across segment.
- Aerospace segment now contributes ~10% to industrial revenues vs 2% YoY.

BHFC reported 1QFY23 tonnage volume growth of 1% QoQ, whereas ASPs grew 4%. This was on the back of higher share of exports - ~60% of sales vs 56% sequentially. Management highlighted that CV demand remains stable in US and Europe despite recessionary environment. However, PV volumes are facing some brunt on account of supply chain challenges. Industrial segment continues to be in the limelight, contributing ~40% to the overall revenue. Aerospace segment now contributes ~10% to industrial revenues vs 2% last year. In the defense segment, artillery gun has passed all trials. This segment contributes ~Rs 4-5bn to revenues and management expects 3x growth over the next few years.

We remain positive on the stock led by (1) multiple growth levers in domestic & export automotive segment with cyclical turnaround in CV industry and easing of the chip shortage going ahead, (2) strong double-digit growth in high margin non-auto business (3) rising traction in E-mobility segment and (4) potential revenue contribution from defense & renewable segment. Maintain BUY with a target price of Rs 900 (unchanged) at 30x FY24E EPS.

- **Shipment tonnage at 57.9k MT grew 1% QoQ:** Though the tonnage growth was largely flat, average realization improved 4% to Rs 303.8k. This was on the back of higher share from the exports (60% of sales vs 56% QoQ) Standalone revenue grew 5% QoQ to Rs 17.5bn. Total domestic revenue decline 3% QoQ, where export revenue increased 11.5%.
- **EBITDA margins at 24.7% (-100bps QoQ):** Surprisingly, gross margins expanded 197bps QoQ to 58.7% owing to inventory impact from the last quarter. However, other expense ratio expanded by 300bps QoQ. The company reported an exceptional loss of Rs 30mn towards VRS expenses. Adjusted PAT came in at Rs 2.46bn (+15/-7% YoY/QoQ).
- **Key takeaways - (1) Demand outlook for export markets stable:** BHFC reported highest ever export revenue at ~Rs 10.5 which contributed 60% to the overall revenues vs 56% QoQ. In US, the CV Class-7/8 truck orders are secured till the end of next year. Operation is stable despite some recessionary environment. The car segment is impacted due to disrupted supply chain. In Europe, premium PV demand continues to remain stable. **(2) Growing traction in the industrial segment:** Industrial continues to account ~40% of the standalone revenue. The share of aerospace has risen to 10% of industrial revenue vs 2% YoY - in 1Q, Bharat forge has added two new customers in this space. Management expects industrial segment this to be one of the biggest growth driver over next few years. **(3) Defense segment:** Bharat Forge's artillery gun has passed all the trials and order processing should pick-up soon. This segment contributes ~Rs 4-5bn to the revenues and management expects 3x growth over the next few years.

Exhibit 1: Q1FY23 Result Overview (Rs m) – Standalone

Y/e March	1QFY23	1QFY22	YoY gr. (%)	4QFY22	QoQ gr. (%)
Net Revenues	17,594	13,718	28.2	16,741	5.1
Raw Materials	7,272	5,211	39.6	7,250	0.3
<i>% of Net Sales</i>	<i>41.3</i>	<i>38.0</i>		<i>43.3</i>	
Personnel	1,357	1,216	11.5	1,283	5.8
<i>% of Net Sales</i>	<i>7.7</i>	<i>8.9</i>		<i>7.7</i>	
Manufacturing & Other Exp	4,614	3,377	36.6	3,897	18.4
<i>% of Net Sales</i>	<i>26.2</i>	<i>24.6</i>		<i>23.3</i>	
Total Expenditure	13,243	9,805	35.1	12,429	6.5
EBITDA	4,351	3,914	11.2	4,312	0.9
<i>EBITDA Margin (%)</i>	<i>24.7</i>	<i>28.5</i>		<i>25.8</i>	
Depreciation	1,064	1,019	4.4	1,042	2.1
EBIT	3,286	2,895	13.5	3,270	0.5
Interest Expenses	263	406	(35.1)	407	(35.4)
Non-operating income	259	333	(22.1)	662	(60.8)
Extraordinary Expenses	30	616	(95.1)	25	23.1
PBT	3,252	2,206	47.4	3,499	(7.1)
Tax-Total	815	539	51.4	879	(7.3)
<i>Tax Rate (%) - Total</i>	<i>25.1</i>	<i>24.4</i>		<i>25.1</i>	
Reported PAT	2,437	1,667	46.2	2,620	(7.0)
Adj. PAT	2,459	2,133	15.3	2,638	(6.8)
<i>PAT Margin (%)</i>	<i>14.0</i>	<i>15.5</i>		<i>15.8</i>	

Source: Company, PL

Exhibit 2: Operating Metrics

Y/e March	1QFY23	1QFY22	YoY gr. (%)	4QFY22	QoQ gr. (%)
Volume (MT)	57,915	53,512	8.2	57,543	0.6
Realisation / ton (Rs)	303,788	256,362	18.5	290,927	4.4
RM cost / ton (Rs)	125,566	97,379	28.9	125,992	(0.3)
Gross Profit / ton (Rs)	178,222	158,983	12.1	164,935	8.1
Staff Cost / ton (Rs)	23,423	22,731	3.0	22,289	5.1
Other Mfg cost / ton (Rs)	79,675	63,114	26.2	67,716	17.7
EBITDA / ton (Rs)	75,124	73,138	2.7	74,931	0.3
Adj. Profit / ton (Rs)	42,466	39,857	6.5	45,846	(7.4)

Source: Company, PL

Exhibit 3: Geographical and segment revenue mix (Rs mn)

Y/e March	1QFY23	1QFY22	YoY gr. (%)	4QFY22	QoQ gr. (%)
Domestic					
CV India	2,338	1,271	83.9	2,532	(7.7)
PV India	774	592	30.7	792	(2.3)
Industrial India	2,925	1,836	59.3	3,078	(5.0)
Others	1,082	863	25.4	947	14.3
Total domestic revenue	7,119	4,562	56.0	7,349	(3.1)
Exports					
CV Export	4,576	4,538	0.8	4,032	13.5
PV Export	1,942	1,599	21.5	1,711	13.5
Industrial Export	3,957	3,019	31.1	3,649	8.4
Total exports revenue	10,475	9,156	14.4	9,392	11.5
As % of overall sales					
Domestic					
CV India	32.8	27.9		34.5	
PV India	10.9	13.0		10.8	
Industrial India	41.1	40.2		41.9	
Others	15.2	18.9		12.9	
Total domestic revenue	100.0	100.0		100.0	
Exports					
CV Export	43.7	49.6		42.9	
PV Export	18.5	17.5		18.2	
Industrial Export	37.8	33.0		38.9	
Total exports revenue	100.0	100.0		100.0	

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Net Revenues	36,515	62,546	78,058	87,550
YoY gr. (%)	(20.0)	71.3	24.8	12.2
Cost of Goods Sold	14,145	25,526	30,443	33,707
Gross Profit	22,371	37,020	47,615	53,843
Margin (%)	61.3	59.2	61.0	61.5
Employee Cost	4,482	5,058	6,089	7,004
Other Expenses	10,612	14,805	20,646	23,026
EBITDA	7,276	17,157	20,880	23,814
YoY gr. (%)	(28.3)	135.8	21.7	14.0
Margin (%)	19.9	27.4	26.8	27.2
Depreciation and Amortization	3,661	4,118	5,262	5,959
EBIT	3,615	13,039	15,619	17,855
Margin (%)	9.9	20.8	20.0	20.4
Net Interest	779	1,073	1,250	1,277
Other Income	1,405	1,675	1,834	2,008
Profit Before Tax	4,149	13,959	16,203	18,586
Margin (%)	11.4	22.3	20.8	21.2
Total Tax	1,028	3,181	4,051	4,609
Effective tax rate (%)	24.8	22.8	25.0	24.8
Profit after tax	3,121	10,778	12,152	13,977
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	3,190	10,532	12,152	13,977
YoY gr. (%)	-	-	-	-
Margin (%)	8.7	16.8	15.6	16.0
Extra Ord. Income / (Exp)	(69)	246	-	-
Reported PAT	3,121	10,778	12,152	13,977
YoY gr. (%)	(34.1)	245.3	12.8	15.0
Margin (%)	8.5	17.2	15.6	16.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Equity Shares O/s (m)	466	466	466	466
EPS (Rs)	6.9	22.6	26.1	30.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Non-Current Assets				
Gross Block	52,423	54,962	61,962	70,462
Tangibles	52,423	54,962	61,962	70,462
Intangibles	-	-	-	-
Acc: Dep / Amortization	17,832	21,950	27,212	33,171
Tangibles	17,832	21,950	27,212	33,171
Intangibles	-	-	-	-
Net fixed assets	34,590	33,011	34,750	37,291
Tangibles	34,590	33,011	34,750	37,291
Intangibles	-	-	-	-
Capital Work In Progress	2,699	2,480	2,433	2,210
Goodwill	-	-	-	-
Non-Current Investments	14,959	20,003	20,289	20,589
Net Deferred tax assets	(2,346)	(2,888)	(343)	(343)
Other Non-Current Assets	6,446	8,285	9,114	10,025
Current Assets				
Investments	20,735	18,995	19,375	19,762
Inventories	8,749	11,111	11,762	13,192
Trade receivables	15,905	24,924	29,940	33,581
Cash & Bank Balance	2,801	3,828	3,644	7,421
Other Current Assets	4,234	5,468	6,015	6,616
Total Assets	1,11,145	1,28,409	1,37,654	1,51,053
Equity				
Equity Share Capital	931	931	931	931
Other Equity	58,555	70,166	79,758	90,475
Total Networkth	59,486	71,098	80,689	91,406
Non-Current Liabilities				
Long Term borrowings	19,377	15,159	15,462	15,926
Provisions	466	466	512	564
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	15,811	26,082	26,603	27,136
Trade payables	8,009	9,670	10,693	11,993
Other current liabilities	5,647	2,799	3,079	3,387
Total Equity & Liabilities	1,11,145	1,28,409	1,37,654	1,51,053

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
PBT	4,149	13,959	16,203	18,586
Add. Depreciation	3,661	4,118	5,262	5,959
Add. Interest	779	1,073	1,250	1,277
Less Financial Other Income	1,405	1,675	1,834	2,008
Add. Other	(1,313)	(1,993)	(1,834)	(2,008)
Op. profit before WC changes	7,276	17,157	20,880	23,814
Net Changes-WC	728	(14,077)	(4,942)	(4,098)
Direct tax	7	(2,639)	(6,596)	(4,609)
Net cash from Op. activities	8,011	441	9,343	15,106
Capital expenditures	(3,927)	(2,320)	(6,953)	(8,277)
Interest / Dividend Income	-	-	-	-
Others	(2,745)	(4,648)	791	875
Net Cash from Inv. activities	(6,672)	(6,967)	(6,162)	(7,401)
Issue of share cap. / premium	3,746	2,231	-	-
Debt changes	5,095	6,053	825	996
Dividend paid	(931)	(1,397)	(2,561)	(3,260)
Interest paid	(779)	(1,073)	(1,250)	(1,277)
Others	-	-	-	-
Net cash from Fin. activities	7,130	5,814	(2,986)	(3,541)
Net change in cash	8,469	(713)	195	4,165
Free Cash Flow	4,084	(1,879)	2,390	6,830

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Net Revenue	16,066	16,021	16,741	17,594
YoY gr. (%)	82.3	54.7	28.1	28.2
Raw Material Expenses	6,384	6,681	7,250	7,272
Gross Profit	9,682	9,340	9,491	10,322
Margin (%)	60.3	58.3	56.7	58.7
EBITDA	4,853	4,079	4,312	4,351
YoY gr. (%)	210.0	89.9	20.1	11.2
Margin (%)	30.2	25.5	25.8	24.7
Depreciation / Depletion	1,026	1,031	1,042	1,064
EBIT	3,828	3,047	3,270	3,286
Margin (%)	23.8	19.0	19.5	18.7
Net Interest	142	118	407	263
Other Income	322	358	662	259
Profit before Tax	4,008	4,247	3,499	3,252
Margin (%)	24.9	26.5	20.9	18.5
Total Tax	891	873	879	815
Effective tax rate (%)	22.2	20.5	25.1	25.1
Profit after Tax	3,118	3,374	2,620	2,437
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3,118	2,612	2,638	2,459
YoY gr. (%)	329.8	169.7	28.0	15.3
Margin (%)	19.4	16.3	15.8	14.0
Extra Ord. Income / (Exp)	-	762	(19)	(23)
Reported PAT	3,118	3,374	2,620	2,437
YoY gr. (%)	343.8	264.1	27.5	46.2
Margin (%)	19.4	21.1	15.6	13.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Key Financial Metrics

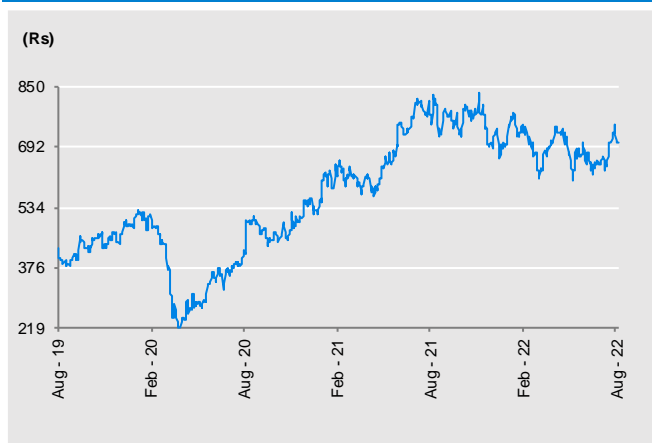
Y/e Mar	FY21	FY22	FY23E	FY24E
Per Share(Rs)				
EPS	6.9	22.6	26.1	30.0
CEPS	14.7	31.5	37.4	42.8
BVPS	127.8	152.7	173.3	196.3
FCF	8.8	(4.0)	5.1	14.7
DPS	2.0	3.0	5.5	7.0
Return Ratio(%)				
RoCE	4.1	12.6	13.3	13.9
ROIC	4.1	12.5	12.4	13.2
RoE	5.6	16.1	16.0	16.2
Balance Sheet				
Net Debt : Equity (x)	0.2	0.3	0.2	0.2
Net Working Capital (Days)	115	139	132	132
Valuation(x)				
PER	107.4	32.5	28.2	24.5
P/B	5.8	4.8	4.2	3.7
P/CEPS	50.0	23.4	19.7	17.2
EV/EBITDA	48.7	21.0	17.3	15.1
EV/Sales	9.7	5.8	4.6	4.1
Dividend Yield (%)	0.3	0.4	0.7	1.0

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY21	FY22	FY23E	FY24E
Shipment tonnage (MT)	1,65,396	2,21,514	2,65,817	3,05,689
Net realisation (Rs/ton)	2,20,774	2,82,357	2,93,652	2,86,402

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-22	BUY	900	664
2	16-May-22	BUY	900	663
3	11-Apr-22	BUY	942	740
4	11-Feb-22	BUY	980	728
5	12-Jan-22	BUY	1,110	702
6	15-Nov-21	BUY	997	775
7	07-Oct-21	Accumulate	897	742

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	177	154
2	Bajaj Auto	Hold	4,120	3,884
3	Bharat Forge	BUY	900	664
4	CEAT	UR	-	1,122
5	Eicher Motors	BUY	3,400	3,155
6	Endurance Technologies	BUY	1,700	1,493
7	Exide Industries	UR	-	145
8	Hero Motocorp	BUY	3,150	2,839
9	InterGlobe Aviation	Hold	1,900	1,977
10	Mahindra & Mahindra	BUY	1,400	1,236
11	Maruti Suzuki	BUY	9,500	8,658
12	Tata Motors	BUY	535	444
13	TVS Motors	BUY	950	868

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Ms. Mansi Lall- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not 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.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might 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

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Ms. Mansi Lall- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company 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 or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., 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 Prabhudas Lilladher Pvt. Ltd. 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, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com