

Q4FY24 Bajaj Auto Ltd.



Bajaj Auto Ltd.

Business strength continued

CMP INR 8,805	Target INR 10,263	Potential Upside 16.6%	Market Cap (INR Mn) 24,56,224	Recommendation BUY	Sector Automobile
------------------	----------------------	---------------------------	----------------------------------	-----------------------	----------------------

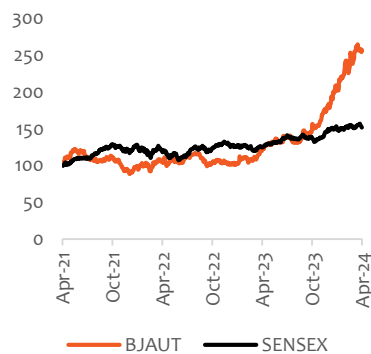
Highlights

- For Q4FY24, BJAUT's operating performance was slightly better than estimated as Revenue/ EBITDA/ PBT before share of associates were 3.9%/ 3.7%/ 3.1% higher than estimated, respectively. This was on account of better-than-estimated average realization per vehicle.
- However, the reported PAT was 8.3% lower than our estimate due to the lower share of profit of associates and a higher-than-estimated tax rate. As a result, growth in PAT (+18.0% YoY) was lower than the growth in EBITDA (+37.8% YoY).
- Overall, BJAUT continued to deliver a strong performance in the quarter, backed by double-digit volume growth in domestic and exports (export growth on a low base), continued improvement in realization and continued YoY improvement in EBITDA margin.
- The Board of Directors have approved a dividend of INR 80 per share for FY24. This dividend plus the recently concluded buyback leads to an overall payout of 95.0%+ of the FY24 PAT to shareholders.
- We retain our FY25E EPS estimate but increase it for FY26E by 4.7% as we believe EBITDA margins can inch up after the current resiliency. Due to the continued performance strength and multiple growth levers in place, we assign a higher P/E multiple of 27.8x on FY26E EPS of INR 369.2 and arrive at a target price of INR 10,263/share. Accordingly, we maintain our "BUY" recommendation on the shares of Bajaj Auto.**

MARKET DATA

Shares O/S (Mn)	279
Equity Cap (INR Mn)	2,89,624
Mkt Cap (INR Mn)	24,56,224
52 Wk H/L (INR)	9,358/ 4,252
Volume Avg (3m K)	530
Face Value (INR)	10
Bloomberg Code	BJAUT IN

SHARE PRICE PERFORMANCE



KEY FINANCIALS

Particulars (INR Mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Revenue	277,411	331,447	364,554	448,704	512,134	574,313
EBITDA	49,247	52,499	64,505	87,616	103,286	120,743
PAT	48,570	61,659	60,602	77,082	88,302	103,064
Adj. PAT	48,570	53,494	60,602	77,082	88,302	103,064
Basic and Diluted EPS (INR)	167.9	213.2	212.5	272.7	316.3	369.2
Adj. EPS (INR)	167.8	184.9	212.5	272.7	316.3	369.2
EBITDA Margin	17.8%	15.8%	17.7%	19.5%	20.2%	21.0%
Adj. NPM	17.5%	16.1%	16.6%	17.2%	17.2%	17.9%

Source: Company, KRChoksey Research

BJAUT continues to see strong revenue growth; domestic business continues to lead the way

- For the quarter, BJAUT reported revenue of INR 115,550 Mn (+29.4% YoY/ -5.0% QoQ). The strong growth was backed by volume growth of 27.6% YoY in domestic and 19.3% YoY in exports.
- While domestic revenue has been growing in double digits for 8 consecutive quarters, exports also grew in double digits in Q4FY24 due to a low volume base of last year, and better mix and realization.
- The sequential decline in revenue was due to seasonality, as volumes declined by 11.0% QoQ from the festive quarter of Q3FY24.
- Average realization per vehicle inched up in the quarter, both on YoY (+4.5%) and QoQ (+6.3%) basis, aided by a richer mix of premium motorcycles, more sales of 3W across both domestic and export markets, and more sales of the higher-priced Chetak.
- For the full year FY24, revenue grew by 23.1% YoY to INR 448,704 Mn, driven by volume growth of 10.8% YoY and an even higher growth in realization at 11.7% YoY.
- In FY24, all domestic businesses- 2W, KTM, 3W, and Chetak, registered their lifetime high revenue and saw market share gains.

Noteworthy resilience in QoQ margin performance, despite operating de-leverage impact

- BJAUT's EBITDA for the quarter was INR 22,843 Mn (+37.8% YoY/ -5.4% QoQ) and EBITDA margin was at 19.8% (+121 bps YoY/ -8 bps QoQ).
- YoY margin improvement was driven by better realization and operating leverage, partially offset by higher investments in e-2W.
- Despite operating de-leverage, margins were largely maintained sequentially due to better product mix, and cost-rationalization efforts in e-2W.
- Cost environment was benign in the quarter. Steel, aluminium, lead, and rubber prices were flattish, zinc saw some increase while noble metals softened. FX realization was also flattish QoQ. As a result, the Company did not implement any pricing actions.
- PAT for Q4FY24 grew by 18.0% YoY while declining marginally (-1.0%) on a QoQ basis.
- For FY24, EBITDA grew by 35.8% YoY to INR 87,616 Mn, backed by margin expansion of 183 bps YoY to 19.5%. The strong margin delivery was despite investments in e-2W business, aided by lower input costs, better pricing and product mix, better FX realization, and operating leverage.
- PAT for FY24 grew by 27.2% YoY driven by strong operating profitability.

MARKET INFO

SENSEX	73,088
NIFTY	22,147

SHARE HOLDING PATTERN (%)

Particulars	Mar-24	Dec-23	Sep-23
Promoters	55.1	54.9	55.0
FIIIs	14.5	14.7	14.4
DIIIs	8.5	8.7	9.1
Others	21.9	21.7	21.5
Total	100	100	100

13.1%

Revenue CAGR between FY24 and FY26E

15.6%

PAT CAGR between FY24 and FY26E

Bajaj Auto Ltd.

Conference call highlights

Full-year FY24 performance

- BJAUT reported **record highs in terms of volumes, spare revenue, overall revenue, EBITDA, PAT and FCF in FY24** as a strong domestic performance more than offset the muted exports.
- Exports stepped up in H2FY24. Robust growth in LATAM and MENA partially alleviated the slowdown in Africa and Asia.
- BJAUT continued to **surpass industry growth** in the domestic 2W 125cc+ segment, with **8.0x** growth in FY24 and 4.0x growth in Q4FY24.

Exports

- Nigeria, Bangladesh, Kenya, Egypt, and Argentina markets continue to be “stressed” and BJAUT has taken a cautious view of these for FY25E. On the other hand, BJAUT will take an aggressive approach in “recovering markets” such as LATAM and ASEAN.
- BJAUT also plans to undertake a strong launch in “new markets and segments”. The Company will commence production at its new plant in Brazil in June, enabling servicing the pent-up demand and ensuring network expansion. BJAUT will also expand its presence in Europe in Q1FY25E.
- **BJAUT will commence exports of its quadricycle Qute to Egypt**, as the Egyptian Government has recognized the category of quadricycles for public transportation. This opens a huge segment for BJAUT in Egypt, where BJAUT had suffered post a ban on 3W since 2022.
- Historically, in a peak year BJAUT sold an average of 6,000 3W units per month in Egypt and has 500,000 of its vehicles running in the country. Considering the **Egyptian government’s intention to replace all 3W with quadricycles, BJAUT stands to gain**. The uptake maybe gradual considering the difficult currency situation in the country.
- Based on the strategies for the “stressed”, “recovering” and “new markets”, **BJAUT expects to see growth in FY25E in export volumes and revenue**.

Domestic 2W

- For the industry, volume growth in the quarter was in low single digit for entry-level segments and the low double digits for the 125cc+ segment.
- BJAUT’s retail sales in Q4FY24 grew 2.0x of the motorcycle industry and 4.0x in the 125cc+ segment.
- Share of 125cc+ in domestic sales expanded to 75.0% for BJAUT (~70.0% in Q3FY24) while it was at 52.0% for the industry.
- BJAUT **gained a market share of 500 bps in the 125cc+ segment** in the last year and is now only 2.0% away from the market leader (reduced from a gap of 10.0% last year). **9 new launches in the segment during FY24** helped BJAUT to garner strong market share gains.
- BJAUT will continue to focus on strengthening its INR 100 Bn brand **Pulsar** with **6 new model launches planned in H1FY25E**. **The biggest-ever Pulsar will be launched in May 2024**.
- **BJAUT will launch the world’s first CNG bike**, which will have good fuel economy and dual fuel capability with both CNG and petrol fuel options. The target segment is the 100cc to 125cc commuter segment which has volumes of over 600,000 units per month at the industry level.
- **Domestic 2W industry is expected to growth at 7.0% to 8.0% in FY25E, driven by higher growth in the top-half**.

Domestic 3W

- BJAUT has an overall market share of 78.0% in domestic 3W, up 5.0% from FY23. In **e-3W it has an overall market share of 30.0%** and has reached share of ~60.0% in markets where it has been present for 6 months.
- The e3W network was expanded from 23 cities in Q3FY24 to 60 cities, and **BJAUT will double its presence in Q1FY25E**.
- Going forward, BJAUT will see **normalized growth in the domestic 3W segment**, as the base has caught up due to recovery in most markets. **Growth will be driven by e3W**, by targeting the markets where ICE 3W is restricted and e-ricks are prevalent.
- BJAUT is now investing in the Qute brand, has come up with a CNG variant, and will come out with an electric variant as well.

Chetak E-2W

- Chetak sales volumes in the quarter were at record levels of 40,000 units while **market share inched up to 13.0% vs. 5.0% last year**.
- Chetak volumes grew 3.0x in FY24 and BJAUT became the No.3 player in the segment, an improvement from last year’s No. 7 position.
- **BJAUT has 200 Chetak stores currently and will expand to 600 in H1FY25E**.
- March saw strong e-2W sales due to the phasing out of FAME-II subsidies and the lowering of subsidies under the new EMPS scheme from April 2024. Despite the cut in subsidies, management expects the EV penetration growth to continue due to favourable payback economics.
- BJAUT has plans to introduce 2 more Chetak variants in the coming month, which will have attractive pricing.
- Chetak profitability has remained muted due to greater pace of price cuts than savings from cost reduction efforts. BJAUT is working on R&D and supply chain to reduce the costs of making an e-2W. Currently, even after considering PLI benefits, e-2W are not reaching unit level profitability.

ProBiking

- KTM had its **highest-ever sales in FY24** and the Company expects to build on this in FY25E due to the new-gen KTM, recently introduced Husqvarna, and the introduction of big bikes of KTM in FY25E.
- BJAUT sold 42,000 units of Triumph in the eight months since its launch, including 18,000 units in Q4FY24. BJAUT is working on unlocking capacity, to service the growing domestic network and exports potential. BJAUT will expand the Triumph portfolio in FY25E and will continue with network expansion.

Outlook

- BJAUT will continue to drive topline growth without diluting best-in-class profitability and BJAUT will continue to outperform the market growth.
- Recovery in most export markets had commenced.
- Aluminium and copper prices are seeing an uptick while others are flattish. BJAUT has taken a small price action in Q1FY25E to manage the cost uptick.

Other highlights

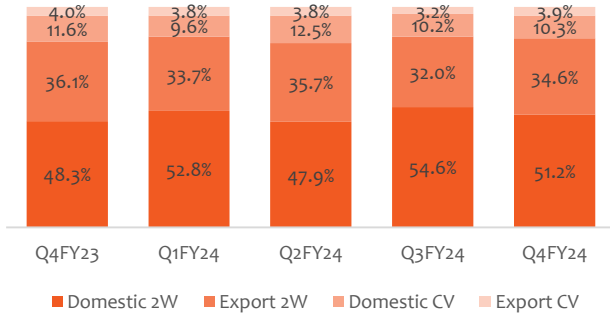
- BJAUT completed its Buyback program in the quarter with a total outlay of INR 49,320 Mn ((including tax on buyback).
- BJAUT’s captive finance company, Bajaj Auto Credit Limited (BACL), commenced operations and has started to build its book since 1st January 2024. The Company’s Board of Directors have approved further equity infusion in BACL of INR 22,500 Mn, in a phased manner.
- BJAUT has received PLI certificates for all 5 of its e-3W models and both Chetak models.
- BJAUT will lose out on ~INR 200 Mn of subsidies to the transition from FAME-II to EMPS.

Valuation and view

BJAUT has continued its robust topline and profitability performance throughout FY24. The strong performance in the domestic 125cc+ 2W segment, domestic 3W sales led by CNG, and gradual improvement in exports are leading to sustained growth. Incremental growth will come from actions such as entry into new export markets, the potential to ramp up Quadricycle sales in Egypt, Triumph expansion in domestic as well as exports, and ramp up in e-2W and e-3W network. The healthy margin delivery despite investments in e-2W gives us confidence for continued resilience in margins. **We revise our FY25E/ FY26E EPS estimates by -0.8%/ 4.7% respectively. We have increased our FY26E estimate as we believe EBITDA margins can inch up due to operating leverage, premiumization, PLI benefits and eventual improvement in e-2W margins. We expect Revenue/ EBITDA/ Adj. PAT to grow at CAGR 13.1%/ 17.4%/ 15.6%, respectively over FY24-FY26E. The stock is currently trading at 27.8x/ 23.8x our Adj. EPS estimate for FY25E/ FY26E, respectively. The share price has rallied by 5.4% since our last report. Due to the continued performance strength and multiple growth levers in place, we assign a higher P/E multiple of 27.8x (25.0x earlier) on FY26E EPS of INR 369.2 (INR 352.7 earlier) and arrive at a target price of INR 10,263/share (INR 8,818/share previously); implying an upside potential of 16.6% from the CMP. Accordingly, we maintain our “BUY” recommendation on the shares of Bajaj Auto.**

Bajaj Auto Ltd.

Export volume share improves sequentially due to seasonal impact in domestic market



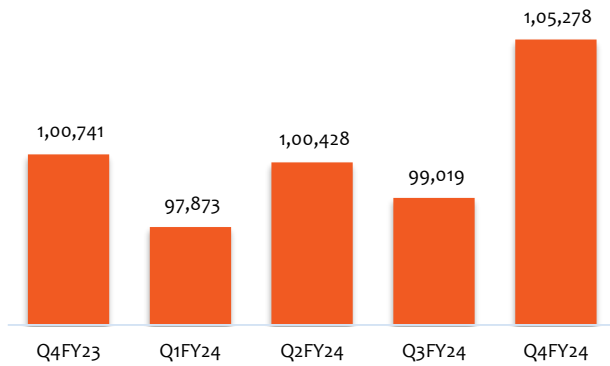
Source: Company, KRChoksey Research

Strong volume growth continued in domestic segments; exports grew in the quarter on a low base

Segmental Volumes (Mn units) & Growth	Q4FY24	Q3FY24	Q4FY23	QoQ	YoY	FY24	FY23	YoY
2-w Domestic	0.55	0.66	0.41	-16.6%	31.8%	2.25	1.81	24.6%
2-w Exports	0.37	0.38	0.31	-3.8%	19.2%	1.48	1.64	-9.8%
CV (3-W) Domestic	0.11	0.12	0.10	-10.1%	10.4%	0.46	0.30	54.3%
CV (3-W) Exports	0.04	0.04	0.03	8.8%	20.5%	0.16	0.18	-13.8%

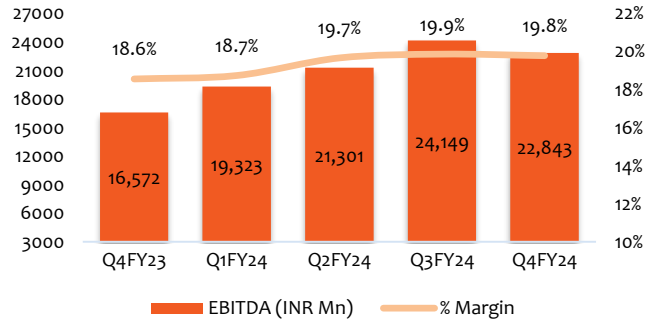
Source: Company, KRChoksey Research

Average Realization (INR) sees sharp QoQ increase



Source: Company, KRChoksey Research

EBITDA margin remains strong despite ramp up in e-2W investments



Source: Company, KRChoksey Research

KEY FINANCIALS

Particulars (Mn)	Q4FY24	Q3FY24	Q4FY23	QoQ	YoY	FY24	FY23	YoY
No. Of. Vehicles Sold (units)	1,068,576	1,200,997	859,728	-11.0%	24.3%	4,350,933	3,927,857	10.8%
Net Sales	112,498	118,921	86,610	-5.4%	29.9%	437,821	353,915	23.7%
Other operating income	3,052	2,732	2,682	11.7%	13.8%	10,884	10,639	2.3%
Net Operating Income	115,550	121,653	89,292	-5.0%	29.4%	448,704	364,554	23.1%
Other income	3,600	3,563	2,635	1.0%	36.6%	14,360	11,875	20.9%
Total revenue	119,149	125,217	91,927	-4.8%	29.6%	463,065	376,429	23.0%
Total Expenditure	92,707	97,504	72,720	-4.9%	27.5%	361,089	300,049	20.3%
Cost of raw materials	74,584	78,908	58,676	-5.5%	27.1%	292,675	240,731	21.6%
Purchase of traded goods	7,280	6,934	6,229	5.0%	16.9%	27,021	21,485	25.8%
Change in inventory	-693	703	-2,234	-198.5%	-69.0%	-763	-1,003	-23.9%
COGS	81,171	86,545	62,671	-6.2%	29.5%	318,932	261,213	22.1%
Employee costs	4,206	4,042	3,795	4.1%	10.8%	16,270	14,845	9.6%
Other expenses	7,476	6,995	6,378	6.9%	17.2%	26,362	24,270	8.6%
Capitalized expenses	-146	-77	-125	-89.5%	-17.2%	-475	-278	-70.8%
EBITDA	22,843	24,149	16,572	-5.4%	37.8%	87,616	64,505	35.8%
EBITDA Margin (%)	19.8%	19.9%	18.6%	-8 bps	121 bps	19.5%	17.7%	183 bps
Depreciation	928	929	760	-0.1%	22.1%	3,648	2,859	27.6%
EBIT	21,915	23,220	15,812	-5.6%	38.6%	83,968	61,647	36.2%
EBIT Margin (%)	19.0%	19.1%	17.7%	-12 bps	126 bps	18.7%	16.9%	180 bps
Interest	296	121	158	144.9%	87.9%	604	395	52.8%
PBT before share of associates	25,218	26,662	18,290	-5.4%	37.9%	97,725	73,127	33.6%
Exceptional items	0	0	0	NA	NA	0	0	NA
Share of associates	839	0	3,312	NA	-74.7%	2,676	5,293	-49.4%
Tax	5,943	6,336	4,554	-6.2%	30.5%	23,318	17,818	30.9%
PAT	20,114	20,326	17,047	-1.0%	18.0%	77,082	60,602	27.2%
PAT Margin (%)	17.4%	16.7%	19.1%	70 bps	-168 bps	17.2%	16.6%	56 bps
EPS (INR)	71.2	71.9	60.3	-1.0%	18.1%	272.7	212.5	28.3%

Source: Company, KRChoksey Research

Bajaj Auto Ltd.

	FY22	FY23	FY24	FY25E	FY26E
Sales	321,360	353,915	437,821	499,643	560,305
Other operating revenue	10,087	10,639	10,884	12,491	14,008
Revenue from operations	331,447	364,554	448,704	512,134	574,313
Cost of sales	243,298	261,213	318,932	363,485	404,739
Gross profit	88,149	103,341	129,772	148,649	169,574
Employee benefit expense	13,628	14,845	16,270	17,757	19,527
Finance cost	87	395	604	1,930	1,833
Depreciation	2,698	2,859	3,648	3,834	4,055
Other expenses	22,155	24,270	26,362	28,167	29,864
Capitalized expenses	-133	-278	-475	-560	-560
Total expenses	281,732	303,302	365,340	414,613	459,458
EBITDA	52,499	64,505	87,616	103,286	120,743
EBIT	49,802	61,647	83,968	99,451	116,688
Share of profit by associates	5,795	5,293	2,676	2,997	3,357
Other income	12,841	11,875	14,360	14,497	16,030
PBT before exp	68,352	78,420	100,400	115,015	134,242
Exceptional items	-8,165	0	0	0	0
PBT	76,517	78,420	100,400	115,015	134,242
Income tax expense	14,858	17,818	23,318	26,712	31,178
Net profit	61,659	60,602	77,082	88,302	103,064
Basic and Diluted EPS (INR)	213.2	212.5	272.7	316.3	369.2
Adj. Net Profit	53,494	60,602	77,082	88,302	103,064
Adj. EPS (INR)	184.9	212.5	272.7	316.3	369.2

Particulars (INR Mn)	FY22	FY23	FY24	FY25E	FY26E
Cash from operations activities	41,972	52,774	65,582	86,739	109,984
Cash from investing activities	-809	11,995	-3,437	-13,063	-14,042
Cash from financing activities	-40,563	-71,807	-61,674	-49,423	-63,386
Net inc/dec in cash equivalents	600	-7,038	471	24,252	32,556
Opening Balance cash	5,166	9,337	2,416	5,605	29,857
Change in foreign currency translation arising on consolidation	3,571	117	2,718	0	0
End Cash	9,337	2,416	5,605	29,857	62,413

Particulars (INR Mn)	FY22	FY23	FY24	FY25E	FY26E
EBITDA Margin (%)	15.8%	17.7%	19.5%	20.2%	21.0%
Tax rate (%)	19.4%	22.7%	23.2%	23.2%	23.2%
Net Profit Margin (%)	16.1%	16.6%	17.2%	17.2%	17.9%
RoE (%)	21.6%	20.5%	26.4%	28.5%	29.4%
RoCE (%)	16.7%	21.0%	29.0%	30.1%	31.4%
Basic and Diluted EPS (INR per share)	213.2	212.5	272.7	316.3	369.2
Adj. EPS (INR per share)	184.9	212.5	272.7	316.3	369.2
Adj. P/E	47.6x	41.4x	32.3x	27.8x	23.8x

Source: Company, KRChoksey Research

Bajaj Auto Ltd.

Balance Sheet (INR Mn)	FY22	FY23	FY24	FY25E	FY26E
PPE	17,596	27,615	31,475	35,703	40,691
Capital WIP	772	853	282	282	282
Investment property	511	500	489	489	489
Intangible assets	253	307	210	210	210
Investments in associate of subsidiary	40,638	48,840	48,204	48,204	48,204
Financial assets	176,672	167,535	184,400	184,400	184,400
Income tax assets	7,492	8,125	9,100	10,010	11,011
Other non-current assets	3,522	1,085	1,224	1,347	1,481
Total non-current assets	247,456	254,861	275,453	280,714	286,837
Inventories	12,305	15,636	16,888	21,757	24,227
Investments	49,691	45,814	54,316	59,316	64,316
Trade receivables	15,164	17,524	20,755	24,619	27,608
Cash and cash eq	9,337	2,416	5,605	29,857	62,413
Other bank balances	244	4,489	3,949	3,949	3,949
Loans	42	36	2,079	2,079	2,079
Other financial assets	5,963	4,752	7,473	7,473	7,473
Other current assets	10,911	5,837	6,920	6,920	6,920
Total current assets	103,656	96,504	117,984	155,969	198,983
Total Assets	351,112	351,365	393,437	436,684	485,821
Equity share capital	2,894	2,830	2,792	2,792	2,792
Other equity	295,703	290,786	286,832	327,395	368,647
Total Equity	298,597	293,616	289,624	330,187	371,439
Borrowings	0	0	6,333	6,333	6,333
Sales tax deferral	1,228	1,242	1,258	1,258	1,258
Provisions	13	12	68	68	68
DTL	4,027	3,452	4,931	5,178	5,437
Govt grant	360	334	307	307	307
Other non-current liabilities	3	2	2	2	2
Total non-current liabilities	5,631	5,042	12,900	13,147	13,406
Short term borrowings	0	0	11,526	11,526	11,526
Trade payables	36,322	41,212	55,974	57,347	63,856
Other financial liabilities	3,970	4,641	5,970	6,269	6,582
Other current liabilities	4,788	4,926	15,309	16,074	16,878
Provisions	1,538	1,665	1,906	1,906	1,906
Govt grant	27	27	27	27	27
Current tax liabilities	242	237	201	201	201
Total current liabilities	46,885	52,707	90,912	93,350	100,976
Total Equity & liabilities	351,112	351,365	393,437	436,684	485,821

Source: Company, KRChoksey Research

Bajaj Auto Ltd.

Bajaj Auto Ltd.			
Date	CMP (INR)	TP(INR)	Recommendation
19-Apr-24	8,805	10,263	BUY
06-Mar-24	8,352	8,818	BUY
25-Jan-24	7,598	8,818	BUY
05-Dec-23	6,137	7,093	BUY
19-Oct-23	5,474	5,830	ACCUMULATE
26-Jul-23	4,860	5,321	ACCUMULATE

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

ANALYST CERTIFICATION:

I, Unnati Jadhav (MMS, Finance), Research Analyst, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I 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.

Terms & Conditions and other disclosures:

KRChoksey Shares and Securities Pvt. Ltd (hereinafter referred to as KRCSSPL) is a registered member of National Stock Exchange of India Limited and Bombay Stock Exchange Limited. KRCSSPL is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH00001295. It is also registered as a Depository Participant with CDSL, CDSL Registration No IN-DP-425-2019.

KRChoksey Shares & Securities Pvt. Ltd. and DRChoksey Finserv Private Ltd. (Demerged entity from KRChoksey Shares & Securities Limited) are regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of Research Analysts including preparing and distribution of Research Reports. This research report is prepared and distributed by DRChoksey Finserv Private Ltd in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No. INH00001246. It may be further notified that KRCSSPL carries on the activity of preparation as well as distribution of reports in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No. INH00001295.

The information and opinions in this report are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of KRCSSPL. While we would endeavour to update the information herein on a reasonable basis, KRCSSPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent KRCSSPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension follows applicable regulations and/or KRCSSPL policies, in circumstances where KRCSSPL might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. KRCSSPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. KRCSSPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions 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.

We submit that no material disciplinary action has been taken on KRCSSPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities. KRCSSPL prohibits its associate, analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers. KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst, and has not been engaged in market making activity of the company covered by research analyst. It is confirmed that, I, Unnati Jadhav Research Analyst 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 brokerage service transactions. KRCSSPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months. KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services. KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report other than investment banking or merchant banking or brokerage services from the subject company. KRCSSPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. KRCSSPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither KRCSSPL nor Research Analysts his associate or his relative, have any material conflict of interest at the time of publication of this report. It is confirmed that, Unnati Jadhav, Research Analyst do not serve as an officer, director or employee of the companies mentioned in the report. KRCSSPL or its associates (Group Companies) or its research analyst has may been engaged in market making activity for the subject company. 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 KRCSSPL and affiliates 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 them of and to observe such restriction. Please send your feedback to research.insti@krchoksey.com

In case of any grievances, please write to grievance@krchoksey.com

Visit us at www.krchoksey.com

KRChoksey Shares and Securities Pvt. Ltd.

CIN-U67120MH1997PTC108958

Registered Office: 1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.

Phone: 91-22-6633 5000; Fax: 91-22-6633 8060

Corporate Office: 701-702, DLH Plaza, Opp Shoppers Stop, S V Road, Andheri (W), Mumbai 400 058

Phone: 91-22-66355000

Compliance Officer: Varsha Shinde

Email: varsha.shinde@krchoksey.com

ANALYST

Unnati Jadhav, research5@krchoksey.com, +91-22-6696 5420

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

Phone: +91-22-6696 5555, Fax: +91-22-6691 9576
www.krchoksey.com