

May 15, 2024

## Q4FY24 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

Rating	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Target Price	HOLD 941		HOLD 997	
Sales (Rs. m)	50,430	56,826	53,855	60,987
% Chng.	(6.4)	(6.8)		
EBITDA (Rs. m)	3,537	4,396	4,197	4,900
% Chng.	(15.7)	(10.3)		
EPS (Rs.)	19.0	25.1	22.2	26.6
% Chng.	(14.5)	(5.6)		

### Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. m)	48,892	46,413	50,430	56,826
EBITDA (Rs. m)	3,748	2,597	3,537	4,396
Margin (%)	7.7	5.6	7.0	7.7
PAT (Rs. m)	2,154	1,359	2,186	2,893
EPS (Rs.)	18.7	11.8	19.0	25.1
Gr. (%)	43.3	(37.0)	60.9	32.3
DPS (Rs.)	4.0	3.0	5.0	6.0
Yield (%)	0.4	0.3	0.5	0.6
RoE (%)	11.8	8.1	11.9	12.3
RoCE (%)	18.8	14.1	19.3	19.1
EV/Sales (x)	2.1	2.3	2.0	1.8
EV/EBITDA (x)	27.6	40.3	28.5	22.7
PE (x)	50.0	79.3	49.3	37.3
P/BV (x)	5.6	7.5	4.8	4.4

Key Data	BJEL.BO   BJE IN
52-W High / Low	Rs.1,193 / Rs.862
Sensex / Nifty	72,987 / 22,201
Market Cap	Rs.108bn/ \$ 1,291m
Shares Outstanding	115m
3M Avg. Daily Value	Rs.92.93m

### Shareholding Pattern (%)

Promoter's	62.85
Foreign	10.49
Domestic Institution	12.06
Public & Others	14.60
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.8)	(7.1)	(11.0)
Relative	(0.2)	(16.4)	(24.0)

**Praveen Sahay**

praveensahay@plindia.com | 91-22-66322369

# Bajaj Electricals (BJE IN)

Rating: HOLD | CMP: Rs936 | TP: Rs941

### Weak performance continues...

#### Quick Pointers:

- CP seg. down 7.0% YoY, mainly with weakness in appliance/GT segment.
- Lighting segment down 11.3% YoY with LED price erosion & flat vol. in CL.

**We downward revise Bajaj Electrical (BJE) FY25/26E earnings by 14.5%/5.6% to factor weak consumer demand and soft margin profile.** BJE reported weak numbers with sales decline of 8.0% and PAT decline of 43.5% YoY due to sluggish demand in rural & non-premium market, weakness in appliances segment and demand slowdown in GT vertical along with margins contracts due to discounting and operating de-leverage. Decline in CP revenue was from appliances while fans grew by single digit. Lighting segment reported flat YoY volume in CL with LED price erosion and PL were flat revenue, while margin improved on account of gross margin improvements. BJE indicated that April-24 saw double digit growth in CP segments and has taken price hike as well. BJE anticipates a business boost due to increased consumer demand sentiment in rural and semi-urban areas following a favorable monsoon season. We estimate FY23-25E Revenue/EBITDA/ PAT CAGR of 7.0%/19.2%/28.6%. We value the stock at 37x FY26 EPS and arrive at revised TP of Rs941 (earlier Rs 997). Maintain 'HOLD' rating.

**Sales decline by 8.0%, PAT decline by 43.5% YoY:** Revenue decline by 8.0% YoY to Rs11.9bn (PLe: Rs13.6bn). Consumer Products/Lighting revenue decline by 7.1%/11.3% YoY (PLe: CP segment/Lighting +5.1%/+6.4% YoY). Gross margins contracted by 140bps YoY to 28.4%. EBITDA decline by 47.4% YoY to Rs497mn. EBITDA margin contracted by 310bps YoY to 4.2%. (PLe: 6.7%). Consumer products reported contraction in EBIT margin by 480bps YoY to 1.8% due to discount offerings amidst liquidation of old inventory and operating de-leverage and Lightning reported expansion in EBIT margin by 110bps YoY to 8.5%. PAT declined by 43.5% YoY to Rs293mn (PLe: Rs 428mn). Net Cash balance stands at Rs3.1bn.

**Con call highlights:** **1)** Consumer products showed a de-growth of 7.0%; management indicated de-growth was due to sluggish demand in rural & non-premium market, weakness in appliances segment and demand slowdown in GT segment, **2)** Lightning segment decline due to LED price erosion in consumer lighting with flat volume and higher base effect in professional lighting, **3)** Fan/Morphy Richards segment reported single digit/high single digit growth in Q4FY24, **4)** Company has taken price hike in Apr-24 and also observed double digit growth in CP segment in Apr-24, **5)** General trade (down 3% YoY), while other channels witnessed better growth across key alternate channels- MFR (+17%), E-Com (+25%) & Exports (+25%), **6)** Margins were impacted due to discount offerings amidst liquidation of old SKUs/inventory and operating de-leverage, Company plans to discontinue discounts at appropriate time and is already indicating increase in price, **7)** Currently 20% of total products are manufactured in-house, gradually improve in coming years, **8)** Company guided a capex of Rs 1.5bn in FY25/FY26, primarily in dyes and moulds for launch of new products, **9)** A&P spends was 3.0% sales in Q4FY24/FY24, **10)** BJE distributors count increased to 749 in FY24 vs 660 in FY23.

## Exhibit 1: Q4FY24 Result Overview: Sales decline by 8.0% YoY to Rs11.9bn; PAT decline by 43.5% at Rs293mn

Y/e March (Rs mn)	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
<b>Net Sales</b>	<b>11,881</b>	<b>12,920</b>	<b>(8.0)</b>	<b>12,282</b>	<b>(3.3)</b>	<b>46,413</b>	<b>48,892</b>	<b>(5.1)</b>
<b>Expenditure</b>								
Operating & Manufacturing Expenses	8,510	9,077	(6.3)	8,710	(2.3)	32,871	33,815	(2.8)
% of Net Sales	71.6	70.3	1.4	70.9	0.7	70.8	69.2	1.7
<b>Gross Profit</b>	<b>3,371</b>	<b>3,842</b>	<b>(12.3)</b>	<b>3,572</b>	<b>(5.6)</b>	<b>13,542</b>	<b>15,078</b>	<b>(10.2)</b>
% of Net Sales	28.4	29.7	(1.4)	29.1	(0.7)	29.2	30.8	(1.7)
Personnel Cost	828	881	(5.9)	958	(13.5)	3,649	3,437	6.2
% of Net Sales	7.0	6.8	0.2	7.8	(0.8)	7.9	7.0	0.8
Other Expenses	2,045	2,016	1.5	1,807	13.2	7,296	7,893	(7.6)
% of Net Sales	17.2	15.6	1.6	14.7	2.5	15.7	16.1	(0.4)
Total Expenditure	11,383	11,974	(4.9)	11,476	(0.8)	43,816	45,145	(2.9)
<b>EBITDA</b>	<b>497</b>	<b>946</b>	<b>(47.4)</b>	<b>806</b>	<b>(38.3)</b>	<b>2,597</b>	<b>3,748</b>	<b>(30.7)</b>
Margin (%)	4.2	7.3	(3.1)	6.6	(2.4)	5.6	7.7	(2.1)
Other income	225	206	8.8	427	(47.4)	865	450	92.0
Depreciation	302	224	34.9	295	2.2	1,096	738	48.5
<b>EBIT</b>	<b>420</b>	<b>929</b>	<b>(54.8)</b>	<b>938</b>	<b>(55.2)</b>	<b>2,366</b>	<b>3,460</b>	<b>(31.6)</b>
Interest	176	120	46.8	204	(13.7)	635	436	45.5
<b>PBT before exceptional item</b>	<b>245</b>	<b>809</b>	<b>(69.8)</b>	<b>735</b>	<b>(66.7)</b>	<b>1,731</b>	<b>3,024</b>	<b>(42.8)</b>
Total Taxes	(49)	279		131	(137.0)	372	870	(57.2)
ETR (%)	(19.9)	34.5	(54.4)	17.9	(37.7)	21.5	28.8	(7.3)
<b>Adj. PAT</b>	<b>293</b>	<b>530</b>	<b>(44.7)</b>	<b>604</b>	<b>(51.4)</b>	<b>1,359</b>	<b>2,154</b>	<b>(36.9)</b>
Exceptional item	-	(12)		(230)		(41)	-	
<b>PAT</b>	<b>293</b>	<b>519</b>	<b>(43.5)</b>	<b>374</b>	<b>(21.5)</b>	<b>1,318</b>	<b>2,154</b>	<b>(38.8)</b>

Source: Company, PL

## Exhibit 2: Segmental Breakup: Consumer Products sales down 7.1% YoY; EBIT margin at 1.8%

Y/e March (Rs mn)	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
<b>Revenues</b>								
Consumer Products	9,171	9,865	(7.0)	9,567	(4.1)	36,037	27,656	30.3
Lighting	2,710	3,054	(11.3)	2,716	(0.2)	10,374	8,196	26.6
<b>Revenues</b>	<b>11,881</b>	<b>12,920</b>	<b>(8.0)</b>	<b>12,282</b>	<b>(3.3)</b>	<b>46,411</b>	<b>35,852</b>	<b>29.5</b>
<b>EBIT</b>								
Consumer Products	164	651	(74.9)	389	(57.9)	1,432	1,838	(22.1)
EBIT margin (%)	1.8	6.6	(4.8)	4.1	(2.3)	4.0	6.6	(2.7)
Lighting	231	228	1.4	227	1.8	796	651	22.2
EBIT margin (%)	8.5	7.5	1.1	8.4	0.2	7.7	7.9	(0.3)
<b>EBIT</b>	<b>395</b>	<b>879</b>	<b>(55.1)</b>	<b>616</b>	<b>(35.9)</b>	<b>2,228</b>	<b>2,490</b>	<b>(10.5)</b>
EBIT margin (%)	3.3	6.8	(3.5)	5.0	(1.7)	4.8	6.9	(2.1)

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>48,892</b>	<b>46,413</b>	<b>50,430</b>	<b>56,826</b>
YoY gr. (%)	2.1	(5.1)	8.7	12.7
Cost of Goods Sold	33,815	32,871	35,149	39,437
<b>Gross Profit</b>	<b>15,078</b>	<b>13,542</b>	<b>15,280</b>	<b>17,389</b>
Margin (%)	30.8	29.2	30.3	30.6
Employee Cost	3,437	3,649	3,883	4,148
Other Expenses	4,999	4,452	4,750	5,536
<b>EBITDA</b>	<b>3,748</b>	<b>2,597</b>	<b>3,537</b>	<b>4,396</b>
YoY gr. (%)	49.2	(30.7)	36.2	24.3
Margin (%)	7.7	5.6	7.0	7.7
Depreciation and Amortization	738	1,096	1,093	1,250
<b>EBIT</b>	<b>3,010</b>	<b>1,501</b>	<b>2,444</b>	<b>3,146</b>
Margin (%)	6.2	3.2	4.8	5.5
Net Interest	436	635	624	627
Other Income	450	865	1,103	1,349
<b>Profit Before Tax</b>	<b>3,024</b>	<b>1,731</b>	<b>2,923</b>	<b>3,868</b>
Margin (%)	6.2	3.7	5.8	6.8
Total Tax	870	372	737	975
Effective tax rate (%)	28.8	21.5	25.2	25.2
<b>Profit after tax</b>	<b>2,154</b>	<b>1,359</b>	<b>2,186</b>	<b>2,893</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,154</b>	<b>1,359</b>	<b>2,186</b>	<b>2,893</b>
YoY gr. (%)	43.6	(36.9)	60.9	32.3
Margin (%)	4.4	2.9	4.3	5.1
Extra Ord. Income / (Exp)	-	(41)	-	-
<b>Reported PAT</b>	<b>2,154</b>	<b>1,318</b>	<b>2,186</b>	<b>2,893</b>
YoY gr. (%)	57.5	(38.8)	65.9	32.3
Margin (%)	4.4	2.8	4.3	5.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,154	1,318	2,186	2,893
<b>Equity Shares O/s (m)</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
<b>EPS (Rs)</b>	<b>18.7</b>	<b>11.8</b>	<b>19.0</b>	<b>25.1</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>11,019</b>	<b>13,577</b>	<b>15,682</b>	<b>17,888</b>
Tangibles	10,687	13,211	15,216	17,371
Intangibles	331	366	466	516
<b>Acc: Dep / Amortization</b>	<b>5,223</b>	<b>6,319</b>	<b>6,111</b>	<b>6,902</b>
Tangibles	5,084	6,107	5,853	6,590
Intangibles	139	212	258	312
<b>Net fixed assets</b>	<b>5,795</b>	<b>7,258</b>	<b>9,571</b>	<b>10,985</b>
Tangibles	5,603	7,104	9,363	10,781
Intangibles	192	154	208	204
Capital Work In Progress	419	635	435	266
Goodwill	1,900	1,900	1,900	1,900
Non-Current Investments	512	681	883	987
Net Deferred tax assets	1,226	833	833	833
Other Non-Current Assets	1,202	903	1,830	1,805
<b>Current Assets</b>				
Investments	408	301	301	301
Inventories	9,756	7,566	8,290	9,341
Trade receivables	11,113	11,632	12,435	14,012
Cash & Bank Balance	3,702	2,747	6,790	7,565
Other Current Assets	2,898	3,716	4,033	4,544
<b>Total Assets</b>	<b>49,928</b>	<b>38,332</b>	<b>47,449</b>	<b>52,704</b>
<b>Equity</b>				
Equity Share Capital	230	230	230	230
Other Equity	18,845	14,182	22,095	24,412
<b>Total Networth</b>	<b>19,075</b>	<b>14,412</b>	<b>22,325</b>	<b>24,643</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	886	1,823	1,833	2,017
Other non current liabilities	488	519	1,023	1,087
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	2	-	-	-
Trade payables	17,960	18,417	18,652	21,018
Other current liabilities	11,461	3,158	3,614	3,938
<b>Total Equity &amp; Liabilities</b>	<b>49,928</b>	<b>38,332</b>	<b>47,449</b>	<b>52,704</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	3,172	1,731	2,923	3,868
Add. Depreciation	738	1,096	1,093	1,250
Add. Interest	499	635	624	627
Less Financial Other Income	450	865	1,103	1,349
Add. Other	926	1,667	(438)	204
Op. profit before WC changes	5,335	5,128	4,202	5,950
Net Changes-WC	739	-	-	(500)
Direct tax	(872)	(372)	(737)	(975)
<b>Net cash from Op. activities</b>	<b>5,201</b>	<b>4,756</b>	<b>3,466</b>	<b>4,474</b>
Capital expenditures	325	(1,307)	(3,206)	(2,496)
Interest / Dividend Income	-	(796)	-	-
Others	(168)	1	96	-
<b>Net Cash from Inv. activities</b>	<b>157</b>	<b>(2,102)</b>	<b>(3,109)</b>	<b>(2,496)</b>
Issue of share cap. / premium	0	51	-	-
Debt changes	(357)	(449)	-	-
Dividend paid	(345)	(461)	(346)	(576)
Interest paid	(499)	(468)	(624)	(627)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(1,199)</b>	<b>(1,326)</b>	<b>(970)</b>	<b>(1,203)</b>
<b>Net change in cash</b>	<b>4,160</b>	<b>1,328</b>	<b>(613)</b>	<b>775</b>
Free Cash Flow	5,527	3,449	260	1,978

*Source: Company Data, PL Research*
**Key Financial Metrics**

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	18.7	11.8	19.0	25.1
CEPS	25.1	21.3	28.5	36.0
BVPS	165.7	125.1	193.8	213.9
FCF	48.0	29.9	2.3	17.2
DPS	4.0	3.0	5.0	6.0
<b>Return Ratio(%)</b>				
RoCE	18.8	14.1	19.3	19.1
ROIC	15.0	8.6	16.2	15.1
RoE	11.8	8.1	11.9	12.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)
Net Working Capital (Days)	22	6	15	15
<b>Valuation(x)</b>				
PER	50.0	79.3	49.3	37.3
P/B	5.6	7.5	4.8	4.4
P/CEPS	37.2	43.9	32.9	26.0
EV/EBITDA	27.6	40.3	28.5	22.7
EV/Sales	2.1	2.3	2.0	1.8
Dividend Yield (%)	0.4	0.3	0.5	0.6

*Source: Company Data, PL Research*
**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
<b>Net Revenue</b>	<b>11,120</b>	<b>11,128</b>	<b>12,282</b>	<b>11,881</b>
YoY gr. (%)	(1.0)	(3.5)	(6.1)	(8.0)
Raw Material Expenses	7,837	7,838	8,710	8,510
Gross Profit	3,284	3,289	3,572	3,371
Margin (%)	29.5	29.6	29.1	28.4
<b>EBITDA</b>	<b>693</b>	<b>581</b>	<b>806</b>	<b>497</b>
YoY gr. (%)	(5.1)	(41.6)	(22.7)	(47.4)
Margin (%)	6.2	5.2	6.6	4.2
Depreciation / Depletion	214	256	295	302
<b>EBIT</b>	<b>479</b>	<b>324</b>	<b>511</b>	<b>196</b>
Margin (%)	4.3	2.9	4.2	1.6
Net Interest	115	141	204	176
Other Income	224	321	427	225
<b>Profit before Tax</b>	<b>588</b>	<b>505</b>	<b>735</b>	<b>245</b>
Margin (%)	5.3	4.5	6.0	2.1
Total Tax	158	126	131	(49)
Effective tax rate (%)	26.8	25.0	17.9	(19.9)
<b>Profit after Tax</b>	<b>430</b>	<b>378</b>	<b>604</b>	<b>293</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>430</b>	<b>378</b>	<b>374</b>	<b>293</b>
YoY gr. (%)	(4.7)	(37.2)	(42.1)	(43.5)
Margin (%)	3.9	3.4	3.0	2.5
Extra Ord. Income / (Exp)	-	-	230	-
<b>Reported PAT</b>	<b>430</b>	<b>378</b>	<b>604</b>	<b>293</b>
YoY gr. (%)	(4.7)	(37.2)	(6.5)	(44.7)
Margin (%)	3.9	3.4	4.9	2.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>430</b>	<b>378</b>	<b>604</b>	<b>293</b>
Avg. Shares O/s (m)	115	115	115	115
<b>EPS (Rs)</b>	<b>3.8</b>	<b>3.3</b>	<b>3.3</b>	<b>2.6</b>

*Source: Company Data, PL Research*

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Apr-24	Hold	997	996
2	07-Feb-24	Hold	997	1,065
3	09-Jan-24	Hold	1,047	1,026
4	13-Nov-23	Hold	1,032	1,018
5	07-Oct-23	BUY	1,421	1,056
6	10-Aug-23	Accumulate	1,337	1,220
7	06-Jul-23	Accumulate	1,326	1,219
8	23-May-23	Accumulate	1,301	1,213

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	2,244	1,995
2	Bajaj Electricals	Hold	997	996
3	Century Plyboard (I)	BUY	848	644
4	Cera Sanitaryware	Accumulate	8,178	7,119
5	Crompton Greaves Consumer Electricals	BUY	359	281
6	Finolex Industries	Hold	270	271
7	Greenpanel Industries	Accumulate	355	310
8	Havells India	Accumulate	1,774	1,664
9	Kajaria Ceramics	Accumulate	1,318	1,184
10	KEI Industries	Hold	4,032	3,893
11	Polycab India	BUY	7,086	6,156
12	R R Kabel	BUY	1,857	1,558
13	Supreme Industries	BUY	5,188	4,338
14	Volta	Hold	1,241	1,276

## PL's Recommendation Nomenclature (Absolute Performance)

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

## ANALYST CERTIFICATION

### **(Indian Clients)**

We/I, Mr. Praveen Sahay- 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](http://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 Mr. Praveen Sahay- 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](http://www.plindia.com)