

November 11, 2024

## Q2FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	456		520	
Sales (Rs. m)	1,92,008	2,15,338	2,07,392	2,27,908
% Chng.	(7.4)	(5.5)		
EBITDA (Rs. m)	22,427	26,078	26,027	26,961
% Chng.	(13.8)	(3.3)		
EPS (Rs.)	16.1	19.1	19.1	19.6
% Chng.	(15.5)	(2.4)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	1,60,292	1,70,724	1,92,008	2,15,338
EBITDA (Rs. m)	18,714	19,822	22,427	26,078
Margin (%)	11.7	11.6	11.7	12.1
PAT (Rs. m)	10,530	11,978	13,704	16,272
EPS (Rs.)	12.4	14.1	16.1	19.1
Gr. (%)	16.5	13.8	14.4	18.7
DPS (Rs.)	2.0	3.5	4.0	5.0
Yield (%)	0.5	0.8	0.9	1.1
RoE (%)	8.6	8.8	9.4	10.4
RoCE (%)	11.3	11.0	11.7	12.9
EV/Sales (x)	2.3	2.2	1.9	1.7
EV/EBITDA (x)	19.6	18.5	16.3	13.9
PE (x)	35.2	31.0	27.1	22.8
P/BV (x)	2.8	2.6	2.5	2.3

### Key Data

EXID.BO | EXID IN

52-W High / Low	Rs.620 / Rs.267
Sensex / Nifty	79,496 / 24,141
Market Cap	Rs.371bn/ \$ 4,397m
Shares Outstanding	850m
3M Avg. Daily Value	Rs.1988.77m

### Shareholding Pattern (%)

Promoter's	45.99
Foreign	12.31
Domestic Institution	17.97
Public & Others	23.73
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(17.7)	(3.5)	62.8
Relative	(15.7)	(11.8)	32.9

### Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

## Soft quarter owing to slowdown in OEM demand

### Quick Pointers:

- Posted double-digit growth in replacement segment
- Aims to enter new geographies for international business

**EXID's standalone revenue increased by 3.9% YoY, coming in 4.1% lower than street estimates. Gross profit grew by 5.4% YoY, while gross margin improved by 43bps YoY to 31.5%, aided by stable RM prices and pricing action. EBITDA remained flat, while margin contracted by 43bps YoY to 11.3%, impacted by higher other expenses, which stood at 13.9% as a percentage of sales compared to 13.1% in Q2FY24. PAT increased by 3.8% YoY. Overall growth was subdued due to high channel inventories for OEMs, which impacted their sales.**

**Demand outlook from the OEMs segment is mixed as OEMs look to rationalize their production to reduce the inventory at dealerships, which may impact EXID's volume and revenue growth for FY25. Factoring this, we reduce our estimates mainly for FY25 which is translating to a reduction of 7-15% for the forecast period. Replacement demand and industrial division outlook remains optimistic, while commencement of the LAB plant shall support the next leg of growth for the company. We retain "Hold" rating with a TP of Rs456 (previous Rs520), valuing its core business at 23x and its HDFC Life stake at Rs51/share.**

- **Miss on estimates due to decline in OEM demand:** EXID's Q2FY25 revenue increased by a mere 3.9% YoY to Rs42.7bn (PLe: Rs45.2bn; BBGe: Rs44.4bn). Growth was primarily driven by healthy demand from the replacement market, which saw double-digit revenue growth, while decline in demand from OEMs suppressed revenue expansion. PAT grew by 3.8% YoY to Rs3bn (PLe: Rs3.4bn; BBGe: Rs3.1bn).
- **High other expenses suppress EBITDA margin expansion:** Gross profit grew by 5.4% YoY to Rs13.5bn (PLe: Rs14bn). Gross margin expanded by 43bps YoY to 31.5%, aided by stable input cost and the pricing strategy implemented in the preceding quarters. EBITDA remained flat at Rs4.8bn (PLe: Rs5.5bn; BBGe: Rs5.4bn), while margin contracted by 43bps YoY to 11.3% (PLe/BBGe: 12.2%), as other expenses as a percentage of sales increased by 83bps YoY, which impacted margin expansion.
- **Key takeaways:** **1)** Export demand was robust during the quarter on a low base. The company aims to enter new geographies by enhancing its distribution network and product portfolio. **2)** The industrial-UPS and solar business environment remained robust, while the home-UPS segment was impacted by monsoon. **3)** The remaining investment of Phase-1 will be made in FY25 and Q1FY26. **4)** The company remains committed to commission Phase-1 of Li-Ion battery plant by Q4FY25. **5)** Replacement demand was strong, however, OEM demand reported a decline as manufacturers reduced their production to rationalize their inventory level. **6)** Company expects double-digit growth in replacement market driven by uptick in rural demand. **7)** EXID will be utilizing LFP and NMC chemistry for developing its battery cells. **8)** As inventory levels have been down from 77 days to 30-35 days, the company expects demand revival from OEMs in H2FY25. **9)** The company has multiple orders for the Li-ion battery business, however, details of it have not been disclosed due to the NDAs.

Exhibit 1: Standalone Q2FY25 result overview (Rs mn)

Y/e March	Q2 FY25	Q2 FY24	YoY gr. (%)	Q1 FY25	QoQ gr. (%)	Q2 FY25E	% Var.	H1 FY25	H1 FY24	YoY gr. (%)
<b>Net Revenues</b>	<b>42,673</b>	<b>41,067</b>	<b>3.9</b>	<b>43,128</b>	<b>(1.1)</b>	<b>45,173</b>	<b>(5.5)</b>	<b>85,801</b>	<b>81,793</b>	<b>4.9</b>
Raw Materials	29,213	28,292	3.3	29,895	(2.3)	31,121	(6.1)	59,108	57,512	2.8
% of Net Sales	68.5	68.9	-43 bps	69.3	-86 bps	68.9		68.9	70.3	-142 bps
Personnel	2,675	2,561	4.5	2,650	1.0	2,665	0.4	5,325	4,933	7.9
% of Net Sales	6.3	6.2	3 bps	6.1	12 bps	5.9		6.2	6.0	18 bps
Manufacturing & Other Exp	5,948	5,383	10.5	5,640	5.5	5,873	1.3	11,588	10,195	13.7
% of Net Sales	13.9	13.1	83 bps	13.1	86 bps	13.0		13.5	12.5	104 bps
Total Expenditure	37,837	36,235	4.4	38,185	(0.9)	39,659	(4.6)	76,022	72,640	4.7
<b>EBITDA</b>	<b>4,836</b>	<b>4,831</b>	<b>0.1</b>	<b>4,943</b>	<b>(2.2)</b>	<b>5,515</b>	<b>(12.3)</b>	<b>9,779</b>	<b>9,153</b>	<b>6.8</b>
EBITDA Margin (%)	11.3	11.8	-43 bps	11.5	-13 bps	12.2		11.4	11.2	21 bps
Depreciation	1,270	1,259	0.9	1,257	1.0	1,257	1.0	2,527	2,453	3.0
<b>EBIT</b>	<b>3,566</b>	<b>3,572</b>	<b>(0.2)</b>	<b>3,686</b>	<b>(3.2)</b>	<b>4,257</b>	<b>(16.2)</b>	<b>7,252</b>	<b>11,122</b>	<b>(34.8)</b>
Interest Expenses	103	115	(10.8)	87	18.8	87	18.8	190	213	(11.1)
Non-operating income	528	392	34.8	142	273.2	142	273.2	670	584	14.7
Extraordinary Expenses	0	0	-	0	-	0		0	0	-
<b>PBT</b>	<b>3,991</b>	<b>3,849</b>	<b>3.7</b>	<b>3,741</b>	<b>6.7</b>	<b>4,312</b>	<b>(7.4)</b>	<b>7,732</b>	<b>7,071</b>	<b>9.3</b>
Tax-Total	1,014	979	3.6	945	7.3	945	7.3	1,958	1,782	9.9
Tax Rate (%) - Total	25.4	25.4	(0.1)	25.3		21.9	15.9	25.3	25.2	0.5
<b>Reported PAT</b>	<b>2,978</b>	<b>2,870</b>	<b>3.8</b>	<b>2,796</b>	<b>6.5</b>	<b>3,367</b>	<b>(11.6)</b>	<b>5,773</b>	<b>5,289</b>	<b>9.2</b>
<b>Adj. PAT</b>	<b>2,978</b>	<b>2,870</b>	<b>3.8</b>	<b>2,796</b>	<b>6.5</b>	<b>3,367</b>	<b>(11.6)</b>	<b>5,773</b>	<b>5,289</b>	<b>9.2</b>
PAT Margin (%)	7.0	7.0	-1 bps	6.5	50 bps	7.5		6.7	6.5	26 bps

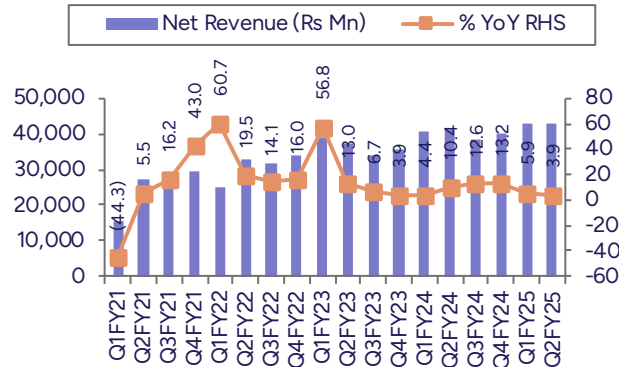
Source: Company, PL

Exhibit 2: SoTP valuation

EPS - Sep'26	17.6
PE multiple	23.0x
<b>Core business</b>	<b>405</b>
HDFC Life stake at 30% discount (Rs/share)	51
<b>SOTP-based value (Rs)</b>	<b>456</b>

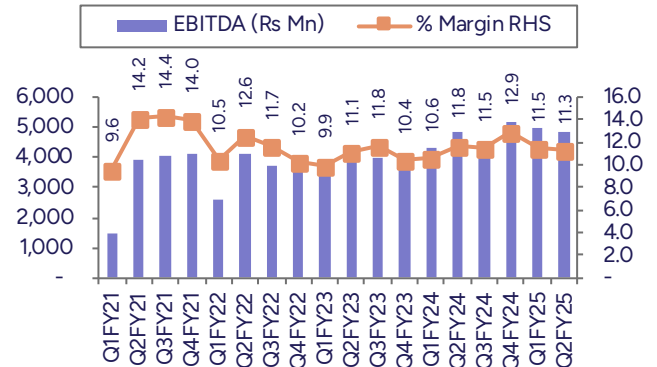
Source: Company, PL

**Exhibit 3: Revenue up by 3.9% led by replacement demand**



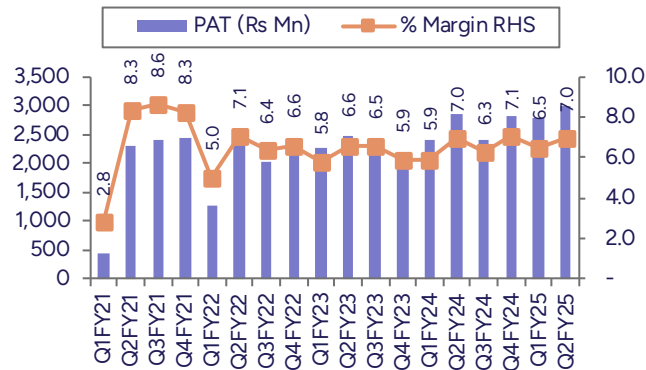
Source: Company, PL

**Exhibit 4: High other expenses impact margin expansion**



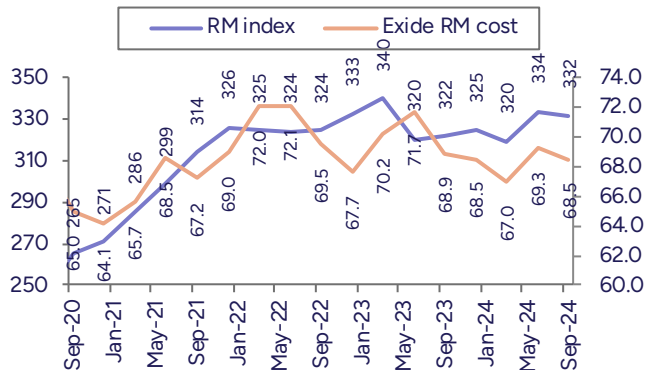
Source: Company, PL

**Exhibit 5: PAT increases by 3.8% YoY**



Source: Company, PL

**Exhibit 6: Trend of EXID RM cost**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>1,60,292</b>	<b>1,70,724</b>	<b>1,92,008</b>	<b>2,15,338</b>
YoY gr. (%)	9.8	6.5	12.5	12.2
Cost of Goods Sold	1,10,684	1,17,800	1,32,486	1,48,045
Gross Profit	49,608	52,924	59,523	67,293
Margin (%)	30.9	31.0	31.0	31.3
Employee Cost	9,827	10,585	11,905	13,351
Other Expenses	21,068	22,518	25,191	27,864
<b>EBITDA</b>	<b>18,714</b>	<b>19,822</b>	<b>22,427</b>	<b>26,078</b>
YoY gr. (%)	19.3	5.9	13.1	16.3
Margin (%)	11.7	11.6	11.7	12.1
Depreciation and Amortization	4,975	4,891	5,347	5,809
<b>EBIT</b>	<b>13,739</b>	<b>14,930</b>	<b>17,081</b>	<b>20,270</b>
Margin (%)	8.6	8.7	8.9	9.4
Net Interest	486	400	430	450
Other Income	845	1,441	1,621	1,876
<b>Profit Before Tax</b>	<b>14,099</b>	<b>15,971</b>	<b>18,271</b>	<b>21,695</b>
Margin (%)	8.8	9.4	9.5	10.1
Total Tax	3,569	3,993	4,568	5,424
Effective tax rate (%)	25.3	25.0	25.0	25.0
<b>Profit after tax</b>	<b>10,530</b>	<b>11,978</b>	<b>13,704</b>	<b>16,272</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>10,530</b>	<b>11,978</b>	<b>13,704</b>	<b>16,272</b>
YoY gr. (%)	16.5	13.8	14.4	18.7
Margin (%)	6.6	7.0	7.1	7.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>10,530</b>	<b>11,978</b>	<b>13,704</b>	<b>16,272</b>
YoY gr. (%)	16.5	13.8	14.4	18.7
Margin (%)	6.6	7.0	7.1	7.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	10,530	11,978	13,704	16,272
<b>Equity Shares O/s (m)</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>850</b>
<b>EPS (Rs)</b>	<b>12.4</b>	<b>14.1</b>	<b>16.1</b>	<b>19.1</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>58,400</b>	<b>60,900</b>	<b>66,400</b>	<b>71,900</b>
Tangibles	58,400	60,900	66,400	71,900
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>29,945</b>	<b>34,836</b>	<b>40,183</b>	<b>45,991</b>
Tangibles	29,945	34,836	40,183	45,991
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>28,455</b>	<b>26,064</b>	<b>26,218</b>	<b>25,909</b>
Tangibles	28,455	26,064	26,218	25,909
Intangibles	-	-	-	-
Capital Work In Progress	2,017	2,017	2,017	2,017
Goodwill	-	-	-	-
Non-Current Investments	83,699	98,346	1,05,230	1,10,492
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	2,507	2,757	3,007	3,257
Inventories	32,493	34,582	38,894	43,462
Trade receivables	12,644	13,467	15,146	17,994
Cash & Bank Balance	2,378	1,198	2,496	6,003
Other Current Assets	3,258	3,040	3,419	4,720
<b>Total Assets</b>	<b>1,68,451</b>	<b>1,81,471</b>	<b>1,96,426</b>	<b>2,13,853</b>
<b>Equity</b>				
Equity Share Capital	850	850	850	850
Other Equity	1,30,522	1,39,526	1,49,829	1,61,851
<b>Total Networth</b>	<b>1,31,372</b>	<b>1,40,376</b>	<b>1,50,679</b>	<b>1,62,701</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	23,096	25,726	28,407	31,268
Other current liabilities	13,983	15,370	17,340	19,884
<b>Total Equity &amp; Liabilities</b>	<b>1,68,451</b>	<b>1,81,471</b>	<b>1,96,426</b>	<b>2,13,853</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	13,739	14,930	17,081	20,270
Add. Depreciation	4,975	4,891	5,347	5,809
Add. Interest	845	1,441	1,621	1,876
Less Financial Other Income	845	1,441	1,621	1,876
Add. Other	-	-	-	-
Op. profit before WC changes	19,559	21,262	24,048	27,954
Net Changes-WC	6,432	2,322	(1,718)	(3,311)
Direct tax	(3,569)	(3,993)	(4,568)	(5,424)
<b>Net cash from Op. activities</b>	<b>22,422</b>	<b>19,592</b>	<b>17,762</b>	<b>19,219</b>
Capital expenditures	(6,193)	(2,500)	(5,500)	(5,500)
Interest / Dividend Income	-	-	-	-
Others	(22,792)	(14,897)	(7,134)	(5,512)
<b>Net Cash from Invst. activities</b>	<b>(28,985)</b>	<b>(17,397)</b>	<b>(12,634)</b>	<b>(11,012)</b>
Issue of share cap. / premium	10,445	-	-	-
Debt changes	-	-	-	-
Dividend paid	(1,700)	(2,975)	(3,400)	(4,250)
Interest paid	(486)	(400)	(430)	(450)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>8,259</b>	<b>(3,375)</b>	<b>(3,830)</b>	<b>(4,700)</b>
<b>Net change in cash</b>	<b>1,697</b>	<b>(1,180)</b>	<b>1,298</b>	<b>3,508</b>
Free Cash Flow	16,229	17,092	12,262	13,719

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	12.4	14.1	16.1	19.1
CEPS	18.2	19.8	22.4	26.0
BVPS	154.6	165.1	177.3	191.4
FCF	19.1	20.1	14.4	16.1
DPS	2.0	3.5	4.0	5.0
<b>Return Ratio(%)</b>				
RoCE	11.3	11.0	11.7	12.9
ROIC	8.8	8.5	9.1	10.3
RoE	8.6	8.8	9.4	10.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	0.0	0.0	(0.1)
Net Working Capital (Days)	50	48	49	51
<b>Valuation(x)</b>				
PER	35.2	31.0	27.1	22.8
P/B	2.8	2.6	2.5	2.3
P/CEPS	23.9	22.0	19.5	16.8
EV/EBITDA	19.6	18.5	16.3	13.9
EV/Sales	2.3	2.2	1.9	1.7
Dividend Yield (%)	0.5	0.8	0.9	1.1

Source: Company Data, PL Research

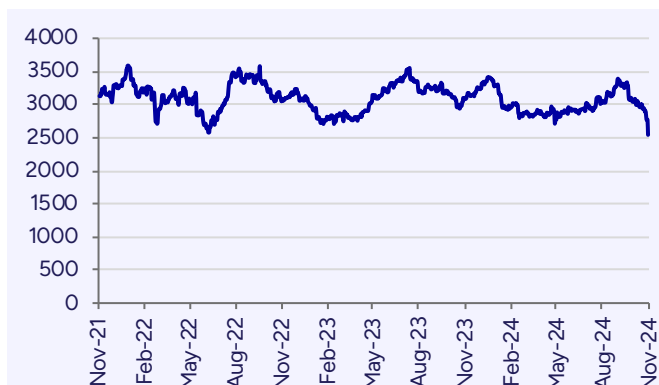
**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
<b>Net Revenue</b>	<b>38,405</b>	<b>40,094</b>	<b>43,128</b>	<b>42,673</b>
YoY gr. (%)	12.6	13.2	5.9	3.9
Raw Material Expenses	26,311	26,860	29,895	29,213
Gross Profit	12,094	13,234	13,233	13,460
Margin (%)	31.5	33.0	30.7	31.5
<b>EBITDA</b>	<b>4,399</b>	<b>5,162</b>	<b>4,943</b>	<b>4,836</b>
YoY gr. (%)	19.8	19.4	2.3	9.9
Margin (%)	11.5	12.9	11.5	11.3
Depreciation / Depletion	1,274	1,248	1,257	1,270
<b>EBIT</b>	<b>3,126</b>	<b>3,913</b>	<b>3,686</b>	<b>3,566</b>
Margin (%)	8.1	9.8	8.5	8.4
Net Interest	145	128	87	103
Other Income	227	34	142	528
<b>Profit before Tax</b>	<b>3,208</b>	<b>3,819</b>	<b>3,741</b>	<b>3,991</b>
Margin (%)	8.4	9.5	8.7	9.4
Total Tax	806	982	945	1,014
Effective tax rate (%)	25.1	25.7	25.3	25.4
<b>Profit after Tax</b>	<b>2,403</b>	<b>2,838</b>	<b>2,796</b>	<b>2,978</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>2,403</b>	<b>2,838</b>	<b>2,796</b>	<b>2,978</b>
YoY gr. (%)	15.6	17.3	(2.6)	23.9
Margin (%)	6.3	7.1	6.5	7.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,403</b>	<b>2,838</b>	<b>2,796</b>	<b>2,978</b>
YoY gr. (%)	7.7	36.5	15.6	3.8
Margin (%)	6.3	7.1	6.5	7.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>2,403</b>	<b>2,838</b>	<b>2,796</b>	<b>2,978</b>
Avg. Shares O/s (m)	850	850	850	850
<b>EPS (Rs)</b>	<b>2.8</b>	<b>3.3</b>	<b>3.3</b>	<b>3.5</b>

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-24	Hold	520	481
2	30-Jul-24	Hold	559	532
3	08-Jul-24	Hold	559	568
4	01-May-24	Accumulate	495	472
5	08-Apr-24	Accumulate	350	322
6	24-Jan-24	Accumulate	340	315
7	08-Jan-24	Accumulate	345	329

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	411	474
2	Ashok Leyland	Accumulate	240	222
3	Bajaj Auto	Hold	11,859	11,617
4	Bharat Forge	Accumulate	1,369	1,437
5	Bharat Petroleum Corporation	Hold	316	310
6	Bharti Airtel	Accumulate	1,782	1,637
7	CEAT	Hold	3,063	2,973
8	Clean Science and Technology	Hold	1,526	1,484
9	Deepak Nitrite	Reduce	2,582	3,000
10	Divgi Torqtransfer Systems	Hold	633	591
11	Eicher Motors	BUY	5,416	4,668
12	Endurance Technologies	BUY	2,835	2,437
13	Exide Industries	Hold	520	481
14	Fine Organic Industries	BUY	5,852	5,000
15	GAIL (India)	Hold	204	209
16	Gujarat Fluorochemicals	Reduce	3,770	4,158
17	Gujarat Gas	Hold	565	541
18	Gujarat State Petronet	Hold	380	390
19	Hero Motocorp	Accumulate	5,906	5,495
20	Hindustan Petroleum Corporation	Accumulate	412	372
21	Indian Oil Corporation	Hold	156	147
22	Indraprastha Gas	Hold	402	417
23	Jubilant Ingrevia	Hold	695	682
24	Laxmi Organic Industries	Reduce	240	270
25	Mahanagar Gas	Accumulate	1,627	1,497
26	Mahindra & Mahindra	BUY	3,456	2,891
27	Mangalore Refinery & Petrochemicals	Sell	128	173
28	Maruti Suzuki	BUY	14,586	11,046
29	Navin Fluorine International	Accumulate	3,523	3,307

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. Swarnendu Bhushan- IIT, 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. Swarnendu Bhushan- IIT, 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)**