

# Gabriel India

10 August 2018

Reuters: GABR.NS; Bloomberg: GABR IN

## Strong Performance

Gabriel India (GIL) reported a strong 1QFY19 performance with sales, EBITDA and PAT beating our estimates by 2%/6%/5%, respectively. The company reported strong double-digit growth in commercial vehicle (CV) at ~50% and two-wheeler (2W) at ~25%, while growth in the passenger vehicle (PV) segment was marginal. Net sales at Rs5.14bn grew by a strong 23% YoY and were the highest ever for the company. EBITDA at Rs490mn also grew in strong double digits, the highest ever for the company. EBITDA margin at 9.5% improved 20bps YoY and QoQ and was 33bps above our estimate. GIL is one of the few companies to have reported QoQ margin expansion in 1QFY19. Gross margin at 28.6% remained strong, which is commendable given the higher share of OEMs, rise in commodity prices and increase in customs duty on certain imports. Following higher-than-expected sales and EBITDA, PAT at Rs267mn grew by a strong 30.7% YoY and was 5% above our estimate. The company has also increased the management fees to the Anand group from 1.5% to 2% from FY19 onwards, which was reflected in higher other expenditure despite which the margin stood at 9.5%. The company, in the post-result concall, indicated that demand remains strong from all the segments, while on the margin front the company maintained that it is working towards double-digit EBITDA margin. With 2W and CV OEMs giving guidance of double-digit growth in FY19, we believe GIL will get the benefit of the same as it derives 86% of its revenues from the OEM segment. In the passenger vehicle segment, GIL won an order from Maruti Suzuki for its refreshed Alto model, the sales of which will begin from FY20 and for whom GIL is the sole supplier. We have retained our positive outlook on GIL as we believe it is a good play on the domestic automobile industry. In FY18, GIL demonstrated strong growth which has been higher than industry growth in the respective segments i.e. 2W, CV and PV, indicating that it is gaining market share and is growing faster than the industry. We believe this momentum will continue over FY19/FY20 and expect GIL to report double-digit revenue growth. GIL stock currently trades at 15x FY20E estimates and we believe the risk-reward ratio is extremely favourable at the current level. We retain our Buy rating on GIL with a target price of Rs196 (21x FY20E earnings).

**Strong growth in two-wheeler and commercial vehicle segments drives sales growth:** GIL's 1QFY19 net sales grew by a strong 23% YoY with volume growing in double digits across segments. CVs and 2W were the fastest-growing segments during the quarter, with CV growing ~50% and 2W growing 25%. Following strong growth, revenue share from these segments rose to 58% and 15%, respectively, while the PV segment's share came down to 27%. OEM segment's share increased to 86% in 1QFY19 following strong OEM sales, while after-market sales remained the same at 11% and export share fell to 3%. GIL expects the after-market and export segments' share to improve going forward, while in case of PV segment new customer orders will result in a higher share going forward. GIL has won a new order from Maruti Suzuki for its refreshed Alto model which will be launched in FY20, to whom GIL is the sole supplier.

**Margins surprise despite higher input costs and increase in management fees:** GIL reported EBITDA margin of 9.5%, up 20bps YoY and QoQ, and was 33bps above our estimate. The increase in margins came at a time when the OEM segment's share has been higher and GIL witnessed input cost pressure because of rising commodity prices and increase in customs duty on imports. GIL, in FY19, increased management fees to the Anand group from 1.5% to 2% which was also reflected in higher other expenditure, despite which the margins at 9.5% came in higher than expected.

**Outlook and valuation:** We continue to like GIL because of its strong balance sheet and robust return ratios. GIL stock currently trades at 15x FY20E earnings and we believe the risk-reward ratio is favourable at the current level. We retain Buy rating on GIL with a target price of Rs196.

NBIE Values your patronage- Vote for The Team in the Asia Money poll 2018. [Click Here](#)

## BUY

Sector: Auto Ancillary

CMP: Rs142

Target Price: Rs196

Upside: 38%

**Gaurant Dadwal**  
 Research Analyst  
 gaurant.dadwal@nirmalbang.com  
 +91-22-6273 8145

**Vivek Sarin**  
 Research Associate  
 vivek.sarin@nirmalbang.com  
 +91-22-6273 8176

## Key Data

|                          |            |
|--------------------------|------------|
| Current Shares O/S (mn)  | 143.6      |
| Mkt Cap (Rsbn/US\$m)     | 20.6/299.9 |
| 52 Wk H / L (Rs)         | 223/129    |
| Daily Vol. (3M NSE Avg.) | 118,364    |

## Price Performance (%)

|               | 1 M | 6 M    | 1 Yr   |
|---------------|-----|--------|--------|
| Gabriel India | 0.1 | (12.8) | (12.1) |
| Nifty Index   | 2.0 | (2.1)  | 8.6    |

Source: Bloomberg

| Y/E March (Rsmn)   | 1QFY18 | 4QFY18 | 1QFY19 | YoY (%) | QoQ (%) |
|--------------------|--------|--------|--------|---------|---------|
| Revenues           | 4,176  | 4,968  | 5,146  | 23.2    | 3.6     |
| Raw material costs | 2,886  | 3,502  | 3,610  | 25.1    | 3.1     |
| Staff costs        | 317    | 361    | 398    | 25.3    | 10.3    |
| Other expenses     | 492    | 598    | 586    | 19.0    | (2.0)   |
| Total expenditure  | 3,786  | 4,504  | 4,656  | 23.0    | 3.4     |
| EBITDA             | 390    | 464    | 490    | 25.6    | 5.8     |
| EBITDAM (%)        | 9.3    | 9.3    | 9.5    | 18bps   | 19bps   |
| Depreciation       | 96     | 107    | 106    | 9.8     | (0.9)   |
| Interest costs     | 7      | 7      | 8      | 2.4     | 5.3     |
| Other income       | 16     | 25     | 19     | 19.1    | (24.5)  |
| PBT                | 302    | 374    | 396    | 30.8    | 5.7     |
| Tax                | 98     | 117    | 128    | 30.9    | 9.4     |
| Net profit         | 204    | 257    | 267    | 30.7    | 4.0     |
| NPM (%)            | 4.9    | 5.2    | 5.2    | 30bps   | 2bps    |
| EPS (Rs)           | 1.4    | 1.8    | 1.9    | 30.7    | 4.0     |

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 1: Key financials

| Y/E March (Rsmn)  | FY16   | FY17   | FY18   | FY19E  | FY20E  |
|-------------------|--------|--------|--------|--------|--------|
| Revenues          | 14,382 | 15,291 | 18,331 | 20,978 | 23,518 |
| EBITDA            | 1,293  | 1,440  | 1,713  | 2,014  | 2,352  |
| Adj. PAT          | 752    | 816    | 942    | 1,133  | 1,344  |
| EPS (Rs)          | 5.2    | 5.7    | 6.6    | 7.9    | 9.4    |
| EPS growth (%)    | 25.4   | 8.4    | 15.5   | 20.2   | 18.6   |
| EBITDA margin (%) | 9.0    | 9.4    | 9.3    | 9.6    | 10.0   |
| P/E (x)           | 27.1   | 25.0   | 21.6   | 18.0   | 15.2   |
| P/BV (x)          | 5.4    | 4.5    | 3.9    | 3.3    | 2.8    |
| EV/EBITDA (x)     | 15.6   | 13.9   | 11.7   | 10.0   | 8.6    |
| RoE (%)           | 21.3   | 19.6   | 19.3   | 20.0   | 20.3   |
| RoCE (%)          | 26.4   | 25.6   | 26.8   | 27.4   | 27.9   |

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 2: Change in our estimates

| (Rsmn)            | New estimates |        | Old estimates |        | Change (%) |       |
|-------------------|---------------|--------|---------------|--------|------------|-------|
|                   | FY19E         | FY20E  | FY19E         | FY20E  | FY19E      | FY20E |
| Volume            | 35.9          | 39.8   | 35.9          | 39.8   | -          | -     |
| Net sales         | 20,978        | 23,518 | 20,978        | 23,518 | -          | -     |
| EBITDA            | 2,014         | 2,352  | 2,014         | 2,352  | -          | -     |
| EBITDA margin (%) | 9.6           | 10.0   | 9.6           | 10.0   | -          | -     |
| PAT               | 1,133         | 1,344  | 1,133         | 1,344  | -          | -     |
| EPS (Rs)          | 7.9           | 9.4    | 7.9           | 9.4    | -          | -     |

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 3: Deviation of our estimates from actual performance in 1QFY19

| (Rsmn)     | Actual performance<br>1QFY19 | Our estimate<br>1QFY19 | Deviation<br>% |
|------------|------------------------------|------------------------|----------------|
| Net sales  | 5,146                        | 5,039                  | 2.1            |
| EBITDA     | 490                          | 463                    | 5.8            |
| Net profit | 267                          | 254                    | 5.1            |

Source: Nirmal Bang Institutional Equities Research

## Key takeaways from the post-result conference call

- Automobile industry demand during the quarter was healthy and is expected to continue going forward. Growth during the quarter was a result of strong performance across all segments with two-wheeler, passenger vehicle (PV), commercial vehicle (CV) and railway segments doing well. The after-market segment has also done well, although not as per the company's expectations. The company's profitability during the quarter improved because of control over expenses.
- GIL's growth during 1QFY19 was buoyant because of good automobile demand growth and the management continues to remain optimistic with respect to future growth as well. Its two-wheeler segment recorded revenue growth of 25%, PC segment's growth was marginal while the CV segment registered 50% YoY growth. During the quarter, two-wheeler/three-wheeler segments contributed 58% to revenues (56% in FY18), while the PV segment accounted for 27% (31% in FY18).
- With the sharp growth in CV segment, the share of CV contribution to sales has gone up to 15% from 13% in March 2018.
- GIL enjoys a CV market share of ~85%, its passenger car and two-wheeler segment share stood at 25%, while in three-wheelers its share was close to 65%. It has a 25% market share in the railway segment and ~43% in the after-market segment. The company has made strong efforts in the two-wheeler segment which has enabled it to improve the after-market and two-wheeler segments' sales volume as well as market share in some three-wheeler models.

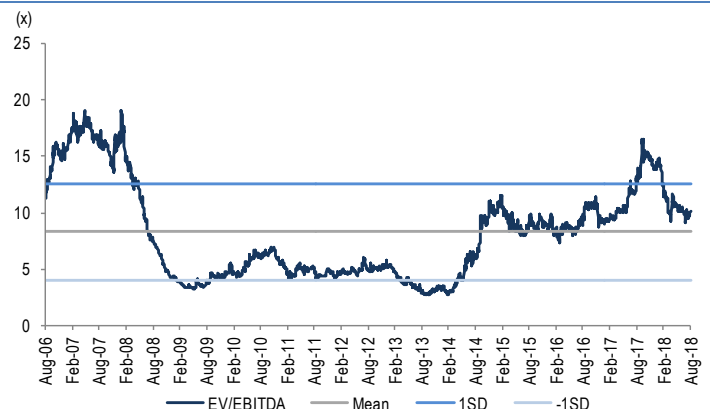
- The quarter witnessed an increase in business from the OEM segment because of strong growth experienced in the OEM market during the period. GIL won a business order from Maruti Suzuki India for which it will be the sole supplier in the next financial year.
- The company indicated that it will derive the benefit of higher two-wheeler volume going forward because of competitive pricing among OEM players, although GIL will have to improve efficiency and supply chain in order to make supplies at lower costs.
- Revenues from high-margin export markets have done well during the quarter with the after-market segment's exports growing robustly at over 30%.
- GIL witnessed higher demand from OEMs (accounting for 86% of its sales) during the quarter relative to the after-market segment. While the OEM industry has grown at a brisk pace, the after-market segment's sales have not been as per the company's expectations. The management expects this segment to recover going forward.
- Capital expenditure for FY19 is expected to be over Rs1,500mn which will be funded from internal accruals. Of this, Rs400mn will be incurred towards plant expansion apart from R&D.
- Higher other expenses reflect an increase in management fees to 2% from 1.5%. The effective tax rate is expected to continue to be close to the 1QFY19 level.

**Exhibit 4: P/E**



Source: Nirmal Bang Institutional Equities Research

**Exhibit 5: EV/EBITDA**



Source: Nirmal Bang Institutional Equities Research

## Financials

### Exhibit 6: Income statement

| Y/E March (Rsmn)         | FY16          | FY17          | FY18          | FY19E         | FY20E         |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>         | <b>14,382</b> | <b>15,291</b> | <b>18,331</b> | <b>20,978</b> | <b>23,518</b> |
| % growth                 | (0.4)         | 6.3           | 19.9          | 14.4          | 12.1          |
| Raw material expenses    | 10,267        | 10,844        | 13,106        | 14,936        | 16,651        |
| Staff costs              | 1,150         | 1,279         | 1,377         | 1,552         | 1,740         |
| Other expenses           | 1,672         | 1,728         | 2,136         | 2,475         | 2,775         |
| Total expenditure        | 13,089        | 13,851        | 16,619        | 18,964        | 21,166        |
| <b>EBITDA</b>            | <b>1,293</b>  | <b>1,440</b>  | <b>1,713</b>  | <b>2,014</b>  | <b>2,352</b>  |
| % growth                 | 10.8          | 11.4          | 18.9          | 17.6          | 16.8          |
| <b>EBITDA margin (%)</b> | <b>9.0</b>    | <b>9.4</b>    | <b>9.3</b>    | <b>9.6</b>    | <b>10.0</b>   |
| Other income             | 25            | 54            | 71            | 81            | 95            |
| Interest costs           | 25            | 17            | 29            | 24            | 22            |
| Gross profit             | 4,115         | 4,447         | 5,225         | 6,042         | 6,867         |
| % growth                 | 2.7           | 8.1           | 17.5          | 15.6          | 13.7          |
| Depreciation             | 332           | 353           | 383           | 444           | 486           |
| Profit before tax        | 955           | 1,108         | 1,372         | 1,628         | 1,939         |
| % growth                 | 14.3          | 16.0          | 23.8          | 18.7          | 19.1          |
| Tax                      | 203           | 292           | 429           | 495           | 595           |
| Effective tax rate (%)   | 21.2          | 26.4          | 31.3          | 30.4          | 30.7          |
| <b>Net profit</b>        | <b>752</b>    | <b>816</b>    | <b>942</b>    | <b>1,133</b>  | <b>1,344</b>  |
| % growth                 | 25.4          | 8.4           | 15.5          | 20.2          | 18.6          |
| <b>EPS (Rs)</b>          | <b>5.2</b>    | <b>5.7</b>    | <b>6.6</b>    | <b>7.9</b>    | <b>9.4</b>    |
| % growth                 | 25.4          | 8.4           | 15.5          | 20.2          | 18.6          |
| DPS (Rs)                 | 1.2           | 1.0           | 1.4           | 1.6           | 1.6           |
| Payout (%)               | 22.9          | 18.7          | 27.2          | 29.6          | 28.0          |

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 8: Balance sheet

| Y/E March (Rsmn)                     | FY16         | FY17         | FY18         | FY19E        | FY20E        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Equity</b>                        | <b>144</b>   | <b>144</b>   | <b>144</b>   | <b>144</b>   | <b>144</b>   |
| Reserves                             | 3,655        | 4,362        | 5,105        | 5,950        | 7,017        |
| Net worth                            | 3,799        | 4,505        | 5,249        | 6,093        | 7,161        |
| Net deferred tax liabilities         | 104          | 159          | 198          | 198          | 198          |
| LT liabilities/provisions            | 72           | 97           | 117          | 117          | 117          |
| Total loans                          | 109          | 82           | 76           | 56           | 56           |
| <b>Liabilities</b>                   | <b>4,085</b> | <b>4,844</b> | <b>5,641</b> | <b>6,466</b> | <b>7,533</b> |
| Gross block                          | 5,563        | 5,858        | 6,320        | 7,920        | 8,620        |
| Depreciation                         | 2,838        | 2,972        | 3,355        | 4,018        | 4,504        |
| Net block                            | 2,724        | 2,885        | 2,965        | 3,901        | 4,115        |
| Capital work-in-progress             | 22           | 18           | 78           | 78           | 78           |
| Long-term investments                | 0            | 0            | 23           | 23           | 23           |
| Other long-term assets               | 236          | 251          | 351          | 351          | 351          |
| Inventories                          | 1,107        | 1,298        | 1,491        | 1,538        | 1,724        |
| Debtors                              | 1,924        | 2,118        | 2,792        | 2,694        | 2,891        |
| Current investments                  | -            | 280          | 623          | 472          | 1,222        |
| Cash                                 | 377          | 527          | 400          | 224          | 261          |
| Cash and cash equivalents            | 351          | 40           | 180          | 60           | 60           |
| Other bank balance                   | 25           | 488          | 220          | 164          | 201          |
| Other current assets                 | 326          | 323          | 287          | 287          | 287          |
| Total current assets                 | 3,734        | 4,546        | 5,592        | 5,215        | 6,386        |
| Trade payables                       | 1,781        | 2,147        | 2,650        | 2,737        | 3,055        |
| Other current liabilities/provisions | 850          | 710          | 717          | 365          | 365          |
| Total current liabilities            | 2,631        | 2,857        | 3,367        | 3,102        | 3,420        |
| Net current assets                   | 1,102        | 1,690        | 2,224        | 2,112        | 2,965        |
| <b>Total assets</b>                  | <b>4,085</b> | <b>4,844</b> | <b>5,641</b> | <b>6,466</b> | <b>7,533</b> |

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 7: Cash flow

| Y/E March (Rsmn)                | FY16       | FY17         | FY18         | FY19E        | FY20E        |
|---------------------------------|------------|--------------|--------------|--------------|--------------|
| EBIT                            | 980        | 1,125        | 1,401        | 1,652        | 1,961        |
| (Inc.)/dec. in working capital  | (175)      | (31)         | (192)        | (215)        | (66)         |
| Cash flow from operations       | 805        | 1,094        | 1,208        | 1,437        | 1,895        |
| Other income                    | (12)       | (35)         | (54)         | (64)         | (77)         |
| Depreciation                    | 332        | 353          | 383          | 444          | 486          |
| Tax paid                        | (215)      | (245)        | (429)        | (495)        | (595)        |
| <b>Net cash from operations</b> | <b>910</b> | <b>1,168</b> | <b>1,108</b> | <b>1,321</b> | <b>1,709</b> |
| Capital expenditure             | (369)      | (513)        | (462)        | (1,600)      | (700)        |
| Net cash after capex            | 541        | 655          | 646          | (279)        | 1,009        |
| Other investment activity       | 11         | (716)        | (303)        | 224          | (664)        |
| Cash from financial activity    | (231)      | (251)        | (161)        | (2)          | (308)        |
| Increase/(decrease) in loans    | (24)       | (27)         | (6)          | (20)         | -            |
| Other financing activities      | (208)      | (224)        | (156)        | 18           | (308)        |
| Opening cash balance            | 30         | 351          | 39           | 221          | 164          |
| Closing cash balance            | 351        | 39           | 221*         | 164*         | 201*         |
| Change in cash balance          | 321        | (312)        | 181          | (57)         | 37           |

\*Other bank balances

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 9: Key ratios

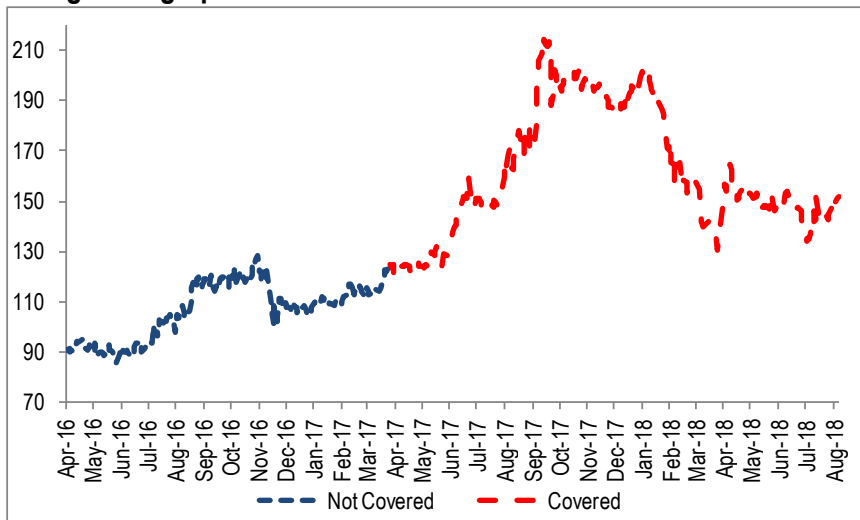
| Y/E March                                     | FY16 | FY17 | FY18 | FY19E | FY20E |
|---|------|------|------|-------|-------|
| <b>Profitability &amp; return ratios</b>      |      |      |      |       |       |
| EBITDA margin (%)                             | 9.0  | 9.4  | 9.3  | 9.6   | 10.0  |
| EBIT margin (%)                               | 6.7  | 7.1  | 7.3  | 7.5   | 7.9   |
| Net profit margin (%)                         | 5.2  | 5.3  | 5.1  | 5.4   | 5.7   |
| RoE (%)                                       | 21.3 | 19.6 | 19.3 | 20.0  | 20.3  |
| RoCE (%)                                      | 26.4 | 25.6 | 26.8 | 27.4  | 27.9  |
| <b>Working capital &amp; liquidity ratios</b> |      |      |      |       |       |
| Receivables (days)                            | 47   | 48   | 49   | 47    | 45    |
| Inventory (days)                              | 28   | 29   | 28   | 27    | 27    |
| Payables (days)                               | 51   | 52   | 53   | 53    | 53    |
| Cash conversion cycle (WC days)               | 23   | 25   | 24   | 21    | 19    |
| Current ratio (x)                             | 1.4  | 1.6  | 1.7  | 1.7   | 1.9   |
| Quick ratio (x)                               | 1.0  | 1.1  | 1.2  | 1.2   | 1.4   |
| <b>Valuation ratios</b>                       |      |      |      |       |       |
| EV/Sales (x)                                  | 1.4  | 1.3  | 1.1  | 1.0   | 0.9   |
| EV/EBITDA (x)                                 | 15.6 | 13.9 | 11.7 | 10.0  | 8.6   |
| P/E (x)                                       | 27.1 | 25.0 | 21.6 | 18.0  | 15.2  |
| P/BV (x)                                      | 5.4  | 4.5  | 3.9  | 3.3   | 2.8   |

Source: Company, Nirmal Bang Institutional Equities Research

## Rating track

| Date             | Rating     | Market price (Rs) | Target price (Rs) |
|------------------|------------|-------------------|-------------------|
| 27 March 2017    | Buy        | 124               | 151               |
| 5 May 2017       | Buy        | 120               | 151               |
| 17 May 2017      | Buy        | 120               | 151               |
| 10 August 2017   | Buy        | 163               | 168               |
| 14 November 2017 | Accumulate | 195               | 217               |
| 15 February 2018 | Buy        | 160               | 223               |
| 14 May 2018      | Buy        | 146               | 196               |

## Rating track graph



## DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** I/We, Gaurant Dadwal, the research analysts and Vivek Sarin, the research associate are the author of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

## Disclaimer

### Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

This report is for the personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

Our reports are also available on our website [www.nirmalbang.com](http://www.nirmalbang.com)

Access all our reports on Bloomberg, Thomson Reuters and Factset.

| Team Details:  |                  |                               |   |
|----------------|------------------|-------------------------------|---|
| Name           |                  | Email Id                      | Direct Line                             |
| Rahul Arora    | CEO              | rahul.arora@nirmalbang.com    | -                                       |
| Girish Pai     | Head of Research | girish.pai@nirmalbang.com     | +91 22 6273 8017 / 18                   |
| Dealing        |                  |                               |   |
| Ravi Jagtiani  | Dealing Desk     | ravi.jagtiani@nirmalbang.com  | +91 22 6273 8230, +91 22 6636 8833      |
| Pradeep Kasat  | Dealing Desk     | pradeep.kasat@nirmalbang.com  | +91 22 6273 8100/8101, +91 22 6636 8831 |
| Michael Pillai | Dealing Desk     | michael.pillai@nirmalbang.com | +91 22 6273 8102/8103, +91 22 6636 8830 |

## Nirmal Bang Equities Pvt. Ltd.

### Correspondence Address

B-2, 301/302, Marathon Innova,  
 Nr. Peninsula Corporate Park,  
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010