

# IFB Industries

14 August 2020

Reuters: IFBI.BO; Bloomberg: IFBI IN

## Lockdown affects supply chain; Scaling up AC key to turnaround

IFB Industries (IFB) posted 59% YoY decline in revenue at Rs2.9bn, 13% below our estimate due to lockdown restrictions. Home Appliances sales fell 56% YoY to Rs2.5bn (87% of total sales) while Fine Blanking sales declined 71% YoY to Rs342mn (12% of total sales). Gross margin rose 230bps YoY to 42.6%. Staff cost was down 9% YoY at Rs669mn while other expenses fell 49% YoY to Rs897mn. EBITDA loss stood at Rs343mn, higher than our estimate of loss of Rs77mn. Higher depreciation (up 44% YoY at Rs235mn due to new AC plant commissioning in Goa) and higher interest expenses (up 280% YoY at Rs83mn) led to net loss of Rs450mn, higher than our estimate of loss of Rs291mn. Home Appliances segment posted EBIT loss of Rs354mn while Fine Blanking segment's EBIT loss was at Rs133mn. Sales in April was a wash out with some recovery happening in May, while June was better for Home Appliances segment. Sales in July were encouraging, especially for categories of Washing Machines and Dishwashers where the demand surpassed supply. IFB was short of inventory in both the categories due to supply side constraints as well as higher than expected demand. The new AC manufacturing plant in Goa, which started commercial production in 4QFY20, is currently operating at low capacity due to lockdown restrictions and end of peak summer season. In FY21, IFB's key focus will be on stabilising the AC business and reducing material costs & fixed overheads to improve margins. We upgrade our rating on the stock to Buy (from Accumulate earlier) with a revised target price of Rs495 (Rs405 earlier) based on SOTP method. We value the Home Appliances business at P/E of 30x and the Fine Blanking business at P/E of 7x on FY22E revised earnings, factoring in the COVID-19 impact.

**Front-load washing machine update:** Front-load washing machines accounted for 47% of Home Appliances revenue with sales at Rs1.2bn in 1QFY21, down 46% YoY. IFB witnessed supply chain issues as COVID-19 pandemic affected suppliers as well as IFB's manufacturing facility at Goa. The production has been spaced out across two shifts and is happening at lower capacity due to social distancing norms, which is expected to continue for next few months. Owing to this, IFB is unable to meet the current demand, which is higher than expectation. For the past two years, IFB has retained its market share in this product category at 40%. Total installed capacity is 0.6mn units, which can be stretched by up to 20,000 units per month during the peak season. IFB has launched a new model, which is India's first fully voice and app controlled front load washing machine and has received highly positive reviews. IFB will be launching a washer dryer in 3QFY21.

**Top-load washing machine update:** Sales of Top-load washing machines fell 55% YoY in 1QFY21 to Rs351mn, forming 14% of Home Appliances sales. The supply situation for the category remains similar as that of front load washing machines, where the company is unable to meet demand. IFB's market share is at 8%-9%. Total installed capacity is 0.3mn units, which can be stretched based on the order book in the peak season. IFB's newly launched 6.5kg model has received good response and the company expects it to add to volume and market share.

**Outlook:** Over FY20-FY22E, we expect IFB to post 7% revenue CAGR. With cost rationalisation measures and likely turnaround of the AC business, we are factoring in EBITDA margin expansion of 260bps, leading to 59% earnings CAGR over FY20-FY22E on a suppressed base. Improvement in the operating margin of the Home Appliances segment is key for the re-rating of IFB.

*NBIE Values your patronage- Vote for The Team in the Asia Money poll 2020. [Click Here](#)*

## BUY

**Sector:** Consumer Durables

**CMP:** Rs420

**Target Price:** Rs495

**Upside:** 18%

**Chirag Muchhala**

 Research Analyst  
 chirag.muchhala@nirmalbang.com  
 +91-22-6273 8092

**Rahul Kumar Mishra**

 Research Associate  
 rahulkumar.mishra@nirmalbang.com  
 +91-22-6273 8028

### Key Data

Current Shares O/S (mn)	40.5
Mkt Cap (Rsbn/US\$m)	17.1/227.9
52 Wk H / L (Rs)	805/219
Daily Vol. (3M NSE Avg.)	92,835

### Price Performance (%)

	1 M	6 M	1 Yr
IFB Industries	8.3	(20.4)	(34.3)
Nifty Index	6.5	(6.7)	2.5

Source: Bloomberg

Y/E March (Rsmn) (consolidated)	1QFY20	4QFY20	1QFY21	YoY (%)	QoQ (%)
<b>Net revenues</b>	<b>6,975</b>	<b>5,069</b>	<b>2,874</b>	<b>(58.8)</b>	<b>(43.3)</b>
Raw material costs	4,167	2,741	1,650	(60.4)	(39.8)
Staff costs	738	767	669	(9.3)	(12.7)
Other expenses	1,774	1,554	897	(49.4)	(42.2)
Total expenditure	6,679	5,061	3,216	(51.8)	(36.4)
EBITDA	296	8	(343)	NA	NA
<b>EBITDA margin (%)</b>	<b>4.2</b>	<b>0.2</b>	<b>(11.9)</b>	-	-
Interest costs	22	88	83	280.2	(5.8)
Depreciation	163	426	235	44.0	(44.9)
Other income	21	40	33	55.5	(17.8)
PBT	133	(465)	(627)	NA	NA
Tax	37	(261)	(167)	NA	NA
Minority Interest	(5)	(9)	(10)	-	-
<b>PAT</b>	<b>101</b>	<b>(195)</b>	<b>(450)</b>	<b>NA</b>	<b>NA</b>
<b>PAT margin (%)</b>	<b>1.4</b>	<b>(3.8)</b>	<b>(15.7)</b>	-	-
<b>EPS (Rs)</b>	<b>2.4</b>	<b>(4.7)</b>	<b>(10.9)</b>	<b>NA</b>	<b>NA</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 1: Financials (standalone)**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
Net sales	21,517	25,378	25,514	23,684	29,013
EBITDA	1,598	1,247	1,189	1,126	2,110
PAT	833	740	280	(8)	710
EPS (Rs)	20.2	17.9	6.8	(0.2)	17.2
EPS growth YoY (%)	51.1	(11.2)	(62.2)	NA	NA
EBITDA margin (%)	7.4	4.9	4.7	4.8	7.3
P/E (x)	20.8	23.4	61.9	NA	24.4
P/BV (x)	3.2	2.8	2.7	2.7	2.4
EV/EBITDA (x)	10.5	13.2	15.9	17.0	8.6
RoCE (%)	20.5	11.7	3.8	1.7	11.2
RoE (%)	16.3	12.6	4.4	(0.1)	10.4

Source: Company, Nirmal Bang Institutional Equities Research

**Key takeaways of the 1QFY21 conference call hosted by us**

- Washing Machines facing production constraints amid high demand:** IFB's washing machines witnessed significant rise in demand but faced considerable production constraints in July 2020. Supply side issues are due to the following: (1) majority of suppliers being in the containment zone (60%-70% of the vendors are operating at 50%-60% of capacity) and (2) production constraints at its Goa plant due to social distancing norms. IFB expects operations to remain stressed in August-September and normalize by mid-October. Compared to normal production capacity of 4,500 units/day, IFB is currently producing 2,500 units/day, which it expects to increase to 3,500-4,000 units/day over the next 30-40 days. Total import content for washing machines is at 30%-35%. Also, 97%-98% of the motors required for washing machines is manufactured in-house.
- Air-conditioner (AC):** AC revenue declined 84% YoY to Rs224mn (9% of total sales) in 1QFY21 as peak summer season sales of ACs were affected due to COVID-19 led lockdown. Installed capacity of the new AC plant is 0.5mn units/annum, which can be stretched up to 0.6mn units. IFB plans to sell 0.25mn-0.3mn units under its own brand while it intends to sell the remaining 0.2mn-0.3mn units to other OEMs as a contract manufacturer. IFB expects to see revival in volume from November 2020 after losing the first summer season to lockdown after the plant was commissioned. Import content in the AC segment is at 65% currently, which the management expects to reduce to 30% by FY21-end due to increasing indigenization of components. IFB plans to tie up with two compressor manufacturing firms in Pune and Gujarat for locally sourcing compressors. Breakeven point for IFB's AC plant was earlier at 0.2mn units, but it can be scaled down to 0.12mn-0.125mn units through increased localization. Earlier, IFB was making losses in the AC business post customs duty hike as AC was an imported product, but now with in-house manufacturing of ACs, IFB aims to improve its gross as well as EBITDA margins. The payback period of AC plant is expected to be three years from commissioning.
- Microwave ovens:** Microwave ovens accounted for 8.5% of Home Appliances revenue in 1QFY21 with sales down 50% YoY at Rs212mn. This category also saw higher demand during the lockdown period. This category is also facing supply side issues while stability is expected by early-October. Domestic market size is at 0.9mn-1mn units/annum with LG, Samsung and IFB being the top three players. IFB's market share stands at ~24%. For the category, demand has outstripped supply by 100%-120%.
- Dishwashers:** Dishwashers constituted 3.4% of sales in 1QFY21 at Rs85mn, down 25% YoY. IFB as well as the entire industry is witnessing demand far outpacing supply due to sudden preference for Dishwashers amid lockdown. IFB switched to advance booking (75%-80% booking from end-customers) from June. With demand surging by 5x to 8x, IFB is working with its suppliers to ramp up production. However, the demand-supply mismatch is likely to continue till December 2020. IFB imports dishwashers from Turkey. Market size at pre-COVID levels was 30,000-35,000 units/annum and the top 3 players account for 85% of the market share (IFB's market share is 35%). If the industry size remains sustainable above 0.3mn units per year, then the industry could look at domestic manufacturing. But, till then it is likely to be an imported product category for the industry. IFB has an added advantage that it makes its own consumables for Dishwashers like detergents.

- Measures to improve profitability:** The current pandemic situation has provided IFB with an opportunity to undertake cost reduction measures for its raw materials as well as fixed costs. Reduction in raw material cost could be achieved through value engineering, renegotiating prices with suppliers and looking for alternate supply sources which can further aid in price negotiations. IFB expects to control fixed costs through curb on expenses such as rental, warehouse and employee costs. Full impact of cost savings from these measures will be visible from 4QFY21 onwards.
- Fine Blanking segment's performance:** Fine Blanking segment's revenue declined by 71% YoY to Rs342mn in 1QFY21. EBIT loss was at Rs133mn. Category wise sales break-up was: four-wheelers (22%), two-wheelers (72%), heavy vehicles (1%) and other sectors (5%). Sales were washed out in April and May 2020 (as both two-wheeler and four-wheeler OEMs operated at low production levels due to COVID-19), while June sales were also very low. However, IFB expects sales in 2QFY21 to return to normal levels on YoY basis. IFB supplies to almost all the two-wheeler OEMs with critical products such as brakes and transmission systems and has been able to grab opportunities under the BS-VI category. It expects the two-wheeler industry to witness spurt in demand, which could continue over the next 6 to 8 months.
- Other key highlights:** (1) Online sales constituted 25% to total sales in 1QFY21 (while the normal run-rate is 15%-20%). Sales from IFB points stood at 15% of total sales. (2) Greenfield capex for both Home Appliances and Fine Blanking segments has been completed and there will be no new greenfield capex for the next two years. IFB will only incur maintenance capex of Rs300mn-Rs400mn per annum. (3) Margins in the manufacturing business is higher than the trading business.

**Exhibit 2: Segment-wise snapshot (consolidated)**

(Rsmn)	1QFY20	4QFY20	1QFY21	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
<b>Revenues</b>								
Home appliance	5,676	3,859	2,503	(55.9)	(35.1)	21,108	21,279	0.8
Engineering	1,185	1,064	342	(71.1)	(67.8)	4,763	4,594	(3.5)
Motors	-	116	17	NA	(85.0)	-	269	NA
Others	238	134	26	(89.1)	(80.6)	1,242	758	(38.9)
<b>Revenue mix (%)</b>								
Home appliance	80.0	74.6	86.6	-	-	77.9	79.1	-
Engineering	16.7	20.6	11.9	-	-	17.6	17.1	-
Motors	NA	2.2	0.6	-	-	0.0	1.0	-
Others	3.3	2.6	0.9	-	-	4.6	2.8	-
<b>EBIT (Rsmn)</b>								
Home appliance	127	(357)	(354)	NA	NA	583	250	(57.2)
Engineering	94	35	(133)	NA	NA	671	284	(57.7)
Motors	-	(4)	(17)	NA	NA	0	(5)	NA
Others	(7)	(18)	(17)	NA	NA	(17)	(27)	NA
<b>EBIT margin (%)</b>								
Home appliance	2.2	(9.2)	(14.2)	-	-	2.8	1.2	-
Engineering	7.9	3.3	(38.7)	-	-	14.1	6.2	-
Motors	NA	(3.6)	(96.6)	-	-	-	(2.0)	-
Others	(2.8)	(13.0)	(63.8)	-	-	(1.4)	(3.5)	-

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 3: Product-wise revenue break-up of home appliance segment (standalone)**

(Products)	1QFY20	4QFY20	1QFY21	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
<b>Revenue break-up (%)</b>								
Front-load washing machine	38.3	42.9	47.1	-	-	46.3	46.2	-
Top-load washing machine	13.7	15.8	14.1	-	-	16.9	15.7	-
Microwave oven	7.5	8.9	8.5	-	-	10.6	9.9	-
ACs	25.5	13.9	9.0	-	-	11.3	11.8	-
Dish-washer	2.0	1.9	3.4	-	-	2.3	1.8	-
ILE/KA/MK	2.6	3.0	1.2	-	-	2.2	2.4	-
Others	10.4	13.6	16.7	-	-	10.4	12.3	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>
<b>Net revenues (Rsmn)</b>								
Front-load washing machine	2,166	1,633	1,174	(45.8)	(28.1)	9,689	9,742	0.5
Top-load washing machine	775	601	351	(54.6)	(41.6)	3,531	3,299	(6.6)
Microwave oven	424	339	212	(50.0)	(37.5)	2,215	2,077	(6.2)
ACs	1,442	529	224	(84.4)	(57.6)	2,365	2,482	4.9
Dish-washer	113	72	85	(25.1)	17.2	491	377	(23.2)
ILE/KA/MK	147	114	30	(79.7)	(73.8)	463	505	9.0
Others	588	518	416	(29.2)	(19.6)	2,168	2,599	19.9
<b>Total</b>	<b>5,655</b>	<b>3,807</b>	<b>2,493</b>	<b>(55.9)</b>	<b>(34.5)</b>	<b>20,923</b>	<b>21,081</b>	<b>0.8</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 4: Our estimates versus actual performance**

1QFY21 (Rsmn)	Actual	Our estimate	Deviation (%)
Revenues	2,874	3,319	(13.4)
EBITDA	(343)	(77)	NA
PAT	(450)	(291)	NA

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 5: Change in our estimates (standalone)**

(Rsmn)	Old		New		Deviation (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Y/E March						
Revenues	24,187	29,051	23,684	29,013	(2.1)	(0.1)
EBITDA	1,252	1,933	1,126	2,110	(10.0)	9.1
PAT	28	561	(8)	710	NA	26.5

Source: Company, Nirmal Bang Institutional Equities Research

**Financial statements**
**Exhibit 6: Income statement**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
Net sales	21,517	25,378	25,514	23,684	29,013
% growth	23.6	17.9	0.5	(7.2)	22.5
Raw material costs	12,045	14,834	14,436	13,500	16,596
Staff costs	2,111	2,551	2,879	2,961	3,366
Other overheads	5,763	6,746	7,011	6,097	6,942
Total expenditure	19,919	24,131	24,325	22,558	26,903
EBITDA	1,598	1,247	1,189	1,126	2,110
% growth	54.6	(21.9)	(4.6)	(5.3)	87.3
EBITDA margin (%)	7.4	4.9	4.7	4.8	7.3
Other income	153	124	128	134	147
Interest costs	43	58	145	306	258
Depreciation	514	545	890	965	1,051
Exceptional items	-	194	15	-	-
Profit before tax	1,194	962	297	(10)	949
Tax	361	223	17	(3)	239
PAT	833	740	280	(8)	710
PAT margin (%)	3.9	2.9	1.1	(0.0)	2.4
EPS (Rs)	20.2	17.9	6.8	(0.2)	17.2
% growth	51.1	(11.2)	(62.2)	NA	NA

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 8: Balance sheet**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
Share capital	413	413	413	413	413
Reserves	5,090	5,794	6,060	6,053	6,763
Net worth	5,503	6,207	6,473	6,465	7,175
Total borrowings	141	65	2,777	2,777	2,377
Deferred tax liability	53	60	80	80	80
<b>Total liabilities</b>	<b>5,696</b>	<b>6,332</b>	<b>9,331</b>	<b>9,323</b>	<b>9,633</b>
Net block	2,764	2,708	4,475	4,080	3,580
Capital work-in-progress	23	166	70	50	50
Intangible assets	217	479	1,237	1,237	1,237
Investments	1,264	610	1,865	1,865	1,865
Inventories	3,107	3,926	3,734	3,477	4,228
Debtors	1,723	2,113	1,851	1,882	2,226
Cash	631	948	1,209	924	1,508
Other current assets	1,091	1,091	1,696	1,431	1,753
Total current assets	6,552	8,079	8,490	7,714	9,715
Creditors	3,664	4,163	4,425	3,847	4,638
Other current liabilities & provisions	1,460	1,547	2,381	1,776	2,176
Total current liabilities	5,124	5,710	6,806	5,623	6,814
Net current assets	1,428	2,369	1,684	2,091	2,902
<b>Total assets</b>	<b>5,696</b>	<b>6,332</b>	<b>9,331</b>	<b>9,323</b>	<b>9,633</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 7: Cash flow**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
EBIT	1,084	702	300	161	1,059
(Inc./dec.) in working capital	(188)	(623)	946	(692)	(227)
<b>Cash flow from operations</b>	<b>896</b>	<b>79</b>	<b>1,245</b>	<b>(530)</b>	<b>832</b>
Other income	153	124	128	134	147
Depreciation	514	545	890	965	1,051
Tax paid (-)	(266)	(215)	3	3	(239)
<b>Net cash from operations</b>	<b>1,296</b>	<b>533</b>	<b>2,266</b>	<b>571</b>	<b>1,791</b>
Capital expenditure (-)	(361)	(633)	(2,561)	(550)	(550)
<b>Net cash after capex</b>	<b>935</b>	<b>(100)</b>	<b>(295)</b>	<b>21</b>	<b>1,241</b>
Interest paid (-)	(43)	(58)	(145)	(306)	(258)
Inc./(dec.) in total borrowings	(82)	(76)	2,712	-	(400)
Inc./(dec.) in investments	(628)	654	(1,255)	-	-
<b>Cash from financial activities</b>	<b>(752)</b>	<b>521</b>	<b>1,312</b>	<b>(306)</b>	<b>(658)</b>
Others	(15)	(104)	(756)	-	-
Opening cash balance	463	631	948	1,209	924
Closing cash balance	631	948	1,209	924	1,508
Change in cash balance	168	318	261	(285)	584

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 9: Key ratios**

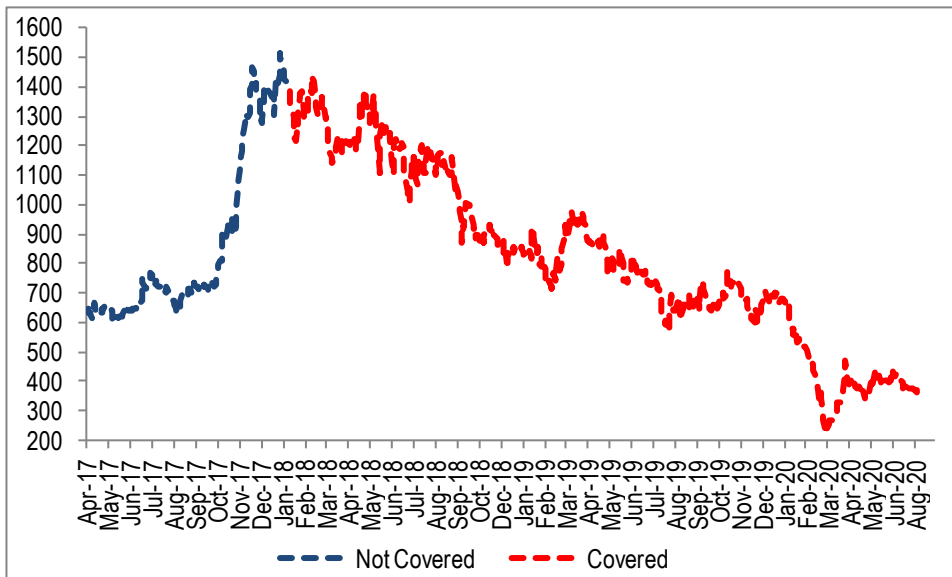
Y/E March	FY18	FY19	FY20	FY21E	FY22E
<b>Per share (Rs)</b>					
EPS	20.2	17.9	6.8	(0.2)	17.2
Book value	133.3	150.4	156.8	156.6	173.8
<b>Valuation (x)</b>					
P/E	20.8	23.4	61.9	NA	24.4
P/BV	3.2	2.8	2.7	2.7	2.4
EV/EBITDA	10.5	13.2	15.9	17.0	8.6
EV/sales	0.8	0.6	0.7	0.8	0.6
<b>Return ratios (%)</b>					
RoCE	20.5	11.7	3.8	1.7	11.2
RoE	16.3	12.6	4.4	(0.1)	10.4
RoIC	28.5	16.4	5.4	2.5	16.6
<b>Profitability ratios (%)</b>					
EBITDA margin	7.4	4.9	4.7	4.8	7.3
EBIT margin	5.0	2.8	1.2	0.7	3.7
PAT margin	3.9	2.9	1.1	0.0	2.4
<b>Turnover ratios</b>					
Total asset turnover ratio (x)	3.8	4.0	2.7	2.5	3.0
Debtor days	29	30	26	29	28
Inventory days	94	97	94	94	93
Creditor days	111	102	112	104	102

Source: Company, Nirmal Bang Institutional Equities Research

## Rating track

Date	Rating	Market price	Target price (Rs)
24 January 2018	Buy	1,400	1,900
8 February 2018	Buy	1,303	1,900
6 April 2018	Buy	1,222	1,900
7 June 2018	Buy	1,105	1,650
10 July 2018	Buy	1,212	1,650
8 August 2018	Buy	1,174	1,615
9 October 2018	Buy	924	1,615
13 November 2018	Buy	901	1,345
9 January 2019	Buy	825	1,345
11 February 2019	Buy	740	1,240
9 April 2019	Buy	877	1,290
10 June 2019	Buy	765	1,210
9 July 2019	Buy	732	1210
2 August 2019	Buy	604	930
23 September 2019	Buy	746	950
7 October 2019	Buy	639	950
6 November 2019	Buy	735	950
9 January 2020	Buy	700	950
4 February 2020	Buy	583	870
26 March 2020	Buy	270	520
9 April 2020	Buy	329	520
15 July 2020	Accumulate	390	405
14 August 2020	Buy	420	495

## Rating track graph



## DISCLOSURES

Research Reports that are published by Nirmal Bang Securities Private Limited (hereinafter referred to as “NBSPL”) are for private circulation only. NBSPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001766. NBSPL is also a registered Stock Broker with National Stock Exchange of India Limited, BSE Limited, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited, National Commodity and Derivative Exchange Limited and Indian Commodity Exchange Limited in cash and Equity and Commodities derivatives segments.

NBSPL 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.

NBSPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBSPL, its associates or analyst or his relatives do not hold any financial interest (Except Investment) in the subject company. NBSPL 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. NBSPL or its associates or Analyst or his relatives may or may 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.

NBSPL 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. NBSPL 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. NBSPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** I, Chirag Muchhala, the research analyst and Rahul Kumar Mishra, Research Associate the authors of these reports, 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%

### DISCLAIMER

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. NBSPL 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 NBSPL 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. NBSPL 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 NBSPL & 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. NBSPL 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. NBSPL 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. NBSPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBSPL 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 NBSPL 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 NBSPL, 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
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