

India

REDUCE (no change)

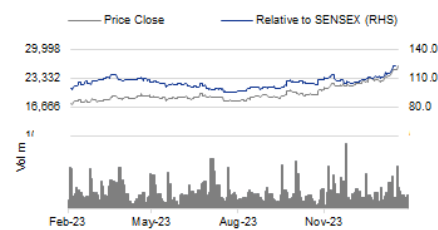
Consensus ratings*: Buy 2 Hold 1 Sell 3

| | |
|------------------------------|--------------------------|
| Current price: | Rs26,301 |
| Target price: | Rs20,232 ▲ |
| Previous target: | Rs16,401 |
| Up/downside: | -23.1% |
| InCred Research / Consensus: | 7.4% |
| Reuters: | BOSH.NS |
| Bloomberg: | BOS IN |
| Market cap: | US\$9,345m Rs775,705m |
| Average daily turnover: | US\$6.6m Rs550.1m |
| Current shares o/s: | 29.5m |
| Free float: | 29.5% |

*Source: Bloomberg

Key changes in this note

- Sales raised by 0.4% for FY24F-26F.
- EBITDA upgrade by 5% for FY24F-26F.
- EPS upgrade by 4% for FY24F-26F.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|------|------|------|
| Absolute (%) | 13.2 | 35.0 | 51.1 |
| Relative (%) | 14.8 | 22.5 | 27.6 |

| Major shareholders | % held |
|---------------------|--------|
| Bosch Global | 70.5 |
| GIC | 3.0 |
| New India Assurance | 2.2 |

Research Analyst(s)



Pramod AMTHE

T (91) 22 4161 1541
E pramod.amthe@incredresearch.com

Ravi GUPTA

T (91) 02241611552
E ravi.gupta@incredresearch.com

Bosch Ltd

EBITDA margin spike is difficult to sustain

- 3Q EPS rose 41% yoy to Rs115.7, a big beat to our/BB consensus estimate. Lower other expenses from one-offs pushed EBITDA margin to a 3-year peak.
- Division hive-off benefited the EBITDA margin and so we raise EPS by 4% for FY24F-26F. Seasonally lower purchased goods don't impress.
- Roll forward P/E-based TP to a mean level P/E of 30x. The rich +1SD P/E & P/BV valuation is a concern for business cyclicality & EV risk. Retain REDUCE.

Lower other expenses are difficult to sustain

Bosch's 3QFY24 sales rose by 15% yoy to Rs42bn, a 5% beat to our estimate. 3Q EBITDA rose by 43% yoy and 18% qoq to Rs.5.8bn, a big beat to our estimate (41%) and Bloomberg or BB consensus estimate (19%). The beat was primarily from lower other expenses (-15% yoy), leading to a three-year peak EBITDA margin of 13.8%. Lower interest costs (-68% qoq) and higher other income (+18% yoy) led to normalized PAT growth of 41% yoy to Rs4.6bn.

Management conference-call highlights

Management indicated a 120bp benefit in the EBITDA margin from the sale of project house mobility division and the remaining from forex fluctuation, lower BS6 project service expenses and lower warranty expenses. The 400bp qoq dip in purchased goods costs, management indicated, is not entirely for localization but is seasonal in nature too. The ongoing localization benefit, it guided, will be gradual for realization into higher gross margin. Management gave guidance of a slow growth in 4QFY24F as OEM customers are cautious on demand outlook ahead of the forthcoming general elections in India.

We raise EPS by around 4% for FY24F-26F

We maintain our sales estimates, as management remains cautious on the near-term demand outlook. However, the sale of project house mobility business benefitting the EBITDA margin, as seen in 3Q, led to our EBITDA margin upgrade of 50bp for FY24F-26F. Seasonally purchased goods reach a low level in 3Q and hence, we don't extrapolate (Fig. 3). However, we build in raw material costs easing by 200bp to 62.3% in FY26F, driven by management localization benefit. We upgrade EBITDA by 5% and EPS by 4% for FY24F-26F.

Stock spike in last three months stretches the valuation to +1SD

The sharp 40% spike in the stock price in the last three months has stretched its P/E valuation above 1SD of the 10-year mean level and P/BV to near +1SD (Figs. 7 & 8). Considering the beat in estimates has come from one-offs and not from business momentum, we reiterate our REDUCE rating on the stock. Considering the EPS upgrade and mean P/E valuation of 30x, we raise our target price to Rs20,232 (Rs16,401 earlier), but still down 25% from the current level. Key upside risks are better-than-expected localization benefit on profitability.

Financial Summary

| | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|-----------------------------------|----------|---------|---------|---------|---------|
| Revenue (Rsm) | 117,440 | 148,681 | 168,852 | 189,085 | 206,749 |
| Operating EBITDA (Rsm) | 14,014 | 17,455 | 20,363 | 23,557 | 27,126 |
| Net Profit (Rsm) | 10,763 | 13,756 | 15,628 | 17,589 | 20,227 |
| Core EPS (Rs) | 364.9 | 466.3 | 529.8 | 596.2 | 685.7 |
| Core EPS Growth | 22.4% | 27.8% | 13.6% | 12.5% | 15.0% |
| FD Core P/E (x) | 72.08 | 56.40 | 49.65 | 44.11 | 38.36 |
| DPS (Rs) | 210.1 | 480.0 | 350.0 | 400.0 | 500.0 |
| Dividend Yield | 0.80% | 1.83% | 1.33% | 1.52% | 1.90% |
| EV/EBITDA (x) | 50.19 | 40.39 | 34.30 | 29.64 | 25.81 |
| P/FCFE (x) | (617.43) | 43.90 | 53.91 | 81.97 | 76.18 |
| Net Gearing | (67.7%) | (64.3%) | (63.1%) | (60.5%) | (56.6%) |
| P/BV (x) | 7.26 | 7.05 | 6.32 | 6.04 | 5.79 |
| ROE | 10.5% | 12.7% | 13.4% | 14.0% | 15.4% |
| % Change In Core EPS Estimates | | | 4.30% | 3.77% | 3.95% |
| InCred Research/Consensus EPS (x) | | | | | |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

EBITDA margin spike is difficult to sustain

Management conference-call highlights ►

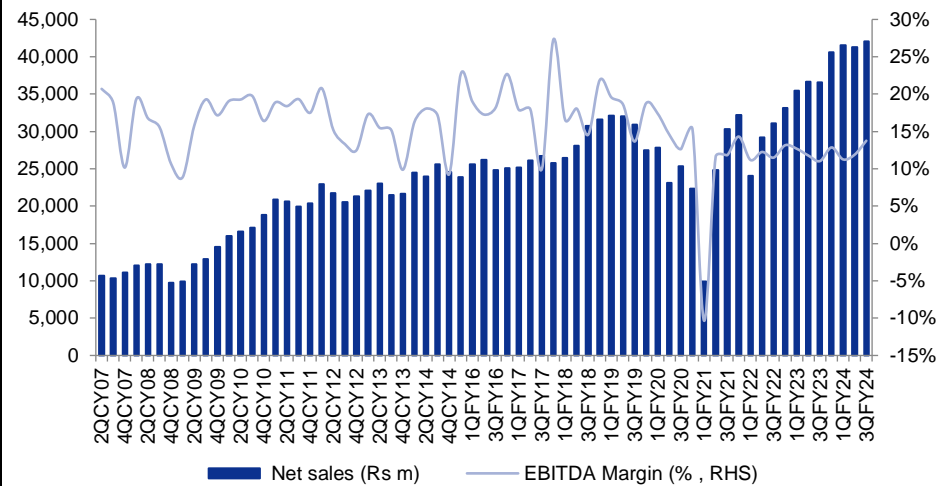
- **Outlook:** Advanced economies are likely to witness a slow growth led by multiple macroeconomic problems and the domestic market is likely to witness flat to 3-5% growth due to the forthcoming general elections in India and last year's high base while Bosch is confident of growing faster than the industry led by its diversified portfolio and strategy. The Red Sea disruption is impacting container costs and delaying shipments.
- **EV space:** Management has been selective in choosing its customers in the electric vehicle or EV space as most OEMs are facing margin pressure due to the high cost of EV batteries. In India, the EV penetration remains less than 2% and currently most EV makers are launching EVs on their ICE platform. Bosch's management expects new EVs to be launched on the born EV platform in FY25F-26F.
- **Traded goods business:** During the quarter, Bosch witnessed a drop in sourcing from traded goods, partially due to management's initiative on localization while the rest is seasonal in nature. It expects major benefits of localization to accrue in the coming years.
- **Financial performance:** Revenue in 3QFY24 was up 14.9% yoy driven by surging demand in the overall automotive market, mainly in the passenger car and heavy commercial vehicle (HCV) segment. Product sales of the automotive segment were up 16.8% yoy and the powertrain solutions business (73% of the overall automotive product sales) was up 20.4% yoy led by increase in the content per vehicle in the passenger car segment.
- **Beyond mobility:** Business has grown by 32.5% yoy on account of increased market demand for blue tools & accessories and execution of a higher number of orders for installation of security systems. Building technologies' business has grown by 18.1% led by completion of major projects.
- **Costs front:** Raw material costs, as a percentage of net sales, have increased due to an adverse mix and the forex impact. Personnel costs, as a percentage of revenue from operations, have increased mainly on account of annual salary hikes and yearly bonuses.
- **Other expenses:** They decreased 15% on account of lower spending on new businesses, as the company sold its project house mobility solutions in 2QFY23. Management stated that customers' projects (mainly application projects), warranty expenses and the forex impact on payables are the three main factors behind fluctuating other expenses. Project house mobility solutions' sale reduced other expenses by 120bp in 3QFY24 and by 90bps for the full year.

Figure 1: Quarterly results comparison

| Y/E Mar (Rs m) | 3QFY24 | 3QFY23 | yoy %chg | 2QFY24 | qoq % chg | 9MFY24 | 9MFY23 | yoy % chg | Comments for the quarter |
|------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------|--|
| Revenue | 42,052 | 36,599 | 14.9 | 41,301 | 1.8 | 1,24,937 | 1,08,659 | 15.0 | 5% above our estimates. |
| Raw Material Costs | 26,212 | 21,947 | 19.4 | 27,584 | (5.0) | 80,630 | 68,633 | 17.5 | |
| RM as a % of revenue | 62.3 | 60.0 | 237 | 66.8 | (446) | 65 | 63 | 137 | 103bp above our estimates. |
| EBITDA | 5,784 | 4,037 | 43.3 | 4,913 | 17.7 | 15,376 | 12,843 | 19.7 | 42% above our estimates. Due to lower other expenses |
| EBITDA margin (%) | 13.8 | 11.0 | 272.4 | 11.9 | 185.9 | 12.3 | 11.8 | 48.7 | 362bp above our estimates. |
| Depreciation & amortization | 1,173 | 1,083 | 8.3 | 1,013 | 15.8 | 3,107 | 2,650 | 17.2 | |
| EBIT | 4,611 | 2,954 | 56.1 | 3,900 | 18.2 | 12,269 | 10,193 | 20.4 | |
| Interest expenses | 39 | 20.0 | 95 | 122 | (68) | 469 | 75 | 525 | 35% below our estimates. |
| Other income | 1,548 | 1,312 | 18.0 | 1,542 | 0.4 | 4,965 | 3,375 | 47.1 | 11% above our estimates. |
| Pre-tax profit | 6,120 | 4,246 | 44.1 | 5,320 | 15.0 | 16,765 | 13,493 | 24.2 | |
| Tax | 1,527 | 996 | 53.3 | 3,181 | (52.0) | 5,943 | 3,177 | 87.1 | |
| Tax rate (%) | 25.0 | 23.5 | 149 | 59.8 | (3,484) | 35.4 | 23.5 | 1,190 | |
| Normalized net profit | 4,593 | 3,250 | 41.3 | 2,139 | 114.7 | 10,822 | 10,316 | 4.9 | 23% above our estimates. |
| Exceptional items | (588) | (61) | nm | 7,850 | nm | 7,262 | (61) | nm | |
| Other comprehensive income | - | - | nm | - | nm | - | - | nm | |
| Reported net profit | 4,005 | 3,189 | 25.6 | 9,989 | (59.9) | 18,084 | 10,255 | 76.3 | |
| Normalized EPS (Rs) | 155.7 | 110.2 | 41.3 | 72.5 | 114.7 | 367 | 350 | 4.9 | |

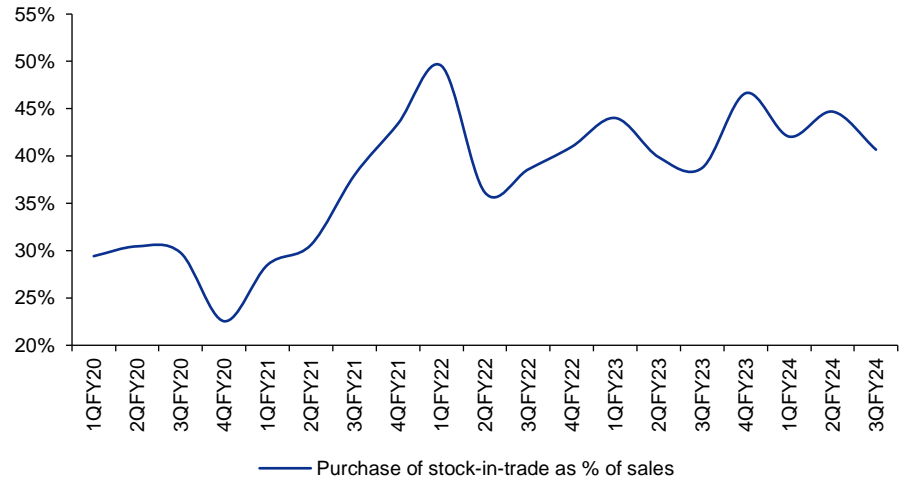
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Sales growth fails to impress when it comes to EBITDA margin



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Purchased stock-in-trade seasonally reaches its low in 3Q



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Key assumptions (Rs m)

| Revenue | FY20 | FY21 | FY22 | FY23 | FY24F | FY25F |
|---------------------------------------|--------|--------|--------|--------|--------|--------|
| Fuel Injection Equipment | 39,726 | 39,059 | 48,452 | 63,551 | 73,225 | 82,504 |
| Injectors, Nozzles and Nozzle holders | 22,772 | 22,294 | 28,719 | 38,599 | 44,527 | 50,476 |
| Auto Electricals | 3,198 | 3,396 | 4,352 | 5,447 | 5,888 | 6,307 |
| Portable Electric Power tools | 10,023 | 10,794 | 13,449 | 15,641 | 17,402 | 19,084 |
| Others | 13,721 | 14,104 | 15,698 | 17,983 | 19,666 | 21,588 |
| Revenue Mix | | | | | | |
| Fuel Injection Equipment | 44.4% | 43.6% | 43.8% | 45.0% | 45.6% | 45.8% |
| Injectors, Nozzles and Nozzle holders | 25.5% | 24.9% | 26.0% | 27.3% | 27.7% | 28.0% |
| Auto Electricals | 3.6% | 3.8% | 3.9% | 3.9% | 3.7% | 3.5% |
| Portable Electric Power tools | 11.2% | 12.0% | 12.2% | 11.1% | 10.8% | 10.6% |
| Others | 15.3% | 15.7% | 14.2% | 12.7% | 12.2% | 12.0% |
| Growth | | | | | | |
| Fuel Injection Equipment | -24.8% | -1.7% | 24.0% | 31.2% | 15.2% | 12.7% |
| Injectors, Nozzles and Nozzle holders | -23.1% | -2.1% | 28.8% | 34.4% | 15.4% | 13.4% |
| Auto Electricals | 2.2% | 6.2% | 28.2% | 25.1% | 8.1% | 7.1% |
| Portable Electric Power tools | -1.9% | 7.7% | 24.6% | 16.3% | 11.3% | 9.7% |
| Others | -37.8% | 2.8% | 11.3% | 14.6% | 9.4% | 9.8% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Our revised earnings estimates

| In Rs m | FY24F | | FY25F | | FY26F | |
|----------------|----------|----------|----------|----------|----------|----------|
| | Old | New | Old | New | Old | New |
| Net Sales | 1,68,418 | 1,68,852 | 1,88,387 | 1,89,085 | 2,05,998 | 2,06,749 |
| Change (%) | | 0.3% | | 0.4% | | 0.4% |
| EBITDA | 19,334 | 20,363 | 22,369 | 23,557 | 25,944 | 27,126 |
| Change (%) | | 5.3% | | 5.3% | | 4.6% |
| EBITDA Margin | 11.5% | 12.1% | 11.9% | 12.5% | 12.6% | 13.1% |
| Change (%) | | 58.0 | | 58.5 | | 52.6 |
| Normalized PAT | 14,984 | 15,628 | 16,950 | 17,589 | 19,459 | 20,227 |
| Change (%) | | 4.3% | | 3.8% | | 3.9% |
| EPS | 505.9 | 529.8 | 572.2 | 596.2 | 656.8 | 685.7 |
| Change (%) | | 4.7% | | 4.2% | | 4.4% |

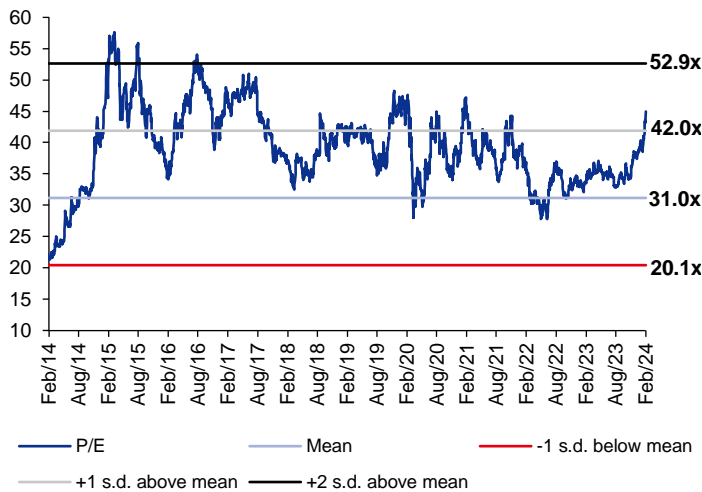
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Bosch's P/E-based target price

| | |
|-------------------------|--------|
| 1-year forward EPS (Rs) | 674.4 |
| P/E(x) | 30.0 |
| Target Price (Rs) | 20,232 |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Forward P/E valuation is rich above +1SD level



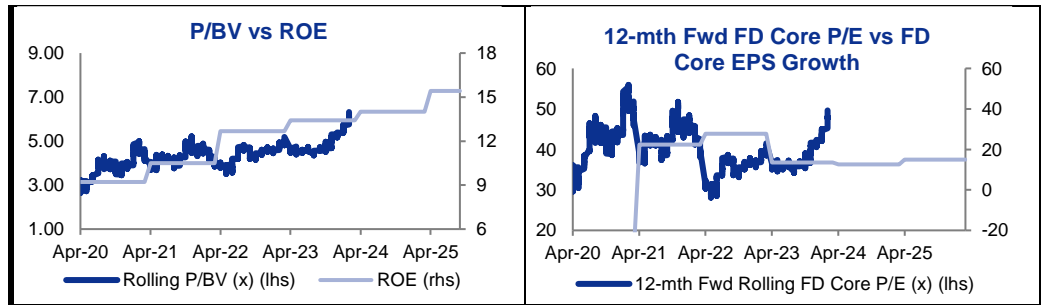
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Forward P/BV valuation spikes to near +1SD level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

| (Rs mn) | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|---|----------------|----------------|----------------|----------------|----------------|
| Total Net Revenues | 117,440 | 148,681 | 168,852 | 189,085 | 206,749 |
| Gross Profit | 44,454 | 54,053 | 59,943 | 68,827 | 77,944 |
| Operating EBITDA | 14,014 | 17,455 | 20,363 | 23,557 | 27,126 |
| Depreciation And Amortisation | (3,243) | (3,856) | (4,457) | (5,286) | (6,096) |
| Operating EBIT | 10,771 | 13,599 | 15,906 | 18,271 | 21,030 |
| Financial Income/(Expense) | (289) | (121) | (550) | (700) | (600) |
| Pretax Income/(Loss) from Assoc. | | | | | |
| Non-Operating Income/(Expense) | 3,963 | 4,734 | 5,207 | 5,572 | 6,185 |
| Profit Before Tax (pre-EI) | 14,445 | 18,212 | 20,564 | 23,143 | 26,615 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 14,445 | 18,212 | 20,564 | 23,143 | 26,615 |
| Taxation | (3,683) | (4,456) | (4,935) | (5,554) | (6,388) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 10,763 | 13,756 | 15,628 | 17,589 | 20,227 |
| Minority Interests | | | | | |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 10,763 | 13,756 | 15,628 | 17,589 | 20,227 |
| Recurring Net Profit | 10,763 | 13,756 | 15,628 | 17,589 | 20,227 |
| Fully Diluted Recurring Net Profit | 10,763 | 13,756 | 15,628 | 17,589 | 20,227 |

Cash Flow

| (Rs mn) | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|----------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| EBITDA | 14,014 | 17,455 | 20,363 | 23,557 | 27,126 |
| Cash Flow from Invt. & Assoc. | | | | | |
| Change In Working Capital | (5,507) | (649) | (1,223) | (3,513) | (4,284) |
| (Incr)/Decr in Total Provisions | (6,911) | (1,709) | 175 | 740 | 914 |
| Other Non-Cash (Income)/Expense | 898 | 380 | | | |
| Other Operating Cashflow | 1,230 | (123) | 7,262 | | |
| Net Interest (Paid)/Received | 3,674 | 4,613 | 4,657 | 4,872 | 5,585 |
| Tax Paid | (3,683) | (4,456) | (4,935) | (5,554) | (6,388) |
| Cashflow From Operations | 3,716 | 15,511 | 26,300 | 20,102 | 22,954 |
| Capex | (4,128) | (6,655) | (9,396) | (8,000) | (10,000) |
| Disposals Of FAs/subsidiaries | | | | | |
| Acq. Of Subsidiaries/Investments | | | | | |
| Other Investing Cashflow | (844) | 8,819 | (2,511) | (2,637) | (2,769) |
| Cash Flow From Investing | (4,972) | 2,164 | (11,908) | (10,637) | (12,769) |
| Debt Raised/(repaid) | | | | | |
| Proceeds From Issue Of Shares | | | | | |
| Shares Repurchased | | | | | |
| Dividends Paid | (6,195) | (14,160) | (10,325) | (11,800) | (14,750) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | | | | | |
| Cash Flow From Financing | (6,195) | (14,160) | (10,325) | (11,800) | (14,750) |
| Total Cash Generated | (7,451) | 3,515 | 4,067 | (2,335) | (4,565) |
| Free Cashflow To Equity | (1,256) | 17,675 | 14,392 | 9,465 | 10,185 |
| Free Cashflow To Firm | (968) | 17,796 | 14,942 | 10,165 | 10,785 |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

| (Rs mn) | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Total Cash And Equivalents | 72,329 | 70,795 | 77,373 | 77,675 | 75,879 |
| Total Debtors | 34,764 | 38,622 | 43,205 | 46,348 | 51,322 |
| Inventories | 17,293 | 19,029 | 20,817 | 23,312 | 25,490 |
| Total Other Current Assets | 7,388 | 9,399 | 10,339 | 11,373 | 12,510 |
| Total Current Assets | 131,774 | 137,845 | 151,735 | 158,707 | 165,200 |
| Fixed Assets | 18,169 | 20,968 | 25,907 | 28,621 | 32,525 |
| Total Investments | | | | | |
| Intangible Assets | | | | | |
| Total Other Non-Current Assets | 4,161 | 3,781 | 3,781 | 3,781 | 3,781 |
| Total Non-current Assets | 22,330 | 24,749 | 29,688 | 32,402 | 36,306 |
| Short-term Debt | | | | | |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 33,578 | 39,981 | 44,996 | 47,519 | 50,927 |
| Other Current Liabilities | | | | | |
| Total Current Liabilities | 33,578 | 39,981 | 44,996 | 47,519 | 50,927 |
| Total Long-term Debt | | | | | |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | | | | | |
| Total Non-current Liabilities | | | | | |
| Total Provisions | 13,647 | 12,491 | 13,740 | 15,114 | 16,626 |
| Total Liabilities | 47,225 | 52,472 | 58,736 | 62,633 | 67,553 |
| Shareholders Equity | 106,879 | 110,122 | 122,687 | 128,476 | 133,954 |
| Minority Interests | | | | | |
| Total Equity | 106,879 | 110,122 | 122,687 | 128,476 | 133,954 |

Key Ratios

| | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|---------------------------|----------|----------|----------|----------|----------|
| Revenue Growth | 20.8% | 26.6% | 13.6% | 12.0% | 9.3% |
| Operating EBITDA Growth | 39.6% | 24.6% | 16.7% | 15.7% | 15.1% |
| Operating EBITDA Margin | 11.9% | 11.7% | 12.1% | 12.5% | 13.1% |
| Net Cash Per Share (Rs) | 2,451.83 | 2,399.83 | 2,622.82 | 2,633.05 | 2,572.15 |
| BVPS (Rs) | 3,623.02 | 3,732.95 | 4,158.89 | 4,355.13 | 4,540.80 |
| Gross Interest Cover | 37.30 | 112.39 | 28.92 | 26.10 | 35.05 |
| Effective Tax Rate | 25.5% | 24.5% | 24.0% | 24.0% | 24.0% |
| Net Dividend Payout Ratio | 57.6% | 102.9% | 66.1% | 67.1% | 72.9% |
| Accounts Receivables Days | 45.32 | 42.10 | 44.57 | 44.93 | 46.49 |
| Inventory Days | 75.71 | 70.05 | 66.77 | 66.97 | 69.15 |
| Accounts Payables Days | 111.61 | 95.77 | 97.61 | 95.78 | 93.66 |
| ROIC (%) | 30.5% | 28.2% | 30.7% | 30.9% | 31.9% |
| ROCE (%) | 10.5% | 12.5% | 13.7% | 14.5% | 16.0% |
| Return On Average Assets | 7.3% | 8.8% | 9.4% | 9.8% | 10.6% |

Key Drivers

| | Mar-22A | Mar-23A | Mar-24F | Mar-25F | Mar-26F |
|--|---------|---------|---------|---------|---------|
| ASP (% chg, main prod./serv.) | 6.2% | 5.0% | 3.0% | 3.0% | 2.0% |
| Unit sales grth (% , main prod./serv.) | 24.0% | 31.2% | 15.2% | 12.7% | 10.1% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. 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 IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which are believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

| | Analyst/ Relative | Entity/ Associates |
|---|----------------------|-----------------------|
| any financial interests in the company covered in this report (subject company) and nature of such financial interest | NO | NO |
| actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance; | NO | NO |
| any other material conflict of interest at the time of publication of the research report or at the time of public appearance | NO | NO |
| received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months | NO | NO |
| managed or co-managed public offering of securities for the subject company in the last twelve months | NO | NO |
| received any compensation or other benefits from the subject company or third party in connection with the research report | NO | NO |
| served as an officer, director or employee of the subject company | NO | NO |
| been engaged in market making activity for the subject company | NO | NO |

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.