

September 12, 2024

COMPANY UPDATE | Sector: Breweries & Distilleries

SOM Distilleries & Breweries Ltd

In growth phase with eye on state diversification

We were recently hosted by the management team of SOM Distilleries & Breweries Ltd (SDBL) at their Bhopal facility for a plant visit and management interaction. Key highlights are as follows: -

Market share gains strong; should improve or atleast hold up

SDBL has dominant market share of 45% in Madhya Pradesh beer market. In around 4 years of operations, it has garnered ~19% share in Karnataka (aim of 25-30% over the next few years) and has a respectable ~14% share in Odisha. SDBL believes market share improvement shows product/brand acceptance. This along with pricing and sales & distribution strategies should help them focus on enhancing market share in its key markets of Bhopal, Karnataka and Odisha while increasing presence in high growth markets like Rajasthan, UP, Jharkhand and Delhi.

Growing presence should help maintain growth delta over peers

SDBL grew by ~59% in FY24 and ~33% in 1QFY25, way ahead of the market largely due to the capacity additions and the improved market presence. Point of sales covered have more than doubled from pre-Covid levels. In Karnataka market, SDBL is already reaching ~7k outlets out of the 9k outlet universe in short duration. It is still only covering 40% of beer market in India. Apart from capacity addition in Odisha plant (expected by 1QFY26), it is looking at acquisition opportunities in states where it wants to enter or might even look at a Greenfield over the next 2 years.

Building stronger team for the expanding business

Employee strength for SDBL stands at ~500 employees with approx. 200 sales team members and ~15 in the marketing team. Over the last few quarters, company has also added team members in the mid-management with strong experience. While Bhopal is SDBL's first market of operations, Karnataka is a big market for the industry. So, company has decided that their marketing team will now be based out of Karnataka instead of Bhopal. Even the Sales head is now based out of Karnataka.

Near-term guidance maintained

Demand environment remains unchanged in the ongoing quarter. Company's aim is to atleast deliver the guided Rs15bn topline for FY25. If things go as per plan, it can even see the higher band of guidance i.e., Rs16bn. Management internally is aiming at 25-30% growth over the next 2-3 years. EBITDA margin will stay at 12-13% as operating leverage benefits will be offset by higher new bottle costs (new bottle costs ~50% higher than old bottles) along with spends to scale in newer states.

Don't see any major change in debt profile in the short to medium-term

Management believes the company has already seen significant reduction in debt levels from peak levels and current debt position stands at Rs1.56bn (Gross) and Rs1.4bn (Net) as on 30th June 2024. Company has already announced capacity expansion for the Odisha plant from 6mn cases to 9mn cases with capex of ~Rs300-400mn. Debt likely to stay at current levels over the next couple of years due to capex requirement as well working capital to improve presence in newer states which are largely duty-paid states unlike MP.

Other highlights

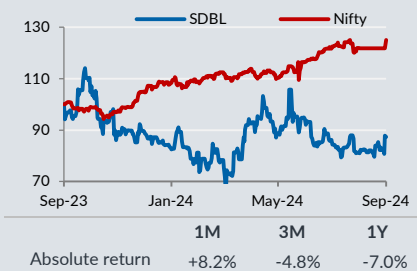
(1) Mass/Strong beer segment still contributes ~85% of industry sales, while the rest is towards the premium segment (2) SDBL's glass bottle mix stands at 75%-80%, rest is cans. (3) Off-trade sales forms ~85% of the business. (4) CSD forms 1-2% of sales. (5) Exports to certain markets in UAE, US, Africa, Europe forms <1% of turnover. (6) Conversion of promoter warrants would lead to their shareholding increasing to 38-39% from current 35.6%. (7) Maintenance capex: ~Rs60-70mn on an annual basis.

Reco	: NOT RATED
CMP	: 120
Target Price	: -
Potential Return	: -

Stock data (as on Sept 12, 2024)

Nifty	25,047
52 Week h/l (Rs)	156 / 86
Market cap (Rs/USD mn)	22892 / 273
Outstanding Shares (mn)	195
6m Avg t/o (Rs mn):	197
Div yield (%):	-
Bloomberg code:	SDB IN
NSE code:	SDBL

Stock performance



Shareholding pattern (as of June'24)

Promoter	35.3%
FII+DII	1.2%
Others	63.5%

Financial Summary

(Rs mn)	FY22	FY23	FY24
Net revenues	3,652	8,067	12,807
YoY growth (%)	27.0	120.9	58.8
EBITDA	198	1,021	1,495
EBITDA margin (%)	5.4	12.7	11.7
PAT	-63	603	854
EPS (Rs)	-0.8	7.8	11.1
EPS growth (%)	-83.7	LP	43.4
RoCE (%)	0.7	14.9	18.5
RoE (%)	-2.2	18.1	18.2
P/E (x)	-333.1	36.4	27.2
EV/EBITDA (x)	115.1	24.2	16.7

VISHAL PUNMIYA

Lead Analyst

vishal.punmiya@ysil.in

+91 22 6885 0521



MANAS RASTOGI, Associate

About the company

Incorporated in 1986 by Mr. JK Arora, SOM Distilleries & Breweries Ltd. (SDBL) is a key player specializing in beer production and blending of Indian Made Foreign Liquor (IMFL). SDBL is India's first company to own a portfolio of spirits, beers, ready to drink along with Rectified Spirits (RS), and Ethyl Neutral Alcohol (ENA). SDBL millionaire brands like Hunter, Black Fort, and Power Cool with sales >1mn cases annually. The company has production facilities in Bhopal, Karnataka, and Odisha with a cumulative annual capacity of 35.2mn cases of beer and 3.9mn cases of IMFL.

A key advantage for the company is its distinct position as the sole publicly traded firm in India engaged in both the beer and IMFL segments. This dual approach reduces the impact of seasonal fluctuations and enhances marketing & sales efficiencies.

In FY20, the company introduced Woodpecker Wheat Beer, India's first filtered wheat beer and recently launched Legend beer in Karnataka. The company is now focusing on increasing market share in states like Jharkhand, Uttar Pradesh, Rajasthan, and Delhi. SOM clocked 21.4mn cases of beer and 1mn cases of IMFL in FY24.

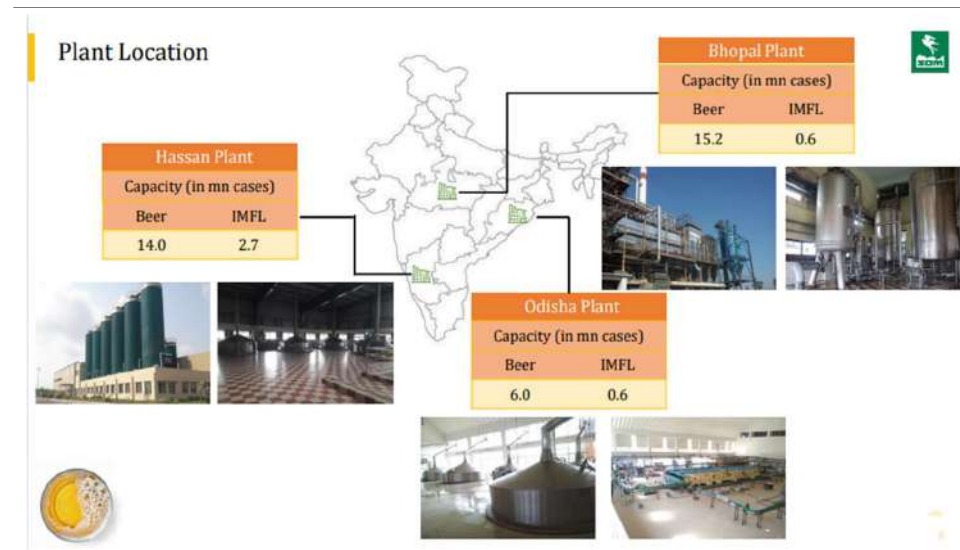
Beer accounted for 92.8% of total revenue in FY24, up from 91.0% in FY23, with IMFL contributing the remaining 7.2%. The realization per case was Rs552 for beer and Rs914 for IMFL.

Exhibit 1: SDB's beer and IMFL brands portfolio



Source: Company, YES Sec

Exhibit 2: SDB's plant locations along with beer and IMFL capacity



Source: Company, YES Sec

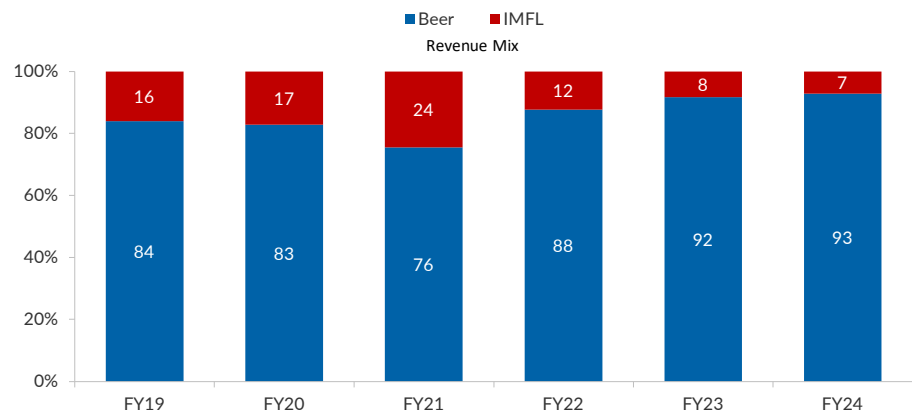
Exhibit 3: SDB's Plant wise capacity for beer and IMFL

Capacity (In Mn cases)	SDBL (Bhopal)	Woodpecker (Karnataka)	SDBOPL (Odisha)	Total Capacity
Beer	15.2	14.0	6.0	35.2
IMFL	0.6	2.7	0.6	3.9

Source: Company, YES Sec

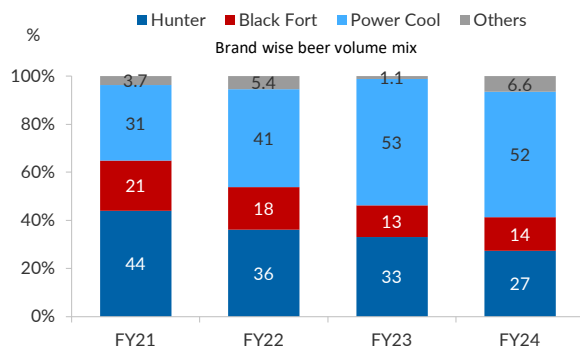
Note: Expanded Capacity effective April 2024

Exhibit 4: Beer forms bulk of SDBL's revenues



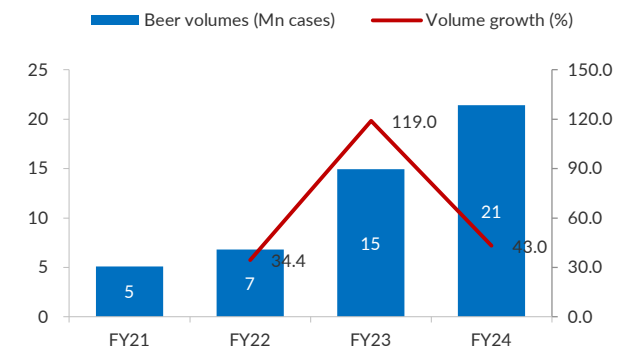
Source: Company, YES Sec

Exhibit 5: Power Cool and Hunter formed ~80% of beer volumes in FY24



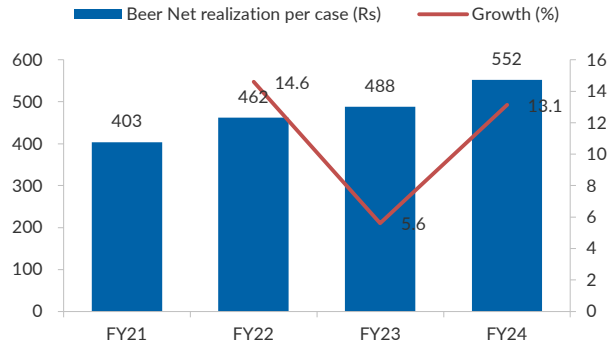
Source: Company, YES Sec

Exhibit 6: Beer volumes grew by 43% to ~21mn cases in FY24



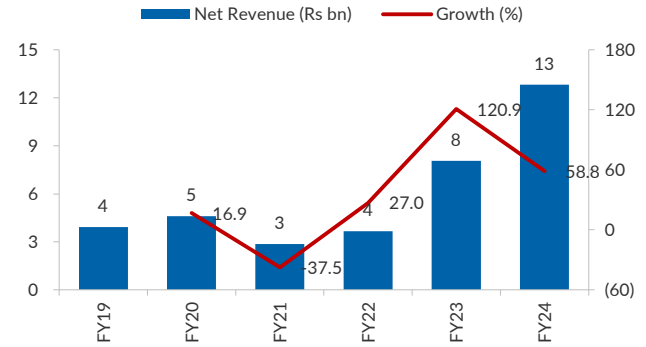
Source: Company, YES Sec

Exhibit 7: Net realization per case for Beer grew by ~13% to Rs552 in FY24



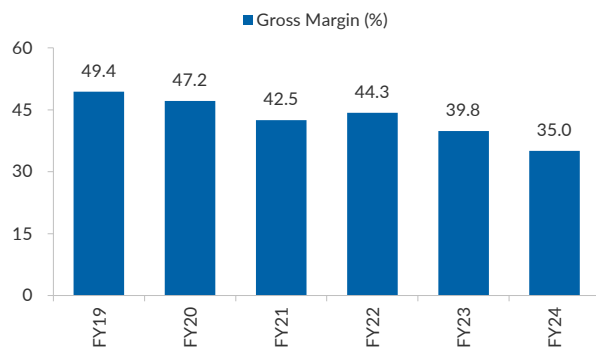
Source: Company, YES Sec; Note: including Other brands

Exhibit 8: Net revenue grew by 58.8% to Rs13bn in FY24



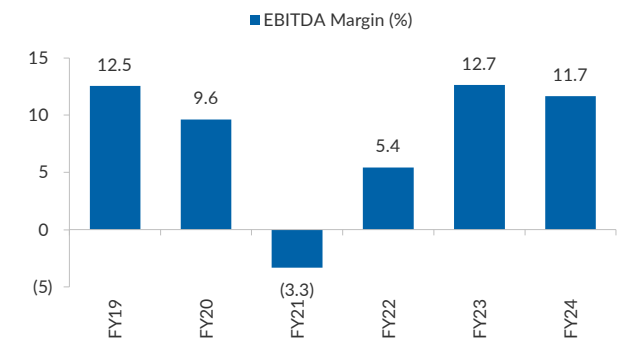
Source: Company, YES Sec

Exhibit 9: Gross margin declined by 480bps YoY to 35% in FY24



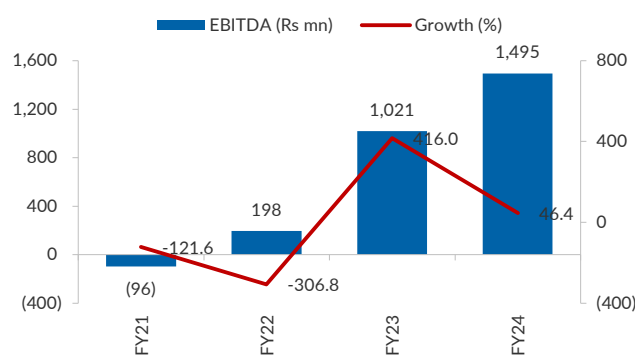
Source: Company, YES Sec

Exhibit 10: EBITDA margin declined by 100bps to 11.7% in FY24



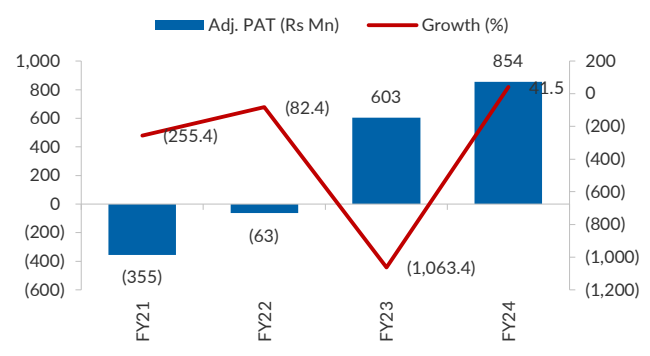
Source: Company, YES Sec

Exhibit 11: EBITDA grew by 46.4% to Rs1.5bn in FY24



Source: Company, YES Sec

Exhibit 12: Adj PAT grew by 41.5% to Rs854mn in FY24



Source: Company, YES Sec

FINANCIALS

Exhibit 13: Balance Sheet

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
Share capital	325	325	350	369	390
Reserves	2,874	2,493	2,546	3,385	5,541
Net worth	3,199	2,818	2,896	3,754	5,931
Total debt	2,229	2,117	2,023	2,903	1,871
Deferred Tax Liabilities	104	68	11	113	280
Total liabilities	5,532	5,003	4,929	6,769	8,082
Gross block	3,398	4,957	5,032	5,054	6,403
Depreciation	680	814	973	1,143	1,357
Net block	2,717	4,143	4,059	3,911	5,046
Capital work-in-progress	1,421	22	0	972	684
Investments	0	0	0	0	0
Inventories	1,039	684	845	1,353	1,823
Debtors	1,300	1,315	1,158	1,422	2,378
Cash	219	145	95	126	133
Loans & advances	678	549	586	994	1,221
Other current assets	193	257	251	341	409
Total current assets	3,429	2,950	2,935	4,236	5,965
Creditors	868	893	693	1,102	1,190
Other current liabilities & provisions	1,167	1,219	1,371	1,247	2,422
Total current liabilities	2,035	2,112	2,064	2,349	3,612
Net current assets	1,394	838	871	1,887	2,353
Total assets	5,532	5,003	4,930	6,769	8,082

Source: Company, YES Sec

Exhibit 14: Income statement

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
Net Revenue	4,599	2,876	3,652	8,067	12,807
% Growth	16.9	(37.5)	27.0	120.9	58.8
COGS	2,430	1,655	2,034	4,853	8,323
Staff costs	169	168	217	268	378
Other expenses	23	1,149	1,203	1,925	2,612
Total expenses	2,621	2,971	3,454	7,046	11,312
EBITDA	1,978	(96)	198	1,021	1,495
% growth	(10.1)	(121.6)	(306.8)	416.0	46.4
EBITDA margin (%)	43.0	(3.3)	5.4	12.7	11.7
Other income	36	26	3	13	57
Interest costs	154	187	154	160	119
Depreciation	117	134	168	170	213
Profit before tax	1,743	(390)	(120)	705	1,220
Tax	(20)	(35)	(58)	102	354
Adjusted PAT	228	(355)	(63)	603	854
Reported PAT	228	(355)	(63)	603	854
PAT margin (%)	4.9	(12.2)	(1.7)	7.5	6.6
% Growth	(27.5)	(255.4)	(82.5)	LP	43.4

Source: Company, YES Sec

Exhibit 15: Cash flow statement

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
PAT	(33)	(417)	(156)	705	1,032
Depreciation	270	320	321	330	332
Other income	(1)	0	5	0	(0)
(Inc.)/dec. in working capital	175	331	(78)	(892)	(389)
Cash flow from operations	412	234	92	143	975
Capital expenditure (-)	(666)	(160)	(67)	(994)	(1,129)
Net cash after capex	(255)	74	26	(851)	(155)
Inc./(dec.) in investments	(37)	31	6	(90)	0
Cash from investing activities	(703)	(129)	(60)	(1,084)	(1,129)
Dividends paid (-)	(49)	0	(1)	(19)	0
Inc./(dec.) in total borrowings	501	(136)	(109)	449	(210)
Others	(189)	(44)	28	543	370
Cash from financial activities	264	(180)	(82)	973	161
Opening cash balance	247	219	145	95	126
Closing cash balance	219	145	95	126	133
Change in cash balance	(27)	(75)	(50)	31	6

Source: Company, YES Sec

Exhibit 16: Growth and Ratio matrix

Y/E March	FY20	FY21	FY22	FY23	FY24
Per share (Rs)					
EPS	3.0	(4.6)	(0.8)	7.8	11.1
Book value	41.5	36.5	37.6	48.7	76.9
DPS	0.1	0.0	0.0	0.0	0.0
Valuation (x)					
P/Sales	2.0	3.2	2.5	1.1	0.7
EV/sales	8.9	7.4	6.2	3.1	2.0
EV/EBITDA	91.9	(222.9)	115.1	24.2	16.7
P/E	84.8	(54.5)	(333.1)	36.4	27.2
P/BV	6.1	6.9	7.2	5.9	3.9
Return ratios (%)					
RoCE	6.7	(3.9)	0.7	14.9	18.5
RoE	7.2	(11.8)	(2.2)	18.1	18.2
ROIC	9.5	(5.4)	0.6	16.4	20.4
Profitability ratios (%)					
Gross margin	47.2	42.5	44.3	39.8	35.0
EBITDA margin	9.6	(3.3)	5.4	12.7	11.7
PAT margin	4.9	(12.2)	(1.7)	7.5	6.6
Liquidity ratios (%)					
Current ratio	1.7	1.4	1.4	1.8	1.7
Quick ratio	1.2	1.1	1.0	1.2	1.1
Solvency ratio (%)					
Debt to Equity ratio	0.7	0.8	0.7	0.8	0.3
Turnover ratios					
Total asset turnover ratio (x)	0.8	0.6	0.7	1.2	1.6
Fixed asset turnover ratio (x)	1.7	0.7	0.9	2.1	2.5
Debtor days	103	166	124	58	54
Inventory days	156	190	137	83	70
Creditor days	130	194	142	68	50

Source: Company, YES Sec

STANDARD DISCLAIMER:

YES Securities (India) Limited, Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | Correspondence Add: 7th Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: www.yesinvest.in | Email: customer.service@ysil.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (Cat III AIF) and YES Wealth Maximiser AIF (Cat III AIF) SEBI Registration No.: IN/AIF3/20- 21/0818 | AMFI ARN Code - 94338

Details of Compliance Officer: Aditya Goenka | Email: compliance@ysil.in / Contact No.: 022-65078127 | Grievances Redressal Cell: customer.service@ysil.in / igc@ysil.in

Standard Disclaimer: Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a wholly owned subsidiary of YES Bank Limited. Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit https://yesinvest.in/standard_documents_policies

DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSIL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSIL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that Price of each of the securities or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

Technical analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSIL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject YSIL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")^[1] and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This research report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation the issuer(s) or securities as listed in this research report. This YES Securities (India) Limited research report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ 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. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

This report is intended for distribution by YES Securities (India) Limited 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). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. 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 or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

^[1] Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperoning broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

DISCLOSURE OF INTEREST

Name of the Research Analyst: Vishal Punmiya, Manas Rastogi

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report	No
3	Research Analyst or his/her relative or YSIL has any other material conflict of interest at the time of publication of the research report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL has 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	No
8	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

Since YSIL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSIL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSIL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

Analyst signature

Analyst signature

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSIL") is a wholly owned subsidiary of YES BANK LIMITED. YSIL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSIL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSIL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSIL by SEBI/Stock Exchanges.