

May 8, 2024

RESULT REPORT Q4 FY24 | Sector: Building Materials

Kajaria Ceramics Ltd

Expect 10% volume CAGR; maintain NEUTRAL!

Result Synopsis

Sluggish domestic demand and higher competition from Morbi impacted Kajaria Ceramics Ltd (KJC) performance in Q4FY24. Tiles revenue remained flat YoY & grew by 8%QoQ owing to tepid volume growth of 6%YoY & 9%QoQ, Blended realizations declined for 4th straight quarter to Rs369/sqm. Though topline growth was largely in-line with expectations, operating margins came in at 14% which was steeply below our estimates of 16% and as against 15%/16% in Q4FY23/Q3FY24 respectively. The contraction in EBITDA margins was on account of reduction in realizations coupled with increase in COGS driven by higher inventory (COGS as %sales came in at 47% Vs 45%/41% in Q4FY23/Q3FY24, respectively). The contribution of Own Manufacturing/JVs/Outsourced to total volumes stood at 54%/21%/25% Vs 56%/20%/24% in previous quarter. As a % of tiles revenue the mix of Own Manufacturing/JVs/Outsourced came in at 56%/21%/24% Vs 57%/20%/23% in previous quarter. The other segments delivered a healthy growth wherein, Bathware/Plywoods/Adhesives grew by 13%/74%/24% on YoY basis.

Management laid down their three-year vision, wherein they stated that the company aims to achieve revenues of Rs65Bn by FY27E, of which tiles revenue should be Rs55Bn (implying a 11%CAGR over FY24-27E), and other segments to contribute Rs10Bn. Moreover, in FY27E, management aims to achieve total tile volumes of 150msm (translating into a 12%CAGR over FY24-27E), outperforming the industry growth of ~6-8%CAGR over the similar period. Concurrently, blended EBITDA margins are expected to be ~15-17%.

The tailwinds from uptick in real-estate are likely to improve demand scenario from H2FY25E onwards. However, we reckon the domestic demand will remain challenging for KJC even though exports from Morbi are likely to revive with easing of red-sea issue, the competitive intensity in domestic markets will remain elevated with Morbi cluster adding capacity by 15-20%. Hence, we expect KJC to deliver a volume growth of 10% over FY24-26E & with pricing likely to remain under pressure, tile's revenue should also grow by 10%CAGR over similar period. EBITDA margins are likely to come in at 15.5%/16% in FY25E/FY26E, respectively, translating into EBITDA growth of 15%CAGR over FY24-26E. At CMP, the stock trades at P/E(x) of 39x/33x on FY25E/FY26E EPS of Rs30/Rs35 & we continue to value the company at 35x on FY26E EPS, maintaining our NEUTRAL rating on the stock.

Result Highlights

- Revenue for the quarter stood at Rs12.41Bn (3% below est), a benign growth of 3%YoY & 8%QoQ.
- EBITDA margins came in at 13.9% (Vs est of 16%) as compared to 14.6%/15.5% in Q4FY23/Q3FY24 respectively, contraction was due to higher input cost which stood at 46.6% of sales Vs 44.6%/40.7% in Q4FY23/Q3FY24 respectively. Hence, Absolute EBITDA declined by 2%YoY & 4%QoQ to Rs1.72Bn.

Exhibit 1: Actual vs estimates

Rsmn	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	12,408	12,735	12,738	(2.6)	(2.6)	
EBITDA	1,720	2,038	2,012	(15.6)	(14.5)	
EBITDA Margin (%)	13.9	16.0	15.8	-214 bps	-193 bps	Below estimates
Adjusted PAT	1,043	1,284	1,223	(18.8)	(14.7)	

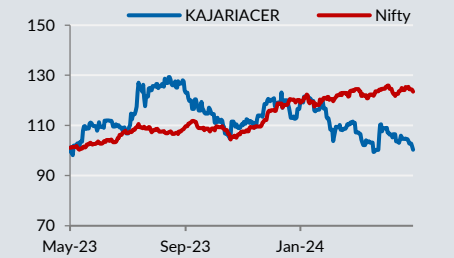
Source: Company, YES Sec

Reco	: NEUTRAL
CMP	: Rs 1,156
Target Price	: Rs 1,241
Potential Return	: +7.3%

Stock data (as on May 8, 2024)

Nifty	22,303
52 Week h/l (Rs)	1,524 / 1,110
Market cap (Rs/USD mn)	189,127 / 2,265
Outstanding Shares (mn)	159
6m Avg t/o (Rs mn):	270
Div yield (%):	0.8
Bloomberg code:	KJC IN
NSE code:	KAJARIACER

Stock performance



	1M	3M	1Y
Absolute return	-7.8%	-9.7%	0.7%

Shareholding pattern (As of Mar'24 end)

Promoter	47.5%
FII+DII	44.1%
Others	8.4%

Δ in stance

(1-Yr)	New	Old
Rating	NEUTRAL	NEUTRAL
Target Price	1,241	1,261

Δ in earnings estimates

	FY25E	FY26E
EPS (New)	30.2	35.4
EPS (Old)	33.0	38.6
% change	-8.5%	-8.2%

Financial Summary

(Rs mn)	FY24	FY25E	FY26E
Net Revenue	45,784	50,603	56,540
YoY Growth	4.5	10.5	11.7
EBIDTA	6,997	7,839	9,093
EBIDTA (%)	15.3	15.5	16.1
PAT	4,321	4,808	5,647
YoY Growth	24.8	11.3	17.4
ROE	17.5	17.3	17.8
EPS	26.5	30.2	35.4
P/E	43.6	38.3	32.6
BV/Share	164.3	185.4	211.9
P/BV	7.0	6.2	5.5

UDIT GAJIWALA

Lead Analyst

udit.gajiwala@ysil.in



SHALIN DAMANI, Associate

- Net profit stood at 1.04Bn, a degrowth of 6%YoY & 3%QoQ.

Segmental Highlights for Q4FY24:

Tiles:

- Overall volumes stood at 29.57msm, a growth of 5.5%YoY & 9%QoQ (2-year CAGR 7%). Own volumes (54% of total) stood at 16.08msm, grew by 6% YoY & 5.4%QoQ. JVs (21% of total) registered a growth of 3%YoY & 15% QoQ to 6.11msm. Lastly, outsourced vols (25% of total), stood at 7.38msm, a growth of 6%YoY & 13.4%QoQ.
- Revenue of tiles stood at Rs10.92Bn, flattish YoY & a growth of 8%QoQ. Own tile revenue (56% of revenue), stood at Rs6.06Bn, flattish YoY & a growth of 5%QoQ. JVs sales (21% of tile revenue) declined by 2.6%YoY & improved by 13%QoQ to Rs2.29Bn, and Outsourced sales (24% of tile revenue) stood at Rs2.60Bn, higher by 2.5%YoY & 11%QoQ.
- Blended ASP came in at Rs369/sqm Vs Rs387/Rs374 in Q4FY23/Q3FY24, respectively. Own manufacturing's ASP stood at Rs377/sqm Vs Rs396/Rs380 in Q4FY23/Q3FY24, respectively. JVs realization came in at Rs369/sqm, a decline of 5.4YoY & 1.6%QoQ. Outsourced ASP declined from Rs365/Rs360 in Q4FY23/Q3FY24, respectively to Rs352/sqm in Q4FY24.

Others:

- Bathware sales stood at Rs1.02Bn, Vs Rs902Mn/Rs922Mn in Q4FY23/Q3FY24, respectively.
- Plywood revenue came in at Rs327Mn, a growth of 74%YoY (low base) & a decline of 4%QoQ.
- Adhesives grew by 24%YoY & 12%QoQ to Rs143Mn.

Exhibit 2: Quarterly Snapshot:

Rs mn	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	% yoy	% qoq	FY23	FY24	% yoy
Revenue	10,911	12,048	10,642	11,216	11,518	12,408	3.0	7.7	43,819	45,784	4.5
Expenditure	9,581	10,289	8,950	9,419	9,730	10,688	3.9	9.9	37,899	38,787	2.3
- RM	4,444	5,368	4,717	4,582	4,692	5,779	7.7	23.2	18,070	19,770	9.4
- Staff Cost	1,166	1,164	1,137	1,300	1,319	1,297	11.4	(1.7)	4,612	5,053	9.5
- Power Cost	2,783	2,414	1,937	2,211	2,395	2,118	(12.3)	(11.6)	10,554	8,661	(17.9)
- Other Cost	1,188	1,343	1,159	1,327	1,324	1,494	11.3	12.9	4,663	5,304	13.8
Operating Profit	1,331	1,759	1,692	1,797	1,788	1,720	(2.2)	(3.8)	5,920	6,997	18.2
OPM (%)	12.2	14.6	15.9	16.0	15.5	13.9	-74 bps	-166 bps	13.5	15.3	177 bps
Other Income	75	104	93	83	113	174	67.4	54.7	336	462	37.5
Depreciation	325	343	305	361	389	425	23.8	9.2	1,329	1,480	11.4
Interest	83	72	53	43	50	66	(8.7)	32.7	223	211	(5.4)
PBT	997	1,405	1,427	1,474	1,459	1,396	(0.6)	(4.3)	4,625	5,756	24.5
Tax	261	298	336	366	379	354	18.8	(6.7)	1,163	1,435	23.4
PAT	737	1,107	1,091	1,108	1,080	1,043	(5.8)	(3.4)	3,462	4,321	24.8
OCI	(2)	(2)	(1)	(1)	(2)	6	(369.6)	(464.7)	(7)	2	(128.8)
Reported PAT	735	1,105	1,090	1,107	1,078	1,049	(5.0)	(2.7)	3,456	4,323	25.1

Source: Company, YES Sec

Exhibit 3: Operational Numbers:

Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	% yoy	% qoq	FY23	FY24	% yoy
Revenue Split (Rs Mn)											
Tiles	9,839	10,843	9,566	9,998	10,128	10,917	0.7	7.8	39,515	40,609	2.8
Bathware	795	902	837	853	922	1,023	13.3	10.9	3,155	3,635	15.2
Plywood	188	188	143	235	340	327	73.7	(3.9)	773	1,044	35.0
Adhesives	90	115	96	130	128	143	24.2	11.8	376	496	31.9
Tiles Volumes (msm)											
Own	14.0	15.2	13.8	14.8	15.3	16.1	6.1	5.4	57	60	4.6
JV/ Subsidiary	5.2	5.9	4.8	4.8	5.3	6.1	3.0	14.8	20	21	7.8
Outsources	6.3	6.9	6.4	6.9	6.5	7.4	6.3	13.4	25	27	9.2
Tiles Revenue (Rs Mn)											
Own	5,592	5,994	5,393	5,705	5,791	6,062	1.1	4.7	22,935	22,951	0.1
JV/ Subsidiary	1,640	2,315	1,340	1,825	1,995	2,255	(2.6)	13.1	6,896	7,415	7.5
Outsources	2,608	2,535	2,833	2,469	2,343	2,599	2.5	10.9	9,683	10,244	5.8

Source: Company, YES Sec

KEY INVESTOR MEET HIGHLIGHTS

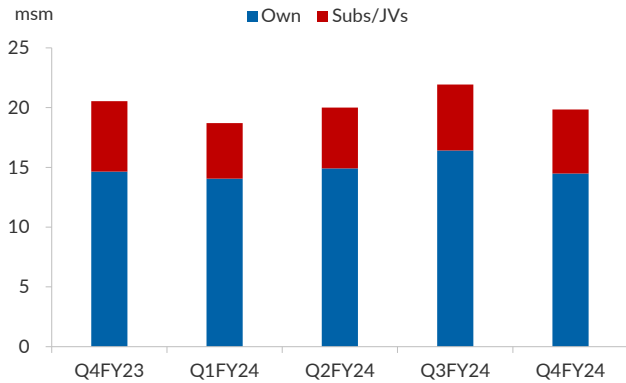
- Company announced their goals for next 3-years:
 - Tiles revenue to be Rs55Bn by FY27E (11%CAGR over FY24-27E), with volumes of 150msm (12%CAGR over FY24-27E) above the industry growth rate of 6-8% over the same period.
 - Other segments to have a cumulative revenue of Rs10Bn.
 - Blended EBITDA margins to be sustainable ~15-17%.
- Management aims to expand presence in Tier-II&III cities and clear focus is on growing volumes and enhancing the market share.
- On USA imposing Anti-Dumping Duty, management stated that USA forms 7% of total exports from India and post imposition the exports could reduce to 3.5% which will not have a material impact.
- Advertisement cost stood at Rs1.31Bn in FY24.
- Mix of Ceramics/PVT/GVT stood at 43%/26%/31% in volume terms and 38%/26%/36% in value terms, respectively. Ceramics is expected to grow at 10% and GVT at 15-16%.
- Bio fuels constituted 22% of total fuel consumption and in North plant the same was 30%.
- The mix of Dealers/Institutions stood at 70:30. Out of 30%, 12% is Govt (which is likely to go up by 3-4%), 7-8% is large builders, and 10% is mid-size builders.
- On Nepal, the tile market size is 40msm, wherein company aims to achieve market share of 10%. Margins are likely to be better than domestic margins. Going ahead, KJC aims to double the capacity with a minimal capex of Rs700-800Mn. This plant is likely to get operational by July'24 (slight delay due to rains).
- Going ahead, company will incur an annual capex of Rs2.5Bn with no other major expansion plans.
- For adhesives, company has planned a capex of Rs150Mn to set-up a manufacturing unit of 36,000Te.

Key Highlights from Presentation:

- In tiles, the company has ~10% market share in domestic tile industry which is currently valued at Rs420Bn. Exports from India were ~Rs195Bn, which is expected to grow by 15-20%.
- KJC has a presence in 1,000 towns in India and aspire to reach 2,000 over the next 3 years.
- Having a 2% market share in the bathware segment, Kajaria recorded a revenue of Rs3.6Bn from the same with an EBITDA margin of 7.4%.
- The bathware segment is expected to grow at a 23%CAGR over FY24-27E to Rs6.75Bn with the industry expected to grow in double digits as well.
- Kajaria seeks to register a 19%CAGR over FY24-27E for the plywood segment to Rs1.75Bn, well above the industry rate of 5% over the same period.
- The tile adhesive industry is projected to grow at 12-15%CAGR over FY24-27E, the company aims to grow at 44% (low base) over the same period & report a revenue of Rs1.5Bn in FY27E. In this segment, company aims to leverage on the existing distribution network and expand market presence. Adhesives segment will be headed by Mr. Kartik Kajaria who has recently joined the company post completing his studies from UCLA.
- Currently company has 1,800+ dealers in Tiles segment. In FY24, company added 200 new dealers but they also expelled 150 non-performing dealers. Hence, net addition was 50-new dealers.

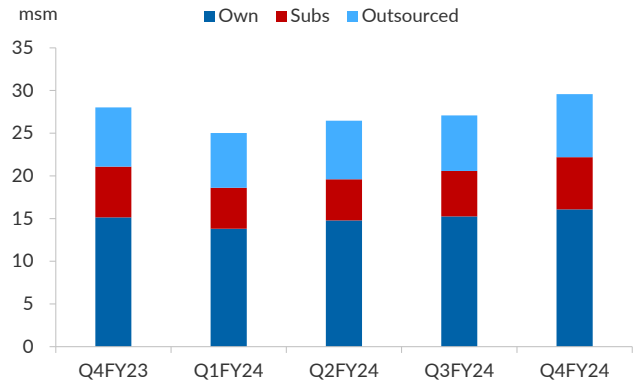
QUARTERLY TRENDS

Exhibit 4: Tiles production declined by 3%YoY...



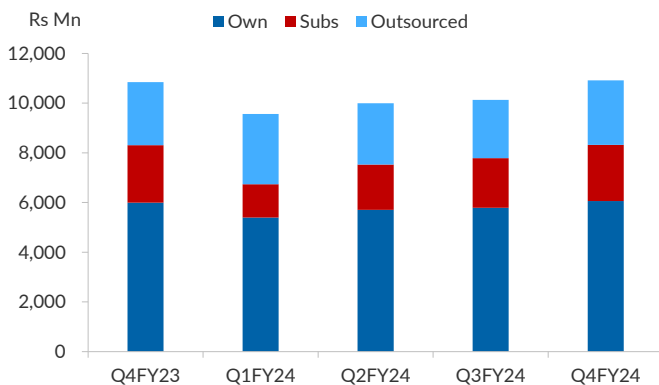
Source: Company, YES Sec

Exhibit 5: Sales volumes improved by 6% YoY...



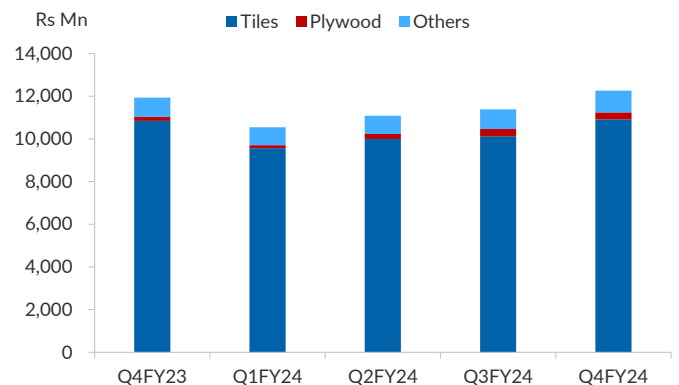
Source: Company, YES Sec

Exhibit 6: Tile revenues remained flattish YoY...



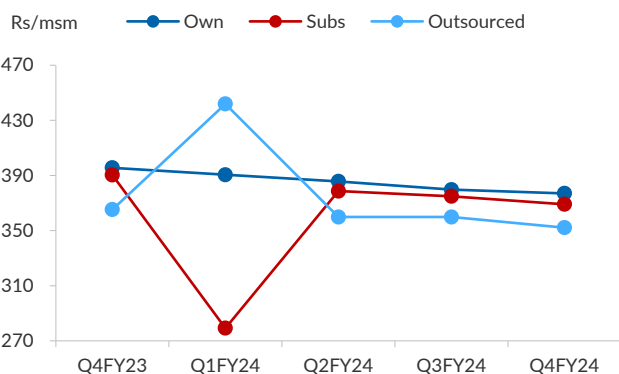
Source: Company, YES Sec

Exhibit 7: Tiles contributed 89% to total revenues...



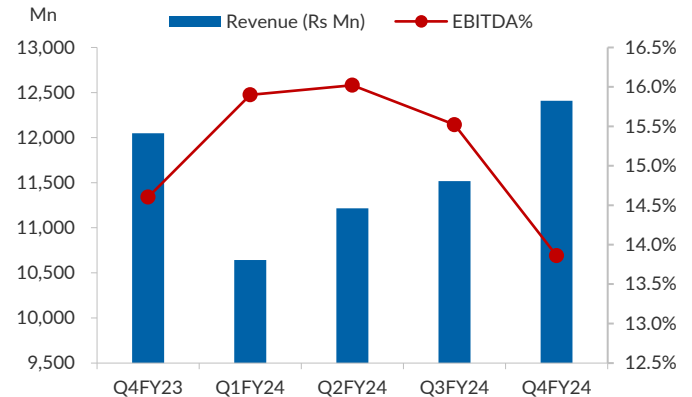
Source: Company, YES Sec

Exhibit 8: Blended realization came in at Rs369/sqm...



Source: Company, YES Sec

Exhibit 9: EBITDA margin weakened to 14%...



Source: Company, YES Sec

FINANCIALS

Exhibit 10: Income Statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Sales	37,052	43,819	45,784	50,603	56,540
COGS	15,551	18,070	19,770	21,759	23,747
COGS %sales	42.0	41.2	43.2	43.0	42.0
GP	21,501	25,749	26,015	28,844	32,793
GP%	58.0	58.8	56.8	57.0	58.0
Employee cost	4,077	4,612	5,053	5,810	6,682
Power & Fuel	7,590	10,554	8,661	9,094	10,003
Other cost	3,727	4,663	5,304	6,100	7,015
EBITDA	6,107	5,920	6,997	7,839	9,093
EBITDA%	16.5	13.5	15.3	15.5	16.1
Depreciation	1,154	1,329	1,480	1,789	1,949
Finance Cost	127	223	211	184	173
Other Income	276	336	462	545	559
PBT	5,102	4,625	5,756	6,411	7,529
Tax	1,274	1,163	1,435	1,603	1,882
PAT	3,827	3,462	4,321	4,808	5,647
PAT%	10.3	7.9	9.4	9.5	10.0

Source: Company, YES Sec

Exhibit 11: Balance Sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	159	159	159	159	159
Reserves	21,065	23,109	26,006	29,381	33,595
Total Shareholders' Funds	21,224	23,268	26,165	29,540	33,754
Non-current liabilities	1,403	1,779	2,006	1,854	1,824
Current liabilities					
Trade payables	2,981	3,104	2,933	3,228	3,523
Provisions	80	82	278	278	278
Other current liabilities	3,530	3,912	3,456	3,509	3,439
Total equity and liabilities	29,865	33,305	35,429	38,999	43,408
Non-current assets					
PPE	10,998	13,705	15,336	16,047	16,597
CWIP	2,634	817	679	679	679
Other non-current assets	1,636	1,592	1,459	1,459	1,459
Current assets					
Inventories	4,659	5,647	5,322	5,858	6,393
Trade receivables	5,133	6,012	6,194	6,846	7,649
Cash and cash equivalents	4,244	3,938	5,141	6,813	9,333
Loans and advances	160	93	594	594	594
Other current assets	318	421	377	377	377
Total assets	29,865	33,305	35,429	38,999	43,408

Source: Company, YES Sec

Exhibit 12: Cash Flow

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	5,102	4,625	5,756	6,411	7,529
Depreciation & Amortization	1,154	1,329	1,480	1,789	1,949
Finance cost	127	223	211	184	173
(Incr)/Decr in Working Capital	(621)	(1,875)	260	(892)	(1,043)
Taxes	(1,285)	(1,265)	(1,385)	(1,603)	(1,882)
Cash from ops.	4,255	2,955	6,017	5,889	6,726
(Incr)/ Decr in PP&E	(2,634)	(2,082)	(2,785)	(2,500)	(2,500)
Cash Flow from Investing	(2,975)	(1,837)	(2,976)	(2,500)	(2,500)
(Decr)/Incr in Borrowings	352	427	(393)	(100)	(100)
Finance cost	(92)	(166)	(168)	(184)	(173)
Cash Flow from Financing	(1,130)	(1,348)	(2,163)	(1,717)	(1,706)
Incr/(Decr) in cash	151	(230)	878	1,672	2,520
Cash and cash equivalents at beginning of year	4,428	335	105	5,141	6,813
Cash and cash equivalents at end of year	4,578	105	983	6,813	9,333

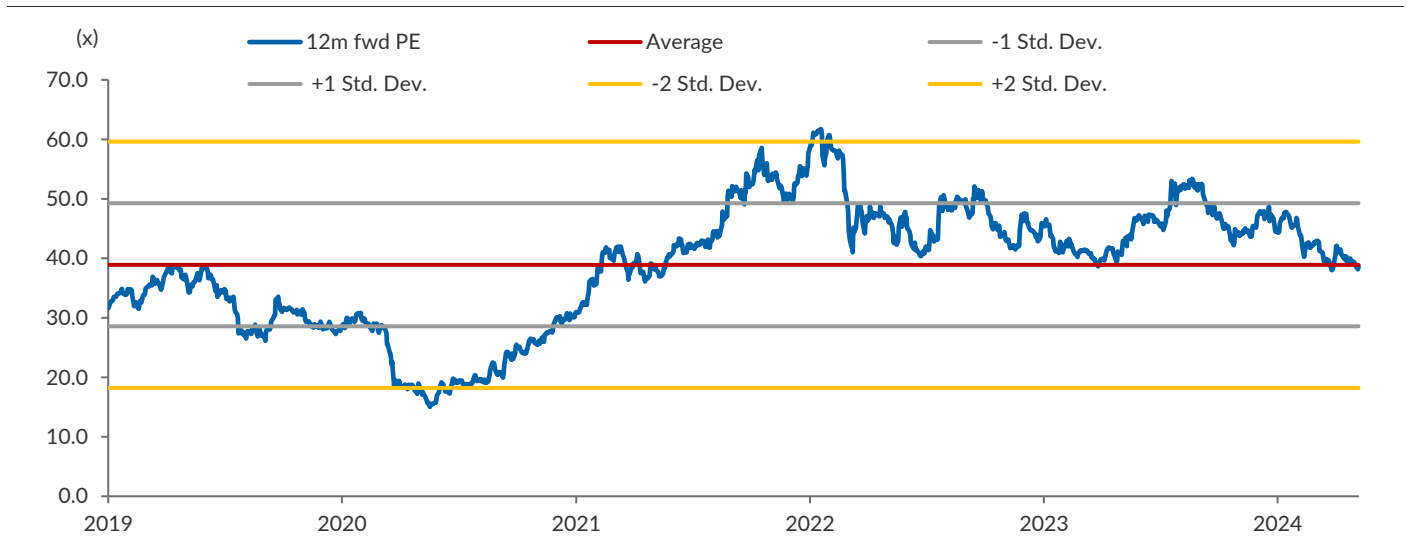
Source: Company, YES Sec

Exhibit 13: Ratios

Key Ratios	FY22	FY23	FY24	FY25E	FY26E
Growth Matrix (%)					
Revenue growth	33.2	18.3	4.5	10.5	11.7
EBITDA growth	20.0	(3.1)	18.2	12.0	16.0
EBIT growth	23.5	(5.8)	21.3	10.3	16.8
PAT growth	23.9	(9.5)	24.8	11.3	17.4
Profitability ratios (%)					
EBITDA margin	16.5	13.5	15.3	15.5	16.1
EBIT margin	14.1	11.2	13.1	13.0	13.6
PAT margin	10.3	7.9	9.4	9.5	10.0
RoCE	24.5	20.7	22.5	22.1	23.0
RoE	19.2	15.6	17.5	17.3	17.8
Per share values					
EPS	24.1	21.6	26.5	30.2	35.4
CEPS	31.3	30.1	36.4	41.4	47.7
BVPS	133.4	146.2	164.3	185.4	211.9
Valuation ratios (x)					
P/E	40.7	49.2	43.6	38.3	32.6
P/CEPS	31.3	35.4	31.7	27.9	24.2
P/B	7.3	7.3	7.0	6.2	5.5
EV/EBITDA	25.0	28.3	25.8	22.8	19.4
Leverage ratios (x)					
Net debt/Equity	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Net debt/EBITDA	(0.5)	(0.3)	(0.5)	(0.7)	(0.9)
Int coverage	41.1	22.1	28.3	35.8	44.5
NWC days					
Receivables	51	50	49	49	49
Inventory	109	114	98	98	98
Payables	70	63	54	54	54

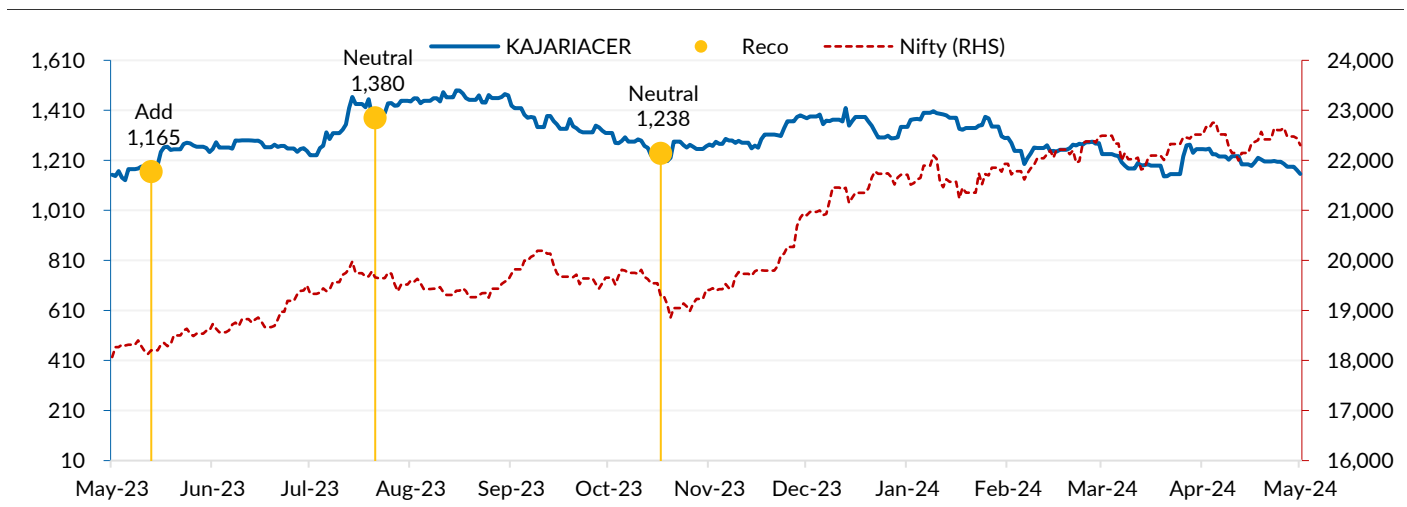
Source: Company, YES Sec

Exhibit 14: 1-year forward P/E (x) chart



Source: Company, YES Sec

Recommendation Tracker



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 YSL 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 YSL.

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 each security's price 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.

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.

YSL, 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 YSL 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 SEC 15a-6 rules 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) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited 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. 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). 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.

YES Securities (India) Limited

Registered Address: 2nd Floor, North Side, YES BANK House,
Off Western Express Highway, Santacruz East,
Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 7th Floor, Urmi Estate Tower A, Ganpatrao
Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West),
Mumbai - 400 013, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Single
Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member
Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL &
NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 |
RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER:
INA000007331 | Sponsor and Investment Manager to YSL Alternates
Alpha Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 |
AMFI ARN Code - 94338.

Details of Compliance Officer: Name: Aditya Goenka,
Email id: compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

Grievances Redressal Cell: customer.service@ysil.in/igc@ysil.in

DISCLOSURE OF INTEREST

Name of the Research Analyst : Udit Gajiwala, Shalin Damani

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 YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL'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 YSL 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	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL 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	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

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

Analyst Signature

Analyst Signature

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

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL 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). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL 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 YSL by SEBI/Stock Exchanges.