

# Polycab India Ltd.

22<sup>nd</sup> July 2024

## Margin compression due to adverse sales mix

In Q1 FY25, Polycab India Ltd. (PIL) recorded a revenue growth of 21% on a YoY basis driven by strong growth in FMEG and projects business, along with a moderation in EBITDA margin. The export business continued its weaker-than-expected contribution in the second straight quarter because of PIL's ongoing switch to a distributor-led model in its key market of the USA. EBITDA margins stood at 12.4%, recording a compression of ~170 bps on a YoY basis. Performance in the FMEG segment improved on account of the growth momentum witnessed in key product categories. Additionally, the segment losses also came down on a YoY basis. The EPC business experienced more than a twofold increase on a YoY basis, attributed to the ongoing execution of government orders under the RDSS scheme.

### Margin contraction in C&W business on account of Unfavourable Mix

EBITDA margins for PIL in Q1 FY25 came in at 12.4%, recording a contraction of 169 bps on a YoY basis and 120 bps on a sequential basis. This contraction was attributed to an unfavourable revenue mix at three levels during the quarter. Firstly, the contribution of higher-margin export business was lower than normal. Secondly, the domestic institutional business grew faster than the higher-margin domestic distribution business. Lastly, the strategic EPC business grew faster than the flagship C&W business.

### New guidance expected to be shared in FY25

Initially, while announcing project LEAP, PIL was guided to attain a topline of Rs. 200 Bn by FY26. Given the Company's business trajectory from FY22 to FY24, it seems like PIL will be able to achieve the above-mentioned revenue target well ahead of time, most probably by FY25 itself. Taking note of this fact, management highlighted that they are currently in the process of recalibrating the new guidance and will share the same in FY25 itself.

### Progressive steps to improve corporate governance

In Q1 FY25, to improve governance quality, PIL significantly changed the composition of its Audit Committee and its Nomination & Remuneration Committee. All the family members belonging to the promoter group have decided to step down from both committees. Going forward both committees will solely comprise independent board members. The management further highlighted that this is in line with the best practices followed by some of the large companies in the Indian listed space.

### View & valuation

We continue to believe in the robust business outlook of PIL. However, the management commentary indicates the sales mix for FY25E to be relatively skewed towards the lower-margin EPC segment which may result in lower margins compared to FY24. Having said that, our belief in the Company's ability to maintain EBITDA margins in the range of 12-13% remains intact. Based on the above, our estimates indicate that the stock price continues to move well ahead of anticipated fundamental change. Therefore, based on our revised estimates, we maintain our REDUCE rating on Polycab India Ltd. with a target price of Rs. 5,828 (46x FY25E EPS).

## REDUCE

CMP Rs. 6,300

TARGET Rs. 5,828 (-7.5%)

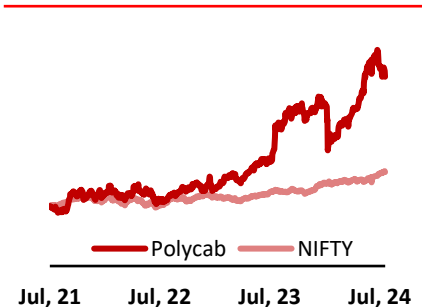
### Company Data

Bloomberg Code	POLYCAB IN
MCAP (Rs. Mn)	9,46,489
O/S Shares (Mn)	150
52w High/Low	7,330 / 3,812
Face Value (in Rs.)	10
Liquidity (3M) (Rs. Bn)	4.6

### Shareholding Pattern %

	Jun 24	Mar 24	Dec 23
Promoters	65.02	65.24	65.79
FIIIs	13.63	11.95	13.40
DIIIs	6.93	7.24	7.62
Non-Institutional	14.42	15.58	13.18

### Polycab vs Nifty



Source: Keynote Capitals Ltd.

### Key Financial Data

(Rs. Bn)	FY24	FY25E	FY26E
Revenue	180.4	212.8	244.8
EBITDA	24.9	27.0	31.8
Net Profit	17.8	18.5	21.7
Total Assets	120.8	140.6	162.3
ROCE (%)	25%	22%	22%
ROE (%)	24%	21%	21%

Source: Company, Keynote Capitals Ltd.

Devin Joshi, Research Analyst  
Devin@keynoteindia.net

Q1 FY25 Result Update

Result Highlights (Rs. Mn)

Particulars	Q1 FY25	Q1 FY24	Change % (Y-o-Y)	Q4 FY24	Change % (Q-o-Q)	FY24
Revenue	46,980	38,894	21%	55,919	-16%	1,80,394
COGS	35,415	28,581	24%	41,792	-15%	1,32,803
Gross Profit	11,565	10,313	12%	14,127	-18%	47,591
<b>Gross Profit %</b>	<b>25%</b>	<b>27%</b>	<b>-190 bps</b>	<b>25%</b>	<b>-65 bps</b>	<b>26%</b>
Employee Cost	1,539	1,349	14%	1,696	-9%	6,095
A&SP	240	263	-9%	377	-36%	1,989
Freight & forwarding	783	794	-1%	965	-19%	3,498
Other Operating Expense	3,169	2,422	31%	3,474	-9%	11,091
EBITDA	5,834	5,486	6%	7,615	-23%	24,918
<b>EBITDA %</b>	<b>12.4%</b>	<b>14.1%</b>	<b>-169 bps</b>	<b>13.6%</b>	<b>-120 bps</b>	<b>13.8%</b>
Depreciation	671	571	17%	657	2%	2,450
EBIT	5,163	4,914	5%	6,958	-26%	22,468
<b>EBIT %</b>	<b>11%</b>	<b>13%</b>	<b>-165 bps</b>	<b>12%</b>	<b>-145 bps</b>	<b>12%</b>
Finance Cost	413	249	66%	244	69%	1,083
Other Income	584	640	-9%	538	8%	2,209
PBT	5,334	5,305	1%	7,253	-26%	23,593
<b>PBT %</b>	<b>11%</b>	<b>14%</b>	<b>-229 bps</b>	<b>13%</b>	<b>-162 bps</b>	<b>13%</b>
Share of Profit from Associates & JVs	0	0	-	0	-	0
Tax	1,317	1,277	3%	1,718	-23%	5,564
<b>Profit for the period</b>	<b>4,016</b>	<b>4,028</b>	<b>0%</b>	<b>5,535</b>	<b>-27%</b>	<b>18,029</b>
<b>EPS</b>	<b>26.34</b>	<b>26.64</b>	<b>-</b>	<b>36.26</b>	<b>-</b>	<b>118.49</b>

Segment Highlights (Rs. Mn)

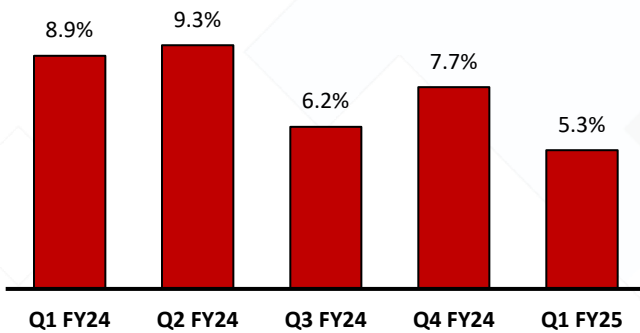
Particulars	Q1 FY25	Q1 FY24	Change % (Y-o-Y)	Q4 FY24	Change % (Q-o-Q)	FY24
<b>Revenue</b>						
Cables & Wires	39,421	35,338	12%	48,647	-19%	1,61,073
FMEG	3,855	3,145	23%	3,581	8%	12,988
Others	5,194	1,528	240%	5,022	3%	11,008
<b>Operating Profit</b>						
Cables & Wires	4,967	5,223	-5%	7,363	-33%	23,607
FMEG	-28	-57	-50%	-459	-94%	-942
Others	572	183	212%	446	28%	1,248
<b>Operating Profit Margin %</b>						
Cables & Wires	13%	15%	-218 bps	15%	-254 bps	15%
FMEG	-1%	-2%	-	-13%	-	-7%
Others	11%	12%	-98 bps	9%	215 bps	11%

Source: Company, Keynote Capitals Ltd.

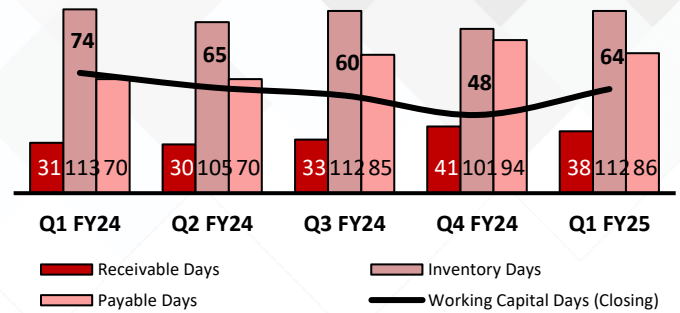
## Polycab India Ltd | Quarterly Update

### Quarterly business progression

Export contribution as a % of overall revenue

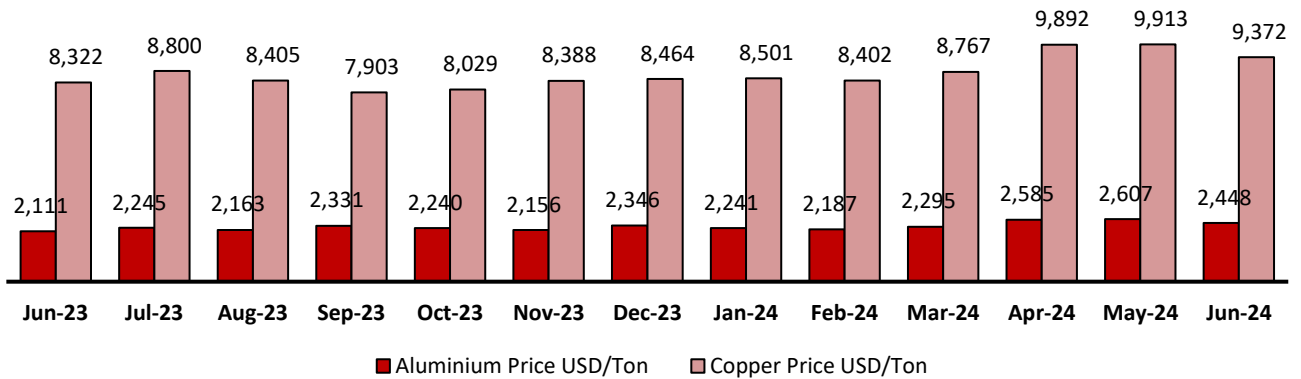


Working capital cycle



Source: Company, Keynote Capitals Ltd.

Significant volatility was observed in Aluminium and Copper prices during Q1 FY25

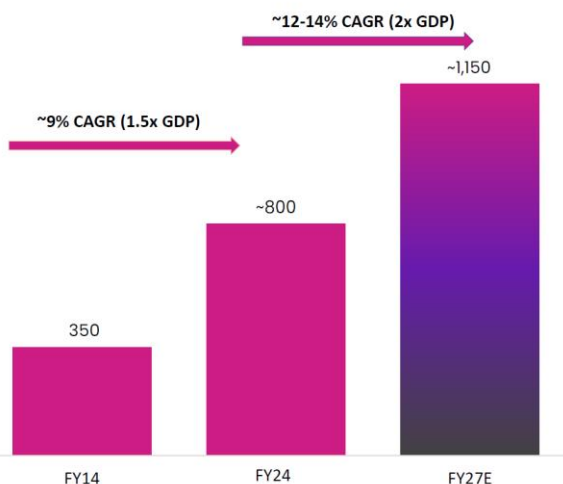


Source: Bloomberg, Keynote Capitals Ltd.  
Prices taken are for the respective month ended

### Growth Momentum for the Indian Cable & Wire Industry is Expected to Continue

Indian Cable & Wire Industry projected to grow near ~2x GDP (vs ~1.5x GDP historically)

Indian Cable & Wire Market (₹ Bn):



Source: Industry Reports; Company Estimates

Source: Company, Keynote Capitals Ltd.

Key Demand Drivers:

**Robust Domestic Demand**

- Government's thrust on infrastructure
- Energy transition boosting demand for power transmission
- Real estate upcycle
- High demand from sunrise industries (Data Centers, EV, Railways, Metro, etc.)

**Exports Opportunity**

- China + 1 supply alternative
- Global C&W is ~\$250Bn market, growing at 7%+ CAGR, driven by Renewables, Power, Oil & Gas
- Global annual grid capex is expected to rise from \$290 Bn in 2022 to \$645 Bn in 2030 to replace ageing infrastructure

**Organized Players To Dominate**

- Focus on safety, GST regime, complex C&W applications to drive shift towards organized players
- Shift towards higher voltage products to benefit large players

Progress Under Project LEAP



**PIL will probably be able to meet its topline guidance initially shared under project LEAP well ahead of FY26. In line with this situation, the Company is expected to share its REVISED guidance in FY25**

Source: Company, Keynote Capitals Ltd.

Q1 FY25 Conference Call Takeaways

General Highlights

- The operating cash flow was adversely impacted due to: 1) Higher than necessary inventory level because of slow demand owing to decline in raw material prices. 2) Increase in the EPC and institution business that are not supported by channel financing, affecting inventory days.
- Looking ahead, commodity prices are projected to stabilize.
- In Q1 FY25, PIL executed a CAPEX of Rs. 2.8 Bn and remains on track to meet its projected CAPEX of Rs. 10-11 Bn, with expectations to reach the higher end of this range. Current capacity utilization stands at ~70-75%.
- PIL is poised to achieve or surpass its Rs. 200 Bn revenue target for FY26 ahead of schedule. The Company plans to unveil new revenue guidance during the course of FY25.
- PIL's ad spend will consistently account for 3-5% of its B2C topline.

C&W segment

- The domestic cables and wires business recorded ~10% volume growth. However, the volatility in commodity prices during the quarter significantly impacted channel sales, resulting in a negative performance in terms of value. This adverse effect was also due to the high base from the previous year.

## Polycab India Ltd | Quarterly Update

- In institutional orders, the Company benefits from back-to-back pricing, insulating it from commodity price fluctuations. Conversely, distributors speculate on future copper prices. During Q1 FY25, heightened volatility led distributors to destock inventory, which resulted in a slowdown in channel sales. Consequently, institutional sales growth outpaced general sales.
- The international business faced softness in PIL's key market, leading to weaker performance compared to the previous year. Once the transition to a distributor-led model is complete, sales are expected to normalize. The target to make exports reach a topline contribution of 10% by FY26 remains intact.
- The current revenue mix is 75% cables and 25% wires. Demand for wires is expected to remain robust due to the ongoing real estate upcycle. Consequently, wire growth is expected to accelerate, potentially shifting the revenue mix towards wires over the next 3-4 years.
- Domestically, wires generate an EBITDA margin of 15-16%, while cables achieve 9-11%. Export margins surpass those of wires, indicating even higher profitability.

### FMEG segment

- Demand for fans was very strong, making this the best quarter on record.
- PIL's strategic roadmap focuses on four key areas: expanding reach, accelerating new product development, enhancing brand positioning, and optimizing influencer management. The Company aims to execute these strategies effectively to drive growth and strengthen its market position.
- Segment profitability will improve as a result of shifting focus from fans and lights to high-margin categories like switches and switchgears and by emphasizing premiumization and expanding its product range.
- In the FMEG portfolio, 50-55% is derived from fans and lights, while switches and switchgears contribute a high-teen percentage. Conduit pipes and fittings also account for a similar high-teen percentage. The remaining businesses are relatively small but synergistic.
- With 2,900 dealers and distributors, PIL has considerable room for growth compared to market leaders who boast over 16,000 dealers and distributors. The Company has a strong presence in the western region and plans to expand pan-India, which could open up significant growth potential.

### Other segment

- In the EPC business, PIL primarily undertakes RDSS orders. The RDSS scheme focuses on revamping power transmission and distribution infrastructure, with a significant component dedicated to the supply of cables and wires. Here, the Company has a robust order book.
- In Q1 FY25, the EPC business contributed 10% to the Company's revenue primarily due to lower growth in the cables and wires segment. PIL expects this division to contribute a mid to high single-digit percentage to the topline, with sustainable long-term margins in the high single digits.

## Financial Statement Analysis

### Income Statement

Y/E Mar, Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>1,41,078</b>	<b>1,80,394</b>	<b>2,12,865</b>	<b>2,44,795</b>	<b>2,76,619</b>
Growth %		28%	18%	15%	13%
Raw Material Expenses	1,01,218	1,26,181	1,57,520	1,81,148	2,04,698
Employee Expenses	4,568	6,095	7,025	7,833	8,575
Other Expenses	16,802	23,200	21,287	23,990	27,109
<b>EBITDA</b>	<b>18,490</b>	<b>24,918</b>	<b>27,034</b>	<b>31,823</b>	<b>36,237</b>
Growth %		35%	8%	18%	14%
Margin%	13.1%	13.8%	12.7%	13.0%	13.1%
Depreciation	2,092	2,450	3,006	3,687	4,246
<b>EBIT</b>	<b>16,398</b>	<b>22,468</b>	<b>24,028</b>	<b>28,136</b>	<b>31,991</b>
Growth %		37%	7%	17%	14%
Margin%	12%	12%	11%	11%	12%
Interest Paid	598	1,083	1,425	1,425	1,425
Other Income & exceptional	1,364	2,209	2,319	2,435	2,557
<b>PBT</b>	<b>17,165</b>	<b>23,593</b>	<b>24,923</b>	<b>29,147</b>	<b>33,123</b>
Tax	4,250	5,564	6,231	7,287	8,281
Others (Minorities, Associates)	-216	-281	-189	-189	-189
<b>Net Profit</b>	<b>12,700</b>	<b>17,748</b>	<b>18,503</b>	<b>21,671</b>	<b>24,654</b>
Shares (Mn)	149.8	150.2	150.2	150.2	150.2
<b>EPS</b>	<b>84.80</b>	<b>118.75</b>	<b>125.67</b>	<b>146.76</b>	<b>166.61</b>

### Balance Sheet

Y/E Mar, Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
Cash, Cash equivalents & Bank	6,952	4,024	5,366	10,953	21,647
Current Investments	13,505	18,224	18,224	18,224	18,224
Debtors	12,466	20,471	23,415	26,927	30,428
Inventory	29,514	36,751	44,106	50,722	57,315
Short Term Loans & Advances	6,068	6,914	6,914	6,914	6,914
Other Current Assets	582	755	755	755	755
Total Current Assets	69,087	87,140	98,781	1,14,496	1,35,284
Net Block & CWIP	23,177	29,160	37,154	43,466	47,221
Long Term Investments	0	0	0	0	0
Other Non-current Assets	1,977	4,361	4,361	4,361	4,361
<b>Total Assets</b>	<b>94,241</b>	<b>1,20,660</b>	<b>1,40,295</b>	<b>1,62,323</b>	<b>1,86,865</b>
Creditors	20,326	28,633	32,975	37,553	42,258
Provision	616	440	440	440	440
Short Term Borrowings	1,483	624	624	624	624
Other Current Liabilities	3,840	6,082	6,082	6,082	6,082
Total Current Liabilities	26,266	35,779	40,121	44,699	49,404
Long Term Debt	42	226	226	226	226
Deffered Tax Liabilities	409	415	415	415	415
Other Long Term Liabilities	839	1,807	1,807	1,807	1,807
Total Non Current Liabilities	1,291	2,448	2,448	2,448	2,448
Paid-up Capital	1,498	1,502	1,502	1,502	1,502
Reserves & Surplus	64,814	80,369	95,474	1,12,735	1,32,383
Shareholders' Equity	66,311	81,871	96,976	1,14,238	1,33,885
Non Controlling Interest	374	562	751	940	1,128
<b>Total Equity &amp; Liabilities</b>	<b>94,241</b>	<b>1,20,660</b>	<b>1,40,295</b>	<b>1,62,323</b>	<b>1,86,865</b>

### Cash Flow Statement

Y/E Mar, Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
Pre-tax profit	17,165	23,593	24,923	29,147	33,123
Adjustments	1,872	3,110	2,111	2,677	3,114
Change in Working Capital	-1,058	-8,090	-5,957	-5,550	-5,389
Total Tax Paid	-3,704	-5,743	-6,231	-7,287	-8,281
<b>Cash flow from operating Activities</b>	<b>14,275</b>	<b>12,870</b>	<b>14,846</b>	<b>18,986</b>	<b>22,567</b>
Net Capital Expenditure	-4,584	-8,580	-11,000	-10,000	-8,000
Change in investments	-7,665	616	0	0	0
Other investing activities	223	445	2,319	2,435	2,557
<b>Cash flow from investing activities</b>	<b>-12,026</b>	<b>-7,519</b>	<b>-8,681</b>	<b>-7,565</b>	<b>-5,443</b>
Equity raised / (repaid)	0	0	0	0	0
Debt raised / (repaid)	332	194	0	0	0
Dividend (incl. tax)	-2,094	-2,997	-3,399	-4,410	-5,006
Other financing activities	-508	-1,071	-1,425	-1,425	-1,425
<b>Cash flow from financing activities</b>	<b>-2,271</b>	<b>-3,874</b>	<b>-4,823</b>	<b>-5,834</b>	<b>-6,431</b>
Net Change in cash	-22	1,477	1,342	5,587	10,693

### Valuation Ratios

	FY23	FY24	FY25E	FY26E	FY27E
<b>Per Share Data</b>					
EPS	85	119	126	147	167
Growth %		40%	6%	17%	14%
Book Value Per Share	443	545	650	767	899
<b>Return Ratios</b>					
Return on Assets (%)	15%	17%	14%	15%	14%
Return on Equity (%)	21%	24%	21%	21%	20%
Return on Capital Employed (%)	23%	25%	22%	22%	21%
<b>Turnover Ratios</b>					
Asset Turnover (x)	1.7	1.7	1.6	1.6	1.6
Sales / Gross Block (x)	4.8	5.2	5.0	4.6	4.4
Working Capital / Sales (%)	27%	26%	26%	26%	28%
Receivable Days	33	33	38	38	38
Inventory Days	93	96	94	96	96
Payable Days	55	67	68	69	69
Working Capital Days	71	62	63	65	65
<b>Liquidity Ratios</b>					
Current Ratio (x)	2.6	2.4	2.5	2.6	2.7
Interest Coverage Ratio (x)	29.7	22.8	18.5	21.5	24.3
Total Debt to Equity	0.0	0.0	0.0	0.0	0.0
Net Debt to Equity	-0.1	0.0	0.0	-0.1	-0.2
<b>Valuation</b>					
PE (x)	34.0	43.2	50.5	43.3	38.1
Earnings Yield (%)	3%	2%	2%	2%	3%
Price to Sales (x)	3.1	4.3	4.5	3.9	3.5
Price to Book (x)	6.5	9.4	9.8	8.4	7.1
EV/EBITDA (x)	23.0	30.8	35.2	29.9	26.3
EV/Sales (x)	3.0	4.3	4.5	3.9	3.4

Source: Company, Keynote Capitals Ltd. estimates

KEYNOTE Rating History

Date	Rating	Market Price at recommendation	Upside/Downside
22 <sup>nd</sup> August 2022	BUY	2,350	+15%
20 <sup>th</sup> October 2022	BUY	2,648	+16%
20 <sup>th</sup> January 2023	BUY	2,757	+10%
15 <sup>th</sup> May 2023	NEUTRAL	3,379	+3%
19 <sup>th</sup> July 2023	REDUCE	4,309	-2%
19 <sup>th</sup> October 2023	REDUCE	5,292	-7%
23 <sup>rd</sup> January 2024	NEUTRAL	4,379	+6%
14 <sup>th</sup> May 2024	REDUCE	6,330	-9%
22 <sup>nd</sup> July 2024	REDUCE	6,300	-8%

Source: Company, Keynote Capitals Ltd. estimates

## Rating Methodology

Rating	Criteria
BUY	Expected positive return of > 10% over 1-year horizon
NEUTRAL	Expected positive return of > 0% to < 10% over 1-year horizon
REDUCE	Expected return of < 0% to -10% over 1-year horizon
SELL	Expected to fall by >10% over 1-year horizon
NOT RATED (NR)/UNDER REVIEW (UR)/COVERAGE SUSPENDED (CS)	Not covered by Keynote Capitals Ltd/Rating & Fair value under Review/Keynote Capitals Ltd has suspended coverage

## Disclosures and Disclaimers

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Keynote Capitals Ltd. (KCL) is a SEBI Registered Research Analyst having registration no. INH000007997. KCL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. Details of associate entities of Keynote Capitals Limited are available on the website at <https://www.keynotecapitals.com/associate-entities/>

KCL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of KCL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

KCL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that KCL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Details of pending Enquiry Proceedings of KCL are available on the website at <https://www.keynotecapitals.com/pending-enquiry-proceedings/>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of KCL or its associates maintains arm's length distance with Research Team as all the activities are segregated from KCL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

### Regional Disclosures (outside India)

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 KCL & its group companies to registration or licensing requirements within such jurisdictions. 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.

### Specific Disclosure of Interest statement for subjected Scrip in this document:

Financial Interest of Research Entity [KCL] and its associates; Research Analyst and its Relatives	NO
Any other material conflict of interest at the time of publishing the research report by Research Entity [KCL] and its associates; Research Analyst and its Relatives	NO
Receipt of compensation by KCL or its Associate Companies from the subject company covered for in the last twelve months; Managing/co-managing public offering of securities in the last twelve months; Receipt of compensation towards Investment banking/merchant banking/brokerage services in the last twelve months; Products or services other than those above in connection with research report in the last twelve months; Compensation or other benefits from the subject company or third party in connection with the research report in the last twelve months.	NO
Whether covering analyst has served as an officer, director or employee of the subject company covered	NO
Whether the KCL and its associates has been engaged in market making activity of the Subject Company	NO
Whether the Research Entity [KCL] and its associates; Research Analyst and its Relatives, have actual/beneficial ownership of 1% or more 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



**The associates of KCL may have:**

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however, the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of KCL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of KCL has not received any compensation or other benefits from third party in connection with the research report.

Above disclosures includes beneficial holdings lying in demat account of KCL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of KCL for other purposes (i.e. holding client securities, collaterals, error trades etc.). KCL also earns DP income from clients which are not considered in above disclosures.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Terms & Conditions:**

This report has been prepared by KCL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of KCL. The report is based on the facts, figures and information that are believed to be true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. KCL will not treat recipients as customers by virtue of their receiving this report

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. KCL, its associates, their directors and the employees may from time to time, effect or have affected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. KCL, its associates, their directors and the employees may from time to time invest in any discretionary PMS/AIF Fund and those respective PMS/AIF Funds may affect or have effected any transaction in for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of KCL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 KCL 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. Neither the Firm, not 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 profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt KCL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold KCL or any of its affiliates or employees responsible for any such misuse and further agrees to hold KCL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

### **Keynote Capitals Limited (CIN: U67120MH1995PLC088172)**

Compliance Officer: Mr. Jairaj Nair; Tel: 022-68266000; email id: [jairaj@keynoteindia.net](mailto:jairaj@keynoteindia.net)

Registered Office: 9th Floor, The Ruby, Senapati Bapat Marg, Dadar West, Mumbai – 400028, Maharashtra. Tel: 022 – 68266000.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD): INZ000241530; DP: CDSL- IN-DP-238-2016; Research Analyst: INH000007997

For any complaints email at [kcl@keynoteindia.net](mailto:kcl@keynoteindia.net)

General Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.keynotecapitals.com](http://www.keynotecapitals.com); Investment in securities market are subject to market risks, read all the related documents carefully before investing.