May 29, 2024

RESULT REPORT Q4 FY24 | Sector: Building Materials

Hindware Home Innovation Ltd.

Steady growth across Building Product biz, maintain BUY!

Result Synopsis

Hindware Home Innovation Ltd (HHIL) revenue remined flattish on YoY basis at Rs7.73Bn, a growth of 12%QoQ. Blended operating margins came in 7.2% Vs 10.6%/7.3% in Q4FY23/Q3FY24, respectively. Bathware biz sales (54% of revenue) stood at Rs4.20Bn, a marginal growth of 3%YoY & 5%QoQ (2-year CAGR stood at 10.4%). EBITDA margins for the segment stood at 15.3% as compared to 15.3%/13.6% in Q4FY23/Q3FY24, respectively. Plastic pipes sales (31% of revenue) grew by 11%YoY & 40%QoQ driven by volume growth of 31%YoY & 35.4%QoQ (2-year volume CAGR stood at 22.6%). ASP came in at Rs175 Vs Rs206 (including inventory gains)/Rs169 in Q4FY23/Q3FY24, respectively. EBITDA/Kg stood at Rs19 Vs Rs22/Rs13 in in Q4FY23/Q3FY24, respectively. Consumer biz revenue (14% of sales) declined by 15%YoY & 4%QoQ & EBITDA loss stood at Rs67Mn Vs Rs46Mn in previous quarter & profit of Rs37Mn in Q4FY23.

The board approved to discontinue the retail biz and has also approved the sale/liquidation of various assets relating to the Retail Business. Based on preliminary assessment by the company, provisions amounting to Rs203Mn including impairment of its investment held in EHPL of Rs95.5Mn has been taken. The net impact of the above on the consolidated financial statement amounts to Rs155Mn. Also, company is evaluating proposals to raise funds however, the quantum of the same is not finalized yet. These funds will be largely used repayment of debt.

Management stated that in Sanitaryware & Faucets they will grow 1.25x-1.5x better than industry growth & improve margins by 100-200bps in 18-24 months owing to lower imports from China and higher contribution from own-manufacturing. For plastic pipes, management expects to grow volumes by 15-17% & to expand margins by 100bps in FY25E with higher contribution of CPVC. Consumer division also will witness meaningful improvements in FY25E, largely via cost rationalization.

We believe HHIL will be one of the biggest beneficiaries of structural uptick in real-estate segment. Being the leader in Sanitaryware & Faucets segment, we reckon Bathware revenue to grow by 13%CAGR over FY24-FY26E & operating margins should stand at 15.5% over similar period. Plastic pipes biz volumes are expected to increase by 15%CAGR owing to healthy growth in north and south region (key geographies for pipes biz) & EBITDA/Kg should remain steady at Rs18/kg over FY24-FY26E. On balance sheet front we reckon a debt repayment of Rs1.5Bn over FY24-FY26E as we expect HHIL to generate FCF of Rs4.29Bn over similar period. Incrementally, with fund raising plans we believe balance sheet to strengthen further. At CMP, the stock trades at P/E(x) of 26x/19x on FY25E/FY26E EPS of Rs15.2/20.5, respectively. We continue to value the company at P/E(x) of 30x on FY26E EPS, arriving at the target price of Rs614. Hence, we maintain our BUY rating on the stock.

Exhibit 1: Actual vs estimates

Rs mn	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	7,737	7,321		5.7%		
EBITDA	560	664		-15.7%		Profitability below estimates
EBITDA Margin (%)	7.2	9.1		-184 bps		
Adjusted PAT	69	162		-57.5%		

Source: Company, YES Sec

Reco	:	**BUY**
CMP	:	Rs 397
Target Price	:	Rs 614
Potential Return	:	+54.6%

Stock data (as on May 29, 2024)

Nifty	22,705
52 Week h/l (Rs)	664 / 315
Market cap (Rs/USD mn)	30,878 / 370
Outstanding Shares (mn)	72
6m Avg t/o (Rs mn):	60
Div yield (%):	0.1
Bloomberg code:	HINDWARE IN
NSE code:	HINDWAREAP

Stock performance

	1M	3M	1Y
Absolute return	8.2%	-2.1%	-23.3%

Shareholding pattern (As of Mar'24 end)

Promoter	51.3%
FII+DII	14.9%
Others	33.8%

∆ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	614	803

∆ in earnings estimates

	FY25E	FY26E
EPS (New)	15.2	20.5
EPS (Old)	19.1	24.6
% change	-20.4	-16.8

Financial Summary

(Rs Mn)	FY24	FY25E	FY26E
Net Revenue	28,009	31,319	35,948
YoY Growth	(2.5)	11.8	14.8
EBIDTA	2,386	3,451	3,995
EBIDTA (%)	8.5	11.0	11.1
PAT	368	1,100	1,480
YoY Growth	(44.7)	199.3	34.5
ROE	6.3	16.9	19.1
EPS	3.6	15.2	20.5
P/E	98.3	26.1	19.4
BV/Share	82.7	97.4	117.4
P/BV	4.2	4.1	3.4

UDIT GAJIWALA
Lead Analyst
udit.gajiwala@ysil.in

SHALIN DAMANI, Associate

Hindware Home Innovation Ltd.

Result Highlights

- Revenue for the quarter stood at Rs7.73Bn, (6%above est), remaining flattish on YoY basis & increased by 12%QoQ.
- EBITDA margins came in at 7.2% Vs 10.6%/7.3% in Q4FY23/Q3FY24, respectively. Absolute EBITDA declined by 31.4%YoY & increased by 10.5%QoQ.
- PAT stood at Rs69Mn Vs Rs61Mn in previous quarter & Rs287Mn in Q4FY24. The profit was impacted due to Rs155.8Mn provision made w.r.t sale of Retail Biz approved by the company. As per disclosure, Hindware has made provisions amounting to Rs203Mn, including impairment of its investment held in EHPL of 95.5Mn. The net impact of the above on the consolidated financial statement amounts to Rs155.8Mn.

Segmental Highlights for Q4FY24:

- **Building Products biz** (86% of revenue), reported a revenue growth of 6%YoY & 15.4%QoQ (2-year CAGR 10%). EBIT margins came in at 9.8% Vs 10% in Q4FY23 & improved sequentially from 7.3%.
- **Consumer biz** sales (14% of revenue) stood at Rs1.08Bn, a decline of 15%YoY & 4%QoQ. EBIT loss stood at Rs110Mn Vs loss of Rs3Mn/Rs91Mn in Q4FY23/Q3FY24, respectively.
- **Retail biz** revenue stood at Rs12Mn a sharp decline of 91%YoY & 75%QoQ. Due to the provisions made for this division, EBIT loss stood at Rs200Mn during Q4FY24.

Exhibit 2: Quarterly Snapshot:

Rs Mn	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	% yoy	% qoq	FY23	FY24	% yoy
Revenue	7,125	7,669	6,339	7,004	6,929	7,737	0.9	11.7	28,723	28,009	(2.5)
Expenditure	6,628	6,852	5,738	6,285	6,423	7,177	4.7	11.7	26,268	25,623	(2.5)
- RM	4,055	4,384	3,381	3,765	3,751	4,401	0.4	17.3	16,374	15,298	(6.6)
- Staff Cost	1,038	970	1,056	1,064	1,064	1,121	15.5	5.3	4,023	4,305	7.0
- Other cost	1,536	1,498	1,301	1,455	1,608	1,655	10.5	2.9	5,871	6,020	2.5
Operating Profit	497	816	601	719	506	560	(31.4)	10.5	2,455	2,386	(2.8)
OPM(%)	7.0	10.6	9.5	10.3	7.3	7.2	-341 bps	-7 bps	8.5	8.5	-3 bps
Other Income	107	81	84	81	107	92	13.0	(13.9)	356	363	2.0
Depreciation	251	284	292	304	313	321	13.1	2.4	1,010	1,230	21.8
Interest	220	229	225	243	235	248	8.0	5.2	771	951	23.3
PBT	133	385	168	253	64	83	(78.4)	29.1	1,030	567	(44.9)
Tax	35	98	139	44	3	14	(85.5)	354.8	365	200	(45.3)
PAT	97	287	29	209	61	69	(76.0)	12.6	665	368	(44.7)

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
Building Products											
Revenue	5,782	6,271	5,180	5,972	5,756	6,642	5.9	15.4	23,152	23,550	1.7
EBIT	358	630	470	605	421	648	2.9	53.8	1,744	2,144	23.0
EBIT%	6.2%	10.0%	9.1%	10.1%	7.3%	9.8%	-29 bps	244 bps	7.5%	9.1%	157 bps
Bathware											
Revenue	3,803	4,073	3,620	3,961	4,016	4,207	3.3	4.8	15,310	15,804	3.2
EBITDA	544	625	606	638	545	645	3.2	18.3	2,127	2,434	14.4
EBITDA %	14.3%	15.3%	16.7%	16.1%	13.6%	15.3%	-1 bps	176 bps	13.9%	15.4%	151 bps
Pipes											
Revenue	1,979	2,188	1,560	2,011	1,740	2,435	11.3	39.9	7,842	7,746	(1.2)
EBITDA	17	236	104	217	134	264	11.9	97.0	437	719	64.5
EBITDA %	0.9%	10.8%	6.7%	10.8%	7.7%	10.8%	6 bps	314 bps	5.6%	9.3%	371 bps
Volume (MT)	10,616	10,629	8,207	10,298	10,269	13,903	30.8	35.4	36,975	42,677	15.4
ASP (Rs/Kg)	186	206	190	195	169	175	(14.9)	3.4	212	182	(14.4)
Consumer Appliances											
Revenue	1,189	1,275	1,052	963	1,123	1,082	(15.1)	(3.7)	5,008	4,220	(15.7)
EBIT	11	(3)	(28)	(69)	(91)	(110)	3,566.7	20.9	103	(298)	(389.3)
EBIT %	0.9%	-0.2%	-2.7%	-7.2%	-8.1%	-10.2%	-993 bps	-206 bps	2.1%	-7.1%	-912 bps
Revenue Mix											
Building Products	81%	82%	82%	85%	83%	86%	408 bps	278 bps	81%	84%	352 bps
Consumer Appliances	17%	17%	17%	14%	16%	14%	-264 bps	-222 bps	17%	15%	-236 bps
Retail Business	2%	2%	2%	1%	1%	0%	-172 bps	-71 bps	2%	1%	-116 bps

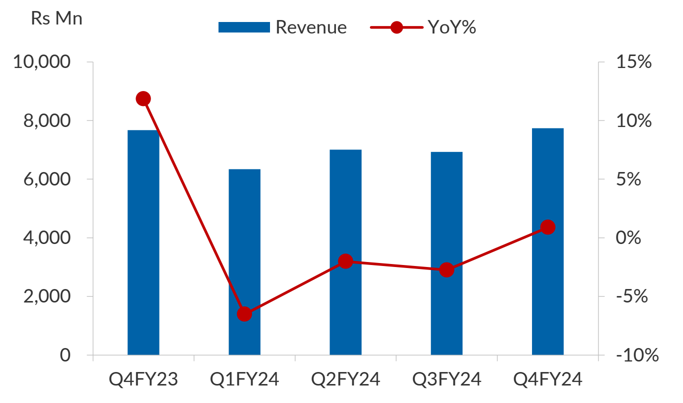
Source: Company, YES Sec

KEY CON-CALL HIGHLIGHTS

- Management maintained their guidance of outperforming Sanitaryware & Faucets industry growth by 1.25x-1.5x (expect industry to grow by 8-10%). For plastic pipes, management expects to grow volumes by 15-17% in FY25E.
- For Bathware biz, company expects to expand margins by 1-2% over next 18-24 months on the back of lower dependency on Chinese imports, increase in share of own production, and higher share of premium mix. For plastic pipes as well, management expects margins to improve by 100bps with higher contribution of CPVC.
- Imports from China constituted 7-8% in FY24 which is expected to decline to 2-3% in FY25E.
- Sanitaryware biz economy-premium mix stood at 46%-54% and for faucets the same stood at 55%-45%. Overall economy-premium mix came in at 49%-51% Vs 43%-57% in FY23.
- Sanitaryware biz own manufacturing stood at 60% and faucets own manufacturing mix came in at 34% which is expected to expand to 75-80% in FY25E.
- Consumer biz is expected to revive substantially in next 2-quarters. With cost rationalization, management expects margins to expand by 100-200bps.
- Pipes new capacity at Roorkee is expected to commence from Q3FY25E. In plastic pipes, company has 2,000+SKUs & 300+ distributors.
- CPVC constituted 40% in FY24 which is likely to grow to 45% in FY25E with better demand from plumbing segment. Overall, 90% of volumes are catered to housing segment.
- In FY24, the growth in PVC has been better than CPVC, the growth in latter has been flattish.
- Capex for FY25E will be Rs1.2-1.3Bn.
- Company is considering various plans to raise funds via Rights issue/Pref issue. The prime purpose is to repay debt which stands at ~Rs8.3Bn as on FY24.
- Management stated that working capital days will improve by 10-15% in FY25E.

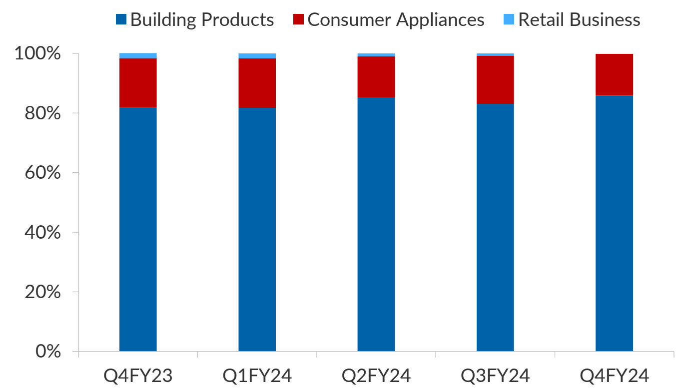
QUARTERLY TRENDS

Exhibit 4: Revenue remained flattish YoY…



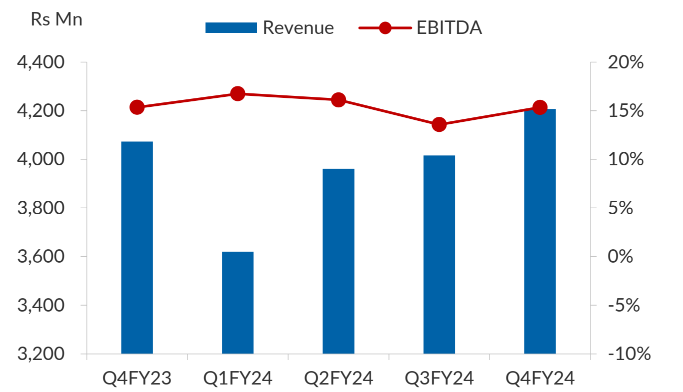
Source: Company, YES Sec

Exhibit 5: Building Products was 86% of revenue…



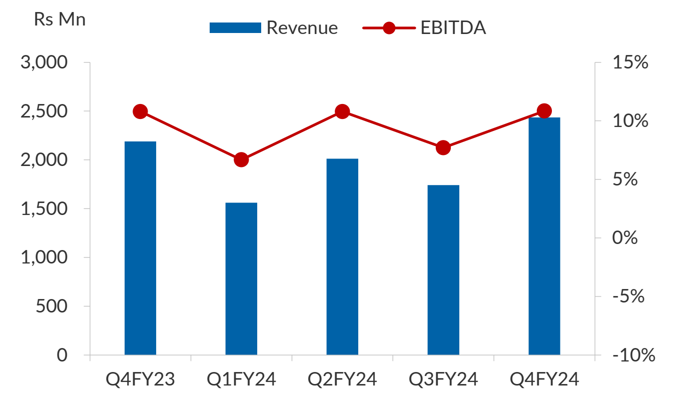
Source: Company, YES Sec

Exhibit 6: Bathware revenue increased by 3%YoY…



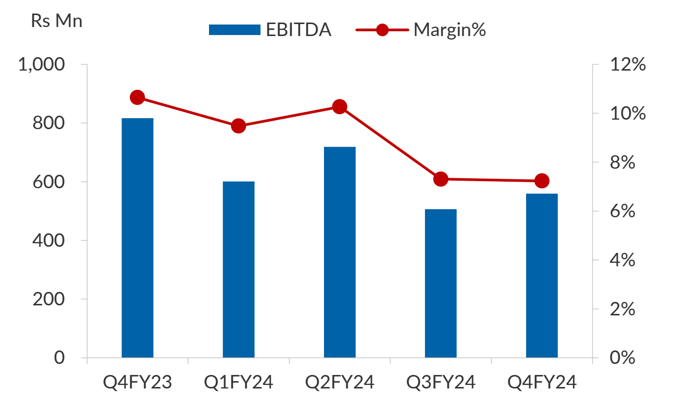
Source: Company, YES Sec

Exhibit 7: Pipes revenue grew by 11%YoY%…



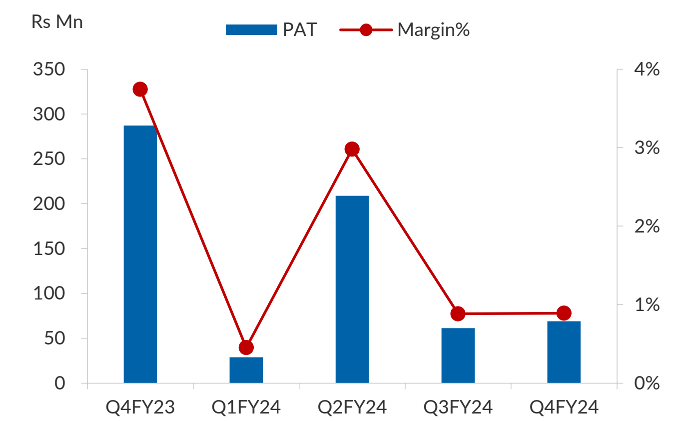
Source: Company, YES Sec

Exhibit 8: Blended margin came in at 7.2%…



Source: Company, YES Sec

Exhibit 9: Net profit stood at Rs69Mn…



Source: Company, YES Sec

FINANCIALS

Exhibit 10: Income Statement

Y/e 31 Mar (Rs Mn)	FY22	FY23	FY24	FY25E	FY26E
Sales	22,936	28,723	28,009	31,319	35,948
COGS	15,645	16,374	15,298	16,717	19,455
COGS %sales	68.2	57.0	54.6	53.4	54.1
GP	7,291	12,349	12,710	14,602	16,493
GP%	31.8	43.0	45.4	46.6	45.9
Employee cost	2,310	4,023	4,305	4,649	5,347
Other cost	3,232	5,871	6,020	6,502	7,152
EBITDA	1,748	2,455	2,386	3,451	3,995
EBITDA%	7.6	8.5	8.5	11.0	11.1
Depreciation	393	1,010	1,230	1,422	1,533
Finance Cost	204	771	951	944	890
Other Income	293	356	363	381	401
PBT	2,452	1,030	567	1,467	1,973
Tax	417	365	200	367	493
PAT	2,035	665	368	1,100	1,480
PAT%	8.9	2.3	1.3	3.5	4.1

Source: Company, YES Sec

Exhibit 11: Balance Sheet

Y/e 31 Mar (Rs Mn)	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	145	145	145	145	145
Reserves	5,119	5,613	5,834	6,898	8,341
Total Shareholders' Funds	5,264	5,757	5,978	7,042	8,486
Long term borrowings	105	3,281	3,392	2,987	2,784
Other non-current liabilities	2,640	2,812	2,580	2,580	2,580
Trade payables	2,524	2,972	3,120	3,409	3,967
Provisions	81	61	44	44	44
Short term borrowings	1,327	3,836	4,975	4,380	4,083
Other current liabilities	9,517	4,234	4,026	4,026	4,026
Total equity and liabilities	21,457	23,027	24,203	24,556	26,058
Gross Block	6,121	8,520	10,235	11,435	11,935
Acc Dep	984	1,993	3,224	4,645	6,179
Net Block	4,902	6,527	7,012	6,790	5,757
CWIP	579	358	539	539	539
Other non-current assets	4,093	4,168	4,529	4,529	4,529
Inventories	6,753	6,838	5,894	5,954	6,929
Trade receivables	3,059	3,776	4,533	5,069	5,819
Cash	265	93	293	272	1,082
Other current assets	1,806	1,267	1,404	1,404	1,404
Total assets	21,457	23,027	24,203	24,556	26,058

Source: Company, YES Sec

Exhibit 12: Cash Flow

Y/e 31 Mar (Rs Mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,434	941	476	1,467	1,973
Depreciation & Amortization	393	1,010	1,230	1,422	1,533
Finance cost	204	771	951	944	890
(Incr)/Decr in Working Capital	913	101	182	(307)	(1,166)
Taxes	(611)	(361)	(407)	(367)	(493)
Cash from ops.	2,260	2,208	2,408	3,159	2,736
(Incr)/ Decr in PP&E	(396)	(1,956)	-	(1,200)	(500)
Cash Flow from Investing	(1,240)	(7,047)	(2,188)	(1,200)	(500)
(Decr)/Incr in Borrowings	(462)	5,685	1,250	(1,000)	(500)
Finance cost	(123)	(542)	(757)	(944)	(890)
Cash Flow from Financing	(832)	4,667	(20)	(1,980)	(1,426)
Incr/(Decr) in cash	189	(173)	200	(21)	811
Cash and cash equivalents at beginning of year	76	265	92	293	272
Cash and cash equivalents at end of year	265	92	292	272	1,082

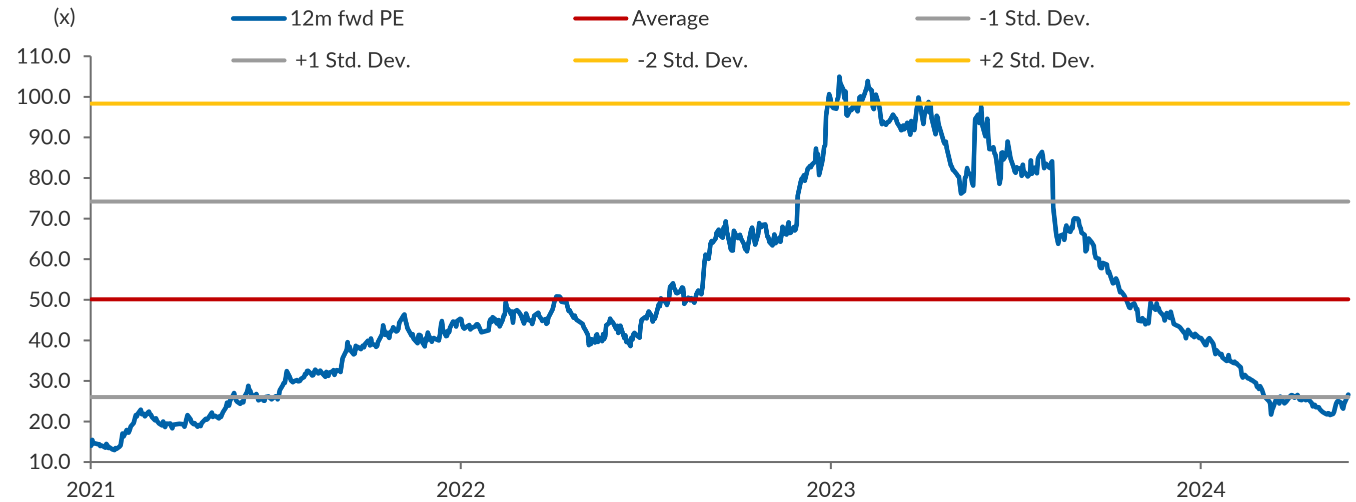
Source: Company, YES Sec

Exhibit 13: Ratios

Key Ratios	FY22	FY23	FY24	FY25E	FY26E
Growth Matrix (%)					
Revenue growth	29.2	25.2	(2.5)	11.8	14.8
EBITDA growth	22.2	40.4	(2.8)	44.7	15.8
EBIT growth	35.2	9.3	(15.7)	58.8	18.7
PAT growth	271.1	(67.3)	(44.7)	199.3	34.5
Profitability ratios (%)					
EBITDA margin	7.6	8.5	8.5	11.0	11.1
EBIT margin	7.2	6.3	5.4	7.7	8.0
PAT margin	8.9	2.3	1.3	3.5	4.1
RoCE	26.2	18.1	12.8	19.6	21.6
RoE	47.5	12.1	6.3	16.9	19.1
Per share values					
EPS	27.9	8.0	3.6	15.2	20.5
CEPS	33.3	21.9	20.8	34.9	41.7
BVPS	72.8	79.6	82.7	97.4	117.4
Valuation ratios (x)					
P/E	13.0	44.6	98.3	26.1	19.4
P/CEPS	10.9	16.2	16.8	11.4	9.5
P/B	5.0	4.5	4.2	4.1	3.4
EV/EBITDA	15.7	13.3	14.0	10.4	8.6
Leverage ratios (x)					
Debt/ Equity	0.3	1.2	1.4	1.0	0.8
Net debt/Equity	0.2	1.2	1.4	1.0	0.7
Net debt/EBITDA	0.7	2.9	3.4	2.1	1.4
Int coverage	8.1	2.3	1.6	2.6	3.2
NWC days	147	134	125	115	115
Receivables	49	48	59	59	59
Inventory	158	152	141	130	130
Payables	59	66	74	74	74

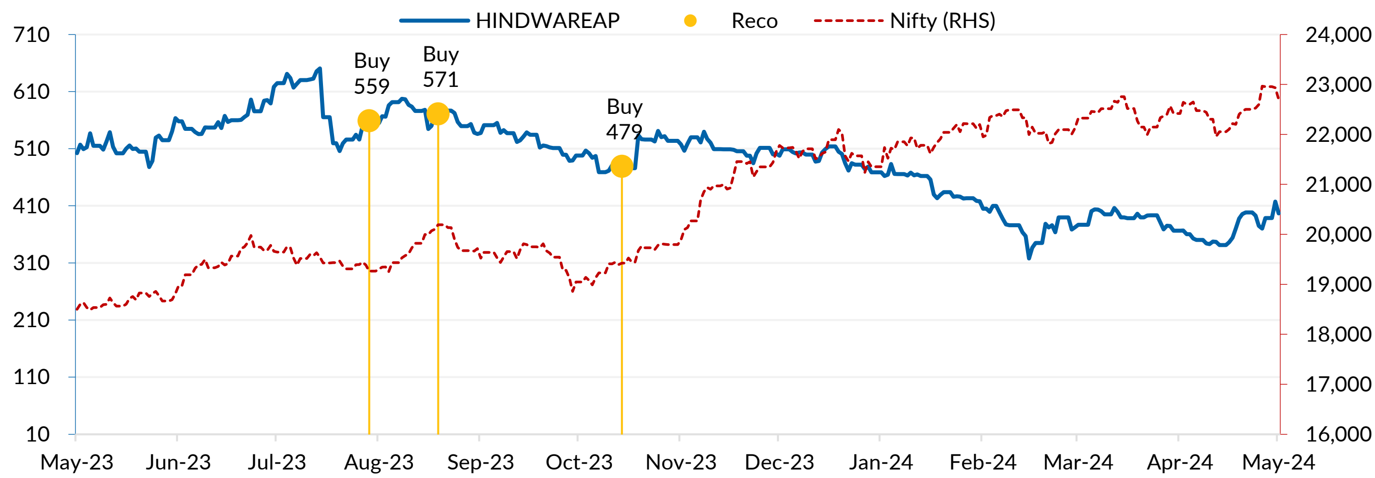
Source: Company, YES Sec

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

Hindware Home Innovation Ltd.

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.

UDIT BHAVESH GAJIWALA Analyst Signature — Digitally signed by UDIT BHAVESH GAJIWALA Date: 2024.05.29 19:31:57 +05'30'

SHALIN PANKAJ DAMANI Analyst Signature — Digitally signed by SHALIN PANKAJ DAMANI Date: 2024.05.29 19:31:20 +05'30'

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.