

CMP	: INR 133
Reco	: BUY ↔
Target	: INR 161 ↔
Target Price Change	: No Change
Target 1HFY26E P/E (x)	: 28
EPS Change FY24/25	: No Change

Dhirendra Tiwari
+91 22 6911 3436
dhirendra.tiwari@antiquelimited.com

Amit Shah
+91 22 6911 3466
amit.shah@antiquelimited.com

Devesh Kasliwal
+91 22 6911 3422
devesh.kasliwal@antiquelimited.com

Market data	
Sensex	: 63,875
Sector	: Industrials
Market Cap (INR bn)	: 974.0
Market Cap (USD bn)	: 11.699
O/S Shares (mn)	: 7,309.8
52-wk HI/LO (INR)	: 147/87
Avg. Daily Vol ('000)	: 13,883
Bloomberg	: BHE IN

Source: Bloomberg

Valuation			
	FY24e	FY25e	FY26e
EPS (INR)	4.6	5.3	6.2
P/E (x)	29.2	24.9	21.5
P/BV (x)	6.3	5.4	4.7
EV/EBITDA (x)	18.8	15.7	13.2
Dividend Yield (%)	1.2	1.4	1.6

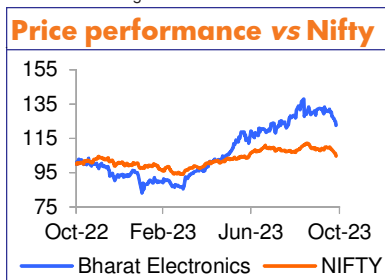
Source: Company, Antique

Returns (%)				
	1m	3m	6m	12m
Absolute	(4)	2	29	25
Relative	(1)	6	23	19

Source: Bloomberg

Shareholding pattern	
Promoters	: 51%
Public	: 49%
Others	: 0%

Source: Bloomberg



Source: Bloomberg Indexed to 100

2QFY24 RESULT REVIEW

Bharat Electronics

In-line operational performance; FY24 guidance maintained

Bharat Electronics (BEL) reported strong operational performance, although revenue was below our expectations at INR 40 bn, margin witnessed a strong 350 bps expansion to 25.2% beating our estimate of 22%. Order book remains strong at INR 687 bn (3.8x TTM revenue) supported by order inflows worth INR 73 bn (+418% YoY) during the quarter. However, BEL maintains its FY24 guidance of INR 200 bn order inflow, 15%–17% revenue growth, and 21%–23% EBITDA. We continue to like Bharat Electronics given its robust order book position, strong pipeline, swift execution, and consistent delivery of +20% margin. We thus maintain BUY rating on the stock with a target price of INR 161 (28x its 1HFY26E EPS).

In-line performance on the operational front

BEL's revenue performance (INR 39.9 bn; +1.2% YoY) during 2QFY24 was below our expectation of INR 46.6 bn due to a delay in dispatches of products worth INR 4 bn. Operating profit at INR 10 bn (+17% YoY) was in line with our estimate (INR 10.2 bn). EBITDA margin stood at 25.2% (+350 bps YoY) beating our estimate of 22% supported by a higher than expected gross margin at 48.8% (+550 bps YoY; est. of 42.5%) on account of a favorable product mix. PAT for the quarter stood at INR 8.1 bn (+33% YoY) above our estimate of INR 7.3 bn due to higher than estimated other income of INR 1.7 bn (+127% YoY; est. of INR 0.7 bn). For FY24, BEL has maintained a growth guidance of 15%–17% along with a 21%–23% EBITDA margin. Revenue growth is to be supported by the execution of the Akash order, LRSAM order for ships (~INR 30 bn), IACCS order (~INR 20 bn), and export orders (INR 5 bn).

Strong order inflow in 2QFY24 supported by NGMV order from Cochin Shipyard

BEL reported an order inflow worth INR 73 bn (+418% YoY) supported by orders like the NGMV order from Cochin Shipyard (INR 21 bn) and a fleet support ship order from Hindustan Shipyard (INR 11 bn), among others. Order backlog stood at INR 687 bn (+30% YoY) providing revenue visibility of 3.8x its TTM revenue. BEL has guided for INR 200 bn order inflow to materialize in FY24E on the back of large ticket orders like a) The long-term fuse order (INR 45 bn), b) Ship-based orders like NGPOV (INR 25 bn), c) EW Systems for ships (INR 20 bn) and battle tank upgrade program (INR 30 bn). The ordering pipeline from a medium-term perspective stands healthy with large ticket orders like i) The INR 200 bn QRSAM order, ii) INR 150 bn+ MRSAM order, iii) Long range radars, iv) Electronic warfare system, and v) The INR 81 bn TEV order, which will ensure more than INR 200 bn annual ordering for BEL.

Capex plan in place to ensure sustainable growth and margin expansion

BEL has planned an annual capex of INR 7–8 bn (INR 2.5 bn completed in 1HFY24) over the next 2–3 years on modernizing its facilities and for capacity expansion. Key projects include a) Electro-optical device facility at Nimmaluru (IR seeker manufacturing facility), b) A land-based electronic warfare system facility at Ibrahimpatnam, and c) RF seeker manufacturing facility at Palasamudram. Additionally, BEL is also upgrading its Hyderabad facility and increasing the capacity of its Pune facility. These expansions will help BEL generate a new stream of revenue, expand margins, and be prepared for the next level of growth.

Investment Summary

BEL has over the years developed multiple levers of growth by a) Establishing robust infrastructure, b) Strong relationships with government entities, c) Diversifying into non-defence businesses to create new growth avenues. We maintain BUY rating on the stock with a target price of INR 161 (28x 1HFY26E EPS).

Conference Call Highlights

- Subdued revenue on account of delay in dispatches in Karnataka of INR 4 bn. Revenue to be booked in 3QFY23.
- Favorable product mix led to expansion in margins during the quarter.
- **Large orders expected in FY24** (max by 1HFY25) - Long-term fuse order (INR 40 bn), ship-based orders like NGPOV (INR 25 bn), and Varuna Shakti program for ships (INR 20 bn) and tank upgrade program (INR 30 bn).
- **Revenue bifurcation 1HFY24** – Products 90% and service 10%.
- **Segment bifurcation 1HFY24** - 71% defence and 29% non-defence. EVM VVPAT execution is almost completed. Total revenue through EVM VVPAT – INR 11 bn.
- EVM for all state and national elections have been supplied to the Election Commission, with minor repair work going on.
- **Israel war** as of now is for a very short duration. Shipments have been slightly delayed, however, partners have assured to deliver as promised during the current financial year.
- **Indigenous content** in projects business at 60%.
- **Airport Traffic Management System** – Integration, installation, and inauguration of ATMS for the Bhubaneswar Airport is done. This opens up opportunities in C & B category airports (40 nos.) worth ~INR 8 bn. ATMS for bigger airports is currently under discussion with AIA.
- **Railways** – Supplied train collision avoidance system for the Delhi Metro along with CBTC signaling system, super SCADA, and stimulator. Additionally, BEL also supplied an indigenous Platform Screen Door which has been included in the positive indigenization list. Received orders for PSC from Kochi, Chennai, MP, etc.
- **LRSAM (indigenous version)** – Currently in developmental stage.
- **TAPAS** – Being developed by DRDO, HAL, and BEL together, where BEL is contributing to the payload.
- **Medium-term order inflow** - LRSAM INR 70 bn, Akash Prime INR 37 bn, Hindshakti, Battlefield surveillance system INR 20 bn.
- The company is diversifying into arms and ammunition business through MoUs. Conversion in big projects will take more than two years.
- **QRSAM** - Trials are done and have been submitted to the armed forces; AoN pricing is underway. Expect orders to flow in FY25.
- **IACCS** – INR 20 bn worth of orders remaining in the order book. Is a complex project and the first of its kind, very few countries have this type of project. There are two parts to it—over ground, which has been supplied and AMC has also started and underground. Underground is in two phases, civil structure and software development. By the end of FY24 two sites should be operational. As the project is currently operating as per timelines, hasn't created any provisions.
- **Balance sheet** - Contract assets – INR 57 bn, customer advances – INR 150 bn, and cash – INR 80 bn.
- **Working capital position** – Don't see any constraints from the government and expect working capital conditions to be stable.
- **Space** – Development and discussions going on with ISRO.
- The company is meeting all the indigenous requirements asked for in the fuse tender.

FY24 Guidance

- Revenue growth – 15%–17% YoY.
- Gross margin - ~42%.
- EBITDA margin – 21%–23%.
- Order inflow – INR 200 bn.
- Capex – INR 7–8 bn, 1HFY24 capex done – INR 2.5 bn.
- Export target – USD 90–100 mn, 1HFY24 revenue at USD 27 mn. Export order book currently at ~INR 25 bn.
- Non-defence to contribute 15%–20% to revenue in FY24.

Quarterly Highlights

Particulars (INR mn)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY24	1HFY23	YoY (%)
Total revenues (net)	39,933	39,458	1.2	35,108	13.7	75,042	70,586	6.3
RM	20,452	22,383	(8.6)	19,844	3.1	40,296	40,467	(0.4)
% of Sales	51.2	56.7	-551 bps	56.5	-531 bps	53.7	57.3	-363 bps
Staff cost	5,934	5,955	(0.3)	6,237	(4.9)	12,171	11,719	3.9
% of Sales	14.9	15.1	-23 bps	17.8	-290 bps	16.2	16.6	-38 bps
Other operating expenses	3,504	2,563	36.7	2,383	47.0	5,887	4,708	25.0
% of Sales	8.8	6.5	228 bps	6.8	199 bps	7.8	6.7	118 bps
Total expenditure	29,890	30,901	(3.3)	28,464	5.0	58,354	56,894	2.6
EBITDA	10,044	8,558	17.4	6,644	51.2	16,688	13,693	21.9
EBITDA Margin (%)	25.2	21.7	346 bps	18.9	623 bps	22.2	19.4	284 bps
Depreciation	1,004	1,042	(3.6)	1,013	(0.8)	2,017	1,982	1.7
Interest	15	17	(13.2)	11	41.1	26	28	(6.5)
Other income	1,705	750	127.3	1,417	20.4	3,122	2,348	33.0
PBT	10,729	8,249	30.1	7,038	52.5	17,767	14,030	26.6
Tax	2,606	2,138	21.9	1,729	50.7	4,335	3,604	20.3
Tax rate (%)	24.3	25.9	-163 bps	24.6	-28 bps	24.4	25.7	-129 bps
Reported net profit	8,123	6,111	32.9	5,308	53.0	13,432	10,426	28.8
Adjusted net profit	8,123	6,111	32.9	5,308	53.0	13,432	10,426	28.8
EPS (INR)	1.2	0.9	32.9	0.8	53.0	2.0	1.6	28.8

Source: Company, Antique

Balance Sheet

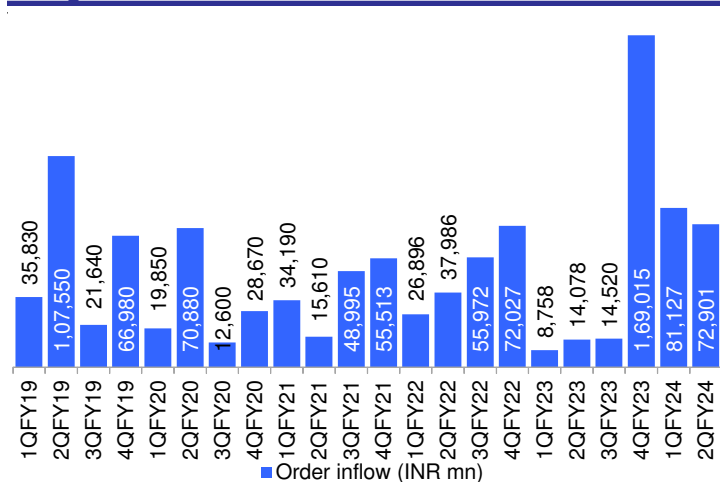
Particulars (INR mn)	1HFY24	FY23	1HFY23
Shareholder's fund	1,45,519	1,35,820	1,26,820
Total Loans	-	-	-
Total LIABILITIES	1,45,519	1,35,820	1,26,820
Fixed Assets	35,697	35,135	34,047
Total Current Assets	3,17,282	3,10,376	2,90,357
Total Current Liabilities	2,13,126	2,14,725	2,04,110
Net current assets	1,04,155	95,651	86,247
TOTAL ASSETS	1,45,519	1,35,820	1,26,820

Working Capital (Days)

Inventory	135	133	139
Financial Assets	319	316	240
Other Current assets	186	194	242
Financial liabilities	404	414	387
Provisions	26	30	50
Net Working Capital (INR mn)	1,04,155	95,651	86,247
Net WC Days	210	198	184

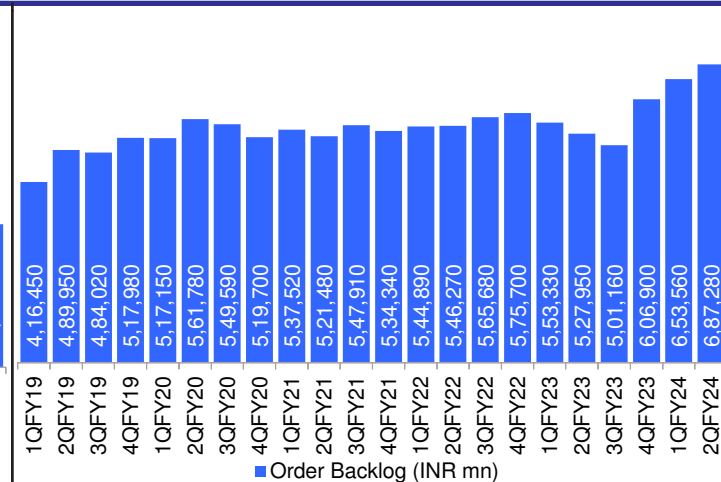
Source: Company, Antique

Strong order inflow of INR 73 bn



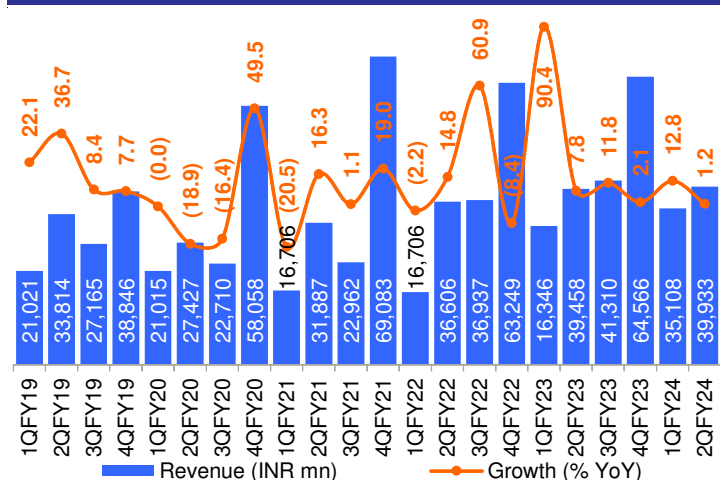
Source: Company, Antique

INR 687 bn order backlog provides revenue visibility of 3.8x its TTM revenue



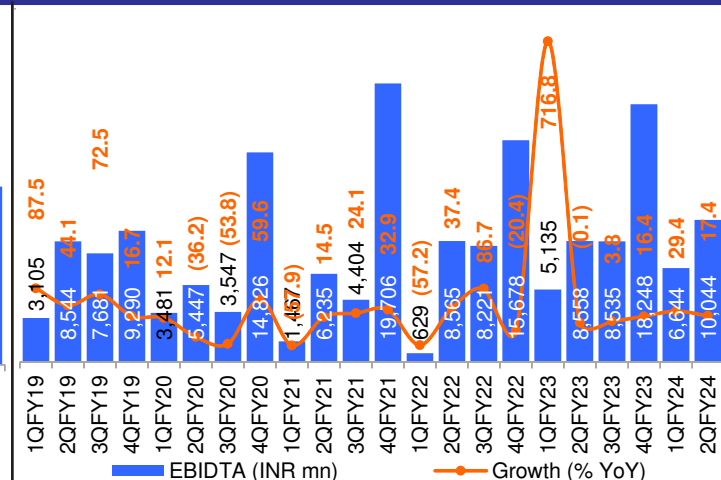
Source: Company, Antique

Delivers subdued revenue growth, maintains 15%–17% growth guidance



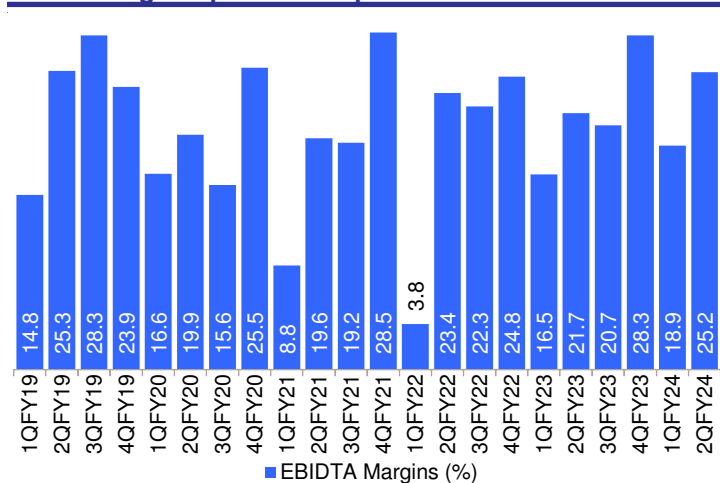
Source: Company, Antique

EBIDTA (+17% YoY) supported by gross margin expansion



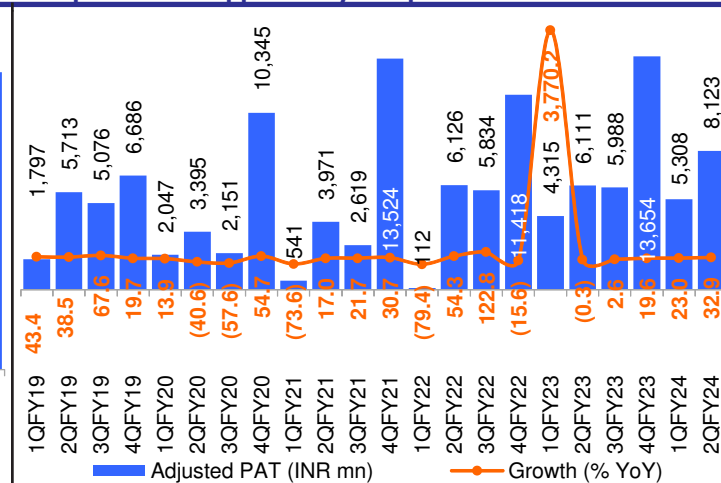
Source: Company, Antique

EBIDTA margin expands 350 bps YoY to 25.2%



Source: Company, Antique

PAT up 33% YoY supported by sharp increase in other income



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
Net Revenue	1,53,138	1,76,462	2,08,275	2,44,028	2,80,957
Op. Expenses	1,20,045	1,35,987	1,61,610	1,89,434	2,17,621
EBITDA	33,092	40,475	46,665	54,594	63,336
Depreciation	3,802	4,079	4,744	5,254	5,764
EBIT	29,291	36,396	41,921	49,340	57,572
Other income	2,336	3,600	2,700	2,916	3,149
Interest Exp.	49	148	148	148	148
Reported PBT	31,578	39,849	44,473	52,109	60,574
Tax	8,089	9,782	11,207	13,131	15,265
Reported PAT	23,489	30,067	33,266	38,977	45,309
Net Profit	23,489	30,067	33,266	38,977	45,309
Adjusted PAT	23,489	30,067	33,266	38,977	45,309
Adjusted EPS (INR)	3.2	4.1	4.6	5.3	6.2

Balance sheet (INR mn)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
Share Capital	2,437	7,310	7,310	7,310	7,310
Reserves & Surplus	1,17,406	1,28,510	1,48,138	1,71,136	1,97,870
Networth	1,19,843	1,35,820	1,55,448	1,78,446	2,05,180
Net deferred Tax liabilities	(6,207)	(5,034)	(5,034)	(5,034)	(5,034)
Capital Employed	1,13,636	1,30,786	1,50,414	1,73,412	2,00,146
Gross Fixed Assets	49,944	55,808	61,808	67,808	73,808
Accumulated Depreciation	20,103	24,289	29,032	34,286	40,050
Capital work in progress	3,986	3,616	3,616	3,616	3,616
Net Fixed Assets	33,826	35,135	36,391	37,137	37,374
Investments	15,542	6,644	6,644	6,644	6,644
Non Current Investments	15,542	6,644	6,644	6,644	6,644
Current Assets, Loans & Adv.	2,78,924	3,03,732	3,57,233	4,22,375	4,93,174
Inventory	55,669	64,121	75,680	88,672	1,02,090
Debtors	61,034	70,220	82,879	97,107	1,11,802
Cash & Bank balance	74,991	80,090	93,272	1,13,102	1,37,098
Loans & advances and others	87,229	89,302	1,05,401	1,23,495	1,42,183
Current Liabilities & Provisions	2,14,657	2,14,725	2,49,854	2,92,745	3,37,046
Liabilities	1,92,500	2,00,104	2,32,596	2,72,525	3,13,766
Provisions	22,157	14,621	17,257	20,220	23,279
Net Current Assets	64,267	89,007	1,07,379	1,29,631	1,56,128
Application of Funds	1,13,636	1,30,786	1,50,414	1,73,412	2,00,146

Per share data

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
No. of shares (mn)	7,310	7,310	7,310	7,310	7,310
Diluted no. of shares (mn)	7,310	7,310	7,310	7,310	7,310
BVPS (INR)	16.4	18.6	21.3	24.4	28.1
CEPS (INR)	3.7	4.7	5.2	6.1	7.0
DPS (INR)	1.5	1.4	1.6	1.9	2.2

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	31,578	39,849	44,473	52,109	60,574
Depreciation & amortization	3,802	4,079	4,744	5,254	5,764
Interest expense	49	148	148	148	148
(Inc)/Dec in working capital	18,613	(19,642)	(5,189)	(2,422)	(2,501)
Tax paid	(8,089)	(9,782)	(11,207)	(13,131)	(15,265)
CF from operating activities	45,952	14,651	32,968	41,957	48,719
Capital expenditure	(5,465)	(5,387)	(6,000)	(6,000)	(6,000)
Inc/(Dec) in investments	(2,231)	8,898	-	-	-
CF from investing activities	(7,696)	3,511	(6,000)	(6,000)	(6,000)
Inc/(Dec) in share capital	(2,334)	(590)	-	-	-
Dividend Paid	(10,964)	(12,326)	(13,638)	(15,979)	(18,575)
Others	(49)	(148)	(148)	(148)	(148)
CF from financing activities	(13,347)	(13,064)	(13,786)	(16,127)	(18,723)
Net cash flow	24,909	5,099	13,182	19,830	23,996
Opening balance	50,082	74,991	80,090	93,272	1,13,102
Closing balance	74,991	80,090	93,272	1,13,102	1,37,098

Growth indicators (%)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenue	8.9	15.2	18.0	17.2	15.1
EBITDA	4.0	22.3	15.3	17.0	16.0
Adj PAT	13.7	28.0	10.6	17.2	16.2
Adj EPS	13.7	28.0	10.6	17.2	16.2

Valuation (x)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	41.4	32.3	29.2	24.9	21.5
P/BV (x)	8.1	7.2	6.3	5.4	4.7
EV/EBITDA (x)	27.1	22.0	18.8	15.7	13.2
EV/Sales (x)	5.9	5.1	4.2	3.5	3.0
Dividend Yield (%)	1.1	1.1	1.2	1.4	1.6

Financial ratios

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
RoE (%)	20.6	23.5	22.8	23.3	23.6
RoCE (%)	21.7	24.7	23.7	24.1	24.3
Asset/T.O (x)	1.6	1.6	1.6	1.6	1.6
Net Debt/Equity (x)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
EBIT/Interest (x)	652.1	270.4	301.7	353.3	410.6

Margins (%)

Year ended 31 Mar	FY22	FY23	FY24e	FY25e	FY26e
EBITDA Margin	21.6	22.9	22.4	22.4	22.5
EBIT Margin	19.1	20.6	20.1	20.2	20.5
PAT Margin	15.1	16.7	15.8	15.8	15.9

Source: Company Antique

Important Disclaimer:

This report has been prepared by Antique Stock Broking Limited (hereinafter referred to as ASBL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies).

ASBL is a Stock Broker having SEBI Registration No. INZ000001131 and Depository Participant having SEBI Registration No. IN-DP-721-2022(CDSL) registered with and regulated by Securities & Exchange Board of India. SEBI Registration Number: INH000001089 as per SEBI (Research Analysts) Regulations, 2014. CIN: U67120MH1994PLC079444.

ASBL and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group.

This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and ASBL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

We and our affiliates have investment banking and other business relationships with some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that ASBL and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of ASBL which may include earnings from investment banking and other business.

ASBL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, ASBL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. ASBL and its affiliated company(ies), their directors and employees 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 affiliates of ASBL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition ASBL has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt ASBL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold ASBL or any of its affiliates or employees responsible for any such misuse and further agrees to hold ASBL 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. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent ASBL's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, ASBL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent ASBL and/or its affiliates from doing so. ASBL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. ASBL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

ASBL and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

ASBL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of ASBL or its associates during twelve months preceding the date of distribution of the research report

ASBL and/or its affiliates and/or employees and/or relatives may have interests/positions, financial or otherwise of over 1% at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, ASBL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

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. The research analysts, strategists, or research associates principally responsible for preparation of ASBL research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement Companies where there is interest

- Analyst ownership of the stock - No
- Served as an officer, director or employee - No

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

For U.S. persons only: This research report is a product of Antique Stock Broking Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and 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 Antique Stock Broking 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, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Antique Stock Broking Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Compliance/Grievance officer: Ms. Jayshree Thakkar, Contact No: 022-69113461, Email id: jayshree@antiquelimited.com/compliance@antiquelimited.com

Disclaimer that:

- Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
- The securities quoted are for illustration only and are not recommendatory.
- Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.