HDFC securities
Click. Invest. Grow.
20 YEARS

# Stock Update

## Talbros Automotive Components Ltd.

July 22, 2024

RETAILRESEARCH

# Talbros Automotive Components Ltd.

| Industry | LTP | Recommendation | Base Case Fair Value | Bull Case Fair Value | Time Horizon |
|---|---|---|---|---|---|
| Auto Ancillaries | Rs 349 | Buy in Rs 346-354 band and add on dips in Rs 314-322 band | Rs 387 | Rs 417 | 2-3 quarters |

| | |
|---|---|
| HDFC Scrip Code | TALAUTEQNR |
| BSE Code | 505160 |
| NSE Code | TALBROAUTO |
| Bloomberg | TALB IN |
| CMP Jul 19, 2024 | 349.3 |
| Equity Capital (Rs Cr) | 12.4 |
| Face Value (Rs) | 2 |
| Equity Share O/S (Cr) | 6.2 |
| Market Cap (Rs Cr) | 2156 |
| Book Value (Rs) | 87.0 |
| Avg. 52 Wk Volumes | 417,500 |
| 52 Week High | 395.6 |
| 52 Week Low | 157.3 |

| Share holding Pattern % (Jun 2024) | |
|---|---|
| Promoters | 58.4 |
| Institutions | 0.6 |
| Non Institutions | 41.0 |
| Total | 100.0 |


* Refer at the end for explanation on Risk Ratings

**Fundamental Research Analyst**
Atul Karwa
atul.karwa@hdfcsec.com

## Our Take:

Talbros Automotive Components Ltd. (TACL) manufactures gaskets and forgings products which are used across the automobile industry as well as in the industrial segment. India's domestic automobile demand is expected to remain strong including in the CV and tractor/off-road segments over the medium term, with some hiccups. The Government is also looking to promote manufacturing of auto components in India by offering various incentives. TACL has established relationships with globally reputed companies.

With continuous innovation in new products like heat shields, strengthening EV portfolio, growing orders from non-automotive segments, strong clientele, and manufacturing E20 biofuel hoses, TACL is likely to achieve strong growth. It is aiming to double its group level revenue to Rs 2,100cr by FY27 led by increasing exports and strong order booking. TACL has made substantial investment in new technologies, expanding new capacities, diversified its product portfolio, broadened its customer base, and has entered additional markets.

TACL has received orders from a new OEM in Europe of ~Rs 1000cr in its JV company. In FY24, it had received orders to the tune of ~Rs 980 crores across its products segments. Amongst these, orders worth ~Rs. 475 crores are for supply to EVs and orders worth ~Rs 415 crores are related to exports. These orders are expected to be executed in coming 5-8 years

On Feb 19, 2024, we had released a Stock Update report (Link) with a recommendation to 'Buy in Rs 283-288 band & add on dips in Rs 250-255 band for base case fair value of Rs 313 and bull case fair value of Rs 343 over next 2-3 quarters. Both the targets were achieved within the given time frame.

## Valuation & Recommendation:

Capitalizing on consistent order inflows from the leading OEMs, we anticipate a strong upward trajectory in TACL's business and profitability. Diversification of products and user industries provides some stability to growth. We expect TACL's Revenue/PAT to grow at 18%/24% CAGR over FY24-FY26E, led by strong growth in CV and off-road/tractor segment and realization from the recent order wins. We believe investors can buy the stock in the band of Rs 346-354 and add on dips in Rs 314-322 band (16x FY26E EPS) for a base case fair value of Rs 387 (19.5x FY26E EPS) and bull case fair value of Rs 417 (21x FY26E EPS) over the next 2-3 quarters.

**Financial Summary:**

| Particulars (Rs cr) | Q4FY24 | Q4FY23 | YoY-% | Q3FY24 | QoQ-% | FY23 | FY24 | FY25E | FY26E |
|---|---|---|---|---|---|---|---|---|---|
| Operating Income | 203 | 175 | 15.9 | 199 | 2.0 | 647 | 778 | 919 | 1,089 |
| EBITDA | 31 | 25 | 23.2 | 30 | 0.8 | 87 | 115 | 138 | 168 |
| APAT | 21 | 17 | 23.4 | 23 | -8.4 | 56 | 80 | 96 | 122 |
| Diluted EPS (Rs) | 3.4 | 2.7 | 23.4 | 3.7 | -8.4 | 9.0 | 12.9 | 15.6 | 19.8 |
| RoE-% | | | | | | 18.8 | 18.5 | 16.5 | 17.9 |
| P/E (x) | | | | | | 38.8 | 27.1 | 22.4 | 17.6 |
| EV/EBITDA | | | | | | 25.6 | 19.6 | 16.1 | 13.0 |

**Q4FY24 Result Update**

TACL reported 16% YoY growth in revenue to Rs 203cr in Q4FY24 driven by strong performance in forgings segment. Gasket/Forging division reported 12%/25% increase in revenue to Rs 133/74 crore respectively. Marelli Talbros (chassis) and Talbros Marugo witnessed growth of 29% and 8% YoY respectively to Rs 70cr and Rs 31cr.

Gross margins improved by 310bps as raw material prices moderated in Q4. However, the prices have started to increase and the company is in negotiations to pass on the increase to customers. EBITDA grew by 23% YoY to Rs 31cr and EBITDA margin expanded 90 bps to 15.1%. The management has guided for EBITDA margins of 15-16% over the next few years. Adj. PAT came in at Rs 21cr, a growth of 23% YoY while PAT margin expanded 600bps to 10.3%. Gross debt at the end of FY24 including working capital stood at Rs 99cr.

The management has guided for group sales target of Rs 2,100cr by FY27, of which 35% will be from export. This will come from the U.S., the U.K., Europe as well as Japan.

**Recent developments**

**Strong order inflows continue in FY25**

TACL's JV company Marelli Talbros Chassis System secured a multi-year contract valued at around Rs 1,000cr from a European OEM in Apr'2024. The order is centered on the supply of suspension arms tailored for both conventional internal combustion engine (ICE) vehicles and new-age electric vehicle (EV) platforms and would be executed over a period of eight years commencing from Q4FY25.

TACL reported in Jul'23 that the company has received multi-year orders worth Rs 400cr (executed over a period of next 5-7 years) and in Nov'23 of Rs 580cr (executed over a period of 5 years commencing from FY25). In FY23, the company secured multi-year orders exceeding Rs 1,000cr from both domestic and international customers across its product segments, joint ventures, and business divisions covering the company's product lines, including gaskets, heat shields, forgings, and chassis. The new orders will enable TACL to expand market share by serving both existing and new customers across different geographies and provide revenue visibility.

**Significant expansion across segments**

TACL has indicated significant expansion as the company's capacity utilization has touched ~80-90% across various segments. The company is advancing its operations in the gasket and heat shield divisions. The company is investing Rs 20cr for a new facility at Chakan, Pune, with supplies expected to commence in Q2FY25. In the forging division, Talbros is investing Rs 30cr to enhance capacity with additional machinery and equipment.

Similarly, for Marelli, capacity expansion is progressing in a premises adjacent to the existing plant. The new shed is expected to be ready by Q3FY25. This expansion is expected to incur a capex of ~Rs 60cr. Additionally, for Marugo, the company plans a capex of ~Rs 6cr. According to the management, the current capacity utilization stands at ~90% for the gaskets division, ~82-85% for the heat shield division and the forging divisions. depending on the product mix. The Marelli division is operating at around 80%, while the Marugo Rubber division, which includes anti-vibration and hoses segments, is nearing 90% utilization.

**Divestment of JV stake**

The company has divested its entire 40% stake in its joint venture company Nippon Leakless Talbros. Following the stake sale, Nippon Leakless will become the sole proprietor, holding 100% of the company. As part of this transaction, TACL is set to realise Rs 81.8cr for its 40% equity stake (accounted in Q4FY24), valuing the joint venture company at Rs 204.5 crore. The company had invested Rs 4.80 cr in the JV. TACL intends to utilise the proceeds for its future capex and expansions.

## Key Triggers

**Expansion programme to double revenues by FY27**

Talbros has devised an expansion plan 'Talbros 2.0' with the aim to double its revenues to Rs 2,100cr by FY27. Under the plan, the company intends to increase its export sales from 25% in FY23 to ~35% in FY27, expand EBITDA margins by 100-200bps and have set its sights on crossing the 20% RoCE in the coming years. Most of the capex would be funded through internal accruals and total debt would be maintained below Rs 100cr. Increasing focus on EV is expected to increase its revenue share to ~12% from 2% currently.

**Future capex to be funded largely through internal accruals**

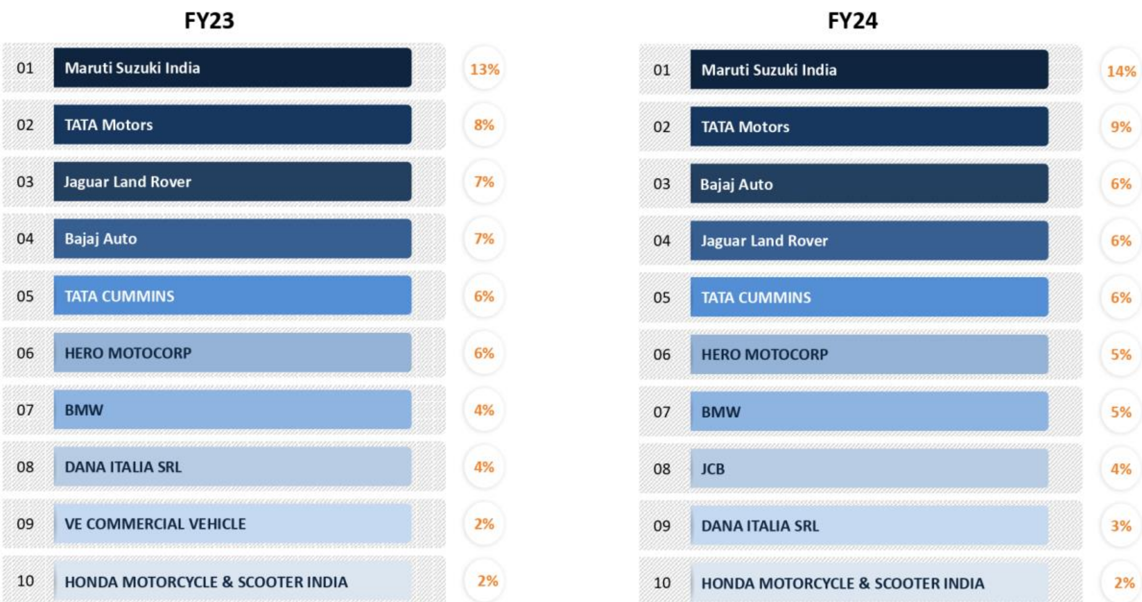
Talbros has planned for a capex of Rs 205cr over the next 4 years to expand its manufacturing facilities in order to meet the anticipated increase in order flows in both its gaskets and forgings business as well as in subsidiaries. It is planning to invest approximately Rs 60cr in forging division in next four years starting FY24 for adding personal machining and presses.

**Entering into new geographies and launching new products**

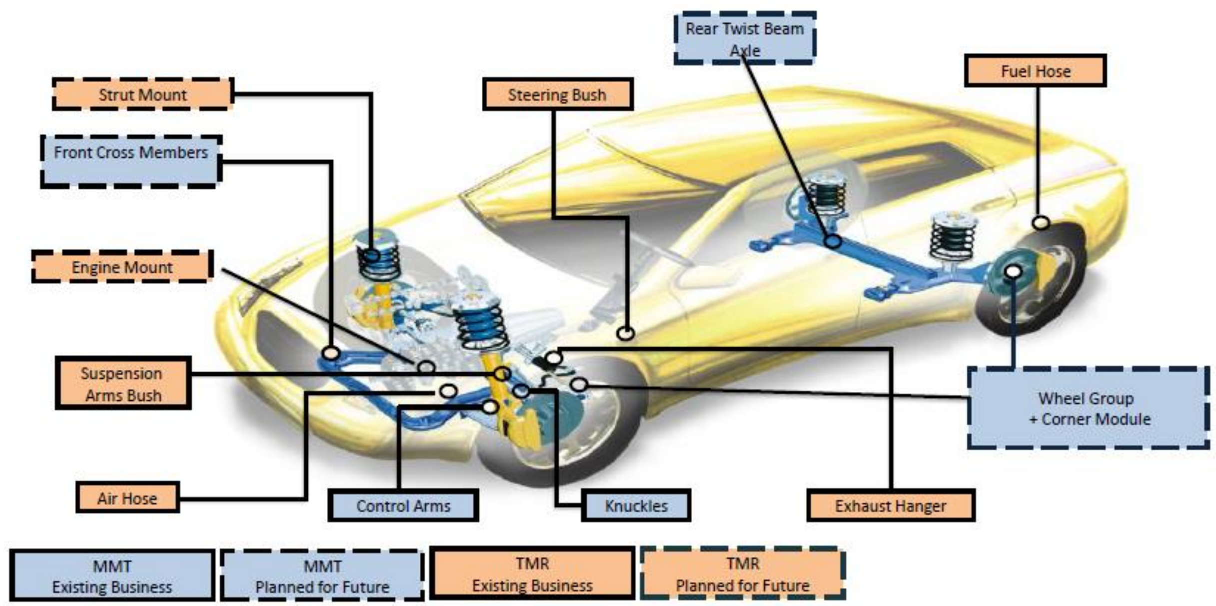
The company is entering into new geographies like Russia, Japan, for LCV, HCV and offroad segment products. In the forging division, it is leveraging its capability to convert castings into forgings and increasing focus on electric vehicles. It has also added heavyweight parts up to 30 kilos and looking to expand its exports to geographies like U.K., North America.

Talbros has signed up exclusive contract with SANWA for Light Weight Aluminium Heat Shields which is used for automotive applications specially in PV segment and is a futuristic product technology. In forging, it is moving towards heavier forged parts. With the launch of new products, share of PVs is expected to increase from 2% currently to ~11% in FY27.

*Diversified customer base*




*Scope of JVs*




*(Source: Company)*

## Risks & Concerns

**Working capital intensive nature of operations**

Since TACL is in the auto ancillary industry, its operations are working capital intensive in nature. The group needs to maintain inventory of around 3-4 months as it manufactures 3,500 varieties of gaskets requiring 40 types of raw materials. Around 30% of these raw materials are imported from Germany, US and Japan, such imports demanding 1-2 months' lead time.

**Raw material inflation**

Cost of raw materials – primarily iron and steel – accounts for around 50%-60% of total operating income. Global prices for iron and steel are volatile thereby exposing the group to price risk.

**Bargaining power with OEMs**

TACL has limited bargaining power with OEM and at times not been able to pass on the entire increase in costs which has impacted its margins. The company is in negotiations with OEMs which might not materialize in company's favour in time.

**Vulnerable to cyclicality in demand from automobile OEMs**

TACL supplies its products primarily to automobile OEMs and is exposed to cyclicality in demand for automobiles. CV and tractor sales could see a slowdown in the near term.

**Forex volatility risk**

TACL derives ~25% of its revenue through export of its products. It hedges ~25-30% of its forex exposure. The rupee fluctuations vis-à-vis the US$ and Euro could impact its profitability.

**EV adoption could render many products obsolete**

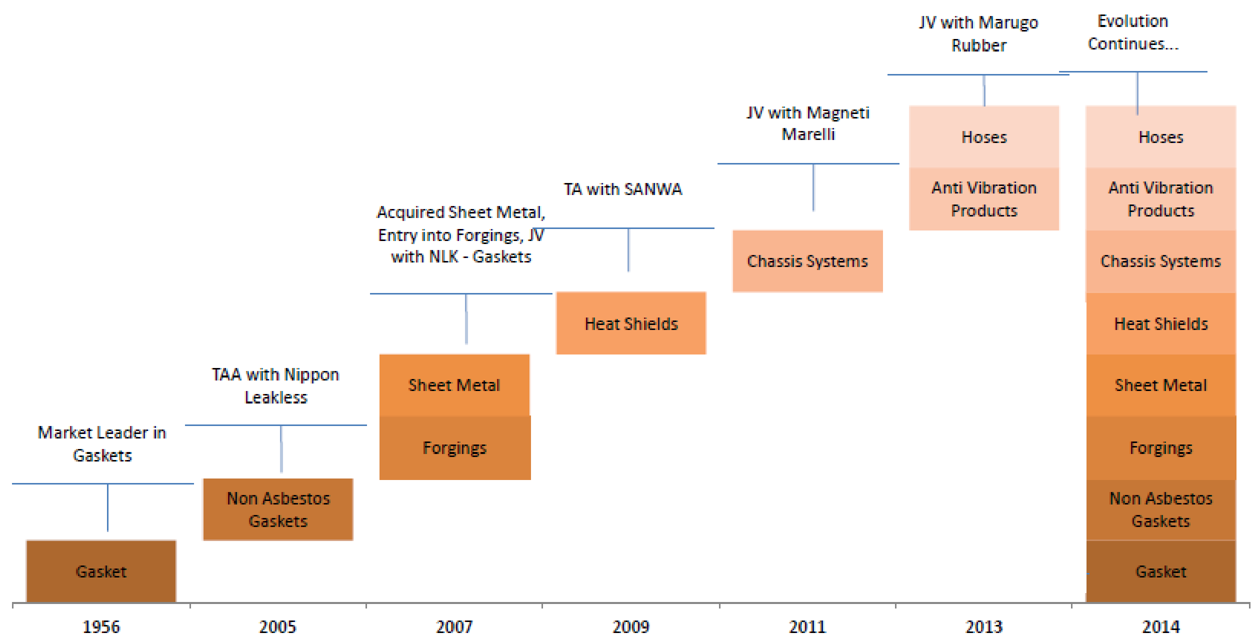
Large scale adoption of EV could render many of the company's products obsolete as gaskets are not required to the same extent in EVs.

## Company Background:

TACL is a respectable name in the Automotive and Industrial Gaskets manufacturing space. Commencing its journey in 1956, it has been successfully carving out a space for itself in products such as gaskets, heat shields, forgings, suspension systems and modules, anti-vibration components and hoses, directly supplying finished products to OEM customers. In FY24, OEMs accounted for 63% of revenue and exports contributed to ~25%. Amongst vehicle segment 2/3 wheelers, passenger cars and M&HCV constitute 19/34/24% of sales in FY24 with the balance from Agri & Offroad and others.

With diversified products, TACL caters to the largest automobile OEM segment, which includes passenger vehicles, commercial vehicles, two-wheelers, three-wheelers, Agri, offroad, industrial, among others.

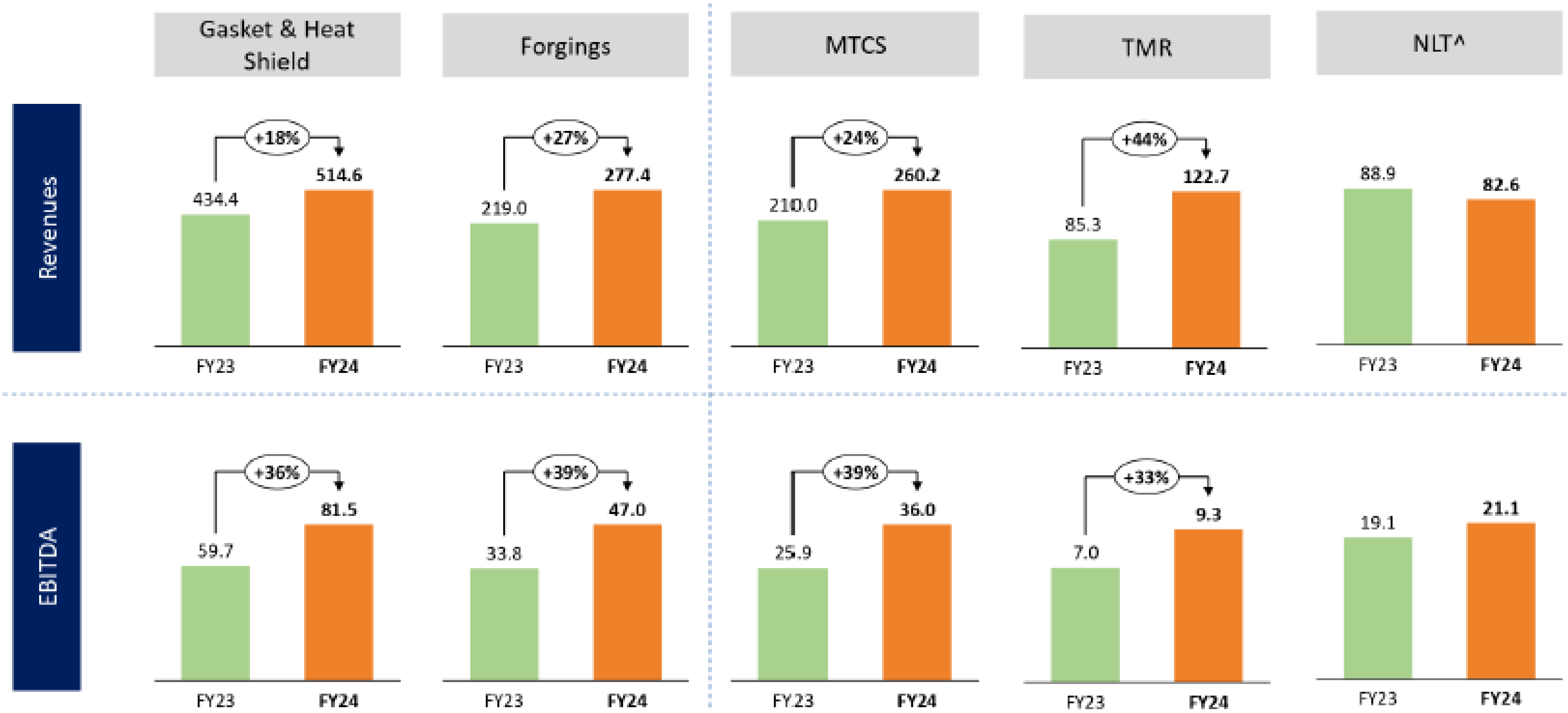
*Evolving product portfolio*




*(Source: Company)*

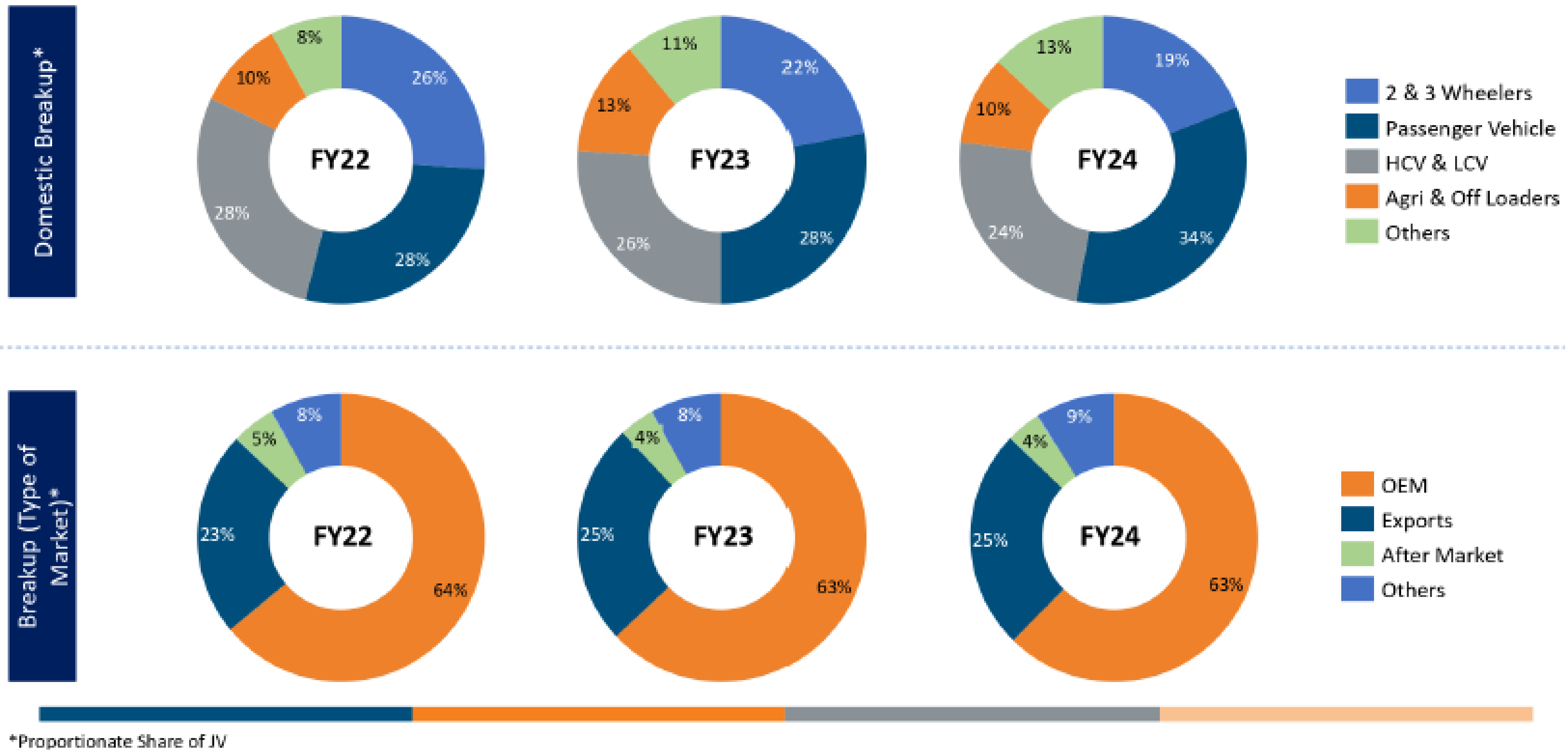
Talbros's multi-technological capabilities and integrated offerings combined with its product quality and strategic partnership with global brands such as Nippon Leakless Talbros Pvt. Ltd (now exited), Marelli Talbros Chassis Systems Pvt. Ltd. and Talbros Marugo Rubber Pvt. Ltd. has made it a preferred vendor for large corporates in and outside India.

*FY24 Consolidated Performance (Rs cr)*




(Source: Company)

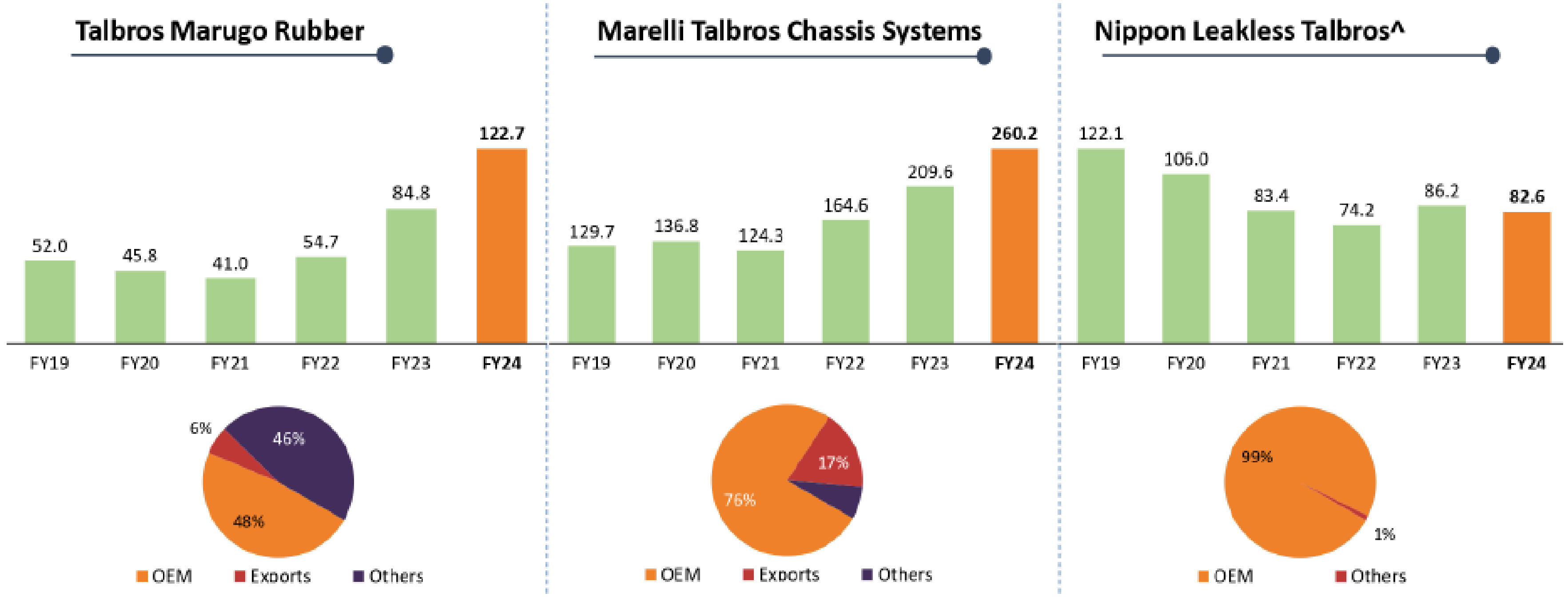
*Revenue split*




(Source: Company, HDFC sec)

# Talbros Automotive Components Ltd.

*JV's Performance Highlights*




Note: Revenue from supply to EV in FY24 stood at Rs. 5.23 Crs

* Divested in Jan'24 *(Source: Company)*

### Financials

#### Income Statement

| (Rs cr) | FY22 | FY23 | FY24 | FY25E | FY26E |
|---|---|---|---|---|---|
| **Net Revenues** | **577** | **647** | **778** | **919** | **1089** |
| ***Growth (%)*** | ***30.0*** | ***12.1*** | ***20.3*** | ***18.1*** | ***18.5*** |
| Operating Expenses | 502 | 560 | 664 | 781 | 921 |
| **EBITDA** | **75** | **87** | **115** | **138** | **168** |
| ***Growth (%)*** | ***35.6*** | ***15.6*** | ***31.3*** | ***20.2*** | ***21.7*** |
| ***EBITDA Margin (%)*** | ***13.1*** | ***13.5*** | ***14.7*** | ***15.0*** | ***15.4*** |
| Depreciation | 23 | 24 | 26 | 29 | 33 |
| Other Income | 8 | 6 | 13 | 12 | 14 |
| **EBIT** | **60** | **70** | **101** | **121** | **149** |
| Interest expenses | 12 | 11 | 13 | 13 | 12 |
| **PBT** | **49** | **58** | **131** | **107** | **137** |
| Tax | 11 | 15 | 37 | 27 | 35 |
| **PAT** | **37** | **44** | **94** | **80** | **102** |
| Share of Asso./Minority Int. | 8 | 12 | 16 | 16 | 20 |
| **Adj. PAT** | **45** | **56** | **80** | **96** | **122** |
| ***Growth (%)*** | ***14.6*** | ***23.9*** | ***43.2*** | ***21.1*** | ***27.0*** |
| EPS | 7.3 | 9.0 | 12.9 | 15.6 | 19.8 |

#### Balance Sheet

| As at March (Rs cr) | FY22 | FY23 | FY24 | FY25E | FY26E |
|---|---|---|---|---|---|
| **SOURCE OF FUNDS** | | | | | |
| Share Capital | 12 | 12 | 12 | 12 | 12 |
| Reserves & Surplus | 256 | 310 | 525 | 616 | 731 |
| **Shareholders' Funds** | **268** | **322** | **537** | **628** | **744** |
| Minority Interest | 0 | 0 | 0 | 0 | 0 |
| Total Debt | 89 | 87 | 99 | 81 | 61 |
| Net Deferred Taxes | 11 | 15 | 33 | 33 | 33 |
| Other Non-curr. Liab. | 0 | 1 | 1 | 2 | 2 |
| **Total Sources of Funds** | **369** | **425** | **671** | **744** | **840** |
| **APPLICATION OF FUNDS** | | | | | |
| Net Block & Goodwill | 157 | 171 | 212 | 234 | 258 |
| CWIP | 3 | 5 | 7 | 6 | 5 |
| Investments | 64 | 81 | 186 | 201 | 221 |
| Other Non-Curr. Assets | 9 | 9 | 81 | 75 | 88 |
| **Total Non Current Assets** | **233** | **266** | **486** | **516** | **571** |
| Inventories | 114 | 133 | 127 | 164 | 194 |
| Debtors | 151 | 169 | 210 | 242 | 280 |
| Cash & Equivalents | 5 | 8 | 5 | 5 | 5 |
| Other Current Assets | 32 | 35 | 28 | 40 | 45 |
| **Total Current Assets** | **303** | **344** | **371** | **451** | **525** |
| Creditors | 153 | 169 | 168 | 201 | 233 |
| Other Current Liab & Provisions | 14 | 17 | 18 | 21 | 23 |
| **Total Current Liabilities** | **167** | **186** | **186** | **222** | **256** |
| Net Current Assets | 136 | 158 | 185 | 229 | 269 |
| **Total Application of Funds** | **369** | **425** | **671** | **744** | **840** |

### Cash Flow Statement

| (Rs cr) | FY22 | FY23 | FY24 | FY25E | FY26E |
|---|---|---|---|---|---|
| PBT | 56 | 70 | 147 | 124 | 157 |
| Non-operating & EO items | -7 | -13 | -61 | 6 | -13 |
| Interest Expenses | 11 | 11 | 12 | 13 | 12 |
| Depreciation | 23 | 24 | 26 | 29 | 33 |
| Working Capital Change | -13 | -21 | -34 | -44 | -40 |
| Tax Paid | -18 | -15 | -23 | -27 | -35 |
| **OPERATING CASH FLOW ( a )** | **52** | **57** | **67** | **101** | **114** |
| Capex | -32 | -38 | -58 | -50 | -55 |
| Free Cash Flow | 20 | 18 | 9 | 51 | 59 |
| Investments | 0 | 0 | 0 | -15 | -20 |
| Non-operating income | 6 | 1 | 6 | 0 | 0 |
| **INVESTING CASH FLOW ( b )** | **-25** | **-37** | **-52** | **-65** | **-75** |
| Debt Issuance / (Repaid) | -11 | -2 | -1 | -18 | -20 |
| Interest Expenses | -12 | -11 | -13 | -13 | -12 |
| FCFE | 3 | 6 | 1 | 6 | 7 |
| Share Capital Issuance | 0 | 0 | 0 | 0 | 0 |
| Dividend | -4 | -3 | -4 | -6 | -7 |
| Others | 0 | 0 | -1 | 0 | 0 |
| **FINANCING CASH FLOW ( c )** | **-27** | **-16** | **-18** | **-36** | **-39** |
| **NET CASH FLOW (a+b+c)** | **0** | **3** | **-3** | **0** | **0** |

### Key Ratios

| | FY22 | FY23 | FY24 | FY25E | FY26E |
|---|---|---|---|---|---|
| **Profitability Ratios (%)** | | | | | |
| EBITDA Margin | 13.1 | 13.5 | 14.7 | 15.0 | 15.4 |
| EBIT Margin | 10.4 | 10.8 | 13.0 | 13.1 | 13.7 |
| APAT Margin | 7.8 | 8.6 | 10.2 | 10.5 | 11.2 |
| RoE | 17.4 | 18.8 | 18.5 | 16.5 | 17.9 |
| RoCE | 17.5 | 18.2 | 19.4 | 17.9 | 19.7 |
| **Solvency Ratio (x)** | | | | | |
| Net Debt/EBITDA | 1.1 | 0.9 | 0.8 | 0.6 | 0.3 |
| Net D/E | 0.3 | 0.2 | 0.2 | 0.1 | 0.1 |
| **PER SHARE DATA (Rs)** | | | | | |
| EPS | 7.3 | 9.0 | 12.9 | 15.6 | 19.8 |
| CEPS | 11.0 | 12.8 | 17.1 | 20.4 | 25.2 |
| BV | 43.5 | 52.2 | 87.0 | 101.7 | 120.4 |
| Dividend | 0.5 | 0.6 | 0.7 | 0.9 | 1.1 |
| **Turnover Ratios (days)** | | | | | |
| Inventory days | 97 | 90 | 89 | 90 | 88 |
| Debtor days | 68 | 70 | 61 | 58 | 60 |
| Creditors days | 96 | 91 | 79 | 73 | 73 |
| **VALUATION (x)** | | | | | |
| P/E | 48.1 | 38.8 | 27.1 | 22.4 | 17.6 |
| P/BV | 8.0 | 6.7 | 4.0 | 3.4 | 2.9 |
| EV/EBITDA | 29.7 | 25.6 | 19.6 | 16.1 | 13.0 |
| EV/Revenues | 3.9 | 3.5 | 2.9 | 2.4 | 2.0 |
| Dividend Yield (%) | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 |
| Dividend Payout (%) | 6.9 | 6.7 | 5.4 | 5.8 | 5.5 |

*(Source: Company, HDFCsec Research)*

Price chart


**HDFC Sec Retail Research Rating description**

**Green Rating stocks**

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

**Yellow Rating stocks**

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

**Red Rating stocks**

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicality of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

**Disclosure:**

I, **Atul Karwa, Research Analyst, MMS,** author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

**Any holding in stock – No**

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

**Disclaimer:**

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from 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. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

**HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066**

**Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600**

**For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400**

**HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Atul Jagdish Karwa

Digitally signed by Atul Jagdish Karwa
Date: 2024.07.22 08:21:00 +05'30'