

March 15, 2010

BUY

MEDIUM RISK

PRICE Rs.197

TARGET Rs.270

## POWER ANCILLARY

### SHARE HOLDING (%)

Promoters	65.7
FII	2.6
FI / MF	18.1
Body Corporates	1.5
Public & Others	12.2

### STOCK DATA

Reuters Code	BJEL.BO	
Bloomberg Code	BJE.IN	
BSE Code	500031	
NSE Symbol	BJEL.NS	
Market Capitalization*	Rs.19,188 mn US\$ 422 mn	
Shares Outstanding*	98.4 mn	
52 Weeks (H/L)	Rs.221/28	
Avg. Daily Volume (6m)	53,891 Shares	
Price Performance (%)		
1 M	2M	3M
12	25	57
200 Days EMA: Rs. 140		

\*On fully diluted equity shares

Part of  Bonanza



### ANALYST

Viral Shah | +91 22 4093 5045  
[viral.shah@sushilfinance.com](mailto:viral.shah@sushilfinance.com)

### SALES:

Devang Shah | +91 22 4093 6060/61  
[devang.shah@sushilfinance.com](mailto:devang.shah@sushilfinance.com)

Nishit Shah | +91 22 4093 5074  
[nishit.shah@sushilfinance.com](mailto:nishit.shah@sushilfinance.com)

Bajaj Electricals Ltd. (BEL) a 70 year old company, is a part of US\$5.5 bn Bajaj Group. The company has six strategic business units – Engineering & Projects, Appliances, Fans, Luminaires, Lighting and product range from Morphy Richards. Its Engineering & Projects as well as the Appliances business unit have been growing at a strong pace and are expected to continue its momentum. The company has a strong brand and distribution network spread across different parts of the country. We expect that the net sales to grow at a CAGR of 23% over next three years & APAT to grow at a CAGR of 35% over next three years.

### Best of Both the worlds – Engineering & Projects (E&P) and Electrical Consumer Durables

BEL has identified E&P as the key areas for its future growth. It E&P business has grown at a CAGR of 31% over the last four years and contributed more than 25% to its total revenues. The segment's order backlog at Dec 2010 end stands at Rs. 8.35 bn. We expect this segment's gross sales to grow at 45.7%, 35.2% and 37.2% over FY10, FY11 and FY12, resp. BEL is also a dominant player of small appliances business in India and is leveraging its tie-up with global majors like Morphy Richards (UK) and Nardi (Italy).

### Strong Distribution network, brand positioning and after sales service

BEL has a strong network having 19 branch offices, a chain of 600 distributors, 5000 authorized dealers, over 300,000 retail outlets and over 240 service centers spread across the country. The company has an edge above the MNC's and Chinese players due to its after sales service, which is one of its core strengths. The company has created a strong brand in consumer durables and lighting business over last seven decades and has also entered the Modern Retail Format and Corporate Sales in a big way with a dedicated team, focused on this business.

### Research & Marketing driven business model with manufacturing being outsourced

BEL is a research based organization wherein the main focus is on the research and marketing activities. Almost 70% of the manufacturing gets outsourced. It has established R&D facilities for testing and quality checking. It has an in-house designing & development facilities for fans, lighting, civil & structural engineering and electrical systems.

### Net sales & APAT to grow at CAGR 23% & 35% over next three years

BEL's sales grew by a CAGR of 28% to Rs.22,305.2 mn over past four years. We expect net sales to grow at a CAGR of 23% over next three years. We expect the EBITDA margins to remain around 10-11% on back of company's cautious approach in bidding for E&P projects which meet their margin requirement. We expect its APAT to grow at a CAGR of 35% over next three years.

### OUTLOOK & VALUATION

Indian GDP is expected to grow at about 7% on back of strong industrial performance and domestic consumption. The Company has a balanced business portfolio which is both consumer centric and infrastructure oriented and spread across various seasons. Its strong distribution network, brand positioning, large service infrastructure makes us confident that the company is capable of maintaining its pace of growth that it has showcased in the past. Its strong balance sheet and financials gives us further confidence that it will be able to achieve a CAGR growth of 23% over next three years. At CMP of Rs. 197 the stock is trading at 12.3 x & 8.7 x its FY11E & FY12E EPS respectively. Thus we are initiating coverage on the stock with a target of Rs. 270 (12x its FY12E EPS).

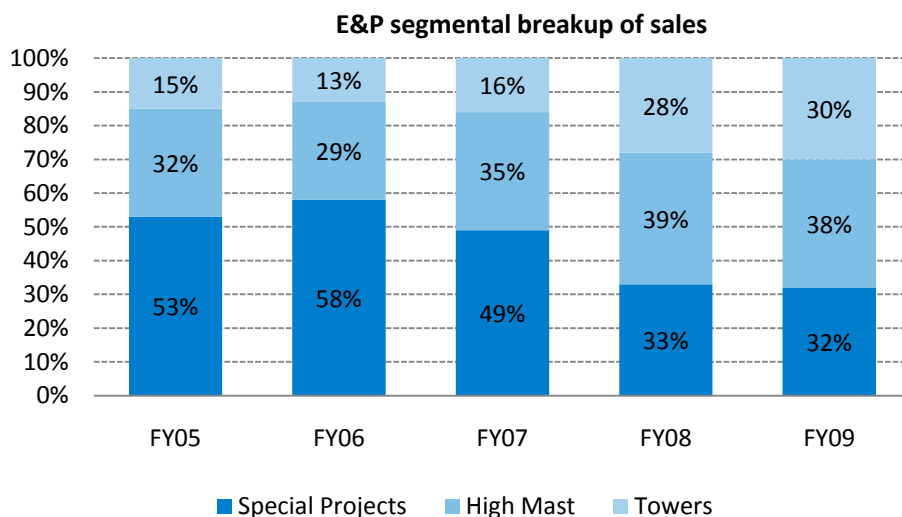
### KEY FINANCIALS

Y/E	Revenue (Rs mn)	APAT (Rs mn)	AEPS (Rs)	AEPS (% Ch.)	P/E (x)	ROCE (%)	ROE (%)	P/BV (x)
Mar								
FY09	17705	893	52	22	19.1	26	43	6.9
FY10E *	22305	1217	12	(76)	15.8	28	42	5.6
FY11E	27212	1560	16	28	12.3	29	39	4.2
FY12E	33199	2198	23	41	8.7	33	40	3.1

\*Stock split from Rs. 10 to Rs. 2

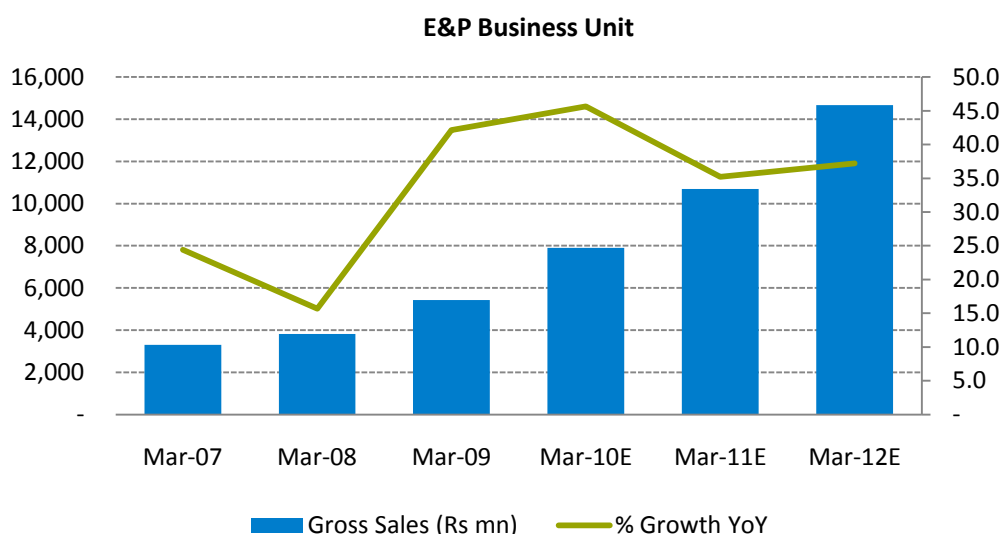
**Best of both the worlds – Engineering & Projects and Consumer Durables**  
**High margin Engineering & Projects business gaining traction**

BEL has identified E&P as the key areas of for its future growth. Its E&P business has grown at a CAGR of 31% over the last four years and contributed more than 25% to its total revenues. It has three main business units under this segment viz. Special projects, High mast and Towers.



Source: Company

Its special projects business unit grew at a CAGR of 56%, High mast grew at a CAGR of 36% and Towers grew at CAGR of 15% over past three years. We expect this segment's gross sales to grow at 45.7%, 35.2% and 37.2% over FY10, FY11 and FY12, respectively.



Source: Company and Sushil Finance Research Estimates

### E& P Business Units CAGR over four years

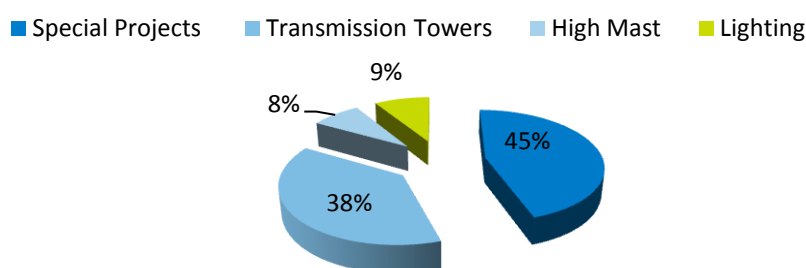
E&P	Special Projects	High Mast	Towers
CAGR (over 4 years)	56%	36%	15%

Source: Company

### Order book for E&P segment and its breakup

The E&P segment is the primary focus for growth during the next few years. The segment's order backlog at Dec 2010 end stands at INR 8.35 bn (i.e., 1.6x FY09 earnings from the division). Special projects, transmission towers and high mast comprised 45.3%, 38.4% and 8% of the order backlog, respectively, with the balance in lighting projects.

#### Orderbook as on Dec 2009



Source: Company

Strong growth in the E&P segment is likely to be driven by huge spending (Rs. ~300 bn over FY10-12E and Rs. 6,401 bn over the 12<sup>th</sup> plan) expected in the power transmission and distribution (T&D) space during the current Five Year Plan. Though competition is expected to increase in EPC for the transmission tower market, we believe the market size will be large enough to accommodate new players like BEL.

### Key Industry growth drivers

#### Special Projects

- Huge Investments expected in Power and Infrastructure sector
- Electricity connections to 800 mn households in 125,000 villages will be given in 5 yrs under RGGVY – investment of Rs. 1,200 bn
- Major opportunities in Rural electrification and Transmission Line Towers
- Airport Authority of India to develop 25 non metro Airports
- Construction of IT parks / BPO / Shopping Mall / Special Economic Zones

#### High Mast & Poles

- Jawaharlal Nehru National Urban Renewal Mission within 7 yrs- 23 cities to be transformed involving an investment of Rs. 400 bn.

#### Towers

- 60000 CKM transmission network to be added by 2012.
- Present capacity of power transfer to be increased from 9000 MW to 30000 MW – Investment of Rs. 2,000 bn.
- 350,000 TCT by 2010 –investment of Rs. 1,050 bn.

### Special Projects

BEL undertakes turnkey lighting, airport lighting, sports lighting, and rural electrification under this sub-segment. BEL has won 15 out of the 18 stadium lighting contracts that were awarded. The major among them were Wankhede Stadium for ICC World Cup that will take place in 2011 and the 2010 Commonwealth Games slated to be held in Delhi. As per the company estimates, it commands 70% market share in Sports lighting project and Power plant projects. This sub-segment contributes about 30% of the revenues to the E&P business segment. Its major clients include NTPC, BHEL, SEBs and AAI. It has also entered into a technical arrangement with Abacus, UK for sports lighting.

### High Masts and Poles

BEL designs, supplies, erects and commissions high masts, signages and street light poles. As per the company estimates, it commands a market share of 65% in the High Masts and Poles Segment. This sub-segment contributes about 38% of the revenues to the E&P business segment. BEL's major customers include the Reliance group, L&T, Siemens, HPCL, BPCL and Municipal Corporations. Its major competitors in this business are Philips, Crompton and BP Projects.

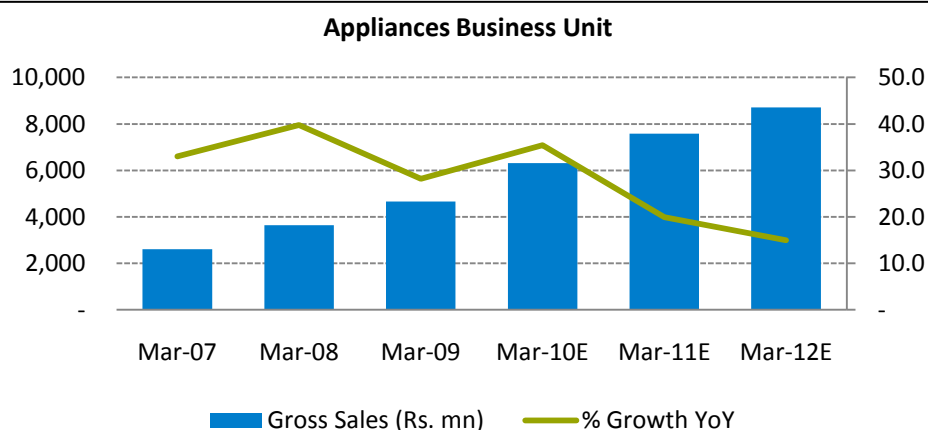
### Towers

BEL designs, supplies, erects and commissions transmission lines, telecommunication towers and monopoles. This sub-segment contributes about 32% of the revenues to the E&P business segment. BEL's major customers are PGCIL, BHEL, GTL and Tata Teleservices.

### Dominant player in the domestic market of small appliances

#### Appliances

BEL operates in a range of products under BU of appliances. The consumer durable mainly includes small electrical appliances such as Mixers Grinders, Juicers, Food Processors, Water Heaters, Air Coolers, Iron, Ovens Toasters Grillers (OTG), Room Heaters ,Toasters & S/W makers, Hand Blenders, Water Filters, Microwave Ovens, Gas stoves, Purifiers & Filters, Ovens, Stoves, Electric Kettles and Coffee / Tea Makers. The Company has a tie-up with global majors like Morphy Richards (one of the largest appliances company in the UK) and Nardi (an Italian household appliances company) for gas appliances and cooking range. It enjoys a market share in the range of 15-30% across various categories of appliances. This segment has achieved a turnover of Rs.4665 mn with a growth of 28% in FY09 and it now continues to remain a dominant No.1 player in small appliances industry. It sold nearly 4.9 mn pieces in FY09 (meaning one piece sold in every 4 seconds). We expect the sales to grow at 20% and 15.5% for FY11 and FY12, respectively.



Source: Sushil Finance Research Estimates and Company

The Morphy Richards brand has achieved sales of Rs. 570 mn inspite of intense competition from international premium brands. It is a leading brand in the premium segment with growth of 25% and CAGR of 37%.

Home appliances Products	Market share (%)
Iron	20
OTG	30
Mixer	20
Water heater	20

Source: Company

The company competes with companies such as Philips, Kenstar, Usha, Maharaja, Marloni, Sumeet and BPL in the small range of appliances. Further, it has launched its own brand Platini in the premium segment, strengthening its position in a category where it has been able to create a niche.

#### Business strategy

- Introduction of new models in Mixers, Water Heaters, Iron & Coolers.
- Continue Network expansion and rural penetration.
- Improve presence in organized retail.
- Ensure success of brand Platini, Gas Appliances and New products such as Home Inverters, DVD players.

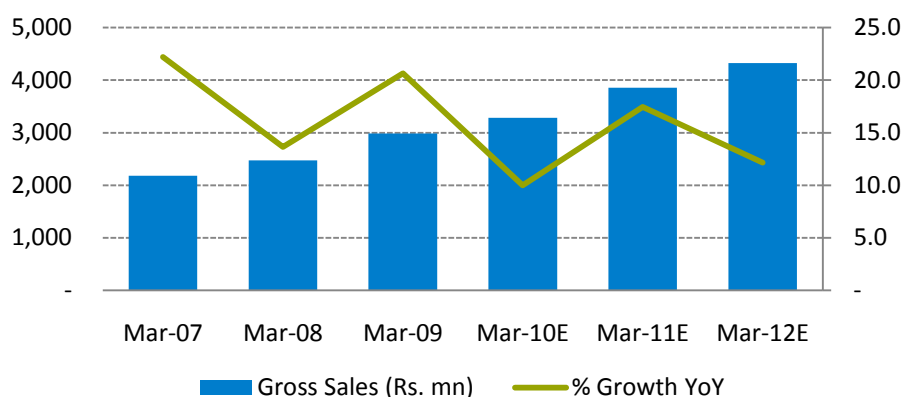
#### Key industry growth drivers

- Increase in purchasing power of Indian middle class and rapid urbanization.
- Sales in unorganized segment will shift to organized segment as prices reduce.
- Organized retail will improve shopping experience and brand presence.

#### Fans

The Fans BU has an attractive range of ceiling, table, pedestal, wall mounted, exhaust and fresh air fans, in various sizes and colours. BEL enjoys a market share of 16% in the Domestic Fans Industry and has a leadership position in the Premium segment. The Fans BU has done exceedingly well by achieving a turnover of around Rs.2986 mn with a growth of 20% and a CAGR of 20% against the industry growth which was below 5%. The BU has sold nearly 3.2 mn fans against 2.7 mn fans last year. We expect sales to grow by 17.4% and 12.2% in FY11 and FY12, respectively.

Fans Business Unit



Source: Sushil Finance Research Estimates and Company

The BU has many successes to its credit in terms of introduction of new models, gains in market and shop shares in key counters. Today, the most noted in the industry is the Fans BU's very successful Bajaj Fans Privilege Club Program and also the Dealers Star Club program. The Industry saw an innovation in marketing as Bajaj Fans entered into the kids fan category with Bajaj-Disney fans. Further it also tied up with China-based Midea (world's largest fan company).

The BU also entered into another diversification in mono-block domestic pumps business. The year 2008-09 saw the introduction of air-circulators and motors, which are new venture in the industrial fans business. This year, the BU will also focus on industrial products covering the wide range of industrial exhaust fans, motors, air-circulators, generators, etc. Its competitors in the segment include Crompton, Usha, Orient, Khaitan, Polar and Havells.

**Business strategy**

- Introduction of new models in Premium/ Decorative and Under-Light fans, Fans decorated with more Disney Characters, Remote controlled Fans.
- Focus on Pumps, Motors and Industrial fans.
- Expand dealer network, rural penetration and presence in institutional segment.

**Key industry growth drivers**

- Construction and housing industry revival.
- Replacement market will improve due to Consumer boom.
- With tax reforms, sales from unorganized segment will shift to organized segment as prices will be lower.

**Lighting & Luminaires**

The lighting segment includes mainly lamps and luminaires. The Lamps include GLS Lamps, Fluorescent tube lights, Compact Fluorescent Lamps and Luminaires include Domestic Luminaires, Ballasts & Starters and LED Torches. The manufacturing of GLS and FTL lamps is undertaken at Hind Lamps Ltd., an associate company of BEL, located in U.P. The equity investment in Starlite Lighting, a CFL manufacturer has added to the CFL marketing strength. The plant makes world class products on one of its kind Swiss 'Falma' machine and is in the process of installing the world's fastest GE chain for production of CFLs. The company's competitors in lighting include Philips, Crompton, Surya, Wipro, Osram & Havells.

The Lighting BU has done well and despite competition, has achieved a turnover of Rs.2104 mn with a growth of 18% and a CAGR of 25%. The CFL segment continues to register a strong growth due to greater adoption of energy saving lamps. The CFL sales, as a product segment, have touched Rs.1000 mn mark in 2008-09. The BU has bagged prestigious orders from both Government and private undertakings in 2008-09 and has also created an order book for the year 2009-10 in the CFL category.

The lighting industry in India is growing at nearly 17-18% per annum over the last two to three years to an annual turnover of + Rs. 75,000 mn.

Category	Rs. mn			
	2005	2006	2007	2008
GLS Lamps	6000	6900	7250	6900
FTL	11000	12100	12700	12310
CFL	7000	8300	11620	15100
Special Lamps	4000	4400	5600	5960
Other Lamps (incl. Mini/Auto, solar, etc.)	2000	2200	2300	2500
Luminaires	9000	10000	11200	14000
Control Gears and High Masts	2000	2100	2480	3500
Accessories	2000	2050	2360	2550
Components	2000	2200	2600	2850
<b>Total</b>	<b>45000</b>	<b>50600</b>	<b>57110</b>	<b>65670</b>

Source: Elcoma

The CFL market in India is complex, comprising of 12 major brands and hundreds of small players. About 40 to 50 % of the market is dominated by the unorganized sector. The industry depends on large amounts of imports, with even branded products using large amounts of imported components. It is the unorganized and import-based nature of the industry which makes the regulatory and quality control challenge difficult but critical. It therefore becomes important to set the best standards for power factor for these high-end appliances and ensure their certification for quality. BEL holds 10% market share in GLS, 7% in FTL and 6% in CFL.

Category	Quantity Mn pcs			
	2005	2006	2007	2008
Incandescent Lamps	7110	7570	7790	7340
Fluorescent Lamps	1800	1860	1900	1860
Compact Fluorescent Lamps	670	1000	1400	1990
Special Lamps	100	140	170	210

Source: Elcoma

The BU continues to promote the premium end Trilux Luminaires from Germany. Trilux business was very successful last year with major orders from Delhi PWD for street lighting for the Common Wealth games, Volkswagen factory, etc. As a part of the strategic diversification in product lines, the BU has entered into a new business line i.e. IBMS (Integrated Intelligent Building Management Systems). This covers HVAC Controls, Fire, Access and Security controls, managed by a BMS. The BU has tied up with two major partners i.e. Securiton of Switzerland and Delta Controls of Canada to offer the latest and cutting edge BAC Net technology to its institutional customers. This venture will provide a competitive edge to the Company and the Company will now be looked upon by customers for end-to-end solutions in total energy management, lighting and controls of buildings and facilities.

### **Major Customers**

- Industrial: TATA Group, Reliance Group, Reliance ADAG, L&T, Aditya Birla Group, Siemens, ABB.
- Government Clients: Airport Authority of India, Container Corporation of India, State Electricity Boards, NTPC, Municipal Corporations & Councils, MSRDC, BEST, DAE.

### **Business strategy for lighting**

- Network expansion and consolidation in Kirana segment, Modern Retail formats.
- Focus on CFL since demand for GLS and FTL is not growing fast.
- Significant capacity expansion in Starlite Lighting.
- Motivate consumers to shift to energy saving lamps.

### **Key industry growth drivers for lighting**

- High growth in CFL due to reduced prices and energy conservation drive at residential, commercial and government level.
- Greater focus on Environment and Climate change amongst Consumers.
- Rural electrification and higher Power availability will spur future demand.

### **Business strategy for luminaires**

- Focus on new segments IT/BPO/Retail/Healthcare/Pharma.
- Promote products to builders / Electrical Consultants / Architect segment.
- Introduction of new products with LED light source.
- Focus on energy efficiency products and Green Building applications.

### **Key industry growth drivers for luminaires**

- Rapid urbanization, emerging segments like retail formats, malls, showrooms, IT parks, tourism, services.
- Govt. and Private sector spending on infrastructure.



### Strong distribution network, brand positioning and after sales service

BEL has a strong network with 19 branch offices, a chain of 600 distributors, 5000 authorized dealers, over 300,000 retail outlets and over 240 service centers spread across the country. The company has an edge above the MNC's and Chinese players due to its after sales service, which is one of its core strengths.



Source: Company

The company has created a strong brand in consumer durables and lighting business over last seven decades and has also entered the Modern Retail Format and Corporate Sales in a big way with a dedicated team, focused on this business. Bajaj fans are sold in almost 45,000 outlets in the country and it is poised to take advantage of its unique position in the industry. The lighting BU has continued to improve its retail presence by expanding its network and reaching to over 250,000 outlets. It has successfully implemented a Super Distributor strategy and has increased the reach in Tier III & Tier IV towns.

### Research & Marketing driven business model with manufacturing being outsourced

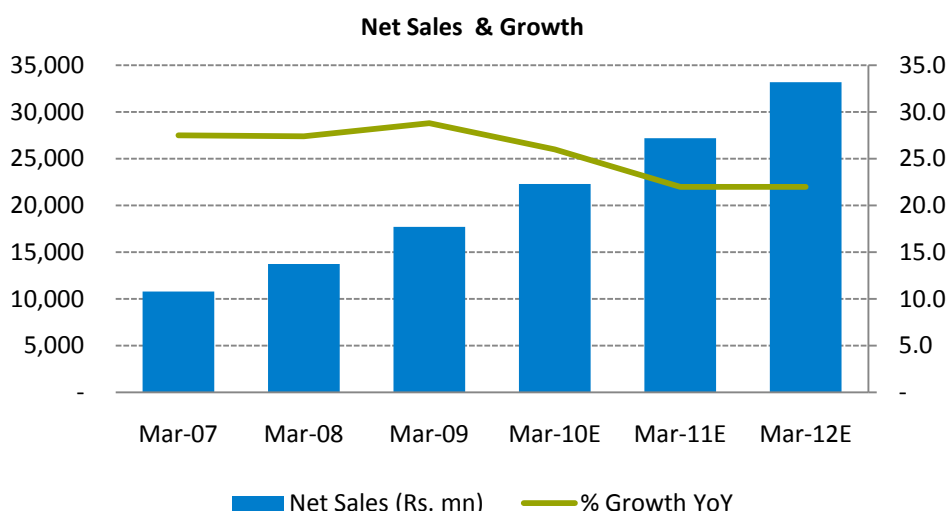
BEL is a research based organization wherein the main focus is on the research and marketing activities and almost 70% of the manufacturing gets outsourced. It has established R&D facilities for testing and quality checking. It has an in-house designing & development facilities for fans, lighting, civil, and structural engineering and electrical systems.

The range of new products introduced by the company clearly depicts the strategy of the company's management.

- The year 2008-09 saw the introduction of Air-circulators and motors, which are new venture in the industrial fans business. The BU will also focus on industrial products covering the wide range of industrial exhaust fans, motors, air-circulators, generators, etc.
- As a part of the strategic diversification in product lines, the BU has entered into a new business line i.e. IBMS (Integrated Intelligent Building Management Systems). This covers HVAC Controls, Fire, Access and Security controls, managed by a BMS.
- The BU successfully launched LED based luminaires for landscape & decorative lighting under the brand name "Green".

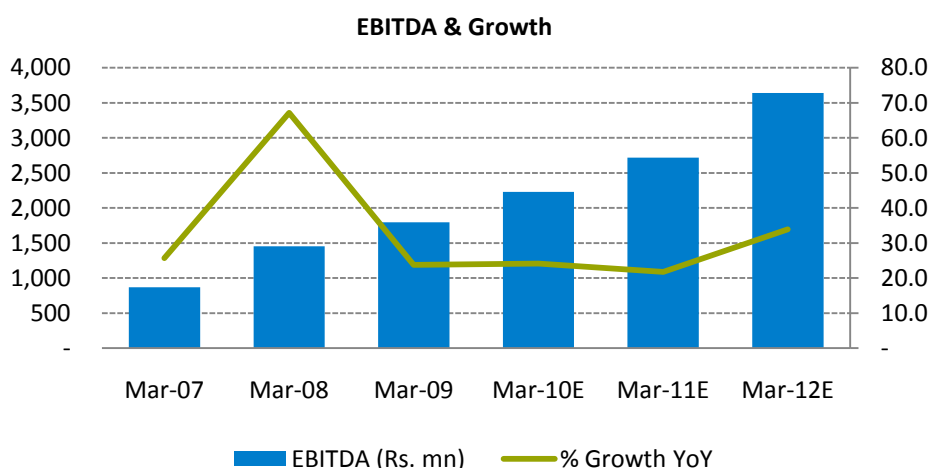
### Net Sales & APAT to grow at CAGR 23% & 35% resp. over next three years

BEL's sales grew by a CAGR of 28% to Rs.22,305.2 mn over past four years. This was on back of robust growth contributed by all the three business segments viz. E&P, Lighting and Consumer durables. We believe that the company will grow at a CAGR of 23% over the next three years. We have assumed a CAGR sales volume growth of 9.3%, 5.2%, 34% and 32% for lighting, luminaires, E&P business & appliances (including fans), respectively. On an overall basis we expect net sales to grow at a CAGR of 23% over next three years.



Source: Company and Sushil Finance Research Estimate

We expect the EBITDA margins to remain around 10-11% on back of company's cautious approach in bidding for E&P projects which meet their margin requirement. We expect its APAT to grow at a CAGR of 35% over next three years.



Source: Company & Sushil Finance Research Estimate

### Peer Comparison

	Year	Price (Rs.)	Net Sales (Rs. mn)	PAT (Rs. mn)	O.Profit (Rs. mn)	ROE (%)	EPS (Rs.)	P/E (x)
BEL	FY10E	200	22305	1217	2232	41.6	12.5	16.0
Havells*	FY10E	550	24488	2164	3110	24.9	35.7	15.4

Source: Sushil Finance Estimates and \*Standalone BLOOMBERG consensus

### Risks & Concerns

- Higher orders as an EPC player in transmission space can put pressure on BEL margins but the company due to its internal policy of bidding for higher margin projects will be protected from the margin pressures.
- Increased competition in the consumer durables segment could erode company's market share in future.
- BEL operates in industries where there are large unorganized players. Pricing competition in the industry can put pressure on its margins.

### OUTLOOK & VALUATION

Indian GDP is expected to grow at about 7% on back of strong industrial performance and domestic consumption. The Company has a balanced business portfolio which is both consumer centric and infrastructure oriented and spread across various seasons. Its strong distribution network, brand positioning, large service infrastructure makes us confident that the company is capable of maintaining its pace of growth that it has showcased in the past. Its strong balance sheet and financials gives us further confidence that it will be able to achieve a CAGR growth of 23% over next three years. At CMP of Rs. 197 the stock is trading at 12.3 x & 8.7 x its FY11E & FY12E EPS respectively. Thus we are initiating coverage on the stock with a target of Rs. 270 (12x its FY12E EPS).

**PROFIT & LOSS STATEMENT**

Rs.mn

Y/E March	FY09	FY10E	FY11E	FY12E
<b>Net Sales</b>	<b>17705</b>	<b>22305</b>	<b>27212</b>	<b>33199</b>
Raw materials	13149	16149	19675	23638
Staff Cost	771	972	1224	1543
Other Expenses	1987	2953	3596	4380
<b>PBIDT</b>	<b>1798</b>	<b>2232</b>	<b>2718</b>	<b>3639</b>
Interest	370	350	297	247
Depreciation	85	102	117	129
Other Income	57	34	21	12
PBT incl OI	1400	1814	2324	3275
<b>Tax</b>	<b>507</b>	<b>597</b>	<b>765</b>	<b>1078</b>
<b>APAT</b>	<b>893</b>	<b>1217</b>	<b>1560</b>	<b>2198</b>
Extraordinary adj.	2	1	-	-
<b>RPAT</b>	<b>891</b>	<b>1217</b>	<b>1560</b>	<b>2198</b>

**BALANCE SHEET STATEMENT**

Rs.mn

Y/E March	FY09	FY10E	FY11E	FY12E
Share Capital	173	195	195	195
Reserves & Surplus	2249	3181	4376	6059
ESOPs	28	28	28	28
<b>Net Worth</b>	<b>2450</b>	<b>3404</b>	<b>4599</b>	<b>6282</b>
Total Loan funds	2139	2287	1961	1570
Deferred Tax Liab	31	(16)	(76)	(161)
<b>Capital Employed</b>	<b>4620</b>	<b>5675</b>	<b>6484</b>	<b>7691</b>
Net Block	972	1170	1254	1325
Less: Impairment	26	26	26	26
Cap. WIP	25	10	5	5
Fixed Assets	971	1154	1233	1304
Investments	316	316	316	316
Sundry Debtors	5592	7028	8723	10915
Cash & Bank Bal	538	795	650	485
Loans & Advances	1130	1115	1361	1660
Inventory	1777	2212	2803	3562
Other Current Assets	-	-	-	-
Curr Liab & Prov	5703	6944	8601	10550
<b>Net Current Assets</b>	<b>3334</b>	<b>4205</b>	<b>4936</b>	<b>6072</b>
<b>Total Assets</b>	<b>4620</b>	<b>5675</b>	<b>6484</b>	<b>7691</b>

**KEY RATIO STATEMENT**

As on 31 <sup>st</sup> March	FY09	FY10E	FY11E	FY12E
<b>Growth (%)</b>				
Net Sales	29	26	22	22
APAT	22	36	28	41
EBITDA	24	24	22	34
<b>Profitability (%)</b>				
EBITDA Margin	10	10	10	11
Adj. PAT Margin	5	5	6	7
ROCE	26	28	29	33
ROE	43	42	39	40
<b>Per Share Data (Rs.)</b>				
Adj. EPS	52	12	16	23
Adj. CEPS	56	13	17	23
BVPS	142	35	47	64
<b>Valuations (X)</b>				
PER	19.1	15.8	12.3	8.7
PEG	0.9	(0.2)	0.4	0.2
P/BV	6.9	5.6	4.2	3.1
EV / EBITDA	10.3	9.3	7.5	5.6
EV / Net sales	0.9	0.9	0.8	0.6
Dividend Yield (%)	1.1	1.3	1.6	2.3
<b>Turnover Days</b>				
Debtors days	115	115	117	120
Creditors days	144	140	140	140
<b>Gearing Ratio (%)</b>				
Total Debt to Equity	0.9	0.7	0.4	0.2

**CASH FLOW STATEMENT**

Rs.mn

Y/E March	FY09	FY10E	FY11E	FY12E
PAT	891	1217	1560	2198
Depreciation	75	102	117	129
Chg in Deferred tax	(10)	(47)	(60)	(85)
Chg in Working cap	(102)	(615)	(875)	(1301)
<b>Cash flow from operations</b>	<b>855</b>	<b>656</b>	<b>741</b>	<b>940</b>
Chg in Gross PPE	(105)	(300)	(200)	(200)
Chg in WIP	(22)	15	5	-
Chg in Investments	(92)	-	-	-
<b>Cash flow from investing</b>	<b>(219)</b>	<b>(285)</b>	<b>(195)</b>	<b>(200)</b>
Chg in debt	(228)	148	(326)	(391)
Chg in Others	13	22	(0)	-
Dividend	(202)	(285)	(365)	(514)
<b>Cash flow from financing</b>	<b>(417)</b>	<b>(114)</b>	<b>(691)</b>	<b>(905)</b>
<b>Chg in cash</b>	<b>219</b>	<b>256</b>	<b>(144)</b>	<b>(165)</b>
<b>Cash at start</b>	<b>320</b>	<b>538</b>	<b>795</b>	<b>650</b>
<b>Cash at end</b>	<b>538</b>	<b>795</b>	<b>650</b>	<b>485</b>

Source : Company, Sushil Finance Research Estimates

## Rating Scale

This is a guide to the rating system used by our Equity Research Team. Our rating system comprises of six rating categories, with a corresponding risk rating.

### Risk Rating

Risk Description	Predictability of Earnings / Dividends; Price Volatility
Low Risk	High predictability / Low volatility
Medium Risk	Moderate predictability / volatility
High Risk	Low predictability / High volatility

### Total Expected Return Matrix

Rating	Low Risk	Medium Risk	High Risk
Buy	Over 15 %	Over 20%	Over 25%
Accumulate	10 % to 15 %	15% to 20%	20% to 25%
Hold	0% to 10 %	0% to 15%	0% to 20%
Sell	Negative Returns	Negative Returns	Negative Returns
Neutral	Not Applicable	Not Applicable	Not Applicable
Not Rated	Not Applicable	Not Applicable	Not Applicable

#### Please Note

- Recommendations with “Neutral” Rating imply reversal of our earlier opinion (i.e. Book Profits / Losses).
- \*\* Indicates that the stock is illiquid With a view to combat the higher acquisition cost for illiquid stocks, we have enhanced our return criteria for such stocks by five percentage points.

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#### Additional information with respect to any securities referred to herein will be available upon request.

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