

May 27, 2013

Kunal Sheth
kunalsheth@plindia.com
+91-22-66322257

| | Accumulate |
|----------------|-------------------|
| Rating | |
| Price | Rs96 |
| Target Price | Rs120 |
| Implied Upside | 25.0% |
| Sensex | 19,704 |
| Nifty | 5,984 |

(Prices as on May 24, 2013)
Trading data

| | |
|----------------------------|-------|
| Market Cap. (Rs bn) | 61.8 |
| Shares o/s (m) | 642.0 |
| 3M Avg. Daily value (Rs m) | 229 |

Major shareholders

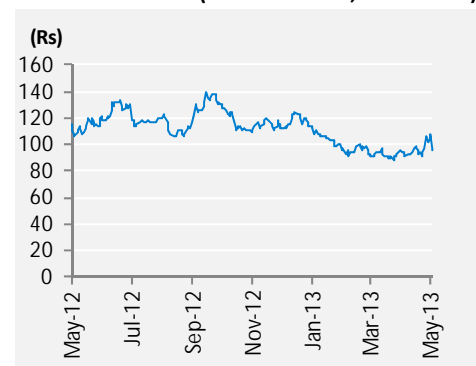
| | |
|----------------|--------|
| Promoters | 41.69% |
| Foreign | 14.85% |
| Domestic Inst. | 24.25% |
| Public & Other | 19.21% |

Stock Performance

| (%) | 1M | 6M | 12M |
|----------|-------|--------|--------|
| Absolute | 1.5 | (16.0) | (9.2) |
| Relative | (0.6) | (20.6) | (30.7) |

How we differ from Consensus

| EPS (Rs) | PL | Cons. | % Diff. |
|----------|------|-------|---------|
| 2014 | 7.7 | 7.7 | -0.2 |
| 2015 | 10.8 | 10.3 | 4.7 |

Price Performance (RIC: CROM.BO, BB: CRG IN)

Source: Bloomberg

■ **High quality improvement cost led to miss in PAT:** Crompton Greaves (CRG) reported consolidated profits of Rs247m for Q4FY13, lower than our and street estimates (PLe: Rs774m). International subsidiaries reported loss of Rs845m in Q4FY13, higher than our estimate of Rs450m. Higher-than-expected stabilization costs like quality improvement cost (high un tanking rate issue) and LDs led to losses in subsidiaries. The company incurred cost of Rs770m in the quarter related to stabilization cost (Rs3bn for FY13). CRG highlighted that stabilization cost was high in the quarter due to quality improvement related cost but most issues related to design and processes have been sorted and cost should trend downward significantly in the next two quarters. Belgium-related restructuring is completely over and most employees have parted in Q4FY13. Hence, full impact of savings in employee cost (~Rs200m/quarter) should be visible from Q1FY14. Operations in Hungary have stabilised faster-than-expected and the plant has already delivered 18 power transformers in Q4FY13 and also has been EBIT positive. Most of the incremental losses are from the Belgium and Canada plant which is expected to reduce (as benefits of restructuring and quality improvement exercise fortify and LDs reduces over the next two quarters). CRG also highlighted that various initiatives planned by the company like improved offering, global sourcing, manufacturing foot print and continuous improvement initiatives programmes have delivered cost saving/margin improvement of 225bps for FY13.

Contd...2
Key financials (Y/e March)

| | 2012 | 2013 | 2014E | 2015E |
|-----------------|---------|---------|---------|---------|
| Revenues (Rs m) | 112,486 | 120,944 | 132,782 | 147,973 |
| Growth (%) | 12.4 | 7.5 | 9.8 | 11.4 |
| EBITDA (Rs m) | 8,036 | 3,832 | 8,776 | 11,680 |
| PAT (Rs m) | 3,616 | 2,686 | 4,958 | 6,947 |
| EPS (Rs) | 5.6 | 4.2 | 7.7 | 10.8 |
| Growth (%) | (60.3) | (25.7) | 84.6 | 40.1 |
| Net DPS (Rs) | 0.9 | 1.2 | 1.2 | 1.6 |

Profitability & Valuation

| | 2012 | 2013 | 2014E | 2015E |
|------------------------|------|------|-------|-------|
| EBITDA margin (%) | 7.1 | 3.2 | 6.6 | 7.9 |
| RoE (%) | 10.5 | 7.3 | 12.9 | 16.1 |
| RoCE (%) | 9.5 | 6.2 | 9.4 | 12.0 |
| EV / sales (x) | 0.6 | 0.6 | 0.6 | 0.5 |
| EV / EBITDA (x) | 8.4 | 19.4 | 8.5 | 6.0 |
| PE (x) | 17.1 | 23.0 | 12.4 | 8.9 |
| P / BV (x) | 1.7 | 1.7 | 1.6 | 1.3 |
| Net dividend yield (%) | 1.0 | 1.2 | 1.2 | 1.7 |

Source: Company Data; PL Research

- **Strong consumer growth drive standalone sales:** CRG's standalone sales were up 6% YoY to Rs20.5bn. EBITDA margins came in at 6.9%, down 330bps YoY and PAT was down 21% YoY to Rs1bn (PLe: Rs1.2bn). Consumer segment reported robust sales growth of 23% YoY, while sales for power segment were down 11% YoY to Rs8.3bn. Sales in domestic power system were impacted due to postponement of delivery to few clients of MHV switchgears due to cash flow issues of customers. EBIT margin for power segment continued to slide and came in at 7.1% (down 240bps YoY and 80bps QoQ). The company highlighted that power system margins were impacted by overall pricing in the market as well as execution of system work of 765kv transformer (low margin part of order). EBIT margin for consumer business was also down 230bps YoY despite 23% growth in sales due to higher sales and marketing expense and higher proportion of institutional sales in overall of sales mix.
- **Subsidiary losses higher than expected:** On a consolidated basis, sales was up 10% YoY to Rs33bn (PLe: Rs33bn). However, EBITDA margins dropped 660bps YoY to 2.3% (PLe: 4.9%). Significant decline in EBITDA margins led to 75% YoY drop in PAT to Rs247m (PLe: Rs774m). Power system reported a loss of Rs586m on EBIT basis on account of stabilization cost of Rs770m in the current quarter. While subsidiaries reported healthy sales growth of 20% YoY to Rs13bn, they also reported loss of Rs845m at PAT level.
- **Strong order book:** Order book at the end of FY13 was Rs91.2bn, up 9% YoY. Consolidated order inflow for the quarter was Rs29bn (up 3% YoY and 32% QoQ). For FY13, order inflow was up 3% YoY. Order inflow in the power segment was flat YoY in FY13 to Rs83.9bn. The inflow in power segment was lower due to the fact that Bhopal factory was full and hence, CG was selective in bidding and order intake in subsidiaries was also lower due to restructuring. Industrial orders were up 20% YoY in FY13 driven by good traction in energy efficient motors and successful scale of drives and railways business. CG expects a robust order intake in high value-added segments like UHV/EHV in Asia, Automation/smart grid in the power segment, Motors in EMEA market, Railway transportation and electronic drives in the industrial segment.
- **Outlook and Valuation:** The stock is trading at 12.4x FY14E earnings. We believe that a record backlog, better/leaner cost structure, good & increasing product basket and improved reach in terms of geography will drive earnings over the next few years. We have assumed break even EBIT level for international subsidiaries in FY14. We maintain '**Accumulate**' on the stock.

Exhibit 1: Strategic Agenda

Three-Year Plan

One-Year After

Strategic levers

Actions Steps

Offering

- Move to High value added offerings
 - 1200/765 kV Power Transformers, CVT and Surge Arrestors
 - Energy efficient Motors for global market
- New segments: Engineering services for utilities
- Enter new geographies - Middle East, Brazil
- Additional EBITDA of 150 bps

Offering

- Equipped more than 83 EHV substations for 765 kV, PGCIL India, making CG the market leader in UHV/ EHV segment
- 1200 kV transformer and CVT at Bina
- Energy efficient motors represented 11.5% of total Sales
- Middle East orders reached 1,753 cr, representing 230% growth for the region
- 367 Cr order in LAM representing 197% growth
- EBITDA Level Savings- 90 bps**

Sourcing

- Global sourcing organization in place
- Sourcing office established in Shanghai, China in July 2011
- Additional EBITDA of 150 bps

Sourcing

- Globalization of sourcing for 7 key commodities
- International purchasing office set up in China
- EBITDA Level Savings- 100 bps**

Manufacturing Footprint

- European platforms to be consolidated by 2012-13
- Additional capacity in India -50,000 MVA
- CGPS implementation in European plants
- Additional EBITDA of 100 bps

Manufacturing Footprint

- Project Merlin completed. PT capacity consolidation in eastern Europe
- Indian manufacturing Hub on the way. Plant capacity expansion- PT Bhopal, HT Motors- Mandideep, Switchgears- Nasik
- First full JIT plant for LVRM at Goa, producing 15,000 motors per month
- Record production(18 transformers) in PT Hungary for Q4 with positive EBIT**

Continuous Improvement

- Six sigma program roll out world wide
- Sustainability program deployed in each unit
- Additional EBITDA of 50 bps

Continuous Improvement

- 355 Green + Black belt
- 492 projects across CG sites
- EBITDA Level Savings- 35 bps**

Source: Company Data, PL Research

Exhibit 2: Q4FY13 Result Overview - Standalone (Rs m)

| Y/e March | Q4FY13 | Q4FY12 | YoY gr. (%) | Q3FY13 | FY13 | FY12 | YoY gr. (%) |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 20,599 | 19,406 | 6.1 | 17,461 | 71,353 | 64,854 | 10.0 |
| Expenditure | | | | | | | |
| Raw Material | 15,740 | 14,488 | 8.6 | 13,159 | 53,341 | 47,257 | 12.9 |
| <i>% of Net Sales</i> | <i>76.4</i> | <i>74.7</i> | | <i>75.4</i> | <i>74.8</i> | <i>72.9</i> | |
| Personnel Cost | 1,076 | 916 | 17.4 | 1,012 | 4,112 | 3,636 | 13.1 |
| <i>% of Net Sales</i> | <i>5.2</i> | <i>4.7</i> | | <i>5.8</i> | <i>5.8</i> | <i>5.6</i> | |
| Others | 2,362 | 2,029 | 16.4 | 1,965 | 8,102 | 6,754 | 20.0 |
| <i>% of Net Sales</i> | <i>11.5</i> | <i>10.5</i> | | <i>11.3</i> | <i>11.4</i> | <i>10.4</i> | |
| Total Expenditure | 19,179 | 17,433 | 10.0 | 16,135 | 65,554 | 57,647 | 13.7 |
| EBITDA | 1,420 | 1,973 | (28.0) | 1,325 | 5,799 | 7,207 | (19.5) |
| <i>Margin (%)</i> | <i>6.9</i> | <i>10.2</i> | | <i>7.6</i> | <i>8.1</i> | <i>11.1</i> | |
| Other income | 91 | 44 | 105.4 | 260 | 678 | 504 | 34.5 |
| Depreciation | 193 | 185 | 4.2 | 180 | 719 | 907 | (20.8) |
| EBIT | 1,318 | 1,832 | (28.1) | 1,405 | 5,758 | 6,804 | (15.4) |
| Interest | (59) | 46 | NA | (32) | (202) | 41 | NA |
| PBT | 1,404 | 1,787 | (21.4) | 1,437 | 5,960 | 6,763 | (11.9) |
| Total Taxes | 327 | 418 | (21.8) | 376 | 1,502 | 1,718 | (12.6) |
| <i>ETR (%)</i> | <i>23.3</i> | <i>23.4</i> | | <i>26.1</i> | <i>25.2</i> | <i>25.4</i> | |
| PAT | 1,077 | 1,369 | (21.3) | 1,062 | 4,459 | 5,044 | (11.6) |

Source: Company Data, PL Research

Exhibit 3: Operating Metrics – Standalone (Rs m)

| Y/e March | Q4FY13 | Q4FY12 | YoY gr. (%) | Q3FY13 | FY13 | FY12 | YoY gr. (%) |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | |
| Power Systems | 8,362 | 9,458 | (11.6) | 6,701 | 28,104 | 28,675 | (2.0) |
| Industrial Systems | 3,952 | 3,932 | 0.5 | 3,764 | 14,994 | 15,201 | (1.4) |
| Consumer Products | 7,477 | 6,065 | 23.3 | 6,070 | 25,911 | 21,336 | 21.4 |
| Others | 967 | 21 | NA | 1,031 | 2,927 | 99 | NA |
| Total | 20,599 | 19,406 | 6.1 | 17,461 | 71,354 | 64,841 | 10.0 |
| EBIT | | | | | | | |
| Power Systems | 594 | 907 | (34.5) | 530 | 2,345 | 3,106 | (24.5) |
| Industrial Systems | 523 | 521 | 0.4 | 576 | 2,130 | 2,254 | (5.5) |
| Consumer Products | 740 | 740 | 0.0 | 633 | 2,764 | 2,629 | 5.1 |
| Others | (20) | 4 | NA | 24 | 84 | 13 | 569.6 |
| Total | 1,374 | 1,787 | (23.1) | 1,437 | 5,846 | 6,782 | (13.8) |
| EBIT Margins (%) | | | | | | | |
| Power Systems | 7.1 | 9.6 | | 7.9 | 8.3 | 10.8 | |
| Industrial Systems | 13.2 | 13.2 | | 15.3 | 14.2 | 14.8 | |
| Consumer Products | 9.9 | 12.2 | | 10.4 | 10.7 | 12.3 | |

Source: Company Data, PL Research

Exhibit 4: Q3FY12 Result Overview - Consolidated (Rs m)

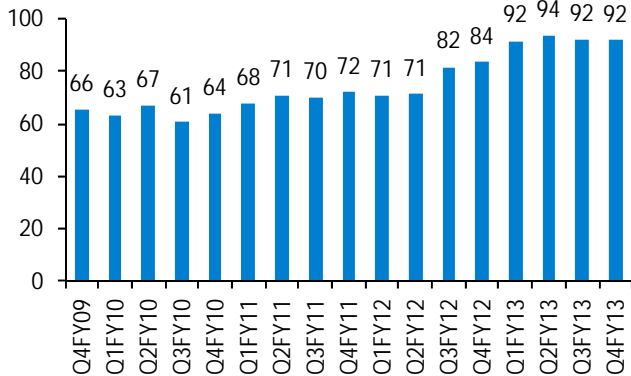
| Y/e March | Q4FY13 | Q4FY12 | YoY gr. (%) | Q3FY13 | FY13 | FY12 | YoY gr. (%) |
|--------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Net Sales | 33,873 | 30,774 | 10.1 | 29,718 | 120,944 | 112,486 | 7.5 |
| Expenditure | | | | | | | |
| Raw Material | 24,420 | 21,073 | 15.9 | 20,571 | 83,461 | 76,851 | 8.6 |
| <i>% of Net Sales</i> | <i>72.1</i> | <i>68.5</i> | | <i>69.2</i> | <i>69.0</i> | <i>68.3</i> | |
| Personnel Cost | 4,376 | 3,938 | 11.1 | 4,401 | 17,405 | 14,662 | 18.7 |
| <i>% of Net Sales</i> | <i>12.9</i> | <i>12.8</i> | | <i>14.8</i> | <i>14.4</i> | <i>13.0</i> | |
| Others | 4,298 | 3,631 | 18.4 | 4,726 | 16,247 | 12,937 | 25.6 |
| <i>% of Net Sales</i> | <i>12.7</i> | <i>11.8</i> | | <i>15.9</i> | <i>13.4</i> | <i>11.5</i> | |
| Total Expenditure | 33,094 | 28,642 | 15.5 | 29,698 | 117,113 | 104,450 | 12.1 |
| EBITDA | 779 | 2,132 | (63.4) | 20 | 3,832 | 8,036 | (52.3) |
| <i>Margin (%)</i> | <i>2.3</i> | <i>6.9</i> | | <i>0.1</i> | <i>3.2</i> | <i>7.1</i> | |
| Other income | 51 | 3 | NA | 304 | 754 | 524 | 44.0 |
| Depreciation | 453 | 639 | (29.1) | 566 | 2,029 | 2,600 | (21.9) |
| EBIT | 377 | 1,496 | (74.8) | (242) | 2,557 | 5,960 | (57.1) |
| Interest | 208 | 139 | 49.4 | 213 | 709 | 464 | 53.0 |
| PBT | 169 | 1,357 | (87.5) | (455) | 1,848 | 5,497 | (66.4) |
| Total Taxes | (78) | 396 | NA | 228 | 1,009 | 1,821 | (44.6) |
| <i>ETR (%)</i> | <i>NA</i> | <i>29.2</i> | | <i>(50.1)</i> | <i>54.6</i> | <i>33.1</i> | |
| Share of Profit from Associate | - | 40 | NA | - | 15 | 60 | (75.3) |
| Adj. PAT | 247 | 960 | (74.3) | (683) | 853 | 3,735 | (77.2) |
| PAT | 247 | 1,000 | (75.3) | (1,890) | (354) | 3,735 | (109.5) |

Source: Company Data, PL Research

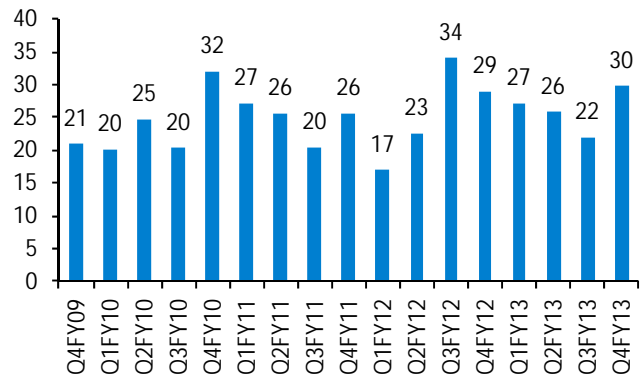
Exhibit 5: Operating Metrics - Consolidated (Rs m)

| Y/e March | Q4FY13 | Q4FY12 | YoY gr. (%) | Q3FY13 | FY13 | FY12 | YoY gr. (%) |
|-------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| Revenues | | | | | | | |
| Power Systems | 20,600 | 19,683 | 4.7 | 18,177 | 53,616 | 73,149 | (26.7) |
| Industrial Systems | 4,962 | 5,001 | (0.8) | 4,518 | 13,384 | 18,202 | (26.5) |
| Consumer Products | 7,477 | 6,065 | 23.3 | 6,070 | 18,434 | 21,336 | (13.6) |
| Others | 994 | 94 | NA | 1,060 | 2,062 | 255 | NA |
| Total | 33,873 | 30,844 | 9.8 | 29,718 | 87,071 | 112,556 | (22.6) |
| EBIT | | | | | | | |
| Power Systems | (586) | 541 | NA | (1,046) | (479) | 2,394 | NA |
| Industrial Systems | 560 | 542 | 3.3 | 508 | 1,576 | 2,103 | (25.0) |
| Consumer Products | 740 | 740 | 0.1 | 633 | 2,024 | 2,629 | (23.0) |
| Others | (15) | 12 | NA | 25 | 108 | 38 | NA |
| Total | 169 | 1,357 | (87.5) | (242) | 2,178 | 5,829 | (62.6) |
| EBIT Margins (%) | | | | | | | |
| Power Systems | (2.8) | 2.7 | | (5.8) | (0.9) | 3.3 | |
| Industrial Systems | 11.3 | 10.8 | | 11.3 | 11.8 | 11.6 | |
| Consumer Products | 9.9 | 12.2 | | 10.4 | 11.0 | 12.3 | |
| Others | (1.5) | 12.9 | | 2.4 | 5.2 | 14.7 | |

Source: Company Data, PL Research

Exhibit 6: Trend in Order Book (Rs bn)


Source: Company Data, PL Research

Exhibit 7: Trend in Order Inflow (Rs bn)


Source: Company Data, PL Research

Exhibit 8: Region-wise order inflow break-up

| | FY12 | FY13 | YoY gr. |
|---------|------|------|---------|
| Europe | 26.6 | 23.7 | -10.9% |
| India | 62.9 | 63.9 | 1.6% |
| America | 18.3 | 16.8 | -8.2% |
| MEA | 5.3 | 17.5 | 230.2% |
| APAC | 10.8 | 9.5 | -12.0% |

Source: Company Data, PL Research

Income Statement (Rs m)

| Y/e March | 2012 | 2013 | 2014E | 2015E |
|----------------------------|----------------|----------------|----------------|----------------|
| Net Revenue | 112,486 | 120,944 | 132,782 | 147,973 |
| Raw Material Expenses | 76,851 | 83,461 | 85,407 | 94,236 |
| Gross Profit | 35,635 | 37,484 | 47,376 | 53,738 |
| Employee Cost | 14,662 | 17,405 | 14,929 | 17,057 |
| Other Expenses | 12,937 | 16,247 | 23,670 | 25,001 |
| EBITDA | 8,036 | 3,832 | 8,776 | 11,680 |
| Depr. & Amortization | 2,600 | 2,029 | 2,314 | 2,504 |
| Net Interest | 464 | 709 | 704 | 674 |
| Other Income | 525 | 754 | 753 | 819 |
| Profit before Tax | 5,497 | 1,848 | 6,511 | 9,320 |
| Total Tax | 1,821 | 1,009 | 1,591 | 2,404 |
| Profit after Tax | 3,676 | 838 | 4,920 | 6,916 |
| Ex-Od items / Min. Int. | 60 | (1,918) | (38) | (31) |
| Adj. PAT | 3,616 | 2,686 | 4,958 | 6,947 |
| Avg. Shares O/S (m) | 641.5 | 641.5 | 641.5 | 641.5 |
| EPS (Rs.) | 5.6 | 4.2 | 7.7 | 10.8 |

Cash Flow Abstract (Rs m)

| Y/e March | 2012 | 2013 | 2014E | 2015E |
|---------------------|---------|---------|---------|---------|
| C/F from Operations | 4,422 | 2,981 | 2,316 | 10,089 |
| C/F from Investing | (4,624) | (8,720) | (1,500) | (3,000) |
| C/F from Financing | 2,482 | 6,595 | (1,198) | (2,711) |
| Inc. / Dec. in Cash | 2,280 | 857 | (382) | 4,377 |
| Opening Cash | 2,985 | 4,978 | 5,834 | 5,453 |
| Closing Cash | 4,978 | 5,834 | 5,453 | 9,830 |
| FCFF | (2,226) | 4,908 | 1,769 | 5,322 |
| FCFE | 3,512 | 12,983 | 2,012 | 4,322 |

Key Financial Metrics

| Y/e March | 2012 | 2013 | 2014E | 2015E |
|-------------------------|--------|--------|-------|-------|
| Growth | | | | |
| Revenue (%) | 12.4 | 7.5 | 9.8 | 11.4 |
| EBITDA (%) | (40.2) | (52.3) | 129.0 | 33.1 |
| PAT (%) | (60.3) | (25.7) | 84.6 | 40.1 |
| EPS (%) | (60.3) | (25.7) | 84.6 | 40.1 |
| Profitability | | | | |
| EBITDA Margin (%) | 7.1 | 3.2 | 6.6 | 7.9 |
| PAT Margin (%) | 3.2 | 2.2 | 3.7 | 4.7 |
| RoCE (%) | 9.5 | 6.2 | 9.4 | 12.0 |
| RoE (%) | 10.5 | 7.3 | 12.9 | 16.1 |
| Balance Sheet | | | | |
| Net Debt : Equity | 0.2 | 0.3 | 0.3 | 0.2 |
| Net Wrkng Cap. (days) | (10) | (9) | (12) | (11) |
| Valuation | | | | |
| PER (x) | 17.1 | 23.0 | 12.4 | 8.9 |
| P / B (x) | 1.7 | 1.7 | 1.6 | 1.3 |
| EV / EBITDA (x) | 8.4 | 19.4 | 8.5 | 6.0 |
| EV / Sales (x) | 0.6 | 0.6 | 0.6 | 0.5 |
| Earnings Quality | | | | |
| Eff. Tax Rate | 33.1 | 54.6 | 24.4 | 25.8 |
| Other Inc / PBT | 9.5 | 40.8 | 11.6 | 8.8 |
| Eff. Depr. Rate (%) | 5.9 | 4.5 | 5.0 | 5.1 |
| FCFE / PAT | 97.1 | 483.3 | 40.6 | 62.2 |

Source: Company Data, PL Research.

Balance Sheet Abstract (Rs m)

| Y/e March | 2012 | 2013 | 2014E | 2015E |
|-------------------------------|---------------|---------------|---------------|---------------|
| Shareholder's Funds | 36,109 | 37,136 | 39,751 | 46,754 |
| Total Debt | 10,440 | 18,515 | 18,759 | 17,759 |
| Other Liabilities | (356) | (1,586) | (1,637) | (1,636) |
| Total Liabilities | 46,193 | 54,065 | 56,873 | 62,877 |
| Net Fixed Assets | 22,575 | 20,946 | 20,132 | 20,627 |
| Goodwill | — | 9,792 | 9,792 | 9,792 |
| Investments | 7,864 | 7,908 | 7,908 | 7,908 |
| Net Current Assets | 15,754 | 15,419 | 19,042 | 24,549 |
| <i>Cash & Equivalents</i> | <i>4,976</i> | <i>5,834</i> | <i>5,453</i> | <i>9,830</i> |
| <i>Other Current Assets</i> | <i>50,368</i> | <i>53,974</i> | <i>58,662</i> | <i>65,123</i> |
| <i>Current Liabilities</i> | <i>39,590</i> | <i>44,389</i> | <i>45,072</i> | <i>50,404</i> |
| Other Assets | — | — | — | 1 |
| Total Assets | 46,193 | 54,065 | 56,874 | 62,877 |

Quarterly Financials (Rs m)

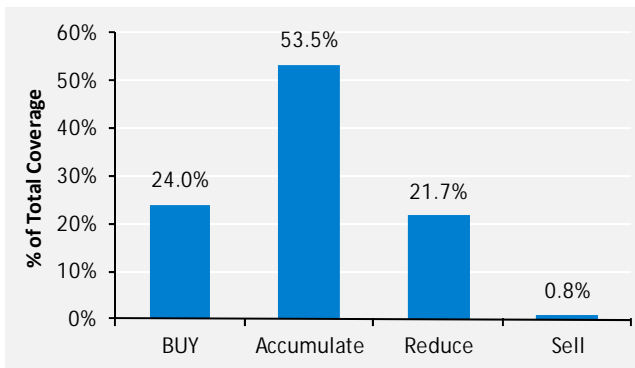
| Y/e March | Q1FY13 | Q2FY13 | Q3FY13 | Q4FY13 |
|--------------------------|---------------|---------------|---------------|---------------|
| Net Revenue | 28,111 | 29,242 | 29,718 | 33,873 |
| EBITDA | 1,668 | 1,365 | 20 | 779 |
| <i>% of revenue</i> | <i>5.9</i> | <i>4.7</i> | <i>0.1</i> | <i>2.3</i> |
| Depr. & Amortization | 466 | 544 | 566 | 453 |
| Net Interest | 99 | 190 | 213 | 208 |
| Other Income | 192 | 208 | 304 | 51 |
| Profit before Tax | 1,294 | 838 | (455) | 169 |
| Total Tax | 445 | 414 | 228 | (78) |
| Profit after Tax | 849 | 425 | (683) | 247 |
| Adj. PAT | 849 | 425 | (683) | 247 |

Source: Company Data, PL Research.



Prabhudas Lilladher Pvt. Ltd.
 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India
 Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

Rating Distribution of Research Coverage



PL's Recommendation Nomenclature

| | | | |
|-----------------------|--|--------------------------|--|
| BUY | : Over 15% Outperformance to Sensex over 12-months | Accumulate | : Outperformance to Sensex over 12-months |
| Reduce | : Underperformance to Sensex over 12-months | Sell | : Over 15% underperformance to Sensex over 12-months |
| Trading Buy | : Over 10% absolute upside in 1-month | Trading Sell | : Over 10% absolute decline in 1-month |
| Not Rated (NR) | : No specific call on the stock | Under Review (UR) | : Rating likely to change shortly |

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