

## Bharat Electronics (BEL)

### Performance Highlights

#### Quarterly highlights - Standalone

Y/E March (₹ cr)	3QFY16	3QFY15	2QFY16	% chg (yoy)	% chg (qoq)
Net sales	1,500	1,582	1,449	(5.1)	3.5
EBITDA	276	252	157	9.6	75.6
PAT	296	272	207	8.8	43.0

Source: Company, Angel Research;

Bharat Electronics Ltd. (BEL) reported mixed set of numbers. BEL reported 5.1% yoy decline in its top-line to Rs1,500cr, which is below our estimate of Rs1,713cr. Surprise from results has been on EBITDA margin front. Against our expectation of 16.3%, BEL reported impressive 18.4% margins, mainly led by inventory gains. In-line with EBITDA margin expansion, BEL reported PAT margin expansion to 19.7%. PAT was at Rs296cr, ahead of our estimate of Rs288cr.

BEL in 3QFY2016 reported ₹12,776cr of order inflows, which includes ₹8,000cr IACCS (Integrated Air Command Control Systems) order win. Some of the other order wins include: Weapon Locating Radar order, USHUS-II order, Sub-systems for T-90 and Shakti EW Systems order. In 9MFY2016, BEL has reported ₹15,297cr of order inflows. Post recent order win, order book as of 3QFY2016-end stood at ₹32,333cr. Order book/ Last twelve month (LTM) sales ratio at 3QFY2016-end stood at 4.8x.

**Valuation:** During the quarter, despite some disappointment on revenue front, BEL surprised us on the margins front. Another, positive emerging from the 9mFY2016 performance is that BEL has won orders to the tune of ₹15,927cr. Given their strong market positioning, we expect BEL to continue reporting order wins, going forward.

On the back of increase in order inflows, we are optimistic that the company should see increased traction in the sales and earnings growth, going forward. Since our initiation report, BEL stock has touched our then recommended price target of ₹1,414 and has corrected. With recent correction in the stock price, BEL's valuation has got attractive. **Accordingly, we recommend BUY on the stock with price target of ₹1,414.**

#### Key Financials (Consolidated)

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
Net Sales	6,273	6,518	7,093	7,737	8,634	10,064
% chg	6.1	3.9	8.8	9.1	11.6	16.6
Net Profit	906	951	1,197	1,296	1,475	1,760
% chg	7.0	5.0	25.8	8.2	13.9	19.3
EBITDA (%)	10.6	14.1	16.6	16.8	17.2	17.6
EPS (₹)	38	40	50	54	61	73
P/E (x)	32.4	31.1	24.7	22.8	20.0	16.8
P/BV (x)	4.6	4.1	3.6	3.2	2.9	2.5
Adj. RoE (%)	30.3	20.1	36.8	39.3	45.6	51.8
RoCE (%)	26.6	23.9	30.7	28.5	29.0	30.5
EV/Sales (x)	3.9	3.9	3.4	3.0	2.6	2.1
EV/EBITDA (x)	36.5	27.1	20.0	17.5	14.6	11.6

Source: Company, Angel Research; CMP as of January 29, 2016

## BUY

CMP	₹1,254
Target Price	₹1,414

Investment Period	12 Months
-------------------	-----------

Stock Info	
Sector	Capital Goods
Market Cap (₹ cr)	29,546
Net debt (₹ cr)	(6,013)
Beta	1.1
52 Week High / Low	1,417/974
Avg. Daily Volume	320,143
Face Value (₹)	10
BSE Sensex	24,871
Nifty	7,564
Reuters Code	BAJE.BO
Bloomberg Code	BHE@IN

Shareholding Pattern (%)	
Promoters	75.0
MF / Banks / Indian Fls	14.7
FII / NRIs / OCBs	4.1
Indian Public / Others	6.2

Abs. (%)	3m	1yr	3yr
Sensex	(6.7)	(14.8)	24.3
BEL	(0.9)	10.8	190.6

#### 3-Year Daily Price Chart



Source: Company, Angel Research

#### Yellapu Santosh

022 – 3935 7800 Ext: 6811

santosh.yellapu@angelbroking.com

**Exhibit 1: Quarterly Performance (Standalone)**

Particulars (₹ cr)	3QFY16	2QFY16	% chg (qoq)	3QFY15	% chg (yoy)	9mFY16	9mFY15	% chg
<b>Net Sales</b>	<b>1,500</b>	<b>1,449</b>	<b>3.5</b>	<b>1,582</b>	<b>(5.1)</b>	<b>4,019</b>	<b>3,844</b>	<b>4.5</b>
<b>Total Expenditure</b>	<b>1,225</b>	<b>1,292</b>	<b>(5.2)</b>	<b>1,330</b>	<b>(7.9)</b>	<b>3,618</b>	<b>3,563</b>	<b>1.5</b>
Cost of materials consumed	696	776	(10.3)	778	(10.5)	2,095	1,986	5.5
Purchases of stock-in-trade	65	65	(0.1)	108	(40.3)	198	289	(31.7)
Employee benefits Expense	308	329	(6.4)	302	2.1	949	897	5.8
Other Expenses	156	122	27.2	142	9.7	377	391	(3.8)
<b>EBITDA</b>	<b>276</b>	<b>157</b>	<b>75.6</b>	<b>252</b>	<b>9.6</b>	<b>401</b>	<b>281</b>	<b>42.6</b>
EBITDA %	18.4	10.8		15.9		10.0	7.3	
Depreciation	41	40	2.8	37	10.7	122	111	9.7
EBIT	234	117	100.9	214	9.3	279	170	64.2
Interest and Financial Charges	0	0		0		0	0	
Other Income	152	156	(2.3)	140	8.7	460	410	12.3
PBT before Exceptional Items	386	272	41.9	354	9.1	739	579	27.5
Exceptional Items	0	0		0		0	0	
PBT after Exceptional Items	386	272	41.9	354	9.1	739	579	27.5
Tax	91	66	38.4	82	10.1	175	135	30.0
% of PBT	23.5	24.1	(2.5)	23.3	1.0	23.7	23.3	2.0
<b>PAT</b>	<b>296</b>	<b>207</b>	<b>43.0</b>	<b>272</b>	<b>8.8</b>	<b>563.2</b>	<b>444.4</b>	<b>26.7</b>
PAT %	19.7	14.3		17.2		14.0	11.6	
Dil. EPS	12.32	8.61	43.1	11.33	8.7	23.47	18.52	26.7

Source: Company, Angel Research; Note: nmf- Not meaningful

**Revenues report 5.1% yoy decline**

BEL reported 5.1% yoy decline in sales to ₹1,500cr in 3QFY2016, which is below our expectation of ₹1,713cr. Revenue during the quarter reflects revenue booking from Akash Missile Systems, Fire Control System and 3D Tactical Control radar orders.

**Exhibit 2: Projects contributing to 3QFY2016 revenues**

Akash Missile System (Airforce, Army)

Fire Control System

3D Tactical Control Radar

Low level light weight radar

Gigabit Ethernet based ship data network

L band radar for exports

Source: Company, Angel Research

**EBITDA margin expansion surprises us..**

BEL surprised us on the EBITDA margins front, as it reported 246bps yoy EBITDA margin expansion in 3QFY2016 to 18.4%. EBITDA losses narrowed down from a year ago level of ₹31cr. 10.5% reduction in the raw material expenses contributed to EBITDA margin expansion.

### **PAT margins expand to 19.7%**

In-line with EBITDA margin expansion, PAT margin's also expanded. PAT margins of the company expanded from 17.2% year ago to 19.7% in 3QFY2016.

### **Reports ₹12,776cr of Order Inflows for 3QFY2016**

BEL in 3QFY2016 reported ₹12,776cr of order inflows, which includes the ₹8,000cr IACCS (Integrated Air Command Control Systems) of order win. Some of the major order wins include: Weapon Locating Radar order, USHUS-II order, Sub-systems for T-90 and Shakti EW Systems order.

In 9MFY2016, BEL has reported ₹15,297cr of order inflows (vs our FY2016E expectation of ₹10,000cr). We now revise upwards our Order Inflow assumption to ₹12,000cr, but given that it takes more than 3-4 quarters for order inflows to translate to revenues, we are currently maintaining our FY2017E and FY2018E revenue estimates.

Post the recent order wins, the order book as of 3QFY2016-end stood at ₹32,333cr. Order book/ Last twelve month (LTM) sales ratio at 3QFY2016-end stood at 4.8x. Current order book gives revenue visibility for the next two years.

### **Valuation**

During the quarter, despite some disappointment on revenue front, BEL surprised us on margins front. Another positive emerging is that BEL has reported strong 9mFY2016 order inflows of ₹15,927cr. Given their strong market positioning, we expect BEL to continue reporting order wins, going forward.

On the back of increase in order inflows, we are optimistic that the company should see increased traction in the sales and earnings growth, going forward. Since our initiation report, BEL stock has touched our then recommended price target of ₹1,414 and has corrected. With recent correction in the stock price, BEL's valuation has got attractive. **Accordingly, we recommend BUY on the stock with price target of ₹1,414.**

### **Company background**

Bharat Electronics Ltd. (BEL) is Bangalore based public sector undertaking (PSU) established in 1954 under the control of Ministry of Defence (MoD) to cater to specialised electronic needs of the Indian Defense. BEL, a Nava-Ratna company over the years has grown to be multi-segment, multi-technology company servicing a diverse range of clients across India and in the international markets.

### **Business Segments**

BEL operates across 8 business segments, with ~20-30% of their current Order Book contribution coming-in from their largest business segment- Radars, Sonars & Weapons Systems.

### Exhibit 3: Business Segments

Radars, Sonars & Weapon Systems
Communication
Electronic Warfare
Network Centric Systems
Anti Submarine Warfare
Electro-Optics
Tank Electronics
Civilian Products (such as EVM machines)

Source: Company, Angel Research

### Details of Manufacturing Plants

To-date BEL has set-up 9 manufacturing plants across Bangalore (headquarters), Chennai, Machilipatnam (post take-over of Andhra Scientific Company in 1983), Hyderabad, Pune, Navi Mumbai, Panchkula, Kotdwara, and Ghaziabad, which are into manufacture of entire range of Defense products offered by the company.

### Exhibit 4: Details of Manufacturing facilities

Production Facilities (since)	Production details
Bangalore (1966)	Military Communication Equipment, Network Centric Systems, Military Radars, Naval Systems, Electronic Warfare (Air-force), Avionics, Weapon Management System, Telecom and Broadcast System, Components, Coastal Surveillance System, Electronic Voting Machines, Solar Products, Traffic Signals, Security Systems, Microwave Super Components
Chennai	Tank Electronics, Gun Upgrades, Multi-purpose Advanced Stabilized systems
Machilipatnam (1983)	Electro-Optics (Night Vision Devices)
Hyderabad	Electronic Warfare Systems
Pune (1981)	X-ray Tubes, Batteries, Laser Products
Navi Mumbai	Shelters, Masks
Panchkula	Military Communication Equipment, Encryption Products
Kotdwara	Telecommunication Systems, Military Communication Systems
Ghaziabad	Network Centric Systems, Radars, Satcom (Defense), Microwave components

Source: Company AR's, Angel Research

## Investment Arguments

Bharat Electronics (BEL) is a PSU and a leader in the domestic defense electronics space, with major proportion of its revenue coming in from the Indian Navy and Army.

Defense spending at an inflexion point: After years of lull, government announced 15.4% yoy increase in Defense Capital Budget to ₹94,588cr. In our view, we are at an inflexion point where Indian Defense capex cycle, led by government spending is entering new era of growth. Our view strengthens on account of following developments, (1) Defense sector getting high priority in government's 'Make in India' campaign, with increased emphasis on the indigenization aspect, (2) increase in FDI limits in defense from 26% to 49%, and (3) \$47bn worth of projects cleared by Defense Acquisition Council (DAC) in last 19 months, indicating faster clearances in place. Also high expectations are being built from soon to be released Defense Procurement Procedures (DPP). Current bid pipeline, which could lead to strong award activity for next few years, along with above-mentioned factors indicate that good times are ahead for Defense sector.

BEL to emerge as key beneficiary: At the backdrop of higher allocation made towards defense capex with ~\$47bn worth of projects cleared by DAC, we expect good times ahead for defense players, including BEL. BEL in FY2015 had market share of 37% in domestic defense electronics. On considering (1) bid-pipeline dominated by Indian Airforce and Navy's platform projects, which have high Defense Electronics components requirement, (2) BEL's in-house R&D capabilities, (3) tie-up with Thales, France for product development, and (4) zero debt status with potential for further improvement in working capital cycle, all point out that BEL should maintain its strong market positioning in Defense Electronics space. On a whole, we expect BEL to emerge as key beneficiary of the revival in Defense capex cycle.

## Risks & Concerns

- To increase indigenization in the defense sector, Government of India (GoI) increased the FDI limit in Defense sector to 49% in Jul-2014. Till now, recent developments/ announcements have failed to attract any major international defense players in to India. With more positive announcements expected and fast growing bid pipeline, international defense giants could be compelled to forge partnership with domestic players at the time of bidding. This could possibly lead to loss of market share for BEL, which we have not incorporated in to our assumptions.
- Last few years have seen sluggish ordering activity from the Defense sector. Even though Defense sector in the last few months has seen positive announcements, any further delays in the awarding activity, could act as risk to our estimates.
- Defense is a highly technology focused sector. BEL would have to continuously spend on R&D to regularly upgrade its product profile. Any shift away from the R&D could make their products unattractive (vs the peers), resulting in loss of market share and further delaying the execution.
- Any government announcement to de-list the products manufactured by BEL could open up the competition and further impact their market positioning within the domestic markets, which again acts as a risk to our market share assumptions and threatens our earnings growth estimates.

**Profit & Loss Statement (Consolidated)**

	FY13	FY14	FY15	FY16E	FY17E	FY18E
<b>Net Sales</b>	<b>6,273</b>	<b>6,518</b>	<b>7,093</b>	<b>7,737</b>	<b>8,634</b>	<b>10,064</b>
% Chg	6.1	3.9	8.8	9.1	11.6	16.6
<b>Total Expenditure</b>	<b>5,610</b>	<b>5,596</b>	<b>5,918</b>	<b>6,440</b>	<b>7,153</b>	<b>8,289</b>
Raw Materials Consumed	3,156	3,344	3,495	3,870	4,384	5,141
Purchase of stock-in-trade	760	444	440	467	515	580
Employee benefits Expense	1,125	1,046	1,281	1,343	1,406	1,564
Other Expenses	569	762	702	760	847	1,004
<b>EBITDA</b>	<b>663</b>	<b>922</b>	<b>1,175</b>	<b>1,297</b>	<b>1,481</b>	<b>1,775</b>
% Chg	4.3	39.1	27.4	10.4	14.2	19.8
<b>EBIDTA %</b>	<b>10.6</b>	<b>14.1</b>	<b>16.6</b>	<b>16.8</b>	<b>17.2</b>	<b>17.6</b>
Depreciation	136	150	166	193	216	239
<b>EBIT</b>	<b>526</b>	<b>772</b>	<b>1,008</b>	<b>1,104</b>	<b>1,265</b>	<b>1,537</b>
% Chg	3.2	46.6	30.6	9.4	14.6	21.4
Interest and Financial Charges	1	4	3	3	3	3
Other Income	625	437	507	544	611	709
EBT before Excep & prior-period items	1,151	1,205	1,513	1,645	1,874	2,242
Exceptional Items & Prior period Items	(9)	1	1	0	0	0
<b>EBT</b>	<b>1,142</b>	<b>1,206</b>	<b>1,513</b>	<b>1,645</b>	<b>1,874</b>	<b>2,242</b>
Tax Expenses	236	254	316	349	398	482
% of PBT	20.7	21.1	20.9	21.2	21.2	21.5
<b>PAT before Minority Interest</b>	<b>906</b>	<b>952</b>	<b>1,197</b>	<b>1,296</b>	<b>1,476</b>	<b>1,760</b>
Minority Interest	0	0	(0)	0	0	1
<b>PAT</b>	<b>906</b>	<b>951</b>	<b>1,197</b>	<b>1,296</b>	<b>1,475</b>	<b>1,760</b>
% Chg	7.0	5.0	25.8	8.2	13.9	19.3
<b>PAT %</b>	<b>14.4</b>	<b>14.6</b>	<b>16.9</b>	<b>16.7</b>	<b>17.1</b>	<b>17.5</b>
Diluted EPS	38	40	50	54	61	73
% Chg	7.6	4.4	25.8	8.2	13.9	19.3

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
<b>Sources of Funds</b>						
Equity Capital	80	80	80	240	240	240
Reserves & Surplus	6,407	7,140	8,037	8,852	9,975	11,348
<b>Networth</b>	<b>6,487</b>	<b>7,220</b>	<b>8,117</b>	<b>9,092</b>	<b>10,215</b>	<b>11,588</b>
Total Debt	0	0	25	0	0	0
Minority Interest & Govt. Grants	163	224	207	203	202	202
Other Long-term Liabilities & Prov.	386	365	435	441	476	483
<b>Total Liabilities</b>	<b>7,037</b>	<b>7,809</b>	<b>8,784</b>	<b>9,736</b>	<b>10,893</b>	<b>12,273</b>
<b>Application of Funds</b>						
Gross Block	2,106	2,366	2,894	3,276	3,681	4,104
Accumulated Depreciation	1,506	1,671	1,821	2,014	2,230	2,469
<b>Net Block</b>	<b>600</b>	<b>695</b>	<b>1,073</b>	<b>1,262</b>	<b>1,451</b>	<b>1,635</b>
Capital WIP & Intan. Assets under Develop.	328	458	140	110	105	100
<b>Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Assets</b>						
Inventories	3,255	3,340	3,424	3,664	3,864	4,244
Sundry Debtors	3,364	4,156	3,805	4,146	4,707	5,476
Cash and Bank Balance	5,331	4,605	6,038	6,901	7,938	9,042
Loans & Advances	1,378	1,190	684	750	800	780
Other Current Asset	81	69	54	55	57	59
Current Liabilities	7,814	7,166	6,941	7,663	8,547	9,589
<b>Net Current Assets</b>	<b>5,594</b>	<b>6,192</b>	<b>7,064</b>	<b>7,852</b>	<b>8,818</b>	<b>10,012</b>
Other Assets	515	464	506	512	520	525
<b>Total Assets</b>	<b>7,037</b>	<b>7,809</b>	<b>8,784</b>	<b>9,736</b>	<b>10,893</b>	<b>12,273</b>

**Cash Flow Statement (Consolidated)**

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
Profit before tax	1,147	1,206	1,513	1,645	1,874	2,242
Dep. & Other Non-cash Charges	(338)	(336)	(163)	(266)	(218)	(225)
Change in Working Capital	(2,104)	(1,237)	436	75	71	(90)
Interest & Financial Charges	1	4	3	3	3	3
Direct taxes paid	(245)	(206)	(356)	(349)	(398)	(482)
<b>Cash Flow from Operations</b>	<b>(1,540)</b>	<b>(569)</b>	<b>1,434</b>	<b>1,108</b>	<b>1,332</b>	<b>1,448</b>
(Inc)/ Dec in Fixed Assets	(353)	(369)	(225)	(351)	(400)	(418)
(Inc)/ Dec in Invest. & Oth. Adj.	2,106	1,128	(614)	302	238	142
<b>Cash Flow from Investing</b>	<b>1,753</b>	<b>759</b>	<b>(839)</b>	<b>(49)</b>	<b>(162)</b>	<b>(277)</b>
Issue/ (Buy Back) of Equity	0	0	0	0	0	0
Inc./ (Dec.) in Borrowings	0	(0)	25	(25)	0	0
Dividend Paid (Incl. Tax)	(157)	(209)	(220)	(301)	(331)	(364)
Interest Expenses & Oth. Adj.	(1)	(4)	(14)	(3)	(3)	(3)
<b>Cash Flow from Financing</b>	<b>(157)</b>	<b>(213)</b>	<b>(209)</b>	<b>(329)</b>	<b>(334)</b>	<b>(367)</b>
Inc./ (Dec.) in Cash	56	(23)	386	730	837	804
<b>Opening Cash balances</b>	<b>1,752</b>	<b>1,809</b>	<b>1,786</b>	<b>2,171</b>	<b>2,901</b>	<b>3,738</b>
<b>Closing Cash balances</b>	<b>1,809</b>	<b>1,786</b>	<b>2,171</b>	<b>2,901</b>	<b>3,738</b>	<b>4,542</b>



**Key Ratios (x)**

Y/E March	FY13	FY14	FY15	FY16E	FY17E	FY18E
<b>Valuation Ratio (x)</b>						
Adj. P/E (on FDEPS)	32.4	31.1	24.7	22.8	20.0	16.8
Adj. P/E (on FDEPS)	28.2	26.8	21.7	19.8	17.5	14.8
Dividend yield (%)	1.7	1.6	1.3	1.1	1.0	1.0
EV/Sales	3.9	3.9	3.4	3.0	2.6	2.1
EV/EBITDA	36.5	27.1	20.0	17.5	14.6	11.6
EV / Total Assets	3.4	3.2	2.7	2.3	2.0	1.7
<b>Per Share Data (₹)</b>						
Adj. EPS (fully diluted)	38	40	50	54	61	73
Cash EPS	44	46	57	62	70	83
DPS	7.4	7.8	9.7	10.7	11.8	13.0
Book Value	270	301	338	379	426	483
<b>Returns (%)</b>						
RoCE (Pre-tax)	26.6	23.9	30.7	28.5	29.0	30.5
Angel RoIC (Pre-tax)	35.8	35.0	36.4	41.4	45.4	51.4
Adj. RoE	30.3	20.1	36.8	39.3	45.6	51.8
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block) (x)	2.9	2.8	2.6	2.4	2.4	2.5
Inventory / Sales (days)	178	190	179	172	163	150
Receivables (days)	180	217	211	193	192	189
Payables (days)	541	489	435	414	414	399
WC (days)	(183)	(82)	(45)	(50)	(59)	(61)
<b>Leverage Ratios (x)</b>						
D/E ratio (x)	0.0	0.0	0.0	0.0	0.0	0.0

Research Team Tel: 022 - 39357800

 E-mail: [research@angelbroking.com](mailto:research@angelbroking.com)

 Website: [www.angelbroking.com](http://www.angelbroking.com)

## DISCLAIMER

Angel Broking Private Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Angel or its associates including its relatives/analyst do not hold any financial interest/beneficial ownership of more than 1% in the company covered by Analyst. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. Angel/analyst has not served as an officer, director or employee of company covered by Analyst and has not been engaged in market making activity of the company covered by Analyst.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock'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 fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Pvt. Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Pvt. Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Pvt. Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel Broking Pvt. Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

**Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Pvt. Limited and its affiliates may have investment positions in the stocks recommended in this report.**

### Disclosure of Interest Statement

	BEL
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15%)