

## Competent Auto

### Performance Highlights

Y/E March (₹ cr)	2QFY16	2QFY15	% chg (yoy)	1QFY16	% chg (qoq)
Net sales	220	196	12.2	237	(7.2)
EBITDA	6	5	16.2	6	(6.4)
EBITDA Margin (%)	2.7	2.6	9bp	2.7	2bp
Adjusted PAT	2.6	2.1	21.6	2.3	9.8

Source: Company, Angel Research

For 2QFY2016, Competent Auto (Competent) reported a decent set of numbers. The top-line for the quarter grew by 12.2% yoy to ₹220cr, which is slightly lower than our estimate of ₹226cr. The revenue growth is in-line with growth reported by Maruti Suzuki in 2QFY2016, where its top-line grew by 13.1% yoy largely owing to 10% volume growth. The EBITDA for the quarter came in at ₹6cr as against ₹5cr in the corresponding quarter a year ago. The EBITDA margin for the quarter improved by 9bp yoy to 2.7% as against 2.6% in 2QFY2015. The interest expense for the quarter grew by 40% yoy to ₹1.6cr as against ₹1.2cr in 2QFY2015. Consequently, the net profit came in at ₹2.6cr, growing by 21.6% on a yoy basis.

**Proxy play on Maruti's growth:** The top-line performance of the company is closely linked to the performance of Maruti Suzuki (MSIL). We expect MSIL to post robust volume growth in the domestic market going ahead on back of new launches which will be replicated by Competent. Also, we expect the market share of the company to remain stable/improve, as entry of a new dealer seems to be commercially unviable with property prices having soared significantly in the Delhi region. Further, higher vehicle sales would likely get converted into greater demand for after sale services, thus bringing in additional revenue for the company.

**Scalable business model with healthy balance-sheet:** The company has a scalable business model which will enable it to report sustainable revenue growth going ahead. The company has increased its short term debt in 1HFY2016E ahead of the festive season mainly utilizing the funds for inventory. We expect the debt level to return to normal levels by the year end.

**Outlook and Valuations:** We believe that Competent will continue to benefit from its established position in the automobile dealership market in Delhi, Haryana, and Himachal Pradesh, and from its conducive relationship with its principal, MSIL. During FY2015-17, we expect the company to register a top-line and bottom-line CAGR of 10.9% and 21.7%, to ₹1,137cr and ₹17cr, respectively. Currently, the stock trades at 5.1x its FY2107E earnings. **We have a Neutral rating on the stock.**

#### Key financials

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
Net Sales	788	808	924	1040	1137
% chg	11.2	2.6	14.4	12.5	9.3
Net Profit	8	9	12	16	17
% chg	7.0	17.6	26.6	36.3	8.7
EBITDA Margin (%)	2.5	2.5	2.8	3.2	3.1
FDEPS (₹)	12.7	14.9	18.9	25.7	28.0
P/E (x)	11.4	9.6	7.6	5.6	5.1
P/BV (x)	1.2	1.1	1.0	0.8	0.7
RoE (%)	10.8	11.4	12.7	15.0	14.3
RoCE (%)	16.3	15.3	16.0	20.7	19.6
EV/Sales (x)	0.1	0.1	0.1	0.1	0.1
EV/EBITDA (x)	5.4	5.0	3.0	2.2	1.8

Source: Company, Angel Research; Note: CMP as of November 16, 2015

## NEUTRAL

CMP	₹144
Target Price	-

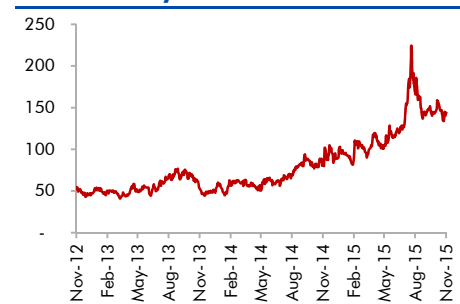
Investment Period	-
-------------------	---

Stock Info	
Sector	Automobiles
Market Cap (₹ cr)	89
Net Debt	(10.5)
Beta	1.2
52 Week High / Low	240 / 78
Avg. Daily Volume	8,196
Face Value (₹)	10
BSE Sensex	25,760
Nifty	7,807
Reuters Code	CPA.BO
Bloomberg Code	CPA.IN

Shareholding Pattern (%)	
Promoters	74.9
MF / Banks / Indian Fls	0.0
FII / NRIs / OCBs	0.0
Indian Public / Others	25.1

Abs.(%)	3m	1yr	3yr
Sensex	(7.6)	(8.6)	40.7
Competent	(16.6)	79.4	167.0

#### 3-Year Daily Price Chart



Source: Company, Angel Research

#### Milan Desai

+91 22 3935 3600 Ext: 6846

milan.desai@angelbroking.com

**Exhibit 1: 2QFY2016 performance highlights**

Y/E March (₹ cr)	2QFY16	2QFY15	% chg (yoy)	1QFY16	% chg (qoq)	1HFY16	1HFY15	% chg
<b>Total operating income</b>	<b>220</b>	<b>196</b>	<b>12.2</b>	<b>237</b>	<b>(7.2)</b>	<b>457</b>	<b>405</b>	<b>12.7</b>
Purchase of Stock in Trade	193	174	10.7	211	(8.7)	403	362	11.5
(% of Sales)	87.6	88.8	(115)bp	89.0	(140)bp	88.3	89.3	(94)bp
Employee cost	7	6	23.6	7	7.8	14	12	18.6
(% of Sales)	3.2	2.9	30bp	2.8	45bp	3.0	2.8	15bp
Other Expenses	14	11	27.1	13	8.3	27	22	25.1
(% of Sales)	6.5	5.7	76bp	5.6	93bp	6.0	5.4	60bp
<b>Total expenditure</b>	<b>214</b>	<b>191</b>	<b>12.1</b>	<b>231</b>	<b>(7.2)</b>	<b>444</b>	<b>395</b>	<b>12.5</b>
<b>EBITDA</b>	<b>5.9</b>	<b>5.1</b>	<b>16.2</b>	<b>6</b>	<b>(6.4)</b>	<b>12</b>	<b>10</b>	<b>21.6</b>
EBITDA Margin (%)	2.7	2.6	9bp	2.7	2bp	2.7	2.5	20bp
Interest	1.6	1.2	40.0	1.6	5.5	3	2	45.0
Depreciation	1	1	(17.5)	2	(46.0)	2	2	23.7
Other income	0.3	0.3	(9.1)	0.3	(16.6)	1	0	14.2
<b>PBT</b>	<b>4</b>	<b>3</b>	<b>15.9</b>	<b>4</b>	<b>4.8</b>	<b>7</b>	<b>6</b>	<b>12.4</b>
(% of Sales)	1.7	1.6		1.5		1.6	1.6	
Tax	1.1	1.1	4.7	1.2	(5.1)	2	2	7.0
(% of PBT)	30.5	33.8		33.7		32.0	33.6	
<b>Reported PAT</b>	<b>2.6</b>	<b>2.1</b>	<b>21.6</b>	<b>2.3</b>	<b>9.8</b>	<b>5</b>	<b>4</b>	<b>15.1</b>
Exceptional items	0	0		0		0	0	
<b>Adjusted PAT</b>	<b>2.6</b>	<b>2.1</b>	<b>21.6</b>	<b>2.3</b>	<b>9.8</b>	<b>5</b>	<b>4</b>	<b>15.1</b>
PATM (%)	1.2	1.1		1.0		1.1	1.0	

Source: Company, Angel Research

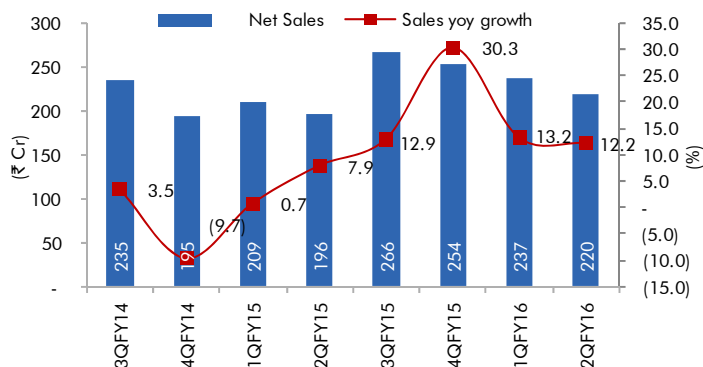
**Exhibit 2: Actual v/s Angel's estimates**

Actual v/s Angel's Estimates	Actual (₹cr)	Estimate (₹ cr)	% variation
<b>Total Income (₹cr)</b>	<b>220</b>	<b>226</b>	<b>(2.7)</b>
EBITDA (₹cr)	5.9	7.5	(21.0)
EBITDA Margin (%)	2.7	3.3	70bp
<b>Adjusted PAT (₹cr)</b>	<b>2.6</b>	<b>3.6</b>	<b>(28.8)</b>

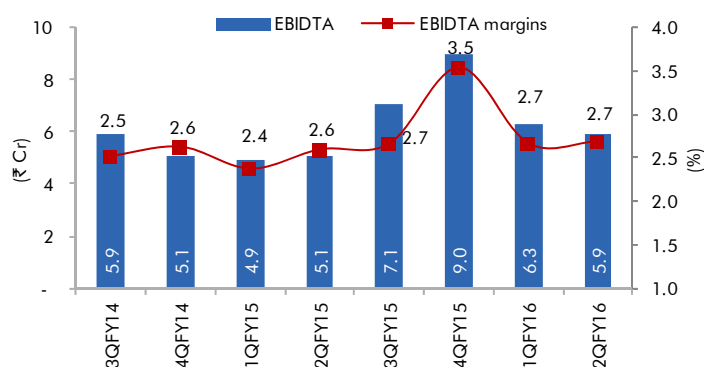
Source: Company, Angel Research

**Strong performance continues**

For 2QFY2016, Competent reported a decent set of numbers. The top-line for the quarter grew by 12.2% yoy to ₹220cr, which is slightly lower than our estimate of ₹226cr. The revenue growth is in-line with domestic revenue growth reported by Maruti Suzuki in 2QFY2016, where the revenue grew by 17.5% yoy largely owing to 12.4% volume growth. The EBITDA for the quarter came in at ₹6cr as against ₹5cr in the corresponding quarter a year ago. The EBITDA margin for the quarter improved by 9bp yoy to 2.7% as against 2.6% in 2QFY2015. The interest expense for the quarter grew by 40% yoy to ₹1.6cr as against ₹1.2cr in 2QFY2015. Consequently, the net profit came in at ₹2.6cr, growing by 21.6% on a yoy basis.

**Exhibit 3: Sales growth continues**


Source: Company, Angel Research

**Exhibit 4: Operating performance**


Source: Company, Angel Research

### Segmental performance

For 2QFY2016, Showroom revenues grew by 12.2% yoy to ₹197cr. EBIT for the segment came in at ₹2.5cr, an increase of 8.6% yoy. The segment's EBIT margin at 1.3% remained flat on both yoy and qoq basis. During the same period, MSIL reported a 17.5% yoy revenue growth in the domestic market. MSIL's volumes grew 12.4% on a yoy basis coupled with realization growth of ~4.5% yoy during the quarter.

For 2QFY2016, Services and spares revenue grew by 12.3% yoy to ₹23cr. EBIT improved to ₹2.6cr, a 46.1% increase on a yoy basis, with EBIT margin improving to 11.2% as against 8.6% in 2QFY2015.

**Exhibit 5: Segment-wise performance**

Y/E Mar (₹ cr)	2QFY16	2QFY15	% chg (yoy)	1QFY16	% chg (qoq)
<b>Total Revenue</b>					
Showroom	197	175	12.2	213	(7.8)
Services and Spares	23	20	12.3	23	(2.1)
<b>Total</b>	<b>254</b>	<b>195</b>	<b>30.3</b>	<b>266</b>	<b>(4.4)</b>
<b>EBIT</b>					
Showroom	2.5	2.3	8.6	2.9	(13.5)
Services and Spares	2.6	1.8	46.1	2	36.9
<b>Total</b>	<b>5.4</b>	<b>4.2</b>	<b>29.4</b>	<b>6.2</b>	<b>(11.8)</b>
<b>EBIT Margin (%)</b>					
Showroom	1.3	1.3	70.6	1.3	(8)bp
Services and Spares	11.2	8.6	374.3	8.0	319bp

Source: Company, Angel Research

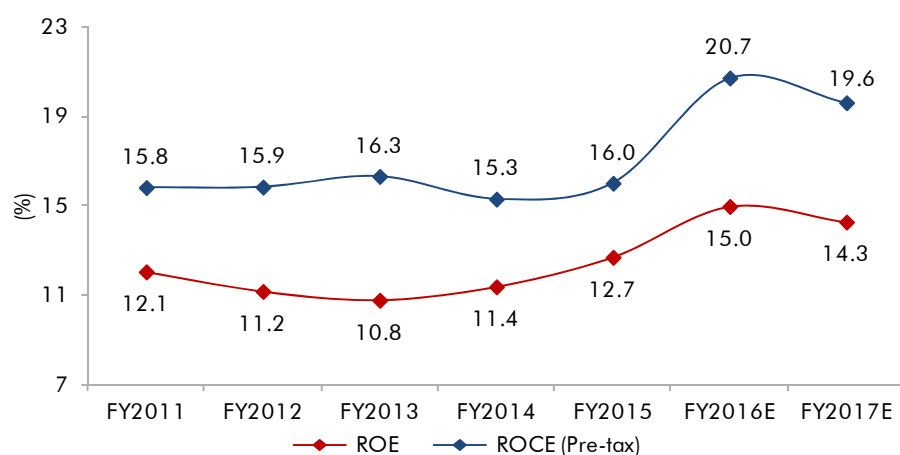
## Investment Rationale

Proxy play to Maruti: The top-line performance of the company is closely linked to the performance of MSIL. We expect MSIL to post robust volume CAGR of 12.6% over FY2015-17E, which will translate to better top-line for Competent. Also, we expect Competent's market share to remain stable/improve, as entry of a new dealer seems to be commercially unviable with property prices having soared significantly in the Delhi region. Competent is also likely to benefit from MSIL's plan to launch new products in the new segments in order to outgrow the market. With lower fuel prices scenario prevailing, we expect Competent to benefit from favorable outlook for MSIL.

Further, higher vehicle sales would likely get converted into greater demand for after sale services, thus bringing in additional revenue for Competent. All these factors augur well for Competent's future financial performance.

**Scalable business model with healthy balance sheet:** The company operates in two segments, namely Showroom and Services & Spares. The Showroom segment deals with purchase and sale of vehicles manufactured by MSIL. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. The business model being scalable enables the company to sustain its revenue growth trajectory. Further, the company is increasing focus on its Service & Spares business where the margins are higher than the Showroom business. The company has increased its short term debt in the 1HFY2016E ahead of the festive season mainly utilizing the funds for inventory. We expect the company to reduce this debt level by year end. With profitability expected to improve due to decent revenue growth and improvement in margins, the return ratios are expected to improve going ahead.

### Exhibit 6: Return Ratios to improve...



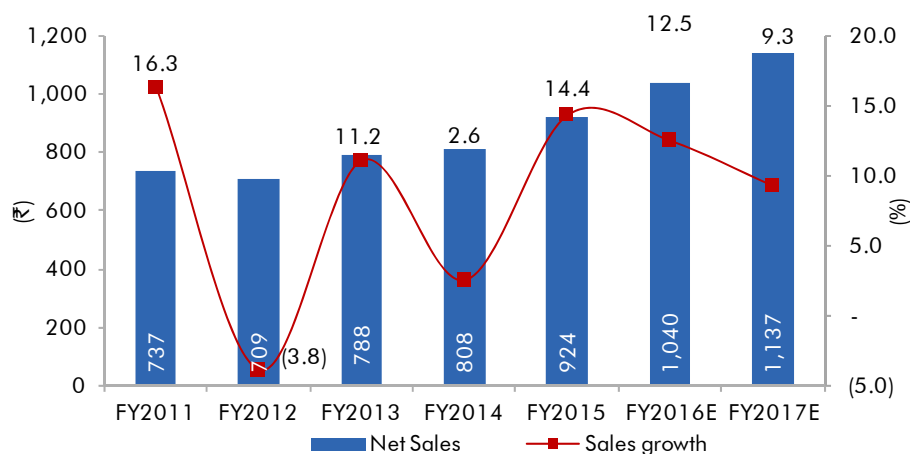
Source: Company, Angel Research

## Company Financials

### Net sales expected to post 10.9% CAGR over FY2015-17E

The top-line performance of the company is closely linked to the performance of MSIL. We expect MSIL to post strong sales growth going ahead on account of new product launches scheduled over the next one year. As a result, we expect Competent to post a 10.9% CAGR in revenue over FY2015-17E to ₹1,137cr in FY2017E.

#### Exhibit 7: Net sales and net sales growth

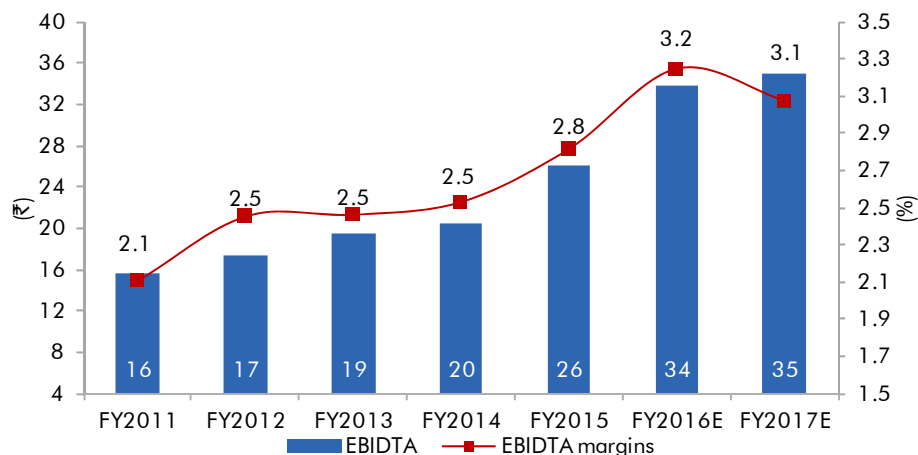


Source: Company, Angel Research

### EBITDA to post 15.9% CAGR over FY2015-17

The company's EBITDA is expected to rise from ₹26cr in FY2015 to ₹35cr in FY2017. The EBITDA margin is expected to improve from 2.8% in FY2015 to 3.1% in FY2017.

#### Exhibit 8: EBITDA and EBITDA margins to improve

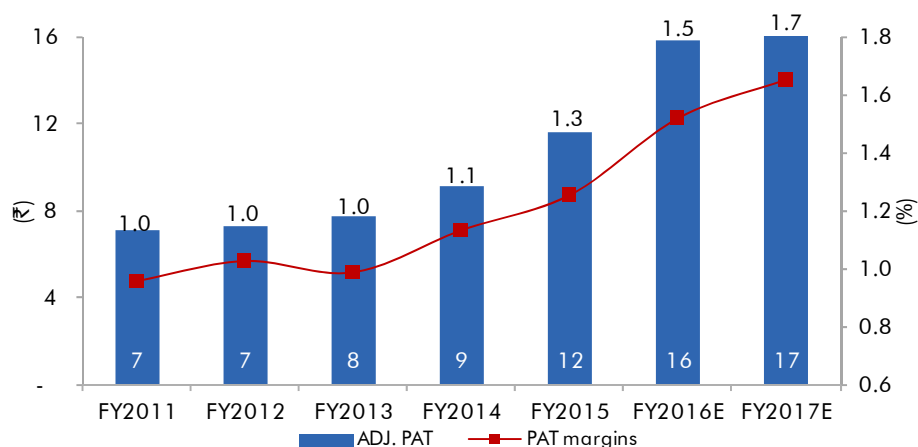


Source: Company, Angel Research

### Net profit to grow at 21.7% CAGR over FY2015-17

The company's bottom-line is expected to get a boost from an estimated improvement in its EBIDTA and EBIDTA margins; the bottom-line is expected to grow at a CAGR of 21.7% over FY2015-17 to ₹17cr. As a result, the PAT margins are expected to improve from 1.3% in FY2014 to 1.7% in FY2017.

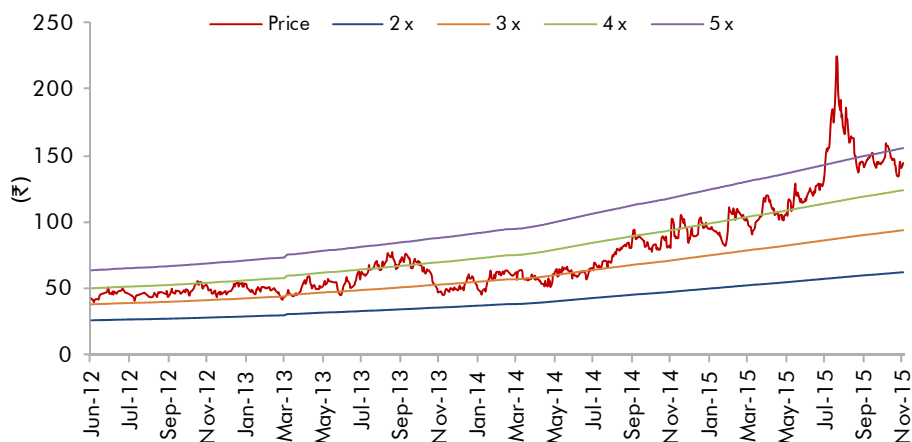
#### Exhibit 9: PAT and PAT margins to improve



Source: Company, Angel Research

**Outlook and Valuation:** We believe that Competent will continue to benefit from its established position in the automobile dealership market in Delhi, Haryana, and Himachal Pradesh, and from its conducive relationship with its principal, MSIL. During FY2015-17, we expect the company to register a top-line and bottom-line CAGR of 10.9% and 20.8%, to ₹1,137cr and ₹17cr, respectively. Currently, the stock trades at 5.1x its FY2107E earnings. **We have a Neutral rating on the stock.**

#### Exhibit 10: One-year forward P/E band



Source: Company, Angel Research

## Company Background

Competent Automobiles is mainly in the business of trading and servicing of Maruti Suzuki (MSIL) vehicles. The company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with sale of vehicles manufactured by MSIL. Competent Automobiles has 14 Maruti Showroom Network spread across Delhi NCR, Haryana and Himachal with State of Art facility and customer support team at each dealership.

## Key Risks

- Unsatisfactory utilization of funds - Further diversion of cash in unrelated business. The company invested ₹7.5cr (as on March 2014) in Raj Chopra & Company Pvt Ltd, which is owned by Mr. Raj Chopra (CMD). As of 1HFY2016, it appears that the company has invested additional amount taking the non-current investment figure to ₹34cr for the period.
- Increased competition due to entry of new players and appointment of new dealers by MSIL. Launch of new models by competing OEMs to Maruti have also increased market competition.
- Higher inflation and interest rates coupled with significant increase in fuel prices could hurt vehicle sales.

**Profit and loss statement**

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>Net Sales</b>	<b>788</b>	<b>808</b>	<b>924</b>	<b>1,040</b>	<b>1,137</b>
Other operating income	-	-	-	-	-
<b>Total operating income</b>	<b>788</b>	<b>808</b>	<b>924</b>	<b>1,040</b>	<b>1,137</b>
% chg	11.2	2.6	14.4	12.5	9.3
Purchase of Stock in Trade	712	729	831	926	1014
% chg	14.5	2.4	13.9	11.4	9.5
Power and Fuel costs	2	2	2	4	5
% chg	(20.9)	33.8	3.3	73.0	9.3
Personnel	19	21	24	30	33
% chg	13.2	8.5	17.5	23.3	9.3
Other	35	35	41	46	51
% chg	(29.5)	0.8	14.8	14.3	9.5
Total Expenditure	768	788	898	1,007	1,102
<b>EBITDA</b>	<b>19.4</b>	<b>20.5</b>	<b>26.0</b>	<b>33.7</b>	<b>34.9</b>
% chg	11.5	5.4	27.2	29.6	3.5
EBITDA Margin	2.5	2.5	2.8	3.2	3.1
Depreciation & Amortisation	4	4	6	5	5
<b>EBIT</b>	<b>15</b>	<b>17</b>	<b>20</b>	<b>29</b>	<b>30</b>
% chg	12.2	8.7	17.1	46.2	3.3
(% of Net Sales)	2.0	2.1	2.1	2.8	2.6
Interest & other Charges	5	5	5	7	5
Other Income	1	1	1	1	1
(% of Net Sales)	0.1	0.2	0.1	0.1	0.1
<b>Recurring PBT</b>	<b>11</b>	<b>12</b>	<b>15</b>	<b>22</b>	<b>24</b>
% chg	9.0	12.7	21.0	50.7	9.3
<b>PBT (reported)</b>	<b>11</b>	<b>14</b>	<b>16</b>	<b>24</b>	<b>26</b>
Tax	4	4	4	8	8
(% of PBT)	32	33	28	33	33
<b>PAT (reported)</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>16</b>	<b>17</b>
Extraordinary Expense/(Inc.)	-	-	-	-	-
<b>ADJ. PAT</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>16</b>	<b>17</b>
% chg	7.0	17.6	26.6	36.3	8.7
(% of Net Sales)	1.0	1.1	1.3	1.5	1.7
<b>Basic EPS (₹)</b>	<b>12.7</b>	<b>14.9</b>	<b>18.9</b>	<b>25.7</b>	<b>28.0</b>
<b>Fully Diluted EPS (₹)</b>	<b>12.7</b>	<b>14.9</b>	<b>18.9</b>	<b>25.7</b>	<b>28.0</b>
% chg	7.0	17.6	26.6	36.3	8.7



**Balance sheet**

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>SOURCES OF FUNDS</b>					
Equity Share Capital	6	6	6	6	6
Preference Capital	-	-	-	-	-
Reserves & Surplus	66	74	85	99	114
<b>Shareholders' Funds</b>	<b>72</b>	<b>80</b>	<b>91</b>	<b>106</b>	<b>120</b>
Minority Interest	-	-	-	-	-
Total Loans	23	30	33	35	33
Other long term liabilities	0	0	0	0	0
Net Deferred tax liability	(0.6)	(0.4)	(1.4)	(1.4)	(1.4)
<b>Total Liabilities</b>	<b>95</b>	<b>110</b>	<b>123</b>	<b>139</b>	<b>152</b>
<b>APPLICATION OF FUNDS</b>					
Gross Block	73	75	80	84	88
Less: Acc. Depreciation	29	32	38	43	48
<b>Net Block</b>	<b>44</b>	<b>43</b>	<b>42</b>	<b>41</b>	<b>40</b>
Capital Work-in-Progress	6	9	12	9	7
Lease adjustment	-	-	-	-	-
Goodwill	-	-	-	-	-
<b>Investments</b>	<b>0</b>	<b>8</b>	<b>12</b>	<b>34</b>	<b>34</b>
Other non-current assets	0	1	1	1	1
<b>Current Assets</b>	<b>84</b>	<b>94</b>	<b>123</b>	<b>119</b>	<b>135</b>
Cash	7	8	32	16	24
Loans & Advances	3	5	1	1	1
Other current assets	0	0	4	4	4
<b>Current liabilities</b>	<b>45</b>	<b>51</b>	<b>73</b>	<b>72</b>	<b>74</b>
<b>Net Current Assets</b>	<b>39</b>	<b>43</b>	<b>50</b>	<b>46</b>	<b>62</b>
Mis. Exp. not written off	-	-	-	-	-
<b>Total Assets</b>	<b>95</b>	<b>110</b>	<b>123</b>	<b>139</b>	<b>152</b>

**Cash Flow Statement**

Y/E March (₹ cr)	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Profit before tax	11	14	16	24	26
Depreciation	4	4	6	5	5
(Inc.)/ Dec. in Working Capital	(1)	(1)	(1)	(1)	(1)
Less: Other income	(3)	(3)	17	(13)	(7)
Direct taxes paid	(4)	(4)	(4)	(8)	(8)
<b>Cash Flow from Operations</b>	<b>8</b>	<b>9</b>	<b>34</b>	<b>7</b>	<b>14</b>
(Inc.)/ Dec. in Fixed Assets	(12)	(5)	(7)	(1)	(2)
(Inc.)/ Dec. in Investments	3	(10)	(5)	(23)	(1)
Other income	1	1	1	1	1
<b>Cash Flow from Investing</b>	<b>(8)</b>	<b>(13)</b>	<b>(11)</b>	<b>(23)</b>	<b>(1)</b>
Issue of Equity	-	-	-	-	-
Inc./(Dec.) in loans	1	7	2	2	(2)
Dividend Paid (Incl. Tax)	(1)	(1)	(1)	(2)	(2)
Others	(1)	(1)	-	-	-
<b>Cash Flow from Financing</b>	<b>(1)</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>(5)</b>
Inc./(Dec.) in Cash	(0)	1	24	(16)	8
<b>Opening Cash balances</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>32</b>	<b>16</b>
<b>Closing Cash balances</b>	<b>7</b>	<b>8</b>	<b>32</b>	<b>16</b>	<b>24</b>

**Key Ratios**

Y/E March	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>Valuation Ratio (x)</b>					
P/E (on FDEPS)	11.4	9.6	7.6	5.6	5.1
P/CEPS	7.6	6.9	4.9	4.3	4.0
P/BV	1.2	1.1	1.0	0.8	0.7
Dividend yield (%)	0.8	0.8	0.9	1.8	2.7
EV/Sales	0.1	0.1	0.1	0.1	0.1
EV/EBITDA	5.4	5.0	3.0	2.2	1.8
EV / Total Assets	1.1	0.9	0.6	0.5	0.4
<b>Per Share Data (₹)</b>					
EPS (Basic)	12.7	14.9	18.9	25.7	28.0
EPS (fully diluted)	12.7	14.9	18.9	25.7	28.0
Cash EPS	19.1	20.8	29.1	33.7	36.4
DPS	1.0	1.0	1.0	2.0	3.0
Book Value	117.5	131.0	148.6	171.7	195.8
<b>Dupont Analysis</b>					
EBIT margin	2.0	2.1	2.1	2.8	2.6
Tax retention ratio	0.7	0.7	0.7	0.7	0.7
Asset turnover (x)	9.6	9.4	13.6	12.9	13.1
ROIC (Post-tax)	12.9	13.2	20.9	24.0	22.9
Cost of Debt (Post Tax)	13.7	10.5	10.7	12.6	11.1
Leverage (x)	0.2	0.2	(0.1)	(0.1)	(0.2)
Operating ROE	12.7	13.7	19.8	22.4	20.4
<b>Returns (%)</b>					
ROCE (Pre-tax)	16.3	15.3	16.0	20.7	19.6
Angel ROIC (Pre-tax)	18.9	19.6	29.1	35.8	34.2
ROE	10.8	11.4	12.7	15.0	14.3
<b>Turnover ratios (x)</b>					
Asset Turnover (Gross Block)	10.7	10.8	11.6	12.4	12.9
Inventory / Sales (days)	23	27	25	24	24
Receivables (days)	8	8	8	8	8
Payables (days)	21	23	24	25	24
WC cycle (ex-cash) (days)	14	15	11	9	11
<b>Solvency ratios (x)</b>					
Net debt to equity	0.2	0.2	(0.1)	(0.1)	(0.2)
Net debt to EBITDA	0.8	0.7	(0.4)	(0.4)	(0.7)
Interest Coverage (EBIT / Int.)	3.3	3.7	4.0	4.4	5.5

## 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	Competent Auto
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)
---	-------------	--	------------------------------------