

# INDIAN ENERGY EXCHANGE (IEX) | Power Exchange

# LKP

IEX reported a strong quarter with revenue growing by c.21% sequentially and c.56% over same period previous year. Margin expanded both sequentially by 387 bps and YOY by 790 bps to 86.1% led by lower other expenses and strong operating leverage. Volumes traded on platform continued their growth momentum with volumes growing by almost c.21% sequentially and c.57% YOY led by robust growth in new products. Contribution from the new products increased to 27% in this quarter from c.14% in Q2FY21. IEX has declared a Bonus in the ratio of 2:1 taking their post bonus number of shares to 89,86,69,533 of FV ₹1/- each from 29,95,56,51 share pre-bonus. The Indian power market is in transformation with multiple policy decisions being taken and some policies are in line to be taken for the improvement of the whole power sector. One of the key decisions which the government announced recently is the beginning of the Phase-1 of Market Based Economic Despatch from April 1, 2022. This decision will increase the volumes on the power exchanges multifold with IEX being one of the major beneficiaries.

## Valuation & Outlook

IEX's stock price has witnessed a significant appreciation over the last one year since our initiating coverage. Past one year has been the best year for the company in terms of successful product launches, spurt in volumes traded with increase market share and favorable policy decisions. Going forward, we expect these three factors to continue helping the company to grow significantly. Even, with the risks mentioned below, we expect the volume growth to be robust over the next few years majorly due to the under penetration of the spot market in terms of volumes and product range in India as compared to some of the developed nations. We value the company based on the known growth triggers such as MBED which will considerably increase the volumes traded (not accounted in the financial forecast) on the IEX platform resulting in a strong growth in bottom line. **We maintain our BUY recommendation on IEX with a target price of ₹851.**

## Bonus Declared 2:1

IEX declared Bonus Issue of Equity Shares in the proportion of Two Equity Share of ₹1/- each for every One existing Equity Shares of ₹1/- each subject to the approval of shareholders through Postal Ballot i.e. in compliance with the applicable laws

## Market-Based Economic Despatch Phase-I to begin from April 1, 2022

Recently the Ministry of Power has announced a framework for implementation of Market Based Economic Despatch (MBED) – Phase1 for lowering the cost of power purchase to consumers. Around 5% reduction in the cost of power to the consumers from MBED is expected. The move is to create a “One Nation, One Grid, One Frequency, One Price” in reforming electricity market operations.

| Key Financials         | 2018   | 2019   | 2020   | 2021   | 2022E  | 2023E  | 2024E  |
|------------------------|--------|--------|--------|--------|--------|--------|--------|
| Total sales(INR Crore) | 230.45 | 254.08 | 257.13 | 317.85 | 430.18 | 497.19 | 554.28 |
| EBITDA margins (%)     | 80.2%  | 79.8%  | 78.6%  | 78.9%  | 82.0%  | 82.0%  | 81.0%  |
| PAT margins (%)        | 57.1%  | 65.0%  | 68.3%  | 64.6%  | 68.6%  | 69.3%  | 69.1%  |
| EPS (INR)              | 4.34   | 5.44   | 5.87   | 6.86   | 9.85   | 11.50  | 12.79  |
| ROE (%)                | 46.41% | 44.57% | 45.29% | 39.05% | 46.94% | 46.84% | 44.91% |
| ROCE (%)               | 66.20% | 58.09% | 52.60% | 45.20% | 54.91% | 55.46% | 53.76% |

|                          |     |
|--------------------------|-----|
| Rating                   | Buy |
| Current Market Price (₹) | 758 |
| 12 M Price Target (₹)    | 851 |
| Potential upside (%)     | 12  |

## Stock Data

|   |              |
|---|--------------|
| FV (₹) :                                | 1            |
| Market Cap Full (₹ bn) :                | 227          |
| Market Cap Free Float (₹ bn) :          | 191          |
| 52-Week High / Low (₹) :                | 181 / 956    |
| 2-Year High / Low (₹) :                 | 116 / 956    |
| 1 Year Avg. Dly Traded Volume (in lakh) | 45           |
| BSE Code / NSE Symbol                   | 540750 / IEX |
| Bloomberg :                             | IEX IN       |

## Shareholding Pattern (%)

|              | Sep-21 | Jun-21 | Mar-21 | Dec-20 |
|--------------|--------|--------|--------|--------|
| FPIs         | 37.74  | 36.66  | 36.81  | 29.62  |
| MFs          | 15.86  | 15.63  | 15.12  | 20.00  |
| AIF          | 1.35   | 2.61   | 4.15   | 5.12   |
| Insurance    | 3.86   | 5.09   | 4.92   | 5.45   |
| Dalmia Group | 14.81  | 15.53  | 20.00  | 20.00  |
| Others       | 26.38  | 24.48  | 19.00  | 19.81  |

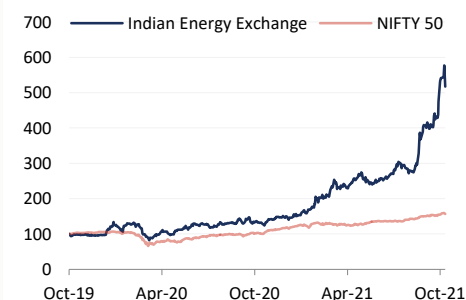
*Dalmia Group: Dalmia Cement, Dalmia Power & DPVL Ventures LLP*  
Source: BSE

## Price Performance (%)

| (%)      | 1M  | 3M  | 6M   | 1YR  |
|----------|-----|-----|------|------|
| IEX      | 30% | 77% | 115% | 290% |
| Nifty 50 | 4%  | 16% | 27%  | 52%  |

\* To date / current date : October 21, 2021

## IEX vs Nifty 50



The implementation of the MBED will be done in a phased manner to help the participants, power exchanges and load despatch centres to adapt gradually to the new regime. With the implementation of the MBED, volumes on the IEX platform is expected to increase significantly over the coming years.

#### IEX platform to absorb the volumes from recent Coal Shortage

Coal shortage in recent time has led to a rise in the unit power cost to as high as ₹17/unit in the spot market for a week in the current month eventually subsiding in the range of ₹4-6 per unit. Generation companies increased their participation on exchange selling their spare capacities to improve their profitability. IEX platform has often proved to be a way out for the power companies and the consumers during extreme events.

#### With Market expansion comes new Risk factors

The launch of MBED will result in multifold increase in the volumes on the exchange platform resulting in increasing competition from the new and existing players, thus resulting in the loss of monopoly for the company. Another major risk for the company is the launch of market coupling where all the bids across the power exchanges will be clubbed together to determine a uniform power price. This will directly impact the dominance of IEX established over the years. Lastly, with increase in the power volumes through the exchange, there is a possibility of reduction in the revenue per trade from current 4 paisa per trade by the authority. This will result in significant reduction in the company's revenue in turn impacting the bottom-line.

#### Quarterly Financial Snapshot

| (₹ Crs)                 | Q2FY22 | Q1FY22 | % qoq   | Q2FY21 | %yoy    |
|-------------------------|--------|--------|---------|--------|---------|
| Revenue from Operations | 110.4  | 91     | 21.30%  | 70.9   | 55.60%  |
| Employee Cost           | 10.7   | 9.5    | 12.40%  | 11.7   | -8.50%  |
| Other Expenses          | 4.6    | 6.7    | -30.30% | 3.8    | 23.10%  |
| EBIDTA                  | 95     | 74.9   | 27.00%  | 55.5   | 71.40%  |
| EBIDTA Margin %         | 86.10% | 82.20% | 387 Bps | 78.20% | 790 Bps |
| Other Income            | 11.9   | 11.8   | 0.60%   | 7.8    | 53.00%  |
| Depreciation            | 4.4    | 4.3    | 2.70%   | 4.3    | 2.90%   |
| EBIT                    | 102.6  | 82.4   | 24.40%  | 59     | 73.90%  |
| EBIT Margin %           | 92.90% | 90.60% | 237 Bps | 83.20% | 976 Bps |
| Interest                | 0.5    | 0.5    | -14.40% | 0.5    | -7.70%  |
| EBT                     | 102.1  | 81.9   | 24.70%  | 58.5   | 74.60%  |
| Tax                     | 24.7   | 19.8   | 25.00%  | 14.1   | 74.80%  |
| PAT                     | 77.4   | 62.1   | 24.60%  | 44.3   | 74.60%  |
| PAT Margin %            | 70.10% | 68.20% | 189 Bps | 62.50% | 760 Bps |
| EPS                     | 2.6    | 2.1    | 23.80%  | 1.49   | 74.50%  |

Source: Company, LKP Research

## Income Statement

| Particulars (₹ in Cr)                      | 2018         | 2019         | 2020         | 2021         | 2022E        | 2023E        | 2024E        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Income</b>                              |              |              |              |              |              |              |              |
| Revenue From Operations(Gross)             | 230.4        | 254.1        | 257.1        | 317.9        | 430.2        | 497.2        | 554.3        |
| <b>Revenue From Operations(Net)</b>        | <b>230.4</b> | <b>254.1</b> | <b>257.1</b> | <b>317.9</b> | <b>430.2</b> | <b>497.2</b> | <b>554.3</b> |
| % Growth                                   | 16.0%        | 10.3%        | 1.2%         | 23.6%        | 35.3%        | 15.6%        | 11.5%        |
| <b>Expenses</b>                            |              |              |              |              |              |              |              |
| Employee Benefit Expenses                  | 24.1         | 24.8         | 33.2         | 44.4         | 47.3         | 54.7         | 66.5         |
| Other Expenses                             | 21.5         | 26.4         | 21.7         | 22.8         | 30.1         | 34.8         | 38.8         |
| <b>Total Expenses</b>                      | <b>45.6</b>  | <b>51.3</b>  | <b>55.0</b>  | <b>67.2</b>  | <b>77.4</b>  | <b>89.5</b>  | <b>105.3</b> |
| <b>EBITDA</b>                              | <b>184.9</b> | <b>202.8</b> | <b>202.2</b> | <b>250.6</b> | <b>352.7</b> | <b>407.7</b> | <b>449.0</b> |
| EBITDA Margin                              | 80.2%        | 79.8%        | 78.6%        | 78.9%        | 82.0%        | 82.0%        | 81.0%        |
| Other Income                               | 25.6         | 40.1         | 40.3         | 38.4         | 55.5         | 66.9         | 77.4         |
| Depreciation and Amortization Expenses     | 10.3         | 10.4         | 15.2         | 16.5         | 17.2         | 17.8         | 18.5         |
| <b>EBIT</b>                                | <b>200.2</b> | <b>232.5</b> | <b>227.2</b> | <b>272.5</b> | <b>391.1</b> | <b>456.8</b> | <b>507.9</b> |
| Finance Cost                               | 0.2          | 0.7          | 1.6          | 2.1          | 2.8          | 3.2          | 3.6          |
| <b>Restated Profit / (Loss) before tax</b> | <b>200.0</b> | <b>231.7</b> | <b>225.6</b> | <b>270.4</b> | <b>388.3</b> | <b>453.6</b> | <b>504.3</b> |
| Tax Expense                                | 68.3         | 66.7         | 49.9         | 65.0         | 93.3         | 109.0        | 121.2        |
| <b>Profit / (Loss) for the year</b>        | <b>131.7</b> | <b>165.0</b> | <b>175.7</b> | <b>205.4</b> | <b>294.9</b> | <b>344.5</b> | <b>383.1</b> |

Source: Company, LKP Research

## Balance Sheet

| Particulars (₹ in Cr)               | 2018          | 2019          | 2020          | 2021          | 2022E           | 2023E           | 2024E           |
|-------------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| <b>Equities And Liabilities</b>     |               |               |               |               |                 |                 |                 |
| <b>Shareholders' funds</b>          |               |               |               |               |                 |                 |                 |
| Share capital                       | 30.16         | 30.19         | 29.83         | 29.85         | 29.85           | 29.85           | 29.85           |
| Reserves and surplus                | 253.56        | 340.08        | 358.12        | 496.26        | 598.45          | 705.62          | 823.08          |
|                                     | <b>283.72</b> | <b>370.27</b> | <b>387.95</b> | <b>526.11</b> | <b>628.30</b>   | <b>735.47</b>   | <b>852.93</b>   |
| Non-Controlling Interest            | -             | -             | -             | 29.69         | 29.69           | 29.69           | 29.69           |
|                                     | <b>283.72</b> | <b>370.27</b> | <b>387.95</b> | <b>555.80</b> | <b>657.99</b>   | <b>765.16</b>   | <b>882.62</b>   |
| <b>Non-current liabilities</b>      |               |               |               |               |                 |                 |                 |
| Other Financial Liabilities         | 1.28          | 1.72          | 13.61         | 11.47         | 15.53           | 17.94           | 20.01           |
| Long term Provisions                | 2.63          | 3.65          | 5.71          | 7.50          | 10.15           | 11.73           | 13.07           |
| Deffered Tax Liabilities (Net)      | 14.68         | 24.41         | 24.43         | 26.98         | 26.98           | 26.98           | 26.98           |
| Other Longterm Liabilities          | 0.14          | 0.17          | 0.18          | 1.16          | 1.56            | 1.81            | 2.01            |
|                                     | <b>18.73</b>  | <b>29.95</b>  | <b>43.93</b>  | <b>47.11</b>  | <b>54.22</b>    | <b>58.46</b>    | <b>62.07</b>    |
| <b>Current liabilities</b>          |               |               |               |               |                 |                 |                 |
| Trade payables                      | 84.63         | 133.83        | 76.57         | 165.90        | 117.86          | 136.22          | 151.86          |
| Other Financial Liabilities         | 165.60        | 153.56        | 139.42        | 192.31        | 260.27          | 300.82          | 335.35          |
| Short term Provisions               | 0.17          | 0.36          | 0.09          | 0.11          | 0.15            | 0.18            | 0.20            |
| Current Tax Laibilities (Net)       | 5.23          | 2.73          | 2.65          | 4.23          | 4.23            | 4.23            | 4.23            |
| Other current liabilities           | 16.19         | 14.88         | 16.66         | 19.70         | 26.66           | 30.81           | 34.35           |
|                                     | <b>271.81</b> | <b>305.34</b> | <b>235.38</b> | <b>382.25</b> | <b>409.17</b>   | <b>472.25</b>   | <b>525.98</b>   |
| <b>Total</b>                        | <b>574.27</b> | <b>705.56</b> | <b>667.26</b> | <b>985.16</b> | <b>1,121.38</b> | <b>1,295.87</b> | <b>1,470.68</b> |
| <b>ASSETS</b>                       |               |               |               |               |                 |                 |                 |
| <b>Non-current assets</b>           |               |               |               |               |                 |                 |                 |
| <b>Fixed assets</b>                 |               |               |               |               |                 |                 |                 |
| Tangible assets                     | 7.23          | 7.16          | 21.80         | 14.30         | 6.67            | (1.08)          | (8.95)          |
| Capital work-in-progress            | 0.29          | 0.35          | 0.03          | 0.17          | 0.17            | 0.17            | 0.17            |
| Right of use assets                 | -             | -             | -             | 10.37         | 10.37           | 10.37           | 10.37           |
| Intangible assets                   | 111.76        | 104.21        | 97.18         | 96.80         | 95.88           | 94.42           | 92.42           |
| Intangible assets under development | 0.24          | 0.90          | 3.81          | 6.48          | 6.48            | 6.48            | 6.48            |
| <b>Financial Assets:</b>            |               |               |               |               |                 |                 |                 |
| Non-current investments             | 77.56         | 202.22        | 196.75        | 112.16        | 112.16          | 112.16          | 112.16          |
| Long-term loans and advances        | 1.38          | 1.71          | 0.46          | 1.19          | 1.19            | 1.19            | 1.19            |
| Other fiancical assets              | -             | -             | 2.03          | 2.02          | 2.74            | 3.16            | 3.52            |
| Deffered Tax Assets (Net)           | -             | -             | -             | 3.40          | 3.40            | 3.40            | 3.40            |
| Non-current tax assets (net)        | 1.02          | 0.99          | 0.21          | 0.76          | 0.76            | 0.76            | 0.76            |
| Other non-current assets            | 1.27          | 0.64          | 0.39          | 0.63          | 0.85            | 0.98            | 1.09            |
|                                     | <b>200.74</b> | <b>318.18</b> | <b>322.65</b> | <b>248.27</b> | <b>240.66</b>   | <b>232.02</b>   | <b>222.62</b>   |
| <b>Current assets</b>               |               |               |               |               |                 |                 |                 |
| Investment                          | 190.91        | 272.44        | 311.82        | 600.65        | 600.65          | 600.65          | 600.65          |
| <b>Financial Assets:</b>            |               |               |               |               |                 |                 |                 |
| Trade receivables                   | 0.22          | 45.89         | 0.19          | 3.20          | 4.32            | 5.00            | 5.57            |
| Cash and Bank balances              | 53.10         | 50.82         | 12.86         | 46.05         | 29.09           | 15.80           | 19.51           |
| Other Balances with Banks           | 61.26         | 16.80         | 14.78         | 57.82         | 207.82          | 397.82          | 572.82          |
| Short-term loans and advances       | 0.03          | 0.03          | 2.08          | 1.84          | 1.84            | 1.84            | 1.84            |
| Other financial assets              | 67.01         | 0.13          | 0.30          | 0.23          | 0.31            | 0.35            | 0.39            |
| Other current assets                | 0.99          | 1.29          | 2.58          | 27.10         | 36.68           | 42.40           | 47.26           |
|                                     | <b>373.52</b> | <b>387.39</b> | <b>344.60</b> | <b>736.88</b> | <b>880.72</b>   | <b>1,063.86</b> | <b>1,248.06</b> |
| <b>Total</b>                        | <b>574.27</b> | <b>705.56</b> | <b>667.26</b> | <b>985.16</b> | <b>1,121.38</b> | <b>1,295.87</b> | <b>1,470.68</b> |

## Cash Flow

| Particulars (₹ in Cr)  | 2018           | 2019          | 2020           | 2021           | 2022E          | 2023E          | 2024E          |
|--|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                     |                |               |                |                |                |                |                |
| Profit / (Loss) before Tax                                     | 200.0          | 231.7         | 225.6          | 270.4          | 388.3          | 453.6          | 504.3          |
| Depreciation and Amortization                                  | 10.3           | 10.4          | 15.2           | 16.5           | 17.2           | 17.8           | 18.5           |
| Interest (net)   | (4.6)          | (2.6)         | (0.0)          | (0.9)          | (9.9)          | (20.9)         | (31.0)         |
| Other Operating Activities                                     | (20.1)         | (36.3)        | (37.6)         | (34.4)         | -              | -              | -              |
| Working capital changes  | (2.5)          | (5.4)         | (28.2)         | 119.6          | 22.3           | 60.3           | 51.4           |
| Income tax paid  | (51.8)         | (59.6)        | (49.1)         | (64.9)         | (93.3)         | (109.0)        | (121.2)        |
| <b>NET CASH GENERATED BY OPERATING ACTIVITIES (A)</b>          | <b>131.2</b>   | <b>138.3</b>  | <b>126.0</b>   | <b>306.4</b>   | <b>324.5</b>   | <b>401.7</b>   | <b>421.9</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |                |               |                |                |                |                |                |
| Capital Expenditure  | (120.4)        | (3.6)         | (7.8)          | (21.0)         | (8.6)          | (8.6)          | (8.6)          |
| Change in Investments  | 83.2           | (66.2)        | 3.7            | (176.6)        | (150.0)        | (190.0)        | (175.0)        |
| Other Investing Activities                                     | 3.7            | 7.6           | 1.6            | 1.5            | 12.7           | 24.2           | 34.6           |
| <b>NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)</b> | <b>(33.4)</b>  | <b>(62.1)</b> | <b>(2.5)</b>   | <b>(196.1)</b> | <b>(145.9)</b> | <b>(174.5)</b> | <b>(149.0)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                     |                |               |                |                |                |                |                |
| Interest paid  | (0.0)          | (0.0)         | (0.8)          | (0.6)          | (2.8)          | (3.2)          | (3.6)          |
| Dividend paid including DDT                                    | (127.1)        | (80.1)        | (90.0)         | (74.7)         | (192.7)        | (237.4)        | (265.6)        |
| Other Financial Activities                                     | 0.9            | 1.7           | (70.6)         | (1.8)          | -              | -              | -              |
| <b>NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)</b> | <b>(126.3)</b> | <b>(78.4)</b> | <b>(161.4)</b> | <b>(77.1)</b>  | <b>(195.5)</b> | <b>(240.6)</b> | <b>(269.2)</b> |
| Net Change in Cash (A+B+C)                                     | (28.5)         | (2.3)         | (38.0)         | 33.2           | (17.0)         | (13.3)         | 3.7            |
| <b>Cash &amp; cash equivalents at the end of the year</b>      | <b>53.1</b>    | <b>50.8</b>   | <b>12.9</b>    | <b>46.0</b>    | <b>29.1</b>    | <b>15.8</b>    | <b>19.5</b>    |

Source: Company, LKP Research

## Financial Ratios

| Particulars (₹ in Cr)                  | 2018   | 2019   | 2020   | 2021E  | 2022E  | 2023E  | 2024E  |
|--|--------|--------|--------|--------|--------|--------|--------|
| <b>Per Share Data (INR)</b>            |        |        |        |        |        |        |        |
| EPS                                    | 4.34   | 5.44   | 5.87   | 6.86   | 9.85   | 11.50  | 12.79  |
| Cash EPS                               | 4.68   | 5.79   | 6.37   | 7.41   | 10.42  | 12.10  | 13.40  |
| BV/Share                               | 9.35   | 12.21  | 12.95  | 17.56  | 20.97  | 24.55  | 28.47  |
| DPS                                    | 2.20   | -      | 2.50   | 2.50   | 4.92   | 5.75   | 6.39   |
| Payout (%)                             | 51%    | 0%     | 43%    | 36%    | 50%    | 50%    | 50%    |
| <b>Growth Ratios (%)</b>               |        |        |        |        |        |        |        |
| Sales Growth                           | 16.01% | 10.25% | 1.20%  | 23.61% | 35.34% | 15.58% | 11.48% |
| EBIDTA Growth                          | 28.87% | 9.71%  | -0.33% | 23.98% | 40.74% | 15.58% | 10.12% |
| EBIT Growth                            | 14.89% | 16.11% | -2.28% | 19.95% | 43.50% | 16.81% | 11.18% |
| EBT Growth                             | 15.04% | 15.88% | -2.64% | 19.87% | 43.57% | 16.82% | 11.18% |
| PAT Growth                             | 15.94% | 25.32% | 6.48%  | 16.91% | 43.57% | 16.82% | 11.18% |
| <b>Valuation Ratios (x)</b>            |        |        |        |        |        |        |        |
| P/E                                    | 174.6  | 139.3  | 129.2  | 110.5  | 77.0   | 65.9   | 59.3   |
| Cash P/E                               | 161.9  | 131.0  | 118.9  | 102.3  | 72.8   | 62.7   | 56.5   |
| EV/Sales                               | 99.3   | 90.2   | 88.2   | 71.1   | 52.2   | 44.8   | 39.9   |
| EV/EBITDA                              | 123.7  | 113.0  | 112.2  | 90.2   | 63.7   | 54.7   | 49.3   |
| P/B                                    | 81.0   | 62.1   | 58.5   | 43.2   | 36.1   | 30.9   | 26.6   |
| Mcap/Sales                             | 99.8   | 90.5   | 88.3   | 71.4   | 52.8   | 45.7   | 41.0   |
| <b>Operating Ratios</b>                |        |        |        |        |        |        |        |
| Fixed Asset Turnover Ratio (x)         | 1.9    | 2.3    | 2.2    | 2.9    | 4.2    | 5.3    | 6.6    |
| Asset Turnover Ratio (x)               | 0.4    | 0.4    | 0.4    | 0.3    | 0.4    | 0.4    | 0.4    |
| Trade Receivables Days                 | 0.3    | 65.9   | 0.3    | 3.7    | 3.7    | 3.7    | 3.7    |
| Trade Payables Days                    | 134.0  | 192.3  | 108.7  | 190.5  | 100.0  | 100.0  | 100.0  |
| <b>Profitability Ratios</b>            |        |        |        |        |        |        |        |
| EBITDA Margin (%)                      | 80.2%  | 79.8%  | 78.6%  | 78.9%  | 82.0%  | 82.0%  | 81.0%  |
| EBIT Margin (%)                        | 86.9%  | 91.5%  | 88.4%  | 85.7%  | 90.9%  | 91.9%  | 91.6%  |
| EBT Margin (%)                         | 86.8%  | 91.2%  | 87.7%  | 85.1%  | 90.3%  | 91.2%  | 91.0%  |
| PAT Margin (%)                         | 57.1%  | 65.0%  | 68.3%  | 64.6%  | 68.6%  | 69.3%  | 69.1%  |
| <b>Return Ratios</b>                   |        |        |        |        |        |        |        |
| ROE (%)                                | 46.4%  | 44.6%  | 45.3%  | 39.0%  | 46.9%  | 46.8%  | 44.9%  |
| ROCE (%)                               | 66.2%  | 58.1%  | 52.6%  | 45.2%  | 54.9%  | 55.5%  | 53.8%  |
| ROA (%)                                | 22.9%  | 23.4%  | 26.3%  | 20.9%  | 26.3%  | 26.6%  | 26.0%  |
| <b>Liquidity &amp; Leverage Ratios</b> |        |        |        |        |        |        |        |
| Current Ratio (x)                      | 1.37   | 1.27   | 1.46   | 1.93   | 2.15   | 2.25   | 2.37   |
| Interest Coverage Ratio (x)            | 883.6  | 316.6  | 145.1  | 132.6  | 140.6  | 142.1  | 141.7  |
| Net Debt/Equity Ratio (x)              | (0.40) | (0.18) | (0.07) | (0.20) | (0.38) | (0.56) | (0.69) |
| Financial Leverage                     | 2.02   | 1.91   | 1.72   | 1.87   | 1.78   | 1.76   | 1.72   |

Source: Company, LKP Research

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