

February 13, 2025

## Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	ACCUMULATE		ACCUMULATE	
<b>Target Price</b>	244		243	
Sales (Rs. m)	4,19,500	4,52,603	4,16,582	4,46,307
% Chng.	0.7	1.4		
EBITDA (Rs. m)	51,179	56,575	51,656	55,788
% Chng.	(0.9)	1.4		
EPS (Rs.)	11.0	12.4	11.3	12.4
% Chng.	(2.2)	0.5		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	3,83,670	3,83,706	4,19,500	4,52,603
EBITDA (Rs. m)	46,066	45,661	51,179	56,575
Margin (%)	12.0	11.9	12.2	12.5
PAT (Rs. m)	26,826	28,376	32,405	36,524
EPS (Rs.)	9.1	9.7	11.0	12.4
Gr. (%)	102.5	5.8	14.2	12.7
DPS (Rs.)	5.1	5.1	5.7	6.5
Yield (%)	2.3	2.3	2.6	2.9
RoE (%)	31.1	29.9	29.6	28.9
RoCE (%)	34.2	32.6	33.0	33.1
EV/Sales (x)	1.6	1.6	1.5	1.3
EV/EBITDA (x)	13.7	13.7	12.1	10.8
PE (x)	24.0	22.7	19.9	17.6
P/BV (x)	7.3	6.3	5.5	4.8

### Key Data

ASOK.BO | AL IN

52-W High / Low	Rs.265 / Rs.158
Sensex / Nifty	76,171 / 23,045
Market Cap	Rs.644bn / \$ 7,413m
Shares Outstanding	2,937m
3M Avg. Daily Value	Rs.1548.07m

### Shareholding Pattern (%)

Promoter's	51.52
Foreign	22.03
Domestic Institution	14.19
Public & Others	12.26
Promoter Pledge (Rs bn)	22.10

### Stock Performance (%)

	1M	6M	12M
Absolute	4.2	(13.0)	28.0
Relative	5.8	(9.0)	19.4

### Mehul Mistry

mehulmistry@plindia.com |

## Strong performance led by healthy ASP & lower cost

### Quick Pointers:

- Strong order book in Switch India and expects it to be EBITDA positive in FY26
- Aiming to improve the mix of tippers and multi-axle products in upcoming quarters

**Ashok Leyland's reported strong Q3FY25 performance with revenue growth being 3% better than PLe/consensus estimates. During Q3FY25, its volume decline by 1.4% YoY, however, realization increased by 3.7% YoY with the main cause being discipline on discounts, better mix of M&HCV products and healthy spares revenue. EBITDA margin was better than PLe/consensus expectations (12.1%/11.9%) at 12.8%, aided by cost mitigating measures to drive overall profitability. Sharp decline in other income was offset by decline in interest expenses helping its PAT to surge by 31.2% YoY, which was 14.2% higher than PLe/consensus expectations.**

**The management expect demand revival in Q4FY25 specifically in the M&HCV category of vehicles, however, given the high base of Q4FY24 we expect the volume growth to be on a flattish note leading to a marginal de-growth in volume terms in FY25. Structurally, pickup in private capex, government spending towards infrastructure and replacement demand in the M&HCV category augurs well for the industry as well as AL's growth prospect. Factoring this, we have largely maintained our estimate forecasting its revenue/EBITDA/PAT to grow at a CAGR of 5%/7%/10% over FY24-27E and retain our "Accumulate" rating with a TP of Rs244 (previous Rs243), valuing its core business at 11.5x on Dec'26E EV/EBITDA and HLF at Rs16.**

- Better mix and spares revenue led to beat on revenue estimates:** Revenue came in at Rs94.8bn (PLe: Rs91.9bn; BBGe: Rs91.1bn). Better mix of MHCV (64.8% vs 62.3% in Q3FY24), discipline on discounts and healthy spares growth led its ASP to increase by 3.7% YoY to Rs 2.04mn (PLe: Rs1.98mn; BBGe: Rs 1.96mn). Other income declined 17.7% YoY to Rs247mn, while interest expenses fell 18.8% YoY to Rs501mn. Despite the decline in other income, lower interest costs contributed to a 31.2% YoY rise in PAT to Rs7.6bn, against PLe/BBGe of Rs 6.7bn.
- Strong margin performance:** Gross profit came in at Rs27bn (PLe: Rs26.4bn), while margin expanded by 76bps YoY to 28.5% (PLe:28.7%). EBITDA came in at Rs 12.1bn (PLe: Rs 11.1bn; BBGe: Rs 10.8bn), and margin expanded by 77bps YoY to 12.8% (PLe: 12.1%; BBGe: 11.9%) as a consequence of better mix and cost mitigating initiatives.
- Targeting a better mix of tippers and new launches in LCVs:** Its market share in the overall tippers category declined from ~30% to ~23%. However, the management aims to regain their market share in the tippers space with the intervention of new products as it is a high margin business. Additionally, it aims to increase its presence in the LCV category for which it has developed a new range of products which shall be launched in the subsequent quarters.

**Exhibit 1: Q3FY25 Result Overview (Rs mn)**

Y/e March	Q3FY25	Q3FY24	YoY gr. (%)	Q3FY25E	Var (%)	Q2FY25	QoQ gr. (%)	9MFY25	9MFY24	YoY gr. (%)
<b>Net Revenues</b>	<b>94,787</b>	<b>92,730</b>	<b>2.2</b>	<b>91,873</b>	<b>3.2</b>	<b>87,688</b>	<b>8.1</b>	<b>2,68,460</b>	<b>2,71,003</b>	<b>(0.9)</b>
Raw Materials	67,743	66,977	1.1	65,506	3.4	62,410	8.5	1,92,200	1,98,214	(3.0)
% of Net Sales	71.5	72.2	-76 bps	71.3	17 bps	71.2	30 bps	71.6	73.1	-155 bps
Personnel	6,064	5,695	6.5	5,880	3.1	5,987	1.3	17,548	16,799	4.5
% of Net Sales	6.4	6.1	26 bps	6.4	0 bps	6.8	-43 bps	6.5	6.2	34 bps
Manufacturing & Other Exp	8,866	8,919	(0.6)	9,371	(5.4)	9,118	(2.8)	27,317	25,846	5.7
% of Net Sales	9.4	9.6	-26 bps	10.2	-85 bps	10.4	-104 bps	10.2	9.5	64 bps
Total Expenditure	82,672	81,591	1.3	80,757	2.4	77,515	6.7	2,37,064	2,40,859	(1.6)
<b>EBITDA</b>	<b>12,114</b>	<b>11,139</b>	<b>8.8</b>	<b>11,117</b>	<b>9.0</b>	<b>10,173</b>	<b>19.1</b>	<b>31,396</b>	<b>30,145</b>	<b>4.2</b>
EBITDA Margin (%)	12.8	12.0	77 bps	12.1	68 bps	11.6	118 bps	11.7	11.1	57 bps
Depreciation	1,923	1,785	7.8	1,930	(0.3)	1,754	9.6	5,405	5,381	0.4
<b>EBIT</b>	<b>10,191</b>	<b>9,355</b>	<b>8.9</b>	<b>9,187</b>	<b>10.9</b>	<b>8,419</b>	<b>21.1</b>	<b>25,991</b>	<b>24,764</b>	<b>5.0</b>
Interest Expenses	501	616	(18.8)	622	(19.6)	607	(17.5)	1,698	1,902	(10.7)
Non-operating income	247	300	(17.7)	330	(25.2)	973	(74.6)	1,443	1,287	12.2
Extraordinary items	-	(6)	-	-	-	1,174	-	1,174	(241)	-
<b>PBT</b>	<b>9,938</b>	<b>9,033</b>	<b>10.0</b>	<b>8,895</b>	<b>11.7</b>	<b>9,958</b>	<b>(0.2)</b>	<b>26,910</b>	<b>23,908</b>	<b>12.6</b>
Tax-Total	2,320	3,232	(28.2)	2,224	4.3	2,257	2.8	6,336	6,733	(5.9)
Tax Rate (%) - Total	23.3	35.8	(34.8)	25.0		22.7	68 bps	23.5	28.2	(16.4)
<b>Reported PAT</b>	<b>7,617</b>	<b>5,800</b>	<b>31.3</b>	<b>6,671</b>	<b>14.2</b>	<b>7,701</b>	<b>(1.1)</b>	<b>20,574</b>	<b>17,175</b>	<b>19.8</b>
<b>Adj. PAT</b>	<b>7,617</b>	<b>5,805</b>	<b>31.2</b>	<b>6,671</b>	<b>14.2</b>	<b>6,821</b>	<b>11.7</b>	<b>19,674</b>	<b>17,332</b>	<b>13.5</b>
PAT Margin	8.0	6.3	178 bps	7.3	78 bps	7.8	26 bps	7.3	6.4	93 bps

Source: Company, PL

**Exhibit 2: Operating Metrics – Strong spares revenue and pricing discipline led healthy expansion in realizations**

Y/e March	Q3FY25	Q3FY24	YoY gr. (%)	Q3FY25E	Var (%)	Q2FY25	QoQ gr. (%)	9MFY25	9MFY24	YoY gr. (%)
<b>Sales Volume (nos)</b>	<b>46,404</b>	<b>47,071</b>	<b>(1.4)</b>	<b>46,404</b>	<b>-</b>	<b>45,624</b>	<b>1.7</b>	<b>1,35,921</b>	<b>1,38,246</b>	<b>(1.7)</b>
Net Realisation/Vehicle	20,42,641	19,70,005	3.7	19,79,855	3.2	19,21,977	6.3	19,75,120	19,60,298	0.8
Material cost / vehicle	14,59,848	14,22,902	2.6	14,11,637	3.4	13,67,929	6.7	14,14,054	14,33,780	(1.4)
Gross Profit / vehicle	5,82,792	5,47,103	6.5	5,68,218	2.6	5,54,048	5.2	5,61,066	5,26,518	6.6
Employee cost /vehicle	1,30,668	1,20,979	8.0	1,26,711	3.1	1,31,220	(0.4)	1,29,103	1,21,512	6.2
Other expenses / vehicle	1,91,063	1,89,475	0.8	2,01,945	(5.4)	1,99,853	(4.4)	2,00,976	1,86,955	7.5
EBITDA/vehicle	2,61,062	2,36,649	10.3	2,39,562	9.0	2,22,975	17.1	2,30,987	2,18,051	5.9
Net Profit/vehicle	1,64,154	1,23,224	33.2	1,43,759	14.2	1,68,793	(2.7)	1,51,369	1,24,232	21.8

Source: Company, PL

## Conference Call Highlights:

- The AC cabin mandate will be effective from Jun'25, however, the cost impact is expected to be minimal to impact the volume growth per/post the implementation.
- Defence revenue for Q3FY25 was ~Rs1bn as against Rs1.5bn in Q2FY25.
- Switch India has an order book of ~1,800 units which is expected to be executed in the next 12-18 months.
- AL sees Switch India business as value-accretive business and expects it to be EBITDA positive in Q1/Q2FY26.
- Switch UK has been under pressure due to weak market sentiments and slow EV adoption leading to loss in UK business. However, AL is evaluating strategies to reduce the losses and optimize operations.
- The management remains optimistic on the growth prospect in the short to medium term with interest rate reduction and improvement in infrastructure activities being the key growth catalyst.
- The company remains confident in a growth trajectory, especially in H1FY26, driven by strong replacement demand and government infrastructure spending.
- The orderbook for buses is ~4,000 units which shall be delivered in 6-8 months.
- Ashok Leyland targets ~15,000 export units in FY25, while reaffirming its medium-term goal of ~25,000 units and a long-term target of ~50,000 units.
- Defense revenue is expected to recover strongly in the coming quarters, with a multi-year growth cycle driven by replacement demand.
- The management aims to invest ~Rs2bn in Hinduja Leyland Finance and Rs5bn in Optare, a holding company of Switch Mobility.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>3,83,670</b>	<b>3,83,706</b>	<b>4,19,500</b>	<b>4,52,603</b>
YoY gr. (%)	6.2	0.0	9.3	7.9
Cost of Goods Sold	2,79,120	2,75,117	3,00,782	3,23,611
Gross Profit	1,04,550	1,08,589	1,18,719	1,28,992
Margin (%)	27.3	28.3	28.3	28.5
Employee Cost	22,334	24,174	26,429	28,061
Other Expenses	36,151	38,754	41,111	44,355
<b>EBITDA</b>	<b>46,066</b>	<b>45,661</b>	<b>51,179</b>	<b>56,575</b>
YoY gr. (%)	57.2	(0.9)	12.1	10.5
Margin (%)	12.0	11.9	12.2	12.5
Depreciation and Amortization	7,178	7,251	7,749	8,011
<b>EBIT</b>	<b>38,888</b>	<b>38,410</b>	<b>43,430</b>	<b>48,564</b>
Margin (%)	10.1	10.0	10.4	10.7
Net Interest	2,494	2,111	1,980	1,867
Other Income	2,466	2,046	2,340	2,660
<b>Profit Before Tax</b>	<b>37,922</b>	<b>37,172</b>	<b>43,790</b>	<b>49,357</b>
Margin (%)	9.9	9.7	10.4	10.9
Total Tax	11,743	9,665	11,385	12,833
Effective tax rate (%)	31.0	26.0	26.0	26.0
<b>Profit after tax</b>	<b>26,179</b>	<b>27,507</b>	<b>32,405</b>	<b>36,524</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>26,826</b>	<b>28,376</b>	<b>32,405</b>	<b>36,524</b>
YoY gr. (%)	-	-	-	-
Margin (%)	7.0	7.4	7.7	8.1
Extra Ord. Income / (Exp)	(647)	(869)	-	-
<b>Reported PAT</b>	<b>26,179</b>	<b>27,507</b>	<b>32,405</b>	<b>36,524</b>
YoY gr. (%)	89.7	5.1	17.8	12.7
Margin (%)	6.8	7.2	7.7	8.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
<b>Equity Shares O/s (m)</b>	<b>2,936</b>	<b>2,936</b>	<b>2,936</b>	<b>2,936</b>
<b>EPS (Rs)</b>	<b>9.1</b>	<b>9.7</b>	<b>11.0</b>	<b>12.4</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>1,09,936</b>	<b>1,18,436</b>	<b>1,26,936</b>	<b>1,35,436</b>
Tangibles	1,09,936	1,18,436	1,26,936	1,35,436
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>54,917</b>	<b>62,168</b>	<b>69,917</b>	<b>77,928</b>
Tangibles	54,917	62,168	69,917	77,928
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>55,019</b>	<b>56,268</b>	<b>57,019</b>	<b>57,508</b>
Tangibles	55,019	56,268	57,019	57,508
Intangibles	-	-	-	-
Capital Work In Progress	2,015	2,015	2,015	2,015
Goodwill	4,499	4,499	4,499	4,499
Non-Current Investments	53,107	55,607	58,107	61,607
Net Deferred tax assets	(5,563)	(5,563)	(5,563)	(5,563)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	2,491	15,000	22,000	22,000
Inventories	31,907	32,589	36,778	39,680
Trade receivables	35,699	35,743	39,077	43,400
Cash & Bank Balance	35,343	25,183	26,492	33,578
Other Current Assets	16,038	18,444	20,288	23,331
<b>Total Assets</b>	<b>2,36,118</b>	<b>2,45,347</b>	<b>2,66,275</b>	<b>2,87,619</b>
<b>Equity</b>				
Equity Share Capital	2,936	2,936	2,936	2,936
Other Equity	85,167	98,934	1,14,489	1,32,020
<b>Total Network</b>	<b>88,104</b>	<b>1,01,871</b>	<b>1,17,425</b>	<b>1,34,957</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	11,610	11,310	10,810	10,010
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	11,384	11,084	10,584	10,084
Trade payables	63,052	60,973	66,660	69,441
Other current liabilities	56,405	54,547	55,233	57,565
<b>Total Equity &amp; Liabilities</b>	<b>2,36,118</b>	<b>2,45,347</b>	<b>2,66,275</b>	<b>2,87,619</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	37,922	37,172	43,790	49,357
Add. Depreciation	7,178	7,251	7,749	8,011
Add. Interest	2,494	2,111	1,980	1,867
Less Financial Other Income	2,466	2,046	2,340	2,660
Add. Other	(2,466)	(2,046)	(2,340)	(2,660)
Op. profit before WC changes	45,129	44,487	51,179	56,575
Net Changes-WC	21,339	(7,068)	(2,994)	(5,156)
Direct tax	(11,215)	(9,665)	(11,385)	(12,833)
<b>Net cash from Op. activities</b>	<b>55,252</b>	<b>27,754</b>	<b>36,799</b>	<b>38,586</b>
Capital expenditures	(4,345)	(8,500)	(8,500)	(8,500)
Interest / Dividend Income	-	-	-	-
Others	(11,720)	(454)	(160)	(840)
<b>Net Cash from Invt. activities</b>	<b>(16,064)</b>	<b>(8,954)</b>	<b>(8,660)</b>	<b>(9,340)</b>
Issue of share cap. / premium	(7,419)	1,174	-	-
Debt changes	(9,254)	(600)	(1,000)	(1,300)
Dividend paid	(14,914)	(14,914)	(16,850)	(18,993)
Interest paid	(2,494)	(2,111)	(1,980)	(1,867)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(34,082)</b>	<b>(16,451)</b>	<b>(19,831)</b>	<b>(22,160)</b>
<b>Net change in cash</b>	<b>5,106</b>	<b>2,349</b>	<b>8,309</b>	<b>7,087</b>
Free Cash Flow	50,907	19,254	28,299	30,086

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Net Revenue</b>	<b>1,12,667</b>	<b>85,985</b>	<b>87,688</b>	<b>94,787</b>
YoY gr. (%)	(3.1)	5.0	(9.0)	2.2
Raw Material Expenses	80,906	62,046	62,410	67,743
Gross Profit	31,761	23,939	25,278	27,044
Margin (%)	28.2	27.8	28.8	28.5
<b>EBITDA</b>	<b>15,921</b>	<b>9,109</b>	<b>10,173</b>	<b>12,114</b>
YoY gr. (%)	24.8	11.0	(5.8)	8.8
Margin (%)	14.1	10.6	11.6	12.8
Depreciation / Depletion	1,797	1,727	1,754	1,923
<b>EBIT</b>	<b>14,124</b>	<b>7,382</b>	<b>8,419</b>	<b>10,191</b>
Margin (%)	12.5	8.6	9.6	10.8
Net Interest	592	591	607	501
Other Income	1,179	223	973	247
<b>Profit before Tax</b>	<b>14,014</b>	<b>7,014</b>	<b>9,958</b>	<b>9,938</b>
Margin (%)	12.4	8.2	11.4	10.5
Total Tax	5,010	1,759	2,257	2,320
Effective tax rate (%)	35.8	25.1	22.7	23.3
<b>Profit after Tax</b>	<b>9,004</b>	<b>5,256</b>	<b>7,701</b>	<b>7,617</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>9,452</b>	<b>5,256</b>	<b>6,793</b>	<b>7,617</b>
YoY gr. (%)	32.4	(8.9)	18.0	31.2
Margin (%)	8.4	6.1	7.7	8.0
Extra Ord. Income / (Exp)	(697)	-	1,174	-
<b>Reported PAT</b>	<b>9,004</b>	<b>5,256</b>	<b>7,701</b>	<b>7,617</b>
YoY gr. (%)	19.8	(8.8)	37.3	31.3
Margin (%)	8.0	6.1	8.8	8.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Avg. Shares O/s (m)	2,936	2,936	2,936	2,936
<b>EPS (Rs)</b>	<b>3.2</b>	<b>1.8</b>	<b>2.3</b>	<b>2.6</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	9.1	9.7	11.0	12.4
CEPS	11.6	12.1	13.7	15.2
BVPS	30.0	34.7	40.0	46.0
FCF	17.3	6.6	9.6	10.2
DPS	5.1	5.1	5.7	6.5
<b>Return Ratio(%)</b>				
RoCE	34.2	32.6	33.0	33.1
ROIC	35.3	36.7	38.7	39.3
RoE	31.1	29.9	29.6	28.9
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	(36)	(32)	(28)	(24)
<b>Valuation(x)</b>				
PER	24.0	22.7	19.9	17.6
P/B	7.3	6.3	5.5	4.8
P/CEPS	18.9	18.1	16.0	14.5
EV/EBITDA	13.7	13.7	12.1	10.8
EV/Sales	1.6	1.6	1.5	1.3
Dividend Yield (%)	2.3	2.3	2.6	2.9

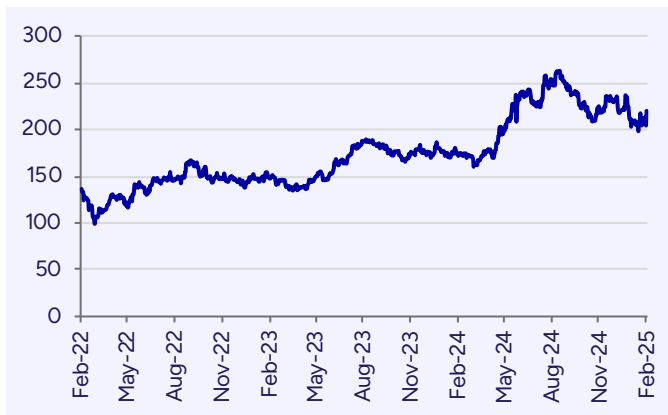
Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
MHCV volumes (in units)	1,24,885	1,23,973	1,34,065	1,42,652
LCV volumes (in units)	69,800	68,404	71,824	75,415
Total volumes (in units)	1,94,685	1,92,377	2,05,890	2,18,067
Average realisation (Rs/unit)	19,38,170	19,61,608	20,03,844	20,41,240

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	Accumulate	243	223
2	11-Nov-24	Accumulate	240	222
3	07-Oct-24	Accumulate	257	222
4	28-Jul-24	Accumulate	261	246
5	08-Jul-24	Accumulate	249	230
6	26-May-24	BUY	239	211
7	08-Apr-24	BUY	210	176

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	Accumulate	243	223
2	Bajaj Auto	BUY	9,853	8,398
3	Bharat Forge	Accumulate	1,435	1,249
4	CEAT	Hold	3,030	3,044
5	Divgi Torqtransfer Systems	Hold	637	585
6	Eicher Motors	Accumulate	5,764	5,328
7	Endurance Technologies	BUY	2,698	2,100
8	Exide Industries	Hold	350	343
9	Hero Motocorp	Accumulate	4,736	4,275
10	Mahindra & Mahindra	BUY	3,664	3,198
11	Maruti Suzuki	BUY	14,154	11,978
12	Tata Motors	Hold	733	753
13	TVS Motor Company	Hold	2,461	2,336

PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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**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**

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