

Gillette India Ltd.

Adjusted operating performance largely in-line

Gillette India Ltd. (GILL's) Sept'23 quarters revenue was in-line with our estimate. Grooming business (79% of Sep'23 revenues) crossed the Rs5bn quarter revenue mark for the first time ever, growing by 7.8% YoY (~9% on a 5-year CAGR). Reported margins for the quarter was supported by premiumization and deliberate productivity interventions. This was partially offset by a one-time expense. Excluding one-time impact, profit for the quarter was ahead of our estimate. There was also a sharp increase in Advertising & sales promotion expenses (A&SP) for the quarter (140bps higher than our estimate), which suppressed the overall operating performance. In its recent analyst meet, management mentioned that *Gillette's* market share gain was faster in last 18 months and now stands at highest ever level of >60%. With aggressive spending, we believe *Gillette's* market share should further improve or at least be maintained in a competitive macro-economic environment. While the volatility in quarterly margin delivery continues, management in its recent analyst has clearly called out its aim to grow bottom-line faster than topline even while near-term cost pressure stays. We continue to maintain our ADD rating with a revised target price (TP) of Rs6,850, as we roll-forward to Sept'25.

Sept'23 Quarter Result Highlights

- **Sept'23 Qtr headline performance:** Revenue grew by 7.7% YoY to Rs6.7bn (vs est. Rs6.7bn). Reported EBITDA was up just 0.7% YoY to Rs1.37bn (vs est. Rs1.43bn). Reported PAT was up 6.8% YoY to Rs927mn (vs est. Rs907mn).
- **Excluding one-time impact,** operational PAT is up 14% YoY (~9% above our estimate). While the nature of one-time cost is not clear, looking at the inflated YoY number, we believe it is in employee cost. Adjusted EBITDA should be 1-2% above our estimate.
- **Sept'23 segmental performance:** Grooming business (up 10bps YoY to ~79% of revenues in Sep'23 Qtr) revenue up by 7.8% YoY to Rs5.3bn (vs est. Rs5.3bn). Grooming segment EBIT margin was down ~270bps YoY to 17.7%. Oral care revenues grew by 7.3% to Rs1.4bn (vs est. Rs1.4bn) with segment EBIT margin up 350bps YoY to 18.3%.
- Overall gross margin came in at 54.6% (vs. est. 53%), up 30bps YoY and +580bps QoQ. Higher A&SP (up 80bps YoY) and increase in employee cost (up 130bps YoY) was only partially offset by lower other overheads (down 30bps YoY), which meant that EBITDA margin was down 140bps YoY to 20.5% (vs est. 21.4%).

Key points in press release

- (1) Growth driven by superior retail execution, strong brand fundamentals and integrated growth strategy.
- (2) Profitability led by premiumization, deliberate productivity interventions, partially offset by a one-time expense.

View & Valuation

Looking at Sept'23 quarters performance, we continue to expect revenue to grow in 8-10% range in coming quarters led by 1) Continued momentum in grooming segment with an added support from rural if recovery picks up pace aiding value portfolio, 2) Recovery in oral care on lower base. Over FY23-26E, we estimate 8% revenue CAGR. Our current growth estimates do not consider any strong reversal in trend towards shaving from 'sporting beard' or 'trimming'. We expect strong gross margin expansion in FY24 vs FY23 but increase in A&SP will restrict EBITDA margin expansion. Over FY23-26E, we build ~100bps improvement in EBITDA margin largely led by lower COGS leading to EBITDA growth of ~10% over FY23-26E. The company boasts strong return ratios. It has also shown healthy growth in dividends over the years. Last fiscal, the management thought it was prudent to not continue to keep growing the dividend and took a pause but even then, the payout remains healthy. While this is a softer aspect, we consider management recently addressing investors & analysts as a positive. GILL is currently trading at ~47x/43x June'25/June'26 EPS. We assign a target multiple of ~50x and roll forward to Sept'25 EPS (3yr/5yr avg fwd. multiple ~52x/64x), arriving at a revised TP of Rs6,850 (Rs6,650 earlier). Maintain ADD.

Reco	: ADD
CMP	: Rs 6,124
Target Price	: Rs 6,850
Potential Return	: +11.8%

Stock data (as on Oct 31, 2023)

Nifty	19,080
52 Week h/l (Rs)	6415 / 4135
Market cap (Rs/USD mn)	202424 / 2431
Outstanding Shares (mn)	33
6m Avg t/o (Rs mn):	107
Div yield (%):	1.4
Bloomberg code:	GILL IN
NSE code:	GILLETTE

Stock performance



Shareholding pattern (As of Sep'23 end)

Promoter	75.0%
FII+DII	11.7%
Others	13.3%

Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	6,850	6,650

Δ in earnings estimates

	FY24e	FY25e	FY26e
EPS (New)	115.2	131.2	143.8
EPS (Old)	118.9	130.5	NA
% change	-3.1%	+0.5%	NA

Financial Summary (June-ending)

(Rs mn)	FY24E	FY25E	FY26E
Revenue	26,905	29,002	31,177
YoY Growth (%)	8.6	7.8	7.5
EBITDA	5,773	6,521	7,104
Margins (%)	21.5	22.5	22.8
PAT	3,755	4,276	4,686
EPS	115.2	131.2	143.8
YoY Growth (%)	5.6	13.9	9.6
ROCE (%)	51.4	55.7	57.3
ROE (%)	37.8	41.2	42.5
P/E (x)	53.2	46.7	42.6
EV/EBITDA (x)	34.3	30.4	27.9

VISHAL PUNMIYA

Lead Analyst

vishal.punmiya@ysil.in



Exhibit 1: Actual vs estimate

Rsmn	Actual	Estimate		% Variation	
		YES Sec	Consensus	YES Sec	Consensus
Revenue	6,676	6,671	6,826	0.1	(2.2)
EBITDA	1,367	1,428	1,392	(4.2)	(1.8)
EBITDA Margin (%)	20.5	21.4	20.4	(0.9)	0.1
Adjusted PAT	927	907	884	2.2	4.9

Source: Bloomberg, YES Sec

Exhibit 2: Quarterly snapshot

Particulars (Rsmn)	Sep'22	June'23	Sep'23	YoY (%)	QoQ (%)
Revenue	6,199	6,194	6,676	7.7%	7.8%
COGS	2,836	3,175	3,034	7.0%	-4.4%
Gross margin %	54.3%	48.8%	54.6%	0.3%	5.8%
Employee costs	416	370	534	28.3%	44.2%
% of sales	6.7%	6.0%	8.0%	1.3%	2.0%
A&SP costs	909	442	1,029	13.2%	132.9%
% of sales	14.7%	7.1%	15.4%	0.8%	8.3%
Other expenses	680	771	712	4.6%	-7.7%
% of sales	11.0%	12.4%	10.7%	-0.3%	-1.8%
EBITDA	1,358	1,437	1,367	0.7%	-4.8%
EBITDA margin %	21.9%	23.2%	20.5%	-1.4%	-2.7%
Depreciation	180	216	201	11.5%	-7.2%
EBIT	1,178	1,220	1,167	-0.9%	-4.4%
EBIT margin %	19.0%	19.7%	17.5%	-1.5%	-2.2%
Interest expense	5	32	1	-73.5%	-95.9%
Other income	27	48	86	220.0%	80.8%
PBT	1,200	1,236	1,252	4.3%	1.2%
Tax	332	319	325	-2.1%	1.8%
Effective tax rate %	28%	26%	26%	-1.7%	0.2%
Adj PAT	868	917	927	6.8%	1.0%
PAT margin %	14.0%	14.8%	13.9%	-0.1%	-0.9%
EPS	26.6	28.2	28.4	6.8%	1.0%

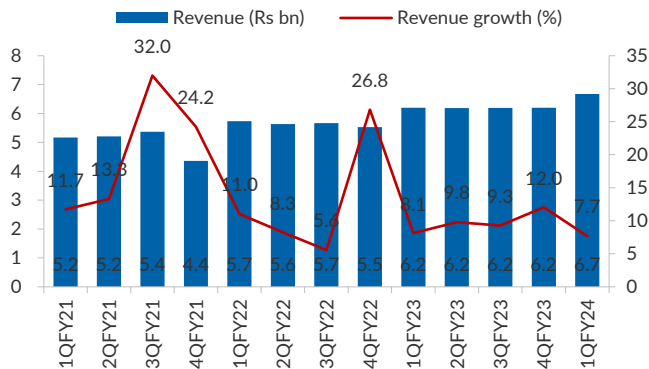
Source: Company, YES Sec

Exhibit 3: Quarterly Segmental Snapshot

Segmental Performance (Rs. Mn)	Sep'22	June'23	Sep'23	YoY (%)	QoQ (%)
Segmental Revenue	6,199	6,194	6,676	7.7%	7.8%
Grooming	4,894	4,854	5,275	7.8%	8.7%
Oral Care	1,305	1,341	1,401	7.3%	4.5%
Revenue proportion (%)					
Grooming	78.9%	78.4%	79.0%	0.1%	0.7%
Oral Care	21.1%	21.6%	21.0%	-0.1%	-0.7%
Segmental Results	1,189	1,215	1,189	0.0%	-2.1%
Grooming	997	899	933	-6.4%	3.7%
Oral Care	193	316	256	33.1%	-18.9%
EBIT margins (%)					
Grooming	20.4%	18.5%	17.7%	-2.7%	-0.8%
Oral Care	14.7%	23.6%	18.3%	3.5%	-5.3%
EBIT composition (%)					
Grooming	83.8%	74.0%	78.5%	-5.4%	4.5%
Oral Care	16.2%	26.0%	21.5%	5.4%	-4.5%

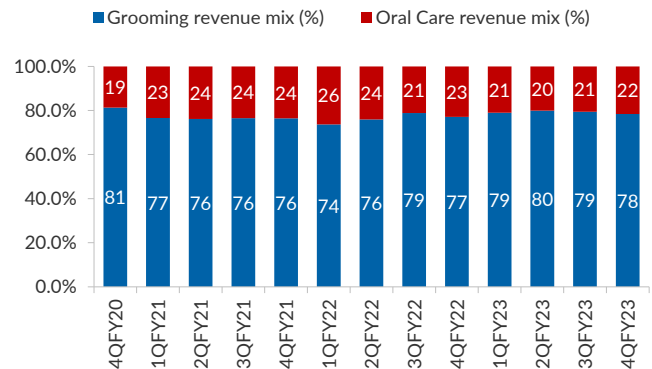
Source: Company, YES Sec

Exhibit 4: Revenues up by 7.7% YoY to Rs6.7bn in Sep'23 quarter



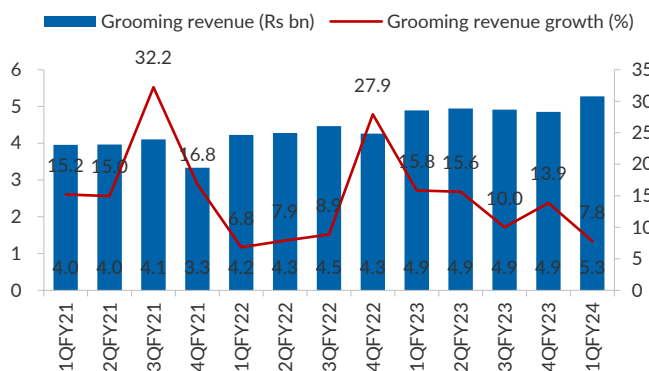
Source: Company, YES Sec

Exhibit 5: Grooming revenue mix improves 10bps YoY to 79%



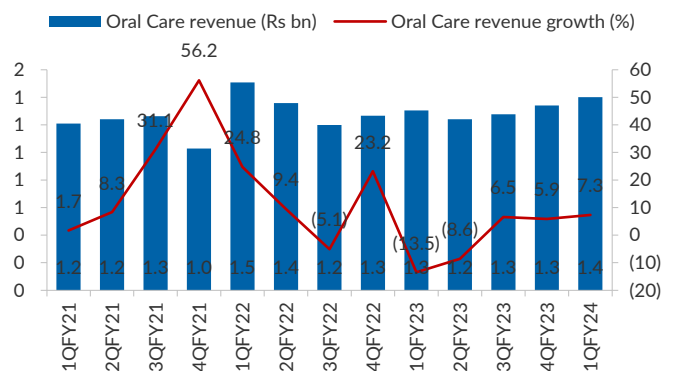
Source: Company, YES Sec

Exhibit 6: Grooming segment revenues grew by 7.8% YoY to Rs5.3bn



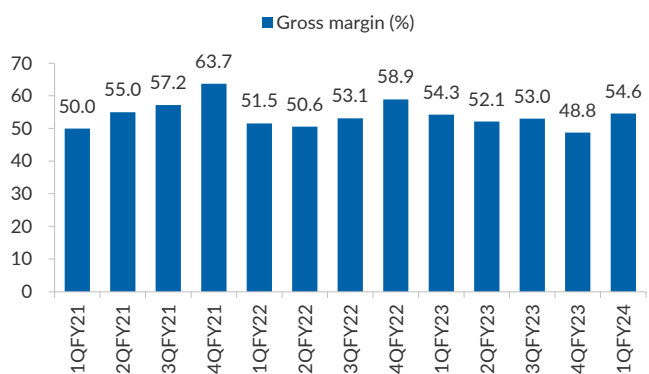
Source: Company, YES Sec

Exhibit 7: Ora Care segment revenues grew by 7.3% YoY to Rs1.4bn



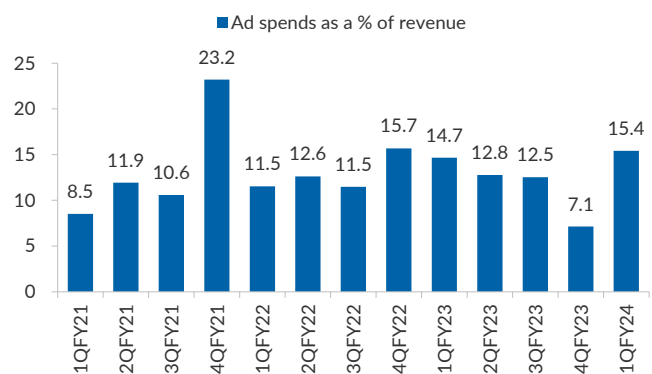
Source: Company, YES Sec

Exhibit 8: Gross margin for the quarter stood at 54.6% (+30bps YoY; +580bps QoQ)



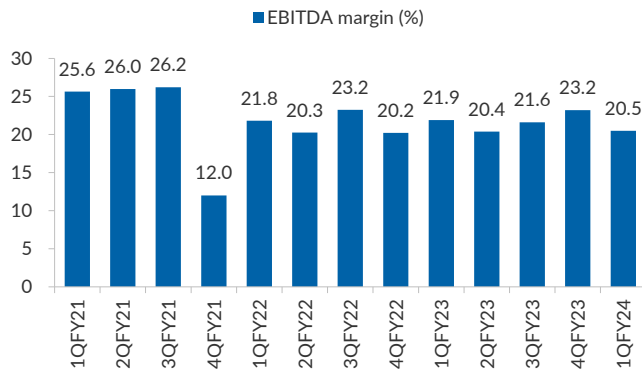
Source: Company, YES Sec

Exhibit 9: Advertisement & sales promotion expense (A&SP) as a % of revenue is up 80bps YoY to 15.4%



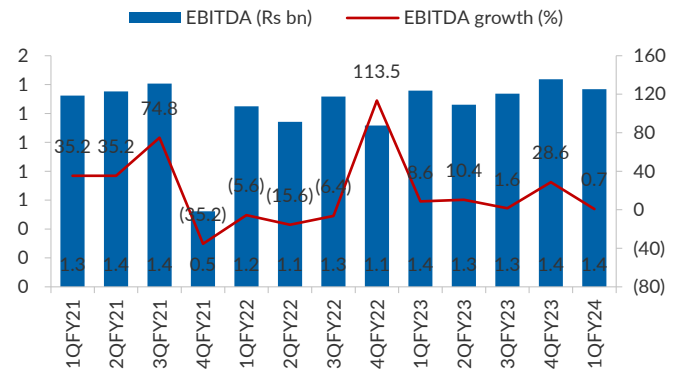
Source: Company, YES Sec

Exhibit 10: Reported EBITDA margin for the quarter stood at 20.5% (-140bps YoY)



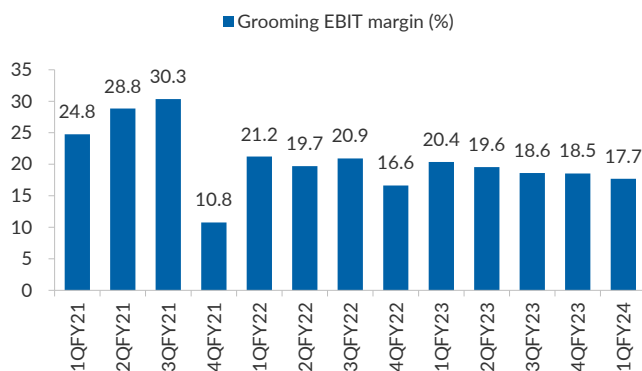
Source: Company, YES Sec

Exhibit 11: Reported EBITDA thus grew by just 0.7% YoY to Rs1.4bn



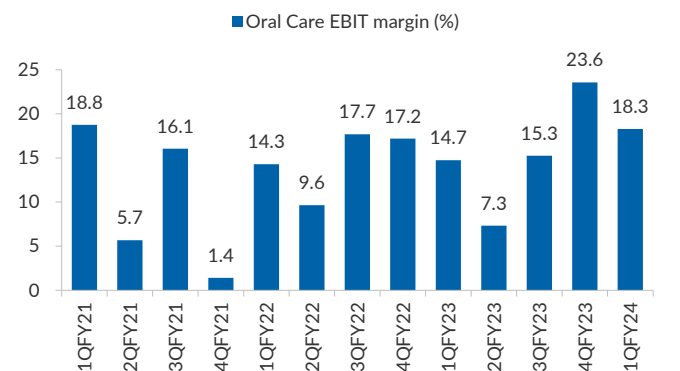
Source: Company, YES Sec

Exhibit 12: Grooming segment EBIT margin down 270bps YoY to 17.7%



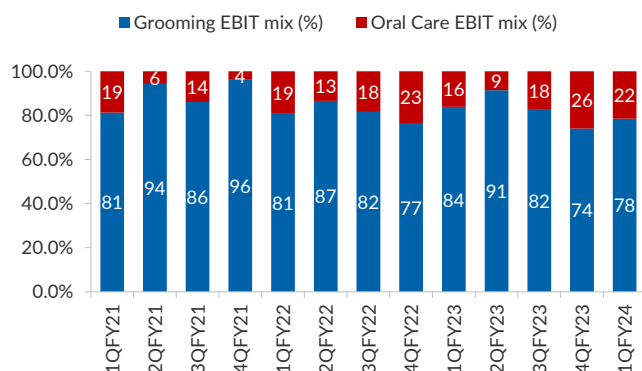
Source: Company, YES Sec

Exhibit 13: Oral Care segment EBIT margin up 350bps YoY to 18.3%



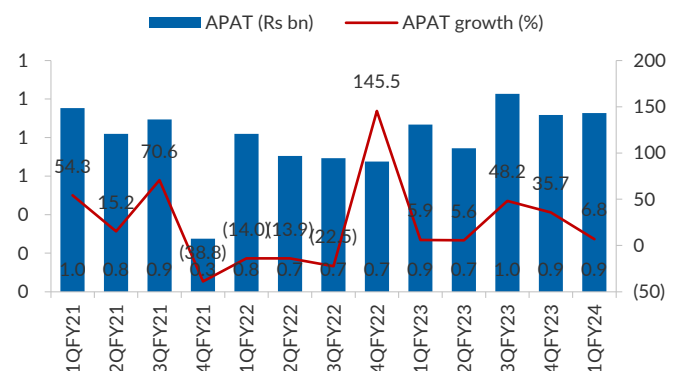
Source: Company, YES Sec

Exhibit 14: Oral care EBIT mix moves up 540bps YoY to 21.5%



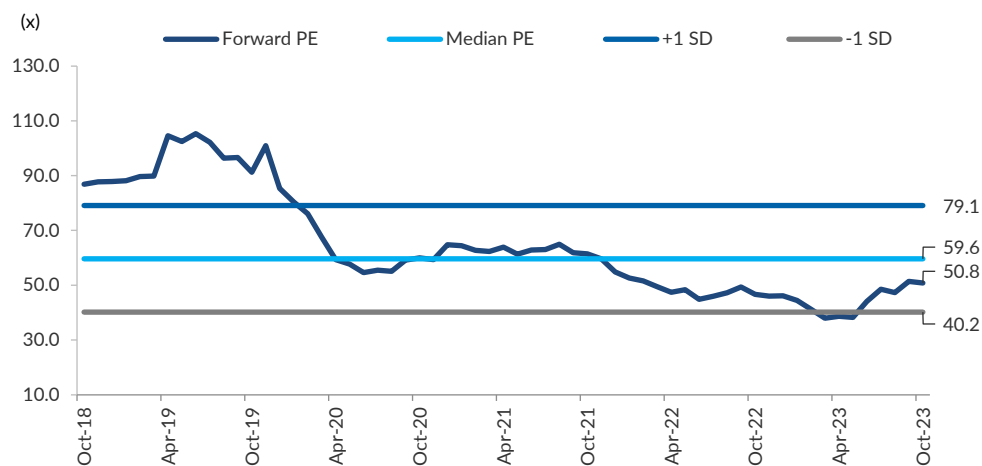
Source: Company, YES Sec

Exhibit 15: Reported PAT grew by 6.8% YoY while excluding one-time impact, operational PAT was up 14% YoY



Source: Company, YES Sec

Exhibit 16: Currently trading at ~51x 1-yr forward earnings (lower than the Median PE)



Source: Company, YES Sec

FINANCIALS

Exhibit 17: Balance Sheet

Y/E June (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	326	326	326	326	326
Reserves	8,286	9,563	9,646	10,474	10,942
Net worth	8,612	9,889	9,972	10,800	11,268
Total debt	0	0	0	0	0
Deferred tax liability and others	-331	-458	-458	-458	-458
Total liabilities	9,115	10,545	10,629	11,456	11,925
Gross block	6,958	8,029	9,029	9,779	10,379
Depreciation	3,327	4,134	5,047	6,053	7,131
Net block	3,630	3,895	3,982	3,726	3,247
Capital work-in-progress	650	324	500	500	500
Investments	0	0	0	0	0
Other LTA	1950	1986	2233	2043	2293
Inventories	3,734	4,124	3,967	4,377	4,287
Debtors	2,564	3,202	2,253	3,468	2,511
Cash	2,911	4,556	3,596	5,453	5,786
Other current assets	280	591	591	591	591
Total current assets	9,523	12,499	10,434	13,915	13,202
Creditors	5,446	6,801	4,998	7,023	5,407
Other current liabilities & provisions	1,191	1,357	1,523	1,705	1,910
Total current liabilities	6,638	8,158	6,521	8,728	7,317
Net current assets	2,885	4,341	3,914	5,187	5,885
Total assets	9,115	10,545	10,629	11,456	11,925

Source: Company, YES Sec; Note: Through this note we introduce FY26 estimates.

Exhibit 18: Income statement

Y/E June (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	22,562	24,771	26,905	29,002	31,177
% Growth	12.3%	9.8%	8.6%	7.8%	7.5%
COGS	10,495	11,881	12,305	12,905	13,749
Staff costs	1,501	1,698	1,950	2,059	2,214
Advertising costs	2,887	2,916	3,631	3,929	4,239
Other expenses	2,854	2,884	3,245	3,587	3,872
Total expenses	17,737	19,379	21,132	22,480	24,073
EBITDA	4,825	5,392	5,773	6,521	7,104
% growth	4.8%	11.8%	7.1%	12.9%	8.9%
EBITDA margin (%)	21.4%	21.8%	21.5%	22.5%	22.8%
Other income	77	222	245	269	302
Interest costs	105	78	75	70	65
Depreciation	684	807	913	1,006	1,078
Profit before tax (before exceptional items)	4,113	4,729	5,031	5,714	6,262
Exceptional items	0	0	0	0	0
Tax	1,220	1,172	1,276	1,438	1,576
PAT (before exceptional items)	2,893	3,557	3,755	4,276	4,686
PAT	2,893	3,557	3,755	4,276	4,686
PAT margin (%)	12.8%	14.4%	14.0%	14.7%	15.0%
% Growth	-1.6%	22.9%	5.6%	13.9%	9.6%

Source: Company, YES Sec

Exhibit 19: Cash flow statement

Y/E June (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
PAT	2,893	3,557	3,755	4,276	4,686
Depreciation	684	807	913	1,006	1,078
Net other income	-77	-222	-245	-269	-302
(Inc.)/dec. in working capital	784	190	-533	583	-365
Cash flow from operations	4,388	4,409	3,965	5,666	5,163
Capital expenditure (-)	-1145	-746	-1176	-750	-600
Net cash after capex	3,243	3,663	2,789	4,916	4,563
Inc./(dec.) in investments	368	219	-479	456	59
Cash from investing activities	-777	-527	-1,655	-294	-541
Dividends paid (-)	-2,248	-2,314	-3,192	-3,848	-4,217
Inc./(dec.) in total borrowings	-116	76	-75	-70	-65
Cash from financial activities	-2,364	-2,238	-3,266	-3,918	-4,282
Opening cash balance	1,663	2,911	4,556	3,596	5,453
Closing cash balance	2,911	4,556	3,596	5,453	5,786
Change in cash balance	1,248	1,645	-960	1,857	333

Source: Company, YES Sec

Exhibit 20: Growth and Ratio matrix

Y/E June	FY22	FY23	FY24E	FY25E	FY26E
Per share (Rs)					
EPS	88.8	109.1	115.2	131.2	143.8
Book value	264.3	303.4	306.0	331.4	345.8
DPS	69.0	85.0	97.9	118.1	129.4
Valuation (x)					
P/Sales	8.8	8.1	7.4	6.9	6.4
EV/sales	8.8	8.0	7.4	6.8	6.3
EV/EBITDA	41.0	36.7	34.3	30.4	27.9
P/E	69.0	56.1	53.2	46.7	42.6
P/BV	23.2	20.2	20.0	18.5	17.7
Return ratios (%)					
RoCE (pre-tax)	51.1	52.0	51.4	55.7	57.3
RoE	35.1	38.5	37.8	41.2	42.5
RoIC (pre-tax)	71.6	81.7	79.7	91.6	108.1
Profitability ratios (%)					
Gross margin	53.5	52.0	54.3	55.5	55.9
EBITDA margin	21.4	21.8	21.5	22.5	22.8
EBIT margin	3.0	3.3	3.4	3.5	3.5
PAT margin	12.8	14.4	14.0	14.7	15.0
Liquidity ratios (%)					
Current ratio	1.4	1.5	1.6	1.6	1.8
Quick ratio	0.9	1.0	1.0	1.1	1.2
Turnover ratios					
Total asset turnover ratio (x)	1.4	1.3	1.6	1.4	1.6
Fixed asset turnover ratio (x)	6.2	6.4	6.8	7.8	9.6
Debtor days	37	42	37	36	35
Inventory days	129	121	120	118	115
Creditor days	166	188	175	170	165

Source: Company, YES Sec

DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject YSL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all

jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This Research Report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited Research Report. This YES Securities (India) Limited Research Report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by YES Securities (India) Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

YES Securities (India) Limited

Registered Address: 2nd Floor, North Side, YES BANK House,
Off Western Express Highway, Santacruz East,
Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 4th Floor, AFL House,
Lok Bharti Complex, Marol Maroshi Road, Andheri East,
Mumbai - 400059, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Single
Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member
Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL &
NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 |
RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER:
INA000007331 | Sponsor and Investment Manager to YSL Alternates
Alpha Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 |
AMFI ARN Code - 94338.

Details of Compliance Officer: Name: Aditya Goenka,
Email id: compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

Grievances Redressal Cell: customer.service@ysil.in/igc@ysil.in

DISCLOSURE OF INTEREST

Name of the Research Analyst : Vishal Punmiya

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.