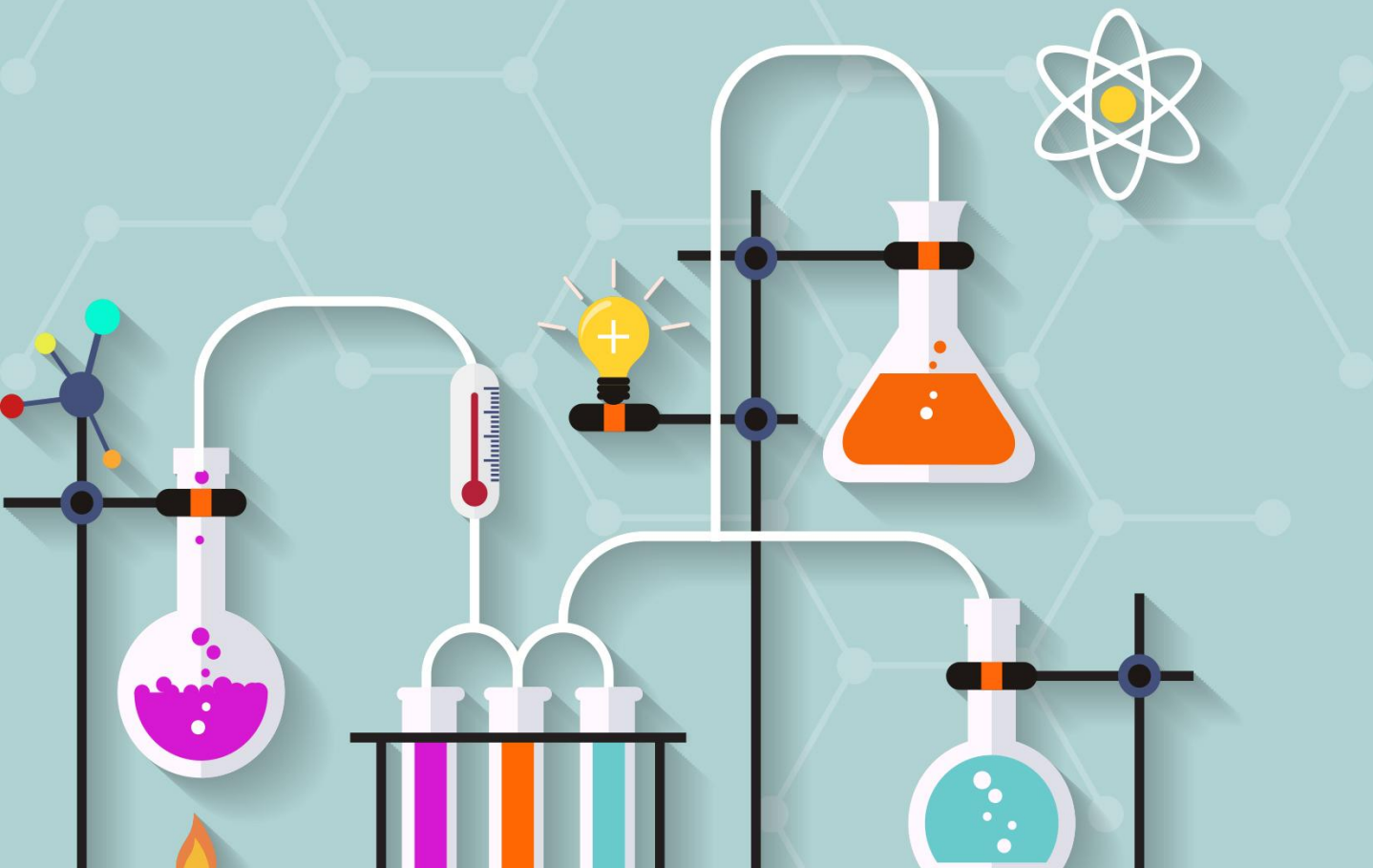


I G Petrochemicals Ltd.



IG Petrochemicals Ltd.

Capacity addition to fuel future growth !

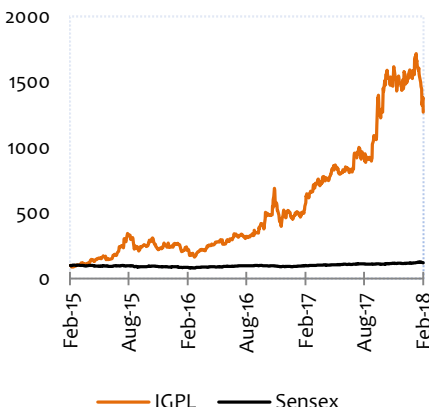
CMP INR 663	Target INR 931	Potential Upside 40.4%	Market Cap (INR mn) 20,408	Recommendation BUY	Sector Commodity Chemicals
-----------------------	--------------------------	----------------------------------	--------------------------------------	------------------------------	--------------------------------------

IG Petrochemicals Limited (IGPL) is the largest producer of Phthalic Anhydride (PAN) in India and possesses a domestic market share of ~49% with an installed capacity of 1,75,110 Metric Tonnes Per Annum (MTPA). The company has a total of three plants situated at a single location in Taloja, currently operating at maximum utilizations (~95%) catering to domestic (~80%) and international markets (~20%). PAN is utilized as an intermediate in production of Plasticizers, Alkyd Resins, Unsaturated Polyester Resins (UPR) and Copper Pthalocyanine (CPC). It is used in a broad spectrum of industries like plastics, PVC pipes, paints & coatings automobile, pigments, building & constructions and electrical amongst others. Witnessing a sturdy demand scenario, IGPL plans to expand its capacity by ~53,000 MT lifting its total capacity to 2,28,110 MT by FY19E. Further, enhanced thrust by the Government of India (GOI) in infrastructure development and rural water management coupled with surge in disposable income should result into buoyant demand for plastics, PVC pipes, paints and pigments. Owing to the aforementioned reasons, it is estimated that the domestic PAN demand should grow by 8% over FY17-FY20E. Consequently, we expect IGPL to deliver 8.3% volume CAGR over FY17-FY20E led by capacity addition and healthy demand.

MARKET DATA

Shares outs (Mn)	30
Equity Cap (INR Mn)	308
Mkt Cap (INR Mn)	20408
52 Wk H/L (INR)	840/293
Volume Avg (3m K)	81
Face Value (INR)	10
Bloomberg Code	IGPL IN

SHARE PRICE PERFORMANCE



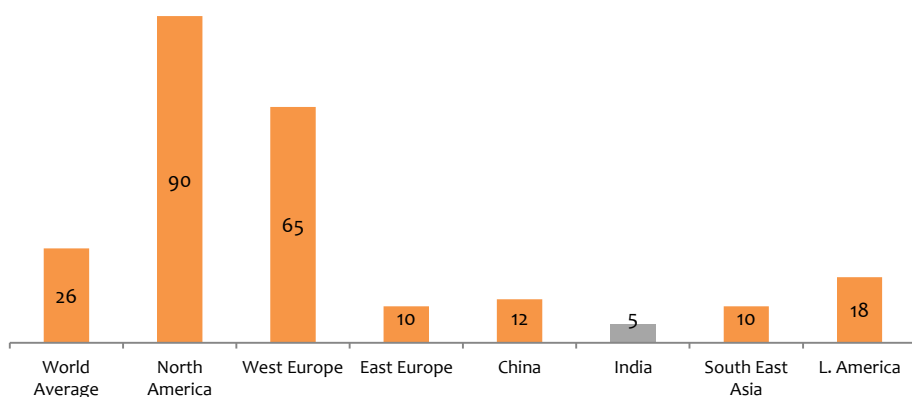
MARKET INFO

SENSEX	34083
NIFTY	10477

Market leader in a booming industry: PAN is a white crystalline solid used as an intermediate for the production of plasticizers (~34%), paints and coatings (~17%), UPR (6%), CPC pigments (24%) and others (19%). However, globally, approximately 50%/25%/20%/5% of PAN is consumed in plasticizers/paints & coatings/UPR/Others. The global PAN industry is highly fragmented with top three manufacturers in the world accounting for only 0.5 million MTPA translating into 15% of the total demand which stands at 3.3 million MTPA.

The domestic PAN industry is a duopolistic one with total capacity of ~3,55,000 MTPA, of which IGPL possesses a market share of 49.3% followed by Thirumalai Chemicals Ltd (including capacity of Asian Paints) enjoying a 47.9% market share. However, the total domestic demand of PAN stands at ~3,50,000 MT, out of which 70% demand is met through indigenous production while the rest through imports. India has one of the lowest plastics and PVC utilization with per capita consumption at 5 kgs as against the global average of 26 kgs. Further,, India also lags in the per capita consumption of paints, polyesters, polymers and synthetic fibre providing significant headroom for growth of domestic PAN industry.

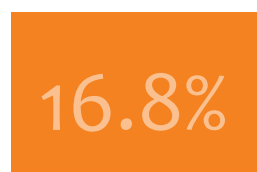
Exhibit 1: Global per capita consumption of plastics (in kgs)



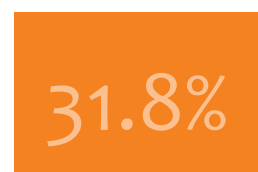
Source: Company data, KRChoksey Research

SHARE HOLDING PATTERN (%)

Particulars	Dec 17	Sep 17	Jun 17
Promoters	72.22	72.22	72.22
FIIIs	1.82	1.08	0.11
DIIIs	0.35	0.26	0.14
Others	25.61	26.45	27.54
Total	100	100	100



Revenue CAGR over FY17 to FY20E



EBITDA CAGR over FY17 to FY20E

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

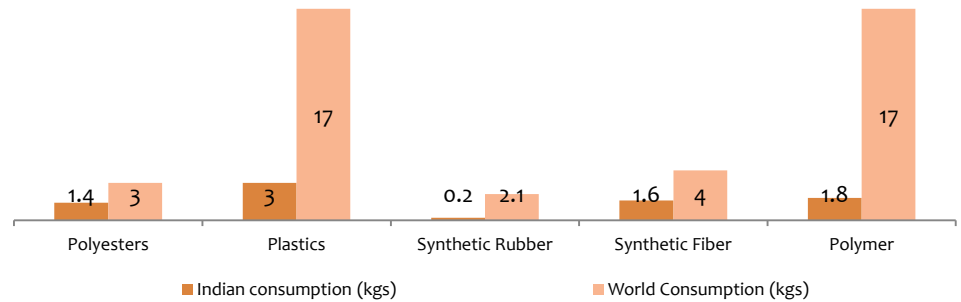
is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

IG Petrochemicals Ltd.

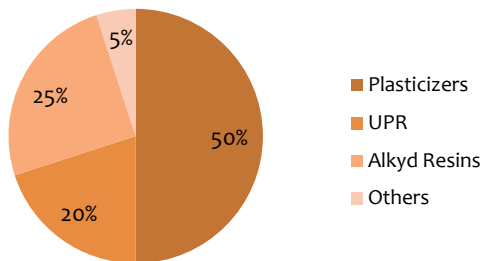
Exhibit 2: Indian per capita consumption vis-à-vis World consumption

Per capita consumption in India for other petrochemical products (polyesters, plastics, polymer, synthetic rubber and so on) is quite low giving Indian players significant opportunities for future growth.

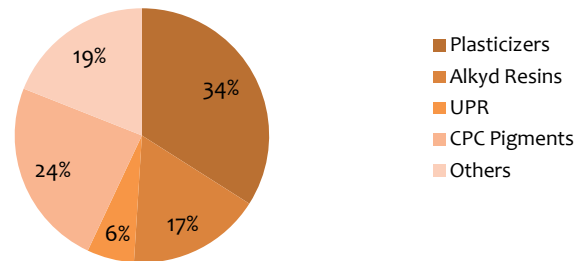


Source: Company data, KRChoksey Research

On the global outlook, PAN industry is expected to witness 3% CAGR over FY17-FY20E primarily owing to sturdy demand scenario in Asia-Pacific region. Vis-a-vis, we expect domestic PAN industry to deliver an impressive 8% CAGR over FY17-FY20E on account of increasing thrust by GOI on infrastructural activities, affordable housing projects, agriculture and irrigation coupled with surge in disposable income thereby leading to rising demand for PAN in end user markets like plastics, PVC pipes, paints & coatings, construction, automobiles and so on.

Exhibit 3: PAN applications by End User Markets
Global PAN consumption


Source: Company data, KRChoksey Research

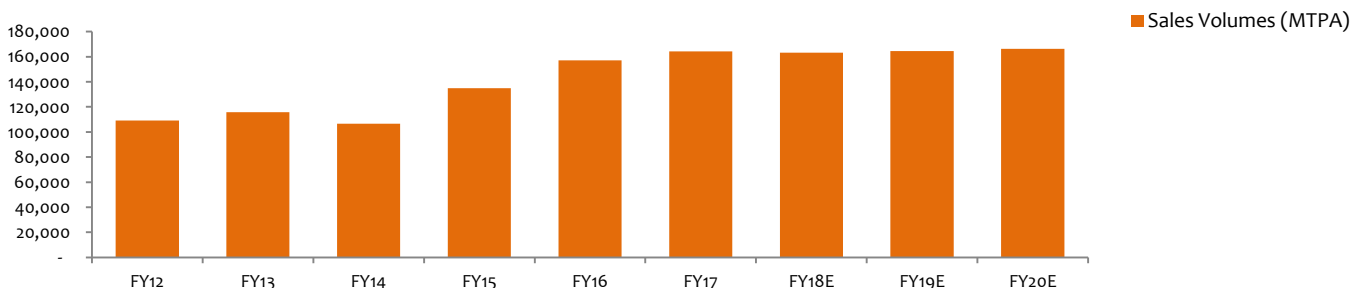
Domestic PAN consumption


Source: Company data, KRChoksey Research

Enhancing value through capacity addition and forward integration: During H1FY18, IGPL acquired Maleic Anhydride (MAN) business of Mysore Petrochemicals Ltd having a capacity of 6,900 MTPA on slump sale basis, making IGPL the only producer of MAN in India. The company manufactures MAN by captively using wash water, which is a by-product of the manufacturing process of PAN (to the tune of 3% of the total PAN capacity). MAN finds application in a wide array of industries ranging from UPRs, paints & coatings, pharmaceuticals, surfactants, plastics and agricultural chemicals. The domestic consumption of MAN stands at ~52,000 MTPA while the entire demand was met through imports due to unavailability of its raw material (en butene) in the domestic market (alternate manufacturing process).

Currently, the company's plants are operating at optimum utilization levels of ~95%. In order to meet the consistently growing demand of PAN, IGPL has proposed to set up a new plant through brownfield expansion and increase its capacity by 53,000 MTPA, taking its total PAN capacity to 2,28,110 MTPA. Consequently, domestic market share of the company will improve to ~55% in FY20E from ~49% in FY18. Accordingly, we expect PAN volumes of the company to witness a growth of 8.3% over FY17-FY20E from ~1,63,150 MTPA to 2,07,165 MTPA replicating the domestic PAN industry growth. Likewise, IGPL also plans to achieve value addition through forward integration into downstream product like plasticizers providing further revenue visibility.

Consequently, going forward, we estimate the total revenues of the company to increase from INR 10,375 mn in FY17 to INR 16,546 mn in FY20E translating into 16.8% CAGR aided by higher volumes and sturdy pricing scenario.

Exhibit 4: Volume CAGR of 8.3% over FY17-20E


Source: Company data, KRChoksey Research

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

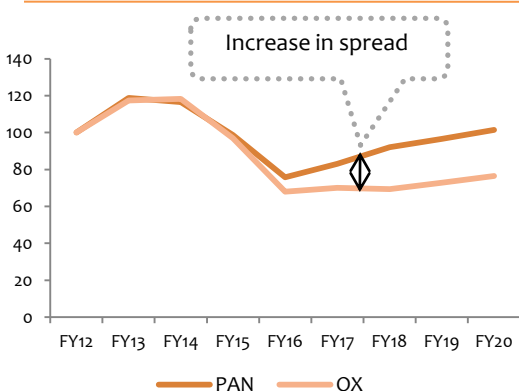
+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

IG Petrochemicals Ltd.

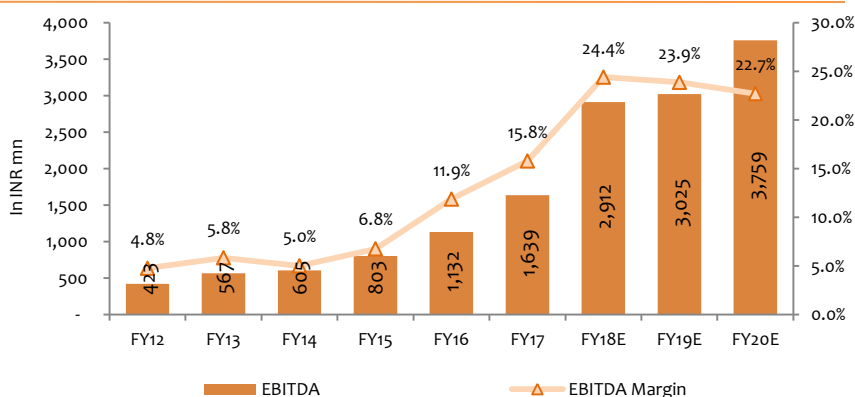
Margins to remain stable owing to favorable demand-supply scenario: PAN is a downstream product of a raw material i.e Orthoxylene (OX), a basic petrochemical. The manufacturing process has a unique output:input ratio of 1.08:1 that is achieved through pure chemistry. Approximately 97% of the total OX production globally is utilized in manufacturing of PAN due to which the spot pricing scenario of the two are closely linked. Over FY12-FY15, PAN and OX prices moved in tandem leaving no scope for gross margin improvement for the company (minimal improvement of 144 bps over the same period). However, post FY15, the spread between the two increased consistently owing to burgeoning demand for PAN by end users like plasticizers, paints and CPC pigments. Consequently, the company witnessed a staggering improvement in its gross margins from 15.6% in FY15 to 27.6% in FY17.

Further, the company owns 3 plants that are strategically located at Taloja, Maharashtra on the western belt of India, thus enjoying close proximity to India's chemical hub. The company procures 70% of its raw material requirement from the Western region (Jamnagar, Gujarat) and Western region accounts for ~80% of all the PA end-user demand in India resulting into significantly lower lead time. Likewise, the company's transportation costs account for ~2% of the total revenue as against 4.3% in case of its peer. The company has also set up captive power plant (CPP) that meet its entire power requirements thereby reducing its operational cost furthermore. A combination of all these factors makes IGPL the lowest cost producer of PAN in the country and one of the most efficient ones globally. Accordingly, operating margins for the company surged from 4.8% to 15.8% over FY12-FY17.

Going forward, we factor in stable spread between OX & PAN prices and other operational expenses to inch marginally higher in FY20E owing to capacity addition and forward integration. Likewise, we estimate EBITDA should augment to INR 3,759 mn by FY20E from INR 1,639 mn in FY17 translating into CAGR of 32% while EBITDA margins should expand by 693 bps to 23% by FY20E.

Exhibit 5: Stability in spread to continue


Source: Company data, KRChoksey Research

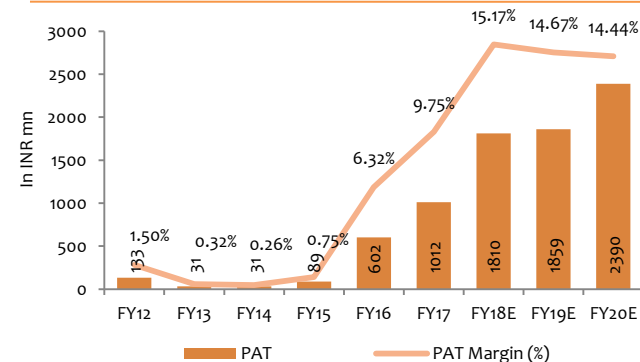
Exhibit 6: Operating margins on the rise


Source: Company data, KRChoksey Research

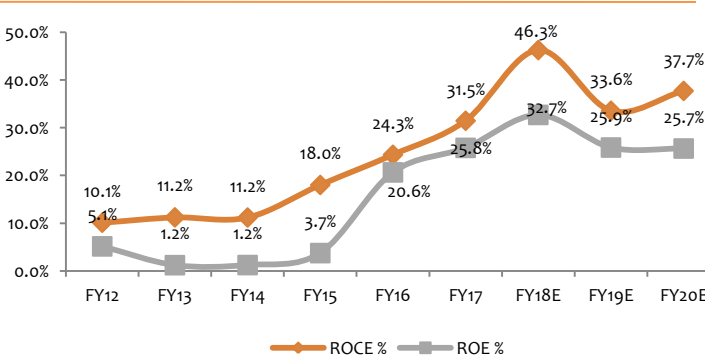
Company to emerge cash-rich despite capex on the cards:

Post capacity addition over FY12-FY13, the company strengthened its balance sheet by deploying FCFF in debt reduction. Likewise, IGPL generated FCFF of INR 1,696 mn over FY14-FY17 and reduced its debt to the tune of INR 1,266 mn over the same period. Accordingly, interest costs for the company reduced from INR 304 mn to INR 181 mn while PAT margins improved from 0.26% to 9.75% over FY14-FY17. Financial de-leveraging coupled with improvement in operating margins resulted into spurt of ROCE from 11.2% to 31.5% over the same period.

Going forward, we factor in total capex of INR 4200 mn over FY17-FY20E for capacity addition plan of ~53,000 MT. We estimate total FCFF generation to the tune of INR 2956 mn over FY17-FY20 which should be utilized to reduce debt. Consequently, we expect the net debt for the company to stand at INR (972 mn) by FY20 from INR 497 mn in FY17. We expect PAT to witness a CAGR of 33% over FY17-FY20E from INR 1012 mn to INR 2390 mn with PAT margins improving to 14.4% by FY20E. Consequently, we estimate ROCE should surge to 37.7% in FY20E from 31.5% in FY17.

Exhibit 7: Exponential growth in PAT margins


Source: Company data, KRChoksey Research

Exhibit 8: Continued surge in return ratios


Source: Company data, KRChoksey Research

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

I G Petrochemicals Ltd.

Exhibit 9: Key Financials

Particulars (INR mn)	FY15	FY16	FY17	FY18E	FY19E	FY20E
Revenue	11,866	9,528	10,375	11,926	12,671	16,546
EBITDA	803	1,132	1,639	2,912	3,025	3,759
PAT	89	602	1,012	1,810	1859	2390
EBITDA Margin (%)	7%	12%	16%	24%	24%	23%
PAT Margin (%)	1%	6%	10%	15%	15%	14%
EPS	3	20	33	59	60	78
P/E	18.6	5.3	11.5	11.3	11.0	8.5

Source: Company data, KRChoksey Research

Valuations and Outlook:

Incorporated in 1988, IGPL is one of the world's leading player and the largest domestic manufacturer of PAN (~49% market share) followed by Thirumalai Chemicals Ltd (~47% market share). Globally, market size of PAN (crystal form) stands at 3.3 Million MTPA while domestic demand stands at 3,50,000 MTPA. Further, IGPL is the only manufacturer of Maleic Anydride in India with a capacity of 6900 MTPA (domestic demand stands at ~52,000 MTPA). PAN is a downstream product of a single raw material i.e. Orthoxylene (OX), a basic petrochemical and the manufacturing process has a unique output:input ratio of 1.08:1 that is achieved through pure chemistry. Approximately 97% of the total OX production globally is utilized in manufacturing of PAN due to which the spot pricing scenario of the two are closely linked. However, post FY15, the spread between the two has increased significantly owing to the buoyant demand of PAN by end users like plasticizers (34%), alkyd resins (17%), UPRs (6%), and CPC (24%). These products are utilized in the manufacturing of paints & coatings, plastics, PVC pipes, pigments, automobiles, building & construction and so on. The consumption for PAN is expected to be at higher levels owing to sturdy end-user demand and the global demand is estimated to grow at 3% over FY17-FY20E. India has one of the lowest plastics and PVC utilizations with per capita consumption at 5 kgs as against the global average of 26 kgs. Further, India also lags in per capita consumption of paints, polyesters, polymers and synthetic fibre providing significant headroom for growth of domestic PAN industry. With enhanced thrust by the Government of India (GOI) in infrastructure development, affordable housing projects (total budgetary outlay of INR 6,45,000 mn), agriculture and irrigation, rural water management (total budgetary outlay of INR 3,73,430 mn) coupled with surge in disposable income should result into significant demand growth for plastics, PVC pipes, paints and pigments. Consequently, domestic demand for PAN is expected to grow at an impressive 8% CAGR over FY17-FY20E.

Out of the total domestic demand of PAN, 70% is met through indigenous production while the rest through imports. In order to meet the consistently growing demand of PAN, IGPL has proposed to set up a new plant through brownfield expansion and increase its capacity by 53,000 MTPA, taking its total PAN capacity to 2,28,110 MTPA. Consequently, domestic market share of the company will improve to ~55% in FY20E from ~49% in FY18.

In terms of peer group analysis, Thirumalai Chemicals Ltd (TCL) being the only other player in the domestic market, witnessed revenue/EBITDA/PAT growth of (0.41%)/17%/139% over FY12-FY17. In contrast, IGPL witnessed revenue/EBITDA/PAT growth of 3.2%/31%/50% over the same period. TCL's EBITDA/PAT margins stood at 15%/7% in FY17 as against 16%/10% for IGPL. Further, ROCE/ROE for TCL stood at 35% / 24% as against 32%/26% for IGPL in FY17. In terms of valuation, TCL trades at P/E of 13x on FY17 which is almost in line with IGPL's valuation of 11.5x.

Going forward, we expect top line for the company to grow by 16.8% over FY17-FY20E from INR 10,375 mn to INR 16,545 mn owing to increasing demand from end user segments combined with hike in capacity. Consequently, we expect EBITDA to reach INR 3,759 mn by FY20E from INR 1639 mn in FY17 translating into a CAGR of 31.8%, with EBITDA margins expanding by 693 bps to 23% by FY20E primarily due to anticipation of stable spread between OX and PAN prices. Likewise, we estimate PAT should enhance to INR 2,390 mn by FY20E from INR 1012 mn in FY17 growing at 33%; resulting into PAT margin expansion by 467 bps scaling to 14% by FY20E. We factor in total capex of INR 4200 mn over FY17-FY20E for capacity addition plan of ~53,000 MT. We estimate total FCFF generation to the tune of INR 2956 mn over FY17-FY20 which should be utilized to reduce debt. Consequently, we expect the net debt for the company to stand at INR (972 mn) by FY20 from INR 497 mn in FY17. Further, we estimate ROCE should surge to 37.7% in FY20 from 31.5% in FY17 due to its on going capex plans.

The company is currently trading at two year forward P/E of 9.9x as against an average of 9.4x over FY11-FY17. Going forward, we believe that IGPL should fetch premium valuations on account of 1) favorable macro scenario; 2) higher revenue visibility led by capacity addition plans and forward integration; 3) stability in spread between OX and PAN prices; 4) strengthening of balance sheet and 5.) robust return ratios. We have valued the company at a P/E multiple of 12x on FY20E EPS of INR 78 to arrive at a target price of 931/share resulting into an upside of 40.4% from CMP of INR 663. We have assigned a "BUY" rating on the stock.

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

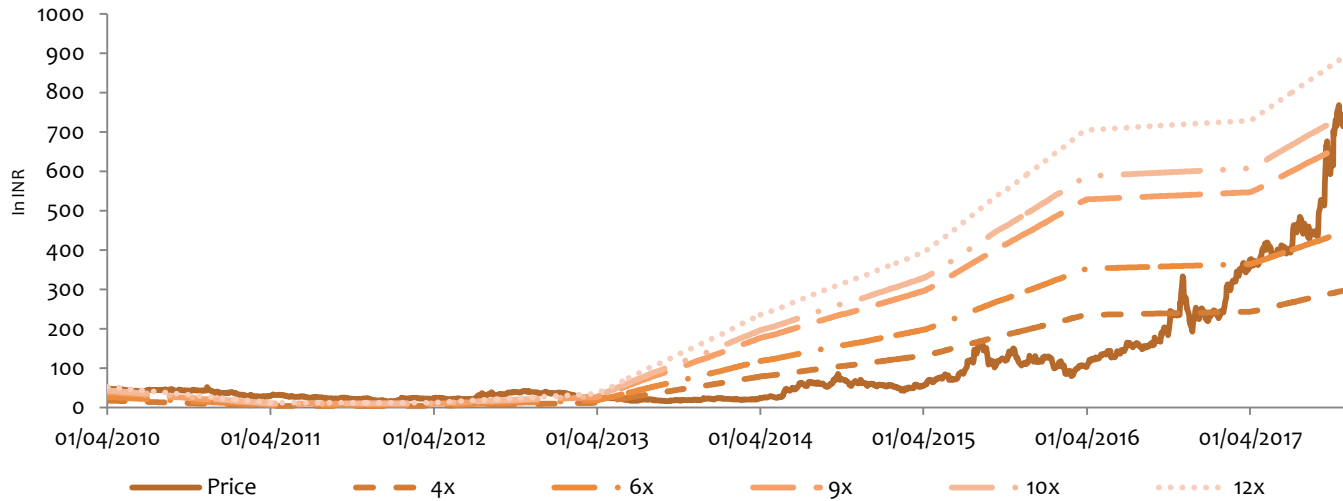
KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

I G Petrochemicals Ltd.

Exhibit 10: Two Year Forward P/E band



Source: Company, KRChoksey Research

Exhibit 11: Peer Comparison:

Company Name	M. Cap (INR mn)	Revenue (INR mn)	EBITDA (INR mn)	PAT (INR mn)	EBITDA Margin	PAT Margin	P/E	ROCE	ROE
IGPL	20,408	10,375	1,639	1,012	16%	10%	11.5x	33%	26%
TCL	20,457	10,328	1,580	709	15%	7%	12.7x	35%	24%

Source: Company, KRChoksey Research

I G Petrochemicals Ltd.

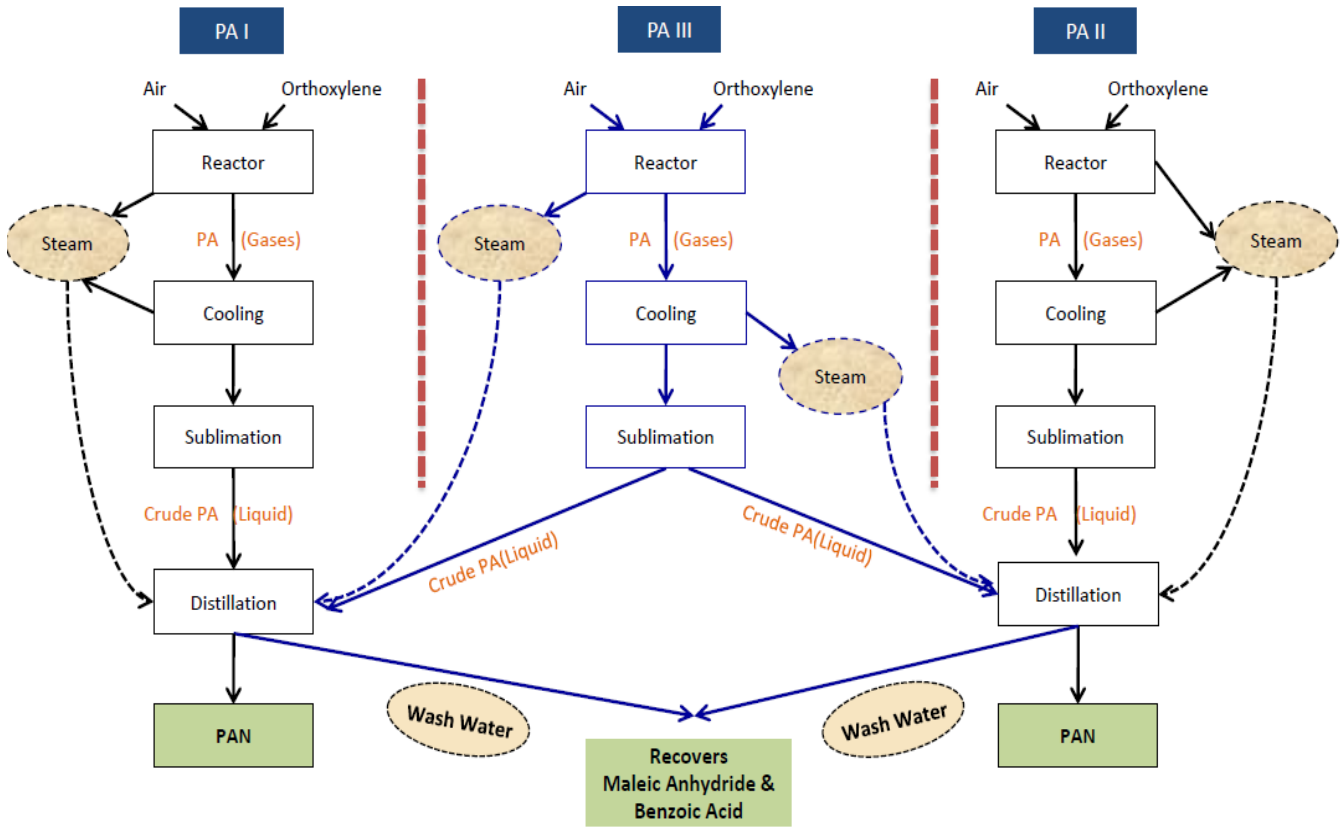
Exhibit 12: Business Overview

PAN applications by Industry



Source: Company, KRChoksey Research

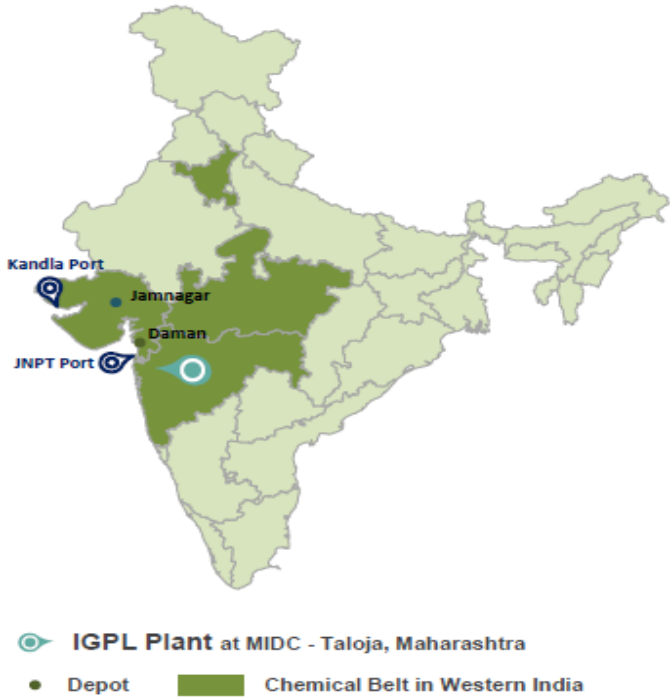
PAN Manufacturing Line



Source: Company, KRChoksey Research

I G Petrochemicals Ltd.

Exhibit 13: Advantage of being in close proximity of the chemical hub in India



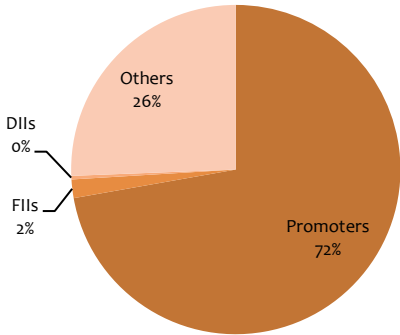
Source: Company Data, KRChoksey Research

Exhibit 14: Management team:

Name	Designation
Shri M M Dhanuka	Non-Executive Chairman
Shri Nikunj Dhanuka	Managing Director & Chief Executive Officer
Shri J K Saboo	Executive Director
Shri Rajesh Muni	Non – Executive & Independent Director
Dr. A K A Rathi	Non – Executive & Independent Director
Shri P H Ravikumar	Non – Executive & Independent Director
Dr. Vaijayanti Pandit	Non – Executive & Independent Director

Source: Company data, KRChoksey Research

Exhibit 15: Share Holding Pattern



Source: Company data, KRChoksey Research

I G Petrochemicals Ltd.

Exhibit 16: Key Financials

Income Statement (INR Millions)	FY15	FY16	FY17	FY18E	FY19E	FY20E
Net Revenues	11,866	9,528	10,375	11,926	12,671	16,546
Cost Of Revenues (incl Stock Adj)	10,012	7,341	7,512	7,510	7,970	10,421
Gross Profit	1,854	2,188	2,863	4,416	4,701	6,125
Employee Cost	285	298	397	494	553	758
Other Operating Expenses	767	758	827	1,010	1,123	1,608
EBITDA	803	1,132	1,639	2,912	3,025	3,759
Other Income	67	36	27	31	33	42
Depreciation	164	175	172	207	267	287
EBIT	705	992	1,493	2,735	2,791	3,515
Exceptional Items	211.1	0	0	0	0	0
Net Interest Exp.	382	227	181	150	135	101
EBT	113	765	1,313	2,585	2,656	3,414
Taxes	24	164	301	776	797	1,024
Net Income	89	602	1,012	1,810	1,859	2,390
Basic & Diluted EPS (INR)	3	20	33	59	60	78

Source: Company data, KRChoksey Research

Balance Sheet(INR Millions)	FY15	FY16	FY17	FY18E	FY19E	FY20E
SOURCES OF FUNDS						
Share Capital	308	308	308	308	308	308
Reserves	2,080	2,608	3,616	5,227	6,882	9,009
Total Shareholders Funds	2,388	2,916	3,924	5,535	7,190	9,317
Long Term Borrowings	1,078	922	600	337	1,068	0
Net Deferred Tax liability	0	0	386	386	386	386
Long term provisions	15	18	19	19	19	19
Current Liabilities and Provisions						
Short term borrowings	226	3	24	37	56	0
Trade Payables	1,963	1,542	1,721	1,728	1,790	2,313
Other Current Liabilities	319	298	283	326	346	452
Short Term Provisions	51	86	16	19	20	26
Total Current Liabilities	2,559	1,929	2,044	2,110	2,212	2,790
Total Liabilities	6,041	5,785	6,974	8,387	10,876	12,513
APPLICATION OF FUNDS :						
Net Block	3,268	3,222	3,244	4,537	6,770	6,684
Capital Work in Progress	8	44	112	112	112	112
Non-current investments	1	1	80	80	80	80
Long term loans and advances	204	214	516	516	516	516
Current Assets, Loans & Advances						
Inventories	866	896	1,045	1,049	1,114	1,456
Sundry Debtors	1,452	1,088	1,498	1,732	1,840	2,448
Cash and Bank	182	170	325	185	256	972
Loans and Advances	61	150	154	177	188	245
Total Current Assets	2,560	2,304	3,022	3,142	3,397	5,121
Total Assets	6,041	5,785	6,974	8,387	10,876	12,513

Source: Company data, KRChoksey Research

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

I G Petrochemicals Ltd.

Cash Flow Statement (INR Millions)	FY15	FY16	FY17	FY18E	FY19E	FY20E
PBT	324	765	1313	2585	2656	3414
Depreciation	164	175	172	207	267	287
(Inc) / Dec in Working Capital	112	(230)	(275)	(209)	(100)	(374)
Taxes	(8)	(171)	(282)	(776)	(797)	(1024)
Cash from Operations	743	694	981	1958	2161	2404
Purchase of Fixed Assets	(277)	(94)	(336)	(1,500)	(2,500)	(200)
Others	1	3	(40)	0	0	0
Cash from Investing	(237)	(62)	(348)	(1,500)	(2,500)	(200)
Proceeds from issue of shares	0	0	0	0	0	0
Borrowings (Net)	(413)	(444)	(303)	(250)	750	(1124)
Others	(196)	(200)	(175)	(349)	(339)	(364)
Cash from Financing	(609)	(644)	(479)	(599)	411	(1488)
Net Change in Cash	(103)	(12)	155	(141)	72	715
BF cash	285	182	170	325	185	256
END Cash	182	170	325	185	256	972

Source: Company data, KRChoksey Research

Ratio Analysis	FY15	FY16	FY17	FY18E	FY19E	FY20E
Growth (%)						
Total Sales	-1.5%	-19.7%	8.9%	15.0%	6.2%	30.6%
EBITDA	32.7%	41.0%	44.8%	77.7%	3.9%	24.3%
APAT	184.2%	576.5%	68.1%	78.8%	2.7%	28.5%
Profitability (%)						
EBITDA Margin	6.8%	11.9%	15.8%	24.4%	23.9%	22.7%
Adj. Net Profit Margin	0.7%	6.3%	9.8%	15.2%	14.7%	14.4%
ROCE	18%	24%	32%	46%	34%	38%
ROE	4%	21%	26%	33%	26%	26%
Per Share Data (Rs.)						
AEPS	2.9	19.5	32.9	58.8	60.4	77.6
BVPS	78	95	127	180	233	303
Valuations (x)						
PE(x)	18.6	5.3	11.5	11.3	11	8.5
P/BV (x)	0.7	1.1	3.0	3.4	2.6	2.0
Turnover days						
Debtor Days	45	42	53	53	53	54
Inventory Days	32	45	51	51	51	51
Payable Days	72	77	84	84	82	81
Gearing Ratio						
D/E	0.55	0.32	0.16	0.07	0.16	0.00

Source: Company data, KRChoksey Research

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com

I G Petrochemicals Ltd.

ANALYST CERTIFICATION:

We, Kunal Shah (BE), research analyst and Neha Mehta (B.Com – Financial Markets, CS), research associate, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & Conditions and other disclosures:

KRChoksey Shares and Securities Pvt. Ltd (hereinafter referred to as KRCSSPL) is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX Stock Exchange Limited. KRCSSPL is a registered Research Entity vides SEBI Registration No. INH000001295 under SEBI (Research Analyst) Regulations, 2014.

We submit that no material disciplinary action has been taken on KRCSSPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.

KRCSSPL prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.

The information and opinions in this report have been prepared by KRCSSPL and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of KRCSSPL. While we would endeavor to update the information herein on a reasonable basis, KRCSSPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent KRCSSPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or KRCSSPL policies, in circumstances where KRCSSPL might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. KRCSSPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. KRCSSPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

Associates (Group Companies) of KRCSSPL might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services.

KRCSSPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months

KRCSSPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. KRCSSPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither KRCSSPL nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that, Kunal Shah (BE), research analyst and Neha Mehta (B.Com – Financial Markets, CS), research associate, of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific brokerage service transactions.

KRCSSPL or its associates (Group Companies) collectively or its research analyst do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst, and has not been engaged in market making activity of the company covered by research analyst.

It is confirmed that, Kunal Shah (BE), research analyst and Neha Mehta (B.Com – Financial Markets, CS), research associate, do not serve as an officer, director or employee of the companies mentioned in the 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 KRCSSPL and affiliates 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 them of and to observe such restriction.

Please send your feedback to research.insti@krchoksey.com

Visit us at www.krchoksey.com

Kisan Ratilal Choksey Shares and Securities Pvt. Ltd

Registered Office:

1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.

Phone: +91-22-6633 5000; Fax: +91-22-6633 8060.

Corporate Office:

ABHISHEK, 5th Floor, Link Road, Andheri (W), Mumbai – 400 053.

Phone: +91-22-6696 5555; Fax: +91-22-6691 9576.

ANALYST

Kunal Shah, kunal.shah@krchoksey.com, +91-22-6696 5568
Neha Mehta, neha.mehta@krchoksey.com, +91-22-6696 5413

KRChoksey Research

is also available on Bloomberg KRCS<GO>
Thomson Reuters, Factset and Capital IQ

+91-22-6696 5555 / +91-22-6691 9576
www.krchoksey.com