HDFC securities

INSTITUTIONAL RESEARCH

RESULTS REVIEW 4QFY18 | 04 MAY 2018

Emami

BUY

INDUSTRY	FMCG
CMP *(as on 03 May 2018)*	Rs 1,082
Target Price	Rs 1,230
Nifty	10,680
Sensex	35,103

KEY STOCK DATA	
Bloomberg	HMN IN
No. of Shares (mn)	227
MCap (Rs bn)/(US$ mn)	245/3,683
6m avg traded value (Rs mn)	199

STOCK PERFORMANCE (%)

52 Week high / low	Rs 1,428 / 1,001		
	3M	6M	12M
Absolute (%)	(2.1)	(12.5)	1.1
Relative (%)	(2.2)	(16.7)	(16.3)

SHAREHOLDING PATTERN (%)	
Promoters	72.74
FIs & Local MFs	5.45
FPIs	13.06
Public & Others	8.75

Source : BSE

Naveen Trivedi
naveen.trivedi@hdfcsec.com
+91-22-6171-7324

Siddhant Chhabria
siddhant.chhabria@hdfcsec.com
+91-22-6171-7336

Awaiting for recovery

Emami's consolidated revenues grew by 12% on a like-like basis (in-line) driven by 9% volume growth. We were surprised with EBITDA/APAT decline of -3/-5% vs. expectation of 9/3% respectively.

Domestic business grew by 10% driven by growth in Navratna/Pain Management/Male Grooming/Kesh King hair oil of 14/13/8/11%. Boroplus (off-season) and Healthcare range (impacted by Pancharishtha) disappointed as both declined by 2%.

International business bounced back with 37% growth, albeit with a favorable base (-38%). MENAP and SAARC (combined 75% of international) regions picked up growth after lackluster performance in the previous quarters.

Emami's strategy remains (1) Decrease dependence on wholesale channel (38% now vs. 50% in FY17) by increasing direct reach (2) Revive Kesh King (6% growth in 4QFY18) (3) Increase A&P spend to support new launches (up 30/17% in 4QFY18/3QFY18) (4) Increase share from modern trade (6% with aim to double) (5) Recover international biz (mid teen growth in FY18). After laying the foundation for the next leg of growth, we believe Emami will return to profitable growth with a pickup in rural demand (~52% domestic revenue share).

Our structural thesis on Emami is (1) Leadership in ~70% domestic portfolio and gaining market share gain, (2) Focus on low penetration and high-margin categories, (3) Consistent new launches, and (4) Distribution expansion (direct reach is now 0.85mn vs. 0.73mn in FY17).

We value Emami based on P/E of 36x on Mar-20 EPS to arrive at a TP of Rs 1,230. We maintain BUY.

Highlights of the quarter

- **EBITDA down 3%:** GM declined by 37bps to 65% owing to input inflation. A&P grew by 30% resulting in EBITDA margin decline of 316bps to 28.1% (our expectation 30.6%). APAT declined by 5% to Rs 1,183mn vs. expectation of Rs 1,431mn, owing to lower other income (-76% YoY) and interest expense (-60% YoY) partially offset by higher depreciation (48% YoY).
- **Near term outlook:** Recovering underlying demand and favorable base should result in healthy earnings in the coming quarters.

Financial Summary

(Rs mn)	4QFY18	4QFY17	YoY (%)	3QFY18	QoQ (%)	FY16	FY17	FY18P	FY19E	FY20E
Net Sales	6,170	5,701	*8.2*	7,566	*(18.5)*	23,970	25,010	25,306	29,234	33,628
EBITDA	1,733	1,781	*(2.7)*	2,785	*(37.8)*	6,873	7,591	7,195	8,414	10,072
APAT	1,183	1,252	*(5.5)*	2,116	*(44.1)*	5,326	5,491	5,141	6,326	7,670
Diluted EPS (Rs)	5.21	5.51	*(5.5)*	9.32	*(44.1)*	23.5	24.2	22.6	27.9	33.8
P/E (x)						46.2	44.9	47.9	38.9	32.1
EV / EBITDA (x)						36.6	32.9	34.4	29.1	24.1
Core RoCE (%)						38.8	24.0	21.8	26.8	32.7

Source: Company, HDFC sec Inst Research

Domestic revenue on a like-to-like basis grew by 10%, primarily driven by rural (52% of total revenue) growth

International business grew by a robust 37%, owing to a favourable base (-38%). Mgt believes ~15% growth is sustainable

Wholesale dependence declined to 38% in FY18 vs. 50% in FY17

EBITDA decline of 3% was disappointing driven by higher ASP (support new launches) and other expenses

CSD business reported 1% growth after 3 consecutive quarters of decline

Quarterly Financials

Year to March (Rs mn)	4QFY18	4QFY17	YoY (%)	3QFY18	QoQ (%)	FY18	FY17	YoY (%)
Net Revenue	**6,170**	**5,701**	***8.2***	**7,566**	***(18.5)***	**25,306**	**24,882**	***1.7***
Material Expenses	2,149	1,965	*9.4*	2,195	*(2.1)*	8,099	7,910	*2.4*
Employee Expenses	580	521	*11.3*	680	*(15)*	2,547	2,336	*9.0*
ASP Expenses	987	759	*30.0*	1,293	*(23.7)*	4,696	4,428	*6.1*
Other Operating Expenses	721	675	*6.8*	613	*17.6*	2,770	2,617	*5.9*
EBITDA	**1,733**	**1,781**	***(2.7)***	**2,785**	***(37.8)***	**7,194**	**7,591**	***(5.2)***
Depreciation & amortisation	808	764	*5.8*	800	*1.1*	3,109	3,086	*0.7*
EBIT	**924**	**1,018**	***(9.1)***	**1,985**	***(53.4)***	**4,281**	**4,506**	***(5.0)***
Other Income (Inc exceptional)	22	92	*(76.5)*	55	*(60.9)*	195	311	*(37.3)*
Interest Cost	68	168	*(59.8)*	92	*(26.8)*	343	580	*(40.9)*
PBT	**878**	**941**	***(6.7)***	**1,948**	***(54.9)***	**3,938**	**4,236**	***(7.0)***
Tax	270	108	*149.1*	338	*(20.2)*	863	836	*3.2*
RPAT	**609**	**833**	***(26.9)***	**1,610**	***(62.2)***	**3,063**	**3,400**	***(9.9)***
Adjustment (EO net of taxes)	574	419	*37.2*	506	*13.4*	2,078	2,091	*(0.6)*
APAT	**1,183**	**1,252**	***(5.5)***	**2,116**	***(44.1)***	**5,141**	**5,491**	***(6.4)***
EPS (Adjusted)	**5.21**	**5.51**	***(5.5)***	**9.32**	***(44.1)***	**22.65**	**24.19**	***(6.4)***
As % Of Net Revenue	**4QFY18**	**4QFY17**	***YoY (bps)***	**3QFY18**	***QoQ (bps)***	**FY18**	**FY17**	***YoY (bps)***
Material Expenses	34.8	34.5	*37*	29.0	*582*	32.0	31.8	*21*
Employee Expenses	9.4	9.1	*26*	9.0	*42*	10.1	9.4	*68*
ASP	16.0	13.3	*268*	17.1	*(109)*	18.6	17.8	*76*
Other Expenses	11.7	11.8	*(15)*	8.1	*358*	10.9	10.5	*43*
EBITDA	28.1	31.2	*(316)*	36.8	*(873)*	28.4	30.5	*(208)*
Tax Rate	30.7	11.5	*1,921*	17.4	*1,335*	21.9	19.7	*217*
APAT	19.2	22.0	*(278)*	28.0	*(879)*	20.3	22.1	*(175)*

Source: Company, HDFC sec Inst Research

Business Break-up

Revenue Mix (%)	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18
Domestic	83.0	83.0	82.0	84.0	84.0	85.0	85.0	85.0	83.0	87.0	85.0
IMD	14.0	14.0	14.0	12.0	12.0	11.0	11.0	11.0	14.0	9.0	11.0
CSD	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0

Source: Company, HDFC sec Inst Research

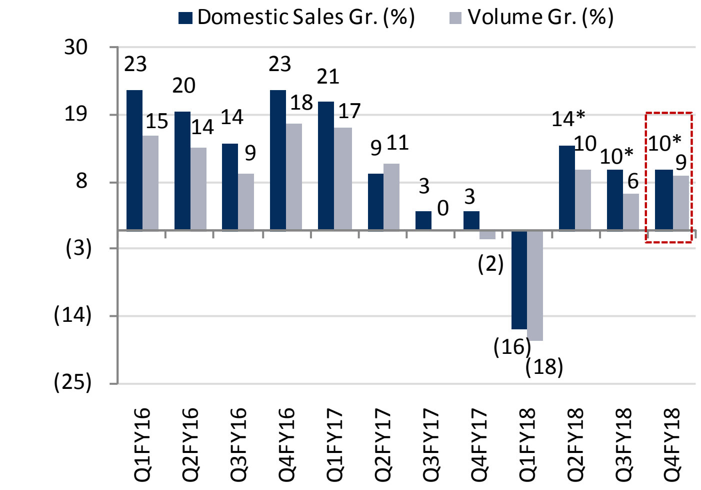
Volume growth was higher than expected (6%) which is encouraging. Volume growth is expected to grow at double digits in the medium term

International business has rebounded owing to a favourable base. Management believes 15% growth is sustainable

Mgt. has taken 3-4% price hike in Apr to pass on majority of input inflation. Favourable Operating leverage will offset GM pressure to sustain EBITDA margins

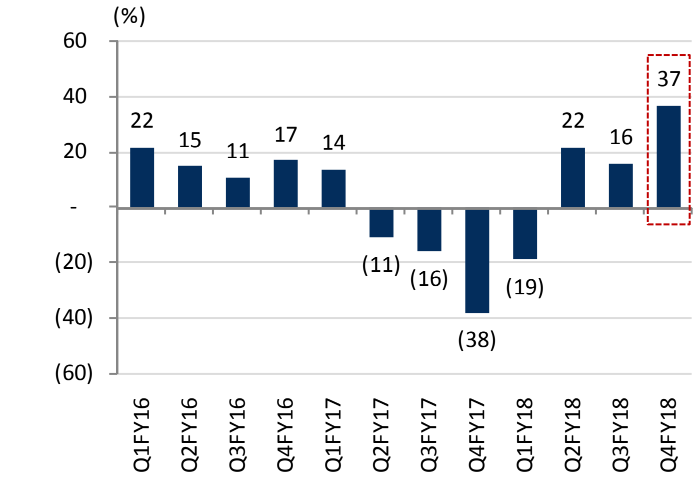
Mentha oil inflation during 4QFY18 was ~45% YoY

Domestic Revenue Performance



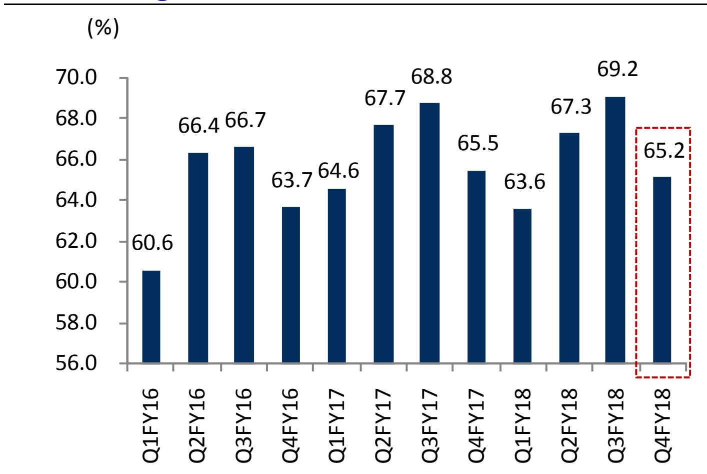
Source: Company, HDFC sec Inst Research *Like-to-like growth

International Revenue Performance



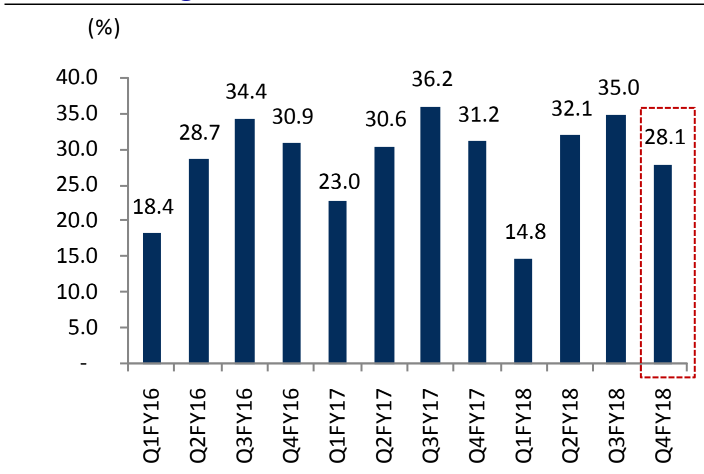
Source: Company, HDFC sec Inst Research

Gross Margin



Source: Company, HDFC sec Inst Research

EBITDA Margin



Source: Company, HDFC sec Inst Research

A&P spend would be 18-19% (16% in 4QFY18) in the ensuing quarters to support new launches

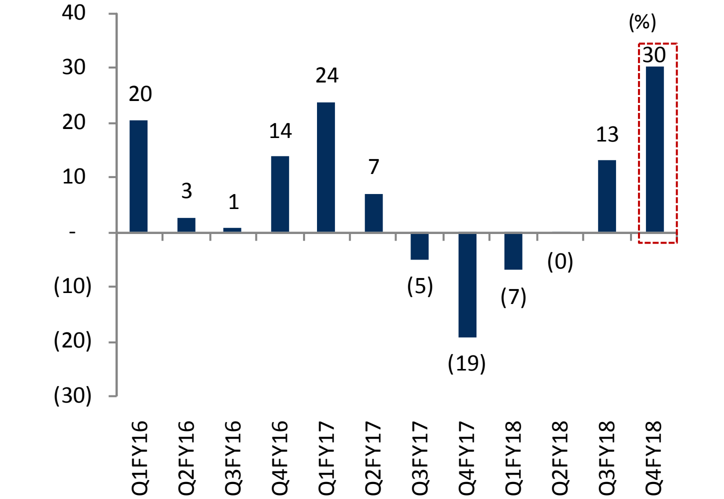
Barring BoroPlus and healthcare range, all other brands registered healthy growth during the quarter

Kesh King (10% of revenues) recovered with 6% growth. Kesh King hair oil growth was at 11%. Maintained leadership with 27.9% market share

F&H reported single digit growth, however improved market share of Fairness cream and face wash by 110bps and 230bps respectively

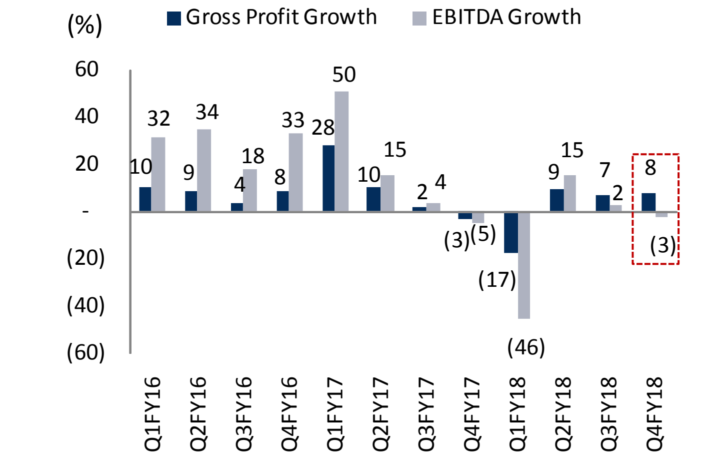
Chyawanprash range grew strongly with double digit volume growth

ASP Growth



Source: Company, HDFC sec Inst Research

Gross Profit Growth vs. EBITDA Growth



Source: Company, HDFC sec Inst Research

Brand-wise Performance

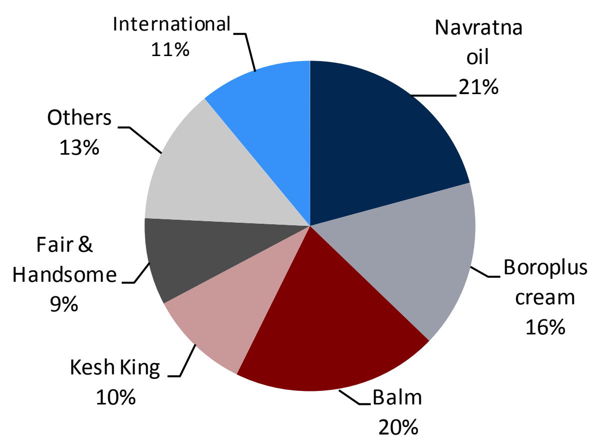
Brands	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18
Boroplus Cream	41%	38%	16%	13%	2%	41%	38%	10%	-2%
Navratana Range	4%	8%	-3%	-4%	5%	-15%	16%	15%	14%
Male Grooming Range	0%	1%	1%	-18%	-5%	-21%	10%	20%	8%
Pain Relief	12%	6%	19%	-5%	1%	-21%	15%	17%	13%
Kesh King	na	50%	50%	2%	1%	-28%	-16%	-19%	6%

Source: Company, HDFC sec Inst Research

Emami's Core Strength And Past Performance

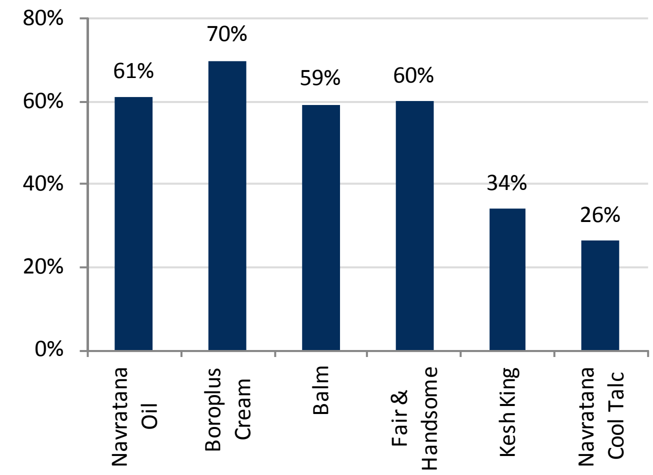
Emami has leadership in ~70% product portfolio

Revenue Break-up



Source: Company, HDFC sec Inst Research

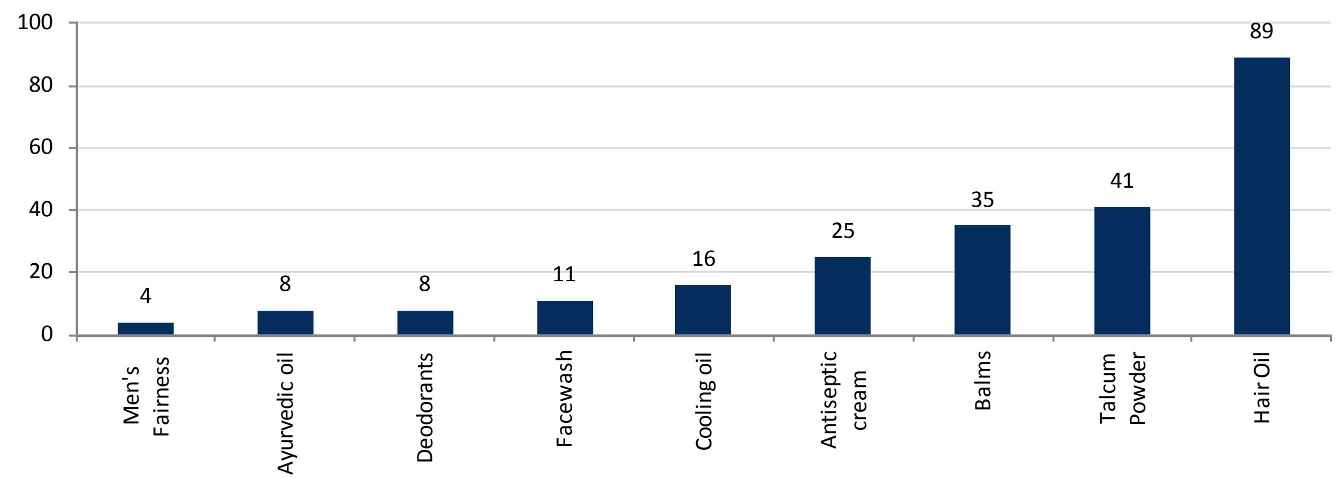
Domestic Market Share



Source: Company, HDFC sec Inst Research

The company focusses on low penetration and high-margin categories, resulting in it having one of the highest gross margins in the consumer space

Presence In Low Penetration Categories



Source: Company, HDFC sec Inst Research

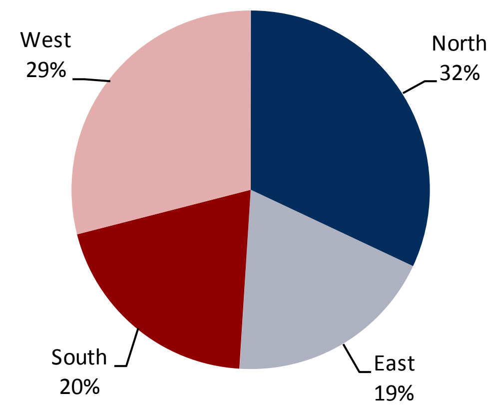
Emami has high dependence on SAARC and MENAP as they constitute ~75% of Emami's international sales

Brand-wise Performance

Domestic Brands Gr. (%)	FY14	FY15	FY16	FY17
Navratna Cooling Oil	3	18	6	3
Boroplus Cream	(2)	11	8	15
Zandu & Mentho plus balm	2	16	12	6
Fair & Handsome	11	15	9	(6)
Navratna Cool Talc	7	32	4	26
HCD	36	25	34	(1)
Kesh King	na	na	na	48
Total	**5**	**19**	**20**	**10**

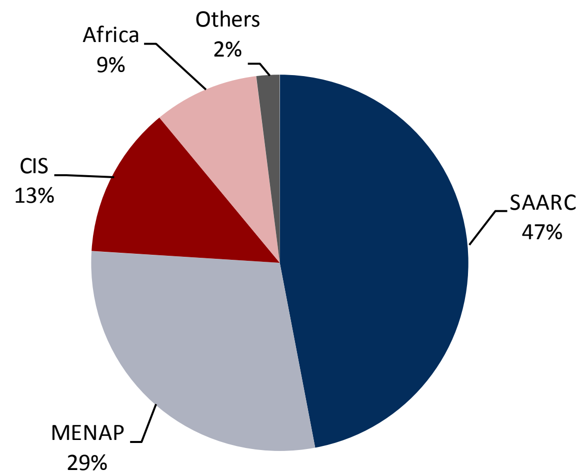
Source: Company, HDFC sec Inst Research

Regional Breakup



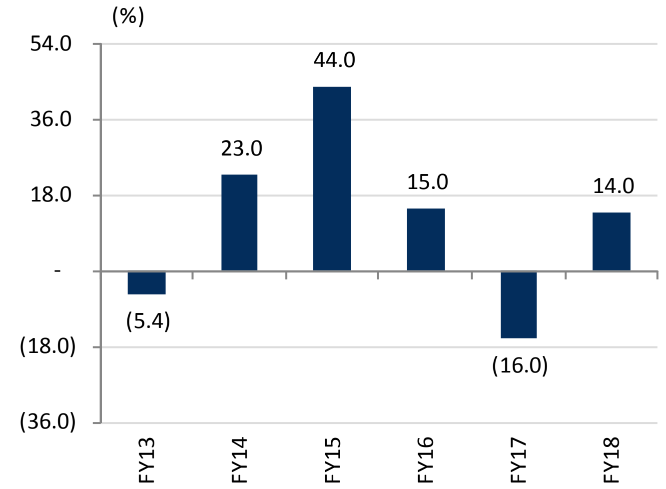
Source: Company, HDFC sec Inst Research

Geographic Breakup (FY18)



Source: Company, HDFC sec Inst Research

International Performance



Source: Company, HDFC sec Inst Research

Assumptions

Year to March (Rs mn)	FY16	FY17	FY18P	FY19E	FY20E
Revenue Growth (%)					
Domestic Gr. (%)	18.3	10.0	1.3	15.6	15.1
Navratna oil	6.0	3.0	3.0	13.5	13.5
Boroplus cream	8.0	15.0	10.0	13.0	13.0
Zandu & Mentho plus balm	12.0	6.0	5.0	14.0	14.0
Fair & Handsome	9.0	(6.0)	3.0	17.5	16.5
Kesh King		48.0	(15.1)	16.5	15.0
International Gr. (%)	18.3	(16.0)	(0.3)	14.6	14.6
Gross Margin (%)	64.5	66.7	68.0	67.9	68.4
Employee (% of sales)	8.7	9.4	10.1	9.7	9.5
ASP (% of sales)	18.0	17.7	18.6	18.8	18.5
Distribution (% of sales)	2.5	2.5	2.5	2.5	2.5
Other Expenses (% of sales)	6.7	6.7	8.4	8.1	7.9
EBITDA Margin (%)	28.7	30.4	28.4	28.8	30.0
Tax Rate (%)	14.1	19.7	21.9	20.0	20.0

Source: Company, HDFC sec Inst Research

Income Statement

(Rs mn)	FY16	FY17	FY18P	FY19E	FY20E
Net Revenues	**23,970**	**25,010**	**25,306**	**29,234**	**33,628**
Growth (%)	***8.1***	***4.3***	***1.2***	***15.5***	***15.0***
Material Expense	8,507	8,327	8,099	9,395	10,616
Employee Expense	2,078	2,347	2,547	2,826	3,194
ASP Expense	4,305	4,428	4,696	5,492	6,237
Distribution Expense	611	638	645	745	858
Other Expense	1,595	1,680	2,125	2,361	2,653
EBITDA	**6,873**	**7,591**	**7,195**	**8,414**	**10,072**
EBITDA Growth (%)	***28.4***	***10.4***	***(5.2)***	***16.9***	***19.7***
EBITDA Margin (%)	***28.7***	***30.4***	***28.4***	***28.8***	***30.0***
Depreciation & Amortisation	2,550	3,086	3,109	3,166	3,309
EBIT	**4,324**	**4,505**	**4,087**	**5,249**	**6,763**
Other Income (Inc. EO Items)	444	311	195	451	622
Interest	539	580	343	228	233
PBT	**4,229**	**4,236**	**3,938**	**5,471**	**7,151**
Tax	598	836	863	1,094	1,430
RPAT	**3,635**	**3,404**	**3,064**	**4,377**	**5,721**
Adjustment	1,691	2,087	2,077	1,949	1,949
APAT	**5,326**	**5,491**	**5,141**	**6,326**	**7,670**
APAT Growth (%)	***10.7***	***3.1***	***(6.4)***	***23.0***	***21.2***
Adjusted EPS (Rs)	**23.5**	**24.2**	**22.6**	**27.9**	**33.8**
EPS Growth (%)	***10.7***	***3.1***	***(6.4)***	***23.0***	***21.2***

Source: Company, HDFC sec Inst Research

Balance Sheet

(Rs mn)	FY16	FY17	FY18P	FY19E	FY20E
SOURCES OF FUNDS					
Share Capital - Equity	227	227	227	227	227
Reserves	15,889	17,320	19,909	21,685	24,252
Total Shareholders' Funds	**16,116**	**17,547**	**20,136**	**21,912**	**24,479**
Minority interest	41	14	14	14	14
Long Term Debt	3,000	-	-	-	-
Short Term Debt	3,714	4,619	3,259	3,259	3,259
Total Debt	**6,714**	**4,619**	**3,259**	**3,259**	**3,259**
Net Deferred Taxes	9	422	118	147	147
Non Current Liabilities	327	368	496	496	496
TOTAL SOURCES OF FUNDS	**23,208**	**22,970**	**24,024**	**25,828**	**28,395**
APPLICATION OF FUNDS					
Net Block	4,706	7,504	8,005	9,990	12,125
CWIP (Including capital advances)	671	129	-	-	-
Goodwill	15,088	12,532	10,095	7,659	5,223
Non Current Investments	355	944	1,855	944	1,855
Other Non Current Assets	1,103	451	790	790	790
Total Non-current Assets	**21,923**	**21,559**	**20,745**	**19,383**	**19,994**
Inventories	1,505	1,792	1,940	2,240	2,577
Debtors	1,309	970	1,559	1,761	1,979
Other Current Assets	889	972	1,433	1,533	1,633
Cash & Equivalents	1,204	834	2,005	4,957	6,622
Total Current Assets	**4,907**	**4,567**	**6,937**	**10,491**	**12,812**
Creditors	2,477	1,847	2,420	2,808	3,173
Other Current Liabilities	1,201	1,310	1,238	1,238	1,238
Total Current Liabilities	**3,678**	**3,157**	**3,659**	**4,046**	**4,411**
Net Current Assets	**1,229**	**1,410**	**3,278**	**6,445**	**8,401**
TOTAL APPLICATION OF FUNDS	**23,208**	**22,970**	**24,024**	**25,828**	**28,395**

Source: Company, HDFC sec Inst Research

Cash Flow Statement

(Rs mn)	FY16	FY17	FY18P	FY19E	FY20E
Reported PBT	4,171	4,236	3,938	5,471	7,151
Non-operating & EO Items	663	-	-	-	-
Interest Expenses	539	580	343	228	233
Depreciation	2,101	3,086	3,109	3,166	3,309
Working Capital Change	(542)	139	(2,948)	(716)	(791)
Tax Paid	(957)	(836)	(863)	(1,094)	(1,430)
OPERATING CASH FLOW (a)	**5,312**	**7,205**	**3,580**	**7,055**	**8,473**
Capex	(18,153)	(2,786)	(1,043)	(2,715)	(3,008)
Free Cash Flow (FCF)	*(12,841)*	*4,419*	*2,537*	*4,340*	*5,465*
Investments	4,260	(589)	(912)	912	(912)
Non-operating Income	823	435	(643)	29	-
INVESTING CASH FLOW (b)	**(13,070)**	**(2,940)**	**(2,598)**	**(1,774)**	**(3,920)**
Debt Issuance/(Repaid)	3,357	(3,000)	-	-	-
Interest Expenses	(519)	(580)	(343)	(228)	(233)
FCFE	*(4,921)*	*685*	*638*	*5,053*	*4,320*
Share Capital Issuance	3,000	-	-	-	-
Dividend	(818)	(1,867)	(1,867)	(2,601)	(3,154)
Others	13	648	1,452	-	-
FINANCING CASH FLOW (c)	**5,032**	**(4,799)**	**(758)**	**(2,830)**	**(3,387)**
NET CASH FLOW (a+b+c)	**(2,726)**	**(534)**	**224**	**2,451**	**1,166**
EO Items, Others	(269)	50	(1)	(0)	-
Closing Cash & Equivalents	**1,084**	**501**	**725**	**3,176**	**4,342**

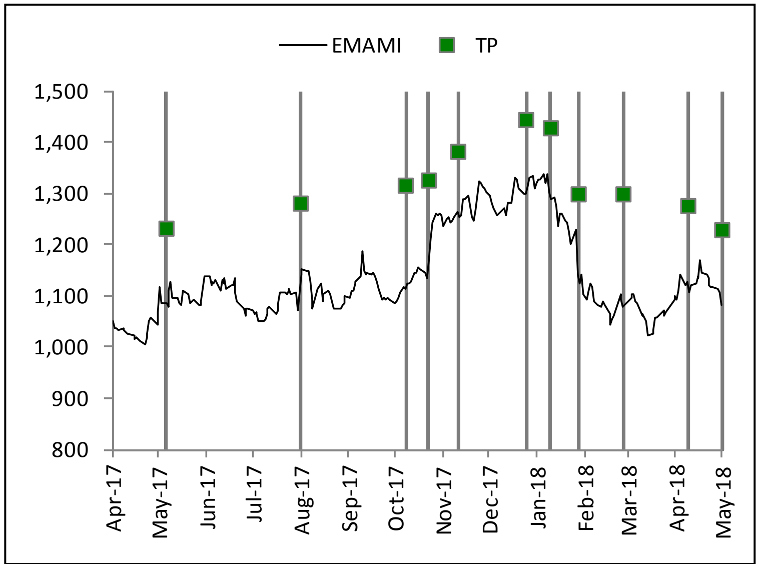
Source: Company, HDFC sec Inst Research

Key Ratios

	FY16	FY17	FY18P	FY19E	FY20E
PROFITABILITY (%)					
GPM	64.5	66.7	68.0	67.9	68.4
ASP (% of sales)	18.0	17.7	18.6	18.8	18.5
EBITDA Margin	28.7	30.4	28.4	28.8	30.0
EBIT Margin	18.0	18.0	16.1	18.0	20.1
APAT Margin	22.2	22.0	20.3	21.6	22.8
RoE	37.5	32.6	27.3	30.1	33.1
RoIC (or Core RoCE)	38.8	24.0	21.8	26.8	32.7
RoCE	20.5	15.7	13.6	16.8	20.0
EFFICIENCY					
Tax Rate (%)	14.1	19.7	21.9	20.0	20.0
Fixed Asset Turnover (x)	5.1	3.3	3.2	2.9	2.8
Inventory (days)	*22.9*	*26.1*	*28.0*	*28.0*	*28.0*
Debtors (days)	*19.9*	*14.2*	*22.5*	*22.0*	*21.5*
Other Current Assets (days)	*13.5*	*14.2*	*20.7*	*19.1*	*17.7*
Payables (days)	*37.7*	*27.0*	*34.9*	*35.1*	*34.4*
Other Current Liab & Provns (days)	*18.3*	*19.1*	*17.9*	*15.5*	*13.4*
Cash Conversion Cycle (days)	0.4	8.4	18.4	18.6	19.3
Net D/E (x)	0.3	0.2	0.1	(0.1)	(0.1)
Interest Coverage (x)	8.0	7.8	11.9	23.0	29.0
PER SHARE DATA (Rs)					
EPS	23.5	24.2	22.6	27.9	33.8
CEPS	25.3	26.3	25.6	31.1	37.6
Dividend	7.0	7.0	7.0	9.8	11.8
Book Value	71.0	77.3	88.7	96.5	107.8
VALUATION					
P/E (x)	46.2	44.9	47.9	38.9	32.1
P/BV (x)	15.3	14.0	12.2	11.2	10.1
EV/EBITDA (x)	36.6	32.9	34.4	29.1	24.1
EV/Revenues (x)	10.5	10.0	9.8	8.4	7.2
OCF/EV (%)	2.1	2.9	1.4	2.9	3.5
FCF/EV (%)	(5.1)	1.8	1.0	1.8	2.2
FCFE/Mkt Cap (%)	(2.0)	0.3	0.3	2.1	1.8
Dividend Yield (%)	0.6	0.6	0.6	0.9	1.1

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
9-May-17	1,080	BUY	1,231
3-Aug-17	1,141	BUY	1,282
10-Oct-17	1,110	BUY	1,317
26-Oct-17	1,171	BUY	1,327
13-Nov-17	1,261	BUY	1,383
27-Dec-17	1,294	BUY	1,445
12-Jan-18	1,300	BUY	1,429
30-Jan-18	1,143	BUY	1,300
28-Feb-18	1,087	BUY	1,300
11-Apr-18	1,126	BUY	1,277
4-May-18	1,082	BUY	1,230

Rating Definitions

BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

Disclosure:

We, **Naveen Trivedi, MBA & Siddhant Chhabria, PGDBM**, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We 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.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock –No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently send or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HSL.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from t date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL 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 HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Binkle R. Oza Email: compliance officer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE-INB/F/E 231109431, BSE-INB/F 011109437, AMFI Reg. No. ARN: 13549, PFRDA Reg. No. POP: 04102015, IRDA Corporate Agent License No.: HDF 2806925/HDF C000222657, SEBI Research Analyst Reg. No.: INH000002475, CIN - U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

HDFC securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,Mumbai - 400 013
Board : +91-22-6171 7330 www.hdfcsec.com