

Result Update

Stock Details

Market cap (Rs mn)	:	4702
52-wk Hi/Lo (Rs)	:	52 / 25
Face Value (Rs)	:	10
3M Avg. daily vol (Nos)	:	464,769
Shares o/s (mn)	:	174

Source: Bloomberg

Financial Summary (consolidated)

Y/E Mar (Rs mn)	FY18	FY19E	FY20E
Revenue	5,298	7,052	8,149
Growth (%)	10.1	33.1	15.6
EBITDA	(26)	596	836
EBITDA margin (%)	(0.5)	8.4	10.3
PAT	46	382	577
AEPS	0.3	2.4	3.6
AEPS Growth (%)	299.4	722.4	50.9
Book value (Rs/share)	38.4	40.6	43.9
Dividend per share (Rs)	0	0	0
ROE (%)	0.7	5.6	7.9
Adj ROCE (%)	(1.8)	4.5	6.8
P/E (x)	93.7	11.4	7.5
EV/EBITDA (x)	(262.2)	11.0	7.6
P/BV (x)	0.7	0.7	0.6

Source: Company, Kotak Securities - PCG

Shareholding Pattern (%)

(%)	Jun-18	Mar-18	Dec-17
Promoters	35.0	35.0	36.4
FII	0.1	0.0	0.0
DII	0.3	0.6	0.4
Others	64.1	64.3	63.2

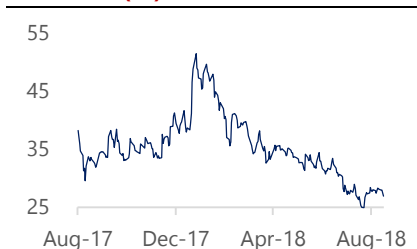
Source: Company

Price Performance (%)

(%)	1M	3M	6M
Vascon Engineers	0.7	(20.7)	(30.1)
Nifty	4.2	7.4	9.7

Source: Bloomberg

Price chart (Rs)



Source: Bloomberg

Pankaj Kumar

 pankajr.kumar@kotak.com
 +91 22 6218 6434

VASCON ENGINEERS LTD (VEL)

PRICE RS.27

TARGET RS.48

BUY

VEL Q1FY19 reported strong growth in EPC business while real estate segment reported loss due to lower revenue recognition, increased fixed cost and unfavorable project mix. The real estate revenue also got impacted due to adoption of new Ind AS 115.

Key Highlights

- Net revenue for the quarter grew at 15.4% yoy to Rs 939 mn driven by 19.8% yoy growth in EPC business at Rs 835 mn while real estate revenue declined by 11.2% yoy to Rs 104 mn. Adjusted for Ind AS 115 impact, the revenue from real estate segment grew by 78% yoy to Rs 208.5 mn.
- EBITDA margins for the quarter also declined by 110 bps yoy on account of loss reported in the real estate segment due to higher fixed cost to market launch pipeline, lower revenue recognition due to accounting changes and losses recognized in Windermere sale.
- VEL witnessed strong external EPC order inflows of Rs 1.9 bn which took its external order book to Rs 7.87 bn. VEL targets to add Rs 5 bn of new orders in FY19E based on current BG limits which seems to be achievable based on Q1FY19 order inflows and future pipeline.
- The company has achieved new sales bookings of Rs 1.64 bn which includes Rs 1.02 bn from new launch of affordable housing project at Katvi, Pune. Its premium project, 'Windermere' in Pune has got new bookings of ~Rs 500 mn.

Valuation & outlook

The company is positive on its business segments and expects new sales booking from the next phase of launches in Katvi, Forest Edge, Coimbatore, etc. Further, strong EPC order book would drive revenue for EPC segment. We have revised our estimates lower for FY19E and FY20E factoring in lower revenue from real estate segment and lower order inflows guidance for EPC segment. The stock is trading at FY19E and FY20E PE of 11.4x and 7.5x based on revised EPS of Rs 2.4 and Rs 3.6 respectively. We maintain Buy on VEL with revised SOTP based target price of Rs 48 (Vs Rs 52 earlier).

Quarterly performance table (standalone)

Year to March (INR Mn.)	Q1FY19	Q1FY18	% Chg	Q4FY18	% Chg
Net Revenues	939	814	15.4	1,059	(11.3)
Raw Materials Cost	697	628	10.9	840	(17.0)
Gross Profit	242	186	30.4	219	10.5
Employee Expenses	119	85	39.4	138	(14.2)
Other Expenses	80	54	48.7	108	(26.3)
Operating Expenses	895	767	16.7	1,086	(17.6)
EBITDA	44	47	(6.8)	(27)	NA
EBITDA margin	4.7%	5.8%		-2.6%	
Depreciation	18	17	10.2	21	(11.1)
Other income	41	42	(1.9)	151	(72.7)
Net finance expense	52	58	(10.1)	43	20.0
Profit before tax	15	15	0.7	60	(75.0)
Provision for taxes	-	-	-	-	-
Reported net profit	15	15	0.7	59	(75.0)
Net profit margin	1.6	1.8		5.6	

Source: Company

EPC revenue witnessed robust growth

The standalone net revenue for the quarter grew at 15.4% yoy to Rs 939 mn driven by 19.8% yoy growth in EPC business at Rs 835 mn (Vs estimates of Rs 754 mn). But real estate revenue declined by 11.2% yoy to Rs 104 mn (Vs estimates of Rs 115 mn). Adjusted for Ind AS 115 impact, the revenue from real estate segment grew by 78% yoy to Rs 208.5 mn and was ahead of our estimates.

The EPC (external) segment witnessed decent growth in revenue as its projects picked up pace in terms of execution. We expect the execution in the EPC segment to remain strong based on robust order book and order inflows. Its subsidiary, GMP is also doing well (after exiting services business) with Rs 500 mn revenue (in Q1FY19) and made profits. As per management, GMP is on track in terms of meeting its revenue guidance of Rs 2-2.5 bn.

EBITDA Margin declined due to losses reported in real estate

EBITDA for the quarter declined by 6.8% yoy on account of Rs 20.3 mn loss reported by real estate segment. EBITDA margin was at 4.7% Vs estimates of 7.9% due to loss in the real estate segment while EPC EBIT margins at 22.5% was ahead of estimates of 10%. EBITDA margins for the quarter declined by 110 bps yoy on account of loss reported in the real estate segment due to higher fixed cost pertaining to market new launches, lower revenue recognition due to accounting changes and losses recognized in Windermere sale. In Windermere project the revenue recognition was also contributed by past inventory sold at lower price and thus contributed to the loss. As per the management, the current inventory is being sold at much higher realization and expects profits to be back on track. Employee expenses in the real estate segment also increased as it has added new employees for sales and marketing of real estate division. The higher margins in EPC business is due to contribution of JV project under Ajanta Enterprise which is expected to continue for next 4 quarters. Post that the margins would normalize to estimated level of ~12%.

Segmental Breakup (standalone)

(Rs Mn)	Q1FY19	Q1FY18	% Chg	Q4FY18	% Chg
Revenue					
EPC	835	697	19.8	917	(8.9)
Real Estate	104	117	(11.2)	142	(26.7)
EBIT					
EPC	188	83	126.3	214	(12.4)
Real Estate	(20)	47	-	(63)	-

Source: Company

Robust order book and future pipeline, reduced inflows guidance

VEL has robust external order backlog of Rs 7.87 bn and internal order book of Rs 1.8 bn at the end of Q1FY19 which takes total order backlog at Rs 10.7 bn. VEL has added Rs 1.9 bn of new orders in Q1FY19 and has pipeline of new orders based on that it is targeting to add Rs 5 bn of projects in FY19E. This is lower than its previous target of Rs 7 bn due to constraints related to Bank Guarantee (BG) limit. The company expects increase in BG limit in future based on improvement in ratings. This would help it in bidding for larger projects in future. Based on current gross block, VEL can execute Rs 10 bn of EPC work in a year and hence current balance sheet has strength to achieve growth in next two years.

Update real estate projects

The company has achieved new sales bookings of Rs 1.64 bn which includes Rs 1.02 bn from new launch of affordable housing project at Katvi, Pune. The company launched phase 1 & 2 of Katvi project where it sold 550 units out of total 700 launched in May 2018. The company is expecting approval for launch of phase 3 in next month. The company would also be launching phase 2 of Forest Edge and Forest County. It will be launching projects in Madurai also.

In its premium project 'Windermere' in Pune, it has got new bookings of Rs 500 mn and expects OC in Tower-2 in current year. Post that, the company would be looking at refinancing/ repayment of high cost debt of Rs 900 mn related to the project. It is also targeting to launch phase three of Coimbatore project 'Tulip'. The company is expecting strong response to these projects.

Other highlights

- VEL's has 45% stake in 145 acres of land in Thane. The company needs to invest in the land to make its contiguous for development. As per management, the project will take more than 2 years before coming on drawing board.
- The company aims to reduce its consolidated debt which stood at Rs 2.7 bn at the end of the quarter. It also targets to reduce/refinance the high cost debt related to Windermere which it got financed from Edelweiss.
- GMP has received order from Tata steel for the supply of steel doors. As per management this order would contribute Rs 500 mn of revenue in FY19E and has potential to contribute upto Rs 1 bn revenue in FY20E.

Outlook and valuation

VEL is positive on its business segments and expects new sales booking from next phase of launches in Katvi, Forest Edge, Coimbatore, etc. Strong EPC order book to drive revenue for EPC segment. We believe that the current order book, future pipeline and strong response to its real estate projects, would help VEL to turnaround its business. We have revised our estimates for FY19E and FY20E factoring in lower revenue from real estate segment due to new Ind AS 115, higher fixed cost and lower order inflows guidance for EPC segment. The stock is trading at FY19E and FY20E PE of 11.4x and 7.5x based on revised EPS of Rs 2.4 and Rs 3.6 respectively. We maintain Buy on VEL with revised SOTP based target price of Rs 48 (Vs Rs 52 earlier).

Valuation Table

Segment	Multiple	Per Share
EPC Business	8	25
Real Estate	1	19
GMP	9	14
Net Debt		10
Total Value		48

Source: Kotak Securities - Private Client Research

Revision in consolidated earnings estimates

	Previous		Revised		% Chg	
	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Revenue	7171	8817	7052	8149	(1.7)	(7.6)
EBITDA margin (%)	8.8	10.3	8.4	10.3	(35.5) bps	(4.1) bps
APAT	418	659	382	577	(8.5)	(12.4)
AEPS	2.6	4.1	2.4	3.6	(8.8)	(12.7)

Source: Kotak Securities - Private Client Research

Company background

Vascon Engineers Ltd (VEL) has presence in construction and development of residential and commercial real estate projects with a history of over 25 years. VEL through its EPC and real estate verticals is active in multiple sectors including residential, industrial, IT parks, malls, multiplexes, hospitality and community. The company has presence in more than 10 states and has completed over 200 contracts of approx 50 mn sqft. In EPC, VEL has expertise across various types of buildings and has capability to execute 8 mn sqft of projects (or Rs 10 bn in value) per annum. In real estate, its land current portfolio includes 30.9 mn sqft of saleable area with VEL's share of 16.2 mn sqft. Its 85% subsidiary, GMP Technicals Solutions is one of the leading players in clean room partitioning systems and turnkey solution provider in India having manufacturing facilities in Baddi, Himachal Pradesh and in Bhiwandi, Thane that is engaged in making fibre doors, aluminum doors & windows, clean room partition & windows, aluminum sections, etc.

Financials: Consolidated

Profit and Loss Statement (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
Revenues	4,812	5,298	7,052	8,149
% change yoy	(18.1)	10.1	33.1	15.6
EBITDA	(158)	(26)	596	836
% change yoy	(143.0)	(83.5)	(2381.7)	40.4
Depreciation	156	143	174	181
EBIT	(315)	(169)	422	656
Other Income	580	379	250	250
Interest	327	253	275	242
Profit Before Tax	(62)	(43)	397	664
% change yoy	(178.0)	(31.1)	-	67.2
Tax	15	4	107	179
as % of EBT	(24.2)	(8.2)	27.0	27.0
PAT	12	46	382	577
% change yoy	(85.8)	284.3	722.4	50.9
Shares outstanding (mn)	168	174	174	174
AEPS (Rs)	0.1	0.3	2.4	3.6
DPS (Rs)	0.0	0.0	0.0	0.0
CEPS (Rs)	1.0	1.1	3.2	4.4
BVPS (Rs)	38.7	38.4	40.6	43.9

Source: Company, Kotak Securities – Private Client Research

Cash flow Statement (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
Pre-Tax Profit	(62)	(43)	397	664
Depreciation	156	143	174	181
Change in WC	(871)	68	(167)	(447)
Other operating activities	533	(456)	(14)	(86)
Operating Cash Flow	(243)	(288)	389	311
Capex	(230)	(107)	(100)	(100)
Free Cash Flow	(473)	(395)	289	211
Change in Investments	173	194	-	-
Investment cash flow	(56)	87	(100)	(100)
Equity Raised	64	65	-	-
Debt Raised	50	(44)	(400)	(200)
Dividend & others	148	85	-	-
CF from Financing	262	105	(400)	(200)
Change in Cash	(38)	(97)	(111)	11
Opening Cash	702	655	558	447
Closing Cash	665	558	447	458

Source: Company, Kotak Securities – Private Client Research

Balance sheet (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
Paid - Up Equity Capital	1,677	1,741	1,741	1,741
Reserves	4,808	4,939	5,322	5,899
Net worth	6,485	6,681	7,063	7,640
Borrowings	2,744	2,700	2,300	2,100
Net Deferred tax	(84)	(72)	(72)	(72)
Total Liabilities	9,348	9,490	9,472	9,850
Net block	1,235	1,199	1,125	1,044
Capital work in progress	-	-	-	-
Total fixed assets	1,235	1,199	1,125	1,044
Investments	1,050	856	856	856
Inventories	4,512	4,715	5,313	6,140
Sundry debtors	2,241	2,056	2,860	3,305
Cash and equivalents	665	558	447	458
Loans and advances & Others	1,780	2,173	2,282	2,304
Total current assets	9,197	9,502	10,902	12,207
Sundry creditors and others	3,543	4,007	5,334	6,164
Provisions	149	164	180	198
Total CL & provisions	3,691	4,171	5,514	6,362
Net current assets	5,505	5,331	5,387	5,845
Total Assets	9,348	9,490	9,472	9,850

Source: Company, Kotak Securities – Private Client Research

Ratio Analysis

(Year-end Mar)	FY17	FY18	FY19E	FY20E
Profitability Ratios				
EBITDA margin (%)	(3.3)	(0.5)	8.4	10.3
EBIT margin (%)	(6.5)	(3.2)	6.0	8.0
Net profit margin (%)	0.3	0.9	5.4	7.1
Adjusted EPS growth (%)	(85.8)	299.4	722.4	50.9
Balance Sheet Ratios				
Receivables (days)	176	148	148	148
Inventory (days)	342	325	275	275
Loans & Advances	85	104	84	74
Payable (days)	269	276	276	276
Cash Conversion Cycle (days)	335	301	231	221
Asset Turnover (x)	0.5	0.6	0.8	0.8
Net Debt/ Equity (x)	0.3	0.3	0.3	0.2
Return Ratios				
RoCE (%)	(3.4)	(1.8)	4.5	6.8
RoE (%)	0.2	0.7	5.6	7.9
Valuation Ratios				
P/E (x)	374.1	93.7	11.4	7.5
P/BV (x)	0.7	0.7	0.7	0.6
EV/EBITDA (x)	(41.7)	(262.2)	11.0	7.6
EV/Sales (x)	1.4	1.3	0.9	0.8

Source: Company, Kotak Securities – Private Client Research

RATING SCALE

Definitions of ratings

BUY	– We expect the stock to deliver more than 12% returns over the next 12 months
ACCUMULATE	– We expect the stock to deliver 5% - 12% returns over the next 12 months
REDUCE	– We expect the stock to deliver 0% - 5% returns over the next 12 months
SELL	– We expect the stock to deliver negative returns over the next 12 months
NR	– Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	– We advise investor to subscribe to the IPO.
RS	– Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	– Not Available or Not Applicable. The information is not available for display or is not applicable
NM	– Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	– Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM

Rusmik Oza Head of Research rusmik.oz@kotak.com +91 22 6218 6441	Arun Agarwal Auto & Auto Ancillary arun.agarwal@kotak.com +91 22 6218 6443	Amit Agarwal Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439	Nipun Gupta Information Tech, Midcap nipun.gupta@kotak.com +91 22 6218 6433	Krishna Nain Special Situations krishna.nain@kotak.com +91 22 6218 7907
Sanjeev Zarbade Cap. Goods & Cons. Durables sanjeev.zarbade@kotak.com +91 22 6218 6424	Ruchir Khare Cap. Goods & Cons. Durables ruchir.khare@kotak.com +91 22 6218 6431	Jatin Damania Metals & Mining, Midcap jatin.damania@kotak.com +91 22 6218 6440	Cyndrella Carvalho Pharmaceuticals cyndrella.carvalho@kotak.com +91 22 6218 6426	K. Kathirvelu Support Service k.kathirvelu@kotak.com +91 22 6218 6427
Teena Virmani Construction, Cement, Building Mat teena.virmani@kotak.com +91 22 6218 6432	Sumit Pokharna Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	Pankaj Kumar Midcap pankajr.kumar@kotak.com +91 22 6218 6434	Jayesh Kumar Economist kumar.jayesh@kotak.com +91 22 6218 5373	

TECHNICAL RESEARCH TEAM

Shrikant Chouhan shrikant.chouhan@kotak.com +91 22 6218 5408	Amol Athawale amol.athawale@kotak.com +91 20 6620 3350
---	---

DERIVATIVES RESEARCH TEAM

Sahaj Agrawal sahaj.agrawal@kotak.com +91 79 6607 2231	Malay Gandhi malay.gandhi@kotak.com +91 22 6218 6420	Prashanth Lalu prashanth.lalu@kotak.com +91 22 6218 5497	Prasenjit Biswas, CMT, CFTe prasenjit.biswas@kotak.com +91 33 6625 9810
---	---	---	--

Disclosure/Disclaimer

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house. Kotak Securities Limited is a corporate trading and clearing member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE). Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters/ or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Equities Research Group of Kotak Securities Limited.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of 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 subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. Kotak Securities Limited does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and take professional advice before investing.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent.

Details of Associates are available on www.kotak.com

Research Analyst has served as an officer, director or employee of subject company(ies): No

We or our associates may have received compensation from the subject company(ies) in the past 12 months.

We or our associates have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: No

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report. Our associates may have financial interest in the subject company(ies).

Research Analyst or his/her relative's financial interest in the subject company(ies): No

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
Our associates may have 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 Research Report.

Research Analyst or his/her relatives has 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 Research Report: No.

Kotak Securities Limited has 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 Research Report: No

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report.

"A graph of daily closing prices of securities is available at <https://www.nseindia.com/ChartApp/install/charts/mainpage.jsp> and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>. (Choose a company from the list on the browser and select the "three years" icon in the price chart)."

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com/www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: NSE INB/INF/INE 230808130, BSE INB 010808153/INF 011133230, MSE INE 260808130/INB 260808135/INF 260808135, AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97. Our research should not be considered as an advertisement or advice, professional or otherwise. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing. Investments in securities market are subject to market risks, read all the related documents carefully before investing. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts. Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com.

In case you require any clarification or have any concern, kindly write to us at below email ids:

- **Level 1:** For Trading related queries, contact our customer service at 'service.securities@kotak.com' and for demat account related queries contact us at ks.demat@kotak.com or call us on: Toll free numbers 18002099191 / 1800222299, Offline Customers - 18002099292
- **Level 2:** If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at ks.escalation@kotak.com or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at ks.servicehead@kotak.com or call us on 022-42858208.
- **Level 3:** If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Mr. Manoj Agarwal) at ks.compliance@kotak.com or call on 91- (022) 4285 8484.
- **Level 4:** If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach CEO (Mr. Kamlesh Rao) at ceo.ks@kotak.com or call on 91- (022) 4285 8301.