

August 1, 2019

Diversified services to begin delivering from this year

Container Corporation of India (Concor) reported a strong set of Q1FY20 numbers (ex-SEIS income). Topline grew 9% YoY while PBT grew 16%. The company did not record any SEIS incentive (exceptional income) during the quarter vs. ₹ 70 crore in Q1FY19). Therefore, PAT de-grew 10 YoY. The topline growth was devoid of any incremental volume performance (-1% YoY) and was entirely based on realisation growth (~10% YoY). Ex-SIES EBITDA margins grew 324 bps to 24.6% led by adjustments related to the Ind-AS 116 lease accounting. The company has reported accumulated losses to the tune of ₹ 175 crore in its subsidiary FHEL in Q1FY20 and has not yet taken any impairment charges for the same. Concor expects coastal services to deliver ₹ 150 crore to the topline and establish five centres for distribution logistics in FY19. We have not currently accounted for the changes in IND-AS 116 due to lack of additional information.

Stiffening competition in rail container segment

Concor reported market share of 68% and 65% in the EXIM and domestic container segment, signalling a ~500 and ~200 bps decline in 6-12 months, respectively. The management has attributed the loss to Concor's abstinence from lower margin business (transshipment and lower lead volumes), which has increased recently due to the slowdown in the EXIM segment. However, they are confident of increasing their market share with the pickup in general economy. Also, with a freeze in its various charges to its clients, Concor expects to deliver price stability in FY20. We expect volume growth of 11% in FY19-21.

Distribution logistics to commence operations in FY20

Concor set up its first distribution logistics centre (DLC) in Chennai in Q4 and expects its operations to commence in Q2FY20. It further expects to open four more DLCs in FY20, which would form a part of its retail operations. The DLC are asset light while Concor would operate the central operation. On the coastal services, its two ships on the west coast are operating at optimal utilisation. It expects utilisation level to extend to the east coast.

Valuation & Outlook

Q1 has seen continued deceleration in volume growth (lowest in two to three years) while gains are seen in surface (higher axle load) as well as other rail players. Concor expects the situation to reverse with DFC connectivity to Gujarat ports in FY20 (by running time-tabled speedier operations, etc). Concor aims to consistently invest ~₹ 1000 crore annually, which has helped the company to shape up the business around MMLPs (83 in FY19). It is expected to contribute meaningfully in FY20. We maintain **BUY** with a target price of ₹ 600, assigning a P/E multiple of 22x to FY21E EPS of ₹ 27.3.



Particulars

Particular	Amount
Market Capitalisation (₹ cr)	31,336.0
Total Debt (FY19P) (₹ cr)	70.0
Cash and equivalent (FY19P) (₹ cr)	233.4
EV (₹ Crore)	31,172.7
52 week H/L	569\433
Equity Capital (₹ Crore)	243.7
Face Value (₹)	5.0

Key Highlights

- Ind-AS 116 led accounting led to lower rail freight & other expenses and higher depreciation expense
- Coastal shipping expected to deliver ₹ 150 crore to topline and establish five centres for distribution logistics in FY19
- Capex expected to remain strong at ₹ 1000 crore for FY20 (₹ 658 crore spent in FY19)

Research Analyst

Bharat Chhoda
bharat.chhoda@icicisecurities.com

Harshal Mehta
harshal.mehta@icicisecurities.com

Key Financial Summary

₹ crore	FY17	FY18	FY19	FY20E	FY21E
Net Sales	5979.7	6612.5	6956.1	7749.5	9139.9
EBITDA	1245.7	1488.7	1790.8	1983.9	2376.4
PAT	857.5	1109.5	1224.6	1199.3	1662.0
P/E (x)	36.5	28.2	25.6	26.1	18.9
P/B (x)	1.1	1.1	1.0	0.9	0.8
RoCE (%)	9.8	11.3	12.8	13.1	14.4
RoE (%)	9.5	10.7	11.4	10.3	13.0

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q1FY20	Q1FY20E	Q1FY19	YoY (%)	Q4FY19	QoQ (%)	Comments
Revenue	1,638.9	1,665.4	1,498.3	9.4	1,749.9	-6.3	Revenues higher YoY mainly due to higher Exim and domestic realisation
Employee Expenses	80.6	83.3	70.1	14.9	109.7	-26.6	
Terminal & other Expenses	895.3	957.6	872.3	2.6	964.0	-7.1	
Administrative Expenses	259.8	258.1	235.7	10.2	293.3	-11.4	
Total Expense	1,235.7	1,299.0	1,178.1	4.9	1,367.1	-9.6	
EBITDA	403.3	366.4	320.2	25.9	382.9	5.3	
EBITDA Margin (%)	24.6	22.0	21.4	324 bps	21.9	273 bps	Inclusive of IND-AS116 adjustment related to lower rail freight and other expenses
Depreciation	125.3	108.8	102.2	22.6	111.7	12.2	
Interest	11.2	12.6	0.0	NA	0.7	NA	
Other Income	58.3	5.2	62.1	-6.1	128.8	-54.8	Includes a tax refund of ₹ 28 crore
PBT	325.0	250.2	280.0	16.1	399.3	-18.6	
Exceptional income/(expenses)	0.0	95.9	70.0	NA	84.4	-100.0	No SEIS income during the quarter
Total Tax	97.1	87.6	97.7	-0.5	131.3	-26.0	
PAT	227.8	258.6	252.4	-9.7	352.3	-35.3	
Key Metrics	Q1FY20	Q1FY19	YoY(%)	Q4FY19	QoQ (%)		
EXIM Volume (TEUs)	786,442.0	794,405.0	-1.0	816,396.0	-3.7		YoY de-growth due to fall in the long lead container traffic and Concor non-commitment to pick lower margin volumes
Domestic Volume (TEUs)	140,481.0	141,251.0	-0.5	162,534.0	-13.6		
Total Volume (TEUs)	926,923	935,656	-0.9	978,930	-5.3		
Adjusted EXIM Revenue (₹ crore)	1,270	1,163	9.3	1,317	-3.5		Lower empties and price hikes in FY19, led to better realisation and thereby to higher revenues, in spite volume de-growth
Domestic Revenue (₹ crore)	369	336	9.8	433	-14.9		

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY20E					FY21E			Comments
	FY18	FY19	Old	New	% Change	Old	New	% Change	
Revenue	6,612.5	6,956.1	8,055.4	7,749.5	-3.8	9,499.2	9,139.9	-3.8	Lowered mainly on account of continued weak sentiments in the export Import segment and lower Concor market share
EBITDA	1,488.7	1,790.8	2,062.2	1,983.9	-3.8	2,469.8	2,376.4	-3.8	
EBITDA Margin (%)	22.5	25.7	25.6	25.6	0 bps	26.0	26.0	0 bps	Margins unchanged as Concor remains uncommitted in picking up lower margin business
PAT	998.9	1,174.6	1,143.1	1,146.8	0.3	1,696.5	1,606.8	-5.3	
EPS (₹)	18.2	20.1	19.6	19.7	0.4	28.7	27.3	-5.0	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Unit	Current				Earlier		Comments
		FY18	FY19	FY20E	FY21E	FY20E	FY21E	
Exim Volume	TEUs	3,001,948	3,245,259	3,424,540	3,972,466	3,602,237	4,178,595	Volumes lowered due to loss in market share by Concor (due to non-committal in picking up lower business)
Domestic Volume	TEUs	529,952	584,160	636,539	732,020	654,259	752,398	
Exim Realisation	₹/TEUs	15,303	15,600	16,154	16,569	16,005	16,410	Realisation expected to remain strong in FY20 and FY21 (price adjusted on April 1, 2019 for FY20)
Domestic Realisation	₹/TEUs	25,114	25,338	26,232	26,921	26,627	27,314	

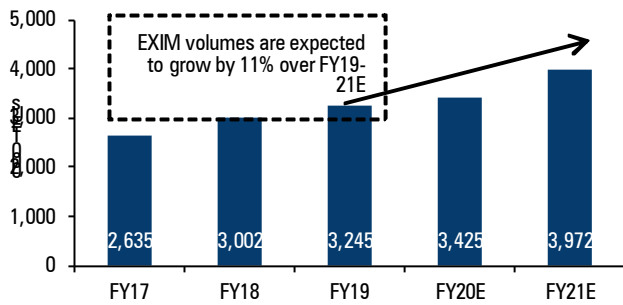
Source: ICICI Direct Research, Company

Conference call highlights

- Overall empties for Q1FY20 came in at ₹ 48.9 crore (down 16% QoQ). For the Exim and domestic segment, it came in at ₹ 28 crore and ₹ 21 crore, respectively
- Concor's rail market share was 71% in JNPT, 46% in Mundra and 53% in Pipavav
- Q1FY20 port wise major revenue share - JNPT: 32.7%; Mundra: 32.7; Pipavav: 8.3% and others: 26.3%
- The management maintained its expected FY20 target of 12% growth in revenue and PAT
- The company paid up its entire ₹ 700 crore working cap debt in May 31, 2019 and ended Q1 with ~₹ 1000 crore cash & cash equivalent
- In order to attract more volumes, the company has done a 4% price adjustment before announcing the rate freeze to the customer, which reflected in Q1FY19 realisations
- On the DFC commissioning, the government has informed the management that the DFC connectivity to Mundra and Pipavav would be ready by current calendar year end
- The company ran 758 double stacked trains during the quarter vs. 839 trains in Q1FY19

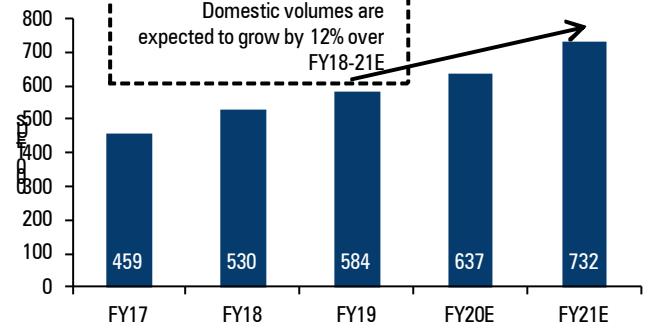
Key Metrics

Exhibit 4: Exim volumes



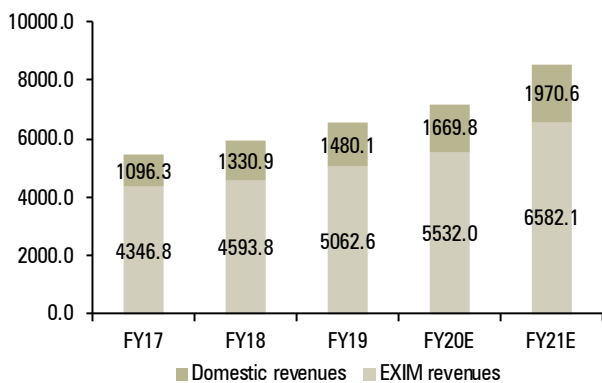
Source: ICICI Direct Research, Company

Exhibit 5: Domestic volumes



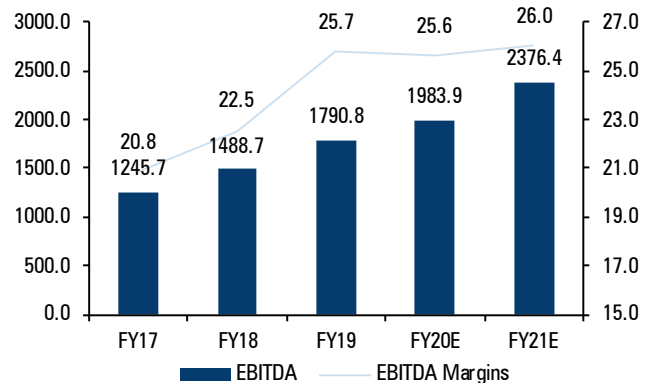
Source: ICICI Direct Research, Company

Exhibit 6: Revenues to grow at CAGR of 11% over FY19-21E



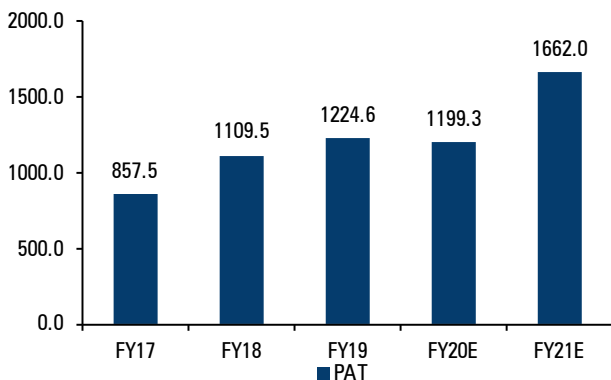
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA to grow at CAGR of 17% over FY19-21



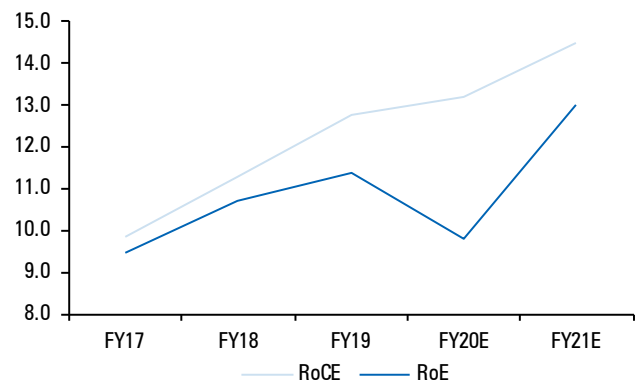
Source: ICICI Direct Research, Company

Exhibit 8: PAT to grow at CAGR of 17% over FY19-21



Source: Company, ICICI Direct Research

Exhibit 9: Return ratios trend



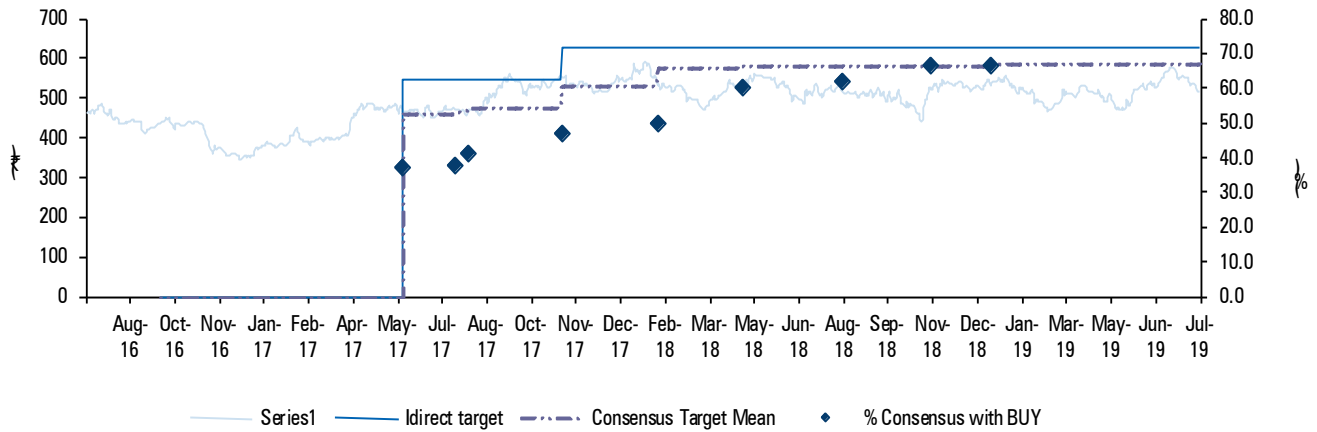
Source: Company, ICICI Direct Research

Exhibit 10: Valuation parameters

	Sales (₹ cr)	Sales Growth (%)	EPS (₹)	EPS Growth (%)	PE (x)	EV/EBITD (x)	RoNW (%)	RoCE (%)
FY17	5979.7	-4.8	14.1	-7.7	36.5	6.7	9.5	9.8
FY18	6612.5	10.6	18.2	29.4	28.2	5.4	10.7	11.3
FY19P	6956.1	5.2	20.1	10.4	25.6	5.9	11.4	12.8
FY20E	7749.5	11.4	19.7	-2.1	26.1	3.8	10.3	13.1
FY21E	9139.9	17.9	27.3	38.6	18.9	2.9	13.0	14.4

Source: Company, ICICI Direct Research

Exhibit 11: Recommendation history vs. Consensus



Source: ICICI Direct Research, Reuters

Exhibit 12: Shareholders

Rank	Investor Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Government of India	30-Jun-19	0.55	333.9	0.0
2	LIC Mutual Fund Asset Management C	30-Jun-19	0.03	19.3	0.0
3	Life Insurance Corporation of India	31-Mar-19	0.03	19.3	-1.7
4	Matthews International Capital Manage	31-May-19	0.03	19.1	-0.1
5	Aberdeen Standard Investments (Asia)	30-Jun-19	0.03	15.9	0.0
6	ICICI Prudential Asset Management Co	30-Jun-19	0.02	11.6	0.0
7	Hermes Investment Management Ltd.	31-May-19	0.02	10.5	1.0
8	UTI Asset Management Co. Ltd.	30-Jun-19	0.01	8.0	-0.4
9	The Vanguard Group, Inc.	30-Jun-19	0.01	7.2	0.0
10	Kotak Mahindra Asset Management Cc	30-Jun-19	0.01	7.1	0.4

Source: ICICI Direct Research, Reuters, Company

Exhibit 13: Shareholding Pattern

(in %)	Sep-18	Dec-18	Mar-19	Jun-19
Promoter	54.8	54.8	54.8	54.8
Public	45.2	45.2	45.2	45.2

Source: ICICI Direct Research, Reuters, Company

Exhibit 14: Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
APG Asset Management N.V.	9.16	1.21	Life Insurance Corporation of India	-12.65	-1.67
Hermes Investment Management Ltd.	7.99	1.05	Norges Bank Investment Management (NBIM)	-8.82	-1.12
DSP Investment Managers Pvt. Ltd.	4.53	0.55	UTI Asset Management Co. Ltd.	-3.49	-0.42
Kotak Mahindra Asset Management Company Ltd.	3.17	0.38	Eastspring Investments (Singapore) Limited	-2.73	-0.36
FIL Investment Management (Singapore) Ltd.	2.58	0.34	HDFC Asset Management Co., Ltd.	-2.41	-0.29

Source: ICICI Direct Research, Reuters

Financial Summary

Exhibit 15: Profit & Loss Statement ₹ crore

(Year-end March)	FY18	FY19	FY20E	FY21E
Total operating Income	6,612.5	6,956.1	7,749.5	9,139.9
Growth (%)	10.6	5.2	11.4	17.9
Terminal/Other Service charge	4,541.9	4,561.0	5,114.7	6,032.4
Employee Cost	279.4	337.0	341.0	365.6
Administrative & other exp	302.5	267.3	310.0	365.6
Op. Expenditure	5,123.8	5,165.3	5,765.6	6,763.6
EBITDA	1,488.7	1,790.8	1,983.9	2,376.4
Growth (%)	19.5	20.3	10.8	19.8
Depreciation	420.0	452.3	497.1	567.1
EBIT	1,068.7	1,338.5	1,486.8	1,809.3
Interest	5.6	6.5	32.6	5.7
Other Income	286.8	317.0	116.7	397.5
PBT	1,349.9	1,649.0	1,570.9	2,201.1
Growth (%)	16.4	22.2	-4.7	40.1
Tax	351.0	474.4	424.1	594.3
Reported PAT	998.9	1,174.6	1,146.8	1,606.8
Growth (%)	20.3	17.6	-2.4	40.1
Share of Profit/Loss in JV	55.8	50.0	52.5	55.1
Adjusted PAT	1,109.5	1,224.6	1,199.3	1,662.0
EPS	18.2	20.1	19.7	27.3

Source: Company, ICICI Direct Research

Exhibit 16: Cash flow Statement ₹ crore

(Year-end March)	FY18	FY19E	FY20E	FY21E
Profit after Tax	998.9	1,174.6	1,146.8	1,606.8
Add: Depreciation	420.0	452.3	497.1	567.1
Cash Profit	1,418.9	1,626.8	1,643.8	2,173.9
Increase/(Decrease) in CL	215.5	276.8	(140.9)	215.2
(Increase)/Decrease in CA	(262.4)	(3,367.8)	2,874.8	(83.8)
Others	(54.1)	-	-	-
CF from Operating Activities	1,317.8	(1,464.2)	4,377.7	2,305.3
Purchase of Fixed Assets	(803.9)	(969.4)	(1,000.0)	(1,000.0)
(Inc)/Dec in Investments	(45.3)	(45.9)	(58.6)	(61.5)
Others	298.4	192.1	(63.8)	(66.1)
CF from Investing Activities	(550.8)	(823.3)	(1,122.4)	(1,127.5)
Inc/(Dec) in Loan Funds	-	708.7	(682.5)	21.9
Inc/(Dec) in Sh. Cap. & Res.	(421.9)	(192.9)	(333.7)	(398.9)
Others	(59.0)	(27.3)	12.1	12.2
CF from financing activities	(480.9)	488.5	(1,004.1)	(364.8)
Change in cash Eq.	286.1	(1,799.0)	2,251.2	812.9
Op. Cash and cash Eq.	1,746.2	2,032.4	233.4	2,484.6
Cl. Cash and cash Eq.	2,032.4	233.4	2,484.6	3,297.5

Source: Company, ICICI Direct Research

Exhibit 17: Balance Sheet ₹ crore

(Year-end March)	FY18	FY19P	FY20E	FY21E
Source of Funds				
Equity Capital	243.7	304.7	304.7	304.7
Reserves & Surplus	9,104.5	10,025.3	10,838.3	12,046.2
Shareholder's Fund	9,348.2	10,329.9	11,142.9	12,350.9
Minority Interest	113.4	106.3	108.5	110.6
Loan Funds	62.0	70.0	87.5	109.4
Deferred Tax Liability	191.2	165.9	175.9	185.9
Provisions	82.0	87.1	87.1	87.1
Source of Funds	9,796.8	10,759.2	11,601.8	12,843.8
Application of Funds				
Gross Block	5,127.6	6,100.8	7,100.8	8,100.8
Less: Acc. Depreciation	1,120.0	1,572.3	2,069.3	2,636.4
Net Block	4,007.6	4,528.5	5,031.5	5,464.4
Capital WIP	691.8	626.3	657.7	690.5
Total Fixed Assets	4,699.4	5,154.9	5,689.1	6,154.9
Other Intangibles	11.7	7.9	7.9	7.9
Investments	1,176.8	1,231.6	1,296.2	1,364.3
Other Non-Current Assets	1,752.6	1,626.0	1,658.6	1,691.7
Inventories	27.8	23.6	31.8	37.6
Debtor	90.9	95.5	74.3	87.6
Cash & Bank balances	2,032.4	233.4	2,484.6	3,297.5
Loan & Advance, Other CA	1,068.9	4,427.4	1,559.5	1,617.7
Total Current assets	3,220.0	4,779.9	4,150.3	5,040.4
Current Liabilities	275.9	353.1	424.6	500.8
Other Current Liabilities	763.2	1,670.0	743.8	877.1
Provisions	24.6	18.1	31.8	37.6
Total CL and Provisions	1,063.7	2,041.2	1,200.2	1,415.5
Net Working Capital	2,156.3	2,738.8	2,950.0	3,624.9
Application of Funds	9,796.8	10,759.1	11,601.8	12,843.8

Source: Company, ICICI Direct Research

Exhibit 18: Key Ratios

(Year-end March)	FY18	FY19P	FY20E	FY21E
Per share data (₹)				
Book Value	479.5	529.8	571.5	633.5
Cash per share	83.4	7.7	81.6	108.2
EPS	18.2	20.1	19.7	27.3
Cash EPS	62.8	55.0	55.7	73.2
DPS	17.1	8.0	7.9	10.9
Profitability & Operating Ratios				
EBITDA Margin (%)	22.5	25.7	25.6	26.0
PAT Margin (%)	16.8	17.6	15.5	18.2
Fixed Asset Turnover (x)	1.4	1.3	1.4	1.5
Inventory Turnover (Days)	1.5	1.5	1.5	1.5
Debtor (Days)	4.0	3.5	3.5	3.5
Current Liabilities (Days)	15.2	18.5	20.0	20.0
Return Ratios (%)				
RoE	10.7	11.4	10.3	13.0
RoCE	11.3	12.8	13.1	14.4
RoIC	17.1	14.9	19.8	23.0
Valuation Ratios (x)				
P/E	28.2	25.6	26.1	18.9
Price to Book Value	1.1	1.0	0.9	0.8
EV/EBITDA	5.4	5.9	3.8	2.9
EV/Sales	1.2	1.5	1.0	0.7
Leverage & Solvency Ratios				
Debt to equity (x)	0.0	0.0	0.0	0.0
Interest Coverage (x)	NA	NA	NA	NA
Debt to EBITDA (x)	0.0	0.0	0.0	0.0
Current Ratio	3.0	2.3	3.5	3.6
Quick ratio	3.0	2.3	3.4	3.5

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Bharat Chhoda, MBA; Harshal Mehta MTech (Biotech), Research Analysts, 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. 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. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a Sebi registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited Sebi Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally 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 analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. 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 Research.

The information and opinions in this report have been prepared by ICICI Securities 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 ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities 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 ICICI Securities policies, in circumstances where ICICI Securities 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. ICICI Securities 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. ICICI Securities 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.

ICICI Securities 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.

ICICI Securities or its associates might have received any 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 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.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates 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 ICICI Securities nor Research Analysts and their relatives 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.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities 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 themselves of and to observe such restriction.