

## Lockdown led slowdown impacts performance...

We believe the Q1FY21 performance was in line with management commentary provided in Q4FY20 wherein the company mentioned a challenging demand scenario in H1FY21E owing to lockdown. The management expects a faster demand recovery in coming quarters post ease in lockdown restrictions. Time Technoplast's (TPL) Q1FY20 volume, value fell ~43%, 45% respectively. While domestic business (~70% of topline) was hit by regional lockdowns, overseas businesses (~30% of topline) were less impacted in Q1FY21. TPL reported ~51%, ~25% YoY fall in volume of domestic, overseas business, respectively. However, gross margin in Q1FY21 was up 54 bps YoY (167 bps QoQ) led by better mix and benign raw material prices. The company's contribution from value added product category increased to 21.3% in Q1FY21 (vs. ~19% in FY20, 18.6% in FY19). However, lower operating leverage dragged overall EBITDA margin down 320 bps YoY (~153 bps QoQ) at 11.4%. Finally, the company reported a net loss of ~ ₹ 12 crore after providing ₹ 25 crore, ~ ₹ 37.5 crore for interest, depreciation charges, respectively. With positive cashflow from operation of ~ ₹ 36 crore in Q1FY21, TPL is focusing on rationalisation of various fixed costs and improving collections thereby reducing working capital requirements. We believe a recovery in economic activity would help drive revenues, EBITDA margin from FY22E onwards. We also expect a rationalisation of capex plans coupled with comfortable D/E (0.4x in FY20) to help the company to pass through the challenging phase in FY21E.

## Better overseas plant utilisation limits overall revenue fall

Better plant utilisation in overseas subsidiary (~56% vs. 38% in India) helped limit consolidated revenue fall at 45% in Q1FY21. Post ease in lockdown restrictions in India, while demand of other products saw a recovery, piping segment demand stayed sluggish due to lower government spending amid lockdown. We expect a continued demand recovery in domestic and overseas business supported by easing in lockdown restrictions.

## Lower operating leverage drags margin

Gross margin in Q1FY21 improved 54 bps YoY (167 bps QoQ) led by better mix and benign raw material prices. TPL's contribution from value added product category increased to 21.3% in Q1FY21 (vs. ~20% in Q1FY20). However, lower operating leverage dragged overall EBITDA margin down by 320 bps YoY (~153 bps QoQ) at 11.4%. However, the company guided for rationalisation of fixed costs, going forward, to safeguard margins.

## Valuation & Outlook

We believe EBITDA level profit with better gross margin despite revenue loss for almost a month is encouraging. Further, marginal debt reduction via positive CFO of ₹ 36 crore, curtailed capex in FY21, focus on collection may keep overall D/E below 0.5x. We maintain **HOLD** rating on the stock with a revised target price of ₹ 47 considering its market leadership position in the industrial packaging segment and a strong client base.

### Key Financial Summary

₹Crore	FY18	FY19E	FY20E	FY21E	FY22E	CAGR (20-22E)
Net sales	3,102.7	3,563.7	3,578.0	2,820.8	3,869.2	4.0
EBITDA	473.1	523.5	498.9	357.8	555.8	5.6
EBITDA Margin (%)	15.2	14.7	13.9	12.7	14.4	
PAT	180.4	202.7	169.1	76.5	211.7	11.9
EPS (₹)	8.0	9.0	7.5	3.4	9.4	
P/E (x)	5.3	4.7	5.6	12.4	4.5	
Price/Book Value (x)	0.6	0.6	0.5	0.5	0.5	
EV/EBITDA (x)	3.3	3.1	3.3	4.5	3.0	
RoE (%)	12.2	12.1	9.3	4.3	11.0	
RoCE (%)	14.9	15.0	12.5	7.4	13.5	

Source: Company, ICICI Direct Research



### Particulars

Particular	Amount
Market Cap (₹Crore)	949.8
Total Debt (FY 20) (₹Crore)	762.4
Cash&Inv (FY 20) (₹Crore)	82.5
EV (₹Crore)	1,629.7
52 week H/L	72/ 23
Equity capital (₹Crore)	22.6
Face value (₹)	1.0

### Key Highlights

- Overall volume de-growth at 43% led by domestic business volume de-growth of 51%
- Change in mix, lower raw material prices help in gross margin expansion
- Expect demand recovery from H2FY20 with pick-up in economic activity
- Maintain HOLD with revised target price of ₹ 47/share

### Research Analyst

Sanjay Manyal  
sanjay.manyal@icicisecurities.com

Hitesh Taunk  
hitesh.taunk@icicisecurities.com

**Exhibit 1: Variance Analysis**

	Q1FY21	Q1FY20	YoY (%)	Q4FY20	QoQ (%)	Comments
Revenue	475.2	868.1	-45.3	916.1	-48.1	Company's domestic revenue (~70% of sales) fell 53% YoY while overseas revenue decline was limited to 27% YoY
Other Income	0.3	0.3	-12.8	1.0	-73.9	
Raw Material Exp	328.5	604.9	-45.7	648.7	-49.4	Gross margin increased 167 bps QoQ (60 bps YoY) supported by benign raw material prices and change in mix
Employee Exp	34.7	39.7	-12.6	50.9	-31.9	
Other expenditure	58.0	97.2	-40.3	98.5	-41.1	Higher fixed drags margin in Q1FY21
EBITDA	53.9	126.4	-57.3	118.0	-54.3	
EBITDA Margin (%)	11.4	14.6	-320 bps	12.9	-153 bps	
Depreciation	37.5	39.4	-4.8	37.0	1.4	
Interest	25.3	27.5	-8.1	26.0	-2.6	
PBT	-8.6	59.8	-114.4	56.1	-115.3	
Total Tax	3.0	15.1	-80.0	15.8	-80.9	
PAT	-11.7	43.8	-126.7	38.3	-130.5	
Key Metrics						Lower operating performances, interest cost drags bottomline
Polymer products	333.4	615.8	-45.9	665.4	-49.9	
Composite products	141.8	252.3	-43.8	250.7	-43.4	Lower sales of composite cylinders and IBCs (impacted largely due to lockdowns) hurt composite product sales during Q1FY21

Source: Company, ICICI Direct Research

**Exhibit 2: Change in estimates**

(₹Crore)	FY21E			FY22E			Comments
	Old	New	% Chg	Old	New	% Chg	
Revenue	2,897.8	2820.8	(2.7)	3,896.4	3869.2	(0.7)	Factoring in current quarter performance, we estimates demand recovery from 2HFY 21 onwards
EBITDA	352.7	357.8	1.4	558.6	555.8	(0.5)	
EBITDA Margin (%)	12.2	12.7	51bps	14.3	14.4	3bps	EBITDA margin may see an improvement with recovery in sales going forward
PAT	71.7	76.5	6.7	203.6	211.7	4.0	
EPS (₹)	3.2	3.4	6.7	9.0	9.4	4.0	

Source: Company, ICICI Direct Research

**Exhibit 3: Assumptions**

Growth (%)	Current				Earlier		Comments
	FY19E	FY20E	FY21E	FY22E	FY21E	FY22E	
Established products	13.5	0.0	-22.2	36.4	-20.7	31.4	We believe demand for industrial products and PE pipes would recover along with recovery in economic activity
Value added Products	21.1	1.7	-17.0	40.1	-12.5	45.6	

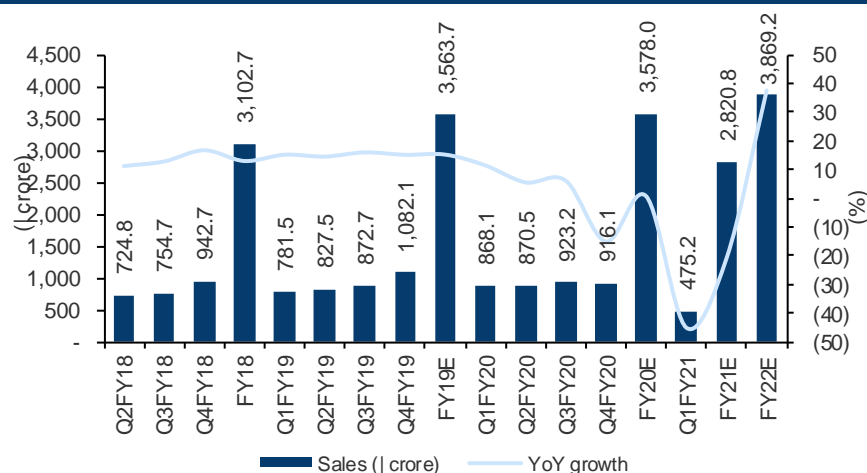
Source: Company, ICICI Direct Research

## Conference call highlights

- There was a slow recovery in business activities due to regional lockdown in various states
- Overall capacity utilisation for Q1FY21 was at 45% (India: 38%, Overseas: 56%). The company expects an improvement in utilisation from Q3FY21 onwards
- While the India business was struggling due to lockdown, the overseas business was operating at fairly good operating level as packaging was characterised under essential product category in overseas markets
- Fully wrapped carbon fibre reinforced Type-IV composite cylinder for CNG Cascades is ~ ₹ 600 crore opportunity for the company. The composite cylinder would replace the metal cylinder thereby helpful in significant improvement in the efficiency of heavy vehicles
- The company is expected to incur a capex of ₹ 80 crore (for ~80,000 units) in FY22 after getting final approval from the government (likely by the end of FY21). The asset turnover of the business would be ~3x and margin profile would be ~17-18%
- The company has commenced industrial packaging operations at its Iowa (US) plant. TPL has incurred a capex of US\$15 million and expects ~2x asset turnover over the next two to three years
- The pipes segment business was marred by lower government expenditure. However, the order book was at ~₹ 325 crore by the end of FY20, which would be executed in FY21
- The company is looking at increased business opportunities from Malaysia, Thailand and Vietnam where various chemical companies are opening up a second base post US-China trade issues and Covid-19 related supply disruptions
- The company also witnessed increased inquiries from various chemical MNCs for packaging products in India, after a rise of geopolitical tensions between India and China
- The company has curtailed its capex to ₹ 100 crore in FY21E (against ~₹ 145 crore in FY20)
- TPL is looking to rationalise various costs (such as rent, logistics, salary, etc) to optimise its operating performance, going forward, along with more focus on value added product categories

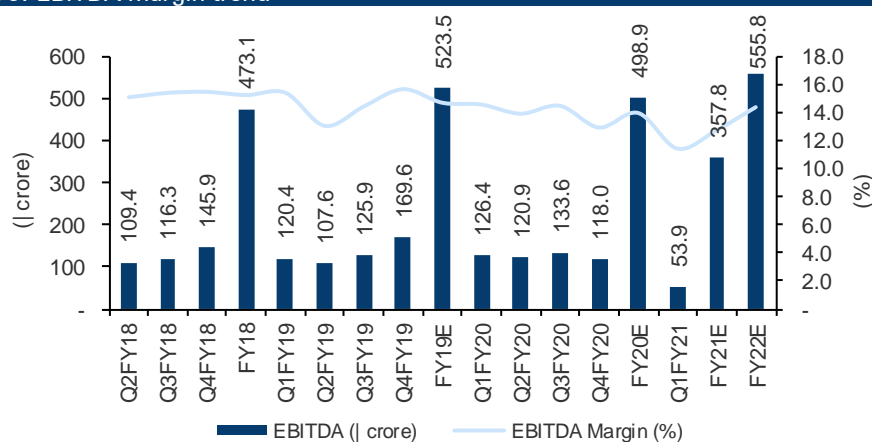
## Financial story in charts

**Exhibit 4: Revenue trend**



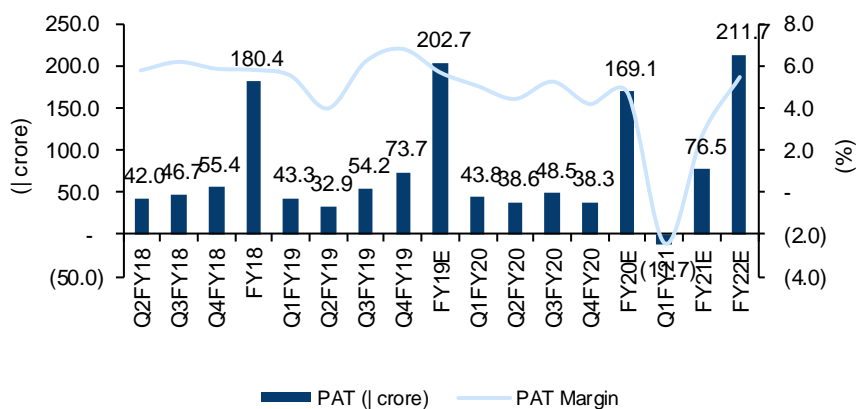
Source: Company, ICICI Direct Research

**Exhibit 5: EBITDA margin trend**

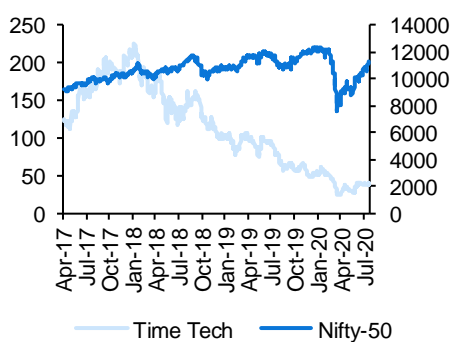


Source: Company, ICICI Direct Research

**Exhibit 6: PAT trend**



Source: Company, ICICI Direct Research

**Exhibit 7: Historical price chart**


Source: Bloomberg, Company, ICICI Direct Research

**Exhibit 8: Shareholding pattern**

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	51.2	51.2	51.2	51.3	51.3
FII	20.3	19.8	18.3	17.8	17.1
DII	10.8	10.7	11.6	11.6	10.4
Others	17.7	18.4	18.9	19.3	21.2

Source: Company, ICICI Direct Research

## Financial summary

**Exhibit 9: Profit and loss statement** ₹ crore

Year end March	FY19	FY20	FY21E	FY22E
<b>Net sales</b>	<b>3563.7</b>	<b>3578.0</b>	<b>2820.8</b>	<b>3869.2</b>
<b>Expenditure</b>				
Raw material	2511.3	2504.4	1960.4	2682.9
Employee Expenses	163.9	170.4	150.0	170.0
Other Expenses	365.0	404.4	352.6	460.4
<b>Total expenditure</b>	<b>3040.2</b>	<b>3079.1</b>	<b>2463.0</b>	<b>3313.4</b>
<b>EBITDA</b>	<b>523.5</b>	<b>498.9</b>	<b>357.8</b>	<b>555.8</b>
Other income	3.2	2.3	2.4	2.7
EBITDA (incl. other income)	526.7	501.2	360.2	558.5
Depreciation	146.1	156.2	158.0	170.2
EBIT	380.6	344.9	202.3	388.3
Interest	98.6	108.2	97.3	93.4
PBT before Exc. Items	281.9	236.7	104.9	294.9
Less: Exc. Items	0.0	0.0	0.0	0.0
PBT after Exc. Items	281.9	236.7	104.9	294.9
Tax	73.4	61.7	27.4	76.7
<b>PAT</b>	<b>202.7</b>	<b>169.1</b>	<b>76.5</b>	<b>211.7</b>

Source: Company, ICICI Direct Research

**Exhibit 10: Cash flow statement** ₹ crore

Year end March	FY19	FY20	FY21E	FY22E
Profit/(Loss) after taxation	202.7	169.1	76.5	211.7
Add: Depreciation & Amortization	146.1	156.2	158.0	170.2
Add: Interest Paid	98.6	108.2	97.3	93.4
CF bef working capital chg.	447.5	433.5	331.8	475.3
Net Increase in Current Assets	-211.7	-94.1	138.5	-424.5
Net Increase in Current Liabilities	44.7	-72.5	-130.0	173.7
<b>Net CF from operating act.</b>	<b>280.6</b>	<b>266.9</b>	<b>340.3</b>	<b>224.5</b>
(Purchase)/Sale of Fixed Assets	-229.7	-208.8	-100.0	-110.0
Others	15.2	68.2	-20.0	0.0
<b>Net CF from Investing act.</b>	<b>-214.5</b>	<b>-140.6</b>	<b>-120.0</b>	<b>-110.0</b>
Pro/(Rep) of debt	56.4	20.9	10.0	12.0
Payment of Div & Div tax	-14.2	-25.3	-72.0	-72.0
Int. paid	-98.6	-108.2	-97.3	-93.4
<b>Net CF from Financing act</b>	<b>-58.6</b>	<b>-110.5</b>	<b>-198.1</b>	<b>-153.4</b>
Net Cash Flow	7.5	15.9	22.2	-38.8
Cash & Cash Equi at beg	59.1	66.6	82.5	104.7
<b>Cash &amp; Cash Equi at end</b>	<b>66.6</b>	<b>82.5</b>	<b>104.7</b>	<b>65.8</b>

Source: Company, ICICI Direct Research

**Exhibit 11: Balance sheet** ₹ crore

Year end March	FY19	FY20	FY21E	FY22E
share capital	22.6	22.6	22.6	22.6
Reserve and Surplus	1646.6	1792.5	1758.2	1897.9
<b>Total Shareholder's Fund</b>	<b>1669.2</b>	<b>1815.1</b>	<b>1780.8</b>	<b>1920.5</b>
Total Debt	741.5	762.4	772.4	784.4
Deferred Tax liability	73.0	79.2	79.2	79.2
Minority Interest	46.3	52.2	52.2	52.2
<b>Total Assets</b>	<b>2529.9</b>	<b>2766.9</b>	<b>2722.7</b>	<b>2874.4</b>
Gross Block	2295.8	2522.4	2622.4	2732.4
Accumulated Depreciation	1016.8	1173.0	1330.9	1501.2
Net Block	1279.1	1349.4	1291.5	1231.2
Capital WIP	98.3	80.5	80.5	80.5
<b>Total Fixed Assets</b>	<b>1377.4</b>	<b>1430.0</b>	<b>1372.0</b>	<b>1311.8</b>
Investments	27.4	29.4	29.4	29.4
<b>Current Assets</b>				
Inventory	737.3	757.7	757.4	954.1
Debtors	784.2	820.7	734.2	890.5
Other Current Assets	206.8	244.1	192.5	264.0
Cash	66.6	82.5	104.7	65.8
<b>Total Current Assets</b>	<b>1795.0</b>	<b>1905.0</b>	<b>1788.7</b>	<b>2174.3</b>
<b>Current Liabilities</b>				
Creditors	475.0	443.5	347.8	477.0
Provisions	9.2	10.6	6.7	9.2
Other current liabilities	185.7	143.2	112.9	154.9
<b>Total Current Liabilities</b>	<b>669.9</b>	<b>597.4</b>	<b>467.4</b>	<b>641.1</b>
<b>Total Liabilities</b>	<b>2529.9</b>	<b>2766.9</b>	<b>2722.7</b>	<b>2874.4</b>

Source: Company, ICICI Direct Research

**Exhibit 12: Key ratios** ₹ crore

Year end March	FY19E	FY20E	FY21E	FY22E
EPS	9.0	7.5	3.4	9.4
Cash EPS	15.4	14.4	10.4	16.9
DPS	0.6	1.1	3.2	3.2
BV per share	73.8	80.3	78.7	84.9
<b>Profitability Ratio</b>				
EBITDA Margin	14.7	13.9	12.7	14.4
PAT Margin	5.7	4.7	2.7	5.5
<b>Return Ratio</b>				
RoCE	15.0	12.5	7.4	13.5
RoE	12.1	9.3	4.3	11.0
RoIC	14.8	12.5	7.5	13.4
<b>Valuation Ratio</b>				
P/E	4.7	5.6	12.4	4.5
EV/EBITDA	3.1	3.3	4.5	3.0
Mcap/Sales	0.3	0.3	0.3	0.2
Price to BV	0.6	0.5	0.5	0.5
<b>Activity Ratios</b>				
Inventory Days	75.5	77.3	98.0	90.0
Debtors Days	80.3	83.7	95.0	84.0
Creditors Days	48.6	45.2	45.0	45.0
Gross Block Turnover	1.6	1.4	1.1	1.4
<b>Solvency Ratios</b>				
Debt/Equity	0.4	0.4	0.4	0.4
Debt/Ebitda	1.4	1.5	2.2	1.4
Current Ratio	3.6	4.0	4.8	4.3
Quick Ratio	2.0	2.3	2.6	2.4

Source: Company, ICICI Direct Research

**Exhibit 13: ICICI Direct Coverage Universe (Consumer Discretionary)**

Sector / Company	CMP			M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		(₹Cr)	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E
Asian Paints (ASIPAI)	1,899	1,900	Hold	1,82,114	29.0	21.8	32.6	65.5	87.2	58.2	38.9	45.6	32.9	27.4	19.4	26.9	30.5	22.6	31.0
Astral Polytechnic (ASTP)	1,122	1,120	Hold	16,904	16.6	15.0	23.3	67.7	75.0	48.2	36.1	39.3	27.8	20.5	17.0	23.1	16.6	13.1	17.9
Amber Enterprises (AM)	1,733	1,980	Buy	5,450	52.2	18.4	63.7	33.2	94.3	27.2	18.1	27.6	13.2	14.3	7.0	17.4	14.5	5.3	15.5
Bajaj Electricals (BAJEL)	498	495	Buy	5,662	0.0	4.1	14.8	NM	121.6	33.7	26.1	26.3	15.0	8.4	6.7	13.4	4.5	4.2	10.2
Berger Paints (BERPAI)	537	580	Hold	52,153	6.8	6.1	9.7	79.5	87.6	55.2	51.7	55.0	37.8	26.6	22.0	31.3	24.7	19.7	27.1
Essel Propack (ESSPRO)	270	270	Buy	8,519	6.7	7.0	9.5	40.2	38.5	28.5	13.6	12.4	10.5	15.6	16.5	19.4	14.3	13.9	16.3
Havells India (HAVIND)	615	630	Hold	38,370	11.7	8.0	14.4	52.4	76.7	42.7	33.9	40.7	25.5	19.6	14.3	22.6	17.0	11.4	18.3
Kansai Nerolac (KANNE)	477	510	Buy	25,706	9.9	7.9	11.8	48.0	60.1	40.3	30.3	35.3	24.2	17.6	14.7	19.9	14.1	11.3	15.3
Pidilite Industries (PIDINI)	1,402	1,595	Buy	71,194	22.1	17.8	28.0	63.4	78.6	50.1	43.5	53.3	35.1	31.0	23.4	34.0	26.1	19.2	27.7
Polycab India (POLI)	892	950	Buy	13,280	51.4	42.2	55.4	17.3	21.1	16.1	10.7	13.4	9.8	26.5	16.8	22.2	20.0	13.9	17.0
Supreme Indus (SUPIND)	1,336	1,245	Hold	16,971	36.8	28.4	41.5	31.8	41.2	28.2	18.0	20.8	15.6	22.5	17.5	22.3	20.7	15.3	20.1
Symphony (SYMLIM)	852	960	Buy	5,960	26.0	20.5	32.0	32.7	41.5	26.6	26.7	33.9	21.0	28.8	23.5	37.0	29.0	23.0	35.1
Time Techno (TIMTEC)	42	47	Hold	950	7.5	3.4	9.4	5.6	12.4	4.5	3.3	4.5	3.0	12.5	7.4	13.5	9.3	4.3	11.0
V-Guard Ind (VGUARD)	167	210	Buy	7,152	4.3	3.6	5.2	38.6	46.5	32.1	27.4	32.5	22.6	24.8	19.7	24.3	18.6	14.8	18.5
Voltas Ltd (VOLTAS)	634	725	Buy	20,969	15.8	10.7	22.7	40.2	59.3	27.9	29.4	51.3	23.6	19.5	11.5	20.4	13.0	8.0	15.6

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, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com



## ANALYST CERTIFICATION

I/We, Sanjay Manyal, MBA (Finance), Hitesh Taunk, MBA (Finance) 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](http://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 [icicidirect.com](http://icicidirect.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, and 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