

Dishman Carbogen Amcis

BUY
INDUSTRY PHARMA
CMP (as on 24 Jan 2019) Rs 222
Target Price Rs 380

Nifty 10,850

Sensex 36,195

KEY STOCK DATA

Bloomberg DCAL IN

No. of Shares (mn) 161

MCap (Rs bn) / (\$ mn) 36/502

6m avg traded value (Rs mn) 56

STOCK PERFORMANCE (%)
52 Week high / low Rs 397/200

3M 6M 12M

Absolute (%) (1.8) (17.1) (41.2)

Relative (%) (8.1) (15.4) (41.3)

SHAREHOLDING PATTERN (%)

Promoters 61.4

FIs & Local MFs 13.0

FPIs 7.4

Public & Others 18.2

Source : BSE

Amey Chalke

amey.chalke@hdfcsec.com

+91-22-6171-7321

Eshan Desai

eshan.desai@hdfcsec.com

+91-22-6639-2476

Several triggers for growth

While Dishman's (DCAL) 3Q performance was ahead of our estimates, revenue growth was muted as a large chunk of orders was shifted over to 4Q. Despite revenue growth being limited to 4/7% YoY/QoQ, a shift in business mix towards high-margin segments (CRAMS India and Vit. D) led to a 750bps YoY expansion in gross margin (up to 85% in 3Q) and a 10% YoY growth in EBITDA (despite higher opex), with margin at 27.7% (+136bps YoY). Lower tax rate at 31% further boosted PAT, which stood at Rs 514mn, up 22/17% YoY/QoQ. Having achieved Rs 14.1bn revenues and 27.1% EBITDA margin (+800bps YoY) in 9MFY19, we expect DCAL to deliver 13% plus rev. growth and 27.5% plus margin for FY19 post a bumper 4Q.

Till date, DCAL's partners have filed 5-6 products with the regulatory authorities, which makes it likely to receive at least 2 approvals each year over FY20-22. Additionally, the commissioning of the new development building in Switzerland and Vit. D Softgel capacity in India, expansion in the Hi-Po facility, ramp-up in the China API plant and potential blockbusters like Crenolanib/Nuzyra, will enable double digit revenue growth and drive margin expansion. We model 13/26% rev./earnings CAGR over FY18-21E. The stock is

Financial Summary

Year Ending March (Rs mn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)	FY18	FY19E	FY20E	FY21E
Net Sales	4,789	4,598	4.2	4,477	7.0	16,948	19,215	21,103	24,204
EBITDA	1,327	1,212	9.5	1,286	3.2	4,454	5,310	6,035	7,390
APAT	514	420	22.3	440	16.7	2,135	2,584	3,373	4,315
Diluted EPS (Rs)	3.2	2.6	22.3	2.7	16.7	13.2	16.0	20.9	26.7
EV/EBITDA (x)						10.1	8.2	7.1	5.6
P/E (x)						16.8	13.9	10.6	8.3
Adj. RoE (%)						14.6	15.2	16.7	18.1

Source: Company, HDFC sec Inst Research # Consolidated

very attractive at CMP, trading at 10.6/8.3x FY20/21E EPS, a ~60% discount to Divi's Labs. The key near-term triggers include the successful launch of Nuzyra in the US in Feb-19, positive phase 3 data for Crenolanib in 1HCY19 and 1L maintenance indication for Niraparib in ovarian cancer. Maintain BUY with a TP of Rs 380 (15x Dec-20E EPS).

Highlights of the quarter

- **Carbogen Amcis (CA):** Revenue declined 12% YoY owing to a delay in orders from the clients' end. However, DCAL has strong visibility for CY19 orders.
- **CRAMS India:** The segment grew 77% YoY in 3Q (+56% YoY for 9MFY19) owing to higher commercial orders, led by Eprosartan and Sirturo sales. An uptick in Proketal and Niraparib will drive growth in 4QFY19.
- **Vitamin D:** Traction gained in Vit. D Analogues led to a 36% YoY growth in revenues. The softgel facility will get commissioned by FY20, which will generate incremental revenues of US\$ 6-7mn.
- **Near-term outlook:** Expect a run up in the stock price on the expectation of a bumper 4Q and the launch of Nuzyra in Feb-19.

Revenue growth remained muted owing to delay in orders, expect a bumper 4Q

Gross margin expanded 750bps YoY on the back of improvement in business mix

Staff cost was higher due to hiring at the HiPo labs at the new Swiss building and provisioning for bonus

Net forex impact was at Rs 40-50mn for the quarter

Quarterly Financials Snapshot (Consolidated)

Particulars (Rs mn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)
Net Sales	4,789	4,598	4.2	4,477	7.0
Material Expenses	720	1,034	(30.4)	691	4.2
Employee Expenses	1,784	1,584	12.6	1,597	11.7
Other Expenses	959	768	24.9	903	6.1
EBITDA	1,327	1,212	9.5	1,286	3.2
Depreciation	577	550		575	
EBIT	751	662	13.3	711	5.6
Other Income	134	146		150	
Interest Cost	140	128		152	
PBT	745	681	9.4	708	5.1
Tax	231	261		268	
PAT	514	420	22.3	440	16.7

Source: Company, HDFC sec Inst Research

Margin Analysis

	3QFY19	3QFY18	YoY (bps)	2QFY19	QoQ (bps)
Material Expenses % Net Sales	15.0	22.5	(747)	15.4	(41)
Employee Expenses % Net Sales	37.2	34.5	279	35.7	158
Other Expenses % Net Sales	20.0	16.7	332	20.2	(17)
EBITDA Margin (%)	27.7	26.4	136	28.7	(101)
Tax Rate (%)	31.0	38.3	(728)	37.9	(686)
APAT Margin (%)	10.7	9.1	159	9.8	90

Source: Company, HDFC sec Inst Research

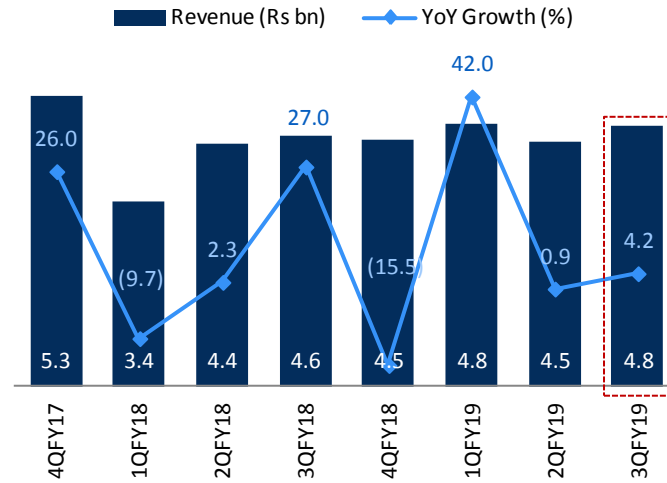
Delay in orders was the key reason for subdued growth in revenues

CRAMS growth was led by the domestic business on the back of Eprosartan and Sirturo

While the Vit. D business continues to gain traction, de-growth in other MM dragged the segmental revenue growth

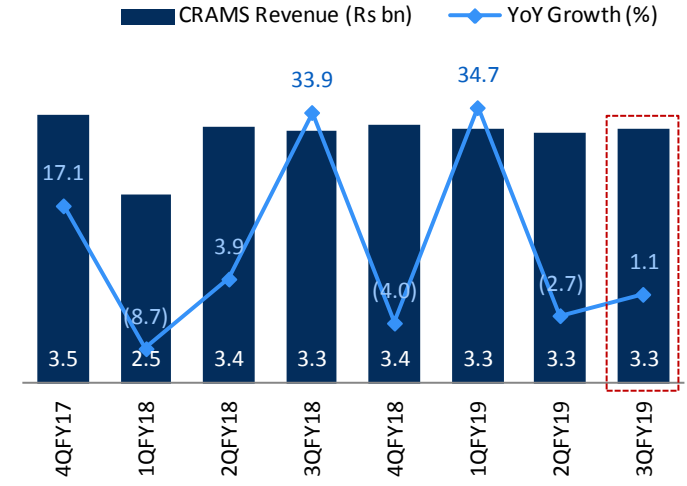
Despite favourable business mix, higher opex caused a small decline in EBITDA margin

Revenue: Growth Muted Due To Order Delays



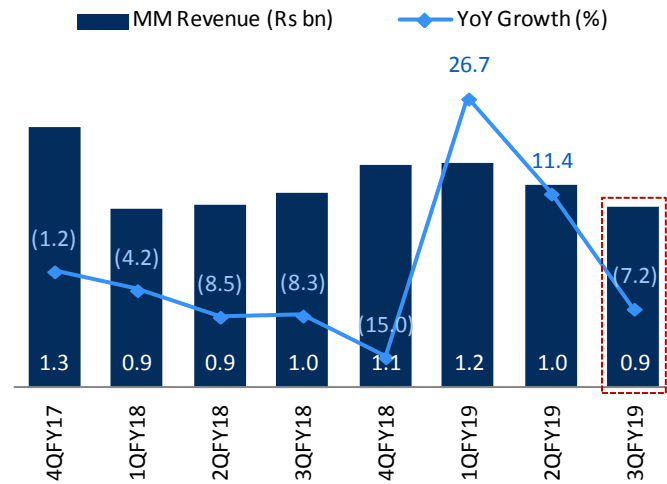
Source: Company, HDFC sec Inst Research

CRAMS: Growth Led By The CRAMS India



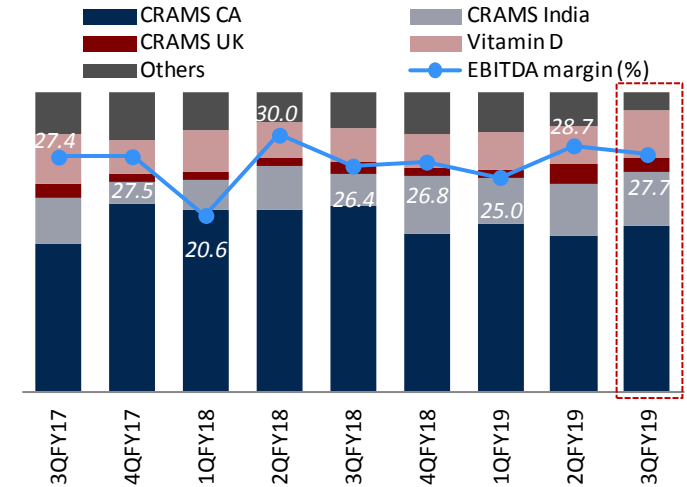
Source: Company, HDFC sec Inst Research

MM: De-growth Led By Other MM Segment



Source: Company, HDFC sec Inst Research

Favourable Mix Persists



Source: Company, HDFC sec Inst Research

While 3Q remained subdued for CRAMS CA, orders in hand will result in a bumper 4QFY19

Proketal and Niraparib will drive growth in CRAMS India in 4QFY19

Focus continues to be on the high margin Vitamin D and CRAMS India segments

Vitamin D softgel facility will enable further expansion in margins, post commissioning in FY20

Segmental Quarterly Performance

(Rs mn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)
CRAMS India	765	433	76.6	738	3.7
CRAMS CA	2,368	2,683	(11.7)	2,253	5.1
CRAMS UK	207	187	10.6	284	(27.3)
CRAMS Total	3,340	3,303	1.1	3,275	2.0
Vitamin D	671	494	35.9	559	20.2
Other	263	512	(48.8)	491	(46.5)
Marketable Molecules Total	934	1,007	(7.2)	1,049	(11.0)
Total	4,274	4,309	(0.8)	4,324	(1.2)

Source: HDFC sec Inst Research

Assumptions

Key segments (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
CRAMS India	2,096	2,287	2,945	3,533	4,121
Growth (%)	(21.6)	9.1	28.7	20.0	16.6
CRAMS CA	9,207	9,733	10,107	11,460	12,951
Growth (%)	18.1	5.7	3.8	13.4	13.0
CRAMS UK	495	496	818	858	901
Growth (%)	(28.1)	0.1	65.0	5.0	5.0
CRAMS Total	11,798	12,516	13,869	15,851	17,973
Growth (%)	5.7	6.1	10.8	14.3	13.4
Vitamin D	2,389	1,963	2,355	2,591	3,497
Growth (%)	7.1	(17.9)	20.0	10.0	35.0
Others	2,152	2,048	1,741	1,811	1,883
Growth (%)	(5.9)	(4.8)	(15.0)	4.0	4.0
Marketable Molecules Total	4,541	4,011	4,096	4,401	5,381
Growth (%)	0.5	(11.7)	2.1	7.4	22.2
Total	16,339	16,527	17,965	20,253	23,354
Growth (%)	4.2	1.2	8.7	12.7	15.3

Source: HDFC sec Inst Research

Peer Set Comparison

	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP/FV	Adj. EPS (Rs/sh)				P/E (x)				Adj. RoE (%)			
					FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E
Sun Pharma	1,014	423	BUY	660	13.0	16.4	21.9	27.9	32.6	25.8	19.3	15.2	8.3	9.9	12.2	13.9
Aurobindo Pharma	462	789	NEU	845	41.4	40.6	55.7	56.4	19.1	19.4	14.2	14.0	23.0	18.6	21.1	17.8
Dr Reddy's Labs	443	2,668	BUY	3,000	59.2	92.9	106.2	148.0	45.1	28.7	25.1	18.0	7.8	11.6	11.7	14.1
Cipla	403	501	BUY	605	18.6	17.5	22.4	29.2	27.0	28.7	22.4	17.1	11.2	9.5	11.1	13.1
Divi's Labs	396	1,493	SELL	1,390	32.4	50.4	57.1	65.1	46.1	29.6	26.1	22.9	15.2	20.9	20.5	20.3
Lupin	393	868	BUY	1,125	38.0	27.9	38.7	55.2	22.8	31.2	22.4	15.7	12.7	9.0	11.6	14.9
Cadila Healthcare	354	346	BUY	480	13.0	15.9	19.3	22.8	26.6	21.7	17.9	15.2	17.0	17.2	17.7	17.9
Torrent Pharma	320	1,888	NEU	1,940	40.1	47.3	66.6	95.4	47.1	40.0	28.4	19.8	15.1	16.2	19.9	24.0
Alkem Laboratories	227	1,901	BUY	2,400	57.6	71.8	90.0	115.6	33.0	26.5	21.1	16.4	14.8	16.5	18.1	20.0
Glenmark	183	650	BUY	835	17.5	27.0	35.2	46.4	37.2	24.1	18.5	14.0	9.4	12.8	14.7	16.9
Jubilant Life Sciences	115	723	BUY	1,030	45.5	54.5	62.2	77.3	15.9	13.3	11.6	9.4	19.3	19.4	18.6	19.5
Alembic Pharma	111	587	NEU	580	21.9	24.1	24.7	34.7	26.8	24.3	23.8	16.9	20.0	18.6	16.2	19.7
Strides Shasun	48	531	BUY	535	12.7	6.9	22.3	37.3	41.8	76.9	23.8	14.2	4.4	2.6	7.7	11.9
Laurus Labs	40	378	BUY	480	15.8	8.6	17.4	29.8	23.9	43.7	21.7	12.7	11.9	4.8	11.3	16.9
Dishman Carbogen Amcis	36	222	BUY	380	13.2	16.0	20.9	26.7	16.8	13.9	10.6	8.3	14.6	15.2	16.7	18.1
Suven Life Sciences	26	202	NR	450	9.7	8.9	10.8	12.3	20.8	22.8	18.8	16.4	17.2	13.9	14.9	15.1
Granules India	24	96	BUY	150	5.2	8.4	10.6	13.3	18.4	11.5	9.1	7.3	12.0	15.4	17.0	18.4
Neuland Labs	6	503	BUY	885	11.0	15.5	51.8	67.2	45.9	32.4	9.7	7.5	2.2	3.2	9.1	10.8

Source: HDFC sec Inst Research

Change In Estimates (Consolidated)

Rs mn	Previous			New			% Chg		
	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Revenue	18,886	21,072	24,143	19,215	21,103	24,204	1.7	0.1	0.3
EBITDA	5,165	6,027	7,373	5,310	6,035	7,390	2.8	0.1	0.2
APAT	2,605	3,367	4,296	2,584	3,373	4,315	(0.8)	0.2	0.4

Source: HDFC sec Inst Research

Income Statement (Consolidated)

Year Ending March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Net Revenues	17,137	16,948	19,215	21,103	24,204
Growth (%)	7.0	-1.1	13.4	9.8	14.7
Material Expenses	3,293	3,369	3,593	3,747	4,204
Employee Expenses	5,960	6,254	6,827	7,251	7,940
Other Operating Expenses	3,350	2,871	3,485	4,071	4,671
EBITDA	4,534	4,454	5,310	6,035	7,390
EBITDA Margin (%)	26.5	26.3	27.6	28.6	30.5
EBITDA Growth (%)	10.5	-1.8	19.2	13.6	22.5
Depreciation	2,135	2,114	2,226	2,319	2,414
EBIT	2,399	2,339	3,084	3,716	4,976
Other Income (Including EO Items)	261	457	450	550	550
Interest	490	488	557	494	456
PBT	2,170	2,308	2,977	3,772	5,069
Tax (Incl Deferred)	707	762	982	1,037	1,394
RPAT	1,463	1,546	1,994	2,735	3,676
Amortization	593	589	590	638	638
APAT	2,057	2,135	2,584	3,373	4,315
APAT Growth (%)	100.3	3.8	21.0	30.5	27.9
Adjusted EPS (Rs)	12.7	13.2	16.0	20.9	26.7

Source: Company, HDFC sec Inst Research

Balance Sheet (Consolidated)

Year Ending March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
SOURCES OF FUNDS					
Share Capital - Equity	-	323	323	323	323
Reserves	48,140	50,751	52,454	54,802	58,089
Total Shareholders Funds	48,140	51,073	52,777	55,125	58,413
Long Term Debt	4,601	5,250	4,750	4,250	3,750
Short Term Debt	4,790	5,518	5,500	5,250	5,000
Total Debt	9,391	10,768	10,250	9,500	8,750
Net Deferred Taxes	803	1,246	1,170	1,260	1,258
Other Non-current Liabilities & Provns	2,263	2,343	2,500	2,750	2,750
TOTAL SOURCES OF FUNDS	60,597	65,431	66,697	68,634	71,171
APPLICATION OF FUNDS					
Net Block	48,473	50,976	51,549	52,031	52,616
CWIP	1,329	1,190	950	800	800
Investments	46	46	46	46	46
Other Non-current Assets	2,169	3,002	2,500	2,825	2,825
Total Non-current Assets	52,017	55,214	55,046	55,702	56,287
Cash & Equivalent	1,270	2,648	3,435	3,465	4,435
Inventories	4,266	4,846	4,676	5,271	6,078
Debtors	2,856	4,444	3,938	4,439	5,119
Other Current Assets	5,335	4,538	5,687	6,120	6,368
Total Current Assets	12,457	13,827	14,301	15,830	17,565
Creditors	856	1,859	1,477	1,540	1,728
Other Current Liabilities & Provns	4,290	4,400	4,607	4,823	5,390
Total Current Liabilities	5,147	6,259	6,084	6,363	7,118
Net Current Assets	7,310	7,568	8,217	9,468	10,448
TOTAL APPLICATION OF FUNDS	60,596	65,431	66,697	68,634	71,170

Source: Company, HDFC sec Inst Research

Cash Flow

Year Ending March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Reported PBT	2,161	2,308	2,977	3,772	5,068
Non-operating & EO items	(182)	(164)	(76)	90	(2)
Interest net	365	405	107	(56)	(94)
Depreciation	2,135	2,114	2,226	2,319	2,414
Working Capital Change	(294)	(2,063)	11	(1,326)	(980)
Tax Paid	(1,158)	(336)	(982)	(1,037)	(1,394)
OPERATING CASH FLOW (a)	3,026	2,265	4,262	3,761	5,013
Capex	(1,480)	(2,165)	(2,560)	(2,650)	(3,000)
<i>Free cash flow (FCF)</i>	<i>1,547</i>	<i>100</i>	<i>1,702</i>	<i>1,111</i>	<i>2,013</i>
Investments	(9)	(866)	(0)	(0)	(0)
Non-operating Income	29	677	450	550	550
INVESTING CASH FLOW (b)	(1,459)	(2,353)	(2,110)	(2,100)	(2,450)
Debt Issuance/(Repaid)	(649)	1,265	(518)	(750)	(750)
Interest Expenses	(515)	(488)	(557)	(494)	(456)
<i>FCFE</i>	<i>403</i>	<i>688</i>	<i>1,077</i>	<i>418</i>	<i>1,357</i>
Dividend	(194)	-	(291)	(387)	(387)
Others	-	-	-	-	-
FINANCING CASH FLOW (c)	(1,371)	776	(1,366)	(1,631)	(1,594)
NET CASH FLOW (a+b+c)	197	688	786	30	969
Closing Cash & Equivalents	1,205	2,576	3,435	3,465	4,435

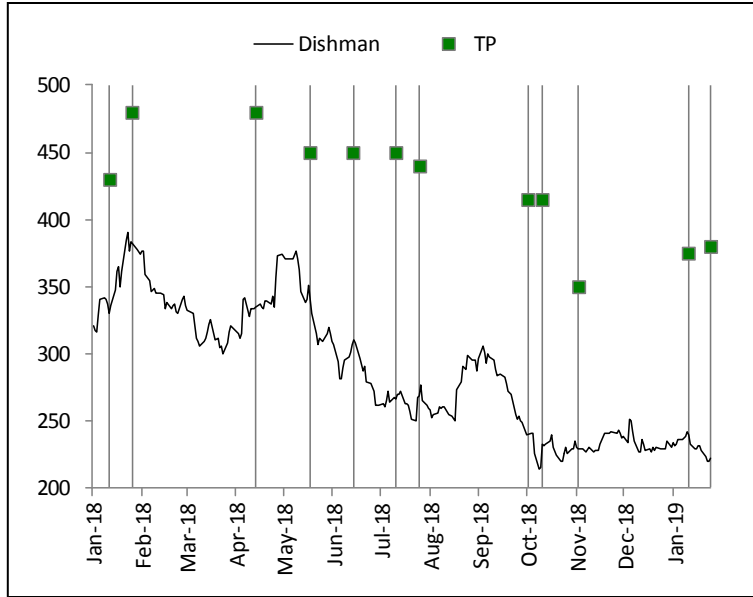
Source: Company, HDFC sec Inst Research

Key Ratios

	FY17	FY18	FY19E	FY20E	FY21E
PROFITABILITY (%)					
GPM	80.8	80.1	80.0	81.5	82.0
EBITDA Margin	26.5	26.3	27.6	28.6	30.5
APAT Margin	12.5	12.9	14.4	16.7	18.5
RoE	4.2	4.3	5.0	6.3	7.6
Adj. RoE	16.4	14.6	15.2	16.7	18.1
RoIC (or Core RoCE)	2.9	3.0	3.7	4.8	6.0
RoCE	2.7	3.8	3.7	4.4	5.3
EFFICIENCY					
Tax Rate (%)	32.6	33.0	33.0	27.5	27.5
Fixed Asset Turnover (x)	0.3	0.3	0.3	0.3	0.3
<i>Inventory (days)</i>	<i>90.9</i>	<i>104.4</i>	<i>88.8</i>	<i>91.2</i>	<i>91.7</i>
<i>Debtors (days)</i>	<i>60.8</i>	<i>95.7</i>	<i>74.8</i>	<i>76.8</i>	<i>77.2</i>
<i>Other Current Assets (days)</i>	<i>93.2</i>	<i>81.5</i>	<i>80.7</i>	<i>77.8</i>	<i>67.9</i>
<i>Payables (days)</i>	<i>18.2</i>	<i>40.0</i>	<i>28.0</i>	<i>26.6</i>	<i>26.1</i>
<i>Other Current Liab & Provns (days)</i>	<i>87.3</i>	<i>90.0</i>	<i>84.7</i>	<i>80.4</i>	<i>78.6</i>
<i>Cash Conversion Cycle (days)</i>	<i>139.3</i>	<i>151.5</i>	<i>131.6</i>	<i>138.8</i>	<i>132.0</i>
Debt/EBITDA (x)	2.1	2.4	1.9	1.6	1.2
Net D/E (x)	0.2	0.2	0.1	0.1	0.1
Interest Coverage (x)	5.4	5.7	6.3	8.6	12.1
PER SHARE DATA (Rs)		0.319			
EPS	12.7	13.2	16.0	20.9	26.7
CEPS					
Dividend	1.2	-	1.5	2.0	2.0
Book Value	298.3	316.5	327.0	341.6	361.9
VALUATION					
P/E (x)	17.5	16.8	13.9	10.6	8.3
P/BV (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x)	9.8	10.1	8.2	7.1	5.6
EV/Revenues (x)	2.7	2.7	2.4	2.1	1.8
OCF/EV (%)	6.8	5.0	9.8	8.8	12.2
FCF/EV (%)	3.5	0.2	3.9	2.6	4.9
FCFE/Mkt Cap (%)	1.1	1.9	3.0	1.2	3.8
Dividend Yield (%)	0.5	-	0.7	0.9	0.9

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
11-Jan-18	329	BUY	430
26-Jan-18	383	BUY	480
13-Apr-18	333	BUY	480
18-May-18	340	BUY	450
13-Jun-18	301	BUY	450
10-Jul-18	267	BUY	450
27-Jul-18	276	BUY	440
1-Oct-18	249	BUY	415
10-Oct-18	214	BUY	415
5-Nov-18	228	BUY	350
10-Jan-19	237	BUY	375
25-Jan-19	222	BUY	380

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

INSTITUTIONAL RESEARCH

Disclosure:

We, **Amey Chalke, MBA & Eshan Desai, MBA**, 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 sent 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 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 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: complianceofficer@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