

## Company Update

### Stock Details

Market cap (Rs mn)	:	2759
52-wk Hi/Lo (Rs)	:	354 / 195
Face Value (Rs)	:	10
3M Avg. daily vol (Nos)	:	12,255
Shares o/s (mn)	:	12

Source: Bloomberg

### Financial Summary

Y/E Mar (Rs mn)	FY18	FY19E	FY20E
Sales	3,930	4,919	5,528
Growth (%)	21.0	25.2	12.4
EBITDA	408	554	649
EBITDA margin (%)	10.4	11.3	11.7
Adjusted Net profit	207	278	353
Adjusted EPS (Rs)	17	22	29
Growth (%)	69.7	33.8	27.1
Book value (Rs/share)	145	166	193
Dividend per share (Rs)	1.5	1.5	1.5
ROE (%)	12.4	14.4	15.9
ROCE (%)	11.2	12.9	14.0
P/E (x)	13.3	10.0	7.8
EV/EBITDA (x)	9.6	7.4	6.0
P/BV (x)	1.5	1.3	1.2

Source: Company

### Shareholding Pattern (%)

(%)	Dec-18	Sep-18	Jun-18
Promoters	56.6	56.6	56.6
FII	0.1	0.1	0.02
DII	2.0	2.0	2.0
Others	41.2	41.3	41.4

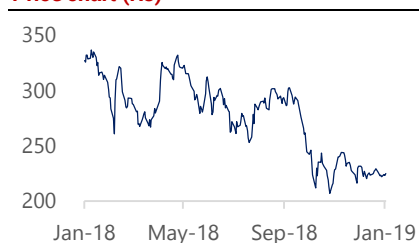
Source: Company

### Price Performance (%)

(%)	1M	3M	6M
Talbro Automotive	(3.6)	(7.7)	(16.4)
Nifty	(0.8)	(2.0)	1.3

Source: Bloomberg

### Price chart (Rs)



Source: Bloomberg

### Arun Agarwal

arun.agarwal@kotak.com  
+91 22 6218 6443

## TALBROS AUTOMOTIVE COMPONENTS (TBA)

PRICE Rs.224

TARGET Rs.400

BUY

TBA reported high growth in revenue and PAT in 1HFY19. In the past few months, volume growth has slowed down and is likely to keep company's performance subdued (on a QoQ basis) in the near term. However, as demand recovers, we expect growth to pick-up for the company. Further execution of orders won by the company in different businesses is expected to drive revenue and earnings growth for the company in FY20. The company is working on BSVI related gasket requirement and is confident that per vehicle gasket requirement will see meaningful increase with BSVI compliant vehicles getting launched. Operational leverage, internal efficiencies and input cost pass through are expected to positively contribute to EBITDA margins in FY20.

### Valuation and Outlook

We expect healthy revenue and earnings growth for the company over FY18-FY20. At the CMP of Rs224, the stock is trading a PE of 7.8x on FY20E expected. We retain BUY on the stock with unchanged price target of Rs400.

### Gasket segment growth to remain healthy over the medium to long term

TBA is the market leader in the gasket business and holds ~40% market share. The company has strong presence in the two wheeler commercial vehicle and the agri/offloader segment and these three segments account for more than 90% of the standalone gasket segment revenue. Company expects the current slowdown in demand to get offside to some extent from growing exports and increased OEM spares business (TBA is gaining market share in this segment). In exports, TBA has secured orders from Cummins (US and UK), Zetor Tractors and a non-auto conglomerate. On the back of investment in technology, TBA is gaining market share in the domestic gasket segment. The company is working on BSVI related gasket requirement and is confident that per vehicle gasket requirement will see meaningful increase with BSVI compliant vehicles getting launched. From FY20 onwards, additional gasket requirement and increased price of gasket (BSVI compliant gasket for the commercial vehicle segment) related with BSVI implementation will drive revenue. In FY20, TBA will also start executing the heat shield order received from a European OEM. Further, expected pre-buying of vehicles ahead of BSVI implementation can provide additional impetus to growth in FY20.

### Execution of new orders to drive forging business revenue

TBA's forging division revenue have grown strongly in the past two years, backed by new order wins, and the growth momentum is likely to continue in FY19 and FY20. The company is adding new presses – 500T to start operations in 4QFY19 and 2500T to likely start operations in 1HFY20. In the past two years, company has reported strong revenue growth (35% CAGR over FY16-FY18) in the forging business, led by new business wins. In 1HFY19, the company's forging segment revenue grew by 86% YoY. Given OEM slowdown, sequential performance in the near term is likely to be subdued. However, execution of new orders is expected to translate into growth for the company over the medium to long term. In FY19, execution of BMW order has been the key revenue driver for the forging business for TBA. Company has started executing Dana Spicer India order in 2HFY19; the ramp-up will happen in FY20 (annual order size of Rs350mn). TBA's strategy in this business is to move up the value chain by

getting into higher tonnage parts. TBA generates almost equal revenues from the domestic and export market in this division.

### **Nippon Leakless JV to grow steadily**

Nippon Leakless Talbros Private Limited (NLT) is a joint venture company between Nippon Leakless Corporation (NLK) Japan and TBA. LTL supplies 70% of Hero MotoCorp's (HMC) and 100% of Honda Motorcycle Scooters India (HMSI) gasket requirement. Revenue growth in this business broadly reflects the volume performance of HMSI and HMC. In FY19YTD (till November), HMC and HMSI have reported 9% and 8% growth in production. Over the longer term, we expect HMSI to outperform domestic industry volume growth. We expect the company to witness steady revenue growth in this joint venture.

### **Magneti Marelli JV likely to witness robust revenue growth**

Magneti Marelli Talbros Chassis Systems Pvt. Ltd., (MMT) is a 50:50 joint venture between Sistemi Sospensioni S.p.A., Italy and TBA. This JV manufactures chassis components like control arm and others. In the domestic market, Maruti Suzuki and Tata Motors are key customers for the JV. With Maruti Suzuki, the JV enjoys 40% SOB and with Tata Motors, the JV has 100% SOB for parts supplied. In exports, this JV won an order from JLR. Future growth in this JV is expected to be driven by improved volumes by domestic clients, ramp-up of order of JLR order and expected high volumes of RE60. Company has highlighted that Bajaj Auto has indicated towards higher volumes (~2,500 units per month) of RE60 from January 2019. On the back of above mentioned reasons, we expect strong revenue growth for this JV in FY19/FY20.

### **EBITDA margin can improve further**

TBA's EBITDA margin improved from 9.7% in FY17 to 10.4% in FY18. Despite raw material cost pressures, TBA further expanded EBITDA margin to 11.2% in 1HFY19. Increase in conversion cost initiated by the company in the past few months helped the company compensate for rise in raw material cost. Margins also received support in 1HFY19 from cost cutting measures and forex benefits. Going ahead in FY20, EBITDA margins can improve further from input cost pass through, cost cutting measures and operational leverage from volume growth. For raw material cost change, pass through with customers happens with 3-6 month lag. Company continues to work on internal efficiencies and that is likely to contribute to margins. Operational leverage from expected healthy revenue growth for the company is also expected to add to the company's margins. In our estimates, we factor EBITDA margin of 11.3%/11.7% for FY19/FY20 respectively.

### **Strong performance in 1HFY19**

In 1HFY19, TBA's consolidated revenues grew by 39% YoY (consolidated revenue includes standalone gasket and forging revenue; as for joint venture, under IndAS, the net profit is taken in share of profit from JV/associates). Forging business revenue grew by 86% YoY in 1HFY19. Amongst JV's, MMT and TMR reported 38% and 36% YoY growth in revenues respectively in 1HFY19. Despite raw material cost pressure, gross margins remained unchanged as the company initiated conversion cost increase with its clients. Further, strict control over employee cost and favourable forex helped the company expand its EBITDA margin from 9.3% in 1HFY18 to 11.2% in 1HFY19. Share of profit from JV's increased by 32% YoY; led by strong performance of MMT JV and turnaround in TMR JV. Adjusted for exceptional income of Rs22mn reported in 1HFY18, TBA's net profit in 1HFY19 grew by 84% YoY to Rs138mn.

### Valuation and Outlook

We expect TBA's revenues and earnings to receive impetus from BSVI implementation, entry into heat shields and new order wins. On the margin front, there are opportunities for expansion through cost control and operating leverage.

Company's vision 2020(FY20) includes achieving revenue of Rs5.25-5.75bn, EBITDA margin of 12-13% (including other income), adjusted PAT of Rs325-350mn and RoCE in excess of 15%. In 1H FY19, company achieved revenue of Rs2.51bn, EBITDA margin of 11.2% (11.9% including other income) and PAT of Rs138mn.

At the CMP of Rs224, the stock is trading a PE of 7.8x on FY20E expected. We retain BUY on the stock with unchanged price target of Rs400.

### Company Background

Talbro Automotive Components Limited, the flagship manufacturing company of the Group, manufactures automotive & industrial Gaskets in collaboration with Coopers Payen of UK. Currently company manufactures gaskets & heat shields, forgings, suspension systems, anti-vibration components and hoses. TBA has three joint ventures – Nippon Leakless Talbro Pvt. Ltd (JV partner - Leakless Corporation – Japan), Magneti Marelli Talbro Chassis Systems Pvt. Ltd. (JV partner - Magneti Marelli - Italy) and Talbro Marugo Rubber Pvt. Ltd. (JV partner - Marugo Rubber - Japan). In terms of revenue (as per Indian Gaap), 60% of revenues comes from gaskets, 26% from forging, 10% from MMT JV and 4% from TMR JV.

## Financials: Consolidated

### Profit and Loss Statement (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
<b>Revenues</b>	<b>3,249</b>	<b>3,930</b>	<b>4,919</b>	<b>5,528</b>
% change YoY	-17.1	21.0	25.2	12.4
<b>EBITDA</b>	<b>315</b>	<b>408</b>	<b>554</b>	<b>649</b>
% change YoY	-27.2	29.8	35.8	17.0
Depreciation	123	142	170	187
<b>EBIT</b>	<b>191</b>	<b>266</b>	<b>385</b>	<b>462</b>
% change YoY	-31.4	39.1	44.5	20.0
Net interest	159	139	162	166
Other Income	64	63	42	48
Exceptional income/(loss)	0	22	0	0
<b>Profit before tax</b>	<b>96</b>	<b>211</b>	<b>265</b>	<b>344</b>
% change YoY	-32.1	119.4	25.5	29.7
Tax	21	52	88	111
as % of PBT	22.3	24.4	33.1	32.4
Share of profit/(loss) from asso	47.4	69.2	100.0	120.0
Profit after tax	122	229	278	353
<b>Adjusted PAT</b>	<b>122</b>	<b>207</b>	<b>278</b>	<b>353</b>
% change YoY	5.0	69.7	33.8	27.1
Shares outstanding (m)	12	12	12	12
<b>Adjusted EPS (Rs)</b>	<b>9.9</b>	<b>16.8</b>	<b>22.5</b>	<b>28.6</b>
DPS (Rs)	1.5	1.5	1.5	1.5

Source: Company, Kotak Securities – Private Client Research

### Balance sheet (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
Cash and cash equivalents	66	78	88	191
Accounts receivable	897	1,242	1,482	1,666
Inventories	988	1,092	1,345	1,522
Loans and Adv & Others	241	296	320	345
Current assets	2,191	2,708	3,235	3,723
LT investments	568	662	662	662
Net fixed assets	1,173	1,281	1,451	1,413
<b>Total assets</b>	<b>3,933</b>	<b>4,650</b>	<b>5,348</b>	<b>5,799</b>
Payables	931	1,372	1,617	1,818
Other liabilities	168	153	167	182
Current Liabilities	1,099	1,526	1,784	1,999
Provisions	39	46	50	55
Deferred Tax Liability	27	42	42	42
Debt	1,213	1,243	1,422	1,322
Equity	123	123	123	123
Reserves	1,431	1,671	1,926	2,256
<b>Total liabilities</b>	<b>3,933</b>	<b>4,650</b>	<b>5,348</b>	<b>5,799</b>
BVPS (Rs)	126	145	166	193

Source: Company, Kotak Securities – Private Client Research

### Cash flow Statement (Rs mn)

(Year-end Mar)	FY17	FY18	FY19E	FY20E
EBIT	191	266	385	462
Depreciation	123	142	170	187
Change in working capital	187	(8)	(248)	(160)
Chg in other net current asset	127	(62)	(6)	(5)
Operating cash flow	629	337	300	484
Interest	(159)	(139)	(162)	(166)
Tax / Deferred tax	(65)	(37)	(88)	(111)
Other Income	64	63	42	48
EO income / Others	137	54	-	-
Profit from JV	47	69	100	120
<b>Cash flow from operations</b>	<b>653</b>	<b>347</b>	<b>193</b>	<b>375</b>
Capex	(114)	(249)	(339)	(150)
(Inc)/dec in investments	(496)	(94)	-	-
<b>Cash flow from investments</b>	<b>(610)</b>	<b>(343)</b>	<b>(339)</b>	<b>(150)</b>
Proceeds from issue of equities	-	-	-	-
Increase/(decrease) in debt	(42)	30	179	(100)
Proceeds from share premium	-	-	-	-
Dividends	(22)	(22)	(22)	(22)
<b>Cash flow from financing</b>	<b>(64)</b>	<b>8</b>	<b>157</b>	<b>(122)</b>
Opening cash	86	66	78	88
<b>Closing cash</b>	<b>66</b>	<b>78</b>	<b>88</b>	<b>191</b>

Source: Company, Kotak Securities – Private Client Research

### Ratio Analysis

(Year-end Mar)	FY17	FY18	FY19E	FY20E
<b>Margins</b>				
EBITDA margin (%)	9.7	10.4	11.3	11.7
EBIT margin (%)	5.9	6.8	7.8	8.4
Adj. net profit margin (%)	3.8	5.3	5.6	6.4
<b>Working capital days</b>				
Inventory (days)	111	101	100	100
Receivable (days)	101	115	110	110
Payable (days)	105	127	120	120
<b>Ratios</b>				
Debt/equity ratio (x)	0.8	0.7	0.7	0.6
ROE (%)	8.5	12.4	14.4	15.9
ROCE (%)	9.4	11.2	12.9	14.0
<b>Valuations</b>				
EV/ Sales	1.2	1.0	0.8	0.7
EV/EBITDA	12.4	9.6	7.4	6.0
Price to earnings (P/E)	22.6	13.3	10.0	7.8
Price to book value (P/B)	1.8	1.5	1.3	1.2

Source: Company, Kotak Securities – Private Client Research

## RATING SCALE

### Definitions of ratings

<b>BUY</b>	–	We expect the stock to deliver more than 12% returns over the next 12 months
<b>ACCUMULATE</b>	–	We expect the stock to deliver 5% - 12% returns over the next 12 months
<b>REDUCE</b>	–	We expect the stock to deliver 0% - 5% returns over the next 12 months
<b>SELL</b>	–	We expect the stock to deliver negative returns over the next 12 months
<b>NR</b>	–	<b>Not Rated.</b> Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
<b>SUBSCRIBE</b>	–	We advise investor to subscribe to the IPO.
<b>RS</b>	–	<b>Rating Suspended.</b> 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.
<b>NA</b>	–	<b>Not Available or Not Applicable.</b> The information is not available for display or is not applicable
<b>NM</b>	–	<b>Not Meaningful.</b> The information is not meaningful and is therefore excluded.
<b>NOTE</b>	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

## FUNDAMENTAL RESEARCH TEAM

<b>Rusmik Oza</b> Head of Research rusmik.oza@kotak.com +91 22 6218 6441	<b>Arun Agarwal</b> Auto & Auto Ancillary arun.agarwal@kotak.com +91 22 6218 6443	<b>Amit Agarwal</b> Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439	<b>Nipun Gupta</b> Information Tech, Midcap nipun.gupta@kotak.com +91 22 6218 6433	<b>Deval Shah</b> Research Associate deval.shah@kotak.com +91 22 6218 6423
<b>Sanjeev Zarbade</b> Cap. Goods & Cons. Durables sanjeev.zarbade@kotak.com +91 22 6218 6424	<b>Ruchir Khare</b> Cap. Goods & Cons. Durables ruchir.khare@kotak.com +91 22 6218 6431	<b>Jatin Damania</b> Metals & Mining, Midcap jatin.damania@kotak.com +91 22 6218 6440	<b>Cyndrella Carvalho</b> Pharmaceuticals cyndrella.carvalho@kotak.com +91 22 6218 6426	<b>Ledo Padinjarathala, CFA</b> Research Associate ledo.padinjarathala@kotak.com +91 22 6218 7021
<b>Teena Virmani</b> Construction, Cement, Buildg Mat teena.virmani@kotak.com +91 22 6218 6432	<b>Sumit Pokharna</b> Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	<b>Pankaj Kumar</b> Midcap pankajr.kumar@kotak.com +91 22 6218 6434	<b>Krishna Nain</b> M&A, Corporate actions krishna.nain@kotak.com +91 22 6218 7907	<b>K. Kathirvelu</b> Support Executive k.kathirvelu@kotak.com +91 22 6218 6427

## TECHNICAL RESEARCH TEAM

<b>Shrikant Chouhan</b> shrikant.chouhan@kotak.com +91 22 6218 5408	<b>Amol Athawale</b> amol.athawale@kotak.com +91 20 6620 3350	<b>Faisal Shaikh, CFTE</b> faisalf.shaikh@kotak.com +91 22 62185499	<b>Siddhesh Jain</b> siddhesh.jain@kotak.com +91 22 62185498
---	---	---	--

## DERIVATIVES RESEARCH TEAM

<b>Sahaj Agrawal</b> sahaj.agrawal@kotak.com +91 79 6607 2231	<b>Malay Gandhi</b> malay.gandhi@kotak.com +91 22 6218 6420	<b>Prashanth Lalu</b> prashanth.lalu@kotak.com +91 22 6218 5497	<b>Prasenjit Biswas, CMT, CFTE</b> 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), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). 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](http://www.kotak.com)

1. "Note that the research analysts contributing to the research report may not be registered/qualified as research analysts with FINRA; and
2. Such research analysts may not be associated persons of Kotak Mahindra Inc and therefore, may not be subject to NASD Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account

Any U.S. recipients of the research who wish to effect transactions in any security covered by the report should do so with or through Kotak Mahindra Inc. (Member FINRA/SIPC) and (ii) any transactions in the securities covered by the research by U.S. recipients must be effected only through Kotak Mahindra Inc. (Member FINRA/SIPC) at 369 Lexington Avenue 28th Floor NY NY 10017 USA (Tel:+1 212-600-8850).

Kotak Securities Limited and its non US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non US issuers, prior to or immediately following its publication. This material should not 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. This research report and its respective contents do not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services. Accordingly, any brokerage and investment services including the products and services described are not available to or intended for Canadian persons or US persons."

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

By referring to any particular sector, 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. Such representations are not indicative of future results.

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](http://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: INZ000200137 (Member of NSE, BSE, MSE, MCX & NCDEX), 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](mailto:ks.compliance@kotak.com).

JANUARY 3, 2019



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 / 1860 266 9191
- **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.