

Orient Cement

BUY

Gem, now polished!

We reiterate **BUY** on Orient Cement (ORCMNT) with a TP of Rs 150 (8x FY21E EBITDA). ORCMNT's stellar show continued in 1QFY20 on strong realization tailwinds amid benign input costs.

HIGHLIGHTS OF THE QUARTER

- During 1QFY20, ORCMNT's robust earnings continued, as net sales/EBITDA/PAT rose 8/75/249% YoY to Rs 6.88/1.50/0.56bn respectively.
- Sales volume declined 6% YoY** (-18% QoQ), dragged by slow down in govt projects, and cement industry's focus on rational pricing. Also, ORCMNT's Sholapur plant faced 10 days of clinker supply disruptions, owing to work on railways track connected to the plant.
- Despite 40%+ sales in non-trade, **supply discipline buoyed ORCMNT's NSR** (+14/11% YoY/QoQ). This indicates the industry has been successful in boosting pricing across both trade and non trade segments. This drove up unitary EBITDA (+86/19% YoY/QoQ) to 17-qtr high level of Rs 990/MT (in-line our est of Rs 965/MT).
- Low utilisation drove 3% opex inflation YoY**: Falling fuel prices and stabilization of ORCMNT's Karnataka plant drove flattish input costs QoQ and 4% decline YoY. Higher lead distance drove up freight costs by

6/8% YoY/QoQ. Fixed cost, however, rose 11/27% YoY/QoQ, dragged by utilization decline on weak sales.

- Depreciation/Interest expense went up 6-9% YoY on completion of railway siding and workers colony at the co's Karnataka plant. Robust margin expansion thus reflected in both strong EBITDA/PAT uptick in 1Q.
- Near term outlook**: While we believe cement pricing has peaked out in 1Q (for near term), the sharp uptick in past 2-qtr should buoy FY20 NSR by 7.5%. Further, with fuel costs moderating, and expected demand recovery in H2, we estimate unitary EBITDA to rebound to ~Rs740 in FY19/20 (~50% ahead of FY19).

STANCE

ORCMNT, already a cost leader among mid size Indian cement cos, is evaluating WHRS additions to further reduce opex (by FY21E). ORCMNT will also do calibrated capex (all brown-field) to increase its capacity by 6 MT to 14mn MT by FY25E, across its existing locations.

Robust earnings and calibrated capex should double ORCMNT's RoCE to 10% in FY19-20E (vs 5% in FY18-19) and keep its net D/E at/below 1x. The stock currently trades at attractive valuations of 6.1x FY21 EBITDA and at EV/MT of USD 61. We reiterate BUY with a TP of Rs 150 (8x FY21E EBITDA).

Financial Summary (Standalone)

Year Ending Dec (Rs mn)	Jun-19	Jun-18	YoY (%)	Mar-19	QoQ (%)	FY17	FY18	FY19	FY20E	FY21E
Net Sales	6,878	6,399	7.5	7,508	(8.4)	18,748	22,223	25,222	28,469	30,932
EBITDA	1,496	854	75.1	1,530	(2.2)	1,781	3,052	3,120	4,895	5,397
APAT	559	160	249.0	620	(9.9)	(321)	442	476	1,710	2,132
Diluted EPS (Rs)	2.7	0.8	249.0	3.0	(9.9)	(1.6)	2.2	2.3	8.3	10.4
EV / EBITDA (x)						18.5	10.8	10.5	6.5	6.1
EV/MT (USD)						63.5	63.6	63.3	61.1	63.6
P/E (x)						NM	45.9	42.7	11.9	9.5
RoE (%)						(3.2)	4.4	4.6	15.1	16.4

Source: Company, HDFC sec Inst Research

INDUSTRY	CEMENT
CMP (as on 29 Jul 2019)	Rs 99
Target Price	Rs 150
Nifty	11,189
Sensex	37,686

KEY STOCK DATA

Bloomberg	ORCMNT IN
No. of Shares (mn)	205
MCap (Rs bn) / (\$ mn)	20/295
6m avg traded value (Rs mn)	24

STOCK PERFORMANCE (%)

52 Week high / low	Rs 131/62		
	3M	6M	12M
Absolute (%)	(2.4)	41.3	(22.5)
Relative (%)	1.1	35.4	(23.4)

SHAREHOLDING PATTERN (%)

	Mar-19	Jun-19
Promoters	37.4	37.4
FIs & Local MFs	27.3	27.0
FPIs	7.4	8.0
Public & Others	27.9	27.6
Pledged Shares *	2.8	4.5

Source : BSE *as % of total shares o/s

Rajesh Ravi

rajesh.ravi@hdfcsec.com
+91-22-3021-2077

Weak demand pulled down sales volume in 1Q. However, continued rational pricing buoyed pricing driving up Rev/EBITDA/PAT

EBITDA margin in 1Q, highest in past 17 qtrs, on account of solid pricing

Strong price recovery drove up NSR 14% YoY

This led to its 1Q unitary EBITDA per MT to 17-qtr high levels

Quarterly Financials' Snapshot

(Rs Mn)	1QFY20	1QFY19	YoY (%)	4QFY19	QoQ (%)
Net Sales	6,878	6,399	7.5	7,508	(8.4)
Raw Materials	495	532	(6.9)	710	(30.2)
Power and Fuel	1,599	1,778	(10.1)	1,821	(12.2)
Transport	1,856	1,865	(0.5)	2,082	(10.9)
Employee	413	402	2.8	376	10.1
Other Exp	1,019	968	5.3	990	2.9
EBITDA	1,496	854	75.1	1,530	(2.2)
EBITDA margin (%)	21.7	13.3	840	20.4	137
Depreciation	353	324	8.7	330	6.9
EBIT	1,143	530	115.7	1,200	(4.8)
Other Income (Including EO Items)	36	33	6.8	41	(12.6)
Interest Cost	313	294	6.3	303	3.2
PBT - Reported	866	269	221.6	938	(7.7)
Tax	307	109	181.4	318	(3.4)
<i>Tax rate (%)</i>	<i>35.5</i>	<i>40.5</i>	<i>(507)</i>	<i>33.9</i>	<i>158</i>
(Minority Interest)/ Share of associates profit					
RPAT	559	160	249.0	620	(9.9)
EO (Loss) / Profit (Net Of Tax)	-	-		-	
APAT	559	160	249.0	620	(9.9)
<i>Adj PAT margin (%)</i>	<i>8.1</i>	<i>2.5</i>	<i>563</i>	<i>8.3</i>	<i>(13)</i>

Source: Company, HDFC sec Inst Research

Quarterly Performance Analysis

	1QFY20	1QFY19	YoY (%)	4QFY19	QoQ (%)
Sales vol (mn MT)	1.5	1.6	(5.7)	1.8	(17.5)
Rs/MT trend					
NSR	4,552	3,992	14.0	4,101	11.0
Raw materials	328	332	(1.2)	388	(15.4)
Power & fuel	1,058	1,109	(4.6)	995	6.4
Freight (including packaging)	1,228	1,163	5.6	1,137	8.0
Employee	274	251	9.1	205	33.4
Other Exp	674	604	11.7	541	24.7
Opex	3,562	3,459	3.0	3,265	9.1
EBITDA	990	533	85.7	836	18.5

Source: Company, HDFC sec Inst Research

We expect volume growth to recover in H2, driving 5% volume CAGR in FY19-21E

Sharp price uptick in past six months should boost FY20 NSR by 7.5% YoY

We model in benign cost inflation, thus boosting margins recovery closer to FY15 levels

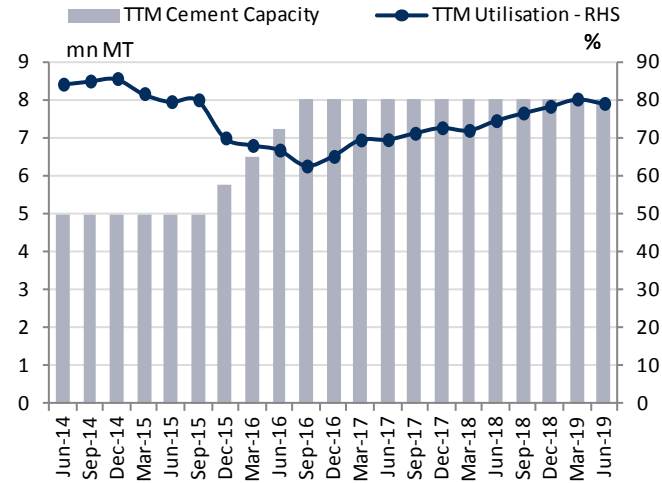
Operational Trends and Assumptions

Particulars	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Cement Cap (mn MT)	5.0	8.0	8.0	8.0	8.0	8.0	8.0
Sales Volume (mn MT)	4.1	4.4	5.6	5.8	6.4	6.7	7.1
YoY change (%)	(2.9)	8.2	25.6	3.7	11.5	5.0	6.0
Utilisation (%)	81.7	55.2	69.4	71.9	80.2	84.2	89.2
(Rs/ MT trend)							
NSR (1)	3,788	3,309	3,378	3,863	3,933	4,228	4,334
YoY change (%)	10.7	(12.6)	2.1	14.4	1.8	7.5	2.5
Raw material cost	461	473	492	453	394	394	405
Power and fuel cost	982	902	948	1,009	1,038	1,027	1,048
Transport cost ((including packaging))	778	722	811	1,032	1,155	1,178	1,208
Employee cost	175	203	213	241	242	260	275
Other expenses	642	591	592	597	618	642	642
Total Opex	3,037	2,889	3,057	3,333	3,447	3,501	3,578
YoY change (%)	4.3	(4.9)	5.8	9.0	3.4	1.6	2.2
EBITDA per MT	751	420	321	530	487	727	756
YoY change (%)	47.0	(44.1)	(23.6)	65.3	(8.3)	49.4	4.0

Source: Company, HDFC sec Inst Research

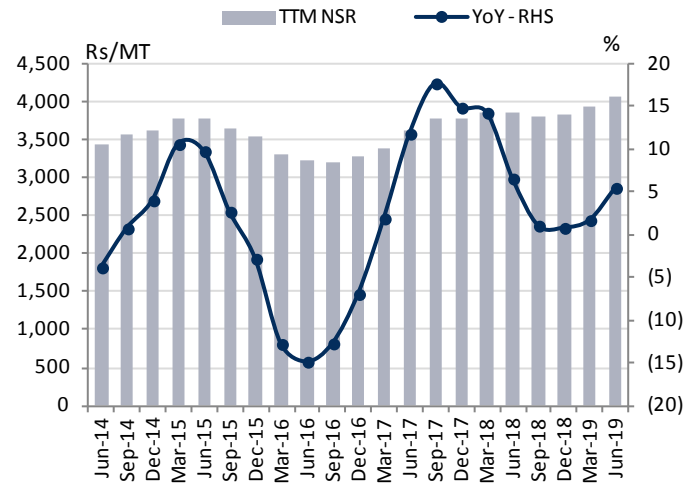
Long term performance trends

ORCMNT has been able to ramp-up utilization to 80% on stabilization of its Karnataka plant



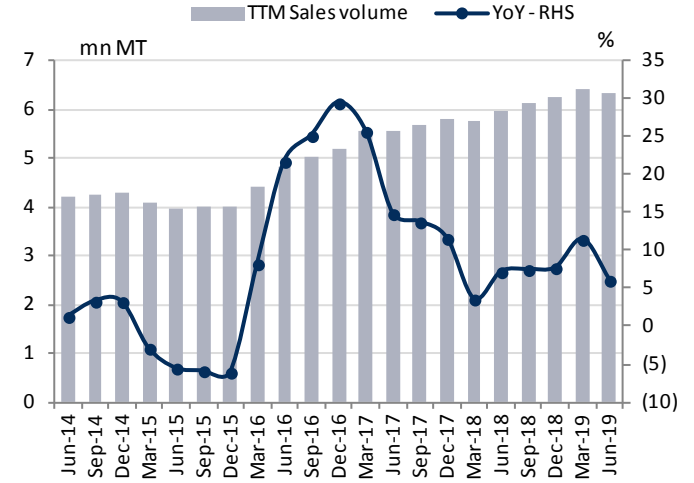
Source: Company, HDFC Sec Inst Research

Robust gains in past six months buoyed NSR to six year high levels...



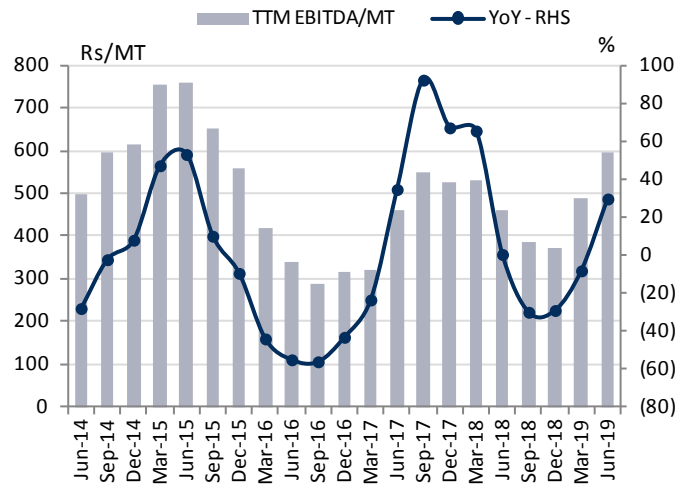
Source: Company, HDFC Sec Inst Research

Demand slump in 1QFY20 pulled down volume growth trend



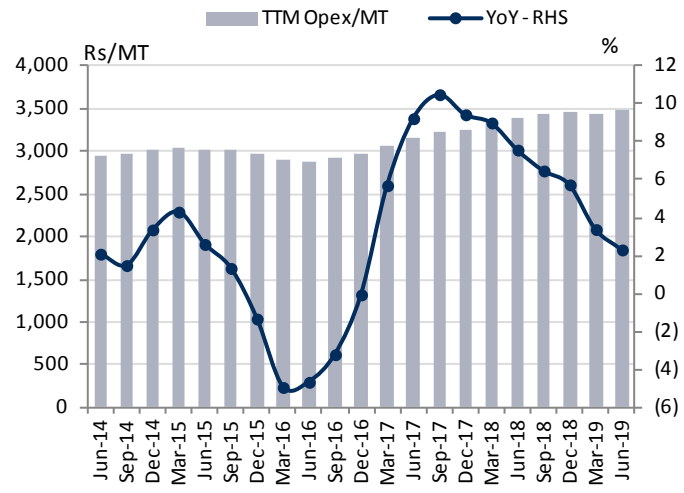
Source: Company, HDFC Sec Inst Research

...leading to sharp recovery in unitary EBITDA currently



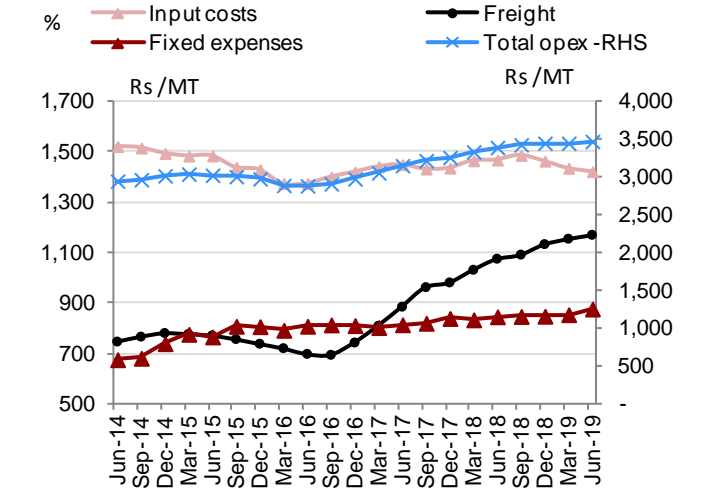
Source: Company, HDFC Sec Inst Research

ORCMNT's opex inflation continues to moderate, thus boosting its cost leadership



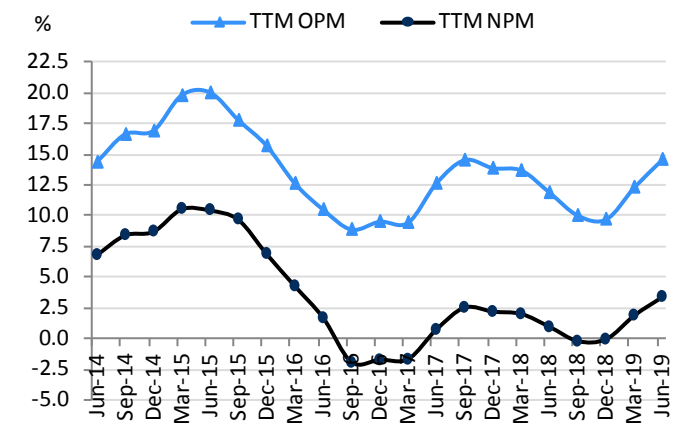
Source: Company, HDFC Sec Inst Research

Rising freight cost has mainly contributed to ORCMNT's cost inflation



Source: Company, HDFC Sec Inst Research

Rising operating profits is leading to recovery in PAT margin amid stable capital charges



Source: Company, HDFC Sec Inst Research

We marginally upgrade our EBITDA estimates to factor robust 1Q pricing and margins

ORMCNT is currently trading at low valuations, given that its earnings are expected to rebound and as the management is focussing on balance sheet discipline (calibrated capex)

Change in Estimates

Rs bn	FY20E Old	FY20E Revised	Change %	FY21E Old	FY21E Revised	Change %
Net Revenues	28.15	28.47	1.1	30.37	30.93	1.9
EBITDA	4.80	4.89	1.9	5.20	5.40	3.7
APAT	1.65	1.71	3.4	1.99	2.13	7.1
AEPS	8.1	8.3	3.4	9.7	10.4	7.1

Source: HDFC sec Inst Research

Peer Set Comparison

Company	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	EV/EBITDA (x)			EV/MT (USD)			Net D:E (x)			RoE (%)		
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
UltraTech Cement	1,199.9	4,369	BUY	5,140	20.5	15.5	12.9	212	188	180	0.7	0.5	0.3	8.9	11.0	11.7
Shree Cement	735.1	21,100	NEU	19,040	25.8	19.5	16.4	273	257	240	(0.2)	(0.3)	(0.4)	13.5	16.6	16.8
Ambuja Cements	407.1	205	NEU	230	13.5	11.9	10.8	133	130	121	(0.7)	(0.7)	(0.7)	5.9	6.3	6.3
ACC	288.3	1,535	BUY	1,930	12.1	10.3	9.1	124	121	119	(0.3)	(0.3)	(0.3)	11.0	12.2	12.8
Dalmia Bharat	184.2	956	BUY	1,450	11.2	9.1	8.3	127	127	95	0.3	0.3	0.2	2.8	5.6	5.4
Ramco Cements	176.7	750	NEU	800	18.5	14.2	12.4	197	179	159	0.3	0.4	0.4	11.9	15.9	15.0
JK Cements	75.7	980	BUY	1,162	11.4	10.0	9.0	116	96	96	0.7	1.0	0.9	11.3	13.2	12.8
Star Cement	44.0	105	BUY	150	9.6	8.2	6.7	179	142	124	(0.1)	(0.2)	(0.3)	17.9	18.2	19.9
JK Lakshmi	40.0	340	NEU	376	12.6	8.7	8.2	74	73	74	0.8	0.7	0.6	5.4	12.7	14.0
Orient Cement	20.3	99	BUY	150	10.5	6.5	6.1	63	61	64	1.2	1.0	0.9	4.6	15.1	16.4
Deccan Cement	5.1	366	BUY	680	4.6	3.5	3.8	30	35	39	(0.2)	(0.0)	0.1	11.9	18.1	16.5

Source: Company, HDFC sec Inst Research, For ACC and Ambuja, the financial year is CY18/CY19E/CY20E resp

Standalone Income Statement

(Rs Mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenues	18,748	22,223	25,222	28,469	30,932
Growth %	28.2	18.5	13.5	12.9	8.7
Raw Material	2,733	2,609	2,525	2,651	2,894
Power & Fuel	5,264	5,807	6,655	6,918	7,480
Freight Expense	4,499	5,937	7,407	7,932	8,619
Employee cost	1,184	1,385	1,550	1,751	1,961
Other Expenses	3,286	3,434	3,965	4,322	4,581
EBITDA	1,781	3,052	3,120	4,895	5,397
EBITDA Margin (%)	9.5	13.7	12.4	17.2	17.4
EBITDA Growth %	(4.0)	71.3	2.2	56.9	10.3
Depreciation	1,215	1,262	1,327	1,341	1,388
EBIT	566	1,790	1,793	3,554	4,008
Other Income (Including EO Items)	112	197	140	170	200
Interest	1,353	1,292	1,185	1,172	1,163
PBT	(675)	695	748	2,552	3,046
Tax	(344)	258	272	842	914
Minority Int	-	-	-	-	-
RPAT	(332)	437	476	1,710	2,132
EO (Loss) / Profit (Net Of Tax)	(11)	(5)	-	-	-
APAT	(321)	442	476	1,710	2,132
APAT Growth (%)	(151.5)	n/a	7.5	259.6	24.7
AEPS	(1.6)	2.2	2.3	8.3	10.4
AEPS Growth %	(151.5)	n/a	7.5	259.6	24.7

Source: Company, HDFC sec Inst Research

Standalone Balance Sheet

(Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
SOURCES OF FUNDS					
Share Capital	205	205	205	205	205
Reserves And Surplus	9,667	10,016	10,331	11,856	13,743
Total Equity	9,872	10,221	10,536	12,061	13,947
Minority Interest	-	-	-	-	-
Long-term Debt	12,375	11,893	12,852	11,852	13,052
Short-term Debt	987	1,244	45	50	50
Total Debt	13,362	13,137	12,897	11,902	13,102
Deferred Tax Liability	750	855	961	961	961
Long-term Liab+ Provisions	504	487	430	464	502
TOTAL SOURCES OF FUNDS	24,488	24,700	24,824	25,389	28,512
APPLICATION OF FUNDS					
Net Block	22,956	22,507	23,545	23,004	24,116
Capital WIP	981	1,582	478	1,478	3,978
Goodwill	-	-	-	-	-
Other Non-current Assets	569	719	690	691	736
Total Non-current Investments	-	-	-	-	-
Total Non-current Assets	24,507	24,809	24,713	25,173	28,829
Inventories	1,467	1,642	1,860	2,135	2,320
Debtors	1,055	1,528	1,795	1,993	2,072
Cash and Cash Equivalents	639	331	288	434	312
Other Current Assets (& Loans/adv)	1,163	1,060	614	716	783
Total Current Assets	4,324	4,560	4,557	5,278	5,487
Creditors	2,006	2,001	1,865	2,278	2,784
Other Current Liabilities & Provns	2,337	2,668	2,580	2,785	3,020
Total Current Liabilities	4,344	4,670	4,445	5,062	5,804
Net Current Assets	(19)	(109)	112	216	(317)
TOTAL APPLICATION OF FUNDS	24,488	24,700	24,824	25,389	28,512

Source: Company, HDFC sec Inst Research

Standalone Cash Flow

(Rs mn)	FY17	FY18	FY19	FY20E	FY21E
Reported PBT	(665)	700	748	2,552	3,046
Non-operating & EO Items	(45)	(300)	40	(170)	(200)
Interest Expenses	1,353	1,292	1,185	1,172	1,163
Depreciation	1,215	1,262	1,327	1,341	1,388
Working Capital Change	720	(222)	(291)	75	404
Tax Paid	9	(121)	(328)	(842)	(914)
OPERATING CASH FLOW (a)	2,588	2,610	2,681	4,127	4,887
Capex	(1,061)	(1,470)	(1,261)	(1,800)	(5,000)
Free Cash Flow (FCF)	1,526	1,140	1,420	2,327	(113)
Investments	(205)	(35)	-	-	-
Non-operating Income	25	19	140	170	200
Others					
INVESTING CASH FLOW (b)	(1,241)	(1,485)	(1,121)	(1,630)	(4,800)
Debt Issuance/(Repaid)	542	(233)	(239)	(995)	1,200
Interest Expenses	(1,376)	(1,259)	(1,185)	(1,172)	(1,163)
FCFE	692	(352)	(4)	161	(76)
Share Capital Issuance	-	-	-	-	-
Dividend	(245)	(123)	(184)	(184)	(246)
FINANCING CASH FLOW (c)	(1,079)	(1,615)	(1,609)	(2,351)	(209)
NET CASH FLOW (a+b+c)	267	(490)	(49)	146	(122)
EO Items, Others					
Closing Cash & Equivalents	645	149	282	434	312

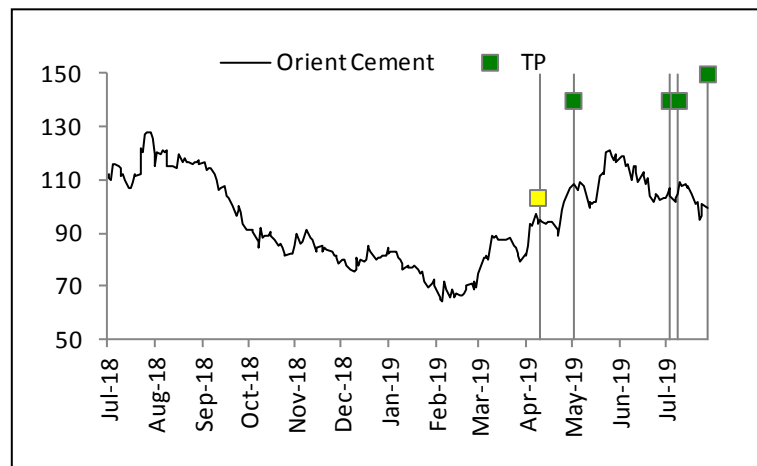
Source: Company, HDFC sec Inst Research

Standalone Key Ratios & Valuations

	FY17	FY18	FY19	FY20E	FY21E
PROFITABILITY %					
EBITDA Margin	9.5	13.7	12.4	17.2	17.4
EBIT Margin	3.0	8.1	7.1	12.5	13.0
APAT Margin	(1.7)	2.0	1.9	6.0	6.9
RoE	(3.2)	4.4	4.6	15.1	16.4
RoIC	1.1	4.7	4.7	9.6	10.6
RoCE	1.4	5.1	5.0	9.9	10.9
EFFICIENCY					
Tax Rate %	50.9	37.1	36.4	33.0	30.0
Fixed Asset Turnover (x)	0.8	0.9	0.9	1.0	1.0
Inventory (days)	29	27	27	27	27
Debtors (days)	21	25	26	26	24
Other Current Assets (days)	23	17	9	9	9
Payables (days)	39	33	27	29	33
Other Current Liab & Provns (days)	46	44	37	36	36
Cash Conversion Cycle (days)	(13)	(7)	(3)	(3)	(7)
Net Debt/EBITDA (x)	7.1	4.2	4.0	2.3	2.4
Net D/E (x)	1.3	1.3	1.2	1.0	0.9
Interest Coverage (x)	0.4	1.4	1.5	3.0	3.4
PER SHARE DATA (Rs)					
EPS	(1.6)	2.2	2.3	8.3	10.4
CEPS	4.4	8.3	8.8	14.9	17.2
Dividend	1.0	0.8	0.8	0.8	1.0
Book Value	48.2	49.9	51.4	58.9	68.1
VALUATION					
P/E (x)	(63.2)	45.9	42.7	11.9	9.5
P/Cash EPS (x)	23.0	11.9	11.3	6.6	5.8
P/BV (x)	2.1	2.0	1.9	1.7	1.5
EV/EBITDA (x)	18.5	10.8	10.5	6.5	6.1
EV/MT(USD)	63	64	63	61	64
Dividend Yield (%)	1.0	0.8	0.8	0.8	1.0
OCF/EV (%)	7.8	7.9	8.2	13.0	14.8
FCFF/EV (%)	4.6	3.4	4.3	7.3	(0.3)
FCFE/M Cap (%)	7.5	5.6	7.0	11.5	(0.6)

Source: Company, HDFC sec Inst Research,

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
10-Apr-19	95	NEU	103
2-May-19	107	BUY	140
4-Jul-19	107	BUY	140
10-Jul-19	103	BUY	140
30-Jul-19	99	BUY	150

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:

I, **Rajesh Ravi, MBA**, author and the name 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 solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. 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. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

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 person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

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.

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 should not be construed as an invitation or solicitation to do business with HSL. 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, BSE, MSEI, MCX: IN2000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.