

Stock Update

KPR Mill Ltd.

August 14, 2023





Industry	LTP	Recommendation	Fair Value	Time Horizon
Textiles	Rs. 667	Buy in Rs. 661-670 band and add more on dips in Rs. 576-585 band	Rs. 767	3-4 quarters

HDFC Scrip Code	KPRMILEQNR
BSE Code	532889
NSE Code	KPRMILL
Bloomberg	KPR:IN
CMP (August 11, 2023)	667
Equity Capital (RsCr)	34.2
Face Value (Rs)	1
Equity Share O/S (Cr)	34.2
Market Cap (RsCr)	22970
Book Value (Rs)	108
Avg. 52 Wk Volumes (in '000s)	317
52 Week High	685
52 Week Low	479

Share holding Pattern % (June, 2023)	
Promoters	74.78
Institutions	17.74
Non Institutions	7.48
Total	100.0



* Refer at the end for explanation on Risk Ratings

Fundamental Research Analyst

Harsh Sheth

Harsh.Sheth@hdfcsec.com

Our Take:

KPR Mill Ltd. (KPR) is one of the India's vertically integrated textile player with presence across the entire value chain from production of yarn to manufacturing readymade garments. 30%+ of the yarn produced is consumed internally for fabric and the balance is mostly sold to a domestic client base of ~1200 customers. KPR's proximity to Tirupur (the export hub of knitted garments in India) gives the company a ready client base for its yarn segment. Fabric is 50% consumed internally to manufacture value-added products. The remaining is sold to apparel manufacturers such as Arvind, Raymond and other knitted apparel export manufacturers. KPR exports 100% of its garment products to around 60 leading international brands including Primark, Kmart, Marks & Spencer, ASDA Stores, Walmart, H&M etc. Of the total exports (~38% of FY23 sales), Europe is about 61%, North America is 20%, Australia is 14% and Asia is 5%.

KPR entered the sugar business in 2013 to ensure power availability for the textile business. The company installed 66 windmills with a total wind power capacity of 61.92MW, allowing it to meet around 60% of its power requirement. Simultaneously, it invested in a co-gen cum sugar plant which at present has a capacity of 90 MW and 20,000TCD. It ventured into ethanol blending by commissioning a capacity of 90 KLPD in Q4FY20 which has been ramped upto 360 KLPD. It has also recently forayed into the retail segment with FASO, a 100% organic innerwear, sportswear, and athleisure brand.

Government's renewed thrust on boosting India's garment exports should unlock huge growth potential, placing the nation on a level-playing field with peer countries – both in terms of export duties and efficiencies. We believe KPR is a long-term play on India's textiles exports theme. We are positive on the company, led by its well-integrated manufacturing facilities, focus on capital allocation to higher profitability businesses, strong & well-recognized human resource policies and robust balance sheet. Participation in the ethanol blending story adds another trigger to bolster long-term growth.

Valuation & Recommendation:

Over FY13-23 KPR has registered a revenue/PAT CAGR of 14%/23%. The growth has been primarily driven by garment segment that registered a CAGR of 26% over the same time frame. Owing to value added nature of the business, garment business has been a higher yielding and stable margin segment for the company compared to yarn/fabric. On the back of thrust provided by government's ethanol blending program, KPR's sugar and ethanol business has witnessed 3.5x jump in revenues over FY20-FY23. We believe, KPR's steady financials and volume ramp up in the garment business and ethanol/sugar segment would help continue robust growth with robust profitability and return ratios. Although the valuation of the stock is not cheap, the sound business model and proven track record of the management inspires confidence.



We think the fair value of the stock is Rs 767 (23x FY25E EPS). Investors can buy the in stock Rs 661-670 band (20x FY25E EPS) and add more on dips in Rs 576-585 band (17.5x FY25E EPS).

Financial Summary

Particulars (in Rs Cr)	Q1FY24	Q1FY23	YoY-%	Q4FY23	QoQ-%	FY22	FY23	FY24E	FY25E
Operating Income	1611	1585	2%	1950	-17%	4,822	6,186	6,693	7,289
EBITDA	329	368	-11%	320	3%	1,219	1,274	1,526	1,713
APAT	203	227	-11%	210	-3%	842	814	989	1,138
Diluted EPS (Rs)	5.9	6.6	-10%	6.1	-3%	24.5	23.8	28.9	33.3
RoE-%						30.4	23.6	23.8	22.2
P/E (x)						27	28	23	20
EV/EBITDA						19	19	15	13

	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Revenue (in Rs Cr)													
Textile	423.2	852.3	804.9	903.2	782.9	1077.9	1045.0	1207.4	1276.3	1109.5	1152.4	1355.1	1208.5
% of total	78%	90%	87%	81%	87%	89%	83%	83%	81%	91%	81%	70%	75%
Sugar	113.5	76.1	108.9	197.6	111.4	114.0	197.3	222.6	284.2	82.6	252.7	560.1	365.9
% of total	21%	8%	12%	18%	12%	9%	16%	15%	18%	7%	18%	29%	23%
Other	4.0	13.5	15.9	16.2	9.5	18.3	16.9	19.9	24.4	27.9	26.4	34.5	36.3
% of total	1%	1%	2%	1%	1%	2%	1%	1%	2%	2%	2%	2%	2%
Gross Total	540.7	941.9	929.6	1117.0	903.7	1210.2	1259.1	1449.9	1584.8	1220.0	1431.4	1949.7	1610.7
EBIT (in Rs Cr)													
Textile	66.2	155.9	194.3	197.4	187.1	307.2	230.7	253.2	290.7	280.5	152.9	178.0	188.5
EBIT margin	16%	18%	24%	22%	24%	28%	22%	21%	23%	25%	13%	13%	16%
Sugar	14.7	-6.0	20.5	35.6	6.1	11.8	33.0	45.8	27.6	-14.2	85.1	95.1	97.2
EBIT margin	13%	-8%	19%	18%	5%	10%	17%	21%	10%	-17%	34%	17%	27%
Other	0.6	1.2	1.1	1.2	0.7	1.3	0.6	0.8	1.2	1.5	1.3	1.1	1.2
EBIT margin	16%	9%	7%	7%	7%	7%	4%	4%	5%	5%	5%	3%	3%

(Source: Company, HDFC sec)



Q1FY24 Highlights:

KPR's revenue in Q1FY24 stood at Rs 1611 cr (2%/-17% YoY/QoQ). Revenue was primarily driven by the textile segment (75% of Q1FY24 sales), which contributed Rs 1209 cr (-5%/-11% YoY/QoQ). EBITDA was at Rs 329 cr (-11%/3% YoY/QoQ) and after two consecutive quarters of decline in margin, it expanded this quarter to 20.4% (-279 bps/ +400 bps YoY/QoQ). Net profit came in at Rs 203 cr (-11%/-3% YoY/QoQ). Net debt fell by Rs 452.4 cr in the quarter to Rs 656 cr with net D/E of 0.17x.

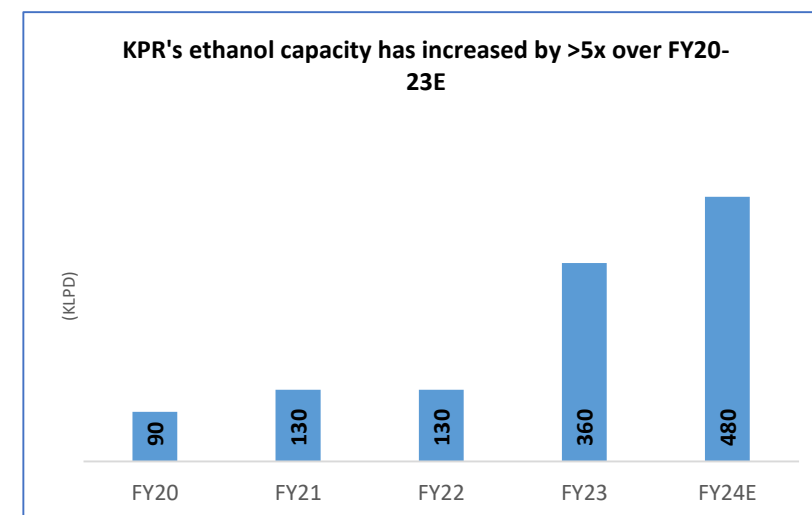
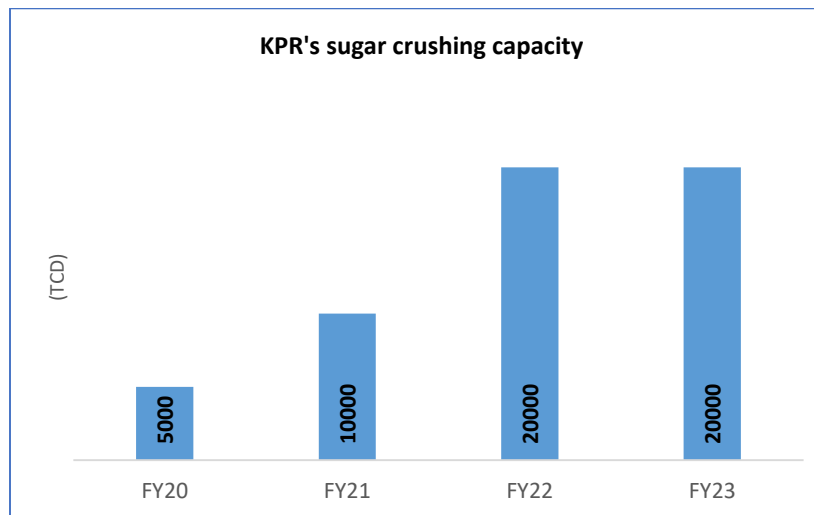
Garmenting volumes increased 3% YoY to 37.7mn pieces (up 2% QoQ) while the realization/MT) fell by 2% YoY/ 6% QoQ. Garmenting revenue increased marginally by 1% YoY to Rs 699 cr, while yarn/fabric revenue slipped 15% YoY to ~Rs 460 cr, despite 24% YoY volume growth, offset by ~32% YoY fall in realisation. Currently, the company holds 3 months of cotton inventory valued ~at Rs 63,000-64,000/candy. Current realization is Rs 185 per piece in garments & expect this to be in similar range for new orders and cotton spread is at 12% compared to 17-18%.

Continued impressive performance in sugar division: KPR entered the sugar business in 2013 to ensure power availability for the textile business. It invested in a co-gen cum sugar plant with a capacity of 30MW and 5,000 TCD at Bijapur, Karnataka. To participate in the government's ethanol blending programme, KPR entered into ethanol blending by commissioning a capacity of 90 KLPD in Q4FY20. Since FY20, KPR has increased its sugar capacity to 20,000 TCD and ethanol capacity to 360 KLPD. Likewise, the revenue from Sugar segment increased by 3.5x over FY20-23. Company has been generating >21% EBITDA margin which has improved the overall margin profile.

In Q1FY24, sugar & ethanol sales stood at Rs 366 cr, of which, ~Rs 153 cr was contributed by the sugar segment, ~Rs 180 cr by the ethanol segment, and the rest the co-gen segment. In the current season, gross recoveries stood at 11%. Ethanol sales volume jumped 169% YoY to 28.9mn litres at an average realisation of Rs 62/litre, up 3% YoY. Sugar sales volume fell by 29% YoY to 45.4K tonnes of sugar, with 5% YoY increase in average realisation to Rs 34/kg.

According to the management, EBITDA margin of 22-23% is sustainable due to higher returns from the ethanol and co-gen segments. The company plans to produce 50% ethanol from juice and rest from molasses in FY24.

The ongoing expansion of ethanol capacity by 120 KLPD at a capex of ~Rs 150 cr is likely to be completed by Q3FY24. The project is being funded through internal accruals and term loans and is expected to conclude before the commencement of the new SS2023-24, i.e. by October 2023.



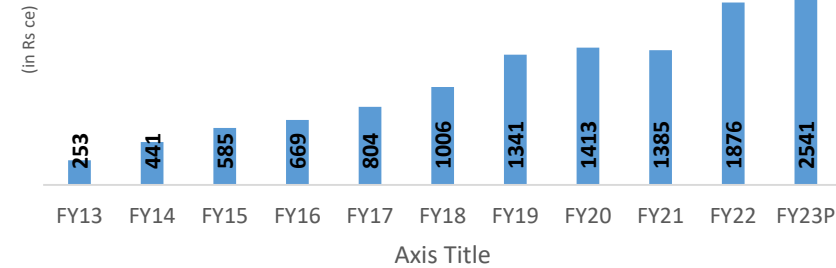
(Source: Company, HDFC sec)

Plans to aggressively scale up retail business: KPR ventured into the branded retail segment in FY19 by launching premium quality men's innerwear & athleisure wear products under the brand name *FASO* (Fashion Adapted Sustainable and Organic) in southern India. While KPR had aggressive scale-up plans since its launch, the pandemic slowed down the process significantly. *FASO* products are currently available at ~3,000 outlets. KPR now plans to massively scale up store additions (with immediate target to reach ~10,000 outlets) on a pan-India basis. The company has appointed consultants and stepped-up ad spends for creating brand awareness. The company has set a target to Rs 100 cr revenue over next two years (currently clocking ~Rs 10 cr/quarter).

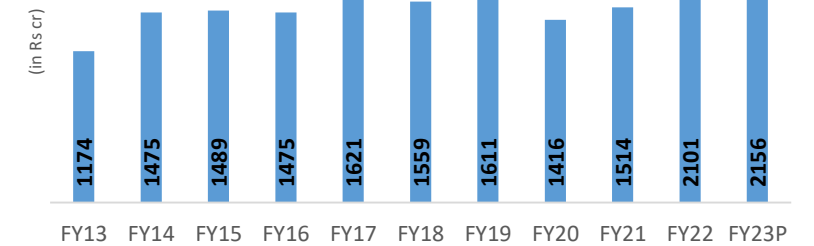
Order book in garment remains strong: Garment order book for next 4-5 months stands at Rs. 1,000 cr. The company expects situation in Europe to normalise in the coming months and expect garment demand to improve in the coming quarters. Garment volumes stood at 128 mn pieces in FY23, up from ~122 mn in FY22. Over the last two years, average garment realisation improved by ~40%, led by aggressive price hikes and a better product mix. We expect realisation to sustain led by a better product mix and historically high average cotton prices. In FY24, garments volume could grow by high single digit; capacity utilisation to reach almost 100% by end of FY24. KPR has a garment manufacturing capacity of 147mn pieces, and the management expects to add 10-20mn pieces with a brownfield expansion. Decision on garment capacity expansion will be made based on the any improvement in the demand environment in European regions.



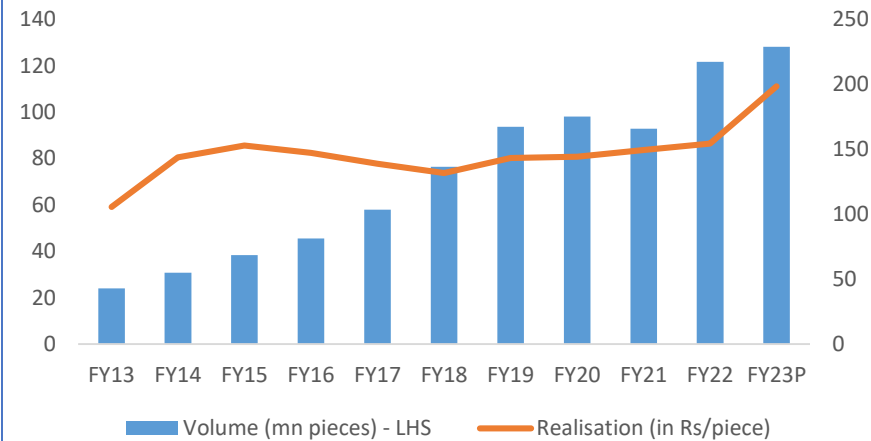
Garment revenues have grown at 26% CAGR over last 10 years



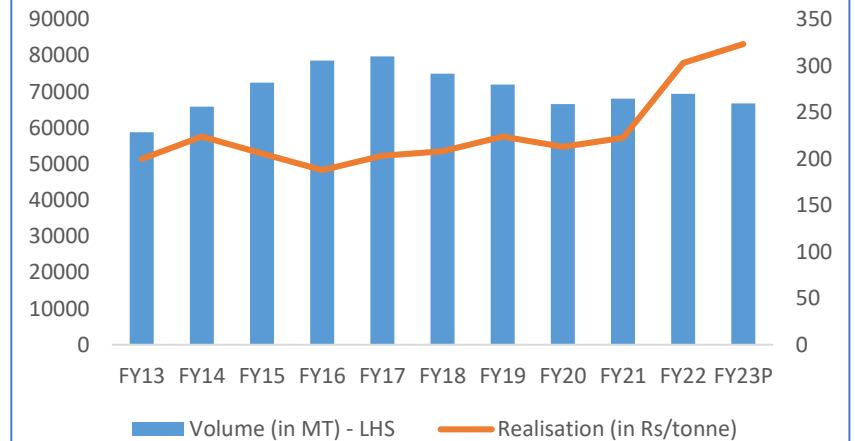
Yarn and Fabric business has grown at slower pace with KPR's focus on textile business



Garments - volume and realisation trends



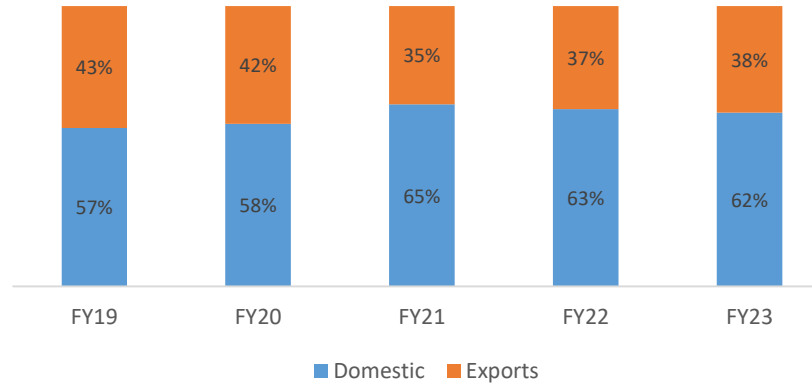
Yarn and Fabric - volume and realisation trends



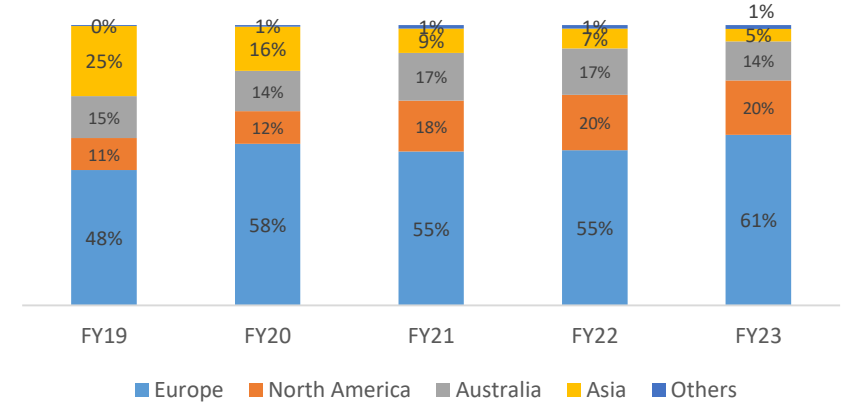
(Source: Company, HDFC sec)



Geographical revenue mix



Geographical mix of Exports



	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Revenue (in Rs cr)								
Textile	2174	2511	2667	3040	2921	2984	4113	4893
YoY Growth	3.2%	15.5%	6.2%	14.0%	-3.9%	2.1%	37.9%	8.5%
% of revenues	87%	89%	88%	90%	87%	85%	85%	79%
Sugar	209	191	265	253	341	496	645	1180
YoY Growth	-25.1%	-8.9%	38.9%	-4.7%	35.0%	45.5%	30.0%	16.5%
% of revenues	8%	7%	9%	7%	10%	14%	13%	19%
Other	117	115	93	92	90	48	64	113
YoY Growth	13.7%	-1.5%	-19.5%	-1.2%	-1.3%	-47.1%	34.3%	12.0%
% of revenues	5%	4%	3%	3%	3%	1%	1%	2%
Gross Total	2500	2817	3024	3384	3353	3527	4822	6186
EBIT (in Rs cr)								
Textile	306	345	355	466	419	614	978	902
EBIT margin	14.1%	13.7%	13.3%	15.3%	14.4%	20.6%	23.8%	18.4%
Sugar	6	5	26	10	60	65	97	194
EBIT margin	3.1%	2.4%	9.8%	3.9%	17.6%	13.1%	15.0%	16.4%

(Source: Company, HDFC sec)



Key Concerns

Raw material price fluctuation - Any sharp increase in raw material prices (cotton being the base raw material) will impact the company's operating performance.

Currency Risk - Any sharp movement in currency could affect the company's export revenue (38% of sales).

Change in government policies (domestic and international) – Any change of policies in the international markets like Free Trade Agreements could hamper the export demand. Similarly, on the domestic front, any change in the State Subsidy or environmental regulations or changes in import/export duties on cotton could hamper the company's operations/financials.

Slower than expected ramp up in the garment business – The company has added capacity in the garment side, any delay in pick-up of consumer demand from consuming countries including European nations, North America and Australia could impact the utilization levels thus affecting the revenue generation/margins.

Weak ethanol realization: The pricing of ethanol to be supplied to oil marketing companies under the Ethanol Blending Programme (EBP) is dependent on the mandated price and blending targets set by the government. Any change in governmental policies for procurement or pricing for sugarcane, ethanol or sugar may adversely affect the business, results of operations and financial condition.

About the company

KPR Mill Ltd. (KPR) started its journey into textiles in 1984. In 1989, the group ventured into garment exports. Today KPR Mills is one of the largest vertically integrated apparel manufacturing companies in India, with 15 manufacturing units, having capacity to produce 1,00,000 MT of cotton yarn, 4,000 MT of Viscose yarn, cotton knitted fabrics with capacity of 40,000 MT p.a. and garments with capacity of 157 million pieces p.a. from its facilities located in the Tirupur-Coimbatore region. With a capacity of 3,70,000 spindles KPR is one of the leading players supplying yarn. KPR has established a sugar mill (20,000 TCD capacity), 90 MW multi-fuel cogeneration power plant & ethanol unit (360 KLPD capacity). It owns 66 wind mills with a total green power generation capacity of 61.92 MW. It has also ventured into the retail sector under its own brand 'FASO', producing first-of-its-kind 100% organic cotton men's wear.



Peer Comparison

Company	M Cap (in Rs. Cr.)	Revenue (in Rs. Cr.)			EBITDA Margin (%)			PAT			RoE (%)			P/E (X)		
		FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
KPR Mills	22797	6186	6693	7289	20.6%	22.8%	23.5%	814	989	1138	23.6	23.8	22.2	28.0	23.1	20.1
Gokaldas Exports	3026	2222	2356	2862	12%	12%	13%	173	152	208	21%	15%	19%	17.4	19.9	14.8

(Source: Company, HDFC sec)

Financials

Income Statement

Particulars (in Rs Cr)	FY21	FY22	FY23	FY24E	FY25E
Net Revenues	3527	4822	6186	6693	7289
Growth (%)	5.2	36.7	28.3	8.2	8.9
Operating Expenses	2698	3604	4911	5167	5576
EBITDA	830	1219	1274	1526	1713
Growth (%)	33.4	46.9	4.6	19.7	12.2
EBITDA Margin (%)	23.5	25.3	20.6	22.8	23.5
Depreciation	147	141	174	198	212
Other Income	39	87	62	67	73
EBIT	722	1165	1163	1395	1574
Interest expenses	33	23	79	67	46
PBT	689	1142	1084	1327	1527
Tax	171	300	270	339	389
PAT	518	842	814	989	1138
Share of Asso./Minority Int.	0	0	0	0	0
Adj. PAT	518	842	814	989	1138
Growth (%)	37.4	62.6	-3.3	21.5	15.1
EPS	15.0	24.5	23.8	28.9	33.3

Balance Sheet

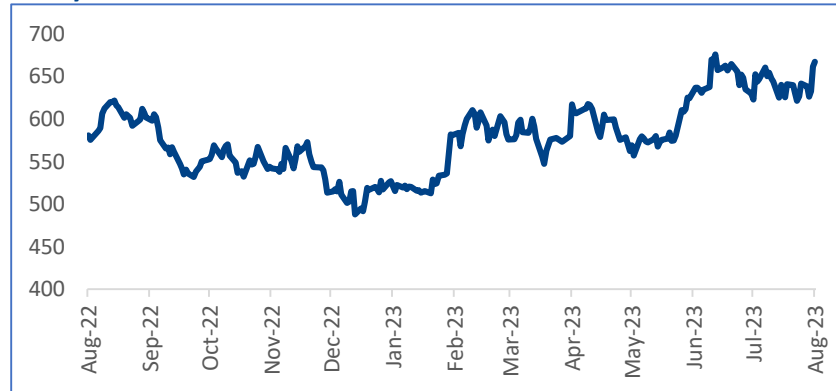
Particulars (in Rs Cr) - As at March	FY21	FY22	FY23	FY24E	FY25E
SOURCE OF FUNDS					
Share Capital	34	34	34	34	34
Reserves	2316	3152	3673	4576	5611
Shareholders' Funds	2350	3187	3707	4610	5646
Minority Interest	0	0	0	0	0
Total Debt	657	1185	1348	893	655
Net Deferred Taxes	43	44	97	97	97
Total Sources of Funds	3051	4416	5152	5601	6398
APPLICATION OF FUNDS					
Net Block & Goodwill	1256	1941	2307	2409	2397
CWIP	29	115	87	87	87
Investments	235	311	129	129	129
Other Non-Curr. Assets	225	337	225	248	270
Total Non-Current Assets	1745	2704	2747	2872	2882
Inventories	913	1289	1898	2035	2217
Debtors	321	480	625	660	719
Cash & Equivalents	77	128	113	274	842
Other Current Assets	209	268	214	238	260
Total Current Assets	1521	2165	2851	3208	4038
Creditors	109	273	336	367	399
Other Current Liab & Provisions	106	179	110	112	122
Total Current Liabilities	214	452	446	479	521
Net Current Assets	1307	1713	2405	2729	3516
Total Application of Funds	3051	4417	5152	5601	6398



Cash Flow Statement

Particulars (in Rs Cr)	FY21	FY22	FY23	FY24E	FY25E
Reported PBT	515	842	814	1,327	1,527
Non-operating & EO items	172	283	235	-23	-20
Interest Expenses	29	20	77	67	46
Depreciation	147	141	174	198	212
Working Capital Change	-47	-511	-745	-163	-220
Tax Paid	-156	-281	-256	-339	-389
OPERATING CASH FLOW (a)	659	494	299	1,069	1,156
Capex	-283	-887	-351	-300	-200
Free Cash Flow	376	-392	-52	769	956
Investments	-222	-61	196	0	0
Non-operating income	-43	6	50	0	0
INVESTING CASH FLOW (b)	-548	-942	-105	-300	-200
Debt Issuance / (Repaid)	-131	527	162	-455	-238
Interest Expenses	-33	-21	-74	-67	-46
FCFE	-53	59	282	246	671
Share Capital Issuance	0	0	0	0	0
Dividend	-31	-5	-73	-85	-103
Others	0	0	-221	0	0
FINANCING CASH FLOW (c)	-194	501	-206	-608	-387
NET CASH FLOW (a+b+c)	-84	53	-13	161	569

One-year Share Price Chart



Key Ratios

Particulars	FY21	FY22	FY23	FY24E	FY25E
Profitability Ratios (%)					
EBITDA Margin	23.5	25.3	20.6	22.8	23.5
EBIT Margin	20.5	24.2	18.8	20.8	21.6
APAT Margin	14.7	17.5	13.2	14.8	15.6
RoE	24.6	30.4	23.6	23.8	22.2
RoCE	25.7	31.6	24.7	26.4	26.7
Solvency Ratio (x)					
Net Debt/EBITDA	0.7	0.9	1.0	0.4	-0.1
Net D/E	0.2	0.3	0.3	0.1	0.0
PER SHARE DATA (Rs)					
EPS	15.0	24.5	23.8	28.9	33.3
CEPS	19.3	28.6	28.9	34.7	39.5
BV	68.3	92.6	108.4	134.9	165.2
Dividend	4.5	0.2	2.0	2.5	3.0
Turnover Ratios (days)					
Debtor days	38	30	33	35	35
Inventory days	84	83	94	107	106
Creditors days	12	14	18	19	19
Valuation (X)					
P/E	44.4	27.3	28.0	23.1	20.1
P/BV	9.8	7.2	6.2	4.9	4.0
EV/EBITDA	28.1	19.5	18.9	15.4	13.2
EV / Revenues	6.6	4.9	3.9	3.5	3.1
Dividend Yield (%)	0.7	0.0	0.3	0.4	0.4
Dividend Payout	29.9	0.6	8.4	8.6	9.0

(Source: Company, HDFC sec)



HDFC Sec Retail Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Disclosure:

I. **Harsh Sheth (MCom)**, 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. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. 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 have/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. As regards the associates of HSL please refer the website.

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 t 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: Murlu V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; 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

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.