INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Review

- **New India Assurance:** While NEP grew 13.7/4.0% YoY/QoQ (+1.5 vs. est.), higher-than-estimated loss ratios (+862bps vs. estimates) dragged underwriting profitability. We note that the company's competitive positioning is weakening and remain concerned about its ability to write profitable business. We have changed our estimates to build in higher loss ratios (as the economy further opens up) and slightly higher float income (given the buoyancy in equity markets). We estimate an FY23E adj. RoE of just 8.2% and can at best assign a valuation of just 0.6x Mar-23E ABV (less 10% discount for additional 10.4% supply). While we rate NIACL a SELL with a TP of INR 110, privatisation seems to be the only end game for the turnaround of this franchise.
- **JK Cement:** JK Cement (JKCE) delivered strong volume growth across both grey (+48% YoY) and white & putty (+24%) segments, aided by healthy demand and low base effect. Thus, despite fuel cost pressure, segmental EBITDAs (grey/white & putty) firmed up 37/40% YoY respectively in 4Q. Ahead of its major expansion in central region, JKCE's net debt/EBITDA has cooled off to 1.2x, suggesting that balance sheet would remain under check. We expect JKCE's robust show across both businesses to continue. We maintain BUY rating on the stock with an unchanged TP of INR 3,070/share (11.5x Mar'23E consolidated EBITDA).
- **Kajaria Ceramics:** Kajaria Ceramics (KJC) reported good performance in Q4FY21 as its consolidated net sales/EBITDA/APAT rose 14/5/7% QoQ (46/105/156% YoY) to INR 9.53/1.91/1.27bn respectively. It reported QoQ volume/revenue growth across all three business segments – tiles, bathware, and plywood. Strong cost controls and price hikes moderated the impact of surge in gas, copper and packing costs, leading to a strong 20% EBITDAM. KJC remains upbeat on demand prospects and has announced 18% tiles capacity increase (to come into effect by end FY22E) to ride the domestic growth. The company will continue to ramp up its bathware and plywood revenues. We continue to like KJC for its leadership in tiles and robust growth and margin outlook. We maintain our BUY rating and a revised TP of INR 1,104/share (19x its consolidated Mar'23E EBITDA).
- **Capacite Infraprojects:** Capacite Infraprojects Ltd. (CIL) missed our revenue/EBITDA/APAT estimates by 5/4/7% as lockdown following the second wave of the pandemic affected execution during Mar-21. Labour availability, which had fallen by 40% in May, is expected to normalise by the end of June-21. Management has guided for INR 20bn of topline/order inflow for FY22. CIL could also expand into the international market if the client fits in its quality framework. Given that large part of order book of INR 87bn has raw material inflation pass-through, margins are expected to remain resilient at 16.5%, despite the sharp rise in commodity prices. With execution ramping up and share of government orders increasing, CIL is well placed for a rerating. We cut our FY22E/23E est. by 33/6% to account for the impact of the second wave and maintain BUY with reduced target price of INR 300/sh (vs INR 320/sh earlier).

HSIE Research Team
hdfcsec-research@hdfcsec.com

New India Assurance

CoRs disappoint yet again

While NEP grew 13.7/4.0% YoY/QoQ (+1.5 vs. est.), higher-than-estimated loss ratios (+862bps vs. estimates) dragged underwriting profitability. We note that the company's competitive positioning is weakening and remain concerned about its ability to write profitable business. We have changed our estimates to build in higher loss ratios (as the economy further opens up) and slightly higher float income (given the buoyancy in equity markets). We estimate an FY23E adj. RoE of just 8.2% and can at best assign a valuation of just 0.6x Mar-23E ABV (less 10% discount for additional 10.4% supply). While we rate NIACL a SELL with a TP of INR 110, privatisation seems to be the only end game for the turnaround of this franchise.

- **4QFY21 highlights**: NIACL printed NEP at INR 69.9bn (13.7/4.0% YoY/QoQ, +1.5% vs. estimates), broadly in line with our estimates. Fire grew at a robust pace (+11.0/37.2% YoY/QoQ), while motor segment was flattish sequentially. While NWP for crop grew 82% YoY/1.5x QoQ, ex. Crop, NWP grew 14/12% YoY/QoQ to INR 70.0bn. Loss ratios in motor OD/motor TP/ health shot up to 85.3/73.2/92.8% in FY21 vs. 64.0/63.0/74.0% in 1HFY21. This resulted in overall 4QFY21 CoR coming in 956bps above estimates at 123.8%.
- **Additional provisions on bad investments:** Investment income (net of provisions) was at INR 21.9bn (+58.9/21.6% YoY/QoQ) while the company realised investment yield of 21.6%, most likely driven by booking equity gains. Additional provisions on investments in debentures of JSEL (an ILFS group subsidiary) for INR 482mn were made in 4QFY21. Total investment yield (including MTM) for the quarter was 43% (annualised), given strong equity market performance. Higher-than-estimated investment income, partially offset by higher underwriting losses, resulted in +0.7/-47.8% YoY/QoQ APAT of INR 3.3bn. RPAT clocked in at INR 2.3bn (+7.7/-7.1% YoY/QoQ).
- **Outlook**: We expect FY22E to be a better year in terms of NEP growth (FY22E: 11% YoY) but we expect underwriting losses to inch up as the second wave normalises.

Quarterly financial summary

(INR bn)	4QFY21	4QFY20	*YoY(%)*	3QFY21	*QoQ(%)*	FY19	FY20	FY21P	FY22E	FY23E
Premium (NEP)	69.9	61.5	*13.7*	67.2	*4.0*	216.1	236.6	263.8	292.7	314.7
Operating profit	4.36	3.12	*39.7*	7.91	*(44.9)*	6.3	27.5	25.3	17.2	18.5
OP margin (%)	6.2	5.1	*120bps*	11.8	*-550bps*	2.9	11.6	9.6	5.9	5.9
APAT	3.25	3.23	*0.7*	6.23	*(47.8)*	6.0	24.1	20.2	13.1	14.1
AEPS	2.0	2.0	*0.7*	3.8	*(47.8)*	3.7	14.7	12.4	8.0	8.6
P/E (x)						45.5	11.4	13.5	20.8	19.4
P/ABV (x)						0.8	1.1	0.9	0.8	0.7
Adj. ROE (%)						0.5	-21.0	28.2	9.1	8.2

Source: Company, HSIE Research

Estimate Change

INR bn	FY22E			FY23E		
	Revised	Old	*Change %/bps*	Revised	Old	*Change %/bps*
Net written premium	301.7	293.6	2.8	324.5	315.6	2.8
Net earned premium	292.7	284.8	2.8	314.7	306.2	2.8
COR (%)	113.0	107.6	540bps	111.0	107.3	370bps
Underwriting profits	(40.5)	(23.8)	NM	(37.1)	(24.6)	NM
APAT	13.2	13.5	(2.3)	14.1	16.2	(12.6)
Investment book	719.0	699.0	2.9	768.2	753.5	2.0
Adj. ROE (%)	9.1	8.9	22bps	8.2	8.7	-54bps

Source: Company, HSIE Research

SELL

CMP *(as on 14 Jun 2021)*	INR 167
Target Price	INR 110
NIFTY	15,812

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 110	INR 110
EPS %	FY21E	FY22E
	-2.3	-12.6

KEY STOCK DATA	
Bloomberg code	NIACL IN
No. of Shares (mn)	1,648
MCap (INR bn) / ($ mn)	275/3,695
6m avg traded value (INR mn)	246
52 Week high / low	INR 197/100

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	1.3	26.4	36.3
Relative (%)	(2.2)	12.7	(19.3)

SHAREHOLDING PATTERN (%)	Dec-20	Mar-21
Promoters	85.4	85.4
FIs & Local MFs	13.5	13.2
FPIs	0.0	0.0
Public & Others	1.2	1.3
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Sahej Mittal
sahej.mittal@hdfcsec.com
+91-22-6171-7323

JK Cement

Robust volume and utilisation

JK Cement (JKCE) delivered strong volume growth across both grey (+48% YoY) and white & putty (+24%) segments, aided by healthy demand and low base effect. Thus, despite fuel cost pressure, segmental EBITDAs (grey/white & putty) firmed up 37/40% YoY respectively in 4Q. Ahead of its major expansion in central region, JKCE's net debt/EBITDA has cooled off to 1.2x, suggesting that balance sheet would remain under check. We expect JKCE's robust show across both businesses to continue. We maintain BUY rating on the stock with an unchanged TP of INR 3,070/share (11.5x Mar'23E consolidated EBITDA).

- **4QFY21 performance across both businesses**: Grey cement volumes soared 48% YoY, driving up utilisation to 95% (its best in more than a decade). Higher clinker and non-trade sales moderated NSR 2/5% QoQ/YoY. In our view, segmental unitary EBITDA (adj for INR 390mn write-off) fell 6/8% QoQ/YoY to INR 976/MT on rising fuel costs and sales from old plants. Thus, grey EBITDA rose ~37% to INR 3.4bn. In the white & putty segment, consolidated volume rose 24% on solid domestic demand. This drove up segmental EBITDA by 40% YoY to INR 1.4bn. Thus, consolidated revenue/adj EBITDA/APAT firmed up 38/37/57% YoY in 4QFY21.
- **Capex update and outlook**: JKCE's FY21 consolidated EBITDA firmed up 31%, led by 45/8% YoY growth in grey/ white & putty EBITDAs. Further, lower WC and Capex outgo drove 16/540% jump in FY21 OCF/FCF to INR 15.9/8.3bn respectively. Thus, net debt/EBITDA cooled off to 1.2x vs 2.1x YoY. Robust cash flow outlook should keep its balance sheet under check as JKCE will execute its 4mn MT greenfield expansion in Panna, MP (INR 29.5bn Capex) by 1HFY24E. In 1HFY22E, JKCE will complete the debottlenecking in Rajasthan, which will boost both volume and margins.

Consolidated Quarterly/Annual Financial summary

YE Mar (INR bn)	4Q FY21	4Q FY20	YoY (%)	3Q FY21	QoQ (%)	FY19	FY20	FY21E	FY22E	FY23E
Sales (mn MT)	3.89	2.67	*46.0*	3.17	*22.9*	10.2	10.2	12.0	13.4	15.0
NSR (Rs/T)	5,270	5,538	*(4.8)*	5,555	*(5.1)*	5,155	5,666	5,507	5,618	5,752
Opex (Rs/T)	4,043	4,240	*(4.6)*	4,138	*(2.3)*	4,337	4,481	4,192	4,272	4,331
EBITDA(Rs/T)	1,228	1,298	*(5.4)*	1,416	*(13.3)*	818	1,185	1,315	1,346	1,421
Net Sales	20,525	14,774	*38.9*	17,601	*16.6*	52,587	58,016	66,061	75,503	86,184
EBITDA	4,781	3,463	*38.1*	4,488	*6.5*	8,345	12,134	15,777	18,089	21,297
APAT	2,692	1,784	*50.9*	2,383	*13.0*	2,703	4,924	7,487	8,763	11,053
AEPS (Rs)	34.8	23.1	*50.9*	30.8	*13.0*	35.0	63.7	96.9	113.4	143.0
EV/EBITDA (x)						28.5	20.0	15.0	13.1	11.1
EV/MT (Rs bn)						16.19	13.3	12.1	12.1	12.2
P/E (x)						80.6	44.3	29.1	24.9	19.7
RoE (%)						11.6	17.3	22.3	21.5	22.5

Source: Company, HSIE Research

Estimates Revision Consolidated

INR bn	FY22E Old	FY22E Revised	*Chg%*	FY23E Old	FY23E Revised	*Chg%*
Net Revenues	73.0	75.5	*3.4*	85.0	86.2	*1.4*
EBITDA	18.0	18.1	*0.5*	21.4	21.3	*(0.6)*
APAT	8.4	8.8	*3.7*	11.1	11.1	*(0.2)*
AEPS	109.3	113.4	*3.7*	143.3	143.0	*(0.2)*

Source: Company, HSIE Research

BUY

CMP *(as on 14 Jun 2021)*	INR 2,813
Target Price	INR 3,070
NIFTY	15,812

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,070	INR 3,070
EBITDA %	FY22E	FY23E
	0.5	*(0.6)*

KEY STOCK DATA	
Bloomberg code	JKCE IN
No. of Shares (mn)	77
MCap (INR bn) / ($ mn)	217/2,921
6m avg traded value (INR mn)	284
52 Week high / low	INR 3,150/1,160

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(3.8)	45.3	136.2
Relative (%)	(7.3)	31.7	80.7

SHAREHOLDING PATTERN (%)	Mar-20	Jun-20
Promoters	59.70	60.09
FIs & Local MFs	14.15	14.59
FPIs	16.48	16.10
Public & Others	9.67	9.22
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Saurabh Dugar
saurabh.dugar@hdfcsec.com
+91-22-6171-7353

Kajaria Ceramics

Performance shines through; outlook bright

Kajaria Ceramics (KJC) reported good performance in Q4FY21 as its consolidated net sales/EBITDA/APAT rose 14/5/7% QoQ (46/105/156% YoY) to INR 9.53/1.91/1.27bn respectively. It reported QoQ volume/revenue growth across all three business segments – tiles, bathware, and plywood. Strong cost controls and price hikes moderated the impact of surge in gas, copper and packing costs, leading to a strong 20% EBITDAM. KJC remains upbeat on demand prospects and has announced 18% tiles capacity increase (to come into effect by end FY22E) to ride the domestic growth. The company will continue to ramp up its bathware and plywood revenues. We continue to like KJC for its leadership in tiles and robust growth and margin outlook. We maintain our BUY rating and a revised TP of INR 1,104/share (19x its consolidated Mar'23E EBITDA).

- **Strong traction continues**: KJC's revenue continued to accelerate across all three business segments: tiles (+14/45% QoQ/YoY), bathware (6/73%) and plywood (20/165%), riding on strong tiles demand and sales ramp-up (mainly in non-tiles). Healthy demand supported price hikes to largely pass on QoQ cost inflation (gas, copper, and packaging) and, hence, KJC's EBITDAM remained strong at 20% (vs 14/22% YoY/QoQ). Thus, consolidated revenue/EBITDA/APAT rose 14/5/7% QoQ (46/105/156% YoY on a low base).
- **Outlook:** KJC is upbeat on demand and has announced tiles capacity expansion across ceramics (15%), PVT (22%) and GVT (17%) (which would come into effect by end FY22), incurring a Capex of INR 2.7bn for the same. It plans to accelerate the addition of exclusive dealers to gain market share. KJC also expects its bathware and plywood segments to grow at a strong pace (on a low base), which would accelerate its revenue to 25% CAGR over FY21-23E. We trim our EBITDA estimate for FY22E by 3%, factoring in low sales in 1QFY22 (COVID second wave impact) but increase FY23E EBITDA estimate by 10%, building in higher volume from upcoming expansion.

Consolidated Quarterly/Annual Financial summary

YE Mar (INR mn)	4Q FY21	4Q FY20	*YoY (%)*	3Q FY21	*QoQ (%)*	FY19	FY20	FY21E	FY22E	FY23E
Net Sales	9,525	6,520	*46.1*	8,383	*13.6*	29,562	28,080	27,809	34,481	43,100
EBITDA	1,909	934	*104.5*	1,818	*5.0*	4,495	4,159	5,088	6,412	8,889
EBITDAM (%)	*20.0*	*14.3*		*21.7*		*15.2*	*14.8*	*18.3*	*18.6*	*20.6*
APAT	1,271	496	*156.3*	1,189	*6.9*	2,314	2,553	3,081	3,663	5,069
Diluted EPS (INR)	8.0	3.1	*156.1*	7.5	*6.9*	14.6	16.0	19.4	23.0	31.9
EV/EBITDA (x)						33.4	36.2	29.1	23.1	16.5
P/E (x)						65.1	59.0	48.9	41.1	29.7
RoE (%)						15.1	14.9	16.6	18.0	22.1

Source: Company, HSIE Research, Consolidated financials

Estimates revision

INR Bn	FY22E Old	FY22E Revised	*Change %*	FY23E Old	FY23E Revised	*Change %*
Net Sales	34.6	34.5	*(0.4)*	40.1	43.1	*7.5*
EBITDA	6.6	6.4	*(3.3)*	8.1	8.9	*10.0*
APAT	3.8	3.6	*(4.7)*	4.6	5.1	*10.7*
AEPS (INR)	24.2	23.0	*(4.8)*	28.8	31.9	*10.6*

Source: Company, HSIE Research

BUY

CMP *(as on 14 Jun 2021)*	**INR 1,018**
Target Price	**INR 1,104**
NIFTY	**15,812**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 1,010	INR 1,104
EBITDA %	FY22E	FY23E
	(3.3)	*10.0*

KEY STOCK DATA	
Bloomberg code	KJC IN
No. of Shares (mn)	159
MCap (INR bn) / ($ mn)	162/2,175
6m avg traded value (INR mn)	340
52 Week high / low	INR 1,055/350

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	1.8	50.4	176.1
Relative (%)	(1.7)	36.8	120.6

SHAREHOLDING PATTERN (%)	**Dec-20**	**Mar-21**
Promoters	47.54	47.54
FIs & Local MFs	15.33	14.46
FPIs	23.68	25.25
Public & Others	13.45	12.75
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Saurabh Dugar
saurabh.dugar@hdfcsec.com
+91-22-6171-7353

Capacite Infraprojects

Marginal miss

Capacite Infraprojects Ltd. (CIL) missed our revenue/EBITDA/APAT estimates by 5/4/7% as lockdown following the second wave of the pandemic affected execution during Mar-21. Labour availability, which had fallen by 40% in May, is expected to normalise by the end of June-21. Management has guided for INR 20bn of topline/order inflow for FY22. CIL could also expand into the international market if the client fits in its quality framework. Given that large part of order book of INR 87bn has raw material inflation pass-through, margins are expected to remain resilient at 16.5%, despite the sharp rise in commodity prices. With execution ramping up and share of government orders increasing, CIL is well placed for a rerating. We cut our FY22E/23E est. by 33/6% to account for the impact of the second wave and maintain BUY with reduced target price of INR 300/sh (vs INR 320/sh earlier).

- **4QFY21 financial highlights**: Revenue: INR 3.7bn (+20%/+21% YoY/QoQ, 5% miss). EBITDA: INR 664mn (+39% YoY, +22% QoQ, 4% miss). EBITDA margin: 18.0% (+249/+14 bps YoY/QoQ, vs est. of 17.7%). Interest cost came in at INR 190mn (+3% YoY, +9% QoQ, vs INR 180mn est.). Other income of INR 121mn (2.1x/2.3x 4QFY20/3QFY21) includes INR 90mn reversal of ECL provisions. APAT: Rs 244mn (6.4x 4QFY20, +60% QoQ, 7.5% miss).
- **INR 20bn topline/order inflow guidance:** CIL has guided for INR 20bn of revenue in FY22 as it looks to ramp up execution in CIDCO project (we expect ~INR 6.5bn contribution for FY22). However, we remain cautious and build in INR 18.5bn revenue for FY22. Order inflow was tepid at INR 1.5bn in FY21 as CIL focused on execution of INR 105bn of the OB (Mar-20). On the back of strong tailwinds in residential real estate and healthcare sectors, CIL is targeting INR 20bn inflow in FY22, which is conservative, in our view. Management has identified INR 430bn of prospective orders, of which it may bid for ~INR 230bn (INR 121bn for healthcare and INR 114bn for private/public).
- **NWC normalisation by Dec-21:** Standalone net debt increased to INR 2.4bn (net D/E 0.26x) from INR 2bn (net D/E 0.22x) at FY20-end. NWC days also increased to 158 days from 98 in FY20 due to lower denominator. CIL expects working capital to normalise by Dec-21 as it ramps up execution and focuses on collection. FY22-23 Capex is pegged at INR 750-800mn.

Standalone Financial Summary (INR mn)

YE March	4QFY21	4QFY20	*YoY (%)*	3QFY21	*QoQ (%)*	FY20	FY21	FY22E	FY23E
Revenues	3,690	3,072	*20.1*	3,058	*20.7*	15,287	8,797	18,500	26,993
EBITDA	664	476	*39.4*	546	*21.6*	2,567	1,365	2,914	4,467
APAT	244	38	*536.7*	152	*60.2*	756	18	902	1,952
EPS (INR)	3.6	0.6	*536.7*	2.2	*60.2*	11.1	0.3	13.3	28.8
P/E (x)						18.9	798.2	15.9	7.3
EV/EBIDTA(x)						5.8	11.3	5.5	3.7
RoE (%)						8.6	0.2	9.3	17.6

Standalone Estimate Change Summary

(INR mn)	FY22E Old	FY22E New	*Chg. (%)*	FY23E Old	FY23E New	*Chg. (%)*
Revenue	23,651	18,500	*(21.8)*	29,713	26,993	*(9.2)*
EBITDA	3,713	2,914	*(21.5)*	4,665	4,467	*(4.2)*
EBITDA (%)	15.7	15.8	*5.0*	15.7	16.6	*85.0*
APAT	1,349	902	*(33.2)*	2,086	1,952	*(6.4)*

Source: Company, HSIE Research

BUY

CMP *(as on 14 Jun 2021)*	INR 210
Target Price	INR 300
NIFTY	15,812

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 320	INR 300
EPS change %	FY22E	FY23E
	(33.2)	(6.4)

KEY STOCK DATA	
Bloomberg code	CAPACITE IN
No. of Shares (mn)	68
MCap (INR bn) / ($ mn)	14/191
6m avg traded value (INR mn)	41
52 Week high / low	INR 230/90

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	4.0	11.5	98.2
Relative (%)	0.6	(2.1)	42.6

SHAREHOLDING PATTERN (%)	Dec-20	Mar-21
Promoters	43.79	43.79
FIs & Local MFs	21.34	20.81
FPIs	7.42	7.36
Public & Others	27.45	28.04
Pledged Shares	7.36	7.36

Source : BSE

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Chintan Parikh
chintan.parikh@hdfcsec.com
+91-22-3021-7358

Rating Criteria
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	New India Assurance	PGDM	NO
Sahej Mittal	New India Assurance	ACA	NO
Rajesh Ravi	JK Cement, Kajaria Ceramics	MBA	NO
Saurabh Dugar	JK Cement, Kajaria Ceramics	MBA	NO
Parikshit Kandpal	Capacite Infraprojects	CFA	NO
Chintan Parikh	Capacite Infraprojects	MBA	NO

Disclosure:
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.

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: 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

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