INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **KEC International:** KEC reported robust execution with revenue at Rs 43.6bn (10% beat), driven by non-T&D segments. However, margin contracted by 197/95 bps to 8.1% due to SAE EBIDTA loss of ~Rs 0.7bn (higher commodity prices and overhead/idling costs). Margins could deteriorate further if commodity prices inches up further. FY21 order inflow stood at Rs 119bn, taking the order book (OB) to Rs 191bn (Rs 250bn with L1). Despite the lockdown, all sites are operating. With robust prequalification in domestic/international markets and across sectors, KEC is well-placed for a re-rating. However, sustained higher commodity prices could impact the margins. We maintain BUY on KEC with reduced target price of Rs 452/sh (Rs 476 earlier), 14x Mar-23 EPS.
- **Sonata Software:** Sonata posted better-than-expected growth in the IT services business (IITS), led by strong growth in Microsoft portfolio (+10.2% QoQ) and recovery in Travel (+9.0% QoQ). Revenue from Microsoft related services (product engineering + dynamics implementation and upgrade) is now ~50% of IITS and is expected to deliver high teens growth. The Microsoft Dynamics modernisation program is a multi-year opportunity and Sonata is constantly investing in this segment. Travel has recovered but TUI will accelerate when leisure travel resumes in Europe (expected in 2Q). The IITS EBITDA margin contracted 543bps QoQ due to a wage hike, which was higher than the historical average. The company has stepped up hiring; offshore and utilisation (89%) are at peak levels, while the target margin range for IITS is ~22-24%. DPS growth was impressive (+26% YoY), driven by higher cloud adoption (~75% of DPS is cloud) and annuity revenue. Sonata's growth profile is improving, led by the Microsoft ecosystem, recovery in Travel, and traction in DPS business. We increase our EPS estimates by +3.6/3.7% for FY22/23E and multiple to 18x (earlier 16x). Our target price of INR 685 is based on 18x FY23E EPS. Maintain BUY. The stock trades at a P/E of 18.8/15.4x FY22/23E.
- **Kalpataru Power Transmission:** Kalpataru Power (KPTL) reported in-line revenue/EBITDA at Rs 23.3/2.4bn. However, APAT missed our estimates by 12% on higher than expected interest cost and taxes. Impact of CTC provision of Rs 1.4bn, to account for higher commodity prices, was negated by reversal of earlier provisions. It received orders of Rs 84bn during FY21, taking the order book (OB) to Rs 139bn. Management has guided for 10-15% top-line growth in FY22. However, margins could come under pressure on sustained higher commodity prices as 60% of OB is fixed price. KPTL remains on track to achieve net zero debt status by 1HFY22, with (1) divestment of transmission assets coming to an end, (2) Indore real estate monetisation picking up pace and, (3) Shubham Logistics operation performance improving. We maintain BUY on KPTL and increased target price to Rs 560 (vs Rs 553 earlier), to account for higher EPS from JMC Projects.

HSIE Research Team
hdfcsec-research@hdfcsec.com

- **Mahindra Lifespaces:** Mahindra Lifespaces Developers Ltd (MLDL) reported operationally strong quarter with pre-sales value/volume growing 77%/67% sequentially to Rs 3.5bn, driven by four new launches. For FY21, MLDL registered de-growth in pre-sales value/volume of 15%/25% as 1HFY21 was impacted due to COVID-19. Labour availability has reduced to 60% and is expected to ramp up by 1QFY22 end as COVID-19 impact reduces. Over last 9M, MLDL has added 3 land parcels with ~Rs 15bn presales potential and is in advance stages of negotiation on land parcels with preslaes potential of Rs 45bn. Residential presales/IC business leasing guidance of ~Rs 25/5bn annually by FY25 remains intact. Given strong growth trajectory, robust balance sheet, trustworthy brand and tailwinds for organized players, we remain constructive on MLDL. We maintain BUY with SOTP valuation of Rs 773/sh.

KEC International

Near term challenges persist

KEC reported robust execution with revenue at Rs 43.6bn (10% beat), driven by non-T&D segments. However, margin contracted by 197/95 bps to 8.1% due to SAE EBIDTA loss of ~Rs 0.7bn (higher commodity prices and overhead/idling costs). Margins could deteriorate further if commodity prices inches up further. FY21 order inflow stood at Rs 119bn, taking the order book (OB) to Rs 191bn (Rs 250bn with L1). Despite the lockdown, all sites are operating. With robust prequalification in domestic/international markets and across sectors, KEC is well-placed for a re-rating. However, sustained higher commodity prices could impact the margins. We maintain BUY on KEC with reduced target price of Rs 452/sh (Rs 476 earlier), 14x Mar-23 EPS.

- **Execution outperformance negated by margin miss:** KEC reported revenue at Rs 43.6bn (+19/+33% YoY/QoQ). While execution in T&D segment (Rs 23.2bn) declined 6% YoY, revenue growth was driven by non-T&D segments, mainly from Railways (Rs 12bn, +39% YoY) and Civil (Rs 5bn, ~3x 4QFY20) segments. EBITDA declined 4.4% YoY as margins shrunk by 197bps to 8.1%. (vs est. of 9.1%) owing to losses at SAE ~Rs 700mn. Consequently, APAT was flattish YoY at Rs 1.5bn. With the current OB, we expect double digit revenue growth in FY22. However, high commodity prices could impact margins. 35-40% of the OB is fixed price and only 10% of OB is exposed to metals commodity prices.
- **International T&D and Domestic non-T&D to drive the ordering:** KECI received Rs 119bn of orders in FY21, primarily driven by International-T&D, civil and railways. International T&D pipeline remains strong as ordering has picked up in MENA and SAARC region. Growth in railways would come from metros, DFC and high-speed rail. Order wins in newer segments like water pipeline, hydrocarbon, warehouse, FGD and chemical would allow civil business to scale up. KEC gave double digit rev growth guidance.
- **Sharp reduction in Debt/NWC days:** Consolidated net debt, including the interesting bearing acceptances, reduced to Rs 32bn (Rs 37.4bn at the end of Dec-20). Better credit terms on switching to large railways vendors from MSME suppliers, led to decline in NWC from 144 to 112 days QoQ. Debt is likely to remain at similar level given the growth prospects.

Consolidated Financial Summary

(INR mn)	4QFY21	4QFY20	*YoY (%)*	3QFY21	*QoQ (%)*	FY20	FY21	FY22E	FY23E
Revenues	43,605	36,710	*18.8*	32,892	*32.6*	1,19,654	1,31,142	1,47,669	1,65,927
EBITDA	3,546	3,707	*(4.4)*	2,987	*18.7*	12,344	11,412	12,172	15,888
APAT	1,943	1,929	*0.7*	1,451	*33.9*	5,655	5,527	5,738	8,294
EPS (Rs)	7.6	7.5	*0.7*	5.6	*33.9*	22.0	21.5	22.3	32.3
P/E (x)						17.4	17.8	17.1	11.8
EV/EBIDTA(x)						10.5	10.0	9.9	7.7
RoE (%)						21.6	18.0	15.7	19.1

Source: Company, HSIE Research

Consolidated Estimate Change Summary

Particulars	FY22E Old	FY22E New	*% Change*	FY23E Old	FY23E New	*% Change*
Revenues (Rs mn)	1,43,788	1,47,669	*2.7*	1,60,985	1,65,927	*3.1*
EBITDA (Rs mn)	14,968	12,172	*(18.7)*	16,732	15,888	*(5.0)*
EBITDA (%)	10.4	8.2	*(216.7)*	10.4	9.6	*(81.9)*
APAT (Rs mn)	7,759	5,738	*(26.0)*	9,068	8,294	*(8.5)*

Source: Company, HSIE Research

BUY

CMP *(as on 12 May 2021)*	**INR 382**
Target Price	**INR 452**
NIFTY	**14,697**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 476	INR 452
EPS Change %	FY22E -26.0	FY23E -8.5

KEY STOCK DATA	
Bloomberg code	KECI IN
No. of Shares (mn)	257
MCap (INR bn) / ($ mn)	98/1,319
6m avg traded value (INR mn)	173
52 Week high / low	INR 486/188

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.2)	11.4	95.6
Relative (%)	(5.7)	(0.9)	40.4

SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	51.82	51.82
FIs & Local MFs	25.31	24.92
FPIs	9.84	10.75
Public & Others	13.03	12.51
Pledged Shares	-	-

Source : BSE

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

Chintan Parikh
chintan.parikh@hdfcsec.com
+91-22-6171-7330

Sonata Software

Growth visibility improves

Sonata posted better-than-expected growth in the IT services business (IITS), led by strong growth in Microsoft portfolio (+10.2% QoQ) and recovery in Travel (+9.0% QoQ). Revenue from Microsoft related services (product engineering + dynamics implementation and upgrade) is now ~50% of IITS and is expected to deliver high teens growth. The Microsoft Dynamics modernisation program is a multi-year opportunity and Sonata is constantly investing in this segment. Travel has recovered but TUI will accelerate when leisure travel resumes in Europe (expected in 2Q). The IITS EBITDA margin contracted 543bps QoQ due to a wage hike, which was higher than the historical average. The company has stepped up hiring; offshore and utilisation (89%) are at peak levels, while the target margin range for IITS is ~22-24%. DPS growth was impressive (+26% YoY), driven by higher cloud adoption (~75% of DPS is cloud) and annuity revenue. Sonata's growth profile is improving, led by the Microsoft ecosystem, recovery in Travel, and traction in DPS business. We increase our EPS estimates by +3.6/3.7% for FY22/23E and multiple to 18x (earlier 16x). Our target price of INR 685 is based on 18x FY23E EPS. Maintain BUY. The stock trades at a P/E of 18.8/15.4x FY22/23E.

- **4QFY21 highlights**: IITS revenue stood at USD 43.8mn (+6.2% QoQ CC) vs. an estimate of USD 42.4mn. Digital/IP-led/Platform revenue contributed 67/34/18% to IITS revenue and grew +12/10/7% QoQ. ISV/Travel/Retail/Distribution grew +9/9/14/12% QoQ. IITS margin stood at 22.4% (-543bps QoQ) due to wage hike (11-12%) while DPS margin stood at 4.2% (+169bps). Consolidated revenue was down 23% QoQ due to DPS (-30.7% QoQ) and EBITDA margin stood at 9.6%. Net cash stood at INR 5.3bn (~9% of MCap); RoE is at 34% and dividend yield is at ~3%.
- **Outlook:** We expect IITS growth of +18.6/+15.0% and DPS growth of +20.2/+20.3% for FY22/23E. IITS margin will be at 23.4/23.8% and DPS margin at 3.1/3.3% for FY22/23E respectively. Revenue/EPS CAGR for FY21-23E are expected at +17/22%.

Quarterly Financial summary

YE Mar (INR Bn)	4Q FY21	4Q FY20	*YoY (%)*	3Q FY21	*QoQ (%)*	FY19	FY20	FY21	FY22E	FY23E
IITS Revenues (US $mn)	44	44	*-1.4*	41	*6.8*	161	181	160	190	219
Net Sales	10.76	9.29	*15.8*	13.96	*-23.0*	29.61	37.43	42.28	50.65	60.48
EBIT	0.94	0.74	*27.0*	1.01	*-7.2*	3.23	3.36	3.40	3.98	4.84
APAT	0.83	0.74	*11.5*	0.76	*9.8*	2.47	2.77	2.66	3.24	3.95
Diluted EPS (INR)	8.0	7.2	*11.5*	7.3	*9.8*	23.7	26.7	25.6	31.2	38.0
P/E (x)						24.7	22.0	22.9	18.8	15.4
EV / EBITDA (x)						17.7	15.9	14.8	12.4	10.0
RoE (%)						34.7	38.5	33.7	33.4	35.4

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE Mar (INR Bn)	FY21E Old	FY21 Actual	*Change %*	FY22E Old	FY22E Revised	*Change %*	FY23E Old	FY23E Revised	*Change %*
Revenue (USD mn)	159	160	*0.9*	182	190	*4.2*	209	219	*4.7*
Revenue	43.38	42.28	*-2.5*	51.47	50.65	*-1.6*	61.46	60.48	*-1.6*
EBIT	3.39	3.40	*0.3*	3.84	3.98	*3.6*	4.71	4.84	*2.9*
EBIT margin (%)	7.8	8.0	*23bps*	7.5	7.9	*40bps*	7.7	8.0	*35bps*
APAT	2.57	2.66	*3.5*	3.12	3.24	*3.6*	3.81	3.95	*3.7*
EPS (INR)	24.7	25.6	*3.5*	30.1	31.2	*3.6*	36.6	38.0	*3.7*

Source: Company, HSIE Research

BUY

CMP *(as on 12 May 2021)*	**INR 586**
Target Price	**INR 685**
NIFTY	**14,697**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 585	INR 685
EPS %	FY22E	FY23E
	+3.6	+3.7

KEY STOCK DATA	
Bloomberg code	SSOF IN
No. of Shares (mn)	105
MCap (INR bn) / ($ mn)	62/828
6m avg traded value (INR mn)	273
52 Week high / low	INR 634/185

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	46.4	72.6	196.9
Relative (%)	51.9	60.3	141.7

SHAREHOLDING PATTERN (%)	Dec-20	Mar-21
Promoters	28.17	28.17
FIs & Local MFs	14.35	12.96
FPIs	11.88	13.82
Public & Others	45.60	45.05
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Apurva Prasad
apurva.prasad@hdfcsec.com
+91-22-6171-7327

Vinesh Vala
vinesh.vala@hdfcsec.com
+91-22-6171-7332

Kalpataru Power Transmission

In-line performance

Kalpataru Power (KPTL) reported in-line revenue/EBITDA at Rs 23.3/2.4bn. However, APAT missed our estimates by 12% on higher than expected interest cost and taxes. Impact of CTC provision of Rs 1.4bn, to account for higher commodity prices, was negated by reversal of earlier provisions. It received orders of Rs 84bn during FY21, taking the order book (OB) to Rs 139bn. Management has guided for 10-15% top-line growth in FY22. However, margins could come under pressure on sustained higher commodity prices as 60% of OB is fixed price. KPTL remains on track to achieve net zero debt status by 1HFY22, with (1) divestment of transmission assets coming to an end, (2) Indore real estate monetisation picking up pace and, (3) Shubham Logistics operation performance improving. We maintain BUY on KPTL and increased target price to Rs 560 (vs Rs 553 earlier), to account for higher EPS from JMC Projects.

- **Recovery on expected lines:** KPTL reported revenue at Rs 23.4bn (+1.5%/+17.3% YoY/QoQ), in-line with our estimates. EBITDA came in at Rs 2.4bn (-4.0/+17.4% YoY/QoQ, beat of 2%). KPTL made CTC provisioning of Rs 1.4bn during the quarter to account for the higher commodity prices. However, reversal of earlier provisions on project closures negated the impact on EBITDA margins. APAT was at Rs 1.3bn (+21.5%/-8.1% YoY/QoQ), missing our estimates by 11.6% on higher than expected interest cost and taxes. Shubham logistic margin were impacted on debtor provisioning.
- **FY21 order inflow driven by international T&D:** KPTL received orders of Rs 84.4bn during FY21, taking the order book to Rs 139bn. Including the L1 of Rs 13bn, OB stands at Rs 152bn. In the absence of domestic T&D ordering, KPTL to focus on international ordering through Linjemontage and Fasttel. At home, it will focus on Oil & Gas and railways business, which now form 13% of the order book each.
- **Zero net debt by 1HFY22:** Majority of the approvals are in place for Kohima asset sale to CLP India. However, completion was delayed due to COVID-led restrictions and is now expected by 1QFY22. KPTL standalone net debt stood at Rs 7.8bn (net D/E 0.2x). With divestment of transmission assets, KPTL is well on track to achieve its zero net debt target on the standalone level. About Rs 6bn of inflows are expected from Kohima asset sale.

Standalone Financial Summary

(INR mn)	4QFY21	4QFY20	*YoY (%)*	3QFY21	*QoQ (%)*	FY20	FY21	FY22E	FY23E
Net Revenues	23,370	23,030	*1.5*	19,930	*17.3*	79,040	76,710	85,227	98,187
EBITDA	2,430	2,530	*(4.0)*	2,070	*17.4*	8,600	8,080	8,400	10,546
APAT	1,300	1,070	*21.5*	2,570	*(49.4)*	4,450	4,890	4,692	6,242
Diluted EPS (Rs)	8.7	7.19	*21.5*	17.26	*(49.4)*	29.9	32.8	31.5	41.9
P/E (x)						12.8	11.6	12.1	9.1
EV/EBIDTA (x)						7.7	8.0	7.6	6.0
RoE (%)						13.3	13.2	11.5	14.0

Standalone estimate change summary

Particulars	FY22E Old	FY22E New	*% Change*	FY23E Old	FY23E New	*% Change*
Revenues (Rs mn)	88,138	85,227	*(3.3)*	97,792	98,187	*0.4*
EBITDA (Rs mn)	9,435	8,400	*(11.0)*	10,579	10,546	*(0.3)*
EBITDA (%)	10.7	9.9	*(84.9)*	10.8	10.7	*(7.8)*
APAT (Rs mn)	5,458	4,692	*(14.0)*	6,299	6,242	*(0.9)*

Source: Company, HSIE Research

BUY

CMP *(as on 12 May 2021)*	**INR 381**
Target Price	**INR 560**
NIFTY	**14,697**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 553	INR 560
EPS %	FY22E	FY23E
	-14.0	*-0.9*

KEY STOCK DATA	
Bloomberg code	KPP IN
No. of Shares (mn)	149
MCap (INR bn) / ($ mn)	57/763
6m avg traded value (INR mn)	150
52 Week high / low	INR 407/180

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	4.6	52.9	96.0
Relative (%)	10.1	40.6	40.8

SHAREHOLDING PATTERN (%)	**Dec-20**	**Mar-20**
Promoters	56.49	56.49
FIs & Local MFs	28.54	26.45
FPIs	4.37	6.33
Public & Others	10.60	10.73
Pledged Shares	31.25	28.70

Source : BSE

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

Chintan Parikh
chintan.parikh@hdfcsec.com
+91-22-6171-7330

Mahindra Lifespaces

On track

Mahindra Lifespaces Developers Ltd (MLDL) reported operationally strong quarter with pre-sales value/volume growing 77%/67% sequentially to Rs 3.5bn, driven by four new launches. For FY21, MLDL registered de-growth in pre-sales value/volume of 15%/25% as 1HFY21 was impacted due to COVID-19. Labour availability has reduced to 60% and is expected to ramp up by 1QFY22 end as COVID-19 impact reduces. Over last 9M, MLDL has added 3 land parcels with ~Rs 15bn presales potential and is in advance stages of negotiation on land parcels with preslaes potential of Rs 45bn. Residential presales/IC business leasing guidance of ~Rs 25/5bn annually by FY25 remains intact. Given strong growth trajectory, robust balance sheet, trustworthy brand and tailwinds for organized players, we remain constructive on MLDL. We maintain BUY with SOTP valuation of Rs 773/sh.

- **Financial highlights:** Revenue: Rs 560mn (-45%/-14% YoY/QoQ, ~2x est.); EBITDA: Rs (371) mn (Rs (514)/(185) mn in 4QFY20/3QFY21, vs Rs (212) mn est.); Interest cost: Rs 19mn (+43.1%/-41.3% YoY/QoQ); Other income: Rs 70mn (Rs (403)/156 mn 4QFY20/3QFY21); RPAT/APAT: Rs (272) mn (Rs (893)/(112) mn 4QFY20/3QFY21), vs estimated loss of Rs 161mn.
- **Operational highlights:** Presales value for the quarter came at Rs 3.5bn (-13%/+77% YoY/QoQ) and volume stood at 0.5msf (-31%/+68% YoY/QoQ). For the year FY21, presales value stood at Rs 6.9bn (-15% YoY) and volume at 1.1msf (-25% YoY). While new launches contributed Rs 2.6bn in pre-sales during FY21, sustenance inventory contributed 34% of the sales. 60% of the sales came from mid-premium segment and rest from the affordable. In the IC&IC business, MLDL leased out 28/55.6acres for Rs 664/1,287mnmn during 4QFY21/FY21.
- **New launches/business development key for Rs 25bn annual presales by FY25:** MLDL completed three land acquisitions in last 9 months with sales potential of Rs 15bn and launched four projects of 0.94msf. To reach the target, it would have to acquire land parcels/launch projects with Rs 20bn sales potential every year. Currently, MLDL has BD pipeline with Rs 45bn sales potential which should augment its 4.71msf forthcoming area. Management is hopeful of opening >2 msf area for sales in new launches during FY22. Opening of international travel may aid IC&IC business.
- **Healthy balance sheet supportive of growth:** MLDL consolidated net debt stood at Rs 1.1bn with net D/E at 0.07x, which provides ample room for expansion. Standalone borrowing cost at 5.9% is the lowest vs peers, which is a good sign for land bank acquisitions. However, MLDL's first preference would remain internal accrual to fund its Rs 5bn land outflow annually. Management could also adopt platform approach to fuel growth.

Consolidated Financial Suummary (Rs mn)

YE March	4QFY21	4QFY20	YoY (%)	3QFY21	QoQ (%)	FY20	FY21	FY22E	FY23E
Net Sales	560	1,014	*(44.8)*	652	*(14.1)*	6,109	1,663	1,474	7,136
EBITDA	(371)	(514)	*NA*	(185)	*NA*	(568)	(935)	(858)	83
APAT	(272)	(893)	*NA*	(112)	*NA*	(588)	(717)	32	1,454
EPS (Rs)	(5.3)	(17.4)	*NA*	(2.2)	*NA*	(11.5)	(14.0)	0.6	28.3
P/E (x)						(43.8)	(35.9)	797.0	17.7
EV/EBITDA (x)						(47.1)	(28.7)	(31.5)	316.9
RoE (%)						(10.7)	(4.3)	0.2	8.5

Source: Company, HSIE Research

BUY

CMP *(as on 12 May 21)*	**INR 504**
Target Price	**INR 773**
NIFTY	**14,697**

KEY STOCK DATA	
Bloomberg code	MLIFE IN
No. of Shares (mn)	51
MCap (INR bn) / ($ mn)	26/348
6m avg traded value (INR mn)	33
52 Week high / low	INR 579/172

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	1.7	76.0	179.9
Relative (%)	7.2	63.7	124.7

SHAREHOLDING PATTERN (%)	Dec-20	Mar-21
Promoters	51.46	51.46
FIs & Local MFs	14.36	14.05
FPIs	12.41	13.50
Public & Others	21.77	20.99
Pledged Shares	-	-

Source : BSE

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

Chintan Parikh
chintan.parikh@hdfcsec.com
+91-22-6171-7358

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
Parikshit Kandpal	KEC International, Kalpataru Power Transmission, Mahindra Lifespaces	CFA	YES
Chintan Parikh	KEC International, Kalpataru Power Transmission, Mahindra Lifespaces	MBA	NO
Amit Chandra	Sonata Software	MBA	NO
Apurva Prasad	Sonata Software	MBA	NO
Vinesh Vala	Sonata Software	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