

Jubilant Life Sciences

BUY
INDUSTRY PHARMA
CMP (as on 01 Feb 2019) Rs 714
Target Price Rs 1,070

Nifty 10,894

Sensex 36,469

KEY STOCK DATA

Bloomberg JUBILANT IN

No. of Shares (mn) 159

MCap (Rs bn) / (\$ mn) 114/1,596

6m avg traded value (Rs mn) 272

STOCK PERFORMANCE (%)
52 Week high / low Rs 1,039/586

3M 6M 12M

Absolute (%) 6.1 (4.5) (22.3)

Relative (%) 0.1 (1.7) (23.9)

SHAREHOLDING PATTERN (%)

Promoters 50.7

FIs & Local MFs 6.8

FPIs 24.7

Public & Others 17.8

Source : BSE

Amey Chalke

amey.chalke@hdfcsec.com

+91-22-6171-7321

Eshan Desai

eshan.desai@hdfcsec.com

+91-22-6639-2476

Outlook intact

Jubilant (JUBL) reported strong operating performance with revenue growing 15/5% YoY/QoQ to Rs 23.8bn in 3QFY19 (8% beat). This was primarily driven by the robust 29% growth in the Pharma segment (60% of sales), while LSI segment declined 3% and the smaller DDS segment grew 22% YoY. EBITDA came in at Rs 4.9bn with margin at 20.8% (+60/90bps YoY/QoQ, in-line). Margin expansion was led by higher gross margin at 63.2% owing to improved business mix. PAT stood at Rs 2.7bn, up 26/28% YoY/QoQ aided by higher other income.

JUBL's ongoing investments in facility expansion testify high visibility on key segments. Traction gained in the radiopharma, API, Vit B3 and allergy businesses and capacity expansion with the new injectables line, Acetic Anhydride plant and generics facility will enable healthy revenue growth over FY20-21E. Profitability will be boosted by the stabilizing pricing environment in US, lower acetic acid prices and re-priced Govt. contracts for ethanol. Additionally, the company is committed in reducing its debt, enabled by stable cashflows and lower capex intensity. The planned IPO for its Singapore subsidiary will lead to a significant [Financial Summary](#)

Year Ending March (Rs bn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)	FY18	FY19E	FY20E	FY21E
Net Sales	23.77	20.68	15.0	22.69	4.7	75.58	90.36	97.99	108.67
EBITDA	4.93	4.17	18.3	4.50	9.6	15.18	18.82	20.16	22.94
APAT	2.68	2.13	25.7	2.10	27.5	7.25	9.33	10.34	12.74
Diluted EPS (Rs)	17.2	13.7	25.7	13.5	27.5	45.5	58.6	64.9	80.0
P/E						15.7	12.2	11.0	8.9
EV/EBITDA (x)						9.3	7.2	6.4	5.2
RoE (%)						19.3	20.7	19.2	19.9

Source: Company, HDFC sec Inst Research # Consolidated

HDFC securities Institutional Research is also available on Bloomberg HSLB <GO> & Thomson Reuters

reduction in debt (Rs 10-15bn) by FY20 which will further boost earnings. We model 13/21% rev./earnings CAGR (FY18-21E). At CMP, JUBL is trading at 11/9x FY20/21E EPS, a ~40% discount to peers. We maintain BUY with TP of Rs 1,070 (14x Dec-20E EPS).

Highlights of the quarter

- **Pharma:** The pharma segment grew 29% YoY aided by ramp up in the radiopharma and allergy businesses, CMO capacity expansion and improved pricing in the US generics space.
- **LSI & DDS:** LSI segment was down 3% YoY due to lower Nutra demand and high input cost for acetic acid. Commenced Vit B3 biz in India, witnessed improved prices for acetic acid by Q3-end, and received higher volume ethanol tenders at better prices from the Govt. DDS segment grew 22% YoY driven by the US (up 43%).
- **Other takeaways:** (1) Capex for FY19 will be at Rs 5-5.5bn. (2) Net debt stood at Rs 31.2bn, seeing a reduction of Rs 460mn.
- **Near-term outlook:** USFDA decision on the Roorkee facility and listing of the Singapore subsidiary are the key near-term triggers for the stock.

Revenue grew 15% YoY aided by strong performance in the pharma segment

Gross margin expanded to 63.2% owing to improved business mix

Other income was unusually high during 3Q, which boosted PAT

EBITDA margin for the pharma segment was ~28% and for LSI was ~14%

Quarterly Financials Snapshot (Consolidated)

Particulars (Rs mn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)
Net Sales	23,771	20,678	15.0	22,695	4.7
Material Expenses	8,758	7,868	11.3	8,772	(0.2)
Employee Expenses	4,997	4,229	18.1	4,780	4.5
Other Expenses	5,084	4,412	15.2	4,642	9.5
EBITDA	4,933	4,168	18.3	4,502	9.6
Depreciation	984	818		895	
EBIT	3,949	3,350	17.9	3,607	9.5
Other Income	290	32		38	
Interest Cost	683	771		627	
PBT	3,556	2,612	36.1	3,018	17.8
Tax	881	483		920	
PAT	2,675	2,129	25.7	2,098	27.5

Source: Company, HDFC sec Inst Research

Margin Analysis

MARGIN ANALYSIS	3QFY19	3QFY18	YoY (bps)	2QFY19	QoQ (bps)
Material Expenses % Net Sales	36.8	38.1	(121)	38.6	(181)
SG&A Expenses % Net Sales	21.0	20.5	57	21.1	(4)
Other Expenses % Net Sales	21.4	21.3	5	20.5	93
EBITDA Margin (%)	20.8	20.2	59	19.8	91
Tax Rate (%)	24.8	18.5	626	30.5	(572)
APAT Margin (%)	11.3	10.3	96	9.2	201

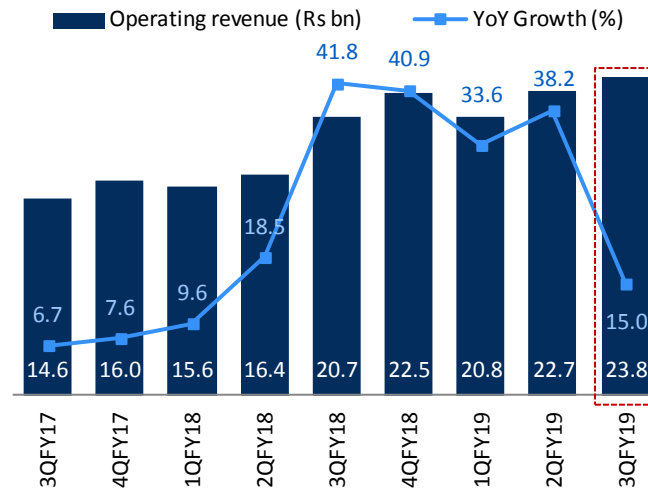
Source: Company, HDFC sec Inst Research

Pharma segment maintained its strong growth trajectory aided by the specialty business gaining traction and CMO capacity expansion. The outlook for Pharma segment remains strong, on the back of normalizing Venoms market, New Lyo line, growth in the API biz and new capacity at Roorkee

LSI business was subdued due to higher input cost for acetic acid and weak demand for nutra products. Expect improvement in the coming quarters owing to better demand environment, ramp up in the Vit B3 biz, commissioning of the new Acetic Anhydride plant in 4Q and higher volumes in Govt. ethanol contracts

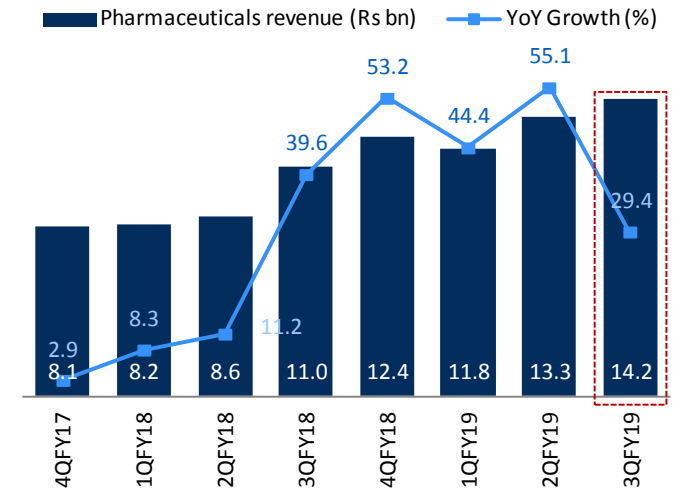
Profitability improved owing to better business mix

Revenue: Double-digit Growth Continues



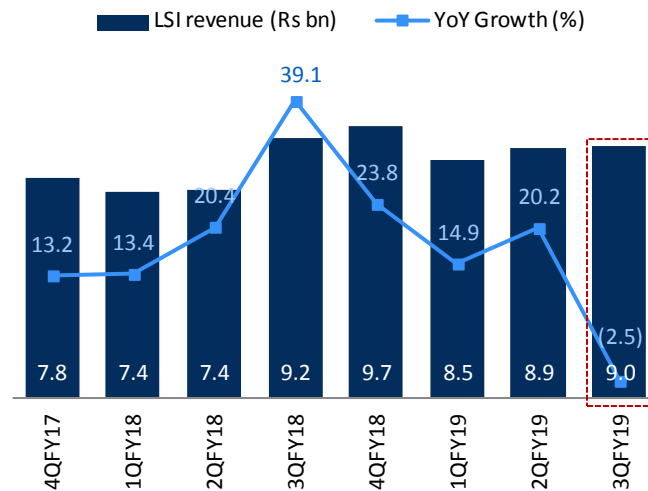
Source: Company, HDFC sec Inst Research

Pharmaceuticals Business: Strong Growth Trajectory



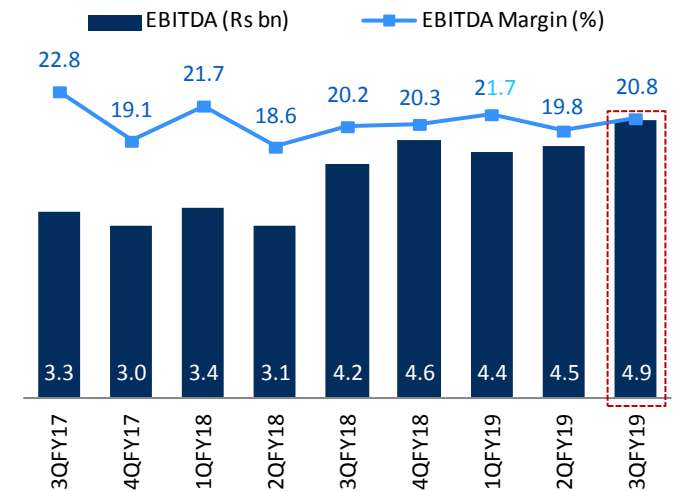
Source: Company, HDFC sec Inst Research

LSI Business: Subdued Due To Weak Nutra Demand



Source: Company, HDFC sec Inst Research

EBITDA Margin: Uptick Led By Improved Mix



Source: Company, HDFC sec Inst Research

The management has guided for a better 4Q and FY20 driven by growth in existing products and capacity expansion

The drug discovery segment gained traction in the US (65% of revenue) which grew 43% YoY in 3Q

The Ingredients segment will see improved margins going ahead, owing to better priced ethanol contracts from the Govt., lower acetic acid cost, Gaining market share in venoms and improvement in Vitamins segment will improve segmental margins in the near term

Segmental Quarterly Performance

(Rs mn)	3QFY19	3QFY18	YoY (%)	2QFY19	QoQ (%)
Pharmaceuticals	14,180	10,960	29.4	13,260	6.9
Life sciences ingredients	8,990	9,220	(2.5)	8,870	1.4
Drug discovery solutions	600	490	22.4	570	5.3
Total	23,770	20,670	15.0	22,700	4.7

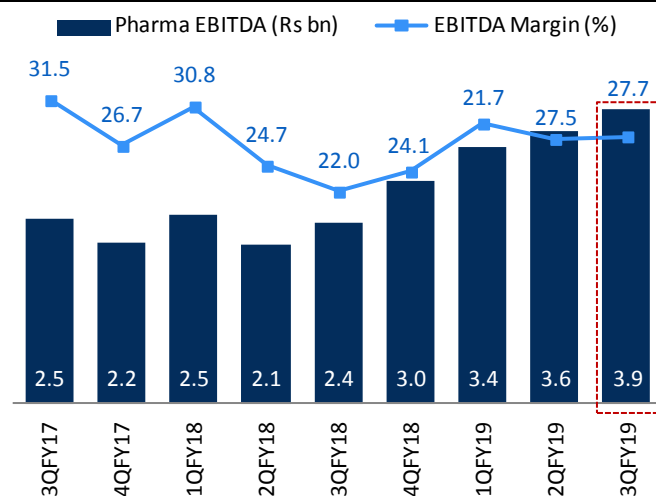
Source: HDFC sec Inst Research

Assumptions

Key segments (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Pharmaceuticals	31,167	40,140	53,017	56,606	63,216
Growth (%)	8.0	28.8	32.1	6.8	11.7
Life sciences ingredients	27,076	33,280	35,107	38,922	42,745
Growth (%)	(6.1)	22.9	5.5	10.9	9.8
Drug discovery solutions	1,820	1,760	2,240	2,464	2,710
Growth (%)	44.6	(3.3)	27.3	10.0	10.0
Total	60,063	75,180	90,364	97,992	108,671
Growth (%)	1.9	25.2	20.2	8.4	10.9

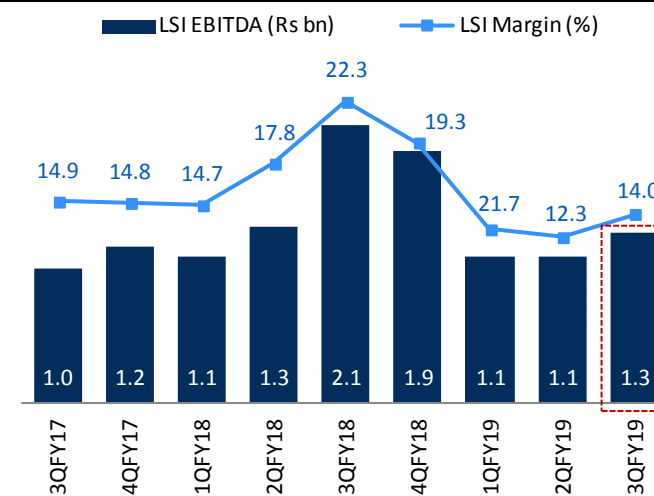
Source: HDFC sec Inst Research

Pharma Segment: Healthy Margin Maintained



Source: Company, HDFC sec Inst Research

LSI Segment: Sequential Recovery In Margin



Source: Company, HDFC sec Inst Research

Peer Set Comparison

	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP/FV	Adj EPS (Rs/sh)				EV/EBITDA (x)				RoE (%)			
					FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E
Sun Pharma	1,015	423	BUY	660	13.0	16.4	21.9	27.9	32.6	25.8	19.3	15.2	8.3	9.9	12.2	13.9
Aurobindo Pharma	467	798	NEU	845	41.4	40.6	55.7	56.4	19.3	19.6	14.3	14.1	23.0	18.6	21.1	17.8
Dr Reddy's Labs	463	2,791	BUY	3,260	59.2	105.9	123.9	150.8	47.2	26.4	22.5	18.5	7.8	13.1	13.5	14.3
Cipla	420	521	BUY	605	18.6	17.5	22.4	29.2	28.1	29.9	23.3	17.8	11.2	9.5	11.1	13.1
Divi's Labs	407	1,532	SELL	1,395	32.4	51.0	56.8	65.7	47.3	30.0	27.0	23.3	15.2	21.1	20.3	20.4
Lupin	399	883	BUY	1,125	38.0	27.9	38.7	55.2	23.2	31.7	22.8	16.0	12.7	9.0	11.6	14.9
Cadila Healthcare	331	324	BUY	480	13.0	15.9	19.3	22.8	24.9	20.3	16.8	14.2	17.0	17.2	17.7	17.9
Torrent Pharma	304	1,799	NEU	1,860	40.1	45.9	63.6	91.7	44.9	39.2	28.3	19.6	15.1	15.8	19.1	23.4
Alkem Laboratories	226	1,888	BUY	2,400	57.6	71.8	90.0	115.6	32.8	26.3	21.0	16.3	14.8	16.5	18.1	20.0
Glenmark	187	662	BUY	835	17.5	27.0	35.2	46.4	37.9	24.5	18.8	14.3	9.4	12.8	14.7	16.9
Jubilant Life Sciences	114	714	BUY	1,070	45.5	58.6	64.9	80.0	15.7	12.2	11.0	8.9	19.3	20.7	19.2	19.9
Alembic Pharma	111	588	NEU	580	21.9	24.1	24.7	34.7	26.9	24.4	23.8	16.9	20.0	18.6	16.2	19.7
Strides Shasun	40	446	BUY	585	12.7	5.5	30.8	39.3	35.1	81.5	14.5	11.3	4.4	1.9	9.7	11.4
Laurus Labs	38	354	BUY	480	15.8	8.4	17.7	29.8	22.4	41.9	20.0	11.9	11.9	4.6	11.5	16.9
Dishman Carbogen Amcis	33	204	BUY	380	13.2	16.0	20.9	26.7	15.4	12.7	9.8	7.6	14.6	15.2	16.7	18.1
Suven Life Sciences	25	195	NR	450	9.7	8.9	10.8	12.3	20.1	22.0	18.1	15.9	17.2	13.9	14.9	15.1
Granules India	23	89	BUY	160	5.2	9.3	11.3	14.2	17.1	9.6	7.9	6.3	12.0	16.9	17.8	19.1
Neuland Labs	7	530	BUY	885	11.0	15.5	51.8	67.2	48.4	34.2	10.2	7.9	2.2	3.2	9.1	10.8

Source: HDFC sec Inst Research

Change In Estimates (Consolidated)

Rs mn	Previous			New			% Chg		
	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Revenue	86,601	95,729	106,379	90,364	97,992	108,671	4.3	2.4	2.2
EBITDA	17,971	19,630	22,388	18,818	20,162	22,938	4.7	2.7	2.5
APAT	8,687	9,903	12,311	9,334	10,337	12,742	7.4	4.4	3.5

Source: HDFC sec Inst Research

Income Statement (Consolidated)

Year ending March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Net Revenues	58,614	75,578	90,364	97,992	108,671
Growth (%)	2.0	28.9	19.6	8.4	10.9
Material Expenses	19,995	28,688	34,020	39,075	43,152
Employee Expenses	12,309	15,559	19,597	19,990	21,690
Other Operating Expenses	12,857	16,148	17,928	18,765	20,891
EBITDA	13,453	15,184	18,818	20,162	22,938
EBITDA Margin (%)	23.0	20.1	20.8	20.6	21.1
EBITDA Growth (%)	7.9	12.9	23.9	7.1	13.8
Depreciation	2,914	4,151	3,672	3,901	4,195
EBIT	10,539	11,033	15,146	16,260	18,742
Other Income (Including EO Items)	249	400	450	210	309
Interest	3,411	2,843	2,810	2,502	2,062
PBT	7,376	8,591	12,787	13,969	16,990
Tax (Incl Deferred)	1,630	2,247	3,452	3,632	4,247
RPAT	5,746	6,344	9,334	10,337	12,742
Minority Interest	(10)	-	-	-	-
EO (Loss) / Profit (Net Of Tax)	-	910	-	-	-
APAT	5,736	7,254	9,334	10,337	12,742
APAT Growth (%)	46.4	26.5	28.7	10.7	23.3
Adjusted EPS (Rs)	37.0	45.5	58.6	64.9	80.0

Source: Company, HDFC sec Inst Research

Balance Sheet (Consolidated)

As at March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
SOURCES OF FUNDS					
Share Capital - Equity	156	156	156	156	156
Reserves	34,205	40,710	49,140	58,342	69,685
Total Shareholders Funds	34,360	40,865	49,296	58,498	69,841
Minority Interest	(393)	(515)	(515)	(515)	(515)
Long Term Debt	35,050	30,478	26,877	20,777	15,777
Short Term Debt	5,390	2,449	4,050	5,150	5,150
Total Debt	40,441	32,927	30,927	25,927	20,927
Net Deferred Taxes	445	26	446	496	466
Other Non-current Liabilities & Provns	2,765	3,671	3,450	3,800	3,870
TOTAL SOURCES OF FUNDS	77,618	76,973	83,603	88,205	94,588
APPLICATION OF FUNDS					
Net Block	51,067	54,006	55,834	56,933	58,237
CWIP	6,838	6,710	5,500	5,000	4,500
Investments	1,027	1,235	1,235	1,235	1,250
Other Non-current Assets	574	724	805	1,025	950
Total Non-current Assets	59,506	62,674	63,374	64,193	64,937
Cash & Equivalent	4,596	2,488	6,072	7,927	12,679
Inventories	12,204	13,914	16,777	19,270	20,689
Debtors	10,053	11,308	13,616	16,108	17,268
Other Current Assets	2,628	4,188	3,555	3,910	3,916
Total Current Assets	24,885	29,410	33,949	39,288	41,874
Creditors	7,495	11,362	11,185	13,382	14,187
Other Current Liabilities & Provns	3,874	6,237	8,607	9,820	10,714
Total Current Liabilities	11,369	17,598	19,791	23,202	24,901
Net Current Assets	13,516	11,812	14,157	16,086	16,973
TOTAL APPLICATION OF FUNDS	77,618	76,974	83,604	88,206	94,589

Source: Company, HDFC sec Inst Research

Cash Flow

Year ending March (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Reported PBT	7,376	8,591	12,787	13,969	16,990
Non-operating & EO items	142	(64)	(31)	(160)	(339)
Interest expenses	3,323	2,792	2,810	2,502	2,062
Depreciation	2,914	4,150	3,672	3,901	4,195
Working Capital Change	369	141	(2,648)	(1,798)	(742)
Tax Paid	(1,439)	(2,578)	(3,452)	(3,632)	(4,247)
OPERATING CASH FLOW (a)	12,685	13,032	13,138	14,782	17,918
Capex	(4,623)	(4,837)	(4,290)	(4,500)	(5,000)
<i>Free cash flow (FCF)</i>	<i>8,062</i>	<i>8,195</i>	<i>8,847</i>	<i>10,282</i>	<i>12,918</i>
Investments	(65)	(1,431)	-	-	-
Non-operating Income	34	92	-	-	(15)
INVESTING CASH FLOW (b)	(4,654)	(6,177)	(4,290)	(4,500)	(5,015)
Debt Issuance/(Repaid)	(4,088)	(6,278)	(2,000)	(5,000)	(5,000)
Interest Expenses	(2,291)	(2,183)	(2,360)	(2,292)	(1,752)
<i>FCFE</i>	<i>1,651</i>	<i>(1,606)</i>	<i>4,488</i>	<i>2,990</i>	<i>6,151</i>
Share Capital Issuance	77	10	-	-	-
Dividend	(559)	(560)	(904)	(1,135)	(1,399)
Others	-	46	-	-	-
FINANCING CASH FLOW (c)	(6,861)	(8,965)	(5,263)	(8,427)	(8,152)
NET CASH FLOW (a+b+c)	1,170	(2,110)	3,584	1,855	4,752
Closing Cash & Equivalents	4,596	2,486	6,072	7,927	12,679

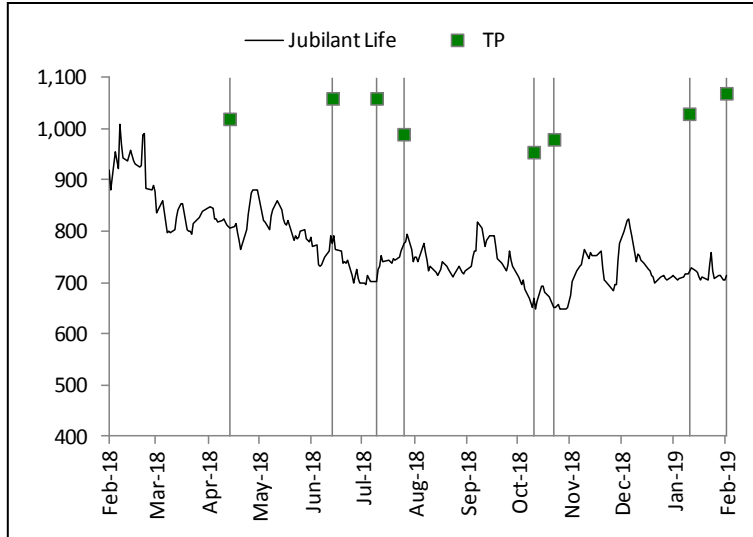
Source: Company, HDFC sec Inst Research

Key Ratios

	FY17	FY18	FY19E	FY20E	FY21E
PROFITABILITY (%)					
GPM	65.9	62.0	62.4	60.1	60.3
EBITDA Margin	23.0	20.1	20.8	20.6	21.1
APAT Margin	9.8	9.6	10.3	10.5	11.7
RoE	18.0	19.3	20.7	19.2	19.9
RoIC (or Core RoCE)	11.4	11.3	14.9	15.7	23.8
RoCE	11.4	12.7	15.0	15.4	18.3
EFFICIENCY					
Tax Rate (%)	22.1	26.2	27.0	26.0	25.0
Fixed Asset Turnover (x)	1.1	1.2	1.3	1.4	1.4
<i>Inventory (days)</i>	<i>76.0</i>	<i>67.2</i>	<i>67.8</i>	<i>71.8</i>	<i>69.5</i>
<i>Debtors (days)</i>	<i>62.6</i>	<i>54.6</i>	<i>55.0</i>	<i>60.0</i>	<i>58.0</i>
<i>Other Current Assets (days)</i>	<i>12.6</i>	<i>20.0</i>	<i>14.1</i>	<i>14.3</i>	<i>12.9</i>
<i>Payables (days)</i>	<i>46.7</i>	<i>54.9</i>	<i>45.2</i>	<i>49.8</i>	<i>47.7</i>
<i>Other Current Liab & Provns (days)</i>	<i>18.0</i>	<i>28.1</i>	<i>30.1</i>	<i>31.9</i>	<i>31.8</i>
<i>Cash Conversion Cycle (days)</i>	<i>86.5</i>	<i>58.8</i>	<i>61.6</i>	<i>64.4</i>	<i>61.0</i>
Debt/EBITDA (x)	3.0	2.2	1.6	1.3	0.9
Net D/E (x)	1.0	0.7	0.5	0.3	0.1
Interest Coverage (x)	3.1	3.9	5.4	6.5	9.1
PER SHARE DATA (Rs)					
EPS	37.0	45.5	58.6	64.9	80.0
Dividend	3.0	3.0	3.0	3.0	3.0
Book Value	220.7	262.3	316.4	375.5	448.3
VALUATION					
P/E (x)	19.3	15.7	12.2	11.0	8.9
P/BV (x)	3.2	2.7	2.3	1.9	1.6
EV/EBITDA (x)	10.9	9.3	7.2	6.4	5.2
EV/Revenues (x)	2.5	1.9	1.5	1.3	1.1
OCF/EV (%)	8.6	9.2	9.7	11.4	15.0
FCF/EV (%)	5.5	5.8	6.5	8.0	10.8
FCFE/Mkt Cap (%)	1.5	(1.4)	4.0	2.7	5.5
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.4

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
13-Apr-18	813	BUY	1,020
13-Jun-18	791	BUY	1,060
10-Jul-18	703	BUY	1,060
28-Jul-18	795	BUY	990
10-Oct-18	670	BUY	955
23-Oct-18	651	BUY	980
10-Jan-19	717	BUY	1,030
3-Feb-19	714	BUY	1,070

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:

We, **Amey Chalke, MBA & Eshan Desai, MBA**, 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.

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 meant for sole use by the recipient and not for circulation. 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. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and 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 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 individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HSL.

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. 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-INB/F/E 231109431, BSE-INB/F 011109437, AMFI Reg. No. ARN: 13549, PFRDA Reg. No. POP: 04102015, IRDA Corporate Agent License No.: HDF 2806925/HDF C000222657, SEBI Research Analyst Reg. No.: INH000002475, CIN - U67120MH2000PLC152193

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

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