

## TCI Express (TCIEXP)

### Strong all-round performance continues...

- Revenues grew 15% YoY to ₹ 263 crore. As per the management, the company was able to leverage its branch network of 700 centres across the country to achieve the growth and was also able to achieve a significant customer base in tier 2 cities
- EBITDA margins increased 126 bps to 11.8% mainly due to lower than estimated operating expense to sales ratio (73.8% vs. 75.8% in Q3FY18). Robust revenue growth coupled with margin expansion resulted absolute EBITDA growth of 29% YoY to ₹ 31 crore
- Reported PAT grew 21% YoY to ₹ 19 crore mainly due to a strong operational performance (although it was negatively impacted YoY by higher tax rate - 35% vs 29% in Q3FY18)

#### Continued growth in spite of rising competition in B2B segment

Despite competition from rivals like Blue Dart, Gati and Rivigo, TCI Express has been consistently clocking double digit revenue growth (15%+) with expanding margins (reached 11% EBITDA margins from earlier 8%). The management indicated it was not impacted by the slowdown in the auto sector as it transports auto spare parts (including for replacement), which did not experience a slowdown. Also, pharma and textile verticals have continued to grow for TCIEL. The company has also reached 85% utilisation and expects to reach 90% in a few years (positively impacts EBITDA margins). Overall, the company has guided for ₹ 400 crore capex spend in five years, which would be utilised to expand its reach in Tier II, III cities (hub & spoke model - reach 1000 offices count), open newer sorting centres (currently 28 – of which 10 are owned), develop in-house analytics (target to map 1 million customers to its database), etc. It expects volume growth to remain sustainable in excess of 15% for the next two to three years, with an annual hike in realisation to set off inflation and also create room for premiumisation. We expect revenue, EBITDA, PAT CAGR of 19%, 25%, 25%, respectively, in FY18-21E.

#### Express services continues their strong growth trajectory

Express segment (2-3% of overall logistics spend) has been growing in double digits, primarily due to benefits of reduced delivery time, growing preference for just-in-time approach (reducing inventory costs), minimisation of loss of sale opportunities and rising end-consumer demand for quality logistics services. Express delivery services are increasingly becoming the preferred mode of logistics for a large number of users. Hence, it commands a premium over other transport services (air express: 4x of surface transport, surface express: 2x). Also, the surface express is increasingly seeing a volume shift from air express segment (due to greater value for clients).

#### Rising presence in tier-2, 3 cities - foundation for future growth

TCI Express has 28 hubs, 550 branches and a fleet of 4000+ vehicles at its disposal with minimal operational asset ownership. Low leverage, a robust growth trajectory and high core return ratios (FY21E RoCE at 39% and a 2% FCF yield), position TCIEL as one of the preferred picks in the logistics space. We value TCIEL at 26x P/E on an estimated EPS of ₹ 29.5/share (FY21E) with a target price of ₹ 780, with a **BUY** recommendation. **Key risks to our upside remain: 1) liquidity headwinds for SME sector (50% of TCI Express revenues), 2) rising competitive intensity (private equity funded players entering B2B space).**

Rating matrix	
Rating	: Buy
Target	: ₹ 780
Target Period	: 12-18 months
Potential Upside	: 26%

What's changed?	
Target	Unchanged
EPS FY19E	Changed from ₹ 19.4 to ₹ 19.1
EPS FY20E	Changed from ₹ 24.4 to ₹ 23.7
EPS FY21E	Introduced at ₹ 29.5
Rating	Unchanged

Quarterly performance					
	Q3FY19	Q3FY18	YoY (%)	Q2FY19	QoQ (%)
Revenue	263.2	229.0	14.9	247.2	6.5
EBITDA	31.0	24.1	28.7	27.3	13.5
EBITDA (%)	11.8	10.5	126 bps	11.0	73 bps
PAT	18.7	15.4	21.3	16.3	15.1

Key financials				
₹ Crore	FY18	FY19E	FY20E	FY21E
Revenues	885.1	1,062.1	1,253.3	1,478.9
EBITDA	90.7	119.5	145.7	179.0
Net Profit	58.4	73.1	90.7	113.1
EPS (₹)	15.2	19.1	23.7	29.5

Valuation summary				
	FY18	FY19E	FY20E	FY21E
P/E	42.3	33.8	27.2	21.8
Target P/E	51.2	40.9	32.9	26.4
EV / EBITDA	27.6	20.7	16.8	13.5
P/BV	11.9	9.2	7.2	5.6
RoNW (%)	31.8	30.8	29.6	28.8
RoCE (%)	38.3	39.7	39.1	39.2

Stock data	
Particular	Amount
Market Capitalization (₹ Cr)	2,470.4
Total Debt (FY18P) (₹ Cr)	39.8
Cash and Investments (FY18P) (₹ Cr)	12.2
EV (₹ Cr)	2,498.0
52 week H/L	645 / 284
Equity capital (₹ Cr)	7.7
Face value (₹)	2.0

Price performance				
	1M	3M	6M	1Y
Blue Dart Express	-4.0	-25.0	-21.0	-32.8
Gati Ltd	-2.8	-27.5	-32.7	-36.4
Vrl Logistics	2.5	-19.6	-32.9	-26.2
Tci Express Ltd	9.1	-12.0	15.7	10.0

Research Analyst	
Bharat Chhoda	bharat.chhoda@icicisecurities.com
Harshal Mehta	harshal.mehta@icicisecurities.com

### Variance analysis

	Q3FY19	Q3FY19E	Q3FY18	YoY (%)	Q2FY19	QoQ (%)	Comments
Revenue	263.2	267.9	229.0	14.9	247.2	6.5	YoY growth on the back of strong B2B customer engagement and significant increase in the customer base in tier II cities
Operating expenses	194.1	201.9	173.6	11.8	183.2	6.0	
Employee Expenses	21.1	21.4	17.6	19.6	21.7	-3.0	
Other Expense	17.0	16.3	13.7	23.7	15.0	13.4	
Total Expense	232.2	239.7	204.9	13.3	219.9	5.6	
EBITDA	31.0	28.2	24.1	28.7	27.3	13.5	
EBITDA Margin (%)	11.8	10.5	10.5	126 bps	11.0	73 bps	Higher margins on account of improved fleet utilisation levels (86% utilisation) and effective passage (to 80% of clients) of hiked diesel prices
Depreciation	1.7	1.7	1.3	29.0	1.7	-0.6	
Interest	1.0	1.2	1.3	-23.4	1.1	-4.6	
Other Income	0.7	0.9	0.6	9.5	0.8	-18.5	
Exceptional Gain/Loss	0.0	0.0	0.0	NA	0.0	NA	
PBT	28.9	26.2	22.0	31.4	25.3	14.2	
Total Tax	10.2	8.9	6.6	55.0	9.1	12.5	
PAT	18.7	17.3	15.4	21.3	16.3	15.1	Robust operational performance resulting in PAT growth

Source: Company, ICICI Direct Research

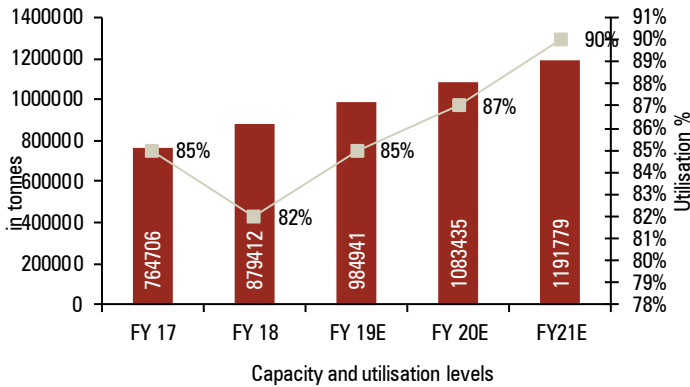
### Change in estimates

(₹ Crore)	FY19E					FY20E			FY21E	
	FY 17	FY18	Old	New	% Change	Old	New	% Change	New	Comments
Gross Revenue	750.3	885.1	1,062.1	1,062.1	0.0	1,253.3	1,253.3	0.0	1,478.9	Estimates unchanged due to continued strong momentum in volumes (in line with estimates)
EBITDA	61.9	90.7	118.5	119.5	0.9	145.7	145.7	0.0	179.0	
EBITDA Margin (%)	8.3	10.2	11.2	11.3	5 bps	11.6	11.6	3 bps	12.1	Margins revised marginally upwards due to continued strong performance in spite of higher crude volatility in Q3FY19, signalling effective passage of crude hike
PAT	37.5	58.4	74.6	73.1	-2.0	93.4	90.7	-2.9	113.1	
EPS (₹)	9.8	15.3	19.5	19.1	-2.1	24.4	23.7	-2.9	29.5	Estimates revised due to lower other income estimates

Source: Company, ICICI Direct Research

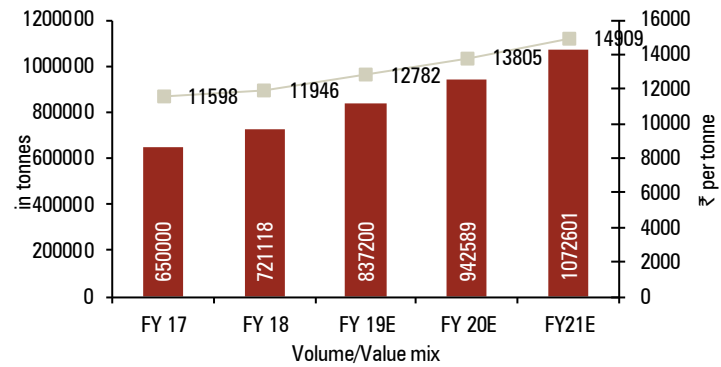
## Company Analysis

**Exhibit 1: Higher capacity maintaining existing utilisation levels...**



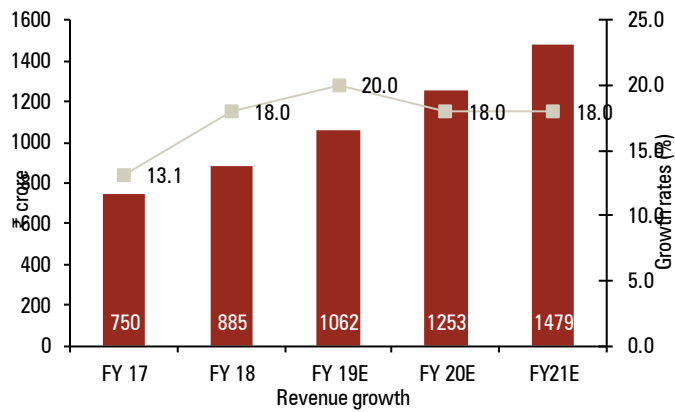
Source: Company, ICICI Direct Research

**Exhibit 2: Volumes/value on uptrend...**



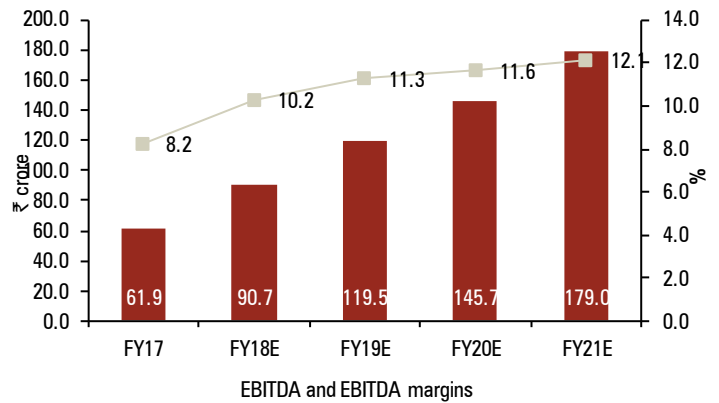
Source: Company, ICICI Direct Research

**Exhibit 3: Revenue trend**



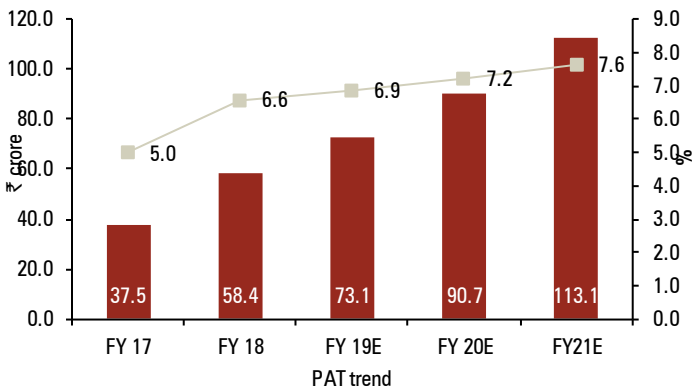
Source: Company, ICICI Direct, Research

**Exhibit 4: EBITDA & EBITDA margin trend**



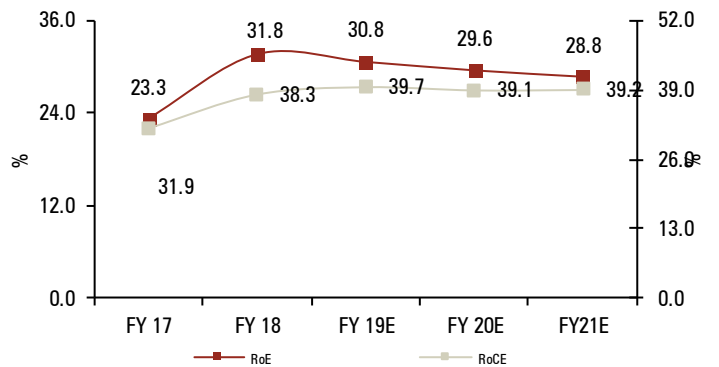
Source: Company, ICICI Direct, Research

**Exhibit 5: PAT & PAT margin trend**



Source: Company, ICICI Direct, Research

**Exhibit 6: Return ratios trend**



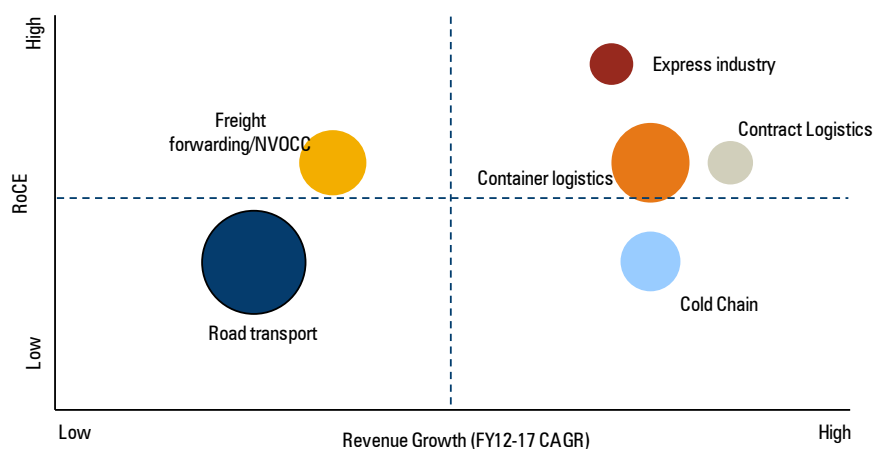
Source: Company, ICICI Direct, Research

## Valuations

### Pre-eminent business model to command better multiples...

The wide variety of services provided by express players makes it difficult for a single entity to manage. Following this, players like Gati KWE, BlueDart and TCI Express (TCIEL) have focused on client management, line haul circuit, value added services and technology. Alternatively, these players have leveraged their goodwill in the market thereby collaborating with a number of regional players outsourcing majority of its non-core activities like trucking, last mile delivery. The strategy has given these players enhanced coverage while at the same time keeping their balance sheet light. Moreover, higher EBITDA is the consequence of higher realisations on the back of speed and accuracy. The dual benefit positions the express business in the top quadrant of our logistics business model matrix, which represents high growth and high RoCE.

#### Exhibit 7: Express remains in top quadrant of growth/RoCE matrix...



Source: FSC DRHP, ICICI Direct Research, \*Size of bubble represents industry size

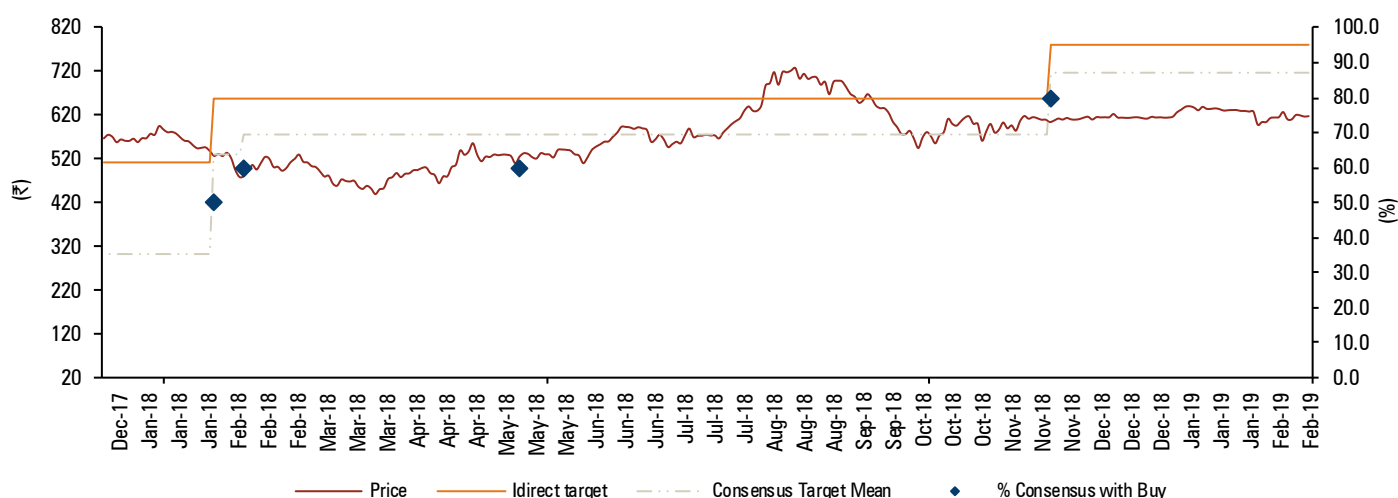
TCI Express has 28 hubs, 550 branches and a fleet of 4000+ vehicles at its disposal with minimal operational asset ownership. Low leverage, a robust growth trajectory and high core return ratios (FY21E RoCE at 39% and a 2% FCF yield), position TCIEL as one of the preferred picks in the logistics space. We value TCIEL at 26x P/E on an estimated EPS of ₹ 29.5/share (FY21E) with a target price of ₹ 780, with **BUY** recommendation. **Key risks to our upside remains 1) liquidity headwinds for SME sector (50% of TCI Express revenues), 2) rising competitive intensity (private equity funded players entering B2B space).**

#### Exhibit 8: Valuation compared to peers

Year	Sales (₹ Crore)	Sales Gr. (%)	EPS (₹)	EPS Gr. (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY17	750.3	-76.0	9.8	8.8	65.9	40.3	26.4	31.9
FY18	885.1	18.0	15.2	55.7	42.3	27.6	31.8	38.3
FY19E	1062.1	20.0	19.1	25.2	33.8	20.7	30.8	39.7
FY20E	1253.3	18.0	23.7	24.2	27.2	16.8	29.6	39.1
FY21E	1062.1	-15.3	29.5	24.7	32.9	7.2	39.1	39.2

Source: Company, ICICI Direct Research

### Recommendation history vs. Consensus estimate



Source: Bloomberg, Company, ICICI Direct Research, \* de-merger business listed in December 2016, Initiated coverage on 25<sup>th</sup> January, 2018

### Key events

Date	Event
Oct-15	Name change: "TCI Properties Pune Ltd" to "TCI Express Ltd"
Aug-16	Announces demerger of XPS division
Dec-16	Listing of equity shares of TCI Express Ltd

Source: Company, ICICI Direct Research

### Top 10 Shareholders

Rank	Investor Name	Latest Filing Date	% O/S	Position	Change(m)
1	Bhoruka Finance Corporation of India, Ltd.	30-Sep-18	20.8	8.0	0.0
2	TCI Group	30-Sep-18	15.2	5.8	2.5
3	Bhoruka International Pvt. Ltd.	30-Sep-18	13.8	5.3	0.0
4	Agarwal (Dharam Pal) HUF	30-Sep-18	2.7	1.0	0.0
5	Arcee Holding, Ltd.	30-Sep-18	2.7	1.0	0.0
6	Agarwal (Vineet)	30-Sep-18	2.6	1.0	0.0
7	Agarwal (Priyanka)	30-Sep-18	2.5	1.0	0.0
8	Agarwal (Urmila)	30-Sep-18	2.4	0.9	0.0
9	Agarwal (Chander)	8-Oct-18	2.4	0.9	-0.1
10	Canara Robeco Asset Management Company Ltd.	30-Sep-18	2.1	0.8	-0.1

Source: Reuters, ICICI Direct Research

### Shareholding Pattern

(in %)	Mar-18	Jun-18	Sep-18	Dec-18
Promoter	66.1	67.0	67.0	67.0
FII	3.4	3.7	3.8	4.4
DII	6.2	5.2	3.9	2.4
Others	24.4	24.1	25.3	26.3

### Recent Activity

Buys			Sells		
Investor Name	Value	Shares	Investor Name	Value	Shares
TCI Group	18.7	2.5	Agarwal (Dharpal P.)	-18.7	-2.5
Grandeur Peak Global Advisors, LLC	1.8	0.2	Agarwal (Chander)	-1.1	-0.1
XPS Cargo Services, Ltd.	1.1	0.1	Canara Robeco Asset Management Company Ltd.	-0.6	-0.1
Sharma (Phool Chand)	0.5	0.1	IDFC Asset Management Company Private Limited	-0.6	-0.1

Source: Reuters, ICICI Direct Research

## Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY18E	FY19E	FY20E	FY21E	
Total operating Income	885.1	1,062.1	1,253.3	1,478.9	
Growth (%)	18.0	20.0	18.0	18.0	
Operating expenses	664.4	795.5	933.7	1,101.8	
Employee Cost	72.5	85.0	100.3	110.9	
Other expenses	57.5	62.1	73.6	87.2	
Other expenses	57.5	62.1	73.6	87.2	
EBITDA	90.7	119.5	145.7	179.0	
Growth (%)	46.4	31.8	21.9	22.8	
Depreciation	5.2	6.2	7.5	9.1	
EBIT	85.4	113.3	138.2	169.9	
Interest	3.8	4.2	3.5	3.0	
Other Income	2.1	2.7	4.1	6.1	
PBT	83.8	111.7	138.7	173.0	
Growth (%)	48.2	33.4	24.2	24.7	
Tax	25.4	38.7	48.0	59.9	
Reported PAT	58.4	73.1	90.7	113.1	
Exceptional Items	-	-	-	-	
Adjusted PAT	58.4	73.1	90.7	113.1	
Growth (%)	55.7	25.1	24.2	24.7	
EPS	15.2	19.1	23.7	29.5	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY18E	FY19E	FY20E	FY21E	
Source of Funds					
Equity Capital	7.7	7.7	7.7	7.7	
Reserves & Surplus	199.2	260.7	336.2	433.9	
Shareholder's Fund	206.8	268.4	343.8	441.6	
Secured Loan	0.5	0.5	0.5	0.5	
Unsecured Loan	46.4	46.4	38.9	33.2	
Total Loan Funds	39.8	46.9	39.4	33.8	
Deferred Tax Liability	-	-	-	-	
Minority Interest	4.3	4.4	4.5	4.6	
Source of Funds	250.9	319.7	387.7	479.9	
Application of Funds					
Gross Block	183.6	215.5	258.9	313.6	
Less: Acc. Depreciation	23.4	29.6	37.1	46.2	
Net Block	160.3	185.9	221.7	267.3	
Capital WIP	0.0	0.0	0.1	0.1	
Total Fixed Assets	160.3	185.9	221.8	267.4	
Intangibles	1.8	2.7	2.7	2.7	
Investments	-	-	-	-	
Debtors	154.4	160.0	188.8	222.8	
Cash	12.2	41.4	57.1	84.6	
Loan & Advance, Other CA	15.3	16.4	18.0	19.8	
Total Current assets	181.8	217.8	263.9	327.2	
Creditors	64.6	54.5	64.0	75.5	
Other Current Liabilities	25.1	28.8	33.1	38.1	
Provisions	3.3	3.4	3.6	3.8	
Total CL and Provisions	92.9	86.7	100.7	117.4	
Net Working Capital	88.9	131.1	163.2	209.8	
Miscellaneous expense	-	-	-	-	
Application of Funds	250.9	319.7	387.7	479.9	

Source: Company, ICICI Direct Research

Cash flow statement		₹ Crore			
(Year-end March)	FY18E	FY19E	FY20E	FY21E	
Profit after Tax	58.4	73.1	90.7	113.1	
Less: Dividend Paid	(3.8)	(4.2)	(3.5)	(3.0)	
Add: Depreciation	5.2	6.2	7.5	9.1	
Add: Others	-	-	-	-	
Cash Profit	67.4	83.5	101.8	125.2	
Increase/(Decrease) in CL	43.7	(6.2)	14.0	16.7	
(Increase)/Decrease in CA	(42.1)	(6.4)	(30.0)	(35.3)	
CF from Operating Activities	72.0	70.6	85.3	106.1	
(Add) / Dec in Fixed Assets	(62.1)	(31.9)	(43.4)	(54.7)	
Goodwill	(0.2)	(0.9)	-	-	
(Inc)/Dec in Investments	-	-	-	-	
CF from Investing Activities	(62.3)	(32.8)	(43.4)	(54.7)	
Inc/(Dec) in Loan Funds	8.8	7.1	(7.5)	(5.6)	
Inc/(Dec) in Sh. Cap. & Res.	(12.4)	(11.5)	(15.3)	(15.3)	
Others	(2.8)	(4.2)	(3.4)	(2.9)	
CF from financing activities	(6.3)	(8.6)	(26.3)	(23.9)	
Change in cash Eq.	3.4	29.2	15.7	27.5	
Op. Cash and cash Eq.	8.8	12.2	41.4	57.1	
Cl. Cash and cash Eq.	12.2	41.3	57.1	84.6	

Source: Company, ICICI Direct Research

Key ratios		₹ Crore			
(Year-end March)	FY18E	FY19E	FY20E	FY21E	
Per share data (₹)					
Book Value	54.0	70.1	89.8	115.4	
EPS	15.2	19.1	23.7	29.5	
Cash EPS	16.6	20.7	25.7	31.9	
DPS	3.0	3.0	4.0	4.0	
Profitability & Operating Ratios					
EBITDA Margin (%)	10.2	11.3	11.6	12.1	
PAT Margin (%)	6.6	6.9	7.2	7.6	
Fixed Asset Turnover (x)	3.6	3.4	3.3	3.1	
Debtor (Days)	55.2	55.0	55.0	55.0	
Current Liabilities (Days)	28.0	25.0	25.0	25.0	
Return Ratios (%)					
RoE	31.8	30.8	29.6	28.8	
RoCE	38.3	39.7	39.1	39.2	
RoIC	23.7	23.2	23.7	23.8	
Valuation Ratios (x)					
P/E	42.3	33.8	27.2	21.8	
Price to Book Value	11.9	9.2	7.2	5.6	
EV/EBITDA	27.6	20.7	16.8	13.5	
EV/Sales	2.8	2.3	2.0	1.6	
Leverage & Solvency Ratios					
Debt to equity (x)	0.2	0.2	0.1	0.1	
Interest Coverage (x)	22.7	26.8	39.0	55.9	
Debt to EBITDA (x)	0.4	0.4	0.3	0.2	
Current Ratio	1.8	2.0	2.1	2.1	
Quick ratio	1.8	2.0	2.1	2.1	

Source: Company, ICICI Direct Research

## ICICI Direct coverage universe (Logistics)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)			
	(₹)	TP(₹)	Rating		FY17	FY18	FY19E	FY20E	FY17	FY18	FY19E	FY20E	FY17	FY18	FY19E	FY20E	FY17	FY18	FY19E	FY20E
Container Corporation	493	625	BUY	30,036	22.0	22.0	24.5	29.8	28.9	28.9	25.9	21.3	8.6	6.9	5.8	4.6	9.8	11.4	12.5	13.5
Transport Corp. of India	285	360	BUY	2,185	10.7	16.1	22.0	27.3	25.2	16.8	12.3	9.9	14.4	11.0	8.4	7.0	10.7	13.4	15.1	15.8
BlueDart	3,069	3,650	BUY	7,282	58.9	60.9	34.2	64.4	47.3	45.7	81.5	43.2	19.5	18.6	24.4	16.9	32.2	29.3	17.9	28.2
Gati Ltd.	69	75	Hold	749	1.2	3.2	1.2	2.6	59.1	22.6	60.9	27.8	9.2	13.7	11.6	8.2	7.6	6.0	7.2	10.3
Gujarat Pipavav	83	100	BUY	3,991	5.8	4.6	4.9	5.5	17.3	22.1	20.7	18.4	10.8	11.9	11.2	10.5	14.0	12.1	12.3	13.0
TCI Express	617	780	BUY	2,362	9.8	15.2	19.5	24.4	65.9	42.3	33.1	26.4	40.3	27.6	20.8	16.6	31.9	38.3	38.3	36.4

Source: Company, ICICI Direct Research

## **RATING RATIONALE**

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorises them as Strong Buy, Buy, Hold and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock.

Strong Buy: > 15%/20% for large caps/midcaps, respectively, with high conviction;

Buy: > 10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
**research@icicidirect.com****



## ANALYST CERTIFICATION

We /I, Bharat Chhoda MBA (Finance), Harshal Mehta MTech (Biotech) Research Analysts, 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. 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. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

## Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a Sebi registered Research Analyst with Sebi Registration Number – INH000000990. ICICI Securities Limited Sebi Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com)

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities 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.

ICICI Securities 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.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates 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 ICICI Securities nor Research Analysts and their relatives 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.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.