

May 24, 2020

## Q4FY20 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	BUY		BUY	
Target Price	6,010		5,151	
Sales (Rs. m)	40,100	43,709	38,749	42,236
% Chng.	3.5	3.5		
EBITDA (Rs. m)	8,862	9,441	8,294	8,933
% Chng.	6.8	5.7		
EPS (Rs.)	154.9	171.7	142.9	156.1
% Chng.	8.3	10.0		

### Key Financials - Standalone

Y/e Mar	FY19	FY20	FY21E	FY22E
Sales (Rs. m)	31,673	36,094	40,100	43,709
EBITDA (Rs. m)	4,811	7,264	8,862	9,441
Margin (%)	15.2	20.1	22.1	21.6
PAT (Rs. m)	3,371	6,047	6,959	7,717
EPS (Rs.)	98.2	134.6	154.9	171.7
Gr. (%)	26.2	37.0	15.1	10.9
DPS (Rs.)	18.0	25.0	32.5	39.5
Yield (%)	0.4	0.6	0.7	0.9
RoE (%)	16.8	25.1	23.2	20.2
RoCE (%)	21.8	27.5	27.1	22.5
EV/Sales (x)	4.6	5.2	4.6	4.0
EV/EBITDA (x)	30.5	26.0	20.7	18.6
PE (x)	45.3	33.1	28.7	25.9
P/BV (x)	6.8	7.8	5.8	4.7

### Key Data

### BYAYE.BO | BYRCS IN

52-W High / Low	Rs.4,666 / Rs.2,925
Sensex / Nifty	30,673 / 9,039
Market Cap	Rs.200bn/ \$ 2,633m
Shares Outstanding	45m
3M Avg. Daily Value	Rs.222.26m

### Shareholding Pattern (%)

Promoter's	71.43
Foreign	2.17
Domestic Institution	13.86
Public & Others	12.53
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	11.3	20.4	9.1
Relative	13.8	58.4	39.2

### Prashant Biyani

prashantbiyani@plindia.com | 91-22-66322260

## Solid results, Robust outlook

### Quick Pointers:

- Macro tailwinds led to superior growth in 4Q
- Integration well on track
- CP to drive growth in FY21

**BYRCS reported solid results, topline grew by 82% YoY driven by high corn portfolio sales and sharp growth in CP segment. Massive sales return in 4QFY19 (57% revenue decline in 4QFY19 for core-BYRCS) led to favourable base but even excluding that growth is expected to be ~15-20% in CP. EBITDA (Rs582mn) and APAT (Rs601mn) reversed into profits from losses last year. While full year results are not comparable, the underlying growth was driven by robust corn portfolio sales, decent performance of CP business and leveraging synergy benefits of Monsanto portfolio. We expect 10% revenue CAGR for the next 2 years mainly driven by turnaround in the CP business and continued leveraging of Corn portfolio. PAT/APAT CAGR of 28%/13% will be largely driven by synergy & operating leverage benefits, then marginally by gross margin expansion. We have upgraded our topline/EBITDA/APAT estimates by 3.5%/7%/8% for FY21E and 3.5%/6%/10% for FY22E and increased our target multiple from 33x to 35x considering turnaround compelled by new management and robust free cashflow generation. Maintain Buy with revised target price of Rs 6010 (Previous 5151).**

**Macro tailwinds led to superior growth in 4Q:** Sufficient water reservoir levels, stable commodity prices, favourable climatic conditions and strong portfolio performance in corn and horticulture aided growth in 4Q.

**Integration well on track:** Integration with Monsanto is well on track and has led to (a) savings in employee cost (b) benefitting overall product portfolio (c) Rationalisation in other expenses.

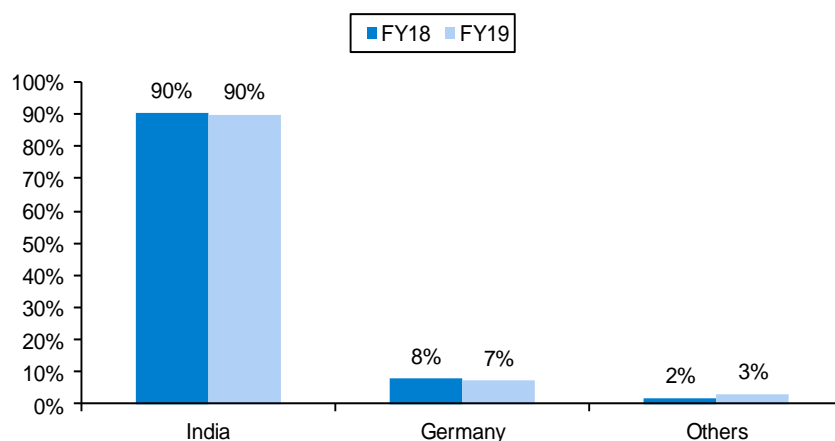
**Focus shifts from placement to liquidation and timely collection of receivables:** BYRCS has shifted its focus from channel placement driven growth to monitoring the liquidation at retail level before placing materials. The move will restrict unnecessary channel filling amidst tepid demand while keeping vigil on inventory and receivables.

**Bayer to support scaling up of FPOs:** Bayer views agri-reforms announced by the govt as transformational, making India more self-reliant. The company plans to support scaling up of FPOs via collaborations and digital farming solutions.

**Exhibit 1: Sharp uptick in revenue driven by both agrochemical and seeds segment**

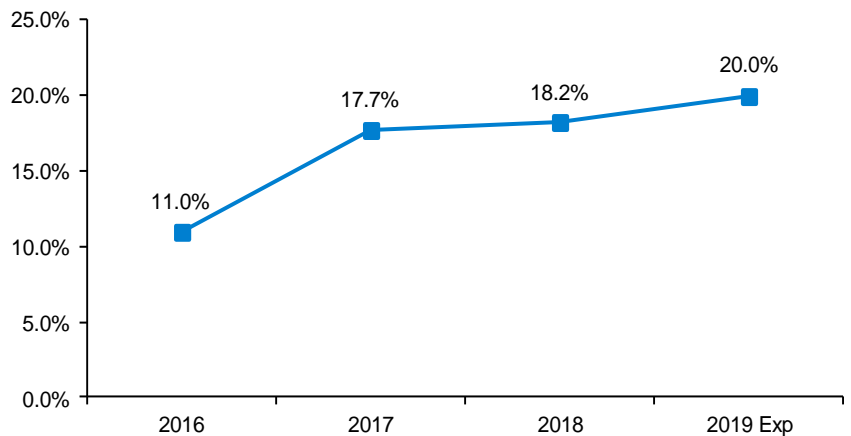
Y/e March	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)	FY20	FY19	YoY gr. (%)
<b>Net Sales</b>	<b>4,587</b>	<b>2,522</b>	<b>81.9</b>	<b>8,540</b>	<b>(46.3)</b>	<b>36,094</b>	<b>30,930</b>	<b>16.7</b>
<b>Expenditure</b>								
Raw Materials	1,912	889	115.1	4,609	(58.5)	19,098	16,214	17.8
<i>% of Net Sales</i>	<i>41.7</i>	<i>35.2</i>		<i>54.0</i>				
Employee Cost	938	1,063	(11.8)	801	17.1	3,616	3,599	0.5
<i>% of Net Sales</i>	<i>20.4</i>	<i>42.1</i>		<i>9.4</i>				
Other Expenses	1,155	1,496	(22.8)	1,527	(24.4)	6,116	6,507	(6.0)
<i>% of Net Sales</i>	<i>25.2</i>	<i>59.3</i>		<i>17.9</i>				
Total Expenditure	4,005	3,448	16.2	6,937	(42.3)	28,830	26,320	9.5
<b>EBITDA</b>	<b>582</b>	<b>(926)</b>	<b>(162.9)</b>	<b>1,603</b>	<b>(63.7)</b>	<b>7,264</b>	<b>4,610</b>	<b>57.6</b>
<i>Margin (%)</i>	<i>12.7</i>	<i>-36.7</i>		<i>18.8</i>				
Depreciation	191	116	64.7	149	28.2	653	430	51.9
<b>EBIT</b>	<b>391</b>	<b>(1,042)</b>	<b>(137.5)</b>	<b>1,454</b>	<b>(73.1)</b>	<b>6,611</b>	<b>4,180</b>	<b>58.2</b>
Interest	26	5	420.0	36	(27.8)	138	105	31.4
Other Income	178	97	83.5	194	(8.2)	660	520	26.9
Exceptional	-286	0	NA	29	(1,086.2)	-1,302	0	NA
<b>PBT</b>	<b>257</b>	<b>(950)</b>	<b>(127.1)</b>	<b>1,641</b>	<b>(84.3)</b>	<b>5,831</b>	<b>4,595</b>	<b>26.9</b>
Tax	(58)	(379)	(84.7)	262	(122.1)	1,086	1,395	(22.2)
<i>Tax Rate (%)</i>	<i>-22.6</i>	<i>39.9</i>		<i>16.0</i>				
<b>RPAT</b>	<b>315</b>	<b>(571)</b>	<b>(155.2)</b>	<b>1,379</b>	<b>(77.2)</b>	<b>4,745</b>	<b>3,200</b>	<b>48.3</b>
<b>APAT</b>	<b>601</b>	<b>(571)</b>	<b>(205.3)</b>	<b>1,350</b>	<b>(55.5)</b>	<b>6,047</b>	<b>3,200</b>	<b>89.0</b>
O/S Shares	44.9	34.3	30.9	44.9	-	44.9	34.3	30.9
<b>Adj. EPS</b>	<b>13.4</b>	<b>(16.6)</b>	<b>(180.4)</b>	<b>30.0</b>	<b>(55.5)</b>	<b>134.6</b>	<b>93.2</b>	<b>44.4</b>

Source: Company, PL

**Exhibit 2: Geographical Break up of revenue (Excl Monsanto)**


Source: Company, PL

**Exhibit 3: Innovation Turnover Index is stable ~18-20% (Excl Monsanto)**



Source: Company, PL

**Exhibit 4: Launch timeline of Crop protection products**

FY13	FY14	FY15	FY16	FY17	FY18	FY19
Nativo	Lesenta	Raxil easy	Profiler	Luna Experience	Sivanto Price	Infito
Confidor		Luna	Laudis		Movento OD	Velum Prime
Regent	Solomon			Movento Energy	Regent Ultra	Evergol Xtend
Fame		Sivanto	Belt expert		Simbola	Ambition
					Ernesto Prime	Alion Plus
						Council Activ

Source: Company, PL

**Exhibit 5: Launch timeline of products in seed segment**

FY13	FY14	FY15	FY16	FY17	FY18	FY19
Arize 6444 Gold (rice)	ProAgro 5222 (Hybrid mustard)	Arize Swift Gold (Rice)	Arize Diamond (Rice)	Arize AZ 8433 DT (Rice)	Arize AZ 6633 (Rice)	Arize AZ 6741 (Rice)
ProAgro 5121 (Mustard)		Arize 6201 Gold (rice)	Arize Bold (Rice)	ArizeAZ 6453 (Rice)		Arize AZ 6565 (Rice)
ProAgro 7701 Gold (Millet)		ProAgro 5111 (Mustard)	Arize Xpress (Rice)	Arize AZ 6508 (Rice)		Proagro PA 5210 (Mustard)
ProAgro 9450 (Millet)			Arize Nano (Rice)	Proagro PA 9072 (Millet)		Proagro PA 9180 (Mustard)
Arize 6129 gold (rice)			Arize Idea (Rice)			
SurPass- First Class (cotton)			Arize Tej Gold (Rice)			
ProAgro 9444 Gold (Hybrid millet)			Surpass Superb BGII (Sp 7517 BGII) (Cotton)			
			Proagro Marutej (Millet)			
			Proagro 9001 (Millet)			
			Proagro Kesari Gold (Millet)			

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY19	FY20	FY21E	FY22E
<b>Net Revenues</b>	<b>31,673</b>	<b>36,094</b>	<b>40,100</b>	<b>43,709</b>
YoY gr. (%)	16.9	14.0	11.1	9.0
Cost of Goods Sold	16,614	19,098	21,053	22,947
Gross Profit	15,059	16,996	19,048	20,762
Margin (%)	47.5	47.1	47.5	47.5
Employee Cost	3,642	3,616	3,689	4,152
Other Expenses	6,606	6,116	6,496	7,168
<b>EBITDA</b>	<b>4,811</b>	<b>7,264</b>	<b>8,862</b>	<b>9,441</b>
YoY gr. (%)	17.5	51.0	22.0	6.5
Margin (%)	15.2	20.1	22.1	21.6
Depreciation and Amortization	438	653	731	819
<b>EBIT</b>	<b>4,373</b>	<b>6,611</b>	<b>8,131</b>	<b>8,622</b>
Margin (%)	13.8	18.3	20.3	19.7
Net Interest	104	138	75	50
Other Income	531	660	866	1,322
<b>Profit Before Tax</b>	<b>4,800</b>	<b>5,831</b>	<b>8,922</b>	<b>9,894</b>
Margin (%)	15.2	16.2	22.2	22.6
Total Tax	1,429	1,086	1,963	2,177
Effective tax rate (%)	29.8	18.6	22.0	22.0
<b>Profit after tax</b>	<b>3,371</b>	<b>4,745</b>	<b>6,959</b>	<b>7,717</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>3,371</b>	<b>6,047</b>	<b>6,959</b>	<b>7,717</b>
YoY gr. (%)	26.2	79.4	15.1	10.9
Margin (%)	10.6	16.8	17.4	17.7
Extra Ord. Income / (Exp)	-	(1,302)	-	-
<b>Reported PAT</b>	<b>3,371</b>	<b>4,745</b>	<b>6,959</b>	<b>7,717</b>
YoY gr. (%)	12.3	40.8	46.7	10.9
Margin (%)	10.6	13.1	17.4	17.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,371	4,745	6,959	7,717
<b>Equity Shares O/s (m)</b>	<b>34</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>EPS (Rs)</b>	<b>98.2</b>	<b>134.6</b>	<b>154.9</b>	<b>171.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY19	FY20	FY21E	FY22E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>5,482</b>	<b>6,418</b>	<b>6,818</b>	<b>7,218</b>
Tangibles	5,379	6,265	6,613	7,001
Intangibles	103	153	205	217
<b>Acc: Dep / Amortization</b>	<b>1,080</b>	<b>1,733</b>	<b>2,464</b>	<b>3,283</b>
Tangibles	1,003	1,609	2,289	3,049
Intangibles	77	124	176	234
<b>Net fixed assets</b>	<b>4,402</b>	<b>4,685</b>	<b>4,354</b>	<b>3,935</b>
Tangibles	4,376	4,655	4,325	3,952
Intangibles	26	30	29	(18)
Capital Work In Progress	472	559	623	623
Goodwill	-	-	-	-
Non-Current Investments	187	202	241	262
Net Deferred tax assets	89	270	270	270
Other Non-Current Assets	2,544	2,497	2,887	3,147
<b>Current Assets</b>				
Investments	-	408	2,000	2,000
Inventories	11,570	9,635	10,986	11,975
Trade receivables	6,986	7,180	8,020	8,742
Cash & Bank Balance	5,820	10,710	14,930	22,128
Other Current Assets	2,954	2,120	3,008	3,278
<b>Total Assets</b>	<b>35,403</b>	<b>38,087</b>	<b>47,450</b>	<b>56,527</b>
<b>Equity</b>				
Equity Share Capital	343	449	449	449
Other Equity	22,051	25,276	33,883	41,769
<b>Total Network</b>	<b>22,394</b>	<b>25,725</b>	<b>34,332</b>	<b>42,218</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	1,218	1,100	1,283	1,399
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	15	-	-
Trade payables	6,442	4,749	4,944	5,389
Other current liabilities	5,437	6,630	7,018	7,649
<b>Total Equity &amp; Liabilities</b>	<b>35,403</b>	<b>38,087</b>	<b>47,450</b>	<b>56,527</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY19	FY20	FY21E	FY22E
PBT	4,800	5,831	8,922	9,894
Add. Depreciation	438	653	731	819
Add. Interest	104	138	75	50
Less Financial Other Income	531	660	866	1,322
Add. Other	131	(187)	(924)	(1,430)
Op. profit before WC changes	5,473	6,435	8,804	9,333
Net Changes-WC	902	281	(1,027)	(399)
Direct tax	(2,047)	(1,359)	(981)	(1,088)
<b>Net cash from Op. activities</b>	<b>4,328</b>	<b>5,357</b>	<b>6,796</b>	<b>7,845</b>
Capital expenditures	(545)	(279)	(464)	(400)
Interest / Dividend Income	139	201	866	1,322
Others	(3,741)	(211)	(1,780)	(58)
<b>Net Cash from Inv. activities</b>	<b>(4,147)</b>	<b>(289)</b>	<b>(1,377)</b>	<b>864</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	15	-	-
Dividend paid	(1,530)	(1,231)	(1,124)	(1,461)
Interest paid	(53)	(24)	(75)	(50)
Others	(12)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(1,595)</b>	<b>(1,240)</b>	<b>(1,199)</b>	<b>(1,511)</b>
<b>Net change in cash</b>	<b>(1,414)</b>	<b>3,828</b>	<b>4,220</b>	<b>7,198</b>
Free Cash Flow	3,726	4,944	6,332	7,445

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY20	Q2FY20	Q3FY20	Q4FY20
<b>Net Revenue</b>	<b>9,504</b>	<b>13,463</b>	<b>8,540</b>	<b>4,587</b>
YoY gr. (%)	14.3	9.1	10.2	81.9
Raw Material Expenses	4,777	7,800	4,609	1,912
Gross Profit	4,727	5,663	3,931	2,675
Margin (%)	49.7	42.1	46.0	58.3
<b>EBITDA</b>	<b>2,018</b>	<b>3,061</b>	<b>1,603</b>	<b>582</b>
YoY gr. (%)	(12.2)	27.0	93.6	(162.9)
Margin (%)	21.2	22.7	18.8	12.7
Depreciation / Depletion	140	173	149	191
<b>EBIT</b>	<b>1,878</b>	<b>2,888</b>	<b>1,454</b>	<b>391</b>
Margin (%)	19.8	21.5	17.0	8.5
Net Interest	29	47	36	26
Other Income	186	102	194	178
<b>Profit before Tax</b>	<b>1,777</b>	<b>2,156</b>	<b>1,641</b>	<b>257</b>
Margin (%)	18.7	16.0	19.2	5.6
Total Tax	424	458	262	(58)
Effective tax rate (%)	23.9	21.2	16.0	(22.6)
<b>Profit after Tax</b>	<b>1,353</b>	<b>1,698</b>	<b>1,379</b>	<b>315</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,611</b>	<b>2,485</b>	<b>1,350</b>	<b>601</b>
YoY gr. (%)	9.4	49.0	113.9	(205.3)
Margin (%)	17.0	18.5	15.8	13.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,611</b>	<b>2,485</b>	<b>1,350</b>	<b>601</b>
YoY gr. (%)	9.4	49.0	113.9	(205.3)
Margin (%)	17.0	18.5	15.8	13.1
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,611</b>	<b>2,485</b>	<b>1,350</b>	<b>601</b>
Avg. Shares O/s (m)	34	34	45	45
<b>EPS (Rs)</b>	<b>46.9</b>	<b>72.4</b>	<b>30.0</b>	<b>13.4</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY19	FY20	FY21E	FY22E
<b>Per Share(Rs)</b>				
EPS	98.2	134.6	154.9	171.7
CEPS	110.9	149.1	171.1	189.9
BVPS	652.3	572.4	763.9	939.4
FCF	108.5	110.0	140.9	165.7
DPS	18.0	25.0	32.5	39.5
<b>Return Ratio(%)</b>				
RoCE	21.8	27.5	27.1	22.5
ROIC	21.5	41.5	48.4	47.5
RoE	16.8	25.1	23.2	20.2
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.5)	(0.6)
Net Working Capital (Days)	140	122	128	128
<b>Valuation(x)</b>				
PER	45.3	33.1	28.7	25.9
P/B	6.8	7.8	5.8	4.7
P/CEPS	40.1	29.8	26.0	23.4
EV/EBITDA	30.5	26.0	20.7	18.6
EV/Sales	4.6	5.2	4.6	4.0
Dividend Yield (%)	0.4	0.6	0.7	0.9

Source: Company Data, PL Research



## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	16-Apr-20	BUY	5,151	3,818
2	04-Feb-20	BUY	5,288	4,255
3	03-Jan-20	Hold	3,700	3,730
4	03-Oct-19	Hold	3,699	3,350
5	23-Jul-19	Hold	3,590	3,280
6	16-Jul-19	Hold	3,783	3,400
7	08-Jul-19	Hold	3,783	3,402
8	04-Jul-19	Hold	3,783	3,359
9	31-May-19	Hold	3,783	3,815

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	5,151	3,818
2	Dhanuka Agritech	BUY	519	457
3	Godrej Agrovet	BUY	461	387
4	Insecticides India	BUY	730	401
5	P.I. Industries	Hold	1,430	1,454
6	Rallis India	Accumulate	246	222
7	Sharda Cropchem	Accumulate	218	149
8	Sumitomo Chemical India	Accumulate	259	211
9	UPL	BUY	542	363

## PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



## ANALYST CERTIFICATION

### (Indian Clients)

We/I, Mr. Prashant Biyani- CA 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.

### (US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## DISCLAIMER

### Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Prashant Biyani- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, 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 subject company 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 subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

### **Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

[www.plindia.com](http://www.plindia.com)