

ITC

24 January 2019

Reuters: ITC.NS; Bloomberg: ITC IN

Performance In Line With Expectations

Operating earnings were in line with our expectation at Rs 32bn, implying a growth of 11%, while PAT at Rs32 bn grew 26.4%. Revenue and PAT were higher on account of agri business and higher other income. Core (cigarette) business trend was fairly similar to the previous quarter with volume growth of 7%. Other divisions, namely FMCG and hotels, delivered low double-digit growth whereas paperboards, paper and packaging (PPP) and agri business reported a superior performance with 21% and 25% growth, respectively. Margins in all the segments were largely in line whereas there was a healthy improvement in margins of FMCG business. EBIT margin remained unchanged sequentially and EBIT growth for the quarter was 10%. Increase in non-core business was 17%. ITC may potentially consider a price revision to its portfolio, but that will largely offset the potential decline expected in volume growth rate. On an aggregate basis, we do not expect any major changes to our estimates and have retained Accumulate rating on ITC with a target price of Rs310, indicating an upside of 12% from the CMP.

Overall revenues in line with expectations: ITC's revenues grew 14.9%YoY, wherein cigarette business reported 9% growth mainly on account of a favourable base. Cigarette volume growth was fairly similar to the previous quarter, with volume growth coming at 7%. Other divisions, namely FMCG and hotels, paper and packaging delivered low double-digit growth whereas PPP and agri business reported a superior performance with 21% and 25% growth, respectively.

Margins in line with expectations: EBITDA grew 11% YoY and the margin deteriorated by 140bps YoY. Operating margin stood at 39%, thereby contracting 140bps. Cigarette margin was lower by 80bps. FMCG business margin showed an improvement, whereas PPP maintained its growth trajectory. Hotel business EBITDA grew 20% on account of higher room rates and higher F&B sales.

Outlook and valuation: Overall, we believe that ITC may potentially consider a price revision to its portfolio, but that will largely offset the potential decline expected in volume growth rate. On an aggregate basis, we do not expect any major changes to our estimates. We expect all other segments to continue to perform well, but they are still in an investment phase and will have little impact on overall earnings.

Therefore, after a marginal revision of our earnings estimates, we have retained Accumulate rating on ITC with an unchanged target price of Rs310, indicating an upside of 12% from the CMP. Our target price is based on SOTP valuation.

ACCUMULATE
Sector: FMCG

CMP: Rs277

Target Price: Rs310

Upside: 12%

Vijay Chugh

Research Analyst

vijay.chugh@nirmalbang.com

+91-22-6273 8064

Key Data

Current Shares O/S (mn)	12,245.5
Mkt Cap (Rsbn/US\$bn)	3,395.7/47.6
52 Wk H / L (Rs)	323/251
Daily Vol. (3M NSE Avg.)	10,156,110

Price Performance (%)

	1 M	6 M	1 Yr
ITC	0.2	(2.4)	0.3
Nifty Index	0.7	(2.3)	(2.3)

Source: Bloomberg

Y/E March (Rsmn)	3QFY18	2QFY19	3QFY19	YoY (%)	QoQ (%)	9MFY18	9MFY19	YoY (%)
Net sales	97,720	110,689	112,277	14.9	1.4	300,408	330,035	9.9
COGS	35,810	42,797	43,005	20.1	0.5	117,734	126,896	7.8
% of sales	36.6	38.7	38.3	170bps	(40)bps	39.2	38.4	(70)bps
Gross margin %	63.4	61.3	61.7	(170)bps	40bps	60.8	61.6	70bps
Employee costs	5,950	5,963	6,292	5.7	5.5	18,762	19,685	4.9
% of sales	6.1	5.4	5.6	(50)bps	20bps	6.2	6.0	(30)bps
Other expenses	16,915	19,869	19,722	16.6	(0.7)	49,788	56,117	12.7
% of sales	17.3	18.0	17.6	30bps	(40)bps	16.6	17.0	40bps
EBITDA	39,045	42,060	43,258	10.8	2.8	114,124	127,338	11.6
EBITDA margin %	40.0	38.0	38.5	(140)bps	50bps	38.0	38.6	60bps
Depreciation	2,908	3,275	3,354	15.3	2.4	8,414	9,615	14.3
EBIT	36,138	38,785	39,904	10.4	2.9	105,710	117,723	11.4
EBIT margin %	37.0	35.0	35.5	(140)bps	50bps	35.2	35.7	50bps
Interest expenses	240	135	56	(76.6)	(58.4)	634	265	(58.3)
Other income	6,269	5,041	8,364	33.4	65.9	15,979	17,444	9.2
Exceptional items	4,129	-	-	(100.0)	-	4,129	-	(100.0)
PBT	46,296	43,691	48,212	4.1	10.3	125,184	134,902	7.8
Tax	15,394	14,145	16,121	4.7	14.0	42,279	45,078	6.6
Effective tax rate %	33.3	32.4	33.4	20bps	110bps	33.8	33.4	(40)bps
PAT	30,902	29,547	32,091	3.8	8.6	82,905	89,824	8.3
Adj. PAT	25,398	29,547	32,091	26.4	8.6	102,009	106,729	4.6
PAT margin %	24.4	25.5	26.6	220bps	110bps	32.2	30.7	(150)bps
EPS	2.1	2.4	2.6	26.4	8.6	6.4	7.4	16.0

Source: Company, Nirmal Bang Institutional Equities Research

Please refer to the disclaimer towards the end of the document.

Exhibit 1: Financial summary

Y/E March (Rsmn)	FY17	FY18	FY19E	FY20E	FY21E
Net sales	400,887	406,275	443,788	500,994	542,443
YoY growth (%)	9.6	1.3	9.2	12.9	8.3
EBITDA	145,780	155,564	172,157	196,858	216,245
EBITDA margin (%)	36.4	38.3	38.8	39.3	39.9
Reported PAT	102,009	112,233	121,104	135,384	149,009
Adjusted PAT	102,009	106,729	121,104	135,384	149,009
EPS	8.4	8.8	10.0	11.1	12.3
YoY change (%)	8.8	4.6	13.5	11.8	0.0
RoCE (%)	31.1	29.8	29.7	31.3	32.5
RoE (%)	23.5	22.1	22.6	23.1	24.0
P/E (x)	36.7	32.0	28.2	25.2	22.9
P/B (x)	8.3	6.6	6.1	5.6	5.4
EV/EBITDA (x)	24.8	21.1	19.0	16.5	15.0

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Our estimates versus actual performance

Y/E March (Rsmn)	3QFY18	2QFY19	3QFY19	YoY (%)	Q-o-Q (%)	NBIE Estimates	Deviation (%)
Net sales	97,720	110,689	112,277	14.9	1.4	107,736	4.2
EBITDA	39,045	42,060	43,258	10.8	2.8	42,879	0.9
EBITDA (%)	40.0	38.0	38.5	(140)bps	50bps	39.8	(130)bps
PAT	30,902	29,547	32,091	3.8	8.6	30,537	5.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Change in our estimates

Y/E March (Rsmn)	Old estimates			New estimates			Change (%)		
	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Net sales	439,248	494,378	535,373	443,788	500,994	542,443	1.0	1.3	1.3
EBITDA	171,778	194,198	213,361	172,157	196,858	216,245	0.2	1.4	1.4
EBITDA (%)	39.1	39.3	40	38.8	39.3	39.9	(30)bps	-	-
PAT	119,090	133,713	146,876	121,104	135,384	149,009	1.7	1.2	1.5

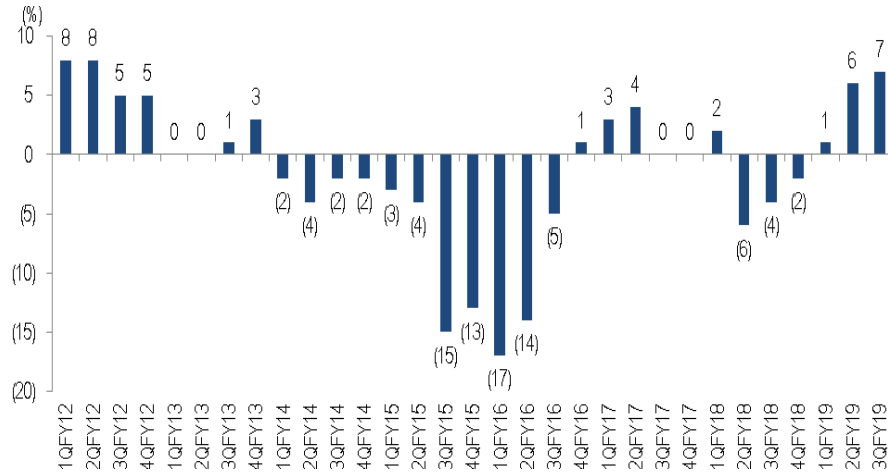
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Category-wise performance

Particulars	3QFY17	4QFY17	FY17	1QFY18	2QFY18	3QFY18	4QFY18	FY18	1QFY19	2QFY19	3QFY19
Revenues from operations (Rsmn)	Gross	Gross		Gross	Net	Net	Net		Net	Net	
Agri business	16,719	19,185	82,646	27,605	19,680	15,309	18,083	80,677	31,513	22,197	19,246
Cigarette	82,880	89,549	340,020	87,742	45,542	46,292	49,365	228,940	51,276	50,261	50,734
FMCG(others)	25,693	28,858	105,118	26,009	28,041	28,718	30,518	113,286	28,700	31,604	32,010
Hotel	3,705	3,865	13,417	3,049	3,002	4,044	4,080	14,175	3,413	3,626	4,519
Paper board, paper & packaging	13,358	13,727	53,629	13,598	13,094	12,796	13,008	52,496	13,558	14,245	15,425
Total	142,355	155,184	594,830	158,003	109,359	107,159	115,054	489,574	128,460	121,932	121,933
Less Inter-segment revenues	7,646	6,357	44,813	20,781	12,597	8,631	7,996	50,005	21,238	10,983	8,532
Sales	134,709	148,828	550,017	137,222	96,762	98,527	107,058	439,569	107,222	110,949	113,402
Sales proportion (%)											
Agri business	12.4	12.9	15.0	20.1	20.3	15.5	16.9	18.4	29.4	20.7	17.9
Cigarette	61.5	60.2	61.8	63.9	47.1	47.0	46.1	52.1	47.8	46.9	47.3
FMCG(others)	19.1	19.4	19.1	19.0	29.0	29.1	28.5	25.8	26.8	29.5	29.9
Hotel	2.8	2.6	2.4	2.2	3.1	4.1	3.8	3.2	3.2	3.4	4.2
Paper board, paper & packaging	9.9	9.2	9.8	9.9	13.5	13.0	12.2	11.9	12.6	13.3	14.4
Total	105.7	104.3	108.1	115.1	113.0	108.8	107.5	111.4	119.8	109.9	107.5
Less Inter-segment revenues	5.7	4.3	8.1	15.1	13.0	8.8	7.5	11.4	19.8	9.9	7.5
Net sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Growth YoY (segment-wise) (%)											
Agri business	12.9	6.2	10.8	(1.2)	4.7	(8.4)	(5.7)	(2.4)	14.2	12.8	25.7
Cigarette	89.2	93.0	94.5	6.6	(46.6)	(44.1)	(44.9)	(32.7)	(41.6)	10.4	9.6
FMCG(others)	3.7	6.7	8.3	9.0	5.0	11.8	5.8	7.8	10.3	12.7	11.5
Hotel	7.3	6.5	4.3%	6.1	1.0	9.2	5.6	5.6	11.9	20.8	11.7
Paper board, paper & packaging	6.0	10.9	6.9	2.8	(1.7)	(4.2)	(5.2)	(2.1)	(0.3)	8.8	20.5
EBIT (Rsmn)											
Agri business	2,366	1,349	9,058	2,351	2,562	2,333	1,240	8,486	1,945	2,361	1,988
Cigarette	30,337	32,588	125,139	32,741	32,917	32,693	35,058	133,408	35,584	35,791	35,577
FMCG(others)	(197)	556	281	54	205	470	912	1,641	501	585	767
Hotel	422	669	1,110	53	42	548	755	1,398	132	156	603
Paper board, paper & packaging	2,460	2,402	9,658	2,573	2,742	2,683	2,424	10,422	2,957	3,109	3,321
EBIT	35,388	37,563	145,246	37,773	38,468	38,726	40,388	155,355	41,119	42,001	42,256
Less: Interest	136	(-115)	230	104	290	240	232	867	73	135	56
Net other unallocable expenses	(4,290)	(2,793)	(10,013)	(1,777)	(1,265)	(7,810)	(3,177)	(14,028)	(1,954)	-1,826	-6,013
Total profit before tax	39,542	40,471	155,030	39,446	39,443	46,296	43,333	168,517	42,999	43,691	48,212
EBIT growth (%)											
Agri business	2.2	(22.7)	(3.0)	(0.9)	(13.7)	(1.4)	(8.1)	(6.3)	(17.3)	(7.9)	(14.8)
Cigarette	1.7	8.0	6.5	9.0	2.3	7.8	7.6	6.6	8.7	8.7	8.8
FMCG(others)	N.R.	(21.6)	(60.1)	N.R.	N.R.	N.R.	64.2	483.6	823.0	185.3	63.1
Hotel	63.2	56.9	99.2	335.2	552.3	29.9	12.8	26.0	149.0	267.0	10.1
Paper board, paper & packaging	2.1	18.3	6.4	3.9	18.2	9.0	0.9	7.9	14.9	13.4	23.8
EBIT margin (%)											
Agri business	14.2	7.0	11.0	8.5	13.0	15.2	6.9	10.5	6.2	10.6	10.3
Cigarette	36.6	36.4	36.8	37.3	72.3	70.6	71.0	58.3	69.4	71.2	70.1
FMCG(others)	(0.8)	1.9	0.3	0.2	0.7	1.6	3.0	1.4	1.7	1.8	2.4
Hotel	11.4	17.3	8.3	1.7	1.4	13.5	18.5	9.9	3.9	4.3	13.3
Paper board, paper & packaging	18.4	17.5	18.0	18.9	20.9	21.0	18.6	19.9	21.8	21.8	21.5
Capital employed (Rsmn)											
Agri business	17,493	21,957	21,957	27,248	17,314	19,590	25,072	25,072	25,610	23,733	27,012
Cigarette	47,937	55,467	55,467	44,294	39,733	31,446	33,321	33,321	32,113	38,469	36,336
FMCG(others)	51,817	57,067	57,067	65,082	59,952	55,571	57,167	57,167	67,115	63,884	61,334
Hotel	45,867	46,622	46,622	48,008	48,770	48,897	49,991	49,991	50,921	51,928	52,330
Paper board, paper & packaging	57,079	56,989	56,989	57,841	60,252	60,291	59,527	59,527	60,970	61,078	61,345
Unallocated	199,455	215,308	215,308	239,740	219,726	263,765	288,923	288,923	307,725	264,404	302,890
Total	419,647	453,410	453,410	482,213	445,746	479,560	514,000	514,000	544,455	503,496	541,245

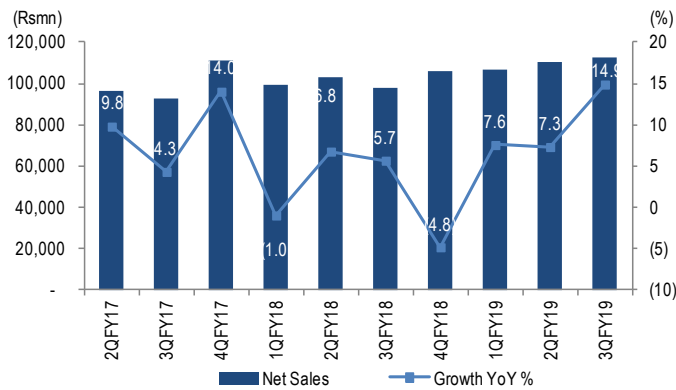
Note: The above numbers are reported numbers. Following the change in accounting treatment, these numbers are not comparable as the base quarter numbers have not been restated;
 Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Cigarette volume trend



Source: Nirmal Bang Institutional Equities Research Estimates

Exhibit 6: Top-line performance



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Operating profit growth



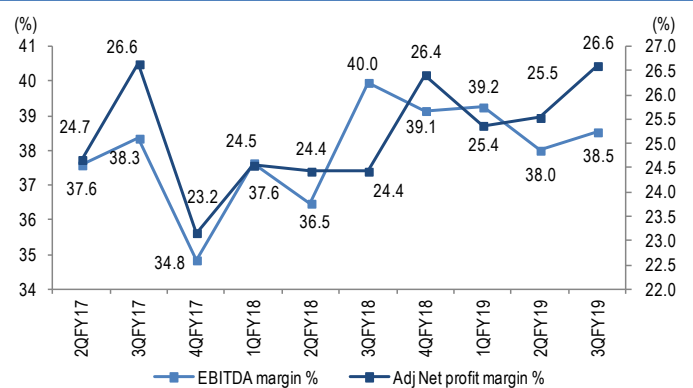
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Net income trend

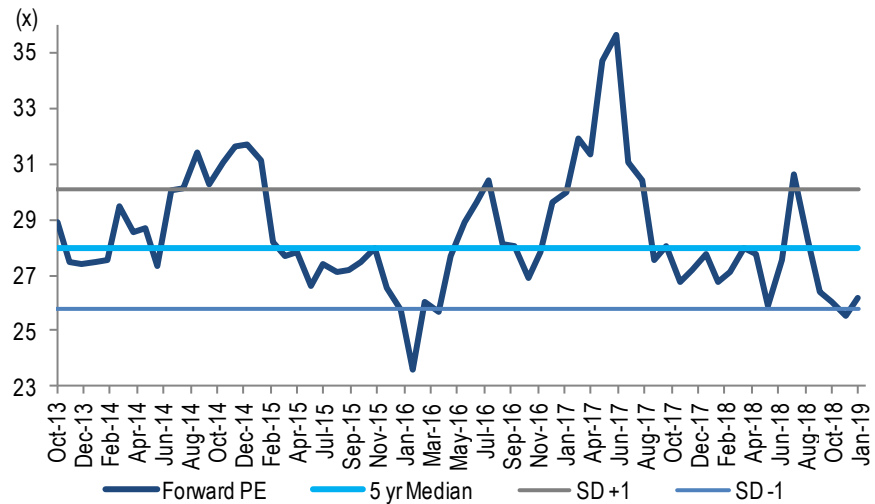


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Margin trend



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: One-year forward P/E


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: SOTP valuation

Business Segment	Methodology	Multiple (x)	Value (Rsmn)	Per share (Rs)
Agri business	EV/EBITDA	10	109,056	9
FMCG - Cigarettes	EV/EBITDA	15	2,471,153	203
FMCG - Others	EV/Sales	6	939,168	77
Hotels	EV/EBITDA	12	52,309	4
Paperboards, paper and packaging	EV/EBITDA	12	199,612	16
			3,771,298	310
Net cash			27,931	2
Investment at books			-	-
			Target price	313

Source: Company, Nirmal Bang Institutional Equities Research

Financials (standalone)
Exhibit 12: Income statement

Y/E March (Rsmn)	FY17	FY18	FY19E	FY20E	FY21E
Net sales	400,887	406,275	443,788	500,994	542,443
% Growth	9.6	1.3	9.2	12.9	8.3
COGS	159,763	157,746	169,667	191,875	206,562
Staff costs	24,443	24,875	25,941	29,570	31,742
Other expenses	70,900	68,091	76,023	82,691	87,895
Total expenses	255,106	250,711	271,631	304,136	326,198
EBITDA	145,780	155,564	172,157	196,858	216,245
% growth	6.3	6.7	10.7	14.3	9.8
EBITDA margin (%)	36.4	38.3	38.8	39.3	39.9
Other income	19,859	21,144	22,497	19,529	21,514
Interest costs	230	867	600	620	650
Depreciation	10,380	11,454	12,811	13,311	14,286
Profit before tax (before exceptional items)	155,030	164,388	181,243	202,455	222,823
Exceptional items	-	4,129	-	-	-
Tax	53,021	56,285	60,139	67,071	73,814
PAT	102,009	112,233	121,104	135,384	149,009
Adj PAT	102,009	106,729	121,104	135,384	149,009
Adj. PAT margin (%)	24.2	25.0	26.0	26.0	26.4
% Growth	9.5	4.6	13.5	11.8	10.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Balance sheet

Y/E March (Rsmn)	FY17	FY18	FY19E	FY20E	FY21E
Share capital	12,147	12,204	12,204	12,204	12,204
Reserves	441,262	501,796	547,051	599,690	619,372
Minority interest	-	-	-	-	-
Net worth	453,410	514,001	559,255	611,894	631,576
Total debt	180	111	200	200	200
Deferred tax liability	18,717	19,179	19,000	19,000	19,000
Total liabilities	473,859	535,247	580,036	632,847	652,654
Gross block	164,328	182,288	197,288	212,288	227,288
Depreciation	19,634	31,088	43,899	57,210	71,496
Net block	144,693	151,200	153,389	155,078	155,792
Intangible assets	4,566	4,547	4,650	4,700	4,800
Capital work-in-progress	34,913	50,169	55,169	60,169	62,169
Investments	185,853	233,972	248,521	280,557	292,919
Inventories	78,640	72,372	85,674	93,059	99,355
Debtors	22,075	23,570	25,064	24,349	29,152
Cash	27,473	25,949	28,173	45,254	48,609
Loans & advances	11,140	29,008	31,065	35,070	27,122
Other current assets	6,106	12,584	6,657	7,515	5,424
Total current assets	245,374	245,030	265,391	305,445	312,728
Creditors	25,512	33,823	31,255	42,341	36,888
Other current liabilities & provisions	42,788	54,743	49,260	55,610	57,499
Total current liabilities	68,301	88,566	80,515	97,952	94,387
Net current assets	177,073	156,464	184,876	207,493	218,340
Total assets	473,859	535,247	580,036	632,847	652,654

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Cash flow

Y/E March (Rsmn)	FY17	FY18	FY19E	FY20E	FY21E
PAT	102,009	106,729	121,104	135,384	149,009
Depreciation	10,380	11,454	12,811	13,311	14,286
Other income	(19,859)	(21,144)	(22,497)	(19,529)	(21,514)
(Inc.)/dec. in working capital	(876)	17,122	(18,713)	8,193	(8,392)
Cash flow from operations	91,655	114,160	92,705	137,359	133,389
Capital expenditure (-)	(30,183)	(33,216)	(20,000)	(20,000)	(17,000)
Net cash after capex	61,472	80,945	72,705	117,359	116,389
Issue of share capital (incl premium)	11,448	57	-	-	-
Dividends paid (-)	(57,700)	(62,852)	(67,124)	(73,226)	(89,406)
DDT paid (-)	(11,746)	(8,171)	(8,726)	(9,519)	(11,623)
Inc./(dec.) in investments	(32,749)	(26,975)	7,948	(12,507)	9,151
Cash from financial activities	(120,574)	(144,086)	(90,078)	(120,429)	(101,834)
Opening cash balance	56,392	27,473	25,949	28,173	45,254
Closing cash balance	27,473	25,949	28,173	45,254	48,609
Change in cash balance	(28,919)	(1,524)	2,224	17,081	3,356

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Key ratios

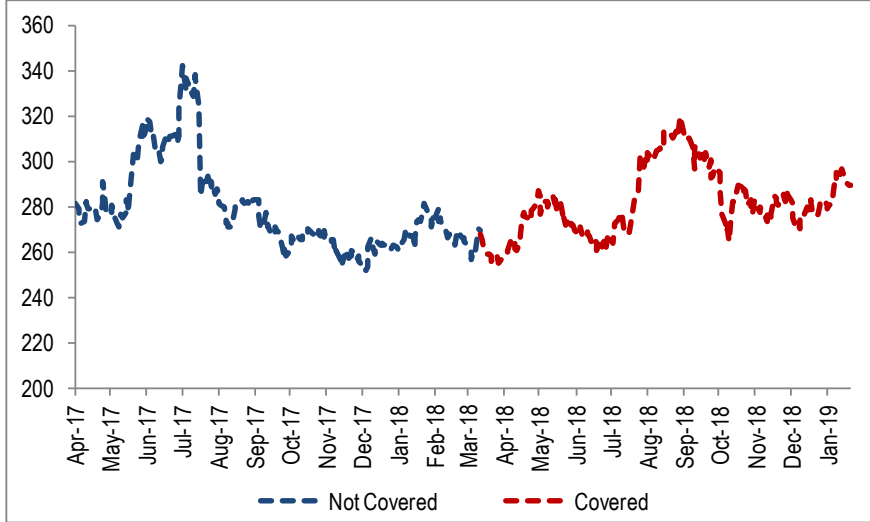
Y/E March	FY17	FY18	FY19E	FY20E	FY21E
Per share (Rs)					
EPS	8.4	8.8	10.0	11.1	12.3
Book value	37.3	42.3	46.0	50.4	52.0
DPS	4.8	5.2	5.5	6.0	7.4
Valuation (x)					
P/Sales	9.3	8.4	7.7	6.8	6.3
EV/sales	9.0	8.1	7.4	6.5	6.0
EV/EBITDA	24.8	21.1	19.0	16.5	15.0
P/E	36.7	32.0	28.2	25.2	22.9
P/BV	8.3	6.6	6.1	5.6	5.4
Return ratios (%)					
RoCE	31.1	29.8	29.7	31.3	32.5
RoE	23.5	22.1	22.6	23.1	24.0
Profitability ratios (%)					
Gross margin	60.1	61.2	61.8	61.7	61.9
EBITDA margin	36.4	38.3	38.8	39.3	39.9
EBIT margin	33.8	35.5	35.9	36.6	37.2
PAT margin	24.2	25.0	26.0	26.0	26.4
Liquidity ratios (%)					
Current ratio	3.6	2.8	3.3	3.1	3.3
Quick ratio	2.4	1.9	2.2	2.2	2.3
Solvency ratio (%)					
Debt-to-equity ratio	-	-	-	-	-
Turnover ratios					
Total asset turnover ratio (x)	0.7	0.7	0.7	0.7	0.7
Fixed asset turnover ratio (x)	2.8	2.7	2.9	3.2	3.5
Inventory days	187	175	170	170	170
Debtor days	18	21	20	18	18
Creditor days	55	69	70	70	70

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
13 March 2018	Accumulate	270	290
17 May 2018	Accumulate	286	290
27 July 2018	Accumulate	287	300
29 October 2018	Accumulate	281	310
24 January 2019	Accumulate	277	310

Rating chart



Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Vijay Chugh, the Independent Research Analyst is the author of this report, hereby certify that the views expressed in this research report accurately reflects our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

DISCLAIMER

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

This report is jointly prepared by Independent Research Analyst, Mr. Vijay Chugh who is registered with SEBI as 'Research Analyst' having registration no. INH000005209 and Mr. Abhishek Navalgund employed with NBEPL as Research Associate. As represented by Third Party Research Analyst, there is no material conflict of interest of him. We reviewed the third party research report for material fact and information before distribution of the same.

Copyright of this document vests exclusively with NBEPL.
 Our reports are also available on www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Girish Pai	Head of Research	girish.pai@nirmalbang.com	+91 22 6273 8017 / 18
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Pradeep Kasat	Dealing Desk	pradeep.kasat@nirmalbang.com	+91 22 6273 8100/8101, +91 22 6636 8831
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010