

Retail Equity Research

Pidilite Industries Limited

Specialty Chemicals

BSE CODE: 500331

NSE CODE: PIDILITIND

Bloomberg CODE: PIDI:IN

SENSEX: 50,193

BUY

12Months Investment period Rating as per Large Cap
CMP Rs. 1,893 TARGET Rs. 2,131 RETURN 13% ↑
(Closing: 18-05-21)

KEY CHANGES:

TARGET ↑

RATING ↑

EARNINGS ↓

Solid performance; Outlook positive

Pidilite is a leading manufacturer of adhesives in India. It owns the flagship Fevicol brand. In FY21, Pidilite derived ~80% & ~22% of its turnover from Consumer & Bazar products and Industrial Products segment, respectively.

- Consolidated revenue grew 44.7% YoY to Rs. 2,236cr, led by Consumer and Bazar segment (+54.6% YoY) and B2B business (+21.3% YoY).
- EBITDA rose 53.1% YoY, with margin expanding 110bps YoY on lower costs. Resultantly, adj. PAT surged 62.6% YoY.
- Long-term outlook looks promising. Given the brand value, Company is well-positioned to pass on any inflationary pressures to the consumer. Also, synergy benefits from recent acquisition are expected to be reflected in upcoming quarters with improved market share. Hence, we upgrade our rating on the stock to BUY with revised target price of Rs. 2,131 based on 67x FY23E adj. EPS.

Topline driven by C&B growth

For Q4FY21, consolidated revenue increased 44.7% YoY to Rs. 2,236cr (-2.8% QoQ), partially due to lower revenue base in Q4FY20 and higher volumes. Overall volume grew 39.7% YoY, primarily driven by 45.3% YoY growth in C&B volumes and 25.9% B2B volumes. By end-user type, Consumer and Bazaar segment grew 54.6% YoY to Rs. 1,730cr and Industrial Products segment was up 21.3% YoY to Rs.535cr. Overall Demand for adhesives has proved to be non-discretionary with volume sales rebounding quickly to stable levels as soon as the lockdown/travel restrictions are lifted. From geographical perspective, Q4FY21 Domestic subsidiaries revenue surged 94.1% YoY to Rs. 301cr, while overseas subsidiaries in Asia, Middle East -Africa, Americas saw 23.5%, 21.0% and 45.9% YoY growth, respectively.

Inflation in input prices pressurizes margin sequentially

Gross margins contracted 394bps QoQ to 50.8% due to sharp inflation and volatility in VAM (raw material) prices. The cost pressures have put less strain on the company as compared to other fragmented players. Overall EBITDA rose 53.1% YoY to Rs.461cr (-28.1% QoQ), with margin of 20.6% (+110bps YoY, -730bps QoQ). Moving forward, we expect waterproofing segment and wood finish market to act as growth catalysts.

Key concall highlights

- Company recorded average consumption cost of USD 1200/t vs. USD 875/t in Q3FY21. VAM commodity prices soared to USD 2,000 from USD 800. Simultaneously, price hikes for fevicol is in 4-6% range during last 3 months.
- Capex budget of Rs.350cr will be directed towards company's plan of improving market share in rural and small towns.

Valuation

While demand uncertainties remain in the near-term due to lockdowns in various states of India, long-term outlook remains promising once the industrial and economic activity stabilizes. Given the brand value, company is well-positioned to pass on any continued inflationary pressures to the consumer. Also, synergy benefits from recent acquisition are expected to be reflected in upcoming quarters with improved market share. Hence, we upgrade our rating on the stock to BUY with a revised target price of Rs. 2,131 based on 67x FY23E adj. EPS.

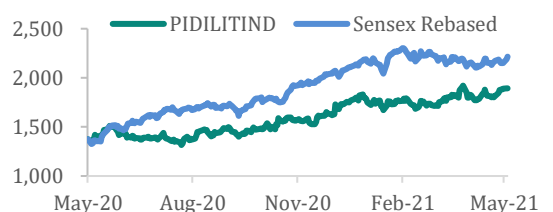
Company Data

| | |
|-------------------------|------------|
| Market Cap (cr) | Rs. 96,293 |
| Enterprise Value (cr) | Rs. 96,206 |
| Outstanding Shares (cr) | 50.9 |
| Free Float | 30.0% |
| Dividend Yield | 0.4% |
| 52 week high | Rs. 1,928 |
| 52 week low | Rs. 1,307 |
| 6m average volume | 0.4 |
| Beta | 0.6 |
| Face value | Rs. 1 |

| Shareholding % | Q2FY21 | Q3FY21 | Q4FY21 |
|-------------------|--------|--------|--------|
| Promoters | 70.2 | 70.2 | 70.2 |
| FII's | 10.9 | 11.4 | 11.9 |
| MFs/Insti | 8.7 | 8.2 | 7.6 |
| Public | 8.8 | 8.7 | 8.9 |
| Others | 1.5 | 1.5 | 1.5 |
| Total | 100.0 | 100.0 | 100.0 |
| Promoters' pledge | 0.0 | 0.0 | 0.0 |

| Price Performance | 3 Month | 6 Month | 1 Year |
|-------------------|---------|---------|--------|
| Absolute Return | 5.6% | 21.1% | 40.8% |
| Absolute Sensex | -2.2% | 13.6% | 67.1% |
| Relative Return* | 7.8% | 7.5% | -26.4% |

*over or under performance to benchmark index



| Consolidated (cr) | FY21A | FY22E | FY23E |
|-------------------|-------|-------|--------|
| Sales | 7,293 | 8,752 | 10,067 |
| Growth (%) | (0.0) | 20.0 | 15.0 |
| EBITDA | 1,681 | 2,048 | 2,426 |
| EBITDA Margin (%) | 23.0 | 23.4 | 24.1 |
| Adj. PAT | 1,135 | 1,308 | 1,616 |
| Growth (%) | (3.1) | 15.3 | 23.5 |
| Adj. EPS | 22.3 | 25.7 | 31.8 |
| Growth (%) | (3.2) | 15.3 | 23.5 |
| P/E | 81.1 | 73.6 | 59.6 |
| P/B | 16.5 | 15.0 | 13.0 |
| EV/EBITDA | 54.8 | 47.0 | 39.4 |
| ROE (%) | 20.2 | 20.4 | 21.8 |
| D/E | 0.1 | 0.0 | 0.0 |

Quarterly Financials (Consolidated)

Profit & Loss Account

| | Q4FY21 | Q4FY20 | % YoY Growth | Q3FY21 | % QoQ Growth | FY21 | FY20 | % YoY Growth |
|------------------------------|------------|------------|--------------|------------|---------------|--------------|--------------|--------------|
| Revenue | 2,236 | 1,545 | 44.7 | 2,299 | (2.8) | 7,293 | 7,294 | (0.0) |
| EBITDA | 461 | 301 | 53.1 | 641 | (28.1) | 1,681 | 1,576 | 6.6 |
| EBITDA margins | 20.6 | 19.5 | 110bps | 27.9 | (730bps) | 23.0 | 21.6 | 140bps |
| Depreciation | 57 | 50 | 14.2 | 49 | 15.6 | 201 | 170 | 18.1 |
| EBIT | 404 | 251 | 60.9 | 591 | (31.7) | 1,480 | 1,406 | 5.3 |
| Interest | 7 | 10 | (24.0) | 12 | (38.4) | 37 | 34 | 10.8 |
| Other Income | 17 | 14 | 24.1 | 20 | (15.0) | 79 | 149 | (46.9) |
| Exceptional Items | (4) | (33) | n.m. | - | n.m. | (4) | (55) | n.m. |
| PBT | 411 | 222 | 85.1 | 601 | (31.6) | 1,522 | 1,470 | 3.6 |
| Tax | 104 | 66 | 58.2 | 155 | (33.0) | 396 | 348 | 14.0 |
| Sh. of profit from Associate | 1 | 0 | n.m. | 2 | (16.5) | 4 | 3 | 31.4 |
| Minority Interest | 1 | (1) | n.m. | 5 | (72.8) | (5) | 6 | n.m. |
| Reported PAT | 306 | 158 | 94.4 | 442 | (30.7) | 1,131 | 1,116 | 1.3 |
| Adjustments | 4 | 33 | (89.0) | - | n.m. | 4 | 55 | (93.4) |
| Adj. PAT | 310 | 190 | 62.6 | 442 | (29.9) | 1,135 | 1,172 | (3.1) |
| No. of shares | 50.9 | 50.8 | 0.1 | 50.8 | 0.0 | 50.9 | 50.8 | 0.1 |
| Adj. EPS (Rs.) | 6.1 | 3.7 | 62.5 | 8.7 | (29.9) | 22.3 | 23.1 | (3.2) |

Change in Estimates

| Year / Rs. cr | Old estimates | | New estimates | | Change % | |
|---------------|---------------|--------|---------------|--------|----------|--------|
| | FY22E | FY23E | FY22E | FY23E | FY22E | FY23E |
| Revenue | 8,901 | 10,242 | 8,752 | 10,067 | (1.7) | (1.7) |
| EBITDA | 2,022 | 2,326 | 2,048 | 2,426 | 1.3 | 4.3 |
| Margins (%) | 22.7 | 22.7 | 23.4 | 24.1 | 70bps | 140bps |
| Adj. PAT | 1,449 | 1,646 | 1,308 | 1,616 | (9.7) | (1.8) |
| Adj. EPS | 28.5 | 32.4 | 25.7 | 31.8 | (9.8) | (1.9) |

Segment data

| | Q4FY21 | Q4FY20 | % YoY growth | Q3FY21 | % QoQ Growth | FY2021 | FY2020 | % YoY growth |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Consumer & Bazaar Products | 1,730 | 1,119 | 54.6 | 1,849 | (6.4) | 5,809 | 5,574 | 4.2 |
| Industrial Products | 535 | 441 | 21.3 | 475 | 12.6 | 1,575 | 1,797 | (12.3) |
| Others | 17 | 15 | 15.0 | 12 | 42.9 | 39 | 76 | (49.6) |
| Inter Segment Revenue | (47) | (31) | (52.4) | (37) | (27.0) | (130) | (153) | 14.8 |
| Total Revenue | 2,236 | 1,545 | 44.7 | 2,299 | (2.8) | 7,293 | 7,294 | (0.0) |

PROFIT & LOSS

| Y.E March (Rs. cr) | FY19A | FY20A | FY21A | FY22E | FY23E |
|----------------------|--------------|--------------|--------------|--------------|---------------|
| Revenue | 7,078 | 7,294 | 7,293 | 8,752 | 10,067 |
| % change | 13.8 | 3.1 | (0.0) | 20.0 | 15.0 |
| EBITDA | 1,368 | 1,576 | 1,681 | 2,048 | 2,426 |
| % change | 2.0 | 15.2 | 6.6 | 21.9 | 18.5 |
| Depreciation | 133 | 170 | 201 | 345 | 349 |
| EBIT | 1,235 | 1,406 | 1,480 | 1,703 | 2,077 |
| Interest | 26 | 34 | 37 | 40 | 64 |
| Other Income | 132 | 97 | 80 | 92 | 155 |
| PBT | 1,342 | 1,470 | 1,522 | 1,754 | 2,167 |
| % change | (1.3) | 9.6 | 3.6 | 15.2 | 23.5 |
| Tax | 413 | 348 | 396 | 452 | 559 |
| Tax Rate (%) | 30.8 | 23.7 | 26.0 | 25.8 | 25.8 |
| Reported PAT | 925 | 1,116 | 1,131 | 1,308 | 1,616 |
| Adj* | 18 | 55 | 4 | - | - |
| Adj PAT | 943 | 1,172 | 1,135 | 1,308 | 1,616 |
| % change | (2.0) | 24.3 | (3.1) | 15.3 | 23.5 |
| No. of shares (cr) | 50.8 | 50.8 | 50.9 | 50.9 | 50.9 |
| Adj EPS (Rs.) | 18.6 | 23.1 | 22.3 | 25.7 | 31.8 |
| % change | (2.0) | 24.3 | (3.2) | 15.3 | 23.5 |
| DPS (Rs.) | 6.5 | 7.0 | 8.5 | 9.8 | 12.1 |
| CEPS (Rs.) | 21.2 | 26.4 | 26.3 | 32.5 | 38.6 |

CASH FLOW

| Y.E March (Rs. cr) | FY19A | FY20A | FY21A | FY22E | FY23E |
|-------------------------|--------------|--------------|----------------|--------------|--------------|
| Net inc. + Depn. | 1,058 | 1,286 | 1,332 | 1,653 | 1,966 |
| Non-cash adj. | 19 | (11) | 160 | 175 | 68 |
| Changes in W.C | (232) | 4 | (100) | (591) | (371) |
| C.F. Operation | 845 | 1,280 | 1,392 | 1,237 | 1,662 |
| Capital exp. | (254) | (444) | (352) | (350) | (322) |
| Change in inv. | (279) | 523 | (1,354) | (200) | (200) |
| Other invest.CF | 19 | 24 | 18 | (0) | - |
| C.F - Investment | (513) | 103 | (1,688) | (550) | (522) |
| Issue of equity | 29 | 3 | (29) | - | - |
| Issue/repay debt | (9) | 33 | 17 | 20 | 20 |
| Dividends paid | (363) | (825) | (1) | (500) | (617) |
| Other finance.CF | (17) | (59) | (63) | - | - |
| C.F - Finance | (361) | (849) | (76) | (480) | (597) |
| Chg. in cash | (29) | 533 | (372) | 207 | 543 |
| Closing cash | 128 | 692 | 443 | 650 | 1,193 |

BALANCE SHEET

| Y.E March (Rs. cr) | FY19A | FY20A | FY21A | FY22E | FY23E |
|--------------------------|--------------|--------------|--------------|--------------|---------------|
| Cash | 128 | 692 | 443 | 650 | 1,193 |
| Accounts Receivable | 1,056 | 1,089 | 1,321 | 1,629 | 1,879 |
| Inventories | 934 | 929 | 1,234 | 1,224 | 1,448 |
| Other Cur. Assets | 1,463 | 1,051 | 518 | 420 | 425 |
| Investments | 396 | 466 | 340 | 540 | 740 |
| Gross Fixed Assets | 1,898 | 2,342 | 2,694 | 3,044 | 3,366 |
| Net Fixed Assets | 913 | 1,289 | 1,285 | 997 | 969 |
| CWIP | 242 | 259 | 294 | 294 | 294 |
| Intangible Assets | 534 | 518 | 3,133 | 3,170 | 3,211 |
| Def. Tax (Net) | 11 | 13 | 17 | 17 | 17 |
| Other Assets | 236 | 229 | 247 | 541 | 541 |
| Total Assets | 5,915 | 6,536 | 8,830 | 9,480 | 10,717 |
| Current Liabilities | 1,198 | 1,471 | 2,233 | 2,040 | 2,244 |
| Provisions | 44 | 52 | 58 | 58 | 58 |
| Debt Funds | 197 | 259 | 308 | 328 | 348 |
| Other Liabilities | 120 | 82 | 398 | 418 | 439 |
| Equity Capital | 51 | 51 | 51 | 51 | 51 |
| Reserves & Surplus | 4,097 | 4,405 | 5,542 | 6,351 | 7,350 |
| Shareholder's Fund | 4,148 | 4,456 | 5,593 | 6,402 | 7,401 |
| Minority Interest | 207 | 216 | 240 | 234 | 227 |
| Total Liabilities | 5,915 | 6,536 | 8,830 | 9,480 | 10,717 |
| BVPS (Rs.) | 82 | 88 | 110 | 126 | 146 |

RATIOS

| Y.E March | FY19A | FY20A | FY21A | FY22E | FY23E |
|--------------------------------|-------|-------|-------|-------|-------|
| Profitab. & Return | | | | | |
| EBITDA margin (%) | 19.3 | 21.6 | 23.0 | 23.4 | 24.1 |
| EBIT margin (%) | 17.5 | 19.3 | 20.3 | 19.5 | 20.6 |
| Net profit mgn.(%) | 13.1 | 15.3 | 15.5 | 14.9 | 16.1 |
| ROE (%) | 22.3 | 25.1 | 20.2 | 20.4 | 21.8 |
| ROCE (%) | 27.1 | 28.5 | 24.1 | 24.5 | 26.0 |
| W.C & Liquidity | | | | | |
| Receivables (days) | 54.5 | 54.5 | 66.1 | 67.9 | 68.1 |
| Inventory (days) | 95.1 | 99.7 | 133.4 | 109.5 | 113.2 |
| Payables (days) | 59.1 | 66.6 | 108.8 | 63.9 | 63.9 |
| Current ratio (x) | 2.8 | 2.3 | 1.4 | 1.7 | 2.0 |
| Quick ratio (x) | 1.8 | 1.5 | 0.8 | 1.1 | 1.3 |
| Turnover & Leverage | | | | | |
| Gross asset T.O (x) | 3.9 | 3.4 | 2.9 | 3.1 | 3.1 |
| Total asset T.O (x) | 1.3 | 1.2 | 0.9 | 1.0 | 1.0 |
| Int. coverage ratio (x) | 47.4 | 41.8 | 39.8 | 42.2 | 32.3 |
| Adj. debt/equity (x) | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 |
| Valuation | | | | | |
| EV/Sales (x) | 9.0 | 9.4 | 12.6 | 11.0 | 9.5 |
| EV/EBITDA (x) | 46.5 | 43.6 | 54.8 | 47.0 | 39.4 |
| P/E (x) | 67.2 | 58.8 | 81.1 | 73.6 | 59.6 |
| P/BV (x) | 15.3 | 15.5 | 16.5 | 15.0 | 13.0 |

Recommendation Summary (Last 3 years)



| Dates | Rating | Target |
|-----------|--------|--------|
| 25-Feb-19 | HOLD | 1,144 |
| 21-Nov-19 | HOLD | 1,387 |
| 07-Feb-20 | HOLD | 1,660 |
| 13-Apr-20 | BUY | 1,626 |
| 12-Aug-20 | HOLD | 1,502 |
| 11-Nov-20 | HOLD | 1,674 |
| 01-Feb-21 | HOLD | 1,847 |
| 19-May-21 | BUY | 2,131 |

Source: Bloomberg, Geojit Research

Investment Rating Criteria

| Ratings | Large caps | Midcaps | Small Caps |
|-------------|----------------------------|---------------------------|---------------------------|
| Buy | Upside is above 10% | Upside is above 15% | Upside is above 20% |
| Accumulate | - | Upside is between 10%-15% | Upside is between 10%-20% |
| Hold | Upside is between 0% - 10% | Upside is between 0%-10% | Upside is between 0%-10% |
| Reduce/sell | Downside is more than 0% | Downside is more than 0% | Downside is more than 0% |
| Not rated | | | |

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note.

Accumulate: Partial buying or to accumulate as CMP dips in the future.

Hold: Hold the stock with the expected target mentioned in the note.

Reduce: Reduce your exposure to the stock due to limited upside.

Sell: Exit from the stock.

Not rated: The analyst has no investment opinion on the stock.

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

General Disclosures and Disclaimers

CERTIFICATION

I, Sheen G, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Financial Services Limited, hereinafter referred to as Geojit.

COMPANY OVERVIEW

Geojit, a publically listed company, is engaged in services of retail broking, depository services, portfolio management and marketing investment products including mutual funds, insurance and properties. GEOJIT is a SEBI registered Research Entity and as such prepares and shares research data and reports periodically with clients, investors, stake holders and general public in compliance with Securities and Exchange Board of India Act, 1992, Securities And Exchange Board Of India (Research Analysts) Regulations, 2014 and/or any other applicable directives, instructions or guidelines issued by the Regulators from time to time.

DISTRIBUTION OF REPORTS: This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. GEOJIT will not treat the recipients of this report as clients by virtue of their receiving this report.

GENERAL REPRESENTATION: The research reports do not constitute an offer or solicitation for the purchase or sale of any financial instruments, inducements, promise, guarantee, warranty, or as an official confirmation of any transaction or contractual obligations of any kind. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. We have also reviewed the research report for any untrue statements of material facts or any false or misleading information. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

RISK DISCLOSURE: GEOJIT and/or its Affiliates and its officers, directors and employees including the analyst/authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider



whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.

FUNDAMENTAL DISCLAIMER: We have prepared this report based on information believed to be reliable. The recommendations herein are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/return/lack of clarity/event we may revisit rating at appropriate time. The stocks always carry the risk of being upgraded to buy or downgraded to a hold, reduce or sell. The opinions expressed are subject to change but we have no obligation to tell our clients when our opinions or recommendations change. This report is non-inclusive and does not consider all the information that the recipients may consider material to investments. This report is issued by GEOJIT without any liability/undertaking/commitment on the part of itself or any of its entities. We may have issued or may issue on the companies covered herein, reports, recommendations or information which is contrary to those contained in this report. The projections and forecasts described in this report should be evaluated keeping in mind the fact that these are based on estimates and assumptions and will vary from actual results over a period of time. The actual performance of the companies represented in the report may vary from those projected. These are not scientifically proven to guarantee certain intended results and hence, are not published as a warranty and do not carry any evidentiary value whatsoever. These are not to be relied on in or as contractual, legal or tax advice. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly Geojit's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

JURISDICTION: The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. Distributing/taking/sending/dispatching/transmitting this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Failure to comply with this restriction may constitute a violation of any foreign jurisdiction laws. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. Investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk.

REGULATORY DISCLOSURES: GEOJIT's Associates consists of privately held companies such as Geojit Technologies Private Limited (GTPL- Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider), Geojit Investment Services Limited (GISL- Corporate Agent for Insurance products), Geojit Financial Management Services Private Limited (GFMSL) & Geojit Financial Distribution Private Limited (GFDPL), (Distributors of Insurance and MF Units). In the context of the SEBI Regulations on Research Analysts (2014), GEOJIT affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities. In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership*:

GEOJIT confirms that:

It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein.

It/its associates have no actual beneficial ownership greater than 1% in relation to the subject company (ies) covered herein.

Further, the Analyst confirms that:

He, his associates and his relatives have no financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company.

He, his associates and his relatives have no actual/beneficial ownership greater than 1% in the subject company covered

2. Disclosures regarding Compensation:

During the past 12 months, GEOJIT or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company and is in receipt of compensation from the subject company." (e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GEOJIT regarding the compensation paid to its Research Analyst:

GEOJIT hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Sheen G, Research Analyst(s) of GEOJIT have not served as an officer, director or employee of the subject company

5. Disclosure regarding Market Making activity:

Neither GEOJIT/its Analysts have engaged in market making activities for the subject company.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Financial Services Ltd. (formerly known as Geojit BNP Paribas Financial Services Ltd.), Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website: www.geojit.com. For investor queries: customercare@geojit.com, For grievances: grievances@geojit.com, For compliance officer: compliance@geojit.com.

Corporate Identity Number: L67120KL1994PLC008403, SEBI Stock Broker Registration No INZ000104737, Research Entity SEBI Reg No: INH200000345, Investment Adviser SEBI Reg No: INA200002817, Portfolio Manager: INP000003203, Depository Participant: IN-DP-325-2017, ARN Regn.Nos:0098, IRDA Corporate Agent (Composite) No.: CA0226