

CMP Rs 119

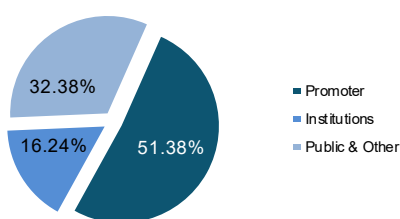
Target Rs 157

Result Update – BUY

Key Share Data

Face Value (INR)	1.0
Equity Capital (INR Mn)	377.5
Market Cap (INR Mn)	44,920.9
52 Week High/Low (INR)	139/89
6 months Avg. Daily Volume (NSE)	9,30,999
BSE Code	506590
NSE Code	PCBL
Reuters Code	PCBL: NS
Bloomberg Code	PCBL: IN

Shareholding Pattern (as on June 2022)



Source: Company

Key Financials (Rs Million)

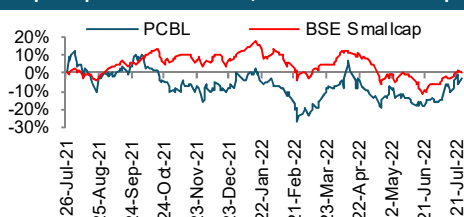
Particulars	FY21	FY22	FY23E	FY24E
Net Sales	26,595.2	44,464.2	60,815.5	68,476.4
Growth (%)	-18.0%	67.2%	36.8%	12.6%
EBITDA	5,083.3	6,333.6	7,303.1	8,693.6
PAT	3,122.7	4,271.2	4,736.7	5,383.5
Growth (%)	10.1%	36.8%	10.9%	13.7%
EPS (INR)	18.1	11.3	12.5	14.3
BVPS (INR)	111.8	69.0	76.6	84.8

Key Financials Ratios

Particulars	FY21	FY22	FY23E	FY24E
P/E (x)	6.6	10.5	9.5	8.3
P/BVPS (x)	1.1	1.7	1.6	1.4
Mcap/Sales (x)	0.8	1.0	0.7	0.7
EV/EBITDA (x)	5.2	8.4	7.4	6.2
ROCE (%)	15.9%	16.5%	16.6%	17.8%
ROE (%)	14.2%	16.5%	16.2%	17.5%
EBITDA Mar (%)	19.1%	14.2%	12.0%	12.7%
PAT Mar (%)	11.7%	9.6%	7.8%	7.9%
Debt - Equity (x)	0.3	0.3	0.2	0.2

Source: Company, SKP Research

1 Yr price performance PCBL; vis-à-vis BSE Small Cap



Nikhil Saboo

Tel No: +91-33-40077019;
e-mail: nikhil.saboo@skpsecurities.com

Company Background & Product Highlights

PCBL (formerly Phillips Carbon Black Ltd.), incorporated in 1960 in collaboration with Phillips Petroleum Company, is a part of RP-Sanjiv Goenka Group. It is the largest manufacturer of carbon black (CB) in India (~10% market share in Asia-ex China) and seventh largest in the world, having an aggregate installed capacity of 6,03,000 MTPA and co-generation power capacity of 91 MW spread over four locations viz. Durgapur (W.B.), Palej and Mundra (Gujarat), and Kochi (Kerala). CB is used as a reinforcement material providing tensile strength to tyres and other industrial rubber goods and forms 23% by volume of tyre weight and 10% by value of tyre cost.

Investment Rationale

Mixed performance – Export market witnessed demand softness while domestic demand remained stable

► During Q1FY23, PCBL net sales increased by 40.4% y-o-y and 15.6% q-o-q to Rs 14,090.7 mn, mainly on account of higher realisation led by higher crude prices. The domestic market witnessed better demand with easing of supply chain issues and improving rural demand, while export demand was soft led by geopolitical issues in Western Europe.

► Domestic volume increased by 5.5% y-o-y to 77,097 MT (vs. 77,015 MT in Q4FY22) while, export volume declined by 11.2% y-o-y to 32,280 MT (vs. 36,350 MT in Q4FY22). During the quarter, CB realisation increased by ~39.1% y-o-y and 18.5% q-o-q to Rs 1,25,611/tonne on account of higher crude prices. Further, with rising demand for power in the country and consequent increase in power tariffs, the realisation from power sales improved from Rs 2.65/kWh to Rs 4.06/kWh.

► With growing demand coupled with increasing global reach and new customer additions, PCBL continues to witness traction in demand for specialty grade CB (SCB), with sales of 9,867 MT during the quarter vs. 7,283 MT in Q1FY22 and 11,149 MT in Q4FY22.

► The management remains cautiously optimistic in the near term as geopolitical scenario remains extremely volatile with large fluctuations in both international crude prices and currency, and remains hopeful of normalcy returning back to market soon.

► Domestic market demand is showing healthy growth on the back of a recovery in OEM sales, replacement demand, easing of supply chain issues and improving rural demand. With consolidation of capacities in China and geopolitical issues in Western Europe, the supply side challenges are expected to remain in near future. This has opened a multi-year opportunity for Indian CB players. Further, ocean freight rates have started softening, which may continue as global supply chains are restored.

► The CB industry in general and PCBL in particular is expected to benefit from the completion of a strong capex being undertaken by the domestic tyre industry. However, near-term uncertainty remains and thus, we have lowered PCBL CB sales volume to 4,75,000 MT and 5,35,000 MT, against our earlier projection of 4,95,000 MT and 5,70,000 MT respectively for FY23E and FY24E. Realisation is also likely to remain firm on account of higher crude prices.

Timely capex for capacity addition to propel growth and lend visibility

► PCBL(TN) Ltd, a wholly owned subsidiary of PCBL has been incorporated for implementing the greenfield project of 1,47,000 MTPA of CB and 25 MW of CPP over 60 acres of land in Tamil Nadu at a total investment of ~Rs 8 bn. The plant is expected to be commissioned by 2022 end, benefits of which will start reaping from FY24E onwards.

► Further, the Company has announced a brownfield 40,000 MT of SCB capacity at Mundra which is also expected to get commissioned by FY23E. Thus, with commissioning of new SCB capacities, the Company expects strong growth in sales volume in coming years.

► The 7 MW power plant in Kochi is under commissioning stage, post which power generation capacity will enhance from current 91 MW to 98 MW.

EBITDA/tn to stable at ~16,000/tn by FY24E led by better product mix

► During Q1FY23, PCBL reported EBITDA/tn of ~Rs 17,806/tn vs. ~Rs 14,404/tn reported in Q1FY22 and ~Rs 11,507/tn in Q4FY22 on back of a conducive demand-supply scenario and improved performance from power and specialty business.

► Going forward, brownfield nature of expansion will kick in; operating leverage benefits coupled with an increasing share of SCB (better product mix) are expected to lead to EBITDA/tn of ~Rs 16,000/MT by FY24E.

Valuation

PCBL is on a strong footing led by buoyancy in tyre demand coupled with operating leverage benefits and strong cash flow generation. We have valued the stock on the basis of P/E - method of relative valuation - of 11x of FY24E earnings of Rs 14.3/share and recommend a "BUY" with a target price of Rs 157 (upside of 32%) in 18 months.

Q1FY23 Result Update

Figures in Rs Million

Particulars	Q1FY23	Q1FY22	YoY %	Q4FY22	QoQ %	FY22	FY21	YoY%
Total Income	14,090.7	10,038.5	40.4%	12,188.3	15.6%	44,464.2	26,595.2	67.2%
Expenditure	12,143.1	8,462.4	43.5%	10,894.3	11.5%	38,130.6	21,511.9	77.3%
Material Consumed	10,272.1	6,792.8	51.2%	8,992.2	14.2%	31,691.2	15,827.4	100.2%
<i>(as a % of Total Income)</i>	72.9%	67.7%	523 Bps	73.8%	(88)Bps	71.27%	59.51%	1,176 Bps
Employees Cost	471.0	358.6	31.3%	417.7	12.8%	1,587.2	1,321.7	20.1%
<i>(as a % of Total Income)</i>	3.3%	3.6%	(23)Bps	3.4%	(8)Bps	3.6%	5.0%	(140)Bps
Changes in Inventories & WIP	(15.4)	(73.5)	-79.0%	49.9	-130.9%	(353.2)	261.9	-234.9%
<i>(as a % of Total Income)</i>	-0.1%	-0.7%	62 Bps	0.4%	(52)Bps	-0.8%	1.0%	(178)Bps
Other Expenses	1,415.4	1,384.5	2.2%	1,434.5	-1.3%	5,205.4	4,100.9	26.9%
<i>(as a % of Total Income)</i>	10.0%	13.8%	(375)Bps	11.8%	(172)Bps	11.7%	15.4%	(371)Bps
EBITDA	1,947.6	1,576.1	23.6%	1,294.0	50.5%	6,333.6	5,083.3	24.6%
<i>EBITDA Margin (%)</i>	13.8%	15.7%	(188)Bps	10.6%	321 Bps	14.2%	19.1%	(487)Bps
Depreciation	374.4	291.9	28.3%	304.9	22.8%	1,208.8	1,101.2	9.8%
EBIT	1,573.2	1,284.2	22.5%	989.1	59.1%	5,124.8	3,982.1	28.7%
Other Income	112.2	33.3	236.9%	116.9	-4.0%	267.3	157.9	69.3%
Interest Expense	88.5	76.1	16.3%	68.9	28.4%	290.9	338.8	-14.1%
Hedging Cost & Foreign Exchange	(7.7)	(63.1)		(73.7)		(222.2)	(102.4)	
Profit Before Tax	1,604.6	1,304.5	23.0%	1,110.8	44.5%	5,323.4	3,903.6	36.4%
Income Tax	345.5	261.4	32.2%	208.1	66.0%	1,052.0	780.9	34.7%
Effective Tax Rate (%)	21.5%	20.0%		18.7%		19.8%	20.0%	
<i>Non-Controlling Interest</i>								
Profit After Tax (PAT)	1,259.1	1,043.1	20.7%	902.7	39.5%	4,271.4	3,122.7	36.8%
<i>PAT Margins (%)</i>	8.9%	10.4%	(146)Bps	7.4%	153 Bps	9.6%	11.7%	(214)Bps
Diluted EPS	3.3	3.0	10.2%	2.4	39.7%	11.8	9.1	30.7%

Source: Company Data, SKP Research

Segmental Result & Operational Matrix

Figures in Rs Million

Particulars	Q1FY23	Q1FY22	YoY %	Q4FY22	QoQ %	FY22	FY21	YoY%
Segment Revenue								
Carbon Black	13,739.0	9,878.1	39.1%	11,921.3	15.2%	43,534.2	25,922.7	67.9%
Power	530.6	336.7	57.6%	447.1	18.7%	1,673.3	1,307.0	28.0%
Gross Sales	14,269.6	10,214.8	39.7%	12,368.4	15.4%	45,207.5	27,229.7	66.0%
Less: Inter Segment Revenue	178.9	176.3	1.5%	180.1	-0.7%	743.3	634.5	17.1%
Total Net Sales	14,090.7	10,038.5	40.4%	12,188.3	15.6%	44,464.2	26,595.2	67.2%
Segment EBIT								
Carbon Black	1,834.8	1,800.9	1.9%	1,386.3	32.4%	6,320.7	4,946.0	27.8%
Power	312.7	172.0	81.8%	260.2	20.2%	971.6	710.9	36.7%
Total EBIT	2,147.5	1,972.9	8.8%	1,646.5	30.4%	7,292.3	5,656.9	28.9%
Segment Margin (%)								
Carbon Black	13.4%	18.2%	(488)Bps	11.6%	173 Bps	14.5%	19.1%	(456)Bps
Power	58.9%	51.1%	785 Bps	58.2%	74 Bps	58.1%	54.4%	367 Bps

Particulars	Q1FY23	Q1FY22	YoY %	Q4FY22	QoQ %	FY22	FY21	YoY%
Operational Matrix- Carbon Black								
Domestic (MT)	77,097	73,074	5.5%	77,015	0.1%	3,08,629	2,82,877	9.1%
Export (MT)	32,280	36,350	-11.2%	35,437	-8.9%	1,45,559	1,06,384	36.8%
Sales Volume (MT)	1,09,377	1,09,424	0.0%	1,12,452	-2.7%	4,54,188	3,89,261	16.7%
Net Realisation (Rs./Tonne)	1,25,611	90,274	39.1%	1,06,012	18.5%	95,851	66,595	43.9%

Source: Company Data, SKP Research

Risks & Concerns

Risk of adverse raw material price movement

- ▶ CBFS, which is the key raw material for PCBL, is directly linked to international crude oil prices and is mainly imported from USA. Currently, international oil prices are subject to frequent volatility while the prices of finished CB are revised every quarter. Therefore, any unfavorable movement in CBFS prices and inability to completely pass it on to end consumers will have an adverse impact on the PCBL's margins. Any decline in coal tar price in Chinese markets poses risk to margins as well.

Delay in revival of global carbon black demand

- ▶ Improvement in profitability is highly dependent on revival in demand for CB. In case of sluggish demand, Chinese manufacturers are expected to push their products in international markets to keep their plants running. This may deteriorate profitability of Indian manufacturers.

Fortunes linked with cyclical tyre industry

- ▶ PCBL's fortunes are highly dependent on the tyre industry, which is vulnerable to the cyclicity of the automobile sector. ~70% CB finds application in the manufacture of tyres for the automobile sector. Although diversification into power has helped the Company improve its profitability, the plant load factor of power plants is directly linked with operating rates of CB as power is produced using waste heat generated during the manufacturing process.

Capacity addition from Epsilon Carbon and Balkrishna Industries remains an overhang

- ▶ Epsilon Carbon Private Limited (Epsilon Carbon), among India's leading coal tar derivatives manufacturer, has planned to set up an integrated 1,80,000 MTPA CB capacity in two phases at Bellary, Karnataka with an investment of Rs 9 bn. The first phase of 1,15,000 MTPA is already commissioned at an investment of ~Rs 5.5 bn. During the second phase the company has planned to commission additional 65,000 MTPA capacity at an investment of ~Rs 3.5 bn, taking total CB capacity to ~1,80,000 MTPA. The Anthracene oil generated in the coal tar distillation process is used as a clean feedstock in the CB unit, thus, bringing both cost efficiency and consistent quality. Gradually over time, Epsilon Carbon plans to further expand its CB capacity to a total of 3,00,000 MTPA. Thus, at 3,00,000 MTPA capacity, it will be India's largest single location CB plant.
- ▶ Balkrishna Industries is also enhancing its CB capacity from 1,15,000 MTPA to 2,00,000 MTPA which is expected to be commissioned by H1FY23. Thus, capacity addition by a new entrant and existing player poses a risk of under-utilization of existing domestic CB capacities.

Exhibit: Income Statement					Exhibit: Balance Sheet				
Figures in Rs Million					Figures in Rs Million				
Particulars	FY21	FY22	FY23E	FY24E	Particulars	FY21	FY22	FY23E	FY24E
Total Income	26,595.2	44,464.2	60,815.5	68,476.4	Share Capital	344.7	377.5	377.5	377.5
<i>Growth (%)</i>	-18.0%	67.2%	36.8%	12.6%	Reserve & Surplus	18,927.0	25,671.6	28,520.9	31,639.5
Expenditure	21,511.9	38,130.6	53,512.5	59,782.9	Shareholders Funds	19,271.7	26,049.1	28,898.4	32,017.0
Material Cost	15,837.0	31,691.2	43,963.6	49,267.4	Total Debt	5,616.6	6,839.9	7,089.9	6,839.9
Change in inventories	252.3	(353.2)	-	-	Deferred Tax	2,714.7	2,763.0	2,763.0	2,763.0
Employee Cost	1,321.7	1,587.2	2,067.7	2,225.5	Liabilities & Prov	9,497.8	11,901.5	14,668.5	14,540.9
Admin & Other Exp.	4,100.9	5,205.4	7,480.3	8,289.1	Total Liabilities	37,100.8	47,553.5	53,419.7	56,160.8
EBITDA	5,083.3	6,333.6	7,303.1	8,693.6	Net Block inc. Capital WIP	19835.0	20372.7	27231.3	27977.7
Depreciation	1,101.2	1,208.8	1,341.4	1,753.5	Non Current Investments	2,202.8	4,830.0	4,830.0	4,830.0
EBIT	3,982.1	5,124.8	5,961.7	6,940.0	Non-Current Assets	15,063.0	22,350.8	21,358.4	23,353.1
Other Income	157.9	267.3	272.6	275.4	Inventories	4,448.4	6,039.1	6,957.1	7,488.6
Interest Expense	338.8	290.9	313.4	313.4	Sundry Debtors	7,075.3	11,051.0	12,608.7	14,031.4
Foreign currency impact	(102.4)	(222.2)	-	-	Cash & Bank Balance	2,189.6	1,086.9	807.3	847.8
Profit Before Tax (PBT)	3,903.6	5,323.4	5,920.9	6,902.0	Other Current Assets	840.2	675.5	487.4	487.4
Income Tax	780.9	1,052.2	1,184.2	1,518.4	Current Investments	-	3,000.4	-	-
Profit After Tax (PAT)	3,122.7	4,271.2	4,736.7	5,383.5	Total Assets	37,100.8	47,553.5	53,419.7	56,160.8
Diluted EPS	18.1	11.3	12.5	14.3					

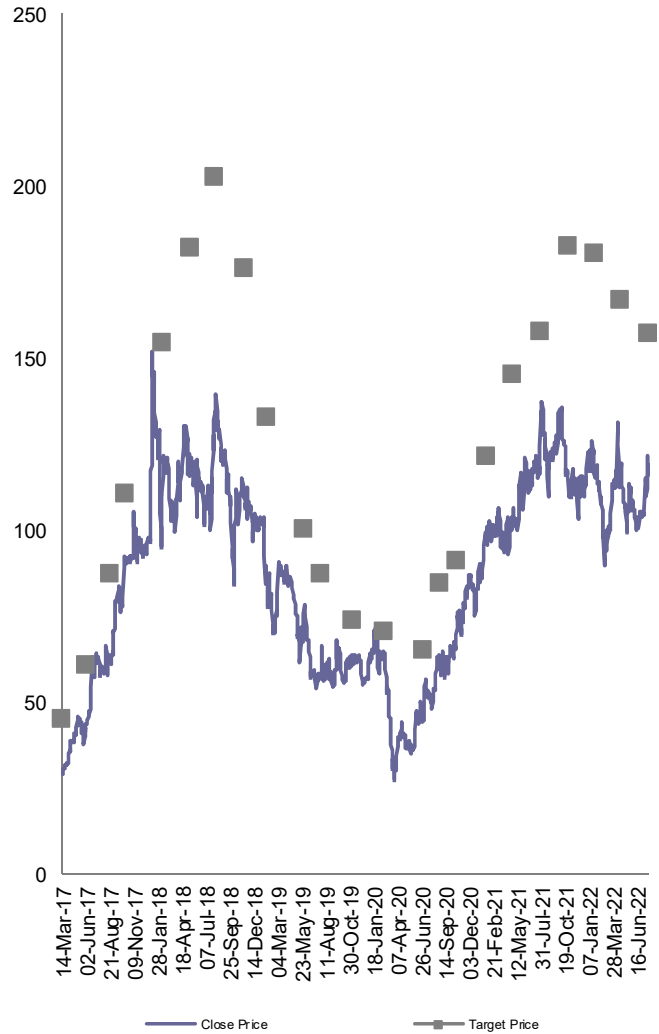
Exhibit: Cash Flow Statement					Exhibit: Ratio Analysis				
Figures in Rs Million					Figures in Rs Million				
Particulars	FY21	FY22	FY23E	FY24E	Particulars	FY21	FY22	FY23E	FY24E
Profit Before Tax (PBT)	3,903.6	5,323.4	5,920.9	6,902.0	Earning Ratios (%)				
Depreciation	1,101.2	1,208.8	1,341.4	1,753.5	EBITDA Margin (%)	19.1%	14.2%	12.0%	12.7%
Finance Costs	338.8	290.9	313.4	313.4	PAT Margins (%)	11.7%	9.6%	7.8%	7.9%
Chg. in Working Capital	(655.7)	(2,340.7)	3,479.7	(2,081.7)	ROCE (%)	15.9%	16.5%	16.6%	17.8%
Direct Taxes Paid	(660.0)	(1,035.7)	(1,184.2)	(1,518.4)	ROE (%)	14.2%	16.5%	16.2%	17.5%
Other Charges	(198.7)	(235.9)	-	-	Per Share Data (INR)				
Operating Cash Flows	3,829.2	3,210.8	9,871.3	5,368.8	Diluted EPS	18.1	11.3	12.5	14.3
Capital Expenditure	(1,140.8)	(1,699.5)	(8,200.0)	(2,500.0)	Cash EPS (CEPS)	11.7	8.1	9.0	9.6
Investments	(981.1)	(1,905.7)	-	-	BVPS	111.8	69.0	76.6	84.8
Others	148.8	(1,873.3)	-	-	Valuation Ratios (x)				
Investing Cash Flows	(1,973.1)	(5,478.5)	(8,200.0)	(2,500.0)	P/E	6.6	10.5	9.5	8.3
Changes in Equity	-	3,901.0	-	-	Price/BVPS	1.1	1.7	1.6	1.4
Inc / (Dec) in Debt	(230.0)	481.6	250.0	(250.0)	EV/Sales	1.0	1.2	0.9	0.8
Dividend Paid (inc tax)	(1,206.4)	(1,887.3)	(1,887.4)	(2,264.9)	EV/EBITDA	5.2	8.4	7.4	6.2
Others	(359.0)	(328.3)	(313.4)	(313.4)	Market Cap/Sales(x)	0.8	1.0	0.7	0.7
Financing Cash Flows	(1,795.4)	2,167.0	(1,950.9)	(2,828.3)	Balance Sheet Ratios				
Net Cashflow	60.7	(100.7)	(279.6)	40.5	Debt - Equity	0.3	0.3	0.2	0.2
Opening Cash Balance	1,106.5	1,106.5	1,086.9	807.3	Current Ratio	2.4	2.4	1.8	2.0
Closing Cash incl. Bank	2,189.6	1,086.9	807.3	847.8	Asset Turnover Ratio	0.8	1.1	1.2	1.2

Source: Company, SKP Research

Exhibit: Recommendation - History Table and Chart

Date	Rating	Issue Price	Target Price	Upside Potential	Period (months)
14-Mar-17	BUY	28	45	61%	18
01-Jun-17	BUY	44	61	39%	18
22-Aug-17	BUY	61	88	45%	18
06-Oct-17	BUY	91	111	21%	12
12-Feb-18	BUY	111	155	40%	18
14-May-18	BUY	117	182	56%	18
02-Aug-18	BUY	123	203	65%	18
12-Nov-18	BUY	110	176	61%	15
24-Jan-19	BUY	80	133	66%	18
31-May-19	BUY	79	101	28%	15
26-Jul-19	BUY	58	88	52%	18
05-Nov-19	BUY	63	74	18%	15
21-Feb-20	BUY	65	71	8%	18
03-Jul-20	BUY	50	65	30%	15
28-Aug-20	BUY	63	85	35%	15
19-Oct-20	BUY	68	91	34%	12
25-Jan-21	BUY	95	122	28%	18
22-Apr-21	BUY	103	145	41%	18
27-Jul-21	BUY	124	158	27%	18
28-Oct-21	BUY	116	183	58%	18
22-Jan-22	BUY	117	181	55%	18
21-Apr-22	BUY	118	167	42%	18
25-Jul-22	BUY	119	157	32%	18

Source: SKP Research



Source: BSE, SKP Research

Notes:

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg and Thomson First Call.

Disclaimer:

This document has been prepared by SKP Securities Ltd, hereinafter referred to as SKP to provide information about the company(ies)/sector(s), if any, covered in the report and may be distributed by it and/or its affiliates. SKP Securities Ltd., offers Broking, Depository Participant, Merchant Banking and Portfolio Management Services and is regulated by Securities and Exchange Board of India (SEBI). It also distributes investment products/services like mutual funds, alternative investment funds, bonds, IPOs, etc., renders corporate advisory services and invests its own funds in securities and investment products. We declare that no material disciplinary action has been taken against SKP by any regulatory authority impacting Equity Research Analysis. As a value addition to its clients, it offers its research services and reports in various formats to its clients and prospects. As such, SKP is making these disclosures under SEBI (Research Analysts) Regulations, 2014.

Terms & Conditions and Other Disclosures:

This research report ("Report") is for the personal information of the selected recipient(s), does not construe to be any investment, legal or taxation advice, is not for public distribution and should not be copied, reproduced or redistributed to any other person or in any form without SKP's prior permission. The information provided in the Report is from publicly available data, which we believe, are reliable. While reasonable endeavors have been made to present reliable data in the Report so far as it relates to current and historical information, but SKP does not guarantee the accuracy or completeness of the data in the Report. Accordingly, SKP or its promoters, directors, subsidiaries, associates 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 and views and opinions expressed in this publication. Past performance mentioned in the Report should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by SKP and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can rise or fall. The Report includes analysis and views of individual research analysts (which, hereinafter, includes persons reporting to them) covering this Report. The Report is purely for information purposes. Opinions expressed in the Report are SKP's or its research analysts' current opinions as of the date of the Report and may be subject to change from time to time without notice. SKP or any person connected with it does not accept any liability arising from the use of this Report. Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this Report may take professional advice before acting on this information. SKP's Research reports/recommendations may differ on account of differences in research methodology and difference in time horizons for which recommendations are made. Accordingly our sales personnel, professionals or affiliates may provide oral or written market commentary or trading strategies or reports or analysis to our clients that may reflect opinions that are contrary to the opinions expressed herein, and we, or entities associated with us, may make investment decisions that can be 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. SKP, along with its affiliates, are engaged in various financial services and so might have financial, businesses or other interest in other entities, including the subject company or its affiliates mentioned in this report, for which it might have received any compensation in the past twelve months. SKP, along with its affiliates have not received any compensation for investment banking and merchant banking services, have not managed or co-managed public offering of securities and have not been engaged in market making activity of the subject company in the past twelve months preceding the date of distribution of the research report. SKP encourages independence in preparation of research reports and strives to minimize conflict in preparation of research reports. SKP and its analysts did not receive any compensation or other benefits from the subject company mentioned in the Report or from a third party in connection with preparation of the Report. Accordingly, SKP and its Research Analyst do not have any material conflict of interest at the time of publication of this Report. SKP's research analysts may provide input into its other business activities. Investors should assume that SKP and/or its affiliates are seeking or will seek business assignments from the company(ies) that are the subject of this material and that the research analysts who are involved in preparing this material may educate investors on investments in such businesses. The research analysts responsible for the preparation of this document may interact with trading desk/sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research analysts are paid on the profitability of SKP, which may include earnings from business activities for which this Report is being used, but not for the preparation of this report. SKP generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any company(ies) that the analyst covers. Additionally, SKP generally, prohibits its analysts and persons reporting to analysts from serving as an officer, director or advisory board member of any companies that the analyst cover. The following Disclosure of Interest Statement, clarifies it further: SKP and/or its Directors/or its affiliates or its Research Analyst(s) engaged in preparation of this Report or his/her relative (i) do not have any financial interests in the subject company mentioned in this report (ii) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report (iii) do not have any other material conflict of interest at the time of publication of the research report. The distribution of this document in other jurisdictions may be strictly restricted and/or prohibited by law, and persons into whose possession this document comes should inform themselves about such restriction and/or prohibition, and observe any such restrictions and/or prohibition.

SKP Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014 having registration no. INH300002902.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst about the subject securities or issues, which are subject to change without prior notice and does not represent to be an authority on the subject. No part of the compensation of the research analyst was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst in this report. The research analysts, strategists, or research associates principally responsible for preparation of SKP research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

Disclosure of Interest Statement

Analyst ownership of the stock	NIL
Served as an officer, director or employee	NIL

SKP Securities Ltd CIN : L74140WB1990PLC049032 having its registered office at Chatterjee International Centre, Level- 21, 33A Jawaharlal Nehru Road, Kolkata- 700071

	RESEARCH		DEALING	
	MUMBAI	KOLKATA	MUMBAI	KOLKATA
PHONE	+91 22 4922 6006	+91 33 4007 7000	+91 22 4922 6000	+91 33 4007 7400
FAX	+91 22 4922 6066	+91 33 4007 7007	+91 22 4922 6066	+91 33 4007 7007
EMAIL	ird@skpsecurities.com		skp.sec@bloomberg.net	

Institutional Equities | Broking | Distribution | Private Wealth | Investment Banking

NSE & BSE – INZ000199335 | NSDL& CDSL – IN-DP-155-2015 | Research Analyst- INH300002902,

Merchant Banker - INM000012670 | Portfolio Manager - INP000006509 | ARN-0006