

RETAIL EQUITY RESEARCH

Syrma SGS Technology Ltd.

Electronic Manufacturing Services

SENSEX: 58,817

NIFTY: 17,535

SUBSCRIBE

Price Range Rs. 209- Rs. 220

An export focused EMS player....

Syrma SGS Technology Ltd (SSTL), incorporated in 2004, is a Chennai-based engineering and design company engaged in electronics manufacturing services (EMS). The company provides integrated services and solutions to original equipment manufacturers (OEMs) from the initial product concept stage to volume production through concept co-creation and product realization. SSTL currently operates through 11 strategically located manufacturing facilities in Himachal Pradesh, Haryana, Uttar Pradesh, Tamil Nadu and Karnataka. They also have three dedicated R&D facilities, two of which are located in Chennai, Tamil Nadu and Gurgaon, Haryana respectively, and one is located in Stuttgart, Germany. SSTL's products are sold across 24 countries (apart from India), including the USA, Germany, Austria, and UK.

- The total electronics market in India is valued at ₹ 6,711 billion (USD 91 billion) in FY21, which is expected to grow at a CAGR of 25.5% to reach ₹ 20,873 billion (USD 282 billion) in FY26.
- SSTL's revenue from operations grew at a CAGR of 21% between FY20 and FY22 from Rs.866cr to Rs1,267cr. PAT grew 17% YoY in FY22 at Rs.76.5cr due to strong operating performance.
- SSTL has an average EBITDA and PAT margins of ~12% and ~8% (3 yr. Avg FY20-FY22) with a RoE of ~15% (3 yr. Avg) over FY20-FY22.
- SSTL's share of exports is 84%,70% and 55% in FY20, 21 and 22 respectively.
- To expand the market share in the EMS sector and to widen the geographical footprint in the domestic market, SSTL acquired SGS Teknics in September 2021 and Perfect ID in October 2021.
- SSTL has great opportunity in electronic design and manufacturing as the Chinese electronics contract manufacturing cost continues to be on the rise, and many OEM customers are moving the electronics production to other countries having similar prices, quality, and receptiveness.
- SSTL currently caters to automotive, healthcare, IT and telecom hardware, industrial products, household appliances, energy management and consumer industries.
- The company did a pre-IPO placement of 37,93,103 shares at a price of Rs. 290 per share and has garnered Rs. 110 cr. from the market.
- At the upper price band of Rs.220, SSTL is available at a P/E of 50.7x (FY22), which is available at a discount to its peers. Considering its good peer financial performance, strong focus on R&D, capacity expansion plans, positive industry outlook with government support through PLI schemes and China plus one strategy of multinational companies, we assign a "Subscribe" rating for the issue on a medium to long term basis.

Purpose of IPO

The IPO consists of fresh issue of Rs.766cr and an offer for sale of up to 3,369,360 equity shares (Rs.74cr) by the promoter selling shareholder. The proceeds from its fresh issuance worth Rs.403cr will be utilised for funding capital expenditure requirements for the development of an R&D facility and expansion / setting up of manufacturing facilities, funding long-term working capital requirements(Rs.131.58cr)and general corporate purposes.

Key Risks

- Out of the 11 manufacturing facilities, four of these facilities collectively contribute to more than 75% of the revenue from operations.
- Margins are under pressure for the last two financial years.

Peer Valuation

Company	MCap(₹ cr)	Sales (₹ cr)	EBITDA(%)	PAT (%)	EPS(₹)	RoE (%)	P/E(x)	CMP(₹)
Syrma SGS Technology Ltd.	3,877	1,266	10.0	6.0	4.3	13.1	50.7	220
Dixon Technologies Ltd.	22,539	10,697	3.5	1.8	31.8	21.9	119.3	3,798
Amber Enterprises Ltd.	7,655	4,105	6.7	2.7	32.9	6.5	69.1	2,272

Source: Geojit Research, Bloomberg; Valuations is based on upper end, EPS is diluted.

Issue Details	
Date of opening	Aug 12, 2022
Date of closing	Aug 18, 2022
Total No. of shares offered (Cr.)	3.82
Post Issue No. of shares (cr)	17.62
Price Band	₹209- ₹220
Face Value	₹ 10
Bid Lot	68 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,960
Maximum application for retail (upper price band for 13 lot)	₹ 1,94,480
Listing	BSE,NSE
Lead Managers	DAM Capital Advisors Ltd. ICICI Securities Ltd, IIFL Securities Ltd.
Registrar	Link Intime India Pvt. Ltd.

Issue size (upper price)	Rs.cr
Fresh Issue	766.0
OFS	74.1
Total Issue	840.1

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group	61.5	47.4
Public	38.5	52.6
Total	100	100

Issue structure	Allocation (%)	Size Rs.cr
Retail	35	294.0
Non-Institutional	15	126.0
QIB	50	420.1
Employee Reservation	-	-
Total	100	840.1

Y.E March (Rs cr) Consol.	FY20	FY21	FY22
Sales	865.7	887.4	1,266.6
Growth (%)	-	2.5	42.7
EBITDA	136.6	99.9	126.0
Margin%	15.8	11.3	9.9
PAT Adj.	91.5	65.6	76.5
Growth (%)	-	-28.3	16.6
EPS	5.2	3.7	4.3
P/E (x)	42.4	59.1	50.7
EV/EBITDA	29.3	39.8	32.5
RoE (%)	20.0	12.1	13.1

About the company

SSTL is a technology-focussed engineering and design company engaged in turnkey electronics manufacturing services (EMS), specialising in precision manufacturing for diverse end-use industries, including industrial appliances, automotive, healthcare, consumer products and IT industries. They are leaders in high mix low volume product management and are present in most industrial verticals. (Source: F&S Report) Further, they are one of the leading PCBA manufacturers in India, supplying to various OEMs and assemblers in the market. (Source: F&S Report). The Company is also amongst the top key global manufacturers of custom RFID tags.

SSTL's marquee customers include TVS Motor Company Limited, A. O. Smith India Water Products Pvt. Ltd., Robert Bosch Engineering and Business Solution Pvt Ltd, Eureka Forbes Limited, CyanConnode Limited, Atomberg Technologies Private Limited, Hindustan Unilever Limited, and Total Power Europe B.V.

Product portfolio

- ◆ **Printed circuit board assemblies (PCBA):** SSTL's PCBAs are used in products manufactured in the automotive, medical, industrial, IT and consumer products industries, and shall include box-build products;
- ◆ **Radio frequency identification (RFID) products:** SSTL's RFID products are used in products manufactured in the shipping, healthcare, manufacturing, retail and fintech industries;
- ◆ **Electromagnetic and electromechanical parts,** which include magnetic products like chokes, inductors, magnetic filters, transformer as well as high volume manufacturing assemblies: SSTL's electromagnetic and electromechanical parts are used in products manufactured in the automotive, industrial appliances, consumer appliances and healthcare industries, among others; and
- ◆ **Other products,** which include motherboards, DRAM modules, solid state drives, USB drives and other memory products.

One of the leading design and electronic manufacturing services companies in terms of revenue in FY21, driven by focus on quality and customer relationships.

Given the long experience in the EMS sector, and the well-experienced leadership, SSTL has been in a position to take early advantage of technological developments in the EMS sector, allowing them to promptly address evolving needs of the customers. This has enabled consistent growth in the revenue and profitability. SSTL's revenue from operations attributable to industrial appliances industry, consumer products industry, automotive industry, IT industry and other industries grew at a CAGR of 15.83%, 15.11%, 37.40, 821.03% and 426.59%, respectively from Fiscal 2020 to Fiscal 2022.

Diversified and continuously evolving and expanding product portfolio and service offerings catering to customers across various industries, backed by strong R&D capabilities.

SSTL provides design and engineering services and original design manufacturing services, that cater to various industries, including automotive, healthcare, IT, industrial appliances, energy management, water purification, power supply, and consumer products industries. In addition, they have also evolved the operations to include design and engineering services and original design manufacturing services as part of the service offerings, which have helped increase the wallet share with the existing customers, in addition to bringing in new customers. This has also helped hedge the operations against the potential risk of the offerings becoming obsolete.

Established relationships with marquee customers across various countries

Certain of the marquee customers across the end-use industries that they cater to, include TVS Motor Company Limited, A. O. Smith India Water Products Pvt. Ltd., Robert Bosch Engineering and Business Solution Pvt Ltd, Eureka Forbes Ltd Limited, CyanConnode Limited, Atomberg Technologies Private Limited, Hindustan Unilever Limited and Total Power Europe B.V. They have a history of strong customer retention. During the Fiscal 2022, They catered to over 200 customers of which 16 customers have been associated with them for over a period of 10 years. Further, in Fiscals 2020, 2021 and 2022, 83.23%, 70.34% and 64.58% of SSTL's proforma revenue from operations amounting to ₹ 7,204.80 million, ₹ 6,241.60 million and ₹ 8,179.90 million, respectively as per SSTL's Proforma Condensed Combined Financial Information, was contributed by SSTL's customers who have been associated with them for over three years. Further, they acquired 48, 42 and 158 new customers in Fiscal 2020, 2021 and 2022 respectively. In addition, 93 of their customers have been their customer for over three years, as on March 31, 2022. They have also increased the product. SSTL's products are distributed in India and overseas, in over 24 countries, including the USA, Germany, Austria, and UK.

Financial performance

In the Fiscals 2020, 2021 and 2022, SSTL's total income was ₹ 865.7cr, ₹ 887.4cr and ₹ 1,266.6cr, respectively. The EBITDA has grown to ₹ 126cr in Fiscal 2022 from ₹ 99.9cr for Fiscal 2021. The restated profit for the year in Fiscal 2022 was ₹ 76.5cr. SSTL's total revenue increased from Fiscal 2020 to Fiscal 2022 at a CAGR of 27%. Further, in the Fiscals ended 2020, 2021 and 2022, The ROCE was 17.5%, 5.8%, and 5.7%, respectively. Further, in the Fiscals ended 2020, 2021 and 2022, the ROE was 20%, 12.1%, and 13.1%, respectively.

The market size and future outlook of few of the end-use industries that SSTL intends to focus on going forward

- **Lighting:** Energy-efficiency initiatives are gaining momentum in India currently. As local demand rises, LED lighting manufacturers are strengthening their capabilities across several activity streams. Energy Efficiency Services Limited (EESL) efforts such as UJALA and SLNP provide vendors with pricing leverage with component suppliers, allowing them to drastically reduce product costs. Street lighting segment will be the biggest application for the next few years. Pure-play LED lighting companies are a dominant force in Indian market. EMS is essential for LED lighting industry since many manufacturers outsource their LED lighting manufacturing to EMS companies. In the forecast period, the EMS market has a significant growth potential. Contribution from EMS market in the total manufacturing was around ₹ 47 Billion in FY21 and is expected to reach ₹ 344 Billion in FY26, at a CAGR of around 49.2%. (Source: F&S Report).
- **Medical electronics:** The Indian medical devices market is experiencing dynamic changes with the emergence of advanced technologies, evolving clinical and administrative needs, and the introduction of new policies and regulations, which is forcing industry participants to innovate to maintain their competitive edge. The EMS market for the medical devices business was around ₹ 14 Billion in FY21 and is expected to reach ₹ 82 Billion in FY26, at a CAGR of around 42.8%. (Source: F&S Report).
- **Aerospace and defence:** India is the 7th largest aerospace and defence market globally. India needs to reduce its dependence on the imports and also modernize its aerospace and defence capital equipment base. The indigenous manufacturing base, historically built around the defence public sector undertakings and the ordnance factories is only now growing with the private sector players focusing on setting up meaningfully sized and proficient facilities. As the aerospace and defence industry advances, the crucial impact is in terms of the greater capability in the platforms, a substantial portion of this comes from the electronics. Hence electronics in the Indian aerospace and defence industrial plan is the crucial centre-piece that needs to be addressed. (Source: F&S Report).



SSTL's acquisitions

SSTL's acquisitions include the acquisition of Tovya Automation in December 2014, the merger of 3G Communication Private Limited effective from April 2016, and most recently, the acquisition of SGS Teknics in September 2021 and Perfect ID in October 2021. The acquisition of Tovya Automation and merger with 3G Wireless Communication Private Limited provided them access to various technical know-how that will allowed them to expand the IoT-related product offerings, and allowed them to meet the pre-qualification criteria applicable to certain government tenders. Pursuant to the acquisition of SGS Teknics, they expanded both the manufacturing facilities footprint across India and the inhouse R&D capabilities in Germany. In addition to this, the acquisition also helped provide opportunities to consolidate and optimize the manufacturing network. It also helped consolidate the component purchases, which account for a majority of the expenditure on raw materials, which may allow them to the procurement costs through leveraging bargaining power. This acquisition has also opened opportunities for cross selling the RFID and magnetic products to existing customers of SGS Teknics. Pursuant to our acquisition of Perfect ID, they acquired the infrastructure and know-how for the manufacture of RFID label tags and passive inlay tags, which was in addition to the existing capabilities for the manufacture of RFID hard tags, thus expanding the RFID products portfolio.

Key Strategies

- **Solidify and strengthen the core competitiveness of technology innovation**
- **Pursue inorganic growth through strategic acquisitions**
- **Expand the customer base and geographic reach**
- **Increase the wallet share from existing customers**
- **Cater to more end-use industries**

Industry Outlook

Electronics production in India is estimated at ₹ 4,975 Billion (USD 67 Billion) in FY21 and is expected to grow at a CAGR of 32.3% to reach ₹ 20,133 Billion (USD 272 Billion) by FY26. India has the potential to be one of the most attractive manufacturing destinations and support the objective of 'Make in India for the World'. Government and Industry needs to collaborate and drive initiatives to help India move among top 5 countries in electronics production and among top 3 in electronics consumption. (Source: F&S Report). The domestic production of electronics is around 74% of the total electronics market in FY21, which is expected to reach around 96% by FY26, with the help of various government initiatives and development of electronic ecosystem in India. Also, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. India is positioned not only as a low-cost alternative, but also as a destination for high quality design work. Many multinational corporations have established or expanded captive centres in India.

Promoter and promoter group

Sandeep Tandon, Jasbir Singh Gujral, Veena Kumari Tandon and Tancom Electronics Pvt Ltd are the promoters of the company. Currently, Promoters collectively hold 80,772,785 Equity Shares, representing 57.12% of the pre-offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of directors

- **Sandeep Tandon** is one of the Promoter and the Executive Chairman of the company. He has approximately 18 years of experience in the electronics manufacturing sector. He has previously been associated with Celetronix Inc., USA.
- **Jasbir Singh Gujral** is one of the Promoter and the Managing Director of the company. He is a director of SGS Teknics Manufacturing Pvt Ltd.
- **Jaideep Tandon** is the Non-Executive Director on the Board of the company. He is a director of Infinx Services Pvt Ltd.
- **Jayesh Doshi** is the Non-Executive Director on the Board of the company. He has previously been associated with Dalmia Bharat Limited as a whole time director and chief financial officer.
- **Sridhar Narayan** is the Non-Executive Director on the Board of the company. He is a director of Seraphim Advisors India Pvt Ltd, Seedworks International Pvt Ltd and Premier Energies Ltd.
- **Kunal Shah** is the Independent Director on the Board of the company. He is the co-founder of Dreamplug Technologies Pvt Ltd, Newtap Technologies Pvt Ltd, Dreamplug AA Tech Solutions Pvt Ltd and Dreamplug Paytech Solutions Pvt Ltd.
- **Anil Nair** is the Independent Director on the Board of the company. He has approximately 25 years of experience in the information technology and consulting sectors.
- **Hetal Gandhi** is the Independent Director on the Board of the company. He has approximately 35 years of experience in the financial services and management consultancy sectors.
- **Smita Jatia** is the Independent Director on the Board of the company. She is a director of Westlife Development Ltd, and the president of Hardcastle Restaurants Pvt Ltd.
- **Bharat Anand** is the Independent Director on the Board of the company. He has over 20 years of experience.

Proforma Condensed Combined Financials

PROFIT & LOSS

Y.E March (Rs cr)	FY20	FY21	FY22
Sales	865.7	887.4	1266.6
% change	-	2.5	42.7
EBITDA	136.6	99.9	126.0
% change	-	-27	26
Depreciation	19.1	22.8	24.9
EBIT	117.5	77.2	101.0
Interest	12.8	7.1	8.0
Other Income	14.3	16.9	17.7
Exceptional Items	6	-	-
PBT	113.3	86.9	110.8
% change	-	-23.0	27.5
Tax	21.9	21.3	34.3
Tax Rate (%)	19	25	31
Reported PAT	91.5	65.6	76.5
Adj	-	-	-
Adj. PAT	91.5	65.6	76.5
% change	-	-28.3	16.6
Post issue No. of shares (cr)	17.6	17.6	17.6
Adj EPS (Rs)	5.2	3.7	4.3
% change	-	-28.3	16.6

BALANCE SHEET

Y.E March (Rs cr)	FY20	FY21	FY22
Cash	78.0	72.9	36.9
Accounts Receivable	180.4	208.4	272.2
Inventories	141.9	178.9	291.3
Other Cur. Assets	33.0	40.9	57.1
Investments	38.7	59.4	53.6
Deff. Tax Assets	4.9	3.6	3.0
Net Fixed Assets	213.4	210.3	258.2
CWIP	1.2	0.0	39.1
Intangible Assets	121.3	120.1	121.4
Other Assets	13.0	11.9	21.2
Total Assets	826	907	1,154
Current Liabilities	216.6	234.8	305.7
Provisions	16.6	22.4	26.7
Debt Funds	125.1	103.6	218.3
Other Fin. Liabilities	4.7	1.7	17.1
Deferred Tax liability	4.5	1.4	3.5
Equity Capital	0.7	0.7	137.6
Reserves & Surplus	457.6	542.1	445.3
Shareholder's Fund	458.3	542.9	582.9
Total Liabilities	826	907	1,154
BVPS (Rs)	26	31	33

CASH FLOW

Y.E March (Rs cr)	FY20	FY21	FY22
PBT Adj.	113.3	86.9	110.8
Non-operating & non cash adj.	33.05	22.1	26.7
Changes in W.C	9.4	-71.9	-150.1
C.F.Operating	155.8	37.1	-12.6
Capital expenditure	-48	-18.7	-401
Change in investment	-2	-6.42	1
Sale of investment	-	-	-
Other invest.CF	0.78	-87.18	1.17
C.F - investing	-49.1	-112.3	-399.2
Issue of equity	4.50	107.87	272
Issue/repay debt	-66	-29.4	92.4
Dividends paid	-2	-	-
Other finance.CF	4	-6.9	18.2
C.F - Financing	-59.33	71.6	382.1
Change. in cash	47.38	-3.7	-30
Closing cash	67	63	33

RATIOS

Y.E March	FY20	FY21	FY22
Profitab. & Return			
EBITDA margin (%)	15.8	11.3	9.9
EBIT margin (%)	13.6	8.7	8.0
Net profit mgn.(%)	10.6	7.4	6.0
ROE (%)	20.1	12.2	13.4
ROCE (%)	17.6	5.8	5.7
W.C & Liquidity			
Receivables (days)	76	80	69
Inventory (days)	93	98	96
Payables (days)	73	78	69
Current ratio (x)	2.0	2.2	2.1
Quick ratio (x)	1.2	1.2	1.0
Turnover & Levq.			
Net asset T.O (x)	4.1	4.2	5.6
Total asset T.O (x)	1.0	1.0	1.3
Int. covge. ratio (x)	9.2	10.8	12.7
Adj. debt/equity (x)	0.3	0.2	0.4
Valuation ratios			
EV/Sales (x)	4.6	4.5	3.2
EV/EBITDA (x)	29.3	39.8	32.5
P/E (x)	42.4	59.1	50.7
P/BV (x)	8.5	7.2	6.8

General Disclosures and Disclaimers

CERTIFICATION

We, Mithun T Joseph and Rajeev T, author(s) of this Report, hereby certify that all the views expressed in this research report reflect my 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 Financial Services Limited (hereinafter 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.

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 of 1% or more 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 of 1% or more 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 (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 we, Mithun T Joseph and Rajeev T , 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., 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