

One-off events drag profitability...

About the stock: EPL is the world's largest manufacturer of laminated plastic tubes (~8 billion tubes annually) catering to the FMCG and pharma space.

- Oral care segment contributes ~54% of total topline while the rest comes from the personal care category
- Focus on debt reduction, improving RoE, RoCE (~15%, 16%, respectively)

Q2FY22 Results: Lower profitability in Europe and one off losses dragged overall profitability.

- Consolidated revenue growth of 13% YoY to ₹ 870 crore led by America and Amesa regions (up ~22%, ~19% YoY, respectively). However, revenue decline of ~3% YoY in Europe region restricted overall topline growth
- Higher raw material prices and other expenses (up 26% YoY) dragged EBITDA margin down 326 bps YoY to 18.3%
- PAT fell 23% YoY to ₹ 53 crore due to losses from associates of ~₹ 7 crore

What should investors do? EPL's share price has grown by ~2x over the past five years (from ~₹ 116 in November 2016 to ~₹ 222 level in November 2021).

- We maintain our HOLD rating on the stock

Target Price & valuation: We roll over our valuation on FY24E and value EPL at ₹ 245 i.e. 10x EV/EBITDA on FY24E EBITDA

Key triggers for future price performance:

- Performance of Amesa region has been a laggard (FY18-21) mainly due to lower volume offtakes. However, consolidation of Creative Stylo and improved product mix would help drive revenues of the region
- Performance of America and European regions has remained volatile amid pandemic led challenges. This, coupled with improved revenue contribution from personal care segment would help drive future margins
- Focus on maintaining a quality balance sheet, going forward

Alternate Stock Idea: We like Mold-Tek Packaging in the packaging space.

- Strong volume growth of ~19% in FY21-24E led by capacity expansion and client additions in the high margin product categories
- BUY with a target price of ₹ 850



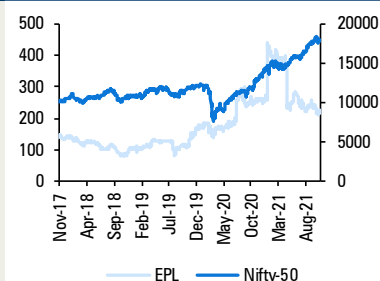
Particulars

Particular	Amount
Market Capitalization (₹ Crore)	6,873.5
Total Debt (FY21) (₹ Crore)	496.2
Cash and Inv (FY21) (₹ Crore)	270.2
EV (₹ Crore)	7,099.5
52 week H/L	294/ 202
Equity capital (₹ Crore)	63.1
Face value (₹)	2.0

Shareholding pattern

(in %)	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Promoter	52.0	52.0	52.0	52.0	51.9
FII	14.3	13.8	14.9	14.6	14.7
DII	15.3	15.5	13.5	14.8	14.8
Others	18.4	18.7	19.6	18.6	18.6

Price Chart



Recent event & key risks

- **Key Risk:** (i) Region specific issues hurt topline growth (ii) Delay in passing on high input prices

Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Hitesh Taunk
hitesh.taunk@icicisecurities.com

Key Financial Summary

(₹ Crore)	FY19	FY20	FY21	(FY16-21)	FY22E	FY23E	FY24E	3 Year CAGR (21-24E)
Net Sales	2706.9	2761.5	3091.6	7%	3444.0	3830.2	4253.9	11.2
EBITDA	499.1	557.6	611.1	9%	648.1	741.9	834.0	10.9
EBITDA Margin (%)	18.4	20.2	19.8		18.8	19.4	19.6	
Net Profit	195.4	211.6	244.3	7%	255.9	321.2	374.1	15.3
EPS (₹)	6.2	6.7	7.7		8.1	10.2	11.9	
P/E (x)	35.2	32.5	28.1		26.9	21.4	18.4	
Price/Book (x)	5.0	4.4	4.0		3.9	3.7	3.4	
EV/EBITDA (x)	14.7	12.7	11.6		10.9	9.4	8.2	
RoE (%)	13.9	14.0	14.8		14.6	17.4	18.8	
RoCE (%)	16.8	15.3	16.2		16.5	19.2	21.0	

Key takeaways of recent quarter & conference call highlights

Q2FY22 Results:

- Revenue grew 13% YoY to ₹ 870 crore, led by revenue growth in Amesa, America and EAP regions by 22%, 19% and 12% YoY, respectively
- EBITDA margins shrunk 326 bps YoY to 18.3% due to higher raw material costs and other expenses (led by freight costs). Lower margin and one off losses from associates dragged net profit down ~23% YoY to ₹ 53 crore
- Amesa region (32% of revenues) witnessed ~19% YoY revenue growth in Q2FY22 supported by a favourable base and increased wallet share from existing customers. EBITDA margin declined ~430 bps YoY to 22% due to higher input costs
- America region (21% of revenues) witnessed revenue growth of 22% YoY to ₹ 186 crore supported by a favourable base and new customer win across categories. EBITDA margin declined 160 bps YoY to 15%
- Europe region (25% of revenues) witnessed revenue de-growth of ~3% YoY to ₹ 188 crore mainly due to low demand of personal care products. The EBITDA margin declined by 380 bps YoY to ~11% due to higher raw material prices and labour charges

Q1FY22 Earnings Conference Call highlights

- Demand Outlook:**
 - The management is positive on demand, going forward, and maintains its stance of achieving double digit topline growth in this fiscal
 - Europe business will see improvement in the coming period with improved demand of personal care products. This, along with improved labour availability will help reduce fixed costs
- Margins:**
 - Delay in passing on higher raw material prices and higher freight costs dragged overall EBITDA margin
 - Going forward, the management expects EBITDA margin to go up due to price hikes that the company has undertaken and a suitable product mix
- The company expects capex to be in the range of ₹ 240 -250 crore

Exhibit 1: Peer Comparison

Company	Mcap ₹ cr	Revenue				EBITDA margin				PAT				RoCE				RoE				PE			
		FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E
Shaily Eng	1,748	361	557	659	731	17	16	17	18	22	39	62	77	12	12	17	19	12	11	15	15	72	45	28	23
Mold Tek	2,036	479	657	743	832	20	20	21	23	48	73	89	115	20	28	29	31	19	24	24	24	42	28	23	18
Time Technopl	1,628	3005	3647	4099	4308	13	14	14	14	108	188	242	260	9	12	14	14	6	10	11	11	15	9	7	6
EPL	6,874	3092	3444	3830	4254	20	19	19	20	244	256	321	374	16	17	19	21	15	15	17	19	28	27	21	18

Source: Company, ICICI Direct Research

EPL's Amesa and America regions (contributes ~53% in overall revenues) have posted strong revenue growth supported by a favourable base and consolidation of new business. However, Europe region has been hit by lower volume offtake in the personal care product segment and higher fixed costs during H1FY22. While management guidance suggests strong business recovery, going forward, we believe EPL's re-rating will be possible with secular growth across regions. We introduce FY24E estimates with revenue, PAT CAGR of 11% and 15%, respectively. We roll over our valuation on FY24E and value EPL at ₹ 245 i.e. 10x EV/EBITDA on FY24E EBITDA. We maintain our HOLD rating on the stock with a revised target price of ₹ 245/share.

Exhibit 2: Variance Analysis

	Q2FY22	Q2FY21	YoY(%)	Q1FY22	QoQ (%)	Comments
Revenue	870.1	770.3	13.0	799.1	8.9	Revenue growth in Amesa, EAP and America regions drives overall revenue growth in Q2FY22
Other Income	1.4	3.2	-56.3	5.3	-73.6	
Raw Material Exp	378.3	322.2	17.4	337.1	12.2	Delay in passing on price hikes results in 165 bps drop in gross margin
Employee Exp	162.9	147.2	10.7	155.7	4.6	
Manf & Other exp	169.5	134.7	25.8	161.4	5.0	Higher freight costs lead to rise in other expenditure
EBITDA	159.4	166.2	-4.1	144.9	10.0	
EBITDA Margin (%)	18.3	21.6	-326 bps	18.1	19 bps	Higher raw materail cost and other expenditure drags overall EBITDA margin
Depreciation	62.2	57.8	7.6	61.9	0.5	
Interest	9.7	9.7	0.0	8.9	9.0	
PBT bef excp items	88.9	101.9	-12.8	79.4	12.0	
Profit from associ	-6.7	-0.3	NM	-0.3	NM	
PBT	88.9	101.9	-12.8	79.4	12.0	
Total Tax	29.7	33.4	-11.1	18.9	57.1	
PAT	52.5	68.2	-23.0	60.2	-12.8	On a like to like basis, bottomline growth remains flat YoY

Key Metrics

AMESA	307.5	259.0	18.7	281.9	9.1	Strong growth on a favourable base and consolidation of new business (Creative Stylo)
EAP	213.6	190.8	11.9	206.0	3.7	Execution of new orders in the beauty & cosmetics and pharma segments drive segment revenue
Americas	186.0	152.8	21.7	163.9	13.5	Favourable base and increased wallet share from existing customers drive segment revenues
Europe	188.2	193.9	(2.9)	178.4	5.5	Low demand of personal care products (travel related products) drag down revenue growth in the region

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

₹ Crore)	FY22E			FY23E			FY24E introduced	Comments
	Old	New	% Chg	Old	New	% Chg		
Revenue	3,407.8	3444.0	1.1	3,791.0	3830.2	1.0	4253.9	We slightly tweak our revenue estimate upward considering current quarter performance. We introduce FY24E estimates with revenue CAGR of 11% in FY21-24E
EBITDA	671.6	648.1	(3.5)	797.5	741.9	(7.0)	834.0	
EBITDA Margin %	19.7	18.8	-89bps	21.0	19.4	-167bps	19.6	We revise our margin estimates downward for FY22E-23E considering low margins from Europe
PAT	297.1	255.9	(13.9)	364.2	321.2	(11.8)	374.1	
EPS (₹)	9.4	8.1	(13.9)	11.6	10.2	(11.8)	11.9	

Source: ICICI Direct Research

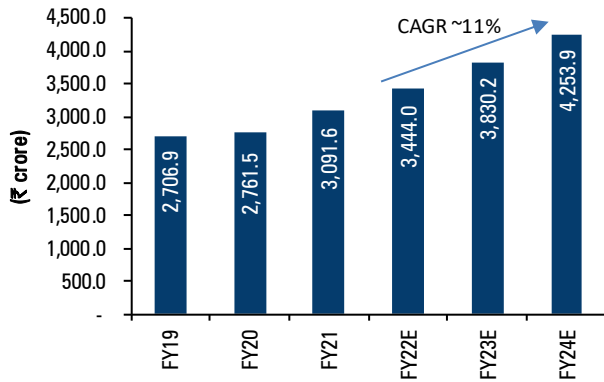
Exhibit 4: Assumptions

	Current			FY24		Earlier		Comments
	FY20	FY21	FY22E	FY23 E	E New	FY22E	FY23E	
AMESA Growth (%)	-2.4	6.1	19.7	13.7	13.7	19.6	13.7	Favourable base, consolidation of Creative Stylo Packs will help drive revenue CAGR at 16% in FY21-24E
EAP Growth (%)	-6.6	25.5	9.5	11.5	11.5	9.4	11.5	Business pipeline in beauty & cosmetics and pharma categories to help drive segment revenue CAGR at 11%
Americas Growth (%)	5.1	5.4	12.1	8.1	8.1	7.1	8.1	Addition of new customers and wallet share gain from the existing customers to help drive segment revenue
Europe Growth (%)	15.7	13.5	1.5	9.1	9.1	1.5	9.1	Normal business activities and increased demand for personal products would help drive recovery in the European business

Source: ICICI Direct Research

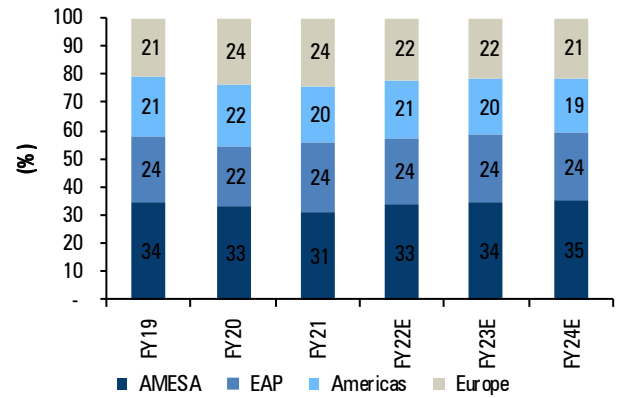
Financial story in charts

Exhibit 5: Consolidated revenue trend



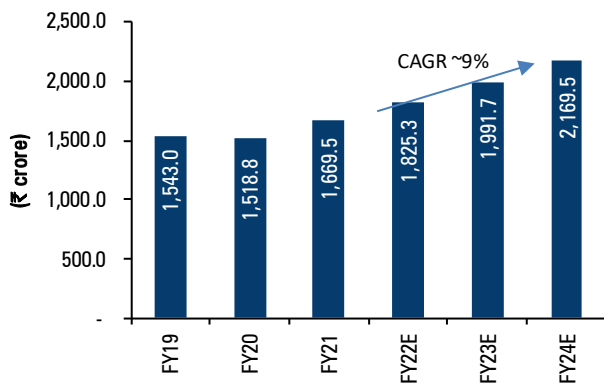
Source: Company, ICICI Direct Research

Exhibit 6: Region wise revenue contribution



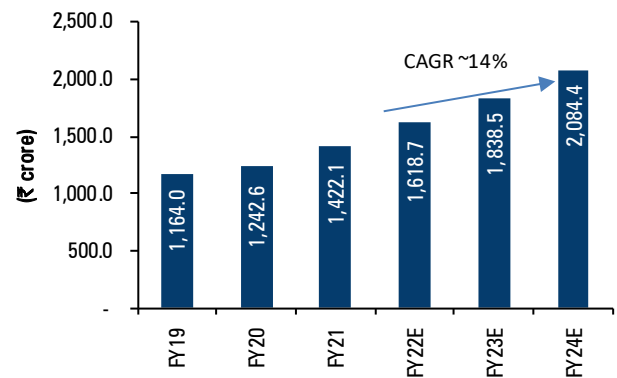
Source: Company, ICICI Direct Research

Exhibit 7: Oral care revenue trend



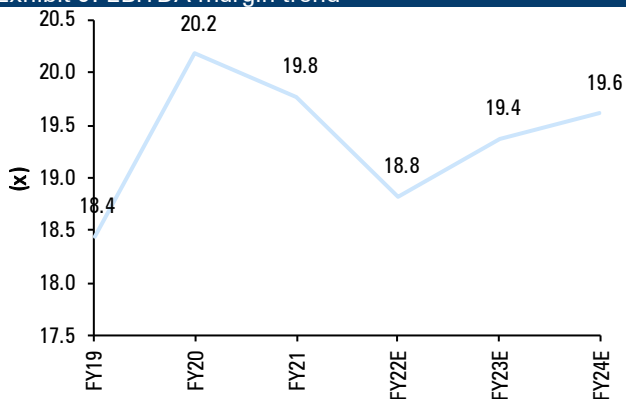
Source: Company, ICICI Direct Research

Exhibit 8: Non oral care revenue trend



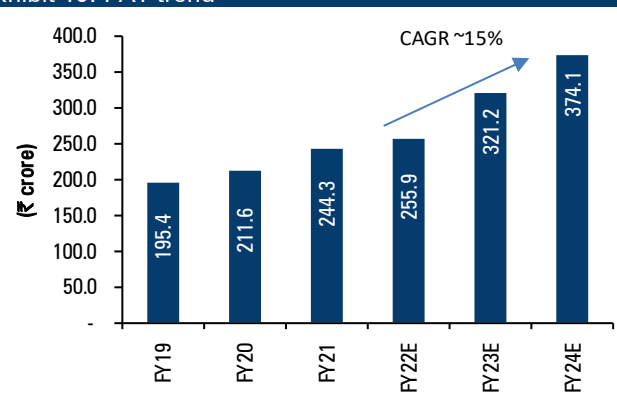
Source: Company, ICICI Direct Research

Exhibit 9: EBITDA margin trend



Source: Company, ICICI Direct Research

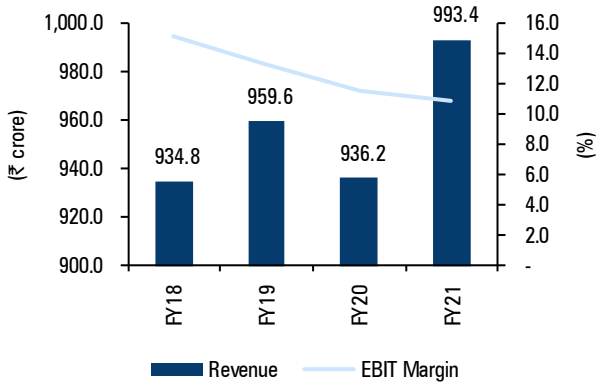
Exhibit 10: PAT trend



Source: Company, ICICI Direct Research

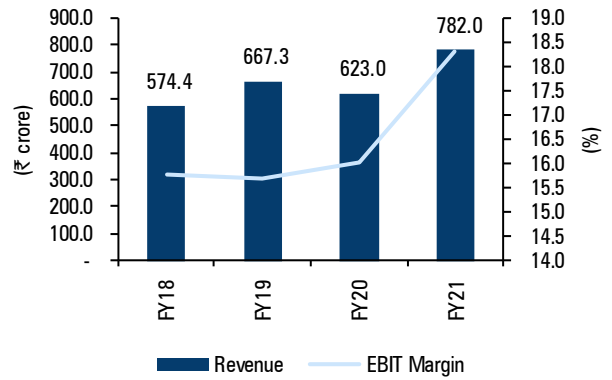
Financial story in charts

Exhibit 11: Amesa region revenue, EBIT margin trend



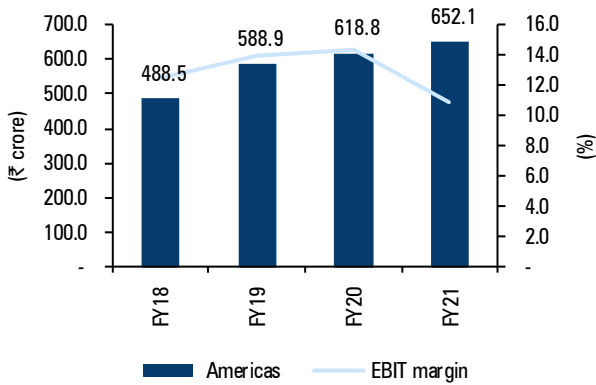
Source: Company, ICICI Direct Research

Exhibit 12: EAP region revenue & EBIT margin trend



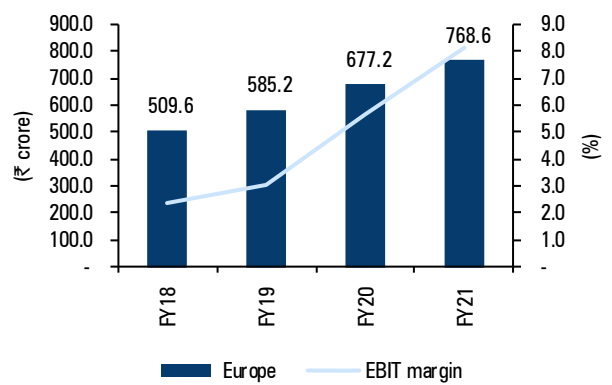
Source: Company, ICICI Direct Research

Exhibit 13: Americas revenue, EBIT margin trend



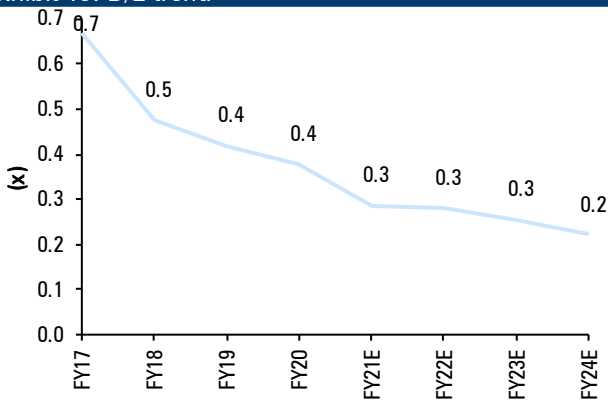
Source: Company, ICICI Direct Research

Exhibit 14: Europe revenue EBIT margin trend



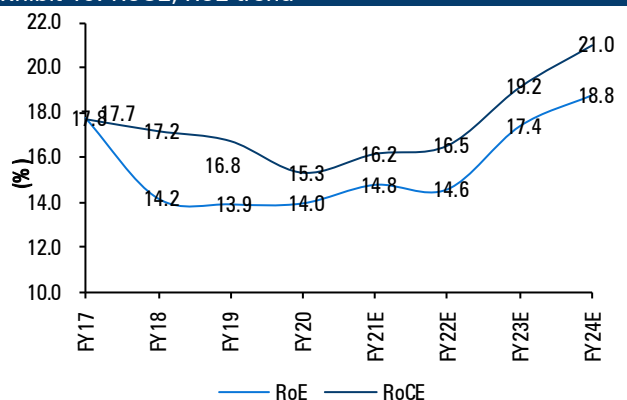
Source: Company, ICICI Direct Research

Exhibit 15: D/E trend



Source: Company, ICICI Direct Research

Exhibit 16: RoCE, RoE trend



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 17: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Net Sales	3091.6	3444.0	3830.2	4253.9
Growth (%)	12.0	11.4	11.2	11.1
Expenses				
Raw Material Expenses	1293.4	1478.6	1620.2	1796.0
Employee Expenses	606.4	642.3	717.4	781.6
Manufacturing & Other Exp	580.7	675.0	750.7	842.3
Total Operating Expenditure	2480.5	2795.9	3088.3	3419.9
EBITDA	611.1	648.1	741.9	834.0
Growth (%)	9.6	6.1	14.5	12.4
Interest	42.9	38.3	33.4	31.6
Other Income	14.5	9.6	10.5	11.7
Depreciation	234.6	254.9	271.9	293.5
PBT before Exceptional Items	348.1	364.5	447.1	520.6
Less: Exceptional Items	16.1	0.0	0.0	0.0
PBT	332.0	364.5	447.1	520.6
Total Tax	86.8	101.6	125.2	145.8
Profit from Associates	-0.9	-7.0	-0.7	-0.7
PAT	244.3	255.9	321.2	374.1

Source: Company, ICICI Direct Research

Exhibit 18: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Profit after Tax	244.3	255.9	321.2	374.1
Depreciation	234.6	254.9	271.9	293.5
CF bef working capital chag	521.8	549.1	626.5	699.2
Net Increase in Current Assets	-130.7	-140.7	-109.1	-162.4
Net Increase in Current Liabilities	12.0	124.0	84.2	92.4
Net CF from operating act	403.1	532.4	601.6	629.2
(Purchase)/Sale of Fixed Assets	-288.0	-230.0	-230.0	-230.0
Minority Interest	24.7	0.0	0.0	0.0
Others	-52.2	-20.0	-20.0	-20.0
Net CF from Investing act	-315.6	-250.0	-250.0	-250.0
Equity Capital	0.0	0.0	0.0	0.0
Loan	-95.6	-5.0	-20.0	-30.0
Total Outflow on account of dividend	-129.3	-182.1	-227.6	-227.6
Others	7.5	-90.1	-33.4	-31.6
Net CF from Financing Act	-217.4	-277.2	-281.0	-289.3
Net Cash flow	-75.2	5.2	-29.4	-10.1
Cash and Cash Equ at the beg	345.4	270.2	275.4	246.0
Cash	270.2	275.4	246.0	235.9

Source: Company, ICICI Direct Research

Exhibit 19: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Equity Capital	63.1	63.1	63.1	63.1
Reserve and Surplus	1668.8	1690.8	1784.4	1930.8
Total Shareholders funds	1731.8	1753.9	1847.4	1993.8
Total Debt	496.2	491.2	471.2	441.2
Total Liabilities	2418.1	2435.2	2508.7	2625.1
Assets				
Total Gross Block	4178.1	4380.7	4610.7	4840.7
Less Total Accumulated Depreciation	2758.1	3013.0	3284.9	3578.4
Net Block	1420.0	1367.7	1325.8	1262.3
Total CWIP	22.6	50.0	50.0	50.0
Total Fixed Assets	1442.6	1417.7	1375.8	1312.3
Other Investments	14.9	34.9	54.9	74.9
Inventory	414.9	519.0	545.7	617.7
Debtors	589.1	613.3	682.1	757.5
Loans and Advances	15.4	17.2	19.1	21.2
Cash	270.2	275.4	246.0	235.9
Other Current Assets	93.7	104.4	116.1	128.9
Total Current Assets	1383.3	1529.2	1608.9	1761.2
Creditors	422.2	519.0	577.2	641.0
Provisions	33.6	41.3	45.9	51.0
Total Current Liabilities	627.0	751.0	835.2	927.6
Net Current Assets	756.3	778.2	773.7	833.6
Total Assets	2418.1	2435.2	2508.7	2625.1

Source: Company, ICICI Direct Research

Exhibit 20: Key ratios				
(Year-end March)	FY21	FY22E	FY23E	FY24E
Per Share Data				
EPS	7.7	8.1	10.2	11.9
Cash EPS	15.2	16.2	18.8	21.2
BV	54.9	55.6	58.6	63.2
DPS	4.1	5.8	7.2	7.2
Operating Ratios				
EBITDA Margin	19.8	18.8	19.4	19.6
PAT Margin	8.3	7.4	8.4	8.8
Return Ratios				
RoE	14.8	14.6	17.4	18.8
RoCE	16.2	16.5	19.2	21.0
RoIC	18.0	18.8	22.2	24.9
Valuation Ratios				
EV / EBITDA	11.6	10.9	9.4	8.2
P/E	28.1	26.9	21.4	18.4
EV / Net Sales	2.3	2.1	1.8	1.6
Market Cap / Sales	2.2	2.0	1.8	1.6
Price to Book Value	4.0	3.9	3.7	3.4
Turnover Ratios				
Asset turnover	0.7	0.8	0.8	0.9
Debtor Days	69.5	65.0	65.0	65.0
Creditor Days	49.8	55.0	55.0	55.0
Inventory Days	49.0	55.0	52.0	53.0
Solvency Ratios				
Debt / Equity	0.3	0.3	0.3	0.2
Current Ratio	2.4	2.2	2.2	2.2
Quick Ratio	1.5	1.3	1.3	1.3

Source: Company, ICICI Direct Research

Exhibit 21: ICICI Direct Consumer Discretionary universe

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
					FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E
Asian Paints (ASIPAI)	3,145	3,425	Buy	3,01,606	33.4	28.3	40.6	52.3	94.1	111.0	77.4	60.1	61.2	71.8	51.7	40.5	29.6	25.0	33.0	38.5	25.0	21.1	27.9	32.1
Berger Paints (BERPAI)	774	860	Hold	75,171	7.4	9.5	11.9	14.7	104.4	81.9	65.1	52.5	63.1	52.4	42.8	34.8	24.9	29.0	33.9	36.0	21.3	24.7	27.6	29.2
Kansai Nerolac (KANNER)	601	630	Buy	32,389	10.2	9.0	13.3	15.6	58.6	66.6	45.4	38.5	37.9	42.4	30.0	25.4	17.6	15.7	20.8	22.3	13.7	12.1	16.0	16.9
Pidilite Industries (PIDIND)	2,392	2,390	Hold	1,21,466	22.2	25.3	30.7	36.8	107.9	94.4	77.8	65.1	72.0	62.9	53.1	44.8	23.8	23.0	26.9	30.8	20.2	19.5	22.5	25.7
Bajaj Electricals (BAJELE)	1,092	1,250	Buy	12,509	16.5	23.0	34.0	39.2	66.2	47.5	32.2	27.9	42.0	30.4	21.7	19.3	15.1	19.3	25.2	24.2	10.7	16.3	19.9	19.1
Crompton Greaves (CROGR)	461	525	Buy	28,895	9.8	9.1	11.6	13.1	46.9	50.8	39.8	35.2	38.6	37.9	30.3	26.7	34.4	36.0	41.5	41.5	31.9	28.5	32.7	32.3
Havells India (HAVIND)	1,326	1,545	Buy	82,729	16.7	20.6	24.7	28.9	79.6	64.5	53.7	45.8	52.1	43.5	36.3	30.9	24.9	27.5	30.9	32.9	20.1	22.9	25.5	26.8
Polycab India (POLI)	2,473	2,710	Buy	36,877	59.4	52.6	76.4	90.5	41.6	47.1	32.4	27.3	30.8	31.0	21.9	18.3	21.9	19.1	24.2	24.4	18.5	14.9	18.6	18.7
Symphony (SYMLIM)	1,046	1,160	Hold	7,318	15.3	20.3	33.1	40.0	68.4	51.4	31.6	26.2	51.3	38.3	24.7	20.2	15.2	21.5	29.5	31.0	14.9	19.5	27.7	28.3
V-Guard Ind (VGUARD)	260	310	Buy	11,135	4.7	5.0	6.9	7.8	55.2	52.3	37.8	33.4	34.8	34.8	27.1	23.7	23.9	23.2	28.2	28.1	16.7	17.6	21.9	21.8
Voltas Ltd (VOLTAS)	1,252	1,375	Hold	41,408	16.0	19.8	25.2	33.3	78.3	63.1	49.7	37.6	63.9	55.4	44.0	35.9	15.0	18.5	20.8	21.8	10.6	13.6	15.4	17.5
Amber Enterprises (AMBE)	3,473	3,900	Buy	11,702	24.7	44.0	82.2	106.9	140.5	78.9	42.2	32.5	52.9	40.5	24.0	18.8	7.7	10.8	17.0	19.4	5.2	8.9	14.3	15.8
Dixon Technologies (DIXTE)	5,595	5,990	Buy	32,758	27.3	45.8	84.8	116.4	205.2	122.1	66.0	48.1	114.3	71.6	42.8	31.9	23.5	31.2	40.1	39.1	21.7	31.0	39.5	37.2
Supreme Indus (SUPIND)	2,452	2,740	Buy	31,147	77.0	67.6	80.7	91.1	31.8	36.3	30.4	26.9	23.7	26.4	21.8	19.2	33.1	25.7	27.3	27.6	30.9	24.4	25.1	25.0
Astral Polytechnic (ASTPOL)	2,299	2,160	Hold	46,183	20.3	24.6	31.8	40.6	113.1	93.3	72.3	56.7	71.0	60.2	47.0	37.1	27.5	29.2	32.5	34.0	21.5	22.8	24.9	26.0
EPL (ESSPRO)	218	245	Hold	6,874	7.7	8.1	10.2	11.9	28.1	26.9	21.4	18.4	11.6	10.9	9.4	8.2	16.2	16.5	19.2	21.0	14.8	14.6	17.4	18.8
Time Techno (TIMTEC)	72	100	Buy	1,628	4.8	8.3	10.7	11.5	15.1	8.6	6.7	6.3	5.7	4.6	3.8	3.5	8.7	12.2	13.9	13.9	5.7	9.5	11.3	11.1
Moldtek Packaging (MOLP)	719	850	Buy	2,036	17.2	25.6	31.5	40.5	41.8	28.1	22.8	17.8	22.6	16.0	13.4	10.9	20.1	27.7	29.3	31.0	18.7	24.3	24.0	24.4

Source: Bloomberg, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Sanjay Manyal (MBA Finance), Hitesh Taunk (MBA Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavor to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

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

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

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

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.