

21 December 2015

# India Cement Dealer Check

## Weak demand hurts prices across regions

Cement prices have corrected across most regions in the last one month on weak demand. While price declines have been more pronounced in the North, the southern market has been rather resilient. We expect profits to remain muted QoQ for most cement players in Q3. Major cement stocks have remained under performers in last three months, with volume growth only for players with new capacities. We think a meaningful demand revival would be the key for any strong upmove in cement stocks.

- ➔ **Prices decline sharply in North; South bucks the trend:** Amid continued demand pressure, prices in North India have declined by Rs 50-70/bag during the last 1-1.5 months, touching the lows of Rs 200-210/bag from Rs 270-290/bag earlier. In contrast, though demand remains feeble in South India in the absence of an expected pick-up in government demand, prices have seen only a marginal dip in major states except Andhra Pradesh. While prices in Karnataka and Tamil Nadu have declined by Rs 10-15/bag, those in Andhra Pradesh have increased by Rs 50-60/bag in the last one month. However, dealers pointed that the actual increase in prices in Andhra Pradesh was insignificant due to the ongoing heavy discounts in the market.
- ➔ **Prices remain weak in West:** Prices in the western market have declined by Rs 25-30/bag in the last one month. While rural Maharashtra is under pressure due to lack of rainfall, Gujarat has seen supply pressures from the Rajasthan market. Prices are hovering at Rs 240-250/bag in Gujarat and at Rs 250-260/bag in Mumbai.
- ➔ **Central, eastern region also witness declines:** In the central market, both Uttar Pradesh and Madhya Pradesh have seen a price decline of Rs 10-15/bag in the last one month due to sluggish demand. The eastern market has also seen a decline of Rs 10-20/bag, with new supply from SRCM and JKLC also disturbing the demand-supply equilibrium. While the Patna market is yet to see a demand recovery, dealers are hopeful of some price revival in January.
- ➔ **Demand slump continues in most regions:** Our discussions with dealers across cities suggest continued weakness in demand still persists due to (1) subdued government investment, (2) poor housing demand, and (3) a poor monsoon hurting rural demand.
- ➔ **Realisations to decline QoQ:** With most markets seeing a price decline, we expect QoQ realisations to be lower, thereby hurting profitability. Overall, we expect a 2-3% decline in cement prices QoQ, with the maximum drop in the eastern and western markets. While dealers expect price increases in most regions from January (particularly North where correction has been the sharpest), we think overall demand remains feeble and is the key for any meaningful recovery in the sector. Top picks: UTCEM and ORCMNT.



### REPORT AUTHORS

**Mihir Jhaveri**  
+91 22 6766 3459  
mihir.jhaveri@religare.com

**Siddharth Vora**  
+91 22 6766 3435  
siddharth.vora@religare.com

Company	Ticker	CMP (Rs)	TP (Rs)	REC
ACC	ACC IN	1,349	1,400	HOLD
Ambuja Cement	ACEM IN	201	230	BUY
Birla Corp	BCORP IN	452	500	BUY
Century Textiles	CENT IN	576	620	HOLD
Grasim Industries	GRASIM IN	3,701	5,000	BUY
India Cements	ICEM IN	88	105	HOLD
JK Cement	JKCE IN	646	750	BUY
JK Lakshmi Cement	JKLC IN	328	360	BUY
Orient Cement	ORCMNT	166	210	BUY
Sanghi Industries	SNGI IN	66	75	BUY
Shree Cement	SRCM IN	10,752	11,800	BUY
Ultratech Cement	UTCEM IN	2,800	3,300	BUY

### Survey statistics

#### Sample set

40+ dealers across the country

#### Number of cities and towns covered

30



The India Cement Dealer Check forms part of our **Down to Earth** series which comprises a range of primary surveys, road trips and on-the-ground channel checks by our Equities team in India.



## Region-wise snapshot

### Demand slump hits prices across markets

#### West India: Higher supply from North players brings down prices in Gujarat

In Gujarat, dealers have seen a decline of Rs 25-30/bag in the last one month amid sluggish demand and higher supply from Rajasthan-based players in the Gujarat market. In Maharashtra, a poor monsoon has hurt demand and no pick up has been seen in rural demand as the slump in real estate continues. As per a Pune-based dealer, December-year ending companies are also cutting prices to push volumes. He also opined that the rural real estate market is going through a rough patch as water shortage has hampered construction activity coupled with lower income. Mumbai prices have also corrected by Rs 20-30/bag since November.

#### North India: Prices down by Rs 50-70/bag in last 45 days

Following a weak Q2, demand has failed to improve in the northern market, preventing several attempted price hikes. At current trends, cement prices could be 2% lower QoQ for regional players in Q3FY16. As per our checks, NCR region may see price hikes in January due to disruption in supply (due to SC order on diesel vehicles). In some markets such as Chandigarh, prices are likely to fall by Rs 10-15/bag this week as well. In the non-trade segment, prices have fallen to sub-Rs 200/bag levels owing to tepid institutional demand. In Rajasthan, non-trade prices have gone to as low as Rs 170-180/bag. Dealers opined that prices have bottomed out and can see an uptick by January beginning.

#### Central India: Prices decline in Uttar Pradesh and Madhya Pradesh

In Uttar Pradesh, prices have dropped by Rs 10-15/bag in the last one month as demand remains weak. While the region is not facing any new supply issues, prices have been undercut by JPA's aggressive strategy. As per a dealer, the social sector initiatives undertaken by the state government have done little to boost construction activity. Demand in Madhya Pradesh is tepid, and price correction in the state has been similar to that in Uttar Pradesh (~Rs 10-20/bag in last one month). Dealers opined that lack of funding availability to the State government is restricting government-led project growth.

#### East India: Prices decline as new players play spoilsport

The eastern market has witnessed some price correction in the last one month as demand remains feeble. Government project offtake has remained slow post the recent Bihar elections. As per a Patna dealer, there is no demand from government projects but January should see some revival. New supply from SRCM and JKLC has disturbed the demand-supply equilibrium in the East. Not surprisingly, attempts to raise prices in some markets have been followed by rollbacks. A West Bengal dealer though opined that prices have remained stable since the last 3-4 months.

#### South India: Prices fall; but trend remains strongest despite demand lull

In the southern market as well, demand remains feeble with no pick up in new government projects (in select markets). Remarkably, price trends have remained strong, with only a marginal correction of Rs 10-20/bag and down from 400+ levels earlier in most markets. While Andhra Pradesh has seen an increase of Rs 50-60/bag last month, dealers pointed that the actual increase in prices was insignificant due to the ongoing heavy discounts in the market. Lower construction offtake due to delayed payments and tight liquidity in the real estate market has hurt demand in the South. Dealers opined that no new players have disrupted the market in recent months.

	Price Trend	
	Current	Expected
<b>West</b>		
Ahemdabad	↓	↑
Baroda	↓	↑/↔
Mumbai	↓	↔
Nagpur	↓	↑
Pune	↓	↓/↔
Surat	↓	↓/↔
<b>North</b>		
Delhi	↓	↑/↔
Dehradun	↓	↓/↔
Chandigarh	↓	↔
Jaipur	↓	↑/↔
Jodhpur	↓	↔
Ludhiana	↓	↑/↔
<b>Central</b>		
Agra	↓	↔
Allahabad	↓	↔
Bhopal	↓	↑/↔
Gwalior	↓	↓/↔
Indore	↓	↔
Lucknow	↓	↔
<b>East</b>		
Bhubaneswar	↓	↑/↔
Guwahati	↓	↑
Kolkata	↓/↔	↑
Patna	↓	↑/↔
Raipur	↓	↓/↔
Ranchi	↓	↑
<b>South</b>		
Bangalore	↑	↑
Chennai	↓	↔
Cochin	↓/↔	↔
Hyderabad	↑/↔	↔
Panji	↓	↔
Ernakulum	↑/↔	↔

Source: RCML Research

# India Cement Dealer Check

Weak demand hurts prices across regions

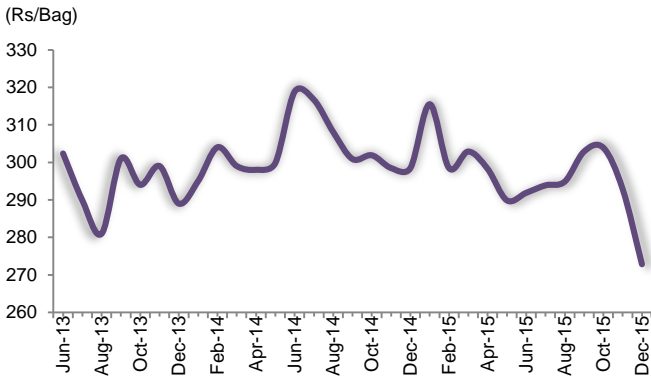


Sector Update

INDIA  
CEMENT

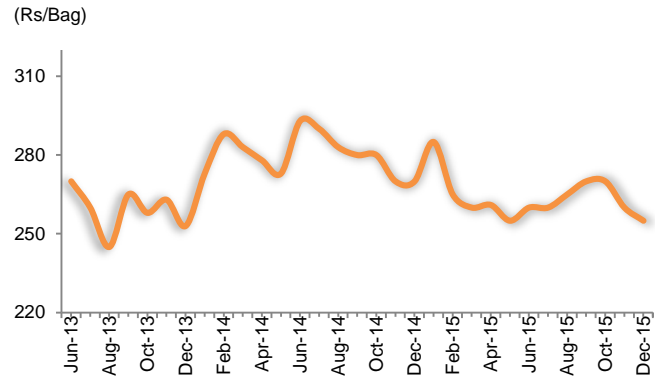
## Region-wise price trends

Fig 1 - All India



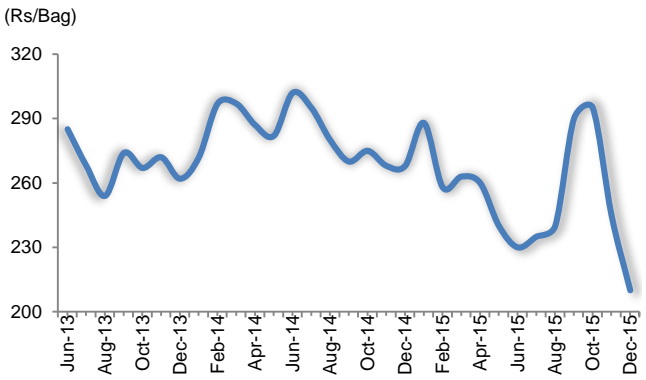
Source: RCML Research

Fig 2 - Central India



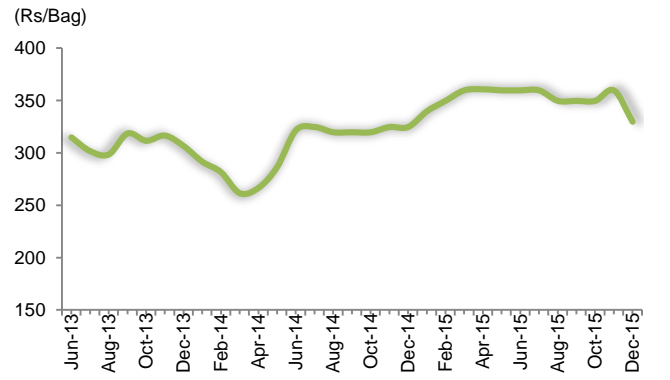
Source: RCML Research

Fig 3 - North India



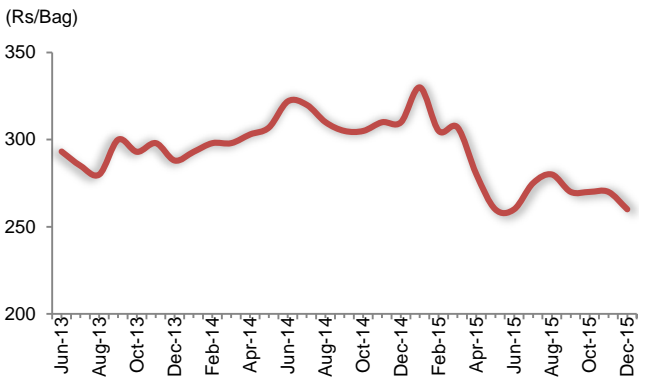
Source: RCML Research

Fig 4 - South India



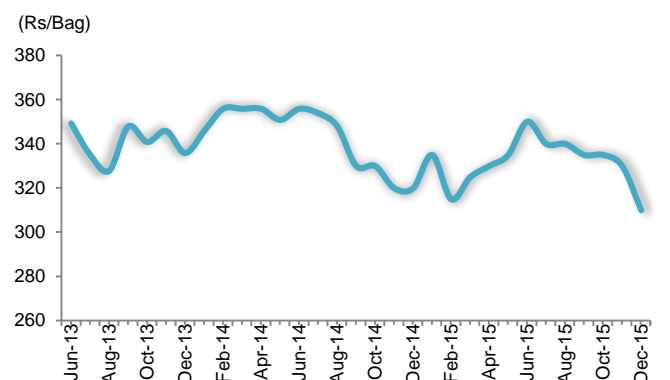
Source: RCML Research

Fig 5 - West India



Source: RCML Research

Fig 6 - East India



Source: RCML Research

# India Cement Dealer Check

Weak demand hurts prices across regions



Sector Update

India

CEMENT

## Valuation snapshot

Fig 7 - Financial snapshot

Company	CMP (Rs)	Target (Rs)	Reco	MCAp (Rs mn)	Sales (Rs mn)			Sales Growth (%)			EBITDA (Rs mn)			EPS (Rs)		
					FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E
ACC*	1,349	1,400	Hold	2,53,337	1,14,803	1,13,737	1,27,933	5.1	(0.9)	12.5	12,548	12,589	17,745	42.8	36.3	57.9
Ambuja*	201	230	Buy	3,07,944	99,107	98,506	1,13,790	9.2	(0.6)	15.5	18,530	15,155	20,191	9.7	6.5	9.0
Birla Corp.	452	500	Buy	34,808	31,523	32,859	37,257	11.5	4.2	13.4	2,440	1,428	2,786	24.4	9.7	24.2
Grasim	3,701	5,000	Buy	3,39,313	3,24,376	3,55,771	3,88,326	11.8	9.7	9.2	47,348	51,710	61,435	190.9	217.1	296.0
India Cements	88	105	Hold	27,032	44,796	49,521	56,612	0.9	10.5	14.3	8,023	8,309	9,731	5.0	0.9	4.7
JK Cement	646	750	Buy	45,173	33,874	37,325	44,714	21.8	10.2	19.8	4,308	5,535	7,313	18.1	18.0	38.5
JK Lakshmi	328	360	Buy	40,141	23,071	28,781	33,718	12.2	24.8	17.2	3,495	3,898	5,721	12.4	6.8	18.5
Sanghi Indus.	66	75	Buy	14,431	9,310	11,178	14,290	(11.0)	20.1	27.8	1,561	1,808	2,855	1.4	2.5	4.6
Shree Cem	10,752	11,800	Buy	3,74,600	64,399	56,192	88,887	9.6	(12.7)	58.2	13,302	13,586	23,599	127.8	147.4	362.5
Orient Cement	166	210	Buy	33,301	15,353	15,151	23,867	7.4	(1.3)	57.5	2,950	2,614	5,113	9.5	7.6	12.2
UltraTech Cem	2,800	3,300	Buy	7,67,872	2,26,565	2,56,445	2,91,215	12.8	13.2	13.6	39,154	46,925	61,222	73.4	84.2	115.0

Source: RCML Research

Fig 8 - Key ratios & Valuations

Company	EBITDA Margin (%)			ROE (%)			ROCE (%)			P/E (x)			EV/EBITDA (x)			P/BV (x)			EV / Tonne (US\$/MT)		
	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E
ACC*	10.9	11.1	13.9	10.0	8.3	13.0	6.5	5.3	9.7	31.5	37.2	23.3	18.2	18.1	12.8	3.1	3.1	3.0	125	119	111
Ambuja*	18.7	15.4	17.7	15.3	9.8	13.2	11.5	6.7	10.0	20.7	30.9	22.2	14.5	17.7	13.3	3.0	2.9	2.8	148	151	153
Birla Corp.	7.7	4.3	7.5	7.3	2.8	6.9	2.0	0.1	2.4	18.5	46.4	18.7	12.6	21.5	11.0	1.3	1.3	1.2	55	52	53
Grasim	14.6	14.5	15.8	7.8	8.2	10.0	7.0	7.3	8.5	19.4	17.0	12.5	8.0	7.3	6.1	1.5	1.3	1.2	-	-	-
India Cements	17.9	16.8	17.2	4.0	0.8	3.8	8.4	5.8	8.4	17.6	93.2	18.6	6.7	6.5	5.5	0.7	0.7	0.7	59	59	58
JK Cements	12.7	14.8	16.4	7.5	7.6	14.8	6.2	8.0	11.5	35.7	35.9	16.8	16.2	12.6	9.5	2.8	2.7	2.3	111	110	104
JK Lakshmi	15.1	13.5	17.0	11.1	5.9	14.7	7.1	6.6	9.5	26.4	48.2	17.8	14.5	13.0	8.9	2.8	2.7	2.4	120	88	77
Sanghi Indus.	16.8	16.2	20.0	3.4	6.0	10.2	3.6	7.8	9.9	47.2	26.0	14.3	11.4	9.8	6.2	1.3	1.2	1.2	66	70	57
Shree Cem	20.7	24.2	26.5	8.9	9.2	19.1	7.1	7.8	15.8	84.2	73.0	29.7	25.2	24.7	14.2	7.1	6.3	5.1	239	209	187
Orient Cement	19.2	17.3	21.4	21.6	15.1	20.8	11.9	8.9	13.5	17.1	21.4	13.3	15.4	17.4	8.9	3.3	3.0	2.5	95	89	89
UltraTech Cem	17.3	18.3	21.0	11.2	11.6	14.1	7.9	8.5	10.6	38.1	33.3	24.4	19.7	16.5	12.6	4.0	3.6	3.2	196	188	187

Source: RCML Research \*Note: ACC & Ambuja December ending; All prices as on 21 December 2015

# RESEARCH TEAM

ANALYST	SECTOR	EMAIL	TELEPHONE
Mihir Jhaveri	Auto, Auto Ancillaries, Cement, Logistics	mihir.jhaveri@religare.com	+91 22 6766 3459
Siddharth Vora	Auto, Auto Ancillaries, Cement, Logistics	siddharth.vora@religare.com	+91 22 6766 3435
Misal Singh	Capital Goods, Infrastructure, Utilities	misal.singh@religare.com	+91 22 6766 3466
Prashant Tiwari	Capital Goods, Infrastructure, Utilities	prashant.tiwari@religare.com	+91 22 6766 3485
Gaurang Kakkad	Consumer	gaurang.kakkad@religare.com	+91 22 6766 3470
Premal Kamdar	Consumer	premal.kamdar@religare.com	+91 22 6766 3469
Parag Jariwala, CFA	Financials	parag.jariwala@religare.com	+91 22 6766 3442
Vikesh Mehta	Financials	vikesh.mehta@religare.com	+91 22 6766 3474
Rumit Dugar	IT, Telecom, Media	rumit.dugar@religare.com	+91 22 6766 3444
Saumya Shrivastava	IT, Telecom, Media	saumya.shrivastava@religare.com	+91 22 6766 3445
Pritesh Jani	Metals	pritesh.jani@religare.com	+91 22 6766 3467
Arun Baid	Mid-caps	arun.baid@religare.com	+91 22 6766 3446
Praful Bohra	Pharmaceuticals	praful.bohra@religare.com	+91 22 6766 3463
Aarti Rao	Pharmaceuticals	aarti.rao@religare.com	+91 22 6766 3436
Arun Aggarwal	Real Estate	arun.aggarwal@religare.com	+91 22 6766 3440
Jay Shankar	Economics & Strategy	shankar.jay@religare.com	+91 11 3912 5109
Rahul Agrawal	Economics & Strategy	ag.rahul@religare.com	+91 22 6766 3433

# RESEARCH DISCLAIMER

## Important Disclosures

This report was prepared, approved, published and distributed by a Religare Capital Markets ("RCM") group company located outside of the United States (a "non-US Group Company"). This report is distributed in the U.S. by Enclave Capital LLC ("Enclave Capital"), a U.S. registered broker dealer, on behalf of RCM only to major U.S. institutional investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the "Exchange Act")) pursuant to the exemption in Rule 15a-6 and any transaction effected by a U.S. customer in the securities described in this report must be effected through Enclave Capital. Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization.

Subject to any applicable laws and regulations at any given time, non-US Group Companies, their affiliates or companies or individuals connected with RCM (together, "Connected Companies") may make investment decisions that are inconsistent with the recommendations or views expressed in this report and may have long or short positions in, may from time to time purchase or sell (as principal or agent) or have a material interest in any of the securities mentioned or related securities or may have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, recipients of this report should be aware that Connected Companies may have a conflict of interest that could affect the objectivity of this report.

This report is only for distribution to investment professionals and institutional investors.

## Analyst Certification

Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

Analysts and strategists are paid in part by reference to the profitability of RCM.

## Stock Ratings are defined as follows

**Recommendation Interpretation** (Recommendation structure changed with effect from March 1, 2009)

Recommendation	Expected absolute returns (%) over 12 months
Buy	More than 15%
Hold	Between 15% and -5%
Sell	Less than -5%

Expected absolute returns are based on the share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

## Stock Ratings Distribution

As of 1 December 2015, out of 175 rated stocks in the RCM coverage universe, 107 have BUY ratings (including 5 that have been investment banking clients in the last 12 months), 53 are rated HOLD and 15 are rated SELL.

## Research Conflict Management Policy

RCM research has been published in accordance with our conflict management policy, which is available [here](#).

## Disclaimers

This report is not directed to, 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 or regulation or which would subject RCM to any registration or licensing requirement within such jurisdiction(s). This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to RCM. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of RCM. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of RCM or its affiliates, unless specifically mentioned otherwise.

The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. RCM has not taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. RCM will not treat recipients as its customers by virtue of their receiving the report. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. In addition, nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Information and opinions presented in this report were obtained or derived from sources that RCM believes to be reliable, but RCM makes no representations or warranty, express or implied, as to their accuracy or completeness or correctness. RCM accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to RCM. This report is not to be relied upon in substitution for the exercise of independent judgment. RCM may have issued, and may in the future issue, a trading call regarding this security. Trading calls are short term trading opportunities based on market events and catalysts, while stock ratings reflect investment recommendations based on expected absolute return over a 12-month period as defined in the disclosure section. Because trading calls and stock ratings reflect different assumptions and analytical methods, trading calls may differ directionally from the stock rating.

Past performance 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 RCM and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADR's, the values of which are influenced by currency volatility, effectively assume this risk.

This report is distributed in India by Religare Capital Markets Limited, which is a registered intermediary regulated by the Securities and Exchange Board of India. In Singapore, it is being distributed (i) by Religare Capital Markets (Singapore) Pte. Limited ("RCMS") (Co. Reg. No. 200902065N) which is a holder of a capital markets services licence and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations (the "FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to RCMS when providing any financial advisory service to an accredited investor, or "overseas investor" (as defined in regulation 36 of the FAR). Persons in Singapore should contact RCMS in respect of any matters arising from, or in connection with this publication/communication. In Hong Kong, it is being distributed by Religare Capital Markets (Hong Kong) Limited ("RCM HK"), which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In Australia, it is being distributed by RCMHK which is approved under ASIC Class Orders. In Sri Lanka, it is being distributed by Bartleet Religare Securities, which is licensed under Securities and Exchange Commission of Sri Lanka. If you wish to enter into a transaction please contact the RCM entity in your home jurisdiction unless governing law provides otherwise. In jurisdictions where RCM is not registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation which may vary from one jurisdiction to another and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements.

Religare Capital Markets does and seeks to do business with companies covered in our research report. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of research produced by Religare Capital Markets. Investors should consider our research as only a single factor in making their investment decision.

Any reference to a third party research material or any other report contained in this report represents the respective research organization's estimates and views and does not represent the views of RCM and RCM, its officers, employees do not accept any liability or responsibility whatsoever with respect to its accuracy or correctness and RCM has included such reports or made reference to such reports in good faith. This report may provide the addresses of, or contain hyperlinks to websites. Except to the extent to which the report refers to material on RCM's own website, RCM takes no responsibility whatsoever for the contents therein. Such addresses or hyperlinks (including addresses or hyperlinks to RCM's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this report. Accessing such website or following such link through this report or RCM's website shall be at your own risk.

## **Other Disclosures by Religare Capital Markets Limited under SEBI (Research Analysts) Regulations, 2014 with reference to the subject companies(s) covered in this report:**

Religare Capital Markets Limited ("RCML") is engaged in the business of Institutional Stock Broking and Investment Banking. RCML is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Merchant Banker. RCML is a subsidiary of Religare Enterprises Limited which has its various subsidiaries engaged in the businesses of commodity broking, stock broking, lending, asset management, life insurance, health insurance, wealth management, portfolio management, etc. RCML has set up subsidiaries in Singapore, Hong Kong and Sri Lanka to render stock broking and investment banking services in respective jurisdictions.

RCML's activities were neither suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. RCML has not been debarred from doing business by any Stock Exchange / SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against RCML impacting its equity research analysis activities.

RCML or its research analyst or his/her relatives do not have any financial interest in the subject company.

RCML or its research analyst or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this research report.

# RESEARCH DISCLAIMER

Research analyst or his/her relatives do not have any material conflict of interest at the time of publication of this report.

Research analyst has not received any compensation from the subject company in the past 12 months.

RCML may have managed or co-managed a public offering of securities for the subject company in the past 12 months.

RCML may have received compensation from the subject company in the past 12 months.

Research analyst has not served as an officer, director or employee of the subject company.

RCML or its research analyst is not engaged in any market making activities for the subject company.

RCML may from time to time solicit or perform investment banking services for the company(ies) mentioned in this report.

RCML or its associates may have material conflict of interest at the time of publication of this research report.

RCML's associates may have financial interest in the subject company. RCML's associates may have received compensation from the subject company in the past 12 months. RCML's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this research report.

RCM has obtained registration as Research Entity under SEBI (Research Analysts) Regulations, 2014.