

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN
Market Cap. (Rs bn)	247

**BUY** 

1 Year Target Price: Rs2,958

4QFY22 Result Update | 02 May, 2022

## Inflationary Pressure Impacts Profitability

Supreme Industries (Supreme) reported a healthy revenue growth, but profitability was impacted due to the higher RM cost. Supreme reported a revenue of Rs25.6bn (up 23% YoY and 33% QoQ), in line with our estimate of Rs25.1bn. Total volume increased by 15.6% YoY to 128,607MT, while blended realization improved 6.1% YoY (down 6.6% QoQ) to Rs199/kg. EBITDA declined by 23.2% YoY to Rs3.9bn (our estimate of Rs4.3bn), while EBITDA margin declined by 915bps YoY to 15.3% due to the higher RM prices. PAT came in at Rs3.2bn (our estimate of Rs3.5bn), down 28.1% YoY due to the lower margin. Prices have stabilized and are on the recovery path, while the distribution channel has started to work the normal way. The company has a cash surplus of Rs5.2bn as of FY22, from Rs7.6bn in FY21. It incurred a capex of Rs2.6bn in FY22 to ramp up capacities in the plastic piping system, to introduce new products in various business segments, automation etc. **Factoring a steady improvement in the real estate demand coupled with the government's initiatives for infrastructure development, we increase the revenue/PAT estimates by 4%/5% for FY23 and maintain the overall estimate for FY24. Considering the higher capex, rising market share, lean working capital and high return ratios, we reiterate our BUY rating on the stock and maintain the 1-year Target Price of Rs2,958, valuing the stock at 36x FY24E EPS.**

### Capex of Rs7bn in FY23; Healthy Growth to Continue

Capex plan is as per schedule for the new capacities. Supreme incurred Rs2.6bn capex in FY22 and is looking to spend Rs7bn in FY23. Demand is showing an improvement with new product expansion and a rising number of retailers. The management is looking for a healthy traction in FY23, with an improved product mix and focus on increasing the customer base. Moreover, the company aims to leverage various government initiatives and seek opportunities for growth. Despite the volatile polymer prices, we believe Supreme is likely to maintain a healthy growth for the next couple of quarters. As prices are stabilizing gradually and the economy is on a recovery path, the distribution channel has started to work in a normal way. It is also focusing on the export business and development of new applications like laminating with different substrates, which are likely to aid growth ahead.

### Outlook & Valuation

The company's volume of PVC pipes segment has increased by 27% YoY in 4QFY22, while it declined by 7% for FY22. Going forward, we expect Supreme to deliver a stable revenue growth during FY22-FY24E, led by the higher capex, rising market share, and higher PVC prices. We estimate the company's revenue, EBITDA and PAT to clock 3.6%, 6.9%, 3.8% CAGR respectively over FY22-FY24E. Looking ahead, we expect Supreme to maintain a leading position in the overall pipes market, aided by a higher revenue from value-added products and a higher capex. Considering the expected higher revenue from value-added products, higher capex, rising market share, lean working capital and high return ratios, we maintain our BUY rating on the stock and the 1-year Target Price of Rs2,958, valuing the stock at 36x FY24E EPS.

### Key Financials

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Sales	55,115	63,571	77,728	80,475	83,476
EBITDA	8,345	12,842	12,421	13,922	14,191
EBITDA Margin (%)	15.1	20.2	16.0	17.3	17.0
Net profit	4,674	9,781	9,685	10,265	10,431
EPS Rs)	36.8	77.0	76.2	80.8	82.1
P/E (x)	53.0	25.3	25.6	24.1	23.8
P/B (x)	11.0	7.8	6.4	5.3	4.5
EV/EBITDA (x)	29.7	18.4	19.2	17.2	16.6
ROE (%)	20.7	30.9	25.2	22.0	19.0

Source: RSec Research

Recos/View	Old	Revised	Change
Recos	BUY	BUY	↔
Price Target (Rs)	2,958	2,958	↔
↑ Upgrade   ↔ Maintain   ↓ Downgrade			

Share price (%)	1 mth	3 mth	12 mth
Absolute performance	(2.2)	(6.8)	(5.0)
Relative to Nifty	(0.9)	(6.8)	(19.8)

Shareholding Pattern (%)	Dec-21	Mar-22
Promoter	48.9	48.9
Public	51.2	51.2

Change of Estimates (% change)	FY23E	FY24E
Revenue	4.2	-
EBITDA	4.2	-
EBITDA Margin	-	-
PAT	5.0	-
EPS	5.0	-

### 1 Year Stock Price Performance



Note: \* CMP as on April 29, 2022

Research Analyst:

Arafat Saiyed

Contact : (022) 41681371

Email : arafat.saiyed@relianceada.com

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

## BUY



1 Year Target Price: Rs2,958

Quarterly Performance YE March (Rs mn)	4QFY22	4QFY21	YoY (%)	3QFY22	QoQ (%)	RSec - Est	Deviation from our est. (%)
<b>Revenue</b>	<b>25,571</b>	<b>20,846</b>	<b>22.7</b>	<b>19,451</b>	<b>31.5</b>	<b>25,058</b>	<b>2.0</b>
Raw Material	18,439	12,744	44.7	13,224	39.4		
Employee Cost	904	931	(2.9)	880	2.7		
Other Exp	2,314	2,074	11.6	2,168	6.7		
Total Exp	21,657	15,749	37.5	16,272	33.1		
<b>EBITDA</b>	<b>3,914</b>	<b>5,097</b>	<b>(23.2)</b>	<b>3,179</b>	<b>23.1</b>	<b>4,260</b>	<b>(8.1)</b>
Other Income	86	37	135.0	29	192.5		
Interest	19	5	308.7	5	308.7		
Depreciation	588	548	7.3	575	2.3		
Profit of Ass.	696	703	(1.0)	507	37.4		
<b>PBT</b>	<b>4,089</b>	<b>5,285</b>	<b>(22.6)</b>	<b>3,135</b>	<b>30.4</b>		
Tax	851	781	8.9	678	25.4		
Tax rate (%)	20.8	14.8		21.6			
<b>Adjusted PAT</b>	<b>3,239</b>	<b>4,504</b>	<b>(28.1)</b>	<b>2,457</b>	<b>31.8</b>	<b>3,513</b>	<b>(7.8)</b>
Net profit	3,239	4,504	(28.1)	2,457	31.8		
<b>EPS (Rs)</b>	<b>25.5</b>	<b>35.4</b>	<b>(28.1)</b>	<b>19.3</b>	<b>31.8</b>		
% of Sales	Change in bps			Change in bps		Change in bps	
Raw Material	72.1	61.1	1,097	68.0	412		
Employee Cost	3.5	4.5	(93)	4.5	(99)		
Other Exp	9.0	9.9	(90)	11.1	(210)		
EBITDA	15.3	24.5	(915)	16.3	(103)	17.0	(169)
Net profit	12.7	21.6	(894)	12.6	3	14.0	(135)

Source: Company, RSec Research

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

## Conference Call – Key Takeaways

- **Demand Scenario:** Despite headwinds, demand has improved compared to the previous year and there is a good prospect of growth in the piping division. PVC prices have softened and are expected to remain within the range. 4QFY22 continued to face a challenge due to the 3rd wave of pandemic. Demand across all products was relatively muted. The management stated that earlier in the quarter, polymer prices have continued their upward trend. However, prices of PVC resin eventually fell. Softening of PVC prices led to a demand for PVC pipes.
- **Volume Growth of 16% YoY in 4QFY22:** Sales volume grew by 16% YoY during 4QFY22. However, volume for FY22 declined by 4% YoY. Sales of packaging products were affected the most during the quarter, which fell 16% YoY, followed by consumer products that plummeted by ~11%. Volume of industrial products remained largely flat, while volume of plastic piping was up by 27% YoY to 96,507MT. Consumer products volume declined by 11.3% YoY to 5,206MT.
- **Higher RM Prices Impact Margin:** The management stated there was an inventory loss, and the volatile RM prices impacted margin. Industrial Component division faced huge supply chain issues and a shortage of imported material because of shipping and logistics issues, non-availability of containers, shortage of semi-conductors etc. While the availability of PVC has improved overall, CPVC continues to be ~30% more expensive in comparison to PVC. There was a decline in PVC resin prices by Rs6/kg, which has been passed on to the channel.
- **Capex of Rs2.6bn in FY22:** The company incurred a capex of Rs2.6bn in FY22 and is planning for Rs7bn capex in FY23, including carry forward commitments of Rs2.8bn. The capex will be utilized to double the capacity of composite LPG cylinders to 1mn pieces per annum, complete the project work at Assam to manufacture PVC pipes and Rota & Blow moulded products and expand capacities and product range of its bath fitting products at Puducherry, among others. For packaging segment, the management stated that margins have been slightly lower and price hikes have been passed on with a slight lag.
- **Order From IOCL:** The company has received a Lol for the supply of ~7.4 lakh 10kg capacity composite LPG cylinders valued ~Rs1.7bn from IOCL.
- **Value-Added Products:** Revenue of value-added products increased by 17% YoY to Rs29bn.

## Key Risks

- Volatility in raw material prices
- Any slowdown in housing demand

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

## Estimate Change & Revision in Target Price

The overall volume improved by 16% YoY to 128,607MT in 4QFY22, while volume declined by 4% YoY to 393,907MT for FY22. The management expects volume pick-up to continue in the near term. The company delivered a healthy growth in the material handling division across essential commodities, retail, industrial sector, fruits & vegetable segment, e-commerce, FMCG etc. The protective packaging division and performance packaging film have also performed well. Moreover, exports witnessed a positive growth and received traction from countries in the Middle East, Africa and Europe. Factoring the steady improvement in real estate demand coupled with government's initiatives for infrastructure development, we increase the revenue/PAT estimates by 4%/5% for FY23 and maintain the overall estimate for FY24. **Considering the higher capex, rising market share, lean working capital and high return ratios, we reiterate our BUY rating on the stock and maintain the 1-year Target Price of Rs2,958, valuing the stock at 36x FY24E EPS.**

### Revised vs. Old Estimates

Y/E Mar (Rs mn)	Old		Revised		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net Revenues	77,265	83,553	80,475	83,476	4.2	-
EBITDA	13,367	14,204	13,922	14,191	4.2	-
EBITDA Margin (%)	17.3	17.0	17.3	17.0	-	-
Net profit	9,779	10,440	10,265	10,431	5.0	-
EPS Rs)	77.0	82.2	80.8	82.1	5.0	-

Source: RSec Research

## ESG Analysis

Analyzing Supreme on 20 key criteria under ESG Matrix, we have assigned an overall score of 55% to the company. Under **"Environmental Head"**, we have assigned 54% score, as being the largest plastic processor, it impacts the overall biodiversity despite adopting renewable energy in a big way. Under **"Social Head"**, we have assigned 59% score, as the company scores high on customer satisfaction, despite scoring low on gender diversity. Under **"Governance Head"**, the company scores 52% with decent performance across criteria barring executive compensation and political contribution

For detailed report on our ESG analysis of Supreme, please click here [\(please refer to page no.22 and 23 for detailed ESG analysis\)](#).

Institutional Equity Research

# Supreme Industries

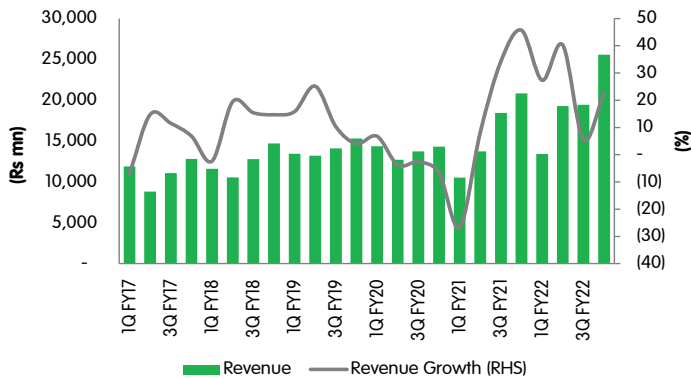
Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

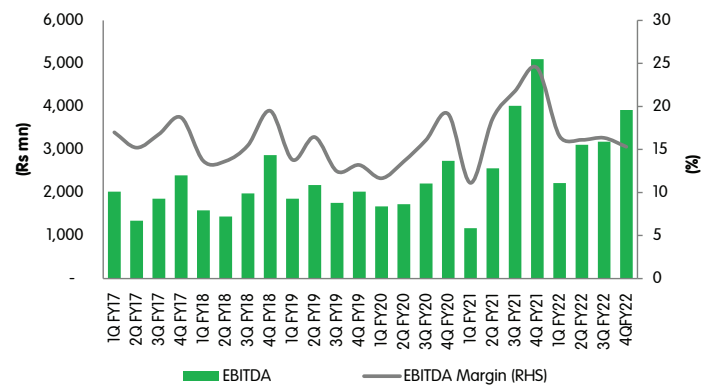
**BUY** 

1 Year Target Price: Rs2,958

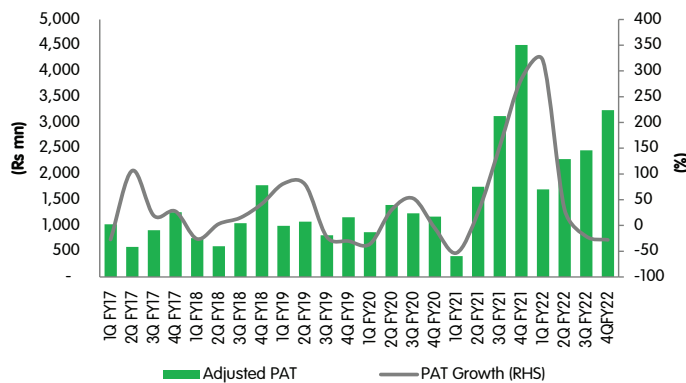
## Key Charts

**Exhibit 1: Quarterly Revenue Trend**


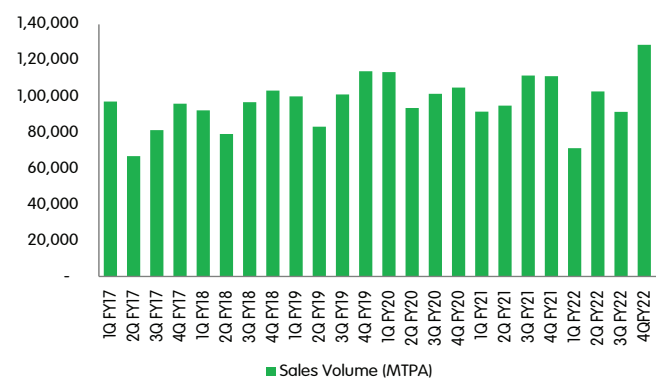
Source: Company, RSec Research

**Exhibit 2: Quarterly EBITDA Trend**


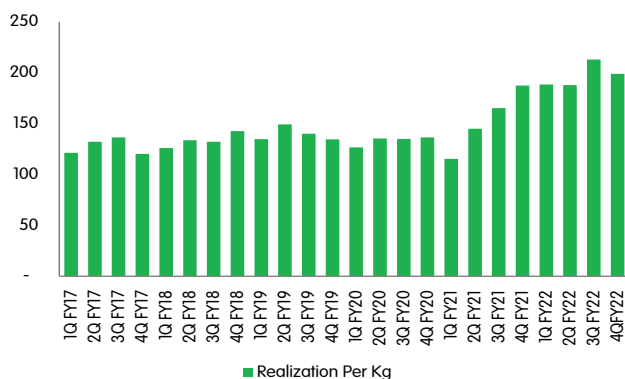
Source: Company, RSec Research

**Exhibit 3: Quarterly PAT Trend**


Source: Company, RSec Research

**Exhibit 4: Quarterly Volume Trend**


Source: Company, RSec Research

**Exhibit 5: Quarterly Realisation Trend**


Source: Company, RSec Research

Institutional Equity Research

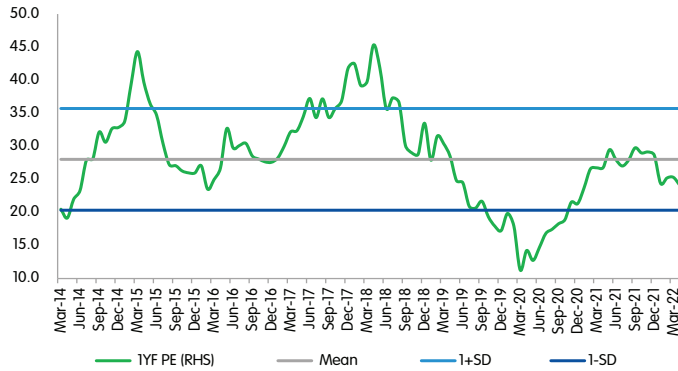
# Supreme Industries

Pipes | India

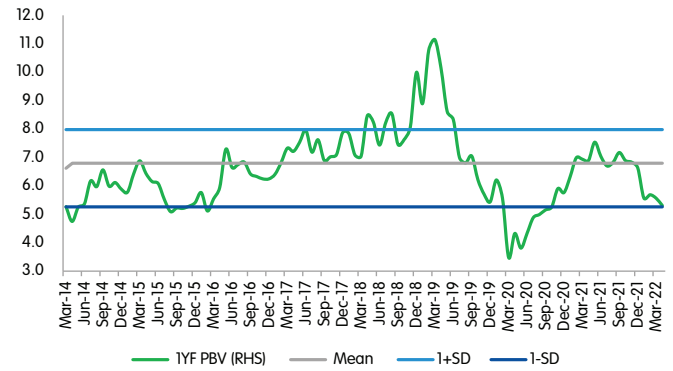
CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

**Exhibit 6: 1-Year Forward PE Chart**


Source: Company, RSec Research

**Exhibit 7: 1-Year Forward PBV Chart**


Source: Company, RSec Research

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

## Profit & Loss Statement

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>55,115</b>	<b>63,571</b>	<b>77,728</b>	<b>80,475</b>	<b>83,476</b>
Growth (%)	(1.8)	15.3	22.3	3.5	3.7
Total Expenditure	46,770	50,728	65,307	66,553	69,285
Cost of Materials	36,844	40,385	53,532	51,504	54,259
Employee costs	2,798	3,104	3,453	4,185	4,341
Others	7,129	7,240	8,323	10,864	10,685
<b>EBITDA</b>	<b>8,345</b>	<b>12,842</b>	<b>12,421</b>	<b>13,922</b>	<b>14,191</b>
Growth (%)	6.4	53.9	(3.3)	12.1	1.9
EBITDA Margin (%)	15.1	20.2	16.0	17.3	17.0
Depreciation	2,057	2,128	2,295	2,676	2,955
<b>EBIT</b>	<b>6,289</b>	<b>10,715</b>	<b>10,126</b>	<b>11,246</b>	<b>11,236</b>
Growth (%)	4.6	70.4	(5.5)	11.1	(0.1)
EBIT Margin (%)	11.4	16.9	13.0	14.0	13.5
Interest	202	95	52	13	13
Other Income	14	43	200	205	212
Profits of Associates	312	1,460	2,044	2,248	2,473
PBT	6,413	12,122	12,318	13,687	13,908
Growth (%)	21.0	89.0	1.6	11.1	1.6
Tax	1,739	2,341	2,633	3,422	3,477
Tax rate (%)	27.1	19.3	21.4	25.0	25.0
<b>Reported PAT</b>	<b>4,674</b>	<b>9,781</b>	<b>9,685</b>	<b>10,265</b>	<b>10,431</b>
<b>Adjusted PAT</b>	<b>4,674</b>	<b>9,781</b>	<b>9,685</b>	<b>10,265</b>	<b>10,431</b>
Growth (%)	22.5	109.3	(1.0)	6.0	1.6
Net Margin (%)	8.5	15.4	12.5	12.8	12.5
<b>Fully Diluted EPS (Rs)</b>	<b>36.8</b>	<b>77.0</b>	<b>76.2</b>	<b>80.8</b>	<b>82.1</b>

## Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Share capital	254	254	254	254	254
Reserves	22,358	31,438	38,190	46,402	54,746
Net worth	22,612	31,692	38,444	46,656	55,001
Total borrowings	4,433	306	363	370	378
<b>Total liabilities</b>	<b>27,045</b>	<b>31,998</b>	<b>38,807</b>	<b>47,026</b>	<b>55,378</b>
Gross block	30,269	33,427	36,182	43,169	46,169
Less: Acc. depreciation	14,937	17,065	19,360	22,037	24,991
Net block	15,331	16,362	16,822	21,132	21,177
CWIP	929	496	1,546	1,391	1,252
Investments	2,073	3,366	4,759	4,830	4,903
<b>Current assets</b>	<b>16,077</b>	<b>21,513</b>	<b>24,785</b>	<b>29,376</b>	<b>37,912</b>
Inventories	8,906	7,608	12,602	14,993	17,153
Debtors	3,128	3,898	4,668	7,276	9,148
Cash	2,314	8,538	5,316	3,801	7,494
Loans and advances	1,729	1,469	2,200	3,307	4,117
Current liabilities	7,503	9,534	9,937	10,142	10,292
Provisions	113	139	76	728	755
Net current assets	8,462	11,840	14,773	18,507	26,865
Net Deferred Tax	(1,326)	(919)	(904)	(950)	(997)
Other non-current Assets	829	70	949	1,252	1,315
<b>Total Assets</b>	<b>27,045</b>	<b>31,998</b>	<b>38,807</b>	<b>47,026</b>	<b>55,378</b>

Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

## Cash Flow Statement

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
<b>Cash flow from operating activity</b>					
PBT	6,413	12,122	12,318	13,687	13,908
Add: Depreciation	2,057	2,128	2,295	2,676	2,955
Add: Interest	202	95	52	13	13
Less: taxes paid	(1,739)	(2,341)	(2,633)	(3,422)	(3,477)
Add: other adjustments	(4,486)	4,387	(3,019)	(258)	(15)
Less: working capital changes	3,212	(1,255)	(6,155)	(5,249)	(4,665)
<b>Total operating cash flows</b>	<b>5,659</b>	<b>15,136</b>	<b>2,857</b>	<b>7,447</b>	<b>8,718</b>
Operating CF w/o WC changes	2,447	16,391	9,012	12,696	13,384
<b>Cash flow from investing activity</b>					
Capital expenditure	(2,953)	(2,763)	(2,755)	(6,832)	(2,861)
Change in investments	151	(1,293)	(1,393)	(71)	(72)
Total investing cash flow	(2,803)	(4,056)	(4,148)	(6,903)	(2,933)
<b>Cash flow from financing activity</b>					
Change in borrowings	2,809	(4,127)	57	7	7
Dividend	(3,522)	(635)	(1,937)	(2,053)	(2,086)
Interest payment	(202)	(95)	(52)	(13)	(13)
<b>Total financing cash flow</b>	<b>(915)</b>	<b>(4,857)</b>	<b>(1,931)</b>	<b>(2,058)</b>	<b>(2,092)</b>
<b>Net change in cash</b>	<b>1,941</b>	<b>6,224</b>	<b>(3,222)</b>	<b>(1,515)</b>	<b>3,694</b>
<b>Opening cash &amp; CE</b>	<b>373</b>	<b>2,314</b>	<b>8,538</b>	<b>5,316</b>	<b>3,801</b>
<b>Closing cash &amp; CE</b>	<b>2,314</b>	<b>8,538</b>	<b>5,316</b>	<b>3,801</b>	<b>7,494</b>

## Key Ratio

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
<b>Key Ratio</b>					
P/E (x)	53.0	25.3	25.6	24.1	23.8
P/BV (x)	11.0	7.8	6.4	5.3	4.5
P/CEPS (x)	36.8	20.8	20.7	19.1	18.5
Dividend yield (%)	1.4	0.3	0.8	0.8	0.8
EV/Sales (x)	4.5	3.7	3.1	3.0	2.8
EV/EBITDA (x)	29.7	18.4	19.2	17.2	16.6
Debt/Equity (%)	19.6	1.0	0.9	0.8	0.7
Net Debt/Equity (%)	9.4	(26.0)	(12.9)	(7.4)	(12.9)
<b>Per Share Data (Rs)</b>					
EPS	36.8	77.0	76.2	80.8	82.1
Cash EPS	53.0	93.7	94.3	101.9	105.4
DPS	27.7	5.0	15.2	16.2	16.4
Book Value	178.0	249.4	302.6	367.2	432.9
<b>Returns (%)</b>					
RoCE	23.3	33.5	26.1	23.9	20.3
RoE	20.7	30.9	25.2	22.0	19.0
<b>Days</b>					
Inventory Days	59	44	59	68	75
Debtor Days	21	22	22	33	40
Creditors Days	50	55	47	46	45



Institutional Equity Research

# Supreme Industries

Pipes | India

CMP* (Rs)	1,947
Upside/ (Downside) (%)	52
Bloomberg Ticker	SI IN

**BUY** 

1 Year Target Price: Rs2,958

## Change in Ratings

We have changed our rating system and included **HOLD** recommendation. We have **BUY, HOLD and SELL** recommendation now.

We have also shifted to **1-Year Target Price** from **2-Year Target Price**.

## Rating History

Date	Reco	CMP	TP
25-Jan-22	BUY	2,130	2,958
23-Oct-21	BUY	2,364	3,044
28-Apr-21	BUY	2,056	2,606
02-Jun-20	BUY	1,029	1,333

[PLEASE CLICK HERE FOR PREVIOUS REPORTS](#)

## Rating Guides

Rating	Expected absolute returns (%) over 12 months
BUY	≥10%
HOLD	0% to <10%
SELL	<0%

Reliance Securities Limited (RSL), the broking arm of Reliance Capital is one of the India's leading retail broking houses. Reliance Capital is amongst India's leading and most valuable financial services companies in the private sector. Reliance Capital has interests in asset management and mutual funds, life and general insurance, commercial finance, equities and commodities broking, wealth management services, distribution of financial products, private equity, asset reconstruction, proprietary investments and other activities in financial services. The list of associates of RSL is available on the website [www.reliancecapital.co.in](http://www.reliancecapital.co.in). RSL is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014

**General Disclaimers:** This Research Report (hereinafter called 'Report') is prepared and distributed by RSL for information purposes only. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through RSL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security(ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by RSL to be reliable. RSL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of RSL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report.

**Risks:** Trading and investment in securities are subject to market risks. There are no assurances or guarantees that the objectives of any of trading / investment in securities will be achieved. The trades/ investments referred to herein may not be suitable to all categories of traders/investors. The names of securities mentioned herein do not in any manner indicate their prospects or returns. The value of securities referred to herein may be adversely affected by the performance or otherwise of the respective issuer companies, changes in the market conditions, micro and macro factors and forces affecting capital markets like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative products may also be affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk and other risks. Besides the price of the underlying asset, volatility, tenor and interest rates may affect the pricing of derivatives.

**Disclaimers in respect of jurisdiction:** The possession, circulation and/or distribution of this Report may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by RSL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. RSL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to RSL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

**Disclosure of Interest:** The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the securities and their respective issuers. None of RSL, research analysts, or their relatives had any known direct /indirect material conflict of interest including any long/short position(s) in any specific security on which views/opinions have been made in this Report, during its preparation. RSL's Associates may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report. RSL, its Associates, the research analysts, or their relatives might have financial interest in the issuer company(ies) of the said securities. RSL or its Associates may have received a compensation from the said issuer company(ies) in last 12 months for the brokerage or non brokerage services. RSL, its Associates, the research analysts or their relatives have not received any compensation or other benefits directly or indirectly from the said issuer company(ies) or any third party in last 12 months in any respect whatsoever for preparation of this report.

The research analysts has served as an officer, director or employee of the said issuer company(ies)? No

RSL, its Associates, the research analysts or their relatives holds ownership of 1% or more, in respect of the said issuer company(ies)? No

**Copyright:** The copyright in this Report belongs exclusively to RSL. This Report shall only be read by those persons to whom it has been delivered. No reprinting, reproduction, copying, distribution of this Report in any manner whatsoever, in whole or in part, is permitted without the prior express written consent of RSL.

RSL's activities were neither suspended nor have defaulted with any stock exchange with whom RSL is registered. Further, there does not exist any material adverse order/judgments/strictures assessed by any regulatory, government or public authority or agency or any law enforcing agency in last three years. Further, there does not exist any material enquiry of whatsoever nature instituted or pending against RSL as on the date of this Report.

Important These disclaimers, risks and other disclosures must be read in conjunction with the information / opinions / views of which they form part of.

**RSL CIN:** U65990MH2005PLC154052. SEBI registration no. ( Stock Brokers: NSE - INB / INF / INE 231234833; BSE - INB / INF / INE 011234839, Depository Participants: CDSL IN-DP-257-2016 IN-DP-NSDL-363-2013, Research Analyst: INH000002384; AMFI ARN No.29889.