



Result update – Q1FY17

Gayatri Projects Ltd. – Maintain our “BUY” rating

9th Sep., 2016

CMP: Rs. 665 | Target: Rs. 1,136 | Upside: 71% | Market Cap: Rs. 2,361 cr. | FV: Rs. 10

Q1FY17 Financial Performance

(Rs. in mn.)	Q1FY17	Q1FY16	%yoy	Q4FY16	%qoq
Income from Operations	4,324.0	4,051.0	6.7	6,682.1	(35.3)
Cost of Materials Consumed & WE	(3,670.0)	(3,281.0)	11.9	(5,192.3)	(29.3)
Changes in Work in Progress	172.0	(21.0)	(919.0)	(284.6)	(160.4)
Employee benefit expenses	(126.0)	(102.0)	23.5	(144.0)	(12.5)
Other expenditure	(93.0)	(68.0)	36.8	(145.8)	(36.2)
Operating profit	607.0	579.0	4.8	915.4	(33.7)
OPM (%)	14.0	14.3	(25.5)	13.7	2.5
Depreciation	(95.1)	(93.3)	1.9	(92.9)	2.4
Interest	(417.1)	(358.4)	16.4	(499.8)	(16.5)
Other income	74.3	39.0	90.4	1.0	7,509.6
PBT	169.1	166.3	1.6	323.7	(47.8)
Tax	(6.6)	(57.0)	(88.4)	(38.5)	(82.8)
Effective tax rate (%)	3.9	34.3		11.9	(67.2)
PAT	162.5	109.3	48.6	285.2	(43.0)
PAT margin (%)	3.8	2.7	105.8	4.3	(12.0)
Equity capital	354.5	302.2	17.3	354.5	-
FV	10.0	10.0	-	10.0	-
No. of equity shares (mn)	35.5	30.2	17.3	35.5	-
EPS for the quarter	4.6	3.6	26.7	8.0	(43.0)

Source: Company, Ajcon Research



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Q1FY17 Result update

The Company's topline in Q1FY17 witnessed an increase of 6.7% to Rs. 432 crore on yoy basis owing to faster execution. However, on QoQ basis, topline declined by 35.3%.

In Q1FY17, EBITDA grew by 4.8% on yoy basis to touch Rs. 60.7 crs. On Qoq basis, it declined by 33.7%. EBITDA margin witnessed a marginal decline of 30 bps on yoy basis to touch 14%. Going forward, management will be able to maintain current level margins with an upward bias.

Q1FY17 PAT registered a strong growth of 48.6% on yoy basis. The Net Income Tax expense is arrived after taking into account credit for tax effect of Rs. 52.2 mn pertaining to earlier years, consequent to reliefs given in the appellate proceedings.

Road Assets: The Company is working towards commissioning the last non-operating road in its portfolio during FY17. The Board has approved a comprehensive restructuring of the portfolio which should result in a separate listing and an optimal growth path for the business.

Performance of Power business

Power Assets: With 3 out of 4 units of the TPCIL / SGPL "(Formerly NCCPPL)" power complex commissioned and 4th close to commissioning; GPL's focus is on maximizing long term PPAs for sales. Short-term trading conditions are tough and are likely to stay as such for next 12-24 months. Almost 2/3rd capacity is already contracted (1070MW executed PPA, 500MW L2 position in a large bid). The Company has been able to restructure its ownership of the asset to be better geared for current tough conditions. The Company's option agreement with Sembcorp allows it to increase stake to 30% over next 5 years.

Commenting on the results, Mr. Sandeep Kumar Reddy, Managing Director, Gayatri Projects Limited said

"We have started off the year on a positive note, maintaining strong order book accretion momentum in our core Construction Business, announcing a comprehensive restructuring of our relatively under-performing Road BOT Assets Business and tying-in an optimal ownership structure for our Power Assets Business."

We undertook several measures during the last year towards strengthening our construction business and I am delighted with our progress in that regard. Significant additions on human resources front has been key to the efforts. The renewed approach has resulted in a big ramp-up in our order book which stands in excess of Rs. 12,200 crore presently, with an accretion of more than Rs.7,300 crores over the last 12 months. All of this has been achieved without sacrificing on our margin targets. While the order book accretion is not reflected in our revenue profile yet – primarily due to land acquisition challenges – we have mobilized at all sites and expect rapid build-up after the current monsoons. Government's recent dispute resolution initiative should help our cash-flows significantly."



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

On the power assets front, the focus last year was on project execution and securing long-term sales arrangements. We are nearing completion of the massive 2640MW project with 3 out of 4 units already commissioned. The spot market for power sales has seen significant weakness impacting likely cash-flows from the project over next 12-24 months. Given the likely weaker cash flow profile, we focused this year on securing an optimal ownership structure. With the support of our valued partner Sembcorp Industries we have been able to achieve that.

On the roads assets front, a comprehensive restructuring has been on the top our agenda. Over the last 9 months we had taken several intermediate steps. Now, the Board has finally approved a scheme of arrangement which should result in a separate listing of our current portfolio of 7 assets with an ultimate direct shareholding of 74% by current GPL shareholders. We expect to close the restructuring transaction before FY2017 accounts are finalized. The restructuring should help the road assets portfolio reach its growth potential.

We are hopeful that these measures would help us deliver significantly improved, consistent performance going forward."

Order book update

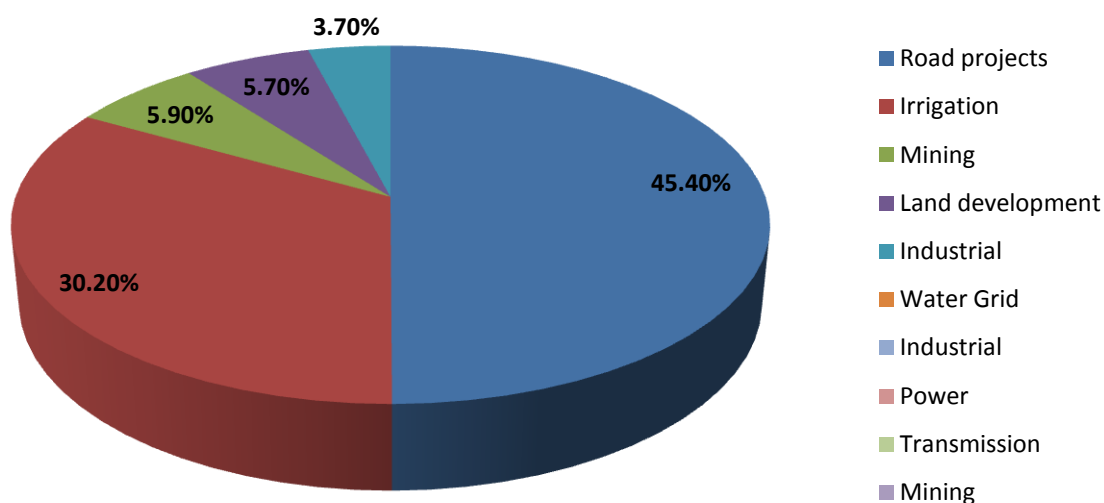
As on date, the company's current orderbook stands at Rs 12,269 crore. Q1FY17 witnessed acceleration in order inflows with stood at Rs. 1,012 crores. The orders were as follows:

- a) Rs. 706 crore order from M/s. City and Industrial Development Corporation of Maharashtra (CIDCO) for land development of Navi Mumbai International Airport
- b) Rs. 306 crore order from Ministry of Road Transport & Highway for four laning of high way on Andhra Pradesh – Tamil Nadu border

The Company also achieved further L1 positions across Road works, civil works and water works. GPL remains focused on bidding for margin accretive projects. In terms of order inflow guidance, the Company maintains its FY16 run rate. The Management expects ramp up up in revenues in Q3FY17 and Q4FY17. Going forward the company will maintain EBITDA margins at around 14-15 percent in FY17.

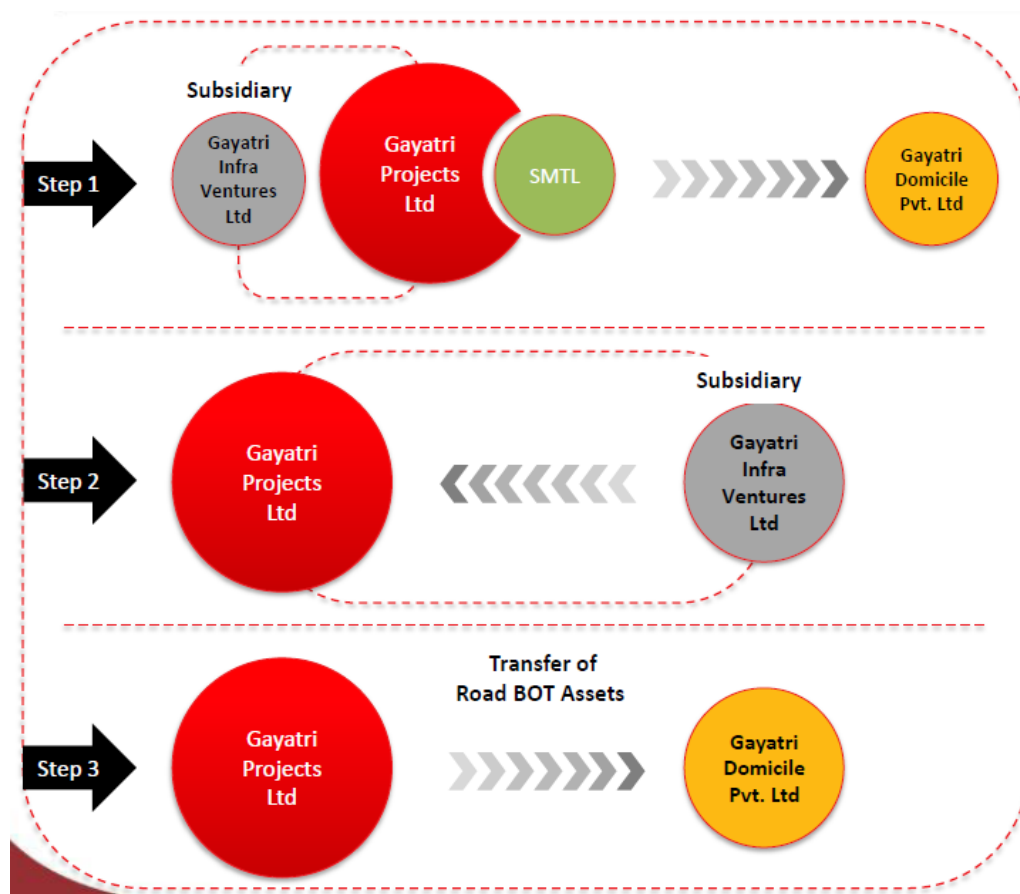


Break up of Order Book as on Q1FY17



Key developments in Q1FY17

A) Restructuring and separate listing of road assets



- Transfer of investments in Sai Maatarini Tollways Limited from Gayatri Projects Limited to Gayatri Domicile Private Limited at book value
- Post transfer of investments, merger of Gayatri Infra Ventures Limited with Gayatri Projects Limited
- Post merger of GIVL with GPL, transfer of Infrastructure Road BOT Assets Business from GPL to GDPL.
- GDPL, to be owned 74% directly by current GPL shareholders and to be listed on the bourses.
- Transaction completion expected before FY2017 accounts are finalized, with an effective date of 1st April 2016.



B) Optimization of Power Genco Asset Holding Structure – Sembcorp Call Option

According to management, GEVL was initial planning to increase stake in power generation subsidiaries (TPCIL, SGPL, 2640 MW) to 30% each by raising capital through mezzanine funding. The initial plan of fund raising has been aborted. A call option structure has been negotiated with JV partner Sembcorp Utilities.

The above Optimization plan recognizes two market realities:

- a) Long - term exceptional asset value – among most advantageously located /managed power gencos. Hence, the need to maintain stake in a cost effective manner.
- b) Current tough power trading environment (could persist for 12-24 months). Hence the need to avoid un-necessary mezz debt interest cost.

A) Project capital structure (including 4th, the last, unit which is likely to come on stream in next 3-4 months)

- i. **Project cost: Rs. 19,300 crores (original estimate Rs. 13,900 crores)**
- ii. **Project equity: Rs. 5,600 crores (original estimate Rs. 3,500 crores)**
- iii. **Gayatri (GEVL) incremental investment for 30% stake – Rs. 900 crores (today's cost)**

B) SembCorp (SCI SP) unit has written a CALL OPTION, exercise allows Gayatri stake to go up 30%.

- i. **Current GEVL stake in 2 power generation Op. Cos. ~13%.**
- ii. **Option terms: Life – 5 years, Strike price: Rs. 900 cr, accretes @18% p.a. (with dividend's to Gayatri's credit).**
- iii. **Multiple partial exercises allowed.**

The Company hopes to exercise the option over next 2-3 years. The Company plans to raise money against Power business by listing Semcorp Venture.

Revision in credit rating in Q4FY16

CARE Ratings has upgraded the Company's bank loan facilities as under – CARE BB- (Double B Minus) for Long term Bank Facilities amounting to Rs. 2,085.45 cr (enhanced from Rs. 1738.99) from CARE B (Single B) – CARE BB- /CARE A4 (Double B Minus/ A Four) for Long term / Short term Bank Facilities amounting to Rs. 3500.00 (enhanced from Rs. 2563.81 cr) from CARE B/CARE A4 (Single B/A Four).

The upgrade reflects the steady improvement of Gayatri Projects Ltd's financial profile mainly driven by strengthening its core construction business. In the last 12 months, the Company's order book has nearly doubled to Rs. 10,000 crore. The rating also factors in Company's attempts towards deleveraging its balance sheet by monetizing or restructuring



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

its matured road assets. Gayatri Projects Ltd is well positioned to sustain its business risk profile, on the back of steady order inflows, sharper focus on execution and significant addition from its power generation business.

Key developments in Q3FY16

A) Thermal Powertech Corporation India secures 8 - year Power Purchase Agreement with Telangana Power Distribution Companies"

Thermal Powertech Corporation India (TPCIL), a JV between Gayatri Energy Ventures Pvt. Ltd., a wholly owned subsidiary of Gayatri Projects Ltd and SembCorp Utilities (a wholly owned subsidiary of SembCorp Industries) which owns and operates a 1,320 megawatt coal fired power plant in Krishnapatnam in Andhra Pradesh's SPSR Nellore district, has signed a longterm power purchase agreement (PPA) with the Telangana Power Distribution Companies. Under the power purchase agreement, 570 megawatts of power will be sold to the Southern and Northern Power Distribution Companies of Telangana for a period of 8 years.

Together with the 500 megawatts of power supplied to the Andhra Pradesh and Telangana Power Distribution Companies under a 25-year power purchase agreement, TPCIL has secured more than 85 percent of its net total generating capacity under long term power purchase agreements. The approximately US\$1.5 billion coal fired power plant, which has a total capacity of 1,320 megawatts, completed its first 660-megawatt unit in March 2015 and second 660 megawatt unit in September 2015. The plant is more efficient and environmentally friendly compared to conventional coal fired power plants as it uses supercritical technology.

Atul Nargund, CEO of TPCIL, said, "We are pleased to sign this long term PPA with a progressive state such as Telangana. With this PPA, we have achieved our goal of securing at least 85 percent of our generating capacity on a long term basis. With this, TPCIL is now eligible for mega power status. In addition, operationally the plant is performing well and achieving good plant load factors."

B) Other developments in Q3FY16 - Renewed Strategy for Road Assets

- 1) Management decides on monetizing/corporate restructuring of road assets
- 2) Board contemplating hiving off entire road development business as separate entity
- 3) Working towards adopting "Asset light approach"
- 4) The Company has divested stake in Western UP Tollway Ltd. The project details are as follows:
 - a) Location: Uttar Pradesh
 - b) JV Partner: NCC
 - c) Length: 78.5 km
 - d) Concession period: 20 years
 - e) Operational since 2011



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

- 5) Enters into a share purchase agreement with Cube Highways and Infrastructure Pte Ltd.
- 6) Enterprise value of Rs. 575 crore (subject to certain closing adjustments)
- 7) Proceeds to be deployed largely towards paring high cost debt

Construction Business – Strong Order Inflows; Bagged multiple orders worth more than Rs. 4,000 crore

Road division

Order amounting to Rs. 741 crore for 4 – laning of Ghaghra Bridge to Varanasi section of NH – 233 from Km 180.420 to Km 240.340 in the State of Uttar Pradesh under NHDP Phase – IV on EPC mode

Order amounting to Rs. 785 crore for 4-laning of Ghaghra Bridge to Varanasi section of NH – 233 from Km 240.340 to Km 299.350 in the State of Uttar Pradesh under NHDP Phase – IV on EPC mode

Order amounting to Rs. 986 crore for 4 –laning of Sultanpur to Varanasi section of NH – 56 from Km 134.700 to Km 205.000 in the State of Uttar Pradesh under NHDP Phase – IV on EPC mode

Order amounting to Rs. 806 crore for 4 – laning of Sultanpur to Varanasi section of NH – 56 from Km 205.000 to Km 263.000 in the State of Uttar Pradesh under NHDP Phase – IV on EPC mode

Order amounting to Rs. 675 cr for developments 6-lane Eastern Peripheral Expressway (NH NE-II) in the states of Haryana & UP - Package VI from km 114.00 to km 136.00 on EPC mode

Water Distribution & Feeders

Order amounting to Rs. 143 cr from Government of Mizoram for construction and completion of water distribution & feeders mains in joint venture with M/s. Vishwa Infrastructures and Services Pvt. Ltd.

Foray in Under – ground Mining Services

1) Significant growth potential for under – ground mining in India

- a) Government's 2020 target for 1 bn mtpa coal extraction by Coal India Ltd. includes 100 mtpa for under – ground mining (vs. current levels of just 37 mtpa).

2) Growth likely to be driven by large scale private participation

- b) Relative low expertise in India for large – scale mechanized under – ground mining

3) Gayatri – aiming to build an early leadership position in the sector

- a) Acquired a team of professionals with long experience in under – ground mining at Singareni Coalfields. Adding further to the team.
- b) Invested in equipment, built partnerships over last on year



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

- c) Ready to bid for all emerging opportunities in the sector
- d) Targeting a portfolio of services business supporting 10 mtpa production over next 5 years

4) First project win during Q2FY16

- a) One of the just 4 privately awarded long – wall mining projects in India
- b) Partnering with CODCO (China Coal Overseas Development Company), a Beijing based subsidiary of China Coal
- c) Raising contract: 2 mtpa of coking coal for ECL from Jhanjhra underground mine (Durgapur, West Bengal) using modern long wall mining technology supplied by CODCO
- d) 6 year initial contract, ready for production in Jan, 2016. Initial contract value Rs. 400 cr.

Power generation business

- 1) TPCIL's 1320 MW thermal power plant comes online following successful commissioning of Phase II
- 2) Plant ramping up very well –
 - a) Despite a weak November (60% PLF), due to weather related challenges, the plant delivered a Q3FY16 PLF of 78%.
 - b) TPCIL sold more than 2,100mn units of power during Q3FY16
- 3) NCCPPL project delayed 1-2 months due to November 2015 heavy rains/floods
 - a) Expect to commission 660 MW Unit I in next 3-4 months
 - b) Unit II (660 MW) likely to be commissioned within 3-4 months of unit I



Stock Price movement chart



(Rs. in mn.)	FY16	FY15	%yoy
Income from Operations	18,122.1	16,011.4	13.2
Cost of Materials Consumed & WE	(14,190)	(13,308)	6.6
Changes in Work in Progress	(564)	58.8	(1,059.7)
Employee benefit expenses	(421)	(363)	15.8
Other expenditure	(352)	(323)	9.0
Operating profit	2,594.8	2,075.7	25.0
OPM (%)	14.3	13.0	135.4 bps
Depreciation	(374.7)	(282.0)	32.9
Interest	(1,579.2)	(1,486.7)	6.2
Other income	66.0	43.9	50.3
PBT	706.9	350.9	101.4
Tax	(120.0)	(130.3)	(7.9)
Effective tax rate (%)	17.0	37.1	
Adjusted PAT	586.9	220.6	166.0
Adj. PAT margin (%)	3.2	1.4	186.1bps
Equity capital	354.5	302.3	17.3
FV (Rs.)	10.0	10.0	-
No. of equity shares (mn)	35.5	30.2	17.3
EPS (Rs.)	16.6	7.3	126.8

Source: Company, Ajcon Research



Statement of Assets and Liabilities (Rs. in mn)

Sr. No	Particulars	March 2016	March 2015
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS FUNDS		
a)	Share Capital	354.50	302.27
b)	Reserves and Surplus	8,032	6,523
		8,387	6,825
2	NON – CURRENT LIABILITIES		
a)	Long – term borrowings	9,720	9,272
b)	Deferred tax liabilities (Net)	231	288
c)	Other long term liabilities	6,271	4,972
d)	Long-term provisions	89	69
3	CURRENT LIABILITIES		
a)	Short – term borrowings	8,902	7,918
b)	Trade payables	4,180	4,456
c)	Other current liabilities	1,001	1,275
d)	Short – term provisions	86	46
	Total – Equity & Liabilities	38,868	35,122
B	ASSETS		
1	NON – CURRENT ASSETS		
a)	Fixed Assets	2,269	2,081
b)	Non-current investments	11,818	9,468
c)	Long-term loans and advances	5103	5,104
d)	Other Non – current Assets	-	2,185
2	CURRENT ASSETS		
a)	Current investments	-	7.17
b)	Inventories	1,549	2,420
c)	Trade receivables	7,877	5,718
d)	Cash and cash equivalents	1,800	1,452
e)	Short – term loans and advances	8,430	7,951
f)	Other current assets	23	13
	Total - Assets	38,868	35,122

Source: Company, Ajcon Research



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

About the Company

Gayatri Projects Ltd.

Gayatri Projects is Hyderabad – based infrastructure and Construction Company with a presence across the segment primarily undertaking road and irrigation projects. The Company with an over 50 years presence in the segment executes projects across the country and owns almost all its equipment, enabling optimal cost control. It also has Joint Ventures (JVs) in Built-Operate-Transfer (BOT) projects and executes construction contracts in partnership with Indian and overseas companies.

Its two subsidiaries, Gayatri Infra Ventures Ltd. (GIVL) and Gayatri Energy Ventures Ltd. (GEVL) incorporated in 2008 in Hyderabad are the Asset Development arms of the Company. GIVL, the road development arm and associated Gayatri entities are currently working on 7 operating and 1 under construction road projects, adding up to gross capital employed in excess of Rs. 5,000 cr while GEVL which was setup to undertake power generation projects is in final stages of developing a 2,640 MW power project in partnership with Sembcorp industries.

The Company has marquee clients like NHAI, AAI, Nalco, Tata Steel, Reliance Petroleum etc.

GPL owns Extensive fleet of state of the art Construction equipment

- 1) Heavy Earth Moving Machine: Hydraulic excavators, loaders
- 2) Concreting Plants: batching plants, transit mixers
- 3) Road Equipment: vibratory tandem rollers, integrated stone crushing plants
- 4) Quarry Equipment: Wagon Drills, Jack Hammers
- 5) Transportation Equipment: Tractors, Water tankers

Two fold benefits of owning several assets:

- Lower dependence on external sub contractors
- Maximizing profits & returns

About Sembcorp Industries

Incorporated in 1998, Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 8,200 MW of gross power capacity and over nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering, as well as an established brand name in urban development. In India, Sembcorp has over 3,300 megawatts of power capacity: 2,640 MW in thermal energy and over 700 MW in renewable energy. It owns and operates two supercritical thermal power plants: Thermal Powertech Corporation India (TPCIL) and NCC Power Projects (NCCPP), each having a capacity of 1,320 MW, in Andhra Pradesh. Sembcorp's renewable energy portfolio in India, operated through Sembcorp Green Infra, consists of more than 700 megawatts of wind power and solar power assets in six states across the southern, western and central regions of India.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Standalone Profit and Loss Account (Rs. mn)

Particulars	FY2014	FY2015	FY2016A	FY2017E	FY2018E
YoY Revenue Growth (%)	-10.4%	-11.7%	13.18%	25%	30%
Revenue from operations	18,125	16,011	18,122	22,652	29,448
EBITDA	2,722	2,120	2,595	3,398	4,417
EBITDA Margin - (%)	15.0%	13.2%	14.3%	15%	15%
PAT	476	221	586	793	1,325
PAT Margin (%)	2.6%	1.4%	3.2%	3.5%	4.5%
Shares in issue (mn)	30	30	35	35	35
EPS (Rs.)	15.9	7.4	16.6	22.6	37.85

Source: Company, Ajcon Research



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Recommendation parameters for fundamental reports:

Buy – Absolute return of 20% and above

Accumulate – Absolute return between 15% and above

Book profits: On achieving the price target given in the research report for a particular Company or on a occurrence of a specific event leading to change in fundamentals of the Company recommended

Disclosure under SEBI Research Analyst Regulations 2014:

- a) **Analyst holding: No**
- b) **Company holding: No**
- c) **Directors holding: No**
- d) **Group/Associates Position: No**
- e) **Relationship with management: No**
- f) **Any Compensation Received by our Company/Associate during the last 12 months: Yes**
- g) **Our Company/Associate have managed the public offering of securities for the subject Company in the past 12 months: No**

Disclaimer

Ajcon Global Services Ltd. is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Ltd. research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Ltd. is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Ltd. or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above para, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Ltd. or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Ltd. 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 Ajcon Global Services Ltd. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Ltd. is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Ltd. from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

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. Ajcon Global Services Ltd. 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. Ajcon Global Services Ltd. 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. Ajcon Global Services Ltd. 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.

Ajcon Global Services Ltd. encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Ltd. 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 Ajcon Global Services Ltd. nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that Akash Jain – MBA (Financial Markets) or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Ltd. or its subsidiaries collectively or Directors including their relatives, Research Analysts, 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.

It is confirmed that Akash Jain – MBA (Financial Markets) research analyst or any other Research Analysts of Ajcon Global do not serve as an officer, director or employee of the companies mentioned in the report.

Ajcon Global Services Ltd. 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 Ajcon Global Services Ltd. 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 Ajcon Global Services Ltd. by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, Akash Jain MBA (Financial Markets), research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.



For research related queries contact:

Mr. Akash Jain – Vice President (Research) at research@ajcon.net, 022-67160431 (D)

CIN: L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: www.ajcononline.com

Corporate and Broking Division

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062

Registered Office:

101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40