

Q4FY19 Result Update PSP Projects Ltd

Growth Momentum Continues

PSP Projects Ltd (PSP), reported a mixed set of numbers. Although the company maintained healthy growth trend; momentum slowed partially in the last quarter of previous financial year. Revenue in Q4FY19 grew by 28% YoY to INR 338 cr against more than 50% quarterly growth trend reported by the company since listing. However, PSP maintained the strong track record of reporting healthy margins. EBITDA in Q4FY19 grew by 37% YoY to INR 50 cr and EBITDA margins improved by 13 bps YoY and 70 bps sequentially to 14.8%. On a consolidated basis, PSP reported a topline growth of 40% in FY19 and revenue reached to INR 1,050 cr which was tad lower than our expectations of INR 1,060 cr. EBITDA margins in FY19 came at 14.1%, slightly better than expected on the back of saving in construction costs in quarter four. PAT in FY19 grew by 35% YoY to INR 89 cr with 8.5% net profit margins. The company added orders worth ~INR 1,400 cr in the previous financial year and currently has orderbook worth INR 2,951 cr. With strong orderbook and healthy order pipeline, we believe the company to report more than 40% revenue growth in FY20E and is expected to maintain an EBITDA margin of 13%-14%. We reiterate our 'BUY' recommendation with a target price of INR 590.

A disciplined building contractor with strong order book and revenue visibility

PSP has achieved strong brand recall and recorded a stellar performance in its small life of existence. The company has completed 120 projects within 11 yrs of its operating history and ticket size of an average project also moved to multi-level high from INR 8.5 cr in FY13 to INR 43 cr currently. The company gets consistent repeat orders from clients, like Zydus-Cadila, Claris, Torrent Pharma, DDU, MRF and AMUL. Currently, the company has INR 2,951 cr of orders and that offers almost 3 years of revenue visibility. The company is also having a bid pipeline INR 3,500 cr and considering the high win ratio maintained in the past we remain confident on strong order addition in FY20E. We believe, the company will add ~INR 1,500 cr of new orders in FY20E.

Revenue expected to grow at 40% in FY20E , operating margin likely to stay at 13% –14% range

The lack of organized and efficient players in the small ticket sized building construction space (INR 50-150 cr) has put PSP in a sweet spot and successful completion of Surat Diamond Bourse will make the company eligible for projects more than INR 1,000 cr where competition is limited into 5-6 large players. Strong order inflow and healthy bid pipeline will aid the company to grow its revenue by 42% YoY in FY20E. With timely execution and strong track record of disciplined bidding, EBITDA margin is also expected to remain in the range of 13% –14% going forward. Due to its lean balance sheet structure, the company is also reported industry leading PAT margins (of 8-9%) amongst peers.

Efficient capital allocation to aid highest RoCE among peers

Timely execution and proficient project selection aid efficient capital management for PSP. The company has no legacy receivable from the past, nor are there any significant instances of retention monies being withheld/performance bank guarantees invoked by the clients etc. PSP has the best working capital cycle in the sector, although it came up to 26 days this year due to Surat Diamond Bourse project. As a result of the lean balance sheet, prudent working capital management and profitable execution, the return metrics are the best in the sector and are expected to remain healthy going forward. RoCE of the company improved by 300 bps YoY to 31% in FY19.

Outlook and valuation: Reiterate 'BUY'

PSP is best placed amongst the building contractors with strong growth and highest return ratios. Although , the company reported revenue marginally lower than our expectations in FY19, we remained confident on the growth prospect of the company in the medium term. Our Revenue and Net profit estimates for FY20E and FY21E almost remained same. At CMP of INR 508, the stock is trading at 14x / 12x of FY20E / FY21E EPS. We maintain 'BUY' with a target price of INR 590/share after assigning 14x PE multiple to FY21E EPS of INR 42.

Debashish Mazumdar
Research Analyst
debashish.mazumdar@edelweissfin.com

CMP INR: 508

Rating: Maintain BUY

Target Price INR: 590

Upside: 16%

Bloomberg:	PSPPL:IN
52-week range (INR):	539.90 / 358.30
Share in issue (cr):	3.6
M cap (INR cr):	1,816
Avg. Daily Vol. BSE/NSE :('000):	45
Promoter Holding (%)	73.28

(INR Cr)	Q4FY19	Q4 FY18	% change (YoY)	Q3FY19	% change (QoQ)	FY19	FY20E	FY21E
Revenues	338	264	28%	261	30%	1050	1486	1728
EBIDTA	50	36	37%	37	36%	149	211	245
EBIDTA Margin	15%	14%	-	14%	-	14%	14%	14%
PAT	30	23	31%	21	40%	89	131	152
PAT Margin	9%	9%	-	8%	-	8%	9%	9%
Diluted EPS (INR)						24.8	36.4	42.2

Date: 28th May, 2019

(INR Cr)	Q4FY19	Q4FY18	% change (YoY)	Q3FY19	% change (QoQ)	FY19	FY18	% change (YoY)
Income from operations	338	264	28%	261	30%	1044	730	43%
Direct Expenses	273	216	27%	211	29%	841	583	44%
Employee Cost	12	8	37%	11	9%	43	29	51%
Other Expenses	3	3	16%	2	44%	11	16	-31%
Total operating expenses	288	227	27%	224	29%	895	628	42%
EBITDA	50	36	37%	37	36%	149	101	47%
Depreciation and amortisation	7	4	73%	6	20%	24	11	117%
EBIT	42	32	33%	30	39%	125	90	38%
Interest expenses	3	3	6%	2	41%	9	9	3%
Other income	7	6	13%	5	37%	23	18	27%
Profit before tax	46	35	32%	33	39%	139	100	39%
Provision for tax	16	12	33%	12	36%	48	36	36%
Core profit	30	23	31%	21	40%	91	64	41%
Extraordinary items	-	-	-	-	-	-	-	-
Profit after tax	30	23	31%	21	40%	91	64	41%
Minority Interest	-	-	-	-	-	-	-	-
Share from associates	-	-	-	-	-	-	-	-
Adjusted net profit	30	23	31%	21	40%	91	64	41%
Equity shares outstanding (Crs)	5	5	0%	5	0%	4	4	0%
EPS	7	5	31%	5	40%	25	18	41%
EBITDA Margins	15%	14%		14%		14%	14%	
PAT Margin	9%	9%		8%		9%	9%	

Change in Estimates

(Rs cr)	FY20E			FY21E		
	Old	Revised	Change (%)	Old	Revised	Change (%)
Net sales	1,488	1,486	-0.1%	1,735	1,728	-0.4%
EBITDA	208	211	-0.1%	243	245	0.8%
EBITDA margin (%)	14	14.2		14	14.2	
PBT	206	202	-0.2%	243	234	-3.7%
PBT margin	9	8.8		9.1	8.8	
Net profit	134	131	-0.2%	158	152	-3.8%
Adj EPS (Rs)	37.3	36.4	-0.2%	43.9	42.2	-3.9%

Other Key Highlights:

- The revenue recognised for Q4FY19 from the Surat Diamond Bourse (SDB) Project was INR 125 cr and for FY19 total revenue booked from the project was INR 350 cr. For SDB, MEP has been mobilised and Facade mobilisation has already started. It was employing 4000+ labourers at SDB in April-May 2019. Management remained confident of booking INR 750 – 800 cr revenue in FY20E.
- PSP managed a strong inflow of INR 600 cr in Q4FY19, majorly contributed by recently won institutional construction project from IIM Ahmedabad, Gujarat, hence bringing in a revenue of INR 1,050 cr in FY19. This put its exit order-book at INR 2,951 cr in FY19.
- Company also stated that it has a bid-pipeline of projects worth INR 3,500 cr which includes two large projects worth INR 2,400 cr. Hence company is confident of order inflow of INR 1,500 cr during the year of FY20. This puts PSP's expected exit order-book at INR 2,965 cr for FY20E.
- In FY19, the company also added a new client, MRF Ltd and also completed some major projects like renovation of Gujarat Vidhansabha Building, Brigade Commercial Complex at Gift City, and Office Building for Sabarmati Riverfront Development Corporation Ltd (SRFDCL).
- The management has stated that going beyond 14% EBITDA margins is difficult and will vary between 12-14% going ahead.
- Currently PSP has INR 222 cr cash & cash equivalent on its balance sheet and net cash position of INR 197cr.

Previous Result Outlook

In Q2FY19: PSP is best placed amongst the competition with strong growth and highest return ratios. At CMP of INR 384, the stock is trading at 14x / 10x of FY19E / FY20E EPS. Our Revenue, EBITDA and PAT estimates for FY19E and FY20E largely remains same for both the years. We maintain 'BUY' with a target price of INR 594/share after assigning 15x PE multiple to FY20E EPS of INR 40.

In Q3FY19: PSP is best placed amongst the competition with strong growth and highest return ratios. At CMP of INR 396, the stock is trading at 16x / 11x of FY19E / FY20E EPS. We maintain 'BUY' with a target price of INR 590/share after assigning 16x PE multiple to FY20E EPS of INR 37.

QARP – II report: We tweaked our top-line estimates slightly for FY20E/FY21E, due to loss in >50% growth momentum. EBITDA margins estimate were revised to 14.2% in FY20E/FY21E from 14% on the back of better cost control expected. PAT margins were bumped slightly to 8.8%/8.8% in FY20E/FY21E due to increased depreciation expected.

What we are saying today:

In Q4FY19: PSP is best placed amongst the competition with strong growth and highest return ratios. At CMP of INR 508, the stock is trading at 14x / 12x of FY20E / FY21E EPS. We maintain 'BUY' with a target price of INR 590/share after assigning 14x PE multiple to FY20E EPS of INR 42.

Financials

Income Statement (Consolidated)					(INR cr)
Year to March	FY17	FY18	FY19	FY20E	FY21E
Income from operations	457	752	1,050	1,486	1,728
Direct Expenses	168	290	416	595	691
Employee Cost	21	29	43	59	69
Other Expenses	201	329	443	621	722
Total operating expenses	390	647	902	1,275	1,482
EBITDA	67	105	149	211	245
Depreciation and amortisation	8	11	24	26	32
EBIT	59	93	124	185	213
Interest expenses	8	9	10	9	10
Other income	13	19	23	26	31
Profit before tax	64	102	137	202	234
Provision for tax	23	36	48	71	82
Core profit	41	66	89	131	152
Extraordinary items	0	0	0	0	0
Profit after tax	41	66	89	131	152
Minority Interest	0	0	0	0	0
Share from associates	0	-0	-0	0	0
Adjusted net profit	41	66	89	131	152
Equity shares outstanding (Crs)	3.6	3.6	3.6	3.6	3.6
EPS (INR) basic	11.5	18.3	24.8	36.4	42.2
Diluted shares (Crs)	3.6	3.6	3.6	3.6	3.6
EPS (INR) fully diluted	11.5	18.3	24.8	36.4	42.2
Dividend per share	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0

Common size metrics- as % of net revenues

Year to March	FY17	FY18	FY19	FY20E	FY21E
Operating expenses	85.4	86.1	85.9	85.8	85.8
Depreciation	1.7	1.5	2.3	1.8	1.9
Interest expenditure	1.8	1.2	0.9	0.6	0.6
EBITDA margins	14.6	13.9	14.1	14.2	14.2
Net profit margins	9.1	8.8	8.5	8.8	8.8

Growth metrics (%)

Year to March	FY17	FY18	FY19	FY20E	FY21E
Revenues	(4.0)	64.5	39.7	41.5	16.2
EBITDA	91.5	56.7	42.0	42.1	16.2
PBT	84.4	60.1	34.1	46.6	16.0
Net profit after minority interest	95.3	59.2	35.2	46.9	16.0
EPS	95.3	59.2	35.2	46.9	16.0

Balance Sheet (Consolidated)					(INR cr)
As on 31st March	FY17	FY18	FY19	FY20E	FY21E
Equity share capital	29	36	36	36	36
Warrants	0	0	0	0	0
Reserves & surplus	76	266	335	457	609
Shareholders funds	105	302	371	493	645
Borrowings	78	28	25	25	25
Minority interest	0	0	1	1	1
Sources of funds	183	330	397	519	671
Gross block	85	120	169	219	269
Depreciation	31	42	66	93	125
Net block	53	78	102	126	144
Capital work in progress	7	2	1	0	0
Total fixed assets	60	80	103	126	144
Goodwill	0	0	0	0	0
Non Current Assets	24	68	90	95	100
Inventories	7	34	75	85	99
Sundry debtors	59	123	143	186	216
Cash and equivalents	137	255	222	155	268
Loans and advances	26	19	67	106	116
Other current assets	20	22	29	0	0
Total current assets	249	453	535	533	699
Sundry creditors and others	77	135	158	228	265
Other Current Liabilities	61	134	165	0	0
Provisions	12	1	0	0	0
Total CL & provisions	150	270	324	228	265
Net current assets	100	183	211	304	433
Net Deferred tax	0	0	0	0	0
Misc expenditure	0	0	0	0	0
Uses of funds	184	331	405	525	677
Book value per share (INR)	51	92	112	146	188

Cash flow statement					(INR cr)
Year to March	FY17	FY18	FY19	FY20E	FY21E
Net profit	41	66	89	131	152
Add: Depreciation	8	11	24	26	32
Add: Interest net of tax	5	6	6	6	6
Add: Deferred tax	0	0	0	0	0
Add: Others	0	0	0	0	0
Gross cash flow	54	83	120	163	191
Less: Changes in W. C.	33	-34	52	169	17
Operating cash flow	21	118	68	-6	174
Less: Capex	7	36	48	50	50
Less: Investment in subsidiaries	0	0	0	0	0
Free cash flow	14	82	20	-56	124

Profit & Efficiency Ratios

Year to March	FY17	FY18	FY19	FY20E	FY21E
ROAE (%)	39%	22%	24%	26%	23%
ROACE (%)	32%	28%	22%	35%	31%
Debtors (days)	47	60	50	46	46
Current ratio	1.7	1.7	1.6	2.3	2.6
Gross Debt/Equity	0.7	0.0	0.0	0.0	0.0
Inventory (days)	5	16	26	21	21
Payable (days)	61	62	55	56	56
Cash conversion cycle (days)	-9	15	21	10	10
Gross Debt/EBITDA	1.2	0.0	0.0	0.1	0.1
Net debt/Equity	(0.6)	(0.8)	(0.6)	(0.3)	(0.4)

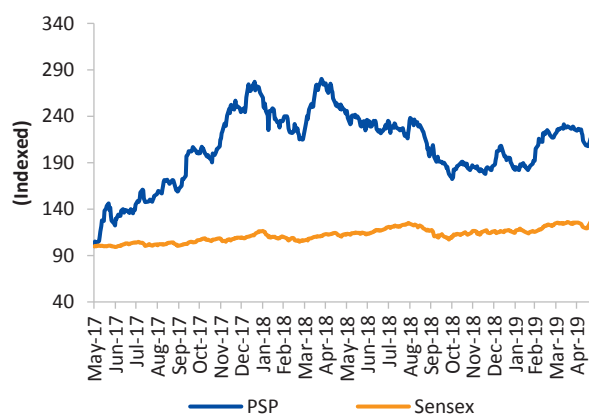
Valuation Parameters

Year to March	FY17	FY18	FY19	FY20E	FY21E
Diluted EPS (INR)	11.4	18.3	24.8	36.4	42.2
<i>Y-o-Y growth (%)</i>	<i>80.5</i>	<i>60.1</i>	<i>35.2</i>	<i>46.9</i>	<i>16.0</i>
CEPS (INR)	13.7	21.5	31.5	43.7	51.2
Diluted P/E (x)	20.1	21.6	20.7	14.1	12.2
Price/BV(x)	7.8	4.7	5.0	3.7	2.8
EV/Sales (x)	1.7	1.6	1.6	1.2	0.9
EV/EBITDA (x)	11.5	11.2	11.0	8.1	6.6
Diluted shares O/S	3.6	3.6	3.6	3.6	3.6
Basic EPS	11.4	18.3	24.8	36.4	42.2
Basic PE (x)	20.1	21.6	20.7	14.1	12.2
Dividend yield (%)	0%	0%	0%	0%	0%

Edelweiss Broking Limited, 1st Floor, Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kirool Road, Kurla(W)
Board: (91-22) 4272 2200

Vinay Khattar
Head Research
vinay.khattar@edelweissfin.com

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate between 5-15% over a 12-month period
Reduce	Return below 5% over a 12-month period



Disclaimer

Edelweiss Broking Limited (“EBL” or “Research Entity”) is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, depository services and related activities. The business of EBL and its Associates (list available on www.edelweissfin.com) are organized around five broad business groups – Credit including Housing and SME Finance, Commodities, Financial Markets, Asset Management and Life Insurance.

Broking services offered by Edelweiss Broking Limited under SEBI Registration No.: INZ000005231; Name of the Compliance Officer: Mr. Brijmohan Bohra, Email ID: complianceofficer.ebl@edelweissfin.com Corporate Office: Edelweiss House, Off CST Road, Kalina, Mumbai - 400098; Tel. 18001023335/022-4272200/022-40094279

This Report has been prepared by Edelweiss Broking Limited in the capacity of a Research Analyst having SEBI Registration No. INH000000172 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. 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 EBL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. EBL reserves the right to make modifications and alterations to this statement as may be required from time to time. EBL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. EBL is committed to providing independent and transparent recommendation to its clients. Neither EBL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of EBL. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of EBL and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

EBL shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the EBL to present the data. In no event shall EBL be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the EBL through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

EBL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or 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 or at the time of public appearance. EBL may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with EBL.

EBL or its associates may have received compensation from the subject company in the past 12 months. EBL or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. EBL or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EBL or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EBL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or EBL’s associates may have financial interest in the subject company. EBL, its associates, research analyst and his/her relative 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 or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No
EBL has financial interest in the subject companies: No

EBL’s Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

EBL has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No
Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by EBL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Disclaimer

Additional Disclaimer for U.S. Persons

Edelweiss is not a registered broker – dealer under the U.S. Securities Exchange Act of 1934, as amended (the “1934 act”) and under applicable state laws in the United States. In addition Edelweiss is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act” and together with the 1934 Act, the “Acts”), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by Edelweiss, including the products and services described herein are not available to or intended for U.S. persons.

This report does not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services and/or shall not be considered as an advertisement tool. “U.S. Persons” are generally defined as a natural person, residing in the United States or any entity organized or incorporated under the laws of the United States. US Citizens living abroad may also be deemed “US Persons” under certain rules.

Transactions in securities discussed in this research report should be effected through Edelweiss Financial Services Inc.

Additional Disclaimer for U.K. Persons

The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (“FSMA”).

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the “Order”); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”).

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Additional Disclaimer for Canadian Persons

Edelweiss is not a registered adviser or dealer under applicable Canadian securities laws nor has it obtained an exemption from the adviser and/or dealer registration requirements under such law. Accordingly, any brokerage and investment services provided by Edelweiss, including the products and services described herein, are not available to or intended for Canadian persons.

This research report and its respective contents do not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services.

Disclosures under the provisions of SEBI (Research Analysts) Regulations 2014 (Regulations)

Edelweiss Broking Limited (“EBL” or “Research Entity”) is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, depository services and related activities. The business of EBL and its associates are organized around five broad business groups – Credit including Housing and SME Finance, Commodities, Financial Markets, Asset Management and Life Insurance. There were no instances of non-compliance by EBL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. This research report has been prepared and distributed by Edelweiss Broking Limited (“Edelweiss”) in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No.INH000000172.