



# JOINDRE CAPITAL SERVICES LTD.

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

## RESEARCH REPORT

2<sup>nd</sup> May 2018

### NELCAST LIMITED

**BSE : NELCAST**

**Sector: AUTO COMPONENTS**

**BSE: 532864**

#### View - BUY

CMP : Rs. 88

Target Price: Rs 140 (In next 12 to 18 mths)

#### BUSINESS BACKGROUND

Incorporated in 1982, Nelcast manufactures grey and ductile castings for the M&HCV and tractor industry segments. Nelcasts product profile for the M&HCV segment includes wheel hubs, brake drums, axle housing, shackles and brackets. For the tractor segment, its product profile comprises transmission case, centre housing, rear axle housing and hydraulic lift cover. It also supplies ribbed plates and brake discs used in metro rail projects and railways. Nelcast has an aggregate installed capacity of 150,000 tonne per annum at its two factories at Ponneri, Tamil Nadu and Gudur, Andhra Pradesh.

#### INVESTMENT HIGHLIGHTS

##### Steady Financials for Nelcast for first 9 months of FY18 –

Nelcast has reported a steady set of numbers for the first 9 months of FY18 with net sales at Rs 531.62 crs, as compared to a revenue of Rs 441.93 crs in first 9 months last year, with EBIDTA placed at Rs 52.65 crs from Rs 50.74 crs in the same period last year and the PAT in this period growing by 12% YoY to Rs 28 crs as compared to Rs 25 crs in the same period last year.

For FY17 the company has recorded net income of Rs 574.55 crs, a EBIDTA of Rs 64.03 crs and a PAT of Rs 33.98 crs. Nelcast paid a dividend of 45% last year.

##### Nelcast is a strong proxy on the domestic CV and Tractors segments –

Heavy commercial vehicles account for 45% of Nelcast's business, while tractors contribute 35-40%. The rest comes from the railways and other segments. NCL manufactures parts to be used in various applications in automobiles such as the engine, transmission, suspension, axle, brake and steering. For tractor industry it supplies various housings as well as engine, transmission and axle components. It also caters to the railways & the pipe fittings industries.

SG castings, which are increasingly preferred by user industries, constitute over 75% of its production. These castings are more versatile, value-additive and have higher ductility and tensile strength compared to grey iron castings. Nelcast is one of the India's largest suppliers of the finest ductile iron & grey iron castings ranging from 0.5 kgs. to 250 kgs. in weight

##### Nelcast enjoys a Strong OEM Clientele –

Domestic sales constitute 95% of the sales & major customers include Tata Motors, Ashok Leyland, Dana, TAFE, Mahindra, Automotive Axles, Axles India, Eicher, Rane & ZF India. 5% of revenues come from exports, where major customers include Arvin Meritor, ZF Lemfoder, Caterpillar, Dobbie DICO, etc. NCL exports to Sweden, North America and Australia.

#### KEY DATA

FACE VALUE	Rs	2.00
DIVID YIELD %		1.02
52 WK HI/LOW		109/56
NSE CODE		NELCAST
BSE CODE		NELCAST
MARKET CAP	RS	769 CRS

#### SHAREHOLDING PATTERN

PROMOTERS	-	77%
BANKS, MFs & DIIs	-	%
FIIs	-	%
PUBLIC	-	23%

#### KEY FUNDAMENTALS

YE	FY18	FY19	FY20
Rev Gr%	20	21	22
EBIDTA Gr%	6	23	34
PAT Gr%	12	39	23
EPS Gr%	12	39	23
EPS (Rs)	4.35	6.06	7.50
ROE %	11	14	15
ROCE %	10	11	13
P/E(x)		15	12



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

### **Nelcast is India's largest producer of SG Iron Castings & a key producer of SG & GI Castings –**

Nelcast Ltd, is India's largest manufacturer of SG Iron Castings. It's also one of the leading manufacturers of Grey Iron Castings. Its products find applications primarily in Tractors & Trailers, Medium & Heavy commercial vehicles (MHCVs), and Railways. Steel scrap is a key raw material for it. Its major clients include TAFE, ITL, Eicher, Tata Motors and Ashok Leyland. Nelcast has been catering to many of these customers since the last 20-25 years. It has two plants (foundries) near Chennai.

Other producers of SG Iron casting in India are Hinduja Foundries, Brakes India, Kirloskar Ferrous, and Amtek India. There are many producers of Grey Iron castings. Some of the large producers of GI castings are Amtek India, Hinduja Foundries & Kirloskar Ferrous.

China is the global leader in castings with 43% market share and annual production of 35mn tons. India is a distant number two with around 9% market share and annual production of 7-8mn tons. About 70% of castings produced in India are GI Castings with 4500 units, of which, 90% are SMEs. Some of the customers tried China castings but came back to Nelcast due to quality issues. China, therefore, is unlikely to be a competition for quality SG Castings.

SG Casting segment has very few players, as technology and experience act as entry barriers. SG (Spheroidal Graphite Iron) Castings are stronger than GI castings. The casting process consists of pouring of injecting molten metal into a mold containing a cavity with the desired shape of the casting.

### **Agriculture & rural income growth are strong growth drivers for Nelcast –**

India's agriculture sector is expected to grow by more than 4% in 2017-18. Increased horticulture and fisheries production, a robust kharif harvest and near-normal planting in the ongoing rabi season will hold the growth at a healthy rate. This apart the government in the recent union budget has announced the following incentives for the rural sector. These include

Total allocation for Rural, Agriculture sector is Rs.14.34 lakh crore. Institutional credit for agriculture sector raised to Rs. 11 lakh crore for 2018-19. Scope of Long Term Irrigation Fund to be expanded to cover specified command area development projects. An Agri Market Infrastructure Fund with a corpus of Rs. 2,000 crs to be set up for developing and upgrading agricultural marketing infrastructure

Under the Pradhan Mantri Krishi Sinchai Yojana, 48 AIBP priority projects of Rs. 15,000 crs to be completed by December 2019 and utilisation of irrigation potential of 15 lakh hectares (har khet ko pani) a project of Rs. 2,300 crores to be undertaken. Irrigation projects of Rs. 4,000 crs covering 17.2 lakh hectares to be implemented

Niti Ayog, in consultation with Central and State Governments, will put in place a fool proof mechanism so that farmers to get adequate price for their produce.

Extending facility of Kisan Credit cards to farmers to help them meet their working capital needs. Small and marginal farmers to benefit

Under the Prime Minister Awas Scheme it is proposed to complete construction of one crore houses by 2019 in the rural areas. In urban areas 37 lakh houses has been sanctioned for construction. A dedicated Affordable Housing Fund in NHB to be established. Smart Cities Mission to build 100 smart cities with state-of-art amenities and the AMRUT program to provide water supply



**JOINDRE**

## **JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

Surplus liquidity post demonetization, government initiates to provide houses in rural and urban areas which may have a fresh demand for pipes. Affordable housing to be given infrastructure status. Proposal to complete construction of one crore houses by 2019. Boost in housing due to refinancing by NHB.

Swachh Bharat Mission (Gramin) has made tremendous progress in promoting safe sanitation. Sanitation coverage in rural India has gone up from 42% in October 2014 to about 60% currently. Villages with sanitation coverage are now being given priority for piped water supply

All these initiatives are expected to benefit Nelcast in the medium to long term as demand for Agri equipments like Tractors & Trailers would have a positive rub off effect. Already CRISIL Research expects domestic tractor sales volumes to grow by 9-11%, with monsoon progress hovering around the normal threshold till date (5% below the Long Period Average as on 21 August). Additionally we expect an upside of 4-6% due the announcement of farm loan waiver in few states, taking the total expected growth for this fiscal to 14-16%.

While the monsoons were progressing well till the end of July, the momentum has slowed down mainly in the central region, apart from deficiency being witnessed in the peninsular areas. Kharif sowing has also come down, with acreage at 97.6 million hectares as on 18th August, lower by 1% compared to the same period last year.

However, there are still expectations of a healthy harvest, and farm sentiments remain positive in most areas of the country. The farm loan waiver announced by governments of Uttar Pradesh (UP), Maharashtra, Karnataka and Punjab, is expected to provide a further 4-6% upside to the industry growth, with incremental demand mostly coming from UP, Maharashtra and Punjab. Government focus on rural infrastructure development should also spur non-farm tractor demand in 2017-18.

The tractor industry 5-year CAGR from 2017-18 to 2021-22 is expected to be 8-10%, with the outlook taking into account possibility of 1-2 deficient rainfall years during 2017-18 to 2021-22.

Governments renewed thrust towards improving the rural economy, via measures such as doubling farm income by 2022, increasing spend towards irrigation, and improving crop productivity by distributing soil health cards is expected to drive growth in the long term. This will also be supported by other measures like the e-NAM (National Agriculture Market), expanding crop insurance, and gradual spread of Custom Hiring Centres. With increasing mechanization on farm fields, this bodes well for structural tractor demand growth.

With current tractor population of 4 million in India, penetration in India is only 1.3 hp/ha which is much below the world average of 3-4hp/ha, leaving much scope for growth. Keeping that as a benchmark, nearly 13 million farm tractors are required to till India's arable area of 159.2 million hectares, indicating a sustained growth potential of 8-10% CAGR (excluding commercial tractors) until 2026-27.

Tractors & Trailers segment contribute around 35 to 40% to Nelcast's sales. Mahindra, International Tractors Ltd (Sonalika group), TAFE, Eicher are its key clients in this segment. Encouraged by the continuing momentum in sales, the tractor industry hopes to end the current fiscal with highest-ever domestic volumes close to 6.8 lakh units. The industry's previous highest domestic number was in 2013-14 when domestic sales stood at 6.34 lakh units. Tractor companies and industry analysts project a growth rate of 17-18 per cent for the current fiscal.



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

### **CV & Tractor manufactures on expansion spree and likely to launch new products will further push volumes for Nelcast –**

Tata Motors has launched its next generation of Ultra range of intermediate and light commercial vehicles. These CVs will be available starting from ₹ 10 lakh and will go up to ₹ 25 lakh. The Ultra range of trucks will be built on a modular platform, which will help the company cater to design these trucks for multiple business applications such as two-wheeler carrier, municipality applications, poultry, cement mixing, tipper, Reefer and so on.

The Ultra trucks will be powered by Tata's new turbo-tron range of 3-litre and 5-litre engines. The 3-litre engine makes 138 bhp at 3,000 rpm with peak torque output of 360 Nm at 1,400 - 2,000 rpm. The engine will be paired to a 6-speed manual transmission. The 5-litre engine on the other hand, will make 177 bhp at 2,400 rpm and churn out peak torque of 590 Nm at 1,000 - 2,000 rpm. This engine too will have a 6-speed manual transmission. There will be other engine options too with maximum power rating of 207 bhp and peak torque rating of 890 Nm. There will be automatic transmission options as well.

Swaraj Tractors part of Mahindra Group has launched its first ever powerful tractor platform ranging from 60-75 HP - Swaraj 963FE. The new range of tractors have been indigenously developed by the company and has been developed at company's R&D facility in Mohali.

Staraj 963FE tractor starts a price of Rs 7.40 lakh (Ex-Mohali).Mahindra has said that it has taken them about 3 years and an investment of less than Rs 100 crore for this new tractor which also gets a new engine and transmission. These tractors are designed, built and used by farmers which have allowed them to apply a wide range of applications starting from land preparation to post-harvest operations. The Swaraj 963 FE will be available in both 2WD and 4WD options. While the 2WD tractors are on sale now, the 4WD drive variants will go on sale in next two months

Sonalika International Tractors, the third largest tractor manufacturer of India launched the new 55 HP range DI 750III tractor under HDM (Heavy Duty Mileage) series. The tractor was introduced at Punjab Agricultural University Mela (PAU Mela). The new DI 750III comes with a lift capacity of 2000kg and 4 cylinder 2000 RPM engine and the tractor is designed to operate heavier and bigger implements in all types of soil conditions.

Both these developments are quite positive for Nelcast as it is a key vendor to both Tata Motors, Mahindra & Mahindra and ITL

### **Trend towards multi-axle vehicles doubles castings requirements –**

Within the MHCVs, there is a trend towards multi-axle vehicles, as these offer improved operating economics. Requirement of castings doubles in multi-axle vehicles. This structural shift towards multi-axle vehicles is another growth driver within the MHCV segment.

### **Entry into large high-value castings –**

Nelcast plans to get into large high-value castings that offer high margins and provides another avenue for growth. It's getting into niche markets like earth moving equipments.



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

### **Significant capacity expansion planned to support growth ahead –**

Nelcast has planned a capex of around Rs.75 cr to expand casting capacity from present 150,000 TPA to 250,000 TPA. About 80% of the installed capacity is achievable capacity. Bulk of this capex will take place between FY18 to FY19 wherein the additional capacity will be mainly for large-sized castings. Funding for this capex will largely be met out of internal accruals and term loans as the present leverage is quite low.

### **Nelcast plans to raise the share of machining & value added products ahead –**

Nelcast has already set up a dedicated machining line up for its customers both for the Automotive and Tractor segments. In fact out of the roughly 200 different castings in SG and Grey Iron Nelcast manufactures like Cylinder Blocks, Flywheels, Flywheel Housings, Housings, Hubs, Spring Shackles, Suspension Brackets, Transmission Cases, Axle Housings, Exhaust Manifolds around 15 to 18% comes from the machining division.

### **MHCVs CV cycle recovery key to domestic business of Nelcast -**

Domestic business which largely depends on the cycle of MHCV sector is decelerating over the last 2 years. The sector itself recovering from the worst ever demand slowdown when elevated interest rates coupled with mundane industrial activities caused deep plummeting of CV sales. Nevertheless, with an expected pickup in economic recovery, freight rate hikes by the fleet operators, plenty of pent-up replacement demand, Restrictions on truck overloading and low base will help MHCVs cycle to recover and we expect MHCVs volume to grow at a CAGR of 15% over FY17-20.

Domestic revenue contributes around 70% to its top-line and this segment largely depends domestic CV sales. Over the past few years, the company has formed a strategic relationship with local OEMs on the back of its strong customer engagement, robust product mix, and cost competitiveness.

The domestic MHCV segment has seen declining volumes over the past 12 months, mainly impacted by demonetisation, GST, and the emission-norms transition. With these behind, a smooth roll out of GST, and recovering rural demand should see the MHCV segment remaining flattish in FY18 and posting double-digit growth in FY19/20.

The CV segment in India is poised for strong growth over the next 1-2 years due to vehicle scrappage policy, increased spending on infrastructure by Government, implementation of BS-VI emission norms from CY2020 and implementation of truck overloading rules.

The Union Budget 2018-19 increased allocation for infrastructure by a significant 21% yoy to Rs5.97tn from Rs4.72tn. The BS-VI emission norms will come into effect from CY2020, creating significant replacement demand.

The vehicle scrappage policy, which aims to scrap commercial vehicles older than 15 years, has received a nod from the Finance Ministry. It has now been sent to the GST Council for final approval. The vehicle scrappage policy, if implemented, will be a huge positive for Indian Commercial Vehicle manufacturers as 2.8 crore vehicles older than 15 years will get scrapped, resulting in a significant boost in demand for new CVs.



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

### **Domestic Tractor Industry also likely to do well in coming years which will also benefit Nelcast –**

Encouraged by the continuing momentum in sales, the tractor industry hopes to end the current fiscal with highest-ever domestic volumes close to 6.8 lakh units. The industry's previous highest domestic number was in 2013-14 when domestic sales stood at 6.34 lakh units. Tractor companies and industry analysts project a growth rate of 17-18 per cent for the current fiscal.

Two of the largest players in India's tractor sector — Mahindra and Mahindra (M&M) and Escorts Limited (Escorts) have a lot to cheer about after reporting strong domestic tractor sales in March 2018. The management of both these companies have also sounded very optimistic about the outlook for the year ahead. VST Tiller Tractors Limited (VSTTL) also saw its tractor volumes increase 29% yoy in March 2018. Another player in the tractor space (unlisted) – Sonalika International Tractors Limited (SITL), surpassed annual sales level of 1 lakh units in FY18, registering 22% yoy growth for the full year.

Governments renewed thrust towards improving the rural economy, via measures such as doubling farm income by 2022, increasing spend towards irrigation, and improving crop productivity by distributing soil health cards is expected to drive growth in the long term. This will also be supported by other measures like the e-NAM (National Agriculture Market), expanding crop insurance, and gradual spread of Custom Hiring Centres. With increasing mechanization on farm fields, this bodes well for structural tractor demand growth.

With current tractor population of 4million in India, penetration in India is only 1.3 hp/ha which is much below the world average of 3-4hp/ha, leaving much scope for growth. Keeping that as a benchmark, nearly 13 million farm tractors are required to till India's arable area of 159.2 million hectares, indicating a sustained growth potential of 8-10% CAGR (excluding commercial tractors) until 2026-27.

While the monsoons were progressing well till the end of July, the momentum has slowed down mainly in the central region, apart from deficiency being witnessed in the peninsular areas. Kharif sowing has also come down, with acreage at 97.6 million hectares as on 18th August, lower by 1% compared to the same period last year.

However, there are still expectations of a healthy harvest, and farm sentiments remain positive in most areas of the country. The farm loan waiver announced by governments of Uttar Pradesh (UP), Maharashtra, Karnataka and Punjab, is expected to provide a further 4-6% upside to the industry growth, with incremental demand mostly coming from UP, Maharashtra and Punjab. Government focus on rural infrastructure development should also spur non-farm tractor demand in 2017-18.

### **Metro Rails to contribute to growth and margins –**

Metro rail orders, though sporadic, offer high margins. As metro rail infrastructure is being created and more & more cities are likely to go for Metro Rail to tackle traffic woes, Metro rail orders will continue to contribute to castings sales over long term. Indian Railways orders, which are taken to fill spare capacity, carry low margins.



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

**Nelcast enjoys a reasonably good balance sheet and both Topline and Bottomline growth is likely to remain strong going ahead –**

Nelcast's financial profile continues to be healthy, characterised by its conservative capital structure and healthy coverage metrics. Most of the debt availed is used to meet its working capital requirements. The company's long-term debt levels were low at Rs 3.65 crore as on March 31, 2017. Steady earnings over the years, coupled with limited debt funded expenditure, has supported the healthy capitalisation ratios of the company

Total Debt as on FY17 stood at Rs 73.40 crs as compared to a tangible networth of Rs 330 crs in FY17 putting the D:E to 0.22 :1 as on FY17. In current year we expect further reduction in the leverage following some repayments and healthy cash flows being generated

We expect that going ahead overall bottomline growth in the next 3 years starting FY17 onwards should easily increase at a CAGR of 18-25% and with fresh capex over the next 2 years likely to be funded out of internal accruals and debt which we believe can be comfortably serviced by its net cash flows generated going ahead.

**What is Nelcast's key USP visa other players –**

Firstly Nelcast is the largest SG casting player in the industry with a capacity of 1.50 lac tpa

Secondly Nelcast has strong and large OEM customers like Mahindra, Tata Motors, Ashok Leyland, Dana, TAFE, Automotive Axles, Axles India, Eicher, ITL, Rane & ZF India.

Thirdly Nelcast enjoys global customers like Arvin Meritor, ZF Lemfoder, Caterpillar, Dobbie DICO, etc. Nelcast exports to Sweden, North America and Australia.

**Overall the Castings market for Domestic end user segments looks good over the next 2-3 years –**

We expect the domestic and export market to remain in a healthy shape with growth remaining in strong double digits.

Nelcast is intending to be a strong focused player focusing on the large and medium Auto and Tractor castings markets both in India and Globally where it has a strong customer base and where it enjoys good profitability margins. New product launches and new technology in the Indian automobile industry directly impact Indian castings industry, because the castings components form the backbone of the Indian automobile industry.

Since the automobile and Tractor industries are the main customers for castings the industry's continuous efforts in upgrading technologies and diversifying product range has enabled it to expand its base of customers to foreign markets



**JOINDRE**

**JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

### **Business Outlook & Stock Valuation –**

On a rough cut basis, in FY18, Revenue is expected to touch Rs 690 crs.

On the bottomline level we expect the company to record a PAT of Rs 38 crs in FY18E. Thus on a conservative basis, Nelcast should record a EPS of Rs 4.35 for FY18E. For FY19E and FY20E our expectation is that earnings traction for Nelcast will continue to remain strong wherein we expect a EPS of Rs 6 .and Rs 7.50 respectively.

Nelcast Ltd, is India's largest manufacturer of SG Iron Castings. It's also one of the leading manufacturers of Grey Iron Castings. Its products find applications primarily in Tractors & Trailers, Medium & Heavy commercial vehicles (MHCVs), and Railways.

We expect the domestic and export market to remain in a healthy shape with growth remaining in strong double digits.

Nelcast is intending to be a strong focused player focusing on the large and medium Auto and Tractor castings markets both in India and Globally where it has a strong customer base and where it enjoys good profitability margins. New product launches and new technology in the Indian automobile industry directly impact Indian castings industry, because the castings components form the backbone of the Indian automobile industry.

Going ahead, we expect the CV industry to deliver robust growth largely due to a pickup in agriculture and mining activities, rapid development of roads along with increase in government spend on infrastructure, increase in demand from e-commerce and logistics sector, ban on overloading in high tonnage vehicles, and regulatory changes with shift from BS-IV to BS-VI emission norms. The much anticipated scrappage policy should also lead to stronger growth in CV industry going ahead. Consequently, we expect the CV industry to grow at 14-15% over FY17-FY20 resulting into a positive rub off for Nelcast.

We expect that going ahead overall bottomline growth in the next 3 years starting FY17 onwards should easily increase at a CAGR of 18-25% and with fresh capex over the next 2 years likely to be funded out of internal accruals and debt which we believe can be comfortably serviced by its net cash flows generated going ahead.

The ROE and ROCE is also expected to improve to 14% and 15% and 11% and 13% by FY19 and FY20.

Going ahead we expect Nelcasts's earnings to grow at a 19-22% over FY17-20E led by a rising healthy Topline growth, prudent product strategy, and more importantly savings in interest costs as the company has repaid some of its old loans.

The Nelcast stock trades at a P/E of 15x and 12x based on FY19E and FY20E, which looks attractive considering its strong production capability, consistent financial track record and healthy industry trends in the Castings sector where Nelcast looks poised to do well considering its size of operations, domestic clients and significant improvement expected both from the CV and Tractor segments ahead.

Hence we believe that the Nelcast stock should be purchased at the current price for a price target of around Rs 140 over the next 12 to 18 months.

**JOINDRE****JOINDRE CAPITAL SERVICES LTD.**

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

**FINANCIALS**

For the Year Ended March RsCr	FY17A	FY18E	FY19E	FY20E
Net Sales	574.55	690.00	834.90	1018.58
EBIDTA	64.03	67.85	83.49	112.04
EBIDTA %	11.14	9.83	10.00	11.00
Interest	6.15	2.88	3.50	4.50
Depreciation	13.42	15.00	16.5	18.00
Non Operational Other Income	4.54	3.70	4.00	4.00
Profit Before Tax	49.00	53.67	67.49	93.54
Profit After Tax	33.98	38.10	53.00	65.48
Diluted EPS (Rs)	3.88	4.35	6.06	7.48
Equity Capital	17.50	17.50	17.50	17.50
Reserves	312.25	341.75	386.15	442.63
Borrowings	73.40	60.10	65.00	75.00
GrossBlock	283.69	313.69	348.69	393.69
Investments	0.11	0.11	0.11	0.11

Source Company our Estimates

**KEY CONCERNS**

Slowdown in the CV and Tractor markets in India

Sharp increase in scrap prices could impact the profitability of the company in the short term which the company can pass through to OEMS after a lag of 2-3 months.

**JOINDRE**

# JOINDRE CAPITAL SERVICES LTD.

SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555

## **DISCLAIMERS AND DISCLOSURES**

This document has been prepared by Joindre Capital Services Limited SEBI REGN NO. INH000002061 / INB 230766739 / INB 011107555 and is meant for the recipient only for use as intended and not for circulation. This document should not be reproduced or copied or made available to others. Recipients may not receive this report at the same time as other recipients. The information contained herein is from the public domain or sources believed to be reliable. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, Joindre Capital Services Limited, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Joindre Capital Services Limited, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report. This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behaviour of investors or recipients or provide any investment/tax advice. This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis. Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital. Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of Joindre Capital Services Limited, its directors, officers, or employees. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

## **CONTACT DETAILS**

Mr. Avinash Gorakshakar (Research Head)	Tel.: 4033 4766,	Email: <a href="mailto:avinashg@joindre.com">avinashg@joindre.com</a>
Mr. Vikas Khandelwal (Research Sr. Executive)	Tel.: 4033 4900	Email: <a href="mailto:vikas@joindre.com">vikas@joindre.com</a>

## **COMPLIANCE TEAM**

Mr. A. P. Shukla (President & COF)	Tel.: 4033 4723	Email: <a href="mailto:shuklaap@joindre.com">shuklaap@joindre.com</a>
Mrs. Sujata Poojary (Sr. Executive )	Tel. : 4033 4567	Email: <a href="mailto:compliance@joindre.com">compliance@joindre.com</a>
Mrs. Nikita Shah (Sr. Executive)	Tel. : 4033 4567	Email: <a href="mailto:compliance@joindre.com">compliance@joindre.com</a>