

Key Share Data

| | |
|------------------------|---------|
| Face Value (Rs) | 2.0 |
| Equity Capital (Rs mn) | 153.3 |
| M.Cap (Rs mn) | 13339.2 |
| 52-w k High/Low (Rs) | 315/121 |
| Avg. Daily Vol | 2539 |
| BSE Code | 532349 |
| NSE Code | TCI |
| Reuters Code | TCIL.NS |
| Bloomberg Code | TRPC:IN |

Company Background

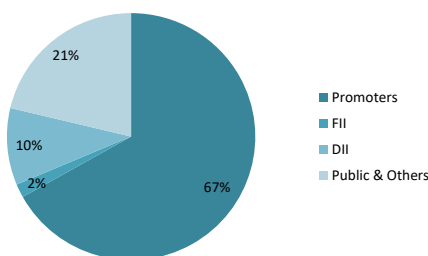
Transport Corporation of India Limited (TCI), promoted by Mr. D.P. Agarwal, Chairman and Mr. Vineet Agarwal, Managing Director is India's leading integrated multimodal logistics service provider. The Company offers services like handling and movement of cargo, end-to-end supply chain management and coastal shipping through its three business verticals namely TCI Freight, TCI Supply Chain Services (TCI SCS) and TCI Seaways with extensive network of company owned offices, ~7,500 trucks in operation, 12 mn sq. ft. of warehousing space and seven maritime carriers.

Investment Rationale

Topline to grow by 13% in FY22E

- ▶ During Q4FY20, TCI reported net sales of Rs 6,677.8 mn, registering a de-growth of ~10% y-o-y on the back of de-growth in all the three divisions viz TCI Freight (-1.8%), TCI SCS (-20.8%) and TCI Seaways (-3.9%) due to COVID-19 Lockdown. TCI is the only national player which has presence in both full truck load (FTL - 2/3rd contribution) and less than truck load (LTL - 1/3rd contribution) segments. Contribution from subsidiary TCI CONCOR stood at Rs 443.9 mn during the quarter.
- ▶ TCI SCS de-grew by 20.8% on the back of continued slowdown in automotive segment due to transition from BS IV to BS VI norms and slowing economy.
- ▶ TCI Seaways segment de-grew by 3.9% due to lower volumes and pressure on freight rates in the West Coast due to COVID-19 disruptions.
- ▶ The Company witnessed overall consolidated topline of Rs 27,178.4 mn during FY20, witnessing a marginal de-growth of 1.3%.
- ▶ The impact of COVID -19 is not significant on the operations of the Company as transportation and logistics are essential services. The Company is key link in supply chains of various companies including e-commerce and FMCG. Operations of the Company in these segments continued uninterrupted to the extent allowed and permitted under various notifications of Central/State Governments from time to time.
- ▶ **Historically, the logistics industry has grown at ~1.5-2x India's GDP growth. However, COVID-19 led disruptions have severely impacted prospects of both - India's GDP growth and logistics industry. In light of the tough business climate we have built in a ~8% dip in FY21E topline and expect sustained recovery from Q4FY21 onwards buoyed by a rise in economic activity. However, our estimates are contingent upon the future uncertainties of COVID-19 disruptions, which might impact our forecasts.**

Shareholding Pattern (as on March 31, 2020)



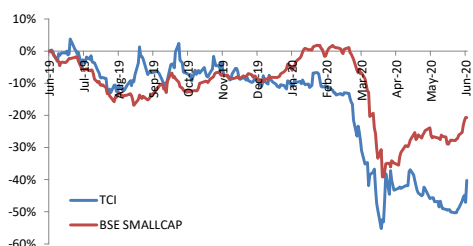
Key Financials (INR mn)

| Particulars | FY19 | FY20 | FY21E | FY22E |
|-------------|---------|---------|---------|---------|
| Net Sales | 27536.4 | 27178.4 | 24982.6 | 28188.6 |
| Sales Gr. | 17.4% | -1.3% | -8.1% | 12.8% |
| EBIDTA | 2495.2 | 2405.3 | 2046.2 | 2532.5 |
| Adj. PAT | 1444.0 | 1423.6 | 1079.3 | 1421.3 |
| PAT Gr. | 5.2% | 5.2% | 4.3% | 5.0% |
| EPS (Rs) | 18.8 | 18.5 | 14.0 | 18.5 |
| CEPS (Rs) | 28.9 | 29.3 | 25.9 | 31.8 |

Key Ratios

| Particulars | FY19 | FY20 | FY21E | FY22E |
|-----------------|-------|-------|-------|-------|
| P/E (x) | 9.2 | 9.4 | 12.4 | 9.4 |
| P/BVPS (x) | 1.5 | 1.3 | 1.2 | 1.1 |
| M.Cap/Sales (x) | 0.5 | 0.5 | 0.5 | 0.5 |
| EV/EBIDTA (x) | 6.9 | 7.0 | 7.9 | 6.3 |
| ROCE (%) | 13.2% | 11.3% | 8.1% | 10.2% |
| ROE (%) | 16.2% | 13.9% | 9.9% | 12.0% |
| EBIDTM (%) | 9.1% | 8.9% | 8.2% | 9.0% |
| NPM (%) | 4.4% | 4.3% | 3.4% | 4.2% |
| Debt-Equity (x) | 0.5 | 0.4 | 0.3 | 0.3 |

Price Performance Genus vs BSE SML



Analysts: Vineet Agrawal

Tel No: +91-22-49226006

e-mail: ird@skpsecurities.com

Margins are expected to improve in FY22E

- ▶ Consolidated EBIDTA margins during the quarter deteriorated by 180 bps y-o-y to 8.8%, on account of margin contraction in all the three segments viz. TCI Freight (EBIT margin of 3.3% vis-a-vis 3.8% last year), TCI SCS (EBIT margin of 5.5% vis-à-vis 7.7% last year) and TCI Seaways (EBIT margin of 21.5% vis-à-vis 27% last year), on the back of unabsorbed fixed cost due to lower topline. Margins of TCI Seaways were also impacted due to negative impact of mandatory use of high cost low Sulphur fuel. The prices went up to more than Rs 50,000/MT during FY20 due to shortage of the fuel, which has now fallen to Rs 20,000/MT.
- ▶ Overall EBIDTA margin dipped marginally by 20 bps to 8.9% in FY20. Going forward, with increasing contribution from high margin LTL, TCI SCS and TCI Seaways Division, we expect EBIDTA margins to remain in the vicinity of ~9% by FY22E.
- ▶ PAT margin during the quarter also declined by 110 bps to 5.4% y-o-y and remained flat at 5.2% during FY20. Going forward, we expect PAT margins to remain in the vicinity of 4.2% by FY22E.

Planned capex of Rs 1 bn for FY21E to enhance capacities and efficiency:

- ▶ TCI has planned capex of Rs 1.0 bn during FY21, which will be spent towards hub centres, small warehouses, trucks and rakes.
- ▶ The Company has spent Rs 1.07 bn as capex for FY20 including acquisition of a new vessel - TCI Anand, for Rs 509 mn which was tad lower in comparison to the estimated cost of Rs 700-800 mn.
- ▶ TCI Anand is the largest ship in the fleet of TCI SCS division with the capacity of 28,400 DWT and can carry 860 containers weighing 30 MT each. The vessel started its first voyage on October 21, 2019. TCI buys ships in the interval of 12-18 months.
- ▶ The Company also spent Rs 115 mn, Rs 186 mn and Rs 243 mn respectively, towards hub centres & small warehouses, containers, trucks and other vehicles, during FY20.

VALUATION

- ▶ Though the business climate is tumultuous, we expect TCI to emerge relatively unscathed due to its presence & expertise in Multimodal services. (In India, TCI is the only logistics services provider having all three capabilities under one roof), better business mix because of its focus on value added business, leading to improvement in operating efficiencies, better margins and higher return ratios.
- ▶ We have valued TCI on SOTP basis. We recommend a BUY on the stock with a target price of Rs 233 in 15 months (upside of ~34%).

Q4FY20 Consolidated Result Review

(All data in Rs mn unless specified, Y/e March)

| Particulars | Q4FY20 | Q4FY19 | % Change | Q3FY20 | % Change | FY20 | FY19 | % Change |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
| Net Sales | 6677.8 | 7427.0 | -10.1% | 7063.1 | -5.5% | 27178.4 | 27536.5 | -1.3% |
| Operating Expenses | 5405.8 | 5938.5 | -9.0% | 5792.1 | -6.7% | 22142.9 | 22515.2 | -1.7% |
| % to Sales | 81.0% | 80.0% | -- | 82.0% | -- | 81.5% | 81.8% | -- |
| Employee Expenses | 420.4 | 349.6 | 20.3% | 382.3 | 10.0% | 1572.2 | 1401.7 | 12.2% |
| % to Sales | 6.3% | 4.7% | -- | 5.4% | -- | 5.8% | 5.1% | -- |
| Other Expenses | 266.0 | 352.2 | -24.5% | 240.4 | 10.6% | 1058.0 | 1124.4 | -5.9% |
| % to Sales | 4.0% | 4.7% | -- | 3.4% | -- | 3.9% | 4.1% | -- |
| TOTAL EXPENDITURE | 6092.2 | 6640.3 | -8.3% | 6414.8 | -5.0% | 24773.1 | 25041.3 | -1.1% |
| EBIDTA | 585.6 | 786.7 | -25.6% | 648.3 | -9.7% | 2405.3 | 2495.2 | -3.6% |
| EBIDTA Margin (%) | 8.8% | 10.6% | -- | 9.2% | -- | 8.9% | 9.1% | -- |
| Depreciation | 207.5 | 201.9 | 2.8% | 214.9 | -3.4% | 824.9 | 774.4 | 6.5% |
| EBIT | 378.1 | 584.8 | -35.3% | 433.4 | -12.8% | 1580.4 | 1720.8 | -8.2% |
| EBIT Margin (%) | 5.7% | 7.9% | -- | 6.1% | -- | 5.8% | 6.2% | -- |
| Interest | 84.5 | 96.0 | -12.0% | 89.4 | -5.5% | 343.2 | 373.8 | -8.2% |
| Other Income | 67.7 | 50.4 | 34.3% | 57.3 | 18.2% | 201.2 | 195.1 | 3.1% |
| EBT before exceptional Items | 361.3 | 539.2 | -33.0% | 401.3 | -10.0% | 1438.4 | 1542.1 | -6.7% |
| EBT Margin before exceptional items (%) | 5.4% | 7.3% | -- | 5.7% | -- | 5.3% | 5.6% | -- |
| Exceptional Items | 0.0 | -6.7 | -- | 0.0 | -- | -98.8 | -6.7 | -- |
| EBT after exceptional Items | 361.3 | 532.5 | -32.2% | 401.3 | -10.0% | 1339.6 | 1535.4 | -12.8% |
| EBT Margin after exceptional items (%) | 5.4% | 7.2% | -- | 5.7% | -- | 4.9% | 5.6% | -- |
| Share in Net Profit Loss of JV | 57.1 | 53.7 | 6.3% | 19.0 | 200.5% | 251.5 | 250.9 | 0.2% |
| Tax | 56.9 | 102.4 | -44.4% | 76.7 | -25.8% | 159.2 | 333.4 | -77.0% |
| Minority Interest | 1.0 | 3.0 | -66.7% | 3.2 | 68.8% | 8.3 | 8.9 | -6.7% |
| Reported Profit After Tax | 360.5 | 480.8 | -25.0% | 340.4 | 5.9% | 1423.6 | 1444.0 | -1.4% |
| PAT Margin (%) | 5.4% | 6.5% | -- | 4.8% | 12.0% | 5.2% | 5.2% | -- |
| Diluted EPS (Rs) | 4.7 | 6.3 | -25.2% | 4.4 | 6.6% | 18.5 | 18.8 | -1.4% |

| Segment Wise Revenue Break-up | Q4FY20 | Q4FY19 | % Change | Q3FY20 | % Change | FY20 | FY19 | % Change |
|---------------------------------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|---------------|
| Freight Division | 3670.7 | 3736.1 | -1.8% | 3746.2 | -2.0% | 14351.2 | 13987.7 | 2.6% |
| <i>Contribution</i> | <i>54%</i> | <i>50%</i> | -- | <i>53%</i> | -- | <i>52%</i> | <i>50%</i> | -- |
| Supply Chain Solution Division | 2142 | 2705.9 | -20.8% | 2430.9 | -11.9% | 9490.4 | 10241 | -7.3% |
| <i>Contribution</i> | <i>32%</i> | <i>36%</i> | -- | <i>34%</i> | -- | <i>35%</i> | <i>37%</i> | -- |
| Seaways Division | 1045.6 | 1087.7 | -3.9% | 989.3 | 5.7% | 3677.4 | 3593.3 | 2.3% |
| <i>Contribution</i> | <i>16%</i> | <i>15%</i> | -- | <i>14%</i> | -- | <i>13%</i> | <i>13%</i> | -- |
| Energy Division | 5.9 | 7.2 | -18.1% | 4.6 | 28.3% | 54.9 | 69.3 | -20.8% |
| <i>Contribution</i> | <i>0%</i> | <i>0%</i> | -- | <i>0%</i> | -- | <i>0%</i> | <i>0%</i> | -- |
| Unallocable & Corporate | -40 | 46 | -187.0% | 22.3 | -279.4% | 88.8 | 176.4 | -49.7% |
| <i>Contribution</i> | <i>-1%</i> | <i>1%</i> | -- | <i>0%</i> | -- | <i>0%</i> | <i>1%</i> | -- |
| Less Inter Segment Revenue | 78.7 | 105.5 | -25.4% | 72.9 | 8.0% | 283.1 | 336.1 | -15.8% |
| Total | 6745.5 | 7477.4 | -9.8% | 7120.4 | -100.0% | 27379.6 | 27731.6 | -1.3% |

| Segment Wise EBIT Break-up | Q4FY20 | Q4FY19 | % Change | Q3FY20 | % Change | FY20 | FY19 | % Change |
|---------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Freight Division | 121.4 | 143.0 | -15.1% | 128.5 | -5.5% | 441.6 | 424.5 | 4.0% |
| <i>EBIT Margin (%)</i> | <i>3.3%</i> | <i>3.8%</i> | -- | <i>3.4%</i> | -- | <i>3.1%</i> | <i>3.0%</i> | -- |
| Supply Chain Solution Division | 106.5 | 208.4 | -48.9% | 132 | -19.3% | 565.6 | 710.3 | -20.4% |
| <i>EBIT Margin (%)</i> | <i>5.0%</i> | <i>7.7%</i> | -- | <i>5.4%</i> | -- | <i>6.0%</i> | <i>6.9%</i> | -- |
| Seaways Division | 225.0 | 294.1 | -23.5% | 226.3 | -0.6% | 753.2 | 735 | 2.5% |
| <i>EBIT Margin (%)</i> | <i>21.5%</i> | <i>27.0%</i> | -- | <i>22.9%</i> | -- | <i>20.5%</i> | <i>20.5%</i> | -- |
| Energy Division | -0.1 | -1.9 | -94.7% | -1.3 | -92.3% | 24.3 | 34.1 | -28.7% |
| <i>EBIT Margin (%)</i> | <i>-1.7%</i> | <i>-26.4%</i> | -- | <i>-28.3%</i> | -- | <i>44.3%</i> | <i>49.2%</i> | -- |
| Unallocable & Corporate | 0.0 | 0.0 | -- | 0.0 | -- | 0.0 | 0.0 | -- |
| <i>EBIT Margin (%)</i> | <i>0.0%</i> | <i>0.0%</i> | -- | <i>0.0%</i> | -- | <i>0.0%</i> | <i>0.0%</i> | -- |
| Total | 452.8 | 643.6 | -29.6% | 485.5 | -6.7% | 1784.7 | 1903.9 | -6.3% |

Source: The Company and SKP Research

Chart 1: TCI Freight Revenue - LTL vs FTL

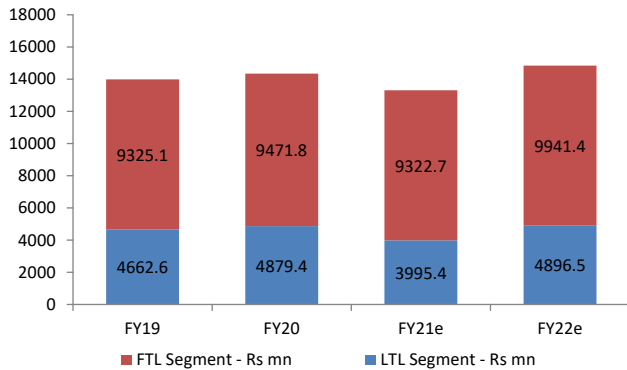


Chart 2: Improving Contribution from LTL

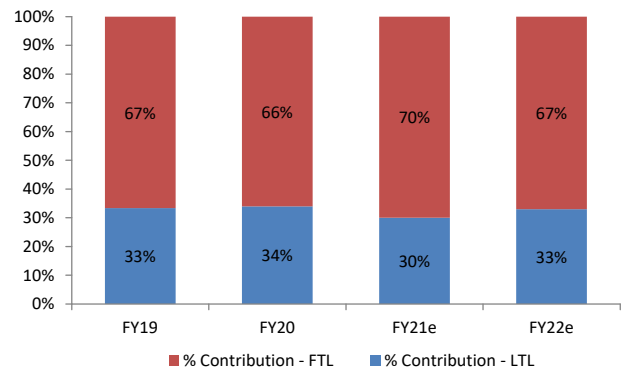


Chart 3: Growing Contribution from TCI SCS

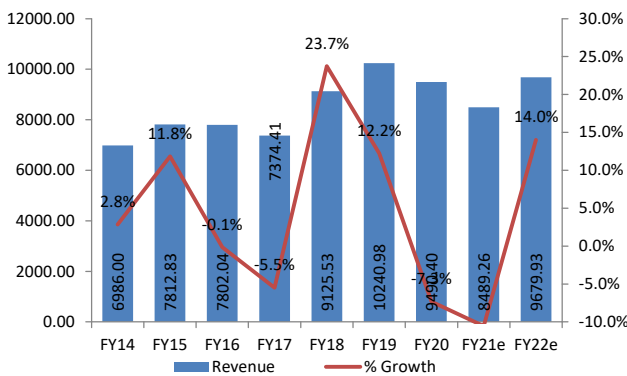


Chart 4: Increasing Contribution from TCI Seaways

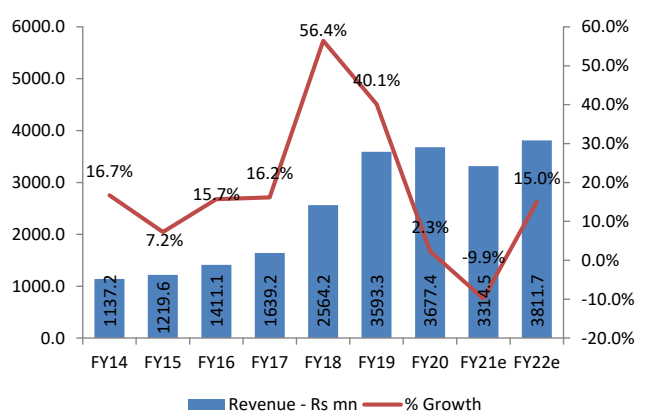


Chart 5: Segment Wise Revenue Contribution

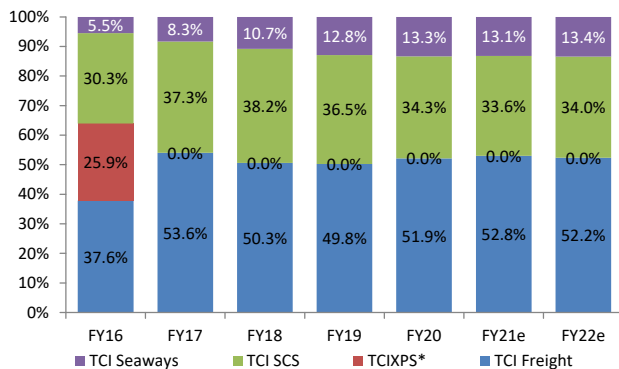


Chart 6: Improvement in EBIDTA Margin

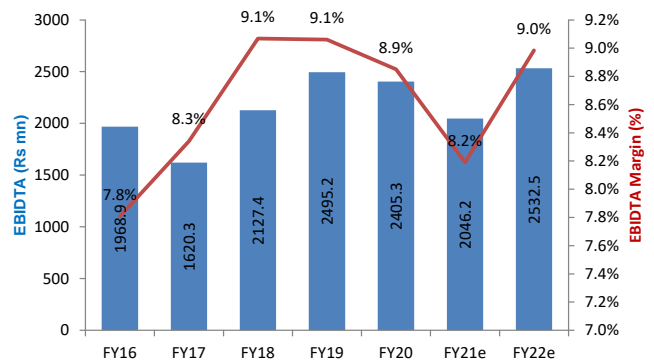


Chart 7: Expected Improvement in PAT Margin

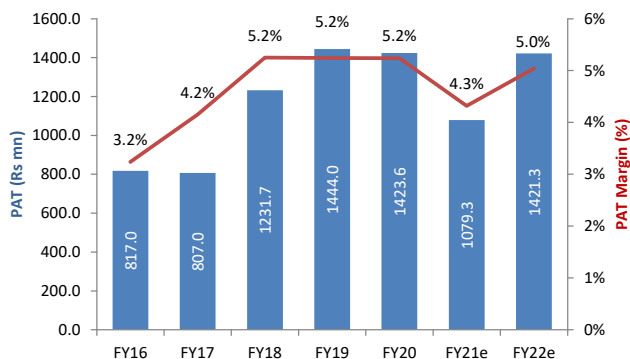
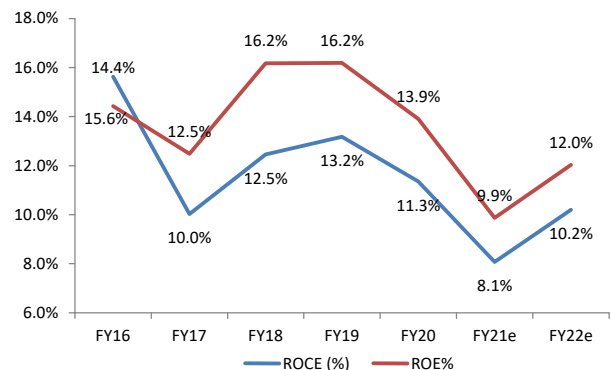


Chart 8: ROCE & ROE



Source: SKP Research; *TCIXPS division got demerged in 2016

Key Concerns

1. **Rise in crude price:** There is a time lag of one month in fuel price revision (both for trucks and coastal shipping). Thus, any unprecedented sharp rise in the prices of crude may negatively impact the profitability of the Company.
2. **Slowdown in automotive segment:** TCI SCS division is heavily dependent upon automotive industry with exposure of 80% of division's revenue. Any prolonged slowdown in the automotive sector may hamper the results of the Company.
3. **Slowdown in the economy:** Logistic industry growth is directly linked with country's GDP growth. For last five years India's GDP has grown at a CAGR of 7.5%. However, lately the GDP growth has been softening (FY20 GDP growth at 4.2%) on account of weaker domestic consumption. RBI expects GDP growth rate to be negative in FY21 with COVID-19 pandemic lockdown. If this softening continues for few more quarters it will affect the growth prospects of the industry.

VALUATION

Though the business climate is tumultuous, we expect TCI to emerge relatively less affected due to its presence & expertise in Multimodal services (In India, TCI is the only logistics services provider who have all the three capability together, under a single roof), better business mix because of its focus on value added business, leading to improvement in operating efficiencies, better margins and higher return ratios.

We have valued TCI on SOTP basis. We recommend a BUY on the stock with a target price of Rs 233 in 15 months (upside of ~34%).

SOTP Valuation

| Business Segment | EBIDTA (Rs mn) | EV/EBIDTA (x) | Rs mn |
|---------------------------------------|----------------|---------------|-----------------|
| TCI Freight | 638.0 | 7.0 | 4,466.2 |
| TCI SCS | 735.7 | 9.5 | 6,988.9 |
| TCI Seaways | 1,029.2 | 7.5 | 7,718.7 |
| TCI Energy | 29.9 | 1.0 | 29.9 |
| Total EV | | | 19,203.8 |
| Less: Debt | | | 2,985.6 |
| Add: Investment | | | 1,353.5 |
| Add: Cash | | | 342.4 |
| Shareholder's Value | | | 17,914.1 |
| No. of shares outstanding (mn Shares) | | | 76.9 |
| Fair Value (Rs per share) | | | 233.1 |
| CMP (Rs per Share) | | | 174.0 |
| Upside | | | 34.0% |

Source: SKP Research

Financials

| Exhibit: Income Statement | | | | Rs mn |
|--------------------------------|--------------|--------------|--------------|--------------|
| Particulars | FY19 | FY20 | FY21E | FY22E |
| Net Operating Income | 27536.4 | 27178.4 | 24982.6 | 28188.6 |
| Topline Growth (%) | 17.4% | -1.3% | -8.1% | 12.8% |
| Operating Expenditure | 25041.3 | 24773.1 | 22936.4 | 25656.0 |
| EBIDTA | 2495.2 | 2405.3 | 2046.2 | 2532.5 |
| Depreciation | 774.4 | 824.9 | 914.9 | 1023.0 |
| EBIT | 1720.8 | 1580.4 | 1131.3 | 1509.6 |
| Other Income | 195.1 | 201.2 | 187.4 | 188.9 |
| Interest | 373.8 | 343.2 | 287.0 | 277.7 |
| Exceptional Items | 6.7 | 98.8 | 0.0 | 0.0 |
| EBT after Exceptional Items | 1535.4 | 1339.6 | 1031.7 | 1420.8 |
| Tax | 333.4 | 159.2 | 175.4 | 241.5 |
| Share of Profit/(Loss) from JV | 250.9 | 251.5 | 230.6 | 250.6 |
| Minority Interest | 8.9 | 8.3 | 7.6 | 8.6 |
| PAT | 1444.0 | 1423.6 | 1079.3 | 1421.3 |
| EPS (Rs) | 18.8 | 18.5 | 14.0 | 18.5 |

| Exhibit: Balance Sheet | | | | Rs mn |
|----------------------------|----------------|----------------|----------------|----------------|
| Balance Sheet | FY19 | FY20 | FY21E | FY22E |
| Equity Capital | 153.3 | 153.7 | 153.7 | 153.7 |
| Reserves | 8766.3 | 10085.2 | 10780.2 | 11663.6 |
| Net Worth | 8919.6 | 10238.9 | 10933.9 | 11817.3 |
| Minority Interest | 52.3 | 56.9 | 64.5 | 73.1 |
| Loan Funds | 4141.9 | 3685.6 | 3085.6 | 2985.6 |
| Deferred Tax Liab. | 390.0 | 302.0 | 302.0 | 302.0 |
| Other Longterm Liabilities | 19.6 | 50.1 | 46.1 | 52.0 |
| Total Liabilities | 13523.5 | 14333.5 | 14432.1 | 15230.0 |
| Net Block | 7268.0 | 7717.2 | 7802.3 | 7979.3 |
| Capital WIP | 40.2 | 215.8 | 100.0 | 120.0 |
| Investment | 1168.1 | 1353.5 | 1353.5 | 1353.5 |
| Other Non- Current Assets | 714.8 | 429.4 | 449.7 | 563.8 |
| Net Current Assets | 4332.4 | 4617.6 | 4726.7 | 5213.4 |
| Total Assets | 13523.5 | 14333.5 | 14432.1 | 15230.0 |

| Exhibit: Cash Flow Statement | | | | Rs mn |
|------------------------------|----------------|----------------|----------------|----------------|
| Particulars | FY19 | FY20 | FY21E | FY22E |
| PBT | 1786.3 | 1591.1 | 1031.7 | 1420.8 |
| Depreciation | 774.4 | 824.9 | 914.9 | 1023.0 |
| Interest Provided | 373.8 | 343.2 | 287.0 | 277.7 |
| Chg in Working Capital | -719.2 | 116.7 | -96.2 | -548.9 |
| Direct Taxes Paid | -342.1 | -410.2 | -175.4 | -241.5 |
| Other Charges | -42.9 | 57.1 | 230.6 | 250.6 |
| Operating Cash Flows | 1830.4 | 2522.8 | 2192.6 | 2181.6 |
| Capital Expenditure | -1291.1 | -1336.0 | -884.2 | -1220.0 |
| Investments | 56.0 | -14.3 | 0.0 | 0.0 |
| Others | -340.9 | -97.4 | 0.0 | 0.0 |
| Investing Cash Flows | -1576.0 | -1447.7 | -884.2 | -1220.0 |
| Change in Equity | 11.8 | 23.6 | 0.0 | 0.0 |
| Inc/(Dec) in Debt | 306.5 | -517.0 | -600.0 | -100.0 |
| Dividend Paid | -182.5 | -201.4 | -384.3 | -538.0 |
| Others | -377.3 | -349.3 | -287.0 | -277.7 |
| Financing Cash Flows | -241.4 | -1044.1 | -1271.2 | -915.6 |
| Chg in Cash & Cash Eqv | 13.0 | 31.0 | 37.2 | 46.0 |
| Opening Cash Balance | 142.3 | 100.7 | 259.2 | 296.4 |
| Difference of CF and BS | 0.0 | 127.5 | 0.0 | 0.0 |
| Closing Cash Balance | 155.3 | 259.2 | 296.4 | 342.4 |

Source: The Company & SKP

| Exhibit: Ratio Analysis | | | | |
|----------------------------------|-------|-------|-------|-------|
| Particulars | FY19 | FY20 | FY21E | FY22E |
| Earning Ratios (%) | | | | |
| EBIDTAM | 9.1% | 8.9% | 8.2% | 9.0% |
| NPM | 4.4% | 4.3% | 3.4% | 4.2% |
| ROE | 16.2% | 13.9% | 9.9% | 12.0% |
| ROCE | 13.2% | 11.3% | 8.1% | 10.2% |
| Per Share Data (Rs/Share) | | | | |
| Diluted EPS | 18.8 | 18.5 | 14.0 | 18.5 |
| Cash EPS | 28.9 | 29.3 | 25.9 | 31.8 |
| Book Value Per Share | 116.4 | 133.2 | 142.3 | 153.8 |
| Valuation Ratios (x) | | | | |
| P/E | 9.2 | 9.4 | 12.4 | 9.4 |
| Price/Book Value Per Share | 1.5 | 1.3 | 1.2 | 1.1 |
| EV/Sales | 0.6 | 0.6 | 0.6 | 0.6 |
| EV/EBIDTA | 6.9 | 7.0 | 7.9 | 6.3 |
| EV/EBIT | 10.1 | 10.6 | 14.3 | 10.6 |
| Balance Sheet (x) | | | | |
| Debt-Equity | 0.5 | 0.4 | 0.3 | 0.3 |
| Current Ratio | 2.6 | 2.8 | 3.1 | 3.1 |
| FA/Turnover | 3.8 | 3.5 | 3.2 | 3.5 |

Exhibit: Recommendation -History Table

| Date | Rating | Issue Price | Target Price | Upside Potential | Period (months) |
|----------|--------|-------------|--------------|------------------|-----------------|
| 09-01-20 | BUY | 268 | 355 | 32% | 18 |
| 07-02-20 | BUY | 267 | 346 | 30% | 18 |
| 08-06-20 | BUY | 174 | 233 | 34% | 15 |

Source: SKP Research

Exhibit: Recommendation -History



Source: BSE, SKP Research

Notes:

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg and Thomson First Call.

Disclaimer:

This document has been prepared by SKP Securities Ltd, hereinafter referred to as SKP to provide information about the company(ies)/sector(s), if any, covered in the report and may be distributed by it and/or its affiliates. SKP Securities Ltd., offers Broking, Depository Participant, Merchant Banking and Portfolio Management Services and is regulated by Securities and Exchange Board of India (SEBI). It also distributes investment products/services like mutual funds, alternative investment funds, bonds, IPOs, etc., renders corporate advisory services and invests its own funds in securities and investment products. We declare that no material disciplinary action has been taken against SKP by any regulatory authority impacting Equity Research Analysis. As a value addition to its clients, it offers its research services and reports in various formats to its clients and prospects. As such, SKP is making these disclosures under SEBI (Research Analysts) Regulations, 2014.

Terms & Conditions and Other Disclosures:

This research report ("Report") is for the personal information of the selected recipient(s), does not construe to be any investment, legal or taxation advice, is not for public distribution and should not be copied, reproduced or redistributed to any other person or in any form without SKP's prior permission. The information provided in the Report is from publicly available data, which we believe, are reliable. While reasonable endeavors have been made to present reliable data in the Report so far as it relates to current and historical information, but SKP does not guarantee the accuracy or completeness of the data in the Report. Accordingly, SKP or its promoters, directors, subsidiaries, associates or employees 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 and views and opinions expressed in this publication. Past performance mentioned in the Report should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by SKP and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can rise or fall. The Report includes analysis and views of individual research analysts (which, hereinafter, includes persons reporting to them) covering this Report. The Report is purely for information purposes. Opinions expressed in the Report are SKP's or its research analysts' current opinions as of the date of the Report and may be subject to change from time to time without notice. SKP or any person connected with it does not accept any liability arising from the use of this Report. Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this Report may take professional advice before acting on this information. SKP's Research reports/recommendations may differ on account of differences in research methodology and difference in time horizons for which recommendations are made. Accordingly our sales personnel, professionals or affiliates may provide oral or written market commentary or trading strategies or reports or analysis to our clients that may reflect opinions that are contrary to the opinions expressed herein, and we, or entities associated with us, may make investment decisions that can be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. SKP, along with its affiliates, are engaged in various financial services and so might have financial, businesses or other interest in other entities, including the subject company or its affiliates mentioned in this report, for which it might have received any compensation in the past twelve months. SKP, along with its affiliates have not received any compensation for investment banking and merchant banking services, have not managed or co-managed public offering of securities and have not been engaged in market making activity of the subject company in the past twelve months preceding the date of distribution of the research report. SKP encourages independence in preparation of research reports and strives to minimize conflict in preparation of research reports. SKP and its analysts did not receive any compensation or other benefits from the subject company mentioned in the Report or from a third party in connection with preparation of the Report. Accordingly, SKP and its Research Analyst do not have any material conflict of interest at the time of publication of this Report. SKP's research analysts may provide input into its other business activities. Investors should assume that SKP and/or its affiliates are seeking or will seek business assignments from the company(ies) that are the subject of this material and that the research analysts who are involved in preparing this material may educate investors on investments in such businesses. The research analysts responsible for the preparation of this document may interact with trading desk/sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research analysts are paid on the profitability of SKP, which may include earnings from business activities for which this Report is being used, but not for the preparation of this report. SKP generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any company(ies) that the analyst covers. Additionally, SKP generally, prohibits its analysts and persons reporting to analysts from serving as an officer, director or advisory board member of any companies that the analyst cover. The following Disclosure of Interest Statement, clarifies it further: SKP and/or its Directors/or its affiliates or its Research Analyst(s) engaged in preparation of this Report or his/her relative (i) do not have any financial interests in the subject company mentioned in this report (ii) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report (iii) do not have any other material conflict of interest at the time of publication of the research report. The distribution of this document in other jurisdictions may be strictly restricted and/or prohibited by law, and persons into whose possession this document comes should inform themselves about such restriction and/or prohibition, and observe any such restrictions and/or prohibition.

SKP Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014 having registration no. INH300002902.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst about the subject securities or issues, which are subject to change without prior notice and does not represent to be an authority on the subject. No part of the compensation of the research analyst was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst in this report. The research analysts, strategists, or research associates principally responsible for preparation of SKP research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

Disclosure of Interest Statement

| | |
|--|-----|
| Analyst ownership of the stock | NIL |
| Served as an officer, director or employee | NIL |

SKP Securities Ltd CIN : L74140WB1990PLC049032 having its registered office at Chatterjee International Centre, Level- 21, 33A Jawaharlal Nehru Road, Kolkata- 700071

SKP Securities Ltd

| Contacts | Research | | Dealing | |
|----------|--|---------------|--|---------------|
| | Mumbai | Kolkata | Mumbai | Kolkata |
| Phone | 022 4922 6006 | 033 4007 7000 | 022 4922 6000 | 033 4007 7400 |
| Fax | 022 4922 6066 | 033 4007 7007 | 022 4922 6066 | 033 4007 7007 |
| E-mail | research@skpsecurities.com | | skp.sec@bloomberg.com | |

Private Wealth | Broking | Distribution | Institutional Equities | Investment Banking

NSE & BSE – INZ000163538, NSDL& CDSL – IN-DP-15-2015, Research Analyst- INH300002902,
Merchant Banker -INP000006505, Portfolio Manager -INM000012670, ARN-0006