
Happy Diwali
7th November 2023
Diwali Picks
Diwali Picks

Diwali 2023 offers a perfect recipe for a strong, sustained upside in Indian Equities. Know why?

ARETE SECURITIES LTD.
WHERE ADVISORY MEETS EXCELLENCE

Since Diwali of 2021 until now, Nifty returns have been much muted. Nifty closed on 7/11/2023 at 19406, up only 9% from 17916.8 on Diwali 2021 (4/11/21). Yes, there have been significant returns on some internals, namely the entire PSU basket, be it defence, railways, utilities, capital goods, power, and power finance. Some sectors, like technology and metals (namely, sectors sensitive to global cues), have underperformed big time. It's time for many sectors to catch up. We attribute the following reasons for this view:

- Despite the global geopolitical situation, crude is not posing a threat.
- Central banks around the world have paused rate hikes, indicating that even if there is a lag, rates can only head south.
- Inflation seems to be peaking out and may come off gradually.
- The dollar index now seems to be topping out around 107/108 levels.
- Corporate numbers are only improving with each quarter.
- FIIs have been heavily underweight Indian Equities, with the highest shorts. DII matching FII sell numbers is a positive. With the recent correction from 20200 to 18800, retail and prop are also very light on leverage trade.
- Above all, refer to the valuation matrix below. PEs can only expand and are not stretched at all, be they current, historic, or forward PE.

03-11-2023 (MOSL- Nifty Estimates)			
19300 Current- Nifty Levels			
FY	**Nifty EPS**	**PEx**	**Growth**
FY22	725		
FY23	807	23.9	11%
FY24	**1000**	**19.4**	**23%**
FY25	1150	16.9	15%
10 year long term average 1 year forward PEx		20.1	
10 Year long term average 1 year trailing PEx		22.1	
Market cap to GDP ratio- FY24		106%	

Index	Trailing	10 Year Avg
MSCI India Trailing PEx Ratio	25.7x	23x
MSCI EM Trailing PEx Ratio	12.9x	13.3x
MSCI India Premium Over EM Index	100%	76%

MSCI India 10 Year CAGR Returns	10%
MSCI EM 10 Year CAGR Returns	-1%

Restaurant Brands Asia Ltd. CMP: INR 119

Restaurant Brands Asia Limited (RBA) together with its subsidiaries operates quick service restaurants (QSR) in India and Indonesia. The company develops, establishes, operates, and franchises Burger King branded restaurants. It also develops, establishes, operates, and franchises POPEYES branded restaurants in Indonesia.

Key Investment Rationales

Long-term growth prospects of the QSR industry remains intact: QSR's long-term growth prospects remained intact despite inflationary pressures. QSRs are poised to grow on the back of higher demand for out-of-home consumption, market share gains from unorganised players, increased online delivery and the technology prowess.

Store expansion and turnaround in BK Indonesia to help RBA to outperform its peers: RBA has robust store expansion plan to increase its store count to 700 units by the end of CY2026 from 379 stores currently. Thus, a strong store expansion plan, differentiated menu strategy, and robust traction on a digital platform will help RBA to register robust revenue growth. Further, the introduction of BK Café and scale-up in the Indonesia business will drive the next league of growth for the company.

Valuation & Outlook

RBA is trying to establish its foothold through a strong store expansion strategy, a differential menu, expanding digital footprints and a strong promotional strategy. The India business focus is on improving footfalls through its well-placed strategy to enhance the operating leverage while in Indonesia the focus is on becoming a profitable venture. We expect cash flows to improve from FY2025 when both businesses attain certain maturity and post consistent improvement in profitability. Hence, we have a positive view on the stock.

Y/E March (INR mn)	FY20	FY21	FY22	FY23
Net Sales		10,040	14,903	20,543
Growth		-	*48.44%*	*37.85%*
EBIDTA		250	965	1,115
EBIDTAM		*2.49%*	*6.48%*	*5.43%*
Adj. PAT		-2,821	-2,352	-2,418
Growth		-	*-16.63%*	*2.83%*
Adj. EPS (INR)		-6.42	-3.98	-4.47
P/E (x)		-	-	-

Panama Petrochem Ltd. CMP: INR 321

Panama Petrochem Ltd (PPL) was established in 1982. With four manufacturing plants across India today, PPL is one of the leading manufacturers and exporters of more than 80 variants of petroleum specialty products. The products are vital for various industries like inks and resins, textiles, rubber, pharmaceuticals, cosmetics, power, cables and other industrial purposes.

Key Investment Rationales

Capacity expansion coupled with robust demand to drive volume growth : PPL's manufacturing capacity was 2,40,000 TPA in 2H FY23. PPL recently added a capacity of 30,000 TPA and is in a process to streamline manufacturing from the new facility. The demand for petroleum product in both domestic and overseas markets remained robust and the company was operating near full utilization before capacity addition.

Premiumization to improve profitability and return ratios: Newly launched high margin value added products contributed 68% to total revenue in 4Q FY23 (vs <50% in FY19). Consequently, EBITDA margin of PPL has improved from 5-7% pre covid to 14% in FY23. PPL's focus on introducing newer products and leveraging its existing client base has paid dividends.

Valuation & Outlook

Demand for specialty petrochemicals remains robust in both domestic and overseas market. PPL has recently added 30000 TPA capacity and plans to add further 60000 TPA in next couple of years. PPL has massive scope for both volume growth and improvement in margins. The company is debt free and has been generating healthy cash flows in last few years. PPL has also maintained consistent dividend payout while dividend yield currently stands at ~3%. At CMP of 323 stock is trading at just 8x its TTM EPS which gives comfort in terms of valuation. Hence, we have a positive view on the stock.

Y/E March (INR mn)	FY20	FY21	FY22	FY23
Net Sales	10,028	14,470	21,324	22,487
Growth	*-21.00%*	*-2.60%*	*8.70%*	*-0.20%*
EBIDTA	532	1,898	2,960	3,087
EBIDTAM	*5.31%*	*13.11%*	*13.88%*	*13.73%*
Adj. PAT	288	1,354	2,303	2,330
Growth	*-44.53%*	*370.33%*	*70.18%*	*1.14%*
Adj. EPS (INR)	4.76	22.37	38.07	38.51
P/E (x)	67.86	14.44	8.48	8.39

Hindustan Petroleum Corporation Ltd. CMP: INR 279

Hindustan Petroleum Corporation Limited (HPCL) is a Maharatna Central Public Sector Enterprise (CPSE) and a S&P Global Platts Top 250 Global Energy Company. HPCL has a strong presence in downstream hydrocarbon sector of the country with a sizable share in petroleum product marketing and also has business footprints across other energy verticals & various overseas geographies.

Key Investment Rationales

Improvement in the Retail segment margin to drive profitability: We expect HPCL to maintain the current retail pump prices for MS/HSD, which is currently enjoying high margins. We do not expect HPCL to cut prices in line with the decline in Indian basket crude because it will be difficult to raise prices again to recoup any crude oil price increases going ahead.

Hiving off the Lubricants arm to unlock value: HPCL is a market leader with 0.7mn tonnes of finished Lubricating oil sales (lubs). This business has revenue of Rs 6000 Cr and EBITDA of ~Rs 1000 Cr with ~16.7% EBITDA margin, according to the management. The rationale is that as a separate entity, the Lubs business will get more flexibility for commercial decisions to enhance its competitiveness. The company has seen interest from potential strategic and financial investors once this is carved out.

Valuation & Outlook

Revival in Retail margins with lower oil prices and improvement in diesel spreads are likely to lift margins going ahead. HPCL benefits the most as it is short on refining capacity to sales volume vs IOC/BPCL, ongoing refinery expansion & upgrade in Mumbai/Vizag and the likely impact of Vizag residue upgrade on improved product mix is expected to add volumes. HPCL is currently trading at 4.4x its estimated EPS and is expected to continue its dividend payout in FY24 (HPCL skipped dividend in FY23 due to loss). Hence, we have a positive view on the stock.

Y/E March (INR mn)	FY20	FY21	FY22	FY23
Net Sales	2,690,915	2,332,485	3,499,132	4,407,093
Growth	*-2.32%*	*-13.32%*	*50.02%*	*25.95%*
EBIDTA	56,625	160,034	102,443	-72,071
EBIDTAM	*2.10%*	*6.86%*	*2.93%*	*-1.64%*
Adj. PAT	26,387	106,629	72,942	-69,802
Growth	*-60.56%*	*304.09%*	*-31.59%*	*-195.70%*
Adj. EPS (INR)	17.32	73.43	51.42	-49.21
P/E (x)	15.07	3.55	5.08	-

Delhivery Ltd. CMP: INR 409

Delhivery is the largest and the fastest growing fully-integrated logistics player in India by revenues. It provides a full-range of logistics services, including express parcel, e-commerce delivery, and heavy goods delivery etc. The company has built a nationwide network with a presence in every state, servicing 18,540 pin codes and has a strong network infrastructure

Key Investment Rationales

3PL play in e-commerce is expected to drive revenue: Delhivery is expected to grow on the back of category expansion, better return logistics, and new customers in tier 2,3 cities etc. Strong brand recall and affordable services is helping the company gain higher business from the multiple SMEs in the D2C segment. Concentration of top 5 customers is now 40% of the revenue's vs 44% earlier.

Efficiency provides strong moat: Delhivery is the most efficient player in the market and hence is able to competitively price its offerings to customers. The management expects to improve its market share in E-com, D2C, Omni-channel (currently at ~20-25%) as customers are fixated on cost control measures and on improving their profitability.

Valuation & Outlook

Delhivery has shown strong growth and built a recognisable brand in a segment marred by intense competition and low barriers to entry. Improvement in margins in transport business (Express+PTL) and further cost optimisation efforts on first mile, mid-mile and last mile would improve overall margins. Overall, higher utilisation across network and stable corporate overheads is expected to push EBITDA in the positive territory. Hence, we have a positive view on the stock.

Y/E March (INR mn)	FY20	FY21	FY22	FY23
Net Sales	27,806	36,465	68,823	72,253
Growth	*68.12%*	*31.14%*	*88.74%*	*4.98%*
EBIDTA	-1,720	-1,229	-4,720	-4,516
EBIDTAM	*-6.19%*	*-3.37%*	*-6.86%*	*-6.25%*
Adj. PAT	-2,689	-4,157	-10,110	-10,078
Growth	-	-	-	-
Adj. EPS (INR)	-27.58	-25.46	-15.75	-13.83
P/E (x)	-	-	-	-

Latent View Analytics Ltd. CMP: INR 414

Latent View Analytics, a prominent data analytics provider in India, offers a wide range of services to Fortune 500 clients in various industries across North America, Europe, and Asia. They have forged a strategic partnership with a respected Canadian entity.

Key Investment Rationales

Huge growth potential in industry: Global IT spending is poised to reach $4 trillion by 2024, with the Data & Analytics (D&A) market growing at an 18% CAGR to $333 billion. North America sees strong demand for Analytics talent, especially in Retail, Banking, and Insurance with a near-20% CAGR. Key sectors like BFSI, CPG & Retail, Technology, and Industrial are set to invest substantially by 2024, driven by the adoption of D&A for Supply Chain Analytics and digital transformation.

Innovating for Excellence: Latent View Analytics, trusted by Fortune 500 firms, specializes in predictive analytics for Technology, CPG & Retail, BFSI, and Industrials. They prioritize client satisfaction through their Service Delivery Excellence (SDE) framework and focus on innovation and R&D with 'IdeaLabs.' Their global expansion includes a recent emphasis on Canada, and they offer various engagement models.

Valuation & Outlook
Latent View excels in data-driven decisions and comprehensive analytics solutions. Their portfolio includes personalized dashboards and functional expertise for the end-to-end business solutions. Stable revenues, strong operating leverage, and client retention underpin a positive outlook.

Y/E March (INR Cr)	Mar-20	Mar-21	Mar-22	Mar-23
Net Sales	125	143	207	264
Growth	7.94%	15.14%	44.22%	27.66%
EBITDA	54	72	85	102
EBITDAM	43%	50%	41%	39%
PAT	51	68	76	117
Growth	6.25%	33.33%	11.76%	53.95%
EPS (INR)	4.28	5.35	3.79	5.72
P/E (x)	0	0	65.39	42.40

Hindustan Copper Ltd (HCL) CMP: INR 146

Hindustan Copper Limited (HCL) is India's leading copper production company, founded in 1967. It plays a pivotal role in copper mining, refining, and other key processes, contributing to India's self-sufficiency in copper production.

Key Investment Rationales

"HCL: India's Trusted Copper Producer for Self-Sufficiency": HCL is India's sole public sector company managing the complete copper production process, emphasizing quality and self-sufficiency. With over 80% of the country's copper reserves, a strong infrastructure, and a dependable reputation, it plays a pivotal role in India's copper industry.

Rising Indian Copper Demand: HCL's Advantage: India's copper demand is surging due to economic growth, renewable, and electric vehicles, set to increase by 1.7 million tonnes by 2027. HCL, as the sole copper producer, is well positioned to benefit from this growing demand and rising prices. Their plans to expand mining capacity and explore new deposits provide additional avenues for meeting demand and enhancing their industry leadership.

Valuation & Outlook
India's copper demand is rising by 6-7%, driven by government initiatives and sector investments. Per capita consumption is expected to reach 1 kg by 2025, though it is below the global average. The thriving electric vehicle market is set to boost copper demand by around 1,700 kilotons by 2027. HCL, as India's sole copper ore player with the most leases, is well positioned for substantial profits, promising a positive stock outlook.

Y/E March (INR Cr)	Mar-20	Mar-21	Mar-22	Mar-23
Net Sales	832	1,787	1,822	1,677
Growth	-54.20%	114.79%	1.97%	-7.94%
EBITDA	-242	411	512	492
EBITDAM	-29%	23%	28%	29%
PAT	-569	110	374	295
Growth	-490%	-119%	240%	-21%
EPS (INR)	-6.15	1.19	3.87	3.05
P/E (x)	-3.46	100.32	29.10	32.22

United Spirits Ltd. CMP: INR 1082

United Spirits Limited (USL), a Diageo subsidiary, is a liquor industry leader with premium brands like McDowell's No.1 and Johnnie Walker. They hold a 25% market share in India. USL strategically exited the declining popular segment in 2022, focusing on premiumization to boost financials and reduce debt, aiming for a debt-free status.

Key Investment Rationales

Strong marketing and brand positioning: USL effectively builds a robust brand identity, such as "No. 1 Yaari," through surrogate marketing and celebrity endorsements.

USL's Premium Liquor Success: USL excels in the premium liquor market, targeting the Prestige and Above segment in alignment with India's value-driven trend. With revamped core brands and post-pandemic recovery, USL is well-positioned to benefit from the rebound in social activities, boosted by events like the ICC World Cup and the upcoming festive season.

UK-India FTA and GST Policy Benefit USL: The UK-India FTA's import duty reduction is set to lower BIO brand prices, boosting selling prices. Additionally, the new GST policy reduces tax rates on molasses from 28% to 5%, benefiting USL.

Valuation & Outlook

USL maintains a positive outlook, capitalizing on premiumization through: 1) Reduced custom duty under India-UK FTA; 2) Industry leadership and rising purchasing power; 3) Consumer loyalty driven by alcohol's addictive nature; 4) Substantial debt reduction; and 5) Anticipated high demand during the festive season and the ICC World Cup.

Y/E March (INR Cr)	Mar-20	Mar-21	Mar-22	Mar-23
Net Sales	9,325	8,131	9,712	10,612
Growth	-0.16%	-12.80%	19.44%	9.26%
EBITDA	1569	1051	1,595	1,404
EBITDAM	17%	13%	16%	13%
PAT	621	362	811	1,126
Growth	-9.21%	-41.71%	124.03%	38.84%
EPS (INR)	9.07	5.28	11.4	15.62
P/E (x)	53.48	105.38	77.83	48.42

Max Healthcare Institute Ltd. CMP: INR 598

Max Healthcare, led by Mr. Abhay Soi after merging with Radiant Lifecare in 2018, operates 12 hospitals, 5 medical centers, and 3,504 beds, focusing on metro areas. Their strategic acquisitions drive high margins and RoCE. With plans to double capacity through brown field projects, strong finances, and cash flows, Max Healthcare is poised for continued growth and premium valuations.

Key Investment Rationales

Strategic Case Mix Enhancement Boosts ARPOB and Margins: Max Healthcare's investments in equipment, facilities, and staff training have led to expertise in specific medical areas, attracting patients seeking high-quality care. This has significantly improved their case mix, contributing to strong and sustainable margins.

Strategic Expansion & Strong Finances Enhances Margins and RoCE: Max Healthcare plans to increase bed capacity by 81% primarily through brownfield projects in key locations, driving revenue growth while maintaining profitability. We expect robust 15% revenue growth from FY23-26E. Max Healthcare's financial strength and internal funding for 80% of bed additions contribute to high RoCE and margins.

Valuation & Outlook

Max Healthcare commands premium valuations with its strong case mix, brand, quality care, and cost-efficiency. Operating in prime markets, they focus on resource optimization, ARPOB enhancement, capital-light initiatives, and potential M&As. Their substantial land bank and turnaround expertise position them for growth.

Y/E March (INR Cr)	Mar-20	Mar-21	Mar-22	Mar-23
Net Sales	1,059	2,508	3,937	4,563
Growth	-37.37%	136.82%	56.96%	15.90%
EBITDA	94	407	951	1,241
EBITDAM	9%	16%	24%	27%
PAT	59	-138	605	1,104
Growth		-333.90%	-538.41%	82.48%
EPS (INR)	1.10	-1.42	6.24	11.37
P/E (x)	0	-144.70	55.59	38.80

TATA Consumer Products Ltd — CMP: INR 924

Tata Consumer Products, a Tata Group subsidiary, is in the food and beverage sector, both in India and globally. They acquired Tata Chemicals' consumer products business, strengthening their market presence. Around 71% of their revenues are from India, and 22% come from international markets like Canada, USA, UK, Europe, Middle East, and Australia.

Key Investment Rationales

- **Diversified Product Mix-** Largest salt brand in India under the brand TATA Salt, second largest tea brand i.e. TATA Tea. It is also the national brand in pulses, dry fruits and other staples under the brand TATA Sampann. Owns natural mineral water brand in India under Himalayan brand.
- **Focus on Rurban Markets**- Post completing split-routes for salesmen in 1mn+ cities; it is focusing on 'rurban' strategy. Added over 1,000 new distributors so far this year. All 50k+ population towns now have a direct distributor offering better visibility and control.
- **TATA Starbucks-** It is a joint venture between Tata Consumer Products and Starbucks Corporation of America wherein the company is working towards expanding the presence of Starbucks retail coffee stores in the subcontinent of India. Presently, it operates 311 Starbucks stores in the nation.

Valuation & Outlook

TATA Consumer Products is on a positive trajectory with premium products, improved international profitability, and Starbucks expansion, now with 370 stores in 49 cities. This bodes well for their value and growth.

Y/E March (INR mn)	FY20	FY21	FY22	FY23
Net Sales	95,474	1,15,354	1,23,470	1,36,598
Growth %	33.4	20.8	7.0	10.6
EBITDA	12,921	15,437	17,187	18,564
Margin %	13.5	13.4	13.9	13.6
Adj PAT	4,753	9,648	9,576	13,191
Margin %	5.0	8.4	7.8	9.7
Adj EPS (INR)	5.16	10.47	10.39	14.26
P/E(x)	59.09	68.70	76.59	54.44

Zomato Ltd — CMP: INR 122

Zomato is a major global food services platform, with a presence in 23 countries. They offer food delivery, dining services, and loyalty programs. In December 2020, they had 131,000+ restaurants, 161,000+ delivery partners, and served 10.7 million customers monthly. The rise of millennials and Gen Z, along with increased internet and mobile usage, has driven food orders, especially in smaller cities.

Key Investment Rationales

- **Business Diversification**-the Company's B2C offerings include food delivery and dining-out services where customers can search and discover restaurants, order food delivery, book a table, and make payments for dining out at restaurants while under the B2B segment, it generates revenue from Hyperpure (supply of high-quality ingredients and kitchen products to restaurants) and Zomato Pro, customer loyalty program. The company has a leading market share of more than 35% in the online food delivery market with a reach in as many as +1,000 Indian cities.
- **Blinkit Acquisition**-Zomato acquired Blinkit which is the combination of both quick commerce and food delivery which is expected to form better synergies. Acquiring a grocery delivery business will increase the range of operations of Zomato. This could be a ready launch pad for zomato to expand its quick service commerce.

Valuation & Outlook: We're optimistic about Zomato's growth as they focus on increasing revenue by expanding their customer base and monthly spending. The Gold program and the acquisition of Blinkit have boosted ordering and dining out. The Indian food delivery business has significant growth potential, and Zomato's dominant market share and Hyperpure operations are expected to drive a strong 43% revenue growth from FY23 to FY25.

Y/E March (INRmn)	FY20	FY21	FY22	FY23
Net Sales	26,047	19,937	41,924	70,794
Growth %	98.4	-23.5	110.3	68.9
EBITDA	-23,047	-4,671	-18,445	-12,103
Margin %	-88.5	-23.4	-44.0	-17.1
Adj PAT	-2,367	-8,128	-14,607	-10,405
Margin %	98.7	95.8	87.5	80.3
Adj EPS (INR)	-5.42	-1.51	-2.02	-1.24
P/E(x)	-	-	-	-

Quick Overview of our last year's Diwali Picks

Sr. No.	Recommended Stocks	Released Price	Current Price	52 week high
1	VIP Industries Ltd	683.00	615.00	760.00
2	Infosys Ltd	1,491.00	1,405.00	1,672.60
3	Easy Trip Planners Ltd	49.67	44.1	73.50
4	ITC Ltd	332.00	432.00	499.70
5	Bharat Electronics Ltd	102.00	138.00	147.15
6	Sundram Fasteners Ltd	916.00	1,262.00	1,340.70
7	IDFC First Bank Ltd	55.80	83.20	100.70
8	Fortis Healthcare Limited	272.10	338.00	352.50
9	Railtel Corporation of India	106.90	247.00	255.40
10	United Spirits Limited	825.75	1,082.00	1,098.00

Analyst Certification of Independence: The analyst(s) for this report certifies that all the views expressed in this report accurately reflect his or her personal views about the subject company(ies) or issuers 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. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Arete Securities Limited, and have no bearing whatsoever on any recommendation that they have given in the Research Report. Disclaimer and Disclosures as required under SEBI (Research Analyst) Regulations, 2014: Arete Securities Limited (hereinafter refer as Arete Securities) and its affiliates are engaged in investment banking, investment advisory, stock broking, institutional equities, Mutual Fund Distributor and insurance broking. Arete Securities is a SEBI registered securities broking Company having membership of NSE, BSE & MSEI for Equity, Future & Option, Currency Derivatives segment and Wholesale Debt Market. The Company is focused primarily on providing securities broking services to institutional clients and is empanelled as an approved securities broker with all the major Nationalised, Private and Co-operative banks, Corporate houses, Insurance Companies, Financial Institutions, Asset Management Companies and Provident Fund Trusts. Details of affiliates are available on our website i.e. www.aretesec.in

Arete Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. Vide SEBI Reg. No. INH00002615.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in the last five years. We have not been debarred from doing business by any Stock Exchange/SEBI or any other authorities, nor has our certificate of registration been cancelled by SEBI at any point of time.

General Disclosures: This Research Report (hereinafter called "report") has been prepared by Arete Securities and is meant for sole use by the recipient and not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, (as defined under section 2(h) of securities Contracts (Regulation) Act.1956, through Arete Securities nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments.

This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Arete Securities to be reliable, although its accuracy and completeness cannot be guaranteed. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. Any review, retransmission or any other use is prohibited.

The information, opinions, views expressed in this Research Report are those of the research analyst as at the date of this Research Report which are subject to change and do not represent to be an authority on the subject. While we would endeavour to update the information herein on a reasonable basis, we are under no obligation to update the information. Also, there may be regulatory, compliance or other reasons that prevent us from doing so. Hence all such information and opinions are subject to change without notice.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

This Research Report should be read and relied upon at the sole discretion and risk of the recipient. If you are dissatisfied with the contents of this complimentary Research Report or with the terms of this Disclaimer, your sole and exclusive remedy is to stop using this Research Report. Neither Arete Securities nor its affiliates or their respective directors, employees, agents or representatives shall be responsible or liable in any manner, directly or indirectly, for the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Arete Securities may have issued other reports in the past that are inconsistent with and reach different conclusion from the information presented in this report.

Arete Securities, its affiliates and employees may, from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report.

The user should consult their own advisors to determine the merits and risks of investment and also read the Risk Disclosure Documents for Capital Markets and Derivative Segments as prescribed by Securities and Exchange Board of India before investing in the Indian Markets.

A graph of daily closing prices of securities is available at www.nseindia.com and http://economictimes.indiatimes.com/markets/stocks/stock-quotes. (Choose a company from the list on the browser and select the "three years" icon in the price chart).

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject Arete Securities or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently send or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of Arete Securities.

List of Associates as per SEBI (Research Analyst) Regulations, 2014

Statements on ownership and material conflicts of interest, compensation - Arete and Associates

Disclosure of interest statement	Yes/No
Arete Securities/its Affiliates/Analyst/his or her Relative financial interest in the company	No
Arete Securities/its Affiliates/Analyst/his or her Relative actual/beneficial ownership of more than 1% in subject company at the end of the month. Immediately preceding the date of the publication of the research report or date of public appearance	No
Investment banking relationship with the company covered	No
Any other material conflict of interest at the time of publishing the research report	No
Receipt of compensation by Arete Securities or its Affiliated Companies from the subject company covered for in the last twelve months:	
• Managing/co-managing public offering of securities	
• Investment banking/merchant banking/brokerage services	No
• products or services other than those above	
• in connection with research report	
Whether Research Analyst has served as an officer, director or employee of the subject company covered	No
Whether the Research Analyst or Research Entity has been engaged in market making activity of the Subject Company;	

For statements on ownership and material conflicts of interest, compensation, etc. for individual Research Analyst(s), please refer to each specific research report.

ARETE GLOBAL PRIVATE LIMITED
Mutual Fund Advisor
AMFI Reg. No. 90796

ARETE SECURITIES LTD	SEBI Reg. Nos.
NSE Cash	INZ000241036
NSE Future & Option	INZ000241036
NSE Currency Derivatives	INZ000241036
BSE Cash	INZ000241036
BSE Currency Derivatives	INZ000241036
MSEI Cash	INZ000241036
MSEI Future & Option	INZ000241036
MSEI Currency Derivatives	INZ000241036
Mutual Fund	ARN 77388
CDSL DP	IN-DP-CDSL-485-2008
NSDL DP	IN-DP-NSDL-316-2009
SEBI Research Analyst	INH100002615
Merchant Banker	INM000012740

Arete Securities Ltd: Mittal Court, A-Wing, 10th Floor, Nariman Point, Mumbai - 400 021, Tel. No. : +91-022-4289 5600, Fax: +91 (22) 2657 3708/9
For More Information Visit Us At : www.aretesecurities.com