



**Associated Alcohols Breweries Ltd (BSE Code: 507526) – Alpha/Alpha
+ stock report for Jul'16**

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Company Snapshot (24th Jul'16)

Rating – Positive – 3% weightage; this is not an investment advice (refer rating interpretation), the rating is only for indicative purpose and please take your own decision regarding the same.

CMP – 70.40 (BSE)

Dividend yield – 0.71%

BSE Code – 507526

Market capitalization – Rs 127.00 cr.

Total Equity shares – 1.80 cr.

Face Value – Rs 10.00

52 Weeks High/Low – Rs 107.50/43.05

Particulars (in cr.)	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Income from operations	90.74	138.41	157.16	213.17	298.49	287.52
Total Cost of Goods sold	54.46	92.50	98.87	133.77	183.44	158.31
Gross profit	36.28	45.91	58.29	79.4	115.05	129.21
Gross Profit margin (%)	39.98%	33.17%	37.09%	37.25%	38.54%	44.94%
EBITDA	6.06	9.34	11.77	18.23	30.96	38.07
EBITDA margin (%)	6.68%	6.75%	7.49%	8.55%	10.37%	13.24%
Other Income						
Interest income	1.21	1.42	1.14	1.84	1.55	0.75
Other non-operating income	0.17	0.33	1.60	3.32	0.10	-0.16
Depreciation	-3.22	-3.91	-4.95	-6.58	-10.1	-10.34
Interest	-2.51	-3.74	-4.04	-7.02	-6.54	-5.19
Exceptional items	1.47				2.45	
PBT	3.17	3.43	5.51	9.79	18.43	23.12
PAT	2.46	2.59	3.31	6.13	12.34	14.29
ROAE	5.57%	5.55%	6.67%	11.31%	19.78%	19.23%
Working capital (in number of days)	74	31	19	32	16	20
Cash flows from operations	-5.03	19.37	17.71	-13.03	47.42	9.74
Debt to Equity ratio	0.57	0.70	1.03	1.31	0.48	0.39
Net debt	25.87	33.41	52.99	74.59	32.71	31.64

Introduction

Incorporated in 1989, Associated Alcohols and Breweries Ltd. (AABL) is a flagship entity of the Indore-based Kedia group promoted by late Mr Bhagwati Prasad Kedia. AABL is the second largest distillery in Madhya Pradesh (MP) and is engaged in the manufacturing of potable alcohol, i.e. Country Liquor, Rectified Spirit (RS) and Extra Neutral Alcohol (ENA) including triple distilled grain spirit. The company also owns IMFL brands and does bottling for other international brands.

We like the company on several fronts however one major negative is that the promoters take home very high salary (with respect to profits) of the order of 6 crores per annum.

As far as positives are concerned we like its product profile, the customers it serves, operational changes brought over the last few years, expansion and modernization of production facilities, strong operating performance with decent cash flows and good balance sheet and lastly the valuations.

Understanding Business and Company

As mentioned above AABL is Indore based distillery engaged in capturing the entire value chain of potable alcohol, starting from rectified spirit and country liquor to supplying high grade ENA to major international brands and to bottling and blending single malt Scotch whisky.

The company produces rectified spirit and is also one of the leading sellers of country liquor in Madhya Pradesh. Its country liquor brands are amongst the highest selling brands in MP.



Source: AABL AR 2016

Moving up the value chain, it produces high quality ENA which is a vital ingredient in the making of alcoholic beverages and AABL supplies ENA to national and international liquor majors including reputed companies like Diageo, Mason & Summers and Diageo-Radico. These companies buy a major portion of ENA produced by AABL. The company uses remaining production for supplies to other branded players apart from manufacturing its own IMFL brands.

As per the company its triple distilled fine grade grain spirit is used by Diageo for Smirnoff Vodka in India.


AABL also manufactures and markets its in-house IMFL brands like Red & White, James McGill, Bombay Special (in the whisky segment), Central Province, Titanium Vodka, London Bridge (in the gin segment) and Jamaican Magic in the rum category.



Source: AABL AR 2016

Lastly AABL is also engaged in the business of bottling vodka and Scotch whisky for large reputed international brands. The company does blending and bottling for global brands like Smirnoff Vodka, Christian Brothers Brandy, HAIG Scotch Whisky, Masterstroke, Crown Royal, Captain Morgan Rum and Glen Drummond Single Malt Scotch Whisky.

Distillation and bottling facilities – AABL’s distillery capacity is around 314 lacs litres per annum and it also has bottling operations with capacity of 50 lacs litres per annum.



MADHYA PRADESH POLLUTION CONTROL BOARD
 Paryawaran Parisar, E-5, Arera Colony, BHOPAL- 462 016
 (0755) 2464428, 2466191 Fax : (0755) 2463742 e-mail: it.mppcb@rediffmail.com

To,
M/s. Associated Alcohols & Breweries Ltd.
Gram- Khodi, Post Barwaha,
Distt- KHARGONE 451 115 (M.P.)

Sub: Renewal of consent of the Board **under section 25/26 of the Water [Prevention & Control of Pollution] Act, 1974.**
 Ref: Your on-line application through NXGN inward No. 76390, dated: 1/3/2015
 2 On line CCA Grant No 44171 dated 16-04-2015

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With reference to your above application consent is hereby renewed for a period of **Four years** i.e. from **01/09/2015 to 31/08/2019** subject to the fulfillment of the terms and conditions incorporated in the schedule of the consent letter No. 8770 dated: 18/08/1987, No 2066 dated 06/12/2005 & No 3472 Dated 7-5-2013 and subsequent renewal issued to you by this office and additional conditions mentioned below:-

This renewal of consent is valid for product & production capacity of:-

S.N.	Name of Product	Production Capacity
1	RECTIFIED SPIRIT/ COUNTRY LIQUOR (By distillation of molasses/ grains)	314 Lac Liters/Annum (Three Hundred Fourteen Lac Liters per Annum)
2	I.M.F.L./ COUNTRY LIQUOR (Bottling Unit)	50 Lacs Liters/Annum (Fifty Lacs Liters per annum)

Source: environmentclearance.nic.in

The company has the operational flexibility to manufacture alcohol through grain and molasses route thus providing insulation against raw material price/supply volatility; however its main focus is on **premium grain based ENA which is also the more preferred ENA over molasses based ENA**. It also has close proximity to dual sources of raw materials – Maharashtra (largest source of molasses) and the grain producing belt of Amravati and Akola.

During the last few years the company expanded its distillery and modernized it by upgrading from Atmospheric Pressure technology to Multi-Pressure ENA technology.

Pre Feasibility Report
for
Grain Based 137 KLPD Distillery
Along With Cogeneration Power Plant
of 6 MW
At
Village -Khodi
Tehsil- Barwaha
Distt - Khargone (MP)

Proposed By
M/s Associated Alcohols & Breweries Limited
BPK Star Tower, 4th Floor, above shoppers
Stop, A.B. Road Indore - 452008 (MP)

1. Identification of project and project proponent

M/s Associated Alcohols & Breweries Limited has engaged in RS/ENA/ IMFL production since several years. The management has proposed to install 137 KLPD grain base unit to meet out the requirement of ENA in the market. AABL being a major bottler of IMFL for manufacturer like United Spirits Limited, Allied Blenders & Distillers Limited & Diageo, and also having its own brands AABL management has decided to install world class Grain /Molasses based Distillery unit to produce super fine alcohol (Extra Neutral Alcohol) and also Absolute alcohol considering the local fuel ethanol demand

The company is having well defined board of directors followed by managerial and technical team looking after entire operation. Shri Prasann Kedia is vice Chairman of the unit and Shri H K Bhandari is the Vice President of the company and shall be look after entire project under his supervision.

Brief Description of Nature of The Project

The present proposal is for setting up a 137 K.L. (total Spirit) per day Grain Base Distillery with cogeneration of power (6 MW) at Village Khodi, Tehsil-Barwaha Dist Khargone in the State of Madhya Pradesh at an estimated cost Rs. 124.75 Crores. The proposed project will be set up adjacent to the existing grain base unit (104 KLPD) of M/s Associated Alcohols & Breweries Limited.

Most of the infrastructure facility is already available with the industry as present distillery operation is being continued from several years.

The Products will specified as 137 KLPD of total spirit .The by product is identified as CO₂ which will generate at about 100 -105 TPD. DDGS (56- 62 TPD) shall also be recovered from the proposed unit

The Company proposes to set up an integrated pollution free (Zero discharge) Distillery Complex in the State with an installed capacity of 137 KLD in the State of Madhya Pradesh. The proposed Industrial Complex shall process waste and coarse grains as its raw material to produce ENA, R.S. Fusel oil, CO₂ etc. :

Source: environmentclearance.nic.in

The Govt. of Madhya Pradesh has recently enhanced the licensed capacity of the Company's distillery unit from 314 Lacs Bulk Liters to 900 Lacs Bulk Liters per annum and the company has already submitted the pre-feasibility report along with other necessary documents for environment clearance of the proposed Grain based 137 KLPD distillery (current capacity 104 KLPD) unit and co-generation power plant of 6 MW adjacent to the existing unit. The details can be accessed at the following [LINK](#)

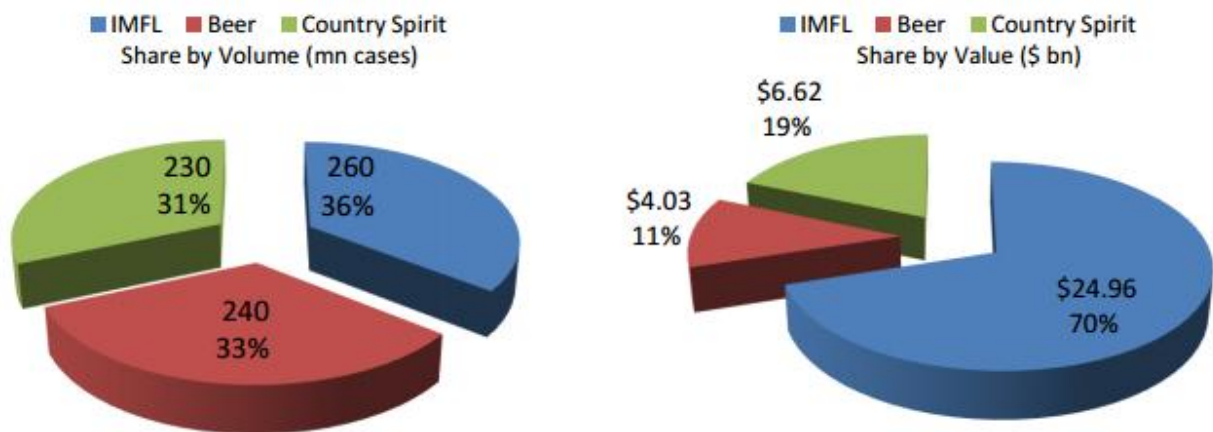
[Alcoholic beverages market outlook](#)

Liquor Industry in India is one of the most criticized and regulated industries due to its impact and side-effects on the consumer. Alcoholic beverage Industry was born with country liquor and now it has grown to Indian Manufactured Foreign Liquor. Current

Indian society shows greater acceptance towards alcoholic beverages and this makes the outlook of the Industry very affirmative.

As per IndigoEdge Jun 2013 report, India is the 3rd largest liquor market in the world and is also one of the fastest growing markets in the world on the back of demographics & economy.

There are 3 broad categories – **IMFL** (Indian Manufactured Foreign Liquor which includes whiskey, rum, brandy, vodka & gin), **Beer** and **Country Liquor/IMIL** (cheaper, spiced liquor).



Source: Indigoedge 2013 Report

Each of these segments has a volume of between 230-260 million cases per annum. Hence, the market is divided almost equally by volume. However, the IMFL market is much larger in terms of value – by the sheer difference in price per bottle. Hence, the IMFL market would be over 65% by value and beer would be ~15% by value.

It is estimated that a significant portion of sales in India goes unreported due to taxation structures.

Overall growth of the market is ~8% per annum (though it was lower in 2015), mainly driven by IMFL and beer. Country liquor is a slow growth market. Beer has been consistently growing at over 15% per annum over the last few years.

Characteristics of Indian Alcohol industry

IMFL is dominated by Whiskey – Almost 60% of the IMFL market is whiskey. India is the world's largest whiskey market. 6 of the top 7 selling brands in the world (by volume) are Indian.

Beer is dominated by Strong Beer – India has a distinct preference for strong beer (8% alcohol v/v). Over 80% of the market is strong beer.

High Growth White Spirits – This is the fastest growing segment in India. Vodka has emerged as the preferred liquor for the youth. Growth has been at over 25% per annum over the last few years (albeit on a smaller base of ~9 million cases)

The Indian liquor market is characterized by very high regulation. The liquor industry is a State subject and hence subject to laws in each state. This means a company has to have licenses and permissions to operate in each state. Hence, there are very few players who are truly "National".

Independent Licenses are required to produce, bottle, store, distribute or retail all liquor products. Licenses to produce and bottle are particularly scarce and contract manufacturing is a well-established market entry strategy.

Taxation is high, Price is controlled – Excise duties, sales tax, VAT and various intermediary margins contribute bulk of the retail price. In most states, the government tightly controls the retail price of liquor. In many cases, a tender process is used to determine prices and volumes that will be bought by the distributors.

Market control – Distribution & retail are also subject to control as depicted below. There is a complete ban on liquor advertising in India. Brands try to go-around this by using surrogate products (Bacardi Music CDs, Johnnie Walker golf, Tuborg beverage)

What are the trends making this Industry grow in India?

1. Growth in the alcohol consumption by women in India.
2. Increase in Social acceptance of alcoholic beverages in society.
3. Production of attractive flavoured alcoholic beverages.
4. Practicing innovative marketing techniques
5. Concentration on reaching more and more people.
6. Attractive packaging techniques.

India is considered as a lucrative and majorly unexplored destination for alcoholic drinks by several international companies operating in saturated alcoholic beverages markets of Europe and the US. India's alcoholic beverage market has grown steadily in the last 5 years.

Country Liquor is the second most consumed alcoholic beverage in India and has a commanding presence in the northern states of India. However, the scenario is changing and a decline in the market share of Country Liquor has been noticed.

IMFL is the largest segment in the Indian alcoholic beverage industry. This market has been further bifurcated into Whisky, Rum, Brandy, Vodka and Gin. This industry has grown at an overall steady pace triggered by increasing population and disposable income, and also the fact that it is increasingly gaining social acceptance.

Beer is a rapidly expanding segment in the Indian alcoholic beverages industry. It is the third largest market and second fastest growing market in the Indian alcoholic beverages industry. Beer market has been segmented into strong beer and mild beer on the basis of their alcohol content. Strong beer which has alcohol content more than 5%, dominates the Indian market stating its popularity and preference.

Vodka is the fastest growing IMFL segment in India. It has growth is rapidly increasing due to increase in pubs, hotels, restaurants, evolving nightlife and consumer preferences.

Wine industry in India is just in its birth stage mainly in cities like Mumbai, Delhi and Bangalore have the maximum share of wine consumers. Imported wines consumption is

expected to grow in near future. Most of the International Wine imports are from South Korea, China and France.

Indian alcoholic beverages market is one of the fastest growing industries in the world with several yet to be explored segments. With compelling business potential and economies of scale poised by the market, it is expected that several international players will expand their operations into the Indian alcoholic drinks market in the coming years, according to the research analyst, Ken Research.

Management

The reins of the company are in the hands of the promoters Mr. Anand Kumar Kedia, Chairman and Mr. Prasann Kumar Kedia, Vice Chairman. Besides the two Mr. H K Bhandari has been with the company since long and is the Vice President and Mr. Ashish Gadia is the Whole Time Director.

Overall the promoters have run the company well as AABL is one of few profitable companies in the liquor space and has a distinguished list of customers.

Earlier the company lacked internal audit and controls systems; however over the years the management has made steady progress on those lines and the comments and qualifications from the auditors have reduced significantly. The management has also implemented SAP ERP successfully and as per them they are among the few liquor companies to have the SAP ERP system.

The promoters of the company own more than 58% stake and therefore their interests are directly aligned with those of shareholders. In fact, in the years 2009, 2010, 2011 and 2014 promoters increased their stake in the company through open market purchases and the cumulative purchases were to the tune of 28 lakh shares (adjusted for 1:1 bonus) i.e. around 15% creeping acquisition spread over 6 years.

One worrying fact though is that promoters Mr. Anand Kumar Kedia and Mr. Prasann Kumar Kedia took home Rs 6.2 crore salaries in FY 15 (Rs 3.1 crore each) and they got paid

similar amount in FY 16 as well. The Annual Reports of the company suggest that this arrangement started in FY 15 because for earlier years the salaries were low at 0.2-0.3 crores. While the profits of the company have risen despite the humongous increase in salaries of the promoters, we believe there should have been clear-cut explanation for the same.

Further, promoter's attention gets dividend between AABL and one of their other companies Mount Everest Breweries which is engaged in contract manufacturing of beer for United Breweries and also manufactures and sells its own brands.

Shareholding pattern (as reported on BSE)

	Jun'16	Mar'16	Dec'15
Promoter and Promoter Group	58.45%	58.45%	58.45%
India	58.45%	58.45%	58.45%
Foreign			
Public	41.55%	41.55%	41.55%
Total	1,80,79,200	1,80,79,200	90,39,600

The promoters of the company own more than 50% stake (58.45% at the end of Jun'16) and therefore their interests are directly aligned with those of shareholders.

In FY 08, promoters allotted themselves 16 lakh (adjusted for 1:1 bonus) convertible warrants at Rs 12/- (adjusted for 1:1 bonus) per share which they converted later into equity shares. Further as mentioned above they made open market purchases of 28 lakh shares between 2009 and 2014.

We like it more when the promoters increase stake through open market purchases as most of the times it is reflective of their confidence in the prospects of the company.

As on 31st Mar'16, the major shareholders of the company and their stakes are as below:

Name of the shareholder	Category	% stake in Associated Alcohols and Breweries
Promoters and PAC	Promoters	58.45%
Garnet Tradelink	Public	9.96%
Attic Dealcom	Public	7.59%
Suniket Developers	Public	0.61%

Associated Alcohols and Breweries – Performance Snapshot

One striking feature of AABL is its financial performance which has been excellent and continuously improving since the last few years.

Particulars (in cr.)	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Income from operations	90.74	138.41	157.16	213.17	298.49	287.52
Total Cost of Goods sold	54.46	92.50	98.87	133.77	183.44	158.31
Gross profit	36.28	45.91	58.29	79.4	115.05	129.21
Gross Profit margin (%)	39.98%	33.17%	37.09%	37.25%	38.54%	44.94%
EBITDA	6.06	9.34	11.77	18.23	30.96	38.07
EBITDA margin (%)	6.68%	6.75%	7.49%	8.55%	10.37%	13.24%
Other Income						
Interest income	1.21	1.42	1.14	1.84	1.55	0.75
Other non-operating income	0.17	0.33	1.60	3.32	0.10	-0.16
Depreciation	-3.22	-3.91	-4.95	-6.58	-10.1	-10.34
Interest	-2.51	-3.74	-4.04	-7.02	-6.54	-5.19
Exceptional items	1.47				2.45	
PBT	3.17	3.43	5.51	9.79	18.43	23.12
PAT	2.46	2.59	3.31	6.13	12.34	14.29
ROAE	5.57%	5.55%	6.67%	11.31%	19.78%	19.23%
Working capital (in number of days)	74	31	19	32	16	20
Cash flows from operations	-5.03	19.37	17.71	-13.03	47.42	9.74
Debt to Equity ratio	0.57	0.70	1.03	1.31	0.48	0.39
Net debt	25.87	33.41	52.99	74.59	32.71	31.64

As can be observed from the above illustration, while both sales and profits have improved considerably in the last 5-6 years, what is even more noticeable is the improvement in other important metrics like debt equity ratio, absolute debt, cash flows from operations and return ratios.

Important Financial Parameters	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Fixed Assets	30.59	55.13	87.54	97.14	92.77	91.90
CWIP (Capital work in progress)	10.38	8.51	7.65	0.32	1.61	1.55
Total Fixed Assets	40.97	63.64	95.19	97.46	94.38	93.45
Sales/Fixed Assets	2.97	2.51	1.80	2.19	3.22	3.13
Sales/Total Fixed Assets	2.21	2.17	1.65	2.19	3.16	3.08
Working capital (in number of days)	74	31	19	32	16	20
Cash flows from operations	-5.03	19.37	17.71	-13.03	47.42	9.74
Debt to Equity ratio	0.57	0.70	1.03	1.31	0.48	0.39
Net debt	25.87	33.41	52.99	74.59	32.71	31.64

Between FY 09 and FY 15 the company spent ~ Rs 100 crores (~ Rs 70 crores during FY 12 and FY 13) towards expansion and modernization of its distillery unit and for setting up PET bottle manufacturing adjacent to its distillery complex.

	CAPEX Incurred (Rs cr.)	Notes from Annual Reports
FY 10	3.93	Taken up modernization programme at distillery unit
FY 11	8.35	Modernization programme of the distillery unit undertaken by the company almost complete
FY 12	37.42	Gone ahead for backward integration by setting up PET bottle manufacturing unit. Also chalked out ambitious plan of expansion cum modernization of distillery unit
FY 13	36.59	Expansion cum modernization project of distillery unit on the verge of completion
FY 14	9.16	Expansion cum modernization of distillery unit undertaken by the company completed
FY 15	9.38	Company has chalked out plans for implementing SAP ERP
FY 16	9.45	SAP ERP project successfully implemented

The company has benefitted immensely from its measured and well-spread out CAPEX with sales of the company improving from Rs 97 crores in FY 09 to Rs 287 crores for FY 16, EBITDA improving from Rs 5.82 crores to Rs 38 crores and before tax profitability improving from Rs 2.47 crores to Rs 23 crores. It's important to note here that Rs 23 crores PBT is despite promoter's salary increasing by ~ Rs 6 crores.

With operating efficiency and improvement in scale of operations the EBITDA margins of the company have improved from 5-6% to 12-13%.

At its peak the company had net debt of around 72 crores (gross debt of Rs 91.50 crores) at the end of FY 14, however with both improvement in profitability and strong operating cash flows the net debt of the company has reduced to only Rs 31 crores at the end of FY

16. We have looked at several companies in the alcoholic beverages space, however not a single company has as efficient working capital management as Associated Alcohols. Strong cash flows have helped the company carry out desired CAPEX, reduce debt post CAPEX and improve profitability in the form of lower finance cost.

The company's return ratios have also improved from sub 10% to ~ 25% ROCE and 30% ROE on pre-tax basis for FY 16.

Going forward we believe the next leg of growth will come from proposed expansion (additional 137 KLPD against current capacity of 104 KLPD) and the expected project cost is Rs 125 crores.

1. Identification of project and project proponent

M/s Associated Alcohols & Breweries Limited has engaged in RS/ENA/ IMFL production since several years. The management has proposed to install 137 KLPD grain base unit to meet out the requirement of ENA in the market . AABL being a major bottler of IMFL for manufacturer like United Spirits Limited, Allied Blenders & Distillers Limited & Diageo, and also having its own brands AABL management has decided to install world class Grain /Molasses based Distillery unit to produce super fine alcohol (Extra Neutral Alcohol) and also Absolute alcohol considering the local fuel ethanol demand

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The Products will specified as 137 KLPD of total spirit .The by product is identified as CO₂ which will generate at about 100 -105 TPD. DDGS (56- 62 TPD) shall also be recovered from the proposed unit

The Company proposes to set up an integrated pollution free (Zero discharge) Distillery Complex in the State with an installed capacity of 137 KLD in the State of Madhya Pradesh. The proposed Industrial Complex shall process waste and coarse grains as its raw material to produce ENA, R.S. Fusel oil, CO₂ etc. :

The Govt. of Madhya Pradesh has enhanced the licensed capacity of the Company's distillery unit from 314 Lacs Bulk Liters to 900 Lacs Bulk Liters per annum and the

company has already submitted the pre-feasibility report along with other necessary documents for environment clearance of the proposed Grain based 137 KLPD distillery (current capacity 104 KLPD) unit and co-generation power plant of 6 MW adjacent to the existing unit. The details can be accessed at the following [LINK](#)

Valuations

At around current price of 70 the market capitalization of the company is Rs 127 crores and the enterprise value is Rs 158 crores.

For FY 16 the company recorded sales of Rs 288 crores with EBIT of Rs 28 crores and PAT of Rs 14.29 crores. The stock is therefore trading at 8.90 times trailing twelve months earnings and EV/EBIT multiple of 5.65.

On both absolute and relative basis we find the valuations of the company reasonable and believe there's potential for re-rating if the company is able to sustain current level of performance.

Another positive is that since FY 15 the company has restarted paying dividends and increased the same by 100% (adjusted for bonus) in FY 16.

Dividend Policy

Dividend Payout ratio					
	FY 12	FY 13	FY 14	FY 15	FY 16
Dividend Per share (in Rs.)	0	0	0	0.25 (adjusted for bonus)	0.50
Dividend Payout ratio				3.66%	6.33%

AABL has resumed dividend payout from FY 15 and doubled the same in FY 16.

At the moment the dividend payout is low and we are not overly concerned about the same as long as management is efficient with capital allocation; however from shareholder's perspective and market perspective it would be better if the promoters consider the option of rationalizing their current high salary and increase the dividend payout as they will be major beneficiary of increased payout with 58.45% stake in the company.

Risks & Concerns

The major concern as mentioned above is that promoter's salary is very high with respect to the overall profitability of the company. Further, company hasn't come out with any clear cut policy or clarification on promoter's salary.

The company might be getting divided attention of the promoters as they have another company Mount Everest Breweries engaged in production and sale of beer.

Bihar has imposed ban on liquor sale from 1st Apr'16 while Kerala has been implementing prohibition in a phased manner since 2014. If Madhya Pradesh Govt. imposes similar ban, AABL's operations will get impacted significantly.

Alcohol industry in India is subject to very strict regulations, taxes and licensing and the same is hindering growth of the industry.

Last but not the least the industry is also subject to strict environmental laws including Water [Prevention and control of Pollution] Act and any laxity on the part of the company can result in suspension of license.

Disclosure: I have personal investment in Associated Alcohols and Breweries and have not traded in the stock in the last 30 days.

Best Regards,

Ekansh Mittal

Research Analyst

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Rating Interpretation

Positive – Expected Absolute return of over 20%

Neutral – Expected Absolute return in the range of +/- 20%

Negative – Expected Absolute return of over -20%

% weightage – allocation in the subject stock with respect to equity investments

Research Analyst Details

Name: Ekansh Mittal Email Id: ekansh@katalystwealth.com Ph: +91 727 5050062

Analyst ownership of the stock: Yes

Analyst Certification: The Analyst certify (ies) that the views expressed herein accurately reflect his (their) personal view(s) about the subject security (ies) and issuer(s) and that no part of his (their) compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report.

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We submit that no material disciplinary action has been taken on Ekansh Mittal by any regulatory authority impacting Equity Research Analysis.

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A graph of daily closing prices of securities is available at <http://www.nseindia.com/ChartApp/install/charts/mainpage.jsp>, www.bseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>. (Choose a company from the list on the browser and select the "three years" period in the price chart

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