

FIRST LIGHT

RESEARCH

Axis Bank | Target: Rs 900 | +27% | BUY

Asset quality disappoints

Tech Mahindra | Target: Rs 710 | +11% | ADD

Miss on all counts

Gujarat Gas | Target: Rs 250 | +53% | BUY

Volumes and margins surge

Transport Corp of India | Target: Rs 365 | +39% | BUY

Slowdown weighs on topline growth; margin expansion stands out

Greenlam Industries | NOT RATED

Prominent player in India's laminate market

SUMMARY

Axis Bank

Axis Bank's (AXSB) Q1FY20 PAT at Rs 13.7bn fell short of our/consensus estimates on high provisions. Asset quality was a miss as AXSB disclosed Rs 67bn of exposure to recent stressed groups not classified as NPA nor in the 'BB & below' pool. Slippages rose to Rs 48bn (vs. Rs 30bn in Q4), but the 'BB & below' book was stable at Rs 75bn given downgrades worth ~Rs 22bn. Domestic loan growth at 19% YoY was steered by retail, while NIM dipped 4bps QoQ to 3.4%. We cut FY20/FY21 EPS by 9-12% but maintain our Mar'20 TP at Rs 900.

[Click here for the full report.](#)

TOP PICKS

LARGE-CAP IDEAS

Company	Rating	Target
Cipla	Buy	630
GAIL*	Buy	245
ONGC	Buy	230
TCS	Add	2,360
HPCL	Sell	210

*GAIL target price is adjusted for the 1:1 bonus issue

MID-CAP IDEAS

Company	Rating	Target
Balkrishna Ind	Buy	1,290
Future Supply	Buy	780
Greenply Industries	Buy	245
Laurus Labs	Buy	495
PNC Infratech	Buy	235

Source: BOBCAPS Research

DAILY MACRO INDICATORS

Indicator	Current	2D (%)	1M (%)	12M (%)
US 10Y yield (%)	2.07	(1bps)	6bps	(91bps)
India 10Y yield (%)	6.41	(11bps)	(47bps)	(138bps)
USD/INR	68.73	0.3	0.4	(0.1)
Brent Crude (US\$/bbl)	63.71	0.4	(4.3)	(15.0)
Dow	27,221	0.1	2.3	7.6
Shanghai	2,941	(0.1)	(1.3)	2.5
Sensex	37,686	(0.5)	(4.3)	0.5
India FII (US\$ mn)	26 Jul	MTD	CYTD	FYTD
FII-D	(191.9)	1,082.6	2,510.9	1,966.3
FII-E	436.3	(1,568.9)	9,770.0	2,924.8

Source: Bank of Baroda Economics Research

BOBCAPS Research

research@bobcaps.in



Tech Mahindra

Tech Mahindra (TECHM) posted a disappointing Q1FY20 as (1) revenue contracted in all verticals except 'others', (2) top 5/10/20 client performance flagged, (3) EBIT margins shrank 390bps QoQ, (4) attrition failed to cool off, (5) DSO rose due to high unbilled revenues, and (6) cash generation slumped. The only silver lining was that deal win traction sustained for the fourth quarter with new TCV of US\$ 475mn. We cut FY20/FY21 EPS by 11%/3% and roll over to a new Jun'20 TP of Rs 710 (vs. Rs 830) based on a reduced 13x P/E.

[Click here for the full report.](#)

Gujarat Gas

Gujarat Gas (GUJGA) reported Q1FY20 earnings well above estimates at Rs 2.3bn (+93% YoY, +2x QoQ), backed by strong volumes of 9.15mmscmd (+42% YoY) and expanded EBITDA margins of Rs 5.6/scm (+32% YoY, +29% QoQ). Considering these volumes now form a new higher base for growth, we raise FY20/FY21 earnings estimates by ~20% each. Our DCF-based TP increases to Rs 250 (from Rs 205) on earnings revision, lower cost of equity and rollover to Sep'21 valuations.

[Click here for the full report.](#)

Transport Corp of India

Transport Corp (TRPC) reported a below-estimated operating performance in Q1FY20 amidst challenging macros. Consolidated revenue grew 5.5% YoY to Rs 6.6bn (est. of Rs 7bn), led by the seaways segment (+10% YoY). EBITDA at Rs 584mn (+11.5% YoY) also underperformed, but adj. PAT growth (+15.8% YoY) was broadly in line, aided by higher profit by the Transystem JV. We prune our EBITDA estimates by ~2% each in FY20/FY21. Our TP remains at Rs 365 as we roll forward to Jun'21 valuations. Maintain BUY.

[Click here for the full report.](#)

Greenlam Industries

We attended Greenlam Industries' (GRLM) analyst meet. Following are the key takeaways: (1) As of FY19, GRLM held ~13% market share in the Rs 42bn domestic laminate market and ~30% share in the Rs 15bn export market. Laminates accounted for 85% of the company's revenue for the year. (2) The domestic laminate business posted tepid revenue growth of 4.3% in FY19 as the company kept tight control on debtors and also focused on products carrying better margins. Export revenues clocked a 7.3% CAGR during FY14-FY19 to Rs 5.3bn. For FY20, management expects the overall laminate segment to grow ~10%.

[Click here](#) for the full report.

BUY

TP: Rs 900 | ▲ 27%

AXIS BANK

| Banking

| 30 July 2019

Asset quality disappoints

Axis Bank's (AXSB) Q1FY20 PAT at Rs 13.7bn fell short of our/consensus estimates on high provisions. Asset quality was a miss as AXSB disclosed Rs 67bn of exposure to recent stressed groups not classified as NPA nor in the 'BB & below' pool. Slippages rose to Rs 48bn (vs. Rs 30bn in Q4), but the 'BB & below' book was stable at Rs 75bn given downgrades worth ~Rs 22bn. Domestic loan growth at 19% YoY was steered by retail, while NIM dipped 4bps QoQ to 3.4%. We cut FY20/FY21 EPS by 9-12% but maintain our Mar'20 TP at Rs 900.

Vikesh Mehta

research@bobcaps.in

Miss on asset quality: AXSB identified its exposure (incl. loans, investments and NFB) to eight stressed corporate groups at Rs 122bn. Ex-NPA and 'BB & below' exposure, this pool stands at Rs 67bn. The bank already has additional provisions worth Rs 23.6bn, ~60% of which are towards these stressed groups. Its 'BB & below' rated pool was stable at Rs 75bn as slippages/reductions here were offset by downgrades of a similar quantum. Gross slippages at Rs 48bn included corporate slippages worth Rs 21.3bn centred around two lumpy accounts in the power and shipping sectors.

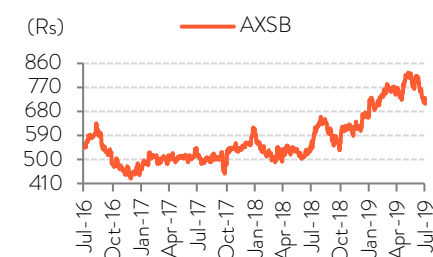
Retail drives loan growth: Despite strong 19% YoY growth in the domestic book, loan growth was subdued at 12.7% as AXSB's overseas book declined 34%. Retail continues to propel domestic growth with personal loans, credit cards and auto loans being the key drivers. Management retained its guidance of posting domestic loan growth 5-7% above industry levels. NIM is guided to stay stable with an upward bias in FY20 but improve to 3.5-3.8% thereafter.

Maintain BUY: We cut FY20/FY21 EPS by 9-12% on higher credit costs, and reduce our core book multiple to 2.3x from 2.5x earlier. Our Mar'20 TP remains at Rs 900 after building in the capital raise and warrant conversion. Reiterate BUY as we believe AXSB is well placed to play the turning asset quality cycle.

Ticker/Price	AXSB IN/Rs 708
Market cap	US\$ 26.4bn
Shares o/s	2,569mn
3M ADV	US\$ 90.3mn
52wk high/low	Rs 828/Rs 535
Promoter/FPI/DII	26%/50%/24%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
Adj. net profit (Rs mn)	2,757	46,766	98,113	138,808	187,115
EPS (Rs)	1.1	18.2	36.1	48.5	65.3
P/E (x)	636.8	38.9	19.6	14.6	10.8
P/BV (x)	2.9	2.7	2.1	1.9	1.7
ROA (%)	0.0	0.6	1.1	1.3	1.5
ROE (%)	0.5	7.2	12.1	13.7	16.4

Source: Company, BOBCAPS Research



ADD
 TP: Rs 710 | ▲ 11%

TECH MAHINDRA

| IT Services

| 31 July 2019

Miss on all counts

Tech Mahindra (TECHM) posted a disappointing Q1FY20 as (1) revenue contracted in all verticals except ‘others’, (2) top 5/10/20 client performance flagged, (3) EBIT margins shrank 390bps QoQ, (4) attrition failed to cool off, (5) DSO rose due to high unbilled revenues, and (6) cash generation slumped. The only silver lining was that deal win traction sustained for the fourth quarter with new TCV of US\$ 475mn. We cut FY20/FY21 EPS by 11%/3% and roll over to a new Jun’20 TP of Rs 710 (vs. Rs 830) based on a reduced 13x P/E.

Ruchi Burde

research@bobcaps.in

Revenues below already modest estimates: June quarter revenue at US\$ 1.2bn decreased 1.6% QoQ (vs. our/consensus estimates of a 0.9%/1.1% decline), as revenues from both the enterprise (-0.4% QoQ) and communication (-3.2%) businesses contracted. We highlight that the annual growth trajectory in the enterprise business was negative (-2.2% YoY) for the second quarter in a row.

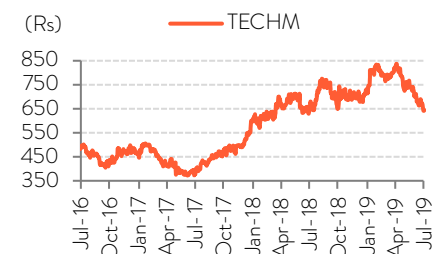
Anaemic operating margins: EBIT at Rs 9.9bn fell ~15% short of estimates as EBIT margins at 11.5% shed 390bps QoQ, coming in lower than our 13.2% forecast. Besides planned wage revision, visa costs and the known adverse currency impact, factors such as lower subsidiary profitability, large deal transition costs and reduced utilisation ate into Q1 margins. Subcontracting expenses at 14.1% climbed 90bps QoQ/240bps YoY, approaching the company’s historical high of 14.5% last seen in the Jun’15 quarter.

Retain ADD on reasonable valuations: We see downside risk to management’s growth outlook (read our report [US-Huawei feud casts uncertainty over 5G opportunity](#)), and hence reset our target P/E to 13x vs. 15x earlier, while cutting growth and margin assumptions. Retain ADD as the stock is trading at reasonable valuations of 12.1x FY21E PE after correcting >20% in three months.

Ticker/Price	TECHM IN/Rs 640
Market cap	US\$ 8.1bn
Shares o/s	873mn
3M ADV	US\$ 28.7mn
52wk high/low	Rs 847/Rs 633
Promoter/FPI/DII	36%/39%/25%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
Adj. net profit (Rs mn)	38,001	42,975	40,882	46,456	53,065
Adj. EPS (Rs)	42.7	47.7	46.4	52.8	60.3
Adj. EPS growth (%)	33.6	11.9	(2.7)	13.6	14.2
Adj. ROAE (%)	21.0	21.4	18.6	19.0	19.4
Adj. P/E (x)	15.0	13.4	13.8	12.1	10.6
EV/EBITDA (x)	11.7	8.8	9.2	7.5	6.2

Source: Company, BOBCAPS Research



BUY

TP: Rs 250 | ▲ 53%

GUJARAT GAS

Oil & Gas

30 July 2019

Volumes and margins surge

Gujarat Gas (GUJGA) reported Q1FY20 earnings well above estimates at Rs 2.3bn (+93% YoY, +2x QoQ), backed by strong volumes of 9.15mmscmd (+42% YoY) and expanded EBITDA margins of Rs 5.6/scm (+32% YoY, +29% QoQ). Considering these volumes now form a new higher base for growth, we raise FY20/FY21 earnings estimates by ~20% each. Our DCF-based TP increases to Rs 250 (from Rs 205) on earnings revision, lower cost of equity and rollover to Sep'21 valuations.

Rohit Ahuja | Harleen Manglani

research@bobcaps.in

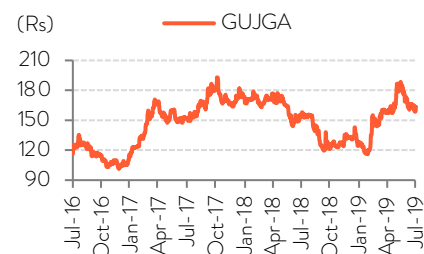
Buoyant volume outlook: GUJGA's volumes beat estimates at 9.15mmscmd due to higher sales in Morbi, Gujarat, aided by the National Green Tribunal's (NGT) recent order directing ceramic units in the district to dismantle their coal gasifiers and switch them over to LNG/PNG. GUJGA's management sees more demand potential from Morbi and hence expects even higher volumes in the coming quarters (at 9.5-10mmscmd levels). Although ceramic units have challenged this order in higher courts, we believe their options are limited considering the stringent legal stand on pollution control.

Ticker/Price	GUJGA IN/Rs 164
Market cap	US\$ 1.6bn
Shares o/s	688mn
3M ADV	US\$ 1.0mn
52wk high/low	Rs 194/Rs 115
Promoter/FPI/DII	61%/12%/27%

Source: NSE

Margins surge: EBITDA margins outperformed at Rs 5.6/scm in Q1FY20, buoyed by the crash in spot LNG prices (-27% QoQ to US\$ 4.5/mmbtu). Coupled with the recent upswing in volumes, GUJGA gained from improved operating leverage. This should help the company address the issue of low ROCE, which we expect will rise from 12% in FY19 to 23%/24.5% in FY21/FY22.

STOCK PERFORMANCE



Source: NSE

Undemanding valuations: At 11x FY21E EPS, valuations remain one of the lowest among CGD peers (~16x for Indraprastha Gas/Mahanagar Gas). This gap may now be bridged given the recent spike in volumes and margins. GUJGA remains one of our top picks among CGD players as it carries significant potential for earnings upgrades.

KEY FINANCIALS

Y/E 31 Mar	FY18A	FY19P	FY20E	FY21E	FY22E
Adj. net profit (Rs mn)	2,914	4,160	8,192	10,291	11,198
Adj. EPS (Rs)	4.2	6.0	11.9	14.9	16.3
Adj. EPS growth (%)	32.7	42.8	96.9	25.6	8.8
Adj. ROAE (%)	16.7	20.6	33.9	38.7	40.6
Adj. P/E (x)	38.7	27.1	13.8	10.9	10.1
EV/EBITDA (x)	15.1	13.6	8.2	6.8	6.3

Source: Company, BOBCAPS Research



BUY
TP: Rs 365 | ▲ 39%

TRANSPORT CORP OF INDIA

Logistics

30 July 2019

Slowdown weighs on topline growth; margin expansion stands out

Transport Corp (TRPC) reported a below-estimated operating performance in Q1FY20 amidst challenging macros. Consolidated revenue grew 5.5% YoY to Rs 6.6bn (est. of Rs 7bn), led by the seaways segment (+10% YoY). EBITDA at Rs 584mn (+11.5% YoY) also underperformed, but adj. PAT growth (+15.8% YoY) was broadly in line, aided by higher profit by the Transystem JV. We prune our EBITDA estimates by ~2% each in FY20/FY21. Our TP remains at Rs 365 as we roll forward to Jun’21 valuations. Maintain BUY.

Sayan Das Sharma
research@bobcaps.in

Growth subdued across segments: General economic sluggishness exacerbated by a slowdown in the key auto sector weighed on TRPC’s growth across segments. While growth deceleration in freight (+5.3% YoY) and supply chain (+2.7% YoY) was on the cards, the seaways segment disappointed with soft growth (+10% YoY) despite a higher number of ships YoY (one ship added in Q2FY19). As per management, topline performance could have been better but for its strategic decision not to pursue unprofitable business opportunities.

Recovery expected in H2FY20: Topline growth is likely to remain tepid in Q2 as well, before festive season demand aids a potential revival in H2FY20. TRPC has thus maintained its FY20 revenue growth guidance of ~15%.

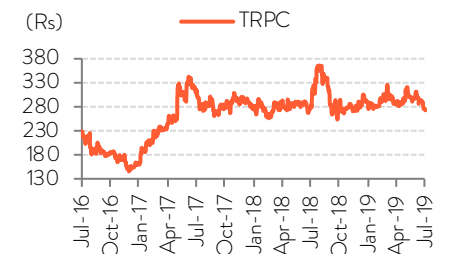
Margin expansion a key positive: Subdued revenue growth notwithstanding, TRPC’s profitability focus has yielded consolidated EBITDA margin expansion of 48bps YoY to 8.9%. This was also aided by lower operating expenses/other expenses (-51bps/-28bps YoY). EBIT margins for freight/supply chain/seaways expanded 24bps/2bps/77bps YoY to 2.7%/6.9%/19.8%.

Maintain BUY: We prune our estimates marginally given the Q1FY20 miss, but maintain our Jun’20 SOTP-based TP at Rs 365.

Ticker/Price	TRPC IN/Rs 263
Market cap	US\$ 292.9mn
Shares o/s	77mn
3M ADV	US\$ 0.2mn
52wk high/low	Rs 330/Rs 260
Promoter/FPI/DII	67%/2%/10%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
Adj. net profit (Rs mn)	1,238	1,460	1,692	1,960	2,324
Adj. EPS (Rs)	16.2	19.0	22.1	25.6	30.3
Adj. EPS growth (%)	52.4	17.7	15.9	15.8	18.6
Adj. ROAE (%)	17.6	17.7	17.5	17.4	17.8
Adj. P/E (x)	16.3	13.8	11.9	10.3	8.7
EV/EBITDA (x)	11.0	9.8	8.7	7.5	6.3

Source: Company, BOBCAPS Research



**NOT
RATED**
GREENLAM INDUSTRIES

Construction Materials

30 July 2019

Prominent player in India's laminate market

We attended Greenlam Industries' (GRLM) analyst meet. Following are the key takeaways:

Laminates

- As of FY19, GRLM held ~13% market share in the Rs 42bn domestic laminate market and ~30% share in the Rs 15bn export market. Laminates accounted for 85% of the company's revenue for the year.
- The industry grew at ~5% in FY19 with the organised sector in the lead. Organised players control roughly 69% of the Indian laminate market.
- GRLM's domestic laminate business posted tepid revenue growth of 4.3% in FY19 as the company kept tight control on debtors and also focused on products carrying better margins. For FY20, management expects the overall laminate segment to grow ~10%.
- Export revenues clocked a 7.3% CAGR during FY14-FY19 to Rs 5.3bn. Management is targeting a 12-15% CAGR over FY19-FY22.
- Laminate capacity will be expanded by 1.6mn sheets to 15.62mn sheets by Q3FY20.
- Total planned capex for FY20 including laminate capacity expansion (at ~Rs 250mn) is Rs 500mn.

Decorative veneer

- GRLM has ~11% organised market share in India's Rs 20bn decorative veneer business (60% organised). This segment contributed ~15% of revenues in FY19.
- Decowood veneer is sourced from across the globe with the company stocking over 200 species and 600 product offerings.

New businesses

- Management expects the new engineered wood flooring (EWF) and engineered door (ED) businesses to see better traction in FY20. Both businesses had capacity utilisation of ~18% in FY19 and GRLM projects breakeven at >25-30% utilisation.

Arun Baid

research@bobcaps.in

Ticker/Price	GRLM IN/Rs 685
Market cap	US\$ 240.0mn
Shares o/s	24mn
3M ADV	US\$ 0.05mn
52wk high/low	Rs 1,090/Rs 652
Promoter/FPI/DII	55%/3%/42%

Source: NSE

STOCK PERFORMANCE



Source: NSE



Disclaimer

Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

Rating distribution

As of 30 June 2019, out of 76 rated stocks in the BOB Capital Markets Limited (BOBCAPS) coverage universe, 43 have BUY ratings, 15 are rated ADD, 10 are rated REDUCE and 8 are rated SELL. None of these companies have been investment banking clients in the last 12 months.

Analyst certification

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOBCAPS.

Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

General disclaimers

BOBCAPS is engaged in the business of Institutional Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance, wealth management and portfolio management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS has obtained registration as a Research Entity under SEBI (Research Analysts) Regulations, 2014, having registration No.: INH000000040 valid till 03 February 2020. BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are 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. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not

provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may act as market makers or assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

In the US, this material is only for Qualified Institutional Buyers as defined under rule 144(a) of the Securities Act, 1933. No part of this document may be distributed in Canada or used by private customers in the United Kingdom.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Other disclosures

BOBCAPS does not have any financial interest in the subject company. BOBCAPS does not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS is not engaged in any market making activities for the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.