TIME

Management Discussion and Analysis

✱ OVERVIEW OF ECONOMY

➢ Global Economy

As per the International Monetary Fund (IMF- World Economic Report, April 2021), after an estimated contraction of 3.3% in 2020, the global economy is projected to recover strongly. It is estimated to grow at 6% in 2021 and moderate to 4.4% in 2022. These projections are surrounded by a high degree of uncertainty, with probable upside and downside risks. The deviations in the pace of recovery both within and across countries and the possibility for persistent economic damage due to the crisis are some of the daunting challenges to the outlook. The race between vaccines and the virus will be a major driver, wherein improvement with vaccinations will elevate the forecast. In contrast, new virus variants that elude the vaccines would lead to a downgrade.

Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year. In contrast, many others in the Group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023.

➢ Indian Economy

As per IMF, India is seen as the worst-hit economy in the emerging markets and is estimated to have contracted by 8% in 2020. However, even as inflation concerns loom large and the jury still to be out on the impact of the second wave of infection, India is expected to emerge as one of the fastest-growing economies in Asia only after China in 2021. This could be due to base effects; it is likely to return to pre-covid growth rates by the end of the year. As per IMF, the Indian economy is estimated to grow by 12.5% in 2021 and by 6.5% in 2022.

As per Oxford Economics, India's less stringent approach towards mobility restrictions targeted lockdown approach, and resilient business and consumer behaviour are expected to diminish the economic impact of the second wave. However, India's intensifying health burden, uncertain vaccination rate, and lack of effective strategy from the Government to contain the pandemic have posed serious concerns. Moreover, renewed restrictions in certain states to curb the second wave have left millions jobless. India's unemployment rate surged to a near one-year high of 14.73% as of May 2020, as per the Centre for Monitoring Indian Economy (CMIE), revealing the impact of the economic slowdown that is underway. Some economists have emphasized concerns that a sluggish vaccine rollout may make a bigger dent in the economy.

✱ END USER INDUSTRY OVERVIEW

➢ Plastic Industry

The global plastic industry was estimated at US$ 579.7 billion in 2020 and is forecasted to expand at a CAGR of 3.4% between 2021 and 2028. The growth will majorly be driven by the development of the manufacturing sector and rising plastic consumption in the automobile, construction, and electrical & electronic industries.

The growing construction industry in emerging markets, such as China, India, Brazil, and Mexico, has been monumental in driving the demand for plastics. The industry's growth in these domestic construction markets can be attributed to the growing population and the rapid urbanization and industrialization. This has compelled the federal governments to increase their construction spending to meet the rising infrastructure needs and eased FDI norms to increase foreign investments.

Due to the imposition of lockdowns to control the spread of the COVID-19 pandemic, the slowdown in manufacturing activities has negatively impacted the demand for plastic in various end-use industries, such as packaging, automotive, utility, and consumer goods. However, at the same time, the rising cases are also having a positive impact on the demand for plastics that are used in the manufacture of medical devices, such as gloves, ventilators, testing equipment, surgical trays, syringes, and medical bags.

The plastic market was dominated by the Asia Pacific Region and accounted for over 44.0% of the global revenue in 2020. Lately, India and China have experienced a spike in automobile production due to technology transfer to the sector from western markets. Moreover, to improve fuel efficiency and subsequently reduce carbon emissions, several regulations have been introduced to decrease the gross vehicle weight wherein metals, like aluminium and steel, will be substituted with plastic to manufacture automotive components.

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During FY2021, India exported plastics worth US$ 9.85 million as against US$ 10 million during the same period last year, reporting a negative growth of 1.40%. India is well-positioned as an important plastic manufacturing marketplace for companies relying on global value chains. Since the covid-19 pandemic first came into light in November 2019, many international investors, majorly from Japan, the U.S. and Europe, have announced their exit from China and are looking favourably towards India as their sourcing hub, amidst rising hesitation in doing business with China. This has opened up huge growth possibilities in the near future for Indian plastic manufacturers. Moreover, the Government has emphasized the need for domestic manufacturing and has opened up new opportunities with its several policy announcements during the lockdown and unlock phases. Furthermore, to enhance the ease of doing business, India has undertaken several business-friendly reforms in recent years.

- **Packaging Industry**

The global packaging industry was estimated at US$ 926.43 billion in 2019 and is forecasted to grow at a CAGR of 7.50% and reach US$ 1,652.28 billion by 2027. While the expansion of the industry is being driven by factors like increasing demand for FMCG and pharmaceutical packaging and growing e-commerce sales, the non-availability of raw materials is impeding the market growth.

The Indian packaging market is forecasted to grow at a CAGR of 26.70% between 2021 and 2026. This is also one of the fastest-growing industries in the country, wherein more than 49% of the paper manufactured in India is used for packaging purposes, as per CARE Ratings. Moreover, the rising middle class, changing lifestyles, and growing income levels, combined with the growing e-commerce sector, has expanded the market. The packaging consumption in India has surged by 200% in the past decade, increasing from 4.3 kg per person per annum to 8.6 kg.

Rigid Packaging

The global rigid packaging industry is expected to grow at a CAGR of 3.3% between 2020 and 2027 and surpass US$ 843.03 billion by the end of 2027 in terms of revenue. The Asia Pacific region dominated the global rigid packaging market in 2019. It accounted for 38.8% share of global revenue, followed by Europe and North America, respectively.

The rigid packaging market is expected to be driven by increasing demand for industrial bulk packaging across several industries and the emerging use of drums, pails, and kegs in bulk packaging. Furthermore, the increasing popularity of intermediate bulk containers (IBCs) due to their ease of handling and transportation has been boosting market growth.

- **Chemical Industry**

The chemical industry is one of the fastest-growing sectors globally and was estimated at USD 4350 billion in 2019. India's chemical industry ranked 6th largest in the world and 4th largest in Asia and was estimated at USD 100 billion in 2019. The market size of the Chemicals & Petrochemicals sector in India is around USD 178 billion and is expected to grow to USD 300 billion by 2025. Alkali Chemicals accounts for approximately 70% of the total production of Major Chemicals, while specialty chemicals constitute 18% of natural chemicals and petrochemicals market in India. India ranks ninth in exports and sixth in imports of global chemicals and chemical products (excluding pharmaceuticals).

India's growing per capita consumption coupled with the rising demand for agriculture-related chemicals presents enormous scope for the sector's growth. The Government of India identifies the chemical industry as a key growth driver and has been extending policy support and numerous incentives to boost sectoral growth. Additionally, foreign investors have been eager to invest in the Indian chemical industry to diversify their supply chains and sourcing countries.

The COVID-19 pandemic has hurt the Indian chemical industry to disrupt supply chains and demand for chemicals. On the other hand, in the pre-COVID era, the industry has been a slow-mover compared to other companies in terms of digitalisation. However, with COVID-19 reinforcing the need for operating plant control systems remotely, several chemical companies are now looking for newer ways to drive efficiency with greater adoption of artificial intelligence.

- **Infrastructure - Pipes Segment**

Among the various plastic pipes available in the market, Poly Vinyl Chloride (PVC) pipes have become the most preferred choice across many industries due to their lightweight, low maintenance requirements, higher life cycle, and ease of installation. In 2020, the global PVC pipes market touched a volume of 21.32 million tons. The market is estimated to grow at a CAGR of 5.32% between 2021 and 2026, as per the IMARC Group. Increasing construction activities and infrastructure developments, rising demand for larger and cost-effective sewage lines fuelled by rapid urbanization, and the growing demand in oil, chemical & natural gas industries have been the key growth drivers for the market.

The Asia-Pacific Region is leading the global PVC pipes market, wherein the Indian plastic pipe industry is expected to grow from ₹ 300 billion and reach ₹ 500 billion by FY25, growing at a CAGR of 10% over FY20-25. This growth will be majorly driven by Government like project AMRUT, Swachh Bharat Mission, "Housing for All" by 2022 and "Nal se Jal" by 2024. Other factors driving the growth will be the escalating usage of PVC and Chlorinated Polyvinyl Chloride (CPVC) pipes in real estate development and construction activity, and growing opportunities from irrigation and replacement demand. The total market accounts for around 65% organised players and is dominated by 8-9 players.

- **Auto Industry**

The automobile industry in India is the world's fifth-largest. India was the world's fifth-largest manufacturer of cars and seventh-largest manufacturer of commercial vehicles in 2019. The sector attracted Foreign Direct Investment (FDI) worth US$ 25.40 billion between April 2000 and December 2020 accounting for ~5% of the total FDI during the period according to the Department for Promotion of Industry and Internal Trade (DPIIT).

The industry witnessed a second straight year of double-digit volume. However, over the long term, the Indian automotive industry (including component manufacturing) is expected to reach Rs. 16-18 trillion (USD 251-283 billion) by 2026.

The Indian Government aspires to develop India as an international manufacturing and research and development (R&D) hub. The Government is taking a number of initiatives and focusing on reviving the auto sector, which includes set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres and a National Automotive Board that would serve as an enabler between the industry and the Government. The Government is also focusing on increasing the use of Electric vehicles and CNG fuelled vehicles. The growth in the automobile sector will also lead to an increase in batteries and plastic usage, thus further opening business opportunities.

- **Energy Storage Device**

The battery energy storage system market is projected to expand from US$ 2.9 billion in 2020 to US$ 12.1 billion by 2025, growing at a CAGR of 32.8%. The key growth drivers for the market have been the rising need for uninterrupted power and energy storage systems in essential infrastructures, coupled with the increasing use of lithium-ion battery-based energy storage systems owing to its excellent features and adoption of grid energy storage solutions and grid modernization efforts. Traditionally, the market has been majorly driven by the rising demand for battery energy storage systems in the utility sector. At the moment, the outbreak of the COVID-19 pandemic has disrupted the supply chain of the energy industry, primarily battery energy storage systems and renewable energy technologies.

However, the market demand is expected to report strong growth and recover by 2022. The recovery will be sustained with the deployment of battery energy storage in upcoming utility sector projects. After the industry recovers, the battery energy storage system market is expected to grow at a moderate rate until 2025.

- **Liquefied petroleum gas (LPG)**

India's LPG penetration rate reached 99.5% following the completion of its landmark Pradhan Mantri Ujjawal Yojana (PMUY) program and is targeted to achieve 100% by the end of the financial year ending in March 2023. Monthly LPG demand in the residential/commercial segment increased from 1.71 million metric tons (MMt) in September 2017 to 2.03 MMt in September 2019 and is expected to increase to 2.38 MMt by the end of 2021, approaching full LPG penetration in all states.

Further, India is expected to overtake China as the world's largest cooking gas LPG residential sector market by 2030. Liquefied petroleum gas (LPG) demand in the residential sector will continue to see sustainable growth at a cumulative annual growth rate (CAGR) of 3.3 percent, reaching 34 million tonnes (M.T.) in 2030 as households' dependence on solid biomass diminishes in the long run supported by rising average household incomes and urban population.

BUSINESS OVERVIEW

Incorporated in 1992, Time Technoplast Limited (TTL) is an Indian multinational conglomerate and one of the leading manufacturers of technology-based polymer and composite products globally. It is the flagship Company of the Time group and has subsidiary companies (including set-down subsidiaries) operating across the globe. The Group has a strong presence in Asia, and the Middle East, and North Africa regions with a presence in 10 countries outside India, including the U.S. Globally, Time group is the largest manufacturer of large size plastic drums, the second-largest manufacturer of composite cylinders, and third largest intermediate bulk container manufacturer. Extensive R&D capabilities have enabled the Group to develop new innovative products as a replacement for metal products by using polymers and employing plastic processing technologies (blow, injection & extrusion).

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Time group has state-of-the-art manufacturing facilities at 30 locations across the globe (including 20 within India) with a wide range of technology-based polymer and composite products catering to various industry segments.

- **Products**

Time group's portfolio consists of technology-driven innovative products catering to growing industry segments like Industrial packaging solutions, Lifestyle products, Material handling solutions, Composite cylinders, Infrastructure/ Construction related products, and Automotive components. The Group has over 14 recognised brands and works with more than 900 institutional customers globally.

FY21 Revenues by product category (% of value)

Established Products (80%) (₹2,413 Cr.)	Industrial Packaging Polymer Drums, Jerry Cans, Pails 67%	Infrastructure Polyethylene (PE) Pipes, Energy storage devices 9%	Technical & Lifestyle Turf & Matting, Disposable Bins, Auto Products 4%
Value-Added Products (20%) (₹596 Cr.)	Intermediate Bulk Container (IBC) 10%	Composite Cylinders 6%	MOX Film (Techpaulin) 4%

Established Products

The established products portfolio constitutes 80% (P.Y. 81%) of total revenue in fiscal 21. This product basket is broadly divided into 3 categories: Industrial Packaging (Drums, Jerry cans & Pails), Infrastructure (HDPE Pipes, DWC Pipes, and Energy Storage Devices), Technical & Lifestyle (Turf & Matting, Disposable Bins & Auto Components). The Company generated ₹ 24,133 million from this segment in fiscal 21 as against ₹ 28,962 million in the previous year. The EBITDA margin for this segment stood at 12.3%.

- ***Industrial packaging***

Time group manufactures Polymer drums / barrels, Jerry cans and Pails for varied packaging requirements. It is the largest manufacturer of large size plastic drums, globally. The Group uses technologies of polymer processing such as blow moulding, injection moulding and extrusion moulding to produce a wide range of products. These are made through a fully automated continuous process without any welds or joints. They are fitted with special stoppers, plugs, bungs, inserts, caps, handles to meet specific design & requirements. The Group caters to varied sectors like chemicals, paints and pigments, food & beverage, petrochemicals, industrial coatings, agricultural, pharmaceutical, mineral, automotive and building products.

In coming year, we anticipate stronger demand from key end use segments (e.g., speciality chemicals, pharmaceutical, food products, pesticides, insecticides etc.) as the economies around the world slowly recover from COVID-19. The Group also anticipates benefiting significantly from various infrastructure developments initiated by Government and planned chemical expansion projects in India.

- ***Pipes (Infrastructure)***

With good orders in hand, new product launches and various central government infrastructure schemes, the management is highly optimistic about this segment. Various central government infrastructure schemes like 'Nal Se Jal'- the last mile connectivity for drinking water, Smart City mission, and affordable housing etc. provides substantial business potential over the medium term.

- ***Technical and Lifestyle***

  This segment includes 3 division; Turf & Matting, Disposal bins and Auto components. Time group is one of the leading players in the matting segment and has been delivering value for money solutions across industries and customers. These Lifestyle Products are not only functional but also add to the aesthetics. Disposal Bins a necessity for hygienic life and made from recyclable material. These Bins adhere to stringent international quality standards. Its superior design ensures easy handling. The group supply a number of products to automobile industry including rain flap, fuel tanks and air ducts.

  Value Added Products

  The value added products which includes Intermediate Bulk Container (IBC), Composite Cylinder and multi-layer multi oriented X cross laminate film (MOX Film), contributed 20% (P.Y. 19%) towards total revenue in fiscal 2021 and generated Rs 5,955 million as compared to ₹6,842 million previous year. The EBITDA margin for this segment stood at 15.9%.

- ***Intermediate bulk container (IBC)***

  IBCs are designed for efficient performance even in rugged terrains and rough handling and are estimated to save about 75% of storage and transportation costs as compared to drums. The Group is the third largest manufacturer of IBCs in the world.

  The demand for HDPE-bottled Rigid IBCs is increasing in the global chemical industry due to their strong resistivity to chemicals. With evolving chemicals, the IBC market is rapidly expanding. In addition, the adoption of IBCs for storage and transportation of corrosive chemicals is increasing owing to their environmental stress cracking resistance. Share of Composite IBCs are projected to increase substantially in terms of market value share owing to highly durable and efficient handling systems.

- ***Composite Cylinders***

  Composite cylinders are superior alternatives to traditionally used metal cylinders. These cylinders are extremely lightweight, rust and corrosion proof, U.V. resistant, attractive in colour and shape and most importantly are 100% explosion proof. The Group is the second largest manufacturer of composite cylinders in the world.

  The Time group supplies to more than 40 countries and has approval to supply in more than 50 nations. The Group continues to increase it's the market penetration for LPG composite cylinders- 'LiteSafe'. It has the largest range of composite cylinders raging from 2KG-22KG. The Composite cylinders have unique advantage over metal cylinders such as safety, ease of use, and high corrosion resistance which makes a positive impact upon the demand for LPG cylinders globally. Time group aims to be the market leader and preferred global supplier with mass-production at low cost and also strives to achieve high-capacity utilization, stable production and efficient and cost-effective operations. The Group will accomplish this by expanding its market share across geography including India. Among several benefits, the distributor focuses on its corrosion-free feature, as humidity in the region is an issue for most Asian and African geographies. We are supplying Composite Cylinders to Private LPG Distributors in India and creating more and more awareness in order to penetrate the Indian market.

- ***MOX Films***

  The MOX film (Multi-layer Multi axis Oriented Cross Laminated Film) launched in FY2017 under the brand 'Techpaulin' has received good response from the industry. The Group has over 25 super distributors across the country. We are continuously finding new and innovative applications of the MOX films and are launching new products in the market like Truck covers, Pond Liners, Mulching Film & Poly house Films. In addition, greater focus on new export markets of Thailand, Malaysia, Germany, UK & USA.

➢ **Overseas Business**

Time group has manufacturing presence in 10 countries apart from India that cater to industrial packaging segment. The overseas business contributed Rs. 9,267 million to the overall top line of the Group during fiscal 2021, which translated to 31% (P.Y. 29%) of total revenues. EBITDA margin for domestic operations is about 13.1% while the same in overseas in 12.7%. Despite, EBITDA margins being lower in overseas, PAT margin is higher due to low tax rate abroad.

Going forward, we expect significant growth in exports as a number of multinational companies are trying to shift their manufacturing base from China to countries like India, Indonesia, Thailand etc., where Time group already has significant presence thus providing good opportunity.

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✱ REVIEW OF FINANCIAL PERFORMANCE FOR THE YEAR

Consolidated performance for the year ended March 31, 2021

(₹ Million)

	FY 21	FY 20
Revenue from Operations (Net)	30,049	35,780
Other income	38	23
Cost of material consumed	21,029	25,044
Employee cost	1,594	1,704
Finance Cost	977	1,082
Depreciation	1,510	1,562
Other expenses	3,555	4,044
EBITDA	**3,909**	**5,011**
PAT	**1,058**	**1,750**

Key Ratios (Consolidated)

S. No.	Particulars	FY 21	FY 20
1	EBITDA to Sales	13.0%	14.0%
2	PAT to Sales	3.5%	4.9%
3	Total Debt to Equity	0.43	0.41
4	Net Debt to EBITDA	1.85	1.53
5	Return on Capital Employed	9.1%	13.4%

➢ **Income and expenses**

Revenue from operations was impacted in fiscal 2021 due to complete lockdown in most of the first quarter of the year due to COVID-19 and stood at ₹ 30,049 million.

The Company's total expenses stood at ₹ 26,178 million in fiscal 2021. Major expense items comprise the cost of materials consumed, purchase of stock-in-trade, power and fuel and employee benefits.

➢ **Profitability**

As a result of the impact of the nationwide lockdown to contain Covid-19, as explained above, the overall revenue of the Company was impacted. EBIDTA margin dropped by 100 basis points (bps) to 13.0% in fiscal 21 from 14.0% in fiscal 20 while PAT margin declined by 140 bps to 3.5% in fiscal 21 from 4.9% in fiscal 20.

Standalone performance for the year ended March 31, 2021

(₹ Million)

	FY 21	FY 20
Revenue from Operations (Net)	17,255	21,409
Other income	22	20
Cost of material consumed	12,592	15,631
Employee cost	861	897
Finance Cost	562	634
Depreciation	930	947
Other expenses	1,636	1,966
EBITDA	2,187	2,936
PAT	512	977

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CAPITAL EXPENDITURE

Total capital expenditure incurred for the year was ₹1,035 million. Capacity expansion, re-engineering and automation of established products accounted for ₹ 670 million while capital expenditure towards value added products was ₹ 365 million. During the year, Greenfield project for manufacturing of IBC Bottle in Iowa, USA commenced operations. Time group continues to focus on Brownfield expansion in India and overseas for future growth and leveraging of existing infrastructures.

Firm Footsteps towards Sustainable Growth

Since the day we started our journey, we have consciously endeavoured to adopt sustainable product development and manufacturing. The outcome is that we have now risen as a main polymer based inventive items organization. Development stays at the centre of all activities at Time Technoplast and subsequently the Company has kept putting resources into R&D. The Company has a committed group of in excess of 30 people for R&D. We reliably centre on cost proficiency in existing items and forms; and enlarge our item portfolio through advancement and innovation.

The Company is centred on embraced committed R&D in territories which have seen development potential. It applies an efficient way to deal with determination of items, which includes assessment of specialized, and business possibility information. Combined with client criticism, it has brought about commercialization of imaginative items, for example, Antistatic Drums and IBCs, Ball/Butterfly Valves for IBCs, Composite Cylinders, and Plastic Fuel Tanks and De-air circulation tanks and as of late propelled MOX film and new generation multilayer PE pipes for power / communication cable duct with silicon in-lining.

KEY RISKS

Raw material availability

We have not experienced any significant difficulty in obtaining our principal raw materials. The principal raw material for all our business segments is PE granules which are derivative products of oil and natural gas. We import majority of our raw materials from nearby countries and balance are purchased from local manufacturers. We satisfy most of our needs through purchases on the open market or under short-term and long-term supply agreements. The world order for recycling plastics is rearranging and we anticipate more demand will be needed to be met by virgin polyethylene. Countries such as China, India, Vietnam, Indonesia, the United States and Europe recycled investments have increased and it will likely result in an overall no demand change in the longer term.

Commodity price risk

The Company is exposed to fluctuations in polymer prices which are determined by the supply and demand in the Indian and international markets. Since polymers are crude derivatives, the prices also tend to follow crude prices which are volatile and this volatility has an effect on Company's income and net profit.

Foreign exchange and other risk

Operating in countries outside India exposes us to general different risks like currency devaluation, import/export, customs, changes in government policies and regulations which has commonly been associated with developing countries, labour instability, invasion, war, civil disturbance or acts of terrorism, defaults in certain countries, and hyperinflation. Payments by overseas subsidiaries are impacted by limitations on conversions of currencies into United States dollars, changes in the tax policy and other trade compliance regulations.

HUMAN RESOURCES OVERVIEW

People development has always been a focus area for the Company. Over the past couple of years, the business environment has become increasingly complex and challenging. Efforts are on-going to make Time Group an aspirational and preferred employer of choice for our current and future employees.

Learning is part of the Company culture. Each employee, at all levels, is conscious of the need to upgrade continuously her/his knowledge and skills. The willingness to learn is therefore a non-negotiable condition to be employed by the Company. Adequate training programs are developed at the level of each operating Company capitalising on the availability of local, regional or global resources of the Group. The objective is to retain and motivate employees by offering attractive but realistic career moves allowing them to develop their skills over a long-term period within the framework of economic reality and a changing environment.

Industrial relations are a clear responsibility of local management and will be handled at the appropriate level: first at site level (factories, warehouse) subsequently at regional or national level, according to local law and practices.

* **ENVIRONMENT HEALTH AND SAFETY**

The Company is committed to protect the Health and Safety of everyone in its operations and the sustainability of the environment in which it operates. The collective attempt of the employees at all levels is directed towards supporting and continuously improving standards of environment, occupational health and safety in a bid to attain and exceed defined benchmarks. The Company's EHS policy not only meets all applicable statutory requirements but also focuses on motivation, learning and training of employees. External audits are concluded to ensure effectiveness of the EHS policy and initiatives, and recommendations are considered for future improvement in the policy.

* **INTERNAL CONTROLS AND THEIR ADEQUACY**

The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances.

Internal control is an important component of the Company's operations and addresses all those operating methods and procedures whose objective it is to ensure:

- the reliability and integrity of the Company's financial and management information,
- effective and profitable operations that are in line with the Company's strategy,
- that the Company's assets are protected,
- that applicable legislation, guidelines, regulations, agreements and the Company's own governance and operating guidelines are complied with.

Internal Auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audit at all units/location and report to the management the observation, if any. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director.

CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be "forward-looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.