

## Subdued performance amid BS-VI, Covid-19...

Greaves Cotton's (GCL) standalone revenues came in at ₹ 147.1 crore, down 69.2% YoY, (below our estimate of ₹ 175.8 crore). Engine segment revenues came in at ₹ 140 crore, down 67.7% YoY. E-mobility segment revenue declined 52.5% to ₹ 8.9 crore due to business disruptions amid Covid-19. At the EBITDA level, it posted a loss of ₹ 21.7 crore YoY (vs. EBITDA of ₹ 61.3 crore in Q1FY20) owing to higher employee expenses, operating expenses and less revenue booking. Loss after tax was at ₹ 24.2 crore (vs. PAT of ₹ 39.8 crore in Q1FY20), partly impacted by only marginal fall of 4% in depreciation and lower other income that fell 71% to ₹ 2.2 crore YoY.

## BS-VI likely to impact auto volumes; slowdown in FY21E

In Q1Y21, GCL's engine volume (3-W) fell 83% YoY to 11216 units while 4-W volumes was nil. Volumes are likely to be impacted by strict BS-VI norms and auto slowdown amid Covid-19. Other engines segment de-grew 55% YoY to 5155 units. Overall engine volumes de-grew 79% YoY. On non-auto side, power genset volumes fell 75% YoY to 275 units. Overall agriculture (pumpset, power tiller, other) volumes declined 69% YoY to 6317 units. GCL may have to take a price hike of 35-45% for BS-VI compliant engines leading to significant volume reduction and margin stress as it is difficult to completely pass on the price increase amid slowdown. We build in overall engine volumes of ~171346, ~224002 units for FY21E, FY22E, respectively.

## New E-2W products, B2C business, to aid long term growth...

GCL acquired Bestway Agencies (BAPL) to expand its presence in fast disrupting E-3W market to become an integrated player in last mile E-mobility with strong presence in E-2W, E-3W. Also, recently launched E-2W product 'Magnus' in June 2020 at price point of ~₹ 75000/unit would aid expand market presence. Ampere market share has now improved to 24% in E-2W among organised players (vs. 21% in Q4FY20). GCL's BS-VI diesel engine, CNG engine are expected to play a key role in the long term while BS-VI ready CREST CNG engines is likely to get commercialised very soon. In electric mobility business (EMB), E-2W volumes were at 1752 units, down 53% YoY while there were nil sales in the E-3-W segment.

## Valuation & Outlook

Overall auto engine volumes may remain sluggish in the medium term due to BS-VI transition and economic slowdown amid Covid-19. While Bestway acquisition would expand E-3W base, new product launches in high speed E-2W vehicles at Ampere and new business initiatives (CNG engines, after market, B2C business) may provide much needed growth uptick in the long term. We build revenue, PAT CAGR of -4.6%, -7.4%, respectively in FY20-22E. We value GCL (base business at 12.5x on FY22E, Ampere at 1.5x P/sales on FY22E) at ₹ 80/share and maintain **HOLD** rating.



### Particulars

Particular	Amount
Market Capitalization	₹1811.1 Crore
Total Debt (FY 20)	₹0 Crore
Cash and Inv. (FY 20)	₹359.9 Crore
EV	₹1451.2 Crore
52 week H/L	₹154.2 / ₹66.3
Equity capital	₹46.2 Crore
Face value	₹2

### Key Highlights

- Overall engine volumes fell 79% to 16371 units, YoY. In electric mobility business, E-2W volumes came in at 1752 units, down 53% YoY, while E-3W segment posted nil sales for the quarter
- Overall auto engine volumes to remain sluggish in medium term due to BS-VI transition and Economic slowdown amid Covid-19
- Value GCL at ₹ 80/share and maintain HOLD rating

### Research Analyst

Chirag Shah  
shah.chirag@icicisecurities.com

Amit Anwani  
amit.anwani@icicisecurities.com

### Key Financial Summary

Particulars (₹ crore)	FY18	FY19	FY20	FY21E	FY22E	CAGR (FY20-FY22E)
Net Sales	1,792.1	1,987.9	1,821.1	1,348.0	1,657.5	-4.6%
EBITDA	255.3	274.7	228.1	108.8	195.7	-7.4%
EBITDA Margin (%)	14.2	13.8	12.5	8.1	11.8	
Net Profit	202.6	169.3	147.5	53.1	117.1	-10.9%
EPS (₹)	8.3	7.3	6.8	2.4	5.4	
P/E (x)	10.0	11.3	12.3	34.1	15.5	
RoNW (%)	17.7	18.7	16.3	6.2	13.5	
RoCE (%)	25.3	27.4	22.2	8.5	18.0	

Source: Company, ICICI Direct Research

Exhibit 1: Change in estimates

	Q1FY21	Q1FY21E	Q1FY20	YoY (Chg %)	Q4FY20	QoQ (Chg %)	Comments
Revenue	147.1	175.8	476.8	-69.2	359.6	-59.1	Revenue declined owing to BS-VI transition and economic slowdown amid
Other Income	2.2	3.4	7.4	-71.0	3.3	-35.6	
Employee Expenses	34.7	19.9	45.8	-24.3	27.9	24.2	
Raw Material Expenses	106.1	121.1	324.3	-67.3	257.0	-58.7	
Other operating Expenses	28.0	26.5	45.6	-38.6	44.1	-36.6	
EBITDA	-21.7	8.3	61.3	-135.4	30.6	-170.9	Margins impacted as company was unable to pass though the increased cost and on lower revenue
EBITDA Margin (%)	-14.7	4.7	12.8	-2757 bps	8.5	-2322 bps	
Depreciation	11.8	10.0	12.3	-4.1	14.4	-18.4	
Interest	2.3	0.3	0.6	-	1.1		
Exceptional Item	0.0	0.0	0.0		5.0		
PBT	-33.5	1.5	55.8	-160.1	13.4	-350.2	
Total Tax	-9.3	0.4	17.6	-152.9	3.4	-376.9	
PAT	-24.2	1.1	38.2	-163.4	10.0	-341.3	
Adj. PAT	-24.2	1.1	39.8	-160.8	13.8	-275.4	

**Key Metrics**

Segmental Performance

	Q1FY21	Q1FY21E	Q1FY20	YoY (Chg %)	Q4FY20	QoQ (Chg %)	Comments
Engine Segment	140.1	161.7	433.9	-67.7	323.1	-56.6	
Others segment	7.0	12.3	42.9	-83.8	35.9	-80.6	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	1,352.1	1,348.0	-0.3	1,656.6	1,657.5	0.1	The 3-W engine segment volume is likely to decline owing to BS-VI transition and impact of Covid-19
EBITDA	119.5	108.8	-8.9	195.6	195.7	0.0	
EBITDA Margin (%)	8.8	8.1	-76 bps	11.8	11.8	0 bps	Margins in FY21E to be impacted owing to BS-VI transition and economic slowdown
PAT	60.2	53.1	-11.7	116.8	117.1	0.3	PAT fell on account of higher operating expenses and overall slowdown in automotive and margin stress amid Covid-19
EPS (₹)	2.6	2.4	-6.3	5.2	5.4	3.2	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current				Earlier		Comments
	FY19	FY20E	FY21E	FY22E	FY21E	FY22E	
3W Volumes (units)	284,454	246,418	147,646	188,202	147,646	188,202.0	Revised volumes in line with expected auto sales slowdown, BS-VI transition and Covid-19 impact
4W & Other Volumes (Units)	45,030	44,487	23,700	35,900	24,700	35,800.0	
Overall Engine Volumes	329,484	290,905	171,346	224,102	172,346	224,002	

Source: Company, ICICI Direct Research

Exhibit 4: Valuations

	Basis of Valuation	Multiple	Total Value (₹ crore)	Per share value (₹)	Comments
Base Business	P/E	12.5x	1,464	67	
Ampere (100% Stake)	P/Sales	1.5x	300	13	FY 22E sales at ₹200 crore
<b>Total</b>			<b>1,764</b>	<b>80</b>	

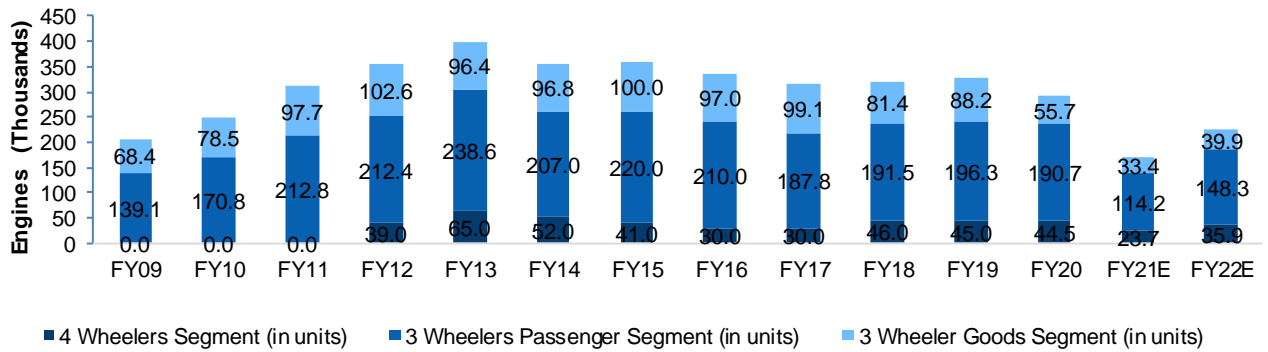
Source: Company, ICICI Direct Research

## Conference call highlights

- For Q1FY21, revenue decline was mainly due to auto and industrial slowdown, which dragged overall volumes and the effect of transition to BS-VI. April and May remained muted, followed by a good recovery in June. Currently, 75% of dealership are now operational
- At EBITDA level, it registered a loss of ₹ 21.7 crore. It was unable to pass through incremental BS VI engine cost and lesser booking of revenue. Margins may witness near term impact due to economic slowdown and BS-VI but are expected to gradually recover to normalised levels in the medium term
- For Q1FY21, on consolidated basis engines contributed 52% to revenues followed by aftermarket (25%), others (17%), E-mobility (6%)
- Overall auto engine volumes declined 79% to 16371 for Q1FY21. Genset volumes declined 75% for Q1FY21 to 275 units. Overall agri business (pumpsets, power tillers, others) volumes declined 69% for Q1FY21 to 6317 units
- In electric mobility business (EMB), E-2W volumes came in at 1752 units, down 53% YoY. E-3-W segment registered nil sales
- GCL acquired Bestway Agencies (BAPL) to expand its presence in fast disrupting E-3W market to become an integrated player in last mile E-mobility with strong presence in E-2W and E-3W. Also, recently launched E-2W product 'Magnus' in June 2020 at a price point of ~₹ 75000/unit is expected to aid expand market presence. Ampere market share has now improved to 24% in E-2W among organised players (vs. 21% in Q4FY20). Ampere continues to accelerate with addition of 40 new dealerships recently
- GCL's BS-VI Diesel engine, CNG engine to play key role in long term while BS VI ready CREST CNG engines is likely to get commercialised very soon. Recently, GCL launched a slew of products including IOT enabled gensets and E-Bike namely Magnus pro. Further, the company has accelerated business developments with OEMs for BSVI engines
- Net working capital (NWC) days for Q1FY21 has increased by eight days to 57 days, on a YoY basis. With continuous efforts GCL has been able to improve cash & receivables and achieved a net reduction in working capital by around ₹ 167 crore
- Ampere reported ₹ 8.9 crore of revenue for Q1FY21, down 41% YoY while the EBITDA loss came in at ₹ 4.8 crore (vs. loss of ₹ 3.0 crore in Q1FY20). Ampere is expected to achieve EBITDA break even by FY22E
- In the auto category, cargo segment has started to improve and is gaining traction. However, passenger 3-W is still lagging behind. Green shoots are visible in aftermarket, farm and new mobility segments
- GCL is making strides to de-risk its supply chain and reduce imports from China. Ampere and Bestway have also witnessed improved localisation. Further, B2B and B2C businesses are expected to improve, once dealerships start operating at normal levels

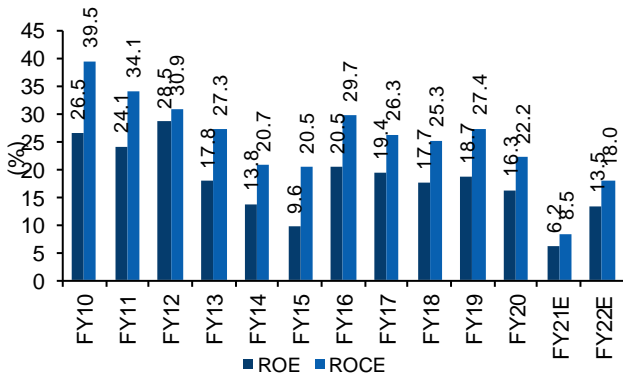
## Financial Story in charts

Exhibit 5: Trend in auto engine segment sales



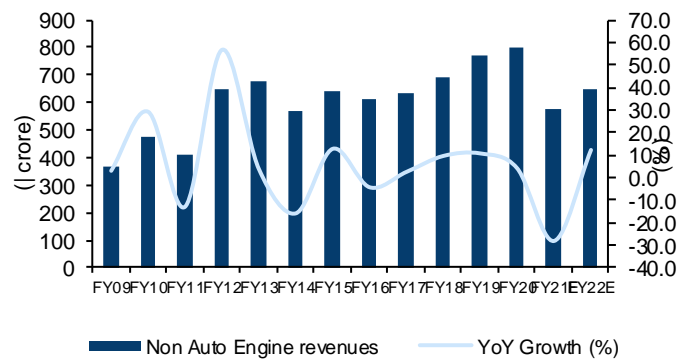
Source: Company, ICICI Direct Research

Exhibit 6: GCL commands superior return ratios



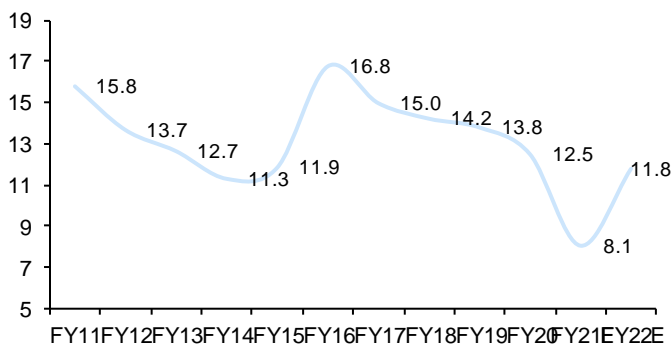
Source: ICICI Direct Research, Company

Exhibit 7: Non-auto engine segment revenue growth trend



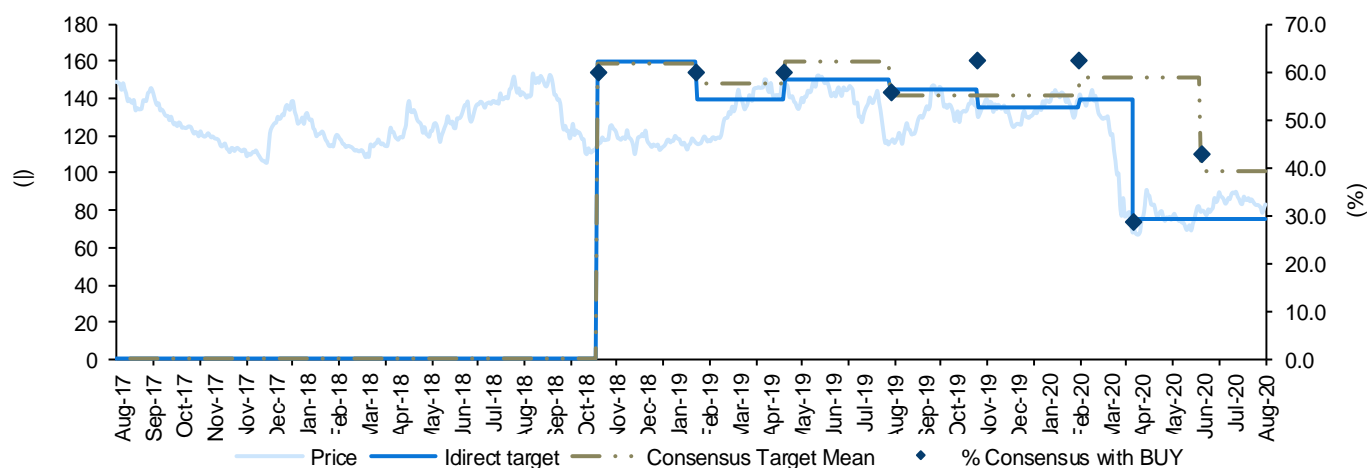
Source: ICICI Direct Research, Company

Exhibit 8: Trend in EBITDA margins



Source: Company, ICICI Direct Research

Exhibit 9: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 10: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (%)	Change
1	Dbh International Pv	30-Jun-20	42.7	98.76m	0.00m
2	Capital Group Compan	30-Jun-20	8.8	20.44m	0.00m
3	Karun Carpets Pvt Lt	30-Jun-20	6.2	14.21m	0.00m
4	Bharat Starch Produc	30-Jun-20	6.0	13.78m	0.00m
5	Smallcap World Fund	16-Aug-18	5.8	13.40m	13.40m
6	New India Assurance	30-Jun-20	2.8	6.48m	0.00m
7	Massachusetts Inst T	30-Jun-20	2.5	5.88m	0.00m
8	Life Insurance Corp	30-Jun-20	2.4	5.65m	0.00m
9	General Insurance Co	30-Jun-20	2.0	4.69m	0.00m
10	L&T Mutual Fund	30-Jun-20	1.4	3.14m	0.00m

Source: Reuters, ICICI Direct Research

Exhibit 11: Shareholding Pattern

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	51.9	51.9	54.8	54.8	54.8
FII	14.9	14.6	15.0	15.6	14.3
DII	15.7	16.0	14.1	13.4	13.2
Others	17.6	17.6	16.1	16.2	17.7

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Total operating income</b>	<b>1,987.9</b>	<b>1,821.1</b>	<b>1,348.0</b>	<b>1,657.5</b>
Growth (%)	10.9	-8.4	-26.0	23.0
Raw Material Expenses	1,358.5	1,249.2	928.2	1,132.1
Employee Expenses	174.7	158.1	155.2	164.3
Other Operating Expenses	179.9	185.8	155.7	165.4
Administrative Expenses	0.0	0.0	0.0	0.0
Other expenses	0.0	0.0	0.0	0.0
Total Operating Expenditure	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>274.7</b>	<b>228.1</b>	<b>108.8</b>	<b>195.7</b>
Growth (%)	195.5	-17.0	-52.3	79.8
Depreciation	48.8	52.2	55.2	61.2
Interest	3.3	3.8	3.0	1.0
Other Income	41.6	19.8	19.2	23.0
PBT	246.3	196.6	69.8	156.5
Others	0.0	0.0	0.0	0.0
Total Tax	77.0	49.2	16.7	39.4
<b>PAT</b>	<b>169.3</b>	<b>147.5</b>	<b>53.1</b>	<b>117.1</b>
Growth (%)	-16.4	-12.9	-64.0	120.4
EPS (₹)	7.3	6.8	2.4	5.4

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
Profit after Tax	169.3	147.5	53.1	117.1
Add: Depreciation	48.8	52.2	55.2	61.2
(Inc)/dec in Current Assets	-29.8	-1.8	-35.3	-29.4
Inc/(dec) in CL and Provis	60.1	-47.9	8.8	32.8
Others	0.0	0.0	0.0	0.0
<b>CF from operating acti</b>	<b>251.7</b>	<b>153.7</b>	<b>84.9</b>	<b>182.7</b>
(Inc)/dec in Investments	83.1	419.3	-20.0	-5.0
(Inc)/dec in Fixed Assets	-76.1	-94.3	-40.9	-56.0
Others	0.0	0.0	0.0	0.0
<b>CF from investing acti</b>	<b>-80.7</b>	<b>194.4</b>	<b>-61.4</b>	<b>-56.4</b>
Issue/(Buy back) of Equit	0.0	-2.6	0.0	0.0
Inc/(dec) in loan funds	-14.8	-7.0	2.0	2.0
Dividend paid & dividend	-161.9	0.0	-105.1	-105.1
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0
Others	0.0	7.6	0.0	0.0
<b>CF from financing acti</b>	<b>-163.9</b>	<b>-239.8</b>	<b>-82.0</b>	<b>-106.1</b>
Net Cash flow	7.1	111.0	-58.5	20.2
Opening Cash	31.3	38.4	149.4	90.9
<b>Closing Cash</b>	<b>38.4</b>	<b>149.4</b>	<b>90.9</b>	<b>111.1</b>

Source: Company, ICICI Direct Research

Exhibit 14: Balance sheet				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Liabilities</b>				
Equity Capital	48.8	46.2	46.2	46.2
Reserve and Surplus	920.3	837.1	811.2	823.3
Total Shareholders funds	969.2	883.3	857.5	869.5
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	7.0	0.0	2.0	4.0
Minority Interest / Others	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>995.4</b>	<b>919.2</b>	<b>898.9</b>	<b>917.9</b>
<b>Assets</b>				
Gross Block	493.9	581.3	628.3	690.3
Less: Acc Depreciation	172.8	219.2	274.3	335.5
Net Block	321.2	362.1	353.9	354.7
Capital WIP	0.0	0.0	0.0	0.0
Total Fixed Assets	321.2	362.1	353.9	354.7
Investments	496.0	210.5	230.5	235.5
Inventory	115.2	171.2	174.7	175.3
Debtors	336.5	238.9	262.2	288.4
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	19.6	20.6	23.5	28.0
Cash	38.4	149.4	90.9	111.1
Total Current Assets	521.8	634.6	611.4	661.0
Creditors	319.4	279.1	277.0	297.4
Provisions	19.6	20.6	23.5	28.0
Total Current Liabilities	413.8	365.8	374.7	407.4
Net Current Assets	108.0	268.8	236.7	253.5
Others Assets	0.0	0.0	0.0	0.0
<b>Total Assets</b>	<b>995.4</b>	<b>919.2</b>	<b>898.9</b>	<b>917.9</b>

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
EPS	7.3	6.8	2.4	5.4
Cash EPS	9.4	8.6	4.7	7.7
BV	41.9	38.2	37.1	37.6
DPS	5.5	5.8	0.0	4.0
Cash Per Share	1.7	6.5	3.9	4.8
<b>Operating Ratios (%)</b>				
EBITDA Margin	13.8	12.5	8.1	11.8
PBT / Total Operating inc	8.5	8.1	3.9	7.1
PAT Margin	8.5	8.1	3.9	7.1
Inventory days	21.2	34.3	47.3	38.6
Debtor days	61.8	47.9	71.0	63.5
Creditor days	58.7	55.9	75.0	65.5
<b>Return Ratios (%)</b>				
RoE	18.7	16.3	6.2	13.5
RoCE	27.4	22.2	8.5	18.0
RoIC	48.3	25.4	7.6	19.0
<b>Valuation Ratios (x)</b>				
P/E	11.3	12.3	34.1	15.5
EV / EBITDA	5.7	7.3	15.6	8.6
EV / Net Sales	0.8	0.9	1.3	1.0
Market Cap / Sales	1.1	1.0	1.0	1.3
Price to Book Value	2.0	2.1	2.1	2.1
<b>Solvency Ratios</b>				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.2	1.3	1.4	1.3
<b>Quick Ratio</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>

Source: Company, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)



## ANALYST CERTIFICATION

I/We, Chirag Shah, PGDBM and Amit Anwani, MBA (Finance), Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

## Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com)

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icidirect.com](http://icidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.