January 8, 2021

Robust execution, order inflows to aid growth…

Q3FY21E is likely to be a reasonable quarter for the capital goods universe in terms of order inflows while execution may further improve sequentially as we expect execution pick-up with workers almost returning to sites reaching more than ~95% of pre-Covid levels during the quarter amid normalising economic activities. Product companies are likely to post a decent quarter amid rebound in key industries like automobile and industrials. Larsen & Toubro (L&T) announced EPC orders are estimated to be more than ~₹ 59000 crore (as on date, ex-services segment) across high speed rail, construction, water effluent, hydrocarbon, transportation, mining equipment, power T&D, heavy civil infrastructure and defence segments indicating robust order inflows for the quarter. Also, the order pipeline remains robust across T&D, green energy corridor, railways, transportation, water & infrastructure, etc. Key risks remain project delays/deferrals and less-than-expected conversion of the tendering pipeline.

In the T&D space, KEC & Kalpataru Power (KPTL) have announced reasonable order inflows of ₹ 1438 crore and ₹ 2200 crore, respectively, aided by orders from international markets. Bharat Electronics (BEL) is expected to post reasonable inflows while Thermax is likely to see muted order inflows owing to less-than-expected public sector and government order conversions and weaker private capex amid lockdowns. Thermax' core order inflows continue to remain sluggish and poses concerns for an already ailing order backlog. Overall, order inflows were reasonable across urban transportation (RRTS, HSR), water effluent, power T&D, infrastructure, civil, construction & mining equipment segments amid gradual resumption of economic activities in the domestic market and pick-up in global tendering activities.

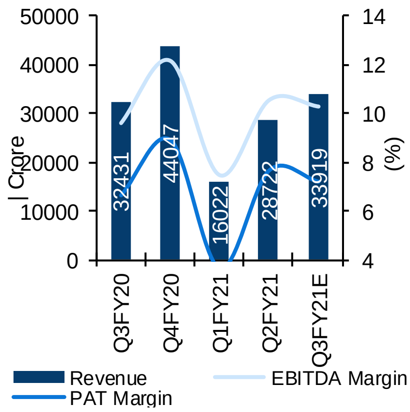
Revenue, EBITDA expected to grow 4.6%, 12.1%, respectively

Overall, the coverage universe revenue is expected to grow 4.6% YoY owing to further rebound in execution sequentially at engineering and T&D companies like L&T, KEC, KPTL, BEL and Cochin Shipyard. The international business is likely to aid performance of companies like L&T, KEC, AIA, Elgi, etc. We expect EBITDA to grow 12.1% YoY mainly due to positive operating leverage in product companies and better execution by EPC companies amid the economy gradually normalising. Consequently, overall PAT is expected to grow 13.4% YoY accounting for other income, one offs and tax adjustments in the base quarter for a few companies.

Reasonable performance expected among EPC companies…

Overall, EPC companies are expected to post a moderate performance as execution is likely to rebound amid gradual unlock measures by the government to open up the economy. Power T&D companies like KEC, KPTL are expected to report combined revenue, EBITDA, PAT growth of 14.2%, 9%, 19% YoY, respectively, aided by execution pick-up in key markets. L&T (standalone, ex-E&A) is likely to report reasonable performance with marginal revenue growth of 0.5% YoY to ₹ 19984.8 crore, EBITDA expected to grow 9.9% to ₹ 1608.8 crore while adjusted PAT (ex-E&A) is expected to grow 19.2% to ₹ 1260.6 crore impacted by higher other income and tax adjustment in base quarter. Thermax' revenue, EBITDA are expected to de-grow 6.5%, 10.3%, respectively, impacted by execution and supply chain disruptions. On the defence front, BEL is expected to perform better with revenue growth of 26.7% to ₹ 2878.1 crore while EBITDA is expected to grow 39.6% to ₹ 495.1 crore YoY. Cochin Shipyard is expected to report revenue, EBITDA growth of 3.8, 1.0% YoY, respectively, owing to moderate execution in shipbuilding and ship repair activities.

Topline & Profitability (Cap. Goods Universe)



Top Picks

Bharat Electronics
KEC International
Elgi Equipments

Research Analysts

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Adil Khan
adil.khan@icicisecurities.com

Working capital, cash flows to be key monitorables…

Overall, EPC companies like L&T, KEC, KPTL, BEL and Cochin Shipyard are expected to remain cautious on working capital and cash flow challenges amid increasing receivables, vendor support amid tight liquidity and moderate execution pace. Companies with stronger balance sheet and cash flows like Thermax, are well placed to gain the most form gradual economic recovery. Product companies like Greaves Cotton, Timken India, Elgi Equipment, AIA Engineering that have a strong balance sheet, zero debt and healthy cash balances are likely to benefit on operational front with economy inching back to normal.

Product companies likely to post better performance…

Bearing companies are expected to follow suit with the domestic auto segment, which showed positive signs across 2-W and PV while CV, 3-W, 4-W LCV still seem to be taking longer to revive. We expect the topline to register decent growth YoY with improved EBITA margins on the back of positive operating leverage. We expect revenue growth of 20.2%, 10.4% & 10.7% for NRB, SKF & Timken, respectively. Greaves Cotton is expected to report a revenue decline of 28.6% while EBITDA is expected to decline 56.1%, owing to dismal volumes in 3-W, 4-W space. Elgi Equipment is expected report revenue, EBITDA growth of 9.1%, 111.3%, respectively, owing to strong growth in international business and positive operating leverage. Companies like AIA Engineering are expected to report revenue, EBITDA growth of 10%, 4.0%, respectively, backed by rebound in mining volumes.

Exhibit 1: Estimates for Q3FY21E: (Capital Goods) (₹ crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ
AIA Engineering	763.3	10.0	2.8	179.8	4.0	-5.5	140.6	-9.9	-2.3
Bharat Electronics	2,878.1	26.7	-9.7	495.1	39.6	-20.6	305.2	41.9	-23.1
Greaves Cotton	353.1	-28.6	22.5	33.9	-56.1	94.1	19.4	-61.6	474.4
Elgi Equipments	505.4	9.1	5.2	68.2	111.3	2.8	34.1	165.4	2.6
Kalpataru Power	2,183.3	10.3	16.0	231.4	11.3	14.6	141.7	19.6	-4.2
KEC International	3,588.0	16.8	10.1	342.3	7.5	16.8	171.9	18.6	20.6
L&T	19,984.8	0.5	26.6	1,608.8	9.9	30.7	1,260.6	19.2	19.9
NRB Bearings	220.0	20.2	11.3	33.0	66.6	8.6	15.0	44.5	36.4
SKF India	781.0	10.4	11.1	109.3	50.7	19.0	73.1	42.8	12.4
Thermax Ltd	1,318.5	-6.5	15.5	101.5	-10.3	28.0	67.2	-21.0	37.9
Timken India	413.2	10.7	5.4	88.0	4.6	6.4	53.8	-36.4	7.8
Cochin Shipyard	930.0	3.8	41.5	200.4	1.0	59.3	162.9	-4.8	50.3
Total	**33,918.8**	**4.6**	**18.1**	**3,491.8**	**12.1**	**15.1**	**2,445.6**	**13.4**	**11.0**

Source: Company, ICICI Direct Research

Power

Exhibit 2: Estimates for Q3FY21E: (Power) (₹ crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ
NTPC Ltd	23,554.5	0.2	-4.5	7,287.0	4.5	1.4	3,113.6	3.9	-11.1
CESC Ltd	1,729.3	4.9	-13.1	285.3	3.0	-15.6	179.6	2.0	-21.2
Total	**25,283.8**	**0.6**	**-5.2**	**7,572.3**	**4.4**	**0.7**	**3,293.1**	**3.8**	**-11.8**

Source: Company, ICICI Direct Research

Topline & Profitability (Power Universe)

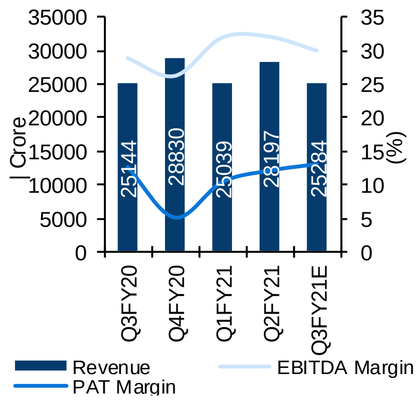


Exhibit 3: Company Specific Views (Capital Goods)

Company	Remarks
AIA Engineering	For Q3FY21E, we expect AIA Engineering to report volume numbers at 69936 MT with a growth of 16.1% YoY owing to decent uptick in mining segment led by exports market and rebound in cement & other segment amid revival in economic activities and operations gradually normalizing to pre-covid levels. We expect realization at ₹105 per kg on account of a change in the product mix and foreign exchange. Consequently, revenue is expected to grow by 10% to ₹763.3 crore. EBITDA is expected to grow by ~4.0% to ₹179.8 crore with EBITDA margin of 23.6%. PAT is expected to decline by 9.9% to ₹140.6 crore partly impacted by lower other income and tax adjustments in base quarter.
Bharat Electronics	We expect BEL to report revenues at ₹2878.1 crore with a growth of 26.7%, YoY with operations almost normalized to pre-covid levels. EBITDA margin is expected to improve by 160bps to 17.2% owing to product mix & better execution, resulting in absolute EBITDA to grow by 39.6% YoY to ₹495.1 crore. Accordingly, we expect PAT to grow by 41.9% YoY to ₹305.2 crore. While no new order announcement was made as on date for the quarter, robust order pipeline to ensure order inflows in coming quarters. Overall, strong order backlog of ₹52150 crore is likely to augur well in long term.
Greaves Cotton	For Q3FY21E, we expect Greaves Cotton to report muted 3W & 4W engine volumes at 44843 units owing to continued weakness in auto sales in 3W, 4W space, muted domestic demand amid disrupted business activities. New business initiatives and Ampere sales may provide some cushion to overall sales. Consequently, revenues are expected to de-grow by 28.6% YoY to ₹353.1 crore, EBITDA is expected to decline 56.1% to ₹33.9 crore with subdued margins of 9.6% while adjusted PAT is expected to decline 61.6% YoY to ₹19.4 crore.
Elgi Equipment's	For Q3FY21E, Elgi Equipments is likely to post a reasonable performance on the domestic front amid industrial recovery while international air compressor market is likely to report strong revenue growth as it is gradually ramping up in key markets. Consolidated revenues are expected to grow by 9.1% YoY to ₹505.4 crore while EBITDA margin is expected to rebound to 13.5% YoY leading absolute EBITDA to more than double to ₹ 68.2 crore while PAT is expected to grow significantly 165.4% to ₹34.1 crore aided by positive operating leverage.
Kalpataru Power	Kalpataru Power (KPTL) has announced new orders worth ₹2200 crore, as on date for the quarter. For Q3FY21E, KPTL is expected to report decent performance on the back of execution pick-up in key segments like T&D. We expect revenues to grow by 10.3% to ₹2183.3 crore. EBITDA is expected to grow by 11.3% to ₹231.4 crore with EBITDA margin expected to remain stable at around 10.6% YoY. Adj. PAT is expected to grow by 19.6% to ₹141.7 crore partly impacted by tax adjustments in base quarter.
KEC International	KEC has announced new orders worth ₹1438 crore, as on date for the quarter. For Q3FY21E, KEC is expected to report strong performance with further pick-up in execution in key segments like T&D, railways, Civil. International markets are expected to fare better than domestic markets. We expect revenues to grow by 16.8% to ₹ 3588 crore. EBITDA is expected to grow by 6.4% to ₹338.9 crore with EBITDA margin expected to see an impact of 90 bps to 9.5% YoY primarily due to change in business mix. PAT is expected to grow by 18.6% to ₹171.9 crore partly aided by reduction in interest cost.

Source: ICICI Direct Research, Company

Exhibit 4: Company Specific Views (Capital Goods) Continued...

Company	Remarks
L&T	During Q3FY21E, EPC order inflows announced by L&T is estimated to be more than ~₹59000 crore (as on date, ex-services segment) across High Speed Rail, construction, water effluent, Hydrocarbon, Transportation, Mining Equipment, power T&D, heavy civil infrastructure and defence segments indicating robust order inflows for the quarter. We expect reasonable execution pick-up sequentially as labors has almost returned across sites at more than 95% of pre-covid levels during the quarter. In our view working capital and cash flow situation will be key monitorable. Consequently, we expect adjusted standalone revenue to grow marginally by 0.5% to ₹19984.8 crore. EBITDA is expected to grow by 9.9% to ₹1608.8 crore with margins expected to improve 30 bps to 8.0% and adjusted PAT (Ex-E&A) expected to grow by 19.2% to ₹1260.6 crore partly due to higher other income.
NRB Bearings	Uptick in sales led by festive season and pent up demand aided production levels at domestic OEMS. NRB with a topline more concentrated towards domestic OEMs should benefit from the demand tailwinds. For Q3FY21E, we expect revenue to grow 20.2% and come around at ₹220 crore. A higher topline growth should aid operating profit and hence we expect an EBIDTA of ₹33 crore, up 66.6% YoY with an entailing margin of 15%. We estimate PAT at ₹15 crore, up 44.3% YoY after assuming a tax rate of 28% (PAT in Q3FY20 was aided by a lower tax rate at 20.2%)
SKF India	For Q3FY21E, we expect SKF's revenue to increase 10.4% YoY to ₹781 crore led by recovery in industrial activity (pre-covid levels) and auto demand. We estimate an EBIDTA of ₹109.3 crore, up 50.7% YoY led by improved sales and hence positive operating leverage should aid EBIDTA margins which we expect to come in at 14% vs 10.3% YoY. Ensuing PAT is expected to come in at ₹73.1 crore, up 42.8% with a margin of 9.4%.
Thermax	For Q3FY21E, Thermax' order inflow is expected to remain weak impacted by muted private capex. All factories are gradually moved to more than 90% of pre-Covid levels, which could marginally improve execution sequentially. In terms of financial performance, we expect revenues to decline 6.5% to ₹1318.5 crore partly impacted by weaker order book and supply chain disruptions amid covid-19. Some relief may come in the form of deferred revenue of previous quarters. We expect EBITDA to decline 10.3% to ₹101.5 crore with EBITDA margins expected to decline 30 bps to 7.7% on a YoY. Adjusted PAT is expected to decline by 21% to₹67.2 crore partly impacted by tax adjustment in base quarter.
Timken India	Improvement in mobility & industrial segment, sustained growth in railway and green shoots in CV demand should aid Timken India's Q3FY21E performance. For Q3FY21E, we expect Timken's revenue at ₹413.2 crore, up 10.7% YoY. Further we expect Timken to post an EBIDTA margin of 21.3% in Q3FY21E vs 22.5% in Q3FY20. However, it is important to note that the margins in Q3FY20 were on the higher side of the spectrum of margins posted by Timken. Further we expect PAT to decline 36.4% YoY to ₹53.8 crore (Negative tax charge in Q3FY20, hence the decline in PAT on a YoY basis).
Cochin Shipyard	For Q3FY21, we expect Cochin shipyard to post revenue at ₹930 crore, up 3.8% YoY & 41% QoQ. We expect a sequential jump in performance as Q2 was impacted led by non-availability of service engineers. EBIDTA is expected at ₹₹200.4 crore, up 1% YoY with an entailing margin of 21.6% vs 22.1% YoY. Ensuing PAT is expected to come at ₹162.9 crore, down 5% YoY after assuming a tax rate of 28%. Tax rate in Q3FY20 stood at 25.5%.

Source: Company, ICICI Direct Research

Exhibit 5: Company Specific Views: (Power)

Company	Remarks
NTPC	In terms of capacity addition, the company has commercially operationalised 800 MW. It also commenced operations of a captive coal mine. NTPC is expected to report flattish generation growth of 1.8% in Q3FY21E at 61.8 billion units (BUs). On the other hand, energy sold is likely to witness growth of 2.1% YoY at 57.5 BUs. We build in tariffs at ₹ 4.1/Kw/hr while fuel cost is estimated at ₹ 2.05 per unit. We expect revenues to grow 0.2% YoY to ₹ 23554.5 crore whereas EBITDA is expected to grow 4.5% YoY to ₹ 7287 crore in Q3FY21. PAT is expected to grow 3.9% YoY to ₹ 3113.6 crore. Key monitorable would be the working capital situation in terms of outstanding dues from SEBs
CESC	CESC is expected to report a 1.2% YoY decline in gross generation at 121 crore units in Q3FY21E. The overall energy sold is estimated to grow 4.6% YoY to 221.7 crore units. We build in tariffs of ₹ 7.8/kWHR and, hence, expect revenues at ₹ 1729.3 crore, up 4.9% YoY. Consequently, we expect PAT at ₹179.6 crore, up 2.1% YoY. Key monitorable would be performance of Dhariwal Infra and loss containment at various distribution franchisees

Source: Company, ICICI Direct Research

Exhibit 6: ICICI Direct coverage universe (Capital Goods)

Company	CMP			M Cap	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating	(₹Cr)	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
L&T (LARTOU)	1367	1,045	Hold	191817	49.6	61.5	42.1	27.6	22.2	32.5	7.5	3.8	7.5	13.2	15.2	9.8
AIA Engineering (AIAENG)	2007	1,785	Hold	18930	62.6	52.0	61.5	32.1	38.6	32.6	18.7	15.1	16.1	15.9	12.1	12.9
Thermax (THERMA)	980	810	Hold	11677	17.8	12.5	27.0	55.0	78.6	36.3	12.0	7.6	13.1	7.0	5.5	10.0
KEC International (KECIN)	364	410	Buy	9358	22.0	19.9	29.4	16.5	18.3	12.4	22.3	18.2	22.3	20.2	16.2	19.9
Greaves Cotton (GREAVE)	97	75	Hold	2117	6.8	1.0	5.2	14.4	94.8	18.6	22.2	7.5	17.9	16.3	5.7	13.2
Elgi Equipment (ELGEQU)	182	190	Buy	5768	1.3	2.9	4.4	135.4	63.3	41.7	6.5	11.4	15.3	5.5	11.2	15.0
Bharat Electronics (BHAELE)	132	170	Buy	41422	7.4	6.9	8.2	17.9	19.1	16.2	25.1	22.3	24.0	18.2	15.9	17.3
Cochin Shipyard (COCSHI)	393	435	Buy	5172	48.5	33.1	48.4	8.1	11.9	8.1	17.6	12.8	15.9	17.1	11.1	14.7
SKF (SKFIND)	1857	1,615	Hold	9179	58.5	34.5	64.6	31.7	53.8	28.7	20.3	16.8	26.9	15.2	12.5	20.1
Timken India (TIMIND)	1320	1,235	Hold	9932	32.7	21.5	31.2	40.4	61.4	42.3	18.6	15.4	19.4	15.6	11.9	14.8
NRB Bearing (NRBBEA)	112	110	Buy	1078	3.3	4.1	7.4	33.9	27.3	15.1	8.7	10.3	15.4	7.0	8.2	13.2

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

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

ANALYST CERTIFICATION

I/We, Chirag Shah PGDBM; Amit Anwani, MBA (Finance), Aadil Khan PGDM (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 is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst 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.

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 icicidirect.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.