

## EV stake sale unlocks value; indicative of potential

**About the stock:** Tata Motors (TML) is an auto OEM from the house of Tatas, operating in domestic (PV, CV) as well as global markets (Jaguar Land Rover i.e. JLR)

- JLR is a luxury car brand, which includes two prominent names i.e. Jaguar (models like I-pace, etc.) & Land Rover (models like Defender, Evoque, etc)
- FY21 consolidated revenue mix – JLR 78%, India CV ~13%, India PV ~7%

### Company Update:

- TML has raised US\$1 billion (~₹ 7,500 crore) via 11-15% stake sale (exact quantum dependent upon meeting of revenue thresholds) in its India EV business (EVCo) to TPG Rise (TPG Rise Climate Fund; ADQ is co investor)
- The implied valuation of EVCo is pegged at US\$6.7 – 9.1 billion
- EVCo will invest >US\$2 billion (i.e. >₹ 16,000 crore) over the next five years in products, platforms, drive trains, dedicated EV manufacturing, charging infrastructure and advanced technologies. Committed to 10 EVs by FY26

**What should investors do?** TML's stock price has underperformed Nifty Auto index in past five years, having de-grown at ~5% CAGR (~₹ 555 in October 2016).

- We maintain **BUY** on EV proactiveness and continued deleveraging focus

**Target Price and Valuation:** The transaction unlocks EV business value and demonstrates the future potential of the changing technology landscape in mobility. We value TML at a revised target price of ₹ 515 on SOTP basis vs. ₹ 450 earlier (15x, 3.3x FY23E EV/EBITDA on India, JLR businesses, respectively). We slightly revise India PV, JLR volume estimates and arrive at ₹ 90/share value for EVCo assuming 15% stake sale @₹ 7,500 crore (conservatively) and 20% holding company discount.

### Key triggers for future price performance:

- We expect 20.8% FY21-23E revenue CAGR backed by 16.2% volume CAGR; margins seen at 14.7% in FY23E along with RoE of 20%
- Continued proactive measures towards electrification
- Deleveraging progress (FY21 net automotive debt at ~₹ 41,000 crore)

**Alternate Stock Idea:** Apart from TML, in our OEM coverage we also like M&M.

- Focused on prudent capital allocation, UV differentiation & EV proactiveness
- BUY with target price of ₹1,000

**TATA MOTORS**  
Connecting Aspirations

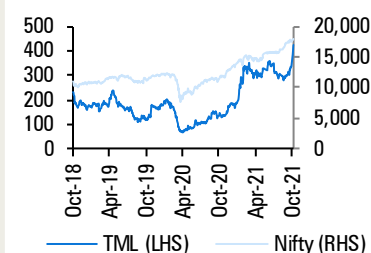
### Particulars

Particular	₹ crore
Market Capitalization	1,60,818
Total Debt (FY21)	1,35,905
Cash and Investments (FY21)	65,844
EV (FY21)	2,30,879
52 week H/L (₹)	436 / 126
Equity capital (₹ crore)	765.8
Face value (₹)	2.0

### Shareholding pattern

	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	42.4	42.4	46.4	46.4
FII	15.8	15.6	13.8	14.3
DII	13.1	12.6	11.9	11.5
Other	28.7	29.4	27.9	27.8

### Price Chart



### Recent event & key risks

- Sells 11-15% stake in EVCo pegging its valuation at US\$ 7-9B
- Key Risk:** (i) Slip up in maintaining product offering-capex need balance on EVs, (ii) Delay in outlined debt, FCF plans

### Research Analyst

Shashank Kanodia, CFA  
shashank.kanodia@icicisecurities.com

Jaimin Desai  
jaimin.desai@icicisecurities.com

### Key Financial Summary

Key Financials	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	2 year CAGR (FY21-23E)
Net Sales	3,01,938.4	2,61,068.0	2,49,794.8	-1.9%	3,01,135.4	3,64,669.8	20.8%
EBITDA	29,794.8	23,914.1	35,782.0	-3.1%	38,624.6	53,733.3	22.5%
EBITDA Margins (%)	9.9	9.2	14.3		12.8	14.7	
Net Profit	(28,724.2)	(11,975.4)	(13,395.0)	PL	(977.6)	13,878.1	LP
EPS (₹)	(79.8)	(33.3)	(35.0)		(2.6)	36.2	
P/E	(5.3)	(12.6)	(12.0)		(164.5)	11.6	
RoNW (%)	(47.3)	(18.7)	(23.6)		(1.8)	19.9	
RoCE (%)	3.7	1.3	6.3		7.1	14.6	

Source: Company, ICICI Direct Research

## Other details and conference call highlights

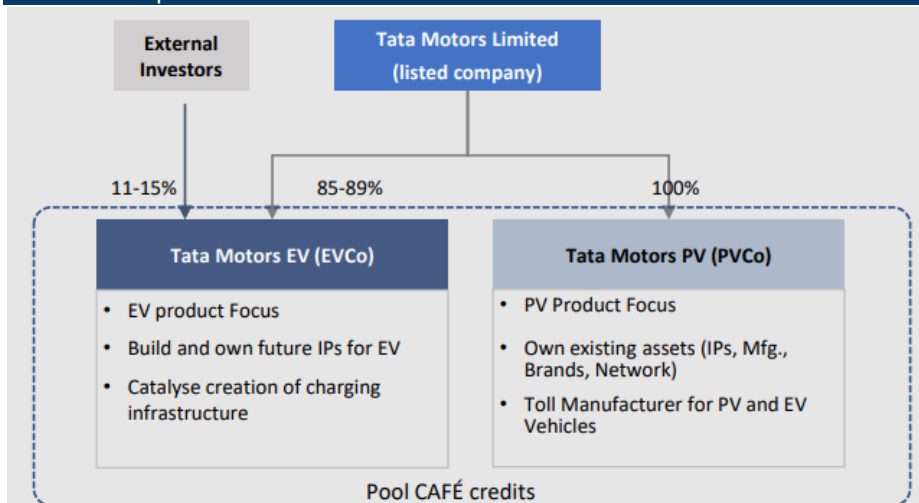
### Other details of the stake sale

- EVCo will be incorporated as a separate wholly owned subsidiary
- The deal values EVCo between US\$6.7 billion and 9.1 billion (~₹ 50,250–68,250 crore), with 50% of ₹ 7,500 crore to be paid by March 2022 and the rest by end-CY22E. EVCo will issue compulsorily convertible preference shares (CCPS) to the investors in lieu of the investment at a nominal coupon rate. These CCPS are due to conversion in equity shares post FY27E
- EVCo is envisaged as an asset light company and will pay manufacturing and licensing fees to TML’s India PV business for ‘toll manufacturing’ and usage of brand names, respectively
- TPG Rise will have representation on the EVCo board of directors

### Takeaways and highlights from analyst conference call

- India EV industry volumes are expected to grow 2.5-2.7x YoY to ~15-16,000 units in FY22E
- While Nexon EV continues to lead industry with 70%+ market share, demand-supply gap for it has only extended as CY21 has progressed
- TML will introduce 10 EVs in India by FY26 and aims to continue to be the market leader in this sunrise space
- Total cost of ownership (TCO) parity with ICE will be tipping point for EVs
- **TML expects EV penetration to be in early double digit territory for PV industry in next 5 years; with TML’s own penetration seen at >20%**
- **Present EVCo revenues are at ~₹ 500-600 crore. It is aiming for EBITDA breakeven next year and for FCF positive status after three to four years. EVCo contribution margins are similar to India PV business**
- TML remains open to collaboration for India PV business
- Final EVCo stake sale quantum is linked to revenue generation by FY27E
- Going forward, the company will look to localise battery cells (already localised battery packs)
- “Born EV” products are being considered for next seven new launches
- **Cost reduction via lower battery prices and higher localisation is expected to offset any possible EV subsidy withdrawal in next two to three years**
- No PV business assets or liabilities are set to move into EVCo

Exhibit 1: Proposed India PV & EV structure



Source: Company, ICICI Direct Research

**Exhibit 2: TML EV offerings**



Source: Company, ICICI Direct Research

**Exhibit 3: TML aggressive push towards electrification**

**TML to take the lead in accelerating this exciting journey**

**TATA MOTORS**  
Connecting Aspirations

	<b>Product</b>	<ul style="list-style-type: none"> <li>Expand portfolio of offering India specific products with different body styles and driving ranges ( 10 EVs by FY26)</li> <li>Transition to Modular Multi-energy platform from Conversion EVs</li> </ul>
	<b>Sales &amp; Marketing</b>	<ul style="list-style-type: none"> <li>Expand beyond existing micro-markets ( 100+ cities , 255 touchpoints in FY22)</li> <li>Continue brand building for awareness creation and driving aspiration</li> <li>Increase options to access Tata EVs (e.g Subscription)</li> <li>Drive superior customer experience through digital tool and experience centres</li> </ul>
	<b>Capability building</b>	<ul style="list-style-type: none"> <li>Drive deeper localization ( localization of Tier-1 &amp; Tier 2 components)</li> <li>Build center of competence</li> </ul>
	<b>Ecosystem Development:</b>	<ul style="list-style-type: none"> <li>Expand Tata UniEVerse to offer holistic solutions to customers ( Charging, financing, options to access TML EVs etc)</li> <li>Operationalising plan on battery reuse, repurpose and recycle</li> </ul>

Source: Company, ICICI Direct Research

**Exhibit 4: TML EV localisation targets, going forward**

<p><b>FY21</b></p> <p><b>~60%</b></p> <p>localization</p> <ul style="list-style-type: none"> <li>• BIW</li> <li>• Battery Pack</li> <li>• E-Drive</li> <li>• Inverter</li> <li>• DC-DC Converter</li> <li>• Compressor</li> </ul>		<p><b>FY25</b></p> <p><b>&gt;85%</b></p> <p>localization</p> <ul style="list-style-type: none"> <li>• BMS</li> <li>• Deeper localization of Battery pack</li> <li>• E-Drive</li> <li>• Inverter</li> <li>• Integrated Electronics</li> </ul>
---	--	--

Source: Company, ICICI Direct Research

**Exhibit 5: SOTP valuation**

Particulars	Parameters	EBITDA	Multiple	Per Share Equity Value
Tata Motors Core business	FY23E EV/EBITDA	6,532	15.0	225
JLR	FY23E Adj EV/EBITDA	37,722	3.3	180
India EV business	15% stake sale; 20% holdco discount	7,500	NA	90
Other Investments	3x P/B on FY21	2,369	3.0	20
<b>Total value per share</b>				<b>515</b>

Source: ICICI Direct Research

## Financial Summary

Exhibit 6: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Total operating Income</b>	<b>2,61,068</b>	<b>2,49,795</b>	<b>3,01,135</b>	<b>3,64,670</b>
Growth (%)	-13.5	-4.3	20.6	21.1
Raw Material Expenses	1,67,131	1,58,291	1,96,171	2,39,098
Employee Expenses	30,439	27,648	32,080	32,536
Marketing Expenses	57,087	40,922	49,529	54,333
Capitalised Expenses	-17,503	-12,849	-15,269	-15,031
Total Operating Expenditure	2,37,154	2,14,013	2,62,511	3,10,937
<b>EBITDA</b>	<b>23,914</b>	<b>35,782</b>	<b>38,625</b>	<b>53,733</b>
Growth (%)	-19.7	49.6	7.9	39.1
Product development Exp	4189	5227	6285	6625
Depreciation	21425	23547	24844	25527
Interest	7243	8097	8494	8025
Other Income	2973	2643	2650	2703
<b>PBT</b>	<b>(3,520)</b>	<b>8,513</b>	<b>7,922</b>	<b>22,884</b>
Minority Interest	0	0	0	0
Total Tax	395	2542	2586	3252
<b>Reported PAT</b>	<b>(11,975)</b>	<b>(13,395)</b>	<b>(978)</b>	<b>13,878</b>
Growth (%)	-58.3	NM	LP	-1,519.7
<b>EPS (₹)</b>	<b>(33.3)</b>	<b>(35.0)</b>	<b>(2.6)</b>	<b>36.2</b>

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit after Tax	(11,975.4)	(13,395.0)	(977.6)	13,878.1
Add: Depreciation	21,425	23,547	24,844	25,527
(Inc)/dec in Current Assets	6,254	-6,045	-11,350	-15,243
Inc/(dec) in CL and Provisions	-6,111	9,999	9,396	24,406
Others	11,743	21,444	3,494	8,025
<b>CF from operating activities</b>	<b>21,336</b>	<b>35,549</b>	<b>25,406</b>	<b>56,594</b>
(Inc)/dec in Investments	-538	-8,312	7,250	-5,750
(Inc)/dec in Fixed Assets	-41,007	-33,809	-26,000	-23,000
Others	5,230	4,317	-2,479	3,352
<b>CF from investing activities</b>	<b>(36,315)</b>	<b>(37,803)</b>	<b>(21,229)</b>	<b>(25,398)</b>
Issue/(Buy back) of Equity	40	46	0	0
Inc/(dec) in loan funds	12,635	17,094	0	-15,000
Dividend paid & dividend tax	0	0	0	0
Inc/(dec) in Sec. premium	2,984	3,424	0	0
Others (incl finance costs)	397	-5,244	-8,494	-8,025
<b>CF from financing activities</b>	<b>16,057</b>	<b>15,320</b>	<b>(8,494)</b>	<b>(23,025)</b>
Net Cash flow	1,078	13,066	-4,317	8,170
Opening Cash	32,649	33,727	46,792	42,476
<b>Closing Cash</b>	<b>33,727</b>	<b>46,792</b>	<b>42,476</b>	<b>50,646</b>

Source: Company, ICICI Direct Research

Exhibit 8: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Liabilities</b>				
Equity Capital	720	766	766	766
Reserve and Surplus	61,492	54,481	53,503	67,382
Others	1,681	1,574	1,574	1,574
<b>Total Shareholders funds</b>	<b>63,892</b>	<b>56,820</b>	<b>55,843</b>	<b>69,721</b>
Total Debt	1,18,811	1,35,905	1,35,905	1,20,905
Deferred Tax Liability	1,942	1,556	1,876	2,271
Long term provisions	14,737	13,607	13,392	16,218
Minority Interest / Others	18,595	21,095	22,419	27,149
<b>Total Liabilities</b>	<b>2,17,976</b>	<b>2,28,982</b>	<b>2,29,434</b>	<b>2,36,264</b>
<b>Assets</b>				
Gross Block	3,11,583	3,46,703	3,82,703	4,10,703
Less: Acc Depreciation	1,85,252	2,08,799	2,33,643	2,59,170
Net Block	1,26,330	1,37,904	1,49,060	1,51,533
Capital WIP	35,622	20,964	15,964	10,964
<b>Total Fixed Assets</b>	<b>1,61,952</b>	<b>1,58,868</b>	<b>1,65,024</b>	<b>1,62,497</b>
Investments	16,308	24,620	17,370	23,120
Inventory	37,457	36,089	42,901	51,953
Debtors	11,173	12,679	14,851	17,984
Loans and Advances	935	1,749	2,109	2,554
<b>Cash</b>	<b>33,727</b>	<b>46,792</b>	<b>42,476</b>	<b>50,646</b>
Total Current Assets	1,08,726	1,27,836	1,34,870	1,58,284
Creditors	63,627	68,180	74,253	89,919
Provisions	10,329	12,848	13,992	16,945
Total Current Liabilities	1,04,145	1,14,143	1,23,540	1,47,946
<b>Net Current Assets</b>	<b>4,581</b>	<b>13,693</b>	<b>11,330</b>	<b>10,337</b>
Deferred Tax Asset	5,458	4,520	5,449	6,599
<b>Application of Funds</b>	<b>2,17,976</b>	<b>2,28,982</b>	<b>2,29,434</b>	<b>2,36,264</b>

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios				
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Per share data (₹)</b>				
EPS	-33.3	-35.0	-2.6	36.2
Cash EPS	26.3	26.5	62.3	102.9
BV	177.6	148.4	145.8	182.1
DPS	0.0	0.0	0.0	0.0
Cash Per Share	123.9	172.0	134.6	157.2
<b>Operating Ratios</b>				
EBITDA Margin (%)	9.2	14.3	12.8	14.7
PBT / Net sales (%)	1.0	4.9	4.6	7.7
PAT Margin (%)	-4.6	-5.4	-0.3	3.5
Inventory days	52.4	52.7	52.0	52.0
Debtor days	15.6	18.5	18.0	18.0
Creditor days	89.0	99.6	90.0	90.0
<b>Return Ratios (%)</b>				
RoE	-18.7	-23.6	-1.8	19.9
RoCE	1.3	6.3	7.1	14.6
RoIC	2.4	11.4	10.9	23.2
<b>Valuation Ratios (x)</b>				
P/E (adjusted)	NM	NM	NM	8.4
EV / EBITDA	9.8	6.5	6.3	4.1
EV / Net Sales	0.9	0.9	0.8	0.6
Market Cap / Sales	0.6	0.6	0.5	0.4
Price to Book Value	2.4	2.8	2.9	2.3
<b>Solvency Ratios</b>				
Debt/EBITDA	5.0	3.8	3.5	2.3
Debt / Equity	1.9	2.4	2.4	1.7
Current Ratio	0.6	0.6	0.6	0.6
<b>Quick Ratio</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

Source: Company, ICICI Direct Research

Exhibit 10: ICICI Direct coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP	TP	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)			FY21P	FY22E	FY23E	FY21P	FY22E	FY23E	FY21P	FY22E	FY23E	FY21P	FY22E	FY23E	FY21P	FY22E	FY23E
Apollo Tyre (APOTYR)	239	275	Buy	15,178	5.5	10.2	16.6	43.3	23.4	14.4	7.1	7.3	5.3	7.6	6.1	9.1	6.4	5.5	8.4
Ashok Leyland (ASHLEY)	139	160	Buy	40,687	-1.1	0.4	4.6	-130.1	314.3	29.9	81.6	36.4	15.0	-1.9	3.2	16.5	-4.4	1.9	17.7
Bajaj Auto (BAAUTO)	3,978	4,275	Hold	1,15,111	157.4	167.7	193.6	25.3	23.7	20.5	18.9	17.6	14.8	18.2	19.3	22.5	18.1	18.9	21.4
Balkrishna Ind. (BALIND)	2,591	2,825	Buy	50,088	59.8	67.0	78.4	43.4	38.7	33.0	28.3	24.8	21.5	19.3	19.9	21.0	19.2	18.7	19.0
Bharat Forge (BHAFFOR)	790	1,000	Buy	36,780	-2.7	17.2	25.1	NM	46.0	31.5	45.5	21.5	16.8	2.2	9.3	12.7	3.3	14.0	16.8
Eicher Motors (EICMOT)	2,908	2,920	Hold	79,476	49.3	64.9	96.4	59.0	44.8	30.2	40.3	31.1	21.2	11.3	13.7	17.8	11.8	14.0	18.0
Escorts (ESCORT)	1,516	1,360	Hold	18,583	71.2	67.7	78.2	21.3	22.4	19.4	13.8	14.8	12.3	18.7	14.7	15.1	16.2	13.6	13.8
Hero Moto (HERHON)	2,916	3,115	Hold	58,233	148.4	155.9	188.8	19.6	18.7	15.4	12.4	11.7	9.5	20.8	20.1	22.3	19.5	18.6	20.3
M&M (MAHMAH)	890	1,000	Buy	1,10,645	2.3	33.6	39.1	395.3	26.5	22.8	16.5	15.5	13.6	9.5	9.8	10.9	2.7	10.9	11.4
Maruti Suzuki (MARUTI)	7,693	6,400	Reduce	2,32,390	140.0	153.1	228.5	54.9	50.2	33.7	35.4	29.6	20.2	4.3	5.9	9.5	8.2	8.5	11.7
Minda Industries (MININD)	769	835	Buy	21,963	7.6	10.7	19.4	101.2	71.8	39.6	31.4	25.3	18.0	9.1	10.3	15.9	9.2	9.5	14.8
Motherson (MOTSUM)	245	280	Buy	77,369	3.3	5.5	9.3	NM	44.3	26.3	17.0	12.2	8.8	6.7	12.6	19.9	8.8	12.9	19.4
Tata Motors (TATMOT)	420	515	Buy	1,60,818	-35.0	-2.6	36.2	NM	-164.5	11.6	6.5	6.3	4.1	6.3	7.1	14.6	-23.6	-1.8	19.9

Source: Company, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavors 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, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)**

## ANALYST CERTIFICATION

I/We, Shashank Kanodia, CFA, MBA (Capital Markets) and Jaimin Desai, CA, 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](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 and its analysts, persons reporting to analysts and their relatives are generally prohibited 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 and ICICI Securities as a entity 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.