

Lower volumes more than offset by reduced costs...

Ambuja Cements recorded a strong operating performance (standalone) with EBITDA margin expansion of 389 bps YoY to 27.3%. In spite of complete lockdown in April, volume decline of 28% YoY was more than offset by lower costs, which fell 30.6% YoY. Revenues for the quarter were at ₹ 2177 crore (vs. I-direct estimate of ₹ 2091 crore). Sales volumes declined 28% YoY to 4.19 MT (vs. I-direct estimate of 4.08 MT), realisations improved sharply by 6.0% QoQ to ₹ 5195/t (vs. I-direct estimate of ₹ 5,121/t) mainly due to a firm pricing environment. EBITDA margins expanded 389 bps YoY to 27.3% (far ahead of I-direct estimate of 18.9%). EBITDA expansion was driven by better realisations, enhanced focus on supply chain management, contract negotiations and fuel efficiencies that helped addressing the impact of lower volumes. Other income was also up 231% YoY to ₹ 192 crore as it included dividend income of ₹ 132 crore from ACC that led to net profit growth of 10% YoY to ₹ 453 crore (vs. I-direct estimate: ₹ 217 crore).

Topline growth to revive from CY21

Ambuja Cement remains the fourth largest cement player in individual capacity terms with 29.7 MT spread across North, Central (40%), West, South (37%) and eastern region (23%) in India. However, combined with ACC, the Holcim group stays second largest cement player in India. Despite the strong position, the company has been unable maintain its market share over the past five years. While all-India cement dispatches grew at a CAGR of 4.4%, the company managed to grow dispatches at 2.7% CAGR in CY15-19. Ambuja is adding new capacity at Marwar to address growth concerns. However, the same is not enough to capture the lost market share. The new capacity will likely get commissioned by Q1CY21E. Thus, volume growth is expected to revive only from CY21E while CY20E would remain challenging due to Covid pandemic. We model 14.6% decline, 24.4% growth in volumes in CY20E, CY21E, respectively. Thus, we expect revenues to decline 13% in CY20E and grow 23% in CY21E to ₹ 12,535 crore.

Margin profile, liquidity to remain firm

The average CoP of Ambuja has remained broadly in line with the industry average helping the company to maintain healthy margins aided by trade mix. Further, being conservative on the expansion front, the company's liquidity profile remains superior compared to the industry. While Ambuja has undertaken capacity expansions, a strong cash buffer would not lead to any compromise on the balance sheet strength.

Valuation & Outlook

Although the company has managed to offset the lower business through cost control, it would continue to remain a laggard in terms of gaining market share and growth in the long run. After the recent run-up in the stock price, we now downgrade the stock to **HOLD** with a revised target price of ₹ 211 (implying a consolidated EV/t of \$110, 9.5x CY21E EV/EBITDA).



Stock Data

Particular	Amount
Market cap	₹ 39912 crore
Debt (CY19)	₹ 72 crore
Cash & Invest (CY19)	₹ 4699 crore
EV	₹ 35284 crore
52 week H/L	₹ 240 / 136
Equity capital	₹ 397.1 crore
Face value	₹ 2

Key Highlights

- Topline decline driven mainly by drop in volumes
- Firm pricing and stricter cost control helped company to achieve highest ever margin of over 27% after CY12
- Return ratios to improve led by higher operating profits
- Downgrade from BUY to HOLD with a target price of ₹ 211 (earlier: ₹ 195)

Research Analyst

Rashesh Shah
rashes.shah@icicisecurities.com

Key Financial Summary

Key Financials	CY17	CY18	CY19	CY20E	CY21E	CAGR (CY19-21E)
Net Sales	10,447	11,357	11,668	10,175	12,535	3.6%
EBITDA	1,940	1,891	2,149	2,380	2,850	15.2%
EBITDA (%)	18.6	16.7	18.4	23.4	22.7	
PAT	1,250	1,245	1,529	1,553	1,810	8.8%
EPS (₹)	6.3	6.3	7.7	7.8	9.1	
EV/EBITDA - Adjusted	13.4	13.3	11.0	10.9	8.8	
EV/T (\$) - Consolidated	113	113	109	114	100	
RoNW (%)	8.6	8.4	10.0	9.4	10.9	
RoCE (%)	11.3	11.4	13.2	13.4	15.4	

Exhibit 1: Variance Analysis (Standalone)

	Q2CY20	Q2CY20E	Q2CY19	YoY(%)	Q1CY20	QoQ(%)	Comments
Net Sales	2,177	2,091	2,978	-26.9	2,828	-23.0	Volumes de-grew 28.7% YoY while realisations were up 2.4% YoY
Other Incomes	192	60	58	231.6	88	118.0	
Raw Material Expenses	187	196	259	-27.6	290	-35.6	Cost of flyash and gypsum helped to control RM cost per tonne
Employee Expenses	149	172	169	-11.5	172	-13.2	
Change in stock	44.4	0.0	33.2	N.A	-39.0	N.A	
Power and fuel	414	394	609	-32.0	562	-26.4	
Freight	503	535	740	-32.0	742	-32.2	
Others	283	400	470	-39.8	496	-42.9	
EBITDA	595	394	698	-14.8	603	-1.3	Better realisations, lower fuel costs along with savings in logistics on account of re-negotiations with contracts led to margin expansion
EBITDA Margin (%)	27.3	18.9	23.4	389 bps	21.3	601 bps	
Interest	18	27	21	-12.3	23	-20.8	
Depreciation	129	139	131	-1.5	138	-6.5	
PBT	640	288	605	5.9	530	20.7	
Total Tax	186.8	71.3	192.6	-3.0	131.3	42.3	
Adjusted PAT	453	217	412	10.0	399	13.6	
Key Metrics							
Volume (MT)	4.19	4.08	5.87	-28.6	5.77	-27.4	
Realisation (₹)	5,195	5,121	5,074	2.4	4,900	6.0	
EBITDA per Tonne (₹)	1,421	966	1,190	19.4	1,045	35.9	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	CY20E			CY21E			
	Old	New	% Change	Old	New	% Change	
Revenue	10,260	10,175	-0.8	12407	12,535	1.0	
EBITDA	1,760	2,386	35.6	2518	2,850	13.2	Firm pricing and tight cost control as visible in Q2CY20 should led to far better margin profile, going forward
EBITDA Margin (%)	17.2	23.4	629 bps	20.3	22.7	244 bps	

Source: Company, ICICI Direct Research

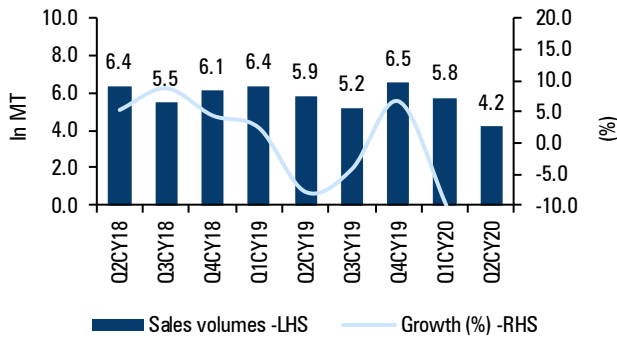
Exhibit 3: Key assumptions

	Current				Earlier	
	CY18	CY19	CY20E	CY21E	CY20E	CY21E
Volume (MT)	24.2	24.0	20.5	25.5	21.7	25.5
Realisation (₹)	4,697	4,860	4,962	4,913	4,721	4,862
EBITDA per Tonne (₹)	782	895	1,151	1,117	828	987

Source: Company, ICICI Direct Research

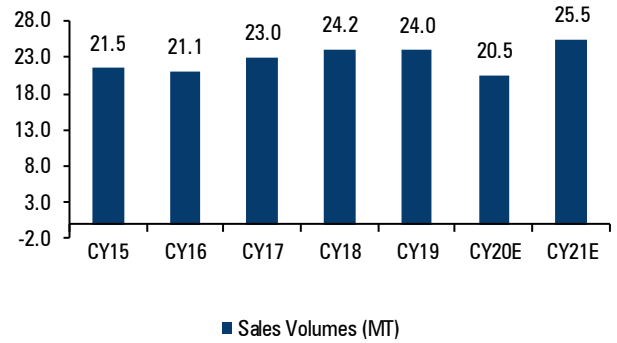
Financial story

Exhibit 4: Sales volumes decline 28.6% YoY



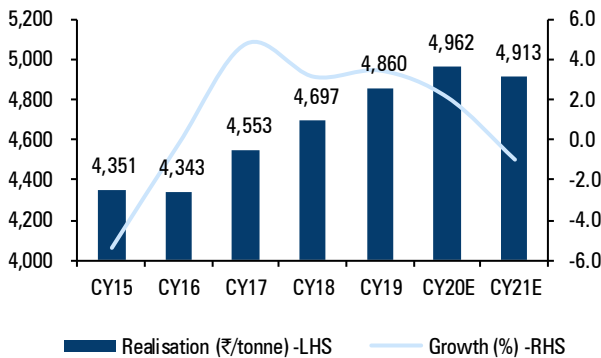
Source: Company, ICICI Direct Research

Exhibit 5: Volumes to grow at 3.1% CAGR over CY19-21E



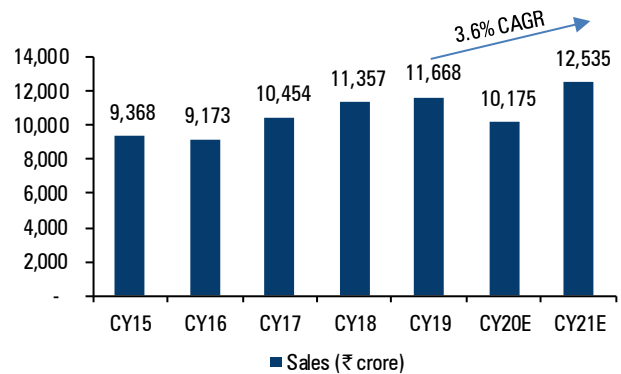
Source: Company, ICICI Direct Research

Exhibit 6: Realisations to rebound in CY20E, moderate in CY21E with pick-up in volumes



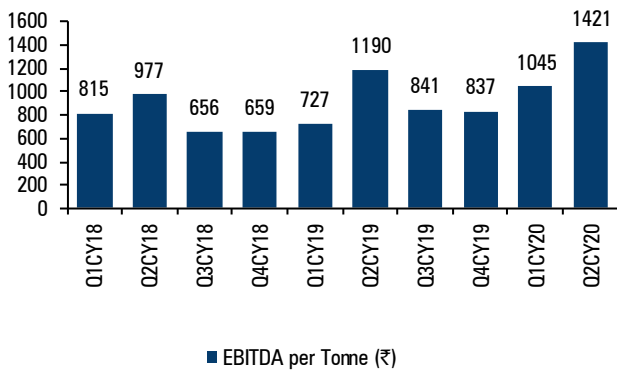
Source: Company, ICICI Direct Research

Exhibit 7: Revenue growth expected at 3.6% CAGR CY19-21E



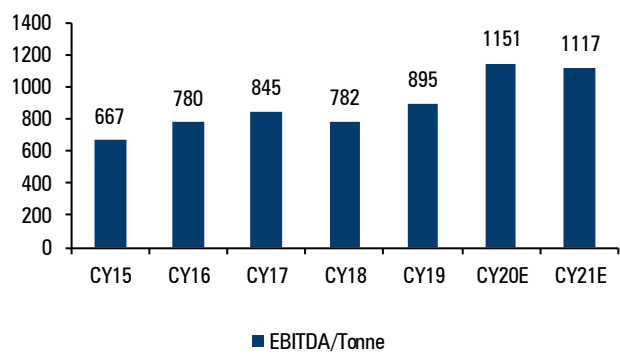
Source: Company, ICICI Direct Research

Exhibit 8: EBITDA/t for Q2CY20 grows 19.4% YoY



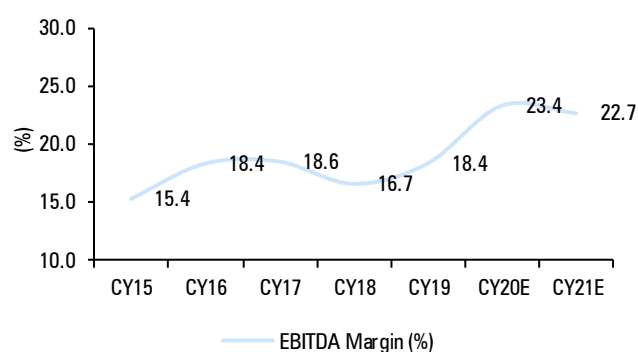
Source: Company, ICICI Direct Research

Exhibit 9: EBITDA/t to stay healthy led by better pricing



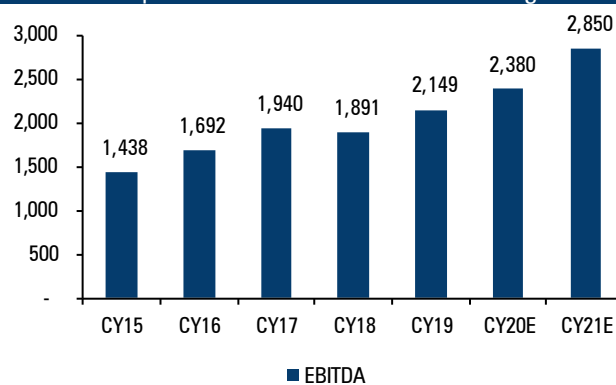
Source: Company, ICICI Direct Research

Exhibit 10: Margins to rebound in CY20E, moderate in CY21E



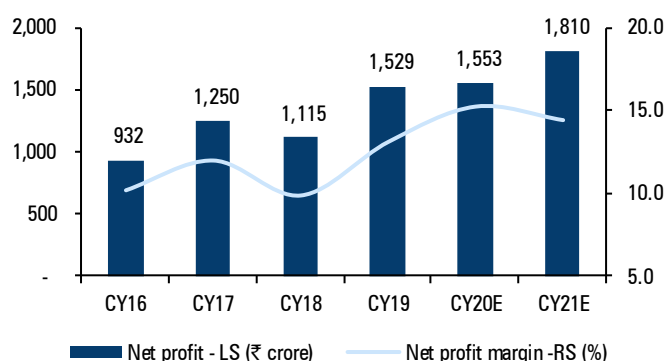
Source: Company, ICICI Direct Research

Exhibit 11: Expect EBITDA CAGR of 15.2% during CY19-21E



Source: Company, ICICI Direct Research

Exhibit 12: PAT to remain flattish in CY20; to rebound in CY21E owing to expansion and better utilisations



Source: Company, ICICI Direct Research

Exhibit 13: Capacity expansion plans

Particulars	Capacity (MT)
Existing Grinding capacity(MT)	29.7
Ongoing expansion:	
Marwar, Rajasthan (3.1 MT clinker capacity)	1.8
Total	1.8
Total capacity by CY20E (MT)	31.5

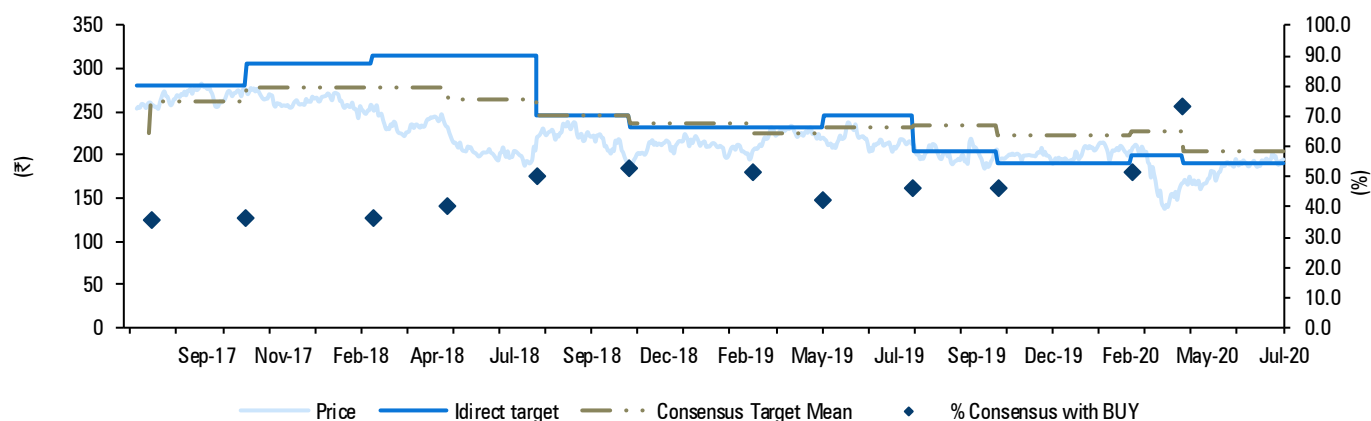
Source: Company, ICICI Direct Research

Exhibit 14: Fair value calculation - SOTP

Fair value calculation	in ₹ crore
EBITDA Estimates CY21E	2850
Target EV/EBITDA	10
Target Enterprise value	27076
Debt	72
Balance Cash and cash equivalents	4217
Target equity value	31221
No. of shares outstanding	199
Fair value of Ambuja [A]	157
ACC's fair equity valuation	27231
Valuation of 50% stake [B]	13616
Holding company discount	20%
Net value to Ambuja	10892
No. of shares outstanding	199
Fair value of Investment in ACC [B]	54
Fair value per share [A+B]	211

Source: Company, ICICI Direct Research

Exhibit 15: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 16: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S Position	Position (m)	Change
1	Holderind Invst	31-Mar-20	63.1	1,253.16m	0.00m
2	Life Insurance	31-Mar-20	3.9	77.79m	(17.89)m
3	Hdfc Asset Ma	30-Jun-20	3.7	72.92m	(3.50)m
4	Republic Of Sir	31-Mar-20	2.1	42.49m	(0.14)m
5	Vanguard Grou	30-Jun-20	1.3	26.13m	(2.27)m
6	Nomura	20-Jul-20	1.2	24.58m	(0.00)m
7	Sbi Funds Mar	30-Jun-20	1.0	19.14m	0.14m
8	Blackrock	17-Jul-20	0.9	17.27m	(4.32)m
9	Jpmorgan Cha:	31-Mar-20	0.8	15.41m	(6.40)m
10	Uti Asset Man:	30-Jun-20	0.6	11.09m	1.14m

Source: Reuters, ICICI Direct Research

Exhibit 17: Shareholding Pattern

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	63.45	63.42	63.39	63.28	63.27
FII	17.67	17.04	16.38	15.66	16.25
DII	11.24	12.66	13.27	14.16	13.60
Others	7.64	6.88	6.96	6.90	6.88

Source: Company, ICICI Direct Research

Financial summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end March)	CY18	CY19	CY20E	CY21E
Total operating Incom	11,356.8	11,667.9	10,174.7	12,535.0
Growth (%)	8.7	2.7	-12.8	23.2
Raw material	942.3	1125.5	983.7	1250.2
Power & Fuel	2549.0	2586.4	2018.6	2500.5
Employees	679.5	672.6	664.6	754.7
Freight	3277.6	3094.2	2498.9	3138.3
Others	2016.9	2040.3	1623.2	2041.2
Total Operating Exp.	9,465.3	9,519.0	7,788.9	9,684.9
EBITDA	1,891.5	2,148.9	2,385.8	2,850.1
Growth (%)	-2.1	13.6	11.0	19.5
Depreciation	548.1	543.8	556.2	623.9
Interest	82.3	83.5	95.1	208.0
Other Income	375.0	426.5	465.3	400.0
Exceptional items	130.0	0.0	0.0	0.0
PBT	1,506.1	1,948.1	2,199.8	2,418.2
Total Tax	391.1	419.5	640.9	608.7
PAT	1,115.0	1,528.6	1,558.8	1,809.6
Adjusted PAT	1,245.0	1,528.6	1,553.5	1,809.6
Growth (%)	-0.4	22.8	1.6	16.5
Adjusted EPS (₹)	5.6	7.7	7.8	9.1

Source: Company, ICICI Direct Research

Exhibit 20: Balance sheet				
	₹ crore			
(Year-end March)	CY18	CY19	CY20E	CY21E
Liabilities				
Equity Capital	397.1	397.1	397.1	397.1
Reserve and Surplus	20,615.4	21,808.1	22,432.2	23,312.5
Total Shareholders funds	21,012.5	22,205.2	22,829.4	23,709.6
Total Debt	48.1	71.7	71.7	71.7
Deferred Tax Liability	977.3	1,122.3	1,022.3	872.3
Total Liabilities	22,037.8	23,399.2	23,923.4	24,653.6
Assets				
Gross Block	13,420.2	14,112.9	14,411.6	17,581.6
Less: Acc Depreciation	7,756.6	8,300.4	8,856.6	9,480.5
Net Block	5,663.6	5,812.5	5,554.9	8,101.1
Capital WIP	610.0	1,108.7	2,760.0	90.0
Total Fixed Assets	6,273.6	6,921.2	8,314.9	8,191.1
Investments	11,813.8	11,789.0	11,789.0	11,789.0
Inventory	1,277.8	954.1	746.4	1,245.5
Debtors	470.3	513.2	323.1	707.2
Other assets	2,021.3	2,113.8	2,149.3	2,551.2
Cash	3,330.0	4,699.5	3,037.6	4,216.7
Total Current Assets	7,099.3	8,280.6	6,256.3	8,720.6
Creditors	2,403.1	2,673.8	2,065.1	3,429.7
Provisions	745.8	917.8	371.7	617.3
Total Current Liabilities	3,148.9	3,591.5	2,436.9	4,047.0
Net Current Assets	3,950.5	4,689.0	3,819.4	4,673.6
Application of Funds	22,037.8	23,399.2	23,923.4	24,653.6

Source: Company, ICICI Direct Research

Exhibit 19: Cash flow statement				
	₹ crore			
(Year-end March)	CY18	CY19	CY20E	CY21E
Profit after Tax	1,115.0	1,528.6	1,553.5	1,809.6
Add: Depreciation	548.1	543.8	556.2	623.9
(Inc)/dec in Current Assets	-613.8	188.3	362.4	-1,285.2
Inc/(dec) in CL and Provisions	-484.8	587.7	-1,254.7	1,460.2
CF from operating activit	564.5	2,848.3	1,217.4	2,608.4
(Inc)/dec in Investments	30.9	24.8	0.0	0.0
(Inc)/dec in Fixed Assets	-701.8	-1,191.3	-1,950.0	-500.0
Others				
CF from investing activit	-670.9	-1,166.6	-1,950.0	-500.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	15.0	23.7	0.0	0.0
Dividend paid & dividend tax	-929.3	-929.3	-929.3	-929.3
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0
Others	853.6	593.4	0.0	0.0
CF from financing activit	-60.7	-312.2	-929.3	-929.3
Net Cash flow	-167.1	1,369.5	-1,661.9	1,179.1
Opening Cash	3,497.1	3,330.0	4,699.5	3,037.6
Closing Cash	3,330.0	4,699.5	3,037.6	4,216.7

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
(Year-end March)	CY18	CY19	CY20E	CY21E
Per share data (₹)				
Adjusted EPS	5.6	7.7	7.8	9.1
Cash EPS	8.4	10.4	10.6	12.3
BV	105.8	111.8	115.0	119.4
DPS	4.0	4.0	4.0	4.0
Cash Per Share	16.8	23.7	15.3	21.2
Operating Ratios (%)				
EBITDA Margin	16.7	18.4	23.4	22.7
PAT Margin	9.8	13.1	15.3	14.4
Inventory days	37.4	34.9	30.5	29.0
Debtor days	12.5	15.4	15.0	15.0
Creditor days	79.1	79.4	85.0	80.0
Return Ratios (%)				
RoE	8.4	10.0	9.4	10.9
RoCE	11.4	13.2	13.4	15.4
RoIC	10.5	13.4	13.9	15.5
Valuation Ratios (x)				
P/E	32.1	26.1	25.7	22.1
EV / EBITDA	13.3	11.0	10.9	8.8
EV / Net Sales	3.2	3.0	3.6	2.9
Market Cap / Sales	3.5	3.4	3.9	3.2
Price to Book Value	1.9	1.8	1.7	1.7
Solvency Ratios				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.3	2.3	2.6	2.2
Quick Ratio	1.2	1.0	1.3	1.1

Source: Company, ICICI Direct Research

Exhibit 22: ICICI Direct coverage universe (Cement)

Company	CMP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			EV/EBITDA (x)			EV/Tonne (\$)			RoCE (%)			RoE (%)		
				FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
ACC*	1,390	HOLD	26,124	73	64	82	10.2	11.1	9.0	92	95	81	17.4	14.0	16.4	11.9	9.7	11.2
Ambuja Cem*	201	HOLD	39,912	7.7	7.8	9.1	11.0	10.9	8.8	109	114	100	13.2	13.4	15.4	10.0	9.4	10.9
UltraTech Cem	3,783	BUY	103,806	189	59	135	14.0	20.2	13.1	153	153	143	11.4	6.6	11.4	14.2	4.3	9.1
Shree Cement	21,350	BUY	77,038	435	223	453	20.9	27.4	19.7	226	214	212	13.8	7.7	13.4	12.1	6.0	11.1
Heidelberg Cem	180	BUY	4,079	11.8	8.7	12.7	8.2	10.9	8.1	110	96	94	22.3	19.0	26.2	20.4	16.6	22.1
JK Cement	1,440	HOLD	11,127	74.9	29.5	52.8	11.4	16.9	12.1	124	119	115	16.2	9.4	13.0	18.5	7.0	11.4
JK Lakshmi Cem	276	BUY	3,249	22.6	13.3	27.0	6.2	7.0	5.0	45	43	42	17.1	13.3	19.2	15.5	8.4	14.8
Star Cement	86	BUY	3,605	6.9	4.3	8.7	7.9	9.4	5.7	117	117	80	17.1	10.3	18.9	15.4	9.0	16.4
Ramco Cement	640	BUY	15,237	25.7	12.1	22.1	15.9	19.9	13.4	140	131	125	7.5	4.7	7.3	12.3	5.6	9.2
Sagar Cement	450	BUY	1,058	17.1	-4.7	10.8	8.3	15.6	9.9	38	40	32	7.2	1.7	5.1	4.2	-1.1	2.4

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

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

ANALYST CERTIFICATION

I/We, Rashesh Shah, 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 Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH00000990. ICICI Securities Limited SEBI Registration is INZ00183631 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, 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.