

Well placed to benefit from distillery volumes

Triveni Engineering (TEL) reported Q4FY21 results with 20.5% revenue de-growth. The decline was mainly due to a dip in sugar volumes impacted by lower domestic quota & delay in exports. Sugar segment revenue declined 27.6% with similar decline in sugar sales volumes. The company sold 2.74 lakh tonnes (lt) of sugar at realisation of ₹ 32.3/kg and is holding 4.7 lt of sugar at an average price of ₹ 30/kg. However, distillery revenue increased 57.9% led by 16.5% higher distillery volumes & 7.9% increase in realisation (due to higher proportion of B-heavy ethanol). The distillery volumes were 2.16 crore litre at average realisation of ₹ 57.3/litre. Gear business saw growth of 55.7% given base quarter was adversely impacted by Covid-19 lockdown. Water business continues to remain impacted by pandemic with delay in execution of projects. Operating profit saw de-growth of 11.9% mainly due to muted sugar segment sales. PAT dipped 38.2% to ₹ 85 crore on the back of higher tax provisioning. Total debt is lower by ₹ 576 crore to ₹ 958 crore. TEL generated operating cash flow of ₹ 739 crore in FY21.

Aggressive capacity addition; inventory reduction to aid profit

The company announced another distillery capacity addition of 140 KLD with the capex of ₹ 100 crore. This capacity will be commissioned in November 2022 and takes the total distillery capacity to 22 crore litre pa. Post this expansion, the company would be able to divert more than 80% of its sugarcane towards either B-heavy or sugarcane juice ethanol. We believe TEL would be able to sacrifice 1.5 lt of sugar in FY23E, which would help it reduce the sugar inventory to the reasonable levels. We estimate distillery revenue CAGR of 37% in FY21-23E. TEL would continue to export the excess inventory in 2021-22 sugar season as well. We believe expected increase in global prices would help the company to reduce additional inventories till the distillery capacities come on stream.

Strong cash flow generation; further reduction in debt

TEL has produced 54% of ethanol from B-heavy molasses. With expected commissioning of 160 KLD distillery capacity in January 2022, it would be able to produce 80% of ethanol from B-heavy molasses or sugarcane juice. This would significantly improve distillery realisation & profitability. We estimate 27.7% earnings CAGR in FY21-23E & CFO of more than ₹ 500 crore in FY22E, FY23E, which would be utilised for ₹ 350 crore of capex in the next two years. Moreover, we expect debt reduction of ₹ 300 crore by FY23E.

Valuation & Outlook

Sugar industry fundamentals have changed with the implementation of ethanol blending programme. We believe sugar companies would be able to generate ~25% of sales from distillery segment. With strong cash flow generation, we expect TEL to increase the shareholder's payout (dividend and buybacks) to ~40%. We maintain **BUY** recommendation with a revised target price of ₹ 270/share, valuing at 13x FY23 PE (earlier TP ₹ 125).



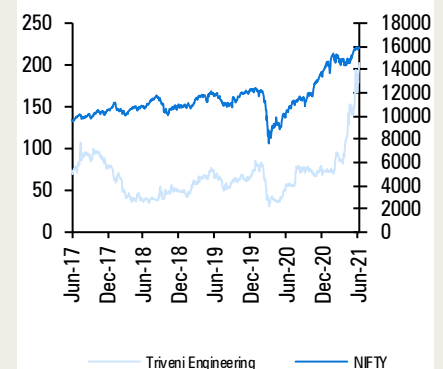
Particulars

Particulars (₹ crore)	Amount
Market Capitalization	4,657.1
Total Debt (FY21)	958.0
Cash and Investments (FY21)	12.6
EV	5,602.5
52 week H/L (₹)	209 / 52
Equity capital	24.8
Face value (₹)	1.0

Key Risk

- Any delay or derailment of ethanol blending program could impact the earnings adversely
- With favourable sugar scenario, the sugarcane acreage could increase considerably, which could bring back cyclical in the sector

Price Performance



Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Key Financial Summary

Key Financials	FY19	FY20	FY21	FY22E	FY23E	CAGR (FY21-23E)
Total Operating Income	3151.7	4436.6	4703.4	4624.3	4816.7	1.2%
EBITDA	309.0	543.2	558.2	607.0	718.6	13.5%
EBITDA Margin %	9.8	12.2	11.9	13.1	14.9	
Net Profit	216.3	335.1	294.6	394.5	480.6	27.7%
EPS (₹)	8.39	13.52	12.18	16.66	20.74	30.5%
P/E	23.0	14.2	15.8	11.6	9.3	
RoNW %	19.0	19.9	18.9	22.3	23.4	
RoCE (%)	11.1	17.6	19.4	19.8	22.8	

Exhibit 1: Variance Analysis

	Q4FY21	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	Comments
Total Operating Income	1,188.1	1,494.0	-20.5	1,123.1	5.8	Net sales declined by 20.5% on the back of lower sugar volumes given low domestic quota & delay in contracted exports
Other Operating Income	0.0	0.0	N.A.	0.0	N.A.	
Raw Material Expenses	786.8	1,107.1	-28.9	794.6	-1.0	
Employee Expense	76.6	76.0	0.9	68.3	12.2	
Other operating Expenses	132.4	124.5	6.3	98.5	34.4	
EBITDA	164.3	186.4	-11.9	160.5	2.4	
EBITDA Margin (%)	13.8	12.5	135 bps	14.3	-46 bps	
Depreciation	20.0	18.6	7.5	19.8	0.8	
Interest	12.5	15.1	-17.1	9.2	36.0	With the reduction in debt levels, interest cost is declining continuously
Other Income	10.4	7.5	39.3	7.7	36.3	
PBT	142.9	160.3	-10.8	139.1	2.7	
Tax Outgo	48.7	26.6	83.0	51.1	-4.6	
PAT	85.0	137.6	-38.2	94.7	-10.2	Given the higher tax provisioning, net profit declined 38.2%
Key Metrics						
Sugar sales volume (in lakh tonnes)	2.7	3.8	-27.7	2.7	0.8	Low domestic sales quota & exports resulted in de-growth in sugar volumes
Domestic realisation (₹ per kg)	32.3	32.7	-1.2	32.8	-1.4	Sugar realisation were muted due to peak crushing season
Distillery volumes (in crore litre)	2.2	1.9	16.5	2.2	-3.7	Distillery volumes improved with ramping up of distillery capacity utilisation
Distillery realisation (₹ per litre)	57.3	53.1	7.9	47.5	20.7	Higher proportion of B-heavy ethanol improved ethanol realisation

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY22E			FY23E			Comments
	Old	New	% change	Old	New	% change	
Net sales	4689.4	4,624.3	-1.4	4,460.5	4,816.7	8.0	We estimate higher sugar volumes in FY23 after incorporating exports
EBITDA	611.9	607.0	-0.8	691.1	718.6	4.0	We changed our distillery volume estimate after announcement of capacity
EBITDA Margin (%)	13.0	13.1	8 bps	15.5	14.9	-57 bps	
PAT	395.9	394.5	-0.3	468.7	480.6	2.5	
EPS (₹)	17.1	16.7	-2.6	21.2	20.7	-2.2	We change our estimate for buy-back of shares & price given sharp movement in stock price

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current					Earlier			Comments
	FY19	FY20	FY21	FY22E	FY23E	FY22E	FY23E		
Sugar Sold (in tonne)	759,067	1,069,545	1,103,233	971,611	915,779	1,026,089	852,478	We change our sugar volume estimates taking a clue from last four months domestic quota. In FY23, we incorporated export volumes	
Sugar Price (₹ per tonne)	31,420	30,249	32,763	33,652	34,118	33,420	34,000	We marginally changed our sugar realisation estimates	
Distillery volume	51,279	84,551	103,637	130,200	184,200	122,400	171,600	Distillery volumes to increase given commissioning of new capacity in Nov-2022	
Distillery price (₹ per KL)	41,515	46,100	48,920	54,856	55,366	54,856	55,125		
Power Units sold	17.5	14.5	21.1	15.5	17.5	15.5	17.5		
Price per unit (₹ per units)	5.2	3.1	3.2	3.3	3.3	3.3	3.3		
Gear/Gear box revenue	129.3	150.3	130.1	169.1	186.0	131.5	144.6		
Water segment revenue	231.4	289.1	246.9	308.6	339.5	299.8	329.8		

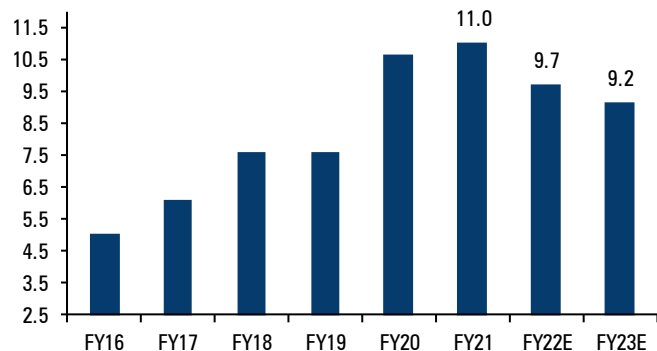
Source: Company, ICICI Direct Research

Conference call Highlights

- Revenue declined 20.6% on the back of lower domestic sales quota, delay in export contracting & muted sugar realisation. Sugar segment sales was down 27.6% with similar decline in sugar volumes. The company sold 2.7 lt (exports of 1.02 lt) of sugar against 3.8 lt (exports of 1.3 lt) in the corresponding quarter. Domestic sugar realisation was ₹ 32.3/kg against ₹ 32.7/kg in Q4FY20. The company is holding 4.74 lt of sugar priced at ₹ 30/kg
- Distillery sales increased 57.9% to ₹ 156.4 crore. The company sold 2.16 crore litre of ethanol against 1.86 crore litre in the corresponding quarter. Average distillery realisation improved by 7.9% to ₹ 57.3/litre. On a full year basis, distillery volume increased 22.6% to 10.4 crore litre. Average realisation improved 6.1% to ₹ 48.9/litre mainly on account of higher proportion of B-heavy ethanol & increase in B-heavy ethanol prices. Out of total volumes, 56% was contributed by B-heavy ethanol
- TEL crushed 85 lt of sugarcane during sugar season 2020-21 with 9.4 lt of sugar production. Sugar recoveries on a like to like basis declined 11 bps to 11.86%. However, adjusted for diversion of sugarcane towards B-heavy molasses, sugar recoveries were 10.98%
- Out of the export quota of 1.82 lt, the company exported 1.02 lt of sugar in Q4FY21. Export realisation was ₹ 25.95/litre. The company has not accounted for ₹ 57 crore of exports subsidy (will be booked in H1FY22)
- The company expects an increase in sugarcane crushing by 3% in sugar season 2021-22. With the commissioning of 200 KLD distillery capacity by January 2022, TEL would be able to produce ethanol to the tune of 13 crore litre in FY22 and 18 crore litre in FY23
- It has also announced capacity addition of 140 KLD in their existing distilleries with capex of ₹ 100 crore, which would be commissioned in November-2022. With this capex, total capacity would reach 660 KLD. The annual distillery volumes would be 22 crore litre from sugar season 2022-23
- With the operating cash flow of ₹ 739 crore, the company has been able to reduce its debt by ₹ 576 crore in FY21. Out of the total capex of ₹ 350 crore, TEL would be taking debt of ₹150-175 crore, which is available at 50% interest subvention
- The company has exhausted its entire MAT credit in FY21 and would be moving to the new tax regime from FY22 onwards. Income tax rate for FY22 & FY23 would be 25.2%
- Power transmission & water business witnessed a strong recovery in business after adversely impacted by pandemic induced lockdown in H1FY21. The engineering business witnessed 15% sales decline in FY21. Order book for power transmission was at ₹ 166.2 crore including long duration orders of ₹ 66.6 crore. Order book for water business was at ₹ 912 crore, which includes ₹ 456.8 crore of O&M contracts. In Q4, water business has secured an EPC project of water sewerage of ₹ 156 crore from Ministry of National Planning Housing & Infrastructure of Republic of Maldives
- The company announced a dividend of ₹ 1.75/share

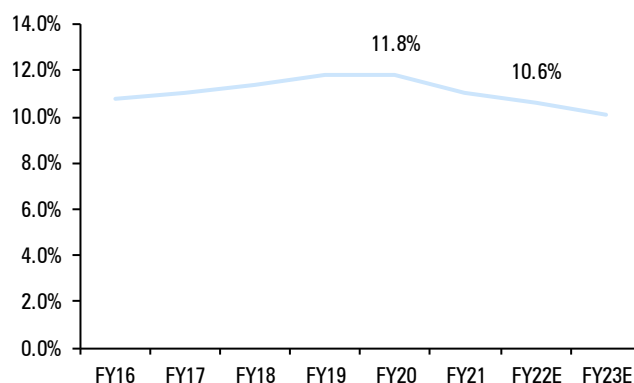
Key metrics

Exhibit 4: Sugar sales volume (in lakh tonne)



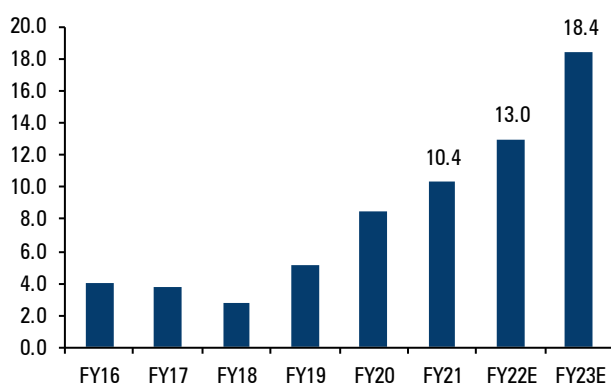
Source: ICICI Direct Research, Company

Exhibit 5: Sugar recovery rate (%)



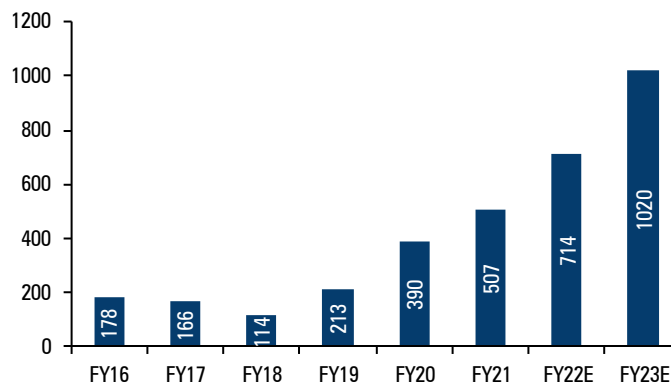
Source: ICICI Direct Research, Company

Exhibit 6: Ethanol volumes (in crore litre)



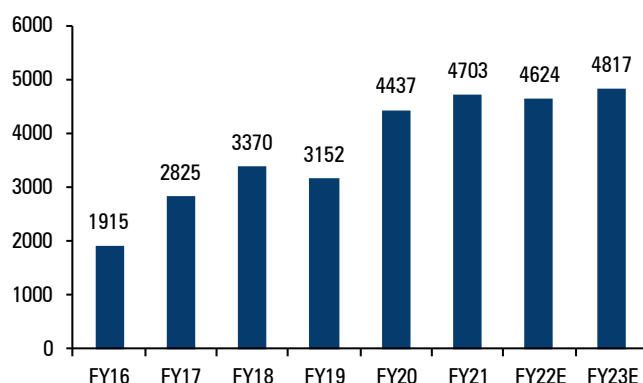
Source: Company, ICICI Direct Research

Exhibit 7: Ethanol sales (₹ crore)



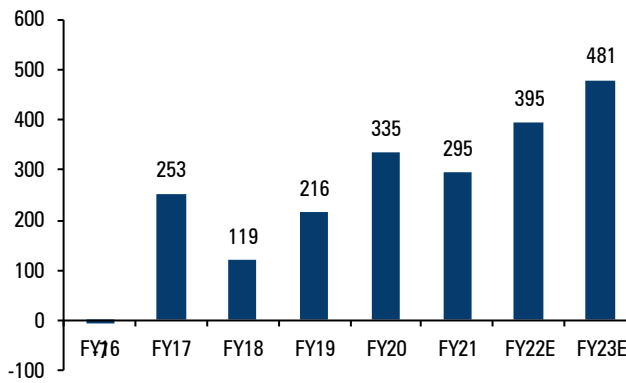
Source: Company, ICICI Direct Research

Exhibit 8: Revenue trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 9: Net profit trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 10: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY20	4436.6	40.8	13.5	61.2	14.2	11.0	19.9	17.6
FY21	4703.4	6.0	12.2	-9.9	15.8	9.8	18.9	19.4
FY22E	4624.3	-1.7	16.7	36.7	11.6	8.9	22.3	19.8
FY23E	4816.7	4.2	20.7	24.5	9.3	7.2	23.4	22.8

Source: Company, ICICI Direct Research

Financial summary

Exhibit 11: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Total Operating Income	4,436.6	4,703.4	4,624.3	4,816.7
Growth (%)	40.8	6.0	-1.7	4.2
Raw Material Expenses	3,251.8	3,436.1	3,314.6	3,340.3
Employee Expenses	255.8	270.8	300.6	337.2
Administrative Expenses	0.0	0.0	0.0	0.0
Excise Duty	0.0	0.0	0.0	0.0
Marketing expenses	0.0	0.0	0.0	0.0
Other expenses	385.9	438.3	402.0	420.6
Total Operating Expenditure	3,893.5	4,145.1	4,017.3	4,098.1
EBITDA	543.2	558.2	607.0	718.6
Growth (%)	75.8	2.8	8.7	18.4
Depreciation	74.9	79.1	88.8	95.0
Interest	79.3	51.6	44.7	33.0
Other Income	36.3	30.4	31.0	27.9
PBT	389.0	427.5	473.5	590.6
Exceptional items	0.0	-0.7	0.0	0.0
Total Tax	110.5	165.2	127.1	155.9
PAT	335.1	294.6	394.5	480.6
Growth (%)	55.0	-12.1	33.9	21.8
EPS (₹)	13.5	12.2	16.7	20.7

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit/Loss after Tax	445.6	459.8	394.5	480.6
Add: Depreciation	74.9	79.1	88.8	95.0
Add: Interest	79.3	51.6	0.0	0.0
(Inc)/dec in Current Assets	-150.9	396.7	21.0	74.8
Inc/(dec) in Current Liabilities	82.2	148.2	-131.3	21.3
CF from operating activities	510.3	790.8	525.7	515.9
(Inc)/dec in Investments	0.3	0.6	-4.7	-5.0
(Inc)/dec in Fixed Assets	-116.9	-89.2	-270.0	-120.0
Others	9.4	-19.2	1.3	0.0
CF from investing activities	-107.2	-107.9	-273.4	-125.0
Issue/(Buy back) of Equity	-101.3	-65.9	-0.5	-0.5
Inc/(dec) in loan funds	-167.8	-564.6	-60.0	-200.0
Dividend paid & dividend tax	-32.9	0.0	-59.2	-69.5
Inc/(dec) in Sec. premium	-6.5	-21.7	-124.5	-124.5
Others	-77.3	-51.5	0.0	0.0
CF from financing activities	-385.7	-703.7	-244.2	-394.5
Net Cash flow	17.4	-20.8	8.1	-3.6
Opening Cash	14.6	32.0	11.3	19.3
Cash with bank	0.8	1.3	0.0	0.0
Closing Cash	32.9	12.6	19.3	15.7

Source: Company, ICICI Direct Research

Exhibit 13: Balance sheet				
	₹ crore			
	FY20	FY21	FY22E	FY23E
Liabilities				
Equity Capital	24.8	24.2	23.7	23.2
Reserve and Surplus	1,313.9	1,531.5	1,742.3	2,028.9
Total Shareholders funds	1,338.7	1,555.7	1,766.0	2,052.1
Total Debt	1,387.0	870.5	810.5	610.5
Long Term Provisions	47.9	51.8	49.8	47.8
Other Non-current Liabilities	108.7	154.5	155.5	156.5
Total Liabilities	2882.3	2,632.4	2,781.8	2,866.9
Assets				
Gross Block	1,372.9	1,437.0	1,707.0	1,827.0
Less: Acc Depreciation	298.9	378.0	466.8	561.8
Net Block	1,073.9	1,059.0	1,240.2	1,265.2
Capital WIP	26.2	22.2	22.2	22.2
Intangible assets	0.9	1.9	1.9	1.9
Non Current Investments	153.3	157.8	162.8	167.8
Other non-current assets	141.4	166.4	166.1	166.1
Current Assets				
Inventory	1,912.1	1,733.8	1,580.0	1,471.8
Debtors	268.0	208.4	321.1	334.5
Cash	32.9	12.6	19.3	15.7
Loans & Advances	3.4	18.4	18.4	18.4
Other Current Assets	433.9	239.5	259.5	279.5
Current Liabilities				
Creditors	756.4	624.3	646.6	653.1
Provisions	31.8	37.3	37.3	37.3
Other CL	375.5	325.9	325.9	185.9
Net Current Assets	1486.6	1,225.1	1,188.5	1,243.6
Total Assets	2,882.3	2,632.4	2,781.8	2,866.9

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
	₹ crore			
	FY20	FY21	FY22E	FY23E
Per share data (₹)				
EPS	13.5	12.2	16.7	20.7
Cash EPS	16.5	15.5	20.4	24.8
BV	54.0	64.3	74.6	88.5
DPS	3.1	0.0	2.5	3.0
Cash Per Share	12.1	15.6	19.7	24.2
Operating Ratios (%)				
EBITDA Margin	12.2	11.9	13.1	14.9
PBT / Net Sales	9.6	9.7	10.9	12.8
PAT Margin	6.0	6.3	8.5	10.0
Inventory days	157	135	125	112
Debtor days	22	16	25	25
Creditor days	62	48	51	49
Return Ratios (%)				
RoE	19.9	18.9	22.3	23.4
RoCE	17.6	19.4	19.8	22.8
Valuation Ratios (x)				
P/E	14.2	15.8	11.6	9.3
EV / EBITDA	11.0	9.8	8.9	7.2
EV / Net Sales	1.3	1.2	1.2	1.1
Market Cap / Sales	1.0	1.0	1.0	1.0
Price to Book Value	3.6	3.0	2.6	2.2
Solvency Ratios				
Debt/EBITDA	2.6	1.6	1.3	0.8
Debt / Equity	1.0	0.6	0.5	0.3
Current Ratio	2.7	2.7	2.6	2.8
Quick Ratio	0.7	0.6	0.7	0.8

Source: Company, ICICI Direct Research

Exhibit 15: ICICI Direct coverage universe (Sugar)

Sector / Company	CMP	TP	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			P/B			RoCE (%)			
	(₹)	(₹)		Rating	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Balrampur Chini (BALCHI)	356	385	Buy	7,476	22.8	27.2	37.8	15.6	13.1	9.4	10.5	9.4	6.8	2.4	2.2	2.0	16.4	17.6	23.7
Dalmia Bharat Sugar (DALSUG)	470	450	Buy	3,801	33.4	38.1	45.1	14.1	12.3	10.4	7.4	6.6	5.5	1.2	1.3	1.1	13.3	14.4	16.0
Triveni Engineering (TRIENG)	193	270	Buy	4,657	12.2	16.7	20.7	15.8	11.6	9.3	9.8	8.9	7.2	3.0	2.6	2.2	19.4	19.8	22.8
Dhampur Sugar (DHASUG)	368	260	Buy	2,410	34.4	43.4	51.3	10.7	8.5	7.2	5.2	4.4	3.6	0.9	0.8	0.7	14.8	16.4	18.0
Dwarikesh sugar (DWASUG)	77	62	Buy	1,451	4.9	7.0	8.2	15.8	11.0	9.4	7.5	5.7	5.0	1.7	1.4	1.2	14.4	18.0	18.2
Avadh Sugar (AVASUG)	496	345	Hold	991	38.8	62.1	78.6	12.8	8.0	6.3	7.0	4.9	3.6	0.9	0.8	0.7	11.5	14.7	17.7

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, Sanjay Manyal (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 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 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 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 endeavor 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.