

Harsha Engineers International Ltd.



Harsha Engineers International Ltd.

Issue Opens On
September 14, 2022

Issue Closes On
September 16, 2022

Price Band (INR)
314 – 330

Issue Size (INR Mn)
7,550

Rating
SUBSCRIBE

Harsha Engineers International Ltd. (HEIL) is the largest manufacturer of precision bearing cages in organised sector in India. It offers diversified suite of precision engineering products across geographies and end-user industries. HEIL's business comprises of two segments, (i) Engineering Business, under which it manufactures bearing cages, complex and specialised precision stamped components, welded assemblies and brass castings and cages & bronze bushings; and (ii) Solar EPC Business, under which it provides complete comprehensive turnkey solutions to all solar photovoltaic requirements. HEIL has approx. 50-60% of the market share in the organised segment of the Indian bearing cages market and 6.5% market share in the global organised bearing cages market for brass, steel and polyamide cages. HEIL is a technology driven company with a strong focus on quality, design and tool development, which has allowed it to develop products suited to its customers' requirements.

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (#)	24,053,265-22,886,595
Net offer (# shares)	24,053,265-22,886,595
Price band (INR)	314-330
Post issue MCAP (INR Mn)	28,809-30,049

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	September 16, 2022
Finalization of Basis of Allotment with Stock Exchange	On or about 21 st Sep' 2022
Initiation of Refunds	On or about 22 nd Sep' 2022
Credit of Equity Shares to Demat accounts	On or about 23 rd Sep' 2022
Commencement of Trading of Eq.shares on NSE	On or about 26 th Sep' 2022

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	11,401,470	3,762	50%
NIB	3,420,450	1,129	15%
Retail	7,981,065	2,634	35%
Employee	83,610	25	-
Net Offer	22,886,595	7,550	100%

Source: IPO Prospectus

Objects of the Offer: The net proceeds will be utilized for the following purpose		
Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the company		
Funding capital expenditure requirements towards purchase of machinery		
Infrastructure repairs and renovation of the existing production facilities including office premises in India		
General corporate purposes		
Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters	57.4%	43.5%
Promoters Group	42.3%	31.1%
Public	0.3%	25.4%
Total	100.0%	100.0%

Source: IPO Prospectus

Particulars (INR Mn)*	FY20	FY21	FY22
Revenue	8,858	8,737	13,215
EBITDA	1,001	1,250	1,866
EBITDA Margin	11.3%	14.3%	14.1%
PAT	219	454	919
PAT Margin	2.4%	5.2%	6.9%
Net Worth	3,720	4,272	5,219
RONW	5.8%	10.5%	17.4%

Source: IPO Prospectus, * Restated Statement

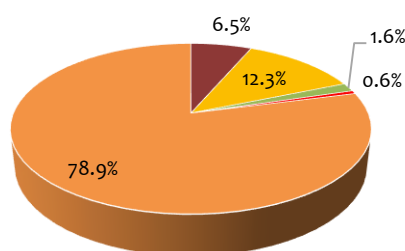
Harsha Engineers International Ltd.

Company Overview

Harsha Engineers International Limited (HEIL) is the largest manufacturer of precision bearing cages in organized sector in India, in terms of revenue, and amongst the leading manufacturers of precision bearing cages in the world. HEIL offers a diversified suite of precision engineering products across geographies and end-user industries. HEIL has approximately 50% market share in the organized segment of the Indian bearing cages market and around 5.2% market share in the global organized bearing cages market for brass, steel and polyamide cages. The company offers a wide range of bearing cages starting from 20 mm to 2,000 mm in diameter. These bearing cages find application in the automotive sector, railways, aviation & aerospace, construction, mining, agriculture sector, electrical and electronics and renewables sectors.

The global bearing cage market has presence of global and regional players. Some of the key players operating in the global bearing cages market are Nakanishi Metal Works Co Ltd (NKC; Japan), Harsha Engineers International Ltd (HEIL, India), MPT Präzisionsteile GmbH Mittweida (MPT Group GmbH, Germany) and Manu Yantralaya Pvt Ltd (MYPT, India). The market share of some of the key players operating in the global organized bearing (brass, steel and polyamide) cages market has been depicted in the following chart.

Market Share of Key Players in Global Organised Bearing Cages Market



■ HEIL ■ NKC ■ MPT ■ Manu Yantralaya ■ Others + Inhouse

Source: IPO Prospectus

Business Segments

The company operates in two business segments namely, (i) Engineering Business and (ii) Solar EPC Business.

- Engineering Business:** Under this business segment, the company manufactures bearing cages (in brass, steel and polyamide materials), complex and specialized precision stamped components, welded assemblies and brass castings and cages & bronze bushings. HEIL has four strategically located manufacturing facilities for its engineering business with one of its principal manufacturing facilities at Changodar and one at Moraiya, near Ahmedabad in Gujarat in India, and one manufacturing unit each at Changshu, China and Ghimbav Brasov in Romania. HEIL's presence in these strategic locations helps the company to penetrate global markets more efficiently and in a cost-effective manner.

HEIL has been successful in diversifying its product portfolio and improve its current processes in different types of bearing cages mainly due to its design, development and technological capabilities. As of March 31, 2022, HEIL has been able to manufacture more than 7,205 bearing cages and more than 295 other products for customers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors, allowing the company to meet changing customer requirements. In addition, over the past three years HEIL's product development and innovation centre has developed more than 1,200 products in different bearing types.

Particulars	FY22		FY21		FY20	
	Engineering Business Revenue (INR Mn)	% of total revenue	Engineering Business Revenue (INR Mn)	% of total revenue	Engineering Business Revenue (INR Mn)	% of total revenue
India	4,019	30.4%	2,351	26.9%	2,585	29.2%
Outside India	8,366	63.3%	5,845	66.9%	5,631	63.6%
Total	12,385	93.7%	8,196	93.8%	8,216	92.8%

Source: IPO Prospectus

Harsha Engineers International Ltd.

Company Overview

- Solar EPC Business:** Under this business segment, HEIL provides complete and comprehensive turnkey solutions to all solar photovoltaic requirements. The company is an EPC service provider in the solar photovoltaic industry and also provides operations and maintenance services in the solar sector. HEIL has over 10 years of operating history in the solar EPC business. The company has an in-house design, engineering, procurement, project management and O&M team which has a combined experience of installing at least 500 MW and more than 60 MW commissioning experience in roof top segment as of March 31, 2022. HEIL’s revenue from solar EPC business aggregated to INR 829 mn, INR 542 mn and INR 642 mn for FY22, FY21 and FY20, respectively, constituting 6.3%, 6.2% and 7.2% respectively, of the total revenue from operations.

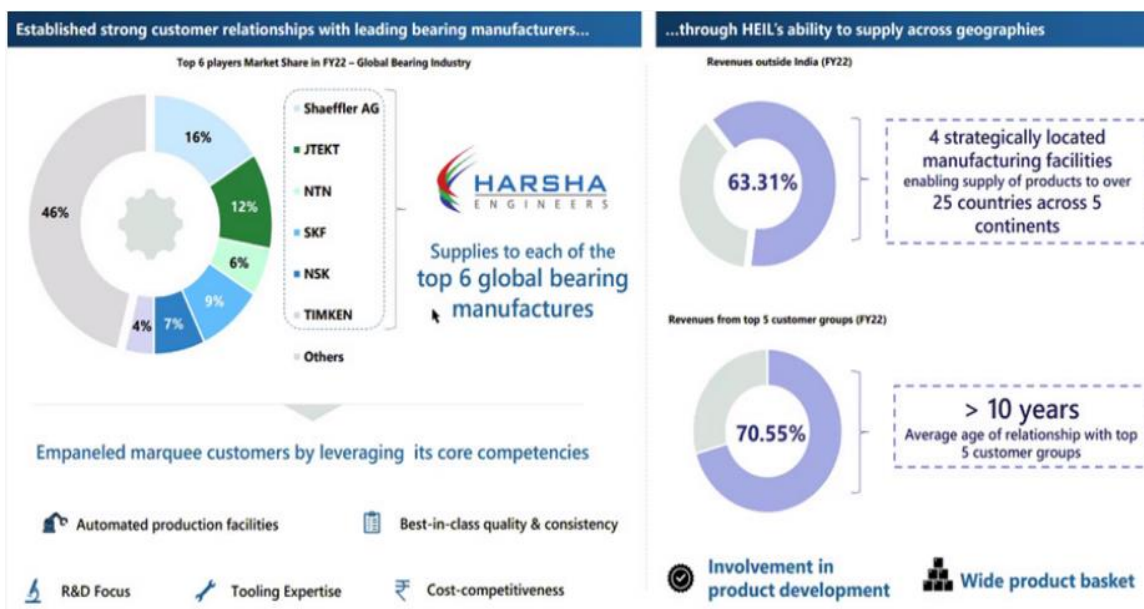
FY22		FY21		FY20	
Solar EPC Business Revenue (INR Mn)	% of total revenue	Solar EPC Business Revenue (INR Mn)	% of total revenue	Solar EPC Business Revenue (INR Mn)	% of total revenue
829	6.3%	542	6.2%	642	7.2%

Source: IPO Prospectus

HEIL has three wholly owned subsidiaries, 1) one in China - Harsha Precision Bearing Components (China) Co. Ltd, 2) one in the United States of America - HASPL Americas Corporation and 3) one in the Netherlands - Harsha Engineers B.V., and a stepdown subsidiary in Romania - Harsha Engineers Europe SRL. The company also has a 50% interest, as a partner, in Clenmax Harsha Solar LLP and 26% equity interest in Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited).

Clientele

HEIL has established strong relationship with its customers who are leading global bearing manufacturers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors. The bearing cages market globally is concentrated among a few global bearing manufacturers with the top six global bearing manufacturers contributing around 54% of the market share in FY22.



Source: IPO Prospectus

Harsha Engineers International Ltd.

INVESTMENT RATIONALE

Comprehensive solution provider offering diversified suite of precision engineering products across geographies

HEIL has a diversified product portfolio in terms of the materials used as well as the dimensions and end-use of the finished products. It primarily manufactures bearing cages in the range of 20 mm to 2,000 mm in diameter. The company has been successful in improving its current processes of manufacturing and new product development for different types of bearing cages mainly due to its designing and tooling development and technological capabilities. Within HEIL's diversified product portfolio, it manufactures bearing cages (including cylindrical roller cages, spherical roller cages, deep groove cages, angular contact cages, thrust roller cages and taper roller cages), complex and specialised precision stamped components, welded assemblies and brass castings and bushings. Since its incorporation, HEIL manufactured more than 7,500 types of products in the automotive and industrial segments. HEIL manufactures bearing cages in brass, steel and polyamide which represents 6.5% of the global organised outsourced bearing (brass, steel & polyamide) cages market in CY21 (Source: CARE Advisory Report). The company has approx. 50-60% of the market share in the organised segment of the Indian bearing cages market (Source: CARE Advisory Report). HEIL partners closely with its customers and are involved by its customers in the product development process and accordingly it has been able to ensure repeat orders from most of its customers. The company recently expanded its product portfolio to introduce sand casting, value added stamping components, bronze bushings etc. to cater to more end user industries such as wind, mining and shipping sectors. HEIL's products find application across automotive, aviation and aerospace, construction, mining, agriculture, electricals and electronics, renewables sectors. Accordingly, the company is insulated to a large degree against fluctuation in demand for a specific product because of the wide range of products that it currently offers, its diverse end user application and its ability to develop new products required by its customers.

HEIL supplies products to customers in over 25 countries covering five continents i.e. North America, Europe, Asia, South America and Africa. Given its wide presence, HEIL's revenue stream is diversified both geographically as well as across customers. The following table sets forth the revenue break-up from different jurisdiction for HEIL's engineering business.

Country-wise Revenue Break-Up for HEIL's Engineering Business

INR Mn	FY22	FY21	FY20
Europe	5006	3426	3412
India	4019	2351	2585
China	1726	1319	1149
America	823	622	641
Others	810	478	430
Total	12385	8196	8217

Source: IPO Prospectus

Long standing relationships with leading clientele

HEIL has established strong relationship with its customers who are leading global bearing manufacturers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors. The bearing cages market globally is concentrated among a few global bearing manufacturers with top six global bearing manufacturers contributing to 54% of the market share in FY22. HEIL supplies to each of the top six global bearing manufacturers. The company's top 10 customers contributed around 44.7%, 48.2%, and 47.8% of its total revenue from operations for FY22, FY21 and FY20, respectively. The average age of HEIL's relationship with its top five customer groups spans more than a decade. We believe HEIL's long term relationships with customers is indicative of its focus on quality consciousness and its superior designing and tooling capabilities.

As bearing cage accounts for a small portion of the total cost of a bearing and considering the complexity of the production process for such bearing cages, we believe that once the bearing cages customer gets a reliable vendor they will prefer continuing with such vendor for a long period of time. As a result, HEIL's customer-centric approach and continuous effort on transparent dealings has allowed the company to enter into long term framework agreements with leading key global bearing manufacturers. HEIL has partnered with certain of its key customer groups in the product development process, enabling its products to meet the exact specifications provided by the customers.

Harsha Engineers International Ltd.

INVESTMENT RATIONALE

Strategically located domestic and international production facilities and warehouses

HEIL has four strategically located manufacturing facilities spread across three countries in India, China, and Romania. As on March 31, 2022, HEIL's aggregate installed capacity across these manufacturing facilities was 4,596 MTPA for castings and 1,098 mn pieces per annum for bearing cages. HEIL's presence in these locations helps the company overcome significant entry barriers in comparison with its competitors, allowing it to penetrate these markets more efficiently and becoming a local supplier to leading key global bearing players. HEIL's presence in these strategic locations help the company penetrate global markets more efficiently and in a cost effective manner. It also gives HEIL the ability to cater to the needs of its customers from multiple locations, at times designing products at one location while manufacturing them at another. HEIL's dual-shore capabilities, which is its ability to carry out design, engineering and manufacturing of products at different locations allow the company to service customer requirements from alternate locations, giving the customer the benefit of regular supply and cost-competitive manufacturing operations. Additionally, to help HEIL meet just in time requirements of its customers, the company has entered into arrangements to stock inventory in warehouses over 20 locations across the world. Having proximity to its key customer groups gives HEIL a strategic advantage in ensuring greater cost effectiveness, quicker delivery and faster turn-around times, allowing the company to maximize customer satisfaction in a timely manner. HEIL's multinational presence has also allowed it to diversify its revenue geographically and enhance its reputation which results in higher orders from India.

HEIL's manufacturing units in India, China and Romania have been duly certified for conforming to and applying international standards of quality management systems and the company has comprehensive tooling, testing and measurement infrastructure at its Indian, Chinese and Romanian manufacturing units. HEIL's manufacturing units at Changodar and Moraiya, have received various certifications such as ISO 9001:2015, ISO 14001:2015 from the International Organization for Standardization and IATF 16949 from International Automotive Task Force. The company's manufacturing unit at Romania has received the ISO 9001:2015, ISO 14001:2015 and ISO 45000:2018 from the International Organization for Standardization and its manufacturing unit at China received the ISO 9001:2015 from the International Organization for Standardization and IATF 16949 from the International Automotive Task Force.

Expertise in Tooling, design development and automation

HEIL's decades of experience in precision engineering, expertise in area of tooling, strategically located production facilities, focus on design and tooling, coupled with technologically advanced and cost competitive manufacturing technology processes has enabled the company to meet its customers' stringent requirements. HEIL has full-service capabilities across the product cycle including product design and development, material sourcing, designing and manufacture of complex tooling components, testing and measurement infrastructure, all under one roof for meeting the requirement of its global customers. The company employs machining as well as stamping processes in its manufacturing process. HEIL's machines are equipped for both individual and diversified processes, and their fungibility enables the company to employ them in the most optimum manner to suit the customer's preferences. HEIL's tool room at the Indian production facilities are equipped with tool design software like Pro Engineer for 3D modelling and detailing, Numerically Controlled Tool Path, Auto Cad Station, Sheet Metal Formability Simulation, Hyperworks, that allow HEIL to eliminate any defects in the designing process. Further, tooling machines like Hard Milling and Turning Machines, CNC Wire-cut and EDM Machines with rotary electrodes, CNC Machining Centres including five Axis Machining centre and various high accuracy measuring instruments including CMMs, allow HEIL to provide high quality precision bearing components.

HEIL currently manufactures a wide range of precision automotive and industrial components with size upto 2,000 mm in diameter. The company has comprehensive tooling, testing and measurement infrastructure and independent tool designing capabilities at both its units in India as well as its production unit in Romania that has allowed HEIL to successfully diversify its products portfolio and improve its current processes in different type of bearing cages. HEIL's engineering expertise and technology driven manufacturing processes have enabled the company to deliver its products and provide timely solution to its customers in accordance with their designs and specifications, in a cost effective manner without compromising on quality. Further, the company has used its engineering expertise and approach to innovation to partially automate some of the operations including secondary operations such as vibro-finishing, visual inspection, washing, oiling etc. Such automation helps HEIL in improving productivity and reducing defects in its production process. For example, indigenously designed vision camera system detects defect that are not possible to detect with naked eye. HEIL also uses its engineering expertise and deep understanding of the manufacturing process in identification of optimum machinery. It also does customisation to suit its needs at costs which are below the standard solutions available in the market.

Consistent track record of growth and financial performance

The company's Sales/EBITDA/PAT has grown at a CAGR of 22.1%/36.6%/104.9%, while its EBITDA margins were reported at 14.12% in FY22 against 11.29% in FY20. As far as segmental performance is concerned, HEIL's Engineering Business has grown at a CAGR of 22.8% over FY20-22 while its Solar EPC and O&M business has grown at 13.7% CAGR over FY20-22. The company has consistently delivered profits, with net margins at 6.87% in FY22 with healthy return ratios.

Harsha Engineers International Ltd.

Future Growth Strategies

Enhance market leadership in bearing cages and expanding the customer base

The expected growth in usage of bearings in several applications such as mining, automotive, heavy machinery, infrastructure development, power generation and construction is expected to drive the demand for bearings market and it is expected to grow at a CAGR of 6-8% over the period 2021 to 2029 and is estimated to be valued at USD 171.7 bn in the year 2029. Keeping pace with the market trends, HEIL has started to expand its business into large diameter brass and steel bearing cages. Currently, for such large size brass and steel bearing cages in-house production by bearing companies is quite high considering the complexity of the production process. We believe that by increasing its production capacities for these large size brass and steel bearing cages, HEIL will be able to cash in on the outsourcing opportunities from these bearing companies resulting into increasing the wallet share of outsourcing opportunity for bearing cages. The company aims to continuously develop newer types of bearing cages with a special focus on larger diameter bearing cages (above 400 mm), to keep up with the evolving demands of the customers.

Growing the stamping and specialised component segment

HEIL plans to capitalise on the existing niche and low volume high value products in the stamping and special component segment and gradually scale up its business over next 3-5 years. The company plans to achieve this growth in 2 phases i.e. (i) manufacturing specialized parts/components and supplying to auto component assembly manufacturers and thereafter; (ii) change in supply process by manufacturing assemblies as composite component and supply directly to OEMs.

Increasing focus on developing products suited to capture market opportunity in the growing Electric Vehicle (EV) segment

As the automobile segment is shifting focus to Electric Vehicles (EV), the need for more silent and lighter bearings, and its components, will be felt, and the demand is likely to increasingly shift towards precise dimension and dirt-free bearing, steel and polyamide cages as a probable solution at a premium value. HEIL's inhouse tool and design facilities coupled with its latest machinery, specialised cleaning equipment and software would enable the company to manufacture precision stamping components and steel cages suited for the electric vehicle segment including as import substitutes. In addition, HEIL has also invested in enhancing its tool room and design capacity for faster cage mould development to focus more on developing polyamide cages in different categories to meet the increased demand from the electric vehicles space in the coming years.

Emphasis on increasing operational efficiencies to improve returns

Offering quality products at attractive prices is a key aspect of maintaining and expanding HEIL's relationships with its customers. To that end, the company has adopted several initiatives designed to improve its cost efficiency, and as one of its primary business strategies HEIL intends to continue improving its cost efficiency. HEIL has adopted Total Productive Maintenance ("TPM") initiative across its plants in India to improve its operational efficiency and the reliability of its manufacturing processes by lowering break downs and rejections. TPM, which the company adopted initially in 2011, has helped HEIL to ensure high quality, low costs and on-time delivery for its customers. HEIL's TPM initiatives focus on improving the efficiency of production and support functions by identifying and eliminating losses. The company also received an award for "TPM Excellence-Award for excellence in consistent TPM commitment - 2018" by the Japan Institute of Plant Maintenance for the Changodar and Moraiya production facilities. HEIL intends to continue implementing TPM initiatives across its Indian production facilities and extend the same to its facilities in China and Romania in order to reap additional cost savings going forward.

Focus on growth by opportunistic inorganic acquisitions and partnerships with customers

HEIL has historically expanded its business through a combination of organic growth, acquisitions and strategic alliances with its customers and with other component manufacturers. The company expanded its outreach with the opening of new production unit in Changshu, China in 2010, acquisition of bearing cage production company Harsha Precision Bearing Components (China) Co. Ltd in Suzhou, China in 2014 and setting up of new production unit in Changshu, China, (which was subsequently integrated into Harsha Precision Bearing Components (China) Co. Ltd in Suzhou) and European operations in 2016 with the acquisition of its subsidiary Harsha Engineers Europe SRL (formerly known as M/s Johnson Metall S.A.) located in Romania. Further, in order to reduce costs and synergize all its operations in India, HEIL has integrated all its India businesses (engineering and solar EPC business) and operations into one entity. The company also seeks strategic partnerships with its key customer groups for innovation and development of new products and supply them to new geographies. For example, HEIL has recently partnered with a global customer to manufacture their bronze bushings requirements and has significantly grown its business from the client in a span of a couple of years. HEIL further seeks to enhance its technological capabilities through inorganic acquisitions as well as through partnering with global technology leaders. The company intends to use these to expand into new product categories and segments, leveraging its existing knowledge base and new technologies to increase its product and customer base.

Harsha Engineers International Ltd.

Key Strengths

- Comprehensive solution provider offering diversified suite of precision engineering products across geographies.
- Long standing relationships with leading clientele.
- Strategically located domestic and international production facilities and warehouses.
- Expertise in Tooling, design development and automation.
- Consistent track record of growth and financial performance.
- Strong, experienced and dedicated senior management team and qualified workforce.

Key Risks

- HEIL depends on a limited number of customer groups for a significant portion of its revenue from engineering business. The loss of any of its major customer groups due to any adverse development or significant reduction in business from its major customer groups may adversely affect its business, financial condition, results of operations, cash flow and future prospects.
- The company is dependent on its network of agents for fulfilment of needs of its customers. HEIL's inability to maintain its relationships with its agents or deficiency in the service provided by such agents may adversely affect its business, results of operations, cashflow and profitability.
- HEIL is subject to various laws, regulations, approvals and licenses required in the ordinary course of business, including environmental, health and safety laws and other regulations. Any failure to obtain, renew or comply with necessary regulatory approvals and licenses may adversely affect the operations and have an impact on its financial condition.
- The company is exposed to foreign currency exchange rate fluctuations, which may adversely affect its results of operations and cause its quarterly results to fluctuate significantly.
- HEIL depends on third parties for the supply of raw material and delivery of products. A disruption in the supply of raw materials or failure of its suppliers to meet their obligations could impact its production and increase the costs.
- Geographical concentration of HEIL's production units may restrict its operations and adversely affect its business and financial condition.

Harsha Engineers International Ltd.

Outlook and Valuation

Harsha Engineers International IPO size is INR 7,550 mn. The price band of the issue is INR 314 - INR 330. On the upper price band of INR 330 and EPS of INR 11.9 for FY22, the P/E ratio works out to be 27.7x. As per the prospectus, the valuation looks reasonable considering the average industry P/E of 50.9x.

We believe the company's long-term prospects are favorable, given long-standing relationship with key industry players. The company enjoys a healthy market share of 50-60% in the Indian organized precision bearing cages market. The company has healthy return ratios and good earnings visibility going ahead. HEIL is available at a discount to its listed industry peers. As a result, we recommend investors to 'SUBSCRIBE' to the IPO of HEIL.

Peer Comparison

The peer companies of HEIL are Timken India, SKF India, Rolex Rings Ltd. and Sundaram Fasteners. In the following table we have compared HEIL with its above peers on different parameters.

Name of the company	Face Value (INR)	Stock Price (INR)	Revenue (INR Mn)	Basic EPS (INR)	Diluted EPS (INR)	P/E (x)	RoNW (%)	NAV per share (INR)
Harsha Engineers International Ltd.	10.0	330*	13,390	16.1	11.9	27.7*	17.4	68.3
Listed Peers								
Timken India Ltd.	10.0	3,014	22,175	43.5	43.5	69.3	19.7	220.3
SKF India Ltd.	10.0	4,731	37,003	79.9	79.9	59.2	20.9	381.4
Rolex Rings Ltd.	10.0	1,760	10,281	50.2	48.8	36.0	24.2	200.0
Sundaram Fasteners Ltd.	1.0	856	49,414	21.7	21.7	39.4	17.4	124.7

Source: IPO Prospectus

Note: *Considering the upper price band

Harsha Engineers International Ltd.

Financials

Income Statement (INR Mn)	FY20	FY21	FY22
Revenue	8858	8737	13215
YoY Growth (%)		-1.4%	51.2%
EBITDA	1001	1250	1866
EBITDA Margin (%)	11.3%	14.3%	14.1%
PBT	316	607	1266
PAT	219	454	919
PAT Margin (%)	2.4	5.2	6.9
EPS (INR)	3.5	5.9	11.9

Source: IPO Prospectus, KRChoksey Research

Balance Sheet (INR Mn)	FY20	FY21	FY22
Equity & Liabilities			
Total Equity	3720	4272	5219
Non-current Liabilities	1278	1227	1606
Total Current Liabilities	4735	4312	4758
Total Liabilities	9732	9811	11583
Assets			
Total Non-current Assets	3555	3640	3782
Total Current Assets	6177	6171	7800
Total Assets	9732	9811	11583

Source: IPO Prospectus, KRChoksey Research

Cash Flow Statement (INR Mn)	FY20	FY21	FY22
Cash Flow from Operations	1129	1212	365
Cash Flow from Investment	-646	-200	-518
Cash Flow from Financing	-383	-924	37
Cash at the beginning of the period	8	243	330
Cash at the end of the period	243	330	214

Source: IPO Prospectus, KRChoksey Research

Harsha Engineers International Ltd.

ANALYST CERTIFICATION:

I, Vikrant Kashyap (PGDBM-Finance & IT), Research Analyst, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I 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.

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