**BUY** (Upgrade from ADD)

CMP: **INR 306** Target Price: **INR 375 (INR 355)** ▲ 23%

ICICI Securities

ICICI Securities Limited is the author and distributor of this report

07 February 2025

India | Equity Research | Results update

# Mishra Dhatu Nigam

Defence

## Margin off the lows

Mishra Dhatu Nigam (MIDHANI) reported an impressive Q3FY25 performance. Key points: 1) Lower cost and higher recycling resulted in EBITDA growth of 46% YoY despite 6% YoY decline in revenue; 2) traction from exports visible; 3) value of production (VoP) was down 13% YoY to INR 2.6bn; and 4) orderbook stood robust at INR 19.4bn, implying book/bill (ttm) at 1.8x. Going ahead, we see ramp-up of newly commissioned 500tpa VAR and focus on cost and inventory to be the key growth drivers. We roll over valuation to FY27E; however, factoring in the risk from volatility in currently low (imported) raw material prices, we lower valuation multiple to 17x (earlier 20x). Our revised TP works out to INR 375 (earlier INR 355) on 17x FY27E EBITDA. Upgrade MIDHANI to **BUY** (from *Add*).

### Good show in Q3FY25

MIDHANI delivered EBITDA margin in excess of 20% for the first time since Q1FY24. Key points: 1) EBITDA rose 46% YoY to INR 524mn, despite revenue decline of 6% YoY at INR 2.4bn; 2) EBITDA margin came at a healthy 22% (up 780bps YoY; 335bps QoQ) on lower price of alloying elements, mainly nickel, benefitting the company as orders are fixed price in nature; 3) orderbook stood at INR 19.4bn, of which aerospace (high-margin) is the major part. Exports comprise INR 500mn in the orderbook; 4) implied order inflow of INR 3.55bn in Q3 and management expects another INR 5.5bn of order inflow (primarily in space sector) in Q4; and 5) recycling content at 35% vs 34% QoQ. Going ahead, we expect traction in aerospace segment and naval platforms to benefit MIDHANI with commissioning of 500tpa Ti-mill further adding to margins.

### Several sweeteners in store

We expect MIDHANI to gain from: 1) Sharp focus on lowering inventory, evidenced in VoP reducing 13% YoY to INR 2.6bn; 2) low prices of alloying elements in international markets; 3) building traction in export markets with Pratt & Whitney placing repeat orders with the company; 4) space order inflow likely to commence from Q4FY25; and 5) ramp-up of 500mtpa Ti-VAR furnace. The current orderbook of INR 19.37bn is spread across the platforms and the company expects space-related orders to flow in Q4FY25.

### Financial Summary

| Y/E March (INR mn) | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|
| Net Revenue | 10,727 | 12,872 | 15,447 | 18,536 |
| EBITDA | 1,942 | 2,446 | 3,398 | 4,078 |
| EBITDA Margin (%) | 18.1 | 19.0 | 22.0 | 22.0 |
| Net Profit | 918 | 1,560 | 2,075 | 2,564 |
| EPS (INR) | 4.9 | 8.3 | 11.1 | 13.7 |
| EPS % Chg YoY | (41.5) | 71.0 | 33.0 | 23.5 |
| P/E (x) | 62.9 | 36.8 | 27.7 | 22.4 |
| EV/EBITDA (x) | 31.0 | 23.9 | 16.6 | 13.9 |
| RoCE (%) | 5.9 | 7.8 | 11.2 | 12.9 |
| RoE (%) | 7.3 | 11.6 | 14.4 | 16.1 |

**Amit Dixit**
amit.dixit@icicisecurities.com
+91 22 6807 7289
**Mohit Lohia**
mohit.lohia@icicisecurities.com
**Pritish Urumkar**
Pritish.urumkar@icicisecurities.com

### Market Data

| | |
|---|---|
| Market Cap (INR) | 57bn |
| Market Cap (USD) | 656mn |
| Bloomberg Code | MIDHANI IN |
| Reuters Code | MISR BO |
| 52-week Range (INR) | 541 /294 |
| Free Float (%) | 26.0 |
| ADTV-3M (mn) (USD) | 2.2 |

| Price Performance (%) | 3m | 6m | 12m |
|---|---|---|---|
| Absolute | (12.0) | (31.0) | (36.9) |
| Relative to Sensex | (9.1) | (30.3) | (45.0) |

| ESG Score | 2022 | 2023 | Change |
|---|---|---|---|
| ESG score | 49.0 | NA | NA |
| Environment | 22.9 | NA | NA |
| Social | 43.3 | NA | NA |
| Governance | 69.6 | NA | NA |

**Note** - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

### Previous Reports

16-11-2024: Q2FY25 results review

19-08-2024: Q1FY25 concall update

## Outlook: Margins and orderbook stoke the value

In case of MIDHANI, we see EBITDA margin strongly reviving to 20% plus level. Additionally, both orderbook and inflow remain healthy. That said, margins are also better as customer contracts are generally fixed price and price of alloying elements (major cost item) is coming off. While we expect margin to sustain at 22% in FY26/27E, the risk to margin has increased. Hence, we lower our valuation multiple to 17x (earlier 20x) and roll over valuation to FY27E. Our revised TP works out to INR 375 (earlier INR 355). We upgrade MIDHANI to **BUY** (from *Add*).

## Key risks

- Slower than expected ramp up of newly commissioned VAR.
- Escalation in alloying element prices.
- Inventory build-up due to higher than expected development time.

## Q3FY25 conference call: Takeaways

- In Q3, there was improvement in EBITDA and PAT but revenue and VOP dipped.
- EBITDA margin grew back to 22%, mainly due to price reduction in nickel- the alloying element used the most in the company's products. While price of some raw materials such as titanium sponge has gone up, overall, there was saving of INR 290mn in raw material cost.
- Higher utilisation of plant-return material: In Q3, the company consumed 65% of scrap in virgin form, against 64% QoQ. Higher utilisation of plant-return material resulted in gain in cost on consumption basis.
- FY25 has been excellent thus far in terms of order inflow. In 9MFY25, the company received orders worth INR 11.2bn. Management is expecting another INR 5.5bn of order in Q4FY25.
- Current orderbook stands at INR 19.2bn with a good mix across the sectors. Order split: Aerospace- INR 8bn, Naval platforms- INR 5bn, Army- INR 1.5bn, Missiles- INR 1.5bn, Energy- INR 500mn and Exports at INR 500mn.
- In Q4FY25 and Q1FY26, management expects good order inflow to sustain.
- Capex: Of INR 600mn of planned investment, INR 400mn has been achieved in 9MFY25.
- MIDHANI has developed various new alloys for aerospace, energy and naval platforms. Also, it developed advanced critical alloys required by BHEL. The management is confident of fulfilling the order in 6 months of award.
- Expecting an order from ISRO worth INR 2bn for margang steel. Another INR 3bn worth of orders are expected from defence and aerospace.
- It has space to install 2 more Ti VARs. It is already supplying titanium for strategic projects. It can quickly ramp up for commercial supplies as well.
- MIDHANI has no intention to backward integrate to titanium sponge as minimum 20,000tpa capacity is required for titanium sponge plant to be commercially viable and entails huge investment.

- Aluminium plant with NALCO: Not much progress has been made thus far. Still commercial feasibility is being analysed.
- Foreign producers are also approaching MIDHANI for supplies. It had reached INR 600mn in exports in 9MFY25. Going forward, export revenue is going to increase.
- Rohtak Armour plant: It has executed INR 430mn order for Airforce. It expects to participate in the order by Indian Army for Jackets. There is lot of potential for vehicle armouring as well, both in Army and paramilitary forces.
- The management is in discussions with various parties for improving the utilisation of Wide Plate Mill.

**Exhibit 1:** MIDHANI Q3FY25 performance review

| (INR mn) | Q3FY25 | Q3FY24 | % Chg YoY | Q2FY25 | % Chg QoQ |
|---|---|---|---|---|---|
| **Revenue** | **2,380** | **2,520** | *(5.6)* | **2,621** | *(9.2)* |
| Other Operating Income | 37 | 189 | | 57 | |
| Operating revenue | 2,342 | 2,331 | | 2,564 | |
| Raw Material | 810 | 1,146 | | 1,105 | |
| **Gross Margin** | **1,570** | **1,373** | *14.3* | **1,516** | *3.6* |
| *Gross Margin (%)* | 66.0 | 54.5 | | 58 | |
| Employee expenses | 361 | 350 | *2.9* | 351 | *2.9* |
| Other expenses | 685 | 664 | *3.2* | 676 | *1.3* |
| | 28.8 | 26.3 | | 25.8 | |
| **EBITDA** | **524** | **359** | *46.1* | **490** | *7.1* |
| *EBITDA Margin (%)* | 22.0 | 14.2 | | 18.7 | |
| Dep | 162 | 145 | | 157 | |
| Other income | 70 | 62 | | 85 | |
| EBIT | 433 | 277 | *56.5* | 418 | *3.5* |
| Interest | 73 | 87 | | 79 | |
| **PBT** | **360** | **189** | *90.3* | **339** | *6.1* |
| Tax | 107 | 64 | | 104 | |
| **PAT** | **253** | **125** | *102.3* | **235** | *7.3* |
| Tax Rate | 29.8% | 34.0% | | 30.6% | |
| Orderbook | 19,367 | 17,624 | *9.9* | 18,199 | *6.4* |
| Order Inflow | 3,548 | 5,132 | *(30.9)* | 3,241 | *9.5* |

Source: I-Sec research, Company data

**Exhibit 2:** Shareholding pattern

| % | Jun'24 | Sep'24 | Dec'24 |
|---|---|---|---|
| Promoters | 74.0 | 74.0 | 74.0 |
| Institutional investors | 10.6 | 9.8 | 9.7 |
| MFs and others | 7.6 | 6.7 | 6.8 |
| FIs/Banks | 0.0 | 0.0 | 0.1 |
| Insurance | 1.6 | 1.6 | 1.6 |
| FIIs | 1.4 | 1.5 | 1.3 |
| Others | 15.4 | 16.2 | 16.3 |

Source: Bloomberg

**Exhibit 3:** Price chart


Source: Bloomberg

# Financial Summary

## Exhibit 4: Profit & Loss

(INR mn, year ending March)

| | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|
| **Net Sales** | **10,727** | **12,872** | **15,447** | **18,536** |
| Operating Expenses | 8,785 | 10,426 | 12,048 | 14,458 |
| **EBITDA** | **1,942** | **2,446** | **3,398** | **4,078** |
| EBITDA Margin (%) | 18.1 | 19.0 | 22.0 | 22.0 |
| Depreciation & Amortization | 586 | 612 | 650 | 651 |
| EBIT | 1,356 | 1,834 | 2,748 | 3,427 |
| Interest expenditure | 346 | 315 | 315 | 315 |
| Other Non-operating Income | 299 | 649 | 450 | 450 |
| **Recurring PBT** | **1,310** | **2,168** | **2,883** | **3,562** |
| **Profit / (Loss) from Associates** | **-** | **-** | **-** | **-** |
| Less: Taxes | 397 | 607 | 808 | 998 |
| PAT | 913 | 1,560 | 2,075 | 2,564 |
| Less: Minority Interest | (5) | - | - | - |
| Extraordinaries (Net) | - | - | - | - |
| **Net Income (Reported)** | **913** | **1,560** | **2,075** | **2,564** |
| **Net Income (Adjusted)** | **918** | **1,560** | **2,075** | **2,564** |

Source Company data, I-Sec research

## Exhibit 5: Balance sheet

(INR mn, year ending March)

| | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|
| Total Current Assets | 17,671 | 18,856 | 20,440 | 22,939 |
| of which cash & cash eqv. | 166 | 1,997 | 4,126 | 3,781 |
| Total Current Liabilities & Provisions | 5,112 | 5,384 | 5,655 | 6,371 |
| **Net Current Assets** | **12,558** | **13,472** | **14,784** | **16,568** |
| Investments | 218 | 218 | 218 | 218 |
| Net Fixed Assets | 10,315 | 10,296 | 10,239 | 10,181 |
| ROU Assets | - | - | - | - |
| Capital Work-in-Progress | 831 | 1,028 | 1,226 | 1,424 |
| Total Intangible Assets | - | - | - | - |
| Other assets | 20 | 20 | 20 | 20 |
| Deferred Tax Assets | - | - | - | - |
| **Total Assets** | **23,942** | **25,034** | **26,487** | **28,410** |
| **Liabilities** | | | | |
| **Borrowings** | **3,241** | **3,241** | **3,241** | **3,241** |
| **Deferred Tax Liability** | **-** | **-** | **-** | **-** |
| provisions | - | - | - | - |
| other Liabilities | 7,509 | 7,509 | 7,509 | 7,509 |
| Equity Share Capital | 1,873 | 1,873 | 1,873 | 1,873 |
| Reserves & Surplus | 11,318 | 12,410 | 13,863 | 15,786 |
| **Total Net Worth** | **13,192** | **14,284** | **15,737** | **17,659** |
| Minority Interest | - | - | - | - |
| **Total Liabilities** | **23,942** | **25,034** | **26,487** | **28,410** |

Source Company data, I-Sec research

## Exhibit 6: Quarterly trend

(INR mn, year ending March)

| | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|---|---|---|---|---|
| Net Sales | 4,055 | 1,635 | 2,621 | 2,380 |
| % growth (YOY) | 17.7 | (12.9) | 15.2 | (5.6) |
| EBITDA | 804 | 233 | 490 | 524 |
| Margin % | 19.8 | 14.3 | 18.7 | 22.0 |
| Other Income | 81 | 78 | 85 | 70 |
| Extraordinaries | - | - | - | - |
| Adjusted Net Profit | 464 | 51 | 235 | 253 |

Source Company data, I-Sec research

## Exhibit 7: Cashflow statement

(INR mn, year ending March)

| | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|
| **Operating Cashflow** | **2,156** | **2,756** | **3,407** | **952** |
| Working Capital Changes | 397 | 917 | 816 | (2,128) |
| Capital Commitments | (791) | (791) | (791) | (791) |
| **Free Cashflow** | **1,366** | **1,965** | **2,616** | **161** |
| **Other investing cashflow** | **139** | **649** | **450** | **450** |
| Cashflow from Investing Activities | (652) | (142) | (341) | (341) |
| Issue of Share Capital | - | - | - | - |
| Interest Cost | (274) | (315) | (315) | (315) |
| Inc (Dec) in Borrowings | (632) | - | - | - |
| Dividend paid | (577) | (468) | (623) | (641) |
| Others | - | - | - | - |
| Cash flow from Financing Activities | (1,483) | (783) | (938) | (956) |
| **Chg. in Cash & Bank balance** | **22** | **1,831** | **2,129** | **(345)** |
| Closing cash & balance | 22 | 1,831 | 2,129 | (345) |

Source Company data, I-Sec research

## Exhibit 8: Key ratios

(Year ending March)

| | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|
| **Per Share Data (INR)** | | | | |
| Reported EPS | 4.9 | 8.3 | 11.1 | 13.7 |
| Adjusted EPS (Diluted) | 4.9 | 8.3 | 11.1 | 13.7 |
| Cash EPS | 8.0 | 11.6 | 14.5 | 17.2 |
| Dividend per share (DPS) | 1.5 | 2.5 | - | - |
| Book Value per share (BV) | 70.4 | 76.2 | 84.0 | 94.3 |
| Dividend Payout (%) | 30.2 | 30.0 | - | - |
| | | | | |
| **Growth (%)** | | | | |
| Net Sales | 23.0 | 20.0 | 20.0 | 20.0 |
| EBITDA | (24.6) | 26.0 | 38.9 | 20.0 |
| EPS (INR) | (41.5) | 71.0 | 33.0 | 23.5 |
| | | | | |
| **Valuation Ratios (x)** | | | | |
| P/E | 62.9 | 36.8 | 27.7 | 22.4 |
| P/CEPS | 38.2 | 26.4 | 21.1 | 17.9 |
| P/BV | 4.4 | 4.0 | 3.6 | 3.3 |
| EV / EBITDA | 31.0 | 23.9 | 16.6 | 13.9 |
| P / Sales | 5.4 | 4.5 | 3.7 | 3.1 |
| Dividend Yield (%) | 0.0 | 0.0 | - | - |
| | | | | |
| **Operating Ratios** | | | | |
| Gross Profit Margins (%) | 58.2 | 58.3 | 58.8 | 56.0 |
| EBITDA Margins (%) | 18.1 | 19.0 | 22.0 | 22.0 |
| Effective Tax Rate (%) | 30.3 | 28.0 | 28.0 | 28.0 |
| Net Profit Margins (%) | 8.5 | 12.1 | 13.4 | 13.8 |
| NWC / Total Assets (%) | - | - | - | - |
| Net Debt / Equity (x) | 0.2 | 0.1 | (0.1) | 0.0 |
| Net Debt / EBITDA (x) | 1.5 | 0.4 | (0.3) | (0.2) |
| | | | | |
| **Profitability Ratios** | | | | |
| RoCE (%) | 5.9 | 7.8 | 11.2 | 12.9 |
| RoE (%) | 7.3 | 11.6 | 14.4 | 16.1 |
| RoIC (%) | 6.1 | 8.3 | 12.9 | 15.8 |
| Fixed Asset Turnover (x) | 0.9 | 1.0 | 1.1 | 1.3 |
| Inventory Turnover Days | 511 | 424 | 318 | 313 |
| Receivables Days | 126 | 108 | 107 | 107 |
| Payables Days | 47 | 50 | 49 | 57 |

Source Company data, I-Sec research

*This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.*

*"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."*

*New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)*
**BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return**

**ANALYST CERTIFICATION**

I/We, Amit Dixit, PGDM, B.Tech; Mohit Lohia, CA; Pritish Urumkar, MBATech (Finance); 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. 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 AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 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 Institutional 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 Retail 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 or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

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 actual/ beneficial ownership of one percent or more or other material conflict of interest 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.