

Key risks to investing in I-direct Instinct

- It is a quick pitch note, which captures the essence of an idea in brief
- Instinct idea may be based on management interaction or some immediate triggers that may have a positive impact on the future of the company
- Target price is based on forward estimates, which will be published along with Detailed Coverage Report or Nano Nivesh report as the case may be
- The intent is to capture price action by coming out with a gist, which may or may not be an interim report between management interaction and publication of the final report
- The fair value of I-direct Instinct stocks is subject to expected growth potential in the future. Though due diligence has been done to a fair extent, the actualisation of growth still has a degree of uncertainty attached to it. Customers are advised to allocate a small proportion of their investible income to these stocks and diversify well

CMP: ₹ 165

Target: ₹ 215 (30%)

Target Period: 12 months

March 28, 2022

BUY

Inexpensive, proxy play on CV cyclical recovery...

About the stock: Ramkrishna Forgings (RKF) is a Kolkata based forging company, incorporated in 1981. It has six manufacturing plants in India concentrated around Jamshedpur and Kolkata with installed capacity of 1,87,100 tonnes as on date.

- FY21 mix: Domestic 55%; Exports 45% (North America: 33%; Europe: 8%)
- FY21 segment mix: auto ~89%; non-auto ~11%

Q3FY22: RKF reported a healthy performance in Q3FY22.

- Consolidated sales rose 4% QoQ to ₹ 601.3 crore, volumes at 29,520 tonne
- EBITDA was at ₹ 141.2 crore with margins up 90 bps QoQ to 23.5%.
- Consolidated PAT was up 3% sequentially to ₹ 45.3 crore
- Management guided for strong sales growth momentum over FY22-24E

What should investors do? Over the past five years, RKF has outperformed the wider Nifty Auto index, with share price growing at ~12% CAGR from Mar 2017.

- We initiate coverage on RKF under I-Direct Instinct format with a **BUY** rating

Target Price and Valuation: We value RKF at ₹ 215 i.e. 13x P/E on FY23E-24E average EPS of ₹ 16.5 (implied PE ratio of ~11x on FY24E numbers)

Key triggers for future price performance:

- Largely EV immune product portfolio (engine components <1%) along with cyclical upswing in CV space, we build FY21-24E sales CAGR at 33.4%
- With real-time pass-through of raw material costs in the domestic space & quarterly lag in case of exports, we see margins stabilising at ~22% mark
- New order wins of >₹ 600 crore in the recent past with annual incremental sales seen at ~₹ 300-400 crore starting FY23-24E
- Focus on deleveraging b/s with target of being net debt free by FY25E
- Healthy double digit return-ratio profile amid stable 20%+ margin profile, increasing share of exports & greater machining in sales mix, going forward

Alternate Stock Idea: In our auto universe, we also like Mahindra & Mahindra.

- Focused on prudent capital allocation, UV differentiation & EV proactiveness
- BUY with target price of ₹ 1,045



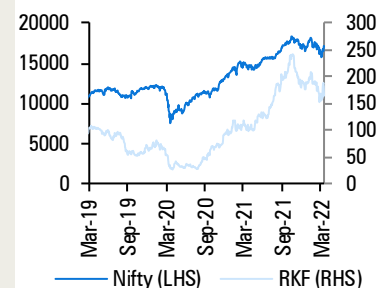
Particulars

Particulars	₹ crore
Market capitalisation	2,634
Total Debt (FY21)	1,229
Cash & Investment (FY21)	69
EV (₹ crore)	3,794
52 week H/L (₹)	252 / 97
Equity capital (₹ crore)	31.9
Face value (₹)	2.0

Shareholding pattern

	Mar-21	Jun-21	Sep-21	Dec-21
Promoter	45.9	46.0	46.0	46.0
FII	15.6	16.2	17.2	14.5
DII	7.9	6.9	5.4	6.9
Other	30.6	30.9	31.4	32.5

Price Chart



Recent Event & Key risks

- Reports healthy Q3FY22 results
- Key Risk:** (i) Client concentration risk with top two clients forming ~50% of sales, (ii) slower than expected sales growth prospects

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

Raghvendra Goyal
raghvendra.goyal@icicisecurities.com

Key Financial Summary

Key Financials	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	FY24E	3 year CAGR (FY21-24E)
Net Sales	1,931.1	1,216.5	1,288.9	7.3%	2,200.2	2,645.7	3,059.9	33.4%
EBITDA	383.9	207.3	222.7	4.2%	484.0	570.1	674.1	44.7%
EBITDA Margins (%)	19.9	17.0	17.3		22.0	21.5	22.0	
Net Profit	120.1	9.7	20.7	-17.8%	138.5	212.5	314.3	147.8%
EPS (₹)	7.4	0.6	1.3		8.7	13.3	19.7	
P/E	22.4	276.2	127.6		19.0	12.4	8.4	
RoNW (%)	13.8	1.1	2.3		13.7	17.5	20.8	
RoCE (%)	14.1	4.5	4.8		12.7	15.8	19.5	

Source: Company, ICICI Direct Research

Ramkrishna Forging

Ramkrishna Forgings (RKF) is Kolkata based forging company, incorporated in 1981 primarily as a forging player for Indian Railways. Over the years, it has diversified its offering into various sectors like automotive, railways, farm equipment, bearings, oil & gas, power and construction, earth moving & mining, both in India as well as overseas markets. It has six manufacturing plants in India concentrated around Jamshedpur and Kolkata. It has an installed capacity of 1,87,100 tonnes with utilisation rate at ~75% as of FY22E. It primarily manufactures chassis & rear axles components with little or no exposure to engine related components.

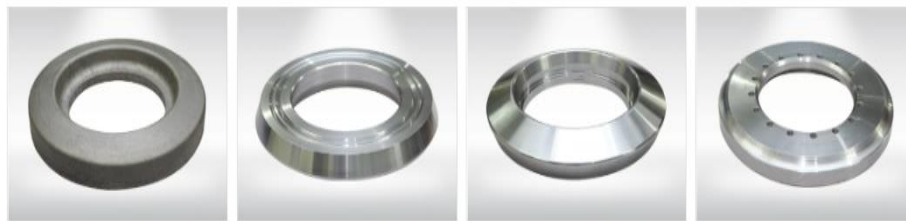
RKF is primarily serving the CV space with particular focus on the M&HCV sub-segment

Tata Motors & Dana Corp are biggest clients, which contribute ~50% of domestic and export sales, respectively

Product Offerings

Ring rolled products: Weight ranges from 20 kg to 75 kg. it is typically used in the automotive sector. It is made mainly from steel. They are made by passing heated metal between the two opposing rollers, which reduces the metal's thickness through the compression process. This is largely used for circular products like gears, wheels, rear axles, etc.

Exhibit 1: Ring rolled products



Source: Company, ICICI Direct Research

Forged Products: Weight ranges from 2 kg to 200 kg. This division manufactures components for automotive, railways, earthmoving, etc. These are made by heating iron and hammering it to get it into shape (hammer forging – manual in nature). It also includes forging utilising the **press lines** primarily for advanced forging components - the key focus area.

Exhibit 2: Forged products



Source: Company, ICICI Direct Research

Machined products: Weight ranges from 2 kg to 200 kg. This division manufactures for all the sectors e.g. automotive, mining, earthmoving, etc. It is a value add process to the basic forging technique wherein components are shaped and finished to size for the direct end use by the OEMs/ancillary.

Exhibit 3: Machined products



Source: Company, ICICI Direct Research

Every forging player endeavors is to always provide machined components to the OEM or auto ancillary as it incrementally adds to the profitability. Machining share for RKF is at ~70% as on date with intent to increase it further to ~90% over next two to three years

Triggers

Proxy on CV growth, aided by revival in domestic capex cycle

Commercial vehicle is a cyclical industry with the industry witnessing a down cycle of two years i.e. FY20, FY21. It is now geared up for two to three years of up cycle starting in the present financial year FY22E. Recent volume prints (consistent MoM growth) by leading OEMs affirm our thesis on this. The key drivers for growth are: (i) revival of capex cycle domestically by both private as well as public sector enterprises. The Union Budget's capex outlay for FY23 was at ₹ 7.5 lakh crore, up 35% YoY; (ii) high age of existing fleet thereby indicating healthy replacement demand in the offering; (iii) scrappage policy - which makes automated testing compulsory for aged vehicles from April 2023 thereby generating demand for new fuel efficient and environment friendly vehicles and (iv) magnitude of decline for the CV industry, which is down >40% from its peak attained in FY19 at ~10 lakh units. With a cyclical recovery under way, we expect the domestic CV industry to grow in excess of 20% CAGR over the next few years, with RKF as one of the potential beneficiaries (M&HCV exposure to sales mix pegged at ~70%).

For domestic customers, RM costs is a real time pass thru (no lag) while for exports it comes with a quarterly lag. At present no raw material is being imported.

Spared from EV related transitional risk & diversified exposure

Electrification is the buzz word in the auto space and investor's preference is clearly for companies that are readily adopting this technology shift. RKF has a largely EV immune portfolio with exposure to engine related components at <1%. Further it has diversified in the non-auto space through railways and mining sector. Recently, it also partnered with ePropelled (US) to jointly develop eAxel thereby marking its entry in the e-mobility space.

Exhibit 4: Revenue mix (end user wise)

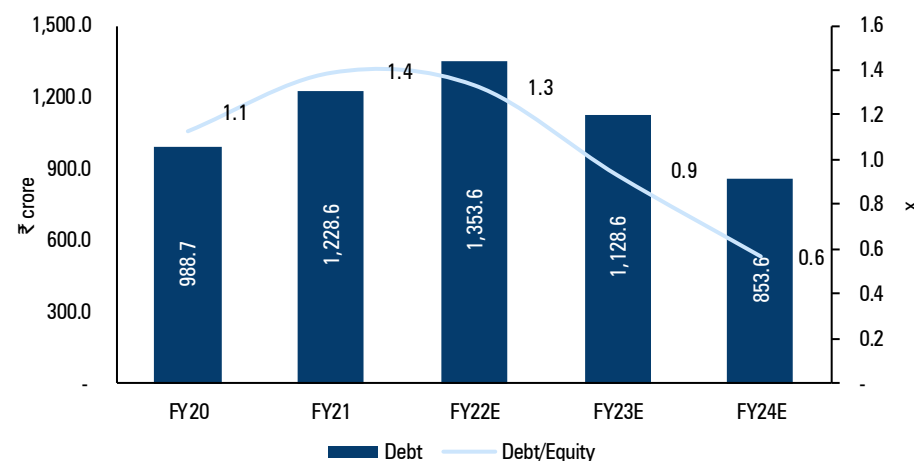
Segment	Revenue Mix (End User Wise)			
	FY21	FY20	FY19	FY18
Automotive	41.9%	40.4%	54.5%	57.0%
Railways	3.2%	4.1%	2.5%	2.0%
Mining	4.4%	4.1%	3.4%	2.6%
Exports	40.2%	38.7%	29.3%	28.7%
Exports Incentive	1.2%	1.8%	1.4%	1.3%
Others (Incl. Scrap)	9.1%	11.0%	8.9%	8.3%

Source: Company, ICICI Direct Research

Focus on sweating assets, deleveraging b/s

RKF has a history of generating healthy cash flow from operations. However, it has been on an aggressive capacity expansion mode leading to negative FCFs as well as increase in debt on b/s. Cumulative CFO over FY12-21 was at ~₹ 1,100 crore with cash flows from investing pegged at ~₹ 1,750 crore with consequent debt increasing from <₹ 200 crore in FY12 to > ₹ 1,200 crore as of FY21. With a large part of capex cycle behind it and peak debt attained in FY22E, it is now geared up to sweat assets and deleverage balance sheet. RKF aims to be net debt free by FY25E.

Exhibit 5: Debt and Debt: Equity trend

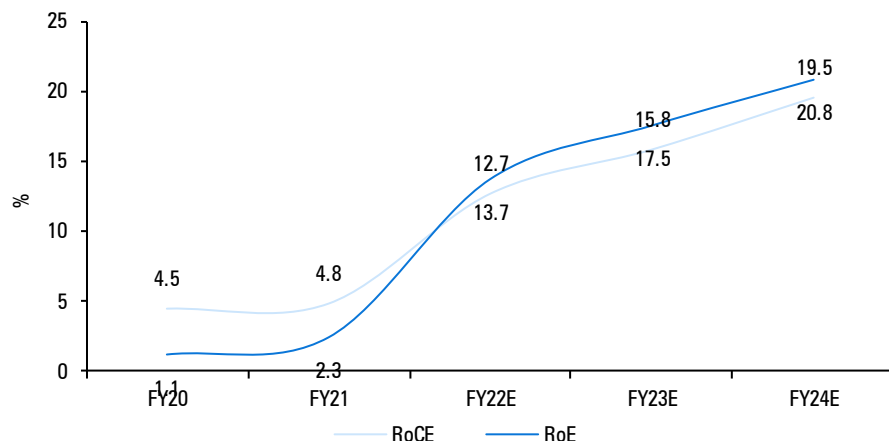


Source: Company, ICICI Direct Research

Healthy return ratios in offing

Return ratios have been muted at RKF in the recent past amid capacity expansion under execution coupled with muted demand prospects in the domestic market. With the peak of the capex cycle behind us and the management's intent to sweat assets with consequent decline in debt on its books, return ratios are expected to improve substantially with 20% levels seen by FY24E.

Exhibit 6: Return ratios trend



The company is expected to report healthy double digit ratios of ~20% by FY24E

Source: Company, ICICI Direct Research

Valuation & Outlook

With the simultaneous upswing in the domestic and global CV space as well as impressive new order book, we expect net sales CAGR of 33.4% over FY21-24E. This, coupled with its ability to maintain ~22% margin trajectory amid increasing share of exports and machining, PAT is seen growing to ₹ 314 crore by FY24E. In the last up cycle, it traded at double digit EV/EBITDA multiple (~10x) and is currently trading at ~5x EV/EBITDA on FY24E numbers, implying inexpensive valuations. The company also trades at a discount to its peers in the listed domain. Consequently, with good margin on safety on the anvil, we assign **BUY** rating to the stock, thereby valuing RKF at ₹ 215, i.e. 13x P/E on FY23E-24E average EPS of ₹16.5/share.

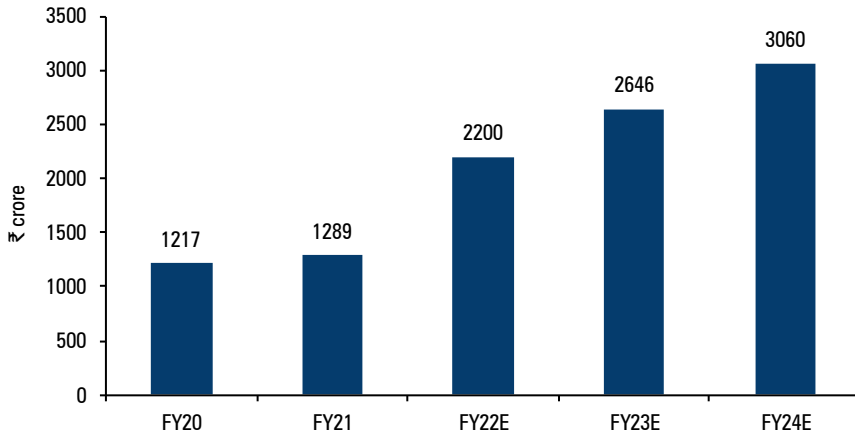
Exhibit 7: Detailed financial summary

P&L Account (₹ in crore)	FY21	FY22E	FY23E	FY24E
Net Sales	1,288.9	2,200.2	2,645.7	3,059.9
EBITDA	222.7	484.0	570.1	674.1
EBITDA Margin (in %)	17.3	22.0	21.5	22.0
PAT	20.7	138.5	212.5	314.3
EPS	1.3	8.7	13.3	19.7
Balance Sheet (₹ in crore)	FY21	FY22E	FY23E	FY24E
Equity	31.9	31.9	31.9	31.9
Net Worth	882.6	1,013.1	1,213.6	1,511.9
Debt	1,228.6	1,353.6	1,128.6	853.6
Debt/Equity	1.4	1.3	0.9	0.6
Return Ratios	FY21	FY22E	FY23E	FY24E
RoE	2.3	13.7	17.5	20.8
RoCE	4.8	12.7	15.8	19.5
Valuation Ratios	FY21	FY22E	FY23E	FY24E
P/E	127.6	19.0	12.4	8.4
EV / EBITDA	17.0	8.1	6.5	5.1
Price to Book Value	3.0	2.6	2.2	1.7

Source: Company, ICICI Direct Research

Key Financial charts

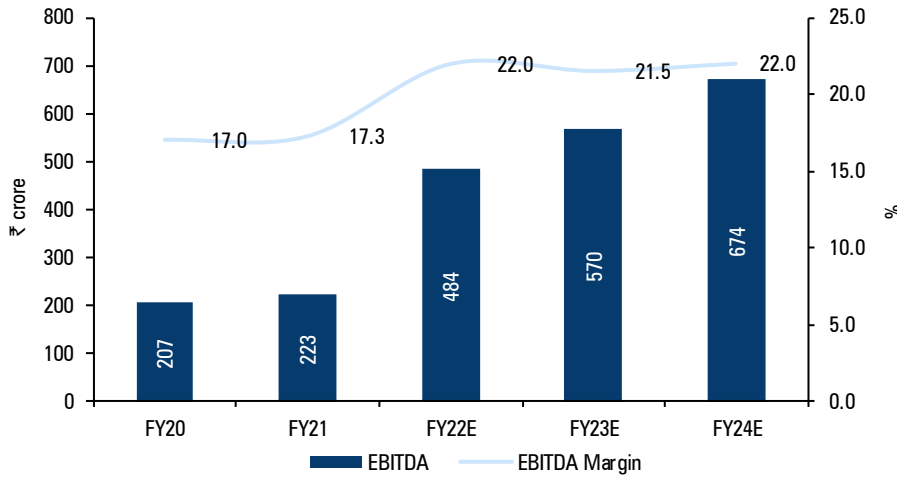
Exhibit 8: Topline trend



Net sales are expected to grow at 33.4% CAGR over FY21-24E at ₹ 3,060 crore as of FY24E

Source: Company, ICICI Direct Research

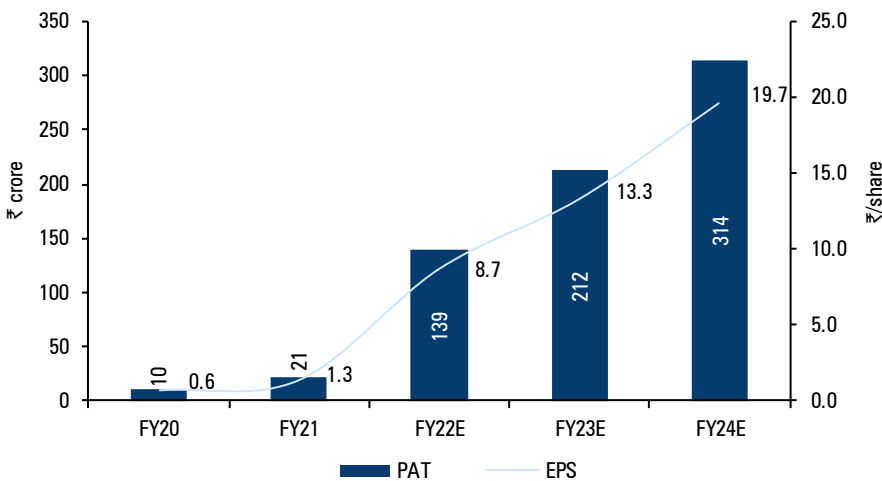
Exhibit 9: EBITDA & EBITDA margins trend



EBITDA is expected to grow at 44.7% CAGR over FY21-24E to ₹ 674 crore in FY24E with margins reaching 22% as at FY24E

Source: Company, ICICI Direct Research

Exhibit 10: PAT & EPS trend



PAT is expected to rise to ₹ 314 crore in FY24E with corresponding EPS seen at ₹ 19.7 in FY24E

Source: Company, ICICI Direct Research

Financial Summary (Consolidated)

Exhibit 11: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Net Sales	1288.9	2200.2	2645.7	3059.9
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	1,288.9	2,200.2	2,645.7	3,059.9
Growth (%)	6.0	70.7	20.2	15.7
Raw Material Expenses	643.5	1,111.1	1,370.5	1,597.3
Employee Expenses	96.0	121.0	132.3	137.7
Other Operating Expense	326.7	484.0	572.9	650.9
Total Operating Expenditure	1,066.2	1,716.2	2,075.6	2,385.8
EBITDA	222.7	484.0	570.1	674.1
Growth (%)	-26.9	117.4	17.8	18.2
Depreciation	116.7	173.5	186.2	195.8
Interest	79.9	101.5	84.6	64.0
Other Income	5.6	4.1	4.3	4.7
PBT	31.8	213.1	303.5	419.0
Exceptional Item	0.0	0.0	0.0	0.0
Total Tax	11.1	74.6	91.1	104.8
PAT	20.7	138.5	212.5	314.3
Growth (%)	-80.7	570.8	53.4	47.9
EPS (₹)	1.3	8.7	13.3	19.7

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Profit after Tax	20.7	138.5	212.5	314.3
Add: Depreciation	116.7	173.5	186.2	195.8
(Inc)/dec in Current Assets	-293.3	-430.1	-224.0	-268.4
Inc/(dec) in CL and Provisions	222.8	183.6	139.8	130.0
Others	79.9	101.5	84.6	64.0
CF from operating activities	146.8	167.0	399.2	435.7
(Inc)/dec in Investments	0.1	-5.0	5.0	0.0
(Inc)/dec in Fixed Assets	-239.2	-200.0	-75.0	-75.0
Others	11.6	0.0	0.0	0.0
CF from investing activities	-227.5	-205.0	-70.0	-75.0
Issue/(Buy back) of Equity	-0.7	0.0	0.0	0.0
Inc/(dec) in loan funds	239.9	125.0	-225.0	-275.0
Dividend paid & dividend tax	-79.9	-109.5	-96.6	-80.0
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	-13.3	0.0	0.0	0.0
CF from financing activities	146.0	15.5	-321.6	-355.0
Net Cash flow	65.3	-22.5	7.6	5.7
Opening Cash	3.3	68.5	46.1	53.6
Closing Cash	68.5	46.1	53.6	59.3

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Liabilities				
Equity Capital	31.9	31.9	31.9	31.9
Reserve and Surplus	850.7	981.2	1,181.7	1,480.0
Total Shareholders funds	882.6	1,013.1	1,213.6	1,511.9
Total Debt	1,228.6	1,353.6	1,128.6	853.6
Deferred Tax Liability	65.4	65.4	65.4	65.4
Minority Interest / Others	20.8	20.8	20.8	20.8
Total Liabilities	2197.5	2,453.0	2,428.5	2,451.8
Assets				
Gross Block	1,739.9	2,115.5	2,265.5	2,340.5
Less: Acc Depreciation	505.4	678.9	865.1	1,060.8
Net Block	1,234.5	1,436.6	1,400.4	1,279.6
Capital WIP	275.6	100.0	25.0	25.0
Total Fixed Assets	1,510.1	1,536.6	1,425.4	1,304.6
Investments	6.0	11.0	6.0	6.0
Inventory	432.2	663.1	724.8	838.3
Debtors	568.8	753.5	906.1	1,047.9
Loans and Advances	15.7	26.9	32.3	37.4
Other Current Assets	82.6	86.0	90.2	98.2
Cash	68.5	46.1	53.6	59.3
Total Current Assets	1,167.9	1,575.5	1,807.1	2,081.1
Current Liabilities	483.3	663.1	797.3	922.2
Provisions	5.8	8.0	9.6	11.1
Current Liabilities & Prov	507.0	690.7	830.5	960.5
Net Current Assets	660.9	884.9	976.6	1,120.6
Others Assets	20.5	20.5	20.5	20.5
Application of Funds	2,197.5	2,453.0	2,428.5	2,451.8

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
(Year-end March)	FY21	FY22E	FY23E	FY24E
Per share data (₹)				
EPS	1.3	8.7	13.3	19.7
Cash EPS	8.6	19.5	25.0	31.9
BV	55.3	63.5	76.0	94.7
DPS	0.0	0.5	0.7	1.0
Cash Per Share	4.3	2.9	3.4	3.7
Operating Ratios (%)				
EBITDA Margin	17.3	22.0	21.5	22.0
PAT Margin	1.6	6.3	8.0	10.3
Inventory days	122.4	110.0	100.0	100.0
Debtor days	161.1	125.0	125.0	125.0
Creditor days	136.9	110.0	110.0	110.0
Return Ratios (%)				
RoE	2.3	13.7	17.5	20.8
RoCE	4.8	12.7	15.8	19.5
RoIC	5.7	13.5	16.3	20.2
Valuation Ratios (x)				
P/E	127.6	19.0	12.4	8.4
EV / EBITDA	17.0	8.1	6.5	5.1
EV / Net Sales	2.9	1.8	1.4	1.1
Market Cap / Sales	2.0	1.2	1.0	0.9
Price to Book Value	3.0	2.6	2.2	1.7
Solvency Ratios				
Debt/EBITDA	5.5	2.8	2.0	1.3
Debt / Equity	1.4	1.3	0.9	0.6
Current Ratio	2.2	2.3	2.2	2.2
Quick Ratio	1.4	1.3	1.3	1.3

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, Shashank Kanodia, CFA, MBA (Capital Markets), and Raghvendra Goyal, CA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

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 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 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.