

Steady performance amid challenges...

About the stock: AIA Engineering (AIA) is India's largest manufacturer and supplier of high chrome wear, corrosion and abrasion resistance castings used in cement, mining and thermal power plants (or mills).

- Products include tube mill internals (grinding media, shell liners, diaphragm), HRCS castings & crusher parts for cement, mining and power
- It is the second largest hi-chrome producer in the world

Q1FY22 Results: AIA reported steady Q1FY22 results amid disruptions.

- Revenue was at ₹ 734.9 crore, up 27.5% YoY amid pandemic restrictions
- EBITDA was at ₹ 171.9 crore, up 39.2% YoY. EBITDA margins improved 190 bps to 23.2% YoY aided by product mix and price pass-through
- Consequently, PAT came in at ₹ 149.1 crore, up 15% YoY
- Sales volumes came in at 60318 MT in Q1FY22, up 13.4% YoY

What should investors do? Overall, AIA's strong balance sheet, decent cash flows, efficient working capital management are expected to support long term growth.

- We remain long term positive and retain our BUY rating on the stock.

Target Price and Valuation: We value AIA at ₹ 2230 i.e. 32x P/E on FY23E EPS.

Key triggers for future price performance:

- New mining customer acquisition is expected to pick up once the travel situation normalises, as expected, in H2FY22E and will allow AIA to gain incremental volume growth in coming years despite likely base volume impact due to CBSA investigation on anti-dumping in Canada
- We expect revenue, EBITDA to grow at CAGR of ~11.4%, 10.8%, respectively, in FY21-23E aided by sustained margins in range of 21-23%
- Strong balance sheet, double digit returns ratios

Alternate Stock Idea: We also like Grindwell Norton in our coverage.

- High margin value added products and solutions oriented approach to drive margin expansion (from ~16.7% in FY20 to 20.6% in FY23E)
- BUY with a target price of ₹ 1510



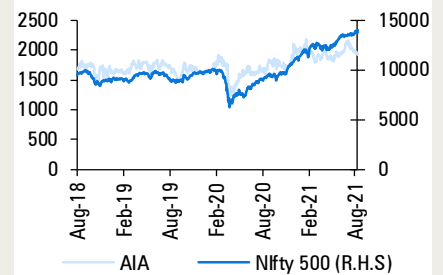
Particulars

Particular	Amount
Market Capitalization	₹ 18203.9 Crore
Total Debt (FY21)	₹ 184.5 Crore
Cash and Inv. (FY20)	₹ 1946.9 Crore
EV	₹ 16441.4 Crore
52 week H/L	₹ 2224/ 1621
Equity capital	₹ 18.9 Crore
Face value	₹ 2

Shareholding pattern

(in %)	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	58.5	58.5	58.5	58.5
FII	20.5	20.1	18.8	19.0
DII	18.4	18.6	19.9	19.8
Others	2.6	2.8	2.8	2.7

Price Performance



Recent Events & Key risks

- **Key Risks:** (i) Unfavourable decision on CBSA investigation in Canada (ii) Sustained steep ferrochrome prices could have short-term impact

Research Analyst

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Research Analyst

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Key Financial Summary

Particulars (₹ crore)	FY19	FY20	FY21	5 Year CAGR (FY16-FY21)
Net Sales	3,069.5	2,980.9	2,881.5	6.5%
EBITDA	660.4	680.3	655.3	1.5%
EBITDA Margin (%)	21.5	22.8	22.7	
Net Profit	513.2	590.3	563.5	4.3%
EPS (₹)	54.4	62.6	59.7	
P/E (x)	35.5	30.8	32.3	
RoNW (%)	14.6	15.9	13.3	
RoCE (%)	18.8	18.7	16.4	

Key takeaways of recent quarter & conference call highlights

Q1FY22 Results: Steady performance despite challenges....

- AIA reported consolidated revenues at ₹ 734.9 crore (above our estimate of ₹ 652.5 crore), up 27.5% YoY owing to reasonable growth of 13.4% in volumes on a YoY basis. Realisation grew 14.7% to ₹ 121.1 per kg YoY, aided by forex gains and product mix.
- EBITDA came in at ₹ 171.9 crore, up 39.2% YoY (above our estimates of ₹ 130.5 crore). EBITDA margins improved 190 bps YoY to 23.2% (above our estimate of 20%). Gross margins expanded 110 bps to 61.7% YoY
- AIA reported PAT at ₹ 149.1 crore (above our estimate of ₹ 112.3 crore) up 15%, YoY, partly impacted by lower other income, which declined 47.1% YoY to ₹ 39.5 crore

Q1FY22 Earnings Conference Call highlights

- The net realisation per tonne increased 14.7% to ₹ 121.1 per kg YoY, owing to product mix and price increases to pass-through higher input cost
- Sales volume came in reasonable at 60318 MT in Q1FY22, up 13.4% YoY. Mining segment volumes were down 10% to 36967 MT while cement & others segment volumes almost doubled to 23351 MT YoY amid low base
- In Q1FY22, gross margin expanded 110 bps YoY to 61.7% YoY, aided by product mix and pass-through amid higher commodity prices. Margins are expected to be sustainable at around current levels in the medium term. However, there could be short term impact of recent run-up in Ferro chrome prices, which are likely to gradually passed on with a few months lag
- FY22 outlook: Cautious stance on volume guidance. However, it expects mining, cement industry to see further pick-up in activity as the global economy further revives and travel normalises, which will drive AIA's product requirements while returning to normal by H2FY22E
- Canada Borders Service Agency (CBSA) has initiated investigation in December 2020 with respect to alleged dumping and subsidising of certain media grinding from India being the subject matter. AIA has 25000 MT annual sale exposure to Canada. CBSA has completed its review and proposed to import 22% duties on certain grades of grinding media from India, subject to final decision by Canadian International Trade Tribunal (CIIT) with respect to determination of damage if any, expected by August end. There could be an impact on sales volumes to the tune of ~12000 MT in H1FY22 till matter gets resolved
- The order book of the company was at ₹ 682 crore as on Q1FY22 (vs. ₹ 632 crore as on Q4FY21)
- Expansion plan - Mill lining capacity addition of 50000 MT is likely to be completed in Q4FY22E. While the company has paused grinding media capacity addition (~50000 tonnes) capex as of now
- Capex - AIA has done capex of ₹ 55 crore in Q1FY22 and is likely to do ~₹ 200 crore capex in FY22E. Majority includes payables towards mill liners capex, addition of 5.4 MW wind turbine and general capex
- Working capital: - Overall working capital situation is quite stable and likely to hover around 110-120 days in the medium term

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY22E	Q1FY21	YoY (Chg %)	Q4FY21	QoQ (Chg %)	Comments
Sales	739.9	652.5	580.3	27.5	860.2	-14.0	Decent revenue aided by better volumes in non-mining segment
Other Income	39.5	41.0	74.8	-47.1	23.2	70.0	
Raw Materials Expenses	282.8	258.4	227.8	24.1	403.8	-30.0	
Employee Cost	33.8	35.2	33.2	2.1	32.5	4.0	
Other Expenditure	251.4	228.4	195.9	28.4	254.6	-1.3	
EBITDA	171.9	130.5	123.5	39.2	169.2	1.6	
EBITDA Margin (%)	23.2	20.0	21.3	195 bps	19.7	356 bps	EBITDA margins improved significantly owing to price pass-through and favourable product mix
Depreciation	24.2	26.1	25.1	-3.7	22.0	9.7	
Interest	0.7	1.5	1.4	-47.8	0.7	7.1	
PBT	186.5	144.0	171.7	8.6	169.8	9.9	
Taxes	37.4	31.7	42.1	-11.2	36.6	2.2	
PAT	149.1	112.3	129.6	15.0	133.1	12.0	
	20%	22%	25%		22%		
Key Metrics							
Volume (in tonnes)	60,318	59,805	53,177	13.4	79,377	-24.0	Sales volumes in line with our estimates
Net Realisation (₹/tonne)	1,21,079	1,05,600	1,05,576	14.7	1,07,124	13.0	Realisations up 14.7% YoY owing to foreign exchange and price pass-through

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
(₹ Crore)							
Revenue	3,113.3	3,139.8	0.8	3,601.3	3,576.0	-0.7	Factoring in volume impact in H2FY22E
EBITDA	685.3	691.9	1.0	813.8	804.0	-1.2	
EBITDA Margin (%)	22.0	22.0	2 bps	22.6	22.5	-12 bps	
PAT	561.8	570.0	1.5	669.4	657.4	-1.8	
EPS (₹)	59.6	60.4	1.4	71.0	69.7	-1.8	

Source: Company, ICICI Direct Research

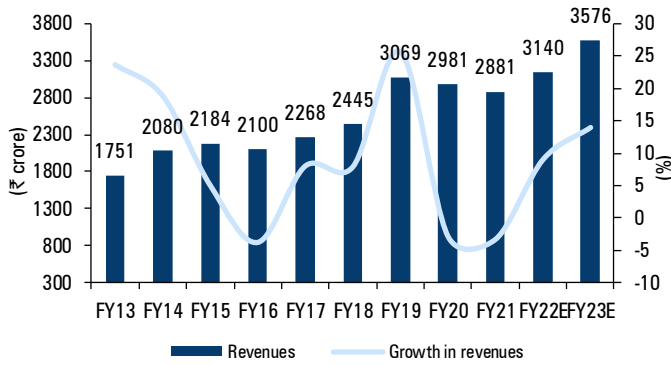
Exhibit 3: Assumptions

	Current				Earlier		Comment
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Overall Volumes (tonnes)	2,67,229	2,66,160	2,66,160	3,04,221	2,73,080	3,09,400	Revised volumes estimates in line with economic conditions
Mining Volumes (tonnes)	1,77,274	1,92,397	1,87,234	2,19,770	1,94,154	2,24,949	
Capacity	3,90,000	3,90,000	4,40,000	4,40,000	4,40,000	4,40,000	
Net Realisations	1,08,195	1,05,905	1,13,471	1,12,780	1,08,880	1,11,710	

Source: Company, ICICI Direct Research

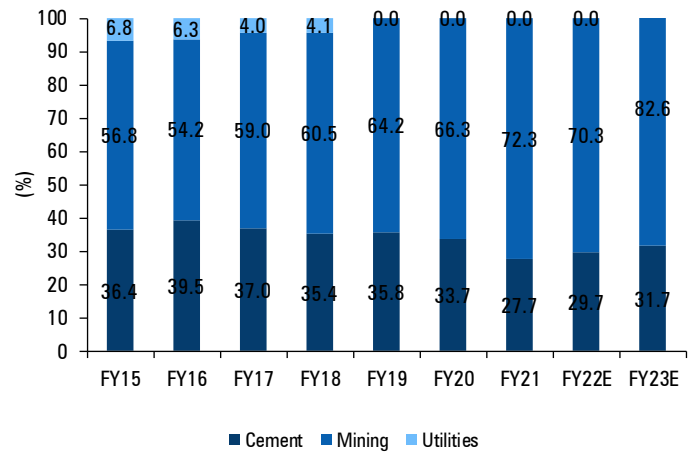
Financial Story in charts

Exhibit 4: Trend in revenues...



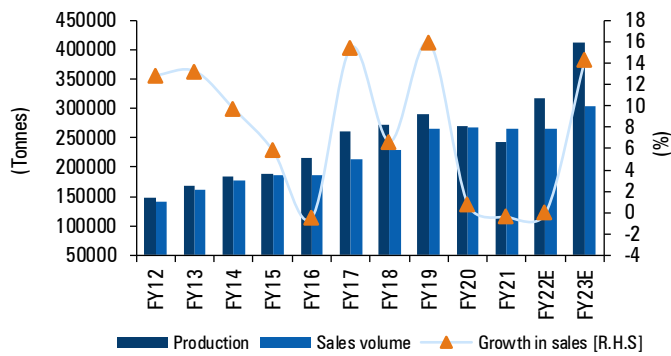
Source: ICICI Direct Research, Company

Exhibit 5: Share of mining segment to rise gradually...



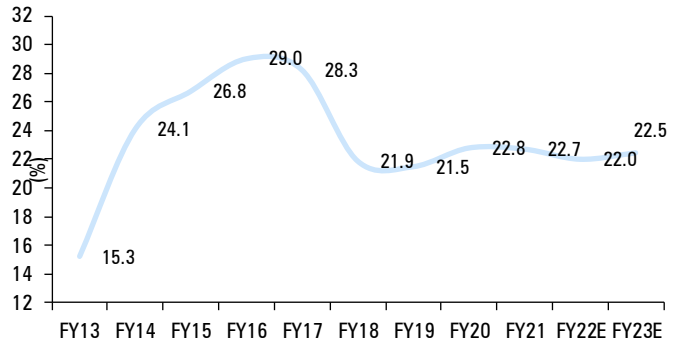
Source: ICICI Direct Research, Company

Exhibit 6: Trend in volume growth...



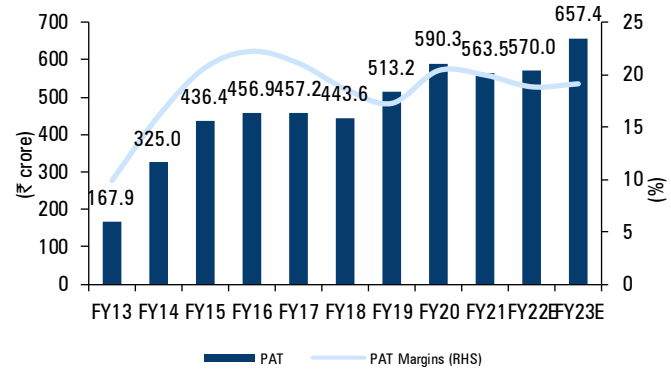
Source: Company, ICICI Direct Research

Exhibit 7: Trend in EBITDA margin...



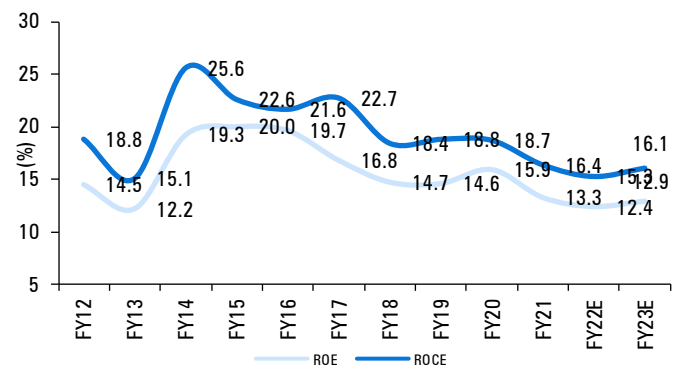
Source: Company, ICICI Direct Research

Exhibit 8: Volume and margin recovery key to PAT...



Source: Company, ICICI Direct Research

Exhibit 9: RoE, RoCE trend...



Source: Company, ICICI Direct Research

Financial summary

Exhibit 10: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Total operating income	2,980.9	2,881.5	3,139.8	3,576.0
Growth (%)	-2.9	-3.3	9.0	13.9
Raw Material Expenses	1,173.5	1,121.0	1,213.7	1,378.7
Employee Expenses	134.4	133.5	142.2	147.0
Other expenses	992.7	971.7	1,092.0	1,246.4
Total Operating Expenditure	2,300.6	2,226.2	2,447.9	2,772.0
EBITDA	680.3	655.3	691.9	804.0
Growth (%)	3.0	-3.7	5.6	16.2
Depreciation	97.9	93.5	106.3	118.6
Interest	5.6	6.8	6.5	6.5
Other Income	141.9	172.2	152.8	171.5
PBT	718.7	727.2	731.9	850.4
Others	0.0	0.0	0.0	0.0
Total Tax	128.4	163.7	161.9	193.0
PAT	590.3	563.5	570.0	657.4
Growth (%)	15.0	-4.5	1.2	15.3
EPS (₹)	62.6	59.7	60.4	69.7

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit after Tax	590.3	563.5	570.0	657.4
Add: Depreciation	97.9	93.5	106.3	118.6
(Inc)/dec in Current Assets	125.1	59.3	-165.2	-130.0
Inc/(dec) in CL and Provisions	-20.0	-5.6	58.5	31.6
Others	3.3	3.0	5.0	5.0
CF from operating activities	793.3	710.7	569.6	677.6
(Inc)/dec in Investments	0.0	-256.4	0.0	0.0
(Inc)/dec in Fixed Assets	-115.4	-143.9	-169.1	-280.0
Others	0.0	0.0	0.0	0.0
CF from investing activities	-419.4	-464.2	-278.1	-409.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	-30.9	87.5	0.0	0.0
Dividend paid & dividend tax	-399.1	-84.9	-103.8	-169.8
Inc/(dec) in Sec. premium	0.2	-0.1	0.0	0.0
Others	0.0	7.6	0.0	0.0
CF from financing activities	-433.6	67.2	-224.7	-164.8
Net Cash flow	-59.8	313.8	66.8	103.7
Opening Cash	208.2	148.5	462.2	529.1
Closing Cash	148.5	462.2	529.1	632.8

Source: Company, ICICI Direct Research

Exhibit 12: Balance sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Liabilities				
Equity Capital	18.9	18.9	18.9	18.9
Reserve and Surplus	3,682.3	4,225.4	4,570.8	5,063.4
Total Shareholders funds	3,701.1	4,244.3	4,589.6	5,082.3
Total Debt	96.9	184.5	184.5	184.5
Deferred Tax Liability	67.4	47.0	52.0	57.0
Minority Interest / Others	0.0	0.0	0.0	0.0
Total Liabilities	3,896.3	4,498.1	4,851.9	5,354.5
Assets				
Gross Block	1,263.1	1,252.8	1,462.8	1,742.8
Less: Acc Depreciation	396.9	464.3	569.7	687.4
Net Block	866.2	788.5	893.1	1,055.4
Capital WIP	32.4	160.9	120.0	120.0
Total Fixed Assets	898.5	949.5	1,013.1	1,175.4
Investments	1,424.0	1,484.6	1,574.6	1,694.6
Inventory	778.1	754.8	833.9	876.9
Debtors	648.2	638.5	695.0	761.4
Loans and Advances	4.3	3.2	4.9	4.3
Other Current Assets	141.1	116.0	143.8	165.0
Cash	148.5	462.2	529.1	632.8
Total Current Assets	1,720.2	1,974.6	2,206.6	2,440.4
Creditors	132.2	165.8	169.6	183.3
Provisions	24.2	15.2	28.8	36.7
Total Current Liabilities	265.7	260.1	318.6	350.2
Net Current Assets	1,454.5	1,714.5	1,888.0	2,090.2
Others Assets	0.0	0.0	0.0	0.0
Application of Funds	3,896.3	4,498.1	4,851.9	5,354.5

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios				
	₹ crore			
(Year-end March)	FY21E	FY21	FY22E	FY23E
Per share data (₹)				
EPS	62.6	59.7	60.4	69.7
Cash EPS	73.0	69.7	71.7	82.3
BV	392.4	450.0	486.6	538.8
DPS	36.0	9.0	11.0	18.0
Cash Per Share	15.7	49.0	56.1	67.1
Operating Ratios (%)				
EBITDA Margin	22.8	22.7	22.0	22.5
PBT / Total Operating income	24.9	25.8	24.2	24.8
PAT Margin	20.4	20.0	18.9	19.2
Inventory days	98.2	97.7	100.8	93.3
Debtor days	81.8	82.7	84.0	81.0
Creditor days	16.7	21.5	20.5	19.5
Return Ratios (%)				
RoE	15.9	13.3	12.4	12.9
RoCE	18.7	16.4	15.3	16.1
RoIC	26.8	24.4	23.3	24.7
Valuation Ratios (x)				
P/E	30.8	32.3	31.9	27.7
EV / EBITDA	24.6	25.1	23.5	20.0
EV / Net Sales	5.8	5.8	5.4	4.7
Market Cap / Sales	6.3	6.5	6.0	5.3
Price to Book Value	4.9	4.3	4.0	3.6
Solvency Ratios				
Debt/EBITDA	0.1	0.3	0.3	0.2
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	5.9	5.8	5.3	5.2
Quick Ratio	3.0	2.9	2.6	2.7

Source: Company, ICICI Direct Research

Exhibit 14: ICICI Direct coverage universe (Capital Goods)

Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
L&T (LARTOU)	1665	1,870	Buy	233633	81.9	46.7	52.9	20.3	35.7	31.5	7.4	8.0	8.8	18.8	10.2	11.0
Siemens Ltd	2245	2,550	Buy	79949	28.3	37.9	45.1	79.4	59.2	49.8	13.5	16.3	17.4	9.9	12.1	13.0
AIA Engineering (AIAENG)	1930	2,230	Buy	18204	59.7	60.4	69.7	32.3	31.9	27.7	16.4	15.3	16.1	13.3	12.4	12.9
Thermax (THERMA)	1390	1,680	Buy	16563	17.3	26.8	40.0	80.2	51.8	34.8	9.8	11.9	16.3	7.6	9.3	12.7
Kalpataru Power(KALPOW)	433	550	Buy	6699	41.3	33.9	42.0	10.5	12.8	10.3	15.9	16.6	17.6	12.7	11.5	12.7
KEC International (KECIN)	406	485	Buy	10438	21.5	23.3	32.2	18.9	17.4	12.6	19.4	18.3	20.9	16.5	15.9	18.3
Greaves Cotton (GREAVE)	144	190	Buy	3329	0.4	3.6	6.1	321.4	40.3	23.5	6.5	12.0	20.1	3.3	8.7	14.7
Elgi Equipment (ELGEQU)	205	260	Buy	6497	3.2	3.9	6.2	63.4	52.3	33.3	11.7	12.8	18.1	11.8	13.9	18.7
Bharat Electronics (BHAELE)	174	205	Buy	42397	8.5	9.5	10.8	20.5	18.2	16.1	27.1	26.7	27.7	19.1	19.7	20.5
Cochin Shipyard (COCSHI)	358	500	Buy	4720	46.4	44.0	55.6	7.7	8.1	6.4	14.4	15.2	16.0	15.3	13.0	14.7
SKF (SKFIND)	2827	3,300	Buy	14170	60.2	72.0	94.0	47.0	39.3	30.1	24.8	25.0	28.0	19.0	19.0	21.0
Timken India (TIMIND)	1552	1,740	Hold	11690	19.0	28.2	36.3	81.5	55.0	42.8	13.7	18.3	23.5	10.7	14.0	18.0
NRB Bearing (NRBBEA)	126	175	Buy	1210	5.6	8.0	9.8	22.5	15.8	12.9	11.8	15.8	17.2	10.4	13.1	14.1
Action Construction (ACTCON)	226	300	Buy	2560	7.1	9.4	13.7	31.8	24.0	16.5	26.9	25.8	30.7	15.3	17.1	20.3

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, Chirag Shah, PGDBM and Amit Anwani, 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 endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities 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.