February 1, 2022

Budget Review 2022-23E

Accelerating capex for mission $5 trillion...

Union Budget 2022-23 can be aptly termed as adoption of a new growth template led by vital capex allocation to drive the economy. Outlay of capital expenditure of ~₹ 7.5 lakh crore, up ~35% YoY (at 2.9% of GDP), coupled with expanding the scope of private capex through PLI for new age segments, is expected to deliver inclusive growth, job creation and welfare for all. Among infrastructure segment, major emphasis has been placed towards highways (capex allocation up ~55% YoY) and water (allocation at ₹ 60000 crore, up ~33% YoY in the "Har Ghar Jal se Nal" scheme). With the dual objective of growth and welfare, the Budget has hit the right chords in the current macroeconomic setup.

Interestingly, the Budget, presented in the backdrop of a likely pandemic aftereffect, has seen relatively conservative estimation of growth (merely ~11% nominal GDP in FY23) and tax receipt growth of ~14% YoY (excluding excise cut). Thus, there is a likelihood of lower than projected fiscal deficit, in our view.

Key highlights of Budget:

- **Fiscal deficit target** for FY22RE and FY23BE has been pegged at 6.9% (vs. 6.8% BE) and 6.4%, respectively. While optically it looks higher, we believe the government has adopted a "pragmatic but conservative" approach in setting this target, in our view. Nominal GDP growth for FY23RE has been pegged at 11.1% given that the pandemic is still not over

- **Direct tax revenue growth** of 13.6% for FY23E is in tandem with the nominal GDP growth (11.1%) estimated for FY23E. Current monthly GST collection of ₹ 1.21 lakh crore is already running ahead of revised estimates for FY22E (i.e. ₹ 1.13 lakh crore). We expect FY23E monthly GST target of ₹ 1.3 lakh crore to be easily achievable

- **Capex on fast lane:** The government is driving capex on the fast lane. Capex allocation has grown by 35% YoY to ₹ 7.5 lakh crore or 2.9% of GDP (highest ever print). This is on a higher base of FY22E and the heartening statistic is that FY22 revised estimates had no slippages. Capex to GDP ratio has significantly increased from 1.5% in FY18 to 2.9% in FY23BE. Increased support of ₹ 100000 crore to states would augment capex expenditure will also accelerate state level capex intensity

- **Quality expenditure minus populism:** With removal of extra expenditure like social security expenses to tackle the pandemic, allocation for funds for Air India, etc, the share of revenue expenditure has been reduced to 81% of total expenditure for FY23E. Also, total subsidy bill has been contained at 1.2% of GDP, leaving more fiscal space for capital expenditure in FY23E

- **Disinvestment target** for FY22RE revised downward to ₹ 78,000 core (including LIC IPO) vs. earlier budgeted target of ₹ 175000 crore. For FY23E, it is pegged at ₹ 65,000 crore, which looks realistic, in our view

Pragmatic approach maintained; structural mix to improve with more focus towards tax receipts, capital expenditure…

Fiscal deficit target for FY22RE and FY23BE has been pegged at 6.9% (vs. 6.8% BE) and 6.4%, respectively. While optically it looks higher, we believe the government has adopted *"pragmatic but conservative"* approach in setting this target.

Government's fiscal position (₹ Lakh crore)

	FY19	FY20	FY21	YoY (%)	FY22 RE	YoY (%)	FY23 BE	YoY (%)
Direct tax revenues	11.4	11.7	9.4	*-19.2*	12.5	*32.3*	14.2	13.6
Indirect tax revenues	9.4	9.9	10.8	*8.9*	12.7	*17.0*	13.4	5.7
Gross Tax revenues	20.8	21.6	20.3	*-6.3*	25.2	*24.1*	27.6	9.6
Net Tax revenues [A]	13.2	15.0	14.3	*8.4*	17.7	*23.8*	19.3	9.6
Non-tax revenues [B]	2.4	3.5	2.1	*17.0*	3.1	*51.1*	2.7	-14.1
Disinvestmt & Others [C]	1.1	0.8	0.6	*226.2*	1.0	*73.5*	0.8	-20.7
Total Revenue [A+B+C]	17	19	17	*16.8*	22	*28.8*	23	5
Capital Exp [D]	3.1	3.4	4.3	*30.0*	6.0	*41.4*	7.5	24.5
Revenu Exp [E]	20.1	23.6	30.8	*-5.0*	31.7	*2.7*	31.9	0.9
Total Expenditure [D+E]	23.2	27.0	35.1	*-0.8*	37.7	*7.4*	39.4	4.6
Fiscal Deficit	**-6.5**	**-7.7**	**-18.2**	***NA***	**-15.9**	***NA***	**-16.6**	**NA**
Nominal GDP (In Lakh)	190.1	204.4	197.5	*12.9*	232.1	*17.6*	258.0	11.1

Source: Indiabudget.nic.in, ICICI Direct Research.

Government's fiscal position (As % of GDP)

	FY19	FY20	FY21 RE	FY22 BE	FY22 RE	FY23 BE
Direct tax revenues	6.0	5.7	4.8	5.0	5.4	5.5
Indirect tax revenues	5.0	4.9	5.5	5.0	5.5	5.2
Gross Tax revenues	**10.9**	**10.6**	**10.3**	**9.9**	**10.8**	**10.7**
Net Tax revenues [A]	6.9	7.4	7.2	6.9	7.6	7.5
Non-tax revenues [B]	1.2	1.7	1.1	1.1	1.4	1.0
Disinvestment & Others [C]	0.6	0.4	0.3	0.8	0.4	0.3
Total Revenue [A+B+C]	**8.8**	**9.4**	**8.6**	**8.9**	**9.4**	**8.9**
Capital Exp [D]	1.6	1.6	2.2	2.5	2.6	2.9
Revenu Exp [E]	10.6	11.6	15.6	13.1	13.6	12.4
Total Expenditure [D+E]	**12.2**	**13.2**	**17.8**	**15.6**	**16.2**	**15.3**
Fiscal Deficit	**-3.4**	**-3.8**	**-9.2**	**-6.8**	**-6.9**	**-6.4**

Key points considered:

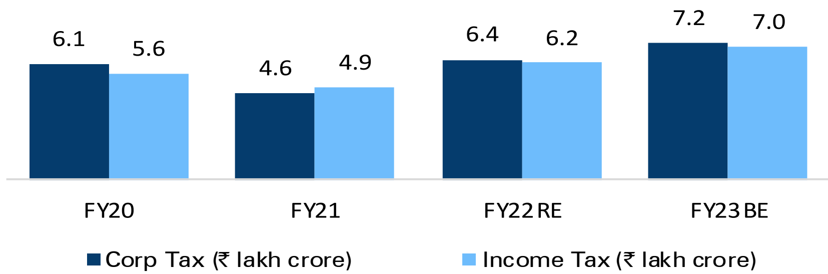
- **Nominal GDP growth for FY23RE has been pegged at 11.1%, which, we believe, is a conservative target**
- **Gross tax revenue growth set at 9.6% for FY23E with expected direct tax revenue growth of 13.6%.** Within indirect taxes, GST revenues are likely to grow 15.6% while excise duty revenue is likely to decline 15%, mainly due excise duty cut on petrol & diesel
- **Disinvestment target** for FY22RE revised downward to ₹ 78,000 core (including LIC IPO) vs. earlier budgeted target of ₹ 175000 crore. For FY23E, it is pegged at ₹ 65,000 crore
- **Allocation towards capital expenditure to continue to remain higher by 24.5% to ₹ 7.5 lakh crore (or 2.9% of GDP**) vs. ₹ 6.0 lakh crore for FY22RE (Including ₹ 51,978 crore for Air India). Ex Air-India, capital expenditure allocation is up 35% for FY23E **while allocation to revenue expenditure to increase marginally by 0.9%** due to removal of extra expenditures like additional food subsidy and social security expenses post pandemic, allocation for funds for Air India, etc

Tax buoyancy to continue; quality of expenditure set to improve...

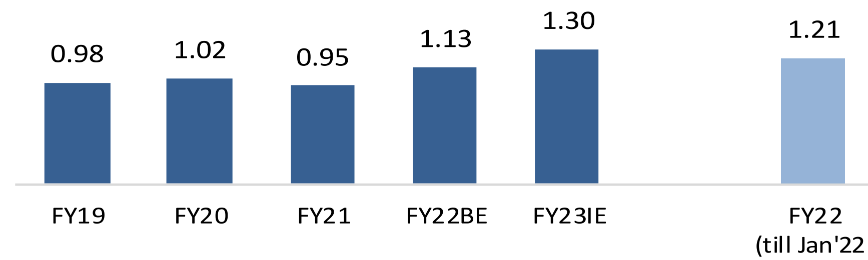
Direct taxes (corporate and individual) as well as GST collections have shown remarkable improvement during FY22 so far. Direct tax revenue growth of 13.6% for FY23E is in tandem with the nominal GDP growth (11.1%) estimated for FY23E. Current monthly GST collection of ₹ 1.21 lakh crore is already running ahead of revised estimates for FY22E (i.e. ₹1.13 lakh crore). We expect FY23E monthly GST target of ₹ 1.3 lakh crore to be easily achievable.

Healthy tax collections (both direct, indirect) reflect sharp recovery in economy post Covid wave

Direct tax revenue growth for FY22E and FY23E pegged at 32.3% and 13.6% respectively



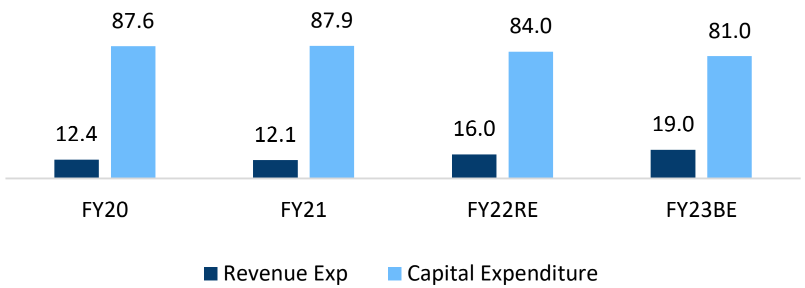
Montlhy GST collection growth to remain healthy @ 15.5% for FY23E (₹ lakh crore)



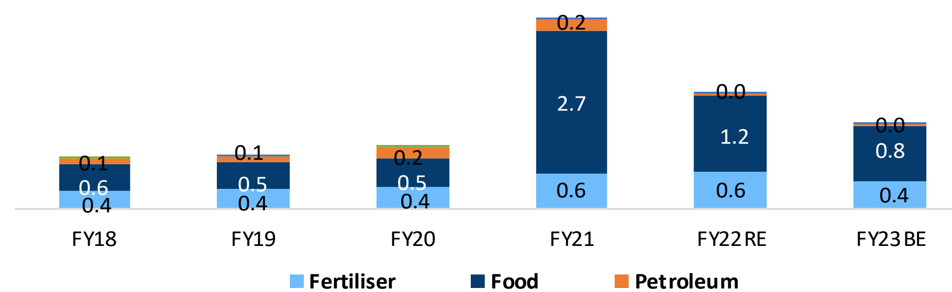
With removal of extra expenditures like social security expenses to tackle pandemic, allocation for funds for Air India, etc, the share of revenue expenditure has been reduced to 81% of total expenditure for FY23E. Also, total subsidy bill has been contained at 1.2% of GDP, leaving more fiscal space for capital expenditure in FY23E.

Quality of expenditure set to improve with higher allocation towards capital expenditure, reduced subsidy burden

Share of capital Expenditure to total expenditure has increased significantly from 12.4% in FY20 to 19% FY23BE



Total subsidy bill contained at 1.2% of GDP for FY23E vs 1.9% for FY22RE

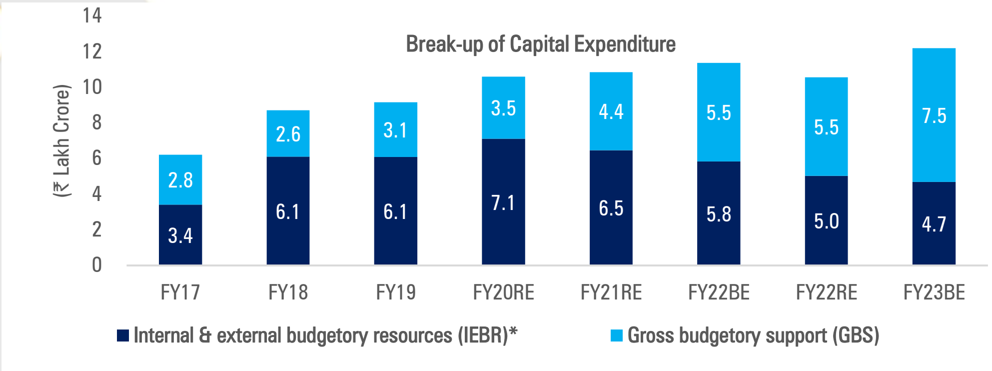


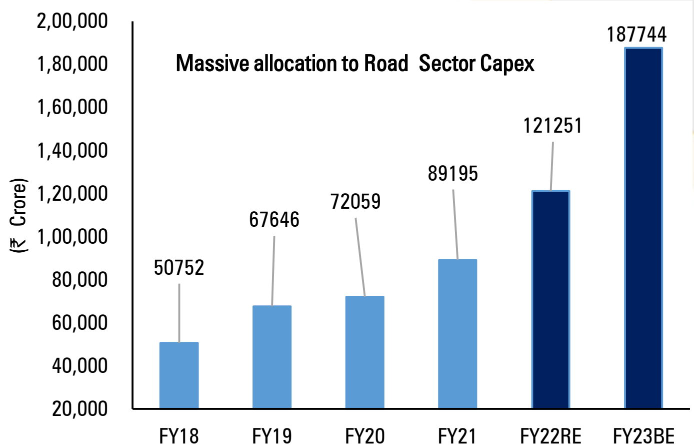
Source: ICICI Direct Research

Capex on fast lane: Key Budget takeaway

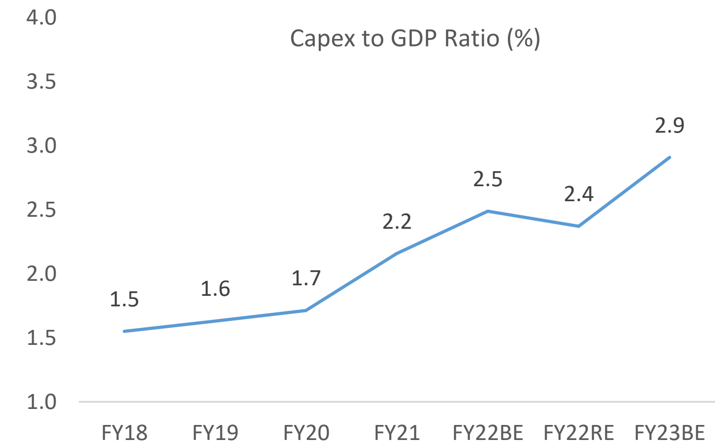
- The government is driving capex on the fast lane. Capex allocation has grown by 35% YoY to ₹ 7.5 lakh crore or 2.9% of GDP (highest ever print). This is on a higher base of FY22E and the heartening statistic is that FY22 revised estimates had no slippages
- Hence, allocation to capex (Budget + PSU capex) is budgeted to grow 15% YoY to ₹ 12.2 lakh crore in FY23BE vs. ₹ 10.50 lakh crore that is spent in FY22
- Standout sectors in terms of increased allocation are: roads (₹ 1.87 lakh crore, up 54% YoY), railways (up 17% YoY), water (Jal Se Nal has seen allocation of ₹ 60000 crore plus announcement on ₹ 44000 crore river linking project on Ken Betwa rivers)

Capital Expenditure Gross Budgetary Support (₹ Crore)	FY19	FY20RE	FY21RE	FY22BE	FY22RE	FY23BE
MoRTH	67646	72059	92053	108230	121251	187744
Railway	52837	65837	108398	107100	117100	137100
Defence	95231	110394	135510	135061	138851	152370
Housing & Urban Affairs	15773	19197	10162	25759	25957	27341
Power, Renewable Energy, Coal	2061	1893	319	1565	1086	13
Petroleum & Natural Gas	1908	619	773	427	398	600
Other	72258	78908	91870	176094	146099	245078
Total	307714	348908	439085	554236	550740	750246





- Increased support of ₹ 100000 crore to states to augment capex expenditure will also accelerate state level capex intensity



*Source:: Ministry of Finance, ICICI Direct Research; *BE- Budget Estimates, RE-Revised Estimates*

Capex on fast lane: Key Budget takeaway

- **PM Gatishakti:** The PM GatiShakti programme to be driven by seven sectors, which includes roads, railways, airports, ports, mass transport, waterways and logistics infrastructure. The projects pertaining to these sectors in the National Infrastructure Pipeline will be aligned with PM GatiShakti framework

- **Road Construction**: The allocation to roads (Ministry of Roads & Transport) has seen a massive increase of ~55% to ₹ 187744 crore. The government is aiming to expand national highways (NH) network by 25,000 km in FY23 i.e. at rate of 68.5 km/day (vs. 22.5 km/day of NH construction reported during April-December 2021 by MoRTH). Overall allocation to NHAI has improved to ₹ 134,015 crore in FY23E (₹ 57,350 crore, ₹ 65,060 crore in FY22 BE, FY22RE respectively). Additionally, ₹ 20,000 crore is likely to get mobilised through innovative ways of financing to complement the public resources

- **River Linking Project:** Implementation of the Ken-Betwa link project at an estimated cost of ₹ 44,605 crore will be taken up in FY23. The government has allocated ₹ 4,300 crore in FY22 RE and ₹ 1,400 crore in FY23E for this project. Additionally, draft DPRs of five river links, viz. Damanganga-Pinjal, Par-Tapi-Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery have been finalised

- **Har Ghar, Jal se Nal:** The government has allocated ₹ 60,000 crore under "Jal se Nal" scheme with the aim to cover 3.8 crore households in FY23 (₹ 50,011 crore, ₹ 45,011 crore in FY22 BE, FY22RE, respectively)

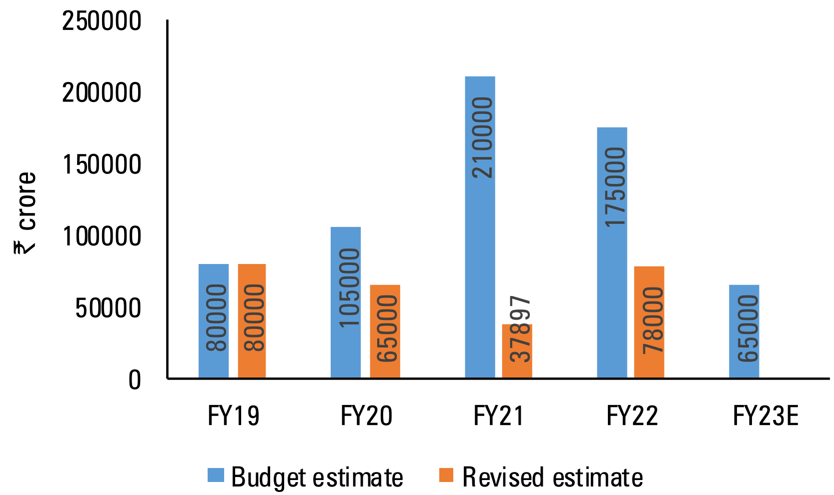
- **Housing for All:** PM Awas Yojana (rural, urban) allocated ₹ 48,000 crore during FY23E (vs. ₹ 27,500 crore, ₹ 47,390 crore in FY22 BE, FY22RE, respectively)

- **Railways:** Total 2,000 km of rail network to be brought under indigenous technology KAWACH for safety and capacity augmentation. 400 new generation Vande Bharat trains to be manufactured in the next three years

Source: Budget Documents, ICICI Direct Research

Realistic disinvestment; demarcation of virtual asset & currency

Disinvestment on conservative scale



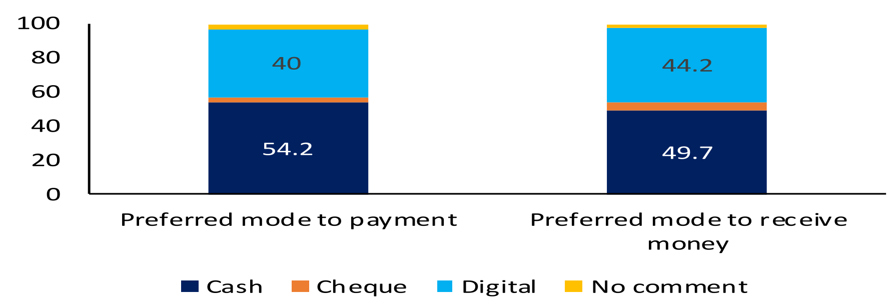
- FY23BE disinvestment target conservative at ₹ 65,000 crore
- FY22RE estimates at ₹ 78000 crore, including proceeds from LIC IPO
- A few of earlier announced disinvestment (BPCL, IDBI Bank, Pawan Hans, BEML) would be completed in FY23E
- The government continues to emphasis on asset monetisation to raise innovative and alternative financing for infrastructure

Taxation of virtual digital assets

- Global crypto market has reached over \$2.6 trillion. In India it is ~\$15 billion
- Given the magnitude and frequency of transactions in virtual digital assets, GoI has proposed to tax income at 30%
- Further, TDS at 1% is to be deducted on payment in relation to transfer of virtual digital asset

RBI backed digital currency in FY23E

- Announced introduction of CBDC – Central Bank Digital currency - RBI backed digital currency based on block chain technology
- To provide low cost and efficient mode of payment, removes intermediary requirements
- Benefit government by reducing Cash management cost which hovers around 1-1.5% of GDP for an economy



Source: Budget documents

Other key highlights

- The Emergency Credit Line Guarantee Scheme (ECLGS) will be extended up to March 2023 and its guarantee cover will be expanded by ₹ 50000 crore to total cover of ₹ 5 lakh crore. The additional amount will be earmarked exclusively for the Covid impacted hospitality enterprises
- Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme will be revamped with required infusion of funds. This will facilitate additional credit of ₹ 2 lakh crore for MSMEs and expand employment opportunities
- To launch Ease of Doing Business (EODB) 2.0 with key features such as
    - End to end online e-bill system and utilising surety bonds in government procurement
    - Opening up defence R&D for industry startups and academia
    - Expanding scope of single window portal for green clearance (Parivesh Portal)
    - Establishing Centre for Processing Accelerated Corporate exit (C-PACE) to facilitate hastened voluntary winding up of companies
- Proposed to introduce digital rupee, using blockchain and other technologies, to be issued by RBI starting FY23
- In 2022, 100% of 1.5 lakh post offices to come on the core banking system, enabling financial inclusion pan-India
- Use of 'Kisan Drones' will be promoted for crop assessment, digitisation of land records, spraying of insecticides and nutrients
- Key changes in the tax regime:
    - Tax deduction limit on employer's contribution to NPS account of state government employees increased from 10% to 14%
    - Income on transfer of virtual digital assets (cryptocurrency/NFTs) to be taxed at 30% with 1% TDS
    - Minimum alternate tax rate and surcharge for cooperatives reduced to 15%
    - Concessional tax rate for new manufacturing set-ups at the rate of 15% has been extended by a year. It primarily implies that eligible commissioning date has been extended from March 31, 2023 to March 31, 2024
- Unblended fuel (petrol & diesel) to attract additional excise duty of ₹ 2/litre from October 1, 2022

Source: Budget Documents, ICICI Direct Research

Key sectors/ stocks to be in focus

Measures for FY22-23E	Sectors to be Impacted	Impact	Key stocks
• 4 Multimodal Logistics parks through PPP to be awarded in 2022-23 • National Master Plan aimed at world class modern infrastructure and logistics synergy • 100 PM Gati Shakti Cargo Terminals to be developed in next three years	Logistics	MMLPs at strategic locations would rationalise logistics costs and improve competitiveness. Its directly connected to various modes of transport (air, road and rail) and comprises warehouses, cold storage, inter-modal transfer of containers and bulk cargo	Adani Ports, Concor, TCI, Mahindra Logistics, TCI Express, BlueDart
Custom duty on cut and polished diamonds reduced from 7.5% to 5%,	Gems & jewellery	Reduction in custom duty on cut and polished diamonds would be beneficial for the jewellery sector as it would lower the cost of imported cut and polished diamonds	Titan Company
400 new generation Vande Bharat trains will be developed and manufactured during the next 3 years.	Stainless Steel	This step is positive for players supplying stainless steel for train coach body	Jindal Stainless, Jindal Stainless (Hisar)
The government has continued the support to rural economy with ₹ 73000 crore spend through MGNAREGA. Further, the government has also continued high allocation towards agriculture economy similar to last budget.	FMCG	This would help in revive the rural consumption levels, which has been adversely impacted by Covid related disruption & high commodity inflation.	HUL, Dabur, Marico, ITC
In respect to tobacco companies, there has been no change in excise duty on cigarettes	Tobacco	Stable taxation on cigarettes would aid volume growth for Cigarette companies, which have been one of most unsettled industry from Covid related disruptions	ITC, VST Industries
Robust allocation of ₹ 7.5 lakh crore (up 35% YoY) as capital expenditure for FY23E & Concessional tax rate for new manufacturing set-ups at the rate of 15% is extended by 1 year. It primarily implies that eligible commissioning date has been extended from 31st March 2023 to 31st March 2024.	Domestic Commercial Vehicle Industry	Robust allocation towards capital expenditure and measures to spur private capex bodes well for domestic commercial vehicle industry with robust growth expectations especially in the M&HCV segment	Ashok Leyland, M&M, Tata Motors
Government has proposed to come out with Battery Swapping Policy which also includes the concept of energy/battery as a service. In addition to it, the Government has substantially increased allocation to FAME scheme at ₹ 2,908 crore for FY23E vs. ₹ 800 crore for FY22E	Domestic EV Industry	This will further accelerate EV adoption domestically with robust allocation for FAME scheme seen as incentivising electric vehicle purchase	Tata Motor, M&M, Minda Corporation, Gabriel, Greaves Cotton
Most important announcement for banking sector has been the focus on capex.	BFSI	Credit requirement from industry is expected to boost credit growth from banks	SBI, Hdfc bank, large banks
Focus on affordable housing segment continues with allocation of ₹ 48000 crore for PM housing scheme	BFSI	The impetus bodes well for growth in secured portfolio of large banks and HFCs	Canfin homes, Aavas, Homefirst, HDFC

Source: Budget Documents, ICICI Direct Research

Key sectors/ stocks to be in focus

Measures for FY22-23E	Sectors to be Impacted	Impact	Key stocks
The impact of higher fiscal deficit and borrowing led bond yields to surge 15-20 bps	BFSI	Treasury gains may be impacted negatively, particularly for PSU banks	PSU banks
The allocation to roads (Ministry of Roads & Transport) has seen a massive increase of ~55% to ₹ 187744 crore.	Infra	Positive for road EPC ordering opportunity	KNR, PNC, HG Infra
The government has allocated ₹ 60,000 crore under “Jal se Nal” scheme with an aim to cover 3.8 crore households in FY23 (₹ 50,011 crore/ ₹ 45,011 crore in FY22 BE, FY22RE respectively).	Infra	Positive for Water EPC ordering opportunity	NCC, PNC, KNR
Higher allocation to Nuclear power corporation for capex pegged at ₹ 7573 crore	Capital Goods	Positive for EPC and product based companies in areas like Boiler island, Pumps	L&T, BHEL, KSB
Higher allocation to Railways to the tune of ₹ 137000 crore , up 17% YoY	Capital Goods	Opportunity in segments like	L&T, Siemens, ABB, KEC International, Timken, SKF India
Introduction of 400 new vande bharat express in next 3 years	Capital Goods	Opportunity for bearing companies	SKF India and Timken India
Fertiliser subsidies outlay increased to ₹ 140,122 crore from ₹ 79,530 crore for FY22. The outlay for FY23 is estimated to be ₹ 105,222 crore, of which urea subsidy is pegged at ₹ 63,222 crore and Nutrient based subsides of ₹ 42,000 crore	Chemicals	Constant support by the government over the period of three years with fertiliser subsidy outlay of more than ₹ 100,000 crore will ease balance sheet burden of fertiliser companies	Fertiliser players like Coromandel fertiliser, Chambal fertiliser etc.
Custom duty on Acetic acid cut from 10% to 5%	Chemicals	GNFC being the producer can have marginal negative impact of this outcome, while players like Laxmi organic and Jubilant ingrevia can have some positive delta due acetic acid being one of its RM	GNFC, Laxmi organic, Jubilant Ingrevia
Custom duty on Methanol cut from 10% to 2.5%	Chemicals	Deepak fertiliser is one of the producer of Methanol, although this does not constitute largest part of its revenue and thus, impact would be negligible. Apart from this, it is used as a solvent by Alkyl amines and Balaji amines so marginally positive for these players	Deepak fertiliser, Alkyl amines, Balaji amines
Custom duty hike on Wearable & hearable devices from 15% to 20%	Electronics	Upward revision of custom duty along with launch of phased manufacturing programme to boost domestic manufacturing of wearables and hearable devices is in line with government's Atmanirbhar Bharat objective	Dixon Technologies, Amber Enterprises

Source: Budget Documents, ICICI Direct Research

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, Pankaj Pandey 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.

Disclaimer

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.