

Strong performance...

About the stock: KSB Ltd (formerly KSB Pumps Ltd), the Indian subsidiary of Klein Schanzlin & Becker (KSB) Germany, is one of the largest manufacturers and sellers of pumps and valves in India.

- KSB Ltd manufactures a range of standard industrial end suction and high-pressure multistage pumps, submersible motor pumps and monoblock pumps and other value-added parts
- Its client portfolio includes Bhel, Thermax, Isgec, Patil Engineering, RK Engineering, L&T, Pooja Engineering, NTPC and ThyssenKrupp

Q1FY23 Results: KSB reported good Q1FY23 results.

- Revenue for the quarter came in at ₹ 448.4 crore, up 48% YoY & 7.7% QoQ
- Absolute EBIDTA came in at ₹ 61.1 crore, up 11.8% QoQ and up 55.7% YoY, at 13.6%
- PAT came in at ₹ 47.4 crore vs. ₹ 40.3 crore in Q1CY22 & ₹ 28.3 crore in Q2CY21

What should investors do? KSB continues to tread on its growth path. The company has a healthy order book and received order of ₹ 500 crore from NPCIL.

- We continue to remain positive and retain our **BUY** rating on the stock

Target Price and Valuation: We value KSB at ₹ 2180 i.e. 35x PE (FY24E).

Key triggers for future price performance:

- Strong traction from nuclear, petrochemical and mechanical seal segment. Focus on new initiatives like digital sales and IT infra
- Launched the AQUA series of domestic products

Alternate Stock Idea: We also like AIA Engineering in our capital goods coverage.

- AIA Engineering (AIA) is India's largest manufacturer and supplier of high chrome wear, corrosion and abrasion resistance castings. BUY with a target price of ₹ 3010 i.e. 35x P/E on FY24E EPS



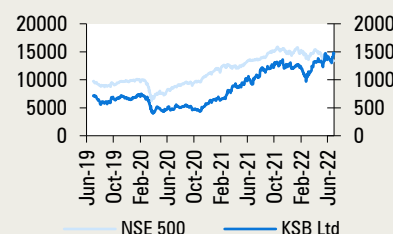
Particulars

Particular	Amount
Market Capitalization	₹ 6266 crore
Total Debt (H1CY22)	₹ 10 crore
Cash & Inv. (H1CY22)	₹ 495.6 crore
EV	₹ 5780.2 crore
52 week H/L (₹)	1835 / 863
Equity capital	₹ 34.8 crore
Face value	₹ 10

Shareholding pattern

	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	66.7%	66.7%	66.7%	66.7%
FII	2.8%	2.9%	2.5%	2.9%
DII	11.6%	11.1%	11.0%	10.9%
Others	18.9%	19.3%	19.9%	19.5%

Price Chart



Recent event & key risks

- Upcoming demand for pumps in range of ₹ 5000 crore
- **Key Risk:** (i) Rising input cost (ii) Launch of new series of pumps

Research Analyst

Chirag Shah
shah.chirag@icicisecurities.com

Ameya Mahurkar
Ameya.mahurkar@icicisecurities.com

Yash Panwar
yash.panwar@icicisecurities.com

Key Financial Summary

(Year-end March)	CY18	CY19	CY20	CY21	3 Year CAGR (CY18-21)	CY22E	CY23E	2 Year CAGR (CY21-CY23E)
Revenue	1,093.1	1,293.9	1,208.1	1,497.3	10.9	1,749.3	2,019.3	16.1
EBITDA	128.4	150.3	167.8	209.4	17.5	237.2	300.7	19.8
EBITDA margin	11.7	11.6	13.9	14.0		13.6	14.9	
Net Profit	111.3	133.7	159.5	195.7	20.4	221.0	266.7	16.7
EPS (₹)	20.6	25.3	33.8	43.7		50.0	62.2	
P/E (x)	87.5	71.2	53.2	41.2		36.0	28.9	
EV/EBITDA (x)	48.1	40.2	35.6	28.2		24.4	18.7	
RoCE (%)	11.1	11.8	13.3	15.7		16.0	18.3	
RoE (%)	9.4	10.6	12.9	14.7		14.7	15.9	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Q1FY23 Results: Strong performance...

- KSB reported a strong set of number for Q2CY22 across all parameters wherein revenue and margins have come strong both YoY and QoQ
- Overall consolidated revenues grew 48% YoY and 7.3% QoQ at ₹ 448.4 crore. From a segmental perspective, pump segment revenues grew 45% YoY and 9.1% QoQ whereas valves division revenues was at ₹ 67.4 crore, flat QoQ. Pumps divisions revenues were at 85% of overall revenues
- Despite pressure of higher input costs, margins came in at 13.6%. The same has expanded 60 bps QoQ. Gross margins came in at 49.6%, flattish QoQ whereas other expenses were down and led to expansion of EBITDA margins
- On the back of strong operational numbers, PAT grew 16.5% QoQ to ₹ 47.4 crore

Q1FY23 Analyst Meet Highlights

- KSB is the only company in India, which is pre-qualified for supplying primary coolant pumps to the NPCIL. The current opportunity size for primary coolant pump is at ₹ 3000 crore, out of which KSB has already received orders worth ₹ 1000 crore
- KSB received its second order for primary coolant pumps from NPCIL in Q2CY22 for ₹ 500 crore, which is expected to begin delivery in CY26. Apart from primary coolant pumps, it has also bid for auxiliary pumps. It expects bidding for secondary cycle equipment from NPCIL to begin by CY23
- Due to the government's objective of blending 20% ethanol with petrol, investments in distilleries have increased. This has led to an increase in the sales of distillery pumps. The company sees strong opportunities in distillery in the domestic market
- KSB is currently supplying solar pumps to the integrator and sees strong opportunity in the domestic market. The company is scouting for a technological partner and aspiring to become an integrator in solar business
- For FGD pumps, the company has 70% market share. Competition is higher for FGD orders and expected to spread out over three to four years. KSB expects this business to slow down, going forward. The company has, so far, received orders to supply 250 pumps, of which 160 have been delivered. The management expects total industry size for FGD pumps to be ~400 pumps
- Recently, KSB launched the AQUA series of domestic products. These AQUA series pumps are aimed to cater to the water demand of domestic customers. In this segment, KSB's market share is less than 5% in this segment
- As on Q2CY22, 17% of KSB's revenue comes from exports, which has improved from 14% in CY18. The management is aiming to increase the proportion to 20% over coming years
- The company has taken a price hike of ~10%. However, commodity price increase would have been ~15%. KSB is not planning to take any further price hikes as commodity prices have cooled off recently
- There is a strong opportunity for process pumps in the domestic petrochemical sector over three to five years. The company has ₹ 200 crore order-book from the petrochemical sector. However, there is lot of competition as there are four to five MNC players with manufacturing facilities

Exhibit 1: Variance Analysis

Standalone Numbers	Q2CY22	Q2CY21	YoY (%)	Q1CY22	QoQ (%)	Comments
Sales	448.4	303.0	48.0	417.7	7.3	Robust performance on revenue front
Other Operating Income	0.0	0.0		-0.1		
Total Operating Income	448.4	303.0	48.0	417.6	7.4	
Raw Material Expenses	251.2	156.9	60.1	226.4	11.0	
Employee Cost	60.6	50.3	20.5	56.2	7.8	
Other operating expense	75.5	56.5	33.6	80.4	-6.1	
Total Expenditure	387.3	263.7	46.9	363.0	6.7	
EBITDA	61.1	39.3	55.5	54.6	11.8	
EBITDA Margin (%)	13.6	13.0	66 bps	13.1	54 bps	Higher EBITDA margin due to lower other expenses
Depreciation	11.1	10.8	2.8	10.5	5.7	
Interest	1.4	1.0	40.0	0.9	55.6	
Non Operating Expenses	0.0					
Other Income	13.4	11.1	20.7	9.5	41.1	
PBT	62.0	38.6	60.6	52.7	17.6	
Taxes	16.6	10.3	61.2	14.3	16.1	
PAT	45.4	28.3	60.4	38.4	18.1	

Key Metrics

Pumps Sales (₹ crore)	318	262	21.4	350	-8.9
Valves Sales (₹ crore)	67	41	63.2	69	-1.6

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

Consolidated (₹ Crore)	CY19 Actual	CY20 Actual	CY21 Actual	CY22E New	CY23E New
Revenues	1,293.9	1,208.1	1,497.3	1,749.3	2,019.3
EBITDA	150.3	167.8	209.4	237.2	300.7
EBITDA Margin (%)	11.62	13.89	13.99	13.60	14.89
PAT	133.7	159.5	195.7	221.0	266.7
EPS (₹)	25.3	33.8	43.7	50.0	62.2

Source: ICICI Direct Research

Financial Summary

Exhibit 3: Profit and loss statement				
	₹ crore			
(Year-end March)	CY20	CY21	CY22E	CY23E
Net Sales	1208.1	1497.3	1749.3	2019.3
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	1208.1	1497.3	1749.3	2019.3
Growth (%)	-6.6	23.9	16.8	15.4
Raw Material Expenses	620.6	792.4	947.8	1,076.3
Employee Expenses	185.2	215.4	240.5	271.4
Other Operating Expense	234.5	280.1	323.7	370.9
Total Operating Expenditure	1,040.3	1,287.9	1,512.1	1,718.6
EBITDA	167.8	209.4	237.2	300.7
Growth (%)	11.6	24.8	13.3	26.7
Depreciation	41.8	43.5	47.0	50.0
Interest	3.6	1.8	2.0	2.0
Other Income	32.3	37.8	43.6	41.5
PBT	154.7	201.9	231.9	290.1
Exceptional Item	0.0	0.0	0.0	0.0
Total Tax	41.8	54.5	62.6	78.3
PAT	112.9	147.4	169.3	211.8
Profit from Associates	4.8	4.8	4.8	4.8
Reported Net Profit	117.7	152.2	174.1	216.6
Growth (%)	36.7	30.5	14.9	25.1
EPS (₹)	33.8	43.7	50.0	62.2

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement				
	₹ crore			
(Year-end March)	CY20	CY21	CY22E	CY23E
Profit after Tax	117.7	152.2	174.1	216.6
Add: Depreciation	41.8	43.5	47.0	50.0
(Inc)/dec in Current Assets	2.9	-186.4	-155.6	-167.9
Inc/(dec) in CL and Provisions	-34.1	127.9	107.9	115.6
Others	3.6	1.8	2.0	2.0
CF from Operations	132.0	139.0	175.3	216.3
(Inc)/dec in Investments	0.0	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-30.0	-30.0	-31.0	-32.0
Others	0.0	0.0	0.0	0.0
CF from Investing	-30.0	-30.0	-31.0	-32.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	-20.0	-20.0	-10.0	-5.0
Dividend paid & dividend tax	-27.8	-27.8	-31.3	-34.8
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	-12.5	-1.8	1.5	1.5
CF from Financing	-60.3	-49.6	-39.8	-38.3
Net Cash flow	41.7	59.3	104.4	146.0
Opening Cash	290.1	331.8	391.1	495.5
Closing Cash	331.8	391.1	495.5	641.5

Source: Company, ICICI Direct Research

Exhibit 5: Balance Sheet				
	₹ crore			
(Year-end March)	CY20	CY21	CY22E	CY23E
Liabilities				
Equity Capital	34.8	34.8	34.8	34.8
Reserve and Surplus	874.9	999.3	1,145.5	1,330.7
Total Shareholders funds	909.8	1,034.1	1,180.3	1,365.5
Total Debt	40.0	20.0	10.0	5.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Minority Interest / Others	0.0	0.0	0.0	0.0
Total Liabilities	949.8	1,054.1	1,190.3	1,370.5
Assets				
Gross Block	753.8	783.8	814.8	846.8
Less: Acc Depreciation	423.8	467.3	514.3	564.3
Net Block	330.0	316.5	300.5	282.5
Capital WIP	0.0	0.0	0.0	0.0
Total Fixed Assets	330.0	316.5	300.5	282.5
Liquid Investments	0.0	0.0	0.0	0.0
Other Investments	64.4	64.4	64.4	64.4
Goodwill on Consolidation	0.0	0.0	0.0	0.0
Inventory	307.8	389.7	460.1	536.6
Debtors	281.3	356.9	417.0	481.3
Loans and Advances	60.4	74.9	87.5	101.0
Other Current Assets	85.4	99.9	112.5	126.0
Cash	331.8	391.1	495.6	641.5
Total Current Assets	1,066.8	1,312.5	1,572.5	1,886.4
Creditors	413.7	516.9	603.9	697.1
Provisions	99.3	124.1	144.9	167.3
Current Liabilities & Prov	513.0	640.9	748.8	864.4
Net Current Assets	553.7	671.6	823.7	1,022.0
Others Assets	1.6	1.6	1.6	1.6
Application of Funds	949.7	1,054.1	1,190.3	1,370.5

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios				
(Year-end March)	CY20	CY21	CY22E	CY23E
Per share data (₹)				
EPS	33.8	43.7	50.0	62.2
Cash EPS	45.8	56.2	63.5	76.6
BV	261.3	297.1	339.1	392.3
DPS	8.0	8.0	9.0	10.0
Cash Per Share (Incl Invst)	95.3	112.4	142.4	184.3
Operating Ratios (%)				
EBITDA Margin	13.9	14.0	13.6	14.9
PBT / Total Op. income	12.8	13.5	13.3	14.4
PAT Margin	9.7	10.2	9.9	10.7
Inventory days	93	95	96	97
Debtor days	85	87	87	87
Creditor days	125	126	126	126
Return Ratios (%)				
RoE	12.9	14.7	14.7	15.9
RoCE	13.3	15.7	16.0	18.3
RoIC	20.4	25.1	27.4	34.5
Valuation Ratios (x)				
P/E	53.2	41.2	36.0	28.9
EV / EBITDA	35.6	28.2	24.4	18.7
EV / Net Sales	4.9	3.9	3.3	2.8
Market Cap / Sales	5.2	4.2	3.6	3.1
Price to Book Value	6.9	6.1	5.3	4.6
Solvency Ratios				
Debt/EBITDA	0.2	0.1	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.4	1.4	1.4	1.4
Quick Ratio	0.8	0.8	0.8	0.8

Source: Company, ICICI Direct Research

Exhibit 7: ICICI Direct coverage universe (Capital Goods)

Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
L&T (LARTOU)	1,855	2,175	Buy	260294	56.8	65.0	76.7	32.7	28.5	24.2	8.9	10.2	11.6	12.1	12.7	13.6
Siemens Ltd	2,912	3,040	Buy	103702	29.5	36.7	48.5	98.8	79.3	60.0	13.9	15.7	18.6	10.1	11.6	13.7
AIA Engineering (AIAENG)	2,525	3,011	Buy	23816	64.6	79.8	86.0	39.1	31.6	29.3	16.5	17.9	17.1	13.2	14.3	13.6
Thermax (THERMA)	2,156	2,405	Buy	25690	26.2	38.7	53.4	82.3	55.7	40.4	11.3	15.4	18.7	8.9	12.0	14.6
KEC International (KECIN)	407	474	Hold	10464	12.9	15.5	29.6	31.5	26.3	13.7	11.9	13.5	19.3	10.6	10.8	17.6
Greaves Cotton (GREAVE)	175	209	Buy	4046	0.7	3.5	3.6	247.2	49.7	49.0	2.5	9.4	10.7	1.3	6.7	7.7
Elgi Equipment (ELGEQU)	429	474	Hold	13595	5.7	6.6	9.1	75.1	65.1	47.1	18.9	17.8	21.0	18.7	18.5	21.1
Bharat Electronics (BHAELE)	292	315	Buy	71149	9.6	11.3	12.6	30.3	25.9	23.2	26.2	28.5	28.6	19.6	21.3	21.4
Cochin Shipyard (COCSHI)	337	340	Hold	4433	42.9	38.6	42.3	7.9	8.7	8.0	10.9	12.5	12.7	12.7	10.8	11.1
SKF (SKFIND)	4,651	4,920	Buy	22994	77.0	104.8	122.9	60.4	44.4	37.8	26.0	29.8	30.1	20.6	22.7	22.4
Timken India (TIMIND)	2,020	3,561	Buy	15194	43.5	61.3	71.2	46.4	33.0	28.4	25.3	36.2	42.0	19.7	27.9	32.2
NRB Bearing (NRBBEA)	150	220	Buy	1454	7.8	9.2	12.1	19.2	16.3	12.4	15.0	15.3	19.2	12.6	12.6	14.8
Action Construction (ACTCON)	255	285	Buy	3037	8.8	12.5	15.7	29.0	20.4	16.2	23.0	22.5	23.6	13.9	15.6	16.4
Data Patterns (DATPAT)	863	900	Buy	4478	18.1	21.7	28.0	47.7	39.8	30.8	23.8	24.4	26.4	16.4	18.1	19.6
HAL (HINAER)	2,307	2,860	Buy	77144	151.9	130.9	143.1	15.2	17.6	16.1	27.4	30.6	30.8	26.3	23.2	23.4
ABB (ABB)	2,901	3,275	Buy	61475	25.5	38.9	43.7	113.9	74.6	66.4	45.0	49.2	64.9	11.2	13.0	17.6
Ador Welding (ADOWEL)	818	890	Buy	1112	33.2	37.5	49.3	24.6	21.8	16.6	19.9	23.8	26.8	13.6	17.1	19.3

Source: Bloomberg, 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/Ws, Chirag Shah PGDBM, Ameya Mahurkar, MFM (Masters in Financial Management) and Yash Panwar PGDM (Finance, IT), MBA Research Analysts 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 icidirect.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.