

New customers, seasonality impacts margins...

About the stock: Mahindra Logistics is an end-to-end 3PL logistics solution provider, from performing milk run to in-factory logistics, warehousing to first mile and last mile logistics.

- Serves over 400 customers via its two business segment: supply chain management [(SCM), 96% of revenues] and enterprise mobility
- Revenues from Mahindra comprise 52% of SCM revenues (FY21) while the rest is contributed by non-Mahindra

Q3FY22 Results: Profitability took a hit in Q3FY22.

- Revenues grew 7% YoY to ₹ 1118 crore, led by better-than-expected SCM segment performance
- However, EBITDA de-grew 10% to ₹ 48 crore with margins at 4.3% (vs. expected 5%)
- PAT de-grew 72% YoY to ₹ 5 crore as weak operating performance was further impacted by higher interest and depreciation

What should investors do? MLL is continuously improving its product mix, in response to the increased volatility in the business environment (partial lockdowns, auto slowdown, etc). While such measures negatively impact MLL's performance in the near to medium term, newer non-auto customers provide long term growth drivers to the company (more value added services, warehousing, etc).

- In spite of the near to medium term challenges in the auto sector, we maintain our BUY stance due to the sharp correction in the stock price

Target Price and Valuation: We value the stock at ₹ 560 i.e. 32x P/E on FY24E EPS.

Key triggers for future price performance: MLL has been steadily building up its presence in non-auto segments like e-commerce, pharma, consumer segment.

- The above enables it to shift buying behaviour (more online shopping), leading to higher warehousing space requirement and 3PL relevance
- Asset light business model, with projected 35%+ RoIC in FY24E

Alternate Stock Idea: Apart from MLL, we remain positive on TCI Express.

- TCI Express is a leading asset light B2B (95% of revenues) express logistics company with 28 sorting centres, 800+ owned pan-India centres covering 40000 pick-up and delivery points
- We have a BUY rating on the stock & value at ₹ 2300 (37x PE on FY23E EPS)



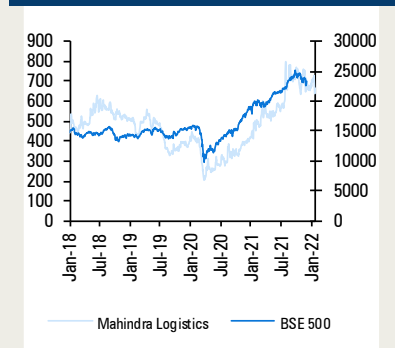
Particulars

Market Capitalisation (₹ cr)	4,195.2
Debt (FY21) (₹ cr)	26.4
Cash (FY21) (₹ cr)	197.8
EV (₹ cr)	4,023.8
52 Week High / Low (₹)	821/350
Equity Capital (₹ cr)	71.5
Face Value (₹ cr)	10.0

Shareholding pattern

(in %)	Mar-21	Jun-21	Sep-21	Dec-21
Promoter	58.3	58.3	58.3	58.2
Others	41.7	41.7	41.7	41.8

Price Chart



Recent event & key risks

- Commercialisation of Bhiwandi, Chakan warehouses
- Key Risk:** (i) Further slowdown in auto sector, (ii) Further hardening in diesel prices

Research Analyst

Bharat Chhoda
bharat.chhoda@icicisecurities.com

Harshal Mehta
harshal.mehta@icicisecurities.com

Key Financial Summary

₹ crore	FY20	FY21	5 Years CAGR (FY16-21)	FY22E	FY23E	FY24E	3 Years CAGR
Net Sales	3,471.1	3,263.9	9.6%	4,134.8	4,896.0	5,856.5	21.5%
EBITDA	158.3	134.4	20.7%	198.5	259.5	351.4	37.8%
PAT	55.1	30.1	-3.5%	40.0	74.0	125.8	61.0%
P/E (x)	76.1	139.2		104.9	56.7	33.3	
M.Cap/Sales (x)	1.2	1.3		1.0	0.9	0.7	
RoCE (%)	24.6	18.8		25.4	32.3	39.6	
RoE (%)	10.1	5.8		6.8	11.5	16.8	

Source: Company, ICICI Direct Research

Key takeaways

Q3FY22 Results: Challenging Q3 due to auto-slowdown

- The share of revenues from Mahindra has de-grown from earlier 51% to current 45%
- Warehouse space under management was at 17.1 mn sq ft
- Warehousing revenues (~25% of SCM revenues) grew 35% YoY vs. transportation flat growth
- Mahindra SCM revenues de-grew 5% YoY while non-Mahindra SCM revenues grew 18%

Q3FY22 Earnings Conference Call highlights

- Auto semiconductor issue continues to impact the auto sector. Any structural positive is expected a few quarters from now. Several factors such as OEM price hikes, crude oil hike added to the issue of chip shortages
- Strong CV sales during the quarter had a component of inventory liquidation. Demand for two wheelers remain subdued. Tractor and the agro market also remained subdued last quarter due to unseasonal rains and high base effect
- On the e-commerce front, the festive demand was moderate while the impact was more pronounced for large appliances. Metro demand was higher compared to moderate rural demand
- Consumer pharma, FMCG and electronic durable saw positive momentum due to opening of market (however rural had a high base)
- For MLL, more demand was seen in the first and mid mile category
- Bajaj Electricals account transition was completed. There is now a period of optimisation of supply chain, which typically has higher costs
- For enterprise mobility segment, demand from BFSI customers remained subdued. However, demand from e-commerce and other managed services market remained moderate
- For international freight forwarding segment, global supply chain disruption is benefitting on the realisation front but margins remain depressed
- On the Luhari warehousing project (1.4 million sq ft), first 0.5 msf is operational while other two warehouses are under construction. The management expects those two blocks to be delivered in Q4FY22 and Q2FY23, respectively
- Lower-than-expected volumes in newer warehousing facilities led to margin pressure. Transportation business was largely stable (in terms of margin)
- Capex in 9MFY22 was at ₹ 70 crore (FY21 capex was at ₹ 85 crore)
- Total 25-30% of warehousing growth is due to flex warehousing
- Areas of interest for the company include freight forwarding, last mile delivery on fulfilment logistics, technology, etc

Exhibit 1: Variance Analysis

	Q3FY22	Q3FY22E	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	Comments
Revenue	1,117.9	1,014.8	1,046.8	6.8	1,019.1	9.7	Revenue growth higher-than-expected mainly due to higher-than-expected growth in the SCM segment
Operating expenses	972.5	862.6	897.0	8.4	872.5	11.5	
Employee Expenses	76.6	76.1	79.8	-4.0	75.7	1.2	
Other Expense	21.1	25.4	16.9	24.7	20.9	1.2	
Total Expense	1,070.2	964.0	993.8	7.7	969.1	10.4	
EBITDA	47.7	50.7	53.0	-10.0	50.0	-4.7	
EBITDA Margin (%)	4.3	5.0	5.1	-80 bps	4.9	-65 bps	EBITDA margins contracted vs. estimates mainly due to cyclical impact on manpower costs (flex solutions), higher start-up costs
Depreciation	35.7	32.8	24.3	47.0	32.8	8.8	
Interest	7.5	6.5	5.5	36.4	6.8	9.1	
Other Income	2.6	2.0	1.8	48.9	2.0	33.7	
Exceptional Gain/Loss	0.0	0.0	0.0	NA	0.0	NA	
PBT	7.1	13.4	25.0	PL	12.3	-42.3	
Total Tax	2.1	3.3	6.6	-68.8	3.1	-32.8	
PAT	5.1	10.1	18.4	-72.4	9.3	-45.4	
Key Metrics	Q3FY22	Q3FY22E	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	
Mahindra SCM revenues	485.0	483.0	508.4	-4.6	483.6	0.3	
Non-Mahindra SCM revenue	589.9	476.4	501.5	17.6	494.8	19.2	Strong performance vs. estimates due to better performance in sectors such as e-commerce, pharma, FMCG, etc
SCM revenues	1,075.0	959.4	1,009.9	6.4	978.4	9.9	
PTS revenues	42.9	55.4	36.9	16.3	40.7	5.5	

Source: Company, ICICI Direct Research

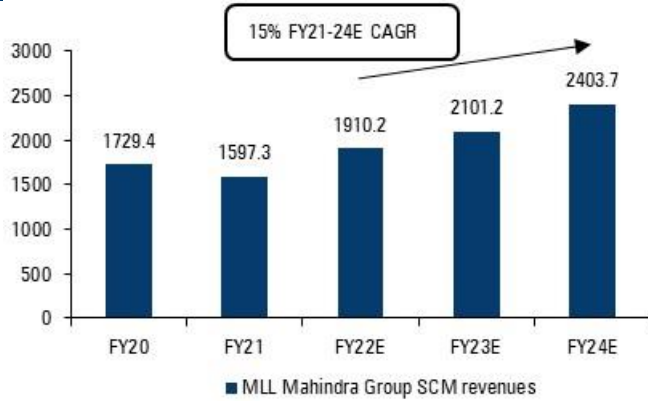
Exhibit 2: Change in estimates

(₹ Crore)	FY22E				FY23E			FY24E	Comments
	FY21	Old	New	% Change	Old	New	% Change	Introduced	
Gross Revenue	3,263.9	3,919.1	4,134.8	5.5	4,757.7	4,896.0	2.9	5,856.5	FY22E revenue estimates improved due to strong growth from non-Mahindra segment
EBITDA	134.4	207.7	198.5	-4.4	285.5	259.5	-9.1	351.4	
EBITDA Margin (%)	4.1	5.3	4.8	-50 bps	6.0	5.3	-70 bps	6.0	Margins largely rangebound at 5-6% levels
PAT	30.1	57.2	40.0	-30.1	109.1	74.0	-32.2	125.8	
EPS (₹)	4.2	8.0	5.6	-30.1	15.2	10.3	-32.2	17.5	

Source: ICICI Direct Research

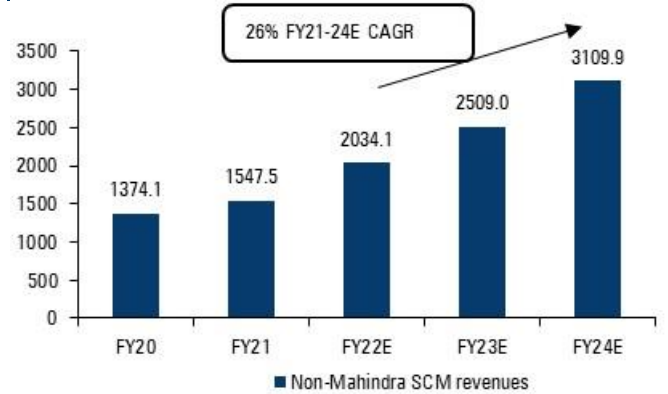
Key Metrics

Exhibit 3: Mahindra group SCM revenues



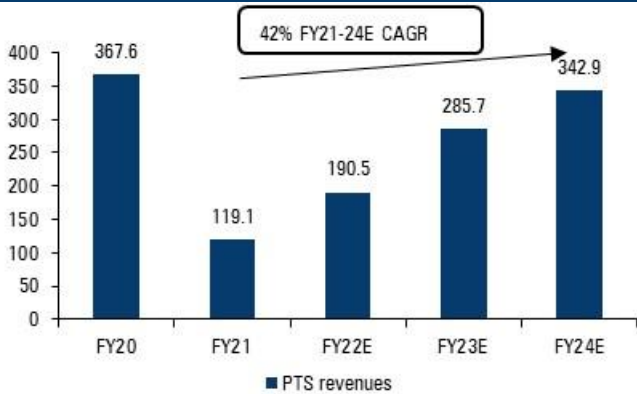
Source: ICICI Direct Research, Company

Exhibit 4: Non-Mahindra SCM revenues



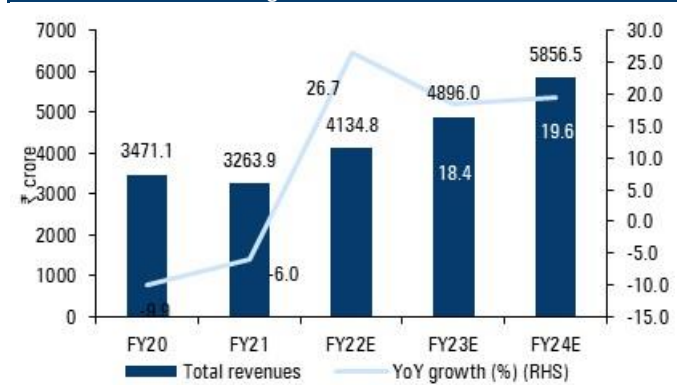
Source: ICICI Direct Research, Company

Exhibit 5: PTS revenues



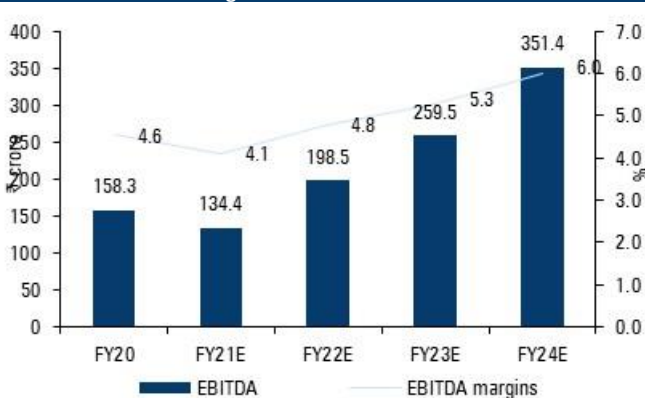
Source: ICICI Direct Research, Company

Exhibit 6: Revenues to grow at CAGR of 22% over FY21-24



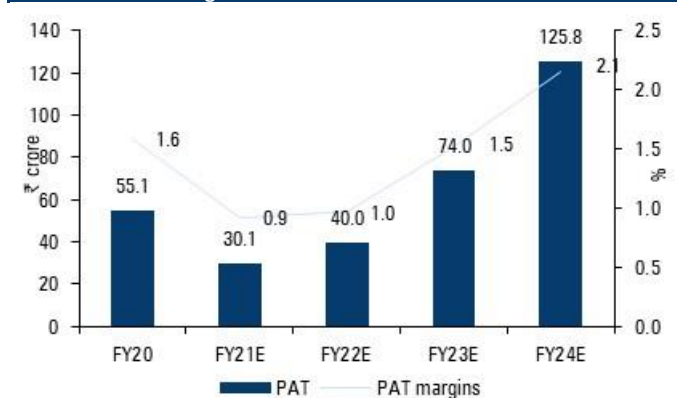
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA to grow at CAGR of 38% over FY21-24



Source: Company, ICICI Direct Research

Exhibit 8: PAT to grow at CAGR of 61% over FY21-24



Source: Company, ICICI Direct Research

Exhibit 9: Valuation parameters

Year	Sales (₹ cr)	Sales Gr. (%)	EPS (₹)	EPS Gr. (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY20	3471.1	-9.9	7.7	-35.8	76.1	26.1	10.1	24.6
FY21	3263.9	-6.0	4.2	-45.4	139.2	29.5	5.8	18.8
FY22E	4134.8	26.7	5.6	32.8	104.9	19.8	6.8	25.4
FY23E	4896.0	18.4	10.3	84.9	56.7	15.6	11.5	32.3
FY24E	5856.5	19.6	89.6	70.1	33.3	11.5	16.8	39.6

Source: ICICI Direct Research; Reuters

Financial Summary

Exhibit 10: Profit and loss statement				
	₹ crore			
(Year-end March)/ (₹ crore)	FY21	FY22E	FY23E	FY24E
Total Operating Income	3,263.9	4,134.8	4,896.0	5,856.5
Growth (%)	-6.0	26.7	18.4	19.6
Freight Expense and Charges	2,764.3	3,555.9	4,161.6	4,937.1
Gross Profit	499.6	578.9	734.4	919.5
Gross Profit Margins (%)	15.3	14.0	15.0	15.7
Employee Expenses	296.5	297.7	381.9	456.8
Other Expenditure	68.7	82.7	93.0	111.3
Total Operating Expenditure	3,129.5	3,936.3	4,636.5	5,505.2
EBITDA	134.4	198.5	259.5	351.4
Growth (%)	-15.1	47.7	30.7	35.4
Interest	20.1	27.8	25.8	26.4
Depreciation	89.7	128.6	150.6	175.5
Other Income	17.5	10.3	14.7	17.6
PBT before Exceptional Items	42.1	52.4	97.8	167.0
Less: Exceptional Items	2.8	0.0	0.0	0.0
PBT after Exceptional Items	39.3	52.4	97.8	167.0
Total Tax	10.0	13.2	24.6	42.0
PAT before MI	29.3	39.2	73.2	125.0
Minority Interest	-1.2	-1.2	-1.2	-1.2
PAT	30.1	40.0	74.0	125.8
EPS Growth (%)	-45.4	32.8	84.9	70.1
EPS (Adjusted)	4.2	5.6	10.3	17.5

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement				
	₹ crore			
(Year-end March)/ (₹ crore)	FY21	FY22E	FY23E	FY24E
Profit/(Loss) after taxation	30.1	40.0	74.0	125.8
Add: Depreciation & Amortization	89.7	128.6	150.6	175.5
Add: Interest Paid	20.1	27.8	25.8	26.4
Net Increase in Current Assets	-64.5	-134.2	-118.0	-147.7
Net Increase in Current Liabilities	163.9	141.4	33.9	185.5
Others	54.5	0.0	0.0	0.0
CF from Operating activities	293.7	203.6	166.3	365.5
(Purchase)/Sale of Fixed Assets	-69.0	-70.0	-45.0	-45.0
Long term Loans & Advances	0.0	0.0	0.0	0.0
Investments	-54.8	0.0	-150.0	-100.0
Others	-46.1	-70.4	-45.4	-45.4
CF from Investing activities	-100.8	-70.4	-195.4	-145.4
(inc)/Dec in Loan	-6.7	-5.0	-5.0	-5.0
Dividend & Dividend tax	-17.9	-19.8	-19.8	0.0
Less: Interest Paid	-4.2	-2.6	-2.0	-0.1
Other	-65.8	-73.2	-71.3	-199.0
CF from Financing activities	-94.6	-100.6	-98.1	-204.1
Net Cash Flow	98.2	32.6	-127.1	16.0
Cash and Cash Equivalent at the beginnir	99.5	197.8	230.4	103.3
Cash and Cash Equivalent at the end	197.8	230.4	103.3	119.2

Source: Company, ICICI Direct Research

Exhibit 12: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Equity Capital	71.7	71.7	71.7	71.7
Reserve and Surplus	496.4	516.6	570.8	676.8
Total Shareholders funds	568.1	588.3	642.4	748.5
Minority Interest	2.8	2.8	2.8	2.8
Total Debt	26.4	21.4	16.4	11.4
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long-Term Provisions	0.0	0.0	0.0	0.0
Other Non Current Liabilities	15.9	16.2	16.5	16.9
Source of Funds	613.2	628.7	678.2	779.5
Gross Block - Fixed Assets	566.7	696.7	801.7	906.7
Accumulated Depreciation	210.3	338.9	489.5	558.7
Net Block	356.4	357.8	312.2	347.9
Capital WIP	3.1	3.1	3.1	3.1
Fixed Assets	359.5	360.8	315.2	351.0
Investments	108.3	108.3	258.3	358.3
Goodwill on Consolidation	4.3	4.3	4.3	4.3
Deferred Tax Assets	22.1	22.1	22.1	22.1
Other non-Current Assets	35.3	36.0	36.7	37.5
Inventory	0.0	0.0	0.0	0.0
Debtors	485.6	615.2	728.4	871.3
Loans and Advances	465.9	470.5	475.2	480.0
Other Current Assets	0.0	0.0	0.0	0.0
Cash	197.8	230.4	103.3	119.2
Total Current Assets	1,149.2	1,316.1	1,306.9	1,470.6
Creditors	766.1	906.2	939.0	1,123.2
Provisions	6.1	6.2	6.3	6.4
Other Current Liabilities	293.4	306.5	320.2	334.5
Total Current Liabilities	1,065.5	1,218.9	1,265.4	1,464.1
Net Current Assets	83.7	97.2	41.5	6.4
Application of Funds	613.2	628.7	678.1	779.6

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios				
(Year-end March)	FY21	FY22E	FY23E	FY24E
Per share data (₹)				
Reported EPS	4.2	5.6	10.3	17.5
BV per share	79.2	82.0	89.6	104.4
Cash per Share	27.6	32.1	14.4	16.6
Dividend per share	2.5	2.8	2.8	2.8
Operating Ratios (%)				
Gross Profit Margins	15.3	14.0	15.0	15.7
EBITDA margins	4.1	4.8	5.3	6.0
PAT Margins	1.0	1.0	1.5	2.1
Inventory days	0.0	0.0	0.0	0.0
Debtor days	54.3	54.3	54.3	54.3
Creditor days	85.7	80.0	70.0	70.0
Asset Turnover	5.8	5.9	6.1	6.5
Return Ratios (%)				
RoE	5.8	6.8	11.5	16.8
RoCE	18.8	25.4	32.3	39.6
RoIC	28.0	45.2	39.9	48.6
Valuation Ratios (x)				
P/E	139.2	104.9	56.7	33.3
EV / EBITDA	29.5	19.8	15.6	11.5
EV / Net Sales	1.2	1.0	0.8	0.7
Market Cap / Sales	1.3	1.0	0.9	0.7
Price to Book Value	7.4	7.1	6.5	5.6
Solvency Ratios				
Debt / EBITDA	0.2	0.1	0.1	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.2	1.1	1.2	1.1

Source: Company, ICICI Direct Research

Exhibit 14: ICICI Direct coverage universe (Logistics)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
APSEZ	730	900	BUY	1,48,318	24.6	23.2	37.3	39.4	29.7	29.0	28.4	20.2	17.4	11.2	12.7	11.5	14.5	16.3	11.9
Container Corporation	600	780	BUY	38,020	8.3	21.0	28.4	90.4	72.4	28.5	5.7	8.9	5.3	10.9	4.5	9.9	12.1	5.4	11.0
Transport Corp. of India	630	860	BUY	4,596	18.9	32.0	40.1	34.4	33.3	19.7	20.5	18.3	12.7	12.4	13.3	17.9	14.0	12.9	18.0
TCI Express	1,740	2,300	BUY	6,660	23.3	26.2	34.0	91.4	74.8	66.5	55.9	54.8	49.6	42.3	36.3	31.9	30.7	29.5	26.1
Mahindra Logistics	430	560	BUY	3,084	4.2	5.6	10.3	102.3	77.1	41.7	21.3	14.2	11.3	18.8	25.4	32.3	5.8	6.8	11.5
BlueDart Express	6,400	6,300	BUY	15,206	44.4	93.1	125.0	144.2	68.7	51.2	21.6	17.7	15.0	50.5	63.4	63.4	13.5	29.7	29.5
Gateway Distriparks	285	350	BUY	3,558	7.6	9.9	15.3	37.7	28.7	18.7	12.5	10.8	8.5	12.2	14.4	18.3	6.4	8.1	11.6

Source: 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, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Bharat Chhoda, MBA, Harshal Mehta MTech (Biotech), 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 - INH00000990. 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 do 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.

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.