

14 August 2024

India | Equity Research | Q1FY25 results review

APL Apollo Tubes

Metals

Long term prospects intact; Q2FY25 likely to be critical

APL Apollo Tube's (APL) Q1FY25 EBITDA missed our/consensus estimates by 6-7%. Key points: 1) EBITDA/te improved marginally QoQ; however, was down by INR 461/te YoY on account of: i) higher dealer discounts; ii) ESOPs; and iii) higher other expenses (incl. branding). 2) Profitability across product categories, except Apollo galvanised, improved marginally QoQ. 3) Raipur plant utilisation stood at ~61% while Dubai plant utilisation was ~30% (all four mills were operational); combined volumes for Raipur and Dubai plant were 194kte (~90% from Raipur plant). 4) Management guides for 3.2mnte FY25 volumes while maintaining EBITDA/te of FY24-levels (~INR4500/te). Taking cognizance of the management's guidance and commentary, we have lowered our EPS by 6.7%/14.2% respectively for FY25/26E. We downgrade APL to **ADD**; TP revised to INR 1,545 (earlier INR 1,800) based on an unchanged multiple of 36x FY26E.

EBITDA misses estimates

APL's EBITDA of INR 3bn (down 1.8% YoY) was 6.9%/5.9% lower compared to our/consensus estimates. Key points: 1) Sales volume increased by 9% YoY (up 6.3% QoQ) at 721kt (highest-ever). 2) Share of value-added products (VAP) rose to 60% (57% Q1FY24). 3) Raipur plant reached 61% utilisation. 4) Dubai plant has commissioned operations at all four mills; Q1FY25 utilisation was 30%. 5) EBITDA/te across major categories, except for Apollo galv., improved QoQ. 6) Working capital days increased QoQ to 3 days (1 day in Q4FY24). Management guides for 3.2mnte FY25 volumes while maintaining EBITDA/te of FY24-levels (~INR 4,500/te) with a focus on increasing share of VAP to 70% by end-FY25.

Volume growth, a key monitorable

Management, during the call, highlighted: 1) Q1FY25 was impacted by demand easing due to India's general elections and slowdown in retail spending. 2) Channel partners are still apprehensive owing to the ongoing price correction in HRC market. That said, we believe APL's margin is likely to get a boost from operating leverage as volumes in Raipur and Dubai plants ramp up with increasing proportion (premium) for VAP. Also, APL is planning three new plants at: 1) Siliguri, 2) Ahmedabad and 3) Gorakhpur. These will further volumes growth. We peg volume growth of 21%/25% to 3.17mnte/3.95mnte for FY25E/FY26E. However, in the near term we expect destocking headwinds to prevail in Q2FY25.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	1,61,660	1,81,188	2,19,926	2,74,552
EBITDA	10,216	11,922	13,879	18,070
EBITDA Margin (%)	6.3	6.6	6.3	6.6
Net Profit	6,419	7,324	8,617	11,877
EPS (INR)	23.2	26.4	31.1	42.9
EPS % Chg YoY	(6.3)	14.1	17.7	37.8
P/E (x)	61.9	54.2	46.1	33.4
EV/EBITDA (x)	39.3	33.9	29.0	22.1
RoCE (%)	21.2	19.6	19.2	21.9
RoE (%)	26.4	24.2	23.8	27.2

Amit Dixit

amit.dixit@icicisecurities.com
+91 22 6807 7289

Mohit Lohia

mohit.lohia@icicisecurities.com

Prithish Urumkar

Prithish.urumkar@icicisecurities.com

Market Data

Market Cap (INR)	398bn
Market Cap (USD)	4,736mn
Bloomberg Code	APAT IN
Reuters Code	APLA.BO
52-week Range (INR)	1,806 /1,305
Free Float (%)	64.0
ADTV-3M (mn) (USD)	12.8

Price Performance (%)	3m	6m	12m
Absolute	(6.7)	6.1	(7.7)
Relative to Sensex	(16.1)	(5.3)	(29.6)

Earnings Revisions (%)	FY25E	FY26E
Revenue	2.9	3.3
EBITDA	(4.9)	(10.8)
EPS	(6.7)	(14.2)

Previous Reports

14-05-2024: [Q4FY24 results review](#)

30-01-2024: [Q3FY24 results review](#)

Outlook: Short-term hiccups; downgrade to ADD

We have pegged FY25 volume at 3.17mnte, almost in line with management guidance of 3.2mnte for FY25 as we expect volumes to pick-up meaningfully in H2FY25. That said, Q2FY25 is critical for volume growth. While, we remain positive on APL's prospects in long term as both volume and margin growth are in sight, however, considering the current demand scenario, have cut our volumes estimates for FY25/FY26 and pruned our EPS estimates by 6.7%/14.2% respectively. We downgrade the stock to ADD from BUY with a revised TP of INR 1545 (earlier INR 1800) based on unchanged multiple of 36x FY26E. The reason for keeping the multiple unchanged at 36x is volume/margin prospects in the longer run.

Exhibit 1: Earnings revision

(INR mn)	FY25E			FY26E		
	New	New	% chg	New	Old	% chg
Revenue	2,19,926	2,13,648	2.9	2,74,552	2,65,719	3.3
EBITDA	13,879	14,602	(4.9)	18,070	20,263	(10.8)
PAT	8,617	9,240	(6.7)	11,877	13,849	(14.2)

Source: I-Sec research

Key risks

- Slower-than-expected ramp-up of Raipur plant.
- Negative price-cost spread owing to HR strip players being more competitive.
- Delay in market acceptance of large-diameter/cross-section products

Q1FY25 conference call takeaways

- **Steel price Scenario:** Steel prices are in the reversal mode after a gap of four years, as Indian steel prices were in inflationary environment. Indian prices have come at par with the global steel prices. This was triggered in the last 4-5 months with the commencement of new upstream steel capacity, which hit the markets in Dec'23, and in anticipation of new capacity that should hit the market over the next 2-3 years. Steel prices are already down by ~INR 3000/te from its recent highs and are down by ~INR 17,000/te on a YoY-basis. Management is expecting steel prices may further ease by INR 3,000-4,000/te in Q2FY25. This is likely to be beneficial for the company in two ways: 1) as a large steel buyer – it will have better negotiation power; and 2) affordability of the product will likely improve, and thus its acceptance.
- The contracting price differential between primary and secondary producers is also resulting in a shift of volumes to players such as APL.
- Management guided sale volume of ~3.2mnte in FY25 while maintaining EBITDA/te of FY24-levels.
- Management's focus is now on to maintain its sales volume momentum gain in Q1FY25. It expects margin pressures in Q2FY25. Since, dealers, channel partner and distributors are sceptical of stocking material, management may deploy a strategy of discounting and gaining volumes.
- Gross margin spreads have improved by INR 335/te YoY and INR 442/te QoQ because of better product mix and VAP from Raipur and Dubai plants. However, this could not be reflected in EBITDA/te due to: 1) the notional expenses on account of ESOP policy; and 2) extra spend on brand campaign on new products. EBITDA/te can improve, if utilisation levels improve due to operating leverage

advantages. Further, in Q1FY25, EBITDA/te of INR 4,183 could have been higher by INR 150, if it was not impacted by above expenses.

- Employee cost has gone up on account of: 1) ESOP; and 2) ~8% increments.
- Other expenses have gone up due to: 1) increase in freight cost – as VoP volumes are lower, freight cost/te has gone up; 2) increase in power and fuel costs – in Raipur renewable energy sources are yet to come up; and 3) higher brand spending to launch new products.
- **Raipur plant:** In Raipur, there are four products with cumulative saleable capacity of 1.1mnte, out of which two are innovative products and the remaining two are VAP. The product-wise utilisation of Raipur plant for Q1FY25: 1) heavy structural is at ~58%; 2) roofing sheet is at ~89%; 3) super-light structure is at ~52%; and 4) coated thick sheet is at ~48%. The overall utilisation for plant is at ~61%.
- **Dubai plant:** Dubai plant has four mills, all operational now. Each mill is capable of producing 15mmX15mm to 300mmx300mm. First two lines were commissioned a year ago and the rest two lines have been commissioned just three weeks ago. The current capacity is 300kte with utilisation level of ~30% in Q1FY25.
- **New plants:** APL is planning three new plants as part of its regional penetration strategy: 1) in Siliguri to cater in eastern markets; 2) in Gorakhpur to cater in eastern markets, as well as Bihar and Odisha; and 3) Ahmedabad to cater Gujrat market. Capex of each plant is expected to around INR 2bn to INR 2.5bn.
- **Levers for margin expansion:** 1) Better product – gross margin is expanding; 2) Operating leverage advantage with better utilisation rates; 3) better pricing for general products – price between steel scrap and products are reducing; 4) better negotiating leverage with steel plants; 5) lower brand spends; and 6) internal strive for better operational efficiency.
- Though there is a slight increase in the company's net debt position, management guides: to be net debt free in FY25, surplus cash by FY26 and completion of 5mnte expansion plans in the next 12-15 months.

Exhibit 2: APL Q1FY25 performance review

(INR mn)	Q1FY25	Q1FY24	% Chg YoY	Q4FY24	% Chg QoQ	FY23	FY22	% Chg YoY
Sales volume (kte)	721	662	9.0	679	6.3	2,280	1,754	30.0
Blended realisation (INR/te)	66,257	66,553	(0.4)	67,315	(1.6)	68,745	71,961	(4.5)
EBITDA/te (INR/te)	4,184	4,645	(9.9)	4,132	1.3	4,480	5,388	(16.8)
Revenue from Sale of products	47,771	44,025	8.5	45,677	4.6	1,56,744	1,26,252	24.2
other operating income	1,972	1,424	38.4	1,981	(0.4)	4,916	4,382	12.2
Total revenue	49,743	45,449	9.4	47,657	4.4	1,61,660	1,30,633	23.8
Cost of materials consumed	40,877	37,379	9.4	38,086	7.3	1,43,133	1,09,096	31.2
Purchase of stock in trade	1,779	165		1,041		2,869	2,505	
Change in inventory	41	1,663		2,200		-5,824	630	
Gross Margin (%)	14.2	13.7		13.3		13.3	14.1	
Gross Margin (Rs/te)	9,773	9,436	3.6	9,330	4.7	9,422	10,489	(10.2)
Delta in Gross Margin/Delta in realisation	(0.4)	(0.0)		(2.0)		0.0	0.0	
Employee expenses	801	604	32.5	701	14.3	2,062	1,530	34.7
Other expenses	3,229	2,565	25.9	2,827	14.2	9,204	7,419	24.1
Other expenses/te	4,478	3,878	15.5	4,166	7.5	4,037	4,229	(4.5)
Total expenditure	46,727	42,377	10.3	44,854	4.2	1,51,444	1,21,181	25.0
EBITDA	3,017	3,072	(1.8)	2,804	7.6	10,216	9,453	8.1
Margin (%)	6.3	7.0		6.1		6.5	7.5	
Other Income	247	217	14.0	186	33.1	472	405	16.5
Depreciation	465	409	13.6	466	(0.2)	1,383	1,090	26.9
EBIT	2,799	2,880	(2.8)	2,524	10.9	9,304	8,768	6.1
Interest	278	271		311		671	445	
Exceptional Income(expense)	-	-		-		-	-	
PBT	2,520	2,609	(3.4)	2,212	13.9	8,633	8,323	3.7
Taxes	589	672	(12.5)	508	15.9	2,215	2,133	3.8
Current tax	587	729		472		2,184	2,066	
Deferred tax	1	-56		36		31	67	
Others	-	-		-		-	-	
Reported PAT	1,932	1,936	(0.2)	1,704	13.3	6,419	6,190	3.7
Adj PAT	1,932	1,936	(0.2)	1,704	13.3	6,419	6,190	3.7
Tax Rate	23.4	25.8		23.0		25.7	25.6	
EPS	7.0	7.0	(0.2)	6.1	13.3			

Source: I-Sec research, Company data

Exhibit 3: Shareholding pattern

%	Dec'23	Mar'24	Jun'24
Promoters	29.6	29.4	28.3
Institutional investors	43.0	44.8	44.8
MFs and others	8.8	8.8	9.5
FIs/Banks	-	-	1.7
Insurance	3.2	3.4	3.4
FIIIs	31.0	32.6	31.6
Others	27.4	25.8	25.2

Source: Bloomberg

Exhibit 4: Price chart


Source: Bloomberg

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	1,61,660	1,81,188	2,19,926	2,74,552
Operating Expenses	1,51,444	1,69,266	2,06,047	2,56,482
EBITDA	10,216	11,922	13,879	18,070
EBITDA Margin (%)	6.3	6.6	6.3	6.6
Depreciation & Amortization	1,383	1,759	2,014	2,268
EBIT	8,832	10,162	11,865	15,802
Interest expenditure	671	1,134	1,075	975
Other Non-operating Income	472	749	712	1,026
Recurring PBT	8,633	9,777	11,503	15,854
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	2,215	2,453	2,886	3,977
PAT	6,419	7,324	8,617	11,877
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	6,419	7,324	8,617	11,877
Net Income (Adjusted)	6,419	7,324	8,617	11,877

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	25,388	33,417	40,352	52,285
of which cash & cash eqv.	3,525	3,476	4,189	6,843
Total Current Liabilities & Provisions	16,372	21,834	26,578	33,084
Net Current Assets	9,015	11,583	13,774	19,202
Investments	960	1,027	1,027	1,027
Net Fixed Assets	23,493	30,306	33,792	37,024
ROU Assets	-	-	-	-
Capital Work-in-Progress	3,740	2,030	2,030	2,030
Total Intangible Assets	-	-	-	-
Other assets	4,743	5,088	5,088	5,088
Deferred Tax Assets	-	-	-	-
Total Assets	41,951	50,034	55,711	64,371
Liabilities				
Borrowings	8,734	11,246	10,246	9,246
Deferred Tax Liability	1,171	1,258	1,258	1,258
provisions	-	-	-	-
other Liabilities	1,989	1,484	1,484	1,484
Equity Share Capital	555	555	555	555
Reserves & Surplus	29,501	35,491	42,168	51,828
Total Net Worth	30,056	36,046	42,723	52,383
Minority Interest	-	-	-	-
Total Liabilities	41,951	50,034	55,711	64,371

Source Company data, I-Sec research

Exhibit 7: Quarterly trend

(INR mn, year ending March)

	Sep-23	Dec-23	Mar-24	Jun-24
Net Sales	46,304	41,778	47,657	49,743
% growth (YOY)	16.7	(3.5)	7.6	9.4
EBITDA	3,250	2,796	2,804	3,017
Margin %	7.0	6.7	5.9	6.1
Other Income	196	150	186	247
Extraordinaries	-	-	-	-
Adjusted Net Profit	2,029	1,655	1,704	1,932

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	6,901	11,116	9,153	11,371
Working Capital Changes	(1,475)	1,202	(1,478)	(2,774)
Capital Commitments	(8,621)	(6,948)	(5,500)	(5,500)
Free Cashflow	(1,720)	4,167	3,653	5,871
Other investing cashflow	(137)	(2,208)	-	-
Cashflow from Investing Activities	(8,757)	(9,156)	(5,500)	(5,500)
Issue of Share Capital	27	28	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	2,902	2,586	(1,000)	(1,000)
Dividend paid	(875)	(1,387)	(1,940)	(2,217)
Others	(608)	(961)	-	-
Cash flow from Financing Activities	1,446	266	(2,940)	(3,217)
Chg. in Cash & Bank balance	(410)	2,225	713	2,654
Closing cash & balance	(410)	2,225	713	2,654

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Reported EPS	23.2	26.4	31.1	42.9
Adjusted EPS (Diluted)	23.2	26.4	31.1	42.9
Cash EPS	28.2	32.8	38.4	51.0
Dividend per share (DPS)	3.5	4.0	4.7	6.5
Book Value per share (BV)	108.5	130.1	154.2	189.0
Dividend Payout (%)	15.1	15.1	15.1	15.1
Growth (%)				
Net Sales	23.8	12.1	21.4	24.8
EBITDA	8.1	16.7	16.4	30.2
EPS (INR)	(6.3)	14.1	17.7	37.8
Valuation Ratios (x)				
P/E	61.9	54.2	46.1	33.4
P/CEPS	50.9	43.7	37.4	28.1
P/BV	13.2	11.0	9.3	7.6
EV / EBITDA	39.3	33.9	29.0	22.1
Dividend Yield (%)	0.2	0.3	0.3	0.5
Operating Ratios				
Gross Profit Margins (%)	13.3	13.8	14.6	13.5
EBITDA Margins (%)	6.3	6.6	6.3	6.6
Effective Tax Rate (%)	25.7	25.1	25.1	25.1
Net Profit Margins (%)	4.0	4.0	3.9	4.3
Net Debt / Equity (x)	0.1	0.2	0.1	0.0
Net Debt / EBITDA (x)	0.4	0.6	0.4	0.1
Fixed Asset Turnover (x)	7.1	6.2	5.9	6.3
Inventory Turnover Days	43	38	38	40
Receivables Days	4	3	3	3
Payables Days	-	-	-	-
Profitability Ratios				
RoCE (%)	21.2	19.6	19.2	21.9
RoE (%)	26.4	24.2	23.8	27.2
RoIC (%)	24.7	22.2	21.4	24.6

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Amit Dixit, PGDM, B.Tech; Mohit Lohia, CA; Pritish Urumkar, MBATech (Finance); 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. 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 AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 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 Institutional 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 Retail 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 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122
