

13 September 2024

India | Equity Research | Company Update

3M India

Diversified

FY24 annual report takeaways: Strong investments in new product development

Following a review of 3M India's FY24 annual report, our conviction on the company's performance and potential remains strong. We note: (1) A marked rise in new product development. Also, with 3M's customer industries (automotive/infrastructure etc.) growing at a healthy rate, the company too has stepped-up innovation. (2) The Chairman and Managing Director's letter focuses on investments in infrastructure and the evolving automotive landscape – summarily 3M is likely to be a net beneficiary. (3) Working capital days (WCD) is steadily shrinking – reduced to 22 in FY24, from 63 in FY20 (FY23: 33 days). Accordingly, FCF generation is stronger. (4) While EBITDA margin expansion is healthy, it is near FY11–24's peak levels. Our optimism on 3M India is bolstered by its established competitive edge and long-term growth potential. With the stock price correcting ~15% over the past three months, we upgrade our rating to **BUY**, from **Add**. We value the stock at a DCF-based unchanged TP of INR 41,960 (implying 62x FY26E EPS).

Letter from Chairman and Managing Director – highlights

We note senior management drawing attention to various macro indicators such as: (1) India's commitment to carbon neutrality is likely to create growth opportunities for 3M India; (2) investments to the tune of 3% of India's GDP in infrastructure, which augurs well for many segments of 3M; and (3) growing acceptance of SUVs/EVs allows 3M to offer various differentiated products and solutions to its customers.

WCD at its lowest between FY11–24, leading to strong FCF

While profit margins have expanded and capex requirements are still low, we believe the steady reduction in WCD has led to an expansion in FCF. WCD has shrunk from 63 in FY20 to 22 in FY24 (33 in FY23). We note, the company's WCD is at its lowest level in the past 14 years; we do not model any further reduction in the figure between FY25–26E.

EBITDA margin at its peak levels between FY11-24

3M India's EBITDA margin has reached near its peak level in FY24. While a correction in commodity prices offers tailwinds for margin expansion in FY25, we believe there is limited potential for margin expansion in the medium term.

Increase in royalty and corporate management fees

The company has increased its royalty and corporate management fees from 4.7% in FY23 to 5% in FY24. However, we note it is still lower than 6.2% in FY19. The royalty and corporate management fees have steadily expanded from 3.7% of net sales in FY11 to 5% in FY24.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	39,594	41,894	44,297	50,661
EBITDA	6,043	7,591	8,531	9,799
EBITDA Margin (%)	15.3	18.1	19.3	19.3
Net Profit	4,510	5,834	6,670	7,666
EPS (INR)	400.4	517.9	592.1	680.5
EPS % Chg YoY	65.8	29.4	14.3	14.9
P/E (x)	87.7	67.8	59.3	51.6
EV/EBITDA (x)	63.9	50.1	44.8	38.5
RoCE (%)	20.3	26.8	27.8	29.1
RoE (%)	23.4	30.4	31.8	33.1

Aniruddha Joshi

aniruddha.joshi@icicisecurities.com
+91 22 6807 7249

Karan Bhuwania

karan.bhuwania@icicisecurities.com

Nilesh Patil

nilesh.patil@icicisecurities.com

Market Data

Market Cap (INR)	396bn
Market Cap (USD)	4,711mn
Bloomberg Code	3M IN
Reuters Code	TMIN.BO
52-week Range (INR)	41,000 /28,046
Free Float (%)	25.0
ADTV-3M (mn) (USD)	3.4

Price Performance (%)	3m	6m	12m
Absolute	(1.8)	15.4	12.2
Relative to Sensex	(10.1)	2.8	(11.2)

Previous Reports

07-08-2024: [Q1FY25 results review](#)

29-05-2024: [Q4FY24 results review](#)

New product launches

3M has executed multiple new product launches in FY24. As most of the company's customer industries such as automotive, infrastructure and healthcare are in growth mode, 3M has also offered multiple differentiated products and solutions. The number of launches in FY24 were relatively higher than product launches in earlier years.

Valuation and risks

We model 3M India to report revenue and PAT CAGRs of 10% and 14.6%, respectively, over FY24–26E and RoE >30% over the same timeframe. We value the stock as per the DCF methodology and arrive at a TP of INR 41,960 (implied P/E of 62x FY26E).

Key risks: Steep increase in competitive pressure; and commodity inflation.

FY24 annual report highlights

Strong EVA creation: The company has continued to generate compelling EVA. It furnished a commendable RoE of 30.9% in FY24. 3M India also generated healthy FCF with limited investments in working capital and capex. We model the strong FCF to result in steady dividend payout.

Exhibit 1: Strong EVA creation

Particulars	CY08	15MFY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
RoE (%) [A]	18.3	24.0	20.5	11.4	8.4	6.4	14.6	21.8	21.7	29.4	29.9	20.3	8.8	13.6	23.8	30.9
Cost of Equity (%) [B]	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Networth (INR mn) [C]	3,426	4,323	5,330	5,998	6,474	6,865	7,981	9,797	12,186	10,478	14,021	17,285	18,795	21,507	16,502	21,191
EVA generated (INR mn) [(A-B) x C]	249	560	505	26	(170)	(313)	287	1,062	1,302	1,928	2,648	1,611	(406)	551	2,105	4,214
FCF (INR mn)	(435)	531	(670)	(533)	(867)	590	1,696	2,601	3,747	593	(3,009)	2,231	2,819	2,654	4,254	6,817

Source: Company data, I-Sec Research

Highlights from Chairman's letter

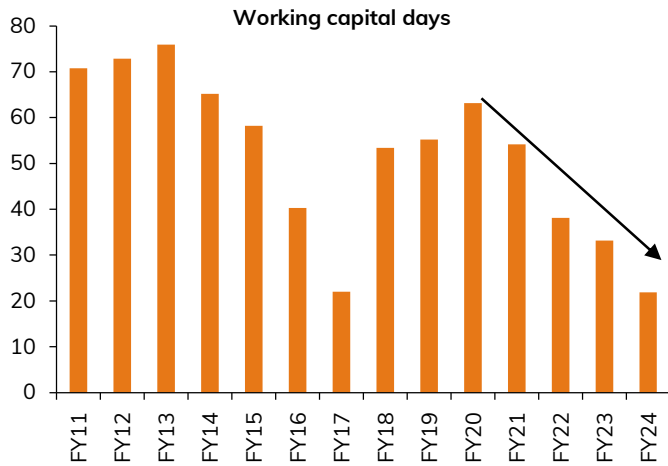
- India's commitment to carbon neutrality is spurring adoption of several new technologies. This shall provide new growth drivers for the company in the future.
- 3M India will continue to be an exclusive licensed manufacturer, reseller as well as distributor for Solventum (Spin-off entity of 3M USA, which focusses on the healthcare business).
- India's growth is driven by substantial investments in emerging sectors and sustained government initiatives. There are benefits due to digitisation and enhanced physical connectivity. As India is expected to maintain positive economic momentum, 3M India is likely to be a beneficiary.

Highlights from Managing Director's letter

- Automotive landscape is changing with rising adoption of SUVs along with higher focus on EV adoption. The company is poised to take advantage of the emerging trends with several solutions.
- Government's allocation of over 3% of GDP to infrastructure is well recognised. Investments in roads, railways, metros and airports offer growth opportunities to 3M India.
- The company has commenced a new robotics lab in Bengaluru.
- The company has introduced consumer products catering to customers across sub-segments. It has introduced products in cleaning, mounting and stationery segments. This has led to growth across all products and channels during FY24.

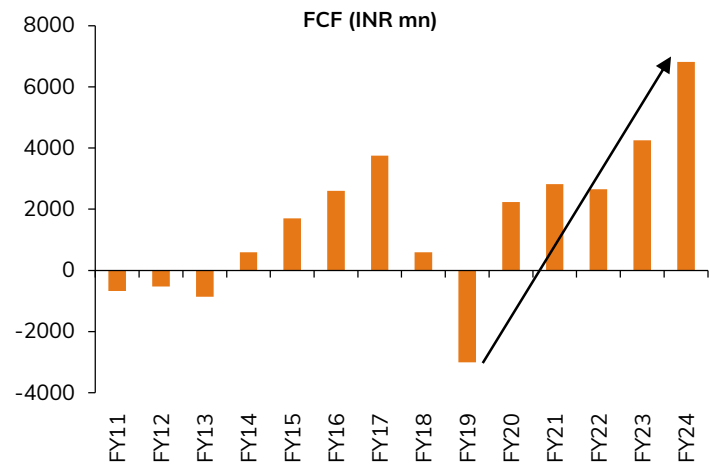
Reduction in WCD, stronger FCF generation: While there is an increase in profit margins and the capex requirements are still low, we believe the steady reduction in WCD has led to expansion of FCF. WCD has declined from 63 in FY20 to 22 in FY24 (33 in FY23). We note, the company's WCD is at its lowest level in the past 14 years; we do not model any further reduction in WCD in FY25–26E.

Exhibit 2: Reduction in working capital days...



Source: Company data, I-Sec research

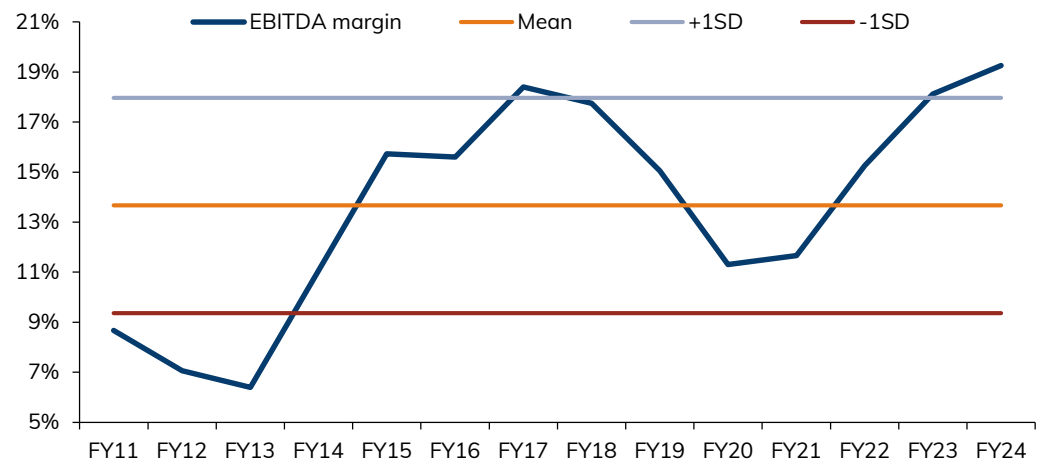
Exhibit 3: ... leading to strong FCF generation



Source: Company data, I-Sec research

EBITDA margin near peak: EBITDA margin of 3M India has reached near its peak levels in FY24. While a correction in commodity prices offer tailwinds for margin expansion in FY25, we believe there is limited potential for margin expansion in the medium term.

Exhibit 4: EBITDA margin above Mean+1 SD



Source: Company data, I-Sec Research

New product launches: 3M has executed multiple new product launches in FY24. As most of the customer industries – automotive, infrastructure and healthcare – are in growth mode, 3M has also offered multiple differentiated products and solutions. We note the number of launches in FY24 was relatively higher than that in earlier years.

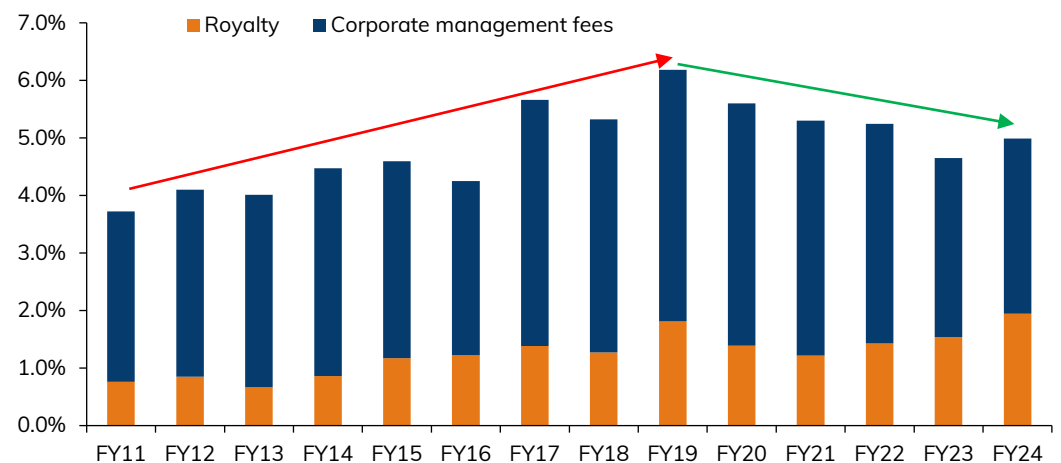
Exhibit 5: New product launches

Year	Segment	New product launch	Usage/Comment
FY20	Automotive	3M ScotchKote Solar heat reflective coating	Coatings to reduce the impact of heat in trains
	Automotive	3M Aircraft Exterior & Graphic films	Aircraft and graphic films
	Safety	3M Endothermic mats	Mats to reduce the threat of fire
	Safety	3M Anti-pollution respirators	Face mask to reduce impact of pollution
FY21	Safety	3M Anti-microbial smoggy	germ reduction, decreases formaldehyde molecules in cabin air
	Automotive	3M CR all weather elements & 3M Starmark tape	Road safety applications
	Consumer	Scotch Brite Disinfectant Wipes, premium kitchen brushes	Home care solutions
FY22	Healthcare	3M 9513 respirator KN95	Face mask with better design of respirator and filtration technology
	Safety	3M™ Performance Paint Spray Gun	– Dubbed the lightest spray gun in the world
	Safety	3M™ Ceramic Coating	long lasting gloss and hydrophobicity to car surfaces
FY23	Automotive	3M Paint application cups and protection spray guns	Helps in reduction of wastage, minimising environment impact and improves precision
	Automotive	3M paint application systems	Efficient paint transfer and 70% lower requirement of solvent to clean gun
	Consumer	3M Scotch Double sided Foam Tape	Double sided tapes to customise home décor
FY24	Automotive	Muphony multi-layered acoustic insulation system	Noise control solutions
	Automotive	3M Premium liquid wax	Protect car paint from harsh effects of environmental exposure
	Automotive	3M Clean sanding system	Multiple benefits in shop floor
	Infrastructure	3M Vinyl Graphics	Quick install films to reduce downtime and lightweight covering
	Infrastructure	3M structural Acrylic adhesive	Assembly alignment and eliminate rejections
	Infrastructure	3M screen printable pressure sensitive adhesive SP7202	Direct printing of shapes eliminating the need for die cutting and reducing waste
	Infrastructure	3M PELTOR WS Litecom	Effective and efficient communication while ensuring hearing protection
	Consumer	3M Scotch Double sided Foam Tape	Capability to lift weight up to 4.5kg

Source: Company data, I-Sec Research

Increase in royalty and corporate management fees: The company has increased its royalty and corporate management fees from 4.7% in FY23 to 5% in FY24. However, we note, this is still lower than 6.2% in FY19. The royalty and corporate management fees have steadily expanded from 3.7% of net sales in FY11 to 5% in FY24.

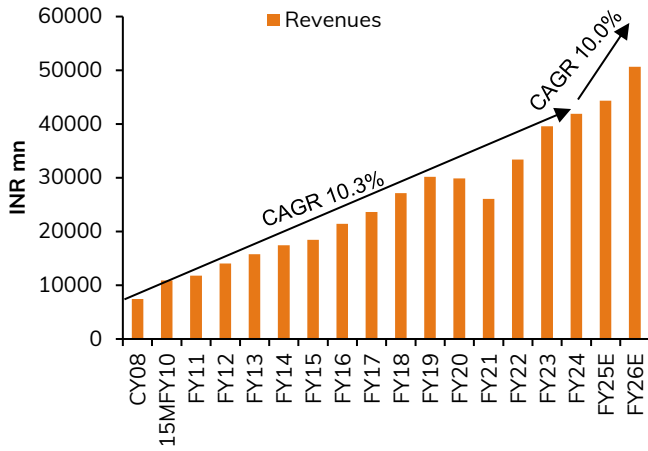
Exhibit 6: Increase in royalty and corporate management fees



Source: Company data, I-Sec Research

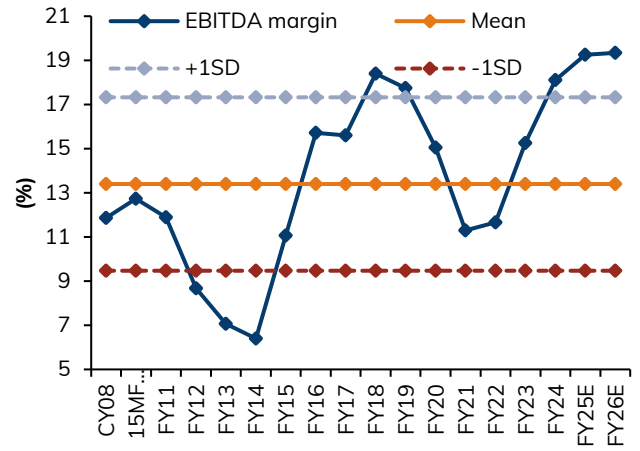
Key charts – annual

Exhibit 7: Revenue and revenue growth



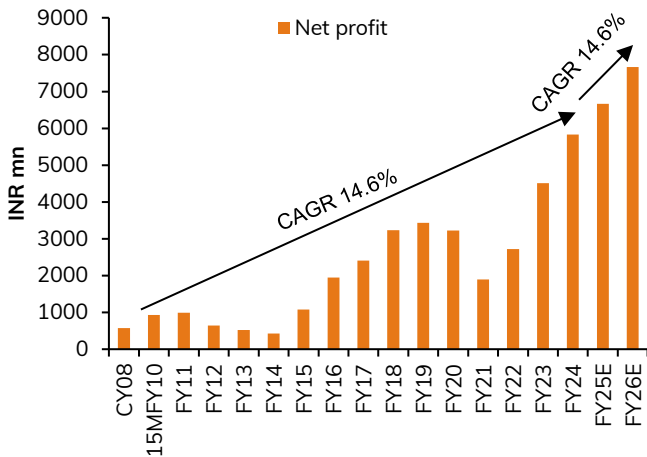
Source: Company data, I-Sec research

Exhibit 8: EBITDA margin



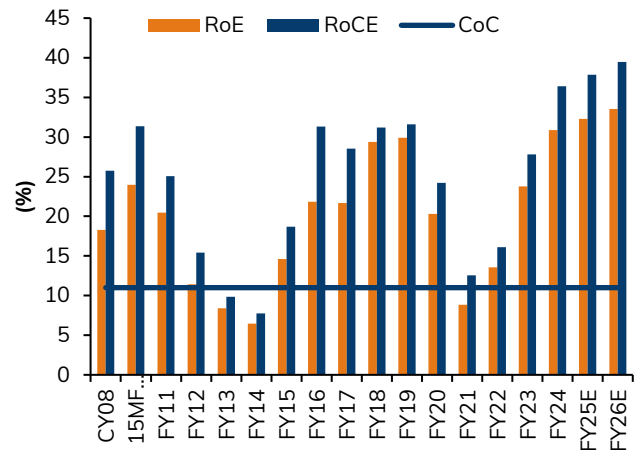
Source: Company data, I-Sec research

Exhibit 9: PAT and PAT growth



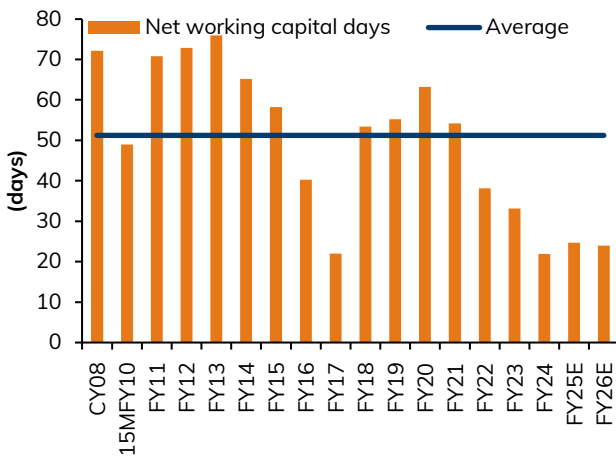
Source: Company data, I-Sec research

Exhibit 10: RoE and RoCE



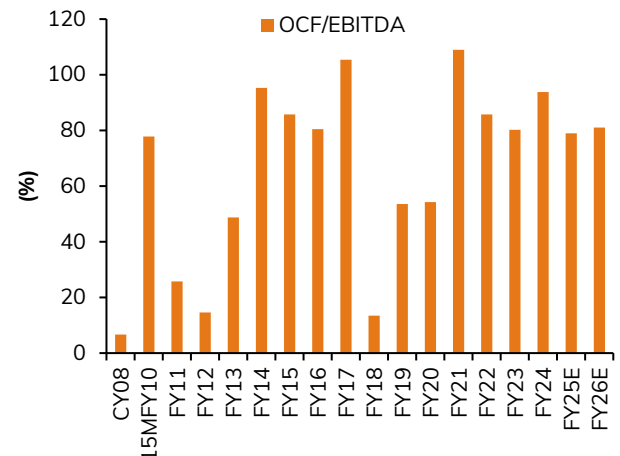
Source: Company data, I-Sec research; CoC: Cost of capital

Exhibit 11: Net working capital days



Source: Company data, I-Sec research

Exhibit 12: OCF/ EBITDA



Source: Company data, I-Sec research

Valuation and risks

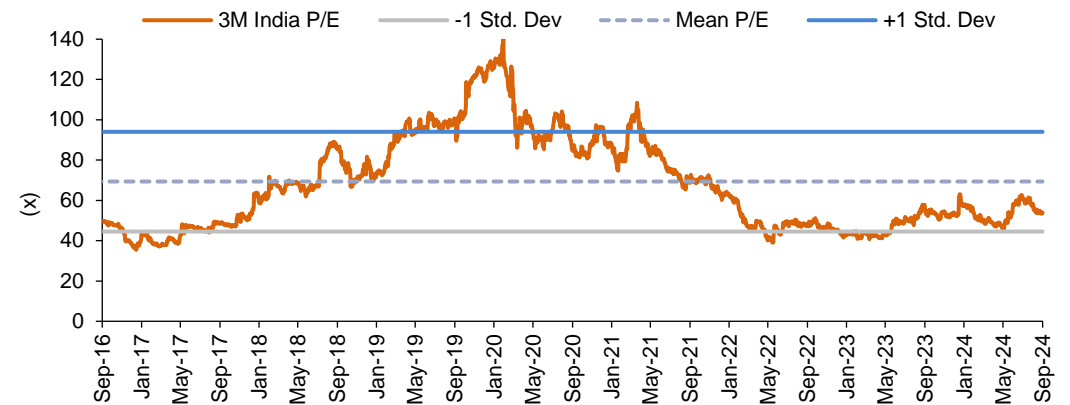
We model 3M India to report revenue and PAT CAGRs of 10% and 14.6% over FY24–26E and RoE of >30% during the same time frame. At our DCF-based unchanged target price of INR 41,960, implied P/E works out to 62x FY26E EPS. We upgrade the stock to **BUY**, from Add.

Exhibit 13: DCF-based valuation

Particulars	
Cost of Equity (%)	11.0%
Terminal growth rate (%)	5.0%
Discounted interim cash flows (INR mn)	1,79,576
Discounted terminal value (INR mn)	2,93,104
Total equity value (INR mn)	4,72,681
Value per share (INR)	41,960

Source: Company data

Exhibit 14: Mean PE (x) and standard deviations



Source: I-Sec research, Bloomberg

Risks

Sharp increase in input prices and competitive pressures

Major increase in input prices and/or increase in competitive pressures may result in downside to our estimates.

Delays in launch of new products

Any delays in launch of new products may result in lower earnings than estimated.

Exhibit 15: Shareholding pattern

%	Dec'23	Mar'24	Jun'24
Promoters	75.0	75.0	75.0
Institutional investors	12.1	12.0	12.1
MFs and others	7.4	7.2	7.2
FIs/Banks	0.9	0.9	1.0
FIIIs	3.8	3.9	3.9
Others	12.9	13.0	12.9

Source: Bloomberg

Exhibit 16: Price chart



Source: Bloomberg

Financial Summary

Exhibit 17: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	39,594	41,894	44,297	50,661
Operating Expenses	33,551	34,303	35,766	40,862
EBITDA	6,043	7,591	8,531	9,799
EBITDA Margin (%)	15.3	18.1	19.3	19.3
Depreciation & Amortization	577	529	548	615
EBIT	5,466	7,061	7,983	9,184
Interest expenditure	73	32	29	29
Other Non-operating Income	681	783	999	1,135
Recurring PBT	6,074	7,812	8,953	10,290
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,564	1,978	2,283	2,624
PAT	4,510	5,834	6,670	7,666
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	4	(13)	-	-
Net Income (Reported)	4,514	5,821	6,670	7,666
Net Income (Adjusted)	4,510	5,834	6,670	7,666

Source Company data, I-Sec research

Exhibit 18: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	21,274	26,685	23,916	20,734
of which cash & cash eqv.	8,007	13,578	9,849	4,739
Total Current Liabilities & Provisions	9,672	10,595	11,074	12,665
Net Current Assets	11,603	16,090	12,841	8,069
Investments	2,263	2,072	4,072	14,072
Net Fixed Assets	3,088	3,325	3,649	3,834
ROU Assets	-	-	-	-
Capital Work-in-Progress	246	123	-	-
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	17,200	21,609	20,562	25,975
Liabilities				
Borrowings	698	418	418	418
Deferred Tax Liability	(273)	(278)	(278)	(278)
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	113	113	113	113
Reserves & Surplus	16,662	21,356	20,309	25,722
Total Net Worth	16,775	21,469	20,422	25,835
Minority Interest	-	-	-	-
Total Liabilities	17,200	21,609	20,562	25,975

Source Company data, I-Sec research

Exhibit 19: Quarterly trend

(INR mn, year ending March)

	Sep-23	Dec-23	Mar-24	Jun-24
Net Sales	10,395	10,056	10,945	10,466
% growth (YoY)	6.4	1.3	4.6	(0.3)
EBITDA	1,921	1,786	2,144	2,055
Margin %	18.5	17.8	19.6	19.6
Other Income	174	165	302	218
Extraordinaries	1	(25)	10	(3)
Adjusted Net Profit	1,461	1,352	1,729	1,571

Source Company data, I-Sec research

Exhibit 20: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	4,851	7,123	6,737	7,943
Working Capital Changes	67	813	(481)	(338)
Capital Commitments	(602)	(314)	(750)	(800)
Free Cashflow	4,248	6,809	5,987	7,143
Other investing cashflow	6	(3,072)	(2,000)	(10,000)
Cashflow from Investing Activities	(596)	(3,386)	(2,750)	(10,800)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	(149)	-	-
Dividend paid	(9,551)	(1,127)	(7,717)	(2,253)
Others	-	-	-	-
Cash flow from Financing Activities	(9,551)	(1,276)	(7,717)	(2,253)
Chg. in Cash & Bank balance	(5,297)	2,461	(3,729)	(5,110)
Closing cash & balance	7,982	10,443	9,849	4,739

Source Company data, I-Sec research

Exhibit 21: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Reported EPS	400.4	517.9	592.1	680.5
Adjusted EPS (Diluted)	400.4	517.9	592.1	680.5
Cash EPS	451.6	564.9	640.7	735.1
Dividend per share (DPS)	847.8	100.0	685.0	200.0
Book Value per share (BV)	1,489.1	1,905.8	1,812.9	2,293.3
Dividend Payout (%)	211.8	19.3	115.7	29.4
Growth (%)				
Net Sales	18.7	5.8	5.7	14.4
EBITDA	55.2	25.6	12.4	14.9
EPS (INR)	65.8	29.4	14.3	14.9
Valuation Ratios (x)				
P/E	87.7	67.8	59.3	51.6
P/CEPS	77.8	62.2	54.8	47.8
P/BV	23.6	18.4	19.4	15.3
EV / EBITDA	63.9	50.1	44.8	38.5
P / Sales	10.0	9.4	8.9	7.8
Dividend Yield (%)	2.4	0.3	2.0	0.6
Operating Ratios				
Gross Profit Margins (%)	37.9	40.2	43.6	43.8
EBITDA Margins (%)	15.3	18.1	19.3	19.3
Effective Tax Rate (%)	25.8	25.3	25.5	25.5
Net Profit Margins (%)	11.4	13.9	15.1	15.1
NWC / Total Assets (%)	20.9	11.6	14.6	12.8
Net Debt / Equity (x)	(0.6)	(0.7)	(0.7)	(0.7)
Net Debt / EBITDA (x)	(1.6)	(2.0)	(1.6)	(1.9)
Profitability Ratios				
RoCE (%)	20.3	26.8	27.8	29.1
RoE (%)	23.4	30.4	31.8	33.1
RoC (%)	56.7	78.5	90.4	95.3
Fixed Asset Turnover (x)	7.0	6.8	6.5	6.6
Inventory Turnover Days	61	48	49	51
Receivables Days	64	63	64	66
Payables Days	91	88	86	90

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, Aniruddha Joshi, CA; Karan Bhuwania, MBA; Nilesh Patil, MBA; 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 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 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 an 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
