

# Tata Steel

## BUY

Profitability strong; deleveraging to continue

### Summary

Tata Steel reported sharp recovery in EBIDTA in Q1FY22 despite weak volumes. India sales volumes fell 11% QoQ to 4.15 mn tonnes as Covid-19 second wave affected demand. Nevertheless, its India operations EBITDA/t increased 28% QoQ to Rs33,604 and European operations EBITDA/t increased 36% QoQ to Rs6,590 on higher realizations. Consolidated net debt declined Rs59 bn QoQ to Rs739 bn (\$2 bn deleveraging is likely in FY22 despite growth capex given upswing in steel cycle).

We raise our FY22 EBITDA estimate by 6% given higher than expected in Q1FY22 EBITDA. We broadly maintain our FY23 estimates. We raise our SOTP-based target price to Rs1,735 (earlier Rs1,329) as we raise our Indian operations multiple to 7x from (6x earlier) on strong visibility of company's expansion and deleveraging plans.

### Key Highlights and Investment Rationale

- Free cash flows strong; expansion on track:** Despite working capital increase of Rs83 bn and capex of Rs20 bn, its free cash flow was strong at Rs36 bn. Its 5 mtpa expansion continues to progress well while it has fast-tracked 6 mtpa pellet plant and CRM mill (completion likely by H1FY22). Total capex outlay for FY22 is likely at Rs100-120 bn.
- Subsidiary performances also strong:** TSE EBITDA improved 20% QoQ to Rs15 bn despite flattish sales volumes at 2.7 mn tonnes. Tata Steel BSL registered its highest ever quarterly EBITDA of Rs31 bn (EBITDA/t of Rs.27,856). Even Tata Steel Long Products registered its highest ever quarterly EBITDA of Rs6 bn (EBITDA/t of Rs.34,286).
- Outlook:** After a strong profitability beat in Q1FY22, we expect H2FY22 to be stronger for Tata Steel India operations as Chinese steel curbs are likely to keep steel prices firm. Also, we believe strong profitability and restructuring at its European operations will lead to further fall in net debt over FY22-FY23 even though Tata Steel will continue to pursue growth capex in India. Hence, we maintain our BUY rating on the stock.

TP	Rs1,735	
CMP	Rs1,461	
Potential upside / downside	+23%	

### V/s Consensus

EBITDA (Rs bn)	FY22E	FY23E
IDBI Capital	476	380
Consensus	540	398
% difference	(11.9)	(4.6)

### Shareholding Pattern (%)

Promoters	34.4
FII	21.9
DII	19.1
Public	24.6

### Price Performance (%)

	-1m	-3m	-12m
Absolute	19.1	24.0	252.3
Rel to Sensex	13.3	10.1	207.9

### Key Stock Data

Bloomberg / Reuters	TATA IN / TISC.BO
Sector	Metal & Mining
Shares o/s (mn)	1,204
Market cap. (Rs mn)	1,759,580
Market cap. (US\$ mn)	25,405
3-m daily average value (Rs mn)	2,837.3
52-week high / low	Rs1,481 / 343
Sensex / Nifty	55,437 / 16,529

### Relative to Sensex (%)



### Financial snapshot

Year	FY19	FY20	FY21	FY22E	FY23E
Revenue	15,76,690	14,89,717	15,62,942	17,10,207	16,51,578
EBITDA	2,93,833	1,78,276	3,05,043	4,75,914	3,79,494
EBITDA (%)	18.6	12.0	19.5	27.8	23.0
Adj. PAT	93,083	61,020	92,330	2,25,343	1,58,406
EPS (Rs)	81.2	53.3	80.6	196.8	138.4
EPS Growth (%)	16.9	(34.4)	51.3	144.1	(29.7)
PE (x)	17.7	26.9	17.8	7.3	10.4
Dividend Yield (%)	0.7	0.9	0.3	0.4	0.7
EV/EBITDA (x)	8.6	15.1	7.6	4.6	5.4
RoE (%)	14.3	8.6	12.5	26.5	15.3
RoCE (%)	12.4	4.7	11.1	21.1	14.9

Source: IDBI Capital Research;

**Exhibit 1: Quarterly Snapshot**

(Rs mn)

Financial snapshot	Q1FY22	Q4FY21	QoQ (%)	Q1FY21	YoY (%)
<b>Net Sales</b>	<b>5,33,718</b>	<b>4,99,774</b>	<b>6.8</b>	<b>2,54,745</b>	<b>109.5</b>
Total expenditure	3,72,613	3,57,933	4.1	2,49,353	49.4
<b>EBITDA</b>	<b>1,61,106</b>	<b>1,41,841</b>	<b>13.6</b>	<b>5,392</b>	<b>2,887.7</b>
<i>EBITDA margin (%)</i>	30.2%	28.4%	180bps	2.1%	2807bps
Interest	18,114	18,663	(2.9)	20,064	(9.7)
Depreciation	23,245	23,924	(2.8)	21,747	6.9
PBT	1,20,769	1,01,976	18.4	(33,806)	(457.2)
Tax	23,084	21,950	5.2	12,675	82.1
<b>PAT</b>	<b>97,683</b>	<b>71,619</b>	<b>36.4</b>	<b>(46,481)</b>	<b>(310.2)</b>
<b>Diluted EPS</b>	<b>85.3</b>	<b>62.6</b>	<b>36.4</b>	<b>(40.6)</b>	<b>(310.2)</b>

Source: Company; IDBI Capital Research

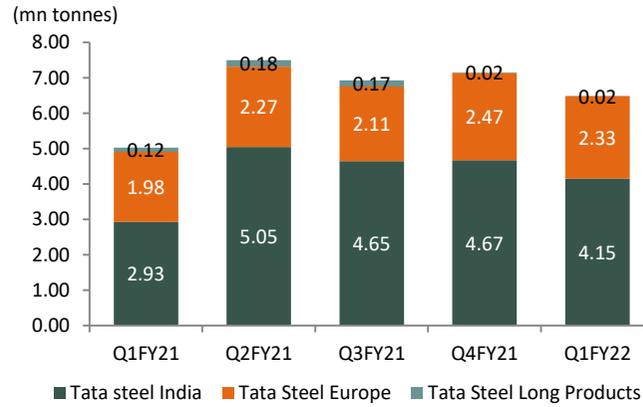
**Exhibit 2: Actual vs estimates**

(Rs mn)

	Q1FY22E	Q1FY22A	% Variance
Net sales	4,90,690	5,33,718	8.8
EBTIDA	1,40,209	1,61,106	14.9
<i>Margin (%)</i>	28.6	30.2	161bps
PAT	80,015	97,683	22.1
Dil. EPS	69.9	85.3	22.1

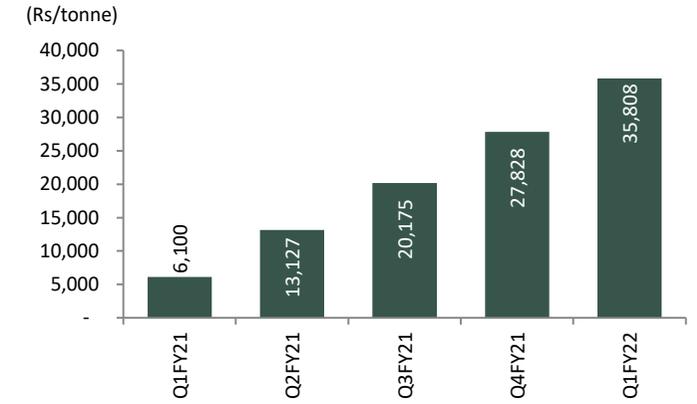
Source: Company; IDBI Capital Research

**Exhibit 3: Geographical sales mix**



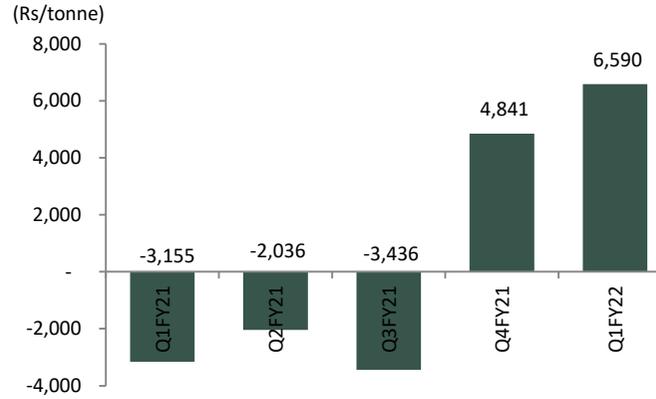
Source: Company; IDBI Capital Research

**Exhibit 4: Standalone EBIDTA/tonne jumped 5x YoY**



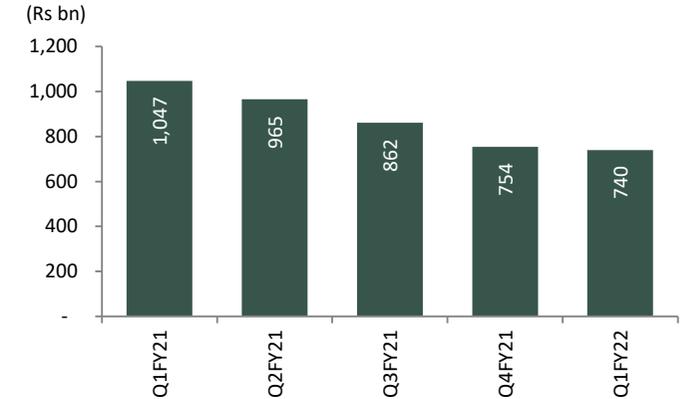
Source: Company; IDBI Capital Research

**Exhibit 5: Tata Steel Europe EBIDTA/tonne improves**



Source: Company; IDBI Capital Research

**Exhibit 6: Net debt continues to fall**



Source: Company; IDBI Capital Research

### Conference call highlights

- In western steel market prices were robust with supply lagging demand recovery, also there is increase in production cost as recent spike in raw material prices.
- Chinese government is focusing on controlling commodity price speculation whereas Indian steel mills are facing pricing pressure due to high input cost and further less likely to reduce steel prices.
- In Q1FY22 Indian steel demand shrank by 14% QOQ due to seasonality and temporary weakness in various steel consuming sectors with local lockdowns.
- Company received shareholder approval for merger of Tata Steel BSL with Tata Steel.
- Iron ore price had moved up by \$50/tonnes QoQ in Q1FY22, but soften in last few weeks and hard coking coal jumped by \$80/tonnes QoQ in Q1FY22
- Domestic steel price were soft during July'21, currently domestic steel price are at 20% discount of international steel price. Q2FY22 domestic realization are likely to be higher by Rs3,000/tonne QoQ.
- Company increased exports to 16% of total sales to counter the muted demand in domestic market. In Q2FY22 exports are expected to be 20% of total sale as export markets are stronger than domestic market.
- Company focuses on adding 1 mn tonne in Indian operation in term of steel volumes.
- In Europe, steel demand continues to recover, company's steel production in Europe remain stable
- In Q2FY22 coking coal price have increased by \$30/tonnes on QoQ basis both in India and Europe. Also iron ore price have increased by \$10/tonne on QoQ in Europe in Q2FY22.
- Europe HRC prices are expected increase by \$200-250/tonnes in Q2FY22.
- Company has prepaid GBP 0.5 mn debt in Europe.
- In Europe one off cost is GBP14 mn (Rs140cr).

**Exhibit 7: Change in estimates**

	FY22E			FY23E		
	Old	New	(%) Chg	Old	New	(%) Chg
Revenue (Rs mn)	17,23,680	17,10,207	(0.8)	16,51,578	16,51,578	0.0
EBITDA (Rs mn)	4,47,423	4,75,914	6.4	3,79,436	3,79,494	0.0
EBITDA margin (%)	26	27.8	183bps	23	23.0	-2bps
Net profit (Rs mn)	2,05,399	2,25,343	9.7	1,58,365	1,58,406	0.0
EPS (Rs)	179.4	196.8	9.7	138.3	138.4	0.0

Source: Company; IDBI Capital Research

**Exhibit 8: SOTP-based valuation**

	FY23 EBITDA	Multiple	(Rs bn)
India operations	3,11,236	7.0	21,78,649
TSE	28,500	4.0	1,14,000
Other operations	4,485	4.0	17,939
CWIP @ 70%			1,36,478
<b>Derived enterprise value</b>			<b>24,47,066</b>
Less: Net debt			4,22,193
Derived equity value			20,24,873
<b>Target price (Rs/share)</b>			<b>1,769</b>

Source: Company; IDBI Capital Research

## Financial Summary

### Profit & Loss Account

(Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
<b>Net sales</b>	<b>14,89,717</b>	<b>15,62,942</b>	<b>17,10,207</b>	<b>16,51,578</b>
<i>Growth (%)</i>	<i>(5.5)</i>	<i>4.9</i>	<i>9.4</i>	<i>(3.4)</i>
Operating expenses	(13,11,441)	(12,57,899)	(12,34,293)	(12,72,084)
<b>EBITDA</b>	<b>1,78,276</b>	<b>3,05,043</b>	<b>4,75,914</b>	<b>3,79,494</b>
<i>Growth (%)</i>	<i>-39.3</i>	<i>71.1</i>	<i>56.0</i>	<i>-20.3</i>
Depreciation	(87,077)	(92,336)	(93,260)	(94,192)
<b>EBIT</b>	<b>91,199</b>	<b>2,12,706</b>	<b>3,82,655</b>	<b>2,85,302</b>
Interest paid	(75,807)	(76,067)	(74,926)	(73,802)
Other income	18,220	8,956	9,046	9,136
<b>Pre-tax profit</b>	<b>(15,684)</b>	<b>1,35,164</b>	<b>3,16,774</b>	<b>2,20,636</b>
Tax	25,529	(56,539)	(95,032)	(66,191)
<i>Effective tax rate (%)</i>	<i>162.8</i>	<i>41.8</i>	<i>30.0</i>	<i>30.0</i>
Share in Associates	1,880	3,273	3,601	3,961
<b>Net profit</b>	<b>11,725</b>	<b>81,898</b>	<b>2,25,343</b>	<b>1,58,406</b>
<b>Exceptional items</b>	<b>(49,296)</b>	<b>(10,432)</b>	-	-
<b>Adjusted net profit</b>	<b>61,020</b>	<b>92,330</b>	<b>2,25,343</b>	<b>1,58,406</b>
<i>Growth (%)</i>	<i>(34.4)</i>	<i>51.3</i>	<i>144.1</i>	<i>(29.7)</i>
<i>Shares o/s (mn)</i>	<i>1,145</i>	<i>1,145</i>	<i>1,145</i>	<i>1,145</i>

### Cash Flow Statement

(Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
Pre-tax profit	(15,684)	1,35,164	3,16,774	2,20,636
Depreciation	87,077	92,336	93,260	94,192
Tax paid	(11,070)	(59,816)	(95,032)	(66,191)
Chg in working capital	(32,422)	2,45,281	(26,773)	20,143
Other operating activities	(14,724)	60,105	-	-
<b>Cash flow from operations (a)</b>	<b>13,177</b>	<b>4,73,071</b>	<b>2,88,228</b>	<b>2,68,780</b>
Capital expenditure	(1,96,720)	(99,687)	(1,20,000)	(1,20,000)
Chg in investments	23,003	6,536	-	-
Other investing activities	-	-	-	-
<b>Cash flow from investing (b)</b>	<b>(1,73,717)</b>	<b>(93,151)</b>	<b>(1,20,000)</b>	<b>(1,20,000)</b>
Equity raised/(repaid)	-	527	-	-
Debt raised/(repaid)	2,21,446	(4,08,807)	(1,00,000)	(1,00,000)
Dividend (incl. tax)	(17,874)	(4,469)	(7,150)	(10,726)
Chg in minorities	4,101	10,104	3,601	3,961
Other financing activities	-	-	-	-
<b>Cash flow from financing (c)</b>	<b>2,07,674</b>	<b>(4,02,645)</b>	<b>(1,03,550)</b>	<b>(1,06,765)</b>
<b>Net chg in cash (a+b+c)</b>	<b>47,134</b>	<b>(22,725)</b>	<b>64,679</b>	<b>42,015</b>

### Balance Sheet (Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
Net fixed assets	15,40,475	15,47,826	15,74,566	16,00,374
Investments	41,166	34,630	34,630	34,630
Other non-curr assets	3,69,545	2,70,297	3,00,839	3,35,046
<b>Current assets</b>	<b>5,53,009</b>	<b>6,02,119</b>	<b>6,31,851</b>	<b>6,40,777</b>
Inventories	3,10,687	3,32,764	3,25,503	3,14,345
Sundry Debtors	78,849	95,398	84,339	81,448
Cash and Bank	80,547	57,822	93,099	1,01,895
Loans and advances	-	-	-	-
<b>Total assets</b>	<b>25,04,195</b>	<b>24,54,872</b>	<b>25,41,886</b>	<b>26,10,827</b>
<b>Shareholders' funds</b>	<b>7,35,763</b>	<b>7,42,388</b>	<b>9,60,580</b>	<b>11,08,260</b>
Share capital	11,449	11,976	11,976	11,976
Reserves & surplus	7,24,314	7,30,412	9,48,604	10,96,284
<b>Total Debt</b>	<b>11,32,895</b>	<b>7,24,088</b>	<b>6,24,088</b>	<b>5,24,088</b>
Secured loans	11,32,895	7,24,088	6,24,088	5,24,088
Unsecured loans	-	-	-	-
Other liabilities	1,84,907	2,47,028	2,60,944	2,76,111
<b>Curr Liab &amp; prov</b>	<b>4,24,764</b>	<b>7,08,671</b>	<b>6,63,578</b>	<b>6,69,671</b>
Current liabilities	4,08,128	6,61,418	6,16,325	6,22,417
Provisions	16,637	47,253	47,253	47,253
<b>Total liabilities</b>	<b>17,42,566</b>	<b>16,79,788</b>	<b>15,48,610</b>	<b>14,69,870</b>
<b>Total equity &amp; liabilities</b>	<b>25,04,195</b>	<b>24,54,872</b>	<b>25,41,886</b>	<b>26,10,827</b>
<b>Book Value (Rs)</b>	<b>643</b>	<b>648</b>	<b>839</b>	<b>968</b>

Source: Company; IDBI Capital Research

### Financial Ratios

Year-end: March	FY20	FY21	FY22E	FY23E
Adj. EPS (Rs)	53.3	80.6	196.8	138.4
Adj. EPS growth (%)	(34.4)	51.3	144.1	(29.7)
EBITDA margin (%)	12.0	19.5	27.8	23.0
Pre-tax margin (%)	(1.1)	8.6	18.5	13.4
ROE (%)	8.6	12.5	26.5	15.3
ROCE (%)	4.7	11.1	21.1	14.9
<b>Turnover &amp; Leverage ratios (x)</b>				
Asset turnover (x)	0.6	0.6	0.7	0.6
Leverage factor (x)	3.4	3.4	2.9	2.5
Net margin (%)	4.1	5.9	13.2	9.6
Net Debt/Equity (x)	1.4	0.9	0.6	0.4
<b>Working Capital &amp; Liquidity ratio</b>				
Inventory days	76	78	69	69
Receivable days	19	22	18	18
Payable days	60	103	82	72

### Valuation

Year-end: March	FY20	FY21	FY22E	FY23E
P/E (x)	26.9	17.8	7.3	10.4
Price / Book value (x)	2.2	2.2	1.7	1.5
PCE (x)	11.1	8.9	5.2	6.5
EV / Net sales (x)	1.8	1.5	1.3	1.3
EV / EBITDA (x)	15.1	7.6	4.6	5.4
Dividend Yield (%)	0.9	0.3	0.4	0.7



# Notes

Dealing

(91-22) 6836 1111

dealing@idbicapital.com

**Key to Ratings Stocks:****BUY:** 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.**IDBI Capital Markets & Securities Ltd.****Equity Research Desk**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 2217 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

**SEBI Registration:** BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578**Compliance Officer:** Christina D'souza; Email: compliance@idbicapital.com; Telephone: (91-22) 2217 1907**Disclaimer**

This report has been published by IDBI Capital Markets & Securities Ltd.(hereinafter referred to as "IDBI Capital") for private circulation. This report should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this report. The information contained herein is strictly confidential and meant for 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 the prior written consent of IDBI Capital.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behavior of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

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 IDBI Capital and associates 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 report may come are required to inform themselves of and to observe such restriction.

E-mail is not a secure method of communication. IDBI Capital cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s).

This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrived late. IDBI Capital, its directors or employees or associates accept no liability for any damage caused, directly or indirectly, by this email.

## Analyst Disclosures

We, Bhavesh Chauhan and Mansi Korlekar, hereby certify that the views expressed in this report accurately reflect our personal views about the subject companies and / or securities. We also certify that no part of our compensation were, are or would be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, we will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

## Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as "IDBI Capital") was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India's leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on [www.idbicapital.com](http://www.idbicapital.com) IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% or more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative's may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com) and [www.economictimes.indiatimes.com/markets/stocks/stock-quotes](http://www.economictimes.indiatimes.com/markets/stocks/stock-quotes).