

ICICI Securities Limited  
is the author and  
distributor of this report

Analyst meet update and  
earnings revision

## Capital Goods

Target price: Rs3,137

### Earnings revision

(%)	FY23E	FY24E
Sales	↑ 1.4	↑ 2.6
EBITDA	↑ 3.4	↑ 4.1
PAT	↑ 3.2	↑ 3.9

### Target price revision

Rs3,137 from Rs3,011

### Shareholding pattern

	Mar '22	Jun '22	Sep '22
Promoters	75.0	75.0	75.0
Institutional investors	15.1	15.1	14.9
MFs and other FI/ Banks	2.5	2.8	3.4
Insurance Co.	0.0	0.0	0.0
FII	6.9	6.8	5.5
Others	5.7	5.5	6.0
	9.9	9.9	10.1

Source: NSE

### ESG disclosure score

Year	2020	2021	Chg
ESG score	42.7	42.7	0.0
Environment	16.8	16.8	0.0
Social	27.5	27.5	0.0
Governance	83.6	83.6	0.0

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.  
Source: Bloomberg, I-sec research

### Research Analysts:

**Rahul Modi**

rahul.modi@icicisecurities.com  
+91 22 6807 7373

**Ashwani Sharma**

sharma.ashwani@icicisecurities.com  
+91 22 6807 7340

**Aashna Manaktala**

aashna.manaktala@icicisecurities.com  
+91 22 6807 7397

INDIA



## Siemens Ltd

**ADD**

**Maintained**

**Rs2,967**

### FY22 analyst call – key takeaways

In its FY22 annual analyst meet, Siemens indicated that ordering momentum is strong across business segments led by both public and private capex. Company continues to increase localisation, which may further expand margins. The digital solutions business is witnessing growth on the back of increasing focus on customer productivity and energy efficiency. Domestic transmission tendering is likely to see pick-up with government plans to spend Rs2.44trn for evacuation of 500GW renewable energy by CY30. Further, industrial decarbonisation-led capex – mainly on waste heat recovery, biomass, etc. – is most likely to drive growth in Siemens's energy business. FY22 total order inflow was up 43% YoY to Rs194bn driven by increased number of large-sized orders. We expect the momentum to continue given government capex on infrastructure and private capex on key verticals such as semiconductors, data centres and EV. In Mobility business, SIEM is L1 in manufacturing and maintenance order for 9,000HP locomotives, and we expect noticeable contribution to start coming FY25E onwards. Greater demand for automation and digitisation augurs well for the company's strong digital offerings. We have marginally tweaked our estimates and maintain our ADD rating on the stock due to its consistent performance and favourable outlook on incremental capex. We increase our SoTP-based target price to Rs3,137 (earlier: Rs3,011).

- **Mobility segment to see strong growth:** Siemens has emerged L1 for a 9,000HP locomotives project. These locomotives will be supplied from Dahod, Gujarat. Given the higher Budget allocation to railways for past two consecutive years, management is bullish on segmental growth for the coming years as well. Hence, it is expanding its mobility portfolio by developing capabilities locally. Company has also expanded its bogey manufacturing capacity at the Aurangabad factory and component manufacturing capacity at its Nashik factory.
- **FY22 reported margins were impacted due to forex losses:** In FY22, EBITDA margin contracted ~60bps to 10.8%. Segment-wise, energy / mobility margins shrank 200bps / 420 bps YoY to 10.5% / 5.6%, respectively, due to cost escalations and semiconductor-related delays. Digital industries / 'smart' infra witnessed margin expansions of 230bps / 80bps to 10% / 8.2% respectively, supported by pass-through of costs to customers. Forex & Commodity losses during the year stood at ~2.1bn.
- **Maintain ADD:** Government impetus to infrastructure spend continues to translate into strong capital expenditure in the country, followed by investments in 'smart' and green infrastructure, electrification, decarbonisation technologies, automation and digitisation. We believe Siemens is in a strong position to leverage these growth opportunities given its capabilities across verticals. Besides the various PLI schemes, ESG-related capex announced for multiple industries lend a fillip to private capex.

Market Cap	Rs1,057bn/US\$12.9bn
Reuters/Bloomberg	SIEM.BO/SIEM IN
Shares Outstanding (mn)	356.1
52-week Range (Rs)	3,137/2,150
Free Float (%)	25.0
FII (%)	6.0
Daily Volume (US\$/000)	13,267
Absolute Return 3m (%)	1.4
Absolute Return 12m (%)	30.6
Sensex Return 3m (%)	4.2
Sensex Return 12m (%)	7.1

Year to Sept	FY21	FY22	FY23E	FY24E
Revenue (Rs mn)	1,25,224	1,48,315	174,870	204,952
Adj. NI (Rs mn)	10,440	12,497	16,202	19,673
DEPS (Rs)	29.3	35.1	45.5	55.2
% Chg YoY	37.8	19.7	29.6	21.4
P/E (x)	95.6	79.8	65.2	53.7
CEPS (Rs)	35.6	41.0	52.0	62.4
EV/E (x)	66.3	58.5	47.6	38.8
Dividend Yield	0.3	0.4	0.3	0.3
RoCE (%)	10.7	11.6	13.5	14.6
RoE (%)	10.5	11.4	13.3	14.4

Please refer to important disclosures at the end of this report

## Valuation and outlook

We use the SoTP valuation methodology for Siemens. We assign P/E multiples to FY24E core PAT of various business segments and add back the cash. We value: 1) energy segment at 50x FY24E core earnings (given good growth prospects in high-margin steam services segment and captive/cogen-related domestic orders); 2) 'smart' infrastructure at 75x (given improved domestic market environment – stable growth visibility in domestic market and market leadership with healthy RoEs); 3) mobility at 50x (in view of better growth prospects from enhanced metro-related ordering); 4) digital industries at 70x (given Siemens' leadership in high-growth discrete and factory automation); 5) others at 15x; and 6) C&S Electric business at 20x. We add back cash of Rs71bn.

We remain positive on the company's long-term prospects and maintain our **ADD** rating on the stock with a revised SoTP-based target price of Rs3,137 (earlier: Rs3,011) per share.

**Key risks:** Slowdown in capex spend due to global headwinds; higher than expected inflationary pressures.

**Table 1: Valuation summary**

Segment	FY24E Core PAT (Rs mn)	Multiple (x)	Value (Rs bn)	Value per Share
Energy	6,201	50	310	871
'Smart' Infrastructure	4,436	75	333	934
Mobility	1,469	50	73	206
Digital Industries	4,549	70	318	894
Others	77	15	1	3
C&S Electric Limited	1,182	20	24	66
Cash			71	162
<b>Total</b>			<b>1,131</b>	<b>3,137</b>

Source: I-Sec research

**Table 2: Changes in estimates**

Rs mn	FY23E			FY24E		
	Earlier	Revised	Change (%)	Earlier	Revised	Change (%)
Revenue	1,72,431	1,74,870	1.4	1,99,671	2,04,952	2.6
EBIDTA	20,237	20,922	3.4	24,385	25,379	4.1
PAT	15,695	16,202	3.2	18,936	19,673	3.9

Source: I-Sec research

**Table 3: Segment-wise revenue estimates**

September ending (Rs mn)	FY19	FY20	FY21	FY22	FY23E	FY24E
Gas and Power	51,736	40,529	47,341	53,710	62,019	70,702
YoY Growth (%)	7.2	-21.7	16.8	13.5	15.5	14.0
'Smart' Infrastructure	37,387	27,635	40,515	47,792	55,439	63,755
YoY Growth (%)	-1.5	-26.1	46.6	18.0	16.0	15.0
Mobility	11,203	8,443	8,282	12,919	16,149	20,186
YoY Growth (%)	14.2	-24.6	-1.9	56.0	25.0	25.0
Digital Industries	26,874	19,415	30,293	36,055	43,987	53,664
YoY Growth (%)	13.4	-27.8	56.0	19.0	22.0	22.0
<b>Total Income from operations</b>	<b>1,30,005</b>	<b>98,694</b>	<b>1,29,631</b>	<b>1,48,315</b>	<b>1,74,870</b>	<b>2,04,952</b>
YoY Growth (%)	2.2	-24.1	31.3	18.4	17.9	17.2

Source: Company data, I-Sec research

## Concall highlights

- FY22 witnessed continued public and private capex spends. Public spends were largely towards building roads, bridges, metros, airports, ports, railways, etc. Private spends were primarily driven by PLI announcements by the government across multiple segments.
- Despite strong order inflow, FY22 revenues were impacted by supply-chain challenges primarily outside of India largely due to semiconductor availability challenges and delays in shipments.
- In FY23, company will continue to focus on localisation of its products.
- Digitalisation within the industry has seen major growth during FY22. The need for energy efficiency solutions and increased productivity led to the growth. The industrial digital solutions market for Siemens has thus grown.
- Within the energy space, FY22 witnessed limited conventional generation addition. Transmission did see an upgrade though majority of TBCB projects got pushed out to FY23. Investment in transmission was largely led by the private sector. Within distribution, bulk of the investment was done by states and discoms.
- Growth in infrastructure investment was led by a boom in the data centre business in India. Large number of global companies are setting up their data centres in the country. Commercial buildings are also witnessing an uptick. FY22 was the second year in a row where Indian Railways witnessed an increase in their capex both on the infrastructure and rolling stock side.
- Automotive industry has not yet bounced back to pre-covid levels. Overall in the industry, there has been an increase in volumes as demand has grown; however, capex continues to be subdued.
- E-mobility, particularly commercial vehicles like e-buses, witnessed growth and management expects the growth to continue.
- Food and beverage industry was slow in terms of capacity expansion; however, it witnessed increased demand for improving energy efficiency.
- Intralogistics has strongly picked up, and management expects this to continue both in India and globally.
- Management expects geopolitical turmoil, supply-chain challenges, high inflation and interest rate rise to continue. However, it does not expect these headwinds to hamper capacity expansion activities in the country.

## Energy business

- Order backlog grew 22% in FY22 to Rs62.3bn, led by i) growth in transmission network capacity mainly from private sector spends; ii) increasing demand for industrial decarbonisation solutions like waste heat recovery, biomass, modernisation and upgradation of systems. Mid-sized industries – such as distilleries, sugar, cement and fertiliser plants – are looking at ways to recycle the heat, driving demand for waste heat recovery solutions.

- As renewable generation capacity is getting added to the grid, the need for 'flexibilisation' solutions will increase.

### **'Smart' infra**

- Order backlog grew 30% in FY22 to Rs52.6bn, led by i) high growth in data centres, 'smart' metering projects, e-mobility and digital buildings; ii) government focus on infrastructure, particularly in railways, airports, metros and discom privatisation.
- Import of components from other factories of Siemens across the globe led to increased costs and logistical delays, particularly in GIS and automation-related products. Management expects these issues to ease to some extent, but continue in FY23.

### **Digital industries**

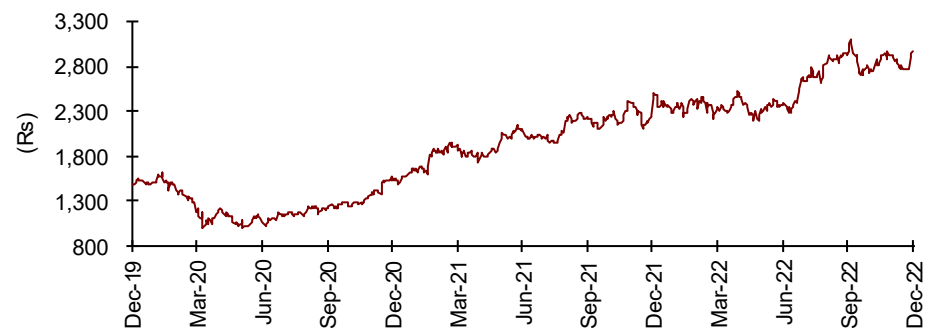
- Order backlog grew 53% in FY22 to Rs46bn, led by i) large order wins in sugar, petrochemical, steel, water, F&B and chemicals; ii) increasing interest in digitalisation, e.g. intralogistics in a steel plant. Key offerings for the segment include emission monitoring solutions, low- and mid-voltage products, DCS and instrumentation products for multiple industries.

### **Mobility**

- Order backlog grew 136% in FY22 to Rs33.4bn, led by: i) large order wins such as Pune-Hinjewadi metro corridor, Indian Railways (IR) trainset development (*Vande Bharat*) and 9,000HP locomotive propulsion upgrade; ii) electrification and signalling order from the IR.
- As per the management, mobility will continue to be a major focus business area. Company is already present in the electrification and signalling business and is looking at expanding its portfolio to further localise the offering. Company has increased its bogey manufacturing capacity at the Aurangabad factory and component manufacturing capacity at its Nashik factory.
- Supply-chain delays for products like axle counters and loco propulsion parts, and semiconductor shortage, impacted revenues in FY22.
- Mobility segment margins were impacted due to higher capex and opex investment.
- Company is looking at expanding its sustainability business offerings to customers. It has a deep understanding of the manufacturing processes and the automation business, and is next getting into energy-efficiency programmes, especially for automate and manufacturing industries in a large way.
- Company is bullish on expanding its e-mobility business as well, where it has a complete solution offering across the grid to socket value chain.
- During the year, Siemens also launched its *Xclerator* programme, which is a comprehensive, curated portfolio that includes digital and IoT-enabled offerings. Under this offering, the idea is that every single product offering of Siemens will be connected digitally. It will have an ecosystem of partners, IT companies and system integrators who can collaborate with Siemens and use the products & solutions, and design tailor-made solutions including co-creating solutions.

- **Xclerator's design principles are:**

- Interoperable
- Flexible
- Open
- Software as a service
- Cybersecure

**Price chart**

Source: Bloomberg

## Financial summary

Table 4: Profit &amp; Loss statement

(Rs mn, year ending Sep 30)

	FY21	FY22	FY23E	FY24E
<b>Total Income</b>	<b>1,25,224</b>	<b>1,48,315</b>	<b>174,870</b>	<b>204,952</b>
<b>Operating Expenses</b>	<b>1,10,913</b>	<b>1,32,245</b>	<b>153,948</b>	<b>179,574</b>
<b>EBITDA</b>	<b>14,311</b>	<b>16,070</b>	<b>20,922</b>	<b>25,379</b>
% margins	11.4	10.8	12.0	12.4
Depreciation & Amortisation	2,250	2,096	2,333	2,541
<b>EBIT</b>	<b>12,061</b>	<b>13,974</b>	<b>18,589</b>	<b>22,838</b>
Gross Interest	195	333	340	346
Other Income	2,189	3,161	3,528	3,951
<b>PBT before exceptionals</b>	<b>14,055</b>	<b>16,802</b>	<b>21,777</b>	<b>26,443</b>
Add:	-	-	-	-
Extraordinaries/Exceptionals	-	-	-	-
Add: Share in associates	-	-	-	-
<b>PBT</b>	<b>14,055</b>	<b>16,802</b>	<b>21,777</b>	<b>26,443</b>
Less: Taxes	3,615	4,305	5,575	6,769
Less: Minority Interests	-	-	-	-
<b>Net Income (Reported)</b>	<b>10,440</b>	<b>12,497</b>	<b>16,202</b>	<b>19,673</b>
<b>Adjusted Net Income</b>	<b>10,440</b>	<b>12,497</b>	<b>16,202</b>	<b>19,673</b>

Source: Company data, I-Sec research

Table 5: Balance sheet

(Rs mn, year ending Sep 30)

	FY21	FY22	FY23E	FY24E
<b>Assets</b>				
Total Current Assets	1,23,254	1,44,401	166,420	189,374
of which cash & cash eqv.	48,488	56,975	60,724	71,111
Total Current Liabilities & Provisions	70,385	79,123	94,649	103,701
<b>Net Current Assets</b>	<b>4,381</b>	<b>8,304</b>	<b>11,047</b>	<b>14,563</b>
Investments	22,120	22,120	22,120	22,120
Other Non-Current Assets	19,670	19,790	26,270	29,021
<b>Net Fixed Assets</b>	<b>8,778</b>	<b>8,771</b>	<b>8,438</b>	<b>7,897</b>
Goodwill	-	-	-	-
<b>Total Assets</b>	<b>1,03,437</b>	<b>1,15,959</b>	<b>128,600</b>	<b>144,712</b>
<b>Liabilities</b>				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
Minority Interest	-	-	-	-
Equity Share Capital	712	712	712	712
Face Value per share (Rs)	2.00	2.00	2.00	2.00
Reserves & Surplus	1,02,725	1,15,247	127,888	144,000
<b>Net Worth</b>	<b>1,03,437</b>	<b>1,15,959</b>	<b>128,600</b>	<b>144,712</b>
<b>Total Liabilities</b>	<b>1,03,437</b>	<b>1,15,959</b>	<b>128,600</b>	<b>144,712</b>

Source: Company data, I-Sec research

Table 6: Cashflow statement

(Rs mn, year ending Sep 30)

	FY21	FY22	FY23E	FY24E
<b>Operating Cashflow</b>	<b>11,118</b>	<b>11,432</b>	<b>15,347</b>	<b>18,609</b>
Working Capital Changes	(3,252)	(728)	(2,744)	(3,516)
Capital Commitments	(358)	(2,089)	(2,000)	(2,000)
<b>Free Cashflow</b>	<b>7,508</b>	<b>8,615</b>	<b>10,603</b>	<b>13,094</b>
<b>Cashflow from Investing</b>	<b>(19,353)</b>	<b>3,060</b>	<b>(2,953)</b>	<b>1,201</b>
<b>Activities</b>				
Issue of Share Capital	-	-	-	-
Buyback of shares	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Interest paid	(195)	(333)	(340)	(346)
Dividend paid	(2,849)	(3,561)	(3,561)	(3,561)
<b>Extraordinary Items/Others</b>	<b>7,860</b>	<b>705</b>	<b>0</b>	<b>(0)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>(7,029)</b>	<b>8,487</b>	<b>3,750</b>	<b>10,387</b>

Source: Company data, I-Sec research

Table 7: Key ratios

(Year ending Sep 30)

	FY21	FY22	FY23E	FY24E
<b>Per Share Data (in Rs)</b>				
Diluted adjusted EPS	29.3	35.1	45.5	55.2
Recurring Cash EPS	35.6	41.0	52.0	62.4
Dividend per share (DPS)	8.0	10.0	10.0	10.0
Book Value per share (BV)	290.5	325.6	361.1	406.4
<b>Growth Ratios (%)</b>				
Operating Income	26.9	18.4	17.9	17.2
EBITDA	44.5	12.3	30.2	21.3
Recurring Net Income	37.8	19.7	29.6	21.4
Diluted adjusted EPS	37.8	19.7	29.6	21.4
Diluted Recurring CEPS	25.9	15.0	27.0	19.9
<b>Valuation Ratios</b>				
P/E	95.6	79.8	65.2	53.7
P/CEPS	78.6	68.4	57.0	47.6
P/BV	9.6	8.6	8.2	7.3
EV / EBITDA	66.3	58.5	47.6	38.8
EV / Operating Income	7.7	6.4	5.7	4.8
EV / Operating FCF (pre -Capex)	120.7	87.9	79.0	65.3
<b>Operating Ratios</b>				
Raw Material/Sales (%)	68.2	67.8	67.0	66.5
SG&A/Sales (%)	7.9	10.2	10.9	11.9
Other Income / PBT (%)	15.6	18.8	16.2	14.9
Effective Tax Rate (%)	25.7	25.6	25.6	25.6
NWC / Total Assets (%)	7.0	6.6	7.0	7.7
Inventory Turnover (days)	46.2	47.3	46.3	45.3
Receivables (days)	100.1	87.3	91.3	95.3
Payables (days)	114.1	106.9	108.3	108.8
Net D/E Ratio (x)	(0.5)	(0.5)	(0.5)	(0.5)
<b>Return/Profitability Ratios (%)</b>				
Recurring Net Income Margins	8.3	8.4	9.3	9.6
RoCE	10.7	11.6	13.5	14.6
RoNW	10.5	11.4	13.3	14.4
Dividend Payout Ratio	0.3	0.3	22.0	18.1
Dividend Yield (%)	0.3	0.4	0.3	0.3
EBITDA Margins	11.4	10.8	12.0	12.4

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

IWe, Rahul Modi, Masters in Finance; Ashwani Sharma, MBA; Aashna Manaktala, BTech, MBA (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.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit 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 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.