

23 July 2024

India | Equity Research | Q1FY25 results review

Kajaria Ceramics

Tiles

In-line operational quarter, downgrade to HOLD post recent stock price rally

Kajaria Ceramics (KJC) has reported Q1FY25 consol. revenue growth of 4.6% YoY driven by tile volume growth of 7.9% YoY (-8.8% QoQ; 5-year CAGR of 6.5%). EBITDA margin fell 90bps YoY (+114bps QoQ) to 15% due to higher employee expense (+183bps YoY) while RM cost (including power and fuel cost) declined 103bps YoY (-214bps QoQ), resulting in EBITDA/APAT decline of 1.3%/16.5% YoY, respectively. As per management, demand was subdued in Q1FY25 due to general elections and extreme summers but believes it will pick up led by buoyant real-estate market. It has maintained its guidance for low double-digit volume growth and OPM of 15-17% in FY25. We broadly maintain estimates but downgrade the stock to **HOLD** from Buy due to limited upside potential post ~20% stock price rally in the past 3-months with a rolled-over Jun'25E TP of INR 1,433, set at an unchanged 38x P/E.

Modest tile volume growth of 7.9% YoY

KJC reported Q1FY25 consolidated revenue growth of 4.6% YoY (5-year CAGR of 9.7%) to ~INR 11.1bn driven by tiles volume growth of 7.9% YoY (5-year CAGR of 6.5%), while realisation declined 4.1% YoY/0.7% QoQ. Bathware segment witnessed revenue growth of 8.7% YoY, while plywood revenue grew 25.1% YoY (on low base). Management stated tile demand has started improving from Jun'24 post tepid Apr-May'24 and expects double-digit volume growth Q2FY25 onwards. KJC expects demand trend to remain healthy going ahead and has maintained its guidance for low double-digit volume growth in FY25. Working capital days in Q1FY25 stood at 59 (-3 days YoY) and it has cash surplus of ~INR 3.9bn. It plans to add ~10% dealers every year (~1,800 as of FY24) to aid growth in tile segment. We have modelled 10.9% tile volume CAGR over FY24-27E driven by increasing geographical reach, growing dealer network and healthy housing market.

Margin declines due to higher operating expenses

KJC's EBITDA margin in Q1FY25 fell 90bps YoY to 15% (+114bps QoQ), primarily due to employee expenses increasing by 183bps YoY (+206bps QoQ) while RM cost declined 103bps YoY (-214bps QoQ, including power and fuel cost), resulting in EBITDA/APAT decline of 1.3%/ 16.5% YoY, respectively. Average gas cost in Q1 was ~INR 37/scm (-5% QoQ) and is likely to remain benign going ahead. KJC's management has maintained its EBITDA margin guidance range of 15-17% for FY25. We model margins of 16-16.4% over FY25-27E (vs FY12-24 average OPM of 16.4%).

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	45,784	50,702	57,004	63,115
EBITDA	6,997	8,132	9,307	10,349
EBITDA %	15.3	16.0	16.3	16.4
Net Profit	4,221	4,981	5,829	6,537
EPS (INR)	26.5	31.3	36.6	41.1
EPS % Chg YoY	20.8	18.0	17.0	12.1
P/E (x)	54.4	46.1	39.4	35.1
EV/EBITDA (x)	32.3	27.6	23.9	21.3
RoCE (%)	14.8	16.0	17.1	17.2
RoE (%)	17.1	18.1	19.1	19.3

Arun Baid

arun.baid@icicisecurities.com
+91 22 6807 7235

Sohil Kaura

sohil.kaura@icicisecurities.com

Market Data

Market Cap (INR)	230bn
Market Cap (USD)	2,744mn
Bloomberg Code	KJC IN
Reuters Code	KAJR.BO
52-week Range (INR)	1,524 / 1,110
Free Float (%)	52.0
ADTV-3M (mn) (USD)	5.9

Price Performance (%)	3m	6m	12m
Absolute	20.0	7.9	0.5
Relative to Sensex	11.1	(5.2)	(20.6)

Earnings Revisions (%)	FY25E	FY26E
Revenue	0.0	0.0
EBITDA	0.0	0.0
EPS	(1.2)	(0.7)

Previous Reports

09-05-2024: [Q4FY24 results review](#)

01-02-2024: [Q3FY24 results review](#)

Valuation and view

KJC's operational performance in Q1FY25 has been largely in line with our expectations, and going ahead, we believe it has volume and margin tailwinds stemming from the uptick in real estate activity. We continue to like KJC for its leadership in domestic tiles market. We broadly maintain our estimates but downgrade the stock to **HOLD** from Buy due to limited upside post the recent rally in the stock price (~20% over the past 3-months) with a rolled-over Jun'25E target price of INR 1,433 (earlier INR 1,400), set at an unchanged 38x PER.

Exhibit 1: Q1FY25 result review

INR mn	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
Net Sales	11,137	10,642	4.6%	12,408	-10.2%
Raw Materials	4,722	4,717	0.1%	5,779	-18.3%
% of sales	42.4%	44.3%	-193 bps	46.6%	-418 bps
Power & Fuel	2,127	1,937	9.8%	2,118	0.4%
% of sales	19.1%	18.2%	90 bps	17.1%	203 bps
Employee cost	1,394	1,137	22.6%	1,297	7.5%
% of sales	12.5%	10.7%	183 bps	10.5%	206 bps
Other expenses	1,224	1,159	5.5%	1,494	-18.1%
% of sales	11.0%	10.9%	9 bps	12.0%	-106 bps
EBITDA	1,671	1,692	-1.3%	1,720	-2.9%
EBITDA Margin (%)	15.0%	15.9%	-90 bps	13.9%	114 bps
Depreciation and amortization	421	305	38.1%	425	-0.8%
EBIT	1,249	1,387	-9.9%	1,295	-3.6%
EBIT Margin (%)	11.2%	13.0%	-182 bps	10.4%	78 bps
Interest expenses	47	53	-11.2%	66	-29.2%
Other Income	79	93	-15.0%	167	-52.9%
PBT	1,281	1,427	-10.2%	1,396	-8.2%
Income taxes	358	336	6.6%	354	1.2%
PAT before MI & Extraordinaries	923	1,091	-15.4%	1,043	-11.5%
Extraordinary items	0	0	n.m.	0	n.m.
Minority interest	25	16	nm	18	36.6%
Reported PAT	898	1,075	-16.5%	1,024	-12.3%
Adjusted PAT	898	1,075	-16.5%	1,024	-12.3%

Source: Company data, I-Sec research

Exhibit 2: Q1FY25 segmental result review

INR mn	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
Tiles Volume (in MSM)					
Self-manufactured	14.9	13.8	7.8%	16.1	-7.4%
Subsidiaries	5.5	4.6	19.5%	6.1	-9.7%
Outsourcing	6.6	6.6	-0.2%	7.4	-11.0%
Total sales volume	27.0	25.0	7.9%	29.6	-8.8%
Segment Revenues					
Tiles	10,048	9,662	4.0%	11,059	-9.1%
Other	1,089	980	11.1%	1,349	-19.3%
Total revenues	11,137	10,642	4.6%	12,408	-10.2%
EBIT					
Tiles	1265	1330	-4.9%	1283	-1.4%
Other	-16	57	-127.6%	12	-227.4%
Total	1,249	1,387	-9.9%	1,295	-3.6%
EBIT Margins					
Tiles	12.6%	13.8%	-117 bps	11.6%	99 bps
Other	(1.5%)	5.8%	-730 bps	0.9%	-237 bps

Source: Company data, I-Sec research

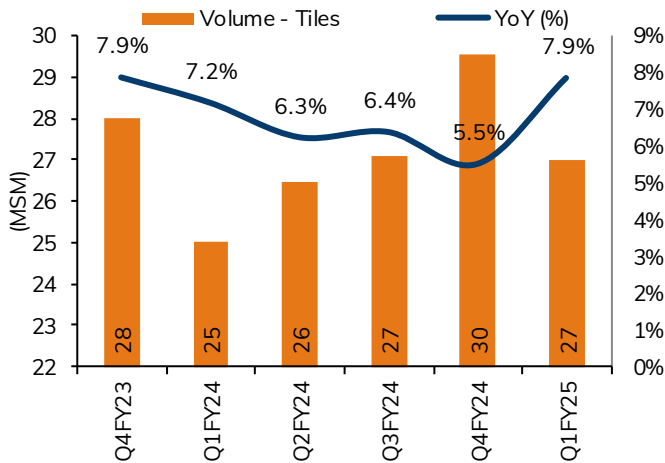
Q1FY25 earnings conference call takeaways

- **Industry:** Tiles industry grew ~3-4% YoY in Q1FY25. Tile exports grew ~26% YoY in value terms in FY24. Total tile exports in Apr-May'24 were flat at INR 33.5bn (due to high freight rates) and exports to USA increased 16% YoY. With USA likely to impose ADD on Indian tile export, management sees more alternate export markets opening up and thus exports may not be impacted significantly.
- **Demand:** Demand was muted in Apr'24 and gradually improved over May-Jun'24. Jun'24 saw double digit volume growth. Management maintains a positive outlook and tiles volume growth in FY25. It expects good sales from Bihar and A.P. based on Union Budget FY25 announcements and significant PMAY investment outlay. KJC has also formed a pan-India team for catering to government orders and expects good demand from this segment soon.
- **Bathware margin** was muted in Q1 due to lower utilisation at the newly-commissioned plant in Mar'24. Plywood margin was impacted by higher timber prices.
- **Pricing:** Management has indicated that realisation has largely stabilised.
- **Gas cost:** Gas prices are largely stable with overall gas prices at INR 37/scm (vs INR 39/scm QoQ). Gujarat Gas took price hike of INR 2/scm during Q1 which will not have any material impact on margins. Cost of bio-fuel is ~INR 22-23/scm.
- **Employee expenses** were higher in Q1 due to salary increments and also due to increase in manpower at the newly-commissioned plant. This run-rate is likely to be sustainable going forward.
- **Guidance:** Tiles volume to grow 11-12% YoY (tiles revenue growth of 8-9% YoY) with consolidated EBITDA margin of 15-17% in FY25. Management has also guided for double-digit revenue growth in bathware segment in FY25.
- **Capacity expansion:** Nepal capex of 5.1MSM is likely to operationalise in Sep'24 (delayed due to rains). Currently, KJC exports 70,000-80,000sqm of tiles to Nepal and has 50-60 exclusive dealers there. It plans to double this dealer network in next 3 months. KJC is also planning on branding and marketing activities for when the plant commences production.

KJC acquired Keronite Tiles Private Limited (KTPL), which operates a plant of 6MSM GVT capacity in Morbi in Q4FY24. This plant commenced operations in Q1FY25 and is likely to reach full utilisation by Q4FY25.

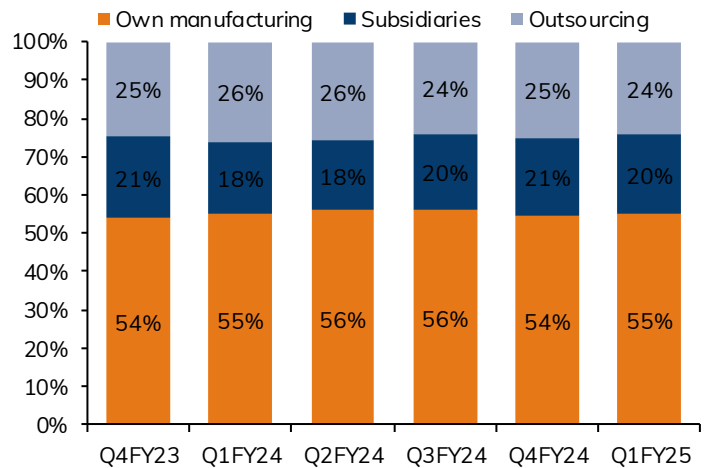
- **Regional sales mix:** North 35%, South 30%, East and West - ~17% each.
- **Tier-wise sales mix:** Metro 15%, tier-1 ~31%, tier-2 31-32%, tier-3 ~14-15%, tier-4,5 ~7-8%.
- **Product mix:** For Q1FY25, in volume terms – ceramics (43%), PVT (23%), GVT (34%) and in value terms – ceramics (38%), PVT (25%), GVT (37%). For FY24, in volume terms – ceramics (44%), PVT (25%), GVT (31%) and in value terms – ceramics (38%), PVT (26%), GVT (36%).
- **Distribution:** Company had ~1,800 dealers as on FY24 and plans to add ~200 dealers every year. It expects sales force automation app to go live in Aug'24 and already has 900 pan-India dealers on it. KJC expects to better monitor dealer's efficiency and quality over this app.

Exhibit 3: Quarterly sales volume



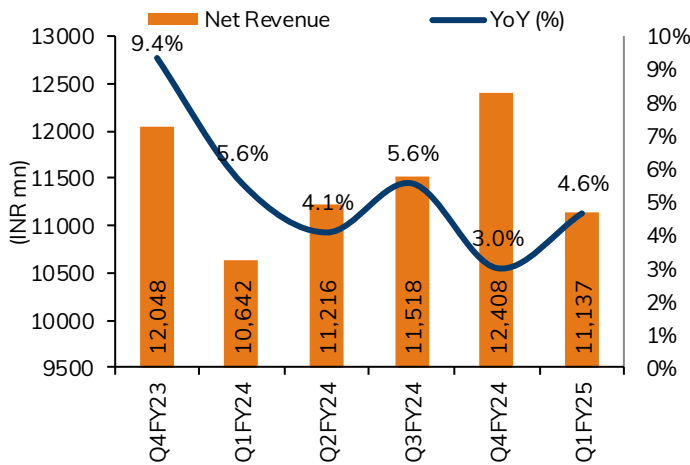
Source: Company data, I-Sec research

Exhibit 4: Quarterly sales volume (tiles) breakup



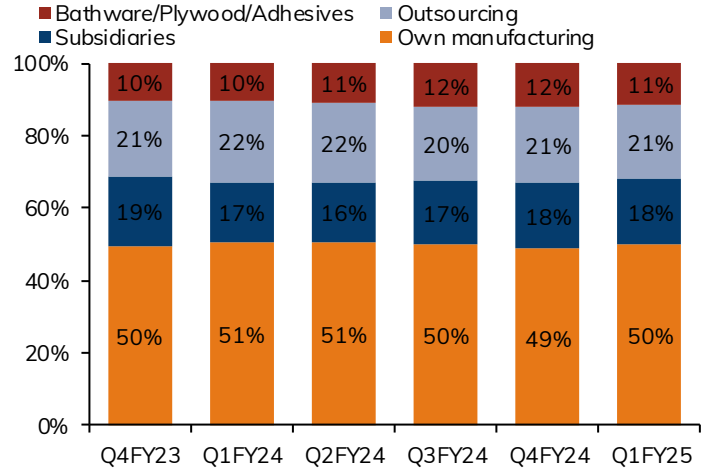
Source: Company data, I-Sec research

Exhibit 5: Quarterly consolidated revenue



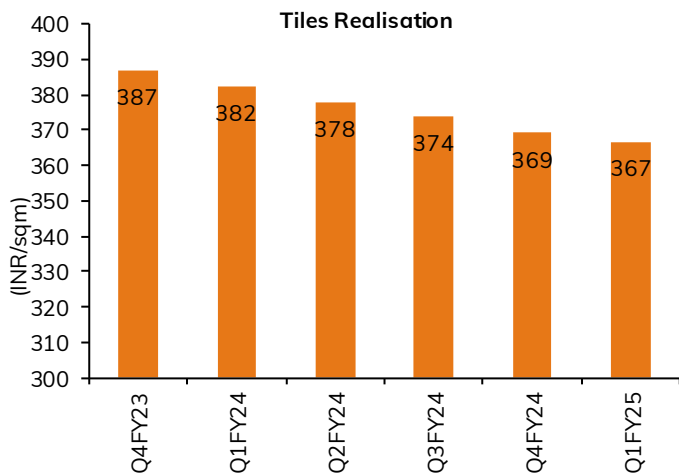
Source: Company data, I-Sec research

Exhibit 6: Quarterly revenue breakup



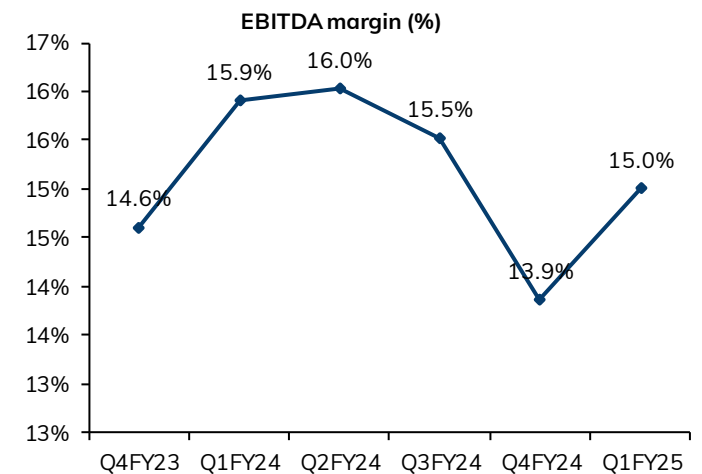
Source: Company data, I-Sec research

Exhibit 7: Quarterly tiles realisation



Source: Company data, I-Sec research

Exhibit 8: Quarterly EBITDA margin



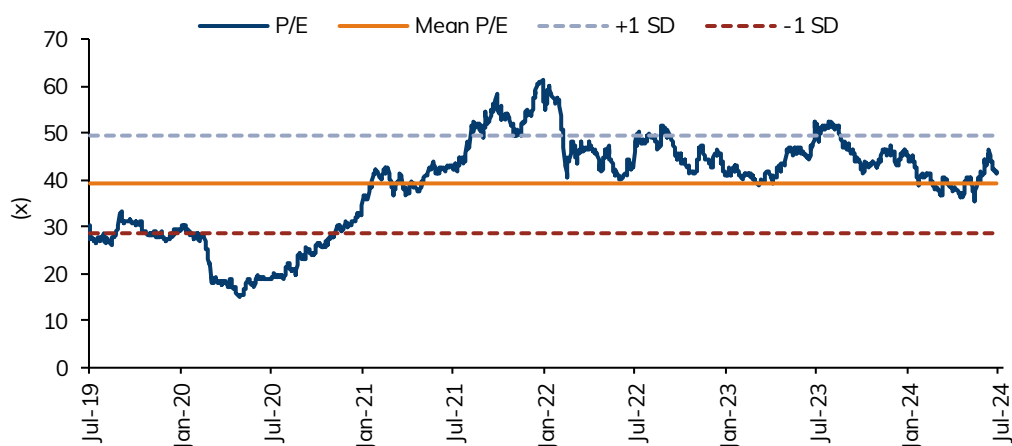
Source: Company data, I-Sec research

Valuation

KJC is the leader in the Indian tiles market. It is a play on the growing market and a gradual shift from the unorganised market to organised players. It has a strong brand with wide distribution and comprehensive product portfolio.

KJC is likely to report EBIDTA/APAT CAGR of 13.9%/14.6% over FY24-27E with tiles volume CAGR of 10.9% due to pick-up in real estate demand and normalisation of input costs with a strong return ratio (RoE of 19.1% in FY26E) and continued net-debt-free balance sheet. We downgrade the stock to **HOLD** from Buy due to a sharp run-up in the stock price (~20% over the past 3-months), with a rolled-over Jun'25E target price of INR 1,433, set at an unchanged 38x PER (in line with 5-year average, 1-year forward P/E).

Exhibit 9: 1-year forward P/E band



Source: Company data, I-Sec research

Key downside risks

- **Slowdown in housing market:** The demand driver for tiles sector is the housing market. Any unexpected slowdown in that market would adversely affect the tiles market.
- **Higher raw material prices:** Gas accounts for ~25% of the total production cost. Continuous increase in gas prices could adversely affect margins/demand for tiles.
- **Continuous slowdown in exports from Morbi:** A prolonged slowdown in exports from Morbi could lead to pressure on supply in domestic markets, and thus affect growth prospects for the company.

Key upside risks

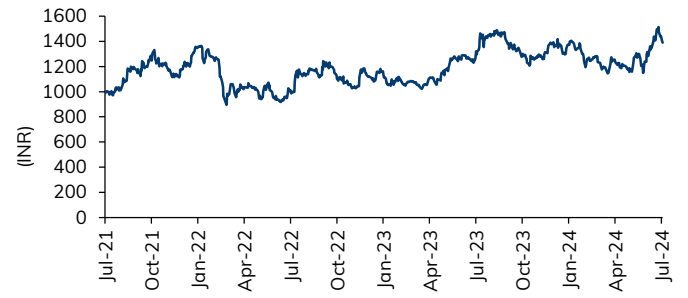
- **Better-than-expected demand:** A better-than-expected demand from housing and infrastructure segment may result in higher than modelled volume growth for KJC.
- **Lower gas prices:** A significant decline in gas prices may result in better-than-expected margins for the company.

Exhibit 10: Shareholding pattern

%	Dec'23	Mar'24	Jun'24
Promoters	47.5	47.5	47.5
Institutional investors	43.9	44.1	44.0
MFs and others	24.4	23.6	25.6
Insurance Cos	1.0	1.1	2.2
FIs	18.6	19.4	16.2
Others	8.6	8.4	8.5

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	45,784	50,702	57,004	63,115
Operating Expenses	38,787	42,570	47,697	52,765
EBITDA	6,997	8,132	9,307	10,349
EBITDA Margin (%)	15.3	16.0	16.3	16.4
Depreciation & Amortization	1,480	1,696	1,872	2,048
EBIT	5,517	6,436	7,435	8,301
Interest expenditure	211	134	57	48
Other Non-operating Income	450	514	598	691
Recurring PBT	5,756	6,816	7,976	8,945
Less: Taxes	(1,435)	(1,718)	(2,010)	(2,254)
PAT	4,322	5,099	5,966	6,691
Profit / (Loss) from Associates	-	-	-	-
Less: Minority Interest	(101)	(117)	(137)	(154)
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	4,221	4,981	5,829	6,537
Net Income (Adjusted)	4,221	4,981	5,829	6,537

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Assets				
Inventories	5,322	5,948	6,664	7,373
Cash & cash eqv.	5,141	5,978	7,594	9,424
Sundry Debtors	6,194	6,807	7,653	8,473
Other Current Assets	1,494	1,528	1,562	1,729
Trade payables	2,933	3,255	3,651	3,994
Other Current Liabilities	2,512	3,018	3,386	3,710
Net Current Assets	12,706	13,988	16,436	19,294
Investments	185	185	185	185
Net Fixed Assets	16,015	16,390	17,268	17,970
Other Non Current Assets	1,041	1,041	1,041	1,041
Total Assets	29,947	31,604	34,930	38,489
Liabilities				
Borrowings	1,706	520	520	350
Other Non Current Liabilities	1,485	1,485	1,485	1,485
Total Liabilities	3,191	2,005	2,005	1,835
Equity Share Capital	159	159	159	159
Reserves & Surplus	26,006	28,731	31,921	35,496
Total Net Worth	26,165	28,891	32,080	35,655
Minority Interest	591	708	845	999
Total Liabilities & Net Worth	29,947	31,604	34,930	38,489

Source Company data, I-Sec research

Exhibit 14: Quarterly trend

(INR mn, year ending March)

	Sep-23	Dec-23	Mar-24	Jun-24
Net Sales	11,216	11,518	12,408	11,137
% growth (YOY)	4.1	5.6	3.0	4.6
EBITDA	1,797	1,788	1,720	1,671
Margin %	16.0	15.5	13.9	15.0
Other Income	81	110	167	79
Extraordinary	0	0	0	0
Adjusted Net Profit	1,080	1,042	1,024	898

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	5,401	6,466	7,143	7,864
Working Capital Changes	(278)	(445)	(832)	(1,028)
Capital Commitments	(2,215)	(2,071)	(2,750)	(2,750)
Free Cashflow	3,186	4,396	4,393	5,114
Other investing cashflow	(165)	-	-	-
Cashflow from Investing Activities	(2,380)	(2,071)	(2,750)	(2,750)
Issue of Share Capital	0	-	-	-
Inc (Dec) in Borrowings	(387)	(1,186)	-	(170)
Dividend paid	(1,912)	(2,256)	(2,640)	(2,961)
Others	481	(117)	(137)	(154)
Cash flow from Financing Activities	(1,818)	(3,559)	(2,777)	(3,285)
Chg. in Cash & Bank balance	1,203	837	1,616	1,829
Closing cash & balance	5,141	5,978	7,594	9,424

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	26.5	31.3	36.6	41.1
Adjusted EPS (Diluted)	26.5	31.3	36.6	41.1
Cash EPS	35.8	41.9	48.4	53.9
Dividend per share (DPS)	12.0	14.2	16.6	18.6
Book Value per share (BV)	164.4	181.5	201.5	224.0
Dividend Payout (%)	45.3	45.3	45.3	45.3
Growth (%)				
Net Sales	4.5	10.7	12.4	10.7
EBITDA	17.9	16.2	14.5	11.2
EPS (INR)	20.8	18.0	17.0	12.1
Valuation Ratios (x)				
P/E	54.4	46.1	39.4	35.1
P/CEPS	40.3	34.4	29.8	26.7
P/BV	8.8	7.9	7.2	6.4
EV / EBITDA	32.3	27.6	23.9	21.3
EV / Sales	4.9	4.4	3.9	3.5
Dividend Yield (%)	0.8	1.0	1.1	1.3
Operating Ratios				
Gross Profit Margins (%)	56.8	57.4	57.5	58.0
EBITDA Margins (%)	15.3	16.0	16.3	16.4
Effective Tax Rate (%)	24.9	25.2	25.2	25.2
Net Profit Margins (%)	9.2	9.8	10.2	10.4
NWC / Total Assets (%)	21.4	21.1	21.1	21.4
Net Debt / Equity (x)	(0.1)	(0.2)	(0.2)	(0.3)
Net Debt / EBITDA (x)	(0.5)	(0.7)	(0.8)	(0.9)
Profitability Ratios				
RoCE (%)	14.8	16.0	17.1	17.2
RoE (%)	17.1	18.1	19.1	19.3
Cash Conversion Cycle (on net sales)				
Inventory Turnover Days	42	43	43	43
Receivables Days	49	49	49	49
Payables Days	23	23	23	23

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, Arun Baid, MBA; Sohil Kaura, M.Com (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
