

## Eicher Motors

BUY

## Eyes on 'Hunter 350'

## Summary

Eicher Motors (EICHER) Q1FY23 PAT was in line with our estimates with healthy EBITDA margins. Launch of its new much-awaited model 'Hunter 350' in India remains to be key business development for the Company. Hunter 350 is most affordable model among EICHERs J-platform motorcycles (Classic 350 and Meteor 350). The Company continues to receive highly encouraging response to this model. Further, Management has expressed high optimism on the export market and sounded positive growth outlook in the domestic market. To factor in launch of new model and export performance, we have increased our volume and PAT estimates by 6% and 12% for FY24 respectively. We retain buy rating on the stock with revised price target of Rs3,638.

## Key Highlights and Investment Rationale

- Q1FY23 Result Highlights:** During Q1FY23, EICHER sales grew by 72.1% YoY to Rs34bn (our Estimates Rs32.4bn), driven by 14% YoY increase in average realizations. EBITDA margins expanded by 608bps YoY to 24.5% (Our Estimates 23.4%) on account of higher Gross Margins. PAT increased by 158% YoY to Rs6.1bn (Our Estimates Rs6.1bn).
- Earning Revision:** The Company has high expectations from its new launch 'Hunter 350' and export business. We have increased our Volume and PAT estimates by 6% and 12% for FY24 respectively to factor in improved business outlook in domestic and export market.
- BUY:** We expect EICHER to report 17% volume CAGR and 28% PAT CAGR over FY22-24E. At Rs3155 stock is quoting at PE of 24.6x FY24E. We retain buy with revised price target of Rs 3638 (PER of 28x FY24E earnings).

<b>TP</b>	<b>Rs 3,638</b>
<b>CMP</b>	<b>Rs 3,155</b>
Potential upside/downside	15%
Previous Rating	BUY

## Price Performance (%)

	-1m	-3m	-12m
Absolute	7.7	30.4	15.3
Rel to Sensex	(0.3)	22.2	7.5

## V/s Consensus

EPS (Rs)	FY23E	FY24E
IDBI Capital	99	125
Consensus	98	122
% difference	0.9	2.2

## Key Stock Data

Bloomberg/Reuters	EIM IN/ EICH.BO
Sector	Automobile
Shares o/s (mn)	273
Market cap. (Rs mn)	862,545
3-m daily avg Trd value (Rs mn)	63.0
52-week high / low	3,198 / 2,110
Sensex / Nifty	58,817 / 17,535

## Shareholding Pattern (%)

Promoters	49.2
FII	29.5
DII	9.9
Public	11.4

## Financial snapshot

Year	FY20	FY21	FY22	FY23E	FY24E
Revenue	91,536	87,204	1,02,978	1,46,815	1,73,156
Change (yoy, %)	(7)	(5)	18	43	18
EBITDA	21,804	17,813	21,723	35,982	43,877
Change (yoy, %)	(25)	(18)	22	66	22
EBITDA Margin(%)	23.8	20.4	21.1	24.5	25.3
Adj.PAT	17,957	13,158	16,165	27,094	34,080
EPS (Rs)	66	48	59	99	125
Change (yoy, %)	(9)	(27)	23	68	26
PE(x)	48	66	53	32	25
Dividend Yield (%)	0	1	1	1	1
EV/EBITDA (x)	38	45	38	23	18
RoE (%)	19	12	13	20	21
RoCE (%)	18	12	14	23	24

Source: IDBI Capital Research;

## Mahesh Bendre

mahesh.bendre@idbicapital.com  
+91-22-2217 1937

**Conference call highlights:**

- International volumes grew by ~60% as compared to the previous year. Registered the highest ever quarterly revenues and EBITDA of Rs.33.97 and 8.31bn respectively on the back of record international sales volumes
- Launched the new Hunter 350 and concluded the global launch and first ride programme in Bangkok
- It is currently available in India, and will soon be launched across the Asia Pacific and Europe. This bike is to target new audiences at newer geographies into the brand fold
- Also launched three new colourways on the Meteor 350. The Fireball variant got two new additions with the Fireball Blue and the Fireball Matt Green, and a head-turning Supernova Red made a bold debut in the top-end models
- Commercial Vehicle Joint Venture with the Volvo Group, recorded its highest ever first quarter volumes. The quarter also witnessed the inauguration of the first electric city bus delivered to the city of Chandigarh
- Market share stood at ~36% as compared to 32.9% in the previous quarter. Witnessing robust growth in Bus segment as schools are opening up
- Company has 2132 retail outlets, internationally did an expansion in markets like Argentina, Colombia and Mexico. 12 multinational brand outlets also set up during quarter (total ~815)
- Commodity cost inflation has been stabilizing and supply chain distribution improving; from Q2 there would not be any headwind from metal cost
- Company expecting strong growth in volume in coming festive season on the back of increase in per capita income and opening up of market
- Company is not looking to take any pricing action. Witnessing growth in inquiries, however conversion remains under pressure
- Price hike in Q1; Rs3000 in Classic 350CC, and Rs5000 on 500CC.

## Exhibit 1: Quarterly Snapshot

Rs mn (Consolidated)	Q1FY23	Q1FY22	YoY (%)	Q4FY22	QoQ (%)
<b>Sales Volumes</b>	<b>187,205</b>	<b>1,23,640</b>	<b>51</b>	<b>1,85,675</b>	<b>1</b>
<b>Net Sales</b>	<b>33,975</b>	<b>19,743</b>	<b>72</b>	<b>31,933</b>	<b>6</b>
<b>Expenditure</b>	<b>25,664</b>	<b>16,113</b>	<b>59</b>	<b>24,363</b>	<b>5</b>
<i>as % of sales</i>	75.5	81.6		76.3	
Consumption of RM	19,030	11,417	67	17,971	6
<i>as % of sales</i>	56.0	57.8		56.3	
Employee Cost	2,470	2,234	11	2,221	11
<i>as % of sales</i>	7.3	11.3		7.0	
Other expenditure	4,165	2,463	69	4,170	(0.1)
<i>as % of sales</i>	12.3	12.5		13.1	
<b>EBITDA</b>	<b>8,311</b>	<b>3,630</b>	<b>129</b>	<b>7,571</b>	<b>10</b>
Depreciation	1,162	1,116	4	1,194	(3)
<b>EBIT</b>	<b>7,149</b>	<b>2,513</b>	<b>184</b>	<b>6,376</b>	<b>12</b>
Other Income	487	1,220	(60)	1,180	(59)
Interest	52	64	(19)	31	67
<b>PBT</b>	<b>7,583</b>	<b>3,669</b>	<b>107</b>	<b>7,525</b>	<b>1</b>
Total Tax	1,814	904	101	1,962	(8)
<b>Adjusted PAT</b>	<b>5,769</b>	<b>2,765</b>	<b>109</b>	<b>5,564</b>	<b>4</b>
Share of profit/ (loss) of JV	(338)	394		538	
<b>Reported PAT</b>	<b>6,107</b>	<b>2,371</b>	<b>158</b>	<b>6,101</b>	<b>0.1</b>
<b>Adjusted EPS</b>	<b>22.4</b>	<b>8.7</b>	<b>158</b>	<b>22.3</b>	<b>0.2</b>
<b>Margins (%)</b>			<b>YoY (bps)</b>		<b>QoQ (bps)</b>
EBIDTA	24.5	23.7	608	18.4	75
EBIT	21.0	20.0	831	12.7	107
EBT	22.3	23.6	374	18.6	(124)
PAT	18.0	19.1	596	12.0	(113)
Effective Tax rate	23.9	26.1	(71)	24.6	(214)

Source: Company; IDBI Capital Research

**Exhibit 2: Actual vs. Estimates**

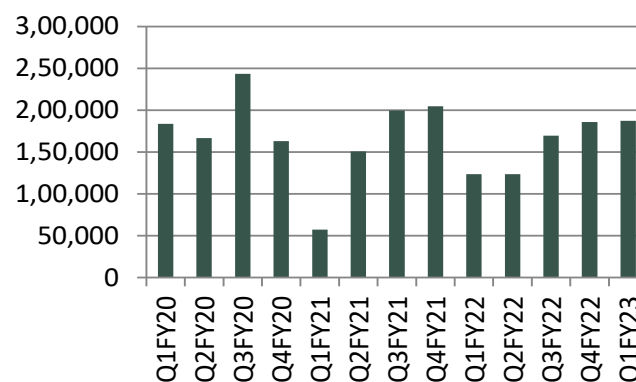
(Rs mn)	Actual	IDBI Est	% Variance
Net sales	33,975	32,447	4.7
EBITDA	8,311	7,595	9.4
EBITDA Margin (%)	24.5	23.4	105 bps
Adj. net income	6,107	6,121	(0.2)

Source: Bloomberg; IDBI Capital Research

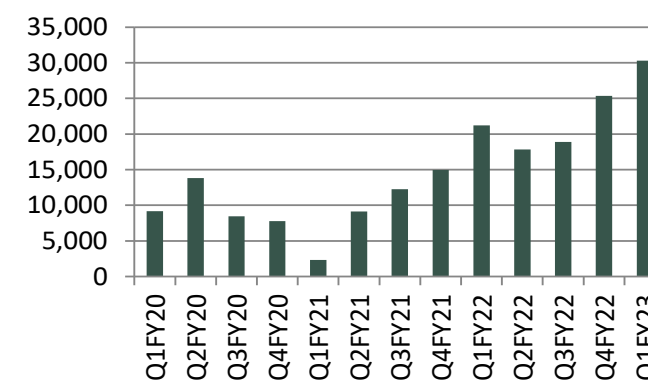
**Exhibit 3: Change in estimates**

(Rs mn)	FY23E			FY24E		
	Old	New	% Chg	Old	New	% Chg
Volumes	7,96,595	8,14,595	2.3	9,02,485	9,56,562	6.0
Net Sales	1,37,376	1,46,815	6.9	1,56,392	1,73,156	10.7
EBITDA	32,549	35,982	10.5	39,039	43,877	12.4
EBITDA margin (%)	23.7	24.5	82	25.0	25.3	38
Net Profit	25,790	28,408	10.2	31,732	35,526	12.0

Source: IDBI Capital Research

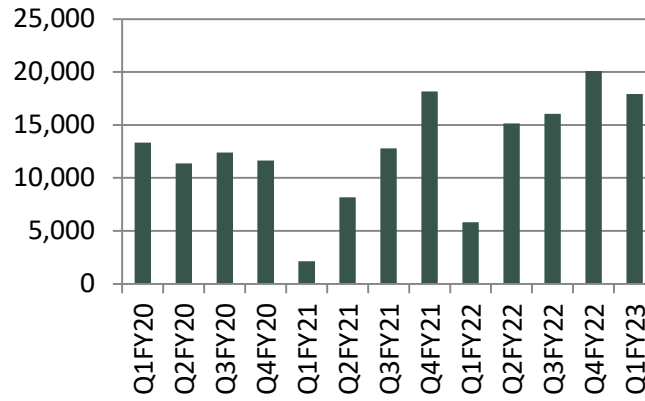
**Exhibit 4: RE Sales volumes (Domestic + Exports)**

Source: Company Data.

**Exhibit 5: RE Sales volumes (Exports)**

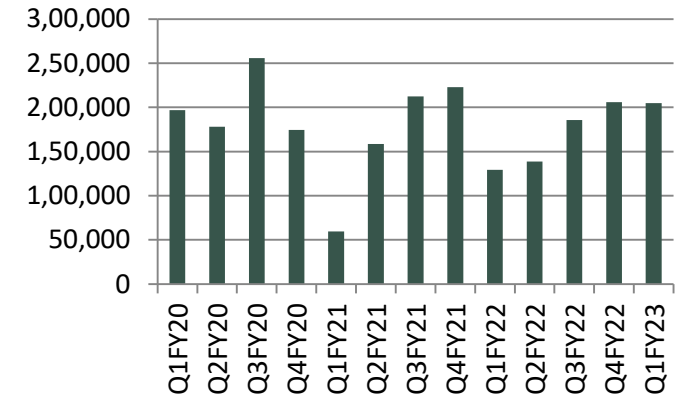
Source: Company Data.

**Exhibit 6: VECV Sales volumes**



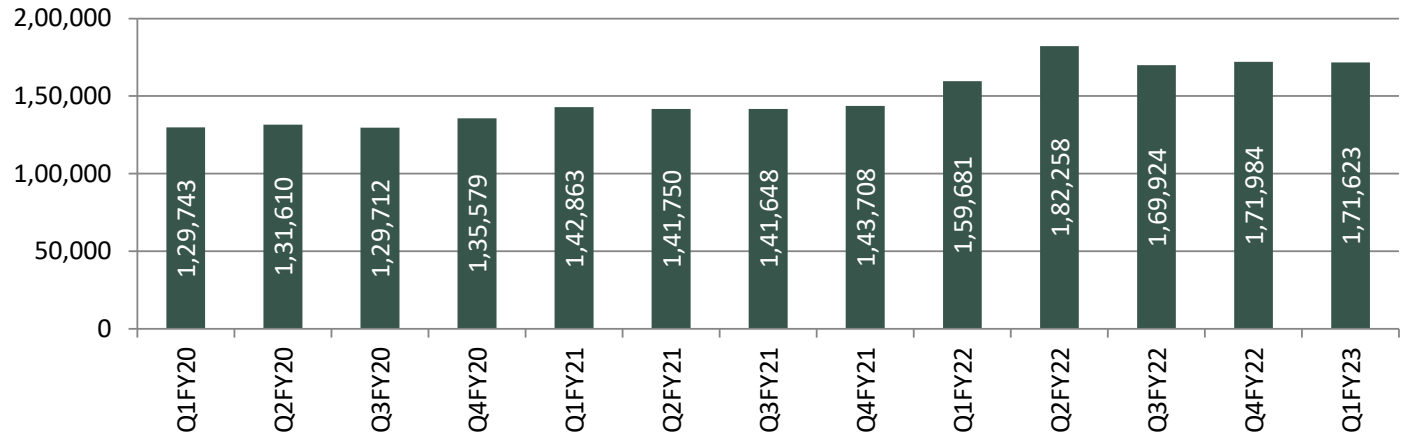
Source: Company Data.

**Exhibit 7: Total Sales volumes (RE + VECV)**



Source: Company Data.

**Exhibit 8: Sales Realization (in Rs)**



Source: Company Data.

## Financial Summary

### Profit & Loss Account

(Rs mn)

Year-end: March	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net sales</b>	<b>97,971</b>	<b>91,536</b>	<b>87,204</b>	<b>1,02,978</b>	<b>1,46,815</b>	<b>1,73,156</b>
<i>Change (yoy, %)</i>	9	(7)	(5)	18	43	18
Operating expenses	(68,940)	(69,732)	(69,391)	(81,256)	(1,10,833)	(1,29,279)
<b>EBITDA</b>	<b>29,031</b>	<b>21,804</b>	<b>17,813</b>	<b>21,723</b>	<b>35,982</b>	<b>43,877</b>
<i>Change (yoy, %)</i>	3	(25)	(18)	22	66	22
<i>Margin (%)</i>	29.6	23.8	20.4	21.1	24.5	25.3
Depreciation	(3,003)	(3,815)	(4,507)	(4,519)	(4,877)	(5,448)
<b>EBIT</b>	<b>26,028</b>	<b>17,988</b>	<b>13,305</b>	<b>17,203</b>	<b>31,105</b>	<b>38,429</b>
Interest paid	(73)	(189)	(165)	(188)	(188)	(188)
Other income	4,434	5,433	4,532	4,408	5,208	7,199
<b>Pre-tax profit</b>	<b>30,214</b>	<b>23,232</b>	<b>17,673</b>	<b>21,424</b>	<b>36,125</b>	<b>45,440</b>
Tax	(10,770)	(5,275)	(4,515)	(5,259)	(9,031)	(11,360)
<i>Effective tax rate (%)</i>	35.6	22.7	25.5	24.5	25.0	25.0
Minority Interest	-	-	-	-	-	-
<b>Net profit</b>	<b>19,443</b>	<b>17,957</b>	<b>13,158</b>	<b>16,165</b>	<b>27,094</b>	<b>34,080</b>
Exceptional items	(175)	-	-	-	-	-
<b>Adjusted net profit</b>	<b>19,619</b>	<b>17,957</b>	<b>13,158</b>	<b>16,165</b>	<b>27,094</b>	<b>34,080</b>
<i>Change (yoy, %)</i>	2	(8)	(27)	23	68	26
EPS	72	66	48	59	99	125
Dividend per sh	13	13	17	17	29	36
<i>Dividend Payout %</i>	20	23	42	29	29	29

**Balance Sheet**

(Rs mn)

Year-end: March	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Shareholders' funds</b>	<b>89,187</b>	<b>99,809</b>	<b>1,14,381</b>	<b>1,26,080</b>	<b>1,46,615</b>	<b>1,72,294</b>
Share capital	273	273	273	273	273	273
Reserves & surplus	88,914	99,536	1,14,108	1,25,807	1,46,341	1,72,021
<b>Total Debt</b>	<b>1,868</b>	<b>1,444</b>	<b>1,574</b>	<b>588</b>	<b>588</b>	<b>588</b>
Other liabilities	2,555	2,056	1,702	758	758	758
<b>Curr Liab &amp; prov</b>	<b>20,075</b>	<b>20,722</b>	<b>27,416</b>	<b>30,312</b>	<b>37,605</b>	<b>44,110</b>
Current liabilities	19,268	19,748	26,289	28,414	37,605	44,110
Provisions	807	974	1,128	1,898	2706	3191
<b>Total liabilities</b>	<b>24,497</b>	<b>24,223</b>	<b>30,692</b>	<b>31,658</b>	<b>38,951</b>	<b>45,456</b>
<b>Total equity &amp; liabilities</b>	<b>1,13,684</b>	<b>1,24,032</b>	<b>1,45,073</b>	<b>1,57,738</b>	<b>1,88,272</b>	<b>2,20,942</b>
Net fixed assets	23,243	26,897	27,476	25,992	26,114	25,666
Investments	49,225	57,488	39,021	77,206	77,206	77,206
Other non-curr assets	-	-	-	-	-	-
<b>Current assets</b>	<b>41,216</b>	<b>39,647</b>	<b>78,576</b>	<b>54,540</b>	<b>84,951</b>	<b>1,18,070</b>
Inventories	6,334	5,724	8,746	11,324	13,173	14,100
Sundry Debtors	843	868	1,582	3,020	3,281	3,869
Cash and Bank	29,653	29,506	58,304	27,225	50,005	78,291
Loans and advances	13	1	4,592	7,237	10,318	12,169
<b>Total assets</b>	<b>1,13,684</b>	<b>1,24,032</b>	<b>1,45,073</b>	<b>1,57,738</b>	<b>1,88,272</b>	<b>2,20,942</b>

**Cash Flow Statement**

(Rs mn)

Year-end: March	FY19	FY20	FY21	FY22	FY23E	FY24E
Pre-tax profit	30,214	23,232	17,673	21,424	36,125	45,440
Depreciation	3,003	3,815	4,507	4,519	4,877	5,448
Tax paid	(10,770)	(5,275)	(4,515)	(5,259)	(9,031)	(11,360)
Chg in working capital	(4,945)	2,069	(3,436)	(4,148)	2,368	2,158
Other operating activities	3,935	103	(101)	1,252	2,191	-
<b>Cash flow from operations (a)</b>	<b>21,436</b>	<b>23,944</b>	<b>14,128</b>	<b>17,788</b>	<b>36,531</b>	<b>41,686</b>
Capital expenditure	(7,930)	(7,753)	(5,029)	(4,024)	(5,000)	(5,000)
Chg in investments	6,809	(8,263)	18,466	(38,184)	-	-
Other investing activities	-	-	-	-	-	-
<b>Cash flow from investing (b)</b>	<b>(1,121)</b>	<b>(16,016)</b>	<b>13,437</b>	<b>(42,208)</b>	<b>(5,000)</b>	<b>(5,000)</b>
Equity raised/(repaid)	757	(3,536)	6,693	(421)	-	-
Debt raised/(repaid)	359	(423)	130	(986)	-	-
Dividend (incl. tax)	(3,898)	(4,117)	(5,590)	(4,647)	(7,873)	(9,846)
Chg in minorities	-	-	-	-	-	-
Other financing activities	-	-	-	-	-	-
<b>Cash flow from financing (c)</b>	<b>(2,782)</b>	<b>(8,076)</b>	<b>1,233</b>	<b>(6,053)</b>	<b>(7,873)</b>	<b>(9,846)</b>
<b>Net chg in cash (a+b+c)</b>	<b>17,533</b>	<b>(147)</b>	<b>28,798</b>	<b>(30,473)</b>	<b>23,658</b>	<b>26,840</b>



### Financial Ratios

Year-end: March	FY19	FY20	FY21	FY22	FY23E	FY24E
Book Value (Rs)	327	366	419	461	536	630
Adj EPS (Rs)	72	66	48	59	99	125
Adj EPS growth (%)	2	-9	-27	23	68	26
EBITDA margin (%)	29.6	23.8	20.4	21.1	24.5	25.3
Pre-tax margin (%)	30.8	25.4	20.3	20.8	24.6	26.2
Net Debt/Equity (x)	(0.3)	(0.3)	(0.5)	(0.2)	(0.3)	(0.5)
ROCE (%)	31	18	12	14	23	24
ROE (%)	25	19	12	13	20	21

### DuPont Analysis

Asset turnover (x)	0.9	0.8	0.6	0.7	0.8	0.8
Leverage factor (x)	1.3	1.3	1.3	1.3	1.3	1.3
Net margin (%)	20.0	19.6	15.1	15.7	18.5	19.7

### Working Capital & Liquidity ratio

Inventory days	24	23	37	40	33	30
Receivable days	3	3	7	11	8	8
Payable days	65	54	81	80	74	75

### Valuations

Year-end: March	FY19	FY20	FY21	FY22	FY23E	FY24E
PER (x)	44	48	66	53	32	25
Price/Book value (x)	9.7	8.6	7.5	6.8	5.9	5.0
EV/Net sales (x)	9	9	9	8	6	5
EV/EBITDA (x)	29	38	45	38	23	18
Dividend Yield (%)	0	0	1	1	1	1

Source: Company; IDBI Capital Research



# 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

I, Mahesh Bendre, hereby certify that the views expressed in this report accurately reflect my personal views about the subject companies and / or securities. I also certify that no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, I 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).