

Mixed bag – weak execution but margin beat!

About the stock: Incorporated in 2008 by Prahladbhai Patel, PSP Projects (PSP) is one of the prominent contractors offering a diversified range of construction and allied services. Its focus remains on industrial, institutional, government, government residential and residential projects.

- PSP reported 34.3%, 31.2%, 31.3% CAGR in topline, EBITDA, PAT CAGR, respectively, during FY17-22
- Prudent management, net debt free, robust return ratios (RoCE: ~25+%)

Q1FY23 Results: PSP reported a mixed operational performance during Q1FY23.

- Revenue improved 8.8% YoY to ₹ 345.2 crore. The topline got impacted partly by slowed-down execution in UP-based projects due to labour issues
- PSP delivered elevated level of operating margin and was at 13.6% during Q1FY23 (up 123 bps YoY). Effectively, operating profit at ₹ 47.1 crore, was up 19.6% YoY
- PAT improved 13.6% YoY to ₹ 28.5 crore

What should investors do? PSP's share price has grown at ~14% CAGR over the past five years (from ₹ 308 in August 2017 to ₹ 598 levels in August 2022).

- We maintain our **BUY** rating on the company

Target Price and Valuation: We value PSP at ₹ 710/share (14x FY24 P/E).

Key triggers for future price performance:

- PSP's pre-qualification for public projects would rise to ₹ 2,000+ crore with the completion of the Surat Diamond Bourse (SDB) project. Addition of big ticket sized project is expected to boost its overall order book position
- Diversification in select states offers a bigger opportunity pie
- Significant traction and orders for pre-cast facility is likely to bring incremental benefits and associated revenue
- Expect revenue, earning CAGR of 15.3%, 5.9%, respectively, in FY22-24E

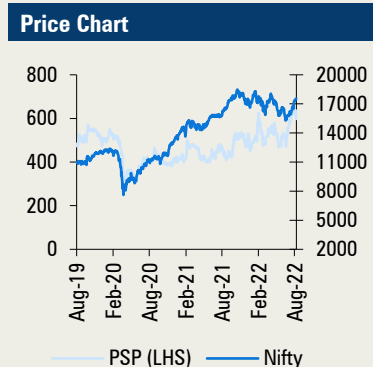
Alternate Stock Idea: Besides PSP, we like PNC Infra in the EPC space.

- Strong execution, lean balance sheet and healthy order book
- BUY with a target price of ₹ 350/share



Particulars	
Particular	Amount
Market Cap (₹ crore)	2,152.3
Debt (FY22) (₹ crore)	114.7
Cash (FY22) (₹ crore)	195.2
EV (₹ crore)	2,071.7
52 week H/L (₹)	672 / 406
Equity capital (₹ crore)	36.0
Face value (₹)	₹ 10

Shareholding pattern				
	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	69.9	70.2	70.2	70.4
DII	3.1	3.9	3.0	2.9
FII	1.3	1.7	1.8	1.9
Other	25.7	24.2	25.1	24.8



Key Risks

Key Risk: (i) Delay in execution of key projects; (ii) Significant increase in commodity prices

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

Lokesh Kashikar
lokesh.kashikar@icicisecurities.com

Key Financial Summary

(₹ Crore)	FY19	FY20	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	2 Year CAGR (FY21-24E)
Net Sales	1,044.0	1,499.3	1,240.9	1,748.8	34.3	2,035.7	2,325.2	15.3
EBITDA	148.9	191.0	134.8	256.5	31.2	254.0	298.8	7.9
EBITDA Margin (%)	14.3	12.7	10.9	14.7		12.5	12.8	
Net Profit	90.2	129.3	80.8	162.4	31.3	153.0	182.1	5.9
EPS (₹)	25.1	35.9	22.4	45.1		42.5	50.6	
P/E (x)	23.9	16.7	26.6	13.3		14.1	11.8	
Price / Book (x)	5.8	4.7	4.0	3.1		2.7	2.2	
EV/EBITDA (x)	13.1	10.6	14.9	8.1		8.3	7.0	
RoCE (%)	37.6	35.9	20.7	31.0		24.9	24.9	
RoE (%)	24.3	28.3	15.5	23.7		18.9	19.0	

Key business highlight and outlook

Order book healthy, execution to pick up considerably

As on June 30, 2022, PSP's order book was healthy at ₹ 4,613 crore (2.4x book to TTM revenues) aided by ₹ 550 crore of order inflow secured during Q1FY23. Most of its older projects are in the execution/ mobilisation stage (excluding two EWS Housing projects in Bhiwandi and Pandharpur worth ~₹ 730 crore). Additionally, the company has secured orders worth ~₹ 450 crore post Q1FY23 - strengthening its order book position even further. Going forward, **PSP has guided for overall inflows worth ₹ 2,200+ crore in FY23E (vs ₹ 1,802 crore of projects secured in FY22) to be backed by better opportunities coming from both - government and private clients, its expansion into different states, and improved eligibility of higher-ticket size projects. On the execution front, the company has guided for 25% YoY topline growth (to ₹ 2,200 crore), driven by its comfortable order book position, and pick-up in execution. However, on a conservative basis, we expect PSP to report revenue CAGR of 15.3% during FY22-24E with margin likely to hover at 12.5%.**

Lean balance sheet, prudent working capital management ...

PSP has a lean balance sheet structure backed by its asset light model (no investments in metro and roads projects) and has a net cash positive position. While capex incurred towards pre-cast facility (₹ 109 crore) has increased the debt-level, to some extent, we do not expect a major swing in its net debt position further as incremental free cash flows would be sufficient for its working capital and capex requirement, going forward. Also, the **company has exhibited prudent working cycle management, which was at 35 days at Q1FY23-end. We expect working capital cycle to hover in the same range, going ahead.**

Key conference call takeaways

- **Order inflows and pipeline:** PSP has secured projects worth ~₹ 1,000 crore at YTD FY23 level (~70% contributed by institutional segment). Going forward, the company has indicated towards strong order pipeline of ~₹ 4,000 crore mostly spread across Maharashtra, Gujarat and Delhi. With these, the company is targeting orders worth ₹ 1,200+ crore during rest of FY23
- **Update on major projects:** Among major projects a) Surat Diamond Bourse project (valued at ~₹ 1,850 crore): completed and handed over to the clients, b) Medical college and Hospital project, Uttar Pradesh: faced severe labour problems as marriages season was at peak during April-May 2022 (labourers moved to their native places/or on leave to attend/perform wedding). Cumulative revenue generated from project was at ₹ 34 crore in Q1FY23, c) Sports Complex, Gujarat: work on project commenced and execution undergoing efficiently and d) Residential project located at Bhiwandi and Pandharpur, Maharashtra: still slow moving with authority trying to revive projects
- **Opportunities from Central Vista Project:** As per the management, the authority has tendered projects worth ₹ 6,500 crore till now. Hence, significant opportunities (to the tune of ₹ 12,000- 13,000 crore) are still pending and likely to come at bidding stage over next year
- **Pre-cast facility:** PSP has commissioned precast facility in Gujarat during December 2022 with the objective to provide sustainable building solutions and technological upgradation. Order from precast facility at Q1FY23-end was at ₹ 29.2 crore. **Going forward, the management expects significant traction (₹ 200 crore worth of order from L&T at bidding pipeline)**
- **Fixed price contracts:** Total ~45% of overall order book (mostly government jobs in Uttar Pradesh; excluding slow moving projects in Maharashtra) are fixed price contracts while rest of the projects have cost escalation clause. Softening of raw material prices to aid margin performance
- **Margin: Conservatively, the company expects overall margins to hover in the range of 11-13% over the medium term depending on type, size and stage of projects.** Margin for pre-cast facility are expected to be in line with EPC orders

- **Competitive intensity:** Competitive intensity in the projects valued at ₹ 200-300 crore is comparatively less than the competition at jobs valued at ₹ 500+ crore
- **Debt:** Long term borrowing has increased from ₹ 34 crore at FY22-end to ₹ 50 crore at Q1FY23-end as the company availed loan of ₹ 20 crore from bank (at 7% interest rate) required for execution of Sports complex (Gujarat) rather than taking mobilisation advance from client (at 10%). Working capital loan remained steady at ~₹ 67 crore on a QoQ basis. **The management expects working capital debt to hover in the range of ₹ 60-75 crore, going forward**
- **Working capital days:** Working capital days at the end of Q1FY23 increased to 35 days (vs. 28 days at FY22-end) mainly due to increase in inventory (19 vs 17 days at FY22-end) and debtor days (70 vs. 65 at FY22 end). Creditor days remained steady at 54 days
- **Capex:** PSP incurred negligible capex of ₹ 3 crore during Q1FY23. Going forward, the company has **guided for overall capex of ₹ 60-80 crore (3-4% of sales) during FY23E respectively.**

PSP is set to enter the big league mainly backed by a) its rich construction experience, b) eligibility to bid for higher-ticket size project with improvement in pre-qualification criteria and c) geographical diversification. Additionally, the company is well placed for robust growth with healthy order book position, strong revenue visibility and decent margins. Healthy order inflows secured at YTD FY23 level and robust bidding pipeline brightens company's prospects. At the CMP, the company is currently trading at a valuation of 11.8x FY24E P/E. We maintain BUY recommendation with a revised target price of ₹ 710 (14x FY24E P/E) vs. ₹ 630 at 12.5x FY23 P/E, earlier.

Exhibit 1: Variance Analysis

Particulars	Q1 FY23	Q1 FY23E	Q1 FY22	YoY (%)	Q4 FY22	QoQ (%)	Comments
Total Operating Income	345.2	374.5	317.4	8.8	555.3	-37.8	Topline growth impacted due to slowed-down execution in UP based projects
Consumption of raw materials	271.0	303.3	257.8	5.1	431.0	-37.1	
Employee benefit expenses	21.8	16.9	15.2	43.5	25.2	-13.7	
Other Expenses	5.4	7.5	5.0	7.9	10.9	-50.7	
EBITDA	47.1	46.8	39.4	19.6	88.1	-46.5	Margin was elevated with completion of certain projects
EBITDA Margin(%)	13.6	12.5	12.4	123 bps	15.9	-223 bps	
Other Income	5.6	6.0	3.8	48.1	5.4	3.6	
Depreciation	8.7	10.3	5.4	61.0	10.2	-14.6	
Interest	5.6	9.0	3.4	64.0	9.5	-40.9	
PBT	38.4	33.5	34.4	11.8	73.9	-48.0	
Taxes	9.9	8.4	9.3	6.9	20.1	-50.6	
PAT	28.5	25.1	25.1	13.6	53.8	-47.1	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY19	FY20	FY21	FY22	FY23E		FY24E		% Change	Comments
					Old	New	Old	New		
Revenue	1,044.0	1,499.3	1,240.9	1,748.8	2,035.7	2,035.7	2,325.2	2,325.2	0.0	
EBITDA	148.9	191.0	134.8	256.5	254.0	254.0	298.8	298.8	0.0	
EBITDA Margin (%)	14.3	12.7	10.9	14.7	12.5	12.5	12.8	12.8	0 bps	
PAT	90.2	129.3	80.8	162.4	153.0	153.0	182.1	182.1	0.0	
Diluted EPS (₹)	25.1	35.9	22.4	45.1	42.5	42.5	50.6	50.6	0.0	

Source: Company, ICICI Direct Research

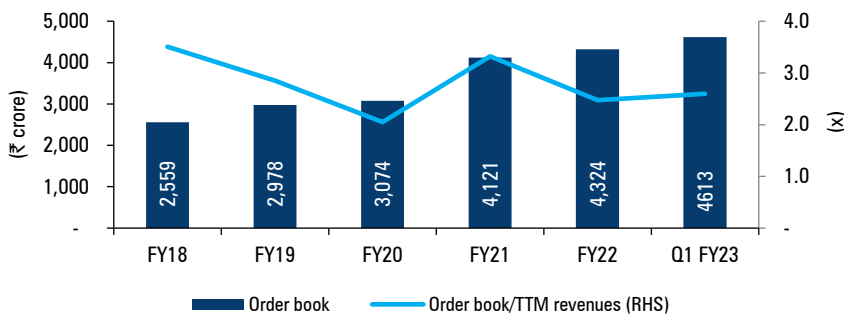
Company Analysis

Exhibit 1: Key project details

Description Of Project	Location	Name of client	Contract Value (₹ crore)	Order book Value (₹ crore)
Medical Colleges & Hospitals At 7 Locations	Uttar Pradesh	Public Works Department	1,491	1,314
High Rise Buildings cum Commercial units - EWS Housing Project under PMAY, Bhiwandi	Maharastra	Municipal Corporation	601	601
Sports Complex	Gujarat	Municipal Corporation	504	501
Residential Project	Gujarat	Private Developer	499	391
Construction of Steel plant'	Gujarat	Private Company	257	176
Residential Project	Gujarat	Private Company	252	252
Construction of Residential Buildings of PAC Mahila Battalion at Badaun, UP	Uttar Pradesh	Public Works Department	239	233

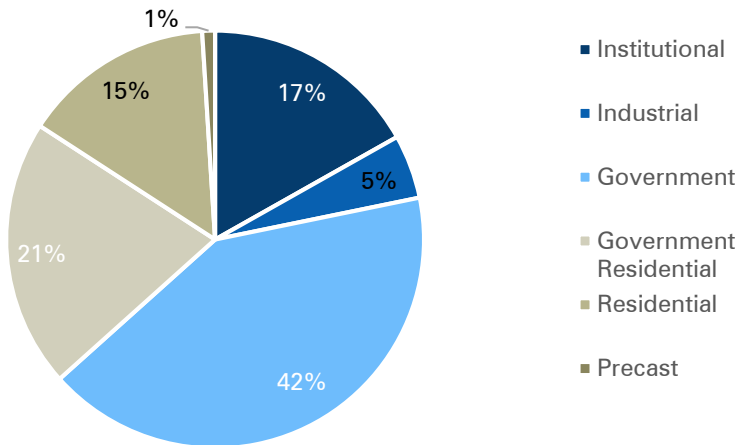
Source: Company, ICICI Direct Research

Exhibit 2: Order book* trend



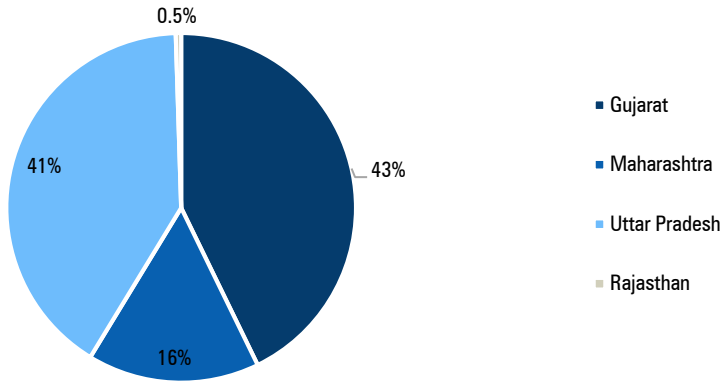
Source: Company, ICICI Direct Research; order book worth ₹ 4,613 crore at Q1FY23-end

Exhibit 3: Order book* spread across major verticals



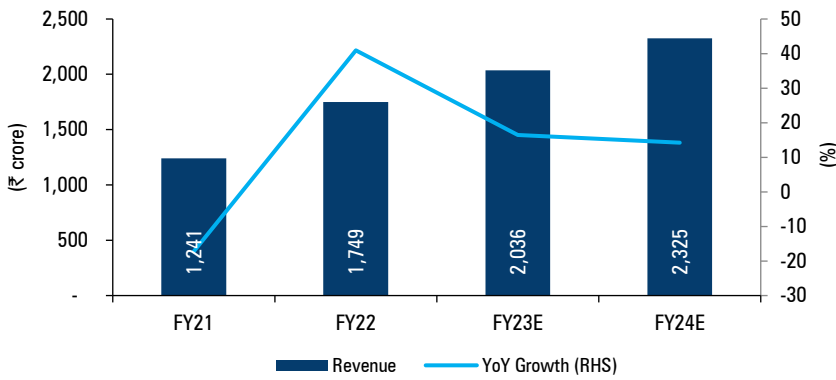
Source: Company, ICICI Direct Research; * order book worth ₹ 4,613 crore at Q1FY23-end

Exhibit 4: Gujarat, Uttar Pradesh contribute majority to order book*



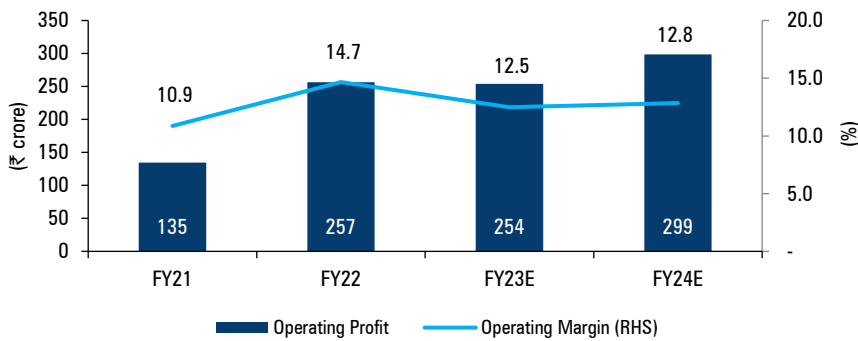
Source: Company, ICICI Direct Research; order book worth ₹ 4,613 crore at Q1FY23-end

Exhibit 5: Revenue to improve at 15.3% CAGR during FY22-FY24E



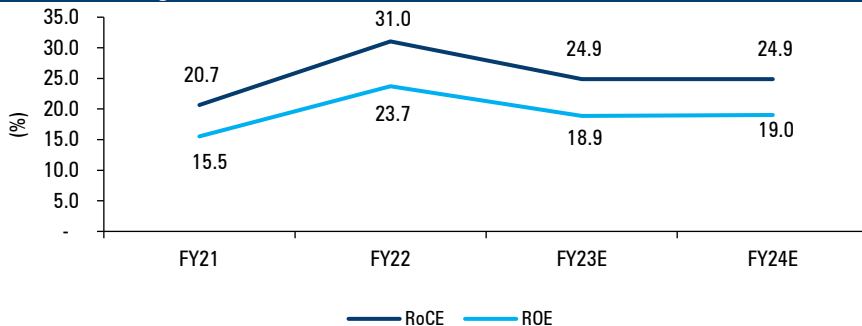
Source: Company, ICICI Direct Research

Exhibit 6: Margin to moderate



Source: Company, ICICI Direct Research

Exhibit 7: Strong return ratios



Source: Company, ICICI Direct Research

Financial summary

Exhibit 8: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Net Sales	1,240.9	1,748.8	2,035.7	2,325.2
Growth (%)	(17.2)	40.9	16.4	14.2
Raw Material Cost	1,040.2	1,391.3	1,663.1	1,885.8
Employee Cost	50.9	72.3	92.1	110.5
Other Expenditure	15.0	28.6	26.5	30.2
Total Operating Expenditure	1,106.0	1,492.3	1,781.7	2,026.5
EBITDA	134.8	256.5	254.0	298.8
Growth (%)	(29.4)	90.3	(1.0)	17.6
Other income	16.9	21.3	22.6	24.1
Depreciation	25.6	32.1	43.2	48.1
EBIT	126.1	245.7	233.4	274.8
Interest	14.7	26.4	28.9	31.4
PBT	111.4	219.3	204.6	243.4
Tax	27.9	56.9	51.6	61.3
Rep. PAT	83.5	162.4	153.0	182.1
Exceptional items				
Adj. Net Profit	83.5	162.4	153.0	182.1
Growth (%)	(35.4)	94.4	(5.8)	19.0
EPS (₹)	22.4	45.1	42.5	50.6

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement				
	₹ crore			
(₹ Crore)	FY21	FY22	FY23E	FY24E
Profit after Tax	80.8	162.4	153.0	182.1
Depreciation	25.6	32.1	43.2	48.1
Interest	14.7	26.4	28.9	31.4
Others	(20.3)	(21.4)	(22.6)	(24.1)
Cash Flow before wc changes	100.8	199.4	202.4	237.4
Net Increase in Current Assets	32.9	(161.8)	(142.0)	(134.5)
Net Increase in Current Liabilities	(55.9)	95.8	18.0	56.5
Net CF from operating activities	77.8	133.4	78.5	159.4
Net purchase of Fixed Assets	(75.6)	(81.6)	(50.1)	(50.1)
Others	38.3	(77.0)	(15.2)	(14.1)
Net CF from Investing Activities	(37.3)	(158.6)	(65.3)	(64.2)
Proceeds from share capital	0.1	(1.3)	(0.0)	-
Proceeds/Repayment from Loan	6.1	33.7	20.3	19.6
Interest paid	(14.7)	(26.4)	(28.9)	(31.4)
Others	-	(14.4)	(27.0)	(36.0)
Net CF from Financing Activities	(8.5)	(8.4)	(35.6)	(47.8)
Net Cash flow	32.0	(33.6)	(22.4)	47.4
Opening Cash and Cash Equivalent	196.7	228.8	195.2	172.8
Closing Cash & cash equivalent	228.8	195.2	172.8	220.2

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Liabilities				
Equity capital	36.0	36.0	36.0	36.0
Reserves & Surplus	502.0	648.7	774.7	920.8
Networth	538.0	684.7	810.7	956.8
Loan Funds	81.0	114.7	135.0	154.5
Deferred Tax liability	(9.2)	(9.4)	(9.4)	(9.4)
Other financial liabilities	0.8	1.5	1.8	2.2
Total Liabilities	610.6	791.5	938.2	1,104.2
Assets				
Net Block	116.2	207.4	214.3	216.4
Capital WIP	41.6	-	-	-
Non-current Investments	0.8	0.7	0.8	1.0
Other non-current assets	131.4	229.8	267.5	305.5
Loans	-	-	-	-
Inventories	89.2	80.6	111.5	127.4
Trade Receivables	222.0	311.8	384.8	465.0
Cash & Bank Balances	228.8	195.2	172.8	220.2
Loans & Advances	8.5	5.9	6.9	7.9
Other current assets	142.6	225.8	262.9	300.3
Total current assets	691.1	819.4	938.9	1,120.8
Total Current liabilities	370.6	465.7	483.4	539.5
Net Current Assets	320.5	353.7	455.5	581.3
Total Assets	610.6	791.5	938.2	1,104.2

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
Per share data (₹)				
Reported EPS	22.4	45.1	42.5	50.6
Cash EPS	29.6	54.0	54.5	63.9
BV per share	149.4	190.2	225.2	265.8
Revenue per share	344.7	485.8	565.5	645.9
Cash Per Share	63.5	54.2	48.0	61.2
Operating Ratios (%)				
EBITDA Margin	10.9	14.7	12.5	12.8
EBIT/ Net Sales	8.8	12.8	10.4	10.8
PAT Margin	6.7	9.3	7.5	7.8
Inventory days	26.2	16.8	20.0	20.0
Debtor days	65.3	65.1	69.0	73.0
Creditor days	76.4	53.8	52.0	50.0
Return Ratios (%)				
RoE	15.5	23.7	18.9	19.0
RoCE	20.7	31.0	24.9	24.9
RoC	32.2	37.7	27.6	28.4
Valuation Ratios (x)				
P/E	26.6	13.3	14.1	11.8
EV / EBITDA	14.9	8.1	8.3	7.0
EV / Net Sales	1.6	1.2	1.0	0.9
Price to Book Value	4.0	3.1	2.7	2.2
Solvency Ratios (x)				
Debt / EBITDA	0.6	0.4	0.5	0.5
Net Debt / Equity	(0.3)	(0.1)	(0.0)	(0.1)

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Bhopendra Tiwary, CFA, MBA, Lokesh Kashikar, MMS, Research Analysts, 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. 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 Retail 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 Institutional 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 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.