Model Portfolio Update

June 4, 2020

Latest Model Portfolio

Large cap

Name of the company	Weightage(%)
Auto	4.0
Mahindra & Mahindra (M&M)	4.0
BFSI	39.0
HDFC Bank	10.0
Axis Bank	6.0
HDFC Limited	9.0
Bajaj Finance	6.0
State Bank of India	8.0
Capital Goods	6.0
Larsen & Toubro	6.0
Cement	4.0
UltraTech Cement	4.0
FMCG/Consumer	19.0
Dabur India	5.0
Marico	4.0
ITC	6.0
Nestle India	4.0
IT	12.0
Tata Consultancy Services	6.0
Tech Mahindra Limited	6.0
Metals	6.0
Hindustan Zinc	6.0
Oil and Gas	5.0
Petronet LNG	**5.0**
Pharma	5.0
Divis Laboratories	5.0
Total	100.0

- **Exclusion** – Gail Ltd
- **Inclusion** – Petronet LNG

Mid cap

Name of the company	Weightage(%)
Auto	6.0
Balkrishna Industries	**6.0**
BFSI	20.0
Bajaj Finserv	8.0
Manappuram Finance	**6.0**
Reliance Nippon Life Asset Management	6.0
Capital Goods	12.0
AIA Engineering	6.0
KSB Pumps	**6.0**
Cement	6.0
Ramco Cement	6.0
Consumer	24.0
Kansai Nerolac	6.0
Pidilite Industries	6.0
Radico Khaitan	**6.0**
Bata India	6.0
IT	6.0
TeamLease Services	**6.0**
Logistics	6.0
Container Corporation of India	6.0
Pharma	8.0
Syngene International	8.0
Real Estate	6.0
Brigade Enterprises	6.0
Oil & Gas	6.0
Mahanagar Gas	6.0
Total	100.0

- **Exclusion** – Bharat Forge, Indian Bank, Kalpataru Power Transmission, Tata Chemicals, Firstsource Solutions
- **Inclusion** – Balkrishna Industries, Manappuram Finance, KSB Pumps, Radico Khaitan, Teamlease Services

Source: ICICI Direct Research

***Diversified portfolio** - *Combination of Large Cap and Mid Cap portfolios in 70:30 ratio.*

Outperformance continues across all portfolios…

- We prefer companies with sound business fundamentals. This forms the core theme of our portfolio. Our indicative large cap equity model portfolio has continued to deliver an impressive total return (inclusive of dividends) of 112.3% since its inception (June 21, 2011) vis-à-vis the index return of 81.6% during the same period, an outperformance of ~31%. Total return of our indicative midcap portfolio is 183.6% vs. benchmark return of 69.8%

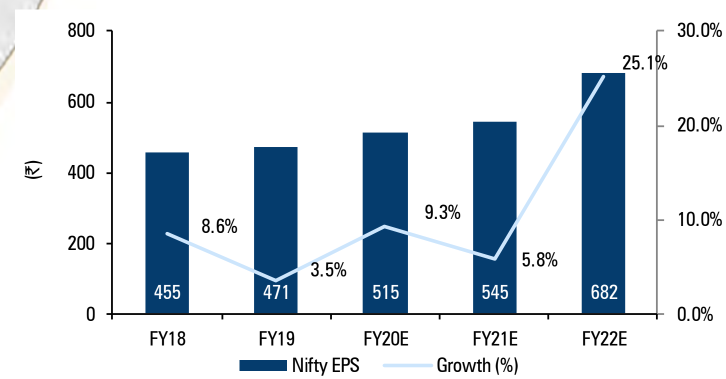
- On the market outlook front, we remain structurally positive on the Indian economy and equity market over the medium to long term horizon. While the economic recovery could be U shaped, we remain a firm believer of the fact that the market, being a leading indicator, is more likely to witness a V-shaped recovery

- The market is yet to gain clarity on the extent of the economic damage both in terms of time as well as quantum. Moreover, as further economic data points become known, further clarity should emerge on economic dislocation. This is what is reflected in the market weakness, as seen now. We expect the volatility to continue in the near term keeping the market in a nervous mode for the time being

- Covid-19 came in as a black swan event with far reaching implications for businesses worldwide. The Indian economy is no exception with a stringent 21-day lockdown period under way. With almost nil manufacturing activity in this 21-day period and slow ramp up, thereafter, amid subdued consumer sentiment, we downgrade our Nifty earnings estimates to the tune of 4% for FY20E, 18% for FY21E and 13% for FY22E. Incorporating the downward revision, we now expect Nifty earnings to grow at a CAGR of 13.2% in FY19-22E vs. expectation of 18.6% CAGR in the past

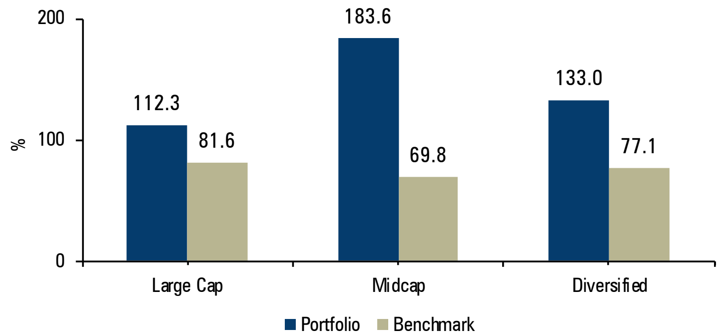
House view on Index

In terms of earnings, we downgrade our earnings estimates for the Nifty to the tune of 18% for FY21E and 13% for FY22E. Incorporating the downward revision, we now expect Nifty earnings to grow at a CAGR of 13.2% in FY19-22E vs. expectation of 18.2% CAGR in the past. We, however, do expect further downward revision in earnings, given the extended lockdown and its impact. The valuations for the Nifty have corrected more than anticipated with the Nifty now trading at 13.3x P/E on FY22E numbers vs. its one year forward average P/E multiple of 15x. **Valuing the Nifty in tandem with its long period averages, we now value the Nifty at 10250 i.e. 15x P/E on FY22EPS of ₹ 682.**



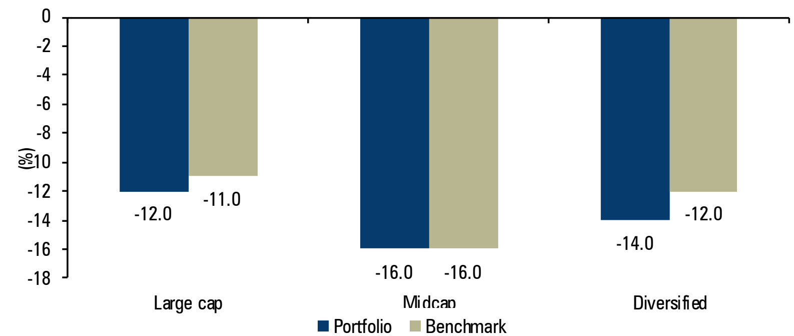
Performance so far* …

Portfolio performance since inception



- Our indicative large cap equity model portfolio has continued to deliver an impressive total return (inclusive of dividends) of 112.3% since its inception (June 21, 2011) vis-à-vis the index return of 81.6% during the same period, an outperformance of ~31%
- Total returns of our indicative midcap portfolio are 183.6% vs. benchmark return of 69.8%
- We continue to prefer companies with sound business fundamentals. This forms the core theme of our portfolio
- Given the overall outperformance in both (large & midcap) portfolios, the diversified portfolio (combination of 70/30 ratio) has outperformed its benchmark indices by a wide margin, delivering 133% returns against 77.1% by the benchmark

Portfolio performance since last update (September 2019)

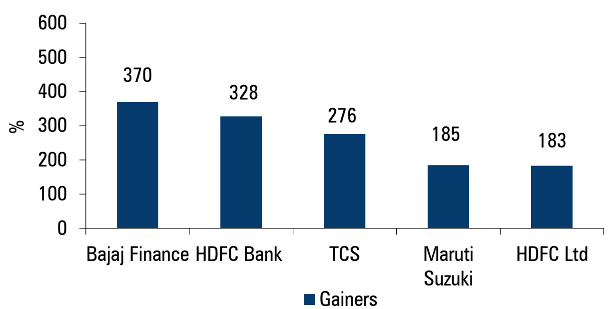


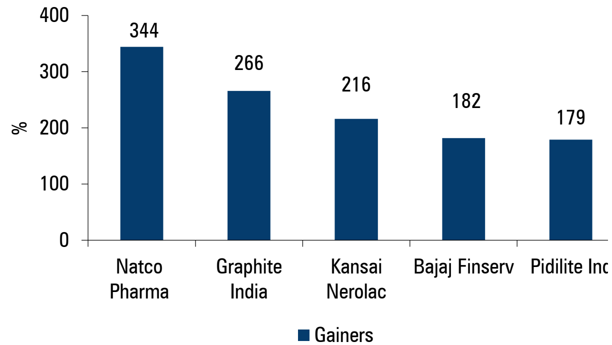
- Since the last update (September 2019), our large cap portfolio gave -12% vs -11% by the benchmark index. Performance of our large cap portfolio was impacted by the underperformance of overall equities
- The broader markets witnessed higher volatility over the past few months

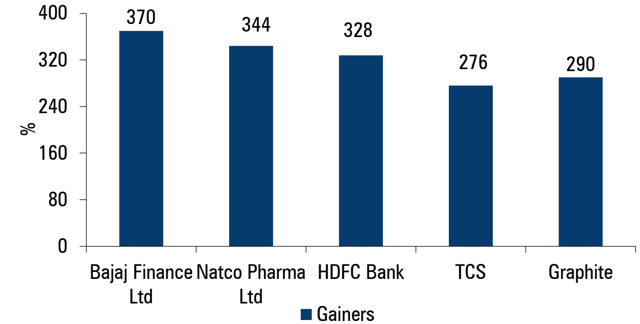
Source: ICICI Direct Research

Top movers so far…

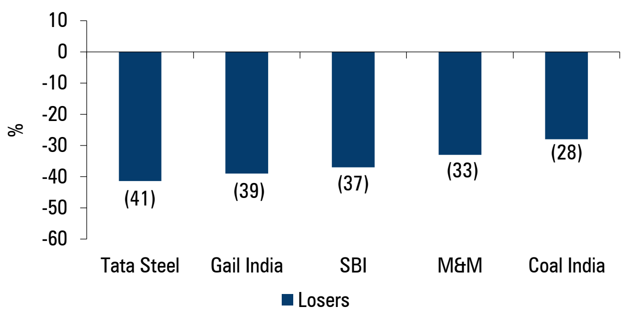
Large cap	Midcap	Diversified

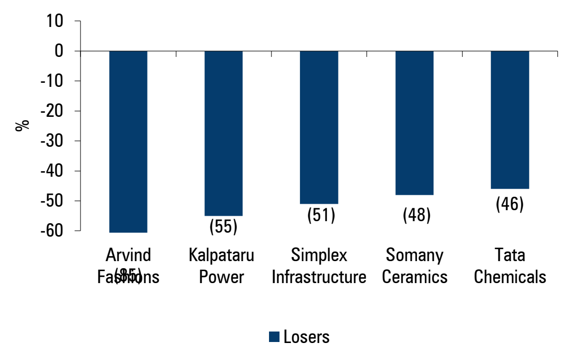


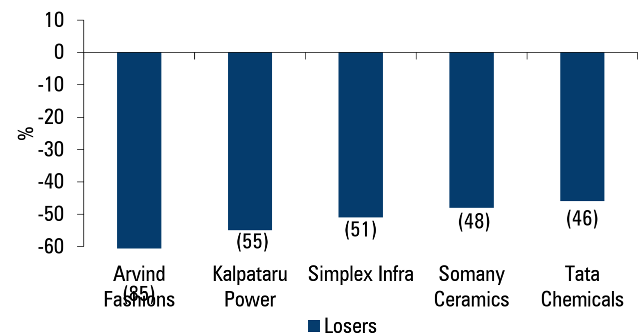




Large cap	Midcap	Diversified

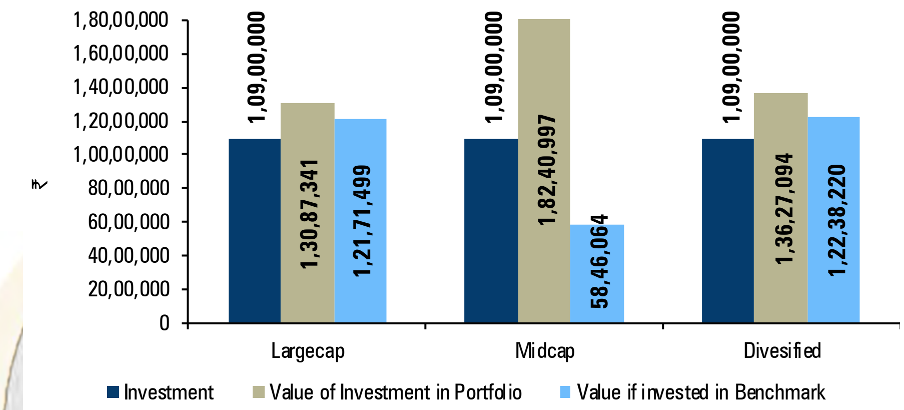






Source: Bloomberg, ICICI Direct Research
Note – Returns shown here are on price basis only.

Performance* so far in SIP mode …



- Systematic investments at regular intervals in all our three portfolios have outperformed their respective benchmarks, acting as a perfect shield to the volatility that the market encountered last year
- Assuming ₹ 1,00,000 invested as SIP at the end of every month
- Start date of SIP is June 30, 2011

Source: Bloomberg, ICICI Direct Research

What's in, what's out?

What's in?

Name	Portfolio	Weight
Petronet LNG	Largecap	5%
Manappuram Finance	Midcap	6%
KSB Pumps	Midcap	6%
Radico Khaitan	Midcap	6%
Team Lease Services	Midcap	6%
Balkrishna Industries	Midcap	6%

What's out?

Name	Portfolio	Weight
Gail Ltd	Largecap	5%
Indian Bank	Midcap	6%
Kalpataru Power Transmission	Midcap	6%
Tata Chemicals	Midcap	6%
First Source Solutions	Midcap	6%
Bharat Forge	Midcap	6%

Source: Bloomberg, ICICI Direct Research

The story of the stocks…

Petronet LNG (PETLNG)

- Petronet LNG, a joint venture between ONGC, IOC, BPCL and Gail, is engaged in import and regasification of LNG in India. It currently operates two LNG terminals, one each at Dahej and Kochi, with a total capacity of 23.8 MMTPA. Petronet LNG's total volumes are expected to grow 9% YoY in FY20 to 920.5 tbtu (regasification volumes at 458 tbtu). Covid-19 initiated lockdown will impact spot & regas volumes of Petronet LNG in FY21E leading to marginal decline in total volumes. However, sharp increase of 6.6% YoY in total volumes to 975.8 tbtu is estimated in FY22E
- On capacity utilisation front, the 17.5 MMTPA Dahej terminal has been booked for 7.5 MMTPA under RasGas long term volumes while additional 8.3 MMTPA has been booked as regasification capacity, which provides visibility for long term volumes. Kochi-Mangalore LNG pipeline is expected to be commissioned in June 2020. This will benefit Kochi terminal given the presence of industrial units in the area and its utilisation (currently at 17%) is expected to increase to 30% in medium term
- India will meet its increasing gas demand through LNG imports in future. India's aim to increase share of natural gas in energy mix to 15% by 2030 and low spot LNG price augurs well for Petronet LNG volumes. On margins front, blended margins are expected to remain stable and estimated at ₹ 57.7/mmbtu in FY22E. With stable volume growth, strong return ratios and favorable macroeconomic scenario, Petronet remains a compelling play

(Year-end March)	FY19	FY20	FY21E	FY22E
Revenues (₹ crore)	38,395.4	34,806.5	34,866.2	37,180.6
EBITDA (₹ crore)	3,293.4	4,270.1	4,285.5	4,816.2
Net Profit (₹ crore)	2,155.4	2,916.0	2,511.4	2,949.2
EPS (₹)	14.4	19.4	16.7	19.7
P/E (x)	16.9	12.5	14.5	12.4
Price / Book (x)	3.6	3.5	3.4	3.3
EV/EBITDA (x)	10.4	8.6	8.5	7.3
RoCE (%)	26.6	24.2	24.1	29.0
RoE (%)	21.4	27.7	23.7	26.9

Radico Khaitan (RADKHA)

- Radico Khaitan is among the largest manufacturers of Indian made foreign liquor (IMFL) in India. The company is also a supplier of Indian made Indian liquor (IMIL) and bulk alcohol in India. It has the distinction of being among very few domestic players that have over the years entered and generated brand equity in the prestige and above liquor segment.
- Radico has four millionaire brands 8PM whisky, Contessa Rum, Old Admiral brandy and Magic Moments vodka (sell more than a million cases each year). Within P&A category, semi-premium brands such as Magic Moments dominate the share in its category while the share from the super-premium brands such as Morpheus brandy continues to rise. Also, luxury brands such as Rampur single malt and Jaisalmer Gin have shown considerable growth in overseas demand, focused on US, Europe and travel retail market. In a tough market scenario, Radico continues to outperform peers. For Q4FY20, it posted volume growth of 13%. The prestige and above segment grew 11% while regular segment grew 14%. The company's premiumisation trend continued with prestige and above share increasing to 29% in FY20 from 28.3% in FY19. The company has constantly reduced debt from ₹ 950 crore in FY16 to ₹ 382 crore in FY20, enabling it to report higher profitability over the last few years. With continued focus on brand development, newer premium IMFL launches and strong distribution network built over the years, RKL is poised to enhance its financial performance

(Year-end March)	FY19	FY20	FY21E	FY22E
Net Sales (₹ crore)	2,096.9	2,427.0	2,494.1	2,967.4
EBITDA (₹ crore)	350.3	371.8	376.6	471.8
Net Profit (₹ crore)	194.1	229.1	225.9	305.0
EPS (₹)	14.6	17.2	16.9	22.9
P/E (x)	22.7	19.2	19.5	14.4
Price / Book (x)	3.3	2.9	2.5	2.2
EV/EBITDA (x)	13.4	12.8	12.5	9.7
RoCE (%)	18.3	16.1	15.4	18.6
RoE (%)	14.8	16.4	12.9	15.0

Source: ICICI Direct Research.

Teamlease Services (TLEASER)

- TeamLease Services (TLS) is one of India's leading providers of human resource services in the organised segment with ~6% share in the flexi staffing industry. TLS with its core expertise in general staffing is ready to grab the opportunity in the least penetrated temporary staffing market in India (0.5% in 2015 vs. global average of 1.7%). We believe penetration in the temporary staffing market should rise through favourable industry dynamics like formalisation of economy and GST. Further, considering the recent liquidity measures, re-opening of the economy, push for local manufacturing, aim of India to be a global supply chain and anticipated labour reforms will give a huge fillip to TLS's business in the long run. We believe TLS is set to grow at a healthy rate of ~18% over the next few years
- Although in the near term we expect revenues and margins to be impacted by lockdown and Covid-19 related challenges, we believe TLS is attractively placed to grab the opportunity in the least penetrated temporary staffing market in India. In addition, the company's entry into specialised staffing is expected to boost margins of the company in the long run. Further, we expect labour reforms, push for local manufacturing and aim of India to be a global supply chain will further benefit TLS in the long run. This coupled with comfortable balance sheet prompt us to remain positive on the stock from a long term perspective

(Year-end March)	FY19	FY20	FY21E	FY22E
Revenues (₹ crore)	4,447.6	5,189.1	5,766.3	6,688.5
EBITDA (₹ crore)	94.4	102.6	116.0	155.2
Net Profit (₹ crore)	98.8	89.8	92.9	129.0
EPS (₹)	57.3	52.5	54.4	75.5
P/E (x)	26.9	29.4	28.4	20.5
Price / Book (x)	4.9	4.2	3.7	3.1
EV/EBITDA (x)	26.8	24.1	21.1	14.9
RoCE (%)	18.6	15.0	14.3	16.5
RoE (%)	18.3	14.3	12.9	15.3

Manappuram Finance (MANAFI)

- Incorporated in 1992, Manappuram Finance is one of the leading gold loan NBFCs in India and also offers other products including MFI loans, vehicle finance, home loans and insurance brokerage business spread across a network of 4462 branches across India
- As on March 31, 2020, Manappuram's AUM was at ₹ 25225 crore, up 29.8% YoY with gold loans accounting for 67.3% (₹ 16967 crore) of the overall loan mix followed by MFI loans at 21.8% (₹ 5503 crore). As on FY20, online gold loans formed 48% of the total gold book, which is a positive as disbursement is insulated from complete branch-shutdown to a large extent
- In terms of region mix, 43% of disbursements are made in semi urban and rural areas that are expected to reach normalcy soon as lockdown is lifted gradually. Manappuram has delivered healthy operational efficiency with opex/AUM falling from 8.9% in FY18 to 7.2% in FY20. On asset quality front, GNPA, NNPA have seen uptick to 0.9%, 0.5% vs. 0.5%, 0.2%, respectively, in Q3FY20
- Granular loan book, exposure to customers engaged in essential business and substantial proportion of gold loan would keep volatility in asset quality relatively lower. In addition, steady returns with RoA & RoE at 5.9% & 28.4%, respectively, puts the company in a comfortable spot. Repayment trend would need to be watched in MFI as the company has granted moratorium to all its MFI customers. We remain positive on the stock

(Year-end March)	FY19	FY20	FY21E	FY22E
NII (₹ crore)	2,219.0	2,390.3	2,835.4	3,633.0
PPP (₹ crore)	1,253.7	1,155.8	1,448.8	2,159.0
PAT (₹ crore)	755.9	676.4	938.9	1,461.8
EPS (₹)	9.0	8.0	10.9	17.3
AUM (₹ bn)	137.0	158.0	194.0	252.0
P/E(x)	14.9	16.7	12.3	7.7
P/B (x)	3.3	3.0	2.5	2.0
RoE (%)	24.7	18.9	22.4	28.4
RoA (%)	5.4	4.2	4.6	5.9

Source: ICICI Direct Research.

KSB Pumps

- KSB Ltd manufactures different range of pumps, going into industries such as waste water treatment, chemical, oil & gas, power, agriculture to name a few. The company categorised pump revenue into standard pumps and industrial pumps, with standard pump contribution remains 40% and rest comes from industrial pump. Further, it also supplies valves to the aforementioned industries, which constitutes ~15% of overall revenue
- Going ahead, we expect that with increase in indigenisation, KSB should likely benefit with an increase in order inquires from parent level. Further, the company recently launched few pumps, which will be manufactured in India and supplies to different parts of the world. Apart from this, domestic opportunity from power FGD orders along with nuclear pumps should likely bolster revenue growth of the company. KSB Ltd also did service revenues to the tune of ₹ 80 crore last fiscal (~6% to overall revenue). We expect this to reach double digit contribution in the next two to three years and, thereby, improve operating margins visibility. This should also improve return ratios along with FCF yield for the company
- In terms of valuations, KSB is trading at 14x CY21E PER. We believe valuations are lower compared to its historic averages. Further, better order backlog visibility along with margin expansion story should aid valuations ahead

(Year-end March)	FY19	FY20	FY21E	FY22E
Revenues	1,093.1	1,293.9	1,356.5	1,458.6
EBITDA	128.4	150.3	157.4	179.4
EBITDA margins (%)	11.7	11.6	11.6	12.3
Adjusted PAT	71.6	88.0	102.4	118.9
Adj. EPS (₹)	20.6	25.3	29.4	34.2
PE (x)	23.3	19.0	16.3	14.0
EV to EBITDA (x)	12.3	9.6	9.0	7.4
RoNW (%)	9.4	10.6	11.4	12.1
RoCE (%)	11.1	11.8	11.5	12.5

Balkrishna Industries

- Balkrishna Industries (BKT) is a leading tyre manufacturer domestically in the off-highway tyre (OHT) segment, which is primarily meant for exports. BKT tyres find application in agriculture, mining and other commercial activities with Europe region constituting the bulk of sales at ~50% followed by the US at ~20% among others. Bulk of the sales are in the replacement channel (~75%) providing strong pricing power
- BKT stands out in the domestic tyre space, with its balance sheet strength (net cash positive), robust EBITDA margins (25%+) and healthy return ratios matrix (20%+ RoCE). With back integration in place (carbon black), BKT is well poised to further augment its EBITDA margin profile. With recent correction in key raw material price (natural rubber, crude) as well as depreciation of rupee vs. US$, there is a further leg room for positive surprise on its net profitability
- With bulk of capex slated to be completed in FY20E, BKT is well poised to generate healthy free cash flows, going forward, over FY21-22E. Its present CFO and FCF yield over FY20E-22E are at ~6% and ~4%, respectively, thereby supporting its healthy valuations. BKT is currently quoting at 18.6x P/E & 11.8x EV/EBITDA on FY22E numbers

(Year-end March)	FY19	FY20E	FY21E	FY22E
Revenues (₹ crore)	5,244.5	4,851.4	5,266.0	6,194.2
EBITDA (₹ crore)	1,311.1	1,310.7	1,585.7	1,771.5
Net Profit (₹ crore)	782.0	964.2	1,055.3	1,168.7
EPS (₹)	40.5	49.9	54.6	60.5
P/E (x)	27.8	22.6	20.6	18.6
Price / Book (x)	4.6	4.2	3.8	3.4
EV/EBITDA (x)	16.6	16.5	13.5	11.8
RoCE (%)	20.4	19.0	21.9	22.7
RoE (%)	16.7	18.6	18.4	18.4

Source: ICICI Direct Research

Large cap portfolio

Earlier

Name of the company	Weightage(%)
Auto	4.0
Mahindra & Mahindra (M&M)	4.0
BFSI	39.0
HDFC Bank	10.0
Axis Bank	6.0
HDFC Limited	9.0
Bajaj Finance	6.0
State Bank of India	8.0
Capital Goods	6.0
Larsen & Toubro	6.0
Cement	4.0
UltraTech Cement	4.0
FMCG/Consumer	19.0
Dabur India	5.0
Marico	4.0
ITC	6.0
Nestle India	4.0
IT	12.0
Tata Consultancy Services	6.0
Tech Mahindra Limited	6.0
Metals	6.0
Hindustan Zinc	6.0
Oil and Gas	5.0
GAIL Ltd.	5.0
Pharma	5.0
Divis Laboratories	5.0
Total	100.0

Now

Name of the company	Weightage(%)
Auto	4.0
Mahindra & Mahindra (M&M)	4.0
BFSI	39.0
HDFC Bank	10.0
Axis Bank	6.0
HDFC Limited	9.0
Bajaj Finance	6.0
State Bank of India	8.0
Capital Goods	6.0
Larsen & Toubro	6.0
Cement	4.0
UltraTech Cement	4.0
FMCG/Consumer	19.0
Dabur India	5.0
Marico	4.0
ITC	6.0
Nestle India	4.0
IT	12.0
Tata Consultancy Services	6.0
Tech Mahindra Limited	6.0
Metals	6.0
Hindustan Zinc	6.0
Oil and Gas	5.0
Petronet LNG	**5.0**
Pharma	5.0
Divis Laboratories	5.0
Total	100.0

Source: ICICI Direct Research

Midcap portfolio

Earlier

Name of the company	Weightage(%)
Auto	6.0
Bharat Forge	6.0
BFSI	20.0
Bajaj Finserv	8.0
Indian Bank	6.0
Reliance Nippon Life Asset Management	**6.0**
Capital Goods	12.0
AIA Engineering	6.0
Kalpataru Power transmission	6.0
Cement	6.0
Ramco Cement	6.0
Consumer	24.0
Kansai Nerolac	6.0
Pidilite Industries	6.0
Tata Chemicals	6.0
Bata India	6.0
IT	6.0
Firstsource Solutions	6.0
Logistics	6.0
Container Corporation of India	6.0
Pharma	8.0
Syngene International	8.0
Real Estate	6.0
Brigade Enterprises	6.0
Oil & Gas	6.0
Mahanagar Gas	**6.0**
Total	100.0

Now

Name of the company	Weightage(%)
Auto	6.0
Balkrishna Industries	**6.0**
BFSI	20.0
Bajaj Finserv	8.0
Manappuram Finance	**6.0**
Reliance Nippon Life Asset Management	6.0
Capital Goods	12.0
AIA Engineering	6.0
KSB Pumps	**6.0**
Cement	6.0
Ramco Cement	6.0
Consumer	24.0
Kansai Nerolac	6.0
Pidilite Industries	6.0
Radico Khaitan	**6.0**
Bata India	6.0
IT	6.0
TeamLease Services	**6.0**
Logistics	6.0
Container Corporation of India	6.0
Pharma	8.0
Syngene International	8.0
Real Estate	6.0
Brigade Enterprises	6.0
Oil & Gas	6.0
Mahanagar Gas	6.0
Total	100.0

Source: ICICI Direct Research

Diversified portfolio (1/2)

Earlier

Name of the company	Weightage(%)
Auto	4.6
Bharat Forge	1.8
Mahindra & Mahindra (M&M)	2.8
BFSI	33.3
Axis Bank	4.2
Bajaj Finance	4.2
Bajaj Finserv	2.4
HDFC Bank	7.0
HDFC Limited	6.3
Indian Bank	1.8
State Bank of India	5.6
Reliance Nippon Life Asset Management	**1.8**
Power, Infrastructure & Cement	12.4
Larsen & Toubro	4.2
AIA Engineering	1.8
Kalpataru Power transmission	1.8
Ramco Cement	1.8
UltraTech Cement	2.8
FMCG/Consumer	20.5
Bata India	1.8
Dabur India	3.5
ITC	4.2
Kansai Nerolac	1.8
Marico	2.8
Nestle India	2.8
Pidilite Industries	1.8
Tata Chemicals	1.8

Now

Name of the company	Weightage(%)
Auto	4.6
Balkrishna Industries	**1.8**
Mahindra & Mahindra (M&M)	2.8
BFSI	33.3
Axis Bank	4.2
Bajaj Finance	4.2
Bajaj Finserv	2.4
HDFC Bank	7.0
HDFC Limited	6.3
Manappuram Finance	**1.8**
State Bank of India	5.6
Reliance Nippon Life Asset Management	1.8
Power, Infrastructure & Cement	12.4
Larsen & Toubro	4.2
AIA Engineering	1.8
KSB Pumps	**1.8**
Ramco Cement	1.8
UltraTech Cement	2.8
FMCG/Consumer	20.5
Bata India	1.8
Dabur India	3.5
ITC	4.2
Kansai Nerolac	1.8
Marico	2.8
Nestle India	2.8
Pidilite Industries	1.8
Radico Khaitan	**1.8**

Source: ICICI Direct Research

Diversified portfolio (2/2)

Earlier

Name of the company	Weightage(%)
IT	10.2
Firstsource Solutions	1.8
Tech Mahindra Limited	**4.2**
Tata Consultancy Services	4.2
Metals	4.2
Hindustan Zinc	4.2
Pharma	5.9
Divis Laboratories	3.5
Syngene International	2.4
Oil and Gas	5.3
GAIL Ltd.	3.5
Mahanagar Gas	**1.8**
Logistics	1.8
Container Corporation of India	1.8
Real Estate	1.8
Brigade Enterprises	1.8
Total	100.0

Now

Name of the company	Weightage(%)
IT	10.2
Teamlease Services	**1.8**
Tech Mahindra Limited	**4.2**
Tata Consultancy Services	4.2
Metals	4.2
Hindustan Zinc	4.2
Pharma	5.9
Divis Laboratories	3.5
Syngene International	2.4
Oil and Gas	5.3
Petronet LNG	**3.5**
Mahanagar Gas	1.8
Logistics	1.8
Container Corporation of India	1.8
Real Estate	1.8
Brigade Enterprises	1.8
Total	100.0

Source: ICICI Direct Research

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

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

ANALYST CERTIFICATION

I/We, Pankaj Pandey 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.

A. Disclaimer in retail research report

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 Limited is a SEBI registered Research Analyst with 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 generally prohibits its analysts, persons reporting to analysts and their relatives 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, 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.

Disclaimer

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 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 are engaged in various financial service businesses, they might have financial interests or beneficial ownership 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.