

# JSW Steel

# BUY

Product mix improves; captive iron ore usage up

### Summary

JSW Steel (JSW) reported highest ever EBITDA (beat to our estimate) of Rs102 bn (+6.7x YoY) in Q1FY22. Improvement in product mix and increase in usage of captive iron ore led to EBITDA beat. JSW's domestic automotive sales increased by 5x YoY, while India's automotive production grew by 3x YoY in Q1FY22. Overall, its sales volumes were higher by 29% YoY to 3.6 mn tonnes but fell 11% QoQ as second wave of Covid-19 affected demand. JSW aims to increase its steel capacity to 30 mtpa by FY25 from 18 mtpa currently.

We raise our FY22/FY23 realization and EBITDA estimates given rise in steel prices over the past three months - we expect the prices to sustain. Our FY22/FY23 EBITDA is revised higher by 30%/20%. We value the stock at an EV/EBITDA multiple of 7x FY23 EBITDA as JSW's expansion plans provide strong volume growth visibility over FY21-FY25. We derive a target price of Rs853 (earlier Rs750) and recommend a BUY rating on the stock.

### Key Highlights and Investment Rationale

- Captive iron ore usage up:** During Q1FY22, JSW mined 9.8 mn tonnes of iron ore (self-sufficiency of 42% achieved). However, JSW's utilization declined 2% QoQ to 91% in Q1FY22 as it diverted its oxygen furnace towards medical purpose. Standalone realizations improved 19% QoQ driven by higher steel prices in export and domestic markets and also due to favorable product mix.
- Capex update:** Company spent Rs27 bn towards capex in Q1FY22 (planned capex of Rs182 bn in FY22). JSW will commence commercial production from its 5 mtpa Dolvi plant by September 2021. Also, it is increasing its Vijayanagar steel capacity by 5 mtpa to 12 mtpa by FY24 with a capex of Rs150 bn.
- Outlook:** In the near-term, we anticipate Indian companies to export higher proportion of steel if the domestic demand weakens. Moreover, we expect steel prices to remain firm in FY22 as China curbs its steel capacities in H2CY21. Over the coming five years, JSW Steel's volume growth is likely to remain strong alongside strong return ratios as these are low-cost brownfield expansions.

<b>TP</b>	<b>Rs853</b>	
<b>CMP</b>	<b>Rs717</b>	
Potential upside / downside	+19%	
<b>V/s Consensus</b>		
<b>EBITDA (Rs bn )</b>	<b>FY22E</b>	<b>FY23E</b>
IDBI Capital	365	297
Consensus	345	319
% difference	5.5	(6.9)

### Shareholding Pattern (%)

Promoters	44.1
FII	12.7
DII	7.1
Public	36.1

### Price Performance (%)

	<b>-1m</b>	<b>-3m</b>	<b>-12m</b>
Absolute	6.3	11.9	246.6
Rel to Sensex	5.5	1.8	206.7

<b>Key Stock Data</b>	
Bloomberg / Reuters	JSTL IN / JSTL.BO
Sector	Metal & Mining
Shares o/s (mn)	2,417
Market cap. (Rs mn)	1,734,114
Market cap. (US\$ mn)	23,305
3-m daily average value (Rs mn)	3,883.1
52-week high / low	Rs773 / 200
Sensex / Nifty	52,976 / 15,856

### Relative to Sensex (%)



### Financial snapshot

Year	FY19	FY20	FY21	FY22E	FY23E
Revenue	8,47,570	7,33,260	7,98,390	12,47,168	12,97,341
EBITDA	1,89,520	1,18,730	2,01,410	3,64,538	2,97,339
EBITDA (%)	22.4	16.2	25.2	29.2	22.9
Adj. PAT	72,720	36,970	76,848	2,05,110	1,47,990
EPS (Rs)	30.2	15.3	31.9	85.1	61.4
EPS Growth (%)	24.0	(49.2)	107.9	166.9	(27.8)
PE (x)	23.8	46.8	22.5	8.4	11.7
Dividend Yield (%)	0.5	0.7	0.9	1.0	1.1
EV/EBITDA (x)	11.2	18.7	10.5	5.7	7.0
RoE (%)	23.2	10.4	18.4	36.4	20.4
RoCE (%)	18.4	7.9	14.6	27.6	19.6

Source: Company; IDBI Capital Research

**Exhibit 1: Quarterly Snapshot (Consolidated)**

(Rs mn)

Financial snapshot	Q1FY22	Q4FY21	QoQ (%)	Q1FY21	YoY (%)
<b>Net Sales</b>	<b>2,89,020</b>	<b>2,69,340</b>	<b>7.3</b>	<b>1,17,820</b>	<b>145.3</b>
Total expenditure	1,86,280	1,84,940	0.7	1,04,410	78.4
<b>EBITDA</b>	<b>1,02,740</b>	<b>84,400</b>	<b>21.7</b>	<b>13,410</b>	<b>666.1</b>
<i>EBITDA margin (%)</i>	35.5	31.3	421bps	11.4	2417bps
Interest	9,930	10,050	(1.2)	10,160	(2.3)
Depreciation	11,830	12,530	(5.6)	10,470	13.0
PBT	82,960	63,430	30.8	(5,900)	NA
Tax	27,190	20,810	30.7	(610)	NA
<b>PAT</b>	<b>59,000</b>	<b>41,910</b>	<b>40.8</b>	<b>(5,820)</b>	<b>NA</b>
<b>Diluted EPS</b>	<b>24.4</b>	<b>17.7</b>	<b>38.0</b>	<b>(2.4)</b>	<b>NA</b>

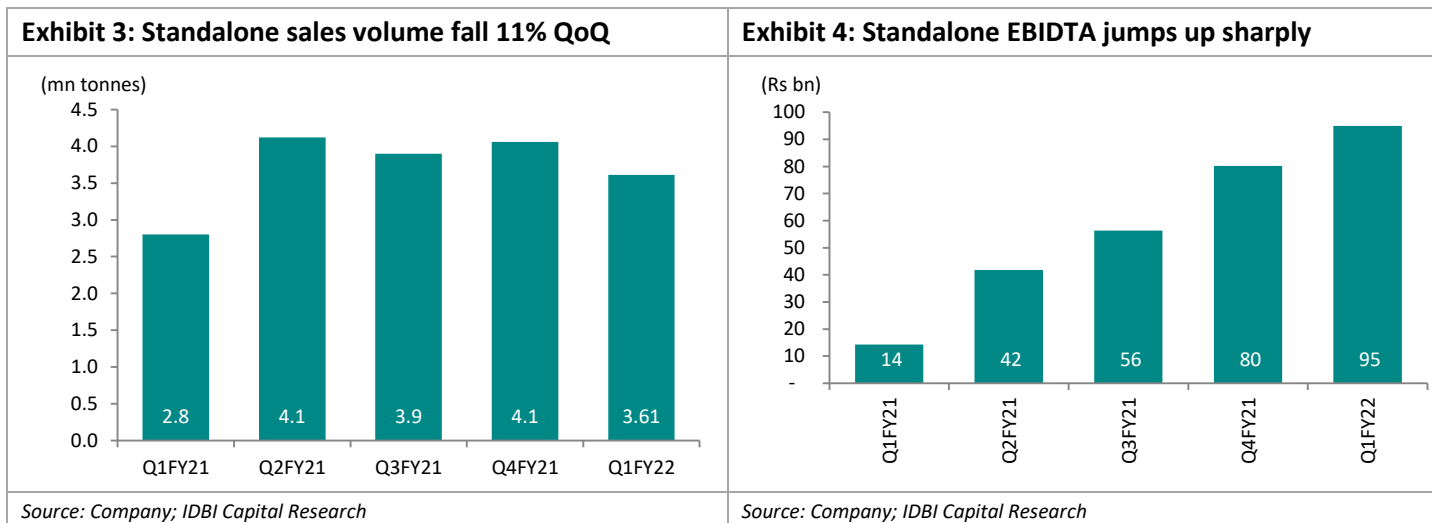
Source: Company; IDBI Capital Research

**Exhibit 2: Actual vs estimates**

(Rs mn)

	Q1FY22E	Q1FY22A	% Variance
Net sales	2,80,194	2,89,020	3.2
EBTIDA	78,499	1,02,740	30.9
<i>Margin (%)</i>	28.0	35.5	753bps
PAT	43,145	59,000	36.7
Dil. EPS	17.9	24.4	36.7

Source: Company; IDBI Capital Research



### Con-call highlights

- The 2nd Covid wave has affected demand in rural areas more than urban areas.
- In global market there is huge supply of steel for H1CY21 as per WSA steel production is 126 mn tonnes more than H1CY20 out of this 67 mn tonnes was from rest of world (excluding china) that means supply have picked up due to more demand for steel mainly caused by infrastructure spend. Despite huge supply of steel, the steel prices in USA went up by 73% in H1CY21 and in Europe it went up by 72% and China by 31%.
- The domestic steel price will stabilize post July'21
- The increase in cost of production was due to increase in prices of iron ore and coking coal prices. Iron ore price have been increased by 52% from 1st April-30th June by NMDC.
- The sales realization on blended basis have gone up by 19% QoQ in India and in US it went up by 30% on QoQ, Europe by 40% on QoQ. Therefore domestic steel prices are at discount of 15-20% compared to international steel prices or compared to landed cost of imports.
- The CDQ-2 (Coke Dry Quenching) project was commissioned in Q1FY22 and work pertaining to blast furnace and steel melt shop is expected to commence from Sept'21

- JSW Paints approached JSW Steel for equity investment and board has approved investment of approx. Rs7.5 bn in JSW Paints in 3-4 tranches between FY22-25
- Company is diversifying export market by developing alternate markets around European regions also company increase supply to Latin America, Mexico
- Q1FY22 export was 1.2 mn tonnes which accounted 35% of total sales volume with a growth of 16% QoQ.
- The PLI Scheme will encourage investment in India and create opportunity for expansion and can also substitute imports and leverage the base of Indian company for exports of specialty steel
- Company has plans to participate in auction of 10 mines at Odisha

**Exhibit 5: Change in estimates**

	FY22E			FY23E		
	Old	New	(%) Chg	Old	New	(%) Chg
Revenue (Rs mn)	11,42,103	12,47,168	9.2	12,50,581	12,97,341	3.7
EBITDA (Rs mn)	2,81,849	3,64,538	29.3	2,48,141	2,97,339	19.8
<i>EBITDA margin (%)</i>	<i>24.7</i>	<i>29.2</i>	<i>453bps</i>	<i>19.8</i>	<i>22.9</i>	<i>312bps</i>
Net profit (Rs mn)	1,43,094	2,05,110	43.3	1,11,091	1,47,990	33.2
EPS (Rs)	59.4	85.1	43.3	46.1	61.4	33.2

Source: Company; IDBI Capital Research

## Financial Summary

### Profit & Loss Account

(Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
<b>Net sales</b>	<b>7,33,260</b>	<b>7,98,390</b>	<b>12,47,168</b>	<b>12,97,341</b>
<i>Growth (%)</i>	<i>(13.5)</i>	<i>8.9</i>	<i>56.2</i>	<i>4.0</i>
Operating expenses	(6,14,530)	(5,96,980)	(8,82,631)	(10,00,002)
<b>EBITDA</b>	<b>1,18,730</b>	<b>2,01,410</b>	<b>3,64,538</b>	<b>2,97,339</b>
<i>Growth (%)</i>	<i>-37.4</i>	<i>69.6</i>	<i>81.0</i>	<i>-18.4</i>
Depreciation	(42,460)	(46,790)	(50,533)	(54,576)
<b>EBIT</b>	<b>76,270</b>	<b>1,54,620</b>	<b>3,14,004</b>	<b>2,42,763</b>
Interest paid	(42,650)	(39,570)	(43,923)	(48,754)
Other income	5,460	5,920	6,394	6,905
<b>Pre-tax profit</b>	<b>38,180</b>	<b>1,20,980</b>	<b>2,76,475</b>	<b>2,00,914</b>
Tax	9,060	(41,420)	(69,119)	(50,229)
<i>Effective tax rate (%)</i>	<i>(23.7)</i>	<i>34.2</i>	<i>25.0</i>	<i>25.0</i>
Minority Interest	(3,120)	(1,872)	(2,246)	(2,696)
<b>Net profit</b>	<b>44,120</b>	<b>77,688</b>	<b>2,05,110</b>	<b>1,47,990</b>
Exceptional items	7,150	840	-	-
<b>Adjusted net profit</b>	<b>36,970</b>	<b>76,848</b>	<b>2,05,110</b>	<b>1,47,990</b>
<i>Growth (%)</i>	<i>(49.2)</i>	<i>107.9</i>	<i>166.9</i>	<i>(27.8)</i>
<i>Shares o/s (mn nos)</i>	<i>2,410</i>	<i>2,410</i>	<i>2,410</i>	<i>2,410</i>

### Cash Flow Statement

(Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
Pre-tax profit	38,180	1,20,980	2,76,475	2,00,914
Depreciation	(42,460)	(46,790)	(50,533)	(54,576)
Tax paid	(13,110)	(23,100)	(69,119)	(50,229)
Chg in working capital	37,270	1,37,470	(6,737)	11,342
Other operating activities	(8,970)	40,134	(693)	(479)
<b>Cash flow from operations (a)</b>	<b>87,810</b>	<b>3,22,274</b>	<b>2,50,460</b>	<b>2,16,124</b>
Capital expenditure	(1,80,960)	(1,27,180)	(1,90,000)	(1,90,000)
Chg in investments	6,350	(75,730)	-	-
Other investing activities	-	-	-	-
<b>Cash flow from investing (b)</b>	<b>(1,74,610)</b>	<b>(2,02,910)</b>	<b>(1,90,000)</b>	<b>(1,90,000)</b>
Equity raised/(repaid)	-	-	-	-
Debt raised/(repaid)	1,61,280	(93,240)	(50,000)	(70,000)
Dividend (incl. tax)	(11,950)	(15,712)	(16,920)	(19,338)
Chg in minorities	(4,370)	(2,312)	(4,493)	(5,391)
Other financing activities	-	-	-	-
<b>Cash flow from financing (c)</b>	<b>1,44,960</b>	<b>(1,11,264)</b>	<b>(71,413)</b>	<b>(94,729)</b>
<b>Net chg in cash (a+b+c)</b>	<b>58,160</b>	<b>8,100</b>	<b>(10,954)</b>	<b>(68,605)</b>

**Balance Sheet**

(Rs mn)

Year-end: March	FY20	FY21	FY22E	FY23E
Net fixed assets	8,91,850	9,72,240	11,11,707	12,47,131
Investments	12,590	88,320	88,320	88,320
Other non-curr assets	48,090	64,160	64,160	64,160
<b>Current assets</b>	<b>3,65,670</b>	<b>3,58,440</b>	<b>4,55,736</b>	<b>4,02,079</b>
Inventories	1,38,640	1,42,490	2,22,584	2,31,539
Sundry Debtors	45,050	44,860	70,076	72,895
Cash and Bank	1,20,030	1,28,130	1,17,176	48,572
Marketable Securities	-	-	-	-
Loans and advances	7,420	6,220	6,220	6,220
<b>Total assets</b>	<b>13,18,200</b>	<b>14,83,160</b>	<b>17,19,923</b>	<b>18,01,690</b>
<b>Shareholders' funds</b>	<b>3,65,990</b>	<b>4,67,630</b>	<b>6,58,066</b>	<b>7,89,414</b>
Share capital	3,010	3,010	3,010	3,010
Reserves & surplus	3,62,980	4,64,620	6,55,056	7,86,404
<b>Total Debt</b>	<b>6,10,540</b>	<b>5,17,300</b>	<b>4,67,300</b>	<b>3,97,300</b>
Secured loans	2,33,170	4,97,310	4,47,310	3,77,310
Unsecured loans	3,77,370	19,990	19,990	19,990
Other liabilities	74,350	91,420	91,420	91,420
<b>Curr Liab &amp; prov</b>	<b>2,73,070</b>	<b>4,13,000</b>	<b>5,11,573</b>	<b>5,34,688</b>
Current liabilities	2,71,460	4,10,260	5,08,833	5,31,948
Provisions	1,610	2,740	2,740	2,740
<b>Total liabilities</b>	<b>9,57,960</b>	<b>10,21,720</b>	<b>10,70,293</b>	<b>10,23,408</b>
<b>Total equity &amp; liab.</b>	<b>13,18,200</b>	<b>14,83,160</b>	<b>17,19,923</b>	<b>18,01,690</b>
<b>Book Value (Rs)</b>	<b>152</b>	<b>194</b>	<b>273</b>	<b>328</b>

Source: Company; IDBI Capital Research

**Financial Ratios**

Year-end: March	FY20	FY21	FY22E	FY23E
Adj. EPS (Rs)	15.3	31.9	85.1	61.4
Adj. EPS growth (%)	-49.2	107.9	166.9	-27.8
EBITDA margin (%)	16.2	25.2	29.2	22.9
Pre-tax margin (%)	5.2	15.2	22.2	15.5
ROE (%)	10.4	18.4	36.4	20.4
ROCE (%)	7.9	14.6	27.6	19.6
<b>Turnover &amp; Leverage ratios (x)</b>				
Asset turnover (x)	0.6	0.6	0.8	0.7
Leverage factor (x)	3.5	3.4	2.8	2.4
Net margin (%)	5.0	9.6	16.4	11.4
Net Debt/Equity (x)	1.3	0.8	0.5	0.4
<b>Working Capital &amp; Liquidity ratio</b>				
Inventory days	69	65	65	65
Receivable days	22	21	21	21
Payable days	59	93	98	90

**Valuation**

Year-end: March	FY20	FY21	FY22E	FY23E
P/E (x)	46.8	22.5	8.4	11.7
Price / Book value (x)	4.7	3.7	2.6	2.2
PCE (x)	21.8	14.0	6.8	8.5
EV / Net sales (x)	3.0	2.7	1.7	1.6
EV / EBITDA (x)	18.7	10.5	5.7	7.0
Dividend Yield (%)	0.7	0.9	1.0	1.1



# 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

We, Bhavesh Chauhan and Mansi Korlekar, hereby certify that the views expressed in this report accurately reflect our personal views about the subject companies and / or securities. We also certify that no part of our compensation were, are or would be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, we 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.(hereinafter 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% of 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).