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Issue Details

Issue Details	
Issue Size (Value in Rs. million, Upper Band)	7,550
Fresh Issue (No. of Shares in Lakhs)	137
Offer for Sale (No. of Shares in Lakhs)	90
Bid/Issue opens on	14-Sep-22
Bid/Issue closes on	16-Sep-22
Face Value	Rs.10
Price Band	314-330
Minimum Lot	45

Objects of the Issue**Fresh Issue: Rs.4,554 Million (Upper Band)**

- Prepayment or repayment of outstanding liabilities.
- Funding capital expenditure towards purchase of machinery.
- Repairs and renovation of existing production facilities.

Offer for Sale: Rs.3,000 Million

- The company will not receive any proceeds from the Offer for Sale.

Book Running Lead Managers

Axis Capital Limited

Equirus Capital Private Limited

JM Financial Limited

Registrar to the Offer

Link Intime India Private Limited

Capital Structure (Million)	Aggregate Value
Authorised share Capital	1000.00
Subscribed paid up Capital (Pre-Offer)	772.48
Paid up capital (Post - Offer)	910.44

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	99.7%	74.6%
Public	0.3%	25.4%
Total	100%	100%

Financials

Particulars (Rs. In Mn)	FY22	FY21	FY20
Revenue	13,214.8	8,737.5	8,858.5
Operating expenses	11,524.7	7,519.1	7,998.7
EBITDA	1,690.2	1,218.4	859.8
Other Income	175.2	29.8	136.5
EBIDT	1,865.3	1,248.2	996.3
Interest	245.6	299.9	328.0
Depreciation	353.6	341.1	352.4
PBT	1,266.2	607.2	315.9
Tax	346.8	152.8	96.8
Consolidated PAT	919.4	454.4	219.1
Minority/other adj.	-	-	-
Consolidated PAT	919.4	454.4	219.1
EPS	11.9	5.9	3.5
Ratios	FY21	FY20	
EBITDAM	12.8%	13.9%	9.7%
PATM	7.0%	5.2%	2.5%
Sales growth	51.2%	-1.4%	-

Company Description

Harsha Engineering International Limited ("HEIL") is the largest manufacturer of precision bearing cages, in terms of revenue, in organised sector in India, and amongst the leading manufacturers of precision bearing cages in the world. HEIL offers diversified suite of precision engineering products across geographies and end-user industries.

HEIL has approximately 50-60% of the market share in the organised segment of the Indian bearing cages market and 6.5% of the market share in the global organised bearing cages market for brass, steel and polyamide cages in CY 2021. They offer a wide range of bearing cages starting from 20 mm to 2,000 mm in diameter and their bearing cages find its application in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors etc.

HEIL is a technology driven company with a strong focus on quality, design and tool development, which has allowed them to develop products suited to their customers' requirements. They have the expertise to design and develop advance tooling in-house which enables them to manufacture precision bearing cages and complex and specialized precision stamped components. Bearing cages are critical parts of a bearings and it requires high precision technology to manufacture them. As of March 31, 2022, they have been able to manufacture more than 7,205 bearing cages and more than 295 other products for customers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors, allowing them to meet changing customer requirements. In addition, over the past 3 years their product development and innovation center has developed more than 1,200 products in different bearing types.

HEIL has 4 strategically located manufacturing facilities for their engineering business with one of their principal manufacturing facilities at Changodar and one at Moraiya, near Ahmedabad in Gujarat in India, and one manufacturing unit each at Changshu, China and Ghimbav Brasov in Romania. These 4 strategically located manufacturing facilities spread across 3 countries in India, China, and Romania. As on March 31, 2022, their aggregate installed capacity across these manufacturing facilities was 4,596 MTPA for castings and 1,097.87 million pieces p.a. for bearing cages.

Valuation

Harsha Engineers International Ltd is operating in a niche and fragmented bearing cages market which requires high degree of precision with an impressive domestic market share of 50-60% and 6.5% global market share, accompanied by its ability to provide customized and innovative solutions to global bearing players.

With over 35 years of operating history in the precision bearing cages market, brightening outlook of global automobile sector, high degree of focus on manufacturing complex and specialized precision stamped components, robust revenue & profit growth of 22% and 105% in the last three years we believe that HEIL is well-placed to capture growth recovery in the auto/auto ancillary sector.

At the upper end of the IPO price band HEIL is valued at 32.7x its post issue FY22 EPS of Rs.10.1, considering its dominant market share (50-60% in Indian bearing market), Healthy ROE & ROCE as of 17.6% & 27% respectively and strong clientele with long standing relationships We recommend 'SUBSCRIBE' rating to this IPO.

Business Overview of Harsha Engineering International Limited (HEIL)

Since its inception in 1986, HEIL is the largest manufacturer of precision bearing cages in organised sector in India in terms of capacity and operations and amongst the leading manufacturers of precision bearing cages in the world with a market share of 6.5% globally in the organised segment of the global brass, steel, polyamide bearing cages in terms of revenue in FY21. It is also a comprehensive solution provider offering diversified suite of precision engineering products across geographies and end users.

HEIL is a technology driven company with a strong focus on quality, design and tool development, which has allowed them to develop products suited to their customers' requirements. They have the expertise to design and develop advance tooling in-house which enables them to manufacture precision bearing cages and complex and specialised precision stamped components. Bearing cages are critical parts of a bearings and it requires high precision technology to manufacture them. HEIL, which housed a team of 253 qualified engineers (including solar EPC business) as of March 31, 2022, along with their decades of experience in bearing cages engineering, enable them to develop specialized products and solutions. Their ability to develop products suited to their customers' requirements has fostered strong and long-term customer relationship which in turn has helped them gain higher margins for their products and better navigate competition. Further, they have been successful in diversifying their product portfolio and improve their current processes in different types of bearing cages mainly due to their design, development and technological capabilities. As of March 31, 2022, they have been able to manufacture more than 7,205 bearing cages and more than 295 other products for customers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors, allowing them to meet changing customer requirements. In addition, over the past 3 years their product development and innovation center has developed more than 1,200 products in different bearing types.

HEIL has approximately 50-60% of the market share in the organised segment of the Indian bearing cages market and 6.5% of the market share in the global organised bearing cages market for brass, steel and polyamide cages in CY 2021. They offer a wide range of bearing cages starting from 20 mm to 2,000 mm in diameter and their bearing cages find its application in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors etc.

Bearing cage is an important component within a bearing and requires the highest lead time for development and technical and tooling expertise for its manufacture when compared to other components of a bearing. Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing for manufacturing of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers including them. HEIL has established strong customer relationship with leading global bearing manufacturers in the automotive, railways, renewable energy, and other industrial sectors. Additionally, they have been involved by their key customer groups in their product development process from the design stage and accordingly, they have been able to ensure repeat orders from their customers. Each of their Top-5 customer groups (excluding customers' contributing to revenue from scrap sales) have been their customers for over a decade. Their long-term relationship with customers is indicative of their quality consciousness, cost efficiency and design, tooling and technological capabilities.

Company's business comprises:-

- **Engineering business**, under which HEIL manufactures bearing cages (in brass, steel and polyamide materials), complex and specialised precision stamped components, welded assemblies and brass castings and cages & bronze bushings.
- **Solar EPC business**, under which HEIL provides complete comprehensive turnkey solutions to all solar photovoltaic requirements.

Global Delivery Service Model:

HEIL supplies its products to leading bearing manufacturers across the world, who in turn sell the final bearing to their automotive, railways, renewable energy and industrial customers across the world. HEIL has a three-pronged global delivery model wherein, customers are serviced from the production facilities in India, however, if there is sufficient lead time, HEIL'S customers in Europe and China are consequently serviced from the production facilities in Romania and China, respectively.

Additionally, as majority of the customers follow a just-in-time inventory structure and to meet such delivery requirements and reduce the risk of stock outage. HEIL maintains strategic warehouses for standard items with minimum inventory levels. As of March 31, 2022, the warehouses are strategically located at 20 locations across the world, which offers a strong combination of cost optimization while meeting delivery requirements of different customers and products.

HEIL uses different third-party logistic service providers for their supply chain along with operational flexibility to choose the most efficient mode of transportation. They also have sector specific transport service provider for fast delivery for their domestic customers. The primary modes of transportation used for their exports are sea and air transport. HEIL has entered into common warehousing arrangements to stock inventory across their warehouses. These warehouses are spread across more than 20 locations across the world including in, Europe, US, China and South America, to meet their customer's on time delivery requirements. Their consignments can be tracked on online portal with authorized accessibilities to their customers along with post-shipment documents.

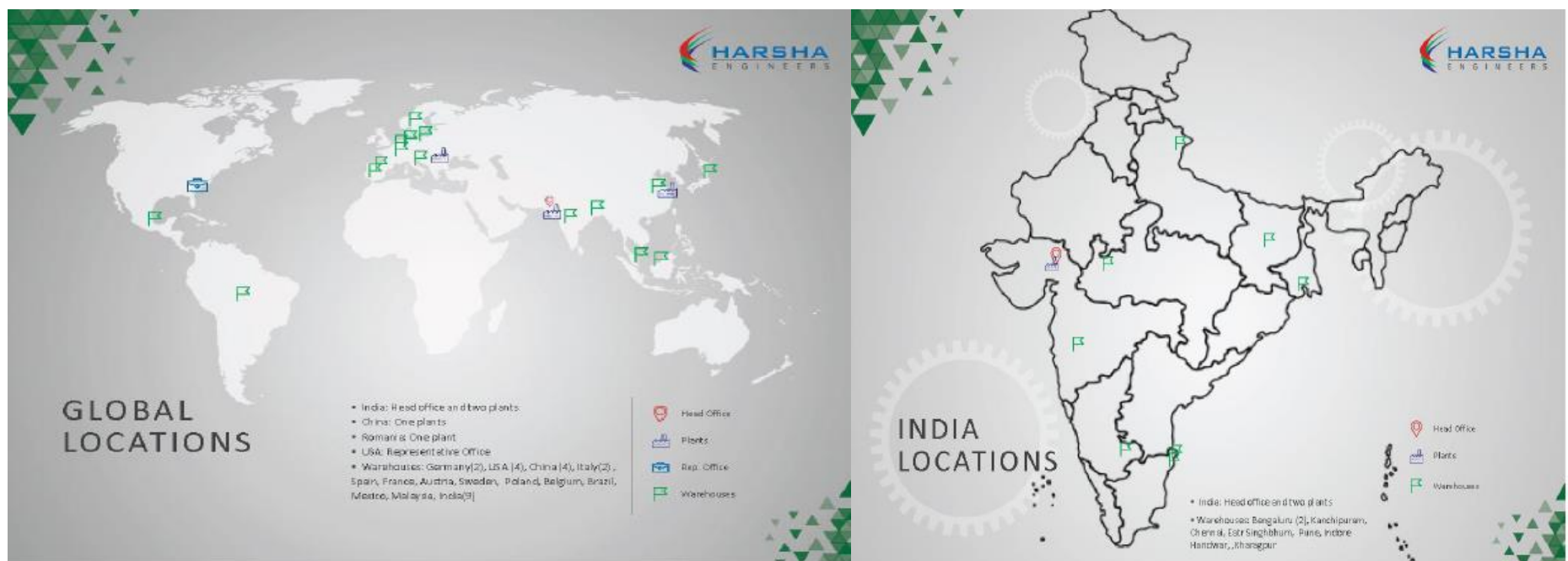
Key Business Segments & Geographical Presence:

Segments	FY22	% of Revenues	FY21	% of Revenues	FY20	% of Revenues
Engineering & Others	12385.4	94%	8195.6	94%	8216.6	93%
Solar-EPC and O&M	829.5	6%	541.9	6%	641.9	7%
Total	13214.9	100%	8737.5	100%	8858.5	100%

Region-wise Presence:

Region	FY22		FY21		FY20	
	Revenue from EPC segment	% Contribution of total revenues	Revenue from EPC segment	% Contribution of total revenues	Revenue from EPC segment	% Contribution of total revenues
Europe	5006.34	40%	3425.82	42%	3411.58	42%
India	4019.01	32%	2350.7	29%	2585.22	31%
China	1726.39	14%	1318.58	16%	1148.47	14%
America	823.37	7%	622.01	8%	641.36	8%
Others	810.24	7%	478.51	6%	429.96	5%
Total	12385.35	100%	8195.62	100%	8216.59	100%

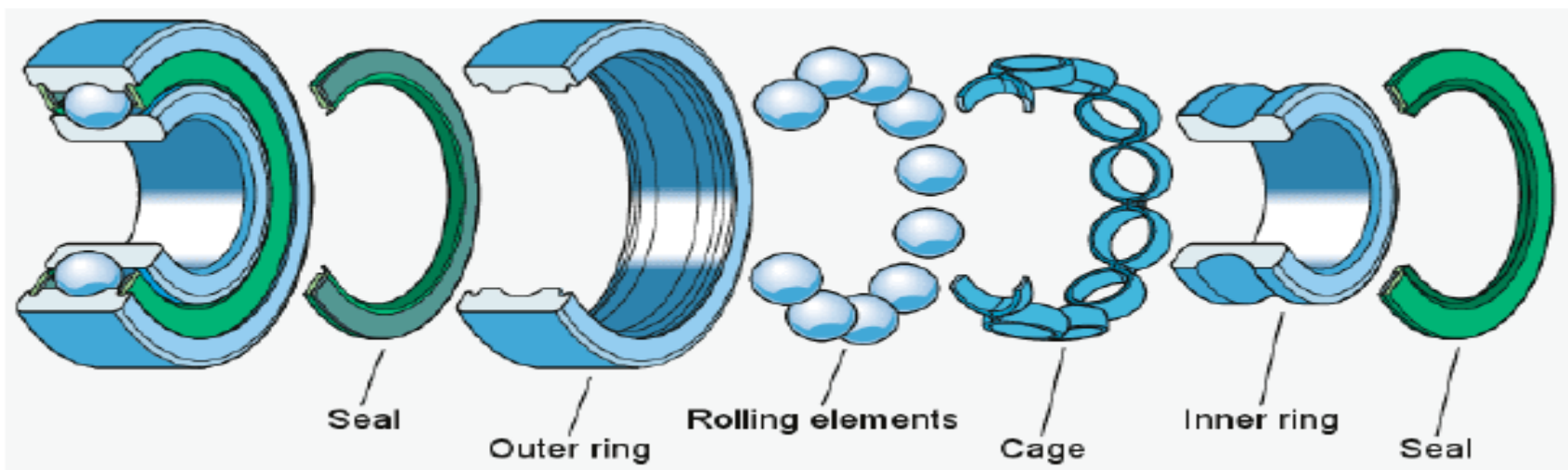
Strategically located in India & Global Markets



Source: RHP

Key Products & Applications:

HEIL manufactures **bearing cages, semi-finished brass castings, specialty stamping components and bronze castings and bushings.**

**Bearing Cages**

Source: RHP

The bearing cage category comprises of roller cages and ball bearing cages. The cages offer high rigidity, strength and high heat resistant operating conditions. Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing manufacture of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers. HEIL manufactures precision bearing cages that forms one of the 5 components of a bearing; other such components being, the inner ring, outer ring and rolling elements like rollers or balls and cages.

Bearing cages are primarily utilized to:

- Separate the rolling elements, reducing the frictional heat generated in the bearing;
- Keep the rolling elements evenly spaced, optimizing load distribution on the bearing;
- Guide the rolling elements in the unloaded zone of the bearing; and
- Retain the rolling elements of separable bearings when one bearing ring is removed during mounting or dismounting.

HEIL caters to the bespoke needs of their customers, by customizing the type of base material, as well as the design to be applied for the bearing cages. Such customization is generally dependent upon the operating conditions under which the bearings will be generally utilized by their customers. While bearing cages can be manufactured using various materials, HEIL primarily manufactures bearing cages out of brass, steel and polyamide, which represent the most common types of base materials used in the bearing cages market. Their dedicated product development and innovation centre and tool production facilities is at Changodar Plant. Over the past 5 years, the product development and innovation centre has developed more than **7,500** types of products for different bearing cage and stamping divisions.

Steel cages

HEIL offers various grades of steel cages as per the requirements of their customers. Owing to the lightweight nature, friction less wear and high strength, such steel cages are widely in demand. The size of the steel cages ranges upto 1,000 mm and HEIL manufactures more than 3,700 types of steel cages. Steel bearing cages can be used at operating temperatures of up to 300 °C (570 °F).

Brass Cages

HEIL produces more than 3500 types of brass cages. The size of the brass cages ranges upto 2000 mm and foundry castings upto 2000 mm. Brass cages are generally manufactured from semi-finished brass castings which may be cast in-house and then machined into bearing cages or stamped from brass strips or turned out of brass tubes. Brass bearing cages can be used at temperatures of up to 250 °C (480 °F).

Polyamide Cages

HEIL offers injection moulded polyamide cages. The features of such cages include being corrosion resistant and light in weight owing to presence of high polymers materials. HEIL manufactures more than 80 types of polyamide cages with size ranging upto 300 mm including thrust ball bearings, cylindrical roller thrust bearings, linear ball bearings, water pump bearings and other special types of bearings.

Bearing cages are made in different designs depending on their operating conditions.

- **Cylindrical roller bearing cages** - Designed for radial load carrying capability, which demand high stiffness and high accuracy. Primarily used in industrial machines, pumps, compressors, OEMs and traction motors for railways.
- **Spherical Roller Bearing Cages** - Designed for carrying radial load and combined load applications which allows tolerance for misalignment in operation. Primarily used in crushers, railways, steel mills, thermal turbines and windmills.
- **Deep Groove Bearing Cages** - Designed for high speed and high running accuracy with low friction and noiseless operation. Primarily used in agricultural machines, automotive parts, chemical machinery, utilities and white appliances.
- **Angular Contact Ball Bearing Cages** - Designed for carrying axial and combined loads with high running accuracy. Primarily used in agricultural machines, chemical machinery, and general industries and utilities.
- **Thrust Roller Cages** - Designed for carrying axial loads which demand high running accuracy and bearing arrangements. Primarily used in blowout preventers, extruders, gearboxes, offshore drilling and oil rigs.
- **Taper Roller Cages** - Designed for combined axial and radial load applications with demand high accuracy. Primarily used in engine applications.

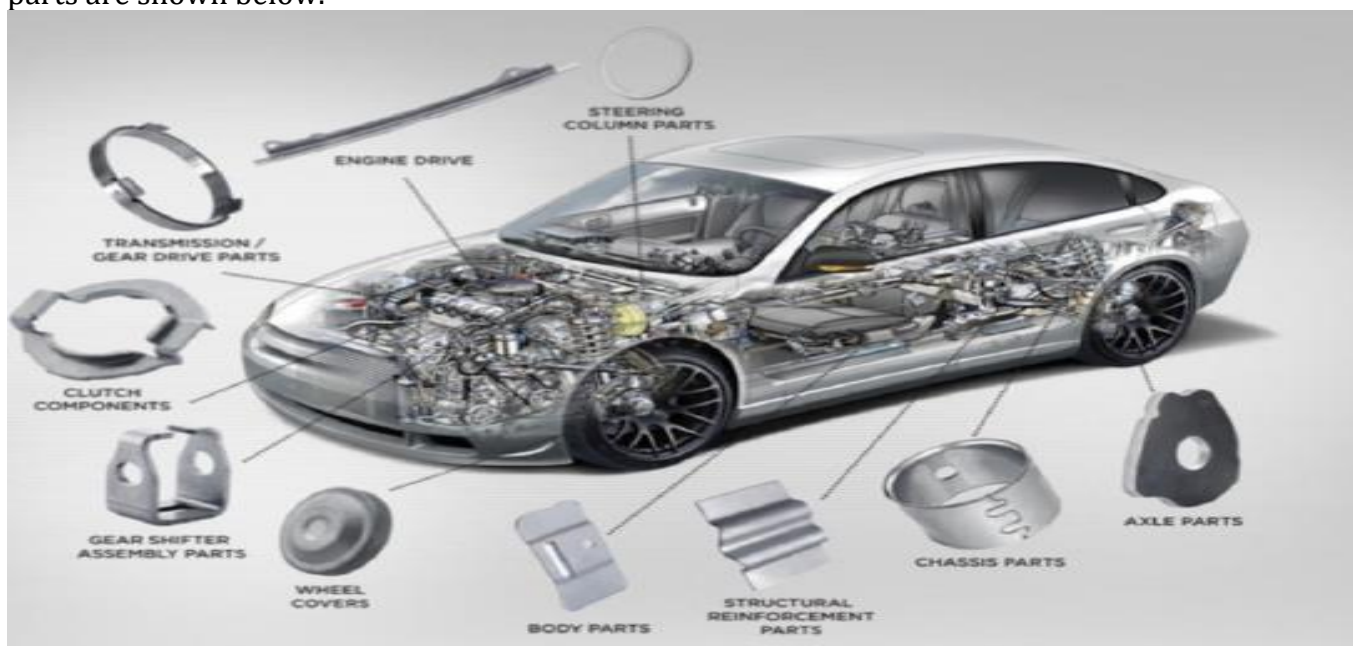
Bronze Bushes for sliding bearing

HEIL has diversified in producing bronze bushes for sliding bearing. These bushes are predominantly used in the gear boxes for Wind turning in Planetary Axels. Within bronze HEIL is developing competences for multiple bronze alloys namely Aluminium and Tin Bronze. These Bushes require high precision machining and assurance of all mechanical, chemical, dimensional and cleanliness properties because of the criticality of application. HEIL manufactures semi-finished brass castings for their customers who, in turn carry out processes for converting such semi-finished brass castings into a bearing cage. Majority of such semi-finished brass castings are manufactured by their Step-down Subsidiary in Romania.

Specialty Components

HEIL plans on capitalizing on the existing niche low volume high value products in the stamping and special component segment and continue to gradually scale up its business over next 3 to 5 years. They plan to continue manufacturing specialized parts/components and supplying to auto component assembly manufacturers. Currently, they provide comprehensive metal stamping solutions ranging from simple to complex designs and geometries. Precision stamping components generally have the following applications.

- **Automotive applications:** HEIL offers their customers high quality precision parts for 2-wheeler and 4-wheeler application as well as complete assembled modular units. They also manufacture steering, column parts, engine drive, transmission/gear drive parts, clutch components, gear shifters assembly parts, wheel covers, structural reinforcements, chassis parts and axle parts. Some of the parts are shown below.



Source: RHP

Industrial applications – HEIL is a metal insert supplier for different metal and sealing applications that are primarily used as dust covers, bearing covers, slingers, flingers and seal inserts; One specific example is metal inset used in railway bearing seal application.

Electrical and appliance applications – HEIL offers high quality stamping products for electrical and appliance industry. One specific example is AC compressor Head and base cover welded assembly supplied to leading appliance compressor manufacturer. Further, they have the capability electrical switch gear, demonstrating a unique ability to streamline the production of even the smallest, most complex electronic stampings, while ensuring complete accuracy and cost efficiency.

Manufacturing Facilities & Capacity Utilization:

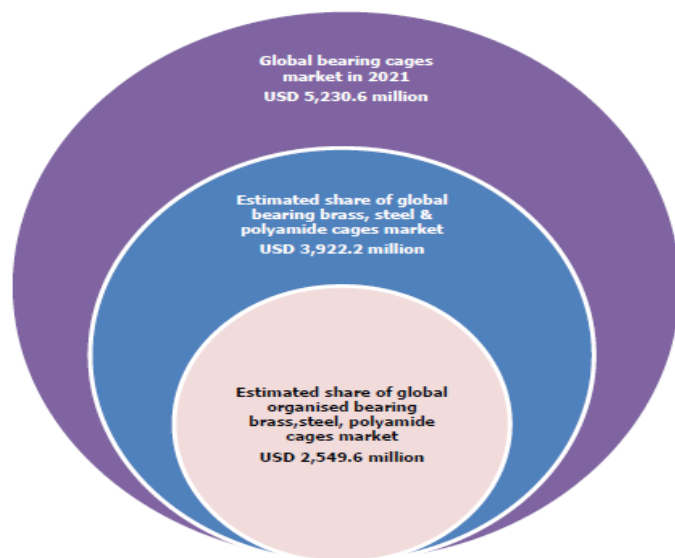
HEIL has a total of four production units for their engineering business. Their production units in India have availability for water and electricity by way of connections with local municipal facilities. Additionally, in order to maintain steady flow of electrical power and to protect against power surges, their production facilities are equipped with stand-by electricity facilities in form of external generators. Their production units in Changodar and Moraiya are equipped with roof top solar plant in addition to a separate windmill and ground mounted solar.

The manufacturing units at Changodar and Moraiya, have received various certifications such as ISO 9001:2015, ISO 14001:2015 from the International Organization for Standardization and IATF 16949 from International Automotive Task Force, their manufacturing unit at Romania has received the ISO 9001:2015, ISO 14001:2015 and ISO 45000: 2018 from the International Organization for Standardization and the manufacturing unit at China has received the ISO 9001:2015 from the International Organization for Standardization and IATF 16949 from the International Automotive Task Force.

The capacity utilization as of FY22 in Bearing Cages and Casting business stood at 61.74%, 63.35% respectively which is higher than the previous two years i.e, FY21 & FY20 where capacity utilization rates stood at 50.41% and 44% in Bearing Cages respectively and 51.99% and 54.41% in Castings respectively.

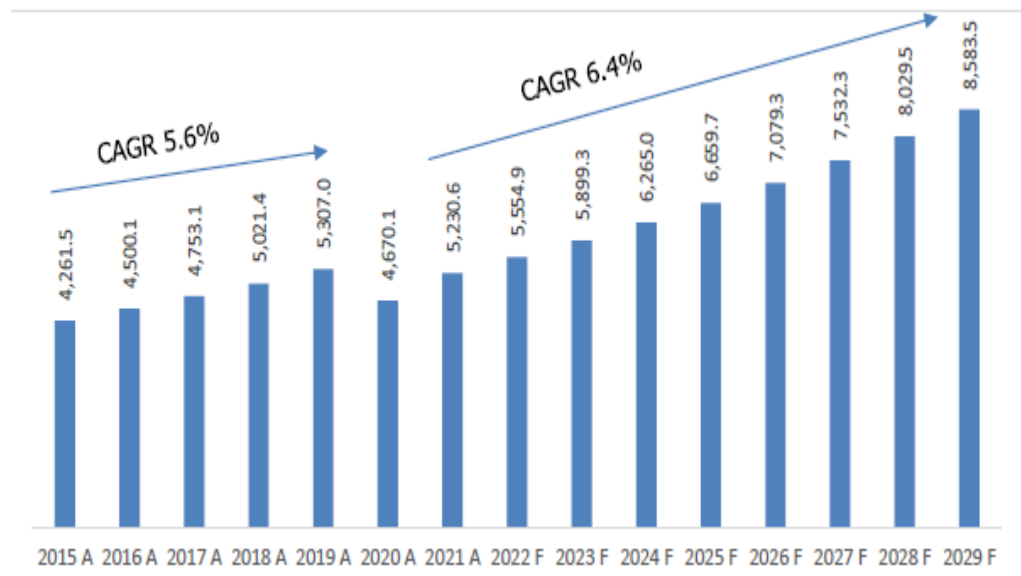
Industry Overview:

Global Bearing Cages Market



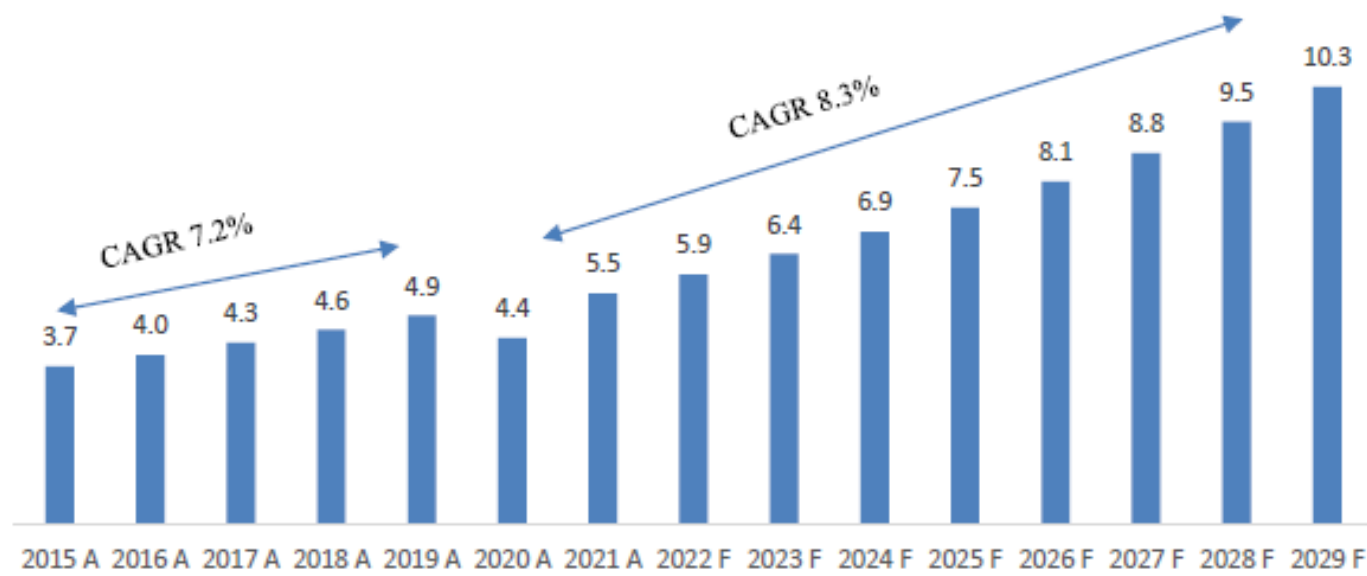
Source: RHP

Global Bearings Market



The global bearing cages is estimated at about 5% of the global bearings market. The global bearing cages market was valued at USD 4,261.5 million grew at a CAGR of 5.6% between 2015 and 2019. The pandemic situation and geopolitical tensions led to contraction in demand for bearing cages and manufacturers faced supply chain constraints owing to restrictions. This led to contraction in global bearing cages market. However, there was a rebound in 2021 and growth was driven by the usage of bearings in several applications such as mining, automotive, heavy machinery, infrastructure development, power generation and construction. The bearing cages market is expected to grow at a CAGR of 6% to 8% over the period 2021 to 2029 and is estimated to be valued at USD 8,583.5 million in the year 2029.

Bearing cages is estimated as 5% of bearings market; The share of brass, steel and polyamide cages is estimated at 75%; The share of organized bearing cages market is estimated at 65%.

Size of Indian Bearings market:

Source: RHP

In terms of revenue, bearings market in India accounted for a share of about 5.2% in the global bearings market in 2021. Meanwhile, within Asia Pacific region, the revenues for bearings market in India accounted for a share of about 12.5% of the Asia Pacific region's revenues. The Indian bearings market grew at a CAGR of 7.2% from 2015 to 2019. Despite Covid-19 long term growth prospects for Indian bearing markets remain intact, the market is expected to grow at a CAGR of 8.3% during 2021 to 2029 and is estimated to be valued at USD 10.3 billion in 2029.

It is estimated that more than 50% of the consumption of bearings in the country is met through domestic production. Meanwhile, less than 40% of the demand is met through imports and it has been declining due to increasing localization by multinational players operating in the domestic bearing industry. It is likely that bearing players will make further investments to enhance product localization which will lead to decline in imports and in turn encourage domestic production.

Key Competitive Strengths:**Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries:**

HEIL manufactures bearing cages (including cylindrical roller cages, spherical roller cages, deep groove cages, angular contact cages, thrust roller cages and taper roller cages), complex and specialized precision stamped components, welded assemblies and brass castings and bushings. Since their incorporation, they have manufactured more than 7,500 types of products in the automotive and industrial segments. They manufacture bearing cages in brass, steel and polyamide which represents 6.5% of the global organized outsourced bearing (brass, steel & polyamide) cages market in CY 2021. They have recently expanded their product portfolio to introduce sand-casting; value-added stamping components, bronze bushings etc. to cater to more end user industries such as wind, mining and shipping sectors. Their products find application across automotive, aviation and aerospace, construction, mining, agriculture, electricals and electronics, renewables sectors.

Long standing relationships with leading clientele:

HEIL has established strong relationship with their customers who are leading global bearing manufacturers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors. The bearing cages market globally is concentrated among a few global bearing manufacturers with Top-6 global bearing manufacturers contributing to 54% of the market share in Fiscal 2022. As of March 31, 2022, HEIL supply to each of the Top-6 global bearing manufacturers. Their Top-10 customers contributed to 44.70%, 48.24%, and 47.79% of their total revenue from operations for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. The average age of their relationship with their Top-5 customer groups spans more than a decade.

Strategically located domestic and international production facilities and warehouses:

The company's presence in the present locations helps them overcome significant entry barriers in comparison with their competitors, allowing them to penetrate these markets more efficiently and becoming a local supplier to leading key global bearing players. Their presence in these strategic locations help them penetrate global markets more efficiently and, in a cost effective, manner. It also gives them the ability to cater to the needs of their customers from multiple locations, at times designing products at one location while manufacturing them at another. Their dual-shore capabilities, which is their ability to carry out design, engineering and manufacturing of products at different locations allow them to service customer requirements from alternate locations, giving the customer the benefit of regular supply and cost-competitive manufacturing operations. Additionally, they have entered arrangements to stock inventory in warehouses over 20 locations across the world. Their multinational presence has also allowed them to diversify their revenue geographically and enhanced their reputation which results in higher orders from India.

Expertise in Tooling, design development and automation:

HEIL has full-service capabilities across the product cycle including product design and development, material sourcing, designing and manufacture of complex tooling components, testing and measurement infrastructure, all under one roof for meeting the requirement of their global customers. They employ machining as well as stamping processes in their manufacturing process. HEIL currently manufactures a wide range of precision automotive and industrial components with size upto 2,000 mm in diameter. They have comprehensive tooling, testing and measurement infrastructure and independent tool designing capabilities at both their units in India as well as their production unit in Romania that has allowed them to successfully diversify their products portfolio and improve their current processes in different type of bearing cages.

Consistent track record of growth and financial performance:

Company's focus on operational and functional excellence has contributed to their track record of healthy financial performance. Their strong financial performance reflects the efficacy of the manufacturing and supply-chain management protocols that they have implemented while their steady operating cash flows enable them to meet the present and future needs of their customers and develop new value-added products.

Strong, experienced and dedicated senior management team and qualified workforce:

HEIL's senior management team comprising of their promoters are qualified engineers and have extensive experience and knowhow in engineering sector, including, business development, operations, administration, marketing and human resource management. They leverage the understanding and the experience of their senior management in successfully managing their operations and growth. They also benefit significantly from the qualified and experienced second-generation management team. The management team includes a strong and experienced team of cross functional professionals across senior and mid-level management. In addition, they have a dedicated team of engineers along with other skilled and technically qualified workforce.

Key Business Strategies going forward:

- Enhance market leadership in bearing cages and expanding the customer base.
- Retain and strengthen the technological leadership through continued focus on development and automation.
- Growing the stamping and specialized component segment.
- Focus on increasing operational efficiencies to improve returns.
- Increased focus on developing products suited to capture market opportunity in the growing electric vehicle segment.
- Focus on growth by opportunistic inorganic acquisitions and partnerships with customers.

Key Risks:

- As of FY22 HEIL derived >70% of its revenues from top five customers discontinuation of even one customer could impact its revenue.
- HEIL exports >50% to Europe and China any slowdown in Automobile sector in these countries could impact the company's revenue significantly.
- Risk of foreign currency fluctuation as derives >60% revenue from exports.
- As of FY22 HEIL had unsecured loans amounting to Rs.735.36 Mn, which constituted 19.11% of its total borrowings.

Valuation:

Harsha Engineers International Ltd is operating in a niche and fragmented bearing cages market which requires high degree of precision with an impressive domestic market share of 50-60% and 6.5% global market share, accompanied by its ability to provide customized and innovative solutions to global bearing players.

With over 35 years of operating history in the precision bearing cages market, brightening outlook of global automobile sector, high degree of focus on manufacturing complex and specialized precision stamped components, robust revenue & profit growth of 22% and 105% in the last three years we believe that HEIL is well-placed to capture growth recovery in the auto/auto ancillary sector.

Peer Comparison:

Name of the company	Total Income for the year end March 2022 (₹ in million)	Face value (₹ per share)	PE	EPS for Fiscal Year 22		NAV (Rs per share)	Return on average net worth (%)
				Basic	Diluted		
Harsha Engineers International Ltd	13,215	10	32.7*	11.9	11.9	63.34	17.42%
PEER GROUP							
Timken India	22,028	10	63.0	43.49	43.49	220.28	21.8%
SKF India	36,659	10	53.5	52.03	79.92	381.43	15.76%
Rolex Rings	10,167	10	38.1	49.92	48.43	200.05	13.82%
Sundram Fasteners	49,020	1	38.8	39.25	21.74	124.75	16.45%

*Post-issue

At the upper end of the IPO price band HEIL is valued at 32.7x its post issue FY22 EPS of Rs.10.1, considering its dominant market share (50-60% in Indian Bearing market), Healthy ROE & ROCE as of 17.6% & 27% respectively and strong clientele with long standing relationships We recommend 'SUBSCRIBE' rating to this IPO.

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Ratings Methodology

- ❑ Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps (>₹300 Billion) and Mid/Small Caps (<₹300 Billion) or SEBI definition vide its circular SEBI/HO/IMD/DF3/CIR/P/2017/114 dated 6th October 2017, whichever is higher and as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (>₹300Bn.)	15%	5%-10%	Below 5%
Mid/Small Caps (<₹300 Bn.)	20%	10%-15%	Below 10%

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