

SEPTEMBER 13, 2022

## IPO Note

**HARSHA ENGINEERS INTERNATIONAL LTD (HEIL)****NOT RATED**

*(Note: All the information in this note is taken from RHP)*

**Offer Details**

The offer consists of fresh issue of equity shares aggregating up to Rs455 cr and offer for sale aggregating up to Rs300 cr. The price band is in the range of Rs.314-330/share.

**Objects of the offer**

The company proposes to utilise the net proceeds of the fresh issue towards funding of the following objects: 1. Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the company (~Rs270 cr); 2. Funding capital expenditure requirements towards purchase of machinery (~Rs77.954 cr); 3. Infrastructure repairs and renovation of the existing production facilities including office premises in India (~Rs7.116 cr); 4. General corporate purposes.

The selling shareholders will be entitled to their respective portions of the proceeds of the offer for sale (OFS) after deducting their proportion of offer related expenses. The company will not receive any proceeds from the offer for sale by the selling shareholders and the proceeds received from the offer for sale (net of offer related expenses to be borne by the selling shareholders) will not form part of the net proceeds. The company expects to receive the benefits of the listing of the equity shares on the stock exchanges, including enhancing its visibility and brand image among their existing and potential customers.

**Details of the offer**

Particulars	Details
Price band (Rs/share)	314-330
Opening date of the Issue <sup>^</sup>	14th Sep, 2022
Closing date of the issue	16th July, 2022
<b>No. of shares pre-issue (nos. lakhs)</b>	<b>772</b>
Fresh Issue (nos. lakhs)*	138
Offer for sale (nos. lakhs)*	91
<b>No. of shares post-issue (nos. Lakhs)*</b>	<b>910</b>
Fresh Issue size (Rs Cr)*	455
Offer for sale size (Rs Cr)*	300
<b>Issue size (Rs Cr)*</b>	<b>755</b>
Face Value (Rs/ share)	10
Bid Lot	45 Equity share & in multiple of 45 equity share thereafter
<b>Book Building</b>	
QIBs (Including Anchor)	50%
Non-Institutional	15%
Retail	35%
Book Running Lead managers (BRLM)	Axis Capital Limited / Equirus Capital Private Limited / JM Financial Limited
Registrar to the issue	Link Intime India Private Limited

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*Source: Company's RHP, \* Based on upper price band; <sup>^</sup>The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date*

### Shareholding Pattern (%)

	Pre-Issue	Post-Issue <sup>A</sup>
Promoter and Promoter Group	99.7	74.6
Public	0.3	25.4
<b>Total (%)</b>	<b>100</b>	<b>100</b>

Source: Company's RHP, <sup>A</sup>Based on upper price band

### Shareholding of Promoters and members of Promoter Group

Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
<b>Promoters (A)</b>		
Harish Rangwala	13,479,089	17.45
Rajendra Shah	15,413,550	19.95
Vishal Rangwala	7,769,829	10.06
Pilak Shah	7,698,281	9.97
<b>Promoter Group (B)</b>		
Charusheela Rangwala	12,719,487	16.47
Tanvi Rangwala	4,539,663	5.88
Nirmala Shah	9,622,530	12.46
Hetal Ukani with Nirmala Shah	1,924,571	2.49
Vaishali Shah	1,924,571	2.49
Pilak Shah Family Trust	321	0.00
Munjal Rangwala Family Trust	321	0.00
Mili Mehta Family Trust	1,924,571	2.49
Hetal Ukani Family Trust	321	0.00
Vishal Rangwala Family Trust	321	0.00
Jyotsnaben Shah	7	0.00
<b>Total (A) + (B)</b>	<b>77,017,433</b>	<b>99.70</b>

Source: Company's RHP

### Details of Offer for Sale by Selling Shareholders

Name of selling shareholders	Offered Shares (in terms of amount)
Harish Rangwala	Up to Rs 75 cr
Rajendra Shah	Up to Rs 66.75 cr
Pilak Shah	Up to Rs 16.5 cr
Charusheela Rangwala	Up to Rs 75 cr
Nirmala Shah	Up to Rs 66.75 cr

Source: Company's RHP

### Business Description

As part of the engineering business operations, the company manufactures and sell bearing cages to customers who primarily operate in the automotive, aviation & aerospace, railways, construction, mining, renewable energy, agriculture and other industrial sectors. Bearing cages are one of the five critical components that go in making of the bearing, that separate the balls / roller, maintain the balls / roller symmetrical radial spacing, and in most cases, hold the bearings together. In addition to bearing cages, the company also specialize in stamping products primarily used in the auto-component industry. HEIL manufactures a wide range of brass, steel and polyamide bearing cages, stamping components and has recently started manufacturing bronze bushings, which it undertakes through the Harsha Group, which includes HEIL and its subsidiaries, including Harsha Precision Bearing

Components (China) Co. Ltd., and the step-down subsidiary Harsha Engineers Europe SRL, Romania.

The company is part of the Harsha Group which was established in 1986 and has over 35 years of operating history in the engineering business. The company, Harsha Engineering International Limited, was incorporated in 2010 as Harsha Abakus Solar Private Limited. In order to consolidate the Harsha Group's India engineering and solar EPC business, and to get the benefits of synergies, a corporate reorganisation was recently completed effective from the appointed date of April 01, 2020.

The company 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. The company 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 CY2021 (Source: CARE Advisory Report). HEIL has a well-diversified customer base spread across various geographies. The company has a broad customer base across five continents including North America, Europe, Asia, South America and Africa. A majority of the company's customers are marquee global customer groups. The global bearing cages market is fragmented with a number of global and regional companies. Some of the leading bearing cage companies which operate in the same industry as HEIL include Nakanishi Metal Works Co. Ltd. (NKC Japan), MPT Präzisionsteile GmbH Mittweida and Manu Yantralaya (P) Ltd.

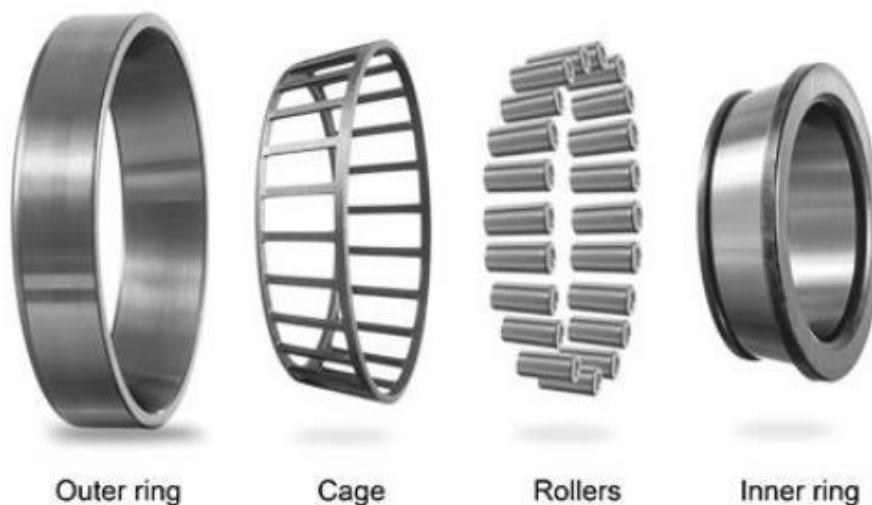
Additionally, the company has an EPC business catering to solar photovoltaic requirements of the customers and provide operations and maintenance services in the solar sector. The company provides complete turnkey solutions to all solar photovoltaic requirements from site identification, land acquisition, obtaining permits and approvals and setting up the Solar PV power plant including power evacuation infrastructure. Revenue from solar EPC business aggregated to Rs 82.946 cr, Rs 54.192 cr, and Rs 64.194 cr for fiscals 2022, 2021 and 2020, respectively, constituting 6.28%, 6.20%, and 7.25% respectively, of the company's total revenue from operations, as per the restated consolidated financial statements.

## **Products**

### **Bearing Cages -**

Bearing cages are primarily utilized to: (i) separate the rolling elements, reducing the frictional heat generated in the bearing; (ii) keep the rolling elements evenly spaced, optimizing load distribution on the bearing; (iii) guide the rolling elements in the unloaded zone of the bearing; and (iv) retain the rolling elements of separable bearings when one bearing ring is removed during mounting or dismounting. 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.

### Illustration of a bearing showing its key components, i.e., inner and outer ring, cage and rollers



Source - Company's RHP

Bearing cages are made in different designs depending on their operating conditions. The company make bearing cages in following designs:

- Cylindrical Roller bearing cages
- Spherical Roller bearing cages
- Deep Groove bearing cages
- Angular Contact Ball bearing cages
- Thrust Roller cages
- Taper Roller cages

#### **Bronze Bushes for Sliding bearing**

Using its experience of casting and machining of brass alloys for bearing cages, the company has diversified in producing bronze bushes for sliding bearing. These bushes are predominantly used in the gear boxes for Wind turning in Planetary Axels.

#### **Specialty Components**

The company 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 three to five years. HEIL plans to continue manufacturing specialized parts/components and supplying to auto component assembly manufacturers. Currently, the company provides comprehensive metal stamping solutions ranging from simple to complex designs and geometries.

## Key Managerial Personnel

Name	Designation	Background
<b>Rajendra Shah</b>	Chairman and Whole-time Director	He holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. Currently, he is looking after overall management of the Company, particularly all financial matters. He was Chairman of CII Gujarat for 2019-20. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.
<b>Harish Rangwala</b>	Managing Director	He holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He served at Tata Chemicals and thereafter joined the Company. Currently, he is looking after overall management of the Company along with Renewable energy division. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.
<b>Vishal Rangwala</b>	Chief Executive Officer and Wholetime Director	He holds a bachelor's degree in Mechanical Engineering from University of Pune. He further holds a Master of Science degree in Engineering Management from University of Southern California. He joined the Company in September 2007, as a manager for marketing. He is responsible for the overall strategic directions for the Harsha group and is currently leading marketing and corporate functions. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.
<b>Pilak Shah</b>	Chief Operating Officer and Wholetime Director	He holds a bachelor's degree in Mechanical Engineering from Nirma Institute of Technology. He further holds a master's degree in Integrated Manufacturing Systems Engineering from North Carolina State University. Thereafter he joined the Company in 2006, as a manager for resource management and was thereafter, appointed as director on the Board of the Company on February 5, 2006. He is responsible for the overall strategic directions of the Harsha Group. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.
<b>Hetal Ukani</b>	Whole-time Director	She holds the bachelor's degree in Mechanical Engineering from L.D. Engineering College and has completed Master of Technology in Mechanical Engineering with specialization in Design Engineering. She has been associated with the Company since 2015. She also plays a vital role in managing TPM function of the Company.
<b>Maulik Jasani</b>	Vice President – Finance and Group Chief Financial Officer	He holds a bachelor and master's degree in Commerce from the H.L. Commerce College, Gujarat University and R.J. Tibrewal Commerce College, Gujarat University respectively. He is also a member of the ICAI, Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has over 17 years (including three years of articleship) of experience in accounting and finance. Prior to joining the Company, he has been associated with Cadila Healthcare Limited, Delhi Assam Roadways Corporation Limited and Mukesh M. Shah & Co, Ahmedabad. He was also associated with Biotech Vision Care Private Limited as the chief financial officer.
<b>Kiran Mohanty</b>	Company Secretary and the Chief Compliance Officer	He holds a Bachelor's degree in Commerce (Honours Course) from Delhi University, in the year 2006. He further holds a Post Graduate Diploma in Applied Corporate Finance from Maharaja Sayajirao University of Baroda and is a qualified Company Secretary from the Institute of Company Secretaries of India. He has over 13 years (including Articleship) of experience as a company secretary. Prior to joining the Company, he has been previously associated with Claris Injectables Limited, John Energy Limited, Sanghvi Forging and Engineering Limited and Siemens Healthcare Diagnostic Limited.

Source: Company's RHP

## Strengths

### **Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries**

HEIL has a diversified product portfolio in terms of the materials used as well as the dimensions and end-use of the finished products. The company primarily manufacture bearing cages in the range of 20 mm to 2,000 mm in diameter. Within its diversified product portfolio, the company 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 specialised precision stamped components, welded assemblies and brass castings and bushings. The company manufactures bearing cages in brass, steel and polyamide which represents 6.5% of the global organised outsourced bearing (brass, steel & polyamide) cages market in CY2021 (Source: CARE Advisory Report). HEIL has 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. The company's products find application across automotive, aviation and aerospace, construction, mining, agriculture, electricals and electronics, renewables sectors. HEIL supply products to customers in over 25 countries covering five continents i.e. North America, Europe, Asia, South America and Africa.

### **Long standing relationships with leading clientele**

The company 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 six global bearing manufacturers contributing to 54% of the market share in Fiscal 2022 (Source: CARE Advisory Report). As of March 31, 2022, HEIL supply's to each of the top six global bearing manufacturers. The company's 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, as per the Restated Consolidated Financial Statements. The average age of company's relationship with their top five customer groups spans more than a decade.

### **Strategically located domestic and international production facilities and warehouses**

The company has four strategically located manufacturing facilities spread across three countries in India, China, and Romania. As on March 31, 2022, the aggregate installed capacity across these manufacturing facilities was 4,596 metric tonne per annum for castings and 109.787 cr pieces per annum for bearing cages. The presence in these strategic locations helps the company penetrate global markets more efficiently and in a cost effective manner. Having proximity to key customer groups gives the company a strategic advantage in ensuring greater cost effectiveness, quicker delivery and faster turn- around times, allowing them to maximize customer satisfaction in a timely manner. Their multinational presence has also allowed them to diversify its revenue geographically and enhance its reputation which results in higher orders from India.

**Expertise in Tooling, design development and automation**

The company's decades of experience in precision engineering, expertise in area of tooling, strategically located production facilities, focus on design and tooling, coupled with technologically advanced and cost competitive manufacturing technology processes has enabled them to meet customers' bespoke and stringent requirements. 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. The company employs machining as well as stamping processes in their manufacturing process.

**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 know-how in engineering sector, including, business development, operations, administration, marketing and human resource management. The company leverages the understanding and the experience of their senior management in successfully managing its operations and growth. The company's management team also includes a strong and experienced team of cross functional professionals across senior and mid-level management.

## Strategies

### **Enhance market leadership in bearing cages and expanding the customer base**

The company believes that their manufacturing presence in India and China will help them in capitalising on the expected growth in bearing cage demand from India and Asia Pacific markets, and present them with significant opportunities for growth of their existing market share in these jurisdictions. Keeping pace with the market trends, the company has started to expand their business into large diameter brass and steel bearing cages.

HEIL believes that by increasing their production capacities for these large size brass and steel bearing cages they will be able to cash in on the outsourcing opportunities from these bearing companies resulting into increasing the wallet share of outsourcing opportunity for bearing cages. The company aims at further expand their customer base in China as they are considered a versatile and consistent player in the bearing cages segment in China. HEIL intends to further expand into the Japanese bearing market by supplying directly to its Japanese customers at their locations in Japan. The company also intends to leverage their European presence to grow its India business share in Europe.

### **Retain and strengthen the technological leadership through continued focus on development and automation**

The company intends to digitalize their operations by implementing IoT system to connect the relevant machines or equipments and improve the operational process performance of its machines or equipments by having the right analysis of downtime or reasons for loss of productivity. HEIL plans to continue expanding their development, engineering, tool design and manufacturing, process improvements, lean manufacturing techniques, and automate them to optimize man-power to ensure zero defect products. Over the past five years, the product development and innovation centre has developed more than 1,217 products for different bearing, taper and bronze bushings and more than 58 other products including speciality components.

The company's tooling and development efforts seek to capitalize on emerging trends such as, light weight bearing cages to cater to the growing electric vehicle segment, very clean bearing to reduce noise by supplying clean cages, to develop right geometry of cage to reduce energy loss due to friction and allowing bearing for extra load carrying capacity along with increasing the line production speed to make product most cost competitive. To further strengthen their technological capabilities, HEIL plans on acquiring and installing CNC lathes, high precision jig boring machine and automate their existing production lines. The company plans to build a new development centre having modern software for designs and simulations for new designs of tools. The company also plans to expand its talent pool to support new research capacities to keep up with emerging market trends.



**Growing the stamping and specialised component segment**

HEIL plans on capitalizing on the existing niche and low volume high value products in the stamping and special component segment and gradually scale up its business over next three to five years. The company plans on achieving this growth in two phases i.e. (i) manufacturing specialized parts/components and supplying to auto component assembly manufacturers and thereafter; (ii) change in supply process by manufacturing assemblies as composite component and supply directly to OEMs. The company has set up a dedicated stamping unit at their production unit at Moraiya and have installed certain machinery with tools for complex stamping at their primary manufacturing units. Further, the company is in the process of developing complex compressor parts and certain other components which are used in the compressor industry and focus on manufacturing of bearing seals and stamping.

**Increased focus on developing products suited to capture market opportunity in the growing electric vehicle segment**

The company believes that their in-house tool and design facilities coupled with its latest machinery, specialised cleaning equipment and software would enable them to manufacture precision stamping components and steel cages suited for the electric vehicle segment including as import substitutes. In addition, the company has also invested in enhancing their tool room and design capacity for faster cage mold development to focus more on developing polyamide cages in different categories to meet the increased demand from the electric vehicles space in the coming years.

**Focus on growth by opportunistic inorganic acquisitions and partnerships with customers**

The company has historically expanded their business through a combination of organic growth, acquisitions and strategic alliances with their customers and with other component manufacturers.

In order to reduce costs and synergize all its operations in India, they have integrated all their India businesses (engineering and solar EPC business) and operations into one entity. The company also seeks strategic partnerships with its key customer groups for innovation and development of new products and supply them to new geographies. HEIL intends to further pursue such strategic alliances and inorganic growth opportunities, with a particular focus on technologically-innovative acquisitions that may provide better access to technology with respect to its existing products and allow them to diversify their product and customer base opportunistically.

## **Risk Factors**

- The company depends on a limited number of customer groups for a significant portion of its revenue from engineering business.
- The company is exposed to foreign currency exchange rate fluctuations, which may adversely affect company's results of operations and cause the quarterly results to fluctuate significantly.
- Availability and cost of raw materials for the engineering business could adversely affect the company's business, financial condition, results of operations and prospects.

## Annexures

### Revenue break-up from different jurisdiction for company's engineering business

Region	Revenue from operations from engineering business (Rs cr)			% contribution to total revenue from operations		
	Fiscal 2020 (restated)	Fiscal 2021 (restated)	Fiscal 2022 (restated)	Fiscal 2020 (restated)	Fiscal 2021 (restated)	Fiscal 2022 (restated)
Europe	341	343	501	38.51	39.21	37.88
India	259	235	402	29.18	26.90	30.41
China	115	132	173	12.96	15.09	13.06
America	64	62	82	7.24	7.12	6.23
Others	43	48	81	4.85	5.48	6.13
<b>Total</b>	<b>822</b>	<b>820</b>	<b>1,239</b>	<b>92.74</b>	<b>93.80</b>	<b>93.72</b>

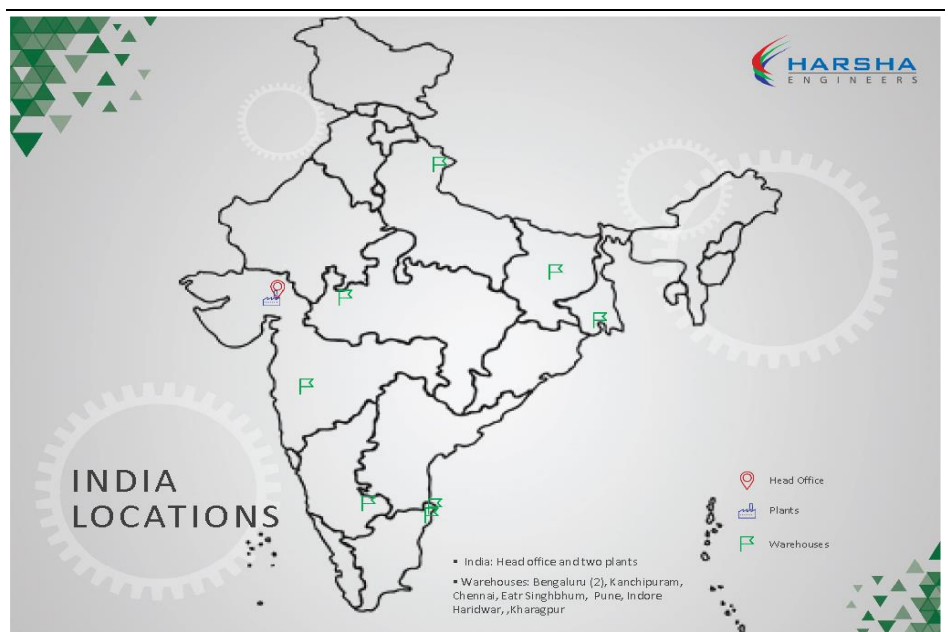
Source - Company's RHP

### Global Locations



Source - Company's RHP

### India Locations



Source - Company's RHP

## Financials

### Restated Consolidated Statement of Assets and Liabilities

Y/E March (Rs. In Crores)	FY20	FY21	FY22
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	262	268	283
Capital Work in progress	3	3	2
Goodwill on Consolidation	70	73	71
Other Intangible assets	2	1	2
<b>Financial assets</b>			
<i>Investments</i>	0.0	0.0	0.0
<i>Loans &amp; Advances</i>	0.1	0.1	0.1
<i>Other Financial Assets</i>	0.4	0.4	0.6
Other tax assets (net)	11	10	11
Other non-current assets	7	8	9
<b>Total Non-current assets</b>	<b>356</b>	<b>364</b>	<b>378</b>
<b>Current Assets</b>			
Inventories	232	268	376
<b>Financial assets</b>			
<i>Investments</i>	7	9	6
<i>Trade receivables</i>	239	214	283
<i>Cash and cash equivalents</i>	24	33	21
<i>Other bank balances</i>	33	12	18
<i>Loans &amp; Advances</i>	7	5	12
<i>Other Financial assets</i>	6	7	11
Other current assets	71	69	53
<b>Total Current Assets</b>	<b>618</b>	<b>617</b>	<b>780</b>
<b>Total Assets</b>	<b>973</b>	<b>981</b>	<b>1,158</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	50	50	77
Other equity	322	377	445
Non-Controlling Interest	-	-	-
<b>Total equity</b>	<b>372</b>	<b>427</b>	<b>522</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
<i>Borrowings</i>	128	102	138
<i>Lease liabilities</i>	6	8	6
Provisions	7	10	11
Deferred tax liabilities (Net)	-15	2	4
Other Non-current liabilities	2	2	2
<b>Total Non-current liabilities</b>	<b>128</b>	<b>123</b>	<b>161</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
<i>Borrowings</i>	284	247	241
<i>Lease liabilities</i>	1	1	1
<i>Trade payables</i>	111	117	183
<i>Other financial liabilities</i>	18	26	23
Other current liabilities	55	40	24
Provisions	2	2	2
Current tax liabilities (net)	1	-1	2
<b>Total Current liabilities</b>	<b>473</b>	<b>431</b>	<b>476</b>
<b>Total Equity and Liabilities</b>	<b>973</b>	<b>981</b>	<b>1,158</b>

Source: Company's RHP

### Restated Consolidated Statement of Profit and Loss

Y/E March (Rs. In Crores)	FY20	FY21	FY22
<b>Income</b>			
Revenue from operations	886	874	1,321
Other income	14	3	18
<b>Total income</b>	<b>900</b>	<b>877</b>	<b>1,339</b>
<b>Expenses</b>			
Cost of materials consumed	448	434	799
Change in inventories of finished goods & WIP	10	-19	-59
Employee benefits expense	149	146	158
Finance costs	33	30	25
Depreciation and amortisation expense	35	34	35
Other expenses	193	191	255
<b>Total Expenses</b>	<b>868</b>	<b>816</b>	<b>1,212</b>
<b>Profit / (Loss) before tax</b>	<b>32</b>	<b>61</b>	<b>127</b>
Tax expense:	10	15	35
Current tax	15	-	33
Deferred tax	-6	15	1
MAT credit reversed/(availed)	1	-	-
<b>Profit / (Loss) after tax</b>	<b>22</b>	<b>45</b>	<b>92</b>
Less - Profit transferred to non-controlling interest	-	-	-
<b>Profit / (Loss) after tax (after non-controlling interest)</b>	<b>22</b>	<b>45</b>	<b>92</b>
<b>Diluted EPS</b>	<b>3.5</b>	<b>5.9</b>	<b>11.9</b>

Source: Company's RHP

### Restated Consolidated Cash flow Statement

Y/E March (Rs. In Crores)	FY20	FY21	FY22
Net cash flow from Operating Activities	113	121	36
Net cash flow from Investing Activities	-65	-20	-52
Net cashflow from Financing Activities	-38	-92	4
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>10</b>	<b>9</b>	<b>-12</b>
Cash and Cash equivalents at beginning of the period / year	1	24	33
Cash and Cash equivalents added pursuant to the scheme	13	0	0
Cash and Cash equivalents at end of the period / year	24	33	21
<b>Change in Cash and Cash equivalents</b>	<b>10</b>	<b>9</b>	<b>-12</b>

Source: Company's RHP

## RATING SCALE (PRIVATE CLIENT GROUP)

### Definitions of ratings

<b>BUY</b>	–	We expect the stock to deliver more than 15% returns over the next 12 months
<b>ADD</b>	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
<b>REDUCE</b>	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
<b>SELL</b>	–	We expect the stock to deliver < -5% returns over the next 12 months
<b>NR</b>	–	<b>Not Rated.</b> Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
<b>SUBSCRIBE</b>	–	We advise investor to subscribe to the IPO.
<b>RS</b>	–	<b>Rating Suspended.</b> Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
<b>NA</b>	–	<b>Not Available or Not Applicable.</b> The information is not available for display or is not applicable
<b>NM</b>	–	<b>Not Meaningful.</b> The information is not meaningful and is therefore excluded.
<b>NOTE</b>	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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