Entertainment Network India (ENTNET)

CMP: ₹ 483 | Target: ₹ 545 (↑ 13%) | Target Period: 12 months | HOLD

June 3, 2019

Radio disappoints; solutions business saves the day

ENIL reported 10.3% YoY revenue growth to ₹ 175.8 crore in Q4FY19. Overall revenue growth for the quarter, was largely aided by non-radio business (grew 26% YoY to ₹ 75.8 crore) while radio revenues were flat at ₹ 100 crore vs. high single digit growth recorded by peers during the quarter). EBITDA growth of 21.8% YoY for the quarter was aided by ~15.8% YoY decline in employee expenses (reversal of provisions pertaining to variable pay, on non-achievement of certain internal targets). EBITDA margins improved 231 bps YoY to 24.5%. PAT increased 64% YoY to ₹ 19.4 crore, aided by superior performance at EBITDA level.

Key categories disappoint; guides for 15% revenues growth

Radio revenue growth for Q4FY19 was impacted by weakness in key categories like BFSI (NBFC related issues), auto (fuel increase, insurance related regulation) and real estate that reported double digit volume decline, while sectors like FMCG and organised retails were also weak leading to overall volume decline of ~5% during the quarter. In the radio business, though there was a pricing increase of 4.5% YoY during the quarter. It has guided for ~15% revenues growth in FY20 (largely back ended), led by non-FCT growth while core radio growth is expected at 8-10%. We conservatively bake in 12.5% revenue CAGR in FY19-21E to ₹ 786 crore.

Employee cost reversal aids EBITDA; 20-25% growth guidance

EBITDA during the quarter was boosted by reversal of employee expenses on non-achievement of certain internal targets. On segmental basis, the non-FCT business had 13% margins while within radio, vintage stations clocked 41% margins, Batch 1 stations had 15% and Batch 2 stations reported loss on operating front. The company also guided for 20-25% growth in EBITDA for FY20, with a possible cut owing to weak radio growth in H1FY20. Over the medium to long term, the profitability in phase I/II stations is expected to be boosted by improvement in utilisations while management strives to clock 30% EBITDA in non-FCT business. We expect 25.7% CAGR in EBITDA in FY18-21E and expect EBITDA margins to reach 28% in FY21.

Valuation & Outlook

The fact that overall growth expectations of radio industry has tapered down to 8-10% CAGR vs. erstwhile expectations of 14-15% growth coupled with consistent lower growth trajectory of ENIL in core radio segment is concerning. The scaling up of non-FCT business, though is a positive move but is exposed to risks of losses in events. We would wait before the said segment expands on profitability on consistent front. Hence, we downgrade our rating to **HOLD** with a revised DCF based target price of ₹ 545, (implying ~10x FY21E EV/EBITDA).

Particulars

Particular	Amount
Market Capitalization (₹ Crore)	₹ 2302.5 Crore
Total Debt (FY19)	₹ 0 Crore
Cash & Liquid Investments(FY19)	₹ 159 Crore
EV (₹ Crore)	₹ 2143.4 Crore
52 week H/L	751/ 440
Equity capital	47.7
Face value	10.0

Key Highlights

- Overall revenue growth for the quarter was largely aided by non-radio business, which grew 26% YoY while radio revenues were flat
- The EBITDA during the quarter was boosted by reversal of employee expenses on non-achievement of certain internal targets
- We downgrade our rating to HOLD (from BUY earlier) with a revised DCF based target price of ₹ 545, (implying ~10x FY21E EV/EBITDA)

Research Analyst

Bhupendra Tiwary
bhupendra.tiwary@icicisecurities.com

Sameer Pardikar
sameer.pardikar@icicisecurities.com

Key Financial Summary

(Year-end March)	FY17	FY18	FY19	FY20E	FY21E	CAGR (FY19-21E)
Net Sales (₹ crore)	556.5	537.1	620.8	700.7	786.4	12.5
EBITDA (₹ crore)	125.9	116.6	139.1	167.9	220.0	25.7
Net Profit (₹ crore)	55.2	35.6	53.9	72.6	101.4	37.2
EPS (₹)	11.6	7.5	11.3	15.2	21.3	
P/E (x)	41.7	64.6	42.7	31.7	22.7	
Price / Book (x)	2.7	2.6	2.5	2.3	2.1	
EV/EBITDA (x)	18.3	19.2	15.4	12.1	8.6	
RoCE (%)	9.3	6.2	9.0	11.1	14.0	
RoE (%)	6.4	3.5	5.8	7.3	9.3	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY19	Q4FY19E	Q4FY18	Q3FY19	YoY (%)	QoQ (%)	Comments
Revenue	175.8	177.7	159.4	200.9	10.3	-12.5	Overall revenue growth for the quarter was largely aided by non-radio business that grew 26% YoY while radio revenues were flat
Other Income	4.9	3.0	2.9	4.4	71.6	12.0	
Marketing Expenses	51.4	40.9	46.1	70.6	11.6	-27.2	
Administrative Expenses	38.4	35.5	32.0	34.0	19.8	12.9	
License Fee	9.6	11.5	9.2	10.0	4.9	-3.6	
Employee Expenses	24.5	35.5	29.0	35.9	-15.8	-31.9	Lower owing to reversal of provisions pertaining to variable pay, on non-achievement of certain internal targets
Other Expenses	8.8	8.9	7.7	10.0	14.8	-12.5	
EBITDA	43.1	45.3	35.4	40.3	21.8	6.9	
EBITDA Margin (%)	24.5	25.5	22.2	20.1	231 bps	445 bps	
Depreciation	18.0	20.6	15.8	17.4	13.6	3.7	
Interest	0.4	1.5	1.0	1.5	NA	-71.1	
Total Tax	10.2	9.4	9.6	9.7	5.9	4.7	
PAT	19.4	16.8	11.8	16.1	64.0	20.4	
Key Metrics							
Op. Revenue growth	12%	12%	-2%	-3%			
Rate/Slot	349.3	348.7	352.4	291.7	-0.9	19.7	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY20E			FY21E			Comments
(₹ Crore)	**Old**	**New**	**% Change**	**Old**	**New**	**% Change**	
Revenue	739.3	700.7	-5.2	834.5	786.4	-5.8	
EBITDA	188.2	167.9	-10.8	245.9	220.0	-10.5	
EBITDA Margin (%)	25.5	24.0	-149 bps	29.5	28.0	-149 bps	Lower our estimates as indicated by the management guidance
PAT	83.5	72.6	-13.1	115.5	101.4	-12.2	
EPS (₹)	17.5	15.2	-13.0	24.2	21.3	-12.1	

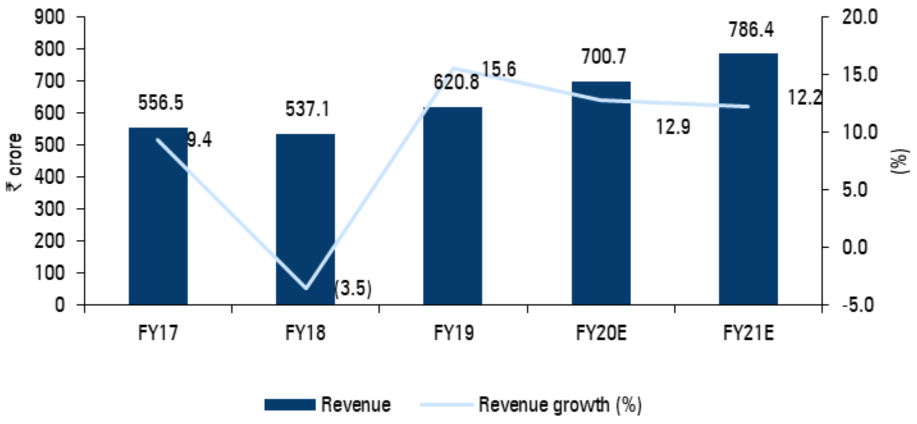
Source: Company, ICICI Direct Research

Conference Call Highlights

- **Revenue aided by non-radio business; guides for 15% revenue growth in FY20:** The management indicated that revenue growth for the quarter was aided by non-radio business, which grew 26% YoY. As per management, there was a volume drop of 5% YoY during the quarter as the company consciously let go low yield advertisement to hold on to pricing, which grew 4.5% YoY. The company has guided for ~15% revenues growth in FY20 (largely back ended), led by non-FCT growth while core radio growth is expected at 8-10%
- **Reversal of provisions aids EBITDA; guides for 20-25% EBITDA growth in FY20:** As per the management, employee cost for the quarter was lower YoY on account of reversal of provisions related to variable pay due to non-achievements of certain internal targets which aided EBITDA. The guidance for EBITDA growth is 20-25% in FY20
- **Exploring different structure for TV Today radio acquisition:** The management indicated that with regards to their intended acquisition of three radio stations of TV Today, the slump sale structure has not been approved by Ministry of Information and broadcasting (MIB). Consequently, both companies are in discussion with MIB to explore potential alternate structure that may be acceptable to MIB
- **Review of dividend distribution policy in next board meeting:** The management indicated that the total payout for ₹ 1/share dividend for FY19 is at ₹ 5.74 crore (including DDT) and also indicated that board of directors will review the dividend distribution policy in the next board meeting
- **Mirchi expansion in US:** As per management, Mirchi expanded its footprint in the US during the quarter through brand and content licensing agreement with other broadcaster there and it is now available in several US markets. The management reaffirmed that they look to keep their US operations asset light unlike India
- **Aspiring for 30% EBITDA margin in solutions business in medium term:** As per the management, solutions business reported 13% EBITDA margins for FY19 and they aspire to achieve 30% EBITDA margin in this business in the medium term
- **Do not foresee any impact of consolidation:** As per management, proposed combination of two sizeable player in the FM industry augurs well for the industry as it may help in stabilising pricing structure
- **Other Highlights:** i) Capex guidance for FY20 was at ₹ 10 crore, which is largely maintenance capex ii) EBITDA margins for 35 stations, Batch I stations were at 41% and 25%, respectively, while Batch II stations are still making losses at EBITDA iii) During the quarter, volume for real estate, BFSI and auto declined 26%, 19%, 10% YoY, respectively, while FMCG and organised retail declined 8% and 9% YoY, respectively. iv) Government and e-commerce grew by 5% and 6.5% YoY, respectively. v) Digital Videos revenues were at ₹ 11 to ₹ 12 crore, the company is aspiring to take it to three digits over next 5 years. V) Batch I station utilisation is at 40% Vi) Total FM listenership is at 40-50 million while YouTube channel viewership is at 60-70 million

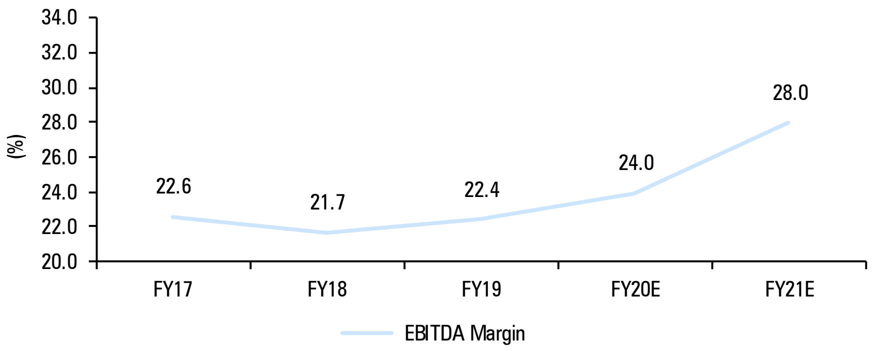
Story in Charts

Exhibit 3: Revenue trend



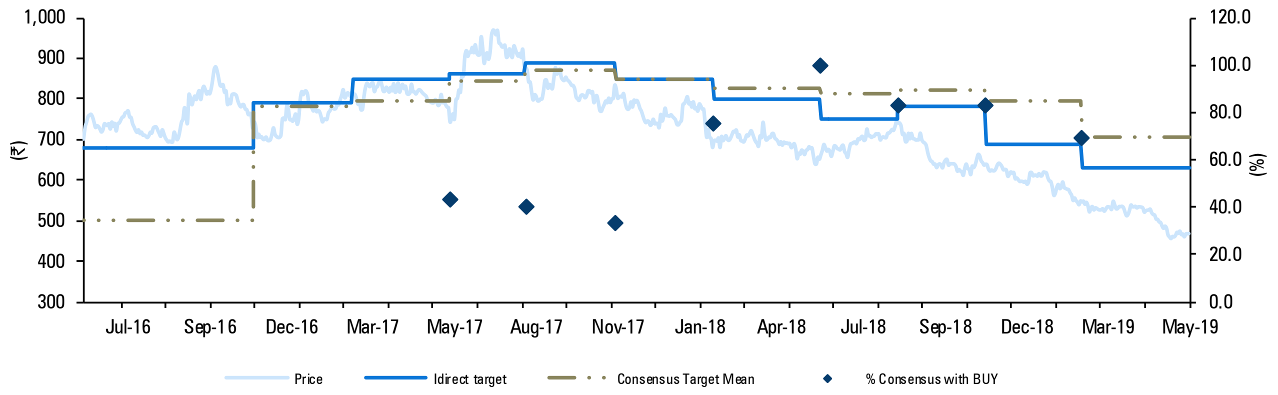
Source: Company, ICICI Direct Research

Exhibit 4: EBITDA margin trend



Source: Company, ICICI Direct Research

Exhibit 5: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 6: Top 10 shareholders

No	Name	Latest Filing Date	% O/S	Position (m)	Position Change (m)
1	Bennett Coleman & Co., Ltd.	31-Mar-19	71.15	33.9	0.0
2	Ruane, Cunniff & Goldfarb, Inc.	31-Mar-19	5.94	2.8	0.0
3	ICICI Prudential Asset Management Co.	31-Mar-19	4.48	2.1	0.0
4	IDFC Asset Management Company Private	31-Mar-19	2.75	1.3	0.0
5	Reliance Nippon Life Asset Management	31-Mar-19	1.55	0.7	0.0
6	Aditya Birla Sun Life AMC Limited	31-Mar-19	1.22	0.6	0.0
7	State Bank of India	31-Mar-19	1.09	0.5	0.0
8	Motilal Oswal Asset Management	31-Mar-19	1.05	0.5	0.0
9	Franklin Templeton Asset Management (India) Pvt. Ltd.	31-Mar-19	1.02	0.5	0.0
10	HDFC Asset Management Co., Ltd.	30-Apr-19	0.61	0.3	0.0

Source: Reuters, ICICI Direct Research

Exhibit 7: Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
IDFC Asset Management Company Private Limited	+0.11M	+0.01M	State Bank of India	-0.22M	-0.03M
Taurus Asset Management Co. Ltd.	+0.01M	+0.00M	ICICI Prudential Asset Management Co. Ltd.	-0.11M	-0.01M
Reliance Nippon Life Asset Management Limited	+0.00M	+0.00M	HDFC Asset Management Co., Ltd.	-0.04M	-0.01M
			LIC Mutual Fund Asset Management Company Ltd.	-0.01M	-0.00M

Source: Reuters, ICICI Direct Research

Exhibit 8: Shareholding Pattern

(in %)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Promoter	71.15	71.15	71.15	71.15	71.15
FII	8.80	8.76	8.80	8.79	8.76
DII	10.00	11.44	13.04	13.00	13.02
Others	10.05	8.65	7.01	7.06	7.07

Source: Company, ICICI Direct Research

Financial summary

Exhibit 9: Profit and loss statement ₹ crore

(Year-end March)	FY18	FY19	FY20E	FY21E
Total operating Income	**537.1**	**620.8**	**700.7**	**786.4**
Growth (%)	-3.5	15.6	12.9	12.2
Other Costs (Production, Marketing)	267.3	319.1	349.9	370.0
License Fee	34.7	36.4	42.0	43.2
Employee Expenses	118.5	126.2	140.8	153.2
Total Operating Expenditure	420.5	481.7	532.7	566.4
EBITDA	**116.6**	**139.1**	**167.9**	**220.0**
Growth (%)	-7.4	19.3	20.7	31.0
Depreciation	63.5	67.1	68.0	76.3
Interest	4.7	4.0	4.0	4.0
Other Income	9.4	15.7	14.0	14.0
Exceptional Items	(4.2)	-	-	-
PBT	62.1	83.7	110.0	153.7
MI/PAT from associates	-	-	-	-
Total Tax	26.4	29.8	37.4	52.3
PAT	**35.6**	**53.9**	**72.6**	**101.4**
Growth (%)	-35.4	51.2	34.7	39.7
EPS (₹)	**7.5**	**11.3**	**15.2**	**21.3**

Source: Company, ICICI Direct Research

Exhibit 10: Cash flow statement ₹ crore

(Year-end March)	FY18	FY19	FY20E	FY21E
Profit after Tax	35.6	53.9	72.6	101.4
Add: Depreciation	63.5	67.1	68.0	76.3
Add: Interest Piad	4.7	4.0	4.0	4.0
(Inc)/dec in Current Assets	-16.9	-22.9	-37.7	-36.6
Inc/(dec) in CL and Provisions	-5.1	33.4	21.6	24.2
CF from operating activities	**81.8**	**135.5**	**128.4**	**169.3**
(Inc)/dec in Investments	-47.9	19.5	-100.0	-100.0
(Inc)/dec in Fixed Assets	-19.4	-45.1	-10.0	-15.0
Others	14.3	9.9	0.0	0.0
CF from investing activities	**-53.0**	**-15.7**	**-110.0**	**-115.0**
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	-19.2	-104.0	0.0	0.0
Interest paid	-4.7	-4.0	-4.0	-4.0
Dividend outflow	-5.7	-5.7	-11.5	-5.7
Others	0.2	-0.3	0.0	0.0
CF from financing activities	**-29.5**	**-114.0**	**-15.5**	**-9.7**
Net Cash flow	-0.6	5.9	2.9	44.6
Opening Cash	18.6	18.0	23.9	26.8
Closing Cash	**18.0**	**23.9**	**26.8**	**71.4**

Source: Company, ICICI Direct Research

Exhibit 11: Balance sheet ₹ crore

(Year-end March)	FY18	FY19	FY20E	FY21E
Liabilities				
Equity Capital	47.7	47.7	47.7	47.7
Reserve and Surplus	839.8	887.6	948.7	1,044.4
Total Shareholders funds	887.5	935.3	996.4	1,092.1
Total Debt	104.0	0.0	0.0	0.0
Others	24.1	34.0	34.0	34.0
Total Liabilities	**1,015.5**	**969.3**	**1,030.4**	**1,126.1**
Assets				
Gross Block	1,139.3	1,225.0	1,235.0	1,250.0
Less: Acc Depreciation	465.4	532.5	600.5	676.8
Net Block	673.8	692.4	634.5	573.2
Capital WIP	62.6	22.0	22.0	22.0
Total Fixed Assets	736.4	714.4	656.4	595.1
Goodwill	0.5	0.5	0.5	0.5
Investments	164.8	145.3	245.3	345.3
Inventory	-	-	-	-
Debtors	170.2	200.5	230.4	258.5
Loans and Advances	22.3	23.4	26.4	29.6
Other Current Assets	45.8	37.3	42.1	47.3
Cash	18.0	23.9	26.8	71.4
Total Current Assets	256.2	285.0	325.7	406.8
Creditors	104.9	126.7	142.1	159.4
Provisions	10.8	12.0	13.4	15.1
Other Current Liabilities	26.7	37.2	42.0	47.1
Total Current Liabilities	142.4	175.9	197.4	221.6
Net Current Assets	113.8	109.1	128.2	185.2
Other non Current Assets	0.0	0.0	0.0	0.0
Application of Funds	**1,015.5**	**969.3**	**1,030.4**	**1,126.1**

Source: Company, ICICI Direct Research

Exhibit 12: Key ratios ₹ crore

(Year-end March)	FY18	FY19	FY20E	FY21E
Per share data (₹)				
EPS	7.5	11.3	15.2	21.3
Cash EPS	20.8	25.4	29.5	37.3
BV	186.2	196.2	209.0	229.1
DPS	1.2	1.2	2.4	1.2
Cash Per Share	3.8	5.0	5.6	15.0
Operating Ratios (%)				
EBITDA Margin	21.7	22.4	24.0	28.0
PBT / Total Operating income	9.9	11.6	14.3	18.3
PAT Margin	5.8	8.7	10.4	12.9
Inventory days	0.0	0.0	0.0	0.0
Debtor days	115.7	117.9	120.0	120.0
Creditor days	71.3	74.5	74.0	74.0
Return Ratios (%)				
RoE	3.5	5.8	7.3	9.3
RoCE	6.2	9.0	11.1	14.0
RoIC	6.8	9.1	13.4	20.6
Valuation Ratios (x)				
P/E	64.6	42.7	31.7	22.7
EV / EBITDA	19.2	15.4	12.1	8.6
EV / Net Sales	4.2	3.5	2.9	2.4
Market Cap / Sales	4.3	3.7	3.3	2.9
Price to Book Value	0.0	0.0	0.0	0.0
Solvency Ratios				
Debt/EBITDA	0.9	0.0	0.0	0.0
Debt / Equity	0.1	0.0	0.0	0.0
Current Ratio	1.7	1.5	1.5	1.5
Quick Ratio	1.7	1.5	1.5	1.5

Source: Company, ICICI Direct Research

Exhibit 13: ICICI Direct Coverage Universe (Media)

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
DB Corp (DBCORP)	197	210	Hold	3,623	15.7	20.1	21.0	12.6	9.8	9.4	7.0	5.6	4.9	23.0	21.0	26.2	16.3	15.0	18.6
ENIL (ENTNET)	483	545	Hold	2,302	11.3	15.2	21.3	42.7	31.7	22.7	15.4	12.1	8.6	6.2	9.0	11.1	3.5	5.8	7.3
Inox Leisure (INOX)	376	385	Buy	3,859	13.0	14.6	18.4	28.9	25.7	20.4	12.8	11.5	9.2	13.2	19.6	18.5	10.6	14.2	13.5
PVR (PVRLIM)	1,783	1,910	Hold	8,329	39.2	45.1	60.5	45.5	39.5	29.5	16.3	14.2	11.7	14.7	13.8	14.5	11.5	14.8	14.7
Sun TV (SUNTV)	549	580	Hold	21,641	36.4	37.1	38.7	15.1	14.8	14.2	7.3	7.1	6.2	35.5	38.5	34.0	24.2	25.9	22.8
TV Today (TVTNET)	290	340	Buy	1,729	22.0	25.9	28.3	13.2	11.2	10.2	7.2	5.5	4.4	30.4	26.2	26.2	19.3	16.9	16.8
ZEE Ent. (ZEEENT)	357	365	Hold	34,329	16.3	17.7	20.3	21.9	20.2	17.6	12.6	11.3	9.7	25.6	25.7	23.8	15.3	15.8	14.8

Source: Company, ICICI Direct Research

RATING RATIONALE

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

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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

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

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, MBA, Sameer Pardikar, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities 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. 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.