

Healthy performance...

The key highlight for Phoenix Mills (PML) was consumption recovery at retail malls. During Q4FY21, total consumption was at ₹ 1,435 crore (up 5% QoQ; at ~100% (~94% on like to like basis) of Q4FY20). Reported revenues degrew ~3.4% YoY to ₹ 385.9 crore, with core portfolio (commercial + retail + hospitality) revenues down ~14.7% YoY to ₹ 329.5 crore, dragged by weak hospitality performance (down ~66% YoY). Reported EBITDA margin were down 620 bps YoY to 44.9%, given the higher mix of residential revenues.

Lockdown to impact in Q1...but recovery could be quicker

PML rental income in Q4FY21 at ₹ 216.6 crore was at ~97% of Q4FY20 and up 23% QoQ. FY21 rentals at ₹ 563 crore was ~55% of FY20. Additionally, retail collections witnessed sharp improvement (up 42% QoQ) at ₹ 370 crore during Q4FY21. Currently, consumption, footfall remained impacted by lockdowns led closure and PML expects to resume discussions with retailers close to reopening. However, it remains confident that recovery could be much quicker post reopening. We conservatively bake in rentals at ₹ 868 crore (~15% lower than FY20 levels on a like-to-like basis), given the likely waivers. The same is likely to recovery to pre-Covid levels in FY23, coupled with slated renewals led growth. Over the medium term, we expect retail rental income to grow at a CAGR of ~15% to ₹ 2060 crore in FY20-25E.

Kolkata projects to be partnered with CPPIB

The company has partnered with Canada Pension Plan Investment Board (CPPIB) for the Kolkata project. CPPIB has committed to invest ~₹ 384 crore (with maximum of up to ₹ 560 crore) in tranches (₹ 180 crore in tranche 1, ₹ 204 crore in tranche 2 upon receipt of necessary approvals) for an ultimate equity stake of 49%. Recall that land parcel has retail development potential of 1 mn sq ft (msf) in phase-1 (total estimated costs (including land) of ₹ 925-930 crore), which is likely to be operationalised by FY25. CPPIB has also extended further funding of up to ₹ 400 crore (₹ 800 crore by PML and CPPIB) to the under construction malls at Wakad, Hebbal and Indore and company intends to use it for construction instead of debt.

Valuation & Outlook

PML remains a quasi-play on India's consumption story, given the quality of assets, healthy balance sheet & strategic expansion plans. The QIP fund raise/investments by GIC/CPPIB has boosted the liquidity & growth ammunition. With only five to six major retail mall developers currently in India, and given it's USP of operating large format properties efficiently, PML remains a superior player in the medium to long term. We maintain **BUY** rating with unchanged SoTP based target price of ₹ 950/share.



Particulars	
Particular	Amount (₹ crore)
Market Capitalization	14,003.4
Total Debt	4,573.2
Cash and Investments	140.7
EV	18,435.9
52 week H/L (₹)	980 / 466
Equity capital	30.7
Face value	₹ 2

Key Highlights	
•	Over the medium term we expect retail rental income to grow at a CAGR of 15% to ₹ 2060 crore in FY20-25E
•	Maintain BUY with unchanged target price of ₹ 950/share

Key risks to our call	
•	Sustained slowdown in commercial leasing.
•	Slower than expected recovery in retail assets post lockdown

Research Analyst	
Bhupendra Tiwary, CFA	bhupendra.tiwary@icicisecurities.com
Lokesh Kashikar	lokesh.kashikar@icicisecurities.com

Key Financial Summary

(₹ Crore)	FY19	FY20	FY21	FY22E	FY23E	CAGR FY21-23E
Net Sales (₹ crore)	1,981.6	1,941.1	1,073.3	1,693.4	2,516.0	53.1%
EBITDA (₹ crore)	993.2	967.1	494.2	861.4	1,310.9	62.9%
EBITDA margin (%)	50.1	49.8	46.0	50.9	52.1	
Adj. Net Profit (₹ crore)	372.9	327.0	52.6	244.8	578.9	231.7%
Adj. EPS (₹)	24.4	21.4	3.1	14.2	33.7	
P/E (x)	27.9	35.0	250.2	53.8	22.7	
EV/EBITDA (x)	17.1	17.8	33.0	19.3	12.6	
Price / Book (x)	3.4	3.2	2.7	2.6	2.4	
RoCE (%)	9.6	8.6	3.7	6.5	10.0	
RoE (%)	10.7	8.8	1.1	4.8	10.5	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY21	Q4FY21E	Q3FY20	YoY (Chg %)	Q3FY21	QoQ (Chg %)	Comments
Income from Operation	385.8	393.1	399.2	-3.4	337.8	14.2	The retail revenues declined by ~1.2% YoY at ₹ 267.2 crore, while hospitality revenues declined by ~65.7% YoY at ₹ 29.7 crore. Commercial remained resilient segment which witnessed revenues growth of ~12% YoY at ₹ 32.6 crore. The revenues recognition of ₹ 56.3 crore in residential segment, up 3.3x YoY
Other Income	49.6	15.1	10.4	377.1	15.1	228.1	
Total raw material Expense	30.9	30.0	15.9	94.5	27.5	12.4	
Employee cost	32.0	40.0	35.4	-9.6	37.4	-14.6	
Other expenditure	121.9	80.0	113.3	7.6	84.4	44.4	
EBITDA	173.4	215.1	204.3	-15.1	158.8	9.2	
EBITDA Margin (%)	44.9	54.7	51.2	-623 bps	47.0	-206 bps	
Depreciation	52.0	54.0	54.5	-4.7	53.1	-2.0	
Interest	80.7	87.0	84.0	-3.9	85.7	-5.8	
PBT	90.3	89.2	76.1	18.6	35.2	156.7	
Taxes	26.0	22.3	27.9	-6.7	-24.9	-204.3	
Reported PAT	65.5	76.1	46.7	40.3	65.4	0.1	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY20	FY21	FY22E			FY23E			Comments
(₹ Crore)			Old	New	% Change	Old	New	% Change	
Revenue	1941.1	1073.3	2104.0	1693.4	-19.5	2,405.9	2516.0	4.6	Lower FY22E rental and Hospitality revenues due to lockdowns
EBITDA	967.1	494.2	1066.9	861.4	-19.3	1,256.1	1310.9	4.4	
EBITDA Margin (%)	49.8	46.0	50.7	50.9	16 bps	52.2	52.1	-11 bps	
PAT	334.7	52.6	381.8	244.8	-35.9	466.0	578.9	24.2	
EPS (₹)	21.8	3.1	22.2	14.2	-35.9	27.1	33.7	24.3	

Source: Company, ICICI Direct Research

Conference call Highlights

- Retail/Commercial Properties KPIs:** Total consumption during Q4FY21 was at ~₹ 1,440 crore (up 5% QoQ) and has reached ~100% of Q4FY20 level mainly led by a) increase in mall operations across, b) resumption in F&B and c) pickup on account of festive season. Excluding the contribution of Phoenix Palassio (launched in July, 2020), consumption recovery was ~94% of Q4FY20 on a like to like basis. In line with consumption, retail collections witnessed sharp improvements in Q4FY21 and were at ₹ 370 crore (up 42% QoQ). Currently, while the consumptions/footfalls have got impacted due to lockdown-like scenarios, the company expects it to reach 100% of FY20 levels within 45-60 days of re-opening of the malls and lifting of lockdown-like conditions. Additionally, as of now, the company has ~7 mn sq ft of gross leasable area (GLA) across nine operational retail malls in six cities. With the strong pipeline in malls including Phoenix Millennium (Wakad), Phoenix Citadel (Indore), Phoenix Mall of Asia (Bangalore) and Palladium (Ahmedabad), total of ~13 mn sq ft mall GLA is expected to be operational by FY25. In the commercial business, its office portfolio was least impacted and commercial revenues were 98% on YoY basis (₹ 111.5 crore). Collection efficiency was at >90%. Among major assets, 95% of the Fountain head Pune tower 1 are leased and operational. For tower 2, area has been recently leased and is expected to start generating rent from July 2021. Fountainhead tower 3 is under construction and is currently near completion stage
- Residential business:** The residential segment reported revenues of ₹ 56.3 crore during Q4FY21 (up 4.3x of Q4FY20 revenues) as the company witnessed healthy demand of ready to move in inventory and reconfiguration of Kessaku into smaller units. Collections were at ₹ 49.9 crore and the company has sold inventory worth ₹ 63 crore in Q4FY21. Additional sales of ₹ 32.5 crore was completed in Q4FY21 for which registration is pending. During FY21, the company has achieved sales of ₹ 205 crore and collections were at ₹ 140 crore
- Hospitality portfolio:** Hospitality business revenues fell 65.7% YoY to ₹ 29.7 crore in Q4FY21. St Regis occupancy remained low at ~39% in Q4FY21 (vis-à-vis 69% in Q4FY20). However, the company has undertaken various cost rationalization exercises during the quarter, which translated into profit at the operating level. Going forward, the management expects operating performance to remain subdued in the near term with lockdown like situation in Maharashtra. Also, the company is looking to capitalise on several Banquets projects at St Regis for which the company expects significant traction post lifting of lockdown-like conditions. In Agra Courtyard Marriot, operations were shut since March and reopened on August 8, 2020. Post opening, occupancy in Courtyard during Q4FY21 was at 53% (vis-à-vis 60% in Q4FY20)
- Partnering with CPP Investments:** The company, via its wholly owned subsidiary viz. Mindstone Mall Developers, had acquired 7.5 acres of land in Alipore, Kolkata during February, 2021 for total consideration of ~₹ 300 crore to be used for retail-led mixed used consumption. As per the management, the land parcel has retail development potential of 1 mn sq ft in phase-1 (construction cost of ~₹ 550 crore), which is likely to be operationalized by FY25. For this SPV, the company has partnered with Canada Pension Plan Investment Board (CPPIB) and has executed definitive documents to develop a regional retail centre. CPP Investments has committed to invest ~₹ 560 crore in Mindstone Mall Developers Private Ltd in various tranches (₹ 180 crore in tranche-1, ₹ 204 crore in tranche 2

upon receipt of necessary approvals, and rest in tranche 3 required for construction purpose) for an ultimate equity stake of 49%. Additionally, the company has executed a Further Funding Subscription Agreement with CPPIB for Island Star Mall Developers Pvt Ltd (ISML). As per the Subscription Agreement, the company and CPPIB shall infuse in aggregate up to ₹ 800 crore in multiple tranches towards subscription of equity shares of the ISML on rights basis and the said infusion of capital shall be deployed towards construction and development of the on-going projects of its subsidiaries at Wakad- Pune, Hebbal- Bangalore and Indore- Madhya Pradesh

- **Agreement with GIC:** Phoenix Mills has entered into an agreement with Singapore's sovereign wealth fund GIC to set up a mall development platform in India. Initially, the fund will pick up ~ 26% equity in certain retail and office assets portfolio owned by Phoenix Mills and some of its subsidiaries. Further, both entities may mutually agree to further increase GIC's stake to up to 35% within a 12-month period from the closing of the proposed transaction. Currently, due-diligence process is at an advanced stage and is expected to be completed during Q1FY22
- **Debt and capex:** Gross debt was at ₹ 4,486.5 crore as on March 31, 2021. Effective net debt of PML was stable at ~₹ 2700 crore. Average cost of borrowing has reduced to 8.2% in March 2021 and is likely to decline further as downward repricing is expected, going forward. Additionally, the company has incurred capex of ₹ 346 crore in FY21, of which ₹ 173 crore was spent in Q4FY21. We expect annual capex of ~₹ 550-600 crore over the next two years for the under construction projects

Company Analysis

Exhibit 3: Retail income trend

	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY Growth (%)	QoQ Growth (%)
Rental Income (₹ crore)							
HSP & Palladium	78.0	34.4	33.4	62.1	66.2	(15.1)	6.6
PMC Mumbai	28.3	8.7	8.7	18.6	25.5	(9.9)	37.1
PMC Bangalore	30.7	12.0	12.8	23.8	29.3	(4.6)	23.1
PMC & Palladium Chennai*	38.5	13.4	7.4	23.6	33.8	(12.2)	43.2
PMC Pune	35.0	12.5	13.6	25.0	33.6	(4.0)	34.4
Phoenix Palladio			3.7	12.3	16.1	NA	30.9
Phoenix United Lucknow	7.2	2.2	3.7	5.9	6.4	(11.1)	8.5
Phoenix United Bareilly	5.0	1.2	2.8	4.8	5.7	14.0	18.8

Source: Company, ICICI Direct Research

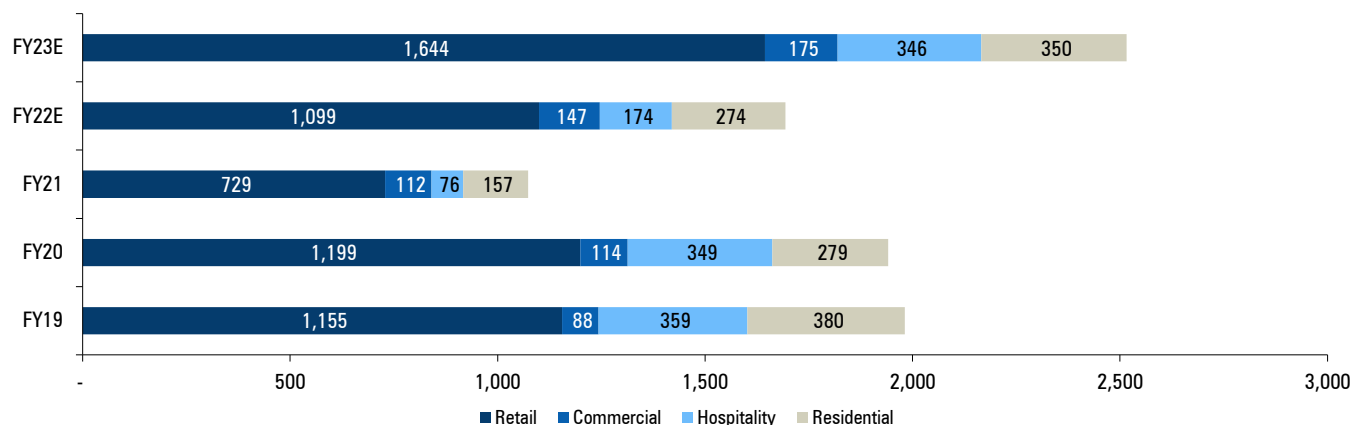
Exhibit 4: Commercial portfolio

Office	Location	Total Area (msf)	Area Sold(msf)	Net Leasable Area (msf)	Area Leased (msf)	Average Rate (₹/sq ft.)
Operational						
Phoenix Paragon Plaza	Mumbai	0.43	0.12	0.31	0.16	107
The Centrium	Mumbai	0.28	0.16	0.12	0.08	NA
Art Guild House	Mumbai	0.80	0.17	0.63	0.48	96
Phoenix House	Mumbai	0.09	-	0.09	0.08	NA
Fountainhead - Tower 1	Pune	0.17	-	0.17	0.16	80
Fountainhead - Tower 2	Pune	0.25	-	0.25	0.06	71
Total Operational		2.04	0.46	1.58	1.02	

Source: Company, ICICI Direct Research

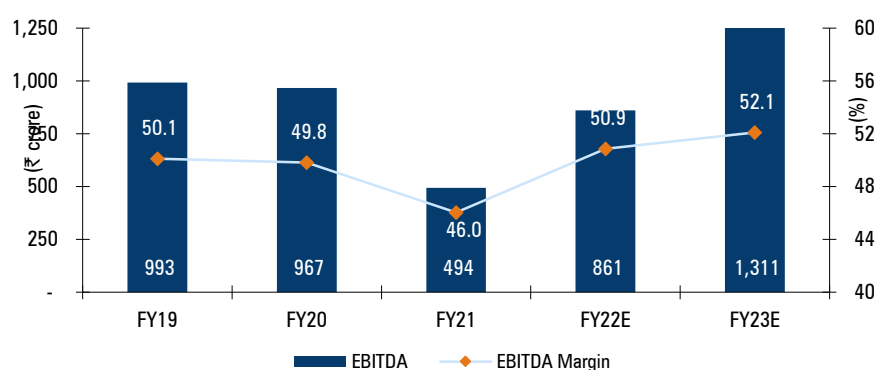
Financial story through charts

Exhibit 5: Revenue trend



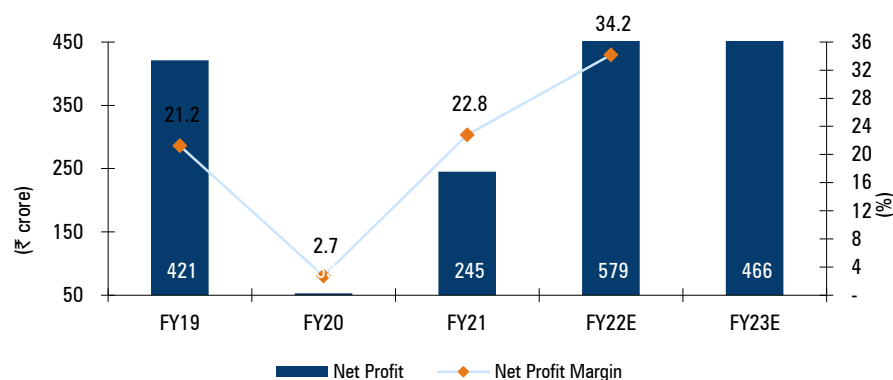
Source: Company, ICICI Direct Research

Exhibit 6: EBITDA and EBITDA margin trend



Source: Company, ICICI Direct Research

Exhibit 7: PAT trend



Source: Company, ICICI Direct Research

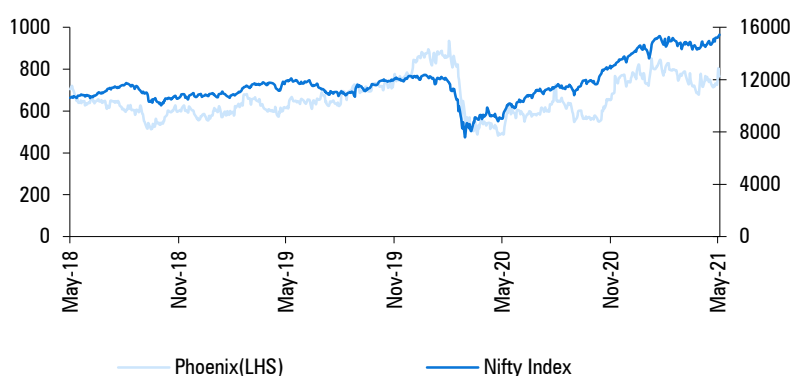
Valuation & Outlook

PML remains a quasi-play on India's consumption story, given the quality of assets, healthy balance sheet & strategic expansion plans. The QIP fund raise/investments by GIC/CPPIB has boosted the liquidity & growth ammunition. With only five to six major retail mall developers currently in India, and given it's USP of operating large format properties efficiently, PML remains a superior player in the medium to long term. We have conservatively baked in rentals at ₹ 868 crore (~15% lower than FY20 levels on like to like basis), given the likely waivers. The same is likely to recovery to pre-Covid levels in FY23, coupled with slated renewals led growth. Over the medium term, we expect retail rental income to grow at a CAGR of ~15% to ₹ 2060 crore in FY20-25E. We maintain **BUY** rating with a SoTP based target price of ₹ 950/share.

Exhibit 8: Valuation

Type	Parameters	GAV (₹ crore)	Debt (₹ crore)	NAV (₹ crore)	PML Value (₹ crore)	Value/ share (₹/ share)
Retail		Leasable area (msf)				
Retail Operational	6.8	13,005.5	2,965.9	10,039.6	8343	485
Retail under construction/development	4.6	4174	53	4121	2095	122
Retail Total	11.4	17,180	3,019	14,161	10,438	607
Commercial		Leasable area (msf)				
Commercial Operational	1.0	1608	112	1496	1496	87
Commercial under construction	1.8	1297	0	1297	1190	69
Commercial Total	2.8	2,905	112	2,793	2,687	156
Hospitality		No of keys				
Hospitality Total	588	2,892	1,217	1,676	1,289	75
Residential		Saleable area (msf)				
Residential Total	3.7	1,088	-	1,088	858	50
Total	18.0	24,065		19,718	15,271	889
Add: Cash					1,026	60
Target price						948
Rounded off TP						950

Source: Company, ICICI Direct Research

Exhibit 9: Price Performance


Source: Company, ICICI Direct Research

Financial summary

Exhibit 10: Profit and loss statement ₹ crore				
₹ crore	FY20	FY21	FY22E	FY23E
Net Sales	1,941.1	1,073.3	1,693.4	2,516.0
Other Income	58.5	92.3	96.9	101.8
Total revenues	1,999.6	1,165.6	1,790.3	2,617.8
Raw Material Expenses	195.9	76.9	152.4	226.4
Employee Cost	165.5	112.5	135.5	201.3
Other Expenditure	612.6	389.7	544.1	777.3
Total Operating Expenditure	974.0	579.1	832.0	1,205.1
EBITDA	967.1	494.2	861.4	1,310.9
Interest	347.8	347.8	346.4	384.0
Depreciation	207.6	209.4	268.6	303.9
PBT	478.0	29.2	343.4	724.8
Tax	122.1	(4.7)	86.5	182.7
Reported PAT	334.7	52.6	244.8	578.9
EPS	21.9	3.1	14.2	33.7

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement ₹ crore				
₹ crore	FY20	FY21	FY22E	FY23E
Profit after Tax	334.7	52.6	244.8	578.9
Depreciation	207.6	209.4	268.6	303.9
Interest paid	347.8	347.8	346.4	384.0
Cash Flow before wc changes	986.4	516.9	958.3	1,412.7
Net Increase in Current Assets	(130.3)	1.7	104.6	(596.8)
Net Increase in Current Liabilities	31.8	(94.4)	(361.1)	535.7
Net cash flow from op. activities	779.8	436.6	615.3	1,168.9
Purchase of Fixed Assets	(780.3)	(744.2)	(594.8)	(537.7)
(Purchase)/Sale of Investments	(913.4)	(1,018.5)	-	-
Net cash flow from inv. activities	(544.1)	(585.2)	(571.3)	(498.7)
Proceeds from Long Term Borrowing	922.1	(181.2)	160.2	(8.8)
Interest paid	(325.6)	(368.0)	(346.4)	(384.0)
Net cash flow from fin. activities	(286.9)	521.7	(217.8)	(538.1)
Net Cash flow	(51.3)	373.2	(173.8)	132.1
Opening Cash	192.0	140.7	513.9	340.1
Closing Cash	140.7	513.9	340.1	472.2

Source: Company, ICICI Direct Research

Exhibit 12: Balance sheet ₹ crore				
₹ crore	FY20	FY21	FY22E	FY23E
Equity Capital	30.7	34.4	34.4	34.4
Reserves & Surplus	3,677.7	4,850.4	5,063.6	5,497.1
Networth	3,708.4	4,884.8	5,098.0	5,531.5
Total Debt	4,308.4	3,757.0	3,917.2	3,908.5
Other financial liabilities	202.1	156.7	162.4	241.3
Deferred Tax Liability	2.8	2.1	2.1	2.1
Source of Funds	9,500	10,120	10,534	11,040
Gross Block	7,503.5	8,532.9	9,593.0	10,130.7
Less: Accumulated Dep	1,423.9	1,633.3	1,901.9	2,205.8
Net Block	6,079.6	6,899.7	7,691.2	7,925.0
Capital WIP	1,534.1	1,274.0	808.6	808.6
Total Fixed Assets	7,613.7	8,173.6	8,499.8	8,733.6
Investments	428.0	474.9	474.9	474.9
Inventories	816.1	768.2	719.1	1,034.0
Trade Receivables	201.7	295.0	185.6	275.7
Loans & Advances	9.7	15.0	23.7	35.3
Cash & Bank Balances	140.7	513.9	340.1	472.2
Other Current Assets	412.2	325.9	371.2	551.5
Total Current Assets	1,742.1	2,017.1	1,738.7	2,467.7
Trade Payable	110.1	84.7	133.6	198.5
Provisions	76.1	85.5	92.8	124.1
Other Current Liabilities	860.8	1,165.3	742.3	1,102.9
Total Current Liabilities	1,047.0	1,335.5	968.7	1,425.5
Net Current Assets	695.1	681.6	770.1	1,042.2
Application of Funds	9,500	10,120	10,534	11,040

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios				
₹ crore	FY20	FY21	FY22E	FY23E
Per Share Data				
Reported EPS	21.9	3.1	14.2	33.7
Cash EPS	35.4	15.2	29.9	51.4
BVPS	242.2	284.2	296.6	321.8
Operating Ratios				
EBITDA / Net Sales	49.8	46.0	50.9	52.1
PAT / Net Sales	16.8	4.9	14.5	23.0
Return Ratios				
RoE	8.8	1.1	4.8	10.5
RoCE	8.6	3.7	6.5	10.0
RoC	11.2	3.9	7.0	11.5
Valuation Ratios				
EV / EBITDA	17.8	33.0	19.3	12.6
P/E	35.0	250.2	53.8	22.7
EV / Net Sales	8.8	15.2	9.8	6.6
Market Cap / Sales	6.8	12.3	7.8	5.2
Price to Book Value	3.2	2.7	2.6	2.4
Turnover Ratios				
Asset turnover	0.2	0.1	0.2	0.2
Gross Block Turnover	0.2	0.1	0.2	0.2
Solvency Ratios				
Net Debt / Equity	1.1	0.6	0.7	0.6
Current Ratio	1.4	1.1	1.3	1.3
Quick Ratio	0.6	0.5	0.6	0.6

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, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, MBA (Finance), Lokesh Kashikar, MMS, 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 broking and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst 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 and its analysts, persons reporting to analysts and their relatives are generally prohibited 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, and 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 and ICICI Securities as a entity 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.