

## Business ramping up with pick-up in leisure...

IHCL's revenues for Q3FY21 improved 118.1% QoQ to ₹ 559.9 crore (vs. I-direct estimate: ₹ 453 crore) while it was down 59.2% YoY. **Domestic leisure destination led the recovery** with destinations like Goa, Rajasthan and Kerala reporting 80%, 55% and 51% occupancy, respectively, in Q3FY21. Business destinations continue to remain affected with Mumbai, Delhi, Bengaluru reporting average occupancy of 38%, 39%, 41%, respectively. Average occupancy in domestic market was at 47.4% vs. 32.3% reported in Q2FY21. Average room rates also recovered sharply by 53% QoQ to ₹ 8300/room vs. ₹ 5424/room in Q2. Total operating expenditure declined 39.1% YoY to ₹ 577 crore with 27% reduction in fixed costs. **Fixed cost per month reduced from ₹ 164 crore to ₹ 120 crore** during 9MFY21 leading to average savings of ₹ 132 crore/quarter. As a result, consolidated EBITDA loss narrowed down to ₹ 16.7 crore (vs. I-direct estimate: EBITDA loss of ₹ 15.8 crore) from EBITDA loss of ₹ 150 crore in Q2FY21. On a standalone basis, the company reported **positive EBITDA** of ₹ 48 crore led by sharp recovery in leisure destinations vs. EBITDA loss of ₹ 87 crore in Q2FY21. Consolidated net loss came in at ₹ 118.9 crore (vs. net loss of ₹ 230 crore in Q2).

## Cost optimisation drive to reap benefits in long run...

After achieving ~75% target set in Aspire 2020, the focus has shifted to R.E.S.E.T 2020. Under this, IHCL is maximising the revenue potential through initiatives. Further, the company is focusing more on bringing the cost efficiency through various measures. As visible fixed cost per month reduced from ₹ 164 crore to ₹ 120 crore, leading to average savings of ₹ 132 crore per quarter. The key levers are 1) decline in staff to room ratio from 1.53 FY20 to 1.14 during Q3FY21 through redeployments in new properties and multiskilling, 2) lease rental waivers of ₹ 49 crore, 3) savings of ₹ 67 crore through prudence in all other corporate expenditure. We believe these initiatives will bode well in the long term as business returns to normal.

## Liquidity profile to improve, going forward

The company raised ₹ 750 crore of long term debt during 9MFY21 to maintain liquidity. Gross debt is now at ₹ 3588 crore with net D/E ratio of 0.71x. The average cost of debt is at 6.6% (down 40 bps from March 2020). Recovery in the domestic segment, deferral of capex, reduced opex provides us comfort on the liquidity front.

## Valuation & Outlook

We believe the current pandemic environment will make strong players like IHCL even stronger once normalcy resumes. With the resumption of economic activity, we expect tourism to witness a sharp recovery in FY22E. Given the company's strong parentage and brand visibility along with meaningful cost optimisation measures, concerns with respect to liquidity are now being negated. Hence, we maintain **BUY** rating with a revised target price of ₹ 150 (i.e. 28x FY22E EV/EBITDA) (earlier ₹ 125).

### Stock Data

| Particular     | Amount        |
|----------------|---------------|
| Market Cap     | ₹ 14151 crore |
| Debt (FY21E)   | ₹ 3653 crore  |
| Cash (FY21E)   | ₹ 148 crore   |
| EV             | ₹ 17656 crore |
| 52 week H/L    | 158/62        |
| Equity capital | ₹ 118.9 crore |
| Face value     | ₹ 1           |

### Key Highlights

- Average occupancy levels of domestic business improved to 47% in Q3 vs 32% in Q2. Average room rates also increased to ₹8300/room on QoQ basis from ₹5424/room.
- Signed six new hotels with over 1100 rooms at multiple locations.
- Achieved 39% cost reduction during the quarter.
- Maintain BUY with revised TP of ₹ 150 per share.

### Key Risks to our call

- Any further imposition of restriction on travel (domestic + International) could further delay recovery in tourist destinations
- Companies adopting work from home policy beyond FY21 could further delay the recovery in business hotel segment

### Research Analyst

Rashesh Shah  
rashesh.shah@icicisecurities.com

## Key Financial Summary

|            | FY18  | FY19  | FY20  | FY21E  | FY22E | CAGR (FY20-22E) |
|------------|-------|-------|-------|--------|-------|-----------------|
| Net Sales  | 4,104 | 4,512 | 4,463 | 1,438  | 3,124 | -16.3%          |
| EBITDA     | 670   | 830   | 968   | (555)  | 729   | -13.2%          |
| EBITDA (%) | 16.3  | 18.4  | 21.7  | (38.6) | 23.3  |                 |
| Net Profit | 101   | 287   | 259   | (765)  | 60    | -52.1%          |
| EPS (₹)    | 0.8   | 2.4   | 2.7   | (7.3)  | 0.5   |                 |
| EV/EBITDA  | 29.3  | 24.3  | 21.1  | (38.4) | 28.7  |                 |
| RoNW       | 2.2   | 6.5   | 7.3   | (24.6) | 1.7   |                 |
| RoCE       | 5.5   | 7.4   | 7.0   | (7.3)  | 4.9   |                 |
| ROE        | 2.2   | 6.5   | 7.3   | (24.6) | 1.7   |                 |

Exhibit 1: Variance Analysis

|                        | Q3FY21 | Q3FY21E | Q3FY20  | YoY (%)  | Q2FY21 | QoQ (%) | Comments  |
|------------------------|--------|---------|---------|----------|--------|---------|---|
| Total Operating Income | 559.9  | 453.0   | 1,372.7 | -59.2    | 256.7  | 118.1   | Average occupancy in domestic market at 47.4% vs. 32.3% reported in Q2FY21. Average room rates also recovered sharply by 53% QoQ to ₹ 8300/room vs. ₹ 5424/room during Q2 |
| Other Income           | 54.7   | 34.0    | 36.2    | 51.1     | 66.9   | -18.2   |   |
| Raw Material Expenses  | 56.0   | 38.5    | 117.2   | -52.2    | 21.8   | 156.5   |   |
| Employee Expenses      | 242.0  | 225.3   | 390.3   | -38.0    | 204.3  | 18.4    |   |
| Other Expenses         | 278.7  | 205.0   | 439.5   | -36.6    | 180.9  | 54.1    |   |
| EBITDA                 | -16.7  | -15.8   | 425.7   | -103.9   | -150.3 | -88.9   | Total operating expenditure declined 39.1% YoY to ₹ 577 crore to contain impact of slowdown leading to reduced operating loss   |
| EBITDA Margin (%)      | -3.0   | -3.5    | 31.0    | NA       | -58.6  | NA      |   |
| Interest               | 112.1  | 96.8    | 84.9    | 32.1     | 96.8   | 15.8    |   |
| Depreciation           | 102.3  | 98.0    | 100.8   | 1.5      | 102.8  | -0.5    |   |
| PBT                    | -148.4 | -176.5  | 275.0   | PL       | -262.6 | PL      |   |
| Exceptional            | -28.0  | 0.0     | 1.2     | -2,436.7 | -20.5  | 36.8    | Represents gain on derivative contracts and forex gains   |
| Less: Tax              | -30.7  | -58.3   | 81.3    | -137.8   | -42.9  | -28.3   |   |
| PAT                    | -118.9 | -123.8  | 203.1   | -158.5   | -230.0 | -48.3   |   |

Source: Company, ICICI Direct Research

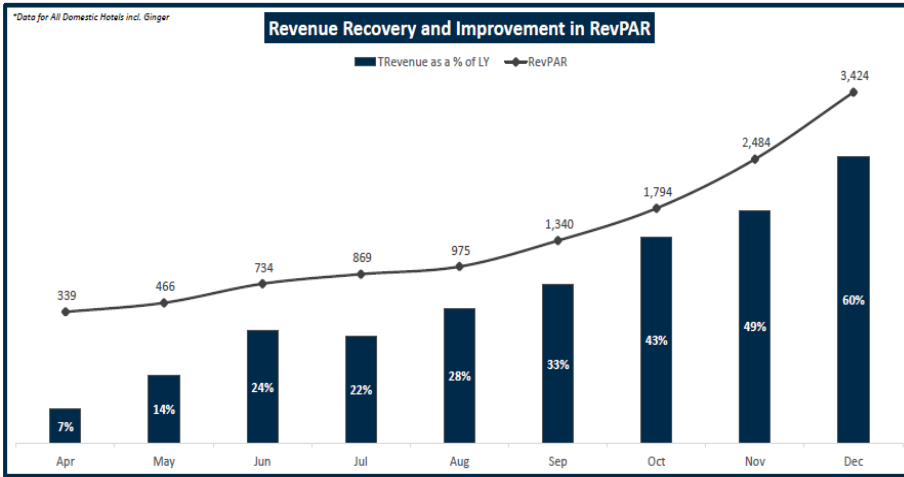
Exhibit 2: Change in estimates

| (₹ Crore)         | FY21E   |         |          | FY22E   |         |          | Comments  |
|-------------------|---------|---------|----------|---------|---------|----------|---|
|                   | Old     | New     | % Change | Old     | New     | % Change |   |
| Revenue           | 1,338.5 | 1,438.5 | 7.5      | 3,124.2 | 3,124.2 | 0.0      | With beginning of the global vaccination drive from January 2021, we expect FY22 to be a year of major recovery |
| EBITDA            | -591.6  | -555.1  | -6.2     | 728.9   | 728.9   | 0.0      |   |
| EBITDA Margin (%) | -44.2   | -38.6   | 561 bps  | 23.3    | 23.3    | 0 bps    |   |
| PAT               | -794.7  | -765.4  | -3.7     | 48.2    | 59.6    | 23.6     |   |
| EPS (₹)           | -6.7    | -6.4    | -3.7     | 0.4     | 0.5     | 23.6     |   |

Source: Company, ICICI Direct Research

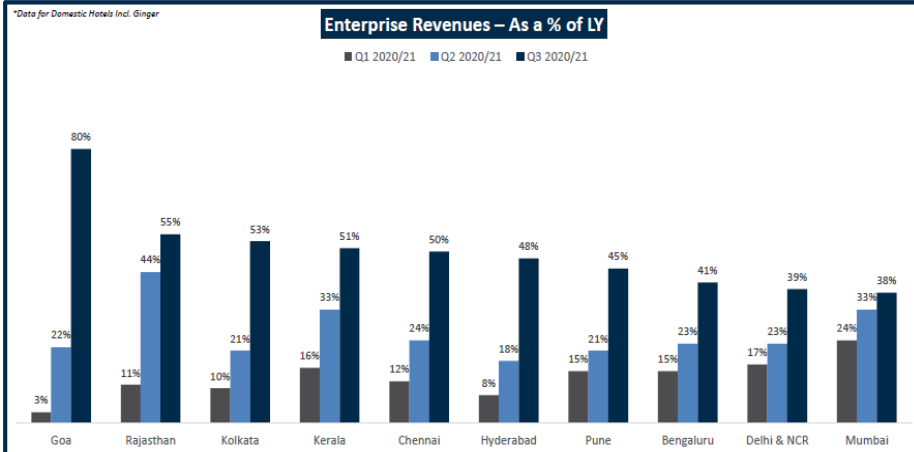
## Financial story in charts

**Exhibit 3: Occupancy levels improving**



Source: Company, ICICI Direct Research

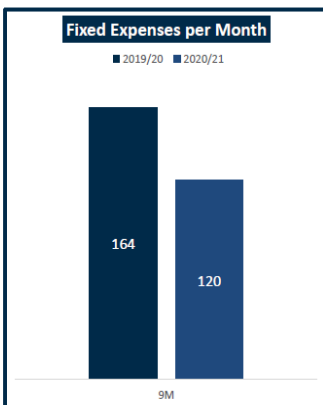
**Exhibit 4: Leisure destinations lead path to recovery**



Source: Company, ICICI Direct Research

**Exhibit 5: Company delivering well on cost front**

### SUSTAINED OPTIMIZATION OF FIXED COSTS



Decline in Fixed Costs Per Month in 9M 2020/21

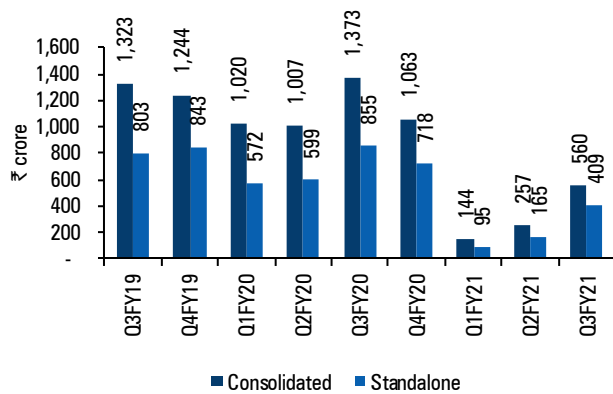
Source: Company, ICICI Direct Research

Exhibit 6: Improving ARR, occupancy trends across domestic segment

| Particulars          | Oct       | Nov        | Dec        | Q3         | Q2         |
|----------------------|-----------|------------|------------|------------|------------|
| Occupancy %          | 40.8      | 46.7       | 54.6       | 47.4       | 32.3       |
| ARR in ₹             | 7,068     | 8,163      | 9,318      | 8,300      | 5,424      |
| RevPAR in ₹          | 2,886     | 3,814      | 5,087      | 3,936      | 1,751      |
| (₹/ crores)          |           |            |            |            |            |
| Room Revenue         | 39        | 51         | 70         | 160        | 71         |
| F & B Revenue        | 33        | 59         | 69         | 161        | 48         |
| Other Revenue        | 25        | 38         | 50         | 113        | 96         |
| <b>Total Revenue</b> | <b>97</b> | <b>147</b> | <b>189</b> | <b>434</b> | <b>215</b> |

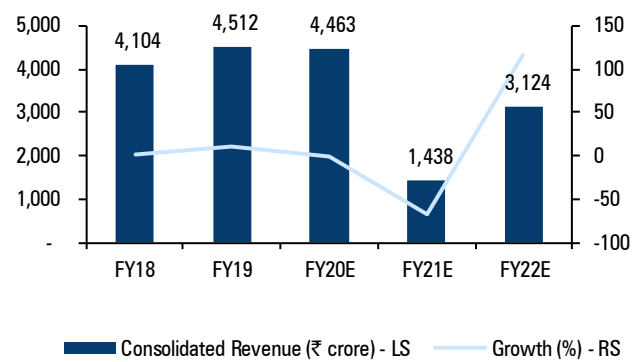
Source: Company, ICICI Direct Research

Exhibit 7: Domestic market sees good recovery in Q3FY21



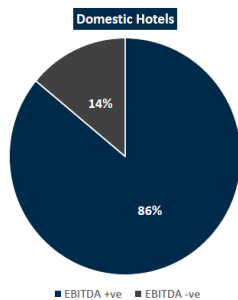
Source: Company, ICICI Direct Research

Exhibit 8: Sharp recovery expected from FY22E



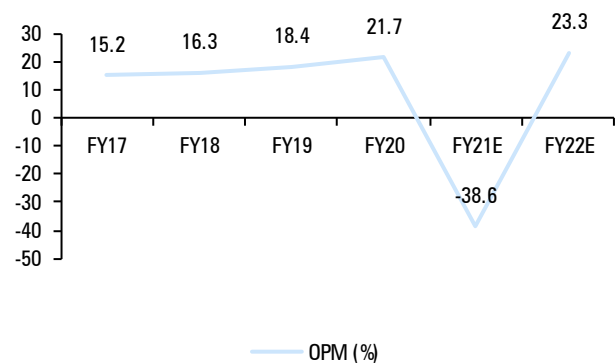
Source: Company, ICICI Direct Research

Exhibit 9: 86% of domestic portfolio turns EBITDA positive  
SIGNIFICANT PORTFOLIO EBITDA POSITIVE IN DECEMBER 2020



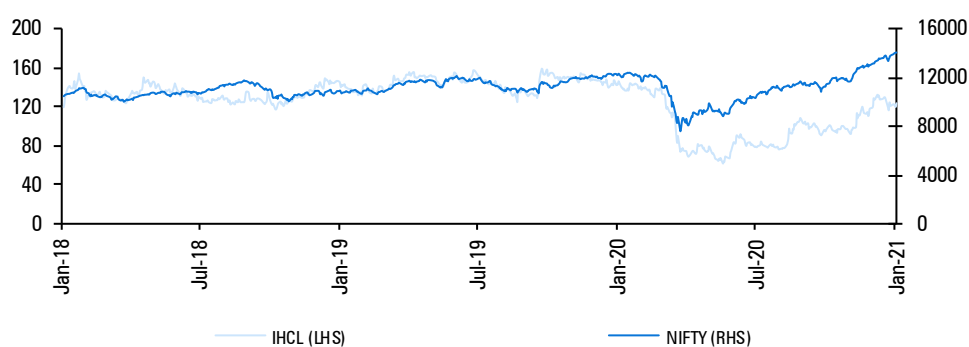
Source: Company, ICICI Direct Research

Exhibit 10: EBITDA margins to cross 23% by FY22E



Source: Company, ICICI Direct Research

Exhibit 11: Three year price performance vs Nifty



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 12: Top 10 shareholders

| Rank | Investor Name        | Filing Date | % O/S | Position (m) | Change |
|------|----------------------|-------------|-------|--------------|--------|
| 1    | Tata Sons Ltd        | 30-Jun-19   | 36.4  | 433.2        | 0.0    |
| 2    | Reliance Capital Tru | 31-Dec-19   | 7.6   | 90.7         | 7.7    |
| 3    | Hdfc Asset Managemen | 31-Dec-19   | 6.6   | 78.5         | 0.2    |
| 4    | Franklin Resources   | 31-Dec-19   | 3.6   | 43.1         | -1.2   |
| 5    | Norges Bank          | 31-Dec-18   | 3.6   | 42.4         | 0.0    |
| 6    | Icici Prudential Lif | 30-Jun-19   | 2.8   | 33.3         | 15.9   |
| 7    | Government Pension F | 30-Jun-19   | 2.7   | 31.6         | -10.8  |
| 8    | Icici Prudential Ass | 31-Dec-19   | 2.2   | 26.7         | -0.1   |
| 9    | Sbi Funds Management | 31-Dec-19   | 2.2   | 25.5         | -0.2   |
| 10   | Life Insurance Corp  | 30-Jun-19   | 1.8   | 21.2         | -22.3  |

Source: Company, Thomson Reuters, ICICI Direct Research

Exhibit 13: Shareholding Pattern

| (in %)   | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 39.09  | 40.75  | 40.75  | 40.75  | 40.75  |
| FII      | 11.78  | 11.61  | 11.31  | 10.50  | 12.51  |
| DII      | 35.09  | 33.30  | 33.60  | 31.50  | 29.59  |
| Others   | 14.04  | 14.34  | 14.34  | 17.25  | 17.15  |

Source: Company, Thomson Reuters, ICICI Direct Research

## Financial summary

| Exhibit 14: Profit and loss statement |                |                |                 |                |
|---------------------------------------|----------------|----------------|-----------------|----------------|
|                                       | ₹ crore        |                |                 |                |
| (Year-end March)                      | FY19           | FY20           | FY21E           | FY22E          |
| <b>Total operating income</b>         | <b>4,512.0</b> | <b>4,463.1</b> | <b>1,438.5</b>  | <b>3,124.2</b> |
| Growth (%)                            | 10.0           | -1.1           | -67.8           | 117.2          |
| Raw Material Expenses                 | 404.1          | 370.6          | 127.6           | 246.8          |
| Employee Expenses                     | 1,470.8        | 1,494.6        | 973.1           | 992.5          |
| Power & Fuel Exp                      | 0.0            | 0.0            | 0.0             | 0.0            |
| Other Exp                             | 1,807.4        | 1,630.5        | 892.9           | 1,156.0        |
| Total Operating Exp                   | 3,682.2        | 3,495.6        | 1,993.5         | 2,395.3        |
| <b>EBITDA</b>                         | <b>829.8</b>   | <b>967.5</b>   | <b>-555.1</b>   | <b>728.9</b>   |
| Growth (%)                            | 23.8           | 16.6           | -157.4          | -231.3         |
| Depreciation                          | 327.9          | 404.2          | 391.8           | 404.3          |
| Interest                              | 190.1          | 341.1          | 408.8           | 413.4          |
| Other Income                          | 83.4           | 132.4          | 225.0           | 125.0          |
| <b>PBT</b>                            | <b>395.2</b>   | <b>354.6</b>   | <b>-1,130.6</b> | <b>36.2</b>    |
| Others/Minority Int                   | 54.3           | -18.7          | -313.7          | 26.0           |
| Total Tax                             | 157.1          | 44.8           | -228.8          | 11.9           |
| <b>Adjusted PAT</b>                   | <b>286.9</b>   | <b>259.4</b>   | <b>-765.4</b>   | <b>48.2</b>    |
| Growth (%)                            | 184.4          | -9.6           | -395.0          | -106.3         |
| <b>Adjusted EPS (₹)</b>               | <b>2.4</b>     | <b>2.2</b>     | <b>-6.4</b>     | <b>0.4</b>     |

Source: Company, ICICI Direct Research

| Exhibit 16: Balance sheet   |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | ₹ crore        |                |                |                |
| (Year-end March)            | FY19           | FY20           | FY21E          | FY22E          |
| Equity Capital              | 118.9          | 118.9          | 118.9          | 118.9          |
| Reserve and Surplus         | 4,203.3        | 4,237.8        | 3,412.9        | 3,413.0        |
| Total Shareholders funds    | 4,322.2        | 4,356.7        | 3,531.9        | 3,532.0        |
| <b>Total Debt</b>           | <b>2,526.3</b> | <b>2,903.4</b> | <b>3,653.4</b> | <b>3,353.4</b> |
| Deferred Tax Liability      | 307.3          | 110.4          | 100.4          | 90.4           |
| Minority Interest / Others  | 799.9          | 2,625.5        | 2,566.8        | 2,178.1        |
| <b>Total Liabilities</b>    | <b>7,955.7</b> | <b>9,995.9</b> | <b>9,852.4</b> | <b>9,153.8</b> |
| Gross Block                 | 9,117.9        | 9,559.6        | 9,998.7        | 10,183.7       |
| Less: Acc Depreciation      | 3,884.7        | 4,288.9        | 4,680.7        | 5,085.1        |
| Net Block                   | 5,233.2        | 5,270.7        | 5,317.9        | 5,098.6        |
| Capital WIP                 | 116.2          | 244.1          | 70.0           | 80.0           |
| <b>Total Fixed Assets</b>   | <b>5,349.4</b> | <b>5,514.7</b> | <b>5,387.9</b> | <b>5,178.6</b> |
| Investments                 | 1,335.1        | 1,426.6        | 1,376.6        | 1,176.6        |
| Goodwill on consolidation   | 1,189.2        | 1,204.9        | 1,204.9        | 1,204.9        |
| Right-of-use-asset          |                |                |                |                |
| Inventory                   | 80.4           | 93.6           | 40.4           | 147.9          |
| Debtors                     | 321.4          | 290.0          | 177.3          | 299.6          |
| Loans and Advances          | 369.2          | 410.3          | 567.9          | 369.3          |
| Cash                        | 215.0          | 315.5          | 148.3          | 255.4          |
| Other current assets        | 620.4          | 599.0          | 609.3          | 328.0          |
| Total Current Assets        | 1,606.4        | 1,708.4        | 1,543.3        | 1,400.2        |
| Current liabilities         | 325.3          | 389.3          | 197.1          | 359.5          |
| Provisions                  | 0.0            | 0.0            | 0.0            | 0.0            |
| Total Current Liabilities   | 325.3          | 389.3          | 197.1          | 359.5          |
| <b>Net Current Assets</b>   | <b>1,281.2</b> | <b>1,319.1</b> | <b>1,346.2</b> | <b>1,040.7</b> |
| <b>Application of Funds</b> | <b>7,955.7</b> | <b>9,995.9</b> | <b>9,852.4</b> | <b>9,153.8</b> |

Source: Company, ICICI Direct Research

| Exhibit 15: Cash flow statement   |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | ₹ crore       |               |               |               |
| (Year-end March)                  | FY19          | FY20          | FY21E         | FY22E         |
| Profit after Tax                  | 286.9         | 354.4         | -765.4        | 59.6          |
| Add: Depreciation                 | 327.9         | 404.2         | 391.8         | 404.3         |
| (Inc)/dec in Current Assets       | -158.2        | -1.5          | -2.0          | 250.1         |
| Inc/(dec) in CL and Provisions    | 60.8          | -87.1         | -263.4        | -103.8        |
| <b>CF from operating activit</b>  | <b>517.4</b>  | <b>670.0</b>  | <b>-639.0</b> | <b>610.2</b>  |
| (Inc)/dec in Investments          | 322.1         | 4.7           | 0.0           | 0.0           |
| (Inc)/dec in Fixed Assets         | 116.9         | -569.6        | -265.0        | -195.0        |
| Others                            | -965.2        | -61.8         | 46.3          | 51.3          |
| <b>CF from investing activiti</b> | <b>-526.2</b> | <b>-626.7</b> | <b>-218.7</b> | <b>-143.7</b> |
| Issue/(Buy back) of Equity        | 0.0           | 0.0           | 0.0           | 0.0           |
| Inc/(dec) in loan funds           | 99.3          | 377.1         | 750.0         | -300.0        |
| Dividend paid & dividend tax      | -71.7         | -71.7         | -59.5         | -59.5         |
| Inc/(Dec) in Sec. premium         | 0.0           | 0.0           | 0.0           | 0.0           |
| Others                            | -74.0         | -248.3        | 0.0           | 0.0           |
| <b>CF from financing activiti</b> | <b>-46.4</b>  | <b>57.1</b>   | <b>690.5</b>  | <b>-359.5</b> |
| Net Cash flow                     | -55.3         | 100.4         | -167.1        | 107.0         |
| Opening Cash                      | 270.3         | 215.0         | 315.5         | 148.3         |
| <b>Closing Cash</b>               | <b>215.0</b>  | <b>315.5</b>  | <b>148.3</b>  | <b>255.4</b>  |

Source: Company, ICICI Direct Research

| Exhibit 17: Key ratios       |      |      |       |       |
|------------------------------|------|------|-------|-------|
| (Year-end March)             | FY19 | FY20 | FY21E | FY22E |
| <b>Per share data (₹)</b>    |      |      |       |       |
| EPS                          | 2.4  | 3.0  | -6.4  | 0.5   |
| Cash EPS                     | 5.2  | 6.4  | -3.1  | 3.9   |
| BV                           | 36.3 | 36.6 | 29.7  | 29.7  |
| DPS                          | 0.5  | 0.5  | 0.5   | 0.5   |
| Cash Per Share               | 5.2  | 6.4  | -3.1  | 3.9   |
| <b>Operating Ratios (%)</b>  |      |      |       |       |
| EBITDA Margin                | 18.4 | 21.7 | -38.6 | 23.3  |
| PBT / Total Operating income | 8.9  | 8.9  | -69.2 | 1.7   |
| PAT Margin                   | 6.4  | 7.9  | -53.2 | 1.9   |
| Inventory days               | 6.7  | 7.1  | 17.0  | 11.0  |
| Debtor days                  | 26.0 | 23.7 | 45.0  | 35.0  |
| Creditor days                | 26.3 | 31.8 | 50.0  | 42.0  |
| <b>Return Ratios (%)</b>     |      |      |       |       |
| RoE                          | 6.6  | 8.1  | -21.7 | 1.7   |
| RoCE                         | 6.6  | 7.0  | -11.9 | 4.2   |
| RoIC                         | 6.6  | 6.0  | -9.8  | 3.7   |
| <b>Valuation Ratios (x)</b>  |      |      |       |       |
| P/E                          | 40.6 | 32.9 | 0.0   | 195.7 |
| EV / EBITDA                  | 16.8 | 14.7 | -27.3 | 20.2  |
| EV / Net Sales               | 3.1  | 3.2  | 10.5  | 4.7   |
| Market Cap / Sales           | 2.6  | 2.6  | 8.1   | 3.7   |
| Price to Book Value          | 2.7  | 2.7  | 3.3   | 3.3   |
| <b>Solvency Ratios</b>       |      |      |       |       |
| Debt/EBITDA                  | 3.0  | 3.0  | -6.6  | 4.6   |
| Debt / Equity                | 0.6  | 0.7  | 1.0   | 0.9   |
| Current Ratio                | 1.0  | 1.2  | 1.3   | 1.3   |
| Quick Ratio                  | 0.9  | 1.0  | 1.2   | 1.1   |

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, Rashesh Shah (CA) Research Analyst, 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 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](http://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](http://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.