

14 August 2023

India | Equity Research | Q1FY24 result review

Apollo Hospitals Enterprise

Pharma

Pressure on profitability persists

Contraction in margins of new hospitals (dip of 148bps QoQ) and losses of 24/7 division (INR 1.75bn) depressed Apollo Hospitals' EBITDA in Q1FY24. It has reduced the discounts offered on online 24/7 platform to ~14% from 17-18% in Q4FY23 leading to 8% dip in losses QoQ (up 24% YoY) and this division may be EBITDA breakeven by Q4FY24. Pharmacy business is likely to record revenue of INR 10bn in FY24E driven by higher revenue to GMV conversion in 24/7 and addition of 500-600 offline stores. It is on track to add 2,000 hospital beds (INR 15mn capex per bed) in the next 3-4 years while occupancy may be lower than 70% in the near term. We cut our EBITDA estimates for FY24/E25E by 3%/2% to factor in lower margins in Q1. We lower our rating to **HOLD (Add earlier)** but maintain target price of INR 5,000.

In-line revenue; slump in margins dampens profits

Revenue grew 16.4% YoY (+2.7% QoQ) to INR 44.2bn (I-Sec: INR 44.2bn). Gross margin stood flat YoY (+60bps QoQ) at 48.7%. EBITDA margin contracted 140bps YoY (+20bps QoQ) to 11.5% (I-Sec: 12.2%). Adjusted PAT declined 47.5% YoY (+15.3% QoQ) to INR 1.7bn (I-Sec: INR 1.9bn).

ARPOB and payor mix shines; occupancy plummets

Hospitals revenue grew 4.5% QoQ (+13.4% YoY) at INR 22.9bn. Occupancy declined to 62% in Q1FY24 vs 64% in Q4FY23 (60% in Q1FY23) on account of seasonality. ARPOBs rose 8.5% QoQ (+11.1% YoY) to INR 57,760 driven by improved payor mix. Cash/insurance/international/scheme based patients accounted for 40%/45%/7%/18% of hospital revenue, respectively. HealthCo revenue grew 22% YoY (flat QoQ) to INR 18.1bn. It added 32 offline stores on a net basis in Q1 and is expected to add 500-600 stores in FY24E. Apollo 24/7 recorded GMV of INR 6.2bn, up 5% QoQ. AHLL business grew 8.8% YoY (+3.3% QoQ), driven by 31.9% YoY growth in diagnostics.

New hospitals, HealthCo drag EBITDA

Hospitals' margin contracted 70bps QoQ (-30bps YoY) to 23.6% dragged by new hospitals. Offline pharmacy margin at 7.8% was flat QoQ, piling losses of 24/7 and ESOPs fuelled a loss of INR 566mn for HealthCo business. Discounts on 24/7 have dropped from 17-18% in Jan'23 to 13.7% in Q1. AHLL's margin contracted 270bps YoY (-100bps QoQ) at 7.3% on account of expansions.

Financial Summary

Y/E March (INR mn)	FY22A	FY23A	FY24E	FY25E
Net Revenue	1,46,626	1,66,125	1,94,370	2,26,705
EBITDA	21,851	20,496	26,243	32,192
EBITDA Margin (%)	14.9	12.3	13.5	14.2
Net Profit	8,500	8,191	11,306	15,335
EPS (Rs)	58.5	56.4	77.9	105.6
EPS % Chg YoY	652.8	(3.6)	38.0	35.6
P/E (x)	64.3	84.3	63.0	46.4
EV/EBITDA (x)	33.0	35.4	27.3	21.8
RoCE (%)	11.0	9.5	11.6	13.5
RoE (%)	16.6	13.8	16.8	19.1

Abdulkader Puranwala

abdulkader.puranwala@icicisecurities.com
+91 22 6807 7339

Rohan John

rohan.john@icicisecurities.com

Market Data

Market Cap (INR)	705bn
Market Cap (USD)	8,524mn
Bloomberg Code	APHS IN
Reuters Code	APLH.BO
52-week Range (INR)	5,364 /3,988
Free Float (%)	70.0
ADTV-3M (mn) (USD)	30.7

Price Performance (%)	3m	6m	12m
Absolute	6.8	11.2	11.2
Relative to Sensex	6.5	8.7	11.6

ESG Disclosure	2021	2022	Change
ESG score	33.8	34.1	0.4
Environment	2.1	2.4	0.3
Social	20.5	21.3	0.8
Governance	78.6	78.6	-

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

Earnings Revisions (%)	FY24E	FY25E
Revenue	0.7	1.4
EBITDA	(2.9)	(2.4)
EPS	(4.4)	(3.4)

Previous Reports

01-06-2023: [Q4FY23 results review](#)

15-05-2023: [Re-initiating coverage](#)

Valuations and risks

AHEL's strong brand image and Pan-India presence have helped its healthcare services segment to register ~25% RoCE. Management is also systematically working on improving margins/occupancy of new hospitals and is likely to add 2,000 beds in the next 3-4 years to further cement its position in cities where it has strong presence. While the management is expecting operational breakeven of its entire pharmacy business by Q4FY24, we believe this may continue to drag overall profitability and RoCE. We expect EBITDA CAGR of 25.3% over FY23-FY25E for AHEL driven by revenue CAGR of 16.8%. Margin may remain restricted at ~14% due to the additional cost for online platform and digitalisation. We expect RoE and RoCE to reach 19.1% and 13.5% by FY25E with growth in net profit and nominal capex.

The stock currently trades at EV/EBITDA of 28.3x FY24E and 22.6x FY25E. We believe the stock trades at fair valuations and hence, we downgrade it to **HOLD** with an unchanged target price of INR 5,000/share based on SoTP valuation for FY25E. **Key upside risks:** Price hikes and healthy ramp up of newer hospitals **Key downside risks:** Higher competition and delay in profitability of Apollo 24/7.

Exhibit 1: Sum of the parts valuation

Segments	INR mn	(x)	Value (INR mn)	AHEL's stake	Value (INR mn)
Hospitals - EBITDA (Mar25)	26,825	20.3	5,45,075	100%	5,45,075
HealthCo - Sales (Mar25)	98,900	1.7	1,70,899	100%	1,70,899
AHLL - EBITDA (Mar25)	2,401	15.3	36,730	70%	25,803
Indraprastha Medical - Market cap	7,820	0.8	5,865	22%	1,292
Total EV					7,43,069
Less: Net Debt (Mar25)					17,125
Implied M-Cap					7,25,944
Value per share (INR)					5,000

Source: Company data, I-Sec research

Q1FY24 concall highlights

Hospitals

- Share of insurance patient in payor mix stood at 44% (20-25% pre-covid) in Q1. Nearly 40% came from cash patients (45% earlier) and international patients accounted for 7% of revenue (15% in Delhi hospital).
- It has taken price hikes across mature hospitals but added doctors in new centres on a fixed fee basis.
- Hospitals' margins dropped due to an increase in the number of surgeries, marketing expenditure of new hospitals and addition of clinical talent.
- Self-pay and insurance revenue grew over 20% vs in Q1FY23.
- Cardiac, onco, neuro, nephro, gastro and ortho contributed 63% of hospital revenue.
- Occupancy in Tamil Nadu was impacted by lower admission of international patients and seasonality, though occupancy has improved in Jul'23.
- Hospital revenue across tier-2 cities in Tamil Nadu has grown 17%
- ARPOB growth of 11% to INR 57,760 in Q1FY24 was driven by better payor mix.

- Overall volume growth was 6% due to lower scheme based patient admission. In-patient volumes rose 11% in Q1.
- Occupancy in Madurai and Tiruchirappalli has lower than blended company level occupancy but has better RoIC.
- Hospital revenue included INR 3.5bn from pharmacy and INR 300mn from diagnostics in Q1. In Q4FY23, hospital revenue included INR 3.75bn from pharmacy and INR 220mn from diagnostics.

Pharmacy

- 24/7 is on track to achieve operational breakeven in Q4FY24.
- Margin profile of offline pharmacies will improve ahead due to network optimisation and cost efficiencies.
- Discount on 24/7 platform has dipped from 17-18% in Jan'23 to 13.7% in Q1. Lower discount has impacted revenue growth. The company has not fulfilled orders below bill value of INR 200 resulting in reduction in sales.
- Revenue to GMV ratio has fallen from 43% in Q4FY23 to 33-34% in Q1 due to lower discounting. Management expects this to move to 34-35% in Q2FY24.
- On track to add 500-600 offline stores in FY24 of which it added 32 stores in Q1 on a net basis.
- Private labels accounted for 16% of pharmacy revenue.
- Overall pharmacy losses have reduced by 20% QoQ to INR 566mn in Q1 majorly on account of reduction in digital operating cost.
- Offline pharmacy store count stood at 5,573 stores. In Q1, number of transactions on this platform grew by 22% to 62mn.
- New store takes 1-1.5 years to breakeven. New store addition has impacted the margin of offline pharmacy business YoY.

AHLL

- Under Apollo Cradle, it launched 1 new centre in Apr'23 and 2-3 units are likely to be commissioned by Q3FY24.

Diagnostics

- Diagnostics business added 260+ collection centres in Q1. Overall collection network stood at over 1,910 centres, spread across ~260 cities.
- It aims to reach 3,000+ collection centres by the end of FY24.
- Non-covid diagnostics revenue grew 48% YoY.

Guidance

- Pharmacy business is on track to achieve INR 100bn of revenue with 6% EBITDA in FY24.
- Tax rate at standalone level is 25%; on consolidated basis it is higher at 32% due to losses in pharmacy business. Bengaluru and Lucknow facilities will move to new tax system from next quarter.
- Hospitals may not be able to reach 70% occupancy on a blended basis in the near term.
- On track to add 2,000 beds for a capex outlay of INR 30bn over the next 3-4 years. Major bed addition to happen in Bengaluru and Gurgaon; Apollo Hospitals has 75% occupancy in these cities.

Exhibit 2: Q1FY24 quarterly review

INR mn	Q1FY24	Q1FY23	YoY % Chg.	Q4FY23	QoQ % Chg.
Net Sales	44,178	37,956	16.4	43,022	2.7
EBITDA	5,090	4,907	3.7	4,882	4.3
EBITDA margins (%)	11.5	12.9	-140bps	11.3	20bps
Other income	341	40	744.1	199	71.2
PBIDT	5,431	4,948	9.8	5,081	6.9
Depreciation	1,669	1,478	12.9	1,591	4.9
Interest	1,062	927	14.5	954	11.3
Extra ordinary income/ (exp.)	-	-	-	-	-
PBT	2,700	2,543	6.2	2,536	6.5
Tax	966	(695)	(239.0)	1,080	(10.5)
Minority Interest	68	67		11	
Reported PAT	1,666	3,171	(47.5)	1,445	15.3
Adjusted PAT	1,666	3,171	(47.5)	1,445	15.3

Source: Company data, I-Sec research

Exhibit 3: Business mix

Sales (INR mn)	Q1FY24	Q1FY23	YoY % Chg.	Q4FY23	QoQ % Chg.
Hospitals	22,937	20,230	13.4	21,946	4.5
Health Co	18,054	14,793	22.0	17,992	0.3
AHLL	3,187	2,930	8.8	3,085	3.3
Total	44,178	37,953	16.4	43,023	2.7

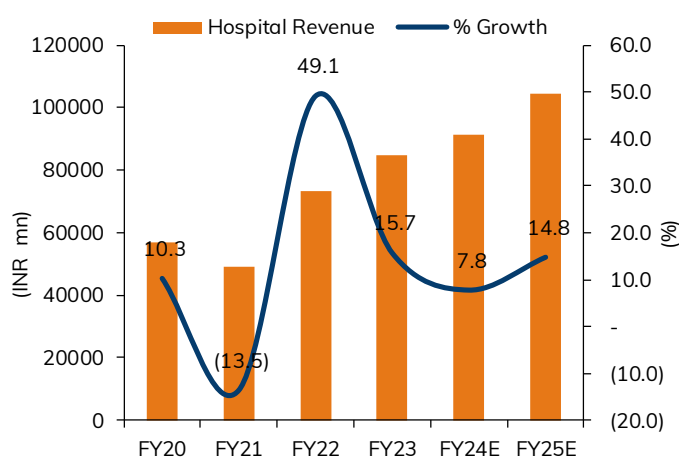
Source: Company data, I-Sec research

Exhibit 4: EBITDA breakup

EBITDA (INR mn)	Q1FY24	Q1FY23	YoY % Chg.	Q4FY23	QoQ % Chg.
Hospitals	5,423	4,844	12.0	5,347	1.4
% margin	23.6	23.9	-30bps	24.4	-70bps
Health Co	(566)	(231)		(721)	
% margin	(3.1)	(1.6)		(4.0)	90bps
AHLL	233	294	(20.7)	255	(8.6)
% margin	7.3	10.0	-270bps	8.3	-100bps

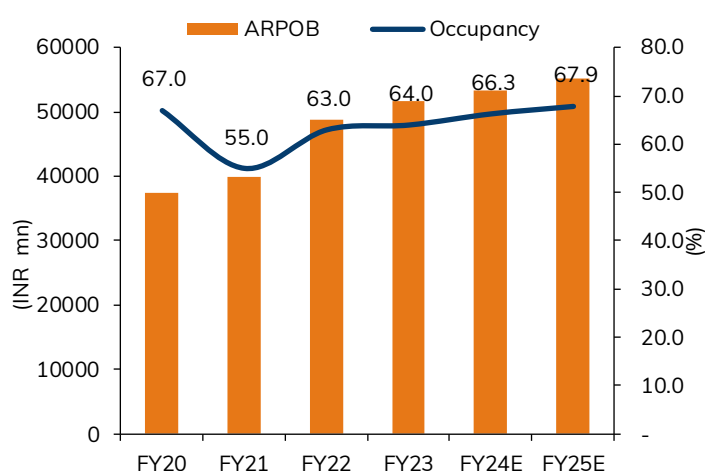
Source: Company data, I-Sec research

Exhibit 5: Healthy traction in hospitals likely to continue with improvement in occupancies



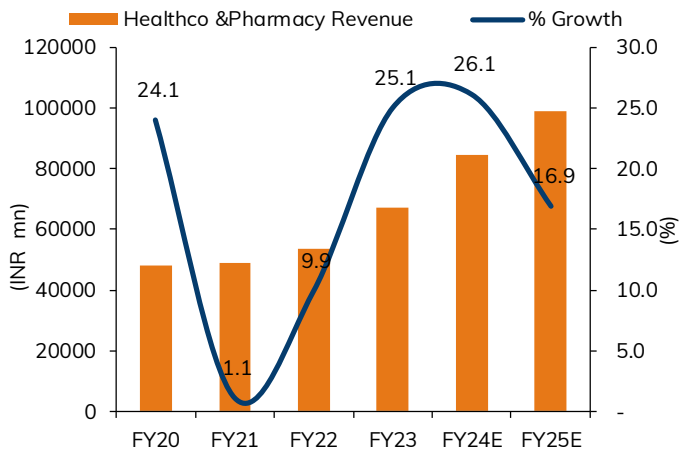
Source: Company data, I-Sec research

Exhibit 6: Occupancy and ARPOB expected to increase from current levels



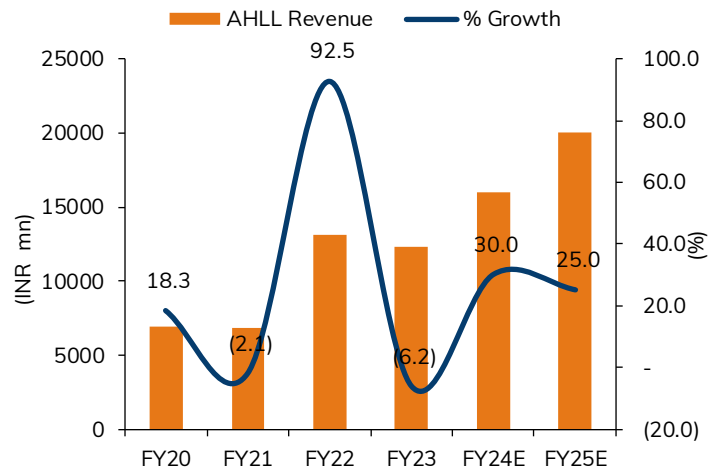
Source: Company data, I-Sec research

Exhibit 7: Store addition and 24/7 to boost pharmacy revenue



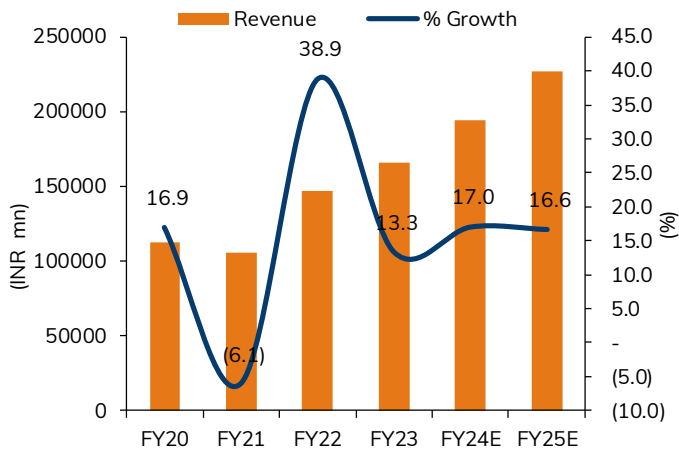
Source: Company data, I-Sec research

Exhibit 8: AHLL revenue to grow at its fastest pace



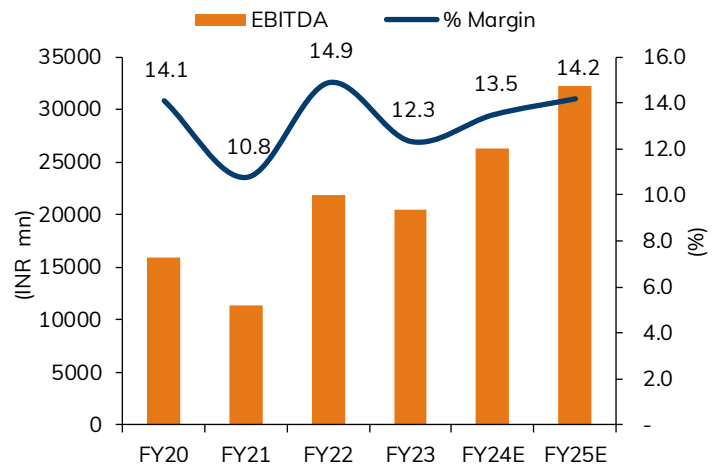
Source: Company data, I-Sec research

Exhibit 9: Revenue to grow at 16.8% CAGR over FY23-25E



Source: Company data, I-Sec research

Exhibit 10: Curbs in 24/7 discounts to boost EBITDA margin



Source: Company data, I-Sec research

Exhibit 11: Shareholding pattern

%	Dec'22	Mar'23	Jun'23
Promoters	29.3	29.3	29.3
Institutional investors	64.5	64.7	65.0
MFs and others	10.2	11.4	12.0
FIs/Banks	0.1	0.1	0.0
Insurance	5.5	5.5	4.2
FIIIs	48.7	47.7	48.6
Others	6.2	6.0	5.7

Source: Bloomberg

Exhibit 12: Price chart



Source: Bloomberg

Financial Summary

Exhibit 13: Profit & Loss

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Net Sales	1,46,626	1,66,125	1,94,370	2,26,705
Operating Expenses	49,041	59,886	67,055	76,626
EBITDA	21,851	20,496	26,243	32,192
EBITDA Margin (%)	14.9	12.3	13.5	14.2
Depreciation & Amortization	6,007	6,152	6,335	6,610
EBIT	15,844	14,344	19,908	25,582
Interest expenditure	3,786	3,808	3,534	3,246
Other Non-operating Income	781	903	976	1,073
Recurring PBT	15,854	11,008	16,875	22,887
Profit / (Loss) from Associates	74	(432)	(475)	(522)
Less: Taxes	4,770	2,562	5,569	7,553
PAT	11,084	8,446	11,306	15,335
Less: Minority Interest	(528)	(255)	-	-
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	11,084	8,446	11,306	15,335
Net Income (Adjusted)	8,500	8,191	11,306	15,335

Source Company data, I-Sec research

Exhibit 14: Balance sheet

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Total Current Assets	36,201	40,450	51,706	67,535
of which cash & cash eqv.	10,359	7,758	13,517	23,035
Total Current Liabilities & Provisions	21,747	25,521	29,541	33,980
Net Current Assets	14,454	14,929	22,164	33,555
Investments	8,063	5,777	5,777	5,777
Net Fixed Assets	61,620	62,004	60,669	59,059
ROU Assets	10,729	12,317	12,317	12,317
Capital Work-in-Progress	440	6,017	6,017	6,017
Total Intangible Assets	10,313	10,917	10,917	10,917
Other assets	2,508	4,497	5,261	6,136
Deferred Tax assets	2,187	2,216	2,572	2,980
Total Assets	1,10,395	1,18,757	1,25,778	1,36,842
Liabilities				
Borrowings	26,357	27,103	23,103	19,103
Deferred Tax Liability	5,298	4,424	4,424	4,424
provisions	233	574	672	783
other Liabilities	19,512	21,342	21,342	21,342
Equity Share Capital	56,452	61,971	72,895	87,847
Reserves & Surplus	2,543	3,341	3,341	3,341
Total Net Worth	58,995	65,313	76,236	91,188
Minority Interest	-	-	-	-
Total Liabilities	1,10,395	1,18,757	1,25,778	1,36,842

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Operating Cashflow	16,156	13,771	18,675	22,147
Working Capital Changes	5,163	11,744	8,892	8,557
Capital Commitments	(6,518)	(11,245)	(5,000)	(5,000)
Free Cashflow	9,639	2,526	13,675	17,147
Other investing cashflow	1,153	2,538	-	-
Cashflow from Investing Activities	(5,365)	(8,706)	(5,000)	(5,000)
Issue of Share Capital	-	45	-	-
Interest Cost	(3,786)	(3,808)	(3,534)	(3,246)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(433)	(2,579)	(383)	(383)
Others	(3,457)	(1,323)	(4,000)	(4,000)
Cash flow from Financing Activities	(7,677)	(7,665)	(7,916)	(7,628)
Chg. in Cash & Bank balance	3,115	(2,600)	5,758	9,518
Closing cash & balance	10,359	7,758	13,517	23,035

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY22A	FY23A	FY24E	FY25E
Per Share Data (INR)				
Reported EPS	76.3	58.2	77.9	105.6
Adjusted EPS (Diluted)	58.5	56.4	77.9	105.6
Cash EPS	99.9	98.8	121.5	151.2
Dividend per share (DPS)	3.0	17.8	2.6	2.6
Book Value per share (BV)	406.4	449.9	525.1	628.1
Dividend Payout (%)	3.9	30.5	3.4	2.5
Growth (%)				
Net Sales	38.9	13.3	17.0	16.6
EBITDA	92.1	(6.2)	28.0	22.7
EPS (INR)	652.8	(3.6)	38.0	35.6
Valuation Ratios (x)				
P/E	64.3	84.3	63.0	46.4
P/CEPS	49.1	49.7	40.4	32.5
P/BV	12.1	10.9	9.3	7.8
EV / EBITDA	33.0	35.4	27.3	21.8
P / Sales	4.9	4.3	3.7	3.1
Operating Ratios				
Gross Profit Margins (%)	48.3	48.4	48.0	48.0
EBITDA Margins (%)	14.9	12.3	13.5	14.2
Effective Tax Rate (%)	30.1	23.3	33.0	33.0
Net Profit Margins (%)	5.8	4.9	5.8	6.8
Net Debt / Equity (x)	0.1	0.2	0.0	(0.1)
Net Debt / EBITDA (x)	0.4	0.7	0.1	(0.3)
Profitability Ratios				
RoCE (%)	11.0	9.5	11.6	13.5
RoE (%)	16.6	13.8	16.8	19.1
RoIC (%)	12.4	10.1	12.5	15.4
Fixed Asset Turnover (x)	2.5	2.7	3.2	3.8
Inventory Turnover Days	12	9	9	9
Receivables Days	51	52	53	53
Payables Days	47	45	46	46

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Abdulkader Puranwala, MBA; Rohan John, MBA; 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. 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 AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 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 icidirect.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 Institutional 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 Retail 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 or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

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 actual/ beneficial ownership of one percent or more or other material conflict of interest 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Prabodh Avadhoot](mailto:Mr.Prabodh.Avadhoot) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
