

CMP: ₹ 280

Target: ₹ 350 (25%)

Target Period: 12 months

BUY

August 7, 2022

## Smart recovery across segments; Lifestyle brands continue to outperform...

**About the stock:** ABFRL combines Madura's portfolio of leading power brands (Allen Solly, Van Heusen, Louis Philippe and Peter England) with Pantaloon's forte of being the largest value fashion retailer. The company has a robust distribution network having, 3112 brand stores along with 375 Pantaloon stores

- ABFRL has charted out growth strategies to become a ~US\$2.8 billion entity (₹ 21000 crore) by FY26E, translating to 15% CAGR in FY20-26E
- It has enhanced focus on ethnic wear (through its recent acquisitions)

**Q1FY23 Results:** ABFRL reported a strong operational performance with comprehensive beat across all fronts. Overall revenue recovery rate in Q1FY23 reached 139% of pre-Covid levels (I-direct estimate: 131%). The growth was mainly led by healthy show in Lifestyle brands (~53% of revenues) and smart recovery in Pantaloon segment (36% of sales).

- On a favourable base, revenue grew 254% YoY to ₹ 2874.8 crore (three year CAGR: 12%)
- Owing to better product mix and delay in EOSS, gross margins improved ~510 bps YoY to 55.8%. Despite fixed overheads returning to normal levels, the company reported healthy EBITDA margins of 16.3%. On a three year CAGR basis, EBITDA grew at an impressive rate of 14% to ₹ 468.4 crore
- Tracking healthy operational performance, PAT came in at ₹ 94.4 crore (I-direct estimate: ₹ 61 crore) vs. net loss of ₹ 351 crore in Q1FY23

**What should investors do?** Stock price of ABFRL has appreciated at a CAGR of ~12% over the last five years.

- ABFRL has strengthened its balance sheet through recent equity infusion with net debt declining sharply from ₹ 2500 crore (in FY20) to ~₹ 649 crore. We remain structurally positive and maintain **BUY** rating on the stock

**Target Price and Valuation:** We value ABFRL at ₹ 350 i.e. 2.5x FY24E EV/sales.

### Key triggers for future price performance:

- ABFRL has aggressive store addition plans for FY23E with 75+ Pantaloon store and 400+ (franchisee) lifestyle brand stores
- Multiple strategic initiatives like entry into footwear by acquiring Reebok's India operations, acquisition of majority stake in Masaba to foray into beauty category, launch of premium menswear ethnic brand Tasva and setting up a separate platform to build a portfolio of D2C brands to add value over the medium to long term
- Maintaining b/s strength coupled with aggressive expansion would be the focus of ABFRL, going forward (Debt/EBITDA: 1-2x)

**Alternate Stock Idea:** Apart from ABFRL, in our retail coverage we also like Trent.

- Inherent strength of brands (Westside, Zudio) and proven business model position Trent as a preferred pick. BUY with target price of ₹ 1470



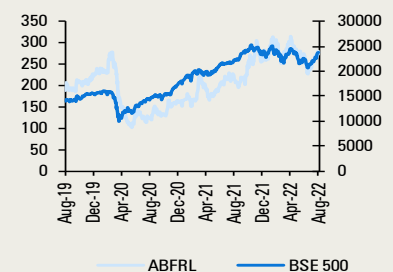
### Particulars

Particular	Amount
Market Capitalisation (₹ Crore)	26,272.1
Total Debt (Mar-22) (₹ Crore)	1,232.3
Cash (Mar-22) (₹ Crore)	121.1
EV (₹ Crore)	27,383.3
52 week H/L	321 / 189
Equity Capital (₹ Crore)	938.3
Face Value (₹)	10.0

### Shareholding pattern

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	56.1	56.1	56.1	56.1	56.1
FI	13.9	13.8	13.5	13.2	13.2
DII	17.0	18.2	19.2	19.9	20.0
Others	13.0	11.9	11.2	10.8	10.7

### Price Chart



### Recent event & key risks

- Pantaloon segment achieved its highest ever Q1 revenues
- **Key Risk:** (i) inflationary scenario could lower demand (ii) Delay in expansion of store network.

### Research Analyst

Bharat Chhoda  
bharat.chhoda@icicisecurities.com

Cheragh Sidhwa  
cheragh.sidhwa@icicisecurities.com

### Key Financial Summary

Financials	FY19	FY20	FY21	FY22	5 year CAGR (FY17-FY22)	FY23E	FY24E	2 year CAGR (FY22-FY24E)
Net Sales	8,117.7	8,787.9	5,249.0	8,136.2	4.1%	12,158.7	14,269.7	32%
EBITDA	554.1	1,211.8	554.9	1,099.9		1,927.7	2,284.2	44%
PAT*	321.2	(163.0)	(673.1)	(108.7)		441.0	591.5	
EV/Sales (x)	2.9	2.8	5.2	3.4		2.2	1.9	
EV/EBITDA (x)	42.1	20.0	-	24.9		14.0	11.9	
RoCE (%)	10.7	10.2	(8.9)	5.1		14.4	16.7	
RoE (%)	22.5	-15.3	-25.5	-3.9		8.2	9.9	

## Key takeaways of recent quarter & conference call highlights

### Lifestyle brands:

- Lifestyle brands (Allen Solly, Van Heusen, Louis Philippe and Peter England) continued its robust trajectory with revenues increasing 249% YoY to ₹ 1519 crore (three year CAGR: 15%). Retail channel (52% of sales) has been the fastest growing channel with sales increasing at a three year CAGR of 21%, higher than the square feet addition (three year CAGR: 7%). This has translated into revenue/sq ft (annualised) increasing to ₹ 9700/sq ft, vs. ₹ 6900 during pre-Covid levels. Retail SSSG was at an impressive 29% (over Q1FY20). On a high base, revenue from e-commerce grew 50% YoY. While casual wear continued to perform well, there was also a resurgence in demand for formal wear owing to opening of offices. The management expects similar demand momentum to continue in the festive season. On the profitability front, EBITDA margins was at 17.5% (vs. 19.0% in Q1FY20), with three year EBITDA CAGR of 12%. Change in channel mix (as wholesale channel is still below pre-Covid levels) has led to lower margins for the segment. The small town store expansion agenda continues and Peter England Red network has been scaled up to 500 stores. We expect the company to continue its accelerated store expansion strategy especially in Tier III/IV cities and build in 600 new stores (~90% franchise led) during FY23-24. With average SSSG of ~17%, we expect lifestyle brands to register revenue CAGR of 24% in FY22-24E

### Pantaloons:

- Revenue recovery for Pantaloons was lagging lifestyle brands owing to a larger share of mall stores (~ 58%) that had prolonged restrictions. With first normalised quarter after a gap of two years, the segment displayed a strong performance in Q1FY23 with sales growth of 367% YoY to ₹ 1027 crore (115% of pre-Covid levels). Revenue from e-commerce grew 70% YoY led by strong traction in own platforms. It continued to expand its private label portfolio (62% of revenues) with new launches in distinct spaces. On the profitability front, the company reported healthy EBITDA margins of 21.2% (Q1FY20: 18.5%). This was mainly on account of delay in EOSS and higher contribution of full priced sales. The store addition trajectory for Pantaloons was muted in Q1FY23 as it added four stores but expects the pace to pick up from Q2 onwards (added seven stores in July). It has reiterated its stance of adding 70-75 stores in FY23E (15-20% franchisee model). On a favourable base, we expect revenue to grow at 37% CAGR in FY22-24E. The company would continue to strive to increase the share of private labels that would enable it to improve profitability in the longer term

### Other segments

- Revenue from other segment (which included fast fashion, innerwear and super premium brands) reported a healthy operational performance with growth of 135% YoY to ₹ 282 crore (138% of pre-Covid levels). Positive surprise was segment reporting EBITDA profit in Q1FY23 worth ₹ 23 crore vs. EBITDA loss of ₹ 22 crore in Q1FY22 and ₹ 29 crore in Q1FY20. Innerwear and athleisure segment reported its highest quarterly sales with revenues increasing 2.5x YoY. It continues to expand its distribution reach with addition of ~2000 new touchpoints taking the total count to 29000 MBOs. The portfolio is now well balanced between innerwear and athleisure wear. Super premium brands segment (which includes The Collective) continues to be the fastest growing business for ABFRL as sales grew more than 2x compared to pre-Covid levels. The segment generates double digit EBITDA margins

**Ethnic wear:**

- In the ethnic space, all the business combined reported a revenue of ₹ 101 crore (₹ 101 crore in Q4FY22) driven by network and category expansions. The company believes that ethnic wear has strong growth potential and, hence, would continue to invest in the business. The ethnic business is currently operating at an annual run rate of ₹ 400 crore. On the brand per se, *Jaypore* recorded 3.5x YoY sales growth led by retail expansion (expanded to 11 stores) and growth in e-commerce business. Brand *Sabyasachi* grew 160% over pre-Covid levels and continues to hold leadership position in celebrity weddings. ABFRL has completed the transaction to acquire majority stake in House of Masaba during the quarter
- Net debt increased by ~ ₹ 150 crore to ₹ 650 crore mainly on account of acquisition of House of Masaba. With the recent capital infusion and ABFRL generating positive FCF in FY24E, we do not expect gross debt levels to increase in the medium term. The management had announced a fund raise to the tune of ₹ 2195 crore by way of preferential issue of equity and warrants to an affiliate of GIC, Singapore's Sovereign wealth fund (GIC). GIC will invest ₹ 770 crore immediately towards subscription of equity and warrants, followed by up to ₹ 1,425 crore in one or more tranches within 18 months upon exercise of warrants. Post the entire investment, GIC will own ~ 7.5% equity stake in ABFRL. Aditya Birla Group will hold ~ 51.9% stake in the company post the completion of this transaction. **We believe ABFRL, with a lighter balance sheet and strong bouquet of brands, is well placed to accelerate the pace of store addition and revenue growth. We reiterate our BUY rating with a target price of ₹ 350 (2.5x EV/sales FY24E)**

**Q1FY23 conference call highlights:**

- The management highlighted that Q1FY23 was the best ever performance by the company in Q1 in terms of revenue and profitability. A sharp recovery in demand across categories and strong preference for the company's portfolio of brands led to a strong quarterly performance. Also, aggressive store expansion, accelerated e-commerce and omni-channel play were the key drivers of growth in the quarter. E-commerce sales grew 56% YoY and Omni-channel network has expanded to more than 1600 stores, which is one of the largest in the country
- The management indicated that over the last few years its market share across apparel categories may have increased based on data provided by malls and improvement in its ranking in departmental stores
- Store addition for Pantaloons was muted as the company opened four Pantaloons stores in Q1FY23. However, store expansion is expected to pick up pace from Q2 onwards as the company has already opened seven stores in July and is expected to add total 30 stores in H1FY23. ABFRL aspires to maintain a run-rate of around 70 Pantaloons store openings annually with 20% of stores expected to be opened on franchise basis and the rest expected to be company owned stores. Pantaloons introduced new private label brands to cater to evolving consumer needs
- The share of non-apparel in Pantaloons is ~10%. The company believes that accessorisation is a growing trend and the company will continue to invest to increase the scale of the non-apparel business
- On Reebok brand, the management indicated that it would open a combination of company owned and franchise stores. The company would invest in the brand as it believes that the brand has good long term potential. Reebok is expected to be integrated from October 1, 2022 onwards
- On account of strong consumer demand, ABFRL postponed its EOSS period in Q2FY23. This led to better gross margins but could have marginally impacted volumes. Expected to curtail EOSS period from average six weeks to four weeks in FY23

**Exhibit 1: Variance Analysis**

	Q1FY23	Q1FY23E	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	Comments
Revenue	2874.8	2705.4	812.0	254.1	2282.8	25.9	On the base of Q1FY20, recovery rate stood at ~139% of pre-covid levels.
Raw Material Expense	1,269.5	1,276.9	399.9	217.4	1,010.9	25.6	Better product offerings and delay in EOSS resulted in gross margins improving ~510 bps YoY to 55.8%.
Employee Expenses	347.4	338.2	249.6	39.2	306.8	13.2	
Rent	208.9	178.6	0.0		140.3	48.9	
Other Expenses	580.6	487.0	331.2	75.3	451.7	28.5	
EBITDA	468.4	424.7	-168.7	LP	373.0	25.6	Despite fixed overheads returning to normal levels, company reported healthy EBITDA margins of 16.3%
EBITDA Margin (%)	16.3	15.7	-20.8	LP	16.3	-4 bps	
Depreciation	270.3	277.5	237.8	13.7	266.8	1.3	
Interest	94.4	93.9	85.2	10.8	89.5	5.5	
Other Income	31.1	27.5	24.3	27.9	26.7	16.5	
PBT before Exceptional item	134.8	80.9	-467.4	LP	43.5	210.3	
Share of JV	0.6	0.0	-0.4		1.1		
PBT	135.5	80.9	-467.0		44.6		
Tax Outgo	41.1	20.4	-115.6		12.7		
PAT	94.4	60.5	-352.2	LP	31.9	196.3	

Source: Company, ICICI Direct Research

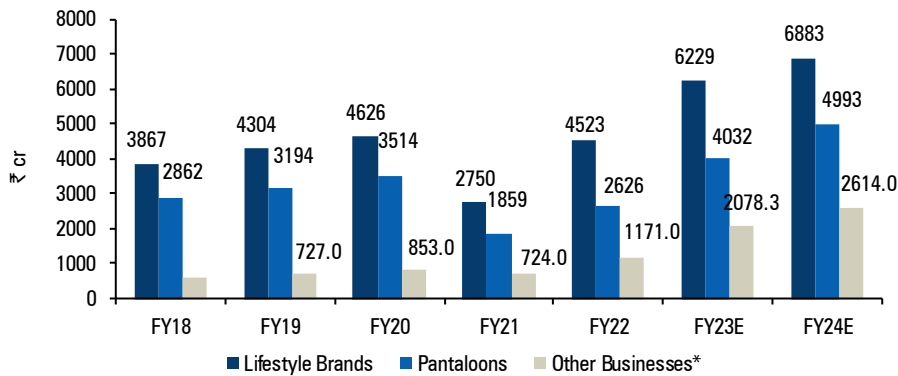
**Exhibit 2: Change in estimates**

(₹ Crore)	FY 23E			FY 24E		
	Old	New	% Change	Old	New	% Change
Revenue	11,630.5	12,158.7	4.5	13,970.2	14,269.7	2.1
EBITDA	1,855.8	1,927.7	3.9	2,247.3	2,284.2	1.6
EBITDA Margin (%)	16.0	15.9	-10 bps	16.1	16.0	-8 bps
PAT	391.4	441.0	12.7	563.8	591.5	4.9
EPS (₹)	4.1	4.6	12.6	5.6	5.8	4.9

Source: Company, ICICI Direct Research

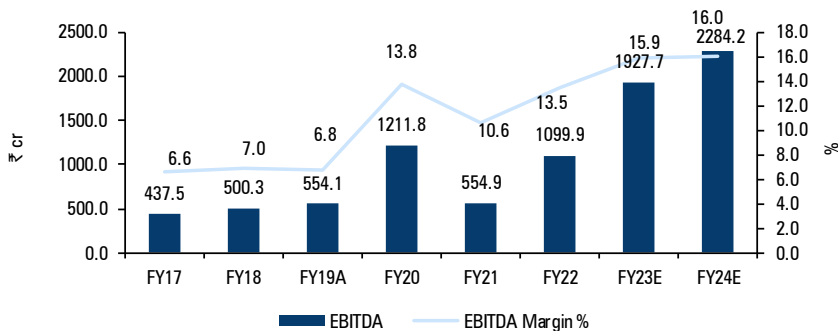
## Financial story in charts

Exhibit 3: Revenue growth trend



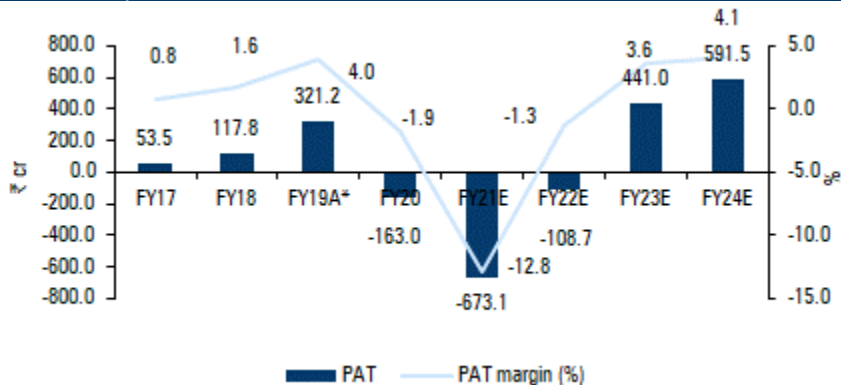
Source: Company, ICICI Direct Research. Other business includes ethnic segment and Reebok revenues

Exhibit 4: EBITDA and EBITDA margin trend (post Ind-AS 116)



Source: Company, ICICI Direct Research

Exhibit 5: Net profit trend



Source: Company, ICICI Direct Research. FY19 PAT includes deferred tax assets worth ₹ 193 crore

Exhibit 6: Valuation

<b>Target EV/Sales multiple</b>	<b>2.5</b>
2024E Sales	14,269.7
2023E EV	34,960.9
2023E Debt	1,000.0
2023E Cash	2,126.3
2023E Market Cap.	36,087.1
No. of shares	101.4
<b>Target Price</b>	<b>350</b>
CMP	280.0
Upside/(Downside)	25

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 7: Profit and loss statement				
	₹ crore			
(Year-end March)	FY 21	FY 22A	FY 23E	FY 24E
<b>Gross Revenue</b>	<b>5,249.0</b>	<b>8,136.2</b>	<b>12,158.7</b>	<b>14,269.7</b>
Growth (%)	(40.3)	55.0	49.4	17.4
Cost of Sales	2,563.0	3,720.2	5,680.5	6,655.2
Employee Costs	865.0	1,158.5	1,444.9	1,733.9
Administration & Other Exp	1,266.1	2,157.6	3,105.6	3,596.4
<b>EBITDA</b>	<b>554.9</b>	<b>1,099.9</b>	<b>1,927.7</b>	<b>2,284.2</b>
Growth (%)	(54.2)	98.2	75.3	18.5
Depreciation	963.0	997.0	1,108.9	1,256.8
EBIT	(408.1)	102.9	818.9	1,027.4
Interest	503.0	350.7	364.8	396.8
Other Income	73.0	100.5	120.6	144.7
PBT	(838.1)	(147.3)	574.7	775.3
Growth (%)	-	-	LP	34.9
Tax	(101.5)	(26.6)	143.7	193.8
<b>Reported PAT</b>	<b>(736.6)</b>	<b>(120.7)</b>	<b>431.0</b>	<b>581.5</b>
Minority Interest	(63.5)	(12.0)	(10.0)	(10.0)
<b>Adjusted PAT</b>	<b>(673.1)</b>	<b>(108.7)</b>	<b>441.0</b>	<b>591.5</b>
Growth (%)	-	-	LP	34.1
<b>Reported EPS</b>	<b>(7.2)</b>	<b>(1.2)</b>	<b>4.6</b>	<b>5.8</b>

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement				
	₹ crore			
(Year-end March)	FY 21	FY 22A	FY 23E	FY 24E
Profit after Tax	(673.1)	(108.7)	441.0	591.5
Add: Interest Expense	503.0	350.7	364.8	396.8
Add: Depreciation	963.0	997.0	1,108.9	1,256.8
Add: Others	-	-	-	-
Increase/(Decrease) in CL	452.8	1,408.4	921.1	752.9
(Increase)/Decrease in CA	(18.5)	(1,582.8)	(1,018.9)	(852.0)
<b>CF from Operating Activities</b>	<b>1,227.2</b>	<b>1,064.5</b>	<b>1,816.8</b>	<b>2,146.0</b>
(Add) / Dec in Fixed Assets	(162.0)	(351.5)	(650.0)	(750.0)
(Inc)/Dec in Investments	(710.0)	(266.1)	(68.6)	(75.5)
<b>CF from Investing Activities</b>	<b>(872.0)</b>	<b>(617.6)</b>	<b>(718.6)</b>	<b>(825.5)</b>
Inc/(Dec) in Loan Funds	(1,646.6)	96.0	(132.3)	(100.0)
Inc/(Dec) in Sh. Cap. & Res.	2,249.2	238.0	768.3	1,426.0
Others	(459.5)	(571.3)	(781.8)	(832.3)
Less: Interest Expense	(503.0)	(350.7)	(364.8)	(396.8)
<b>CF from financing activities</b>	<b>(359.9)</b>	<b>(588.0)</b>	<b>(510.6)</b>	<b>96.9</b>
Change in cash Eq.	(4.6)	(141.1)	587.7	1,417.5
Op. Cash and cash Eq.	266.9	262.3	121.1	708.8
Cl. Cash and cash Eq.	262.3	121.2	708.8	2,126.3

Source: Company, ICICI Direct Research

Exhibit 9: Balance Sheet				
	₹ crore			
(Year-end March)	FY 21	FY 22A	FY 23E	FY 24E
<b>Source of Funds</b>				
Equity Capital	915.1	938.3	948.5	1,014.3
Others	-	-	1,898.8	-
Reserves & Surplus	1,729.0	1,835.0	2,560.4	4,985.8
Shareholder's Fund	2,644.1	2,773.3	5,407.6	6,000.1
Total Loan Funds	1,136.4	1,232.3	1,100.0	1,000.0
Other Non Current Liabilities	2,463.4	2,868.0	2,868.0	2,868.0
Minority Interest	32.8	15.2	15.5	15.8
<b>Source of Funds</b>	<b>6,455.3</b>	<b>7,281.5</b>	<b>9,783.9</b>	<b>10,276.7</b>
<b>Application of Funds</b>				
Gross Block	1,536.9	1,863.4	2,513.4	3,263.4
Less: Acc. Depreciation	(962.2)	(1,232.2)	(1,559.0)	(1,983.2)
Net Block	574.7	631.2	954.5	1,280.2
Capital WIP	37.6	102.6	102.6	102.6
Total Fixed Assets	612.3	733.8	1,057.0	1,382.8
Goodwill	2,696.7	2,903.6	2,903.6	2,903.6
Investments	419.8	686.0	754.5	830.0
Inventories	1,847.0	2,929.6	3,664.3	4,300.5
Debtors	730.5	756.4	999.3	1,172.9
Cash	262.3	121.1	708.8	2,126.3
Loan & Advance, Other CA	1,461.8	1,752.9	1,794.2	1,836.5
Total Current assets	4,301.5	5,560.1	7,166.6	9,436.1
Creditors	2,373.4	3,410.4	4,330.5	5,082.4
Provisions & Other CL	1,343.0	1,714.4	1,715.4	1,716.4
Total CL and Provisions	3,716.4	5,124.8	6,045.9	6,798.8
Net Working Capital	585.1	435.3	1,120.7	2,637.3
Other NCA	2,141.4	2,522.9	3,947.9	2,522.9
<b>Application of Funds</b>	<b>6,455.3</b>	<b>7,281.5</b>	<b>9,783.9</b>	<b>10,276.7</b>

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios				
(Year-end March)	FY 21	FY 22A	FY 23E	FY 24E
<b>Per share data (₹)</b>				
Book Value	28.2	29.6	57.0	59.2
EPS	(7.2)	(1.2)	4.6	5.8
Cash EPS	3.1	9.5	16.3	18.2
DPS	-	-	-	-
<b>Profitability &amp; Operating Ratios</b>				
EBITDA Margin (%)	10.6	13.5	15.9	16.0
PAT Margin (%)	(12.8)	(1.3)	3.6	4.1
Fixed Asset Turnover (x)	1.4	2.0	1.9	2.0
Inventory Turnover (Days)	128.4	131.4	110.0	110.0
Debtor (Days)	50.8	33.9	30.0	30.0
Current Liabilities (Days)	165.0	153.0	130.0	130.0
<b>Return Ratios (%)</b>				
RoE	(25.5)	(3.9)	8.2	9.9
RoCE	(8.9)	5.1	14.4	16.7
RoIC	(31.0)	6.3	38.6	39.2
<b>Valuation Ratios (x)</b>				
P/E	-	-	60.2	48.0
Price to Book Value	9.9	9.5	4.9	4.7
EV/EBITDA	-	24.9	14.0	11.9
EV/Sales	5.2	3.4	2.2	1.9
<b>Leverage &amp; Solvency Ratios</b>				
Debt to equity (x)	0.4	0.4	0.2	0.2
Interest Coverage (x)	-	0.3	2.2	2.6
Debt to EBITDA (x)	2.0	1.1	0.6	0.4
Current Ratio	1.1	1.1	1.1	1.1
Quick ratio	0.6	0.5	0.5	0.4

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, Bharat Chhoda, MBA, Cheragh Sidhwa, 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 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 [icidirect.com](http://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 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 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 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.