

## Post reopening line-up to drive recovery...

**About the stock:** Inox Leisure is the second largest player in terms of multiplex screen count in India. Currently, the company operates 648 screens in 153 cinemas in 69 cities in India with an aggregate seating capacity of ~1.47 lakhs seats.

- It is the only multiplex, which enjoys a net debt free balance sheet

**Q1FY22 Results:** Inox reported weak Q1FY22 results as expected.

- Reported revenue was ₹ 22.3 crore (75% QoQ de-growth). The company reported box office revenue of ₹ 12 crore while F&B revenue was ₹ 6 crore
- EBITDA loss (without impact of Ind-AS116) came in at ~₹ 107 crore. On a reported basis, EBITDA loss was ₹ 51.6 crore
- Inox recognised ₹ 22.6 crore as rent concessions. Subsequently, the company reported net loss (without impact of Ind AS116) at ₹ 101 crore. On a reported basis, net loss was at ₹ 122.3 crore

**What should investors do?** Inox' share price has grown by ~18% over the past five years (from ~₹ 267 in August 2016 to ~₹ 316 levels in August 2021).

- We upgrade the stock from HOLD to BUY rating

**Target Price and Valuation:** We value Inox at ₹ 365 i.e. 10.5x FY23E EV/EBITDA

### Key triggers for future price performance:

- Reopening of theatres post the lockdown, which should drive releases and subsequent in recovery in footfalls/revenues
- Release of big budget Hindi movies from festive season onwards
- Consolidation (10-15% single screens may be shut permanently), which will drive increased market share of multiplexes

**Alternate Stock Idea:** Apart from Inox Leisure, we like PVR in the multiplex space.

- A play on reopening and improving market share of multiplexes
- BUY with a target price of ₹ 1610



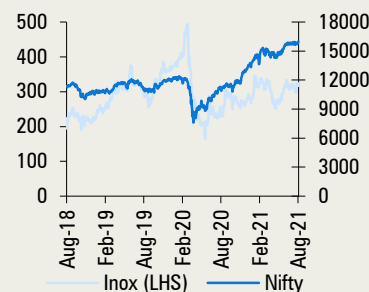
### Particulars

Particulars	Amount
Market Capitalization (₹ Crore)	3,860.4
Total Debt (FY21) (₹ Crore)	104.0
Cash (FY21) (₹ Crore)	77.4
EV (₹ Crore)	3,956.2
52 week H/L	359/ 228
Equity Capital (₹ crore)	112.5
Face value	10.0

### Shareholding pattern

	Sep-20	Dec-20	Mar-21	Jun-21
Promoters	51.9	47.4	47.4	43.6
DII	20.6	21.8	20.4	23.1
FII	10.9	12.3	15.9	16.4
Other	16.7	18.6	16.3	16.8

### Price Chart



### Key risks

**Key Risk:** (i) Sustained smaller window between OTT and cinema release, (ii) Longer than expected tail of pandemic

### Research Analyst

Bhupendra Tiwary, CFA  
bhupendra.tiwary@icicisecurities.com

### Key Financial Summary

(Year-end March)	FY19	FY20	FY21E	5 yr CAGR (FY16-21)	FY22E	FY23E	3 yr CAGR (FY20-23E)
Total Operating Income (₹ crore)	1,692.2	1,897.4	105.9	(38.0)	905.8	2,078.1	3.1
EBITDA (₹ crore)	308.3	596.8	(172.3)	PL	108.2	722.6	6.6
Net Profit (₹ crore)	133.5	15.0	(337.7)	PL	(319.9)	108.0	93.2
EPS (₹)	13.0	1.5	(30.0)		(26.1)	8.8	
P/E (x)	24.2	216.1	(10.5)		(12.1)	35.8	
Price / Book (x)	3.4	5.2	5.6		6.6	5.8	
EV/EBITDA (x)	12.8	11.1	(38.4)		59.7	9.0	
RoCE (%)	19.6	9.9	(11.7)		(5.5)	11.2	
RoE (%)	14.2	2.4	(62.5)		(57.7)	16.3	

Source: Company, ICICI Direct Research

## Key performance highlight and outlook

### Second wave halts recovery

Given the second wave, all screens have shut down since mid, April, 2021 second/third week. However, they are reopening in a staggered manner from the current week onwards. Total 13 states and one union territory totalling 459 screens have allowed multiplexes to open, largely with 50% occupancy. The company, as on date, has already opened 201 screens. While the first few weeks will have a majority of Hollywood content, the first major Bollywood release *Bellbottom* is likely on August 19. The company expects *Bellbottom* to release notwithstanding Maharashtra multiplexes still being shut (contributes 20-22% to Hindi collection). The management expects big budget Hindi releases to begin as the screens open. **We expect the new releases ramp up from end of September, H2FY22 onwards led by festive season.** We bake in 24 screens addition in FY22E (only the ones that are near ready) and 70 screens addition in FY23E. Consequently, we build in footfall growth of 1.2% CAGR in FY20-23E to 68.4 million coupled with 1.7% CAGR in ATP to lead to 2.8% FY20-23E CAGR in net box office revenues to ₹ 1199 crore. F&B revenue CAGR is estimated at 5.2% over FY20-23E leading to a total of ₹ 579 crore. Ad revenue is expected to take longer to recover. We expect ad revenue of ₹ 180 crore in FY23E (similar to FY20). We expect strong recovery from H2FY22 and expect FY23 to witness all variables back to pre-Covid levels.

### Rent negotiations done with 65% properties; liquidity strong

The company indicated that they have again started discussions for concession/waiver since the last discussions were valid for FY21 only. They have negotiated rent and CAM in 65% of the properties and balance properties are under discussion. Inox recognised the amount of ₹ 22.6 crore towards rent concession. The company raised ₹ 300 crore through QIP in Q1FY22. Consequently, they have gross liquidity of ~₹ 400 crore, including undrawn limits of ₹ 120 crore, which should help in combating cash burn. Gross debt is ₹ 117 crore as on July, 2021 end and the company is net debt free.

### Other highlights

- **Confident of sharp recovery:** The management remained confident of a sharper recovery post the second wave and termed the shorter window/higher sharing revenues with producers as temporary phenomenon, which should revert back.
- **KPI:** In Q1FY22, ATP was at ₹ 173, up 0.6% QoQ, while SPH was at ₹ 78, flattish QoQ. Footfall was at 0.8 mn
- **Screen opening:** The company opened five screens in April, 2021. It has 44 more upcoming screens lined up for remainder of FY22. Out of this, 19 screens are a carried-forward from FY20 pipeline. Also, ~90% of the work is completed on these screens and would need additional capex of ~₹ 8-10 crore. Opening of the remaining 25 screens will be decided by the company once the situation normalises and would require capex of ~₹ 65 crore

Considering the prevailing Covid-19 second wave, we believe cinemas will see a normalised scenario only from H2FY22 onwards. Long term benefit of some single screen closure is also possible (management expects ~8-10% of the overall screen base of 8600-8700 screen to shut down due to Covid pain). We upgrade to **BUY** as we believe that a recovery with increased vaccination push will be sharp. We assign FY23E EV/EBITDA multiple of 10.5x with a target price of ₹ 365/share.

#### Exhibit 1: Peer Comparison

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Inox Leisure	316	365	Buy	3,860	-30.0	-26.1	8.8	NM	NM	35.8	-38.4	59.7	9.0	-11.7	-5.5	11.2	-62.5	-57.7	16.3
PVR	1,366	1,610	Buy	8,303	-123.1	-60.3	33.7	NM	NM	40.5	-37.5	27.9	9.6	-6.3	-0.8	27.1	-40.8	-25.2	12.5

Source: Company, ICICI Direct Research

Exhibit 2: Variance Analysis

	Q1FY22	Q1FY22E	Q1FY21	Q4FY21	YoY (%)	QoQ (%)	Comments
Revenue	22.3	22.6	0.3	90.4	8,824.0	-75.3	Second wave led to multiplex closure and thus depressed revenues
Other Income	3.2	6.0	2.7	28.6	17.3	-88.9	
Employee Expenses	24.6	25.9	24.3	25.9	1.3	-5.1	
Exhibition Cost	5.8	5.1	0.0	23.5	NA	-75.3	
Cost of F&B	1.4	1.6	0.0	6.8	NA	-79.4	
Rent	0.0	29.8	0.0	0.0	NA	NA	
Other Expenses	42.1	45.0	11.8	74.3	255.9	-43.3	
EBITDA	-51.6	-84.8	-35.9	-40.1	43.9	28.8	
EBITDA Margin (%)	NM	NM	-14,352.0	-44	NM	NM	
Depreciation	72.9	70.1	70.8	70.1	3.0	4.0	
Interest	64.5	59.8	63.3	61.7	1.8	4.4	
Exceptional Items	-22.6	0.0	-69.3	-22.3	NA	NA	Company recognised the amount of ₹ 22.6 crore towards rent concession
Total Tax	-40.9	-52.5	-24.3	-27.4	68.3	49.4	
PAT	-122.3	-156.2	-73.6	-93.7	66.0	30.5	
<b>Key Metrics</b>							
Footfalls	0.8	0.8	0.0	3.4	NA	-75.7	
Occupancy	1.4	1.3	0.0	10.2	NA	-86.6	
SPH	78.0	80.0	0.0	78.0	NA	0.0	
ATP	173.0	175.0	0.0	172.0	NA	0.6	

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY22E			FY23E			
	Old	New	% Change	Old	New	% Change	
Revenue	1,258.2	905.8	-28.0	2,008.8	2,078.1	3.4	Realign estimates
EBITDA	248.8	108.2	-56.5	653.9	722.6	10.5	
EBITDA Margin (%)	19.8	11.9	-783 bps	32.6	34.8	222 bps	
PAT	-235.7	-319.9	NA	47.2	108.0	128.8	
EPS (₹)	-21.0	-26.1		4.2	8.8		

Source: Company, ICICI Direct Research

Exhibit 4: Change in estimates (ex- IND AS 116)

(₹ Crore)	FY22E			FY23E			
	Old	New	% Change	Old	New	% Change	
Revenue	1,258.2	905.8	-28.0	2,008.8	2,078.1	3.4	
EBITDA	-8.8	-125.3	1,324.4	338.2	416.1	23.0	
EBITDA Margin (%)	-0.7	-13.8	-1314 bps	16.8	20.0	319 bps	
PAT	-86.8	-155.3	NA	167.3	221.1	32.1	
EPS (₹)	-7.7	-12.7	NA	14.9	18.1		

Source: Company, ICICI Direct Research

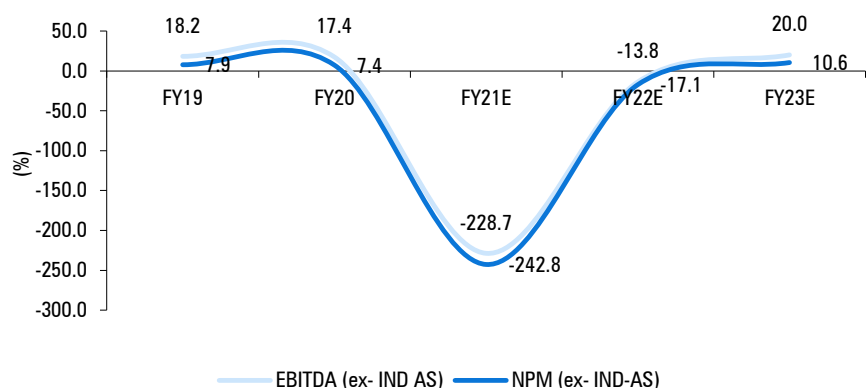
Exhibit 5: Assumptions

	Current					Earlier	
	FY19	FY20	FY21E	FY22E	FY23E	FY22E	FY23E
Footfalls (mn)	63	66	4	31	68	43	66
Occupancy (%)	28.4	28.2	4.5	12.8	26.4	17.2	25.4
SPH (₹)	74	80	77	84	90	91	88
ATP (₹)	197	200	170	199	210	208	213

Source: Company, ICICI Direct Research

## Financial story in charts

Exhibit 6: EBITDA and PAT margin trend



Source: Company, ICICI Direct Research

Exhibit 7: P&L (excluding Ind-AS 116)

(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Total operating Income</b>	<b>1,897.4</b>	<b>105.9</b>	<b>905.8</b>	<b>2,078.1</b>
Growth (%)	12.1	-94.4	755.1	129.4
Employee Expenses	142.1	86.7	115.3	141.1
Exhibition Cost	496.5	26.4	240.4	539.7
Cost of F&B	126.2	7.9	67.8	162.0
Rent	368.0	70.0	325.6	439.2
Other Expenses	434.2	157.2	282.1	380.0
Total Operating Expenditure	1,567.0	348.2	1,031.1	1,662.0
<b>EBITDA</b>	<b>330.5</b>	<b>-242.3</b>	<b>-125.3</b>	<b>416.1</b>
Margin (%)	17.4	-228.7	-13.8	20.0
Depreciation	108.1	113.0	117.8	120.5
Interest	11.7	17.0	16.0	24.0
Other Income	17.1	42.3	21.2	24.0
Exceptional Items	0.0	4.0	-22.6	0.0
PBT	227.7	-339.0	-215.3	295.5
Total Tax	86.7	-81.8	-60.0	74.5
<b>PAT</b>	<b>141.0</b>	<b>-257.2</b>	<b>-155.3</b>	<b>221.1</b>
Adjusted PAT	141.0	-257.2	-155.3	221.1
Growth (%)	3.0	-282.4	-39.6	-242.3
<b>Adj EPS (₹)</b>	<b>13.7</b>	<b>-22.9</b>	<b>-12.7</b>	<b>18.1</b>

Source: Company, ICICI Direct Research

Exhibit 8: KPI

(Year-end March)	FY20	FY21E	FY22E	FY23E
Box office Revenues	1,104	55	522	1,199
YoY	13%	-95%	850%	130%
F&B	497	27	247	579
YoY	14%	-95%	806%	134%
Ad	179	3	80	180
YoY	1%	-99%	2949%	125%
Others	117	21	57	120
Footfalls (mn)	66	4	31	68
	5%	-94%	704%	118%
Screens	626	643	667	737
Net Debt	78	(10)	(56)	(163)
RoCE (post tax)	19.4	(17.0)	(2.7)	31.7
RoE	12.8	(30.3)	(22.4)	24.2

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 9: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Total operating Income</b>	<b>1,897.4</b>	<b>105.9</b>	<b>905.8</b>	<b>2,078.1</b>
Growth (%)	12.1	-94.4	755.1	129.4
Employee Expenses	142.1	86.7	115.3	141.1
Exhibition Cost	496.5	26.4	240.4	539.7
Cost of F&B	126.2	7.9	67.8	162.0
Rent	101.6	0.0	92.0	132.6
Other Expenses	434.2	157.2	282.1	380.0
Total Operating Expenditure	1,300.6	278.2	797.6	1,355.4
<b>EBITDA</b>	<b>596.8</b>	<b>-172.3</b>	<b>108.2</b>	<b>722.6</b>
Growth (%)	93.6	-128.9	-162.8	567.8
Depreciation	264.2	283.2	319.9	336.8
Interest	221.3	251.1	258.9	265.5
Other Income	17.1	42.3	21.2	24.0
Exceptional Items	0.0	-217.9	-22.6	0.0
PBT	128.6	-446.4	-426.8	144.3
Total Tax	113.6	-108.7	-106.9	36.3
<b>PAT</b>	<b>15.0</b>	<b>-337.7</b>	<b>-319.9</b>	<b>108.0</b>
Adjusted PAT	15.0	-395.4	-139.2	-148.1
Growth (%)	-89.1	NM	NM	NM
<b>Adj EPS (₹)</b>	<b>1.5</b>	<b>-35.2</b>	<b>-27.5</b>	<b>8.8</b>

Source: Company, ICICI Direct Research

Exhibit 10: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>PAT</b>	<b>15.0</b>	<b>-337.7</b>	<b>-319.9</b>	<b>108.0</b>
Add: Depreciation	264.2	283.2	319.9	336.8
Add: Interest Paid	221.3	251.1	258.9	265.5
(Inc)/dec in Current Assets	-8.5	61.2	-18.6	-67.4
Inc/(dec) in CL and Provisions	-22.5	-54.4	-34.7	107.4
<b>CF from operating activities</b>	<b>469.4</b>	<b>203.5</b>	<b>205.7</b>	<b>750.3</b>
(Inc)/dec in Investments	-0.4	0.6	0.0	0.0
(Inc)/dec in Fixed Assets	-208.6	-47.8	-50.0	-280.0
Others	300.8	-167.2	-121.9	-68.1
<b>CF from investing activities</b>	<b>91.8</b>	<b>(214.4)</b>	<b>(171.9)</b>	<b>(348.1)</b>
Issue/(Buy back) of Equity	0.0	9.8	9.8	0.0
Inc/(dec) in loan funds	48.0	-54.0	63.0	-50.0
Less: Interest Paid	221.3	251.1	258.9	265.5
Others	-799.4	-163.3	-256.7	-560.4
<b>CF from financing activities</b>	<b>(530.2)</b>	<b>43.6</b>	<b>74.9</b>	<b>(344.9)</b>
Net Cash flow	31.1	32.7	108.8	57.4
Opening Cash	13.6	44.7	77.3	186.1
<b>Closing Cash</b>	<b>44.7</b>	<b>77.3</b>	<b>186.1</b>	<b>243.5</b>

Source: Company, ICICI Direct Research

Exhibit 11: Balance sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Liabilities</b>				
Equity Capital	102.7	112.5	122.3	122.3
Reserve and Surplus	551.9	520.5	461.5	540.1
Interest in benefit trust	(32.7)	-	-	-
Total Shareholders funds	621.9	632.9	583.9	662.5
Total Debt	158.0	104.0	167.0	117.0
Others	2,738.5	2,804.7	2,684.6	2,866.7
<b>Total Liabilities</b>	<b>3,518.4</b>	<b>3,541.6</b>	<b>3,435.4</b>	<b>3,646.1</b>
<b>Assets</b>				
Total Fixed Assets	1,086.7	1,021.5	953.7	1,113.2
Investments	1.2	0.5	0.5	0.5
Rights of Use Assets	2,141.8	2,116.4	1,916.0	1,949.8
Debtors	62.8	4.3	24.8	68.3
Inventory	13.7	10.3	11.7	13.5
Loans and Advances	110.5	105.1	105.5	121.0
Other Current Assets	43.3	49.3	45.5	52.2
Cash	44.7	77.4	186.1	243.5
Total Current Assets	274.9	246.3	373.6	498.4
Total Current Liabilities	297.0	242.6	208.0	315.4
Net Current Assets	-22.1	3.7	165.7	183.0
Other Non Current Assets	310.9	399.5	399.5	399.5
<b>Application of Funds</b>	<b>3,518.4</b>	<b>3,541.6</b>	<b>3,435.4</b>	<b>3,646.1</b>

Source: Company, ICICI Direct Research

Exhibit 12: Key ratios				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Per share data (₹)</b>				
EPS	1.5	-30.0	-26.1	8.8
Adj EPS	1.5	-35.2	-27.5	8.8
BV	60.6	56.3	47.7	54.2
DPS	1.2	0.0	2.4	2.4
Cash Per Share	4.4	6.9	15.2	19.9
<b>Operating Ratios (%)</b>				
EBITDA Margin	31.5	-162.6	11.9	34.8
PBT / Net Sales	17.5	-430.0	-23.4	18.6
PAT Margin	0.8	-373.3	-37.2	5.2
Inventory days	2.6	35.6	4.7	2.4
Debtor days	12.1	14.8	10.0	12.0
Creditor days	24.9	363.1	25.0	25.0
<b>Return Ratios (%)</b>				
RoE	2.4	-62.5	-57.7	16.3
RoCE	9.9	-11.7	-5.5	11.2
RoIC	31.2	-45.9	-21.5	34.4
<b>Valuation Ratios (x)</b>				
P/E	216.1	-10.5	-12.1	35.8
EV / EBITDA	11.1	-38.4	59.7	9.0
EV / Net Sales	3.5	62.5	7.1	3.1
Market Cap / Sales	2.0	36.4	4.3	1.9
Price to Book Value	5.2	5.6	6.6	5.8
<b>Solvency Ratios</b>				
Debt/EBITDA	0.3	-0.6	1.5	0.2
Net Debt / Equity	0.3	0.2	0.3	0.2
Current Ratio	1.4	1.2	1.9	1.3
Quick Ratio	1.3	1.1	1.8	1.3

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](mailto: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](mailto:research@icicidirect.com)

## ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, 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 [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.