

Aggressive room addition to boost revenue growth

About the stock: Promoted by Patanjali Keswani, Lemon Tree is the largest hotel chain in the mid-priced segment in India. It operates 8,489 rooms in 87 hotels across 54 destinations in India and abroad under brands like Aurika (premium), Lemon Tree premier, Lemon Tree (midscale), RedFox (economy) and Keys.

- The favourable location of its properties in prominent business and tourist districts supports revenue growth prospects and reduces concentration risk
- As of 31st March 2023, its operational inventory comprised 88 hotels with 8,382 rooms and the pipeline comprised 42 hotels with 3,285 rooms.

Q4FY23 Results: Lemon Tree's Q4FY23 revenues were in line with our estimates while profitability was higher than estimates.

- Revenues grew 111% YoY to ₹252.7 crore (up 8% QoQ). It was also up 43% from pre-covid levels (ie. Q4FY20)
- On absolute basis, operating costs remained flattish compared to pre-covid levels This led to sharp EBITDA margin expansion of ~1906 bps to 55.4% (vs our estimate of 54%) from pre-covid levels. It was up 120 bps sequentially
- Profit after tax improved to ₹59 crore in Q4FY23 vs net loss of ₹39 crore last year and net loss of ₹19 crore during Q4FY20

What should investors do? The company remains a key branded player in the high growing mid-scale segment. Strong room addition pipeline would enable company to benefit from favourable industry demand supply dynamics

- We maintain our **BUY** rating on the stock

Target Price and Valuation: We value the company at ₹ 120/share on an SOTP basis

Key triggers for future price performance:

- Revival in foreign tourists, G20 summit 2023 to provide further fillip to leisure and business hotel room demand, going forward
- Well positioned to capture the unorganised market share due to slowdown in the upcoming room supply in the wake of ongoing distress
- Mumbai hotel property (669 rooms i.e. 13% of owned/leased rooms) to get commissioned by Q3FY24E
- LTHL's large asset base, strategic partnership, and financial flexibility to continue support liquidity requirement for further growth

Alternate Stock Idea: Apart from Lemon Tree, in hotels coverage we like Indian Hotels Company.

- Key player with higher presence in the business & leisure destinations
- Maintain BUY with a target price of ₹ 405/share

Key Financial Summary

Key Financials	FY19	FY20	FY21	FY22	FY23	4 Year CAGR (%)	FY24E	FY25E	2 Year CAGR (%)
Sales	549.5	669.4	251.7	402.2	866.0	12.0	1055.9	1350.9	24.9
EBITDA	168.8	238.3	61.3	118.7	438.6	27.0	504.7	664.7	23.1
EBITDA (%)	30.7	35.6	24.3	29.5	50.6		47.8	49.2	
PAT after MI	52.9	-9.5	-127.0	-87.4	105.6	18.9	138.6	266.2	58.8
EPS (₹)	0.7	-0.1	-1.6	-1.1	1.3		1.8	3.4	
EV/EBITDA	51.2	38.0	147.0	77.1	21.0		18.1	13.3	
RoNW	6.7	-1.5	-21.4	-15.7	15.6		18.1	26.3	
RoCE	5.5	5.5	-0.7	1.0	10.4		11.5	15.0	

Source: Company, ICICI Direct Research



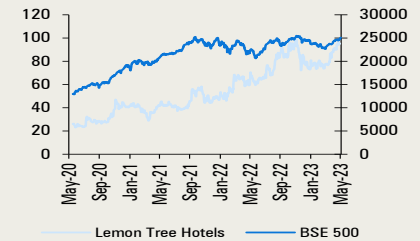
Particulars

Particular	Amount
Market Capitalisation (₹ Crore)	7,349.9
Debt (FY23) (₹ Crore)	1,745.7
Cash (FY23) (₹ Crore)	27.5
EV (₹ Crore)	9,068.2
52 week H/L	103 / 58
Equity Capital (₹ Crore)	791.6
Face Value	10.0

Shareholding pattern

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	24.0	23.9	23.6	23.6	23.6
FII	28.7	27.9	27.5	26.8	24.5
DII	12.2	11.4	10.7	10.1	10.6
Others	35.2	36.7	38.2	39.4	41.3

Price Chart



Recent Event & Key risks

- Any further imposition of restrictions on travel could further delay the recovery
- Companies adopting WFH policy could impact the business segment room demand

Research Analyst

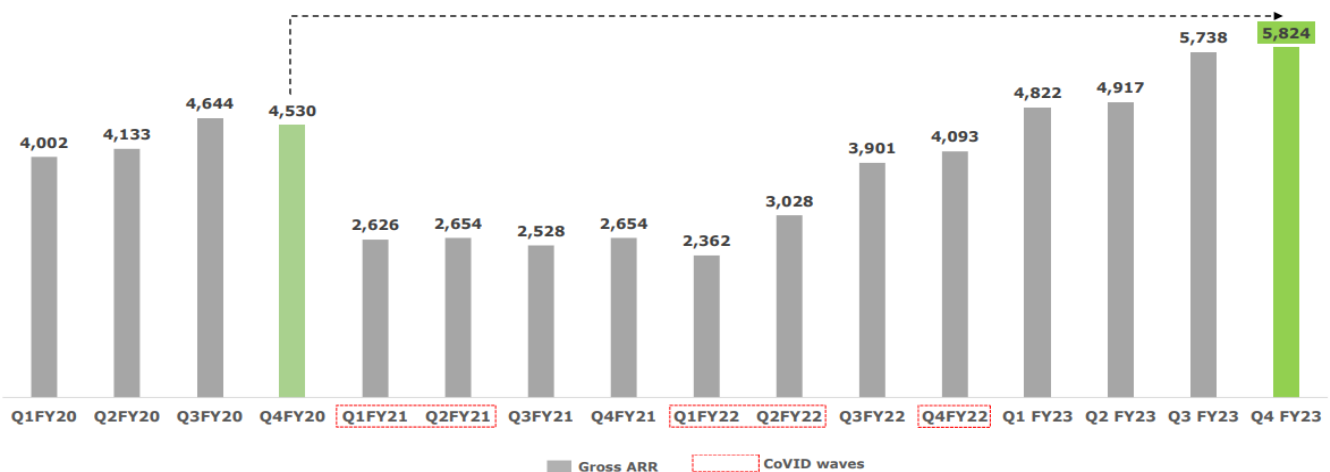
Bharat Chhoda
 bharat.chhoda@icicisecurities.com
 Cheragh Sidhwa
 cheragh.sidhwa@icicisecurities.com

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results highlights

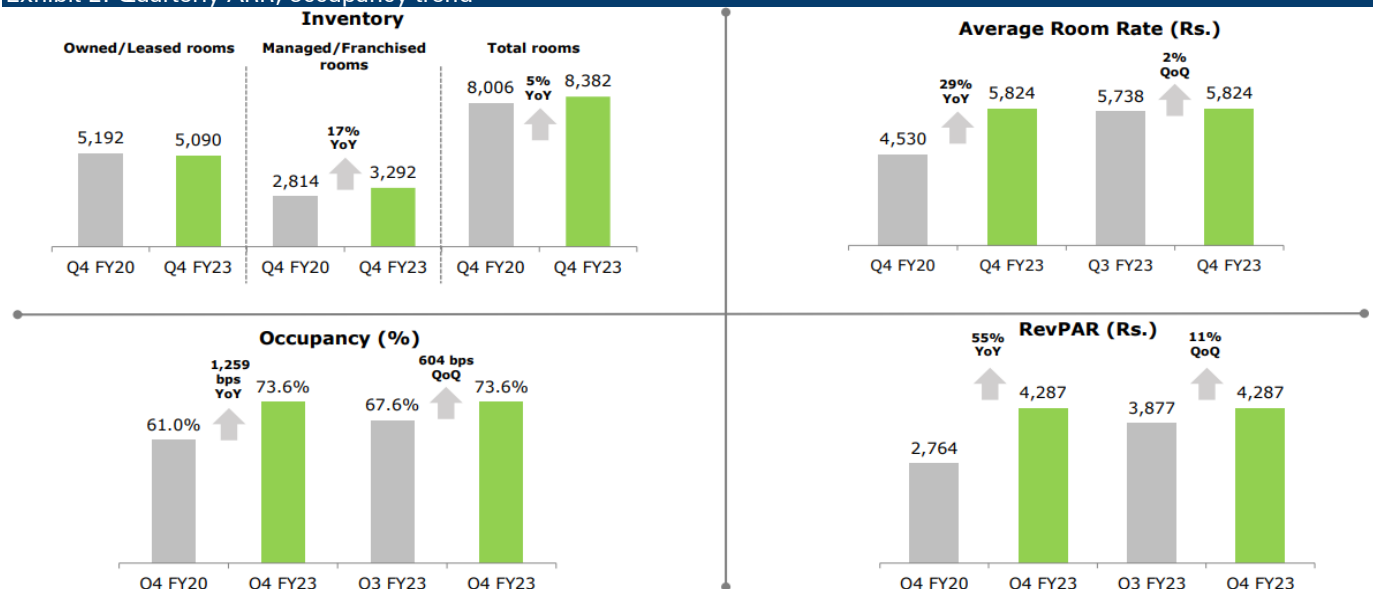
- Average occupancy improved by 600 bps QoQ to 73.7% on full inventory basis. The Gross ARR also increased ~1.4% QoQ to ₹5824/room. This led to QoQ RevPAR growth of 11% to ₹4287/room
- ARR was up 24% while occupancy levels were still down 370 bps vs. pre-Covid levels. Overall, RevPAR was up ~17% vs. pre-Covid levels
- The total operating costs were down significantly from 64% of sales in Q4FY20 (pre-covid) to 45% of sales in Q4FY23. On absolute basis, operating costs remained flattish compared to pre-covid levels This led to sharp EBITDA margin expansion of ~1906 bps to 55.4% (vs our estimate of 54%) from pre-covid levels. It was up 120 bps sequentially
- The company has further expanded its presence with the signing of 9 new management and franchise contracts which would add 538 rooms to its pipeline. As on 31st March 2023, the company's operational inventory comprised 88 hotels with 8382 rooms and its new hotel pipeline consisted of 42 hotels with 3285 rooms.

Exhibit 1: ARR in Q4FY23 ~29% higher than pre-Covid levels



Source: Company, ICICI Direct Research

Exhibit 2: Quarterly ARR, occupancy trend



Source: Company, ICICI Direct Research

Exhibit 3: City wise performance

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin %		
	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (bps)	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (bps)
By Brand (#Rooms)															
Aurika Hotels & Resorts (139)	11,189	4,130	171%	69%	29%	3,986	16,152	14,041	15%	10.29	2.18	373%	72%	40%	3,128
Lemon Tree Premier (1,603)	5,816	3,601	62%	81%	63%	1,806	7,143	5,683	26%	3.88	2.04	90%	61%	48%	1,277
Lemon Tree Hotels (1562)	4,079	2,923	40%	74%	66%	854	5,501	4,455	23%	2.41	1.49	62%	51%	41%	985
Red Fox by Lemon Tree Hotels (952)	3,378	2,194	54%	78%	63%	1,576	4,310	3,504	23%	2.03	1.01	101%	59%	43%	1,595
Keys by Lemon Tree Hotels (936)	1,815	1,441	26%	56%	52%	323	3,264	2,751	19%	0.94	0.25	275%	48%	14%	3,428

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin %		
	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (bps)	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (%)	Q4 FY23	Q4 FY20	Change (bps)
By Region (#Rooms)															
Delhi (636)	5,559	3,728	49%	88%	72%	1,538	6,352	5,169	23%	3.78	1.96	93%	62%	44%	1,794
Gurugram (529)	4,191	2,931	43%	77%	65%	1,284	5,412	4,537	19%	2.58	1.53	69%	50%	40%	927
Hyderabad (663)	5,001	3,073	63%	77%	64%	1,314	6,459	4,780	35%	3.44	1.94	78%	64%	53%	1,151
Bengaluru (874)	3,178	2,249	41%	63%	57%	584	5,050	3,941	28%	1.95	0.83	134%	56%	31%	2,495
Mumbai (303)	7,657	4,041	89%	84%	59%	2,504	9,064	6,800	33%	4.63	2.46	88%	57%	57%	42

Source: Company, ICICI Direct Research

Q4FY23 – Conference call and other key highlights

- The management indicated that by CY28 the company plans to have 300+ hotels, 20000+ rooms network of which managed and franchised rooms would be more than 70%
- The company is pursuing an asset light expansion policy and is rapidly expanding its managed hotels fleet. The company is planning to add ~2051 rooms under management contract. The share of managed rooms to increase from current 40% to ~50% by 2025. With asset light expansion, incremental cash flows would be utilised mainly for debt reduction and the company aspires to be debt free over next 5 years.
- The management stated that it expects the premium owned hotel Aurika Hotels and Resorts (near the Mumbai international airport with 669 rooms) to be operational by October 2023. The company expects the margins to be softer initially for Aurika in H2FY24, and expects it to contribute significantly towards revenue and profitability from FY25E onwards
- The company is planning to renovate its Keys hotel portfolio (~940 rooms) and spend around 2% of revenues for upgrading the hotels. The management expects that the renovated portfolio could be able to garner better room rates going forward.
- In terms of city-wise performance in Q4FY23, occupancy across all major cities were higher vs. pre-Covid levels. Mumbai did exceedingly well with occupancy of 84% (up 2504 bps from pre-covid level). Delhi too registered a strong occupancy of 88% (up 1538 from pre-Covid levels)
- The company plans to separately list its 59% owned subsidiary Fleur Hotels through IPO/INVIT or REIT route.

Exhibit 4: Quarterly performance

	Q4FY23	Q4FY23E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Q4FY20	Vs pre-covid (%)	Comments
Net Sales	252.7	251.6	119.5	111.4	233.5	8.2	176.1	143.5%	Average occupancy improved by 600 bps QoQ to 73.7% on full inventory basis. The Gross ARR also increased ~1.4% QoQ to ₹5824/room. This led to QoQ RevPAR growth of 11% to ₹4287/room
Other Incomes	3.6	2.0	9.3	-61.6	2.1	71.6	1.2		
Raw Material Expenses	12.9	15.1	8.4	53.2	13.1	-1.9	14.6		
Employee Expenses	41.0	42.8	28.8	42.1	38.1	7.5	42.9		
Other expenses	58.9	57.9	60.7	-2.9	55.8	5.6	54.7		
Total expenses	112.8	115.8	97.9	15.2	107.1	5.4	112.2	100.5%	
EBITDA	139.9	135.9	21.6	547.6	126.5	10.6	63.9	218.8%	
EBITDA Margin (%)	55.4%	54.0%	18.1%	3729 bps	54.2%	120 bps	36.3%	1906 bps	
Interest	46.7	46.9	44.1	5.9	46.0	1.5	49.5		
Depreciation	23.5	23.8	26.5	-11.3	23.6	-0.1	27.7		
PBT	73.3	67.2	-39.7	NA	59.0	24.2	-12.1		
Total Tax	14.4	15.8	-0.3	NA	10.6	35.3	5.6		
Reported PAT	59.0	51.4	-39.2	LP	48.6	21.4	-19.0	LP	

Source: Company, ICICI Direct Research

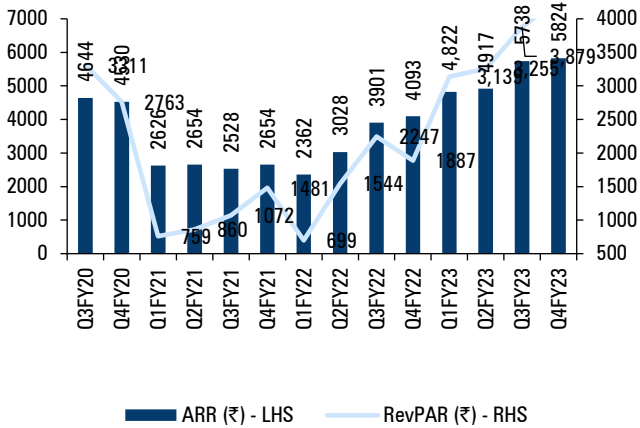
Exhibit 5: Change in estimates

(₹ Crore)	FY23P	FY24E			FY25E	Comments
		Old	New	% Change	Introduced	
Total Revenue	866.0	1,015.2	1,055.9	4.0	1,350.9	
EBITDA	438.6	475.1	504.7	6.2	664.7	
EBITDA Margin (%)	50.6	46.8	47.8	100 bps	49.2	
PAT	105.6	112.3	138.6	23.4	266.2	
EPS (₹)	1.3	1.4	1.8	23.4	3.4	

Source: Company, ICICI Direct Research

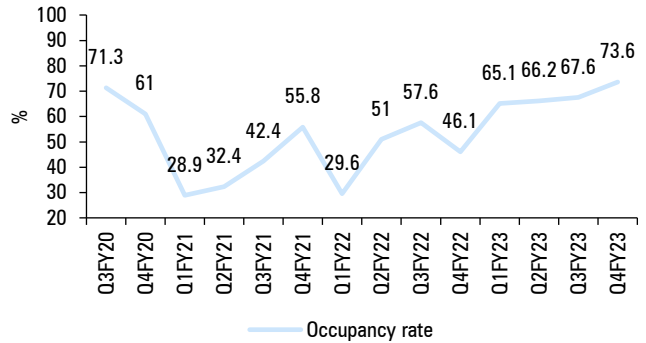
Story in charts

Exhibit 6: ARR remained firm, RevPAR up 17% than pre-Covid levels



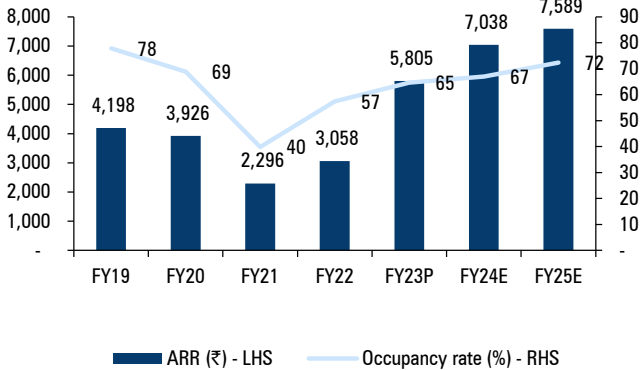
Source: Company, ICICI Direct Research

Exhibit 7: Occupancy trend (yet to cross pre-Covid levels)



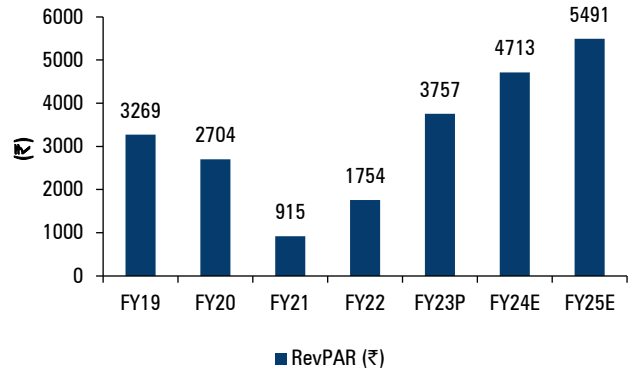
Source: Company, ICICI Direct Research

Exhibit 8: ARR to likely stay firm; to drive revenue growth



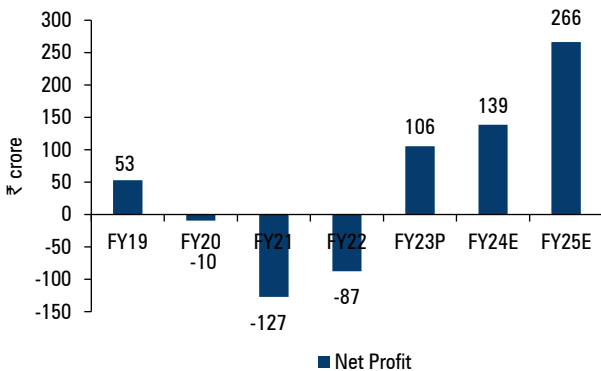
Source: Company, ICICI Direct Research

Exhibit 10: RevPAR trend



Source: Company, ICICI Direct Research

Exhibit 9: Expect profitability to improve sharply from FY23E onwards



Source: Company, ICICI Direct Research

Performance set to improve driven by healthy occupancy and ARR...

With the economy coming out of pandemic induced pain, the hotel business has recovered fully in terms of RevPAR. As the companies are adopting ARR led growth strategy, we now model occupancy of 67%, 72% for FY24E, FY25E, respectively. ARR is expected to improve from FY23 levels. We model EBITDA margins of ~ 48-49% for FY24E and FY25E. At the PAT level, we expect the company to report PAT of ₹ 266 crore in FY25E.

Valuation & Outlook

Being the largest branded hotel player in the mid segment, the company is expected to be a key beneficiary of a sharp demand revival. We expect it to continue to gain market share due to its strong positioning across all major cities. We expect revenue & EBITDA CAGR of 25% and 59% during FY23-25E. We maintain **BUY** rating with a revised target price of ₹ 120 per share (SOTP based valuation, i.e. implied EV multiple of 21x FY25E EBITDA).

Exhibit 11: Valuation matrix

Target valuations		Amount
Lemon Tree Group Enterprise value (₹ crore)		13825
Net Debt FY25E (₹ crore)		1369
Lemon Tree Group Equity value (₹ crore)		12456
Lemon Tree Equity Value - Standalone (₹ crore)	(A)	4010
Fleur Hotels Equity Value (₹ crore)	(B)	8446
Fleur Hotels Equity Value - 59% Lemon Tree share (₹ crore)	(C)	4983
Lemon Tree Value (₹ crore)		9493
Number of shares (Crore)		79
Target Price (₹)		120.0

Source: Company, ICICI Direct Research

Exhibit 12: Profit and loss statement ₹ crore

(Year-end March)	FY21	FY22	FY23P	FY24E	FY25E
Total operating income	251.7	402.2	866.0	1055.9	1350.9
Growth (%)	-62%	60%	115%	22%	28%
Raw Material Expenses	17.8	27.8	49.9	86.6	109.4
Employee Expenses	70.4	97.3	149.7	179.5	225.6
Other Exp	102.2	158.4	227.8	285.1	351.2
Total Operating Expenditure	190.4	283.5	427.4	551.2	686.3
EBITDA	61.3	118.7	438.6	504.7	664.7
Growth (%)	-74.3%	93.7%	269.6%	15.1%	31.7%
Depreciation	107.6	104.3	96.6	118.7	136.1
Interest	190.4	180.9	182.4	188.1	164.1
Other Income	22.0	21.0	8.8	15.0	15.0
PBT	-214.7	-145.6	168.4	212.9	379.4
Others	0.0	0.0	0.0	0.0	0.0
Total Tax	-32.2	-7.2	37.7	47.9	86.1
Reported PAT	-186.5	-137.4	131.6	167.0	295.8
PAT after MI	-127.0	-87.4	105.6	138.6	266.2
Growth (%)	8.7	NA	LP	31.2	92.1
Adjusted EPS (₹)	-2.4	-1.7	1.3	1.8	3.4

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement ₹ crore

(Year-end March)	FY21	FY22	FY23P	FY24E	FY25E
Profit after Tax	-186	-137	132	167	296
Add: Depreciation	108	104	97	119	136
(Inc)/dec in W/cap	29	13	-32	-84	0
Others	152	50	219	285	155
CF from operating activities	103	30	415	487	587
(Inc)/dec in Other Non-Curr Assets	0	0	0	0	0
(Inc)/dec in Fixed Assets	-74	-93	-215	-288	-165
Others	18	78	16	41	8
CF from investing activities	-56	-14	-199	-246	-157
Issue/(Buy back) of Shares	0	0	1	0	0
Inc/(dec) in loan funds	46	57	47	72	-250
Dividend paid & dividend tax	0	0	0	0	0
Others	8	-159	-291	-173	-149
CF from financing activities	54	-103	-243	-101	-399
Net Cash flow	100	-87	-27	139	31
Opening Cash	41	141	54	27	167
Closing Cash	141	54	27	167	198

Source: Company, ICICI Direct Research

Exhibit 14: Balance sheet ₹ crore

(Year-end March)	FY21	FY22	FY23P	FY24E	FY25E
Liabilities					
Equity Capital	790.4	790.2	791.6	791.6	791.6
Reserve and Surplus	127.1	40.4	62.1	200.7	467.0
Total Shareholders fun	917.5	830.7	853.7	992.3	1258.6
Total Debt	1641.9	1698.6	1745.7	1817.4	1567.4
Deferred Tax Liability	0.0	2.0	3.6	0.0	0.0
Minority Interest / Others	617.4	567.6	559.7	588.1	617.7
Total Liabilities	3518.4	3381.0	3362.2	3581.6	3683.4
Assets					
Gross PPE	2967.8	3011.0	3048.6	3548.6	4013.6
Less: Acc Depreciation	397.1	501.4	598.0	716.8	852.9
Net PPE	2570.8	2509.6	2450.6	2831.8	3160.7
Investment Property	2.3	1.8	1.8	2.5	2.5
CWIP	241.8	294.6	469.1	269.1	-30.9
Total Fixed Assets	2814.9	2805.9	2921.4	3103.4	3132.3
Intangibles	114.6	112.1	114.5	101.4	101.4
Investments	69.9	75.9	81.1	50.0	50.0
Inventory	7.2	8.1	10.5	15.0	15.0
Debtors	30.8	29.1	56.0	67.0	67.0
Loans and Advances	0.0	0.0	0.0	0.0	0.0
Other Current Assets	50.1	33.6	41.0	75.0	75.0
Cash	141.2	54.3	27.5	166.9	198.1
Total Current Assets	230.2	130.3	136.0	358.9	390.1
Creditors	78.8	58.5	66.8	93.0	93.0
Provisions & Others	89.2	49.6	75.0	131.6	131.6
Total Current Liabilities	296.3	253.3	370.1	474.6	424.6
Net Current Assets	-66.1	-123.0	-234.1	-115.7	-34.5
Others Assets	585.1	510.2	479.3	442.5	434.2
Application of Funds	3518.4	3381.0	3362.2	3581.6	3683.4

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios

(Year-end March)	FY21	FY22	FY23P	FY24E	FY25E
Per share data (₹)					
Adjusted EPS	-1.6	-1.1	1.3	1.8	3.4
Cash EPS	-1.0	-0.4	2.9	3.6	5.5
BV	11.6	10.5	10.8	12.6	15.9
DPS	0.0	0.0	0.0	0.0	0.0
Cash Per Share	1.8	0.7	0.3	2.1	2.5
Operating Ratios (%)					
EBITDA Margin	24.3	29.5	50.6	47.8	49.2
EBIT Margin	-9.7	8.8	40.5	38.0	40.2
PAT Margin	-74.1	-34.1	15.2	15.8	21.9
Inventory days	11.2	7.0	3.9	4.4	4.1
Debtor days	58.8	27.2	17.9	21.3	18.1
Creditor days	87.6	62.3	26.4	27.6	25.1
Return Ratios (%)					
RoE	-21.4	-15.7	15.6	18.1	26.3
RoCE	-0.7	1.0	10.4	11.5	15.0
Valuation Ratios (x)					
P/E	NM	NM	71.1	54.2	28.2
EV / EBITDA	147.0	77.1	21.0	18.1	13.3
EV / Net Sales	35.8	22.7	10.7	8.6	6.5
Market Cap / Sales	29.8	18.7	8.7	7.1	5.6
Price to Book Value	8.2	9.0	8.8	7.6	6.0
Solvency Ratios					
Debt/EBITDA	26.8	14.3	4.0	3.6	2.4
Debt / Equity	1.1	1.2	1.2	1.1	0.8
Current Ratio	0.8	0.5	0.4	0.8	0.9
Quick Ratio	0.8	0.5	0.3	0.7	0.9

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours 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,
Third Floor, Brillanto House,
Road No 13, 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 – INH00000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. 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.

Investments 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. Anoop Goyal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headsservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research. The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. ICICI Securities 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. CICI 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.