Trent Ltd (TRENT)

CMP: ₹ 1100 | Target: ₹ 1470 (34%) | Target Period: 12 months | BUY

June 13, 2022

Zudio scales up to ₹ 1000 crore+ brand

About the stock: Trent is India's leading retailer with a presence across various consumer categories (550+ stores). Inherent strength of brands (Westside, Zudio, Star, Zara) and accelerated store additions have led Trent to be among the fastest growing companies in our retail coverage universe.

- 'Westside' (72% of revenues) has proven to be one of the most profitable business models as it primarily focuses on selling private label brands (EBITDA margin: 11%, consistent SSSG: 10+%)
- 'Zudio' (28% of sales), the value fashion brand, continues to provide the next leg of growth for Trent (revenue CAGR: 72% FY19-22)

Key Annual Report highlights:

- Zudio remains the fastest growing value fashion brand in India with revenues surpassing ₹ 1000 crore in FY22. With the brand achieving scale, the brand reported its highest EBIT margin of 6% in FY22 (FY21: ~1%)
- Westside format surpassed pre-Covid levels from H2FY22 onwards with positive SSSG (FY22 gross revenue: ₹ 2900 crore)
- Zara India reported strong topline growth of 61% YoY (115% of pre-Covid levels) despite muted store additions
- Losses for Star Bazar widened YoY, mainly owing to higher discounts and sharper pricing
- Two to three new fashion concepts are in progress out of which one would be a beauty format standalone store (brand: 'Landmark Xcite')
- On a standalone basis, the company clocked 7.9% EBITDA margins (pre-Ind AS 116) in FY22 (FY20: 9.0%). At a consolidated level, EBITDA margins were lower at 4.2%, mainly owing to its subsidiary, Booker India

What should investors do? Trent has been an exceptional performer with the stock price appreciating at ~35% CAGR in the last five years.

- Robust performance during challenging times and industry leading performance will continue to warrant premium valuations for Trent. Hence, we maintain our **BUY** rating on the stock

Target Price and Valuation: We value Trent at ₹ 1470 based on SOTP valuation

Key triggers for future price performance:

- We pencil in 215 store additions between Westside and Zudio for FY23-24E
- Liquidity position remains robust with cash & investments worth ₹ 600+ crore that will enable it to tide over the current situation better than peers
- Zudio continues to be the growth engine for Trent. We expect its revenues to grow at a CAGR of 48% in FY22-24E
- In the long run, the company aims to grow its revenue at a CAGR of 25%+

Alternate Stock Idea: Apart from Trent, we also like Aditya Birla Fashion & Retail

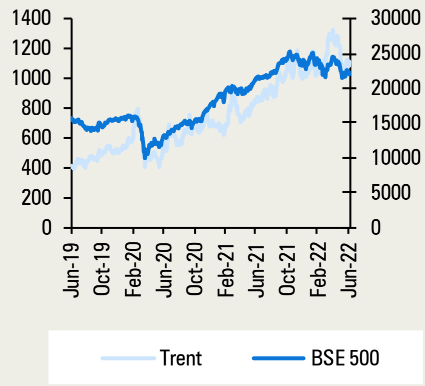
- ABFRL is targeting revenues of ~US$2.8 billion by FY26E (TP: ₹ 340)

TRENT LIMITED
A TATA ENTERPRISE

Particulars

Particular	Amount
Market Capitalisation (₹ Crore)	39,101.7
Total Debt (Mar-22) (₹ Crore)	497.4
Cash (Mar-22) (₹ Crore)	84.5
EV (₹ Crore)	39,514.6
52 week H/L	1347/ 829
Equity Capital (₹ Crore)	35.5
Face Value (₹)	1.0

Price Movement



Key Risks

(i) Slower ramp up of store network

(ii) Re-imposition of lockdown restrictions leading to store closures

Research Analyst

Bharat Chhoda
bharat.chhoda@icicisecurities.com

Cheragh Sidhwa
cheragh.sidhwa@icicisecurities.com

Company Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Financials	FY19	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	2 year CAGR (FY22-24E)
Net Sales	2,630.2	3,486.0	2,593.0	4,498.0	20.0%	6,130.8	7,845.2	32.1%
EBITDA	227.7	544.0	171.9	573.9		966.8	1,289.0	49.9%
PAT	97.0	122.8	(146.2)	105.8	13.0%	360.3	566.6	
EV/Sales (x)	14.1	11.1	14.9	8.7		6.3	4.9	
EV/EBITDA (x)	162.4	70.9	224.9	68.0		40.3	30.1	
RoCE (%)	10.1	15.9	4.3	14.1		26.0	31.0	
RoE (%)	5.9	5.1	-6.3	4.5		13.7	18.5	

Source: Company, ICICI Direct Research

Westside: Healthy recovery witnessed from H2FY22 onwards

Given turbulent year, Westside continued to focus on key initiatives:

a) Responding with agility from a product perspective in a volatile pandemic backdrop

b) Seamless proposition across store & digital channels; doubling down on the online channel

c) Emphasis on freshness and on-trend fashion coupled with efficiency of supply chain

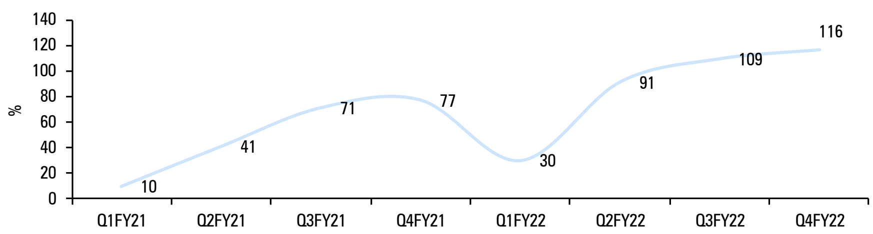
d) Focus on enhancing presence and high quality store footprint

e) Scaling, leveraging annual subscription-based customer engagement program – 'WestStyleClub'

Westside demonstrated a strong recovery with like-for-like sales surpassing pre-Covid levels in Q3FY22 (109%). The growth got further accentuated in Q4FY22 (despite omicron challenges) with robust LFL sales growth of 16%. Furthermore, store additions for Westside were highest with the opening of 26 new stores taking the count to 200 (sq ft: ~3 million+). Sales per square feet (sq ft) reached ~95% of pre-Covid levels in FY22. Back of the envelop calculation suggests revenue for Westside to have grown 75% YoY (5% above pre-Covid levels). On the profitability front, lower discounting and enhanced product mix resulted in gross margins improving ~100 bps YoY to 58.7% in FY22. EBITDA margins are also back at pre-Covid levels of 11% (FY21: 1%). Westside during the year stepped up the pace with accelerated digital investments and integrating online and offline channels. Online sales registered 74% YoY revenue growth in FY22, contributing 7% of Westside revenues. On an ongoing basis, the share of online revenues has continued to remain over 5% even as the store business recovered sharply in recent quarters.

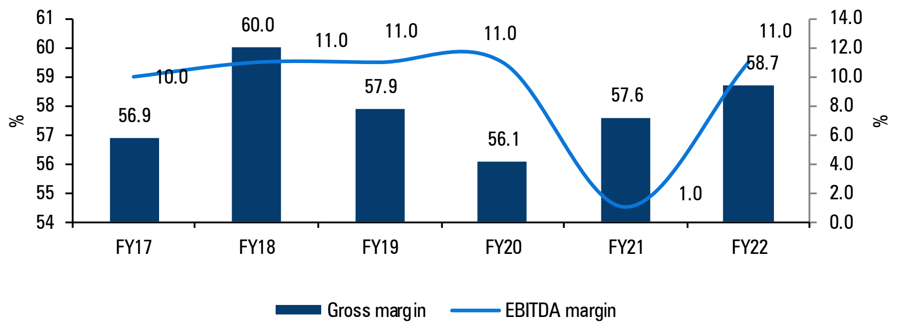
Westside has transitioned itself entirely to 100% exclusive retail branded portfolio. In-house brands offer higher margins to retailers as they allow them to have complete control across the value chain, which enables quick conversion from concepts to products in stores. The approach has also been more sustainable than business models, which retail third party brands. A sustainable supply chain with strong inventory discipline is the backbone of the business. Given the better control on inventory and higher gross margins, Westside store generates healthy RoI of ~25%+. Westside has possibly emerged stronger as a brand navigating through the multiple pandemic waves.

Exhibit 1: Westside LFL revenue recovery trend



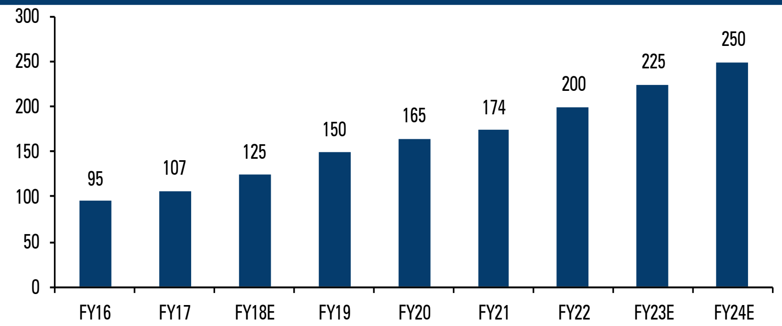
Source: Company, ICICI Direct Research.

Exhibit 2: Westside gross margin, EBITDA margin (pre-Ind-AS 116) trend



Source: Company, ICICI Direct Research

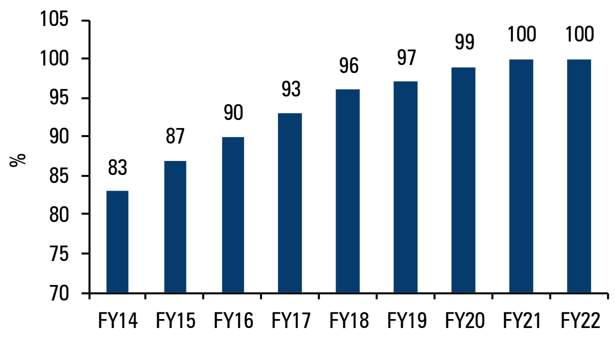
Exhibit 3: Westside store addition trend



Source: Company, ICICI Direct Research

The average size of the store is around ~18000/ sq ft, with investments in fit-outs of ~₹ 2500/sq ft. Total investment in a new Westside store leased and operated by the company is ₹ 6-7 crore (including deposits and inventory)

Exhibit 4: Private label brand contribution to revenues (%)

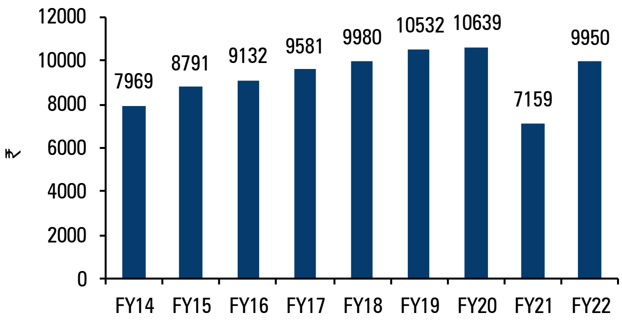


Source: Company, ICICI Direct Research

Exhibit 5: Key exclusive brands of Westside

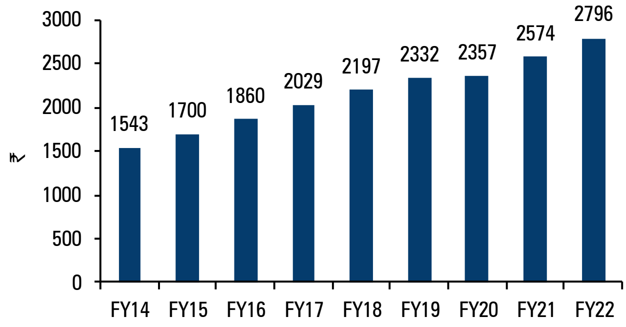
Source: Company, ICICI Direct Research

Exhibit 6: Revenue per square feet (annualised)



Source: Company, ICICI Direct Research

Exhibit 7: Bill size trend

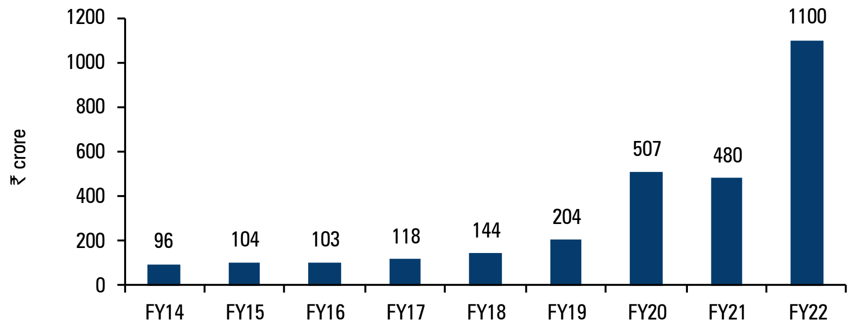


Source: Company, ICICI Direct Research

Zudio: Fastest growing value fashion brand in India

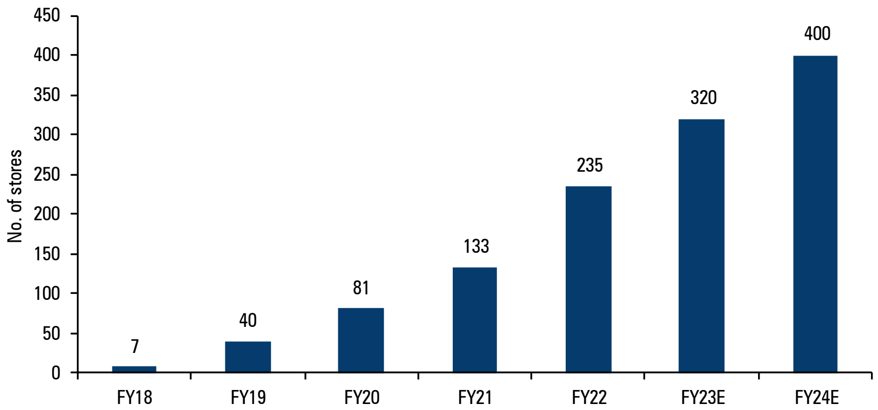
Acquired in FY18, 'Zudio' is a value fashion apparel player, addressing the fast and edgy fashion needs of the customers at sharper price points (two-third product offerings less than <₹ 500) with infrastructure and backend processes closely aligned with Westside, which enables it to drive better efficiencies. Sighting the vast opportunity in value fashion segment, Zudio adopted an accelerated store expansion programme. It added more than 100 stores in FY22 taking overall store count to 235 outlets (entered 32 cities and added more presence in 57 cities). Zudio stores have multiplied ~5.8x from FY19-22 whereas revenues have grown from ₹ 204 crore in FY19 to ₹ 1000+ crore in FY22, translating into robust CAGR of 72%. Zudio has been the key growth engine for Trent given its scalable business model (one-third size of Westside format) and strong acceptance in Tier II/III cities. The fact that Zudio is not promoted as Westside or a Tata brand signifies the inherent strength of the business model. Also, the management indicated that Zudio stores generate similar RoCE as Westside (higher asset turn and lower margins compared to Westside). Trent sees value fashion as one of the growth drivers in the medium to long term. Given the scalability of the brand and shaper price points offerings, we believe Zudio is well placed to capitalise on the theme of shift from unorganised to modern retail. We model in 165 new Zudio stores in FY23-24E taking overall count to 400 stores.

Exhibit 8: Zudio revenue trend



Source: Company, ICICI Direct Research. Includes sales from Zudio Standalone, Star and Tatacliq

Exhibit 9: Zudio store addition trend



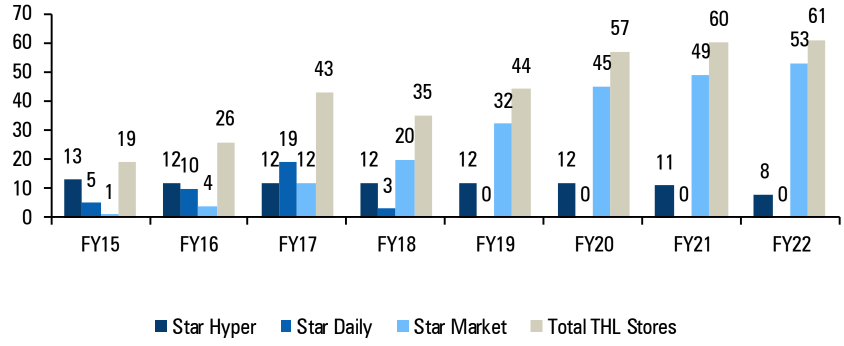
Source: Company, ICICI Direct Research

'Star Bazaar' – Sharper price points impacts gross profits

Trent operates its food & grocery format through a JV with Tesco PLC (50:50) operated under Trent Hypermarket (THPL). It mainly operates via "Star Market" format (7000-10000 sq ft), which addresses the complete needs of customers for groceries, fresh produce, FMCG products, personal grooming and general merchandise. FY18 and FY19 were consolidation years for Star, as the company shut all 19 loss making Star dailies (<2000 sq ft). The management believes "Star Market" format is a more sustainable one. Currently, it has 53 Star Market stores and eight Star Hyper stores (~20000 sq ft). The company follows a cluster based approach with stores in Maharashtra, Telangana, Karnataka and Gujarat. Over the years, THPL has positioned itself as a distinct retailer famous for 'fresh and food', which has proved to be a key footfall driver for Star. The company directly engages with over 800 farmers and sources majority of fresh vegetables directly from farmers. The management is focusing on enhancing the share of private label brands in order to improve gross margins (500-1000 bps higher gross margins compared to third party brands). The number of private label SKUs has more than doubled to 450 in a span of three years. Currently, exclusive retail brands (excluding staples, fresh & apparel) comprises 10.3% of sales (FY21: 9.5%).

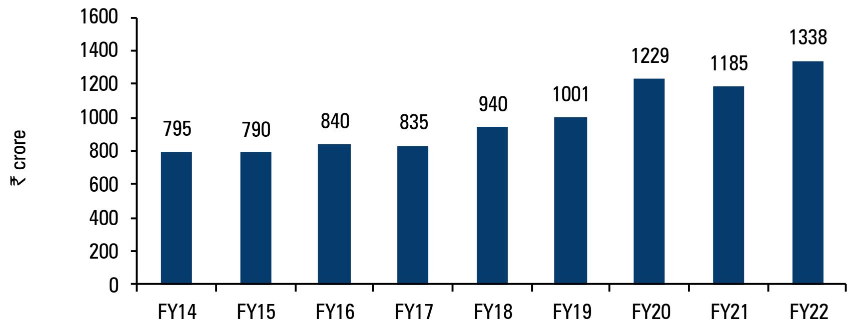
During FY22, the segment registered steady revenue growth of 13% YoY to ₹ 1338.4 crore with corresponding marginal de-growth in SSSG, primarily on account of certain stores located in malls. Emphasis on sharp pricing and higher discounts resulted in gross margins declining 100 bps YoY to 17%. Furthermore, higher operating expenses (employee and other expenses up 12% and 21% to ₹ 94 crore and ₹ 189 crore, respectively), resulted in EBITDA losses widening to ₹ 53 crore vs. ₹ 25.4 crore in FY21. Starquik - the online grocery portal is continuing to witness encouraging customer traction in the micro-markets with revenues having doubled over the previous year. The business is integrated for sourcing from the store network, bringing omni-channel convenience for the customer.

Exhibit 10: Stores trend



Source: Company, ICICI Direct Research

Exhibit 11: Revenue trend

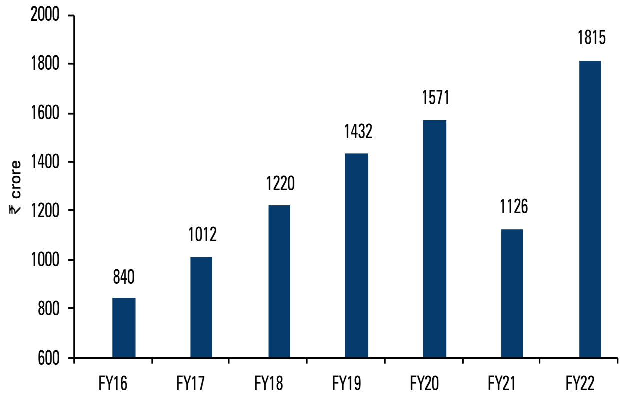


Source: Company, ICICI Direct Research

Zara: Brand salience powers brand to pre-Covid levels

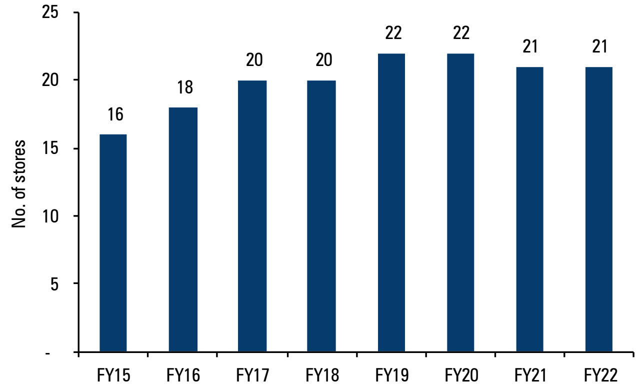
In FY22, Zara's performance was significantly better than our expectations, which proves the strength and resilience of the brand. Despite the second and third wave challenges, Zara reported robust topline growth of 61% YoY to ₹ 1815 crore in FY22 (two-year CAGR: 8%). The performance was ahead of other departmental stores, which exited FY22 with revenue recovery rate of 80-85%. Gross margins improved significantly by 740 bps YoY to 37.5% (FY20: 38.7%). The company is back to its pre-Covid level margins of 14.5% in FY22 (FY21: 3.2%, FY20: 15.2%). On a two-year CAGR basis, absolute EBITDA grew 6% to ₹ 263 crore in FY22 (all-time high EBITDA). Despite muted store addition pace over the years, Zara has witnessed a strong revenue trajectory with sales growing at a CAGR of 12% in FY17-22 (depicting healthy SSSG). We expect the company to add six new Zara stores in FY23-24E, with revenue and EBITDA CAGR of 19% and 23%, respectively, in FY22-24E. Zara has an efficient business model with industry best revenue/sq ft. Given its strong brand pull, we expect Zara to sustain healthy revenue trajectory and bake in revenue CAGR of 19% in FY22-24E.

Exhibit 12: Zara revenue trend



Source: Company, ICICI Direct Research

Exhibit 13: Number of Zara stores



Source: Company, ICICI Direct Research

Building presence in wholesale cash & carry through acquisition of 'Booker India'

Trent forayed into the wholesale cash & carry business model in FY20 through acquisition of Booker India Ltd (51% stake). The concept serves kirana stores, traders, wholesalers, small businesses, hotels, restaurants and caterers. Booker stores operate in catchments where large trader and kirana stores (average store size: 20000 sq ft) are present.

The company believes the stores have significant headroom for growth in the immediate catchments and can be further augmented by a delivery proposition for secondary catchments. BIL plans to replicate its high volume, low cost, asset light model across select geographies. Over time, it sees the possibility of leveraging this operation for scale from a distribution standpoint for its own branded range (e.g. Fabsta, Klia and Skye).

Currently, it operates with six wholesale stores (four in Mumbai, one in Surat and Pune each). It registered revenue of ₹ 325 crore (₹ 320 crore in FY21) and loss of ₹ 72 crore (₹ 26 crore in FY20).

Exhibit 14: Valuation

	Financial	FY24E (₹ cr)	Target Multiple	EV/Mcap	(₹ cr) Cash	Debt	Targeted Mcap (₹ cr)
Standalone revenues	Sales	7085	6.5x EV/Sales	44637	579	285	44931
Trent Hypermarket Ltd	Sales	885	1.0x Price/Sales	885			885
Trent -Inditex (Zara)	Sales	1261	5x Price/Sales	6305			6305
Booker & Other Subsidiaries	Sales	388	0.5x Price/Sales	194			194
Target Market Cap. (₹ cr)							52314
Target Price (₹)							1470

Source: Company, ICICI Direct Research

Financial summary

Exhibit 15: Profit and loss statement ₹ crore

	FY21	FY22	FY23E	FY24E
Total operating Income	**2,593.0**	**4,498.0**	**6,130.8**	**7,845.2**
Growth (%)	-25.6	73.5	36.3	28.0
Cost of Goods Sold	1,534.0	2,481.5	3,378.1	4,291.3
Gross Margin (%)	**40.8**	**44.8**	**44.9**	**45.3**
Employee Expenses	301.9	399.0	551.8	706.1
Operating & Other Expenses	585.2	1,043.7	1,234.1	1,558.8
Total Operating Expenditure	2,421.1	3,924.2	5,164.0	6,556.2
EBITDA	**171.9**	**573.9**	**966.8**	**1,289.0**
Growth (%)	-68.4	233.9	68.5	33.3
Depreciation	257.3	310.8	348.5	406.5
Interest	248.7	304.7	326.0	351.3
Other Income	201.6	175.2	159.4	172.6
PBT	**-133.5**	**106.1**	**451.7**	**703.7**
Share of Profit from JV	-71.4	5.1	8.2	40.3
Total Tax	-23.7	76.6	119.6	193.5
PAT	-181.1	34.6	340.3	550.6
Minority Interest	-35.0	-71.2	-20.0	-16.0
PAT after MI	**-146.2**	**105.8**	**360.3**	**566.6**
Extraordinary item	0.0	0.0	0.0	0.0
Reported PAT	**-146.2**	**105.8**	**360.3**	**566.6**
EPS (₹)	**-4.1**	**3.0**	**10.1**	**15.9**

Source: Company, ICICI Direct Research

Exhibit 16: Cash flow statement ₹ crore

(Year-end March)	FY21	FY22	FY23E	FY24E
Profit after tax	-146.2	105.8	360.3	566.6
Add: Depreciation	257.3	310.8	348.5	406.5
Add: Finance Cost	248.7	304.7	326.0	351.3
(Inc)/dec in Current Assets	215.7	-541.8	-205.7	-409.4
Inc/(dec) in CL and Provisions	-23.2	184.0	58.9	148.4
Others	-99.0	-100.3	0.0	0.0
CF from operating activities	**453.3**	**263.3**	**888.1**	**1,063.4**
(Inc)/dec in Investments	27.7	203.8	91.8	24.4
(Inc)/dec in Fixed Assets	-90.7	-206.7	-220.3	-200.0
Others	-36.0	-17.7	0.0	0.0
CF from investing activities	**-99.0**	**-20.6**	**-128.5**	**-175.6**
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	0.2	197.5	-196.0	-15.9
Less: Finance Cost & Others	-335.9	-374.2	-542.4	-602.6
Others	0.8	-62.8	-93.0	-137.3
CF from financing activities	**-334.9**	**-239.5**	**-831.4**	**-755.8**
Net Cash flow	19.5	3.2	-71.8	132.0
Opening Cash	61.8	81.3	84.5	12.7
Closing Cash	**81.3**	**84.5**	**12.7**	**144.7**

Source: Company, ICICI Direct Research

Exhibit 17: Balance sheet ₹ crore

(Year-end March)	FY21	FY22	FY23E	FY24E
Liabilities				
Equity Capital	35.5	35.5	35.5	35.5
Reserve and Surplus	2,277.5	2,328.0	2,598.3	3,023.2
Total Shareholders funds	2,313.0	2,363.5	2,633.8	3,058.8
Total Debt	299.9	497.4	301.4	285.4
Other LT Liabilities	2,677.3	4,246.0	4,025.2	3,778.3
Deferred Tax Liability	-114.5	-126.4	-126.4	-126.4
Minority Interest / Others	44.5	44.5	46.0	46.0
Total Liabilities	**5,220.2**	**7,025.0**	**6,880.0**	**7,042.1**
Assets				
Gross Block	986.0	1,112.1	1,337.1	1,537.1
Less: Acc Depreciation	345.5	387.2	480.8	588.4
Capital WIP	108.0	104.7	100.0	100.0
Total Fixed Assets	748.4	829.7	956.3	1,048.7
Investments	1,515.4	1,311.6	1,219.8	1,195.4
Other Non-current Assets	2,471.28	4,034.72	3,779.79	3,480.91
Goodwill	66.8	69.7	69.7	69.7
Deferred Tax Asset	0.0	0.0	0.0	0.0
Inventory	428.4	867.8	1,007.8	1,332.6
Debtors	20.8	17.9	16.8	21.5
Loans and Advances	156.2	221.5	248.1	277.9
Cash	81.3	84.5	12.7	144.7
Other Current Assets	120.5	160.5	200.6	250.8
Total Current Assets	807.1	1,352.1	1,486.0	2,027.4
Creditors	274.6	378.0	509.0	623.1
Other Current Liab. & Prov.	114.2	194.7	122.6	156.9
Total Current Liabilities	388.8	572.7	631.6	780.0
Net Current Assets	418.4	779.4	854.4	1,247.4
Application of Funds	**5,220.2**	**7,025.0**	**6,880.0**	**7,042.1**

Source: Company, ICICI Direct Research

Exhibit 18: Key ratios

(Year-end March)	FY21	FY22	FY23E	FY24E
Per share data (₹) (annualised)				
EPS	-4.1	3.0	10.1	15.9
Cash EPS	3.1	11.7	19.9	27.4
BV	65.1	66.5	74.1	86.0
DPS	1.0	1.2	2.5	4.0
Cash Per Share	2.3	2.4	0.4	4.1
Operating Ratios				
EBITDA Margin (%)	6.6	12.8	15.8	16.4
PBT Margin (%)	-5.1	2.4	7.4	9.0
PAT Margin (%)	-5.6	2.4	5.9	7.2
Inventory days	60.3	70.4	60.0	62.0
Debtor days	2.9	1.4	1.0	1.0
Creditor days	38.7	30.7	30.3	29.0
Return Ratios (%)				
RoE	-6.3	4.5	13.7	18.5
RoCE	4.3	14.1	26.0	31.0
RoIC	-9.4	19.3	38.6	46.3
Valuation Ratios (x) (annualised)				
P/E	-	369.5	108.5	69.0
EV / EBITDA	224.9	68.0	40.3	30.1
EV / Net Sales	14.9	8.7	6.3	4.9
Market Cap / Sales	15.1	8.7	6.4	5.0
Price to Book Value	16.9	16.5	14.8	12.8
Solvency Ratios				
Debt/EBITDA	1.7	0.9	0.3	0.2
Debt / Equity	0.1	0.2	0.1	0.1
Current Ratio	2.5	3.1	2.9	3.0
Quick Ratio	1.0	1.0	0.9	0.9

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 Strong Buy, Buy, Hold 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, Akruti 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 th 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 mentione 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 stoc 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, ventur 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 relationshi 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 financi 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, a 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 o 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 selecte 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 woul 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 ICIC 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, i 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 herei 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 customer 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, accountin 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, wh 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 an 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 n 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 understan 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 pas 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 othe 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 o 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 publicatio 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 materi 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 o 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 sal 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.