

10 November 2023

India | Equity Research | Q2FY24 result review

Apollo Hospital

Pharma

Capex outlay draws decent growth roadmap

Apollo Hospital's (Apollo) Q2FY24 performance was marginally lower than our expectations. EBITDA margin slumped 40bps YoY due to contraction in hospital margin (dip of 30bps YoY) and AHLL (dip of 290bps YoY) while EBITA losses from pharmacy business were restricted to INR 387mn as against INR 436mn in Q2FY23. Management has retained its growth guidance and has a capex outlay plan of INR 34.35bn which will be spent over 3 years to add a capacity of 2,860 beds. Discount offered on online 24*7 platform has been curtailed and the division is likely to be EBITDA breakeven by Q4FY24E. Omni-channel pharmacy business is likely to record revenue of INR 10bn with 6% margin in FY24E. We retain our estimates and maintain **HOLD** rating on the stock; we raise target price to INR 5,350.

Seasonality drives improvement in operational mix

Revenue grew 14% YoY (+9.7% QoQ) to INR 48.5bn (I-Sec: INR 48.1bn). Gross margin rose 40bps YoY (+60bps QoQ) to 49.3%. EBITDA grew 11% YoY (23.3% QoQ) to INR 53bn (I-Sec: INR 6.3bn). EBITDA margin contracted 40bps YoY (+140bps QoQ) at 12.9%. Adjusted PAT grew 13.2% YoY (+38.7% QoQ) to INR 2.3bn (I-Sec: INR 2.5bn)

Strong traction across segments

Hospital revenue grew 11.1% QoQ (+12.5% YoY) at INR 25.5bn. Occupancy surged to 68% in Q2 vs 62% in Q1FY24 (64% in Q2FY23) on account of seasonality. ARPOBs declined 1% QoQ (+14% YoY) to INR 57,391 mainly due to surgical mix. HealthCo revenue grew 16.6% YoY (+7.8% QoQ) to INR 19.4bn. It added 130 offline stores on a net basis in H1FY24. Apollo 24*7 recorded GMV of INR 7.3bn, up 16% QoQ. GMV to revenue conversion is likely to improve from current 32% to 40% in the near term. AHLL business grew 11.3% YoY (+11.1% QoQ), driven by 34% YoY growth in non-covid diagnostics revenue.

AHLL, Pharmacy drag EBITDA

Hospital margin expanded 130bps QoQ (-30bps YoY) to 24.9% due to lower ALOS and case mix. Offline pharmacy margin at 7.6% contracted 20bps QoQ, piling losses of 24*7 and ESOPs fuelled EBITDA loss of INR 387mn for HealthCo. AHLL margin contracted 290bps YoY (-170bps QoQ) at 9% on account of network expansion.

Financial Summary

Y/E March (INR mn)	FY22A	FY23A	FY24E	FY25E
Net Revenue	1,46,626	1,66,125	1,94,370	2,26,705
EBITDA	21,851	20,496	26,240	32,192
EBITDA Margin (%)	14.9	12.3	13.5	14.2
Net Profit	8,500	8,191	11,306	15,356
EPS (Rs)	58.5	56.4	77.9	105.8
EPS % Chg YoY	652.8	(3.6)	38.0	35.8
P/E (x)	69.4	91.1	68.0	50.1
EV/EBITDA (x)	35.6	38.2	29.5	23.6
RoCE (%)	11.0	9.5	11.6	13.8
RoE (%)	16.6	13.8	16.8	19.1

Abdulkader Puranwala

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

Market Data

Market Cap (INR)	762bn
Market Cap (USD)	9,145mn
Bloomberg Code	APHS IN
Reuters Code	APLH.BO
52-week Range (INR)	5,364 /4,078
Free Float (%)	70.0
ADTV-3M (mn) (USD)	26.4

Price Performance (%)	3m	6m	12m
Absolute	6.5	15.6	21.9
Relative to Sensex	8.1	9.4	14.2

ESG Disclosure	2021	2022	Change
ESG score	34.3	34.7	0.4
Environment	2.1	2.4	0.3
Social	22.0	22.8	0.8
Governance	78.6	78.6	-

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

Source: Bloomberg, I-sec research

Earnings Revisions (%)	FY24E	FY25E
Revenue	-	-
EBITDA	-	-
EPS	-	-

Previous Reports

14-08-2023: [Q1FY24 results review](#)01-06-2023: [Q4FY23 results review](#)

Valuations and risks

AHEL's strong brand image and pan-India presence have helped its healthcare services segment to register ~25% RoCE. Management is also systematically working on improving margins/occupancy of new hospitals and is also adding 2,860 beds in the next 3-4 years to further cement its position in cities where it has a strong presence. While management is expecting operational breakeven of the entire pharmacy business by Q4FY24, we believe this may continue to be a drag on overall profitability and RoCE. We expect EBITDA CAGR of 25.3% over FY23-FY25E for AHEL driven by revenue CAGR of 16.8%. Margin may remain restricted at ~14% due to additional cost for online platform and digitalisation. RoE and RoCE would reach 20.9% and 15.6% by FY25E with growth in net profit and nominal capex.

The stock currently trades at EV/EBITDA of 29.5x FY24E and 23.6x FY25E. We believe the stock trades at fair valuations, and hence, retain our **HOLD** rating on the stock with a higher target price of INR 5,350/share (from INR 5,000) based on SoTP valuation for FY25E. **Key upside risks:** Higher occupancy at hospitals, reduction in discounts offered at Apollo 24*7, stake sale in pharmacy biz. **Key downside risks:** Higher competition in pharmacy business, lower margins at new hospitals.

Exhibit 1: Sum of the parts valuation

Segment	INR mn	(x)	Value (INR mn)	AHEL's stake	Value (INR mn)
Hospitals - EBITDA (Mar25)	26,825	22.0	5,89,470	100%	5,89,470
HealthCo - Sales (Mar25)	98,900	1.8	1,78,020	100%	1,78,020
AHLL - EBITDA (Mar25)	2,401	15.0	36,010	70%	25,297
Indraprastha Medical - Market cap	7,820	0.8	5,865	22%	1,292
Total EV					7,94,078
Less: Net Debt (Mar25)					17,355
Implied M-Cap					7,76,724
Value per share (Rs)					5,350

Source: Company data, I-Sec research

Q2FY24 concall highlights

Hospitals

- It has 4,570 beds across metros and 3,195 beds in non-metros (largest by any hospital chain).
- ALOS has come down by 5%.
- Refurbishment of a few beds in hospitals in Mysore and Bangalore led to reduction in bed count for the quarter.
- Realisation from insurance beds is improving. A couple of contracts with insurance companies are due in the near term.
- Insurance-based revenue grew 18% as against 12% underlying growth for Q2. Insurance account for 43% hospital revenue, self-pay (cash) at 38%, 7.5% from international patient (up 20% in Q2) and rest from scheme-based patients.
- Pune hospital will take 18 months for operational breakeven after commencement of operations.

Pharmacy

- Pharmacy business is on track to achieve operational breakeven in Q4FY24.
- Private label and generics accounted for 16.52% of pharmacy revenue.
- It plans to add 500 stores in FY24.

- 24*7 operational cost is likely to come down to INR 1.5bn per quarter in H2FY24.
- Discounts offered by 24*7 are lower than that offered by peers.
- 80% of profitability is booked in backend pharmacy business and 20% in front end.
- GMV to revenue conversion is currently 32%, which will increase to 40% in the near term.

AHLL

- Network expansion and relocation of a unit led to drop in segmental margins.
- Margins are likely to bounce back as new centres gain traction.

Bed expansion - organic and M&A

- FY25: Total outlay of INR 14.35bn for bed capacity of 1,170 (940 operational)
 - Greenfield (asset light) addition of 375 beds in Gachibowli, Hyderabad at the cost of INR 3.7bn.
 - Brownfield expansion of 150 beds in Bangalore for INR 1.5bn.
 - Acquired hospital in Sonarpur Kolkata will have 220 beds (INR 2.4bn).
 - 425 beds from acquired Royal Mudhol hospital in Pune (INR 6.75bn).
- FY26: Total outlay of INR 7bn for bed capacity of 690 (940 operational)
 - 550 beds' hospital acquired (INR 5.5bn) in Gurgaon will be on stream.
 - Brownfield expansion of SSPM and Mysore expansion will add 140 beds (INR 1.5bn outlay).
- FY27: Total outlay of INR 13bn for bed capacity of 1,000 (800 operational)
 - Greenfield expansion of 600 beds at OMR Medicity (INR 7.25bn).
 - Greenfield expansion of 400 beds in Varanasi (INR 5.75bn).

Q2 financials

- ARPOB improved 14% due to a change in bed mix and surgical.
- Hospital margin declined sequentially due to acquisition of doctors (75bps impact) and increase in sales and marketing cost (50bps).
- Muted season in South led to a decline in in-patient volume growth in Southern India.
- Hospital growth breakup: Volumes boosted 4% growth and 7% came from surgeries.
- Operational performance of new hospitals has been improving quite well.

Guidance

- Existing beds can deliver a low double digit growth. Going ahead, focus is on driving in-patient volumes.
- Occupancy will rise to 70-72% in FY25.
- ARPOB improvement ahead will be 7-8%.
- Hospital business can clock margin of ~26.5% as ALOS dips further.

- Omni-channel pharmacy will clock sales of INR 100bn with 6% margin in FY24. In H1FY24, it had sales of INR 47.23bn with 5.6% margin.
- No immediate need of external capital in pharmacy business as cashflow of overall business has improved. Depending on valuations, the company may pursue a deal in the next 12-18 months.

Exhibit 2: Q2FY24 quarterly review

Particulars (INR mn)	Q2FY24	Q2FY23	YoY % Chg	Q1FY24	QoQ % Chg	H1FY24	H1FY23	YoY % Chg
Net Sales	48,469	42,511	14.0	44,178	9.7	92,647	80,467	15.1
Gross Profit	23,884	20,792	14.9	21,496	11.1	45,380	39,227	15.7
Gross margins (%)	49.3	48.9	40bps	48.7	60bps	49.0	48.7	20bps
EBITDA	6,275	5,654	11.0	5,090	23.3	11,365	10,561	7.6
EBITDA margins (%)	12.9	13.3	-40bps	11.5	140bps	12.3	13.1	-90bps
Other income	243	94	158.2	341	(28.7)	584	135	334.2
PBITD	6,518	5,748	13.4	5,431	20.0	11,949	10,696	11.7
Depreciation	1,634	1,550	5.4	1,669	(2.1)	3,303	3,028	9.1
Interest	1,113	927	20.1	1,062	4.8	2,175	1,854	17.3
Extra ordinary income/ (exp.)	19	-	-	-	-	-	-	-
PBT	3,790	3,271	15.9	2,700	40.4	6,471	5,813	11.3
Tax	1,302	1,142	14.0	966	34.8	2,268	447	407.0
Minority Interest	159	89	-	68	-	269	155	-
Reported PAT	2,329	2,040	14.2	1,666	39.8	3,934	5,211	(24.5)
Adjusted PAT	2,310	2,040	13.2	1,666	38.7	3,934	5,211	(24.5)

Source: Company data, I-Sec research

Exhibit 3: Business mix

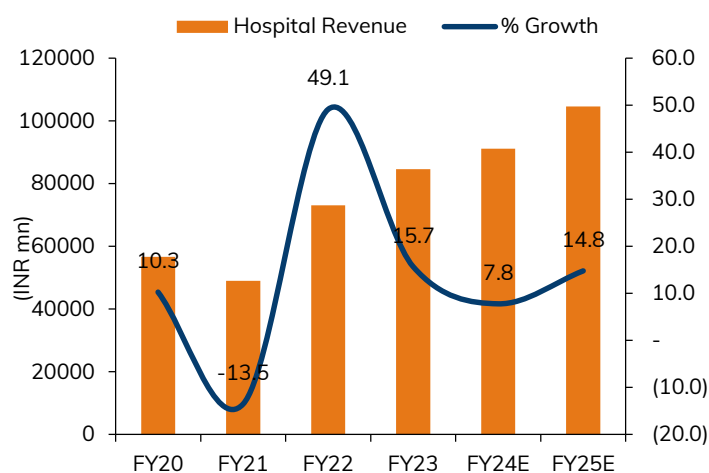
Sales break-up (INR mn)	Q2FY24	Q2FY23	YoY % Chg	Q1FY24	QoQ % Chg	H1FY24	H1FY23	YoY % Chg
Hospitals	25,472	22,645	12.5	22,937	11.1	48,409	42,875	12.9
Health Co	19,454	16,683	16.6	18,054	7.8	37,508	31,476	19.2
AHLL	3,542	3,183	11.3	3,187	11.1	6,729	6,113	10.1
Total	48,468	42,511	14.0	44,178	9.7	92,646	80,464	15.1

Source: Company data, I-Sec research

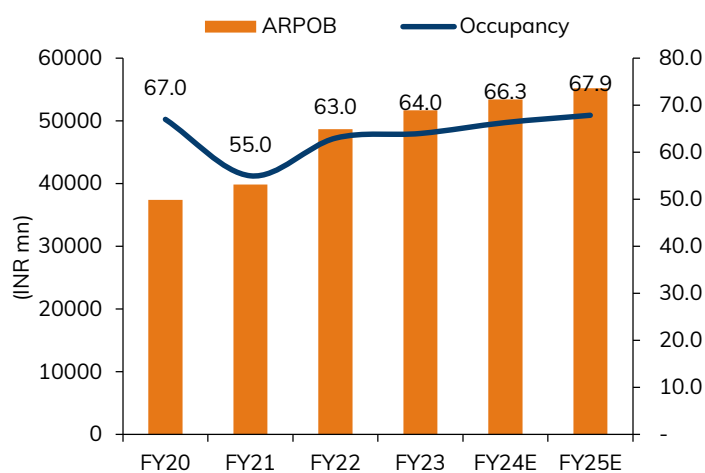
Exhibit 4: EBITDA breakup

EBITDA (INR mn)	Q2FY24	Q2FY23	YoY % Chg	Q1FY24	QoQ % Chg	H1FY24	H1FY23	YoY % Chg
Hospitals	6,344	5,713	11.0	5,423	17.0	11,767	10,336	13.8
% margin	24.9	25.2	-30bps	23.6	130bps	24.3	24.1	20bps
Health Co	(387)	(436)	(11.2)	(566)	(31.6)	(953)	(447)	113.2
% margin	(2.0)	(2.6)	60bps	(3.1)	110bps	(2.5)	(1.4)	-110bps
AHLL	318	378	(15.9)	233	36.5	551	672	(18.0)
% margin	9.0	11.9	-290bps	7.3	170bps	8.2	11.0	-280bps

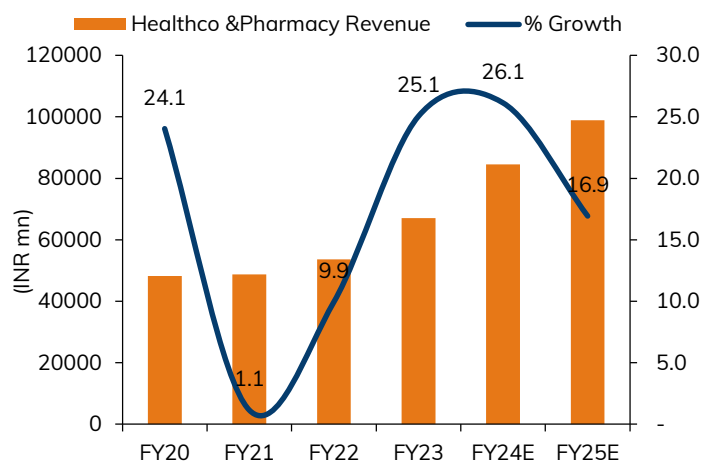
Source: Company data, I-Sec research

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


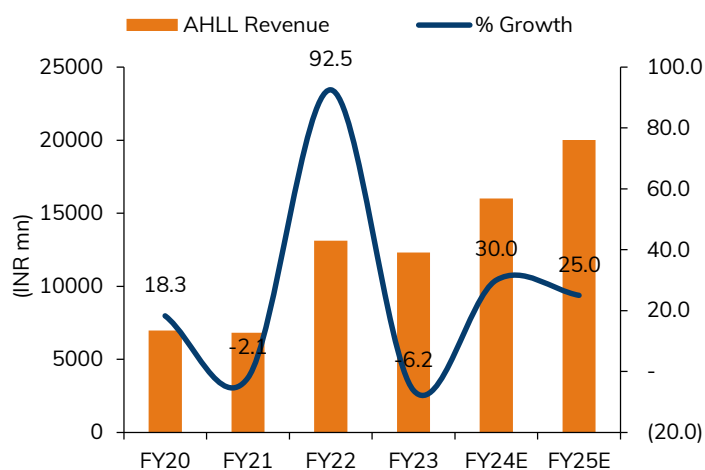
Source: Company data, I-Sec research

Exhibit 6: Occupancy and ARPOB may increase from current levels


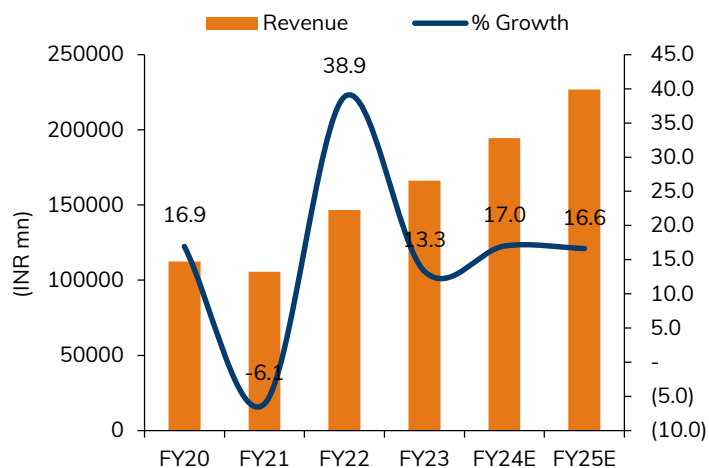
Source: Company data, I-Sec research

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


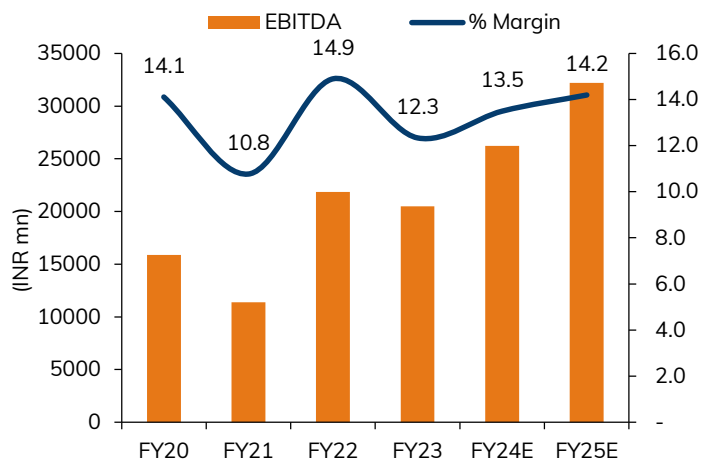
Source: Company data, I-Sec research

Exhibit 8: AHLL's revenue to grow at fastest pace


Source: Company data, I-Sec research

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


Source: Company data, I-Sec research

Exhibit 10: Curbs in 24*7 losses to boost EBITDA margin


Source: Company data, I-Sec research

Exhibit 11: Shareholding pattern

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

Source: Bloomberg

Exhibit 12: Price chart

Source: Bloomberg

Financial Summary

Exhibit 13: Profit & Loss

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Net Sales	1,46,626	1,66,125	1,94,370	2,26,705
Operating Expenses	49,041	59,886	69,001	79,347
EBITDA	21,851	20,496	26,240	32,192
EBITDA Margin (%)	14.9	12.3	13.5	14.2
Depreciation & Amortization	6,007	6,152	6,508	6,793
EBIT	15,844	14,344	19,732	25,399
Interest expenditure	3,786	3,808	4,172	3,832
Other Non-operating Income	781	903	1,192	1,228
Recurring PBT	15,854	11,008	16,874	22,920
Profit / (Loss) from Associates	74	(432)	122	124
Less: Taxes	4,770	2,562	5,568	7,563
PAT	11,084	8,446	11,306	15,356
Less: Minority Interest	(528)	(255)	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	10,556	8,191	11,306	15,356
Net Income (Adjusted)	8,500	8,191	11,306	15,356

Source Company data, I-Sec research

Exhibit 14: Balance sheet

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Total Current Assets	36,201	40,450	51,444	67,305
of which cash & cash eqv.	10,359	7,758	13,255	22,805
Total Current Liabilities & Provisions	21,747	25,521	29,107	33,372
Net Current Assets	14,454	14,929	22,337	33,933
Investments	8,063	5,777	5,777	5,777
Net Fixed Assets	61,620	62,004	60,495	58,702
ROU Assets	10,729	12,317	12,317	12,317
Capital Work-in-Progress	440	6,017	6,017	6,017
Total Intangible Assets	10,313	10,917	10,917	10,917
Other assets	2,508	4,497	5,261	6,136
Deferred Tax assets	2,187	2,216	2,572	2,980
Total Assets	1,10,395	1,18,757	1,25,777	1,36,862
Liabilities				
Borrowings	26,357	27,103	23,103	19,103
Deferred Tax Liability	5,298	4,424	4,424	4,424
provisions	233	574	672	783
other Liabilities	19,512	21,342	21,342	21,342
Equity Share Capital	56,452	61,971	72,894	87,868
Reserves & Surplus	2,543	3,341	3,341	3,341
Total Net Worth	58,995	65,313	76,236	91,209
Minority Interest	-	-	-	-
Total Liabilities	1,10,395	1,18,757	1,25,777	1,36,862

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY22A	FY23A	FY24E	FY25E
Operating Cashflow	16,156	13,771	19,051	22,764
Working Capital Changes	5,163	11,744	9,269	9,153
Capital Commitments	(6,518)	(11,245)	(5,000)	(5,000)
Free Cashflow	9,639	2,526	14,051	17,764
Other investing cashflow	1,153	2,538	-	-
Cashflow from Investing Activities	(5,365)	(8,706)	(5,000)	(5,000)
Issue of Share Capital	-	45	-	-
Interest Cost	(3,786)	(3,808)	(4,172)	(3,832)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(433)	(2,579)	(383)	(383)
Others	(3,457)	(1,323)	(4,000)	(4,000)
Cash flow from Financing Activities	(7,677)	(7,665)	(8,555)	(8,215)
Chg. in Cash & Bank balance	3,115	(2,600)	5,497	9,550
Closing cash & balance	10,359	7,758	13,255	22,805

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY22A	FY23A	FY24E	FY25E
Per Share Data (INR)				
Reported EPS	76.3	58.2	77.9	105.8
Adjusted EPS (Diluted)	58.5	56.4	77.9	105.8
Cash EPS	99.9	98.8	122.7	152.6
Dividend per share (DPS)	3.0	17.8	2.6	2.6
Book Value per share (BV)	406.4	449.9	525.1	628.3
Dividend Payout (%)	3.9	30.5	3.4	2.5
Growth (%)				
Net Sales	38.9	13.3	17.0	16.6
EBITDA	92.1	(6.2)	28.0	22.7
EPS (INR)	652.8	(3.6)	38.0	35.8
Valuation Ratios (x)				
P/E	69.4	91.1	68.0	50.1
P/CEPS	53.0	53.6	43.2	34.7
P/BV	13.0	11.8	10.1	8.4
EV / EBITDA	35.6	38.2	29.5	23.6
P / Sales	5.2	4.6	4.0	3.4
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	48.3	48.4	49.0	49.2
EBITDA Margins (%)	14.9	12.3	13.5	14.2
Effective Tax Rate (%)	30.1	23.3	33.0	33.0
Net Profit Margins (%)	5.8	4.9	5.8	6.8
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.1	0.2	0.1	(0.1)
Net Debt / EBITDA (x)	0.4	0.7	0.2	(0.3)
Profitability Ratios				
RoCE (%)	11.0	9.5	11.6	13.8
RoE (%)	16.6	13.8	16.8	19.1
RoC (%)	12.4	10.1	12.5	15.8
Fixed Asset Turnover (x)	2.5	2.7	3.2	3.8
Inventory Turnover Days	12	9	9	9
Receivables Days	51	52	53	53
Payables Days	47	45	45	45

Source Company data, I-Sec research

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

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

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

ANALYST CERTIFICATION

I/We, Abdulkader Puranwala, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

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

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

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

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

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

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

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