

Decent performance...

Bharti Airtel reported yet another decent operating performance with beat on KPIs such as subscriber addition and margins, albeit ARPU traction was weaker than anticipated. Consolidated topline came in at ₹ 25,747 crore, up 2% QoQ on a like to like basis. Indian wireless revenues were up 4.2% QoQ on like to like basis) at ₹ 14,080 crore. Consolidated EBITDA came in at ₹ 12,332 crore, up 2.3% QoQ with margin of 47.9% (up 244 bps QoQ). Overall Indian margin was up 373 bps QoQ at 48.9% largely driven by Indian wireless margins, which at 47.5%, was up 380 bps QoQ on a reported basis largely due to IUC impact (like to like basis margin dip 30 bps QoQ.)

India wireless business – Healthy print sans muted ARPU

Key highlight was net subscriber addition of ~13.4 million (mn) to **321.4 mn**, coupled with a strong 4G net adds of ~13.7 mn to 179.3 mn. It also added ~6.29 lakh post-paid subscribers driven by omni-channel capabilities. The reported ARPU at ₹ 145 was down 12.6% QoQ (down 0.8% QoQ on like to like basis). **The reported decline in ARPU and wireless revenues was owing to IUC rate going zero. The like to like decline in revenues is mainly due to lower number of days in quarter (up ~1% on same days' basis) and lower quality of gross addition.** While the management rooted for tariff hike need for decent RoCE generation, they reiterated that they would drive ARPU growth ahead through natural upgrade to 4G and acceleration to post-paid but tariff hike decision remains a function of competitive intensity. We expect monthly ARPU to reach ₹ 180 in FY23 vs. current levels of ₹ 145, driven by 4G addition and higher wallet share of premium subscribers.

Non-wireless segment picks up traction

Broadband segment witnessed strong net adds of 274K subs (highest ever) during the quarter. Notably, the company has accelerated LCO partnerships which is now at 203 cities (~120 cities in Q3). It expects the 20-25 mn home passes in two to three years. Airtel also outlined a robust opportunity in Enterprise side (total market size of ~₹ 40,000 crore, where the company now enjoys 31% share) and adjacent areas like Cloud communication, cyber security, IOT with market size of ~₹ 50,000 crore.

Valuation & Outlook

Bharti Airtel continues to report resilient numbers especially on Indian wireless business front. The strong subscriber addition and margins traction are key positive. The non-wireless business momentum along with Africa performance, continue to be robust. We see the favourable industry structure of three players (two being strong), a good enough kicker for eventual hike in tariff (albeit some delay could be owing to Covid) as well as superior digital play in medium to long term. We maintain **BUY** on the stock with a revised DCF based target price of ₹ 690/share (earlier ₹ 730/share), with lower target price owing to higher debt levels due to spectrum auction.



Particulars

Particulars	Amount
Market Capitalisation (₹ Crore)	2,92,857
Total Debt (₹ Crore)	1,62,785
Cash & Inv (₹ Crore)	14,071
EV (₹ Crore)	4,41,570
52 week H/L	623/ 394
Equity capital	2,727.8
Face value	5.0

Key Highlights

- Key highlight was net subscriber addition of ~13.4 mn (to 321.4 mn) coupled with a strong 4G net adds of ~13.7 mn (to 179.3 mn). The company also added ~6.29 lakh post-paid subscribers driven by omni-channel capabilities
- Maintain BUY rating with DCF based target price of ₹ 690/share

Key risk to our call

- Subscriber market share recovery for VIL
- Sustained delay in tariff hike

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

Sameer Pardikar
sameer.pardikar@icicisecurities.com

Key Financial Summary

(Year-end March)	FY19	FY20	FY21	FY22E	FY23E	CAGR (FY21-23E)
Net Sales (₹ crore)	80,780	87,539	1,00,616	1,09,505	1,27,033	12.4
EBITDA (₹ crore)	25,630	36,482	45,372	54,380	66,085	20.7
Net Profit (₹ crore)	409	(32,183)	(15,084)	6,206	14,411	NA
Adjusted PAT (₹ crore)	(2,519)	(4,075)	(1,300)	6,206	14,411	
EPS (₹)	1.0	NA	(27.6)	11.4	26.4	
P/E (x)	524.0	NA	(19.4)	47.2	20.3	
Price / Book (x)	3.0	3.8	5.0	4.5	3.7	
EV/EBITDA (x)	15.8	11.3	9.7	8.0	6.1	
RoCE (%)	2.1	4.1	6.4	9.0	13.4	
RoE (%)	(3.5)	(5.3)	(2.2)	9.5	18.1	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY21	Q4FY21E	Q4FY20	Q3FY21	YoY (%)	QoQ (%)	Comments
Revenue	25,747.3	26,252.1	23,722.7	26,517.8	8.5	-2.9	Prior period numbers not comparable due to IUC impact
Employee Expenses	998.9	1,032.3	1,031.6	1,026.0	-3.2	-2.6	
Marketing Expenses	2,432.5	2,574.7	2,477.3	2,532.5	-1.8	-3.9	
Access Charges	1,564.9	2,093.9	2,827.0	3,063.2	-44.6	-48.9	
Network Operating	5,917.9	5,768.3	5,201.5	5,547.9	13.8	6.7	
License Fee	2,501.2	2,206.7	2,020.1	2,295.2	23.8	9.0	
EBITDA	12,331.9	12,326.1	10,165.2	12,053.0	21.3	2.3	
EBITDA Margin (%)	47.9	47.0	42.9	45.5	505 bps	244 bps	
Depreciation	7,501.9	7,570.9	7,055.0	7,503.1	6.3	0.0	
Interest	3,860.6	3,786.2	3,307.6	3,971.9	16.7	-2.8	
Exceptional Items	-440.4	0.0	7,004.0	-5,250.2	-106.3	-91.6	There was an overall net exceptional gain of ₹ 440 crore on account of reversal of impairment of intangible assets of ₹ 643 crore; charge on account of re-assessment of the useful life of certain categories of network assets due to technological advancements of ₹ 116 crore and net charge on account of re-assessment of contractual / regulatory levies and taxes of ₹ 87 crore.
Total Tax	510.1	650.0	-2,033.5	4,306.7	-125.1	-88.2	
PAT	759.2	169.0	-5,237.0	853.6	-114.5	-11.1	Adjusted profit stood at ₹ 179.1 crore

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY22E			FY23E			
	Old	New	% Change	Old	New	% Change	
Revenue	1,14,608	1,09,505	-4.5	1,27,972	1,27,033	-0.7	Realign revenues building in IUC impact
EBITDA	57,693	54,380	-5.7	66,840	66,085	-1.1	Build in higher network opex
EBITDA Margin (%)	50.3	49.7	-68 bps	52.2	52.0	-21 bps	
PAT	10,156	6,206	-38.9	16,078	14,411	-10.4	Build in higher interest and depreciation on account of new spectrum and debt
EPS (₹)	18.6	11.4	-38.9	29.5	26.4	-10.4	

Source: Company, ICICI Direct Research

Business Highlights (India)

- Overall revenues & EBITDA:** On a like to like basis, overall Indian revenues at ₹ 18,337.8 crore, were up 3.4% QoQ, largely driven by wireless businesses in Q4. Overall Indian margin was up 49 bps QoQ at 48.9% despite some marginal QoQ aberration in wireless business margins
- Wireless revenues & EBITDA:** Indian wireless revenues at ₹ 14,079 crore, was up 4.2% QoQ on like to like basis, largely driven by **healthy net sub addition of ~13.4 million while ARPU** on like to like basis saw a decline of 0.8% QoQ at ₹ 145. **Indian wireless margins at 47.5% may look optically higher (up 380 bps QoQ) because of IUC impact, but were down 30 bps QoQ on like to like basis.** We note that incremental wireless EBITDA margins has come down to 40.3% vs 64.1% in Q3. For FY21, India wireless revenues were up 21% to ₹ 55,567 crore while the company reported 37.7mn net adds vs. only 5.3 mn net adds for FY20. The EBITDA for FY21 was at ₹ 24,264 crore, up 43%, the growth may look optically higher because of IUC impact on FY21 numbers. EBITDA margin for FY21 was 46.7%, up by 980 bps driven by operating leverage and IUC impact benefits
- Subscriber base and 4G addition:** Overall sub base saw addition of staggering **13.4 mn QoQ to reach 321.3 mn, which is a reflection of strong subscriber market capture, as VIL has been struggling in net adds, while new operator added 15.4 million. It witnessed a strong 4G Net adds of ~13.6 mn during the quarter, with 4G data sub base at 179.2 mn (overall data customers base of 188.6 mn).** The company indicated that mobile broadband subscriber addition was function of both market share gains and 2G to 4G conversion. The post-paid subscriber addition also stood at robust ~629,000
- Minutes and data usage:** Data usage per sub was up 0.4% QoQ to 16.8 GB. Voice usage per customer was up 2.5% QoQ to 1053 mins. Total minutes on network was up 7.8% QoQ to 996.8 billion (bn) minutes, largely due sharp increase in subscribers
- Non-wireless:** On the India non-wireless front, Homes Services (broadband) revenues were up 5.9% QoQ at ₹ 601 crore despite 2.9% QoQ ARPU decline on strong net adds of 274,000, Airtel business (enterprise) revenues were up 2.2% QoQ at ₹ 3,702 crore and DTH reported revenues were down 2.8% QoQ at ₹ 767 crore
- Network capacity and capex:** The company has maintained continued access expansion in the form of sites additions (~8295 sites) and capacity through mobile broadband BTS additions (38,438 additions in Q4). The company continues its network upgradation efforts through Open virtual ran with 5G ready software coupled with network disintegration into hardware and software. **India mobile capex was at ₹ 3739 crore (vs. ₹ 4204 crore in Q3) with overall India capex of ₹ 5141 crore (vs. ₹ 5391 crore in Q3)**

Business highlights (Africa)

- Africa revenues were up 0.3% QoQ to US\$1.04 billion, driven by healthy ARPU growth while Africa reported net loss of subs for the quarter. EBITDA margins of 47.7% (up 80 bps QoQ). Airtel Money reported 0.7% QoQ revenue growth at US\$112 mn. **In rupee terms, Africa revenues were down 0.6% QoQ at ₹ 7601 crore**
- Subscriber base was down 0.6% QoQ at 118.1 mn with ARPU at US\$3.0 up 2.3% QoQ. Data subs base was flat QoQ at 40.6 mn while

total data usage was up 8.6% QoQ at 348.2 bn MB. Data usage per subscriber was at 2.9 GB per month, up 9.1% QoQ

- Africa net debt (including lease obligations) was at US\$3.53 bn (up US\$59 mn). Capex was ~US\$211 mn
- Operating free cash flow for Q4FY21 was at US\$284 million

Other Highlights

- **ARPU:** The management mentioned that ARPU for the quarter was impacted by fewer number of days and like to like ARPU would have been ₹ 148 vs. reported ₹ 145, growth of 1.4% QoQ. The management indicated that there are ~140 mn customers on their network whose ARPU is less than half of their overall ARPU. As per management ARPU increase going forward would be a function of i) Tariff hike ii) conversion of their 140mn low ARPU customers as well as iii) high ARPU churn from competition
- **Enterprise:** As per management, opportunity in Enterprise segment can be divided into 1) on connectivity side, the market size is of ₹40,000 crore and market share varies from 23 to 31% for the large players, management indicated that their endeavour is to reach the higher end of the market share in medium term 2) on adjacent side, the market size is of ₹ 50,000 crore 3) On cloud side, the opportunity lies in public/private/telco edge cloud
- **Home broadband:** The company indicated recent decline in ARPU for this segment was a function of tariff hikes and ARPU is more or less stabilised now. The management also confirmed that they did not witness any down trading in this segment because of tariff hike. The management expects 20-25 mn home passes in two to three years from now
- **Spectrum Auction:** The company has acquired 355.45 MHz band spectrum across 900, 1800, 2100 and 2300 MHz by spending ₹18,699 crore (upfront payment of ₹ 6324 crore). Airtel has now secured pan India foot print of sub GHz spectrum, which will help to improve its deep indoor and in building coverage to additional 90 million customers in India. This spectrum acquisition would also help in mitigate the risk related to near term spectrum renewals
- **Consolidated debt and capex:** Total capex spend for the quarter of ₹ 6846 crore vs. ₹ 6864 crore in Q3. For FY21, capex was ₹ 24169 crore vs. 24487 crore in FY20. **Reported net debt (excluding lease liability) was at ~₹ 1.15 lakh crore (up by ~₹ 527 crore QoQ), largely due to upfront payment for spectrum of ~₹ 6324 crore and ₹ 938 crore paid to Warbug Pincus for DTH buyout as cash consideration).**
- **Other highlights:**
 - i) Market share gain in Airtel business i.e. 23% in December 2018 to 31% in December 2021 as well as in DTH business from 22% to 27% in the similar period.
 - ii) Operating expenses were higher due to a) 8.3K sites roll out in Q4 and b) higher diesel costs
 - iii) The management expects Airtel payments bank business to be profitable in FY22
 - iv) Capex composition is expected to change going forward as more capex would be deployed on non-wireless side of the business

Exhibit 3: Segmental revenues

₹ crore	FY20	FY21	FY22E	FY23E
India	71,111	75,366	82,736	98,884
Mobility	45,966	55,568	61,244	75,484
Broadband	2,245	2,334	2,726	3,095
Enterprise	13,233	14,408	15,564	16,847
Passive Infrastructure	6,742		0	0
Digital +Others	2,924	3,056	3,202	3,458
Africa	24,217	28,863	30,281	32,139
South Asia	455	425	460	460
Total Gross Revenue	95,783	1,04,654	1,13,476	1,31,483
Intersegmental Elimination	-7,789	-4,038	-3,971	-4,450
Net Revenue	87,539	1,00,616	1,09,505	1,27,033

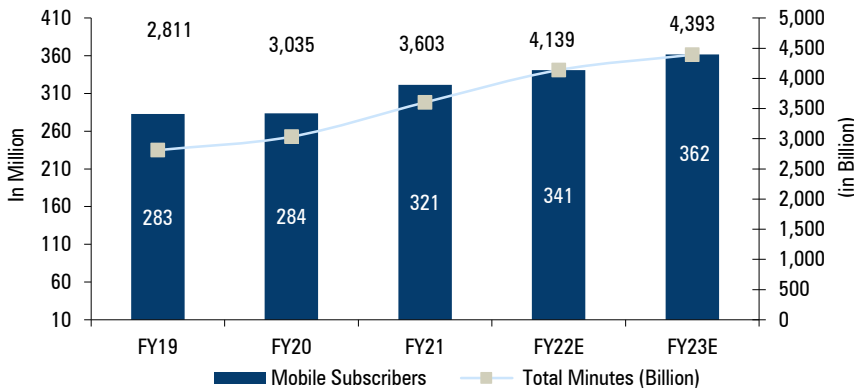
Source: Company, ICICI Direct Research *excluded tower revenues post FY21 after Indus Deconsolidation

Exhibit 4: Segmental EBITDA

₹ crore	FY20	FY21	FY22E	FY23E
India & South Asia	26,376	32,841	40,717	51,284
Africa	10,726	13,298	14,075	15,205
Gross EBITDA	37,102	46,139	54,792	66,488
Intersegmental Elimination	620	767	412	404
Reported EBITDA	36482	45372	54380	66085

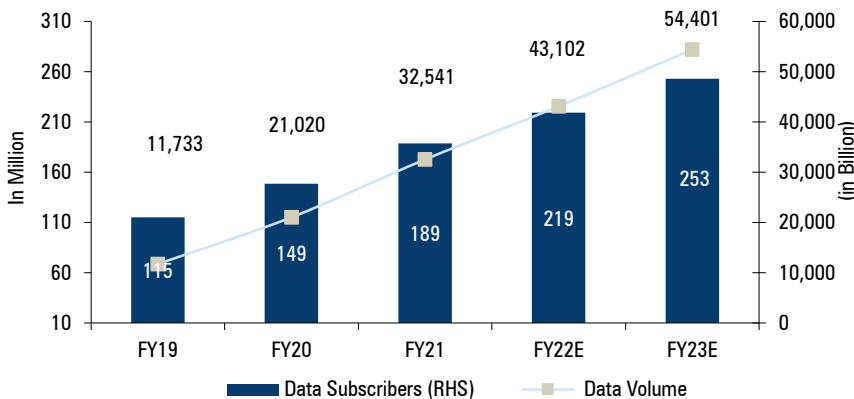
Source: Company, ICICI Direct Research

Exhibit 5: India subscriber details



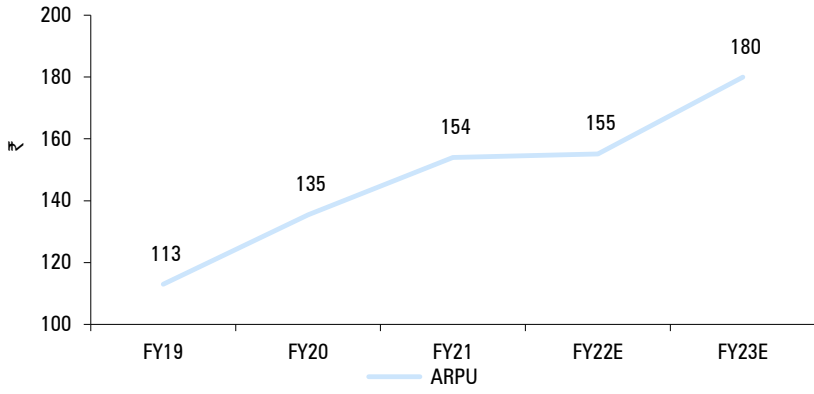
Source: Company, ICICI Direct Research

Exhibit 6: Data volume and data subs trend



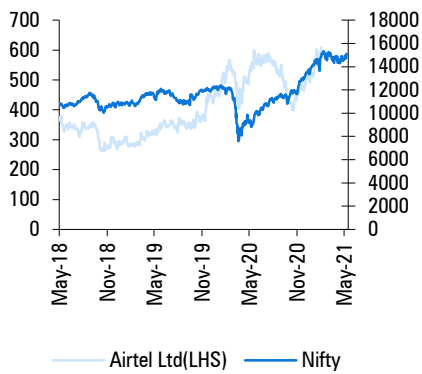
Source: Company, ICICI Direct Research

Exhibit 7: India mobile ARPU trend



Source: Company, ICICI Direct Research

Exhibit 8: Price Performance



Source: Company, ICICI Direct Research

Financial summary

Exhibit 9: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Total operating Income	87,539.0	1,00,615.8	1,09,505.1	1,27,032.9
Growth (%)	8.4	14.9	8.8	16.0
Employee Expenses	3,807.2	4,114.6	4,246.2	4,812.9
Marketing Expenses	9,358.2	9,687.1	10,277.7	12,098.1
Access Charges	10,739.5	10,352.1	6,663.2	7,248.1
Network Operating	19,768.5	21,981.9	23,806.6	24,980.5
License Fee	7,383.3	9,108.4	10,131.0	11,808.6
Other Costs	0.0	0.0	0.0	0.0
Total Operating Expenditure	51,056.7	55,244.1	55,124.6	60,948.3
EBITDA	36,482.3	45,371.7	54,380.5	66,084.7
Growth (%)	42.3	24.4	19.9	21.5
Depreciation	27,689.6	29,404.4	30,880.4	33,028.6
Interest	13,991.8	15,091.0	14,758.7	13,741.7
Other Income	1,934.6	642.8	600.0	700.0
Exceptional Items	40,234.4	4,857.8	-	-
PBT	-43,498.9	-3,338.7	9,341.4	20,014.4
MI / Profit from associates	866.7	2,812.3	800.0	600.0
Total Tax	-12,182.3	8,932.5	2,335.3	5,003.6
PAT	-32,183.3	-15,083.5	6,206.0	14,410.8
Growth (%)	NA	NA	NA	132.2
EPS (₹)	-59.0	-27.6	11.4	26.4

Source: Company, ICICI Direct Research

Exhibit 10: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit after Tax	-32,183.3	-15,083.5	6,206.0	14,410.8
Add: Depreciation	27,689.6	29,404.4	30,880.4	33,028.6
Add: Interest Paid	13,991.8	15,091.0	14,758.7	13,741.7
(Inc)/dec in Current Assets	(26,805.6)	9,773.9	(3,287.4)	(6,482.0)
Inc/(dec) in CL and Prov	43,832.5	-14,186.9	8,634.1	14,910.5
Others	0.0	0.0	0.0	0.0
CF from op activities	26,525.0	24,998.9	57,191.9	69,609.6
(Inc)/dec in Investments	-9,833.6	-2,067.6	0.0	0.0
(Inc)/dec in Fixed Assets	-23,493.8	-22,165.9	-40,698.8	-22,000.0
Others	-32,124.3	450.5	2,884.5	-4,117.7
CF from inv activities	-65,451.7	-23,783.0	-37,814.3	-26,117.7
Issue/(Buy back) of Equity	729.1	0.0	0.0	0.0
Inc/(dec) in loan funds	22,799.8	14,557.1	2,400.0	-25,000.0
Dividend paid & dividend tax	-1,276.6	0.0	0.0	0.0
Interest Paid	-13,991.8	-15,091.0	-14,758.7	-13,741.7
Others	38,453.5	-3,108.6	0.0	0.0
CF from fin activities	46,713.9	-3,642.5	-12,358.7	-38,741.7
Net Cash flow	7,787.2	-2,426.6	7,018.9	4,750.3
Opening Cash	8,105.5	15,892.7	13,466.1	20,485.1
Closing Cash	15,892.7	13,466.1	20,485.1	25,235.3

Source: Company, ICICI Direct Research

Exhibit 11: Balance sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Liabilities				
Equity Capital	2,727.8	2,727.8	2,727.8	2,727.8
Reserve and Surplus	74,417.0	56,224.9	62,430.9	76,841.8
Total Shareholders funds	77,144.8	58,952.7	65,158.7	79,569.6
Total Debt	1,48,228.1	1,62,785.2	1,65,185.2	1,40,185.2
Deferred Tax Liability	1,687.7	1,610.7	1,610.7	1,610.7
Others	35,011.9	38,159.6	34,744.1	30,626.4
Total Liabilities	2,62,072.5	2,61,508.2	2,66,698.7	2,51,991.9
Assets				
Gross Block	3,14,810.8	3,35,532.5	3,76,231.3	3,98,231.3
Less: Acc Depreciation	1,46,079.4	1,75,483.8	2,06,364.2	2,39,392.8
Net Block	1,68,731.4	1,60,048.7	1,69,867.1	1,58,838.5
CWIP	4,282.3	5,726.5	5,726.5	5,726.5
Goodwill	34,619.2	34,619.2	34,619.2	34,619.2
Right of Use	25,904.9	28,811.7	28,811.7	28,811.7
Investments	27,823.0	29,890.6	29,890.6	29,890.6
Debtors	4,605.8	3,637.7	3,959.1	4,592.8
Loans and Advances	21,045.3	14,326.2	15,591.9	18,087.6
Other Current Assets	21,331.5	19,244.8	20,945.1	24,297.6
Cash	15,892.7	13,466.1	20,485.1	25,235.3
Total Current Assets	62,875.3	50,674.8	60,981.1	72,213.3
Creditors	25,019.9	27,872.1	31,501.5	36,543.7
Other Current Liabilities	73,686.6	56,647.5	61,652.3	71,520.6
Total Current Liabilities	98,706.5	84,519.6	93,153.7	1,08,064.3
Net Current Assets	-35,831.2	-33,844.8	-32,172.6	-35,850.9
Others Assets	36,542.9	36,256.3	29,956.3	29,956.3
Application of Funds	2,62,072.5	2,61,508.2	2,66,698.7	2,51,991.9

Source: Company, ICICI Direct Research

Exhibit 12: Key ratios				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
EPS	-59.0	-27.6	11.4	26.4
Cash EPS	-8.2	26.2	68.0	87.0
BV	141.4	108.1	119.4	145.8
DPS	2.3	0.0	0.0	0.0
Cash Per Share	29.1	24.7	37.5	46.3
Operating Ratios				
EBITDA Margin (%)	41.7	45.1	49.7	52.0
EBIT Margin (%)	10.0	15.9	21.5	26.0
PAT Margin (%)	-4.7	-1.3	5.7	11.3
Inventory days	0.0	0.0	0.0	0.0
Debtor days	19.2	13.2	13.2	13.2
Creditor days	104.3	101.1	105.0	105.0
Return Ratios (%)				
RoE	-5.3	-2.2	9.5	18.1
RoCE	4.1	6.4	9.0	13.4
RoC	6.7	11.5	16.4	26.8
Valuation Ratios (x)				
P/E	NA	-19.4	47.2	20.3
EV / EBITDA	11.3	9.7	8.0	6.1
EV / Net Sales	4.7	4.4	4.0	3.2
Market Cap / Sales	3.3	2.9	2.7	2.3
Price to Book Value	3.8	5.0	4.5	3.7
Solvency Ratios				
Debt/EBITDA	4.1	3.6	3.0	2.1
Debt / Equity	1.9	2.8	2.5	1.8
Current Ratio	0.5	0.4	0.4	0.4
Quick Ratio	0.5	0.4	0.4	0.4

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,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, MBA, CFA, Sameer Pardikar, 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.

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 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.

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.