

Petronet LNG

Estimate change	↔
TP change	↔
Rating change	↔

Motilal Oswal values your support in the Asiamoney Brokers Poll 2021 for India Research, Sales, Corporate Access and Trading team. We [request your ballot](#).



Bloomberg	PLNG IN
Equity Shares (m)	1,500
M.Cap.(INRb)/(USDb)	323.6 / 4.4
52-Week Range (INR)	275 / 201
1, 6, 12 Rel. Per (%)	-8/-18/-63
12M Avg Val (INR M)	1104

Financials & Valuations (INR b)

Y/E March	2021	2022E	2023E
Sales	260.2	381.9	447.3
EBITDA	47.0	47.5	53.7
Adj. PAT	29.5	30.1	35.0
Adj. EPS (INR)	19.7	20.1	23.3
EPS Gr. (%)	6.5	2.0	16.4
BV/Sh.(INR)	77.7	85.7	95.0

Ratios

Net D:E	-0.1	-0.2	-0.3
RoE (%)	26.1	24.6	25.8
RoCE (%)	21.6	21.2	23.3
Payout (%)	58.5	60.0	60.0

Valuations

P/E (x)	10.9	10.7	9.2
P/BV (x)	2.8	2.5	2.3
EV/EBITDA (x)	6.7	6.2	5.3
Div. Yield (%)	5.3	5.6	6.5
FCF Yield (%)	10.8	11.7	11.6

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	50.0	50.0	50.0
DII	5.1	6.3	7.9
FII	31.1	30.5	29.2
Others	13.8	13.2	13.0

FII Includes depository receipts

CMP: INR216
TP: INR310 (+44%)
Buy

Volumes in-line; Dahej to recover

- Petronet LNG (PLNG)'s numbers were in line with our estimates, with volumes at 209tbtu and utilization rates at Dahej/Kochi at 88%/24% in 1QFY22.
- Kochi was largely unaffected, while Dahej was impacted by the second COVID wave. The management expects the utilization rate at Kochi to be ramped up by ~30% by end-FY22. On the other hand, Dahej would continue to operate at over 95% owing to tied-up contracts (16.5mmtpa of 17.5mmtpa).
- We remain positive on the gas story in India as the market share of gas in the primary energy mix is just 6%. It is expected to almost double by CY30 (growing at a CAGR of 6–8%, as per our gas demand-supply model), primarily on account of the development of new CGDs and an increase in consumption at fertilizer and refining/petchem plants.
- Dahej is expected to expand to 22.5mmtpa in two phases, while Kochi would see a utilization ramp-up from newly connected consumers. Factoring in the same, we build in an EBITDA/PAT CAGR of 6–8% over FY21–24E and maintain Buy on the stock.
- Apart from the committed capex plan of INR41b for the Dahej expansion over the next three years, the company had announced INR120b in investments in LNG retailing and compressed biogas in 4QFY21. The commentary has raised concerns on capital allocation and possible returns from the new investments, thereby keeping the stock under pressure.

In-line numbers for 1QFY22

- Volumes were in line with estimates at 209tbtu (+10% YoY; -4% QoQ).
- Dahej volumes stood at 194tbtu (+7% YoY; -5% QoQ), with utilization at 88%.
- Kochi volumes stood at 15tbtu (+67% YoY; +7% QoQ), with utilization at 24%.
- EBITDA came in at INR10.5b (+16% YoY; -3% QoQ), with PAT at INR6.4b (+22% YoY; +2% QoQ).

Valuation and view – maintain Buy

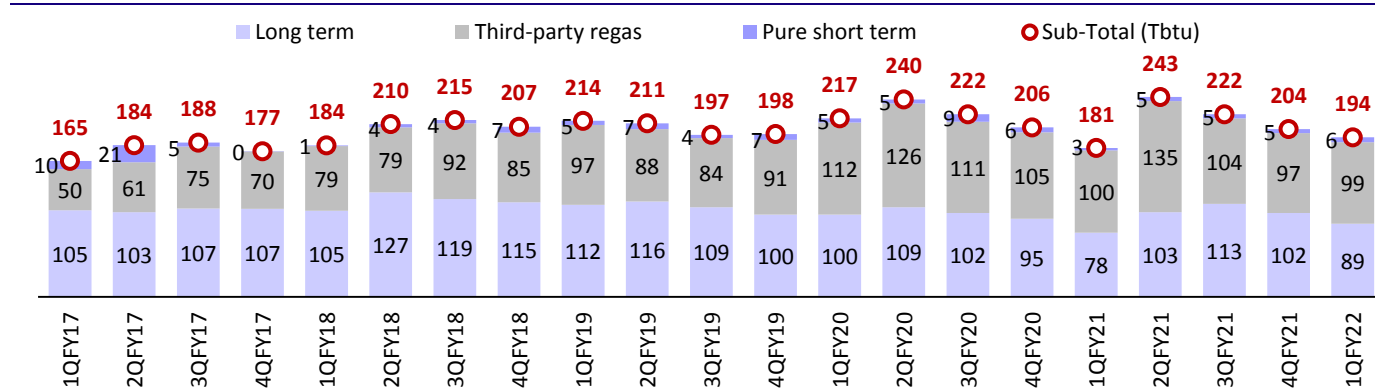
- Of the capex plans announced by the company (such as setting up 1,000 LNG stations: INR80b, a biogas plant: INR40b, an additional tank in Kochi: INR7b, and an LNG terminal on the east coast: INR16b), we believe both LNG retailing and biogas are more futuristic in nature and may not see any significant capex over the next 2–3 years.
- Currently, ~0.8mmscmd of additional gas (~0.4mmscmd by MCFL and OMPL each) is flowing from the Kochi terminal. MRPL's peak volume offtake could be ~2mmscmd. The management expects the Kochi terminal to achieve utilization of ~50% over the next two years with the completion of the Kochi–Bangalore pipeline (9–11 CGDs and as other industrial units get connected).
- The stock trades at 9.2x FY23E EPS and 5.3x FY23E EV/EBITDA. We value PLNG on a DCF basis to arrive at a fair value of INR310. Maintain Buy.

Standalone - Quarterly Earnings Model

(INR m)

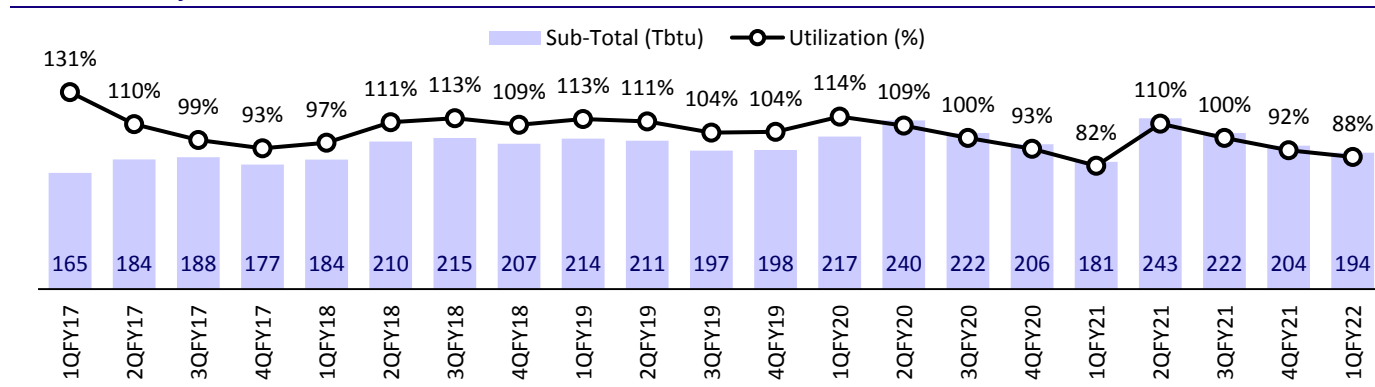
Y/E March	FY21				FY22				FY21	FY22E	FY21 Var. v/s	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est.
Net Sales	48,836	62,358	73,282	75,753	85,979	98,741	1,00,918	96,220	2,60,229	3,81,859	85,540	1%
YoY Change (%)	-43.3	-33.4	-17.8	-11.6	76.1	58.3	37.7	27.0	-26.6	46.7	75.2	
EBITDA	9,099	13,632	13,353	10,911	10,543	11,500	12,536	12,893	46,995	47,472	10,007	5%
Margins (%)	18.6	21.9	18.2	14.4	12.3	11.6	12.4	13.4	18.1	12.4	11.7	
Depreciation	1,936	1,952	1,925	2,028	1,916	2,022	2,062	2,087	7,841	8,087	2,022	-5%
Interest	881	850	815	813	800	760	753	697	3,360	3,010	753	6%
Other Income	684	1,596	1,111	492	685	1,667	1,014	689	3,882	4,054	714	-4%
PBT	6,966	12,426	11,724	8,561	8,512	10,384	10,735	10,797	39,677	40,429	7,947	7%
Rate (%)	25.3	25.4	25.1	27.2	25.3	25.2	25.2	25.1	25.7	25.6	25.2	
Reported PAT	5,202	9,273	8,785	6,234	6,357	7,767	8,030	8,090	29,494	30,079	5,944	7%
Adj PAT	5,202	9,273	8,785	6,234	6,357	7,767	8,030	8,090	29,494	30,079	5,944	7%
YoY Change (%)	-7.1	-21.1	30.1	73.6	22.2	-16.2	-8.6	29.8	6.5	2.0	14.3	
Margins (%)	10.7	14.9	12.0	8.2	7.4	7.9	8.0	8.4	11.3	7.9	6.9	
Key Assumptions												
Total Volumes (Tbtu)	190.0	254.0	235.0	218.0	209.0	237.0	259.1	242.8	897.0	947.8	203.8	3%
Dahej utilization (%)	82%	110%	100%	92%	88%	100%	110%	102%			85%	3%
Kochi utilization (%)	14%	17%	21%	22%	24%	25%	25%	26%			25%	-5%

Exhibit 1: Dahej volumes at 194Tbtu, up 7% YoY and down 5% QoQ

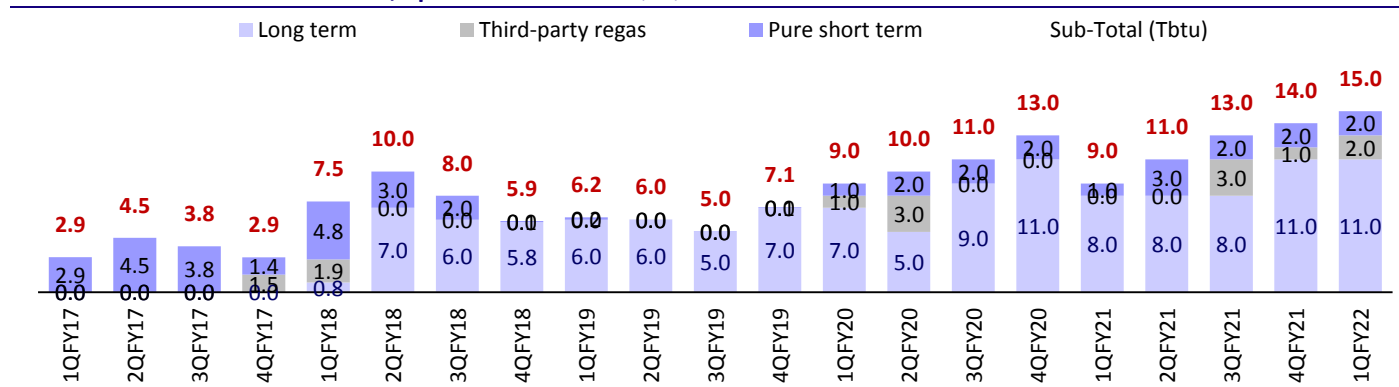


Source: Company, MOFSL

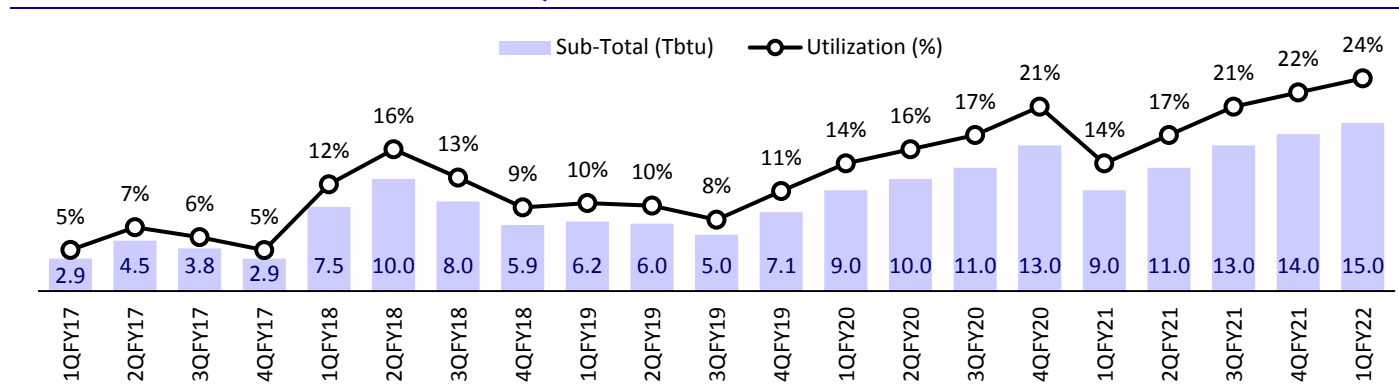
Exhibit 2: Dahej terminal utilization at 88% in 1QFY22



Source: Company, MOFSL

Exhibit 3: Kochi volumes at 15tbtu, up 67% YoY and 7% QoQ

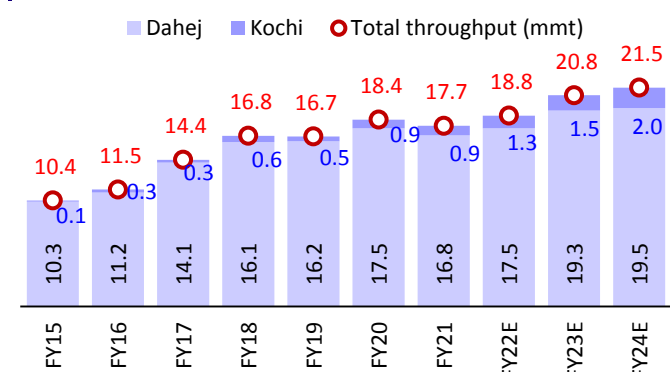
Source: Company, MOFSL

Exhibit 4: Kochi terminal utilization at 24% in 1QFY22

Source: Company, MOFSL

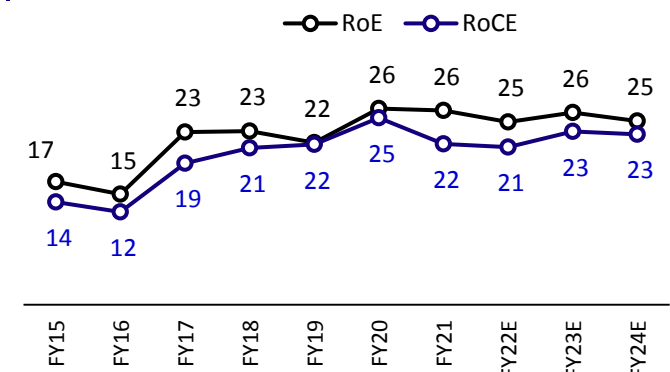
Story in charts

Exhibit 5: Volume growth led by capacity ramp-up



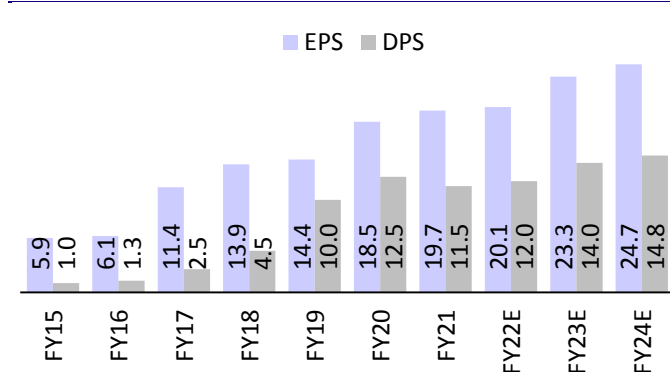
Source: Company, MOFSL

Exhibit 6: Stable return ratios



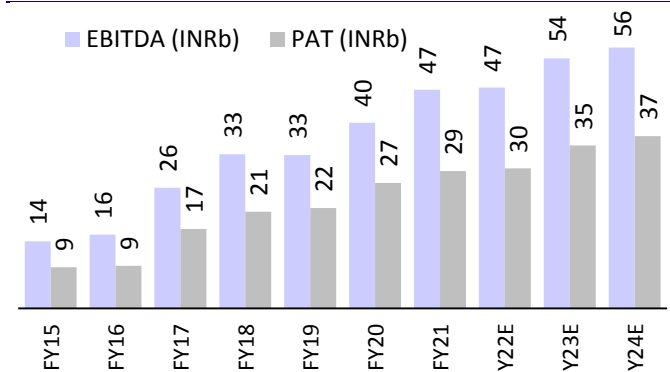
Source: Company, MOFSL

Exhibit 7: Payout to remain strong (FY22–24E at 60%)



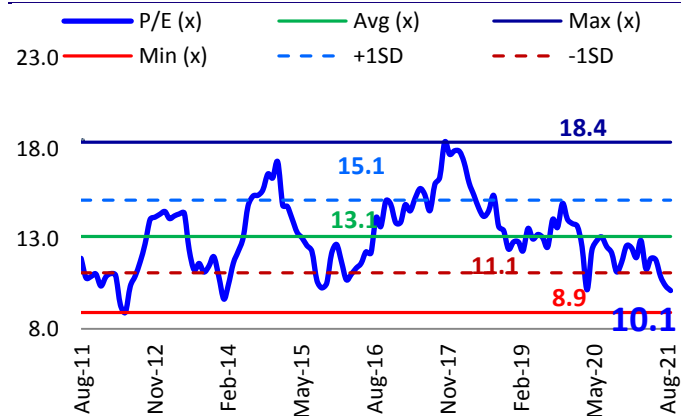
Source: Company, MOFSL

Exhibit 8: EBITDA/PAT CAGR of 6–8% over FY21–24E



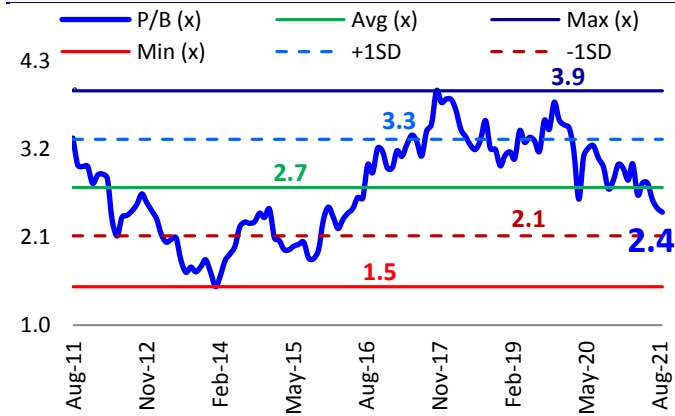
Source: Company, MOFSL

Exhibit 9: One-year forward P/E – trades at 10.1x



Source: Company, MOFSL

Exhibit 10: One-year forward PB – trades at 2.4x



Source: Company, MOFSL

Financials and valuations

Standalone – Income Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	2,46,160	3,05,986	3,83,954	3,54,520	2,60,229	3,81,859	4,47,274	4,89,714
Change (%)	-9.3	24.3	25.5	-7.7	-26.6	46.7	17.1	9.5
EBITDA	25,923	33,124	32,935	39,895	46,995	47,472	53,722	56,067
Margin (%)	10.5	10.8	8.6	11.3	18.1	12.4	12.0	11.4
Depreciation	3,691	4,117	4,112	7,761	7,841	8,087	8,463	9,097
EBIT	22,232	29,007	28,822	32,134	39,155	39,384	45,259	46,971
Int. and Finance Charges	2,097	1,630	989	4,032	3,360	3,010	2,890	2,312
Other Income	3,466	3,174	4,503	3,726	3,882	4,054	4,444	4,835
PBT bef. EO Exp.	23,602	30,551	32,336	31,827	39,677	40,429	46,813	49,494
EO Items	0	0	0	-721	0	0	0	0
PBT after EO Exp.	23,602	30,551	32,336	31,107	39,677	40,429	46,813	49,494
Total Tax	6,545	9,773	10,782	4,131	10,183	10,350	11,797	12,472
Tax Rate (%)	27.7	32.0	33.3	13.3	25.7	25.6	25.2	25.2
Reported PAT	17,057	20,779	21,554	26,976	29,494	30,079	35,016	37,021
Adjusted PAT	17,057	20,779	21,554	27,697	29,494	30,079	35,016	37,021
Change (%)	86.8	21.8	3.7	28.5	6.5	2.0	16.4	5.7
Margin (%)	6.9	6.8	5.6	7.8	11.3	7.9	7.8	7.6

Standalone – Balance Sheet

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	7,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Reserves	73,439	82,205	85,661	94,530	1,01,495	1,13,527	1,27,533	1,42,341
Net Worth	80,939	97,205	1,00,661	1,09,530	1,16,495	1,28,527	1,42,533	1,57,341
Total Loans	22,180	7,334	1,012	36,529	33,447	26,757	21,406	17,125
Deferred Tax Liabilities	7,302	10,482	13,360	8,883	8,806	8,806	8,806	8,806
Capital Employed	1,10,421	1,15,021	1,15,033	1,54,942	1,58,747	1,64,090	1,72,745	1,83,272
Gross Block	91,134	91,316	91,783	99,860	1,03,544	1,06,248	1,13,289	1,22,697
Less: Accum. Deprn.	6,903	11,020	15,132	22,894	30,734	38,822	47,284	56,381
Net Fixed Assets	84,230	80,296	76,651	76,967	72,810	67,427	66,005	66,316
Capital WIP	486	2,203	3,482	47	255	2,551	5,510	6,102
Total Investments	29,351	41,223	9,893	38,406	45,817	45,817	45,817	45,817
Curr. Assets, Loans&Adv.	24,224	32,815	60,823	71,570	70,445	93,166	1,07,971	1,22,582
Inventory	5,405	4,911	5,694	4,809	3,372	4,948	5,795	6,345
Account Receivables	12,108	16,505	14,335	16,427	19,108	28,039	32,842	35,958
Cash and Bank Balance	3,273	8,625	29,603	44,320	43,423	53,516	61,528	71,732
Cash	3,210	7,043	2,266	9,760	8,483	18,576	26,588	36,792
Bank Balance	64	1,582	27,337	34,560	34,930	34,930	34,930	34,930
Loans and Advances	3,438	2,774	11,190	6,014	4,541	6,664	7,806	8,546
Curr. Liability & Prov.	27,870	41,517	35,815	32,048	30,579	44,871	52,558	57,545
Account Payables	9,952	15,699	12,952	11,661	10,355	15,194	17,797	19,486
Other Current Liabilities	17,758	25,619	22,585	20,057	19,241	28,235	33,072	36,210
Provisions	160	199	278	330	983	1,443	1,690	1,850
Net Current Assets	-3,646	-8,702	25,007	39,522	39,866	48,295	55,413	65,037
Appl. of Funds	1,10,421	1,15,021	1,15,033	1,54,942	1,58,747	1,64,090	1,72,745	1,83,272

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
EPS	11.4	13.9	14.4	18.5	19.7	20.1	23.3	24.7
Cash EPS	13.8	16.6	17.1	23.6	24.9	25.4	29.0	30.7
BV/Share	54.0	64.8	67.1	73.0	77.7	85.7	95.0	104.9
DPS	2.5	4.5	10.0	12.5	11.5	12.0	14.0	14.8
Payout (%)	25.7	38.0	74.9	73.8	58.5	60.0	60.0	60.0
Valuation (x)								
P/E	18.9	15.5	15.0	11.6	10.9	10.7	9.2	8.7
Cash P/E	15.5	13.0	12.6	9.1	8.6	8.4	7.4	7.0
P/BV	4.0	3.3	3.2	2.9	2.8	2.5	2.3	2.0
EV/Sales	1.4	1.0	0.8	0.9	1.2	0.8	0.6	0.5
EV/EBITDA	13.2	9.7	8.9	7.9	6.7	6.2	5.3	4.8
Dividend Yield (%)	1.2	2.1	4.7	5.8	5.3	5.6	6.5	6.9
FCF per share	10.1	18.8	13.2	21.7	23.2	25.2	24.8	26.0
Return Ratios (%)								
RoE	23.2	23.3	21.8	26.4	26.1	24.6	25.8	24.7
RoCE	19.0	21.1	21.5	25.1	21.6	21.2	23.3	22.9
RoIC	23.4	28.1	28.5	38.6	41.2	44.6	55.5	58.8
Working Capital Ratios								
Fixed Asset Turnover (x)	2.7	3.4	4.2	3.6	2.5	3.6	3.9	4.0
Asset Turnover (x)	2.2	2.7	3.3	2.3	1.6	2.3	2.6	2.7
Inventory (Days)	8	6	5	5	5	5	5	5
Debtor (Days)	18	20	14	17	27	27	27	27
Creditor (Days)	15	19	12	12	15	15	15	15
Leverage Ratio (x)								
Current Ratio	0.9	0.8	1.7	2.2	2.3	2.1	2.1	2.1
Interest Cover Ratio	10.6	17.8	29.1	8.0	11.7	13.1	15.7	20.3
Net Debt/Equity	0.2	0.0	-0.3	-0.1	-0.1	-0.2	-0.3	-0.3

Standalone – Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	23,602	30,551	32,336	31,107	39,677	40,429	46,813	49,494
Depreciation	3,691	4,117	4,112	7,761	7,841	8,087	8,463	9,097
Direct Taxes Paid	-3,780	-6,968	-8,133	-4,745	-9,949	-10,350	-11,797	-12,472
(Inc)/Dec in Wkg. Capital	-3,273	2,947	-4,522	-3,964	-1,746	1,663	894	580
Others	-1,661	-2,320	-3,368	-729	-3,590	-4,054	-4,444	-4,835
CF from Op. Activity	20,675	29,956	21,414	33,462	35,592	42,839	47,263	49,010
(Inc)/Dec in FA & CWIP	-5,460	-1,753	-1,628	-889	-728	-5,000	-10,000	-10,000
Free Cash Flow	15,216	28,204	19,787	32,573	34,864	37,839	37,263	39,010
(Pur)/Sale of Investments	-25,745	-9,508	33,167	-3,273	-11,586	0	0	0
Others	-547	-1,515	-32,255	944	3,041	0	0	0
CF from Inv. Activity	-31,751	-12,776	-716	-3,218	-9,273	-5,000	-10,000	-10,000
Inc / (Dec) in Debt	-3,128	-7,052	-6,202	-138	-368	-6,689	-5,351	-4,281
Dividends Paid (incl.tax)	-2,256	-4,513	-18,083	-8,138	-22,452	-18,047	-21,010	-22,213
CF from Fin. Activity	-7,481	-13,347	-25,476	-22,749	-27,596	-27,747	-29,251	-28,806
Inc / (Dec) in Cash	-18,557	3,834	-4,778	7,495	-1,277	10,092	8,012	10,205
Add: Opening Balance	21,767	3,210	7,043	2,266	9,760	8,483	18,576	26,588
Closing Balance	3,210	7,043	2,265	9,760	8,483	18,576	26,588	36,792

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.