

Indraprastha Gas

BSE SENSEX 39,044
S&P CNX 11,522



INDRAPRASTHA GAS LIMITED

Stock Info

Bloomberg	IGL IN
Equity Shares (m)	700
M.Cap.(INRb)/(USDb)	293.8 / 3.9
52-Week Range (INR)	534 / 285
1, 6, 12 Rel. Per (%)	5/-14/23
12M Avg Val (INR M)	1414
Free float (%)	55.0

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	64.9	43.8	68.6
EBITDA	15.2	9.7	17.6
Adj. PAT	11.4	6.2	12.0
Adj. EPS (INR)	16.2	8.9	17.2
EPS Gr. (%)	44.5	-45.2	93.3
BV/Sh.(INR)	72.3	78.9	92.6

Ratios

Net D:E	-0.4	-0.3	-0.4
RoE (%)	28.3	11.8	20.1
RoCE (%)	27.1	11.4	19.5
Payout (%)	17.2	22.5	17.4

Valuation

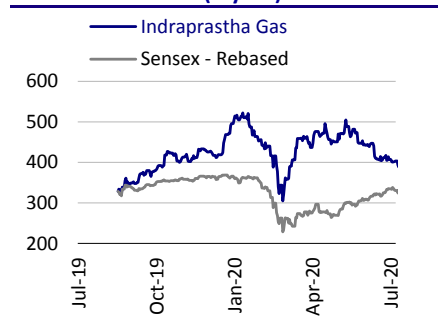
P/E (x)	25.9	47.2	24.4
P/BV (x)	5.8	5.3	4.5
EV/EBITDA (x)	17.9	28.5	15.1
Div. Yield (%)	0.7	0.5	0.7
FCF Yield (%)	2.6	-0.8	4.6

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	45.0	45.0	45.0
DII	22.2	21.8	21.7
FII	22.3	22.8	22.8
Others	10.5	10.5	10.5

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR420 TP: INR470 (+12%) Neutral

Looking for the right tilt between risk and rewards

Key highlights of IGL roadshow

We hosted senior management of IGL for a non-deal roadshow. Between double digit growth for next 4-5 years and upcoming regulation on open access, finding the right tilt between reward and risk is a challenge. Key highlights below:

- As only essential service providers were allowed to operate over Apr–May during the COVID-led lockdown, Indraprastha Gas Ltd (IGL) witnessed two months of poor volumes. Although, recovery was better than expected from June.
- CNG volumes are currently at 85–90% of normal levels. However, the company expects volumes to normalize by the end of 4QFY21. Our model assumptions were in line with management commentary. We have built-in 70%/85% of pre-COVID volumes for 2Q/3QFY21 and normalization for 4QFY21.
- Maharashtra Natural Gas Ltd (MNGL) and Central UP Gas Ltd (CUGL) have seen volume impact at levels similar to IGL. CUGL (Kanpur) has seen better recovery, while MNGL (Pune) has been drastically impacted due to extended lockdown; thus, expect a lag of 1–2 months in recovery in MNGL v/s IGL.
- IGL and MNGL have achieved minimum work program (MWP) despite the COVID disruption. Management remains confident of achieving double-digit growth from next year. For FY22, we build-in volume growth of 14%, over FY20 levels, to 7.6mmcmd (v/s 6.4/4.6mmcmd in FY20/FY21).
- Growth strategies for IGL include improving CNG infrastructure at its GAs, increasing PNG penetration, and creating new synergies by bidding for new areas.
- Although, we believe virtual connect has drastically impacted intracity/intrastate travel. Schools remain closed, and the commercial segments are down as there is uncertainty regarding when traffic would return to restaurants and malls.
- We value the company at 24x FY22 adj. EPS of INR17 and add value from JV to arrive at target price of INR470. Maintain Neutral.

Key drivers – double-digit growth from next year

- The CNG segment could see opportunity from COVID as the use of personal vehicles increases and people move away from shared mobility, thus increasing demand in the CNG segment.
- Delhi Transport Corporation plans to induct an additional 1,000 CNG buses (~116 buses would be added by end-Sep'20) by the end of this fiscal.
- Delhi currently has ~6,000 buses totally, and IGL expects ~2,500 CNG buses to be introduced over next 2-3 years (apart from 1,000 mentioned above).
- Also, IGL expects EBITDA margin growth of 3–4% per year going ahead (as the company expects gas prices to remain benign in the near term).
- IGL anticipates 3–4 court hearings for finalizing the valuation part of Gurugram, and expects the deal to be completed by end-FY21. Gurugram has volumes potential of 2–2.5mmcmd and is currently operating at 0.4–0.6mmcmd. Although, 150–200 CNG stations would be needed for such volumes to be built up.

Capex plans of INR11b for FY21

- The company does not plan on reducing planned capex, although it may review capex during the mid-year review.

Swarnendu Bhushan- Research Analyst (Swarnendu.Bhushan@MotilalOswal.com)

Sarfraz Bhimani - Research Analyst (Sarfraz.Bhimani@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Capex from FY22 onwards could be ~INR12b, and expect another ~INR3b capex over the next two years if Gurugram is awarded.
- Ajmer would see the majority of the capex (as it has huge PNG-Ind and CNG potential). Expect another 1.5–2 years for infrastructure development.

Two greatest threats

Expect an open access regulation in place over the next 1.5–2 years:

- Open access regulation likely to be within the ambit of the PNGRB Act and litigation is less likely. Also, IGL aims to facilitate competition as this would aid gas market expansion.
- IGL believes it would enjoy better growth (double-digit growth would continue) even with the competition as the company would be in a much better position owing to its superior infrastructure.
- It is in talks with OMCs to finalize the revised commission structure.

EVs: CNG demand could be dented over the long term

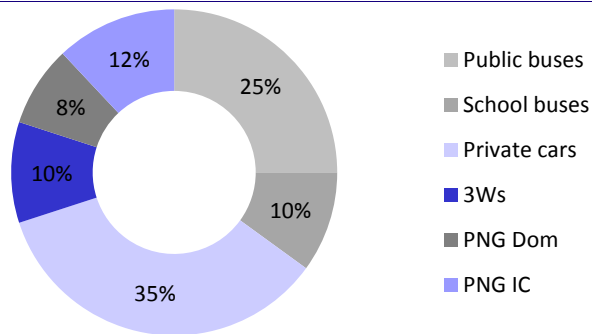
- Delhi's EV policy is more directed at two- and three-wheelers.
- On the heavy vehicles front, it would take some more time to build a heavy battery charging infrastructure as swapping is not an alternative.
- Although, management expects EV buses in Delhi over the next 2–3 years.

Valuation and view:

- IGL has ~75% of its volumes coming from CNG. This segment led growth for the last couple of years, led by the proliferation of CNG stations and higher conversions. However, opening up of schools and normalization of public transportation (for CNG) and commercial space like malls/restaurants (for PNG) may take more time.
- Nevertheless, we reiterate our belief in the company's volume trajectory (in line with management guidance), led by growth in NCR, intercity travel on CNG, higher conversions to CNG due to the BS6 implementation, and contributions from newer GAs.
- Over the short-to-medium term, IGL could increase its sales volumes from new areas such as Rewari, Karnal, and Muzaffarnagar; Gurugram; and the newly awarded (3) GAs in the 10th round – (a) Kaithal (Haryana), (b) Ajmer, Pali, and Rajsamand (Rajasthan), and (c) Kanpur, Fatehpur, and Hamirpur (Uttar Pradesh).
- IGL might consider inorganic growth in the coming years. It is also looking at international prospects (such as Myanmar) and has an MoU with Osaka Gas.
- The stock trades at around 24.4x FY22 EPS of INR17.2 and EV/EBITDA of 15.1x in FY22. We value the company at 24x FY22 adj. EPS of INR17 and add value from JV to arrive at target price of INR470. Maintain Neutral.

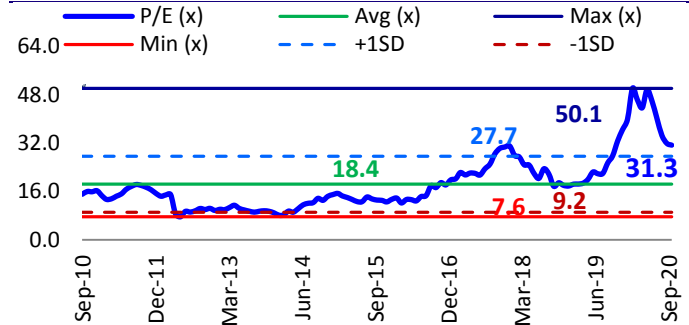
Story in charts

Exhibit 1: Segmental volume bifurcation (%)



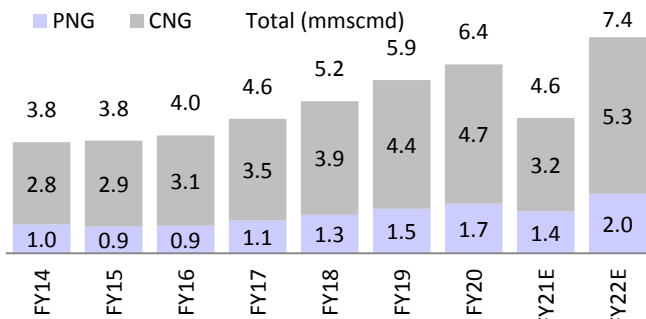
Source: Company, MOFSL

Exhibit 2: Stock trades at 70% premium to its LT PE average



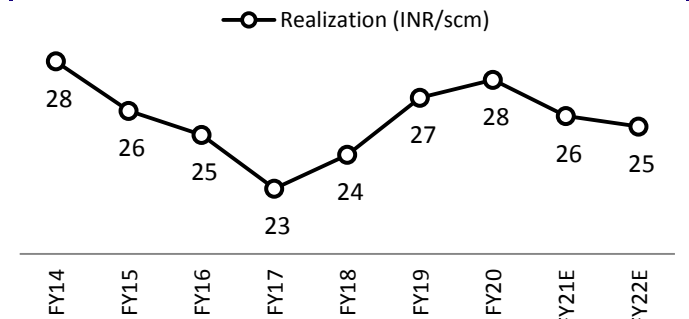
Source: Company, MOFSL

Exhibit 3: Sales growth to continue barring COVID-19-led demand impact in FY21



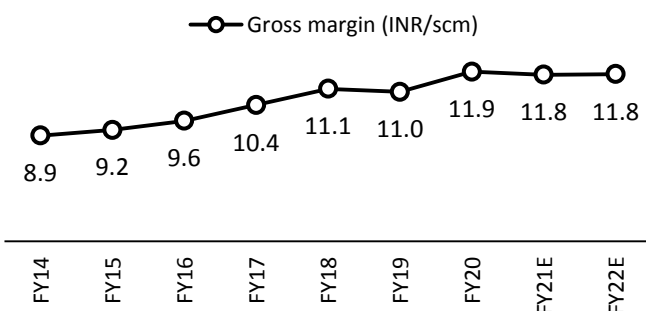
Source: Company, MOFSL

Exhibit 4: Realization to decline in line with expected fall in gas prices...



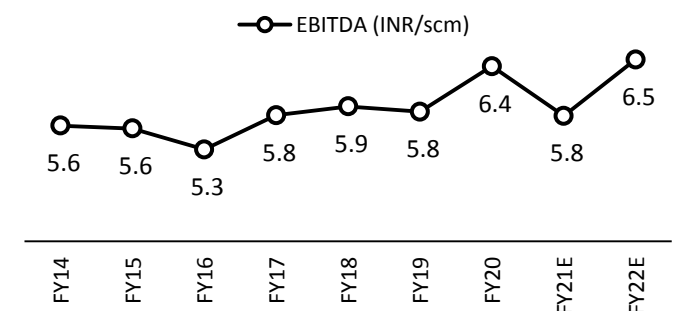
Source: Company, MOFSL

Exhibit 5: ...however, IGL would maintain margins by passing on cost increases to CNG and PNG consumers



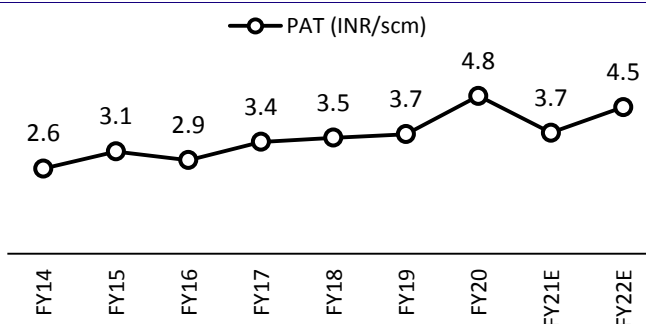
Source: Company, MOFSL

Exhibit 6: EBITDA/scm to increase in FY22, benefiting from lower APM and spot prices



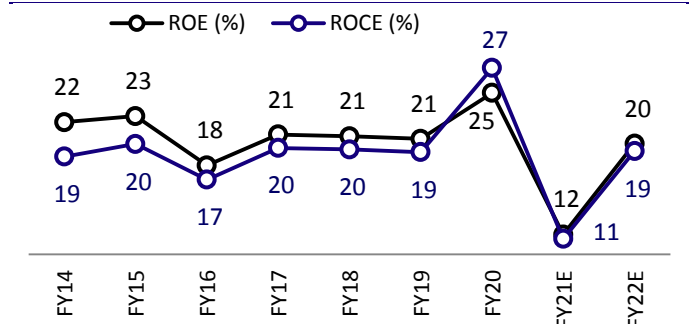
Source: Company, MOFSL

Exhibit 7: IGL profitability (PAT in INR/scm) would normalize



Source: Company, MOFSL

Exhibit 8: Return ratios would stabilize at ~20%



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)	
Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Net Sales	36,699	36,858	38,148	45,921	57,600	64,853	43,771	68,559
Change (%)	-6.3	0.4	3.5	20.4	25.4	12.6	-32.5	56.6
EBITDA	7,820	7,747	9,638	11,133	12,521	15,196	9,703	17,594
% of Net Sales	21.3	21.0	25.3	24.2	21.7	23.4	22.2	25.7
Depreciation	1,487	1,563	1,671	1,813	2,011	2,523	2,849	3,066
Interest	298	99	12	17	21	81	81	73
Other Income	456	299	652	1,021	1,510	1,564	1,563	1,650
PBT	6,490	6,385	8,607	10,325	12,000	14,157	8,336	16,105
Tax	2,113	2,194	2,896	3,617	4,134	1,134	2,106	4,058
Rate (%)	32.6	34.4	33.6	35.0	34.4	8.0	25.3	25.2
PAT	4,377	4,191	5,711	6,708	7,867	13,023	6,231	12,046
Adj. PAT	4,377	4,191	5,969	6,604	7,867	11,365	6,231	12,046
Change (%)	21.6	-4.3	42.5	10.6	19.1	44.5	-45.2	93.3

Balance Sheet							(INR m)	
Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Share Capital	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Reserves	19,581	23,764	27,866	33,729	39,899	49,224	53,816	63,406
Net Worth	20,981	25,164	29,266	35,129	41,299	50,624	55,216	64,806
Loans	1,453	0	0	0	0	0	0	0
Deferred Tax	1,272	1,650	1,806	2,253	2,678	2,119	2,119	2,119
Capital Employed	23,706	26,815	31,072	37,382	43,977	52,743	57,336	66,925
Gross Fixed Assets	31,761	33,752	36,402	41,364	47,607	55,744	59,744	63,744
Less: Depreciation	12,203	13,560	15,231	17,044	19,054	21,577	24,426	27,492
Net Fixed Assets	19,558	20,192	21,172	24,320	28,553	34,167	35,319	36,253
Capital WIP	2,541	2,669	3,518	3,860	4,781	7,767	10,767	13,767
Rights to use assets	0	0	0	0	0	1,220	1,220	1,220
Investments	2,909	2,592	6,770	11,477	15,440	2,581	2,581	2,581
Curr. Assets, L & Adv.								
Inventory	409	576	517	524	509	511	345	540
Debtors	2,352	2,511	2,014	2,261	2,215	1,704	1,150	1,801
Cash & Bank Balance	2,315	4,538	6,086	5,580	6,071	21,799	17,704	28,694
Loans & Advances	489	80	103	149	153	154	154	154
Other Current Assets	163	655	682	1,110	1,772	1,819	1,819	1,819
Current Liab. & Prov.								
Liabilities	5,866	6,847	9,580	11,690	13,687	16,172	10,915	17,096
Provisions	1,163	151	210	210	1,830	2,808	2,808	2,808
Net Current Assets	-1,302	1,362	-388	-2,275	-4,797	7,007	7,449	13,104
Application of Funds	23,706	26,815	31,072	37,382	43,977	52,743	57,336	66,925

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Basic (INR)								
EPS	6.3	6.0	8.5	9.4	11.2	16.2	8.9	17.2
Cash EPS	8.4	8.2	10.9	12.0	14.1	19.8	13.0	21.6
Book Value	30.0	35.9	41.8	50.2	59.0	72.3	78.9	92.6
DPS	1.2	1.2	1.7	2.0	2.4	2.8	2.0	3.0
Payout	19.2	20.0	19.9	21.2	21.4	17.2	22.5	17.4
Valuation (x)								
P/E	67.2	70.2	49.3	44.5	37.4	25.9	47.2	24.4
Cash P/E	50.1	51.1	38.5	34.9	29.8	21.2	32.4	19.5
EV / EBITDA	37.5	37.4	29.9	25.9	23.0	17.9	28.5	15.1
EV / Sales	8.0	7.9	7.5	6.3	5.0	4.2	6.3	3.9
Price / Book Value	14.0	11.7	10.0	8.4	7.1	5.8	5.3	4.5
Dividend Yield (%)	0.3	0.3	0.4	0.5	0.6	0.7	0.5	0.7
Profitability Ratios (%)								
RoE	22.7	18.2	21.0	20.8	20.6	28.3	11.8	20.1
RoCE	20.1	16.8	19.8	19.6	19.4	27.1	11.4	19.5
RoIC	27.2	24.6	33.3	38.9	40.4	60.9	21.9	45.1
Turnover Ratios								
Debtors (No. of Days)	16	15	17	21	26	33	31	46
Asset Turnover (x)	1.6	1.5	1.3	1.3	1.4	1.3	0.8	1.1
Leverage Ratio								
Net Debt / Equity (x)	0.0	-0.2	-0.2	-0.2	-0.1	-0.4	-0.3	-0.4

Cash Flow Statement

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
(INR m)								
OP/(Loss) before Tax	6,490	6,385	8,607	10,325	12,000	14,157	8,336	16,105
Depreciation	1,487	1,563	1,671	1,813	2,011	2,523	2,849	3,066
Deferred tax	309	378	156	447	425	-559	0	0
Direct Taxes Paid	-2,113	-2,194	-2,896	-3,617	-4,134	-1,134	-2,106	-4,058
(Inc)/Dec in Wkg. Capital	160	-440	3,298	1,382	3,012	3,924	-4,537	5,335
CF from Op. Activity	6,333	5,691	10,835	10,349	13,315	18,910	4,542	20,447
(Inc)/Dec in FA & CWIP	-2,010	-2,325	-3,499	-5,304	-7,164	-11,123	-7,000	-7,000
Free Cash Flow	4,323	3,367	7,336	5,045	6,151	7,787	-2,458	13,447
(Pur)/Sale of Investments	-1,736	317	-4,179	-4,707	-3,963	12,859	0	0
CF from Inv. Activity	-3,746	-2,008	-7,678	-10,011	-11,127	1,736	-7,000	-7,000
Inc / (Dec) in Debt	-1,759	-1,453	0	0	0	0	0	0
Dividends Paid (incl.tax)	-983	-983	-1,310	-1,688	-1,966	-2,293	-1,638	-2,457
CF from Fin. Activity	-2,787	-1,461	-1,609	-844	-1,697	-4,917	-1,638	-2,457
Inc / (Dec) in Cash	-199	2,223	1,548	-506	491	15,729	-4,096	10,990
Add: Opening Balance	2,514	2,315	4,538	6,086	5,580	6,071	21,799	17,704
Closing Balance	2,315	4,538	6,086	5,580	6,071	21,799	17,704	28,694

E: MOFSL Estimates

NOTES

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.