

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR382
TP: INR468 (+22%)
Buy
Net debt reduces further, although privatization may get delayed

- Reported GRM at USD9.7/bbl came higher than our estimates while implied marketing margin at INR4.1/lit came below our estimates
- Refining throughput (+11% QoQ) and marketing sales volumes (+13% QoQ) were in line with our estimates, led by demand recovery in the aftermath of the second COVID wave.
- Technical debottlenecking is underway at the company's Propylene derivatives petrochemical project (PDPP) plant in Kochi, and the management expects the three units to contribute starting 4QFY22. BPCL has decided to discontinue its plans for the Polyols plant due to escalating costs and unattractive IRR.
- Singapore GRM improved QoQ in 3QFY22, led by an improvement in gasoline, ATF, and naphtha cracks. **It further stands at an average of USD6/bbl in Jan'22** as demand continued to outweigh supply.
- Net debt at end-9MFY22** for standalone stood at INR99b (INR199b at end-FY21), while consolidated came in at INR530b. **The company has announced a second interim dividend of INR5/share.**
- There is no clear calendar of events; although, the **management highlighted that the privatization has not happened thus far in FY22 and could be delayed to FY23.** The stock is trading at 1.4x FY24E P/BV, and we value it on 1.7x FY24E P/BV to arrive at Target Price of INR468.

Bloomberg	BPCL IN
Equity Shares (m)	2,093
M.Cap.(INRb)/(USD)	828.9 / 11.1
52-Week Range (INR)	468 / 358
1, 6, 12 Rel. Per (%)	-3/-29/-26
12M Avg Val (INR M)	3573

Financials & Valuations (INR b)

Y/E March	FY22E	FY23E	FY24E
Sales	3,686	3,398	3,316
EBITDA	167	146	151
Adj. PAT	108	86	87
EPS (INR)	51.6	41.1	41.4
EPS Gr.%	-18.4	-20.4	0.9
BV/Sh.INR	226.4	250.8	275.5

Ratios

Net D:E	0.9	0.9	0.8
RoE (%)	21.4	17.2	15.7
RoCE (%)	11.7	8.7	8.3
Payout(%)	44.7	40.7	40.3

Valuation

P/E (x)	7.4	9.3	9.2
P/BV (x)	1.7	1.5	1.4
EV/EBITDA (x)	4.8	5.5	5.3
Div yield (%)	6.0	4.4	4.4
FCF yield (%)	9.1	5.6	7.6

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	53.0	53.0	53.0
DII	22.0	22.6	20.9
FII	13.0	12.3	13.6
Others	12.1	12.2	12.5

FII Includes depository receipts

Marketing margins dip; GRMs higher than estimated

- Refining throughput was in line with estimates at 8mmt (+10% YoY / +11% QoQ). Reported GRM came in higher than estimated at USD9.7/bbl (v/s our est. of USD6.5 and USD6 in 2QFY22).
- Marketing volumes were in line with estimates at 11.2mmt (flat YoY; +13% QoQ). Marketing margins (inc. inv.) were lower at INR4.1/lit (v/s INR6.1 in 3QFY21 and 2QFY22).
- Resultant EBITDA was 17% below estimates at INR42.9b (flat YoY; -4% QoQ). PAT came in at INR24.6b (-11% YoY; -9% QoQ).** The company expensed INR770m under ESPS during the quarter.
- 9MFY22 EBITDA was flat YoY at INR121b, with PAT at INR67b (-10% YoY). Marketing sales volumes were up 11% YoY to 30.7mmt, with marketing margins at INR5.3/lit (v/s INR7.2 in 9MFY21). Refining throughput was up 22% YoY to 22mmt, with reported GRM at USD6.8/bbl (v/s USD2.9 in 9MFY21).
- The company announced a second interim dividend of INR5/share**

Valuation and view – Reiterate Buy

- The capex guidance for FY23 stands at INR100b** (Refining: INR13b; Marketing: INR23b; Petchem: INR26b; equity investment in JV subsidiary: INR18b; and the remainder in other smaller projects, including CGDs) and is expected to be similar in FY24 as well. Government receivables from LPG subsidies stand at INR1.9b at end-3QFY22.

- A further improvement in the company's GRMs and the marketing margin returning to normalized levels would bode well for the stock. On the other hand, any delay in the privatization procedure or sustained lower marketing margins poses downside risks to our call. BPCL trades at 1.4x FY24 PBV, and we value the stock at 1.7x FY24E P/BV to arrive at our Target Price of INR468. Reiterate Buy.

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY21				FY22				FY21	FY22E	FY22	Var. vs. Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
Net Sales	387.9	501.5	667.3	768.8	709.2	815.4	1,010.5	1,157.4	2,325	3,692	981.6	3%
YoY Change (%)	-49.2	-22.1	-10.7	11.4	82.9	62.6	51.4	50.5	-18	59	47.1	
EBITDA	39.7	38.5	43.1	50.6	33.0	44.8	42.9	36.6	172	157	51.9	-17%
Margins (%)	10.2	7.7	6.5	6.6	4.7	5.5	4.2	3.2	7	4	5.3	
Forex loss	0.6	-1.5	-0.8	-0.3	0.5	-0.9	0.8	0.0	-2	0.3	9.1	
Depreciation	10.0	9.9	9.9	10.0	11.4	11.7	11.7	12.6	40	47	12.0	-3%
Interest	5.9	0.1	2.5	4.8	4.9	3.9	4.5	4.1	13	17	4.1	8%
Other Income	5.9	4.2	14.4	16.3	4.5	5.9	6.8	19.1	41	36	14.8	-54%
PBT	29.3	33.0	41.6	122.4	20.0	36.0	32.8	39.0	226	128	41.4	-21%
Rate (%)	29.0	31.8	33.2	2.4	24.8	25.1	25.0	25.2	16	25	25.2	
Adj PAT	20.8	23.3	30.6	51.2	15.6	26.9	24.6	29.2	126	96	31.0	-21%
YoY Change (%)	93.1	36.5	142.6	-887.3	-24.9	15.5	-19.5	-43.0	271	-23	1.3	
Key Assumptions												
Refining throughput (mmt)	5.1	5.6	7.2	8.4	6.8	7.2	8.0	8.0	26.4	30.0	8.0	-1%
Reported GRM (USD/bbl)	0.4	5.8	2.5	6.6	4.1	6.0	9.7	6.0	4.1	7.3	6.5	49%
Marketing sales volume excld exports (mmt)	7.5	8.9	11.1	11.2	9.6	9.9	11.2	11.6	38.7	42.3	10.9	2%
Marketing GM incld inv (INR/litre)	8.9	6.6	6.1	6.0	5.8	6.1	4.1	4.2	6.9	5.0	5.4	-23%

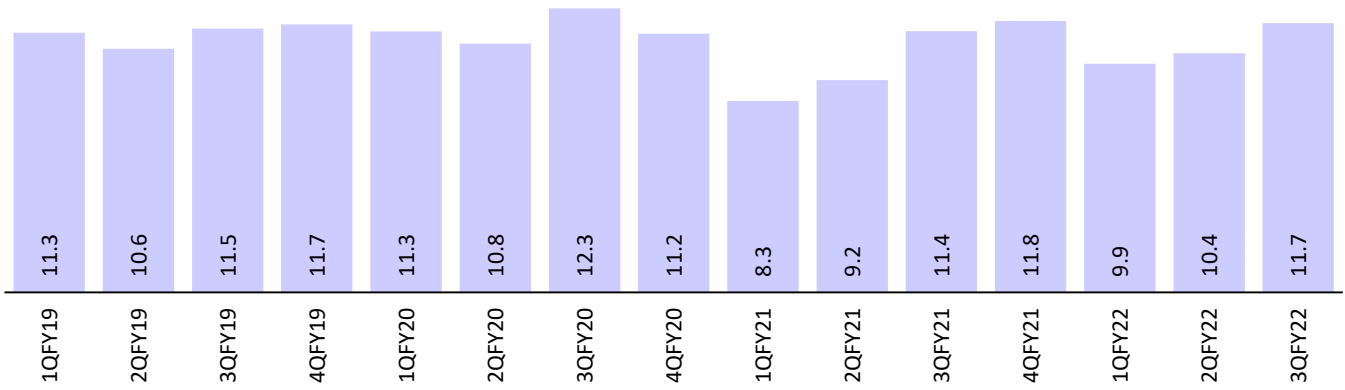
Management commentary

- Motor Spirit (MS) recorded the highest sales growth of 4% in the quarter. Market share for MS was 29% for BPCL in 3QFY22. The sales volume decline in High-Speed Diesel (HSD) was the lowest among the OMCs.
- The company aims to be net-zero by 2040. BPCL plans to set up 1200 EV battery charging stations in CY22, with capex of INR1.2b. Over the next 3–4 years, the target is to develop ~7000 EV battery charging stations.
- It has been awarded six GAs in 19 districts in the 11th CGD bidding round. BPCL has current market share of 33% in sales. Moreover, it is likely to spend INR220b on developing these GAs.
- The company has installed 4,667 inch-kms of steel pipelines and aims to install 100 CNG outlets by FY22-end. The management would focus on expanding non-fuel retailing in rural areas, and the rollout plan is on schedule.
- The company has decided to discontinue its plans for the Polyols unit and instead set up a Polypropylene unit.
 - The initial cost of the Polyols project was INR92b, which escalated to INR130b including the licensing.
 - The technology needed for the Polyols plant is also far more complex, and unattractive IRR has made it unfeasible to pursue.
 - For the Polypropylene unit, 450tmt of Propylene would be utilized for value addition in Polypropylene.
- The government would offer LPG subsidies of INR1.9b, with the crude inventory valuation at USD78/bbl for the company in 3QFY22.

- The company has signed a MoU with BARC towards the development of technology used in electrolyzers.
- The consolidated debt stands at INR530b, with the debt-equity ratio at 0.5x in 3QFY22 v/s 0.4x in 2QFY22.

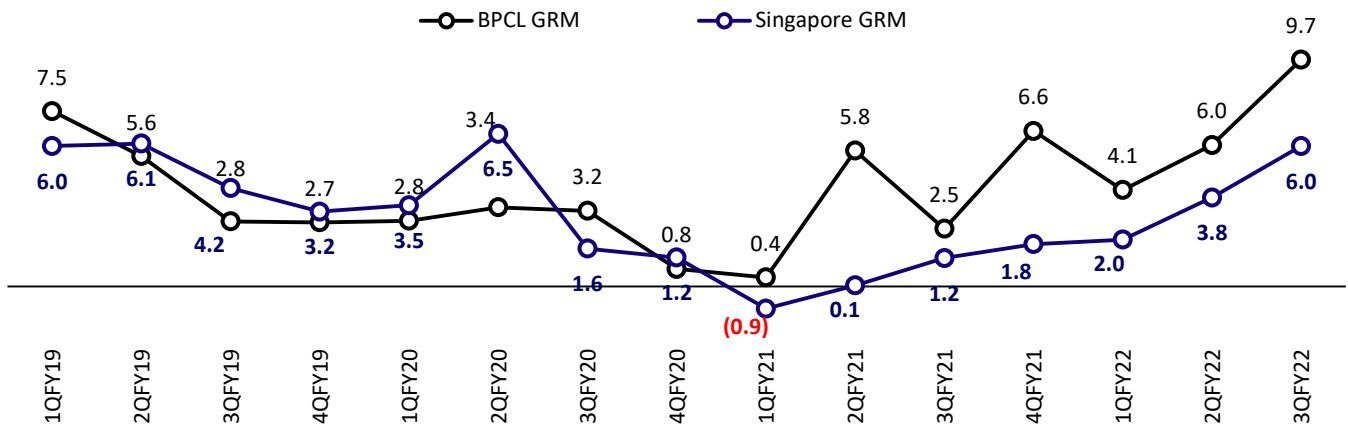
Exhibit 1: Product sales at 11.7mmt (+3.1% YoY, +12.6% QoQ)

Product Sales (mmt)



Source: Company, MOSFL

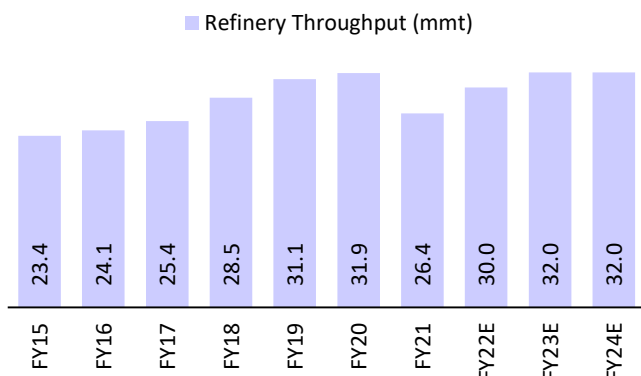
Exhibit 2: Reported GRM at USD9.7/bbl v/s USD6/bbl in 2QFY22



Source: Company, MOSFL

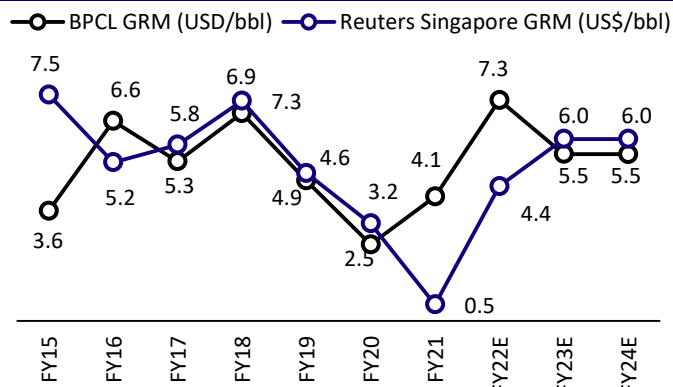
Story in charts

Exhibit 3: Throughput (mmt)



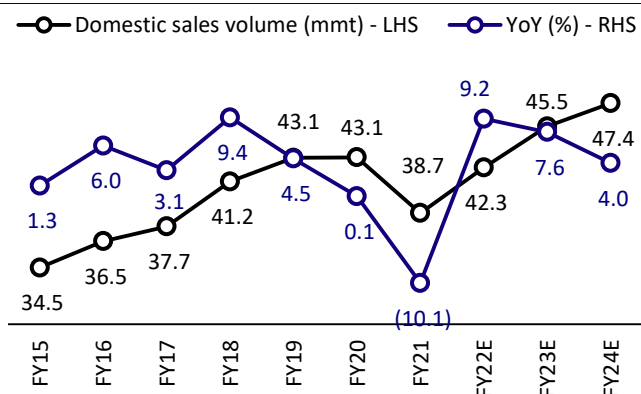
Source: Company, MOFSL

Exhibit 4: GRM trend



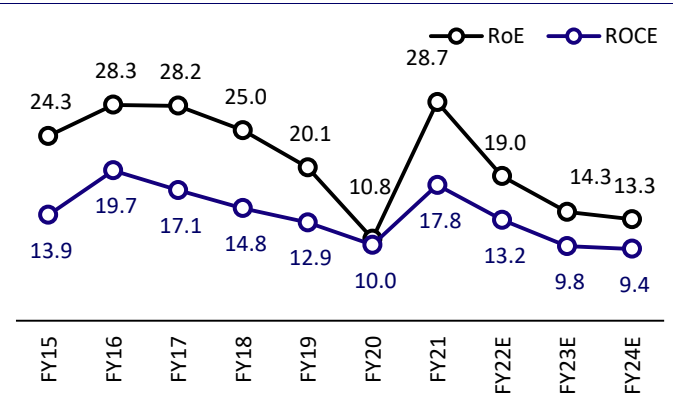
Source: Company, MOFSL

Exhibit 5: Domestic marketing sales volumes



Source: Company, MOFSL

Exhibit 6: Standalone return ratios (%)



Source: Company, MOFSL

Exhibit 7: BPCL – key assumptions

Y End: March 31	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Exchange Rate (INR/USD)	67	64	70	71	74	75	76	78
Crude cost (USD/bbl)	49	57	70	61	44	77	70	65
Domestic Market Sales (MMT)	38	41	43	43	39	42	46	47
YoY (%)	3%	9%	5%	0%	-10%	9%	8%	4%
Reported GRM (USD/bbl)	5.3	6.9	4.6	2.5	4.1	7.3	5.5	5.5
Singapore GRM (USD/bbl)	5.8	7.3	4.9	3.2	0.5	4.4	6.0	6.0
Prem/(disc) (USD/bbl)	(0.5)	(0.4)	(0.2)	(0.7)	3.6	2.8	(0.5)	(0.5)
Refinery throughput (MMT)	25.4	28.5	31.1	31.9	26.4	30.0	32.0	32.0
YoY (%)	5%	12%	9%	3%	-17%	13%	7%	0%
Marketing Margin (INR/ltr)								
Blended gross marketing margin incld inventory	4.2	4.0	4.8	4.7	6.9	5.0	4.2	4.2
Cons EPS	45.4	46.8	40.7	23.8	63.2	51.6	41.1	41.4

Source: Company, MOSFL

Financials and valuations (consolidated)

Consolidated - Income Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	2,013	2,358	2,982	2,846	2,302	3,686	3,398	3,316
EBITDA	138	152	158	100	211	167	146	151
Margin (%)	6.8	6.4	5.3	3.5	9.2	4.5	4.3	4.5
Depreciation	21	29	34	41	43	48	53	55
EBIT	116	123	124	59	168	119	93	95
Net forex loss	0	0	7	17	-2	0	0	0
Int. and Finance Charges	7	12	18	26	17	18	22	22
Other Income	18	18	20	19	23	32	26	24
PBT bef. EO Exp.	128	129	120	36	175	132	97	97
EO Items	0	0	0	-13	53	0	0	0
PBT after EO Exp.	128	129	120	23	228	132	97	97
Total Tax	42	44	44	0	51	33	24	24
Tax Rate (%)	32.9	34.0	36.6	-0.6	22.5	25.2	25.2	25.2
Minority Interest/Share of JVs/associates	9	13	9	14	-3	9	14	14
Reported PAT	95	98	85	37	173	108	86	87
Adjusted PAT	95	98	85	50	132	108	86	87
Change (%)	17.5	3.0	-12.9	-41.6	165.6	-18.4	-20.4	0.9
Margin (%)	4.7	4.2	2.9	1.8	5.8	2.9	2.5	2.6

Consolidated - Balance Sheet

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	13	20	20	20	21	21	21	21
Total Reserves	295	347	368	346	515	453	504	556
Net Worth	308	366	388	365	536	474	525	577
Minority Interest	20	19	21	21	0	0	0	0
Total Loans	315	370	429	558	400	520	520	520
Deferred Tax Liabilities	41	55	68	62	49	49	49	49
Capital Employed	683	810	905	1,006	985	1,043	1,094	1,146
Gross Block	788	962	1,039	1,223	1,286	1,346	1,406	1,466
Less: Accum. Deprn.	302	331	365	406	449	513	568	625
Net Fixed Assets	486	631	674	817	836	833	838	840
Capital WIP	168	99	137	178	171	227	269	311
Total Investments	64	61	68	55	72	72	72	72
Curr. Assets, Loans&Adv.	372	412	491	459	530	541	501	496
Inventory	212	225	229	222	267	282	261	254
Account Receivables	48	52	69	54	78	69	64	62
Cash and Bank Balance	19	14	7	12	81	85	73	76
Cash	6	6	4	8	76	80	67	71
Bank Balance	13	8	2	4	5	5	5	5
Loans and Advances	94	121	186	171	103	103	103	103
Curr. Liability & Prov.	408	393	464	503	625	629	586	573
Account Payables	382	216	430	466	590	592	547	532
Provisions	26	178	33	36	36	37	39	41
Net Current Assets	-35	19	27	-44	-95	-89	-85	-78
Appl. of Funds	683	810	905	1,006	985	1,043	1,094	1,146

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March (INR)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
EPS	45.4	46.8	40.7	23.8	63.2	51.6	41.1	41.4
Cash EPS	55.5	60.6	57.1	43.3	84.0	74.7	66.3	68.0
BV/Share	147.3	175.0	185.2	174.6	255.9	226.4	250.8	275.5
DPS	21.7	22.3	20.2	17.6	79.0	23.1	16.7	16.7
Payout (%)	52.4	52.5	54.6	110.2	95.5	44.7	40.7	40.3
Valuation (x)								
P/E	8.4	8.2	9.4	16.0	6.0	7.4	9.3	9.2
Cash P/E	6.9	6.3	6.7	8.8	4.5	5.1	5.8	5.6
P/BV	2.6	2.2	2.1	2.2	1.5	1.7	1.5	1.4
EV/Sales	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	5.5	4.9	4.7	7.5	3.8	4.8	5.5	5.3
Dividend Yield (%)	5.7	5.9	5.3	4.6	20.7	6.0	4.4	4.4
FCF per share	-2.6	16.9	-1.7	-21.8	68.8	34.6	21.2	28.8
Return Ratios (%)								
RoE	32.4	29.0	22.6	13.2	29.4	21.4	17.2	15.7
RoCE	16.2	13.7	11.8	9.1	15.9	11.7	8.7	8.3
RoIC	22.5	15.2	11.8	8.2	18.3	13.5	10.4	10.4
Working Capital Ratios								
Fixed Asset Turnover (x)	2.6	2.5	2.9	2.3	1.8	2.7	2.4	2.3
Asset Turnover (x)	2.9	2.9	3.3	2.8	2.3	3.5	3.1	2.9
Inventory (Days)	38	35	28	29	42	28	28	28
Debtor (Days)	9	8	8	7	12	7	7	7
Creditor (Days)	69	33	53	60	94	59	59	59
Leverage Ratio (x)								
Current Ratio	0.9	1.0	1.1	0.9	0.8	0.9	0.9	0.9
Interest Cover Ratio	16.7	10.4	7.0	2.3	9.7	6.5	4.2	4.3
Net Debt/Equity	1.0	1.0	1.1	1.5	0.6	0.9	0.9	0.8

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	137	142	129	37	224	132	97	97
Depreciation	21	29	34	41	43	48	53	55
Direct Taxes Paid	-40	-34	-30	-22	-38	-33	-24	-24
(Inc)/Dec in WC	-18	-13	-35	-7	38	-2	-16	-4
CF from Operations	90	111	102	79	236	172	144	160
(Inc)/Dec in FA	-95	-77	-105	-122	-92	-100	-100	-100
Free Cash Flow	-5	33	-3	-43	144	72	44	60
(Pur)/Sale of Investments	4	7	-2	12	-22	0	0	0
CF from Investments	-153	-69	-105	-111	-26	-100	-100	-100
Inc/(Dec) in Debt	127	15	66	124	-120	120	0	0
Dividend Paid	-56	-44	-49	-65	-49	-170	-35	-35
CF from Fin. Activity	48	-42	2	36	-142	-68	-57	-57
Inc/Dec of Cash	-14	0	-2	4	68	4	-13	3
Opening Balance	20	6	6	4	8	76	80	67
Closing Balance	6	6	4	8	76	80	67	71

E: MOSL 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://online.reports.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.