

Higher gas sourcing costs reduce gross margins...

About the stock: Indraprastha Gas (IGL) is one of India's largest city gas distribution companies and primarily operates in the NCT of Delhi. As per FY22 AR, the company has 711 CNG stations and provided PNG connections to ~20 lakh households and 7715 commercial & industrial consumers.

- CNG sales contribute 75% of its total sales volume
- Overall, sales volume grew at 9% CAGR in FY17-22

Q2FY23 Results: IGL reported Q2FY23 results that were marginally better than estimated on profitability.

- Revenue increased 94.1% YoY to ₹ 3554 crore due to higher volume as well as realisation. Sales volume grew 11.8% YoY to 8.09 mmscmd
- Gross margin was down 6.6% YoY at ₹ 12.5/scm (our estimate: ₹ 14.1/scm). EBITDA was at ₹ 527.5 crore, flattish YoY (I-direct estimate: ₹ 616.7 crore)
- PAT was at ₹ 416.2 crore, up 3.9% YoY (I-direct estimate: ₹ 402.6 crore)

What should investors do? Although gas sourcing costs have gone up for the sector from October 1 onwards, suggestion for a new gas pricing regime (mostly oil-linked), is expected to provide fresh thrust to downstream gas players in the medium term (in the form of lower gas sourcing costs).

- Due to near term uncertainty, we maintain our **HOLD** rating on the stock

Target Price and Valuation: We value IGL at ₹ 430 (standalone at ~₹ 397 i.e. 19x P/E on FY24E EPS and investments at ~₹ 33).

Key triggers for future price performance:

- Continued capex and presence in new geographical areas will improve volume growth
- IGL will continue to benefit from stricter environmental regulations in NCR and India's aim to increase the share of natural gas in the energy mix
- Gas sourcing costs/price hikes will be key monitorable in the near term

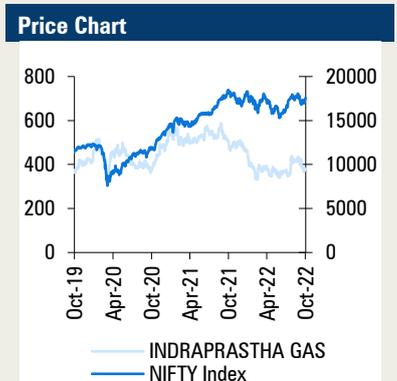
Alternate Stock Idea: Apart from IGL, in our oil & gas coverage we also like MGL.

- Mahanagar Gas (MGL) is a city gas distribution company and operates in Mumbai, its adjoining areas and Raigad district, Maharashtra
- The company has historically reported high gross margins and return ratios. It has a debt free balance sheet and a constant dividend payout



Particulars	
Particular	Amount
Market Capitalization (₹ Crore)	26,670.0
Total Debt (FY22) (₹ Crore)	78.1
Cash and Investments (FY22)	1,361.6
EV (₹ Crore)	25,386.5
52 week H/L	515/322
Equity capital (₹ Crore)	140.0
Face value (₹)	2.0

Shareholding pattern				
(in %)	Dec-21	Mar-22	Jun-22	Sep-22
Promoter	45.0	45.0	45.0	45.0
FII	20.2	19.9	20.3	21.0
DII	16.7	16.9	16.8	20.1
Others	18.1	18.2	17.9	13.9



Recent event & key risks

- **Key Risk:** (i) Faster than expected volume growth (ii) Inability to pass on further increase in costs

Research Analyst

Harshal Mehta
harshal.mehta@icicisecurities.com

Payal Shah
shah.payal@icicisecurities.com

Key Financial Summary

(Year-end March)	FY19	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	2 year CAGR (FY22-24E)
Revenues (₹ crore)	5,760.0	6,485.3	4,940.8	7,710.0	15.1	14,134.7	14,346.6	36.4
EBITDA (₹ crore)	1,252.1	1,519.6	1,483.0	1,881.1	14.3	2,209.4	2,337.2	11.5
Net Profit (₹ crore)	786.7	1,136.5	1,005.7	1,315.0	18.2	1,516.0	1,459.9	5.4
EPS (₹)	11.2	16.2	14.4	18.8		21.7	20.9	
P/E (x)	33.9	23.5	26.5	20.3		17.6	18.3	
Price / Book (x)	6.5	5.3	4.5	3.8		3.3	2.9	
EV/EBITDA (x)	20.8	16.2	17.3	13.5		11.5	10.8	
RoCE (%)	25.4	24.7	20.0	22.3		22.5	20.2	
RoE (%)	19.0	22.5	17.1	19.0		18.8	16.1	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Q2FY23 Results: Higher realisation offset by increase in gas sourcing cost

- Revenue increased 11.3% QoQ. Realisation was marginally better than estimates at ₹ 52.5/scm
- Sales volume was at 8.09 mmscmd, up 11.8% YoY, 2.5% QoQ, in line with estimates. CNG segment grew ~15% YoY to 6.09 mmscmd (our estimate: 6.04 mmscmd). PNG volume increased ~3% YoY to 2 mmscmd and was in line with estimates. Within the PNG segment, domestic PNG volume was up 11% YoY while industrial/commercial PNG volume was flattish YoY. On a QoQ basis, CNG sales grew 2.7% while PNG volume grew 2.2%
- Gas sourcing costs increased ₹ 4.9/scm QoQ to ₹ 35.1/scm. It was higher than estimate of ₹ 32.3/scm. This led to gross margin of ₹ 12.5/scm, lower than estimate of ₹ 14.1/scm.
- We estimate sales volume of 8.1 mmscmd and 8.7 mmscmd in FY23E and FY24E, respectively
- Gross margin is expected at ₹ 13.3/scm and ₹ 13.6/scm in FY23E and FY24E, respectively

Peer comparison

Exhibit 1: Peer Comparison

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Gujarat Gas (GUJGA)	500	480	Hold	34,420	18.9	23.4	20.9	26.4	21.4	23.9	16.4	13.5	14.6	27.0	28.2	21.8	23.1	23.2	17.9
Indraprastha Gas (INDGAS)	381	430	Hold	26,670	18.8	21.7	20.9	20.3	17.6	18.3	13.5	11.5	10.8	22.3	22.5	20.2	19.0	18.8	16.1
Mahanagar Gas (MAHGAS)	845	820	Hold	8,347	60.4	58.9	84.8	14.0	14.3	10.0	8.6	8.6	6.0	19.8	17.7	23.1	16.6	15.0	19.0

Source: Company, ICICI Direct Research

Exhibit 2: Variance Analysis

	Q2FY23	Q2FY23E	Q2FY22	YoY (%)	Q1FY23	QoQ (%)	Comments
Total Revenues	3,554.0	3,426.3	1,831.2	94.1	3,193.9	11.3	Revenue increased YoY on account of sales growth as well as higher realisation
Raw materials costs	2,609.4	2,377.9	928.3	181.1	2,170.6	20.2	
Employees Cost	49.7	54.8	52.4	-5.2	48.1	3.3	
Other Expenses	367.5	376.9	320.4	14.7	357.7	2.7	
Total Expenditure	3,026.5	2,809.6	1,301.0	132.6	2,576.3	17.5	
EBITDA	527.5	616.7	530.2	-0.5	617.5	-14.6	Lower than estimated
EBITDA margins (%)	14.8	18.0	29.0	-1411 bps	19.3	-449 bps	
Depreciation	91.4	102.9	80.5	13.6	85.7	6.7	
EBIT	436.1	513.8	449.7	-3.0	531.8	-18.0	
Interest	3.1	4.8	2.6	20.3	2.4	31.1	
Other Income	110.0	30.0	77.5	42.0	30.7	257.8	Higher than estimated
Extra Ordinary Item	0.0	0.0	0.0	NA	0.0	NA	
PBT	543.0	539.0	524.6	3.5	560.2	-3.1	
Total Tax	126.9	136.4	124.1	2.3	139.4	-9.0	
PAT	416.2	402.6	400.5	3.9	420.9	-1.1	Marginally higher than estimated

Key Metrics

Sales Volumes (mmscmd)	8.09	8.0	7.2	11.8	7.9	2.5	in line with estimates, CNG volume was 6.09 mmscmd whereas PNG volume came in at 2 mmscmd
Realisation (₹/scm)	52.5	51.2	30.1	74.4	49.0	7.1	
Gross Margin (₹/scm)	12.5	14.1	13.4	-6.6	14.1	-11.2	Lower than estimates mainly due to higher than expected gas sourcing costs

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	Change	Old	New	Change	
Revenue	13698.7	14,134.7	3.2	14254.1	14,346.6	0.6	Increased realisation estimates owing to price hike
EBITDA	2067.4	2,209.4	6.9	2273.1	2,337.2	2.8	Revised gas cost estimate taking into account current oil & gas price trend
EBITDA Margin (%)	15.1	15.6	54 bps	15.9	16.3	34 bps	
PAT	1329.8	1,516.0	14.0	1412.0	1,459.9	3.4	
EPS (₹)	19.0	21.7	14.0	20.2	20.9	3.4	

Source: ICICI Direct Research

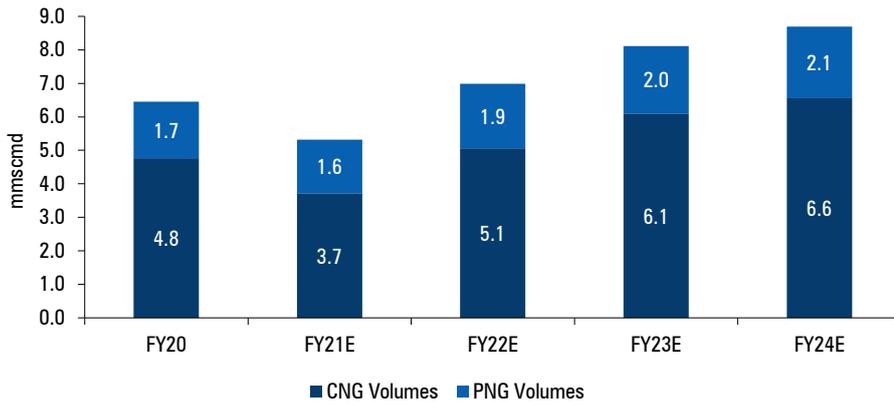
Exhibit 4: Assumptions

	Current				Earlier		Comments
	FY21	FY22E	FY23E	FY24E	FY23E	FY24E	
Sales Volumes (mmscmd)	5.3	7.0	8.1	8.7	8.1	8.7	Volumes have been maintained as per earlier estimates
Realisation (₹/scm)	27.8	33.1	52.6	49.8	51.1	49.6	Increased realisation estimate following price hike
Gross Margin (₹/scm)	13.8	12.8	13.3	13.6	12.7	13.4	

Source: ICICI Direct Research

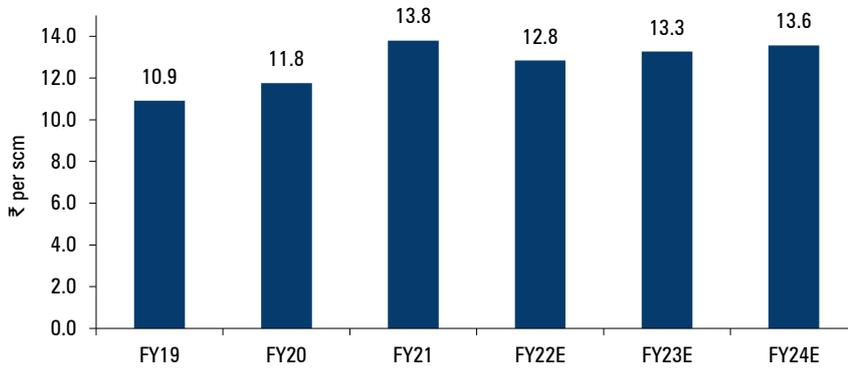
Story in charts

Exhibit 5: Volume trajectory



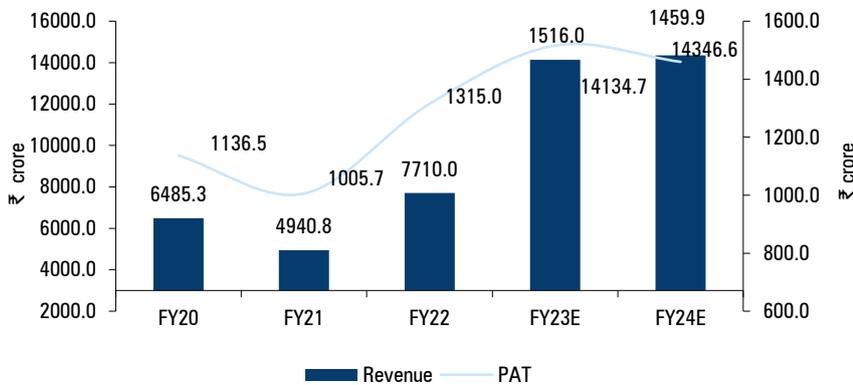
Source: Company, ICICI Direct Research

Exhibit 6: Gross margin trend



Source: Company, ICICI Direct Research

Exhibit 7: Revenue & PAT trend



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 8: Profit and loss statement		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Revenue	4940.8	7710.0	14134.7	14346.6	
Growth (%)	-23.8	56.0	83.3	1.5	
Raw material Costs	2229.5	4392.3	10165.7	10015.3	
Employee Costs	134.4	176.0	221.8	272.6	
Other Expenditure	1093.9	1260.6	1537.7	1721.6	
Op. Expenditure	3457.8	5828.9	11925.3	12009.5	
EBITDA	1483.0	1881.1	2209.4	2337.2	
Growth (%)	-2.4	26.8	17.5	5.8	
Depreciation	290.4	317.1	382.8	483.5	
EBIT	1192.6	1564.1	1826.6	1853.7	
Interest	11.3	13.2	15.1	19.4	
Other Income	150.2	215.0	200.7	120.0	
PBT	1331.5	1765.9	2012.2	1954.3	
Growth (%)	-5.9	32.6	14.0	-2.9	
Tax	325.8	450.9	496.2	494.4	
Reported PAT	1005.7	1315.0	1516.0	1459.9	
Growth (%)	-11.5	30.8	15.3	-3.7	
Adjustments	0.0	0.0	0.0	0.0	
Adj. Net Profit	1005.7	1315.0	1516.0	1459.9	
EPS	14.4	18.8	21.7	20.9	

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Profit after Tax	1,005.7	1,315.0	1,516.0	1,459.9	
Add: Depreciation	290.4	317.1	382.8	483.5	
Add: Others	30.3	31.5	30.0	30.0	
Cash Profit	1,130.3	1,411.5	1,519.3	1,563.8	
Increase/(Decrease) in CL	451.9	630.8	600.2	34.0	
(Increase)/Decrease in CA	-60.9	-273.1	-356.4	-40.1	
CF from Operating Activi	1811.7	2086.3	2146.0	2041.3	
Purchase of Fixed Assets	1,124.6	1,529.6	971.4	1,100.0	
(Inc)/Dec in Investments	-1,567.7	-150.0	-750.0	-550.0	
Others	0.0	0.0	0.0	0.0	
CF from Investing Activi	-2,692.3	-1,679.6	-1,721.4	-1,650.0	
Inc/(Dec) in Loan Funds	123.5	138.4	40.0	40.0	
Less: Dividend Paid	196.0	252.0	409.5	409.5	
Inc/(Dec) in Sh. Cap. & Res.	-0.2	1.4	0.0	0.0	
Others	0.0	0.0	0.0	0.0	
CF from financing activiti	-72.6	-112.3	-369.5	-369.5	
Change in cash Eq.	-1,047.7	229.4	81.8	-52.2	
Op. Cash and cash Eq.	2,180.0	1,132.3	1,361.6	1,443.4	
Cl. Cash and cash Eq.	1,132.3	1,361.6	1,443.4	1,391.2	

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Source of Funds					
Equity Capital	140.0	140.0	140.0	140.0	
Preference capital	0.0	0.0	0.0	0.0	
Reserves & Surplus	5,731.9	6,796.2	7,902.7	8,953.1	
Shareholder's Fund	5,871.9	6,936.2	8,042.7	9,093.1	
Loan Funds	79.9	78.1	78.1	78.1	
Deferred Tax Liability	242.2	273.7	303.7	333.7	
Minority Interest	0.0	0.0	0.0	0.0	
Source of Funds	7087.3	8321.5	9498.0	10618.4	
Application of Funds					
Gross Block	5,397.7	6,340.1	7,540.1	8,740.1	
Less: Acc. Depreciation	1,076.9	1,338.4	1,749.8	2,233.3	
Net Block	4,320.9	5,001.7	5,790.3	6,506.9	
Capital WIP	846.9	1,378.6	1,178.6	1,078.6	
Total Fixed Assets	5,167.8	6,380.3	6,968.9	7,585.5	
Investments	1,825.8	1,975.8	2,725.8	3,275.8	
Inventories	45.6	45.5	96.8	98.3	
Debtor	260.7	520.6	774.5	786.1	
Cash	1,132.3	1,361.6	1,443.4	1,391.2	
Loan & Advance, Other CA	155.2	168.5	219.6	246.7	
Total Current assets	1593.8	2096.2	2534.3	2522.2	
Current Liabilities	1127.5	1701.3	2323.5	2358.4	
Provisions	372.7	429.5	407.6	406.8	
Total CL and Provisions	1500.1	2130.9	2731.1	2765.1	
Net Working Capital	93.7	-34.7	-196.8	-242.9	
Miscellaneous expense	0.0	0.0	0.0	0.0	
Application of Funds	7087.3	8321.4	9498.0	10618.4	

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios		FY21	FY22	FY23E	FY24E
(Year-end March)					
Per share data (₹)					
Book Value		83.9	99.1	114.9	129.9
Cash per share		38.6	44.0	55.9	63.0
EPS		14.4	18.8	21.7	20.9
Cash EPS		18.5	23.3	27.1	27.8
DPS		2.8	5.5	5.0	5.0
Profitability & Operating Ratios					
EBITDA Margin (%)		30.0	24.4	15.6	16.3
PAT Margin (%)		20.4	17.1	10.7	10.2
Fixed Asset Turnover (x)		1.0	1.2	2.0	1.9
Inventory Turnover (Days)		3.4	2.2	2.5	2.5
Debtor (Days)		19.3	24.6	20.0	20.0
Current Liabilities (Days)		83.3	80.5	60.0	60.0
Return Ratios (%)					
RoE		17.1	19.0	18.8	16.1
RoCE		20.0	22.3	22.5	20.2
RoIC		36.7	39.7	43.4	38.9
Valuation Ratios (x)					
PE		26.5	20.3	17.6	18.3
Price to Book Value		4.5	3.8	3.3	2.9
EV/EBITDA		17.3	13.5	11.5	10.8
EV/Sales		5.2	3.3	1.8	1.8
Leverage & Solvency Ratios					
Debt to equity (x)		0.0	0.0	0.0	0.0
Interest Coverage (x)		NA	NA	NA	NA
Debt to EBITDA (x)		0.1	0.0	0.0	0.0
Current Ratio		1.1	1.0	0.9	0.9
Quick ratio		1.0	1.0	0.9	0.9

Source: Company, ICICI Direct Research

Exhibit 12: ICICI Direct coverage universe (Oil & Gas)

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
BPCL (BHAPET)	339	350	Hold	68,840	41.3	-19.3	82.3	8.2	-17.5	4.1	6.4	173.4	3.4	15.1	-2.8	24.4	17.5	-9.0	29.8
GAIL (India) (GAIL)	84	100	Buy	55,231	23.3	13.7	8.9	3.6	6.1	9.4	3.0	4.7	7.2	18.8	15.1	8.4	18.6	14.7	9.1
Gujarat Gas (GUJGA)	500	480	Hold	34,420	18.9	23.4	20.9	26.4	21.4	23.9	16.4	13.5	14.6	27.0	28.2	21.8	23.1	23.2	17.9
HPCL (HINPET)	248	260	Hold	35,190	44.9	-67.4	42.5	5.5	-3.7	5.8	8.0	-11.4	7.7	7.3	-14.4	7.8	16.5	-32.8	18.6
Indian Oil Corp (INDOIL)	73	80	Hold	1,02,803	17.1	2.3	13.9	4.3	32.0	5.3	2.4	5.5	2.5	12.9	2.4	10.1	18.4	2.6	14.8
Indraprastha Gas (INDGAS)	381	430	Hold	26,670	18.8	21.7	20.9	20.3	17.6	18.3	13.5	11.5	10.8	22.3	22.5	20.2	19.0	18.8	16.1
Mahanagar Gas (MAHGAS)	845	820	Hold	8,347	60.4	58.9	84.8	14.0	14.3	10.0	8.6	8.6	6.0	19.8	17.7	23.1	16.6	15.0	19.0
ONGC (ONGC)	124	135	Hold	1,59,133	8.9	32.0	37.1	13.9	3.9	3.3	5.4	2.8	2.0	4.5	14.8	20.9	5.5	17.0	17.3
Petronet LNG (PETLNG)	200	210	Hold	30,000	22.3	17.7	19.2	8.9	11.3	10.4	5.5	6.6	5.8	27.0	20.0	20.8	25.0	19.0	19.5
Reliance Industries (RELIND)	2,472	2,700	Hold	16,72,274	89.7	94.5	118.0	27.5	26.2	20.9	18.0	13.6	11.2	7.1	8.7	10.3	7.8	7.6	8.7

Source: Bloomberg, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Harshal Mehta, MTech (Biotech), Payal Shah, MMS, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

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

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

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

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

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

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

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

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

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

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

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

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

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

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

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

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