

CMP: ₹ 465

Target: ₹ 520 (12%)

Target Period: 12 months

HOLD

August 19, 2021

## Subdued performance, privatisation key trigger...

**About the stock:** Bharat Petroleum Corporation (BPCL) is a public sector refining & marketing company.

- BPCL operates more than 18000 retail outlets across the country
- Under the ongoing divestment process, the government will sell its 53% stake in the company to a private player

**Q1FY22 Results:** BPCL reported subdued Q1FY22 results.

- Revenues fell 9.2% QoQ to ₹ 89687.1 crore (our estimate: ₹ 99563.6 crore) on lower-than-expected marketing sales
- EBITDA was at ₹ 3252.7 crore (down 35.7% QoQ), lower than estimated EBITDA of ₹ 3944.4 crore on account of a weak refining performance
- Consequent reported PAT was at ₹ 1501.7 crore, down 87.4% QoQ (our estimate: ₹ 2307.7 crore)

**What should investors do?** BPCL's share price has increased by ~30% over the past two years and outperformed other OMC stocks following the announcement by the government regarding its divestment.

- We retain our HOLD rating on the stock

**Target Price and Valuation:** We value BPCL at ₹ 520 i.e. average of P/BV multiple: ₹ 531/share and P/E multiple: ₹ 510/share.

**Key triggers for future price performance:**

- Progress on divestment and positive response by bidders for acquisition
- Recovery in global refining product cracks (mainly diesel)
- Pick-up in fuel demand and steady marketing margins

**Alternate Stock Idea:** Apart from BPCL, in our oil & gas coverage we also like IOC.

- IOC with its pan-India presence offers exposure to steady pipeline business along with improving profitability in refining and petchem segments. It trades at relatively cheaper valuation compared to peers
- BUY with a target price of ₹ 120



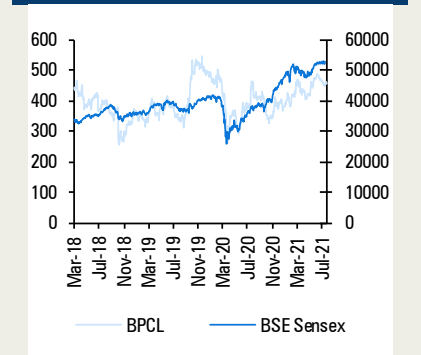
### Particulars

Particular	Amount
Market Capitalization (₹Crore)	97,320.3
Total Debt (FY20) (₹Crore)	47,818.7
Cash and Investments (FY20)	115.8
EV (₹Crore)	1,45,023.2
52 week H/L	494/325
Equity capital (₹Crore)	2,092.9
Face value (₹)	10.0

### Shareholding pattern

(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	53.0	53.0	53.0	53.0	53.0
FII	12.0	12.0	11.6	12.4	12.6
DII	20.5	20.6	20.1	23.3	22.4
Others	14.6	14.5	15.4	11.3	12.0

### Price Chart



### Recent event & key risks

- Divestment expected by end of FY22 as per the government
- **Key Risk:** (i) Weaker than expected GRMs, (ii) Better than expected marketing margins

### Research Analyst

Mayur Matani  
mayur.matani@icicisecurities.com

Amogh Deshpande  
amogh.deshpande@icicisecurities.com

### Key Financial Summary

(Year-end March)	FY19	FY20	FY21E	5 Year CAGR (FY16-21E)	FY22E	FY23E	2 year CAGR (FY21E-23E)
Revenues (₹ crore)	3,37,495.3	3,27,580.8	3,01,865.0	9.8	3,92,185.1	4,18,066.9	17.7
EBITDA (₹ crore)	11,837.0	6,639.3	17,130.6	9.2	12,471.8	14,312.0	(8.6)
Net Profit (₹ crore)	7,132.0	2,683.2	19,041.7	20.7	6,676.9	8,143.4	(34.6)
EPS (₹)	36.3	13.6	91.0		31.9	38.9	
P/E (x)	12.8	34.1	5.1		14.6	12.0	
Price / Book (x)	2.5	2.8	1.7		2.1	1.9	
EV/EBITDA (x)	10.2	21.0	7.4		9.9	8.3	
RoCE (%)	13.1	3.5	14.3		10.1	11.8	
RoE (%)	19.4	8.1	33.8		14.2	15.9	

Source: Company, ICICI Direct Research

## Key takeaways of the recent quarter

### Q1FY22 Results: Subdued performance

- BPCL's topline was down 9.2% QoQ (up 77.2% YoY on a lower base) to ₹ 89687.1 crore (our estimate: ₹ 99563.6 crore) as fuel demand reduced during the quarter due to the second wave of Covid-19. Marketing sales were at 9.6 MMT (down 13.8% QoQ, up 27.9% YoY) against our estimate of 10 MMT
- As per our understanding, the performance of the overall marketing segment was broadly in line with estimates on account of some improvement in margins QoQ
- BPCL achieved crude throughput of 6.8 MMT (down 18.5% QoQ) marginally lower than our estimates of 7 MMT during the quarter. Reported GRMs at US\$4.1/bbl were lower than our estimates of US\$5.7/bbl
- Subsequently, EBITDA was at ₹ 3252.7 crore (down 35.7% QoQ) lower than estimated EBITDA of ₹ 3944.4 crore. BPCL reported exceptional loss of ₹ 77.1 crore due to employee share based expenses

## Peer comparison

Exhibit 1: Peer Comparison

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
BPCL (BHAPET)	465	520	Hold	97,320	91.0	31.9	38.9	5.1	14.6	12.0	7.4	9.9	8.3	14.3	10.1	11.8	33.8	14.2	15.9
HPCL (HINPET)	264	265	Hold	38,344	70.6	34.3	29.0	3.7	7.7	9.1	5.3	7.6	7.4	14.9	7.4	6.1	29.5	13.0	10.6
Indian Oil Corp (INDOIL)	104	120	Buy	95,483	23.8	15.8	15.6	4.4	6.6	6.7	2.5	2.9	2.9	13.3	10.0	9.5	19.8	12.2	11.5

Source: Company, ICICI Direct Research

**Exhibit 2: Variance Analysis**

	Q1FY22	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Comments
Total Revenues	89,687.1	99,563.6	50,616.9	77.2	98,755.6	-9.2	
Raw materials costs	26,805.3	25,384.9	9,238.5	190.1	28,602.2	-6.3	
Employees Cost	738.9	930.0	902.9	-18.2	1,132.8	-34.8	
Other Expenses	58,890.2	69,304.3	36,559.7	61.1	63,962.8	-7.9	
Total Expenditure	86,434.4	95,619.1	46,701.1	85.1	93,697.8	-7.8	
EBITDA	3,252.7	3,944.4	3,915.8	-16.9	5,057.9	-35.7	Weaker than expected on subdued refining performance
EBITDA margins (%)	3.6	4.0	7.7	-411 bps	5.1	-149 bps	
Depreciation	1,144.6	1,100.8	995.9	14.9	999.8	14.5	
EBIT	2,108.2	2,843.6	2,920.0	-27.8	4,058.1	-48.1	
Interest	486.7	568.4	587.1	-17.1	477.6	1.9	
Other Income	451.7	810.0	593.3	-23.9	1,664.0	-72.9	Lower than estimates
Extra Ordinary Item	-77.1	0.0	0.0	NA	6,993.0	NA	
PBT	1,996.1	3,085.2	2,926.2	-31.8	12,237.4	-83.7	
Total Tax	494.5	777.5	850.0	-41.8	297.3	66.3	
PAT	1,501.6	2,307.7	2,076.2	-27.7	11,940.1	-87.4	

**Key Metrics**

Exchange rate (₹/\$)	73.9	73.9	75.9	-2.7	72.9	1.3	
Throughput (mmt)	6.8	7.0	5.1	33.1	8.4	-18.5	
Sales (mmt)	9.6	10.0	7.5	27.9	11.2	-13.8	
GRM (\$/barrel)	4.1	5.7	0.4	956.4	6.6	-38.0	Reported GRMs below estimates

Source: Company, ICICI Direct Research

**Exhibit 3: Change in estimates**

(₹ Crore)	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	379554.7	392,185.1	3.3	387411.9	418,066.9	7.9	Revised sales estimates higher due to higher oil prices
EBITDA	13096.1	12,471.8	-4.8	14008.0	14,312.0	2.2	
EBITDA Margin (%)	3.5	3.2	-27 bps	3.6	3.4	-19 bps	
PAT	7374.6	6,676.9	-9.5	8163.3	8,143.4	-0.2	
EPS (₹)	35.2	31.9	-9.5	39.0	38.9	-0.2	

Source: ICICI Direct Research

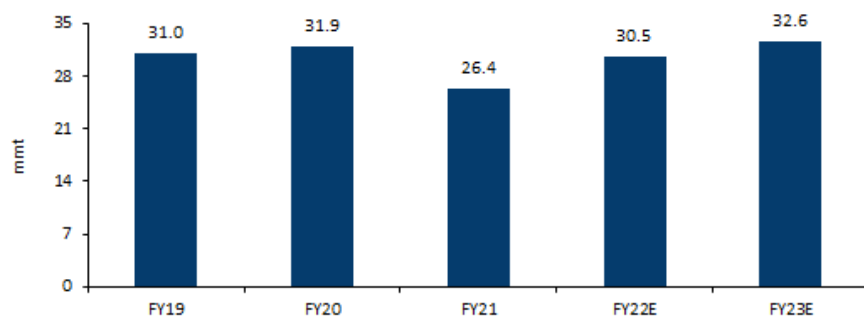
**Exhibit 4: Assumptions**

	Current				Earlier		Comments
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Exchange rate (₹/\$)	70.9	74.0	74.4	74.5	73.6	73.5	
Throughput (mmt)	31.9	26.4	30.5	32.6	30.7	32.6	Reduced FY22E throughput estimates due to lower capacity utilisation in Q1FY22
Sales (mmt)	43.1	38.7	43.4	46.9	43.2	46.8	
GRM (\$/barrel)	2.5	4.1	3.9	4.5	4.3	4.5	Lower FY22E sales estimate taking into account subdued Q1FY22 numbers

Source: ICICI Direct Research

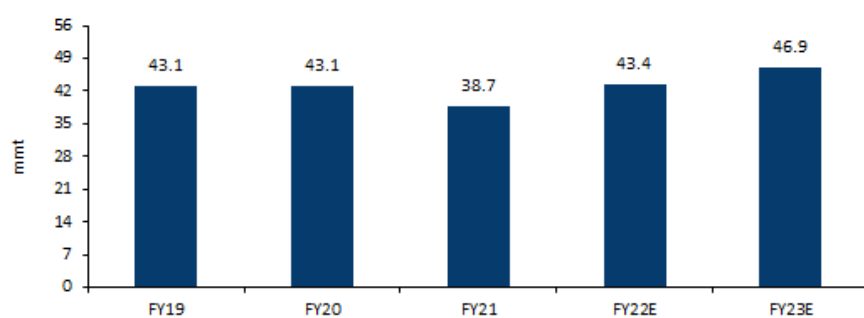
## Story in charts

Exhibit 5: Oil throughput trend



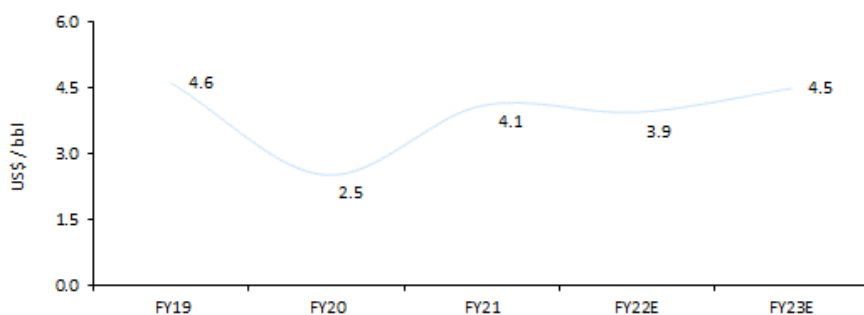
Source: Company, ICICI Direct Research

Exhibit 6: Marketing sales volume trend



Source: Company, ICICI Direct Research

Exhibit 7: Refining margin trend



Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 8: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>327580.8</b>	<b>301865.0</b>	<b>392185.1</b>	<b>418066.9</b>
Growth (%)	-2.9	-7.9	29.9	6.6
(Inc.)/(Dec.) in stock in trade	-456.6	-3633.6	-475.7	0.0
Raw material Costs	113229.3	71153.6	115038.9	121624.4
Purchase of Products	143164.3	127800.9	167398.9	183274.9
Employee Costs	3691.5	4477.2	3726.3	3856.8
Other Expenditure	61313.1	84936.3	94025.0	94998.8
Op. Expenditure	320941.5	284734.4	379713.4	403754.9
<b>EBITDA</b>	<b>6639.3</b>	<b>17130.6</b>	<b>12471.8</b>	<b>14312.0</b>
Growth (%)	-43.9	158.0	-27.2	14.8
Depreciation	3786.9	3978.1	4447.0	4853.3
EBIT	2852.4	13152.6	8024.8	9458.7
Interest	2181.9	1328.4	1917.6	1711.8
Other Income	2000.5	10793.4	2781.7	3140.0
PBT	2671.0	22617.6	8889.0	10886.9
Growth (%)	-74.4	746.8	-60.7	22.5
Tax	-12.2	3575.9	2212.1	2743.5
<b>Reported PAT</b>	<b>2683.2</b>	<b>19041.7</b>	<b>6676.9</b>	<b>8143.4</b>
Growth (%)	-62.4	609.7	-64.9	22.0
<b>EPS</b>	<b>13.6</b>	<b>91.0</b>	<b>31.9</b>	<b>38.9</b>

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
Profit after Tax	2,683.2	19,041.7	6,676.9	8,143.4
Add: Depreciation	3,786.9	3,978.1	4,447.0	4,853.3
Add: Others	-201.7	-1,495.7	50.0	50.0
Cash Profit	6,268.4	21,524.0	23,323.9	13,046.6
Increase/(Decrease) in CL	-4,401.6	7,373.5	11,675.3	4,115.5
(Increase)/Decrease in CA	2,396.0	-16,638.8	3,579.8	-897.3
<b>CF from Operating Activities</b>	<b>4262.8</b>	<b>12258.7</b>	<b>38579.0</b>	<b>16264.8</b>
Purchase of Fixed Assets	16,688.9	7,916.7	9,956.8	7,913.0
(Inc)/Dec in Investments	-66.4	-1,626.1	1,939.9	500.0
Others	0.0	0.0	0.0	0.0
<b>CF from Investing Activities</b>	<b>-16755.3</b>	<b>-9542.8</b>	<b>-8017.0</b>	<b>-7413.0</b>
Inc/(Dec) in Loan Funds	18,719.4	-12,000.0	-3,500.0	-3,500.0
Less: Dividend Paid	6,233.7	4,409.0	15,917.2	4,185.8
Inc/(Dec) in Sh. Cap. & Res.	27.2	20,626.0	-12,150.0	0.0
Others	0.0	0.0	0.0	0.0
<b>CF from financing activities</b>	<b>12,512.9</b>	<b>4,217.0</b>	<b>-31,567.2</b>	<b>-7,685.8</b>
Change in cash Eq.	20.4	6,932.9	-1,005.2	1,165.9
Op. Cash and cash Eq.	95.4	115.8	7,048.7	6,043.4
<b>Cl. Cash and cash Eq.</b>	<b>115.8</b>	<b>7,048.7</b>	<b>6,043.4</b>	<b>7,209.4</b>

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Source of Funds</b>				
Equity Capital	1,966.9	2,092.9	2,092.9	2,092.9
Preference capital	0.0	0.0	0.0	0.0
Reserves & Surplus	31,247.5	54,255.2	45,014.8	48,972.4
Shareholder's Fund	33,214.4	56,348.1	47,107.7	51,065.3
Loan Funds	47,818.7	35,818.7	32,318.7	28,818.7
Deferred Tax Liability	5,967.3	4,471.6	4,521.6	4,571.6
Minority Interest	0.0	0.0	0.0	0.0
<b>Source of Funds</b>	<b>87000.4</b>	<b>96638.3</b>	<b>83948.0</b>	<b>84455.5</b>
<b>Application of Funds</b>				
Gross Block	70,182.1	77,182.1	86,182.1	93,182.1
Less: Acc. Depreciation	12,834.3	16,895.6	21,385.8	26,326.0
Net Block	57,347.7	60,286.4	64,796.3	66,856.1
Capital WIP	9,108.1	10,108.1	11,108.1	12,108.1
Total Fixed Assets	66,455.8	70,394.5	75,904.4	78,964.2
Investments	16,058.0	17,684.1	15,744.2	15,244.2
Inventories	20,421.1	26,756.8	24,713.0	26,343.9
Debtor	5,164.3	7,827.5	7,521.4	8,017.7
Cash	115.8	7,048.7	6,043.4	7,209.4
Loan & Advance, Other CA	17048.1	12563.1	11333.1	10103.1
Total Current assets	42749.3	54196.0	49610.9	51674.1
Current Liabilities	34824.9	41351.4	53724.0	57269.4
Provisions	3437.9	4284.9	3587.6	4157.6
Total CL and Provisions	38262.8	45636.3	57311.6	61427.0
Net Working Capital	4486.5	8559.7	-7700.6	-9752.9
Miscellaneous expense	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>87000.4</b>	<b>96638.3</b>	<b>83948.0</b>	<b>84455.5</b>

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios				
(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Per share data (₹)</b>				
Book Value	168.9	269.2	225.1	244.0
Cash per share	0.6	33.7	28.9	34.4
EPS	13.6	91.0	31.9	38.9
Cash EPS	32.9	110.0	53.2	62.1
DPS	15.0	79.0	18.0	20.0
<b>Profitability &amp; Operating Ratios</b>				
EBITDA Margin (%)	2.0	5.7	3.2	3.4
PAT Margin (%)	0.8	6.3	1.7	1.9
Fixed Asset Turnover (x)	4.9	4.3	5.2	5.3
Inventory Turnover (Days)	22.8	32.4	23.0	23.0
Debtor (Days)	5.8	9.5	7.0	7.0
Current Liabilities (Days)	38.8	50.0	50.0	50.0
<b>Return Ratios (%)</b>				
RoE	8.1	33.8	14.2	15.9
RoCE	3.5	14.3	10.1	11.8
RoIC	3.7	15.9	11.3	13.3
<b>Valuation Ratios (x)</b>				
PE	34.1	5.1	14.6	12.0
Price to Book Value	2.8	1.7	2.1	1.9
EV/EBITDA	21.0	7.4	9.9	8.3
EV/Sales	0.4	0.4	0.3	0.3
<b>Leverage &amp; Solvency Ratios</b>				
Debt to equity (x)	1.4	0.6	0.7	0.6
Interest Coverage (x)	1.3	9.9	4.2	5.5
Debt to EBITDA (x)	7.2	2.1	2.6	2.0
Current Ratio	1.1	1.2	0.9	0.8
Quick ratio	0.6	0.6	0.4	0.4

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 (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
BPCL (BHAPET)	465	520	Hold	97,320	91.0	31.9	38.9	5.1	14.6	12.0	7.4	9.9	8.3	14.3	10.1	11.8	33.8	14.2	15.9
GAIL (India) (GAIL)	139	180	Hold	61,721	11.0	16.4	17.7	12.6	8.5	7.9	10.3	6.4	6.3	8.7	14.4	13.6	10.6	14.4	14.1
Gujarat Gas (GUJGA)	722	735	Hold	49,702	18.5	24.9	26.3	39.0	29.0	27.5	24.1	18.7	17.4	33.0	36.5	32.8	29.0	29.6	25.4
HPCL (HINPET)	264	265	Hold	38,344	70.6	34.3	29.0	3.7	7.7	9.1	5.3	7.6	7.4	14.9	7.4	6.1	29.5	13.0	10.6
Indian Oil Corp (INDOIL)	104	120	Buy	95,483	23.8	15.8	15.6	4.4	6.6	6.7	2.5	2.9	2.9	13.3	10.0	9.5	19.8	12.2	11.5
Indraprastha Gas (INDGAS)	535	585	Hold	37,450	14.4	18.0	21.5	37.2	29.7	24.9	24.5	19.8	16.5	20.7	23.1	23.3	17.4	18.9	19.3
Mahanagar Gas (MAHGAS)	1167	1340	Buy	11,527	62.7	95.6	107.2	18.6	12.2	10.9	11.9	7.9	6.6	22.6	29.7	28.1	18.7	23.9	22.5
ONGC (ONGC)	114	110	Hold	1,46,300	9.0	19.1	20.7	12.6	6.0	5.5	5.2	3.3	3.0	4.4	11.6	11.4	5.6	10.9	10.9
Petronet LNG (PETLNG)	223	245	Hold	33,450	19.7	19.1	21.2	11.3	11.7	10.5	6.8	6.7	5.9	25.3	23.4	24.1	24.4	22.3	22.8

Source: Bloomberg, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavors 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, Mayur Matani, MBA, Amogh Deshpande, PGDM, 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 – INH00000990. 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](http://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 [icicidirect.com](http://icicidirect.com) to view the Fundamental and Technical Research Reports.

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

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

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

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

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

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

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

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

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

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

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

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

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

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