

## Expect strong volume growth trajectory, going ahead

**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 FY18-23

**Q4FY23 Results:** IGL reported Q4FY23 results that were marginally higher than estimates on the profitability front.

- Revenue grew 53% YoY to ₹ 3687.2 crore due to higher realisation as well as volume, in line with I-direct estimate of ₹ 3742 crore. Sales volume grew 6.6% YoY to 8.25 mmscmd
- Gross margin was down 6% YoY to ₹ 11.8/scm (I-direct estimate: ₹ 12.8/scm). EBITDA was at ₹ 466.3 crore, down 6.8% YoY (up 8.8% QOQ) against I-direct estimate of ₹ 495 crore
- PAT came in at ₹ 329.8 crore, down ~8.8% YoY, up 19% QoQ, marginally higher than I-direct estimate of ₹ 312 crore

**What should investors do?** IGL plans to achieve sales volume growth of 1 mmscmd every year in FY24 and FY25. On the sourcing front, domestic gas prices have been revised from US\$8.57/mmbtu to US\$6.5/mmbtu, which has brought down the procurement cost and the company passed on the benefit to customers by reducing CNG and PNG prices. Along with this, spot LNG price have also further softened to ~US\$12/mmbtu from US\$17/mmbtu seen in the previous quarter

- We maintain our **BUY** rating on the stock

**Target Price and Valuation:** We value IGL at ₹ 590 (standalone at ₹ 540 i.e. ~21x P/E on FY25E EPS and investments at ₹ 50 per share).

### Key triggers for future price performance:

- Continued capex and presence in new geographical areas to 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 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
- BUY with a target price of ₹ 1300

### Key Financial Summary

(Year-end March)	FY21	FY22	FY23	5 year CAGR (FY18-23)	FY24E	FY25E	2 year CAGR (FY23-25E)
Revenues (₹ crore)	4,940.8	7,710.0	14,145.9	25.2	13,243.7	14,021.2	(0.4)
EBITDA (₹ crore)	1,483.0	1,881.1	2,039.8	12.9	2,462.6	2,645.3	13.9
Net Profit (₹ crore)	1,005.7	1,315.0	1,453.2	16.7	1,692.9	1,783.2	10.8
EPS (₹)	14.4	18.8	20.8		24.2	25.5	
P/E (x)	34.0	26.0	23.5		20.2	19.2	
Price / Book (x)	5.8	4.9	4.8		4.1	3.5	
EV/EBITDA (x)	22.3	17.5	15.5		13.0	12.2	
RoCE (%)	20.0	22.3	23.5		23.9	21.9	
RoE (%)	17.1	19.0	20.5		20.2	18.5	

Source: Company, ICICI Direct Research



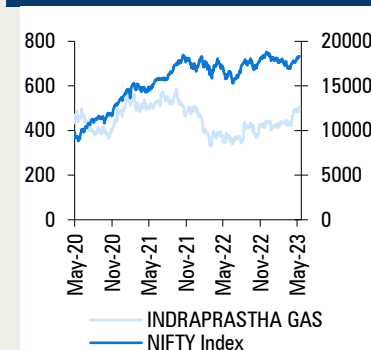
### Particulars

Particular	Amount
Market Capitalization (₹ Crore)	32,410.0
Total Debt (FY23) (₹ Crore)	59.3
Cash and Investments (FY23)	2,633.2
EV (₹ Crore)	29,836.1
52 week H/L	516/335
Equity capital (₹ Crore)	140.0
Face value (₹)	2.0

### Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	45.0	45.0	45.0	45.0
FII	20.3	21.0	21.8	21.3
DII	16.8	20.1	19.7	20.5
Others	17.9	13.9	13.5	13.3

### Price Chart



### Recent event & key risks

- **Key Risk:** (i) Lower than expected volume growth (ii) Increase in gas sourcing cost

### Research Analyst

Harshal Mehta  
harshal.mehta@icicisecurities.com

Payal Shah  
shah.payal@icicisecurities.com

## Key takeaways of recent quarter & conference call highlights

### Q4FY23 Results: Margins improve QoQ

- Revenue remained flat QoQ. Realisation for the quarter came in at ₹ 54.4/scm
- Sales volume was at 8.25 mmscmd, up 6.6% YoY, 1.7% QoQ, in line with I-direct estimates. CNG segment grew ~8% YoY to 6.11 mmscmd. PNG volume increased ~3% YoY to 2.14 mmscmd. Within the PNG segment, domestic PNG volume was up 10% YoY while industrial/commercial PNG volume remained flat. On a QoQ basis, CNG sales were flattish while PNG volume grew 4.8%
- Gas sourcing costs declined ₹ 0.7/scm QoQ to ₹ 37.6/scm and came in line with estimate of ₹ 37.5/scm. This led to gross margin of ₹ 11.8/scm, up ₹ 0.7/scm
- We estimate sales volume of 8.7 mmscmd and 9.4 mmscmd in FY24E and FY25E, respectively
- Gross margin is expected at ₹ 13.3/scm and ₹ 13.2/scm in FY24E and FY25E, respectively

### Q4FY23 Earnings Conference Call highlights

- The company commissioned 81 new CNG stations in FY23 (with ~50% in new GAs) taking total to 791 CNG stations. In FY24, IGL plans to set up 100 new CNG stations with 50% of them in new geographical areas
- Total 3.1 lakh new domestic PNG connections were installed, 700+ new industrial and 900+ commercial customers were added, 298 km steel pipeline and 3400 km of MDPE pipeline laid during the year
- The company plans to achieve sales volume of 9 mmscmd in FY24 and 10 mmscmd in FY25, and maintain an EBITDA/scm of ₹ 7.5-8 in FY24
- By FY25, the company expects 60% of volume to come from Delhi and adjoining areas while 40% would come from other GAs
- In FY23, the company received 89% of APM/non APM/CBG gas, 2% came from HPHT and the remaining was sourced through R-LNG
- The estimated capex for FY24 was at ₹ 1600 crore whereby 50% of capex would be incurred on new GAs

### IGL- ESG Disclosure Score

Score	FY20	FY21	FY22
Environmental	0.8	0.8	NA
Social	8.9	11.3	NA
Governance	66.1	66.1	NA
<b>Overall ESG Score</b>	<b>25.3</b>	<b>26.1</b>	<b>NA</b>

Source: Bloomberg, ICICI Direct Research

### 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)	485	570	Buy	33,387	0.0	0.0	0.0	31.9	27.3	27.3	0.0	0.0	0.0	76.3	51.1	60.5	28.7	20.6	22.2
Indraprastha Gas (INDGAS)	488	590	Buy	34,160	14.4	18.8	20.8	34.0	26.0	23.5	22.3	17.5	15.5	20.0	22.3	23.5	17.1	19.0	20.5
Mahanagar Gas (MAHGAS)	1077	1,300	Buy	10,638	327.2	364.2	418.5	44.8	35.6	34.3	17.2	17.8	13.5	0.0	0.0	0.0	172.4	123.8	81.5

Source: Company, ICICI Direct Research

Exhibit 2: Variance Analysis

	Q4FY23	Q4FY23E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Total Revenues	3,687.2	3,741.5	2,405.9	53.3	3,710.8	-0.6	Revenue increased YoY on account of sales growth as well as higher realisation
Raw materials costs	2,792.5	2,786.8	1,517.8	84.0	2,863.6	-2.5	
Employees Cost	46.7	48.6	38.5	21.2	43.8	6.6	
Other Expenses	381.7	411.6	349.1	9.3	375.0	1.8	
Total Expenditure	3,220.9	3,247.0	1,905.5	69.0	3,282.3	-1.9	In line with estimates
EBITDA	466.3	494.5	500.5	-6.8	428.5	8.8	
EBITDA margins (%)	12.6	13.2	20.8	-816 bps	11.5	110 bps	
Depreciation	93.8	102.9	75.3	24.6	92.5	1.4	
EBIT	372.5	391.6	425.2	-12.4	336.0	10.9	
Interest	2.6	4.7	4.9	-47.7	2.6	-2.3	
Other Income	65.4	30.0	77.4	-15.4	55.7	17.4	
Extra Ordinary Item	0.0	0.0	0.0	NA	0.0	NA	
PBT	435.4	416.9	497.7	-12.5	389.1	11.9	
Total Tax	105.7	105.5	136.1	-22.4	110.9	-4.7	
PAT	329.8	311.5	361.6	-8.8	278.3	18.5	Marginally higher than estimates

Key Metrics

Sales Volumes (mmscmd)	8.256	8.25	7.7	6.6	8.1	1.7	In line with estimates
Realisation (₹/scm)	54.4	55.5	37.8	43.8	54.5	-0.2	
Gross Margin (₹/scm)	11.8	12.8	12.6	-6.3	11.1	5.9	Margins improved QoQ due to decline in gas sourcing cost

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY24E			FY25E			Comments
	Old	New	Change	Old	New	Change	
Revenue	13947.4	13,243.7	-5.0	15090.2	14,021.2	-7.1	Revised estimates as per current gas price trend
EBITDA	2800.5	2,462.6	-12.1	3045.7	2,645.3	-13.1	Revised gas cost estimate taking into account current oil & gas price trend
EBITDA Margin (%)	20.1	18.6	-148 bps	20.2	18.9	-132 bps	
PAT	1870.0	1,692.9	-9.5	2034.7	1,783.2	-12.4	
EPS (₹)	26.7	24.2	-9.5	29.1	25.5	-12.4	

Source: ICICI Direct Research

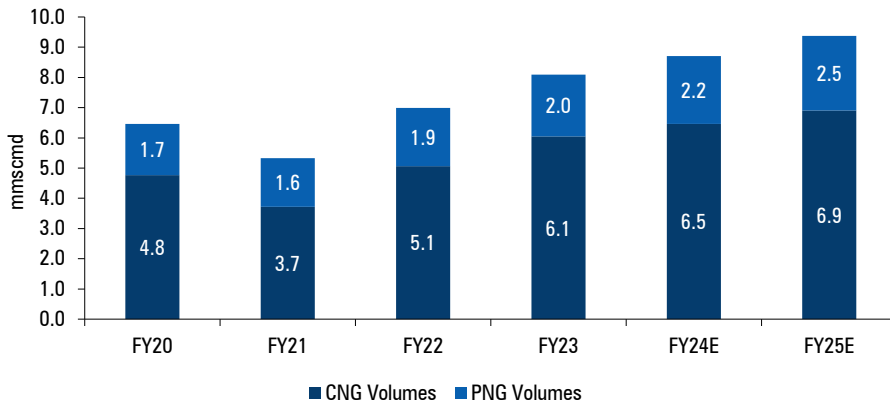
Exhibit 4: Assumptions

	Current				Earlier		Comments
	FY22	FY23	FY24E	FY25E	FY24E	FY25E	
Sales Volumes (mmscmd)	7.0	8.1	8.7	9.4	9.0	10.0	Volume revised post Q4FY23 result
Realisation (₹/scm)	33.1	52.7	45.9	45.1	46.9	45.5	Revised realisation estimate
Gross Margin (₹/scm)	12.8	12.4	13.3	13.2	14.2	14.1	

Source: ICICI Direct Research

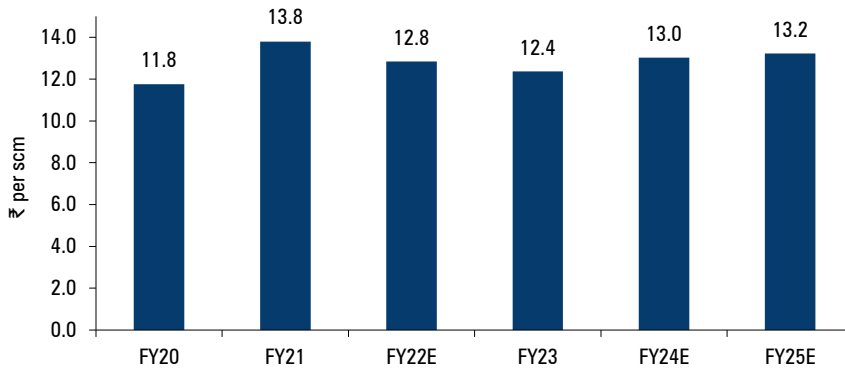
### Story in charts

Exhibit 5: Volume trajectory



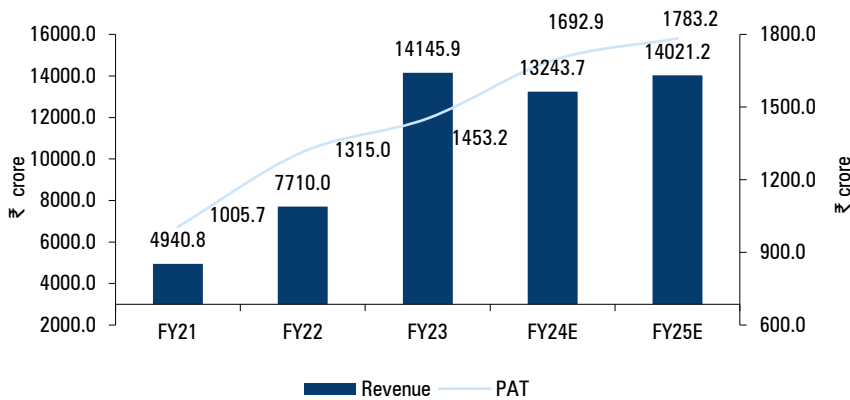
Source: Company, ICICI Direct Research

Exhibit 6: Gross margins remain largely stable



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)	FY22	FY23	FY24E	FY25E
<b>Revenue</b>	<b>7710.0</b>	<b>14145.9</b>	<b>13243.7</b>	<b>14021.2</b>
Growth (%)	56.0	83.5	-6.4	5.9
Raw material Costs	4392.3	10436.0	9003.7	9483.0
Employee Costs	176.0	188.2	188.2	210.3
Other Expenditure	1260.6	1481.9	1589.2	1682.5
Op. Expenditure	5828.9	12106.1	10781.1	11375.9
<b>EBITDA</b>	<b>1881.1</b>	<b>2039.8</b>	<b>2462.6</b>	<b>2645.3</b>
Growth (%)	26.8	8.4	20.7	7.4
Depreciation	317.1	363.4	451.8	526.8
EBIT	1564.1	1676.4	2010.8	2118.5
Interest	13.2	10.6	8.9	7.1
Other Income	215.0	261.9	264.3	279.9
PBT	1765.9	1927.7	2266.3	2391.3
Growth (%)	32.6	9.2	17.6	5.5
Tax	450.9	474.6	573.4	608.2
<b>Reported PAT</b>	<b>1315.0</b>	<b>1453.2</b>	<b>1692.9</b>	<b>1783.2</b>
Growth (%)	30.8	10.5	16.5	5.3
Adjustments	0.0	0.0	0.0	0.0
Adj. Net Profit	1315.0	1453.2	1692.9	1783.2
<b>EPS</b>	<b>18.8</b>	<b>20.8</b>	<b>24.2</b>	<b>25.5</b>

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Profit after Tax	1,315.0	1,453.2	1,692.9	1,783.2
Add: Depreciation	317.1	363.4	451.8	526.8
Add: Others	31.5	43.1	30.0	30.0
Cash Profit	1,411.5	794.9	1,519.5	1,818.4
Increase/(Decrease) in CL	630.8	2,182.5	-240.9	162.1
(Increase)/Decrease in CA	-273.1	-563.6	59.8	-85.3
<b>CF from Operating Activi</b>	<b>2086.3</b>	<b>2757.7</b>	<b>1790.1</b>	<b>2422.0</b>
Purchase of Fixed Assets	1,529.6	1,122.1	1,591.9	1,546.5
(Inc)/Dec in Investments	-150.0	1,298.6	-550.0	-550.0
Others	0.0	0.0	0.0	0.0
<b>CF from Investing Activi</b>	<b>-1,679.6</b>	<b>167.6</b>	<b>-2,141.9</b>	<b>-2,096.5</b>
Inc/(Dec) in Loan Funds	138.4	-1,052.4	30.0	30.0
Less: Dividend Paid	252.0	1,064.7	655.2	521.6
Inc/(Dec) in Sh. Cap. & Res.	1.4	-238.1	238.1	0.0
Others	0.0	0.0	0.0	0.0
<b>CF from financing activiti</b>	<b>-112.3</b>	<b>-2,355.1</b>	<b>-387.1</b>	<b>-491.6</b>
Change in cash Eq.	229.4	1,271.5	-535.5	-171.3
Op. Cash and cash Eq.	1,132.3	1,361.6	2,633.2	2,097.7
<b>Cl. Cash and cash Eq.</b>	<b>1,361.6</b>	<b>2,633.2</b>	<b>2,097.7</b>	<b>1,926.4</b>

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Source of Funds</b>				
Equity Capital	140.0	140.0	140.0	140.0
Preference capital	0.0	0.0	0.0	0.0
Reserves & Surplus	6,796.2	6,946.6	8,222.3	9,483.9
Shareholder's Fund	6,936.2	7,086.6	8,362.3	9,623.9
Loan Funds	78.1	59.3	49.3	39.3
Deferred Tax Liability	273.7	316.8	346.8	376.8
Minority Interest	0.0	0.0	0.0	0.0
<b>Source of Funds</b>	<b>8321.5</b>	<b>7462.6</b>	<b>8798.4</b>	<b>10120.0</b>
<b>Application of Funds</b>				
Gross Block	6,340.1	7,435.3	9,035.3	10,535.3
Less: Acc. Depreciation	1,338.4	1,701.7	2,233.3	2,788.8
Net Block	5,001.7	5,733.5	6,802.0	7,746.5
Capital WIP	1,378.6	1,433.7	1,505.4	1,580.7
Total Fixed Assets	6,380.3	7,167.3	8,307.4	9,327.2
Investments	1,975.8	677.3	1,227.3	1,777.3
Inventories	45.5	49.2	47.2	49.9
Debtor	520.6	903.4	834.5	883.5
Cash	1,361.6	2,633.2	2,097.7	1,926.4
Loan & Advance, Other CA	168.5	345.6	356.7	390.2
Total Current assets	2096.2	3931.4	3336.1	3250.1
Current Liabilities	1701.3	3769.5	3519.6	3726.2
Provisions	429.5	543.8	552.9	508.4
Total CL and Provisions	2130.9	4313.3	4072.4	4234.6
Net Working Capital	-34.7	-382.0	-736.3	-984.5
Miscellaneous expense	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>8321.4</b>	<b>7462.6</b>	<b>8798.4</b>	<b>10120.0</b>

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios				
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Per share data (₹)</b>				
Book Value	99.1	101.2	119.5	137.5
Cash per share	44.0	43.6	43.8	49.2
EPS	18.8	20.8	24.2	25.5
Cash EPS	23.3	26.0	30.6	33.0
DPS	5.5	13.0	8.0	6.4
<b>Profitability &amp; Operating Ratios</b>				
EBITDA Margin (%)	24.4	14.4	18.6	18.9
PAT Margin (%)	17.1	10.3	12.8	12.7
Fixed Asset Turnover (x)	1.2	2.0	1.6	1.5
Inventory Turnover (Days)	2.2	1.3	1.3	1.3
Debtor (Days)	24.6	23.3	23.0	23.0
Current Liabilities (Days)	80.5	97.3	97.0	97.0
<b>Return Ratios (%)</b>				
RoE	19.0	20.5	20.2	18.5
RoCE	22.3	23.5	23.9	21.9
RoIC	39.7	41.0	37.6	34.1
<b>Valuation Ratios (x)</b>				
PE	26.2	23.7	20.3	19.3
Price to Book Value	5.0	4.9	4.1	3.6
EV/EBITDA	17.6	15.6	13.2	12.3
EV/Sales	4.3	2.3	2.4	2.3
<b>Leverage &amp; Solvency Ratios</b>				
Debt to equity (x)	0.0	0.0	0.0	0.0
Interest Coverage (x)	NA	NA	NA	NA
Debt to EBITDA (x)	0.0	0.0	0.0	0.0
Current Ratio	1.0	0.9	0.8	0.8
Quick ratio	1.0	0.9	0.8	0.8

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)	343	380	Hold	73,040	91.0	43.7	5.2	3.8	7.9	65.8	5.8	6.3	13.0	14.8	13.9	2.7	34.9	18.5	2.2
GAIL (India) (GAIL)	96	120	Buy	63,121	11.0	23.3	9.4	8.7	4.1	10.2	7.3	3.4	8.4	8.7	18.8	9.0	10.5	18.6	10.5
Gujarat Gas (GUJGA)	485	570	Buy	33,387	0.0	0.0	0.0	31.9	27.3	27.3	0.0	0.0	0.0	76.3	51.1	60.5	28.7	20.6	22.2
HPCL (HINPET)	259	310	Buy	36,740	70.6	44.9	-63.3	3.7	5.8	-4.1	5.0	8.2	-13.9	15.6	7.3	-12.4	29.5	16.5	-32.4
Indian Oil Corp (INDOIL)	81	90	Hold	1,14,382	15.5	17.1	5.2	5.2	4.7	15.5	3.0	2.6	5.0	13.3	12.9	4.0	19.8	18.4	5.8
Indraprastha Gas (INDGAS)	488	590	Buy	34,160	14.4	18.8	20.8	34.0	26.0	23.5	22.3	17.5	15.5	20.0	22.3	23.5	17.1	19.0	20.5
Mahanagar Gas (MAHGAS)	1077	1,300	Buy	10,638	327.2	364.2	418.5	44.8	35.6	34.3	17.2	17.8	13.5	0.0	0.0	0.0	172.4	123.8	81.5
ONGC (ONGC)	152	180	Buy	1,95,067	10.4	8.9	32.0	14.6	17.0	4.7	4.2	6.5	3.4	10.2	4.5	14.8	6.7	5.5	17.0
Petronet LNG (PETLNG)	227	240	Hold	34,050	19.7	22.3	21.6	11.5	10.2	10.5	7.0	6.3	6.5	26.0	27.0	22.7	25.3	25.0	21.7
Reliance Industries (RELIND)	2,349	2,850	Buy	15,89,099	89.7	89.7	98.6	30.8	26.2	23.8	22.2	17.0	12.8	5.5	7.3	9.0	7.0	7.8	8.1

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](mailto:pankaj.pandey@icicisecurities.com)**

**ICICI Direct Research Desk,  
ICICI Securities Limited,  
Third Floor, Brillanto House,  
Road No 13, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto: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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. 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).

### Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Anoop Goyal  
Contact number: 022-40701000 E-mail Address: [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Prabhodh Avadhoot Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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 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.