

January 30, 2024

RESULT REPORT Q3 FY24 | Sector: Energy

# Petronet LNG Ltd

**In line volumes, use or pay one off income drives the reported profitability**

## Our View

Petronet LNG's Q3FY24 revealed a mixed performance with a 10.4% YoY drop in adjusted revenue, while re-gasified volumes saw a commendable 39% YoY increase. However, EBITDA and PAT experienced declines of 35% and 37% YoY. Dahej terminal played a crucial role in India's LNG imports, accounting for about 86.1% of the total and having ~98% Dahej terminal utilization. Despite this notable increase, the adjusted gross margin has seen a reduction. The higher expenses and the profitability were primarily driven by use or pay one off income and expenses. The stock price has had a sharp rally, we downgrade the rating to a **SELL** from **REDUCE** earlier, with a TP of Rs229, valuing the stock at 10x PER.

## Result Highlights

- Adjusted Performance:** Petronet's adjusted revenue was down 10.4% YoY but up 12.8% QoQ, to Rs141.4bn; its EBITDA was down 35% YoY and 10% QoQ, to Rs11bn; its PAT was down 37% YoY, 10% QoQ, to Rs7.4bn. The other expenses at Rs 3.7bn; was up 87% YoY and 125% QoQ. Overall volumes are in line to our estimates, EBITDA and PAT are lower on higher opex due to use or pay provisions.
- Volumes:** The total re-gasified volumes were higher by 39% YoY and 4% QoQ, to 232tbtu, of which 218tbtu was from Dahej (at ~98% utilization), 14tbtu from Kochi (at 22% utilization). In terms of volume break-up, Dahej's 104tbtu is long-term, flat YoY and up 2% QoQ, spot 4tbtu and Service 110tbtu, up 134% YoY and 7.8% QoQ.
- India imported ~269tbtu of LNG (per PPAC volumes) in the quarter. Petronet's share was at ~86.1% on stronger Dahej terminal utilization (86% the quarter prior, 64% a year ago).
- The adjusted gross margin was Rs65.5/mmbtu; Opex was higher at Rs 18.2/mmbtu while EBITDA was Rs47.2/mmbtu (Rs54.5 and Rs49.5 the previous quarter).
- 9MFY24 performance:** Overall volumes was at 685tbtu vs 567tbtu in 9MFY23. Dahej volumes at 645tbtu was up 21% YoY; Kochi at 40tbtu up 14.3% YoY. EBITDA at Rs 34.9bn vs Rs 39.1bn in 9MFY23; PAT at Rs 23.5bn vs Rs 26.3bn in 9MFY23.

## Valuation

We believe earnings would record a ~2% CAGR over FY23-26, driven by the Dahej utilisation and a further ramp-up at Kochi. We **downgrade the rating to a SELL from REDUCE earlier**, with a TP of Rs229, valuing the stock at 10x PER.

## Exhibit 1: Actual vs estimate

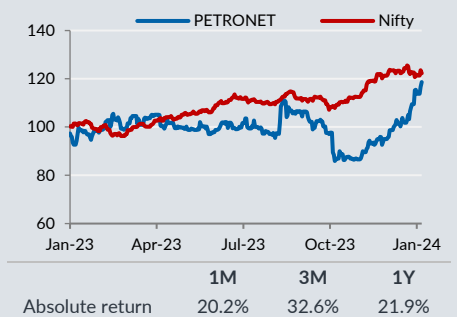
Rs mn	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	141,372	147,103	129,469	-3.90%	9.19%	In line volumes, higher opex; use or pay one off income drives the reported profitability
EBITDA	10,960	13,596	12,108	-19.39%	-9.48%	
EBITDA Margin (%)	7.75%	9.24%	9.35%	-149bps	-160bps	
Adjusted PAT	7,388	9,533	8,104	-22.50%	-8.83%	

Reco	: <b>SELL</b>
CMP	: Rs 268
Target Price	: Rs 229
Potential Return	: -14.6%

## Stock data (as on Jan 30, 2024)

Nifty	21,522
52 Week h/l (Rs)	285 / 192
Market cap (Rs/USD mn)	394425 / 4746
Outstanding Shares (mn)	1,500
6m Avg t/o (Rs mn):	856
Div yield (%):	4.6
Bloomberg code:	PLNG IN EQUITY
NSE code:	PETRONET

## Stock performance



## Shareholding pattern (As of Dec '23 end)

Promoter	50.0%
FII+DII	39.2%
Others	10.8%

## Δ in stance

(1-Yr)	New	Old
Rating	SELL	REDUCE
Target Price	229	229

## Δ in estimates

(1-Yr)	FY24e	FY25e	FY26E
EPS (New)	20.9	21.9	22.9
EPS (Old)	20.9	21.9	22.9
% Change	0.0	0.0	0.0

## Financial Summary

(Rs bn)	FY24E	FY25E	FY26E
Revenue	587.9	548.6	515.1
YoY Growth	(1.8)	(6.7)	(6.1)
EBIDTA	47.3	49.5	51.8
OPM %	8.0	9.0	10.1
PAT	31.3	32.8	34.3
YoY Growth	(3.3)	4.7	4.6
ROE	18.5	17.2	16.0
EPS	20.9	21.9	22.9
P/E	12.8	12.2	11.7
BV	113.0	127.3	142.7
EV/EBITDA	2.3	2.5	2.7

## HARSHRAJ AGGARWAL

Lead Analyst

harshraj.aggarwal@ysil.in



## Exhibit 2: Earnings snapshot

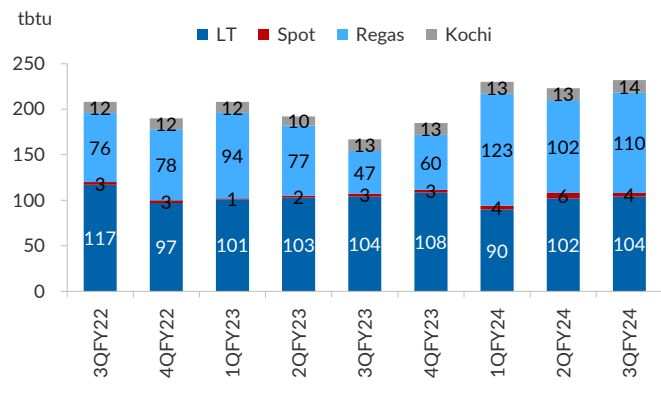
Particulars (Rs mn)	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	y/y (%)	q/q (%)	9M FY23	9M FY24	y/y (%)
Revenue	157,759	138,739	116,561	125,320	141,372	(10.4)	12.8	460,254	383,253	(16.7)
Expenditure	141,005	129,309	104,743	113,173	130,412	(7.5)	15.2	421,127	348,328	(17.3)
-Raw Material	138,567	126,371	103,009	111,069	126,179	(8.9)	13.6	413,153	340,256	(17.6)
-Staff Cost	447	341	500	445	502	12.4	12.7	1,334	1,448	8.5
- Other expenses	1,991	2,597	1,234	1,658	3,732	87.4	125.0	6,640	6,624	(0.3)
Operating Profit	16,754	9,431	11,818	12,147	10,960	(34.6)	(9.8)	39,127	34,925	(10.7)
OPM(%)	10.6	6.8	10.1	9.7	7.8	(27.0)	(20.0)	8.5	9.1	61 bps
Other Income	1,839	1,538	1,467	1,567	1,565	(14.9)	(0.2)	4,199	4,599	9.5
Depreciation	1,923	1,886	1,919	1,948	1,955	1.6	0.3	5,758	5,821	1.1
Interest	814	902	746	747	697	(14.4)	(6.7)	2,403	2,189	(8.9)
Excpnl Loss/(Profit)	-	-	-	-	-	-	-	-	-	n.a.
PBT	15,856	8,180	10,621	11,020	9,873	(37.7)	(10.4)	35,165	31,514	(10.4)
Tax	4,050	2,038	2,723	2,839	2,485	(38.6)	(12.5)	8,908	8,046	(9.7)
PAT	11,805	6,142	7,899	8,181	7,388	(37.4)	(9.7)	26,257	23,468	(10.6)
Adj PAT	11,805	6,142	7,898	8,181	7,388	(37.4)	(9.7)	26,257	23,468	(10.6)

## Exhibit 3: Operating highlights

Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	y/y (%)	q/q (%)	9M FY23	9M FY24	y/y (%)
<b>Volumes (tbtu)</b>										
Long term	104.0	108.4	90.0	102.0	104.0	-	2.0	308	296	(3.9)
Spot	3.0	3.0	4.0	6.0	4.0	33.3	(33.3)	6.0	14.0	133.3
Service	47.0	60.4	123.0	102.0	110.0	134.0	7.8	218.0	335.0	53.7
Total	154.0	171.8	217.0	210.0	218.0	41.6	3.8	532.0	645.0	21.2
Kochi	13.0	13.0	13.0	13.0	14.0	7.7	7.7	35.0	40.0	14.3
Total	167.0	184.8	230.0	223.0	232.0	38.9	4.0	567.0	685.0	20.8
<b>Market Share</b>										
India LNG Imports (tbtu)	261.8	259.9	257.3	259.6	269.3	2.9	3.8	816.6	786.2	(3.7)
Petronet Mkt Shr	63.8	71.1	89.4	85.9	86.1	35.0	0.3	69.3	87.2	25.7
<b>Utilization %</b>										
Dahej	68.5	78.1	97.6	94.4	98.0	43.1	3.8	79.2	96.7	22.1
Kochi	20.2	20.7	20.5	20.5	22.0	8.9	7.7	18.2	21.0	15.1
<b>Rs/tbtu</b>										
Gross margin	64.1	66.9	58.9	63.9	65.5	2.2	2.5	83.1	62.8	(24.4)
Opex	14.6	15.9	7.5	9.4	18.2	25.0	93.4	14.1	11.8	(16.2)
Ebitda	49.5	51.0	51.4	54.5	47.2	(4.5)	(13.3)	69.0	51.0	(26.1)

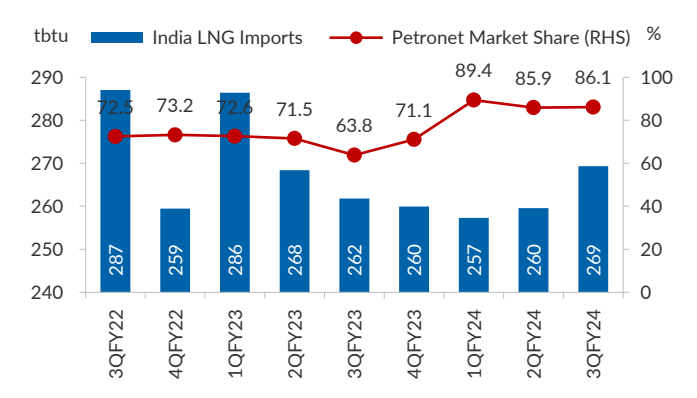
\*YES Sec estimates

**Exhibit 4: Volume break-up**

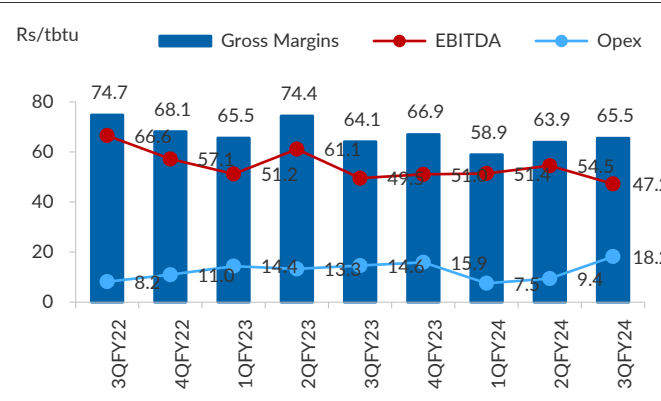


Source: Company, YES Sec

**Exhibit 5: Petronet's market share in India**

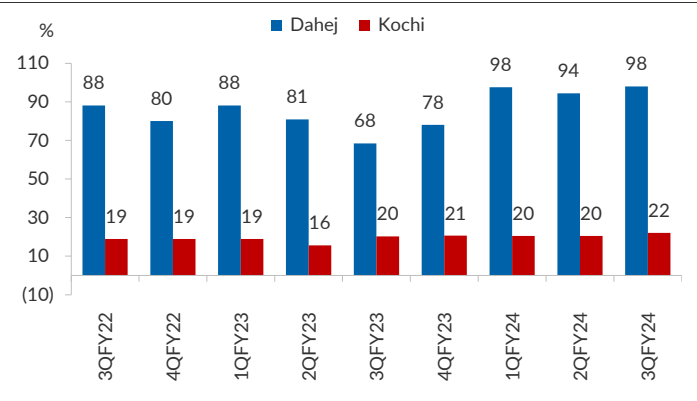


**Exhibit 6: Margin and Opex trends**



Source: Company, YES Sec

**Exhibit 7: Capacity utilisation**



## CONCALL HIGHLIGHTS

- **Expansions:** The Dahej terminal expansion is as per the plan, will expand from current 17.5mtpa to 22.5mtpa and is expected to be completed by Mar'2025. The 3rd Jetty in the process of finalizing details and will have a cost around Rs 170bn, after it is awarded, it would take 36 months to complete and it will be diversified from the point of view that it can import propane, ethane as well as LNG. So once this is commissioned, PLNG will have more flexibility in operations and for the upcoming petchem projects it can bring propane and ethane. Kochi will be connected to Bangalore this year and the grid next year which will improve Kochi terminal utilization.
- **Red Sea and Qatar LNG extension:** The company emphasized that there is negligible risk to them, given the absence of volume inflow from that region. The impact from USA cargos could be there which could impact GAIL if those cargos are directed to India, which is anticipated to be mitigated through existing swap arrangements, ensuring protection for the company. The ongoing contract negotiations with Qatar, while confidential, center around the renewal of existing contracts maintaining current volumes.
- **Use or Pay provision:** The Opex in the current quarter is higher due to 2.28bn provision against use or pay of 2021 and 2022. It's a time-based provision, otherwise opex is in line.
- **Receivables and Bank Guarantee:** There are receivables worth Rs 12.53bn, of which Rs4.15bn is of 2021 and Rs 8.38bn is pertaining to 2022 use or pay. The offtakers have discussed and have given them some period to bring more volumes and they are providing bank guarantee for that same amount The FY21 shortfall of volumes would be offtaken by Dec'24, if not then PLNG will raise that in 2024. For FY22 shortfall, the deadline is Dec'25.
- **Inventory and trading gains:** Inventory gains were Rs1.47bn and trading gains at Rs400m, the forex loss was of Rs10m.
- **Petchem:** No update as of now, board has approved capex of 207bn.
- **Dahej tariff:** The tariff has been increased at its 5% escalation rate to Rs62.9/mmbtu from 1<sup>st</sup> Jan'24.
- **The 3-4mtpa FSRU east-coast terminal at Gopalpur:** The Gopalpur terminal has been approved by the board – Lease agreements with the Port is a prerequisite for the project – FSRU required will have to be arranged. If PLNG is unable to get an FSRU, then they may go ahead with land-based LNG terminal.
- **Ind-AS for Q3FY24:** Service revenue stood 1.36bn at Gross Margin level, forex loss 10mn, reversal of rent 80mn, finance and dep 690mn and 840mn.
- **Regas and Gorgon volumes:** Regas service charges were 6.23bn for service cargos. Gorgon vol at Dahej for YTD9M was at 14.4tbtu.

## VIEW & VALUATION

### SELL with a TP of Rs 229/sh

We believe earnings would record a ~2% CAGR over FY23-26, driven by the Dahej utilisation and a further ramp-up at Kochi. We downgrade the rating to a **SELL** from **REDUCE** earlier, with a TP of Rs229, valuing the stock at 10x PER.

#### Exhibit 8: Valuation table

Valuation	FY26E
EPS (Rs)	22.9
PER (x)	10.0
Target (PER based)	229

#### Exhibit 9: PER (x) band, one-year-forward



Source: Company, YES Sec

## FINANCIALS

### Exhibit 10: Income statement

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	260,229	431,686	598,994	587,949	548,642	515,108
Total Expense	213,234	379,162	550,436	540,624	499,097	463,287
Operating Profit	46,995	52,523	48,558	47,325	49,545	51,821
Other Income	3,882	3,073	5,736	5,736	5,736	5,736
Depreciation	7,841	7,685	7,643	7,873	8,109	8,352
EBIT	43,036	47,911	46,651	45,189	47,173	49,205
Interest	3,360	3,173	3,305	3,305	3,305	3,305
Extraordinary Item	-	-	-	-	-	-
PBT	39,677	44,738	43,345	41,884	43,867	45,900
Tax	10,183	11,215	10,946	10,542	11,041	11,553
PAT	29,494	33,524	32,399	31,342	32,826	34,347
Adj. PAT	29,494	33,524	32,399	31,342	32,826	34,347
Eps	19.7	22.3	21.6	20.9	21.9	22.9

### Exhibit 11: Balance sheet

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	15,000	15,000	15,000	15,000	15,000	15,000
Reserves	101,495	119,255	134,347	154,439	176,015	199,112
Net worth	116,495	134,255	149,347	169,439	191,015	214,112
Debt	644	230	-	-	-	-
Deferred tax liab (net)	8,806	8,324	7,031	7,031	7,031	7,031
Capital Employed	125,945	142,809	156,378	176,470	198,046	221,143
Fixed assets	103,386	97,498	99,162	113,228	128,567	146,207
Investments	1,644	1,744	1,748	1,644	1,644	1,644
Net working capital	20,915	43,567	55,469	61,598	67,835	73,292
Inventories	3,372	5,767	11,531	11,276	10,522	9,879
Sundry debtors	18,745	26,844	38,397	41,881	39,081	36,693
Cash & Bank Balance	43,423	43,196	56,800	59,724	68,138	75,437
Other current assets	18,756	36,142	16,588	16,588	16,588	16,588
Sundry creditors	10,355	15,265	16,440	17,488	16,110	14,920
Other liabilities	53,027	53,117	51,408	50,384	50,384	50,384
Application of Funds	125,945	142,809	156,378	176,470	198,046	221,143

## Exhibit 12: Cash flow statement

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT	39,677	44,738	43,345	41,884	43,867	45,900
Depreciation & amortization	7,841	7,685	7,643	7,873	8,109	8,352
Interest expense	1,332	1,010	(60)	3,305	3,305	3,305
(Inc)/Dec in working capital	(1,746)	(6,641)	(15,943)	(3,205)	2,176	1,842
Tax paid	(9,949)	(12,642)	(12,380)	(10,542)	(11,041)	(11,553)
Less: Interest/Dividend Income Received	(291)	(98)	(508)			
Other operating Cash Flow	(1,271)	670	3,100			
Cash flow from operating activities	35,592	34,721	25,199	39,314	46,416	47,846
Capital expenditure	(730)	(723)	(10,577)	(21,939)	(23,448)	(25,992)
Inc/(Dec) in investments	(11,586)	5,521	424	104	-	-
Add: Interest/Dividend Income Received	3,043	(15,431)	(1,214)	-	-	-
Cash flow from investing activities	(9,273)	(10,633)	(11,367)	(21,835)	(23,448)	(25,992)
Inc/(Dec) in share capital	-	-	-	-	-	-
Inc/(Dec) in debt	(1,775)	(6,271)	(6,177)	-	-	-
Dividend Paid	(22,452)	(15,750)	(17,250)	(11,250)	(11,250)	(11,250)
Others	(3,360)	(88)	(253)	(3,305)	(3,305)	(3,305)
Cash flow from financing activities	(27,586)	(22,109)	(23,681)	(14,555)	(14,555)	(14,555)
Net cash flow	(1,266.9)	1,978.7	(9,848.8)	2,924.2	8,413.4	7,299.3

## Exhibit 13: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Tax burden (x)	0.7	0.7	0.7	0.7	0.7	0.7
Interest burden (x)	0.9	0.9	0.9	0.9	0.9	0.9
EBIT margin (x)	0.2	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	3.4	5.1	5.8	4.8	4.3	3.9
Financial leverage (x)	0.7	0.7	0.7	0.8	0.7	0.6
RoE (%)	26.1	26.7	22.8	19.7	18.2	17.0

## Exhibit 14: Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth matrix (%)</b>						
Revenue growth	(26.6)	65.9	38.8	(1.8)	(6.7)	(6.1)
Op profit growth	17.8	11.8	(7.6)	(2.5)	4.7	4.6
EBIT growth	20.0	11.3	(2.6)	(3.1)	4.4	4.3
Net profit growth	9.3	13.7	(3.4)	(3.3)	4.7	4.6
<b>Profitability ratios (%)</b>						
OPM	18.1	12.2	8.1	8.0	9.0	10.1
EBIT margin	16.5	11.1	7.8	7.7	8.6	9.6
Net profit margin	11.3	7.8	5.4	5.3	6.0	6.7
RoCE	34.2	33.5	29.8	25.6	23.8	22.3
RoE	25.3	25.0	21.7	18.5	17.2	16.0
RoA	38.8	39.7	31.5	25.8	25.8	26.1
<b>Per share ratios</b>						
EPS	19.7	22.3	21.6	20.9	21.9	22.9
Dividend per share	11.5	10.5	11.5	7.5	7.5	7.5
Cash EPS	24.9	27.5	26.7	26.1	27.3	28.5
Book value per share	77.7	89.5	99.6	113.0	127.3	142.7
<b>Valuation ratios</b>						
P/E	11.4	8.7	10.6	12.8	12.2	11.7
P/CEPS	9.0	7.1	8.6	10.3	9.8	9.4
P/B	2.9	2.2	2.3	2.4	2.1	1.9
EV/EBIDTA	1.6	1.7	1.9	2.3	2.5	2.7
<b>Payout (%)</b>						
Dividend payout	58.5	47.0	53.2	35.9	34.3	32.8
Tax payout	25.7	25.1	25.3	25.2	25.2	25.2
<b>Liquidity ratios</b>						
Debtor days	26.29	22.70	23.40	26.00	26.00	26.00
Inventory days	7.0	4.4	5.7	7.7	8.0	8.0
Creditor days	18.8	12.3	10.5	11.5	12.3	12.2



## DISCLAIMER

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

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSL and associates 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.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This Research Report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited Research Report. This YES Securities (India) Limited Research Report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by YES Securities (India) Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

### YES Securities (India) Limited

**Registered Address:** 2<sup>nd</sup> Floor, North Side, YES BANK House,  
Off Western Express Highway, Santacruz East,  
Mumbai - 400 055, Maharashtra, India.

**Correspondence Address:** 7<sup>th</sup> Floor, Urmi Estate Tower A, Ganpatrao  
Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West),  
Mumbai - 400 013, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

**Registration Nos.:** CIN: U74992MH2013PLC240971 | SEBI Single  
Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member  
Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL &  
NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 |  
RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER:  
INA000007331 | Sponsor and Investment Manager to YSL Alternates  
Alpha Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 |  
AMFI ARN Code - 94338.

**Details of Compliance Officer:** Name: Aditya Goenka,  
**Email id:** compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

**Grievances Redressal Cell:** customer.service@ysil.in/igc@ysil.in

## DISCLOSURE OF INTEREST

Name of the Research Analyst : Harshraj Aggarwal

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

## RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

**BUY:** Upside greater than 20% over 12 months

**ADD:** Upside between 10% to 20% over 12 months

**NEUTRAL:** Upside between 0% to 10% over 12 months

**REDUCE:** Downside between 0% to -10% over 12 months

**SELL:** Downside greater than -10% over 12 months

**NOT RATED / UNDER REVIEW**

## ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.