

Reliance Industries

Muted O2C performance

Our ADD rating on Reliance Industries (RIL) with a price target of INR 2,700/sh is premised on (1) recovery in the O2C businesses; (2) EBITDA growth in the digital business, driven by improvement in ARPU, subscriber addition, and new revenue streams; and (3) potential for further value unlocking in the digital and retail businesses. RIL's consolidated EBITDA at INR 381bn (+1% YoY; -1% QoQ, HSIE: INR 382bn) and APAT at INR 160bn (-11% YoY, -17% QoQ) came in below our estimates. Earnings in Q1 were largely impacted by weaker-than-expected O2C profitability.

- Oil to chemicals (O2C) segment:** O2C EBITDA declined sequentially to INR 153bn (-6% QoQ), impacted by the decline in product cracks, owing to recessionary fears, slower-than-expected ramp-up in China and lower downstream chemical margins. Crude throughput came in at 19.7mmt (-0.5% QoQ), while production meant for sale stood at 17.2mmt, (+1.8% YoY, +0.6% QoQ), below our estimates.
- Oil & gas:** Revenue grew to INR 46bn (+28% YoY, +2% QoQ) while EBITDA improved to INR 40bn (+47% YoY, +6% QoQ), owing to improvement in price realisation and higher production from the KG D6 block. The average KG D6 production for Q1 was at 20.9mmcmd, up +10% YoY, +5% QoQ, with current overall production from the KG D6 block trending at ~27mmcmd.
- RJPL:** Revenue improved to INR 306bn (+11% YoY, +3% QoQ) due to a higher ARPU of INR 180.5 (+2.7% YoY, +1% QoQ) and net subscriber addition of 9.2mn. The total customer base stands at 448.5mn, as of Q1.
- Reliance Retail (RR):** Net revenue grew 19.5% YoY to INR 700bn. Core retail revenue is estimated to have clocked ~26% YoY to ~INR 457bn (HSIE: INR 465bn). Footfalls were up 42% YoY at 249mn. Digital + new commerce contribution remains healthy at 18% of core retail sales. EBITDA grew 26% YoY to INR 49bn (HSIE: INR 46bn). Retail EBITM contracted 18 bps YoY to 5.7% (HSIE: 5.8%). RR added 555 stores in Q1, taking the store count to 18,446 and the retail area stood at 70.6mn sq. ft.
- Debt:** RIL's Q1 consol net debt remained elevated at INR 1,266bn (vs net debt of INR 1,258bn, as of Mar-23), owing to accelerated capex in retail operations and 5G network rollout. Total capex incurred in Q1 was INR 396bn.
- Change in estimates:** We cut our FY24/25 consolidated EPS by 6.1/5% to INR 111.9/117.7 per share to factor in the exclusion of Jio Financial Services business and Q1 performance across segments. We roll forward our target price to Sep-24, delivering a revised target price of INR 2,700.
- Valuation:** We use EV/EBITDA to value downstream at Sep-24E EV/e, retail on peer benchmarked EV/e and E&P and Jio on DCF. The stock is currently trading at 11.5x Sep-24E EV/EBITDA and 22.1x Sep-24E EPS.

Financial summary – consolidated

Year Ending March (INR bn)	Q1 FY24	Q4 FY23	QoQ (%)	Q1 FY23	YoY (%)	FY21	FY22	FY23P	FY24E	FY25E
Net Sales	2,076	2,128	(2.5)	2,189	(5.2)	4,669	7,000	8,778	10,978	11,312
EBITDA	381	384	(0.7)	378	0.9	807	1,105	1,422	1,691	1,795
PAT	160	193	(17.0)	180	(10.8)	437	584	667	757	797
Diluted EPS (INR)	23.7	28.5	(17.0)	26.5	(10.8)	67.8	86.4	98.6	111.9	117.7
P/E (x)						37.5	29.4	25.8	22.7	21.6
EV / EBITDA (x)						23.9	17.9	13.8	11.8	11.2
RoE (%)						7.6	7.9	8.3	8.9	8.7

Source: Company, HSIE Research

ADD

CMP (as on 21 Jul 2023)	INR 2,539
Target Price	INR 2,700
NIFTY	19,745

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,637	INR 2,700
EPS %	FY24E -6.1%	FY25E -5.0%

KEY STOCK DATA

Bloomberg code	RELIANCE IN
No. of Shares (mn)	6,766
MCap (INR bn) / (\$ mn)	17,176/2,10,027
6m avg traded value (INR mn)	16,516
52 Week high / low	INR 2,632/1,986

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.6	14.1	12.1
Relative (%)	6.9	4.1	(7.7)

SHAREHOLDING PATTERN (%)

	Mar-23	Jun-23
Promoters	50.41	50.39
FIs & Local MFs	16.14	16.23
FPIs	22.49	22.55
Public & Others	10.96	10.83
Pledged Shares	0.0	0.0

Source : BSE

Harshad Katkar

harshad.katkar@hdfcsec.com
+91-22-6171-7319

Nilesh Ghuge

nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Jay Gandhi

jay.gandhi@hdfcsec.com
+91-22-6171-7320

Akshay Mane

akshay.mane@hdfcsec.com
+91-22-6171-7338

Rutvi Chokshi

rutvi.chokshi@hdfcsec.com
+91-22-6171-7356

Quarterly Consolidated Financial Snapshot

(INR bn)	Q1FY24	Q4FY23	QoQ (%)	Q1FY23	YoY (%)
Revenues	2,076	2,128	(2.5)	2,189	(5.2)
Material Expenses	1,317	1,371	(4.0)	1,467	(10.2)
Employee Expenses	66	65	2.1	60	10.0
Other Operating Expenses	312	309	0.9	284	9.8
EBIDTA	381	384	(0.7)	378	0.9
Depreciation	118	115	2.8	89	31.7
EBIT	263	269	(2.2)	288	(8.7)
Other Income (incl EO items)	38	29	32.6	22	70.5
Interest Cost	58	58	0.3	40	46.0
PBT	243	240	1.4	271	(10.2)
Tax	61	28	121.9	76	(19.5)
RPAT	182	212	(14.3)	195	(6.6)
Profit/Loss of Associate Company	1	0	261.9	(1)	(228.8)
Minority Interest	22	20	10.8	15	51.0
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-
APAT	160	193	(17.0)	180	(10.8)
EPS	23.7	28.5	(17.0)	26.5	(10.8)

Source: Company, HSIE Research

Quarterly Consolidated Segmental Snapshot

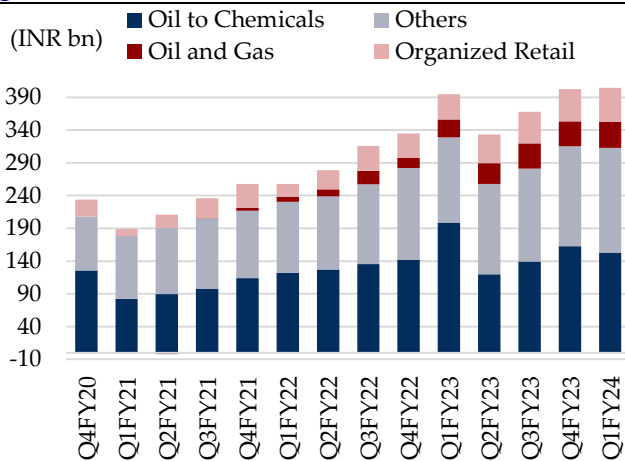
(INR bn)	Q1FY24	Q4FY23	QoQ (%)	Q1FY23	YoY (%)
Segmental Revenues					
Oil to Chemicals (O2C)	1,330	1,286	3.4	1,617	(17.7)
Oil and Gas	46	46	1.7	36	27.8
Organised Retail	700	693	1.0	586	19.5
Digital Services	321	314	2.2	285	12.5
Others	178	330	(46.0)	152	17.4
Gross revenue	2,575	2,669	(3.5)	2,676	(3.8)
Less: Inter Segment Transfers	264	279	(5.5)	251	5.3
Value of Sales & Services	2,311	2,390	(3.3)	2,425	(4.7)
Less: GST Recovered	236	261	(9.8)	237	(0.4)
Revenue from Operations	2,076	2,128	(2.5)	2,189	(5.2)
Segmental Results Before Interest, Tax & Exceptional					
Oil to Chemicals (O2C)	132	142	(7.1)	180	(26.8)
Oil and Gas	32	31	2.0	21	52.8
Organised Retail	38	37	2.2	30	27.3
Digital Services	79	78	2.3	70	12.8
Others	6	1	551.1	5	26.4
Total	287	289	(0.6)	306	(6.2)
EBIT Margins (%)					
Oil to Chemicals (O2C)	9.9	11.0	(113)	11.1	(123)
Oil and Gas	68.9	68.6	26	57.6	1,126
Organised Retail	5.5	5.4	6	5.1	34
Digital Services	24.7	24.7	3	24.7	6
Others	3.4	0.3	308	3.1	24

Source: Company, HSIE Research

Reliance Industries: Results Review Q1FY24

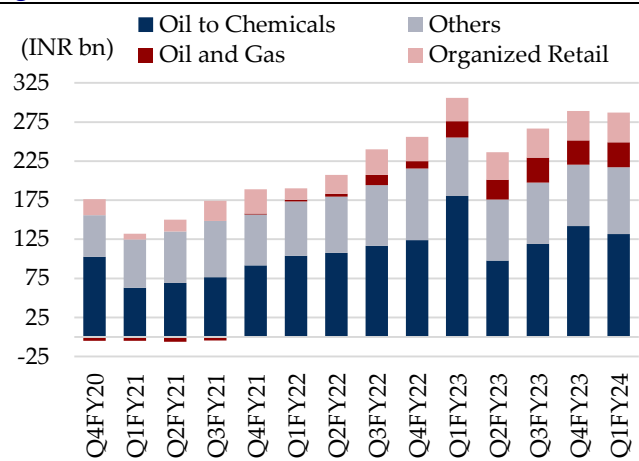
Story in Charts

Segmental EBITDA (consolidated)



Source: Company, HSIE Research

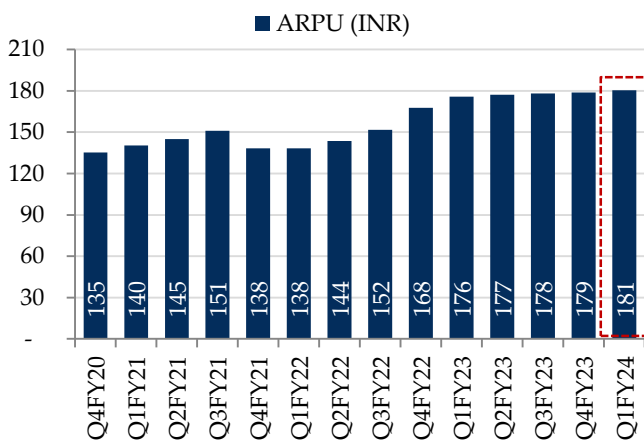
Segmental EBIT (consolidated)



Source: Company, HSIE Research

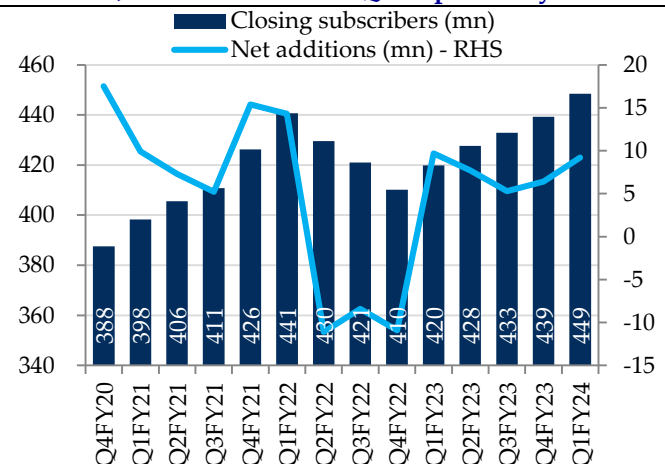
Jio Platforms

Improvement in ARPU remains muted sequentially...



Source: Company, HSIE Research

...however, subscriber base in Q1 improves by ~9mn



Source: Company, HSIE Research

Reliance Jio Platforms

Quarterly Financial Snapshot (Consolidated)

(INR bn)	Q1FY24	Q4FY23	QoQ (%)	Q1FY23	YoY (%)
Value from Services	306	299	2.6	275	11.3
Revenue from Operations	261	255	2.6	235	11.3
EBITDA	131	128	2.7	114	14.8
EBITDA Margin %	50.2%	50.1%		48.7%	
D&A	53	51	3.6	43	21.9
EBIT	78	77	2.2	71	10.5
Finance Costs	10	10	(3.2)	10	(1.8)
Profit before Tax	69	67	3.0	61	12.5
Net Profit	51	50	2.3	45	12.5

Source: Company, HSIE Research

Quarterly Operational Snapshot

	Q1FY24	Q4FY23	QoQ (%)	Q1FY23	YoY (%)
Closing Subs (Mn)	449	439	2.1	420	6.8
Net Adds (Mn)	9	6	43.8	10	(5.2)
ARPU (Rs)	181	179	1.0	176	2.7
Data Usage (Mn GB)	33,200	30,280	9.6	25,870	28.3
Data Usage/Sub (GB/Month)	25	23	7.7	21	20.0
Minutes of Usage (Bn Mins)	1,336	1,312	1.8	1,246	7.2
MOU/Sub (Mins)	1,003	1,003	-	1,001	0.2

Source: Company, HSIE Research

Reliance Retail

Quarterly Financial Snapshot

(INR bn)	Q1FY24	Q4FY23	QoQ %	Q1FY23	YoY %
Net Revenue	622	616	1.0	516	20.5
EBITDA	49	49	-0.4	38	27.6
EBITDA margin %	7.9%	8.0%		7.4%	

Source: Company, HSIE Research

Change in estimates

Consolidated	FY24E			FY25E		
	Old	New	% Ch	Old	New	% Ch
EBITDA (INR bn)	1,736	1,691	(2.6)	1,831	1,795	(2.0)
EPS (INR/share)	119.1	111.9	(6.1)	123.9	117.7	(5.0)

Source: Company, HSIE Research

SOTP valuation

Business	EBIDTA (INR bn)	Multiple (x)	EV (INR bn)	Value per share (INR/sh)	Valuation basis
Petrochemicals	158	8.0	1,267	187	EV/EBITDA on Sep-24E
Refining	395	8.0	3,156	467	EV/EBITDA on Sep-24E
E & P			387	57	NPV
Retail	221	30	5,717	845	EV/EBITDA on Sep-24E
Telecom			4,633	685	NPV
Investments/CWIP			4,630	684	
Consol. net Debt/creditors for capex/deferred spectrum liabilities			(1,528)	(226)	As on Sep-24
Value per share			18,263	2,700	

Source: Company, HSIE Research

Financials

Consolidated Income Statement

INR bn	FY18	FY19	FY20	FY21	FY22	FY23P	FY24E	FY25E
Revenues	3,917	5,692	5,975	4,669	7,000	8,778	10,978	11,312
Growth %	28.3	45.3	5.0	(21.9)	49.9	25.4	25.1	3.0
Raw Material	2,675	3,945	4,052	2,927	4,749	5,885	7,558	7,699
Employee Cost	95	125	141	148	188	249	269	287
Other Expenses	505	781	892	787	958	1,223	1,461	1,530
EBITDA	642	842	890	807	1,105	1,422	1,691	1,795
EBITDA Margin (%)	16.4	14.8	14.9	17.3	15.8	16.2	15.4	15.9
EBITDA Growth %	38.9	31.2	5.8	(9.3)	36.8	28.7	18.9	6.2
Depreciation	167	209	222	266	298	403	456	482
EBIT	475	632	668	542	807	1,019	1,235	1,313
Other Income (Including EO Items)	99	84	87	220	178	117	122	130
Interest	81	165	220	212	146	196	226	236
PBT	494	551	535	549	839	940	1,131	1,206
Tax	133	154	137	17	163	204	274	294
RPAT before minority interest	360	397	398	532	676	736	857	913
Share of associates/Minority interest	1	(1)	(4)	(41)	(69)	(69)	(100)	(116)
RPAT after adjusting for Associates/Minority interest	361	396	394	491	607	667	757	797
EO (Loss) / Profit (Net Of Tax)	-	-	(34)	54	23	-	-	-
APAT	361	396	427	437	584	667	757	797
APAT Growth (%)	20.6	9.7	8.0	2.2	33.8	14.1	13.5	5.3
AEPS	60.9	66.8	67.4	67.8	86.4	98.6	111.9	117.7
AEPS Growth %	20.6	9.7	0.9	0.5	27.5	14.1	13.5	5.3

Consolidated Balance Sheet

INR bn	FY18	FY19	FY20	FY21	FY22	FY23P	FY24E	FY25E
SOURCES OF FUNDS								
Share Capital	59	59	63	64	68	68	68	68
Reserves And Surplus	2,876	3,812	4,428	6,937	7,727	8,144	8,680	9,412
Total Equity	2,935	3,871	4,492	7,002	7,795	8,212	8,748	9,480
Minority Interest	35	83	122	993	1,095	1,130	1,187	1,246
Long-term Debt	1,442	2,075	1,976	1,637	1,877	1,832	1,762	1,693
Short-term Debt	746	800	1,387	881	786	1,315	1,319	1,328
Total Debt	2,188	2,875	3,363	2,518	2,663	3,147	3,081	3,021
Deferred Tax Liability	448	645	705	552	864	1,726	1,762	1,756
Long-term Provision	114	162	206	242	269	255	256	257
TOTAL SOURCES OF FUNDS	5,720	7,636	8,888	11,306	12,686	14,470	15,034	15,760
APPLICATION OF FUNDS								
Net Block	3,981	3,864	5,224	5,310	6,148	7,096	7,935	8,655
Capital WIP	1,870	1,795	1,091	1,260	1,725	2,938	3,097	3,281
Goodwill on consolidation	58	120	103	102	130	137	137	137
LT Loans And Advances	27	55	217	25	40	40	37	34
Non-current investments	253	1,646	2,039	2,124	2,861	2,079	2,079	2,079
Non-current assets	87	223	374	650	612	410	423	437
Total Non-current Assets	6,275	7,702	9,048	9,471	11,516	12,700	13,708	14,622
Inventories	608	676	739	817	1,078	1,400	1,618	1,643
Debtors	176	301	197	190	236	285	358	374
Cash and Cash Equivalent	43	111	309	174	362	747	465	50
ST Loans And Advances	108	5	7	1	1	2	2	3
Other Current Assets	328	471	602	1,024	712	699	644	715
Current investments	576	710	729	1,524	1,081	1,287	1,381	1,531
Total Current Assets	1,838	2,274	2,583	3,730	3,470	4,420	4,469	4,315
Creditors	1,069	1,083	968	1,089	1,593	1,472	1,910	1,887
Other Current Liabilities & Provns	1,324	1,257	1,775	805	707	1,178	1,233	1,291
Total Current Liabilities	2,393	2,340	2,743	1,894	2,301	2,650	3,143	3,178
Net Current Assets	(555)	(66)	(160)	1,836	1,170	1,770	1,326	1,137
TOTAL APPLICATION OF FUNDS	5,720	7,636	8,888	11,306	12,686	14,470	15,034	15,760

Source: Company, HSIE Research

Consolidated Cash Flow

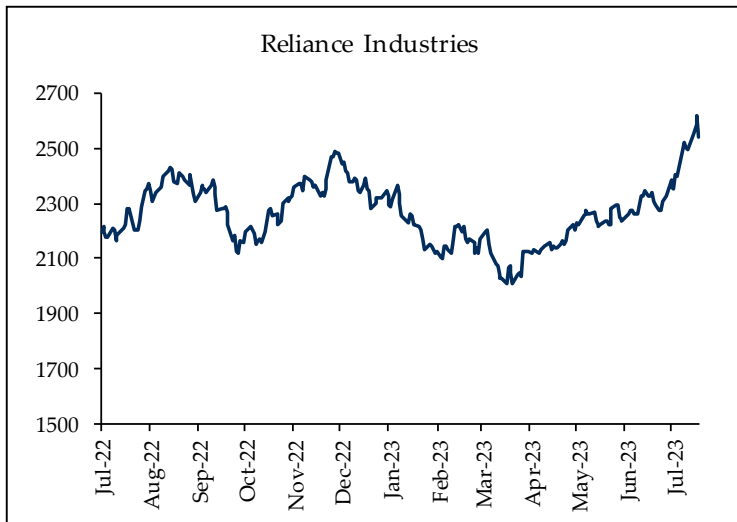
YE March (INR bn)	FY18	FY19	FY20	FY21	FY22	FY23P	FY24E	FY25E
Reported PBT	494	551	535	549	839	940	1,131	1,206
Non-operating & EO Items	(99)	(85)	(57)	(315)	(269)	(187)	(222)	(246)
Interest Expenses	81	165	220	212	146	196	226	236
Depreciation	167	209	222	266	298	403	456	482
Working Capital Change	127	(420)	292	(2,131)	854	(215)	162	(227)
Tax Paid	(99)	44	(77)	(171)	149	658	(238)	(299)
OPERATING CASH FLOW (a)	670	464	1,134	(1,589)	2,016	1,795	1,515	1,153
Capex	(843)	(79)	(861)	(520)	(1,629)	(2,570)	(1,454)	(1,386)
Free Cash Flow (FCF)	(173)	385	273	(2,110)	387	(775)	61	(234)
Investments	4	(1,394)	(392)	(85)	(738)	782	-	-
Non-operating Income	99	84	87	220	178	117	122	130
Others	(3)	(165)	(313)	(83)	23	201	(10)	(11)
INVESTING CASH FLOW (b)	(743)	(1,553)	(1,480)	(469)	(2,166)	(1,470)	(1,342)	(1,267)
Debt Issuance/(Repaid)	222	687	488	(845)	145	484	(66)	(60)
Interest Expenses	(81)	(165)	(220)	(212)	(146)	(196)	(226)	(236)
FCFE	(32)	908	541	(3,166)	386	(487)	(231)	(530)
Share Capital Issuance	30	0	4	1	3	0	-	-
Dividend	(39)	(43)	(46)	(39)	(43)	(51)	(54)	(54)
Others	(46)	678	318	3,018	378	(178)	(109)	49
FINANCING CASH FLOW (c)	85	1,157	544	1,923	337	60	(455)	(301)
NET CASH FLOW (a+b+c)	12	68	198	(135)	188	385	(282)	(416)
EO Items, Others	-	-	-	-	-	-	-	-
Closing Cash & Equivalents	43	111	309	174	362	747	465	50

Key Ratios

Ratios	FY18	FY19	FY20	FY21	FY22	FY23P	FY24E	FY25E
PROFITABILITY %								
EBITDA Margin	16.4	14.8	14.9	17.3	15.8	16.2	15.4	15.9
EBIT Margin	12.1	11.1	11.2	11.6	11.5	11.6	11.2	11.6
APAT Margin	9.2	7.0	7.2	9.4	8.3	7.6	6.9	7.0
RoE	12.9	11.6	10.2	7.6	7.9	8.3	8.9	8.7
RoIC	13.7	12.2	11.3	6.6	7.3	9.0	9.4	9.0
RoCE	7.7	7.7	7.2	6.4	5.9	6.0	6.3	6.3
EFFICIENCY								
Tax Rate %	27.0	27.9	25.7	3.1	19.4	21.7	24.2	24.3
Fixed Asset Turnover (x)	0.8	1.0	0.9	0.6	0.8	0.9	1.0	0.9
Inventory (days)	57	43	45	64	56	58	54	53
Debtor (days)	16	19	12	15	12	12	12	12
Other Current Assets (days)	41	31	37	80	37	29	21	23
Payables (days)	146	100	87	136	122	91	92	89
Other Current Liab & Provns (days)	181	116	160	100	54	73	60	61
Cash Conversion Cycle (days)	(213)	(123)	(153)	(77)	(71)	(65)	(65)	(62)
Net Debt/EBITDA (x)	2.4	2.4	2.6	1.0	1.1	0.8	0.7	0.8
Net D/E	0.5	0.5	0.5	0.1	0.2	0.1	0.1	0.2
Interest Coverage	5.9	3.8	3.0	2.6	5.5	5.2	5.5	5.6
PER SHARE DATA (Rs)								
EPS	60.9	66.8	67.4	67.8	86.4	98.6	111.9	117.7
CEPS	85.6	97.7	100.2	107.1	130.4	158.2	179.2	189.1
Dividend	6.0	6.1	5.7	5.8	6.4	9.0	8.0	8.0
Book Value	433.8	572.1	663.9	1,034.8	1,152.1	1,213.6	1,293.0	1,401.1
VALUATION								
P/E (x)	41.7	38.0	37.6	37.5	29.4	25.8	22.7	21.6
P/Cash EPS (x)	29.7	26.0	25.3	23.7	19.5	16.1	14.2	13.4
P/BV (x)	5.9	4.4	3.8	2.5	2.2	2.1	2.0	1.8
EV/EBITDA (x)	29.7	23.3	22.3	23.9	17.9	13.8	11.8	11.2
EV/Revenue (x)	4.9	3.4	3.3	4.1	2.8	2.2	1.8	1.8
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.4	0.3	0.3
OCF/EV (%)	3.5	2.4	5.7	(8.3)	10.2	9.1	7.6	5.7
FCFF/EV (%)	(0.9)	2.0	1.4	(11.0)	2.0	(3.9)	0.3	(1.2)
FCFE/M Cap (%)	(0.2)	5.2	3.1	(18.2)	2.2	(2.8)	(1.3)	(3.0)

Source: Company, HSIE Research

1 Yr Price history



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential

Disclosure:

We, **Harshad Katkar, MBA, Nilesh Ghuge, MMS, Jay Gandhi, MBA, Akshay Mane, PGDM & Rutvi Chokshi, CA** 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. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. 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. Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

Any holding in stock –No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL 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.

HSL 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 in the normal course of business.

HSL 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 HSL nor Research Analysts 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. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murlu V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

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

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com