Oil & Gas - Q4FY24 Earnings Preview

DART
DOLAT ANALYSIS & RESEARCH THEMES
IN-DEPTH• PRECISE• ACTIONABLE

RIL, Gas Utilities & CGDs are major drivers

In Q4 our Oil and gas coverage universe showed strong growth YoY, with EBITDA likely to be up by +9% QoQ/+8% YoY to Rs786bn and PAT up +14% QoQ (down 5% YoY) to Rs392bn. Key factors contributing to growth (1) RIL's O2C to post jumbo profits on higher GRM with very minimal impact of SAED (>US$0.1/bbl), higher refining throughput, and better Petrochemical spread; (2) gas utilities to benefit from peak gas demand in India with GAIL most likely to post bumper gas trading margins and PLNG's Dahej/Kochi terminal asset utilization to touch 98%/28%; (3) CGDs volume growth and GUJGA margin improvement (QoQ) to be major earning drivers; and (4) sequential improvement in GRM with inventory gain to support OMCs earnings. Our **Top Picks** are IGL, MAHGL, and GAIL. **Positive Surprise**: GUJGA may post better than expected unit EBITDA on softer spot LNG prices and GAIL may surprise on gas trading margins.

CGDs & Gas utilities to deliver volume growth

Gas Utilities: Robust gas demand, driven by higher domestic production with softer LNG prices, is likely to drive a strong 2.6x YoY jump in EBITDA and a 1.7x YoY jump in PAT for three gas utilities. Softer LNG will act as a boon for GAIL's petrochemical and LPG segment may see stronger realizations supporting earnings**. GUJGA:** Among the CGDs, GUJGA can post a positive surprise on earnings, the biggest beneficiary of softer spot LNG price. As per channel check at Morbi, in Q4FY24, total gas (propane + PNG-I) demand was ~7mmscmd (+7% QoQ) mainly due to (1) revival in export of ceramic products from mid-Feb'24; and (2) all units at Morbi were operating ~ 90% utilization levels. **MAHGL:** CNG registration run rate of 8k/m largely remains the same QoQ, thereby, we expect MAHGL to post sales volume of 3.74mmscmd (+11% YoY, +2% QoQ). But there is sequential margin normalization on CNG price cut. **IGL:** Likely to post sales volume of 8.7mmscmd (+3% QoQ, +6% YoY), backed by strong growth momentum in CNG vehicle conversion with expansions in new geographies.

RELIANCE IN: Improvement across segment QoQ

RIL is expected to post EBITDA of Rs439bn (+14% YoY, +8% QoQ) mainly due to (1) better GRM and crude inventory gain with less than US$0.1/bbl impact of SAED on RIL GRM; (2) O2C earnings to be supported by better petchem spreads and higher refining throughput (Q3 had a shutdown at some refinery units); (3) net subscriber addition of 12mn QoQ, but moderation in ARPU to Rs180.6; (4) R- retail expected to add ~ 200 stores which may result in retail revenue growth of 25% YoY (incl. SSG).

OMCs: Super normal marketing margins continues

HPCL's Vizag refinery commissioning to boost throughput by 21% YoY. Usual crude inventory valuations suggest gains of US$1.6/US$1/US$1 per bbl for IOCL/BPCL/HPCL, however investors are perplexed by IOCL's inventory valuation method over last few quarters. GMM on auto fuel are at supernormal level.

Yogesh Patil
VP - Research
+9122 40969758
yogeshp@dolatcapital.com

Anish Jindal
Associate
+9122 40969773
anishj@dolatcapital.com

April 07, 2024

DOLAT CAPITAL

Exhibit 1: RIL's drivers = Better GRM + Subscriber growth +Retail

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ (%)	YoY (%)
Revenue	24,27,455	22,50,860	21,29,450	7.8	14.0
EBITDA	4,39,496	4,06,560	3,84,400	8.1	14.3
PAT	1,92,118	1,72,650	1,92,990	11.3	(0.5)
EPS	28.4	25.5	28.5	11.3	(0.4)
Operating metrics - assumption					
Refinery Throughput - MMT	15.8	15.5	15.6	1.9	1.2
Jio Subscriber addition net (mn)	12.0	11.2	6.4	7.1	87.5
Jio ARPU (Rs)	180.6	181.7	178.8	(0.6)	1.0

Source: Company, DART

BPCL IN: Sequential improvement in crude throughput

Our calculated BPCL GRM is US$14.5/bbl (inclusive of US$1/bbl inventory gain). Sequential improvement in crude throughput and supernormal GMM to support the earnings.

Exhibit 2: BPCL's = Inventory gain + jump in throughput (QoQ)

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ (%)	YoY (%)
Revenue	11,36,853	11,54,942	11,81,121	(1.6)	(3.7)
EBITDA	82,589	62,262	1,11,537	32.6	(26.0)
PAT	47,476	33,973	78,377	39.7	(39.4)
EPS	22.2	15.9	36.7	39.7	(39.4)
Operating metrics - assumption					
GRM - US$/bbl (Incl. invt gain)	14.5	13.4	20.6	8.6	(29.5)
Refinery Throughput - MMT	10.1	9.9	10.6	2.4	(5.1)
Oil Product Sales volume - MMT	12.9	13.2	13.3	(2.1)	(2.5)
Auto fuel gross margins (Rs/lt)	4.2	3.6	3.3	16.4	26.4

Source: Company, DART

HPCL IN: Jump in throughput with inventory gain

Vizag refinery Feb'24 throughput suggests that the refinery has been fully commissioned for the capacity of 15MMTPA. We expect a sharp jump in crude throughput (+21% YoY, +13% QoQ) and supernormal GMM is the real earning driver. We also expect a crude inventory gain of US$1/bbl.

Exhibit 3: HPCL Jump in throughput with inventory gain

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
Revenue	9,16,196	11,13,063	10,79,278	(17.7)	(15.1)
EBITDA	44,124	21,636	47,986	103.9	(8.0)
PAT	22,575	5,290	32,226	326.7	(29.9)
EPS	15.9	3.7	22.7	326.7	(29.9)
Operating metrics - assumption					
GRM - US$/bbl (Incl. invt gain)	12.1	8.5	14.0	42.5	(13.6)
Refinery Throughput - MMT	6.0	5.3	5.0	12.7	21.3
Oil Product Sales volume - MMT	11.9	11.9	11.1	0.0	7.1
Auto fuel gross margins (Rs/lt)	4.2	3.6	3.3	16.4	26.4

Source: Company, DART

IOCL IN: Perplexed about inventory valuations

Investors are perplexed about IOCL's inventory valuation methods compared to OMCs, in the last few quarters given surprises on inventory gain/loss. Our calculation suggests that IOCL will post inventory gains of US$1.5/bbl in Q4 We expect EBITDA decline of 3% YoY mainly due to (1) fall in GRM; (2) Russian Crude discounts slumped to US$1.9/bbl vs US$6.8/bbl in Q4FY23; and (3) weak petrochemical margins - A rise in crude price led to higher feedstock cost which impacted petrochemical margins. However, discounts on Venezuela crude are much higher and Gross Marketing Margins (GMM) on auto fuel were still super normal ~Rs4.2/lt in Q4FY24.

Exhibit 4: IOCL = Weakness in GRM YoY + Lower crude throughput

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ (%)	YoY (%)
Revenue	21,33,951	19,91,040	20,29,941	7.2	5.1
EBITDA	1,49,046	1,54,887	1,53,403	(3.8)	(2.8)
PAT	81,585	80,634	1,00,587	1.2	(18.9)
EPS	5.8	5.7	7.1	1.2	(18.9)
Operating metrics - assumption					
GRM - US$/bbl (Incl. invt gain)	14.5	13.5	15.3	7.2	(5.1)
Refinery Throughput - MMT	17.8	18.5	19.2	(3.8)	(7.3)
Oil Product Sales volume - MMT	22.2	22.3	22.5	(0.5)	(1.4)
Auto fuel gross margins (Rs/lt)	4.2	3.6	3.3	16.4	26.4

Source: Company, DART

MAHGL IN: Robust volume growth but margins normalization

CNG registration run rate of 8k/m largely remains the same QoQ, Hence, we expect MAHGL to post sales volume of 3.74mmscmd (+11% YoY, +2% QoQ). In Q4FY24, APM gas shortfall touched ~30% a direct impact on the gas cost; we expect MAHGL unit EBITDA to normalize to Rs12.4/scm. However, 45% of the non-APM gas is linked to US H-H gas price which is corrected by 12% QoQ.

Exhibit 5: MAHGL = Robust volume growth backed by CNG conversions

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ (%)	YoY (%)
INR Revenue	16,026.7	15,687.6	16,104.8	2.2	(0.5)
EBITDA	4,277.4	4,486.9	3,897.0	(4.7)	9.8
PAT	2,957.6	3,171.8	2,688.1	(6.8)	10.0
EPS	29.9	32.1	27.2	(6.8)	10.0
Operating metrics - assumption					
Total Sales volume- mmscmd	3.7	3.7	3.4	1.8	10.8
EBITDA per unit - Rs/scm	12.4	13.3	12.8	(6.3)	(3.1)

Source: Company, DART

IGL IN: Margin recovery on a soft non APM price

As per guidance, IGL is likely to post a total sales volume of 8.7mmscmd (+3% QoQ, +6% YoY) backed by strong growth momentum in CNG vehicle conversion with expansions in new geographies. Despite CNG price cut in Mar'24, we expect sequential improvement in margin mainly due to lower non APM gas cost (1) 12% sequential fall in HH gas price; and (2) 1% decline in crude prices (+ve for crude linked LNG). We expect IGL gross margins to be Rs12.8/scm and unit EBITDA to be Rs7.4/scm.

Exhibit 5: IGL - CNG vehicle conversion to drive volume growth

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
Revenue	36,418.4	35,561.9	36,871.8	2.4	-1.2
EBITDA	5,869.8	5,641.4	4,662.8	4.0	25.9
PAT	4,098.7	3,920.7	3,297.5	4.5	24.3
EPS	5.9	5.6	4.7	4.5	24.3
Operating metrics - assumption					
Total Sales volume- mmscmd	8.7	8.5	8.3	2.6	5.4
EBITDA per unit - Rs/scm	7.4	7.2	6.3	2.5	18.1

Source: Company, DART

GUJGA IN: Rebound in Volume

As per our channel check at Morbi, in Q4, total gas (propane + PNG-I) demand was ~7mmscmd (+7% QoQ) mainly due to (1) revival in export of ceramic products from mid-Feb'24; and (2) all units at Morbi operating at ~ 90% utilization levels. We expect GUJGA's overall EBITDA improve to Rs5.1/scm (vs. Rs4.8/scm in Q3). Overall sales volume to jump to 9.85mmscmd (+7% QoQ, +11% YoY).

Exhibit 6: GUJGA – PNG(I) Price cut to be Volume Growth Driver

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
Revenue	39,362.0	39,291.0	39,285.7	0.2	0.2
EBITDA	4,515.6	4,006.8	5,603.2	12.7	(19.4)
PAT	2,604.9	2,203.4	3,692.2	18.2	(29.4)
EPS	3.8	3.2	5.4	18.2	(29.4)
Operating metrics - assumption					
Total Sales volume- mmscmd	9.8	9.2	8.9	7.5	11.1
PNG Industrial volume - mmscmd	6.0	5.5	5.4	8.5	11.9
EBITDA per unit - Rs/scm	5.1	4.8	7.0	7.0	(27.6)

Source: Company, DART

GAIL IN: Transmission & Trading a key driver of earnings

India's gas consumption averaged 196mmscmd (+2% QoQ) in Q4FY24, while domestic gas production touched 103mmscmd, a multiyear high. GAIL will be the biggest beneficiary and likely report a jump in gas transmission volume to ~124mmscmd in Q4FY24. Despite continuous decline in APM gas allocation, GAIL's cash cost for the pipeline Biz has declined since Q4FY23. Hence, we do not see a substantial increase in cash cost in Q4FY24 on softer HH prices. The trading segment will continue to post better margins in Q4. We expect petrochemical facility to operate at ~100% in Q4 and is likely to report profitability on account of spot LNG prices being higher QoQ.

Exhibit 7: GAIL – Transmission volume + Trading margins to drive Growth

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
Revenue	3,46,604.9	3,42,535.2	3,28,582.0	1.2	5.5
EBITDA	38,913.3	38,225.7	3,071.7	1.8	1,166.8
PAT	27,039.4	28,426.2	6,035.2	(4.9)	348.0
EPS	4.1	4.3	0.9	(4.9)	348.0
Operating metrics - assumption					
Gas Transmission volume - mmscmd	124.0	121.5	108.2	2.0	14.6
Gas Trading Volume - mmscmd	100.0	98.1	96.5	1.9	3.7
Petrochemical sales - KT	205.0	215.0	118.0	(4.7)	73.7

Source: Company, DART

GUJS IN: Sharp recovery in volume

A sharp recovery in volume (+26% YoY, +9% QoQ) on softer LNG prices; Gas Power Plants and CGD will be the major consumer of gas during the quarter. PNGRB has not finalized tariffs on GUJS pipelines yet.

Exhibit 8: Sharp recovery in volume on softer LNG price

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
Revenue	5,204.4	5,542.4	4,430.1	(6.1)	17.5
EBITDA	3,850.0	3,795.9	2,947.3	1.4	30.6
PAT	2,664.3	2,622.0	2,243.3	1.6	18.8
EPS	4.7	4.7	4.0	1.6	18.8
Operating metrics - assumption					
Gas Transmission volume -mmscmd	31.6	29.0	25.1	8.9	26.0
Transmission tariffs - Rs/scm	1.8	1.9	1.6	(5.8)	10.4

Source: Company, DART

PLNG IN: India's LNG demand intact on softer LNG price

Petronet LNG is likely to report total re-gas volume of 238tbtu (+29% YoY &+3% QoQ). As per Bloomberg data, re-gas volume of the Dahej terminal will be 220tbu (+28% YoY). We expect Dahej/Kochi terminal utilization of 98%/28% in Q4FY24.

Exhibit 9: Dahej Utilization 98%; Kochi to touch 28%

Particulars (Rs Mn)	Q4FY24E	Q3FY24	Q4FY23	QoQ(%)	YoY(%)
INR Revenue	1,29,802.2	1,47,472.1	1,38,739.3	-12.0	-6.4
EBITDA	13,802.0	17,059.9	9,430.7	-19.1	46.4
PAT	9,485.2	11,906.7	6,142.5	-20.3	54.4
EPS	6.3	7.9	4.1	-20.3	54.4
Operating metrics - assumption					
Total Re-gas Volume - tbtu	238.0	232.0	185.0	2.6	28.6
Dahej volume - tbtu	220.0	218.0	172.0	0.9	27.9
Kochi Volume - Tbtu	18.0	14.0	13.0	28.6	38.5

Source: Company, DART

Oil & Gas Sector Preview

(Rs bn)	Revenue			EBITDA			EBITDA Margin (%)			PAT		
Company	**Q4FY24E**	**YoY(%)**	**QoQ(%)**	**Q4FY24E**	**YoY(%)**	**QoQ(%)**	**Q4FY24E**	**YoY(bps)**	**QoQ(bps)**	**Q4FY24E**	**YoY(%)**	**QoQ(%)**
GAIL	346.6	5.5	1.2	38.9	1166.8	1.8	11.2	1029	7	27.0	348.0	(4.9)
GSPL	5.2	17.5	(6.1)	3.9	30.6	1.4	74.0	745	549	2.7	18.8	1.6
GUJ GAS	39.4	0.2	0.2	4.5	(19.4)	12.7	11.5	(279)	127	2.6	(29.4)	18.2
IGL	36.4	(1.2)	2.4	5.9	25.9	4.0	16.1	347	25	4.1	24.3	4.5
MAH GAS	16.0	(0.5)	2.2	4.3	9.8	(4.7)	26.7	249	(191)	3.0	10.0	(6.8)
PLNG	129.8	(6.4)	(12.0)	13.5	42.8	(21.0)	10.4	358	(119)	9.2	50.4	(22.4)
RIL	2427.5	14.0	7.8	439.5	14.3	8.1	18.1	5	4	192.1	(0.5)	11.3
BPCL	1136.9	(3.7)	(1.6)	82.6	(26.0)	32.6	7.3	(218)	187	47.5	(39.4)	39.7
HPCL	916.2	(15.1)	(17.7)	44.1	(8.0)	103.9	4.8	37	287	22.6	(29.9)	326.7
IOC	2134.0	5.1	7.2	149.0	191.8	(3.8)	7.0	(57)	(79)	81.6	(18.9)	1.2

Source: Company, DART

Valuation Matrix

Companies	CMP (Rs)	TP (Rs)	Rating	EPS				PE (x)				ROE (%)				ROCE (%)			
				FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
GAIL	191	205	Accumulate	8.2	15.0	16.3	17.1	23.3	12.7	11.7	11.1	8.4	14.6	14.7	14.2	5.3	10.5	11.0	10.8
GSPL	375	385	Accumulate	16.8	22.3	21.5	23.4	22.4	16.8	17.4	16.0	10.7	13.0	11.5	11.5	10.6	12.9	11.4	11.5
GUJ GAS	548	470	SELL	22.2	15.3	20.1	22.9	24.7	35.9	27.3	23.9	24.1	14.2	16.7	17.0	23.7	14.2	16.7	17.0
IGL	460	500	Accumulate	20.6	24.2	23.8	25.1	22.3	19.0	19.4	18.3	20.6	22.9	20.7	20.3	20.4	22.7	20.6	20.2
MAH GAS	1,440	1,440	Accumulate	80.0	122.5	108.2	117.3	18.0	11.8	13.3	12.3	20.4	26.9	20.7	20.0	20.6	26.9	20.7	20.0
PLNG	278	227	SELL	22.3	23.4	25.9	25.7	12.5	11.9	10.7	10.8	23.6	22.2	22.0	19.9	25.3	23.5	22.9	20.4
RIL	2,920	3,010	Accumulate	98.6	114.2	131.9	154.5	29.6	25.6	22.1	18.9	8.3	8.5	8.7	9.4	7.4	7.6	8.0	8.6
BPCL	590	575	Reduce	15.1	124.1	46.4	49.2	39.0	4.8	12.7	12.0	6.2	43.3	13.5	13.2	6.4	27.4	10.1	10.1
HPCL	461	453	Reduce	(63.3)	95.6	54.8	60.7	nm	4.8	8.4	7.6	(27.0)	41.9	19.6	19.0	(8.1)	14.8	8.4	8.5
IOC	168	150	Reduce	6.3	28.1	14.5	15.4	26.6	6.0	11.6	10.9	6.5	26.5	12.4	12.4	5.9	15.5	8.3	8.4

Source: DART, Company

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

DART Team

Purvag Shah	**Managing Director**	**purvag@dolatcapital.com**	**+9122 4096 9747**
Amit Khurana, CFA	**Head of Equities**	**amit@dolatcapital.com**	**+9122 4096 9745**

CONTACT DETAILS

Equity Sales	**Designation**	**E-mail**	**Direct Lines**
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	**Designation**	**E-mail**	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. 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. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and 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.

Research reports are intended for distribution 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, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741
Member: BSE Limited and National Stock Exchange of India Limited.
SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012
Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com