

# Petronet LNG

BUY

## Strong momentum continues

Petronet LNG (PLNG) reported strong numbers in 3QFY17, with EBITDA at Rs 6.1bn (+114% YoY) led by higher volumes (+34%), higher regas margins and lower opex. Consequently, APAT was at Rs 3.9bn (+132%). sequential decline is owing to lower margins on spot LNG, as prices were high.

FY17 proved to be good year for PLNG, led by (1) favourable negotiation with RasGas, (2) strong demand at lower RLNG prices, (3) decline in domestic gas production, and (4) absence of spare LNG capacity with any other player. Going forward, PLNG is very suitably located, as the Dahej terminal is the most inexpensive facility, and will have pricing power over the new plants (GSPC Mundra in FY18 and IOC Ennore in FY19). PLNG has commissioned an incremental capacity of 5 mtpa at Dahej in Oct-16. Off-take agreements for the new capacity are in place, with flexibility given to off-takers in the initial period. We have assumed capacity utilisation of ~60/90% for the new facility in FY18/19.

Post the volume ramp-up in Dahej, core RoCE will be 20%+ despite Kochi operating at only ~10% utilisation. PLNG is exploring growth opportunities in

### Financial Summary

(Rs mn)	3QFY17	3QFY16	YoY (%)	2QFY17	QoQ (%)	FY16	FY17E	FY18E	FY19E
Net Sales	62,993	51,460	22.4	66,144	(4.8)	271,334	261,060	359,674	449,138
EBITDA	6,071	2,841	113.7	7,264	(16.4)	15,903	25,641	30,724	36,680
APAT	3,975	1,709	132.5	4,596	(13.5)	9,140	15,621	18,979	22,690
Diluted EPS (Rs)	5.3	2.3	132.5	6.1	(13.5)	12.2	20.8	25.3	30.3
P/E (x)						31.3	18.3	15.1	12.6
P/Cash EPS (x)						23.2	14.8	12.4	10.5
RoE (%)						15.2	22.6	23.3	23.6

Source: Company, HDFC sec Inst Research

Bangladesh and Sri Lanka. Keeping in mind the bitter experience in Kochi, we are confident that capital allocation will be prudent. Our TP is Rs 435/sh (15x 12 months rolling fwd EPS). Maintain BUY.

### Highlights of the quarter

- **Dahej:** Volumes were 188 tbtu (+36% YoY). LT volumes were 108 tbtu (+185%), spot 5 (-77%) and tolling 75 (-5%). Regas margins were at Rs 42.6/mmbtu (+5%) and spot margins (computed) were negative owing to higher spot prices.
- **Kochi:** Volumes remain muted at 3.8 tbtu (-10% YoY, capacity util. ~6%), regas margin was ~Rs 70/mmbtu. Volumes will pick up post the commissioning of Kochi-Mangalore-Bangalore pipeline (unlikely in one -year).
- **Capex on track:** Capacity addition from 10 to 15 mtpa at Dahej got fully commissioned in Oct-16. Off-take agreements are in place. The company further plans to increase the capacity by 2.5 mtpa.
- **Near-term outlook:** We expect volumes to remain strong in the coming quarters, led by incremental volumes from the expanded capacity.

### INDUSTRY OIL & GAS

**CMP (as on 13 Feb 2017)** Rs 382

**Target Price** Rs 435

Nifty 8,805

Sensex 28,352

### KEY STOCK DATA

Bloomberg PLNG IN

No. of Shares (mn) 750

MCap (Rs bn) / (US\$ mn) 286/4,274

6m avg traded value (Rs mn) 728

### STOCK PERFORMANCE (%)

**52 Week high / low** Rs 411/230

**3M 6M 12M**

Absolute (%) 4.1 23.3 50.8

Relative (%) 0.1 22.3 32.7

### SHAREHOLDING PATTERN (%)

Promoters 50.00

FIs &amp; Local MFs 6.30

FPIs 21.69

Public &amp; Others 22.01

Source : BSE

**Satish Mishra**

satish.mishra@hdfcsec.com

+91-22-6171-7334

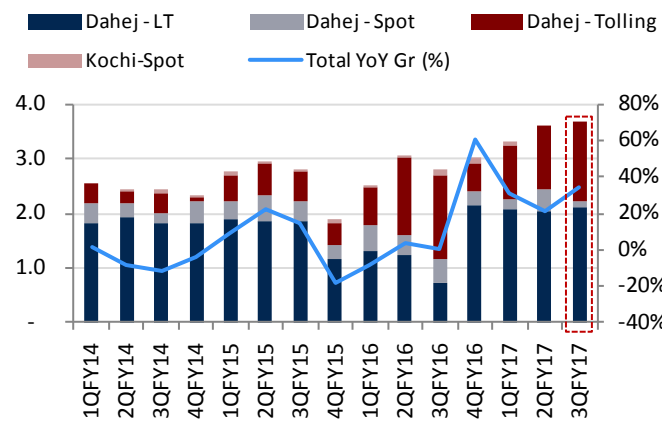
**Deepak Kolhe**

deepak.kolhe@hdfcsec.com

+91-22-6171-7316

**Volumes (mnT)**
**Dahej LT: 2.1 (+185% YoY)**
**Dahej spot: 0.1 (-77%)**
**Dahej tolling: 1.5 (-5%)**
**Kochi: 0.07 (-10% YoY)**
**Volumes trend**

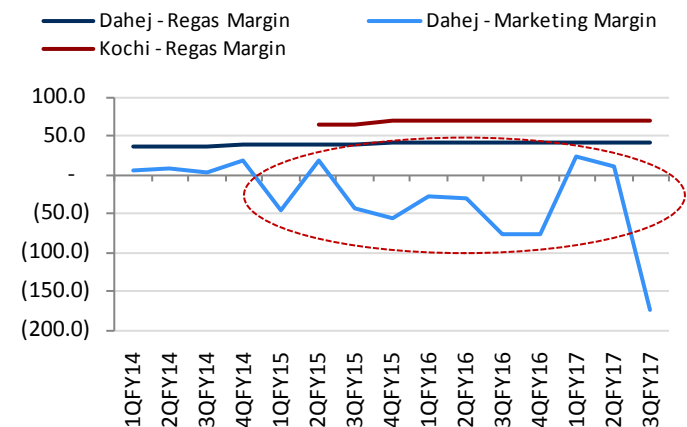
- Reduced gas prices boosted LT volumes.
- Kochi operating at capacity utilisation of ~6%.



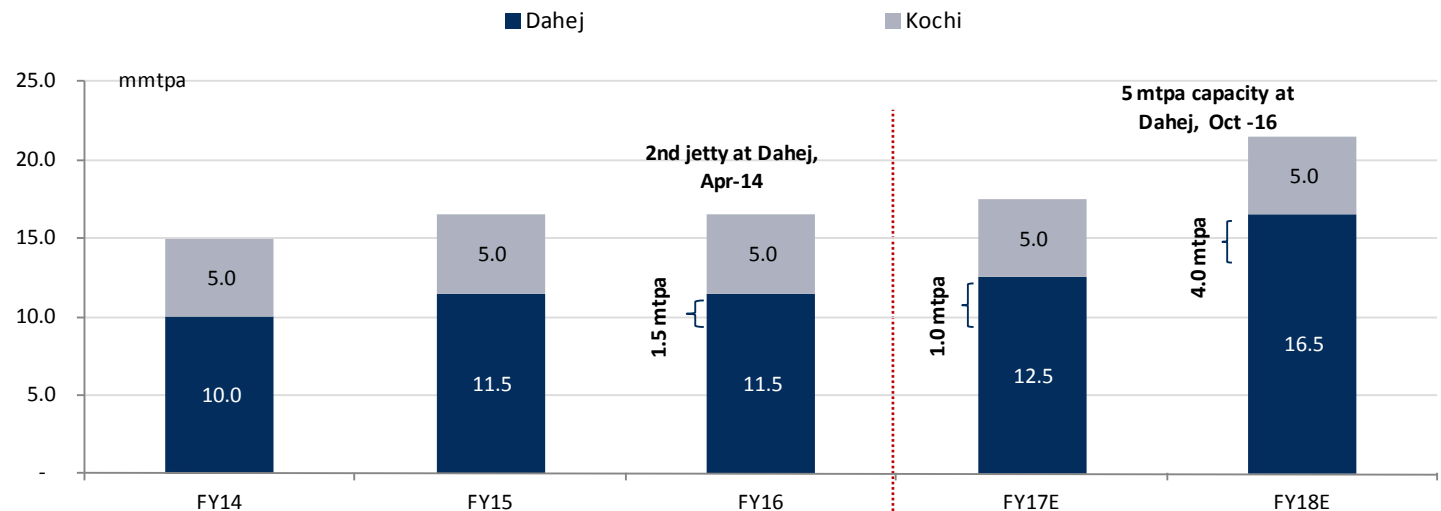
Source: Company, HDFC sec Inst Research

**Margins trend**

- Spot margins (computed) was negative owing to higher spot prices.
- Regasification margins up 5% YoY and flat QoQ.



Source: Company, HDFC sec Inst Research

**Capacity Build-up Plan**


Source: Company, HDFC sec Inst Research

- 5 mtpa got commissioned in Oct-16
- Additional 2.5 mtpa LNG capacity at Dahej expected in FY19/20
- 5 mtpa LNG capacity at Gangavaram (AP) is expected in FY19/20

**Revenue growth was driven by higher volumes (+34%)**

**Higher gross margins (12% vs 8% YoY) led to EBITDA of Rs 6.1bn**

**Tax rate was lower due to Dahej expansion benefit**

**EBITDA margin was strong owing to lower gas prices**

### Quarterly Financials Snapshot

(Rs mn)	3QFY17	3QFY16	YoY (%)	2QFY17	QoQ (%)
<b>Net Sales</b>	<b>62,993</b>	<b>51,460</b>	<b>22.4</b>	<b>66,144</b>	<b>(4.8)</b>
Material Expenses	55,569	47,165	17.8	57,613	(3.5)
Employee Expenses	194	229	(15.1)	180	7.8
Other Operating Expenses	1,159	1,225	(5.4)	1,086	6.7
<b>EBITDA</b>	<b>6,071</b>	<b>2,841</b>	<b>113.7</b>	<b>7,264</b>	<b>(16.4)</b>
Depreciation	1,009	807	25.0	860	17.4
<b>EBIT</b>	<b>5,062</b>	<b>2,034</b>	<b>148.9</b>	<b>6,405</b>	<b>(21.0)</b>
Other Income (Including EO Items)	550	814	(32.4)	915	(39.9)
Interest Cost	517	612	(15.6)	554	(6.8)
<b>PBT</b>	<b>5,095</b>	<b>2,236</b>	<b>127.8</b>	<b>6,765</b>	<b>(24.7)</b>
Tax	1,121	527	112.6	2,170	(48.4)
<b>RPAT</b>	<b>3,975</b>	<b>1,709</b>	<b>132.5</b>	<b>4,596</b>	<b>(13.5)</b>
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-
<b>APAT</b>	<b>3,975</b>	<b>1,709</b>	<b>132.5</b>	<b>4,596</b>	<b>(13.5)</b>
<b>AEPS</b>	<b>5.3</b>	<b>2.3</b>	<b>132.5</b>	<b>6.1</b>	<b>(13.5)</b>

Source: Company, HDFC sec Inst Research

### Margin Analysis

	3QFY17	3QFY16	YoY (bps)	2QFY17	QoQ (bps)
Raw Material As % Of Revenues	88.2	91.7	(344)	87.1	111
Employee Expenses As % Of Revenues	0.3	0.4	(14)	0.3	4
Other Operating Exp % Of Revenues	1.8	2.4	(54)	1.6	20
<b>EBITDA Margin (%)</b>	<b>9.6</b>	<b>5.5</b>	<b>412</b>	<b>11.0</b>	<b>(135)</b>
Net Profit Margin (%)	6.3	3.3	299	6.9	(64)
Tax Rate (%)	22.0	23.6	(158)	32.1	(1,008)

Source: Company, HDFC sec Inst Research

*Off-take for LT RLNG was strong post reduction in prices*

*Volatility in marketing margins continue*

### Quarterly Operational Data

	3QFY17	3QFY16	YoY (%)	2QFY17	QoQ (%)
<b>TOTAL Volume (tbtu)</b>	<b>191.4</b>	<b>142.4</b>	<b>34.4</b>	<b>188.9</b>	<b>1.3</b>
<b>Dahej</b>					
Long-term Volumes	107.5	37.7	185.1	103.0	4.4
Spot Volumes	4.8	21.1	(77.2)	20.7	(76.8)
Tolling Volumes	75.3	79.5	(5.3)	60.7	24.0
<b>Total Volume (tbtu)</b>	<b>187.6</b>	<b>138.2</b>	<b>35.7</b>	<b>184.4</b>	<b>1.7</b>
Regasification Margin (Rs/mmbtu)	42.6	40.5	5.0	42.6	-
Marketing Margin (Rs/mmbtu)	(175.3)	(76.7)	-	9.8	-
Spot Margin (Rs/mmbtu)	(132.8)	(36.2)	-	52.4	-
<b>Kochi</b>					
Long-term Vol (tbtu)	-	-	-	-	-
Spot Vol (tbtu)	3.8	4.2	(9.7)	4.5	(15.6)
Tolling Vol (tbtu)	-	-	-	-	-
<b>Total Volume (tbtu)</b>	<b>3.8</b>	<b>4.2</b>	<b>(9.7)</b>	<b>4.5</b>	<b>(15.6)</b>
Regasification Margin (Rs/mmbtu)	68.4	68.4	-	68.4	-
Marketing Margin (Rs/mmbtu)	-	-	-	-	-
Spot Margin (Rs/mmbtu)	68.4	68.4	-	68.4	-

Source: Company, HDFC sec Inst Research

### Peer Valuations

	Mcap (Rs bn)	CMP (Rs/sh)	Rating	TP (Rs/sh)	EPS (Rs/sh)			P/E (x)			P/BV (x)			ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E
Reliance Industries	3,337	1,030	BUY	1,225	91.2	103.2	117.7	11.3	10.0	8.8	1.3	1.1	1.0	11.7	12.0	12.3
ONGC	2,467	192	NEU	220	14.2	15.3	16.8	13.5	12.6	11.5	1.5	1.5	1.4	11.7	12.0	12.4
Indian Oil Corp	1,845	380	BUY	425	39.5	41.1	40.3	9.6	9.2	9.4	2.2	1.9	1.7	24.4	22.3	19.3
BPCL	1,033	715	NEU	730	52.1	54.1	60.7	13.7	13.2	11.8	3.4	3.0	2.6	26.1	24.1	23.8
Gail India	611	482	BUY	535	29.5	33.7	36.4	16.3	14.3	13.2	1.9	1.7	1.6	11.8	12.5	12.5
HPCL	587	578	BUY	650	54.6	54.0	52.0	10.6	10.7	11.1	2.9	2.6	2.4	28.8	25.8	22.5
<b>Petronet LNG</b>	<b>286</b>	<b>382</b>	<b>BUY</b>	<b>435</b>	<b>20.8</b>	<b>25.3</b>	<b>30.3</b>	<b>18.3</b>	<b>15.1</b>	<b>12.6</b>	<b>3.8</b>	<b>3.3</b>	<b>2.8</b>	<b>22.6</b>	<b>23.3</b>	<b>23.6</b>
OIL India	268	335	NEU	360	26.0	25.8	25.8	12.9	12.9	13.0	0.9	0.8	0.8	9.2	8.8	8.5
Indraprastha Gas	142	1,013	BUY	1,200	40.9	45.0	50.7	24.8	22.5	20.0	5.0	4.3	3.7	21.7	20.4	19.7

Source: Company, HDFC sec Inst Research

*Dahej volumes will be strong, led by lower gas price*

*We don't expect a sharp recovery in Kochi's volumes for the next year*

*Have built-in no marketing margins in the spot business*

*Change in revenues factoring higher LNG prices (inline with the strengthening crude) and weaker currency*

### Assumptions

	FY11	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
<b>Volumes (mmt)</b>									
<b>Dahej</b>	<b>8.5</b>	<b>10.7</b>	<b>10.3</b>	<b>9.6</b>	<b>10.2</b>	<b>11.1</b>	<b>14.1</b>	<b>15.9</b>	<b>17.5</b>
Long/Medium Term	7.5	7.3	7.4	7.3	6.8	5.4	8.5	10.9	13.4
Spot	0.5	2.0	2.0	1.2	1.4	1.5	1.0	1.0	1.1
Tolling	0.5	1.4	0.9	1.0	2.1	4.2	4.6	4.0	3.0
<b>Kochi</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>1.2</b>
Long/Medium Term	-	-	-	-	-	-	-	-	-
Spot	-	-	-	0.1	0.1	0.3	0.3	0.4	1.0
Tolling	-	-	-	0.0	0.0	-	0.1	0.2	0.2
<b>Grand Total</b>	<b>8.5</b>	<b>10.7</b>	<b>10.3</b>	<b>9.7</b>	<b>10.3</b>	<b>11.4</b>	<b>14.4</b>	<b>16.5</b>	<b>18.7</b>

### Margins (Rs/mmbtu)

#### Dahej

Regasification	32.1	33.8	35.4	37.2	39.1	41.0	43.1	45.2	47.5
Marketing	14.8	33.0	49.4	33.8	(0.8)	(33.9)	-	-	-
<b>Spot Total</b>	<b>47.0</b>	<b>66.7</b>	<b>84.8</b>	<b>71.1</b>	<b>38.3</b>	<b>7.1</b>	<b>43.1</b>	<b>45.2</b>	<b>47.5</b>

#### Kochi

Regasification	-	-	-	63.0	65.1	68.4	68.4	68.4	68.4
Marketing	-	-	-	-	-	-	-	-	-
<b>Spot Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.0</b>	<b>65.1</b>	<b>68.4</b>	<b>68.4</b>	<b>68.4</b>	<b>68.4</b>

### Average Prices (\$/mmbtu)

Gas Cost	6.2	9.0	11.1	13.4	14.5	10.3	6.9	7.6	7.6
Realisation	7.0	9.8	12.0	14.1	14.6	11.0	7.6	8.3	8.3
INR-US\$	45.6	47.9	54.4	60.5	61.2	65.8	66.0	67.0	67.0

Source: HDFC sec Inst Research

### Change In Estimates

(Rs bn)	FY18 Old	FY18 New	% ch	FY19 Old	FY19 New	% ch
Revenue	325,377	359,674	10.5	406,565	449,138	10.5
EBITDA	31,153	30,724	(1.4)	36,792	36,680	(0.3)
PAT	19,012	18,979	(0.2)	22,448	22,690	1.1
EPS (Rs/sh)	25.3	25.3	(0.2)	29.9	30.3	1.1

Source: HDFC sec Inst Research

## Standalone Income Statement

(Rs mn)	FY15	FY16	FY17E	FY18E	FY19E
<b>Revenues</b>	<b>395,010</b>	<b>271,334</b>	<b>261,060</b>	<b>359,674</b>	<b>449,138</b>
<b>Growth (%)</b>	<b>4.6</b>	<b>(31.3)</b>	<b>(3.8)</b>	<b>37.8</b>	<b>24.9</b>
Raw Material	376,109	250,757	230,295	322,666	404,918
Employee Expenses	571	717	824	948	1,090
Other Operating Expenses	3,940	3,958	4,300	5,336	6,450
<b>EBITDA</b>	<b>14,390</b>	<b>15,903</b>	<b>25,641</b>	<b>30,724</b>	<b>36,680</b>
<b>Growth (%)</b>	<b>(4.0)</b>	<b>10.5</b>	<b>61.2</b>	<b>19.8</b>	<b>19.4</b>
<b>EBIDTA Margin (%)</b>	<b>3.6</b>	<b>5.9</b>	<b>9.8</b>	<b>8.5</b>	<b>8.2</b>
Depreciation	3,154	3,216	3,761	4,216	4,708
<b>EBIT</b>	<b>11,236</b>	<b>12,687</b>	<b>21,879</b>	<b>26,508</b>	<b>31,972</b>
Other Income	1,548	1,704	2,260	2,282	1,940
Finance Charges	2,935	2,388	2,138	2,059	1,954
<b>PBT</b>	<b>9,849</b>	<b>12,004</b>	<b>22,001</b>	<b>26,731</b>	<b>31,958</b>
Provision For Taxes	1,024	2,864	6,380	7,752	9,268
<b>RPAT</b>	<b>8,825</b>	<b>9,140</b>	<b>15,621</b>	<b>18,979</b>	<b>22,690</b>
Prior Period/EO Items	1,323	-	-	-	-
<b>APAT</b>	<b>7,502</b>	<b>9,140</b>	<b>15,621</b>	<b>18,979</b>	<b>22,690</b>
<b>APAT Growth (%)</b>	<b>5.4</b>	<b>21.8</b>	<b>70.9</b>	<b>21.5</b>	<b>19.6</b>
<b>AEPS</b>	<b>10.0</b>	<b>12.2</b>	<b>20.8</b>	<b>25.3</b>	<b>30.3</b>
<b>EPS Growth %</b>	<b>5.4</b>	<b>21.8</b>	<b>70.9</b>	<b>21.5</b>	<b>19.6</b>

Source: Company, HDFC sec Inst Research

## Standalone Balance Sheet

(Rs mn)	FY15	FY16	FY17E	FY18E	FY19E
<b>SOURCES OF FUNDS</b>					
Share Capital	7,500	7,500	7,500	7,500	7,500
Reserves And Surplus	49,386	56,264	67,234	80,598	96,619
<b>Net Worth</b>	<b>56,886</b>	<b>63,764</b>	<b>74,734</b>	<b>88,098</b>	<b>104,119</b>
Long Term Debt	23,738	20,610	20,110	19,110	18,110
Short Term Debt	2,803	3,129	3,129	3,129	3,129
<b>Total Debt</b>	<b>26,541</b>	<b>23,738</b>	<b>23,238</b>	<b>22,238</b>	<b>21,238</b>
Interest Free Advances	9,000	14,000	17,000	17,000	17,000
Long Term Provisions	43	56	56	56	56
Deferred Tax Liability	7,270	8,710	8,710	8,710	8,710
<b>Total Liabilities</b>	<b>99,740</b>	<b>110,269</b>	<b>123,739</b>	<b>136,102</b>	<b>151,123</b>
<b>APPLICATION OF FUNDS</b>					
Net fixed assets	69,426	68,105	88,144	84,728	105,820
Capital WIP	9,595	15,635	2,635	17,635	7,635
Investments	900	900	2,900	5,900	10,900
LT Loans & Advance and Others	4,682	5,302	5,302	5,302	5,302
<b>Total Non-current Assets</b>	<b>84,603</b>	<b>89,942</b>	<b>98,981</b>	<b>113,565</b>	<b>129,656</b>
Inventory	8,826	2,461	4,291	5,912	7,383
Debtors	13,428	9,885	9,511	13,104	16,363
Cash And Cash Equivalent	3,621	21,829	24,512	19,884	16,629
Loans And Advances	754	350	350	350	350
Other Current Assets	4	13	13	13	13
<b>Total Current Assets</b>	<b>26,633</b>	<b>34,538</b>	<b>38,677</b>	<b>39,263</b>	<b>40,738</b>
Creditors	3,209	7,721	7,429	10,235	12,781
Other Current Liabilities & Provns	8,287	6,490	6,490	6,490	6,490
<b>Total Current Liabilities</b>	<b>11,496</b>	<b>14,211</b>	<b>13,919</b>	<b>16,725</b>	<b>19,271</b>
<b>Net Current Assets</b>	<b>15,138</b>	<b>20,327</b>	<b>24,758</b>	<b>22,537</b>	<b>21,467</b>
<b>Total Assets</b>	<b>99,740</b>	<b>110,269</b>	<b>123,739</b>	<b>136,102</b>	<b>151,123</b>

Source: Company, HDFC sec Inst Research

## Standalone Cash Flow

(Rs mn)	FY15	FY16	FY17E	FY18E	FY19E
Reported PBT	9,849	12,004	22,001	26,731	31,958
Non-operating & EO Items	(1,101)	(1,193)	(2,260)	(2,282)	(1,940)
Interest Expenses	2,935	2,388	2,138	2,059	1,954
Depreciation	3,154	3,216	3,761	4,216	4,708
Working Capital Change	(10,451)	14,323	(1,748)	(2,408)	(2,184)
Tax Paid	(2,088)	(1,996)	(6,380)	(7,752)	(9,268)
<b>OPERATING CASH FLOW ( a )</b>	<b>2,298</b>	<b>28,741</b>	<b>17,512</b>	<b>20,565</b>	<b>25,228</b>
Capex	(8,279)	(9,724)	(10,800)	(15,800)	(15,800)
Free Cash Flow (FCF)	(5,981)	19,017	6,712	4,765	9,428
Investments	-	-	(2,000)	(3,000)	(5,000)
Non-operating Income	1,548	1,704	2,260	2,282	1,940
Others	77	(519)	-	-	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(6,654)</b>	<b>(8,539)</b>	<b>(10,540)</b>	<b>(16,518)</b>	<b>(18,860)</b>
Debt Issuance/(Repaid)	(6,128)	(2,803)	(500)	(1,000)	(1,000)
Interest Expenses	(2,457)	(2,386)	(2,138)	(2,059)	(1,954)
FCFE	(14,566)	13,829	4,074	1,706	6,474
Share Capital Issuance	-	-	-	-	-
Dividend	(1,755)	(1,805)	(4,651)	(5,616)	(6,669)
Other Long-term Liabilities	6,000	5,000	3,000	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(4,340)</b>	<b>(1,994)</b>	<b>(4,289)</b>	<b>(8,675)</b>	<b>(9,623)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(8,696)</b>	<b>18,209</b>	<b>2,683</b>	<b>(4,628)</b>	<b>(3,255)</b>
EO Items, Others	(509)	(1)	-	-	-
Closing Cash & Equivalents	3,621	21,829	24,512	19,884	16,629

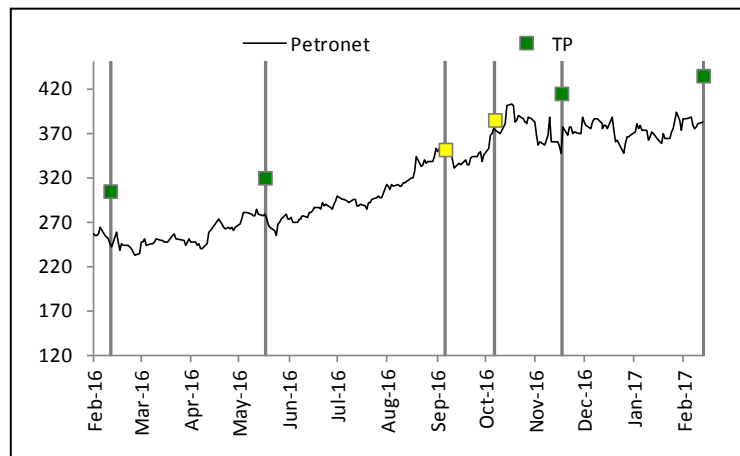
Source: Company, HDFC sec Inst Research

## Standalone Key Ratios

	FY15	FY16	FY17E	FY18E	FY19E
<b>PROFITABILITY %</b>					
EBIDTA Margin	3.6	5.9	9.8	8.5	8.2
EBIT Margin	2.8	4.7	8.4	7.4	7.1
APAT Margin	1.9	3.4	6.0	5.3	5.1
RoE	14.1	15.2	22.6	23.3	23.6
RoCE	11.0	10.7	15.1	16.1	17.1
Core RoCE	12.5	13.6	20.9	22.2	23.7
<b>EFFICIENCY</b>					
Tax Rate %	10.4	23.9	29.0	29.0	29.0
Fixed Asset Turnover (x)	4.8	3.1	2.6	3.2	3.5
Inventory (days)	8	3	6	6	6
Debtor (days)	12	13	13	13	13
Other Current Assets (days)	1	0	1	0	0
Payables (days)	3	10	10	10	10
Other Curr Liab & Prov (days)	8	9	9	7	5
Cash Conversion Cycle (days)	11	(2)	0	3	4
Net Debt/EBIDTA (x)	1.6	0.1	(0.0)	0.1	0.1
Net D/E	0.4	0.0	(0.0)	0.0	0.0
Interest Coverage	4.4	6.0	11.3	14.0	17.4
<b>PER SHARE</b>					
EPS (Rs)	10.0	12.2	20.8	25.3	30.3
CEPS (Rs)	16.0	16.5	25.8	30.9	36.5
BV (Rs)	75.8	85.0	99.6	117.5	138.8
DPS (Rs)	2.0	2.5	5.3	6.4	7.6
<b>VALUATION</b>					
P/E (x)	38.2	31.3	18.3	15.1	12.6
P/Cash EPS (x)	23.9	23.2	14.8	12.4	10.5
P/BV (x)	5.0	4.5	3.8	3.3	2.8
EV/EBIDTA (x)	21.5	18.1	11.1	9.4	7.9
EV/Revenue (x)	0.8	1.1	1.1	0.8	0.6
Dividend Yield (%)	0.5	0.7	1.4	1.7	2.0
OCF/EV	0.7	10.0	6.1	7.1	8.7
FCFF/EV	(1.9)	6.6	2.4	1.6	3.2
FCFE/M CAP	(5.1)	4.8	1.4	0.6	2.3

Source: Company, HDFC sec Inst Research

## RECOMMENDATION HISTORY



Date	CMP	Reco	Target
11-Feb-16	246	BUY	305
17-May-16	279	BUY	320
7-Sep-16	356	NEU	350
7-Oct-16	373	NEU	385
18-Nov-16	348	BUY	415
14-Feb-17	382	BUY	435

### Rating Definitions

**BUY** : Where the stock is expected to deliver more than 10% returns over the next 12 month period

**NEUTRAL** : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period

**SELL** : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period



#### Disclosure:

We, Satish Mishra, PGDM, & Deepak Kolhe, MBA, 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.

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 not have any material conflict of interest.

Any holding in stock – No

#### Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. 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. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and 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 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 HDFC Securities Ltd or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HDFC Securities Ltd .

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. HDFC Securities Ltd may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HDFC Securities 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.

HDFC Securities Ltd, 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.

HDFC Securities Ltd 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.

HDFC 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.

HDFC 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 in the normal course of business.

HDFC Securities 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 HDFC Securities 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. HDFC Securities 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 Ltd. is a SEBI Registered Research Analyst having registration no. INH000002475

#### 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