

# Retail Equity Research

## Bharti Airtel Limited

Telecom

BSE CODE: 532454

NSE CODE: BHARTIARTL

Bloomberg CODE: BHARTI:IN

SENSEX: 40,445

**HOLD**

12M Investment period

Rating as per Large Cap

CMP Rs 445 TARGET Rs 485 RETURN 9%

(Closing: 06-12-19)



KEY CHANGES:

TARGET ↑

RATING ↔

EARNINGS ↑

### Robust Q2FY20 impacted by huge one-off loss

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. The company had over 411 million customers across its operations at the end of Q2FY20.

- Consolidated topline increased 4.9% YoY to Rs. 21,131cr while EBITDA margin expanded by 1,100bps YoY to 41.9% (mainly due to adoption of Ind-AS 116) as EBITDA reached Rs. 8,860cr in Q2FY20.
- Airtel's mobile services in India registered ARPU of Rs.128 in Q2FY20, up 28.4% YoY, despite being a seasonally weak quarter and amidst J&K shutdown.
- The Hon'ble Supreme Court of India, passed an order in favor of the DoT with respect to a long outstanding industry-wide case of the definition of Adjusted Gross Revenue (AGR). On 20<sup>th</sup> November 2019, a two-year moratorium was announced on the payment of AGR dues of Rs. 34,260cr as estimated by the company which may ease cash flow pressure.
- The company has increased the tariff by up to 40% from 3<sup>rd</sup> December and we expect the company may still need to tap equity market/debt finance to pay AGR charges. Hence we maintain our HOLD rating on the stock with a revised target price of Rs. 485 based on SOTP methodology.

### Operational performance in Q2FY20

The group has consolidated the consumer mobile business of Tata Teleservices Maharashtra Limited and Tata Teleservices Limited from 1<sup>st</sup> July 2019 (M&A activity). In Q2FY20, the group has added 8 million customers to its 4G base and has more than 100 million customers on its 4G network; added more than 2,900 sites on the network's front. In its Digital TV services business, the company added 181,000 customers, and increased its ARPU to Rs. 162 in Q2FY20 vs Rs. 157 in Q1FY20 driven by upgrades to premium plans.

### One-off charges dampen results

The aggregated charges amount to Rs. 28,450cr (comprising of principal of Rs. 6,164cr, interest of Rs. 12,219cr, penalty of Rs. 3,760cr and interest on penalty of Rs. 6,307) with respect to the license fee and spectrum usage charges (SUC) as estimated based on AGR, while the liabilities/provisions as at Q2FY20 aggregate to Rs. 34,260cr. The net debt to EBITDA decreased to 3.3x in Q2FY20 vs. 3.4x in Q1FY20.

### Key highlights

- Consolidated mobile data traffic in its India business has grown 81.5% YoY to 5,005bn MBs in Q2FY20.
- DTH customer base grew by 9.7% YoY with net customer additions in Q2FY20 at 181,000
- Airtel continues to expand its digital offerings by launching Airtel Xstream, Hybrid Smart Box and Airtel Xstream Fibre.
- Vodafone Idea, with its high debt level may continue to lose subscribers to Airtel and Jio, hence paving way for a duopoly in Indian telecom industry.

### Valuation

Bharti Airtel is focusing on high paying customers to handle the industry pressure and become the 2<sup>nd</sup> ranked telco in India. With Airtel hiking its tariff by up to 40% in prepaid plans and considering Jio's plan to charge subscribers an interconnect usage fee, we maintain our HOLD rating on the stock with a revised target price of Rs. 485 based on SOTP methodology.

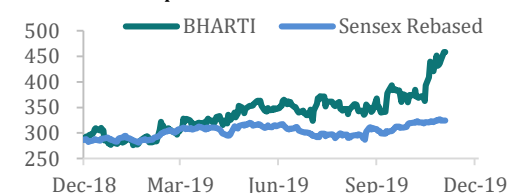
### Company Data

Market Cap (cr)	Rs.236,506
Enterprise Value (cr)	Rs.356,543
Outstanding Shares (cr)	513.2
Free Float	37.0%
Dividend Yield	0.6%
52 week high	Rs.486
52 week low	Rs.259
6m average volume (lacs)	3.4
Beta	1.0
Face value	Rs.5

Shareholding %	Q4FY19	Q1FY20	Q2FY20
Promoters	67.1	62.7	62.7
FII's	17.6	22.1	22.3
MFs/Insti	13.3	13.2	13.2
Public	0.9	0.8	0.7
Others	1.2	1.3	1.1
Total	100.0	100.0	100.0
Promoters pledge	0.0	0.0	0.0

Price Performance	3 Month	6 Month	1 Year
Absolute Return	33.2%	30.4%	57.7%
Absolute Sensex	11.2%	1.9%	13.1%
Relative Return*	22.0%	28.5%	44.6%

\*over or under performance to benchmark index



Consolidated (cr)	FY19A	FY20E	FY21E
Sales	80,780	85,385	91,789
Growth (%)	(2.2)	5.7	7.5
EBITDA	25,764	34,362	39,315
EBITDA Margin (%)	31.9	40.2	42.8
Adj. PAT	(2,519)	(7,709)	1,133
Growth (%)	(233.1)	(206.0)	n.m.
Adj. EPS	(6.3)	(15.0)	2.2
Growth (%)	(233.1)	(138.4)	n.m.
P/E	n.m.	n.m.	280.8
P/B	1.7	2.8	2.8
EV/EBITDA	9.8	10.4	8.9
ROE (%)	0.6	(19.5)	2.0
D/E	1.5	1.3	1.1

## Quarterly Financials (Consolidated)

### Profit & Loss Account

	Q2FY20	Q2FY19	YoY Growth %	Q1FY20	QoQ Growth %	H1FY20	H1FY19	YoY Growth %
Revenue	21,131	20,148	4.9	20,738	1.9	41,869	39,947	4.8
<b>EBITDA</b>	<b>8,860</b>	<b>6,232</b>	42.2	<b>8,280</b>	7.0	<b>17,141</b>	<b>12,946</b>	32.4
EBITDA margins	41.9	30.9	1,100bps	39.9	200bps	40.9	32.4	850bps
Depreciation	6,935	5,237	32.4	6,759	2.6	13,694	10,382	31.9
<b>EBIT</b>	<b>1,925</b>	<b>995</b>	93.5	<b>1,522</b>	26.5	<b>3,447</b>	<b>2,564</b>	34.4
Interest	2,908	2,986	(2.6)	3,182	(8.6)	6,090	5,112	19.1
Other Income	45	(26)	n.m.	37	20.2	82	81	0.9
Exceptional Items	(30,711)	(145)	n.m.	(1,469)	n.m.	(32,180)	(507)	n.m.
Share of profit from Associate	316	163	93.2	93	238.9	409	329	24.3
<b>PBT</b>	<b>(31,334)</b>	<b>(1,998)</b>	n.m.	<b>(2,999)</b>	<b>(944.7)</b>	<b>(34,333)</b>	<b>(2,646)</b>	n.m.
Tax	(8,504)	(2,248)	(278.4)	(607)	n.m.	(9,111)	(3,374)	(170.0)
Minority Interest	215	130	64.7	474	(54.7)	689	513	34.3
<b>Reported PAT</b>	<b>(23,045)</b>	<b>119</b>	n.m.	<b>(2,866)</b>	<b>(704.1)</b>	<b>(25,911)</b>	<b>216</b>	n.m.
Adjustments	25,030	(933)	n.m.	1,466	n.m.	26,496	(1,331)	n.m.
<b>Adjusted PAT</b>	<b>1,985</b>	<b>(814)</b>	n.m.	<b>(1,400)</b>	n.m.	<b>585</b>	<b>(1,115)</b>	n.m.
No. of shares	513.2	399.7	-	463.8	-	513.2	399.7	-
<b>Adj. EPS (Rs)</b>	<b>3.9</b>	<b>(2.0)</b>	n.m.	<b>(3.0)</b>	n.m.	<b>1.1</b>	<b>(2.8)</b>	n.m.

### Segmental Revenue

Segmental Revenue (Rs cr)	Q2FY20	Q2FY19	YoY Growth %	Q1FY20	QoQ Growth %	H1FY20	H1FY19	YoY Growth %
Mobile Services India	10,981	10,252	7.1	10,867	1.1	21,848	20,733	5.4
Mobile Services Africa	5,916	5,373	10.1	5,543	6.7	11,459	10,376	10.4
Mobile Services South Asia	111	112	(1.5)	109	1.5	219	218	0.5
Airtel Business	3,331	3,346	(0.4)	3,208	3.8	6,539	6,338	3.2
Tower Infrastructure Service	1,667	1,721	(3.1)	1,726	(3.4)	3,394	3,416	(0.6)
Home Services	548	561	(2.4)	571	(4.0)	1,118	1,135	(1.5)
Digital Services	789	1,024	(22.9)	739	6.8	1,528	2,017	(24.2)
Others	0	53	n.m.	(8)	n.m.	(8)	90	n.m.
<b>Subtotal</b>	<b>23,343</b>	<b>22,441</b>	<b>4.0</b>	<b>22,755</b>	<b>2.6</b>	<b>46,097</b>	<b>44,322</b>	<b>4.0</b>
Less: Intersegment revenue	2,211	2,293	(3.6)	2,017	9.7	4,228	4,375	(3.4)
<b>Total Segment Revenue</b>	<b>21,131</b>	<b>20,148</b>	<b>4.9</b>	<b>20,738</b>	<b>1.9</b>	<b>41,869</b>	<b>39,947</b>	<b>4.8</b>

### Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change %	
	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Revenue	84,819	90,757	85,385	91,789	0.7	1.1
EBITDA	32,093	37,294	34,362	39,315	7.1	5.4
Margins (%)	37.8	41.1	40.2	42.8	240bps	170bps
Adj. PAT	(1,911)	827	(7,709)	1,133	(303.4)	37.0
EPS	(3.7)	1.6	(15.0)	2.2	(306.0)	37.5

### Sum-of-the-parts Valuation

Particulars	Basis	Multiple	Year	% holding	Value (Rs. cr.)	Value/share (Rs.)
India and SA	EV/EBITDA	10.0	FY21E	100.0%	293,293	572
Africa	EV/EBITDA	7.5	FY21E	56.0%	49,777	97
Tower	15% Holdco Disc. To Market Cap			53.5%	20,938	41
<b>Enterprise Value</b>					<b>364,008</b>	<b>719</b>
Net Debt					(98,488)	(192)
Minority Interest					(16,526)	(32)
<b>Equity value</b>					<b>248,994</b>	<b>485</b>

## PROFIT & LOSS

Y.E March (Rs cr)	FY17A	FY18A	FY19A	FY20E	FY21E
<b>Revenue</b>	<b>95,468</b>	<b>82,639</b>	<b>80,780</b>	<b>85,385</b>	<b>91,789</b>
% change	(1.1)	(13.4)	(2.2)	5.7	7.5
<b>EBITDA</b>	<b>35,330</b>	<b>30,079</b>	<b>25,764</b>	<b>34,362</b>	<b>39,315</b>
% change	3.6	(14.9)	(14.3)	33.4	14.4
Depreciation	19,773	19,243	21,348	26,936	26,877
<b>EBIT</b>	<b>15,557</b>	<b>10,836</b>	<b>4,416</b>	<b>7,426</b>	<b>12,437</b>
Interest	7,697	8,072	9,589	11,146	9,976
Other Income	1,034	1,296	513	861	1,050
Exceptional Item	(1,170)	(793)	2,929	(21,943)	800
<b>PBT</b>	<b>7,723</b>	<b>3,267</b>	<b>(1,732)</b>	<b>(24,802)</b>	<b>4,311</b>
% change	(36.0)	(57.7)	(153.0)	1332.2	n.m.
Tax	3,482	1,084	(3,419)	(9,819)	1,086
Tax Rate (%)	45.1	33.2	197.4	39.6	25.2
<b>Reported PAT</b>	<b>3,800</b>	<b>1,099</b>	<b>409</b>	<b>(16,483)</b>	<b>1,725</b>
Adj*	1,170	793	(2,929)	8,773	(592)
<b>Adj PAT</b>	<b>4,970</b>	<b>1,892</b>	<b>(2,519)</b>	<b>(7,709)</b>	<b>1,133</b>
% change	23.2	(61.9)	(233.1)	206.0	n.m.
No. of shares (cr)	399.7	399.7	399.7	513.2	513.2
<b>Adj EPS (Rs)</b>	<b>12.4</b>	<b>4.7</b>	<b>(6.3)</b>	<b>(15.0)</b>	<b>2.2</b>
% change	34.2	(61.9)	(233.1)	138.4	n.m.
DPS (Rs)	1.0	5.3	2.5	1.7	2.3
CEPS (Rs)	61.9	52.9	47.1	37.5	54.6

## CASH FLOW

Y.E March (Rs cr)	FY17A	FY18A	FY19A	FY20E	FY21E
<b>Net inc. + Depn.</b>	<b>23,573</b>	<b>20,342</b>	<b>21,757</b>	<b>10,453</b>	<b>28,602</b>
Non-cash adj.	3,312	10,467	(4,951)	1,220	14,444
Changes in W.C	1,395	(955)	2,982	(2,105)	1,133
<b>C.F. Operation</b>	<b>28,280</b>	<b>29,854</b>	<b>19,788</b>	<b>9,568</b>	<b>44,179</b>
Capital exp.	(36,712)	(25,248)	(29,050)	(19,170)	(25,701)
Change in inv.	5,879	(3,332)	92	(1,544)	-
Other invest.CF	229	613	457	(0)	-
<b>C.F - Investment</b>	<b>(30,604)</b>	<b>(27,968)</b>	<b>(28,501)</b>	<b>(20,715)</b>	<b>(25,701)</b>
Issue of equity	(937)	(39)	9,869	30,408	-
Issue/repay debt	935	4,007	10,588	(872)	(15,000)
Dividends paid	(917)	(3,265)	(4,662)	(872)	(1,180)
Other finance.CF	567	1,217	(6,332)	(6,077)	(9,976)
<b>C.F - Finance</b>	<b>(351)</b>	<b>1,921</b>	<b>9,464</b>	<b>22,587</b>	<b>(26,156)</b>
Chg. in cash	(2,676)	3,807	751	11,440	(7,678)
Closing cash	5,098	6,671	8,106	19,546	11,868

## BALANCE SHEET

Y.E March (Rs cr)	FY17A	FY18A	FY19A	FY20E	FY21E
Cash	5,098	6,671	8,106	19,546	11,868
Accounts Receivable	4,740	5,883	4,301	5,550	6,425
Inventories	49	69	88	136	167
Other Cur. Assets	8,317	20,876	20,411	21,323	21,776
Investments	12,646	9,261	11,088	12,098	12,848
Gross Fixed Assets	139,255	157,296	182,307	201,477	227,178
Net Fixed Assets	62,009	70,608	81,523	76,686	74,556
CWIP	2,394	5,209	8,843	8,090	9,044
Intangible Assets	124,671	121,135	120,100	117,924	117,924
Def. Tax (Net)	2,620	2,933	8,938	22,012	21,012
Other Assets	10,722	7,937	11,800	15,604	16,604
<b>Total Assets</b>	<b>233,265</b>	<b>250,582</b>	<b>275,198</b>	<b>298,969</b>	<b>292,225</b>
Current Liabilities	45,809	51,848	54,872	65,876	65,834
Provisions	747	721	682	740	740
Debt Funds	107,288	111,334	125,428	124,557	110,357
Other Liabilities	5,090	8,330	9,267	8,296	13,749
Equity Capital	1,999	1,999	1,999	2,566	2,566
Reserves & Surplus	65,458	67,536	69,424	81,909	82,454
Shareholder's Fund	67,456	69,534	71,422	84,475	85,020
Minority Interest	6,875	8,814	13,526	15,026	16,526
<b>Total Liabilities</b>	<b>233,265</b>	<b>250,582</b>	<b>275,198</b>	<b>298,969</b>	<b>292,225</b>
<b>BVPS (Rs)</b>	<b>169</b>	<b>174</b>	<b>179</b>	<b>165</b>	<b>166</b>

## RATIOS

Y.E March	FY17A	FY18A	FY19A	FY20E	FY21E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	37.0	36.4	31.9	40.2	42.8
EBIT margin (%)	16.3	13.1	5.5	8.7	13.5
Net profit mgn.(%)	4.0	1.3	0.5	(19.3)	1.9
ROE (%)	5.6	1.6	0.6	(19.5)	2.0
ROCE (%)	8.6	5.7	2.1	3.3	5.9
<b>W.C &amp; Liquidity</b>					
Receivables (days)	18.1	26.0	19.4	23.7	25.6
Inventory (days)	0.4	0.7	0.8	1.3	1.5
Payables (days)	242.2	278.8	263.4	255.5	255.6
Current ratio (x)	0.3	0.4	0.4	0.4	0.4
Quick ratio (x)	0.2	0.2	0.2	0.3	0.2
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	1.4	0.6	0.5	0.4	0.4
Total asset T.O (x)	0.4	0.3	0.3	0.3	0.3
Int. covge. ratio (x)	2.0	1.3	0.5	0.7	1.2
Adj. debt/equity (x)	1.4	1.4	1.5	1.3	1.1
<b>Valuation</b>					
EV/Sales (x)	2.5	3.1	3.1	4.2	3.8
EV/EBITDA (x)	6.6	8.6	9.8	10.4	8.9
P/E (x)	25.2	76.1	n.m.	n.m.	280.8
P/BV (x)	1.9	2.1	1.7	2.8	2.8

## Recommendation Summary



Dates	Rating	Target
7-May-13	BUY	375
21-Nov-13	BUY	420
25-Mar-14	BUY	385
2-May-14	BUY	400
31-Jul-14	BUY	440
12-Dec-14	BUY	480
27-Mar-15	BUY	500
30-Sep-15	BUY	480
2-Feb-16	BUY	420
3-Feb-17	REDUCE	324
17-May-17	HOLD	394
4-Aug-17	REDUCE	368
8-May-18	HOLD	422
6-Nov-18	HOLD	313
16-Sept-19	HOLD	363
9-Dec-19	HOLD	485

## Investment Rating Criteria

Large Cap Stocks;			Mid Cap and Small Cap;		
Buy	-	Upside is above 10%.	Buy	-	Upside is above 15%.
Hold	-	Upside is between 0% - 10%.	Accumulate	-	Upside is between 10% - 15%.
Reduce	-	Downside is more than 0%.	Hold	-	Upside is between 0% - 10%.
Neutral	-	Not Applicable	Reduce/Sell	-	Downside is more than 0%.
			Neutral	-	Not Applicable

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Neutral- The analyst has no investment opinion on the stock under review

## General Disclosures and Disclaimers

### CERTIFICATION

I, Laxmi Priya author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Financial Services Limited, hereinafter referred to as Geojit.

### COMPANY OVERVIEW

Geojit, a publically listed company, is engaged in services of retail broking, depository services, portfolio management and marketing investment products including mutual funds, insurance and properties. GEOJIT is a SEBI registered Research Entity and as such prepares and shares research data and reports periodically with clients, investors, stake holders and general public in compliance with Securities and Exchange Board of India Act, 1992, Securities And Exchange Board Of India (Research Analysts) Regulations, 2014 and/or any other applicable directives, instructions or guidelines issued by the Regulators from time to time.

**DISTRIBUTION OF REPORTS:** This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. GEOJIT will not treat the recipients of this report as clients by virtue of their receiving this report.

**GENERAL REPRESENTATION:** The research reports do not constitute an offer or solicitation for the purchase or sale of any financial instruments, inducements, promise, guarantee, warranty, or as an official confirmation of any transaction or contractual obligations of any kind. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. We have also reviewed the research report for any untrue statements of material facts or any false or misleading information. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

**RISK DISCLOSURE:** GEOJIT and/or its Affiliates and its officers, directors and employees including the analyst/authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.



**FUNDAMENTAL DISCLAIMER:** We have prepared this report based on information believed to be reliable. The recommendations herein are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/return/lack of clarity/event we may revisit rating at appropriate time. The stocks always carry the risk of being upgraded to buy or downgraded to a hold, reduce or sell. The opinions expressed are subject to change but we have no obligation to tell our clients when our opinions or recommendations change. This report is non-inclusive and does not consider all the information that the recipients may consider material to investments. This report is issued by GEOJIT without any liability/undertaking/commitment on the part of itself or any of its entities. We may have issued or may issue on the companies covered herein, reports, recommendations or information which is contrary to those contained in this report. The projections and forecasts described in this report should be evaluated keeping in mind the fact that these are based on estimates and assumptions and will vary from actual results over a period of time. The actual performance of the companies represented in the report may vary from those projected. These are not scientifically proven to guarantee certain intended results and hence, are not published as a warranty and do not carry any evidentiary value whatsoever. These are not to be relied on in or as contractual, legal or tax advice. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly Geojit's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

**JURISDICTION:** The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. Distributing/taking/sending/dispatching/transmitting this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Failure to comply with this restriction may constitute a violation of any foreign jurisdiction laws. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. Investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk.

**REGULATORY DISCLOSURES:** GEOJIT's Associates consists of privately held companies such as Geojit Technologies Private Limited (GTPL- Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider), Geojit Investment Services Limited (GISL- Corporate Agent for Insurance products), Geojit Financial Management Services Private Limited (GFMSL) & Geojit Financial Distribution Private Limited (GFDPL), (Distributors of Insurance and MF Units). In the context of the SEBI Regulations on Research Analysts (2014), GEOJIT affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership\*:

GEOJIT confirms that:

It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein.

It/its associates have no actual beneficial ownership greater than 1% in relation to the subject company (ies) covered herein.

Further, the Analyst confirms that:

He, his associates and his relatives have no financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company.

He, his associates and his relatives have no actual/beneficial ownership greater than 1% in the subject company covered

2. Disclosures regarding Compensation:

During the past 12 months, GEOJIT or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company and is in receipt of compensation from the subject company." (e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GEOJIT regarding the compensation paid to its Research Analyst:

GEOJIT hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Laxmi Priya, Research Analyst(s) of GEOJIT have not served as an officer, director or employee of the subject company

5. Disclosure regarding Market Making activity:

Neither GEOJIT/its Analysts have engaged in market making activities for the subject company.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Financial Services Ltd. (formerly known as Geojit BNP Paribas Financial Services Ltd.), Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website: [www.geojit.com](http://www.geojit.com). For investor queries: [customer-care@geojit.com](mailto:customer-care@geojit.com), For grievances: [grievances@geojit.com](mailto:grievances@geojit.com), For compliance officer: [compliance@geojit.com](mailto:compliance@geojit.com).

Corporate Identity Number: L67120KL1994PLC008403, SEBI Stock Broker Registration No INZ000104737, Research Entity SEBI Reg No: INH200000345, Investment Adviser SEBI Reg No: INA200002817, Portfolio Manager: INP000003203, Depository Participant: IN-DP-325-2017, ARN Regn.Nos:0098, IRDA Corporate Agent (Composite) No.: CA0226