

28 March 2024

India | Equity Research | Sector Update

Oil & Gas

IEA Q1CY24 gas market report – demand returns, to pick up pace over CY24

The latest report on global gas markets by the IEA (International Energy Agency) provides interesting insights. Takeaways: i) Post a decline of 1.5% YoY in global demand in CY22, CY23 returned to growth of 0.5% YoY. ii) CY24 may see stronger momentum with 2.5% YoY growth driven by Asia Pac, ME and Africa. iii) Supply growth keeps pace, mainly driven by US LNG exports, with the expansion of key offtake pipelines to support growth. iv) Overall LNG trade may rise by 3.5% YoY (~13.7mt) in CY24, with Africa becoming a major contributor. v) Geopolitical risks weigh heavily on these estimates and create material downside risks. vi) Prices to remain moderate, with Dutch TTF and JKM Asia LNG prices for CY24 forecast at USD 10/MMbtu and USD 11/MMbtu, respectively.

Demand returns to positive territory in CY23, to grow stronger in CY24

Post Russia-Ukraine conflict and disruption of Russian piped supply to Europe, global gas consumption itself declined, with 1.5% YoY decline seen in demand. CY23 has seen growth returning, with 1.5% YoY demand growth, mainly driven by strong demand growth seen in North America (1%, 27mmscmd growth), Asia Pacific (2.5%, China alone grew 7%) and the Middle East (2% growth). CY24 is set to see faster growth of 2.5%, driven by N. America (1.5%), Asia Pac (4%); and the Middle East & Africa (3%) even as Europe (+3%) also shows some recovery post two weak years. Sectoral demand mix is varied across regions, with power sector growing strongly in North America and China while industrial demand is stronger in Central-South America and India. Interestingly, major gas consumers in Asia other than China and India remained subdued, with a surge in nuclear power, milder weather and renewable development dragging demand in Korea and Japan, down 3/8% in 10MCY23, respectively.

Supply to keep pace, but uncertainty remains!

Previous forecasts by the IEA and comments in this outlook support this contention that supply will keep up with demand growth. US remains the engine for global gas supplies, emerging as the world's largest LNG exporter over CY23 – exports aggregated 88mt, more than 7mt ahead of the two next biggest exporters Qatar and Australia, who exported 80.7mt each in CY23. CY24 may see a further 13.7mt expansion in available LNG supplies and global traded LNG to grow by 3.5% to >391mt in CY24. Overall gas production of 4.2tcm is likely to keep pace with demand growth but continued US and ME supply growth will be crucial to meet these forecasts.

However, forecasts of supply availability face formidable regulatory and geopolitical risks over medium term. The disruption of seaborne shipments across Panama Canal due to draught and the impact of ongoing conflict in the ME on other routes can impact supply certainty and reliability materially over the next couple of months. At the very least, due to longer transit times, pricing may be impacted on the upside over CY24. Additional wrinkle comes via the recent US government decision to put all new LNG export terminal approvals on hold, pending a re-evaluation of their economic and ecological impact (see [here](#)) which can disrupt long term LNG supply materially.

Probal Sen

probal.sen@icicisecurities.com

+91 22 6807 7274

Hardik Solanki

solanki.hardik@icicisecurities.com

GAIL (BUY)

MGL (BUY)

IGL (ADD)

GUJGA (SELL)

GSPL (ADD)

PLNG (REDUCE)

Sharp decline seen in CY23 prices vs CY22 highs, but remain well above long-term averages

Pricing benchmarks across regions have seen sharp declines when measured against the high base of CY22, but prices for CY23 remained well above the last 5-year averages. European TTF prices averaged USD 13/MMBtu, down 70% YoY, JKM LNG prices averaged USD 14/MMBtu, down 60% YoY, and US HH prices fell 60% YoY to USD 2.7/MMBtu in CY23. Notably TTF, JKM and HH prices were 2.5x, >2x and on par with 5-year averages, respectively. Given the healthy inventory levels in Europe, continued momentum in US, Africa and ME LNG supplies and structural changes to demand patterns in Japan & Korea, forecast prices of IEA of USD 10/MMBtu and JKM of USD 11/MMBtu appear reasonable, with US HH likely to increase by 15% to USD 3.1/MMBtu.

Storage levels remain comfortable

Muted weather conditions, aggressive procurement strategies and structural changes in demand patterns mean higher storage levels across Europe, US and key consuming countries of Japan and Korea. While weather for CY24 winter season will be a key monitorable, barring a severe weather shock, storage adequacy is a key buffer for comfortable prices over the next 12 months.

Implications for coverage universe

Moderation in pricing expectations is a material positive for Indian gas companies. The 12-month average level of USD 10-11/MMBtu is an extremely comfortable level for CGDs to sustain our base case EBITDA/scm for FY25E of INR 7.7/13.4/6.0 for IGL/MGL/GUJGA, respectively.

Additionally, even with crude @USD 85/bbl levels, term LNG ~@13% linkage may also average USD 11.3/MMBtu or so – this translates to average gas costs for India to remain flat at USD 10/MMBtu for FY25-26E. At these levels, we see a robust demand environment for gas in India and this directly translates to a positive macro for GAIL, which can benefit both from: i) Improving gas demand, which helps in transmission and trading profitability and ii) moderate LNG prices help margins in petrochemical segment materially.

We continue to be positive on gas space, with GAIL and MGL being our preferred picks in the space.

Petronet LNG may no doubt benefit from the moderation in LNG prices over FY25E and utilisation at Dahej should be stronger than it has been for the past 2-3 years. However, concerns on long-term capital allocation plans cloud our assessment of short-term returns. We believe until clarity emerges on the economic case for the upcoming petchem project of the company, investors should avoid this stock.

As for IGL, while we believe the EV threat has been overplayed and margins do not seem to be under any material threat despite the recent price cut, we acknowledge that sentiment around IGL can remain subdued till results prove out slower than expected EV transition impact.

We remain cautious on GUJGA (and hence by extension GSPL) due to sustained vulnerability to Morbi propane – gas economics, slower ramp-up of new area volumes despite high capex (and hence declining return ratios), and relatively stronger valuations.

Demand to see stronger growth in CY24; Africa, Asia and Middle East to be key contributors

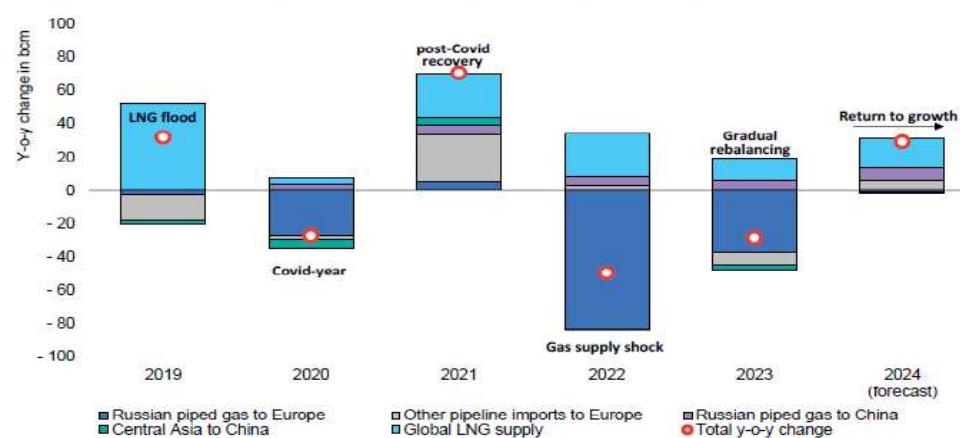
Exhibit 1: World natural gas demand by region and key country (bcm)

	CY21	CY22	CY23	CY24	CY23/CY22	CY24/CY23
Africa	169	170	175	180	2.9%	2.9%
Asia Pacific	891	877	901	937	2.7%	4.0%
of which China	367	364	391	414	7.4%	5.9%
Central and South America	153	150	149	151	-0.7%	1.3%
Eurasia	649	622	629	641	1.1%	1.9%
of which Russia	516	487	493	503	1.2%	2.0%
Europe	609	524	488	502	-6.9%	2.9%
Middle East	562	580	591	605	1.9%	2.4%
North America	1091	1144	1156	1173	1.0%	1.5%
of which United States	874	919	926	939	0.8%	1.4%
World	4124	4067	4089	4190	0.5%	2.5%

Source: IEA, I-Sec research

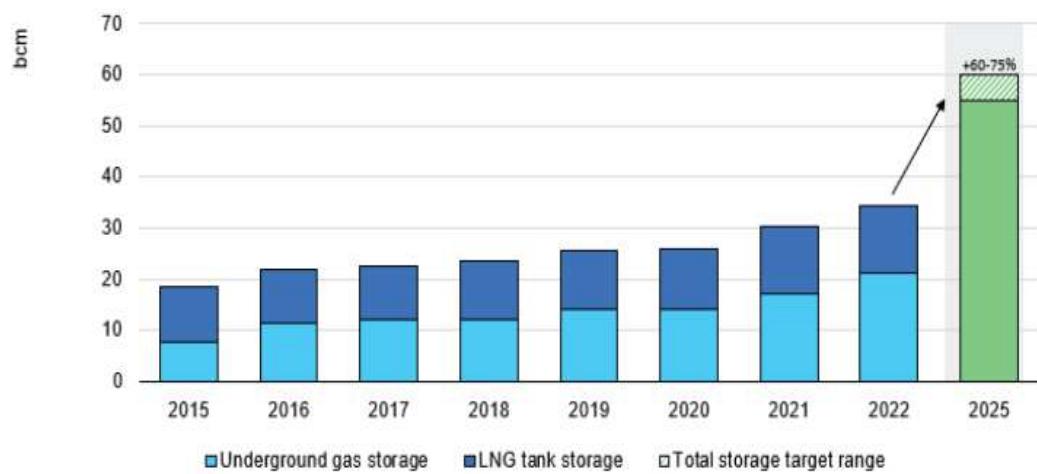
Exhibit 2: Global natural gas trade is likely to return to growth in CY24

Year-on-year change in key piped natural gas trade and global LNG supply, 2019-2024



Source: IEA, I-Sec research

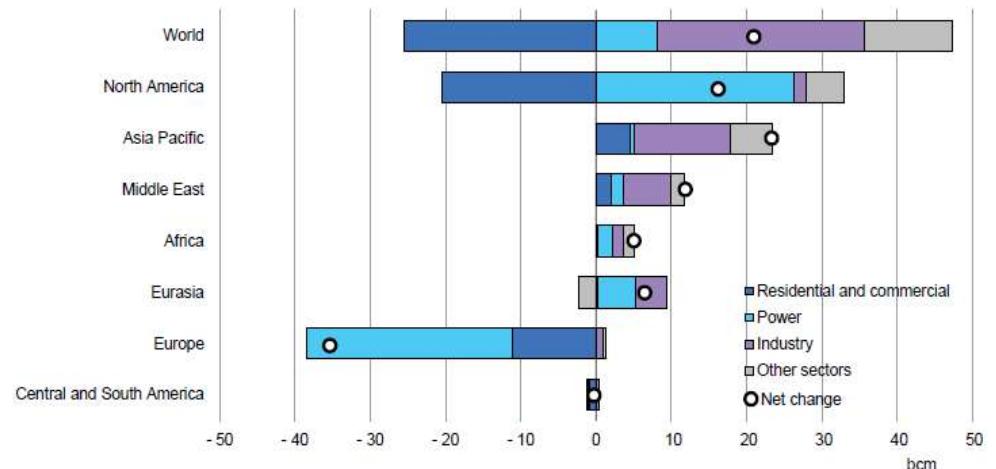
Exhibit 3: Natural gas storage development remains key to China's gas market growth strategy



Source: IEA, I-Sec research

Industrial and power sectors led gas demand growth in CY23; overall China saw robust growth while US saw a decline in residential and commercial demand; Europe consumption was subdued

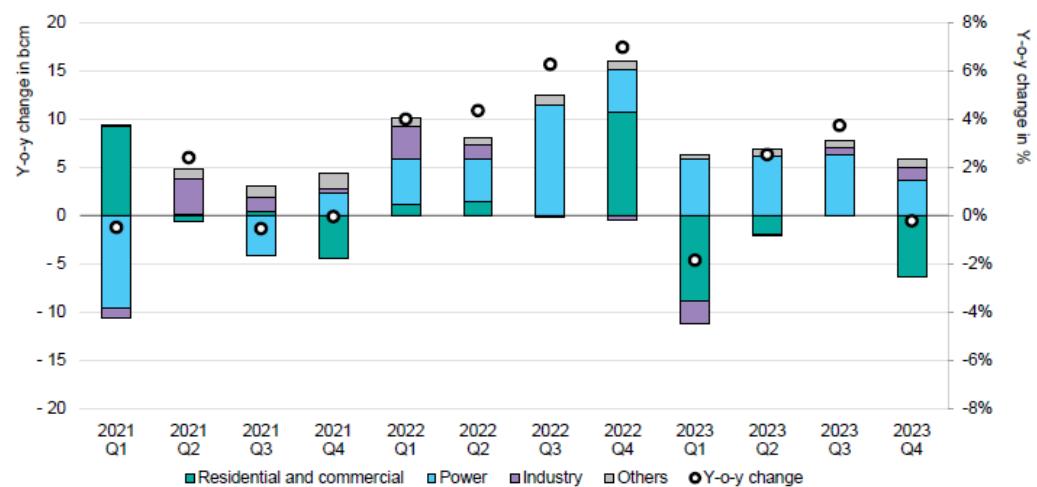
Exhibit 4: Industrial and power sectors were the key drivers of gas demand growth in CY23



Source: IEA, I-Sec research

Exhibit 5: US gas consumption increased in CY23 despite a decline in residential and commercial demand

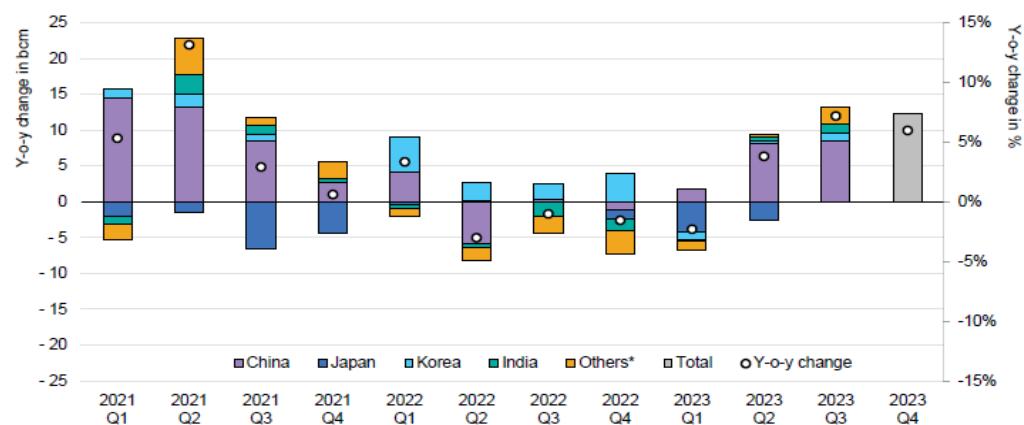
Estimated quarterly change in gas demand, United States, 2021-2023



Source: IEA, I-Sec research

Exhibit 6: China drove Asia's natural gas demand recovery in CY23

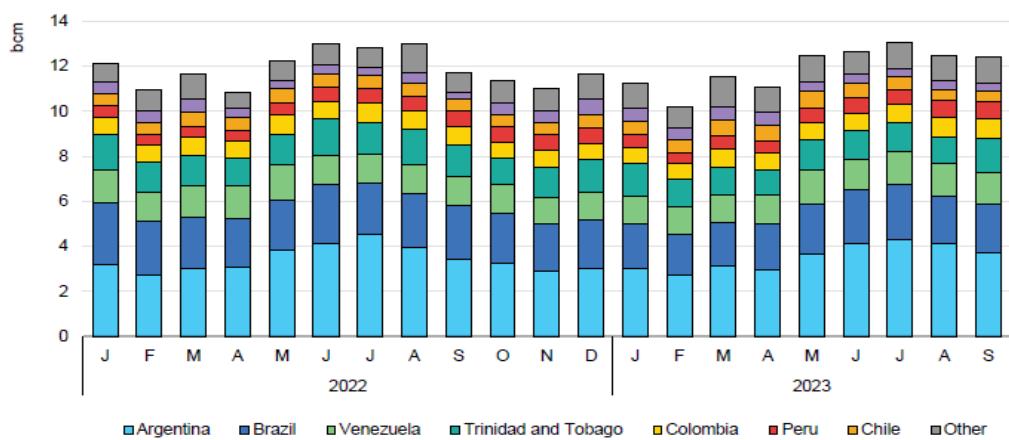
Estimated quarterly change in gas demand, selected Asian markets, 2021-2023



Source: IEA, I-Sec research

Exhibit 7: Gas demand in Central and South America returned to growth in Q3CY23

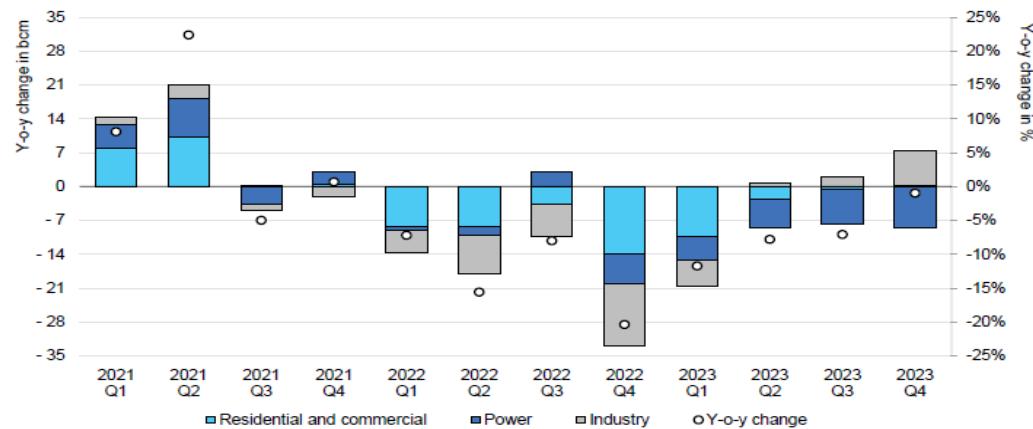
Monthly natural gas consumption, Central and South America, 2022 and Q1-Q3 2023



Source: IEA, I-Sec research

Exhibit 8: European gas consumption hit the lowest in CY23 since CY1995 as lower gas burn in power sector continued to weigh on demand

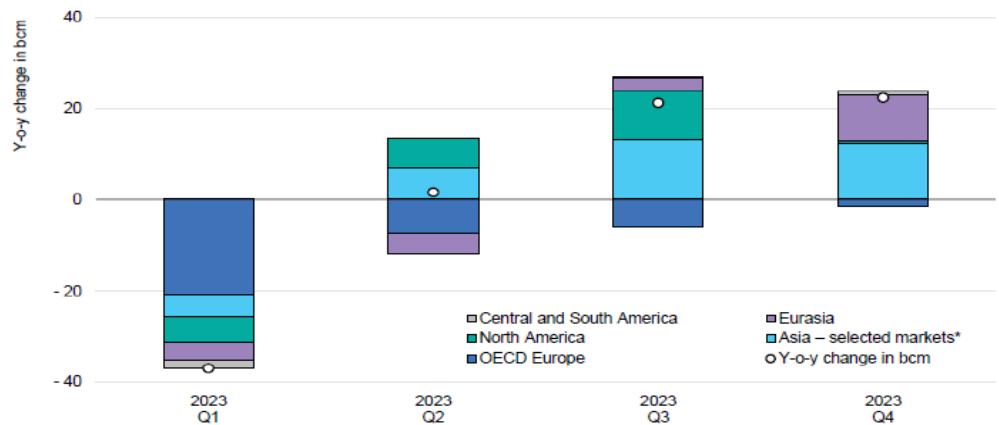
Estimated quarterly change in gas demand, OECD Europe, 2021-2023



Source: IEA, I-Sec research

Exhibit 9: Gas demand returned to growth across all key markets in H2CY23, except Europe

Estimated quarterly change in natural gas demand in key regions, 2022-2023



Source: IEA, I-Sec research

Supply growth from US and Middle East to suffice gas consumption requirement

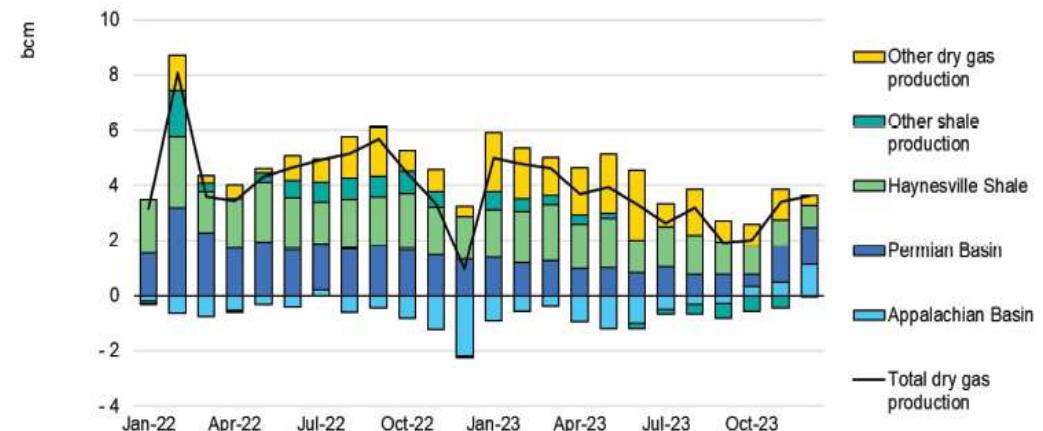
Exhibit 10: World natural gas production by region and key country (bcm)

	CY21	CY22	CY23	CY24	CY23/CY22	CY24/CY23
Africa	260	251	253	260	0.8%	2.8%
Asia Pacific	648	660	669	683	1.4%	2.1%
of which China	205	216	229	239	6.0%	4.4%
Central and South America	148	151	149	153	-1.3%	2.7%
Eurasia	961	865	832	855	-3.8%	2.8%
of which Russia	762	672	640	664	-4.8%	3.8%
Europe	222	230	215	220	-6.5%	2.3%
Middle East	692	716	722	745	0.8%	3.2%
North America	1183	1232	1275	1297	3.5%	1.7%
of which United States	984	1021	1061	1081	3.9%	1.9%
World	4112	4105	4116	4214	0.3%	2.4%

Source: IEA, I-Sec research

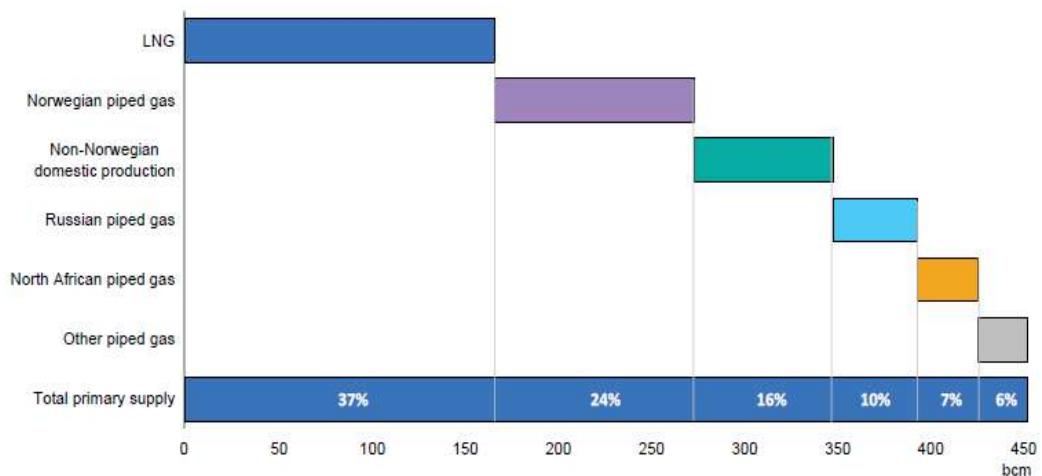
Exhibit 11: Permian and Haynesville continue to drive US gas production growth

Y-o-y change in monthly US dry gas production, 2022-2023



Source: IEA, I-Sec research

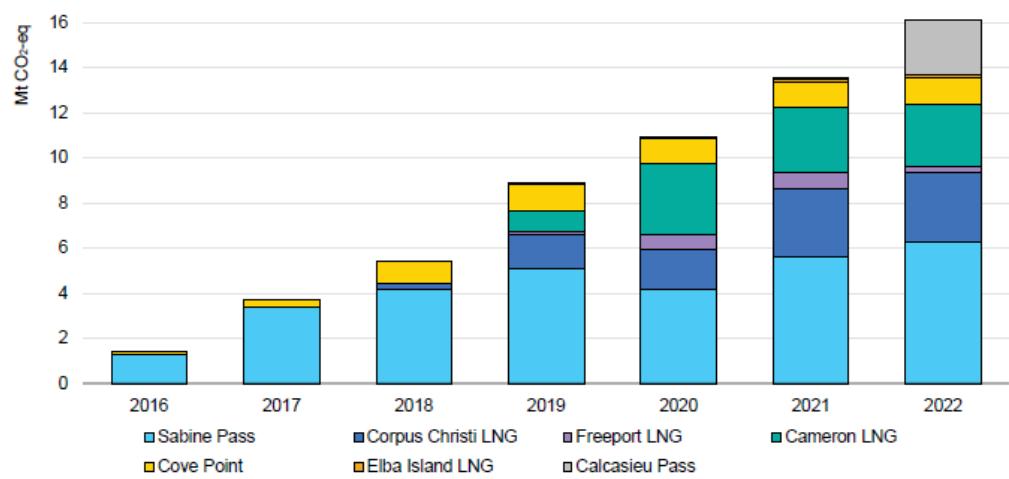
Exhibit 12: LNG accounted for a record 37% of Europe's primary gas supply in CY23



Source: IEA, I-Sec research

Higher GHG emissions led to a pause on approving new US LNG export projects ([link](#))

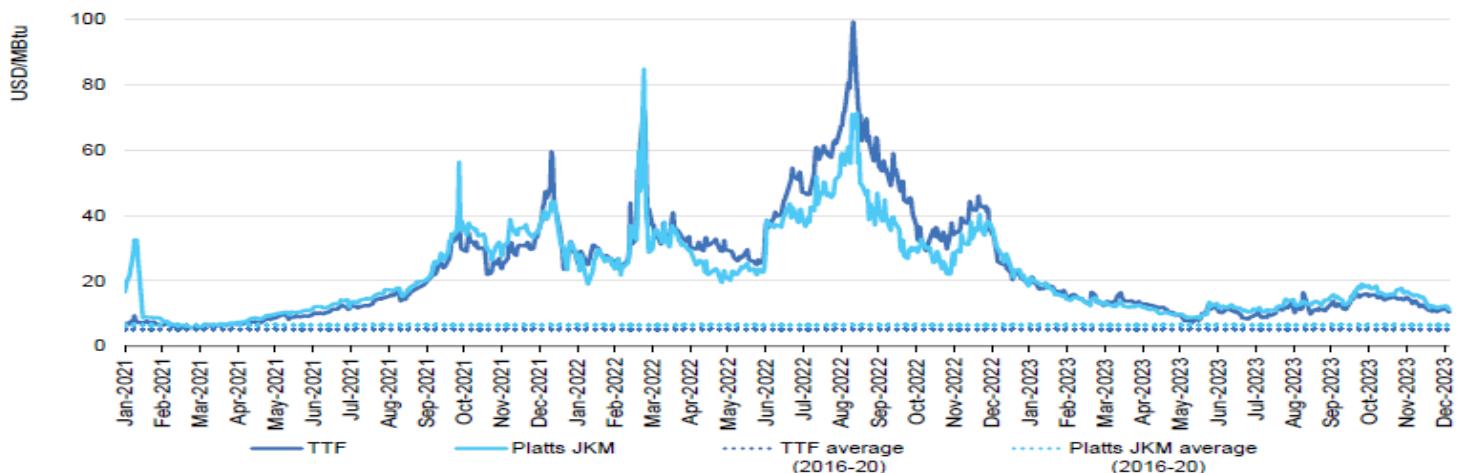
Exhibit 13: GHG emissions from US LNG production have risen more than 10x since CY16



Source: IEA, I-Sec research

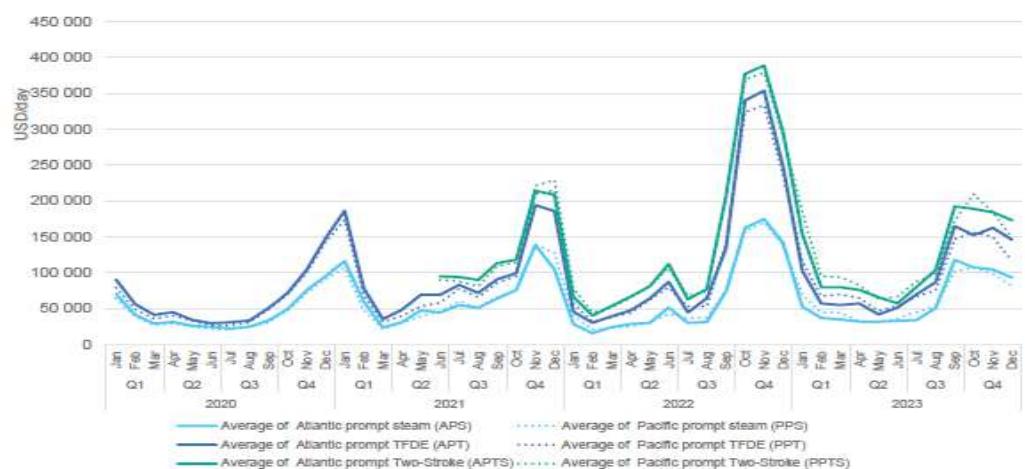
Natural gas prices moderated in CY23; despite Panama Canal and security risks in ME, prices remain muted

Exhibit 14: Natural gas prices moderated in CY23; however, they remain well above historical averages in Asia and Europe



Source: IEA, I-Sec research

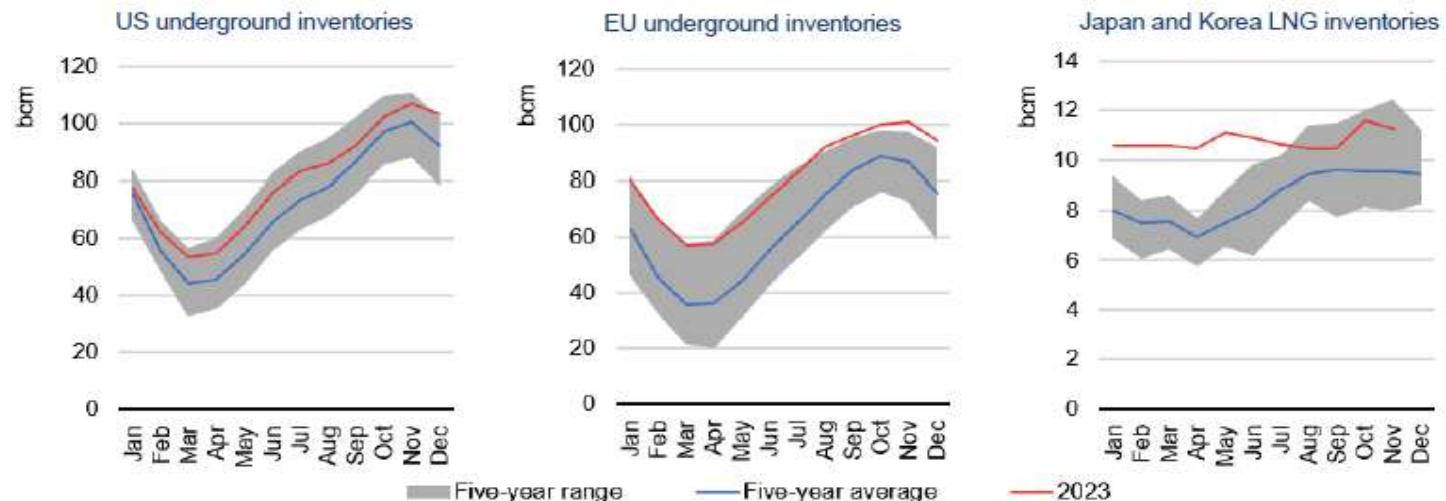
Exhibit 15: Despite congestion in Panama Canal and security risks in Middle East, LNG spot freight rates for Q4CY23 remain at 3-year low



Source: IEA, I-Sec research

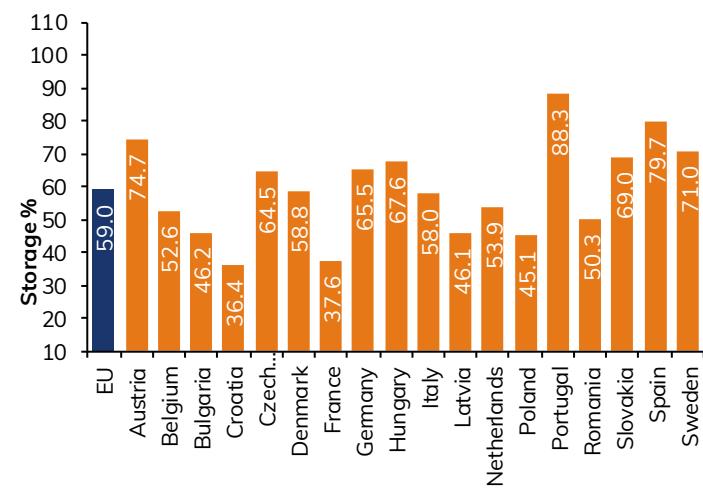
Inventory levels remain above historical averages

Exhibit 16: Storage inventories remained above average across key markets in CY23



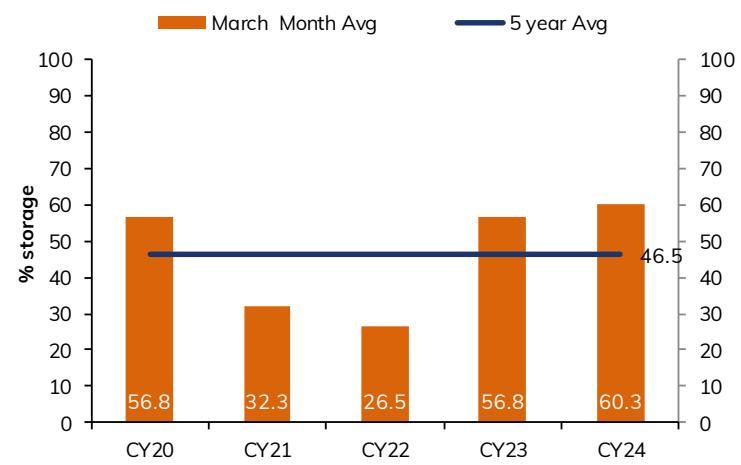
Source: IEA, I-Sec research

Exhibit 17: EU inventory as on Mar 25, '24



Source: AGSI data, I-Sec research

Exhibit 18: Mar'24 Europe gas storage remains above 5-year average



Source: AGSI data, I-Sec research

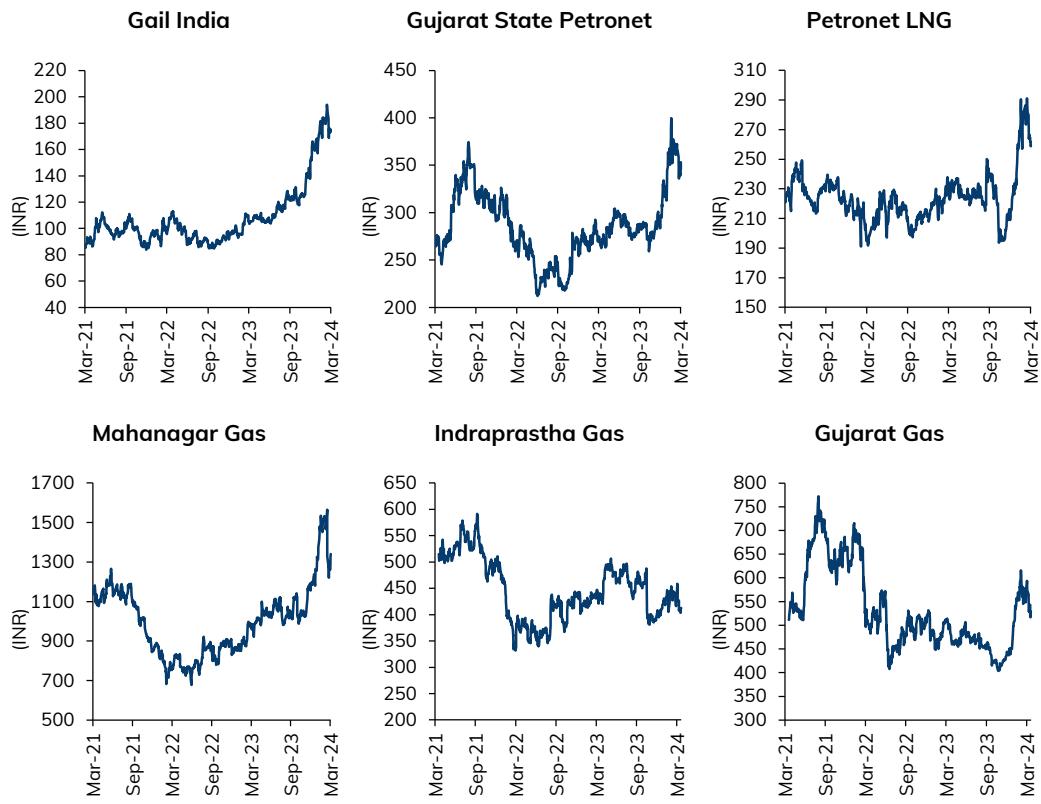
Overall gas costs for India may remain lower for FY25E and FY26E

Exhibit 19: After a sharp fall in FY24, overall gas cost for India to see a marginal decline in FY25E

Production / Consumption	Volume				Slope	USD/bbl	95.0	85.0	85.0	85.0
	FY23	FY24E	FY25E	FY26E			FY23	FY24E	FY25E	FY26E
ONGC	53.9	55.0	54.5	54.5			7.7	7.3	7.3	7.9
ONGC New (KG)	-	2.0	6.0	10.0		USD/mmbtu		12.4	12.1	11.2
Oil India	8.3	8.5	9.1	9.7		USD/mmbtu	9.5	7.3	7.3	7.9
Other domestic	9.0	9.0	9.1	9.2		USD/mmbtu	7.7	7.3	7.3	7.9
Gazprom	1.8	9.0	9.0	9.0	14%	USD/mmbtu	13.3	11.9	11.9	11.9
Gorgon	5.2	5.2	5.2	5.2	14%	USD/mmbtu	13.3	11.9	11.9	11.9
Rasgas	27.5	30.6	30.6	30.6	13%	USD/mmbtu	12.6	11.3	11.3	11.3
RIL	18.0	28.0	30.0	30.0	14%	USD/mmbtu	14.6	11.9	11.9	11.9
Spot LNG	34.3	39.7	42.9	48.1		USD/mmbtu	31.0	12.0	11.0	11.5
Total Gas consumption	158.0	187.0	196.4	206.2		USD/mmbtu	14.7	10.1	9.9	10.3
YoY % change		18%	5%	5%				-32%	-1%	3%

Source: Company data, I-Sec research

Price charts



Source: Bloomberg

Financial Summary - Gail India

Exhibit 20: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	10,31,660	11,40,148	11,89,953	12,06,324
EBITDA	1,25,053	1,46,200	1,57,355	1,72,100
EBITDA Margin (%)	12.1	12.8	13.2	14.3
Depreciation & Amortization	28,251	31,551	34,551	37,551
EBIT	96,802	1,14,649	1,22,805	1,34,549
Interest expenditure	2,715	23	(2,012)	(3,850)
Other Non-operating Income	12,856	13,014	13,871	15,640
PBT	1,06,944	1,27,639	1,38,687	1,54,039
Profit / (Loss) from Associates	21,729	23,572	24,475	25,469
Less: Taxes	26,918	32,127	34,907	38,772
PAT	80,026	95,513	1,03,779	1,15,267
Less: Minority Interest	-	-	-	-
Net Income (Reported)	1,01,755	1,19,084	1,28,254	1,40,736
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	1,01,755	1,19,084	1,28,254	1,40,736

Source Company data, I-Sec research

Exhibit 21: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	1,74,180	1,96,963	2,33,546	2,81,078
of which cash & bank	10,905	17,323	45,183	88,093
Total Current Liabilities & Provisions	2,19,556	2,41,155	2,54,383	2,69,654
Net Current Assets	(45,376)	(44,191)	(20,837)	11,425
Other Non Current Assets	-	-	-	-
Net Fixed Assets	5,58,718	6,02,167	6,42,617	6,80,066
Other Fixed Assets	-	-	-	-
Capital Work in Progress	1,66,465	1,66,465	1,66,465	1,66,465
Non Investment	2,09,067	2,09,067	2,09,067	2,09,067
Current Investment	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	8,88,874	9,33,508	9,97,312	10,67,023
Liabilities				
Borrowings	1,24,974	89,974	64,974	39,974
Deferred Tax Liability	43,951	43,951	43,951	43,951
Lease Liability	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	65,751	65,751	65,751	65,751
Reserves & Surplus*	6,52,403	7,32,037	8,20,841	9,15,551
Total Net Worth	7,18,154	7,97,788	8,86,592	9,81,302
Minority Interest	1,796	1,796	1,796	1,796
Total Liabilities	8,88,874	9,33,508	9,97,312	10,67,023

Source Company data, I-Sec research

Exhibit 22: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	3,28,432	3,22,121	3,18,068	3,42,365
% growth (YOY)	-7.1%	-1.9%	-1.3%	7.6%
EBITDA	4,872	24,327	34,913	38,226
Margin %	1.5%	7.6%	11.0%	11.2%
Other Income	10,172	2,676	5,609	8,121
Extraordinaries				
Adjusted Net Profit	7,382	14,120	24,049	28,426

Source Company data, I-Sec research

Exhibit 23: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Cash Flow from operation before working Capital	1,25,053	1,46,200	1,57,355	1,72,100
Working Capital Changes	45,932	5,234	4,505	10,649
Tax	(26,918)	(32,127)	(34,907)	(38,772)
Operating Cashflow	1,44,067	1,19,307	1,26,953	1,43,977
Capital Commitments	(90,000)	(75,000)	(75,000)	(75,000)
Free Cashflow	54,067	44,307	51,953	68,977
Others CFI	34,585	36,586	38,346	41,109
Cashflow from Investing Activities	(55,415)	(38,414)	(36,654)	(33,891)
Inc (Dec) in Borrowings	(53,188)	(35,000)	(25,000)	(25,000)
Interest Cost	(2,715)	(23)	2,012	3,850
Others	(32,876)	(39,451)	(39,451)	(46,026)
Cash flow from Financing Activities	(88,778)	(74,474)	(62,439)	(67,176)
Chg. in Cash & Bank balance	(125)	6,419	27,860	42,910
Closing cash & balance	10,905	17,323	45,183	88,093

Source Company data, I-Sec research

Exhibit 24: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Recurring EPS	15.5	18.1	19.5	21.4
Diluted EPS	15.5	18.1	19.5	21.4
Recurring Cash EPS	19.8	22.9	24.8	27.1
Dividend per share (DPS)	5.0	6.0	6.0	7.0
Book Value per share (BV)	109.2	121.3	134.8	149.2
Dividend Payout (%)	32.3	33.1	30.8	32.7
Growth (%)				
Net Sales	(29.2)	10.5	4.4	1.4
EBITDA	63.1	16.9	7.6	9.4
EPS	76.9	17.0	7.7	9.7
Valuation Ratios (x)				
P/E	11.7	10.0	9.2	8.4
P/CEPS	9.1	7.9	7.3	6.6
P/BV	1.7	1.5	1.3	1.2
EV / EBITDA	10.5	8.7	7.8	6.7
EV / Operating Income	12.0	10.0	9.0	7.7
Dividend Yield (%)	2.8	3.3	3.3	3.9
Operating Ratios				
EBITDA Margins (%)	12.1	12.8	13.2	14.3
Effective Tax Rate (%)	25.2	25.2	25.2	25.2
Net Profit Margins (%)	9.9	10.4	10.8	11.7
NWC / Total Assets (%)	(5.1)	(4.7)	(2.1)	1.1
Fixed Asset Turnover (x)	1.5	1.4	1.4	1.3
Working Capital Days	19.0	24.0	23.4	23.3
Net Debt / Equity %	15.9	9.1	2.2	(4.9)
Profitability Ratios				
RoCE (%)	8.7	9.9	10.0	10.2
RoCE (Pre-tax) (%)	11.6	13.2	13.3	13.6
RoE (%)	14.9	15.7	15.2	15.1

Source Company data, I-Sec research

Financial Summary - Gujarat State Petronet

Exhibit 25: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	1,86,634	1,74,654	2,07,679	2,35,026
EBITDA	36,797	32,280	38,072	41,823
EBITDA Margin (%)	19.7	18.5	18.3	17.8
Depreciation & Amortization	6,205	6,724	7,661	8,473
EBIT	30,592	25,556	30,411	33,351
Interest expenditure	701	122	100	95
Other Non-operating Income	1,330	2,604	959	1,122
PBT	12,286	16,890	16,904	18,651
Profit / (Loss) from Associates	28	28	28	28
Less: Taxes	7,828	8,074	9,037	9,926
PAT	23,392	19,965	22,233	24,451
Less: Minority Interest	7,005	5,354	6,697	7,327
Net Income (Reported)	16,415	14,639	15,564	17,152
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	16,415	14,639	15,564	17,152

Source Company data, I-Sec research

Exhibit 26: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	31,356	27,995	34,742	44,365
of which cash & bank	13,726	10,885	14,733	21,832
Total Current Liabilities & Provisions	29,895	30,748	33,390	35,927
Net Current Assets	1,461	(2,753)	1,353	8,438
Other Non Current Assets	6,693	7,362	8,098	8,908
Net Fixed Assets	1,04,795	1,17,728	1,29,567	1,40,595
Other Fixed Assets	-	-	-	-
Capital Work in Progress	14,088	21,895	22,895	23,895
Non Investment	14,689	16,689	18,689	20,689
Current Investment	1,538	1,538	1,538	1,538
Deferred Tax Assets	-	-	-	-
Total Assets	1,43,264	1,62,459	1,82,140	2,04,063
Liabilities				
Borrowings	1,494	1,607	1,607	1,607
Deferred Tax Liability	12,699	12,699	12,699	12,699
Lease Liability	1,494	1,494	1,494	1,494
Other Liabilities	2,187	2,406	2,647	2,912
Equity Share Capital	5,642	5,642	5,642	5,642
Reserves & Surplus*	88,847	1,02,358	1,15,100	1,29,431
Total Net Worth	94,489	1,08,000	1,20,742	1,35,073
Minority Interest	32,394	37,748	44,445	51,772
Total Liabilities	1,43,264	1,62,459	1,82,140	2,04,063

Source Company data, I-Sec research

Exhibit 27: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	4,430	4,412	5,293	5,542
% growth (YOY)	10.1%	-0.4%	20.0%	4.7%
EBITDA	2,947	3,364	4,103	3,796
Margin %	66.5%	76.3%	77.5%	68.5%
Other Income	476	180	2,663	211
Extraordinaries	-	-	-	-
Adjusted Net Profit	2,243	2,293	5,320	2,622

Source Company data, I-Sec research

Exhibit 28: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	36,996	32,280	38,072	41,823
Working Capital Changes	3,754	922	(753)	(532)
Tax	(7,349)	(8,074)	(9,037)	(9,926)
Operating Cashflow	33,400	25,129	28,282	31,365
Capital Commitments	(12,780)	(27,464)	(20,500)	(20,500)
Free Cashflow	20,620	(2,335)	7,782	10,865
Others CFI	75	632	(1,013)	(850)
Cashflow from Investing Activities	(12,705)	(26,832)	(21,513)	(21,350)
Inc (Dec) in Borrowings	(5,898)	113	-	-
Interest Cost	(387)	(122)	(100)	(95)
Others	(1,761)	(1,128)	(2,821)	(2,821)
Cash flow from Financing Activities	(8,046)	(1,138)	(2,921)	(2,916)
Chg. in Cash & Bank balance	12,649	(2,841)	3,848	7,099
Closing cash & balance	13,726	10,885	14,733	21,832

Source Company data, I-Sec research

Exhibit 29: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	29.1	25.9	27.6	30.4
Diluted EPS	29.1	25.9	27.6	30.4
Recurring Cash EPS	40.1	37.9	41.2	45.4
Dividend per share (DPS)	5.0	2.0	5.0	5.0
Book Value per share (BV)	167.5	191.4	214.0	239.4
Dividend Payout (%)	17.2	7.7	18.1	16.4
Growth (%)				
Net Sales	1.9	(6.4)	18.9	13.2
EBITDA	5.1	(12.3)	17.9	9.9
EPS	(0.3)	(10.8)	6.3	10.2
Valuation Ratios (x)				
P/E	12.1	13.6	12.8	11.6
P/CEPS	8.8	9.3	8.6	7.8
P/BV	2.1	1.8	1.6	1.5
EV / EBITDA	5.0	6.2	5.2	4.5
EV / Operating Income	5.8	7.1	6.3	5.5
Dividend Yield (%)	1.4	0.6	1.4	1.4
Operating Ratios				
EBITDA Margins (%)	19.7	18.5	18.3	17.8
Effective Tax Rate (%)	25.1	28.8	28.9	28.9
Net Profit Margins (%)	8.8	8.4	7.5	7.3
NWC / Total Assets (%)	1.0	(1.7)	0.7	4.1
Fixed Asset Turnover (x)	1.3	1.1	1.2	1.2
Working Capital Days	11.0	10.5	11.8	11.5
Net Debt / Equity %	(14.6)	(10.0)	(12.1)	(16.1)
Profitability Ratios				
RoCE (%)	19.0	13.2	13.8	13.4
RoCE (Pre-tax) (%)	25.4	18.5	19.4	18.8
RoE (%)	18.9	14.5	13.6	13.4

Source Company data, I-Sec research

Financial Summary - Petronet LNG

Exhibit 30: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	5,98,994	7,79,129	8,69,608	10,24,884
EBITDA	48,540	52,737	55,807	60,053
EBITDA Margin (%)	8.1	6.8	6.4	5.9
Depreciation & Amortization	7,643	8,020	8,845	10,220
EBIT	40,896	44,717	46,963	49,833
Interest expenditure	-	-	-	-
Other Non-operating Income	5,231	5,630	5,361	5,571
PBT	42,822	47,382	49,448	52,619
Profit / (Loss) from Associates	1,380	1,200	1,200	1,200
Less: Taxes	10,944	11,926	12,446	13,244
PAT	31,878	35,456	37,002	39,374
Less: Minority Interest	-	-	-	-
Net Income (Reported)	33,258	36,656	38,202	40,574
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	33,258	36,656	38,202	40,574

Source Company data, I-Sec research

Exhibit 31: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	1,09,773	1,27,900	1,42,482	1,51,525
of which cash & bank	56,858	59,723	66,644	62,539
Total Current Liabilities & Provisions	26,259	31,613	34,323	38,935
Net Current Assets	83,514	96,288	1,08,159	1,12,591
Other Non Current Assets	4,907	4,925	4,944	4,963
Net Fixed Assets	87,903	92,384	98,539	1,13,319
Other Fixed Assets	-	-	-	-
Capital Work in Progress	11,259	11,259	11,259	11,259
Non Investment	4,986	5,036	5,087	5,137
Current Investment	8,697	8,784	8,872	8,961
Deferred Tax Assets	-	-	-	-
Total Assets	2,01,266	2,18,676	2,36,859	2,56,229
Liabilities				
Borrowings	33,450	32,450	31,450	30,450
Deferred Tax Liability	7,026	7,026	7,026	7,026
Lease Liability	33,450	32,450	31,450	30,450
Other Liabilities	8,145	8,226	8,308	8,391
Equity Share Capital	15,000	15,000	15,000	15,000
Reserves & Surplus*	1,37,646	1,55,974	1,75,075	1,95,362
Total Net Worth	1,52,646	1,70,974	1,90,075	2,10,362
Minority Interest	-	-	-	-
Total Liabilities	2,01,266	2,18,676	2,36,859	2,56,229

Source Company data, I-Sec research

Exhibit 32: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	1,38,739	1,16,561	1,25,320	1,42,897
% growth (YOY)	-7.6%	-16.0%	7.5%	14.0%
Adj EBITDA	9,431	11,818	12,147	12,485
Margin %	6.8%	10.1%	9.7%	8.7%
Other Income	1,538	1,467	1,567	1,565
Extraordinaries	-	-	-	-
Adjusted Net Profit	6,142	7,899	8,181	7,332

Source Company data, I-Sec research

Exhibit 33: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	54,012	52,737	55,807	60,053
Working Capital Changes	(15,941)	(9,845)	(4,887)	(8,472)
Tax	(12,380)	(11,926)	(12,446)	(13,244)
Operating Cashflow	25,690	30,965	38,474	38,337
Capital Commitments	(10,577)	(12,500)	(15,000)	(25,000)
Free Cashflow	15,113	18,465	23,474	13,337
Others CFI	22,163	6,694	6,423	6,631
Cashflow from Investing Activities	11,586	(5,806)	(8,577)	(18,369)
Inc (Dec) in Borrowings	(6,177)	(1,000)	(1,000)	(1,000)
Interest Cost	(253)	(2,966)	(2,876)	(2,786)
Others	(17,250)	(18,328)	(19,101)	(20,287)
Cash flow from Financing Activities	(23,681)	(22,293)	(22,977)	(24,073)
Chg. in Cash & Bank balance	13,595	2,865	6,920	(4,104)
Closing cash & balance	56,858	59,723	66,644	62,539

Source Company data, I-Sec research

Exhibit 34: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	22.2	24.4	25.5	27.0
Diluted EPS	22.2	24.4	25.5	27.0
Recurring Cash EPS	27.3	29.8	31.4	33.9
Dividend per share (DPS)	10.0	12.2	12.7	13.5
Book Value per share (BV)	101.8	114.0	126.7	140.2
Dividend Payout (%)	45.1	50.0	50.0	50.0
Growth (%)				
Net Sales	38.8	30.1	11.6	17.9
EBITDA	(7.5)	8.6	5.8	7.6
EPS	(3.3)	10.2	4.2	6.2
Valuation Ratios (x)				
P/E	11.9	10.8	10.4	9.8
P/CEPS	9.7	8.9	8.4	7.8
P/BV	2.6	2.3	2.1	1.9
EV / EBITDA	7.5	6.8	6.3	5.9
EV / Operating Income	7.9	7.1	6.7	6.4
Dividend Yield (%)	3.8	4.6	4.8	5.1
Operating Ratios				
EBITDA Margins (%)	8.1	6.8	6.4	5.9
Effective Tax Rate (%)	25.6	25.2	25.2	25.2
Net Profit Margins (%)	5.6	4.7	4.4	4.0
NWC / Total Assets (%)	41.5	44.0	45.7	43.9
Fixed Asset Turnover (x)	4.5	5.6	5.7	5.9
Working Capital Days	23.3	22.7	21.2	21.8
Net Debt / Equity %	(21.0)	(21.1)	(23.2)	(19.5)
Profitability Ratios				
RoCE (%)	17.0	17.2	16.5	16.1
RoCE (Pre-tax) (%)	22.9	23.0	22.1	21.6
RoE (%)	23.0	22.7	21.2	20.3

Source Company data, I-Sec research

Financial Summary - Mahanagar Gas

Exhibit 35: Profit & Loss

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	62,773	61,904	66,338	72,084
EBITDA	11,842	19,154	18,520	18,709
EBITDA Margin (%)	18.9	30.9	27.9	26.0
Depreciation & Amortization	2,311	2,930	3,350	3,770
EBIT	9,531	16,224	15,170	14,939
Interest expenditure	94	50	50	50
Other Non-operating Income	1,119	1,653	2,019	2,513
PBT	10,556	17,827	17,139	17,402
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	2,655	4,484	4,311	4,377
PAT	7,901	13,343	12,828	13,025
Less: Minority Interest	-	-	-	-
Net Income (Reported)	7,901	13,343	12,828	13,025
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	7,901	13,343	12,828	13,025

Source Company data, I-Sec research

Exhibit 36: Balance sheet

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	6,964	15,317	21,140	27,622
of which cash & bank	2,279	11,726	17,367	23,624
Total Current Liabilities & Provisions	15,612	20,671	23,247	26,078
Net Current Assets	(8,648)	(5,354)	(2,107)	1,545
Other Non Current Assets	2,918	2,918	2,918	2,918
Net Fixed Assets	30,257	34,327	37,977	41,207
Other Fixed Assets	-	-	-	-
Capital Work in Progress	7,086	7,086	7,086	7,086
Non Investment	-	-	-	-
Current Investment	13,098	14,408	15,849	17,434
Deferred Tax Assets	-	-	-	-
Total Assets	44,711	53,384	61,723	70,189
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	2,086	2,086	2,086	2,086
Lease Liability	-	-	-	-
Other Liabilities	1,283	1,283	1,283	1,283
Equity Share Capital	988	988	988	988
Reserves & Surplus*	40,354	49,027	57,366	65,832
Total Net Worth	41,342	50,015	58,353	66,820
Minority Interest	-	-	-	-
Total Liabilities	44,711	53,384	61,723	70,189

Source Company data, I-Sec research

Exhibit 37: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	16,031	15,332	15,651	15,632
% growth (YOY)	-3.8%	-4.4%	2.1%	-0.1%
EBITDA	3,897	5,213	4,789	4,487
Margin %	24.3%	34.0%	30.6%	28.7%
Other Income	336	390	437	481
Extraordinaries				
Adjusted Net Profit	2,688	3,684	3,385	3,172

Source Company data, I-Sec research

Exhibit 38: Cashflow statement

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	12,197	19,154	18,520	18,709
Working Capital Changes	134	6,154	2,394	2,605
Tax	(2,638)	(4,484)	(4,311)	(4,377)
Operating Cashflow	9,693	20,824	16,603	16,938
Capital Commitments	(7,127)	(7,000)	(7,000)	(7,000)
Free Cashflow	2,566	13,824	9,603	9,938
Others CFI	(2,092)	343	578	928
Cashflow from Investing Activities	(9,218)	(6,657)	(6,422)	(6,072)
Inc (Dec) in Borrowings	-	-	-	-
Interest Cost	-	(50)	(50)	(50)
Others	(2,848)	(4,670)	(4,490)	(4,559)
Cash flow from Financing Activities	(2,848)	(4,720)	(4,540)	(4,609)
Chg. in Cash & Bank balance	(2,373)	9,447	5,641	6,257
Closing cash & balance	2,279	11,726	17,367	23,624

Source Company data, I-Sec research

Exhibit 39: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	80.0	135.1	129.9	131.9
Diluted EPS	80.0	135.1	129.9	131.9
Recurring Cash EPS	103.4	164.7	163.8	170.0
Dividend per share (DPS)	26.0	47.3	45.5	46.2
Book Value per share (BV)	418.5	506.3	590.7	676.5
Dividend Payout (%)	32.5	35.0	35.0	35.0
Growth (%)				
Net Sales	77.5	(1.4)	7.2	8.7
EBITDA	28.1	61.7	(3.3)	1.0
EPS	32.4	68.9	(3.9)	1.5
Valuation Ratios (x)				
P/E	17.1	10.1	10.6	10.4
P/CEPS	13.3	8.3	8.4	8.1
P/BV	3.3	2.7	2.3	2.0
EV / EBITDA	10.1	5.7	5.5	5.0
EV / Operating Income	11.3	6.1	5.9	5.4
Dividend Yield (%)	1.9	3.5	3.3	3.4
Operating Ratios				
EBITDA Margins (%)	18.9	30.9	27.9	26.0
Effective Tax Rate (%)	25.2	25.2	25.2	25.2
Net Profit Margins (%)	12.6	21.6	19.3	18.1
NWC / Total Assets (%)	(19.3)	(10.0)	(3.4)	2.2
Fixed Asset Turnover (x)	1.6	1.4	1.3	1.2
Working Capital Days	(0.6)	(11.3)	(48.4)	(57.1)
Net Debt / Equity %	(37.2)	(52.3)	(56.9)	(61.4)
Profitability Ratios				
RoCE (%)	18.5	26.6	21.0	17.9
RoCE (Pre-tax) (%)	24.7	35.5	28.0	23.9
RoE (%)	20.4	29.2	23.7	20.8

Source Company data, I-Sec research

Financial Summary - Indraprastha Gas

Exhibit 40: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	1,41,459	1,44,233	1,60,070	1,70,628
EBITDA	20,398	24,282	25,458	25,381
EBITDA Margin (%)	14.4	16.8	15.9	14.9
Depreciation & Amortization	3,634	4,385	5,040	5,708
EBIT	16,764	19,898	20,419	19,673
Interest expenditure	106	78	28	3
Other Non-operating Income	2,619	2,687	3,794	5,060
PBT	19,277	22,507	24,184	24,729
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	4,827	5,636	6,056	6,192
PAT	14,450	16,871	18,128	18,537
Less: Minority Interest	-	-	-	-
Net Income (Reported)	14,450	16,871	18,128	18,537
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	14,450	16,871	18,128	18,537

Source Company data, I-Sec research

Exhibit 41: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	38,088	43,908	54,777	65,425
of which cash & bank	26,332	32,908	43,625	54,520
Total Current Liabilities & Provisions	42,791	43,631	48,421	51,615
Net Current Assets	(4,704)	277	6,356	13,809
Other Non Current Assets	-	-	-	-
Net Fixed Assets	57,335	64,611	71,731	78,183
Other Fixed Assets	-	-	-	-
Capital Work in Progress	14,337	14,337	14,337	14,337
Non Investment	3,807	3,807	3,807	3,807
Current Investment	4,191	4,191	4,191	4,191
Deferred Tax Assets	(3,168)	(3,168)	(3,168)	(3,168)
Total Assets	71,800	84,056	97,255	1,11,161
Liabilities				
Borrowings	828	428	28	28
Deferred Tax Liability	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	107	110	112	115
Equity Share Capital	1,400	1,400	1,400	1,400
Reserves & Surplus*	69,466	82,119	95,715	1,09,618
Total Net Worth	70,866	83,519	97,115	1,11,018
Minority Interest	-	-	-	-
Total Liabilities	71,800	84,056	97,255	1,11,161

Source Company data, I-Sec research

Exhibit 42: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	36,872	34,070	34,585	35,562
% growth (YOY)	-0.6%	-7.6%	1.5%	2.8%
EBITDA	4,663	6,424	6,569	5,641
Margin %	12.6%	18.9%	19.0%	15.9%
Other Income	654	457	1,340	550
Extraordinaries				
Adjusted Net Profit	3,298	4,384	5,348	3,921

Source Company data, I-Sec research

Exhibit 43: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	20,670	24,282	25,458	25,381
Working Capital Changes	6,469	1,598	4,641	3,443
Tax	(4,833)	(5,636)	(6,056)	(6,192)
Operating Cashflow	22,306	20,245	24,044	22,632
Capital Commitments	(11,221)	(11,660)	(12,160)	(12,160)
Free Cashflow	11,085	8,585	11,884	10,472
Others CFI	15,217	2,687	3,794	5,060
Cashflow from Investing Activities	3,996	(8,973)	(8,366)	(7,100)
Inc (Dec) in Borrowings	-	-	-	-
Interest Cost	-	(78)	(28)	(3)
Others	(13,586)	(4,618)	(4,932)	(4,634)
Cash flow from Financing Activities	(13,586)	(4,696)	(4,961)	(4,638)
Chg. in Cash & Bank balance	12,716	6,576	10,717	10,894
Closing cash & balance	26,332	32,908	43,625	54,520

Source Company data, I-Sec research

Exhibit 44: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	20.6	24.1	25.9	26.5
Diluted EPS	20.6	24.1	25.9	26.5
Recurring Cash EPS	25.8	30.4	33.1	34.6
Dividend per share (DPS)	13.0	6.0	6.5	6.6
Book Value per share (BV)	101.2	119.3	138.7	158.6
Dividend Payout (%)	63.0	25.0	25.0	25.0
Growth (%)				
Net Sales	83.5	2.0	11.0	6.6
EBITDA	8.4	19.0	4.8	(0.3)
EPS	9.9	16.8	7.5	2.3
Valuation Ratios (x)				
P/E	20.6	17.7	16.4	16.1
P/CEPS	16.5	14.0	12.9	12.3
P/BV	4.2	3.6	3.1	2.7
EV / EBITDA	13.1	10.8	9.8	9.4
EV / Operating Income	13.8	11.6	10.3	9.7
Dividend Yield (%)	3.1	1.4	1.5	1.6
Operating Ratios				
EBITDA Margins (%)	14.4	16.8	15.9	14.9
Effective Tax Rate (%)	25.0	25.0	25.0	25.0
Net Profit Margins (%)	10.2	11.7	11.3	10.9
NWC / Total Assets (%)	(6.6)	0.3	6.5	12.4
Fixed Asset Turnover (x)	2.1	1.8	1.7	1.6
Working Capital Days	(4.5)	(9.3)	(11.3)	(11.5)
Net Debt / Equity %	(41.9)	(43.9)	(49.2)	(52.9)
Profitability Ratios				
RoCE (%)	17.7	19.2	16.9	14.2
RoCE (Pre-tax) (%)	23.6	25.6	22.6	18.9
RoE (%)	20.6	21.9	20.1	17.8

Source Company data, I-Sec research

Financial Summary - Gujarat Gas

Exhibit 45: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	1,67,594	1,58,443	1,93,721	2,21,239
EBITDA	23,920	20,489	24,277	27,109
EBITDA Margin (%)	14.3	12.9	12.5	12.3
Depreciation & Amortization	4,283	4,787	5,291	5,795
EBIT	19,637	15,702	18,987	21,315
Interest expenditure	404	82	42	2
Other Non-operating Income	1,013	878	757	649
PBT	20,247	16,499	19,702	21,962
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	4,992	4,068	4,857	5,415
PAT	15,255	12,431	14,844	16,547
Less: Minority Interest	-	-	-	-
Net Income (Reported)	15,255	12,431	14,844	16,547
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	15,255	12,431	14,844	16,547

Source Company data, I-Sec research

Exhibit 46: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	19,792	18,230	26,099	34,055
of which cash & bank	6,810	6,675	13,405	20,843
Total Current Liabilities & Provisions	27,750	25,053	29,473	32,197
Net Current Assets	(7,958)	(6,823)	(3,373)	1,858
Other Non Current Assets	-	-	-	-
Net Fixed Assets	73,364	80,577	87,287	93,492
Other Fixed Assets	-	-	-	-
Capital Work in Progress	9,831	9,831	9,831	9,831
Non Investment	-	-	-	-
Current Investment	5,964	6,464	6,964	7,464
Deferred Tax Assets	(8,461)	(8,461)	(8,461)	(8,461)
Total Assets	72,740	81,588	92,247	1,04,184
Liabilities				
Borrowings	1,523	1,023	523	23
Deferred Tax Liability	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	1,261	1,286	1,312	1,338
Equity Share Capital	1,377	1,377	1,377	1,377
Reserves & Surplus*	68,579	77,902	89,036	1,01,446
Total Net Worth	69,956	79,279	90,412	1,02,823
Minority Interest	-	-	-	-
Total Liabilities	72,740	81,588	92,247	1,04,184

Source Company data, I-Sec research

Exhibit 47: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	39,286	37,815	38,454	39,291
% growth (YOY)	-15.9%	-26.9%	-3.3%	6.6%
EBITDA	5,603	3,880	4,966	4,007
Margin %	14.3%	10.3%	12.9%	10.2%
Other Income	320	239	298	230
Extraordinaries				
Adjusted Net Profit	3,694	2,151	2,978	2,203

Source Company data, I-Sec research

Exhibit 48: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	24,336	20,489	24,277	27,109
Working Capital Changes	4,052	(1,244)	3,306	2,233
Tax	(4,608)	(4,068)	(4,857)	(5,415)
Operating Cashflow	23,780	15,177	22,726	23,928
Capital Commitments	(10,915)	(12,000)	(12,000)	(12,000)
Free Cashflow	34,694	27,177	34,726	35,928
Others CFI	518	378	257	149
Cashflow from Investing Activities	(10,397)	(11,622)	(11,743)	(11,851)
Inc (Dec) in Borrowings	(4,779)	(500)	(500)	(500)
Interest Cost	(381)	(82)	(42)	(2)
Others	(1,624)	(3,108)	(3,711)	(4,137)
Cash flow from Financing Activities	(6,784)	(3,690)	(4,253)	(4,639)
Chg. in Cash & Bank balance	6,599	(134)	6,730	7,438
Closing cash & balance	6,810	6,675	13,405	20,843

Source Company data, I-Sec research

Exhibit 49: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	22.2	18.1	21.6	24.0
Diluted EPS	22.2	18.1	21.6	24.0
Recurring Cash EPS	28.4	25.0	29.2	32.5
Dividend per share (DPS)	6.6	4.5	5.4	6.0
Book Value per share (BV)	101.6	115.2	131.3	149.4
Dividend Payout (%)	30.0	25.0	25.0	25.0
Growth (%)				
Net Sales	1.8	(5.5)	22.3	14.2
EBITDA	15.2	(14.3)	18.5	11.7
EPS	17.8	(18.5)	19.4	11.5
Valuation Ratios (x)				
P/E	24.4	30.0	25.1	22.5
P/CEPS	19.1	21.7	18.5	16.7
P/BV	5.3	4.7	4.1	3.6
EV / EBITDA	15.1	17.6	14.5	12.7
EV / Operating Income	17.5	21.8	17.9	15.7
Dividend Yield (%)	1.2	0.8	1.0	1.1
Operating Ratios				
EBITDA Margins (%)	14.3	12.9	12.5	12.3
Effective Tax Rate (%)	24.7	24.7	24.7	24.7
Net Profit Margins (%)	9.1	7.8	7.7	7.5
NWC / Total Assets (%)	(10.9)	(8.4)	(3.7)	1.8
Fixed Asset Turnover (x)	1.7	1.5	1.6	1.7
Working Capital Days	5.8	17.2	19.7	18.8
Net Debt / Equity %	(16.1)	(15.3)	(22.0)	(27.5)
Profitability Ratios				
RoCE (%)	22.0	15.6	16.7	16.6
RoCE (Pre-tax) (%)	29.3	20.7	22.2	22.0
RoE (%)	24.2	16.7	17.5	17.1

Source Company data, I-Sec research

"In case of industry/sector reports or a report containing multiple stocks, the rating/recommendation for a particular stock may be based on the last released stock specific report for that company."

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Probal Sen, CA, MBA; Hardik Solanki, 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. 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI 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.

ICICI 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.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates 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 ICICI Securities nor Research Analysts and their relatives 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.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: **Mr. Prabodh Avadhoot** Email address: headservicequality@icicidirect.com Contact Number: 18601231122
