

Faster production ramp-up key monitorable...

About the stock: Oil & Natural Gas Corporation (ONGC) is primarily engaged in exploration, development and production of crude oil and natural gas.

- ONGC's crude oil production has been in the range of 54-63% of total domestic oil production in FY11-21
- ONGC also has a play on refining sector via its subsidiaries

Q1FY23 Results: ONGC's Q1FY23 profitability was driven by better oil & gas realisation

- Revenue grew 22.7% QoQ to ₹ 42320.7 crore due to higher realisation
- EBITDA was at ₹ 25930.3 crore, up 39.5% QoQ
- PAT was at ₹ 15205.9 crore, up 71.6% QoQ

What should investors do? ONGC's domestic oil production has seen a steady decline over last 10 years. Currently, while oil prices are at elevated levels, imposition of windfall taxes will limit the upside to earnings.

- We change our rating on the stock from BUY to HOLD

Target Price and Valuation: We value ONGC at ₹ 150 i.e. ₹ 120 for core oil & gas business and ₹ 30 for subsidiaries and other investments.

Key triggers for future price performance:

- Sustained higher crude oil prices and gas realisations can result in better profitability. Periodic revision in windfall taxes will be the key monitorable
- Ramp-up in oil & gas production from newer fields
- Value unlocking from subsidiaries and other investments & lower holding company discount on investments
- High dividend yield and payout ratio

Alternate Stock Idea: Apart from ONGC, in our oil & gas coverage we also like Gail.

- Gail is India's leading gas transmission company, which is a beneficiary of increasing gas consumption. Stable volume growth along with higher profitability from gas trading, petchem and LPG segment due to higher oil prices will add value
- BUY with a target price of ₹ 160



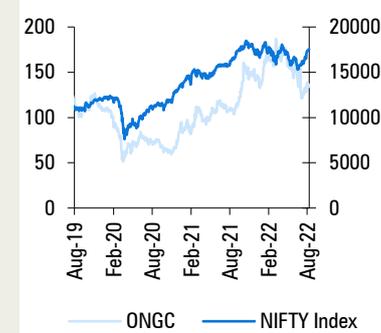
Particulars

Particular	Amount
Market Capitalization (₹ Crore)	1,76,124.3
Total Debt (FY22) (₹ Crore)	11,861.9
Cash and Investments (FY22)	236.2
EV (₹ Crore)	1,87,750.0
52 week H/L	195/ 108
Equity capital (₹ Crore)	6,290.1
Face value (₹)	5.0

Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	60.4	60.4	58.9	58.9
FII	8.1	8.9	9.9	10.0
DII	17.9	17.2	16.4	17.8
Others	13.6	13.5	14.8	13.3

Price Chart



Recent event & key risks

- **Key Risk:** (i) Sustained higher oil prices and increase in value of subsidiaries, (ii) Slower than expected increase in production

Research Analyst

Harshal Mehta
harshal.mehta@icicisecurities.com

Amogh Deshpande
amogh.deshpande@icicisecurities.com

Key Financial Summary

	FY20	FY21	FY22	FY23E	CAGR (FY17-22E)	FY23E	FY23E	2 year CAGR (FY22-24E)
Revenues (₹ crore)	1,09,654.6	96,213.6	68,141.1	1,10,345.4	7.2	1,65,636.2	1,58,308.4	19.8
EBITDA (₹ crore)	59,462.7	49,288.2	32,812.7	59,938.3	10.7	85,357.5	79,673.7	15.3
Net Profit (₹ crore)	26,715.8	13,104.6	11,246.4	40,305.7	17.6	49,302.2	44,872.5	5.5
EPS (₹)	21.2	10.4	8.9	32.0		39.2	35.7	
P/E (x)	6.6	13.4	15.7	4.4		3.6	3.9	
Price / Book (x)	0.9	0.9	0.9	0.7		0.6	0.6	
EV/EBITDA (x)	3.3	3.9	6.0	3.1		2.1	2.3	
RoCE (%)	15.6	10.2	4.5	14.8		21.9	17.7	
RoE (%)	13.2	6.7	5.5	17.0		18.1	14.9	

Key takeaways of recent quarter & conference call highlights

Q1FY23 Results: Oil & gas price drives performance

- Revenue increased 83.8% YoY on account of ~65% increase in oil realisation and 208% YoY increase in gas realisation at US\$6.1/mmbtu (on GCV basis). On the production front, oil production was up 1.9% QoQ at 5.5 MMT. Gas production increased 0.8% QoQ to BCM. Oil & gas production increased 1.9% and 1.4% YoY, respectively
- DD&A expenses were at ₹ 5709.4 crore while other income was ₹ 757.7 crore
- ONGC Videsh reported 1.5 MMT of oil production, down 25.5 % YoY and 18.2% QoQ. Gas production was at 1 BCM, down 6% YoY, 6.3% QoQ
- Going ahead, we estimate oil realisation at US\$94.1/bbl and US\$83.5/bbl in FY23E and FY24E. We revise our gas realisation estimates upwards as global gas prices remain at elevated levels

Exhibit 1: Variance Analysis

	Q1FY23	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	Comments
Total Revenues	42,320.7	23,021.6	83.8	34,497.2	22.7	Revenue growth was on account of higher realisation
Raw materials costs	458.2	700.4	-34.6	881.8	-48.0	
Employees Cost	710.7	730.2	-2.7	764.4	-7.0	
Other Expenses	15,221.6	9,438.3	61.3	14,260.8	6.7	
Total Expenditure	16,390.5	10,868.8	50.8	15,907.1	3.0	
EBITDA	25,930.3	12,152.8	113.4	18,590.2	39.5	Sharply higher revenue resulted in surge in EBITDA
EBITDA margins (%)	61.3	52.8	848 bps	53.9	738 bps	
Depreciation	5,709.4	5,316.6	7.4	7,639.8	-25.3	
EBIT	20,220.9	6,836.2	195.8	10,950.4	84.7	
Interest	635.6	619.7	2.6	579.8	9.6	
Other Income	757.7	533.7	42.0	1,343.7	-43.6	
Extra Ordinary Item	0.0	0.0	NA	0.0	NA	
PBT	20,343.0	6,750.2	201.4	11,714.3	73.7	
Total Tax	5,137.1	2,415.4	112.7	2,854.8	79.9	
PAT	15,205.9	4,334.8	250.8	8,859.5	71.6	

Key Metrics

Exchange rate (₹/\$)	77.3	73.9	4.6	75.2	2.7	
Gross realisation(\$/bbl)	108.5	65.6	65.5	95.0	14.3	Elevated crude oil prices led to higher realisation
Net realisation (\$/bbl)	108.5	65.6	65.5	95.0	14.3	
Oil Production (mmt)	5.5	5.4	1.9	5.4	1.9	
Gas Production (mmt)	5.4	5.3	1.4	5.3	0.8	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	1,43,982.6	1,65,636.2	15.0%	1,36,789.2	1,58,308.4	15.7%	Revised estimates taking into account current oil & gas price trend
EBITDA	82,933.2	85,357.5	2.9%	76,535.9	79,673.7	4.1%	
EBITDA Margin (%)	57.6	51.5	-607bps	56.0	50.3	-562bps	
PAT	46,349.5	49,302.2	6.4%	41,253.3	44,872.5	8.8%	
EPS (₹)	36.8	39.2	6.4%	32.8	35.7	8.8%	

Source: ICICI Direct Research

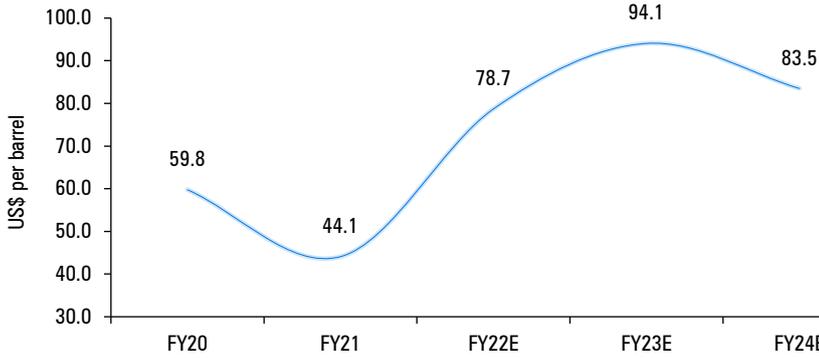
Exhibit 3: Assumptions

	Current				Earlier		Comments
	FY21	FY22	FY23E	FY24E	FY23E	FY24E	
Exchange rate (₹/\$)	74.0	74.6	78.5	79.0	75.0	75.0	
Gross realisation(\$/bbl)	44.1	78.7	94.1	83.5	88.5	78.5	We revised estimates as oil prices continue to trend at higher level
Net realisation (\$/bbl)	44.1	78.7	94.1	83.5	88.5	78.5	
Oil Prod'n (Dom) (mmt)	22.5	21.7	22.4	23.4	22.5	23.6	
Oil Prod'n (OVL) (mmt)	8.5	8.1	6.6	7.6	8.0	8.2	We revised OVL estimates post Q1FY23 results
Gas Prod'n (Dom)(mmt)	22.8	21.7	22.4	24.0	23.6	26.4	
Gas Prod'n (OVL)(mmt)	4.5	4.2	4.3	4.3	4.5	4.4	

Source: ICICI Direct Research

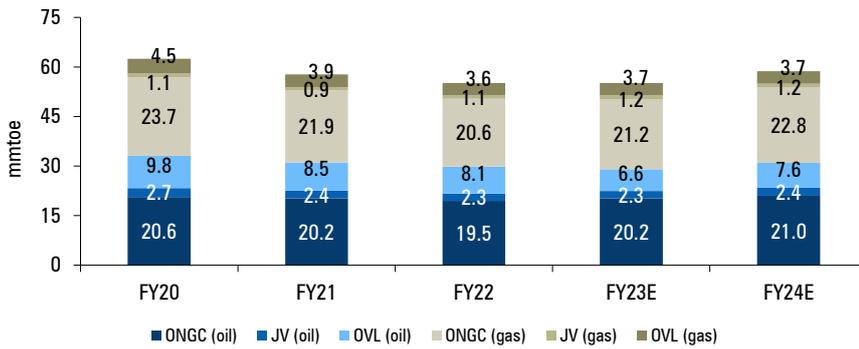
Story in charts

Exhibit 4: Oil realisation trend



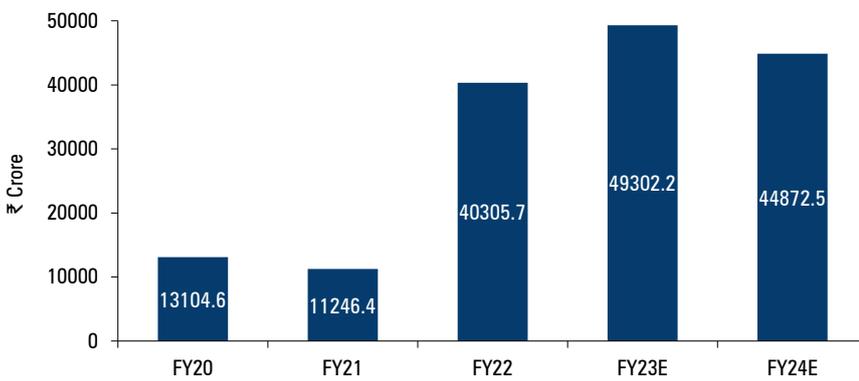
Source: Company, ICICI Direct Research

Exhibit 5: Production trajectory



Source: Company, ICICI Direct Research

Exhibit 6: Profitability trend (standalone)



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 7: Profit and loss statement		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Revenue	68141.1	110345.4	165636.2	158308.4	
Growth (%)	-29.2	61.9	50.1	-4.4	
(Inc./Dec. in stock trade)	-426.4	-143.0	-290.1	0.0	
Raw material Costs	1980.7	3272.5	3348.2	3400.0	
Employee Costs	2307.3	2887.7	3177.0	3641.1	
Statutory Levies	16423.7	27932.2	56615.7	53899.1	
Other Expenditure	15043.1	16457.7	17427.7	17694.5	
Op. Expenditure	35328.4	50407.1	80278.6	78634.7	
EBITDA	32812.7	59938.3	85357.5	79673.7	
Growth (%)	-33.4	82.7	42.4	-6.7	
Depreciation	22712.9	23054.0	23332.6	24185.9	
EBIT	10099.8	36884.3	62025.0	55487.8	
Interest	2214.5	2359.9	1929.8	1660.7	
Other Income	8517.5	6515.6	5831.1	6162.9	
PBT	16402.8	41040.0	65926.3	59990.0	
Growth (%)	-18.3	150.2	60.6	-9.0	
Tax	5156.4	734.3	16624.1	15117.5	
Reported PAT	11246.4	40305.7	49302.2	44872.5	
Growth (%)	-14.2	258.4	22.3	-9.0	
EPS	8.9	32.0	39.2	35.7	

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Profit after Tax	11,246.4	40,305.7	49,302.2	44,872.5	
Add: Depreciation	22,712.9	23,054.0	23,332.6	24,185.9	
Add: Others	1,129.3	-7,740.1	500.0	500.0	
Cash Profit	32,887.1	43,844.5	58,415.8	54,839.5	
Increase/(Decrease) in CL	8,093.3	3,430.5	-1,453.1	-4,174.3	
(Increase)/Decrease in CA	-5,767.8	-7,822.7	-9,147.6	-2,956.0	
CF from Operating Activities	37414.1	51227.3	62534.1	62428.1	
Purchase of Fixed Assets	30,437.2	30,311.5	32,015.6	33,868.9	
(Inc)/Dec in Investments	-8,946.4	-3,796.8	-10,679.8	-11,200.0	
Others	0.0	0.0	0.0	0.0	
CF from Investing Activities	-39,383.6	-34,108.2	-42,695.4	-45,068.9	
Inc/(Dec) in Loan Funds	2,329.8	-9,469.2	-500.0	1,000.0	
Less: Dividend Paid	2,201.5	11,775.1	14,718.9	14,718.9	
Inc/(Dec) in Sh. Cap. & Res.	1,175.6	4,058.9	0.0	0.0	
Others	0.0	0.0	0.0	0.0	
CF from financing activities	1,303.8	-17,185.4	-15,218.9	-13,718.9	
Change in cash Eq.	-665.7	-66.3	4,619.8	3,640.3	
Op. Cash and cash Eq.	968.2	302.5	236.2	4,856.0	
Cl. Cash and cash Eq.	302.5	236.2	4,856.0	8,496.2	

Source: Company, ICICI Direct Research

Exhibit 9: Balance Sheet		₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E	
Source of Funds					
Equity Capital	6,290.1	6,290.1	6,290.1	6,290.1	
Preference Capital	0.0	0.0	0.0	0.0	
Reserves & Surplus	1,98,268.4	2,30,857.9	2,65,441.2	2,95,594.8	
Shareholder's Fund	2,04,558.6	2,37,148.1	2,71,731.3	3,01,884.9	
Loan Funds	21,331.1	11,861.9	11,361.9	12,361.9	
Deferred Tax Liability	27,473.4	19,733.3	20,233.3	20,733.3	
Well Abandonment Fund	0.0	0.0	0.0	0.0	
Source of Funds	253363.0	268743.2	303326.4	334980.1	
Application of Funds					
Net Block	20,020.7	20,057.8	20,557.8	21,057.8	
Capital WIP	24,811.3	28,753.7	27,436.7	27,119.7	
Producing Properties	1,10,679.1	1,16,877.8	1,24,877.8	1,32,877.8	
Pre-Producing Properties	16,137.8	13,217.0	14,717.0	16,217.0	
Total Fixed Assets	1,71,648.8	1,78,906.3	1,87,589.3	1,97,272.3	
Investments	81,376.4	85,173.2	95,853.0	1,07,053.0	
Inventories	8,474.5	7,861.4	11,344.9	10,843.0	
Debtor	7,797.3	11,788.5	13,452.5	12,910.5	
Cash	302.5	236.2	4,856.0	8,496.2	
Loan & Advance, Other CA	48853.9	53298.6	57298.6	61298.6	
Total Current assets	65428.3	73184.7	86952.0	93548.3	
Current Liabilities	33169.6	34987.9	34034.8	30360.5	
Provisions	31921.0	33533.1	33033.1	32533.1	
Total CL and Provisions	65090.6	68521.0	67068.0	62893.6	
Net Working Capital	337.7	4663.7	19884.1	30654.7	
Miscellaneous expense	0.0	0.0	0.0	0.0	
Application of Funds	253363.0	268743.2	303326.4	334980.1	

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios		FY21	FY22	FY23E	FY24E
(Year-end March)					
Per share data (₹)					
Book Value		162.6	188.5	216.0	240.0
Cash per share		0.2	0.2	3.9	6.8
EPS		8.9	32.0	39.2	35.7
Cash EPS		27.0	50.4	57.7	54.9
DPS		3.6	8.0	10.0	10.0
Profitability & Operating Ratios					
EBITDA Margin (%)		48.2	54.3	51.5	50.3
PAT Margin (%)		16.5	36.5	29.8	28.3
Fixed Asset Turnover (x)		0.4	0.6	0.9	0.8
Inventory Turnover (Days)		45.4	26.0	25.0	25.0
Debtor (Days)		41.8	39.0	27.0	27.0
Current Liabilities (Days)		177.7	115.7	75.0	70.0
Return Ratios (%)					
RoE		5.5	17.0	18.1	14.9
RoCE		4.5	14.8	21.9	17.7
RoIC		4.5	14.8	22.3	18.1
Valuation Ratios (x)					
PE		15.7	4.4	3.6	3.9
Price to Book Value		0.9	0.7	0.6	0.6
EV/EBITDA		6.0	3.1	2.1	2.3
EV/Sales		2.9	1.7	1.1	1.1
Leverage & Solvency Ratios					
Debt to equity (x)		0.1	0.1	0.0	0.0
Interest Coverage (x)		4.6	15.6	32.1	33.4
Debt to EBITDA (x)		0.7	0.2	0.1	0.2
Current Ratio		1.0	1.1	1.3	1.5
Quick ratio		0.9	1.0	1.1	1.3

Source: Company, ICICI Direct Research

Exhibit 11: ICICI Direct coverage universe (Oil & Gas)

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
BPCL (BHAPET)	326	320	Hold	69,420	41.3	-7.9	42.2	7.9	-41.4	7.7	6.5	27.4	6.3	13.2	-1.7	13.2	17.7	-3.8	18.6
GAIL (India) (GAIL)	133	160	Buy	59,057	23.3	22.2	15.1	5.7	6.0	8.8	4.6	4.5	6.5	18.8	16.3	9.6	18.6	15.7	10.1
Gujarat Gas (GUJGA)	465	500	Hold	32,011	18.9	18.5	21.9	24.6	25.1	21.3	15.7	15.6	13.3	26.9	23.2	23.6	23.2	19.4	19.4
HPCL (HINPET)	231	255	Hold	32,778	44.9	8.0	42.8	5.1	29.0	5.4	7.8	16.4	7.1	7.3	0.8	7.3	16.5	3.0	15.0
Indian Oil Corp (INDOIL)	71	80	Hold	1,00,614	17.1	7.7	13.1	4.2	9.3	5.4	2.3	3.4	2.5	12.9	6.4	9.6	18.4	8.3	13.3
Indraprastha Gas (INDGAS)	408	455	Hold	28,560	18.8	20.7	20.9	21.7	19.7	19.5	14.5	12.4	11.8	22.3	22.0	19.3	19.0	18.2	16.2
Mahanagar Gas (MAHGAS)	861	940	Hold	8,505	60.4	80.8	83.6	14.2	10.7	10.3	8.8	6.5	6.0	19.8	23.7	21.7	16.6	19.5	17.9
ONGC (ONGC)	140	150	Hold	1,79,667	32.0	39.2	35.7	4.4	3.6	3.9	3.1	2.1	2.3	14.8	21.9	17.7	17.0	18.1	14.9
Petronet LNG (PETLNG)	216	215	Hold	32,400	22.3	18.1	19.5	9.7	11.9	11.1	5.9	7.0	6.2	27.0	20.3	21.1	25.0	19.3	19.7
Reliance Industries (RELIND)	2,572	2,700	Hold	17,39,958	89.7	104.1	123.7	28.7	24.7	20.8	18.6	13.8	11.5	7.1	9.2	10.4	7.8	8.3	9.1

Source: Bloomberg, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, AkruTI Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Harshal Mehta, MTech (Biotech), Amogh Deshpande, PGDM, Research Analysts, 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. 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.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. 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 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 icicidirect.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 Retail 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 Institutional 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 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.