

Numbers buoyed by strong CDMO beat...

About the stock: Navin Fluorine (NFIL) operates one of the largest integrated fluorochemicals complexes in India with a presence in speciality chemicals, CDMO, and HPP (Refrigerants + Inorganic Fluoride + HPP).

- The company has two manufacturing facilities in Surat and Dewas while it is setting up a new greenfield capacity at Dahej
- In terms of revenue contribution, speciality chemicals constitute 36% of overall revenues followed by CDMO 22% and the rest from HPP segment (refrigerants + Inorganic Fluoride + HPP) 42%

Q4FY23 Results: Numbers were above I-direct expectations mainly due to the strong CDMO performance even as other segments reported decent growth.

- Reported revenue growth was 70.5% YoY to ₹ 697.1 crore, led by CDMO up 131% YoY to ₹ 203 crore, specialty chemical up 28% YoY to ₹ 204 crore and HPP (refrigerants Gas + inorganic chemicals+ HPP) up 63% YoY to ₹ 289 crore
- Gross margins were up 741 bps YoY to 59.3% while EBITDA margin increased 589 bps YoY to 28.9%. Absolute EBITDA was up 114% YoY to ₹ 201.8 crore
- Adjusted PAT increased to 81% YoY to ₹ 136.4 crore. Finance cost was at ₹ 14 crore, up 52% QoQ

What should investors do? The stock appreciated at 47% CAGR in last three years.

- We maintain **HOLD** rating as the expected buoyancy in all three segments has been priced in with very little margin of safety

Target Price and Valuation: We value Navin Fluorine at 38x FY25E EPS of ₹ 135.8 to arrive at a target price of ₹ 5160/share (earlier ₹ 4285/share).

Key triggers for future price performance:

- Ramping up of HPP, MPP and agrochemical intermediate to aid value added business revenue mix and thereby group return ratios
- Expansion of hydrofluoric acid with foray into derivatives of HF, especially in emerging area like EV battery chemicals, solar, 5G, etc
- Commissioning of a new fluoro specialty molecule by end of CY23 with estimated revenue of ₹ 600 crore annually

Alternate Stock Idea: Besides Navin Fluorine, in our chemical coverage, we like SRF.

- Trigger for SRF's future revenue growth would be increasing specialty chemical business
- BUY with a target price of ₹ 3000



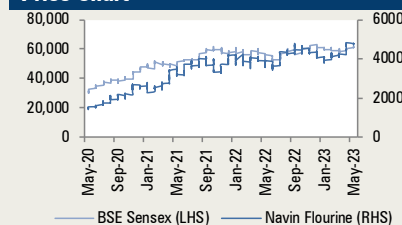
Particulars

Particular	Amount
Market cap (₹ Crore)	23,539
FY23 Total Debt (₹ Crore)	861
FY23 Cash & Inv (₹ Crore)	35
EV (₹ Crore)	24,365
52 Week H/L	4900/3433
Equity Capital (₹ Crore)	9.9
Face Value (₹)	2

Shareholding pattern

in %	Mar-22	Jun-22	Dec-22	Mar-23
Promoter	30.2	29.7	29.4	28.8
FII	25.3	23.5	20.1	19.6
DII	16.0	18.3	22.7	24.8
Others	28.6	28.5	27.9	26.8

Price Chart



Recent event & key risks

- Capex of ₹ 450 crore for setting up a new 40000 tonnes hydrofluoric capacity at Dahej
- Key Risk:** (i) Cancellation of any order or slowdown in order booking, (ii) Better than expected margin expansion

Research Analyst

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Karan Khona
karan.khona@icicisecurities.com

Key Financial Summary

(₹ Crore)	FY19	FY20	FY21	FY22	FY23	5 year CAGR (FY18-23)	FY24E	FY25E	2 year CAG (FY23-25E)
Net Revenue	995.9	1,061.6	1,179.4	1,453.4	2,077.4	17.9%	2,662.2	3,612.8	16.5%
EBITDA	218.4	263.5	309.3	354.8	550.3	20.7%	692.2	1,011.6	20.9%
EBITDA Margins (%)	21.9%	24.8%	26.2%	24.4%	26.5%		26.0%	28.0%	
Adj. PAT	149.1	179.1	222.9	259.0	375.2	15.9%	451.6	672.9	22.1%
Adj. EPS (₹)	30.1	36.2	45.0	52.3	75.7		91.1	135.8	
EV/EBITDA	106.5x	87.9x	74.0x	66.0x	44.2x		35.4x	23.2x	
P/E	157.5x	131.2x	105.4x	90.8x	62.7x		52.1x	35.0x	
ROE (%)	13.9	12.7	13.6	14.0	17.2		17.7	21.8	
ROCE (%)	20.9	18.4	21.0	17.8	17.2		17.5	21.4	

Key takeaways of recent quarter & conference call highlight

Q4FY23 Results: Strong growth across all segment led by capacity ramp up and product mix

- **High value business (Specialty chemical & CDMO):** Revenues were up 65% YoY to ₹ 407 crore, led by strong growth in CRAMS segment with stability in the speciality chemical segment. The revenue from speciality chemical was up 28% YoY to ₹ 204 crore while the same from CDMO increased by 131% YoY to ₹ 203 crore
- **Legacy business (HPP):** Revenue increased 91% YoY to ₹ 289 crore, driven by commissioning of hydrofluoroolefins (HFO) and better realisations of refrigerant gas

Navin - ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	12.7	12.7	12.7
Social	20.6	20.6	20.6
Governance	78.6	78.6	78.6
Overall ESG Score	37.34	37.34	37.34

*Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures*

Q4FY23 Earnings Conference Call highlights

1. Specialty Chemicals –

- All business units delivered highest ever revenues and profitability
- Specialty chemical continues to delivers strong performance driven by strong partnership and technology platforms
- Introduction of new products has made an impact on the performance
- Agro-chemical intermediate plant achieved optimal utilisation in last quarter

2. CDMO (CRAMS) –

- Highest quarterly revenue achieved in in Q4FY23
- Business is on strong footing and the management expects further capacity expansion in the CDMO business
- Numbers for FY23 surpassed the management guidance of ~\$10 million
- The company is witnessing new opportunities with key accounts. Some accounts are outside fluorination area primarily driven by good customer relationships
- On \$16 mn contract for CDMO business, which was supposed to deliver from April onwards, the management has supplied significant portion in Q4, which is reflecting in revenues. The remaining is expected to get delivered in FY24

3. HPP (Refrigerant Gas + Inorganic Fluorides + HPP) –

- The recent increased in sales can be attributed primarily to increased volume from NFASL
- NFASL plant currently, is operating at optimum utilization
- R-32 plant with capex of ₹ 80 crore will be commissioned as per schedule and is expected to be commissioned in the beginning of Q2FY24
- For R-32, the management is witnessing a lot of interest from some existing customers as well as from new customers on long term basis. The management expects R-32 pricing to remain strong for the coming two to three years

Management comments-

Management focus areas or priorities

- To stabilise the plant and achieve optimum utilisation
- Debottlenecking of ~20% capacity in FY25
- Identified new molecules and developed, which currently are at early stage

Management on capex

- HF Plant – Capex has started well and is expected to be commissioned on schedule (two years). With this capacity commissioning, the company will be prepared to address rising demand in pharmaceuticals and agro-chemical sectors as well as in emerging areas like EV battery chemicals, solar, etc

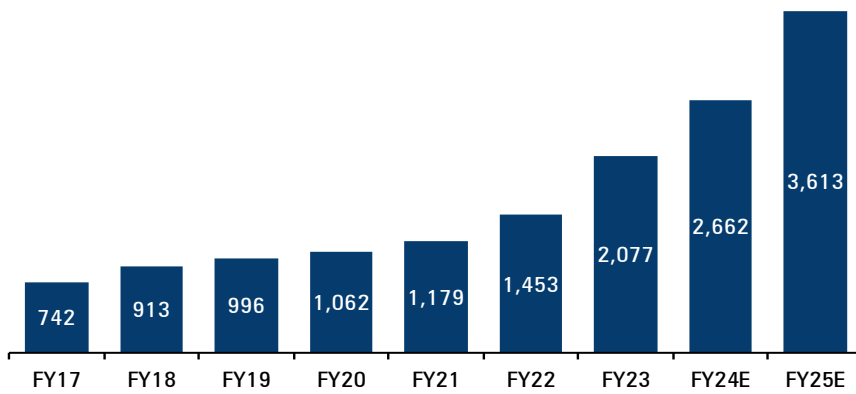
- Half of the HF capacity will be utilised immediately while remaining half will be sold in the merchant market. Eventually, the later half will also be consumed internally by the company
- Apart from the ongoing expansion, which is scheduled to be completed by FY25 the company is in the process of finalising the business plan for two projects to be presented to the board for approval in CY23. The two projects are cGMP4 while another is related to the specialty chemical sector
- cGMP4 will be a significantly larger plant compared to the previous plant

Others

- The company has taken an annual plant shutdown for HFO in Dahej along with HF plant in Surat for April. One line in HF was shut down for three weeks while the HFO plant was shut for a month. From Q2FY24, we expect the business to gradually normalise
- In other expenses for Q4FY23, the company has booked two one offs items, which constitute ~₹ 15 crore of which ₹ 5 crore is related to consultancy charges. The management expect the charges not to be recurring from FY24 onwards
- Total Dividend for FY23 came in at ₹ 12 per share
- Normalised depreciation and amortisation in FY24 to be ~₹ 80-90 crore at current capitalisation
- Currently, the management is seeing no reason to believe there will be any change in overall qualitative guidance given for each of the three businesses. Issue with respect to inventory on agro-chemical side is not seen by the company, to that extent. However, there is some impact with respect to one product but the company has identified some other opportunities, which will compensate the downslide

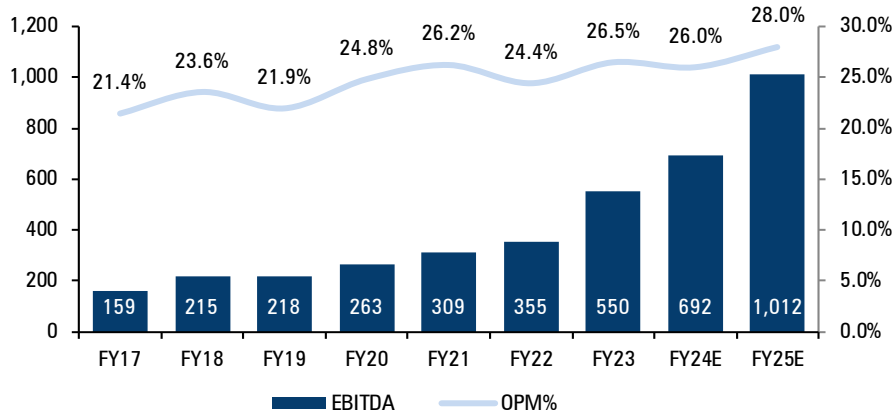
Financial story in charts....

Exhibit 1: Better growth visibility from ongoing capex to aid topline (₹ crore)



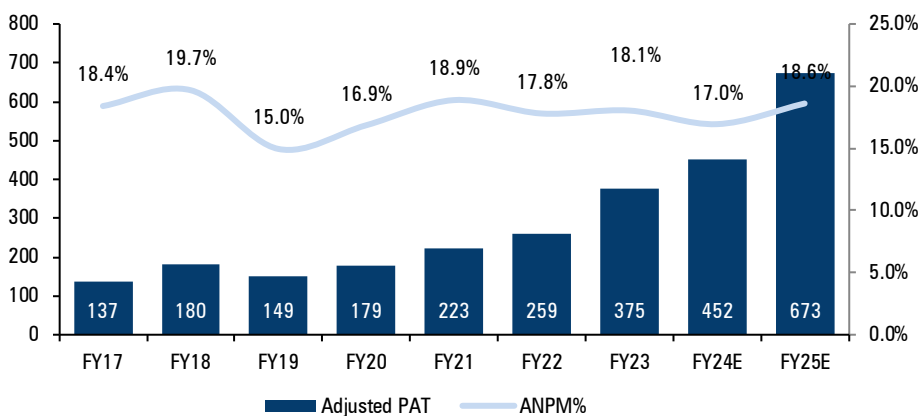
Source: Company, ICICI Direct Research

Exhibit 2: EBITDA (₹ crore) and OPM (%) trend



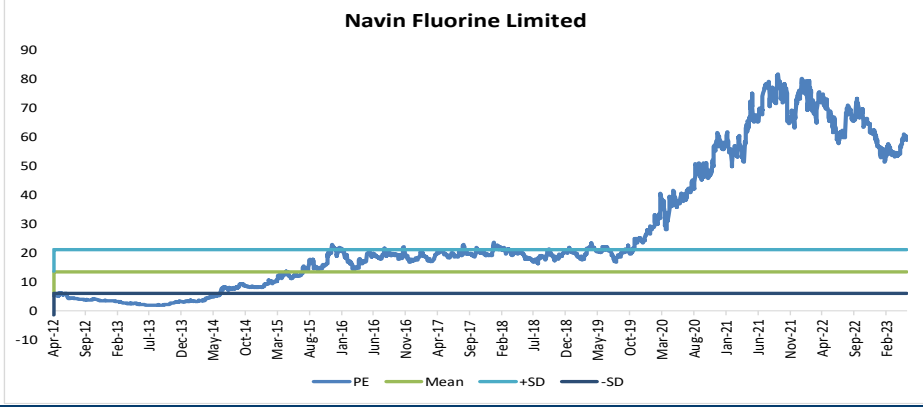
Source: Company, ICICI Direct Research

Exhibit 3: PAT growth trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 4: PE Band



Source: ICICI Direct Research

Financial summary

Exhibit 5: Profit and loss statement					₹ crore
Year end March	FY22	FY23	FY24E	FY25E	
Total Operating Income	1,453.4	2,077.4	2,662.2	3,612.8	
Growth (%)	23.2	42.9	28.2	35.7	
Raw Material Expenses	665.6	896.0	1,171.4	1,553.5	
Employee Cost	181.5	249.4	319.5	415.5	
Other Expenses	251.4	381.7	479.2	632.2	
Total Operating Expenditure	1,098.6	1,527.1	1,970.0	2,601.2	
EBITDA	354.8	550.3	692.2	1,011.6	
Growth (%)	14.7	55.1	25.8	46.1	
Other Income	39.2	35.7	38.9	47.1	
Depreciation	47.9	62.6	83.6	106.2	
Net Interest Exp.	1.9	27.5	50.5	63.0	
Other exceptional items	0.0	0.0	0.0	0.0	
PBT	344.2	495.9	596.9	889.4	
Total Tax	81.2	120.7	145.3	216.5	
PAT	263.1	375.2	451.6	672.9	
Adjusted PAT	259.0	375.2	451.6	672.9	
Growth (%)	16.2	44.9	20.4	49.0	
Adjusted EPS (₹)	52.3	75.7	91.1	135.8	

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement					₹ crore
Year end March	FY22	FY23	FY24E	FY25E	
PBT & Extraordinary	344.2	495.9	596.9	889.4	
Add: Depreciation	47.9	62.6	83.6	106.2	
After other adjustments					
(Inc) / Dec in Working Capital	-210.4	-530.7	-185.7	-451.0	
Taxes	-78.1	-109.8	-145.3	-216.5	
Others	-28.9	18.4	50.5	63.0	
CF from operating activities	74.7	-63.6	400.1	391.2	
Purchase of Fixed Assets	-578.9	-757.7	-425.0	-475.0	
Others	406.5	102.1	0.0	0.0	
CF from investing activities	-172.4	-655.6	-425.0	-475.0	
Issue/(Buy back) of Equity	2.7	0.0	0.0	0.0	
Inc/(dec) in loan funds	102.0	744.2	300.0	200.0	
Dividend paid & dividend tax	-54.2	-54.3	-90.3	-134.6	
Others	-9.0	-32.0	-50.5	-63.0	
CF from financing activities	41.5	657.9	159.1	2.4	
Net cash flow	-56.1	-61.3	134.3	-81.5	
Opening cash	543.9	95.8	34.8	169.1	
Closing cash	95.8	34.8	169.1	87.6	

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet					₹ crore
Year end March	FY22	FY23	FY24E	FY25E	
Liabilities					
Equity Capital	9.9	9.9	9.9	9.9	
Reserves & Surplus	1,834.3	2,175.0	2,536.3	3,074.7	
Total Shareholders Funds	1,844.2	2,185.0	2,546.3	3,084.6	
Minority Interest	0.0	0.0	0.0	0.0	
Long Term Borrowings	100.0	759.6	959.6	1,059.6	
Net Deferred Tax liability	20.1	34.8	34.8	34.8	
Other long term liabilities	23.5	13.5	17.3	23.4	
Long term provisions	13.7	15.1	19.3	26.2	
Current Liabilities and Provisions					
Short term borrowings	4.5	101.3	201.3	301.3	
Trade Payables	146.5	243.5	291.7	395.9	
Other Current Liabilities	227.5	168.8	216.3	293.5	
Short Term Provisions	5.4	8.0	10.2	13.8	
Total Current Liabilities	383.9	521.5	719.5	1,004.6	
Total Liabilities	2,385.5	3,529.3	4,296.7	5,233.1	
Assets					
Net Block	415.9	1,506.5	2,076.4	2,445.2	
Capital Work in Progress	742.1	278.6	50.0	50.0	
Intangible assets under devl.	0.0	0.0	0.0	0.0	
Goodwill on Consolidation	87.8	87.8	87.8	87.8	
Non-current investments	13.9	12.7	12.7	12.7	
Deferred tax assets	0.0	0.0	0.0	0.0	
Long term loans and advances	6.0	0.3	0.4	0.6	
Other Non Current Assets	100.5	177.3	212.7	270.1	
Current Assets, Loans & Advances					
Current Investments	104.2	31.1	31.1	31.1	
Inventories	257.5	468.1	525.1	712.7	
Sundry Debtors	357.7	561.5	656.4	890.8	
Cash and Bank	95.8	34.8	169.1	87.6	
Loans and Advances	0.5	0.0	0.0	0.0	
Other Current assets	203.5	370.6	474.9	644.5	
Current Assets	1,019.3	1,466.2	1,856.7	2,366.7	
Total Assets	2,385.5	3,529.3	4,296.7	5,233.1	

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios				
Year end March	FY22	FY23	FY24E	FY25E
Per share data (₹)				
Adj. EPS	52.3	75.7	91.1	135.8
Adj. Cash EPS	61.9	88.4	108.0	157.2
BV	372.2	441.0	513.9	622.5
DPS	11.0	12.0	18.2	27.2
Operating Ratios (%)				
Gross Margin (%)	54.2	56.9	56.0	57.0
EBITDA Margin (%)	24.4	26.5	26.0	28.0
PAT Margin (%)	17.8	18.1	17.0	18.6
Debtor Days	90	99	90	90
Inventory Days	65	82	72	72
Creditor Days	37	43	40	40
Cash Conversion Cycle	118	138	122	122
Return Ratios (%)				
Return on Assets (%)	10.9	10.6	10.5	12.9
RoCE (%)	17.8	17.2	17.5	21.4
RoE (%)	14.0	17.2	17.7	21.8
Solvency				
Total Debt / Equity	0.1	0.4	0.5	0.4
Interest Coverage	182.2	19.0	12.8	15.1
Current Ratio	2.7	2.8	2.6	2.4
Quick Ratio	2.0	1.9	1.9	1.6
Valuation Ratios (x)				
EV/EBITDA	66.0	44.2	35.4	23.2
P/E	90.8	62.7	52.1	35.0
P/B	12.8	10.8	9.2	7.6
EV/Sales	16.1	11.7	9.2	6.5

Source: Company, ICICI Direct Research

Exhibit 9: ICICI Direct coverage universe (Chemicals)

Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
SRF	2570	3,000	Buy	76,218	63.5	72.7	79.4	34.4	30.0	27.5	21.3	19.3	17.8	23.8	21.9	20.6	22.1	20.9	19.4
PI Industries	3030	3,615	Buy	45,971	55.5	76.9	91.8	56.1	40.5	33.9	39.7	31.1	25.3	16.3	18.8	19.5	13.8	16.2	16.3
Aarti Industries	502	515	Hold	18,373	32.7	15.0	18.0	25.1	54.4	45.4	28.9	29.7	24.6	11.8	9.7	10.4	14.6	11.1	11.9
Tata Chemical	978	1,130	Buy	24,807	47.5	89.5	109.3	20.6	10.9	8.9	12.7	7.7	5.2	6.6	10.4	10.8	6.6	11.6	12.5
Vinati Organics	2027	2,055	Hold	20,829	33.7	41.6	48.0	56.0	45.4	39.4	44.7	35.6	30.3	24.3	23.9	22.4	19.0	19.7	19.2
Sumitomo Chemical	425	525	Buy	21,236	8.5	10.8	12.4	51.6	40.5	35.2	35.7	28.4	24.2	30.2	30.1	28.1	22.0	22.4	20.9
Navin Fluorine	4748	5,160	Hold	23,539	52.3	75.7	91.1	90.8	62.7	52.1	66.0	44.2	35.4	17.8	17.2	17.5	14.0	17.2	17.7
Rallis India	206	223	Hold	4,000	8.4	8.7	11.8	26.5	25.7	18.9	15.2	15.5	11.4	12.7	11.4	14.7	9.7	9.4	11.6
Sudarshan chemical	417	370	Hold	2,885	18.8	4.4	18.1	19.2	81.8	19.9	11.9	16.9	9.7	10.9	4.7	12.3	15.6	3.6	13.2
Neogen Chemicals	1605	1,535	Buy	4,003	17.9	28.2	35.2	72.4	45.9	36.8	38.1	26.9	21.5	12.0	15.4	14.8	10.2	14.0	15.0
Astec Lifesciences	1356	1,307	Reduce	2,659	45.1	27.5	39.9	30.8	50.4	34.8	19.4	26.8	19.7	19.3	10.1	12.6	22.3	12.0	14.8

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,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Siddhant Khandekar, Inter CA and Karan Khona, CA, 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. 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.

Investments 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. Anoop Goyal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

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

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 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.