

After strong run up in FY23 expect flattish FY24...

About the stock: Vinati Organics is a leading manufacturer of specialty chemical and organic intermediaries with global market leadership in its two key products- 2-Acrylamido 2 Methylpropane Sulphonic Acid (ATBS) and Isobutyl Benzene (IBB). Starting with IBB and subsequent forays into IB, ATBS, Butyl phenols, the company is now moving towards antioxidants.

- The company has two manufacturing facilities at Mahad and Lote
- In terms of revenue contribution, ATBS constitutes ~47% of overall revenue followed by IBB of 20-30% while the rest is from other segments like IB, Butyl phenols and derivatives

Q4FY23 Results: Numbers were marginally below our estimates on the revenue front while they were in line with our estimates on the EBITDA and PAT front.

- Reported revenue growth of 3.6% YoY to ₹ 503.4 crore, led by demand pickup in ATBS and stable demand from Iso Butyl Benzene (IBB) and Isobutylene (IB)
- Gross margins increased 418 bps YoY and declined 139 bps QoQ to 50.3% while EBITDA margin grew 171 bps YoY to 30.3%. Absolute EBITDA was up 10% YoY to ₹ 152.3 crore
- PAT increased 14% YoY to ₹ 115.4 crore

What should investors do? The stock appreciated at 21% CAGR in last three years.

- We maintain **HOLD** as the strong outlook for ATBS and newer products has already been factored into the current price

Target Price and Valuation: We value Vinati Organics at 35x P/E FY25E EPS to arrive at a revised target price of ₹ 1935/share (earlier ₹ 2055/share).

Key triggers for future price performance:

- Upcoming expansion of ATBS plant and commissioning of MEHQ, Guaiacol and Iso Amylene plant to aid revenue growth further
- Strong demand for IBB, Butyl phenols and anti-oxidants from end user industry likely to support group operating margins
- Foray into MEHQ, Guaiacol that is anticipated to get commissioned in FY25 and have a capacity of 200 MT, is expected to aid topline growth in FY25

Alternate Stock Idea: Apart from Vinati Organics, in our chemical coverage we also like SRF.

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



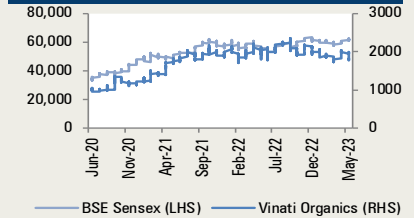
Particulars

| Particular | Amount |
|---------------------------|-----------|
| Market cap (₹ Crore) | 18,624 |
| FY23 Total Debt (₹ Crore) | 7 |
| FY23 Cash & Inv (₹ Crore) | 8 |
| EV (₹ Crore) | 18,623 |
| 52 Week H/L | 2377/1693 |
| Equity Capital (₹ Crore) | 10.3 |
| Face Value (₹) | 1 |

Shareholding pattern

| in % | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|----------|--------|--------|--------|--------|
| Promoter | 74.1 | 74.1 | 74.1 | 74.1 |
| DII | 8.1 | 8.0 | 7.9 | 7.9 |
| FII | 4.7 | 4.8 | 4.8 | 4.8 |
| Others | 13.2 | 13.2 | 13.3 | 13.3 |

Price Chart



Recent event & key risks

- Additional investment of 4.62 crore into wholly owned subsidiary Veeral Organics Pvt Ltd
- Key Risk:** (i) Lower oil prices could affect ATBS segment revenue growth, (ii) Better than expected traction from new products

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 CAGR (FY23-25E) |
|--------------------|---------|---------|-------|---------|---------|-----------------------|---------|---------|------------------------|
| Net Revenue | 1,127.9 | 1,028.9 | 954.3 | 1,615.5 | 2,084.7 | 23.4% | 2,151.0 | 2,566.4 | 11.0% |
| EBITDA | 423.4 | 413.9 | 352.5 | 434.1 | 595.4 | 24.7% | 617.3 | 744.2 | 11.8% |
| EBITDA Margins (%) | 37.5% | 40.2% | 36.9% | 26.9% | 28.6% | | 28.7% | 29.0% | |
| Adj. PAT | 282.5 | 333.8 | 269.3 | 346.6 | 458.0 | 26.0% | 475.2 | 567.9 | 11.4% |
| Adj. EPS (₹) | 27.5 | 32.5 | 26.2 | 33.7 | 44.6 | | 46.2 | 55.3 | |
| EV/EBITDA | 43.7x | 44.3x | 52.2x | 42.9x | 30.9x | | 30.3x | 24.9x | |
| P/E | 65.9x | 55.7x | 69.1x | 53.7x | 40.6x | | 39.1x | 32.8x | |
| ROE (%) | 26.9 | 26.1 | 17.4 | 19.0 | 20.6 | | 18.3 | 18.6 | |
| ROCE (%) | 40.4 | 33.3 | 21.7 | 24.3 | 27.7 | | 23.0 | 24.3 | |

Key takeaways of recent quarter

Q4FY23 Results: Decent growth in ATBS led performance in Q4FY23

- Performance from key segments remain strong:** Since key RMAAT prices began to decline, the gross margins have begun to exceed ~50%. Apart from this, better volume growth owing to gaining market share in the segment such as butyl phenols along with higher demand of high grade ATBS especially from oil and gas segment supported growth for the segment. Moreover, revival in demand for IBB also drove growth to some extent for the quarter. However, the management expects a slowdown in the ATBS segment in FY24 after a strong FY23. Further, the management has guided for EBITDA margins to be in the range of 28-30% in FY24
- Management guidance for FY24:** The management is anticipating to grow at a CAGR of 15-20% post FY24. FY24 to remain flat on ATBS front as there is an overstocking of inventory at consumer end in H2FY23 but the dip in ATBS will be made up by growth in other products like Butyl Phenols and anti-oxidants. EBITDA margins are expected to remain in the range of 28-30% in FY24. Anti-oxidants will contribute ~10% of total sales in FY24

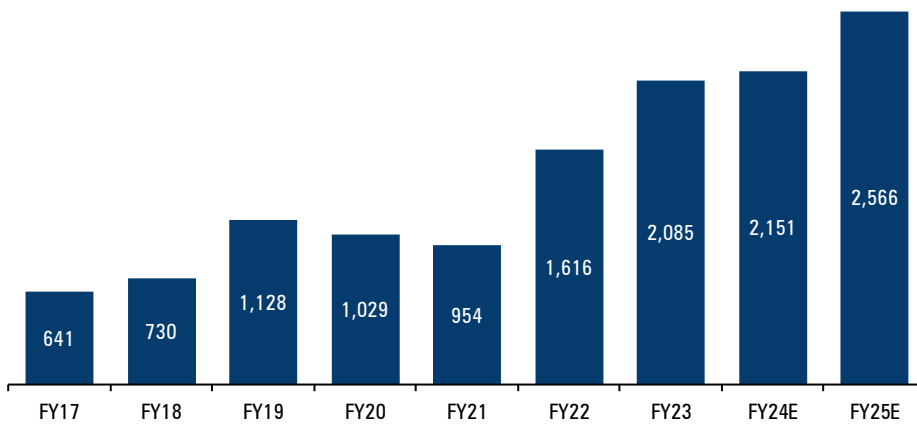
Vinati - ESG Disclosure Score*

| Score | FY20 | FY21 | FY22 |
|--------------------------|--------------|--------------|--------------|
| Environmental | 2.4 | 2.4 | 2.4 |
| Social | 19.1 | 19.9 | 19.9 |
| Governance | 78.6 | 78.6 | 78.6 |
| Overall ESG Score | 33.42 | 33.68 | 33.68 |

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

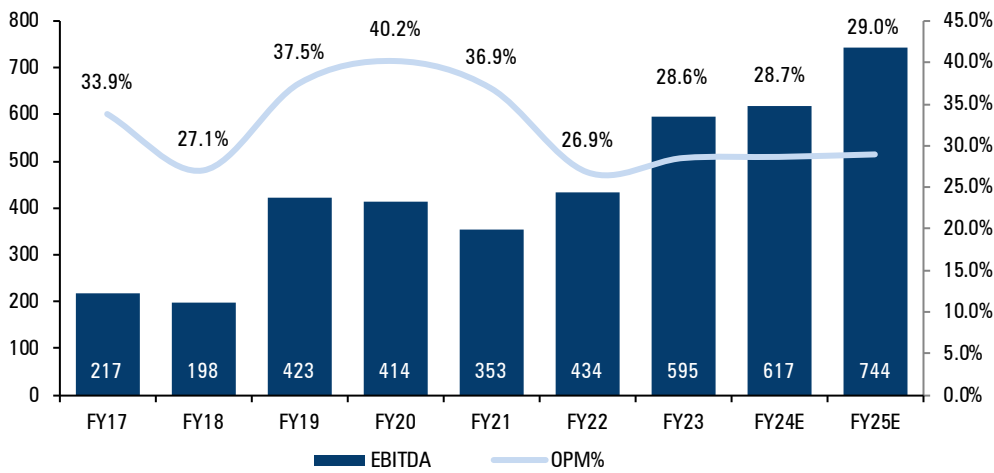
Financial story in charts....

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



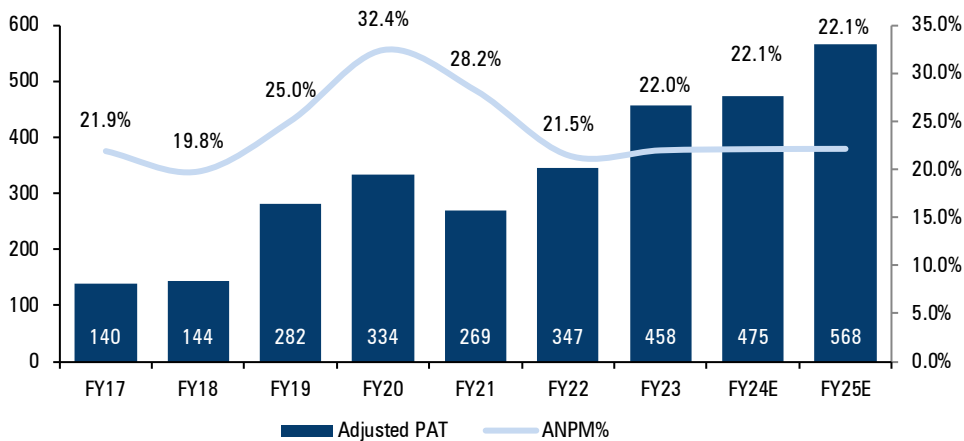
Source: Company, ICICI Direct Research

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



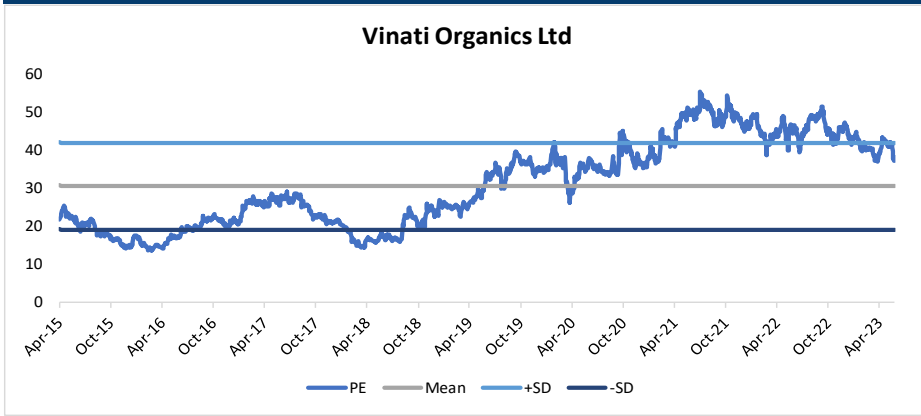
Source: Company, ICICI Direct Research

Exhibit 3: PAT growth trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 4: PE Band



Financial summary

| Exhibit 5: Profit and loss statement | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | ₹ crore | | | |
| Year end March | FY22 | FY23 | FY24E | FY25E |
| Total Operating Income | 1,615.5 | 2,084.7 | 2,151.0 | 2,566.4 |
| Growth (%) | 69.3 | 29.0 | 3.2 | 19.3 |
| Raw Material Expenses | 860.7 | 1,083.5 | 1,107.8 | 1,321.7 |
| Employee Cost | 84.0 | 93.2 | 103.2 | 128.3 |
| Other Expenses | 236.7 | 312.6 | 322.7 | 372.1 |
| Total Operating Expenditure | 1,181.4 | 1,489.3 | 1,533.7 | 1,822.1 |
| EBITDA | 434.1 | 595.4 | 617.3 | 744.2 |
| Growth (%) | 23.1 | 37.2 | 3.7 | 20.6 |
| Other Income | 60.9 | 72.4 | 80.0 | 100.0 |
| Depreciation | 45.5 | 51.9 | 71.4 | 96.5 |
| Net Interest Exp. | 0.3 | 0.6 | 4.7 | 5.4 |
| Other exceptional items | 0.0 | 0.0 | 0.0 | 0.0 |
| PBT | 449.2 | 615.3 | 621.2 | 742.4 |
| Total Tax | 102.6 | 157.3 | 146.0 | 174.5 |
| PAT | 346.6 | 458.0 | 475.2 | 567.9 |
| Adjusted PAT | 346.6 | 458.0 | 475.2 | 567.9 |
| Growth (%) | 28.7 | 32.1 | 3.8 | 19.5 |
| Adjusted EPS (₹) | 33.7 | 44.6 | 46.2 | 55.3 |

Source: Company, ICICI Direct Research

| Exhibit 6: Cash flow statement | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | ₹ crore | | | |
| Year end March | FY22 | FY23 | FY24E | FY25E |
| PBT & Extraordinary | 449.2 | 615.3 | 621.2 | 742.4 |
| Add: Depreciation | 45.5 | 51.9 | 71.4 | 96.5 |
| After other adjustments | | | | |
| (Inc) / Dec in Working Capital | -225.6 | 62.6 | -208.7 | -162.4 |
| Taxes | -108.1 | -131.0 | -146.0 | -174.5 |
| Others | -34.2 | -20.9 | 4.7 | 5.4 |
| CF from operating activities | 126.8 | 578.0 | 342.7 | 507.4 |
| Purchase of Fixed Assets | -173.9 | -262.6 | -480.0 | -200.0 |
| Others | -81.4 | -109.0 | 135.5 | 0.0 |
| CF from investing activities | -255.4 | -371.6 | -344.5 | -200.0 |
| Issue/(Buy back) of Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Inc/(dec) in loan funds | 16.4 | 0.0 | 119.8 | -100.0 |
| Dividend paid & dividend tax | -61.8 | -67.0 | -95.0 | -113.6 |
| Others | -1.1 | -18.6 | -4.7 | -5.4 |
| CF from financing activities | -46.5 | -85.6 | 20.1 | -219.0 |
| Net cash flow | -175.2 | 120.8 | 18.3 | 88.4 |
| Opening cash | 6.9 | 4.3 | 8.3 | 26.5 |
| Closing cash | 4.3 | 8.3 | 26.5 | 115.0 |

Source: Company, ICICI Direct Research

| Exhibit 7: Balance sheet | | | | |
|---|----------------|----------------|----------------|----------------|
| | ₹ crore | | | |
| Year end March | FY22 | FY23 | FY24E | FY25E |
| Liabilities | | | | |
| Equity Capital | 10.3 | 10.3 | 10.3 | 10.3 |
| Reserves & Surplus | 1,817.7 | 2,208.5 | 2,588.7 | 3,043.1 |
| Total Shareholders Funds | 1,828.0 | 2,218.8 | 2,599.0 | 3,053.3 |
| Minority Interest | 0.0 | 0.0 | 0.0 | 0.0 |
| Long Term Borrowings | 0.0 | 6.7 | 126.7 | 26.7 |
| Net Deferred Tax liability | 90.0 | 102.1 | 102.1 | 102.1 |
| Other long term liabilities | 4.5 | 0.0 | 0.0 | 0.0 |
| Long term provisions | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Liabilities and Provisions | | | | |
| Short term borrowings | 18.4 | 0.2 | 0.0 | 0.0 |
| Trade Payables | 114.6 | 117.9 | 147.3 | 175.8 |
| Other Current Liabilities | 28.9 | 96.4 | 99.4 | 118.6 |
| Short Term Provisions | 5.4 | 5.1 | 5.2 | 6.2 |
| Total Current Liabilities | 167.3 | 219.6 | 252.0 | 300.7 |
| Total Liabilities | 2,089.8 | 2,547.2 | 3,079.8 | 3,482.8 |
| Assets | | | | |
| Net Block | 873.2 | 882.0 | 1,511.7 | 1,615.2 |
| Capital Work in Progress | 51.5 | 221.2 | 0.0 | 0.0 |
| Intangible assets under devel. | 0.0 | 0.0 | 0.0 | 0.0 |
| Goodwill on Consolidation | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current investments | 93.5 | 61.5 | 120.0 | 120.0 |
| Deferred tax assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Long term loans and advances | 254.4 | 328.5 | 328.5 | 328.5 |
| Other Non Current Assets | 41.2 | 64.5 | 66.5 | 79.3 |
| Current Assets, Loans & Advances | | | | |
| Current Investments | 0.1 | 194.0 | 0.0 | 0.0 |
| Inventories | 176.2 | 190.9 | 265.2 | 316.4 |
| Sundry Debtors | 458.4 | 469.6 | 630.6 | 752.3 |
| Cash and Bank | 4.3 | 8.3 | 26.5 | 115.0 |
| Loans and Advances | 0.3 | 0.0 | 0.0 | 0.0 |
| Other Current assets | 136.8 | 126.7 | 130.7 | 155.9 |
| Current Assets | 776.0 | 989.5 | 1,053.0 | 1,339.7 |
| Total Assets | 2,089.8 | 2,547.2 | 3,079.8 | 3,482.8 |

Source: Company, ICICI Direct Research

| Exhibit 8: Key ratios | | | | |
|-----------------------------|---------|-------|-------|-------|
| Year end March | FY22 | FY23 | FY24E | FY25E |
| Per share data (₹) | | | | |
| Adj. EPS | 33.7 | 44.6 | 46.2 | 55.3 |
| Adj. Cash EPS | 38.1 | 49.6 | 53.2 | 64.6 |
| BV | 177.9 | 215.9 | 252.9 | 297.1 |
| DPS | 6.5 | 7.0 | 9.2 | 11.1 |
| Operating Ratios (%) | | | | |
| Gross Margin (%) | 46.7 | 48.0 | 48.5 | 48.5 |
| EBITDA Margin (%) | 26.9 | 28.6 | 28.7 | 29.0 |
| PAT Margin (%) | 21.5 | 22.0 | 22.1 | 22.1 |
| Debtor Days | 104 | 82 | 107 | 107 |
| Inventory Days | 40 | 33 | 45 | 45 |
| Creditor Days | 26 | 21 | 25 | 25 |
| Cash Conversion Cycle | 117 | 95 | 127 | 127 |
| Return Ratios (%) | | | | |
| Return on Assets (%) | 16.6 | 18.0 | 15.4 | 16.3 |
| RoCE (%) | 24.3 | 27.7 | 23.0 | 24.3 |
| RoE (%) | 19.0 | 20.6 | 18.3 | 18.6 |
| Solvency | | | | |
| Total Debt / Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest Coverage | 1,737.6 | 982.0 | 134.0 | 139.2 |
| Current Ratio | 4.6 | 4.5 | 4.2 | 4.5 |
| Quick Ratio | 3.6 | 3.6 | 3.1 | 3.4 |
| Valuation Ratios (x) | | | | |
| EV/EBITDA | 42.9 | 30.9 | 30.3 | 24.9 |
| P/E | 53.7 | 40.6 | 39.1 | 32.8 |
| P/B | 10.2 | 8.4 | 7.2 | 6.1 |
| EV/Sales | 11.5 | 8.8 | 8.7 | 7.2 |

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 | FY23 | FY24E | FY22 | FY23 | FY24E | FY22 | FY23 | FY24E | FY22 | FY23 | FY24E | FY22 | FY23 | 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 | 3289 | 3,880 | Buy | 49,894 | 55.5 | 80.9 | 94.2 | 59.2 | 40.7 | 34.9 | 42.0 | 30.3 | 25.9 | 16.3 | 20.5 | 20.1 | 13.8 | 17.1 | 16.9 |
| 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 | 1810 | 1,935 | Hold | 18,624 | 33.7 | 44.6 | 46.2 | 53.7 | 40.6 | 39.1 | 42.9 | 30.9 | 30.3 | 24.3 | 27.7 | 23.0 | 19.0 | 20.6 | 18.3 |
| Sumitomo Chemical | 386 | 420 | Hold | 19,289 | 8.5 | 10.1 | 11.0 | 45.5 | 38.4 | 35.2 | 31.4 | 28.1 | 23.8 | 30.2 | 27.7 | 25.6 | 22.0 | 21.1 | 19.0 |
| 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 | 461 | 555 | Buy | 3,171 | 18.8 | 6.5 | 20.8 | 19.2 | 55.6 | 17.3 | 11.9 | 15.6 | 8.5 | 10.9 | 5.7 | 15.8 | 15.6 | 5.4 | 15.4 |
| Neogen Chemicals | 1480 | 1,424 | Hold | 3,688 | 17.9 | 20.0 | 24.8 | 82.7 | 74.0 | 59.6 | 43.5 | 35.4 | 28.5 | 12.0 | 11.8 | 11.6 | 10.2 | 10.3 | 11.5 |
| Astec Lifesciences | 1483 | 1,350 | Reduce | 2,963 | 45.1 | 12.2 | 29.5 | 32.9 | 121.1 | 50.2 | 20.7 | 42.6 | 26.7 | 19.3 | 7.3 | 11.8 | 22.3 | 5.7 | 12.3 |

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 – INH00000990. 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 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.