

June 15, 2015

Rating matrix	
Rating	: Buy
Target	: ₹ 110
Target Period	: 12 months
Potential Upside	: 22%

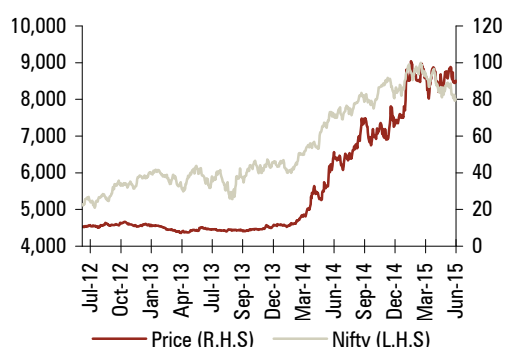
What's changed?	
Target	Changed from ₹ 78 to ₹ 110
EPS FY16E	Changed from ₹ 5.6 to ₹ 6
EPS FY17E	Introduced at ₹ 7.3
Rating	Unchanged

Key financials (Consolidated)				
₹ Crore	FY14	FY15E	FY16E	FY17E
Net Sales	508.7	558.3	642.0	738.3
EBITDA	61.6	84.2	102.6	118.0
Net Profit	28.7	55.0	57.9	70.1
EPS (₹)	3.0	5.7	6.0	7.3

Valuation summary (Consolidated)				
	FY14	FY15E	FY16E	FY17E
P/E	29.6	15.7	14.9	12.3
Target P/E	36.1	19.1	18.2	15.0
EV / EBITDA	16.2	11.8	9.8	9.0
P/BV	9.1	6.4	4.6	3.4
RoNW (%)	30.8	40.8	30.8	27.7
RoCE (%)	20.5	23.9	24.1	20.2

Stock data	
Particular	Amount
Market Capitalization	₹ 863 Crore
Total Debt	₹ 149.9 Crore
Cash and Investments	₹ 15.8 Crore
EV	₹ 997.1 Crore
52 week H/L (₹)	105/ 33
Equity capital	₹ 9.6 Crore
Face value	₹ 1

#### Stock Price vs. Nifty chart



#### Research Analyst

Chirag J Shah  
 shah.chirag@icicisecurities.com  
 Bhupendra Tiwary  
 bhupendra.tiwary@icicisecurities.com

## Camlin Fine Science (CAMFIN)

₹ 90

### Scaling up for next phase...

- Camlin Fine Sciences (CFS) has announced the setting up of a new facility at the Dahej SEZ for manufacture of capacity of 9000 MTPA of hydroquinone and 6000 MTPA of vanillin
- The estimated cost of the project is ₹ 191 crore. The company has acquired land measuring ~64 square metre in Dahej for ₹ 8 crore
- We believe this expansion would pave the way for growth over the next five to six years with a sizeable entry into the global vanillin market

### Dominant position in global antioxidant industry

CFS has come a long way by maintaining its dominant market share in the global antioxidants industry [50% share in tertiary butyl hydroquinone (TBHQ) and 70-80% share in butyl hydroxy anisole (BHA)]. To break into newer geographies and enhance its product offering, CFS has bifurcated its business into two strategic segments: a) food division - The division focuses on enhancing the shelf life of food products containing fats and oils with products such as TBHQ & BHA. The food division has been growing at a healthy CAGR of 19% while average revenue share, in standalone sales, was 82% over FY11-15 and b) the industrial segment is still in a nascent stage as revenues for FY15 were at ₹ 120 crore or 28% of standalone sales. CFS' capacity has ramped at a CAGR of 16% from ~2500 MTPA in FY09 to 6000 MTPA in FY15.

### Backward integration: Stability for margins/customer relationship

CFS, in order to, secure hydroquinone (HQ, key raw material) and secure supplies and combat erratic price fluctuations, acquired Borregaard Italy (CFS Europe now) for €1.4 million in March 2011 and an installed capacity of 8000 MT. The acquisition, therefore, has led to a significant improvement in EBITDA margins, which recovered from 8.7% in FY12 to 15.1% in FY15. Further, CFS via de-bottlenecking has increased the capacity by 50% to 12000 MTPA. The company with HQ supplies at disposal, also intends to enter the forward integration by entering into the blends business wherein net profit margins are as high as 10%.

### Capex in Dahej to scale up business to next level...

Camlin announced the setting up of a manufacturing facility at Dahej SEZ, Gujarat at an estimated cost of ₹ 191 crore. The land for the same has been acquired for ₹ 8 crore. The new facility would have an installed capacity of 15000 MT (HQ – 9000 and Catechol -6000 MT). The Catechol, thus produced would be further used for vanillin production (capacity of 6000 MT). The fully integrated project would enable Camlin to command cost leadership and, thus, enable it to enter the lucrative vanillin market. The company expects the project to be commissioned by September, 2017 and funding to be done through debt-equity ratio of 70:30.

### Success in vanillin to hold key; maintain BUY

While the bottomline growth of ~13% CAGR in FY15-17E appears modest, CFS' next growth phase would hinge on its success in the Diphenol downstream segment foray and entry into blends business (forwards integration for TBHQ/BHA business). We maintain our **BUY** recommendation and ascribe a P/E multiple of 15x on FY17E EPS of ₹ 7.3/share to arrive at a fair value of ₹ 110/share.

### Variance analysis

Year	Q4FY15	Q4FY14	YoY (%)	Q3FY15	QoQ(%)	Comments
Total Sales	135.1	110.6	22.1	108.6	24.5	The topline posted strong growth of 22.1%
Other Income	0.5	0.6	-22.9	0.3	67.8	
Increase/Decrease in WIP/Stock	16.3	9.0	NM	-18.2	NM	
Consumption of RM	70.9	56.3	25.9	73.2	-3.1	
Purchase of Traded Goods	3.8	8.0	NM	14.3	NM	
Staff cost	6.4	4.7	34.7	4.4	44.7	
Other expenditure	21.1	17.6	20.0	18.9	11.9	
EBITDA	16.6	15.0	10.6	15.9	4.1	
EBITDA Margin (%)	12.3	13.6	-128 bps	14.7	-241 bps	
Depreciation	2.4	2.3	2.0	2.5	-5.3	
Interest	6.0	6.2	-4.1	5.3	12.3	
PBT	8.7	7.1	23.5	8.4	3.7	
Taxes	0.3	3.7	-91.8	1.6	-80.9	
PAT	8.4	3.4	147.4	6.8	23.0	Earnings growth mainly driven by robust topline and tax credit

Source: Company, ICICIdirect.com Research

### Change in estimates

(₹ Crore)	FY16E			FY17E			
	Old	New	% Change	Old	New	% Change	
Revenue	763.0	642.0	-15.9	NA	738.3	NA	Introducing FY17 estimates
EBITDA	110.6	102.6	-7.2	NA	118.0	NA	
EBITDA Margin (%)	14.5	16.0	148 bps	NA	16.0	NA	
PAT	52.8	57.9	9.6	NA	70.1	NA	
EPS (₹)	5.6	6.0	7.9	NA	7.3	NA	

Source: Company, ICICIdirect.com Research

## Company Analysis

### CFS Europe capex to help capture 40000 MT global HQ market

CFS, in Q1FY15, had augmented its capacity at CFS Europe by ~44% to 11500 MT by incurring minimal capex. This, we believe, will help CFS to further capitalise on the global HQ opportunity, which is pegged at 40000 MT or \$320 million (realisation of \$8/kg). With no further capacity coming up for HQ globally, CFS with its current capacity expansion is in a sweet spot to further capture the global HQ market.

With no further capacity coming up for HQ globally, CFS with its current capex is in a sweet spot to further capture the global HQ market

### Opportunity in Diphenol downstream products...

CFS' next leg of significant growth will emanate from the industrial segment (Diphenol downstream products) with the introduction of newer products in the industrial division given selling of Catechol is non remunerative. The potential products include Vanillin (market: 20000 MTPA; realisation: ~\$13/kg), Guaiacol (market 5000 MTPA; realisation: ~\$5.5/kg), Veratrole (market: 2000 MTPA; realisation: ~\$6/kg) and TBC (market: 5000 MTPA; realisation ~\$5.5/kg), going ahead, as Catechol is in a glut situation with lower realisation (\$3-3.5/kg). A back of the envelope calculations peg the market size at ₹ 2000 crore. This can be a robust opportunity for CFS to scale up as current industrial segment revenues contribute merely ~₹ 120 crore (~6% of the opportunity size).

Back of the envelope calculations peg the market size at ₹ 2000 crore. This can be a robust opportunity for CFS to scale up as current industrial segment revenues contribute merely ~₹ 80 crore (~4% of the opportunity size)

### ...especially vanillin, to catapult CFS into big league

Among new industrial products, vanillin is the biggest opportunity for CFS as the vanillin market is pegged at 20000 MTPA or \$260 million. We highlight that China has pioneered the manufacture of Catechol from Orthonitrochlorobenzene (ONCB), a cheaper source, rendering the production of Catechol derivatives such as vanillin through a cheaper process. However, products of the Chinese competitor are facing problems in the West for use in food items due to chlorine content.

Camlin announced the setting up of a manufacturing facility at Dahej SEZ, Gujarat at an estimated cost of ₹ 191 crore. The land for the same has been acquired for ₹ 8 crore. The new facility would have an installed capacity of 15000 MT (HQ – 9000 and Catechol -6000 MT). The Catechol, thus produced, would be further used for vanillin production (capacity of 6000 MT). The fully integrated project would enable Camlin to command cost leadership and, thus, enable it to enter the lucrative vanillin market. The company expects the project to be commissioned by September, 2017.

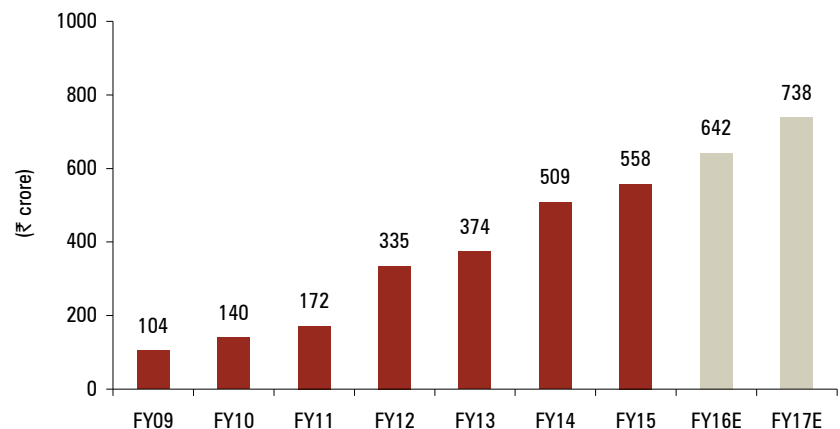
### Consolidated topline to grow at 15% CAGR over FY15-17E

CFS' consolidated topline has exhibited a strong performance on the back of the backward integration through Borregaard acquisition. The topline grew at 32.3% CAGR during FY09-15.

Going ahead, we expect topline growth at 15% CAGR over FY15-17E led by growth in the industrial segment through the foray into downstream products, viz. Vanillin, Guaiacol, Veratrole, etc.

Going ahead, we expect topline CAGR of 15% over FY15-17E, respectively, on the back of strong growth in the industrial segment

**Exhibit 1: Revenue trend**



Source: Company, ICICIdirect.com Research

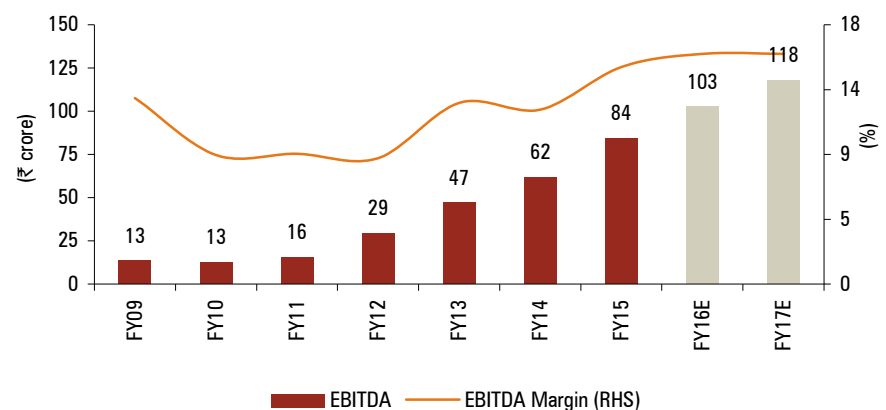
### Margin expansion led by higher output in CFS Italy, Diphenol downstream

CFS' margins have improved to 15% in FY15 vs. 8.9% in FY10, aided mainly by its backward integration, which boosted its margins through stable availability of its key raw material HQ.

Going ahead, we expect a margin expansion led by the increased output in CFS Italy, furthered by a foray into Diphenol downstream products such as Vanillin and blends that have higher realisations. Consequently, we expect consolidated EBITDA margins to expand from 15.1% in FY15 to 16% in FY16E.

We expect consolidated EBITDA margins to expand from 15.1% in FY15 to 16% in FY16E

**Exhibit 2: EBITDA trend**



Source: Company, ICICIdirect.com Research

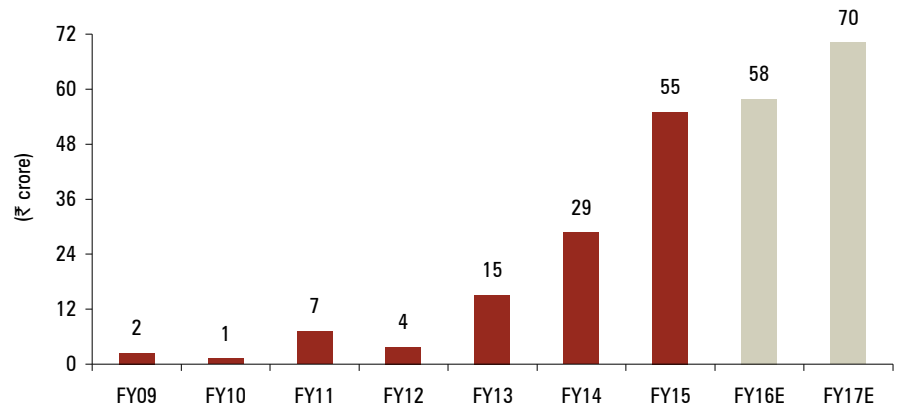
### Earnings to grow at 13% CAGR over FY15-17E

CFS' earnings have grown at 68% CAGR during FY09-15 on the back of the backward integration through the Borregaard acquisition.

Going ahead, the earnings CAGR is expected at 13% over FY15-17 aided by topline show and margins expansion. However, the bottomline growth would be lower mainly due to higher tax rate as the tax credit for the European subsidiary would expire in FY17E.

Going ahead, the earnings CAGR is expected at 13% over FY14-16

**Exhibit 3: PAT trend**



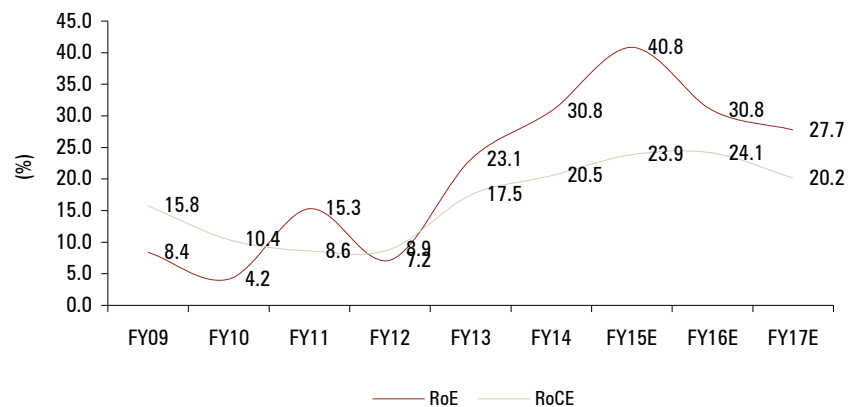
Source: Company, ICICIdirect.com Research

### Return ratios to inch lower owing to capex...

CFS' return ratios have jumped to 20%+ RoE and 30%+ RoCE post the acquisition of Borregaard.

Going ahead, given the capex, going ahead, return ratios are expected to move lower in FY17E.

**Exhibit 4: Return ratios trend**



Source: Company, ICICIdirect.com Research

## Outlook and valuation

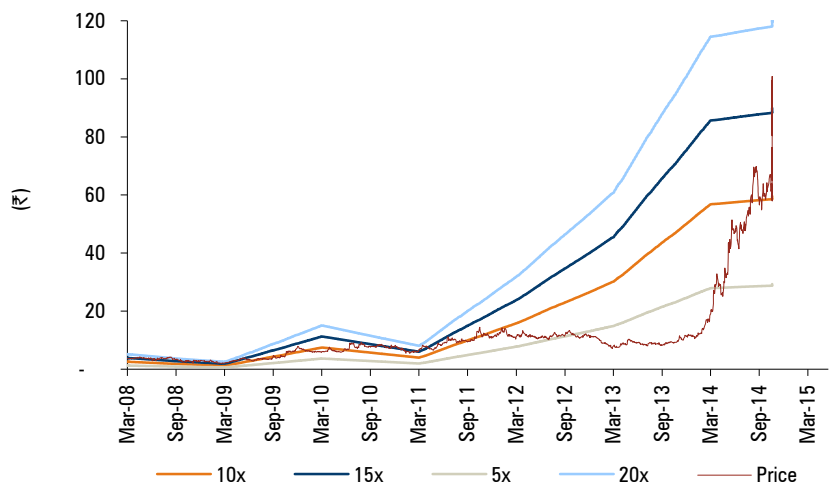
Historically, CFS has traded at an average one year forward P/E of ~10x. We highlight that given the size of the company, the multiples had always remained at a modest level. However, given the size of the opportunity, going ahead (~₹ 2000 crore in the Diphenol downstream product), the dominant position in the global antioxidant market, strong earnings growth and return ratios, CFS is well poised for a re-rating.

We expect healthy revenue, PAT CAGR of 15%, 13% (over FY15-FY17E), respectively, on back of new product launches in Diphenol downstream segment, entry into blends business (forwards integration for TBHQ/BHA business) and consequent margins expansion.

We maintain our **BUY** recommendation and ascribe a P/E multiple of 15x on FY17E EPS of ₹ 7.3/share to arrive at a fair value of ₹ 110/share.

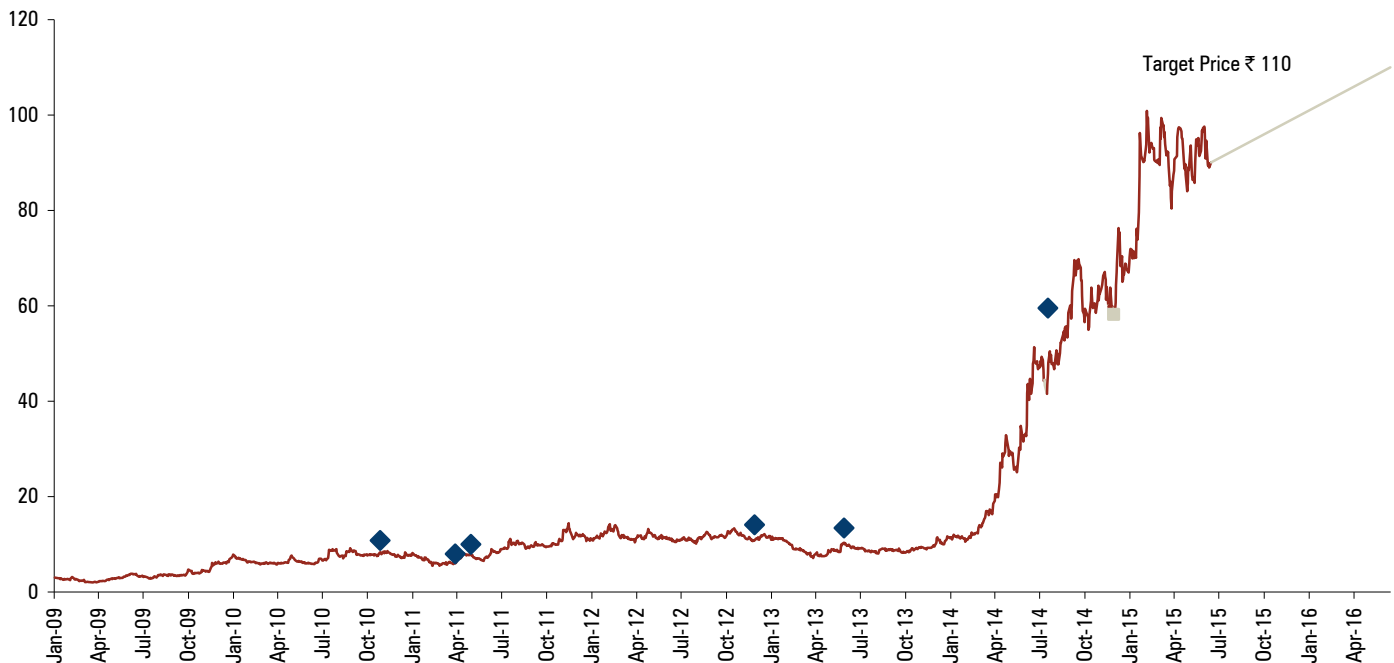
We assign a **BUY** rating with a target price of ₹ 110

**Exhibit 5: One year forward P/E chart**



Source: Company, ICICIdirect.com Research

## Company snapshot



Source: Bloomberg, Company, ICICIdirect.com Research

## Key events

Date	Event
FY11	HQ prices rise over 100% idue to high demand and low and erratic supply impacting the revenues and margins
March, 2011	CFS acquires Borregaard Italia Spa (BIS), one of the five odd global manufacturers of HQ for €1.4 million and spends an additional €1 million on restarting up the plant
April, 2011	After acquisition production was restarted at Borregaard (later renamed CFS Italy)
FY13	Tes launches three new high potential diphenol products viz. vanillin, TBC and Guaiacol
Q1FY14	Fire occurs at company's factory at Tarapur, resulting in loss of inventory and fixed assets for which it later receives the claim
FY15	CFS via de-bottlenecking increases capacity at CFS Europe by 50% to 12,000 MTPA

Source: Company, ICICIdirect.com Research

## Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Dandekar (Ashish Subhash)	31-Mar-15	14.2	13.6	0.0
2	Dandekar (Abha A)	31-Mar-15	9.9	9.4	0.0
3	Dandekar (Vivek A)	31-Mar-15	9.9	9.4	0.0
4	Dandekar (Leena Ashish)	31-Mar-15	7.9	7.6	0.0
5	Camart Industries, Ltd.	31-Mar-15	5.6	5.3	0.0
6	Momaya (Nirmal Vinod)	31-Mar-15	3.8	3.6	0.0
7	Vibha Agencies Pvt. Ltd.	31-Mar-15	2.7	2.6	0.0
8	Dandekar (Dilip D)	31-Mar-15	1.5	1.4	0.0
9	Dandekar (Anagha Subhash)	31-Mar-15	1.2	1.2	0.0
10	Dandekar (Aditi Dilip)	31-Mar-15	1.2	1.1	0.0

Source: Reuters, ICICIdirect.com Research

## Shareholding Pattern

(in %)	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14
Promoter	52.6	52.8	52.5	52.3	52.2
FII	0.0	0.0	0.0	0.1	0.1
DII	0.0	0.1	0.3	0.5	0.9
Others	47.4	47.1	47.2	47.2	46.9

## Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
SBI Funds Management Pvt. Ltd.	0.46m	0.33m			
L&T Investment Management Limited	0.01m	0.01m			

Source: Reuters, ICICIdirect.com Research



## Financial summary

### Profit and loss statement

₹ crore	FY14	FY15E	FY16E	FY17E
Net Sales	508.7	558.3	642.0	738.3
Other Income	9.7	8.4	9.2	10.1
Total Revenue	518.3	566.7	651.2	748.5
Raw Material Expenses	275.7	268.6	308.9	355.2
Employee Expenses	34.4	41.4	47.6	54.7
Other Expenses	136.9	164.1	183.0	210.4
Total Operating Expenditure	447.0	474.1	539.4	620.3
EBITDA	61.6	84.2	102.6	118.0
Interest	24.7	23.8	25.0	25.0
PBDT	46.6	68.7	86.8	103.1
Depreciation	11.8	16.2	18.7	20.6
PBT	34.9	52.8	68.1	82.5
Total Tax	6.1	(2.2)	10.2	12.4
PAT before MI	28.7	55.0	57.9	70.1
Minority Interest	-	-	-	-
Profit from Associates	(0.0)	(0.0)	-	-
PAT	28.7	55.0	57.9	70.1
EPS	3.0	5.7	6.0	7.3

Source: Company, ICICIdirect.com Research

### Balance sheet

₹ crore	FY14	FY15E	FY16E	FY17E
Liabilities				
Equity Capital	9.4	9.6	9.6	9.6
Reserve and Surplus	83.9	125.2	178.0	243.1
Total Shareholders funds	93.3	134.8	187.6	252.7
Minority Interest	-	-	-	-
Total Debt	149.9	149.9	159.9	229.9
Deferred Tax Liability	(4.0)	(12.7)	(12.7)	(12.7)
Total Liabilities	239.1	272.0	334.8	469.8
Assets				
Total Gross Block	283.1	325.5	340.5	355.5
Less: Acc Dep	200.0	216.2	235.0	255.6
Net Block	83.2	109.2	105.5	99.9
Total CWIP	22.1	-	30.0	130.0
Investments	1.2	1.1	1.1	1.1
Inventory	109.2	133.4	158.3	182.1
Debtors	101.3	111.0	127.6	146.8
Loans and Advances	23.8	25.2	29.0	33.4
Cash	15.8	21.5	21.1	32.2
Other Current Assets	8.1	8.6	12.0	16.9
Total Current Assets	258.2	299.8	348.1	411.3
Current Liabilities	110.4	122.5	131.9	151.7
Provisions	15.1	15.7	18.0	20.7
Net Current Assets	132.7	161.6	198.2	238.9
Total Assets	239.1	272.0	334.8	469.8

Source: Company, ICICIdirect.com Research

### Cash flow statement

₹ crore	FY14	FY15E	FY16E	FY17E
Profit after Tax	28.7	55.0	57.9	70.1
Depreciation	11.8	16.2	18.7	20.6
Interest	20.1	24.7	23.8	25.0
Cash Flow before wc changes	65.2	95.1	101.6	115.7
Net Increase in Current Assets	16.0	(35.8)	(48.7)	(52.1)
Net Increase in Current Liabilities	(49.7)	12.6	11.8	22.5
Net cash flow from op activities	31.5	71.9	64.6	86.2
(Purchase)/Sale of Fixed Assets	(33.0)	(20.3)	(45.0)	(115.0)
Other Investments	0.0	0.1	-	-
Others	(7.2)	(8.7)	-	-
Net Cash flow from Inv Activities	(40.1)	(28.8)	(45.0)	(115.0)
Change in Equity Capital	0.1	0.1	-	-
Change in Loan Fund	0.8	24.2	-	10.0
Interest	(20.1)	(24.7)	(23.8)	(25.0)
Others	(2.8)	(3.9)	(5.0)	(5.0)
Net Cash flow from Fin Activities	(1.3)	(37.4)	(20.0)	40.0
Net Cash flow	(9.9)	5.7	(0.4)	11.1
Opening cash & cash equivalent	25.7	15.8	21.5	21.1
Closing cash & cash equivalent	15.8	21.5	21.1	32.2

Source: Company, ICICIdirect.com Research

### Key ratios

	FY14	FY15E	FY16E	FY17E
Per Share Data				
EPS	3.0	5.7	6.0	7.3
Cash EPS	4.3	7.4	8.0	9.5
BV	9.9	14.1	19.6	26.4
Operating profit per share	6.5	8.8	10.7	12.3
Operating Ratios				
EBITDA margin	12.1	15.1	16.0	16.0
PAT Margin	5.6	9.9	9.0	9.5
Return Ratios				
RoE	30.8	40.8	30.8	27.7
RoCE	20.5	23.9	24.1	20.2
RoIC	24.8	27.1	29.6	31.6
Valuation Ratios				
EV / EBITDA	16.2	11.8	9.8	9.0
P/E	30.1	15.7	14.9	12.3
EV / Net Sales	2.0	1.8	1.6	1.4
Market Cap / Sales	1.7	1.5	1.3	1.2
Price to Book Value	9.1	6.4	4.6	3.4
Turnover Ratios				
Asset turnover	2.3	2.2	2.1	1.8
Debtors Turnover Ratio	5.0	5.0	5.0	5.0
Creditors Turnover Ratio	4.6	4.6	4.9	4.9
Solvency Ratios				
Debt / Equity	1.6	1.1	0.9	0.9
Current Ratio	2.1	2.2	2.3	2.4
Quick Ratio	1.2	1.2	1.3	1.3
Debt / EBITDA	2.4	1.8	1.6	1.9

Source: Company, ICICIdirect.com Research



## **RATING RATIONALE**

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

Strong Buy: >15%/20% for large caps/midcaps, respectively, with high conviction;

Buy: >10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

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

## ANALYST CERTIFICATION

We /I, Chirag Shah, PGDM Bhupendra Tiwary, MBA (FIN) 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.

### 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 a wholly-owned 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](http://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 generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

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 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 have any material conflict of interest at the time of publication of this report.

It is confirmed that Chirag Shah, PGDM Bhupendra Tiwary, MBA (FIN), Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

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 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 are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

It is confirmed that Chirag Shah, PGDM Bhupendra Tiwary, MBA (FIN), Research Analysts do not serve as an officer, director or employee of the companies mentioned in the 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.