

24 December 2024

India | Equity Research | Company Update

Navin Fluorine International

Speciality Chemicals

New projects, ref-gas may drive growth in near term

We maintain **BUY** on Navin Fluorine (NFIL) as we expect the company to report strong H2FY25E with revenue/ EBITDA / PAT growing by 31%/ 90%/ 31% YoY, respectively. We expect this to be driven by higher prices for R-32, commissioning of Project Nectar, new plant in Surat (Gujarat) and higher sales from Fermion. We expect revenue / EBITDA / PAT CAGR of 17%/ 27%/ 32% over FY25-27E, sustaining good growth. Our FY25-27 estimates do not completely include commissioning of HF plant, price rise in R-32 and NFIL's ambition to scale CDMO revenue to USD 100mn. We cut EPS by 2.2% for FY25E, but 9.6% for FY26E assuming continued capex and lower deleveraging may support growth. EBITDA cut in FY26E is just 0.6%. We roll over valuations to FY27E, and increase TP to INR 4,270 (from INR 3,800) with an unchanged P/E multiple of 40x.

HPP segment to benefit from uptick in R-32 prices, and doubling of volumes

HPP segment consists of three major product categories – 1) inorganic fluoride which finds application in steel and glass industries; 2) ref-gas which includes HCFC-22 (R-22), and R-32 which is used in residential AC; and 3) contract manufacturing of HFO for Honeywell.

- **Inorganic fluoride** is likely to remain stable.
- **Ref-gas: 1)** In R-32, NFIL has 4.5ktpa capacity which is fully utilised. R-32 import prices in India have doubled YoY to INR 345/kg in Q3FY25-TD (only for Oct'24), while import volumes have dipped sharply by 60% to 2.4kte in FY25-TD (Apr-Oct'24). This implies domestic producers' volumes have been growing fast, and prices should have also increased. The price increase of R-32 in Indian market should be lower than increase in import prices as NFIL/ SRF has better pricing power due to strong distribution. NFIL's R-32 exports prices have dipped 21% YoY to INR 308 in Q3FY25-TD but NFIL has limited exposure to exports market. NFIL is expected to double its capacity in Feb'25 to 9ktpa, and higher domestic realisation for R-32 should support strong revenue growth. **2)** R-22 exports prices have increased by 11% YoY to INR 299 in Q3FY25-TD. R-22 may have next phase down of 50% in CY24 volumes (32.5% from base line) w.e.f. Jan'25. We expect some volume dip in R-22 to be compensated by higher prices.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	20,650	25,601	29,939	34,931
EBITDA	3,983	5,605	7,599	9,060
EBITDA Margin (%)	19.3	21.9	25.4	25.9
Net Profit	1,663	3,047	4,252	5,289
EPS (INR)	54.6	61.5	85.8	106.7
EPS % Chg YoY	(27.9)	12.6	39.6	24.4
P/E (x)	60.7	53.9	38.6	31.1
EV/EBITDA (x)	43.3	31.2	23.1	19.4
RoCE (%)	6.9	8.7	11.2	12.6
RoE (%)	11.8	12.2	15.4	17.0

Sanjesh Jain

sanjesh.jain@icicisecurities.com
+91 22 6807 7153

Mohit Mishra

mohit.mishra@icicisecurities.com

Aparajita Chakraborty

aparajita.chakraborty@icicisecurities.com

Market Data

Market Cap (INR)	164bn
Market Cap (USD)	1,932mn
Bloomberg Code	NFIL IN
Reuters Code	NAFL.BO
52-week Range (INR)	3,897 / 2,876
Free Float (%)	70.0
ADTV-3M (mn) (USD)	6.7

Price Performance (%)	3m	6m	12m
Absolute	(1.5)	(10.2)	(11.9)
Relative to Sensex	6.0	(11.9)	(22.4)

ESG Score	2022	2023	Change
ESG score	48.3	64.7	16.4
Environment	81.0	93.2	12.2
Social	21.6	41.0	19.4
Governance	36.6	68.7	32.1

Note - Score ranges from 0 - 100 with a higher number indicating a higher ESG score.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY25E	FY26E
Revenue	(1.9)	(0.1)
EBITDA	(3.4)	(0.6)
EPS	(2.2)	(9.6)

Previous Reports

24-10-2024: [Q2FY25 results review](#)

31-07-2024: [Q1FY25 results review](#)

- **HFO:** NFIL supplies are likely to reach contacted value of INR 4.6bn in FY25. FP&O (foam, propellants, etc.) volumes have been growing strong for Chemours. Chemours' FP&O segment, where HFO produced by NFIL finds application, has grown by 15% in QE Sep'24. NFIL is operating its plant at ~80% utilisation, and if demand for Honeywell rises, NFIL can supply more volume from existing plant.

HPP segment revenue had grown by 41% to INR 5.7bn in H1FY25 for NFIL, and we expect H2FY25 revenue to be INR 6.4bn with Q4FY25 being a seasonally strong quarter for ref-gas. Segment revenue should grow at 10% CAGR to INR 14.5bn over FY25-27E. Our HPP estimates do not completely include the recent price rise in R-32, and commencement of AHF plant in H1FY26.

Specialty chemicals - new projects may largely drive growth

Specialty chemicals have three sub-segments – 1) intermediate for agro-chemicals; 2) pharmaceutical intermediate and 3) fine chemicals. Domestic revenue is focused on pharmaceutical intermediate, and exports are largely agro-chemicals intermediate.

- The company has defocused **pharmaceutical intermediate**, which is unlikely to grow much. The segment was serving domestic generic pharma companies where pricing volatility has been high.
- **Agro-chemicals intermediate:** Company has commissioned two plants in past 18 months – one dedicated agro-chemicals plant with total potential of INR 1.8bn revenue pa and MPP-3 with total revenue of INR 2.4bn which has been running low due to stress in agro-chemicals industry. Volumes for agro-chemical innovators have started growing again which should help NFIL improve utilisation levels at these plants in H2FY25, and reach peak utilisation over the next two years.
 - NFIL has also commissioned **Project Nectar** with total capex outlay of INR 5.4bn and total revenue potential of INR 6bn. Anchor customer has booked capacity of INR 3bn, and NFIL has already received confirmed order of INR 3bn for first year. The plant commissioning has been delayed by two months which should partly impact order execution (and our estimates for FY25). NFIL is also making certain modifications to the plant and so anchor customer can add another product which may help honour its INR 3bn contract in coming years. The product is also used by three more innovators where NFIL expects to sell the remaining 50% capacity.
 - NFIL also commissioned Surat plant with INR 300mn capex and revenue of INR 400-500mn.

Specialty chemicals segment revenue dipped by 23% to INR 3.2bn in H1FY25 for NFIL, and we expect H2FY25E revenue to be INR 6.6bn with Q4FY25 potentially being a strong quarter as new projects ramp up. We see risks to estimates if new fluoro-molecule plant (project Nectar) ramps up slower than expected. Segment revenue should grow at 22.5% CAGR to INR 14.8bn over FY25-27E. This should be largely helped by ramp up in projects discussed above, and improved volume off-take in legacy product such as BF3.

CDMO to benefit from Fermion contract, and conversion of new opportunities

NFIL has increased its efforts on contracts for late-stage molecules, and it has one big win for NCE molecule in oncology segment from Fermion. The underlying oncology product is growing strong with revenue in 9MCY24 at Euro 1bn, up 73%. The product has two suppliers, Ami Organics and NFIL. NFIL's major ramp up is likely with commissioning of cGMP-4 phase-1 and capex outlay of INR 1.6bn by Q3FY26

dedicated for Fermion contract. We expect Fermion contract to add revenue of INR 2-5bn in next 3-4 years.

NFIL also has three more products from EU and US pharma innovators, and some of these may ramp up in future. NFIL aims to scale CDMO revenue to INR 8bn in FY27 (from INR 2.6bn in FY24). We have conservatively built revenue of INR 5.6bn in FY27E.

EBITDA margin to expand to 25% in FY26E

In H1FY25, NFIL's EBITDA margin was ~20%, depressed due to under-utilisation of assets. Employee cost was 15% of revenue which is amongst the highest in the chemical industry. It is working to improve employee productivity, and better utilisation of plants should help drive the operating leverage. Gross profit margin for H1FY25 was ~56.5%, which is close to its highest gross profit margin of FY23 (56.9%) where NFIL's EBITDA margin was 26.5%. We expect NFIL's EBITDA margin to grow to 25% in FY26E, and drive higher EBITDA growth.

In H2FY25E, we expect NFIL's revenue/ EBITDA/ PAT to grow by 31%, 90% and 31%, respectively. Over FY25-27E, we expect EBITDA CAGR of 27% to INR 9.1bn, and net profit CAGR of 32% to INR 5.3bn.

Risks

Upside risks: 1) Faster than expected ramp up in projects at Dahej; and 2) CDMO revenue growing at higher-than-expected pace.

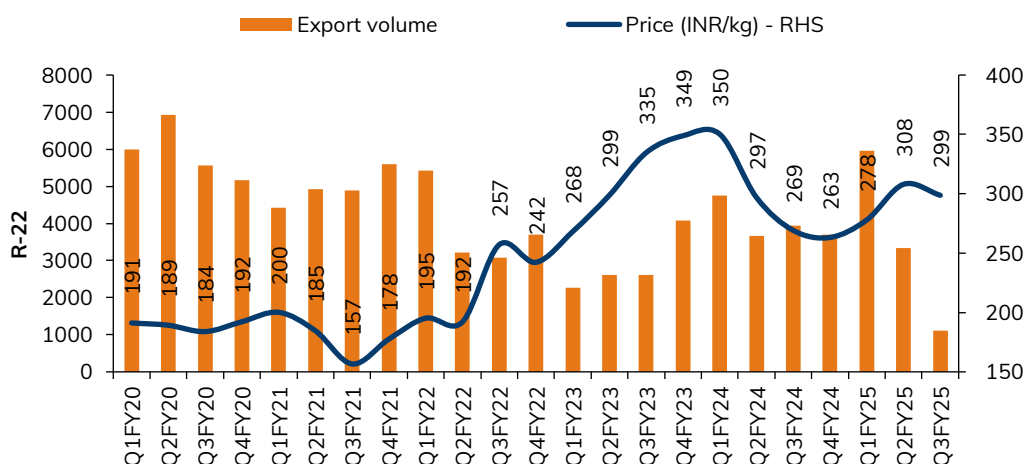
Downside risks: 1) Delay in plant commissioning at Dahej impacting revenues and margins; and 2) gradual-than-expected recovery in specialty chemicals business.

Exhibit 1: HPP segment revenue to grow at CAGR of 9.5% over FY25-27E

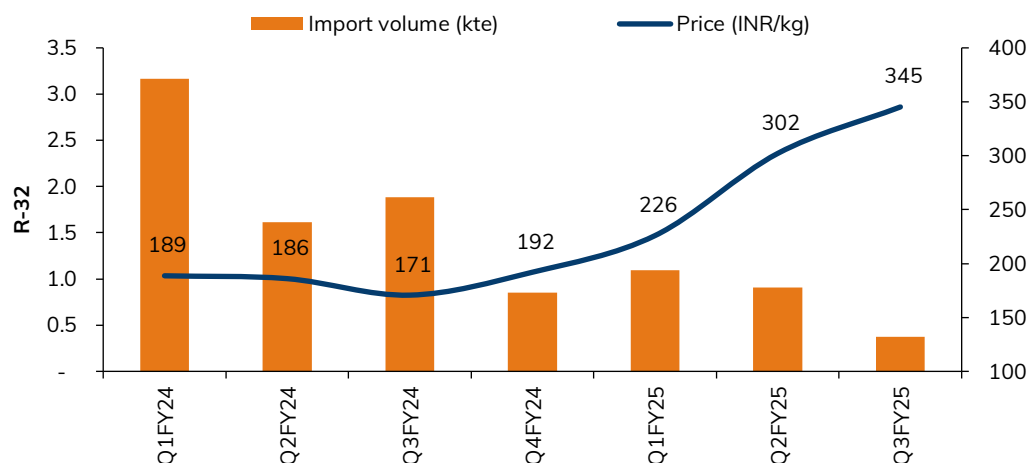
INR mn	FY24	FY25E	FY26E	FY27E	CAGR (% FY25-27)
Revenue					
HPP segment	9,550	12,135	13,367	14,549	9.5
of which					
Legacy (incl R-22)	4,838	5,806	5,225	5,656	(1.3)
HFO	3,962	4,754	4,992	5,491	7.5
R-32	750	1,575	3,150	3,402	47.0

Source: Company data, I-Sec research

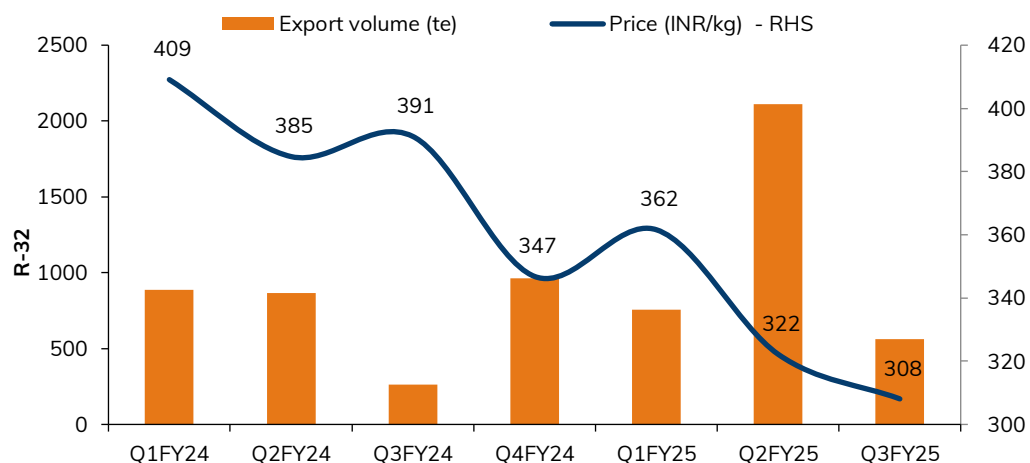
Exhibit 2: R-22 prices have grown 11% YoY in Q3FY25-TD



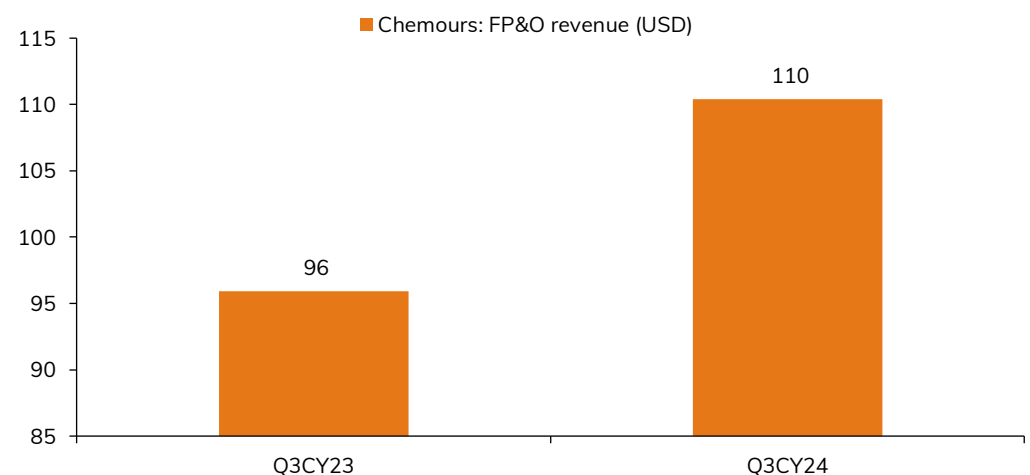
Source: Commerce ministry, I-Sec research

Exhibit 3: R-32 import prices have grown 2x YoY in Q3FY25-TD

Source: Commerce ministry, I-Sec research

Exhibit 4: R-32 exports prices have been declining

Source: Commerce ministry, I-Sec research

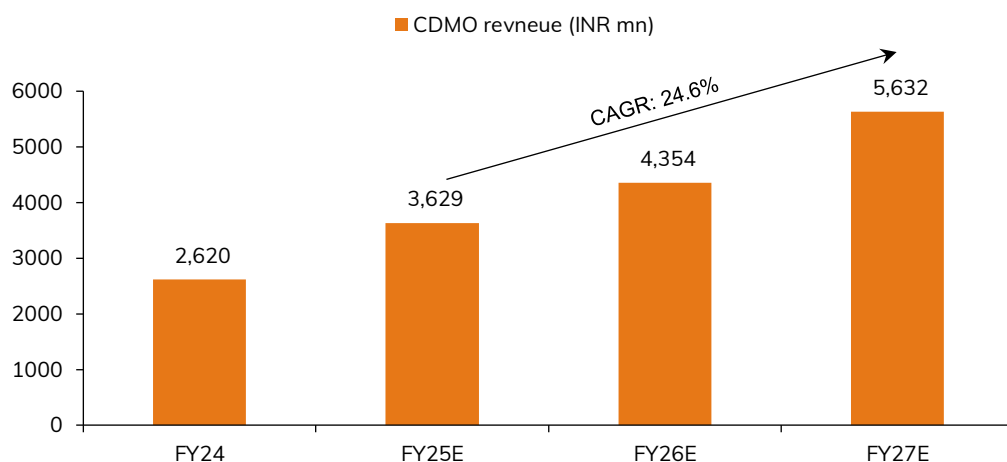
Exhibit 5: Chemours FP&O segment revenue grew 15% YoY

Source: Company data, I-Sec research

Exhibit 6: Specialty chemicals segment revenue to grow at CAGR of 22.5% over FY25-27E

INR mn	FY24	FY25E	FY26E	FY27E	CAGR (% FY25-27)
Revenue					
Spl Chemicals segment	8,500	9,837	12,218	14,750	22.5
of which					
MPP-3	2,174	2,524	2,774	3,329	14.8
Dedicated agro	1,500	1,425	1,710	1,881	14.9
Project Nectar	-	1,000	2,200	3,080	75.5
Others	4,826	4,888	5,534	6,460	15.0

Source: Company data, I-Sec research

Exhibit 7: CDMO segment revenue to grow at CAGR of 25% YoY over FY25-27E


Source: Company data, I-Sec research

Exhibit 8: NFIL EBITDA and PAT to grow by 90% and 31%, respectively, in H2FY25E

INR mn	H1FY24	H2FY24	H1FY25	YoY (%)	H2FY25	YoY (%)
HPP	4,070	5,480	5,740	41.0	6,395	16.7
Specialty chemicals	4,160	4,340	3,200	(23.1)	6,637	52.9
CDMO	1,410	1,210	1,490	5.7	2,139	76.7
Total revenue	9,629	11,038	10,422	8.2	15,178	37.5
Gross profit	5,582	5,714	5,879	5.3	7,478	30.9
GPM (%)	58.0	51.8	56.4		49.3	
EBITDA	2,126	1,857	2,077	(2.3)	3,528	89.9
EBITDA (%)	22.1	16.8	19.9		23.2	
D&A	456	506	546	19.8	707	39.7
EBIT	1,670	1,351	1,531	(8.3)	2,821	108.7
EBIT (%)	17.3	12.2	14.7		18.6	
Other income	314	244	214	(31.8)	344	40.9
Finance cost	394	351	295	(25.3)	687	95.4
PBT	1,590	1,244	1,451	(8.8)	2,478	99.2
Tax	369	282	350	(5.0)	532	88.7
ETR (%)	23.2	22.6	24.2		21.4	
PAT	1,221	1,484	1,100	(9.9)	1,947	31.2

Source: Company data, I-Sec research

Exhibit 9: NFIL EBITDA and PAT to grow at CAGR of 27% and 32%, respectively over FY25-27E

INR mn	FY24	FY25E	FY26E	FY27E	CAGR (% FY25-27)
Revenue	20,650	25,601	29,939	34,931	16.8
Gross profit	11,296	13,357	16,216	19,004	19.3
GPM (%)	54.7	52.2	54.2	54.4	
EBITDA	3,983	5,605	7,599	9,060	27.1
EBITDA (%)	19.3	21.9	25.4	25.9	
D&A	962	1,253	1,603	1,776	19.1
EBIT	3,021	4,351	5,996	7,284	29.4
EBIT (%)	14.6	17.0	20.0	20.9	
Other income	559	559	614	645	7.5
Finance cost	746	981	1,197	1,197	10.5
PBT	2,834	3,929	5,413	6,732	30.9
Tax	650	882	1,161	1,444	28.0
ETR (%)	22.9	22.4	21.4	21.4	
PAT	2,705	3,047	4,252	5,289	31.7

Source: Company data, I-Sec research

Exhibit 10: Earnings revision

INR mn	Revised		Earlier		% change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	25,601	29,939	26,101	29,982	(1.9)	(0.1)
EBITDA	5,605	7,599	5,802	7,644	(3.4)	(0.6)
EBITDA margin (%)	21.9	25.4	22.2	25.5		
PAT	3,047	4,252	3,117	4,702	(2.2)	(9.6)
EPS (INR)	61	86	63	95	(2.2)	(9.6)

Source: Company data, I-Sec research

Exhibit 10: Shareholding pattern

%	Mar'24	Jun'24	Sep'24
Promoters	28.8	28.8	28.4
Institutional investors	44.2	45.4	46.4
MFs and other	15.6	13.8	15.2
FIs/ Banks	0.0	0.0	0.0
Insurance Cos.	11.3	11.9	12.4
FIIIs	17.3	19.7	18.8
Others	27.0	25.8	25.2

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart


Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	20,650	25,601	29,939	34,931
Operating Expenses	16,667	19,996	22,340	25,871
EBITDA	3,983	5,605	7,599	9,060
EBITDA Margin (%)	19.3	21.9	25.4	25.9
Depreciation & Amortization	962	1,253	1,603	1,776
EBIT	3,021	4,351	5,996	7,284
Interest expenditure	746	981	1,197	1,197
Other Non-operating Income	559	559	614	645
Recurring PBT	2,834	3,929	5,413	6,732
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	650	882	1,161	1,444
PAT	2,705	3,047	4,252	5,289
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	521	-	-	-
Net Income (Reported)	2,705	3,047	4,252	5,289
Net Income (Adjusted)	1,663	3,047	4,252	5,289

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	15,532	16,494	18,015	20,198
of which cash & cash eqv.	275	1,947	1,583	1,463
Total Current Liabilities & Provisions	8,579	10,776	11,914	13,035
Net Current Assets	6,953	5,718	6,101	7,163
Investments	5,453	2,453	2,453	2,453
Net Fixed Assets	23,990	27,181	29,579	32,003
ROU Assets	-	-	-	-
Capital Work-in-Progress	7,111	3,555	3,555	3,555
Total Intangible Assets	878	878	878	878
Other assets	2,166	2,491	2,865	3,294
Deferred Tax Assets	-	-	-	-
Total Assets	43,770	48,279	52,597	57,664
Liabilities				
Borrowings	13,399	14,399	14,399	14,399
Deferred Tax Liability	643	643	643	643
Provisions	185	213	245	281
Other Liabilities	308	381	446	520
Equity Share Capital	99	99	99	99
Reserves & Surplus	23,728	25,937	29,022	32,857
Total Net Worth	23,827	26,037	29,121	32,956
Minority Interest	-	-	-	-
Total Liabilities	43,770	48,279	52,597	57,664

Source Company data, I-Sec research

Exhibit 14: Quarterly trend

(INR mn, year ending March)

	Dec-23	Mar-24	Jun-24	Sep-24
Net Sales	5,018	6,020	5,237	5,186
% growth (YOY)	(11.0)	(13.6)	6.6	9.9
EBITDA	757	1,101	1,004	1,074
Margin %	15.1	18.3	19.2	20.7
Other Income	119	125	103	112
Extraordinaries	521	-	-	-
Adjusted Net Profit	259	704	512	588

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	3,889	4,723	6,438	7,617
Working Capital Changes	3,610	(1,347)	(1,051)	(1,532)
Capital Commitments	(7,324)	(4,445)	(4,000)	(4,200)
Free Cashflow	175	(1,069)	1,387	1,885
Other investing cashflow	(4,152)	3,559	614	645
Cashflow from Investing Activities	(3,611)	3,559	614	645
Issue of Share Capital	1	-	-	-
Interest Cost	(746)	(981)	(1,197)	(1,197)
Inc (Dec) in Borrowings	4,913	1,000	-	-
Dividend paid	(745)	(837)	(1,168)	(1,453)
Others	(66)	-	-	-
Cash flow from Financing Activities	3,357	(818)	(2,366)	(2,650)
Chg. in Cash & Bank balance	(78)	1,671	(364)	(120)
Closing cash & balance	66	1,947	1,583	1,463

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	54.6	61.5	85.8	106.7
Adjusted EPS (Diluted)	54.6	61.5	85.8	106.7
Cash EPS	74.0	86.8	118.2	142.6
Dividend per share (DPS)	15.0	16.9	23.6	29.3
Book Value per share (BV)	480.9	525.5	587.7	665.1
Dividend Payout (%)	27.5	27.5	27.5	27.5
Growth (%)				
Net Sales	(0.6)	24.0	16.9	16.7
EBITDA	(27.6)	40.7	35.6	19.2
EPS (INR)	(27.9)	12.6	39.6	24.4
Valuation Ratios (x)				
P/E	60.7	53.9	38.6	31.1
P/CEPS	44.8	38.2	28.1	23.3
P/BV	6.9	6.3	5.6	5.0
EV / EBITDA	43.3	31.2	23.1	19.4
EV/SALES	8.4	6.8	5.9	5.0
Dividend Yield (%)	0.5	0.5	0.7	0.9
Operating Ratios				
Gross Profit Margins (%)	54.7	52.2	54.2	54.4
EBITDA Margins (%)	19.3	21.9	25.4	25.9
Effective Tax Rate (%)	28.1	22.4	21.4	21.4
Net Profit Margins (%)	8.1	11.9	14.2	15.1
NWC / Total Assets (%)	8.2	(2.8)	(2.0)	(2.7)
Net Debt / Equity (x)	0.3	0.4	0.4	0.3
Net Debt / EBITDA (x)	2.1	1.9	1.4	1.2
Profitability Ratios				
RoCE (%)	6.9	8.7	11.2	12.6
RoE (%)	11.8	12.2	15.4	17.0
RoIC (%)	7.5	9.8	12.3	13.6
Fixed Asset Turnover (x)	0.8	0.9	1.0	1.1
Inventory Turnover Days	65.7	64.7	63.7	63.7
Receivables Days	90.6	89.6	88.6	88.6
Payables Days	53.5	55.5	57.5	57.5

Source Company data, I-Sec research

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

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

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

ANALYST CERTIFICATION

I/We, Sanjesh Jain, PGDM; Mohit Mishra, MBA, CA ; Aparajita Chakraborty, MSc (Finance); authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

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

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

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

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

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research.

The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

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

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

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

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

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

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

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

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

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

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

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

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

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

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

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
