

Revival in end user demand to drive growth...

About the stock: Commencing operation in 1944, Tata Chemicals has come a long way to become one of the top five players in the global soda ash market.

- Under basic chemical, TCL offers soda ash, soda bicarbonate, cement, salt, marine chemicals and crushed refined soda, while speciality chemical consists solution towards agro chemical through Rallis and other speciality solutions such as nutritional products and HDS
- Basic chemical forms 75% of overall revenue while the rest comes from speciality products

Q1FY22 Results: Topline was marginally above but margins beat primarily due to lower-than-expected power & fuel and freight cost.

- Reported revenue growth of 26.8% YoY to ₹ 2977.2 crore, led by higher growth in the basic chemical segment across four units
- Gross margins expanded 330 bps YoY to ~78.1% while EBITDA margin improved 490 bps YoY to 20.2 due to operating leverage
- EBITDA was up 67% YoY to ₹ 601.2 crore
- PAT was at ₹ 288 crore against ₹ 13.3 crore in Q1FY21. The growth was largely due to strong operational performance and higher share from JV

What should investors do? The stock appreciated at 79% CAGR in last two years

- We retain **HOLD** rating on the back of better growth outlook of base business due to revival in the flat glass demand

Target Price and Valuation: We value Tata Chemicals at SOTP valuation to arrive at a revised target price of ₹ 925/share (earlier ₹ 750/share).

Key triggers for future price performance:

- Improvement in the soda ash pricing environment bodes well for future growth outlook
- Revival in export demand for North America unit to sustain group performance
- Higher share of speciality business to command better valuations for the overall group

Alternate Stock Idea: Apart from Tata Chemicals, in our chemical coverage we also like Neogen Chemical

- Trigger for Neogen Chemical's future revenue growth would be increasing CRAMS opportunity
- BUY with a target price of ₹ 1085



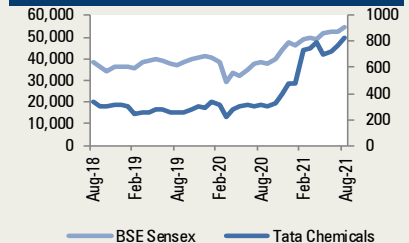
Particulars

Particular	Amount
Market cap (₹ Crore)	20,997
FY21 Total Debt (₹ Crore)	6,933
FY21 Cash & Inv (₹ Crore)	2,104
EV (₹ Crore)	25,826
52 Week H/L	834/273
Equity Capital (₹ Crore)	254.8
Face Value (₹)	10

Shareholding pattern

in %	Sept-20	Dec-20	Mar-21	Jun-21
Promoter	35.5	38.0	38.0	38.0
DII	29.2	24.6	20.8	19.7
FII	9.1	12.3	14.0	13.0
Others	26.3	25.1	27.2	29.3

Price Chart



Recent event & key risks

- Soda ash prices witnessed uptrend
- Key Risk:** (i) Fall in the soda ash prices and rise in crude to impact EBITDA/tonne (ii) Revival in the demand and thereby prices to pose upside risk to our estimates

Research Analyst

Mitesh Shah
mitesh.shah@icicisecurities.com

Dhavan Shah
dhavan.shah@icicisecurities.com

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Key Financial Summary

(₹ Crore)	FY19	FY20	FY21	4 year CAGR (FY17-21)	FY22E	FY23E	2 year CAGR (FY21-23E)
Net Revenue	10,336.7	10,356.8	10,199.8	-0.4%	12,006.9	13,483.4	15.0%
EBITDA	1,780.5	1,949.2	1,500.6	-8.0%	2,335.9	2,656.5	33.1%
EBITDA Margins (%)	17.2%	18.8%	14.7%		19.5%	19.7%	
Adj. PAT	931.9	806.6	256.4	-26.5%	995.8	1,086.1	105.8%
Adj. EPS (₹)	36.6	31.7	10.1		39.1	42.6	
EV/EBITDA	12.3x	11.6x	15.8x		10.0x	8.3x	
P/E	22.5x	26.0x	81.9x		21.1x	19.3x	
ROE (%)	7.6	6.3	1.8		6.6	6.9	
ROCE (%)	7.1	7.7	4.1		7.1	7.7	

Key takeaways of recent quarter & conference call highlight

Q1FY22 Results: Revival in soda ash volume & realisations aid better performance

- **Basic chemical topline performance:** Revenues were up 30% YoY to ₹ 2172.8 crore, led by growth across geographies. The India business reported a surge of 24.7% YoY to ₹ 794.8 crore while the same from North America, UK and Magadi remained higher by 35.2% YoY, 28.8% YoY & 34% YoY to ₹ 837 crore, ₹ 407 crore & ₹ 134 crore, respectively. The growth across geographies was primarily driven by volume growth owing to revival in the demand of end user industry
- **Basic chemical operational performance:** EBITDA for the segment increased 96% YoY to ₹ 490 crore, largely on the back of better margins from India and North America businesses. OPM for the segment was at 22.6% (up 770 bps YoY)

Q1FY22 Earnings Conference Call highlights

India:

- Two price increases have been taken, one in June and another in July. The quantum remains ₹ 1000/tonne each
- The company is witnessing strong rebound in demand for end user industries, which can support better realisation growth
- Contract pricing normally happens on a quarterly basis
- Total ₹ 2700 crore worth of capex is ongoing to expand capacity across soda ash, bicarb, salt businesses of which around ₹ 950 crore has been spent till June 2021. The capex is expected to be commissioned by March 2024.

North America:

- Around 20% of the contract pricing happens on quarterly basis with the rest at the end of December
- Expecting to maintain strong volume growth trajectory on the back of end user demand revival
- The company can debottleneck ~180,000-200,000 MT worth of soda ash capacity, post which it has to lay out a capex to cater to incremental demand
- There has been royalty cut by the US government last quarter, the benefit of which has been recorded during this quarter. Quantum of the same is undisclosed

Europe:

- There has been increase in the carbon cost, which has impacted bottomline performance for the unit. Carbon cost has been increased from €30 to €50 per tonne
- The impact of higher carbon prices remained to the tune of £1-2 million per quarter

Other updates:

- Increase in demand for solar cell and lithium carbonate to expand demand outlook for soda ash business
- Net debt for the quarter was at ₹ 3991 crore against ₹ 3828 crore in Q1FY21. The capex for the quarter remained at ₹ 323 crore

Financial story in charts

Exhibit 1: Basic chemical revenues – Geographical bifurcation (₹ crore)

Basic chem Revenue	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
India	671	690	708	719	637	700	764	806	795
TCA - North America	845	886	872	800	619	711	742	807	837
TCE - Europe	307	337	348	365	316	337	374	383	407
TCM - Magadi	126	139	82	115	100	91	107	115	134

Source: ICICI Direct Research

Exhibit 2: Basic chemical volumes – Geographical bifurcation ('000 MT)

Basic chem sales volume ('000 MT)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
TCL India	190	179	187	185	139	176	198	215	195
Soda Ash	163	154	158	159	118	151	168	184	167
Sodium Bicarbonate	27	25	29	26	21	25	30	31	28
TCA - North America	539	570	569	553	387	475	475	566	580
Soda Ash	539	570	569	553	387	475	475	566	580
TCE - Europe	92	104	97	101	92	94	98	96	95
Soda Ash	68	77	70	71	62	67	70	67	68
Sodium Bicarbonate	24	27	27	30	30	27	28	29	27
TCM - Magadi	63	74	40	75	57	51	56	68	83
Soda Ash	63	74	40	75	57	51	56	68	83

Source: ICICI Direct Research

Exhibit 3: Basic chemical realisation/tonne– Geographical bifurcation

Basic chem realisation/tonne	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
India	35,329	38,549	37,835	38,846	45,850	39,755	38,565	37,504	40,758
TCA - North America	15,677	15,544	15,325	14,467	15,995	14,968	15,621	14,258	14,431
TCE - Europe	33,370	32,404	35,876	36,139	34,348	35,851	38,163	39,896	42,842
TCM - Magadi	20,000	18,784	20,500	15,333	17,544	17,843	19,107	16,912	16,145

Source: ICICI Direct Research

Exhibit 4: Basic chemical EBITDA/tonne– Geographical bifurcation

Basic chem EBITDA/tonne	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
India	10,443	11,236	10,899	8,721	12,710	7,454	9,494	8,264	13,487
TCA - North America	3,506	3,263	3,216	3,689	904	2,021	3,326	1,113	2,983
TCE - Europe	1,957	4,327	4,433	5,050	3,043	4,894	4,592	1,979	3,053
TCM - Magadi	3,175	3,649	-2,250	1,467	1,754	1,176	4,643	2,941	3,012

Source: ICICI Direct Research

Exhibit 5: Basic chemical OPM %– Geographical bifurcation

Basic chem OPM (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
India	29.6%	29.1%	28.8%	22.5%	27.7%	18.8%	24.6%	22.0%	33.1%
TCA - North America	22.4%	21.0%	21.0%	25.5%	5.7%	13.5%	21.3%	7.8%	20.7%
TCE - Europe	5.9%	13.4%	12.4%	14.0%	8.9%	13.6%	12.0%	5.0%	7.1%
TCM - Magadi	15.9%	19.4%	-11.0%	9.6%	10.0%	6.6%	24.3%	17.4%	18.7%

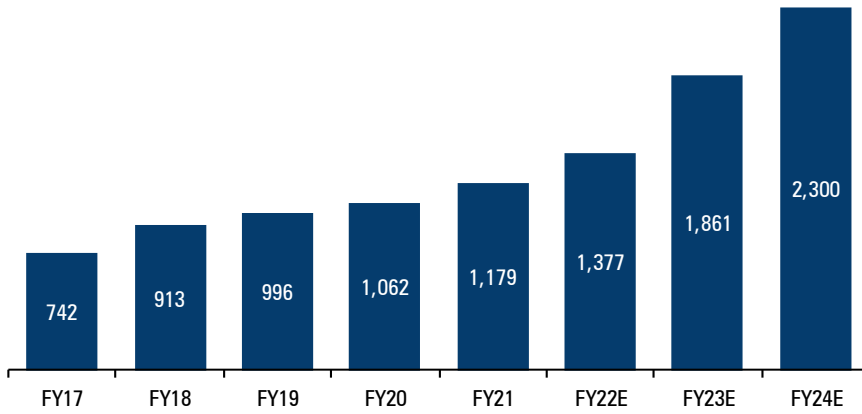
Source: ICICI Direct Research

Exhibit 6: SOTP valuation

In ₹ Crore unless other mentioned	Revenue		EBITDA		EV/EBITDA	EV
	FY22E	FY23E	FY22E	FY23E	FY23E	FY23E
Basic Chemical						
India	3,434	3,673	1,037	1,131	8.0x	9,045
ROW	5,472	5,903	889	979	6.0x	5,875
Speciality Products						
Rallis (50.09% stake and 20% holding company discount)	2,843	3,383	364	464	13.8x	2,561
Other Speciality	226	339	22	38	10.0x	385
Consolidated EV						17,864
Less: Net debt						1,159
Residual business MCAP						16,706
Add: NC investment portfolio excl Tata sons inv @ 50% disc						2,084
Add: Fair value of Tata sons inv @ 50% disc						4,750
Target MCAP						23,539
No. of shares						25.5
Target price/share						925
CMP						824
Upside/downside						12%

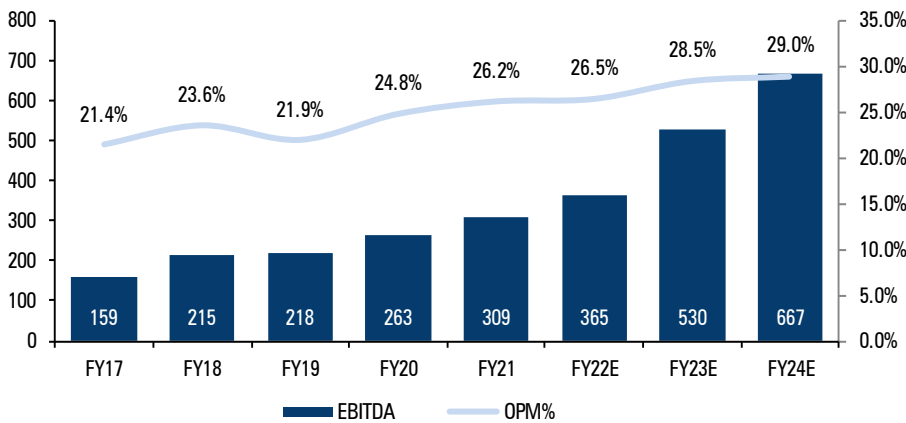
Source: ICICI Direct Research

Exhibit 7: Revenue trend (₹ crore)



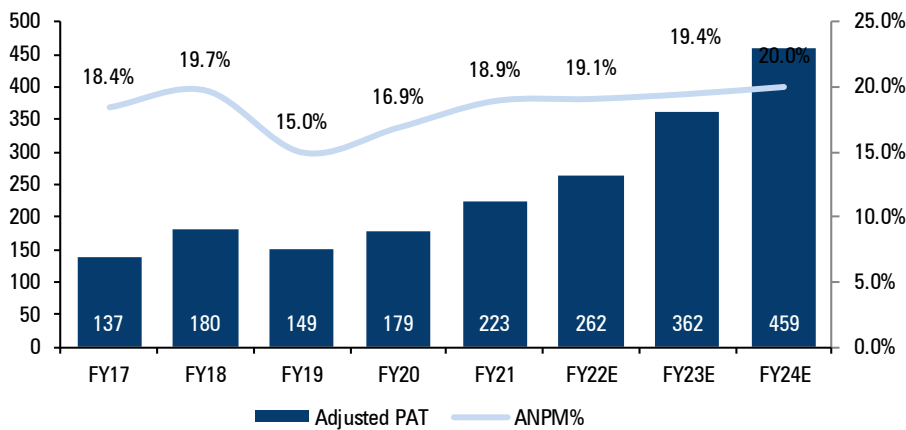
Source: Company, ICICI Direct Research

Exhibit 8: EBITDA (₹ crore) and OPM (%) trend



Source: Company, ICICI Direct Research

Exhibit 9: PAT growth trend (₹ crore)



Source: Company, ICICI Direct Research

Financial summary

Exhibit 10: Profit and loss statement ₹ crore

Year end March	FY19	FY20	FY21	FY22E	FY23E
Total Operating Income	10,336.7	10,356.8	10,199.8	12,006.9	13,483.4
Growth (%)	0.7	0.2	-1.5	17.7	12.3
Raw Material Expenses	2,002.0	1,968.4	2,396.9	2,521.4	2,696.7
Gross Profit	8,334.7	8,388.4	7,802.9	9,485.5	10,786.7
Employee Cost	1,318.5	1,375.4	1,399.7	1,548.9	1,645.0
Other Operating Expenses	5,235.8	5,063.8	4,902.5	5,600.6	6,485.2
EBITDA	1,780.5	1,949.2	1,500.6	2,335.9	2,656.5
Growth (%)	-18.7	9.5	-23.0	55.7	13.7
Other Income	409.5	311.1	234.4	246.4	257.6
EBITDA, including OI	2,189.9	2,260.3	1,735.1	2,582.3	2,914.2
Depreciation	568.5	666.5	759.3	808.7	911.7
Net Interest Exp.	353.7	341.9	367.4	356.7	316.8
Other exceptional items	70.3	0.0	0.0	0.0	0.0
PBT	1,338.1	1,251.9	608.4	1,417.0	1,685.6
Total Tax	274.4	219.7	197.8	311.7	370.8
Tax Rate	20.5%	17.5%	32.5%	22.0%	22.0%
PAT	1,063.6	1,032.3	410.6	1,105.2	1,314.8
Adj. PAT after Minority interest	931.9	806.6	256.4	995.8	1,086.1
Adj. EPS (₹)	36.6	31.7	10.1	39.1	42.6
Shares Outstanding	25.5	25.5	25.5	25.5	25.5

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement ₹ crore

Year end March	FY19	FY20	FY21	FY22E	FY23E
PBT & Extraordinary	1,730.4	7,407.5	634.0	1,417.0	1,685.6
Depreciation	571.4	666.5	759.3	808.7	911.7
After other adjustments					
(Inc) / Dec in Working Capital	-214.4	-129.9	323.3	-24.1	111.3
Taxes	-484.9	-147.8	-96.3	-311.7	-370.8
Others	-21.3	-6,016.2	417.0	356.7	316.8
CF from operating activities	1,581.3	1,780.1	2,037.3	2,246.5	2,654.7
Purchase of Fixed Assets	-1,082.3	-1,199.4	-1,241.9	-1,369.7	-1,065.0
Others	-875.9	-1,168.7	111.6	-36.5	100.0
CF from investing activities	-1,958.2	-2,368.1	-1,130.3	-1,406.2	-965.0
Proceeds from issue of shares	0.0	0.0	0.0	0.0	0.0
Borrowings (Net)	-576.2	735.1	-544.1	-300.0	-600.0
Others	-1,135.7	-864.4	-911.5	-637.0	-597.1
CF from financing activities	-1,711.8	-129.3	-1,455.7	-937.0	-1,197.1
Net cash flow	-2,088.7	-717.3	-548.7	-96.7	492.5
Effects of foreign currency translation	31.2	0.0	0.0	0.0	0.0
Opening Cash	4,483.0	1,952.2	2,079.5	1,411.0	1,314.3
Closing Cash	1,952.2	2,079.5	1,411.0	1,314.3	1,806.9

Source: Company, ICICI Direct Research

Exhibit 12: Balance sheet ₹ crore

Year end March	FY19	FY20	FY21	FY22E	FY23E
Liabilities					
Share Capital	254.8	254.8	254.8	254.8	254.8
Reserves	12,086.5	12,642.8	14,035.2	14,750.6	15,556.4
Total Shareholders Funds	12,341.3	12,897.7	14,290.0	15,005.4	15,811.2
Minority Interest	2,914.7	763.8	852.6	1,162.1	1,490.8
Long Term Borrowings	4,769.3	3,473.4	5,388.1	5,188.1	4,688.1
Net Deferred Tax liability	1,297.1	1,437.9	1,572.1	1,572.1	1,572.1
Other long term liabilities	129.9	437.6	173.0	106.4	119.5
Long term provisions	1,503.9	1,653.5	1,598.1	2,068.1	2,322.4
Current Liabilities and Provisions					
Short term borrowings	352.5	1,912.9	277.6	177.6	77.6
Trade Payables	1,475.3	1,630.9	1,682.9	1,579.0	1,773.2
Other Current Liabilities	1,840.5	3,267.6	2,137.8	2,631.6	2,955.3
Short Term Provisions	280.3	276.9	365.1	296.1	332.5
Total Current Liabilities	3,948.6	7,088.4	4,463.4	4,684.3	5,138.5
Total Liabilities	26,904.8	27,752.2	28,337.2	29,786.5	31,142.5
Assets					
Net Block	11,664.8	13,073.9	12,971.3	13,232.3	14,555.3
Capital Work in Progress	735.8	787.8	1,034.7	1,334.7	165.0
Intangible assets under devel.	38.0	47.2	58.8	58.8	58.8
Goodwill on Consolidation	1,859.0	1,999.8	1,963.3	1,963.3	1,963.3
Non-current investments	3,362.9	2,683.8	4,252.3	4,252.3	4,252.3
Deferred tax assets	36.2	15.3	0.0	0.0	0.0
Long term loans and advances	7.9	10.0	10.7	9.3	10.4
Other Non Current Assets	1,102.0	1,272.1	1,400.4	821.1	915.4
Current Assets, Loans & Advances					
Current Investments	2,252.3	1,601.0	1,563.5	1,800.0	1,800.0
Inventories	1,725.6	1,869.2	1,686.6	2,204.0	2,475.0
Sundry Debtors	1,452.5	1,579.9	1,397.0	1,875.1	2,105.6
Cash and Bank	1,952.2	2,079.5	1,411.0	1,314.3	1,806.9
Loans and Advances	1.3	0.2	0.2	0.2	0.2
Other Current assets	714.4	732.5	587.5	921.1	1,034.3
Current Assets	8,098.3	7,862.3	6,645.7	8,114.6	9,222.0
Total Assets	26,904.9	27,752.2	28,337.2	29,786.5	31,142.5

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios

Year end March	FY19	FY20	FY21	FY22E	FY23E
Per share data (₹)					
Adj. EPS	36.6	31.7	10.1	39.1	42.6
Adj. Cash EPS	58.9	57.8	39.9	70.8	78.4
BV	484.3	506.1	560.8	588.9	620.5
DPS	23.5	11.0	0.0	11.0	11.0
Operating Ratios (%)					
Gross Margin (%)	80.6	81.0	76.5	79.0	80.0
EBITDA Margin (%)	17.2	18.8	14.7	19.5	19.7
PAT Margin (%)	9.0	7.8	2.5	8.3	8.1
Debtor Days	51	56	58	57	57
Inventory Days	61	66	70	67	67
Creditor Days	52	57	48	48	48
Cash Conversion Cycle	60	64	80	76	76
Return Ratios (%)					
Return on Assets (%)	3.5	2.9	0.9	3.3	3.5
RoCE (%)	7.1	7.7	4.1	7.1	7.7
Core RoIC (%)	9.1	8.8	4.4	8.9	10.3
RoE (%)	7.6	6.3	1.8	6.6	6.9
Solvency Ratios					
Total Debt / Equity	0.4	0.4	0.4	0.4	0.3
Interest Coverage	4.6	4.7	2.7	5.0	6.3
Current Ratio	2.1	1.1	1.5	1.7	1.8
Quick Ratio	1.6	0.8	1.1	1.3	1.3
Valuation Ratios (x)					
EV/EBITDA	12.3	11.6	15.8	10.0	8.3
P/E	22.5	26.0	81.9	21.1	19.3
P/B	1.7	1.6	1.5	1.4	1.3
EV/Sales	2.1	2.2	2.3	1.9	1.6

Source: Company, ICICI Direct Research

Exhibit 14: ICICI Direct coverage universe (Chemicals)

Company	CMP			M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating	(₹ Cr)	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
PI Industries	3316	3,855	Buy	50,403	48.6	59.2	77.1	68.3	56.0	43.0	47.8	39.2	30.1	17.2	18.6	20.4	13.8	14.6	16.1
Aarti Industries	853	960	Buy	30,927	30.2	72.8	60.0	55.2	22.9	27.8	32.2	23.5	18.0	10.7	12.7	15.3	15.0	16.3	18.7
Sumitomo Chemical	431	505	Buy	21,513	6.9	8.5	10.1	62.3	50.6	42.6	43.1	35.1	29.0	29.8	29.3	28.1	22.4	22.1	21.2
Vinati Organics	1954	2,300	Buy	20,086	26.2	40.2	44.3	74.6	48.6	44.1	56.4	36.2	32.3	21.7	29.4	27.1	17.4	22.1	20.4
Tata Chemical	824	925	Hold	20,997	10.1	39.1	42.6	81.9	21.1	19.3	15.8	10.0	8.3	4.1	7.1	7.7	1.8	6.6	6.9
Navin Fluorine	3720	3,712	Hold	18,413	45.0	53.0	73.1	82.6	70.2	50.9	57.5	49.7	33.9	21.0	19.0	22.6	13.6	14.2	17.0
Rallis India	320	400	Buy	6,215	11.4	12.7	16.0	28.1	25.1	20.0	18.4	16.8	13.0	18.0	17.7	20.0	13.9	13.9	15.3
Sudarshan chemical	752	775	Buy	5,204	20.4	24.4	29.9	36.9	30.8	25.1	19.9	16.5	14.2	15.2	16.3	17.9	19.0	19.5	20.2
Neogen Chemicals	930	1,085	Buy	2,162	13.4	18.6	28.6	65.8	47.6	30.9	35.1	25.7	18.7	15.1	16.7	20.4	17.1	19.6	23.6

Source: Bloomberg, ICICI Direct Research

RATING RATIONALE

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

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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

ANALYST CERTIFICATION

I/We, Mitesh Shah, (cleared all 3 levels of CFA), Dhavan Shah, MS (Finance), Siddhant Khandekar, Inter 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. 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 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 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 beneficial ownership 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.