

16 May 2024

India | Equity Research | Q4FY24 results review

Clean Science & Technology

Speciality Chemicals

Strong volume recovery to continue; betting big on HALS

Clean Science's Q4FY24 EBITDA dipped 10% YoY to INR 945mn; EBITDA margin contracted 295bp QoQ at 41.5%. EBITDA margin delivery has been impressive, considering pricing environment remains unfavourable. Also, the company has seen a rise in mix from new products where margins are low. It had strong volume recovery QoQ in existing portfolio which it believes will continue to improve. Clean Science has started HALS supplies in domestic market, and cracked a few export contracts. Progressively, it has plans to roll-out four more HALS series products, and achieve sales volume of 3kte with EBITDA margin of 15% in FY25. We cut our FY25/26E EPS by 2-12% and reduce our target price to INR 1,350 (from INR 1,525) with an unchanged FY26E PE multiple to 35x. Maintain **HOLD**.

Volume led revenue growth

In Q4FY24, Clean Science's revenue was up 4.9% YoY / 16.8% QoQ to INR 2.3bn. Volume grew 23% QoQ while prices have declined 7% QoQ. Company's volume for FY24 has remained flattish while lower pricing has dragged revenue down by 15.4%. Clean Science has been progressively seeing volume recovery, but prices have remained under pressure. The contribution from principal products (existing portfolio) has dropped to 76% from 84% in Q4FY23. China has come up with conventional manufacturing, and Clean Science has priced competitive hold to market position. It had volume growth across product categories except guaiacol.

Performance chemicals segment's revenue fell 2.8% YoY/+16.8% QoQ to INR 1.5bn, impacted by falling raw material prices, leading to lower realisation, and weaker demand in China. Pharmaceutical intermediates' revenue was up 4.9% YoY/ 16.8% QoQ to INR 432mn and was impacted by lower realisation for products with guaiacol remaining a drag. FMCG chemicals' revenue was up 24% YoY/36.8% QoQ to INR 296mn.

China revenue declined 26.6% YoY (+24.9% QoQ) to INR 557mn; India revenue grew 34.9% YoY to INR 819mn. Europe revenue declined 24% YoY/ +35.1% QoQ to INR 319mn. Americas revenue declined 21% YoY/25.9% QoQ at INR 274mn. Europe revenue benefited from supplies of HALS (series 701) while Americas had no new product launches.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	9,358	7,915	10,801	14,314
EBITDA	4,021	3,321	4,267	5,617
EBITDA Margin (%)	43.0	42.0	39.5	39.2
Net Profit	2,952	2,441	3,048	4,097
EPS (INR)	27.8	23.0	28.7	38.6
EPS % Chg YoY	29.2	(17.3)	24.9	34.4
P/E (x)	47.8	57.8	46.3	34.4
EV/EBITDA (x)	34.2	41.5	32.2	24.3
RoCE (%)	30.7	19.3	21.7	25.2
RoE (%)	33.2	22.1	23.5	26.9

Sanjesh Jain

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

Ashvik Jain

ashvik.jain@icicisecurities.com

Market Data

Market Cap (INR)	141bn
Market Cap (USD)	1,689mn
Bloomberg Code	CLEAN IN
Reuters Code	CLEA BO
52-week Range (INR)	1,622 /1,275
Free Float (%)	21.0
ADTV-3M (mn) (USD)	1.9

Price Performance (%)	3m	6m	12m
Absolute	(4.6)	(3.3)	(13.5)
Relative to Sensex	(5.9)	(14.4)	(30.6)

Earnings Revisions (%)	FY25E	FY26E
Revenue	7.1	(0.0)
EBITDA	(0.5)	(10.4)
EPS	(1.4)	(11.6)

Previous Reports

05-02-2024: [Q3FY24 results review](#)

03-11-2024: [Q2FY24 results review](#)

EBITDA margin down 295bp QoQ to 41.5%

Clean Science's gross profit margin declined 110bp QoQ to 65.7%, gross profit dipped 2.1% YoY to INR 1.5bn. Other expenses were up 19% YoY as capacities are running at an optimised level, CSR expenses and commercialisation of new HALS facility. CSR expenses contributed the most to the increase in other expenses. Employee expenses were up 5.2% YoY to INR 135mn. EBITDA fell 10% YoY to INR 945mn. Net profit declined 12.7% YoY to INR 703mn. Clean believes margins may see some moderation as it ramps-up HALS and pharmaceuticals intermediates businesses where margins are relatively lower.

Update on HALS progress so far

- Clean Science has received encouraging response to its HALS-770 and 701 series from domestic and export buyers. HALS volume rose 40% QoQ in Q4FY24 on low base, particularly, by selling 770 series. Realisation stood at USD 5/kg in Q4FY24. It has commissioned HALS capacity of 10.5ktpa in its subsidiary Clean Fino-Chem (CFCL) in Mar'24. It started producing two products – series 770 and 701. The revenue potential is INR 7bn, assuming average realisation of USD 8/kg.
- HALS-770 has started grabbing market share in India. India was importing 200-250te per month; Clean Science has started selling 100-110te per month of HALS-770 in India which implies market share of ~50%. The company aspires to increase market share to 60-70% in India. The realisation was discount of 2-3% to import prices. It has also started exporting HALS-770 to Europe, Middle East and North America. HALS-770 is used as UV stabiliser.
- HALS 701 – Clean Science is the only non-Chinese company producer globally. Export remains the major revenue generator for the company with the product being largely used in water treatment. The company is now approved as vendor for supplying HALS-701 for major customers. Management anticipates sales volume to grow to 1kte in next 3-4 months. It is offering a discount of less than 5% on prevailing prices.
- New series – Clean Science is progressively looking to expand its HALS portfolio with likely launch of two new series in next 3-4 weeks. HALS-622 and HALS-944 are premium products over HALS-770. The market for these products is both domestic and exports. It is used by existing buyers of HALS-770. It is working to launch HALS-119 and HALS-2020. Total India demand for HALS stands at 5ktpa.
- Company anticipates to sell 3kte of HALS in FY25; CFCL EBITDA margin immediately target at 15%. The margin will progressively improve to 25% as utilisation rises, and the company starts selling more premium products.
- Plant commissioning will be more gradual with launch of each series of HALS. Each product has dedicated production lines, and only the initial two stages of basic building block (CAA and CMC) are common.

Other conference call highlights

- The company has started working on its first pharma intermediate molecule (anti-retroviral) with capex of INR 300mn. This plant can generate revenue of INR 1bn and can cater to demand from domestic pharma companies. It anticipates to commence work on one additional pharmaceutical intermediate in Apr-May'24 and another in Aug-Sep'24 with each having the potential to invest INR 1bn (as indicated in Q3FY24). These are key building blocks for pharmaceutical formulations. EBITDA margins for pharmaceutical products are better than HALS.

- Clean Science is working on more products in performance chemicals that are currently undergoing pilot trials. These products, if commercialised, will add INR 1.5bn to capex investment in H2FY25.

Key risks

Upside: 1) Higher-than-expected sales from HALS, 2) better-than-expected margins.

Downside: 1) Slower-than-expected acceptance of HALS in international markets, 2) higher-than-expected discounting in HALS, which can hurt margins.

Exhibit 1: Clean Science consolidated financials

INR mn	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	QoQ (%)	YoY (%)
Revenue	2,169	1,881	1,811	1,947	2,275	16.8	4.9
COGS	641	726	618	646	780	20.7	21.7
Gross profit	1,528	1,155	1,193	1,301	1,495	14.9	(2.1)
GPM (%)	70.5	61.4	65.9	66.8	65.7		
Employee cost	128	117	119	116	135	15.9	5.2
% of revenue	5.9	6.2	6.6	6.0	5.9		
Other expenses	349	277	326	319	415	30.4	19.0
% of revenue	16.1	14.7	18.0	16.4	18.3		
Total expenses	477	394	445	435	550	26.5	15.3
EBITDA	1,051	761	748	866	945	9.1	(10.1)
EBITDA (%)	48.5	40.5	41.3	44.5	41.5		
Depreciation	101	108	111	113	127	12.3	26.3
EBIT	950	653	637	753	818	8.6	(13.9)
Other income	126	134	60	78	141	80.6	11.3
Finance cost	1	0	3	1	6		
PBT	1,075	787	695	830	953	14.8	(11.4)
Tax	270	198	173	204	250	22.6	(7.3)
ETR (%)	25.1	25.1	24.9	24.6	26.3		
Exceptional item	-	-	-	-	-		
Net profit	805	590	522	626	703	12.2	(12.7)
Net profit (%)	37.1	31.3	28.8	32.2	30.9		
EPS (INR)	7.6	5.6	4.9	5.9	6.6		

Source: I-Sec research, Company data

Exhibit 2: Clean Science segmental performance

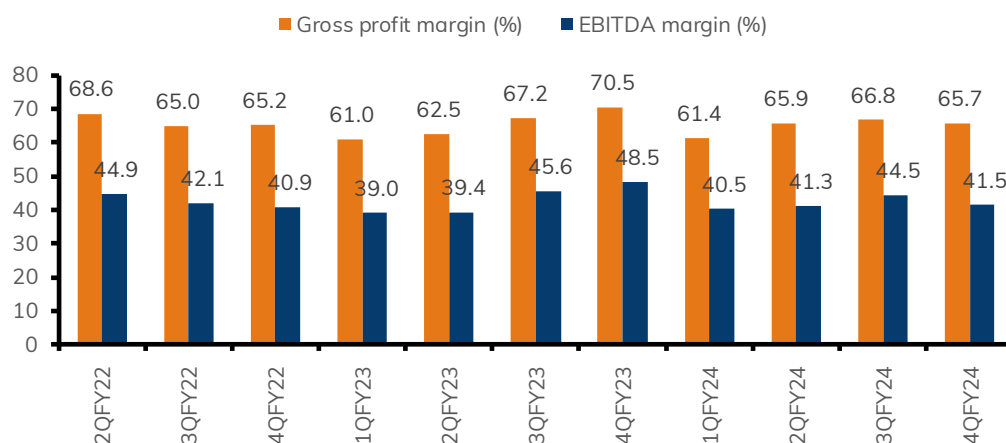
INR mn	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	QoQ (%)	YoY (%)
Segment revenue							
Performance chemicals	1,568	1,260	1,213	1,305	1,524	16.8	(2.8)
Pharmaceutical intermediates	412	357	344	370	432	16.8	4.9
FMCG chemicals	239	245	272	216	296	36.8	24.0
Others	(50)	19	(19)	56	23		
Total	2,169	1,881	1,811	1,947	2,275	16.8	4.9
Mix (%)							
Performance chemicals	72.3	67.0	67.0	67.0	67.0		
Pharmaceutical intermediates	19.0	19.0	19.0	19.0	19.0		
FMCG chemicals	11.0	13.0	15.0	11.1	13.0		
Others	(2.3)	1.0	(1.0)	2.9	1.0		

Source: I-Sec research, Company data

Exhibit 3: Clean Science geographical revenue breakdown

INR mn	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	QoQ (%)	YoY (%)
India	607	696	633	701	819	16.8	34.9
Export	1,561	1,185	1,178	1,246	1,456	16.8	(6.7)
Americas	347	357	344	370	274	(25.9)	(21.0)
Europe	419	245	309	236	319	35.1	(24.0)
China	759	395	343	446	557	24.9	(26.6)
ROW	130	188	181	195	228	16.8	74.9
Mix (%)							
India	28.0	37.0	35.0	36.0	36.0		
Export	72.0	63.0	65.0	64.0	64.0		
Americas	16.0	19.0	19.0	19.0	12.0		
Europe	19.3	13.0	17.1	12.1	14.0		
China	35.0	21.0	19.0	22.9	24.5		
ROW	6.0	10.0	10.0	10.0	10.0		

Source: I-Sec research, Company data

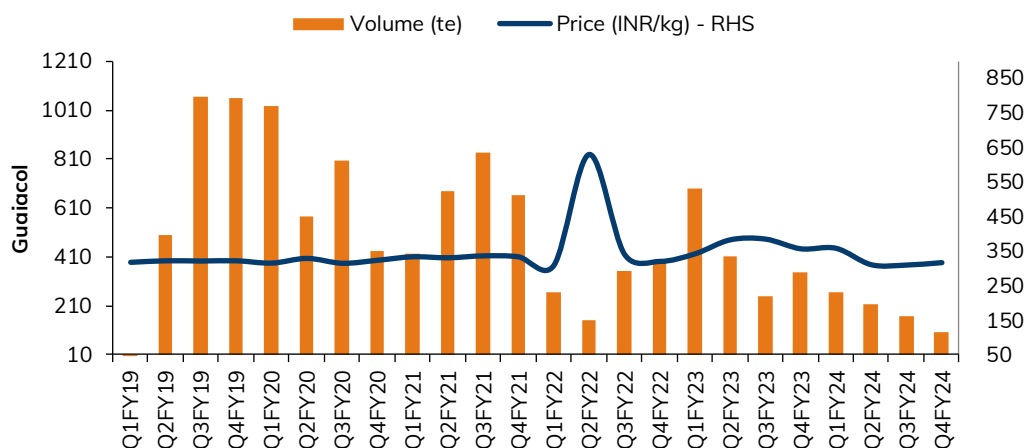
Exhibit 4: Gross profit and EBITDA margin trends

Source: I-Sec research, Company data

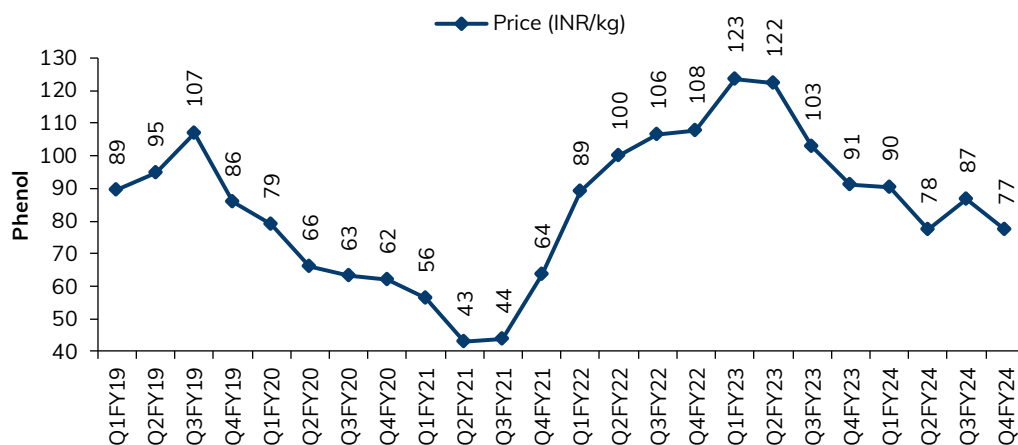
Exhibit 5: Earnings revision

INR mn	Revised		Earlier		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	10,801	14,314	10,083	14,317	7.1	(0.0)
Gross profit	6,746	8,655	6,483	8,767	4.1	(1.3)
GPM (%)	62.5	60.5	64.3	61.2		
EBITDA	4,267	5,617	4,286	6,272	(0.5)	(10.4)
EBITDA (%)	39.5	39.2	42.5	43.8		
PAT	3,048	4,097	3,091	4,636	(1.4)	(11.6)
EPS (INR)	28.7	38.6	29.1	43.6	(1.4)	(11.6)

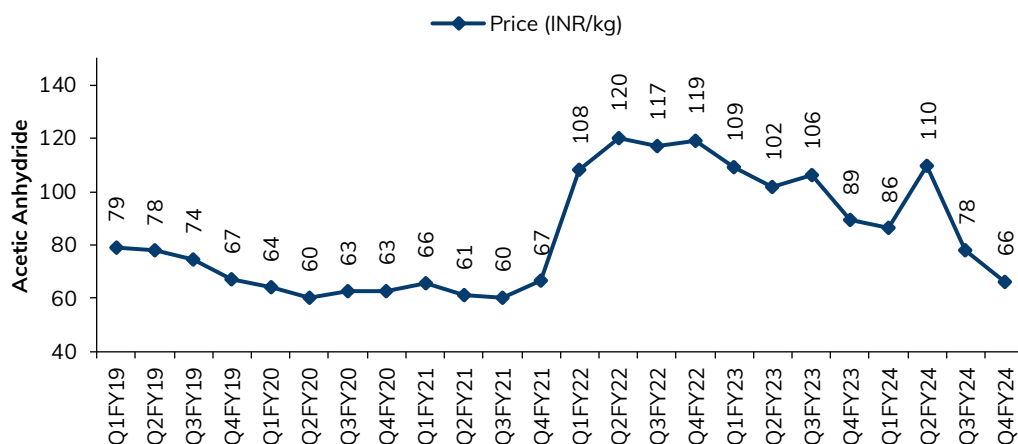
Source: I-Sec research, Company data

Exhibit 6: Guaiacol export prices dip 11.2% YoY


Source: I-Sec research, Company data; Note: Q4FY24 numbers includes data for only Jan & Feb'24

Exhibit 7: Phenol (raw-material) prices dip 15% YoY


Source: I-Sec research, Company data; Note: Q4FY24 numbers includes data for only Jan & Feb'24

Exhibit 8: Acetic anhydride (raw-material) prices fell 25.6% YoY


Source: I-Sec research, Company data; Note: Q4FY24 numbers includes data for only Jan & Feb'24

Exhibit 9: Shareholding pattern

%	Sep'23	Dec'23	Mar'24
Promoters	75.0	75.0	75.0
Institutional investors	12.2	11.1	10.9
MFs and others	5.2	4.6	4.2
FIs/Banks	0.0	0.0	0.0
Insurance	1.2	0.5	0.7
FIIIs	5.8	5.8	5.9
Others	12.8	14.0	14.1

Source: Bloomberg

Exhibit 10: Price chart


Source: Bloomberg

Financial Summary

Exhibit 11: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	9,358	7,915	10,801	14,314
Operating Expenses	5,337	4,594	6,535	8,697
EBITDA	4,021	3,321	4,267	5,617
EBITDA Margin (%)	43.0	42.0	39.5	39.2
Depreciation & Amortization	361	459	546	613
EBIT	3,660	2,861	3,721	5,004
Interest expenditure	2	9	9	9
Other Non-operating Income	298	413	313	344
Recurring PBT	3,956	3,265	4,025	5,339
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,005	825	976	1,242
PAT	2,952	2,441	3,048	4,097
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	2,952	2,441	3,048	4,097
Net Income (Adjusted)	2,952	2,441	3,048	4,097

Source Company data, I-Sec research

Exhibit 12: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	3,027	3,572	5,570	8,023
of which cash & cash eqv.	125	105	980	1,934
Total Current Liabilities & Provisions	1,155	1,601	1,890	2,507
Net Current Assets	1,873	1,971	3,680	5,516
Investments	3,531	3,394	2,894	2,894
Net Fixed Assets	4,433	6,568	7,249	7,986
ROU Assets	373	366	366	366
Capital Work-in-Progress	205	573	300	300
Total Intangible Assets	-	-	-	-
Other assets	125	26	29	32
Deferred Tax Assets	-	-	-	-
Total Assets	11,518	13,963	16,158	19,366
Liabilities				
Borrowings	1	-	-	-
Deferred Tax Liability	234	299	299	299
Provisions	6	8	9	10
Other Liabilities	23	23	-	-
Equity Share Capital	106	106	106	106
Reserves & Surplus	9,994	11,925	13,853	16,444
Total Net Worth	10,100	12,032	13,959	16,550
Minority Interest	-	-	-	-
Total Liabilities	11,518	13,963	16,158	19,366

Source Company data, I-Sec research

Exhibit 13: Quarterly trend

(INR mn, year ending March)

	Jun-23	Sep-23	Dec-23	Mar-24
Net Sales	1,881	1,811	1,947	2,275
% growth (YOY)	(19.6)	(26.8)	(18.0)	4.9
EBITDA	761	748	866	945
Margin %	40.5	41.3	44.5	41.5
Other Income	134	60	78	141
Extraordinaries	0	0	0	0
Adjusted Net Profit	590	522	626	703

Source Company data, I-Sec research

Exhibit 14: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	3,222	2,666	3,290	4,375
Working Capital Changes	(428)	(295)	(871)	(900)
Capital Commitments	(1,834)	(2,323)	(1,227)	(1,350)
Free Cashflow	960	48	1,192	2,125
Other investing cashflow	(864)	464	813	344
Cashflow from Investing Activities	(864)	464	813	344
Issue of Share Capital	9	-	-	-
Interest Cost	(1)	(8)	(9)	(9)
Inc (Dec) in Borrowings	-	9	-	-
Dividend paid	(558)	(531)	(1,121)	(1,507)
Others	-	(2)	-	-
Cash flow from Financing Activities	(550)	(532)	(1,130)	(1,516)
Chg. in Cash & Bank balance	(454)	(19)	875	954
Closing cash & balance	124	104	981	1,935

Source Company data, I-Sec research

Exhibit 15: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Reported EPS	27.8	23.0	28.7	38.6
Adjusted EPS (Diluted)	27.8	23.0	28.7	38.6
Cash EPS	31.2	27.3	33.8	44.3
Dividend per share (DPS)	5.0	5.0	10.6	14.2
Book Value per share (BV)	95.1	113.2	131.4	155.8
Dividend Payout (%)	18.0	21.8	36.8	36.8
Growth (%)				
Net Sales	36.6	(15.4)	36.5	32.5
EBITDA	34.1	(17.4)	28.5	31.6
EPS (INR)	29.2	(17.3)	24.9	34.4
Valuation Ratios (x)				
P/E	47.8	57.8	46.3	34.4
P/CEPS	42.6	48.6	39.2	29.9
P/BV	14.0	11.7	10.1	8.5
EV / EBITDA	34.2	41.5	32.2	24.3
EV/SALES	14.7	17.4	12.7	9.5
Dividend Yield (%)	0.4	0.4	0.8	1.1
Operating Ratios				
Gross Profit Margins (%)	65.2	65.0	62.5	60.5
EBITDA Margins (%)	43.0	42.0	39.5	39.2
Effective Tax Rate (%)	25.4	25.3	24.3	23.3
Net Profit Margins (%)	31.5	30.8	28.2	28.6
NWC / Total Assets (%)	16.3	14.1	22.8	28.5
Net Debt / Equity (x)	(0.3)	(0.3)	(0.3)	(0.3)
Net Debt / EBITDA (x)	(0.8)	(0.9)	(0.8)	(0.8)
Profitability Ratios				
RoCE (%)	30.7	19.3	21.7	25.2
RoE (%)	33.2	22.1	23.5	26.9
RoIC (%)	62.4	36.7	38.4	44.4
Fixed Asset Turnover (x)	1.7	1.0	1.2	1.3
Inventory Turnover Days	42.4	57.0	52.0	52.0
Receivables Days	57.0	75.5	75.5	75.5
Payables Days	31.4	50.0	40.0	40.0

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; Ashvik Jain, MBA; 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 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 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. Prabodh Avadhoot](mailto:Mr.Prabodh.Avadhoot) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
