

NOT RATED**CMP : INR154****VISIT NOTE**

Fineotex Chemical

On faster growth lane

Manish Mahawar+91 22 4031 3433
manish.mahawar@antiquelimited.com**Darshita Shah**

darshita.shah@antiquelimited.com

Jenish Karia

jenish.karia@antiquelimited.com

Market data

Sensex	:	55,103
Sector	:	Chemicals
Market Cap (INRbn)	:	17.1
Market Cap (USDbn)	:	0.225
O/S Shares (m)	:	110.7
52-wk HI/LO (INR)	:	180/57
Avg Daily Vol ('000)	:	1,127
Bloomberg	:	FTXC IN

Source: Bloomberg

Valuation

	FY19	FY20	FY21
EPS (INR)	2.0	2.3	3.8
P/E(x)	76.7	66.7	40.0
P/BV(x)	10.8	10.1	8.1
EV/EBITDA(x)	48.1	47.6	40.4
Dividend Yield (%)	0.1	0.0	-

Source: Company, Antique

Returns (%)

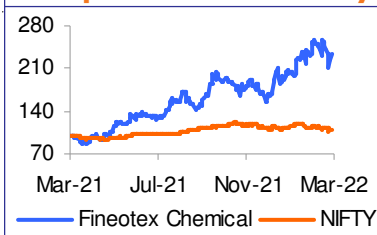
	1m	3m	6m	12m
Absolute	(8)	36	40	127
Relative	(2)	43	47	112

Source: Bloomberg

Shareholding pattern

Promoters	:	65%
Public	:	35%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

Fineotex Chemical (FCL) is specialty chemical producer and technical solution provider, catering to the entire value chain of textile industry. Moreover, the company has started gaining traction in newer segments i.e home care, hygiene and oil drilling space. FCL has presence in 70+ countries and export contributes 52% of consolidated revenue. Supported by strong demand and traction in newer segments, FCL has increased capacity to 79KMT (added 36KMT in Nov 21) and planning to scale it to 100KMT by 1QFY23. FCL's revenue and PAT have shown 12% and 24% CAGR over FY12-21. Further, it has healthy RoE/RoCE of 23%/22% with net cash balance sheet as on March 21. We believe that the company can show strong growth momentum in near term driven by wallet share gain in textile chemical, traction in newer segment and capacity addition. We don't have rating on the stock.

Strong business model

FCL and its subsidiary Biotex, Malaysia has a diverse product portfolio (400+ products) which finds its applications in the entire textile value chain, home care and hygiene, drilling and other specialties. FCL owns 78% in Biotex, while the remaining 28% is owned by its Founder and MD Dr. Cedric Veniat, a technocrat with over 25 years of work experience. The cost of chemical for any textile company starting from pre-treatment to finishing, totaling to 25 products is not more than 3%, which creates a high entry barrier for new players, limiting the competitive intensity. Additionally, if anything goes wrong due to change in the chemical composition or product mix, it can lead to fabric damage resulting in huge losses for the textile companies, making the customers sticky in nature. Thus, the gestation period to land a customer is long. FCL has long term relationship with its customers. Top-10 customers and products contribute 37% and 27% of the overall revenues, respectively.

Strategic partnerships to boost product development

FCL has a JV with Healthguard, Australia which will concentrate on developing cutting-edge solutions that will be marketed and channelized by FCL- Biotex. The synergy is expected to provide durable metal free sustainable chemistry solutions that are anti-microbial and anti-viral. This JV offers a range of products with wider application over several industries like textiles, detergent, leather and allied industries. Further, FCL has set up an R&D centre in collaboration with Sasmira Institute- which is India's premier textile institute. Recently, FCL has entered into strategic collaboration with Eurodyne-CTC, Belgium to commercialize specialty chemical product for Indian market. We believe that collaboration will help FCL to expand product profile, geographical reach and develop sustainable practices.

Capacity expansion to support growth

During 3QFY22, FCL has set up green-field facility in Ambarnath which has increased its capacity to 79KMT (earlier 43KMT) with the capex of INR270mn. Further, the company is expanding it to 100KMT (2.5x of FY21 capacity) by 1QFY23 with capex of INR160-170mn. Management envisaged asset turnover of >8x with superior margin from new facility. Given that the product lines are fungible, it will allow to save time in the changeover of the product line for different solutions, which in turn will increasing the capacity utilization of the plant.

Valuation and Outlook- Not Rated

Diversified revenue, product and geography mix across clients coupled with technical expertise has in turn resulted into revenue/EBITDA/PAT CAGR of 12%/21%/24% over FY12-21. The domestic/exports contribute to 48%/52% of the total revenues in FY21. FCL boasts healthy ROE/post tax ROCE of 23%/22% with a net cash balance sheet as on FY21. Going forward, company believes, the robust earnings growth momentum to continue driven by ramp-up in utilization at the new facility in Ambarnath. With the company's plan of expanding its capacity, improving utilization levels and venture into the new segments, the company envisages its consolidated Revenue/PAT to grow at 40%+ between FY21-24E. Currently, the stock is trading at ~17x FY24E EPS.

Textile chemicals- A major revenue driver

FCL manufactures the entire value chain for the textile industry including pre-treatment, dyeing, printing and finishing process. Textile contributes substantial part of the overall revenues (~85% of total revenues) while the balance is derived from the other sectors. The company is one of the strongest players in finishing textile chemicals segment in India, with a higher focus on all type of textile applications like cotton, polyester, polyester Lycra, polyester wool etc which have higher applicability in textiles products and are more profitable.

FCL has strong global footprint with presence across 60+ countries majorly in Europe and Asian regions. FCL enjoys longstanding relationships with marquee clients in domestic markets also. Presently, FCL is a key supplier for around 65 corporate customers for textile industry and non-textile players like Sulej, Himatsingka, Chenab, Birla, Grasim, Reliance, GHCL, Arvind, Jayasree, Bhaskar, Raymonds, Denim, etc.

Exhibit 1: Becoming a one-stop shop for the customers in textile space



Source: Company, Antique

Enhanced capacity coupled with better utilization at existing plants to drive growth

During 3QFY22, FCL commissioned plant of 36KMT in Ambernath, Mumbai with the capex of INR270mn (funded through internal accruals). The plant is expected to have an asset turn of >8x at the optimum capacity of 85% with full benefit being accrued from 4QFY22 onwards. The plant is expected to reach full utilization by CY22-end, given the increasing demand. The product lines of the new plant are fungible allowing the company to save time in the changeover of the product line for solutions for segments like Home Care and Hygiene Chemicals, Cleaning, and Drilling Specialty Chemicals. Currently, the company operates at 65-70% capacity utilization for the Navi Mumbai plant, while the utilization levels are ~70% in its Malaysia plant. Going forward, the company intends to ramp-up its production in both its Navi Mumbai and Malaysia plant to 75%. We believe, enhanced capacity in Ambernath coupled with better utilization in its existing plants should support growth in the medium term. Additionally, FCL is also planning to expand Ambernath facility by another 21KMT with capital outlay of INR160-170 mn by 1QFY23.

Exhibit 2: Details on Plants and Capacity

Location	Operating Facts	Strategic Advantages
Mahape and Ambernath, Mumbai, India	<ul style="list-style-type: none"> ● Total Production Capacity: 36,000 MTPA. ● New plant at Ambernath to gradually provide an additional 36,000 MTPA capacity. ● Current Utilization: 65% (excluding new Ambernath Facility) ● Peak Utilization: 75% (excluding new Ambernath Facility) 	<ul style="list-style-type: none"> ● Strategically located plant near key port close to Mumbai with logistical advantages to textile hubs across North, West, South and Central India.
Selangor, Malaysia	<ul style="list-style-type: none"> ● Total Production Capacity: 6,500 MTPA ● Current Utilization: 72% 	<ul style="list-style-type: none"> ● Easy access to high raw quality materials in the region. ● Malaysian plant provides raw materials to the Indian facilities. ● Cost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China and India.

Source: Company, Antique

ESG Accreditations

The company has been various certifications like Green Screen certificate, Beehive Certificate, Bluesign, ECO Passport to name a few. These certifications are a sustainability standard that guarantees the highest level of security for consumers and considers the chemical composition of textile products to ensure healthy and safe materials.

Exhibit 3: Key ESG Accreditations

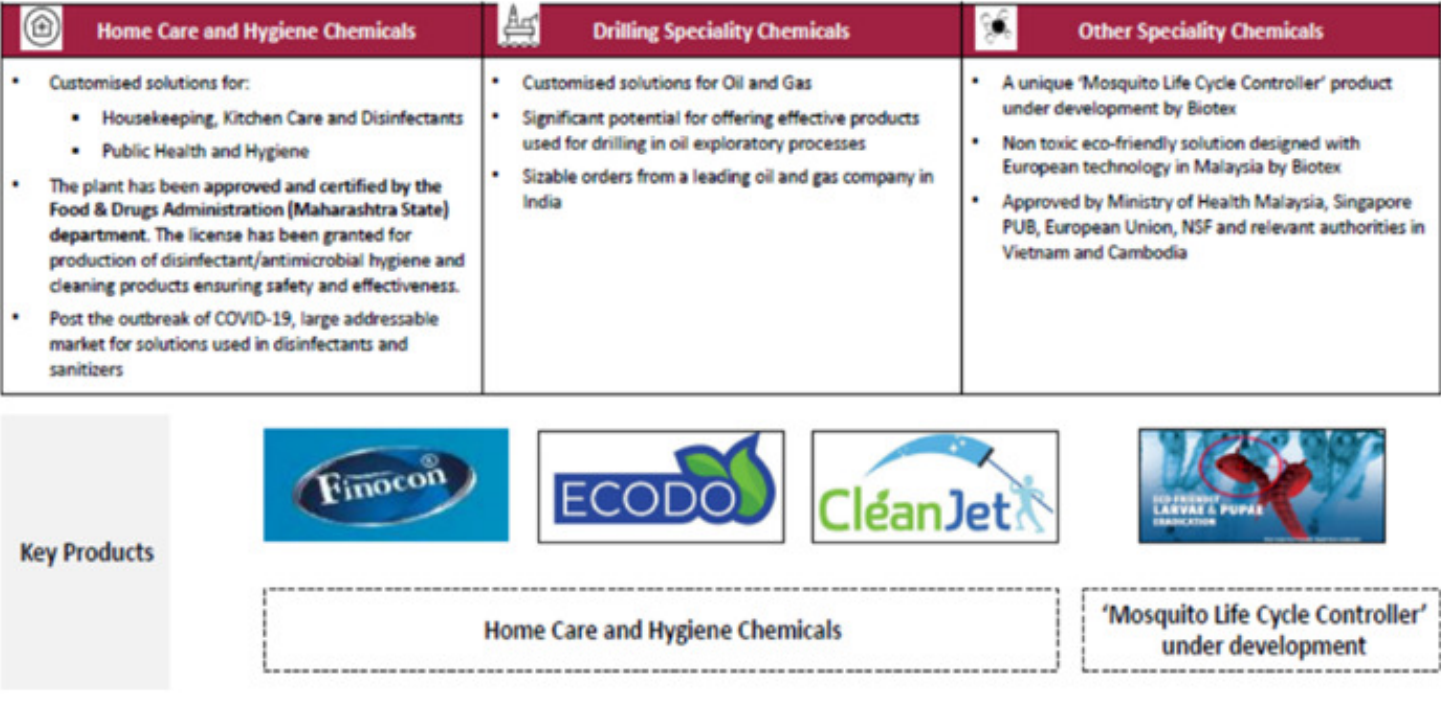
Key ESG Facts		Certificates			
	Bhive certified	ISO 9001	ISO 14001	ISO 14045	ISO 45001
	Blue Sign certified	ISO 20000	SA 8001	OHSAS18001	ISO 22000
	ECO Passport by OEKO-TEX	<div>New Accreditations</div> <div> Fineotex Chemical Limited has earned the prestigious ECO PASSPORT by OEKO-TEX® certification, the highest rating in the globally renowned audit that measures standards of sustainability. The green rating has been awarded by Hohenstein, an independent and neutral renowned testing system that is globally recognized.</div> <div>This rigorous certification program shows our company's commitment to sustainable chemistry.</div>			
	Global Organic Textile Standard (GOTS) certified				
	Hazard Analysis Critical Control Point (HACCP) Certification				
	Indian Green Building Council				
	REACH certified				
	SA 8000 - Social Accountability Certification				
	Scivera				
	Star Export House				
	WHO Good Manufacturing Practice certified				
	Zero Discharge Hazardous Chemical (ZDHC) Gateway certified				

Source: Company, Antique

Foray into newer segments

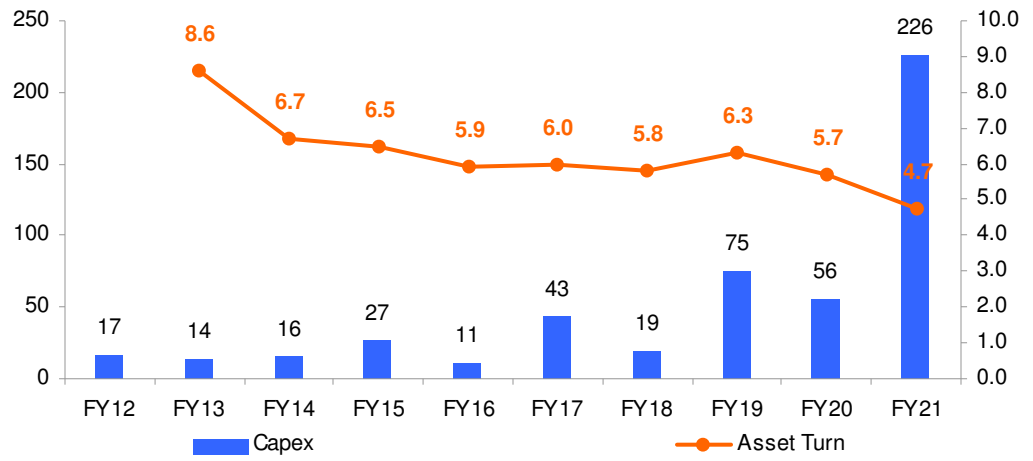
The company is now exploring new opportunities in Home Care and Hygiene Chemicals, Cleaning, and Drilling Specialty Chemicals. This will aid the company in diversifying its product portfolio and is expected to drive value and volume growth going forward. FCL has plans of leveraging its expertise in the textile specialties to foray into the non-textile segments by becoming the supplier for leading detergent companies in the country for their polymer requirements. Additionally, FCL is in advanced talks with companies like RSPL Ltd. (Brand: Ghadi Detergent) and Patanjali for its detergent business. Moreover, the company is also looking at the providing customized solutions for drilling in oil exploratory processes.

Exhibit 4: Focus on Growth and Diversification



Source: Company, Antique

Exhibit 5: Pursuing aggressive growth strategy



Source: Company, Antique









Product innovation to add value and support margins

FCL has been focusing on becoming a one stop shop for the customers in the textile space by expanding its portfolio and thus increase the wallet share by having a diversified product range and more solutions to the textile company. Thus, the company has been focusing on developing value added products that will aide textile companies to reduce water and energy consumption. Additionally, changing customer preference and expectations for a fabric to be water and dust repellent, anti-microbial and increasing demand for sustainable products in the textile market has resulted in increase in the addressable market for the company. This in turn has increased the demand for its products, helping them garner more market share. Furthermore, in partnership in Biotex, FCL has developed a unique 'Mosquito Life Cycle Controller' product, which is non-toxic and eco-friendly in nature. The product has already been approved by the Ministry of Health Malaysia, Singapore PUB, European Union, NSF and relevant authorities in Vietnam and Cambodia. The growing share of value-added products will make it possible for the company to enhance margin of the business.

Synergistic Business model

FCL and its subsidiary Biotex, Malaysia has a diverse product portfolio (400+ products) which finds its applications in the entire textile value chain; home care and hygiene, drilling and other specialties. FCL owns 73% in Biotex, while the remaining 28% is owned by its Founder and MD Dr. Cedric Veniat, a technocrat with over 25 years of work experience. The company has a strong brand recall as well as deep relationship with customers. Top-10 customers and products contribute 37% and 27% of the overall revenues, respectively.

Exhibit 6: Both companies complement each other's strengths

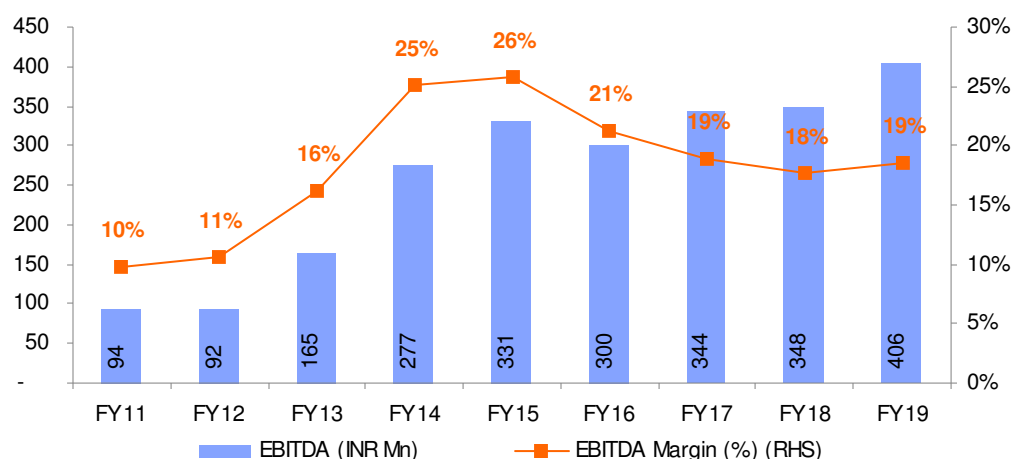
	Fineotex - India		Biotex - Malaysia
 Overview	<ul style="list-style-type: none">Diverse product portfolio (400+ categories) across business segmentsApplications primarily across the entire textile value chain: pre-treatment to finishing		<ul style="list-style-type: none">Niche product portfolio (50+ categories)High end super speciality textile chemical applications
 Focus Areas	<ul style="list-style-type: none">Focused on textiles and rapidly entering other fast growing sectorsHigh profile India customer base		<ul style="list-style-type: none">Sustainable and effective textile solutionsGrow 'Mosquito Life Cycle Controller' revenue shareHigh profile International customer base
 Business Segments	<ul style="list-style-type: none">Textile, Home Care and Hygiene, Drilling and Other Specialities		<ul style="list-style-type: none">Textile and auxiliary sectors'Mosquito Life Cycle Controller', an eco friendly non toxic solution for mosquito outbreaks used primarily across developing countries
 Competitive Edge	<ul style="list-style-type: none">Strong brand recall in Indian marketsReputation for diverse product portfolioDeep customer relationships		<ul style="list-style-type: none">Strong brand recall in International marketsSolutions for finishing process in textileStrong R&D capabilities

Source: Company, Antique

Continued focus on high margin specialty chemicals

FCL posted consolidated revenue stream growth CAGR of 12% from FY12-21 and EBITDA recorded significant growth CAGR of 21% during same period with EBITDA margin expanded by 930bps to 18.6% in FY21. Expansion in margin was primarily backed by superior product mix. Going forward, the company is confident of healthy revenue growth on the back of enhanced capacities coming on-stream in the near term which are high yielding products fetching better margins.

Exhibit 7: EBITDA and EBITDA Margin

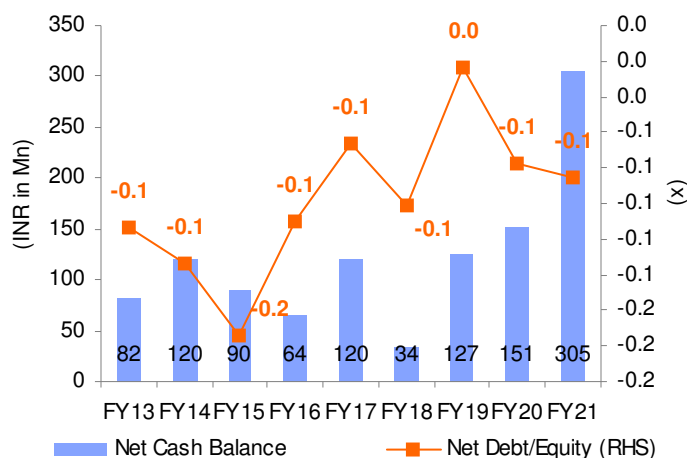


Source: Company, Antique

Net cash balance sheet

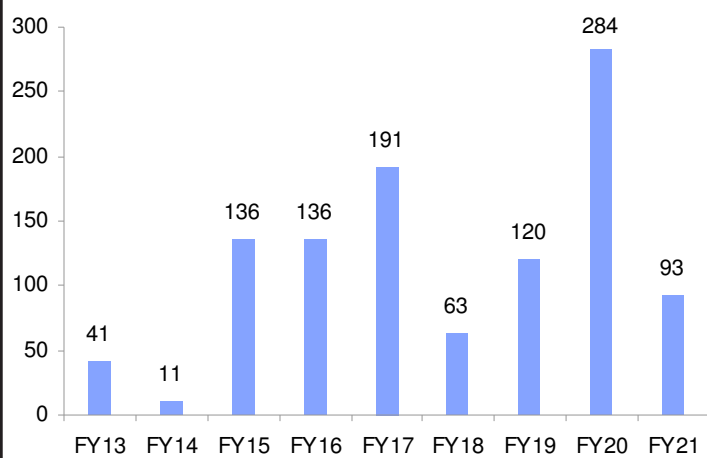
FCL is a cash surplus company with cash & cash equivalent of around INR309mn as on 1HFY22 and a comfortable B/S to support organic and inorganic growth of the company. Further, the company has recorded healthy OCF which would aid to grow its operations. We believe that the healthy balance sheet would in turn help the company to execute further growth plans. According to the recent ratings given by CRISIL, FCL's Long term rating stands at A-Stable and Short Term Rating at A2+, further demonstrating the company's strong balance sheet.

Exhibit 8: FCL is a net debt free company



Source: Company, Antique

Exhibit 9: Healthy OCF to aid future growth plans

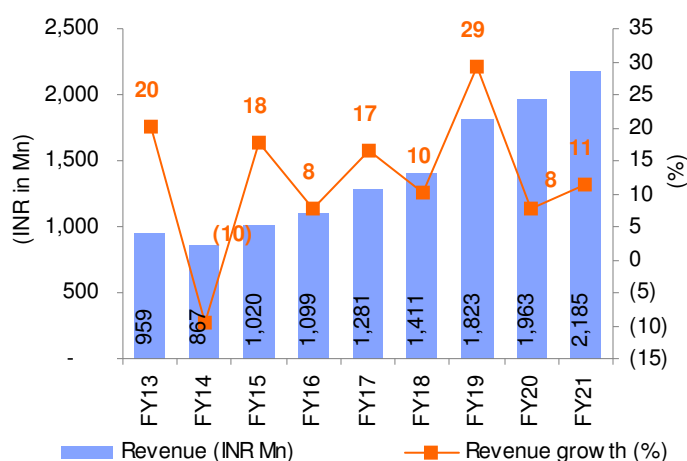


Source: Company, Antique

About the Company

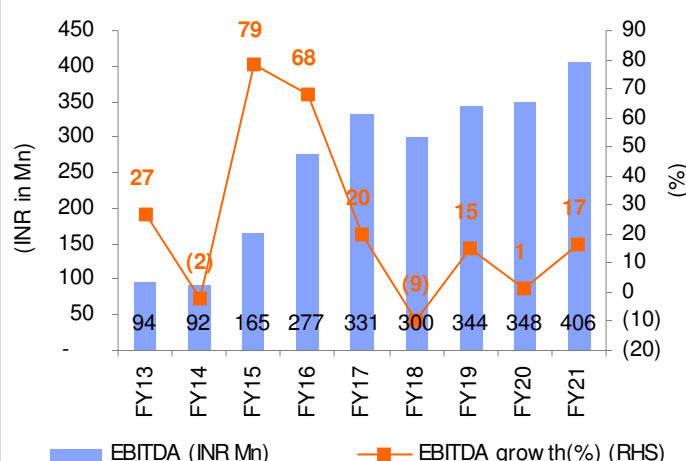
Mumbai based Fineotex group was founded by Mr. Surendra Tibrewala in 1979. Fineotex group is one of the leading manufacturers of chemicals for textiles, construction, water-treatment, fertilizer, leather and paint industry. Fineotex manufactures and provides entire range of products for Pre-treatment Process, dyeing Process, printing process and finishing process for the textile processing to customers across the globe. The Company has a diverse product portfolio (400+ categories) across business segments with business in 60+ countries across the globe. The company has manufacturing facilities, located at Mahepe Navi Mumbai, Ambernath, Maharashtra and Selangor, Malaysia with a combined production capacity of 79,000 MTPA. The Company has recently forayed into the home care and hygiene division with products across housekeeping, kitchen care and disinfection categories. FCL has 2 R&D laboratories in Mumbai, equipped with all modern age equipment. While, the company has a network of 100+ dealers in Indian and International markets.

Exhibit 10: Revenue and Revenue growth (%)



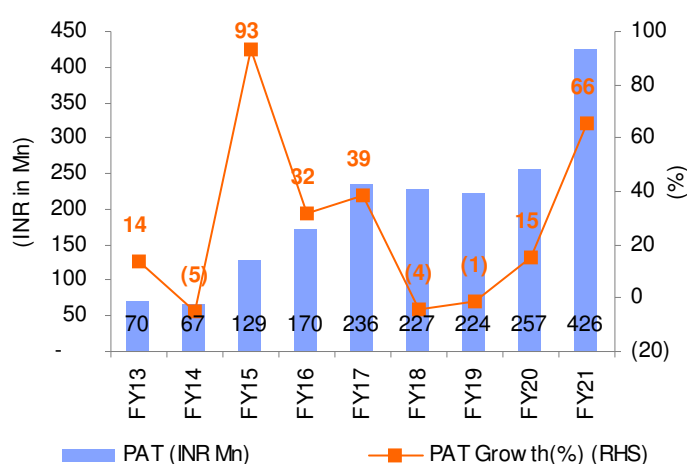
Source: Company, Antique

Exhibit 11: EBITDA and EBITDA growth(%)



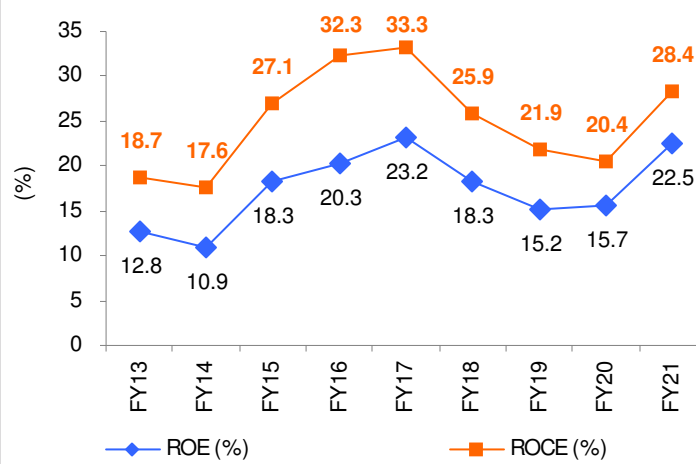
Source: Company, Antique

Exhibit 12: PAT and PAT growth(%)



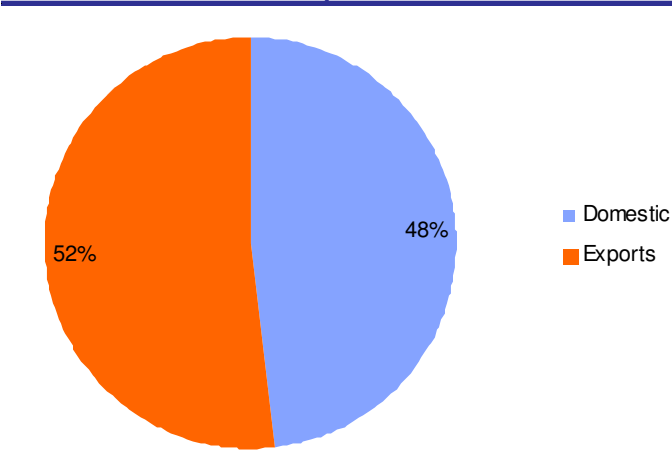
Source: Company, Antique

Exhibit 13: ROE & ROCE (%)



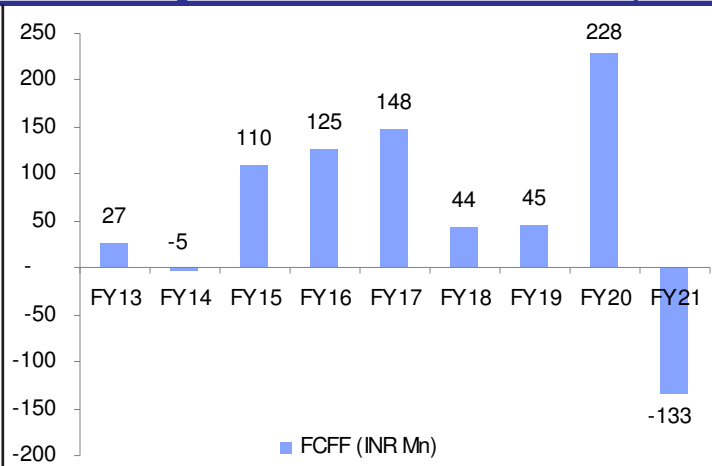
Source: Company, Antique

Exhibit 14: Revenue Break-up- FY21



Source: Company, Antique

Exhibit 15: FCF generation to increase with enhanced capex



Source: Company, Antique

Financials

Profit and loss account (INRm)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
Net Revenue	1,281	1,411	1,823	1,963	2,185
Op. Expenses	950	1,111	1,479	1,615	1,779
EBITDA	331	300	344	348	406
Depreciation	6	7	10	12	15
EBIT	325	293	334	336	391
Other income	40	52	9	16	175
Interest Exp.	4	6	8	6	7
Extra Ordinary Items -gain/(loss)	-	-	(2)	126	-
Reported PBT	360	339	333	472	559
Tax	91	100	93	77	113
Reported PAT	269	240	240	396	446
Minority Int./Profit (loss) From Asso.	33	13	18	12	20
Net Profit	302	252	258	408	465
Adjusted PAT	236	227	224	257	426
Adjusted EPS (INR)	2.1	2.0	2.0	2.3	3.8

Balance sheet (INRm)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
Share Capital	223	223	223	223	221
Reserves & Surplus	902	1,135	1,365	1,474	1,872
Networth	1,125	1,357	1,588	1,697	2,093
Debt	11	46	21	28	34
Minority Interest	72	62	57	63	67
Net deferred Tax liabilities	(4)	(2)	2	(5)	7
Capital Employed	1,204	1,464	1,667	1,783	2,202
Gross Fixed Assets	258	266	345	403	605
Accumulated Depreciation	24	13	23	35	49
Capital work in progress	-	1	1	6	46
Net Fixed Assets	234	255	323	374	602
Investments	508	585	519	563	362
Non Current Investments	508	585	519	563	362
Current Assets, Loans & Adv.	655	769	1,105	1,136	1,707
Inventory	131	211	251	211	288
Debtors	292	279	491	538	827
Cash & Bank balance	131	80	147	179	339
Loans & advances and others	100	199	215	207	254
Current Liabilities & Prov.	193	146	280	290	469
Liabilities	155	109	209	234	368
Provisions	38	37	71	56	101
Net Current Assets	462	624	825	846	1,238
Application of Funds	1,204	1,464	1,667	1,783	2,202

Per share data

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
No. of shares (m)	111	111	111	111	111
Diluted no. of shares (m)	111	111	111	111	111
BVPS (INR)	10.1	12.2	14.3	15.2	18.9
CEPS (INR)	2.5	2.2	2.2	3.7	4.2
DPS (INR)	0.1	0.2	0.1	0.1	-

Source: Company, Antique

Cash flow statement (INRm)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
PBT	382	339	336	220	559
Depreciation & amortisation	6	7	10	12	15
Interest expense	4	6	8	6	7
(Inc)/Dec in working capital	(0)	(148)	(128)	6	(237)
Tax paid	(114)	(92)	(96)	(80)	(96)
Less: Interest/Div. Income Recd.	(5)	(5)	(3)	(7)	(16)
Other operating Cash Flow	(82)	(43)	(7)	126	(138)
CF from operating activities	191	63	120	284	93
Capital expenditure	(48)	(25)	(79)	(63)	(242)
Inc/(Dec) in investments	(21)	(90)	107	(134)	263
Add: Interest/Div. Income Recd.	(40)	20	14	7	(86)
CF from investing activities	(109)	(94)	42	(190)	(65)
Inc/(Dec) in share capital	(22)	-	-	-	(18)
Inc/(Dec) in debt	(20)	2	(1)	(1)	-
Dividend Paid	(13)	(34)	(26)	(32)	(13)
Others	(3)	(4)	(8)	(6)	(13)
CF from financing activities	(58)	(36)	(34)	(39)	(44)
Net cash flow	24	(67)	128	55	(17)
Opening balance	-	103	36	164	218
Closing balance	-	36	164	218	201

Growth indicators (%)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
Revenue(%)	16.5	10.2	29.2	7.7	11.3
EBITDA(%)	19.6	(9.4)	14.9	1.0	16.6
Adj PAT(%)	38.7	(3.9)	-1.5	15.0	65.6
Adj EPS(%)	39.9	(3.9)	-1.5	15.0	66.5

Valuation (x)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
P/E	72.5	75.5	76.7	66.7	40.0
P/BV	15.2	12.6	10.8	10.1	8.1
EV/EBITDA	50.1	55.6	48.1	47.6	40.4
EV/Sales	12.9	11.8	9.1	8.4	7.5
Dividend Yield (%)	0.1	0.1	0.1	0.0	-

Financial ratios

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
RoE (%)	23.2	18.3	15.2	15.7	22.5
RoCE (%)	33.3	25.9	21.9	20.4	28.4
Asset/T.O (x)	2.0	1.8	1.8	1.7	1.4
Net Debt/Equity (x)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)
EBIT/Interest (x)	93.2	60.6	41.2	55.9	78.2

Margins (%)

Year ended 31 Mar	FY17	FY18	FY19	FY20	FY21
EBITDA Margin(%)	25.8	21.2	18.9	17.7	18.6
EBIT Margin(%)	25.4	20.8	18.3	17.1	17.9
PAT Margin(%)	17.9	15.5	12.2	13.0	18.0

Source: Company Antique

Important Disclaimer:

This report has been prepared by Antique Stock Broking Limited (hereinafter referred to as ASBL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies).

ASBL is a Stock Broker having SEBI Registration No. INZ000001131 and Depository Participant having SEBI Registration No. IN-DP-CDSL-726-2014 registered with and regulated by Securities & Exchange Board of India.

ASBL and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group.

This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and ASBL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

We and our affiliates have investment banking and other business relationships with some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that ASBL and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of ASBL which may include earnings from investment banking and other business.

ASBL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, ASBL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. ASBL and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein; (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of ASBL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition ASBL has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt ASBL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold ASBL or any of its affiliates or employees responsible for any such misuse and further agrees to hold ASBL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent ASBL's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, ASBL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent ASBL and/or its affiliates from doing so. ASBL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. ASBL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

ASBL and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

ASBL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of ASBL or its associates during twelve months preceding the date of distribution of the research report.

ASBL and/or its affiliates and/or employees and/or relatives may have interests/positions, financial or otherwise of over 1% at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, ASBL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of ASBL research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement Companies where there is interest

- Analyst ownership of the stock - No
- Served as an officer, director or employee - No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ASBL & its group companies to registration or licensing requirements within such jurisdictions.

For U.S. persons only: This research report is a product of Antique Stock Broking Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by Antique Stock Broking Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Antique Stock Broking Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

SEBI Registration Number: INH000001089 as per SEBI (Research Analysts) Regulations, 2014.

CIN: U67120MH1994PLC079444

**Antique Stock Broking Limited**

20th Floor, A Wing, Naman Midtown
Senapati Bapat Marg, Elphinstone (West)
Mumbai 400013

Tel. : +91 22 4031 3444 • Fax : +91 22 4031 3445
www.antiquelimited.com

Handwritten signature/initials