

Clean Science and Technology



Novel chemistry at play

Swarnendu Bhushan- Research Analyst (Swarnendu.Bhushan@MotilalOswal.com)

Sarfraz Bhimani, CFA - Research Analyst (Sarfraz.Bhimani@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.


Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Our recent sector initiation report
on specialty chemicals



Clean Science and Technology: Novel chemistry at play

01

Page #3 
Summary

02

Page #6 
What does CSTL do and
where it stands


03

Page #7 
Spearheading incorporation of
green chemistry

04

Page #8 
Focus on specialty products


05

Page #11 
Financial story in charts

06

Page #12 
Valuation and view

07

Page #14 
Key Managerial Personnel are
technocrats

08

Page #15 
Financials and valuations

Clean Science and Technology

BSE Sensex

56,125

S&P CNX

16,705

CMP: INR1,438

TP: INR1,700 (+18%)

Buy



Bloomberg	CLEAN IN
Equity Shares (m)	106.2
M.Cap.(INRb)/(USDb)	152.7 / 2.1
52-Week Range (INR)	1784 / 1423
1, 6, 12 Rel. Per (%)	-21/-/-
12M Avg Val (INR M)	2656

Financial Snapshot (INR m)

Y/E March	FY22E	FY23E	FY24E
Sales	6,277	8,002	9,606
EBITDA	3,044	3,921	4,707
PAT	2,353	3,030	3,611
EPS (INR)	22.2	28.5	34.0
EPS Gr. (%)	18.6	28.8	19.2
BV/Sh.(INR)	69.6	93.9	122.8

Ratios

Net D:E	(0.2)	(0.3)	(0.4)
RoE (%)	36.8	34.9	31.4
RoCE (%)	35.8	34.2	30.9
RoIC (%)	74.1	76.2	74.4
Payout (%)	15.0	15.0	15.0

Valuations

P/E (x)	64.9	50.4	42.3
P/BV (x)	20.6	15.3	11.7
EV/EBITDA (x)	49.7	38.2	31.3
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	1.0	1.4	1.8

Shareholding pattern (%)

As On	June-21	Jul-21
Promoter	94.6	78.5
Others	5.4	21.5

Details of the Offer for Sale (OFS)

Shareholders	Proceeds from the OFS (INR million)
Promoter Selling Shareholders	5,536
Other Selling Shareholders	9,931
Total	15,466

Source: RHP

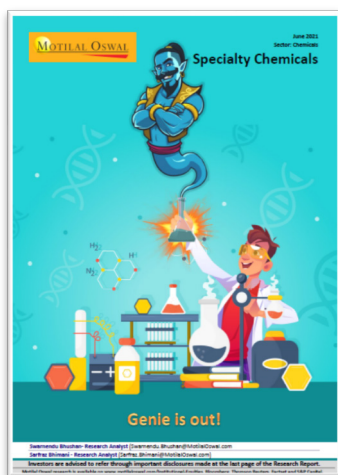
Novel chemistry at play

- Clean Science and Technology (CSTL) recently concluded its IPO via an offer for sale of INR15.5b, priced at INR900/share. Post the IPO the promoter shareholding stands at 78.5%.
- CSTL has emerged as the global leader in most of its product categories on the back of niche product offerings catering to polymer inhibitors / super-absorbents, anti-oxidants for the Food/Feed industry, pharma, home, and personal care. It has further bolstered its value chain through novel manufacturing technology based on green chemistry for one of the key raw materials.
- CSTL's streak is driven by its strong R&D capabilities – in both plant technological /engineering development as well as process innovation (based on greener chemistries). This has led to the gross margin expanding to 76% in FY21 from 62% in FY16 (the EBITDA margin expanded from 33% to 50.5% over FY16–21).
- The company has posted a robust revenue CAGR of ~29% in the last five years. We expect CSTL's revenues to grow at a CAGR of ~23% over FY21–24 (on the back of capacity additions at Unit-III in phases over FY22). The company plans to capture higher market share for its products.
- Its EBITDA margin is likely to remain robust at ~49%, with the gross margin at ~70% over FY21–24 – as the company continues to improve the yield of its products and processes. In view of its dominating product market share and ability to sustain the highest margins in the industry, we value the company at 50x FY24E EPS (as the company commands ROIC of ~75%) to arrive at Target Price of INR1,700/share. We initiate coverage on CSTL with a Buy rating.
- In our recently-released sector initiating report "[Genie is out](#)", we had highlighted that normally, companies with a higher proportion of specialty chemicals command richer valuations.

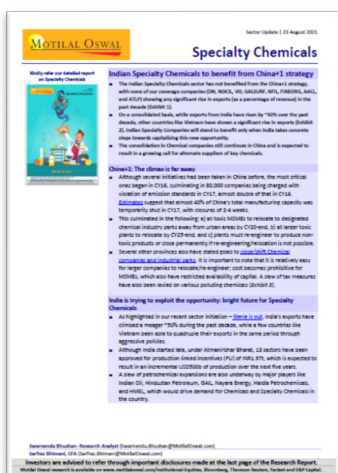
Largest manufacturer of multiple specialty chemicals

- CSTL is the largest producer of Monomethyl ether of hydroquinone (MEHQ), Butylated Hydroxy Anisole (BHA), and 4-Methoxy Acetophenone (4-MAP) globally. Furthermore, it has backward integrated into producing Anisole, a key raw material, and has even become the largest producer of Anisole globally. CSTL is also one of the top three global producers of the remaining three products.
- MEHQ is CSTL's largest selling product (48% of total revenue); the company holds a 52% global market share, which it expects to increase further to ~65% over the next 2–3 years.
- Most players in the Indian Specialty Chemicals industry view China as a competitor. However, CSTL rather sees the Chinese market as an opportunity as it supplies its products to this country – which contributed ~37% to its revenues in FY21 and is the biggest market for the company.

Our recent sector initiation report on specialty chemicals



Indian Specialty Chemicals to benefit from China+1 strategy



R&D – a key differentiator

- The company started producing Anisole through the liquid phase technology (an unclean and inefficient route) in 2017. **Through its in-house R&D, the company developed a greener route, vapor phase technology in 2018** (making it the only company globally to manufacture via this process).
- **Continuing its pursuit of process innovation through catalytic technology, CSTL has forayed into the Hindered Amine Light Stabilizers (HALS) series.** Applications for the same are in diverse end industries such as Polymerization Inhibitor, Water Treatment, Paint, Coatings, etc. The estimated global market size for HALS is USD1b and CSTL would be the first company to develop HALS series in India.
- **While many companies in the space only have a single R&D center, CSTL has a separate one for all its manufacturing facilities.** It is also setting up an R&D center at its third unit, where it proposes to install R&D equipment to synthesize new products and certain catalysts under development.

Focus on process innovation to aid margins

- **The introduction of (cost-effective) vapor phase technology and continued process innovation aided EBITDA margin improvement to 50.5% in FY21 from 33% in FY16 - resulting in an EBITDA CAGR of 40% over FY16–21** (a 53% CAGR in the last three years, led by the commissioning of the Anisole capacity in FY18).
- Unit-III (which would get commissioned in phases over FY22) would focus on Anisole (already commissioned in 1QFY22) and certain performance chemicals (although, the management has not provided any capacity bifurcation).
- **Unit-III would also have the first line of production dedicated to HALS series** (expected to be commercialized by 2HFY23), while additional production lines would be installed in Unit-IV.
- **Additional capacity expansion would drive further growth for the company, accompanied by low margin volatility, due to:**
 - Challenges faced in terms of competing on the cost and margins fronts, leading to likely consolidation or shutdowns at units globally
 - Further downstream/forward integration by CSTL into high-value products, which would offset any potential threat to its current high margins

Expansion of capacities for existing products to drive growth

- The global market for MEHQ, Anisole, and AP is expected to grow approximately ~6% over the next five years. For BHA, 4-MAP, and DCC, the market is expected to grow by ~4% over the same period.
- As we deep-dive into CSTL's segmental analysis below (and a review of its product offerings), **we expect continued market share gains on the back of its developed expertise (despite mid-single digit market growth for its products).**
- In order to meet the growing demand from end user industries, CSTL is in the process of **expanding its capacities by at least 20,000mt at Unit-III (in addition to its two existing units at Kurkumbh with total capacity of 29,900mt).** Its capacity utilization at end-FY21 was ~72%.
- **CSTL has also acquired land for Unit-IV, which would focus on stabilizers and other downstream intermediates for Pharma and Agro.**

Valuation and view – initiate with Buy

- CSTL is an integrated player for its key products and is likely to grow at a faster rate than the industry due to its cost advantage as well as the introduction of new products. On this consideration, **we forecast a revenue/EBITDA/PAT CAGR of 23%/22%/22% over FY21–24.**
- **CSTL is likely to generate FCF of INR6.4b over FY22–24E, with capex of INR3b planned over this period (INR1.5b each for units III and IV) – thus funding its capex purely via internal accruals and remain net cash going forward as well.**
- CSTL has guided for a dividend payout policy of ~15% in view of its better cash generation. It also completed buyback of equity share worth INR491m in FY20.
- The key risks to our recommendations are (a) the lack of innovation in future – which has helped CSTL differentiate itself from others until now, (b) rising prices of key raw materials such as Phenol, which could suppress its gross margins, (c) any adverse ruling on the usage of any of its key products, which could affect global demand and, in turn, sales.
- We value the company at 50x FY24 EPS (as it commands ROIC of ~75%) to arrive at Target Price of INR1,700/share and recommend a Buy rating on the stock.

Exhibit 1: Products manufactured at CSTL's manufacturing facilities

Manufacturing Facility	MEHQ	Guaiaicol	BHA	4-MAP	DCC	AP	Anisole	Catalyst	Stabilizer and other intermediates
Unit I	Yes	Yes	Yes	Yes			Yes	Yes	
Unit II	Yes	Yes			Yes	Yes	Yes	Yes	
Unit III	Yes	Yes	Yes				Yes		
Unit IV									Yes

Source: Company, MOFSL

Exhibit 2: Focus on R&D and innovation has led to new product launches on a consistent basis

Calendar year	Event
2021	❖ R&D breakthrough into the Hindered Amine Light Stabilizers (HALS) series
2020	❖ Commenced manufacturing DCC
2018	❖ Started manufacturing Anisole using vapor phase technology ❖ Commenced manufacturing AP
2017	❖ Commenced manufacturing Anisole using liquid phase technology
2014	❖ Commenced manufacturing BHA
2011	❖ Commenced manufacturing 4 MAP
2009	❖ Commenced manufacturing MEHQ and Guaiaicol

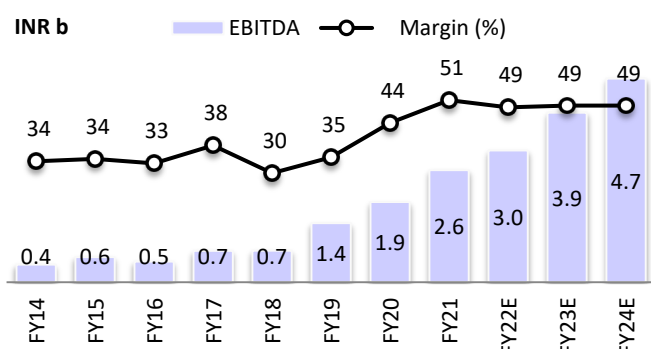
Source: Company, MOFSL

What does CSTL do and where it stands

Exhibit 3: CSTL's portfolio of products and their applications

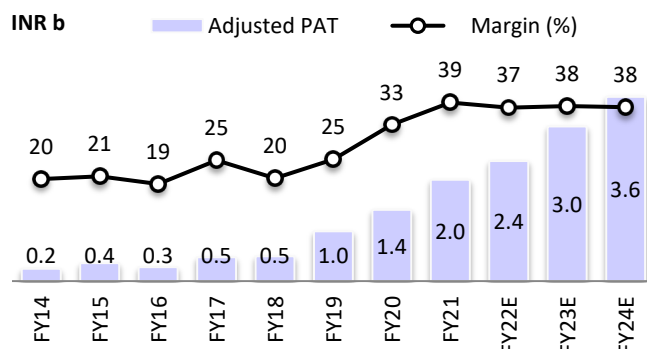
Product (Global Market Size)	CSTL Ranking	Application	Industry Category
MEHQ (12,500mt)	Largest globally	❖ Used as polymerization inhibitor in acrylic acids, acrylic esters, super absorbent polymers, precursor for the agrochemicals industry	❖ Agrochemicals and fertilizers, home and personal care, paints & coatings additives, textile chemicals
BHA (9,000mt)	Largest globally	❖ Used as anti-oxidant in food and feed industry	❖ Home and personal care
AP (450mt)	Second-largest in India	❖ Used in infant food formulations, breakfast cereals and cosmetics	❖ Home and personal care, pharma API
Guaiacol (60,000mt)	Third-largest globally and second-largest in India	❖ Precursor to manufacturing of APIs for cough syrup, key raw material for producing Vanillin	❖ Pharma API, flavours and fragrances ingredients
DCC (7,000mt)	Among the largest globally and largest in India	❖ Used as reagent in anti-retroviral	❖ Pharma API
4-MAP (7,200mt)	Largest globally	❖ Used in UV blocker in sunscreens	❖ Home and personal care, flavours and fragrances ingredients
Anisole (34,000mt)	Largest globally	❖ Precursor to perfumes, insect pheromones, pharmaceuticals, majority of anisole produced is used by CSTL for captive consumption	❖ Home and personal care, agrochemicals and fertilizers, pharma API

Exhibit 4: EBITDA margins to remain robust, as the company continues to improve yields of its products and processes...



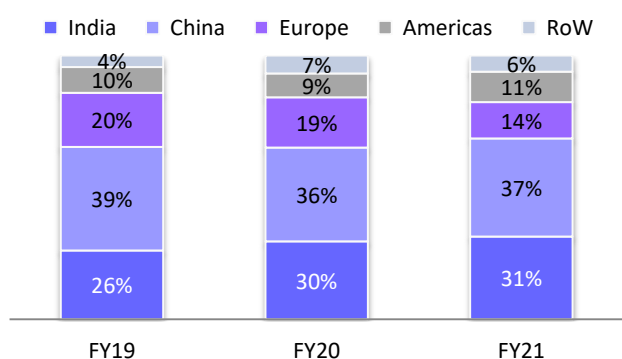
Source: Industry, MOFSL

Exhibit 5: ...with additions of capacity in FY22 (unit-III) and new range of products in Unit-IV (over next 2 years)



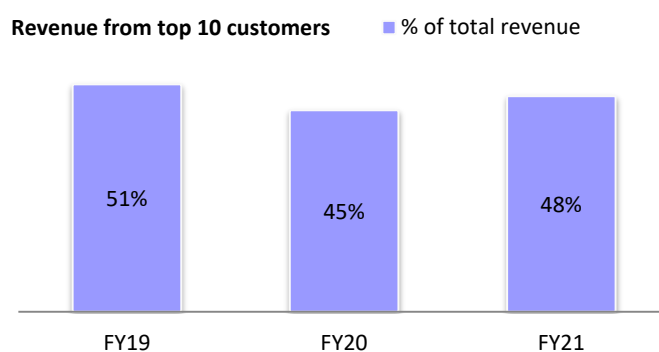
Source: Industry, MOFSL

Exhibit 6: CSTL's geographical revenue mix – China is the biggest market with ~37% contribution in FY21



Source: Company, MOFSL

Exhibit 7: % mix of top 10 customers is reducing and will fall further after commissioning of unit-IV



Source: Company, MOFSL

Spearheading incorporation of green chemistry

...Creating sustainable chemistry with more environment-friendly products

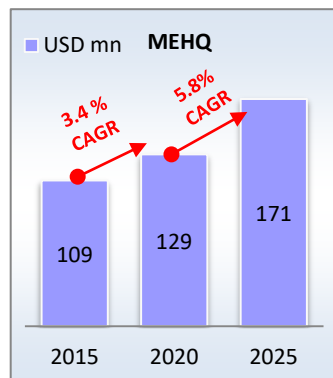
- Growing concerns over environmental and human health due to increasing pollution has led to a huge shift in focus of companies on sustainable and green chemicals.
- Green chemistry (GC) minimizes pollution at the molecular level to minimize impact on the environment by adopting new scientific processes and actively designing novel concepts to reduce emissions of hazardous substances. Such products either reduce energy and water consumption in the process, or reduce the chemical and biochemical waste generated – further lowering treatment costs.
- The global green chemicals market was valued at ~USD91b in 2019 and is expected to reach ~USD165b by the year 2027, expanding at a CAGR of 8.4% - driven by awareness-led consumption from industries like food and feed nutrition/additives, personal care and pharmaceuticals.
- The pharmaceutical industry was among the first to embrace green chemistry for its significant potential to reduce costs and risks. Green pharmaceuticals as a segment is projected to grow to USD96.2b in 2026.
- India's exports are on the rise as the country is becoming a central manufacturing hub for such chemicals. Tightening of environmental norms (e.g. REACH registration, evaluation, authorization and restriction of chemicals regulations) in the developed countries and a slowdown in China are further contributing to the growth in exports.
- Increasing R&D investment by several manufacturers in search of producing innovative and new applications of green chemical products will create lucrative opportunities for the massive development of the target market.

Exhibit 8: 12 key industry-wide principles of green chemistry



Focus on specialty products

...and emphasis on process innovation supports margins



The global demand for SAP in 2019 was about 3,861KT and is expected to grow at a CAGR of 6.2% by 2025. The strong demand from the baby diaper segment is projected to drive the overall growth.

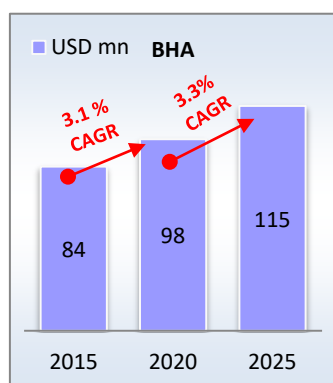
The current demand in India for SAP is about approximately 37KT which is entirely met by imports due to the absence of local producers. The demand for SAP in India is expected to grow at about ~12% by 2025.

Performance chemicals – 70% of total revenues

Monomethyl ether of hydroquinone (MEHQ)

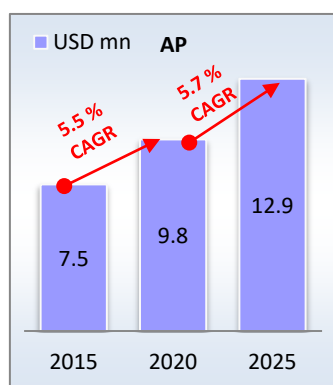
- MEHQ is an organic compound and a synthetic derivative of hydroquinone. Hydroquinone is basically an aromatic organic compound. **CSTL is the only producer globally to manufacture MEHQ by the hydroxylation of anisole.**
- It is mainly used as a polymerization inhibitor in the manufacturing of monomers and inks. It also serves as an API in the agrochemical and organic chemical manufacturing.
- However there are certain regulations on the exposure limit for MEHQ. Also, the use of Hydroquinone is banned in cosmetic products in Europe as well as several countries such as Japan, Australia and a number of African states.
- **MEHQ is also used as an intermediate to manufacture BHA (Butylated Hydroxy Anisole) – for which the company has already undertaken forward integration.**
- MEHQ is used as a stabilizer for acrylic acid and its salts. Stabilization is particularly necessary if the acrylic acid has to be transported and/or stored between manufacturing and processing. Inhibitors such as MEHQ (monomethyl ether hydroquinone) and PTZ (phenothiazine) are added to acrylic acid during the shipping and storage process to prevent its spontaneous polymerization.
- Superabsorbent polymers (SAP) are commonly made from the polymerization of acrylic acid blended with sodium hydroxide. They are essential in the production of numerous hygiene products such as infant diapers, feminine products and adult incontinence products that require high absorbency along with material strength and are of lightweight.

MEHQ	12,500mt market globally
1	CSTL
2	Solvay
3	Camlin Fine Science



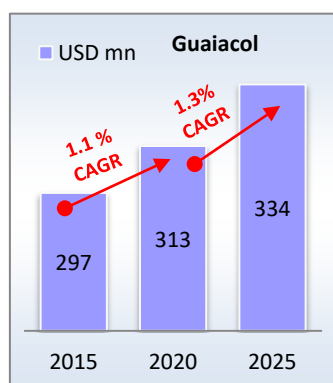
Butylated Hydroxy Anisole (BHA)

- CSTL began manufacturing BHA in 2014. The company is the largest producer of BHA globally (followed by Solvay and Camlin Fine Sciences).
- BHA is used as an anti-oxidant in the food and feed industry, in animal feed and nutrition and personal care. Antioxidants are used for providing protection to essential nutrients such as vitamins, fats, and pigments from deterioration.
- **CSTL manufactures sulphur-free BHA in India, as compared to other manufacturers.**
- India is one of the largest and fastest growing feed markets in the world. **The Indian animal feed market is poised to grow to ~USD11b by 2025, growing at a CAGR of ~14%.** The major factors that will contribute to the growth are increased demand for nutritious animal feed and growing livestock industrialization, among others.



Ascorbyl Palmitate (AP)

- Ascorbyl Palmitate (AP) is produced from ascorbic acid or vitamin C – thus, it is extensively used as an ingredient in anti-aging cosmetic products. **Anti-aging products account for 17% of the total active personal care ingredients market (which is expected to grow further at a CAGR of 6.5% going forward).**
- CSTL (which started producing AP in 2018) is the second-largest producer in India (other manufacturers include Shandong Huihai Pharma (China) and Hongrui Fine Chemicals (China), Tianxin Pharmaceutical Company Limited (China), Yasho Industries Private Limited (India), DSM Nutrition Products, and Camlin Fine Sciences (India).
- **As customers become more aware by reading beauty and personal care labels, it is becoming imperative for companies to move towards natural and organic chemicals.**
- The APAC region held a share of 35% in the global personal care market in 2019 and is expected to grow further at CAGR 9.3% and capture 42% of the total global market share by 2025. **The Indian Personal Care Ingredients market was valued at USD1.1b in 2019 and is expected to grow at a CAGR of 11% to USD2.1b by 2025.**

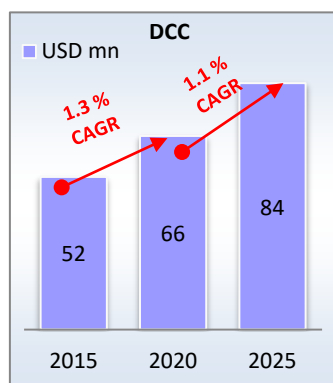


Pharmaceutical Intermediates –17% of revenues

Guaiacol

- CSTL is the third-largest producer globally (Solvay is the largest player) and the second-largest in India (Camlin Fine Sciences is the largest player).
- **Guaiacol is a precursor to manufacturing APIs and is primarily used in the pharmaceutical industry for the production of cough syrups. It is also used as a key raw material for Vanillin, a food and flavour enhancer.**

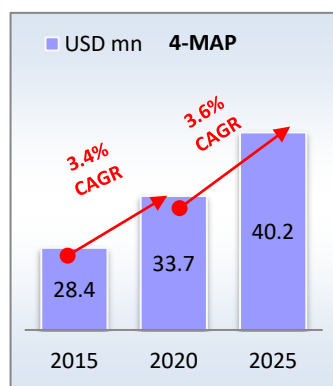
Guaiacol	60,000mt market globally
1	Solvay
2	Camlin Fine Science
3	CSTL



Dicyclohexyl Carbodimide (DCC)

- CSTL began manufacturing DCC in 2020 and has become the largest DCC player in India and one of the largest players globally within just two years of commencing production. **CSTL manufactures sulphur-free DCC without using carbon disulphide. It acts as an anti-retroviral reagent and is primarily used in the pharmaceutical industry.**
- DCC is used as a key starting material for producing APIs like Valaciclovir, Amikacin and Glutathione, among others.

DCC	7,000mt market globally
1	CSTL
2	Shandong Huihai Pharma
3	Hongrui Fine Chemicals

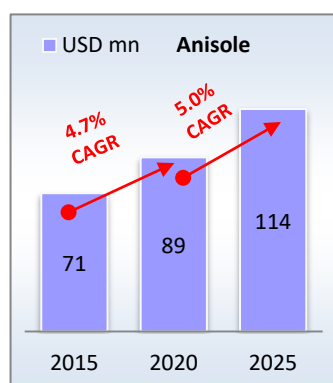


FMCG chemicals – 13% of revenues

4-Methoxy Acetophenone

- 4-MAP is a FMCG chemical with CSTL being its largest manufacturer globally. It is a specialty chemical with UV blocking properties and is primarily used as an API in the cosmetics industry.
- UV Filters account for 9% of the global API market (valued at USD373m in 2019). It is also used as a chemical intermediate for manufacturing cosmetic additives like Avobenzone.
- The company, through its catalytic processes, manufactures 4-MAP without using aluminium chloride, which is environmentally hazardous.

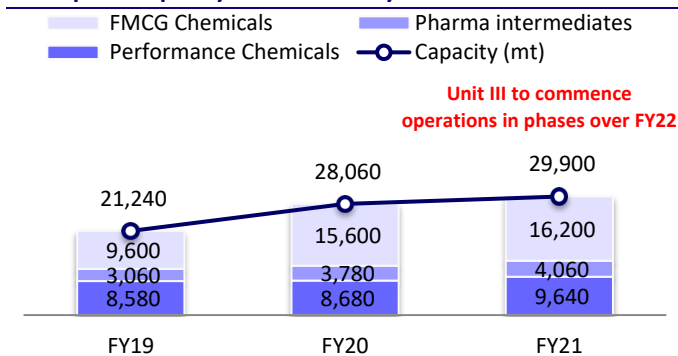
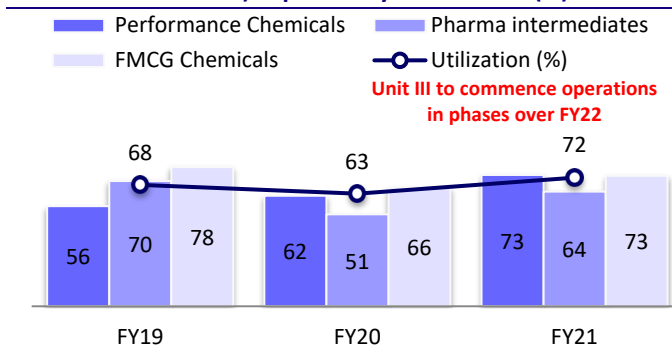
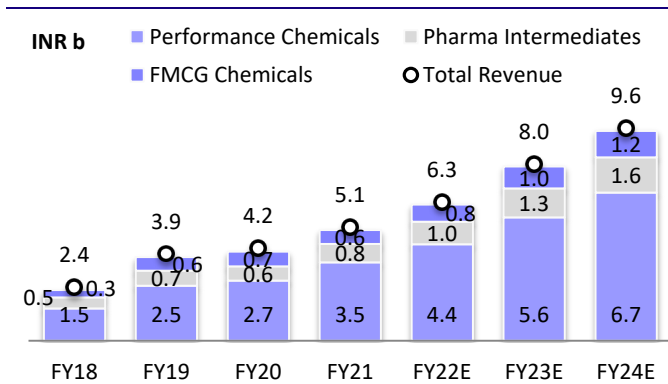
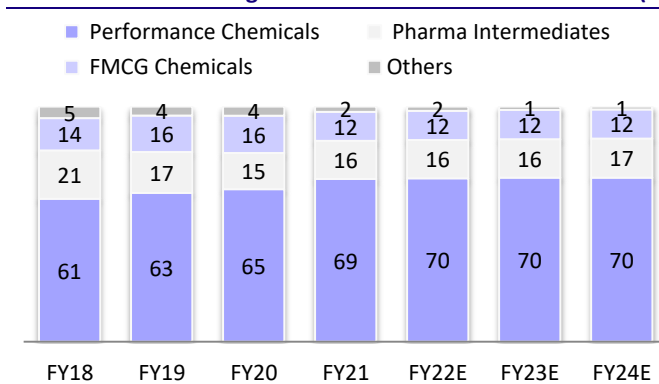
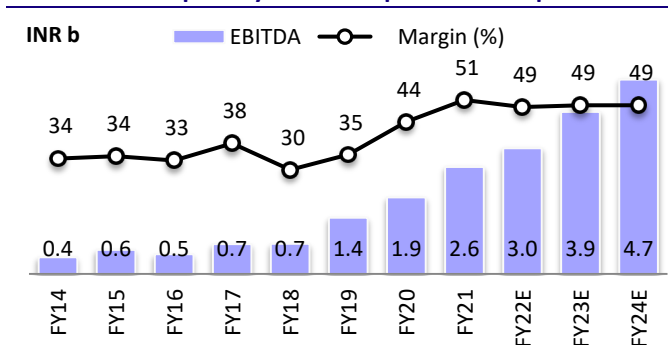
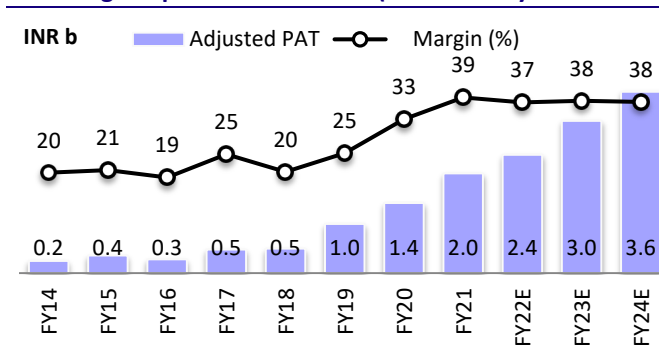
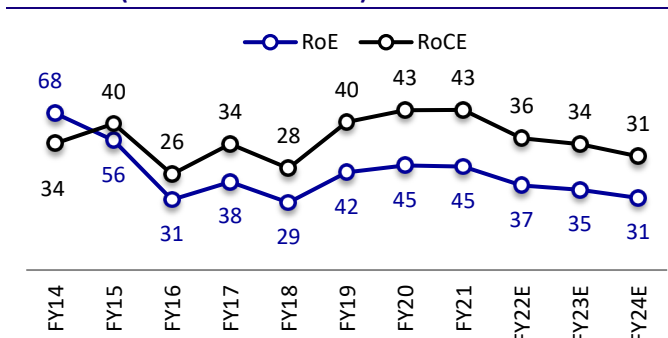
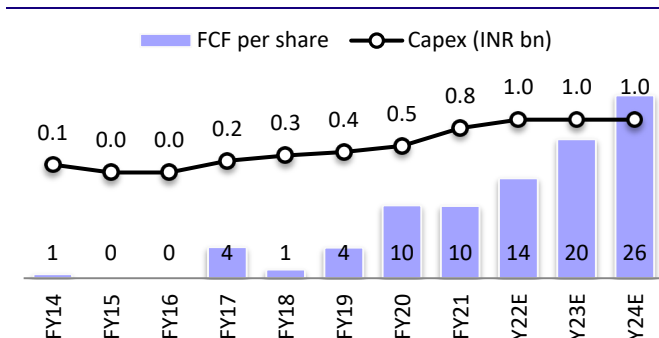
4-MAP	7,200mt market globally
1	CSTL
2	Haining Sino Fine
3	CososNajing



Anisole

- Anisole is CSTL's key raw material which the company began producing in 2017 using liquid-phase technology. Staying true to its motto of producing green chemicals, CSTL moved on to adopting the vapour-phase technology which leaves only water as residual discharge in 2018.
 - Anisole is primarily consumed actively by CSTL for manufacturing other key products, including MEHQ, Guaiacol, 4-MAP, and BHA.
 - The company is the world's largest manufacturer (in terms of manufacturing capacities), accounting for 45% - 55% of the global capacity. CSTL's other key competitors in the industry include Solvay, Atul Limited, and Westman Chemicals Private Limited (Mithila Rasayan Private Limited).
 - Anisole is a precursor to perfumes, insect pheromones, and pharmaceuticals. Synthetic anethole is formulated from anisole. The compound is mainly made synthetically and is a precursor to other synthetic compounds.
- By manufacturing anisole in-house, the company has not only reduced its dependence on suppliers but also achieved huge success in lowering the cost of production (in a much greener way), thereby aiding margins expansion over the last three years.
 - The company believes that its gross margin is likely to remain at around 66-71% going forward as well – on the back of further leveraging of the pronounced in-house technology for anisole.
 - We believe that with the commissioning of its Unit –IV, that is primarily focusing on stabilizers and other intermediates (i.e. downstream products) - the company's margins will remain at around similar levels if they do not expand from here on.

Financial story in charts

Exhibit 9: Backward integration into anisole increases CSTL's nameplate capacity over last two years**Exhibit 10: Commissioning of Unit-III (with MEHQ, BHA, Gaiacol and Anisole) expected by end of FY22 (%)****Exhibit 11: Revenue CAGR estimated at 23% over FY21-24E..****Exhibit 12: ...due to higher contribution from BHA and DCC (%)****Exhibit 13: EBITDA margins to remain robust, as CSTL continues to improve yields of its products and processes...****Exhibit 14: ...with additions of capacity in FY22 (unit-III) and new range of products in Unit-IV (over next 2 years)****Exhibit 15: Return profile to moderate due to capacity additions (at unit-III and unit-IV)****Exhibit 16: with a capex plan of INR3b (via internal accruals) over FY22-24E**

Source: Company, MOFSL

Source: Company, MOFSL

Valuation and view

Initiating with Buy rating

Our recent sector initiation report on specialty chemicals



- CSTL's backward integration into producing its key raw material - anisole – especially by using novel cost-effective vapour-phase technology has helped its gross margins improve from an average of 59% in FY15-19 to an average of 73% in FY20-21.
- The company recorded an average EBITDA margin of 34% during FY15-19 although stabilization of its backward integration into anisole resulted in its EBITDA margin rising to 44% in FY20 and further expansion to 50.5% in FY21 (as CSTL also added new product called DCC in 2020).
- However, it must be noted that the rising cost of phenol, which is the largest contributor to its raw material costs, could result in pressure on company's margin. Although, considering normalization in currently high phenols prices, we remain confident on CSTL's ability to maintain its EBITDA margin at current levels of ~49% as:
 - The company is erecting Unit-III of 20,000mt and further strengthening its capacity for anisole (already commissioned in 1QFY22) as well as performance products, which will aid its growth going forward. It has also acquired land for Unit-IV which would be used for manufacturing stabilizers and other intermediates for pharma and agro, thereby aiding its growth in the longer run.
 - CSTL's proven in-house R&D capability which it has exhibited by mastering the vapour phase production of anisole lends further confidence that such innovations could lead in the company's further differentiation in cost leadership against its global competitors. Management remains focused on gaining higher wallet share of its customers, and commanding further market share gain in its products.
- In our recently-released sector initiating report "[Genie is out](#)", we had highlighted that normally, companies with a higher proportion of specialty chemicals command richer valuations. Companies such as Navin Fluorine, Vinati Organics and Fine Organics trade at 36-40x while the likes of Atul, NOCIL and Deepak Nitrite trade at 19-31x FY23E EPS.
- CSTL is an integrated player for its key products and is likely to grow at a faster rate than the industry due to its cost advantage as well as introduction of new products. We value the company at 50x FY24E EPS and recommend a Buy rating on the stock.
- The key risk to our recommendations are- (a) lack of innovations by CSTL in the future that has helped it to differentiate from others until now, (b) rising prices of key raw materials like phenol, which can suppress its gross margins, (c) any adverse ruling on the usage of any of the key products that can affect their global demand and sales.

Exhibit 17: Peer comparison table for specialty chemicals companies under MOFSL coverage

Company	Rating	TP (INR)	Mkt Cap (USD B)	EPS (INR)			EPS CAGR, %		P/E (x)		ROE (%)	
				FY22E	FY23E	FY21-23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Alkyl Amines	Neutral	3,665	2.7	59	74	13	72	57	34	33		
Atul	Neutral	10,000	3.6	259	290	15	35	31	18	18		
Deepak Nitrite	Buy	2,350	3.9	69	78	17	31	27	34	30		
Fine Organic	Neutral	3,134	1.2	50	78	45	56	36	20	26		
Galaxy Surfact.	Buy	3,620	1.5	91	104	10	34	30	23	22		
Navin Fluo.Intl.	Neutral	4,040	2.4	58	96	37	67	40	16	23		
NOCIL	Buy	340	0.6	12	14	65	23	19	15	16		
Vinati Organics	Buy	2,220	2.5	34	45	31	53	40	21	23		
Clean Science	Buy	1,700	2.1	22	29	23	65	50	37	35		



Bull and Bear Case

Exhibit 18: Margin sustainability and robust growth from hereon – remains a key

TP (at 50x FY24E EPS)	(INR m)	FY21	FY22E	FY23E	FY24E	CAGR FY21-24E	Thesis
Bear Case	Revenue	5,124	5,876	6,740	7,734	15%	❖ Assuming revenue CAGR of ~15% over FY21-24E (as gaining further market share becomes tougher) - which results in EBITDA margins to fall ~45% (similar to FY20 levels) due to higher power and other costs
	EBITDA	2,590	2,644	3,033	3,480	10%	
INR1,250	EPS	18.7	19.2	22.0	25.0	10%	
Base Case	Revenue	5,124	6,277	8,002	9,606	23%	❖ Assuming revenue CAGR of ~23% over FY21-24E (on the back of commissioning of unit-III), with EBITDA margins normalization at ~49% going forward.
	EBITDA	2,590	3,044	3,921	4,707	22%	
INR1,700	EPS	18.7	22.2	28.5	34.0	22%	
Bull Case	Revenue	5,124	6,627	8,581	11,121	29%	❖ Assuming revenue CAGR of ~29% over FY21-24E (similar to that of FY16-21) on the back of capacity expansion (at unit-III and unit-IV), with EBITDA margins expansion to 52%.
	EBITDA	2,590	3,448	4,465	5,787	31%	
INR2,125	EPS	18.7	25.1	32.7	42.5	32%	

Source: Company, MOFSL

SWOT analysis

- ❖ CSTL is the world's largest producer of four out of the seven products that it manufactures, thus making it a market leader.
- ❖ It has strong and long standing customer relationships. Some of the customers have been associated with the company for more than 10 years.

S
STRENGTH



- ❖ The majority of CSTL's total revenues is generated from Performance Chemicals, especially MEHQ. Any demand contraction can affect the company's revenues.
- ❖ 48% of CSTL's total revenues is generated by its top 10 customers. If any customer moves away, CSTL's revenues are likely to be hit.

W
WEAKNESS



- ❖ CSTL is expanding its capacities by at least 20,000mt for its existing products and also for new products.
- ❖ Significant opportunities to strengthen presence in India and expand sales and distribution network in international markets.

O
OPPORTUNITY





- ❖ None of the company's catalytic processes is patented and others may be able to imitate the process technologies easily.
- ❖ Capacity expansion by domestic competitors (Camlin Fine Sciences and Atul) will result in pressure on CSTL's current high margins

T
THREATS

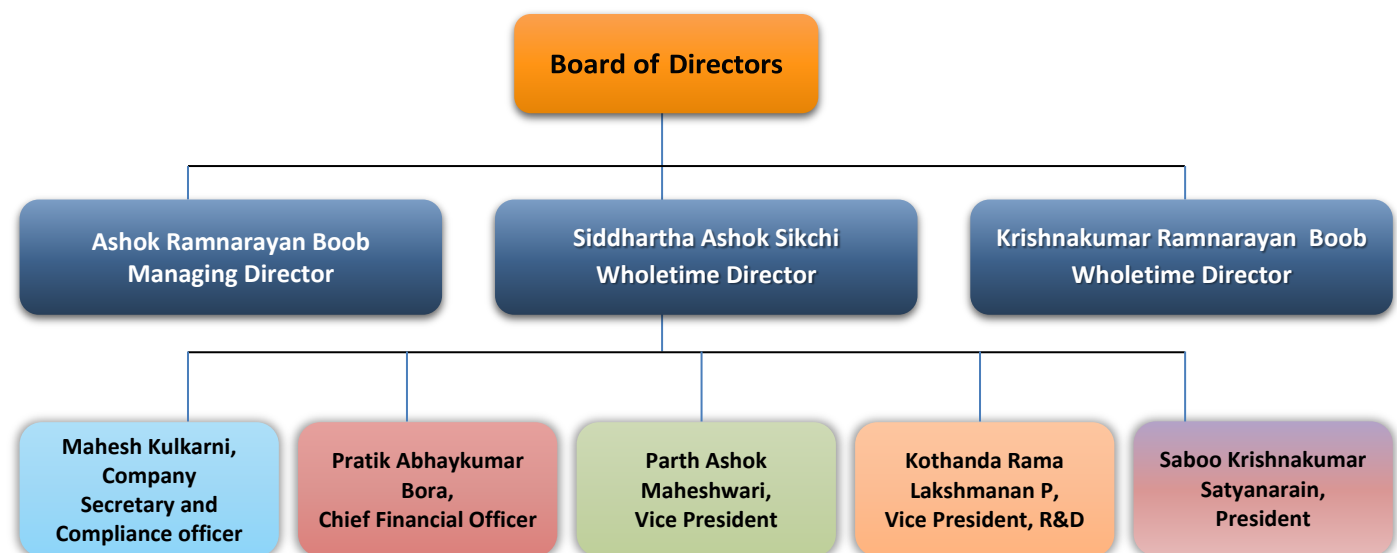


Key Managerial Personnel are technocrats

CSTL's Promoters overview

   	Ashok Boob Managing Director	<ul style="list-style-type: none"> ❖ Over 25 years of work experience in the chemical industry. ❖ Previously worked as an Executive Director at Mangalam Drugs and Organics Ltd. 	<ul style="list-style-type: none"> ❖ B.Chem. Engg. ICT, Mumbai, India
	Siddharth Sikchi Executive Director	<ul style="list-style-type: none"> ❖ Over fourteen years of experience in the chemical industry. 	<ul style="list-style-type: none"> ❖ M.Sc. University of Manitoba, Canada. ❖ B.Tech ICT, Mumbai
	Krishna Boob Executive Director	<ul style="list-style-type: none"> ❖ Close to two decades of expertise in the chemical industry. ❖ Previously, worked as Director at Mangalam Drugs and Organics Ltd. 	<ul style="list-style-type: none"> ❖ B.Pharm, University of Mumbai, India
	Parth Maheshwari Vice President	<ul style="list-style-type: none"> ❖ Over 5 years of work experience in the chemical industry. 	<ul style="list-style-type: none"> ❖ MBA –Babson College ❖ B.Chem. Engg., Savitribai Phule University, India

CSTL's management Organization Chart



Financials and valuations

Consolidated - Financial Snapshot

(INR M)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	1,905	2,411	3,933	4,193	5,124	6,277	8,002	9,606
Change (%)	31.6	26.5	63.1	6.6	22.2	22.5	27.5	20.0
Gross Margins (%)	64.3	53.0	56.5	69.2	75.9	70.0	70.0	69.0
EBITDA	723	729	1,363	1,853	2,590	3,044	3,921	4,707
Margin (%)	37.9	30.3	34.7	44.2	50.5	48.5	49.0	49.0
Depreciation	64	76	110	137	172	212	271	336
EBIT	659	654	1,253	1,716	2,417	2,832	3,650	4,371
Int. and Finance Charges	4	1	0	1	1	1	1	1
Other Income	42	46	113	109	256	314	400	456
PBT bef. EO Exp.	697	699	1,365	1,823	2,673	3,145	4,049	4,826
PBT after EO Exp.	697	699	1,365	1,823	2,673	3,145	4,049	4,826
Total Tax	229	212	389	427	689	792	1,019	1,215
Tax Rate (%)	32.8	30.4	28.5	23.4	25.8	25.2	25.2	25.2
Reported PAT	468	487	977	1,396	1,984	2,353	3,030	3,611
Adjusted PAT	468	487	977	1,396	1,984	2,353	3,030	3,611
Change (%)	72.1	3.9	100.7	43.0	42.1	18.6	28.8	19.2
Margin (%)	24.6	20.2	24.8	33.3	38.7	37.5	37.9	37.6

Consolidated - Balance Sheet

(INR M)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	14	14	14	13	106	106	106	106
Total Reserves	1,426	1,861	2,706	3,408	5,290	7,291	9,866	12,936
Net Worth	1,440	1,875	2,721	3,421	5,397	7,397	9,972	13,042
Total Loans	4	1	26	27	3	3	3	3
Deferred Tax Liabilities	108	100	139	102	176	176	176	176
Capital Employed	1,551	1,976	2,885	3,550	5,576	7,576	10,151	13,221
Gross Block	1,057	1,375	1,724	2,247	2,610	3,385	4,273	5,217
Less: Accum. Deprn.	286	351	454	591	752	964	1,236	1,572
Net Fixed Assets	771	1,024	1,270	1,656	1,859	2,421	3,037	3,645
Capital WIP	23	15	39	34	550	775	887	944
Total Investments	319	181	752	1,330	2,321	2,321	2,321	2,321
Curr. Assets, Loans&Adv.	675	1,137	1,213	1,279	1,870	3,244	5,415	8,122
Inventory	307	290	370	346	529	583	743	892
Account Receivables	214	397	598	698	742	977	1,246	1,496
Cash and Bank Balance	65	295	95	93	157	1,307	2,946	5,158
Cash	0	0	94	92	93	1,244	2,883	5,095
Bank Balance	0	295	0	1	63	63	63	63
Loans and Advances	89	155	151	142	442	377	480	577
Curr. Liability & Prov.	238	380	390	749	1,023	1,185	1,510	1,811
Account Payables	135	264	223	357	610	641	817	980
Other Current Liabilities	101	113	162	387	408	540	688	826
Provisions	2	3	4	5	5	5	5	5
Net Current Assets	437	756	824	530	846	2,059	3,905	6,311
Appl. of Funds	1,551	1,976	2,885	3,550	5,576	7,576	10,151	13,221

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Basic (INR)								
EPS	4.4	4.6	9.2	13.1	18.7	22.2	28.5	34.0
EPS Growth (%)	72.1	3.9	100.7	43.0	42.1	18.6	28.8	19.2
Cash EPS	5.0	5.3	10.2	14.4	20.3	24.2	31.1	37.2
BV/Share	13.6	17.7	25.6	32.2	50.8	69.6	93.9	122.8
DPS	0.3	0.2	0.9	1.0	0.3	3.3	4.3	5.1
Payout (%)	7.3	4.7	9.5	7.4	1.7	15.0	15.0	15.0
Valuation (x)								
P/E	326	314	156	109	77	64.9	50.4	42.3
Cash P/E	287	271	140	100	71	59	46	39
P/BV	106	81	56	45	28	21	15	12
EV/Sales	80	63	39	36	30	24	19	15
EV/EBITDA	211	209	112	82	59	50	38	31
Dividend Yield (%)	0	0	0	0	0	0	0	0
FCF per share	4	1	4	10	10	14	20	26
Return Ratios (%)								
RoE	38	29	42	45	45	36.8	34.9	31.4
RoCE	34	28	40	43	43	36	34	31
RoIC	39	35	51	64	77	74	76	74
Working Capital Ratios								
Fixed Asset Turnover (x)	2.7	2.7	3.4	2.9	2.9	2.9	2.9	2.9
Asset Turnover (x)	1.2	1.2	1.4	1.2	0.9	0.8	0.8	0.7
Inventory (Days)	59	44	34	30	38	34	34	34
Debtor (Days)	41	60	55	61	53	57	57	57
Creditor (Days)	26	40	21	31	43	37	37	37
Leverage Ratio (x)								
Current Ratio	2.8	3.0	3.1	1.7	1.8	2.7	3.6	4.5
Net Debt/Equity	0.0	-0.2	0.0	0.0	0.0	-0.2	-0.3	-0.4

Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	697	699	1,365	1,823	2,673	3,145	4,049	4,826
Depreciation	64	76	110	137	172	212	271	336
Others	-14	-18	-65	-67	-109	0	0	0
Direct Taxes Paid	-204	-219	-355	-424	-659	-792	-1,019	-1,215
(Inc)/Dec in WC	143	-89	-208	131	-149	-62	-208	-193
CF from Operations	690	449	848	1,601	1,928	2,505	3,094	3,755
(Inc)/Dec in FA	-222	-320	-388	-503	-840	-1,000	-1,000	-1,000
Free Cash Flow	468	129	460	1,098	1,088	1,505	2,094	2,755
Change in Investments	-302	144	-576	-563	-1,078	0	0	0
CF from Investments	-524	-175	-950	-1,063	-1,867	-1,000	-1,000	-1,000
Inc/(Dec) in Debt	-116	1	20	1	-24	0	0	0
Dividend Paid	-34	-51	-128	-153	-33	-353	-454	-542
CF from Fin. Activity	-148	-44	-98	-540	-59	-354	-455	-543
Inc/Dec of Cash	19	230	-200	-3	1	1,151	1,639	2,212
Opening Balance	46	65	295	95	92	93	1,244	2,883
Closing Balance	65	295	94	92	93	1,244	2,883	5,095

NOTES

REPORT GALLERY

RECENT SECTOR THEMATIC REPORTS



RECENT INITIATING COVERAGE REPORTS



Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst may have actual/beneficial ownership of 1% or more securities in the subject company in the past 12 months. MOFSL and its associate company(ies), their directors and Research Analyst 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 associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the past 12 months. MOFSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the past 12 months, MOFSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOFSL or its associates in the past 12 months.

MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOFSL 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. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

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.

Disclosure of Interest Statement**Clean Science and Technology**

Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

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 MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.:

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore:

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer: 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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL 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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.

CIN No.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579 ;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.