Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

May 18, 2022

Q4FY22 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	3,340		3,340	
Sales (Rs. m)	62,824	74,240	62,375	73,500
% Chng.	*0.7*	*1.0*		
EBITDA (Rs. m)	13,993	17,296	13,834	17,035
% Chng.	*1.2*	*1.5*		
EPS (Rs.)	69.6	83.5	70.6	83.5
% Chng.	*(1.4)*	*(0.1)*		

Key Financials - Consolidated

Y/e Mar	FY21	FY22	FY23E	FY24E
Sales (Rs. m)	45,770	52,995	62,824	74,240
EBITDA (Rs. m)	10,122	11,424	13,993	17,296
Margin (%)	*22.1*	*21.6*	*22.3*	*23.3*
PAT (Rs. m)	7,339	8,402	10,548	12,647
EPS (Rs.)	48.4	55.5	69.6	83.5
Gr. (%)	*46.6*	*14.5*	*25.5*	*19.9*
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*18.4*	*14.7*	*16.0*	*16.6*
RoCE (%)	*19.2*	*15.8*	*17.4*	*19.2*
EV/Sales (x)	8.3	7.1	5.9	4.9
EV/EBITDA (x)	37.3	33.0	26.3	20.9
PE (x)	54.3	47.4	37.8	31.5
P/BV (x)	7.5	6.5	5.6	4.9

Key Data	PIIL.BO | PI IN
52-W High / Low	Rs.3,535 / Rs.2,334
Sensex / Nifty	54,209 / 16,240
Market Cap	Rs.399bn/ $ 5,143m
Shares Outstanding	152m
3M Avg. Daily Value	Rs.612.7m

Shareholding Pattern (%)

Promoter's	46.74
Foreign	16.44
Domestic Institution	25.33
Public & Others	11.49
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(10.0)	(8.4)	(4.1)
Relative	(5.1)	0.8	(11.2)

Himanshu Binani
himanshubinani@plindia.com | 91-22-66322232

P.I. Industries (PI IN)

Rating: BUY | CMP: Rs2,630 | TP: Rs3,340

In-line quarter; Guidance remains strong for FY23

Quick Pointers:

- CSM/domestic revenue growth of 11%/47% YoY respectively
- Revenue growth guidance of 18-20% in FY23

PI Industries (PI) 4QFY22 results were in line with our and consensus estimates. Revenue/EBITDA/PAT grew 17%/34%/14% YoY. Key highlights are: (a) CSM revenue grew 11% YoY to Rs11.1bn (FY22 +20% YoY to Rs39.9bn); although on a higher base; (b) domestic revenue grew 47% YoY to Rs2.8bn (FY22 +4% YoY to Rs13.0bn); (c) Growth of 17% YoY in 4QFY22 was largely driven by volume/price growth of 10%/7% YoY respectively (FY22 Volume/Price growth of 13%/3% YoY); (d) Gross margins improved by 200bps YoY to 44.1% YoY which negated the inflated RM cost and lower export benefits; (e) CSM order book remains steady at USD1.4bn, flat sequentially; (h) launched 4/9 new products in domestic/exports market during FY22. Going forward, PI has guided for 18-20% YoY growth in revenues with margins likely to improve from current levels primarily led by strong enquiries in the CSM business and new launches in the domestic segment. We broadly maintain FY23/FY24 EPS. We expect PI to report revenue/PAT CAGR of 18%/ 23% (FY11-22, 20%/26%) over FY22-24E. Maintain BUY with unchanged TP of INR3,340 based on 40xFY24 EPS.

Healthy revenue growth despite higher base of last year: Consolidated revenue was up 17% YoY to Rs13.9bn (PLe Rs13.9bn) largely driven by 10%/7% volume/price growth in 4QFY22 (FY22; 13%/3% YoY growth in volume/Price). CSM grew 11% YoY to Rs11.1bn (FY22, +20% YoY to Rs39.9bn) on high base largely driven by strong volume and price growth across key products. Domestic revenue was up 47% YoY to Rs2.8bn (FY22,+4% YoY to Rs13.0bn) primarily aided by healthy response to newly launched product Awkira and supported by price hikes in the recent past. Inflationary raw material cost scenario coupled with lower export incentives offset by favorable product mix and price hikes led to stable margins. Gross margins were up 200bps YoY to 44.1% in 4QFY22. PI has taken price hikes in both CSM and domestic business which is likely to be reflected in the subsequent quarters. Higher other expenses up 17% YoY (FY22 up 31% YoY) led by higher freight cost and one-time cost pertaining to several strategic initiatives and Covid-19 related expenses. EBITDA margin expanded by 290bps YoY to 21.9% (PLe 20.3%). While, higher tax outgo with tax rate at 24% as against 19% in base quarter has resulted into PAT growth of 14% YoY to INR2.0bn (PLe Rs2.1bn).

Other highlights

Product commercialization in CSM: PI commercialized 9 new molecules during FY22, while 6-7 more products are planned to commercialize in FY23. PI has more than 40 products at different stages of scale up in the CSM segment. Further, the R&D pipeline has more than 20% of the products from the non-agrochemical segment.

New product launches in domestic market: PI launched 4 new products (2 new 9(3) products) (Insecticide for rice and three specialty fungicide focused on horticulture/rice crop) during FY22. While the Company has 15 products at different development stages.

Aggressively pursuing horticulture under 'Jivagro' brand- launched 13 new products in FY22; with 5 new innovative products to be launched in FY23.

Order book: CSM order book position stood at USD1.4bn, flat QoQ.

Capex: Spent Rs3.2bn in FY22 and is expected to incur ~Rs5bn in FY23 largely towards investing in new technology and maintenance capex.

Cash balance: PI has cash (net of debt) of INR21.6bn. It includes QIP money of INR19.7bn which are invested in liquid funds.

RM Inventory on the higher side at Rs14.2bn, up 35% YoY in order to avert supply chain disruptions and meet customer supply schedules.

Pharma acquisition: PI is exploring opportunity for in-organic growth both into the domestic as well into the exports market which is expected to close in 3-4quarters.

Guidance: PI Industries remains confident to achieve revenue growth of 18-20% for FY23. Despite cost related headwinds, the company has taken price hikes both in the domestic and CSM segment to pass on the inflated cost which should support margins going forward. Tax rate is likely to remain in the range of 18-19% for FY23E.

Exhibit 1: Q4FY22 Result Overview (Rs mn)

Y/e March	4QFY22	4QFY21	YoY gr. (%)	3QFY21	QoQ gr. (%)	FY22	FY21	YoY gr. (%)
Revenues	**13,952**	**11,971**	***16.5***	**13,563**	***2.9***	**52,995**	**45,770**	***15.8***
Raw material	7,804	6,930	*12.6*	7,267	*7.4*	29,228	25,712	*13.7*
Staff costs	1,140	1,096	*4.0*	1,254	*(9.1)*	4,804	4,169	*15.2*
Others	1,958	1,671	*17.2*	2,077	*(5.7)*	7,539	5,767	*30.7*
Total expenditure	10,902	9,697	*12.4*	10,598	*2.9*	41,571	35,648	*16.6*
EBITDA	**3,050**	**2,274**	***34.1***	**2,965**	***2.9***	**11,424**	**10,122**	***12.9***
Depreciation	536	448	*19.6*	503	*6.6*	2,018	1,748	*15.4*
EBIT	**2,514**	**1,826**	***37.7***	**2,462**	***2.1***	**9,406**	**8,374**	***12.3***
Less: Interest Expense	27	44	*(38.6)*	33	*(18.2)*	128	282	*(54.6)*
Add: Other income	200	442	*(54.8)*	260	*(23.1)*	1,014	1,249	*(18.8)*
Profit Before Tax	**2,687**	**2,224**	***20.8***	**2,689**	***(0.1)***	**10,292**	**9,341**	***10.2***
Less: Provision for Tax	649	425	*52.7*	466	*39.3*	1,890	2,002	*(5.6)*
Less: Minority Interest	6	-1	*NA*	3	*100.0*	-	-	*NA*
Adjusted Profit	**2,044**	**1,798**	***13.7***	**2,226**	***(8.2)***	**8,402**	**7,339**	***14.5***
Add: Exceptional items	-	-	*NA*	-	*NA*	-	-	*NA*
Reported profit	**2,044**	**1,798**	***13.7***	**2,226**	***(8.2)***	**8,402**	**7,339**	***14.5***
Minority interest								
No. of Diluted shares outstanding (mn)	152	152		152		152	152	
Adjusted Diluted EPS	**13.5**	**11.9**	***13.7***	**14.7**	***(8.2)***	**55.5**	**48.4**	***14.5***
As % of net revenues								
Raw material	55.9	57.9		53.6		55.2	56.2	
Staff expenses	8.2	9.2		9.2		9.1	9.1	
Other expenses	14.0	14.0		15.3		14.2	12.6	
EBITDA	21.9	19.0		21.9		21.6	22.1	
Net profit	14.7	15.0		16.4		15.9	16.0	

Source: Company, PL

Exhibit 2: Quarterly CSM Revenue and Growth Trend

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
CSM Revenue	6,010	5,010	6,390	6,440	6,830	6,140	7,990	9,020	10,060	8,070	9,930	10,760	11,142
Growth YoY (%)	39.0	70.3	58.4	19.3	13.6	22.6	25.0	40.1	47.3	31.4	24.3	19.3	10.8

Source: Company, PL

Exhibit 3: Quarterly Domestic Revenue and Growth Trend

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Domestic Revenue	2,038	2,531	2,684	2,058	1,722	4,461	3,587	2,601	1,911	3,868	3,610	2,803	2,810
Growth YoY(%)	5.7	(18.7)	(16.0)	22.9	(15.5)	76.3	33.6	26.4	11.0	(13.3)	0.6	7.8	47.0

Source: Company, PL

Exhibit 4: Quarterly EBITDA & EBITDA Margin

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
EBITDA (INR Mn)	1,735	1,514	1,925	1,865	1,863	2,292	2,801	2,755	2,274	2,489	2,920	2,965	3,050
EBITDA Margin(%)	21.6	20.1	21.2	21.9	21.8	21.6	24.2	23.7	19.0	20.8	21.6	21.9	21.9

Source: Company, PL

Exhibit 5: Quarterly CSM Order book and Quarterly Growth Trend

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
CSM Order book (USD Mn)	1,350	1,400	1,400	1,400	1,500	1,500	1,500	1,500	1,500	1,500	1,400	1,400	1,400
Growth QoQ (%)	3.8	3.7	-	-	7.1	-	-	-	-	-	(6.7)	-	-

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Net Revenues	**45,770**	**52,995**	**62,824**	**74,240**
YoY gr. (%)	*36.0*	*15.8*	*18.5*	*18.2*
Cost of Goods Sold	25,712	29,228	34,471	40,568
Gross Profit	20,058	23,767	28,353	33,672
Margin (%)	*43.8*	*44.8*	*45.1*	*45.4*
Employee Cost	4,169	4,804	5,660	6,523
Other Expenses	5,767	7,539	8,700	9,853
EBITDA	**10,122**	**11,424**	**13,993**	**17,296**
YoY gr. (%)	*41.0*	*12.9*	*22.5*	*23.6*
Margin (%)	*22.1*	*21.6*	*22.3*	*23.3*
Depreciation and Amortization	1,748	2,018	2,364	2,665
EBIT	**8,374**	**9,406**	**11,630**	**14,631**
Margin (%)	*18.3*	*17.7*	*18.5*	*19.7*
Net Interest	282	128	202	136
Other Income	1,249	1,014	1,144	1,313
Profit Before Tax	**9,341**	**10,292**	**12,571**	**15,809**
Margin (%)	*20.4*	*19.4*	*20.0*	*21.3*
Total Tax	2,002	1,890	2,023	3,162
Effective tax rate (%)	*21.4*	*18.4*	*16.1*	*20.0*
Profit after tax	**7,339**	**8,402**	**10,548**	**12,647**
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**7,339**	**8,402**	**10,548**	**12,647**
YoY gr. (%)	*61.0*	*14.5*	*25.5*	*19.9*
Margin (%)	*16.0*	*15.9*	*16.8*	*17.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**7,339**	**8,402**	**10,548**	**12,647**
YoY gr. (%)	*61.0*	*14.5*	*25.5*	*19.9*
Margin (%)	*16.0*	*15.9*	*16.8*	*17.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,339	8,402	10,548	12,647
Equity Shares O/s (m)	**152**	**152**	**152**	**152**
EPS (Rs)	**48.4**	**55.5**	**69.6**	**83.5**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Non-Current Assets				
Gross Block	**27,370**	**32,531**	**37,431**	**41,481**
Tangibles	26,185	31,336	35,886	39,936
Intangibles	1,185	1,195	1,545	1,545
Acc: Dep / Amortization	**5,988**	**8,006**	**10,370**	**13,034**
Tangibles	5,988	8,006	10,370	13,034
Intangibles	-	-	-	-
Net fixed assets	**21,382**	**24,525**	**27,062**	**28,447**
Tangibles	20,197	23,330	25,517	26,902
Intangibles	1,185	1,195	1,545	1,545
Capital Work In Progress	2,875	1,145	1,213	1,214
Goodwill	-	-	-	-
Non-Current Investments	54	258	458	658
Net Deferred tax assets	(796)	(875)	(875)	(875)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	7,079	8,547	8,547	8,547
Inventories	10,528	14,234	12,076	13,158
Trade receivables	7,035	8,687	10,369	12,260
Cash & Bank Balance	16,195	14,102	22,137	28,948
Other Current Assets	2,212	2,391	2,391	2,391
Total Assets	**70,019**	**77,911**	**88,274**	**99,645**
Equity				
Equity Share Capital	152	152	152	152
Other Equity	53,272	61,052	70,414	81,785
Total Networth	**53,424**	**61,204**	**70,566**	**81,936**
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,574	1,699	-	-
Trade payables	7,960	9,242	9,214	10,855
Other current liabilities	552	357	3,085	1,444
Total Equity & Liabilities	**70,019**	**77,911**	**88,274**	**99,644**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
PBT	9,385	10,328	12,571	15,809
Add. Depreciation	1,748	2,018	2,364	2,665
Add. Interest	282	128	202	136
Less Financial Other Income	1,249	1,014	1,144	1,313
Add. Other	(1,216)	(160)	(1,144)	(1,313)
Op. profit before WC changes	10,199	12,314	13,993	17,296
Net Changes-WC	(1,303)	(5,276)	3,176	(2,973)
Direct tax	(1,647)	(1,751)	(2,023)	(3,162)
Net cash from Op. activities	**7,249**	**5,287**	**15,146**	**11,161**
Capital expenditures	(4,375)	(3,362)	(4,968)	(4,051)
Interest / Dividend Income	-	-	1,144	1,313
Others	(19,698)	2,258	(200)	(200)
Net Cash from Invt. activities	**(24,073)**	**(1,104)**	**(4,024)**	**(2,938)**
Issue of share cap. / premium	19,789	-	-	-
Debt changes	(1,786)	(720)	(1,699)	-
Dividend paid	(607)	(758)	(1,186)	(1,277)
Interest paid	(244)	(85)	(202)	(136)
Others	(248)	(210)	10,296	-
Net cash from Fin. activities	**16,904**	**(1,773)**	**7,209**	**(1,412)**
Net change in cash	**150**	**2,410**	**18,331**	**6,811**
Free Cash Flow	2,859	1,916	10,178	7,110

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Net Revenue	**11,938**	**13,542**	**13,563**	**13,952**
YoY gr. (%)	*12.6*	*17.0*	*16.7*	*16.5*
Raw Material Expenses	6,714	7,443	7,267	7,804
Gross Profit	5,224	6,099	6,296	6,148
Margin (%)	*43.8*	*45.0*	*46.4*	*44.1*
EBITDA	**2,489**	**2,920**	**2,965**	**3,050**
YoY gr. (%)	*8.6*	*4.2*	*7.6*	*34.1*
Margin (%)	*20.8*	*21.6*	*21.9*	*21.9*
Depreciation / Depletion	487	492	503	536
EBIT	**2,002**	**2,428**	**2,462**	**2,514**
Margin (%)	*16.8*	*17.9*	*18.2*	*18.0*
Net Interest	34	34	33	27
Other Income	277	277	260	200
Profit before Tax	**2,245**	**2,671**	**2,689**	**2,687**
Margin (%)	*18.8*	*19.7*	*19.8*	*19.3*
Total Tax	405	370	466	649
Effective tax rate (%)	*18.0*	*13.9*	*17.3*	*24.2*
Profit after Tax	**1,840**	**2,301**	**2,223**	**2,038**
Minority interest	32	(5)	3	(6)
Share Profit from Associates	-	-	-	-
Adjusted PAT	**1,808**	**2,306**	**2,220**	**2,044**
YoY gr. (%)	*33.0*	*5.9*	*13.4*	*13.6*
Margin (%)	*15.1*	*17.0*	*16.4*	*14.7*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,808**	**2,306**	**2,220**	**2,044**
YoY gr. (%)	*33.0*	*5.9*	*13.4*	*13.6*
Margin (%)	*15.1*	*17.0*	*16.4*	*14.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,808**	**2,306**	**2,220**	**2,044**
Avg. Shares O/s (m)	152	152	152	152
EPS (Rs)	**11.9**	**15.2**	**14.7**	**13.5**

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22	FY23E	FY24E
Per Share(Rs)				
EPS	48.4	55.5	69.6	83.5
CEPS	60.0	68.8	85.2	101.1
BVPS	352.6	403.9	465.7	540.8
FCF	18.9	12.6	67.2	46.9
DPS	-	-	-	-
Return Ratio(%)				
RoCE	19.2	15.8	17.4	19.2
ROIC	32.3	20.9	27.1	30.2
RoE	18.4	14.7	16.0	16.6
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.3)	(0.4)	(0.5)
Net Working Capital (Days)	77	94	77	72
Valuation(x)				
PER	54.3	47.4	37.8	31.5
P/B	7.5	6.5	5.6	4.9
P/CEPS	43.9	38.2	30.9	26.0
EV/EBITDA	37.3	33.0	26.3	20.9
EV/Sales	8.3	7.1	5.9	4.9
Dividend Yield (%)	-	-	-	-

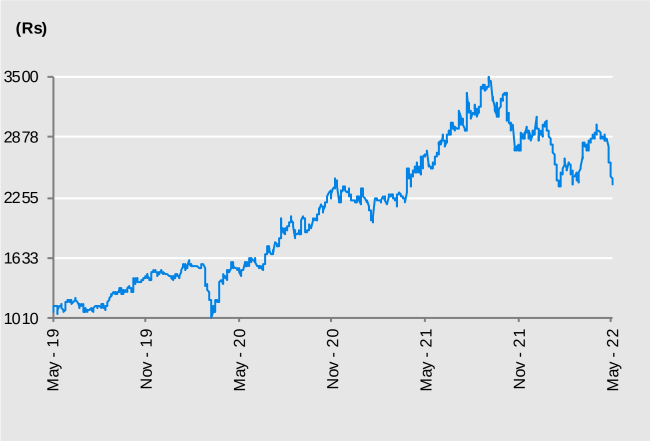
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY21	FY22	FY23E	FY24E
Revenues				
CSM	32,446	39,259	47,503	57,004
Domestic	10,669	11,096	12,760	14,292

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-22	BUY	3,340	2,858
2	07-Feb-22	BUY	3,400	2,552
3	12-Jan-22	BUY	3,470	2,887
4	27-Dec-21	BUY	3,470	2,903
5	03-Aug-21	Accumulate	3,363	3,317
6	06-Jul-21	UR	-	2,976

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	5,350	4,823
2	Coromandel International	BUY	960	745
3	Dhanuka Agritech	BUY	870	755
4	Godrej Agrovet	Accumulate	614	526
5	Insecticides India	Hold	680	638
6	P.I. Industries	BUY	3,340	2,858
7	Rallis India	Hold	260	254
8	Sharda Cropchem	BUY	750	646
9	Sumitomo Chemical India	BUY	500	426
10	UPL	BUY	1,010	778

PL's Recommendation Nomenclature (Absolute Performance)

Buy : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Himanshu Binani- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as “PL”) is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

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

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might 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 twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Himanshu Binani- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, 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.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (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 subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., 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 Prabhudas Lilladher Pvt. Ltd. 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, Prabhudas Lilladher Pvt. Ltd. has entered into an 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.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Prabhudas Lilladher Private Limited, ou=Management, postalCode=400018, st=MAHARASHTRA, serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2022.05.18 19:41:21 +05'30'