Rallis India (RALI IN)

Rating: BUY | CMP: Rs275 | TP: Rs321

Margins to bottom out in a quarter

April 23, 2021

Q4FY21 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	**BUY**		**BUY**	
Target Price	**321**		**321**	
Sales (Rs. m)	26,966	30,817	26,411	30,107
% Chng.	*2.1*	*2.4*		
EBITDA (Rs. m)	3,775	4,882	3,629	4,768
% Chng.	*4.0*	*2.4*		
EPS (Rs.)	11.9	16.0	11.9	16.1
% Chng.	*0.4*	*(0.1)*		

Key Financials - Consolidated

Y/e Mar	FY20	FY21	FY22E	FY23E
Sales (Rs. m)	22,518	24,294	26,966	30,817
EBITDA (Rs. m)	2,594	3,229	3,775	4,882
Margin (%)	*11.5*	*13.3*	*14.0*	*15.8*
PAT (Rs. m)	1,734	2,191	2,316	3,118
EPS (Rs.)	8.9	11.3	11.9	16.0
Gr. (%)	*11.6*	*26.3*	*5.7*	*34.7*
DPS (Rs.)	2.5	3.0	3.5	3.5
Yield (%)	*0.9*	*1.1*	*1.3*	*1.3*
RoE (%)	*12.9*	*14.6*	*14.0*	*17.0*
RoCE (%)	*14.0*	*16.7*	*17.3*	*20.8*
EV/Sales (x)	2.2	2.1	1.9	1.6
EV/EBITDA (x)	19.5	15.6	13.7	10.3
PE (x)	30.8	24.4	23.1	17.2
P/BV (x)	3.8	3.4	3.1	2.7

Key Data	RALL.BO | RALI IN
52-W High / Low	Rs.340 / Rs.195
Sensex / Nifty	47,878 / 14,341
Market Cap	Rs.53bn/ $ 713m
Shares Outstanding	194m
3M Avg. Daily Value	Rs.322.85m

Shareholding Pattern (%)

Promoter's	50.09
Foreign	7.58
Domestic Institution	15.94
Public & Others	26.38
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.8	4.8	34.1
Relative	8.5	(10.9)	(10.8)

Prashant Biyani
prashantbiyani@plindia.com | 91-22-66322260

Quick Pointers:

- Healthy volume growth across segment
- Structural growth story intact

RALI's 4QFY21 result outperformance vis-à-vis our estimates was driven by higher than anticipated international business revenue (up 73% YoY). Deteriorating sales mix in favour of Metribuzin led to 210bps contraction in blended gross margins @ 41.4% (PLe 43%). Ex off-Metribuzin, international business is on a firm footing with volume growth in all molecules. Domestic business performance is also on expected lines with 14% revenue growth. We expect margin pressure to peak out in a quarter or so, as low Metribuzin price will be in their base Q2'22 onwards. Further, Dahej formulation facility and MPP to commence in 1H and 2H respectively are expected to drive growth with new launches in short to medium term. We believe, company's target of expanding retail channel presence by 35% to 65000 retailers in FY22 will provide a wider footprint to explore growth opportunities. The management also plans to increase revenue mix of international business from 37% (FY21) to 40% by FY25. Its strategy of capacity expansion driven growth continues and we maintain our positive bias from a long term point of view. We have upgraded our topline/EBITDA by 2%/4% for FY22E and 2%/2% for FY23E. Maintain Buy with TP of Rs 321 (TP unchanged) based on 20x FY23 EPS of Rs 16.0 (currently trades @ 17.2x FY23 EPS).

Healthy volume growth across segment: RALI clocked healthy volume growth across domestic and international business. Domestic formulation business clocked 25% volume & 16% volume growth in 4Q & FY21 respectively. However, blended realisations were under pressure due to price decline of select molecules in both the segments.

Plans to expand dealer & retailer presence by 8% & 35% respectively: RALI plans to achieve deeper market penetration in India by expanding its network. In CP the management targets to increase distributor and retailer penetration by 8% & 35% to 4000 distributors & 65000 retailers respectively. In Seeds, distributor and retailer penetration likely to expand by 8% & 40% respectively. Wider footprint will aid volume growth and augur well for the company, given commencement of new formulation plant in 1H'22.

Working capital up 3 days at 86: Working capital was up 3 days YoY at 86 as higher cash from improved collection was used for inventory stocking and payment to creditors. RALI continues to be net cash company as it is expanding in a calibrated manner. RoCE & RoE improved by 270 bps to 16.7% & 170 bps to 14.6% respectively.

International business continues to be the strategic focus area: Management's plan to maintain growth momentum in International business rests on 4 pillars-

(a) Capacity expansion- Expanded capacity of Metribuzin (doubled), Hexaconazole and Pendimethalin.

(b) Augmenting product portfolio- Plans to add a new product in FY22 along with existing 5.

(c) Improving product mix- Garnering registrations in more geographies.

(d) Renewed focus on developing CRAMS business- Sharpened focus on CRAMS and its scale up by creating dedicated team under a new division head. The company is in early discussion with innovators to be a part of their supply chain in form of exclusive business partner for any AI or intermediate.

Plugging gaps in domestic branded business: The management posted detailed analysis, identified products and location gaps to bolster portfolio mix. It further plans to increase focus on Wheat and Soybean crop as well as target farmers of MP, Rajasthan, UP and Haryana. It is also focusing more on Herbicides segment.

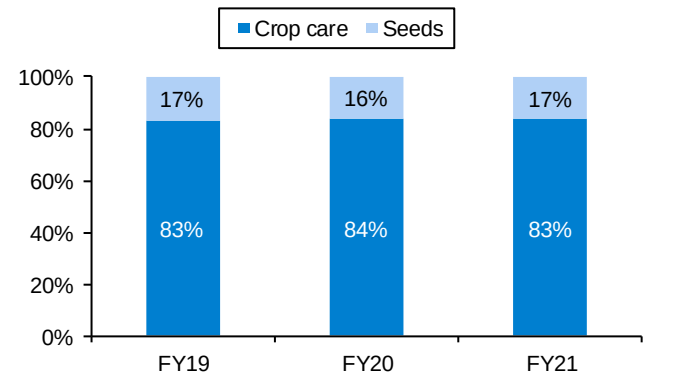
Work in progress to address seasonality aspect of Seeds business: The management is emphasizing on reducing seasonality of seeds business by building comprehensive portfolio for Rabi crop especially vegetables segment. They are also building a strong R&D pipeline for Cotton, Rabi and spring maize, Mustard and Vegetables.

Exhibit 1: International business driving growth for Rallis in 4Q

Y/e March	Q4FY21	Q4FY20	YoY gr. (%)	Q3FY21	QoQ gr. (%)	FY21	FY20	YoY gr. (%)
Cons Net Sales	**4,713**	**3,463**	***36.1***	**5,705**	***(17.4)***	**24,294**	**22,518**	***7.9***
Expenditure								
Raw Materials	2,761	1,956	*41.2*	3,507	*(21.3)*	14,752	13,900	*6.1*
% of Net Sales	*58.6*	*56.5*		*61.5*				
Employee Cost	587	503	*16.7*	538	*9.0*	2,160	2,001	*7.9*
% of Net Sales	*12.4*	*14.5*		*9.4*				
Other Expenses	1,188	1,102	*7.7*	1,058	*12.2*	4,153	4,024	*3.2*
% of Net Sales	*25.2*	*31.8*		*18.5*				
Total Expenditure	4,535	3,561	*27.4*	5,104	*(11.1)*	21,066	19,925	*5.7*
EBITDA	**178**	**(98)**	***(281.2)***	**601**	***(70.4)***	**3,229**	**2,594**	***24.5***
Margin (%)	*3.8*	*-2.8*		*10.5*		*13.3*	*11.5*	
Depreciation	148	127	*16.7*	110	*34.1*	641	615	*4.2*
EBIT	**30**	**(225)**	***(113.3)***	**491**	***(93.9)***	**2,588**	**1,979**	***30.8***
Interest	11	11	*(3.7)*	8	*32.9*	52	61	*(14.7)*
Other Income	80	95	*(15.7)*	76	*4.8*	405	343	*17.8*
Exceptional Items	17	114		61		95	114	
PBT	**116**	**(27)**	***(536.8)***	**621**	***(81.3)***	**3,035**	**2,375**	***27.8***
Tax	34	(33)	*(203.0)*	164	*(79.0)*	749	538	*39.3*
Tax Rate (%)	*29.6*	*125.6*		*26.4*		*24.7*	*22.7*	
RPAT	**82**	**7**	***1,102.9***	**456**	***(82.1)***	**2,286**	**1,837**	***24.4***
APAT	**65**	**(108)**	***(160.4)***	**395**	***(83.6)***	**2,191**	**1,734**	***26.3***
R. EPS	**0.4**	**0.0**	***1,102.9***	**2.3**	***(82.1)***	**11.8**	**9.4**	***24.4***
Adj EPS	**0.3**	**(0.6)**	***(160.4)***	**2.0**	***(83.6)***	**11.3**	**8.9**	***26.3***

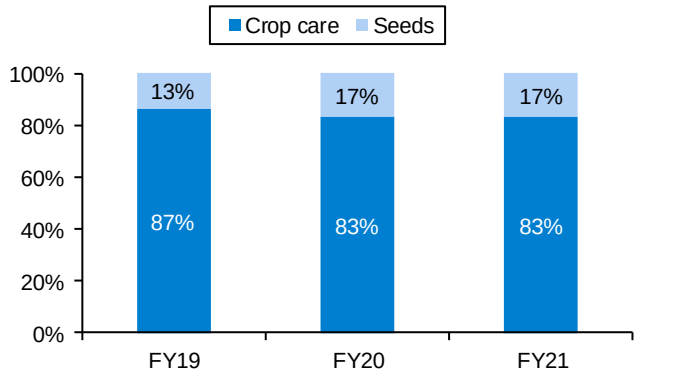
Source: Company, PL

Exhibit 2: Share of CP stable @ 83%



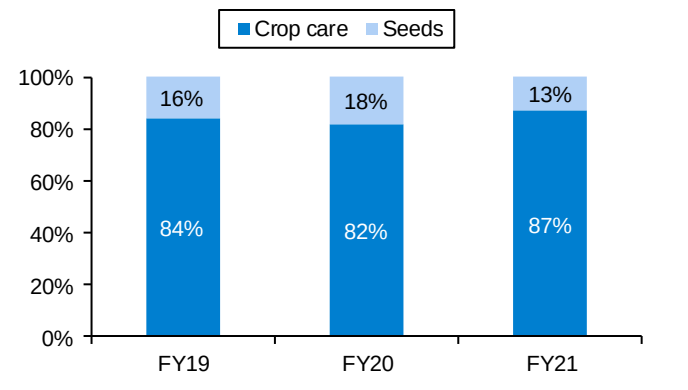
Source: Company, PL

Exhibit 3: Share of CP in EBITDA mix flat due to lower metribuzin price



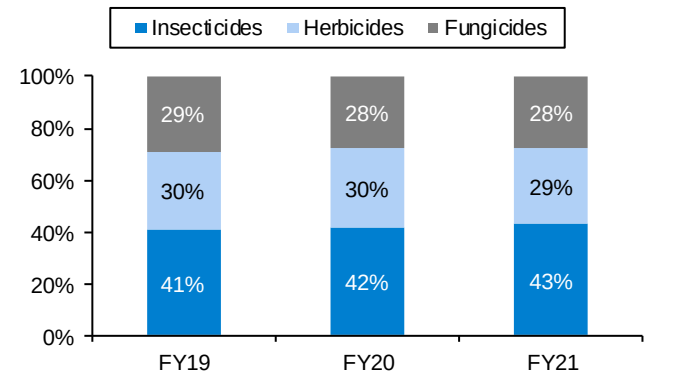
Source: Company, PL

Exhibit 4: Seed segment contribution in profit down in FY21



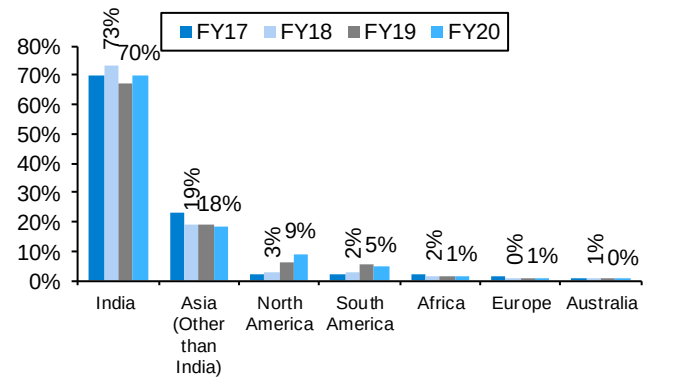
Source: Company, PL

Exhibit 5: Segment mix within CP largely same over between FY19-21



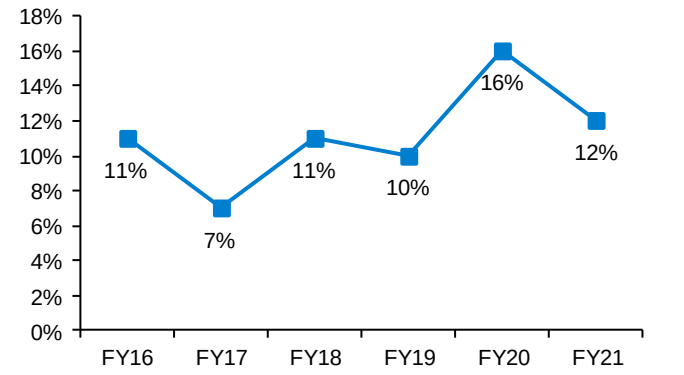
Source: Company, PL

Exhibit 6: India dominates overall revenue pie...



Source: Company, PL

Exhibit 7: ITI (Innovation Turnover Index) impacted due to restriction in physical movement



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
Net Revenues	**22,518**	**24,294**	**26,966**	**30,817**
YoY gr. (%)	*13.5*	*7.9*	*11.0*	*14.3*
Cost of Goods Sold	13,900	14,752	16,125	17,953
Gross Profit	8,619	9,542	10,840	12,864
Margin (%)	*38.3*	*39.3*	*40.2*	*41.7*
Employee Cost	2,001	2,160	2,400	2,743
Other Expenses	4,024	4,153	4,665	5,239
EBITDA	**2,594**	**3,229**	**3,775**	**4,882**
YoY gr. (%)	*7.6*	*24.5*	*16.9*	*29.3*
Margin (%)	*11.5*	*13.3*	*14.0*	*15.8*
Depreciation and Amortization	615	641	872	1,057
EBIT	**1,979**	**2,588**	**2,903**	**3,825**
Margin (%)	*8.8*	*10.7*	*10.8*	*12.4*
Net Interest	61	52	50	20
Other Income	343	405	243	364
Profit Before Tax	**2,375**	**3,035**	**3,096**	**4,169**
Margin (%)	*10.5*	*12.5*	*11.5*	*13.5*
Total Tax	538	749	780	1,051
Effective tax rate (%)	*22.7*	*24.7*	*25.2*	*25.2*
Profit after tax	**1,837**	**2,286**	**2,316**	**3,118**
Minority interest	(12)	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,734**	**2,191**	**2,316**	**3,118**
YoY gr. (%)	*11.6*	*26.3*	*5.7*	*34.7*
Margin (%)	*7.7*	*9.0*	*8.6*	*10.1*
Extra Ord. Income / (Exp)	114	95	-	-
Reported PAT	**1,849**	**2,286**	**2,316**	**3,118**
YoY gr. (%)	*19.0*	*23.7*	*1.3*	*34.7*
Margin (%)	*8.2*	*9.4*	*8.6*	*10.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,849	2,286	2,316	3,118
Equity Shares O/s (m)	**195**	**195**	**195**	**195**
EPS (Rs)	**8.9**	**11.3**	**11.9**	**16.0**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
Non-Current Assets				
Gross Block	**5,917**	**6,886**	**11,181**	**12,166**
Tangibles	5,467	6,322	10,431	11,416
Intangibles	450	564	750	750
Acc: Dep / Amortization	**2,211**	**2,852**	**3,724**	**4,781**
Tangibles	1,858	2,396	3,129	4,018
Intangibles	353	455	595	764
Net fixed assets	**3,706**	**4,034**	**7,458**	**7,385**
Tangibles	3,609	3,926	7,302	7,398
Intangibles	97	108	155	(14)
Capital Work In Progress	1,022	1,962	1,008	1,015
Goodwill	1,958	1,958	1,958	1,958
Non-Current Investments	136	141	140	155
Net Deferred tax assets	(285)	(264)	(264)	(264)
Other Non-Current Assets	1,520	1,237	1,370	1,741
Current Assets				
Investments	2,987	2,803	1,000	2,500
Inventories	6,992	7,632	8,348	9,541
Trade receivables	4,506	4,063	4,654	5,488
Cash & Bank Balance	487	551	952	666
Other Current Assets	1,064	1,388	1,402	1,602
Total Assets	**24,200**	**25,622**	**28,149**	**31,921**
Equity				
Equity Share Capital	195	195	195	195
Other Equity	13,900	15,713	17,025	19,370
Total Networth	**14,095**	**15,908**	**17,219**	**19,565**
Non-Current Liabilities				
Long Term borrowings	124	78	78	-
Provisions	256	269	298	341
Other non current liabilities	144	216	221	226
Current Liabilities				
ST Debt / Current of LT Debt	496	301	-	-
Trade payables	6,373	5,961	7,018	8,021
Other current liabilities	2,704	2,884	3,306	3,761
Total Equity & Liabilities	**24,200**	**25,622**	**28,149**	**31,921**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
PBT	2,375	3,035	3,096	4,169
Add. Depreciation	615	641	872	1,057
Add. Interest	61	52	-	-
Less Financial Other Income	343	405	243	364
Add. Other	(88)	(212)	(243)	(364)
Op. profit before WC changes	2,963	3,516	3,725	4,862
Net Changes-WC	969	(602)	(120)	(1,198)
Direct tax	(564)	(746)	(780)	(1,051)
Net cash from Op. activities	**3,368**	**2,168**	**2,825**	**2,614**
Capital expenditures	(656)	(1,578)	(3,439)	(985)
Interest / Dividend Income	62	50	243	364
Others	(1,865)	(87)	1,803	(1,500)
Net Cash from Invt. activities	**(2,459)**	**(1,616)**	**(1,393)**	**(2,121)**
Issue of share cap. / premium	-	-	-	-
Debt changes	(40)	(41)	(301)	(78)
Dividend paid	(587)	(488)	(681)	(681)
Interest paid	(35)	(23)	(50)	(20)
Others	159	(122)	-	-
Net cash from Fin. activities	**(503)**	**(674)**	**(1,031)**	**(779)**
Net change in cash	**407**	**(122)**	**401**	**(285)**
Free Cash Flow	2,582	483	(614)	1,629

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY20	FY21	FY22E	FY23E
Per Share(Rs)				
EPS	8.9	11.3	11.9	16.0
CEPS	12.1	14.6	16.4	21.5
BVPS	72.5	81.8	88.5	100.6
FCF	13.3	2.5	(3.2)	8.4
DPS	2.5	3.0	3.5	3.5
Return Ratio(%)				
RoCE	14.0	16.7	17.3	20.8
ROIC	14.4	16.0	14.6	18.7
RoE	12.9	14.6	14.0	17.0
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.1)	(0.2)
Net Working Capital (Days)	83	86	81	83
Valuation(x)				
PER	30.8	24.4	23.1	17.2
P/B	3.8	3.4	3.1	2.7
P/CEPS	22.8	18.9	16.8	12.8
EV/EBITDA	19.5	15.6	13.7	10.3
EV/Sales	2.2	2.1	1.9	1.6
Dividend Yield (%)	0.9	1.1	1.3	1.3

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Net Revenue	**6,627**	**7,250**	**5,705**	**4,713**
YoY gr. (%)	*6.3*	*(3.2)*	*6.9*	*36.1*
Raw Material Expenses	3,996	4,488	3,507	2,761
Gross Profit	2,632	2,762	2,198	1,952
Margin (%)	*39.7*	*38.1*	*38.5*	*41.4*
EBITDA	**1,283**	**1,168**	**601**	**178**
YoY gr. (%)	*35.4*	*(1.6)*	*7.9*	*(281.2)*
Margin (%)	*19.4*	*16.1*	*10.5*	*3.8*
Depreciation / Depletion	179	203	110	148
EBIT	**1,104**	**965**	**491**	**30**
Margin (%)	*16.7*	*13.3*	*8.6*	*0.6*
Net Interest	20	14	8	11
Other Income	118	131	76	80
Profit before Tax	**1,202**	**1,098**	**621**	**116**
Margin (%)	*18.1*	*15.1*	*10.9*	*2.5*
Total Tax	283	268	164	34
Effective tax rate (%)	*23.5*	*24.4*	*26.4*	*29.6*
Profit after Tax	**919**	**830**	**456**	**82**
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	**919**	**813**	**395**	**65**
YoY gr. (%)	*52.1*	*(5.2)*	*3.6*	*(160.4)*
Margin (%)	*13.9*	*11.2*	*6.9*	*1.4*
Extra Ord. Income / (Exp)	-	17	61	17
Reported PAT	**919**	**830**	**456**	**82**
YoY gr. (%)	*52.1*	*(3.3)*	*19.7*	*1,158.5*
Margin (%)	*13.9*	*11.4*	*8.0*	*1.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**919**	**830**	**456**	**82**
Avg. Shares O/s (m)	195	195	195	195
EPS (Rs)	**4.7**	**4.2**	**2.0**	**0.3**

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY20	FY21	FY22E	FY23E
Revenues				
EBITDA				

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-21	BUY	321	272
2	19-Jan-21	Accumulate	321	285
3	11-Jan-21	Hold	275	300
4	04-Dec-20	Hold	275	287
5	20-Oct-20	Hold	275	262
6	10-Oct-20	Accumulate	321	270
7	25-Aug-20	Accumulate	321	325
8	23-Jul-20	Accumulate	321	303
9	07-Jul-20	Accumulate	246	269
10	06-May-20	Accumulate	246	222

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	6,022	5,197
2	Coromandel International	Reduce	676	743
3	Dhanuka Agritech	BUY	953	748
4	Godrej Agrovet	Accumulate	587	508
5	Insecticides India	BUY	506	466
6	P.I. Industries	Hold	2,119	2,418
7	Rallis India	BUY	321	272
8	Sharda Cropchem	BUY	383	311
9	Sumitomo Chemical India	Accumulate	336	294
10	UPL	Hold	659	653

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

(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 in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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. Prashant Biyani- CA 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=7a6f13691881d5a8a6353385a51b48b7040a7 2f4a1bf53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2021.04.23 21:45:21 +05'30'