

Granules India Ltd.



Granules Ltd.

Company evolving into FDF player

CMP INR 417	Target INR 480	Potential Upside 15.1%	Market Cap (INR Mn) INR 1,00,959	Recommendation BUY	Sector Pharmaceuticals
----------------	-------------------	---------------------------	-------------------------------------	-----------------------	---------------------------

Result Highlights for Q3FY24:

- Granules India's revenue has increased at a flat pace of 0.8% Y-o-Y (-2.9% Q-o-Q) to Rs. 11,556 Mn for Q3FY24 (vs. our estimate of Rs. 12,379 Mn, miss by 6.7%) The miss was due to lower than anticipated growth in API sales (19% of revenue, miss by 48%). API sales decline was due to reduction in paracetamol formulation prices, which has followed reduction in the prices of its key starting material (KSM).
- FDF sales (66% of revenue) grew at 46.6% Y-o-Y (+3.2% Q-o-Q) due to strong growth visible in North America market across major products, especially for products such as controlled substances. On the other hand, API and PFI segments witnessed 46.1% Y-o-Y (-26.8% Q-o-Q) and 20.9% Y-o-Y (+15.7% Q-o-Q) decline in sales, respectively in Q3FY24.
- Granules India's gross profits margins (GPMs) increased substantially by 859 bps Y-o-Y (+531 bps Q-o-Q) to 57% in Q3FY24. It was driven by improved products mix towards high value FDF segment, which was largely driven by North America's market growth. This in turn was driven by new product launches and growth in existing products.

MARKET DATA

Shares outs (Mn)	242
Mkt Cap (INR Mn)	1,00,959
52 Wk H/L (INR)	435/ 268
Volume Avg (3m K)	1,702
Face Value (INR)	1
Bloomberg Code	GRAN IS Equity

KEY FINANCIALS

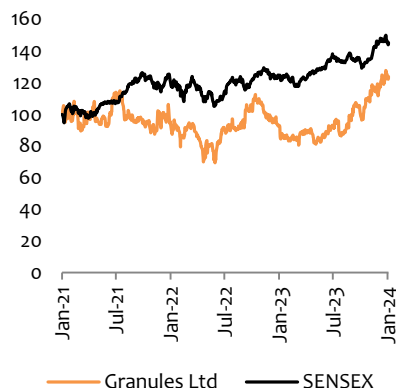
Particulars	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	32,375	37,649	45,119	47,173	53,930	58,223
EBITDA	8,552	7,222	9,138	9,326	11,629	13,079
PAT	5,495	4,128	5,166	4,789	6,458	7,439
EPS (INR)	22.1	16.7	21.1	19.8	26.6	30.7
EBITDA Margin (%)	26.4%	19.2%	20.3%	19.8%	21.6%	22.5%
NPM (%)	17.0%	11.0%	11.4%	10.2%	12.0%	12.8%
P/E	18.9	25.0	19.8	21.1	15.6	13.6

Source: Company, KRChokseyResearch

Revenue growth continues to be led by high value FDF segment: Granules India's revenue has increased at a flat pace of 0.8% Y-o-Y (-2.9% Q-o-Q) to Rs. 11,556 Mn for Q3FY24 (vs. our estimate of Rs. 12,379 Mn, miss by 6.7%) The miss was due to lower than anticipated growth in API sales (19% of revenue, miss by 48%). API sales decline was due to reduction in paracetamol formulation prices, which has followed reduction in the prices of its key starting material (KSM). As more customers are upgrading to FDFs than PFIs the share of the latter has reduced in the total revenue. However, FDF sales (66% of revenue) grew at 46.6% Y-o-Y (+3.2% Q-o-Q) due to strong growth visible in North America market across major products, especially for products such as controlled substances. The company has been investing heavily in building expertise in the areas of controlled substances, complex products, biocatalysts and enzymes over the last 6 - 7 quarters. The North America market growth was largely due to volumes growth than value growth though. On the other hand, API and PFI segments witnessed 46.1% Y-o-Y (-26.8% Q-o-Q) and 20.9% Y-o-Y (+15.7% Q-o-Q) decline in sales, respectively in Q3FY24. North America market (66% of revenue) grew at 21.2% Y-o-Y (-4.9% Q-o-Q) while Europe (20% of revenue), India (6% of revenue), Latin America (5% of revenue), and RoW (3% of revenue) witnessed decline in revenue. Europe region sales was weaker due to price erosion being experienced in paracetamol formulations while Latin America was facing decline due to inventory correction and loss of tenders by a few customers. The company does not anticipate APIs and LatAm to come back to normalized levels any time sooner but can improve hereon.

Improved products mix led to strong growth in operating profitability: Granules India's gross profits margins (GPMs) increased substantially by 859 bps Y-o-Y (+531 bps Q-o-Q) to 57% in Q3FY24. It was driven by improved products mix towards high value FDF segment, which was largely driven by North America's market growth. This in turn was driven by new product launches and growth in existing products. Additionally, reduction in prices of raw materials helped it offset price erosion and thereby aided in GPM expansion. The gross profits was in line with the estimate with a marginal beat of 1.3%. However, with increased R&D spend and employee costs associated with the capacity expansions underway, the company's EBITDA increased 8.3% Y-o-Y (+17.6% Q-o-Q) to Rs. 2,505 Mn while EBITDA margins expanded by 150 bps Y-o-Y (+377 bps Q-o-Q) to 21.7% in Q3FY24. It was 268 bps above our estimate. Similarly, due to decline in other income coupled with rise in finance costs led to 1.1% Y-o-Y (+23.0% Q-o-Q) rise in net income to Rs. 1,257 Mn in Q3FY24. It was a beat of 2.0% over our estimate.

SHARE PRICE PERFORMANCE



MARKET INFO

SENSEX	71,060
NIFTY	21,453

SHARE HOLDING PATTERN (%)

Particulars	Dec-23 (%)	Sep-23 (%)	Jun-23(%)
Promoters	42.0	42.0	42.0
FIIIs	18.8	21.5	21.4
DIIIs	10.2	7.1	6.7
Others	29.0	29.5	30.0
Total	100.0	100.0	100.0

8.9%

Revenue CAGR between FY23 and FY26E

12.9%

PAT CAGR between FY23 and FY26E

Granules Ltd.

Key Concall Highlights:

- Q3FY24 was a stable quarter post the IT incidence that affected earlier quarters of FY24
- FDF contribution rising to 66% of revenue led to improvement in Gross Profits Margins (GPMs) and EBITDA margins, considerably in Q3FY24
- Operating cash flows increased to Rs. 1,880 Mn due to improved collections and profitability in Q3FY24
- Operating expenses are higher due to higher employee costs
- The company expects the FDF segment to drive volumes growth in the short – medium term, primarily in North America and Europe and the company is slated to increase its FDF capacity to cater to this increased demand
- Construction of the new formulation facility at Genome valley as a part of the Granules Lifesciences is progressing at a good pace, which is expected to add 8 Bn dosages to its existing capacity once completed
- The pilot plant has been inaugurated at Genome valley in (November 23) Q3FY24. As a result besides increased filings, the company is likely to see commercial supply of monograph tablets also to start from there from Q2FY25, which will be ramped up-to 2.5 Bn dosages by Q3FY25. The company will be producing non prescription (monograph) products for the US markets from this plant to start with. As soon as the USFDA inspection and approval happens for the said site by Q3 or Q4FY25, the company will start producing from the site. Also, some production is expected to take place from the plant by the end of Q1 or from Q2FY25
- The company has received approval for 3 ANDAs (Sildenafil PFOS, Pantoprazole DR Capsules, and Esomeprazole Magnesium DR Capsules) from the USFDA and one product approval from EU. However, their launches were delayed and expect to launch the same in the coming quarters
- The company has 62 ANDAs approved including tentative approvals (TAs) from the USFDA, 8 EU dossiers, 2 in the UK, 6 in Canada, and 3 in other geographies. In total it has 75 approved dossiers and 21 global dossiers pending to be approved
- The company filed 2 new ANDAs for the US and expects a higher number of ANDA filings in Q4FY24 and accordingly expects higher R&D spend in the coming quarters
- The company has 36 US DMFs, 24 CEPs, 5 EDMFs, and 50 product filings across regions. The new portfolio of products are aimed at not only oral solids but also other dosage forms, which largely comprises of approval Day 181, First to launch, and NCE –ve 1 products.
- The company's CZRO based green initiative to develop integrated green zones (GPZ) for backward integration in Kakinada, Andhra Pradesh and other sites is underway at Vizag and Kakinada. At Vizag, in the first phase, the KSMs such as DCDA pilot plant with a 108 MTPA capacity is expected to be completed by Q4FY24 and PAP plant with a 10,000 MTPA capacity is expected to be completed by end of FY25. At the same time, phase II work at the main Kakinada plant is to start in FY25
- The company has been shifting its filing mix more towards Para III and Para IV filings from Para II filings
- The company has built capacity for API and FDF manufacturing for oncology therapy in Vizag which can manufacture oral solids and other dosage forms with portfolio there as well focused on Day 1, NCE – ve 1, and FTF products
- Two products using bio-catalysis technology are underway with pilot scale and commercial production and the third such product is in R&D stage and likely be commercialized in the future
- The company has identified 10 additional products besides Paracetamol and Metformin for backward integration, which will help them gain cost leadership in those products in a year
- DCDA's pilot plant runs are likely from Q4FY24 and commercial scale production is likely by FY26
- LatAm market has witnessed weakness due to inventory correction and loss of government contracts by some of its customers. The company believes that since the PFI capacity is almost utilized loss of LatAm market momentum can be offset by other geographies therefore leading to neutral impact
- In Europe market the market momentum is expected to improve from Q4FY24 or Q1FY25
- In case of paracetamol FDF while the finished formulations prices have come down its corresponding KSMs prices have also reduced
- Metoprolol shipment is ongoing however underway with its sea voyage and likely to be launched in the US once reaches there
- Europe is mainly a paracetamol API driven market which has seen drop in prices and may not reach to pre COVID levels however traction in paracetamol FDF is expected to drive growth in the region. As a result, US will continue to outperform Europe over the next 1-1.5 years and come to a similar growth post that
- The company expects to enhance FDF mix in LatAm market which will take time to materialize and as the US and Europe will grow faster than RoW the segment sales may not reach to its historical levels in the near term
- At Vizag unit 5, the oncology and other APIs are facing delays in approvals for some of its end use formulations leading for the facility to remain idle for long time. Similarly, Oncology block has been idle. The company however expects more approvals for MUPS formulation products that have been filed and also APIs to be manufactured from that site in a year. This is indicative of the underutilized facilities it has currently.
- The company continues to resort to adding capacity through de-bottlenecking and green field ways
- On the existing capacity the utilization continues to remain around 85%-95% and the Unit 5 at Vizag once starts being utilized can lead to even higher EBITDA margins than now. It will also be aided by new product launches which can enhance products mix
- As the raw materials price erosion has been higher than at the FDF selling price levels for paracetamol in the US, the gross margins have been benefited
- FDFs to continue to give higher contribution
- APIs were affected due to inventory correction and the company expects it to normalize hereon
- The company has launched 4-5 products in FY24 so far in the US market. However, some of them have been soft launches and some of them have faced logistical delays and they are likely be resolved as the company is building inventory in the US. In Q4FY24 and Q1FY25, the company plans to launch 3-4 products each besides expected growth in the base business and for FY25 the company plans to launch 4-8 products in the US
- Top 5 molecules' contribution has declined to 72% in Q3FY24 from 85% generally, as the contribution from new products rise
- Capex for FY24 will be Rs. 500 Cr and for FY25 will be Rs. 600 Cr
- R&D spend was at Rs. 47 Cr or 4% of sales in Q3FY24 and the same is expected to rise in Q4FY24 as new filings will accelerate at the rate of 10-12 filings p.a. over the next 2 years

Valuation and view:

Granules had a stable quarter in Q3FY24 after volatility experienced in its results in H1FY24. The products mix continues to favor its high value FDF segment and is reflecting in its profitability. The fall in the prices of its key molecule Paracetamol remains a non concern as the KSM prices for the same have fallen at a higher pace than in case of finished dosage prices. Additionally, the company continues to see strong traction in the US market on the back of strong volumes growth; partially offset by price erosion due to new product launches and growth in the base business. The company expects the US and Europe will be the growth drivers in the near term in terms of higher offtake of FDF sales. The company intends to continue to evolve into an FDF player with some share of API like a traditional integrated Pharma player from India on the back of new product approvals and launches across regions including the US. We introduce FY26 estimates and roll forward our valuation basis to FY26E EPS. **We expect the company to see a Revenue/ EBITDA/ PAT CAGR of 8.9%/ 12.7%/ 12.9%, respectively over FY23-FY26E. The stock is trading at 21.1x/15.6x/13.6x our FY24E/FY25E/FY26E EPS. We apply a multiple of 18.0x (earlier 16.1x) on FY26E EPS of INR 30.7 and arrive at a revised target price of INR 480, implying an upside of 15.1% from the CMP. Accordingly, we maintain our "BUY" rating on the shares of Granules India Ltd.**

Granules Ltd.

KEY FINANCIALS

Exhibit 1: Revenue Segments

Segment Result (INR Mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Revenue from operations	11,461	11,955	9,855	11,895	11,556
Active Pharmaceutical Ingredients (API)	4,106	3,664	3,000	3,021	2,212
Pharmaceutical formulation ingredients (PFI)	2,130	2,174	1,482	1,457	1,686
Finished Dosage (FD)	5,224	6,117	5,373	7,417	7,658
Revenue Mix (%)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Total Revenue	100%	100.0%	100.0%	100.0%	100.0%
Active Pharmaceutical Ingredients (API)	31%	30.6%	30.4%	25.4%	19.1%
Pharmaceutical formulation ingredients (PFI)	22.7%	18.2%	15.0%	12.2%	14.6%
Finished Dosage (FD)	46%	51.2%	54.5%	62.4%	66.3%
Segment Performance (% YoY)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Total Revenue	15.0%	16.1%	-3.3%	3.4%	0.8%
Active Pharmaceutical Ingredients (API)	31.2%	47.9%	28.2%	-8.5%	-46.1%
Pharmaceutical formulation ingredients (PFI)	-5.7%	-15.3%	-37.4%	-38.0%	-20.9%
Finished Dosage (FD)	14.1%	16.4%	-2.1%	26.7%	46.6%
Geography Wise Results (INR Mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Revenue from operations	11,461	11,955	9,855	11,895	11,556
North America	6,269	6,962	6,017	7,989	7,601
Europe	2,728	2,871	2,405	2,128	2,279
India	768	680	504	673	701
Latin America	963	720	481	429	587
Rest of World	734	722	448	676	389
Geographic Mix (%)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Revenue from operations	100%	100.0%	100.0%	100.0%	100.0%
North America	46%	58.2%	61.1%	67.2%	65.8%
Europe	25%	24.0%	24.4%	17.9%	19.7%
India	14%	5.7%	5.1%	5.7%	6.1%
Latin America	10%	6.0%	4.9%	3.6%	5.1%
Rest of World	5%	6.0%	4.5%	5.7%	3.4%
Geography Wise Performance (% YoY)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Revenue from operations	15.0%	16.1%	-3.3%	3.4%	0.8%
North America	37.6%	47.9%	9.7%	11.5%	21.2%
Europe	11.7%	13.8%	4.9%	-8.3%	-16.5%
India	-46.1%	-53.8%	-38.6%	6.7%	-8.7%
Latin America	-5.3%	-31.5%	-48.4%	-47.8%	-39.0%
Rest of World	38.8%	32.3%	-32.7%	19.0%	-47.0%

Source: Company, KRChokseyResearch

Exhibit 2: Profit & Loss Statement

INR Mn	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenues	32,375	37,649	45,119	47,173	53,930	58,223
COGS	13,913	18,836	23,073	21,484	23,210	25,058
Gross profit	18,463	18,813	22,046	25,689	30,720	33,166
Employee cost	4,082	4,014	4,722	6,195	7,011	7,569
Other expenses	5,829	7,577	8,186	10,168	12,080	12,518
Adj EBITDA	8,552	7,222	9,138	9,326	11,629	13,079
EBITDA Margin	26.4%	19.2%	20.3%	19.8%	21.6%	22.5%
Depreciation & amortization	1,515	1,586	1,845	2,065	2,633	2,968
EBIT	7,038	5,636	7,293	7,260	8,996	10,111
Interest expense	263	232	559	1,057	1,031	928
Other income	269	176	138	53	108	116
Share of Associates & JV	0	0	0	0	0	0
PBT	7,044	5,580	6,872	6,256	8,072	9,299
Tax	1,549	1,452	1,706	1,467	1,614	1,860
Exceptional items	0	0	0	0	0	0
PAT	5,495	4,128	5,166	4,789	6,458	7,439
EPS (INR)	22.1	16.7	21.1	19.8	26.6	30.7

Exhibit 3: Cash Flow Statement

INR Mn	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Cash Generated From Operations	4,325	3,321	7,387	7,609	8,226	9,956
Net Cash Flow from/(used in) Investing Activities	-2,771	-3,801	-1,914	-5,009	-6,096	-5,836
Net Cash Flow from Financing Activities	-2,993	1,900	-4,403	-2,421	-2,522	-2,493
Net Inc/Dec in cash equivalents	-1,440	1,419	1,071	179	-392	1,628
Opening Balance	1,859	418	1,847	2,916	3,095	2,702
Adjustment	-1	9	-3	0	0	0
Closing Balance Cash and Cash Equivalents	418	1,847	2,916	3,095	2,702	4,330

Source: Company, KRChokseyResearch

Granules Ltd.

Exhibit 4: Balance Sheet

INR Mn	FY21	FY22	FY23	FY24E	FY25E	FY26E
Non-current assets						
Property, plant and equipment (incl. ROU)	10,712	12,837	16,314	19,076	22,443	25,297
Capital work-in-progress	2,391	3,119	2,280	2,280	2,280	2,280
Intangible assets	2,608	3,018	2,909	2,909	2,909	2,909
Financial assets						
Investments	190	197	212	212	212	212
Loans	10	30	148	148	148	148
Deferred Tax Assets	8	14	14	15	17	18
Income Tax Assets (Net)	57	117	112	117	133	144
Other non-current assets	1,190	748	1,315	1,375	1,571	1,697
Total non-current assets	17,164	20,079	23,304	26,132	29,715	32,706
Current assets						
Inventories	7,822	9,786	11,494	10,889	11,764	12,700
Financial assets						
Trade receivables	7,654	9,250	9,485	9,952	11,377	12,283
Cash and cash equivalents	418	1,847	2,916	3,095	2,702	4,330
Other Balances with Banks	2,292	2,247	212	212	212	212
Loans	100	72	0	0	0	0
Other financial assets	6	30	32	33	38	41
Other current assets	1,678	1,818	1,602	1,675	1,915	2,068
Total current assets	19,970	25,050	25,741	25,856	28,009	31,634
TOTAL ASSETS	37,135	45,129	49,046	51,988	57,723	64,340
EQUITY AND LIABILITIES						
Equity						
Equity share capital	248	248	242	242	242	242
Other equity	21,485	25,623	28,107	32,532	38,500	45,374
Total equity	21,733	25,871	28,349	32,774	38,742	45,616
LIABILITIES						
Non-current liabilities						
Financial liabilities						
Borrowings	3,411	2,420	2,192	2,192	2,192	2,192
Deferred tax liabilities, (net)	11	139	77	80	91	99
Provisions	248	283	293	293	293	293
Total non-current liabilities	3,671	2,842	2,562	2,565	2,576	2,584
Current liabilities						
Financial liabilities						
Borrowings	5,081	8,643	9,170	8,170	7,170	6,170
Trade payables	5,410	6,386	7,821	7,283	7,868	8,494
Other financial liabilities	753	856	719	752	860	928
Other current liabilities	202	165	151	158	181	195
Provisions	133	228	146	153	175	189
Income tax liabilities, (net)	152	137	127	133	152	164
Total current liabilities	11,731	16,416	18,135	16,649	16,405	16,140
Total liabilities	15,402	19,258	20,697	19,214	18,981	18,724
TOTAL EQUITY AND LIABILITIES	37,135	45,129	49,046	51,988	57,723	64,340

Source: Company, KRChokseyResearch

Exhibit 5: Key Ratios

Key Ratio	FY21	FY22	FY23	FY24E	FY25E	FY26E
EBITDA Margin (%)	26.4%	19.2%	20.3%	19.8%	21.6%	22.5%
Tax rate (%)	22.0%	26.0%	24.8%	23.5%	20.0%	20.0%
Net Profit Margin (%)	17.0%	11.0%	11.4%	10.2%	12.0%	12.8%
RoE (%)	25.3%	16.0%	18.2%	14.6%	16.7%	0.0%
RoCE (%)	23.3%	15.3%	18.4%	16.8%	18.7%	0.0%
EPS (INR)	22.1	16.7	21.0	19.8	26.6	30.7

Source: Company, KRChokseyResearch

Granules Ltd.

Granules India Ltd.			
Date	CMP (INR)	TP (INR)	Recommendation
24-Jan-24	417	480	BUY
22-Nov-23	367	437	BUY
03-Oct-23	355	437	BUY
28-Aug-23	298	358	BUY
19-May-23	276	368	BUY
18-Oct-22	348	387	ACCUMULATE

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

ANALYST CERTIFICATION:

- I, Unnati Jadhav (MMS, Finance), Research Analyst, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I 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.
- Terms & Conditions and other disclosures:
 - KRChoksey Shares and Securities Pvt. Ltd (hereinafter referred to as KRCSSPL) is a registered member of National Stock Exchange of India Limited and Bombay Stock Exchange Limited. KRCSSPL is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000001295. It is also registered as a Depository Participant with CDSL, CDSL Registration No IN-DP-425-2019.
 - KRChoksey Shares & Securities Pvt Ltd. and DRChoksey Finserv Private Ltd. (Demerged entity from KRChoksey Shares & Securities Limited) are regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of Research Analysts including preparing and distribution of Research Reports. This research report is prepared and distributed by DRChoksey Finserv Private Ltd in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No. INH000011246. It may be further notified that KRCSSPL carries on the activity of preparation as well as distribution of reports in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No. INH000001295.
 - The information and opinions in this report are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of KRCSSPL. While we would endeavour to update the information herein on a reasonable basis, KRCSSPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent KRCSSPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension follows applicable regulations and/or KRCSSPL policies, in circumstances where KRCSSPL might be acting in an advisory capacity to this company, or in certain other circumstances.
 - This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. KRCSSPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. KRCSSPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions 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.
 - We submit that no material disciplinary action has been taken on KRCSSPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.
 - KRCSSPL prohibits its associate, analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.
 - KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst, and has not been engaged in market making activity of the company covered by research analyst.
 - It is confirmed that, I, Unnati Jadhav Research Analyst 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 brokerage service transactions.
 - KRCSSPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months.
 - KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services.
 - KRCSSPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report other than investment banking or merchant banking or brokerage services from the subject company
 - KRCSSPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. KRCSSPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither KRCSSPL nor Research Analysts his associate or his relative, have any material conflict of interest at the time of publication of this report.
 - It is confirmed that, Unnati Jadhav, Research Analyst do not serve as an officer, director or employee of the companies mentioned in the report.
 - KRCSSPL or its associates (Group Companies) or its research analyst has may been engaged in market making activity for the subject company.
 - 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 KRCSSPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform them of and to observe such restriction.
 - Please send your feedback to research.insti@krchoksey.com
 - In case of any grievances, please write to grievance@krchoksey.com
 - Visit us at www.krchoksey.com
 - KRChoksey Shares and Securities Pvt. Ltd.
 - CIN-U67120MH1997PTC108958
 - Registered Office: 1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.
 - Phone: 91-22-6633 5000; Fax: 91-22-6633 8060
 - Corporate Office: 701-702, DLH Plaza, Opp Shoppers Stop, S V Road, Andheri (W), Mumbai 400 058
 - Phone: 91-22-6635000
 - Compliance Officer: Varsha Shinde
 - Email: varsha.shinde@krchoksey.com