Aarti Industries Ltd.	
No. of shares (m)	362.5
Mkt cap (Rs crs/$m)	26601/3249.4
Current price (Rs/$)	734/9.0
Price target (Rs/$)	612/7.5
52 W H/L (Rs.)	1168/669
Book Value (Rs/$)	166/2.0
Beta	1.2
Daily volume NSE (avg. monthly)	812290
P/BV (FY23e/24e)	4.1/3.6
EV/EBITDA (FY23e/24e)	18.6/15.4
P/E (FY23e/24e)	31.9/26.4
EPS growth (FY22/23e/24e)	35.6/12.9/21.0
OPM (FY22/23e/24e)	20.7/19.9/20.7
ROE (FY22/23e/24e)	15.9/13.4/14.4
ROCE(FY22/23e/24e)	11.3/10.7/11.2
D/E ratio (FY22/23e/24e)	0.4/0.5/0.5
BSE Code	524208
NSE Code	AARTIIND
Bloomberg	ARTO IN
Reuters	ARTI.NS

Shareholding pattern	%
Promoters	44.2
MFs / Banks / FIs	15.1
Foreign Portfolio Investors	11.8
Govt. Holding	0.0
Public & Others	28.9
Total	**100.0**

As on June 30, 2022

Recommendation

REDUCE

Analyst

KISHAN GUPTA, CFA, FRM

Phone: + 91 (33) 4488 0043

E- mail: kishan.gupta@cdequi.com

Company Brief

AIL is one of India's leading manufacturers of chemicals and pharmaceutical intermediates: dyestuff; pigment; agro chemicals; speciality chemicals; API.

Quarterly Highlights

- Despite shortage of nitric acid, revenues of Aarti's speciality chemicals business rose by a stunning 43.8% to Rs 1765.59 crs in Q1 compared to Rs 1227.70 crs in the same quarter a year ago. Higher share of value added products (74%) too galvanized product realizations, thus propping revenues. Thanks to its pricing model - absolute margins per kg - speciality chemicals EBIT dropped to 14.2% as against 18.9% in the same quarter a year ago. Higher volume ramp up is expected largely due to higher capacity utilization of assets related to first and second long term contracts.
- Its pharmaceuticals business was barely left behind for its revenues grew by a blistering 47.8% not least due to higher of take of generic products and xanthine. Passing of higher input prices too boosted the topline. Its EBIT margin was all but stable for it dropped by some 30 bps to 18.7% as against 19% in the same quarter a year ago. Pharmaceutical business will scarcely stymie not least due to commencement of commercial production of USFDA approved API facility at Tarapur sometime in early Q2.
- Thanks to market to market losses on ECBs - Rs 29.24 crs, overall finance costs rose by 30% to Rs 49.81 crs while depreciation costs too climb by 26.1%. PBT rose by 12.8% while post tax earnings advanced by 14.7% to Rs 189.07 crs as against Rs 164.86 crs in same period a year ago.
- The stock currently trades at 31.9x FY23e EPS of Rs 22.98 and 26.4x FY24e EPS of Rs 27.81. With fall in crude oil prices, sales growth would moderate somewhat (compared to FY22's) over the next two years while margins would inch upwards. Despite opportunities posed by China +1 and greater available capacities, business scaling over the next two years would be little propelled not least due to raw material shortage and no trivial gestation period in optimization of newly commissioned capital projects - partly reflected in barely imposing ROE. Balancing odds, we maintain our reduce rating on the stock with revised target of Rs 612 (previous target: Rs 765) based on 22x FY24e earnings over a period of 9-12 months.

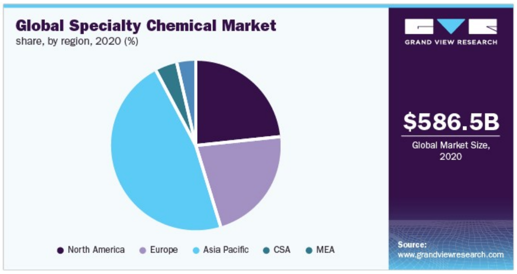
Consolidated (Rs crs)	FY20	FY21	FY22	FY23e	FY24e
Income from operations	4186.29	4506.10	6999.96	7797.15	9073.39
Other Income	8.84	0.70	0.80	0.55	0.60
EBITDA (other income included)	986.16	982.23	1929.61	1555.06	1874.57
Profit after MI	529.28	523.20	738.17	833.19	1008.13
EPS(Rs)	15.19	15.01	20.36	22.98	27.81
EPS growth (%)	0.7	-1.1	35.6	12.9	21.0

Outlook & Recommendation

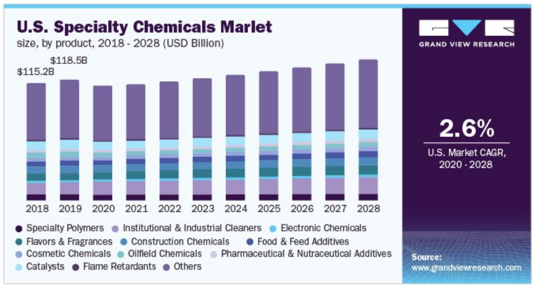
Global Specialty Chemicals Update

Crisil, a rating agency, estimates that India's share of global specialty chemicals industry will double in five years to 6% by 2026 from 3-4% in FY21. Much of this growth, the agency contends, would be powered by demand recovery in domestic end-user segments and strong tailwinds in exports due a shift in global supply chain driven by the China+1 policy of vendors. To meet increased demand for products, Indian players would ramp up their capacity, a sizeable sum of this capex will be channelized in backward integration, import substitution, and to meet increased demand for exports.

According to Fortune Business Insights, the global specialty chemicals industry is projected to grow by a CAGR of 4.7% during 2021-2028. This outcome would fructify on the backdrop of slump in market growth induced by Covid 19 pandemic outbreak. Most of the chemical companies during this period saw sharp fall in revenues not least due to restrictions in transportation and travel activities. The report contends that mounting concerns over food security would benefit the global agrochemicals segment on account of skyrocketing demand for specialty chemicals in the agriculture segment to boost farm yield.

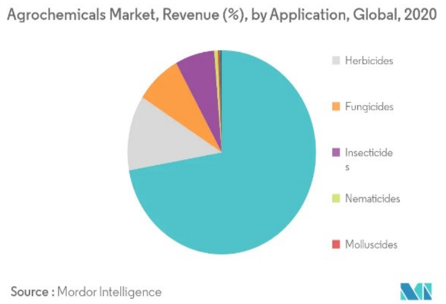


Source: Grandview Research

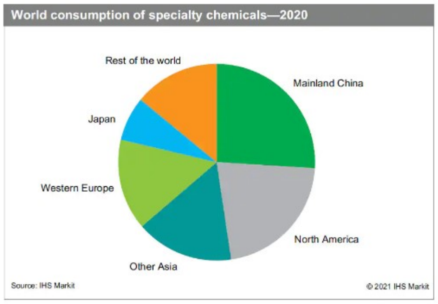


Source: Grandview Research

The report further states that concerns over food security in many parts of the world, driven by increasing population and depleting resources, may cause global food shortage. Much of the growth in global specialty industry would be driven by robust Chinese manufacturing power, which would take a leg up from abundant availability of raw materials in the country and the existence of cheap labor. In forthcoming years, North America is well poised to establish a commanding hold on this market not least due to it being on the largest consumers of chemicals such as biocides, synthetic lubricants, and corrosion inhibitors.



Source: Mordor Intelligence

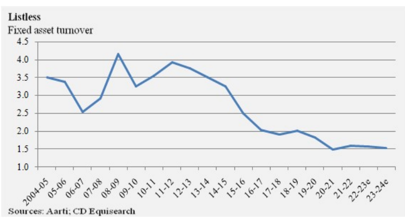


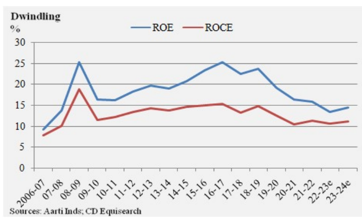
Source: HIS Markit

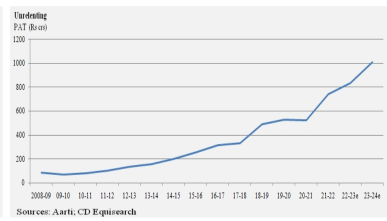
Financials & Valuation

Driven by rising domestic demand from end-user industries and strong exports, Indian speciality chemical industry would grow by some 12% annually over the next few years. Indian exports have also taken wings not least due to stricter environmental norms in China which has forced plant shutdowns on a no small scale, thus prompting MNC's in Europe, Japan and US to look for alternate supplies. India with its cost efficiencies has barely dragged its feet in courting global manufacturers.

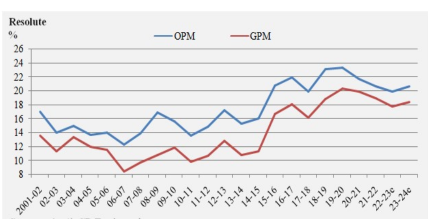
Prospects of Aartis's pharmaceutical business scarcely appear dim not least due to huge export potential of API's. By some estimates, India pharmaceutical intermediate market is estimated to grow by high single digit over the next few years. On this backdrop, Aarti would pull out all stops to launch new products (more than 50 planned) with capex of Rs 350-500 crs in three years from now. Volume expansion would scarcely be suppressed by a pipeline of approvals in therapies, such as anti-hypertensive, cardiovascular, oncology and corticosteroids.

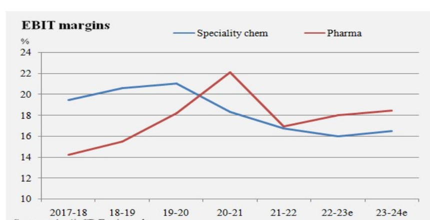


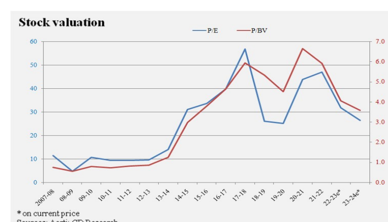




After commencement of commercial production of second long term contract in Q4 and USFDA approved API facility at Tarapur in Q2 of current fiscal, Aarti is going full hog commission in phases the project related to third long term contract at Jhagadia, NCB expansion at Vapi, acid unit revamp, beside others. After spending over Rs 1300 crs in fixed assets last year, Aarti plans to further release some Rs 1500 crs this fiscal for augmenting capacities to gain cost advantage. Gradual ramp up of assets related to second long term contract would take its capacity utilization past 70% next fiscal.







Aarti plans to derive much of its competitive advantage by aggressively expanding of both existing and new products; foraying in to new chemistries like photo chlorination, ammoxidation, and specialty fluorination ; intensifying integration to gain cost advantage; tapping custom manufacturing opportunities.; and increased focus on downstream products through processes like high value chlorination, hydrogenation. Yet the company has been barely unaffected by slowdown in global agro chemical industry, cost escalations, cancellation of a long term supply contract and delay in commissioning of projects related to second and third long term supply contracts.

The stock currently trades at 31.9x FY23e EPS of Rs 22.98 and 26.4x FY24e EPS of Rs 27.81. Post tax earnings would grow by some 17% on average over the next two years, though on little stirring ROE. Though margins would gradually start to crawl back to pre-covid levels from next fiscal as capacity utilization of newer projects edges up, business scaling may get hindered by shortage of nitric acid, no small gestation periods in optimal utilization of newer capital assets (second and third long term contracts for instance) and delay in commissioning of projects. With its fixed asset turnover in relentless decline (from 2 in FY19 to 1.6 in FY22), marked rise in margins could only trump diminished sales velocity. Weighing odds we maintain our reduce rating on the stock with revised target of Rs 612 (previous target: Rs 765) based on 22x FY24e earnings. For more info refer to our Sep 21 report.

Cross Sectional Analysis

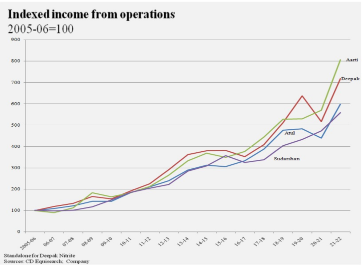
Company	Equity (Rs crs)	CMP (Rs crs)	Mcap (Rs crs)	Inc. from ops. (Rs crs)	Profit (Rs crs)	OPM (%)	NPM (%)	Int. cov.	ROE (%)	Mcap / IO	P/BV	P/E
Aarti Inds.	181	734	26602	7024	762	19.5	10.9	8.5	15.9	3.8	4.4	34.9
Atul Ltd	30	8924	26337	5478	629	17.2	11.4	97.4	14.9	4.8	5.9	41.9
Deepak Nitrite	27	2010	27419	7334	999	20.6	13.6	40.5	33.0	3.7	7.9	27.4
SudarshanChem	14	414	2868	2281	111	11.3	4.9	7.0	14.7	1.3	3.6	25.9

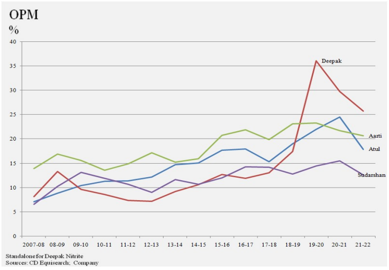
calculations on ttm basis; Aarti income from operations approximated
Companies not truly comparable due to product dissimilarity

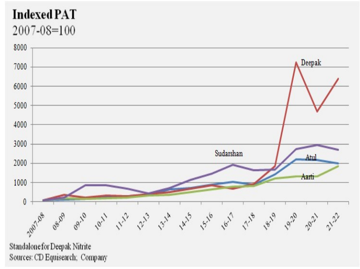
Atul's increased competitive advantage in para Cresol and para Anisic coupled with entrenched focus on backward integration - for instance, MCA for 2,4 -D acid and enhanced capex on backward integration projects - would doubtlessly help in boosting efficiencies. As operational issues have been sorted out, Anaven would profit from its best - in class infrastructure and efficient production process (uses hydrogen). With uptick in textile business, Atul plans to widen the product portfolio of textile chemicals through Rudolf Atul while expanding capacity of Vat formulations. Though the company would roll out new products but increased demand for its existing products holds key for new products add up 5-10% to annual sales.

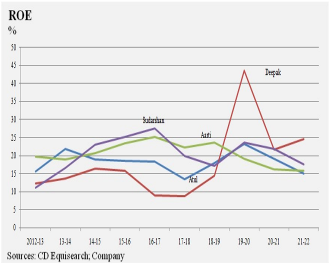
Presumably stoked by raw material inflation, Sudarshan Chemicals posted 71.9% drop in pre-tax earnings in Q1 while net profit swooned by 73%. This was on backdrop of a 16.9% growth in revenues to Rs 554.15 crs as against Rs 473.89 crs in the same period a year ago. Its pigment business bore the brunt of the fall for its EBIT nosedived 58% to Rs 19.28 crs when compared with Rs 45.84 crs in the same quarter a year ago, while its EBIT margins fell sharply to 3.7% from 10.1% in Q1 a year ago Vs 9.6% in the fourth quarter of previous fiscal. Recently, it issued unsecured non-convertible debentures of Rs 99 crs at 8.45% for a period of three years.

Partly impacted by fire around warehouse of one of its manufacturing sites located at Nandesari Gujarat, Deepak Nitrite reported 34.8% growth in revenues to Rs 2057.99 crs in Q1 as against Rs 1526.22 crs in the same period a year ago. Presumably due to higher material prices and discernible jump in power & fuel expenses (up nearly 50%), operating profits plunged by a distressing 21.2% to Rs 355.98 crs. Post tax earnings followed suit to display over 22% drop. Both advanced intermediates and phenolics business reported shrinkage in margins with former showing a nerve wracking 750 bps drop in margins sequentially while the steady phenolics business chipped in EBIT margin of 14.1% Vs 15.6% in Q4 vs 28.8% in Q1 of last fiscal.









Financials

Quarterly Results - Consolidated

Figures in Rs crs

	Q1FY23	Q1FY22	% chg.	FY22	FY21	% chg.
Income from operations	**1972.02**	**1316.76**	**49.8**	**6999.96**	**4506.10**	**55.3**
Other Income	0.38	0.05	660.0	0.80	0.70	14.3
Total Income	**1972.40**	**1316.81**	**49.8**	**7000.76**	**4506.80**	**55.3**
Total Expenditure	1602.71	1002.95	59.8	5071.15	3524.57	43.9
EBIDTA (other income included)	**369.69**	**313.86**	**17.8**	**1929.61**	**982.23**	**96.5**
Interest	49.81	38.29	30.1	114.29	86.37	32.3
Depreciation	86.51	68.59	26.1	288.52	231.31	24.7
PBT	**233.37**	**206.98**	**12.8**	**1526.80**	**664.55**	**129.7**
Tax	44.30	41.90	5.7	219.38	129.33	69.6
PAT	**189.07**	**165.08**	**14.5**	**1307.42**	**535.22**	**144.3**
Minority Interest	0.00	0.22	-100.0	0.23	11.75	-98.0
PAT post MI	**189.07**	**164.86**	**14.7**	**1307.19**	**523.47**	149.7
Extraordinary Item	-	-	-	569.02	0.27	-
Adjusted Net Profit	**189.07**	**164.86**	**14.7**	**738.17**	**523.20**	**41.1**
EPS (F.V. 5)	5.22	4.55	14.7	20.36	15.01	35.6

Segment Results

Figures in Rs crs

	Q1FY23	Q1FY22	% chg.	FY22	FY21	% chg.
Segment Revenue						
Speciality Chemicals	1765.59	1227.70	43.8	6619.38	4070.98	62.6
Pharmaceuticals	407.30	275.65	47.8	1299.93	952.30	36.5
Total	**2172.89**	**1503.35**	**44.5**	**7919.31**	**5023.28**	**57.7**
Less GST	200.87	186.59	7.7	919.35	517.18	77.8
Net	**1972.02**	**1316.76**	**49.8**	**6999.96**	**4506.10**	**55.3**
Segment EBIT						
Speciality Chemicals	250.45	232.47	7.7	1613.93	746.37	116.2
Pharmaceuticals	76.23	52.33	45.7	220.33	210.96	4.4
Total	**326.68**	**284.80**	**14.7**	**1834.26**	**957.33**	**91.6**
Interest	49.81	38.29	30.1	114.29	86.37	32.3
Other Unallocable Exp. (net of income)	43.50	39.53	10.0	193.17	206.41	-6.4
PBT	**233.37**	**206.98**	**12.8**	**1526.80**	**664.55**	**129.7**

Income Statement - Consolidated

Figures in Rs crs

	FY20	FY21	FY22	FY23e	FY24e
Income from operations (net)	**4186.29**	**4506.10**	**6999.96**	**7797.15**	**9073.39**
Growth (%)	0.4	7.6	41.3	22.4	16.4
Other Income	8.84	0.70	0.80	0.55	0.60
Total Income	**4195.13**	**4506.80**	**7000.76**	**7797.70**	**9073.99**
Total Expenditure	3208.97	3524.57	5071.15	6242.64	7199.41
EBITDA (other income included)	**986.16**	**982.23**	**1929.61**	**1555.06**	**1874.57**
Interest	124.78	86.37	114.29	171.42	203.38
EBDT	**861.38**	**895.86**	**1815.32**	**1383.63**	**1671.19**
Depreciation	185.21	231.31	288.52	355.00	426.59
Tax	129.42	129.33	219.38	195.44	236.47
Net profit	**546.74**	**535.22**	**1307.42**	**833.19**	**1008.13**
Minority interest	10.68	11.75	0.23	0.00	0.00
Net profit after MI	**536.08**	**523.46**	**1307.19**	**833.19**	**1008.13**
Extraordinary item	6.80	0.27	569.02	-	-
Adjusted Net Profit	**529.28**	**523.20**	**738.17**	**833.19**	**1008.13**
EPS (Rs.)	15.19	15.01	20.36	22.98	27.81

Segment Results

Figures in Rs crs

	FY20	FY21	FY22	FY23e	FY24e
Segment Revenue					
Speciality Chemicals	3864.95	4070.98	6619.38	7148.93	8292.76
Pharmaceuticals	755.74	952.30	1299.93	1611.91	1902.06
Total	**4620.69**	**5023.28**	**7919.31**	**8760.84**	**10194.82**
Less GST	434.38	517.18	919.35	963.69	1121.43
Net	**4186.29**	**4506.10**	**6999.96**	**7797.15**	**9073.39**
Segment EBIT					
Speciality Chemicals	814.11	746.37	1613.93	1143.83	1368.31
Pharmaceuticals	137.46	210.96	220.33	290.14	351.88
Sub Total	**951.57**	**957.33**	**1834.26**	**1433.97**	**1720.19**
Interest	124.78	86.37	114.29	171.42	203.38
Other Unallocable Exp. (net of income)	150.61	206.41	193.17	233.91	272.20
PBT	**676.17**	**664.55**	**1526.80**	**1028.63**	**1244.60**

Consolidated Balance Sheet

Figures in Rs crs

	FY20	FY21	FY22	FY23e	FY24e
SOURCES OF FUNDS					
Share Capital	87.12	87.12	181.25	181.25	181.25
Reserves	2891.66	3415.79	5733.22	6439.53	7320.79
Total Shareholders Funds	**2978.78**	**3502.91**	**5914.47**	**6620.79**	**7502.04**
Minority Interest	94.62	12.24	0.72	0.72	0.72
Long term debt	580.84	1268.05	930.41	1170.41	1410.41
Total Liabilities	**3654.24**	**4783.20**	**6845.60**	**7791.92**	**8913.17**
APPLICATION OF FUNDS					
Gross Block	3837.04	5155.49	6271.88	7671.88	9071.88
Less: Accumulated Depreciation	1368.55	1562.91	1853.95	2208.95	2635.54
Net Block	**2468.49**	**3592.58**	**4417.93**	**5462.93**	**6436.34**
Capital Work in Progress	1417.64	1297.91	1490.38	1500.00	1300.00
Investments	37.01	63.52	73.13	73.13	73.13
Current Assets, Loans & Advances					
Inventory	835.68	935.68	1411.33	1664.56	1937.02
Sundry Debtors	753.44	793.73	1390.50	1559.43	1814.68
Cash and Bank	247.29	412.32	256.84	105.14	153.21
Other Assets	168.46	225.87	215.03	224.96	235.45
Total CA & LA	**2004.87**	**2367.60**	**3273.70**	**3554.09**	**4140.35**
Current liabilities	1876.47	2360.02	2233.91	2723.43	2977.34
Provisions	39.91	40.12	103.04	42.30	47.30
Total Current Liabilities	**1916.38**	**2400.14**	**2336.95**	**2765.73**	**3024.64**
Net Current Assets	88.49	-32.54	936.75	788.36	1115.71
Net Deferred Tax (net of liability)	-211.00	-233.94	-250.23	-282.23	-317.23
Other Assets (Net of liabilities)	-146.40	95.66	177.63	249.73	305.22
Total Assets	**3654.24**	**4783.20**	**6845.60**	**7791.92**	**8913.17**

Key Financial Ratios

	FY20	FY21	FY22	FY23e	FY24e
Growth Ratios					
Revenue (%)	0.4	7.6	41.3	22.4	16.4
EBIDTA (%)	1.3	0.4	34.2	18.0	20.5
Net Profit (%)	7.9	-1.1	41.1	12.9	21.0
EPS (%)	0.7	-1.1	35.6	12.9	21.0
Margins					
Operating Profit Margin (%)	23.3	21.8	20.7	19.9	20.7
Gross Profit Margin (%)	20.4	19.9	18.9	17.7	18.4
Net Profit Margin (%)	12.9	11.9	11.6	10.7	11.1
Return					
ROCE (%)	12.6	10.6	11.3	10.7	11.2
ROE (%)	19.2	16.3	15.9	13.4	14.4
Valuations					
Market Cap / Sales	3.2	5.1	5.4	3.4	2.9
EV/EBIDTA	15.6	25.9	28.1	18.6	15.4
P/E	25.2	43.9	47.0	31.9	26.4
P/BV	4.5	6.7	5.9	4.1	3.6
Other Ratios					
Interest Coverage	6.4	8.7	9.0	7.0	7.1
Debt-Equity Ratio	0.7	0.8	0.4	0.5	0.5
Current Ratio	1.0	1.0	1.4	1.3	1.3
Turnover Ratios					
Fixed Asset Turnover	1.8	1.5	1.6	1.6	1.5
Total Asset Turnover	1.2	1.1	1.1	1.1	1.1
Debtors Turnover	5.5	5.8	5.8	5.3	5.4
Inventory Turnover	4.0	4.0	4.3	4.1	4.0
Creditors Turnover	10.3	7.6	9.5	12.1	12.7
WC Ratios					
Debtor Days	66.7	62.7	62.6	69.0	67.9
Inventory Days	91.4	91.7	84.8	89.9	91.3
Creditor Days	35.5	47.7	38.5	30.1	28.7
Cash Conversion Cycle	122.6	106.7	108.9	128.9	130.5

Cumulative Financial Data

Figures in Rs crs	FY13-15	FY16-18	FY19-21	FY22-24e
Income from operations	7637	9240	12860	23239
Operating profit	1229	1925	2924	4746
EBIT	982	1566	2346	3677
PBT	631	1200	1952	3188
Profit after MI & associate profit	490	899	1543	2579
OPM (%)	16.1	20.8	22.7	20.4
NPM (%)	6.1	10.1	12.3	11.1
Interest coverage	2.8	4.3	6.0	7.5
ROE (%)	19.9	22.9	20.5	15.8
ROCE (%)	18.8	17.4	15.6	14.1
Debt-equity ratio*	1.1	1.3	0.8	0.5
Fixed asset turnover	3.6	2.1	1.5	1.5
Debtors turnover	6.0	5.6	5.9	5.9
Inventory turnover	4.9	3.8	3.9	4.3
Creditors turnover	10.0	8.0	7.1	10.5
Debtors days	60.6	64.8	61.7	61.5
Inventory days	75.0	97.2	92.7	85.0
Creditor days	36.4	45.4	51.5	34.6
Cash conversion cycle	99.2	116.7	102.9	111.9

FY13-15 implies three years ending fiscal 15; *as on terminal year

Record inflation in crude oil and its byproducts explains much of the 80.7% growth in Aarti's cumulative revenues to Rs 23239 crs during FY22-24e period (three years ending FY24) compared to that in the previous three year period. Unprecedented surge in prices of key raw materials - benzene; sulphur; to name a few- has dented OPMs i last few quarters, aptly reflected in estimated margin of 20.4% during FY22-24e when compared to 22.7% in FY19-21. Gradual ramp up in international supply contracts would lend much need buoyancy to volumes at a time when shortage of nitric acid has been disrupting production.

Yet boosting turnover ratios would be a no small task not least due to gradual decline in finished product prices in last few months accentuated by falling crude oil prices. Barely robust growth in post tax earnings (cumulative post tax earnings (adjusted) is estimated to grow by some 67% compared to growth of 72% in FY19-21 period- would stifle resurrection in return on capital during FY22-24 period - ROE estimated to fall to 15.8% from 20.5% in FY19-21 period (see table). With some fall in creditor days, cash conversion cycle is projected to rise to 112 days from 103 days in FY19-21 (see table).

Financial Summary – US dollar denominated

million $	FY20	FY21	FY22	FY23e	FY24e
Equity capital	23.1	23.7	23.9	22.1	22.1
Shareholders funds	392.8	469.2	773.0	802.1	909.8
Total debt	278.3	386.9	340.1	394.6	448.4
Net fixed assets (incl CWIP)	515.5	665.3	779.4	850.6	945.0
Investments	4.9	8.6	9.6	8.9	8.9
Net current assets	9.4	-11.8	116.4	89.7	129.6
Total assets	482.4	643.3	895.9	945.2	1082.1
Revenues (Gross)	590.6	607.3	939.4	952.5	1108.4
EBITDA	137.9	132.3	176.9	190.0	229.0
EBDT	120.3	120.7	161.5	169.0	204.1
PBT	94.2	89.5	122.8	125.7	152.0
Profit after MI	74.7	70.5	99.1	101.8	123.1
EPS($)	0.21	0.20	0.27	0.28	0.34
Book value ($)	1.13	1.35	2.13	2.21	2.51

income statement figures translated at average rates; balance sheet and cash flow at year end rates; projections at current rates(Rs 81.86/$). All dollar denominated figures are adjusted for extraordinary items.

Disclosure &Disclaimer

CD Equisearch Private Limited (hereinafter referred to as **'CD Equi'**) is a Member registered with National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited). CD Equi is also registered as Depository Participant with CDSL and AMFI registered Mutual Fund Advisor. The associates of CD Equi are engaged in activities relating to NBFC-ND - Financing and Investment, Commodity Broking, Real Estate, etc.

CD Equi is registered under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration no INH300002274. Further, CD Equi hereby declares that –

- No disciplinary action has been taken against CD Equi by any of the regulatory authorities.
- CD Equi/its associates/research analysts do not have any financial interest/beneficial interest of more than one percent/material conflict of interest in the subject company(s) **(*kindly disclose if otherwise*)**.
- CD Equi/its associates/research analysts have not received any compensation from the subject company(s) during the past twelve months.
- CD Equi/its research analysts has not served as an officer, director or employee of company covered by analysts and has not been engaged in market making activity of the company covered by analysts.

This document is solely for the personal information of the recipient and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved) and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. CD Equi or any of its affiliates/group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. CD Equi has not independently verified all the information contained within this document. Accordingly, we cannot testify nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document.

While, CD Equi endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory compliance or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly. Neither, CD Equi nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

CD Equisearch Private Limited (CIN: U67120WB1995PTC071521)
Registered Office: 37, Shakespeare Sarani, 3rd Floor, Kolkata – 700 017; Phone: +91(33) 4488 0000; Fax: +91(33) 2289 2557 Corporate Office: 10, Vasawani Mansion, 5th Floor, DinshawWachha Road, Churchgate, Mumbai – 400 020. Phone: +91(22) 2283 0652/0653; Fax: +91(22) 2283, 2276 Website: www.cdequi.com; Email: research@cdequi.com

buy: >20%	accumulate: >10% to ≤20%	hold: ≥-10% to ≤10%	reduce: ≥-20% to <-10%	sell: <-20%

Exchange Rates Used- Indicative

Rs/$	FY18	FY19	FY20	FY21	FY22
Average	64.45	69.89	70.88	74.20	74.51
Year end	65.04	69.17	75.39	73.50	75.81

All $ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate. Cumulative dollar figure is the sum of respective yearly dollar value.