

October 24, 2023

**RESULT REPORT Q2 FY24** | Sector: Chemicals

# Rossari Biotech Ltd

## Weak raw material prices led to tepid earnings growth

### Our View

Rossari's reported operating profits at Rs 636mn (+12% YoY; +10% QoQ) The Ebitda margin at 13.1% (Q1: 14.1%), lower on account of higher other costs and decision to grow volumes at minor cost of margins. The standalone earnings stood stronger with S.A. Ebitda at Rs483mn growing by 73% YoY & 38% QoQ, driven by a 14% YoY and +18% QoQ growth in revenue and improved Ebitda margin of 14.5%. HPPC segment saw strong contribution from Institutional cleaning, paints home, and personal care, reporting a growth of 21%, TSC grew by 5%, while AHN was down by 28% QoQ which was result of prudence as difficulties were seen on payment terms leading the decision to reduce the feed business and met seasonally weak quarter due to double Shravan. To supplement its further growth, announced expansion of Dahej facility to foray into specialty chemicals and ingredients for subsidiaries. Unitop facility current capacity of 36k mtpa of ethoxylation operating at optimal levels, additional facility of 30k mtpa being added to meet future demand. Both these expansions will take place in phased manner till Q3FY25. We maintain BUY rating with revised target price of Rs 1,015/sh.

### Result Highlights

- **Revenue:** The consolidated net-revenue stood at Rs 4.8bn (14% YoY; +18% QoQ); The growth was led by strong offtake from end users in HPPC.
- **Consol. Ebitda & PAT:** Consolidated Ebitda at Rs 636mn stood +12% YoY & +10% QoQ. Ebitda margin contracted by 92bps QoQ to 13.1%. PAT stood at Rs 329mn (+38% YoY; +13% QoQ). Raw material stability in prices aided the EBITDA while PAT was driven by improvement in topline.
- **Standalone Earnings:** S.A. Revenue for Q2FY24 stood at Rs 3.3bn (+38% YoY; +29% QoQ), with Ebitda at Rs 483mn (+73% YoY; 38% QoQ) and PAT at Rs 324mn (+110% YoY; +50% QoQ).
- **HPPC Segment:** Revenue stood at Rs 3.6bn (21% YoY; +22% QoQ) led by strong contribution from Institutional cleaning, paints home, and personal care; leading the growth on consolidated basis, foray into specialty chemicals with the new capex announced.
- **TSC Segment:** Revenue stood at Rs 959mn (+5% YoY; +19% QoQ), have made changes in management for the unit, cautiously reduced business with certain clients across major markets like Bangladesh, Mexico, Argentina, and Egypt.
- **AHN Segment:** Revenue for the segment stood at Rs 205mn (-32% YoY; -28% QoQ), during the quarter. The degrowth for another straight quarter was led by the decision to reduce the feed additive business which was coupled with seasonally weak quarter.
- **Capex:** Dahej facility expansion of Rossari of 20k mtpa capacity for specialty chemicals products and ingredients for subsidiaries at the cost of Rs 500mn. Unitop facility expansion by 30k mtpa to meet future demand on products based on ethoxylation process resulting in capital outlay of Rs 1280mn.

### Valuation

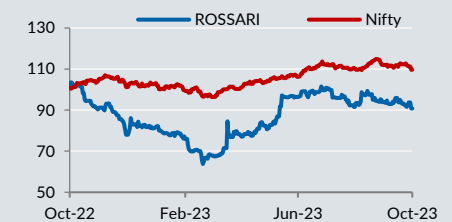
We maintain BUY on Rossari, with a Mar'25 TP of Rs 1015/sh. Our TP is premised upon an operating earnings CAGR of ~9%(FY24-30e), with a RoE profile of ~17%. The stock is currently trading at 21x FY25e, vs 26x implied by our TP.

Reco	: <b>BUY</b>
CMP	: Rs 796
Target Price	: Rs 1,015
Potential Return	: +27%

### Stock data (as on October 23, 2023)

Nifty	19,282
52 Week h/l (Rs)	927 / 536
Market cap (Rs/USD mn)	45389 / 547
Outstanding Shares (mn)	55
6m Avg t/o (Rs mn):	106
Div yield (%):	0.06
Bloomberg code:	ROSSARI IN
NSE code:	ROSSARI

### Stock performance



	1M	3M	1Y
Absolute return	-3.3%	-10.0%	-11.2%

### Shareholding pattern (As of Sep '23 end)

Promoter	68.4%
FII+DII	23.8%
Others	7.7%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	1015	1030

### Δ in estimates

(1-Yr)	FY24e	FY25e
EPS (New)	28.6	38.8
EPS (Old)	28.9	38.2
% Change	-1.2%	1.5%

### Financial Summary

(Rs mn)	FY23	FY24E	FY25E
Revenue	16,559	19,754	22,257
YoY (%)	11.7	19.3	12.7
EBIDTA	2,230	2,549	3,209
OPM (%)	13.5	12.9	14.4
PAT	1,073	1,472	1,999
YoY (%)	9.8	37.2	35.8
ROE	12.5	15.0	17.5
EPS	20.8	28.6	38.8
P/E	38.3	27.9	20.5
P/BV	4.5	3.9	3.3
EV/EBITDA	18.2	16.1	12.7

### Sanyam Vira

Associate

Sanyam.vira@ysil.in

+91 22 6885 0521

## Exhibit 1: Quarterly snapshot

Particulars (Rs mn)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	y/y (%)	q/q (%)	1HFY23	1HFY24	y/y (%)
Revenue	4,254	3,893	4,065	4,106	4,835	13.6	17.7	8,601	8,941	3.9
Expenditure	3,689	3,351	3,519	3,529	4,199	13.8	19.0	7,459	7,728	3.6
-Raw Material	3,018	2,724	2,863	2,895	3,428	13.6	18.4	6,124	6,323	3.3
-Staff Cost	241	242	268	245	275	14.0	12.3	477	520	9.2
-Other Expenses	430	385	388	388	496	15.4	27.8	858	884	3.0
<b>EBITDA</b>	<b>565</b>	<b>542</b>	<b>546</b>	<b>577</b>	<b>636</b>	<b>12.4</b>	<b>10.1</b>	<b>1,143</b>	<b>1,213</b>	<b>6.2</b>
EBITDA margin(%)	13.3	13.9	13.4	14.1	13.1	-14 bps	-92 bps	13	14	28 bps
Other Income	8	11	28	22	14	66.3	(37.7)	16	36	127.2
Interest	82	47	43	63	50	(38.9)	(20.4)	133	113	(14.7)
Depreciation	156	160	160	141	151	(3.3)	7.1	310	292	(5.6)
<b>PBT</b>	<b>335</b>	<b>347</b>	<b>370</b>	<b>395</b>	<b>448</b>	<b>33.7</b>	<b>13.4</b>	<b>716</b>	<b>843</b>	<b>17.7</b>
Tax	97	90	83	102	119	22.2	15.8	197	221	12.1
<b>PAT</b>	<b>238</b>	<b>257</b>	<b>288</b>	<b>293</b>	<b>329</b>	<b>38.3</b>	<b>12.5</b>	<b>519</b>	<b>622</b>	<b>19.9</b>
MI	1	0	2	(0)	0	(82.6)	n.a.	(7)	0	n.a.
<b>Reported PAT</b>	<b>239</b>	<b>257</b>	<b>290</b>	<b>292</b>	<b>329</b>	<b>37.8</b>	<b>12.8</b>	<b>526</b>	<b>622</b>	<b>18.2</b>

Source: Company, YES Sec

## Exhibit 2: Segmental highlights

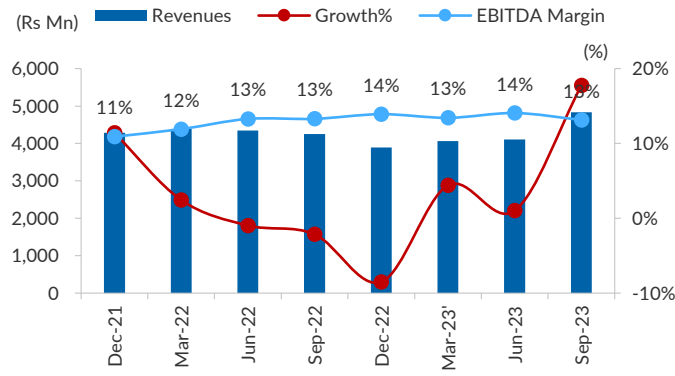
Particulars	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	y/y (%)	q/q (%)	1HFY23	1HFY24	y/y (%)
<b>HPPC</b>										
Revenues	3,039	2,712	2,654	3,012	3,671	20.8	21.9	6,209	6,683	7.6
% of total revenue	71.4	69.7	65.3	73.4	75.9	450 bps	258 bps	69.4	74.7	-531 bps
<b>TSC</b>										
Revenues	914	895	985	809	959	4.9	18.5	1,853	1,768	(4.6)
% of total revenue	21.5	23.0	24.2	19.7	19.8	-165 bps	13 bps	20.7	19.8	95 bps
<b>AHN</b>										
Revenues	302	286	425	285	205	(32.1)	(28.1)	545	490	(10.1)
% of total revenue	7.1	7.4	10.5	6.9	4.2	-286 bps	-270 bps	6.1	5.5	62 bps
<b>Consolidated</b>										
Revenue	4,254	3,893	4,065	4,106	4,835	13.6	17.7	8,601	8,941	3.9
Ebitda	565	542	546	577	636	12.4	10.1	1,143	1,213	6.2
Ebitda margin %	13.3	13.9	13.4	14.1	13.1	-14 bps	-92 bps	13.3	13.6	-28 bps
<b>Standalone</b>										
Revenue	2,409	2,369	2,636	2,583	3,320	37.8	28.5	4,746	5,904	24.4
Ebitda	279	319	359	351	483	73.4	37.6	549	835	52.0
Ebitda margin %	11.6	13.5	13.6	13.6	14.6	299 bps	96 bps	11.6	14.1	-257 bps
<b>Subsidiaries</b>										
Revenue	1,845	1,524	1,428	1,523	1,515	(17.9)	(0.5)	3,856	3,037	(21.2)
Ebitda	287	222	187	226	152	(46.9)	(32.6)	594	378	(36.3)
Ebitda margin %	15.5	14.6	13.1	14.8	10.1	-548 bps	-479 bps	15.4	12.5	294 bps

## CONCALL HIGHLIGHTS

- Strong revenue growth supported by HPPC and TSC, while AHN was subdued.
- **Expansions:** In Unitop, Ethoxylation capacity of 30k mtpa is being added at the cost of Rs 1280m to meet demand from various industries like agrochemical, HPPC, Oil & Gas, and Pharma. In Dahej facility of Rossari capex of Rs 500m towards facility expansion of 20k mtpa dedicated for specialty chemical products and manufacturing ingredients for subsidiary. These capex would be commissioned in phased manner by Q3FY25.
- **Capex:** In H1FY24: Rs 750m across the segments with solar installation, maintenance, purchases of small brands, machinery, affluent treatment plant, debottlenecking among other initiatives. Capex of Rs 580m has been announced for Rossari and Rs 1200m for Unitop, of which Rs 500m would be incurred in 2HFY24, taking the total for FY24 to Rs 1250m and rest in FY25.
- New assets to reach peak utilization in 4 years, resulting in asset turnover of ~4-4.5x
- **HPPC:** The growth was from across segments like home, personal care, performance chemicals including coating, paints, water treatment, paper, ceramic.
- **TSC:** Had shuffled management team, which will result in renewed focus on growth. Current outlook is muted with commitment to identify opportunities within the space. Presence in Bangladesh has improved and expect uptick with good demand. Have cut down the business to 1/3 in Bangladesh, as a step of caution to not have bad debts, stopped supplying on open terms. Have consciously reduced business in Egypt, Mexico, Argentina, and Turkey.
- **AHN:** Faced with seasonally weak demand. Further, decision taken to significantly reduce the exposure of feed business due to payment related issues being faced.
- **Unitop:** Major capex coming up in Unitop of Rs 1200m, Unitop has 19 acres of land, working towards to acquire adjoining areas. The capex announced is inclusive of the land purchase cost.
- **Working Capital:** During the quarter it was reported at 98 days, while in previous quarter it was 79 days. It was higher as major were institutional clients and going forward it expects the working capital days to be 85-90 days. Inventory days also have increased with raw material purchases for Q3
- **Focus center:** To increase the volume offtake, utilization rate while letting margins contract little, as there is confidence that margins can be increased at discretion. Focus is on increasing absolute EBITDA rather than EBITDA margin.
- **Utilization rate:** Rossari Dahej plant: 77%, Unitop and Tristar close to peak
- **ROC:** The ROC has dropped below 20% in the quarter due to new capex announced, once they come onstream the ROC to be in comfortable long-term range of 20-23%
- Ethoxylate expansion would support Unitop and HPPC as it is currently running at 100%, during Q2FY24, the waiting time for the orders reached to 40 days which resulted in cancellation from customers.
- **Sourcing:** Acrylic acid is sourced domestically from BPCL, and Acetic acid is balanced between GNFC and imports.

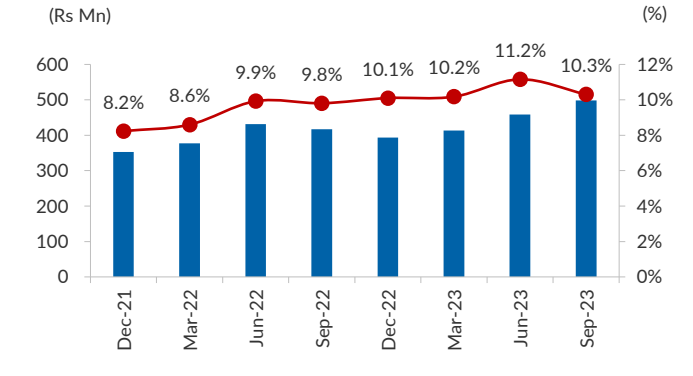
## CHARTS

**Exhibit 3: Q2FY24 revenue was up 14% YoY by 18% QoQ**



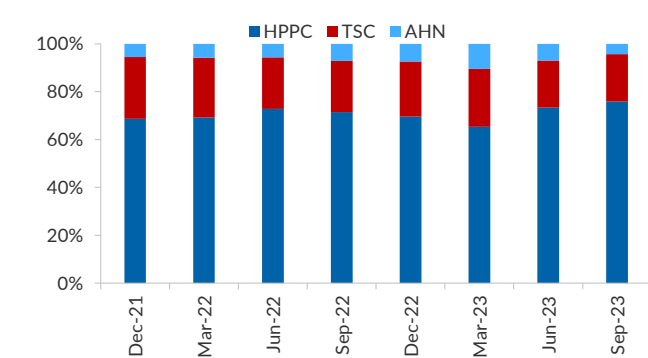
Source: Company, YES Sec

**Exhibit 4: EBIT at Rs 498mn, higher by 19% YoY and 9% QoQ**



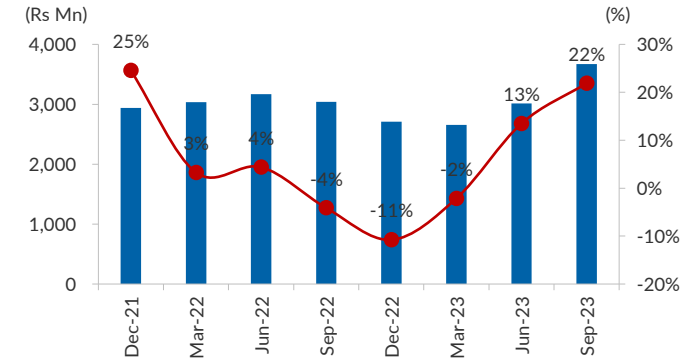
Source: Company, YES Sec

**Exhibit 5: HPPC segment's share stood at 76%, followed by 20% share of TSC and 4% AHN**



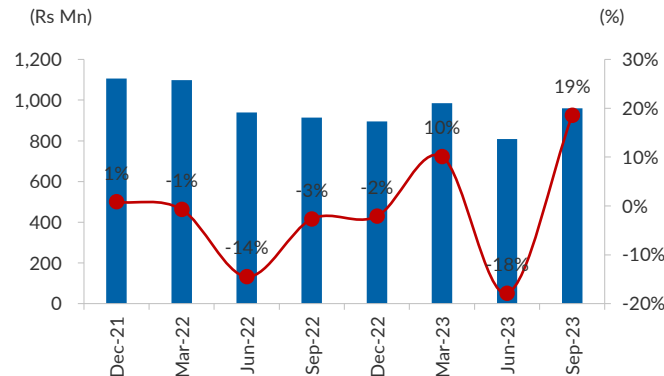
Source: Company, YES Sec

**Exhibit 6: HPPC segment revenue increased by 21% YoY and 22% QoQ**



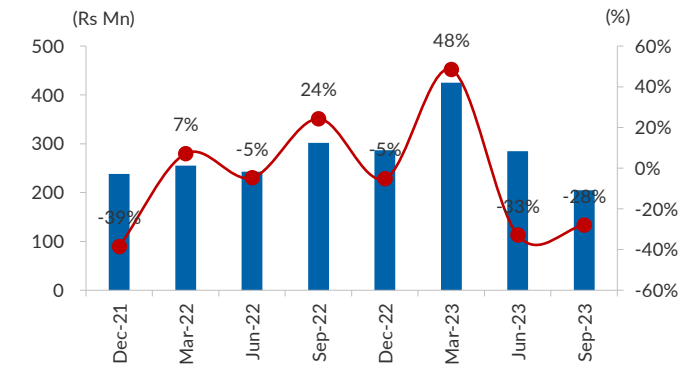
Source: Company, YES Sec

**Exhibit 7: TSC segment revenue grew by 19% YoY & 5% QoQ**



Source: Company, YES Sec

**Exhibit 8: AHN segment revenue stood lower by 32% YoY and 28% QoQ**



Source: Company, YES Sec

## VIEW & VALUATIONS

### Maintain BUY with a TP of Rs 1,015/sh

We maintain our BUY rating on Rossari, with a Mar'25 TP of Rs 1015/sh (from Rs 1030/sh), as we make minor adjustment to our earnings estimate. While there are challenges in the interim due to macro environment, but in the longer run Rossari's growth trajectory and margins are likely to get normalized. Our TP is premised upon an operating earnings CAGR of ~9%(FY24-30e).

#### Exhibit 9: Valuation table

	(Rs mn)	USD mn	Rs /sh
Discounted projected FCFF	19,528	244	379
Terminal Value	32,727	409	635
EV	52,255	653	1,013
Net Debt/ (cash)	(83)	(1)	(2)
Equity	<b>52,338</b>	<b>654</b>	<b>1,015</b>
Rs/USD	80		
Shr Outstanding	52		
Terminal Growth rate	4%		
WACC	11%		

## FINANCIALS

### Exhibit 10: Income statement

Y/e 31 Mar (Rs mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	2,918	5,159	6,001	7,093	14,830	16,559	19,754	22,257	24,969
Total Expense	2,472	4,372	4,954	5,863	12,995	14,329	17,205	19,048	21,268
Operating Profit	446	787	1,047	1,231	1,834	2,230	2,549	3,209	3,700
Other Income	9	12	37	92	120	55	105	155	205
Depreciation	(51)	(122)	(169)	(228)	(481)	(629)	(591)	(649)	(712)
EBIT	404	677	916	1,094	1,474	1,656	2,063	2,715	3,193
Interest	(10)	(33)	(36)	(30)	(127)	(223)	(100)	(50)	(50)
Share of JV	0	23	(2)	4	15	10	0	0	0
PBT	394	667	878	1,068	1,363	1,442	1,963	2,665	3,143
Tax	(105)	(167)	(226)	(268)	(386)	(370)	(491)	(666)	(786)
PAT	289	500	653	800	977	1,073	1,472	1,999	2,357
Adj. PAT	289	500	653	800	977	1,073	1,472	1,999	2,357
Eps	66	103	13	16	19	21	29	39	46

Source: Company, YES Sec

### Exhibit 11: Balance sheet

Y/e 31 Mar (Rs mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	44	44	102	104	110	110	110	110	110
Reserves	851	1,201	2,765	3,984	7,942	9,041	10,416	12,242	14,349
Net worth	895	1,245	2,867	4,088	8,052	9,152	10,526	12,352	14,459
Total Debt	209	58	610	0	84	739	1,316	1,316	1,316
Deferred tax liab (net)	0	0	5	13	689	45	45	45	45
Capital Employed	1,104	1,303	3,482	4,101	8,825	9,936	11,887	13,713	15,820
<b>Fixed assets</b>	<b>537</b>	<b>784</b>	<b>1,035</b>	<b>206</b>	<b>3,060</b>	<b>3,297</b>	<b>3,862</b>	<b>4,226</b>	<b>4,704</b>
Intangibles	0	60	48	1,609	3,025	2,700	2,770	3,257	3,067
Investments	32	2	179	0	359	512	512	562	612
Net working capital	535	457	2,221	2,285	2,381	3,427	4,744	5,669	7,438
Inventories	351	549	582	954	1,899	1,885	2,766	3,073	3,448
Sundry debtors	598	860	941	1,441	3,049	3,537	4,330	4,878	5,473
Cash & Bank Balance	7	57	1,272	883	524	1,246	1,239	1,524	2,644
Other assets	74	192	658	521	652	500	500	500	500
Other Liabilities	114	152	263	202	1,880	1,888	1,720	1,672	1,672
Sundry creditors	381	1,048	970	1,311	1,862	1,852	2,371	2,634	2,955
Application of Funds	1,104	1,303	3,482	4,101	8,825	9,936	11,887	13,713	15,820

Source: Company, YES Sec

## Exhibit 12: Cash Flow statement

Y/e 31 Mar (Rs mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT	394	622	881	1,064	1,347	1,442	1,963	2,665	3,143
Depreciation & amortization	51	122	169	228	481	629	591	649	712
Interest expense	10	23	36	30	127	223	100	50	50
(Inc)/Dec in working capital	(128)	180	(311)	(483)	(1,130)	(272)	(1,155)	(593)	(648)
Tax paid	(105)	(208)	(201)	(313)	(501)	(478)	(491)	(666)	(786)
Less: Interest/Dividend Income Received	(4)	(9)	(17)	(43)	41	(25)	0	0	0
Other operating Cash Flow	0	(0)	12	(6)	(70)	4	0	0	0
<b>Operating Cashflow</b>	<b>218</b>	<b>729</b>	<b>568</b>	<b>478</b>	<b>294</b>	<b>1,524</b>	<b>1,008</b>	<b>2,105</b>	<b>2,472</b>
Capital expenditure	(141)	(439)	(760)	(581)	(3,785)	(1,314)	(1,000)	(1,500)	(1,000)
Inc/(Dec) in investments	(30)	30	(137)	137	16	(137)	(0)	(50)	(50)
Add: Interest/Dividend Income Received	4	4	14	35	50	21	0	0	0
Other items	5	(14)	(1,021)	37	731	(380)	(748)	(148)	(100)
<b>Investing Cashflow</b>	<b>(162)</b>	<b>(420)</b>	<b>(1,904)</b>	<b>(372)</b>	<b>(2,989)</b>	<b>(1,811)</b>	<b>(1,748)</b>	<b>(1,698)</b>	<b>(1,150)</b>
Inc/(Dec) in share capital	0	0	1,000	427	3,015	42	0	0	0
Inc/(Dec) in debt	(50)	(154)	629	(610)	(48)	655	577	0	0
Dividend Paid	(3)	(105)	(26)	(25)	(28)	(28)	(98)	(173)	(251)
Others	(10)	(19)	(33)	(37)	(22)	(61)	68	(50)	(50)
<b>Financing Cashflow</b>	<b>(63)</b>	<b>(278)</b>	<b>1,569</b>	<b>(246)</b>	<b>2,918</b>	<b>609</b>	<b>547</b>	<b>(223)</b>	<b>(301)</b>
Net cash flow	(7)	32	234	(140)	223	322	(193)	185	1,021
<b>Ending Balance</b>	<b>14</b>	<b>38</b>	<b>291</b>	<b>152</b>	<b>1,105</b>	<b>845</b>	<b>1,053</b>	<b>1,424</b>	<b>2,544</b>

Source: Company, YES Sec

## Exhibit 13: Du Pont

Y/e 31 Mar (Rs mn)	FY18	FY19	FY20E	FY21E	FY22	FY23	FY24E	FY25E	FY26E
Tax burden (x)	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Interest burden (x)	1.0	1.0	1.0	1.0	0.9	0.9	1.0	1.0	1.0
EBIT margin (x)	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	2.1	2.5	1.7	1.4	1.6	1.3	1.3	1.3	1.3
Financial leverage (x)	1.9	1.9	1.8	1.5	1.5	1.5	1.5	1.5	1.4
RoE (%)	38.5	46.7	31.7	23.0	16.1	12.5	15.0	17.5	17.6

Source: Company, YES Sec

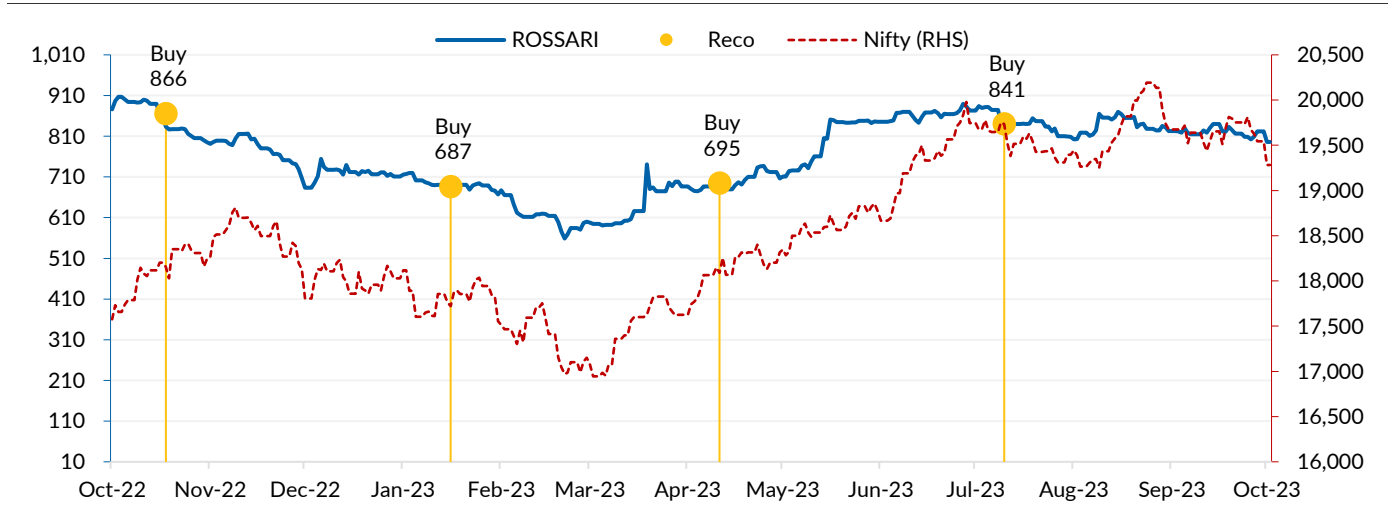
## Exhibit 14: Ratio Analysis

Y/e 31 Mar	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth matrix (%)</b>									
Revenue growth	25.0	76.8	16.3	18.2	109.1	11.7	19.3	12.7	12.2
Op profit growth	83.4	76.5	33.1	17.5	49.1	21.6	14.3	25.9	15.3
EBIT growth	92.7	67.5	35.3	19.4	34.7	12.4	24.6	31.6	17.6
Net profit growth	84.0	57.2	43.5	22.7	22.0	9.8	37.2	35.8	17.9
<b>Profitability ratios (%)</b>									
OPM	15.3	15.2	17.5	17.3	12.4	13.5	12.9	14.4	14.8
EBIT margin	13.9	13.1	15.3	15.4	9.9	10.0	10.4	12.2	12.8
Net profit margin	9.9	9.7	10.9	11.3	6.6	6.5	7.5	9.0	9.4
RoCE	30.7	41.1	28.5	21.7	17.3	13.7	14.2	16.0	16.3
RoE	38.5	42.5	31.7	23.0	16.1	12.5	15.0	17.5	17.6
RoA	20.5	22.2	18.1	15.5	10.7	8.2	9.9	11.8	12.3
<b>Per share ratios</b>									
EPS	65.7	103.3	13.4	15.5	18.9	20.8	28.6	38.8	45.7
Dividend per share	0.0	1.0	2.0	1.6	1.5	1.3	3.4	4.5	5.5
Cash EPS	4.6	7.3	9.4	11.1	9.6	8.6	17.1	26.2	31.9
Book value per share	17.4	24.1	55.6	79.3	156.1	177.5	204.1	239.5	280.4
<b>Valuation ratios</b>									
P/E	12.1	7.7	59.3	51.3	42.0	38.3	27.9	20.5	17.4
P/CEPS	172.2	108.6	84.8	71.7	82.7	92.5	46.6	30.4	24.9
P/B	45.9	33.0	14.3	10.0	5.1	4.5	3.9	3.3	2.8
EV/EBITDA	92.5	52.2	38.6	32.6	22.1	18.2	16.1	12.7	10.7
<b>Payout (%)</b>									
Dividend payout	0.1	1.0	14.7	10.5	7.7	6.4	12.0	11.5	12.0
Tax payout	26.7	26.9	25.7	25.1	28.3	25.6	25.0	25.0	25.0
<b>Liquidity ratios</b>									
Debtor days	67.0	51.6	54.8	61.3	55.2	72.6	80.0	80.0	80.0
Inventory days	54.5	46.6	55.9	64.4	53.7	64.0	70.0	70.0	70.0
Creditor days	66.6	74.0	99.8	95.7	59.7	62.8	60.0	60.0	60.0

Source: Company, YES Sec



## Recommendation Tracker



Source: Company, YES Sec

## DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all

jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This Research Report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited Research Report. This YES Securities (India) Limited Research Report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ 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 YES Securities (India) Limited 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 or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

### YES Securities (India) Limited

**Registered Address:** 2<sup>nd</sup> Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400 055, Maharashtra, India.

**Correspondence Address:** 4<sup>th</sup> Floor, AFL House, Lok Bharti Complex, Marol Maroshi Road, Andheri East, Mumbai - 400059, Maharashtra, India.

☎ +91 22 68850521 | ✉ research@ysil.in  
Website: www.yesinvest.in

**Registration Nos.:** CIN: U74992MH2013PLC240971 | SEBI Single Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 | AMFI ARN Code - 94338.

**Details of Compliance Officer:** Name: Aditya Goenka,  
**Email id:** compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

**Grievances Redressal Cell:** customer.service@ysil.in/igc@ysil.in

## DISCLOSURE OF INTEREST

Name of the Research Analyst : Sanyam Vira

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has 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	No
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

## RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

**BUY:** Upside greater than 20% over 12 months

**ADD:** Upside between 10% to 20% over 12 months

**NEUTRAL:** Upside between 0% to 10% over 12 months

**REDUCE:** Downside between 0% to -10% over 12 months

**SELL:** Downside greater than -10% over 12 months

**NOT RATED / UNDER REVIEW**

## ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.