

Q1FY22 Update | Chemicals | 17 August 2021

# Bodal Chemicals Ltd.

## Strong visibility of growth going ahead

Q1FY22 revenue of Bodal Chemicals grew by 258% YoY & declined by 2.5% QoQ to Rs4.21bn. Sequential decline is due second wave of covid impacting demand. Gross margin expanded by 2678bps YoY & 879bps QoQ to 53.7% in Q1FY22. EBITDA declined by 17.5% QoQ to Rs489mn. Despite robust gross margin expansion, EBITDA margins declined by 210bps QoQ to 11.6% in Q1FY22 (Lower than our expectation) majorly on the back of higher other expenses led by higher freight & transportation cost. Despite EBITDA decline of 17.5% QoQ, PAT grew by 27% QoQ to Rs299mn in Q1FY22 on the back of higher other income and lower tax rate for the quarter (lower than our expectation). Considering, the growth visibility in sight backed by strong growth in core product portfolio, inorganic acquisition & greenfield expansion, we assign BUY rating on the stock.

### Greenfield expansion and inorganic acquisitions to drive growth going ahead

- The company is undergoing a greenfield expansion into benzene downstream products having capacity of 78,960 TPA and expansion of sulphuric acid & derivatives having capacity of 3,40,000 TPA at Saykha GIDC, Bharuch, Gujarat. Total cost of the project will be around Rs4bn with revenue potential of Rs5.5bn alongwith EBITDA margins of 15-18%.
- Also, recently the company acquired SCC chlor alkali complex, which is a unit of Mawana Sugars Ltd, located at Rajpura, Punjab in March 2021. The complex has a capacity of 82,500 TPA alongwith manufacturing of auxiliaries like stable bleaching powder, chlorine etc.
- The company would further upgrade the plant replacing old electrolyzers and increase chlor alkali complex capacity by another 16,500 TPA which would be completed by Q3FY23. This would cost the company Rs1-1.2bn. During the upgradation process, existing plant will be under operations and expect to achieve about 70% utilization in FY22. We expect SCC to generate Rs3bn revenue after complete upgradation of the plant at optimum utilization levels with EBITDA margins in the range of 20% to 22% by FY23E.

### Visibility in operations of major subsidiaries will help sustain the revenue growth going ahead

- SPS Processors & Trion Chemicals reported revenues of Rs309.8mn & Rs160mn in Q1FY22.
- On SPS Processors, the company has received approvals to start the VS plant and the same is expected to commercialize by Q2FY22. The expected additional revenue would be Rs1.2-1.4bn. This business commercialization will lead to positive profits for the SPS Processor going ahead
- Trion Chemicals plant started its operation from Q2FY21 and achieved production levels of 250-300 MT per month in Q1FY22. Trichloro isocyanuric acid (TCCA) is high in demand in the US market.

### Valuation

- The company's major end user are textiles, leather, plastics & pigments wherein demand has witnessed robust pickup and with no further disruption in supply chain we feel the demand would sustain going forward.
- We value the stock on 13.5x FY23 projections and arrive at a target price of Rs 145 per share with an upside of 33% from current levels. Therefore, we assign **BUY** rating on the stock.

Y/E Mar (Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)
Revenue	4,218	1,178	258.0%	4,327	-2.5%
Operating cost	3,729	1,388	168.7%	3,735	-0.2%
EBITDA	489	-209	NA	592	-17.5%
EBITDA margin (%)	11.6%	NA	NA	13.7%	(210) bps
Depreciation	97	75	28.9%	78	24.2%
Interest	75	39	92.8%	58	29.4%
Other Income	64	45	42.2%	-1	NA
Exceptional Items	0	0	NA	131	NA
PBT	381	-279	NA	325	17.4%
Taxes paid	93	-77	NA	107	-13.2%
Reported PAT	288	-202	NA	217	32.5%
Minority Interest	-11	-5	NA	-18	NA
Consolidated PAT	299	-197	NA	236	26.7%

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY19	14,235	25%	2,361	16.6%	1,432	17%	11.6	17.3	14.8	10.3	6.8
FY20	13,748	-3%	1,377	10.0%	870	-39%	7.2	9.3	9.2	11.5	8.4
FY21	12,264	-11%	1,039	8.5%	420	-52%	3.3	4.3	5.3	30.8	15.0
FY22E	16,673	36%	1,884	11.3%	987	135%	8.1	9.3	6.6	13.5	11.2
FY23E	20,745	24%	2,615	12.6%	1,314	33%	10.7	11.2	8.3	10.1	8.4

Source: Company, SMIFS Research Estimates



Rating: **BUY** Upside: **33%**  
Current Price: **109** Target Price: **145**

### Earlier recommendation

Previous Rating: BUY  
Previous Target Price | 103  
Source: SMIFS Research

### Market data

Bloomberg: BODL: IN  
52-week H/L (Rs): 128/59  
Mcap (Rs bn/USD bn): 13.3/0.18  
Shares outstanding (mn): 122.3  
Free float: 38.6%  
Daily vol. (3M Avg.): 0.99mn  
Face Value (Rs): 2  
Group: S&P BSE 500  
Source: Bloomberg, SMIFS Research

### Shareholding pattern (%)

	Jun-21	Mar-21	Dec-20	Sep-20
Promoter	59.0	59.0	59.0	58.3
FII	2.4	3.3	4.3	4.3
DII	0.0	0.0	0.0	1.4
Public/others	38.6	37.7	36.7	36.0

Source: BSE

### Price performance (%)\*

	1M	3M	12M	36M
S&P BSE 500	2.5	12.8	53.1	45.9
Bodal Chemical	-6.0	10.1	50.3	-12.8

\*as on 16<sup>th</sup> Aug 2021; Source: AceEquity, SMIFS Research

### Aditya Khetan

Sector Lead- Chemicals  
+91 9004126470  
aditya.khetan@smifs.co.in

### Awanish Chandra

Sr VP – Institutional Equities  
+91 8693822293  
awanish.chandra@smifs.com

## Analyst Call Highlights

- **Demand outlook:** Demand had witnessed significant recovery over the last couple of months. During the quarter Q1FY22, major end user industries of the company like textiles, leather etc demand has witnessed strong pickup. Management expects dyestuffs demand to improve going ahead.
- **VS and H-acid prices:** The average prices of VS and H-Acid is around Rs 259 per kg and Rs 404 per kg in Q1FY22 as compared to Rs 208 per kg and Rs 395 per kg in Q4FY21 as compared to Rs 171 per kg and Rs 359 per kg in Q3FY21 as compared to Rs 159/kg and Rs 346/kg respectively in Q2FY21 as compared to Rs 160/kg and Rs 347/kg respectively in Q1FY21.
- **Diversification in benzene derivatives:** The company is undergoing an greenfield expansion into benzene downstream products having capacity of 78,960 TPA and expansion of sulphuric acid & derivatives having capacity of 3,40,000 TPA at Saykha GIDC, Bharuch, Gujarat. Management believes these products will further enhance specialty chemicals segment and will open new growth areas for the company as they intend to further expand in specialty chemicals segment in the future. The company expect to complete the project by Q3FY23. Total cost of the project including one-time infrastructure cost will be around Rs4bn. In the business, the company would be producing PNCB, PNA, 2,4 DNCB, ONCB, OA, MPDSA etc. The major end user of these are primarily in pharmaceuticals and agrochemicals.
- **Trion chemicals update:** Trion chemicals plant which started production in Sept 2020 has reached production levels of ~250-300 MT per month in Q1FY22. The production has been stabilized and has contributed ~4% of the total revenue during the quarter Q1FY22.
- **SPS Processor VS plant update:** The SPS Processor VS plant of 6,000 TPA capacity is expected to commercialize by Q2FY22. The expected additional revenue would be Rs1.2-1.4bn. This business commercialization will lead to positive profits for the SPS Processor going ahead. SPS Processor reported revenue of Rs309.8mn & loss of Rs17.3mn in Q1FY22.
- **Acquisition of Siel Chemical Complex (SCC):** The company acquired SCC, which is a unit of Mawana Sugars Ltd, located at Rajpura, Punjab in March 2021. SCC is built on a fully developed land area of ~124 acres (of which ~60 acres is surplus). SCC is one of the largest players in Chlor Alkali segment in north India having caustic soda capacity of 82,500 MTPA with a well-diversified client base capturing all major companies in Paper, textile etc and supplying to leading companies. The acquisition cost of SCC is around Rs1.52bn. The company would further upgrade the plant replacing old electrolyzers, infrastructure & increase chlor alkali complex capacity by another 16,500 TPA which would be completed by Q3FY23. This would cost the company another Rs1-1.2bn. During the upgradation process, existing plant will be under operations and expect to achieve about 70% utilization in FY22. Management expects SCC to generate about Rs1.5-2bn revenue at about 15-20% EBITDA margins in FY22E and around Rs3bn revenue after complete upgradation of the plant at optimum utilization levels with EBITDA margins in the range of 20% to 22% by FY23E.
- **Raw Material:** In the overall raw materials mix, the company procures 4-5% from China. Thus, company is immune to any disruption in supply chain from China and will not have impact on the company raw material sourcing. Major raw material required by the company is Napthalene, Aniline, J-Acid, Tobias Acid, Cyanuric Acid etc.

## Valuation and Recommendations

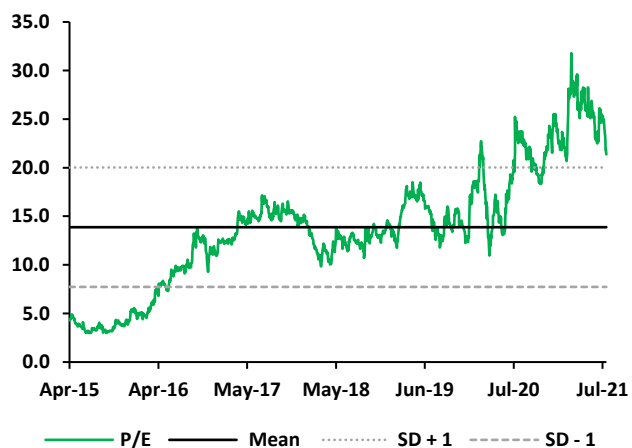
The company's major end user are textiles, leather & pigments wherein demand has witnessed robust pickup and with no further disruption in supply chain we feel the demand would sustain going forward.

We value the stock on 13.5x FY23 projections and arrive at a target price of Rs 145 per share which is an upside of 33% from current levels.

We assign **BUY** rating on the stock.

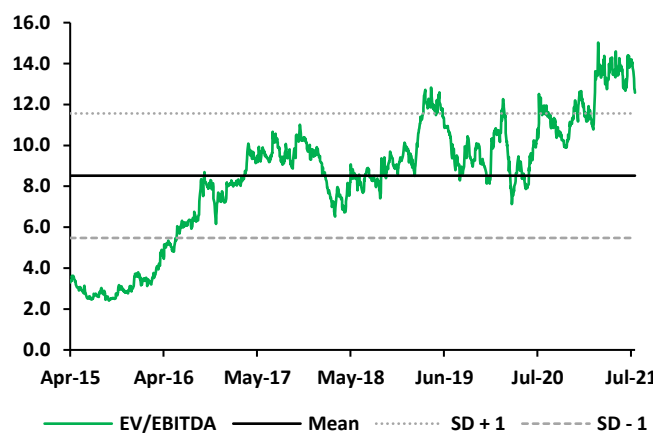
Risk to our call is unforeseen impact on the demand and sharp decline in spread.

**Fig 1: 1-year forward P/E**



Source: AceEquity, SMIFS Research

**Fig 2: 1-year forward EV/EBITDA**



Source: AceEquity, SMIFS Research

## Quarterly financials, operating metrics and key performance indicators

**Fig 3: Quarterly Financials**

Y/E March (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
<b>Net Sales</b>	<b>3,077</b>	<b>3,264</b>	<b>3,685</b>	<b>1,178</b>	<b>3,097</b>	<b>3,661</b>	<b>4,327</b>	<b>4,218</b>
Raw Materials	1,935	2,184	2299	946	1971	2338	2695	2257
Employee Costs	195	209	287	190	189	210	189	240
Other Expenditure	689	640	699	252	711	727	982	1233
<b>EBITDA</b>	<b>258</b>	<b>230</b>	<b>399</b>	<b>-209</b>	<b>227</b>	<b>386</b>	<b>462</b>	<b>489</b>
Depreciation	68	73	74	75	76	76	78	97
Interest	45	68	48	39	35	35	58	75
Other Income	0	48	37	45	46	70	-1	64
<b>PBT</b>	<b>145</b>	<b>138</b>	<b>314</b>	<b>-279</b>	<b>162</b>	<b>346</b>	<b>325</b>	<b>381</b>
Tax	-67	12	54	-77	51	74	107	93
Tax rate (%)	NA	8.4	17.1	27.6	31.7	21.5	33.1	24.4
<b>Reported PAT</b>	<b>211</b>	<b>126</b>	<b>261</b>	<b>-202</b>	<b>110</b>	<b>272</b>	<b>217</b>	<b>288</b>
Minority interest	-12	-18	30	-5	-6	7	-18	-11
<b>Consolidated PAT</b>	<b>223</b>	<b>145</b>	<b>231</b>	<b>-197</b>	<b>116</b>	<b>265</b>	<b>236</b>	<b>299</b>
<b>YoY Growth (%)</b>								
Revenue	-21.7	-2.4	7.0	-68.4	0.7	12.2	17.4	258.0
EBITDA	-64.6	-58.7	-8.8	NA	-11.8	67.8	15.6	NA
PAT	-50.8	-50.6	-22.0	NA	-47.9	83.4	2.1	NA
<b>QoQ Growth (%)</b>								
Revenue	-17.3	6.1	12.9	-68.0	162.9	18.2	18.2	-2.5
EBITDA	-47.3	-10.7	73.5	NA	NA	69.8	19.5	5.9
Adj. PAT	-18.4	-34.7	57.8	NA	NA	128.2	-11.1	26.7
<b>Margin (%)</b>								
EBITDA	8.4	7.1	10.8	NA	7.3	10.5	10.7	11.6
PAT	7.2	4.4	6.3	NA	3.8	7.2	5.4	7.1
Gross	37.1	33.1	37.6	19.7	36.4	36.2	37.7	46.5
Employee cost as % of sales	6.3	6.4	7.8	16.1	6.1	5.7	4.4	5.7
Other expenses as % of sales	22.4	19.6	19.0	21.4	22.9	19.9	22.7	29.2

Source: Company, SMIFS Research

## Financial Statements

Income Statement					
YE March (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
<b>Revenues</b>	<b>14,235</b>	<b>13,748</b>	<b>12,264</b>	<b>16,673</b>	<b>20,745</b>
% Growth	24.6	-3.4	-10.8	36.0	24.4
Raw Materials	8,860	8,833	7,950	10,414	12,705
% of revenues	62.2	64.2	64.8	62.5	61.2
Employee cost	637	871	777	957	1,069
% of revenues	4.5	6.3	6.3	5.7	5.2
Others	2,376	2,668	2,498	3,418	4,356
% of revenues	16.7	19.4	20.4	20.5	21.0
<b>EBITDA</b>	<b>2,361</b>	<b>1,377</b>	<b>1,039</b>	<b>1,884</b>	<b>2,615</b>
EBITDA margin (%)	<b>16.6</b>	<b>10.0</b>	<b>8.5</b>	<b>11.3</b>	<b>12.6</b>
Depreciation & Amortisation	212	284	305	439	548
<b>EBIT</b>	<b>2,149</b>	<b>1,093</b>	<b>734</b>	<b>1,445</b>	<b>2,067</b>
Interest expenses	91	190	166	368	589
<b>PBT from operations</b>	<b>2,058</b>	<b>902</b>	<b>568</b>	<b>1,076</b>	<b>1,478</b>
Other income	134	104	159	267	311
<b>PBT</b>	<b>2,192</b>	<b>1,006</b>	<b>727</b>	<b>1,343</b>	<b>1,789</b>
Taxes	770	146	156	369	492
Effective tax rate (%)	35.1	14.5	21.5	27.5	27.5
<b>PAT</b>	<b>1,422</b>	<b>860</b>	<b>571</b>	<b>974</b>	<b>1,297</b>
Extraordinary Items	0	0	173	0	0
Minority Interest	-10	-10	-22	13	17
<b>Adjusted PAT</b>	<b>1,432</b>	<b>870</b>	<b>420</b>	<b>987</b>	<b>1,314</b>
<b>PAT Margin</b>	<b>10.1</b>	<b>6.3</b>	<b>3.4</b>	<b>5.9</b>	<b>6.3</b>
<b>Growth (%)</b>	<b>16.9</b>	<b>-39.2</b>	<b>-51.8</b>	<b>135.0</b>	<b>33.2</b>

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY19	FY20	FY21	FY22E	FY23E
<b>Growth Ratio (%)</b>					
Revenue	25	-3	-11	36	24
EBITDA	21	-42	-25	81	39
Adjusted Net Profit	17	-39	-52	135	33
<b>Margin Ratios (%)</b>					
EBITDA margin	16.6	10.0	8.5	11.3	12.6
PBT margin	14.5	6.6	4.6	6.5	7.1
Adjusted PAT margin	10.1	6.3	3.4	5.9	6.3
<b>Return Ratios (%)</b>					
ROE	17.3	9.3	4.3	9.3	11.2
ROCE	14.8	9.2	5.3	6.6	8.3
<b>Turnover Ratios (days)</b>					
Gross block turnover (x)	2.4	2.2	1.6	1.5	1.6
Debtor	85	121	139	120	120
Inventory	86	91	141	125	115
Creditors	91	119	151	130	120
Cash conversion cycle	79	92	129	115	115
<b>Solvency Ratio (x)</b>					
Net Debt-equity	0.2	0.2	0.3	0.7	0.7
Debt-equity	0.2	0.2	0.4	0.8	0.8
Interest Coverage Ratio	24	6	4	4	4
Gross Debt/EBITDA	0.7	1.3	3.3	4.4	3.5
Current Ratio	2.4	2.4	2.4	2.5	2.6
<b>Per share (Rs.)</b>					
Adjusted EPS (reported)	11.6	7.2	3.3	8.1	10.7
BVPS	68	76	80	87	96
CEPS	13.5	9.4	5.9	11.7	15.2
DPS	0.8	0.8	0.8	0.9	1.0
Dividend Payout	6.9	11.2	24.6	11.2	9.3
<b>Valuation (x)</b>					
P/E	10.3	11.5	30.8	13.5	10.1
P/BV	1.8	1.1	1.3	1.3	1.1
EV/EBITDA	6.8	8.4	15.0	11.2	8.4
Dividend Yield(%)	0.7	1.0	0.8	0.8	0.9

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
<b>Source of funds</b>					
Equity Share Capital	244	245	245	245	245
Reserves & Surplus	8049	9073	9508	10341	11533
<b>Shareholders' Fund</b>	<b>8294</b>	<b>9318</b>	<b>9753</b>	<b>10586</b>	<b>11777</b>
Non-Controlling Interest	9	49	46	59	74
Total loan funds	1721	1794	3467	8267	9067
Deferred Tax Liabilities	440	376	472	642	799
Other Non-Current Liability	5	7	41	56	69
<b>Total Liabilities</b>	<b>10470</b>	<b>11544</b>	<b>13779</b>	<b>19610</b>	<b>21786</b>
Net Block	6057	6376	7800	10886	12613
Capital WIP	255	69	144	1410	378
Goodwill	29	171	168	168	168
Long term Investments	56	32	64	88	109
Other Non-Current Assets	432	467	591	700	871
<b>Total Non-Current Asset</b>	<b>6829</b>	<b>7115</b>	<b>8769</b>	<b>13252</b>	<b>14140</b>
Inventories	2076	2191	3072	3566	4003
Current Investments	6	0	0	0	0
Trade receivables	3297	4542	4677	5482	6820
Cash and cash equivalent	98	195	163	488	340
Other current assets	680	653	797	1084	1349
<b>Total Current Assets</b>	<b>6158</b>	<b>7580</b>	<b>8709</b>	<b>10620</b>	<b>12512</b>
Trade payables	2221	2871	3291	3709	4177
Other current liabilities	286	184	365	496	617
Short term Provisions	10	96	42	57	72
<b>Total Current Liabilities</b>	<b>2517</b>	<b>3151</b>	<b>3699</b>	<b>4263</b>	<b>4865</b>
<b>Net Current Assets</b>	<b>3641</b>	<b>4429</b>	<b>5010</b>	<b>6357</b>	<b>7646</b>
<b>Total Assets</b>	<b>10470</b>	<b>11544</b>	<b>13779</b>	<b>19610</b>	<b>21786</b>

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Operating profit before WC changes	2,371	1,514	938	1,896	2,632
Operating profit before WC changes	2,503	273	-33	963	1,209
Income taxes paid	-643	-177	-98	-369	-492
<b>Cash flow from operating activities (a)</b>	<b>1,860</b>	<b>96</b>	<b>-130</b>	<b>594</b>	<b>717</b>
Adj OCF (OCF - Interest)	1,769	-94	-297	226	128
Capital expenditure	-1,482	-521	-1,781	-4,791	-1,243
Free Cash Flow	287	-615	-2,078	-4,565	-1,115
<b>Cash flow from investing activities (b)</b>	<b>-1,282</b>	<b>-805</b>	<b>-1,677</b>	<b>-4,547</b>	<b>-954</b>
<b>Cash flow from financing activities (c)</b>	<b>-512</b>	<b>759</b>	<b>1,781</b>	<b>4,322</b>	<b>88</b>
<b>Net chg in cash (a+b+c)</b>	<b>66</b>	<b>50</b>	<b>-26</b>	<b>369</b>	<b>-148</b>

Source: Company, SMIFS Research Estimates

## Disclaimer

### Analyst Certification:

We /I, the above-mentioned, Research Analyst(s) of SMIFS Limited (in short “SMIFS / the Company”), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities and distributed as per SEBI (Research Analysts) Regulations 2014. 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 Research Report. It is also confirmed that We/I, the above-mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

### Terms & Conditions and Other Disclosures:

SMIFS Limited is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. SMIFS Limited is registered as Research Analyst Entity with Securities & Exchange Board of India (SEBI) with Registration Number – INH300001474.

SMIFS and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Research Analysts. SMIFS generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by SMIFS and are subject to change without any notice. The Research 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 SMIFS Limited. While we would endeavor to update the information herein on a reasonable basis, SMIFS is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent SMIFS from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of SMIFS, in circumstances where SMIFS might be acting in an advisory capacity to this company, or in certain other circumstances.

This Research 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 Research 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. Securities as defined in clause (h) of section 2 of the Securities Contract Act, 1956, includes Financial Instruments, Currency and Commodity Derivatives. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. SMIFS will not treat recipients as customers by virtue of their receiving this Research Report. Nothing in this Research 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 Research 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. SMIFS accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research 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. The information given in this report is as of date of this report and there can be no assurance that future results or events will be consistent with this information. The information provided in this report remains, unless otherwise stated, the copyright of SMIFS. All layout, design, original artwork, concepts and intellectual Properties remains the property and copyright of SMIFS and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the SMIFS.

SMIFS shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of



SMIFS to present the data. In no event shall SMIFS be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the SMIFS through this report.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (a) Exchange Rates can be volatile and are subject to large fluctuations; (b) the value of currencies may be affected by numerous market factors, including world and notional economic, political and regulatory events, events in Equity & Debt Markets and changes in interest rates; and (c) Currencies may be subject to devaluation or government imposed Exchange Controls which could affect the value of the Currency. Investors in securities such as Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Since associates of SMIFS are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may: (i) from time to time have long or short positions in, and buy or sell the Securities, mentioned herein or (ii) 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/ companies mentioned herein or act as an Advisor or Lender/Borrower to such Companies or have other potential/material Conflict of Interest with respect to any recommendation and related information and opinions at the time of the publication of the Research Report. Or at the time of Public Appearance. SMIFS does not have proprietary trades but may at a future date, may opt for the same with prior intimation to Clients/ Investors and extant Authorities where it may have proprietary long/short position in the above Scrip(s) and therefore should be considered as interested. The views provided herein are general in nature and do not consider Risk Appetite or Investment Objective of any particular Investor; Clients/ Readers/ Subscribers of this Research Report are requested to take independent professional advice before investing. The information provided herein should not be construed as invitation or solicitation to do business with SMIFS.

SMIFS or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

SMIFS encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither SMIFS and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

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

SMIFS or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.

SMIFS or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

SMIFS or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

Neither the Research Analysts nor SMIFS have been engaged in market making activity for the companies mentioned in the Research Report.

SMIFS may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

A graph of daily closing prices of the securities/commodities is also available at [www.nseindia.com](http://www.nseindia.com) and/or [www.bseindia.com](http://www.bseindia.com), [www.mcxindia.com](http://www.mcxindia.com) and/or [www.icex.com](http://www.icex.com).

SMIFS submit' s that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities in last 3 years.

This Research 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 SMIFS 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 themselves of and to observe such restriction.

Analyst holding in stock: **NO**

---

**Key to SMIFS Investment Rankings**

Buy: Return >15%, Accumulate: Return between 5% to 15%, Reduce: Return between -5% to +5% , Sell: Return < -5%

---

**Contact us:**

**SMIFS Limited.** (<https://www.smifs.com/>)

**Compliance Officer: Sudipto Datta,**

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 /91 33 6634 5414

Email Id.: [compliance@smifs.com](mailto:compliance@smifs.com)

**Mumbai Office:** 5G Court Chambers, 35 New Marine Lines, Mumbai 400 021, India

Contact No: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: [institutional.equities@smifs.com](mailto:institutional.equities@smifs.com)

**Kolkata Office:** 5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No: 91 33 6634 5408, 033 40115400

Email Id: [smifs.institutional@smifs.com](mailto:smifs.institutional@smifs.com)

---