

Coromandel International

Refer to important disclosures at the end of this report

Await more growth initiatives

- We reinstate our overall volume assumptions for FY22/23/24 to 8%/4%/4% after the increase in subsidy for complex fertilizers by the government. We are raising our WC assumption to 80 days (56 days in FY20) to factor in the elevated receivables cycle due to higher share of subsidies.
- We maintain our Hold rating and target P/E multiple of 15x while revising the TP. We roll forward to Sep-23E EPS (Mar-23E earlier) and arrive at our Sep-22E TP of Rs855 (Rs790 earlier). The 8% TP increase is driven by EPS upgrade (2%) and roll-forward to Sep-23E (6%).
- The crop protection (CP) segment appears stable and on track to deliver 15% revenue CAGR over FY21-23E, driven by new product launches in the domestic market, ramp-up of capacities in the Bio-pesticides segment and backward integration in export molecules.
- However, with no major capacity expansion in the fertilizer segment, we expect a modest EPS CAGR of 9% over FY21-24E which, in our view, limits further re-rating potential. We await more initiatives on fertilizer segment growth or an opportunity to enter the name at a lower level. Maintain Hold and UW stance in our EAP.

Fertilizer segment dragging overall growth

We expect fertilizer segment EBITDA to see a modest 4% CAGR over FY21-24E as CRIN is already operating at >90% capacity. Debottlenecking should increase capacity by 6-8% in FY21-23E. Hence, we await organic/inorganic growth initiatives in the fertilizer segment. With tougher environmental approvals for Greenfield fertilizer plants, we believe that inorganic opportunities might be a more feasible way for delivering growth.

7% EBITDA CAGR over FY21-24E; stock to remain sideways

We raise our FY22/23/24 EBITDA estimates by 4%/3%/2% as we reinstate our volume assumptions after the government increasing subsidy for complex fertilizers. We also raise our manufacturing EBITDA/ton by 3-5% for FY22-24E on higher subsidies. However, we maintain our Hold rating due to a modest 7% EBITDA CAGR over FY21-24E. Our EPS CAGR is higher at 9% due to higher other income on account of cash accumulation. We expect CRIN to accumulate cash to fund inorganic growth.

Key risks are: 1) sharp movement in raw material prices; 2) adverse weather conditions; 3) unfavorable forex movement; and 4) delay in capex execution.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Agri Input & Chemicals \(Page 8\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	131,367	142,135	168,172	175,277	183,822
EBITDA	17,310	20,158	21,190	22,786	24,632
EBITDA Margin (%)	13.2	14.2	12.6	13.0	13.4
APAT	10,643	13,292	14,968	15,873	17,440
EPS (Rs)	36.3	45.4	51.1	54.2	59.5
EPS (% chg)	42.7	24.9	12.6	6.0	9.9
ROE (%)	27.7	28.1	26.2	23.1	21.5
P/E (x)	25.2	20.1	17.9	16.9	15.4
EV/EBITDA (x)	16.4	12.9	12.6	11.4	10.1
P/BV (x)	6.2	5.2	4.3	3.6	3.1

Source: Company, Emkay Research

CMP	Target Price
Rs 914 as of (July 1, 2021)	Rs 855 (▲) 12 months
Rating	Upside
HOLD (■)	(6.5) %

Change in Estimates

EPS Chg FY22E/FY23E (%)	4/3
Target Price change (%)	8.2
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	51.1	54.2
Consensus	49.5	55.0
Mean Consensus TP (12M)	Rs 928	

Stock Details

Bloomberg Code	CRIN IN
Face Value (Rs)	1
Shares outstanding (mn)	293
52 Week H/L	956 / 682
M Cap (Rs bn/USD bn)	268 / 3.60
Daily Avg Volume (nos.)	555,652
Daily Avg Turnover (US\$ mn)	6.0

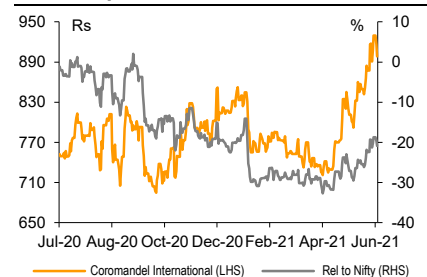
Shareholding Pattern Mar '21

Promoters	57.6%
FIIIs	7.7%
DIIIs	20.6%
Public and Others	14.1%

Price Performance

(%)	1M	3M	6M	12M
Absolute	14	22	12	22
Rel. to Nifty	14	16	-	(19)

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Varshit Shah

varshit.shah@emkayglobal.com
+91 22 6612 1358

Karan Shah

karan.shah@emkayglobal.com
+91 22 661 21257

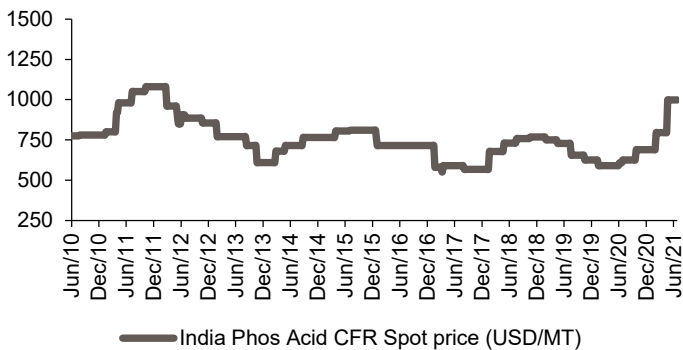
Story in Charts

Exhibit 1: Subsidy for Phosphorus increased 304% from 20th May, 2021 to reduce farm gate prices for DAP

Year	Subsidy per Kg of nutrient (in Rs)			
	Nitrogen	Phosphorus	Potash	Sulphur
20 th May-21 to 31 st Oct 21	18.79	45.32	10.12	2.37
1 st Apr-21 to 19 th May21	18.79	14.89	10.12	3.56
FY21	18.79	14.89	10.12	3.56
FY20	18.90	15.22	11.12	3.56
FY19	18.90	15.22	11.12	2.72
FY18	18.99	12.00	12.40	2.24
FY17	15.85	13.24	15.47	2.04
FY16	20.88	18.68	15.50	1.68

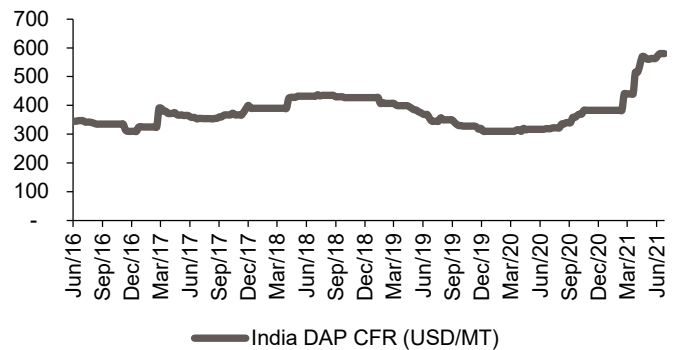
Source: Ministry of Agriculture, Emkay Research

Exhibit 2: 63% yoy increase in Indian Phos acid price in Jun'21



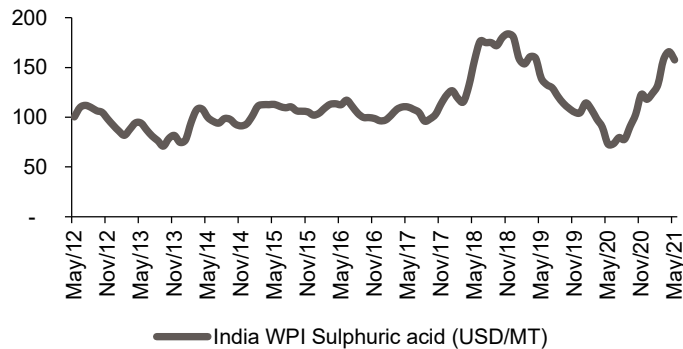
Source: Bloomberg, Emkay Research

Exhibit 3: 80% yoy increase in Indian DAP price in Jun'21



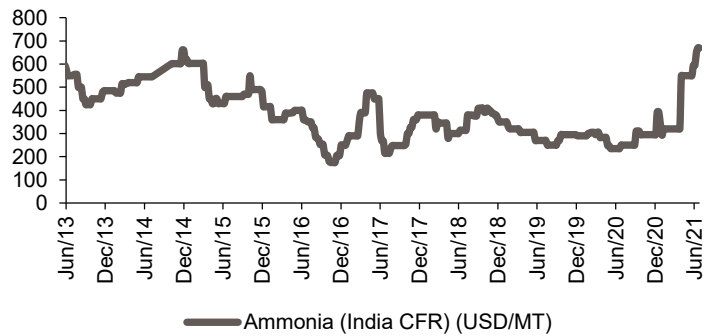
Source: Bloomberg, Emkay Research

Exhibit 4: Sharp yoy increase in Sulphuric acid price in May'21



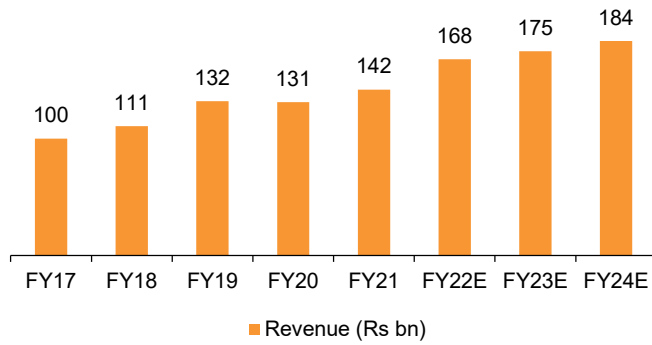
Source: Bloomberg, Emkay Research

Exhibit 5: Sharp yoy increase in India ammonia prices



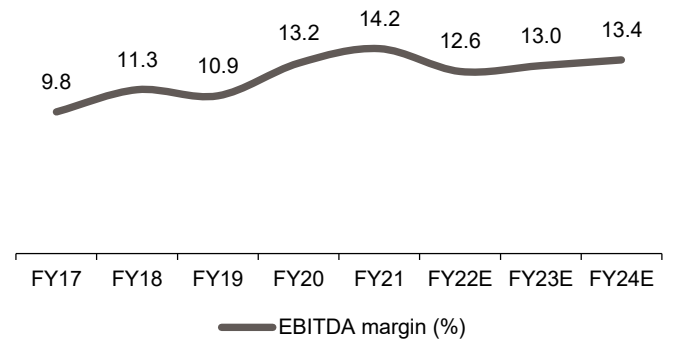
Source: Bloomberg, Emkay Research

Exhibit 6: 9% revenue CAGR over FY21-24E



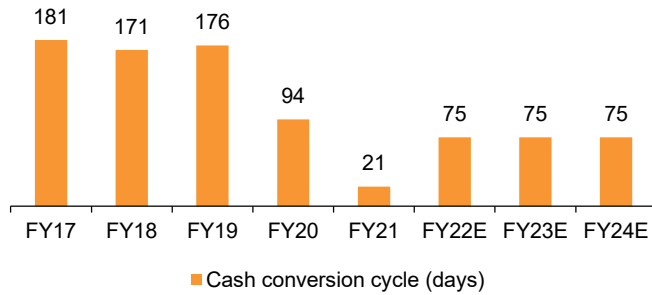
Source: Company, Emkay Research

Exhibit 7: 78bps decline in EBITDA margin over FY21-24E



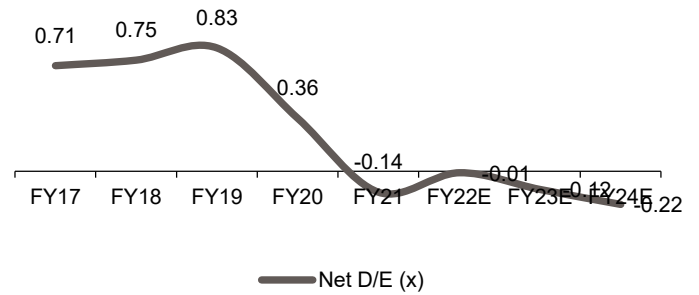
Source: Company, Emkay Research

Exhibit 8: Cash conversion cycle (days)



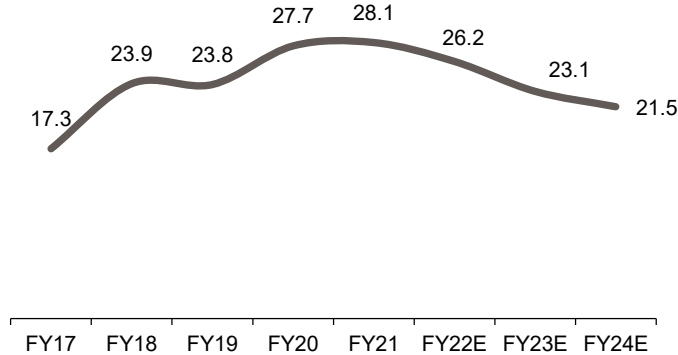
Source: Company, Emkay Research

Exhibit 9: Comfortable debt position



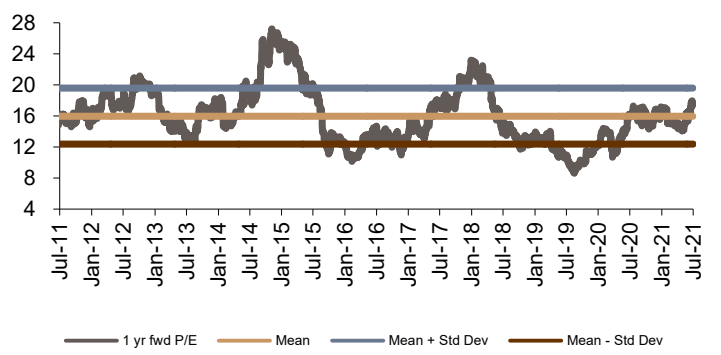
Source: Company, Emkay Research

Exhibit 10: ROE (%)



Source: Company, Emkay Research

Exhibit 11: CRIN is trading at 17.9x 1-yr forward P/E



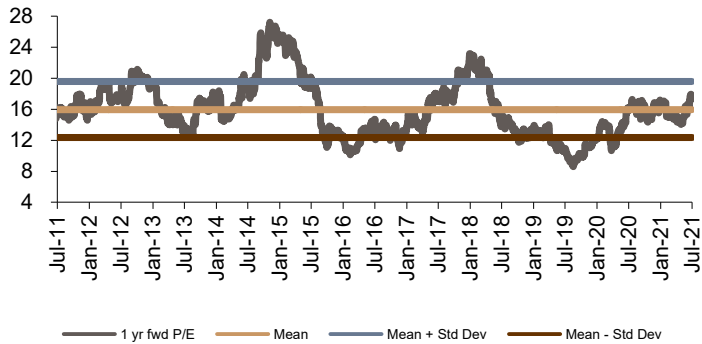
Source: Company, Emkay Research

Exhibit 12: Changes in estimates

All fig in Rs mn (except % and EPS)	FY22E			FY23E			FY24E		
	Old	New	% change	Old	New	% change	Old	New	% change
Revenues	164,574	168,172	2%	171,965	175,277	2%	180,089	183,822	2%
EBITDA	20,407	21,190	4%	22,184	22,786	3%	24,132	24,632	2%
EBITDA margins%	12.4%	12.6%	20 bps	12.9%	13.0%	10 bps	13.4%	13.4%	0 bps
Mfg. EBITDA (Rs/mt)	3,800	4,000	5%	4,000	4,085	2%	4,100	4,100	5%
Net profits	14,382	14,968	4%	15,422	15,873	3%	17,066	17,440	2%
EPS	49.1	51.1	4%	52.6	54.2	3%	58.2	59.5	2%

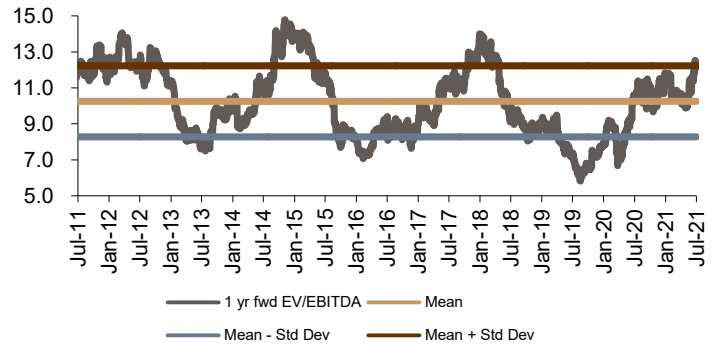
Source: Emkay Research

Exhibit 13: CRIN is trading at 17.9x 1-yr forward P/E



Source: Bloomberg, Emkay Research

Exhibit 14: CRIN is trading at 12.5x 1-yr forward EV/EBITDA



Source: Bloomberg, Emkay Research

Exhibit 15: Peer valuation

Company Name	Price	Mkt Cap	P/E (x)			EBITDA Margin (%)			ROE (%)		
	(Rs/sh)	(Rs bn)	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Coromandel International	914	268	20.1	17.9	16.9	14.2	12.6	13.0	28.1	26.2	23.1
Chambal*	300	125	7.5	8.6	8.0	19.4	17.2	17.4	37.7	23.8	21.1
Agro Chemicals Avg.			13.8	13.3	12.5	16.8	14.9	15.2	32.9	25.0	22.1

Source: *Bloomberg, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	131,367	142,135	168,172	175,277	183,822
Expenditure	114,057	121,977	146,982	152,491	159,190
EBITDA	17,310	20,158	21,190	22,786	24,632
Depreciation	1,580	1,731	1,928	2,074	2,215
EBIT	15,730	18,427	19,261	20,712	22,417
Other Income	400	435	750	510	900
Interest expenses	2,353	1,057	1	1	1
PBT	13,777	17,806	20,010	21,221	23,316
Tax	3,135	4,568	5,043	5,348	5,876
Extraordinary Items	(8)	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	10,650	13,292	14,968	15,873	17,440
Adjusted PAT	10,643	13,292	14,968	15,873	17,440

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	293	293	293	293	293
Reserves & surplus	42,884	51,213	62,665	74,143	87,188
Net worth	43,177	51,506	62,958	74,436	87,481
Minority Interest	0	0	0	0	0
Loan Funds	16,251	16	16	16	16
Net deferred tax liability	1,005	928	995	1,013	1,034
Total Liabilities	60,433	52,450	63,969	75,465	88,531
Net block	20,323	20,154	23,226	24,652	25,437
Investment	2,113	2,138	2,113	2,113	2,113
Current Assets	78,393	65,757	80,880	92,769	107,239
Cash & bank balance	784	7,221	556	9,052	19,440
Other Current Assets	5,849	5,949	6,605	6,884	7,219
Current liabilities & Provision	41,051	36,496	43,148	44,968	47,156
Net current assets	37,342	29,260	37,732	47,802	60,083
Misc. exp	0	0	0	0	0
Total Assets	60,433	52,450	63,969	75,465	88,531

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	13,377	17,370	19,260	20,711	22,416
Other Non-Cash items	0	0	0	0	0
Chg in working cap	8,969	14,443	(15,069)	(1,556)	(1,872)
Operating Cashflow	18,619	41,502	1,828	16,392	17,785
Capital expenditure	(6,893)	(1,806)	(5,000)	(3,500)	(3,000)
Free Cash Flow	11,726	39,696	(3,172)	12,892	14,785
Investments	(105)	(25)	25	0	0
Other Investing Cash Flow	4,378	(11,177)	(750)	(510)	(900)
Investing Cashflow	(2,219)	(12,573)	(4,975)	(3,500)	(3,000)
Equity Capital Raised	1	0	0	0	0
Loans Taken / (Repaid)	(13,294)	(16,235)	0	0	0
Dividend paid (incl tax)	(2,292)	(1,234)	(5,277)	(3,516)	(4,395)
Other Financing Cash Flow	706	(4,106)	1,761	(879)	0
Financing Cashflow	(17,231)	(22,632)	(3,517)	(4,396)	(4,396)
Net chg in cash	(832)	6,297	(6,665)	8,496	10,388
Opening cash position	1,338	500	6,921	257	8,752
Closing cash position	784	7,221	556	9,052	19,440

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY20	FY21	FY22E	FY23E	FY24E
EBITDA Margin	13.2	14.2	12.6	13.0	13.4
EBIT Margin	12.0	13.0	11.5	11.8	12.2
Effective Tax Rate	22.8	25.7	25.2	25.2	25.2
Net Margin	8.1	9.3	8.9	9.1	9.5
ROCE	25.8	33.4	34.4	30.4	28.4
ROE	27.7	28.1	26.2	23.1	21.5
RoIC	27.1	37.2	37.5	33.5	34.6

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	36.3	45.4	51.1	54.2	59.5
CEPS	41.7	51.3	57.7	61.3	67.1
BVPS	147.4	175.8	214.9	254.0	298.6
DPS	12.0	12.0	12.0	15.0	15.0

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	25.2	20.1	17.9	16.9	15.4
P/CEPS	21.6	17.6	15.6	14.7	13.4
P/BV	6.2	5.2	4.3	3.6	3.1
EV / Sales	2.2	1.8	1.6	1.5	1.4
EV / EBITDA	16.4	12.9	12.6	11.4	10.1
Dividend Yield (%)	1.3	1.3	1.3	1.6	1.6

Gearing Ratio (x)	FY20	FY21	FY22E	FY23E	FY24E
Net Debt/ Equity	0.4	(0.1)	0.0	(0.1)	(0.2)
Net Debt/EBIDTA	0.9	(0.4)	0.0	(0.4)	(0.8)
Working Cap Cycle (days)	101.6	56.6	80.7	80.7	80.7

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	(0.7)	8.2	18.3	4.2	4.9
EBITDA	20.0	16.5	5.1	7.5	8.1
EBIT	18.3	17.1	4.5	7.5	8.2
PAT	47.8	24.8	12.6	6.0	9.9

Quarterly (Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Revenue	28,693	32,132	46,113	35,330	28,560
EBITDA	3,907	4,125	8,431	4,993	2,610
EBITDA Margin (%)	13.6	12.8	18.3	14.1	9.1
PAT	2,342	2,506	5,889	3,338	1,559
EPS (Rs)	8.0	8.6	20.1	11.4	5.3

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoters	61.6	59.6	59.6	57.6	57.6
FIs	3.5	4.3	5.9	7.0	7.7
DIs	19.7	21.3	19.7	19.2	20.6
Public and Others	15.2	14.9	14.9	16.2	14.1

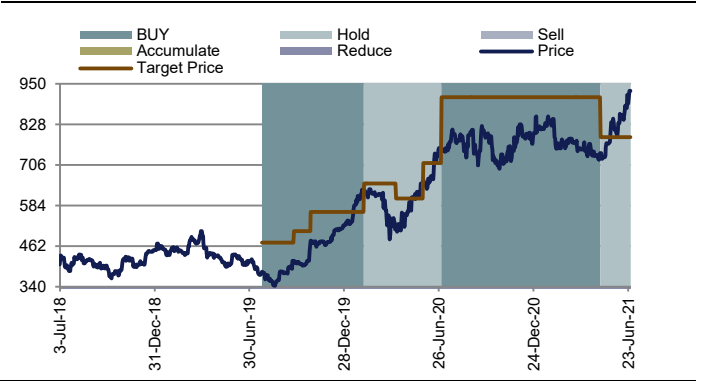
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
1-May-21	742	790	12m	Hold	Varshit Shah
2-Feb-21	789	910	12m	Buy	Varshit Shah
1-Feb-21	832	910	12m	Buy	Varshit Shah
4-Nov-20	744	910	12m	Buy	Varshit Shah
10-Oct-20	723	910	12m	Buy	Varshit Shah
28-Jul-20	775	910	12m	Buy	Varshit Shah
16-Jul-20	773	910	12m	Buy	Varshit Shah
1-Jul-20	752	910	12m	Buy	Varshit Shah
27-May-20	661	712	12m	Hold	Varshit Shah
19-May-20	606	605	12m	Hold	Varshit Shah
17-May-20	626	605	12m	Hold	Varshit Shah
13-Apr-20	509	605	12m	Hold	Varshit Shah
5-Apr-20	512	605	12m	Hold	Varshit Shah
4-Feb-20	620	650	12m	Hold	Varshit Shah
25-Oct-19	479	565	12m	Buy	Varshit Shah
23-Sep-19	414	507	12m	Buy	Varshit Shah
24-Jul-19	385	473	12m	Buy	Varshit Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Agri Input & Chemicals



Analyst: Varshit Shah

Contact Details

varshit.shah@emkayglobal.com
+91 22 6612 1358

Sector

Agro-Chemicals and Fertilizers

Analyst bio

Varshit Shah is a Chartered Accountant and a commerce graduate from Narsee Monjee College of Commerce and Economics, Mumbai. He comes with total nine years of experience across sectors such as Chemicals, Education, Telecom, IT and Midcaps. His team currently covers 12 stocks in Agro Chemicals, Fertilizers and Midcaps.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Agri Input & Chemicals	0.94	0.94	0%	0	100.00
Bayer CropScience*	0.08	0.07	-12%	-1	7.79
Chambal Fertilisers*	0.00	0.01	NA	1	0.95
Coromandel International	0.11	0.10	-11%	-1	10.76
DCM Shriram*	0.00	0.00	NA	0	0.00
Deepak Fertilisers*	0.00	0.00	NA	0	0.00
Dhanuka Agritech	0.00	0.00	NA	0	0.00
GSFC*	0.00	0.00	NA	0	0.00
Insecticides India*	0.00	0.00	NA	0	0.00
PI Industries	0.26	0.26	1%	0	27.77
Rallis India	0.00	0.00	NA	0	0.00
Sharda Cropchem*	0.00	0.00	NA	0	0.00
UPL	0.48	0.50	3%	1	52.73
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	1-Jul-20	30-Dec-20	1-Apr-21	31-May-21	30-Jun-21
EAP - Agri Input & Chemicals	100.0	99.3	111.3	130.1	154.0	159.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	96.1	107.4	125.2	147.8	153.0

*Performance measurement base date 1st April 2019

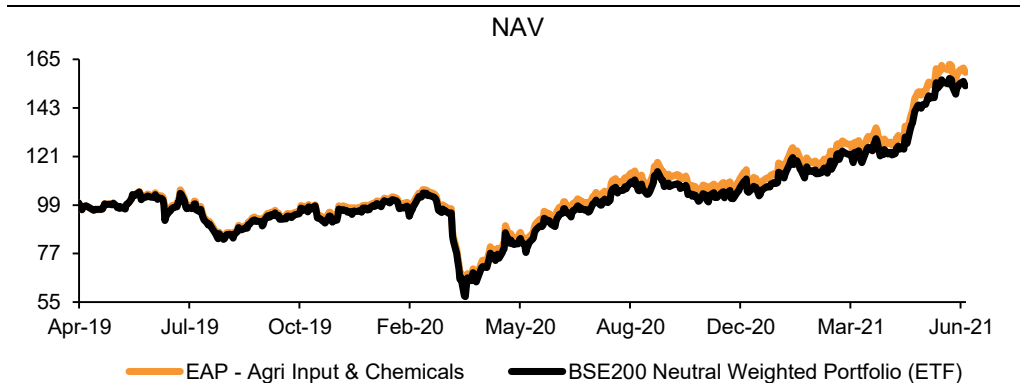
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Agri Input & Chemicals	3.3%	22.3%	42.9%	60.2%
BSE200 Neutral Weighted Portfolio (ETF)	3.5%	22.2%	42.5%	59.2%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 02 Jul 2021 12:28:53 (SGT)

Dissemination Date: 02 Jul 2021 12:29:53 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, retransmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (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 to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of July 2, 2021
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of July 2, 2021.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 2, 2021
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the July 2, 2021

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com