

India Shelter Finance Corp. Ltd.

09 May 2024

Yet another quarter of strong performance

COMPANY UPDATE

Sector: NBFCs	Rating: NR
CMP: 600	Target Price: NA

Stock Info

Sensex/Nifty	73,020/22,165
Bloomberg	INDIASHL IN
Equity shares	107 mn
52-wk High/Low	723/519
Face value	Rs 5
M-Cap	Rs 64.3bn/USD 0.8bn
3-m Avg volume	USD 7.9mn

Financial Snapshot (Rs mn)

Y/E March	FY22	FY23	FY24
NII	2,293	2,931	4,141
PPP	1,789	2,160	3,384
PAT	1,284	1,554	2,476
EPS (Rs)	12.0	14.5	23.1
EPS Gr. (%)	47.0	21.0	59.4
BV/Sh (Rs)	101	116	215

Ratios

NIM (%)	8.7	7.9	7.9
C/I ratio (%)	42.6	45.5	40.9
RoA (%)	4.5	4.1	4.9
RoE (%)	12.8	13.4	14.0
Payout (%)	0.0	0.0	0.0

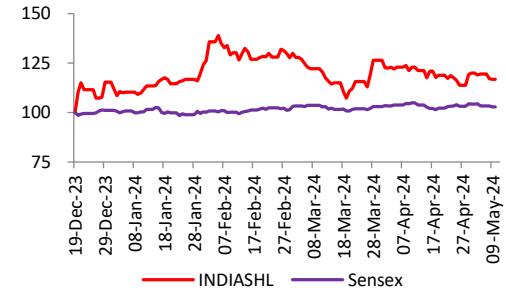
Valuations

P/E (x)	50.3	41.6	26.1
P/BV (x)	6.0	5.2	2.8

Shareholding pattern (%)

	Dec-23	Mar-24
Promoter	48.3	48.3
FII	5.8	5.3
DII	12.6	16.1
Others	33.2	30.3

Stock Performance (1-year)



Pradeep Agrawal

pradeepagrawal@systematixgroup.in
+91 22 6704 8024

Pravin Mule

pravinmule@systematixgroup.in

Ronak Dhruv

ronakdhruv@systematixgroup.in

India Shelter Finance Corp. Ltd (INDIASHL) 4QFY24 operational performance was strong led by robust business growth and margin expansion (partly supported by interest income on IPO proceeds). NII/OP came in at Rs 1.3bn / Rs 1bn registering a growth of 58% YoY / 44% YoY. Opex to AUM ratio was steady at 4.4% while CI ratio improved to 38% aided by higher income levels. Despite higher provisions during the quarter at Rs 56mn, up 37% QoQ, PAT registered a strong growth of 47% YoY / 25% QoQ at Rs 779mn. In terms of business, AUM growth of 40% YoY / 9% QoQ led by healthy disbursements. On the asset quality front, GS3 / NS3 asset ratio improved 24bps / 16bps QoQ at 1.0% / 0.7%. The management is confident of achieving 35% YoY growth in AUM in FY25, which we believe is achievable given the low base and management's branch expansion plan. With a strong management team and presence in tier II and III, INDIASHL is well placed to capitalize on huge opportunity in the affordable housing segment. We remain optimistic about its niche placement in the affordable housing space. At CMP, stock is trading at 2.8x FY24 BV (annualized), which is ~25-35% discount to other peers like HOMEFIRST/ APTUS. We believe with higher growth than peers and superior underwriting and strong management team, the valuation discount with peers will narrow down gradually.

Key result highlights

- INDIASHL 4QFY24 operational performance was strong led by robust business growth and NIMs expansion (partly supported by interest income on IPO proceeds). NII/OP came in at Rs 1.3bn / Rs 1.0bn registering a growth of 58% YoY / 44% YoY led by 40% YoY growth in AUM and NIM expansion of 132bps QoQ.
- Yields (reported) stood at 14.9% (vs 14.8% in Q3), coupled with steady cost of funds (reported) resulted in spreads of 6.1% (vs 6.0% in Q3).
- Opex to AUM ratio was largely steady at 4.4% while cost to income has improved to 38% (from ~40% in Q3FY24 and Q4FY23) led by higher income levels. Despite provisions inching at to Rs 56mn resulting in credit cost of ~40bps vs 30bps in Q3, PAT registered a strong growth of 47% YoY and 25% QoQ (Rs 779mn).
- AUM growth was strong at 40% YoY / 9% QoQ led by 24% YoY / 10% QoQ growth in disbursements. Home loans, which form 58% of AUM, grew 43% YoY / 9%, while LAP portfolio grew 35% YoY / 9% QoQ.
- GS3 / NS3 asset ratio improved by 24bps / 16bps QoQ at 1% / 0.7%. 30+ DPD also improved to 2.4% from 3.5% in Q3. PCR on stage 3 stood at 25% vs 26% in Q3.

Valuation & recommendation

INDIASHL is focused on affordable housing segment and targets self-employed customers (~72% of AUM). INDIASHL is well placed in the affordable housing segment in low ticket size segment (ticket size upto Rs 10 lakhs forms ~50% of AUM) with a major presence in tier II and III cities. We believe there is huge scope for growth in existing geographies where INDIASHL operates. At CMP, stock is trading at 2.8x FY24 BV (Annualized), which is ~25-35% discount to other peers like HOMEFIRST/ APTUS. We believe with higher growth than peers and superior underwriting and strong management team, the valuation discount with peers will narrow down gradually.

Management commentary

Business:

- Strong AUM growth of 40% (9% QoQ) driven by healthy 24% YoY (10% QoQ) growth in disbursements.
- Continued investments in branch, people and technology aided in strong growth.
- Repayment rates reduced by 3% (from 22% in FY23 to 19% in FY24). 1% of which due to removal of CLSS scheme and 2% due to decline in BT out rate.
- BT out rate is ~5.5% vs ~6.5% last year. Most of the customers gets shifted to PSU banks and large NBFCs. It is mainly happening in tier 1-2 towns.
- Disbursement cases per branch can reach upto ~17-18 (nos) per month.
- Strong liquidity pipeline coupled with consistent rating upgrades. Total liquidity available to the tune of Rs 1.2bn. Undrawn lines from NHB of Rs 2.1bn which will be utilised in Q1FY25.
- Share of affordable fund in NHB funding stood at 50-60% earlier which has reduced to 25-30% as allocation from government side has declined.
- Considering DA transactions, AUM mix at- HL:70%, LAP:30% on balance sheet.
- Share of co-lending stood at 2% and it should increase going forward. Tied up with Pvt and PSU banks for co-lending
- Branch vintage – on an average customer stay for 5-7 years.
- Share of Self-employed segment in overall AUM to increase from 72% to 78% in next 3-4 years.

Margins:

- Recent credit rating upgrade alongside increasing NHB's share in borrowing mix to aid in reducing the COF, expecting a 15-20bps improvement going ahead.
- COF stable at 8.8%, while marginal COF at 8.6%.
- NHB forms 15% of the sourcing mix, due to the credit rating upgrade see NHB share increasing to ~18-20% of the borrowing mix which in-turn will have a positive impact on spreads.

Asset quality:

- 30+DPD to maintained between 2.5% to 3%. 1+DPD improved to 4.2%.
- Restructured pool (covid impact) stands at Rs 300mn of which Rs 20mn is classified under NNPA and remaining Rs 180mn under stage 2.
- Have seen an improvement in LGD which now stands at 25% due to improvement in recovery trend.
- ECL stage 1 to remain in the range of 40-50bps while stage 3 provisions will be at ~24%-27%.

Opex:

- Added 40 new branches in FY24 and 8 new branches in Q4FY24.
- Guiding to add ~42 new branches in FY25 spread across quarters (8-9 per quarter), these will be spread across the 15 states; majority of them would be in South.
- As operating leverage kicks in, opex to come down gradually.

Guidance:

- AUM growth of 30-35% YoY can be achieved.
- Spreads will be maintained at 6%, driven by 15-20bps reduction in cost of funds.
- Opex to AUM to come down by 15-20bps and credit cost of 40bps to led RoA of ~4% in long run.

Exhibit 1: Quarterly performance

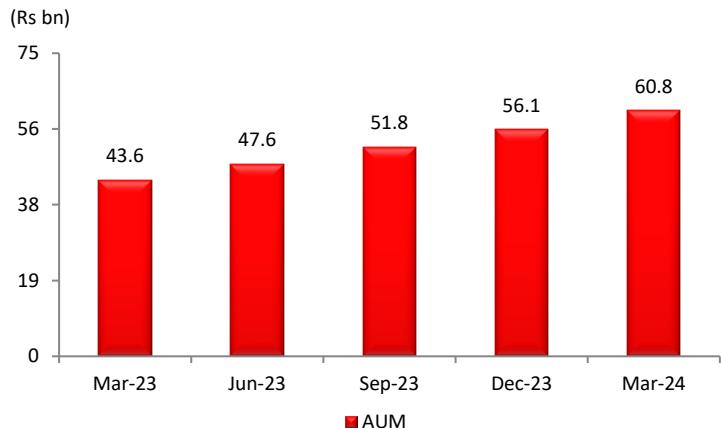
(Rs mn)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)
Net Interest Income	829	836	967	1,030	1,309	57.9	27.1
Other Income	386	362	423	413	389	0.8	-5.9
Net Income	1,214	1,198	1,390	1,443	1,697	39.8	17.7
Total Operating Expenses	485	547	563	590	644	32.8	9.2
As % Of Net Income	39.9	45.7	40.5	40.9	38.0	(199bps)	(294bps)
Employee Expenses	362	414	430	457	493	36.0	7.7
As % Of Net Income	29.8	34.6	30.9	31.7	29.0	(82bps)	(267bps)
Other Expenses	123	133	133	133	152	23.5	14.3
As % Of Net Income	10.1	11.1	9.6	9.2	8.9	(117bps)	(27bps)
Operating Profit	729	651	827	853	1,053	44.4	23.5
As % Of Net Income	60.1	54.3	59.5	59.1	62.0	199bps	294bps
Provisions	47	41	53	41	56	20.8	37.2
PBT	682	610	774	812	997	46.0	22.8
Total Tax	152	138	172	188	217	43.1	15.3
PAT	531	471	602	623	779	46.9	25.1
Adjusted PAT	531	471	602	623	779	46.9	25.1
Adjusted EPS	6.1	5.4	6.9	7.1	8.9	46.9	25.1

Yield Analysis (%)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (bps)	QoQ (bps)
Yield on net loans (calc)	15.9	16.1	16.4	15.9	17.0	108bps	104bps
Cost of borrowing	7.9	8.9	8.9	8.7	8.6	73bps	(9bps)
NIMs (calc)	8.0	7.3	7.8	7.6	9.0	98bps	132bps
Yields (reported)	14.7	14.7	14.7	14.8	14.9	20bps	10bps
Cost of funds (reported)	8.7	8.7	8.8	8.8	8.8	10bps	0
Spreads (reported)	6.0	6.0	5.9	6.0	6.1	10bps	10bps

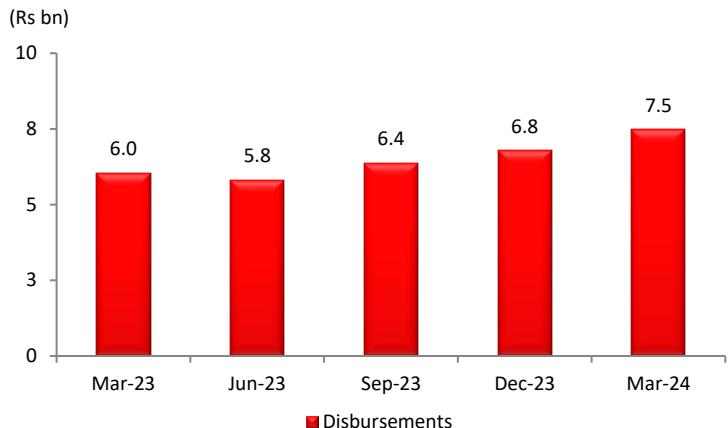
Asset quality (IndAs)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)
Gross Stage 3	419	409	439	570	501	19.6	-12.1
Net Stage 3	310	300	313	421	376	21.3	-10.7
Gross Stage 3 (%)	1.1	1.0	1.0	1.2	1.0	(17bps)	(24bps)
Net Stage 3 (%)	0.8	0.7	0.7	0.9	0.7	(11bps)	(16bps)
Provision cover (%)	26.0	26.7	28.7	26.1	25.0	(104bps)	(119bps)

AUM (Rs mn)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)	% of total
Home Loan	24,631	27,126	29,843	32,532	35,287	43.3	8.5	58
LAP	18,964	20,464	21,967	23,558	25,553	34.7	8.5	42
Total	43,594	47,590	51,810	56,090	60,840	39.6	8.5	100

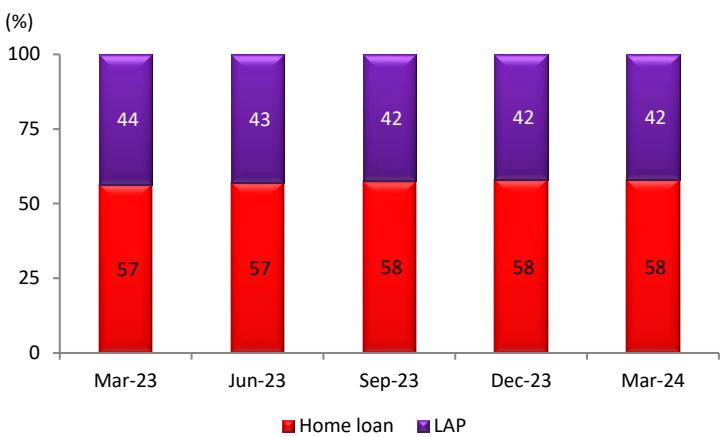
Source: Company, Systematix Institutional Research

Exhibit 2: AUM grew 40% YoY and 9% QoQ

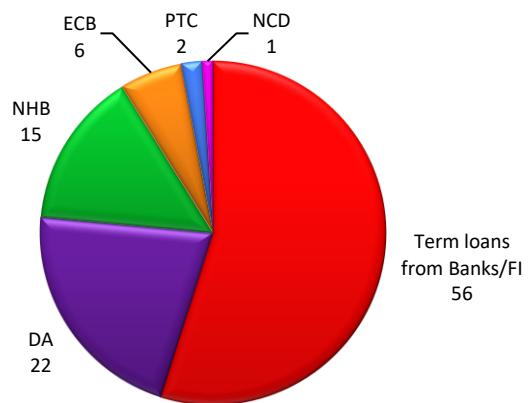
Source: Company, Systematix Institutional Research

Exhibit 3: led by 24% YoY / 10% QoQ growth in disbursements

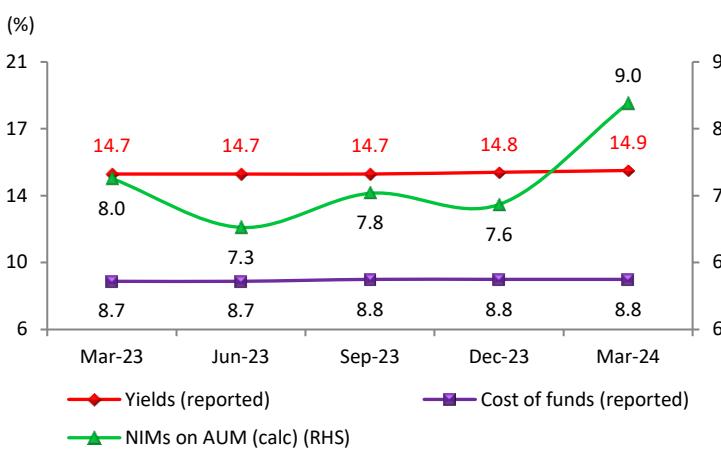
Source: Company, Systematix Institutional Research

Exhibit 4: Home loan segment share steady at 58%

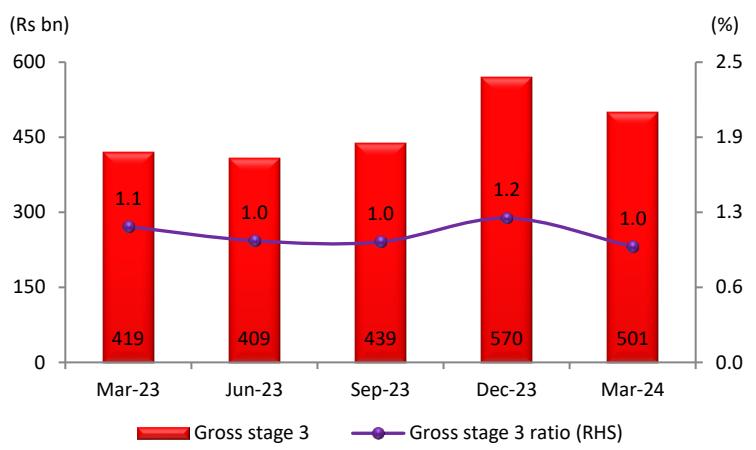
Source: Company, Systematix Institutional Research

Exhibit 5: Well diversified borrowing mix (%) (Mar-24)

Source: Company, Systematix Institutional Research

Exhibit 6: Spreads improved 10bps QoQ at 6.1%

Source: Company, Systematix Institutional Research

Exhibit 7: GS3 asset ratio improved by 24bps QoQ

Source: Company, Systematix Institutional Research

FINANCIALS

Profit & Loss Statement

YE: Mar (Rs mn)	FY21	FY22	FY23	FY24
Net interest income	1,692	2,293	2,931	4,141
Other income	482	822	1,033	1,588
Net Income	2,175	3,115	3,964	5,728
Operating expenses	846	1,326	1,803	2,345
Preprovision profit	1,328	1,789	2,160	3,384
Provisions	198	120	141	192
Profit before tax	1,130	1,669	2,020	3,192
Tax	256	385	466	716
Tax rate	22.6	23.0	23.1	22.4
Reported Profit after tax	874	1,284	1,554	2,476

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY21	FY22	FY23	FY24
Equity	430	437	438	535
Reserves	8,943	10,324	11,964	22,451
Net worth	9,373	10,761	12,402	22,987
Borrowings	14,913	20,700	29,889	34,151
Others	341	751	661	804
Total liabilities	24,626	32,212	42,951	57,941
Cash	4,137	3,303	4,948	3,777
Investments	-	1,753	589	1,578
Loans	19,812	26,225	36,091	50,624
Others	527	760	1,079	1,664
Total assets	24,626	32,212	42,951	57,941

Source: Company, Systematix Institutional Research

Dupont (as % of Average Assets)

YE: Mar	FY21	FY22	FY23	FY24
Interest Income	12.9	13.3	13.4	13.9
Interest Expense	4.9	5.2	5.6	5.7
Net Interest Income	7.9	8.1	7.8	8.2
Other income total	2.3	2.9	2.7	3.1
Net Income total	10.2	11.0	10.5	11.4
Operating expenses total	4.0	4.7	4.8	4.6
Preprovision profit	6.2	6.3	5.7	6.7
Provisions	0.9	0.4	0.4	0.4
Profit before tax and exce. items	5.3	5.9	5.4	6.3
Profit after tax	4.1	4.5	4.1	4.9

Source: Company, Systematix Institutional Research

Key Ratios

YE: Mar	FY21	FY22	FY23	FY24
Yield on portfolio	15.9	16.4	16.1	16.2
cost of borrowings	8.7	8.3	8.3	9.0
Interest Spread	7.2	8.1	7.8	7.2
NIM (on AUM)	9.1	8.7	7.9	7.9
Cost/ Income (%)	38.9	42.6	45.5	40.9
Credit cost (%)	0.9	0.4	0.4	0.4
RoA(%)	4.1	4.5	4.1	4.9
RoE(%)	9.8	12.8	13.4	14.0
Leverage (x)	2.4	2.8	3.2	2.9
Gross NPA (%)	1.9	2.1	1.1	1.0

Source: Company, Systematix Institutional Research

Growth

YE: Mar (%)	FY21	FY22	FY23	FY24
Net interest income	23.7	35.5	27.8	41.3
Net Income total	40.7	43.2	27.3	44.5
Preprovision profit	75.7	34.7	20.8	56.6
Profit before tax	76.9	47.8	21.0	58.0
Profit after tax	86.3	47.0	21.0	59.4
Loan	34.3	32.4	37.6	40.3
Disbursement	62.4	44.7	51.7	34.7
AUM	44.6	39.8	41.8	39.6

Source: Company, Systematix Institutional Research

Valuation ratios

YE: Mar	FY21	FY22	FY23	FY24
FDEPS (Rs)	8.2	12.0	14.5	23.1
PER (x)	74.0	50.3	41.6	26.1
Book value (Rs)	87.6	100.5	115.9	214.7
P/BV (Rs)	6.9	6.0	5.2	2.8
Adjusted book value (Rs)	85.0	96.6	113.0	211.2
P/ABV (Rs)	7.1	6.3	5.3	2.9
P/PPP (x)	48.7	36.1	29.9	19.1

Source: Company, Systematix Institutional Research

Institutional Equities Team

Nikhil Khandelwal	Managing Director	+91-22-6704 8001	nikhil@systematixgroup.in
Equity Research			
Analysts	Industry Sectors	Desk-Phone	E-mail
Dhananjay Sinha	Co Head of Equities & Head of Research - Strategy & Economics	+91-22-6704 8095	dhananjaysinha@systematixgroup.in
Abhishek Mathur	FMCG	+91-22-6704 8059	abhishekmathur@systematixgroup.in
Ashish Poddar	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8039	ashishpoddar@systematixgroup.in
Himanshu Nayyar	Consumer Staples & Discretionary	+91-22-6704 8079	himanshunayyar@systematixgroup.in
Manjith Nair	Banking, Insurance	+91-22-6704 8065	manjithnair@systematixgroup.in
Pradeep Agrawal	NBFCs & Diversified Financials	+91-22-6704 8024	pradeepagrawal@systematixgroup.in
Pratik Tholiya	Specialty & Agro Chem, Fertilisers, Sugar, Textiles and Select Midcaps	+91-22-6704 8028	pratiktholiya@systematixgroup.in
Sameer Pardikar	IT & ITES	+91-22-6704 8041	sameerpardikar@systematixgroup.in
Santosh Yellapu	Capital Goods	+91-22-6704 8094	santoshyellapu@systematixgroup.in
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@systematixgroup.in
Sudeep Anand	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8085	sudeepanand@systematixgroup.in
Vishal Manchanda	Pharmaceuticals and Healthcare	+91-22-6704 8064	vishalmanchanda@systematixgroup.in
Chetan Mahadik	Consumer Staples & Discretionary	+91-22-6704 8091	chetanmahadik@systematixgroup.in
Deeksha Bhardwaj	Strategy & Economics	+91-22-6704 8017	deekshabhardwaj@systematixgroup.in
Devanshi Kamdar	IT & ITES	+91-22-6704 8098	devanshikamdar@systematixgroup.in
Hinal Kothari	Metals & Mining	+91-22-6704 8076	hinalkothari@systematixgroup.in
Jennisa Popat	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8066	jennisapopat@systematixgroup.in
Kalash Jain	Midcaps	+91-22-6704 8038	kalashjain@systematixgroup.in
Krishna Zaveri	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8023	krishazaveri@systematixgroup.in
Mahek Shah	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8040	mahekshah@systematixgroup.in
Nirali Chheda	Banking, Insurance	+91-22-6704 8019	niralichheda@systematixgroup.in
Pashmi Chheda	Banking, Insurance	+91-22-6704 8063	pashmichheda@systematixgroup.in
Pravin Mule	NBFCs & Diversified Financials	+91-22-6704 8034	pravinmule@systematixgroup.in
Prathmesh Kamath	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8022	prathmeshkamath@systematixgroup.in
Purvi Mundhra	Macro-Strategy	+91-22-6704 8078	purvimumdhra@systematixgroup.in
Rajesh Mudaliar	Consumer Staples & Discretionary	+91-22-6704 8084	rajeshmudaliar@systematixgroup.in
Ronak Dhruv	NBFCs & Diversified Financials	+91-22-6704 8045	ronakdhruv@systematixgroup.in
Rushank Mody	Pharmaceuticals and Healthcare	+91-22-6704 8046	rushankmody@systematixgroup.in
Swati Saboo	Midcaps	+91-22-6704 8043	swatisaboo@systematixgroup.in
Vivek Mane	Pharmaceuticals and Healthcare	+91-22-6704 8046	vivekmane@systematixgroup.in
Yogeeta Rathod	Midcaps	+91-22-6704 8081	yogeetarathod@systematixgroup.in
Equity Sales & Trading			
Name		Desk-Phone	E-mail
Vipul Sanghvi	Co Head of Equities & Head of Sales	+91-22-6704 8062	vipulsanghvi@systematixgroup.in
Jignesh Desai	Sales	+91-22-6704 8068	jigneshdesai@systematixgroup.in
Sidharth Agrawal	Sales	+91-22-6704 8090	sidharthagrawal@systematixgroup.in
Shreya Chaudhary	Sales	+91-22-6704 8033	shreyachaudhary@systematixgroup.in
Rahul Khandelwal	Sales	+91-22-6704 8003	rahul@systematixgroup.in
Chintan Shah	Sales	+91-22-6704 8061	chintanshah@systematixgroup.in
Pawan Sharma	Director and Head - Sales Trading	+91-22-6704 8067	pawansharma@systematixgroup.in
Mukesh Chaturvedi	Vice President and Co Head - Sales Trading	+91-22-6704 8074	mukeshchaturvedi@systematixgroup.in
Vinod Bhuwad	Sales Trading	+91-22-6704 8051	vinodbhuwad@systematixgroup.in
Rashmi Solanki	Sales Trading	+91-22-6704 8097	rashmisolanki@systematixgroup.in
Karan Damani	Sales Trading	+91-22-6704 8053	karandamani@systematixgroup.in
Vipul Chheda	Dealer	+91-22-6704 8087	vipulchheda@systematixgroup.in
Paras Shah	Dealer	+91-22-6704 8047	parasshah@systematixgroup.in
Rahul Singh	Dealer	+91-22-6704 8054	rahulsingh@systematixgroup.in
Niraj Singh	Dealer	+91-22-6704 8096	nirajsingh@systematixgroup.in
Corporate Access			
Mrunal Pawar	Vice President & Head Corporate Access	+91-22-6704 8088	mrunalpawar@systematixgroup.in
Darsha Hiwrale	Associate Corporate Access	+91-22-6704 8083	darshahiwrale@systematixgroup.in
Production			
Madhu Narayanan	Editor	+91-22-6704 8071	madhunarayanan@systematixgroup.in
Mrunali Pagdhare	Production	+91-22-6704 8057	mrunalip@systematixgroup.in
Vijayendra Achrekar	Production	+91-22-6704 8089	vijayendraachrekar@systematixgroup.in
Operations			
Sachin Malusare	Vice President	+91-22-6704 8055	sachinmalusare@systematixgroup.in
Jignesh Mistry	Manager	+91-22-6704 8049	jigneshmistry@systematixgroup.in
Hiren Patel	Assistant Manager	+91-22-6704 8056	hirenpatel@systematixgroup.in

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Pradeep Agrawal, Pravin Mule, Ronak Dhruv**, hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

Disclosure of Interest Statement	Update
Analyst holding in the stock	No
Served as an officer, director or employee	No

II. ISSUER SPECIFIC REGULATORY DISCLOSURES, unless specifically mentioned in point no. 9 below:

1. The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
2. The research analyst(s), SSSIL, associates or relatives collectively do not hold more than 1% of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
3. The research analyst(s), SSSIL, associates or relatives did not have any other material conflict of interest at the time of publication of this research report.
4. The research analyst, SSSIL and its associates have not received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in this report in the past twelve months.
5. The research analyst, SSSIL or its associates have not managed or co-managed a private or public offering of securities for the company(ies) covered in this report in the previous twelve months.
6. SSSIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party in connection with this research report.
7. The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
8. The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
9. Details of SSSIL, research analyst and its associates pertaining to the companies covered in this research report:

Sr. No.	Particulars	Yes / No.
1	Whether compensation was received from the company(ies) covered in the research report in the past 12 months for investment banking transaction by SSSIL.	No
2	Whether research analyst, SSSIL or its associates and relatives collectively hold more than 1% of the company(ies) covered in the research report.	No
3	Whether compensation has been received by SSSIL or its associates from the company(ies) covered in the research report.	No
4	Whether SSSIL or its affiliates have managed or co-managed a private or public offering of securities for the company(ies) covered in the research report in the previous twelve months.	No
5	Whether research analyst, SSSIL or associates have received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in the research report in the last twelve months.	No

10. There is no material disciplinary action taken by any regulatory authority that impacts the equity research analysis activities.

STOCK RATINGS

BUY (B): The stock's total return is expected to exceed 15% over the next 12 months.

HOLD (H): The stock's total return is expected to be within -15% to +15% over the next 12 months.

SELL (S): The stock's total return is expected to give negative returns of more than 15% over the next 12 months.

NOT RATED (NR): The analyst has no recommendation on the stock under review.

INDUSTRY VIEWS

ATTRACTIVE (AT): Fundamentals/valuations of the sector are expected to be attractive over the next 12-18 months.

NEUTRAL (NL): Fundamentals/valuations of the sector are expected to neither improve nor deteriorate over the next 12-18 months.

CAUTIOUS (CS): Fundamentals/valuations of the sector are expected to deteriorate over the next 12-18 months.

III. DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication,

redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL 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 SSSIL through this presentation.

SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Registration granted by SEBI to SSSIL and certification from NISM to the analyst in no way guarantee performance of SSSIL or to provide any assurance of returns to investors.



Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id contactus@systematixgroup.in. Visit us at: www.systematixgroup.in

Details of Compliance officer: Ms Nipa Savla, Compliance officer Tel no. 022-66198092/4035808092 Email id compliance@systematixgroup.in

Details of Email id grievance redressal cell : grievance@systematixgroup.in

Details of Registration : CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 12034600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | AMFI : ARN - 64917