



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

Systematix

Institutional Equities

## State Bank of India

10 May 2024

## Quarterly earnings outshine other PSU banking peers.

## RESULT UPDATE

Sector: Banks Rating: BUY

CMP: Rs 820 Target Price: Rs 950

## Stock Info

Sensex/Nifty	72,404 / 21,958
Bloomberg	SBIN IN
Equity shares	8925mn
52-wk High/Low	Rs 840/543
Face value	Rs 1
M-Cap	Rs 7,316bn/ USD 88bn
3-m Avg value	USD 179mn

## Financial Snapshot (Rs bn)

Y/E March	FY24	FY25E	FY26E
NII	1,599	1,793	2,011
PPP	867	1,096	1,253
PAT	611	694	774
EPS (Rs)	68	78	87
EPS Gr. (%)	22	14	11
BV/Sh (Rs)	392	454	523
Adj. BV/Sh (Rs)	374	436	503

## Ratios

NIM (%)	3.0	3.0	3.0
C/I ratio (%)	59.0	52.3	51.2
RoA (%)	1.0	1.1	1.1
RoE (%)	18.8	18.4	17.7
Payout (%)	20.0	20.0	20.0

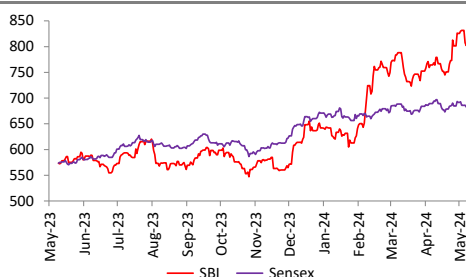
## Valuations

P/E (x)	9.2	9.1	7.27
P/BV (x)	1.6	1.4	1.2
P/Adj. BV (x)	1.7	1.4	1.3
Div. Yield (%)	1.7	1.9	2.1

## Shareholding pattern (%)

	Sep'23	Dec'23	Mar'24
Promoter	57	57	58
-Pledged	-	-	-
FII	11	11	11
DII	24	24	24
Others	7	7	7

## Stock Performance (1-year)



Manjith Nair

manjithnair@systematixgroup.in

+91 22 6704 8065

Pashmi Chheda

pashmichheda@systematixgroup.in

+91 22 6704 8063

Nirali Chheda

niralichheda@systematixgroup.in

+91 22 6704 8019

State Bank of India reported 4QFY24 earnings of Rs 207bn (+126% qoq, +24% yoy) which beat our estimates due to higher-than-expected other income, lower opex and lower provisions. The quality of its earnings coupled with the strong guidance, for FY25, was in stark contrast to those of its peer PSU banks like Canara Bank and Punjab National Bank, which have seen superior share outperformance vs. SBI during the last year.

The key result highlights were: (1) Gross advances growth of 5% qoq and 15% yoy was higher than guidance of 12-14% growth in FY24 and was led by strong growth of 11% qoq in corporate advances. The bank guided for 13-15% loan growth in FY25. (2) Considering the bank's low domestic C-D ratio of 68%, deposits mobilization was modest at 3% qoq, 11% yoy. (3) On calculated basis, 4QFY24 NIM increased by +5bps qoq supported by Rs 13bn (9bps of IEA) benefit from IT refund while cost of funds increased by +4bps qoq. (4) Other income increased by 1.5x qoq due to higher TWO recovery, higher dividends from subsidiaries and seasonally higher fee income. (5) FY24 employee costs of Rs 712bn were 7% lower than guidance of Rs 770bn (ex of pension and dearness relief related one-offs) due to MTM gains on pension and provident fund and reversal of excess gratuity provisions. Further, with catch-up provisions completed in FY24, the bank guided for FY25 wage bill to decline to Rs 650bn-700bn. (6) GNPA / NNPA declined to 2.2% / 0.6% (-18bp / -7bp qoq) as gross and net slippage ratios declined to 0.46% / 0.22% vs 0.61% / 0.39% qoq. (7) FY24 RoA was 1.04%, in-line with guidance and RoE was 20.32%. (8) CET-1 increased to 10.36% (ex FY24 profits) vs 9.09% in 3Q (ex 9M profits). The bank states it is open to raising capital, if required.

We retain our BUY rating with a revised Mar'26 TP of Rs 950 (from Rs 770 earlier) valuing the standalone bank at 1.5x Mar'26 adj BVPS (vs 1.2 earlier) and assign a value of Rs 190 per share to the subsidiaries. We increase the credit growth estimates to 14% (from 13%) with deposits expected to increase at a sector average rate of 12%. Domestic CDR is estimated to creep up from 68% to 71.2% over FY25/26E. NIMs are expected to remain broadly stable with core fee income CAGR at 15% vs asset CAGR of 12% driven by higher processing and distribution fees. Our non-core other income estimates remain conservative offering upside potential to numbers. Coming off the 12<sup>th</sup> Bipartite wage settlement, in FY24, operating expense growth is expected to increase at a modest 3% CAGR with employee expenses estimated to de-grow 13% in FY25. The resulting positive operating jaws, with operating income CAGR at 10%, will result in a PPOP CAGR of 20% over FY24/26E. We conservatively estimate credit costs normalizing to an average 47bps, over FY25/26E, vs. 27bps in FY24, resulting in an earnings CAGR of 13%. As such, over FY25/26E, we estimate the bank to deliver average RoA of 1.1% (up 10bps vs earlier estimate) and RoE of 18%.

**Loan growth led by strong growth in corporate advances:** Gross Advances growth of 5% qoq and 15% yoy was higher than guidance of 12-14% growth in FY24. Growth was led by strong growth of 11% qoq in corporate advances while retail, agri and SME advances increased by 4-5% qoq. RAM mix declined to 55.5% (-50bps qoq). Retail growth of 4% qoq, 15% yoy was mainly led by 5% qoq growth in home loans. Auto loan growth was weak at 3% qoq while other personal loans increased by 4% qoq with unsecured xpress credit growth strong at 4% qoq. **Going forward, the bank**

**guided for 13-15% loan growth in FY25 with corporate growth to be in-line with overall growth. It remains open to raising growth capital if credit demand remains strong.**

**Weaker deposit mobilization as C-D ratio remains comfortable:** Given the low domestic C-D ratio of 68.34% as compared to large private bank peers having C-D ratios of 80%+, deposits mobilization was relatively lower at 3% qoq, 11% yoy. Growth was broad based with CASA growth of 3% qoq and term deposit growth of 4% qoq. Domestic CASA ratio remained broadly stable qoq at 41.1%. Consequently, C-D ratio increased to 75.3% (+144bps qoq). **Domestic C-D ratio at 68.3% remains lower vs bank's comfort zone of 75%.**

**Margins to remain stable going forward:** On calculated basis, 4QFY24 NIM increased by +5bps qoq as yield on funds increased by +10bps qoq with Rs 13bn (9bps of IEA) benefit from IT refund while cost of funds increased by +4bps qoq. On reported basis, FY24 NIM of 3.28% (-9bps yoy) was lower than guidance of FY24 NIM to be around FY23 levels of 3.4%. While domestic FY24 NIM declined by -15bps yoy, overseas NIM increased by +47bps yoy. **Going forward, with cost of deposits plateauing, the bank guided for FY25 NIMs to remain stable around current levels.**

**Better than expected PPOP growth led by higher other income and lower opex:** Other income increased by 1.5x qoq due to higher miscellaneous income (Rs 50bn in 4Q vs 18bn in 3Q) led by higher TWO recovery (Rs 10bn higher qoq), higher dividends from subsidiaries and seasonally higher fee income (fee income % avg assets increased to 57bps vs 42 bps in qoq). CIR at 51.3% was lower vs 74.2% due to one-offs (Rs 710bn) related to pension and dearness relief in the previous quarter. FY24 employee costs of Rs 712bn were 7% lower than guidance of Rs 770bn (ex pension and dearness relief related one-offs) due to Rs 39bn of MTM gains on pension and provident fund and reversal of excess gratuity provisions post final ratification of the wage settlement bill due to lower increase in basic pay. **Further, with catch-up provisions completed in FY24, the bank guided for FY25 wage bill to decline to Rs 650bn-700bn.** Consequently, while NII (+5% qoq, +3% yoy) was 3% above estimates, PPOP was ~40% above estimates mainly due to better-than-expected other income and lower than expected opex.

**Asset quality continues to remain benign:** GNPA / NNPA declined to 2.2% / 0.6% (-18bp / -7bp qoq). PCR increased to 75% (+85bps qoq) as Gross and Net slippage ratios declined to 0.46% / 0.22% vs 0.61% / 0.39% qoq. While calculated credit costs increased to 0.36% vs 0.2% in qoq due to slightly higher write-offs (50bps of net advances in 4Q vs 42bps in 3Q), the impact was offset by floating provision reversals due to (i) reversal of Rs 9bn of regulatory provision on NPI (ii) improvement in asset quality of the restructured book. Restructured assets have reduced to 0.48% vs 0.55% qoq, 0.78% yoy). **Going forward, the bank does not expect any major lumpy recoveries from the AUCA accounts.** While overall GNPA ratios declined across all the RAM sub-segments as well as corporate, Xpress credit GNPA has increased to 0.77% vs 0.73% qoq, 0.6% yoy.

**Valuation & recommendation:** We retain our BUY rating with a revised Mar'26 TP of Rs 950 (from Rs 770 earlier) valuing the standalone bank at 1.5x Mar'26 adj BVPS (vs 1.2 earlier) and assign a value of Rs 190 per share to the subsidiaries. We increase the credit growth estimates to 14% (from 13%) with deposits expected to increase at a sector average rate of 12%. Domestic CDR is estimated to creep up from 68% to 71.2% over FY25/26E. NIMs are expected to remain broadly stable with core fee income CAGR at 15% vs asset CAGR of 12% driven by higher processing and distribution fees. Our non-core other income estimates remain conservative offering

upside potential to numbers. Coming off the 12<sup>th</sup> Bipartite wage settlement, in FY24, operating expense growth is expected to increase at a modest 3% CAGR with employee expenses estimated to de-grow 13% in FY25. The resulting positive operating jaws, with operating income CAGR at 10%, will result in a PPOP CAGR of 20% over FY24/26E. We conservatively estimate credit costs normalizing to an average 47bps, over FY25/26E, vs. 27bps in FY24, resulting in an earnings CAGR of 13%. As such, over FY25/26E, we estimate the bank to deliver average RoA of 1.1% (up 10bps vs earlier estimate) and RoE of 18%.

### Key takeaways from 4QFY24 earnings call:

#### Balance Sheet

- The bank anticipates advance growth of 13-15% FY25.
- LCR was 124% as of Mar'24.
- The bank has excess SLR of Rs 3.7trn
- Given other key large private peers remaining cautious on growing the corporate advances, the bank will grow the corporate book and down-sell the corporate portfolio which will also drive fee income
- The bank shall focus on increasing the domestic CD ratio to 75%.
- CASA growth of 3% qoq was led by 15% qoq growth in CA deposits. Also, 61% of SA is opened through YONO application

#### P&L

- Loan book mix: MCLR linked at 36%, Fixed rate at 21%, EBLR linked at 27% and others at 16%.
- The bank aims to maintain NIMs at current levels.
- With the revised investment norms, MTM gains and losses will not have much impact.
- In 4QFY24 business and development costs were Rs 2bn.
- FY24 CIR excluding wage revision and one-time item is 49% (vs 55.66% actual) with the bank's focus being to lower CIR by improving income growth along with operating leverage leading to reduction in other overheads

#### Asset Quality

- Agriculture NPA reduced from 11.47% as of Mar'23 to 9.58% as of Mar'24; target to bring down further to 6-8%.
- W.r.t draft RBI norms on project financing, the bank is yet to evaluate the impact. However, the management informed it remains well placed to absorb the impact of additional provisioning considering the 3-year time frame and will also pass on some of the additional impact in terms of price increases. Further, the bank has approx. Rs1.1tn of project finance loans.

#### Subsidiaries

- No plans to list SBI general in near term.
- SBI Wealth is undergoing revamp and has launched 2 segments. The focus is to garner NTB customers across the country and not just limited to metro cities. The bank plans to hire a new head for the wealth business.

**Exhibit 1: Quarterly performance**

(INR, Bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Interest income	1,110	930	19%	1,067	4.0%
Interest expenses	694	526	32%	669	3.7%
<b>NII</b>	<b>417</b>	<b>404</b>	<b>3%</b>	<b>398</b>	<b>4.6%</b>
Other income	174	140	24%	115	51.6%
<b>Operating income</b>	<b>590</b>	<b>544</b>	<b>9%</b>	<b>513</b>	<b>15.1%</b>
Operating expenses	303	297	2%	380	-20.4%
- Staff expenses	163	176	-7%	265	-38.2%
<b>PPOP</b>	<b>287</b>	<b>246</b>	<b>17%</b>	<b>132</b>	<b>117.2%</b>
Provisions	16	33	-51%	7	134.1%
PBT	271	213	27%	125	116.3%
Taxes	64	46	40%	34	90.3%
<b>PAT</b>	<b>207</b>	<b>167</b>	<b>24%</b>	<b>92</b>	<b>125.9%</b>
Key Ratios (%)	4QFY24	4QFY23	YoY (bps)	3QFY24	QoQ (bps)
Domestic CASA Ratio	41.1%	43.8%	-269 bp	41.2%	-8 bp
CD Ratio	75.3%	72.3%	302 bp	73.9%	144 bp
NIM (reported)	3.3%	3.4%	-9 bp	3.3%	0 bp
Cost to Income	51.3%	54.7%	-341 bp	74.2%	-2289 bp
Credit costs	0.4%	0.2%	20 bp	0.2%	16 bp
GNPA (%)	2.2%	2.8%	-54 bp	2.4%	-18 bp
NNPA (%)	0.6%	0.7%	-10 bp	0.6%	-7 bp
PCR (%)	75.0%	76.4%	-137 bp	74.2%	85 bp
CAR	14.3%	14.7%	-40 bp	13.1%	123 bp
Tier-I	11.9%	12.1%	-13 bp	10.6%	135 bp

Source: Company, Systematix Institutional Research

**Exhibit 2: DuPont analysis**

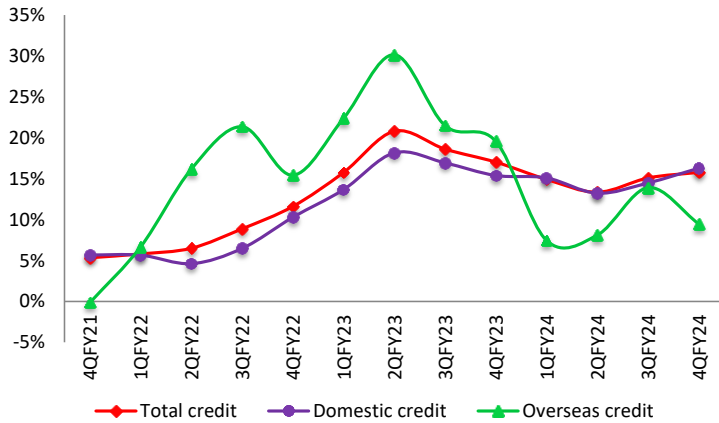
Du Pont (% of average assets)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
<b>Net interest income</b>	<b>3.0%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.7%</b>
Other income	1.0%	0.9%	0.8%	0.8%	1.1%
Total income	4.0%	3.7%	3.5%	3.5%	3.9%
Operating expenses	2.2%	1.9%	2.2%	2.6%	2.0%
Employee expenses	1.3%	1.2%	1.3%	1.8%	1.1%
PPOP	1.8%	1.8%	1.4%	0.9%	1.9%
Provisions	0.2%	0.2%	0.0%	0.0%	0.1%
PBT	1.6%	1.6%	1.4%	0.9%	1.8%
<b>PAT (RoAA)</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>1.4%</b>
Leverage	15.92	15.68	15.41	15.44	15.53
<b>ROE</b>	<b>19.6%</b>	<b>19.1%</b>	<b>15.5%</b>	<b>9.6%</b>	<b>21.2%</b>

Source: Company, Systematix Institutional Research

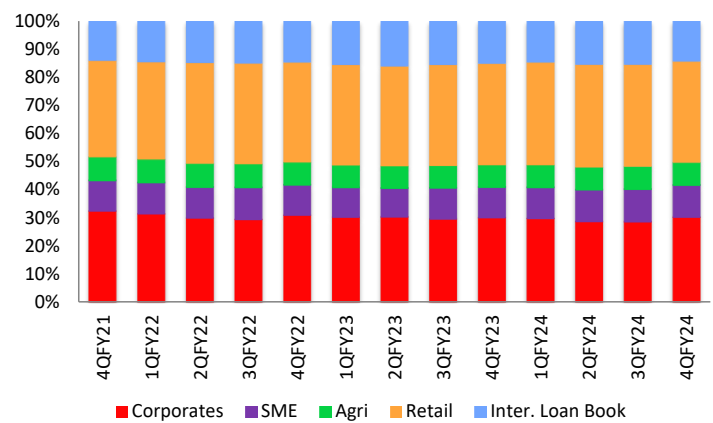
Exhibit 3: Earnings Revision

(INR, Bn)	FY25E			FY26E		
	New	Old	% chg	New	Old	% chg
Advances	42,226	42,264	-0.1%	48,139	47,968	0.4%
Deposits	55,054	55,085	-0.1%	61,641	61,235	0.7%
NII	1,793	1,794	0.0%	2,011	1,966	2.3%
Opex	1,202	1,186	1.4%	1,316	1,298	1.4%
PPOP	1,096	1,114	-1.6%	1,253	1,212	3.5%
Provisions	166	187	-10.9%	218	262	-16.9%
PAT	694	691	0.5%	774	708	9.3%
EPS	78	77	0.5%	87	79	9.3%
Adj. BVPS	436	423	2.9%	503	484	3.9%

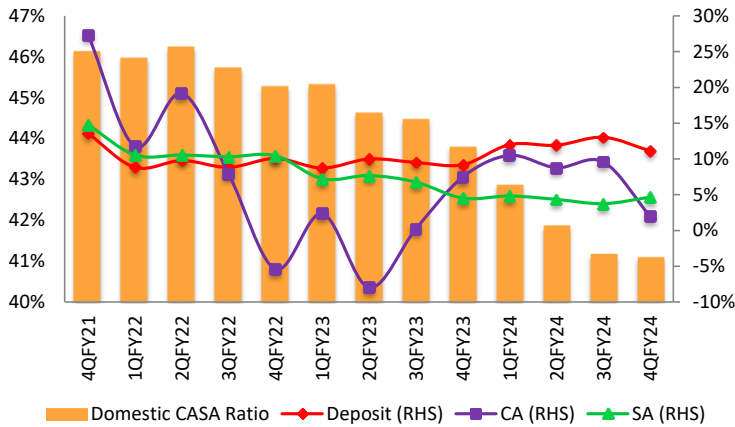
Source: Company, Systematix Institutional Research

**Exhibit 4: Strong domestic credit growth....**

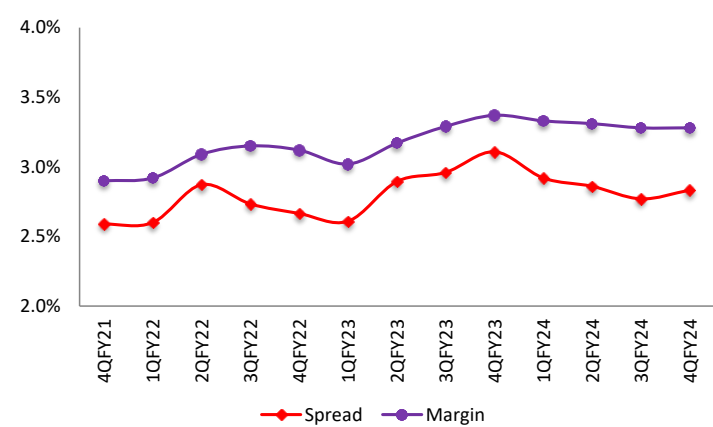
Source: Company, Systematix Institutional Research

**Exhibit 5: .... mainly led by strong growth in corporate advances**

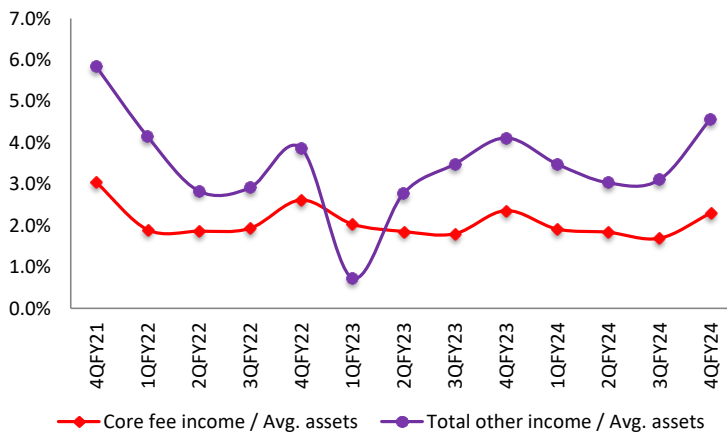
Source: Company, Systematix Institutional Research

**Exhibit 6: Domestic CASA ratio remains broadly stable**

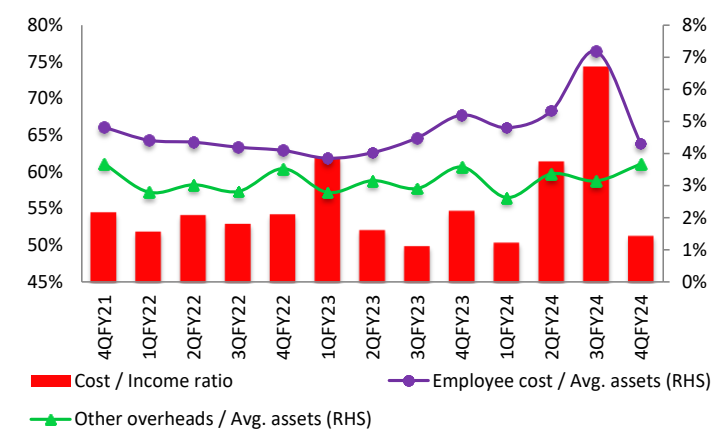
Source: Company, Systematix Institutional Research

**Exhibit 7: Margin to remain around current levels going forward**

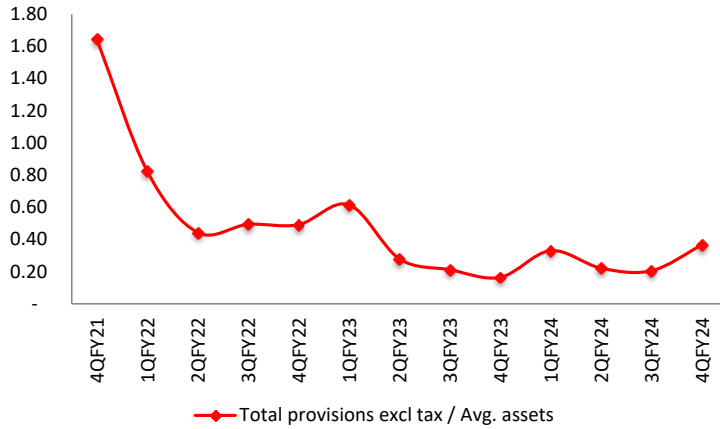
Source: Company, Systematix Institutional Research

**Exhibit 8: Core fee income improved on seasonality**

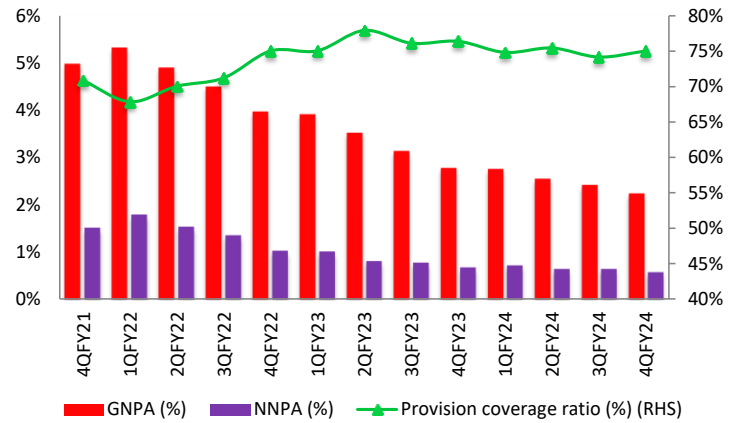
Source: Company, Systematix Institutional Research

**Exhibit 9: CIR lower due to one-offs in the previous quarter**

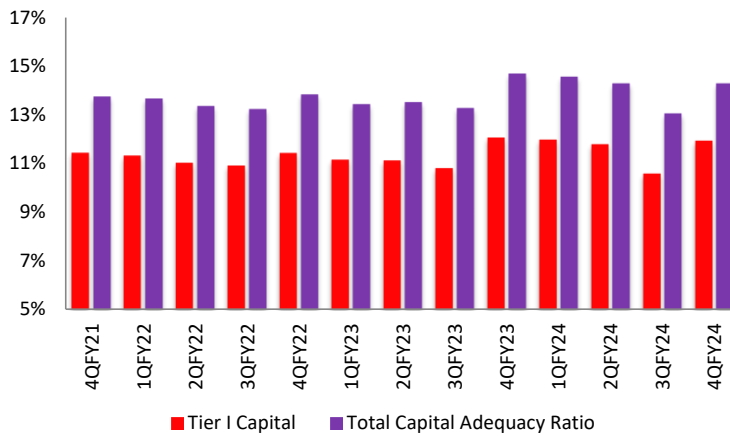
Source: Company, Systematix Institutional Research

**Exhibit 10: Credit costs inched up marginally on slightly higher write-offs**

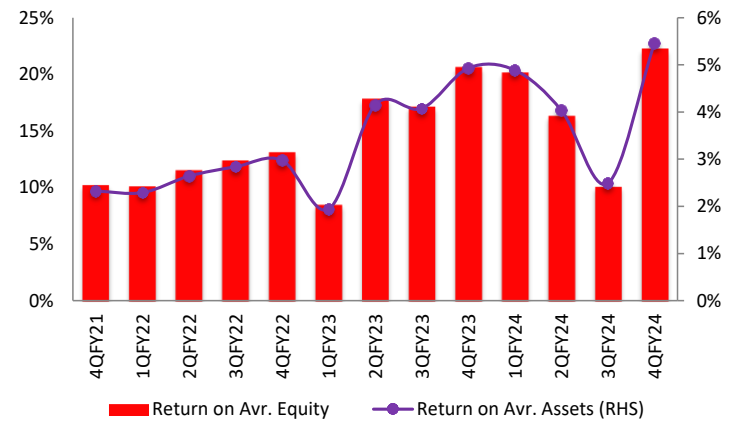
Source: Company, Systematix Institutional Research

**Exhibit 11: Asset quality remains largely stable.**

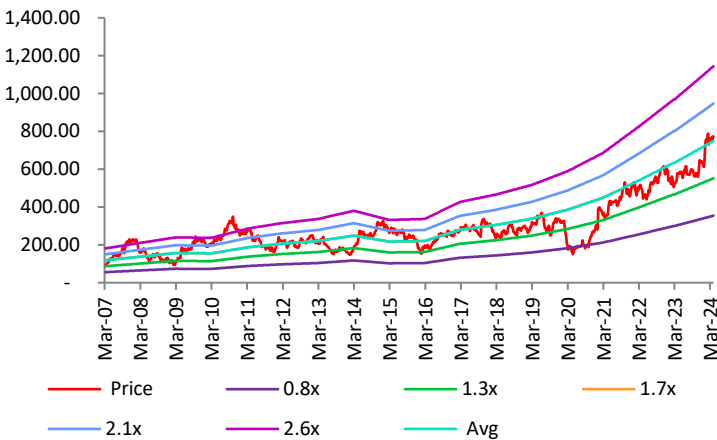
Source: Company, Systematix Institutional Research

**Exhibit 12: CAR at 14.28% and Tier-1 at 11.93%**

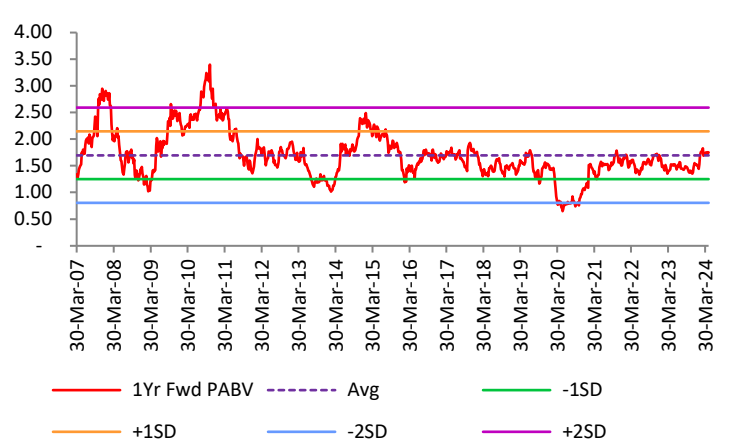
Source: Company, Systematix Institutional Research

**Exhibit 13: FY24 RoA of 1.04% was in-line with guidance**

Source: Company, Systematix Institutional Research

**Exhibit 14: 1-year forward P/ABV (x) trajectory**

Source: Company, Systematix Institutional Research

**Exhibit 15: SBIN trades around long-term average forward multiple**

Source: Company, Systematix Institutional Research



## FINANCIALS

## Profit &amp; Loss Statement

YE: Mar (Rs bn)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	2,755	3,321	4,151	4,813	5,370
Interest Expenses	1,547	1,873	2,553	3,020	3,359
<b>Net Interest Income</b>	<b>1,207</b>	<b>1,448</b>	<b>1,599</b>	<b>1,793</b>	<b>2,011</b>
Change (%)	9	20	10	12	12
Commission, Ex. & Br. Inc.	246	262	281	323	372
Add: Other income	160	104	236	181	186
<b>Net Income</b>	<b>1,613</b>	<b>1,815</b>	<b>2,116</b>	<b>2,298</b>	<b>2,569</b>
Change (%)	5	13	17	9	12
Operating Expenses	934	977	1,249	1,202	1,316
<b>Operating Profit</b>	<b>679</b>	<b>837</b>	<b>867</b>	<b>1,096</b>	<b>1,253</b>
Change (%)	(5)	23	4	26	14
Provisions	245	165	49	166	218
<b>PBT</b>	<b>434</b>	<b>672</b>	<b>818</b>	<b>929</b>	<b>1,036</b>
Tax	117	170	207	235	262
Tax Rate (%)	27	25	25	25	25
<b>PAT</b>	<b>317</b>	<b>502</b>	<b>611</b>	<b>694</b>	<b>774</b>
Change (%)	55	59	22	14	11
Proposed Dividend	63	100	122	139	155

Source: Company, Systematix Institutional Research

## Dupont

YE: Mar (%)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	5.8	6.3	7.1	7.3	7.3
Interest Expended	3.3	3.6	4.4	4.6	4.6
<b>Net Interest Income</b>	<b>2.5</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
Commission, Ex. & Br. Inc.	0.5	0.5	0.5	0.5	0.5
Other Fee Income	0.3	0.1	0.3	0.2	0.2
<b>Net Operating Income</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>	<b>3.4</b>	<b>3.4</b>
Profit on sale of investment	0.1	0.1	0.1	0.1	0.1
Net Income	3.4	3.5	3.6	3.5	3.5
Operating Expenses	2.0	1.9	2.1	1.8	1.8
<b>Operating Income</b>	<b>1.4</b>	<b>1.6</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>
Provisions	0.5	0.3	0.1	0.3	0.3
<b>PBT</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>
Tax	0.25	0.32	0.35	0.36	0.36
<b>PAT</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>
Leverage	20	19	18	17	17
<b>RoE</b>	<b>13.0</b>	<b>18.1</b>	<b>18.8</b>	<b>18.4</b>	<b>17.7</b>

Source: Company, Systematix Institutional Research

## Balance Sheet

YE: Mar (Rs bn)	FY22	FY23	FY24	FY25E	FY26E
Capital	8.9	8.9	8.9	8.9	8.9
Reserves & Surplus	2,792	3,267	3,764	4,319	4,938
<b>Net Worth</b>	<b>2,801</b>	<b>3,276</b>	<b>3,772</b>	<b>4,328</b>	<b>4,947</b>
Change (%)	10	17	15	15	14
<b>Deposits</b>	<b>40,515</b>	<b>44,238</b>	<b>49,161</b>	<b>55,054</b>	<b>61,641</b>
Change (%)	10	9	11	12	12
CASA Ratio (%)	45	43	40	39	37
<b>Borrowings</b>	<b>4,260</b>	<b>4,931</b>	<b>5,976</b>	<b>6,615</b>	<b>7,375</b>
Other Liabilities	2,299	2,725	2,888	3,321	3,820
<b>Total Liabilities</b>	<b>49,876</b>	<b>55,170</b>	<b>61,797</b>	<b>69,318</b>	<b>77,782</b>
Change (%)	10	11	12	12	12
Investments	14,814	15,704	16,713	18,050	19,675
Cash & Bank balance	3,946	3,079	3,108	3,526	3,850
<b>Loans</b>	<b>27,340</b>	<b>31,993</b>	<b>37,040</b>	<b>42,226</b>	<b>48,139</b>
Change (%)	12	17	16	14	14
Fixed Assets	377	424	426	468	508
Other Assets	3,399	3,971	4,510	5,048	5,610
<b>Total Assets</b>	<b>49,876</b>	<b>55,170</b>	<b>61,797</b>	<b>69,318</b>	<b>77,782</b>

Source: Company, Systematix Institutional Research

## Ratios

YE: Mar	FY22	FY23	FY24	FY25E	FY26E
<b>Spreads Analysis (%)</b>					
Yield on Advances	6.7	7.5	8.4	8.7	8.7
Yield on Earning Assets	6.3	6.9	7.7	8.0	7.9
Cost of Deposits	3.7	3.8	4.7	5.0	5.0
Cost of Funds	3.6	4.0	4.9	5.2	5.1
NIM	2.8	3.0	3.0	3.0	3.0
<b>Profitability Ratios (%)</b>					
Cost/Income	57.9	53.9	59.0	52.3	51.2
PPOP / Avg. assets	1.4	1.6	1.5	1.7	1.7
RoE	13.0	18.1	18.8	18.4	17.7
RoA	0.7	1.0	1.0	1.1	1.1
<b>Asset Quality (%)</b>					
GNPA (Rs bn)	1,120	909	843	872	978
NNPA (Rs bn)	280	215	211	218	244
GNPA	4.0	2.8	2.2	2.0	2.0
NNPA	1.0	0.7	0.6	0.5	0.5
PCR					
<b>Capitalisation (%)</b>					
CAR	13.8	14.7	15.1	15.1	15.3
Tier I	11.4	12.1	12.7	13.1	13.4
Tier II	2.4	2.6	2.4	2.0	1.9
Average Leverage on Assets (x)	19.6	18.9	18.0	17.4	16.9
<b>Valuations</b>					
Book Value (Rs)	286	332	392	454	523
Adj. Book Value (Rs)	265	318	374	436	503
Price-BV (x)	2.2	1.9	1.6	1.4	1.2
Price-Adj. BV (x)	2.4	2.0	1.7	1.4	1.3
EPS (Rs)	35	56	68	78	87
EPS Growth (%)	55	59	22	14	11
Price-Earnings (x)	17.8	11.2	9.2	8.1	7.3
Dividend (Rs)	7.1	11.3	13.7	15.6	17.3
Dividend Yield (%)	0.9	1.4	1.7	1.9	2.1

Source: Company, Systematix Institutional Research



## Institutional Equities Team

<b>Nikhil Khandelwal</b>	<b>Managing Director</b>	<b>+91-22-6704 8001</b>	<b>nikhil@systematixgroup.in</b>
--------------------------	--------------------------	-------------------------	----------------------------------

### 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	santoshiyellapu@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	krishnazaveri@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	purvimundhra@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, **Manjith Nair, Pashmi Chheda, Nirali Chheda**; 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

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

- The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
- 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.
- 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.
- 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.
- 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.
- 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.
- The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
- The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
- 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

- 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.

II. **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](mailto:contactus@systematixgroup.in). Visit us at: [www.systematixgroup.in](http://www.systematixgroup.in)

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

Details of Email id grievance redressal cell : [grievance@systematixgroup.in](mailto: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