

Dwarikesh Sugar

01 May 2024

RESULT UPDATE

Sector: Sugar	Rating: BUY
CMP: Rs 73	Target Price: Rs 96

Stock Info

Sensex/Nifty	74,483 /22,605
Bloomberg	DSIL IN
Equity shares (mn)	188
52-wk High/Low	Rs 109.8/67.7
Face value	Rs 1
M-Cap	Rs 14bn/ USD 0.2bn
3-m Avg daily volume	USD 1.9mn

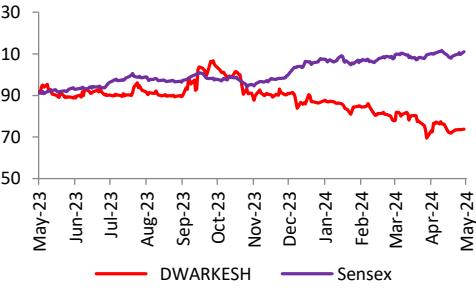
Financial Snapshot (Rs mn)

Y/E Mar	FY24	FY25E	FY26E
Net sales	17,096	20,063	21,218
EBITDA	2,050	2,720	2,925
OPM (%)	12.0	13.6	13.8
PAT	836	1,514	1,655
EPS adj. (Rs)	4.4	8.0	8.8
PE (x)	16.4	9.1	8.3
EV/EBITDA (x)	8.8	6.2	5.5
P/B (x)	1.7	1.5	1.3
RoE (%)	10.7	17.3	16.7
RoCE (%)	12.6	16.8	18.0
D/E (x)	0.6	0.4	0.3
Dividend yield (%)	2.7	2.7	2.7
Dividend payout (%)	45	25	23

Shareholding Pattern (%)

	Mar'24	Dec'23	Sep'23
Promoter	42.1	42.1	42.1
- Pledged	-	-	-
FII	4.4	4.0	5.3
DII	0.3	0.1	0.2
Others	53.3	53.8	52.4

Stock Performance (1-year)



Pratik Tholiya
pratiktholiya@systematixgroup.in
+91 22 6704 8028

Yogeeta Rathod
yogeetarathod@systematixgroup.in
+91 22 6704 8081

Sugar beat estimates; weak distillery drags overall profitability

Dwarikesh Sugar Industries' (DSIL IN) 4QFY24 revenue fell 29% YoY to Rs 3.8bn (in line with our estimates) due to 35%/28% YoY lower sales volumes in sugar/ethanol, respectively. Sugar segment revenue fell 30% YoY to Rs 3.7bn but was 17% above our estimate, and distillery revenues declined 34% YoY to Rs 1.3bn (9% below our estimate). Despite an increase in the Uttar Pradesh-State Advised Price (UP-SAP) of cane by Rs 20/quintal, gross margins expanded 615bps YoY to 33.5% (below our estimate of 34.4%) as raw material costs decreased 35% YoY due to 18% lower cane crush. EBITDA dropped 15% YoY to Rs 732mn (17% above our estimate) as 46% YoY drop in distillery profit was partly offset by 4% YoY growth in sugar segment profitability. EBITDA margin expanded 303bps YoY to 19.3% (estimate of 17.3%). Finance costs rose 16% YoY to Rs 69mn with depreciation flat YoY at Rs 126mn. Other income surged 12% YoY to Rs 21mn. PAT fell 51% YoY to Rs 229mn (27% less than estimated) on higher tax. We have cut FY25E/FY26E EBITDA by 16%/12%, respectively, to factor in the lower profitability in ethanol, given the higher levy obligation for country liquor. We have also cut EPS by 22%/18% for this period. Our SOTP-based target price (TP) of Rs 96 (Rs 110 earlier) implies 11x FY26E P/E and 8x FY26E EV/EBITDA. We have assigned FY26E EV/EBIT of 10x to distillery and 7x to sugar; reiterating BUY on DSIL. Key risks: Lower-than-expected a) recovery rate, and b) domestic sugar prices.

Sugar division (66% of 4Q revenue) – Higher sugar realizations support profitability: 4QFY24 sugar revenue fell 30% YoY to Rs 3.7bn (17% above our estimates) as the drop in overall sales volumes was partially offset by higher sugar realisations. Overall sales volumes fell by 35% YoY to 56.9K tonnes (Q4FY23 included exports of 6.6K tonnes); domestic sales volumes tumbled 30% YoY. Sugar production rose by 11% YoY to 162.8K tonnes, as restricted use of cane juice/syrup to produce ethanol led to additional sugar being produced. Domestic realisation surged 10% YoY to Rs 37,630/tonnes, which translated into 4% YoY EBIT growth. EBIT margin expanded 459 bps YoY to an impressive 14.1% (estimate 7.4%).

Ethanol division (34% of 4Q revenue) – Weak performance: Revenue slid 34% YoY to Rs 1.3bn (9% below our estimate), led by 28% YoY drop in alcohol volumes to 21.1mn litres and 7% YoY drop in realisations at Rs 60.7/litre. EBIT nosedived 46% YoY to Rs 139mn and was 45% below our estimate. EBIT margin contracted 253bps YoY to 10.8% (estimate of 18%).

Valuation: Retain BUY with a revised TP of Rs 96

Subdued sales/offtake coupled with falling crushing numbers and lower capacity utilization impacted DSIL's performance during the quarter. However, company's utilization of remunerative feedstock mix to produce ethanol along with improved sugar recoveries, higher sugar realizations and finance cost rationalization supported profitability. Management is optimistic of good crushing numbers in the upcoming season as improved varietal mix and better monsoon will ensure adequate cane availability. It also expects a revision in sugar prices from June 2024 to benefit the company as it can then sell its large sugar stock at higher prices. We estimate 17%/22% CAGR in revenue/EBIT, respectively, over FY24-FY26E for the ethanol segment. Overall, DSIL to clock 24%/41% CAGR in EBIT/PAT over FY24-FY26E. DSIL currently trades at an inexpensive FY26E P/E of 8x and EV/EBITDA of 5.5x. We reiterate BUY rating with a revised SOTP-based TP of Rs 96 implies 11x P/E and 8x EV/EBITDA for FY26E. Historically, DSIL has been trading at 7x EV/EBITDA (FY08-FY24).

Other key takeaways from the concall

Industry outlook

- Despite the initial lower estimates in the early stages of the sugar season (SS), actual production numbers have been unexpectedly positive, supported by higher-than-estimated production in Maharashtra and Karnataka. Management believes sugar production numbers in UP could conclude at ~10.5mn MT, producing same as the last season.
- Sugar prices currently hover at Rs 3,800/quintal, after a brief period of resurgence, as initial sugar production estimates were lower.
- Indian Sugar Mills Association (ISMA) estimates SS 2023-24 sugar production of ~32mn MT, net of diversion of ~2mn MT towards ethanol.
- Government recently permitted the utilization of 0.67mn MT of additional B-heavy molasses to produce ethanol, but management is of the view that this allocation has come a little late as the season is almost at its closing stages.

Sugar segment - Performance highlights

- **Crushing** - In 4QFY24, 1.45mn MT of cane was crushed (down 18% YoY), with FY24 recording 3.67mn MT (down 4% YoY) and SS 2023-24 2.68mn MT (down 33% YoY). Unexpected and prolonged rains in the Bijnor district (Dwarikesh Nagar (DN) and Dwarikesh Puram (DP)) exacerbated the effects of the red-rot infestation, which negatively affected cane supply and caused significant decline in crushing numbers.
- Crushing numbers also faced challenges due to increased prices offered by Jaggery and Khandsari manufacturers for sugarcane, leading to lower availability of cane for the millers.
- **Varietal mix:** At the DD unit, non-Co-0238 variety mix stood at 34% in 4Q while the rest was Co-0238; management expects the supply of Co-0238 variety to fall to single digit in SS2024-25 as more farmers move to higher-yielding varieties. Even though crushing numbers at this unit was lower, recovery in this season is still higher by 20bps YoY. Although CO-15023 variety is considered an excellent variety, farmers are reluctant to adopt it in large quantities, given its low density and vulnerability to animal attacks. Other cane varieties like CO-118, CO-14021, CO-94184, etc., are cultivated in large quantities. The varietal change program was low in other units, as those areas saw minimal impact from the red rot.
- **FY24 production and sales - Production:** 0.35mn MT (down by 7% YoY); **overall sales:** 0.28mn MT (down 34% YoY). FY23 sale volumes includes 0.1mn MT of exports.
- **FY24 realisation** - Rs 37,070/MT (up 7% YoY)
- **Sugar inventory** - As on 31st Mar 2024, sugar inventory was 183K tonnes (up 72% YoY), valued at Rs 33,550/tonne.
- **FY24 Revenue from Cogen** – Fell 2% YoY to Rs 474.8mn

Distillery segment - Performance highlights

- **FY24 sales** - The company recorded 94,407KL (up 12% YoY) of sales in FY24, of which, 20,944KL of industrial alcohol sold was made from sugarcane juice/syrup directly compared with 46,203KL in FY23.

- **FY24 realisation** - Rs 61.8/litre (down 1% YoY)
- B-Heavy Molasses inventory as of 31st March 2024 was at 16.8k tonnes, out of this ~3K tonnes was earmarked for levy obligations.
- Management believes that the government is focused on prioritizing Ethanol Blending Programme (EBP) and might consider ethanol price hikes post elections
- **Impact of higher levy obligations for B-Heavy molasses** - For SS 2023-24 higher levy obligations for B-Heavy molasses led to expenditure rising by Rs 199.2mn in FY24. This deprived the company of the opportunity to utilize more molasses for ethanol production.

Others

- **No near-term capex plans** - The company would prioritize increasing crushing numbers, improving yield measures, and enhancing efficiencies.
- **Outstanding long-term loans** - On 31st Mar 2024, the company had outstanding long-term loans (at subsidized rate of interest) of Rs 2.15bn. Out of this, it availed Rs 2.08bn for distillery projects.
- DSIL enjoys long-term rating (ICRA) of AA-. The outlook assigned is 'Stable'. It has also retained the highest rating of A1+ from ICRA for its CP program of Rs 3bn.

Change in estimates; Reiterating BUY with a revised TP

We have raised our sugar realization for FY25E/FY26E by 1% each to Rs 38,900/Rs 40,000 per tonne, respectively, as we expect the demand-supply situation to remain tight, keeping prices firm. We have also raised our EBIT margin for the sugar segment by 340bps for FY25E/FY26E each, and distillery volumes unchanged at 114/118mn liters, respectively. We have cut overall EBITDA by 16%/12% and EPS by 22%/18% for the same period. Reiterating BUY with an SOTP-based revised TP of Rs 96. **Key risks:** Lower-than-expected recovery rate and subdued domestic sugar prices.

Exhibit 1: Change in estimates

(Rs mn)	Old Estimates		New Estimates		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	21,584	22,717	20,063	21,218	-7.0	-6.6
EBITDA	3,248	3,327	2,720	2,925	-16.2	-12.1
EBITDA Margin	15.0	14.6	13.6	13.8	-149bp	-86bp
Adjusted PAT	1,941	2,011	1,514	1,655	-22.0	-17.7
EPS	10.3	10.7	8.0	8.8	-22.0	-17.7
Target Price		110		96		-13.1

Source: Company, Systematix Institutional Research

Exhibit 2: SOTP valuation table

Segment	Methodology	FY26E EBIT (Rs mn)	Multiple	Value
Sugar	EV/EBIT	925	7.0x	6,473
Distillery	EV/EBIT	1,608	10.0x	16,075
Total EV				22,548
Less: Net Debt				4,549
Equity Valuation				17,999
No of shares				188
Price per share				96

Source: Company, Systematix Institutional Research

Exhibit 3: Financial snapshot

Y/E March (Rs mn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	FY24	FY23	YoY (%)
Net Sales	3,799	5,325	(28.7)	3,129	21.4	17,096	21,030	(18.7)
Operating Expenses	3,068	4,461	(31.2)	2,869	6.9	15,046	18,884	(20.3)
% of Sales	81	84	-303bp	92	-1,096bp	88.01	89.80	-179bp
EBITDA	732	864	(15.3)	260	181.7	2,050	2,145	(4.5)
EBITDA Margins (%)	19.3	16.2	303bp	8.3	1,096bp	12.0	10.2	179bp
Other Income (Net)	21	19	12.2	60	(65.0)	117	140	(16.9)
Interest	69	59	15.8	43	61.1	201	258	(22.1)
Depreciation	126	128	(1.3)	136	(7.0)	525	502	4.5
PBT	558	696	(19.8)	142	293.7	1,440	1,525	(5.6)
Tax	329	229	43.7	44	653.6	605	477	26.8
Effective Tax Rate (%)	59	33	2,607bp	31	2,817bp	42	31	1,071bp
Adjusted PAT	229	467	(51.0)	98	133.4	836	1,048	(20.3)
NPM (%)	6.0	8.8	-274bp	3.1	289bp	4.9	5.0	-10bp
Reported PAT	229	467	(51.0)	98	133.4	836	1,048	(20.3)
No. of equity shares	188	188		188		188	188	
Adj. EPS	1.2	2.5	(51.0)	0.5	133.4	4.4	5.6	(20.3)

Source: Company, Systematix Institutional Research

Exhibit 4: Key ratios (% of net sales)

Y/E March	4QFY24	4QFY23	YoY bps chg	3QFY24	QoQ bps chg	FY24	FY23	YoY bps chg
Raw Material Cost	66.5	72.7	-615bp	69.7	-322bp	73.7	77.7	-408bp
Staff Costs	8.1	5.5	260bp	11.0	-289bp	6.9	5.6	132bp
Other Expenses	6.1	5.6	52bp	11.0	-485bp	7.4	6.4	97bp
Effective Tax rate	59.0	32.9	2,607bp	30.8	2,817bp	42.0	31.3	1,071bp
Gross Margin	33.5	27.3	615bp	30.3	322bp	26.3	22.3	408bp
OPM	19.3	16.2	303bp	8.3	1,096bp	12.0	10.2	179bp
NPM	6.0	8.8	-274bp	3.1	289bp	4.9	5.0	-10bp

Source: Company, Systematix Institutional Research

Exhibit 5: Segmental financial snapshot

Y/E March (Rs mn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	FY24	FY23	YoY (%)
Segment Revenue								
Sugar	3,755	5,349	(29.8)	3,257	15.3	15,452	19,809	(22.0)
Distillery	1,293	1,951	(33.7)	916	41.1	5,891	5,355	10.0
Less: Intersegment Revenue	1,248	1,974	(36.8)	1,044	19.6	4,248	4,134	2.7
Total Revenue	3,799	5,325	(28.7)	3,129	21.4	17,096	21,030	(18.7)
Segment EBIT								
Sugar	530	510	4.0	63	738.6	622	768	(19.0)
Distillery	139	259	(46.3)	102	36.2	1,086	1,043	4.2
Total EBIT	669	769	(13.0)	165	304.6	1,709	1,811	(5.6)
Segment EBIT Margin								
Sugar	14.1	9.5	459bp	1.9	1,218bp	4.0	3.9	15bp
Distillery	10.8	13.3	-253bp	11.2	-39bp	18.4	19.5	-103bp
EBIT Margin	17.6	14.4	317bp	5.3	1,233bp	10.0	8.6	138bp

Source: Company, Systematix Institutional Research

FINANCIALS

Profit & Loss Statement

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Net Revenues	19,741	21,030	17,096	20,063	21,218
EBITDA	2,908	2,145	2,050	2,720	2,925
Less: Depreciation	436	502	525	560	594
EBIT	2,472	1,643	1,525	2,160	2,331
Less: Interest Expenses	317	258	201	198	168
Add: Non operating Income	32	140	117	200	201
PBT	2,187	1,525	1,440	2,163	2,365
Less: Taxes	635	477	605	649	709
Less: Minority Interest					
Adjusted PAT	1,552	1,048	836	1,514	1,655
Add/Less: Extra-ordinaries	-	-	-	-	-
Reported PAT	1,552	1,048	836	1,514	1,655

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,187	1,525	1,440	2,163	2,365
Add: Non Cash items	359	360	376	109	52
Cash profit	2,546	1,885	1,816	2,272	2,417
Add/Less: WC Changes	840	1254	-1682	334	-442
Operating Cash Flow	3,386	3,139	134	2,606	1,975
Less: Capex	-1,607	-979	-506	-750	-750
Free Cash Flow	1,778	2,160	-372	1,856	1,225
Financing Cash Flow	-1,408	-2,220	272	-1,858	-1,220
Investing Cash Flow	-1,976	-915	-407	-750	-750
Net change in Cash	1	4	-1	-2	5
Add: Opening Cash	2	3	7	6	4
Closing Cash	3	7	6	4	9

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share Capital	188	188	188	188	188
Reserves	6,545	7,209	8,033	9,095	10,299
Net Worth	6,733	7,397	8,221	9,284	10,488
Minority Interest	-	-	-	-	-
Borrowings	5,207	3,747	4,558	3,348	2,748
Deferred Tax (Net)	-249	-36	314	0	0
Total Liabilities	11,691	11,108	13,093	12,632	13,235
Gross Block	9,512	11,956	12,489	12,493	13,243
Less: Acc. Depreciation	5,631	6,133	6,658	7,218	7,812
Net Block	3,881	5,823	5,831	5,275	5,431
Add: CWIP	1,425	0	4	750	750
Investments	3	3	3	3	3
Inventories	7,577	5,607	7,409	6,596	6,976
Trade Receivables	345	715	357	550	581
Cash & Bank Balances	2	7	6	4	9
Bank balances other than above	383	392	330	330	
	330				
Trade Payables	963	551	432	550	581
Other Assets	-963	-889	-415	-326	-264
Total Assets	11,691	11,108	13,093	12,632	13,235
Net Debt	5,201	3,737	4,549	3,340	2,735
WC Days	115	90	154	119	120

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY22	FY23	FY24	FY25E	FY26E
Income Statement Ratio (%)					
Revenue Growth	7.4	6.5	(18.7)	17.4	5.8
EBITDA Growth	44.5	(26.2)	(4.5)	32.7	7.5
PAT Growth	69.6	(32.5)	(20.3)	81.2	9.3
EBITDA Margin	14.7	10.2	12.0	13.6	13.8
Net Margin	7.9	5.0	4.9	7.5	7.8
Return & Liquidity Ratio					
D/E (x)	0.8	0.5	0.6	0.4	0.3
Net Debt/Equity (x)	0.7	0.5	0.5	0.3	0.2
ROE (%)	24.8	14.8	10.7	17.3	16.7
ROCE (%)	21.2	14.2	12.6	16.8	18.0
Per Share data & Valuation Ratio					
Diluted EPS (Rs/Share)	8.2	5.6	4.4	8.0	8.8
EPS Growth (%)	69.6	(32.5)	(20.3)	81.2	9.3
DPS (Rs/Share)	2.0	2.0	2.0	2.0	2.0
P/E Ratio (x)	8.9	13.1	16.4	9.1	8.3
EV/EBITDA (x)	6.4	8.0	8.8	6.2	5.5
EV/Sales (x)	0.9	0.8	1.0	0.8	0.8
BVPS (INR)	35.8	39.3	43.7	49.3	55.7
Price/Book (x)	2.0	1.9	1.7	1.5	1.3
Dividend Yield (%)	2.7	2.7	2.7	2.7	2.7

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 Abhishek Mathur Ashish Poddar Himanshu Nayyar Manjith Nair Pradeep Agrawal Pratik Tholiya Sameer Pardikar Santosh Yellapu Sudeep Anand Vishal Manchanda Chetan Mahadik Deeksha Bhardwaj Devanshi Kamdar Hinal Kothari Jennisa Popat Kalash Jain Krisha Zaveri Mahek Shah Nirali Chheda Pashmi Chheda Pravin Mule Prathmesh Kamath Purvi Mundhra Rajesh Mudaliar Ronak Dhruv Rushank Mody Shweta Dikshit Swati Saboo Vivek Mane Yogeeta Rathod			
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
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
Krisha 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
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@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
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 Acrekar	Production	+91-22-6704 8089	vijayendraacrekar@systematixgroup.in
Operations			
Sachin Malusare	Vice President	+91-22-6704 8055	sachinmalusare@systematixgroup.in
Jignesh Mistry	Manager	+91-22-6704 8049	jigneshmistry@systematixgroup.in

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Pratik Tholiya, Yogeeta Rathod**; 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:

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.

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. 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