



TM

Sona BLW Precision Forgings

01 February 2022

Order wins surprise positively

RESULT UPDATE

Sector: Auto Rating: BUY
CMP: Rs 664 Target Price: Rs 735

Stock Info

Sensex/Nifty	58,862/17,576
Bloomberg	SONACOMS IN
Equity shares (mn)	573mn
52-wk High/Low	Rs 839/295
Face value	Rs 10
M-Cap	Rs 388bn/USD 5.2bn
3-m Avg volume	USD 0.9mn

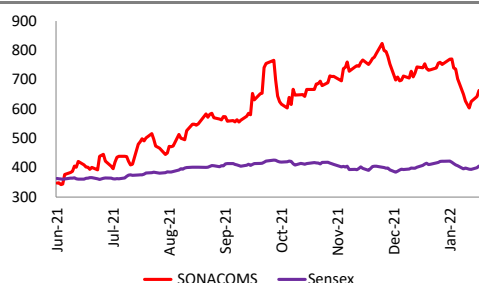
Financial Snapshot (Rs mn)

Y/E Mar	FY22E	FY23E	FY24E
Net Sales	20,775	33,032	44,594
EBIDTA	5,716	9,186	12,485
PAT	3,134	5,641	8,025
EPS (Rs)	5.5	9.8	14.0
PE (x)	118	66	46
EV/EBITDA (x)	65	41	30
RoE (%)	20	28	29
RoCE (%)	23	33	35
P/B (x)	24	18	13

Shareholding Pattern (%)

	Dec'21	Sep'21	Jun'21
Promoter	67.2	67.3	67.3
-Pledged	-	-	-
FII	9.8	10.4	13.9
DII	16.0	16.4	15.2
Others	7.0	5.9	3.6

Stock Performance (1-year)



Sona BLW (Sona)'s 3QFY22 operating performance was in-line with consensus estimates as supply chain constraints hurt topline, even as battery electric vehicle (BEV) revenues continue to see significant ramp-up. The management expects an improvement in the supply chain situation to aid growth. The company continues to win new orders (4 during the quarter) and has a strong order book of Rs 176bn for the next 10 years (**Exhibit 3**). We see Sona as a [direct play on global electrification](#) in passenger vehicles (PVs) and the rising share of e-2W/3W in India. The opportunity size from differential assemblies and traction motors is expected to increase to USD 4.1bn per annum by CY30 (from USD 105mn in CY20). A technological edge complemented by its manufacturing and engineering capabilities has created high barriers to entry in its business lines. Each product segment thus enjoys a RoCE of >30% and generates free cash flow. Significant growth potential in the fast-growing EV segment and inorganic opportunities to broaden its technological advantage should strengthen Sona's position in the EV supply chain. We largely maintain our estimates and retain our BUY rating on the stock with a target price of Rs 735 (45x FY23E EV/EBITDA, in line with the valuation range of global EV plays and our DCF model).

Call takeaways:

- **Order book:** 66% of Sona's order book of Rs 176bn is from EVs (vs. 59% at Rs 136bn in 2QFY22; orders added for program wins in 3QFY22 worth Rs 44bn). It has won 4 new BEV programs over the quarter from 3 new customers -- overall 24 BEV programs (production + order book) across 14 customers as of 3QFY22.
- **Product-wise break-up of the order book:** Of the 24 orders in EVs, 10 are for differential assemblies, 6 for gears, 4 for traction motors (domestic 2W/ 3W), 3 in e-axle (domestic 3W/quadracycle) and 1 for integrated motor control module for active suspension integrated motor controller module (new product).
- **New product launched:** The company has launched a new product this quarter - the integrated motor controller module for predictive active suspension for a new customer in Europe. It has a 2mn code per IMCM and 4 units of these modules are employed in 1 vehicle. The management envisages peak revenue of ~Rs 4bn per annum from this single order, expected to commence in FY25.
- **Supply chain scenario:** 3QFY22 revenues were impacted by the global semiconductor shortage led supply constraints. The situation was worse in Nov-Dec'21; the management has seen a gradual improvement since then.
- **Raw material impact:** For gears & assemblies, steel costs are entirely pass-through with a one-quarter lag. For starter motors, copper is a pass-through but other costs (steel, etc.) are not. Operating margin in 3QFY22 was ~360bps lower YoY at 26.4% due to commodity cost inflation, despite a favourable product mix (~200bps positive impact from product mix; negative impact of ~420bps & ~130bps due to pass-through lag effect & no pass-through of RM increase). Commodity pressure is expected to ease hereon. The management reiterated its sustainable operating margin guidance of 26-28%.

Ronak Sarda

ronaksarda@systematixgroup.in
+91 22 6704 8059

Poorvi Banka

poorvibanka@systematixgroup.in
+91 22 6704 8063

- **Revenue break-up:** By geography, Europe, North America, India & Asia (excluding India) accounted for 24%, 31%, 24% & 20% of Sona's 9MFY22 revenue (vs. 28%, 25%, 22% & 24% in 1HFY22). Product segment wise, differential gears, differential assemblies, micro-hybrid starter motors & ICE starter motors formed 24%, 26%, 27% & 18% of 9MFY22 revenues (24%, 24%, 30% & 18% in 1HFY22). BEVs accounted for ~23% of 9MFY22 revenues vs. 21% in 1HFY22. Segment-wise, domestic E-2W/3Ws formed 1% of 9MFY22 revenue. The management expects E-2W/3W contribution to increase to 10-12% by 2024.
- **Market share:** In differential assembly, differential gears & starter motors, its CY21 global market share stood at 12.5%, 6.3% & 4.6%, respectively (vs. 9.0%, 6.4% & 5% in 9MCY21).
- **Capex:** The management has reiterated its FY22 capex guidance at Rs 4.5bn. Capacity utilization over 9MFY22 in differential assemblies, gears & starter motors stood at ~100%, ~80% & ~50%, respectively.

Outlook & Valuation: We forecast a revenue/EBITDA/PAT CAGR of 42%/41%/58% over FY21-24E.

Exhibit 1: Reported numbers vs. expectations

Rs mn	Reported	Est	Var %	Consensus	Var %
Net Sales	4,941	5,154	(4.1)	4,964	(0.4)
EBITDA	1,305	1,366	(4.4)	1,322	(1.3)
EBITDA Margin (%)	26.4	26.5	(0.3)	26.6	-22
Adj PAT	864	771	12.2	716	20.8
Adj EPS	1.5	1.3	12.3	1.2	20.9

Source: Company, Systematix Institutional Research

Exhibit 2: Consolidated financial trend

(Rs mn)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	YoY (%)	QoQ (%)
Net Sales	4,893	5,393	5,007	5,857	4,941	1.0	(15.6)
- Raw Material	1,967	2,312	2,173	2,710	2,102	6.9	(22.4)
(% of Net Sales)	44.8	86.5	82.3	51.4	47.9	306	-349
- Staff Expenditure	446	459	430	438	421	(5.5)	(3.7)
(% of Net Sales)	10.2	17.2	16.3	8.3	9.6	-56	130
- Other Expenditure	1,013	1,221	1,016	1,165	1,112	9.9	(4.6)
(% of Net Sales)	23.1	45.7	38.5	22.1	25.3	227	324
Total Expenditure	3,426	3,993	3,620	4,313	3,636	6.1	(15.7)
EBITDA	1,467	1,401	1,387	1,544	1,305	(11.0)	(15.5)
EBITDA Margin (%)	30.0	26.0	27.7	26.4	26.4	-357	5
Depreciation	240	281	334	355	357	48.7	0.4
EBIT	1,227	1,120	1,054	1,189	949	(22.7)	(20.2)
Interest	74	94	86	29	33	(54.9)	16.1
Other Income	0	3	2	6	50	13,510.8	812.3
Exceptional Items	0	-139	133	0	0		
PBT	1,154	1,029	969	1,166	966	(16.3)	(17.1)
Tax	319	292	279	283	101	(68.2)	(64.2)
Tax rate (%)	31.2	32.2	42.8	28.1	12.0	-1,922	-1,612
Reported PAT	835	597	822	882	864	3.5	(2.0)
Adjusted PAT	835	736	690	882	864	3.5	(2.0)
Adjusted EPS (Rs)	1.5	1.0	1.4	1.5	1.5	3.6	0.0

Source: Company, Systematix Institutional Research

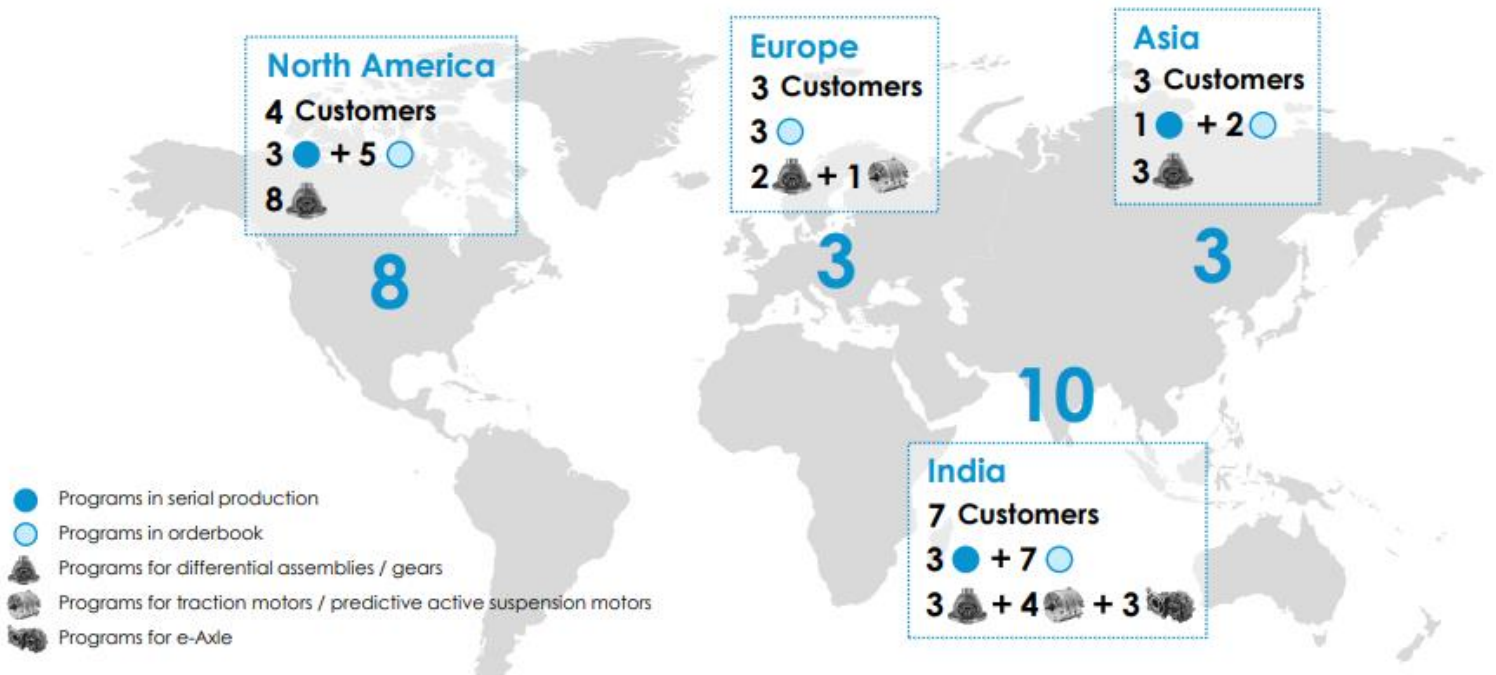
Exhibit 3: Quarterly order book trend

Order book (Rs bn)	1QFY22	2QFY22	3QFY22
Total order book	140	136	176
of which EVs	80	79	116
EV % of order book	57%	58%	66%
No. of programs	12	13	17
No. of customers	9	10	13
PV (%)	92%	91%	89%
2W/3W (%)	7%	9%	10%
CV (%)	1%	1%	0%
Non-EVs	60	57	60
PV (%)	50%	46%	43%
CV (%)	39%	38%	37%
OHV (%)	11%	16%	19%

Source: Company, Systematix Institutional Research

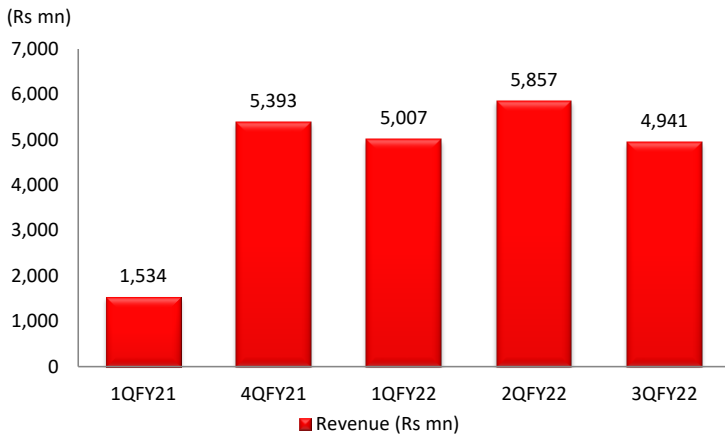
Exhibit 4: Product-wise breakup of EV order book

24 EV Programs across 14¹ different customers



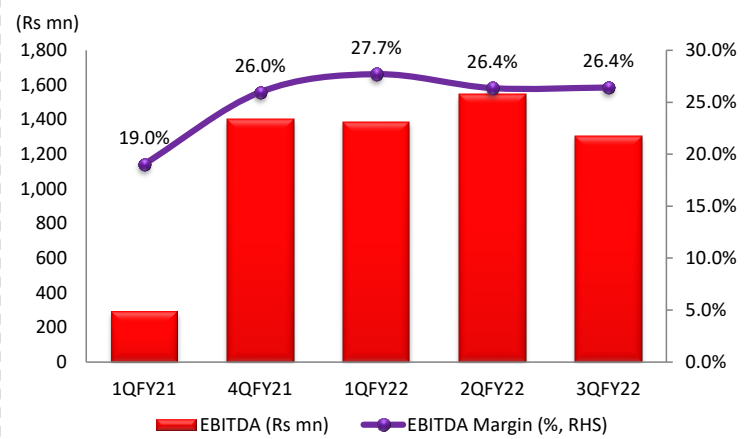
Source: Company, Systematix Institutional Research

Exhibit 5: Quarterly revenue trend



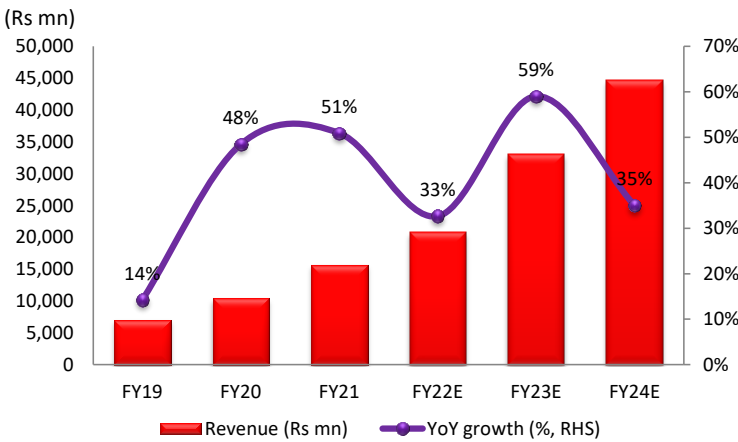
Source: Company, Systematix Institutional Research

Exhibit 6: Quarterly EBITDA and margin profile



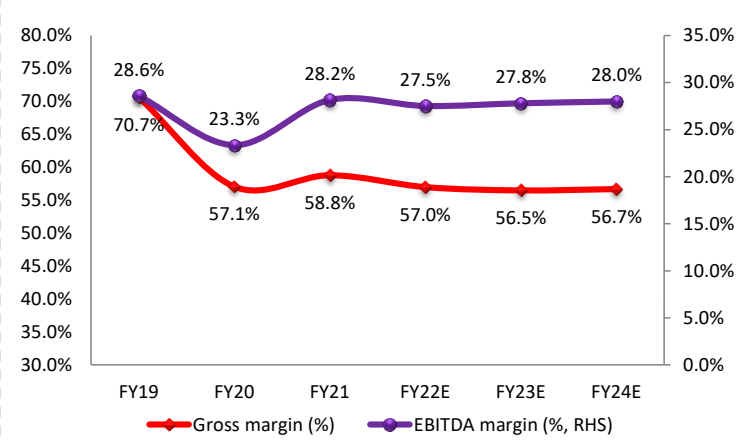
Source: Company, Systematix Institutional Research

Exhibit 7: Revenue and growth trend



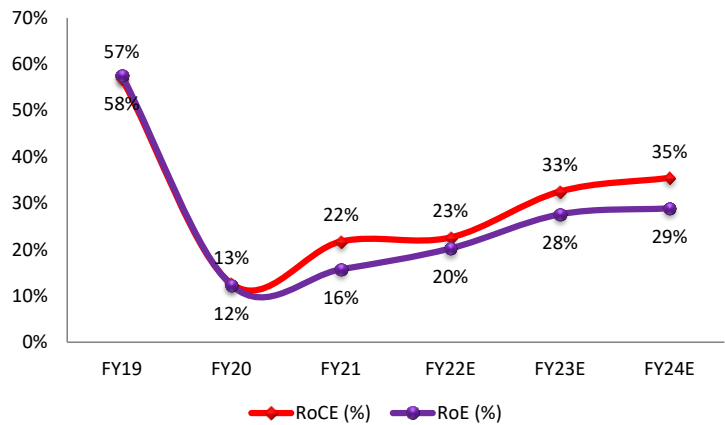
Source: Company, Systematix Institutional Research

Exhibit 8: Gross and EBITDA margin trend



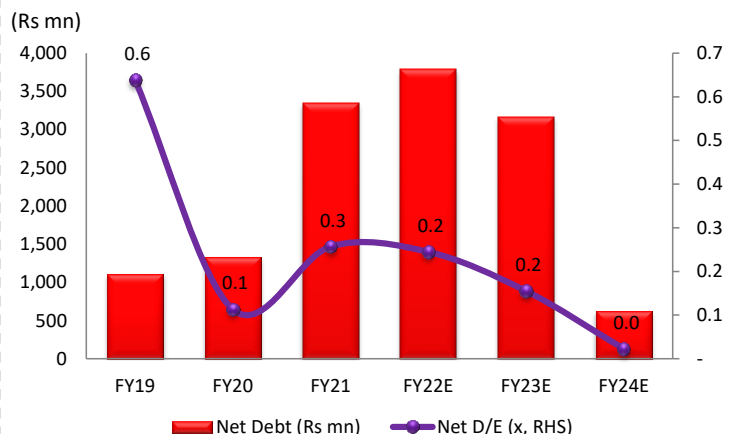
Source: Company, Systematix Institutional Research

Exhibit 9: RoE and RoCE on an uptrend



Source: Company, Systematix Institutional Research

Exhibit 10: Net debt/equity to improve significantly



Source: Company, Systematix Institutional Research

Exhibit 11: Segment-wise revenue break-up and financial summary

Rs mn	FY18	FY19	FY20	FY21E	FY22E	FY23E	FY24E
Revenue							
Differential gears	5,061	5,658	4,111	4,327	5,341	8,546	12,392
Differential assemblies	514	611	658	2,739	5,530	9,125	13,231
Starter motors	5,934	6,939	6,535	7,859	9,140	11,358	10,915
Others	407	442	500	638	764	4,003	8,055
Total	11,917	13,650	11,804	15,563	20,775	33,032	44,594
YoY growth %							
Differential gears		12%	-27%	5%	23%	60%	45%
Differential assemblies		19%	8%	316%	102%	65%	45%
Starter motors		17%	-6%	20%	16%	24%	-4%
Others		9%	13%	28%	20%	424%	101%
Total		15%	-14%	32%	33%	59%	35%
EBITDA	1,707	2,000	2,423	4,410	5,716	9,186	12,485
EBITDA margin (%)	27.9%	28.6%	23.3%	28.2%	27.5%	27.8%	28.0%
EBIT	1,474	1,690	1,752	3,441	4,284	7,585	10,659
EBIT margin %	24.1%	24.2%	16.9%	22.0%	20.6%	23.0%	23.9%
APAT	862	1,000	1,445	2,052	3,134	5,641	8,025
APAT margin %	14.0%	14.2%	13.8%	13.1%	15.1%	17.1%	18.0%
RoCE (%)	32%	57%	13%	22%	23%	33%	35%
RoE (%)	48704%	58%	12%	16%	20%	28%	29%

Source: Company, Systematix Institutional Research; Note: Acquired Comstar in FY19. FY18/19 revenues here include Comstar revenues.

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net sales	10,380	15,663	20,775	33,032	44,594
Growth, %	48	51	33	59	35
RM expenses	4,456	6,453	8,933	14,369	19,309
Employee expenses	1,027	1,474	1,870	2,808	3,567
Other expenses	2,474	3,325	4,256	6,670	9,232
EBITDA	2,423	4,410	5,716	9,186	12,485
Growth, %	21	82	30	61	36
Margin, %	23.3	28.2	27.5	27.8	28.0
Depreciation	671	969	1,432	1,601	1,826
EBIT	1,752	3,441	4,284	7,585	10,659
Growth, %	4	96	25	77	41
Margin, %	16.9	22.0	20.6	23.0	23.9
Interest paid	260	325	214	239	200
Other Income	58	23	26	28	31
Non-recurring Items	2,368	-139	-	-	-
Pre-tax profit	3,918	3,000	4,096	7,374	10,490
Tax provided	265	848	963	1,733	2,465
Profit after tax	3,653	2,152	3,134	5,641	8,025
Others (Minorities, Associates)	-	-	-	-	-
Net Profit	3,653	2,152	3,134	5,641	8,025
Growth, %	265	-41	46	80	42
Net Profit (adjusted)	1,445	2,052	3,134	5,641	8,025

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Cash & bank	1,673	276	488	507	2,452
Marketable securities	-	-	-	-	-
Debtors	2,336	4,170	5,194	8,258	11,148
Inventory	1,962	3,056	3,174	5,047	6,813
Loans & advances	56	73	92	148	198
Other current assets	912	1,176	823	659	757
Total current assets	6,940	8,750	9,771	14,618	21,369
Investments	19	0	0	0	0
Gross fixed assets	11,846	14,101	18,601	21,601	24,601
Less: Depreciation	1,195	1,935	3,367	4,968	6,793
Add: Capital WIP	896	832	800	800	800
Net fixed assets	11,548	12,998	16,034	17,433	18,608
Total assets	18,507	21,748	25,805	32,051	39,977
Current liabilities	2,509	3,664	4,593	6,466	7,696
Provisions	118	159	191	211	168
Total current liabilities	2,627	3,823	4,784	6,676	7,864
Debt	4,100	4,886	5,536	4,936	4,336
Total liabilities	6,727	8,709	10,320	11,612	12,200
Paid-up capital	477	5,730	5,730	5,730	5,730
Reserves & surplus	11,302	7,309	9,755	14,709	22,047
Shareholders' equity	11,779	13,039	15,485	20,439	27,776
Total equity & liabilities	18,507	21,748	25,805	32,051	39,977

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Pre-tax profit	3,918	3,000	4,096	7,374	10,490
Depreciation	671	969	1,432	1,601	1,826
Chg in working capital	-1,791	-1,694	340	-2,725	-3,449
Total tax paid	-265	-848	-963	-1,733	-2,465
CFO	2,533	1,427	4,906	4,517	6,402
Capital expenditure	-7,402	-2,190	-4,468	-3,000	-3,000
Chg in investments	-19	19	-	-	-
Chg in marketable securities	-2,122	611	26	28	31
CFI	-9,542	-1,561	-4,442	-2,972	-2,969
Free cash flow	-4,887	-744	438	1,517	3,402
Equity / Debt raised/(repaid)	1,852	5,861	-901	-927	-888
Dividend (incl. tax)	-1,170	-905	650	-600	-600
CFF	8,426	-1,264	-251	-1,527	-1,488
Net chg in cash	1,417	-1,397	212	19	1,945
Opening cash balance	256	1,673	276	488	507
Closing cash balance	1,673	276	488	507	2,452

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY20	FY21	FY22E	FY23E	FY24E
EPS (INR)	2.5	3.6	5.5	9.8	14.0
PER (x)	256	180	118	66	46
Price/Book (x)	3	28	24	18	13
EV/EBITDA (x)	13	85	65	41	30
EV/Net sales (x)	3	24	18	11	8
RoE (%)	12	16	20	28	29
RoCE (%)	13	22	23	33	35
Fixed Asset turnover (x)	1.0	1.3	1.2	1.7	2.0
Dividend Yield (%)	3	0	0	0	0
Receivable (days)	81	96	90	90	90
Inventory (days)	68	70	55	55	55
Payable (days)	40	52	50	50	50
Revenue Growth (%)	48	51	33	59	35
EBIDTA Growth (%)	21	82	30	61	36
EPS Growth, %	44	42	53	80	42
Net D/E ratio (x)	0.1	0.3	0.2	0.2	0.0

Source: Company, Systematix Institutional Research

Institutional Equities Team

Nikhil Khandelwal	Managing Director	+91-22-6704 8001	nikhil@systematixgroup.in
Navin Roy Vallabhaneni	President & Head – IE	+91-22-6704 8065	navin@systematixgroup.in

Equity Research

Analysts	Industry Sectors	Desk-Phone	E-mail
Amar Kedia	Infra, Cap Goods, Logistics, Real Estate	+91-22-6704 8084	amarkedia@systematixgroup.in
Ashish Poddar	Consumer Durables, Building Materials, Small & Midcaps	+91-22-6704 8039	ashishpoddar@systematixgroup.in
Ashutosh Joytiraditya	Consumer, Retail	+91-22-6704 8068	ashutoshj@systematixgroup.in
Praful Bohra	Pharmaceuticals and Healthcare	+91-22-6704 8064	prafulbohra@systematixgroup.in
Pratik Tholiya	Speciality Chem, Agrichem, Sugar and Fertilizer, Textiles and Packaging	+91-22-6704 8028	pratiktholiya@systematixgroup.in
Rahul Jain	Metals & Mining, Cement	+91-22-6704 8066	rahuljain@systematixgroup.in
Rakesh Kumar	Banking, Insurance	+91-22-6704 8041	rakeshkumar@systematixgroup.in
Ronak Sarda	Auto, Auto Ancillaries	+91-22-6704 8059	ronaksarda@systematixgroup.in
Shubhranshu Mishra	NBFCs & Diversified Financials	+91-22-6704 8024	shubhranshumishra@systematixgroup.in
Harsh Mittal	Cement, Building Materials, Paints	+91-22-6704 8098	harshmittal@systematixgroup.in
Hena Vora	NBFCs & Diversified Financials	+91-22-6704 8045	henavora@systematixgroup.in
Nikhil Shah	Banking, Insurance	+91-22-6704 8091	nikhilshah@systematixgroup.in
Poorvi Banka	Auto, Auto Ancillaries	+91-22-6704 8063	poorvibanka@systematixgroup.in
Pranay Shah	Consumer Durables, Building Materials, Small & Midcaps	+91-22-6704 8017	pranayshah@systematixgroup.in
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@systematixgroup.in
Tausif Shaikh	Pharmaceuticals and Healthcare	+91-22-6704 8046	tausifshaikh@systematixgroup.in
Varun Gajaria	Midcaps	+91-22-6704 8081	varungajaria@systematixgroup.in

Equity Sales & Trading

Name		Desk-Phone	E-mail
Vipul Sanghvi	Director and Head - Sales	+91-22-6704 8062	vipulsanghvi@systematixgroup.in
Ashok Kumar Agarwal	Sales	+91-22-6704 8058	ashokagarwal@systematixgroup.in
Jigar Kamdar	Sales	+91-22-6704 8060	jigarkamdar@systematixgroup.in
Nirbhay Kumar Singh	Sales	+91-22-6704 8061	nirbhaysingh@systematixgroup.in
Rahul Khandelwal	Sales	+91-22-6704 8033	rahul@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 8050	vipulchheda@systematixgroup.in
Amit Sawant	Dealer	+91-22-6704 8054	amitsawant@systematixgroup.in
Paras Shah	Dealer	+91-22-6704 8047	parasshah@systematixgroup.in
Suketu Vyas	Dealer	+91-22-6704 8050	suketuvyas@systematixgroup.in

Corporate Access

Audrey Leolyn Mendonca	Assistant Vice President	+91-22-6704 8088	audreymendonca@systematixgroup.in
------------------------	--------------------------	------------------	-----------------------------------

Production

Yukti Vidyarthi	Editor	+91-22-6704 8071	yukti@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
Sugandha Rane	Assistant Vice President	+91-22-6704 8056	sugandha@systematixgroup.in
Jignesh Mistry	Manager	+91-22-6704 8049	jigneshmistry@systematixgroup.in
Ravikiran Dasaka	Manager	+91-22-6704 8019	ravikiran@systematixgroup.in

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Ronak Sarda, Poorvi Banka**; 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:

- 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.

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.



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

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: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No. INA000010414 | AMFI : ARN - 64917