



TM

India FMCG and Retail

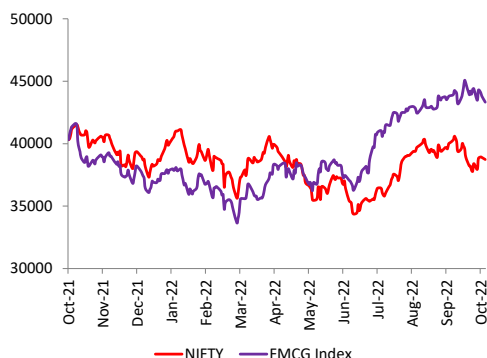
11 October 2022

2QFY23 RESULT PREVIEW

Industry

FMCG & Retail

Nifty v/s NSE FMCG Index



Source: Bloomberg, Systematix Institutional Research

Sector recommendations

	CMP	TP	Upside/ Downside (%)	Rating
BRIT	3,800	4,380	15.3	BUY
CCLP	497	550	10.7	BUY
CLGT	1,582	1,617	2.2	HOLD
DABUR	529	590	11.5	HOLD
GCLP	832	934	12.3	HOLD
HUVR	2,604	2,764	6.1	HOLD
ITC	328	350	6.7	BUY
MRCO	515	550	6.8	HOLD
NEST	19,096	20,750	8.7	HOLD
DIAMOND	916	701	-23.5	HOLD
TGBL	757	803	6.1	HOLD
ABFRL	338	365	8.0	BUY
DMART	4,472	4,900	9.6	BUY
PAG	52,410	52,170	-0.5	HOLD
TRENT	1,432	1,608	12.3	BUY
VMART	2,815	3,075	9.2	HOLD

Source: Systematix Institutional Research

Himanshu Nayyar
himanshunayyar@systematixgroup.in
+91 22 6704 8079

Rajesh Mudaliar
rajeshmudaliar@systematixgroup.in
+91 22 6704 8084

Discretionary demand tracking better than staples as rural recovery getting delayed; margin pressures easing

2QFY23 is expected to be another quarter where discretionary stocks will likely outperform staples with no visible change in demand trends during the quarter. Staples companies are expected to have a soft volume growth quarter, with rural demand still reeling from the effect of inflation, and non-essential FMCG categories yet to recover. Revenue growth, however, will likely be quite strong, given the price hikes in HPC and foods categories, aided by strong growth in international markets. Urban discretionary demand is expected to remain strong, supported by a low base in few segments. Retail demand seems to have picked up in July and August, especially in urban-led categories, and is poised for festive growth after some slowdown in September. Discretionary companies could see their margins normalise this quarter on operating leverage and cost efficiencies. While managements of staples companies are sanguine about growth and margin recovery 3Q onwards, the recent volatility in commodities and lacklustre rural sentiment make us circumspect. In this context, we see superior prospects in the discretionary space vs staples, where urban and premium segments continue to fare relatively better.

Expect 10% plus 3-year revenue CAGR for most staples names and 15% plus for discretionary names – We expect most staples companies to sustain their double-digit 3-year CAGR growth trajectory, with the pricing contribution to growth increasing significantly in the past year. As the base effect makes YoY numbers incomparable, on a 3-year CAGR basis, we expect ITC (+12.2%) and Tata Consumer (+12%) to perform the best, and expect the weakest performance from GCPL (+8.8%) and Colgate (+4.8%). In the discretionary space, Trent (+28%) and DMart (+20.4%) are slated to deliver the best growth.

Margins to lag revenues in staples, but outpace revenues in discretionary – Seeing the prevailing commodity trends, 2Q should be the bottom for GMs, which we believe would start improving QoQ hereon. Recovery in A&P spends could restrict the EBITDA margin improvement of staples companies going forward. We believe margins are already at optimum levels for most discretionary names, thereby limited headroom remains for improvement. On a 3-year CAGR basis, we expect Tata Consumer (+12.3%) and HUL (+11.4%) to record best EBITDA growth and soft numbers for companies like GCPL (-0.7%) and Britannia (5.6%). On the discretionary side, Trent (+32%), DMart (+23.3%) and Page Industries (+23%) should display the best EBITDA growth.

What to look for in the earnings concalls:

- 2Q-exit growth run-rate and festive demand momentum
- Margin outlook and competitive intensity amidst expected price cuts
- Consumer sentiment and confidence in urban and rural markets

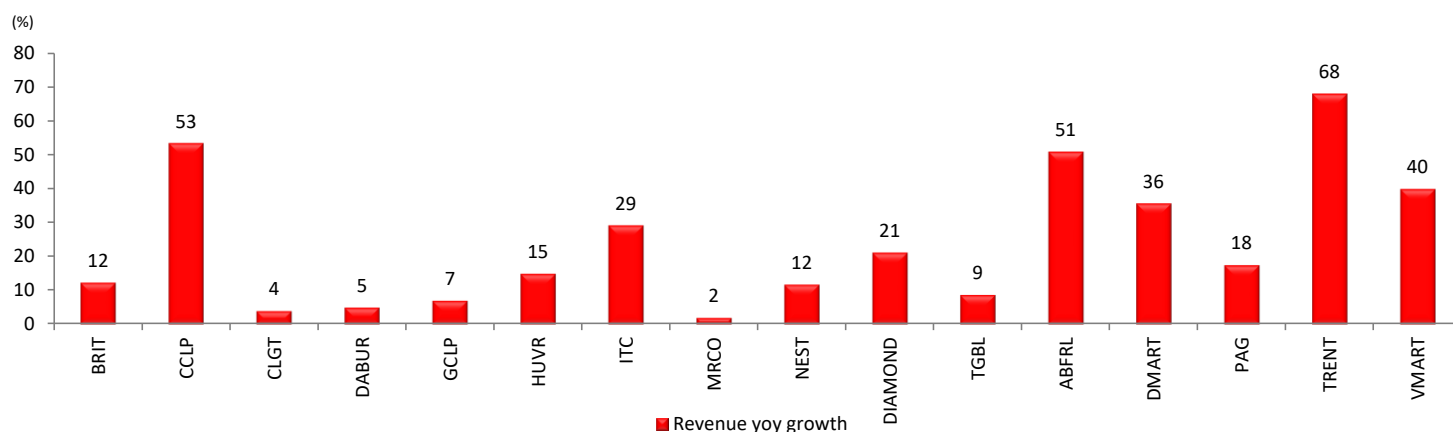
Top picks: Top picks in the discretionary space: ABFRL, Page and DMart; **Top picks in staples:** Britannia, Nestle and CCL Products.

Exhibit 1: 2QFY23 Result Estimates

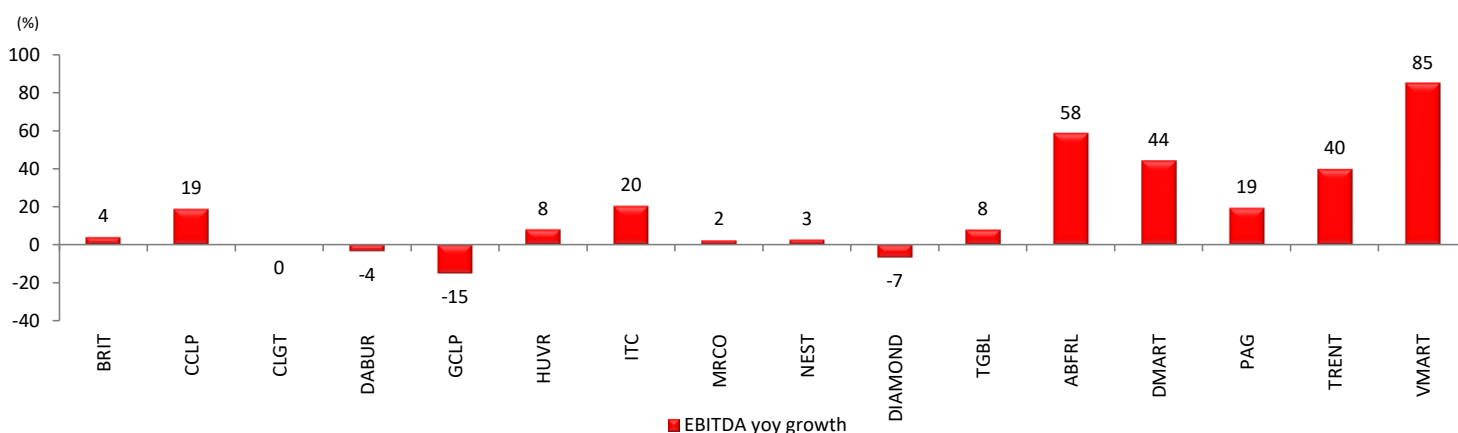
Consumer Staples												
Company	2QFY23E				Change in revenue			Change in EBITDA			Change in PAT	
	Revenue	EBITDA	PAT	EPS	YoY	3-year CAGR	QoQ	YoY	3-year CAGR	QoQ	YoY	QoQ
	(Rs mn)	(Rs mn)	(Rs mn)	(Rs)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Britannia Ind	40550	5,799	4,053	16.8	12	10	10	4	6	16	6	21
CCL Products	5,167	977	594	4.5	53	20	1	19	17	10	20	13
Colgate Palmolive India	14,065	4,007	2,749	10.1	4	4.8	18	0	8	23	2	26
Dabur India	29,585	5,987	4,826	2.7	5	10.2	5	-4	7	10	-4	10
Godrej Consumer Products	33,851	5,595	3,863	3.8	7	8.8	8	-15	-1	7	-20	11
Hindustan Unilever	146,326	33,801	24,229	10.3	15	14.1	3	8	11	4	11	5
ITC	164,589	55,490	42,641	3.5	29	12	-5	20	7	-2	41	174
Marico Ltd	24,674	4,322	3,128	2.4	2	11	-4	2	7	-18	1	-16
Nestle India*	43,389	9,719	6,263	65.0	12	11	7	3	8	16	1	22
Prataap Snacks	4,492	225	85	3.6	21	5	17	-7	-10	NA	-42	NA
Tata Consumer Products	32,975	4,454	3,037	3.3	9	12	-1	8	12	-3	1	1

Retail												
Company	2QFY23E				Change in revenue			Change in EBITDA			Change in PAT	
	Revenue	EBITDA	PAT	EPS	YoY	3-year CAGR	QoQ	YoY	3-year CAGR	QoQ	YoY	QoQ
	(Rs mn)	(Rs mn)	(Rs mn)	(Rs)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
ABFRL	31,012	4,968	1,210	1.3	51	11	8	58	13	6	1,955	29
Avenue Supermarts	103,847	9,658	6,549	10.1	36	20	6	44	23	-4	46	-4
Page Industries	12,740	2,782	1,917	171.9	18	18	-5	19	23	-7	19	-7
Trent	17,155	3,089	1,042	2.9	68	28	4	40	32	2	-25	2
V-Mart Ltd	4,732	382	-174	-8.8	40	15	-20	85	50	-57	NA	NA

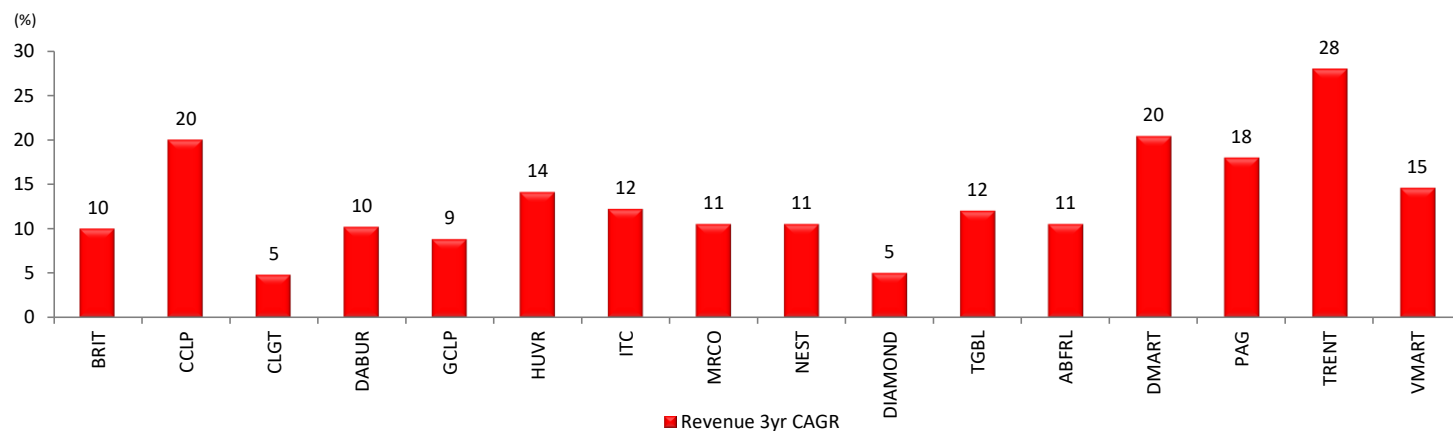
Source: Systematix Institutional Research; Note: * 3QCY22

Exhibit 2: Expected YoY revenue growth in 2QFY23 for our coverage universe

Source: Systematix Institutional Research

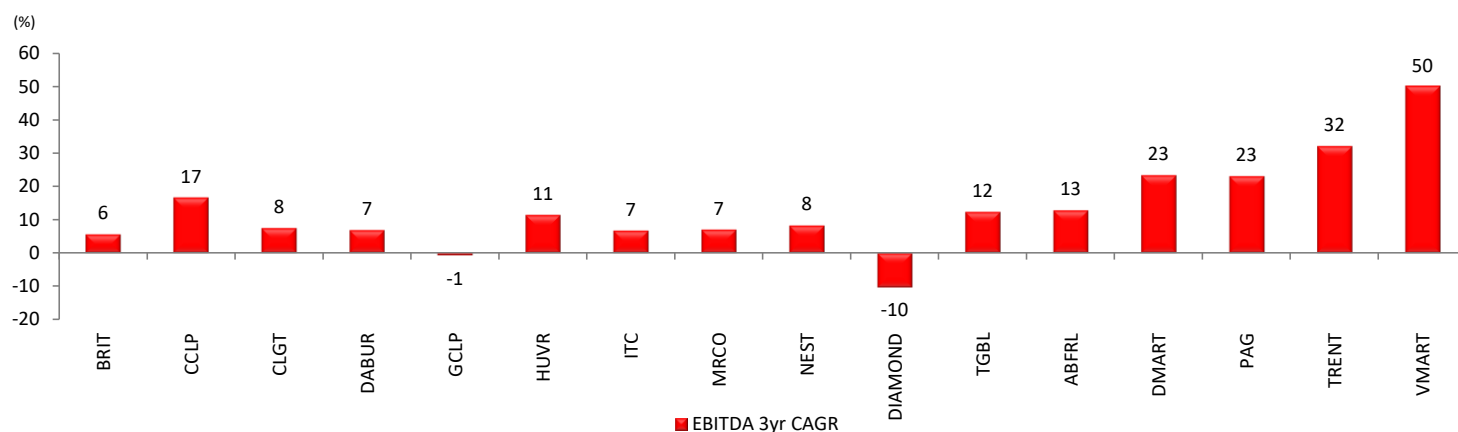
Exhibit 3: Expected YoY EBITDA growth in 2QFY23 for our coverage universe

Source: Systematix Institutional Research

Exhibit 4: Expected 3-year revenue CAGR in 2QFY23 for our coverage universe

Source: Systematix Institutional Research

Exhibit 5: Expected 3-year EBITDA CAGR in 2QFY23 for our coverage universe



Source: Systematix Institutional Research

Exhibit 6: Consumer Staples

Britannia Ind (Rs mn)	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	40,550	36,074	37,010	12.4	9.6	Expect 2% volume growth and 10% plus pricing growth
EBITDA	5,799	5,583	5,007	3.9	15.8	Margin pressures to remain, but improve sequentially
EBITDA Margin	14.3	15.5	13.5	-118	77	ICD and margin outlook key monitorables
Adj PAT	4,053	3,842	3,374	5.5	20.1	
CCL Products	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	5,167	3,366	5,093	53.5	1.5	Growth driven by higher green coffee prices
EBITDA	977	823	885	18.7	10.3	Expect volume and EBITDA growth at around 18%
EBITDA Margin	18.9	24.4	17.4	-555	151	Margins to fall optically, but flat on per kg basis
Adj PAT	594	493	527	20.4	12.6	Orderbook build up for new capacities key monitorable
Colgate Palmolive India	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	14,065	13,524	11,968	4.0	17.5	Expect 1% volume decline due to weak demand
EBITDA	4,007	4,008	3,257	0.0	23.0	GM hit offset by lower A&P spends
EBITDA Margin	28.5	29.6	27.2	-114	128	Success of new launches key moonitorable
Adj PAT	2,749	2,692	2,190	2.1	25.5	
Dabur India	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	29,585	28,176	28,224	5.0	4.8	Expect flat volumes due to decline in healthcare
EBITDA	5,987	6,207	5,437	-3.6	10.1	Margins to decline due to use of high-cost inventory
EBITDA Margin	20.2	22.0	19.3	-179	97	Expect some benefit of lower A&P spends
Adj PAT	4,826	5,044	4,403	-4.3	9.6	Rural and healthcare outlook key monitorables
Godrej Consumer Products	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	33,851	31,637	31,250	7.0	8.3	Expect 5% volume decline in India business
EBITDA	5,595	6,596	5,208	-15.2	7.4	Margins impacted by Indonesia and high-cost inventory
EBITDA Margin	16.5	20.8	16.7	-432	-14	A&P spends to remain high and a drag on margins
Adj PAT	3,863	4,803	3,470	-19.6	11.3	HI and Indonesia outlook key monitorables
Hindustan Unilever	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	1,46,326	1,27,240	1,42,720	15.0	2.5	Expect 4% domestic volume growth led by urban demand
EBITDA	33,801	31,320	32,470	7.9	4.1	GM pressure to be offset by lower SGA spends
EBITDA Margin	23.1	24.6	22.8	-152	35	Nutrition business to remain under pressure
Adj PAT	24,229	21,870	23,010	10.8	5.3	Rural, cosmetics and nutrition outlook key monitorables

ITC	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	1,64,589	1,27,310	1,72,896	29.3	-4.8	Expect 11% volume growth in cigarettes and 12% revenue in FMCG
EBITDA	55,490	46,150	56,475	20.2	-1.7	Steady revenue in paper/hotels and dip in agribusiness
EBITDA Margin	33.7	36.3	32.7	-254	105	Margins to improve sequentially, given better cigarettes mix
Adj PAT	42,641	36,972	41,693	15.3	2.3	Outlook on other businesses key monitorables
Marico Ltd	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	24,674	24,190	25,580	2.0	-3.5	Expect 2% domestic volume growth led by <i>Saffola</i> recovery
EBITDA	4,322	4,230	5,280	2.2	-18.1	Adverse segment mix to be offset by copra deflation
EBITDA Margin	17.5	17.5	20.6	3	-313	Margins to fall sequentially given higher A&P spends
Adj PAT	3,128	3,090	3,710	1.2	-15.7	Edible oil and <i>VAHO</i> growth outlook key monitorables
Nestle India*	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	43,389	38,826	40,366	11.8	7.5	Expect 4% growth outlook, led by rural/semi-urban foray
EBITDA	9,719	9,480	8,355	2.5	16.3	Margins impacted by higher agri-commodity prices
EBITDA Margin	22.4	24.4	20.7	-202	170	Update on new capex and cost inflation key monitorables
Adj PAT	6,263	6,174	5,153	1.4	21.5	
Prataap Snacks	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	4,492	3,706	3,826	21.2	17.4	Expect 20% plus growth to sustain on a low base
EBITDA	225	242	(20)	-6.8	-1254.9	Margins to get respite with fall in input prices
EBITDA Margin	5.0	6.5	-0.5	-151	553	Margin and distribution outlook key monitorables
Adj PAT	85	147	(114)	-42.0	-174.9	
Tata Consumer Products	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	32,975	30,331	33,268	8.7	-0.9	Expect 2% growth in tea volumes and 22% growth in foods
EBITDA	4,454	4,133	4,573	7.8	-2.6	Cost pressures in international business to continue
EBITDA Margin	13.5	13.6	13.7	-12	-24	Nourishco and Starbucks expected to do well
Adj PAT	3,037	3,021	3,007	0.5	1.0	Outlook on tea prices and foods traction key monitorables

Source: Systematix Institutional Research; Note: * Q3CY22

Exhibit 7: Retail

ABFRL	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	31,012	20,543	28,748	51.0	7.9	Expect 22% growth in Pantaloons and 28% in Madura vs 2QFY20
EBITDA	4,968	3,135	4,684	58.5	6.1	Margins to come off due to higher EOSS contribution
EBITDA Margin	16.0	15.3	16.3	76	-27	Outlook on ethic wear and capital allocation key monitorables
Adj PAT	1,210	59	938	1954.9	29.0	
Avenue Supermarts	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	1,03,847	76,496	98,069	35.8	5.9	Per store revenue normalised but down on per sq ft basis
EBITDA	9,658	6,701	10,079	44.1	-4.2	Expect margins to improve on superior product mix
EBITDA Margin	9.3	8.8	10.3	54	-98	Outlook on expansion and Dmart ready key monitorables
Adj PAT	6,549	4,489	6,796	45.9	-3.6	
Page Industries	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	12,740	10,840	13,413	17.5	-5.0	Expect strong distribution-led sales momentum to continue
EBITDA	2,782	2,334	2,978	19.2	-6.6	GM pressure offset by price hikes and premiumisation
EBITDA Margin	21.8	21.5	22.2	30	-37	Outlook on athleisure and kidswear key monitorables
Adj PAT	1,917	1,605	2,070	19.5	-7.4	

Trent	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	17,155	10,204	16,529	68.1	3.8	Expect 28% 3-year CAGR, slight dip from 29% seen in 1Q
EBITDA	3,089	2,213	3,041	39.6	1.6	Aggressive footprint addition to continue especially in Zudio
EBITDA Margin	18.0	21.7	18.4	-368	-39	Higher share of Zudio revenue to impact margins
Adj PAT	1,042	1,386	1,026	-24.9	1.6	Outlook on Westside SSSG and Zudio expansions key monitorables
V-Mart Ltd	Q2FY23E	Q2FY22	Q1FY23	YoY	QoQ	Key Highlights
Revenue	4,732	3,380	5,879	40.0	-19.5	Ex-Unlimited 3-year CAGR to remain negative (-5 %) despite some pick up in Sep
EBITDA	382	206	887	84.8	-57.0	Margins to get impacted by aggressive product price cuts
EBITDA Margin	8.1	6.1	15.1	195	-703	Outlook on Unlimited, competition and rural demand key monitorables
Adj PAT	(174)	(141)	205	23.2	-185.2	

Source: Systematix Institutional Research; Note: * Q3CY22

Exhibit 8: Valuation snapshot

Consumer Staples										
Company	Rating	CMP	Target Price	Upside (%)	Mkt.Cap (Rs bn)	CAGR over FY22-24E (%)			Valuation on FY24E	
						Revenue	EBITDA	Adj. EPS	PE (x)	EV/EBITDA (x)
Britannia Ind	BUY	3,800	4,380	15	915	11.0	16.8	17.6	43	31.1
CCL Products Ltd	BUY	497	550	11	66	33.5	28.2	30.5	19	14.3
Colgate Palmolive India	HOLD	1,582	1,617	2	430	7.4	7.6	7.9	34	22.4
Dabur India	HOLD	529	590	12	937	10.1	12.0	15.3	40	33.4
Godrej Consumer Products	HOLD	832	934	12	851.7	10.7	15.6	15.4	36	26.1
Hindustan Unilever	HOLD	2,604	2,764	6	6,119	12.6	14.1	15.0	52	36.2
ITC	BUY	328	350	7	4,066	10.2	12.7	13.5	21	15.5
Marico	HOLD	515	550	7	665	9.8	16.5	16.0	40	29.5
Nestle India*	HOLD	19,096	20,750	9	1,841	13.3	13.6	14.7	60	39.8
Prataap snacks	HOLD	916	701	-23	22	19.9	35.3	63.1	48	20.1
Tata Consumer Products	HOLD	757	803	6	698	9.7	16.0	27.9	46	30.6

Retail										
Company	Rating	CMP	Target Price	Upside (%)	Mkt.Cap (Rs bn)	CAGR over FY22-24E (%)			Valuation on FY24E	
						Revenue	EBITDA	Adj. EPS	PE (x)	EV/EBITDA (x)
ABFRL	BUY	338	365	8	322	32.7	45.9	NM	47	13.2
Avenue Supermarts	BUY	4,472	4,900	10	2,897	36.9	46.4	53.9	82	53.3
Page Industries	HOLD	52,410	52,170	0	585	22.9	28.4	29.2	65	45.6
Trent	BUY	1,432	1,608	12	509	44.8	65.6	527.2	75	32.5
V-Mart Ltd	HOLD	2,815	3,075	9	56	37.7	42.4	191.8	52	16.2

Source: Systematix Institutional Research

Exhibit 9: Annual estimates

Consumer Staples												
Company	Revenue (Rs bn)			EBITDA (Rs bn)			EBITDA Margin (%)			Adj. EPS		
	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Britannia Ind	141,363	156,543	174,176	22,015	23,778	30,016	15.6	15.2	17.2	63.3	68.4	87.6
CCL Products Ltd	14,620	21,026	26,062	3,311	4,132	5,444	22.6	19.7	20.9	15.4	18.8	26.2
Colgate Palmolive India	50,998	54,661	58,860	15,659	16,289	18,129	30.7	29.8	30.8	39.6	41.1	46.2
Dabur India	108,887	119,635	132,063	22,538	24,107	28,262	20.7	20.2	21.4	9.9	11.1	13.1
Godrej Consumer Products	122,765	135,501	150,388	23,951	26,416	31,995	19.5	19.5	21.3	17.5	18.9	23.3
Hindustan Unilever	524,460	593,278	664,447	128,570	141,793	167,441	24.5	23.9	25.2	38.0	42.1	50.3
ITC	606,681	687,784	736,451	206,584	237,965	262,168	34.1	34.6	35.6	12.4	14.5	15.9
Marico	95,120	103,048	114,575	16,810	19,270	22,800	17.7	18.7	19.9	9.5	10.8	12.8
Nestle India*	147,094	168,851	188,947	35,915	38,472	46,346	24.4	22.8	24.5	240.8	257.1	316.7
Prataap snacks	13,966	17,698	20,069	583	827	1,068	4.2	4.7	5.3	7.2	12.1	19.1
Tata Consumer Products	124,254	136,832	149,603	17,188	19,198	23,144	13.8	14.0	15.5	10.2	12.6	16.6

Retail												
Company	Revenue (Rs bn)			EBITDA (Rs bn)			EBITDA Margin (%)			Adj. EPS		
	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
ABFRL	81,362	115,322	143,236	10,999	18,290	23,428	13.5	15.9	16.4	-1.3	3.9	7.1
Avenue Supermarts	309,763	453,833	580,373	24,985	41,626	53,522	8.1	9.2	9.2	23.0	41.9	54.6
Page Industries	38,865	49,079	58,682	7,855	10,614	12,952	20.2	21.6	22.1	481.0	657.0	802.6
Trent	44,980	67,407	94,263	5,739	10,448	15,741	12.8	15.5	16.7	0.5	10.2	19.1
V-Mart Ltd	16,662	25,308	31,616	2,043	3,298	4,146	12.3	13.0	13.1	6.4	38.3	54.7

Source: Company, Systematix Institutional Research, Note - * CY, Dec year end

Institutional Equities Team

Nikhil Khandelwal	Managing Director	+91-22-6704 8001	nikhil@systematixgroup.in
--------------------------	--------------------------	-------------------------	----------------------------------

Equity Research

Analysts	Industry Sectors	Desk-Phone	E-mail
Dhananjay Sinha	Co Head of Equities & Head of Research - Strategy & Economics	+91-22-6704 8095	dhananjaysinha@systematixgroup.in
Ashish Poddar	Consumer Durables, Building Materials, Small & Midcaps	+91-22-6704 8039	ashishpoddar@systematixgroup.in
Himanshu Nayyar	Consumer Staples & Discretionary	+91-22-6704 8079	himanshunayyar@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
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
Sudeep Anand	Oil & Gas , Telecom, Logistics	+91-22-6704 8085	sudeepanand@systematixgroup.in
Vishal Manchanda	Pharmaceuticals and Healthcare	+91-22-6704 8064	vishalmanchanda@systematixgroup.in
Bezaad Deboo	Pharmaceuticals and Healthcare	+91-22-6704 8046	bezaddeboo@systematixgroup.in
Girija Ray	Cement, Building Materials, Paints	+91-22-6704 8098	girijaray@systematixgroup.in
Hena Vora	NBFCs & Diversified Financials	+91-22-6704 8045	henavora@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
Pratik Oza	Midcaps	+91-22-6704 8036	pratikoza@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
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@systematixgroup.in
Varun Gajaria	Midcaps	+91-22-6704 8081	varungajaria@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
Nirbhay Kumar Singh	Sales	+91-22-6704 8061	nirbhaysingh@systematixgroup.in
Sidharth Agrawal	Sales	+91-22-6704 8090	sidharthagrawal@systematixgroup.in
Rahul Khandelwal	Sales	+91-22-6704 8003	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 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

Audrey Leolyn Mendonca	Assistant Vice President	+91-22-6704 8088	audreymendonca@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
Sushant Chavan	Manager	+91-22-6704 8056	sushantchavan@systematixgroup.in

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Himanshu Nayyar, Rajesh Mudaliar**; 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