



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

Systematix

Institutional Equities

Avenue Supermarts

16 July 2023

Throughput recovery visible but normalisation still some time away

RESULT UPDATE

Sector: Retail Rating: BUY

CMP: Rs 3,840 Target Price: Rs 4,266

Stock Info

Sensex/Nifty	66,060/ 19,564
Bloomberg	DMART IN
Equity shares (mn)	648
52-wk High/Low	Rs 4,609/3,292
Face value	Rs 10
M-Cap	Rs 2,510bn/USD 30bn
3-m Avg value	USD 24mn

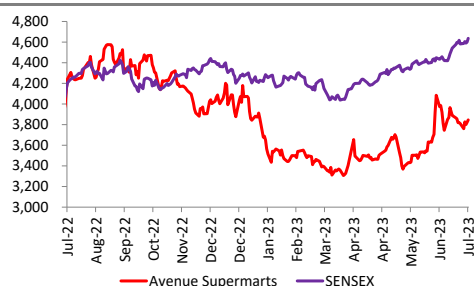
Financial Snapshot (Rs mn)

Y/E Mar	FY23	FY24E	FY25E
Sales	428,396	514,748	640,521
PAT	23,783	28,904	36,874
EPS (Rs)	36.7	44.6	56.9
PE (x)	105.3	86.7	68.0
EV/EBITDA (x)	68.5	54.3	42.6
P/BV (x)	15.6	13.2	11.1
EV/Sales	5.8	4.8	3.9
RoE (%)	16.0	16.5	17.7
RoCE (%)	19.2	20.9	22.6
NWC (days)	22	23	22
Net gearing (x)	(0.1)	(0.1)	(0.1)

Shareholding Pattern (%)

	Mar 23	Dec 22	Sept 22
Promoter	74.9	74.9	75.0
–Pledged	-	-	-
FII	8.2	8.2	8.6
DII	7.5	7.5	7.1
Others	9.4	9.4	9.3

Stock Performance (1-year)



Avenue Supermarts (DMART) reported ~18% YoY revenue growth in 1QFY24, with EBITDA and PAT 4% below our estimates, given a slower than expected improvement in both throughput and sales mix. Newer stores continue to impact overall throughput with a continued fall in 4-yr revenue CAGR to 19% (fifth consecutive quarter of decline). EBITDA margins were down 133bps yoy to 8.9% led by a 125bps gross margin contraction to 14.6% as weaker general merchandise and apparel (GMA) sales continue to impact margins; however, GMA sales are recovering with contribution trending towards pre-pandemic levels. This positive trend is also a factor in the QoQ improvement in gross and EBITDA margins. Other expenses rose 20bps which was partially offset by 10bps savings in employee costs. PAT came at Rs 6.95bn, up 2.3% yoy. While the revenue per sq ft was up 5.7% yoy to Rs 34,263, it remains 6% below the levels seen in 1QFY20. EBITDA per sq ft was also weak as expected with a fall of 8% yoy to Rs 3,066. Negative operating leverage, large size of newer stores and weak footfalls has all been impacting the revenue throughput and consequently margins. New store opening was also muted, with DMART opening 3 new stores during 1QFY24 (40 stores in FY23), taking its total store count to 327, covering an area of 13.5mn sq ft.

We build in a FY23-25E revenue/EBITDA/PAT CAGR of 22%/27%/25% respectively led by addition of 45 and 49 stores in FY24 and FY25 with a 5% and 6% increase in revenue per sq ft coupled with a 60bps margin expansion over the period. Despite the weak earnings delivery in the recent past and expectations of a delayed recovery, we maintain our BUY rating as the stock has already witnessed a long time correction, a full recovery especially in the GMA category looks to be coming closer as inflation is subsiding and the structural opportunity in both the offline and online space remain strong. Despite a miss on our estimates, we expect the company to make up in 2H and therefore, maintain our PT of Rs 4,266 based on 75x FY25E earnings, implying 47x EV/EBITDA.

Revenue growth 18% indicates a slow recovery in throughput: Standalone revenue growth of 18% YoY, (already disclosed in early July) reflects lower than pre-pandemic level footfalls, as inflation continues to impact demand especially in discretionary non-FMCG categories. As indicated earlier, older stores are doing well while newer stores continue to remain a drag. While FMCG sales continue to benefit from the high inflation and thereby increased basket values, demand at lower price points for apparel and general merchandise continues to lag. Our calculated revenue per sq ft grew 5.9% YoY to Rs 34.3k but remains 6% below 1QFY20 levels. DMART's retail area grew 11.6% YoY to 13.5mn sqft in 1QFY24. The company opened 3 new stores during the quarter to take the store count to 327 stores. We have factored in 45 and 49 store additions for FY24E and FY25E, respectively, with the average store area slated to rise to 43.3k sq ft from 40.5k sq ft in FY20. We estimate 6.5% CAGR in sales per sq ft should translate into 22% CAGR in sales over FY23-25E.

Himanshu Nayyar

himanshunayyar@systematixgroup.in

+91 22 6704 8079

Rajesh Mudaliar

rajeshmudaliar@systematixgroup.in

+91 22 6704 8084

Investors are advised to refer disclosures made at the end of the research report.

Disappointing margin performance on inferior product mix: Gross margin contracted 125bps YoY to 14.6% (vs 16.1% in 1QFY20), given the inferior product mix due to soft performance in the value GMA category. EBITDA grew 2.8% YoY, on 133bps decline in EBITDA margin to 8.9%, impacted by complete normalisation of other expenses and negative operating leverage especially from newer stores. EBITDA per sq ft declined 7.8% YoY to Rs 3,071 in 1QFY24 from Rs 3,784 in 1QFY20. However, on sequential basis, gross margin and EBITDA margin is improving led by some improvement in GMA sales and seasonality benefit. We expect an improvement in margin led by lower inflation and pick up in discretionary spends. Adjusted PAT grew 2.3% YoY to Rs 6.95bn. A combination of significantly higher store sizes of new stores, which take time to reach stable economics and a soft performance from the high-margin non-staples categories, where demand was impacted by weak footfalls amidst high inflation has been impacting the EBITDA margin. We have built in 27% CAGR in EBITDA over FY23-25E, anticipating a gradual uptick in margins towards 9.1% in FY25E vs 8.5% in FY23.

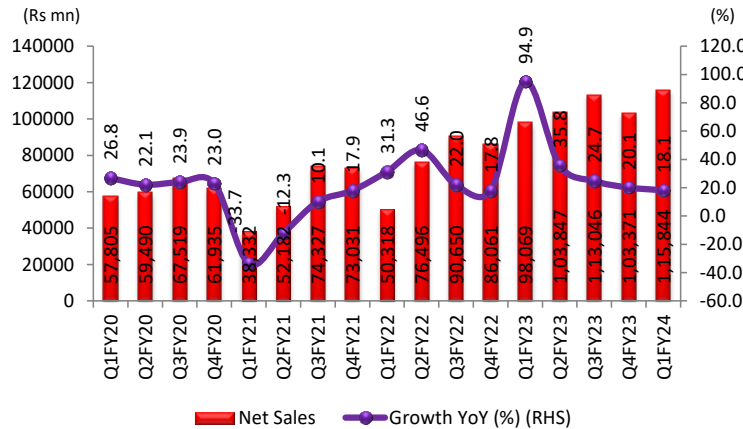
Strong working capital cycle to be maintained: DMART is unlikely to compromise on its working capital management. We expect the company to maintain its inventory cycle at 33-24 days and net working capital cycle at 23-24 days. The expected capex of Rs 63bn over FY24-25E would be funded through its operating cash flow of Rs70bn. We estimate RoE/RoCE of 17.7%/22.6% in FY25E respectively.

Exhibit 1: Quarterly performance

YE March (Rs mn)	Q1FY24	Q1FY23	Q4FY23	YoY (%)	QoQ (%)
Net Revenues	115,844	98,069	103,371	18.1	12.1
Purchase of traded goods	98,972	82,559	89,502	19.9	10.6
(% of sales)	85.4	84.2	86.6		
Employee cost	1,775	1,568	1,609	13.3	10.3
(% of sales)	1.5	1.6	1.6		
Others	4,733	3,863	4,439	22.5	6.6
(% of sales)	4.1	3.9	4.3		
EBITDA	10,365	10,079	7,822	2.8	32.5
EBITDA margin (%)	8.9	10.3	7.6	(133)	138
Other income	468	369	419	26.8	11.6
PBIDT	10,833	10,448	8,241	3.7	31.4
Depreciation	1,406	1,233	1,417	14.0	(0.8)
Interest	110	117	126	(5.7)	(12.8)
PBT	9,317	9,098	6,698	2.4	39.1
Tax	2,363	2,302	1,646	2.7	43.6
ETR (%)	25.4	25.3	24.6		
Adjusted PAT	6,954	6,796	5,052	2.3	37.6
PAT margin	6.0	6.9	4.9		
Reported PAT	6,954	6,796	5,052	2.3	37.6
No. of shares (mn)	648	648	648		
Adj EPS (Rs)	10.7	10.5	7.8	2.3	37.6

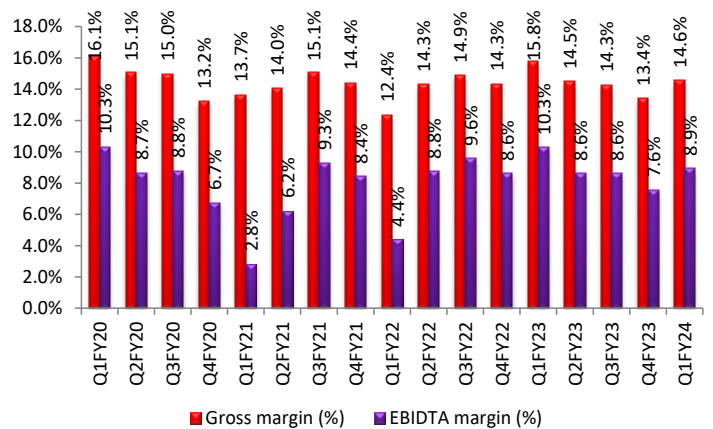
Source: Company, Systematix Institutional Research

Exhibit 2: Sales grew at 18% YoY



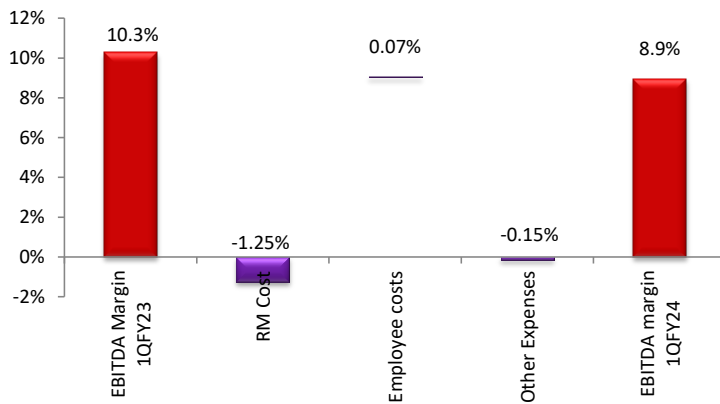
Source: Company, Systematix Institutional Research

Exhibit 3: Margins still below pre-pandemic levels



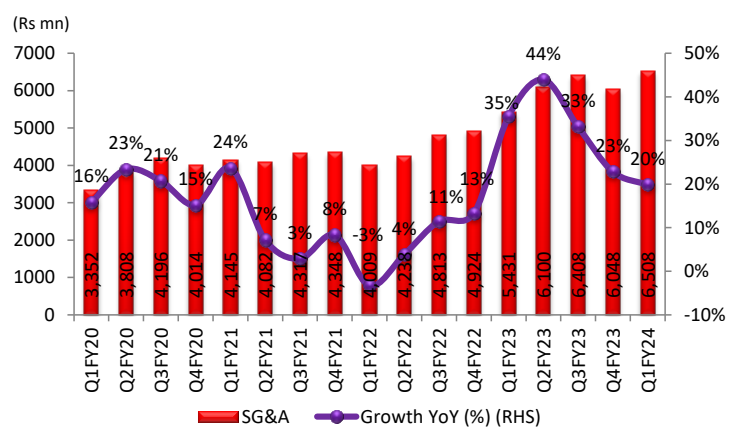
Source: Company, Systematix Institutional Research

Exhibit 4: Margins hit by inferior mix and higher other costs



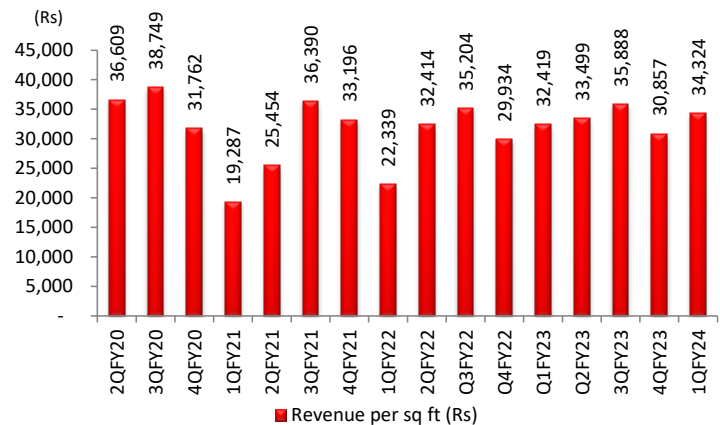
Source: Company, Systematix Institutional Research

Exhibit 5: SG&A declining on QoQ basis, still high on YoY basis



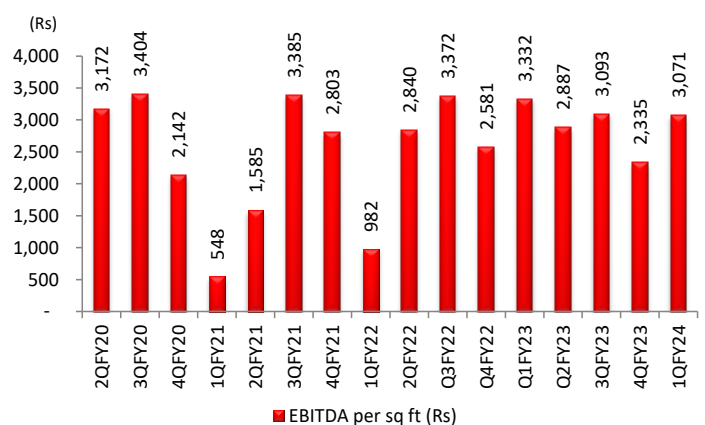
Source: Company, Systematix Institutional Research

Exhibit 6: Revenue per sq ft grew 5.9% YoY, and...

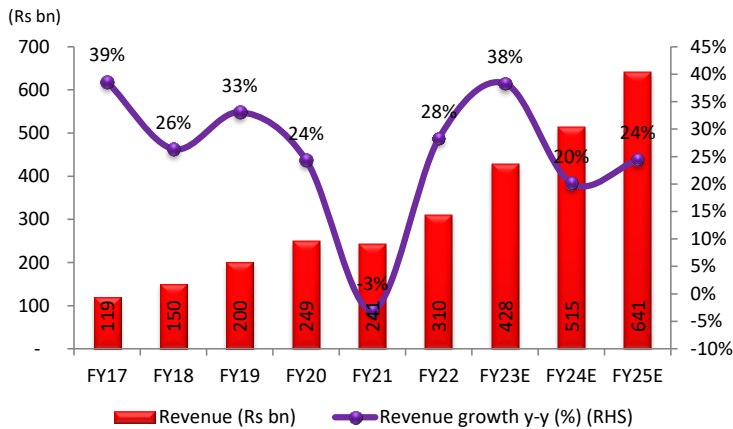


Source: Company, Systematix Institutional Research

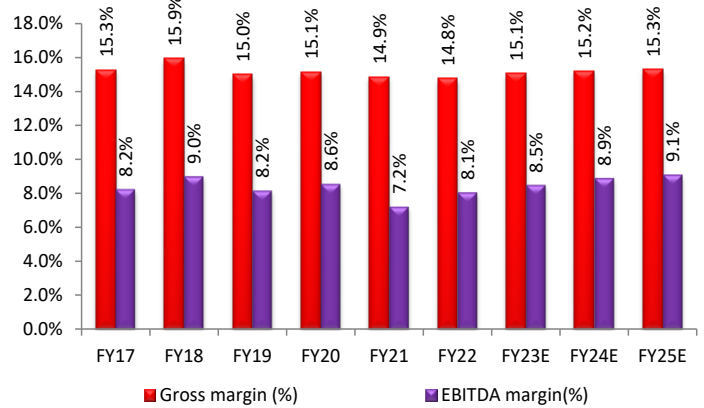
Exhibit 7: ...EBITDA per sq ft declined by 8% YoY in 1QFY24



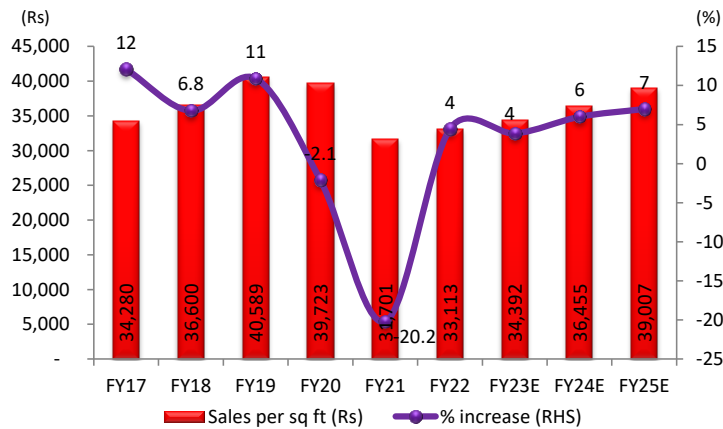
Source: Company, Systematix Institutional Research

Exhibit 8: Revenue CAGR of 22% over FY23-25E...

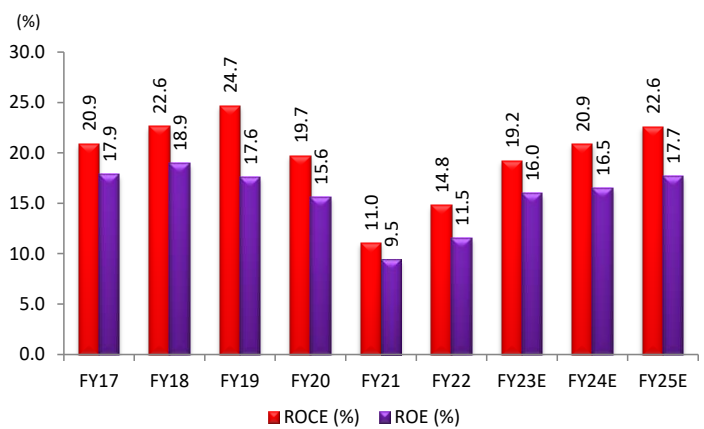
Source: Company, Systematix Institutional Research

Exhibit 9: ...with gradually improving margins

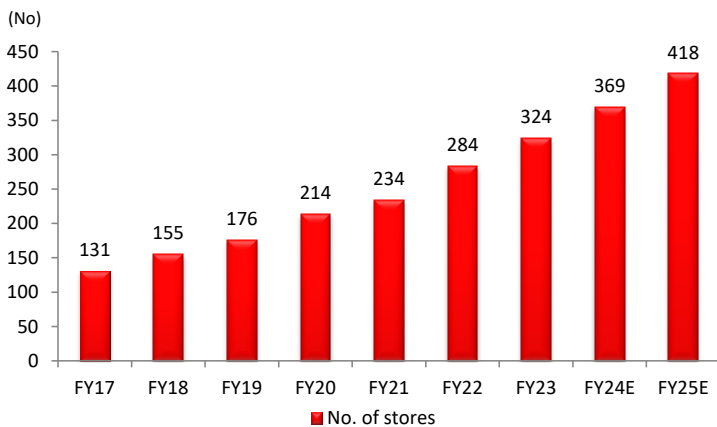
Source: Company, Systematix Institutional Research

Exhibit 10: 6.5% CAGR in sales per sq ft over next 2 years

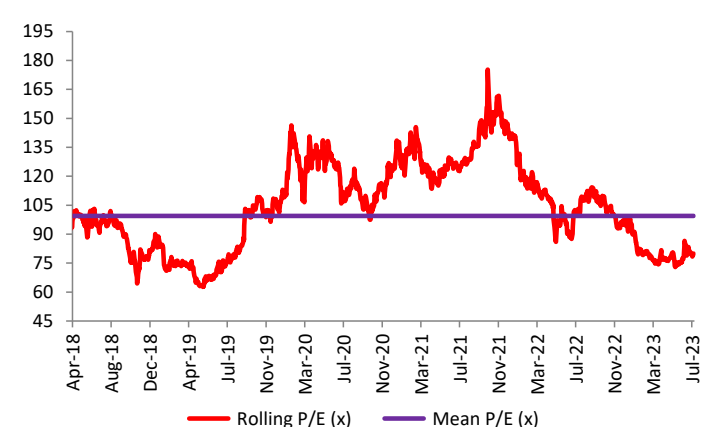
Source: Company, Systematix Institutional Research

Exhibit 11: RoE/RoCE at 17.7%/22.6% in FY25E

Source: Company, Systematix Institutional Research

Exhibit 12: Pace of store additions to accelerate

Source: Company, Systematix Institutional Research

Exhibit 13: Currently trades at 80x one-year forward P/E (x)

Source: Bloomberg, Systematix Institutional Research

FINANCIALS

Profit & Loss Statement

YE: Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Net Sales	2,41,431	3,09,763	4,28,396	5,14,748	6,40,521
Purchase of trad. goods	2,08,556	2,68,918	3,68,848	4,43,198	5,50,848
RM costs/inventories	(3,009)	(4,944)	(5,008)	(6,692)	(8,327)
Gross Profits	35,884	45,789	64,556	78,242	98,000
Employee costs	5,366	6,162	7,470	8,236	10,248
Other expenses	13,088	14,642	20,716	24,193	29,464
Total Expenses	2,24,000	2,84,778	3,92,025	4,68,935	5,82,234
EBITDA	17,431	24,985	36,370	45,813	58,287
Depreciation	4,142	4,981	6,389	7,748	9,607
Other income	1,962	1,175	1,293	1,423	1,565
EBIT	15,251	21,179	31,275	39,487	50,245
Interest cost	417	538	674	742	816
PBT	14,835	20,641	30,601	38,746	49,430
Taxes	3,840	5,717	6,818	9,841	12,555
Adj. PAT	10,994	14,924	23,783	28,904	36,874
Extraordinaries	-	-	-	-	-
Reported PAT	10,994	14,924	23,783	28,904	36,874
No. of shares (mn)	648	648	648	648	648
Adj. EPS	17.0	23.0	36.7	44.6	56.9

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
PBT	14,835	20,641	30,601	38,746	49,430
Add: Depreciation	4,142	4,981	6,389	7,748	9,607
Add: Interest	(1,546)	(637)	674	(681)	(749)
Less: taxes paid	(2,616)	(5,603)	(7,089)	(9,841)	(12,555)
Add: other adjustments	208	166	(1,073)	2,266	1
Less: WC changes	(1,271)	(5,825)	(3,199)	(6,263)	(7,774)
Total OCF	13,751	13,724	26,303	31,974	37,959
OCF w/o WC changes	15,023	19,548	29,502	38,237	45,733
Capital expenditure	(20,294)	(24,104)	(22,065)	(28,742)	(34,427)
Change in investments	9,194	11,209	(1,874)	-	-
Interest/Dividend received	-	-	808	-	-
Total ICF	(11,100)	(12,895)	(23,131)	(28,742)	(34,427)
Free Cash Flows	(6,543)	(10,381)	4,238	3,231	3,532
Share issuances	-	-	155	-	-
Change in borrowings	(377)	-	-	-	-
Dividends	-	-	-	-	-
Interest payment	(61)	(16)	(10)	681	749
Others	(1,357)	(1,777)	(2,196)	(1,000)	(999)
Total FCF	(1,795)	(1,792)	(2,051)	(319)	(250)
Net change in cash	856	(964)	1,120	2,912	3,282
Opening cash & CE	1,059	1,915	2,986	14,083	16,996
Closing cash & CE	1,915	951	14,083	16,996	20,278

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Equity capital	6,478	6,478	6,483	6,483	6,483
Reserves and surplus	1,15,359	1,30,299	1,54,304	1,83,210	2,20,087
Total Equity	1,21,841	1,36,779	1,60,788	1,89,692	2,26,569
Total Debt	-	-	-	-	-
Other long term liabilities	4,468	7,163	7,268	7,268	7,268
Total Liabilities	1,26,309	1,43,941	1,68,056	1,96,960	2,33,837
Net Block	59,385	77,705	97,256	1,14,375	1,39,195
Right to Use assets	9,602	13,887	15,049	17,658	18,659
Other assets	16,765	17,413	5,982	5,982	5,982
CWIP/Other Assets	10,196	11,293	8,292	8,292	8,292
Investments	30	59	2,022	2,022	2,022
Cash	14,456	2,986	14,083	16,996	20,278
Inventories	22,483	27,427	32,435	40,070	49,803
Debtors	436	669	622	747	929
Loans & Advances	3,207	3,288	5,322	6,395	7,958
Current Assets	26,126	31,383	38,379	47,212	58,690
Creditors	5,781	5,892	7,538	9,057	11,257
Other Current Liabilities	4,469	4,893	5,469	6,520	8,023
Current Liabilities	10,251	10,785	13,007	15,577	19,281
Net Working Capital	15,875	20,598	25,372	31,635	39,409
Total Assets	1,26,309	1,43,941	1,68,056	1,96,960	2,33,837

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY21	FY22	FY23	FY24E	FY25E
Yoy growth in Revenue	(2.9)	28.3	38.3	20.2	24.4
Yoy growth in EBITDA	(18.1)	43.3	45.6	26.0	27.2
Yoy growth in Net income	(15.5)	35.7	59.4	21.5	27.6
Effective tax rate	25.9	27.7	25.4	25.4	25.4
EBITDA margin	7.2	8.1	8.5	8.9	9.1
PAT margin	4.6	4.8	5.6	5.6	5.8
RoCE	11.0	14.8	19.2	20.9	22.6
RoE	9.5	11.5	16.0	16.5	17.7
Net debt to equity (x)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)
Inventory days	39	37	32	33	33
Loans & Advances days	5	4	5	5	5
Payable days	10	8	7	7	7
NWC days	26	26	22	23	22
Per share numbers (Rs)					
Reported earnings	17.0	23.0	36.7	44.6	56.9
Dividend	-	-	-	-	-
Free cash	(10.1)	(16.0)	6.5	5.0	5.4
Book Value	188.1	211.1	248.0	292.6	349.5
Valuations (x)					
Price to diluted earnings	227.7	167.8	105.3	86.7	68.0
EV / EBITDA	142.8	100.1	68.5	54.3	42.6
Price to sales	10.4	8.1	5.8	4.9	3.9

Source: Company, Systematix Institutional Research

Institutional Equities Team

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

Equity Research

Analysts	Industry Sectors	Desk-Phone	E-mail
Dhananjay Sinha	Co Head of Equities & Head of Research - Strategy & Economics	+91-22-6704 8095	dhananjaysinha@systematixgroup.in
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
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
Sudeep Anand	Oil & Gas, Logistics, Cement	+91-22-6704 8085	sudeepanand@systematixgroup.in
Vishal Manchanda	Pharmaceuticals and Healthcare	+91-22-6704 8064	vishalmanchanda@systematixgroup.in
Aniket Shah	Banking, Insurance	+91-22-6704 8034	aniketshah@systematixgroup.in
Chetan Mahadik	Consumer Staples & Discretionary	+91-22-6704 8091	chetanmahadik@systematixgroup.in
Hena Vora	NBFCs & Diversified Financials	+91-22-6704 8045	henavora@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
Prathmesh Kamath	Oil & Gas, Logistics, Cement	+91-22-6704 8022	prathmeshkamath@systematixgroup.in
Purvi Mundhra	Macro-Strategy	+91-22-6704 8078	purvimundhra@systematixgroup.in
Rajesh Mudaliar	Consumer Staples & Discretionary	+91-22-6704 8084	rajeshmudaliar@systematixgroup.in
Shraddha Kapadia	Consumer Durables, Building Materials, Small & Midcaps	+91-22-6704 8019	shraddhakapadia@systematixgroup.in
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@systematixgroup.in
Vivek Mane	Pharmaceuticals and Healthcare	+91-22-6704 8046	vivekmane@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
Sidharth Agrawal	Sales	+91-22-6704 8090	sidharthagrawal@systematixgroup.in
Rahul Khandelwal	Sales	+91-22-6704 8033	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

Pearl Pillay	Sr. Associate	+91-22-6704 8088	pearlpillay@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