



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

Systematix

Institutional Equities

GAIL (India)

31 October 2023

Strong profits from gas trading led to a beat

RESULT UPDATE

Sector: Natural Gas Rating: BUY

CMP: Rs 120 Target Price: Rs 135

Stock Info

Sensex/Nifty 63,875/19,080

Bloomberg GAIL IN

Equity shares (mn) 6,575

52-wk High/Low Rs 132/88

Face value Rs 10

M-Cap Rs786bn/ USD9.4bn

3-m Avg volume USD 14.4mn

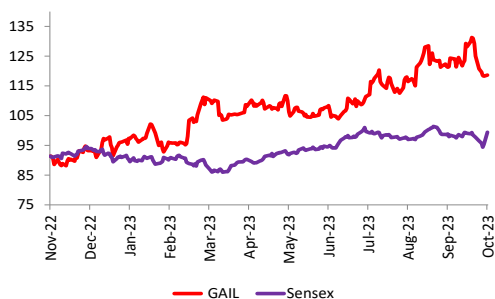
Financial Snapshot (Rs bn)

Y/E Mar	FY23	FY24E	FY25E
Sales	1,442	1,283	1,336
EBITDA	67	119	131
PAT	53	85	93
EPS (Rs)	8.1	12.9	14.1
PE (x)	14.8	9.3	8.5
EV/EBITDA (x)	13.8	7.7	7.0
RoE (%)	9.5	14.1	14.3
RoCE (%)	5.1	10.5	10.9
Dividend yield (%)	2.8	4.3	4.7

Shareholding Pattern (%)

	Mar'23	Jun'23	Sep'23
Promoter	51.9	51.9	51.9
FII	16.4	16.1	14.8
DII	17.9	18.1	19.1
Others	13.8	13.9	14.2

Stock Performance (1-year)



GAIL India delivered a robust result in Q2FY24 led by strong trading margin and transmission volume which led to a sharp 43.5% QoQ jump in EBITDA, ahead of our estimates. Further, lower interest cost and higher other income of Rs56 bn (+109.6% QoQ) resulted in strong net profit of Rs24 bn (up 70.3% QoQ/ 56.5% YoY). Gas transmission volume increased by 3.4% QoQ to 120.3 mmscmd led by higher offtake from power sector. Transmission tariff was flattish at Rs2.2/scm (vs Rs2.24/scm in Q1FY24) and the volume increase resulted in Transmission EBITDA of Rs16.5 bn (22.1%/63.4% QoQ/YoY). However, gas marketing volumes declined by 1.9% QoQ to 96.9mmscmd but segmental EBITDA saw a massive 77% QoQ to Rs19 bn led by increased volume sale at domestic margin with a better spread along with inventory gains. Petchem division sales volume rose 3.7% QoQ to 168kt and EBITDA loss minimized during the quarter. The company expects it become break even at EBITDA level in FY24 (loss of Rs2.1 bn in H1FY24). LHC segment saw a major contraction in earnings which dipped 98% QoQ to Rs50 mn owing to lower LPG prices and lower margins. We largely keep our estimates unchanged and forecast a healthy 40%/33% CAGR in EBITDA/PAT during FY23-FY25E. We maintain our BUY with an unchanged TP of Rs135.

Strength in transmission and trading segment to continue: The transmission segment recorded a strong volume growth in H1FY24 which increased from nearly ~105mmscmd to ~121mmscmd. The company guides an exit rate of 123+mmscmd in FY24E while 135-140mmscmd is expected to flow within the next two years after that. The company's hearing related to tariff hike has been listed in Nov'23 and they expect the regulator to take an immediate call as the delay may impact tariff rates while further it may impact interest of consumers. Also, trading EBITDA has already reached to Rs30 bn from its guidance of Rs40 bn for the full year. However, we expect LHC and petchem segment to continue to drag the profits in FY24E before seeing some improvement in FY25E.

Maintain BUY with unchanged TP of Rs135

In Q2FY24, GAIL's total capex stood at Rs 24.6bn (vs Rs22bn in Q1FY24) while guided for total capex of Rs90-100 bn for FY24. 2,922kms (of 3,289kms) pipeline of JHDPL have already been commissioned, and the remaining part is expected to be completed progressively by June '24. The company is setting up a 500KTA capacity of PDHPP plant at Usar at a capex of Rs113 bn which is likely to be over by FY25. We retained our earnings estimates and forecast a healthy 40%/33% CAGR in EBITDA/PAT over FY23-FY25E. We have valued the stock on a SOTP basis where valued its various segments on EV/EBITDA which gives a TP of Rs105 and investments at Rs30/share by giving 30% holding discount. Thus, we maintain BUY with an unchanged TP of Rs135. Higher gas volume, stable profitability from trading business and revival in petchem business in FY25 are few positive triggers.

Sudeep Anand

sudeepanand@systematixgroup.in
+91 22 6704 8085

Prathmesh Kamath

prathmeshkamath@systematixgroup.in
+91 22 6704 8022

Jennisa Popat

jennisapopat@systematixgroup.in
+91 22 6704 8066

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

Q2FY24 Concall Highlights

Operational performance: Decrease in gross turnover due to decrease in gas volume and decrease in natural gas price and LPG price. Change in PBT is due to upside in mainly on account of better gas trading margins, increasing natural gas transmission volume and decrease in fuel cost in natural gas compressors. There was an high cost inventory purchase in Q1 but not during this quarter. Booked one-off Rs760 mn on Supreme court's order relating to GST implication on GAIL's employees deputation in GAIL Gas for previous quarters.

Capex: In Q2FY24 incurred capex of Rs24.6 bn, the capital expenditure is mainly on expansion of pipelines, petrochemicals project, CGD projects, operational capex and equity contributions.

Volume performance: Total gas marketing volume was 96.9 MMSCMD i.e ~97 MMSCMD in Q2FY24 as against 98.8 MMSCMD in Q1FY24. GAIL routed international supply to domestic markets due to increase in domestic demand but end result leading to a net loss of 2mmscmd during the quarter. Natural gas transmission volume increased by 4mmscmd to 120.3mmscmd in Q2FY24 as against 116.3mmscmd in Q1FY24. Polymer production stood flat at 160tmt in Q2FY24 vs 164tmt in Q1FY24. LHC production was flat at 238tmt as against 243tmt in Q1FY24. LPG transmission was 1,114tmt as against 1,073tmt in Q1FY24.

Capacity Utilizations: The pipeline capacity utilization was 58% in the Q2FY24, on grounds of increase in domestic market demand. Polymer capacity utilization was approximate 79%. LPG transmission capacity utilization was at 97%.

Gail CGD: During the quarter, added 3 new CNG stations, 5,500 new DPNG connections, the total volume stood at 0.3mmscmd. in 6 GAs overall infrastructure is at 157 CNG stations, 274,000 DPNG connections. In the next two years, Gail targets to add over 100 new CNG stations and 200,000 new DPNG connections.

Gail Gas: Revenue stood at Rs27.5 bn and the increase of 35% QoQ mainly is on account of increase in bulk carrying quantity and CNG quantity. During the quarter, 18,799 new DPNG connections and 6 new CNG stations were added. Gail Gas along with its JVs and subsidiaries have infrastructure of ~8.9 lakh DPNG connections and 462 CNG stations.

Bengal Gas: Bengal Gas is having 12 CNG stations, ~215kms of pipeline and 8,000 DPNG connections as on 30th Sep'23.

Project Performances:

- **JHBDPL:** 2,922kms pipeline (of 3,289kms) have already been commissioned, and the remaining part is expected to be completed progressively by June '24.
- **Srikakulam–Angul:** Total length of 420kms likely to be completed by end of CY2023.
- **GJPL:** Having length of 160kms is likely to be completed by Jul'26. Around 150kms (of 253kms) expected to be completed by CY2023.
- **PDHPP, Usar:** The capacity of this project is 500ktpa and cost is Rs112.6 bn and expect this project to be completed by April'25.

Acquisition: Gail has acquired JBF Petrochemicals. Now known as Gail Mangalore Petrochemicals Limited. Capacity is 125,000 KTPA Project cost is INR4,200 crore while completion date is by Mar'25

Future outlook: Expect to earn Rs40 bn as a marketing margin in FY25. Gas transmission volume for FY24 is expected to be 120mmscmd (vs 107mmscmd in FY23) and expect to achieve run rate of 133-134mmscmd in FY25. Plan to further optimize petchem sourcing and aim to close FY24 at near to break-even level while for FY25 aim to normalize petrochemical operation with a positive bottomline.

Exhibit 1: Actual vs Estimates

(Rs bn)	Actual	Estimates	%Variance
Net sales	318.1	351.4	(9.5)
EBITDA	34.9	26.2	33.4
EBITDA margin (%)	11.0	7.4	353
Adj net income	24.0	18.7	28.5
FDEPS (Rs)	3.7	2.8	28.5

Source: Company, Systematix Institutional Research

Exhibit 2: Quarterly Performance

Rs mn	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY	QoQ
Revenue	3,84,786	3,53,654	3,28,432	3,22,121	3,18,068	-17.3%	-1.3%
Raw Material	14,399	15,687	22,281	19,236	16,969	17.9%	-11.8%
Chg in stock in trade	-3,470	-8,615	12,560	6,873	-7,224	108.2%	-205.1%
Purchase of products	3,36,891	3,21,906	2,62,719	2,46,919	2,50,614	-25.6%	1.5%
Employee expense	4,194	4,334	4,793	4,900	4,932	17.6%	0.7%
Other expense	15,125	17,729	23,007	19,866	17,863	18.1%	-10.1%
Total Expense	3,67,139	3,51,041	3,25,360	2,97,794	2,83,155	-22.9%	-4.9%
EBITDA	17,647	2,613	3,072	24,327	34,913	97.8%	43.5%
EBITDA Margin (%)	4.6	0.7	0.9	7.6	11.0	639	342
Depreciation	6,194	6,226	6,432	6,358	7,503	21.1%	18.0%
Interest	683	1,050	903	1,758	1,718	151.7%	-2.3%
Other Income	7,988	6,889	10,172	2,676	5,609	-29.8%	109.6%
PBT	18,759	2,227	5,909	18,887	31,301	66.9%	65.7%
Tax	3,388	-231	-127	4,767	7,252	114.0%	52.1%
<i>Effective tax rate (%)</i>	<i>18.1</i>	<i>-10.4</i>	<i>-2.1</i>	<i>25.2</i>	<i>23.2</i>	<i>28.3%</i>	<i>-8.2%</i>
Reported PAT	15,371	2,457	6,035	14,120	24,049	56.5%	70.3%
Adjusted PAT	15,371	2,457	6,035	14,120	24,049	56.5%	70.3%
Adjusted EPS	2.3	0.4	0.9	2.1	3.7	56.5%	70.3%

Source: Company, Systematix Institutional Research

Exhibit 3: Segmental Highlights

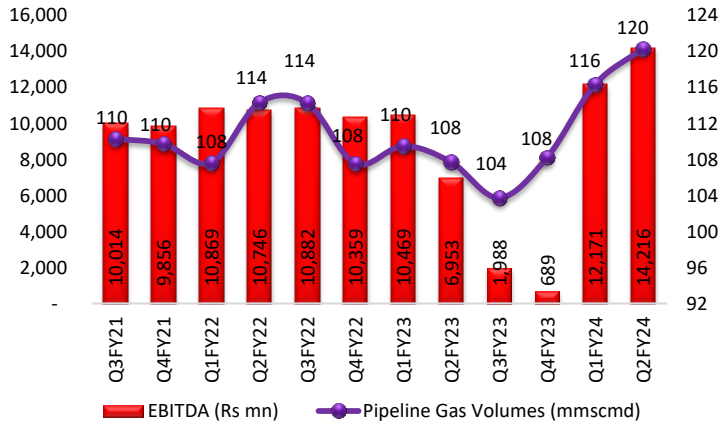
Gas Transmission	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY	QoQ
Revenue	15,570	15,230	14,920	23,730	24,390	56.6%	2.8%
Volume (mmscmd)	108	103.7	108.2	116.3	120.3	11.7%	3.4%
Adj. Tariff (Rs/scm)	2	1.60	1.53	2.24	2.20	37.2%	-1.7%
Reported EBITDA	10,100	7,230	2,970	13,510	16,500	63.4%	22.1%
EBITDA/scm (Rs)	0.71	0.21	0.07	1.15	1.28	81.1%	11.7%
LPG Transmission							
Revenue	1,950	1,780	1,730	1,750	1,830	-6.2%	4.6%
Volume (mmt)	1.1	1.1	1.1	1.1	1.1	1.3%	3.8%
Tariff (Rs/mt)	1,773	1,618	1,603	1,631	1,643	-7.3%	0.7%
Reported EBITDA	1,300	1,080	970	960	1,040	-20.0%	8.3%
Gas Marketing							
Revenue	3,36,940	3,12,270	2,81,510	2,63,720	2,61,040	-22.5%	-1.0%
Volume (mmscmd)	92.5	89.89	96.46	98.84	96.96	4.8%	-1.9%
Reported EBITDA	4,520	30	5,760	11,030	19,530	332.1%	77.1%
EBITDA Margin (USD/mmbtu)	0.1	0.0	0.0	0.3	0.6	375.0%	69.7%
Petchem							
Revenue	13,320	7,300	13,360	16,950	17,300	29.9%	2.1%
Sales Volume (kt)	108.0	65.0	118.0	162.0	168.0	55.6%	3.7%
Reported EBITDA	-2,100	-2,100	-2,570	-1,730	-380	-81.9%	-78.0%
EBITDA/mt (USD)	-172	-108	-61	-117	-24	-86.3%	-79.9%
LPG & LHC							
Revenue	12,360	12,050	10,990	11,300	8,300	-32.8%	-26.5%
Sales Volume (kt)	231	248	230	247	242	4.8%	-2.0%
Reported EBITDA	5,240	-60	1,460	2,250	50	-99.0%	-97.8%
EBITDA/mt (USD)	201	-1	18	100	2	-98.9%	-97.8%

Source: Company, Systematix Institutional Research

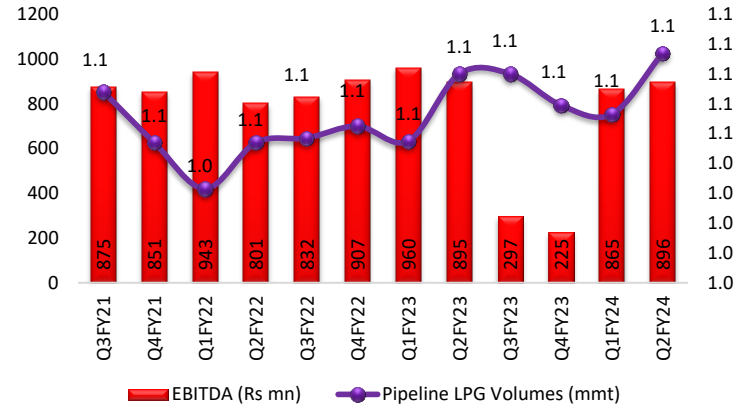
Exhibit 4: Assumptions

Rs mn	FY21	FY22	FY23	FY24E	FY25E
Revenue	5,67,302	9,16,265	14,42,497	12,83,364	13,36,460
Gas Transmission	52,810	57,170	60,770	96,815	1,02,343
LPG Transmission	6,610	6,610	7,140	7,211	7,284
Gas Marketing	3,96,290	7,08,420	12,57,270	10,34,183	10,72,246
Petrochemicals	70,010	84,760	48,440	77,822	87,115
LHC & Others	41,582	59,305	68,877	67,333	48,766
EBITDA	64,451	1,38,290	66,989	1,19,032	1,31,160
Gas Transmission	41,860	43,623	23,592	59,970	74,453
LPG Transmission	3,682	3,498	3,682	3,590	4,215
Gas Marketing	-9,469	47,440	29,011	38,963	47,273
Petrochemicals	14,195	16,228	-6,596	122	4,973
LHC & Others	14,183	27,502	17,300	16,388	14,411
Pipeline Gas Volume (mmscmd)	104.2	111.0	107.3	118.0	125.1
Average Tariff (Rs/scm)	1.4	1.4	1.6	2.2	2.2
Pipeline LPG Volume (mmt)	4.2	4.2	4.3	4.4	4.4
Average Realisation (Rs/mt)	1,588	1,574	1,649	1,649	1,649
Gas Marketing Volume (mmscmd)	89	96	95	100	104
Average EBITDA/Marketing Margin (\$/mmbtu)	-0.1	0.4	0.2	0.3	0.3
Petrochemicals - Sales volume (mmt)	872	792	440	729	770
Average Realisation (Rs/mt)	80,213	1,06,862	1,09,807	1,06,476	1,12,917
LHC - Sales volume (mmt)	1.1	1.0	0.9	1.0	1.0
Average Realisation (US\$/mt)	355	621	642	599	593

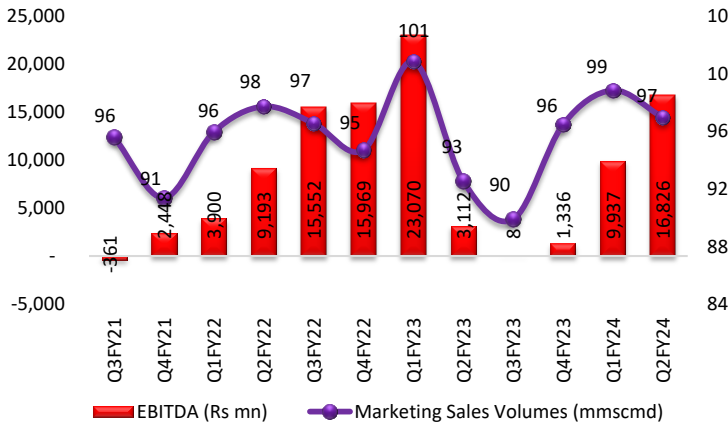
Source: Company, Systematix Institutional Research

Exhibit 5: Gas transmission EBITDA and Pipeline Gas Volume

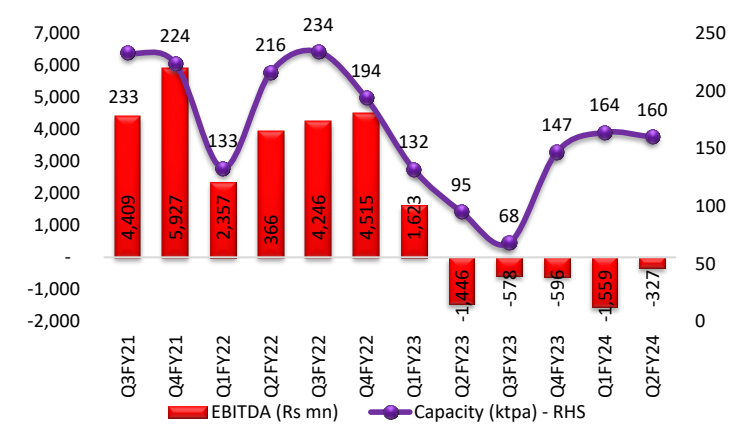
Source: Company, Systematix Institutional Research

Exhibit 6: LPG transmission EBITDA and Pipeline LPG Volumes

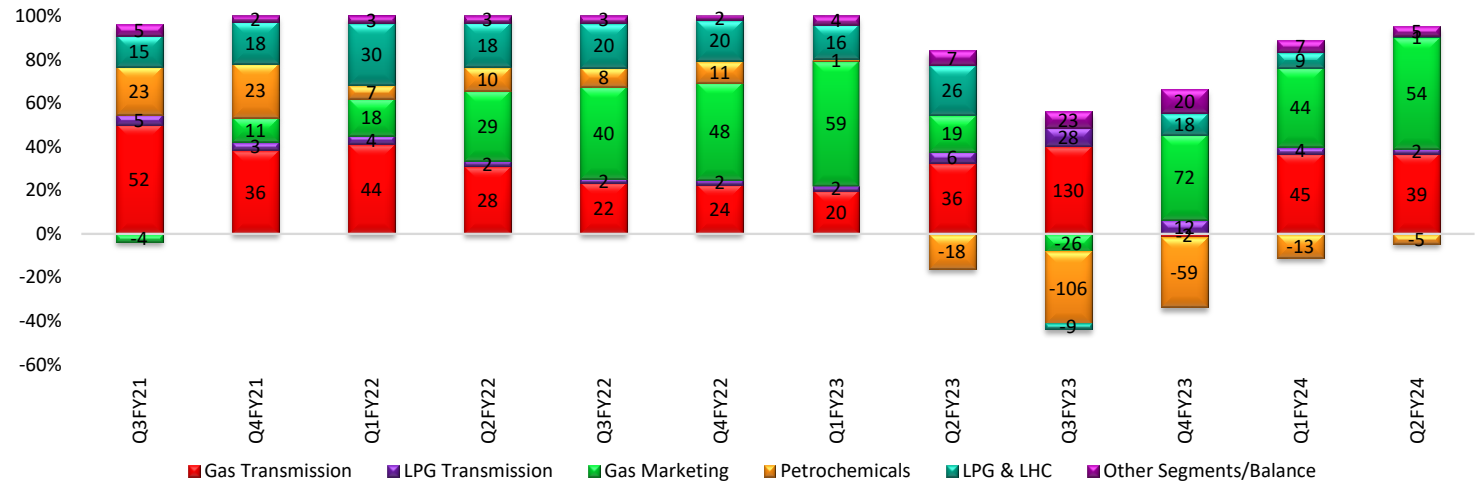
Source: Company, Systematix Institutional Research

Exhibit 7: Gas trading business EBITDA and Marketing Sales Volumes

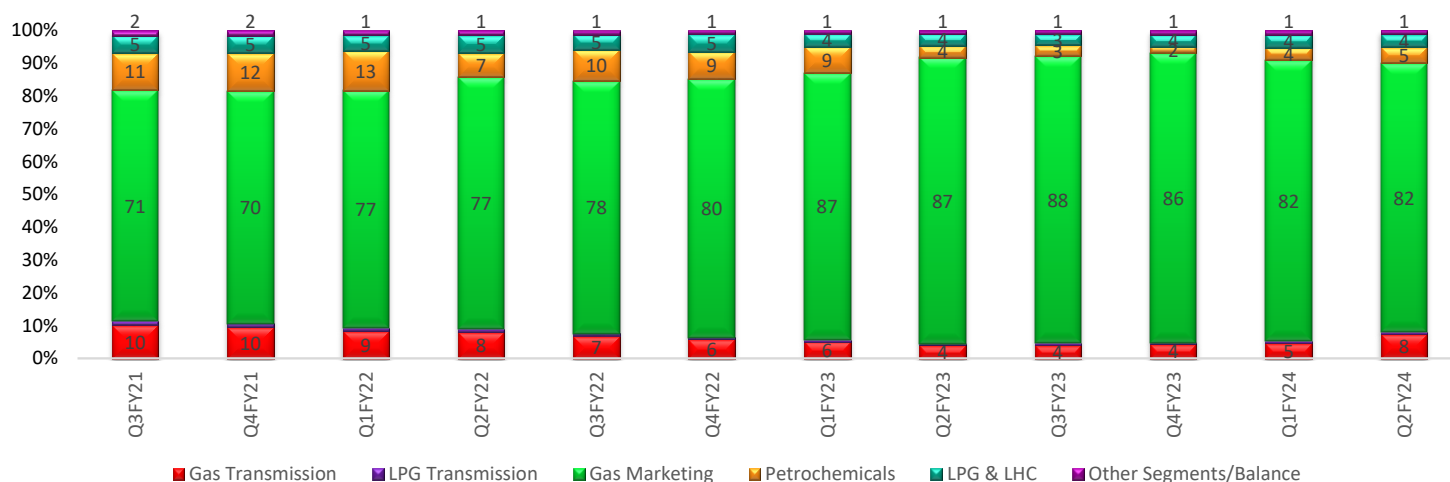
Source: Company, Systematix Institutional Research

Exhibit 8: Petrochemical EBITDA and Capacity

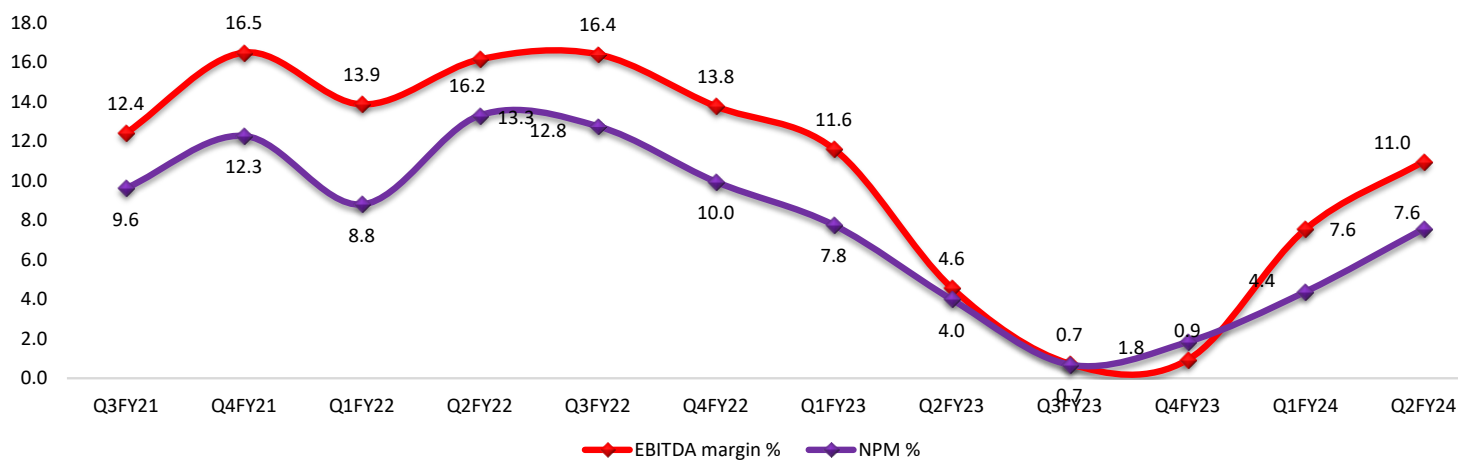
Source: Company, Systematix Institutional Research

Exhibit 9: Segmental EBITDA split up

Source: Company, Systematix Institutional Research

Exhibit 10: Segmental revenue split up

Source: Company, Systematix Institutional Research

Exhibit 11: EBITDA and Net Profit Margin

Source: Company, Systematix Institutional Research

FINANCIALS (STANDALONE)

Profit & Loss Statement

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Net revenue	5,67,302	9,16,265	14,42,497	12,83,364	13,36,460
Raw material cost	4,43,486	7,07,822	12,88,759	10,81,652	11,18,371
Gross Profit	1,23,816	2,08,443	1,53,737	2,01,712	2,18,089
Employee Cost	15,310	17,112	17,738	20,418	22,713
other expenses	44,055	53,041	69,011	62,262	64,216
EBITDA	64,451	1,38,290	66,989	1,19,032	1,31,160
Depreciation	19,079	21,112	24,881	28,028	31,281
EBIT	45,373	1,17,179	42,108	91,004	99,878
Interest Cost	1,559	1,744	3,117	5,008	4,293
Other Income	20,045	20,469	26,847	27,384	28,753
PBT Before Exceptionals	63,858	1,35,903	65,838	1,13,380	1,24,339
Exceptional Items	0	0	0	0	0
PBT	63,858	1,35,903	65,838	1,13,380	1,24,339
Tax	14,956	32,263	12,823	28,572	31,333
Reported PAT	48,902	1,03,640	53,015	84,808	93,005
Adjusted PAT	48,902	1,03,640	53,015	84,808	93,005
Reported EPS (Rs)	11.0	23.3	8.1	12.9	14.1
Adjusted EPS (Rs)	7.4	15.8	8.1	12.9	14.1

Source: Company, Systematix Institutional Research

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Pre-Tax Profit	63,858	1,35,903	65,838	1,13,380	1,24,339
Depreciation	19,079	21,112	24,881	28,028	31,281
Change in Working Capital	-11,753	-5,768	-16,529	-22,376	-24,461
Tax Paid	22,210	-29,737	-30,932	2,269	-2,228
Other Operating Activities	-12,754	-31,960	-15,178	-28,072	-30,833
Operating Cash Flow	80,639	89,550	28,080	93,229	98,098
Capital Expenditure	-49,767	-59,184	-73,416	-72,050	-72,063
Change in Investments	-4,590	4,870	-10,586	0	0
Other Investing Activities	15,748	8,166	13,577	27,384	28,753
Investing Cash Flow	-38,609	-46,148	-70,425	-44,666	-43,310
Free Cash Flow	42,030	43,402	-42,345	48,563	54,788
Equity raised/(repaid)	-12,810	0	-13,289	0	0
Debt raised/(repaid)	4,564	1,288	79,560	0	-0
Other Financing Activities	-28,205	-37,458	-40,756	-45,716	-48,935
Financing Cash Flow	-36,451	-36,171	25,515	-45,716	-48,935
Change in Cash	5,579	7,231	-16,830	2,847	5,853
Opening Cash Balance	8,039	13,618	20,850	4,020	6,866
Closing Cash Balance	13,618	20,850	4,020	6,866	12,719

Source: Company, Systematix Institutional Research

Key Assumptions

Y/E Mar	FY21	FY22	FY23E	FY24E	FY25E
Gas transm. vol. (mmscmd)	104.2	111.0	107.3	118.0	125.1
LPG transmission volume (mmt)	4.2	4.2	4.3	4.4	4.4
Gas trading volume (mmscmd)	89.2	96.2	94.9	100.1	104.4
Petrochemical sales volume (kt)	872.0	792.0	440.0	729.0	769.5
LHC volume (mmt)	1.1	1.0	0.9	1.0	1.0
Tranmission tariff (Rs/scm)	1.4	1.4	1.6	2.2	2.2

Source: Company, Systematix Institutional Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Share Capital	44,404	44,404	65,751	65,751	65,751
Reserves & Surplus	4,21,708	5,11,464	4,90,786	5,34,886	5,83,249
Networth	4,66,112	5,55,868	5,56,537	6,00,637	6,49,000
Short + Long Term Debt	55,656	63,528	1,43,087	1,43,087	1,43,087
Deferred Tax Liabilities	45,022	47,673	46,628	47,128	47,628
Other Long Term Liabilities	61,533	75,847	76,085	77,847	79,655
Capital Employed	6,28,323	7,42,916	8,22,337	8,68,699	9,19,371
Gross Block	4,51,184	4,98,310	5,63,169	6,32,574	7,01,966
Accumulated Depreciation	94,484	1,15,596	1,40,476	1,68,504	1,99,785
Net Block	3,56,700	3,82,714	4,22,693	4,64,070	5,02,181
Capital WIP	1,19,034	1,30,713	1,36,625	1,37,991	1,39,371
Total Fixed Assets	4,75,734	5,13,427	5,59,318	6,02,061	6,41,552
Long Term Inv. & Others	1,49,905	1,82,816	1,93,977	1,95,916	1,97,876
Current Assets	1,07,466	1,67,162	2,08,022	1,88,363	2,01,725
Short Term Investments	4,685	0	0	0	0
Inventories	26,038	30,152	52,813	46,987	48,930
Sundry Debtors	44,858	83,660	1,14,106	1,01,518	1,05,718
Cash & Bank Balance	13,618	20,850	4,020	6,866	12,719
Short Term Loans & Advances	6,847	17,857	18,681	16,620	17,307
Others	11,420	14,643	18,403	16,373	17,050
Current Liab. & Provisions	1,04,782	1,20,490	1,38,979	1,17,642	1,21,781
Creditors	43,264	54,660	72,992	61,786	63,960
Other Current Liabilities	61,518	65,830	65,986	55,856	57,821
Net Current Assets	2,684	46,672	69,043	70,721	79,944
Total Assets	6,28,323	7,42,916	8,22,337	8,68,699	9,19,371

Source: Company, Systematix Institutional Research

Ratios (Consolidated)

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Growth					
Revenue growth	-21.1%	61.5%	57.4%	-11.0%	4.1%
EBITDA growth	-23.0%	114.6%	-51.6%	77.7%	10.2%
Adjusted PAT growth	-25.2%	111.9%	-48.8%	60.0%	9.7%
Margins					
Gross margin	21.8%	22.7%	10.7%	15.7%	16.3%
EBITDA margin	11.4%	15.1%	4.6%	9.3%	9.8%
PBT margin	11.3%	14.8%	4.6%	8.8%	9.3%
Effective Tax rate	23.4%	23.7%	19.5%	25.2%	25.2%
Adjusted PAT margin	9.1%	8.6%	11.3%	3.7%	6.6%
Operating Cycle					
Inventory days	17	12	13	13	13
Debtor days	29	33	29	29	29
Creditor days	31	26	19	19	19
Working Capital Cycle	14	20	23	23	23
Return Ratios					
ROE	10.5%	18.6%	9.5%	14.1%	14.3%
Pre-tax ROCE	7.2%	15.8%	5.1%	10.5%	10.9%
Capex/revenue	9.9%	6.4%	4.9%	5.5%	5.3%
Net debt / Equity	0.1	0.1	0.3	0.2	0.2
Yield Analysis					
CFO Yield	15.2%	16.9%	3.6%	11.9%	12.5%
FCF Yield	3.1%	2.7%	-6.0%	3.0%	3.6%
Dividend Yield	4.2%	8.4%	2.8%	4.3%	4.7%
Valuation					
P/E (x)	16.1	7.6	14.8	9.3	8.5
P/B (x)	1.1	1.0	1.4	1.3	1.2
EV/Sales (x)	1.0	0.6	0.6	0.7	0.7
EV/EBITDA (x)	8.8	4.1	13.8	7.7	7.0

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, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8039	ashishpoddar@systematixgroup.in
Himanshu Nayyar	Consumer Staples & Discretionary	+91-22-6704 8079	himanshunayyar@systematixgroup.in
Manjith Nair	Banking, Insurance	+91-22-6704 8065	manjithnair@systematixgroup.in
Pradeep Agrawal	NBFCs & Diversified Financials	+91-22-6704 8024	pradeepagrawal@systematixgroup.in
Pratik Tholiya	Specialty & Agro Chem, Fertilisers, Sugar, Textiles and Select Midcaps	+91-22-6704 8028	pratiktholiya@systematixgroup.in
Sameer Pardikar	IT & ITES	+91-22-6704 8041	sameerpardikar@systematixgroup.in
Sudeep Anand	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8085	sudeepanand@systematixgroup.in
Vishal Manchanda	Pharmaceuticals and Healthcare	+91-22-6704 8064	vishalmanchanda@systematixgroup.in
Chetan Mahadik	Consumer Staples & Discretionary	+91-22-6704 8091	chetanmahadik@systematixgroup.in
Devanshi Kamdar	IT & ITES	+91-22-6704 8098	devanshikamdar@systematixgroup.in
Jennisa Popat	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8066	jennisapopat@systematixgroup.in
Kalash Jain	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8038	kalashjain@systematixgroup.in
Nirali Chheda	Banking, Insurance	+91-22-6704 8019	niralichheda@systematixgroup.in
Pashmi Chheda	Banking, Insurance	+91-22-6704 8063	pashmichheda@systematixgroup.in
Pranay Shah	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8017	pranayshah@systematixgroup.in
Pratik Oza	Midcaps	+91-22-6704 8036	pratikoza@systematixgroup.in
Pravin Mule	NBFCs & Diversified Financials	+91-22-6704 8034	pravinmule@systematixgroup.in
Prathmesh Kamath	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8022	prathmeshkamath@systematixgroup.in
Purvi Mundhra	Macro-Strategy	+91-22-6704 8078	purvimundhra@systematixgroup.in
Rajesh Mudaliar	Consumer Staples & Discretionary	+91-22-6704 8084	rajeshmudaliar@systematixgroup.in
Ronak Dhruv	NBFCs & Diversified Financials	+91-22-6704 8045	ronakdhruv@systematixgroup.in
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@systematixgroup.in
Vivek Mane	Pharmaceuticals and Healthcare	+91-22-6704 8046	vivekmane@systematixgroup.in
Yogeeta Rathod	Midcaps	+91-22-6704 8081	yogeeatarathod@systematixgroup.in

Equity Sales & Trading

Name		Desk-Phone	E-mail
Vipul Sanghvi	Co Head of Equities & Head of Sales	+91-22-6704 8062	vipulsanghvi@systematixgroup.in
Jignesh Desai	Sales	+91-22-6704 8068	jigneshdesai@systematixgroup.in
Sidharth Agrawal	Sales	+91-22-6704 8090	sidharthagrawal@systematixgroup.in
Rahul Khandelwal	Sales	+91-22-6704 8003	rahul@systematixgroup.in
Chintan Shah	Sales	+91-22-6704 8061	chintanshah@systematixgroup.in
Pawan Sharma	Director and Head - Sales Trading	+91-22-6704 8067	pawansharma@systematixgroup.in
Mukesh Chaturvedi	Vice President and Co Head - Sales Trading	+91-22-6704 8074	mukeshchaturvedi@systematixgroup.in
Vinod Bhuwad	Sales Trading	+91-22-6704 8051	vinodbhuwad@systematixgroup.in
Rashmi Solanki	Sales Trading	+91-22-6704 8097	rashmisolanki@systematixgroup.in
Karan Damani	Sales Trading	+91-22-6704 8053	karandamani@systematixgroup.in
Vipul Chheda	Dealer	+91-22-6704 8087	vipulchheda@systematixgroup.in
Paras Shah	Dealer	+91-22-6704 8047	parasshah@systematixgroup.in
Rahul Singh	Dealer	+91-22-6704 8054	rahulsingh@systematixgroup.in

Corporate Access

Mrunal Pawar	Vice President & Head Corporate Access	+91-22-6704 8088	mrunalpawar@systematixgroup.in
Darsha Hiwrale	Associate Corporate Access	+91-22-6704 8083	darshahiwrale@systematixgroup.in

Production

Madhu Narayanan	Editor	+91-22-6704 8071	madhunarayanan@systematixgroup.in
Mrunalip 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, **Sudeep Anand, Prathmesh Kamath, Jennisa Popat**; hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

Disclosure of Interest Statement	Update
Analyst holding in the stock	No
Served as an officer, director or employee	No

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

- The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
- The research analyst(s), SSSIL, associates or relatives collectively do not hold more than 1% of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- The research analyst(s), SSSIL, associates or relatives did not have any other material conflict of interest at the time of publication of this research report.
- The research analyst, SSSIL and its associates have not received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in this report in the past twelve months.
- The research analyst, SSSIL or its associates have not managed or co-managed a private or public offering of securities for the company(ies) covered in this report in the previous twelve months.
- SSSIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party in connection with this research report.
- The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
- The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
- Details of SSSIL, research analyst and its associates pertaining to the companies covered in this research report:

Sr. No.	Particulars	Yes / No.
1	Whether compensation was received from the company(ies) covered in the research report in the past 12 months for investment banking transaction by SSSIL.	No
2	Whether research analyst, SSSIL or its associates and relatives collectively hold more than 1% of the company(ies) covered in the research report.	No
3	Whether compensation has been received by SSSIL or its associates from the company(ies) covered in the research report.	No
4	Whether SSSIL or its affiliates have managed or co-managed a private or public offering of securities for the company(ies) covered in the research report in the previous twelve months.	No
5	Whether research analyst, SSSIL or associates have received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in the research report in the last twelve months.	No

- There is no material disciplinary action taken by any regulatory authority that impacts the equity research analysis activities.

STOCK RATINGS

BUY (B): The stock's total return is expected to exceed 15% over the next 12 months.

HOLD (H): The stock's total return is expected to be within -15% to +15% over the next 12 months.

SELL (S): The stock's total return is expected to give negative returns of more than 15% over the next 12 months.

NOT RATED (NR): The analyst has no recommendation on the stock under review.

INDUSTRY VIEWS

ATTRACTIVE (AT): Fundamentals/valuations of the sector are expected to be attractive over the next 12-18 months.

NEUTRAL (NL): Fundamentals/valuations of the sector are expected to neither improve nor deteriorate over the next 12-18 months.

CAUTIOUS (CS): Fundamentals/valuations of the sector are expected to deteriorate over the next 12-18 months.

II. **DISCLAIMER**

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication,

redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.

SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Registration granted by SEBI to SSSIL and certification from NISM to the analyst in no way guarantee performance of SSSIL or to provide any assurance of returns to investors.



Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id contactus@systematixgroup.in. Visit us at: www.systematixgroup.in

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

Details of Email id grievance redressal cell : grievance@systematixgroup.in

Details of Registration : CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 12034600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | AMFI : ARN - 64917