



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

Systematix

Institutional Equities

30 January 2024

## Dr. Reddy's

## Beat on Revenue, but earnings inline

## RESULT UPDATE

Sector: Pharmaceuticals Rating: HOLD

CMP: Rs 5,846 Target Price: Rs 5,725

## Stock Info

Sensex/Nifty	71,140/21,522
Bloomberg	DRRD IN
Equity shares	167mn
52-wk High/Low	Rs 5,986/4,281
Face value	Rs 5
M-Cap	Rs 975bn/ USD 11.7bn

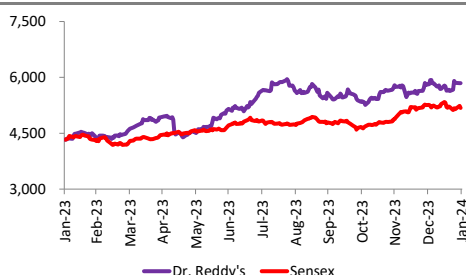
## Financial Snapshot (Rs mn)

Y/E March	FY24E	FY25E	FY26E
Sales	279,790	295,172	296,930
Gross profit	163,635	173,060	171,213
Gross Margin %	58.5%	58.6%	57.7%
EBITDA	85,006	89,451	83,808
Margin %	30.4%	30.3%	28.2%
PAT	56,758	62,498	59,389
EPS	342.0	376.5	357.8
DPS(Rs)	60.2	66.2	62.9
ROE(%)	20.4%	19.0%	15.7%
P/E(x)	17.1	15.5	16.3
EV/EBITDA (x)	10.4	9.5	9.6

## Shareholding pattern (%)

	Jun-23	Sept-23	Dec-23
Promoter	26.69	26.66	26.65
-Pledged	-	-	-
FII	26.99	28.18	28.62
DII	21.99	21.04	18.65
Others	24.33	24.12	26.08

## Stock Performance (1-year)



Vishal Manchanda

vishalmanchanda@systematixgroup.in  
+91 9737437148

Vivek Mane

vivekmane@systematixgroup.in  
+91 22 6704 8046

Dr. Reddy Q3FY24 Earnings (Rs. 13,789mn) were in line with expectations, but Revenue was above expectations, led by strong growth in North America (5.7% QoQ and 9.6% YoY). North America grew on back of base business (including gRevlimid). Gross margins were lower 20bps QoQ as benefits from government grants which is deducted from the cost of sales was lower QoQ (1,140mn vs 1,598mn). Performance in branded markets was weak. Sales growth in India was lackluster at 5% YoY. Emerging markets performance also declined 2% YoY as Russia business declined 14% YoY owing to high base and unfavourable currency movement. Despite a strong beat on revenue, EBITDA was still in line with expectations, as company continues to ramp up investments in marketing and digitalization leading to SG&A spending expanding 8% QoQ and 13% YoY. We await these investments to fructify into higher growth in the branded markets. We have revised our forecasts and roll over our price target to FY26E EPS. Our revised PT is Rs. 5,725 based on 16x FY26E EPS. We expect Dr. Reddy to deliver ~7% / 6% Revenue and EBITDA CAGR over FY23 to FY26E. We expect North America revenue to remain flattish or decline over the near to medium term owing to erosion pressures. New launches in North America may at best help DRL offset erosion pressures. In branded markets, we expect the company to clock high single digit growth. PSAI business should grow low single digit in line with the long-term trend. We currently do not forecast any upside from China markets, wherein company has been consistently investing in new product filings to expand their current sales base meaningfully larger.

## 3QFY24 earnings highlights

DRRD's 3QFY24 revenue at Rs 72,148mn, was up 6.6% YoY and 4.9% QoQ. EBITDA at Rs 21,107mn rose 7.4% YoY but was down 3.2% QoQ. EBITDA margin stood at 29.3% was up 22 bps YoY but down 245 bps QoQ basis. PAT at Rs 13,789mn up 10.6% YoY but down 6.8% QoQ. PAT margin stood at 19.1% was up 69 bps YoY but down 240 bps QoQ. R&D expenses stood at Rs 5,565mn (7.7% of sales).

**North America** business revenue at Rs 33,492mn, was up 9.6% YoY and 5.7% QoQ. The YoY growth was the result of new product launches and market share expansion in key products, this was partly offset by price erosion. During the quarter the company launched 2 new products in the US.

**Europe business** revenue at Rs 4,970mn, rose 15.5% YoY but dropped by 6% QoQ. The QoQ decline was primarily on account of price erosion in certain countries, partly offset by increase in volumes of their base business.

**India business** revenue at Rs 11,800mn, was up 4.7% YoY but down 0.5% QoQ. The slight fall in QoQ was due to lower volumes in base business.

**Rest of World (RoW)** business revenue at Rs 12,833mn, was down 2% YoY but up 5.5% QoQ. The revenue from Russia has shown 14% degrowth YoY but 2% growth sequentially. YoY decline was mainly due to unfavorable forex movement.

**PSAI** revenue at Rs 7,839mn, was up 1% YoY and 11.4% QoQ.

**Proprietary Products & Others** business segment reported strong revenue at Rs 1,214mn, was up 73.2% YoY and 77.5% QoQ.

### 3QFY24 earnings call highlights

- **North America Business**

- ✓ The company has acquired Menolabs with the aim to create a franchise in women healthcare.
- ✓ Has done exclusive collaboration with Coya Therapeutics for development and commercialization of COYA 302, for treatment of Amyotrophic Lateral Sclerosis (ALS).
- ✓ The company has 26 meaningful products in the pipeline for next 2 years.

- **India Business-** Focus on key brands in India and expecting 1.5 times the market growth rate.

- **Biosimilars**

- ✓ There are 6 products in the pipeline to be commercial in next 4-6 years. The first product is expected to be beginning of CY27.

- **China market**

- ✓ The company has received a total of 9 approvals year-till-date.
- ✓ China portfolio will show a meaningful contribution from next fiscal.

- The **Europe business** growth is primarily driven by new product launches and improvement in base business volumes.

- The **SG&A expenses** have inched up YoY on account of investment in Sales & marketing activities, digitalization capabilities & new business initiatives. These investments are likely to give results in coming years.

- The effective tax rate for the quarter was slightly higher at 24.5%. This was due to an increase in the proportion of the company's profit coming from higher tax jurisdictions.

- Excluding COVID-19 products the PSAI business grew in double digit.

- The **R&D spent** for the quarter was Rs 5,565, which is ~8% of the sales. These expenses were driven by ongoing clinical trials on differentiated assets and new ongoing developmental assets.

**Exhibit 1: Quarterly performance.**

Particulars (Rs mn)	3QFY23	2QFY24	3QFY24	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
<b>Revenues</b>	<b>67,700</b>	<b>68,802</b>	<b>72,148</b>	<b>6.6</b>	<b>4.9</b>	<b>214,391</b>	<b>245,879</b>	<b>14.7</b>
Cost of Revenues	27,607	28,434	29,945	8.5	5.3	100,551	106,536	6.0
% of revenue	40.8	41.3	41.5	73 bps	18 bps	46.9	43.3	(357) bps
SG&A Expenses	17,981	18,795	20,228	12.5	7.6	62,081	68,026	9.6
% of revenue	26.6	27.3	28.0	148 bps	72 bps	8.2	7.9	(27) bps
R&D Expenses	4,821	5,447	5,565	15.4	2.2	17,482	19,381	10.9
% of revenue	7.1	7.9	7.7	59 bps	(20) bps	8.2	7.9	(27) bps
Impairment of Non-Current Assets	134	55	110	(17.9)	100.0	7,562	699	(90.8)
Other Operating (income)/expense	732	(1,796)	(967)	(232.1)	(46.2)	(2,761)	(5,907)	113.9
<b>Results from operating activities</b>	<b>16,425</b>	<b>17,867</b>	<b>17,267</b>	<b>5.1</b>	<b>(3.4)</b>	<b>29,476</b>	<b>57,144</b>	<b>93.9</b>
Net finance expense/(income)	139	(1,225)	(963)	(792.8)	(21.4)	(2,119)	(2,853)	34.6
Share of (profit) / loss of equity accounted investee	(60)	(42)	(27)	(55.0)	(35.7)	(703)	(370)	(47.4)
Profit before income tax	16,346	19,134	18,257	11.7	(4.6)	32,298	60,367	86.9
Income tax expense	3,875	4,334	4,468	15.3	3.1	8,730	15,300	75.3
<b>Profit for the period</b>	<b>12,471</b>	<b>14,800</b>	<b>13,789</b>	<b>10.6</b>	<b>(6.8)</b>	<b>23,568</b>	<b>45,067</b>	<b>91.2</b>
<b>Profit Margin</b>	<b>18.4</b>	<b>21.5</b>	<b>19.1</b>	<b>69 bps</b>	<b>(240) bps</b>	<b>11.0</b>	<b>18.3</b>	<b>734 bps</b>

Source: Company, Systematix Institutional Research

**Exhibit 2: Revenue break up**

Particulars (Rs mn)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY	QoQ
<b>Global Generics</b>	<b>44,508</b>	<b>46,117</b>	<b>44,323</b>	<b>55,946</b>	<b>59,241</b>	<b>54,257</b>	<b>60,083</b>	<b>61,009</b>	<b>63,095</b>	6.5	3.4
North America	18,645	19,971	17,815	28,001	30,567	25,321	31,978	31,700	33,492	9.6	5.7
Europe	4,058	4,444	4,141	4,199	4,303	4,960	5,071	5,286	4,970	15.5	(6.0)
India	10,266	9,689	13,339	11,500	11,274	12,834	11,482	11,860	11,800	4.7	(0.5)
RoW	11,539	12,013	9,028	12,246	13,097	11,142	11,552	12,163	12,833	(2.0)	5.5
<b>PSAI</b>	<b>7,271</b>	<b>7,557</b>	<b>7,090</b>	<b>6,434</b>	<b>7,758</b>	<b>7,787</b>	<b>6,709</b>	<b>7,034</b>	<b>7,839</b>	1.0	11.4
<b>Proprietary Products &amp; Others</b>	<b>1,418</b>	<b>693</b>	<b>740</b>	<b>677</b>	<b>701</b>	<b>924</b>	<b>592</b>	<b>684</b>	<b>1,214</b>	73.2	77.5
<b>Total Revenue</b>	<b>53,197</b>	<b>54,367</b>	<b>52,153</b>	<b>63,057</b>	<b>67,700</b>	<b>62,968</b>	<b>67,384</b>	<b>68,727</b>	<b>72,148</b>	6.6	5.0

Source: Company, Systematix Institutional Research

**Exhibit 3: Revenue mix (%)**

Particulars (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
<b>Global Generics</b>	<b>83.7</b>	<b>84.8</b>	<b>85.0</b>	<b>88.7</b>	<b>87.5</b>	<b>86.2</b>	<b>89.2</b>	<b>88.8</b>	<b>87.5</b>
North America	35.0	36.7	34.2	44.4	45.2	40.2	47.5	46.1	46.4
Europe	7.6	8.2	7.9	6.7	6.4	7.9	7.5	7.7	6.9
India	19.3	17.8	25.6	18.2	16.7	20.4	17.0	17.3	16.4
RoW	21.7	22.1	17.3	19.4	19.3	17.7	17.1	17.7	17.8
<b>PSAI</b>	<b>13.7</b>	<b>13.9</b>	<b>13.6</b>	<b>10.2</b>	<b>11.5</b>	<b>12.4</b>	<b>10.0</b>	<b>10.2</b>	<b>10.9</b>
<b>Proprietary Products &amp; Others</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>	<b>1.1</b>	<b>1.0</b>	<b>1.5</b>	<b>0.9</b>	<b>1.0</b>	<b>1.7</b>

Source: Company, Systematix Institutional Research

**Exhibit 4: QoQ growth (%)**

Particulars (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
<b>Global Generics</b>	<b>(6.2)</b>	<b>3.6</b>	<b>(3.9)</b>	<b>26.2</b>	<b>5.9</b>	<b>(8.4)</b>	<b>10.7</b>	<b>1.5</b>	<b>3.4</b>
North America	(1.4)	7.1	(10.8)	57.2	9.2	(17.2)	26.3	(0.9)	5.7
Europe	(1.9)	9.5	(6.8)	1.4	2.5	15.3	2.2	4.2	(6.0)
India	(10.0)	(5.6)	37.7	(13.8)	(2.0)	13.8	(10.5)	3.3	(0.5)
RoW	(11.1)	4.1	(24.8)	35.6	6.9	(14.9)	3.7	5.3	5.5
<b>PSAI</b>	<b>(13.2)</b>	<b>3.9</b>	<b>(6.2)</b>	<b>(9.3)</b>	<b>20.6</b>	<b>0.4</b>	<b>(13.8)</b>	<b>4.8</b>	<b>11.4</b>
<b>Proprietary Products &amp; Others</b>	<b>(22.5)</b>	<b>(51.1)</b>	<b>6.8</b>	<b>(8.5)</b>	<b>3.5</b>	<b>31.8</b>	<b>(35.9)</b>	<b>15.5</b>	<b>77.5</b>
<b>Total Revenue</b>	<b>(7.7)</b>	<b>2.2</b>	<b>(4.1)</b>	<b>20.9</b>	<b>7.4</b>	<b>(7.0)</b>	<b>7.0</b>	<b>2.0</b>	<b>5.0</b>

Source: Company, Systematix Institutional Research

**Exhibit 5: YoY growth (%)**

Particulars (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
<b>Global Generics</b>	<b>9.2</b>	<b>19.1</b>	<b>7.8</b>	<b>18.0</b>	<b>33.1</b>	<b>17.7</b>	<b>35.6</b>	<b>9.0</b>	<b>6.5</b>
North America	7.2	14.2	2.4	48.1	63.9	26.8	79.5	13.2	9.6
Europe	(2.1)	12.3	3.7	1.5	6.0	11.6	22.5	25.9	15.5
India	7.0	14.7	25.8	0.9	9.8	32.5	(13.9)	3.1	4.7
RoW	19.9	35.8	(1.1)	(5.7)	13.5	(7.3)	28.0	(0.7)	(2.0)
<b>PSAI</b>	<b>3.7</b>	<b>(4.5)</b>	<b>(6.0)</b>	<b>(23.1)</b>	<b>6.7</b>	<b>3.0</b>	<b>(5.4)</b>	<b>9.3</b>	<b>1.0</b>
<b>Proprietary Products &amp; Others</b>	<b>(7.7)</b>	<b>9.7</b>	<b>36.8</b>	<b>(63.0)</b>	<b>(50.6)</b>	<b>33.3</b>	<b>(20.0)</b>	<b>1.0</b>	<b>73.2</b>
<b>Total Revenue</b>	<b>7.9</b>	<b>15.0</b>	<b>6.0</b>	<b>9.4</b>	<b>27.3</b>	<b>15.8</b>	<b>29.2</b>	<b>9.0</b>	<b>6.6</b>

Source: Company, Systematix Institutional Research

**Exhibit 6: Margin summary**

Particulars (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Gross Margin	53.8	52.9	49.9	59.1	59.2	57.2	58.7	58.7	58.5
EBITDA Margin	23.8	23.9	34.1	30.6	29.0	25.9	31.7	31.7	29.3
EBIT Margin	18.2	18.4	28.3	25.7	24.2	20.8	26.4	26.2	24.0
PAT Margin	13.3	1.6	22.8	17.6	18.4	15.2	20.8	21.5	19.1

Source: Company, Systematix Institutional Research

**Exhibit 7: Change in estimates**

Particulars (Rs mn)	New estimates		Old estimates		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Net sales	279,790	295,172	269,268	284,454	3.9	3.8
EBITDA	85,006	89,451	82,197	92,542	3.4	(3.3)
Margin (%)	30.4	30.3	30.5	32.5	(14) bps	(223) bps
PAT	56,758	62,498	54,710	62,311	3.7	0.3
Margin (%)	20.3	21.2	20.3	21.9	(3) bps	(73) bps
EPS	342.0	376.5	329.6	375.4	3.7	0.3

Source: Systematix Institutional Research

**Exhibit 8: Actuals vs estimates**

Particulars (Rs mn)	Actuals	Systematix	Var(%)	Cons.	Variance (%)
Net sales	72,148	68,784	4.9	69,818	3.3
EBITDA	21,107	21,060	0.2	19,838	6.4
Margin (%)	29.3	30.6	(136) bps	28.4	84 bps
PAT	13,789	13,786	0.0	13,132	5.0
Margin (%)	19.1	20.0	(93) bps	18.8	30 bps

Source: Company, Systematix Institutional Research

## FINANCIALS

## Profit &amp; Loss Statement

YE: Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>2,14,391</b>	<b>2,45,879</b>	<b>2,79,790</b>	<b>2,95,172</b>	<b>2,96,930</b>
YoY gr. (%)	13%	15%	14%	5%	1%
Cost of Goods Sold	1,00,551	1,06,536	1,16,155	1,22,112	1,25,718
Gross Profit	1,13,840	1,39,343	1,63,635	1,73,060	1,71,213
Margin (%)	53%	56.7%	58.5%	58.6%	57.7%
SG&A Expenses	62,081	68,026	76,259	80,072	84,075
R&D Expenses	17,482	19,381	21,561	22,208	22,874
Impairment Loss	7,562	699	176	-	-
Other (Income) / Expense	-2,761	-5,907	-4,510	-3,000	-3,000
<b>Operating Profit</b>	<b>29,476</b>	<b>57,144</b>	<b>70,149</b>	<b>73,780</b>	<b>67,263</b>
YoY gr. (%)	21%	94%	23%	5%	-9%
Margin (%)	14%	23%	25%	25%	23%
Finance (Expense) / Income	2,119	2,853	3,935	7,197	9,612
Share of Profit in Eq. Invt.	703	370	139	188	253
Extraordinary Income	-	-	-	-	-
Profit Before Tax	32,298	60,367	74,223	81,166	77,129
Tax	8,730	15,300	17,465	18,668	17,740
Effective tax rate (%)	27%	25%	24%	23%	23%
Profit After Tax	23,568	45,067	56,758	62,498	59,389
EPS	142.0	271.5	342.0	376.5	357.8
YoY gr. (%)	36.7%	91.2%	25.9%	10.1%	-5.0%

Source: Company, Systematix Institutional Research

Note: \*IFRS Format

## Cash Flow

YE: Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	32,298	60,367	74,223	81,166	77,129
Depreciation	11,824	12,636	14,718	15,483	16,291
Interest	-7	248	-	-	-
Others	5,344	4,193	-139	-188	-253
Working capital	-13,914	-7,855	-7,792	-4,281	-569
Direct tax	-7,437	-10,714	-17,465	-18,668	-17,740
<b>Net cash from Op. activities</b>	<b>28,108</b>	<b>58,875</b>	<b>63,545</b>	<b>73,513</b>	<b>74,859</b>
Net Capital expenditures	-14,660	-11,323	-19,438	-19,638	-20,890
Others	-11,727	-30,050	-2,494	-2,851	-3,168
<b>Net Cash from Invt. activities</b>	<b>-26,387</b>	<b>-41,373</b>	<b>-21,932</b>	<b>-22,489</b>	<b>-24,059</b>
Issue of share cap./premium	334	157	-	-	-
Debt changes	3,520	-19,382	-3,401	347	-28
Dividend paid	-4,146	-4,979	-9,985	-10,994	-10,448
Others	-2,130	-2,657	-383	-268	-188
<b>Net cash from Fin. activities</b>	<b>-2,422</b>	<b>-26,861</b>	<b>-13,770</b>	<b>-10,915</b>	<b>-10,663</b>
<b>Net change in cash</b>	<b>-701</b>	<b>-9,359</b>	<b>27,844</b>	<b>40,108</b>	<b>40,137</b>

Source: Company, Systematix Institutional Research

## Balance Sheet

YE: Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	832	833	833	833	833
Reserves & Surplus	1,89,695	2,30,158	2,76,932	3,28,435	3,77,377
<b>Net Worth</b>	<b>1,90,527</b>	<b>2,30,991</b>	<b>2,77,765</b>	<b>3,29,268</b>	<b>3,78,210</b>
Short term debt	28,099	12,194	8,793	9,140	9,112
Long term debt	5,746	1,278	895	626	438
Trade payables	25,572	26,444	30,091	31,745	31,935
Other Provisions	4,258	5,454	6,206	6,547	6,586
Other liabilities	42,452	45,493	53,159	55,929	55,979
<b>Total Liabilities</b>	<b>2,96,654</b>	<b>3,21,854</b>	<b>3,76,908</b>	<b>4,33,256</b>	<b>4,82,260</b>
Net block	93,833	1,01,556	1,08,770	1,15,776	1,23,544
Other Non-current asset	21,715	13,358	13,497	13,685	13,938
Investments	29,513	56,018	56,018	56,018	56,018
Cash and Cash Equivalents	14,852	5,779	33,623	73,731	1,13,867
Debtors	66,764	72,485	82,482	87,017	87,535
Inventories	50,884	48,670	55,382	58,427	58,775
Other current asset	19,093	23,988	27,136	28,603	28,583
<b>Total Assets</b>	<b>2,96,654</b>	<b>3,21,854</b>	<b>3,76,908</b>	<b>4,33,256</b>	<b>4,82,260</b>

Source: Company, Systematix Institutional Research

## Key Financial Metrics

YE: Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>					
EPS	142.0	271.5	342.0	376.5	357.8
CEPS	258.8	376.1	432.4	469.8	456.0
BVPS	1,147.9	1,391.7	1,673.5	1,983.8	2,278.6
DPS	25.0	30.0	60.2	66.2	62.9
Return Ratio(%)					
RoCE	15.2	25.4	26.4	24.4	20.3
RoE	12.4	19.5	20.4	19.0	15.7
Balance Sheet					
Net Debt : Equity (x)	-0.1	-0.2	-0.3	-0.4	-0.4
Net Working Capital (Days)	187.7	184.8	175.7	182.5	185.0
Valuation(x)					
PER	41.2	21.5	17.1	15.5	16.3
EV/EBITDA	18.6	11.9	10.4	9.5	9.6
EV/Sales	4.5	3.7	3.2	2.9	2.7

Source: Company, Systematix Institutional Research

## Institutional Equities Team

<b>Nikhil Khandelwal</b>	<b>Managing Director</b>	<b>+91-22-6704 8001</b>	<b>nikhil@systematixgroup.in</b>
--------------------------	--------------------------	-------------------------	----------------------------------

### 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
Hinal Kothari	Metals & Mining	+91-22-6704 8076	hinalkothari@systematixgroup.in
Jennisa Popat	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8066	jennisapopat@systematixgroup.in
Kalash Jain	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
Swati Saboo	Midcaps	+91-22-6704 8043	swatisaboo@systematixgroup.in
Vivek Mane	Pharmaceuticals and Healthcare	+91-22-6704 8046	vivekmane@systematixgroup.in
Yogeeta Rathod	Midcaps	+91-22-6704 8081	yogeetarathod@systematixgroup.in

### Equity Sales & Trading

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

### Corporate Access

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

### Production

Madhu Narayanan	Editor	+91-22-6704 8071	madhunarayanan@systematixgroup.in
Mrunali Pagdhare	Production	+91-22-6704 8057	mrunalip@systematixgroup.in
Vijayendra 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, **Vishal Manchanda, Vivek Mane**; 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](mailto:contactus@systematixgroup.in). Visit us at: [www.systematixgroup.in](http://www.systematixgroup.in)

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

Details of Email id grievance redressal cell : [grievance@systematixgroup.in](mailto: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