



TM

Gujarat Gas

08 May 2024

RESULT UPDATE

Sector: Natural Gas

Rating: SELL

CMP: Rs 545

Target Price: Rs 456

Stock Info

Sensex/Nifty	73,466/ 22,303
Bloomberg	GUJGA IN
Equity shares (mn)	688
52-wk High/Low	Rs 621/397
Face value	Rs 2
M-Cap	Rs 375bn/ USD 4.5bn
3-m Avg value	USD 8.2mn

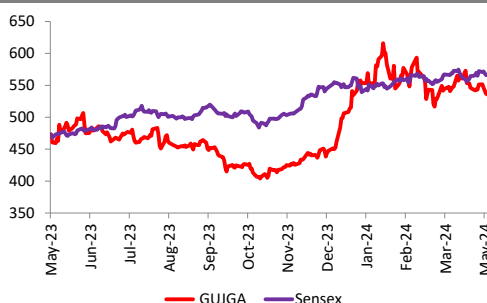
Financial Snapshot (Rs bn)

Y/E Mar	FY24	FY25E	FY26E
Sales	157	144	154
EBITDA	19	23	24
PAT	11	14	15
EPS (Rs)	15.8	20.3	21.7
PE (x)	34.5	26.9	25.1
EV/EBITDA (x)	19.6	15.8	14.5
RoE (%)	14.9	16.4	15.9
RoCE (%)	15.8	18.1	17.5
Dividend yield (%)	1.0	1.3	1.4

Shareholding Pattern (%)

	Sep'23	Dec'23	Mar'24
Promoter	60.9	60.9	60.9
FII	3.8	3.3	3.7
DII	13.1	13.9	15.1
Others	22.2	21.9	20.3

Stock Performance (1-year)



Result beats estimates while risk to earning persists

Gujarat Gas reported robust Q4FY24 results where EBITDA/PAT were significantly above our and consensus estimates on the back of higher volumes and better than expected gross margin. Total volume rose 6% QoQ to 9.7mmscmd on the back of improvement across segments. DPNG/CPNG volumes attained a 20%/7% QoQ jump to 0.9mmscmd/0.2mmscmd while IPNG volumes bounced back 5% to 5.8mmscmd due to competitive pricing in the Morbi region. CNG volumes recorded the highest-ever volume to reach 2.9mmscmd (4% QoQ/14% YoY) led by deeper penetration from new GAs. Spot LNG price averaged at \$9.4/mmbtu in Q4FY24 (vs \$15.8/mmbtu in Q3FY24) which led to a sharp increase of 29% in gross margin to Rs10.8/scm and a 41% rise in EBITDA/scm to Rs6.7. Reported PAT was up 86% QoQ to Rs 4.1bn but includes exceptional income of Rs556 mn about writeback of provisions for trade margin on settlement with OMCs. Adjusted PAT increased 67% to Rs 3.7 bn, significantly beating our estimates.

GUJGAS continues to focus on developing its CNG business in new GAs to gain additional volumes. Overall the company maintained its volume guidance of growing by 8-10%/p.a. but factors like EV policy and fall in propane prices can pose risk to the volume. EBITDA margin guidance remains between Rs4.5-5.5/scm, however, we raise our EBITDA/scm estimate to Rs5.9/6.0 from earlier Rs5.3/5.5 on the back of higher contribution from high-margin CNG business. We raised our volume estimates by 1.6%/1% for FY25E/FY26E due to higher CNG volume. Consequently, we revise our EBITDA/PAT forecast upwards for FY25E by 16.5%/21.8% and 13.5%/18.2% for FY26E while we anticipate volume CAGR of 6.5% during FY24-FY26E. Consequently, we revised our TP upwards to Rs456 from earlier Rs404 based on PER of 21x on FY26E but continue to maintain SELL on the stock. Valuation seems quite rich given the current volatility in LNG price and risk on volume due to lower propane price in the near term.

Volume improvement and moderation in spot LNG provide growth visibility

Gujarat gas reported strong volumes in Q4FY24 of 9.7mmscmd (up 5.8% QoQ/ 9% YoY). For FY24, volumes stood at 9.3mmscmd (vs 8.4mmscmd in FY23), IPNG volumes jumped 12.5% YoY to 5.8mmscmd (vs 5.1mmscmd in FY23) also CNG volumes rose 12.1% YoY to 10.9mmscmd while DPNG/CPNG continued to grow at marginal rate. Spot LNG averaged at \$9.4/mmbtu in Q4FY24 (vs \$15.8/mmbtu in Q3FY24) while \$12.2/mmbtu in FY24 (vs \$30.9/mmbtu in FY23), ongoing decline in JKL linked spot LNG shall result in a lower gas cost for the company which shall boost EBITDA/scm further from current levels.

Maintain SELL with a revised TP of Rs456; trading expensive at 25.1x FY26E

We have revised our volume estimates by +1.6%/1.0% for FY25E/FY26E and raised EBITDA/scm estimate to Rs5.9/6.0 from earlier Rs5.3/5.5. Consequently, we recalibrated our EBITDA/PAT forecast for FY25E by 16.5%/21.8% and 13.5%/18.2% for FY26E. Total sales volume is expected to jump 6.5% CAGR FY24-26E mainly led by CNG and DPNG volumes (11.2%/16.2% CAGR). The stock has been trading expensive at 25.1x on FY26E. We maintain SELL with a revised TP of Rs456.

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.

Q4FY24 Concall Highlights

Clientele addition: Added 50,800 new DPNG connections (total 2.12mn+ customers), 271 CPNG (total 15,200+ customers) and commissioned 76 IPNG customers (total 4,390+) with cumulative volume sale of 9.7mmcmd while the company has signed 0.8mmcmd volume and is yet to commission. Achieved highest ever CNG volumes of 2.9mmcmd (14% YoY) during the quarter.

Capex plan: Will spend Rs10 bn/yearly for next 2-3 years on pipeline and Infrastructure (Rs 8.1bn capex incurred in FY24), largely through internal accruals. For the last three years capex have primarily been incurred on CNG stations, returns will grow over a period of time in long run from here onwards. Capex run rate reduced in Q4FY24 as installation of CNG stations under FDODO scheme will be on third party. GGL capex on CNG stations will be mostly in new GAs.

Margin guidance: GGL has maintained its volume guidance of 8-10%/p.a. as Morbi region demand fluctuates on a seasonal level (60% volume depends on IPNG business). CNG growth rate will be higher ~12-14% compared to I/C PNG business. EBITDA guidance is Rs4.5-5.5/mmcmd for FY25E.

New Initiative: Good response for EOI in Morbi region, latest by next month 150 EOI scrutiny will be done. In many areas natural gas is new and customer education workshop, industrial association connection, etc is progress. Interest from ~20% of 700-800 industries from Morbi region is seen. Pricing will be at par so that any discounts IPNG customers get from propane will continue to get here. The selling price is provided in a formula, gas will be sourced in a way that it will protect margins. EOI is for existing customers, tender is for 5.5mmcmd natural gas customers. Contract duration will be 1yr, and formula is linked to propane price.

IPNG Sales: IPNG segment achieved 8% increase in volumes to 5.8mmcmd in Q4FY24. Ceramic and non-ceramic total volumes is 3.82mmcmd. Other GAs: Dadra & Nagar, Thane, Ahmedabad rural, Kutch west, Tissampur (near Indore) are in advance stage of development, expecting 0.2-0.3mmcmd volume uptick from these regions for IPNG sales.

Morbi Pricing: Morbi demand is subject to Spot LNG/ Propane price, which are influenced by the overall macro environment. The company has been able to compete with propane in the Morbi market by offering competitive pricing. GGL's current price in Morbi is Rs42/scm, in other industrial areas IPNG price is Rs44/scm and CPNG is Rs64/scm (excl. VAT).

Misc: Started pilot Biogas project into GGL system rolled out project in 3 different locations. LNG procurement cost is \$11.5-\$12/mmbtu in Q4FY24, earlier to this cost was higher due to significantly higher Spot LNG prices. Propane is cyclically lower priced in Q1, GGL wants stability in the volume and wants to provide the price which should practically be a best alternative. Hence it may hurt upcoming margins to gain volume and maintain market share. Realization/scm has gone up in Q4FY24 due to two main factors a) price at which it is procured, and discount given to customers. Signed MoUs with OMCs key areas are liquid fuels provided from OMCs to GGL outlets providing additional sales. Details on gas sourcing: 30% APM, 42% short term and 28% long term.

Exhibit 1: Actual vs Estimates

(Rs mn)	Actual	Estimates	Variance
Revenue	41,342	38,639	7.0%
EBITDA	5,911	4,201	40.7%
EBITDA margin (Rs/scm)	6.7	4.8	39.6%
PAT	3,681	2,398	53.5%
EPS	5.3	3.5	53.5%

Source: Company, Systematix Institutional Research

Exhibit 2: Quarterly Highlights

Rs mn	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY%	QoQ%
Net Revenues	39,286	37,815	38,454	39,291	41,342	5%	5%
Total COGS	30,797	30,945	30,535	32,230	31,846	3%	-1%
Gross Profit	8,489	6,870	7,919	7,061	9,496	12%	34%
Employee Cost	495	520	507	481	481	-3%	0%
Other Expenses	2,391	2,470	2,446	2,573	3,103	30%	21%
OPEX	2,886	2,990	2,953	3,054	3,585	24%	17%
Total Expenditure	33,683	33,935	33,488	35,284	35,431	5%	0%
EBITDA	5,603	3,880	4,966	4,007	5,911	5%	48%
Depreciation & Amortisation	1,094	1,151	1,179	1,201	1,212	11%	1%
EBIT	4,509	2,729	3,787	2,806	4,699	4%	67%
Interest & Finance Charges	61	74	78	72	69	15%	-4%
Other Income	318	239	298	230	311	-2%	35%
PBT Before Exceptionals	4,766	2,894	4,007	2,964	4,940	4%	67%
Exceptional Items	-	-	-	-	557	-	-
PBT	4,766	2,894	4,007	2,964	5,497	15%	85%
Total Tax	1,074	743	1,029	761	1,402	30%	84%
Reported PAT	3,692	2,151	2,978	2,203	4,095	11%	86%
Adjusted PAT	3,692	2,151	2,978	2,203	3,681	0%	67%
Reported EPS (Rs.)	5.4	3.1	4.3	3.2	5.9	11%	86%
Adjusted EPS (Rs.)	5.4	3.1	4.3	3.2	5.3	0%	67%
Volumes (mmscm)							
Sales Volume (mmscmd)	8.9	9.2	9.3	9.2	9.7	9%	6%
Industrial PNG	5.4	5.9	5.9	5.5	5.8	8%	5%
Commercial PNG	0.1	0.1	0.1	0.1	0.2	7%	7%
Domestic PNG	0.8	0.6	0.7	0.7	0.9	2%	20%
CNG	2.5	2.6	2.6	2.78	2.9	14%	4%
Average Realisation (Rs./scm)	49.3	45.1	44.8	46.6	46.9	-5%	1%
Gas cost (Rs./scm)	38.6	36.9	35.6	38.2	36.1	-6%	-6%
Gross Margin (Rs./scm)	10.6	8.2	9.2	8.4	10.8	1%	29%
Opex (Rs./scm)	3.6	3.6	3.4	3.6	4.1	12%	12%
EBITDA/scm (Rs.)	7.0	4.6	5.8	4.8	6.7	-5%	41%

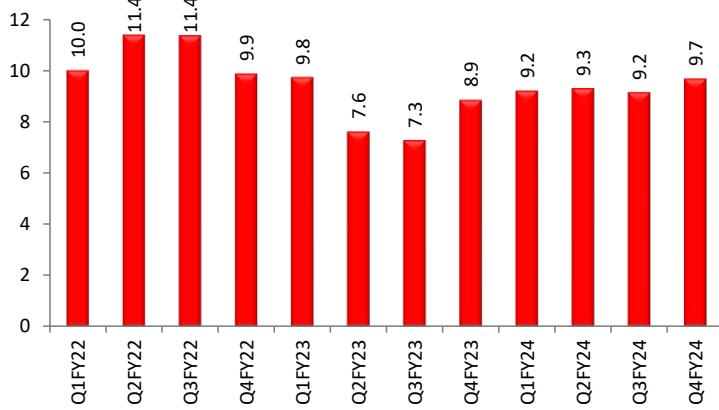
Source: Company, Systematix Institutional Research

Exhibit 3: Change in estimates

Key Parameters (Rs mn)	FY25E			FY26E		
	Old	New	%Chg	Old	New	%Chg
Volume (mmscmd)	9.9	10.1	1.6	10.5	10.6	1.0
Revenue	1,43,817	1,43,765	(0.0)	1,54,965	1,54,049	(0.6)
EBITDA	19,567	22,798	16.5	21,445	24,347	13.5
Net Profit	11,456	13,950	21.8	12,653	14,957	18.2
EPS (Rs)	16.6	20.3	21.8	18.4	21.7	18.2

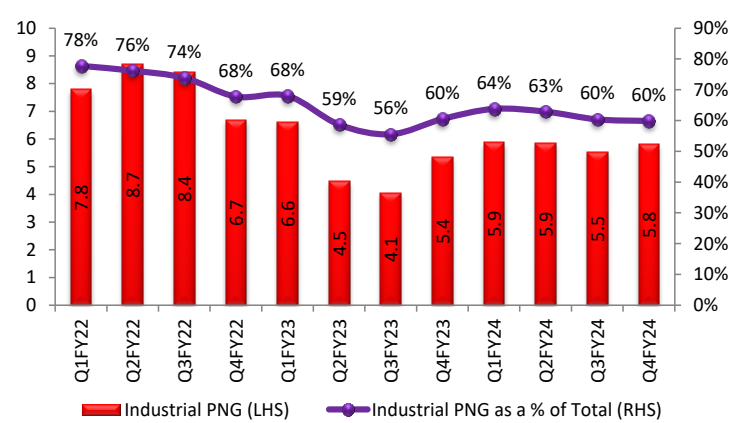
Source: Company, Systematix Institutional Research

Exhibit 4: Volumes up 5.8% QoQ to 9.7mmscmd



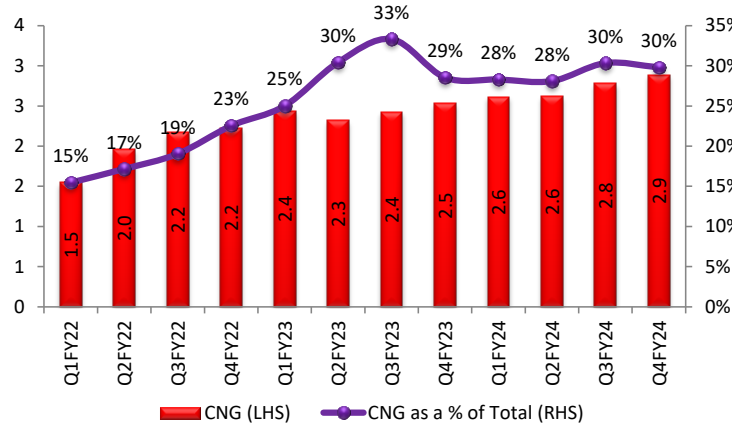
Source: Company, Systematix Institutional Research

Exhibit 5: Industrial PNG volumes jump 4.9% QoQ



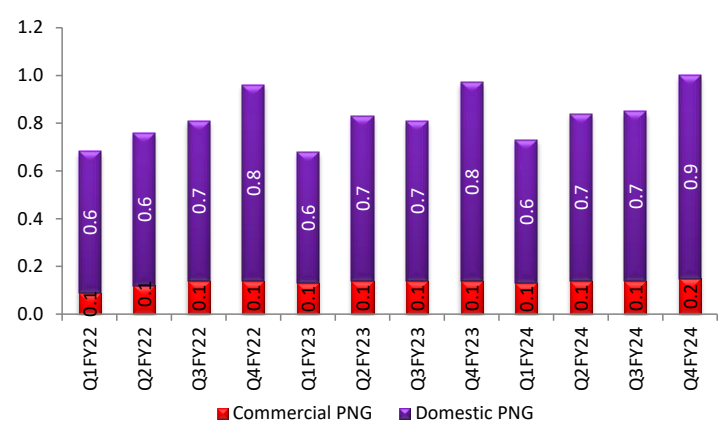
Source: Company, Systematix Institutional Research

Exhibit 6: CNG Volumes (mmscmd) jump as a % of total volumes

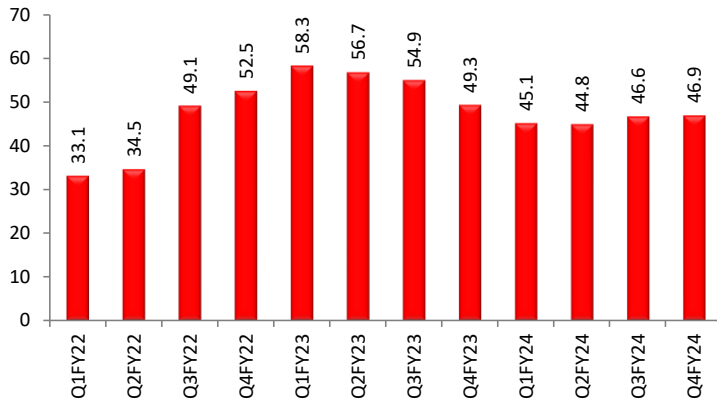


Source: Company, Systematix Institutional Research

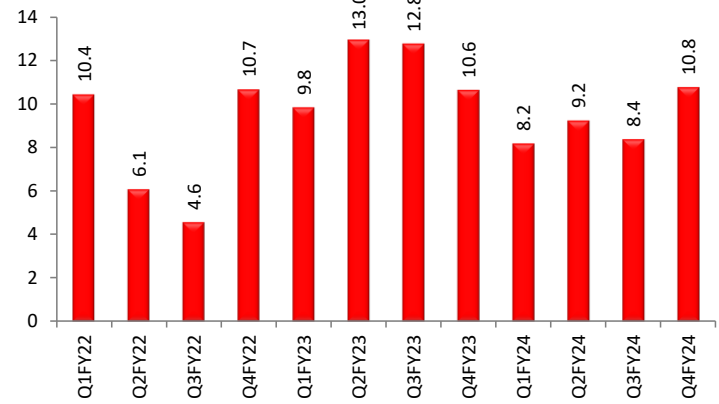
Exhibit 7: CPNG/DPNG volumes up sharply 7.1%/19.7% QoQ



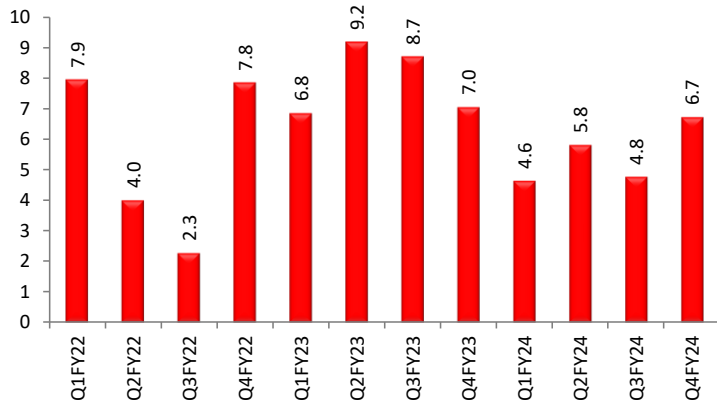
Source: Company, Systematix Institutional Research

Exhibit 8: Net Realisation gains 0.6% QoQ to Rs46.9/scm

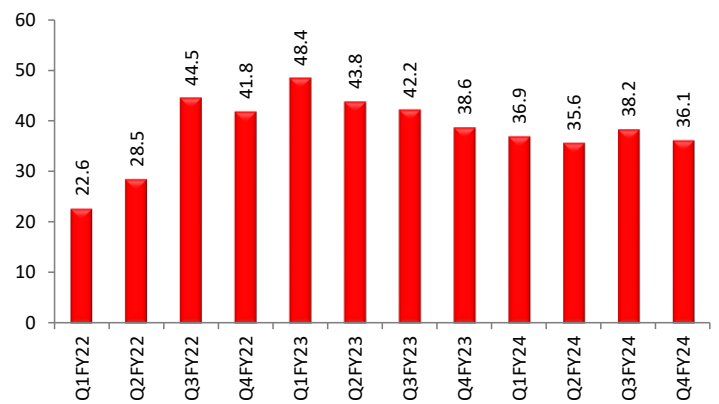
Source: Company, Systematix Institutional Research

Exhibit 9: Gross margin jumps sharply to Rs10.8/scm (28.5% QoQ)

Source: Company, Systematix Institutional Research

Exhibit 10: EBITDA up by 41% QoQ to Rs6.7/scm

Source: Company, Systematix Institutional Research

Exhibit 11: Gas cost was down by 5.6% QoQ to Rs36.1/scm

Source: Company, Systematix Institutional Research

FINANCIALS (STANDALONE)

Profit & Loss Statement

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Net revenue	1,64,562	1,67,594	1,56,902	1,43,765	1,54,049
Raw Material & purchases	1,34,369	1,32,734	1,25,557	1,07,776	1,15,872
Gross Profit	30,194	34,860	31,345	35,989	38,177
Employee cost	1,909	1,956	1,989	2,068	2,151
Other expenses	7,522	8,984	10,593	11,122	11,679
EBITDA	20,763	23,920	18,764	22,798	24,347
Depreciation	3,849	4,283	4,743	5,146	5,539
EBIT	16,914	19,637	14,021	17,652	18,808
Interest Cost	568	404	293	246	201
Other Income	907	1,013	1,078	1,185	1,327
PBT Before Exceptionals	17,253	20,247	14,805	18,591	19,934
Exceptional Items	-119	0	557	0	0
PBT	17,134	20,247	15,362	18,591	19,934
Tax	4,278	4,992	3,934	4,641	4,977
Reported PAT	12,856	15,255	11,428	13,950	14,957
Adjusted PAT	12,946	15,255	10,871	13,950	14,957
Reported EPS (Rs)	18.7	22.2	16.6	20.3	21.7
Adjusted EPS (Rs)	18.8	22.2	15.8	20.3	21.7

Source: Company, Systematix Institutional Research

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Pre-Tax Profit	17,134	20,247	15,362	18,591	19,934
Depreciation	3,849	4,283	4,743	5,146	5,539
Change in Working Capital	-95	4,052	-227	432	128
Tax Paid	-4,363	-4,608	-3,227	-4,016	-4,345
Other Operating Activities	93	-194	-311	-939	-1,127
Operating Cash Flow	16,618	23,780	16,340	19,215	20,130
Capital Expenditure	-13,265	-10,912	-8,409	-7,782	-7,782
Change in Investments	0	0	-999	0	0
Other Investing Activities	329	499	622	1,185	1,327
Investing Cash Flow	-12,935	-10,413	-8,787	-6,597	-6,454
Free Cash Flow	3,682	13,366	7,554	12,618	13,676
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	-4,378	-5,024	-293	0	0
Other Financing Activities	-1,906	-1,744	-4,810	-5,980	-6,349
Financing Cash Flow	-6,284	-6,768	-5,103	-5,980	-6,349
Change in Cash	-2,602	6,599	2,451	6,638	7,327
Opening Cash Balance	2,813	211	6,810	9,261	15,899
Closing Cash Balance	211	6,810	9,261	15,899	23,226

Source: Company, Systematix Institutional Research

Key Assumptions

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Total volume (mmscmd)	10.7	8.4	9.3	10.1	10.6
CNG (mmscmd)	2.0	2.4	2.7	3.1	3.4
Industrial PNG (mmscmd)	7.9	5.1	5.8	6.0	6.1
Domestic PNG (mmscmd)	0.7	0.7	0.7	0.9	1.0
Commercial PNG (mmscmd)	0.1	0.1	0.1	0.1	0.2
Net Realization (Rs/scm)	42.0	54.5	45.6	38.7	39.5
Gross Margin (Rs/scm)	7.5	11.1	8.9	9.5	9.6
EBITDA/scm (Rs)	5.1	7.5	5.2	5.9	6.0

Source: Company, Systematix Institutional Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Share Capital	1,377	1,377	1,377	1,377	1,377
Reserves & Surplus	54,616	68,579	75,516	83,732	92,541
Networth	55,993	69,956	76,893	85,109	93,918
Short + Long Term Debt	6,289	1,523	1,503	1,503	1,503
Deferred Tax Liabilities	8,077	8,461	9,174	9,799	10,431
Other Long Term Liabilities	1,226	1,261	1,256	1,294	1,333
Capital Employed	71,585	81,201	88,825	97,705	1,07,185
Gross Block	88,898	99,888	1,08,943	1,17,643	1,26,251
Accumulated Depreciation	25,168	29,095	33,838	38,984	44,523
Net Block	63,730	70,793	75,105	78,659	81,728
Capital WIP	9,923	9,831	9,180	8,262	7,436
Total Fixed Assets	73,653	80,624	84,285	86,921	89,164
Long Term Inv. & Others	8,024	8,535	10,010	10,010	10,010
Current Assets	13,876	19,792	22,288	28,079	36,186
Short Term Investments	0	0	0	0	0
Inventories	534	612	587	538	576
Sundry Debtors	9,301	10,212	10,298	9,436	10,111
Cash & Bank Balance	211	6,810	9,261	15,899	23,226
Short Term Loans & Adv.	29	38	30	31	32
Others	3,802	2,120	2,112	2,175	2,241
Current Liabilities & Prov.	23,968	27,750	27,758	27,306	28,175
Creditors	4,456	7,156	7,002	6,132	6,574
Other Current Liabilities	19,512	20,594	20,756	21,174	21,600
Net Current Assets	-10,092	-7,958	-5,470	774	8,011
Total Assets	71,585	81,201	88,825	97,705	1,07,185

Source: Company, Systematix Institutional Research

Ratios (Consolidated)

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Growth					
Revenue growth	66.8%	1.8%	-6.4%	-8.4%	7.2%
EBITDA growth	-0.4%	15.2%	-21.6%	21.5%	6.8%
Adjusted PAT growth	1.4%	18.7%	-25.1%	22.1%	7.2%
Margins					
Gross margin	18.3%	20.8%	20.0%	25.0%	24.8%
EBITDA margin	12.6%	14.3%	12.0%	15.9%	15.8%
PBT margin	10.4%	12.1%	9.8%	12.9%	12.9%
Effective Tax rate	25.0%	24.7%	25.6%	25.0%	25.0%
Adjusted PAT margin	7.8%	9.1%	7.3%	9.7%	9.7%
Operating Cycle					
Inventory days	1	1	1	1	1
Debtor days	21	22	24	24	24
Creditor days	11	18	19	19	19
Working Capital Cycle	11	5	7	7	7
Return Ratios					
ROE	23.0%	21.8%	14.9%	16.4%	15.9%
Pre-tax ROCE	23.6%	24.2%	15.8%	18.1%	17.5%
Capex/revenue	6.7%	6.5%	5.4%	5.4%	5.1%
Net debt / Equity	0.1	-0.1	-0.1	-0.2	-0.2
Yield Analysis					
CFO Yield	12.2%	14.2%	17.0%	17.0%	17.0%
FCF Yield	1.4%	3.2%	1.8%	2.9%	3.2%
Dividend Yield	0.4%	1.2%	1.0%	1.3%	1.4%
Valuation					
P/E (x)	29.0	24.6	34.5	26.9	25.1
P/B (x)	6.7	5.4	4.9	4.4	4.0
EV/Sales (x)	2.3	2.2	2.3	2.5	2.3
EV/EBITDA (x)	18.4	15.5	19.6	15.8	14.5

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
Abhishek Mathur	FMCG	+91-22-6704 8059	abhishekmathur@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
Santosh Yellapu	Capital Goods	+91-22-6704 8094	santoshyellapu@systematixgroup.in
Shweta Dikshit	Metals & Mining	+91-22-6704 8042	shwetadikshit@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
Deeksha Bhardwaj	Strategy & Economics	+91-22-6704 8017	deekshabhardwaj@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	Midcaps	+91-22-6704 8038	kalashjain@systematixgroup.in
Krishna Zaveri	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8023	krishnazaveri@systematixgroup.in
Mahek Shah	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8040	mahekshah@systematixgroup.in
Nirali Chheda	Banking, Insurance	+91-22-6704 8019	niralichheda@systematixgroup.in
Pashmi Chheda	Banking, Insurance	+91-22-6704 8063	pashmichheda@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
Rushank Mody	Pharmaceuticals and Healthcare	+91-22-6704 8046	rushankmody@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	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
Shreya Chaudhary	Sales	+91-22-6704 8033	shreyachaudhary@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
Niraj Singh	Dealer	+91-22-6704 8096	nirajsingh@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
Hiren Patel	Assistant Manager	+91-22-6704 8056	hirenpatel@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