Amber Enterprises

29 July 2024

Healthy 1QFY25; aims 25%+ YoY revenue growth in FY25

RESULT UPDATE

Sector: EMS	**Rating: HOLD**
CMP: Rs 4,390	**Target Price: Rs 4,773**

Stock Info

Sensex/Nifty	81,333/24,835
Bloomberg	AMBER IN
Equity shares (mn)	33.7
52-wk High/Low	4,694/2,363
Face value	Rs 10
M-Cap	Rs 148bn/ USD 1.8bn
3-m Avg volume	USD 8.7mn

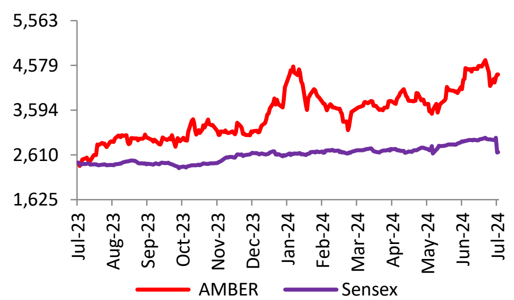
Financial Snapshot (Rs mn)

Y/E Mar	FY24	FY25E	FY26E
Net sales	67,293	85,863	1,08,467
EBITDA	4,919	6,706	8,579
OPM (%)	7.3	7.8	7.9
PAT (adj.)	1,329	2,720	4,021
EPS (adj.) (Rs)	39.4	80.7	119.3
PE (x)	111.3	54.4	36.8
P/B (x)	7.2	6.3	5.4
EV/EBITDA (x)	31.4	23.1	17.9
RoE (%)	6.4	11.6	14.7
RoCE (%)	10.8	13.2	16.4
Net-D/E (x)	0.3	0.3	0.2

Shareholding Pattern (%)

	Jun'24	Mar'24	Dec'23
Promoter	39.9	40.3	40.3
- Pledged			
FII	28.4	26.0	28.3
DII	15.7	15.8	14.7
Others	16.0	17.9	16.7

Stock Performance (1-year)



Ashish Poddar
ashishpoddar@systematixgroup.in
+91 22 6704 8039

Krisha Zaveri
krishazaveri@systematixgroup.in
+91 22 6704 8023

Amber Enterprises' (AMBER) 1Q came healthy (revenue/EBITDA/PAT up 41%/49%/ 59% YoY), driven by Consumer Durables (RAC, components) and Electronics EMS segments. Strong summer season drove 50% YoY rise in RAC sales (vs. 35% growth for industry). Non–RAC components also grew by a healthy 39% YoY. Below normal AC inventory in channel and in company will drive demand from 3Q as channels start restocking. New BEE norms from 1st Jan'26 will drive sales from 3QFY26. Fully automatic washing machine (WM) will contribute fully from FY27. Given strong order book, Electronics segment is now likely to grow by 45% YoY in FY25 vs. 35% guided earlier, with ~8% EBITDA margin; PCB will be a big growth driver going forward. Railway Subsystems faced slow lifting of materials by Indian Railways and Metro; strong order book (Rs 20.75bn) and new product additions provide long-term growth visibility. Overall, AMBER aims 25% YoY revenue growth in FY25, driven by Consumer Durables and Electronics EMS segments. Despite healthy 1Q, we cut FY25 revenue/PAT estimates by 4%/2% on management guidance of flattish revenue in Railway Subsystem and maintain them for FY26. We expect 27%/32% /74% CAGR in revenue/EBITDA/PAT over FY24-26E (FY19-24: 20%/18%/7%) with ~16% RoCE in FY26E. Product portfolio expansion for new applications, backward integration and superior mix will drive revenue, margin and RoCE (19-21% RoCE by FY28, as per management; key to sustain valuation re-rating). At 37x FY26 P/E on CMP, we maintain HOLD with an unchanged TP of Rs 4,773 (40x FY26E P/E). (concall KTAs)

1Q – healthy quarter, ahead of estimates: Revenue/EBITDA/PAT grew 41%/49%/59% YoY (~10% ahead of our estimates). Revenue growth was driven by Consumer Durables (RAC, components) and Electronics EMS segments. Railway Subsystems was impacted by slow lifting of materials by Indian Railways. EBITDA margin at 8.2% (up 42bps YoY and 26bps QoQ) also stood healthy.

Consumer durables - RAC sales surged 50% YoY in 1Q; outlook healthy: Segment revenue grew 46% YoY with stable 7.4% EBITDA margin. Strong summer season drove 50% YoY rise in RAC sales (vs. 35% growth for industry). Non–RAC components also grew by a healthy 39% YoY. Below normal AC inventory in channel and in company will drive demand from 3Q as channels start restocking. New BEE norms from 1st Jan'26 will drive sales from 3QFY26. Fully automatic WM will meaningfully contribute from FY27. Exports is also a focus area, and company expects to get first order soon.

Electronics EMS – revised up FY25 revenue growth guidance to 45% from earlier 35%: Revenue grew 45% YoY on the back of strategic acquisitions (Ascent Circuit, 1Q revenue Rs 730mn, EBITDA 150mn). Given the strong order book, the segment is likely to grow by 45% YoY in FY25 vs. 35% guided earlier, with EBITDA margin of ~8%. Induction of bare PCBs has opened new avenues in segments of auto, defence, medical, energy solutions and aerospace; imposition of Anti-Dumping duty on PCBs (upto 6 layers) has fastened the process. First order from defence is in place. Tie-up with Korea Circuits will further boost PCB manufacturing and assembly capabilities.

Railway Subsystem – cut guidance to flattish revenue in FY25 vs. 20% growth earlier: 1Q revenue declined 8% YoY due to slow lifting of material by Indian Railways due to focus on producing more of non-AC coaches (temporary issue). Metro projects are also facing delays due to shortage of sub systems. Sidwal's greenfield facility is expected to commence operations by 1QFY26. Tie up with Titagarh has shortened the experience criteria (7 years) in bidding globally and has opened doors for huge growth. Strong order book (Rs 20.75bn) and new product additions provide long-term growth visibility.

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

Concall key highlights (1QFY25)

- Healthy quarter; revenue/EBITDA/PAT up 41%/49%/59% YoY

Consumer Durables division

- Strong summer season drove 50% YoY rise in RAC sales (vs. 35% growth for industry)
- Non–RAC components vertical grew by ~39% YoY with better margins
- JV for washing machines is further strengthening position in segments beyond AC

Electronics EMS division

- Revenue grew 45% YoY on the back of strategic acquisitions (Ascent Circuit, 1Q revenue Rs 730mn, EBITDA Rs 150mn); received first order for defence products
- Wearable product prices fell sharply
- Increased its share in ILJIN and EVER to 90.2% each
- **Given the strong order book, Electronics division is likely to grow by 45% YoY in FY25 vs. 35% guided earlier, with an EBITDA margin of ~8%**
- Imposition of Anti-Dumping duty on PCBs (upto 6 layers) enabled onboarding of new customers in the segment of Consumer Electronics, IT, Auto - EV, aerospace and defence

Railway Sub-systems & Mobility division

- Revenue declined 8% YoY due to slow lifting of material by Indian Railways as production is more focused on Non-AC coaches (temporary issue)
- Also, there is a delay in Metro projects due to shortage of sub systems
- **Flattish revenue likely in FY25 in this division vs. 20% growth guided earlier**
- Developmental orders for train ACs from European and US companies open global markets
- Sidwal’s new greenfield facility is expected to commence operations by 1QFY26
- Expanding wallet share in existing customers through increased components offering per coach
- Product trials of couplers, gears and pantographs under Yujin JV is expected to begin in India by 4QFY25
- Order book of Rs 20.75bn; long-term view of this division stands to be robust

Other growth levers

- Aims 25% YoY growth in consolidated revenue in FY25
- AC inventory below normal in channel and in company; to drive demand from 3Q as channels restock
- New BEE norms change from 1st Jan 2026 will likely drive demand from 3QFY26
- Exports is also a focus area; first order expected soon
- Tie up with Titagarh has shortened the experience criteria of 7 years in bidding globally and opened the door for huge growth opportunity

- Expansion of product portfolio like Tower Air conditioners, Window Top Throw Inverter Series, Tropical high efficiency split air conditioners and Cassette Air Conditioners
- Induction of bare PCBs in electronics division has opened new avenues in segments of auto, defence, medical, energy solutions and aerospace
- Strong order book and new product additions in Railway subsystems and defence provide long-term visibility on growth

Exhibit 1: Amber (Consolidated) – Quarterly results

(Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)
Revenue	**17,020**	**9,271**	**12,948**	**28,055**	**24,013**	**41**	**(14)**
Raw material costs	14,047	7,206	10,387	23,360	19,747	41	(15)
Employee costs	596	596	639	742	764	28	3
Other expenses	1,058	873	1,137	1,734	1,540	46	(11)
EBITDA	**1,319**	**596**	**785**	**2,219**	**1,962**	**49**	**(12)**
Depreciation	433	452	466	515	549	27	7
Finance costs	453	366	369	483	518	15	7
Other income	193	127	52	180	207	7	15
PBT	**627**	**(95)**	**3**	**1,402**	**1,101**	**76**	**(21)**
Tax	161	(38)	8	388	298	85	(23)
PAT (after JV share)	**456**	**(69)**	**(5)**	**947**	**724**	59	(24)
EPS (Rs)	13.5	(2.1)	(0.1)	28.1			
As % Revenue						**YoY (bps)**	**QoQ (bps)**
Gross margin	**17.5**	**22.3**	**19.8**	**16.7**	**17.8**	**30**	**103**
Employee costs	3.5	6.4	4.9	2.6	3.2	(32)	54
Other expenses	6.2	9.4	8.8	6.2	6.4	20	23
EBITDA margin	**7.8**	**6.4**	**6.1**	**7.9**	**8.2**	**42**	**26**
Depreciation	2.5	4.9	3.6	1.8	2.3	(26)	45
Finance costs	2.7	3.9	2.8	1.7	2.2	(50)	44
Other income	1.1	1.4	0.4	0.6	0.9	(27)	22
PBT	**3.7**	**(1.0)**	**0.0**	**5.0**	**4.6**	**90**	**(41)**
Effective tax rate	25.7	40.4	274.1	27.7	27.0	139	(64)
PAT	**2.7**	**(0.6)**	**(0.0)**	**3.6**	**3.3**	**61**	**(27)**
Segment Revenues						**YoY (%)**	**QoQ (%)**
Consumer Durables	13,353	5,470	9,320	22,318	19,437	46	(13)
Electronics	2,673	2,480	2,410	4,838	3,882	45	(20)
Railway Subsystems & Mobility	1,038	1,320	1,220	1,226	950	(8)	(23)
EBITDA margin (%)						**YoY (bps)**	**QoQ (bps)**
Consumer Durables	7.5	3.8	4.9	7.4	7.4	(8)	2
Electronics	4.0	5.2	5.0	6.9	8.0	396	106
Railway Subsystems & Mobility	19.7	23.5	19.7	18.1	21.6	190	350

Source: Systematix Institutional Research
** Note: Segment EBITDA margin is as per reported numbers and not adjusted for the unallocable expenses/income*

Exhibit 2: Revenue, EBITDA margin - quarterly trend

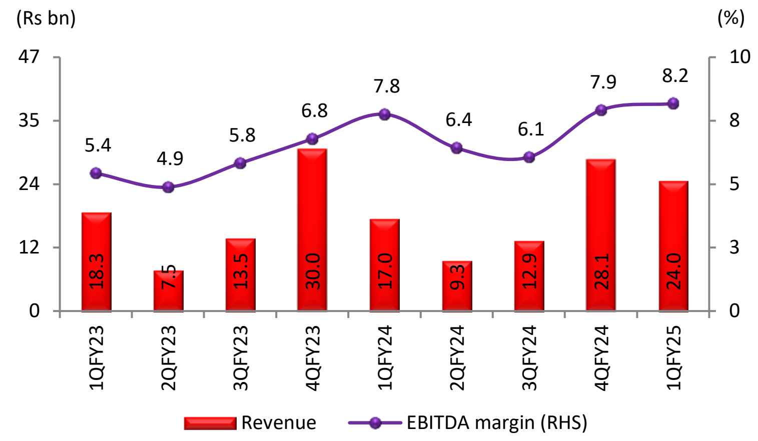


Exhibit 3: Expenses as % revenue - quarterly trend

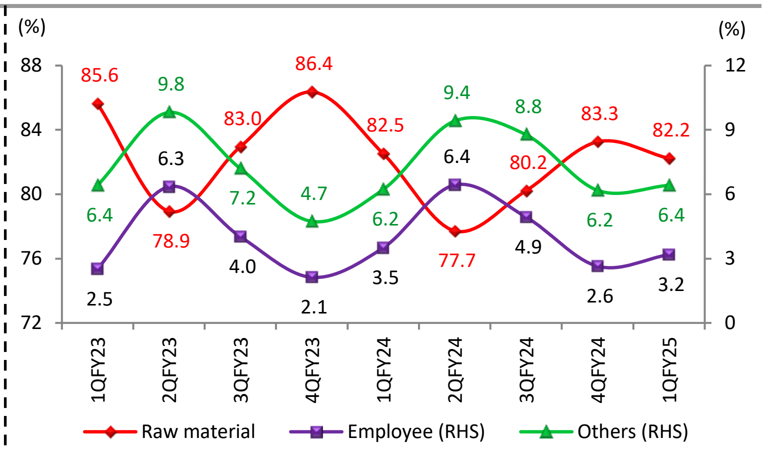


Exhibit 4: Revenue mix trend

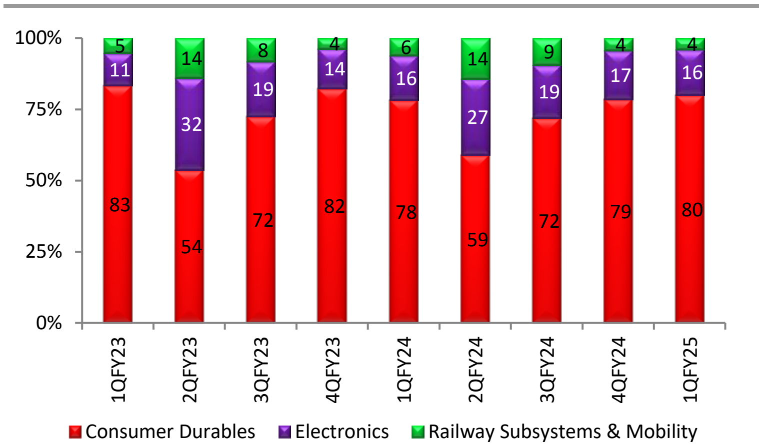


Exhibit 5: Consumer Durables – Revenue trend

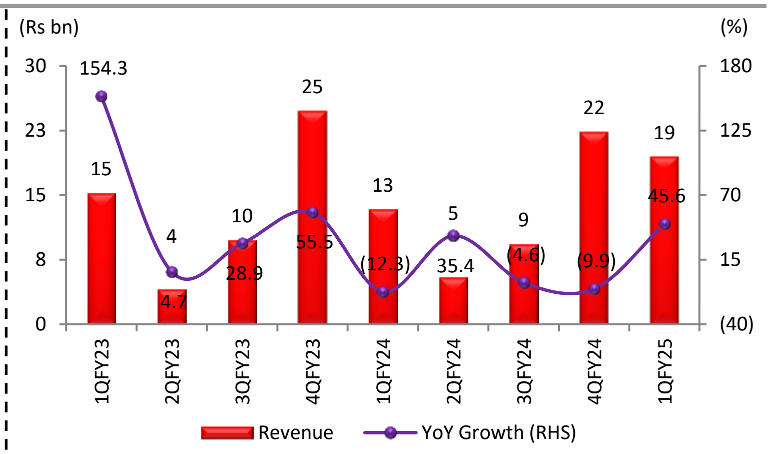


Exhibit 6: Electronics - Revenue trend

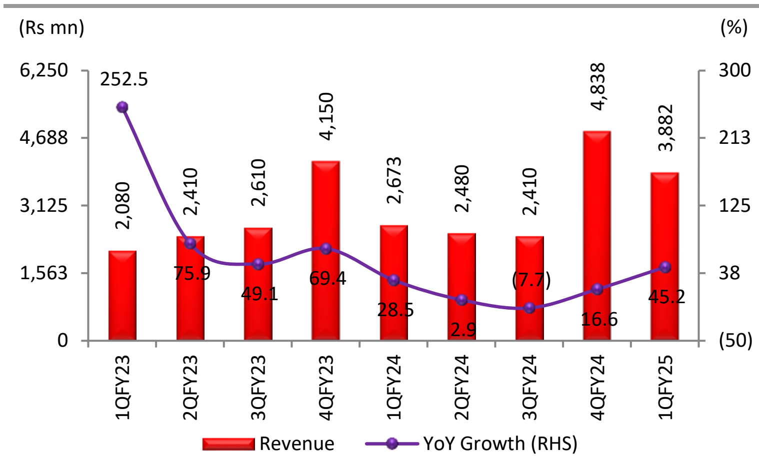
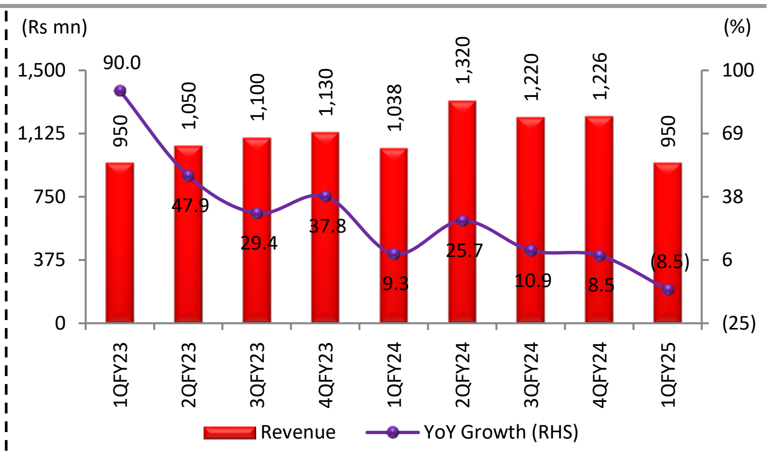


Exhibit 7: Railway Subsystems & Mobility – Revenue trend



Source: Company, Systematix Institutional Research

Exhibit 8: Revenue – annual growth trend

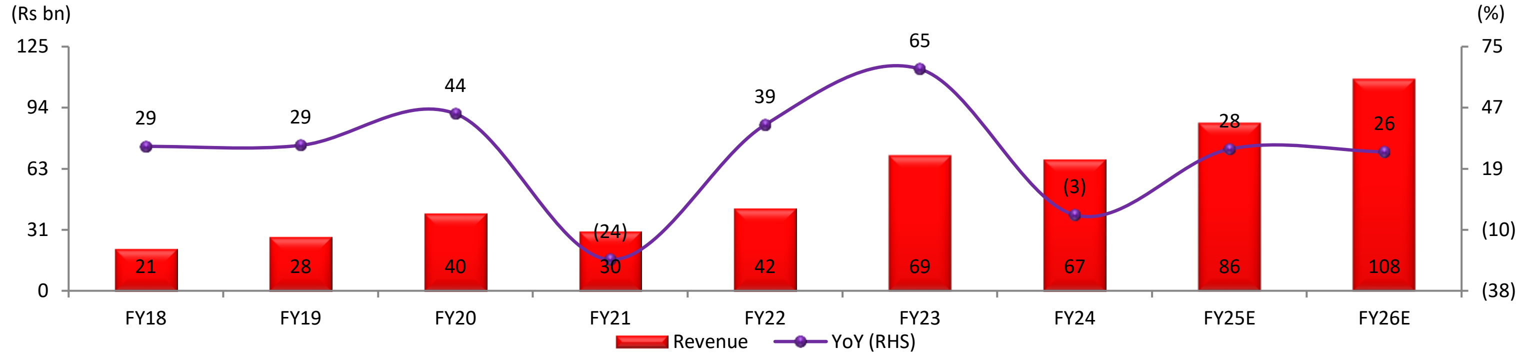
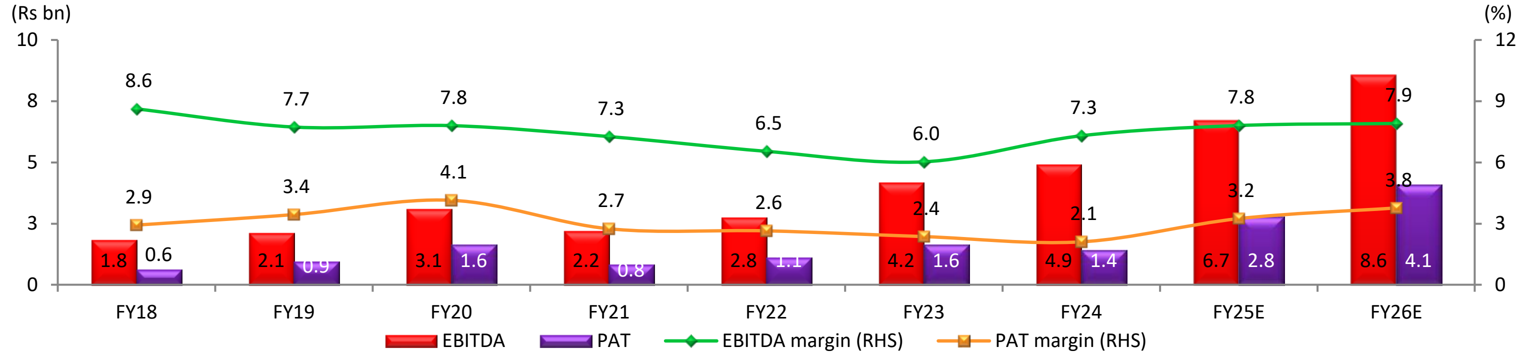
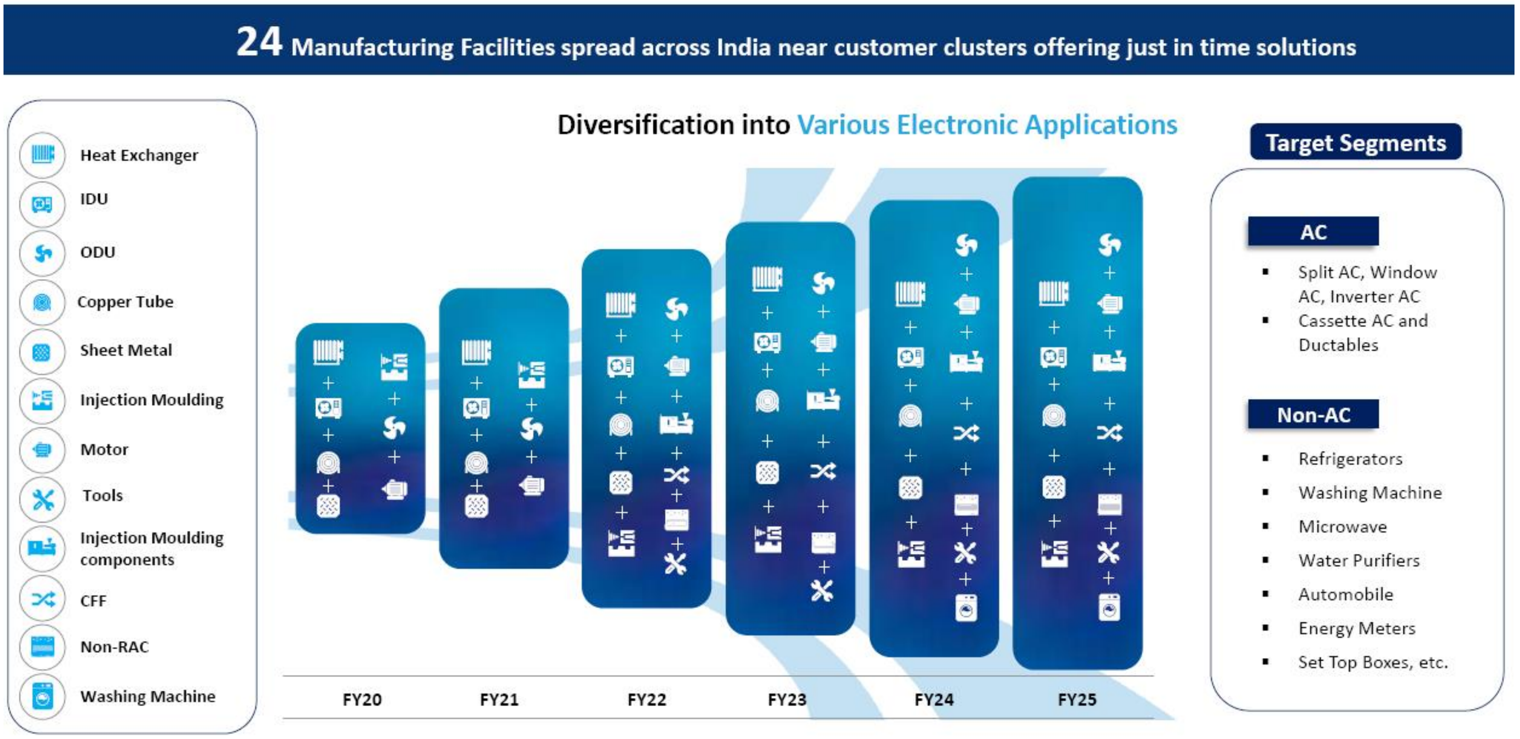


Exhibit 9: EBITDA, PAT – Annual growth, margin trend



Source: Company, Systematix Institutional Research

Exhibit 10: Consumer Durables: Product Portfolio



Source: Company PPT

Exhibit 11: Electronics: Product Portfolio

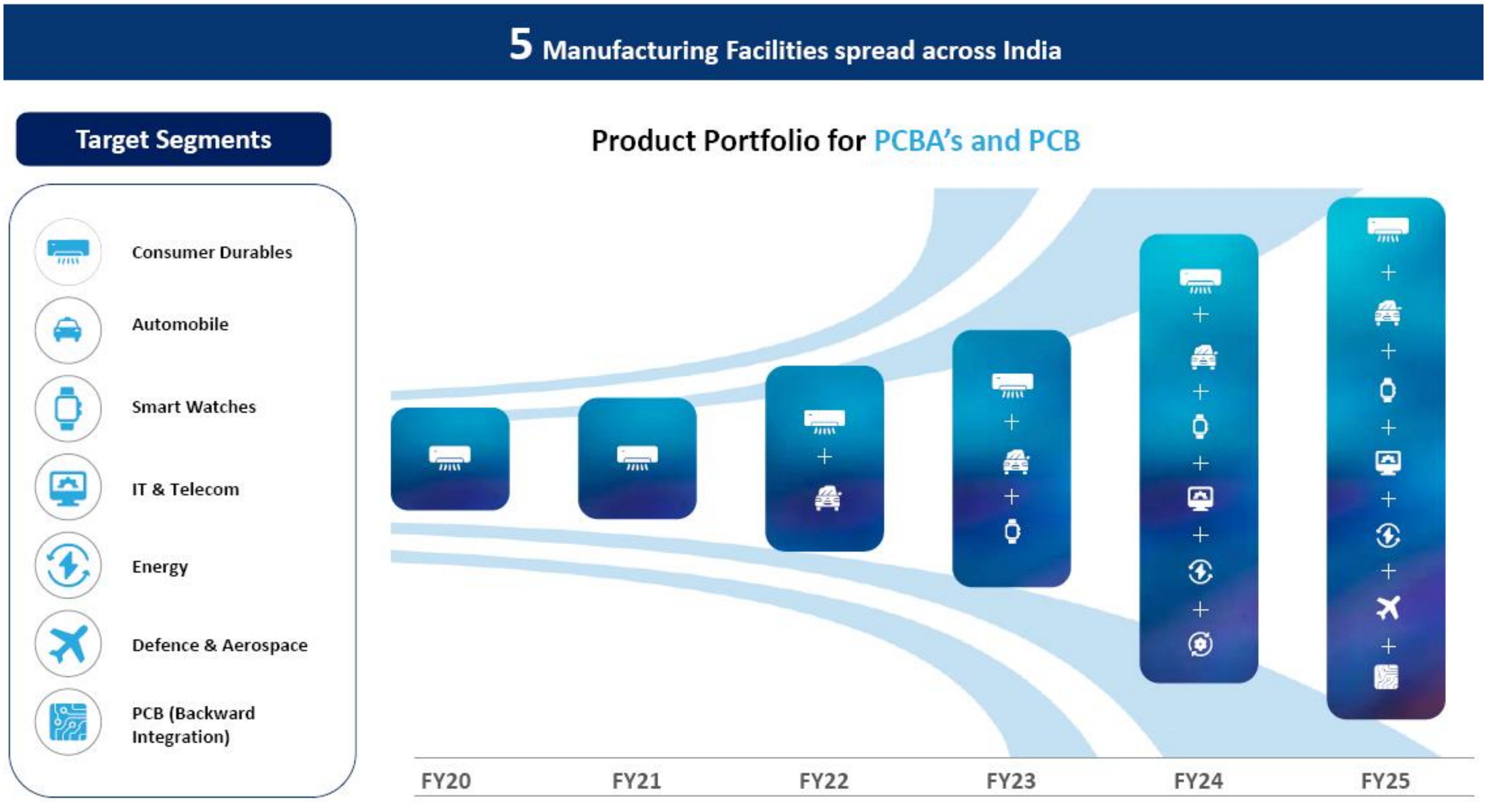
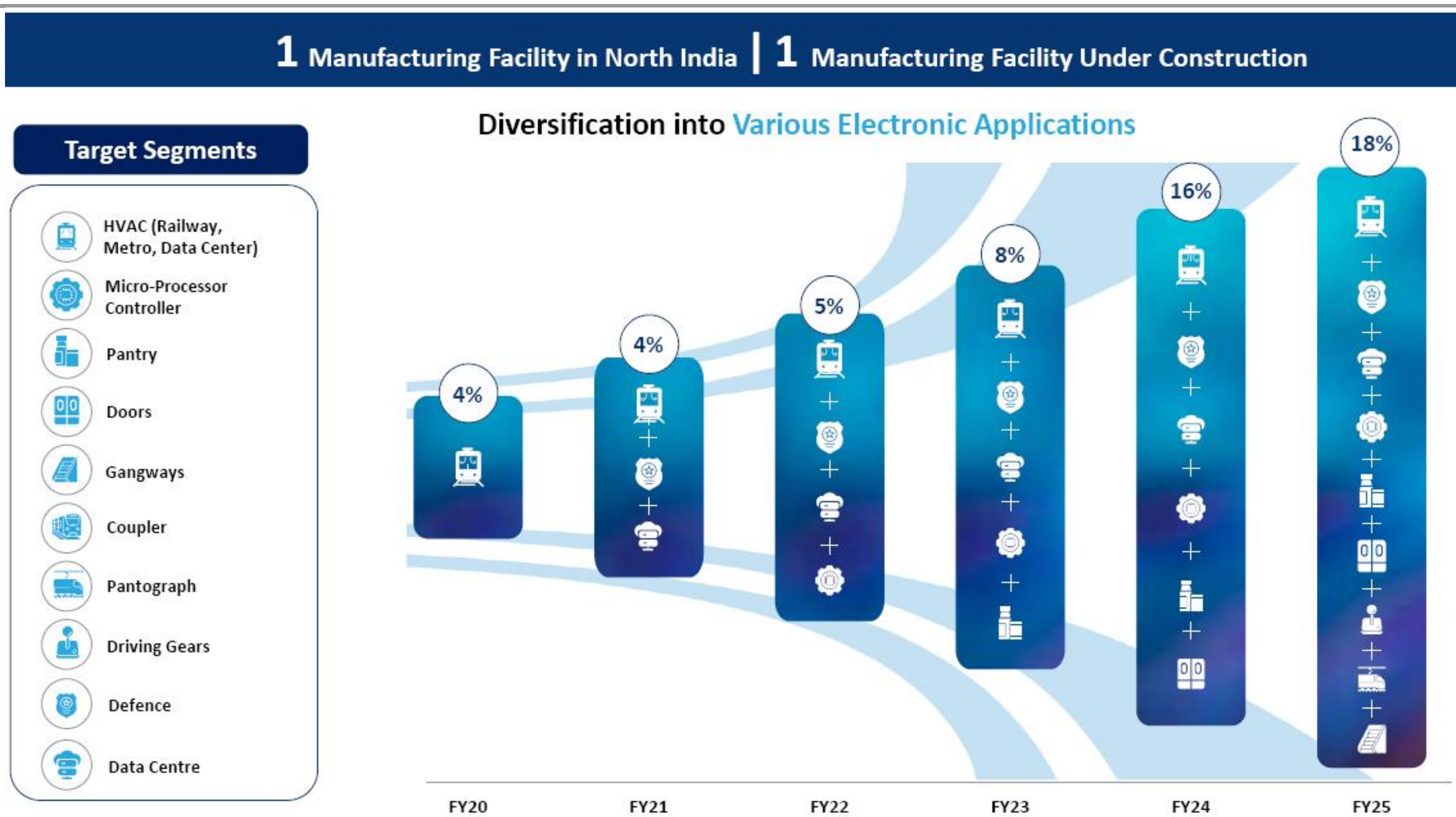


Exhibit 12: Railway Sub-systems & Mobility: Product Portfolio



Source: Company PPT

Valuation and View

AMBER is a leader in RAC manufacturing, enjoying ~30% share (20%+ share in RAC-PCBA) in the domestic market. It also commands 25%+ market share across components (except for heat exchangers) and ~40% in cross-flow fans. Since its IPO in FY18, AMBER has strengthened its backward integration in RACs, and diversified into non-consumer verticals (HVAC solutions for railways, metro, defence, bus and commercial segments). Its 25 manufacturing facilities spread across 9 states in India are strategically located close to customer locations, enabling faster turnaround. Timely capex investments have aided profitability and market-share gains in the company's respective verticals.

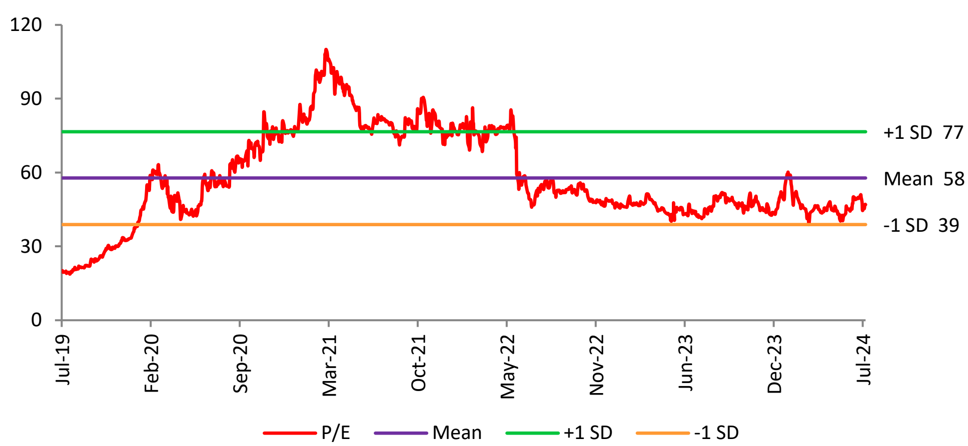
Despite healthy 1Q, we cut FY25 revenue/PAT estimates by 4%/2% on management guidance of flattish revenue in Railway Subsystem (from 20% growth earlier). However, our FY26 estimates are intact. We expect 27%/32%/74% CAGR in revenue/ EBITDA/PAT over FY24-26E (FY19-24: 20%/18%/7%) with ~16% RoCE in FY26E. Product portfolio expansion for new application will drive robust outlook; backward integration and superior mix will drive margins and RoCE. Management remains confident to achieve 19-21% RoCE by FY28 on the back of optimal sweating of assets (key to sustain valuation re-rating). At 37x FY26E P/E on CMP, we maintain HOLD with an unchanged target price of Rs 4,773 (40x FY26E P/E).

Exhibit 13: Change in estimates

(Rs mn)	Old estimates		New estimates		% Var	
	FY25	FY26	FY25	FY26	FY25	FY26
Revenue	89,185	1,08,686	85,863	1,08,467	(4)	(0)
EBITDA	6,787	8,597	6,706	8,579	(1)	-
EBITDA margin (%)	*7.6*	*7.9*	*7.8*	*7.9*		
PAT	2,774	4,021	2,720	4,021	(2)	-
EPS	82.3	119.3	80.7	119.3	(2)	-

Source: Systematix Institutional Research

Exhibit 14: P/E band – 1-year-forward and standard deviation



Source: BSE, Company, Systematix Institutional Research

Key Risks

- Weak RAC demand and its components due to unfavourable summer season
- Failure in new segment foray
- Delays in passing on the high input prices

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Net revenues	**42,064**	**69,271**	**67,293**	**85,863**	**1,08,467**
Growth (%)	*39*	*65*	*(3)*	*28*	*26*
Raw material expenses	35,297	58,678	54,999	69,919	88,327
Gross Margin (%)	*16.1*	*15.3*	*18.3*	*18.6*	*18.6*
Employee & Other exp.	4,013	6,414	7,375	9,238	11,561
EBITDA	**2,754**	**4,179**	**4,919**	**6,706**	**8,579**
EBITDA margins (%)	*6.5*	*6.0*	*7.3*	*7.8*	*7.9*
Depreciation	1,079	1,391	1,865	2,179	2,347
Other income	332	527	553	605	657
Finance costs	464	1,118	1,670	1,367	1,367
PBT	1,543	2,197	1,937	3,765	5,523
Effective tax rate (%)	*27.8*	*25.4*	*26.8*	*26.0*	*26.0*
Associates/(Minorities)	2	3	3	3	3
Net Income	**1,092**	**1,572**	**1,329**	**2,720**	**4,021**
Adjusted net income	1,092	1,572	1,329	2,720	4,021
Shares outstanding	34	34	34	34	34
FDEPS (Rs)	32.4	46.7	39.4	80.7	119.3
FDEPS growth (%)	*34*	*44*	*(15)*	*105*	*48*

Balance Sheet

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	337	337	337	337	337
Net worth	17,342	19,088	20,644	23,364	27,385
Total debt	10,318	13,437	14,332	15,832	15,832
Minority interest	387	452	518	518	518
DT Liability/ (Asset)	954	978	1,378	1,478	1,578
Capital Employed	**29,001**	**33,955**	**36,872**	**41,192**	**45,313**
Net tangible assets	10,791	17,891	20,919	21,741	22,394
Net Intangible assets	4,487	4,698	7,997	7,997	7,997
Goodwill	-	-	-	-	-
CWIP	1,056	130	243	243	243
Investments (Strategic)	-	-	1,075	1,575	2,075
Investments (Financial)	2,254	1,934	1,098	2,098	3,098
Current Assets	24,882	32,186	27,686	34,547	42,853
Cash	5,626	5,594	6,913	7,021	6,953
Current Liabilities	20,095	28,478	29,060	34,031	40,300
Working capital	4,788	3,708	(1,374)	516	2,552
Capital Deployed	**29,001**	**33,955**	**36,872**	**41,192**	**45,313**
Contingent Liabilities	24	28	-	-	-

Cash Flow

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
EBIT (incl. other income)	1,929	2,939	3,215	4,527	6,233
Non-cash items	1,079	1,391	1,865	2,179	2,347
OCF before WC changes	3,008	4,330	5,080	6,706	8,579
Incr./(decr.) in WC	62	582	(5,032)	1,891	2,036
Others including taxes	539	542	464	937	1,394
Operating cash-flow	2,407	3,206	9,648	3,878	5,149
Capex	4,077	6,535	3,977	3,000	3,000
Free cash-flow	(1,670)	(3,329)	5,671	878	2,149
Acquisitions	120	-	-	-	-
Dividend	-	-	-	-	-
Equity raised	(0)	-	-	-	-
Debt raised	6,007	3,089	454	1,500	-
Fin Investments	3,011	(1,337)	6,786	1,500	1,500
Misc. Items (CFI + CFF)	260	851	1,253	770	718
Net cash-flow	1,186	246	(1,913)	109	(69)

Ratios @ Rs 4,390

YE: Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	135.5	94.1	111.3	54.4	36.8
EV/EBITDA (x)	55.0	36.8	31.4	23.1	17.9
EV/sales (x)	3.6	2.2	2.3	1.8	1.4
P/B (x)	8.5	7.7	7.2	6.3	5.4
RoE (%)	6.3	8.2	6.4	11.6	14.7
RoCE (%)	11.1	13.3	10.8	13.2	16.4
RoIC (%)	4.6	6.0	5.7	7.5	9.0
DPS (Rs per share)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%)	-	-	-	-	-
Net debt/equity (x)	0.1	0.3	0.3	0.3	0.2
Receivables (days)	114	93	85	85	85
Inventory (days)	73	58	46	46	46
Payables (days)	148	121	118	118	118
CFO:PAT (%)	220	204	726	143	128

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
Krisha Zaveri	Consumer Durables, EMS, Building Materials, Small-Mid Caps	+91-22-6704 8023	krishazaveri@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
Vijay Jangir	FMCG	+91-22-6704 8029	vijayjangir@systematixgroup.in
Vamsi Hota	Pharmaceuticals and Healthcare	+91-22-6704 8099	vamsihota@systematixgroup.in
Yash Mehta	Capital Goods	+91-22-6704 8036	yashmehta@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
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, **Ashish Poddar, Krisha Zaveri;** hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

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

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

1. The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
8. The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
9. 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

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

STOCK RATINGS

BUY (B): The stock's total return is expected to exceed 15% over the next 12 months.
HOLD (H): The stock's total return is expected to be within -15% to +15% over the next 12 months.
SELL (S): The stock's total return is expected to give negative returns of more than 15% over the next 12 months.
NOT RATED (NR): The analyst has no recommendation on the stock under review.

INDUSTRY VIEWS

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

III. DISCLAIMER

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

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

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

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

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

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

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

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

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

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 GROUP™
Investments Re-defined

EMPOWERING INVESTORS
A SEBI Initiative

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