



TM

06 February 2025

CCL Products

Slower growth warrants caution amid steep coffee inflation

RESULT UPDATE

Sector: FMCG **Rating:** HOLD
CMP: Rs 650 **Target Price:** Rs 710

Stock Info

Sensex/Nifty	77,906/ 23,587
Bloomberg	CCLP IN
Equity shares (mn)	133
52-wk High/Low	Rs 854/551
Face value	Rs 2
M-Cap	Rs 86bn/US\$ 1.0bn
3-m Avg volume	US\$ 2.9mn

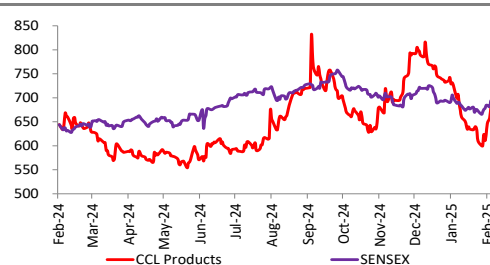
Financial Snapshot (Rs mn)

Y/E Mar	FY25E	FY26E	FY27E
Sales	30,970	38,090	44,878
PAT	2,754	3,617	4,534
EPS (Rs)	20.7	27.2	34.1
PE (x)	31.3	23.8	19.0
EV/EBITDA (x)	19.5	16.1	13.5
P/BV (x)	4.6	4.0	3.4
EV/Sales	3.3	2.7	2.3
RoE (%)	15.5	17.8	19.2
RoCE (%)	12.2	13.4	15.1
NWC (days)	153	149	145
Net gearing (x)	1.1	0.9	0.7

Shareholding Pattern (%)

	Dec 24	Sept 24	Jun 24
Promoter	46.1	46.1	46.1
-Pledged			
FII	10.1	10.2	9.8
DII	21.1	21.0	20.6
Others	22.7	22.7	23.6

Stock Performance (1-year)



Abhishek Mathur

abhishekmathur@systematixgroup.in
+91 22 6704 8059

Rajat Parab

rajatparab@systematixgroup.in
+91 22 6704 8084

Rajesh Mudaliar

rajeshmudaliar@systematixgroup.in
+91 22 6704 8084

CCL Products (CCLP) delivered 3QFY25 results below our/ consensus expectations amid persistent high inflation in coffee prices. Revenue growth of 14% YoY was led by price/mix growth of c.10% YoY, while volume growth at 3-4% YoY reflected the company's deliberate lack of aggression in trying to balance volumes vs margins. India business grew c.5.5%/23% YoY in volume/value while Vietnam was flat/+6% YoY. Management noted that clients remain "very anxious" on persistent high coffee prices, do not want to commit to long-term contracts, prefer to be short-sighted and are on wait-and-watch mode in current conditions. CCL maintains a long-term volume growth guidance of 15% (9M25 +9-10% YoY) but a cautious 10-20% near-term (vs historical volume/EBITDA growth guidance of 15-20%); the company noted that despite new coffee crop pouring into India and Vietnam markets, it does not see prices dropping (Brazil crop is heard to be good and can swing prices a bit).

EBITDA grew 12% YoY; EBITDA margin contracted 30bps YoY to 16.4%; while CCL has taken (1) price hikes of 30-40% in larger packs over past 1-1.5 years and (2) grammage cuts of 10-15% in LUPs (30-35% of sales), it flagged another 10-15% lag vs coffee costs. Management remains focused on getting more long-term, private-label, higher-margin contracts. Domestic B2C business reported revenue of Rs 1.4bn and is on track for Rs 4.3-4.4bn in FY25; branded contributed Rs 900mn, continues to grow at 50% and is on track for Rs 3bn in FY25. In India, CCL is looking to drive deeper distribution in South India, and will expand selectively in non-South markets, leveraging e/q-commerce and modern trade (together c.45% of sales now) to grow faster here. The new Vietnam FDC plant (6k TPA) will be commissioned in the current quarter; CCL indicated there are no further capacities planned for the next 3 years. The company plans to enter new geographies in Far-East Asia (like China) for business expansion, and will also continue to innovate products and gain market share in specialty coffee in its quest for growth. Gross debt increased to Rs 20bn, but CCL feels it would not go beyond Rs 22bn even if coffee remains elevated. PAT was flat YoY.

Views and valuation: While there is some uncertainty on near-term volume growth, the ramp-up in recently commissioned India SDC (at c.30% utilization now) and upcoming Vietnam FDC capacity should drive strong growth in FY26E, by when we expect some softness in coffee prices, which should drive an uptick in long term contracts. Margins should sustain around current levels of Rs 100/kg and start improving over FY26E-FY7E with higher contribution from FDC, small packs and specialty coffee. Cash flows will likely remain pressured near-term given higher working capital requirements (led by coffee inflation).

We lower our FY25-FY27E revenue estimates by 4% and change EPS estimates by +3%/flat/-1% respectively; we build volume/ revenue/ EBITDA/ PAT CAGR of 14%/19%/19%/22% over FY24-FY27E. We maintain our HOLD rating; we roll forward valuation to December-2026 (from September-2026) and value the stock on P/E of 22x (at a discount to the past 5-year average multiple to factor in the current downcycle amid tough market conditions). We arrive at a revised TP of Rs 710 (vs Rs 770 earlier). Revival of long-term contracts, timely ramp-up of the new projects, coffee price trajectory, and long/short-term debt trends remain the key monitorables going ahead.

Consolidated revenue growth of 14.1%: Company reported 14.1% revenue growth led by ~3-4% volume growth. Growth was supported by pricing & mix. Management indicated that clients don't want to commit on long term contract and are being very short sighted. Management is also not aggressively chasing volume growth, trying to balance between volume and margins. Vietnam revenue grew 6% YoY whereas India business grew 23%. Management has guided for a long-term guidance of 15% volume growth. New coffee crop is pouring in India and Vietnam, but management doesn't anticipate softening in coffee prices. The standalone business grew 23% YoY, with EBITDA margin down 93bps to 11.8%. Subsidiaries registered 6% YoY growth, with EBITDA margin expanding 106bps to 21.6%. Management expects the domestic business to continue growing at a faster rate. Domestic business delivered Rs 3.3bn for 9MFY25 and is on track to achieve Rs4.3 – Rs4.4bn by FY25. Within domestic business - Branded grew 50% YoY with Rs 2.2bn for 9MFY25 and expected to reach Rs 3bn by FY25. Continental brand enjoys strong position in South Indian market and reaching direct distribution of 1,20,000 outlets in GT, 3,500 Modern trade and covering 90% of dark store in quick commerce. Quick commerce, e-commerce and MT are growing at faster rate than GT for branded business. South Indian market contribution to sales has come down from 80-85% to 65-70% in last years. We estimate 14.1% volume and 19.1% revenue CAGR over FY24-27E, respectively, with upcoming capacities getting optimally utilized over a 3-year period.

We expect CCL to control more than 10% of global outsourced instant coffee capacity and become double the size of its closest private label competitor in 3-4 years from now. We estimate the domestic business should sustain 35-40% CAGR during this period, led by increasing retail reach in non-South markets and entry into new product categories.

EBITDA grew 12%: EBITDA grew 12% YoY, higher than the volume growth of 3.5%, indicating an improvement in EBITDA/kg on account of execution of higher margin orders and a better mix. During the current quarter, the higher contribution of small packs and short-term orders also helped in driving an improvement in EBITDA margin. Higher sales of value-added coffee variants, higher share of small packs in the overall mix in addition to higher volumes of FDC from FY26 onwards should aid some margin expansion. Given the current coffee price volatility, we expect EBITDA margins to remain at c.16% while EBITDA/kg to remain stable around Rs 100/kg in the near-term; improvement should be visible from FY26E-FY27E once the new FDC plant ramps-up contributing meaningfully to volumes.

Debt position: As at end-December 2024, gross debt roughly stood at Rs 20bn, out of which 8bn is long term debt and the rest Rs 12bn is working capital debt. Working capital will increase accordingly with an increase in volume growth albeit the long-term debt will start coming down post commencement of repayment. CCL plans to repay Rs 1-1.5bn annually and in-turn reduce the interest cost in mid-term. CCLP's FDC project in Vietnam is on schedule and should start commercial operations in 4QFY25. CCLP's total capacity will increase from 71,000mt to 77,000mt after addition of 6000mt FDC facility (Vietnam).

Exhibit 1: Quarterly performance

YE March (Rs mn)	Q3FY25	Q3FY24	Q2FY25	YoY (%)	QoQ (%)
Net Revenues	7,584	6,645	7,382	14.1	2.7
Cost of materials	4,540	3,909	4,446	16.1	2.1
(% of sales)	59.9	58.8	60.2		
Employee cost	442	359	403	23.1	9.6
(% of sales)	9.7	9.2	9.1		
Others	1,358	1,268	1,162	7.1	16.9
(% of sales)	17.9	19.1	15.7		
EBITDA	1,244	1,109	1,371	12.2	(9.2)
EBITDA margin (%)	16.4	16.7	18.6		
Other income	28	11	5	145.0	409.3
PBIDT	1,272	1,121	1,376	13.5	(7.6)
Depreciation	248	222	237	11.8	4.6
Interest	305	232	266	31.7	14.8
PBT	719	667	873	7.8	(17.7)
Tax	88	34	134	159.2	(33.8)
ETR (%)	12.3	5.1	15.3		
Adjusted PAT	630	633	740	(0.4)	(14.8)
PATAMI margin (%)	8.3	9.5	10.0		
Extraordinary income/ (exp.)	-	-	-		
Reported PAT	630	633	740	(0.4)	(14.8)
No. of shares (mn)	133	133	133		
Adj EPS (Rs)	4.7	4.8	5.6		

Source: Company, Systematix Institutional Research

Exhibit 2: Change in Estimates

(Rs mn)	New estimates			Old estimates			Variance		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	30,970	38,090	44,878	32,219	39,425	46,630	-4%	-3%	-4%
EBITDA	5,263	6,394	7,566	5,235	6,337	7,491	1%	1%	1%
Margin %	17.0%	16.8%	16.9%	16.2%	16.1%	16.1%			
EPS	20.7	27.2	34.1	20.1	27.0	34.2	3%	0%	-1%

Source: Company, Systematix Institutional Research

Exhibit 3: Consolidated financial summary

Y/E March (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	5,353	5,201	6,549	6,076	6,645	7,267	7,733	7,382	7,584
YoY growth	26.5%	38.2%	28.6%	19.9%	24.1%	39.7%	18.1%	21.5%	14.1%
Gross margin	2,340	2,709	2,605	2,549	2,736	3,126	2,944	2,936	3,044
Gross margin (%)	43.7%	52.1%	39.8%	42.0%	41.2%	43.0%	38.1%	39.8%	40.1%
EBITDA	1,007	1,131	1,063	1,099	1,109	1,181	1,303	1,371	1,244
EBITDA margin	18.8%	21.7%	16.2%	18.1%	16.7%	16.3%	16.8%	18.6%	16.4%
PAT	731	853	607	609	633	652	715	740	630
YoY growth	25.0%	61.8%	15.1%	5.3%	-13.4%	-23.5%	17.7%	21.5%	-0.4%

Source: Company, Systematix Institutional Research

Exhibit 4: Standalone financial summary

Y/E March (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	3,502	3,166	3,720	3,520	3,269	4,052	4,316	4,369	4,016
YoY growth	34.4%	42.4%	11.4%	5.2%	-6.7%	28.0%	16.0%	24.1%	22.8%
Gross margin	1,417	1,675	1,745	1,662	1,662	1,973	1,864	1,866	1,655
Gross margin (%)	40.5%	52.9%	46.9%	47.2%	50.8%	48.7%	43.2%	42.7%	41.2%
EBITDA	459	661	569	600	415	531	654	691	473
EBITDA margin	13.1%	20.9%	15.3%	17.1%	12.7%	13.1%	15.1%	15.8%	11.8%
PAT	674	429	279	312	161	201	251	276	94
YoY growth	313.0%	-34.7%	-9.2%	15.8%	-76.1%	-53.2%	-10.0%	-11.3%	-41.9%

Source: Company, Systematix Institutional Research

Exhibit 5: Subsidiaries' financial summary – Vietnam, India branded and Switzerland

Y/E March (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	1,851	2,034	2,829	2,556	3,375	3,215	3,417	3,013	3,568
YoY growth	14.0%	32.3%	61.3%	48.6%	82.4%	58.0%	20.8%	17.9%	5.7%
Gross margin	924	1,034	860	887	1,075	1,153	1,079	1,070	1,390
Gross margin (%)	49.9%	50.8%	30.4%	34.7%	31.8%	35.9%	31.6%	35.5%	38.9%
EBITDA	549	470	494	499	694	651	649	680	771
EBITDA margin	29.6%	23.1%	17.5%	19.5%	20.6%	20.2%	19.0%	22.6%	21.6%
PAT	57	424	328	297	472	451	463	463	537
YoY growth	-86.5%	-427.8%	49.2%	-3.8%	731.5%	6.4%	41.3%	56.0%	13.8%

Source: Company, Systematix Institutional Research

Concall Key takeaways:**Demand trends**

- 3Q25 volume growth was 3-4% YoY (implying price/mix +10% YoY); India +5-6% YoY, Vietnam flat YoY; YTD volume +9-10% YoY
- Company maintains long-term guidance of 15% volume growth; currently CCL is deliberately not being aggressive in chasing volume growth, trying to balance volumes vs margins
- New coffee crop is pouring in in India and Vietnam, but CCL does not see coffee prices dropping; Brazil crop is heard to be good, can bring some swing in prices
- Clients remain very anxious, don't want to commit to long-term contracts, are being short-sighted in current conditions and are on wait-n-watch mode
- Supply chain headwinds continue to pose challenges amid volatile green coffee prices

Pricing & margins

- Co took 30-40% price hikes in larger packs over past 1-1.5 yrs, 10-15% grammage cuts in LUPs (30-35% of sales), another 10-15% lag vs coffee costs remains; CCL will watch how mkt leaders proceed on pricing and then respond
- CCL is focusing on getting more long-term contracts, more private-label, high-margin clients (resulted in YTD EBITDA growth of 20%)

Expansion updates

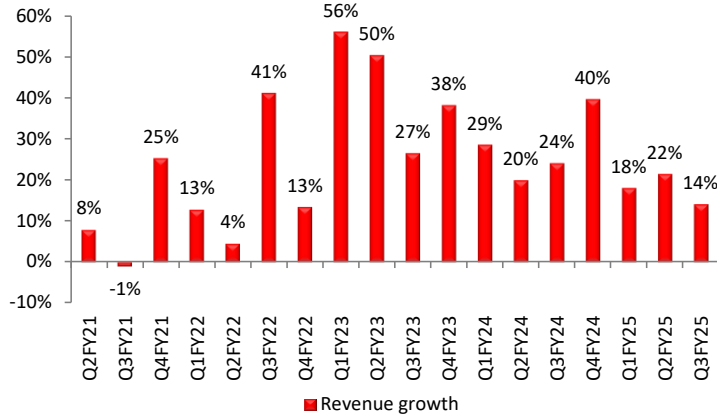
- Vietnam new FDC capacity (6k TPA) to be commissioned in current quarter 4Q
- CCL plans to enter Far East Asia and other geographies for growth (mentioned China in 2Q call). Will also do product innovations and try to gain mkt share in specialty coffee
- No capacity expansion/ capex is expected for next 3 yrs.

Working capital and debt

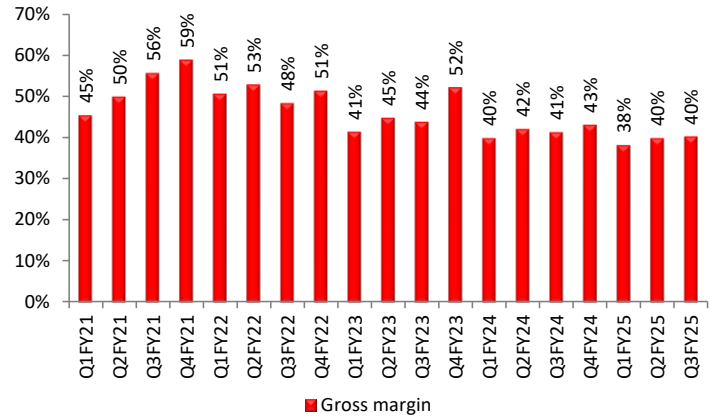
- Working capital remains elevated at Rs 12bn end-Dec due to high coffee prices.
- CCL does not see peak WC+LT debt going beyond Rs 22bn even if coffee prices remain at elevated levels
- Long-term debt is at Rs 8bn, total debt is Rs 20bn; the company expects to repay Rs 1.5-2bn every year

Domestic B2C/branded business

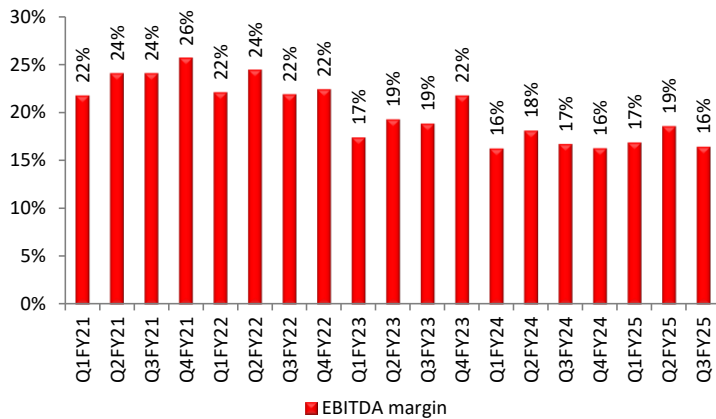
- Domestic B2C business sales growing at 40% YoY, now Rs 3.3bn over 9M25, on track for Rs 4.3-4.4bn for FY25
- Branded business growing at 50% YoY, now Rs 2.2bn over 9M25, on track for Rs 3bn for FY25
- GT makes up c.55% of sales, modern trade (MT) 25%, E/Qcomm 20%. MT/E/Qcomm will increase going forward on faster growth (E/Qcomm growing fastest, then MT, then GT)
- South markets contribute 65-70% sales (vs 80-85% 2 yrs back); Company will continue to expand distribution here
- CCL is expanding distribution selectively in other zones, setting up distribution network in large markets, is leveraging E/Qcomm and MT in North, West and East to grow faster here. CCL is a stronger no.3 player in MT/E/Qcomm vs in General trade.
- Currently reaching 120k outlets directly in GT, 3500 in MT. In QComm products are in 90% of dark stores

Exhibit 6: Revenue growth driven by 3.5% volume growth

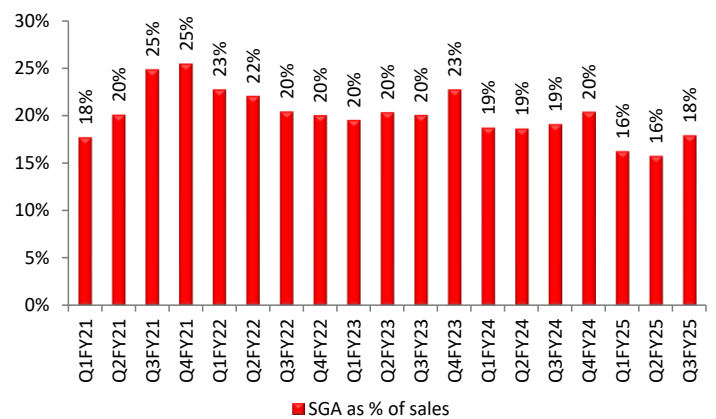
Source: Company, Systematic Institutional Research

Exhibit 7: Gross margin down 104bps YoY

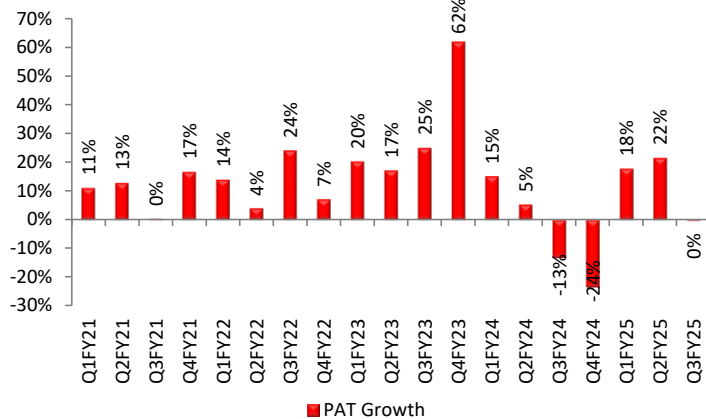
Source: Company, Systematic Institutional Research

Exhibit 8: EBITDA margin down 29bps YoY given controlled spends

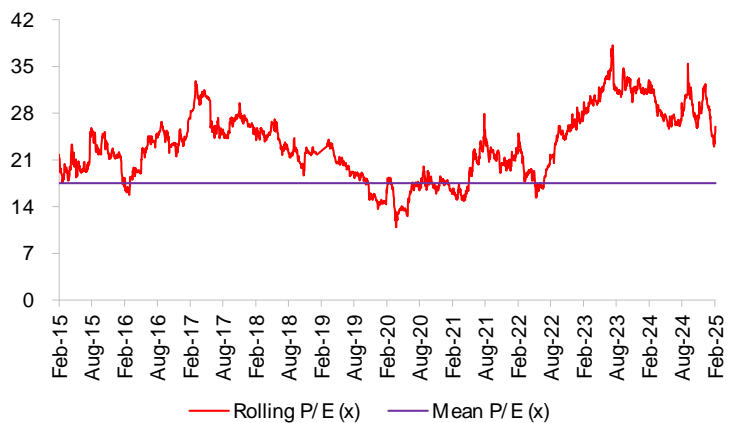
Source: Company, Systematic Institutional Research

Exhibit 9: SGA expenses down 118bps YoY

Source: Company, Systematic Institutional Research

Exhibit 10: PAT grew flat YoY

Source: Company, Systematic Institutional Research

Exhibit 11: CCLP trades at 26x one-year forward P/E

Source: Company, Systematic Institutional Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	20,712	26,537	30,970	38,090	44,878
Gross profit	9,416	11,017	12,312	15,010	17,764
GP margin (%)	45.5%	41.5%	39.8%	39.4%	39.6%
Operating profit	3,999	4,453	5,263	6,394	7,566
OP margin (%)	19.3%	16.8%	17.0%	16.8%	16.9%
Depreciation	637	977	974	1,163	1,312
EBIT	3,361	3,476	4,290	5,231	6,254
Interest expense	344	777	1,110	1,035	980
Other income	33	63	76	83	92
Profit before tax	3,050	2,762	3,256	4,280	5,366
Taxes	210	262	501	663	832
Tax rate (%)	6.9%	9.5%	15.4%	15.5%	15.5%
Adj. PAT	2,840	2,501	2,754	3,617	4,534
Exceptional loss	-	-	-	-	-
Net profit	2,840	2,501	2,754	3,617	4,534
EPS	21.3	18.8	20.7	27.2	34.1

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Equity capital	266	266	266	266	266
Reserves	14,556	16,472	18,561	21,446	25,249
Debt	9,161	16,208	19,813	18,813	17,813
Deferred tax liab (net)	727	620	620	620	620
Other non current liabilities	50	43	47	52	57
Total liabilities	24,760	33,609	39,307	41,197	44,005
Fixed Asset	13,110	17,526	19,552	19,889	20,077
Investments	0	0	0	0	0
Other Non-current Assets	388	451	496	545	600
Inventories	5,783	7,884	9,503	11,271	12,787
Sundry debtors	4,414	4,968	4,243	5,218	6,148
Cash & equivalents	834	1,698	3,403	2,188	2,173
Loans and Advances	1,441	2,860	3,818	4,174	4,672
Sundry creditors	738	997	764	939	1,107
Other current liabilities	471	781	944	1,149	1,346
Total Assets	24,760	33,609	39,307	41,197	44,005

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBIT	3,394	3,540	4,365	5,315	6,346
Depreciation	637	977	974	1,163	1,312
Tax paid	(210)	(262)	(501)	(663)	(832)
Working capital Δ	(2,888)	(3,506)	(1,921)	(2,718)	(2,581)
Other operating items	-	-	-	-	-
Operating cashflow	933	749	2,916	3,096	4,246
Capital expenditure	(3,324)	(5,393)	(3,000)	(1,500)	(1,500)
Free cash flow	(2,392)	(4,644)	(84)	1,596	2,746
Equity raised	141	14	-	-	0
Investments	-	-	-	-	-
Debt financing/disposal	3,552	7,047	3,604	(1,000)	(1,000)
Interest Paid	(344)	(777)	(1,110)	(1,035)	(980)
Dividends paid	(665)	(599)	(665)	(732)	(732)
Other items	(20)	(178)	(41)	(45)	(49)
Net Δ in cash	272	864	1,705	(1,215)	(15)

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY23	FY24	FY25E	FY26E	FY27E
Revenue growth (%)	41.7	28.1	16.7	23.0	17.8
Op profit growth (%)	20.8	11.4	18.2	21.5	18.3
Net profit growth (%)	39.0	-11.9	10.1	31.3	25.4
OPM (%)	19.3	16.8	17.0	16.8	16.9
Net profit margin (%)	13.7	9.4	8.9	9.5	10.1
RoCE (%)	16.1	12.4	12.2	13.4	15.1
RoNW (%)	20.8	15.8	15.5	17.8	19.2
EPS (Rs)	21.3	18.8	20.7	27.2	34.1
DPS (Rs)	5.0	4.5	5.0	5.5	5.5
BVPS (Rs)	111.4	125.8	141.5	163.2	191.8
Debtor days	78	68	50	50	50
Inventory days	102	108	112	108	104
Creditor days	13	14	9	9	9
P/E (x)	30.5	34.6	31.4	23.9	19.1
P/B (x)	5.8	5.2	4.6	4.0	3.4
EV/EBITDA (x)	23.7	22.7	19.5	16.1	13.5

Source: Company, Systematix Institutional Research

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Abhishek Mathur, Rajat Parab, Rajesh Mudaliar**; hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

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

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