



TM

## Prince Pipes & Fittings

17 May 2024

### RESULT UPDATE

Sector: Plastic Pipes Rating: HOLD

CMP: Rs 660 Target Price: Rs 723

#### Stock Info

Sensex/Nifty	73,663/22,403
Bloomberg	PRINCIPI IN
Equity shares (mn)	110.6
52-wk High/Low	757/525
Face value	Rs 10
M-Cap	Rs 73bn/ USD 877mn
3-m Avg turnover	USD 1.2mn

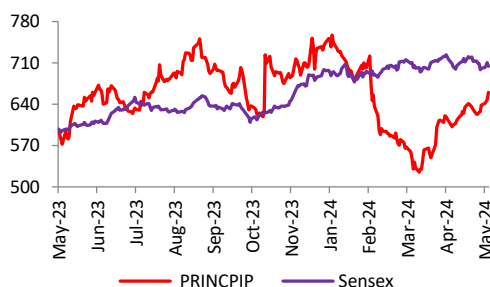
#### Financial Snapshot (Rs mn)

Y/E Mar	FY24	FY25E	FY26E
Net sales	25,687	29,682	35,503
EBITDA	3,074	3,986	5,126
OPM (%)	12.0	13.4	14.4
PAT (adj.)	1,825	2,255	3,073
EPS (adj.) (Rs)	17	20	28
PE (x)	40.0	32.4	23.7
P/B (x)	4.7	4.2	3.6
EV/EBITDA (x)	23.7	18.2	13.8
RoE (%)	11.8	12.9	15.2
RoCE (%)	14.9	17.4	20.7
Net-D/E (x)	(0.0)	(0.0)	(0.1)

#### Shareholding Pattern (%)

	Mar'24	Dec'23	Sep'23
Promoter	60.9	60.9	60.9
- Pledged			
FII	5.2	5.7	5.0
DII	18.5	18.4	18.6
Others	15.4	14.9	15.5

#### Stock Performance (1-year)



### Market share gain and healthy margins are keys to re-rating

Prince Pipes' (PRINCIPI) 4Q (pipe volume up 16% YoY; EBITDA margin 12.5% and Rs 18.2 /kg) came broadly inline with our estimates. Volume growth was driven by all the three verticals and key polymers (PVC, CPVC). High receivables was due to demand surge in Mar'24 (should normalize in 1-2 quarters). Pipe volume grew 10% YoY in FY24 (likely maintained market-share). PRINCIPI is now competitive across segment and geography after price rationalization measures. Active efforts in solidifying channel network, strengthening brand equity, and new product launches should drive market share gain FY25 onwards (by outgrowing 15% industry growth). Focus remains on to reduce WC cycle. Pan India manufacturing presence, after Bihar plant is operational in 4QFY25, will also drive volume and margins. TAM for PRINCIPI has expanded to ~Rs. 600bn spread over pipes, water tanks and bathware. Aquel acquisition will drive robust growth in the bathware segment. We increase FY26E earnings by 6% owing to higher volume growth and margin expectations. We now estimate 18%/29%/30% CAGR in revenue/EBITDA/PAT over FY24-26E, on healthy volume (16% CAGR) and margin expansion, resulting in improving OCF and RoCE (~21%). At ~24x FY26E P/E on CMP, we maintain HOLD rating with a revised target price of Rs 723 (26x FY26E P/E, earlier Rs 679 at 26x). Strong volumes/margins are keys for a re-rating. ([concall KTAs](#))

**4Q - broadly inline; pipe volume up 16% YoY, EBITDA (12.5% margin, Rs 18.2 /kg):** Consol. revenue declined 3% YoY. A 16% YoY volume growth was driven by all the three verticals and key polymers (PVC, CPVC). High receivables were due to demand surge in Mar'24 (should normalize in 1-2 quarters). Channel financing (all non-recourse) utilized Rs 1bn of Rs 1.5bn sanctioned limit. Focus on distribution expansion and A&P (FY24 at Rs 540mn) continued.

**Aims to gain market share by growing at faster than 15% industry growth:** Pipe volume grew 10% YoY in FY24 (likely maintained market-share). Active efforts in solidifying channel network, strengthening brand equity, and new product launches should drive market share gains FY25 onward. PRINCIPI is now competitive across segment and geography after price rationalization measures. Focus remains on reducing WC cycle. Pan India manufacturing presence, after Bihar plant is operational in 4QFY25, will also drive volume and margins. TAM for PRINCIPI has expanded to ~Rs. 600bn spread over pipes, water tanks and bathware. CPVC raw material prices expected to be subdued due to local capacity available.

**Aquel acquisition to drive bathware results:** Bathware revenue stood at ~Rs 40mn (FY24 total operational cost ~Rs 100mn). After expansion in the key Tier-2 and 3 markets of West and Northern India; the company plans to launch in East and South market in 1HFY25. To boost the segment faster, PRINCIPI agreed to acquire Aquel's plant located in Bhuj, Gujarat for Rs 550mn and aims Rs 1.2bn revenue in few years. It showcased *Aquel by Prince* brand at Plumbex India 2024.

**Bihar greenfield plant capex on track to start production in 4QFY25:** FY24 capex included land acquisition for the Bihar plant (Rs 280mn), corporate office (370mn), Aquel acquisition (120mn) and ERP (80mn). FY25E capex is pegged at ~Rs 2bn (~Rs 0.8-1bn regular capex + Bihar plant). Phase-1 of the Bihar plant (~Rs 800mn already invested out of Rs 2bn total) is likely to be operational by 4QFY25 with 48kt pipes & fittings capacity.

Ashish Poddar

ashishpoddar@systematixgroup.in  
+91 22 6704 8039

Mahek Shah

mahekshah@systematixgroup.in  
+91 22 6704 8040

## Concall key highlights (4QFY24)

### 4Q & FY24 key highlights

- Broadly inline 4Q; pipe volume up 16% YoY, EBITDA (12.5% margin, Rs 18.2 /kg)
- 4Q volume driven by all three verticals and key polymers (PVC, CPVC)
- High receivables was due to demand surge in 4Q, should normalize in 1-2 quarters
- Channel financing: utilized Rs 1bn of Rs 1.5bn sanctioned limit; all non-recourse
- Bathware: 4Q revenue ~Rs 40mn (FY24 total operational cost ~100mn)
- FY24 A&P spend at Rs 540mn

### Business development & Outlook

- FY24 pipe volume up 10% (likely maintained market-share)
- Aims to catch up on volume and gain market share by growing at faster than 15% industry growth
- Active efforts in solidifying channel network, strengthening brand equity, and new product launches should help
- Price correction done in 4Q; now competitive across segment and geography
- Focus remains on reducing WC cycle (100% channel finance on non-recourse basis)
- Pan India manufacturing presence once Bihar plant becomes operational
- Bihar plant will cater to demand in the fast-growing East India
- TAM expands to ~Rs. 600bn, spread over Pipes, Water Tanks and Bathware
- CPVC raw material prices to be subdued due to local capacity available

### Aquel acquisition

- Acquired the bathware brand Aquel's plant located in Bhuj, Gujarat for Rs 550mn
- *Aquel by Prince* brand was showcased at Plumbex India 2024
- Continue to penetrate key Tier-2 and 3 markets across West and Northern India
- Plans to launch in East and South market in 1HFY25
- Aims Rs 1.2bn revenue

### Capex

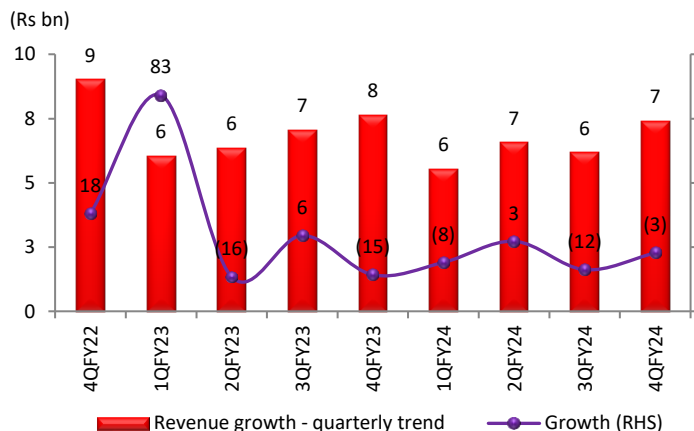
- FY24 capex includes Bihar plant land acquisition (Rs 280mn), Corporate office (370mn), Aquel (120mn), ERP (80mn)
- FY25E capex pegged at ~Rs 2bn (~Rs 0.8-1bn regular capex + Bihar greenfield plant)
- Bihar Begusarai plant phase-1 to be operational by 4QFY25 with 48kt pipes & fittings capacity
- ~Rs 800mn spent in FY24 on land and civil structure in Bihar

## Exhibit 1: Prince Pipes &amp; Fittings – quarterly performance

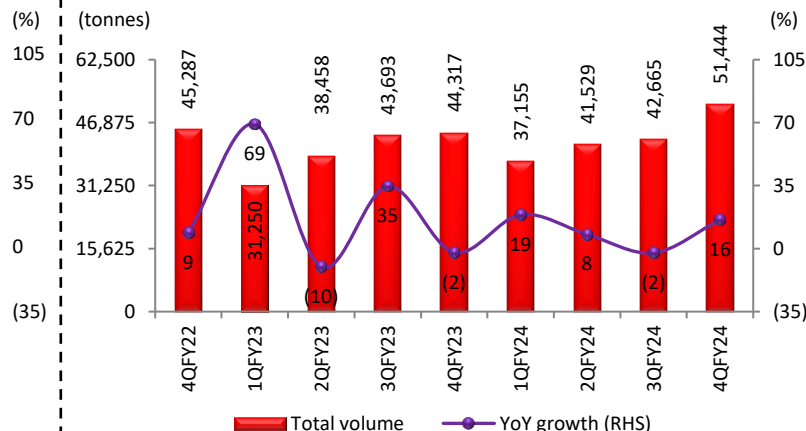
(Rs mn)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY24	FY23	YoY (%)
<b>P&amp;L</b>										
<b>Revenue</b>	<b>7,644</b>	<b>5,536</b>	<b>6,565</b>	<b>6,186</b>	<b>7,401</b>	<b>(3)</b>	<b>20</b>	<b>25,687</b>	<b>27,109</b>	<b>(5)</b>
Raw material costs	5,121	4,142	4,511	4,316	5,224	2	21	18,193	20,922	(13)
Employee costs	309	320	405	373	379	23	2	1,477	1,161	27
Other expenses	731	620	707	741	876	20	18	2,943	2,523	17
<b>EBITDA</b>	<b>1,483</b>	<b>453</b>	<b>942</b>	<b>757</b>	<b>923</b>	<b>(38)</b>	<b>22</b>	<b>3,074</b>	<b>2,503</b>	<b>23</b>
Depreciation	211	218	225	229	239	13	4	912	830	10
Finance costs	28	17	7	27	14	(52)	(50)	65	110	(41)
Other income	34	38	40	30	53	56	77	161	86	88
Exceptional gain/ (loss)	-	-	179	-	-			179	-	
<b>PBT</b>	<b>1,278</b>	<b>256</b>	<b>928</b>	<b>530</b>	<b>723</b>	<b>(43)</b>	<b>36</b>	<b>2,438</b>	<b>1,648</b>	<b>48</b>
Tax	337	59	222	154	177	(48)	15	612	434	41
<b>PAT</b>	<b>941</b>	<b>196</b>	<b>706</b>	<b>376</b>	<b>546</b>	<b>(42)</b>	<b>45</b>	<b>1,825</b>	<b>1,214</b>	<b>50</b>
EPS (Rs)	8.5	1.8	6.4	3.4	4.9	(42)	45	16.5	11.0	50
<b>As % Total Income</b>						<b>YoY (bps)</b>	<b>QoQ (bps)</b>			<b>YoY (bps)</b>
<b>Gross margin</b>	<b>33.0</b>	<b>25.2</b>	<b>31.3</b>	<b>30.2</b>	<b>29.4</b>	<b>(359)</b>	<b>(81)</b>	<b>29.2</b>	<b>22.8</b>	<b>635</b>
Employee costs	4.0	5.8	6.2	6.0	5.1	108	(90)	5.7	4.3	147
Other expenses	9.6	11.2	10.8	12.0	11.8	227	(15)	11.5	9.3	215
<b>EBITDA margin</b>	<b>19.4</b>	<b>8.2</b>	<b>14.3</b>	<b>12.2</b>	<b>12.5</b>	<b>(694)</b>	<b>23</b>	<b>12.0</b>	<b>9.2</b>	<b>273</b>
Depreciation	2.8	3.9	3.4	3.7	3.2	47	(47)	3.5	3.1	49
Finance costs	0.4	0.3	0.1	0.4	0.2	(19)	(26)	0.3	0.4	(15)
Other income	0.4	0.7	0.6	0.5	0.7	27	23	0.6	0.3	31
<b>PBT</b>	<b>16.7</b>	<b>4.6</b>	<b>11.4</b>	<b>8.6</b>	<b>9.8</b>	<b>(695)</b>	<b>120</b>	<b>8.8</b>	<b>6.1</b>	<b>271</b>
Effective tax rate	26.4	23.2	23.9	29.1	24.4	(191)	(462)	25.1	26.3	(122)
<b>PAT</b>	<b>12.3</b>	<b>3.5</b>	<b>10.8</b>	<b>6.1</b>	<b>7.4</b>	<b>(493)</b>	<b>130</b>	<b>7.1</b>	<b>4.5</b>	<b>263</b>
<b>Pipes</b>										
<b>Revenue</b>	<b>7,644</b>	<b>5,536</b>	<b>6,565</b>	<b>6,126</b>	<b>7,321</b>	<b>(4)</b>	<b>20</b>	<b>25,547</b>	<b>27,109</b>	<b>(6)</b>
Volume (mn t)	44,317	37,155	41,529	42,665	51,444	16	21	1,72,793	1,57,718	10
Realisation/kg (Rs)	172	149	158	144	142	(17)	(1)	148	172	(14)
EBITDA/kg (Rs)	33.5	12.2	22.7	18.0	18.2	(46)	1	18	16	12
<b>Bathware Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>80</b>		<b>33</b>	<b>140</b>		

Source: Company, Systematix Institutional Research

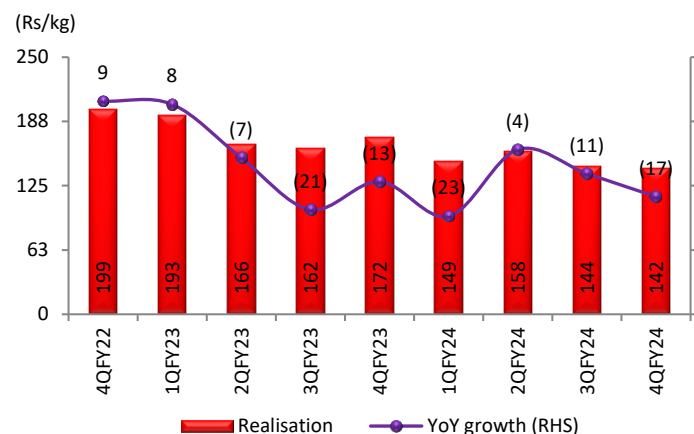
**Exhibit 2: Revenue growth - quarterly trend**



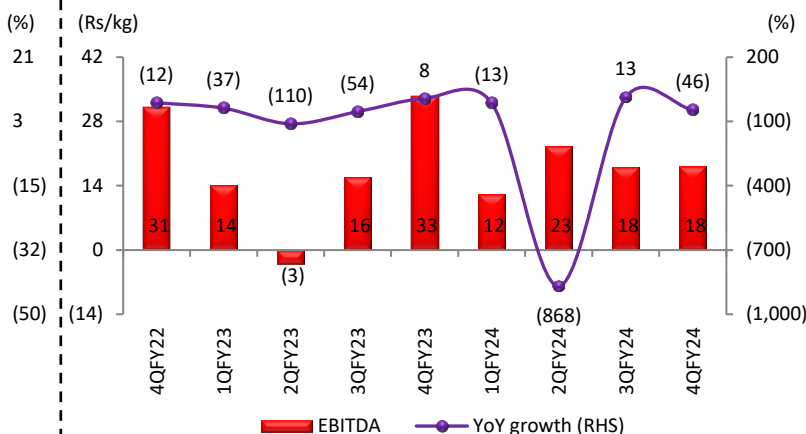
**Exhibit 3: Volume growth - quarterly trend**



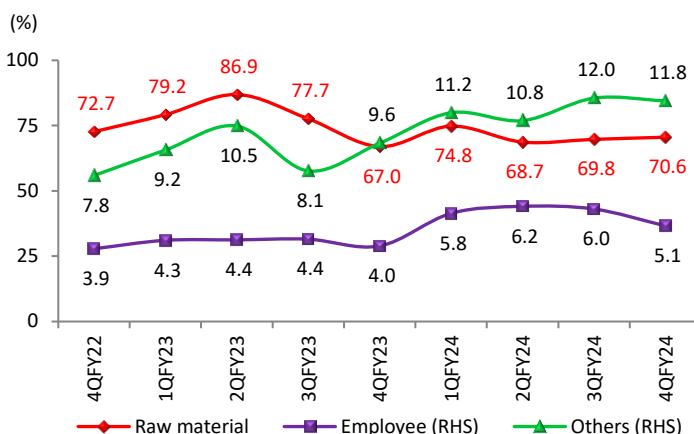
**Exhibit 4: Pipes realisation - quarterly trend**



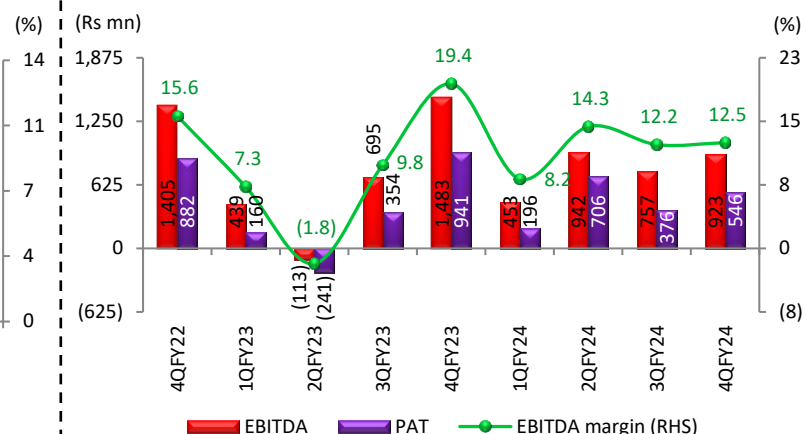
**Exhibit 5: EBITDA per kg - quarterly trend**



**Exhibit 6: Expenses as percentage of revenue - quarterly trend**

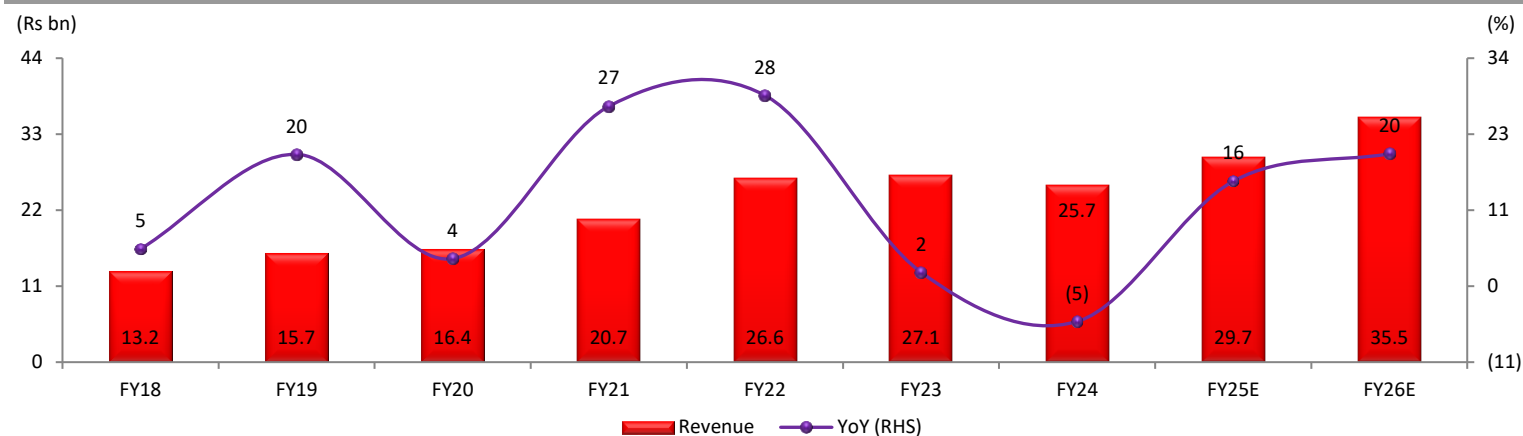


**Exhibit 7: EBITDA, PAT and margin trend**

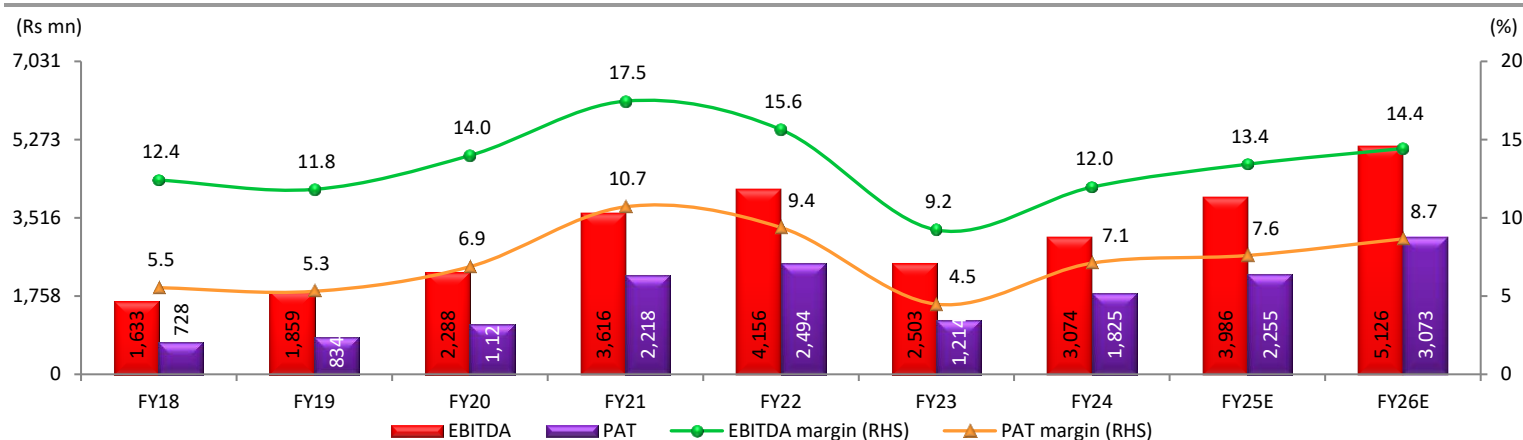


Source: Company, Systematix Institutional Research

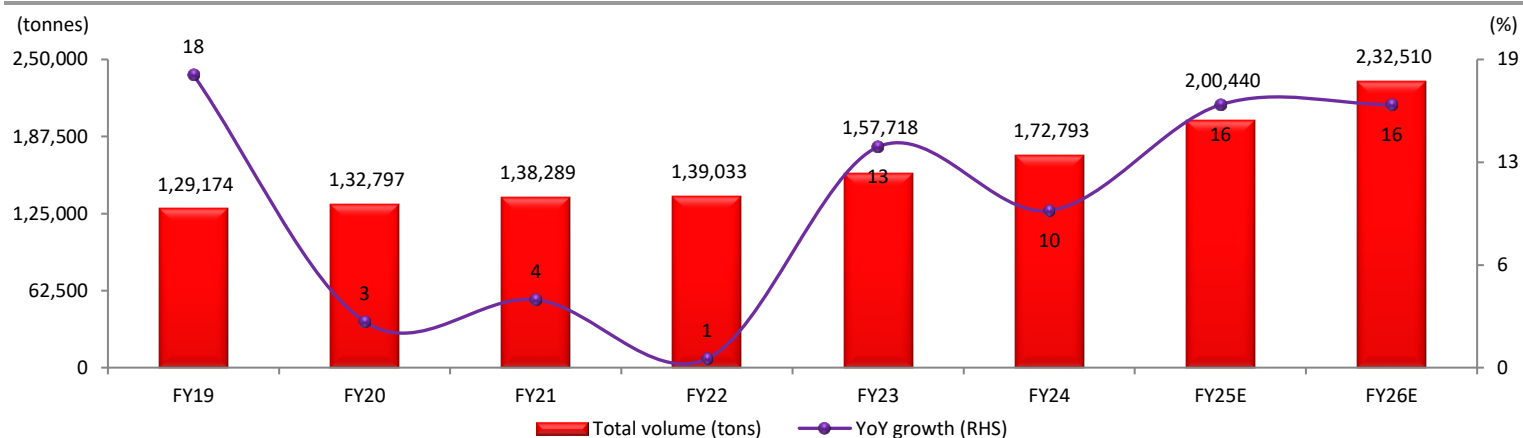
**Exhibit 8: Revenue - annual trend**



**Exhibit 9: EBITDA margin and PAT margin - annual trend**

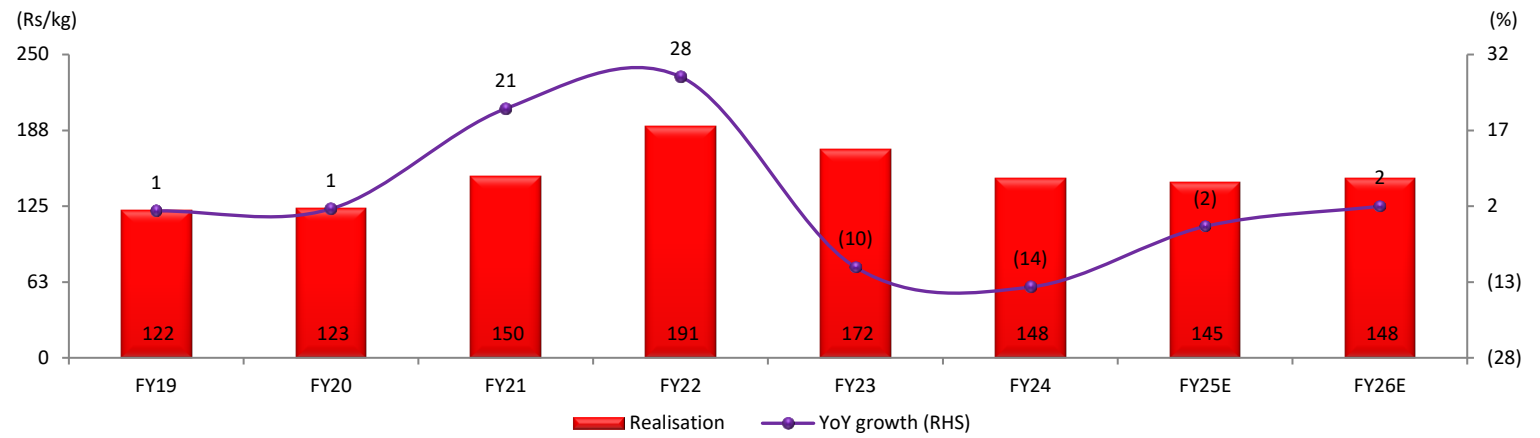


**Exhibit 10: Volume growth - annual trend**

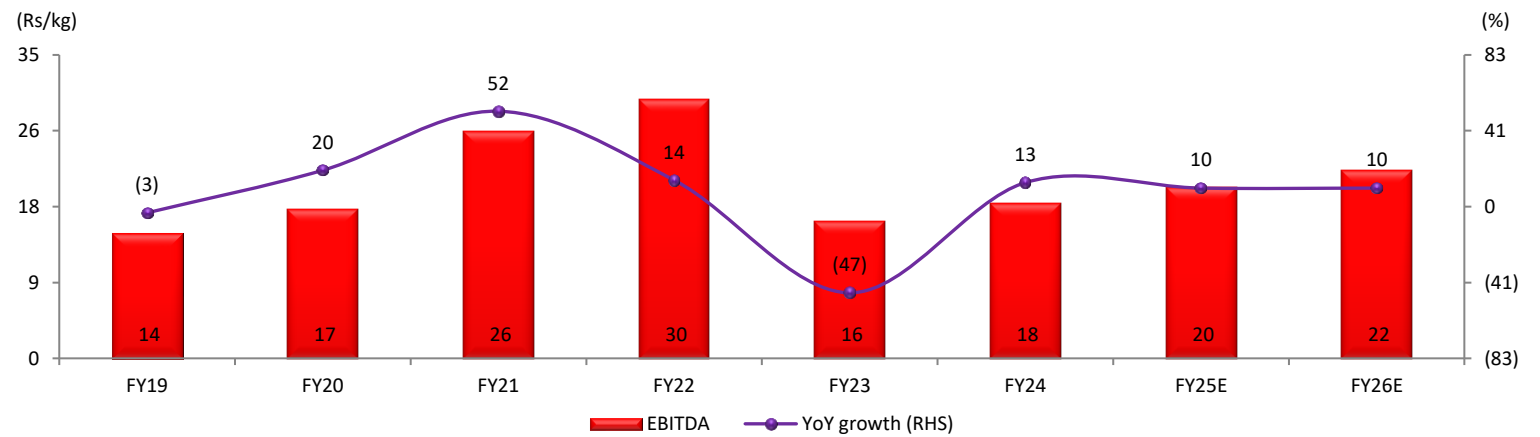


Source: Company, Systematix Institutional Research

**Exhibit 11: Pipes realisation - annual trend**



**Exhibit 12: EBITDA per kg - annual trend**



Source: Company, Systematix Institutional Research

## Outlook and valuation

PRINCEPIP is one of India's largest integrated piping solutions and multi polymer (CPVC, UPVC, HDPE, PPR) manufacturer. In August 2020, the company tied up with Lubrizol (inventors and largest manufacturers of CPVC compounds worldwide) and launched Prince *FlowGuard Plus* CPVC plumbing systems. The company is expanding its network of 1,500+ distributors. It has 7 state-of-the-art manufacturing units located across India, these being in Haridwar (Uttarakhand), Athal (Dadra and Nagar Haveli), Dadra (Dadra and Nagar Haveli), Kolhapur (Maharashtra), Chennai (Tamil Nadu), Jobner (Rajasthan) and Sangareddy (Telangana). It will have plants across regions after Bihar plant is operational in FY25.

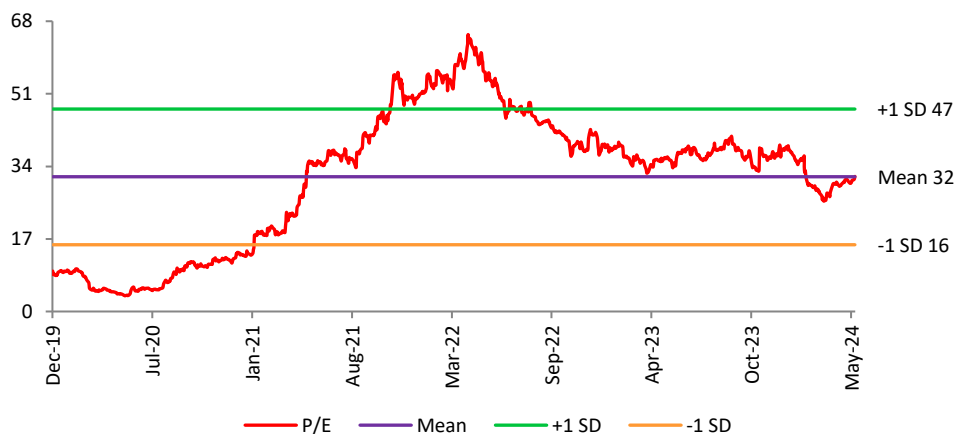
We increase FY26E earnings by 6% owing to higher volume growth and margin expectations. We now estimate 18%/29%/30% CAGR in revenue/EBITDA/PAT over FY24-26E, on healthy volume (16% CAGR) and margin expansion, resulting in improving OCF and RoCE (~21%). At ~24x FY26E P/E on CMP, we maintain **HOLD** rating with a revised target price of Rs 723 (26x FY26E P/E, earlier Rs 679 at 26x). Strong volumes/margins are keys for a re-rating.

### Exhibit 13: Change in estimates

(Rs mn)	Old estimates		New estimates		% Var	
	FY25	FY26	FY25	FY26	FY25	FY26
Revenue	29,012	34,421	29,682	35,503	2	3
EBITDA	3,990	4,861	3,986	5,126	(0)	5
EBITDA margin (%)	13.8	14.1	13.4	14.4		
PAT	2,276	2,886	2,255	3,073	(1)	6
EPS	20.6	26.1	20.4	27.8	(1)	6

Source: Systematix Institutional Research

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



Source: BSE, Systematix Institutional Research

## Risks

- High and volatile raw material prices may impact demand and profitability
- Intensifying competition may suppress demand and margins

## FINANCIALS

### Profit & Loss Statement

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
<b>Net revenues (Rs mn)</b>	<b>26,568</b>	<b>27,109</b>	<b>25,687</b>	<b>29,682</b>	<b>35,503</b>
<i>Growth (%)</i>	28.3	2.0	-5.2	15.6	19.6
Direct costs	18,915	20,922	18,193	20,648	24,410
<i>Gross Margin (%)</i>	28.8	22.8	29.2	30.4	31.2
SG&A	3,497	3,684	4,420	5,048	5,967
<b>EBITDA</b>	<b>4,156</b>	<b>2,503</b>	<b>3,074</b>	<b>3,986</b>	<b>5,126</b>
<i>EBITDA margins (%)</i>	15.6	9.2	12.0	13.4	14.4
- Depreciation	703	830	912	1,059	1,168
Other income	55	86	161	178	249
Interest Exp	139	110	65	79	81
PBT	3,369	1,648	2,438	3,026	4,125
<i>Effective tax rate (%)</i>	26.0	26.3	25.1	25.5	25.5
+ Associates/(Minorities)	-	-	-	-	-
<b>Net Income</b>	<b>2,494</b>	<b>1,214</b>	<b>1,825</b>	<b>2,255</b>	<b>3,073</b>
Adjusted income	2,494	1,214	1,825	2,255	3,073
WANS	111	111	111	111	111
FDEPS (Rs/share)	22.6	11.0	16.5	20.4	27.8
<i>FDEPS growth (%)</i>	12.4	(51.3)	50.3	23.5	36.3

### Cash Flow

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
EBIT (incl. other income)	3,591	1,698	2,301	2,927	3,958
+ Non-cash items	703	830	912	1,059	1,168
OCF before WC changes	4,295	2,528	3,212	3,986	5,126
- Incr./ (decr.) in WC	4,288	(1,321)	2,599	704	1,094
Others including taxes	201	248	284	812	1,092
Operating cash-flow	(195)	3,602	329	2,470	2,939
- Capex	1,687	938	1,908	2,000	1,000
Free cash-flow	(1,882)	2,663	(1,579)	470	1,939
Acquisitions					
- Dividend	385	221	-	221	276
+ Equity raised	107	-	-	-	-
+ Debt raised	648	(919)	560	40	40
- Fin Investments	(1,846)	531	(586)	-	-
- Misc. Items (CFI + CFF)	102	94	20	(60)	(128)
Net cash-flow	232	899	(453)	349	1,831

### Balance Sheet

YE: Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	1,106	1,106	1,106	1,106	1,106
Net worth	12,653	13,640	15,444	17,477	20,274
Total debt (incl. Pref)	1,500	581	1,144	1,184	1,224
Minority interest	-	-	-	-	-
DT Liability/(Asset)	123	137	191	211	231
<b>Capital Employed</b>	<b>14,275</b>	<b>14,358</b>	<b>16,779</b>	<b>18,873</b>	<b>21,729</b>
Net tangible assets	6,430	6,795	7,888	8,830	8,662
Net Intangible assets	29	56	88	88	88
Goodwill	-	-	-	-	-
CWIP	223	190	353	353	353
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	117	920	382	382	382
Current Assets	12,005	10,103	11,744	13,080	14,983
Cash	586	1,223	777	1,126	2,956
Current Liabilities	5,115	4,930	4,453	4,986	5,695
Working capital	6,890	5,173	7,291	8,094	9,288
<b>Capital Deployed</b>	<b>14,275</b>	<b>14,358</b>	<b>16,779</b>	<b>18,872</b>	<b>21,729</b>
Contingent Liabilities	45	121	-	-	-

### Ratios @ Rs 660

YE: Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	29.3	60.1	40.0	32.4	23.7
EV/EBITDA (x)	17.7	28.5	23.7	18.2	13.8
EV/sales (x)	2.8	2.6	2.8	2.4	2.0
P/B (x)	5.8	5.3	4.7	4.2	3.6
RoE (%)	19.7	8.9	11.8	12.9	15.2
RoCE (%)	27.3	12.3	14.9	17.4	20.7
ROIC (%)	30.5	13.3	15.8	17.9	22.3
DPS (Rs per share)	3.5	-	1.0	2.0	2.5
Dividend yield (%)	0.5	-	0.2	0.3	0.4
Dividend payout (%)	15.5	-	6.1	9.8	9.0
Net debt/equity (x)	0.1	(0.1)	(0.0)	(0.0)	(0.1)
Receivables (days)	60	56	83	78	73
Inventory (days)	85	57	62	62	62
Payables (days)	55	43	35	35	35
CFO:PAT (%)	(8)	297	18	110	96

Source: Company, Systematix Institutional Research



## Institutional Equities Team

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

### Equity Research

Analysts	Industry Sectors	Desk-Phone	E-mail
Dhananjay Sinha	Co Head of Equities & Head of Research - Strategy & Economics	+91-22-6704 8095	dhananjaysinha@systematixgroup.in
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	pratikhtholiya@systematixgroup.in
Sameer Pardikar	IT & ITES	+91-22-6704 8041	sameerpardikar@systematixgroup.in
Santosh Yellapu	Capital Goods	+91-22-6704 8094	santoshiyellapu@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 Papat	Oil & Gas, Logistics, Cement, Wagons	+91-22-6704 8066	jennisapapat@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	yogeeathod@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, Mahek Shah**, 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:

- 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.

## 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 Shares and Stocks (India) Limited:**

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

Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id [contactus@systematixgroup.in](mailto:contactus@systematixgroup.in). Visit us at: [www.systematixgroup.in](http://www.systematixgroup.in)

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

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

Details of Registration : CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI

Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 12034600) |

PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | AMFI : ARN - 64917