

Leading in active ingredient-based BPC market

Consumer Goods ▶ Company Update ▶ April 22, 2024

TARGET PRICE (Rs): 500

Honasa, in a journey to gain scale in the Indian Beauty market, has built 'The Derma Co' — their second profitable brand, with ARR of Rs5bn+. The Derma Co, launched in 2020, offers science-backed products powered by active ingredients. It leads the market, sized at Rs20bn, with ~20% share. As the trend of products with active ingredients spreads, we see large traditional category incumbents joining in, further increasing the TAM. We also expect innovations extending actives from face care currently to others, like hair and color cosmetics. With enhanced execution, the brand used Mamaearth's playbook to not only scale fast, but profitably too. We expect the brand to see 50% revenue CAGR over FY23-26E, with steady improvement in profitability. Maintain BUY with Mar-25E TP of Rs500/share, based on 6x EV/sales.

Honasa Consumer: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	9,435	14,927	19,291	23,565	28,288
EBITDA	115	228	1,375	2,304	3,310
Adj. PAT	157	119	1,057	1,646	2,359
Adj. EPS (Rs)	0.5	0.4	3.3	5.1	7.3
EBITDA margin (%)	1.2	1.5	7.1	9.8	11.7
EBITDA growth (%)	(57.9)	98.6	504.2	67.6	43.7
Adj. EPS growth (%)	0.0	(28.0)	747.3	55.7	43.4
RoE (%)	(3.0)	1.8	12.6	14.2	17.4
RoIC (%)	2.1	(0.2)	26.5	42.9	61.2
P/E (x)	711.1	987.9	116.6	74.9	52.2
EV/EBITDA (x)	942.8	505.3	84.8	50.0	34.1
P/B (x)	15.8	19.4	11.4	9.9	8.3
FCFF yield (%)	0.4	(0.5)	0.9	1.3	2.0

Source: Company, Emkay Research

The Derma Co is a Rs5bn ARR brand, developing the active ingredients space

After building a sizable ingredients-based, toxin-free *Mamaearth* brand, Honasa Consumer has been quick to build an active ingredient-backed skincare brand – The Derma Co, which has achieved the feat of Rs5bn annual revenue run rate (ARR), based on net sales realization. Active ingredients-based personal care products have gained relevance in the Western world, but Indian consumers lag in adoption. Unlike expectations of mainstream brands building a portfolio and driving active ingredient trends in India, players like Honasa and Beminimalist are leading the march.

Active ingredient-based market to see a steady expansion in India

We estimate at ~Rs20bn the size of the active ingredient-based skin care products segment (fastest growing BPC segment, though on a low base), where Honasa Consumer under the brand 'The Derma Co' has a leadership position with ~20% share. Minimalist is the second player in the category and continues to drive the active ingredient trends. Looking at the success of the first two brands, now global players like Unilever and L'Oréal are launching their active ingredient-based products, under base brand offerings (e.g. Lakme and Ponds seeing action from Unilever), which is likely to develop the market opportunity further. Additionally, we see opportunities in other personal care segments like hair care and color cosmetics. For The Derma Co, we expect an accelerated focus on offline channels, where the focus has been limited. For the brand, we assess hero products such as face serum, sunscreen, face wash, and moisturizers.

House of brands to address broader market prospects, BUY on execution

Honasa has created a playbook to help scale newer brands faster, which is likely to drive profitability in the business. The Derma Co is gaining scale fast with EBITDA margin in the low-single digits, unlike any other active brands. We do see some cannibalization, but active ingredient-based products are likely to enhance overall category consumption. We maintain a BUY recommendation and Mar-25E TP of Rs500/share at 6x EV/sales.

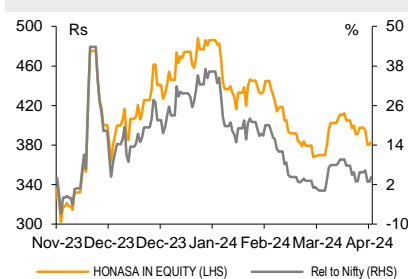
Target Price – 12M	Mar-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	30.6
CMP (18-Apr-24) (Rs)	383.0

Stock Data	HONASA
52-week High (Rs)	511
52-week Low (Rs)	256
Shares outstanding (mn)	324.2
Market-cap (Rs bn)	124
Market-cap (USD mn)	1,486
Net-debt, FY24E (Rs mn)	-6,577
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	297.3
ADTV-3M (USD mn)	3.6
Free float (%)	49.5
Nifty-50	21,996
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	35.1
FPIs/MFs (%)	12.2/15.9

Price Performance

(%)	1M	3M	12M
Absolute	0.8	(18.1)	-
Rel. to Nifty	1.0	(19.7)	-

1-Year share price trend (Rs)



Nitin Gupta

nitin.gupta@emkayglobal.com
+91 22 6612 1257

Soham Samanta

soham.samanta@emkayglobal.com
+91 22 6612 1262

Exhibit 1: The Derma Co – Product offering



Source: Company

Exhibit 2: The Derma Co – Key solutions and focus on ingredients

Shop by Concern	Shop by Ingredients
Acne Marks	Niacinamide Range
Acne Scars	Salicylic Range
Acne / Pimple	Vitamin C Range
Pigmentation	AHA-BHA Range
Open Pores	Kojic Range
Hair Care	Hyaluronic Range
Skin Radiance	View All
Dry & Dull Skin	
View All	

Source: Company

Active ingredient-based personal care market is dominated by Honasa, followed by Beminimalist. Plum and Re'equil are D2C brands active with revenue of Rs800mn-1,000mn.

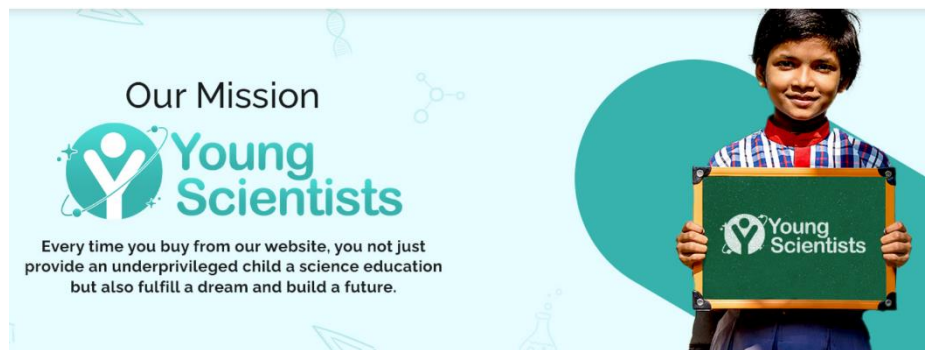
Exhibit 3: The Derma Co – Key highlights

Launched in 2020 **derma.co** – Science backed products powered with active ingredients

Range of active ingredients to address skin concerns		<table border="0"> <tr> <td>Foaming face cleansers</td> <td></td> </tr> <tr> <td>Serums</td> <td></td> </tr> <tr> <td>Sunscreen gels</td> <td></td> </tr> <tr> <td>Hair care</td> <td></td> </tr> </table>	Foaming face cleansers		Serums		Sunscreen gels		Hair care	
Foaming face cleansers										
Serums										
Sunscreen gels										
Hair care										
<input type="checkbox"/> Niacinamide	<input type="checkbox"/> Collagen									
<input type="checkbox"/> Salicylic Acid	<input type="checkbox"/> Ceramides									
<input type="checkbox"/> Hyaluronic Acid	<input type="checkbox"/> Retinol									
<input type="checkbox"/> Kojic Acid	<input type="checkbox"/> Glutathione									
<input type="checkbox"/> Vitamin C	<input type="checkbox"/> Vitamin E									
<input type="checkbox"/> AHAs & BHA	<input type="checkbox"/> Alpha Arbutin									
<input type="checkbox"/> + More <input type="checkbox"/>										
Covering serums, cleansers, creams & moisturizers, peeling solution, acne patches and many more										

Source: Company

Exhibit 4: The Derma Co's Young Scientist Program



Source: Company

Honasa has built its beauty and personal care (BPC) portfolio (covering 70% of the Rs1.5trn TAM), based on its 'House of Brands' strategy.

Exhibit 5: BPC category's presence for Honasa

	Category size (Rs bn)	Penetration (%)	Organized share (%)	Honasa Consumer
Soap	270	90	70	✓
Skin care	205	60	50	✓
Toothpaste	130	75	90	Kids
Male grooming	150	15	90	
Hair Oil	140	95	55	✓
Color Cosmetics	120	30	80	✓
Shampoo	70	50	75	✓
Sanitary pads	70	70	85	
Hair color	60	60	75	✓
Baby care	55	25	75	✓
Deodorant	50	55	90	✓
Fragrance	35	20	60	✓
Toothbrush	25	75	80	
Depilatories	25	10	80	
Talcum powder	15	60	50	Kids
Hand wash	15	40	70	
Hair Conditioner	10	10	90	✓
Shower gel	6	30	90	✓
Intimate hygiene	3	10	100	
Mouth wash	3	15	90	
Total addressable market	1,457	59	73	1,021
In USD (USD1 = Rs83)	18			
% of total addressable market				70%

Source: Emkay Research

Exhibit 6: Brand-wise category presence

	Mamaearth	The Derma Co	Aqualogica	Ayuga	BBlunt	Dr. Sheth's
Beauty	✓		✓			
Hair	✓	✓			✓	
Face	✓	✓	✓	✓		✓
Body	✓		✓			✓
Baby Products	✓					
Color cosmetics	✓					

Source: Emkay Research

Honasa Consumer: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	9,435	14,927	19,291	23,565	28,288
Revenue growth (%)	105.1	58.2	29.2	22.2	20.0
EBITDA	115	228	1,375	2,304	3,310
EBITDA growth (%)	(57.9)	98.6	504.2	67.6	43.7
Depreciation & Amortization	69	250	292	390	472
EBIT	46	(22)	1,083	1,914	2,838
EBIT growth (%)	(82.1)	(148.2)	0.0	76.7	48.3
Other operating income	0	0	0	0	0
Other income	209	225	420	400	450
Financial expense	30	67	85	90	100
PBT	224	137	1,418	2,224	3,188
Extraordinary items	0	(1,547)	0	0	0
Taxes	80	99	362	578	829
Minority interest	13	82	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	157	(1,428)	1,057	1,646	2,359
PAT growth (%)	0.0	(1,008.7)	0.0	55.7	43.4
Adjusted PAT	157	119	1,057	1,646	2,359
Diluted EPS (Rs)	0.5	0.4	3.3	5.1	7.3
Diluted EPS growth (%)	0.0	(28.0)	747.3	55.7	43.4
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
EBITDA margin (%)	1.2	1.5	7.1	9.8	11.7
EBIT margin (%)	0.5	(0.1)	5.6	8.1	10.0
Effective tax rate (%)	35.6	72.7	25.5	26.0	26.0
NOPLAT (pre-IndAS)	29	(6)	807	1,416	2,100
Shares outstanding (mn)	291.8	306.6	321.7	321.7	321.7

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	224	137	1,418	2,224	3,188
Others (non-cash items)	0	0	0	0	0
Taxes paid	(95)	(125)	(362)	(578)	(829)
Change in NWC	222	(969)	356	113	162
Operating cash flow	446	(516)	1,370	1,839	2,643
Capital expenditure	(26)	(117)	(252)	(260)	(254)
Acquisition of business	(4,999)	790	(1,710)	(1,500)	(1,500)
Interest & dividend income	0	0	0	0	0
Investing cash flow	(4,998)	429	(2,267)	(1,805)	(1,749)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	4,812	(130)	3,650	23	9
Payment of lease liabilities	0	0	0	0	0
Interest paid	(4)	(11)	(85)	(90)	(100)
Dividend paid (incl tax)	0	0	0	0	0
Others	0	0	221	264	98
Financing cash flow	4,808	(141)	3,786	197	7
Net chg in Cash	256	(227)	2,890	231	900
OCF	446	(516)	1,370	1,839	2,643
Adj. OCF (w/o NWC chg.)	224	453	1,014	1,726	2,481
FCFF	420	(633)	1,118	1,579	2,389
FCFE	390	(699)	1,033	1,489	2,289
OCF/EBITDA (%)	389.1	(226.5)	99.6	79.8	79.8
FCFE/PAT (%)	247.9	(588.3)	97.7	90.5	97.0
FCFF/NOPLAT (%)	1,428.4	10,524.8	138.5	111.5	113.7

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	0	1,363	3,217	3,217	3,217
Reserves & Surplus	7,056	4,696	7,548	9,194	11,553
Net worth	7,056	6,059	10,766	12,412	14,771
Minority interests	0	0	0	0	0
Deferred tax liability (net)	86	14	14	57	22
Total debt	596	922	1,143	1,388	1,529
Total liabilities & equity	7,738	6,995	11,923	13,856	16,322
Net tangible fixed assets	565	692	1,372	1,682	1,904
Net intangible assets	2,870	1,833	1,833	1,833	1,833
Net ROU assets	0	0	0	0	0
Capital WIP	0	0	0	0	0
Goodwill	1,733	528	528	528	528
Investments [JV/Associates]	846	790	1,000	1,000	1,000
Cash & equivalents	4,311	3,326	7,720	9,456	11,862
Current assets (ex-cash)	1,759	3,023	3,857	4,820	5,535
Current Liab. & Prov.	2,612	2,669	3,859	4,935	5,812
NWC (ex-cash)	(853)	354	(2)	(115)	(277)
Total assets	7,738	6,995	11,923	13,856	16,322
Net debt	(3,714)	(2,404)	(6,577)	(8,068)	(10,332)
Capital employed	7,738	6,995	11,923	13,856	16,322
Invested capital	2,581	2,879	3,203	3,400	3,460
BVPS (Rs)	24.2	19.8	33.5	38.6	45.9
Net Debt/Equity (x)	(0.5)	(0.4)	(0.6)	(0.7)	(0.7)
Net Debt/EBITDA (x)	(32.4)	(10.6)	(4.8)	(3.5)	(3.1)
Interest coverage (x)	0.1	0.3	0.1	0.0	0.0
RoCE (%)	5.2	2.8	15.9	18.0	21.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	711.1	987.9	116.6	74.9	52.2
P/CE(x)	525.8	339.0	97.2	64.4	46.3
P/B (x)	15.8	19.4	11.4	9.9	8.3
EV/Sales (x)	11.5	7.7	6.0	4.9	4.0
EV/EBITDA (x)	942.8	505.3	84.8	50.0	34.1
EV/EBIT(x)	2,523.2	(5,566.0)	114.9	64.3	42.5
EV/IC (x)	44.6	42.5	38.9	36.2	34.9
FCFF yield (%)	0.4	(0.5)	0.9	1.3	2.0
FCFE yield (%)	0.3	(0.6)	0.8	1.1	1.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
DuPont-RoE split					
Net profit margin (%)	1.7	0.8	5.5	7.0	8.3
Total asset turnover (x)	1.9	2.0	2.0	1.8	1.9
Assets/Equity (x)	(0.9)	1.1	1.1	1.1	1.1
RoE (%)	(3.0)	1.8	12.6	14.2	17.4
DuPont-RoIC					
NOPLAT margin (%)	0.3	0.0	4.2	6.0	7.4
IC turnover (x)	6.8	5.5	6.3	7.1	8.2
RoIC (%)	2.1	(0.2)	26.5	42.9	61.2
Operating metrics					
Core NWC days	(27.8)	(21.6)	(21.3)	(27.4)	(29.4)
Total NWC days	(33.0)	8.7	0.0	(1.8)	(3.6)
Fixed asset turnover	5.0	4.5	5.5	5.4	5.6
Opex-to-revenue (%)	68.7	68.5	62.1	60.2	58.3

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 05/28/2024 11:35 AM

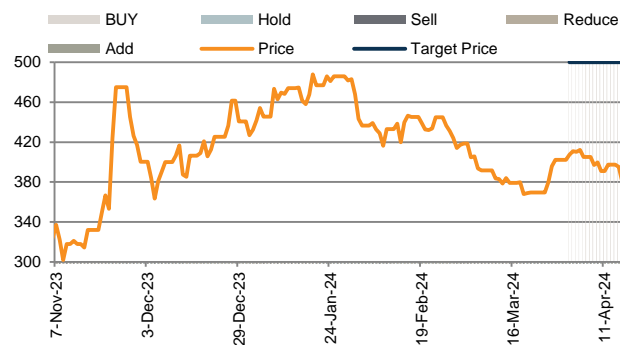
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
15-Apr-24	395	500	Buy	Nitin Gupta
07-Apr-24	405	500	Buy	Nitin Gupta
01-Apr-24	407	500	Buy	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of April 22, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of April 22, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 22, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.