

Upgrade to BUY; tide turning in overseas business

Auto & Auto Ancillaries ▶ Result Update ▶ May 30, 2024

TARGET PRICE (Rs): 540

Suprajit Engineering Limited's (SEL) Q4 performance was strong with 12% growth in revenues and ~5% beat in EBITDA (stable margins QoQ). Growth outlook has improved at global-facing Suprajit Controls Division (4% rev. growth in Q4; 47% of FY24 rev. mix; with worst now behind as per Mgmt.), with overall consol. FY25 guidance being of double-digit growth and margins. We upgrade our FY25E/26E EPS by ~4%/7% resp., led by improved growth outlook. We now build-in 14%/43% revenue/EPS CAGR over FY24-26E amid: i) market-share gains on industry consolidation, ii) higher content per vehicle (led by new products), iii) healthy order wins, and iv) continued domestic 2W recovery. We also raise target FY26E multiple to ~22x (in line with LTA) from 18x, and upgrade the stock to BUY with TP of Rs540/sh (ADD, Rs420 earlier).

Suprajit Engineering: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	18,405	27,524	28,959	33,145	37,869
EBITDA	2,599	3,126	3,230	4,417	5,552
Adj. PAT	1,614	1,521	1,673	2,539	3,410
Adj. EPS (Rs)	11.7	11.0	12.1	18.3	24.6
EBITDA margin (%)	14.1	11.4	11.2	13.3	14.7
EBITDA growth (%)	9.8	20.3	3.3	36.8	25.7
Adj. EPS growth (%)	22.6	(12.1)	10.0	51.8	34.3
RoE (%)	15.6	13.2	12.9	17.2	19.6
RoIC (%)	15.0	12.8	11.7	16.5	19.7
P/E (x)	37.7	40.0	36.4	24.0	17.9
EV/EBITDA (x)	22.9	19.8	18.8	13.6	10.5
P/B (x)	5.6	5.0	4.5	3.8	3.2
FCFF yield (%)	2.2	2.4	2.6	2.5	4.0

Source: Company, Emkay Research

Healthy revenue growth with QoQ margin improvement across businesses

Consol. revenue grew 12% YoY to ~Rs7.8bn (above est.), led by ~15% YoY growth in Domestic Cables Division (DCD); Suprajit Controls Division (SCD; houses international business and exports from India) reported ~4% YoY growth after two quarters of decline. Consol. EBITDA grew 8% YoY to Rs944mn (~4% beat), with margin stable QoQ at 12.1%; DCD margins were lower by 113bps QoQ at 17.3%, while SCD margins improved by 111bps QoQ to 7.3%, and Phoenix Lamps (PLD) margins grew strongly by 271bps to 15.4%. Suprajit Electronics Division's (SED) margins rose by 172bps QoQ to 12.8%. Reported PAT was up ~44% YoY to Rs591mn.

Earnings Call KTAs

1) **SCD:** Mgmt. believes the worst is now behind; outlook has improved (expects double-digit growth in FY25) amid multiple contract wins (incl. the recent single-largest win from a US-based customer pursuant to 'China Plus One'); on-shoring/near-shoring and low-cost manufacturing expertise is helping it become a preferred supplier. Non-auto business in the US dropped 30% last year and is stabilizing at lower levels, with growth seen this year in cables and 'beyond cables' (e.g., gearboxes, rotary sensors, etc.); several competitors are under financial pressure and Company continues to evaluate M&A opportunities based on geographic/customer mix, etc. SCD margins are seen crossing 8% in FY25E, with the gradual double-digit ambition intact. 2) **DCD:** Expects double-digit growth in FY25 (vs. single-digit growth for Indian automotive industry) amid rising traction for newer products like brakes (already working with 3 customers; advanced braking solutions could enter production in a couple of quarters) and growth in aftermarket (struggled in FY24, impacted by the spike in sale of spurious/knock-off products from unorganized sector). 3) **PLD:** Positioning continues to improve as part of 'last man standing' strategy; it expects double-digit growth and margins in FY25. 4) **SED:** Growth is driven by new products like actuators, digital clusters, and throttle position sensors; Company expects strong growth to continue, with comfortable double-digit margins. 5) Rs1.8bn capex guidance for FY25 (of which 50% is to cater to growth).

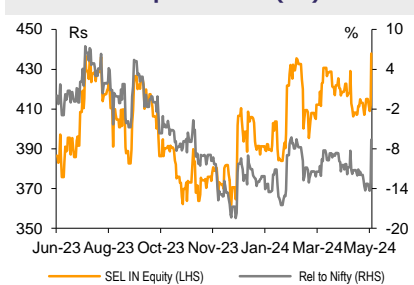
Target Price – 12M	Mar-25
Change in TP (%)	28.6
Current Reco.	BUY
Previous Reco.	ADD
Upside/(Downside) (%)	22.8
CMP (30-May-24) (Rs)	439.9

Stock Data	Ticker
52-week High (Rs)	457
52-week Low (Rs)	353
Shares outstanding (mn)	138.5
Market-cap (Rs bn)	61
Market-cap (USD mn)	731
Net-debt, FY25E (Rs mn)	-862
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	76.2
ADTV-3M (USD mn)	0.9
Free float (%)	55.4
Nifty-50	22,489
INR/USD	83.3
Shareholding, Mar-24	
Promoters (%)	44.6
FPIs/MFs (%)	4.8/17.5

Price Performance

(%)	1M	3M	12M
Absolute	4.1	3.4	12.7
Rel. to Nifty	4.6	1.1	(6.6)

1-Year share price trend (Rs)



Jaimin Desai

jaimin.desai@emkayglobal.com
+91 22 6612 1334

Chirag Jain

chirag.jain@emkayglobal.com
+91 22 6624 2428

Nandan Pradhan

nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Exhibit 1: Q4FY24 Result snapshot – Revenue grew 12% YoY with margins sustaining sequentially

Rs mn	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)
Revenue	6,452	7,161	6,921	6,990	6,797	7,089	7,242	7,831	12.0	8.1
Expenditure	5,912	6,374	6,112	6,119	6,082	6,391	6,369	6,887	12.6	8.1
as % of sales	91.6	89.0	88.3	87.5	89.5	90.2	87.9	87.9		
Consumption of RM	3,847	4,336	4,080	3,907	3,906	4,201	4,234	4,641	18.8	9.6
as % of sales	59.6	60.5	58.9	55.9	57.5	59.3	58.5	59.3		
Employee Cost	1,428	1,443	1,389	1,484	1,535	1,565	1,510	1,597	7.6	5.8
as % of sales	22.1	20.2	20.1	21.2	22.6	22.1	20.8	20.4		
Other expenditure	638	595	643	728	641	625	626	649	(10.9)	3.8
as % of sales	9.9	8.3	9.3	10.4	9.4	8.8	8.6	8.3		
EBITDA	540	787	809	871	715	698	873	944	8.4	8.2
EBITDA margin (%)	8.4	11.0	11.7	12.5	10.5	9.8	12.1	12.1		
Depreciation	237	239	247	231	247	257	258	275	19.0	6.5
EBIT	303	548	562	640	468	441	614	669	4.6	8.9
Other Income	181	217	52	56	129	187	90	194	246.6	116.2
Interest	61	77	104	115	118	136	132	128	11.6	(3.0)
PBT	423	688	510	581	479	492	572	734	26.4	28.4
Total Tax	150	231	129	171	148	145	169	143	(16.3)	(15.6)
Minority interest/Associate share										
Adjusted PAT	273	457	380	410	331	348	402	591	44.2	47.0
Extraordinary items Loss/(Gain)	0	0	0	0	0	0	0	0		
Reported PAT	273	457	380	410	331	348	402	591	44.2	47.0
Adjusted EPS (Rs)	2.0	3.3	2.7	3.0	2.4	2.5	2.9	4.3	44.2	47.0

(%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)
EBITDAM	8.4	11.0	11.7	12.5	10.5	9.8	12.1	12.1	(40)	0
EBITM	4.7	7.6	8.1	9.2	6.9	6.2	8.5	8.5	(61)	6
EBTM	6.6	9.6	7.4	8.3	7.1	6.9	7.9	9.4	107	148
PATM	4.2	6.4	5.5	5.9	4.9	4.9	5.6	7.6	169	200
Effective Tax rate	35.5	33.5	25.4	29.4	30.9	29.4	29.6	19.5	(994)	(1,015)

Source: Company, Emkay Research

Exhibit 2: Actual vs. Estimates (Q3FY24)

(Rs mn)	Actual	Emkay Est	% Variance	Consensus	% Variance
Net sales	7,831	7,230	8.3	7,571	3.4
EBITDA	944	902	4.7	910	3.7
EBITDA margin (%)	12.1	12.5	-41 bps	12.0	3 bps
Adj. net income	591	457	29.6	476	24.2
FDEPS (Rs)	4.3	3.3	29.6	3.4	24.2

Source: Company, Emkay Research

Exhibit 3: Revenue growth seen across divisions YoY; strong sequential margin expansion across divisions, except DCD

Segmental revenues (Rs mn)	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	YoY (%)	QoQ (%)
Suprajit Controls Division	3,609	3,494	3,244	3,136	3,744	4	19
Domestic Cable Division	2,453	2,398	2,795	2,886	2,811	15	(3)
Phoenix Lamps Division	929	877	980	1,029	1,009	9	(2)
Suprajit Electronics Division	191	28	70	191	268	40	40
Total	7,181	6,797	7,089	7,242	7,831	9	8

Revenue mix (%)	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24
Suprajit Controls Division	50	51	46	43	48
Domestic Cable Division	34	35	39	40	36
Phoenix Lamps Division	13	13	14	14	13
Suprajit Electronics Division	3	0	1	3	3

Segmental EBITDA (Rs mn)	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	YoY (%)	QoQ (%)
Suprajit Controls Division	367	250	111	193	272	(26)	41
Domestic Cable Division	449	423	463	530	485	8	(9)
Phoenix Lamps Division	80	70	121	128	153	92	20
Suprajit Electronics Division	21	(0)	4	21	34	62	62
Total	917	744	698	873	944		

Segmental margins (%)	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	YoY (bps)	QoQ (bps)
Suprajit Controls Division	10.2	7.2	3.4	6.2	7.3	(290)	111
Domestic Cable Division	18.3	17.7	16.6	18.4	17.3	(104)	(113)
Phoenix Lamps Division	8.6	8.0	12.3	12.4	15.1	654	271
Suprajit Electronics Division	11.1	-1.6	5.1	11.1	12.8	172	172



EBITDA mix (%)	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24
Suprajit Controls Division	40	34	16	22	29
Domestic Cable Division	49	57	66	61	51
Phoenix Lamps Division	9	9	17	15	16
Suprajit Electronics Division	2	(0)	1	2	4

Source: Company, Emkay Research

Exhibit 4: Suprajit is the domestic leader in control cables and halogen lamps, globally, it is among top-2/top-3 player, respectively.

Core Product Business Leadership

- › Full Global Product Range in our Core Products
- › Frequent replacement products with strong spares requirement
- › **Leader by far in India. #2 Globally in Control Cables & #3 Globally in Halogen Lamps**
- › Scale across industries, geographies and aftermarket

Core Product	Part Numbers	Applications per Vehicle		
		Passenger Vehicles (PV)	2/3 Wheelers	Off-Highway (OH) Agri, Powersports
 Push/Pull/Push-Pull Control Cables	15000+	15+	3-6	3-6
 Vehicle Lighting Halogen Lamps	80+	2-4	2	2

Source: Company

Exhibit 5: Suprajit Tech Center has been set up with a view to develop new products

Suprajit Technology Center (STC), Bangalore

Suprajit

- Focuses on building core design competencies and new product introduction.
- New products falls into 3 categories – Allied Products, Product Upgradation and Innovation.
- STC's belief in working from fundamentals has resulted in multiple patents, most of which are already commercialized.

15+ patents

	Products	Customers	Price (INR)	Growth Potential
Clusters & Displays			700-7500	PV + 2W + OFH
Electromechanical Actuation Systems			400-15000	PV + 2W + OFH
Braking & Brake Release Systems			3000 - 20000	2W + OFH + Rail
Throttle & Rotary Sensors			200-1500	2W + OFH

Source: Company

Exhibit 6: SED is gaining strong customer traction for its new products

Strong Customer Traction



* This list is not exhaustive. All names, images and logos are copyright of their respective owners.

Innovative Products



State of the Art Facilities



- IATF 16949 2016 Certified
- Integrated SMT Line
- In-house Injection Moulding
- Automated Testing

Source: Company

Exhibit 7: Revenue model – We build-in 14%/43% revenue/EPS CAGR over FY24-26E

Rs mn	FY21	FY22	FY23	FY24	FY25E	FY26E
Revenues	16,409	18,405	27,524	28,959	33,145	37,869
EBITDA	2,367	2,599	3,126	3,230	4,417	5,552
EBITDA margin (%)	14.4	14.1	11.4	11.2	13.3	14.7
EBIT	1,800	2,014	2,172	2,192	3,294	4,315
EBIT margin (%)	11.0	10.9	7.9	7.6	9.9	11.4
Interest	192	145	356	514	467	428
PAT	1,427	1,614	1,521	1,673	2,539	3,410
PAT margin (%)	8.7	8.8	5.5	5.8	7.7	9.0
EPS (Rs)	10.2	11.7	11.0	12.1	18.3	24.6
Capex	309	540	3,226	1,254	1,800	1,800
% of sales	1.9	2.9	11.7	4.3	5.4	4.8

Source: Company, Emkay Research

Exhibit 8: Business-wise revenue and margin assumptions

Revenue breakup under revised reporting	FY23	FY24	FY25E	FY26E
Suprajit Controls (SCD)	13,562	13,617	15,115	17,080
<i>Growth YoY (%)</i>		0.4	11.0	13.0
Domestic Cables (DCD)	10,321	10,890	12,632	14,363
<i>Growth YoY (%)</i>		5.5	16.0	13.7
Phoenix Lamps (PLD)	3,640	3,896	4,285	4,756
<i>Growth YoY (%)</i>		7.0	10.0	11.0
Suprajit Electronics (SED)	-	556	1,113	1,669
<i>Growth YoY (%)</i>			100	50
Total Revenues	27,524	28,959	33,145	37,869
<i>Growth YoY (%)</i>		5.2	14.5	14.3

Revenue mix (%)	FY23	FY24	FY25E	FY26E
SCD	49	47	46	45
DCD	38	38	38	38
PLD	13	13	13	13
SED	-	2	3	4

EBITDA breakup under revised reporting	FY23	FY24	FY25E	FY26E
Suprajit Controls (SCD)	1,095	827	1,209	1,708
<i>EBITDA margin (%)</i>	8.1	6.1	8.0	10.0
Domestic Cables (DCD)	1,793	1,901	2,463	2,944
<i>EBITDA margin (%)</i>	17.4	17.5	19.5	20.5
Phoenix Lamps (PLD)	299	471	600	666
<i>EBITDA margin (%)</i>	8.2	12.1	14.0	14.0
Suprajit Electronics (SED)	-	58	145	234
<i>EBITDA margin (%)</i>	-	10.5	13.0	14.0
Total EBITDA	3,187	3,259	4,417	5,552
<i>EBITDA margin (%)</i>	11.6	11.3	13.3	14.7

EBITDA mix (%)	FY23	FY24	FY25E	FY26E
SCD	34	25	27	31
DCD	56	58	56	53
PLD	9	14	14	12
SED	-	2	3	4

Source: Company, Emkay Research

Exhibit 9: Change in estimates – We raise FY25E/FY26E EPS by ~4%/~7%, led by the improved growth outlook

Rs mn	FY24		FY25E				FY26E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenues	28,959	5.2	31,341	33,145	5.8	14.5	35,495	37,869	6.7	14.3
EBITDA	3,230	3.3	4,232	4,417	4.4	36.8	5,240	5,552	6.0	25.7
Margin (%)	11.2	-21 bps	13.5	13.3	-18 bps	217 bps	14.8	14.7	-10 bps	133 bps
Net Profit	1,673	10.0	2,452	2,539	3.5	51.8	3,192	3,410	6.8	34.3
EPS (Rs)	12.1	10.0	17.7	18.3	3.5	51.8	23.1	24.6	6.8	34.3

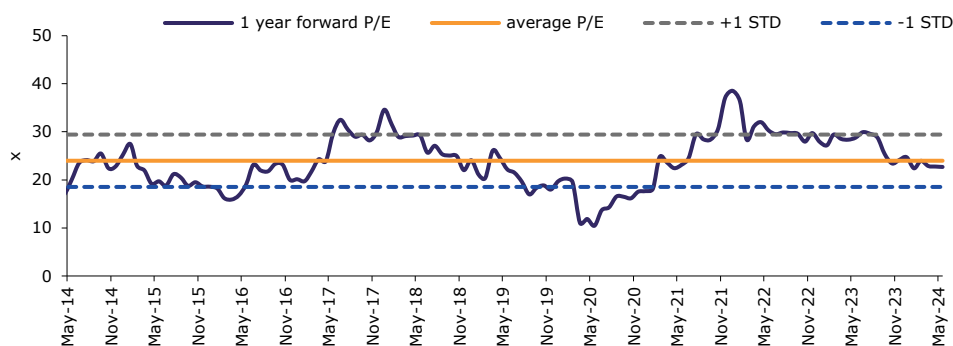
Source: Emkay Research

Exhibit 10: Emkay vs. Consensus

Suprajit	Emkay estimates		Bloomberg estimates		Difference	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net revenue	33,145	37,869	32,716	37,042	1.3%	2.2%
EBITDA	4,417	5,552	4,218	5,016	4.7%	10.7%
EBITDA margin (%)	13.3	14.7	12.9	13.5		
EPS (Rs)	18.3	24.6	16.9	21.6	8.3%	14.3%

Source: Bloomberg, Emkay Research

Exhibit 11: Suprajit trades close to LTA on 1-year forward PER basis



Source: Bloomberg, Emkay Research

Suprajit Engineering: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	18,405	27,524	28,959	33,145	37,869
Revenue growth (%)	12.2	49.5	5.2	14.5	14.3
EBITDA	2,599	3,126	3,230	4,417	5,552
EBITDA growth (%)	9.8	20.3	3.3	36.8	25.7
Depreciation & Amortization	585	955	1,037	1,123	1,237
EBIT	2,014	2,172	2,192	3,294	4,315
EBIT growth (%)	11.9	7.8	0.9	50.3	31.0
Other operating income	0	0	0	0	0
Other income	366	386	599	630	757
Financial expense	145	356	514	467	428
PBT	2,235	2,202	2,278	3,458	4,643
Extraordinary items	116	0	0	0	0
Taxes	621	681	605	919	1,233
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,731	1,521	1,673	2,539	3,410
PAT growth (%)	21.3	(12.1)	10.0	51.8	34.3
Adjusted PAT	1,614	1,521	1,673	2,539	3,410
Diluted EPS (Rs)	11.7	11.0	12.1	18.3	24.6
Diluted EPS growth (%)	22.6	(12.1)	10.0	51.8	34.3
DPS (Rs)	2.0	2.3	1.4	2.1	2.9
Dividend payout (%)	16.0	20.9	11.6	11.6	11.6
EBITDA margin (%)	14.1	11.4	11.2	13.3	14.7
EBIT margin (%)	10.9	7.9	7.6	9.9	11.4
Effective tax rate (%)	27.8	30.9	26.6	26.6	26.6
NOPLAT (pre-IndAS)	1,455	1,500	1,610	2,419	3,169
Shares outstanding (mn)	138.4	138.4	138.4	138.4	138.4

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,235	2,202	2,278	3,458	4,643
Others (non-cash items)	484	2,587	1,144	1,595	1,669
Taxes paid	(584)	(847)	(789)	(915)	(1,229)
Change in NWC	(435)	(1,551)	(140)	(865)	(952)
Operating cash flow	1,816	2,391	2,492	3,273	4,131
Capital expenditure	(525)	(916)	(910)	(1,800)	(1,800)
Acquisition of business	888	(4,886)	(214)	(24)	0
Interest & dividend income	2	8	4	0	0
Investing cash flow	365	(5,793)	(1,120)	(1,824)	(1,800)
Equity raised/(repaid)	(591)	0	0	0	0
Debt raised/(repaid)	(43)	2,918	(235)	(500)	(500)
Payment of lease liabilities	(56)	(67)	(154)	0	0
Interest paid	(150)	(335)	(518)	(467)	(428)
Dividend paid (incl tax)	(275)	(284)	(311)	(194)	(294)
Others	(128)	359	(38)	0	0
Financing cash flow	(1,242)	2,591	(1,255)	(1,161)	(1,222)
Net chg in Cash	938	(811)	117	289	1,108
OCF	1,816	2,391	2,492	3,273	4,131
Adj. OCF (w/o NWC chg.)	2,251	3,942	2,632	4,138	5,083
FCFF	1,291	1,475	1,582	1,473	2,331
FCFE	1,147	1,128	1,073	1,006	1,903
OCF/EBITDA (%)	69.9	76.5	77.2	74.1	74.4
FCFE/PAT (%)	66.3	74.2	64.1	39.6	55.8
FCFF/NOPLAT (%)	88.7	98.4	98.3	60.9	73.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	138	138	138	138	138
Reserves & Surplus	10,701	12,106	13,483	15,729	18,743
Net worth	10,840	12,245	13,622	15,867	18,882
Minority interests	0	0	0	0	0
Deferred tax liability (net)	554	607	468	471	476
Total debt	3,115	6,417	6,239	5,739	5,239
Total liabilities & equity	14,509	19,269	20,328	22,077	24,596
Net tangible fixed assets	3,511	4,663	5,228	5,444	6,007
Net intangible assets	702	1,161	953	953	953
Net ROU assets	402	887	1,382	1,382	1,382
Capital WIP	102	278	72	103	103
Goodwill	1,261	1,364	1,382	1,382	1,382
Investments [JV/Associates]	31	25	1	25	25
Cash & equivalents	4,467	5,495	6,312	6,601	7,709
Current assets (ex-cash)	6,909	10,473	10,894	12,484	14,228
Current Liab. & Prov.	2,877	5,076	5,466	6,297	7,193
NWC (ex-cash)	4,033	5,397	5,428	6,187	7,035
Total assets	14,509	19,269	20,328	22,077	24,596
Net debt	(1,352)	922	(73)	(862)	(2,470)
Capital employed	14,509	19,269	20,328	22,077	24,596
Invested capital	9,909	13,472	13,943	15,348	16,759
BVPS (Rs)	78.3	88.5	98.4	114.7	136.4
Net Debt/Equity (x)	(0.1)	0.1	0.0	(0.1)	(0.1)
Net Debt/EBITDA (x)	(0.5)	0.3	0.0	(0.2)	(0.4)
Interest coverage (x)	0.1	0.1	0.2	0.1	0.1
RoCE (%)	12.6	11.4	10.6	13.9	16.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	37.7	40.0	36.4	24.0	17.9
P/CE(x)	27.7	24.6	22.5	16.6	13.1
P/B (x)	5.6	5.0	4.5	3.8	3.2
EV/Sales (x)	3.2	2.2	2.1	1.8	1.5
EV/EBITDA (x)	22.9	19.8	18.8	13.6	10.5
EV/EBIT(x)	29.6	28.5	27.7	18.2	13.5
EV/IC (x)	6.0	4.6	4.4	3.9	3.5
FCFF yield (%)	2.2	2.4	2.6	2.5	4.0
FCFE yield (%)	1.9	1.9	1.8	1.7	3.1
Dividend yield (%)	0.5	0.5	0.3	0.5	0.6
DuPont-RoE split					
Net profit margin (%)	8.8	5.5	5.8	7.7	9.0
Total asset turnover (x)	1.3	1.6	1.5	1.6	1.6
Assets/Equity (x)	1.4	1.5	1.5	1.4	1.3
RoE (%)	15.6	13.2	12.9	17.2	19.6
DuPont-RoIC					
NOPLAT margin (%)	7.9	5.4	5.6	7.3	8.4
IC turnover (x)	1.9	2.0	2.1	2.2	2.3
RoIC (%)	15.0	12.8	11.7	16.5	19.7
Operating metrics					
Core NWC days	80.0	71.6	68.4	68.1	67.8
Total NWC days	80.0	71.6	68.4	68.1	67.8
Fixed asset turnover	2.2	2.7	2.3	2.4	2.4
Opex-to-revenue (%)	27.3	29.9	30.2	29.1	28.0

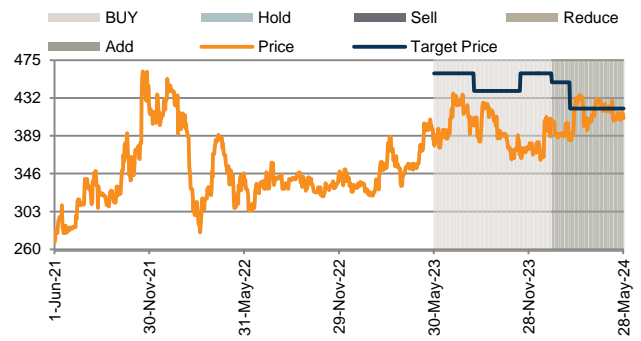
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
15-Feb-24	385	420	Add	Chirag Jain
11-Jan-24	404	450	Add	Chirag Jain
30-Nov-23	381	460	Buy	Chirag Jain
12-Nov-23	372	460	Buy	Chirag Jain
15-Aug-23	401	440	Buy	Chirag Jain
30-May-23	390	460	Buy	Chirag Jain

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 May 30, 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 May 30, 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 May 30, 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.