

BUY Greenpanel Industries

Your success is our success

Momentary weakness; medium-term growth story intact

Building Materials ▶ Company Update ▶ September 26, 2023

TARGET PRICE (Rs): 440

Our channel checks suggest that volume trajectory for the MDF segment is expected to remain weak in Q2FY24 owing to the subdued demand environment and sustained pressure of MDF imports (monthly run-rate: ~30K CBM). Timber prices in the southern region have further firmed up, with a likely 10% QoQ increase (+2% QoQ in Q1FY24), while having broadly stayed stable in the North. However, declining resin prices and lower marketing spends could provide some respite to margins in Q2FY24E. We continue to like Greenpanel, given its leadership position in the MDF segment, industry-leading margins, lean working capital, and strong balance sheet. However, near-term challenges may pose downside risk to our/ consensus estimates for FY24. We have a BUY rating on the stock, with Jun-24E TP of Rs440/sh, based on 18x P/E.

Greenpanel Industries: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	16,250	17,829	19,137	21,240	25,358
EBITDA	4,304	4,165	4,010	4,647	5,827
Adj. PAT	2,405	2,504	2,434	2,779	3,698
Adj. EPS (Rs)	19.6	20.4	19.9	22.7	30.2
EBITDA margin (%)	26.5	23.4	21.0	21.9	23.0
EBITDA growth (%)	111.7	(3.2)	(3.7)	15.9	25.4
Adj. EPS growth (%)	321.9	4.1	(2.8)	14.2	33.1
RoE (%)	28.6	23.3	18.6	18.0	20.2
RoIC (%)	21.3	22.1	17.7	17.4	21.5
P/E (x)	19.2	18.4	18.9	16.6	12.5
EV/EBITDA (x)	10.8	10.6	11.6	9.5	7.1
P/B (x)	4.8	3.9	3.2	2.8	2.3
FCFF yield (%)	7.1	5.8	(4.2)	5.5	7.1

Source: Company, Emkay Research

Volume growth yet to pick up steam

Greenpanel had registered ~7% YoY volume de-growth in the MDF segment during Q1FY24 mainly owing to maintenance shut-down. Given the weak demand in the domestic market and the imports pressure, we estimate Company volumes would grow in a low to mid-single-digit sequentially in Q2FY24E. India's MDF export shipments have grown 12% YoY in Jul-23. We estimate a similar trend for the company, as we anticipate double-digit YoY export growth in the MDF segment (>30K CBM).

Lower marketing spends likely to negate the impact of higher RM cost in Q2

Timber prices in the South (65-70% of volumes) have further firmed up, further with likely 10% QoQ increase (+2% QoQ in Q1FY24), while it has broadly remained stable in the North region. However, declining resin prices and lower marketing spends could provide some respite to margins. To recap, ad spends in Q1 stood at 3.9% of sales vs annual budget spends of 2-2.5% of sales in FY24.

New segment to propel growth from H2FY24

To combat the challenges of rising imports, Company has recently launched a new category which would cater to OEMs (an import dominated category) and will be priced 7-8% cheaper than industrial grade products. The new OEM segment would generate 8K-10K per month incremental CBM volumes H2FY24 onwards and is likely to contribute 20% to overall volumes over the next two years.

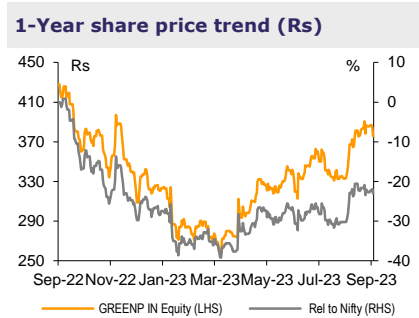
Aggressive capex plans to support long-term growth prospects

MDF is expected to be one of the fastest growing segments in the wood-panel category and is estimated to register at 18-20% CAGR over FY23-28E, led by deepening penetration and increasing preference for readymade furniture. In a bid to capture this opportunity, Greenpanel has outlined capex of Rs6bn, which would enhance its capacity by ~35%, from 660K CBM to 891K CBM by Q2FY25E.

Target Price	Jun-24
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	16.8
CMP (25-Sep-23) (Rs)	377.0

Stock Data	Ticker
52-week High (Rs)	441
52-week Low (Rs)	255
Shares outstanding (mn)	122.6
Market-cap (Rs bn)	46
Market-cap (USD mn)	557
Net-debt, FY24E (Rs mn)	264
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	181.8
ADTV-3M (USD mn)	2.2
Free float (%)	-
Nifty-50	19,674
INR/USD	82.9
Shareholding, Jun-23	
Promoters (%)	53.1
FPIs/MFs (%)	4.3/21.6

Price Performance			
(%)	1M	3M	12M
Absolute	11.3	14.2	(12.5)
Rel. to Nifty	9.7	8.9	(21.6)

**Dharmesh Shah**dharmesh.shah@emkayglobal.com
+91 22 6612 1255**Cheragh Sidhwa**Cheragh.sidhwa@emkayglobal.com
+91 22 6612 1219

Story in Charts

Exhibit 1: Key Assumptions

Segmental performance (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (%)	
									FY19-23	FY23-26E
MDF										
Sales volumes (K CBM)	198	316	380	495	507	568	637	765	26.5	14.7
YoY (%)		59.8	20.4	30.1	2.4	12.0	12.3	20.0		
Revenues	4.5	6.4	8.0	13.7	15.4	16.5	18.4	22.5	36.3	13.4
YoY (%)		44.4	24.7	70.5	12.5	7.2	11.8	21.8		
Realization (Rs/CBM)	22,543	20,374	21,097	27,638	30,367	29,072	28,935	29,371	7.7	-1.1
YoY (%)		-9.6	3.5	31.0	9.9	-4.3	-0.5	1.5		
EBITDA	0.5	1.2	1.8	4.2	4.2	3.8	4.4	5.5	67.8	9.7
YoY (%)		120.9	57.5	129.0	-0.6	-9.7	15.4	26.4		
Margin (%)	11.9	18.2	23.0	30.9	27.3	23.0	23.8	24.7		
Rs/CBM	2,683	3,708	4,852	8,540	8,290	6,687	6,872	7,240	32.6	-4.4
Plywood										
Sales volumes (MSM)	5.7	8.5	8.5	9.3	8.6	9.2	9.6	9.8	10.9	4.6
YoY (%)		49.8	-0.4	9.7	-7.7	7.0	5.0	2.0		
Revenues	1.4	2.2	2.2	2.6	2.4	2.6	2.8	2.9	14.6	5.8
YoY (%)		52.6	0.7	17.9	-4.8	8.1	6.1	3.3		
Realization (Rs/MSM)	249	254	256	276	284	287	290	294	3.4	1.1
YoY (%)		1.9	1.0	7.5	3.2	1.0	1.0	1.3		
EBITDA	0.12	0.25	0.27	0.28	0.17	0.18	0.24	0.26	8.8	15.4
YoY (%)		111.9	5.8	4.6	-40.3	9.6	28.0	9.4		
Margin (%)	8.5	11.8	12.4	11.0	6.9	7.0	8.5	9.0		

Source: Company, Emkay Research

Exhibit 2: Annual analysis

Consolidated	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (%)	
								FY19-23	FY23-25E
P&L (Rs bn)									
Revenue	8.8	10.2	16.3	17.8	19.1	21.2	25.4	31.3	12.5
EBITDA	1.4	2.0	4.3	4.2	4.0	4.6	5.8	52.3	11.8
Adj. Net Profit	0.0	0.7	2.4	2.5	2.4	2.8	3.7	64.0	13.9
Balance Sheet (Rs bn)									
Equity	6.6	7.3	9.5	11.9	14.2	16.7	20.0		
Net Debt (Rs bn)	5.5	3.7	0.6	-1.9	0.3	(1.9)	(4.7)		
Net Debt:EBITDA (x)	4.0	1.8	0.1	(0.4)	0.1	(0.4)	(0.8)		
Net Debt:Equity (x)	0.8	0.5	0.1	-0.2	0.0	(0.1)	(0.2)		
Cash Flow (Rs bn)									
OCF before NWC change	0.7	1.2	3.1	3.6	3.2	3.7	4.8		
Change in NWC	0.0	0.6	0.4	(0.3)	(0.1)	(0.2)	(0.1)		
Capex	(0.2)	(0.1)	(0.3)	(0.8)	(5.0)	(1.0)	(1.5)		
FCF	0.5	1.7	3.2	2.5	(1.9)	2.4	3.2		
Return ratios (%)									
RoE	0.6	9.9	28.6	23.3	18.6	18.0	20.2		
RoCE	4.9	7.4	19.3	18.3	15.5	15.9	18.2		
RoIC	6.6	7.4	21.3	22.1	17.7	17.4	21.5		
Valuations (x)									
PER				18.4	18.9	16.6	12.5		
EV/EBITDA				10.6	11.6	9.5	7.1		
P/B				3.9	3.2	2.8	2.3		

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 09/26/2023 03:42 PM

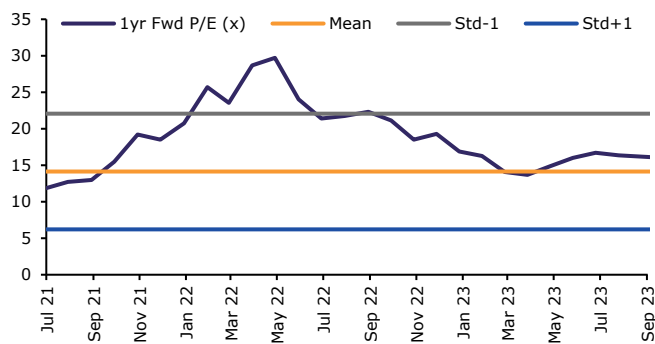
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors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

Exhibit 3: We maintain BUY on Greenpanel, with TP of Rs440/share, based on 18x Jun-25E P/E

P/E-based methodology	(Rs/share)
Jun-25E EPS	24.5
P/E (x)	18.0
Target Price	440
CMP	376
Upside (%)	17

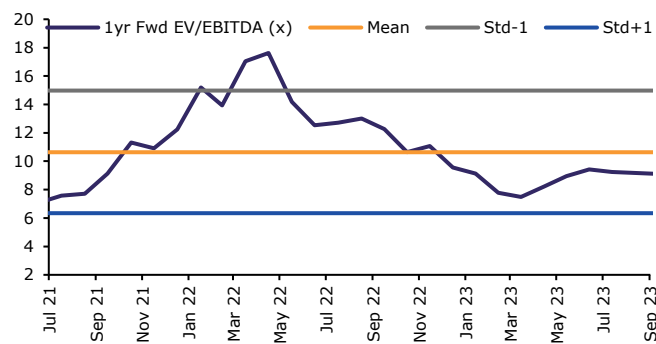
Source: Emkay Research

Exhibit 4: One-year forward P/E



Source: Company, Emkay Research

Exhibit 5: One-year forward EV/EBITDA



Source: Company, Emkay Research

Profit & Loss

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	16,250	17,829	19,137	21,240	25,358
Revenue growth (%)	59.2	9.7	7.3	11.0	19.4
EBITDA	4,304	4,165	4,010	4,647	5,827
EBITDA growth (%)	111.7	(3.2)	(3.7)	15.9	25.4
Depreciation & Amortization	734	720	755	899	1,046
EBIT	3,571	3,445	3,255	3,748	4,781
EBIT growth (%)	165.0	(3.5)	(5.5)	15.1	27.6
Other operating income	0	0	0	0	0
Other income	90	194	154	122	210
Financial expense	171	190	154	154	47
PBT	3,489	3,449	3,254	3,715	4,944
Extraordinary items	0	0	0	0	0
Taxes	1,085	944	820	936	1,246
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	2,405	2,504	2,434	2,779	3,698
PAT growth (%)	321.9	4.1	(2.8)	14.2	33.1
Adjusted PAT	2,405	2,504	2,434	2,779	3,698
Diluted EPS (Rs)	19.6	20.4	19.9	22.7	30.2
Diluted EPS growth (%)	321.9	4.1	(2.8)	14.2	33.1
DPS (Rs)	1.5	1.5	1.6	2.3	3.0
Dividend payout (%)	7.6	7.3	8.0	10.0	10.0
EBITDA margin (%)	26.5	23.4	21.0	21.9	23.0
EBIT margin (%)	22.0	19.3	17.0	17.6	18.9
Effective tax rate (%)	31.1	27.4	25.2	25.2	25.2
NOPLAT (pre-IndAS)	2,461	2,502	2,435	2,803	3,576
Shares outstanding (mn)	122.6	122.6	122.6	122.6	122.6

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	3,489	3,449	3,254	3,715	4,944
Others (non-cash items)	(559)	(169)	0	0	0
Taxes paid	(580)	(623)	820	936	1,246
Change in NWC	402	(254)	(99)	(238)	(128)
Operating cash flow	3,657	3,374	3,090	3,472	4,453
Capital expenditure	(336)	(803)	(5,030)	(1,030)	(1,530)
Acquisition of business	0	0	0	0	0
Interest & dividend income	30	120	154	122	210
Investing cash flow	(1,364)	(2,478)	(4,876)	(908)	(1,319)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(1,468)	(1,002)	0	(1,300)	(100)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(115)	(85)	(154)	(154)	(47)
Dividend paid (incl tax)	(184)	(184)	(194)	(277)	(369)
Others	(82)	(66)	(3)	32	64
Financing cash flow	(1,849)	(1,336)	(351)	(1,699)	(453)
Net chg in Cash	443	(441)	(2,137)	865	2,681
OCF	3,657	3,374	3,090	3,472	4,453
Adj. OCF (w/o NWC chg.)	3,255	3,628	3,189	3,710	4,581
FCFF	3,320	2,571	(1,940)	2,443	2,923
FCFE	1,852	1,568	(1,940)	1,143	2,823
OCF/EBITDA (%)	84.9	81.0	77.1	74.7	76.4
FCFE/PAT (%)	77.0	62.6	(79.7)	41.1	76.3
FCFF/NOPLAT (%)	134.9	102.8	(79.7)	87.1	81.7

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	123	123	123	123	123
Reserves & Surplus	9,394	11,816	14,050	16,546	19,869
Net worth	9,516	11,939	14,173	16,669	19,991
Minority interests	0	0	0	0	0
Deferred tax liability (net)	682	1,020	1,020	1,020	1,020
Total debt	3,965	3,403	3,407	2,145	2,115
Total liabilities & equity	14,164	16,362	18,599	19,833	23,126
Net tangible fixed assets	9,948	9,453	9,129	13,760	13,243
Net intangible assets	2	3	3	3	3
Net ROU assets	432	459	459	459	459
Capital WIP	0	49	4,649	149	1,149
Goodwill	0	0	0	0	0
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	2,226	3,778	1,641	2,506	5,187
Current assets (ex-cash)	2,816	3,305	3,643	4,091	4,621
Current Liab. & Prov.	1,942	1,706	1,945	2,154	2,556
NWC (ex-cash)	1,556	2,619	2,718	2,956	3,084
Total assets	14,164	16,362	18,599	19,833	23,126
Net debt	600	(1,874)	264	(1,902)	(4,683)
Capital employed	13,025	14,863	17,097	18,292	21,515
Invested capital	11,938	12,535	12,310	17,178	16,790
BVPS (Rs)	77.6	97.4	115.6	135.9	163.0
Net Debt/Equity (x)	0.1	(0.2)	0.0	(0.1)	(0.2)
Net Debt/EBITDA (x)	0.1	(0.4)	0.1	(0.4)	(0.8)
Interest coverage (x)	21.4	19.1	22.1	25.1	105.4
RoCE (%)	29.3	26.1	21.3	21.9	25.1

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	19.2	18.4	18.9	16.6	12.5
P/CE(x)	14.7	14.3	14.4	12.5	9.7
P/B (x)	4.8	3.9	3.2	2.8	2.3
EV/Sales (x)	2.9	2.5	2.4	2.1	1.6
EV/EBITDA (x)	10.8	10.6	11.6	9.5	7.1
EV/EBIT(x)	13.1	12.8	14.2	11.8	8.7
EV/IC (x)	3.9	3.5	3.8	2.6	2.5
FCFF yield (%)	7.1	5.8	(4.2)	5.5	7.1
FCFE yield (%)	4.0	3.6	(4.2)	2.6	6.8
Dividend yield (%)	0.4	0.4	0.4	0.6	0.8
DuPont-RoE split					
Net profit margin (%)	14.8	14.0	12.7	13.1	14.6
Total asset turnover (x)	1.3	1.3	1.2	1.2	1.3
Assets/Equity (x)	1.5	1.3	1.2	1.1	1.1
RoE (%)	28.6	23.3	18.6	18.0	20.2
DuPont-RoIC					
NOPLAT margin (%)	15.1	14.0	12.7	13.2	14.1
IC turnover (x)	1.4	1.5	1.5	1.4	1.5
RoIC (%)	21.3	22.1	17.7	17.4	21.5
Operating metrics					
Core NWC days	35.0	53.6	51.8	50.8	44.4
Total NWC days	35.0	53.6	51.8	50.8	44.4
Fixed asset turnover	1.1	1.2	1.3	1.2	1.2
Opex-to-revenue (%)	32.2	34.8	36.2	34.3	34.2

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	CMP (INR)	TP (INR)	Rating	Analyst
28-Jul-23	341	440	Buy	Dharmesh Shah
04-Jul-23	339	450	Buy	Dharmesh Shah
04-Jul-23	339	450	Buy	Dharmesh Shah
04-Jul-23	339	450	Buy	Dharmesh Shah

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 be 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 September 26, 2023
- 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 September 26, 2023
- 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 September 26, 2023
- 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	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

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.