

Rebuilding the category, reviving its legacy

Consumer Durables ▶ Management Meet Update ▶ January 8, 2025

TARGET PRICE (Rs): Not Rated

We recently engaged with the management of Eureka Forbes (EFL) to delve into its organizational reboot. KTAs: 1) EFL is transforming its product, service, and operational verticals, unlocking significant growth in its core categories of water purification/vacuum cleaning (which it pioneered), and where it continues to enjoy leadership with ~40%/60% market share; it recently entered the air purification vertical; 2) EFL, via various strategic initiatives, has been addressing category-growth barriers, with focus on i) increasing affordability (targeting non-users), ii) building relevance (category-creating consumer campaigns), and iii) improving availability (distribution expansion), thereby driving double-digit category growth; 3) driving premiumization by leveraging the extensive customer base through R&D-led product introductions; 4) a revamped approach toward its service business, including affordable tiered AMC contracts and digital capabilities (achieved ~50% of the service revenue via digital platforms, significant rise in app-based engagements); 5) with gross margin expansion now largely having played out, EFL remains focused on optimizing EBITDA margins; EFL's EBITDA margin expanded to ~11% in H1FY25 (vs ~6% in FY23) and is now in a cash surplus position (vs net debt in FY23). EFL trades at 134x TTM PER (61x Sep-24 annualized).

Eureka Forbes: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24
Revenue	20,845	21,893
EBITDA	1,450	1,986
Adj. PAT	665	1,108
Adj. EPS (Rs)	3.4	5.7
EBITDA margin (%)	7.0	9.1
EBITDA growth (%)	690.8	37.0
Adj. EPS growth (%)	911.9	261.3
RoE (%)	1.6	2.7
RoIC (%)	1.2	2.0
P/E (x)	171.7	103.0
EV/EBITDA (x)	79.0	56.9
P/B (x)	2.8	2.7
FCFF yield (%)	1.5	1.5

Source: Company, Emkay Research, FY21 & FY22 Financials are not comparable due to restructuring activity

Addressing category-growth barriers uplifting the growth trajectory

EFL's leadership position in the highly underpenetrated categories (~6% penetration in water purifiers, ~1% penetration in vacuum cleaners) gives it an immense growth headroom. Leveraging its competitive strengths around market leadership, strong service network, product innovation pipeline, and digital initiatives, EFL has been strategically focusing on addressing category barriers for driving double-digit category growth (vs 2-3% over the past decade), with focus on increased affordability, building relevance, and improving availability. Key initiatives like affordable water purifiers (starting at Rs6.5K/unit) and premium models (higher ASPs of Rs15K-20K; 1.7-2x ASP of the existing range) have driven significant volume growth across price segments. EFL has also addressed challenges in its vacuum cleaner (launched product across price points; also introduced robotic vacuum cleaners) business, leading to renewed adoption (56% of customers acquired in the last 2 years). Its strong innovation pipeline aided by diversified R&D spends (98% higher in FY24) across product categories has delivered several industry-first products, thus addressing the evolving consumer needs.

Transformation under way in the service business; digitization to act as a catalyst

EFL has revamped its product and service offerings, moving beyond just AMC, to deliver tailored solutions driven by customer insights and market understanding. Such efforts address broader customer needs (eg *ad hoc* part replacements) while enhancing customer experience, which has led to 30% increase in appointments through improved cross-selling and up-selling. Digitization, including slot-based appointments and technician tracking, has significantly increased app-based service engagements to 80% from 30%, with approximately 50% of service revenues now generated via the digital platform. However, only a small portion of EFL's installed base utilizes its services, primarily due to limited awareness, perceived high costs of parts like filters, and the convenience of local providers. To address this, EFL has implemented initiatives such as tiered AMC contracts starting at Rs599 to reduce ownership costs, QR-coded filters for authenticity, and a one-hour service guarantee.

Renewed focus on product profitability; indigenization to reduce import dependency

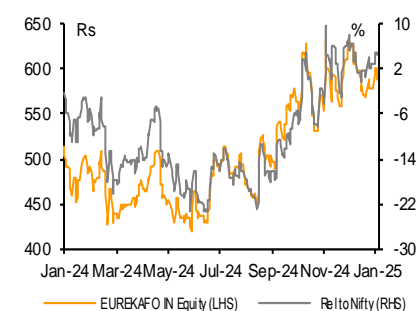
Since Advent's takeover, EFL has driven multiple layers of cost efficiencies and strategic investments in marketing, digitalization, and R&D, leading to revenue growth and margin expansion (~11% in H1FY25 vs ~6% in FY23), along with a cash-surplus position (vs net debt in FY23). With gross margin expansion now having played out, EFL is focusing on optimizing EBITDA margin and targeting growth across the entry, mid, and premium segments, to ensure sustainable profitability and return on investment. Additionally, the company is exploring local manufacturing opportunities to reduce dependency on Chinese imports, particularly in segments like robotics and upright vacuum cleaners. Further, enhanced service capabilities, including digitized processes and direct technician management, will improve operational efficiency and cash conversion cycles.

Target Price – 12M	Sep-25
Change in TP (%)	NA
Current Reco.	NOT RATED
Previous Reco.	NOT RATED
Upside/ (Downside) (%)	NA
CMP (08-Jan-25) (Rs)	598.4

Stock Data	Ticker
52-week High (Rs)	648
52-week Low (Rs)	397
Shares outstanding (mn)	193.4
Market-cap (Rs bn)	116
Market-cap (USD mn)	1,348
Net-debt, (Rs mn)	-
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	207.5
ADTV-3M (USD mn)	2.4
Free float (%)	37.4
Nifty-50	23,689
INR/USD	85.9
Shareholding, Sep-24	
Promoters (%)	62.6
FPIs/MFs (%)	12.7/6.7

Price Performance			
(%)	1M	3M	12M
Absolute	(4.3)	7.9	19.8
Rel. to Nifty	(0.4)	13.9	8.8

1-Year share price trend (Rs)



Chirag Jain

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

Jaimin Desai

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

Nandan Pradhan

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

Exhibit 1: EFL's revenue mix for FY24 – Well spread across verticals

Revenue Contribution



Note: 1. Revenue Contribution for Continuing Business in FY24. 2. Other Revenue include Non-electric Water Purifiers, Air, Softener, B2B Water Products. 3. Service Revenue includes Sale of AMC, Filter and Spares.

Source: Company, Emkay Research

Exhibit 2: Quarterly financials – Sustained double-digit revenue growth momentum; profitability also improves

(Rs mn)	Q4 FY23	Q1 FY24	Q2 FY24	Q3FY24	Q4 FY24	Q1 FY25	Q2 FY25
Revenue	5,086	5,048	5,915	5,394	5,536	5,534	6,731
Growth YoY (%)		-4.1	2.7	13.9	8.8	9.6	13.8
RM Cost	2,003	1,936	2,495	2,200	2,255	2,158	2,923
Gross Profit	3,082	3,112	3,420	3,194	3,281	3,376	3,808
Gross Margin (%)	60.6	61.7	57.8	59.2	59.3	61.0	56.6
Employee Expenses	621	759	859	832	849	852	842
Other Expenses	2,024	1,848	2,040	1,935	2,051	1,961	2,236
EBITDA	437	505	521	427	381	563	731
EBITDA Margin (%)	8.6	10.0	8.8	7.9	6.9	10.2	10.9
Growth YoY (%)	118	10	-721	81	-13	11	40
Depreciation	132	134	132	134	140	138	141
EBIT	306	371	389	294	241	425	590
Other income	40	20	18	31	19	23	34
Interest	36	35	29	18	16	17	17
EBT	309	357	378	306	244	432	607
Tax	104	102	119	76	31	110	160
Minority Interest	-0.1	0.0	0.2	0.0	-0.1	0.1	0.3
Adj PAT	206	255	258	230	214	321	447
Adj PAT margin (%)	4.0	5.0	4.4	4.3	3.9	5.8	6.6
Growth YoY (%)	348	28	-224	233	4	26	73
Exceptional items	-91	0	0	0	-152	0	30
Reported PAT	115	255	258	230	62	321	477
Reported PAT margin (%)	2.3	5.0	4.4	4.3	1.1	5.8	7.1
Growth YoY (%)	149	28	-170	-383	-46	26	85
EPS (Rs)	1.1	1.3	1.3	1.2	1.1	1.7	2.5

Source: Company, Emkay Research

Addressing category-growth barriers uplifting the growth trajectory

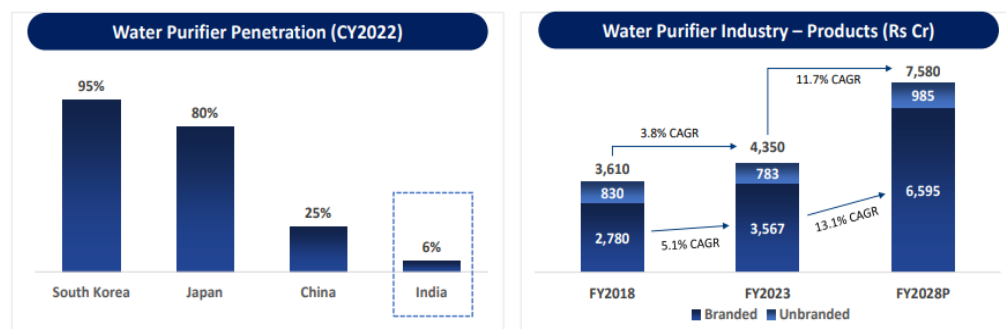
- EFL's leadership position in the highly underpenetrated categories (~6% penetration in water purifiers, ~1% penetration in vacuum cleaners) gives the company an immense headroom for growth.
- Leveraging its competitive strengths around market leadership, strong service network, product innovation pipeline, and digital initiatives, EFL has been strategically focusing on addressing category barriers for driving double-digit category growth (vs 2-3% over the past decade), with focus on increased affordability, building relevance, and improving availability.
- Key initiatives like affordable water purifiers (starting at Rs6.5K/unit) and premium models (higher ASPs of Rs15K-20K; 1.7-2x ASP of existing range) have driven significant volume growth across price segments.
- EFL has also addressed challenges in its vacuum cleaner (launched product across price points; also introduced robotic vacuum cleaners) business, leading to renewed adoption (56% of customers acquired in last 2 years).
- The company's strong innovation pipeline aided by diversified R&D spends (98% higher in FY24) across product categories has delivered several industry-first products, thereby addressing the evolving consumer needs.

Exhibit 3: EFL's total addressable market expected to see 13% CAGR – More-than-doubling its growth to Rs234bn over FY23-30



Source: Company, Emkay Research; Note: 1 crore = 10 million

Exhibit 4: The water purifier industry is expected to see 13% CAGR over FY23-28E, owing to significantly lower penetration and positive macros (improved electricity and water supply)

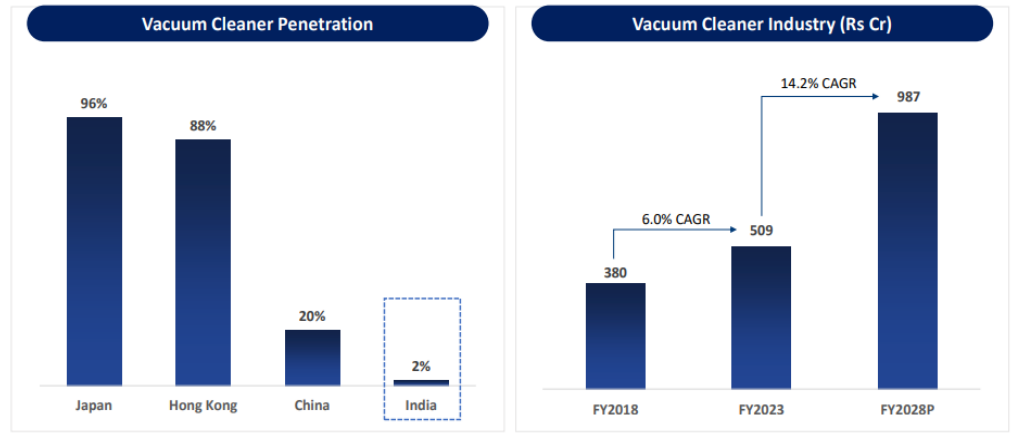


Key tailwinds

- Growing awareness and consciousness on Health and Hygiene
- Coverage increased to 70% as of October 2023 from ~17% in 2019
- Uninterrupted access to electricity for wider section of population

Source: Company, Emkay Research

Exhibit 5: The vacuum cleaner industry in India is expected to double over FY23-28



Source: Company, Emkay Research

Exhibit 6: EFL’s enhanced focus on premiumization is visible in the newly launched range of water purifiers, with ahead of industry innovation



Source: Company, Emkay Research

Exhibit 7: EFL has also taken several category building initiatives for its vacuum cleaner products, coupled with several innovative launches



Source: Company, Emkay Research

Exhibit 8: EFL has entered the air purification space



Strong growth in new segments

Source: Company, Emkay Research

Exhibit 9: EFL's recently-launched advertising campaign to promote its affordable water purifier under the Aquaguard brand

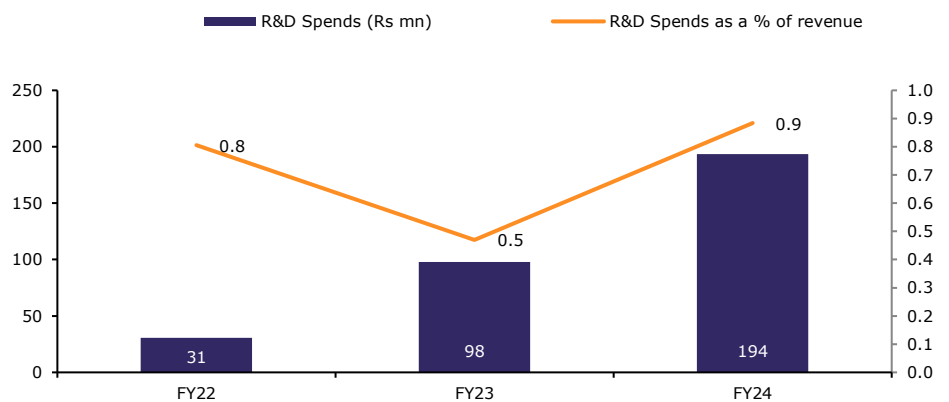
Jab Nal Se
Kapda Hatega,
Tabhi Sar ka
Kapda Hatega



Terms and conditions apply. *As per standard testing conditions, water strained through cloth show 0% reduction in E.Coli, MS2 Phage. *Prices are indicative and may differ as per model and state.

Source: Company, Emkay Research

Exhibit 10: EFL's R&D spends have grown 6x over the last 2 years

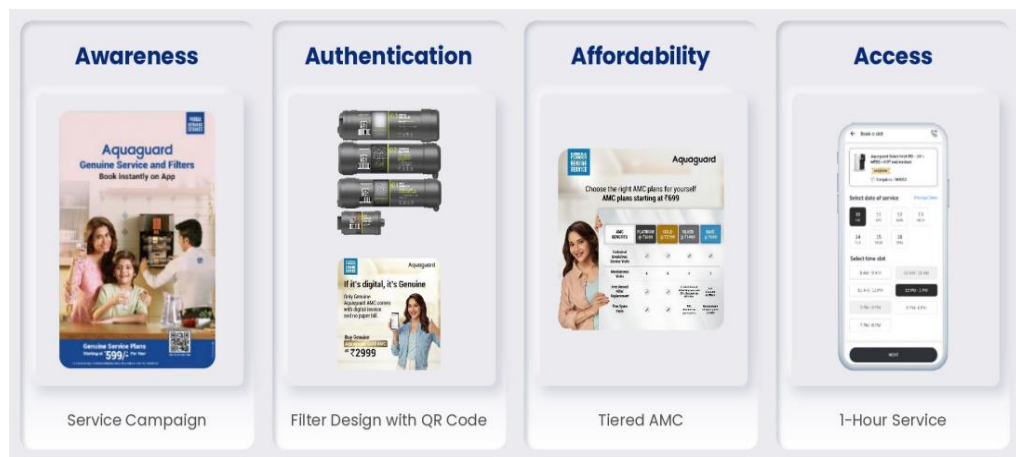


Source: Company, Emkay Research

Transformation under way in the service business; digitization to act as a catalyst

- EFL has revamped its product and service offerings, moving beyond just AMC, to deliver tailored solutions driven by customer insights and market understanding. These efforts address broader customer needs (eg *ad hoc* part replacements) while enhancing the customer experience, which has led to a 30% increase in appointments through improved cross-selling and up-selling.
- Digitization, including slot-based appointments and technician tracking, has significantly increased app-based service engagements to 80% from 30%, with approximately 50% of service revenues now generated via the digital platform.
- However, only a small portion of EFL’s installed base utilizes its services, primarily due to limited awareness, perceived high costs of parts like filters, and the convenience of local providers.
- To address this, EFL has implemented initiatives such as tiered AMC contracts starting at Rs599 to reduce ownership costs, QR-coded filters for authenticity, and a one-hour service guarantee.

Exhibit 11: EFL is also transforming its service vertical via multiple innovative means



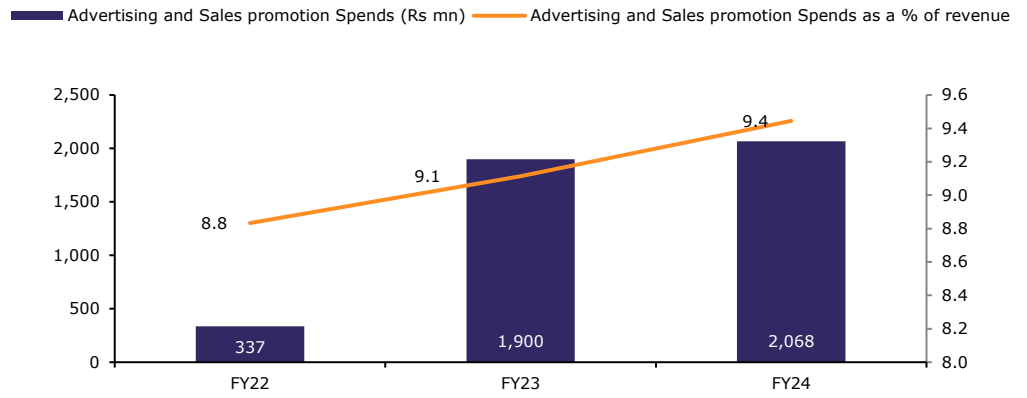
Source: Company, Emkay Research

Exhibit 12: EFL, centered around a 'Customer First' approach, aims to provide best-in-class service and customer experience



Source: Company, Emkay Research

Exhibit 13: Advertising spends have grown ~6x over FY22-24



Source: Company, Emkay Research

Exhibit 14: EFL has an omni-channel presence with an extensive reach and distribution network spanning across the country

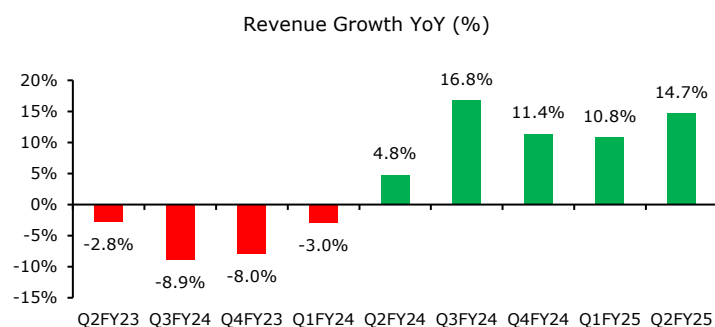


Source: Company, Emkay Research

Renewed focus on product profitability; indigenization to reduce import dependency

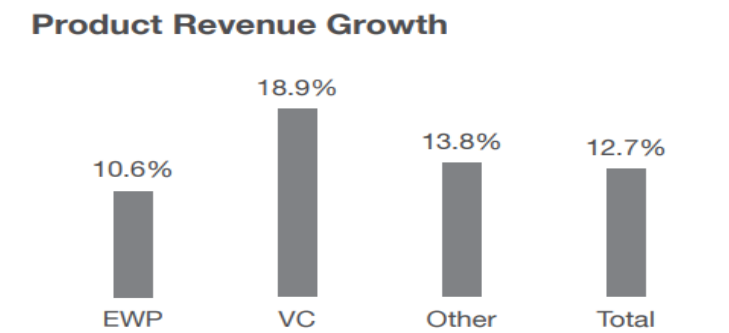
- Since Advent's takeover, EFL has driven multiple layers of cost efficiencies and strategic investments in marketing, digitalization, and R&D, leading to revenue growth and margin expansion (~11% in H1FY25 vs ~6% in FY23), along with a cash surplus position (vs net debt in FY23).
- With the gross margin expansion now having played out, EFL is focusing on optimizing the EBITDA margin and targeting growth across entry, mid, and premium segments, to ensure sustainable profitability and return on investment.
- Additionally, the company is exploring local manufacturing opportunities to reduce dependency on Chinese imports, particularly in segments like robotics and upright vacuum cleaners.
- Further, enhanced service capabilities, including digitized processes and direct technician management will improve operational efficiency and cash conversion cycles.

Exhibit 15: EFL has posted strong double digit revenue growth over the past 5 quarters...



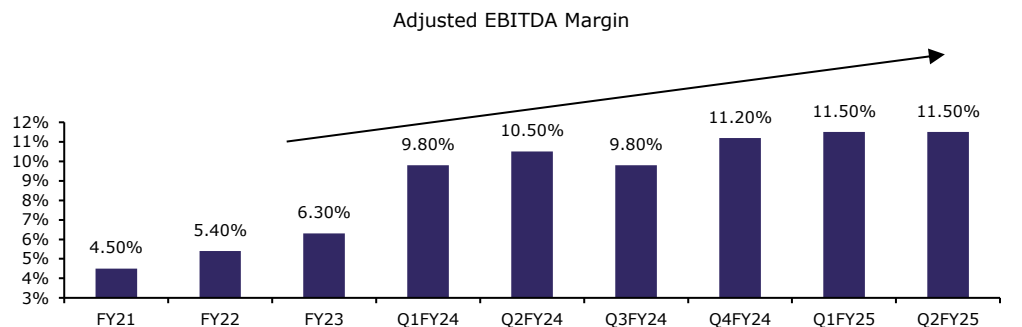
Source: Company, Emkay Research

Exhibit 16: ...with double-digit growth across product verticals in FY24



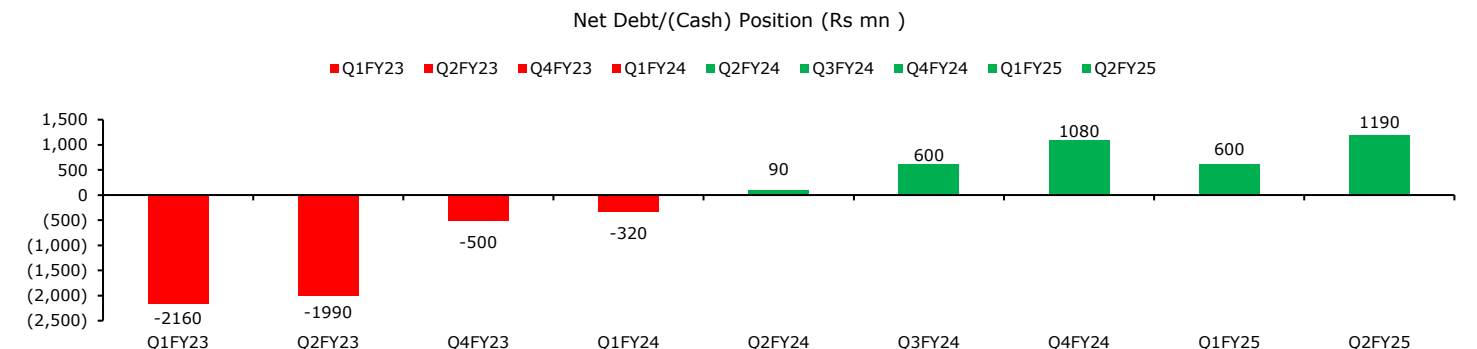
Source: Company, Emkay Research

Exhibit 17: EFL's EBITDA margin has expanded by 520bps over FY23-Q2FY25



Source: Company, Emkay Research

Exhibit 18: EFL has consistently maintained a net cash position over the last 6 quarters vs net-debt position in FY23



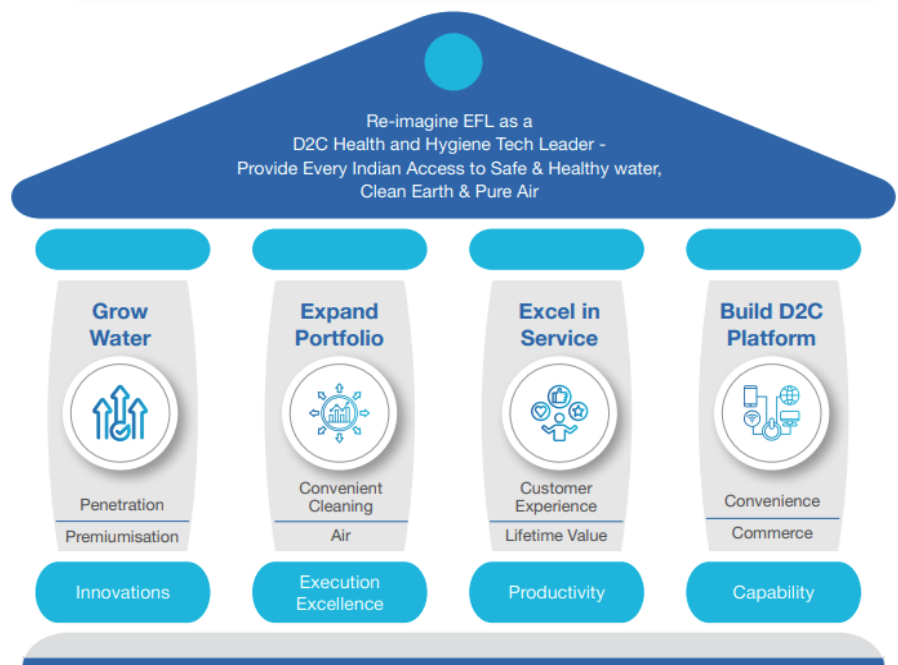
Source: Company, Emkay Research

Exhibit 19: EFL's FY24 performance indicates a clear breakout from long-term historical trends

	Long-Term (FY12 - FY22)	FY 23	FY 24
Volume growth - Product*	Negative	Low single digit	Strong double digit
Revenue Growth	Low single digit	2.2% 6.1%**	5.2% 7.9%**
Adj EBITDA %	3.8% (avg)	6.30%	10.30%
Net Surplus/ (Debt)	Net Debt	₹ (50) cr	₹ 108 Cr
Market Share	Decline	Decline	Gain

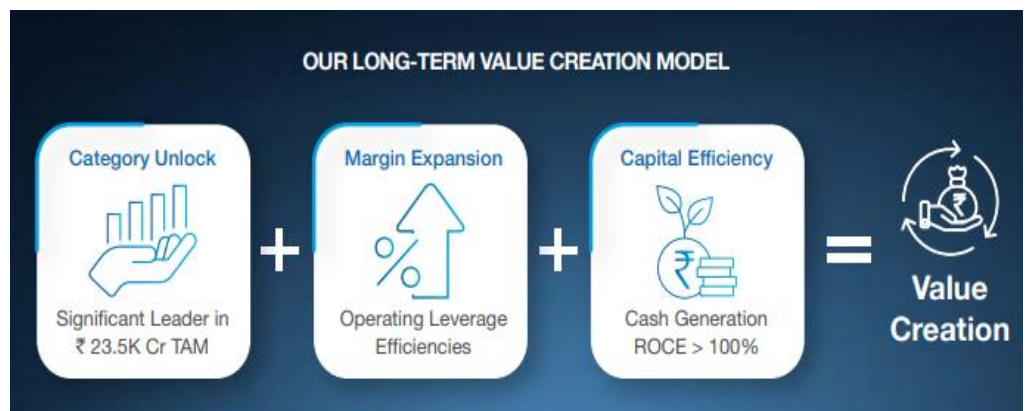
Source: Company, Emkay Research

Exhibit 20: EFL is undergoing an organization-level reboot, while strengthening its leadership



Source: Company, Emkay Research

Exhibit 21: EFL has outlined its business model for long-term value creation



Source: Company, Emkay Research

Exhibit 22: FY22 financials on *pro forma* basis for the purpose of comparison

Particulars (Rs. Cr)	Q4FY23	Q4FY22*	YoY (%)	FY23	FY22*	YoY (%)
Revenue	508.1	552.3	-8.0%	2,080.4	2,036.0	2.2%
Employee Benefit Expenses	-61.6	-74.4	-17.2%	-300.6	-295.9	1.6%
Service Charges	-77.1	-89.3	-13.7%	-297.6	-317.7	-6.3%
Other Expenses	-117.6	-119.5	-1.6%	-505.3	-476.5	6.0%
Total Expenses	-256.3	-283.2	-9.5%	-1,103.4	-1,090.1	1.2%
Total Expenses % of Revenue	-50.4%	-51.3%	85	-53.0%	-53.5%	51
EBITDA	47.4	35.0	35.6%	131.7	109.7	20.0%
EBITDA %	9.3%	6.3%	300	6.3%	5.4%	94
Finance Cost	-3.5	-6.7	-47.9%	-19.9	-26.1	-24.0%
Depreciation	-12.9	-11.1	16.6%	-55.3	-31.0	78.3%
Other Income	4.0	-1.4	394.6%	10.4	3.5	201.5%
PBT Before Exceptional items	35.0	15.8	120.9%	67.0	56.0	19.5%
Exceptional Items	-9.1	0.0	n.m	-40.0	-10.3	286.9%
PBT after Exceptional items	25.8	15.8	63.3%	26.9	45.7	-41.0%
PAT	16.3	8.2	98.0%	17.1	26.3	-35.0%

- FY23 revenue up 2.2%; Q4FY23 revenue decline owing to weak market conditions
- Q4FY23 EBITDA margin expanded by +300bps; EBITDA grew +35.6% YoY
- PBT pre-exceptional items (EI) charge grew +120.9% YoY
- Cost rationalization projects implemented across several areas
- Lower finance costs enabled by continuing reduction in borrowings
- Exceptional items include one-time costs related to portfolio rationalization

* The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022. Previous year numbers are on a proforma basis to depict the results of the combined entity (erstwhile EFL and FESL) had the acquisition of the business occurred as on 01 April 2021.

Source: Company, Emkay Research; Note: 1 crore = 10 million

Eureka Forbes: Consolidated Financials and Valuations

Profit & Loss		
Y/E Mar (Rs mn)	FY23	FY24
Revenue	20,845	21,893
Revenue growth (%)	446.0	5.0
EBITDA	1,450	1,986
EBITDA growth (%)	690.8	37.0
Depreciation & Amortization	565	540
EBIT	886	1,446
EBIT growth (%)	867.1	63.3
Other operating income	0	0
Other income	102	88
Financial expense	203	98
PBT	785	1,436
Extraordinary items	(400)	(151)
Taxes	120	328
Minority interest	0	0
Income from JV/Associates	0	0
Reported PAT	265	956
PAT growth (%)	911.9	261.3
Adjusted PAT	665	1,108
Diluted EPS (Rs)	3.4	5.7
Diluted EPS growth (%)	911.9	261.3
DPS (Rs)	0.0	0.0
Dividend payout (%)	0.0	0.0
EBITDA margin (%)	7.0	9.1
EBIT margin (%)	4.2	6.6
Effective tax rate (%)	15.3	22.9
NOPLAT (pre-IndAS)	750	1,116
Shares outstanding (mn)	193.5	193.5

Source: Company, Emkay Research, FY21 & FY22 Financials are not comparable due to restructuring activity

Cash flows		
Y/E Mar (Rs mn)	FY23	FY24
PBT	785	1,436
Others (non-cash items)	416	1,649
Taxes paid	(62)	(14)
Change in NWC	322	(418)
Operating cash flow	1,806	1,945
Capital expenditure	(132)	(250)
Acquisition of business	(135)	(87)
Interest & dividend income	0	0
Investing cash flow	(263)	(316)
Equity raised/(repaid)	(5)	0
Debt raised/(repaid)	(1,346)	(1,105)
Payment of lease liabilities	0	0
Interest paid	(184)	(95)
Dividend paid (incl tax)	0	0
Others	0	0
Financing cash flow	(1,535)	(1,201)
Net chg in Cash	8	428
OCF	1,806	1,945
Adj. OCF (w/o NWC chg.)	1,484	2,362
FCFF	1,674	1,695
FCFE	1,471	1,597
OCF/EBITDA (%)	124.6	97.9
FCFE/PAT (%)	555.8	167.0
FCFF/NOPLAT (%)	223.2	151.9

Source: Company, Emkay Research, FY21 & FY22 Financials are not comparable due to restructuring activity

Balance Sheet		
Y/E Mar (Rs mn)	FY23	FY24
Share capital	1,935	1,935
Reserves & Surplus	39,042	40,322
Net worth	40,976	42,256
Minority interests	12	12
Deferred tax liability (net)	8,190	8,114
Total debt	1,399	387
Total liabilities & equity	50,578	50,769
Net tangible fixed assets	0	0
Net intangible assets	0	0
Net ROU assets	0	0
Capital WIP	25	12
Goodwill	20,588	20,588
Investments [JV/Associates]	0	0
Cash & equivalents	969	1,525
Current assets (ex-cash)	4,502	5,128
Current Liab. & Prov.	9,727	10,525
NWC (ex-cash)	(5,225)	(5,397)
Total assets	50,578	50,769
Net debt	431	(1,138)
Capital employed	50,578	50,769
Invested capital	49,584	49,232
BVPS (Rs)	211.8	218.4
Net Debt/Equity (x)	0.0	0.0
Net Debt/EBITDA (x)	0.3	(0.6)
Interest coverage (x)	0.2	0.1
RoCE (%)	1.9	3.0

Source: Company, Emkay Research, FY21 & FY22 Financials are not comparable due to restructuring activity

Valuations and key Ratios		
Y/E Mar	FY23	FY24
P/E (x)	171.7	103.0
P/CE(x)	92.8	69.3
P/B (x)	2.8	2.7
EV/Sales (x)	5.5	5.2
EV/EBITDA (x)	79.0	56.9
EV/EBIT(x)	129.4	78.1
EV/IC (x)	2.3	2.3
FCFF yield (%)	1.5	1.5
FCFE yield (%)	1.3	1.4
Dividend yield (%)	0.0	0.0
DuPont-RoE split		
Net profit margin (%)	3.2	5.1
Total asset turnover (x)	0.4	0.4
Assets/Equity (x)	1.3	1.2
RoE (%)	1.6	2.7
DuPont-RoIC		
NOPLAT margin (%)	3.6	5.1
IC turnover (x)	0.4	0.4
RoIC (%)	1.2	2.0
Operating metrics		
Core NWC days	(91.5)	(90.0)
Total NWC days	(91.5)	(90.0)
Fixed asset turnover	0.4	0.4
Opex-to-revenue (%)	53.1	50.3

Source: Company, Emkay Research, FY21 & FY22 Financials are not comparable due to restructuring activity

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 January 8, 2025
- 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 January 8, 2025
- 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 January 8, 2025
- 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.