

BUY Senco Gold

Your success is our success

Beating the odds; maintain BUY on encouraging outlookRetail ▶ Result Update ▶ **November 11, 2023****TARGET PRICE (Rs): 800**

Senco's Q2 EBITDA was 3%/14% higher than estimated, on better topline performance. Revenue grew 26% (Emkay: 20%), led by improved franchisee growth (15% in Q2 vs. flat last year), studded mix (+100bps) and emerging traction in the Men's segment. SSG has been encouraging, at 19% in H1. Q3TD trend is heartening, given healthy footfalls in the festive season and expectancy of a big wedding season ahead. Senco added 8/1 net COCO/FOFO stores in H1, with 8 more in Oct-23; it is on track for 25 adds in FY24. Number of FOFO stores is also likely to go up, with Bihar emerging as an attractive prospect, along with Bengal/Orissa. Senco's WC increased by Rs2.1bn in H1, towards new-store openings and higher WC in existing stores— to support strong growth. EBITDA margin was flat, on diamond-led inventory gains in the base and one-off IPO expenses. Despite the beat, we do not raise estimates, due to low Q2 PAT salience. Senco offers 20% EPS CAGR potential, with differentiated positioning and network expansion. We maintain BUY (TP: Rs800/sh; 25x Dec-25E EPS).

Senco Gold: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	35,346	40,774	50,147	59,955	71,240
EBITDA	2,772	3,166	3,522	4,421	5,462
Adj. PAT	1,291	1,585	1,680	2,146	2,718
Adj. EPS (Rs)	19.4	22.9	21.6	27.6	35.0
EBITDA margin (%)	7.8	7.8	7.0	7.4	7.7
EBITDA growth (%)	58.1	14.2	11.2	25.5	23.6
Adj. EPS growth (%)	110.0	18.0	(5.6)	27.8	26.6
RoE (%)	19.4	19.0	14.5	14.6	16.0
RoIC (%)	17.3	15.5	14.2	15.3	16.0
P/E (x)	33.9	28.7	30.4	23.8	18.8
EV/EBITDA (x)	17.3	16.0	15.4	12.6	10.4
P/B (x)	6.0	4.8	3.7	3.3	2.8
FCFF yield (%)	(1.4)	(2.3)	0.8	0.3	0.8

Source: Company, Emkay Research

Decent Q2 performance; encouraging festive/wedding commentary

Revenue grew 26% in Q2, led by a 13-14% gold-price increase with the balance contribution from volume growth. SSG was best-in-class at 19% in H1, with festive/wedding expectations for Q3 still strong, on the back of increase in Gold price and early footfall trends at stores. Studded revenue growth was even higher, at over 50%, driving ~100bps increase in studded mix to 12%. Among formats, COCO/FOFO registered a studded mix of 14%/8% in Q2, with focus on further improving the blended mix to 15%. We believe Senco's strategic focus on the northern markets should drive this increase, as the region leads with 19% studded mix vs. 12-14% for other regions. Senco opened 9 stores in H1, with 1/8 stores in the FOFO/COCO format. With 8 more additions in Oct-23, Senco is on track to add 25 stores in FY24. FOFO store additions should also increase in H2, with Bihar emerging as an attractive opportunity, along with West Bengal and Orissa. Operating leverage and better studded mix helped to offset the impact of hedging loss, one-off in the base, and IPO expenses in Q2FY24, leading to flat EBITDA margin at 3.4%. Margin is expected to improve in H2, on strong operating leverage and better mix.

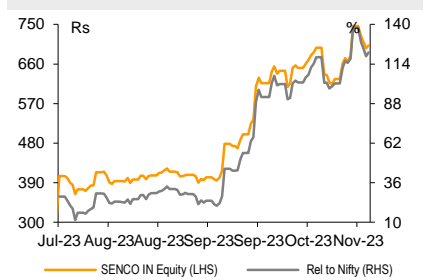
Earnings-call KTAs: 1) The West/South witnessed higher growth in Q2, but focus currently remains on expanding in the North/East. Senco expects 100 store additions over the next 4-5 years. 2) Senco is witnessing a noticeable trend with pick-up observed in the Men's segment, as sportsmen/celebrities are adorning men's jewelry. 3) Region-wise, the West/South/East/North registered growth of 43%/31%/27%/26%. 4) Blended per store revenue stood at Rs330mn, with COCO/FOFO stores logging Rs370/260mn. 5) The IPO proceeds have been deployed in WC of 8 new stores and increase in WC of existing stores would improve studded mix. 6) Despite the 28% growth in H1, Senco restricted full-year revenue growth outlook to ~20%, albeit acknowledged that its outlook is conservative. 7) The hedge ratio for H1 stood steady at 84%, restricting inventory gains from increase in gold prices. 8) Consumers are not aware of the steep fall in prices of high-carat diamonds; Senco is educating customers on this change and providing attractive marketing schemes to its customers. 9) ATV stood at Rs66k compared with ~Rs54k last year. 10) Repeat customer vs new buyer ratio stood at 64:36.

Target Price – 12M	Dec-24
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	21.7
CMP (10-Nov-23) (Rs)	657.4

Stock Data	Ticker
52-week High (Rs)	787
52-week Low (Rs)	358
Shares outstanding (mn)	77.7
Market-cap (Rs bn)	51
Market-cap (USD mn)	613
Net-debt, FY24E (Rs mn)	3,284
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	499.2
ADTV-3M (USD mn)	6.0
Free float (%)	15.0
Nifty-50	19,425
INR/USD	83.3
Shareholding, Jul-23	
Promoters (%)	68.5
FPIs/MFs (%)	3.0/8.1

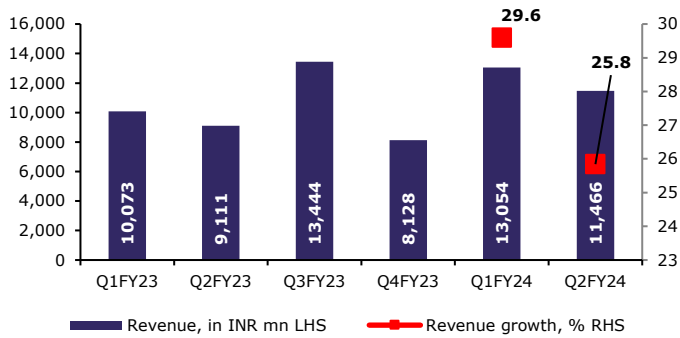
Price Performance

(%)	1M	3M	12M
Absolute	6.7	68.7	-
Rel. to Nifty	8.2	69.7	-

1-Year share price trend (Rs)**Devanshu Bansal**devanshu.bansal@emkayglobal.com
+91 22 6612 1385**Vishal Panjwani**vishal.panjawani@emkayglobal.com
+91 22 6624 2431

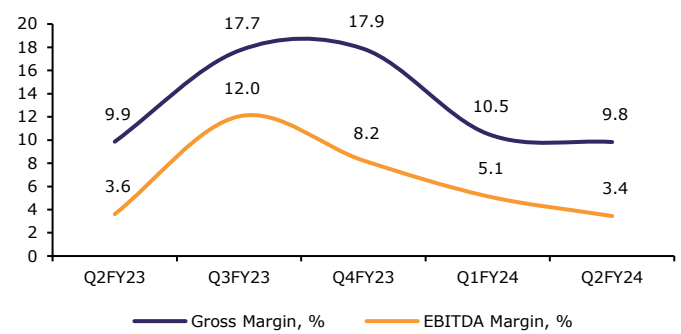
Story in Charts

Exhibit 1: Jewelry sales up ~26% led by 13-14% gold price appreciation and balance from volume growth



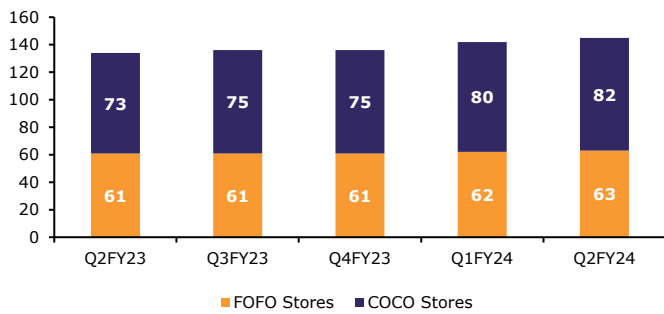
Source: Company, Emkay Research

Exhibit 2: Despite higher studded mix and SSG, EBIDA margin was flat due to one-offs in the base and IPO-related expenses



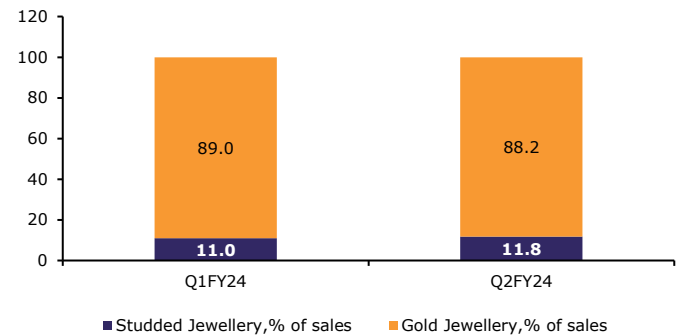
Source: Company, Emkay Research

Exhibit 3: Senco opens net 3/0 stores in Q2/H1; focus remains on North-East expansion



Source: Company, Emkay Research

Exhibit 4: Stud ratio improves to 11.8% sequentially; long-term target of achieving 15% intact



Source: Company, Emkay Research

Exhibit 5: Actual vs. Estimates (Q2FY24)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	11,466	10,888	10,888	5.3%	5.3%	Topline beat led by robust pick-up in franchisee growth
EBITDA	395	346	385	14.0%	2.7%	Margin largely in line with estimates
EBITDA Margin	3.4%	3.2%	3.5%	26	-9	
PAT	119	27	60	340.1%	99.0%	PAT beat led by lower interest cost and high other income

Source: Company, Emkay Research

Exhibit 6: Summary of quarterly results

Y/E, Mar (Rs mn)	Q2FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)	FY23TD	FY24TD	YoY (%)
Revenue	9,111	13,054	11,466	25.8	-12.2	19,184	24,520	27.8
Expenditure	8,782	12,382	11,071	26.1	-10.6	18,304	23,453	28.1
Consumption of RM	8,213	11,680	10,339	25.9	-11.5	17,129	22,019	28.5
as % of sales	90.1%	89.5%	90.2%			89.3%	89.8%	
Employee Cost	194	254	253			399	507	
as % of sales	2.1%	1.9%	2.2%			2.1%	2.1%	
Advertising & SP	156	196	172			304	368	21.0
as % of sales	1.7%	1.5%	1.5%			1.6%	1.5%	
Other expenditure	219	253	307	40.0	21.4	472	559	18.4
as % of sales	2.4%	1.9%	2.7%			2.5%	2.3%	
EBITDA	329	672	395	20.0	-41.2	880	1,067	21.2
Depreciation	100	126	133	32.5	5.6	197	258	31.0
EBIT	229	546	262	14.5	-52.0	683	809	18.4
Other Income	91	94	110	21.3	16.8	143	205	43.2
Interest	196	266	234	19.2	-12.3	388	500	28.9
PBT	124	375	139	12.2	-62.9	438	514	17.3
Total Tax	49	98	20	-60.0	-80.0	134	117	-12.1
PAT	75	277	119	59.3	-56.8	304	396	30.1
Extra ordinary items	0	0	0			0	0	
Reported PAT	75	277	119	59.3	-56.8	304	396	30.1
Minority Interest	0	0	0			0	0	
Adjusted PAT	75	277	119	59.3	-56.8	304	396	30.1
Adjusted EPS (Rs)	1.1	4.0	1.7	59.3	-56.8	4.4	5.7	30.1
(%)	Q2FY23	Q1FY24	Q2FY24	(bps)	(bps)	FY23TD	FY24TD	(bps)
EBITDA margin	3.6	5.1	3.4	-20	-170	4.6	4.4	-20
EBIT margin	2.5	4.2	2.3	-20	-190	3.6	3.3	-30
EBT margin	1.4	2.9	1.2	-10	-170	2.3	2.1	-20
PAT margin	0.8	2.1	1.0	20	-110	1.6	1.6	0
Effective Tax rate	39.5	26.1	14.1	-2540	-1200	30.5	22.9	-760

Source: Company, Emkay Research

Exhibit 7: Peer Comparison

Companies	Price (Rs/sh)	Mcap (Rs bn)	Reco	Target Price (Rs/sh)	EPS (Rs)			P/E (x)			EV / EBITDA (x)*		
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Titan Company	3,262	2,896	Hold	3,670	40.4	50.8	63.4	80.7	64.2	51.5	52.7	42.1	34.5
Page Industries	38,350	428	Sell	39,000	535.7	678.9	818.3	71.6	56.5	46.9	45.7	36.9	31.1
Jubilant FoodWorks	508	335	Sell	380	4.8	7.0	9.0	104.9	72.8	56.6	28.3	22.7	19.1
Devyani International	183	221	Sell	165	1.2	2.1	3.1	154.7	87.5	59.4	30.9	24.2	18.7
ABFRL	216	205	Hold	220	-5.1	-3.6	-2.2	-42.4	-59.4	-99.0	14.9	9.8	7.8
Westlife Development	818	128	Buy	1,040	6.6	10.1	15.1	124.5	81.0	54.1	30.6	24.0	18.9
Sapphire Foods	1,309	83	Buy	1,550	15.3	25.3	35.2	85.4	51.8	37.2	16.3	12.5	9.8
Varun Beverages	1,009	1,311	Buy	1,150	15.8	20.0	25.8	64.0	50.5	39.1	37.4	30.0	24.8
Go Fashion	1,236	67	Buy	1,440	17.2	24.5	32.5	71.9	50.5	38.0	26.2	19.6	15.2
Ethos	1,840	45	Buy	2,000	30.0	42.8	53.5	61.4	43.0	34.4	29.0	20.5	16.5
Senco Gold	657	51	Buy	800	21.6	27.6	35.0	30.4	23.8	18.8	15.7	12.5	10.1

Source: Company, Emkay Research; *Post-IndAS116 EBITDA

Exhibit 8: Changes in estimates

(Rs mn)	FY24E			FY25E			FY26E		
	Old	New	% change	Old	New	% change	Old	New	% change
Revenue	50,147	50,147	0.0	59,955	59,955	0.0	71,240	71,240	0.0
EBITDA	3,522	3,522	0.0	4,421	4,421	0.0	5,462	5,462	0.0
EBITDA margin (%)	7.0	7.0	0 bps	7.4	7.4	0 bps	7.7	7.7	0 bps
Net profit	1,680	1,680	0.0	2,146	2,146	0.0	2,718	2,718	0.0
EPS (Rs)	21.6	21.6	0.0	27.6	27.6	0.0	35.0	35.0	0.0

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 12/02/2023 11:00 AM

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

Senco Gold: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	35,346	40,774	50,147	59,955	71,240
Revenue growth (%)	32.9	15.4	23.0	19.6	18.8
EBITDA	2,772	3,166	3,522	4,421	5,462
EBITDA growth (%)	58.1	14.2	11.2	25.5	23.6
Depreciation & Amortization	421	456	543	660	783
EBIT	2,351	2,711	2,979	3,761	4,679
EBIT growth (%)	73.2	15.3	9.9	26.2	24.4
Other operating income	0	0	0	0	0
Other income	128	311	360	396	436
Financial expense	709	861	1,069	1,256	1,442
PBT	1,770	2,162	2,270	2,900	3,673
Extraordinary items	0	0	0	0	0
Taxes	479	577	590	754	955
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,291	1,585	1,680	2,146	2,718
PAT growth (%)	110.0	22.8	6.0	27.8	26.6
Adjusted PAT	1,291	1,585	1,680	2,146	2,718
Diluted EPS (Rs)	19.4	22.9	21.6	27.6	35.0
Diluted EPS growth (%)	110.0	18.0	(5.6)	27.8	26.6
DPS (Rs)	1.0	1.7	1.6	2.0	2.5
Dividend payout (%)	5.1	7.2	7.2	7.2	7.2
EBITDA margin (%)	7.8	7.8	7.0	7.4	7.7
EBIT margin (%)	6.7	6.6	5.9	6.3	6.6
Effective tax rate (%)	27.0	26.7	26.0	26.0	26.0
NOPLAT (pre-IndAS)	1,715	1,987	2,205	2,783	3,462
Shares outstanding (mn)	66.5	69.1	77.7	77.7	77.7

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	1,770	2,162	2,270	2,900	3,673
Others (non-cash items)	421	456	543	660	783
Taxes paid	(493)	(615)	(617)	(785)	(991)
Change in NWC	(2,697)	(3,324)	(1,989)	(2,985)	(3,528)
Operating cash flow	(418)	(773)	916	651	943
Capital expenditure	(235)	(393)	(480)	(495)	(510)
Acquisition of business	0	(1)	0	0	0
Interest & dividend income	128	311	360	396	436
Investing cash flow	(117)	(75)	(176)	(164)	(149)
Equity raised/(repaid)	0	750	2,700	0	0
Debt raised/(repaid)	1,496	1,322	307	326	347
Payment of lease liabilities	(390)	(447)	(529)	(650)	(780)
Interest paid	(518)	(642)	(810)	(938)	(1,059)
Dividend paid (incl tax)	0	0	0	0	0
Others	(43)	(136)	(121)	(155)	(196)
Financing cash flow	545	848	1,547	(1,417)	(1,689)
Net chg in Cash	10	(1)	2,286	(930)	(895)
OCF	(418)	(773)	916	651	943
Adj. OCF (w/o NWC chg.)	2,279	2,551	2,905	3,636	4,471
FCFF	(653)	(1,166)	436	156	433
FCFE	(1,234)	(1,715)	(273)	(705)	(573)
OCF/EBITDA (%)	(15.1)	(24.4)	26.0	14.7	17.3
FCFE/PAT (%)	(95.6)	(108.2)	(16.3)	(32.8)	(21.1)
FCFF/NOPLAT (%)	(38.1)	(58.7)	19.8	5.6	12.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	665	691	777	777	777
Reserves & Surplus	6,595	8,764	12,937	14,929	17,451
Net worth	7,260	9,455	13,714	15,706	18,228
Minority interests	0	0	0	0	0
Deferred tax liability (net)	(141)	(179)	(206)	(237)	(273)
Total debt	4,316	5,396	5,665	5,947	6,244
Total liabilities & equity	11,435	14,671	19,172	21,415	24,199
Net tangible fixed assets	691	847	1,085	1,299	1,488
Net intangible assets	25	23	56	89	120
Net ROU assets	(113)	(171)	(235)	(314)	(409)
Capital WIP	65	131	131	131	131
Goodwill	0	0	0	0	0
Investments [JV/Associates]	0	1	1	1	1
Cash & equivalents	95	95	2,381	1,451	556
Current assets (ex-cash)	18,468	25,850	30,269	35,811	42,165
Current Liab. & Prov.	7,796	12,105	14,516	17,052	19,852
NWC (ex-cash)	10,672	13,746	15,753	18,760	22,313
Total assets	11,435	14,671	19,172	21,415	24,199
Net debt	4,221	5,301	3,284	4,496	5,688
Capital employed	11,435	14,671	19,172	21,415	24,199
Invested capital	11,274	14,445	16,659	19,833	23,511
BVPS (Rs)	109.2	136.7	176.6	202.2	234.7
Net Debt/Equity (x)	0.6	0.6	0.2	0.3	0.3
Net Debt/EBITDA (x)	1.5	1.7	0.9	1.0	1.0
Interest coverage (x)	0.3	0.3	0.3	0.3	0.3
RoCE (%)	24.6	23.2	19.7	20.5	22.4

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	33.9	28.7	30.4	23.8	18.8
P/CE(x)	25.5	22.3	23.0	18.2	14.6
P/B (x)	6.0	4.8	3.7	3.3	2.8
EV/Sales (x)	1.4	1.2	1.1	0.9	0.8
EV/EBITDA (x)	17.3	16.0	15.4	12.6	10.4
EV/EBIT(x)	20.4	18.7	18.2	14.8	12.1
EV/IC (x)	4.3	3.5	3.3	2.8	2.4
FCFF yield (%)	(1.4)	(2.3)	0.8	0.3	0.8
FCFE yield (%)	(2.8)	(3.8)	(0.5)	(1.4)	(1.1)
Dividend yield (%)	0.2	0.3	0.2	0.3	0.4
DuPont-RoE split					
Net profit margin (%)	3.7	3.9	3.3	3.6	3.8
Total asset turnover (x)	3.5	3.1	3.0	3.0	3.1
Assets/Equity (x)	1.5	1.6	1.5	1.4	1.3
RoE (%)	19.4	19.0	14.5	14.6	16.0
DuPont-RoIC					
NOPLAT margin (%)	4.9	4.9	4.4	4.6	4.9
IC turnover (x)	3.6	3.2	3.2	3.3	3.3
RoIC (%)	17.3	15.5	14.2	15.3	16.0
Operating metrics					
Core NWC days	55.3	63.5	66.7	67.5	67.0
Total NWC days	110.2	123.0	114.7	114.2	114.3
Fixed asset turnover	21.9	22.6	23.4	23.5	24.0
Opex-to-revenue (%)	5.8	6.7	6.0	5.9	5.9

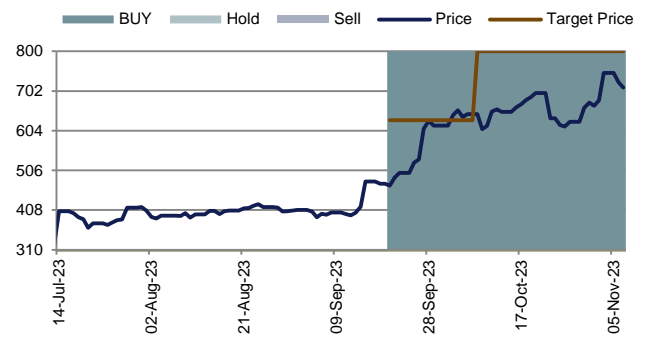
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
26-Oct-23	614	800	Buy	Devanshu Bansal
08-Oct-23	645	800	Buy	Devanshu Bansal
20-Sep-23	469	630	Buy	Devanshu Bansal

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 November 11, 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 November 11, 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 November 11, 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.