

Suprajit Engineering (SEL)'s agreement for acquisition of prominent light duty cable maker Stahlschmidt Cable Systems (SCS; refer to [press release](#)) out of the German insolvency proceedings is another step in its 'last man standing' approach. It 1) potentially adds ~15% to consol. sales at attractive valuations (~0.3x EV/sales on trailing basis), 2) builds near-shoring capability for Europe along with exports from China, 3) increases wallet share with existing clients while adding new clients, and 4) enables improved competitive positioning (would emerge as the leader in Europe) with associated improvement in pricing and payment terms. We raise FY26E EPS by ~13% (driven by consolidation of SCS) with a similar increase in TP to Rs610/sh at unchanged 22x FY26E PER and retain BUY, [amid improving growth outlook](#), esp. in the overseas business.

Suprajit Engineering: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	18,405	27,524	28,959	35,057	44,444
EBITDA	2,599	3,126	3,230	4,444	6,271
Adj. PAT	1,614	1,521	1,673	2,521	3,838
Adj. EPS (Rs)	11.7	11.0	12.1	18.2	27.7
EBITDA margin (%)	14.1	11.4	11.2	12.7	14.1
EBITDA growth (%)	9.8	20.3	3.3	37.6	41.1
Adj. EPS growth (%)	22.6	(12.1)	10.0	50.7	52.2
RoE (%)	15.6	13.2	12.9	17.2	22.3
RoIC (%)	15.0	12.8	11.7	16.3	21.9
P/E (x)	42.7	45.3	41.2	27.4	18.0
EV/EBITDA (x)	26.0	22.4	21.3	15.4	10.8
P/B (x)	6.4	5.6	5.1	4.4	3.7
FCFF yield (%)	1.9	2.1	2.3	1.7	2.9

Source: Company, Emkay Research

Conference call KTAs

1) SCS is a 100-year old organization with a marquee clientele (BMW, Audi, Daimler, and leading tier-1s). SEL had been interested in acquiring SCS for several years now; the company has strong product and manufacturing capabilities, but had run into cash problems due to frequent shifting of plant locations to lower-cost countries within and outside Europe in order to maintain price-competitiveness. 2) The acquisition **enables SEL to now add near-shore capabilities in Europe** (via SCS's Morocco plant) to its existing on-shore (Hungary) and far-shore (India/China) solutions – akin to its full-range capabilities for US customers; the Moroccan plant is located near the Tangier port, in close proximity to both, Europe (2 hours) and the US (6-8 hours), in a reduced tariff zone. 3) The transaction also **includes engineering and sales teams based out of Germany**, in addition to **complementary solutions out of China** (existing China plant supplies largely to OEMs within the country, whereas SCS's China plant is for exports to the US via Canada). 4) The SCS acquisition would **help increase wallet share** with existing customers (SEL already serves 5 of SCS's top-6 customers; the company had found it difficult to win business away from SCS earlier) and gain some new clients; it is now being able to offer **stronger, comprehensive solutions at better terms** with cross-selling opportunities (e.g. SCS is not present in actuators, unlike SEL); the combined organization **would now emerge as the leader in Europe**. 5) The acquisition has happened with support and understanding of top common customers; SEL has been able to negotiate beneficial pricing and payment terms for existing SCS contracts. 6) SCS clocked EUR50mn revenues last year (EUR35mn in Europe and Morocco, and the remaining in China and Canada); the transaction EV is placed at EUR13.5mn (with up to EUR5mn additional investments seen for aiding a turnaround); would be financed entirely via internal accruals. 7) Financial closure is to take place in 2 tranches, subject to certain precedent conditions – tranche 1 (Europe, Morocco) from Jul-24 and tranche 2 (China, Canada) a few months later. 8) Integration would take ~1 year, after which profitability is expected to improve; **transaction to be EPS accretive once integration is complete**.

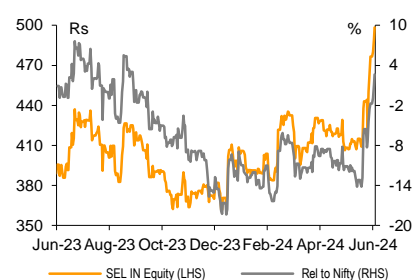
Target Price – 12M	Mar-25
Change in TP (%)	13.0
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	22.4
CMP (12-Jun-24) (Rs)	498.4

Stock Data	Ticker
52-week High (Rs)	512
52-week Low (Rs)	353
Shares outstanding (mn)	138.5
Market-cap (Rs bn)	69
Market-cap (USD mn)	826
Net-debt, FY25E (Rs mn)	-386
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	136.0
ADTV-3M (USD mn)	1.6
Free float (%)	55.4
Nifty-50	23,323
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	44.6
FPIs/MFs (%)	4.8/17.5

Price Performance

(%)	1M	3M	12M
Absolute	22.1	18.6	30.0
Rel. to Nifty	15.4	13.6	3.7

1-Year share price trend (Rs)



Jaimin Desai

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

Chirag Jain

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

Nandan Pradhan

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



Exhibit 1: Snapshot of major acquisitions at SEL

Rs mn	Phoenix Lamps	Wescon	Kongsberg LDC	SCS
Year	FY16	FY17	FY23	FY25
EV	2,681	2,950	3,318	1,215
Revenue	3,279	2,563	7,900	4,500
EV/Sales (x)	0.8	1.2	0.4	0.3
EBITDA	431	356	711	Unknown
EBITDA margin (%)	13.1	13.9	9.0	N/A
EV/EBITDA (x)	6.2	8.3	4.7	N/A
Valuation method	Equity	Equity	Asset purchase	Equity and asset purchase

Source: Company, Emkay Research; Note: EUR to INR translation at Rs90 for SCS

Exhibit 2: Suprajit is the domestic leader in control cables and halogen lamps; globally, it is among the top-2/top-3 players, respectively.**Core Product Business Leadership**

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

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

Source: Company

Exhibit 3: Suprajit Tech Center has been set up with a view to develop new products**Suprajit Technology Center (STC), Bangalore**

- › Focuses on building core design competencies and new product introduction. **15+ patents**
- › New products falls into 3 categories - Allied Products, Product Upgradation and Innovation.
- › STC's belief in working from fundamentals has resulted in multiple patents, most of which are already commercialized.

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

Source: Company

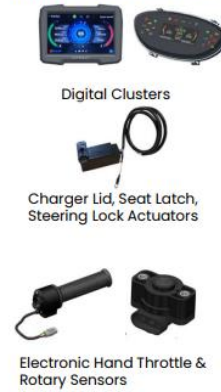
Exhibit 4: SED is gaining strong customer traction for its new products

Strong Customer Traction



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

Innovative Products



State of the Art Facilities



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

Source: Company

Exhibit 5: Revenue model – We build-in 24%/51% revenue/EPS CAGR over FY24-26E

Rs mn	FY21	FY22	FY23	FY24	FY25E	FY26E
Revenues	16,409	18,405	27,524	28,959	35,057	44,444
EBITDA	2,367	2,599	3,126	3,230	4,444	6,271
EBITDA margin (%)	14.4	14.1	11.4	11.2	12.7	14.1
EBIT	1,800	2,014	2,172	2,192	3,270	4,961
EBIT margin (%)	11.0	10.9	7.9	7.6	9.3	11.2
Interest	192	145	356	514	467	428
PAT	1,427	1,614	1,521	1,673	2,521	3,838
PAT margin (%)	8.7	8.8	5.5	5.8	7.2	8.6
EPS (Rs.)	10.2	11.7	11.0	12.1	18.2	27.7
Capex	309	540	3,226	1,254	1,800	1,800
% of sales	1.9	2.9	11.7	4.3	5.1	4.1
Net debt	(859)	(1,383)	897	(74)	(411)	(1,442)

Source: Company, Emkay Research

Exhibit 6: Business-wise revenue and margin assumptions

Revenue breakup under revised reporting	FY23	FY24	FY25E	FY26E
Suprajit Controls (SCD)	13,562	13,617	17,028	23,741
Growth YoY (%)		0.4	11.0	13.0
SCS*			1,913	4,500
Domestic Cables (DCD)	10,321	10,890	12,632	14,363
Growth YoY (%)		5.5	16.0	13.7
Phoenix Lamps (PLD)	3,640	3,896	4,285	4,671
Growth YoY (%)		7.0	10.0	9.0
Suprajit Electronics (SED)	-	556	1,113	1,669
Growth YoY (%)			100	50
Total Revenues	27,524	28,959	35,057	44,444
Growth YoY (%)		5.2	21.1	26.8

Revenue mix (%)	FY23	FY24	FY25E	FY26E
SCD	49	47	49	53
DCD	38	38	36	32
PLD	13	13	12	11
SED	-	2	3	4

EBITDA breakup under revised reporting	FY23	FY24	FY25E	FY26E
Suprajit Controls (SCD)	1,095	827	1,362	2,554
EBITDA margin (SCD ex-SCS; %)	8.1	6.1	8.0	10.0
SCS*			-	180
EBITDA margin (%)			0.0	4.0
Domestic Cables (DCD)	1,793	1,901	2,337	2,830
EBITDA margin (%)	17.4	17.5	18.5	19.7
Phoenix Lamps (PLD)	299	471	600	654
EBITDA margin (%)	8.2	12.1	14.0	14.0
Suprajit Electronics (SED)	-	58	145	234
EBITDA margin (%)		10.5	13.0	14.0
Total EBITDA	3,187	3,259	4,444	6,271
EBITDA margin (%)	11.6	11.3	12.7	14.1

Revenue mix (%)	FY23	FY24	FY25E	FY26E
SCD	34	25	31	41
DCD	56	58	53	45
PLD	9	14	14	10
SED	-	2	3	4

Source: Company, Emkay Research; *Note: We build in partial consolidation of SCS from FY25E and full consolidation from FY26E; we also build-in gradual improvement in margins

Exhibit 7: Change in estimates – We raise FY26E EPS by ~13% on higher growth following the SCS acquisition

Rs mn	FY25E				FY26E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenues	33,145	35,057	5.8	21.1	37,869	44,444	17.4	26.8
EBITDA	4,417	4,444	0.6	37.6	5,552	6,271	13.0	41.1
Margin (%)	13.3	12.7	-62 bps	152 bps	14.7	14.1	-59 bps	143 bps
Net Profit	2,539	2,521	(0.7)	50.7	3,410	3,838	12.6	52.2
EPS (Rs)	18.3	18.2	(0.4)	50.7	24.6	27.7	12.7	52.2

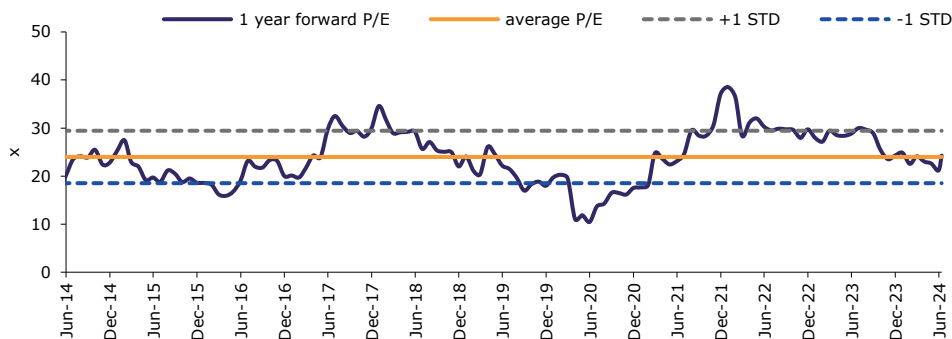
Source: Emkay Research

Exhibit 8: Emkay vs. Consensus

Suprajit	Emkay Estimates		Bloomberg estimates		Difference	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net revenue	35,057	44,444	32,947	37,475	6.4%	18.6%
EBITDA	4,444	6,271	4,224	5,131	5.2%	22.2%
EBITDA margin (%)	12.7	14.1	12.8	13.7		
EPS (Rs)	18.2	27.7	17.4	22.3	5.0%	24.4%

Source: Bloomberg, Emkay Research

Exhibit 9: Suprajit trades at LTA on 1-year forward PER basis



Source: Bloomberg, Emkay Research

Suprajit Engineering: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	18,405	27,524	28,959	35,057	44,444
Revenue growth (%)	12.2	49.5	5.2	21.1	26.8
EBITDA	2,599	3,126	3,230	4,444	6,271
EBITDA growth (%)	9.8	20.3	3.3	37.6	41.1
Depreciation & Amortization	585	955	1,037	1,174	1,310
EBIT	2,014	2,172	2,192	3,270	4,961
EBIT growth (%)	11.9	7.8	0.9	49.2	51.7
Other operating income	0	0	0	0	0
Other income	366	386	599	630	694
Financial expense	145	356	514	467	428
PBT	2,235	2,202	2,278	3,433	5,227
Extraordinary items	116	0	0	0	0
Taxes	621	681	605	912	1,388
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,731	1,521	1,673	2,521	3,838
PAT growth (%)	21.3	(12.1)	10.0	50.7	52.2
Adjusted PAT	1,614	1,521	1,673	2,521	3,838
Diluted EPS (Rs)	11.7	11.0	12.1	18.2	27.7
Diluted EPS growth (%)	22.6	(12.1)	10.0	50.7	52.2
DPS (Rs)	2.0	2.3	2.5	3.6	5.5
Dividend payout (%)	16.0	20.9	20.7	20.0	20.0
EBITDA margin (%)	14.1	11.4	11.2	12.7	14.1
EBIT margin (%)	10.9	7.9	7.6	9.3	11.2
Effective tax rate (%)	27.8	30.9	26.6	26.6	26.6
NOPLAT (pre-IndAS)	1,455	1,500	1,610	2,401	3,643
Shares outstanding (mn)	138.4	138.4	138.4	138.4	138.4

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,235	2,202	2,278	3,433	5,227
Others (non-cash items)	484	2,587	1,144	1,646	1,741
Taxes paid	(584)	(847)	(789)	(909)	(1,383)
Change in NWC	(435)	(1,551)	(140)	(1,221)	(1,821)
Operating cash flow	1,816	2,391	2,492	2,950	3,764
Capital expenditure	(525)	(916)	(910)	(1,800)	(1,800)
Acquisition of business	888	(4,886)	(214)	1,641	0
Interest & dividend income	2	8	4	0	0
Investing cash flow	365	(5,793)	(1,120)	(159)	(1,800)
Equity raised/(repaid)	(591)	0	0	0	0
Debt raised/(repaid)	(43)	2,918	(235)	(500)	(500)
Payment of lease liabilities	(56)	(67)	(154)	0	0
Interest paid	(150)	(335)	(518)	(467)	(428)
Dividend paid (incl tax)	(275)	(284)	(311)	(346)	(504)
Others	(128)	359	(38)	0	0
Financing cash flow	(1,242)	2,591	(1,255)	(1,313)	(1,432)
Net chg in Cash	938	(811)	117	1,478	531
OCF	1,816	2,391	2,492	2,950	3,764
Adj. OCF (w/o NWC chg.)	2,251	3,942	2,632	4,171	5,584
FCFF	1,291	1,475	1,582	1,150	1,964
FCFE	1,147	1,128	1,073	683	1,535
OCF/EBITDA (%)	69.9	76.5	77.2	66.4	60.0
FCFE/PAT (%)	66.3	74.2	64.1	27.1	40.0
FCFF/NOPLAT (%)	88.7	98.4	98.3	47.9	53.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	138	138	138	138	138
Reserves & Surplus	10,701	12,106	13,483	15,501	18,571
Net worth	10,840	12,245	13,622	15,639	18,710
Minority interests	0	0	0	0	0
Deferred tax liability (net)	554	607	468	471	476
Total debt	3,115	6,417	6,239	5,739	5,239
Total liabilities & equity	14,509	19,269	20,328	21,849	24,424
Net tangible fixed assets	3,511	4,663	5,228	5,393	5,883
Net intangible assets	702	1,161	953	953	953
Net ROU assets	402	887	1,382	1,382	1,382
Capital WIP	102	278	72	103	103
Goodwill	1,261	1,364	1,382	1,382	1,382
Investments [JV/Associates]	31	25	1	25	25
Cash & equivalents	4,467	5,495	6,312	6,125	6,656
Current assets (ex-cash)	6,909	10,473	10,894	13,120	16,415
Current Liab. & Prov.	2,877	5,076	5,466	6,635	8,376
NWC (ex-cash)	4,033	5,397	5,428	6,485	8,040
Total assets	14,509	19,269	20,328	21,849	24,424
Net debt	(1,352)	922	(73)	(386)	(1,418)
Capital employed	14,509	19,269	20,328	21,849	24,424
Invested capital	9,909	13,472	13,943	15,596	17,640
BVPS (Rs)	78.3	88.5	98.4	113.0	135.2
Net Debt/Equity (x)	(0.1)	0.1	0.0	0.0	(0.1)
Net Debt/EBITDA (x)	(0.5)	0.3	0.0	(0.1)	(0.2)
Interest coverage (x)	0.1	0.1	0.2	0.1	0.1
RoCE (%)	12.6	11.4	10.6	13.9	18.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	42.7	45.3	41.2	27.4	18.0
P/CE(x)	31.4	27.9	25.4	18.7	13.4
P/B (x)	6.4	5.6	5.1	4.4	3.7
EV/Sales (x)	3.7	2.5	2.4	2.0	1.5
EV/EBITDA (x)	26.0	22.4	21.3	15.4	10.8
EV/EBIT(x)	33.6	32.2	31.4	21.0	13.6
EV/IC (x)	6.8	5.2	4.9	4.4	3.8
FCFF yield (%)	1.9	2.1	2.3	1.7	2.9
FCFE yield (%)	1.7	1.6	1.6	1.0	2.2
Dividend yield (%)	0.4	0.5	0.5	0.7	1.1
DuPont-RoE split					
Net profit margin (%)	8.8	5.5	5.8	7.2	8.6
Total asset turnover (x)	1.3	1.6	1.5	1.7	1.9
Assets/Equity (x)	1.4	1.5	1.5	1.4	1.3
RoE (%)	15.6	13.2	12.9	17.2	22.3
DuPont-RoIC					
NOPLAT margin (%)	7.9	5.4	5.6	6.9	8.2
IC turnover (x)	1.9	2.0	2.1	2.2	2.5
RoIC (%)	15.0	12.8	11.7	16.3	21.9
Operating metrics					
Core NWC days	80.0	71.6	68.4	67.5	66.0
Total NWC days	80.0	71.6	68.4	67.5	66.0
Fixed asset turnover	2.2	2.7	2.3	2.5	2.8
Opex-to-revenue (%)	27.3	29.9	30.2	27.5	23.8

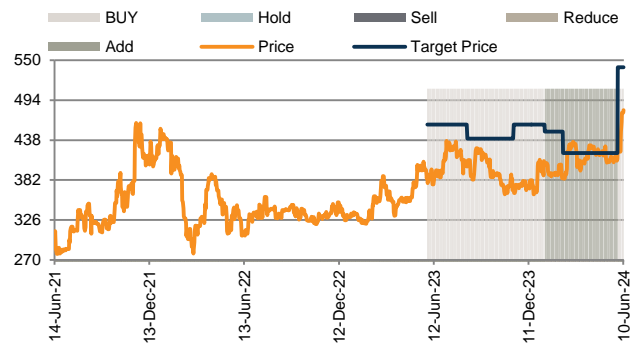
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
30-May-24	438	540	Buy	Chirag Jain
15-Feb-24	385	420	Add	Chirag Jain
11-Jan-24	404	450	Add	Chirag Jain
30-Nov-23	381	460	Buy	Chirag Jain
12-Nov-23	372	460	Buy	Chirag Jain
15-Aug-23	401	440	Buy	Chirag Jain
30-May-23	390	460	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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

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

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

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

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

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

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

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

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

RESTRICTIONS ON DISTRIBUTION

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

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

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

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

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

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

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

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

Emkay Rating Distribution

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

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

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

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

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

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

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

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

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

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

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