

TRANSPORT CORPORATION OF INDIA

Rating: ◀▶ | Target price: ▲ | EPS: ▲

CMP Rs. 998	Target Price Rs. 1,085	Rating ADD
----------------	---------------------------	---------------



ONE YEAR OUTLOOK

Business & Earnings ◀▶

- Maintain our ADD rating with a target price of Rs. 1,085. TRPC is expected to benefit from 1) steady automotive demand coupled with the addition of new clientele, driving growth in Supply chain segment (SCS), 2) sustained demand for coastal shipping, & 3) increasing contribution of LTL in freight segment (targeting 40% FY26 vs 36% 1QFY25).
- In 1QFY25, SCS segment revenue grew 12% YoY led by underlying growth in automotive segment and business wins across new verticals. Expect sustained automotive demand (~75-80% of revenues), new opportunities from diversified industries with higher warehousing proportion, & opportunities in the multimodal and cold chain to drive revenue/EBITDA CAGR of 14% & 17% (FY24-26E).
- Seaways revenue grew 13% YoY, led by elevated freight rates, which were due to passing on of higher fuel costs. EBITDA margins expanded by 170bps QoQ to 40.0%. TRPC placed an order for two ships with 7,300 DWT capacity each. The delivery is anticipated in early 2027. Penciling revenue & EBITDA CAGR of 10%/11% (FY24-26E).
- Freight division is likely to benefit from 1) higher LTL contribution (40% by FY26 from 36% in 1QFY25), 2) shift from unorganised sector, and 3) growth in multimodal logistics. Expect network expansion-led incremental volumes to drive revenue/EBITDA CAGR (FY24-26E) of 9%/15%.

Valuation Multiples ▲

- Valuing TRPC based on SOTP (page 6) to arrive at TP of Rs. 1,085. The revision in our multiple factors in back-ended benefits of seaways capacity addition in FY27 (12x EV/EBITDA from 10x) and sustained customer wins across supply chain segment (17x EV/EBITDA from 15x). Despite FY25-26 capex of ~Rs. 6bn (incl. new ships), RoCE is estimated at 17%.

FINANCIAL SUMMARY

	Net Sales (Rs mn)	EBITDA (%)	PAT (Rs mn)	EPS (Rs)	P/E (x)	EV/EBITDA (x)	ROE (%)
FY23	34,287	11.8	3,035	39.2	26	19	21
FY24	36,138	10.8	3,282	42.4	24	20	19
FY25E	40,045	10.8	3,540	45.8	22	18	18
FY26E	44,381	11.2	3,985	51.5	20	15	17
FY27E	49,789	12.0	4,716	61.0	16	13	17

THREE YEAR OUTLOOK

Business & Earnings ◀▶

- Expect TRPC to benefit from 1) shift in volumes from the unorganised to organized sector, and 2) traction in multimodal logistics (TRPC is one of the few players with a presence across the value chain), which would drive revenue & EBITDA CAGR of 12%/17% respectively through FY24-28E.
- TRPC's established infrastructure, long-standing customer relationships and experienced management team (vintage of ~six decades) are expected to aid its position as a preferred 3PL partner. Furthermore, the company's presence across the multimodal logistics value chain (JV with Concor for rail transportation & fleet of ships for waterway transportation) allows it to provide efficient end-to-end logistics solutions. Robust demand for multimodal logistics is likely to drive coastal shipping volume growth, benefiting the Seaways division. The addition of a new ship is a first for the organization and we believe it would be returns accretive. Expect the addition of a new ship every 15-18 months to cater to incremental demand. However, softening demand, and increasing competition may dilute realization and profitability.
- Expect freight segment to benefit from higher contribution from LTL services. Freight segment's share in overall revenues to fall from 45% in FY24 to ~40% by FY28E.

Valuation Multiples ◀▶

- Improving operating cashflows, combined with reducing debt, are expected to drive RoCE (12% in FY21 to ~17% in FY28E). Based on FY28E estimates, we see a potential upside of 32% (incl. dividends).

KEY ESTIMATES REVISION

	FY25E			FY26E		
	Old	New	Change	Old	New	Change
Sales	39,345	40,045	2%	43,913	44,381	1%
EBITDA (%)	10.7	10.8	10 bps	11.1	11.2	10 bps
PAT	3,272	3,540	8%	3,740	3,985	7%
EPS	42.3	45.8	8%	48.3	51.5	7%
Target P/E	Before Results: 19.4			After Results: 21.1		

All figures in Rs.Mn

OUTLOOK REVIEW 1QFY25 30 July 2024

Industry LOGISTICS

Key Stock Data

Bloomberg	TRPC IN
Shares o/s	78mn
Market Cap	Rs. 78bn (\$929mn)
52-wk High-Low	Rs. 1,080-686
3m ADV	Rs. 61mn (\$1mn)
F&O	No

Latest Shareholding (%)

	Dec-23	Mar-24	Jun-24
Promoters	68.9	68.9	68.9
Institutions	15.4	14.9	15.1
Public	15.7	16.2	16.0
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1m	3m	12m
TRPC	10.4	14.0	33.9
Sensex	2.9	9.2	23.0

RESEARCH ANALYSTS

Mukesh Saraf
mukesh.s@avendusspark.com
+91 44 4344 0041

N.J. Krupashankar
krupashankar.n@avendusspark.com
+91 44 4344 0098

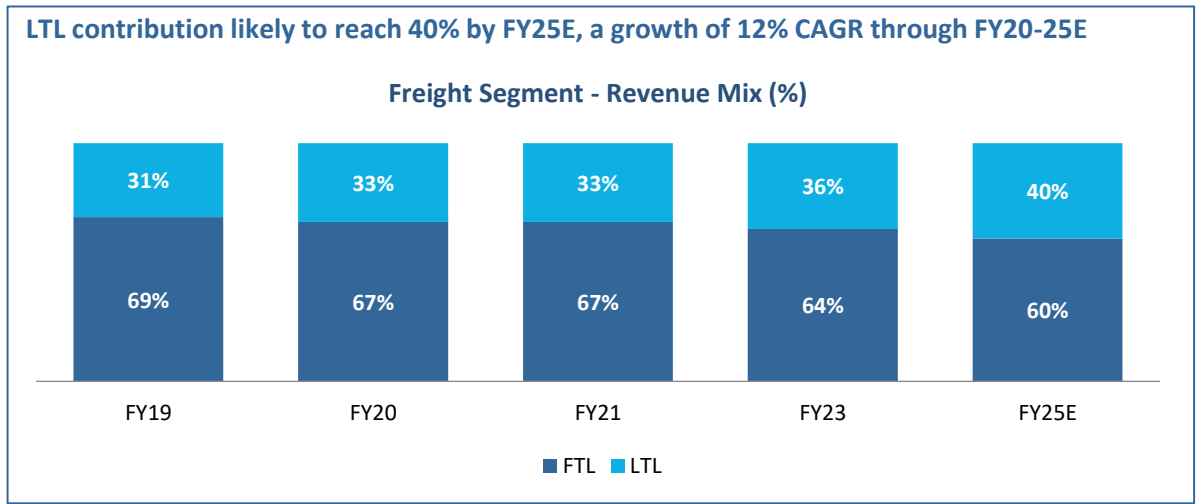
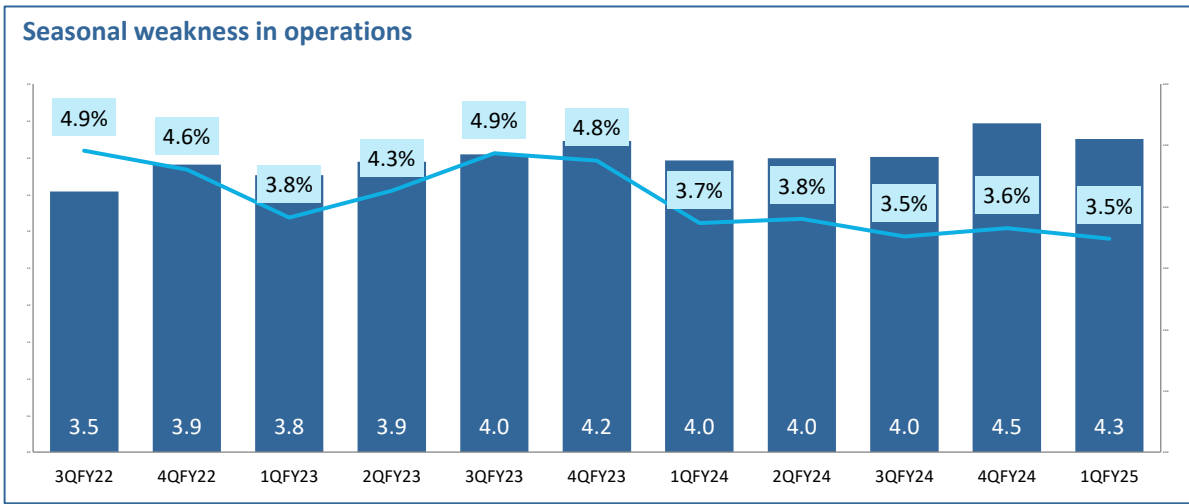
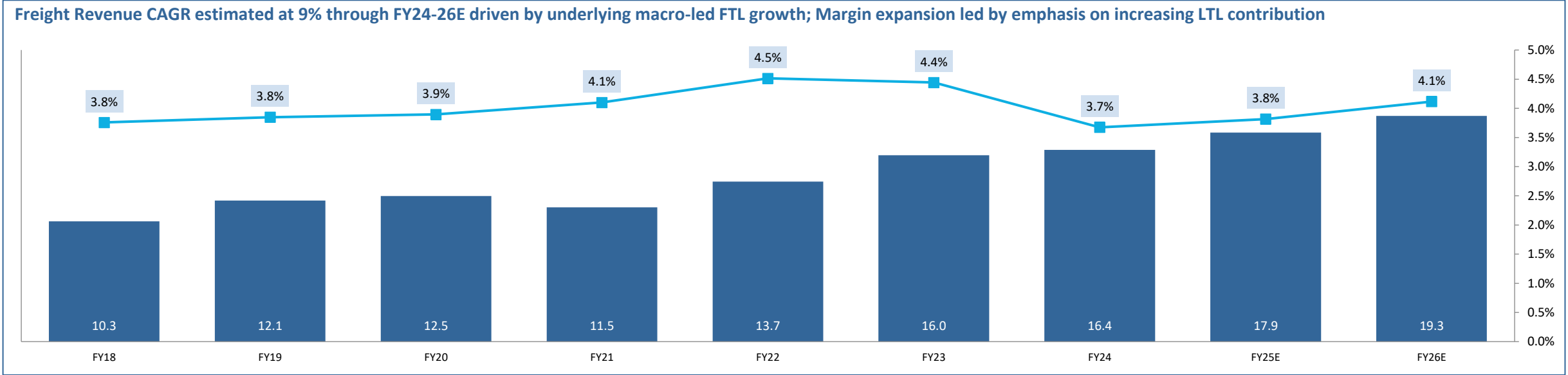
Quarterly Financial Statement

- Standalone Revenue came in at Rs. 9.4bn, +9% YoY and -2% QoQ.
- Freight segment reported revenues of Rs. 4.3bn, +7% YoY and -5% QoQ. The segment's EBIT margins at 3.2%, was down 20bps QoQ.
- Supply Chain segment reported revenues at Rs. 3.9bn, +12% YoY and +5% QoQ. EBIT margins at 6.1%, was down 40bps sequentially.
- Seaways segment revenues was at Rs. 1.4bn, 13% YoY and -5% QoQ. EBIT margins at 28.6% expanded 220bps QoQ.
- Gross margin at 20.5%, increased 10 bps sequentially.
- Employee costs was up 11% YoY at Rs. 592mn while other expenses were up 8% YoY at Rs. 335mn.
- Consequently, EBITDA came in at Rs. 1bn, +4% YoY/-3% QoQ. EBITDA margins came in at 10.7%, a sequential decline of 20bps.
- Standalone PAT came in at Rs. 1.1bn, +26% YoY/28% QoQ.

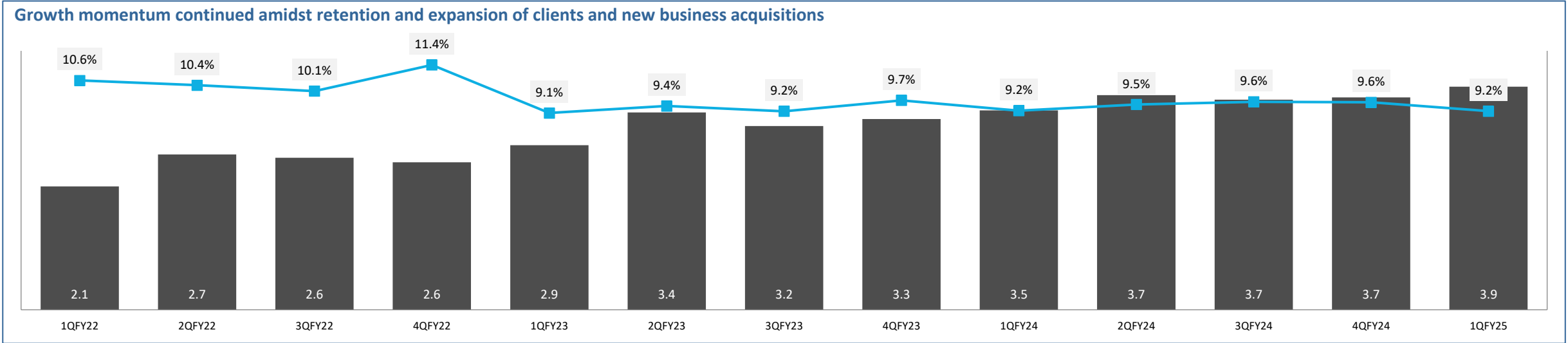
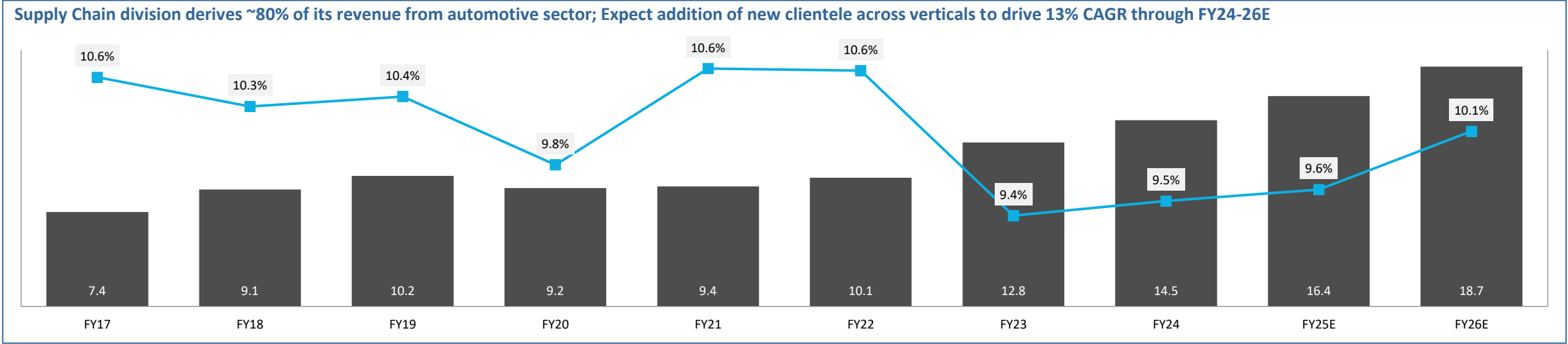
Standalone Financial Results

Rs. mn\Period	1QFY25	1QFY24	yoy Growth	4QFY24	qoq Growth	FY23	FY24	Yoy Growth
Revenue	9,394	8,598	9.3%	9,539	-1.5%	34,287	36,138	5.4%
Operating expense	7,465	6,789	10.0%	7,591	-1.7%	27,122	28,700	5.8%
Emp. cost	592	533	11.1%	528	12.1%	1,896	2,155	13.6%
Other expenses	335	309	8.4%	385	-13.0%	1,218	1,372	12.7%
Total Expenditure	8,392	7,631	10.0%	8,504	-1.3%	30,236	32,227	6.6%
EBITDA	1,002	967	3.6%	1,035	-3.2%	4,050	3,911	-3.4%
Margin %	10.7%	11.2%	-58 bps	10.9%	-18 bps	11.8%	10.8%	-99 bps
D&A	264	295	-10.5%	305	-13.4%	1,168	1,205	3.2%
EBIT	738	672	9.8%	730	1.1%	2,883	2,706	-6.1%
Other income	450	277	62.5%	155	190.3%	638	996	56.0%
Net Interest exp (inc)	30	21	42.9%	28	7.1%	82	105	27.6%
PBT	1,158	928	24.8%	857	35.1%	3,439	3,597	4.6%
Tax provision	106	95	11.6%	20	430.0%	394	298	-24.4%
Tax rate %	9.2%	10.2%	-10.6%	2.3%	682 bps	11.4%	8.3%	-317 bps
PAT (Reported)	1,052	833	26.3%	820	28.3%	3,045	3,282	7.8%
PAT (Adjusted)	1,052	833	26.3%	820	28.3%	3,035	3,282	8.1%
Adjusted PAT Margin %	11.2%	9.7%	151 bps	8.6%	260 bps	8.9%	9.1%	23 bps
Shares Outstanding	77	77		77		77	77	
EPS (Reported)	13.6	10.9	25.0%	10.7	27.0%	39.8	42.9	7.8%
EPS (Adjusted)	13.6	10.9	25.0%	10.7	27.0%	39.6	42.9	8.1%

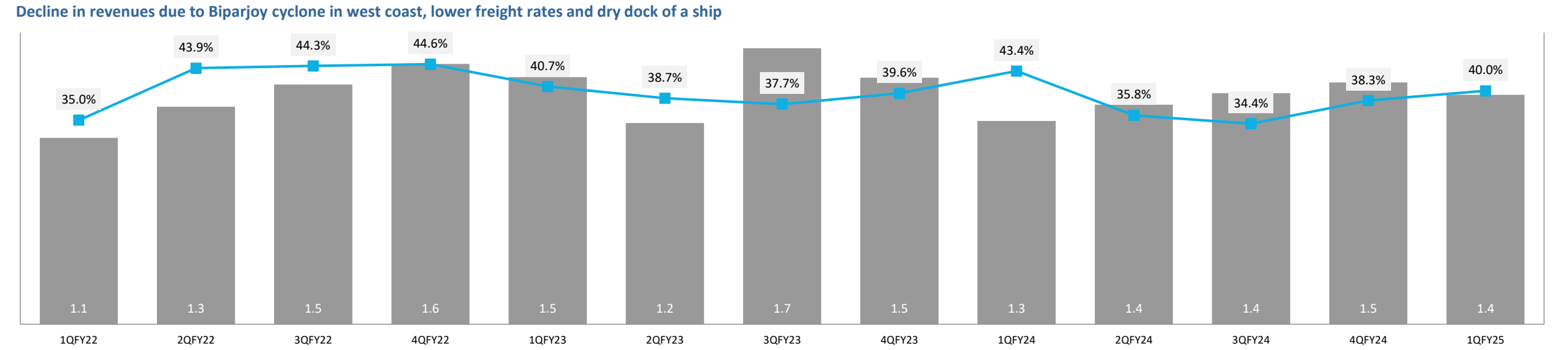
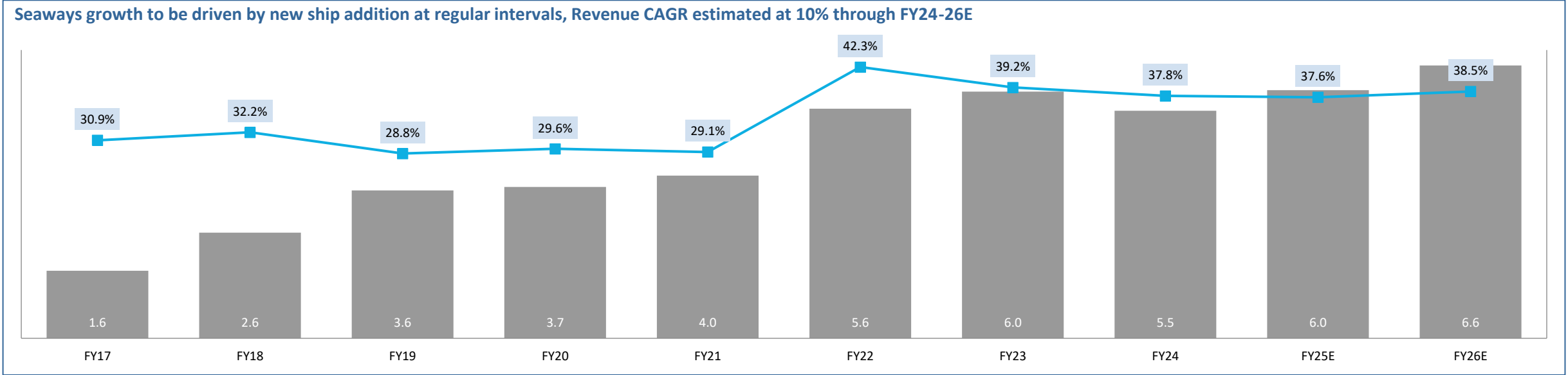
Freight segment to benefit from higher LTL contribution



SCS segment to benefit from sustained automotive demand and addition of new clientele across verticals



Healthy growth in Seaways segment to be driven by ship addition



SOTP

Arriving at Target price based on SOTP valuation			
SOTP	Rs./Share	Value (Rs. mn)	Basis
TCI Freight	62	4,779	6x FY26e EV/EBITDA
TCI SCS	416	32,162	17x FY26e EV/EBITDA
TCI Seaways	396	30,642	12x FY26e EV/EBITDA
Others	1	60	2x FY26e EV/EBITDA
Net Cash(Net Debt)		980	
Value from TCI	887	68,623	81.8% of Total
Value from JV	198	15,047	18.2% of Total; Adjusted for hold co discount
No. Of Shares O/s (mn)		77	
Target Price	1,085	83,669	

Financial Summary

Standalone Financial Statements

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Profit & Loss										
Revenue	25,583	25,134	24,520	29,046	34,287	36,138	40,045	44,381	49,789	56,105
Gross profit	4,888	4,864	4,782	6,498	7,164	7,438	8,199	9,353	10,741	12,385
EBITDA	2,442	2,335	2,479	3,904	4,050	3,911	4,318	4,961	5,963	7,216
Depreciation	752	777	881	1,076	1,168	1,205	1,094	1,143	1,328	1,588
EBIT	1,690	1,558	1,598	2,829	2,883	2,706	3,224	3,818	4,635	5,628
Other Income	269	283	352	311	638	996	803	820	834	834
Interest expense	356	324	248	109	82	105	110	110	110	110
Exceptional items	0	99	140	0	10	17	0	0	0	0
PBT	1,603	1,419	1,562	3,031	3,429	3,580	3,917	4,528	5,359	6,352
Reported PAT (after minority interest)	1,276	1,264	1,348	2,674	3,035	3,282	3,540	3,985	4,716	5,589
Adj PAT	1,276	1,264	1,348	2,674	3,035	3,282	3,540	3,985	4,716	5,589
EPS (Rs.)	16.7	16.5	17.6	34.6	39.2	42.4	45.8	51.5	61.0	72.3
Balance Sheet										
Net Worth	8,370	9,500	10,804	13,131	15,677	18,477	21,473	24,914	29,086	34,131
Total debt	4,496	4,083	2,735	765	846	1,318	1,218	1,118	1,204	1,204
Other liabilities and provisions	1,290	1,263	1,375	1,491	1,697	1,744	1,899	2,070	2,285	2,535
Total Networth and liabilities	14,546	15,109	15,177	15,634	18,474	21,830	24,881	28,393	32,865	38,161
Gross Fixed assets	11,917	13,159	14,305	15,382	16,410	18,013	21,763	23,963	29,163	34,363
Net fixed assets	7,055	7,521	7,786	7,787	7,648	8,046	10,702	11,759	15,630	19,242
Capital work-in-progress	40	216	52	73	260	1,087	1,087	1,087	1,087	1,087
Intangible Assets	0	0	0	0	0	0	0	0	0	0
Investments	938	888	858	998	1,722	4,136	4,136	4,136	4,136	4,136
Cash and bank balances	122	178	308	581	1,693	839	552	2,098	1,563	1,922
Loans & advances and other assets	2,221	2,324	2,223	2,237	2,526	2,811	2,962	3,283	3,683	4,150
Net working capital	4,170	3,982	3,951	3,959	4,626	4,911	5,442	6,031	6,766	7,624
Total assets	14,546	15,109	15,177	15,634	18,474	21,830	24,881	28,393	32,865	38,161
Capital Employed	13,256	13,846	13,802	14,142	16,777	20,086	22,982	26,323	30,581	35,626
Invested Capital (CE - cash - CWIP)	13,094	13,452	13,442	13,489	14,824	18,160	21,343	23,138	27,930	32,617
Net debt	4,375	3,905	2,427	184	-847	479	666	-980	-360	-718
Cash Flow										
Cash flows from Operations (Pre-tax)	2,060	2,748	2,976	3,993	3,591	3,527	4,484	4,933	5,767	6,865
Cash flows from Operations (post-tax)	1,729	2,353	3,043	3,556	3,415	3,166	4,107	4,390	5,124	6,103
Capex	1,046	1,289	1,129	678	1,451	2,039	3,750	2,200	5,200	5,200
Free cashflows	682	1,064	1,914	2,878	1,964	1,127	357	2,190	-76	903
Free cashflows (post interest costs)	327	741	1,667	2,769	1,882	1,022	247	2,080	-186	793
Cash flows from Investing	-1,481	-1,346	-959	-727	-1,854	-3,683	-3,750	-2,200	-5,200	-5,200
Cash flows from Financing	-255	-964	-1,908	-2,456	-427	-239	-644	-644	-458	-544
Total cash & liquid investments	122	178	308	581	1,693	839	552	2,098	1,563	1,922

Financial Summary

Standalone Financial Statements

	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Key Variables										
Freight Segment Revenue	12,096.4	12,477.9	11,508.2	13,715.7	15,982.3	16,435.0	17,916.4	19,349.7	20,897.7	22,569.5
SCS Segment Revenue	10,189.0	9,249.5	9,376.4	10,051.9	12,803.7	14,538.0	16,424.3	18,723.7	20,596.1	22,655.7
Seaways Segment Revenue	3,593.4	3,677.4	3,952.8	5,577.8	5,989.5	5,526.0	6,024.8	6,627.2	8,615.4	11,200.0
Growth ratios (%)										
Revenue	17.5	-1.8	-2.4	18.5	18.0	5.4	10.8	10.8	12.2	12.7
EBITDA	17.2	-4.4	6.2	57.5	3.7	-3.4	10.4	14.9	20.2	21.0
Adj PAT	23.0	-1.0	6.6	98.4	13.5	8.1	7.9	12.6	18.4	18.5
Margin ratios (%)										
Gross	19.1	19.4	19.5	22.4	20.9	20.6	20.5	21.1	21.6	22.1
EBITDA	9.5	9.3	10.1	13.4	11.8	10.8	10.8	11.2	12.0	12.9
Adj PAT	5.0	5.0	5.5	9.2	8.9	9.1	8.8	9.0	9.5	10.0
Performance ratios										
Pre-tax OCF/EBITDA (%)	84	118	120	102	89	90	104	99	97	95
OCF/IC (%)	13	17	23	26	23	17	19	19	18	19
RoE (%)	17	14	13	22	21	19	18	17	17	18
RoCE (%)	13	12	12	20	20	18	17	17	17	17
RoCE (Pre-tax) (%)	16	14	14	22	23	20	19	19	19	20
Fixed asset turnover (x)	2.3	2.0	1.8	2.0	2.2	2.1	2.0	1.9	1.9	1.8
Total asset turnover (x)	1.9	1.7	1.6	1.9	2.0	1.8	1.7	1.7	1.6	1.6
Financial stability ratios										
Net Debt to Equity (x)	0.5	0.4	0.2	0.0	-0.1	0.0	0.0	-0.0	-0.0	-0.0
Net Debt to EBITDA (x)	1.8	1.7	1.0	0.0	-0.2	0.1	0.2	-0.2	-0.1	-0.1
Interest cover (x)	5	7	12	33	41	30	37	40	47	56
Cash conversion days	59	58	59	50	49	50	50	50	50	50
Total Working capital days	73	73	71	59	58	60	59	60	60	60
Valuation metrics										
Fully Diluted Shares (mn)	77	77	77	77	77	77	77	77	77	77
Market cap (Rs.mn)			77,230							
P/E (x)	61	62	58	29	26	24	22	20	16	14
P/Sales (x)	3.0	3.1	3.2	2.7	2.3	2.2	1.9	1.8	1.6	1.4
EV (Rs.mn) (ex-CWIP)	82,090	81,444	80,131	77,866	76,649	77,148	77,335	75,689	76,309	75,950
EV/ EBITDA (x)	34	35	32	20	19	20	18	15	13	11
EV/ OCF(x)	47	35	26	22	22	24	19	17	15	12
FCF Yield (%)	0.9	1.4	2.5	3.7	2.5	1.4	0.5	2.8	-0.1	1.2
Price to BV (x)	9.3	8.2	7.2	5.9	5.0	4.2	3.6	3.1	2.7	2.3
Dividend yield (%)	0.2	0.2	0.1	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Dividend pay-out (%)	13	15	7	15	18	17	15	14	12	10

Crystal Ball Gazing

Over FY22-27E, revenue growth is likely to be driven by 1) shift from unorganised to organized sector, 2) logistics supply chain outsourcing to 3PL players, and 3) traction in multimodal logistics. EBITDA growth is expected to be led by higher contributions from supply chain services(3PL) and increase in the movement of freight by multimodal logistics.

Healthy Revenue and EBITDA growth

	FY11-FY14	FY14-FY22	FY22-FY27E
Revenues CAGR	5%	9%	11%
Gross Margin	19%	20%	21%
EBITDA CAGR	3%	18%	9%
EBITDA margin	7.6%	9.4%	11.7%
EPS CAGR	6%	27%	12%
Total Asset Turnover (x)	2.5	2.0	1.8
Total WC days	56	66	59
Pre-tax OCF/EBITDA (%)	87%	104%	97%
Post Tax OCF as a % of IC	15%	18%	21%
Debt/EBITDA	2.1	2.5	(0.0)

Improving operating efficiencies resulting in healthy returns

	FY11-FY14	FY14-FY22	FY22-FY27E
RoE (%)	15.2%	15.9%	19.2%
RoCE (%)	10.9%	12.6%	18.1%
RoIC (%)	15.6%	14.3%	18.2%

Healthy operating performance to sustain multiple

SOTP	FY28 EBITDA (Rs.mn)	EV/EBITDA (x)	EV (Rs.mn)
TCI Freight	974	6.0	5,845
TCI SCS	2,289	15.0	34,338
TCI Seaways	4,315	10.0	43,154
Others	30	2.0	60
Net Debt (Rs.mn)			-718
Mkt Cap (Rs.mn)			84,115
Standalone TP			1,088
JV and Subs (Transystem, TCI Concor, Cold Chain)			203
Target Price			1,320

Entry = Rs. 998 @ 19.4x FY26E P/E

Cumulative Dividends of Rs. 28/share

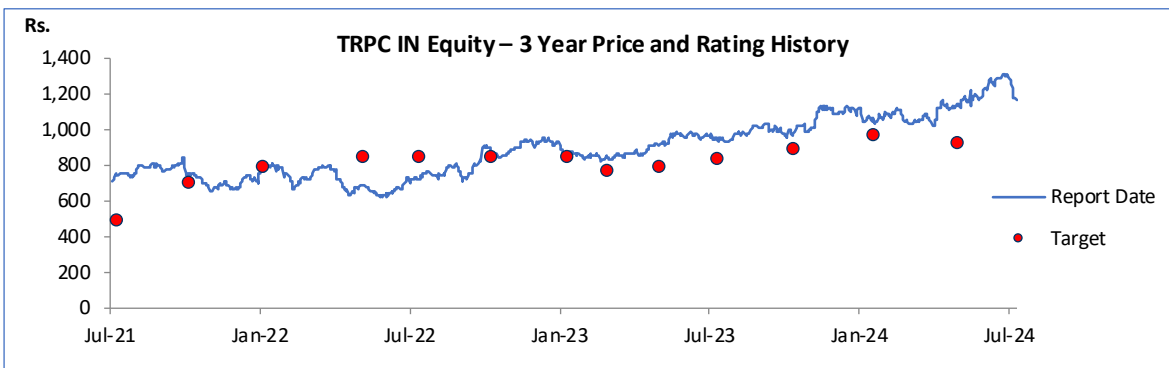
EPS CAGR of ~12%, implied exit multiple of 17.9x on FY28E P/E

Total Return of 32%

AGV	Automated guided vehicle
AMR	Autonomous mobile robot
ASC	Automated sort capacity
3PL	<i>Third Party Logistics Service Provider</i>
BPS	Book Value per share
BS	Balance sheet
BV	Book Value
CAGR	Compounded Annual Growth Rate
CASA	Current Account + Savings Account
CC	Cash Credit
D2C	Direct to consumer
CG	Corporate Governance
CMP	Current Market Price
CV	Commercial Vehicle
DPS	Dividend per share
DTA	Deferred Tax Assets
FTL	Full Truck Load
EPS	Earnings per share
FI	Financial Institution/Intermediary
JV	Joint Venture
LTL	Less than Truckload
LC	Letter of Credit
LCV	Light Commercial Vehicle
LoU	Letter of Undertaking
MHCV	Medium & Heavy Commercial Vehicle
MSE	Micro & Small Enterprises
MSME	Micro, Small & Medium Enterprises
MTM	Marked-to-Market
OI	Other Income
Opex	Operating Expenses
P&L	Profit & Loss
P/BV	Price to Book Value
P/E	Price to Earnings
PAT	Profit After Tax
PBT	Profit Before Tax
PTL	Part truck load

RoE	Return on Equity
RoCE	Return on Capital Employed
SaaS	Software as a service
SCV	Small Commercial Vehicle
SCS	Supply chain services
SEBI	Securities & Exchange Board of India
SLA	Service level agreement
SME	Small & Medium Enterprises
SOTP	Sum of the Parts
TP	Target Price
UAV	Unmanned aerial vehicle
UV	Utility Vehicle
WMS	Warehouse management system

Spark Recommendation History



Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon
ADD	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon
REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
SELL	Stock expected to fall >10% over a 1-year horizon

Symbol Interpretation

◀▶ No Change | ▼ Downgrade | ▲ Upgrade

DISCLAIMER:

Spark Institutional Equities Private Limited ("SIE") holds a SEBI Research Analyst license (Registration No. INH200009722) and is primarily engaged in the business of institutional equities broking and research. SIE is registered with SEBI as a Stockbroker (member of BSE Limited and the National Stock Exchange of India Limited) and a Research Analyst.

SIE's affiliates include (1) Avendus Capital Private Limited, holding Company of SIE, is a SEBI registered Merchant Banker (2) Avendus Wealth Management Private Limited is a SEBI registered Portfolio Manager & Investment Advisor, an investment manager to a Category III Alternative Investment Fund ("AIF"), AMFI registered Mutual Fund distributor and registered as Authorised Person and registered with United States Securities and Exchange Commission (US SEC) as a Registered Investment Advisor (3) Avendus PE Investment Advisors Private Limited is an investment manager to a SEBI Registered Category II AIF. (4) Avizo Advisors Private Limited is an investment manager to SEBI Registered Category II AIF (5) Avendus Capital Public Markets Alternate Strategies LLP is a SEBI registered Portfolio Manager and an investment manager to SEBI registered Category III AIF (6) Avendus Investment Managers Private Limited is a SEBI registered Portfolio Manager and an investment manager to SEBI registered Category III AIF (7) Avendus Finance Private Limited which is registered with RBI as Non-Banking Finance Company and registered with SEBI as Depository Participant (with CDSL and NSDL) (8) Avendus Capital Inc which is Broker dealer registered with SEC-Financial Industry Regulatory Authority (FINRA)-USA and Registered Investment Advisor with State Securities Regulator of New York, New Jersey, Texas and California (9) Avendus Capital Pte Limited, Singapore, registered with Monetary Authority of Singapore ("MAS") and has Capital Markets Services (CMS) Licence in Fund Management activity.

We offer our research services to clients as well as our prospects.

The information and opinion expressed in this Report does not constitute an offer or an invitation to make an offer to buy or sell any securities. None of the Analysts of SIE accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion, and other subjective judgments contained herein are made as of the date of this Research Report. This Research Report does not claim to contain all information that an investor / potential investor may require for making an investment. The past performance of a product or portfolio does not in any manner indicate the surety of the performance in the future. This Report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations or needs of individual clients. SIE also has a separate team that puts together Technical Analysis / Alternative Research and each recipient of this report must note that the views of the Technical Analyst is always based on short term market variables and will be materially different from the views of the other Sector Analysts in SIE, whose reports are based on fundamental analysis of the Company.

Each recipient of this document should make such analysis as it deems necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document and should consult their own advisors to determine the merits and risks of such an investment. The price and value of the investments referred to in this Research Report and the income from them may go up or down and investors may realize losses on their investments. This Research Report is provided by SIE on a strictly confidential basis for the exclusive use of the recipient and should not be reproduced, redistributed, or passed on, directly or indirectly, to any other person or published, copied, in whole, or in part, for any purpose. SIE does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment.

This Research Report is not directed 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, regulation or which would subject SIE and/or its affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and observe such applicable restrictions. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. Recipients shall be solely liable for any liability incurred by them in this regard and will indemnify SIE and/or its affiliates for any liability it may incur in this respect.

Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices, and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the provisions as may be applicable pursuant to it. Certain statements made herein may not be based on historical information or facts and may appear to be "Forward Looking Statements" including those relating to general business plans, future financial condition, and growth prospects. The actual results may differ materially from any "Forward- Looking statements" due to a number of factors, including socio, political, competitive environment, force majeure, etc. SIE makes no representation or warranty, express or implied, as to the accuracy, completeness, or fairness of the information and opinions contained in this document. SIE, its affiliates, and the employees of SIE and its affiliates may, from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from, and any company referred to in this report.

Report Date	CMP (Rs.)	TP (Rs.)	Reco.
17-May-24	911	940	ADD
06-Feb-24	958	980	ADD
01-Nov-23	819	900	ADD
02-Aug-23	760	845	BUY
22-May-23	649	800	BUY
22-Mar-23	630	780	BUY
31-Jan-23	625	855	BUY
01-Nov-22	715	855	BUY
05-Aug-22	707	855	BUY
31-May-22	744	855	BUY
28-Jan-22	724	800	BUY
01-Nov-21	630	710	BUY
05-Aug-21	446	500	BUY
27-May-21	367	420	Buy
08-Feb-21	257	305	Buy

Disclaimers and Disclosures

This Report has been prepared on the basis of the facts, figures and information, which is already available in publicly accessible media or sources believed to be reliable or developed through an independent analysis by the Analysts of SIE. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. While we would endeavor to update the information herein on a reasonable basis, SIE and its affiliates are under no obligation to update the information. Also, there may be regulatory, compliance, or other reasons that prevent SIE and its affiliates from doing so. Neither SIE nor its affiliates or their respective directors, employees, agents, or representatives shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this report or the contents or any errors or discrepancies herein or for any decisions or actions taken in reliance on the report or the inability to use or access our service in this report or for any loss or damages whether direct or indirect, incidental, special or consequential including without limitation loss of revenue or profits that may arise from or in connection with the use of or reliance on this report.

SIE and/or its affiliates and/or employees may have interests/positions, financial or otherwise, in the securities mentioned in this Report. To enhance transparency, SIE has incorporated disclosure of interest statement in this document. This should however not be treated as an endorsement of views expressed in this Report:

DISCLOSURE OF INTEREST & MATERIAL CONFLICT OF INTEREST STATEMENT:

SIE with its affiliates (reference shall individually or collectively refer to its respective relevant SIE's affiliates as the context may require) :

- i. Are engaged in multiple financial service businesses inter-alia investment / merchant banking, lending, broking, distribution, wealth management, asset management, portfolio management, equity capital markets services including institutional equities & research;
- ii. Actual, potential, or apparent conflict of interest may arise as a result of various business activities carried out by SIE and its affiliates.
- iii. SIE and its affiliates and / or its respective personnel and / or its advisors may in future engage in activities that may result in conflict which may not have been captured herein.
- iv. SIE and its affiliates has policies and procedures in place for addressing such conflicts. SIE, its affiliates and its directors/partners/employees shall exercise a standard of good faith in its dealings.

SIE and/or its affiliates and/or employees and/ or their relative(s) may have a financial interest in the subject company. SIE and/or its affiliates may have actual/beneficial ownership of one percent or more securities of the subject company or may from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein at the end of the month immediately preceding the date of publication of the Research Report. SIE and/or its associates and/or its employees have not been engaged in market making activity for the subject company.

In the last twelve-month period ending on the last day of the month immediately preceding the date of publication of the Research Report, SIE and/or its affiliates and/or employees may have:

- i. managed/co-managed public offering of securities for the subject company;
- ii. received compensation for investment banking/merchant banking/brokerage services / other products/ services of the group from the subject company of this Research Report;
- iii. engaged in any other transaction involving such securities and earn fees or other compensation as an advisor or lender/borrower to subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions at the time of publication of Research Report or at the time of public appearance.
- iv. provided services to the subject company as a client.
- v. Research Analyst views on subject company may vary based on Fundamental research and Technical Research. Investment Advisory (both as portfolio manager or investment advisor or Fund management activities) or Proprietary investment / trading by SIE's affiliates maintains arm's length distance with Research Team as all the activities are segregated from SIE's research activity and therefore it can have an independent view (including take contrary view / investment advise / investment exposure) with regards to subject company for which Research Team have expressed their views.

The affiliates of SIE has not received any compensation or other benefits from third party in connection with the research report

However, the above shall have no bearing on the specific recommendation made by the Analyst(s), as the recommendation made by the Analyst(s) are independent of the view of the affiliates of SIE. No part of the analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this report.

Research Reports are not exchange traded products, and hence disputes relating to research activities of SIE do not have access to exchange investor redressal or Arbitration mechanism. We also hereby declare that our activities were neither suspended nor have we defaulted with any Stock Exchange authority with whom we are registered in the last five years. We have not been debarred from doing business by any Stock Exchange/SEBI or any other competent authorities, nor has our certificate of registration been cancelled by SEBI at any point in time.

ADDITIONAL DISCLAIMER FOR US INVESTORS:

SIE is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934 and under applicable state laws in the United States, as amended. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by SIE, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b) under the Securities Exchange Act of 1934 and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This Research Report must not be acted on or relied on by persons who are not major institutional investors.

SIE has entered into a chaperoning agreement with a U.S. registered broker-dealer, Aventus Capital Inc ("ACI"), affiliate a FINRA registered broker-dealer (CRD # 150160) in the State of Delaware with its principal office at 445 Park Avenue, 19th Floor, New York 10022. Any investment or investment activity to which this Research Report relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement. This research report is distributed in the United States by ACI, accepts responsibility its dissemination in the United States. Further, ACI has not authored this research report nor has independently verified any of the data presented within this report. The information provided is based on the research and analysis conducted by SIE. ACI does not recommend nor endorse this report. Furthermore, ACI does not have any direct business relationships with SIE nor does receive any direct compensation for the distribution of this report.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, ACI, and therefore, may not be subject to FINRA Rule 2241 restrictions on communications restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

ADDITIONAL DISCLAIMER FOR UK INVESTORS:

For the purposes of distribution within the United Kingdom, this communication is exempt from the financial promotion restriction in Section 21 of the Financial Services and Markets Act, 2000 relating to the communication of an invitation or inducement to engage in investment activity on the grounds that it is made to those persons falling within the following Articles of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended: Article 19 (Investment Professionals) and Article 49 (High Net Worth Companies). Any investment to which this communication relates is only available to investment professionals and high net worth companies.

CERTIFICATION BY EACH OF THE AUTHORS OF THIS REPORT:

The Analyst certifies that the views expressed in this Research Report are a representation of the Analyst's personal opinions on the stock or sector as covered and reported. The Analyst is principally responsible for the preparation of this Research Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director, or employee of the subject company in the last 12 month period ending on the last day of the month immediately preceding the date of publication of the Research Report. The Analyst does not have actual/beneficial ownership of one per cent or more of the securities of the subject company, at the end of the month immediately preceding the date of publication of the research report.

Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Spark Institutional Equities Private Limited is a financial services company incorporated in India, with its registered address at EA Chambers Tower II, No 49, 50, 5th floor, Whites Road, Royapettah, Chennai – 600 014

Website: www.avenusspark.com; CIN: U65999TN2022PTC149473; SEBI Registration No. INZ000307037 (Member of NSE and BSE); SEBI Registration No. INH200009722 (Research Analyst)

Compliance Officer details: Mr. Mahesh Agal; Contact on +91 8080023220 or email: ie.compliance@avenusspark.com; Grievance Officer: T K Ramaswamy - investorgrievance@avenusspark.com, Tel: +91 44 4344 0078