

CELEBRATING



Diwali Picks Samvat 2079

Muhurat Trading Date: Mon, 24th October, 2022

Normal Trading Hrs: 06:15 PM to 07:15 PM





Diwali Picks 2022

STOCK NAME	SECTOR/INDUSTRY	CMP	TARGET PRICE	Potential Upside (%)
UPL	Agrochemicals	664	885	33.3%
CAMS	Depositories	2557	3020	18.1%
PRAJIND	Industrials	435	530	21.8%
GREENPANEL	Consumer Durables	401	510	27.2%
SJS	Auto Ancillaries	430	517	20.2%

Prices as on Oct 11,2022

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**Business Operations**

UPL is engaged in the business of Agrochemicals, Industrial chemicals, chemical intermediates, specialty chemicals, and the sale of field crops and vegetable seeds. Present in 138 nations and is the 5th largest agrochemicals and 4th largest seed manufacturer in the world. It has a wide range of products including seed, crop protection, and post-harvest solutions. It has 42 manufacturing plants located across Europe, Latin America, North America and India.

Investment Rationale**A. Changing Product Mix to Drive Margins Improvement**

Company's products has dominant presence across geographies, its holds 18% market share in North America, 25% in Latin America, 22% in Europe, 4% in Middle east & Africa and 32% in Asia pacific. company aims to alter the products mix to specialty side which commands higher margins than generics versions, hence company is expected to gain margins.

B. Agrochemicals Usage to Rise in Order to Scale Crop Yield

India is the fourth largest producer of agrochemicals globally, after United States, Japan and China. India's agrochemicals consumption is one of the lowest in the world with per hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (11 Kg/ha) (Source: FICCI)

C. Offers Value Buy as Trades at Steep Discount

Company has an Enterprise value of Rs 71,385 Cr and trades at EV/EBITDA of 6.9 (x) vis a vis 3yr/ 5yr Avg median of 8.4/ 9.2 (x). It has a 3yr Revenue/ PAT CAGR of 28% / 28%. and has an ROE / ROCE % of 16.7 / 15.6% as of FY22. This doesn't warrant such steep discount and offers Value Buy Opportunity.

C. Outlook And Recommendation

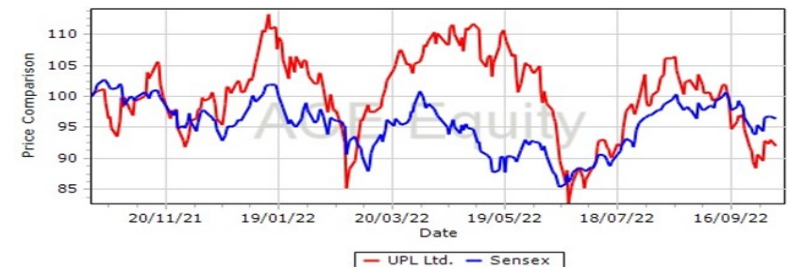
We believe company to sustain earning momentum and estimate a Revenue/PAT CAGR of 15%/13.1%, UPL is trading at forward PER (x) of 9.3 and we value it with 12(x) FY25E and Recommend BUY on UPL with Target Price of Rs. 885.

Script Details

BSE Group	A
BSE Code	512070
NSE Code	UPL
Bloomberg Code	UPLL IN
Market Cap (INR Cr.)	51,251
Free Float (%)	71.0%
52wk Low/High	848/608
Beta (1yr Nifty 50)	0.95
Face Value (INR)/ D. Yield (%)	2/1.5
Total paid Up Shares (Mn.)	750.6

Financial Highlights

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	48,546	9,901	3,826	13.4	7.0
FY23E	55,828	10,607	4,187	12.2	4.9
FY24E	64,202	12,198	4,815	10.6	4.3
FY25E	73,832	14,028	5,537	9.3	3.7

Share Price Relative Performance



Business Operations

Computer Age Management Services Ltd (CAMS) is India based Registered and Transfer agent service provider founded in 1988. It provides technology enabled service solutions to Alternative Investment Funds and Insurance Companies. Besides serving as a B2B service partner. CAMS has 6 back offices along with 279 customer service centers. Its registered with SEBI and AMFI.

Investment Rationale

A. Dominant Position in a Fast Growing MF industry is a Key Growth Catalyst

It commands a giant 70% market share in MF Industry with its top clients belong to Top 5 AMC in India. Currently MF penetration in Indian stands at 16% vs a global average of 63%. Robust domestic inflows indicates towards rising penetration and CAMS to be major beneficiary in the financialization of savings.

B. Along with MF... AIF and PMS Aggregation Offers Bright Prospects

Company on boarded 'CAMS WealthServ' platform in Apr-2021 to serve AIF/PMS. AIF and PMS is at nascent stage in India and the HNI base India is expected to grow along with their preference towards AIF and PMS solutions. CAMS has 50% market share in PMS and AIF solutions.

C. Forayed in CRA Services

In March-22 it launched services in CRA (Central Record keeping Agency) for NPS (national Pension System). The space is served by NSDL and KFin Tech with NSDL having market share of 97% (Source: KFin DRHP). This business vertical offers another revenue stream for CAMS.

C. Outlook And Recommendation

We Believe company's dominant position in growing market to aid bear fruits for CAMS. Its technological expertise and extensive services offering makes it difficult for clients to switch. With Revenue/PAT CAGR of 13%/14%, CAMS is trading at forward PER (x) of 28.6 and we value it with 35(x) FY25E and Recommend BUY on CAMS with Target Price of Rs. 3020.

Script Details

BSE Group	A
BSE Code	543232
NSE Code	CAMS
Bloomberg Code	CAMS IN
Market Cap (INR Cr.)	12,086
Free Float (%)	76.3%
52wk Low/High	3250/2039
Beta (1yr Nifty 50)	0.63
Face Value (INR)/ D. Yield (%)	10/1.6
Total paid Up Shares (Mn.)	49.0

Financial Highlights

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	945	429	288	41.9	26.7
FY23E	1,068	486	331	36.5	24.6
FY24E	1,207	549	374	32.3	21.8
FY25E	1,364	621	423	28.6	19.3

Share Price Relative Performance





Business Operations

Praj incorporated in 1985, emerged as a global leader provides bouquet of sustainable solutions. Company has three business verticals 1) Bio Energy segment - 1G Bio Ethanol, 2G Bio Ethanol, CBG, Bio-diesel technology, 2) Engineering Businesses - Critical Process Equipment's, Brewery plants & Wastewater treatment and 3) Hi Purity Business- end-to-end integrated solutions such as, water treatment solutions, modular process systems etc.

Investment Rationale

A. Ethanol Blending mandate to improve Total Addressable Market (TAM)

PRAJ commands 60%+ (FY22) market share of Ethanol plants in India and accounts for ~10% global ethanol production. GOI mandated to prepone ethanol blending to 20% from 2030 to 2025. This move to accelerate TAM for company. Company has multiple variety such as sugar and starch to offer ethanol plants with high yields

B. Healthy Order Book with Robust Intake Depicts Revenue Visibility

Company has an order book of Rs 3241.7 Cr (~40% higher than FY22) with a sizable intake of Rs 1,094 Cr during Q1FY23. its order book composed of 77% from Bioenergy, 17% engineering, 6% hi Purity. The orders are 81% domestic and 19% are export oriented. Company's technological expertise to keep order book growth in check.

C. Entered in New Business Verticals to Diversify Revenue

PRAJ has forayed into emerging businesses such as HiPurity systems and Engineering business which serves in water systems, modular process etc. HiPurity systems and Emerging business segment contributes 9% and 20% of total revenue (FY22).

C. Outlook And Recommendation

Led by robust order book, healthy tender pipeline, 300 Patent filings and execution pickup, We estimate a Revenue/PAT CAGR of 12%/16%, PRAJIND is trading at forward PER (x) of 31.1 and we value it with 37(x) FY25E and Recommend BUY on PRAJIND with Target Price of Rs. 530.

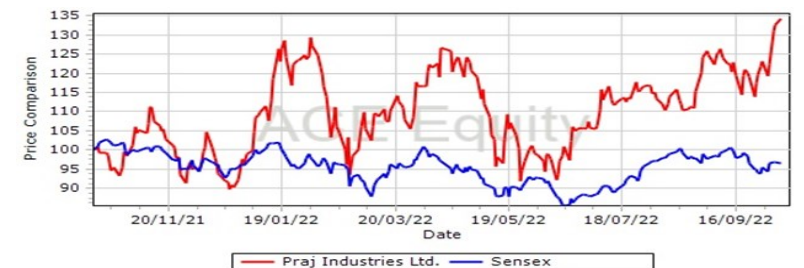
Script Details

BSE Group	A
BSE Code	522205
NSE Code	PRAJIND
Bloomberg Code	PRJ IN
Market Cap (INR Cr.)	8,350
Free Float (%)	67.2%
52wk Low/High	461/289
Beta (1yr Nifty 50)	1.08
Face Value (INR)/ D. Yield (%)	2/0.9
Total paid Up Shares (Mn.)	183.7

Financial Highlights

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	2,677	217	169	49.3	32.1
FY23E	2,998	270	210	39.8	30.6
FY24E	3,358	302	235	35.5	27.3
FY25E	3,761	338	263	31.7	24.4

Share Price Relative Performance





Business Operations

Greenpanel Industries was incorporated in December 2017. The company got spin-off from Greenply Industries. Greenpanel has MDF manufacturing operations in Uttarakhand and Andhra Pradesh with combined capacity of 660,000 CBM. It also has a plywood Manufacturing facility with installed capacity of 10.5 Mn Square metres. The product offerings of company include decorative veneer, flooring and door.

Investment Rationale

A. Rising MDF Penetration Vis a vis Plywood to Benefit Greenpanel

MDF is relatively flexible compared with plywood which makes it best suitable for interior designing purpose (a High growth Industry). At current India's MDF penetration stands at 20% vs 70% globally (Source: company data) and is expected to clock a CAGR of 15–20% by FY26. The market size is expected to grow from Rs 3,200 Cr (FY22) to Rs 6,000 Cr by FY26.

B. Largest Player of MDF in India

Greenpanel is India's largest manufacturer of MDF with a revenue market share of 28% (FY22), in addition to this, it makes allied products such as plywood, wood floors and veneers etc. MDF industry is 70% organized in nature.

C. Further Capex to Unleash Growth Potential

IN Q1FY23, It announced a brown field capex for MDF to increase its capacity from 2,31,00 CBM at a cost of Rs 600 Cr and a potential revenue of Rs 770 Cr. The commercial production is set to start from H1FY25 and it intends to reach 100% utilization by FY27. By FY25, Greenpanel will have a capacity of 8,91,000 CBM.

C. Outlook And Recommendation

Company is favorably placed to tap top growth opportunities in MDF space, We estimate a Revenue/PAT CAGR of 16%/14%, GREENPANEL is trading at forward PER (x) of 11.8 and we value it with 15(x) FY25E and Recommend BUY on GREENPANEL with Target Price of Rs. 510.

Script Details

BSE Group	A
BSE Code	542857
NSE Code	GREENPANEL
Bloomberg Code	GREEN IN
Market Cap (INR Cr.)	4,929
Free Float (%)	46.9%
52wk Low/High	625/308
Beta (1yr Nifty 50)	0.86
Face Value (INR)/ D. Yield (%)	1/0.4
Total paid Up Shares (Mn.)	122.6

Financial Highlights

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	1,781	493	288	17.1	9.8
FY23E	2,066	516	310	15.9	9.7
FY24E	2,396	599	359	13.7	8.3
FY25E	2,780	695	417	11.8	7.2

Share Price Relative Performance





Business Operations

SJS Enterprises Ltd (SJS) was established in 1987 is a leading decorative aesthetics player in India. It delivers aesthetically designed products to OEM and Electronic Appliances manufacturers. Its offering includes 3D lux badges, aluminum badges, Dials of 2W, passenger vehicle and consumer durable companies. It sells products to around 175 customers in 90 cities across 20 countries.

Investment Rationale

A. SJS to Benefit from High growth in Domestic Aesthetic Industry

Domestic Aesthetic industry is set to grow at a CAGR of 20.6% during FY22-FY26P (Source: Company data, RHP). The industry size stood at Rs 23,200 cr as of FY22 and is expected to reach at Rs 49,200 Cr. SJS enterprises is the only listed player in the aesthetic product industry and it set garner opportunities in the sector.

B. Structural Shift Towards Premiumization to offer Sustainable Growth

Growing aesthetical choices and taste of consumers pushing companies to offer products better in 'Look & Feel'. This signifying structural transitioning towards premiumization of goods. SJS has offerings aligned with industry trends, underlines robust business prospect for SJS.

C. Robust Auto sales along with Operating Leverage to Uptick Profitability

Company's key customers includes leading Auto OEM's. Auto sales for Latest FY23 are encouraging and signaling a growth after 4years. Company has 2 manufacturing facilities at Bangalore/ Pune with 209M/29M units capacity. Plants utilization has been 50% (FY21) and a demand drive to bring operating leverage in the company.

C. Outlook And Recommendation

In our view SJS's products offers value addition and operate in theme of Premiumization. We estimate a Revenue/PAT CAGR of 16%/15.5%, SJS is trading at forward PER (x) of 15.5 and we value it with 18(x) FY25E and Recommend BUY on SJS with Target Price of Rs. 517.

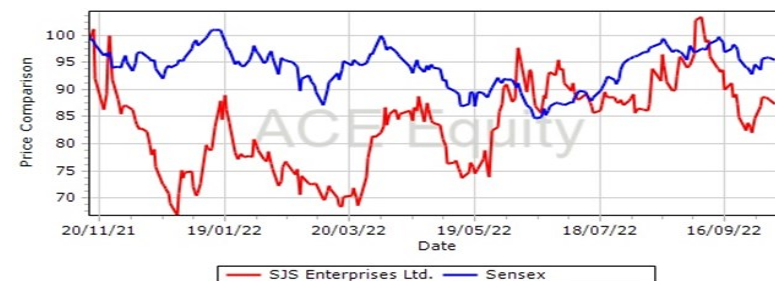
Script Details

BSE Group	B
BSE Code	543387
NSE Code	SJS
Bloomberg Code	SJS IN
Market Cap (INR Cr.)	1,355
Free Float (%)	49.6%
52wk Low/High	551/340
Beta (1yr Nifty 50)	1.10
Face Value (INR)/ D. Yield (%)	10/0.8
Total paid Up Shares (Mn.)	30.4

Financial Highlights

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY22	373	94	56	24.2	13.6
FY23E	433	108	65	20.9	12.5
FY24E	502	126	75	18.0	10.8
FY25E	583	146	87	15.5	9.3

Share Price Relative Performance



HAPPY Diwali

FESTIVAL OF LIGHTS





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