Buy Range	**₹1960-1980**
Target	**₹2380-2400**
Recommendation	**BUY**
Highlights	

- Indian EMS industry today accounts for 35% of total AC production, with market leader Amber having 66%/23% share of outsourced/all India production share and it is estimated that by FY25 Indian Room AC production will increase to 23mn units with the Indian EMS industry is likely to account for 50% of total AC production with market leader Amber having 60%/30% share of outsourced/all India production share.
- Amber with major focus on Room Air Conditioners and having ~23-25% production share of the Indian Room AC market could be the most favorably placed Indian company to export out of India due to the PLI scheme as it's application under the scheme has been accepted.
- India represents less than 0.4% of the global AC exports market (valued at ₹12-13bn) with China leading the pack with about 34% share in exports. India's share implies exports of about 0.6-0.7mn units, which implies high single digit % of domestic consumption. As Make in India kicks off with more government support, India's share could rise and be used for China +1 strategy where foreign companies could use India as an export base (diversifying away from China) in addition to their factories globally. This would also support the Indian players by giving them economies of scale. A doubling of exports over 3-4 years (from 0.4% to 1%) means an additional 15% points growth for Indian companies like Amber with Room AC business in India being highly seasonal, exports could help reduce the seasonality risk in its business.
- Its Subsidiaries EVER and IL JIN aid in backward integration capabilities as it caters to the PCB market. PCBs in India are imported by most brands/ODMs. Now, with the PLI scheme announced for AC components, these subsidies have tremendous scope to grow not only for internal consumption of Amber but also from other manufacturers
- SIDWAL the mobility expert likely to witness strong growth in the near to medium term. In terms of growth as Indian railways move to higher proportion of AC coaches over time, that offers significant opportunity. Structurally, an increase in the proportion of AC coaches in Indian Railways is a theme that will continue in the medium term. Amber management expects Indian Railways to increase AC coach production to 150 per annum over the next couple of years
- Amber acquired PICL in 2013 in order to acquire competence in motors for the AC as well as non AC segment. PICL currently manufacturers motors for AC, washing machines and water coolers. While the company had focused on exports to the Middle East, a slowdown in the business has led to higher focus on the domestic business, with 60% of current sales focused towards domestic markets. With Amber's focus on developing BLDC motors (brushless DC motors) for inverter ACs and trying to cross-sell its own motors for captive consumption. The management expects +20% CAGR in revenue growth for PICL over FY20-26 and margins to expand by 30bps to 5.4% by FY26.
- Warmest Feb'23 in 122 years; heat wave to continue in upcoming months

COMPANY BACKGROUND

Amber Enterprises Ltd was incorporated in 1990 and converted into a Public Limited in Sep’17. It is a market leader in Room Air Conditioner (RAC) Original Equipment Manufacturer (OEM)/Original Design Manufacturer (ODM) industry in India. From a single factory in Rajpura, Punjab, that commenced operations in 1994,it currently has 23 manufacturing facilities across 8 locations in India located close to customers enabling faster turnaround. LG(where Amber is a component supplier), Voltas and Panasonic are the top 3 brands that Amber caters. The company designs and manufactures complete RACs including window air conditioners (WACs) and indoor units (IDUs) and outdoor units (ODUs) of split air conditioners (SACs) with specifications ranging from 0.75 ton to 2 ton across energy ratings and types of refrigerant. It designs and manufactures Inverter RACs ranging from 1 ton to 2 ton. Promoted by Mr. Jasbir Singh and Mr. Daljit Singh, Amber is a complete solutions provider for major brands in the RAC industry. Amber follows an OEM/ODM model, designing and manufacturing inverter RACs, components such as heat exchangers, motors, inverter and non-inverter printed circuit boards (PCBs) and multi-flow condensers (through its subs), and non-AC components for durables and autos. During the year FY18, Amber Enterprises India Limited entered into a Share Purchase Agreement dated November 11, 2017 with IL JIN Hyun Chul Sim (HCS) and Su A Lee (SAL) for purchase of 13,20,613 equity shares of IL JIN from HCS equivalent to 70% of IL JIN's outstanding equity shareholding which completed on December 28, 2017. On 17th October 2019 Company acquired 51% stake of equity share capital of EVER and consequently became the subsidiary of Amber Enterprises on 1st October 2018. In FY20 it acquired 80% stake of equity share capital of Sidwal Refrigeration Industries Private and became subsidiary of the Company effective from 2nd May 2019. In FY21, the company acquired balance 20% stake of equity share capital of Sidwal Refrigeration Industries Private Limited on 18th September 2020 and Sidwal became Wholly Owned Subsidiary of the Company. During FY22, IL JIN Electronics (India) Private Limited (IL JIN) and Sidwal Refrigeration's Industries Private Limited (SIDWAL) were material subsidiaries of the company. Through four acquisitions over the last eight years, Amber has become a backward integrated contract manufacturer in AC, running across RAC, HVAC for railways, metro, PCB circuit maker and manufacturer of AC motors - this makes it a specialist in the segment. ~80% of components in AC (ex-compressor) are made in-house by Amber. **SIDWAL Refrigeration Industries Private Limited** ***(100% Subsidiary, 9MFY23 Revenue Mix – 8%)*** with its wide product offering in mobility applications, is the first company to provide indigenised solutions for roof mounted package units (RMPU) for Indian Railways , Buses and Metro. **PICL India Pvt ltd** ***(100% Subsidiary,9MFY23 Revenue Mix – 5%)*** is the leading induction motor manufacturer for HVAC industry in India. With a strong manufacturing prowess it offers over 200 Models and serves some of the key marquee customers across both domestic and export market. It has successfully widened its product offering from PSC motors to brushless DC motors (BLDC) motors. **IL JIN Electronics (India) Private Limited & EVER Electronics Private Limited** ***(70% Subsidiary, 9MFY23 Revenue mix – 18%)*** is engaged in the manufacturing, assembling, dealing, importing and exporting of electronic assembled PCBA for Consumer Electronics which serves a vast spectrum of clients in Room ACs, Consumer Durables and Automobiles. Developed inhouse PCB board for Inverter ACs. In FY22, the company **acquired Amber PRTechnoplast India Private Limited (73% stake**) enabling manufacturing Cross flow fans (CFF) for outdoor units of ACs & **Pravartaka Tooling Services Private Limited (60% stake)** enabling inhouse capability of injection molding tools manufacturing and grow its component segment with focus on providing more diversified solution of Injection molding component for industries such as automotive, electronics & consumer durables.

Reasons to Buy

As India moves away from import of electronics to domestic manufacturing, we are likely to witness a paradigm shift in the growth of its home-grown EMS (electronics manufacturing services) companies. To enable home-grown companies to benefit from this opportunity, the Indian government has proposed Production Linked Incentive (PLI) schemes, at a proposed incentive outlay of US$26.7bn (or ₹1,970bn). The focus is mainly on the electronics sector, with opportunities for domestic EMS companies like Amber to assemble electronics and develop the component ecosystem. Hence we recommend it as a **BUY** with **target range ₹2380-2400** trading at **P/E 25x FY25E EPS ₹ 79.8.**

Important Data

Nifty	17,316
Sensex	58,800
CMP	₹1997.2
Market Cap (₹)	₹67.3bn
52W High/Low	₹4024/1844
Shares o/s (mn)	33.6
Daily Vol. (3M NSE Avg.)	252,810

Shareholding Pattern (%)

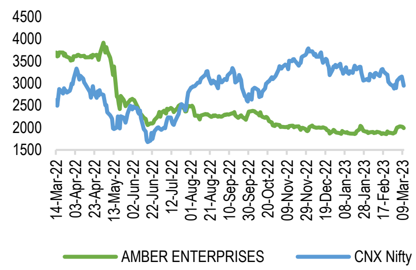
Promoter	40.3
DIIs	11.5
FIIs	27.1
Public	21.1

Financials & Valuations

Particulars (₹ mn)	FY19	FY20	FY21	FY22
Operating Revenue	**27,520**	**39,628**	**30,305**	**42,064**
EBITDA	**2,129**	**3,093**	**2,203**	**2,754**
EBITDA Margin (%)	***7.7***	***7.8***	***7.3***	***6.5***
Net Profit	**937**	**1,584**	**816**	**1,092**
EPS (₹)	27.8	47.0	24.2	32.4
RoE (%)	9.3	13.6	5.0	6.2
RoCE (%)	6.3	7.7	3.6	3.4
P/E (x)	71.8	42.5	82.5	61.6
EV/EBITDA (x)	32.9	23.0	31.3	26.8
P/BV (x)	6.7	5.8	4.1	3.8

Particulars (₹ mn)	FY23E	FY24E	FY25E
Operating Revenue	**54,517**	**72,431**	**87,642**
EBITDA	**3,371**	**4,894**	**5,998**
EBITDA Margin (%)	***6.2***	***6.8***	***6.8***
Net Profit	**1,196**	**1,897**	**2,689**
EPS (₹)	35.5	23.1	23.1
RoE (%)	6.9	9.8	12.1
RoCE (%)	6.3	7.5	8.7
P/E (x)	56.3	35.5	25.0
EV/EBITDA (x)	19.6	13.6	11.1
P/BV (x)	3.6	3.3	2.9

Relative performance



Analyst

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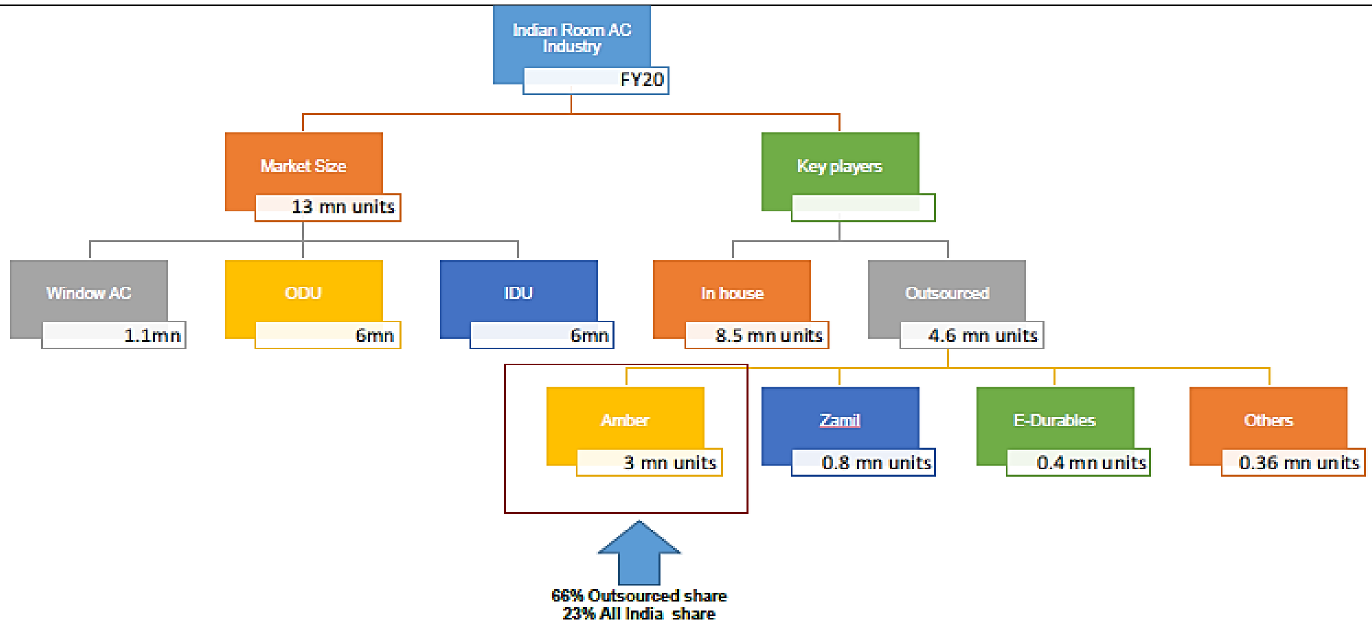
INVESTMENT RATIONALE

1. **Indian RAC to witness sales of 24mn units by 2030 –** In FY22 the Indian RAC sales was at 6.4 mn units as compared to ~ 5.2 mn units of the preceding year. Out of this ~6.4 mn units, the estimated market size of RAC Industry at OEM level excluding GST is valued at ₹121.6bn of which Amber enjoys an ~₹32.29bn. Indian domestic brands have ~50% share in the domestic RAC market . As per various industry reports, it will not be a surprise that India by 2030 may witness a domestic market of 24 mn units and emerge strongly as global sourcing destination. Most brands have their own manufacturing facilities with in-house production of 50-60% of the products. However, some players manufacture IDU (Indoor units), while some manufacture ODU (outdoor units) and very few manufacture the entire AC.PLI scheme for ACs, the policy is targeted towards components and not assembly. For higher value components like compressors and inner tubes, Amber is looking to tie up with a technology partner. However, for lower value intermediates like PCB, motors etc, the company already has in-house capability to manufacture those and will benefit from the scheme. There is no clarity yet if heat exchangers, sheet metal and injection moldings will also be included under PLI. If they are, then a bigger opportunity opens up for players like Amber. **Indian EMS industry today accounts for 35% of total AC production, with market leader Amber having 66%/23% share of outsourced/all India production share. It is estimated that by FY25 Indian Room AC production will increase to 23mn units with the Indian EMS industry accounting for 50% of total AC production with market leader Amber having 60%/30% share of outsourced/all India production share**



Source – Company, Way2Wealth

2. **PLI scheme putting EMS players in the fast gear** – As a push to the "Make in India (MII)" initiative, the GoI had proposed Production Linked Incentive(PLI) schemes for 13 sectors during FY21,at a proposed incentive outlay of $26.7bn (or ₹1,970bn).From the 13 proposed PLIschemes,10 have been approved by the cabinet, and 8 have already been notified (call for applications). From the 8 notified schemes, applications have been received and approved for 3 sectors ('Mobile & Electronic Components', 'Drug Intermediaries and APIs', and 'Medical Devices'), across 77 manufacturers, at an incentive outlay of ₹441bn (or 22% of the overall combined proposed incentive outlay). The PLI scheme for 'Automobiles & Auto Components', which alone accounts for ~30% of the overall proposed incentive outlay, is still awaiting cabinet approval, and applications for 'Electronic/ Technology Products 'are awaiting final approval. .

The PLI Scheme for White Goods will extend an incentive of 4-6% on incremental sales of air conditioners and LED lights to companies that manufacture these goods in India, for a period of five years subsequent to the base year and one year of gestation period.

On 04 June 2021, the Department for Promotion of Industry and Internal Trade (DPIIT) released guidelines including the stipulation that an applicant can opt for any one of the following initial investment periods:

- **April 1, 2021 to March 31, 2022**
- **April 1, 2021 to March 31, 2023**

Target segments under AC:

- **Air conditioners (components – high value intermediates or low value intermediates or sub-assemblies or a combination thereof)**
- **High value intermediates (copper tubes, aluminium foil, and compressors)**
- **Low value intermediates (PCB assembly for controllers, BLDC motors, service valves, and cross flow fans for AC and other component.**

The first application window for the PLI Scheme for White Goods was open from 15 June 2021 to 15 September 2021. A total of 52 companies filed their applications and out of them, 42 applicants with committed investment of ₹46.14bn were provisionally selected as beneficiaries. **This includes 26 applicants for Air Conditioner manufacturing with committed investments of ₹38.98bn** and 16 applicants for LED Lights manufacturing with committed investments of ₹7.16bn. Additionally, six applicants proposing FDI from countries sharing land border with India have been advised to submit approval for FDI.

Eligibility – To be eligible, companies must propose the manufacture of components or sub-assembly that is currently not done in sufficient capacity in India. In other words, the applicants must propose a significant investment into creating new manufacturing capabilities in the country. As such, companies engaged in the assembly of finished goods will not be eligible for incentives under this scheme.

Also, investment in land and building (including factory building or construction) required for the project or unit will not be considered for determining the applicant's eligibility under the PLI Scheme. Companies that meet the pre-qualification criteria for different target segments will be eligible to apply to the PLI Scheme.

Incentives will be open to companies making either brownfield and/or greenfield investments. Companies investing in basic/core components shall have a higher priority. Within a target segment, 'large investment' shall have a higher priority over 'normal investment'. Investment in R&D should not exceed 15% of the total committed investment. Thresholds of cumulative incremental investment and incremental sales of manufactured goods over the base year must be met to claim incentives. An entity that secures benefits under any other PLI Scheme for the same products cannot apply to this scheme. However, the entity participating in the PLI Scheme may take benefits under other applicable national schemes or state government schemes. Companies in the AC industries that apply for PLI benefits have to meet the compulsory BIS and BEE Quality standards for sales into domestic market and applicable standards for global markets. Any software used associated with R&D should have been procured or licensed through legally valid documents after payment of applicable taxes and duties.

Applicants selected under the PLI Scheme for White Goods: Air Conditioners		
Applicant	**Products to be manufactured**	**Committed investment (₹ mn)**
Daikin Airconditioning India Private Limited	○ Compressor ○ Control assemblies for IDU or ODU or Remotes ○ Motors ○ Cross flow fan (CFF) ○ Heat exchangers ○ Sheet metal components ○ Plastic molding components	5387
Amber Enterprises India Limited	○ **Control assemblies for IDU or ODU or Remotes** ○ **Motors** ○ **Cross flow fan (CFF)** ○ **Heat exchangers** ○ **Sheet metal components** ○ **Plastic molding components**	**4601.8**
PG Technoplast Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Cross Flow Fan (CFF) ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	3210
EPAC Durables Solutions Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Cross Flow Fan (CFF) ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components ○ Display Panels (LCD/LED)	3000
Hindalco Industries Limited	○ Copper Tube (plain and/or grooved) ○ Aluminum Stock for Foils or Fins for heat exchanger	5390
Mettube India Private Limited	○ Copper Tube (plain and/or grooved)	3002.1
IL JIN Electronics India Private Limited	○ **Control Assemblies for IDU or ODU or Remotes** ○ **Motors** ○ **Cross Flow Fan (CFF)**	**1673.3**
Blue Star Climatech Limited	○ Heat Exchangers ○ Sheet Metal Components	1560
Havells India Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	1127.1
Johnsons Controls Hitachi Air Conditioning India Limited	○ Cross Flow Fan (CFF) ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	1006.7
Voltas Limited	○ Cross Flow Fan (CFF) ○ Heat exchangers ○ Plastic Molding components	1000
Napino Auto and Electronics Limited	○ Control Assemblies for IDU or ODU or Remotes	666
Bhagwati Products Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Cross Flow Fan (CFF) ○ Valves & Brass components ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	610
Epavo Electricals Private Limited	○ Motors	580

IFB Industries Limited	○ Motors ○ Heat exchangers ○ Sheet Metal components	570
Lucas-Tvs Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors	540
Nidec India Private Limited	○ Motors	519.20
Dixon Devices Private Limited	○ Control Assemblies for IDU or ODU or Remotes	510
Syrma Technology Private Limited	○ Control Assemblies for IDU or ODU or Remotes	510
VVDN Technologies Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Sheet Metal components ○ Plastic Molding components	510
Virtuoso Optoelectronics Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Cross Flow Fan (CFF) ○ Valves & Brass Components ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	505
East India Technologies Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Sheet Metal components ○ Plastic Molding components	500
Magnum Mi Steel Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Heat exchangers ○ Sheet Metal components	500
Panasonic India Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	500
Sun Home Appliances Private Limited	○ Control Assemblies for IDU or ODU or Remotes ○ Motors ○ Cross Flow Fan (CFF) ○ Heat exchangers ○ Sheet Metal components ○ Plastic Molding components	500
Tritonvalves Climatech Private Limited	○ Valves and brass components	500
Total		**38,978.2**

Source – PIB

PLI on ACs only available to component makers and not to assemblers (₹ mn)

AC Components						
Parameters of the PLI scheme for AC Components -Overall						
Large investment	**Year1**	**Year2**	**Year3**	**Year4**	**Year5**	**Total**
Investment (₹ mn)	(1,500)	(1,500)	(1,000)	(1,000)	(1,000)	**(6,000)**
Total Sales (₹ mn)	7,500	22,500	42,500	67,500	97,500	
Incremental Sales (₹ mn)	7,500	15,000	20,000	25,000	30,000	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	450	900	1,000	1,250	1,200	**4,800**
Normal Investment						
Investment (₹ mn)	(500)	(500)	(500)	(750)	(750)	**(3,000)**
Total Sales(₹ mn)	2,500	7,500	15,000	26,250	41,250	
Incremental Sales (₹ mn)	2,500	5,000	7,500	11,250	15,000	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	150	300	375	563	600	**1,988**
Parameters of the PLI scheme for High value – AC Intermediates						
Large investment	**Year1**	**Year2**	**Year3**	**Year4**	**Year5**	Total
Investment (₹ mn)	(500)	(750)	(750)	(1,000)	(1,000)	**(4,000)**
Total Sales (₹ mn)	2,500	8,750	18,750	33,750	53,750	
Incremental Sales (₹ mn)	2,500	6,250	10,000	15,000	20,000	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	150	375	500	750	800	**2,575**
Normal Investment						
Investment (₹ mn)	(500)	(500)	(500)	(500)	(500)	**(2,500)**
Total Sales (₹ mn)	2,500	7,500	15,000	25,000	37,500	
Incremental Sales (₹ mn)	2,500	5,000	7,500	10,000	12,500	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	150	300	375	500	500	**1,825**
Parameters of the PLI scheme for Low value – AC intermediates						
Large investment	**Year1**	**Year2**	**Year3**	**Year4**	**Year5**	Total
Investment (₹ mn)	(200)	(200)	(200)	(200)	(200)	**(1,000)**
Total Sales (₹ mn)	1,000	3,000	6,000	10,000	15,000	
Incremental Sales (₹ mn)	1,000	2,000	3,000	4,000	5,000	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	60	120	150	200	200	**730**
Normal Investment						
Investment (₹ mn)	(100)	(100)	(100)	(100)	(100)	**(500)**
Total Sales (₹ mn)	500	1,500	3,000	5,000	7,500	
Incremental Sales (₹ mn)	500	1,000	1,500	2,000	2,500	
% incentive	*6%*	*6%*	*5%*	*5%*	*4%*	
Incentive (₹ mn)	30	60	75	100	100	**365**

Source – Company, Way2Wealth

3. **Other factors for growth in India's RAC industry – India's AC penetration remains low at 10-12% compared to China at 140%.** Increase in urbanisation to auger RAC growth.

Increase in per-capita income over time – It is expected India's per-capita income to increase at a CAGR of 7% on the basis of average GDP growth of 6-7% should drive demand for RAC

Improved availability of electricity – India's electricity penetration increased from 65% in 2010 to ~99% in 2019 through the launch of schemes such as DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana) & Saubhagya. We expect the expansion of the power grid coupled with a better power supply to further support AC penetration in the country.

Recovery in real estate – India's real estate market had softened in 2020-21 with a sharp decrease in the number of new launches due to multiple reforms like the Real Estate Regulatory Act (RERA) and demonetization. However, with unsold inventory declining (peaked in Q4 CY16) we are now seeing a pick-up in real estate activity over the medium term as the supply overhang declines.

Rising temperatures – India has seen a sharp rise in temperatures over the last decade. The Indian Meteorological department forecasts warmer-than-normal temperatures with northwest and Central India likely to be above normal by more than 1 degree Celsius in the next few years. The National Academy of Sciences in the US estimates India to have one of the highest potentials for ACs based on its higher annual CDDs (a cooling degree day (CDD) is a measurement designed to quantify the demand for energy needed to cool a building. It is the number of degrees that a day's average temperature is +18 degrees Celsius).

Warmest Feb'23 in 122 years; heat wave to continue in upcoming months – The summer season has kicked in with a record high making Feb'23, the warmest February of the past 122 years with average maximum temperatures 1.73 degrees above normal and average minimum temperatures 0.81 degrees above normal. The recent seasonal forecast by the IMD for Mar'23 to May'23, (spatial map below) highlights that this year is expected to experience warmer days and nights along with frequent heat waves, especially in North, Central, and Eastern India. Hence, an above-normal minimum and maximum temperature can be expected in the following months. Forecasts also hint at an enhanced probability of heat waves (periods of abnormally high temperatures) over many parts of Northwest and Central India, although their frequency for the latter will be low during Mar'23. A relief from the upcoming heat could be that normal to above-normal precipitation is on the cards for most parts of East-Central and South Peninsular India and isolated pockets of Northeast India. This means the countrywide overall rainfall figures will be normal. High Reservoir levels also add to the comfort. In the spatial map below, the shades of orange represent areas with above-normal temperatures, while shades of green and shades of blue represent normal and below normal temperatures respectively.

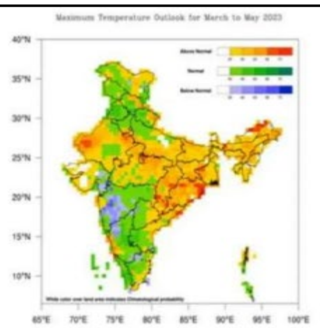


Fig.1a. Probability forecast of Maximum Temperature for March to May 2023.

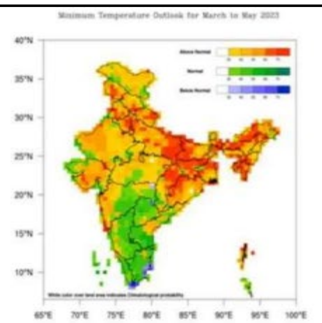


Fig.1b. Probability forecast of Minimum Temperature for March to May 2023.

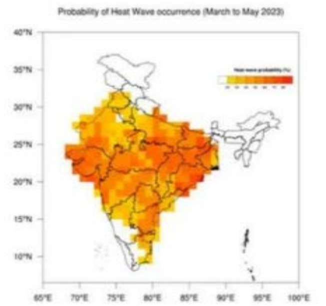


Fig3a. Probability forecast of heatwave for the season March to May 2023.

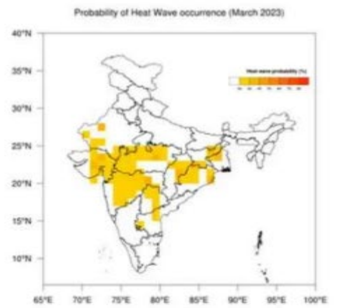


Fig3b. Probability forecast of heatwave for March 2023.

Source – IMD

4. **OEM maturing to ODM and finally into a brand is key to longer term value –** The outsourcing decision is a strategic one that brands/manufacturers have to take in relation to market developments. In the electronics industry, decreasing product lifecycles (with new innovations) and increasing demand for diversity puts significant pressure on the resources of a manufacturer and drives the various degrees of outsourcing. Production of mass electronics like TVs, consumer durables, laptops etc. are better done through the outsourcing model.

What we have seen globally is that contract manufacturers are increasingly forced to merge and acquire in order to sustain sales levels, while ODM companies on the other hand have been largely able to create organic growth and establish their position in the electronics industry. The ODM business model will continue to grow in the future, driven by a general need at the OEM level to meet the increasing demands for newer products at short intervals. Comparing the profitability of the EMS and ODM sectors, however, the situation is very different. EMS companies enjoy revenue stream from their manufacturing contracts with the OEMs, while ODM's rely on profits generated from their early lifecycle services. The ODM business model has a further interesting connection to supply chain issues, since early life cycle purchasing, inventory management and manufacturing are part of their portfolio, which are out of reach of contract manufacturers. However, the leading EMS companies have all started as OEMs, then developed part of the business as ODMs and then eventually moved into branded sales. This helps them capture the entire margin benefits of the chain. One of the long-standing debates has been whether OEM or ODM is long term and sustainable and which of the models deserves higher valuation.

OEM:Original Equipment Manufacturer:

- **Advantages:** Low value addition, high asset turnover, low capex but very low working capital cycle are the key characteristics of the OEM model. Hence, while margins are low, RoCE tends to be higher due to low capex and WC.
- **Risks:** Low value add and high profitability drives increased competition and risk of new entrants.
- **Key to success:** The OEM model requires constant new product addition and widening the customer base as mature EMS players start to see volatility in revenue depending on the programs phases by the brands.

ODM:Original Design Manufacturer:

- **Advantages:** Relatively higher value addition. Relatively lower asset turnover, higher margins and higher capex. Long-term sustainable model.
- **Risks:** Relatively lower RoCE compared to OEMs despite the higher margins; risk of raw material price variation.
- **Key to success:** Vertical integration and creation of full ecosystem to drive product differentiation and innovation allowing higher profitability.

OEM	Parameters	ODM
No risk, passed on the customer - sometimes with a lag. No deviation from customer specification and hence no scope to innovate	Input cost risk	Risk with EMS player - attempted to pass on in subsequent orders. EMS decides the specification and hence room to lower costs through design
Low margins assembly model	Margin model	Higher margin model involving designing and assembly
Minimal	Value addition	Scope to value add
Higher	Product differentiation	Lower; standard products find buyers
Large global players who have their own design, distribution and brand	Customer profile	Small players who have a brand but no R&D or manufacturing expertise; multi-brand companies
Very low as customer provides working capital; works on advances in many cases	Working capital requirement	High as they take the risk of manufacturing on own books; unsold inventory is also on own account
No significant R&D required	R&D	R&D capability over time key to garner incremental business
High RoCE given low capex and w/cap	Returns	Relatively lower RoCE given higher capex and w/cap
Low given high profitability and low value add	Barriers to entry	Initially medium but high as companies move up the value chain
Can assign high multiple as far as growth is visible; multiple to medium term earnings can capture the valuation	GS view	Can assign high multiple as long as backward integration capability is developed; DCF can capture the long term valuation

Source- Company, Way2Wealth

5. **Export a long term opportunity – India represents less than 0.4% of the global AC exports market (valued at ₹12-13bn)** with **China leading the pack with about 34% share in exports**. **India's share implies exports of about 0.6-0.7mn units**, which implies high single digit % of domestic consumption. The actual share for China may be higher as some of this supply is routed through other ASEAN countries. Cost differentials and the scale of operations are the primary reasons for this. As **Make in India** kicks off with more government support, India's share could rise and be used for **China +1 strategy** where foreign companies could use India as an export base (diversifying away from China) in addition to their factories globally. This would also support the India players by giving them economies of scale. **A doubling of exports over 3-4 years (from 0.4% to 1%) means an additional 15% points growth for Indian companies**. Amber with major focus on Room Air Conditioners and **having ~23-25% production share of the Indian Room AC market could be the most favorably placed Indian company to export out of India due to the PLI scheme. With Room AC business in India being highly seasonal, exports could help Amber also reduce the seasonality risk in its business**. Further Amber over time has backward integrated and is developing expertise in motors, PCB circuits and commercial HVAC products, all of which give it the ability to export either fully built AC units from India or components. With a 12 to 18 months cycle from initial approval through reliability cycle, the company is currently there with a few clients. **Amber is currently focusing on export opportunities to neighbouring countries, including Sri Lanka, Bangladesh, parts of Africa, Middle East region as well as exports directed to USA.**

6. **SIDWAL the mobility expert likely to witness strong growth in the near to medium term –** Amber acquired a 80% stake in Sidwal in FY20 and the balance was bought in FY21. The objective was to expand its presence in the mobility segment and expand horizontally in the HVAC market. **FY22 Revenue at ₹2909.5mn with profits at ₹492mn. Sidwal is the largest player in railway ACs in India** and commands ~50% market share for HVAC panels, 60-70% share for defence related products and 5% share in bus ACs under its mobility vertical. This is a high-margin business.

   In terms of growth as **Indian railways** move to higher proportion of AC coaches over time, that offers significant opportunity to Sidwal. Structurally, an increase in the proportion of AC coaches in Indian Railways is a theme that will continue in the medium term. Amber management expects **Indian Railways to increase AC coach production to 150 per annum over the next couple of years.**

   Post-COVID, there is also work going on fresh air pumped coaches replacing the circulated air frequently which can create a new line of business**. Also, AC coaches become a technical necessity when speed of trains increase**. Indian Railways is currently working on a major upgrade plan for railways and this includes increasing speed, and thus a higher number of trains with AC coaches.

   For the **Metros segment,** the government has plans to begin metro rail transport in almost 19 locations. **Sidwal being a supplier to Alstom for the domestic metro projects looks set to benefit from this tailwind**. Further, with Alstom exporting metro coaches out of India there is an increased chance of the company also in future supplying to Alstom for its other global opportunities.

   While growth in **Defence business** is moderate as compared to other sub segments given the longer approval cycle; however, Sidwal caters to the defence segment through a 10 year agreement with BEL (Bharat Electronics).

   For the **Bus AC business**, the growth in electric buses, which is likely to be structural and long term, will drive growth in revenue for this segment. Most of the states that are placing orders for new buses are ordering for between 15-20% of the incremental fleet to be electric. The management expects about 6000 *e*-buses to be added in India in another 2 years.

7. **EVER and IL JIN aid in backward integration capabilities –** EVER and IL JIN caters to the PCB market. Whilst EVER and IL JIN are **currently only assembling PCBs**, Amber has tied up with European company **Infineon** to enter the **designing aspect of PCB assembly**. **EVER** – **FY22Revenue at ₹2238mn** with **profit at ₹85.8mn**; **IL JIN** - **FY22 Revenue at ₹4273mn** with **profit at ₹11.3mn. With share of Inverter ACs increasing (~55% of market currently) and PCB an important component for inverter ACs**, EVER and IL JIN are further helping improve backward integration capabilities of Amber.

   Currently for its own use, Amber gets its PCBs imported from China with captive consumption only ~15-20%. PCBs are currently in its reliability cycle, post which these subsidiaries can deliver very strong growth. Captive consumption is likely to move to 50% and only the balance will be imported.

   PCBs in India are imported by most brands/ODMs. Now, with the PLI scheme announced for AC components, these subsidies have tremendous scope to grow not only for internal consumption of Amber but also from other manufacturers. While **IL JIN** supplies to various consumer electrical brands and products, **EVER** has high dependence on LG as a customer.

   Amber has added two new categories in its electronics division – **Hearables** and **Wearables** – apart from telecom and also garnered two marquee clients for these products. Amber's telecom foray is to be a pure-play OEM and has no technical collaborations for it. Hearables, Wearables and telecom contribute 70-75% of revenue in the vertical with ACs bringing in the balance. The company **expects a ~50% increase in electronics business revenue for FY24**. Its new facility in Sri CIty aims to cater to the new clients, with another four client additions expected in FY24. ILJIN and EVER operate at 4-5% EBIT margin. RoCE generated by the electronics segment is upwards of 23%. It is a high growth segment with not much capex requirements.

8. **PICL expects strong exports in motors in FY24 –** Amber acquired PICL in 2013 for a total consideration of ₹490mn, in order to acquire competence in motors for the AC as well as non AC segment. FY22 Revenue ₹2367.3mn with Profit at ₹88.69mn. PICL currently manufacturers motors for AC, washing machines and water coolers. While the company had focused on exports to the Middle East, slowdown in the business has led to higher focus on the domestic business, with 60% of current sales focused towards domestic markets. With Amber's focus on developing BLDC motors (brushless DC motors) for inverter ACs and trying to cross-sell its own motors for captive consumption, the management expects +20% CAGR in revenue growth for PICL over FY20-26 and expect margins to expand by 30bps to 5.4% by FY26. The company expects to start the export of large motors with overall business growth of 30-40% in FY24.

Risks

- **Seasonality of AC business –** In India, AC sales continue to be impacted by weather and the bulk of AC sales occur during the summer months of March through September. Hence capacity utilization varies significantly through the year, and one weak summer could lead to an inventory pile-up for Amber as well as other AC brands. COVID-19 has impacted India most severely during the peak summer months of March-June and that has also impacted sales - if this trend were to persist it could pose risks to our earnings estimates for Amber. Overall, dependence on season is high for the industry.

- **Custom duty –** Any decrease in custom duties could make imports from China/ overseas cheaper than Amber's products, which could lead to a loss of sales for the company. While this may be unlikely given the "Make in India" initiative by the government, any such measures could affect Amber's revenue outlook. India is still at an ascent stage of AC manufacturing and may require state support for the industry to build its ecosystem, thus we consider the risk of reduced duties low.

- **Concentration of clients –** Almost 50%of revenue is generated by top few clients, which creates concentration risk as any breakdown of relationship could impact Amber's earnings.
- **Competition from foreign EMS players/brands –** Chinese leaders in AC like Gree, Midea, Haier so far have not set up significant operations in India. This is because the value proposition of imports was working to their advantage. However, if any of these global players were to look at India as a big source of manufacturing and consider moving some of their manufacturing operations from China to India, then they could have larger scale v/s Amber and could become more cost competitive, leading to market share loss for Amber. However, since Amber is building its component ecosystem, we think that backward integration gives it a significant edge and hence even if global players did not use Amber for assembly, they would likely rely on the company for components.

VIEW

As India moves away from import of electronics to domestic manufacturing, we anticipate a paradigm shift in the growth of its home-grown EMS (electronics manufacturing services) companies. Under the "Make in India" program, we expect the recent policy boosters for electronics and component manufacturing in India to first support assembly, but long-term success will depend on developing a globally competitive supply chain. To enable home-grown companies to benefit from this opportunity, the Indian government has proposed Production Linked Incentive (PLI) schemes for 13 sectors under the "Make in India" (MII) initiative during FY21, at a proposed incentive outlay of US$26.7bn (or ₹1,970bn). The focus is mainly on the electronics sector, with opportunities for domestic EMS companies like Amber to assemble electronics and develop the component ecosystem. With significant headway already, domestic EMS companies are at the forefront of this drive. India is a fast-growing consumer of electronics currently worth US$102bn (annual revenue basis; ~50% domestic production) and industry experts expect it to grow at an early teens rate over the medium term aided by a 1.3bn supportive demographics and hot weather. We expect India's dependence on imports of fully built electronics to reduce, with the exception of critical components. Amber has all the fundamentals in place making it a compelling growth story within India's EMS space. Hence we recommend it as a **BUY** with **target range ₹2380-2400** trading at **P/E 25x FY25E EPS ₹ 79.8.**

Q3FY23 Revenue/EBIDTA/PAT +38.4%/+6.6%/-56% YoY – Amber reported strong Q3FY23 topline growth of 38.5% YoY to ₹13.5bn. However, EBITDA margin and PAT disappointed at 5.8% and ₹141.5mn respectively. While the standalone room air conditioner (RAC) and component business led the topline, better profitability at subsidiaries propped up operational performance for the quarter. Finance cost and depreciation rose in Q3FY23 due to higher capex and interest rates. Net debt was inflated at ₹9bn on account of higher inventory levels. Management is targeting a reduction to ₹4bn-4.5bn by FY23-end. Amber is using a two-pronged export strategy – expanding its components business – exports have begun in the motor division and management expects 30-40% growth in FY24, and exporting finished goods – where the company has received initial approvals but is awaiting final clearances.

Although sub-assemblies yield lower margins, they add volume to the business and increase customer engagement at no additional capex

RAC players were optimistic going into Q3FY23 but demand proved to be muted. Oc'22 and Nov'22 were weak months though demand did rise from mid-Dec'22. The industry has already undertaken price hikes for most AC models, in the range of ₹1,200-1,300, due to the Bureau of Energy Efficiency (BEE) rating change. After contributing a bulk of Amber's revenues (~80%) over the last 4-5 years, RAC share has come down to 40% in FY23 YTD. RAC is guided to remain at 35-40% of the mix for the next 2-3 years.

Amber has added four new facilities in FY23 (operating at 25-30% utilisation which is guided to rise to 50-60% in FY24), taking capex for the year in excess of ₹6bn. In addition to Sri City, the company has added a facility in Tamil Nadu. Management expects a moderate capex of ₹2.5bn-2.75bn for FY24.

Amber aims to sustain its 26-28% market share in RAC manufacturing, with a ~30% growth in EBITDA. Management remains bullish on demand recovery with the advent of the summer season, and also maintained its double-digit growth guidance for the RAC industry over the long term.

Q3FY23 FINANCIALS

(₹ mn)

Particulars	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	9MFY23	9MFY22	YoY (%)
Revenue	**13,483.1**	**9,742.9**	**38.4**	**7,504.4**	**79.7**	**39,244.8**	**22,697.0**	**72.9**
Cost of Matl	12,058.8	8,805.4	36.9	6,117.2	97.1	33,391.2	19,126.3	74.6
Inventory Changes	(873.6)	(843.2)	3.6	(192.9)	353.0	(646.5)	(528.2)	22.4
Employee Exps	542.0	396.5	36.7	476.4	13.8	1,477.4	1,072.3	37.8
Other Exps	970.7	647.9	49.8	736.9	31.7	2,878.4	1,525.8	88.7
EBITDA	**785.1**	**736.2**	**6.6**	**366.7**	**114.1**	**2,144.3**	**1,501.0**	**42.9**
EBITDA Margin (%)	***5.8***	***7.6***	***(173)***	***4.9***	***94***	***5.5***	***6.6***	***(115)***
Other Income	89.4	86.2	3.7	121.8	(26.6)	339.7	238.6	42.4
Depreciation	363.2	270.8	34.1	318.1	14.2	1,002.8	776.7	29.1
Finance cost	289.3	123.2	134.8	243.6	18.7	743.6	278.7	166.8
PBT	222.1	428.4	(48.2)	(73.2)	403.5	737.5	684.1	7.8
Tax	71.3	99.0	(27.9)	(50.3)	241.9	180.8	163.9	10.3
Minority Interest - (Profit)/Loss	(9.3)	(8.2)	12.8	(6.9)	34.1	(24.6)	(0.5)	5,268.6
Net Profit	**141.5**	**321.2**	**(55.9)**	**(29.8)**	**574.8**	**532.2**	**519.8**	**2.4**
EPS (Rs)	4.2	9.5	(55.9)	(0.9)	574.8	15.8	15.4	2.4

Source: Company

Cost as % to Sales	Q3FY23	Q3FY22	YoY (BPS)	Q2FY23	QoQ (BPS)	9MFY23	9MFY22	YoY (BPS)
Raw Matl Cost	83.0	81.7	123	78.9	401	83.4	81.9	150
Gross Margin	17.0	18.3	(123)	21.1	(401)	16.6	18.1	(150)
Employee Exps	4.0	4.1	(5)	6.3	(233)	3.8	4.7	(96)
Other Exps	7.2	6.7	55	9.8	(262)	7.3	6.7	61

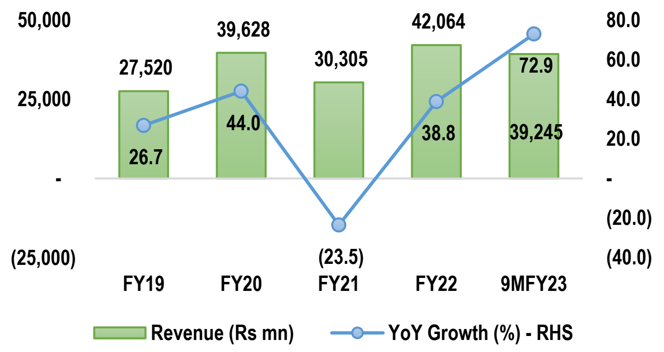
Segmental Revenue	Q3FY23	Q3FY22	YoY (%)	Q2FY22	QoQ (%)	9MFY23	9MFY22	YoY (%)
RAC & Components	10,250	6,850	49.6	3,570	(187.1)	28,220	15,870	77.8
Electronic	2,610	1,750	49.1	2,410	(8.3)	7,100	3,710	91.4
Mobility	1,100	850	29.4	1,050	(4.8)	3,100	2,060	50.5
Motor	720	800	(10.0)	470	(53.2)	2,020	1,560	29.5

Segmental Revenue Mix (%)	Q3FY23	Q3FY22	YoY (BPS)	Q2FY23	QoQ (BPS)	9MFY23	9MFY22	YoY (BPS)
RAC & Components	76.0	70.3	571	47.6	2,845	71.9	69.9	199
Electronic	19.4	18.0	140	32.1	(1,276)	18.1	16.3	175
Mobility	8.2	8.7	(57)	14.0	(583)	7.9	9.1	(118)
Motor	5.3	8.2	(287)	6.3	(92)	5.1	6.9	(173)

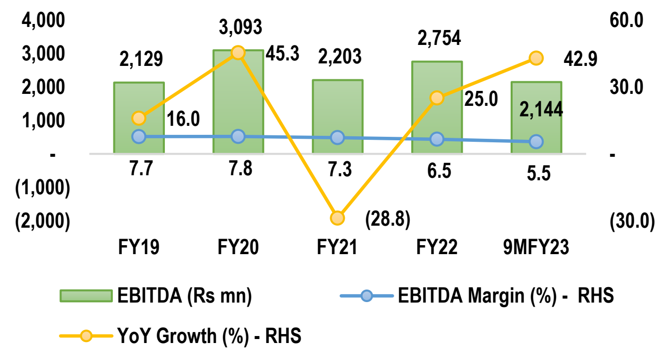
Source – Company, Way2Wealth

PAST PERFORMANCE

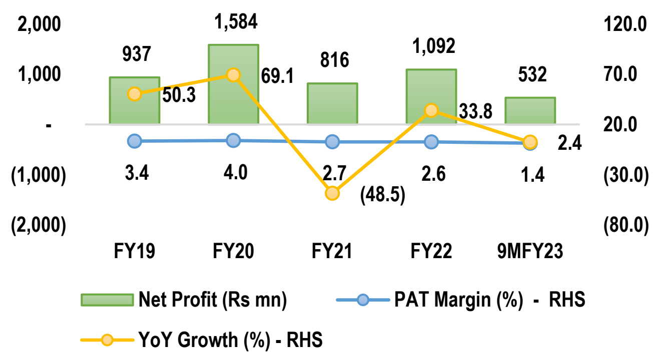
Revenue 15.2% CAGR FY19-22



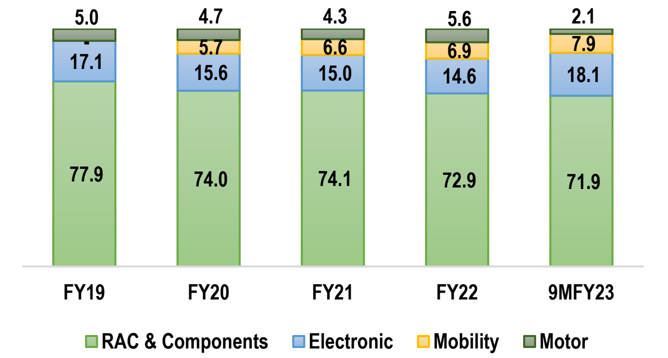
EBITDA 9% CAGR FY19-22



PAT 5.2% CAGR FY19-22

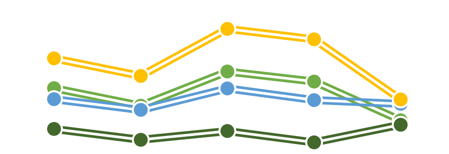


RAC/Mobility/Electronics/Motor 12.6%/9.4%/13.1%/19.9% CAGR FY19-22

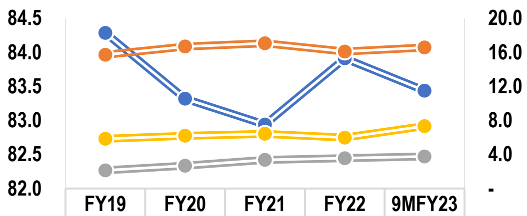


Source – Company, Way2Wealth

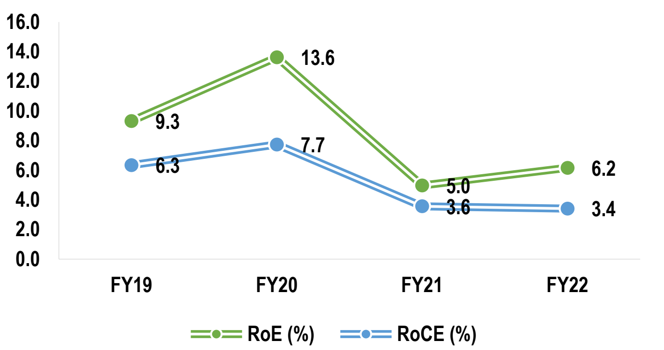
W.C management looks stable with costs under control; likely to deliver positive FCF in coming years

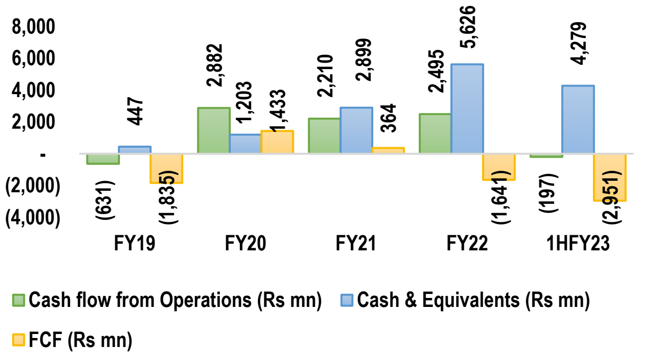


	FY19	FY20	FY21	FY22	1HFY23
Receivable Days	104	79	129	114	57
Inventory Days	88	72	104	87	81
Payable Days	148	122	191	176	88
NWC Days	45	29	42	25	51



	FY19	FY20	FY21	FY22	9MFY23
Raw Matl Cost	84.3	83.3	82.9	83.9	83.4
Gross Margin	15.7	16.7	17.1	16.1	16.6
Employee Exps	2.1	2.7	3.4	3.6	3.8
Other Exps	5.8	6.2	6.4	6.0	7.3





Source- Company, Way2Wealth

FINANCIALS & FORECASTING

(₹ mn)

Particulars (₹mn)	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Revenue	**27,520**	**39,628**	**30,305**	**42,064**	**54,517**	**72,431**	**87,642**
EBITDA	**2,129**	**3,093**	**2,203**	**2,754**	**3,371**	**4,894**	**5,998**
EBITDA Margin (%)	***7.7***	***7.8***	***7.3***	***6.5***	***6.2***	***6.8***	***6.8***
Net Profit (₹mn)	**937**	**1,584**	**816**	**1,092**	**1,196**	**1,897**	**2,689**
EPS (Rs)	27.8	47.0	24.2	32.4	35.5	56.3	79.8
RoE (%)	9.3	13.6	5.0	6.2	6.9	9.8	12.1
RoCE (%)	6.3	7.7	3.6	3.4	6.3	7.5	8.7
Cash Balances	447	1,203	2,899	5,626	3,491	4,681	6,268
FCF	(1,835)	1,433	364	(1,641)	(3,962)	(69)	1,758
Receivable Days	104	79	129	114	114	113	113
Inventory Days	88	72	104	87	87	85	85
Payable Days	148	122	191	176	176	180	180
Net Debt/ Equity (x)	0.3	0.3	0.1	0.4	0.5	0.4	0.4
P/E (x)	71.8	42.5	82.5	61.6	56.3	35.5	25.0
EV/EBITDA (x)	32.9	23.0	31.3	26.8	19.6	13.6	11.1
P/BV (x)	6.7	5.8	4.1	3.8	3.6	3.3	2.9

Source- Company, Way2Wealth

PEER COMPARISON

Company	CMP	MCAP	Revenue (₹ mn)				EBITDA (₹ mn)				EBITDA Margin (%)				Net Profit (₹ mn)				EPS (₹)			
	(₹)	(₹ mn)	FY20	FY21	FY22	9MFY23	FY20	FY21	FY22	9MFY23	FY20	FY21	FY22	9MFY23	FY20	FY21	FY22	9MFY23	FY20	FY21	FY22	9MFY23
Amber Enterprises	**1,997.20**	**67,291.40**	**39,628**	**30,305**	**42,064**	**39,245**	**3,093**	**2,203**	**2,754**	**2,144**	**7.8**	**7.3**	**6.5**	**5.5**	**1,584**	**816**	**1,092**	**532**	**47**	**24.2**	**32.4**	**15.8**
Voltas	885	2,92,833.00	76,581	75,558	79,345	65,420	6,867	6,414	6,816	3,542	9	8.5	8.6	5.4	5,682	5,251	5,041	-89	17.2	15.9	15.2	-0.3
Blue Star	1,504.60	1,44,909.10	53,602	42,636	60,456	53,348	2,828	2,398	3,465	3,136	5.3	5.6	5.7	5.9	1,432	1,004	1,677	1,752	15.3	10.4	17.4	18.2
Whirlpool India	1,331.70	1,68,948.90	59,920	58,990	61,960	49,950	6,723	4,660	3,309	2,638	11.2	7.9	5.3	5.3	4,760	3,330	5,570	1,584	38.6	27.7	44.6	12.5
IFB Industries	842	34,116.80	26,370	28,008	34,154	31,320	1,353	2,350	7,654	1,450	5.1	8.4	22.4	4.6	258	641	-482	249	6.2	15.5	-11.7	6
Dixon Technologies	2,918.60	1,73,832.30	44,001	64,482	1,06,292	91,266	2,230	2,866	3,112	3,564	5.1	4.4	2.9	3.9	1,205	1,598	1,225	1,743	20.6	27.3	20.9	29.4

Company	CMP	MCAP	RoE (%)			RoCE (%)			P/E (x)			EV/ EBITDA (x)			P/BV (x)		
	(₹)	(₹ mn)	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Amber Enterprises	**1,997.20**	**67,291.40**	**13.6**	**5**	**6.2**	**7.7**	**3.6**	**3.4**	**42.5**	**82.5**	**61.6**	**23**	**31.3**	**26.8**	**19.6**	**13.6**	**11.1**
Voltas	885	2,92,833.00	13.5	11.3	9.6	13	11.1	9.4	51.5	55.7	58.2	42.6	45.4	42.8	6.8	5.9	5.3
Blue Star	1,504.60	1,44,909.10	17.5	12	17.6	21.2	16.8	19.8	98.3	144.7	86.4	52	61.2	42.7	18.5	16.3	14.2
Whirlpool India	1,331.70	1,68,948.90	19.1	13.2	7.8	24.1	12.8	7.7	34.5	48	29.8	23.4	32.5	47.3	6.6	6	5
IFB Industries	842	34,116.80	4.2	9.1	-7.4	4	12.7	-4.4	134.9	54.2	-72.2	26.5	15	4.6	5.4	5	5.4
Dixon Technologies	2,918.60	1,73,832.30	22.3	21.7	19.1	28.9	25.1	19.4	141.9	107	139.6	77.9	61	56.7	31.2	23.2	17.4

Company	CMP	MCAP	D/E (x)			MCAP/ Sales (x)			FCF (₹ mn)			Cash Balances (₹ mn)			NWC Days		
	(₹)	(₹ mn)	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Amber Enterprises	**1,997.20**	**67,291.40**	**0.4**	**0.3**	**0.7**	**1.7**	**2.2**	**1.6**	**1,433**	**364**	**-1,641**	**1,203**	**2,899**	**5,626**	**29**	**42**	**25**
Voltas	885	2,92,833.00	0.1	0.1	0.1	3.8	3.9	3.7	3,720	5,353	5,373	3,084	4,588	5,717	16	19	25
Blue Star	1,504.60	1,44,909.10	0.6	0.5	0.5	2.7	3.4	2.4	3,714	2,863	-1,261	2,939	3,322	2,697	2	-1	10
Whirlpool India	1,331.70	1,68,948.90	0.1	0.1	0.1	2.8	2.9	2.7	753	4,958	-4,537	12,840	20,632	16,165	3	-12	1
IFB Industries	842	34,116.80	0.3	0.3	0.3	1.3	1.2	1	-496	1,560	-71	1,251	1,225	929	-46	-63	-62
Dixon Technologies	2,918.60	1,73,832.30	0.2	0.2	0.5	4	2.7	1.6	1,276	19	-2,001	1,002	689	1,823	2	3	3

Source- Company, Way2Wealth

TECHNICAL VIEW

After testing an all-time high of 4025.95 in the month of May 2022, AMBER witnessed profit booking as well as selling pressure and tested the low of 1843 recently. The stock had been moving sideways and in a narrow range between 1840 - 2092 over the past five months. As of now, AMBER is trading above its short term 20-DMA and 50-DMA, which earmarks inherent strength in the counter. Stochastics signalled a positive crossover with good volumes, confirming the breakout on the upside can be expected. The weekly as well as monthly chart structure looks consolidation mode with positive bias and if AMBER once again breaks 2092 levels, it can test 2363/2400 or even 2580 levels in the short term to medium term scenario. The support will be at 1888 and 1843 levels. Breakdown of 1843 further selling pressure can be expected and then it could test at 1730/1568 levels. Going forward, **Overall, we advocate to Buy AMBER around 1950-2000 range and add on dips till 1840 for above mentioned targets 2363/2400 then 2580 levels. On the downside 1730 would the act as strong support and slip below that would negate above positive view.**

Source: *Falcon 7*

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Disclosure of Interest Statement AMBER ENTERPRISES LTD. as on 13 March 2023

Name of the Security	AMBER ENTERPRISES LTD.
Name of the analyst	Jayakanth Kasthuri
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
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