

### Debt reduction factored in

- Q2FY18 standalone revenue increased by 6.5% YoY to ₹9.7bn (in-line with estimates) due to better execution. Excluding claims of ₹1.85 bn (₹1.8 bn in Q2FY17), core revenue grew 7.5% YoY to ₹7.9 bn.
- EBITDA margin contracted 607bps YoY to 15.3% (112bps below estimates) due to lower EBITDA margin of 27% vs. 50% on claims recovery. Excluding claims, core EBITDA margin declined 179bps YoY to 12.6%.
- Interest cost dropped 14.2% YoY /10.5% QoQ to ₹1.63bn. Reported PAT decreased 49.7% YoY to ₹116mn (35.1% below estimates).
- HCC could reduce its debt by ₹4.5 bn during 1HFY18 despite arbitration cash flow of ₹10.97 bn due to encashment of ₹1.8 bn bank guarantee by IRCON and adjustment of ₹1.2 bn by NHPC.
- We considered ₹15bn debt reduction each in FY18E/ FY19E due to receipt of arbitration claim money. We have considered 40% (earlier 50%) success for ₹43 bn (as on FY17) claims which are under arbitration and outcome is likely to come by FY19E as per new Arbitration Act.
- Our FY18E/ FY19E revenue ₹48.5 bn/ ₹63.3 bn (up 15.5%/ 30.5% YoY) includes ₹6.4 bn / ₹10.7 bn claims awards and 15%/ 25% YoY growth on core revenue. We have considered 35% EBITDA margin on claims award and 13% on core EBITDA margin in FY18E/ FY19E.
- Interest cost will see a significant decline in FY18E/ FY19E to ₹5.5 bn/ ₹3.2 bn vs. ₹7.7 bn due to ₹30 bn debt reduction during FY18-19E. Therefore, Adj. PAT is expected to jump 3.4/ 8.0-fold in FY18E/ FY19E to ₹2.4 bn/ ₹5.7 bn vs. ₹713 mn.
- We valued construction business based on FY19E core EV/ EBITDA as it does not contain any claims and which is sustainable. However, due to limited upside potential, we maintain 'Accumulate' with an SOTP-based TP of ₹43.4 (Exhibit 1).

### Q2FY18 Result (₹ Mn)

Particulars	Q2FY18	Q2FY17	YoY (%)	Q1FY18	QoQ (%)
Total revenue	9,708	9,111	6.5	9,307	4.3
Operating expenditure	8,218	7,160	14.8	7,607	8.0
<b>EBITDA</b>	<b>1,489</b>	<b>1,951</b>	<b>(23.7)</b>	<b>1,700</b>	<b>(12.4)</b>
Depreciation	296	334	(11.4)	288	2.5
<b>Operating profit</b>	<b>1,194</b>	<b>1,618</b>	<b>(26.2)</b>	<b>1,412</b>	<b>(15.4)</b>
Other income	612	609	0.5	605	1.2
<b>EBIT</b>	<b>1,806</b>	<b>2,227</b>	<b>(18.9)</b>	<b>2,016</b>	<b>(10.4)</b>
Interest	1,631	1,900	(14.2)	1,821	(10.5)
<b>EBT</b>	<b>175</b>	<b>327</b>	<b>(46.4)</b>	<b>195</b>	<b>(10.2)</b>
Income Tax	59	96	(38.4)	50	18.7
<b>Adj. Net income</b>	<b>116</b>	<b>231</b>	<b>(49.7)</b>	<b>145</b>	<b>(20.1)</b>
			<i>bps</i>		<i>bps</i>
EBITDA Margin (ex. O.I.)	15.3	21.4	(607)	18.3	(292)
EBITDA Margin (in. O.I.)	21.6	28.1	(645)	24.8	(312)
NPM (%)	1.1	2.4	(125)	1.5	(34)
Tax/PBT (%)	33.7	29.3	438	25.5	821
Const. Cost/Rev. (%)	70.9	64.9	601	67.1	380

CMP	₹ 39
Target / Upside	₹ 43/10%
BSE Sensex	33,573
NSE Nifty	10,424

### Script Details

Equity / FV	₹ 1,015mn/₹ 1/-
Market Cap	₹ 40bn
	USD 619mn
52-week High/Low	₹ 48/29
Avg. Volume (no)	7,976,482
NSE Symbol	HCC
Bloomberg Code	HCC IN

### Shareholding Pattern Sept'17(%)

Promoters	27.7
MF/Banks/FIs	10.0
FIIIs	11.1
Public / Others	51.2

### Valuation (x)

	FY17	FY18E	FY19E
P/E	56.1	16.7	7.0
EV/EBITDA	11.4	9.8	5.7
ROE	3.2	8.5	17.7
ROCE	12.8	14.0	21.9

### Estimates (₹ mn)

	FY17	FY18E	FY19E
Net Sales	41,959	48,468	63,272
EBITDA	7,536	7,718	10,589
PAT	713	2,398	5,730
EPS	0.7	2.4	5.6

**Sr. Analyst:** Shravan Shah  
 Tel: +9122 4096 9749  
 E-mail: shravans@dolatcapital.com

**Associate:** Maulik Shah  
 Tel: +9122 4096 9775  
 E-mail: mauliks@dolatcapital.com

### Robust order book enhances revenue visibility

HCC bagged fresh orders worth ₹15.7 bn/₹25.9 bn in Q2FY18 / H1FY18 (down 64.7%/43.9% YoY). Post Q2FY18, it received inflow of ₹2.5 bn, taking YTD FY18 order inflow to ₹28.4 bn. HCC order book stands at ₹215.2 bn (5.9x TTM core revenue). Thus, we believe HCC's current order book (₹215.2 bn) and fresh inflows of ₹25.4bn/₹53.8bn in 2HFY18E and FY19E, will not only enhance its revenue visibility but also drive revenue growth.

### Update on Lavasa

The Joint Lenders' Forum invoked SDR on 20 September 2017 for conversion of part debt into equity. If after successful restructuring, HCC can derive some equity value for Lavasa then it would act as positive for HCC stock price. Currently, we have not assigned any value for Lavasa.

### Exhibit 1: SOTP Valuation

Component	Valuation Method	₹/sh	%
Standalone cons business	7x FY19E core EV/EBITDA	36.4	83.8
Road BOTs	0.7xBV	3.5	8.1
Steiner AG	1xBV	3.5	8.1
<b>Total</b>		<b>43.4</b>	<b>100.0</b>
CMP		39.4	
Potential upside		10.2%	

Source: Company, DART

## Downside risk to our valuation

**Delay in arbitration cash receipt:** If there is more delay in getting money for arbitration awards vs. our estimates and lower than 40% success for claims under arbitration, then HCC's stretched working capital could have a negative impact on the company's revenue and profitability.

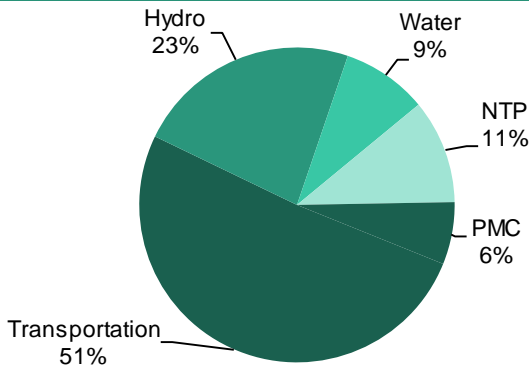
**Execution Delays:** Project delays due to hindrance at the client's end or other regulatory bottlenecks could adversely affect HCC's revenue and profitability.

**Exhibit 2:Q2FY18 Performance (Standalone)**

Y/E Mar (₹ mn)	Q2FY18	Q2FY17	YoY (%)	Q1FY18	QoQ (%)	H1FY18	H1FY17	YoY (%)
<b>Revenue</b>	<b>9,708</b>	<b>9,111</b>	<b>6.5</b>	<b>9,307</b>	<b>4.3</b>	<b>19,014</b>	<b>18,936</b>	<b>0.4</b>
Consumption of materials	1,945	1,727	12.6	3,023	(35.7)	4,968	3,921	26.7
Staff cost	1,103	973	13.3	1,038	6.2	2,141	1,920	11.5
Construction expenses	4,935	4,182	18.0	3,218	53.4	8,153	8,805	(7.4)
Other expenses	236	277	(14.8)	327	(27.8)	564	612	(7.9)
<b>Total expenditure</b>	<b>8,218</b>	<b>7,160</b>	<b>14.8</b>	<b>7,607</b>	<b>8.0</b>	<b>15,825</b>	<b>15,259</b>	<b>3.7</b>
<b>EBITDA</b>	<b>1,489</b>	<b>1,951</b>	<b>(23.7)</b>	<b>1,700</b>	<b>(12.4)</b>	<b>3,189</b>	<b>3,677</b>	<b>(13.3)</b>
Depreciation	296	334	(11.4)	288	2.5	584	661	(11.7)
<b>Operating profit</b>	<b>1,194</b>	<b>1,618</b>	<b>(26.2)</b>	<b>1,412</b>	<b>(15.4)</b>	<b>2,605</b>	<b>3,016</b>	<b>(13.6)</b>
Other income	612	609	0.5	605	1.2	1,216	1,203	1.1
<b>EBIT</b>	<b>1,806</b>	<b>2,227</b>	<b>(18.9)</b>	<b>2,016</b>	<b>(10.4)</b>	<b>3,822</b>	<b>4,219</b>	<b>(9.4)</b>
Interest	1,631	1,900	(14.2)	1,821	(10.5)	3,452	3,696	(6.6)
<b>EBT</b>	<b>175</b>	<b>327</b>	<b>(46.4)</b>	<b>195</b>	<b>(10.2)</b>	<b>370</b>	<b>522</b>	<b>(29.2)</b>
Provision for current tax	59	96	(38.4)	50	18.7	109	183	(40.4)
<b>Net income</b>	<b>116</b>	<b>231</b>	<b>(49.7)</b>	<b>145</b>	<b>(20.1)</b>	<b>261</b>	<b>340</b>	<b>(23.1)</b>
<b>EPS (₹)</b>	<b>0.1</b>	<b>0.2</b>	<b>(49.7)</b>	<b>0.1</b>	<b>(20.1)</b>	<b>0.3</b>	<b>0.3</b>	<b>(23.1)</b>
			<i>bps</i>		<i>bps</i>			<i>bps</i>
EBIDTA Margin (excl. O.I.)	15.3	21.4	(607)	18.3	(292)	16.8	19.4	(265)
EBIDTA Margin (incl. O.I.)	21.6	28.1	(645)	24.8	(312)	23.2	25.8	(260)
NPM (%)	1.1	2.4	(125)	1.5	(34)	1.3	1.7	(40)
Tax/PBT (%)	33.7	29.3	438	25.5	821	29.4	19.8	961
Construction cost/sales (%)	70.9	64.9	601	67.1	380	69.0	67.2	180

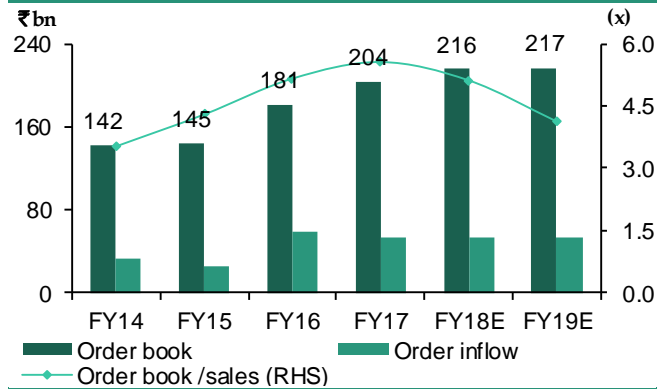
Source: Company, DART

**Exhibit 3: Order book (₹215 bn) break-up**



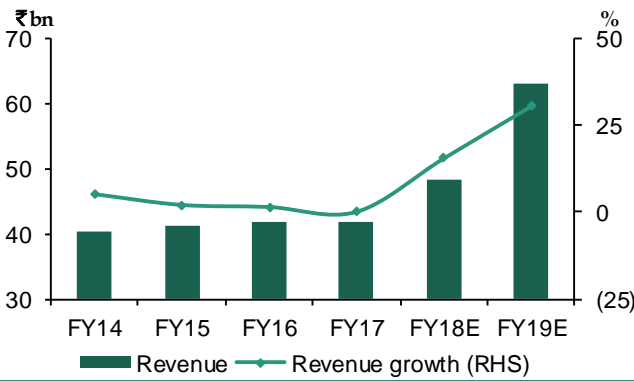
Source: DART, Company

**Exhibit 4: Order book trend**



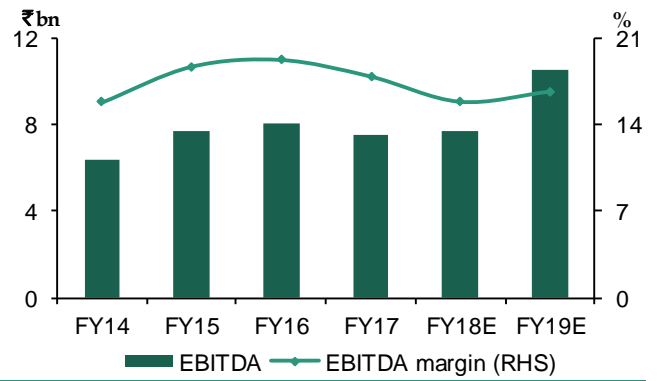
Source: DART, Company

**Exhibit 5: Revenue CAGR of 22.8% over FY17-19E**



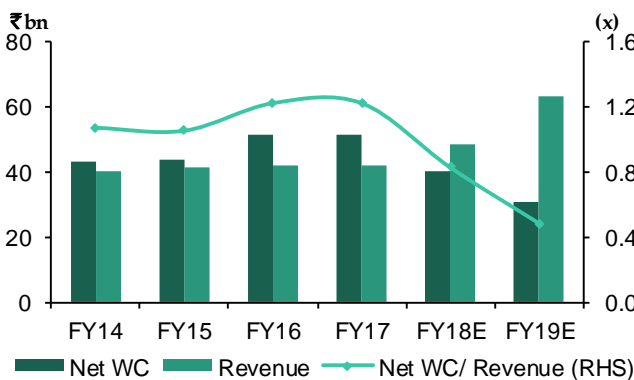
Source: DART, Company

**Exhibit 6: EBITDA Margin trend**



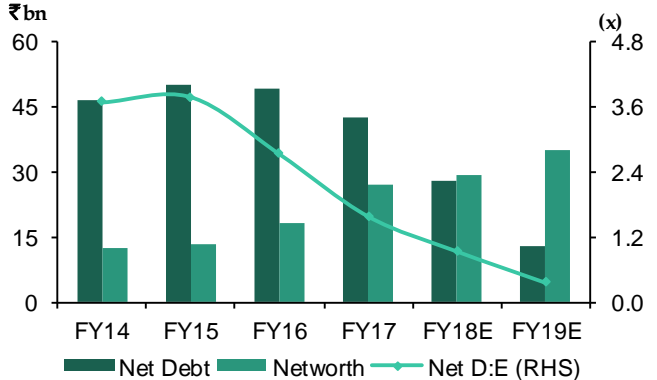
Source: DART, Company

**Exhibit 7: Ease in working capital**



Source: DART, Company

**Exhibit 8: Deleveraging balance sheet**



Source: DART, Company

**Income Statement (Standalone) (₹ mn)**

Particulars	Mar16	Mar17	Mar18E	Mar19E
<b>Revenue</b>	<b>41,909</b>	<b>41,959</b>	<b>48,468</b>	<b>63,272</b>
Growth (%)	1.6	0.1	15.5	30.5
<b>Total Expenditure</b>	<b>33,825</b>	<b>34,423</b>	<b>40,750</b>	<b>52,683</b>
Consumption of materials	10,012	8,690	11,545	14,854
Construction Exp	18,643	20,577	23,580	31,509
Staff Cost	3,832	3,968	4,365	4,801
Other Expenses	1,338	1,188	1,260	1,519
Other Income	2,142	2,622	2,648	2,675
<b>EBIDTA (Excl. OI)</b>	<b>8,084</b>	<b>7,536</b>	<b>7,718</b>	<b>10,589</b>
Growth (%)	4.5	(6.8)	2.4	37.2
<b>EBIDTA (Incl. OI)</b>	<b>10,226</b>	<b>10,158</b>	<b>10,366</b>	<b>13,264</b>
Depreciation	1,525	1,253	1,264	1,363
<b>EBIT</b>	<b>8,702</b>	<b>8,905</b>	<b>9,103</b>	<b>11,901</b>
Interest	7,017	7,724	5,470	3,220
Exceptional items	(280)	(212)	0	0
Profit Before Tax	1,404	970	3,633	8,681
Tax	457	376	1,235	2,951
Net Profit	948	594	2,398	5,730
Adjustments	130	119	0	0
<b>Adj. Net Profit</b>	<b>1,078</b>	<b>713</b>	<b>2,398</b>	<b>5,730</b>
Growth (%)	32.0	(33.8)	236.0	139.0

**Balance Sheet (Standalone) (₹ mn)**

Particulars	Mar16	Mar17	Mar18E	Mar19E
<b>Sources of Funds</b>				
Equity Capital	779	1,011	1,015	1,015
Reserves	17,254	25,889	28,480	34,209
<b>Net Worth</b>	<b>18,033</b>	<b>26,900</b>	<b>29,495</b>	<b>35,224</b>
Long Term Loans	29,853	32,481	20,820	10,820
Short Term Loans	20,496	11,486	8,147	3,147
<b>Loan Funds</b>	<b>50,350</b>	<b>43,967</b>	<b>28,967</b>	<b>13,967</b>
Deferred Tax Liability	65	232	304	478
<b>Total Capital Employed</b>	<b>68,448</b>	<b>71,099</b>	<b>58,767</b>	<b>49,669</b>
<b>Applications of Funds</b>				
Gross Block	20,043	19,899	22,221	23,221
Less: Accumulated Depreciation	13,158	13,944	15,208	16,571
<b>Net Block</b>	<b>6,885</b>	<b>5,955</b>	<b>7,013</b>	<b>6,650</b>
Capital Work in Progress	17	1,872	50	50
Investments	7,771	7,964	8,164	8,364
<b>Current Assets, Loans &amp; Advances</b>				
Inventories	1,735	2,333	2,774	3,677
Sundry Debtors	26,652	35,156	32,904	38,373
Cash and Bank Balance	954	1,196	1,106	1,057
Loans and Advances	51,656	51,851	39,023	30,623
Other Current Assets	4,469	5,714	6,934	8,668
sub total	85,465	96,250	82,741	82,398
<b>Less: Current Liabilities &amp; Provisions</b>				
Current Liabilities	30,132	39,411	37,511	46,032
Provisions	1,558	1,530	1,690	1,760
sub total	31,690	40,941	39,201	47,792
<b>Net Current Assets</b>	<b>53,775</b>	<b>55,309</b>	<b>43,540</b>	<b>34,606</b>
<b>Total Assets</b>	<b>68,448</b>	<b>71,099</b>	<b>58,767</b>	<b>49,669</b>

E – Estimates

**Cash Flow (Standalone) (₹ mn)**

Particulars	Mar16	Mar17	Mar18E	Mar19E
<b>Profit before tax</b>	<b>1,404</b>	<b>970</b>	<b>3,633</b>	<b>8,680</b>
Depreciation	1,525	1,253	1,264	1,363
Finance cost	7,017	7,724	5,470	3,220
Other income	(1,995)	(2,205)	(2,648)	(2,675)
Others	463	193	0	0
Direct taxes paid	(52)	(185)	(1,163)	(2,777)
Change in Working Capital	(4,969)	(1,355)	11,678	8,885
<b>(A) CF from Operations</b>	<b>3,394</b>	<b>6,395</b>	<b>18,234</b>	<b>16,696</b>
Capex	(479)	(1,956)	(500)	(1,000)
<b>Free Cash Flow to Firm</b>	<b>2,915</b>	<b>4,439</b>	<b>17,734</b>	<b>15,696</b>
Inc./ (Dec.) in Investments	868	168	(200)	(200)
Others	38	3	2,648	2,675
<b>(B) CF from Investments</b>	<b>427</b>	<b>(1,785)</b>	<b>1,948</b>	<b>1,475</b>
Issue of Equity/ Preference	4,000	8,086	198	0
Inc./ (Dec.) in Debt	(690)	(6,762)	(15,000)	(15,000)
Interest exp net	(7,108)	(5,692)	(5,470)	(3,220)
Dividend Paid (Incl. Tax)	(1)	(2)	0	0
Other	(88)	3	0	0
<b>(C) CF from Financing</b>	<b>(3,887)</b>	<b>(4,368)</b>	<b>(20,272)</b>	<b>(18,220)</b>
Net Change in Cash	(67)	242	(90)	(50)
<b>Opening Cash balances</b>	<b>1,020</b>	<b>954</b>	<b>1,196</b>	<b>1,106</b>
<b>Closing Cash balances</b>	<b>954</b>	<b>1,196</b>	<b>1,106</b>	<b>1,057</b>

**Important Ratios (Standalone)**

Particulars	Mar16	Mar17	Mar18E	Mar19E
<b>(A) Measures of Performance (%)</b>				
EBIDTA Margin (excl. O.I.)	19.3	18.0	15.9	16.7
EBIDTA Margin (incl. O.I.)	24.4	24.2	21.4	21.0
EBIT Margin	20.8	21.2	18.8	18.8
Interest/EBIT	80.6	86.7	60.1	27.1
Tax/PBT	32.5	38.7	34.0	34.0
Net Profit Margin	2.6	1.7	4.9	9.1
<b>(B) As Percentage of Net Sales</b>				
Raw Material	23.9	20.7	23.8	23.5
Construction Expenses	44.5	49.0	48.7	49.8
Employee Expenses	9.1	9.5	9.0	7.6
Other Expenses	3.2	2.8	2.6	2.4
<b>(C) Measures of Financial Status</b>				
Debt / Equity (x)	2.8	1.6	1.0	0.4
Interest Coverage (x)	1.5	1.3	1.9	4.1
Average Cost of Debt (%)	13.8	16.4	15.0	15.0
Debtors Period (days)	232	306	248	221
Closing stock (days)	15	20	21	21
Working Capital (days)	459	312	459	312
Fixed Assets Turnover (x)	2.1	2.1	2.2	2.7
<b>(D) Measures of Investment</b>				
Diluted EPS (₹)	1.1	0.7	2.4	5.6
CEPS (₹)	2.4	1.8	3.6	7.0
DPS (₹)	0.0	0.0	0.0	0.0
Book Value (₹)	17.8	26.6	29.2	34.9
RoANW (%)	6.9	3.2	8.5	17.7
RoACE (%)	13.1	12.8	14.0	21.9
RoAIC (%)	15.2	14.6	16.3	24.0
<b>(E) Valuation Ratios</b>				
CMP (₹)	39	39	39	39
P/E (x)	37.1	56.1	16.7	7.0
Market Cap. (₹ Mn)	30,700	39,822	40,009	40,009
MCap/ Sales (x)	0.7	0.9	0.8	0.6
EV (₹ Mn)	80,567	85,905	75,325	60,395
EV/Sales (x)	1.9	2.0	1.6	1.0
EV/EBDITA (x)	10.0	11.4	9.8	5.7
P/BV (x)	2.2	1.5	1.4	1.1
FCFE Yield (%)	(12.5)	(20.2)	(6.8)	(6.3)
Dividend Yield (%)	0.0	0.0	0.0	0.0

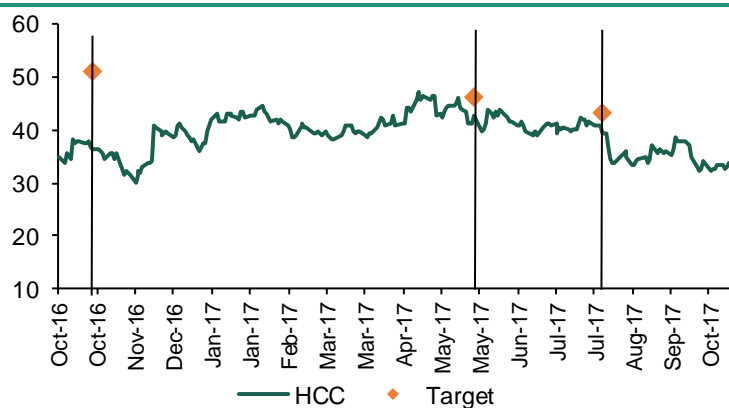
E – Estimates

## DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

## Rating and Target Price History



Month	Rating	TP (₹)	Price (₹) *
Jul-16	Buy	43	23
Oct-16	Buy	51	36
May-17	Accumulate	46	43
Aug-17	Accumulate	43	40

\* As on Recommended Date

## DART Team

<b>Purvag Shah</b>	<b>Managing Director</b>	<b>purvag@dolatcapital.com</b>	<b>+9122 4096 9747</b>
<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>

## CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Kishor Bagri, CFA	VP - Equity Sales	kishorb@dolatcapital.com	+9122 4096 9746
Kartik Sadagopan	VP - Equity Sales	kartiks@dolatcapital.com	+9122 4096 9762
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - FII Sales	yomika@dolatcapital.com	+9122 4096 9773
Derivatives Strategist	Designation	E-mail	
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705
Equity Trading	Designation	E-mail	
P. Sridhar	VP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	AVP - Equity Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Derivatives Trading	Designation	E-mail	
Shirish Thakkar	AVP - Derivatives	shirisht@dolatcapital.com	+9122 4096 9702
Hardik Mehta	Sales Trader	hardikm@dolatcapital.com	+9122 4096 9748

**Dolat Capital Market Private Limited.**

20, Rajabhadur Mansion, 1st Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 001

---

**Analyst(s) Certification**

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

---

**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)****II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 report may come, are required to inform themselves of and to observe such restrictions.

**For U.S. Entity/ persons only:** This research report is a product of Dolat Capital Market Private Limited., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Dolat Capital Market Private Limited. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited. has entered into an agreement with a U.S. registered broker-dealer Ltd Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer/Entity as informed by Dolat Capital Market Private Limited. from time to time.

---

**Dolat Capital Market Private Limited.**

Corporate Identity Number: U65990MH1993PTC075189  
Member: BSE Limited and National Stock Exchange of India Limited.  
SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685  
Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu  
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatcapital.com