

July 7, 2024

### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Hindalco Industries	BUY	698	796
Jindal Stainless	Reduce	827	712
Jindal Steel & Power	Acc	1,051	1,006
JSW Steel	Acc	951	1,026
National Aluminium Co.	Sell	199	142
NMDC	Acc	252	276
Steel Authority of India	Sell	156	134
Tata Steel	Acc	175	186

Source: PL      Acc=Accumulate

### Top Picks

#### Hindalco Industries

### Muted quarter affected by weak NSR

We expect our metals coverage universe to report mixed performance in 1QFY25 with revenue/EBITDA/PAT growth of -2%/3%/6% QoQ (2%/11%/7% YoY) impacted by muted demand and weak steel prices. Domestic demand remained muted (3-5% YoY) during the quarter affected by infrastructure slowdown amidst general elections. Average NSR for domestic steel companies improved 1-2% QoQ mainly aided by long products (TMT). Flat steel prices declined by Rs500-700/t QoQ affected by weak global pricing, while long product prices have improved 8-9% from March levels. Further, coking coal prices have declined sharply (-22%) QoQ, which is expected to benefit steel players from 2QFY25. Domestic steel pricing scenario is expected to remain sluggish during monsoon and amid the impending Union budget. Imports have reduced since Jan; however, higher Chinese supply poses a threat to global pricing. Base metal prices have increased sharp 10-15% QoQ during 1Q post LME banning Russian supplies, which is expected to benefit non-ferrous companies in FY25. Key monitorables to watch out are: 1) Govt's stand on rising imports, 2) sustenance of HRC/ coking coal prices, 3) progress on capex and 4) demand indicators from China & developed countries. Our top pick is Hindalco.

**Mixed performance for steel:** Steel companies having higher longs exposure are expected to benefit from higher pricing during 1QFY25. HRC prices continued the downward trend due to falling global prices. As global prices have fallen 3-4% QoQ, domestic HRC prices are trading at 4-5% premium on import parity basis. Sales volumes for the steel universe have declined 5-10% QoQ (+3-5% YoY), which is expected to impact operating leverage. Benefits of lower coking coal prices would be partially negated by higher iron ore prices for steel players. Resultant, EBITDA per ton would see marginal QoQ improvement of Rs400-1200/t for steel players.

We expect NMDC to deliver 8% QoQ increase in EBITDA/t to Rs1,818/t on higher pricing, although volumes were impacted due to employee strike during May. We expect sequential improvement in Jindal Stainless' (JDSL) EBITDA/t, to reach Rs16,254 (+12% QoQ) aided by higher stainless steel prices.

**Sharp rally in LME prices to benefit non-ferrous companies:** Performance of non-ferrous companies under our universe is expected to improve substantially on sharp 15% QoQ jump in average aluminum prices (+11% YoY); although volumes to get normalized. Hindalco India volumes are expected to remain flat YoY, while that of Novelis is expected to grow 8% YoY to ~950kt. NALCO's metal/alumina volumes are expected to improve ~1/5% YoY; while ramping up of captive coal mines and higher alumina prices (~11% QoQ) is expected to benefit FY25E EBITDA.

### Key changes in estimates/ratings:

**Ferrous companies:** We raise our FY25/26E EBITDA estimates for steel companies under coverage by 3-5% given the recent sharp fall in coking coal prices. We downgrade JDSL from **Hold** to **Reduce** rating (with no change in estimates and TP) given the recent sharp runup in stock price, near-term weakness in stainless steel pricing, muted global demand and rich valuations. Although domestic demand remains strong, higher imports from China/ Indonesia is affecting domestic pricing and, in turn, affecting near term EBITDA/t. Would wait for better entry point.

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

**Non-ferrous companies:** We raise our FY25/26E EBITDA estimates for aluminum companies under coverage given the recent 15% QoQ jump in LME aluminum prices. For every USD100/t increase in LME price assumption, NACL's EPS gets upgraded by 10.4%, while HNDL's EPS gets upgraded by 5.6%. We have raised our FY25/26E EBITDA estimates for **NACL** by 12%/4% respectively on assumption of higher alumina/ metal prices. Maintain '**Sell**' with a revised TP of Rs142 (earlier Rs141). For **Hindalco**, we have raised our FY25/26E EBITDA estimates by ~2% each on higher aluminum price assumption. Maintain '**buy**' with revised a TP of Rs796 (earlier Rs779).

### Top Pick:

**Hindalco Industries:** HNDL is well placed amongst our metals universe as a) Novelis is expected to witness gradual improvement in per ton EBITDA over next the few quarters (given resilient developed economies and gradual improvement in consumer demand from China); and b) softer thermal coal prices, opening of captive coal mines, rising focus on high margin value added products and sharp jump in LME prices are expected to benefit India business.

#### Exhibit 2: Volumes to decline QoQ on high base and muted demand

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	YoY gr.	QoQ gr.
TATA India	4,910	4,740	5,150	4,790	4,820	4,880	5,420	4,955	3%	-9%
JSW	5,010	4,950	5,680	4,930	5,410	5,200	5,690	5,127	4%	-10%
SAIL	4,210	4,151	4,680	3,884	4,770	3,810	4,560	4,078	5%	-11%
JSP	2,010	1,900	2,030	1,840	2,010	1,810	2,010	1,914	4%	-5%
NMDC	8,432	9,580	12,410	10,975	9,571	11,394	12,510	10,080	-8%	-19%
JDSL	433	468	508	549	544	512	570	582	6%	2%

Source: Company, PL

#### Exhibit 3: NSR to witness 1-2% QoQ increase aided by Long product prices

Realisations (Rs/t)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	YoY gr.	QoQ gr.
TATA India	70,556	71,581	73,880	72,427	70,924	71,069	67,592	68,200	-6%	1%
JSW	64,858	62,495	65,410	66,513	62,362	64,058	62,111	62,410	-6%	0%
SAIL	62,343	60,327	62,245	62,713	58,625	61,274	58,162	59,325	-5%	2%
JSP	65,209	62,275	65,972	66,905	60,108	63,624	68,524	69,552	4%	1%
NMDC	3,890	3,826	4,669	4,851	4,145	4,679	5,138	5,331	10%	4%
JDSL	197,606	192,385	186,046	182,776	178,808	177,486	166,925	171,098	-6%	2%

Source: Company, PL

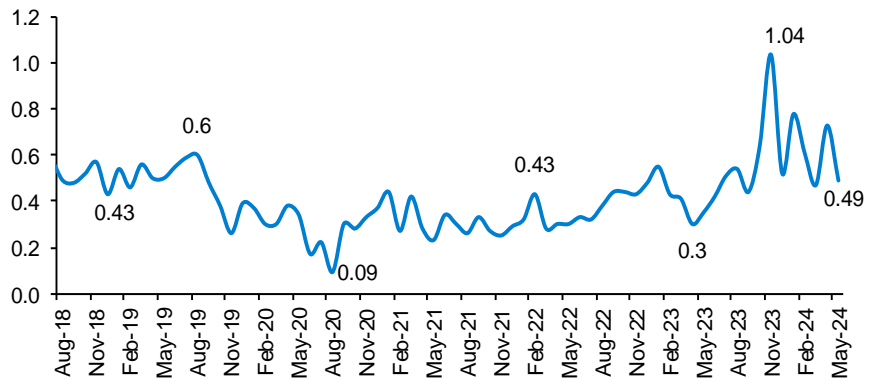
#### Exhibit 4: EBITDA per ton to witness marginal improvement QoQ due to weak NSR

EBITDA/ton (Rs)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	YoY gr.	QoQ gr.
TATA India	9,503	10,835	16,806	13,808	14,248	16,905	14,846	13,946	1%	-6%
JSW	3,477	8,141	10,998	9,860	12,750	11,113	7,807	8,231	-17%	5%
SAIL	1,740	5,003	6,226	4,241	4,444	5,617	4,472	5,839	38%	31%
JSP	9,183	11,864	10,594	14,496	11,632	15,184	12,608	13,875	-4%	10%
NMDC	1,009	1,191	1,742	1,816	1,244	1,762	1,680	1,894	4%	13%
JDSL	16,045	20,246	21,611	20,375	19,679	19,937	14,505	16,254	-20%	12%

Source: Company, PL

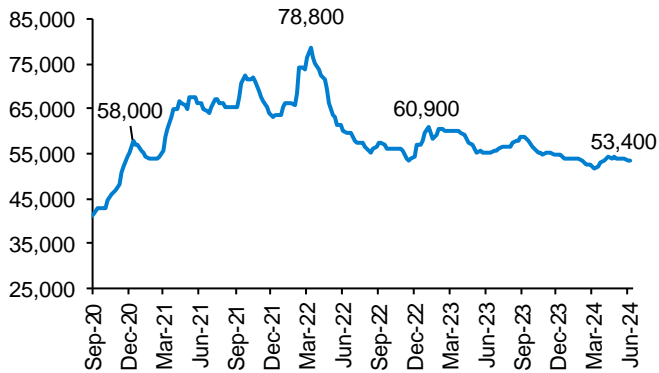
Exhibit 5: Imports have declined post recent uptick in Jan'24

## Steel imports - Flats



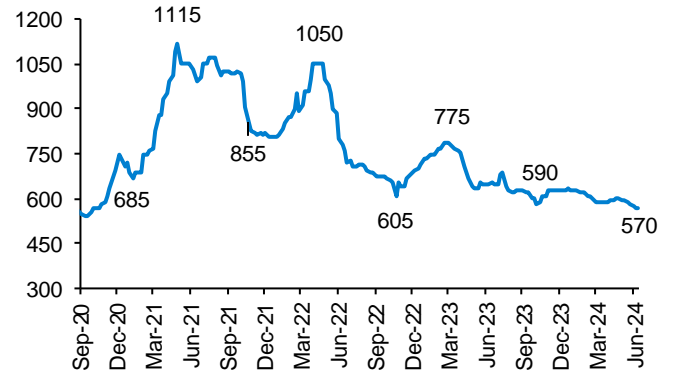
Source: SteelMint, PL

Exhibit 6: Avg. Indian HRC prices declined by Rs100/t QoQ



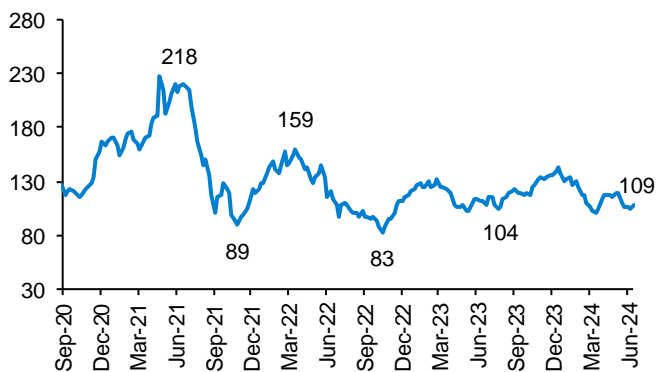
Source: SteelMint, PL

Exhibit 7: Avg. China HRC prices declined 5% QoQ (USD/t)



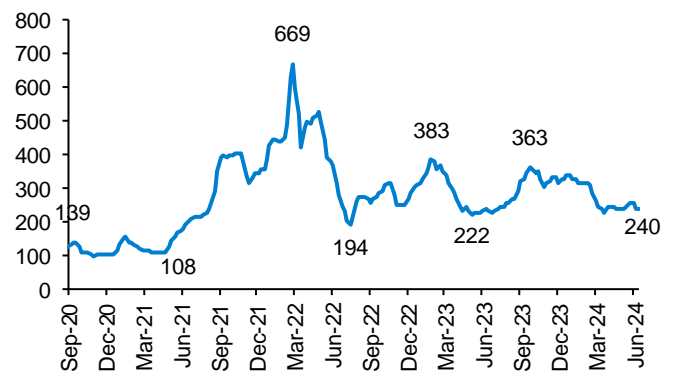
Source: SteelMint, PL

Exhibit 8: Iron Ore Fines (62%) declined 9.6% QoQ (USD/t)



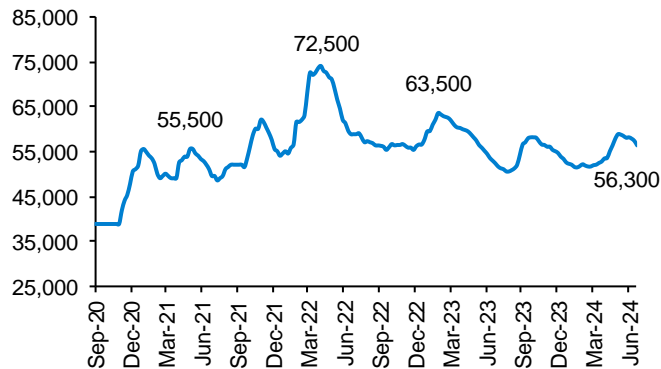
Source: SteelMint, PL

Exhibit 9: Coking Coal prices declined ~22% QoQ (USD/t)



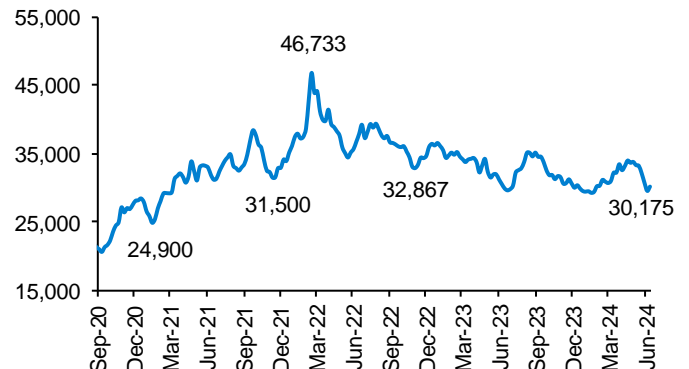
Source: SteelMint, PL

**Exhibit 10: Exhibit 8: Rebar prices increased 10% QoQ (Rs/t)**



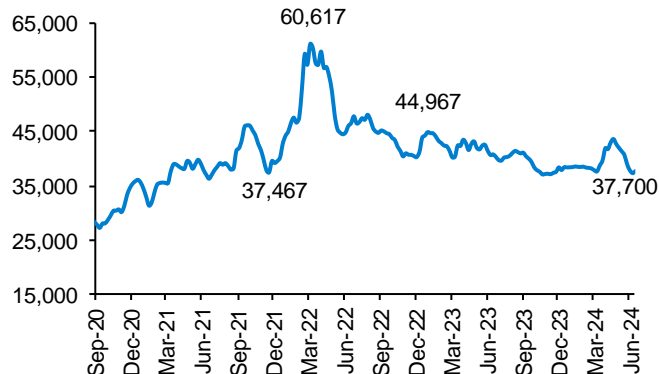
Source: SteelMint, PL

**Exhibit 11: Sponge iron avg. prices increased 8% QoQ (Rs/t)**



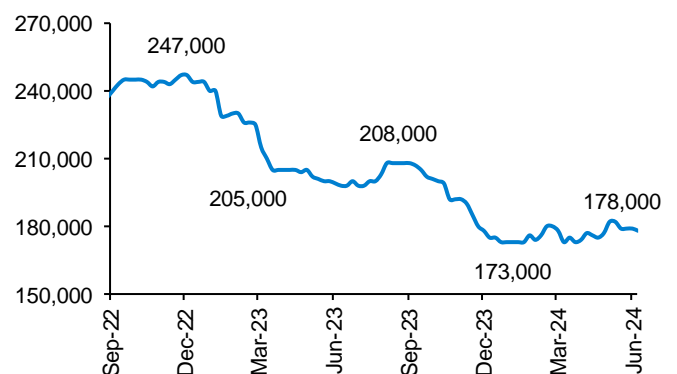
Source: SteelMint, PL

**Exhibit 12: Avg. Pig iron prices increased ~6% QoQ (Rs/t)**



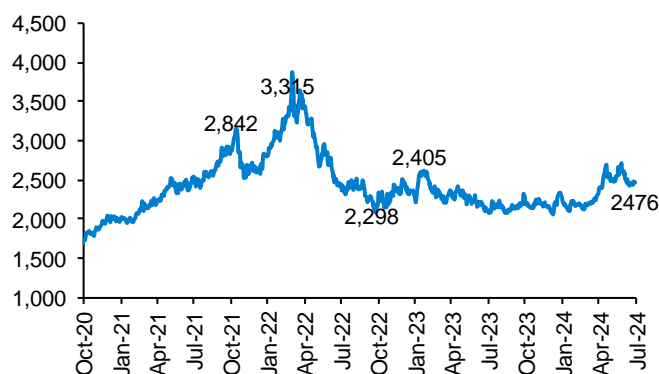
Source: SteelMint, PL

**Exhibit 13: SS 304 grade prices increased 1.3% QoQ (Rs/t)**



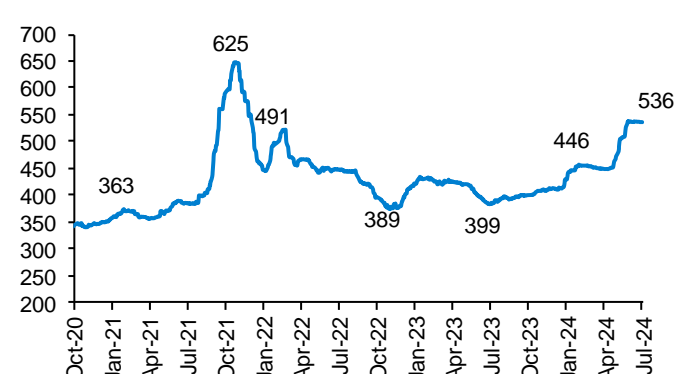
Source: SteelMint, PL

**Exhibit 14: LME aluminum prices increased 15% QoQ (\$/t)**

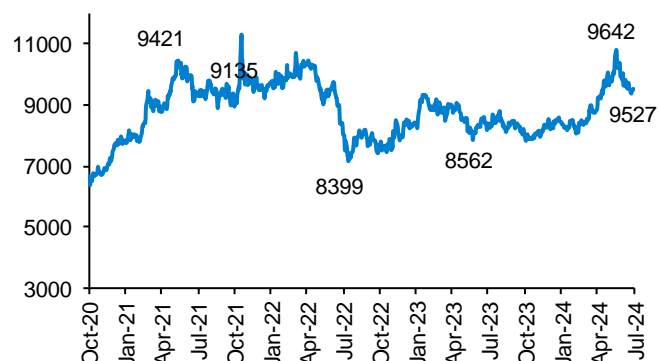


Source: PL

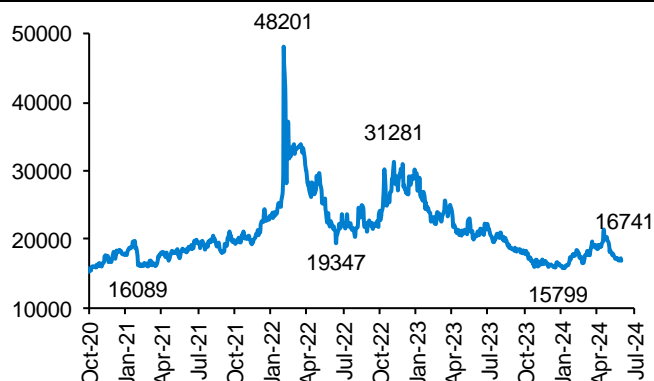
**Exhibit 15: Spot alumina (E. China) grew ~11% QoQ (USD/t)**



Source: PL

**Exhibit 16: LME copper prices increased ~3% QoQ (USD/t)**


Source: PL

**Exhibit 17: LME nickel prices increased ~11% QoQ (USD/t)**


Source: PL

**Exhibit 18: Q1FY25 Result Preview (Rs bn)**

Company Name		Q1FY25E	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Remark
<b>Hindalco Industries</b>	Sales	591.4	529.9	11.6	559.9	5.6	Average LME AL/alumina prices are up 15%/11% QoQ to benefit India ops. with flattish operating costs; volumes to normalise QoQ with copper volumes assumed at ~120kt while AL volumes at 330kt. Novelis performance to improve 8% QoQ on flattish volumes (~950kt) & EBITDA/t of ~USD516/t.
	EBITDA	81.2	57.1	42.1	66.8	21.6	
	Margin (%)	13.7	10.8	295 bps	11.9	180 bps	
	PBT	55.0	33.3	65.2	41.4	32.9	
	Adj. PAT	42.8	24.8	72.8	31.8	34.8	
<b>Jindal Stainless</b>	Sales	104.7	101.8	2.8	94.5	10.8	Expect volumes to grow at ~6% YoY to ~582kt aided by domestic contribution; NSR to improve 2.5% QoQ to ~Rs171k/t (-6% YoY); expect standalone EBITDA/t in the range of Rs16k-16.5k for 1QFY25; consolidated EBITDA to grow 11% QoQ aided by subs.
	EBITDA	11.5	11.9	(3.7)	10.4	10.9	
	Margin (%)	11.0	11.7	-75 bps	10.9	1 bps	
	PBT	8.4	9.5	(11.1)	7.0	19.8	
	Adj. PAT	6.3	7.5	(15.2)	5.0	26.4	
<b>Jindal Steel &amp; Power</b>	Sales	136.0	125.9	8.0	134.9	0.8	Expect ~1.5% QoQ improvement in NSR as TMT bar prices increased in 1QFY25; steel volumes to decline ~5% QoQ to 1.92mt as demand remained muted; EBITDA/t to see improvement of ~Rs1200 QoQ to ~Rs13,875.
	EBITDA	26.3	26.3	0.2	24.4	7.7	
	Margin (%)	19.4	20.9	-151 bps	18.1	124 bps	
	PBT	17.0	17.7	(3.7)	11.6	46.3	
	Adj. PAT	12.0	16.9	(28.7)	9.4	28.6	
<b>JSW Steel</b>	Sales	426.8	422.1	1.1	462.7	(7.8)	Expect flat NSR sequentially as HRC prices declined during the quarter along with export prices; export volumes ~10% (lower from 20% in 4Q); std volume to grow 4% YoY to ~5.13mt (incl. BPSL ~5.9mt); EBITDA/t to improve by meagre Rs424 QoQ to ~Rs8,231 on account of weak NSR and lower operating leverage.
	EBITDA	55.9	70.5	(20.7)	61.2	(8.7)	
	Margin (%)	13.1	16.7	-359 bps	13.2	-14 bps	
	PBT	18.9	35.1	(46.4)	21.1	(10.7)	
	Adj. PAT	11.7	23.4	(50.2)	13.0	(10.3)	
<b>National Aluminium Co.</b>	Sales	38.2	31.8	20.2	35.8	6.7	Expect alumina and metal volumes to grow ~5% & 1% YoY to ~290kt & 118kt respectively; EBITDA to grow 99% YoY on higher alumina/metal prices & lower operating cost aided by higher captive coal supplies.
	EBITDA	11.8	5.9	98.9	11.1	6.7	
	Margin (%)	30.9	18.7	1224 bps	30.9	0 bps	
	PBT	10.0	4.7	111.6	9.4	5.7	
	Adj. PAT	7.1	3.5	104.4	10.2	(29.7)	
<b>NMDC</b>	Sales	54.5	53.9	1.1	64.9	(16.0)	Iron ore volume of 10.1mt (-19% QoQ) affected by employee strike; expect realisation to improve ~4% QoQ (+10% YoY) to Rs 5,331/t as NMDC had taken price hikes earlier. We factor in EBITDA/t to increase 8% QoQ to Rs1,818/t.
	EBITDA	18.3	19.9	(8.1)	21.0	(12.8)	
	Margin (%)	33.6	37.0	-335 bps	32.4	122 bps	
	PBT	18.1	22.1	(18.3)	23.9	(24.4)	
	Adj. PAT	13.0	16.6	(21.7)	14.3	(9.3)	

Company Name		Q1FY25E	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Remark
Steel Authority of India	Sales	241.9	243.6	(0.7)	265.2	(8.8)	
	EBITDA	23.8	16.5	44.6	20.4	16.8	Expect ~2% QoQ increase in NSR as few long product prices (TMT) improved sharply in 1QFY25; expect
	Margin (%)	9.8	6.8	308 bps	7.7	215 bps	volumes to decline ~11% QoQ to 4mt (+4.5% YoY); with
	PBT	7.6	2.0	274.2	3.9	91.6	lower coking coal prices expect EBITDA/t to see
	Adj. PAT	5.6	1.5	273.6	10.1	(44.6)	improvement of ~Rs1,300 QoQ to ~Rs5,617/t.
Tata Steel	Sales	560.2	594.9	(5.8)	586.9	(4.5)	Expect flattish QoQ NSR at TSI; volumes to grow ~3-4%
	EBITDA	59.7	51.7	15.4	66.0	(9.5)	YoY to 4.97mt; EBITDA/t to see marginal decline of
	Margin (%)	10.7	8.7	196 bps	11.2	-59 bps	Rs900 QoQ to ~Rs13,946/t. TSE contribution to improve
	PBT	17.0	21.1	(19.5)	23.7	(28.1)	QoQ on higher volumes from TSN; expect TSN to become
	Adj. PAT	8.7	6.3	37.7	7.9	10.3	profitable in 1Q with EBITDA/t of GBP30/t and TSUK EBITDA loss of GBP140/t.

Source: Company, PL



## Exhibit 19: Valuation Summary

Company Names	S/C Rating	CMP (Rs)	TP (Rs)	MCAp (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
					FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E
Hindalco Industries	C BUY	698	796	1,550.2	2,232.0	2,159.6	2,390.3	2,589.6	228.9	242.5	315.2	348.9	101.0	101.4	156.3	175.5	45.5	45.7	70.4	79.1	11.7	10.1	13.8	13.6	15.4	15.3	9.9	8.8
Jindal Stainless	C Reduce	827	712	681.2	357.0	385.6	530.0	640.0	35.9	47.0	63.8	84.6	21.1	26.4	37.4	52.7	25.7	32.1	45.4	64.0	19.4	20.1	23.2	25.9	32.2	25.8	18.2	12.9
Jindal Steel & Power	C Acc	1,051	1,006	1,053.0	527.1	500.3	561.6	680.2	99.3	102.0	133.4	176.2	45.2	59.4	74.9	99.6	45.0	59.2	74.7	99.4	12.2	14.3	15.6	17.7	23.4	17.7	14.1	10.6
JSW Steel	C Acc	951	1,026	2,299.3	1,659.6	1,750.1	2,056.4	2,412.8	185.5	282.4	392.5	450.5	35.5	82.2	160.7	190.9	14.7	34.0	66.5	79.0	5.3	11.5	18.9	19.0	64.7	28.0	14.3	12.0
National Aluminium Co.	S Sell	199	142	365.5	142.6	131.5	149.4	160.6	24.5	28.7	44.2	46.9	15.4	20.6	29.6	30.5	8.4	11.2	16.1	16.6	12.0	14.8	18.9	17.2	23.7	17.7	12.4	12.0
NMDC	S Acc	252	276	739.4	176.7	213.1	247.7	287.1	60.5	72.9	84.8	112.7	46.4	57.7	67.2	86.5	15.8	19.7	22.9	29.5	22.8	23.9	24.2	26.7	15.9	12.8	11.0	8.5
Steel Authority of India	S Sell	156	134	642.8	1,044.5	1,027.5	1,103.2	1,224.3	80.2	85.1	139.2	153.6	17.2	14.1	50.7	59.7	4.2	3.4	12.3	14.5	3.3	2.7	9.0	9.8	37.4	45.6	12.7	10.8
Tata Steel	C Acc	175	186	2,179.4	2,433.5	2,291.7	2,516.3	2,913.8	323.0	323.8	365.6	498.4	87.1	134.5	156.4	253.3	7.1	10.8	12.5	20.3	8.0	13.8	16.0	22.2	24.5	16.2	13.9	8.6

Source: Company, PL

S=Standalone / C=Consolidated / Acc=Accumulate

## Exhibit 20: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY25E			FY26E			FY25E			FY26E			FY25E			FY26E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Hindalco Industries	BUY	BUY	796	779	2.2%	2,390.3	2,417.0	-1.1%	2,589.6	2,612.2	-0.9%	156.3	153.0	2.1%	175.5	171.4	2.4%	70.4	68.9	2.1%	79.1	77.2	2.4%
Jindal Stainless	Reduce	Hold	712	712	0.0%	530.0	530.0	0.0%	640.0	640.0	0.0%	37.4	37.4	0.0%	52.7	52.7	0.0%	45.4	45.4	0.0%	64.0	64.0	0.0%
Jindal Steel & Power	Acc	Acc	1,006	987	1.9%	561.6	561.6	0.0%	680.2	680.2	0.0%	74.9	73.7	1.7%	99.6	96.9	2.8%	74.7	73.5	1.7%	99.4	96.6	2.8%
JSW Steel	Acc	Acc	1,026	980	4.7%	2,056.4	2,056.4	0.0%	2,412.8	2,412.8	0.0%	160.7	153.1	5.0%	190.9	182.0	4.8%	66.5	63.3	5.0%	79.0	75.3	4.8%
National Aluminium Co.	Sell	Sell	142	141	0.6%	149.4	141.2	5.8%	160.6	155.6	3.2%	29.6	25.2	17.5%	30.5	29.3	4.2%	16.1	13.7	17.5%	16.6	15.9	4.2%
NMDC	Acc	Acc	276	279	-1.1%	247.7	252.1	-1.8%	287.1	292.3	-1.8%	67.2	71.8	-6.5%	86.5	87.3	-0.8%	22.9	24.5	-6.5%	29.5	29.8	-0.8%
Steel Authority of India	Sell	Sell	134	127	5.5%	1,103.2	1,105.6	-0.2%	1,224.3	1,229.8	-0.4%	50.7	46.2	9.6%	59.7	56.8	5.1%	12.3	11.2	9.6%	14.5	13.8	5.1%
Tata Steel	Acc	Acc	186	172	8.4%	2,516.3	2,515.1	0.0%	2,913.8	2,868.8	1.6%	156.4	154.5	1.2%	253.3	234.0	8.2%	12.5	12.4	1.2%	20.3	18.8	8.2%

Source: Company, PL

C=Current / P=Previous / Acc=Accumulate

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	3,509	2,580
2	Ambuja Cement	Accumulate	697	674
3	Dalmia Bharat	Accumulate	2,077	1,806
4	Hindalco Industries	BUY	779	673
5	Jindal Stainless	Hold	712	680
6	Jindal Steel & Power	Accumulate	987	939
7	JSW Steel	Accumulate	980	902
8	National Aluminium Co.	Sell	141	183
9	NMDC	Accumulate	279	258
10	Nuvoco Vistas Corporation	Accumulate	384	335
11	Shree Cement	BUY	29,225	25,820
12	Steel Authority of India	Sell	127	174
13	Tata Steel	Accumulate	172	164
14	Ultratech Cement	BUY	11,608	9,964

## PL's Recommendation Nomenclature

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I Mr. Tushar Chaudhari- MMS-Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, 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 related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Tushar Chaudhari- MMS-Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, 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 subject company 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 subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., 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 Prabhudas Lilladher Pvt. Ltd. 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, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

[www.plindia.com](http://www.plindia.com)