

October 7, 2024

### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Hindalco Industries	BUY	748	847
Jindal Stainless	Acc	779	849
Jindal Steel & Power	Acc	1,021	1,090
JSW Steel	Acc	1,034	1,106
National Aluminium Co.	Sell	220	186
NMDC	Acc	237	266
Steel Authority of India	Reduce	139	131
Tata Steel	Acc	167	181

Source: PL      Acc=Accumulate

### Top Picks

Hindalco Industries

Jindal Stainless

### Quarter affected by sharp fall in steel prices

We expect our metals coverage universe to report weak performance in 2QFY25 with revenue/EBITDA/PAT growth of 1%/9%/0% YoY (2%/-7%/-6% QOQ), impacted by a sharp fall in steel prices and lower demand due to monsoon. Domestic demand remained muted (2-4% YoY) during the quarter affected by lower construction activities amidst monsoon. Average NSR for domestic steel companies declined 4-5% QoQ as both long and flat product prices fell sharply in line with Chinese prices. Average flat steel prices dropped by Rs3,068/t QoQ affected by higher imports and weak global demand. Average long product prices too declined sharply by Rs5,577/t QoQ due to the absence of government infrastructure projects. Coking coal prices have declined sharply (-13%) QoQ due to poor China demand, which is expected to negate the sharp fall in steel prices to a certain extent.

Domestic steel pricing scenario is expected to improve in coming weeks led by the sharp jump in steel prices in China aided by government measures to improve economic growth. Imports would reduce in coming months as domestic prices are currently at 4-5% discount to Chinese prices as the latter jumped from lows of USD450 to USD510 in the last 2 weeks. We expect domestic pricing to improve in coming weeks and aid 2H earnings for steel companies. Key monitorables to watch out are: 1) Govt's stand on rising imports, 2) uptick in domestic demand post festivities, 3) progress on capex and 4) demand indicators from China & developed countries. Our top picks are Hindalco Industries (HNDL) and Jindal Stainless (JDSL).

**Weak performance for steel:** Steel companies having higher longs exposure are expected to get affected due to the sharp fall in pricing during 2QFY25. HRC prices too continued the downward trend affected by falling global prices. As global prices have fallen 8-9% QoQ, domestic HRC prices were trading at 5-8% premium on import parity basis, which led to higher imports, affecting domestic pricing. Sales volumes for steel universe are estimated to have increased just 1% YoY (5-6% QoQ), which would impact operating leverage. Benefits of lower coking coal prices would partially aid EBITDA/t. Domestic iron ore prices too declined 12-15%, which would also aid non-integrated players, but with lag. As a result, EBITDA/t for our universe would see an average QoQ decline of Rs600-700. We expect JSTL and SAIL to report sequentially higher EBITDA/t on account of lower RM prices and better volume growth on a weak base.

We expect NMDC to deliver 29% YoY increase in EBITDA/t to Rs1,609 on higher pricing, although volumes were muted due to weak demand in the monsoon quarter. We expect sequential improvement in JDSL's EBITDA/t to Rs17,919 (+3% QoQ) aided by higher stainless steel prices.

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

### Continued rally in LME prices to benefit non-ferrous companies in 2H:

Performance of non-ferrous companies under our universe is expected to remain stable, despite the fall in LME prices during Q2FY25. Sharp rise in alumina prices and higher volume would aid HNDL and NACL. LME prices have started improving again on weak USD, which would aid 2HFY25 earnings. Novelis volume is expected to remain flat QoQ, despite its Swiss facility getting affected by floods. We factor in ~USD500/t EBITDA for Novelis. NACL's ramping up of other captive coal mine and higher alumina prices (~9% QoQ) are expected to benefit FY25E EBITDA; however, continued delays in execution is likely to limit volume growth over FY24-27E.

### Key changes in estimates/ratings:

**Ferrous companies:** We cut our FY25E EBITDA estimates for steel companies under coverage by 6-15% given the recent sharp fall in steel prices, and introduce FY27E estimates. We cut our FY25E/26E EBITDA for Jindal Steel and Power (JSP) by 6% each on lower steel price assumptions. With recovery in Chinese steel prices, we expect domestic pricing to improve, while ongoing capacity expansion at JSP is expected to deliver volumes from Q1FY26. We upgrade our rating from **'Hold'** to **'Accumulate'** with revised TP of Rs1,090 based on 6x EV of Sep'26 EBITDA (earlier Rs978).

As SAIL remains a price play on domestic steel prices in the near to medium term, we upgrade its rating from **'Sell'** to **'Reduce'** as we tweak FY25E/26E estimates. We cut FY25E EBITDA by 4% on lower steel price assumptions, but upgrade its TP to Rs131 based on 5.5x EV of Sep'26 EBITDA (earlier Rs112).

We cut our FY25E/26E EBITDA for Tata Steel (TATA) by 13%/8% on lower steel price assumptions. With shutdown of both furnaces at TSUK, we expect earnings leakage to stop from 2HFY25. We raise TSE EV/EBITDA multiple from 5x to 6x in our SOTP as TSE hangover is almost over, and the company can now focus on faster growing Indian markets. Maintain **'Accumulate'** with revised TP of Rs181 (earlier Rs175).

We cut our FY25E/26E EBITDA for JSW Steel (JSTL) by 15%/2% on lower steel price assumptions. Maintain **'Accumulate'** with revised TP of Rs1,106 based on 7x EV of Sep'26 EBITDA (earlier Rs1,022).

**Non-ferrous companies:** 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%. NACL's ramping up of other captive coal mine and higher alumina prices (~9% QoQ) are expected to benefit FY25E EBITDA, but continued delays in execution is likely to limit volume growth over FY24-27E. Maintain **'Sell'** with revised TP of Rs186 (earlier Rs142). For **Hindalco**, we have tweaked our FY25E/26E EBITDA estimates by ~2% each on higher aluminum price assumption. Maintain **'Buy'** with revised TP of Rs847 (earlier Rs749) as we roll forward to Sep'26 EBITDA.

### Top Pick:

**Hindalco Industries:** HNDL is well placed amongst our metals universe as a) Novelis is expected to witness gradual improvement in EBITDA/t over the next 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, which are expected to benefit India business.

**Jindal Stainless:** We expect JDSL to deliver strong 15%+ CAGR volume growth on the back of ongoing evolution of SS demand across sectors in India. Due to its corrosion resistance, high strength & durability properties, SS usage has improved significantly in India. Some GoI initiatives such as replacement of carbon steel in coastal areas, railway station modernization & increasing metro network are expected to aid volume growth. With newly announced Indonesian capex plan and Chromeni asset buy-out, JDSL has enough capacities to cater to strong domestic volume growth.

**Exhibit 2: Volumes to remain muted YoY due to monsoon and lower demand**

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	YoY gr.	QoQ gr.
TATA India	4,740	5,150	4,790	4,820	4,880	5,420	4,940	5,100	6%	3%
JSW Std	4,950	5,680	4,930	5,410	5,200	5,690	5,090	5,506	2%	8%
SAIL	4,151	4,680	3,884	4,770	3,810	4,560	4,010	4,627	-3%	15%
JSP	1,900	2,030	1,840	2,010	1,810	2,010	2,090	1,869	-7%	-11%
NMDC	9,580	12,410	10,975	9,571	11,394	12,510	10,080	9,740	2%	-3%
JDSL	468	508	549	544	512	570	578	561	3%	-3%

Source: Company, PL

**Exhibit 3: NSR to witness 4-5% QoQ decline as steel prices fell sharply following global pricing**

Realisations (Rs/t)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	YoY gr.	QoQ gr.
TATA India	71,581	73,880	72,427	70,924	71,069	67,592	66,720	64,051	-10%	-4%
JSW Std	62,495	65,410	66,513	62,362	64,058	62,111	64,153	61,156	-2%	-5%
SAIL	60,327	62,245	62,713	58,625	61,274	58,162	59,845	56,853	-3%	-5%
JSP	62,275	65,972	66,905	60,108	63,624	60,443	61,449	58,131	-3%	-5%
NMDC	3,826	4,669	4,851	4,145	4,679	5,138	5,300	4,823	16%	-9%
JDSL	1,92,385	1,86,046	1,82,776	1,78,808	1,77,486	1,66,925	1,65,788	1,66,617	-7%	0%

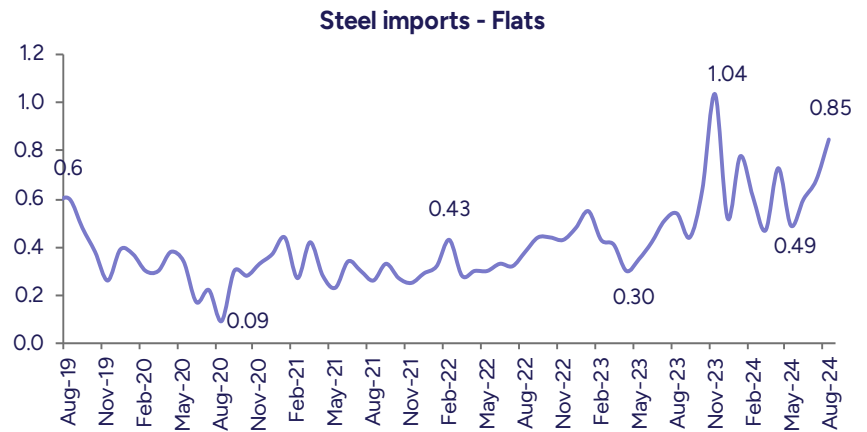
Source: Company, PL

**Exhibit 4: EBITDA/t scenario is mixed depending upon volume growth and weak NSR**

EBITDA/ton (Rs)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	YoY gr.	QoQ gr.
TATA India	10,835	16,806	13,808	14,248	16,905	14,846	13,711	11,350	-20%	-17%
JSW Std	8,141	10,998	9,860	12,750	11,113	7,807	8,399	9,424	-26%	12%
SAIL	5,003	6,226	4,241	4,444	5,617	4,472	5,535	6,753	52%	22%
JSP	11,813	10,543	14,420	11,503	15,021	12,533	12,915	10,357	-10%	-20%
NMDC	1,191	1,742	1,816	1,244	1,762	1,680	2,321	1,609	29%	-31%
JDSL	20,246	21,611	20,375	19,679	19,937	14,505	17,373	17,919	-9%	3%

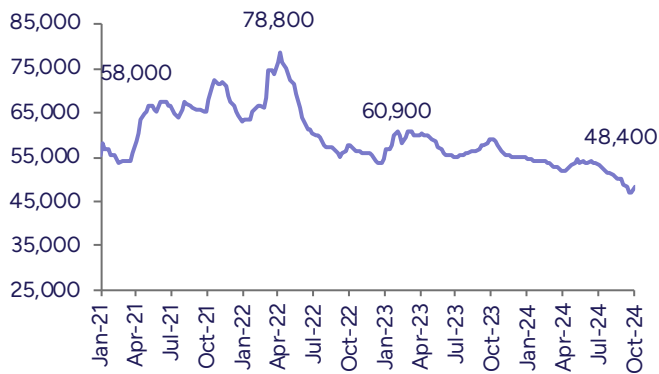
Source: Company, PL

**Exhibit 5: Imports picked up as China prices declined sharply**



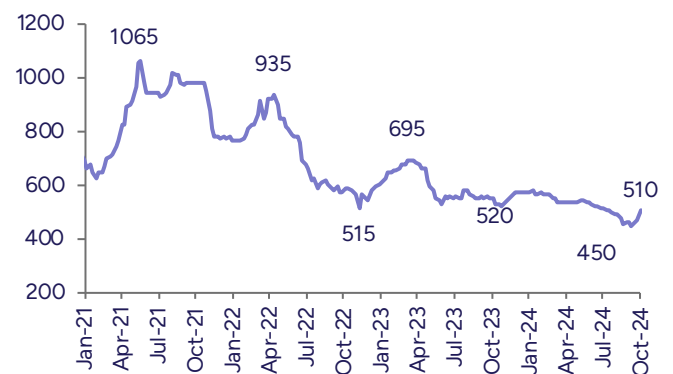
Source: SteelMint, PL

**Exhibit 6: Avg Indian HRC prices declined by Rs3,068/t QoQ**



Source: SteelMint, PL

**Exhibit 7: Avg China HRC prices declined 9.7% QoQ (USD/t)**



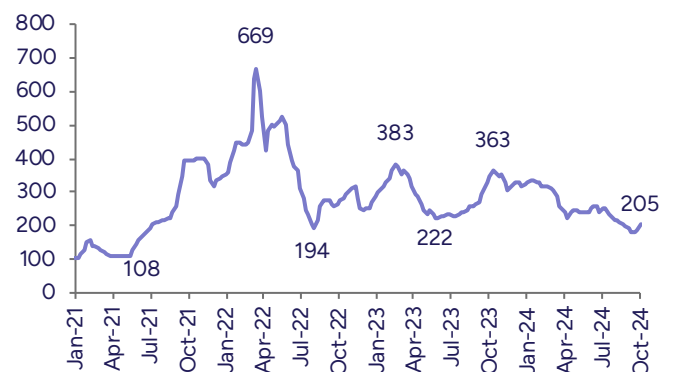
Source: SteelMint, PL

**Exhibit 8: Iron ore fines (62%) declined ~10% QoQ (USD/t)**



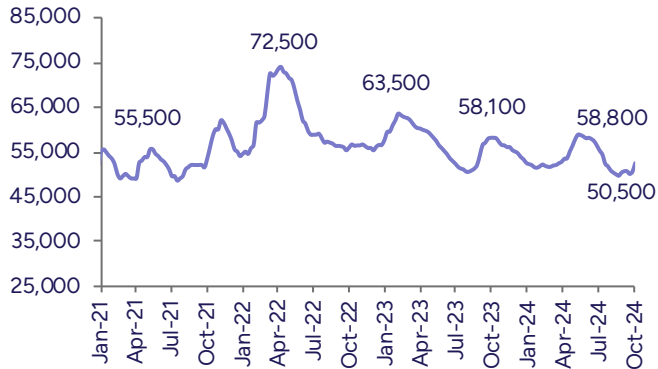
Source: SteelMint, PL

**Exhibit 9: Coking coal prices declined ~13% QoQ (USD/t)**



Source: SteelMint, PL

**Exhibit 10: Rebar prices declined ~10% QoQ (Rs/t)**



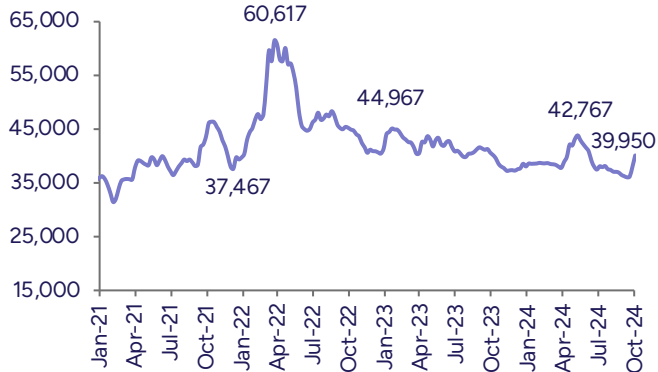
Source: SteelMint, PL

**Exhibit 11: Sponge iron avg prices increased 7% QoQ (Rs/t)**



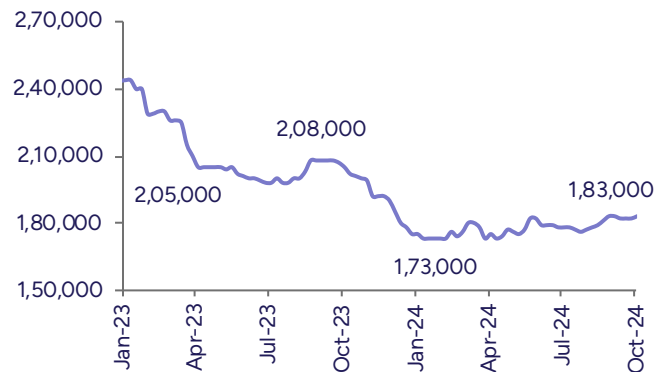
Source: SteelMint, PL

**Exhibit 12: Avg pig iron prices declined ~9% 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 declined ~6% QoQ (\$/t)**



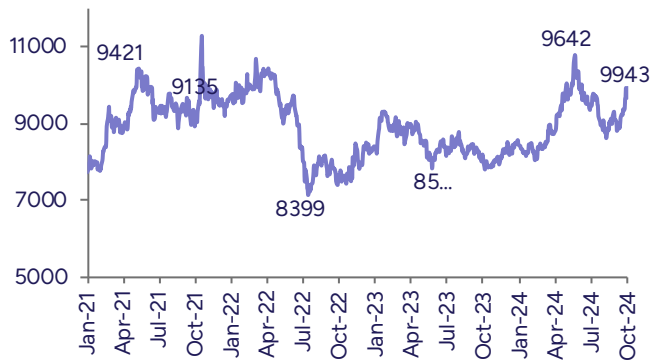
Source: PL

**Exhibit 15: Spot alumina (E China) grew ~9% QoQ (USD/t)**



Source: PL

**Exhibit 16: LME copper prices declined ~5.6% QoQ (USD/t)**



Source: PL

**Exhibit 17: LME nickel prices declined ~12% QoQ (USD/t)**



Source: PL

**Exhibit 18: Q2FY25 Result Preview (Rs bn)**

Company Name		Q2FY25E	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Remark
Hindalco Industries	Sales	572.4	541.7	5.7	570.1	0.4	Average LME AL declined ~6% QoQ while alumina prices are up 9% QoQ (due to Chinese bauxite shortage) and higher volumes to balance India ops. Copper volumes assumed at ~127kt while AL volumes at 335kt. Novelis performance expected to remain robust with 950kt volumes (flat QoQ) & EBITDA/t of ~USD500/t.
	EBITDA	67.0	56.1	19.3	75.0	(10.7)	
	Margin (%)	11.7	10.4	134 bps	13.2	-146 bps	
	PBT	43.9	32.0	37.4	51.8	(15.1)	
	Adj. PAT	33.5	21.3	57.1	37.3	(10.3)	
Jindal Stainless	Sales	98.2	98.0	0.3	94.3	4.2	Expect volume growth to slow down at ~3-4% YoY to ~562kt due to maintenance shutdown and weak exports; NSR to remain flattish QoQ to ~Rs167k/t (-6-7% YoY); expect standalone EBITDA/t in the range of Rs17.5k-18k for Q2FY25; consolidated EBITDA to remain flattish YoY/QoQ
	EBITDA	12.2	12.3	(0.9)	12.1	0.6	
	Margin (%)	12.4	12.6	-14 bps	12.8	-43 bps	
	PBT	8.8	8.8	(0.7)	8.9	(1.0)	
	Adj. PAT	6.5	7.7	(15.9)	6.5	0.5	
Jindal Steel & Power	Sales	116.8	122.5	(4.7)	136.2	(14.2)	Expect sharp 5.4% QoQ decline in NSR as long product prices declined ~8-10% during quarter due to weak demand; steel volumes to decline ~6-7% YoY to 1.87mt on weak demand and maintenance shutdown; EBITDA/t to decline by ~Rs2500 QoQ to ~Rs10,357.
	EBITDA	20.8	22.9	(8.9)	28.4	(26.6)	
	Margin (%)	17.8	18.7	-82 bps	20.9	-302 bps	
	PBT	11.3	13.8	(18.2)	18.6	(39.1)	
	Adj. PAT	8.2	13.9	(41.0)	13.4	(38.9)	
JSW Steel	Sales	444.1	445.8	(0.4)	429.4	3.4	Expect ~4.5% QoQ decline in NSR as both HRC and longs declined during the quarter along with export prices; std volume to grow ~2% YoY to ~5.5mt (incl. BPSL ~6.27mt); EBITDA/t to improve by Rs1025 QoQ to ~Rs9,424 on account of better volume growth on weak base and lower RM prices.
	EBITDA	62.0	78.9	(21.4)	55.1	12.5	
	Margin (%)	14.0	17.7	-373 bps	12.8	113 bps	
	PBT	25.0	40.2	(37.9)	13.9	79.5	
	Adj. PAT	15.5	23.9	(35.2)	8.5	83.3	
National Aluminium Co.	Sales	35.1	30.4	15.5	28.6	23.0	Expect alumina and metal volumes to grow ~15% (on weak base) & 1% YoY to ~268kt & 118kt respectively; EBITDA to grow 8% QoQ on higher alumina prices.
	EBITDA	10.1	4.0	154.2	9.3	7.9	
	Margin (%)	28.7	13.0	1565 bps	32.7	-403 bps	
	PBT	8.9	2.7	222.1	8.2	8.4	
	Adj. PAT	6.5	2.1	213.4	6.0	7.5	
NMDC	Sales	47.5	40.1	18.3	54.1	(12.3)	Iron ore volume of 9.74mt (-3% QoQ) affected by weak demand amidst monsoon quarter; expect realisation to decline ~9% QoQ (+16% YoY) to Rs 4,823/t as NMDC had taken price hikes earlier. We factor in EBITDA/t to decline 31% QoQ to Rs1,609/t (+29% YoY).
	EBITDA	15.7	11.9	31.6	23.4	(33.0)	
	Margin (%)	33.0	29.7	333 bps	43.2	-1023 bps	
	PBT	18.2	14.0	29.6	26.1	(30.2)	
	Adj. PAT	13.1	10.3	27.8	19.6	(33.3)	



Company Name		Q2FY25E	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Remark
Steel Authority of India	Sales	263.1	279.6	(5.9)	240.0	9.6	Expect ~5% QoQ decline in NSR as long product prices fell sharply in Q2FY25; expect volumes to improve ~12% QoQ to ~4.6mt on weak base (-3% YoY); with lower coking coal prices expect EBITDA/t to see improvement of ~Rs1,200 QoQ to ~Rs6,753/t.
	EBITDA	31.2	21.2	47.4	22.2	40.8	
	Margin (%)	11.9	7.6	430 bps	9.2	263 bps	
	PBT	12.6	3.6	248.2	3.3	286.4	
	Adj. PAT	9.4	12.4	(23.9)	0.1	8,735.2	
Tata Steel	Sales	542.6	556.8	(2.6)	547.7	(0.9)	Expect ~4% QoQ decline in NSR at TSI; volumes grew 6% YoY to 5.1mt; EBITDA/t to see decline of Rs2,361 QoQ to ~Rs11,350/t. TSE contribution to decline QoQ as shutdown of second BF can add to costs; factoring in TSUK EBITDA loss of GBP230/t; TSN volume grew 28% YoY but prices were weak which can affect EBITDA/t to GBP10.
	EBITDA	53.4	42.7	25.2	66.9	(20.2)	
	Margin (%)	9.8	7.7	218 bps	12.2	-238 bps	
	PBT	10.1	0.6	1,673.2	26.4	(61.9)	
	Adj. PAT	3.2	4.7	(31.4)	10.9	(70.2)	

Source: Company, PL; Consolidated estimates

**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)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Hindalco Industries	C	BUY	748	847	1,660.3	2,159.6	2,339.8	2,530.6	2,693.4	242.5	307.6	341.3	357.6	101.4	150.9	170.3	178.9	45.7	68.0	76.7	80.6	10.1	13.3	13.2	12.3	16.4	11.0	9.8	9.3
Jindal Stainless	C	Acc	779	849	641.1	385.6	483.1	572.3	628.3	47.0	59.6	73.6	80.7	26.4	33.8	44.3	51.2	32.1	41.0	53.8	62.1	20.1	21.2	22.6	21.2	24.3	19.0	14.5	12.5
Jindal Steel & Power	C	Acc	1,021	1,090	1,023.6	500.3	532.4	685.2	836.3	102.0	122.0	163.4	211.4	59.4	60.7	90.1	124.8	59.2	60.5	89.9	124.5	14.3	12.8	16.5	19.2	17.2	16.9	11.4	8.2
JSW Steel	C	Acc	1,034	1,106	2,498.8	1,750.1	1,875.1	2,267.9	2,410.1	282.4	318.1	429.4	485.7	82.2	111.3	179.4	206.9	34.0	46.1	74.2	85.6	11.5	13.5	18.9	18.4	30.4	22.4	13.9	12.1
National Aluminium Co.	S	Sell	220	186	404.7	131.5	148.4	167.3	187.4	28.7	43.2	53.5	66.0	20.6	28.9	35.4	44.7	11.2	15.7	19.3	24.3	14.8	18.5	19.7	21.3	19.7	14.0	11.4	9.1
NMDC	S	Acc	237	266	693.3	213.1	235.5	269.1	296.7	72.9	86.7	103.5	117.7	57.7	68.5	79.7	89.8	19.7	23.4	27.2	30.7	23.9	24.7	24.7	24.1	12.0	10.1	8.7	7.7
Steel Authority of India	S	Reduce	139	131	574.2	1,027.5	1,028.5	1,118.5	1,223.8	85.1	124.1	142.4	150.4	14.1	38.4	52.2	55.7	3.4	9.3	12.6	13.5	2.7	6.9	8.8	8.7	40.7	15.0	11.0	10.3
Tata Steel	C	Acc	167	181	2,080.1	2,291.7	2,392.2	2,832.9	3,057.2	223.1	308.3	445.9	517.6	29.9	107.7	207.5	272.5	2.4	8.6	16.6	21.8	3.1	11.3	19.4	21.6	69.7	19.3	10.0	7.6

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	847	749	13.1%	2,339.8	2,325.6	0.6%	2,530.6	2,498.3	1.3%	150.9	147.4	2.4%	170.3	162.8	4.6%	68.0	66.4	2.4%	76.7	73.4	4.6%
Jindal Stainless	Acc	Acc	849	836	1.6%	483.1	504.9	-4.3%	572.3	591.3	-3.2%	33.8	36.5	-7.5%	44.3	47.8	-7.3%	41.0	44.3	-7.5%	53.8	58.0	-7.3%
Jindal Steel & Power	Acc	Hold	1,090	978	11.4%	532.4	565.9	-5.9%	685.2	695.6	-1.5%	60.7	69.3	-12.4%	90.1	94.8	-4.9%	60.5	69.1	-12.4%	89.9	94.6	-4.9%
JSW Steel	Acc	Acc	1,106	1,022	8.2%	1,875.1	2,032.0	-7.7%	2,267.9	2,397.8	-5.4%	111.3	149.2	-25.4%	179.4	186.3	-3.7%	46.1	61.7	-25.4%	74.2	77.1	-3.7%
National Aluminium Co.	Sell	Sell	186	142	31.5%	148.4	149.4	-0.6%	167.3	160.6	4.2%	28.9	29.6	-2.4%	35.4	30.5	16.2%	15.7	16.1	-2.4%	19.3	16.6	16.2%
NMDC	Acc	Acc	266	253	5.2%	235.5	233.2	1.0%	269.1	273.5	-1.6%	68.5	65.9	4.0%	79.7	78.8	1.1%	23.4	22.5	4.0%	27.2	26.9	1.1%
Steel Authority of India	Reduce	Sell	131	112	16.6%	1,028.5	1,059.4	-2.9%	1,118.5	1,159.6	-3.5%	38.4	42.1	-8.9%	52.2	50.2	4.1%	9.3	10.2	-8.9%	12.6	12.1	4.1%
Tata Steel	Acc	Acc	181	175	3.0%	2,392.2	2,507.2	-4.6%	2,832.9	2,903.3	-2.4%	107.7	144.2	-25.3%	207.5	236.1	-12.1%	8.6	11.6	-25.3%	16.6	18.9	-12.1%

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	3,457	2,439
2	Ambuja Cement	BUY	756	611
3	Dalmia Bharat	Accumulate	2,076	1,929
4	Hindalco Industries	BUY	749	621
5	Jindal Stainless	Accumulate	836	741
6	Jindal Steel & Power	Hold	978	972
7	JSW Steel	Accumulate	1,022	890
8	National Aluminium Co.	Sell	142	199
9	NMDC	Accumulate	253	217
10	Nuvoco Vistas Corporation	Accumulate	386	354
11	Shree Cement	Accumulate	27,481	26,034
12	Steel Authority of India	Sell	112	129
13	Tata Steel	Accumulate	175	163
14	Ultratech Cement	Accumulate	13,084	11,450

## 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)