13 March 2025

Venus Pipes and Tubes

Capacity addition, strong volume momentum to continue; retaining a Buy

Rating: **Buy**
Target Price (12-mth): Rs.1,700
Share Price: Rs.1,275

Over the last five years, Venus Pipes and Tubes enhanced its cumulative capacity by 4.1x to 38,400 tonnes. Under the next leg of expansion, it is enhancing its presence in high-grade stainless steel/titanium-welded tubes, fittings and seamless pipes/tubes, thus taking the cumulative capacity to 46,800 tonnes. The company's increased installed capacity resulted in market-share gain (from 3.6% to 6.2% over FY20-24) and helped outpace peers, thanks to its ~28% volume CAGR over FY20-24. Further, strengthening seamless pipes' backward integration by producing mother hollow pipes (~14,400 tonnes) de-risked merchant procurement and aided profitability; the EBITDA margin rose ~570bps over FY23-24. We expect 24%/26%/28% revenue/EBITDA/APAT CAGRs over FY24-27 on the company's expanded capacity, enhanced product portfolio, improved backward integration, increased domestic market share, higher exports and imposition of ADD/CVD on RM imports. We, thus, retain a Buy rating, with a TP of Rs1,700/share.

Capacity expansion. The company's Rs1.8bn capex is for setting up high-grade stainless steel/titanium-welded tubes (3,600 tonnes) by Mar'25, a fittings project by Sep and seamless pipes/tubes (4,800 tonnes) by Dec. Venus is also expected to set up a 4,800-tonne piercing line capacity- backward integration of seamless pipes; this would further aid profitability. 40% of the capex is funded through issue of warrants and the balance would be via long-term borrowings and internal accruals. Expanding the product portfolio and foraying into high-margin VAPs present an opportunity for high RoCE, which will aid margins further.

Increase in market share and exports. Increase in seamless capacity by 6.9x and welded by 3.3x pushed the company's market share to 6.2% (from 3.6%) during FY20-24. Further, the enhanced capacity, presence across VAPs and the robust global dealer network drove exports ~36x since FY20. The company's 9M FY25 exports contributed ~32.2% to total revenue.

Outlook, Valuation. The company would continue its volume momentum; considering its focus on capacity expansion, backward integration and robust global presence, we retain our Buy rating with a TP of Rs1,700 (weighted average method). **Risks:** Slowdown in domestic demand, exports; delay in capex timeline.

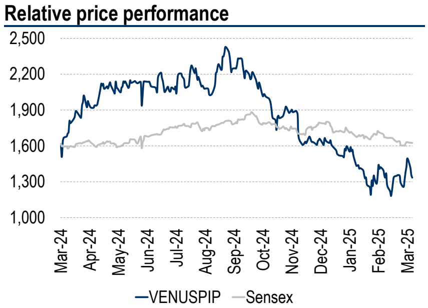
Key financials (YE Mar)	FY23	FY24	FY25e	FY26e	FY27e
Seamless pipes capacity (tonnes)	3,600	14,400	14,400	19,200	19,200
Welded pipes capacity (tonnes)	8,400	24,000	24,000	27,600	27,600
Seamless pipes volume (tonnes)	5,370	10,555	11,989	12,480	15,360
Welded pipes volume (tonnes)	7,757	11,557	14,400	21,840	25,500
Revenue (Rs m)	5,524	8,022	9,320	12,763	15,405
EBITDA (Rs m)	691	1,463	1,657	2,339	2,899
EBITDA margin (%)	12.5	18.2	17.8	18.3	18.8
Adj. PAT (Rs m)	442	860	874	1,316	1,802
EPS (Rs)	21.8	42.4	43.1	63.8	87.3

Source: Company, Anand Rathi Research

Key data	VENUSPIP IN / VENS.BO
52-week high / low	Rs2490 / 1170
Sensex / Nifty	73829 / 22397
3-m average volume	$1.3m
Market cap	Rs.27bn / $311.7m
Shares outstanding	20m

Shareholding pattern (%)	Dec'24	Sep'24	Jun'24
Promoters	48.1	47.9	48.7
- *of which, Pledged*	-	-	-
Free float	51.9	52.1	51.3
- Foreign institutions	4.3	5.3	5.1
- Domestic institutions	14.1	14.2	13.2
- Public	33.5	32.7	33.0

Relative price performance



Source: Bloomberg

Parthiv Jhonsa
Research Analyst

Prakhar Khajanchi
Research Analyst

Quick Glance – Financials and Valuations (consol.)

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Installed capacity (tonnes)	12,000	38,400	38,400	46,800	46,800
Seamless pipes volume (tonnes)	5,370	10,555	11,989	12,480	15,360
Welded pipes volume (tonnes)	7,757	11,557	14,400	21,840	25,500
Revenue	*5,524*	*8,022*	*9,320*	*12,763*	*15,405*
Growth (%)	*42.8*	*45.2*	*16.2*	*36.9*	*20.7*
Total expenses	4,833	6,559	7,663	10,424	12,505
EBITDA	691	1,463	1,657	2,339	2,899
EBITDA margins (%)	*12.5*	*18.2*	*17.8*	*18.3*	*18.8*
EBITDA/tonne (blended)	*52,646*	*66,170*	*62,789*	*68,157*	*70,954*
Depreciation	20	118	185	213	209
Other income	24	32	75	75	75
Interest expenses	98	221	370	429	339
PBT before excep. items	597	1,156	1,177	1,771	2,426
PBT after exceptional items	597	1,156	1,177	1,771	2,426
Effective tax	155	297	302	455	623
Reported PAT	442	860	874	1,316	1,802
Adj. PAT	442	860	874	1,316	1,802
Growth (%)	*39.6*	*94.5*	*1.7*	*50.5*	*36.9*

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Share capital	203	203	203	206	206
Net worth	3,222	4,061	4,915	6,567	8,328
Total Debt	905	1,493	2,893	3,643	3,143
DTL / (Assets)	15	75	75	75	75
Others	6	11	11	11	11
Capital employed	**4,147**	**5,639**	**7,894**	**10,296**	**11,557**
Net tangible assets	598	2,810	4,102	4,251	4,323
Net intangible assets	1	8	7	4	2
CWIP	1,216	121	446	485	506
Other non-current assets	251	83	83	83	83
Inventories	1,669	2,259	2,625	3,595	4,339
Receivables	705	1,771	2,058	2,818	3,402
Cash	108	10	212	1,265	1,544
Bank balance (incl. invest.)	181	97	97	97	97
Other current assets	346	415	483	661	798
Payables	741	1,738	2,020	2,766	3,338
Other current liabilities	186	198	198	198	198
Capital deployed	**4,147**	**5,639**	**7,894**	**10,296**	**11,557**

Fig 3 – Cashflow statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
EBITDA	691	1,463	1,657	2,339	2,899
+ other adj.	-24	-9	-	-	-
- Incr. / (decr.) in WC	-394	-731	-438	-1,162	-892
Others incl. taxes	-187	-201	-302	-455	-623
CF from op. activity	**87**	**522**	**916**	**722**	**1,384**
- Capex (tang. + intang.)	-1,619	-1,074	-1,800	-400	-300
Free cash-flow	-1,532	-552	-884	322	1,084
Others	-55	77	75	75	75
CF from inv. activity	**-1,674**	**-997**	**-1,725**	**-325**	**-225**
Equity raised	1,505	-	-	3	-
- Div. (incl. buyback & taxes)	-10	-20	-20	-31	-41
+ Debt raised	268	589	1,400	750	-500
Others	-68	-191	-370	-66	-339
CF from fin. activity	**1,694**	**378**	**1,010**	**656**	**-880**
Closing bal. (incl. bank bal.)	108	10	212	1,265	1,544

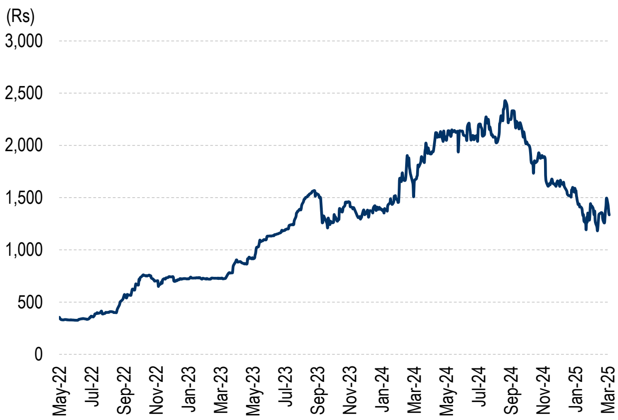
Source: Company, Anand Rathi Research

Fig 4 – Ratio analysis

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
EPS (Rs)	21.8	42.4	43.1	63.8	87.3
P/E (x)	58.5	30.1	29.6	20.0	14.6
P/BV (x)	8.0	6.4	5.3	4.0	3.2
EV / EBITDA (x)	38.3	18.6	17.2	12.2	9.6
RoE (%)	13.7	21.2	17.8	20.0	21.6
RoCE (%)	16.8	24.4	19.6	21.4	23.9
DPS (Rs)	1.0	1.0	1.0	1.5	2.0
Dividend payout (%)	4.6	2.4	2.3	2.4	2.3
Net debt / EBITDA (x)	0.9	0.9	1.6	1.0	0.5
Inventory (days)	109	101	101	101	101
Debtors (days)	46	79	79	79	79
Payable (days)	48	78	78	78	78
EBITDA margins (%)	12.5	18.2	17.8	18.3	18.8
Net profit margins (%)	8.0	10.7	9.4	10.3	11.7
EBITDA/tonne (blended)	52,646	66,170	62,789	68,157	70,954

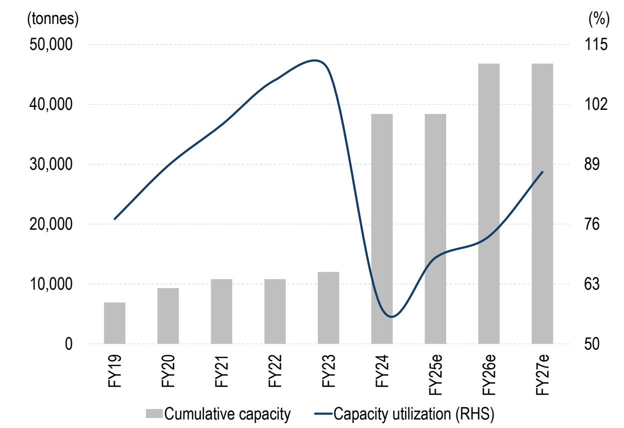
Source: Company, Anand Rathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 6 – Capacity utilization expected to improve



Source: Company, Anand Rathi Research

Enhanced capacity to drive performance

FY19-27: Cumulative capacity to grow 6.8x, at ~27% CAGR

Since CY22, the company has been relentlessly enhancing its cumulative installed capacity. Funds raised during its IPO in May'22 were utilized to increase its cumulative capacity by 3.5x to 38,400 tonnes in FY24 (from 10,800 tonnes in FY22). The company also utilized capex for strategic initiatives such as seamless pipes' backward integration. It successfully integrated a 14,400-tonne mother hollow pipe facility, thus achieving RM security and a competitive edge. Its successful backward integration and capacity ramp-up aided profitability, with the EBITDA margin improving ~570bps y/y to 18.2% in FY24.

The company has been focussed on enhancing its capacity and broadening its product portfolio. Earlier, maximum sizes offered were seamless-114.3mm and welded- 219.3mm. However, the company has expanded its horizons now and offers up to 219.3mm in seamless and 1,422.4mm in welded. By producing larger-diameter pipes, it not only increased its share of VAPs, but also enhanced its domestic/global presence, which translated to better EBITDA margins.

Fig 7 – Product portfolio expansion

Particulars	Previous		Current	
	Size (mm)	Capacity	Size (mm)	Capacity
Seamless	6 – 114.3	3,600 MTPA	**6 – 219.3**	**14,400 MTPA**
Welded	6 – 219.3	8,400 MTPA	**6 – 1,422.4**	**24,000 MTPA**
Mother Hollow (Backward Integration for Seamless Pipes)	NA	0	**NA**	**~14,400 MTPA**
			With some additional cost & modifications, the company can now produce Mother Hollow Pipes up to ~14,400 MT	

Source: Company

The company continued with its capacity enhancement momentum and is currently undertaking multiple capex projects in a phased manner. It has earmarked Rs1.8bn for setting up high-grade stainless steel/titanium-welded tubes (3,600 tonnes) by Mar'25, a fittings project by Sep and seamless pipes/tubes (4,800 tonnes) by Dec. It is also expected to set up a 4,800-tonne piercing line capacity - backward integration of seamless pipes; this would further aid profitability. Post capex completion, the company's cumulative installed capacity is expected at 46,800 tonnes.

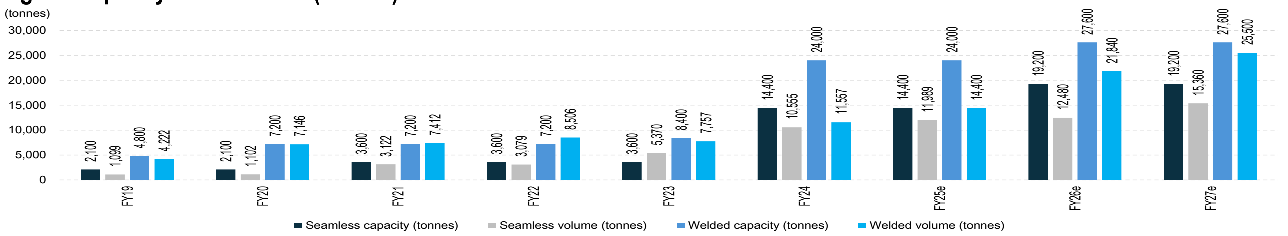
Among its offerings, seamless pipes/tubes have the highest ASP and EBITDA/tonne. Welded pipes/tubes command ASP of Rs270-280/kg and EBITDA of Rs33-36/kg; seamless pipes/tubes command ASP of Rs415-430/kg and Rs80-85/kg EBITDA. The upcoming titanium-welded facility would aid and is expected to command EBITDA of Rs52-56/kg. With the ongoing capex, the company's TAM is expected to expand, along with its foray into newer sectors. Titanium tubes find applications across chemical, power, nuclear sectors, etc. The product is used where hygiene or purity is important. Similarly, the fittings project is a natural progression of the company's existing offerings. Post the completion of existing capex, the company will cater to sectors like chemicals, engineering, fertilizers, power, pharmaceuticals, food processing, paper, oil and gas, aerospace, etc.

Fig 8 – Installed capacity (tonnes)

Capacity	FY19	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e	CAGRs
Seamless	2,100	2,100	3,600	3,600	3,600	14,400	14,400	19,200	19,200	31.9
Welded	4,800	7,200	7,200	7,200	8,400	24,000	24,000	27,600	27,600	24.4
Total	**6,900**	**9,300**	**10,800**	**10,800**	**12,000**	**38,400**	**38,400**	**46,800**	**46,800**	**27.0**
Backward integration						14,400	14,400	19,200	19,200	

Source: Company, Anand Rathi Research

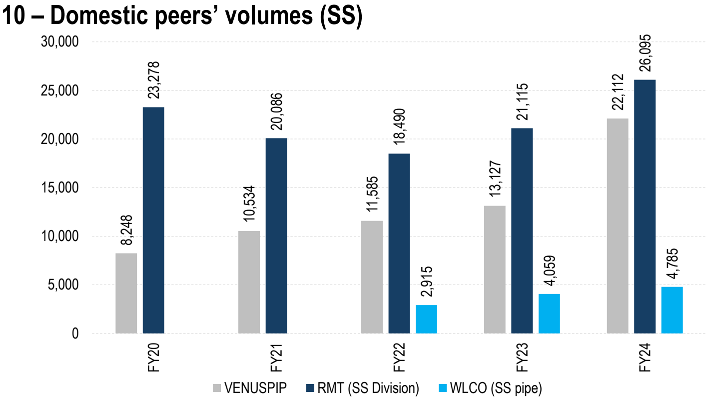
Fig 9 – Capacity and volumes (tonnes)



Source: Company, Anand Rathi Research

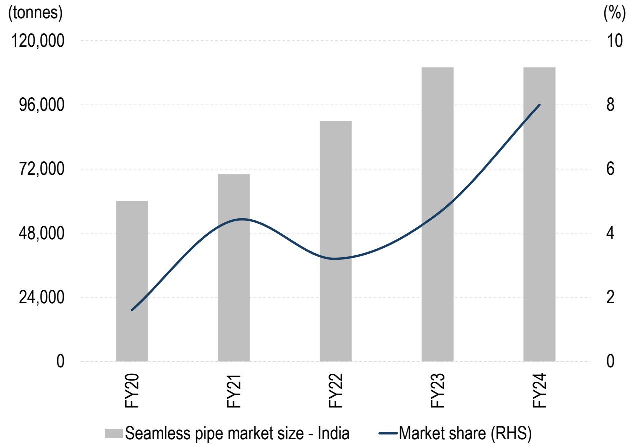
Over FY20-24, robust capacity expansion helped the company's volume momentum, which aided in outpacing domestic peers such as Ratnamani (RMT), Jindal Saw (JSAW), Welspun Group (WLCO), etc. The company clocked a 28% volume CAGR over FY20-24, compared to RMT's 3% volume CAGR. Venus efficiently utilized its expanded capacity by catering to strong domestic demand and enhancing its global presence. In FY24, the company utilized ~64% of its enhanced seamless capacity and 20% of its expanded welded capacity, which pushed its domestic market share to 6.2% in FY24 (from 3.6% in FY20).

Fig 10 – Domestic peers' volumes (SS)



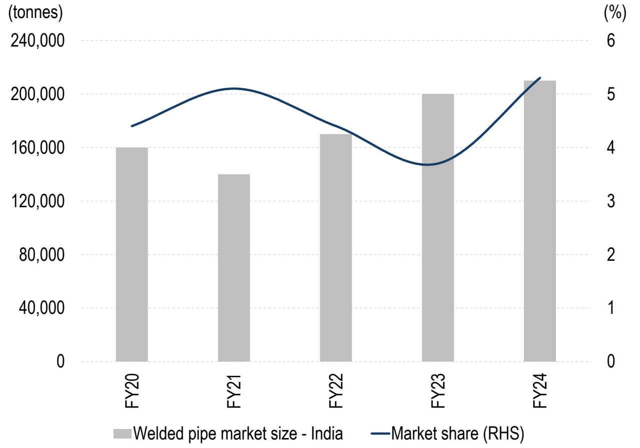
Source: Company, Anand Rathi Research

Fig 11 – Market share (seamless pipes/tubes)



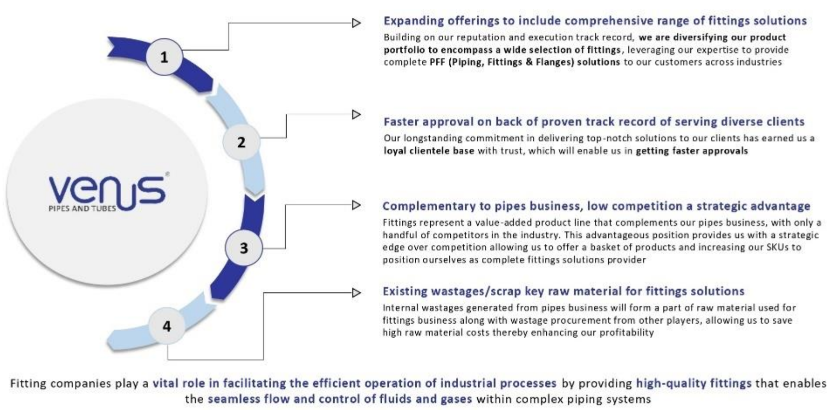
Source: Company, Anand Rathi Research

Fig 12 – Market share (welded pipes/tubes)



Source: Company, Anand Rathi Research

Fig 13 – Foraying into fittings solutions



Source: Company

The fitting solutions project offers four unique propositions: a) A wide product range: VAPs such as elbows, tees, reducers, joints, flanges, etc., designed to meet specific requirements of various applications/industries. b) Material: to ensure compatibility with the substances being transported; c) Customization: tailored fittings according to clients' requirements and d) Quality: adherence to strict standards to ensure reliability, durability and product safety.

Fig 14 – VAP – Welded tubes

Description	Details	Impact
Value Added Product Line	Introducing a **specialised product line of stainless and titanium welded tubes** aimed at enhancing our competitive edge and profitability	Capacity Expansion
Low Competition	These specialized tubes represent critical innovation in an industry where such products are **manufactured by only a select few players** **High precision engineering** which makes it difficult for other players to enter the market	Revenue Growth & Margin Improvement
High reliability in critical applications	These value-added tubes are crafted to meet the **demanding industrial requirements**, boasting exceptional **strength, precision, and resistance to corrosion**	Increased Market Dominance
Increased sector outreach	We will manufacture both – **Hygienic SS & Titanium grade of Tubes** allowing us to diversify into sectors requiring critical application such as **food processing, pharma** along with **nuclear and power sector** as well	Value Added Premium Products

Source: Company

ADD/CVD on imports

In Dec'22, to counter dumping of lower-priced products, the DGTR imposed ADD for five years on stainless steel (SS) seamless pipe/tube (HS code 7304) imports from China. Till Dec'27, duties ranged from $114 to $3,801 a tonne, depending on the supplier. The imported stainless steel seamless pipes/tubes were used by sectors such as oil and gas, petrochemicals, refineries, atomic energy, power generation, etc.

In Sep'24, the government extended the CVD on imports of welded SS pipes/tubes from China and Vietnam for an additional five years, to support the domestic industry. The duty, which was originally introduced in 2019, was 11.96-29.88% (% of CIF). Additionally, in Nov'24, the government imposed ADD on welded SS pipe/tube imports from Vietnam and Thailand. The duty (ranging from $246 to $307 per tonne) was imposed for five years.

In Feb'25, to enhance product quality and ensure consumer safety, the government imposed mandatory quality control orders (QCO) for SS seamless pipes/tubes (to be effective from Aug). The goal of QCO is to prevent the influx of inferior products. Failure to meet the standard would attract severe penalties.

Fig 15 – ADD/CVD and QCO

Particulars	ADD/CVD	Remarks
ADD on import of SS seamless pipes/tubes from China	$114-3,801 per tonne	Till Dec'27
CVD on import of welded SS pipes/tubes from China and Vietnam	11.96-29.88%	% of CIF value; for 5 years
ADD on welded SS pipe/tube imports from Vietnam and Thailand	$246-307 per tonne	For 5 years
QCO for SS seamless pipes/tubes	-	Effective Aug'25

Source: Company, Anand Rathi Research

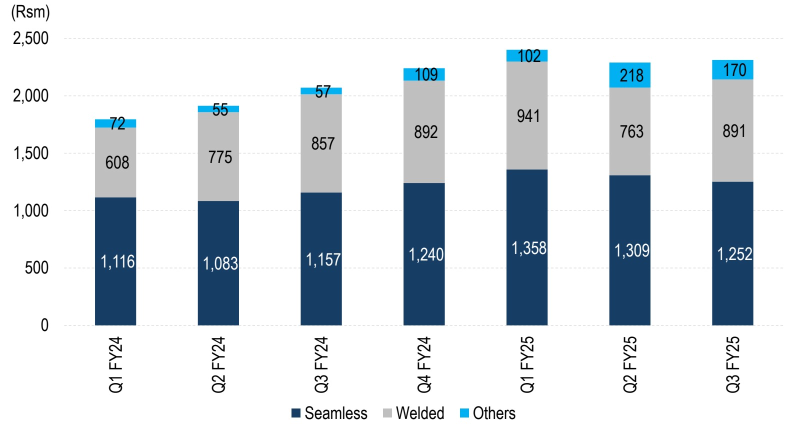
Q3 FY25 Results Highlights

Fig 16 – Quarterly trend

(Rs m)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	% Y/Y	% Q/Q
Revenue from seamless division	1,116	1,083	1,157	1,240	1,358	1,309	1,252	8.21	-4.35
Revenue from welded division	608	775	857	892	941	763	891	3.97	16.78
Others	72	55	57	109	102	218	170	198.25	-22.02
Total revenue	**1,796**	**1,914**	**2,071**	**2,241**	**2,401**	**2,289**	**2,313**	11.67	1.03
EBITDA	**276**	**347**	**390**	**450**	**479**	**410**	**371**	-4.95	-9.40
EBITDA margin (%)	*15.35*	*18.12*	*18.85*	*20.09*	*19.96*	*17.89*	*16.04*		
Other income	6	5	20	1	10	37	10		
Depreciation	14	29	37	38	43	46	48		
Finance cost	33	50	62	75	77	82	91		
PBT before EO	234	272	312	338	370	318	242		
EO	-	-	-	-	-	-	-		
PBT after EO	234	272	312	338	370	318	242		
Tax	60	70	79	88	94	81	62		
Reported PAT	174	203	233	250	276	237	180		
APAT	**174**	**203**	**233**	**250**	**276**	**237**	**180**	-22.78	-24.02
APAT margin (%)	*9.69*	*10.59*	*11.24*	*11.17*	*11.48*	*10.33*	*7.77*		

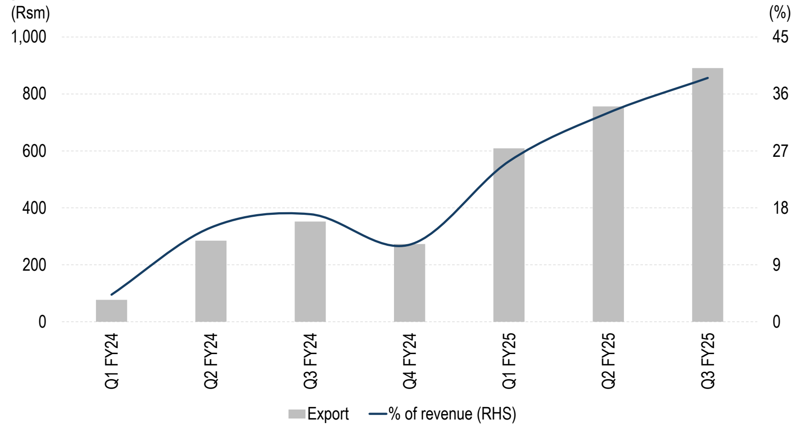
Source: Company, Anand Rathi Research

Fig 17 – Segmental revenue break-up (Rs m)



Source: Company, Anand Rathi Research

Fig 18 – Share of exports in total revenue

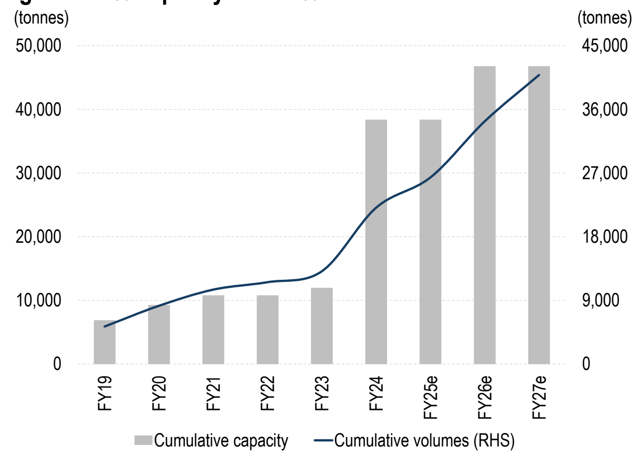


Source: Company, Anand Rathi Research

Financial performance

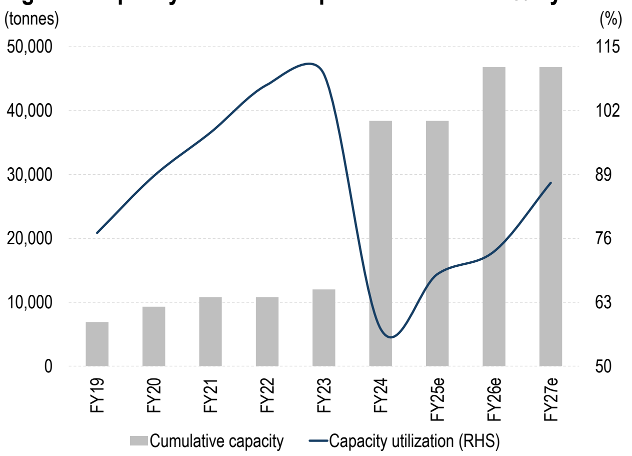
We expect 27%/29% capacity/volume CAGRs over FY19-27. Blended capacity utilization is expected to increase from 57.6% in FY24 to 87.3% in FY27, driven by the company's enhanced capacity, its foray into newer VAP segments, increase in its share of exports, etc.

Fig 19 – 27% capacity and 29% volume CAGRs over FY19-27



Source: Company, Anand Rathi Research

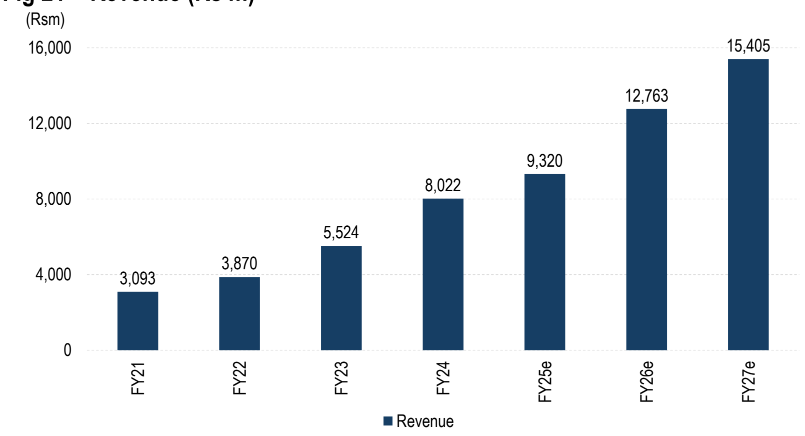
Fig 20 – Capacity utilization expected to cross 87% by FY27



Source: Company, Anand Rathi Research

Over FY24-27, revenue CAGR of 24% is expected. The enhanced capacity would drive revenue, which would reach Rs15,405m by FY27.

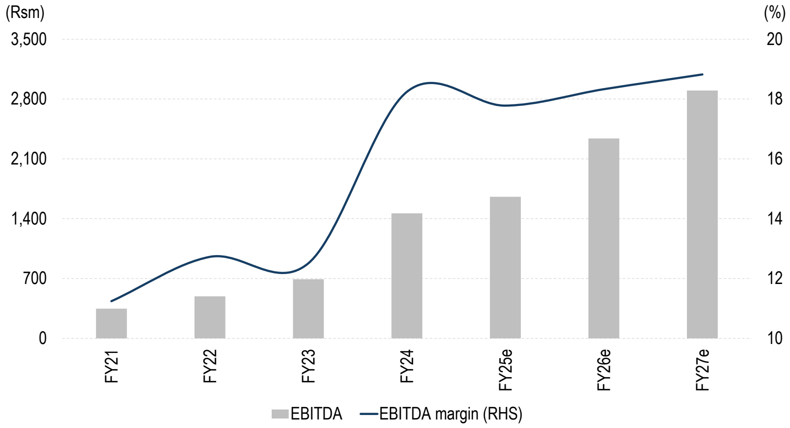
Fig 21 – Revenue (Rs m)



Source: Company, Anand Rathi Research

We expect EBITDA margin to improve to >18.5% by FY27, from 16-17% now. Despite multiple mother hollow and seamless pipe mills coming on stream over the last few years, we believe organized players would continue to gain market shares from unorganized ones. Once VAP and fittings segments are commissioned, margins would further improve. The company plans to strengthen its position as a comprehensive piping solutions provider for marquee sectors. Also, its focus on export geographies would garner better realizations and margins.

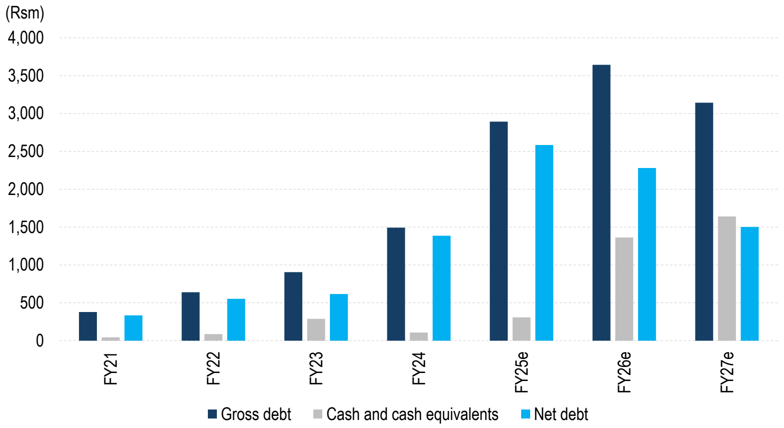
Fig 22 – EBITDA margin expected to surpass 18.5% by FY27



Source: Company, Anand Rathi Research

Working capital would remain a challenge due to long inventory holding period and the weak domestic market. Though working capital days have reduced over the last two years but are still higher vs. industry standard. Company usually contracts the orders and hence to avoid RM and other fluctuations, the inventory days remain elevated. The company's debt would likely improve after peaking at Rs3,643m in FY26. Until the current phase I and II capex are commissioned, debt would remain elevated.

Fig 23 – Gross debt and cash & cash equivalents (Rs m)



Source: Company, Anand Rathi Research

Valuation

Phase I and II capex, which are expected to enhance the share of VAPs, are progressing per timeline. Once commissioned, the cumulative capacity would grow 6.8x to 46,800 tonnes over FY19-27. Also, presence in VAPs and its robust global dealer network drove the company's exports ~36x since FY20; the company now exports to over 25 geographies across four continents.

Over the last few years, the company also enhanced RM integration by setting up a 14,400-tonne mother hollow pipe capacity, which helped improve EBITDA margins. To strengthen backward integration of seamless pipes, the company is also undertaking a 4,800-tonne piercing line capacity. The company's foray into VAPs, along with enhanced backward integration would boost margins ahead.

Further, ADD/CVD for five years on import of seamless and welded pipes/tubes from China, Vietnam and other geographies ensure a level-playing field for domestic manufacturers.

We expect 24%/26%/28% revenue/EBITDA/APAT CAGRs over FY24-27. We retain our Buy rating with a TP of Rs1,700 (weighted average method).

Fig 24 – TP calculation

Valuation method	Multiple	Eq. value	Weight (%)
EV/EBITDA	12	1,637	50
P/E	20	1,746	30
P/BV	3.5	1,412	5
M-Cap/Revenue	2.5	1,865	15
Weighted average TP		**1,700**	

Source: Anand Rathi Research *Rounded off to nearest 10s*

Risks

- Slowdown in domestic demand/exports.
- Delay in capex timeline.

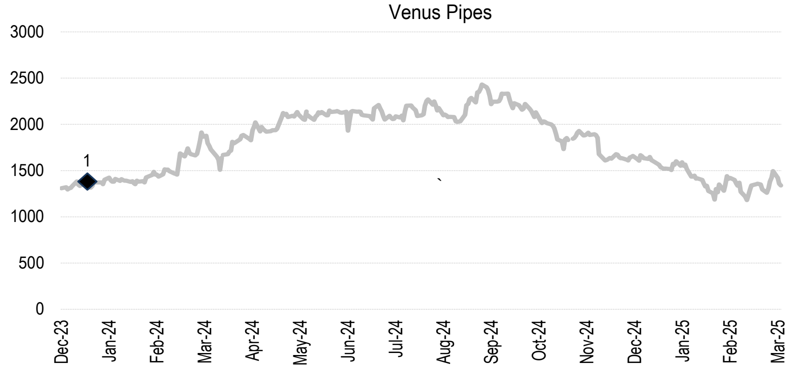
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 13 March 2025)



	Date	Rating	TP (Rs)	Share Price (Rs)
1	18-Dec-23	Buy	1,700	1,350

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Metropolitan Stock Exchange of India Ltd. (MSE), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers.No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, 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 or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative 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?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative 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	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers 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 person(s) 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.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. 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 a Major U.S. 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 U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: BancTrust Securities USA. Transactions in securities discussed in this research report should be affected through BancTrust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.

2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.

3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.

4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.

5. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Additional information on recommended securities/instruments is available on request.

Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 9th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.