

September 12, 2025

Management Meet Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

| | Current | | Previous | |
|---------------------|--------------|-------|--------------|-------|
| | FY26E | FY27E | FY26E | FY27E |
| Rating | HOLD | | HOLD | |
| Target Price | 1,064 | | 1,068 | |
| Sales (Rs.m) | 1,917 | 2,157 | 1,981 | 2,245 |
| % Chng. | (3.2) | (3.9) | | |
| EBITDA (Rs.m) | 357 | 425 | 370 | 450 |
| % Chng. | (3.7) | (5.6) | | |
| EPS (Rs.) | 51.0 | 64.0 | 54.6 | 69.7 |
| % Chng. | (6.7) | (8.2) | | |

Key Financials - Consolidated

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|-----------------|--------|-------|-------|-------|
| Sales (Rs. bn) | 1,688 | 1,917 | 2,157 | 2,370 |
| EBITDA (Rs. bn) | 229 | 357 | 425 | 455 |
| Margin (%) | 13.6 | 18.6 | 19.7 | 19.2 |
| PAT (Rs. bn) | 40 | 125 | 156 | 164 |
| EPS (Rs.) | 16.3 | 51.0 | 64.0 | 67.0 |
| Gr. (%) | (52.0) | 212.2 | 25.5 | 4.8 |
| DPS (Rs.) | 2.8 | 3.1 | 3.4 | 3.7 |
| Yield (%) | 0.3 | 0.3 | 0.3 | 0.3 |
| RoE (%) | 5.1 | 14.2 | 15.1 | 13.8 |
| RoCE (%) | 8.0 | 14.3 | 17.0 | 17.1 |
| EV/Sales (x) | 2.1 | 1.8 | 1.6 | 1.4 |
| EV/EBITDA (x) | 15.2 | 9.5 | 8.0 | 7.4 |
| PE (x) | 67.4 | 21.6 | 17.2 | 16.4 |
| P/BV (x) | 3.4 | 2.8 | 2.4 | 2.1 |

Key Data

JSTL.BO | JSTL IN

| | |
|---------------------|-------------------------|
| 52-W High / Low | Rs.1,116 / Rs.880 |
| Sensex / Nifty | 81,549 / 25,006 |
| Market Cap | Rs.2,690bn / \$ 30,416m |
| Shares Outstanding | 2,445m |
| 3M Avg. Daily Value | Rs.1827.16m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 45.31 |
| Foreign | 25.43 |
| Domestic Institution | 10.92 |
| Public & Others | 18.34 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|-----|-------|------|
| Absolute | 4.5 | 8.0 | 18.6 |
| Relative | 3.3 | (1.9) | 18.5 |

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Superior execution & VASP to drive growth

Quick Pointers:

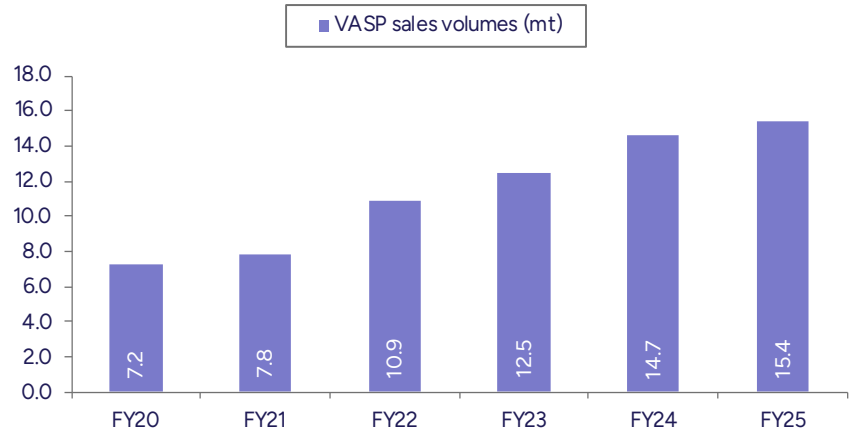
- JSTL's crude steel capacities and value-added special products (VASP) volumes grew at 14% and 16% CAGR respectively over FY20-25.
- The management reiterated FY26 guidance of cons sales volume at 29.2mtpa with expectation of demand uptick as monsoon recedes in the next 2 weeks.

We recently met the management of JSW Steel to gain insights into domestic steel demand and the company's initiatives to improve margins. Newly commissioned 5mtpa at JVML has been ramping up well over the last few months. Brownfield Phase III 5mtpa expansion at Dolvi is on track to be commissioned by Sep'27, while in the near term, BF#3 at Vijayanagar is expected to undergo planned 6-month shutdown to upgrade capacity by 1.5mtpa by end of FY26. With another 0.5mtpa debottlenecking, JSTL would reach 36.4mtpa by FY26E. We expect JSTL to continue to capture market share as domestic demand improves aided by GST rationalization. JSTL remains India's fastest growing steel producer with its superior execution capabilities. Over the last 5 years, its VASP volumes improved from 7.2mt to 15.4mt while its India crude steel capacity grew at 14% CAGR to 34.2mtpa – highest amongst peers.

Several countries have witnessed a boom in steel demand post reaching 100kg per capita consumption mark, and India is expected to follow suit in the next few years. We expect JSTL to be a prime beneficiary of this demand acceleration as it has outlined several capacity expansion avenues over FY25-31E, to reach 50mtpa mark. Although steel prices declined sharply post May'25, expected demand uptick post monsoon, safeguard extension and China's policies would improve situation. We cut FY26/27E EBITDA by ~4%/5% adjusting for near-term pricing weakness and introduce FY28 EBITDA estimates. We expect JSTL to deliver strong 26% EBITDA CAGR over FY25-28E on a low base. At CMP, the stock is trading at 8x/7.4x EV on FY27/28E EBITDA. We maintain 'HOLD' rating with revised TP of Rs1,064 (Rs1,068 earlier), valuing the company at 7.5x EV/Sep'27E EBITDA (rolling forward from Mar'27).

Focus on value-added products: JSTL has come a long way since its collaboration with JFE Corp in FY11 and over the last 15 years, it has improved its market share in the automotive sector to ~34% in FY25. With consistent addition of downstream capacities, JSTL is also capturing high-margin segments such as color-coated products, galvanized sheets, and LRPC, etc. where growth potential is also higher. Although its crude steel capacities are also growing at a fast pace, JSTL aims to maintain its share of VASP at over 50% of total sales volumes. It has already doubled VASP sales from 7.2mtpa in FY20 to 15.4mtpa in FY25 and intends to sustain this share going forward.

Exhibit 1: VASP sales volumes clock 16% CAGR over FY20-25



Source: Company, PL

Efficient growth strategy: JSTL incurs a capex of USD500-550/t to build new steel capacity, much below compared to peers. JSTL can postpone some of the ongoing capex in the event of lower profitability as most of the capex is expected to be funded by internal accruals. As per our estimates, net debt to EBITDA is expected to improve substantially if stable steel pricing continues for the next 3 years. Learning from past mistakes, JSTL has also refrained from aggressive participation in recent iron ore mine auctions, where premiums have exceeded much beyond 100% and would significantly increase overall cost of production. Therefore, JSTL has opted for a more calculated approach in its bidding strategy.

Exhibit 2: Approved capex for next 3 years (Rs bn)

| | |
|---|--------------|
| Earlier approved capex for crude steel capacities | 478.0 |
| Dolvi sinter & CPP | 31.5 |
| Mining & cost saving projects | 42.1 |
| Value-added product facilities | 27.0 |
| Sustenance capex | 40.1 |
| Total | 618.6 |

Source: Company, PL

Aiming to become India's first CRGO steel producer: JSW JFE Electrical Steel will produce India's first cold-rolled grain-oriented (CRGO) electrical steel at the recently acquired Thyssenkrupp Electrical Steel India plant in Nashik. JSTL plans to scale up the production capacity from 0.05mtpa to 0.25mtpa. This is going to be a significant value addition over other VASP. JSTL, in collaboration with JFE, has also committed capex for another 100ktpa CRGO capacity at Odisha with capex of Rs70bn in the first phase. Over the next few years, it will be expanded to 350ktpa in the second phase, at capex of ~Rs150bn.

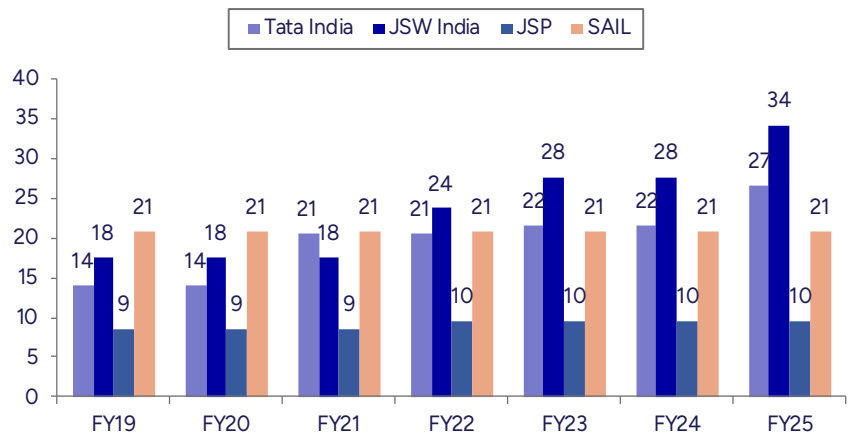
Rising raw material security aiding predictability: JSTL has 12 captive iron ore mines operational, which were purchased via auctions: 9 in Karnataka (~11mtpa) and 3 in Odisha (~15mtpa). Following mines are likely to be operationalized over the next few quarters: 3 in Karnataka (4.5mtpa), 3 in Goa, 1 in Odisha, and 2 exploration blocks each in Maharashtra and Andhra Pradesh.

JSTL has secured total 1.6bt of R&R of iron ore, mainly in Karnataka 0.28bt; Odisha, 0.9bt; and Maharashtra, Andhra Pradesh and Goa, 0.43bt. Recent JV with Andhra Pradesh Mineral Development Corporation for linkage and setting up of iron ore beneficiation plant, is expected to yield ~1.3mpa of high-grade ore. These iron ore mines are expected to provide long-term security, consistent grades to enhance BF productivity, and optimize the logistics cost over time.

On the coking coal front, JSTL secured 3 mines in Jharkhand with R&R of 380mt and ~5mt of long-term linkage from Coal India, which are expected to commence over the next 2-3 years and yield ~3.5mtpa clean coking coal. JSTL acquired 20% effective interest in high-grade mines in Illawarra, Australia with total reserves of 97mtpa, ~6.4mtpa average production in the last 5 years, and 20% offtake arrangement.

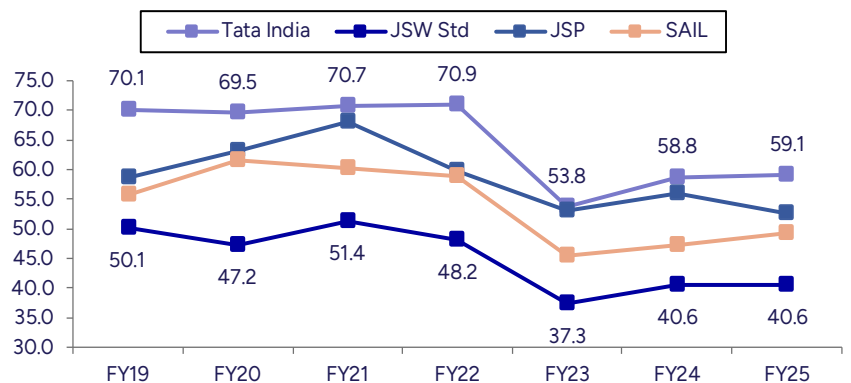
JSTL is in the process to acquire Minas de Revuboe hard coking coal pre-development stage mine project in Mozambique. It has ~800mt reserves, with potential to yield ~280mt of clean coking coal, though operations are expected to commence only after 3-5 years.

Exhibit 3: JSTL – Fastest growing Indian steel producer at 12% CAGR in FY19-25



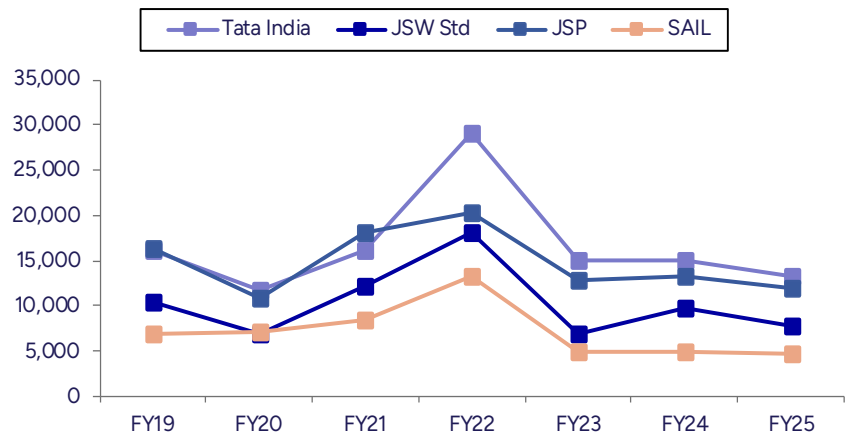
Source: Company, PL

Exhibit 4: JSTL has lowest gross margins among peers (%)



Source: Company, PL

Exhibit 5: Trend in EBITDA/t over FY19-25 (Rs)



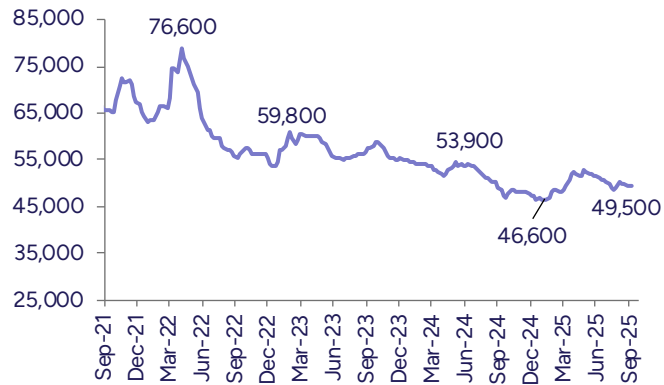
Source: Company, PL

Exhibit 6: Target price calculation

| Parameters | Basis Sep'27E |
|-----------------------------|---------------|
| EBITDA (Rs mn) | 4,40,267 |
| Target EBITDA multiple (x) | 7.5 |
| Target EV (Rs mn) | 33,02,005 |
| Net Debt (Rs mn) | 7,00,977 |
| Residual Market Cap (Rs mn) | 26,01,028 |
| Target price (Rs) | 1,064 |

Source: PL

Exhibit 7: Benchmark HRC, ex-Mumbai (Rs/t)



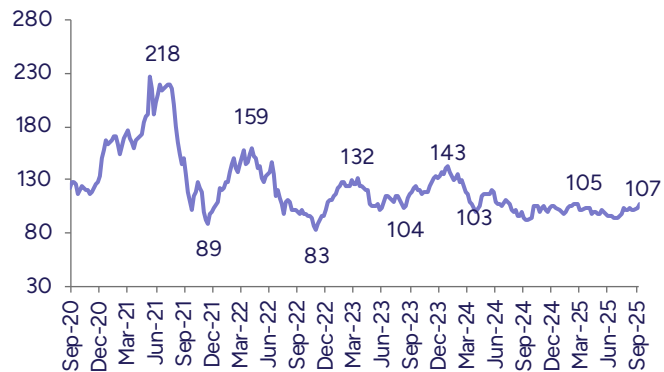
Source: Industry, PL

Exhibit 8: Coking coal FOB Australia (USD/t)



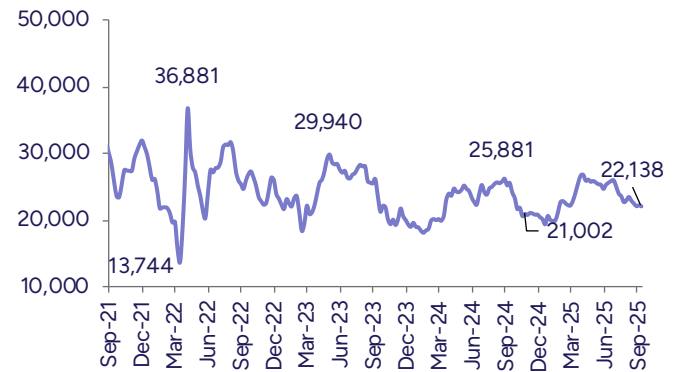
Source: Industry, PL

Exhibit 9: Iron ore fines, CNF Rizhao, China (USD/t)



Source: Industry, PL

Exhibit 10: Spot spreads India came off on lower prices (Rs/t)



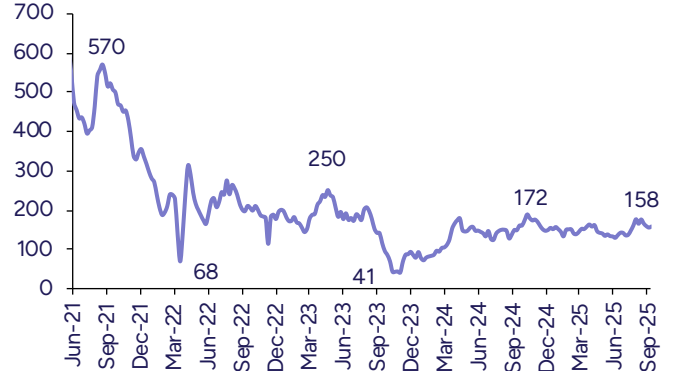
Source: Industry, PL

Exhibit 11: HRC FOB Rizhao, China (USD/t)



Source: Industry, PL

Exhibit 12: Chinese spreads have improved (USD/t)



Source: Industry, PL

Financials

Income Statement (Rs bn)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|--------------|--------------|--------------|--------------|
| Net Revenues | 1,688 | 1,917 | 2,157 | 2,370 |
| YoY gr. (%) | (3.5) | 13.5 | 12.5 | 9.9 |
| Cost of Goods Sold | 900 | 1,039 | 1,158 | 1,296 |
| Gross Profit | 788 | 878 | 999 | 1,073 |
| Margin (%) | 46.7 | 45.8 | 46.3 | 45.3 |
| Employee Cost | 48 | 54 | 58 | 61 |
| Other Expenses | 511 | 467 | 516 | 557 |
| EBITDA | 229 | 357 | 425 | 455 |
| YoY gr. (%) | (18.9) | 55.7 | 19.3 | 7.1 |
| Margin (%) | 13.6 | 18.6 | 19.7 | 19.2 |
| Depreciation and Amortization | 93 | 98 | 109 | 121 |
| EBIT | 136 | 258 | 316 | 334 |
| Margin (%) | 8.1 | 13.5 | 14.6 | 14.1 |
| Net Interest | 84 | 85 | 107 | 119 |
| Other Income | 7 | 7 | 10 | 11 |
| Profit Before Tax | 54 | 226 | 218 | 227 |
| Margin (%) | 3.2 | 11.8 | 10.1 | 9.6 |
| Total Tax | 16 | 54 | 61 | 62 |
| Effective tax rate (%) | 29.4 | 23.7 | 27.8 | 27.3 |
| Profit after tax | 38 | 172 | 158 | 165 |
| Minority interest | 0 | 1 | 1 | 1 |
| Share Profit from Associate | (3) | (2) | (1) | 0 |
| Adjusted PAT | 40 | 125 | 156 | 164 |
| YoY gr. (%) | (51.4) | 212.2 | 25.5 | 4.8 |
| Margin (%) | 2.4 | 6.5 | 7.3 | 6.9 |
| Extra Ord. Income / (Exp) | (5) | 45 | - | - |
| Reported PAT | 35 | 170 | 156 | 164 |
| YoY gr. (%) | (60.2) | 385.6 | (8.1) | 4.8 |
| Margin (%) | 2.1 | 8.9 | 7.3 | 6.9 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 35 | 170 | 156 | 164 |
| Equity Shares O/s (bn) | 2 | 2 | 2 | 2 |
| EPS (Rs) | 16.3 | 51.0 | 64.0 | 67.0 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Non-Current Assets | | | | |
| Gross Block | 1,738 | 1,938 | 2,148 | 2,368 |
| Tangibles | 1,738 | 1,938 | 2,148 | 2,368 |
| Intangibles | - | - | - | - |
| Acc: Dep / Amortization | 499 | 598 | 707 | 828 |
| Tangibles | 499 | 598 | 707 | 828 |
| Intangibles | - | - | - | - |
| Net fixed assets | 1,238 | 1,340 | 1,440 | 1,539 |
| Tangibles | 1,238 | 1,340 | 1,440 | 1,539 |
| Intangibles | - | - | - | - |
| Capital Work In Progress | 227 | 227 | 227 | 227 |
| Goodwill | 6 | 6 | 6 | 6 |
| Non-Current Investments | 163 | 163 | 163 | 163 |
| Net Deferred tax assets | (84) | (84) | (84) | (84) |
| Other Non-Current Assets | 36 | 36 | 36 | 36 |
| Current Assets | | | | |
| Investments | 58 | 58 | 58 | 58 |
| Inventories | 350 | 388 | 453 | 497 |
| Trade receivables | 84 | 83 | 100 | 109 |
| Cash & Bank Balance | 133 | 114 | 19 | 57 |
| Other Current Assets | 70 | 67 | 74 | 80 |
| Total Assets | 2,394 | 2,510 | 2,605 | 2,802 |
| Equity | | | | |
| Equity Share Capital | 3 | 3 | 3 | 3 |
| Other Equity | 792 | 955 | 1,104 | 1,260 |
| Total Networth | 795 | 958 | 1,107 | 1,263 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 974 | 874 | 774 | 774 |
| Provisions | 14 | 14 | 14 | 14 |
| Other non current liabilities | 0 | 0 | 0 | 0 |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade payables | 326 | 378 | 423 | 464 |
| Other current liabilities | 137 | 137 | 137 | 137 |
| Total Equity & Liabilities | 2,394 | 2,510 | 2,605 | 2,802 |

Source: Company Data, PL Research


Cash Flow (Rs bn)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|--|--------------|--------------|--------------|--------------|
| PBT | 51 | 226 | 218 | 227 |
| Add. Depreciation | 93 | 98 | 109 | 121 |
| Add. Interest | 81 | 85 | 107 | 119 |
| Less Financial Other Income | 7 | 7 | 10 | 11 |
| Add. Other | 10 | (7) | (10) | (11) |
| Op. profit before WC changes | 236 | 402 | 425 | 455 |
| Net Changes-WC | (7) | 18 | (43) | (19) |
| Direct tax | (20) | (54) | (61) | (62) |
| Net cash from Op. activities | 209 | 366 | 321 | 374 |
| Capital expenditures | (145) | (202) | (211) | (220) |
| Interest / Dividend Income | 7 | 7 | 10 | 11 |
| Others | (31) | - | - | - |
| Net Cash from Invst. activities | (170) | (194) | (201) | (209) |
| Issue of share cap. / premium | 0 | - | - | - |
| Debt changes | 104 | (100) | (100) | - |
| Dividend paid | (18) | (7) | (8) | (8) |
| Interest paid | (88) | (85) | (107) | (119) |
| Others | - | - | - | - |
| Net cash from Fin. activities | (3) | (192) | (215) | (127) |
| Net change in cash | 36 | (20) | (95) | 38 |
| Free Cash Flow | 82 | 166 | 111 | 154 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|----------------------------|-------|-------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 16.3 | 51.0 | 64.0 | 67.0 |
| CEPS | 54.4 | 91.2 | 108.7 | 116.5 |
| BVPS | 325.1 | 391.9 | 452.7 | 516.4 |
| FCF | 33.6 | 68.0 | 45.5 | 63.1 |
| DPS | 2.8 | 3.1 | 3.4 | 3.7 |
| Return Ratio(%) | | | | |
| RoCE | 8.0 | 14.3 | 17.0 | 17.1 |
| ROIC | 6.4 | 12.1 | 12.8 | 13.2 |
| RoE | 5.1 | 14.2 | 15.1 | 13.8 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 1.0 | 0.7 | 0.6 | 0.5 |
| Net Working Capital (Days) | 23 | 18 | 22 | 22 |
| Valuation(x) | | | | |
| PER | 67.4 | 21.6 | 17.2 | 16.4 |
| P/B | 3.4 | 2.8 | 2.4 | 2.1 |
| P/CEPS | 20.2 | 12.1 | 10.1 | 9.4 |
| EV/EBITDA | 15.2 | 9.5 | 8.0 | 7.4 |
| EV/Sales | 2.1 | 1.8 | 1.6 | 1.4 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.3 | 0.3 |

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

| Y/e Mar | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 |
|-----------------------------------|------------|------------|------------|-------------|
| Net Revenue | 397 | 414 | 448 | 431 |
| YoY gr. (%) | (11.0) | (1.3) | (3.1) | 0.5 |
| Raw Material Expenses | 211 | 225 | 239 | 211 |
| Gross Profit | 186 | 189 | 209 | 220 |
| Margin (%) | 46.8 | 45.6 | 46.7 | 51.0 |
| EBITDA | 54 | 56 | 64 | 79 |
| YoY gr. (%) | (31.1) | (22.3) | 4.1 | 43.7 |
| Margin (%) | 13.7 | 13.5 | 14.2 | 18.4 |
| Depreciation / Depletion | 23 | 23 | 25 | 25 |
| EBIT | 32 | 32 | 39 | 54 |
| Margin (%) | 8.0 | 7.8 | 8.7 | 12.5 |
| Net Interest | 21 | 21 | 21 | 22 |
| Other Income | 2 | 1 | 2 | 4 |
| Profit before Tax | 17 | 20 | 28 | 43 |
| Margin (%) | 4.3 | 4.9 | 6.3 | 9.9 |
| Total Tax | 4 | 5 | 2 | 9 |
| Effective tax rate (%) | 22.3 | 22.9 | 8.1 | 20.1 |
| Profit after Tax | 13 | 15 | 26 | 34 |
| Minority interest | - | - | - | - |
| Share Profit from Associates | (1) | - | (2) | (1) |
| Adjusted PAT | 9 | 10 | 14 | 27 |
| YoY gr. (%) | (69.3) | (64.1) | (15.9) | 152.8 |
| Margin (%) | 2.2 | 2.4 | 3.1 | 6.3 |
| Extra Ord. Income / (Exp) | 4 | 6 | 10 | 6 |
| Reported PAT | 13 | 16 | 24 | 33 |
| YoY gr. (%) | (67.2) | (56.8) | 6.7 | 88.4 |
| Margin (%) | 3.3 | 3.8 | 5.3 | 7.6 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 13 | 16 | 24 | 33 |
| Avg. Shares O/s (bn) | 2 | 2 | 2 | 2 |
| EPS (Rs) | 3.6 | 4.0 | 5.7 | 11.1 |

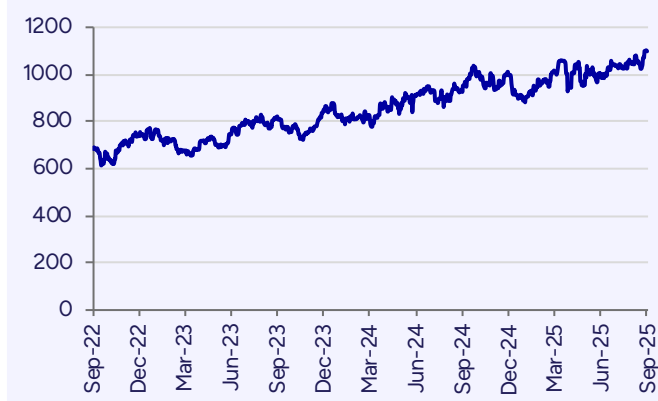
Source: Company Data, PL Research

Key Operating Metrics

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|-----------------------------|--------|--------|--------|--------|
| Crude Steel Production (mt) | 25.5 | 29.2 | 32.1 | 35.2 |
| India Sales Volume (mt) | 25.7 | 28.2 | 31.1 | 34.1 |
| Realisation / tonne (Rs) | 57,312 | 58,282 | 59,848 | 60,608 |
| EBITDA / tonne (Rs) | 7,234 | 11,250 | 12,097 | 11,803 |

Source: Company Data, PL Research

Price Chart



Recommendation History

| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1 | 20-Jul-25 | Hold | 1,068 | 1,034 |
| 2 | 08-Jul-25 | Hold | 1,068 | 1,043 |
| 3 | 24-May-25 | Accumulate | 1,068 | 1,009 |
| 4 | 05-May-25 | Accumulate | 1,150 | 973 |
| 5 | 23-Apr-25 | Accumulate | 1,150 | 1,044 |
| 6 | 08-Apr-25 | Accumulate | 1,009 | 930 |
| 7 | 27-Jan-25 | Hold | 919 | 932 |
| 8 | 09-Jan-25 | Hold | 872 | 891 |
| 9 | 26-Oct-24 | Accumulate | 1,014 | 944 |
| 10 | 07-Oct-24 | Accumulate | 1,106 | 1,034 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|---------------------------|------------|---------|------------------|
| 1 | ACC | BUY | 2,543 | 1,890 |
| 2 | Adani Port & SEZ | BUY | 1,777 | 1,358 |
| 3 | Ambuja Cement | BUY | 685 | 593 |
| 4 | Dalmia Bharat | Accumulate | 2,395 | 2,270 |
| 5 | Hindalco Industries | Accumulate | 762 | 667 |
| 6 | Jindal Stainless | Hold | 678 | 683 |
| 7 | Jindal Steel | Accumulate | 1,060 | 996 |
| 8 | JSW Infrastructure | Accumulate | 344 | 322 |
| 9 | JSW Steel | Hold | 1,068 | 1,034 |
| 10 | National Aluminium Co. | BUY | 228 | 187 |
| 11 | NMDC | Accumulate | 80 | 73 |
| 12 | Nuvoco Vistas Corporation | Accumulate | 422 | 390 |
| 13 | Shree Cement | Hold | 30,001 | 30,205 |
| 14 | Steel Authority of India | Hold | 133 | 126 |
| 15 | Tata Steel | Accumulate | 177 | 158 |
| 16 | Ultratech Cement | Accumulate | 13,634 | 12,561 |

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level II 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.

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, Mr. Satyam Kesarwani- BFM, Passed CFA Level II 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