

Initiating Coverage JTL Industries Ltd.

January 11, 2024





Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Iron & Steel Products	Rs. 256.7	Buy in the band of Rs. 252.85-260.55 and add more on dips in Rs. 228.7-235.7 band	Rs. 278.75	Rs. 300.5	2-3 quarters

HDFC Scrip Code	JTLINDEQNR
BSE Code	534600
NSE Code	JTLIND
Bloomberg	JTLIND:IN
CMP Jan , 2024	256.7
Equity Capital (Rs cr)	34
Face Value (Rs)	2
Equity Share O/S (cr)	17.1
Market Cap (Rs cr)	4,392
Book Value (Rs)	28
Avg. 52 Wk Volumes	68683
52 Week High (Rs)	261
52 Week Low (Rs)	142

Share holding Pattern % (Dec, 2023)	
Promoters	56
Institutions	2.45
Non Institutions	41.55
Total	100.0



HDFCsec Retail research
stock rating meter

for details about the ratings, refer at the end of the report

* Refer at the end for explanation on Risk Ratings

Fundamental Research Analyst

Shrinivas Sarda

shrinivas.sarda@hdfcsec.com

Our Take:

JTL Industries Limited (JTL), erstwhile known as JTL Infra Limited, was initially incorporated as Jagan Tube Limited in July 1991 and later its name was changed to JTL Infra Limited in April 2008. JTL has been operating in the structural steel tubes and pipes business for the last 30 years. The company is now engaged in the manufacturing and export of black and galvanised electric resistance welded (ERW) steel pipes and tubes which are value-added products (VAP) having higher premiums compared to the commercial ERW pipes. The Company has four state-of-the-art manufacturing facilities located at strategic locations across India, including two plants located in Punjab (Derabassi & Mandi Gobindgarh), one in Maharashtra (Mangaon) with aggregate installed capacity of 586,000 MTPA and one recently added in Chhattisgarh (Raipur) through the amalgamation with its promoter-held Chetan industries which has been effective from March 31, 2023. The company's capacities can practically be run at a maximum of 70-75% due to batch processing and different specifications of tubes and pipes.

The company has given a robust performance and achieved highest ever sales of volume of 1,00,905 MT in Q3FY24. The company is currently going through the massive capex expansion which will increase company's production capacity to 1 million or 10 lakh PA, for the same company has already raised the required funds via issues of convertible warrants. Also during Q3FY23, the company has announced another mega capex of through its wholly owned subsidiary JTL Tubes Limited in Maharashtra. To finance this mega project, the company is set to raise Rs. 1310 Crores through various routes.

Valuation & Recommendation:

On-going growth is expected to continue in FY24 and onwards, driven by capacity expansion, strong demand from the company's product, improvement in production quality and expected traction in exports. The operating margin is expected to remain in the range of ~7-9% in FY24E and FY25E, on the back of healthy capacity utilization and operational efficiencies. The margin is in line with expectation of EBITDA/Tonne likely to sustain in the current range for time-being. Beyond FY25E, once the DFT plant is commissioned this number is likely to increase as the Value added product in the sales mix will increase.

Also, a series of capacity expansion due over the next few years will result in organic volume growth. The sectors to which JTL caters are growing base on Government push and capex demands. Encouraging Q3FY24 numbers and completion of proposed preferential allotment could bring in fresh triggers for its stock price.



We believe investors can buy the stock in in Rs 252.85- 260.55 band (23.5x FY25E EPS, 16.7x FY25E EV/EBITDA) and add on dips to Rs 228.70-235.70 band (21.25x FY25E EPS, 15.1x FY25E EV/EBITDA) for base case target of Rs 278.75 (25.51x FY25E EPS, 18.2x FY25E EV/EBITDA) and bull case target of Rs 300.5 (27.5x FY25E EPS, 19.6x FY25E EV/EBITDA) for the next 2-3 quarters.

Financial Summary:

Particulars (Rs cr)	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	FY21	FY22	FY23	FY24E	FY25E
Operating Income	502	366	37.2	505	-0.5	436	1,355	1,550	2,133	3,168
EBITDA	37	31	20.4	36	5.3	33	89	128	162	263
APAT	28	22	28.7	25	10.1	20	61	90	117	187
Diluted EPS (Rs)	1.6	1.3	28.7	1.5	10.1	1.2	3.6	5.3	6.8	10.9
RoE-%						42.0	41.5	29.8	23.4	23.1
P/E (x)						215.8	71.9	48.7	37.6	23.5
EV/EBITDA						134.6	50.1	34.3	27.0	16.7

(Source: Company, HDFC sec)

Q2FY24 Result Review:

Revenue from operations for the quarter stood at Rs 502 crore, up by ~37.2% YoY, due to higher sales volumes. Volume for the quarter stood at 81,686 MT vs 52,101 tonnes in Q2FY23, up ~ 56.78%. EBITDA during the quarter stood at Rs 37.4 Cr, up 20.4% YoY and EBITDA margin during the quarter at ~7.5%, down 104 bps YoY. EBITDA per tonne excluding other income for Q2 stood at Rs. 4580 vs Rs.4593 in Q1FY24 and Rs. 5963.41 in Q2FY23. Fall in sales price was greater than decrease in raw material prices resulting in fall in OPM and EBITDA per ton; however higher volumes compensated to some extent this fall. Profit after tax during the quarter stood at Rs 27.9 cr, up % 28.7YoY.

Key Developments & Triggers:

Quarterly Business Sales Volume Update:

The company has recorded its highest ever quarterly sales volume of 1,00,905 MT in Q3FY24, exhibiting a rigorous and robust growth of 76.05% over Q3FY23 driven by healthy demand for its structural steel tubes and pipes finding application in infrastructure and industrial sectors in both domestic and international markets.

The volumes in value-added products recorded decent growth of 35.39% YoY at 19,789 MT for Q3FY24 vs. volume of 14,616 MT recorded during Q3FY23. Due to scheduled maintenance during the Q3FY24 of Galvanization pot, the Galvanization facility was slightly impacted. This reduced overall operating capacity and in turn impacted the overall volumes for the said segment. The Company, however, has swiftly addressed the maintenance requirements, and the company aims to recover the lost volumes in upcoming quarters.

In terms of 9MFY24 performance, the Company continues to scale significant milestone and has recorded highest ever 9M sales volume reaching 2,59,933 MT, surpassing entire FY23 sales volume of 2,40,316 MT and demonstrating a robust growth of 62.32% compared to



9MFY23. JTL witnessed a remarkable increase in sales of value-added products, with a substantial 46.79% growth, rising from 54,837 MT in 9MFY23 to 80,497 MT in 9MFY24.

Merger with Chetan Industries Limited

Pursuant to the completion of merger of Chetan Industries Limited (promoter owned entity), with the Company on March 31, 2023, the Company owns the unit of said Company at Raipur (Chhattisgarh), which has a capacity of 1,00,000 MTPA. The merger has provided JTL with a manufacturing capacity of 1,00,000 MTPA, out of which 50% is dedicated towards producing value-added products. The strategic location of the acquired plant has offered an advantage of backward integration to JTL ensuing cost synergies, and greater proximity to raw materials facilitating JTL to procure raw materials at competitive prices.

Pan India Geographical Presence

JTL Industries has a pan-India presence and has a diverse geographic footprint, providing services to domestic and international markets. JTL gets locational advantage from its strategically located state of art manufacturing plants at different regions of the country i.e. in northern region it has plants at Derabassi and Mandi in Punjab, in western region it has a plant at Mangaon in Maharashtra and to cover the central and eastern regions it has plant at Raipur in Chhattisgarh. The strategic positioning enables the Company to efficiently source raw materials and effectively reach customers across different regions.

Sales Distribution and Dealers Network

The company currently exports its products to 5 continents in over 20 countries and has a strong domestic distribution network of 800+ distributors spread all across pan- India in such a way that they are majorly covering all the dealers present in India right now. Out of 1,000 or 1,100 dealers currently present in India right now the company has already tapped 80% dealers with them and the orders are being repeated by dealers well. So, the company is growing the dealers network as well and the to cater the additional capacity generated by them.

Capacity expansion plan

JTL is planning to expand its capacity from the current 0.6 MTPA to 1 MTPA by FY25 (at a total cost of Rs.340 cr) and it will be enhancing its VAP share from the current 31% in FY23 to 50% by FY25. JTL will add an additional 0.2MT capacity each at Mangaon and Raipur by the end of FY25 which will take its total capacity to 1MT by FY25. The company is trying to get incentives for the Raipur facility, but no conclusive announcement made yet. Out of the incremental 0.4MT capacity in the next two years, ~50% of the capacity will be equipped with DFT (Direct Forming Technology) which will facilitate the company to produce various sizes of hollow sections without roll change, increasing



efficiency and capacity utilization. This will also add additional SKUs. In the long term, JTL plans to add another 1MT capacity post FY25 which will bring its total capacity to 2MT by FY28.

In Q3FY24, JTL has announced that through its wholly owned subsidiary JTL Tubes Limited, that it is planning to the establish a mega capacity augmentation project in Maharashtra. This mega project will facilitate the expansion and diversification of company's product portfolio. Through this capex, JTL aims to incorporate additional production lines, enhance its capability to manufacture galvanized, pre galvanized, colour coated products, and strengthen its competitiveness through both forward and backward integration, and become a leading provider of one stop solutions for all structural steel requirements.

To finance this mega project, JTL is set to raise Rs. 1310 Crores through various routes, including but not limited to Qualified Institutional Placement (QIP). As explained by the management in press release, within the total fundraise, the promoter and promoter group will be contributing Rs. 540 crores, while the public, non-promoter group will be contributing Rs. 270 cr. The remaining Rs. 500 cr will be garnered through the QIP route.

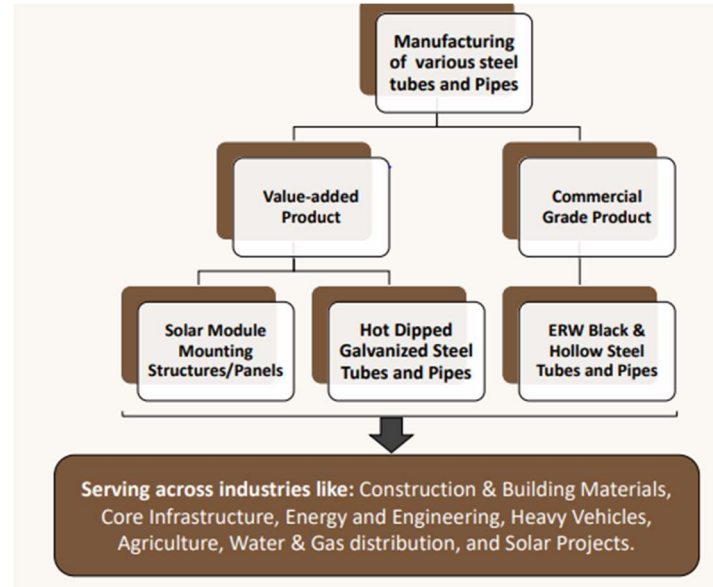
It had earlier raised Rs.340 crores through fully convertible warrants to fund its expansion to reach 750 ktpa by FY24 end and 1 mtpa by FY25. Management is targeting 30% YoY sales volume growth in FY24 and product mix improvement, to eventually reach 50% contribution from higher-margin Value Added Products (VAPs) by FY25. With most of its aggressive expansions being funded through internal accruals and the issuance of convertible warrants, leverage levels would remain low, translating to good financial prudence.

Export Composition

The company has its global presence into over 20 nations on 5 continents and the export mix of the company comprises of value-added products (VAP) and commercial-grade products. VAP accounts for approximately 90% of the Company's export sales volume, contributing significantly to its high revenue and margins. In FY23, JTL's export revenue share was 13%, while its export volume share was 8%. Looking ahead, JTL aims to increase its exports to 15% of its total sales volume by FY25.

Diversified Business segments

The company's ERW Balck and Hollow steel tubes and pipes, solar module and hot dipped galvanized steel tubes and pipes have diverse application making them less cyclical products. These products are used across agriculture, water distribution, Solar projects, Energy and Engineering, Heavy Vehicles, construction of building & building material and other core infrastructure applications.



Attractive financial ratios

The company has a strong EBITDA margin (operating profit margin) of 8% and PAT margins of 6% as compared to its peers having 7% and 4% respectively. As of end of FY23 the return of equity and the return on capital employed of the company is 30% and 34.4% respectively. Also, the company has been continuously maintaining the D/E ratio of below 1x and as of September 2023 the D/E ratio was at 0.12x vs. 0.36x of its peers.

Peer comparison:

Particulars(TTM)	Sales	OPM	PAT Margins	D/E	EPS	P/E	P/BV	EV/EBITDA
JTL Industries	1,821	8%	6%	0.12	6.47	39.7	9.15	27.4
APL Aollo Tubes Ltd	17,933	7%	4%	0.36	27.68	56.7	13.2	33.9

(Source: Company, HDFC Sec)

Creeping acquisition by promoters:

Promoters have raised their stake in the company in the December quarter from 55.78% to 56% by creeping acquisition from the market.

Key Risks & Concerns:



Volatility in prices of raw materials

The company's ~90% of total expenses is RM cost and the major RM for it is steel HR coils. The Company procures HR coils and processes them to produce ERW pipes. As a result, the Company's working capital requirement is dependent on steel HRC prices. Volatility in the HRC prices could lead to inventory restocking/destocking cycles leading to inventory loss/gains for JTL. To mitigate the risk, the Company is increasing its dealer network and striving to minimise the inventory days in future.

Delay in capacity expansion

With the ambition to achieve a higher export target of 15% of revenue amid steady demand prospects domestically, any delay in completion of the expansion projects or lower-than-expected utilisation of the expanded projects could lead to lower revenue and profitability impacting JTL's stock price.

Unorganized Secondary Player

Currently, ~55% of the ERW pipes manufacturers comprises unorganised secondary players, thereby exerting competitive pressure on organised players and leading to lower EBITDA margins for ERW manufacturers. However, with the formalisation of the economy, unorganized players are likely to face compliance requirements related to GST and other regulations. This may likely to reduce the share of unorganised players.

Less bargaining power with customers

JTL is in semi-engineering industry which supplies material to further engineering industries for further processes and is a relatively smaller company supplying various steel products to the various big engineering companies in the market. It has limited negotiating/ bargaining power with the large customers. It is a generally a price taker and also the company's realization heavily depends on the steel prices which are very volatile.

Company Background:

JTL Industries Limited (JTL), erstwhile known as JTL Infra Limited, was initially incorporated as Jagan Tube Limited in July 1991 and later its name was changed to JTL Infra Limited in April 2008. JTL specialises in the production of ERW black pipe and has expanded its offering by including valueadded products such as hot dipped galvanised steel tubes and pipes, solar module mounting structures, and large diameter steel tubes & pipes. These products are used across agriculture, water distribution, solar projects, energy and engineering, heavy vehicles, construction & building material and other core infrastructure applications.



JTL Industries Ltd.

The Company operates from four state-of-the-art manufacturing facilities located at strategic locations across India, including two plants located in Punjab (Derabassi & Mandi Gobindgarh), one in Maharashtra (Mangaon) and one recently added in Chhattisgarh (Raipur) through the amalgamation with its promoter-held Chetan industries. The company is currently going under a capacity expansion which will turn company's capacity to 1 MTPA. The major client base of company involves Tata power, AVAADA, Sterling & Wilson, Thyssenkrupp group and company also serves various other big players such as IGL, NTPC, ABB, BHEL, HPCL, Suzlon, Siemens, etc. via its distribution channel



Financials:

Income Statement

Particulars (Rs cr)	FY21	FY22	FY23	FY24E	FY25E
Net Revenues	436	1355	1550	2133	3168
Growth (%)		211.0	14.4	37.6	48.5
Operating Expenses	403	1266	1422	1971	2905
EBITDA	33	89	128	162	263
Growth (%)		170.3	43.5	26.4	62.2
EBITDA Margin (%)	7.6	6.6	8.3	7.6	8.3
Depreciation	2	3	4	6	15
Other Income	5	4	5	7	9
EBIT	36	90	129	163	257
Interest expenses	9	8	6	6	6
PBT	27	82	123	158	251
Tax	7	21	32	41	64
PAT	20	61	90	117	187
Share of Asso./Minority Int./JV	0	0	0	0	0
Adj. PAT	20	61	90	117	187
Growth (%)		200.1	47.6	29.8	59.8
EPS	1.2	3.6	5.3	6.8	10.9

Balance Sheet

Particulars (Rs cr)- As at March	FY21	FY22	FY23	FY24E	FY25E
SOURCE OF FUNDS					
Share Capital	11	13	17	34	34
Reserves	86	184	390	558	995
Shareholders' Funds	97	198	407	592	1029
Minority Interest	0	0	0	0	0
Total Debt	63	91	55	57	57
Net Deferred Taxes	2	2	4	6	6
Other Non-curr. Liab.	0	0	0	0	0
Total Sources of Funds	162	291	466	655	1092
APPLICATION OF FUNDS					
Net Block & Goodwill	28	49	65	93	239
CWIP	0	3	4	40	150
Investments	0	12	16	20	20
Other Non-Curr. Assets	1	17	4	26	41
Total Non Current Assets	30	81	90	179	450
Inventories	53	119	168	205	304
Debtors	95	110	141	175	260
Cash & Equivalents	4	2	53	61	48
Other Current Assets	27	27	111	160	208
Total Current Assets	180	258	473	601	820
Creditors	34	26	29	29	43
Other Current Liab & Provisions	14	22	69	96	135
Total Current Liabilities	47	48	97	125	178
Net Current Assets	132	210	376	476	642
Total Application of Funds	162	291	466	655	1092

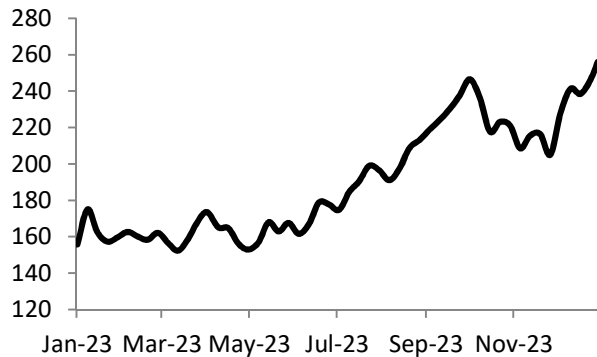
(Source: Company, HDFC Sec)



Cash Flow Statement

Particulars (Rs cr)	FY21	FY22	FY23	FY24E	FY25E
Reported PBT	27	82	123	158	251
Non-operating & EO items	-1	0	0	-21	-16
Interest Expenses	8	7	6	6	6
Depreciation	2	3	4	6	15
Working Capital Change	-37	-49	-102	-92	-180
Tax Paid	-3	-26	-26	-41	-64
OPERATING CASH FLOW (a)	-5	17	5	16	12
Capex	-6	-22	-19	-70	-270
Free Cash Flow	-11	-5	-14	-54	-258
Investments	0	-16	-4	-4	0
Non-operating income	-1	3	2	0	0
INVESTING CASH FLOW (b)	-8	-34	-21	-74	-270
Debt Issuance / (Repaid)	5	14	-41	2	0
Interest Expenses	-8	-8	-6	-6	-6
FCFE	-16	-10	-63	-62	-264
Share Capital Issuance	0	0	23	70	250
Dividend	0	-2	0	0	0
Others	16	12	90	0	0
FINANCING CASH FLOW (c)	-4	5	-25	66	244
NET CASH FLOW (a+b+c)	-16	-13	-41	8	-14

One Year Price Chart



Key Ratios

Particulars	FY21	FY22	FY23	FY24E	FY25E
Profitability Ratios (%)					
EBITDA Margin	7.6	6.6	8.3	7.6	8.3
EBIT Margin	8.3	6.6	8.3	7.7	8.1
APAT Margin	4.7	4.5	5.8	5.5	5.9
RoE	42.0	41.5	29.8	23.4	23.1
RoCE	45.1	40.2	34.4	29.4	29.6
Solvency Ratio (x)					
Net Debt/EBITDA	1.8	1.0	0.0	0.0	0.0
Net D/E	0.6	0.5	0.0	0.0	0.0
PER SHARE DATA (Rs)					
EPS	1.2	3.6	5.3	6.8	10.9
CEPS	1.3	3.8	5.5	7.2	11.8
BV	5.7	11.6	23.8	34.6	60.2
Dividend	0.1	0.0	0.1	0.0	0.0
Turnover Ratios (days)					
Debtor days	80	28	30	27	25
Inventory days	44	23	34	32	29
Creditors days	28	8	6	5	4
VALUATION					
P/E	215.8	71.9	48.7	37.6	23.5
P/BV	45.3	22.2	10.8	7.4	4.3
EV/EBITDA	134.6	50.1	34.3	27.0	16.7
EV / Revenues	10.2	3.3	2.8	2.1	1.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
Dividend Payout (%)	10.4	0.0	1.9	0.0	0.0

(Source: Company, HDFC Sec)



HDFC Sec Retail Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclical of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Disclosure:

I, **Shrinivas Sarda (ACA)**, author and the name 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. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. 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.

Research Analyst or his relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock – **No**

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

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

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from t date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.