

**BUY**

TP: Rs 1,500 | ▲ 18%

**ASTRAL**

| Building Materials

| 12 August 2025

## Dismal quarter on all fronts; positive outlook

- Reported weak performance for its core pipe business as well as the non-pipe segments in Q1
- Maintain the guidance of growing pipe volume at a double-digit rate with EBITDA margin of 16-18% in FY26
- Maintain BUY on healthy earnings growth prospects; TP cut by 12% to Rs 1,500 per share

**Utkarsh Nopany**

research@bobcaps.in

**Dismal Q1:** ASTRA Q1FY26 result came well below our estimates (Revenue: -7%; EBITDA: -17%; APAT: -31%) due to lower-than-expected pipe sales volume (0.5% YoY vs +5.0% estimated) as well as the weak performance of non-pipe segments (Resinova/SEAL IT/Paints). Overall, ASTRA consolidated revenue/EBITDA/APAT de-grew by 1.6%/13.8%/31.5% YoY in Q1FY26.

**Highlights:** ASTRA reported relatively flat volume (+0.5% YoY), due to tepid demand conditions. Pipe EBITDA margin was down 187bps YoY to 15.3% in Q1FY26 due to the impact of MTM inventory loss (Rs 250mn). Resinova EBITDA was down 3.7% YoY in Q1 as the impact of higher revenue (+9.2%) was more than offset by margin contraction (-188bps YoY to 14.0%). The company has posted weak performance for its overseas adhesives and paints business for the past 10 consecutive quarters.

**Outlook:** ASTRA has delivered a strong pipe volume growth of 30% YoY and domestic adhesive revenue growth of 30% YoY in Jul'25. Management expects demand conditions to improve from Sep'25 onwards in anticipation of pick-up in construction activity post the festive period. ASTRA has maintained its guidance of growing the pipe volume at a double-digit rate with EBITDA margin of 16-18% in FY26. Resinova revenue is targeted to grow at 15-16% rate with EBITDA margin of 14-16% in FY26. Management expects the performance of SEAL IT and paints business to turnaround in the coming quarters. Capex guidance has been revised up to Rs 3.0-3.5bn (vs Rs 2.5-3.0bn earlier) for FY26. The proposed CPVC resin facility is expected to become operational by Q2FY27 onwards.

**Maintain BUY; TP cut by 12% to Rs 1,500:** We maintain our BUY rating on the stock due to healthy earnings growth prospects (EPS to grow at 17.6% CAGR over FY25-FY28E. We have cut our TP to Rs 1,500 per share (Rs 1,700 earlier) due to downward revision of our EPS estimates (-18.7%/-14.9% for FY26E/FY27E) based on weak Q1 result. At CMP, the stock trades at 1Y forward P/E of 55.1x vs 5Y average of 82.0x. Our target P/E multiple remains unchanged at 55x on Jun'27 estimate (Mar'27 earlier).

## Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ASTRA IN/Rs 1,269
Market cap	US\$ 3.9bn
Free float	46%
3M ADV	US\$ 15.1mn
52wk high/low	Rs 2,038/Rs 1,232
Promoter/FPI/DII	54%/20%/15%

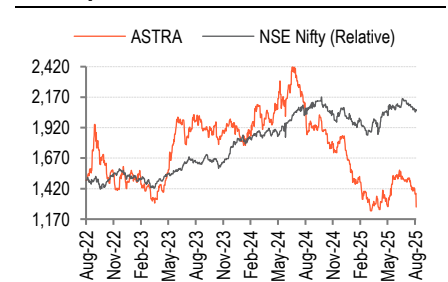
Source: NSE | Price as of 12 Aug 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	58,324	63,276	75,198
EBITDA (Rs mn)	9,459	10,274	12,517
Adj. net profit (Rs mn)	5,238	5,532	7,075
Adj. EPS (Rs)	19.5	20.6	26.3
Consensus EPS (Rs)	19.5	25.4	31.4
Adj. ROAE (%)	15.0	14.2	16.0
Adj. P/E (x)	65.2	61.7	48.3
EV/EBITDA (x)	36.7	33.7	27.7
Adj. EPS growth (%)	(4.9)	5.6	27.9

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly performance - Consolidated**

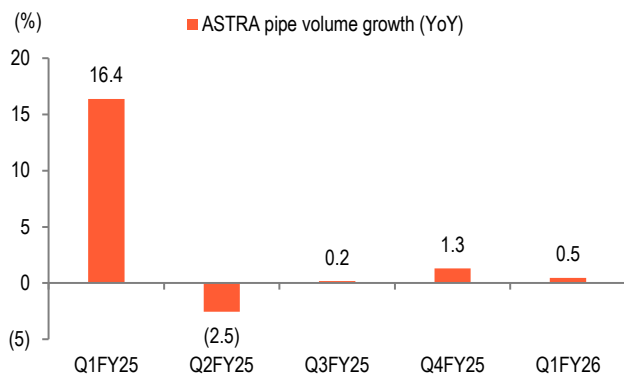
Particulars (Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	BOBCAPS Q1FY26E	Variance (%)
Total operating income	13,612	13,836	(1.6)	16,814	(19.0)	14,674	(7.2)
Raw-Material expense	8,251	8,226	0.3	10,188	(19.0)		
Gross Profit	5,361	5,610	(4.4)	6,626	(19.1)		
Employee expense	1,419	1,267	12.0	1,331	6.6		
Other expense	2,093	2,199	(4.8)	2,276	(8.0)		
EBITDA	1,849	2,144	(13.8)	3,019	(38.8)	2,219	(16.7)
D&A	719	556	29.3	648	11.0		
EBIT	1,130	1,588	(28.8)	2,371	(52.3)		
Interest cost	79	77	2.6	81	(2.5)		
Interest income & others	47	120	(60.8)	74	(36.5)		
PBT	1,098	1,631	(32.7)	2,364	(53.6)		
Tax	306	436	(29.8)	583	(47.5)		
Reported PAT	792	1,195	(33.7)	1,781	(55.5)		
Adjusted PAT	824	1,203	(31.5)	1,804	(54.3)	1,190	(30.8)
<b>As % of net revenues</b>			<b>(bps)</b>		<b>(bps)</b>		
Gross margin	39.4	40.5	(116)	39.4	(2)		
Employee cost	10.4	9.2	127	7.9	251		
Other cost	15.4	15.9	(52)	13.5	184		
EBITDA margin	13.6	15.5	(191)	18.0	(437)		
Tax rate	27.9	26.7	114	24.7	321		
APAT margin	6.1	8.7	(265)	10.7	(468)		
<b>Pipe Segment</b>			<b>YoY (%)</b>		<b>QoQ (%)</b>		
Sales Volume (kt)	56.1	55.8	0.5	67.7	(17.2)		
Realization (Rs/kg)	164.2	176.9	(7.2)	176.1	(6.8)		
EBITDA (Rs/kg)	25.2	31.0	(18.7)	35.3	(28.7)		
<b>Paints &amp; Adhesives</b>			<b>YoY (%)</b>		<b>QoQ (%)</b>		
Revenue (Rs mn)	4073	3704	10.0	4548	(10.4)		
EBITDA (Rs mn)	437	446	(2.0)	627	(30.3)		
EBITDA margin (%)	10.7	12.0	(131.2)	13.8	-306		

Source: Company, BOBCAPS Research

## Earnings Call Highlights

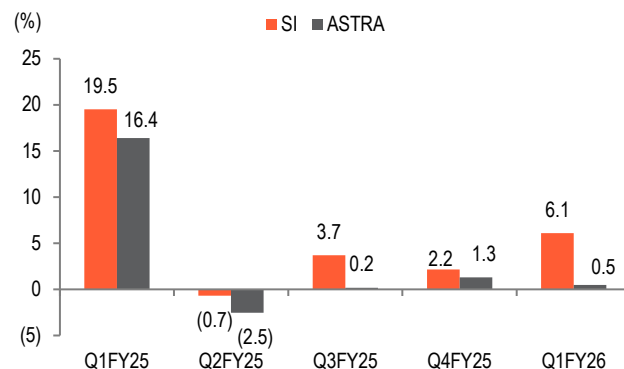
- **Pipe demand scenario:** Pipe demand was weak in Q1FY26 due to weak real estate sector, low government spending and early monsoon. However, management expects demand conditions to improve from Sep'25 onwards due to stable resin prices environment and pick-up in construction activity post the festive period.
- **Pipes segment:** Volume was relatively flat (+0.5% YoY) in Q1FY26 on tepid demand conditions. Pipe segment's EBITDA margin contracted by 187bps YoY to 15.3% in Q1FY26 due to the impact of MTM inventory loss (Rs 250 mn) on account of weak resin prices. Pipe realisation was down 6.8% QoQ. However, the company has clocked healthy volume growth of 30% YoY in Jul'25 due to stable PVC resin prices. Going ahead, the company maintains guidance of growing the pipe volume at a double-digit rate with EBITDA margin of 16-18% in FY26.
- **Resinova:** Revenue grew at a moderate pace of 9.2% YoY in Q1FY26. Division EBITDA margin contracted by 188bps YoY to 14.0% in Q1FY26. The division's revenue grew at a healthy 30% YoY in Jul'25. Going ahead, the company targets the division revenue to grow at 15-16% YoY with EBITDA margin of 14-16% in FY26.
- **SEAL IT:** Revenue grew at a slow pace of 7.1% in Q1FY26 over a weak base (-5% YoY in Q1FY25). Division EBITDA margin (excluding forex) stood at 5.4% in Q1FY26 (vs 2.5% in Q1FY25). The company has appointed an experienced person to lead its overseas adhesives business. Management expects the business performance to turnaround in the coming quarters. Management expects margin to be maintained at 8-10% level over medium-term.
- **Paints:** Revenue grew by 20.7% YoY in Q1FY26 due to new launches in certain pockets of India. However, division margin contracted sharply to 1.4% in Q1FY26 (vs 10% in Q1FY25) on account of high selling & distribution costs related to penetration into new markets. Management targets the division revenue to grow at 20% YoY in FY26.
- **Bathware:** Revenue grew by 27.4% YoY in Q1FY26 due to a low base. Division's order book is growing, and the company expects to maintain similar growth rate for FY26.
- **Acquisition:** The company has acquired 100% stake in Al-Aziz Plastics Private Ltd w.e.f Apr 1, 2025, for a consideration of Rs 0.33bn to foray into new pipe applications (water, gas, electricity, solar). Additionally, the company has acquired 80% stake in Nexelon Chem Private Ltd for a consideration of Rs 1.2bn to establish CPVC resin manufacturing plant (40,000 MTPA) to backward integrate its CPVC pipe operations. Management believes the backward integration into CPVC resin manufacturing would help grow its market share and improve margin profile of CPVC pipe business in future. CPVC resin plant is expected to become operational by Q2FY27.
- **Capex:** The company has revised up its capex guidance to Rs 3.0-3.5bn (vs Rs 2.5-3.0 bn earlier) for FY26, mainly for Kanpur greenfield pipe complex (expected to start in Q3FY26) and maintenance capex. Plans to add incremental pipe capacity of 25,000 MTPA in the remaining 9MFY26.

**Fig 2 – ASTRA pipe volume was relatively flat (0.5% YoY) in Q1FY26 on tepid demand conditions**



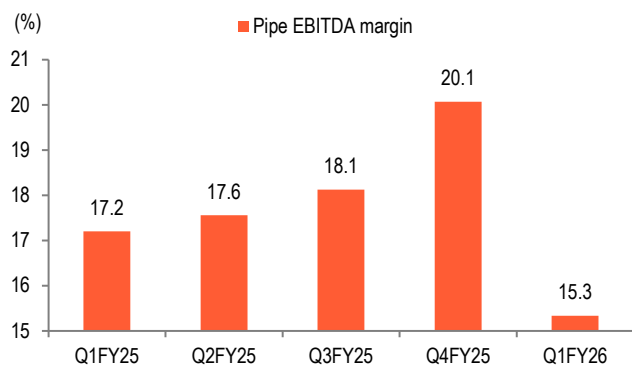
Source: Company, BOBCAPS Research

**Fig 3 – ASTRA pipe YoY volume growth lagged its major peer SI for the 14<sup>th</sup> consecutive quarter**



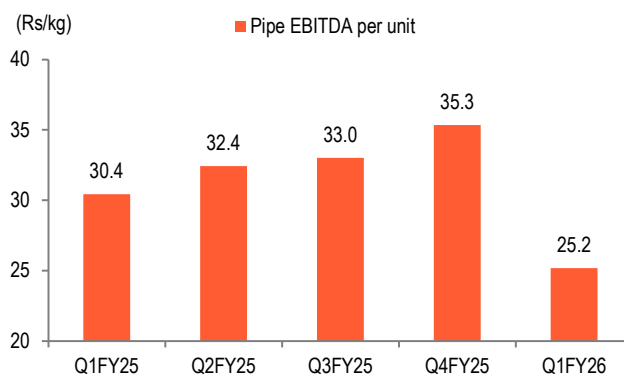
Source: Company, BOBCAPS Research

**Fig 4 – Pipe EBITDA margin was down 187bps YoY to 15.3% in Q1FY26 on MTM inventory loss (Rs 250mn)**



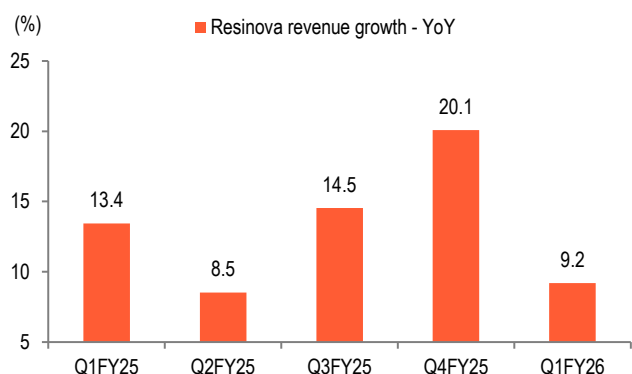
Source: Company, BOBCAPS Research

**Fig 5 – ASTRA pipe EBITDA per unit was down sharply in Q1FY26 on weak resin prices**



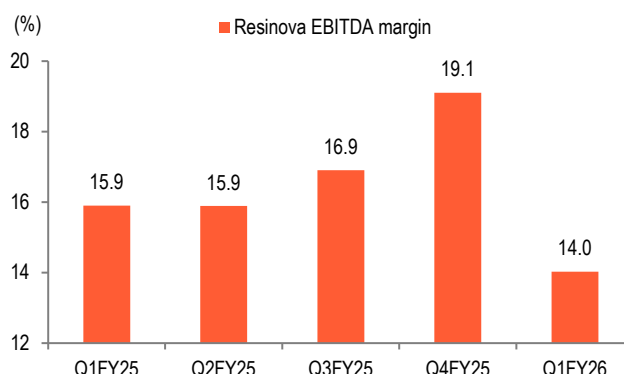
Source: Company, BOBCAPS Research

**Fig 6 – Resinova revenue grew at a moderate pace of 9.2% YoY in Q1FY26**



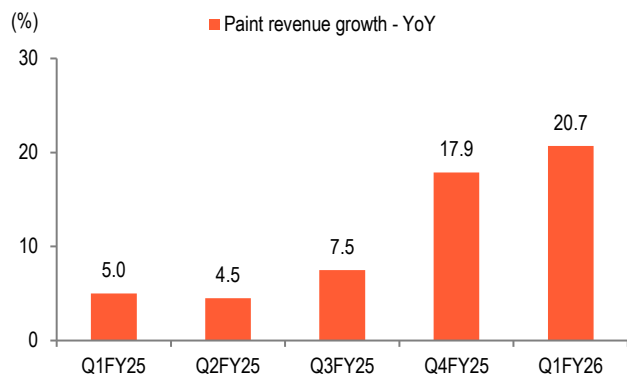
Source: Company, BOBCAPS Research

**Fig 7 – .. Resinova EBITDA margin was down 188bps YoY to 14.0% in Q1FY26**



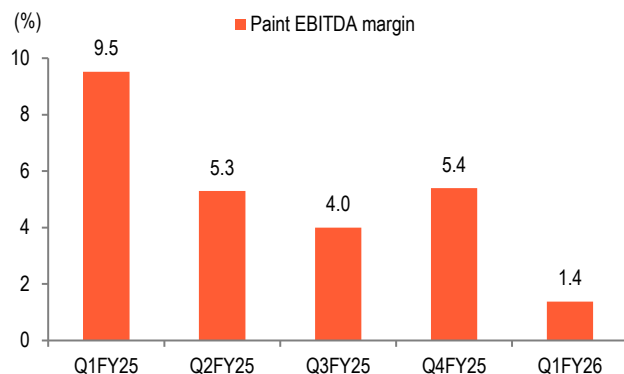
Source: Company, BOBCAPS Research

**Fig 8 – Paints revenue was up 20.7% YoY in Q1FY26 on a low base, but it was down 8.3% over Q1FY23**



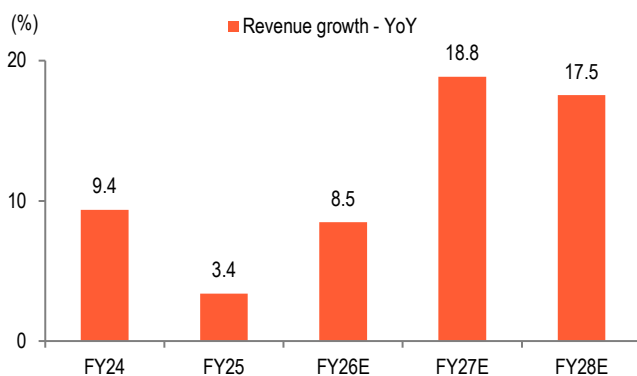
Source: Company, BOBCAPS Research

**Fig 9 – Paints EBITDA margin fell sharply in Q1FY26 due to high employee and branding costs**



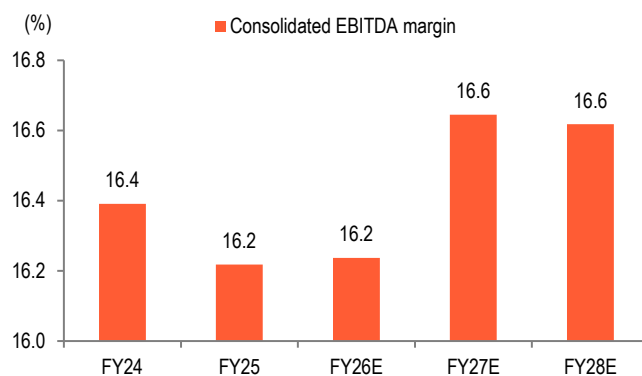
Source: Company, BOBCAPS Research

**Fig 10 – ASTRA's revenue is projected to grow at 14.9% CAGR over FY25-FY28E**



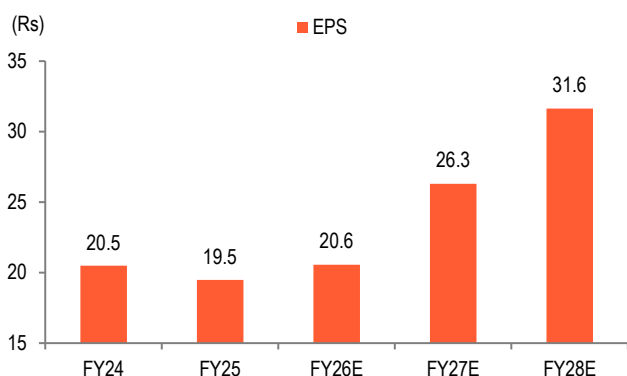
Source: Company, BOBCAPS Research

**Fig 11 – Consolidated EBITDA margin is projected to be stable around 16.0-16.5% over FY26E-FY28E**



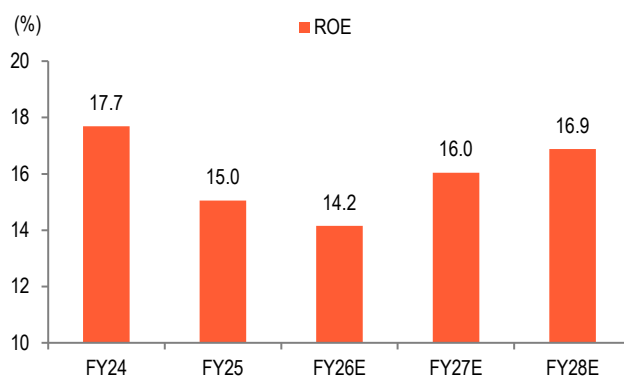
Source: Company, BOBCAPS Research

**Fig 12 – EPS projected to grow at 17.6% CAGR over FY25-FY28E**



Source: Company, BOBCAPS Research

**Fig 13 – ROE is projected to improve from 15.0% in FY25 to 16.9% in FY28E**



Source: Company, BOBCAPS Research

## Valuation Methodology

We maintain our BUY rating on the stock due to healthy earnings growth prospects (EPS to grow at 17.6% CAGR over FY25-FY28E. We have cut our TP to Rs 1,500 per share (Rs 1,700 earlier) due to downward revision of our EPS estimates (-18.7%/-14.9% for FY26E/FY27E) based on weak Q1 result.

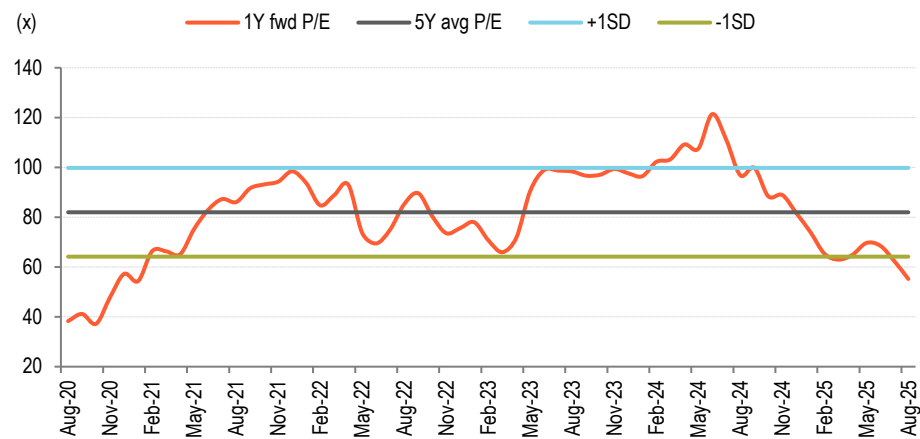
ASTRA's stock valuation has got de-rated over the past few quarters, due to (a) inferior pipe volume growth vs SI for the past 14th consecutive quarter (b) weak performance of overseas adhesives and paints business for the 10th straight quarter (c) moderation in ROE profile (from 22.6% in FY22 to 15.0% in FY25). At CMP, the stock trades at 1Y forward P/E of 55.1x vs 5Y average of 82.0x. Our target P/E multiple remains unchanged at 55x on Jun'27 estimate (Mar'27 earlier).

**Fig 14 – Revised estimates**

Particulars Consolidated (Rs bn)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	63.3	75.2	67.6	79.6	(6.3)	(5.6)
EBITDA	10.3	12.5	11.7	13.9	(12.2)	(9.6)
EBITDA margin	16.2	16.6	17.3	17.4	(108bps)	(75bps)
Adjusted PAT	5.5	7.1	6.8	8.3	(18.7)	(14.9)
EPS (Rs)	20.6	26.3	25.3	30.9	(18.7)	(14.9)

Source: BOBCAPS Research

**Fig 15 – Trading at 55.1x on 1YF P/E vs 5Y average of 82.0x**



Source: Bloomberg, BOBCAPS Research

**Fig 16 – Key assumptions**

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Revenue-Mix</b>					
Pipe	73	70	68	69	70
Adhesives	23	25	26	24	23
Paints	3	3	4	4	3
Bathware	1	2	3	3	4
<b>Operating Metrics</b>					
Pipe volume growth	24	3	11	15	15
Adhesive revenue growth	12	9	12	13	13
Paints revenue growth	-14	6	16	15	15
Bathware revenue growth	177	93	39	49	33
<b>EBITDA margin</b>					
Pipe	17.7	18.3	18.1	18.2	18.2
Adhesives	12.9	12.9	13.7	14.7	14.8
Paints	14.4	5.9	8.2	15.0	15.0

Source: Company, BOBCAPS Research

## Key Risks

- Slow recovery in India's real estate sector
- Market share loss in the pipe business
- Slow turnaround in the performance of non-core business (i.e. paints, SEAL IT, bathware)

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Total revenue</b>	<b>56,414</b>	<b>58,324</b>	<b>63,276</b>	<b>75,198</b>	<b>88,389</b>
EBITDA	9,247	9,459	10,274	12,517	14,688
Depreciation	1,976	2,434	2,932	3,145	3,399
EBIT	7,271	7,025	7,343	9,371	11,289
Net interest inc./(exp.)	(291)	(413)	(316)	(316)	(316)
Other inc./(exp.)	421	413	391	400	400
Exceptional items	64	0	0	0	0
EBT	7,337	7,025	7,418	9,455	11,373
Income taxes	1,880	1,836	1,886	2,380	2,863
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	49	0	0	0
<b>Reported net profit</b>	<b>5,461</b>	<b>5,238</b>	<b>5,532</b>	<b>7,075</b>	<b>8,510</b>
Adjustments	48	0	0	0	0
<b>Adjusted net profit</b>	<b>5,509</b>	<b>5,238</b>	<b>5,532</b>	<b>7,075</b>	<b>8,510</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	8,719	8,589	9,339	11,099	13,046
Other current liabilities	1,956	2,279	2,279	2,279	2,279
Provisions	8	24	26	31	36
Debt funds	964	1,439	0	0	0
Other liabilities	647	1,302	1,302	1,302	1,302
Equity capital	269	269	269	269	269
Reserves & surplus	31,612	35,901	40,222	45,953	52,849
Shareholders' fund	32,685	36,927	41,248	46,979	53,875
<b>Total liab. and equities</b>	<b>44,979</b>	<b>50,560</b>	<b>54,195</b>	<b>61,690</b>	<b>70,538</b>
Cash and cash eq.	6,096	6,083	6,837	9,106	12,516
Accounts receivables	3,758	4,353	4,723	5,612	6,597
Inventories	9,134	10,111	10,472	12,761	15,401
Other current assets	868	941	1,023	1,216	1,429
Investments	0	0	0	0	0
Net fixed assets	17,646	21,421	23,489	25,344	26,945
CWIP	1,506	1,160	1,160	1,160	1,160
Intangible assets	5,348	5,695	5,695	5,695	5,695
Deferred tax assets, net	131	200	200	200	200
Other assets	492	596	596	596	596
<b>Total assets</b>	<b>44,979</b>	<b>50,560</b>	<b>54,195</b>	<b>61,690</b>	<b>70,538</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Cash flow from operations</b>	<b>7,167</b>	<b>6,749</b>	<b>8,329</b>	<b>8,530</b>	<b>9,940</b>
Capital expenditures	(5,789)	(6,290)	(5,000)	(5,000)	(5,000)
Change in investments	0	0	0	0	0
Other investing cash flows	357	413	391	400	400
<b>Cash flow from investing</b>	<b>(5,432)</b>	<b>(5,877)</b>	<b>(4,609)</b>	<b>(4,600)</b>	<b>(4,600)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	191	475	(1,439)	0	0
Interest expenses	(291)	(413)	(316)	(316)	(316)
Dividends paid	(1,009)	(1,009)	(1,211)	(1,345)	(1,614)
Other financing cash flows	(1,351)	62	0	0	0
<b>Cash flow from financing</b>	<b>(2,460)</b>	<b>(885)</b>	<b>(2,966)</b>	<b>(1,661)</b>	<b>(1,930)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(725)</b>	<b>(13)</b>	<b>754</b>	<b>2,269</b>	<b>3,410</b>
<b>Closing cash &amp; cash eq.</b>	<b>6,096</b>	<b>6,083</b>	<b>6,837</b>	<b>9,106</b>	<b>12,516</b>

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	20.3	19.5	20.6	26.3	31.6
Adjusted EPS	20.5	19.5	20.6	26.3	31.6
Dividend per share	3.8	3.8	4.5	5.0	6.0
Book value per share	118.5	134.5	150.5	171.8	197.5

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	6.2	6.0	5.5	4.6	4.0
EV/EBITDA	37.6	36.7	33.7	27.7	23.8
Adjusted P/E	62.0	65.2	61.7	48.3	40.1
P/BV	10.7	9.4	8.4	7.4	6.4

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	75.1	74.6	74.6	74.8	74.8
Interest burden (PBT/EBIT)	100.9	100.0	101.0	100.9	100.7
EBIT margin (EBIT/Revenue)	12.9	12.0	11.6	12.5	12.8
Asset turnover (Rev./Avg TA)	125.4	115.4	116.8	121.9	125.3
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.4	1.4	1.4
Adjusted ROAE	17.7	15.0	14.2	16.0	16.9

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Revenue	9.4	3.4	8.5	18.8	17.5
EBITDA	14.0	2.3	8.6	21.8	17.3
Adjusted EPS	16.7	(4.9)	5.6	27.9	20.3

### Profitability & Return ratios (%)

EBITDA margin	16.4	16.2	16.2	16.6	16.6
EBIT margin	12.9	12.0	11.6	12.5	12.8
Adjusted profit margin	9.8	9.0	8.7	9.4	9.6
Adjusted ROAE	17.7	15.0	14.2	16.0	16.9
ROCE	22.9	19.4	18.7	20.8	21.7

### Working capital days (days)

Receivables	24	27	27	27	27
Inventory	59	63	60	62	64
Payables	56	54	54	54	54

### Ratios (x)

Gross asset turnover	2.3	1.9	1.8	1.9	2.0
Current ratio	1.8	1.9	2.0	2.1	2.3
Net interest coverage ratio	25.0	17.0	23.2	29.7	35.7
Adjusted debt/equity	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets



NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

## Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Recommendation scale: Recommendations and Absolute returns (%) over 12 months**

**BUY** – Expected return >+15%

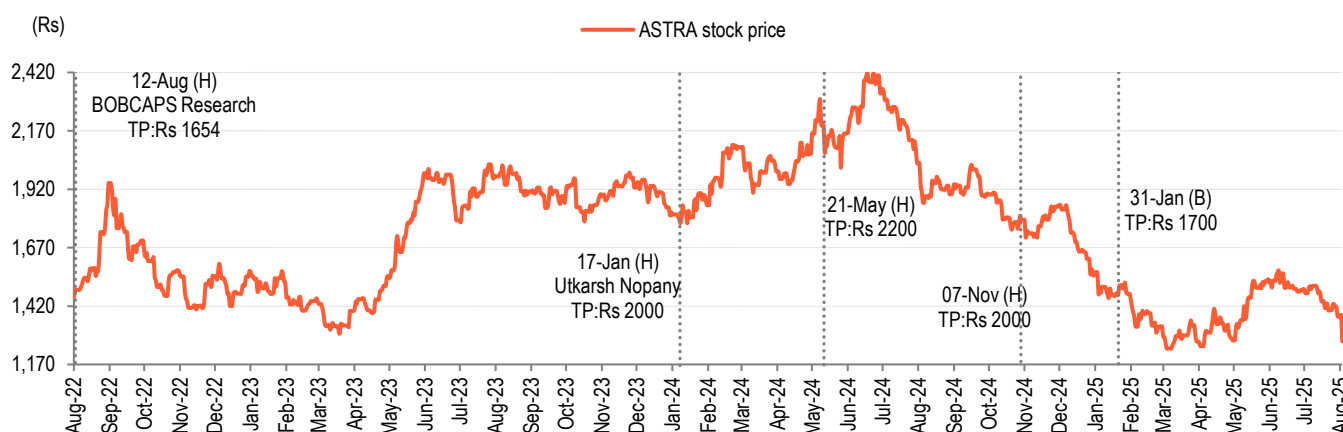
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

## Ratings and Target Price (3-year history): ASTRAL (ASTRA IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

### Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

### General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions 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. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material 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, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

#### **Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014**

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

#### **Other disclaimers**

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

#### **Distribution into the United Kingdom (“UK”):**

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

#### **No distribution into the US:**

This report will not be distributed in the US and no US person may rely on this communication.

#### **Other jurisdictions:**

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.