

SELL

TP: Rs 770 | ▼ 9%

JK LAKSHMI CEMENT

Cement

09 November 2025

Healthy show; medium-term concerns to continue; retain SELL

- Revenue grew by 24% YoY to ~Rs15.3, helped by volume gains of ~15% YoY driven by the impact of the UCLW amalgamation
- Overall cost flat YoY (+8% QoQ) at Rs4,657/tn, helping EBITDA margin improve to 13.6% from a weak base of 7.2% (14.3% QoQ)
- We value JKLC at 9x EV/EBITDA Sep'27 EBITDA with new TP of Rs 770 (Rs 731), as FY26e/FY27e EBITDA revised +6% each. Retain SELL

Milind Raginwar
Research Analyst
Ayush Dugar
Research Associate
research@bobcaps.in

Volume surge arrested by sharp realisation fall: JKLC (standalone) reported a robust ~24% YoY increase in revenue (-12% QoQ) to ~Rs15.3bn in Q2FY26, driven by the full-quarter impact of the UCWL amalgamation. Volumes rose by 14.7% YoY (-14.6% QoQ) to 2.8mnt (amalgamation effect), while average realisation jumped by ~8%/3% YoY/QoQ to Rs 5,136/tn (excluding RMC income), as non-trade segment incurred price declines on demand softness cushioned by premium mix at 26%.

Operating leverage offsets cost headwinds: Overall cost was flat YoY (+8.3% QoQ) to Rs4,657/tn, aided by scale benefits from higher volumes. Raw material cost (adjusted for fuel) inched up ~3% YoY (+6% QoQ), as share of renewable energy was at 46%. Fuel cost at Rs 1.54/kcal (vs Rs 1.62/kcal YoY) kept fuel cost soft. Logistics cost rose by ~9% YoY (+3.5% QoQ), led by a jump in sales to stretched markets. Other expenditure shot up by ~10% YoY (-7.8% QoQ), driven by integration costs and maintenance shutdown offset by scale benefits.

Margin expansion on weak base: Effectively, EBITDA surged ~134% YoY (-33% QoQ) to ~Rs2.1bn, with EBITDA margin doubling from 7.2% to 13.6% YoY (17.9% in Q1FY26). EBITDA/tn jumped to Rs732/tn from Rs359/tn YoY (down 22% QoQ).

Capacity expansion on track: JKLC capacity was at 18mtpa post Surat GU commissioning and Sirohi de-bottlenecking. All major equipment orders are placed for Durg brownfield expansion with kiln expected by FY27-end, 1.2mnt Durg and 1.2mnt Madhubani grinding in FY27, while the balance 2.2mnt by Mar'28. Railway siding at Durg (Rs3.25bn) saw Phase 1 completion, to be funded via Rs2.25bn debt.

Estimates revise; maintain SELL: We revise our FY26e/FY27e EBITDA upwards by 6% each to capture the amalgamation benefits. However, challenges from the changing dynamics following intense supply pressure from large cement majors impacts pricing. Further, net debt reversing upwards due to Durg expansion and staying high following Nagaur and Assam expansion beyond FY28 are concerns. We value JKLC at 9x EV/EBITDA Sep-2027 revised earnings with a new TP of Rs 770 (Rs 731). Retain SELL. At our target price the stock trades at ~Rs7bn/mnt.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	JKLC IN/Rs 845
Market cap	US\$ 1.1bn
Free float	54%
3M ADV	US\$ 1.3mn
52wk high/low	Rs 1,021/Rs 661
Promoter/FPI/DII	46%/14%/26%

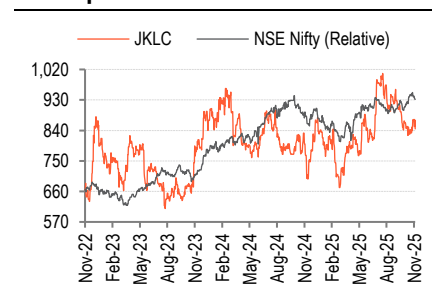
Source: NSE | Price as of 7 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	56,980	71,615	79,683
EBITDA (Rs mn)	6,308	10,531	12,565
Adj. net profit (Rs mn)	2,814	4,476	5,200
Adj. EPS (Rs)	23.9	38.0	44.2
Consensus EPS (Rs)	23.9	39.3	48.2
Adj. ROAE (%)	9.4	12.5	12.9
Adj. P/E (x)	35.3	22.2	19.1
EV/EBITDA (x)	16.3	10.9	10.1
Adj. EPS growth (%)	(33.7)	59.0	16.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Earnings call highlights

Parameter	Q2FY26	Q1FY26	Our view
Volume and realisations	GU commissioning (1.35mnt added in Sept), boosting Gujarat sales. North proportion up to 69% (incl. Gujarat), East down marginally. Trade sales at 53%, blended cement at 62%, premium products share at 26% (up 3% QoQ from 23%). Price gap with competitors was narrowed through Green Plus brand launch and geo-mix shift. Trade prices intact across regions except Gujarat (down marginally); non-trade prices declined post-Sept 22, due to lean demand. November onwards, demand and non-trade prices will likely recover.	Industry volume growth came in at 5-6% in Q1FY26, with regional disparities. JKLC aims for above-industry growth in FY26. Volume growth was driven by Central India and UP, with lead distance up to 399km (vs 393km in Q4FY25). Realisations remained stable overall. South saw price hikes of 6% to 9%, and the East experienced 6% to 7% hikes, while North and West did not witness significant price growth, with some decline noted, particularly in non-trade segments.	Consolidation benefits help volume gain, above industry growth sustainability is the key to retaining market share, though pricing challenge to continue in the medium term.
Margin	Fuel cost at Rs 1.54/kcal (up QoQ due to kiln shutdown reducing WHRS, lower solar, petcoke price rise to ~\$116-120/tn; expected to normalize in H2FY26). Green power at 46% (down QoQ; to improve with better WHRS/solar once production increases). Lead distance down to 395 km (from 399 km QoQ). Freight cost elevated due to non-core/seeding markets targeted (Bihar, Jharkhand, Prayagraj). Cost savings measures intact with Premium push, AI/ML in supply chain, TSR enhancement target to 16%. Rs100-120/tn cost savings target over 12-18 months maintained. Non-cement revenue Rs1.5bn (RMC Rs 720mn, AAC Rs 520mn, others Rs 290mn), EBITDA margin at 4%.	Fuel cost was down to Rs 1.5/kcal from Rs1.53/kcal Q4FY25, with green power share at 49% (targeting 52% by FY26-end). TSR improved, targeting 12% in FY26. Cost reduction target of Rs100-120/t intact over 12-18 months. Blended cement share was at 65%, trade sale at 60%, premium products at 23% (down from 26% last quarter), with a target to raise premium products to 27% by FY26-end.	Pricing challenges will only be partially offset by the benefit of operating efficiencies (cost measures), but additional benefits may be limited. Logistics cost to stay elevated due to the seeding of newer markets in the eastern region (Bihar/Jharkhand).
Capacity	Current capacity at 18mtpa (post Surat 1.35mnt GU + Sirohi de-bottlenecking). Durg brownfield (2.3mnt clinker + 4.6mnt cement) all major equipment orders are placed with kiln expected by Mar'27, 1.2mnt Durg + 1.2mnt Madhubani capacity addition in FY27, balance 2.2mnt to be commissioned by Mar'28. Path to increase capacity to 22.6mtpa by FY28 via brownfield. 3 greenfields (Nagaur/Kutch: 2mnt clinker + 3mnt cement each; Assam: 2-2.5mnt) should be commissioned by FY29-30 to reach 30mtpa by FY30. Prayagraj is targeted for Sep-Oct'27.	Durg expansion (2.3mnt clinker, 4.6mnt cement) to place equipment orders this quarter, targeting completion by Q3FY27. Madhubani is ahead in timeline, with environmental clearance in process post completed public hearing, while Prayagraj is also in preparation, though lagging slightly behind Madhubani. Patratu is slated for commissioning in March 2028. The Northeast project is now under JKLC (100% ownership), land has been secured, and management plans to start placing orders soon, with further details on size and cost to be confirmed by next quarter.	Capacity expansion will be effective post FY27. However, we note that the company's execution capabilities have remained below par in the past. Cost-saving initiatives need to be expedited as well.
Capex	FY26 capex guided at Rs10-12bn. Durg capex is planned at Rs 30bn total (Rs 500mn spent till Sept; Rs1000-1200mn FY26, Rs13-15bn p.a. FY27-28). Capex for next 2 years will be focused on Durg. Greenfield capex FY29 is estimated at ~\$100/tn or Rs25-30bn each. Management aims	FY26 capex guidance at Rs15bn with Q1FY26 spends at Rs1bn. Durg and Northeast to dominate, with Rs700-800mn spent on East expansion. Overhead conveyor belt in the final approval stages, commissioning expected this quarter. Management indicated a potential	Aggressive expansion plans imply that the capex trajectory will likely remain elevated. The Durg conveyor belt project has been delayed for longer than expected. Debt-EBITDA to stay elevated if capex gets

Parameter	Q2FY26	Q1FY26	Our view
	to keep net debt/EBITDA at ~3-3.5x. Conveyor belt: SAIL board has approved the leasing; final approval pending from Ministry of Steel (mgmt working on alternatives).	additional debt of Rs10bn this year to finance the ongoing projects. Over the next 3 years, capex is estimated at Rs15-16bn annually, with Durg expansion at Rs30bn and Northeast at an additional amount, including Rs70-80mn yearly for other projects.	executed as planned in the interim period
Other key points	Non-cement revenue at Rs1.5bn (up from Rs1.4bn YoY; RMC Rs 720mn, AAC Rs 520mn). UCWL is eligible for capital incentive and has been applied for. Growth is expected to be marginally above industry; measures underway to close EBITDA/tn gap with peers in core markets. Non-trade prices in Gujarat is better compared to North/West.	Non-cement revenue at Rs1.46bn, RMC at Rs0.7bn. Consolidated cash stands at Rs 11.5bn, including Rs 3.5bn in fixed deposits. Prices likely to rise post-monsoon, particularly in the North and West, where demand is anticipated to improve after the low July-September season. Management stated that JKLC has a reasonable market share of 10% to 14% in operational markets like Chhattisgarh, Rajasthan, and Gujarat	Non-cement revenue contribution steady and needs some more attention for improvement.

Source: Company, BOBCAPS Research | RMC: Ready-mix concrete

Fig 2 – Key metrics (standalone)

	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Q2FY26E	Deviation (%)
Volumes (mn mt)	2.8	2.5	14.7	3.3	(14.6)	3.0	(5.1)
Cement realisations (Rs/t)	5,136	4,717	8.9	5,009	2.5	4,859	5.7
Operating costs (Rs/t)*	4,657	4,624	0.7	4,299	8.3	4,363	6.7
EBITDA/t (Rs)	732	359	103.8	936	(21.7)	733	(0.0)

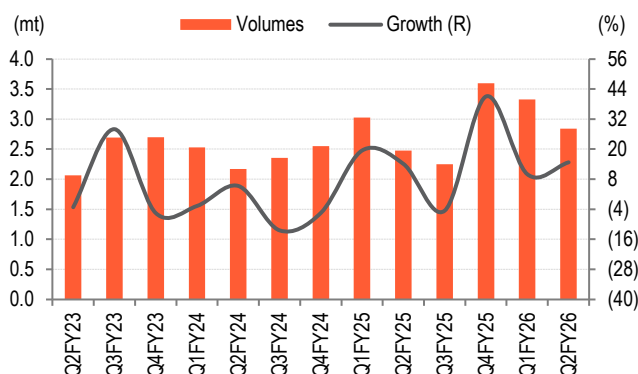
Source: Company, BOBCAPS Research | * Aggregate cost

Fig 3 – Quarterly performance (standalone)

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Q2FY26E	Deviation (%)
Net Sales	15,318	12,343	24.1	17,409	(12.0)	15,254	0.4
Expenditure							
Change in stock	(207)	(243)	(14.8)	135	(253.9)	(115)	80.0
Raw material	2,462	2,077	18.6	2,644	(6.9)	2,431	1.3
purchased products	424	612	(30.8)	287	47.9	272	55.5
Power & fuel	3,683	3,207	14.9	3,781	(2.6)	3,466	6.2
Freight	3,512	2,816	24.7	3,973	(11.6)	3,625	(3.1)
Employee costs	1,300	1,101	18.2	1,243	4.7	1,240	4.9
Other exp	2,062	1,884	9.5	2,236	(7.8)	2,141	(3.7)
Total Operating Expenses	13,236	11,453	15.6	14,297	(7.4)	13,060	1.3
EBITDA	2,081	890	133.8	3,112	(33.1)	2,193	(5.1)
EBITDA margin (%)	13.6	7.2	638bps	17.9	(429bps)	14.4	(79bps)
Other Income	247	116	113.7	243	1.8	114	116.9
Interest	505	446	13.4	522	(3.3)	544	(7.1)
Depreciation	774	749	3.3	770	0.5	790	(2.1)
PBT	1,050	(189)	(656.9)	2,063	(49.1)	973	7.9
Non-recurring items	0	0	0.0	0	0.0	0	0.0
PBT (after non recurring items)	1,050	(189)	(656.9)	2,063	(49.1)	973	7.9
Tax	226	29	674.7	546	(58.6)	263	(13.9)
Reported PAT	22	(15)	3704bps	26	(493bps)	27	(545bps)
Adjusted PAT	823	(218)	(478.3)	1,517	(45.7)	710	15.9
NPM (%)	823	(218)	(478.3)	1,517	(45.7)	710	15.9
Adjusted EPS (Rs)	5.4	(1.8)	714bps	8.7	(334bps)	4.7	72bps

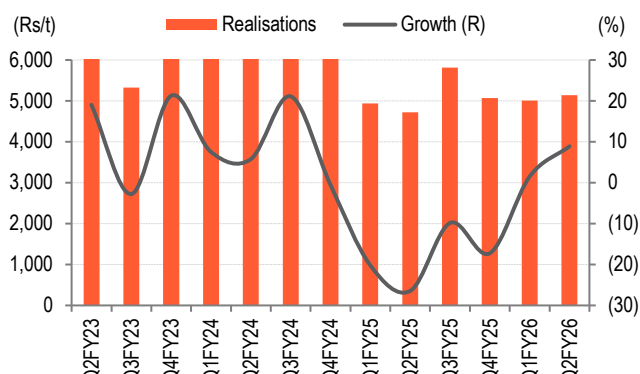
Source: Company, BOBCAPS Research

Fig 4 – Volume gains contributed by amalgamation benefits and capacity expansion



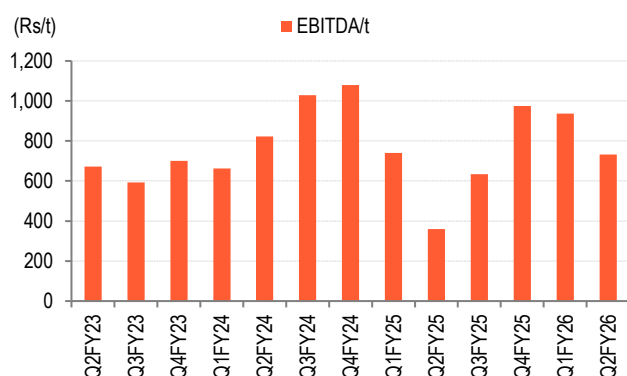
Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Fig 5 – Realisation gains due to pricing benefits in northern and eastern region



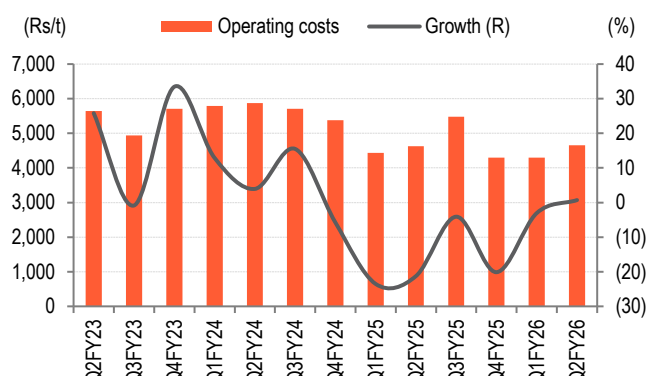
Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Fig 6 – EBITDA/t reversal sharp albeit on a weak base



Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Fig 7 – Operating cost savings from consolidation



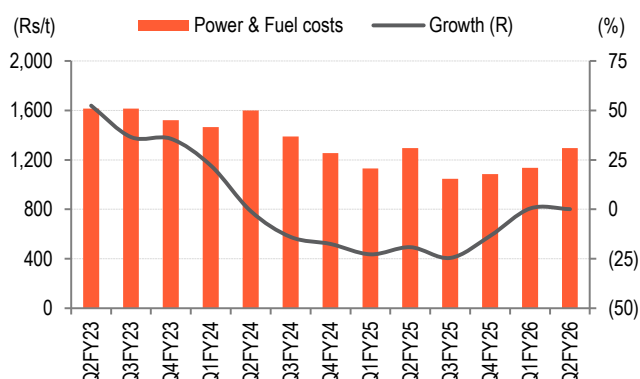
Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Fig 8 – Freight cost inflation as JKLC chased farther areas for seeding as plans to enter east aggressively



Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Fig 9 – Fuel cost savings commendable and likely to continue



Source: Company, BOBCAPS Research | Management has restated volume numbers from Q1FY22

Valuation Methodology

We revise our FY26e/FY27e EBITDA estimates upwards by 6% each to capture the amalgamation benefits. However, challenges from the changing dynamics following the intense supply pressure from large cement majors, are impacting pricing. Further, net debt reversing upwards due to Durg expansion and staying high following Nagaur and Assam completion beyond FY28 are concerns.

JKLC's performance will be determined by its ability to deliver volumes from the new capacity as its capex is largely backed by debt. The changed dynamics of the cement sector with aggressive pricing for market penetration and capability of large size companies to sustain pricing pressure will be the key pressure points for regional companies. The growing competition in JKLC's operating regions including Gujarat and the eastern region, balance sheet pressure in the capex phase and weak execution capabilities in the past - all remain key challenges.

We value JKLC at 9x EV/EBITDA Sep-2027 revised earnings with a new TP of Rs 770 (vs Rs 731). Maintain SELL. At our TP, the stock trades at ~Rs7bn/mnt.

Fig 10 – Revised estimates

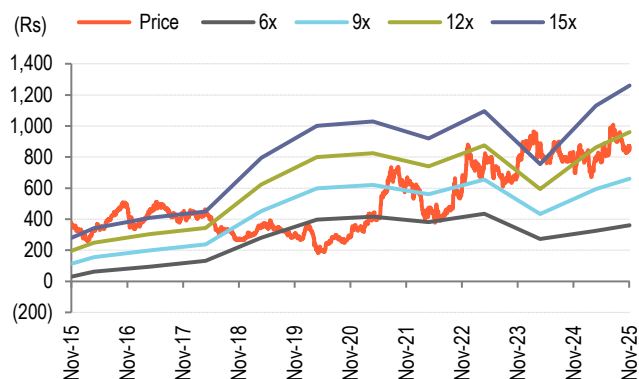
(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	71,615	79,683	89,202	70,984	78,975	89,206	0.9	0.9	0.0
EBITDA	10,531	12,565	14,391	9,900	11,858	14,395	6.4	6.0	0.0
Adj PAT	4,476	5,200	5,922	4,034	4,726	5,925	10.9	10.0	0.0
Adj EPS (Rs)	38.0	44.2	50.3	34.3	40.2	50.3	10.9	9.9	0.0

Source: BOBCAPS Research

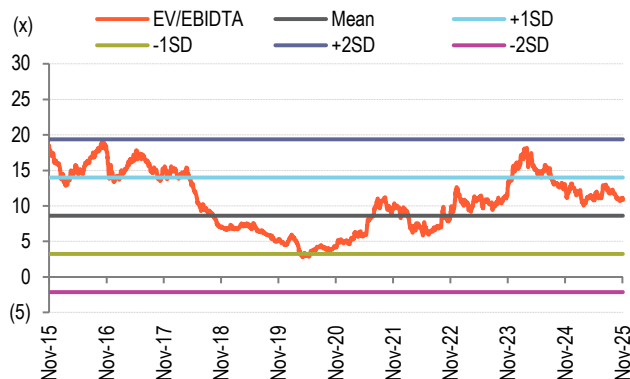
Fig 11 – Key assumptions

Parameter	FY25	FY26E	FY27E	FY28E
Volumes (mt)	10.5	11.4	12.5	14.0
Realisations (Rs/t)	6,170	6,324	6,450	6,515
Operating costs (Rs/t)	5,112	5,358	5,352	5,327
EBITDA/t (Rs)	636	924	1,002	1,025

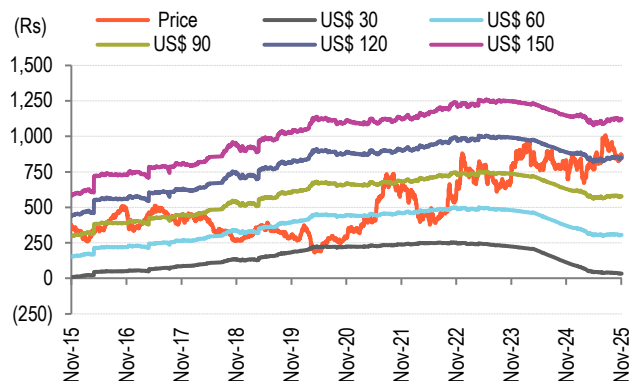
Source: Company, BOBCAPS Research

Fig 12 – EV/EBITDA band: Valuations premium unjustified, following the earnings profile


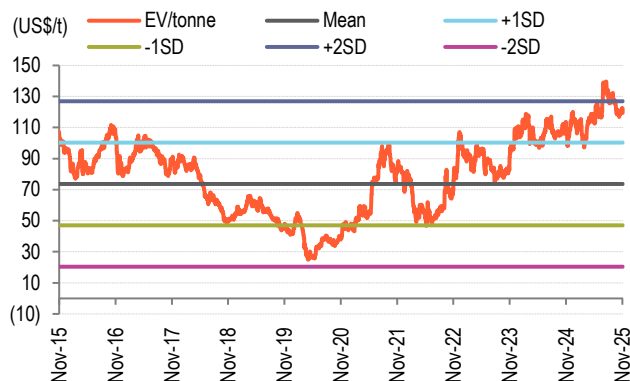
Source: Bloomberg, BOBCAPS Research

Fig 13 – EV/EBITDA 1YF: Valuations will revert to mean over the medium term


Source: Bloomberg, BOBCAPS Research

Fig 14 – EV/tonne band: Replacement cost at premium valuations too


Source: Bloomberg, BOBCAPS Research

Fig 15 – EV/tonne 1YF: Peak too high too early


Source: Bloomberg, BOBCAPS Research

Key Risks

Key upside risks to our estimates:

- strong pricing gains in key operating regions
- further softening of energy cost lending a boost to margins
- aggressive capex execution, leading to an above-expected performance

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	63,198	56,980	71,615	79,683	89,202
EBITDA	8,637	6,308	10,531	12,565	14,391
Depreciation	(1,950)	(1,987)	(2,251)	(2,610)	(2,996)
EBIT	7,328	5,619	8,954	10,649	12,108
Net interest inc./(exp.)	(872)	(703)	(2,279)	(2,557)	(2,931)
Other inc./(exp.)	640	1,298	674	693	713
Exceptional items	0	800	0	0	0
EBT	6,456	5,716	6,675	8,092	9,177
Income taxes	(2,212)	(2,102)	(2,199)	(2,892)	(3,255)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	4,243	3,614	4,476	5,200	5,922
Adjustments	0	(800)	0	0	0
Adjusted net profit	4,243	2,814	4,476	5,200	5,922

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	2,888	12,356	15,062	16,550	18,447
Other current liabilities	14,954	4,481	4,944	5,419	5,910
Provisions	181	386	995	1,012	1,031
Debt funds	5,632	10,103	27,888	32,278	36,683
Other liabilities	2,683	2,890	198	198	198
Equity capital	588	588	588	588	588
Reserves & surplus	30,226	33,084	37,252	42,159	47,803
Shareholders' fund	32,743	33,673	37,841	42,748	48,392
Total liab. and equities	59,081	63,888	86,927	98,205	1,10,659
Cash and cash eq.	4,985	4,357	2,975	2,105	2,886
Accounts receivables	402	924	1,962	2,183	2,444
Inventories	7,622	6,704	8,044	8,732	9,776
Other current assets	4,159	8,714	9,571	9,792	10,027
Investments	11,807	11,951	12,098	12,247	12,398
Net fixed assets	26,224	30,583	48,608	57,464	65,934
CWIP	3,739	500	3,500	5,500	7,000
Intangible assets	144	155	168	181	194
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	59,081	63,888	86,927	98,205	1,10,659

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	8,121	960	4,576	8,661	9,785
Capital expenditures	(4,257)	(3,229)	(23,288)	(13,479)	(12,979)
Change in investments	(5,258)	(197)	2,601	(149)	(151)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(9,516)	(3,426)	(20,688)	(13,628)	(13,130)
Equities issued/Others	529	(1,929)	0	0	0
Debt raised/repaid	(214)	4,471	17,785	4,390	4,404
Interest expenses	0	0	0	0	0
Dividends paid	(677)	(765)	(824)	(824)	(824)
Other financing cash flows	699	9	517	531	546
Cash flow from financing	338	1,785	17,478	4,097	4,126
Chg in cash & cash eq.	(1,057)	(681)	1,366	(870)	781
Closing cash & cash eq.	4,985	4,357	2,976	2,106	2,887

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	36.1	30.7	38.0	44.2	50.3
Adjusted EPS	36.1	23.9	38.0	44.2	50.3
Dividend per share	5.7	6.5	7.0	7.0	7.0
Book value per share	278.2	286.1	321.6	363.3	411.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.5	1.8	1.6	1.6	1.5
EV/EBITDA	10.8	16.3	10.9	10.1	9.1
Adjusted P/E	23.4	35.3	22.2	19.1	16.8
P/BV	3.0	3.0	2.6	2.3	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	65.7	63.2	67.1	64.3	64.5
Interest burden (PBT/EBIT)	88.1	87.5	74.5	76.0	75.8
EBIT margin (EBIT/Revenue)	11.6	9.9	12.5	13.4	13.6
Asset turnover (Rev./Avg TA)	113.7	92.7	95.0	86.1	85.4
Leverage (Avg TA/Avg Equity)	1.8	1.9	2.1	2.3	2.3
Adjusted ROAE	14.0	9.4	12.5	12.9	13.0

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	4.1	(9.8)	25.7	11.3	11.9
EBITDA	22.6	(27.0)	66.9	19.3	14.5
Adjusted EPS	28.3	(33.7)	59.0	16.2	13.9
Profitability & Return ratios (%)					
EBITDA margin	13.7	11.1	14.7	15.8	16.1
EBIT margin	11.6	9.9	12.5	13.4	13.6
Adjusted profit margin	6.7	4.9	6.2	6.5	6.6
Adjusted ROAE	14.0	9.4	12.5	12.9	13.0
ROCE	19.2	12.8	15.9	15.1	15.1

Working capital days (days)

Receivables	2	6	10	10	10
Inventory	44	43	41	40	40
Payables	19	89	90	90	90

Ratios (x)

Gross asset turnover	1.5	1.2	1.0	1.0	1.0
Current ratio	1.0	1.2	1.1	1.0	1.0
Net interest coverage ratio	8.4	8.0	3.9	4.2	4.1
Adjusted debt/equity	0.2	0.3	0.7	0.8	0.8

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%

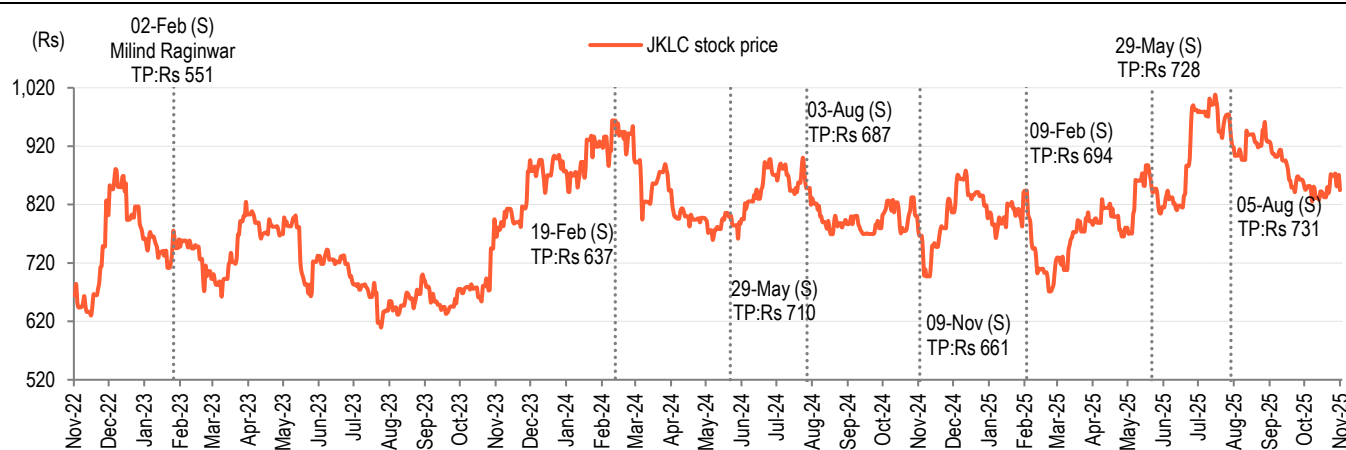
HOLD – Expected return from -6% to +15%

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): JK LAKSHMI CEMENT (JKLC 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.