

November 8, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		BUY	
Target Price	846		883	
Sales (Rs bn)	2,692	2,736	2,703	2,795
% Chng.	(0.4)	(2.1)		
EBITDA (Rs bn)	376	386	371	386
% Chng.	1.4	-		
EPS (Rs.)	85.7	86.9	86.5	90.3
% Chng.	(1.0)	(3.7)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	2,385	2,621	2,692	2,736
EBITDA (Rs. bn)	328	352	376	386
Margin (%)	13.8	13.4	14.0	14.1
PAT (Rs. bn)	160	180	190	193
EPS (Rs.)	72.1	81.0	85.7	86.9
Gr. (%)	57.6	12.4	5.7	1.5
DPS (Rs.)	5.0	5.5	6.1	6.7
Yield (%)	0.6	0.7	0.8	0.8
RoE (%)	13.9	13.6	12.7	11.5
RoCE (%)	15.4	14.3	13.9	13.3
EV/Sales (x)	0.9	0.8	0.8	0.7
EV/EBITDA (x)	6.6	6.0	5.6	5.3
PE (x)	11.0	9.8	9.2	9.1
P/BV (x)	1.4	1.2	1.1	1.0

Key Data

HALC.BO | HNDL IN

52-W High / Low	Rs.864 / Rs.546
Sensex / Nifty	83,216 / 25,492
Market Cap	Rs.1,776bn / \$ 20,033m
Shares Outstanding	2,247m
3M Avg. Daily Value	Rs.4261.43m

Shareholding Pattern (%)

Promoter's	34.64
Foreign	32.10
Domestic Institution	24.23
Public & Others	9.03
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.9	24.2	22.0
Relative	1.3	20.5	16.6

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Pranav Iyer

pranaviyer@plindia.com | 91-22-66322539

India shines, but Novelis disappoints

Quick Pointers:

- Oswego plant to restart next month; fire incident to impact Q3 volumes by 75kt; Bay Minette project cost rises further by USD900m to USD5bn.
- FY27 India capex cut by Rs40bn to Rs110bn to accommodate Novelis project cost overrun.

Hindalco Industries (HNDL) delivered in-line cons operating performance, supported by strong India delivery on higher downstream volumes and higher LME prices. Q2 Aluminium cost of production inched up ~4% QoQ due to higher coal costs during monsoon. Mgmt. guided slight inch up in H2 CoP as other raw material prices have also firmed up. Going forward, consistent improvement in downstream volumes and coal supply from captive Chakla/Bandha mines over the next few quarters would drive HNDL earnings. Novelis reported an in-line quarter, however ~22% cost escalation at Bay Minette project would depress IRRs and require parent support in terms of equity infusion worth USD750m. Adverse impact of tariffs was USD54m in Q2 and going forward it is expected to get negated by higher MWP, better spot scrap spread and mgmt's efforts to mitigate costs & reducing dependency on Canada.

We incorporate higher Novelis capex, lower H2 volumes and maintain Novelis EBITDA/t assumption at USD480/USD500 for FY27/28E; which leads to ~Rs70 cut in our TP. We increase our FY26/27E cons EBITDA estimates by 4%/1% respectively as we factor in higher AL prices of USD2,633/USD2,719 and strong by-product prices in copper. At CMP, the stock is trading at EV of 5.6x/5.3x FY27/28E EBITDA. We downgrade the stock to 'Accumulate' with revised TP of Rs846 (earlier Rs883), valuing Novelis at 6.5x & India ops at 5.5x EV of Sep'27E EBITDA.

Strong India performance on higher volumes and LME: Standalone AL revenue grew 9% YoY while copper revenue grew 11% YoY. Upstream AL revenue is up 10% YoY on better realisation and EBITDA up 22% due to lower input cost. Downstream revenue is up 20% YoY on account of higher shipments (10% YoY to 113kt) and realisation. EBITDA is up 69% YoY on account of favourable product mix. Copper revenue is up 11% YoY, on account of higher realisation while EBITDA was aided by higher realisation from by-products. AL upstream sales volumes grew 4% YoY to 341kt, downstream sales volumes grew 10% YoY to 113kt. Copper volumes declined 3% YoY to 113kt. Blended realisation for AL business inched up 2% QoQ to Rs240k/t (up 4% YoY) while copper business realisation improved 7% QoQ to Rs1,288k/t (up 15% YoY).

Robust India negates weak Novelis performance: Standalone EBITDA grew 36% YoY to Rs37.4bn (+19% QoQ) on higher LME, lower costs in ally and strong downstream volumes growth. Cons. EBITDA grew 14% YoY at Rs89.7bn (+13% QoQ; PLe Rs90.5bn) on strong LME, higher ally volumes and largely in-line Novelis performance. Cons. reported PAT grew 21% YoY to Rs47.4bn. Exceptional expenses of Rs1.82bn during Q2FY26 w. r. t. fire incident at Novelis Oswego, New

York plant. Cons net debt increased by Rs71.6bn QoQ to Rs 414bn, while net debt to EBITDA increased to 1.23 vs (1.02 in Q1FY26).

Novelis: higher cost savings target; but rise in leverage: Increased guidance under global cost efficiency program to exit FY26 over USD125m run-rate (from USD100m earlier) and over USD300mn by end of FY28. Net debt increased by USD228mn QoQ to USD5.8bn in 2QFY26. The leverage ratio increased to 3.5x from 3.2x with total liquidity of USD 2.9bn.

Region wise volumes & EBITDA/t: Shipments of flat rolled products (FRP) was flat YoY to 941kt (-2% QoQ, PLe 964kt) on higher automotive and aerospace segment offsetting lower beverage packaging and specialty shipments. Novelis's adjusted EBITDA/t declined 8.4% YoY to USD 448/t (+4% up QoQ; PLe USD 460/t) driven by higher aluminum prices/ auto volumes, lower SG&A costs offsetting tariff impact of USD64m and higher scrap prices.

FRP Shipments declined 7% YoY in N.A. to 369kt (lower cans/specialties, higher auto/ higher metal benefit offsetting tariff impact); Europe volumes grew 12% YoY to 261kt on increased demand across segments. Asia volumes grew 12% YoY to 222kt (higher cans, lower Auto) and S.A de-grew 2 YoY to 159kt (lower cans). EBITDA/t declined 22% YoY in N. A. to USD363/t; improved 15% YoY to USD310/t in Europe. While in Asia EBITDA/t declined 3% YoY to USD 446/t and -10% YoY to USD 679/t in S.A..

HNDL Q2FY26 Concall Highlights:

Cost of production & Hedging

- The cost of production rose ~4% in the monsoon quarter due to higher coal costs and lower alumina pricing, which limited margin gains despite higher LME prices.
- For Q3, costs are expected to remain flat/ +1% QoQ, as coal costs are inching downwards but CP coke prices have firmed up.
- **Hedging details:** For Q3FY26, Hindalco has hedged 31% of its commodity exposure at USD2,700/t and 26% of its currency exposure at Rs87.5/USD. For Q4FY26, 49% of commodity exposure is hedged at USD2,760/t, and for FY27, 10% is hedged at USD2,800/t.

Operations & Projects

- Alumina external sales stood at 199kt in Q2FY26 and are estimated at 170kt in Q3 due to a planned shutdown in Utkal.
- Chakla mine: Box cut expected by Dec/Jan'26; Bandha box cut scheduled in the next few months.
- The copper tubes project has entered the commissioning phase, while construction of the copper recycling project is progressing as scheduled.

Recycling & Renewable Energy

- Recycling operations have begun with 50kt at Aditya, targeting 100kt in the next few years. A 50kt copper recycling plant will be commissioned next year.
- Current RE capacity stands at 292MW, with an additional 230MW expected in the next two quarters, taking total capacity to 522MW by FY26 exit.

Capex Guidance cut

- Rs85bn for FY26 and Rs110bn for FY27, reduced by Rs40bn from the earlier FY27 guidance of Rs150bn.
- Consolidated capex of Rs113.3bn was deployed during H1FY26. Hindalco has proposed Phase 2 of the Aditya smelter expansion in Odisha, adding 193ktpa to the existing 370ktpa capacity (Phase 1: 181ktpa announced earlier), with a total capex of Rs102.25bn to be completed by FY29, funded through internal accruals and debt.
- The Mahan smelter also has scope for doubling the capacity from its current 360ktpa capacity.

Debt inched up

- Cons net debt increased by Rs71.6bn QoQ to Rs 414bn, while net debt to EBITDA increased to 1.23x vs (1.02 in Q1FY26).
- Management guided that Net Debt to EBITDA is expected to remain below 2x over the next four years, factoring in planned capex and debt.
- They also highlighted that capex will be phased to maintain this level, and if the financial situation at Novelis does not improve, the 360ktpa Mahan smelter project could be delayed.
- To support Novelis cost escalation, HNDL plans to raise USD750mn debt at Hindalco AV Minerals, with a coupon rate lower than 6.375%.

Novelis Q2FY26 Concall Highlights:

- **Capex & Projects:** FY26 capital expenditure expected at USD1.9-2.2bn, including USD300mn of maintenance capex.
- The Bay Minette project saw a USD900mn cost escalation from earlier guided USD4.1bn to USD5bn now- ~50% due to inflation (traditional and tariff-related) and the remainder due to higher US labour costs amid multiple mega projects of various other companies in the country.
- Parent will support Novelis through USD750mn equity infusion (possibly by Mar'26). No additional debt planned; total of USD1.25bn raised so far out of approved USD1.5bn.

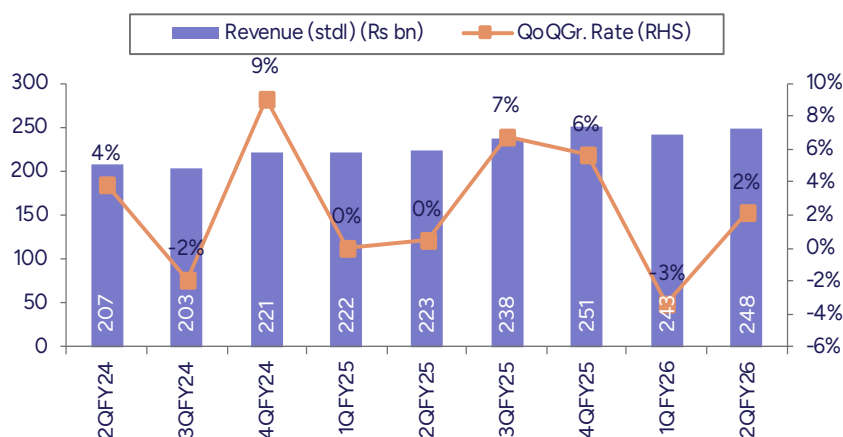
- Cold mill commissioning to start in Q4FY26; full commissioning targeted for 2HCY26. Limited third-party sales expected in FY27 during qualification with customers and ramp up phase; full volumes expected in FY28.
- EBITDA/t > USD1,000/t from Bay Minette remains intact with expected high single-digit IRR in Phase 1 and much higher in Phase 2. ~2/3rd of Bay Minette volumes will cater to the North America beverage packaging market; the rest will serve autos and other FRP end markets.
- **Shipments & Operations:** Lower specialty and beverage packaging shipments during Logan ramp-up (post-expansion) and adverse weather in Brazil were offset by higher auto and aerospace sales. South America shipments were lower due to reduced availability in Brazil and plant maintenance shutdowns during the quarter; scrap availability in the region has now normalised.
- Temporary elevation in working capital needs this quarter (Q3) with some spillover expected into the next quarter.
- **Oswego Fire Impact:** Net leverage may temporarily rise to 4x for the next CY due to the Oswego fire incident but should return to 3.5x by FY26 end. The temporary EBITDA impact, estimated at USD100-150mn, will be felt between Q3-Q4, along with volume loss of ~75kt and some spillover into Q4.
- Associated costs include repairs, capex, restoration, and higher costs to serve due to material purchases from own or third-party facilities at elevated costs. These costs will not spill over into the next FY. ~70-80% of the losses are expected to be recovered through insurance in future periods.
- **Market Outlook:** FY2026-31 Auto sector CAGR projected at 3-5%.
- Scrap availability improving in North America. Actual tariff impact was higher than USD54mn but benefits from higher product pricing and cost savings offset most of this impact.
- One of the two automotive finishing lines in China has been shut due to lower aluminium adoption by domestic OEMs.
- **Tariff impact:** USD54mn in Q2 and USD28mn in Q1.

Exhibit 1: Q2FY26 Result Overview - Consolidated (Rs bn)

Y/e March	2QFY26	2QFY25	YoY gr. (%)	2QFY26E	% Var.	1QFY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	660.6	582.0	13.5	690.5	-4.3	642.3	2.8	1302.9	1152.2	13.1
Raw material	415.9	357.9	16.2	436.2	-4.7	409.5	1.6	863.0	717.0	20.4
% of Net Sales	63.0%	61.5%		63.2%		63.8%		0.7	0.6	
Staff Cost	41.2	38.0	8.5	45.3	-9.0	42.5	-3.1	83.7	76.8	9.1
% of Net Sales	6.2%	6.5%		6.6%		6.6%		0.1	0.1	
Other expenses	113.8	107.3	6.1	118.5	-3.9	111.2	2.3	187.5	204.5	-8.3
% of Net Sales	17.2%	18.4%		17.2%		17.3%		0.1	0.2	
Total expenditure	570.9	503.2	13.5	600.0	-4.9	563.3	1.4	1134.2	998.3	13.6
EBITDA	89.7	78.8	13.7	90.5	-0.9	79.1	13.4	168.7	153.9	9.7
Margin (%)	13.6%	13.5%		13.1%		12.3%		0.1	0.1	
Depreciation	21.6	19.3	11.5	22.7	-4.9	20.8	3.6	42.4	38.2	10.7
EBIT	68.1	59.5	14.5	67.8	0.5	58.3	16.9	126.4	115.6	9.3
Other income	7.1	10.8	-33.7	12.1	-41.3	6.0	18.4	13.2	15.0	-12.3
Interest	8.0	8.7	-7.6	8.1	-0.8	7.5	6.5	15.6	17.3	-9.9
PBT	67.2	61.6	9.2	71.8	-6.5	56.7	18.5	124.0	113.3	9.4
Extraordinary income/(expense)	-1.8	-5.1		0.0		0.0	NA	-1.8	-8.4	NA
PBT (after EO)	65.4	56.4	15.9	71.8	-9.0	56.7	15.2	122.1	104.9	16.4
Tax	18.0	17.3	NA	19.1	-6.0	16.7	7.6	34.7	35.1	NA
Reported PAT	47.4	39.1	21.3	52.7	-10.1	40.0	18.4	87.4	69.8	25.2
Minority interest	0.0	0.0	NA	0.0	NA	0.0	NA	0.0	0.0	NA
Share of profit/(losses) in Associates	0.0	0.0	NA	0.0	NA	0.0	NA	0.0	0.0	NA
Net Profit attributable to shareholders	47.4	39.1	21.3	52.7	-10.0	40.0	18.4	87.5	69.8	25.2

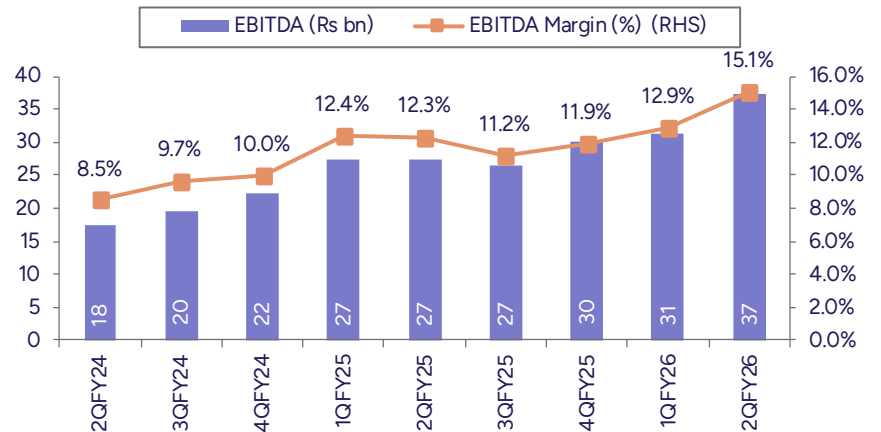
Source: Company, PL

Exhibit 2: Std. revenue grew 11% YoY on higher LME and strong volume



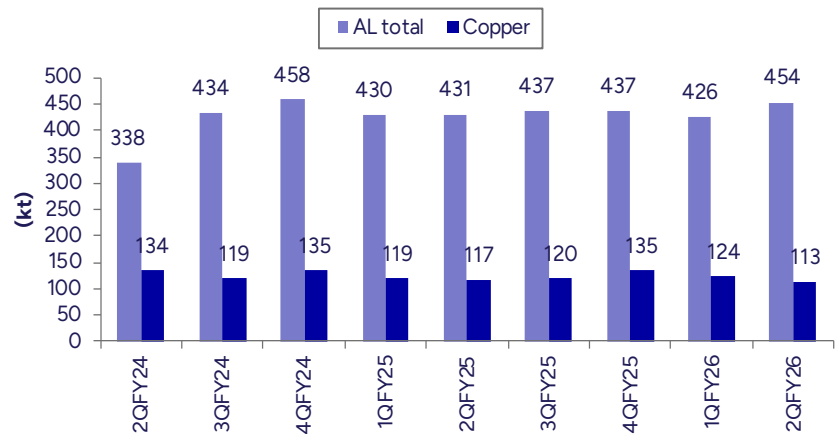
Source: Company, PL

Exhibit 3: Std. EBITDA margins up YoY on lower op costs and better product mix



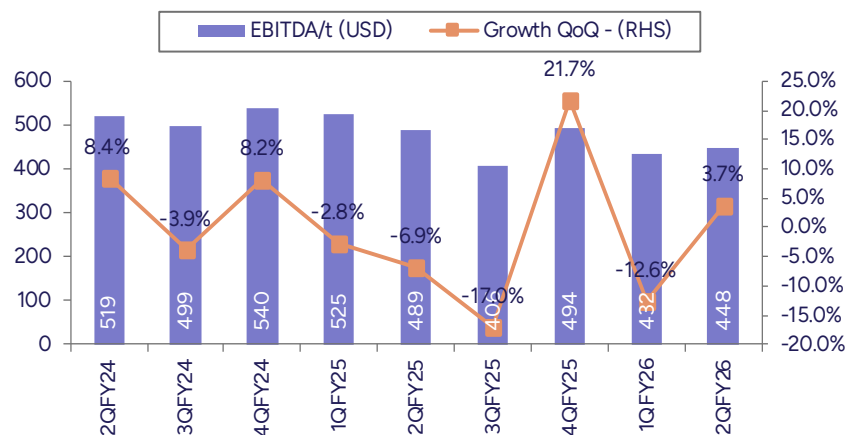
Source: Company, PL

Exhibit 4: AL volumes increased 5% YoY while CU volumes declined 3% YoY



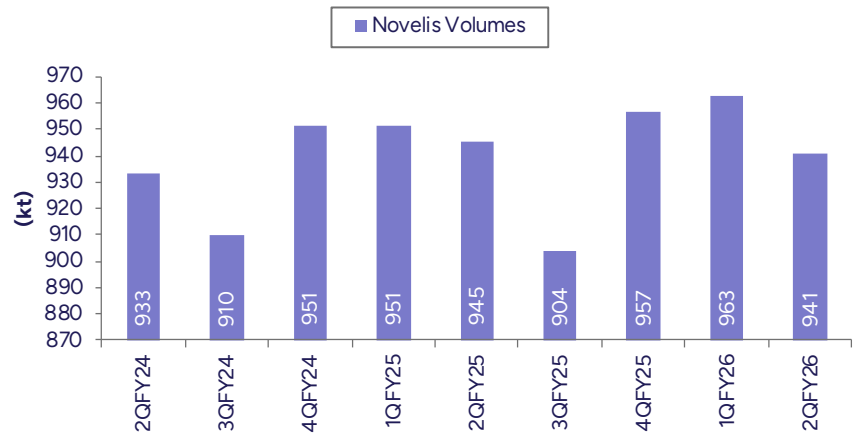
Source: Company, PL

Exhibit 5: Novelis adj. EBITDA/t up 4% QoQ on better MWP, spot scrap spread



Source: Company, PL

Exhibit 6: Novelis volumes flat YoY on higher auto and aerospace



Source: Company, PL

Exhibit 7: Target Price Calculation

(In Rs bn)	Sep'27 PLe	EV/EBITDA (x)	EV
Novelis EBITDA	220	6.5	1,431
HNDL Standalone EBITDA	161	5.5	886
Net debt			417
Equity value			1,900
Per share equity value			846

Source: PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	2,385	2,621	2,692	2,736
YoY gr. (%)	10.4	9.9	2.7	1.7
Cost of Goods Sold	1,449	1,858	1,906	1,942
Gross Profit	935	764	785	794
Margin (%)	39.2	29.1	29.2	29.0
Employee Cost	154	155	159	163
Other Expenses	453	257	250	244
EBITDA	328	352	376	386
YoY gr. (%)	35.3	7.2	6.9	2.6
Margin (%)	13.8	13.4	14.0	14.1
Depreciation and Amortization	89	98	105	109
EBIT	239	254	271	277
Margin (%)	10.0	9.7	10.1	10.1
Net Interest	34	37	39	42
Other Income	27	23	23	23
Profit Before Tax	223	241	255	258
Margin (%)	9.4	9.2	9.5	9.4
Total Tax	63	61	65	65
Effective tax rate (%)	28.4	25.2	25.6	25.3
Profit after tax	160	180	190	193
Minority interest	0	0	0	0
Share Profit from Associate	0	0	0	0
Adjusted PAT	160	180	190	193
YoY gr. (%)	57.6	12.4	5.7	1.5
Margin (%)	6.7	6.9	7.1	7.1
Extra Ord. Income / (Exp)	0	-	-	-
Reported PAT	160	180	190	193
YoY gr. (%)	57.6	12.4	5.7	1.5
Margin (%)	6.7	6.9	7.1	7.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	160	180	190	193
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	72.1	81.0	85.7	86.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	1,761	1,898	2,030	2,386
Tangibles	1,592	1,729	1,861	2,217
Intangibles	169	169	169	169
Acc: Dep / Amortization	862	960	1,065	1,174
Tangibles	749	846	952	1,061
Intangibles	113	113	113	113
Net fixed assets	899	939	965	1,212
Tangibles	843	883	909	1,156
Intangibles	56	56	56	56
Capital Work In Progress	274	411	565	419
Goodwill	267	267	267	267
Non-Current Investments	149	149	149	149
Net Deferred tax assets	(88)	(88)	(88)	(88)
Other Non-Current Assets	35	35	35	35
Current Assets				
Investments	105	105	105	105
Inventories	488	503	516	525
Trade receivables	198	180	184	187
Cash & Bank Balance	108	171	164	191
Other Current Assets	51	51	51	51
Total Assets	2,660	2,895	3,088	3,226
Equity				
Equity Share Capital	2	2	2	2
Other Equity	1,235	1,404	1,582	1,761
Total Networkth	1,237	1,406	1,584	1,763
Non-Current Liabilities				
Long Term borrowings	562	562	562	512
Provisions	7	7	7	7
Other non current liabilities	72	72	72	72
Current Liabilities				
ST Debt / Current of LT Debt	57	57	57	57
Trade payables	406	467	479	487
Other current liabilities	192	198	200	201
Total Equity & Liabilities	2,660	2,895	3,088	3,226

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	223	241	255	258
Add. Depreciation	79	98	105	109
Add. Interest	34	37	39	42
Less Financial Other Income	27	23	23	23
Add. Other	(14)	(23)	(23)	(23)
Op. profit before WC changes	322	352	376	386
Net Changes-WC	(23)	71	(4)	(2)
Direct tax	(55)	(61)	(65)	(65)
Net cash from Op. activities	244	362	307	318
Capital expenditures	(204)	(275)	(286)	(209)
Interest / Dividend Income	9	23	23	23
Others	(52)	-	-	-
Net Cash from Invst. activities	(247)	(252)	(263)	(186)
Issue of share cap. / premium	-	-	-	-
Debt changes	62	-	-	(50)
Dividend paid	(8)	(11)	(12)	(13)
Interest paid	(40)	(37)	(39)	(42)
Others	(31)	-	-	-
Net cash from Fin. activities	(17)	(48)	(51)	(106)
Net change in cash	(20)	62	(7)	27
Free Cash Flow	38	87	21	109

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	72.1	81.0	85.7	86.9
CEPS	112.2	125.0	133.1	135.9
BVPS	557.2	633.3	713.4	794.3
FCF	16.9	39.3	9.6	49.2
DPS	5.0	5.5	6.1	6.7
Return Ratio(%)				
RoCE	15.4	14.3	13.9	13.3
ROIC	11.3	11.4	10.9	10.5
RoE	13.9	13.6	12.7	11.5
Balance Sheet				
Net Debt : Equity (x)	0.3	0.2	0.2	0.2
Net Working Capital (Days)	43	30	30	30
Valuation(x)				
PER	11.0	9.8	9.2	9.1
P/B	1.4	1.2	1.1	1.0
P/CEPS	7.0	6.3	5.9	5.8
EV/EBITDA	6.6	6.0	5.6	5.3
EV/Sales	0.9	0.8	0.8	0.7
Dividend Yield (%)	0.6	0.7	0.8	0.8

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	584	649	642	661
YoY gr. (%)	10.6	15.9	12.7	13.5
Raw Material Expenses	355	396	409	416
Gross Profit	229	253	233	245
Margin (%)	39.3	39.0	36.2	37.0
EBITDA	76	88	79	90
YoY gr. (%)	29.3	32.3	5.4	13.7
Margin (%)	13.0	13.6	12.3	13.6
Depreciation / Depletion	19	21	21	22
EBIT	56	67	58	68
Margin (%)	9.7	10.4	9.1	10.3
Net Interest	8	9	8	8
Other Income	5	7	6	7
Profit before Tax	54	65	57	69
Margin (%)	9.2	10.1	8.8	10.4
Total Tax	16	13	17	18
Effective tax rate (%)	29.0	19.4	29.5	26.1
Profit after Tax	38	53	40	51
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	38	53	40	51
YoY gr. (%)	63.8	66.0	7.2	3.4
Margin (%)	6.5	8.1	6.2	7.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	38	53	40	51
YoY gr. (%)	63.8	66.0	7.2	3.4
Margin (%)	6.5	8.1	6.2	7.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	38	53	40	51
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	17.0	23.5	17.8	22.7

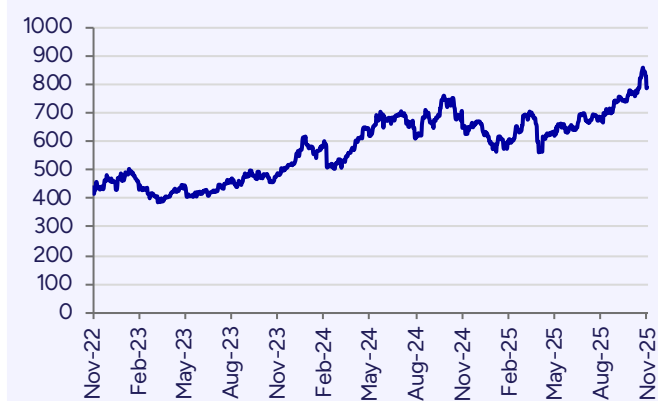
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Novelis volumes (mt)	3.8	3.7	3.7	3.8
Novelis EBITDA/t	501	450	480	500
Aluminium Price (USD/t)	2,523	2,633	2,719	2,643

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	883	768
2	13-Aug-25	Accumulate	762	667
3	08-Jul-25	Accumulate	738	692
4	21-May-25	Accumulate	724	663
5	23-Apr-25	BUY	736	620
6	08-Apr-25	BUY	736	562
7	03-Apr-25	BUY	773	661
8	25-Mar-25	BUY	804	702
9	17-Feb-25	BUY	696	604
10	09-Jan-25	BUY	682	589

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,374	1,882
2	Adani Port & SEZ	BUY	1,777	1,444
3	Ambuja Cement	BUY	718	577
4	Dalmia Bharat	Accumulate	2,372	2,250
5	Hindalco Industries	BUY	883	768
6	Jindal Stainless	Hold	759	758
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	Accumulate	338	309
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	280	217
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	31,769	28,585
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	196	171
16	Ultratech Cement	Accumulate	13,425	12,370

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level II, Mr. Pranav Iyer- BBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

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

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level II, Mr. Pranav Iyer- BBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

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

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

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com