

GREENPLY INDS.

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	383
12 month price target (INR)	455
52 Week High/Low	412/157
Market cap (INR bn/USD bn)	47/0.6
Free float (%)	52.0
Avg. daily value traded (INR mn)	197.8

SHAREHOLDING PATTERN

	Mar-23	Dec-22	Sep-22
Promoter	52.01%	52%	51.97%
FII	4.91%	4.13%	3.88%
DII	30.33%	30.31%	29.98%
Pledge	0%	0%	0%

FINANCIALS

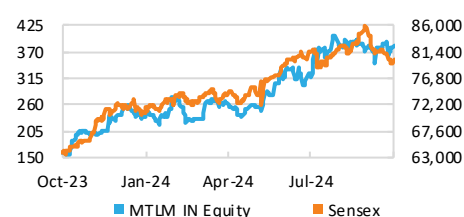
(INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Revenue	21,799	25,359	28,830	33,009
EBITDA	1,868	2,545	3,228	4,055
Adjusted profit	852	1,241	1,818	2,514
Diluted EPS (INR)	6.9	10.0	14.7	20.3
EPS growth (%)	(20.1)	45.6	46.5	38.3
RoAE (%)	12.6	16.2	20.0	22.6
P/E (x)	51.7	35.5	24.2	17.5
EV/EBITDA (x)	26.1	18.9	14.4	10.9
Dividend yield (%)	0.1	0.1	0.1	0.1

CHANGE IN ESTIMATES

Year to March	Revised estimates		% Revision	
	FY25E	FY26E	FY25E	FY26E
Revenue	25,359	28,830	-	-
EBITDA	2,545	3,228	-6%	-4%
Adjusted profit	1,241	1,818	-9%	-5%
Diluted EPS (INR)	10	14.7	-9%	-5%

PRICE PERFORMANCE



Revenue in line; margins a miss

Greenply reported in-line revenue growth of 13% YoY in Q2 led by 6%/31% increase in ply/MDF volumes as realisations too jumped 2%/9% YoY. MDF segment's performance was hurt with volumes/margins down 5%/~500bp QoQ due to the plant shutdown in September and also due to the impact of intermittent power supply caused by Gujarat floods. Moreover, PAT at INR176mn (our estimate: INR306mn) was hurt by forex loss of INR46mn.

Given a miss in Q2FY25 estimates and continued pressure on EBITDA margins, we are cutting FY25E/26E/27E EPS by 9%/5%/5%; maintain 'BUY' with a revised TP of INR455 (earlier INR475) based on 26x Q2FY27 EPS.

Plywood posts higher volumes; pressure on margins persists

The plywood segment clocked volume growth of 5.8% (our estimate: 8%). Elevated timber costs kept margins subdued at ~8% (estimate 8%). The segment faces pressure from elevated timber prices and management does not expect any improvement in margins during the year. It has taken one price hike in Q1 and another in Q2 by 2.5–3%. Despite the pressures, management guided ~8–10% volume growth in FY25 with flattish YoY margins. Furthermore, the company is cognizant of adding capacity for plywood demand in the medium to long term and is hopeful of finalising a plan in the next two–three quarters.

MDF segment hurt by plant shutdown

The MDF segment reported 31% YoY increase in volumes and 9% expansion in realisations leading to 42% growth in MDF revenue. However, while realisations improved marginally by 1% QoQ, MDF volumes dropped 5% affected by the plant shutdown in September and also due to the impact of intermittent power supply caused by Gujarat floods. Thus, operating leverage, continued high competitive intensity and elevated timber prices led EBITDA margin to fall ~400bp YoY/~500bps QoQ to 11.8%. The company is confident of crossing 200,000cbm in FY25 and plans to increase capacity from 800CBM/day to 1000CBM/day. Moreover, management is confident of 16%-plus margin led by higher utilisation, better product mix and improved efficiency.

Hardware JV investments key; capex on mind

The furniture plant to be operated via JV with the Turkish partner, is likely to post a top line of INR3bn within three–four years with 20%-plus margins. In Q2FY25, the segment only reported INR10mn sales and starting November the full range of its products shall be available in the market.

Financials

Year to March	Q2FY25	Q2FY24	% Change	Q1FY25	% Change
Net Revenue	5,834	5,676	2.8	22,253	(73.8)
EBITDA	574	482	19.0	1,858	(69.1)
Adjusted Profit	327	187	75.1	663	(50.7)
Diluted EPS (INR)	2.7	1.5	75.1	5.4	(50.7)

Financial Statements

Income Statement (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Total operating income	21,799	25,359	28,830	33,009
Gross profit	8,644	10,700	13,437	15,801
Employee costs	2,791	3,209	3,723	4,319
Other expenses	738	2,282	2,883	3,301
EBITDA	1,868	2,545	3,228	4,055
Depreciation	545	637	673	691
Less: Interest expense	433	399	300	213
Add: Other income	139	145	153	160
Profit before tax	1,150	1,655	2,407	3,312
Prov for tax	298	414	602	828
Less: Other adj	0	0	0	0
Reported profit	852	1,241	1,818	2,514
Less: Excp.item (net)	0	0	0	0
Adjusted profit	852	1,241	1,818	2,514
Diluted shares o/s	124	124	124	124
Adjusted diluted EPS	6.9	10.0	14.7	20.3
DPS (INR)	0.5	0.5	0.5	0.5
Tax rate (%)	25.9	25.0	25.0	25.0

Important Ratios (%)

Year to March	FY24A	FY25E	FY26E	FY27E
Ply rev growth	9.0	10.1	10.0	10.0
Gabon rev growth	0	0	0	0
Ply vol growth	8.6	9.0	10.0	10.0
EBITDA margin (%)	8.6	10.0	11.2	12.3
Net profit margin (%)	3.9	4.9	6.3	7.6
Revenue growth (% YoY)	31.1	16.3	13.7	14.5
EBITDA growth (% YoY)	21.2	36.3	26.8	25.6
Adj. profit growth (%)	(19.6)	45.6	46.5	38.3

Assumptions (%)

Year to March	FY24A	FY25E	FY26E	FY27E
GDP (YoY %)	5.5	6.3	6.3	6.3
Repo rate (%)	6.0	5.3	5.3	5.3
USD/INR (average)	84.0	82.0	82.0	82.0
Gabon vol growth	0	0	0	0
Ply real growth	0.3	1.0	0	0
Gabon real growth	(100.0)	0	0	0
Ply EBITDA (%)	8.3	0	0	0
Gabon EBITDA (%)	0	0	0	0
Capex (INR mn)	1,337.3	375.6	600.0	300.0

Valuation Metrics

Year to March	FY24A	FY25E	FY26E	FY27E
Diluted P/E (x)	51.7	35.5	24.2	17.5
Price/BV (x)	6.2	5.3	4.4	3.6
EV/EBITDA (x)	26.1	18.9	14.4	10.9
Dividend yield (%)	0.1	0.1	0.1	0.1

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Share capital	124	124	124	124
Reserves	6,970	8,137	9,818	12,195
Shareholders funds	7,094	8,261	9,942	12,319
Minority interest	2	0	0	0
Borrowings	5,246	4,246	2,790	2,062
Trade payables	3,329	3,615	3,795	4,243
Other liabs & prov	731	500	618	709
Total liabilities	16,639	16,859	17,382	19,571
Net block	8,460	8,324	8,251	7,860
Intangible assets	190	190	190	190
Capital WIP	124	0	0	0
Total fixed assets	8,774	8,513	8,440	8,050
Non current inv	435	435	435	435
Cash/cash equivalent	224	(102)	(177)	1,432
Sundry debtors	2,490	2,918	3,396	3,889
Loans & advances	17	17	17	17
Other assets	4,191	4,569	4,761	5,239
Total assets	16,639	16,859	17,382	19,571

Free Cash Flow (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Reported profit	852	1,241	1,818	2,514
Add: Depreciation	545	637	673	691
Interest (net of tax)	290	267	201	143
Others	(1,227)	(1,915)	(1,100)	(1,164)
Less: Changes in WC	(648)	(751)	(373)	(430)
Operating cash flow	1,109	981	1,965	2,614
Less: Capex	(1,337)	(376)	(600)	(300)
Free cash flow	(228)	605	1,365	2,314

Key Ratios

Year to March	FY24A	FY25E	FY26E	FY27E
RoE (%)	12.6	16.2	20.0	22.6
RoCE (%)	11.5	16.5	21.5	26.0
Inventory days	87	91	94	91
Receivable days	40	39	40	40
Payable days	80	86	88	85
Working cap (% sales)	12.1	13.4	13.1	12.7
Gross debt/equity (x)	0.7	0.5	0.3	0.2
Net debt/equity (x)	0.7	0.5	0.3	0.1
Interest coverage (x)	3.1	4.8	8.5	15.8

Valuation Drivers

Year to March	FY24A	FY25E	FY26E	FY27E
EPS growth (%)	(20.1)	45.6	46.5	38.3
RoE (%)	12.6	16.2	20.0	22.6
EBITDA growth (%)	21.2	36.3	26.8	25.6
Payout ratio (%)	7.3	5.0	3.4	2.5

Q2FY25 conference call highlights

Opening remarks

- PAT margins affected by :-
 - MTM loss of INR60mn: Forex loss from foreign
 - Share of loss: INR35mn from furniture
 - INR9mn from Middle East business
- Plywood:-
 - Sales volume grew 5.9% YoY
 - Revenue plywood & allied products grew 7.5% on a YoY basis
 - EBITDA margin of 8.3%. The margin improved YoY by 20 bp
 - 8–10% growth: Guidance for FY25E
- MDF:-
 - Sales volume of 45,053CBM
 - Revenue at INR1.3bn
 - Seven days plant shutdown and intermittent power cuts due to Gujarat floods
 - EBITDA margin of 11.8% compared with 16% in Q1FY25.: due to lower sales, reduction in finished good inventory, increase in RM prices and onetime increase in employee cost.
- Delays of one quarter due to delay in machinery by the Turkish partner. The company is ready to start product range manufacture in November 2024.
- Impact of INR700mn in LC: Will normalise by year-end. Inventory levels for plywood and MDF shall increase.
- Guidance: INR4.50bn as closing debt for FY25E.

MDF

- Progressing slowly
- 16%-plus margin guidance for FY25E.
- Realisation has improved to 31k; HDF flooring line (Q3FY25).
- If 50% growth in FY25E, the company shall have to grow at 18% in H2.
- Price hikes taken by the industry.
- Neighbouring countries: lot of disruption (excessive rainfall); do not expect imports starting again.
- Unorganised in MDF is very small. Will try and focus on north.
- Manufacturing cost of unorganised is 10% higher than Greenply.
- Below 7.5mm, is not catered to by Greenply.

- The company wants to improve brand awareness for MDF- to educate the end consumer.
- The company wants to double prelam segment's revenue - increasing launches. Currently at 10%.
- MDF industry growth for the last two years has been in double digit.
- The industry should continue to grow at a faster pace.
- This shall help expand margins.
- Vadodara plant payback: five–six years.
- MDF margins: 16% moving to 18%, is doable.
- The company should be able to generate 20% pretax RoCE.
- Further scope of MDF realisation improvement: Will depend on the price hikes taken.
- Other value added products: “Boilo” and HDMR 701 by Greenply- these products have helped raise the realisations.

Raw material costs

- 10.5INR for plywood; INR6.5 for MDF
- Increase YoY: in plywood 13%/14%; MDF: 6%
- Increase QoQ:Ply:8%; MDF : 3%
- Price hike taken in August and September: 2–3% (plywood); taken in October 1% (MDF)

Plywood

- Price hikes taken by the company and all other peers
- Price hikes taken after four/five quarters.
- Expect raw material to inch higher in Q4FY25.
- In Q1CY26, the company expects raw materials to stabilise.
- Q1 saw election headwinds; Q2 improving but can be better.
- Guidance for FY25E: Volume growth 8–10%.
- The economy side is growing faster than premium products
- Limitations on capacity size.
- The company is planning to set up a new plant.

Hardware JV (Turkish)/Furniture fittings:

- INR 10mn revenue booked.
- Plan delayed from July to November.

Capex

- Total anticipated capex for FY25E: INR450–500mn.
- Sizeable capex for MDF: glue plant: Q3FY24; HDF flooring: Q4FY25.
- Some capex for plywood.

Miscellaneous

- MDF Industry capacity addition: not too many plans by the organised players.
- Debottlenecking at the Vadodara plant.
- Setting up new plywood plant and then MDF will run at optimum capacity at FY25.
- Cash generation in three–four year: INR4/5bn

Exhibit 1: Financial snapshot (in INR mn)

Year to March	Q2FY25	Q2FY24	% change	Q1FY25	% change
Revenues	6,405	5,677	12.8	5,839	9.7
Raw material	3,904	3,450	13.2	3,461	12.8
Staff costs	825	725	13.9	734	12.5
Others	1,100	1,019	7.9	1,065	3.2
Total expenditure	5,829	5,194	12.2	5,260	10.8
EBITDA	576	483	19.2	579	(0.5)
Depreciation	151	139	8.3	150	0.6
EBIT	425	344	23.6	429	(0.9)
Less: Interest Expense	145	118	22.3	104	38.9
Add: Other income	20	33	(39.6)	57	(65.5)
Add: Prior period items					
Add: Exceptional items					
Profit Before Tax	301	259	16.2	383	(21.4)
Less: Provision for Tax	81	70	15.9	5	1,230.4
Less: Minority Interest					
Add: Share of profit from associates	-44	-1	3,189.4	-45	(97.0)
Add: Exceptional items (net of tax)	0				NA
Reported Profit	176	188	(6.4)	332	(47.1)
Loss from discontinuing operations		-12		-55	
Adjusted net profit	176	175	0.2	277	(36.7)
No. of Diluted shares outstanding (mn)	123	123		123	
Adjusted Diluted EPS	1.4	1.5	(6.4)	2.7	(47.1)
As % of net revenues					
Raw material	60.9	60.8		59.3	
Staff expenses	12.9	12.8		12.6	
Other expenses	17.2	18.0		18.2	
EBITDA	9.0	8.5		9.9	
Net profit	2.7	3.1		4.7	

Source: Company, Nuvama Research

Exhibit 2: Segmental details

Year to March	Q2FY25	Q2FY24	% change	Q1FY25	% change
Revenues					
Plywood	5,141	4,787	7.4	4,520	13.7
MDF	1,265	890	42.1	1,320	(4.2)
Total revenues	6,406	5,677	12.8	5,840	9.7
EBITDA					
Plywood	427	378	377.6	357	19.5
MDF	149	139	139.0	220	(32.3)
Total EBITDA	576	517	11.4	577	(0.2)
EBITDA Margins					
Plywood	8.3	7.9	41	7.9	40
MDF	11.8	15.6	-384	16.7	(489)
Total EBITDA	9.0	9.1	-11	9.9	(89)

Source: Company, Nuvama Research

Exhibit 3: Operational details

Year to March	Q2FY25	Q2FY24	% change	Q1FY25	% change
Volumes					
Plywood (million sqm.)	20	19	5.8	18	14.1
MDF (in CBM)	40,553	31,019	30.7	42,724	(5.1)
Realisations					
Plywood (INR./sqm.)	251	245	2.4	245	2.4
MDF	31,169	28,540	9.2	30,817	1.1
EBITDA/unit					
Plywood (INR./sqm.)	21	10,708	(99.8)	20	4.7
MDF (INR/CBM)	3,674	4,481	(18.0)	5,149	(28.6)

Source: Company, Nuvama Research

Company Description

Set up in 1984 by Mr. Rajesh Mittal as a small saw mill, Greenply is now one of India's premier interior infrastructure companies manufacturing, marketing, distributing and branding plywood. The company has a wide range of products across plywood segments—block boards, flush doors and decorative veneers. Greenply has three plywood manufacturing facilities – in Nagaland, West Bengal, Gujarat and Uttar Pradesh– with total capacity of 48.4mn sqm. And the company has pan-India presence with 55 branches and a dealer network spread in over 300 cities across 25 states. The company had total 2,300 distributors and 6,000 retailers across India at the end of March 2022. In 2014, Greenply demerged its decorative division (manufactures surface products like laminates and veneers) into Greenlam Industries. In 2018, the company also demerged its MDF business into Greenpanel Industries.

Investment Theme

Greenply Industries is a joint leader in India's organised plywood market with one of the largest shares in the domestic segment. Revival in housing demand and the ongoing shift towards organised players are set to drive growth in the plywood division. The foray into MDF would add further to earnings from FY24. Sustained cost control and a tight leash on working capital are keeping balance sheet strong. The MDF foray and revival in plywood demand would drive Revenue/EBITDA/PAT CAGR of 15%/31%/44% over FY24–27E.

Key Risks

- Delay or slow ramp-up of MDF unit
- Excessive competition in MDF
- Slowdown in realty sector
- INR appreciation as it would make MDF imports cheaper

Additional Data

Management

Chairman & MD	Mr. Rajesh Mittal
Joint MD	Mr.Sanidhya Mittal
Joint MD & CEO	Mr. Manoj Tulsian
CFO	Mr.Nitinkumar Kalani
Auditor	

Holdings – Top 10*

	% Holding	% Holding
		Canara robeco A
Mirae asset	12.74	Union MF
HDFC AMC	7.02	FundRock manage
TATA AMC	5.77	SBI Funds
IDFC MF	2.40	Dimensional fun

*Latest public data

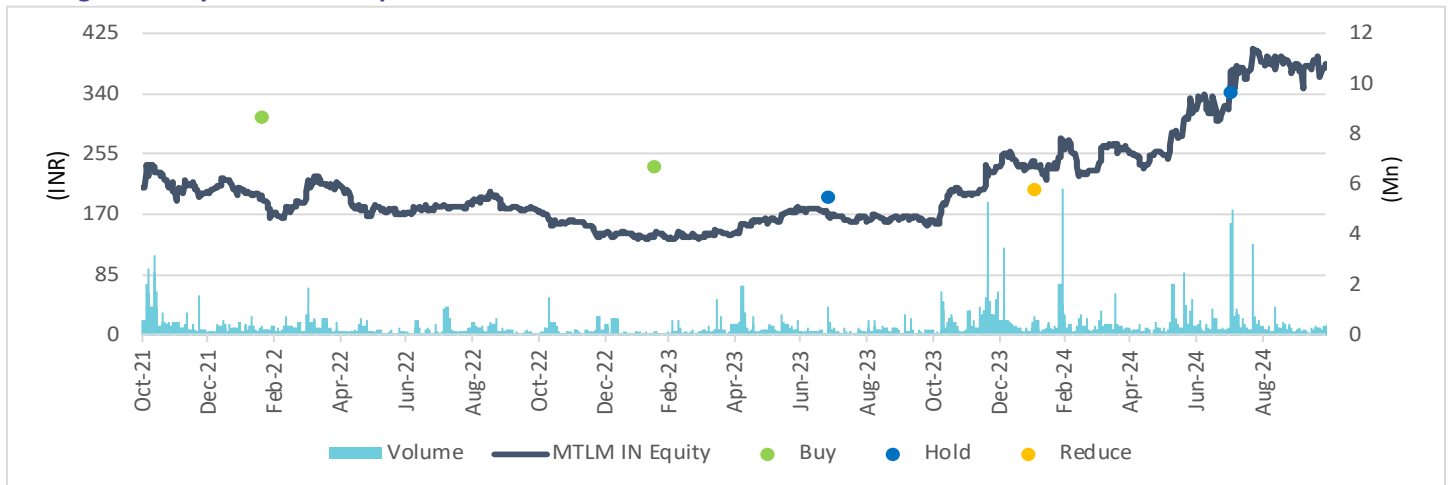
Recent Company Research

Date	Title	Price	Reco
31-Jul-24	Margins expand in spite of environment; <i>Result Update</i>	356	Hold
22-May-24	Volumes healthy; margins drag; <i>Result Update</i>	257	Reduce
01-Feb-24	Volumes healthy; margins drag; <i>Result Update</i>	245	Reduce

Recent Sector Research

Date	Name of Co./Sector	Title
25-Oct-24	Finolex Industries	Volumes gain at cost of margins ; <i>Result Update</i>
22-Oct-24	Supreme Industries	Volume disappoints; guidance lowered; <i>Result Update</i>
22-Oct-24	Kajaria Ceramics	Volume growth intact; margins hurt; <i>Result Update</i>

Rating and Daily Volume Interpretation



Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	221
Hold	<15% and >-5%	65
Reduce	<-5%	25

DISCLAIMER

Nuvama Wealth Management Limited (defined as "NWML" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance/Grievance officer: Mr. Atul Bapna, E-mail address: complianceofficer.nwm@nuvama.com Contact details +91 (22) 6623 3478 Investor Grievance e-mail address: grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No. INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML (e) Registration granted by SEBI and certification from NISM in no way guarantee performance of NWML or provide any assurance of returns to investors and clients.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may 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 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No

NWML has financial interest in the subject companies: No

NWML's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:

The analyst 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.

Additional Disclaimers

Disclaimer for U.S. Persons

This research report is a product of NWML, 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 NWML 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, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons

The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the "Order"); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons

This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons

In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons

This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance "SFO". This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING.

Abneesh Roy

Head of Research Committee

Abneesh.Roy@nuvama.com
