PCBL

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	441
12 month price target (INR)	500
52 Week High/Low	585/189
Market cap (INR bn/USD bn)	167/2.0
Free float (%)	47.0
Avg. daily value traded (INR mn)	3,366.4

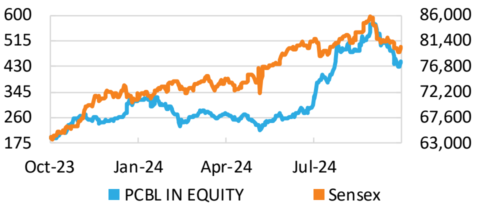
SHAREHOLDING PATTERN

	Sep-24	Jun-24	Mar-24
Promoter	51.41%	51.41%	51.41%
FII	4.99%	5.29%	6.68%
DII	8.04%	7.64%	6.85%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Revenue	58,739	56,743	58,261	67,710
EBITDA	7,364	9,666	12,124	14,245
Adjusted profit	4,441	5,333	6,466	7,628
Diluted EPS (INR)	11.8	14.1	17.1	20.2
EPS growth (%)	4.0	20.1	21.2	18.0
RoAE (%)	16.4	17.5	18.4	18.8
P/E (x)	36.5	30.4	25.0	21.2
EV/EBITDA (x)	22.9	19.6	16.5	14.0
Dividend yield (%)	0.9	0.9	1.0	1.2

PRICE PERFORMANCE



EBITDA/mt to improve further

PCBL posted in-line results with a 46% YoY jump in consolidated revenue to INR21.6bn led by higher carbon black volumes and improved realisation. EBITDA shot up 52% YoY to INR3.7bn as EBITDA/ton for carbon black inched up to INR21,234/MT, although PAT stayed flat at INR1.2bn due to rising interest and depreciation.

Aquapharm demonstrated a stable performance, with management guiding for significant growth and margin expansion in FY26E. Additionally, the joint venture with Kinaltek is expected to enhance future growth and margins. All in all, we are raising the TP to INR500 (earlier INR486) as we roll forward the valuation to Q3FY27E EV/EBITDA; reiterate 'BUY'.

In-line results boosted by better volumes and improved realisations

PCBL's posted in-line results overall with revenue rising 46% YoY to INR21.6bn fuelled by improved realisation and a 14% increase in carbon black volumes; however, Q2 revenue, which includes contribution from Aquapharm (not in base), edged down 3% QoQ. Carbon black volume shot up 42% while all segments saw revenue increases: carbon black up 22%, power up 26%, and chemicals at INR3.6bn. Gross profit margin improved by 123bp YoY to 30.7% and EBITDA surged 52% YoY to INR3.7bn due to higher top line and improved margins at 16.8%. EBIT for carbon black rose 37% YoY to INR2.8bn, but PAT remained flat YoY at INR1.23bn due to a sharp increase in interest and depreciation costs, resulting in a PAT margin of 5.7%.

Strong guidance for Aquapharm

Aquapharm reported revenue of INR3.6bn and EBITDA of INR500mn, resulting in a 5% margin. Capacity utilization was at 75% with sales volume reaching 24,510 metric tons. Management highlighted that a 38,000mtpa expansion project is on course to be commissioned by March 2025. Management has guided for 17–18% growth and 20% margins for FY26. We believe this expansion along with improved utilisation of existing facilities will aid margin expansion going ahead.

Diversification aids margin improvement; debt remains a concern

We believe that the recent acquisition of Aquapharm and the JV with Kinaltek would positively influence the company's long-term growth and margins. Additionally, the upcoming capacity addition for carbon black is expected to enhance EBITDA/ton as utilisation increases. Amid these encouraging developments, the company's leveraged balance sheet remains a concern; however, we believe a pickup in utilisation of Aquapharm would help generate strong cash flows.

Financials

Year to March	Q2FY25	Q2FY24	% Change	Q1FY25	% Change
Net Revenue	15,361	13,983	9.9	14,910	3.0
EBITDA	2,732	2,347	16.4	2,674	2.2
Adjusted Profit	1,290	1,324	(2.5)	1,163	11.0
Diluted EPS (INR)	0.0	0.0		0.0	

Rohan Gupta
Rohan.Gupta@nuvama.com

Rohan Ohri
rohan.ohri@nuvama.com

Financial Statements

Income Statement (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Total operating income	58,739	56,743	58,261	67,710
Gross profit	14,265	17,290	20,856	24,162
Employee costs	1,903	2,050	2,131	2,217
Other expenses	4,998	5,575	6,600	7,700
EBITDA	7,364	9,666	12,124	14,245
Depreciation	1,366	1,505	1,896	2,087
Less: Interest expense	534	1,262	1,600	1,600
Add: Other income	384	310	355	340
Profit before tax	5,848	7,208	8,983	10,899
Prov for tax	1,407	1,875	2,516	3,271
Less: Other adj	0	0	0	0
Reported profit	4,441	5,333	6,466	7,628
Less: Excp.item (net)	0	0	0	0
Adjusted profit	4,441	5,333	6,466	7,628
Diluted shares o/s	378	378	378	378
Adjusted diluted EPS	11.8	14.1	17.1	20.2
DPS (INR)	4.0	4.0	4.3	5.1
Tax rate (%)	24.1	26.0	28.0	30.0

Balance Sheet (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Share capital	378	378	378	378
Reserves	27,819	32,415	37,264	42,985
Shareholders funds	28,196	32,792	37,642	43,362
Minority interest	0	0	0	0
Borrowings	7,127	28,877	38,661	38,661
Trade payables	9,497	14,358	11,376	13,183
Other liabs & prov	3,427	3,801	3,801	3,801
Total liabilities	50,162	81,838	93,489	1,01,017
Net block	19,992	26,599	28,928	31,074
Intangible assets	7	20	9	9
Capital WIP	2,855	1,629	3,794	4,794
Total fixed assets	22,853	28,248	32,732	35,877
Non current inv	10,100	36,794	36,794	36,794
Cash/cash equivalent	421	1,690	478	1,575
Sundry debtors	11,078	12,875	12,770	14,841
Loans & advances	5	6	6	6
Other assets	6,838	8,198	11,433	12,648
Total assets	50,162	81,838	93,489	1,01,017

Important Ratios (%)

Year to March	FY23A	FY24E	FY25E	FY26E
Specialty Chemicals	40,376.0	57,247.0	67,247.0	75,000.0
Performance chemical	92,094.0	1,48,038.0	1,58,038.0	1,68,038.0
Tyre	3,11,585.0	3,26,565.0	3,74,715.0	4,56,962.0
EBITDA margin (%)	12.5	17.0	20.8	21.0
Net profit margin (%)	7.6	9.4	11.1	11.3
Revenue growth (% YoY)	32.1	(3.4)	2.7	16.2
EBITDA growth (% YoY)	12.3	31.2	25.4	17.5
Adj. profit growth (%)	4.0	20.1	21.2	18.0

Free Cash Flow (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Reported profit	4,441	5,333	6,466	7,628
Add: Depreciation	1,366	1,505	1,896	2,087
Interest (net of tax)	406	934	1,152	1,120
Others	(595)	197	448	626
Less: Changes in WC	1,600	2,287	(6,090)	(1,815)
Operating cash flow	7,218	10,256	3,872	9,645
Less: Capex	(2,894)	(6,816)	(6,207)	(5,042)
Free cash flow	4,324	3,440	(2,335)	4,603

Assumptions (%)

Year to March	FY23A	FY24E	FY25E	FY26E
GDP (YoY %)	6.4	5.8	6.3	6.3
Repo rate (%)	6.0	5.5	5.0	5.0
USD/INR (average)	80.0	78.0	77.0	77.0
Volumes (MT)	4,85,000.0	5,40,000.0	6,00,000.0	7,00,000.0
Crude Prices (USD)	91.2	75.0	70.0	70.0
Specialty Product Perc.	9.1	10.8	11.2	10.7
EBITDA/tonne	15,184.1	17,899.3	20,206.7	20,350.4
Realis. Premium (Specl. V/s Carbon Black)	1,75,351.4	1,47,272.7	1,48,860.8	1,48,860.8
Non-Speciality – realis.	1,00,699.1	86,785.7	87,721.5	87,721.5

Key Ratios

Year to March	FY23A	FY24E	FY25E	FY26E
RoE (%)	16.4	17.5	18.4	18.8
RoCE (%)	18.7	17.5	15.3	15.8
Inventory days	45	49	71	80
Receivable days	69	77	80	74
Payable days	76	110	126	103
Working cap (% sales)	12.9	10.2	20.4	19.7
Gross debt/equity (x)	0.3	0.9	1.0	0.9
Net debt/equity (x)	0.2	0.8	1.0	0.9
Interest coverage (x)	11.2	6.5	6.4	7.6

Valuation Metrics

Year to March	FY23A	FY24E	FY25E	FY26E
Diluted P/E (x)	36.5	30.4	25.0	21.2
Price/BV (x)	5.7	4.9	4.3	3.7
EV/EBITDA (x)	22.9	19.6	16.5	14.0
Dividend yield (%)	0.9	0.9	1.0	1.2

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY23A	FY24E	FY25E	FY26E
EPS growth (%)	4.0	20.1	21.2	18.0
RoE (%)	16.4	17.5	18.4	18.8
EBITDA growth (%)	12.3	31.2	25.4	17.5
Payout ratio (%)	34.0	28.3	25.0	25.0

**THESE ARE STANDALONE NUMBERS*

Exhibit 1: Quarterly financial snapshot (INR mn)

Year to March	Q2FY25	Q2FY24	% change	Q1FY25	% change
Revenues	**21,632**	14,867	45.5	21,436	1
Raw material	**14,986**	10,483	43.0	14,491	3
Staff costs	**985**	560	76.0	1,001	-2
Other expenditure	**2,026**	1,443	40.4	2,361	-14
Total expenditure	**17,997**	12,486	44.1	17,853	1
EBITDA	**3,635**	2,381	52.7	3,583	1
Depreciation	**864**	482	79.1	845	2
EBIT	**2,827**	1,926	46.8	2,847	-1
Interest	**1,189**	210	467.1	1,211	-2
Other income	**57**	27	110.8	109	-48
Profit Before Tax	**1,638**	1,716	(4.5)	1,636	0
Less: Provision for Tax	**404**	488	(17.2)	457	-12
Reported Profit	**1,234**	1,228	0.5	1,179	5
No. of Diluted shares outstanding (mn)	**378**	378		378	
Adjusted Diluted EPS	**2.9**	3.3	(12.1)	3.1	(8.5)
As % of revenues					
COGS	**69.3**	70.5	-123.3	67.6	167.8
Gross profit	**30.7**	29.5	123.3	32.4	-167.8
Employee costs	**4.6**	3.8	78.8	4.7	-11.6
Other expenses	**9.4**	9.7	-34.2	11.0	-165.2
Total operating expenses	**83.2**	84.0	-78.7	83.3	-9.0
EBITDA	**16.8**	16.0	78.7	16.7	9.0
Net profit	**5.7**	8.3	-255.6	5.5	20.5

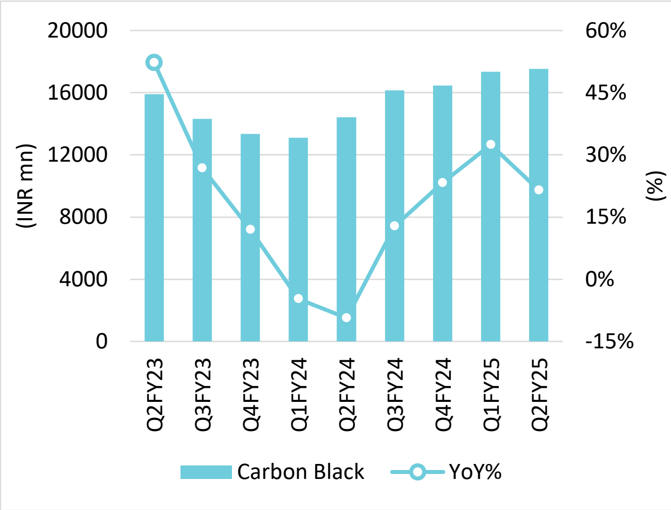
Source: Company, Nuvama Research

Exhibit 2: Segmental information

Breakdown by segment	Q2FY25	Q2FY24	% change	Q1FY25	% change
Revenues					
Carbon Black	**17,531**	14,426	22	17,343	1
Power	**807**	639	26	813	-1
Chemical	**3,609**	0	-	3,574	1
Inter segment	**315**	197		294	7
Total	**16,066**	13,983	15	14,910	8
EBIT					
Carbon Black	**2,720**	1,991	37	3,043	-11
Power	**497**	416	19	553	-10
Chemicals	**196**	0		158	24
Less Interest	**1,189**	210	467	1,211	-2
Other Un-Allocable Expenditure Net Off Un-Allocable Income	**585**	481	22	907	-36
Total	**1,638**	1,716	-5	1,636	0

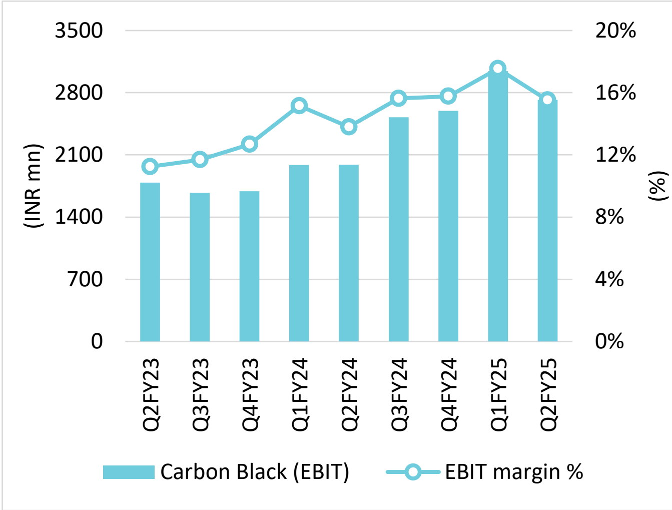
Source: Company, Nuvama Research

Exhibit 3: Carbon black growth continues



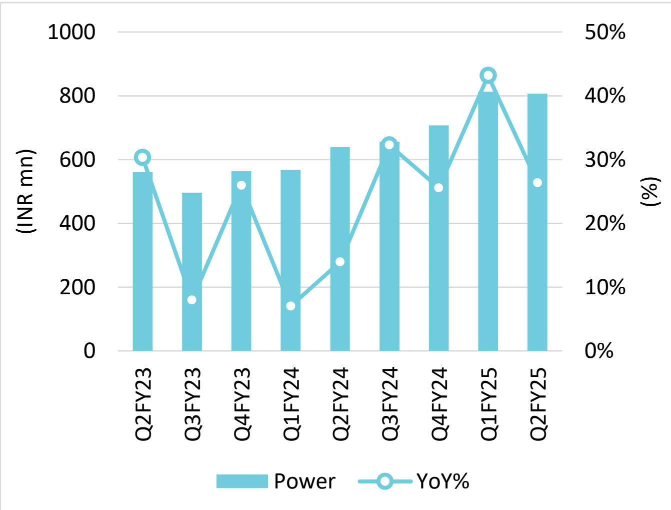
Source: Company, Nuvama Research

Exhibit 4: EBIT margin decline



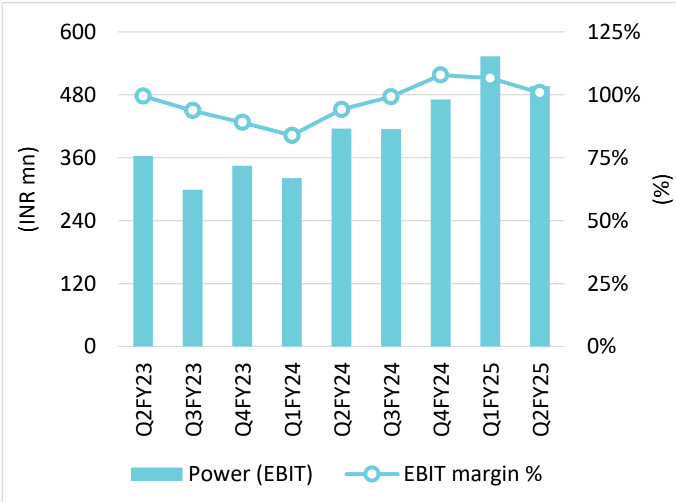
Source: Company, Nuvama Research

Exhibit 5: Power revenue increases YoY



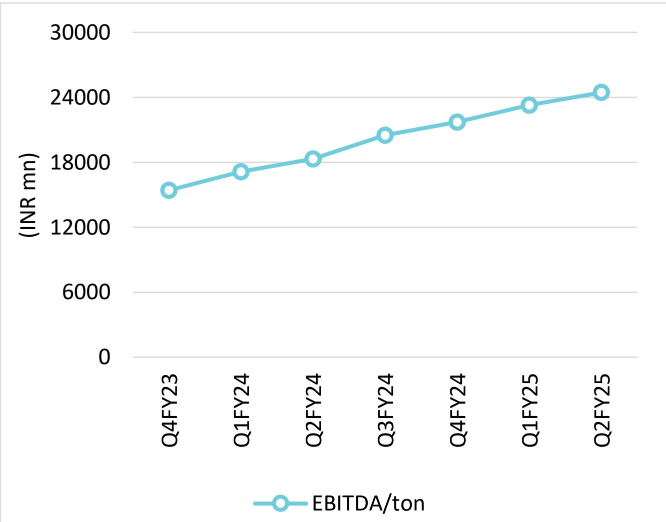
Source: Company, Nuvama Research

Exhibit 6: Power margin stable



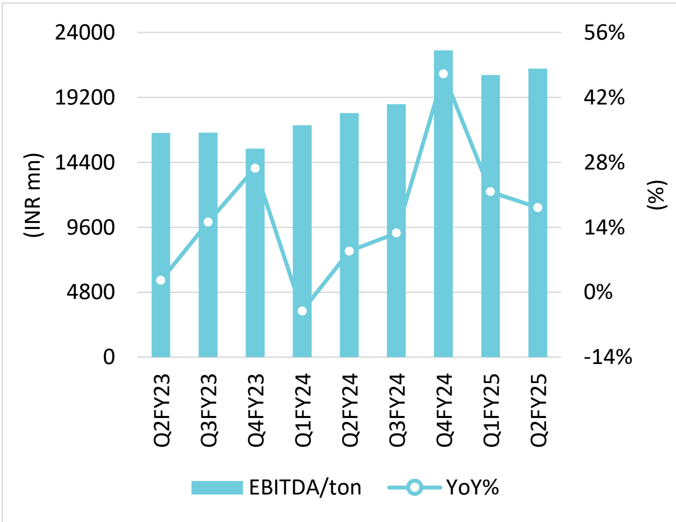
Source: Company, Nuvama Research

Exhibit 7: EBITDA/ton increases sequentially



Source: Company, Nuvama Research

Exhibit 8: EBITDA/ton for carbon black remains stable



Source: Company, Nuvama Research

Q2FY25 conference call key takeaways

Financial update

- PCBL's result is in line with our estimates with revenue increasing 46% YoY to INR21.6bn (down 3% sequentially); this was mainly due to better realisation and a 14% increase in volumes in carbon black and revenue contribution from Aquapharm.
- ***Volumes:*** In carbon black, the performance segment clocked highest volume growth of 42% YoY, followed by specialty black and tyre segment at 10% and 3%, respectively.
- **Segmental*:*** Revenue increased across segments as revenue from carbon black segment rose 22% YoY and that of the power segment by 26% YoY while that of chemicals business came in at INR3.6bn.
- Sequential decline in carbon black volumes is attributable to maintenance shutdowns during monsoon at tyre companies; plus, container availability issues.
- Gross profit margins stood at 30.7%, up by 123bp YoY because of lower raw material prices.
- EBITDA grew 52% YoY to INR3.7Bn with EBITDA margin rising 80bp YoY to 16.8%. EBITDA/mt for carbon black for Q2FY25 increased to INR21,234/mt.
- EBIT from carbon black business increased by 37% YoY to INR2.8bn while power segment saw an increase of 20% YoY to INR500mn. EBIT margin for the chemicals business came in at 5%.
- PAT came in flat at INR1.23bn, mainly as interest costs increased by 467% YoY and depreciation by 80% YoY while PAT margins stood at 5.7%.
- **Decline in other expense*:*** Sequential decline in other expenses is largely due to the higher maintenance and repair costs and higher carbon black volumes in Q1.

Aquapharm

- During the quarter, Aquapharm reported revenue of INR3.6bn with EBITDA of INR500mn yielding a 5% margin.
- Margins were lower as demand from US markets was substantially down, which led to lower volumes and margin decline.
- Sales volume for the quarter stood at 24,150MT with capacity utilisation at 75%.
- Production capacity is at 1,30,000MT with plants situated in India, USA and Saudi Arabia.
- Capacity expansion by 38,000MTPA is underway and is expected to be completed by Mar-25.
- Currently, it has more than 275 products and phosphonates account for over 50% of revenue share in the product portfolio.
- Management is focused on improving product mix with greater contribution from green chelates and polymers in India wherein current market share of Aquapharm is low.
- **Expansion in Texas:** Aquapharm plans to increase specialty phosphonate products in the US for serving the oil & gas industry.

- **New geography:** Aquapharm aims to expand into newer geographies by serving Europe and de-risking concentration from America.
- ***Guidance:*** Management expects 17–18% volume growth from FY26 ,and margins should reach 20%, which should further improve to 25% by FY29.

Other key highlights

- Power generation increased during the quarter by 25% YoY to 209MU while units sold increased by 22% to 126MU.
- Sales mix between domestic and exports stood at 61% and 39%, respectively. Export volumes increased 22% YoY while domestic volumes rose by 10% YoY.
- During the quarter, the Tamil Nadu plant's sales volume stood at 25,982MT with capacity utilisation at 80%.
- Brownfield expansion at the Tamil Nadu facility by 90,000MTPA and 12MW green power is being expedited. First phase of 30,000 MTPA to be commissioned by Q3FY25 and second phase of 60,000MTPA by H1FY26.
- By the next year, carbon black capacity shall be 8,80,000MTPA and green power capacity will be 134MW.
- Export volumes to the European market are expected to increase with ramp-up of the Tamil Nadu facility.
- **JV with Kindia:** They have started work on a pilot plant to develop Nano – Silicon additives used in anodes of Li-ion batteries.
- PCBL to infuse USD44m in multiple stages over the next two years for acquiring IP and setting up plants.
- They would be making an additive, which will increase the absorption capacity of anode and will in turn increase efficiency.
- Currently, the selling price of same product is USD300/kg and even if they sell it at USD100/kg they will be making 60% margins due to better process.
- Currently the production process used to manufacture this product is very costly and, through their process, the cost goes down by 1/5th of cost, which helps them have a cost advantage.
- **Expected revenue:** Management expects at 2,000 tonne capacity, revenue of INR20bn is sustainable by FY29.
- **Debt guidance**: Management is firm with maintaining a debt level at 2x debt/EBITDA.
- **Carbon black demand scenario**: Due to pricing pressure, management expects the Chinese companies to consolidate and additional capacity would not be added. Due to sanctions, Russian supply is largely restricted to Asian countries. This macro event aids India to provide for meet demand.

Company Description

PCBL, a part of RP-Sanjiv Goenka Group is the largest carbon-black producer in India by capacity. PCBL was set up in association with Phillips Petroleum a US-based company in 1960. PCBL commenced its commercial production in Dec-62 with 14ktap plant in Durgapur, using oil furnace technology. PCBL had a technical collaboration with Columbian Chemical for about a decade. In FY97, Carbon and Chemicals India Ltd was amalgamated with the company. By FY04, PCBL had three plants at Durgapur, Palej and Kochi with a total capacity of 270ktpa.

Investment theme

In the Carbon-Black market, PCBL enjoys an indomitable 50% market share in India, 11%-globally and 17%-world ex-China. Furthermore, we see the global market share in the profitable Speciality-Carbon-Black market increasing to 5.9% by FY25E (FY22: 3.6%). Even in Rubber and Performance Chemicals grade, we expect the market share to rise by 30bp in both the categories. On the ESG front, the company outscores its global peers in areas such as GHG intensity (Scope 1) – 1.43tCO2e/t vs. 2.28tCO2e/t and water intensity- 6.2m3/t vs. 9.2m3/t. The company's long-term targets is demonstrative of its focussed pursuit towards a spirited advancement.

In a business that enjoys little margin volatility, owing to the cost pass-through mechanism, PCBL is strengthening its market leadership. Key growth drivers includes: i) volume ramp up in core rubber business as 147ktpa Tiruvallur plant ramps up; ii) margin aggrandizement via higher speciality product sales volume (up 10ktpa p.a. through to FY25E) – yielding ~2.6x margin compared to rubber products; and iii) harnessing state-of-the-art technology at the greenfield Chennai plant, resulting in better plant processes and yields. All in all, we see EBITDA margin surpassing 21% (FY22: 12%) and RoE improving to 22% (FY22: 18.8%) through FY25E.

Key Risks

PCBL operates in a very competitive environment with significant dependence on automotive and tyre industries. Automotive industry is particularly susceptible to supply chain disruptions such as semiconductor shortage and calamity such as covid19, potentially impacting revenue and cash flows adversely.

While operations are largely cost pass-through, the inability to do so, in the absence of a firm binding contract might have an impact on profitability.

Besides, there is a need for constant innovation due to variations and changes required. The threat of substitution from silica precipitate, advanced materials and fused alloys remains.

PCBL is subject to significant environmental and regulatory risks. Globally, carbon black is being investigated as potential carcinogenic and nano-scale material. Any development in this regard, could have a significant impact on company's sales volumes and cashflows.

Additional Data

Management

Chairman	Sanjiv Goenka
Managing Director	Kaushik Roy
CFO	Raj Kumar Gupta
Auditor	S. R. Batliboi & Co. LLP

Holdings – Top 10*

	% Holding		% Holding
HDFC AMC	1.71	Tata Asset mana	0.49
Mahindra Manuli	1.58	Australlian sup	0.40
IDFC Mutual fun	1.34	BOI Investment	0.32
Dimensional Fun	1.24	ICICI Prudentia	0.29
Blackrock Inc	0.68	FIL ltd	0.29

**Latest public data*

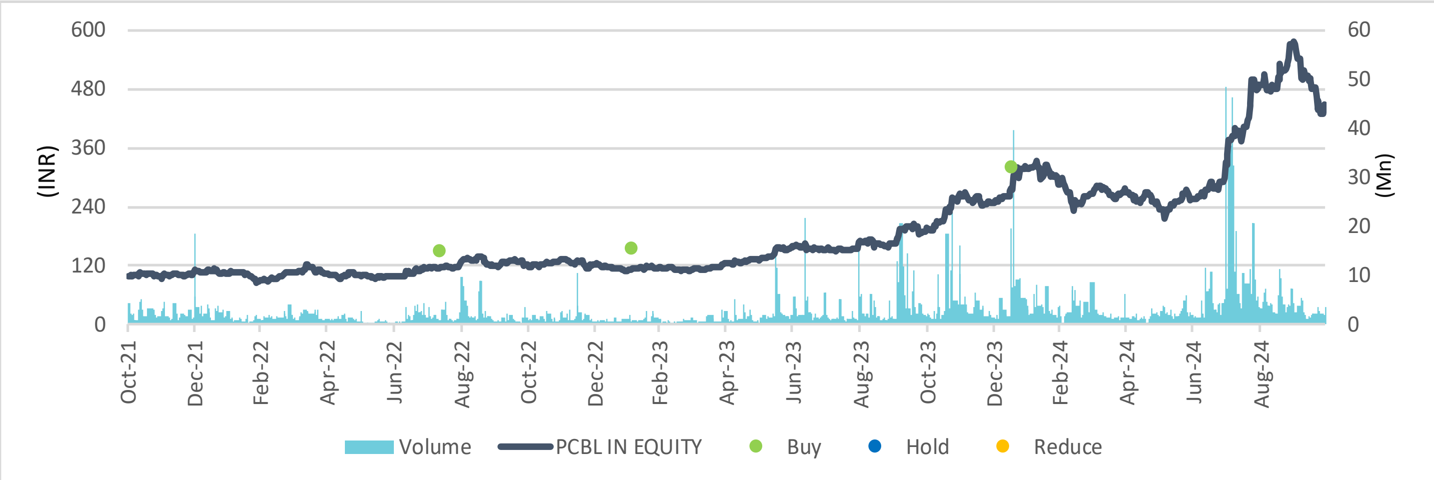
Recent Company Research

Date	Title	Price	Reco
12-Aug-24	Moving towards specialty chemicals; *Result Update*	386	Buy
23-May-24	EBITDA/mt scales new heights; *Result Update*	259	Buy
15-Jan-24	Operating margin holds strong; *Result Update*	132	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
19-Feb-24	Chemical	Early signs of revival; *Sector Update*
25-Apr-19	Chemical	Chemspec: Party for domestic manufacture; *Sector Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	220
Hold	<15% and >-5%	66
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

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal, pseudonym=47IeWj0vIzKRUdWSEFvWUquxP0HUOyNu, 2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c, postalCode=400098, st=Maharashtra, serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9, cn=ABNEESH KUMAR ROY
Date: 2024.10.30 20:21:42 +05'30'
Adobe Acrobat version: 2024.003.20180