InCred Equities

DOWNGRADE

Jindal Steel and Power

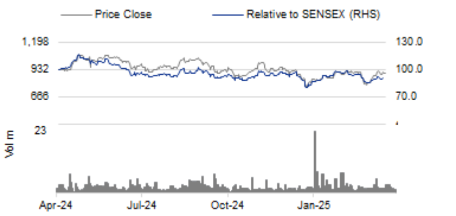
Huge capex in a slowing world

India

REDUCE *(previously ADD)*

Consensus ratings*:	Buy 19 Hold 5 Sell 5
Current price:	Rs882
Target price: ▲	Rs853
Previous target:	Rs380
Up/downside:	-3.3%
InCred Research / Consensus:	-12.2%
Reuters:	JNSP.NS
Bloomberg:	JSP IN
Market cap:	US$10,535m
	Rs899,412m
Average daily turnover:	US$22.9m
	Rs1955.6m
Current shares o/s:	1,020.0m
Free float:	39.6%

Source: Bloomberg



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(4.5)	(4.6)	(2.7)
Relative (%)	(6.5)	(7.9)	(9.4)

Major shareholders	% held
Promoter and Promoter Group	61.2
Kotak MF	2.8
HDFC MF	2.4

- Jindal Steel and Power's aggressive Rs181bn capex plan looks risky amid weak global steel demand, oversupply, and rising Chinese competition.
- Policy support is possible, but drastic measures like MIP are unlikely, given the relatively stable banking sector.
- With high valuations, rising leverage, and overly optimistic consensus estimates, we downgrade our rating on the stock to REDUCE (ADD earlier).

Aggressive capex in a weak environment

Jindal Steel and Power or JSPL's huge capex plan comes at a risky time—amid weakening global demand, an oversupplied flat steel market, intense competition from China, and currency headwinds. JSPL is executing a large capital expenditure program (~Rs181bn mostly in flat steel), despite subdued global steel demand. India's flat steel capacity already exceeds domestic demand, and capacity utilization in this segment is heavily reliant on exports. Meanwhile, hopes of a sustained decline in China's steel production have consistently proven to be illusory. It's important to remember that Chinese producers operate with little regard for the cost of capital, continuing their production even without generating economic returns. This behaviour helps explain why companies like Angang and Maanshan have delivered negligible shareholder returns over the past 15–17 years. When industrial behaviour is this predictable, and the yuan is falling, Indian exporters may face tough competition from China. India may also be exposed to increased imports.

Protection is on the cards but drastic steps like MIP are unlikely

While policy support for India's steel industry remains likely, we do not expect drastic measures such as a Minimum Import Price (MIP), like that in 2016. It's important to recall that the MIP was imposed in 2016 primarily to protect the banking sector, not just the steel industry. At that time, steel was being imported into India at just US$265/t—so low that even covering the contribution margin was unviable for Indian producers, let alone servicing or repaying debt. Back then, around 30% of the banking system's net worth was at risk due to exposure to the struggling steel sector. In contrast, today's scenario is far less precarious: even in a worst case—if all steel sector loans were to turn bad in 2025, only about 11% of the banking system's net worth would be impacted. So, while the steel industry was under real distress in 2016, it was the fragility of the banking system that prompted the imposition of MIP. That urgency simply doesn't exist today. However, in the current era of global protectionism, some form of policy support for the steel industry remains probable, especially given its strategic importance to the economy.

Valuation & consensus estimates too high; downgrade to REDUCE

We value JSPL at 8x EV/ EBITDA to arrive at our target price of Rs853. 8x is the last 15 years' average EBITDA; however, remember now the balance sheet is leveraging and hence, a derating is also on the cards. Consensus earnings estimates are too high, and they will be cut. We downgrade our rating on JSPL to REDUCE (ADD earlier).

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	527,112	500,268	497,650	540,332	571,162
Operating EBITDA (Rsm)	99,349	102,258	94,942	117,161	118,680
Net Profit (Rsm)	31,512	59,636	28,212	53,690	49,725
Core EPS (Rs)	41.2	59.5	36.2	53.6	49.6
Core EPS Growth	(51.8%)	44.5%	(39.2%)	48.0%	(7.4%)
FD Core P/E (x)	28.05	14.82	31.33	16.46	17.77
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	9.63	9.78	11.01	9.17	9.10
P/FCFE (x)	35.57	106.84	(40.16)	84.00	42.70
Net Gearing	17.8%	25.0%	33.0%	35.1%	33.0%
P/BV (x)	2.28	1.99	1.87	1.68	1.54
ROE	11.1%	14.4%	7.9%	10.8%	9.0%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Research Analyst(s)

Satish KUMAR
T (91) 22 4161 1562
E satish.kumar@incredresearch.com
Abbas PUNJANI
T (91) 22 4161 1598
E abbas.punjani@incredresearch.com

Huge capex in a slowing world is a recipe for disaster

Global steel demand is moderating, particularly from China. Construction, real estate, and manufacturing sectors remain sluggish across several regions. Overcapacity risks are rising, leading to margin compression. In such an overbuilt, low-demand environment, the return on capital employed (RoCE) tends to decline sharply. At the same time, volatile input costs—such as iron ore and coking coal—combined with weak steel pricing, make breakeven levels harder to sustain. Historically, aggressive steel capacity expansion during downcycles has resulted in financial stress. Despite this backdrop, JSPL is moving ahead with major expansions in Odisha and Angul, with plans to scale up steel capacity significantly. The company has already incurred capex of approximately Rs155bn in FY25, with further investments lined up in the coming years. As a result, the debt level is expected to rise. While India has imposed safeguard duties to protect the domestic industry, rising Chinese steel exports will continue to pose a significant overhang for the Indian steel sector.

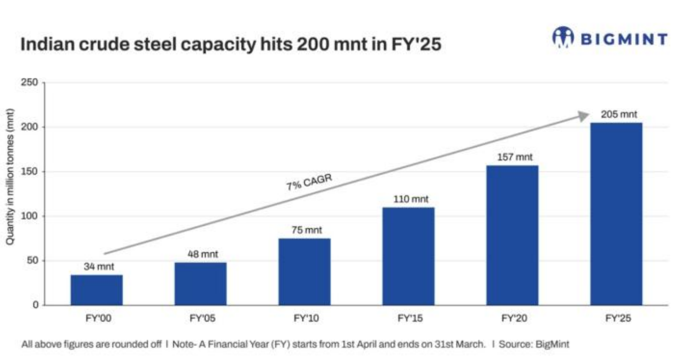
Global demand is slowing and Indian steel capacity is expanding

All Indian steel companies are expanding their capacity ➤

1. JSW Steel: Doubling its capacity to ~50mtpa by FY30F (from ~28mtpa).
2. Jindal Steel and Power (JSPL): To raise capacity from ~9mtpa to ~16mtpa by FY30F.
3. Tata Steel: India capacity to rise from ~21mtpa to 40mtpa (incl. Kalinganagar and NINL acquisitions). Capex is ongoing, but at a slower pace now post Europe pain. Risks: Iron ore is captive; however, post FY30, they will have to bid for iron ore mines which will raise the steel production cost. Europe drag risk remains.
4. ArcelorMittal-Nippon JV: It has an aggressive plan to raise the capacity from 9 mtpa to 30mtpa over a decade.
5. SAIL: As it is a state-owned company, there is more conservative expansion.

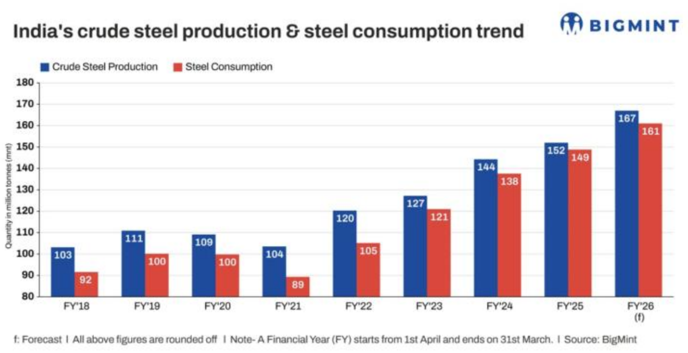
Indian steel demand is increasing; however, huge expansion will lead to a big demand-supply gap ➤

Figure 1: Indian steel capacity has already breached 200mt and there are further multiple expansions in the pipeline



SOURCE: INCRED RESEARCH, COMPANY REPORTS

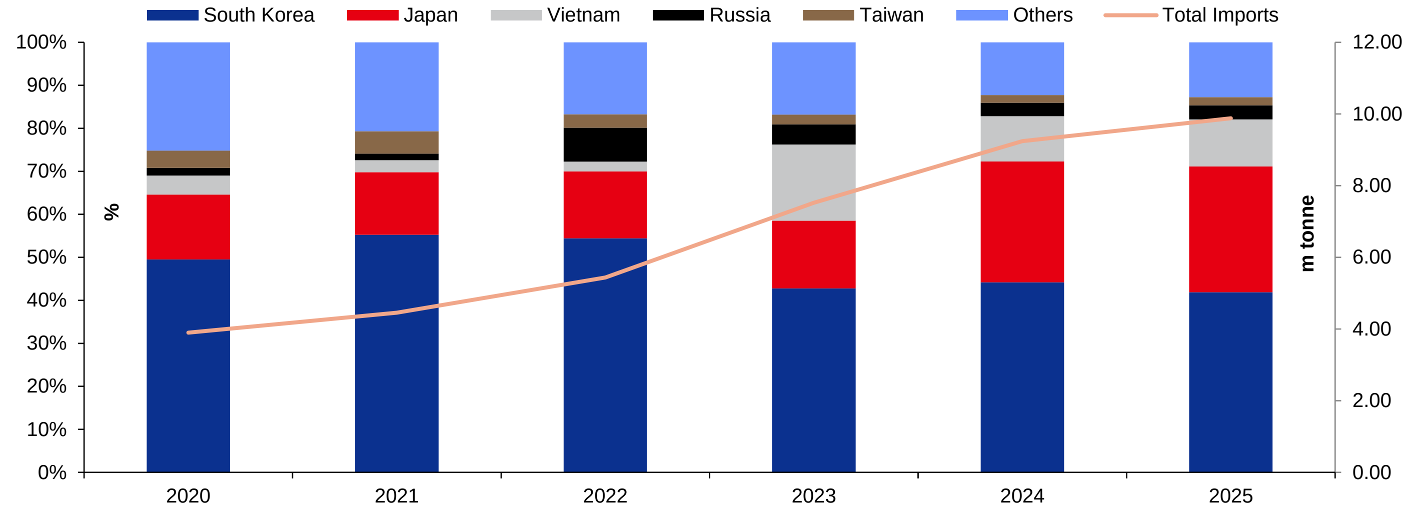
Figure 2: Indian steel demand has always lagged steel production and for the past few years we have been a net exporting country



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Global oversupply is a known fact and Indian steel imports are also increasing

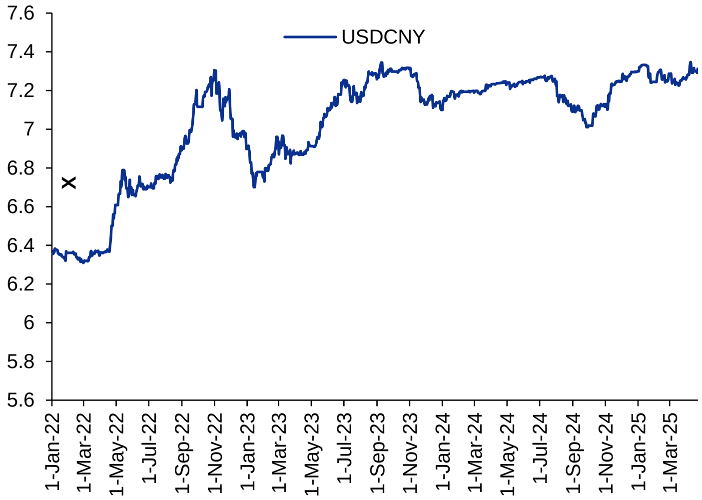
Figure 3: China hasn't been a primary exporter to the Indian market; however, it could become one in 2025F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

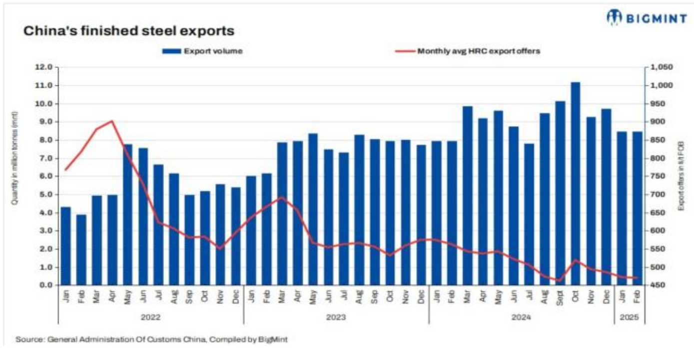
China's competiveness is increasing as its yuan has corrected vis-à-vis the US dollar

Figure 4: CNY is depreciating vis-à-vis USD, which is making China's exports even more attractive



SOURCE: INCRED RESEARCH, COMPANY REPORTS

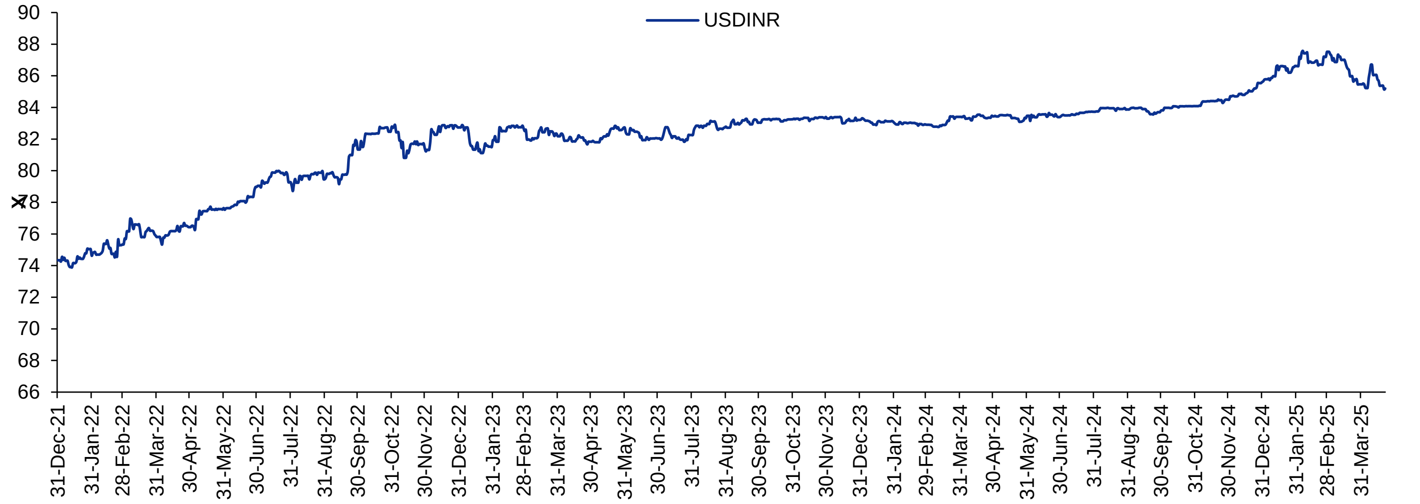
Figure 5: China's steel export volume is increasing, and prices are falling YoY



SOURCE: INCRED RESEARCH, COMPANY REPORTS

An appreciating Indian rupee against the US dollar is also not in favour of Indian steel companies

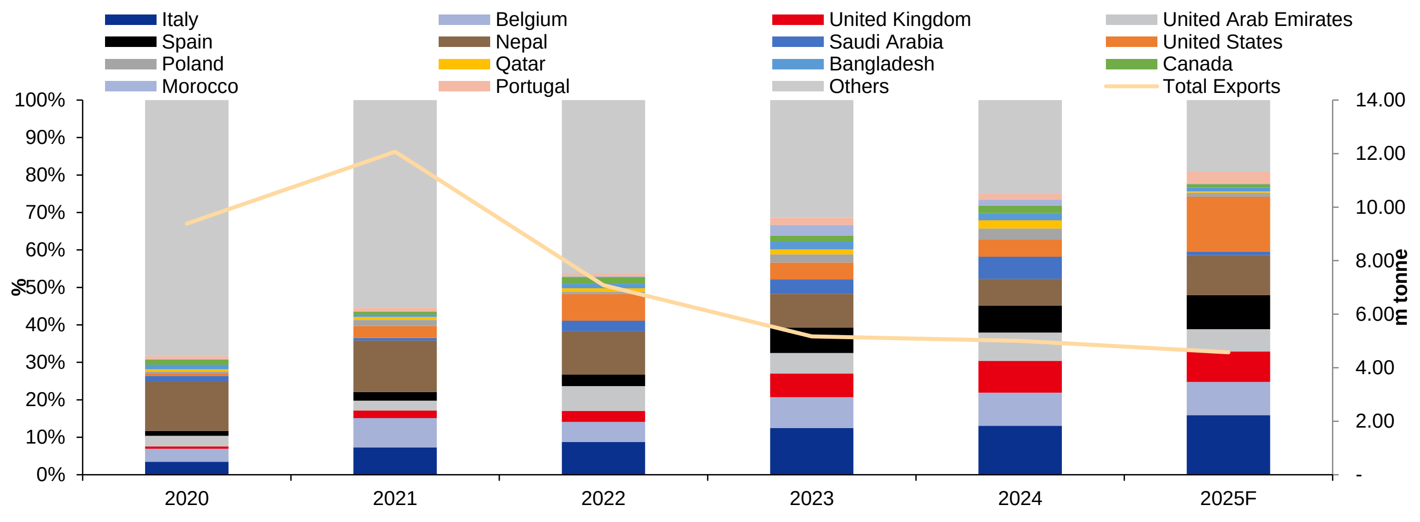
Figure 6: Due to Trump-era policies, the US dollar or USD is weakening, but the Chinese yuan (CNY) is depreciating even further against the USD; at the same time, the Indian rupee (INR) is appreciating against both the USD and the CNY; this trend is negative for Indian steel companies, as it makes imports cheaper and Chinese steel exports more competitive in the global market



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Europe will bounce back for sure; however, Indian exports in Europe will face tough competition from China

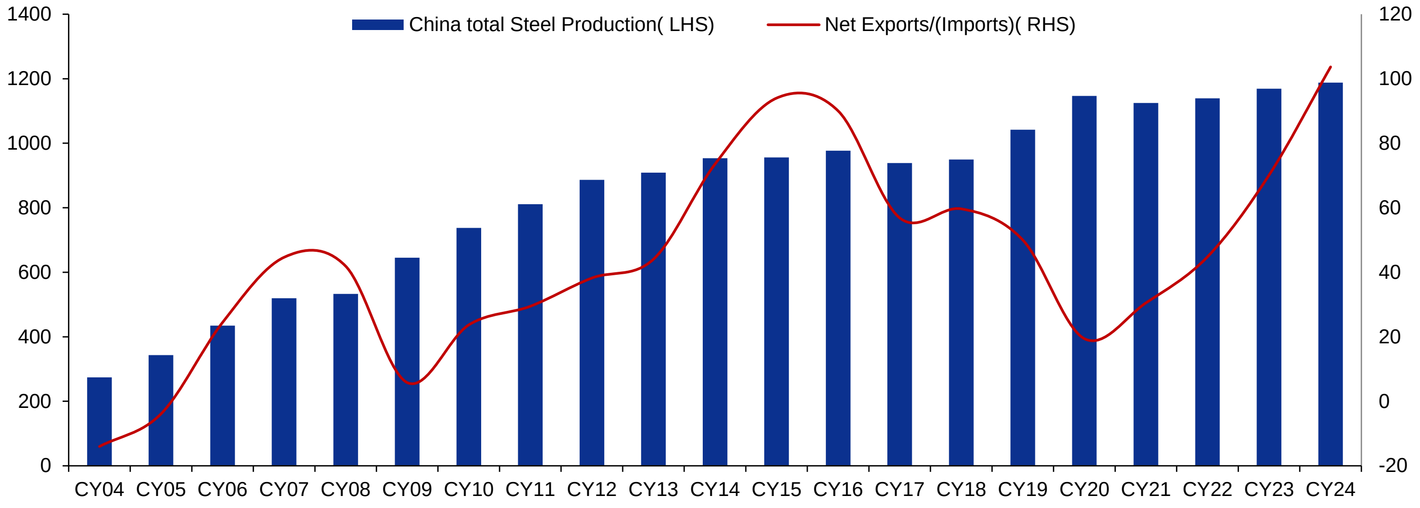
Figure 7: Indian companies took great advantage of the supply chain crisis and China's zero-COVID policy during 2021–2022; in 2021, Indian exports reached an all-time high of 12mt; however, as China reopened, its exports increased, leading to a loss of market share for India



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Will China cut its steel capacity? We find this debate largely irrelevant—despite the noise, there has been no significant decline in China's steel production over the past 20 years ➤

Figure 8: China's steel exports reached an all-time high in 2024, and steel production also hit record levels in CY24; this casts serious doubts on the prevailing narrative around steel capacity cuts in China; we reiterate that China does not adhere to conventional notions of cost of capital; any assumption that rational economic theory applies uniformly in China is fundamentally flawed; Chinese producers have historically sold steel at negative gross margin — and they can do so again

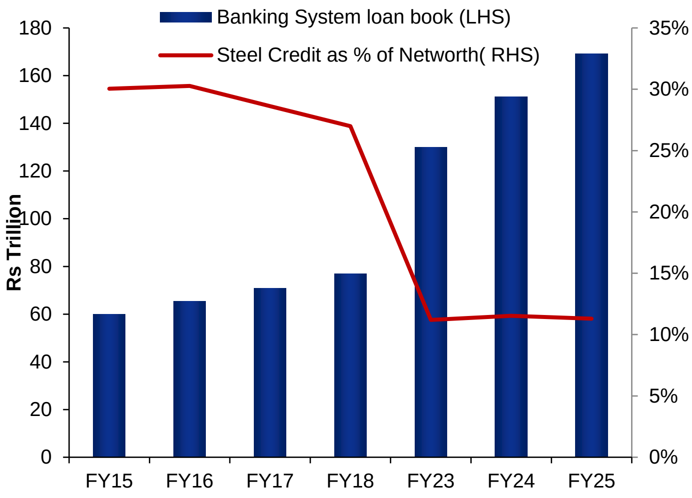


SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Can India protect its steel industry? Yes, it will but don't expect drastic measures like MIP ➤

While there is currently no urgent need for immediate intervention, it is evident that the Indian government is committed to supporting and protecting its steel sector. Policy measures such as safeguard duties and trade remedies reflect a proactive stance aimed at preserving the long-term competitiveness and resilience of domestic producers. It is worth recalling that a Minimum Import Price (MIP) was imposed in 2016 when the Indian steel industry was incurring significant losses—posing a potential threat to the viability of the Indian banking sector. At that time, China was exporting steel at prices below the cost of key raw materials, prompting urgent protectionist measures.

Figure 9: As seen in the graph below, protecting the steel industry by imposing the MIP was necessary for the Indian government in 2016; otherwise, the Indian banking system could have faced bankruptcy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

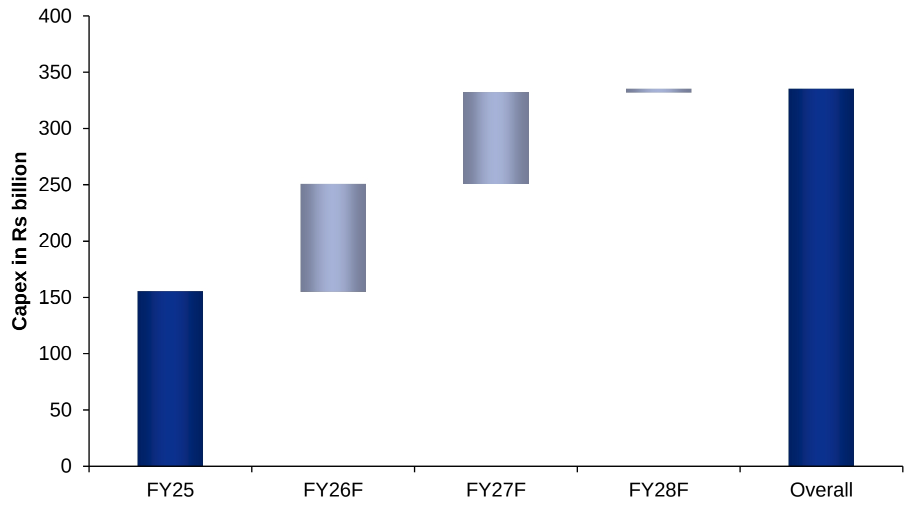
Figure 10: Steel was being imported in India at US$265/t, which would have not covered even the cost of raw materials

SOURCE: INCRED RESEARCH, COMPANY REPORTS

JSPL's balance sheet will leverage in an uncertain environment

Company is incurring a massive capex

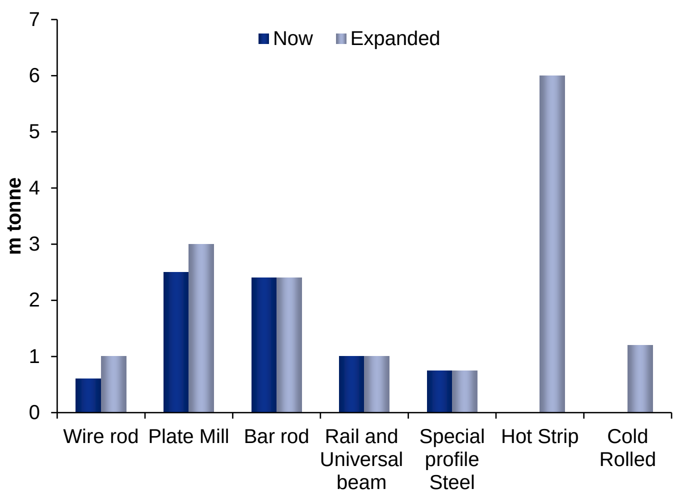
Figure 11: In the next three years, JSPL plans to incur a capex of Rs181bn



SOURCE: INCRED RESEARCH, COMPANY REPORTS

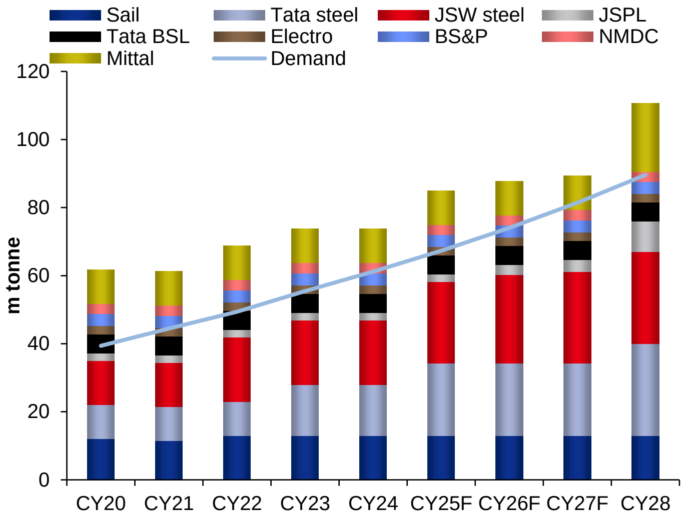
Like most other players, JSPL is expanding its capacity in oversupplied flat steel

Figure 12: JSPL's new capacity addition is almost entirely in flat steel…



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: …which is anyway hugely oversupplied in India

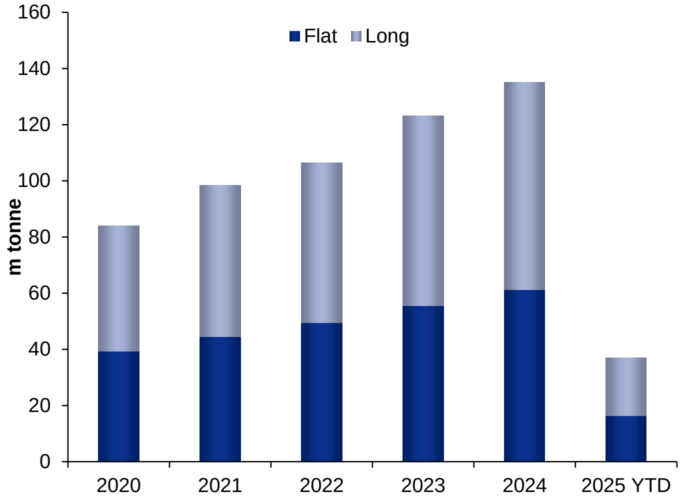


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Remember that India is—and is likely to remain—a long steel consumption-driven market

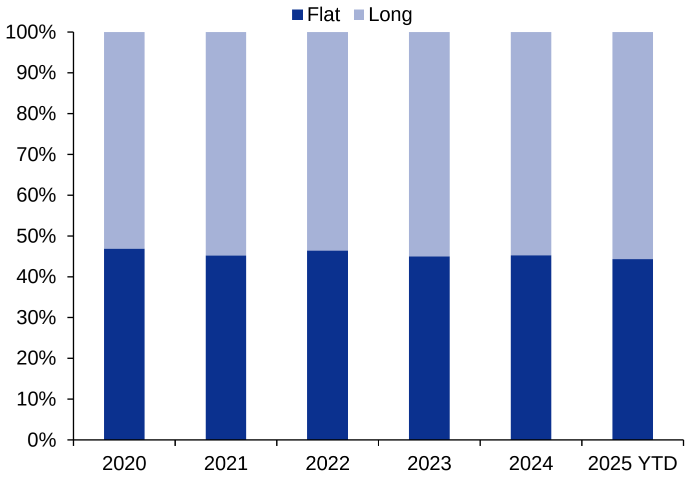
Between 2020 and 2024, Indian steel consumption grew at a CAGR of 12.61%. However, flat steel grew at a slower pace of 11.65%, while long steel grew at a CAGR of 13.5%.

Figure 14: Indian steel market is primarily long steel-driven



SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 15: Flat steel consumption accounts for around 45% of overall steel consumption



SOURCE: INCRED RESEARCH, COMPANY REPORTS

We expect JSPL to post below-consensus EBITDA growth

Figure 16: Consensus is projecting Rs134bn EBITDA in FY26F

Jindal Steel & Power Ltd | Csld C | Periodicity Annuals | Source Standard | Broker -------- | Cur INR | Guidance

More estimates are available | MODL »

1) Headline | 2) Headline Growth | 3) Company-Specific

	FY 2025 Act	FY 2025 Est		FY 2026 Est		FY 2027 Est		FY 2028 Est	
12 Months Ending	03/31/2025	03/31/2025	#	03/31/2026	#	03/31/2027	#	03/31/2028	#
11) EPS, Adj+	27.830	42.028	23	69.301	27	91.290	28	79.245	2
12) EPS, GAAP	27.830	42.594	19	67.736	20	90.943	21		
13) Revenue	497.650B	496.296B	26	597.068B	27	711.329B	26	631.459B	3
14) Gross Margin %	52.658	53.459	9	54.947	9	56.393	10	48.791	1
15) Operating Profit		68.968B	22	100.575B	22	131.331B	23	120.417B	2
16) EBIT	67.266B	69.290B	23	99.802B	23	131.331B	23	95.366B	1
17) EBITDA	94.942B	98.590B	26	134.053B	27	167.637B	28	163.048B	3
18) Pre-Tax Profit	55.821B	57.243B	24	86.853B	24	119.823B	26	91.352B	3
19) Current Profit		52.639B	1	85.514B	1	108.252B	1		
20) Net Income Adj+	28.121B	42.597B	25	65.821B	25	88.016B	27	68.964B	3

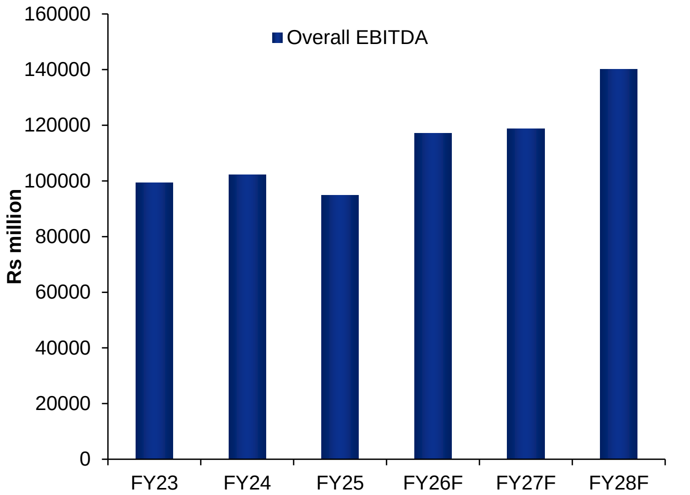
Current Multiples | 5) Hide Multiples

	Last 4 Qtrs Act	Next 4 Qtrs Est	FY 2026	FY 2027	FY 2028
Price/EPS, Adj+	32.18	11.52	12.92	9.81	11.30
Price/Book	2.03		1.65	1.42	1.32
Price/Cash Flow	19.73		9.42	7.09	
EV/Revenue	2.11	1.84	1.76	1.48	1.66
EV/EBITDA	10.18	8.28	7.84	6.27	6.44
EV/EBIT	15.93		10.53	8.00	11.02
EV/OPP	15.93		10.45	8.00	8.73
Dividend Yield	0.22		0.35	0.45	1.24

+Period Notes << < More Periods > >> Reported, Estimated

SOURCE: INCRED RESEARCH, COMPANY REPORTS

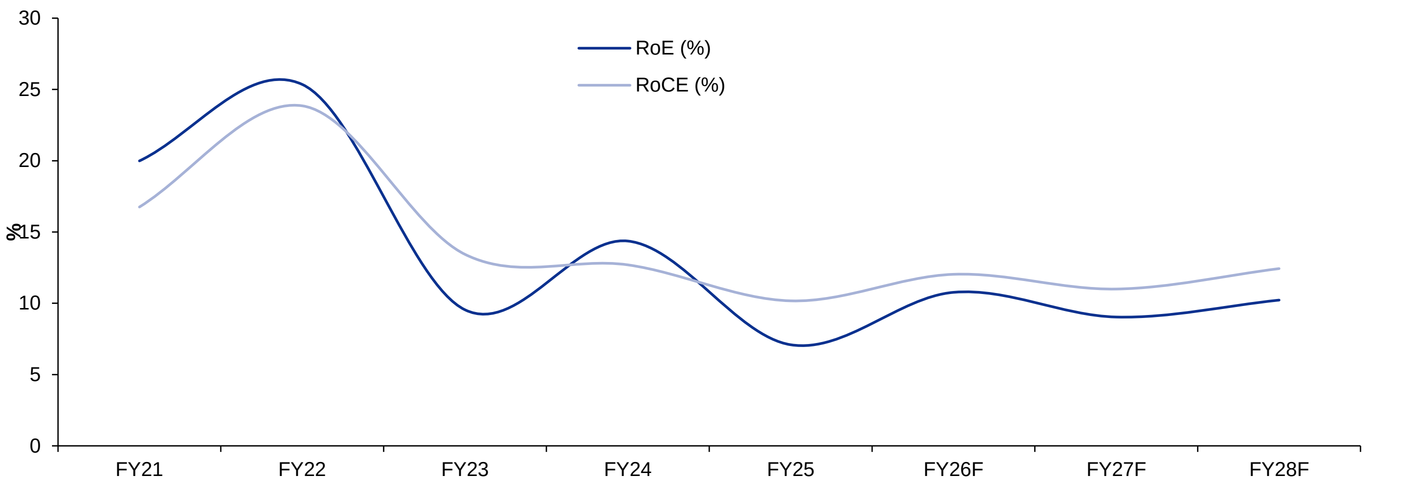
Figure 17: However, we estimate that it will be 10% lower than the same



SOURCE: INCRED RESEARCH, COMPANY REPORTS

RoE and RoCE to suffer

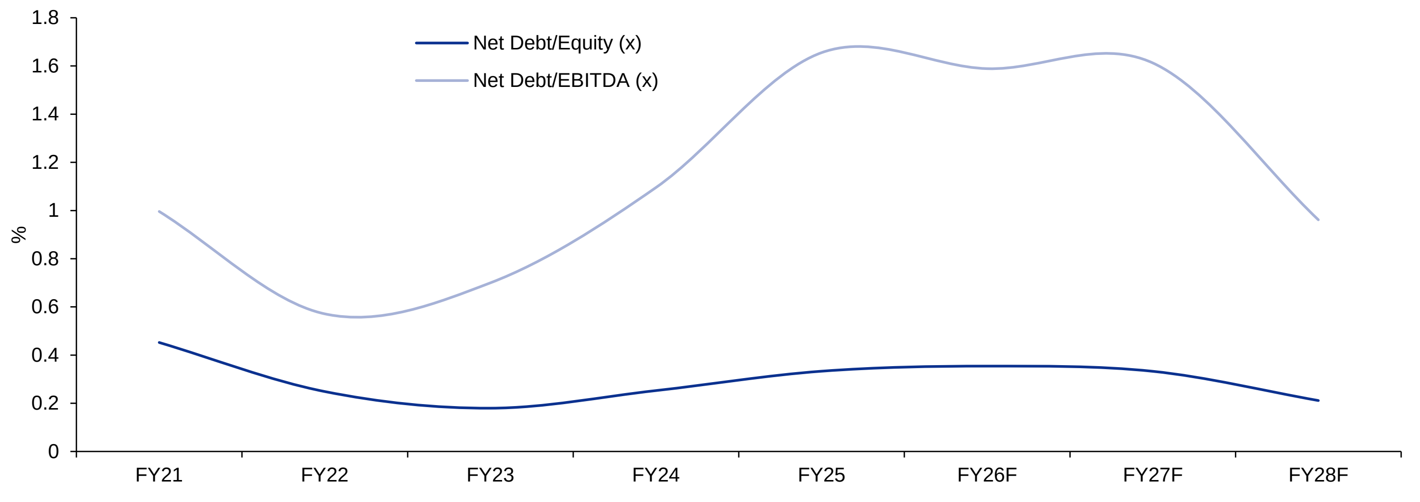
Figure 18: JSPL's RoE and RoCE will fall



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Net debt to go up

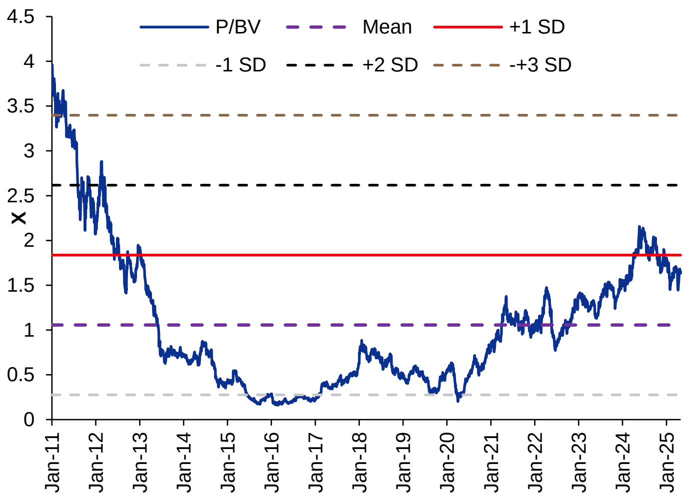
Figure 19: Net debt/equity and net debt/EBITDA ratios to worsen before improving



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Valuations are just too high

Figure 20: P/BV is only just below its 10-year high



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 21: On EV/ EBITDA, JSPL is trading near its historical average, with earnings downgrade on the cards

SOURCE: INCRED RESEARCH, COMPANY REPORTS

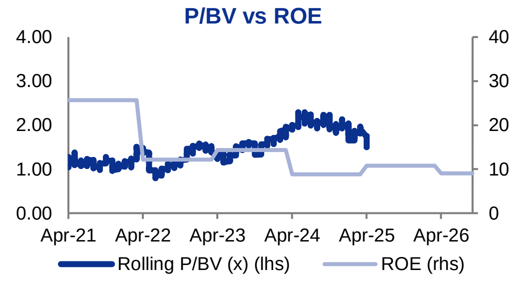
We value the stock at 8x FY27F EBITDA to arrive at our target price of Rs853

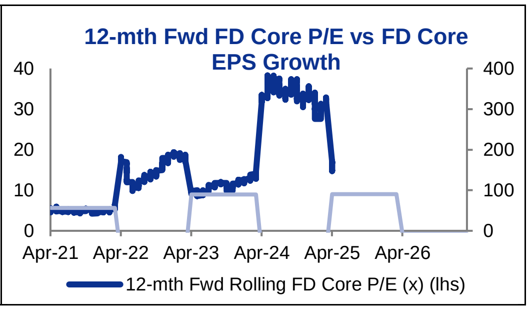
Figure 22: We value the stock at Rs853 and downgrade its rating to REDUCE

Valuation		
Consolidated FY27F EBITDA	Rs m	1,18,680
EV/EBITDA Multiple	x	8.0
End-FY27F EV	**Rs m**	9,49,443
End-FY27F Consolidated Net Debt	Rs m	1,92,847
End-FY27E Equity Value	Rs m	7,56,596
Others EBITDA	Rs m	
End-FY26F Equity Value	Rs/share	853
1-Year Forward Target Price	**Rs/share**	853

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS





Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	**527,112**	**500,268**	**497,650**	**540,332**	**571,162**
Gross Profit	**280,135**	**280,068**	**262,052**	**290,455**	**302,668**
Operating EBITDA	**99,349**	**102,258**	**94,942**	**117,161**	**118,680**
Depreciation And Amortisation	(26,910)	(28,218)	(27,676)	(28,719)	(30,200)
Operating EBIT	**72,439**	**74,040**	**67,266**	**88,443**	**88,480**
Financial Income/(Expense)	(14,459)	(12,942)	(13,121)	(14,521)	(15,922)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	571	1,566	1,675	1,675	1,675
Profit Before Tax (pre-EI)	**58,551**	**62,664**	**55,821**	**75,597**	**74,234**
Exceptional Items	(13,695)		(12,295)		
Pre-tax Profit	**44,856**	**62,664**	**43,526**	**75,597**	**74,234**
Taxation	(12,923)	(2,979)	(14,979)	(21,906)	(24,509)
Exceptional Income - post-tax					
Profit After Tax	**31,934**	**59,685**	**28,548**	**53,690**	**49,725**
Minority Interests	(421)	(49)	(336)		
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**31,512**	**59,636**	**28,212**	**53,690**	**49,725**
Recurring Net Profit	41,262	59,636	36,276	53,690	49,725
Fully Diluted Recurring Net Profit	**41,262**	**59,636**	**36,276**	**53,690**	**49,725**

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	99,349	102,258	94,942	117,161	118,680
Cash Flow from Invt. & Assoc.					
Change In Working Capital	5,078	(36,522)	(36,880)	20,346	(4,102)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	8,500	17,133	30,031	76	82
Other Operating Cashflow	(52,760)	(15,077)	(27,456)	(27,616)	(31,420)
Net Interest (Paid)/Received	(14,459)	(14,459)	(13,121)	(14,521)	(15,922)
Tax Paid	27,047	6,751	14,979	21,906	24,509
Cashflow From Operations	**72,755**	**60,084**	**62,495**	**117,352**	**91,826**
Capex	(64,021)	(84,266)	(94,500)	(131,830)	(81,130)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	23,836	825			
Cash Flow From Investing	**(40,185)**	**(83,441)**	**(94,500)**	**(131,830)**	**(81,130)**
Debt Raised/(repaid)	(7,720)	31,630	10,000	25,000	10,000
Proceeds From Issue Of Shares	(1,893)	(1,608)			
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(15,391)	(16,212)	(13,121)	(14,521)	(15,922)
Cash Flow From Financing	**(25,005)**	**13,811**	**(3,121)**	**10,479**	**(5,922)**
Total Cash Generated	7,566	(9,547)	(35,125)	(3,999)	4,775
Free Cashflow To Equity	**24,850**	**8,273**	**(22,005)**	**10,522**	**20,696**
Free Cashflow To Firm	**47,029**	**(8,898)**	**(18,884)**	**43**	**26,618**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS…cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	54,817	46,938	11,813	7,813	12,588
Total Debtors	9,745	16,645	19,044	23,539	27,810
Inventories	58,868	70,774	69,350	73,644	77,329
Total Other Current Assets	31,327	43,125	79,988	83,431	86,875
Total Current Assets	**154,757**	**177,483**	**180,194**	**188,428**	**204,602**
Fixed Assets	513,563	554,012	620,836	723,947	774,877
Total Investments	1,425	1,491	1,491	1,491	1,491
Intangible Assets	554	554	554	554	554
Total Other Non-Current Assets	23,973	53,612	53,612	53,612	53,612
Total Non-current Assets	**539,516**	**609,669**	**676,494**	**779,605**	**830,535**
Short-term Debt	52,277	58,378	58,378	58,378	58,378
Current Portion of Long-Term Debt					
Total Creditors	47,004	46,815	46,241	49,751	52,825
Other Current Liabilities	55,706	54,902	56,434	85,502	89,725
Total Current Liabilities	**154,987**	**160,096**	**161,053**	**193,631**	**200,929**
Total Long-term Debt	72,076	100,585	110,585	135,585	145,585
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	14,155	15,443	46,738	46,738	46,738
Total Non-current Liabilities	**86,231**	**116,028**	**157,323**	**182,323**	**192,323**
Total Provisions	62,863	63,522	62,258	62,334	62,415
Total Liabilities	**304,081**	**339,645**	**380,634**	**438,288**	**455,668**
Shareholders Equity	387,066	443,160	471,708	525,398	575,123
Minority Interests	3,125	4,346	4,346	4,346	4,346
Total Equity	**390,191**	**447,507**	**476,054**	**529,744**	**579,470**

Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	3.2%	(5.1%)	(0.5%)	8.6%	5.7%
Operating EBITDA Growth	(36.0%)	2.9%	(7.2%)	23.4%	1.3%
Operating EBITDA Margin	18.8%	20.4%	19.1%	21.7%	20.8%
Net Cash Per Share (Rs)	(69.37)	(111.76)	(156.77)	(185.70)	(190.92)
BVPS (Rs)	386.14	442.10	470.58	524.14	573.75
Gross Interest Cover	5.01	5.72	5.13	6.09	5.56
Effective Tax Rate	28.8%	4.8%	34.4%	29.0%	33.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	7.75	9.63	13.09	14.38	16.41
Inventory Days	97.30	107.45	108.54	104.44	102.62
Accounts Payables Days	73.54	77.76	72.08	70.11	69.72
ROIC (%)	13.5%	11.6%	9.1%	10.7%	10.1%
ROCE (%)	12.6%	11.9%	9.8%	11.9%	10.9%
Return On Average Assets	8.2%	9.8%	6.6%	7.5%	6.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

a) Received any compensation/other benefits from the subject company,
b) Managed or co-managed public offering of securities for the subject company,
c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.
Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

InCred Research Services Private Limited
Research Analyst SEBI Registration Number: INH000011024
Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051
Phone: +91-22-6844-6100
Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051
Phone: +91-22-4161-1500
Name of the Compliance Officer: Mr. Yogesh Kadam
Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Rajarshi Maitra
Phone no. +91-022-41611546
Email ID: rajarshi.maitra@incredresearch.com
CIN: U74999MH2016PTC287535

Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.