

July 2, 2025

Visit Report

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	692		658	
Sales (Rs. m)	4,42,000	4,81,053	4,41,322	4,72,664
% Chng.	0.2	1.8		
EBITDA (Rs. m)	87,120	1,09,037	86,418	1,03,675
% Chng.	0.8	5.2		
EPS (Rs.)	15.0	18.7	15.7	17.4
% Chng.	(4.5)	7.6		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	3,31,596	3,50,448	4,42,000	4,81,053
EBITDA (Rs. m)	63,995	59,707	87,120	1,09,037
Margin (%)	19.3	17.0	19.7	22.7
PAT (Rs. m)	32,920	41,963	36,827	46,154
EPS (Rs.)	15.0	17.0	15.0	18.7
Gr. (%)	8.0	13.7	(12.2)	25.3
DPS (Rs.)	1.8	2.0	2.2	2.4
Yield (%)	0.3	0.3	0.4	0.4
RoE (%)	9.0	8.8	6.7	7.8
RoCE (%)	13.0	7.3	9.4	10.8
EV/Sales (x)	3.9	4.2	3.5	3.2
EV/EBITDA (x)	20.1	24.9	17.8	14.1
PE (x)	39.7	34.9	39.7	31.7
P/BV (x)	3.2	2.7	2.6	2.4

Key Data

ABUJ.BO | ACEM IN

52-W High / Low	Rs.707 / Rs.453
Sensex / Nifty	83,410 / 25,453
Market Cap	Rs.1,464bn/ \$ 17,076m
Shares Outstanding	2,463m
3M Avg. Daily Value	Rs.1554.79m

Shareholding Pattern (%)

Promoter's	67.57
Foreign	8.60
Domestic Institution	17.30
Public & Others	6.53
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	7.0	8.1	(14.2)
Relative	4.3	3.6	(18.3)

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

On the path of becoming an agile behemoth

Quick Pointers:

- ACEM is on track to achieve its FY28 capacity target of 140mtpa well in advance.
- Transition of Penna and Orient Cement into ACEM/ACC brands is on track and both companies are ramping up volumes under its own brands now.

We visited Ambuja Cements' (ACEM) Marwar Mundwa integrated cement unit and interacted with the senior management. ACEM has added ~28mtpa capacities via the inorganic route over the last three years and has effectively worked on aligning multiple working cultures with the Adani group culture, targeting a 'one business, one company' approach. With the planned 140mtpa mark in sight, ACEM is focusing on replicating the most efficient ways of cement manufacturing processes across all its locations. At newer plants, ACEM has increased the usage of digitalisation across functions such as real-time analyzer on OLBC, line cameras at kilns, drone-led internal inspections, and in-plant automation for logistics. The plan is to replicate the success of automation across locations to improve efficiencies and reduce human intervention. With its own target of reducing the cost of production by Rs500-550/t envisaged in Dec'23, ACEM is working on cutting costs across locations and has effectively put pressure on the entire industry to follow suit.

We expect near-term performance to remain strong led by higher cement pricing, strong volume growth and flattish cost structure. Incorporating recent price increases and AR25, we upgrade our EBITDA estimates by 1.4%/3% for FY26/27E. We expect ACEM to deliver 34% EBITDA CAGR over FY25-27E on low base of FY25. At CMP, the stock is trading at 17.8x/14.1x EV on FY26/27E EBITDA. Maintain 'Buy' rating with revised TP of Rs692 (Rs658 earlier) valuing the company at 17x EV/Mar'27E EBITDA.

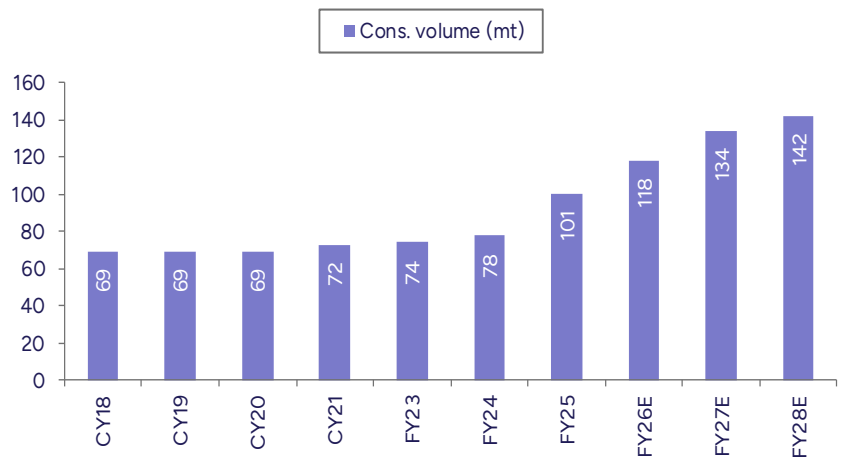
- **Transition from acquisition to consummation phase:** Post acquiring Holcim's stake, ACEM has increased its capacity from 68mtpa to 103mtpa, the majority of which is through the inorganic route. ACEM acquired ~28mtpa, while ~6mtpa got commissioned via planned organic expansions. In FY26, another 16.2mtpa is expected to get commissioned along with 11mtpa of clinker. With significant assets under its wing now, we expect the management to merge and consolidate all acquired entities into ACEM to simplify processes. The merger process of three companies viz. Sanghi, Penna, and Adani Cementation into ACEM is on track and expected to be completed by the end of CY25. The transition of Penna (ACEM holds a 99.94% stake) and Orient Cement (72.66%) into ACEM/ACC brands is on track, and both companies are ramping up under its own brands now. Orient is expected to be a production source for ACC/ACEM similar to Sanghi (58.08%).

- **Replicating best practices across locations to achieve targeted cost savings:** ACEM management reiterated its target of Rs500-550/t cost reduction; the majority (65%) would come through Adani group synergies viz. green power (Rs280-300/t), logistics (Rs100/t), raw material procurement

efficiencies (Rs100/t), and other admin costs (Rs50/t). Management expects this reduction to happen in phases (achieved ~Rs150 by end-FY25), with the majority expected to come in FY27.

- **On track to achieve capacity and cost efficiency targets by FY28E:** ACEM has achieved commercial production at its newly commissioned grinding units at Farakka and Sankrail of 2.4mtpa each, which took ACEM's consolidated capacity to 103mtpa. With ongoing expansions of 16.2mtpa at various sites, ACEM is on track to achieve 118mtpa by end-FY26 and can be well ahead of its FY28 target of achieving 140mtpa, backed by ~89mtpa clinker capacity.

Exhibit 1: On track to achieve 140mtpa by FY28E



Source: Company, PL

Cost efficiency measures includes a) Increasing Green energy share from 21% in FY25 to ~60% by FY28 aided by 250MW WHRS (by end FY26), 1000MW RE (350MW already commissioned) and AFR share increase, b) captive coal (imported share fallen to 50% from 70% earlier), c) Raw material sourcing (long term contracts for fly ash and slag with group cos and outside), d) logistics (100km lead distance reduction, usage of sea route to 10% by FY28, deploying specialized EV trucks, higher rates & shipping vessels), and e) building factories for future (with the help of AI and technology).

Exhibit 2: Green energy share to reach 60% by FY28E

Year	WHRS (MW)	Solar (MW)	Wind (MW)	Total	Green power share (%)
FY25	218	200	99	517	21%
FY28E	376		1,000	1,376	60%

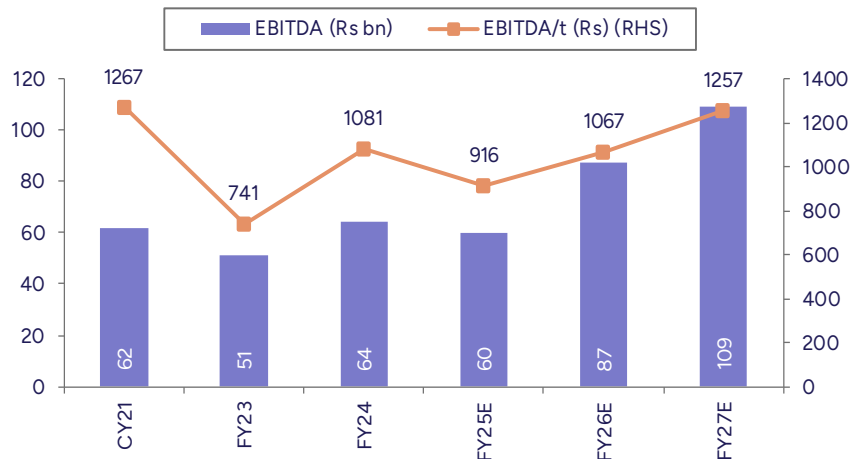
Source: Company, PL

Various other initiatives undertaken across locations are: a) Tech and Talent adoption (usage of AI for logistics and supply chain mgmt.; roping in fresh talent), b) De-layering at existing operations for faster decision making, c) Better engagement of all stakeholders including dealers, contractors and employees.

- **Targeting higher market share along with the launch of premium products:** Premiumization trend is rising across regions for ACEM with current share of premium products is expected to increase to 60-65% from current 30% over the next 5 years. ACEM's non-trade share (c.24%) can increase slightly along

with rising capacities and improving infrastructure capex over the next three years. In trade segment, ACEM's market share is improving again to ~14.5% and expected to increase to by 100bps in FY26, 300bps by FY28 and over 20% by FY30.

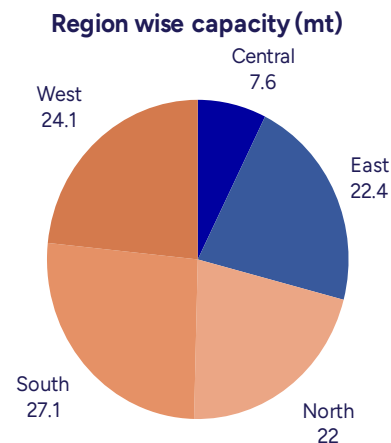
Exhibit 3: EBITDA/t to grow on better pricing and volume growth



Source: Company, PL

- Cement prices may remain in check with incremental capacities:**
 Management expects cement demand to grow at 7% CAGR to 621mt from ~443mt over FY25-30E, while capacities are expected to grow at a CAGR of 6.3% to 925mtpa from ~683mtpa. For FY26, incremental cement demand is expected to be 30mt, while capacity increase is ~60-70mt, which would keep pricing under check. However, the value-over-volume strategy adopted by a few players would aid the industry, as over the last two years cement prices have declined sharply and smaller players have witnessed repercussions in FY25. We believe ACEM is under transition and would benefit from newly commissioned efficient projects, rising WHRS/AFR contribution, reimagining and replacing existing processes with better processes, and effectively learning from data management. In its pursuit of becoming a building material solutions company with improved size and strategic self-improvement initiatives, ACEM is redefining industry norms of an old cement industry.

Exhibit 4: Region wise cons. cement capacities (103mtpa)



Source: Company, PL

- **Snapshot from Marwar Mundwa limestone Mines:** ACEM has two existing major mining blocks and few minor blocks newly auctioned for Marwar Mundwa complex at Nagaur district having total reserves of 470mt. Total mine life for existing operations is ~100 years with current EC capacity of 5mtpa. This capacity is expected to increase to 18.5mtpa by FY28 as there would be incremental capex announcement for three additional clinker lines at Marwar in line with mgmt.'s earlier guidance of 16mtpa clinker projects by FY28E.

Exhibit 5: Deployment of EV trucks at mines



Source: Company, PL

Exhibit 6: 4.5km conveyor belt (OLBC) from mines to plant



Source: Company, PL

Exhibit 7: Bird's eye view of GU, silos and packaging units



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	3,31,596	3,50,448	4,42,000	4,81,053
YoY gr. (%)	(14.8)	5.7	26.1	8.8
Cost of Goods Sold	49,228	65,274	86,564	90,352
Gross Profit	2,82,369	2,85,173	3,55,437	3,90,701
Margin (%)	85.2	81.4	80.4	81.2
Employee Cost	13,528	14,034	16,160	19,159
Other Expenses	2,04,846	2,11,433	2,52,156	2,62,505
EBITDA	63,995	59,707	87,120	1,09,037
YoY gr. (%)	24.9	(6.7)	45.9	25.2
Margin (%)	19.3	17.0	19.7	22.7
Depreciation and Amortization	16,234	24,783	33,483	41,158
EBIT	47,761	34,923	53,637	67,879
Margin (%)	14.4	10.0	12.1	14.1
Net Interest	2,764	2,159	2,508	2,706
Other Income	11,664	26,543	12,811	11,624
Profit Before Tax	54,546	59,521	68,939	81,796
Margin (%)	16.4	17.0	15.6	17.0
Total Tax	11,626	7,640	17,284	20,723
Effective tax rate (%)	21.3	12.8	25.1	25.3
Profit after tax	42,920	51,881	51,656	61,073
Minority interest	11,612	9,910	11,587	11,678
Share Profit from Associate	229	132	28	28
Adjusted PAT	32,920	41,963	36,827	46,154
YoY gr. (%)	19.5	27.5	(12.2)	25.3
Margin (%)	9.9	12.0	8.3	9.6
Extra Ord. Income / (Exp)	(1,383)	140	3,270	3,270
Reported PAT	31,537	42,104	40,097	49,424
YoY gr. (%)	22.1	33.5	(4.8)	23.3
Margin (%)	9.5	12.0	9.1	10.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	31,537	42,104	40,097	49,424
Equity Shares O/s (m)	2,198	2,463	2,463	2,463
EPS (Rs)	15.0	17.0	15.0	18.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	4,25,956	5,53,665	7,85,665	8,60,665
Tangibles	4,25,956	5,53,665	7,85,665	8,60,665
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,02,071	1,27,887	1,61,370	2,02,529
Tangibles	1,02,071	1,27,887	1,61,370	2,02,529
Intangibles	-	-	-	-
Net fixed assets	3,23,885	4,25,778	6,24,294	6,58,136
Tangibles	3,23,885	4,25,778	6,24,294	6,58,136
Intangibles	-	-	-	-
Capital Work In Progress	40,708	1,14,405	22,405	17,405
Goodwill	-	-	-	-
Non-Current Investments	12,688	38,160	38,160	38,160
Net Deferred tax assets	(15,122)	(24,032)	(24,032)	(24,032)
Other Non-Current Assets	26,806	33,897	33,897	33,897
Current Assets				
Investments	7,587	18,222	18,222	18,222
Inventories	36,086	42,480	53,578	58,312
Trade receivables	12,131	15,903	14,532	15,815
Cash & Bank Balance	1,10,689	61,722	48,532	62,558
Other Current Assets	24,597	39,818	39,818	39,818
Total Assets	6,52,978	8,09,454	9,12,508	9,61,393
Equity				
Equity Share Capital	4,395	4,926	4,926	4,926
Other Equity	4,10,155	5,29,506	5,64,184	6,07,647
Total Network	4,14,551	5,34,433	5,69,111	6,12,574
Non-Current Liabilities				
Long Term borrowings	2,000	268	42,268	32,268
Provisions	2,560	2,541	2,541	2,541
Other non current liabilities	-	1,552	1,552	1,552
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	31,088	27,595	42,384	46,128
Other current liabilities	88,391	1,07,692	1,07,692	1,07,692
Total Equity & Liabilities	6,52,978	8,09,454	9,12,508	9,61,393

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	59,006	59,224	68,939	81,796
Add. Depreciation	16,234	24,783	33,483	41,158
Add. Interest	2,764	2,159	2,508	2,706
Less Financial Other Income	11,664	26,543	12,811	11,624
Add. Other	(14,331)	(25,979)	(12,811)	(11,624)
Op. profit before WC changes	63,673	60,188	92,120	1,14,037
Net Changes-WC	1,941	(34,012)	5,063	(2,273)
Direct tax	(9,156)	(3,802)	(17,284)	(20,723)
Net cash from Op. activities	56,458	22,374	79,899	91,042
Capital expenditures	(99,801)	(1,39,376)	(1,40,000)	(70,000)
Interest / Dividend Income	-	-	-	-
Others	10,296	64,065	12,811	11,624
Net Cash from Invt. activities	(89,504)	(75,311)	(1,27,189)	(58,376)
Issue of share cap. / premium	66,610	83,391	-	-
Debt changes	(1,533)	(20,083)	42,000	(10,000)
Dividend paid	(5,848)	(5,630)	(5,419)	(5,961)
Interest paid	(2,341)	(1,758)	(2,508)	(2,706)
Others	-	-	-	-
Net cash from Fin. activities	56,888	55,920	34,073	(18,667)
Net change in cash	23,842	2,983	(13,217)	13,998
Free Cash Flow	11,634	(64,497)	(60,101)	21,042

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	83,115	73,781	85,022	98,886
YoY gr. (%)	(4.6)	(0.6)	4.6	11.2
Raw Material Expenses	15,773	14,202	17,861	18,268
Gross Profit	67,342	59,579	67,161	80,618
Margin (%)	81.0	80.8	79.0	81.5
EBITDA	12,798	9,734	8,855	18,676
YoY gr. (%)	(23.2)	(25.2)	(48.9)	9.9
Margin (%)	15.4	13.2	10.4	18.9
Depreciation / Depletion	4,674	5,520	6,640	7,864
EBIT	8,124	4,215	2,215	10,812
Margin (%)	9.8	5.7	2.6	10.9
Net Interest	678	669	670	143
Other Income	3,547	3,740	7,729	5,733
Profit before Tax	10,993	7,469	23,331	15,054
Margin (%)	13.2	10.1	27.4	15.2
Total Tax	3,131	2,398	(2,840)	4,973
Effective tax rate (%)	28.5	32.1	(12.2)	33.0
Profit after Tax	7,862	5,071	26,171	10,081
Minority interest	-	-	-	-
Share Profit from Associates	34	22	30	47
Adjusted PAT	7,896	5,093	26,201	10,128
YoY gr. (%)	(30.5)	(48.4)	140.5	(33.6)
Margin (%)	9.5	6.9	30.8	10.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	7,896	5,093	26,201	10,128
YoY gr. (%)	(30.5)	(48.4)	140.5	(33.6)
Margin (%)	9.5	6.9	30.8	10.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,896	5,093	26,201	10,128
Avg. Shares O/s (m)	2,463	2,463	2,463	2,463
EPS (Rs)	3.2	2.1	10.6	4.1

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	15.0	17.0	15.0	18.7
CEPS	22.4	27.1	28.5	35.4
BVPS	188.6	217.0	231.1	248.7
FCF	5.3	(26.2)	(24.4)	8.5
DPS	1.8	2.0	2.2	2.4
Return Ratio(%)				
RoCE	13.0	7.3	9.4	10.8
ROIC	15.1	7.7	7.9	9.3
RoE	9.0	8.8	6.7	7.8
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.1)	0.0	(0.1)
Net Working Capital (Days)	19	32	21	21
Valuation(x)				
PER	39.7	34.9	39.7	31.7
P/B	3.2	2.7	2.6	2.4
P/CEPS	26.6	21.9	20.8	16.8
EV/EBITDA	18.6	23.2	16.5	13.0
EV/Sales	3.6	3.9	3.3	2.9
Dividend Yield (%)	0.3	0.3	0.4	0.4

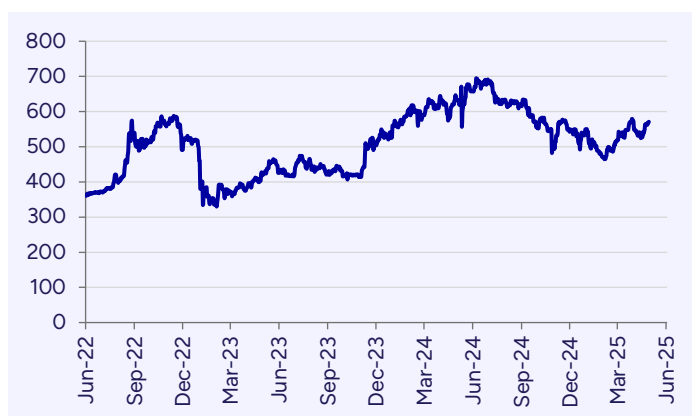
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Cons. Volume (mt)	59	65	82	87
Cons. Net Realisations (Rs/t)	5,601	5,375	5,415	5,545
Cons. EBITDA/ t (Rs/t)	1,081	916	1,067	1,257

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	30-Apr-25	BUY	658	545
2	07-Apr-25	BUY	643	529
3	30-Jan-25	BUY	628	522
4	08-Jan-25	BUY	707	538
5	29-Oct-24	BUY	708	569
6	22-Oct-24	BUY	756	559
7	07-Oct-24	BUY	756	611
8	01-Aug-24	Accumulate	701	664
9	07-Jul-24	Accumulate	701	686

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,383	1,938
2	Ambuja Cement	BUY	658	545
3	Dalmia Bharat	Accumulate	2,273	2,100
4	Hindalco Industries	Accumulate	724	663
5	Jindal Stainless	BUY	678	580
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,068	1,009
8	National Aluminium Co.	BUY	212	185
9	NMDC	Accumulate	75	71
10	Nuvoco Vistas Corporation	Accumulate	374	343
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	133	130
13	Tata Steel	BUY	176	149
14	Ultratech Cement	BUY	13,668	12,114

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

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

(US Clients)

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

DISCLAIMER

Indian Clients

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

US Clients

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

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

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

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

Prabhudas Lilladher Pvt. Ltd.

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

www.plindia.com