

May 15, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	REDUCE		REDUCE	
Target Price	29,152		28,336	
Sales (Rs. m)	2,11,292	2,30,825	2,15,409	2,45,066
% Chng.	(1.9)	(5.8)		
EBITDA (Rs. m)	48,232	56,651	46,356	57,530
% Chng.	4.0	(1.5)		
EPS (Rs.)	541.9	623.7	526.9	587.4
% Chng.	2.9	6.2		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	2,02,461	1,92,828	2,11,292	2,30,825
EBITDA (Rs. m)	42,385	39,340	48,232	56,651
Margin (%)	20.9	20.4	22.8	24.5
PAT (Rs. m)	23,957	11,227	19,553	22,502
EPS (Rs.)	664.0	311.2	541.9	623.7
Gr. (%)	114.6	(53.1)	74.2	15.1
DPS (Rs.)	105.0	110.0	115.0	120.0
Yield (%)	0.3	0.4	0.4	0.4
RoE (%)	12.2	5.3	8.8	9.4
RoCE (%)	10.8	4.2	7.4	8.9
EV/Sales (x)	5.3	5.5	4.9	4.4
EV/EBITDA (x)	25.2	26.8	21.5	18.1
PE (x)	46.4	99.0	56.9	49.4
P/BV (x)	5.4	5.2	4.8	4.5

Key Data SHCM.BO | SRCM IN

52-W High / Low	Rs.31,415 / Rs.23,500
Sensex / Nifty	81,331 / 24,667
Market Cap	Rs.1,112bn / \$ 13,038m
Shares Outstanding	36m
3M Avg. Daily Value	Rs.1006.12m

Shareholding Pattern (%)

Promoter's	62.55
Foreign	9.71
Domestic Institution	15.32
Public & Others	12.42
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.3	27.9	18.4
Relative	(5.4)	22.0	6.4

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Pricing led robust performance

Quick Pointers:

- Uptick in cement pricing in North & Eastern markets, superior geo mix and higher share of trade & premium products resulted in robust EBITDA/t of Rs1,404.
- SRCM commissioned 3mtpa GU at Etah (UP) and 3.4mtpa GU at Baloda Bazar (CG), taking its total cement production capacity to 62.8mtpa.

SRCM delivered robust operating performance in Q4FY25 on the back sharp 4.5% QoQ jump in NSR while volumes grew at moderate pace, 3.3% YoY to 9.84mt. SRCM continued to adopt value over volume strategy in FY25 and achieved industry leading EBITDA/t however volume remained flattish. Cement pricing has improved over the last few months and mgmt. expects to deliver better than industry volume growth in FY26 keeping an eye on margins. As most of the headwinds for economy are behind, mgmt. expects cement demand to grow faster over the next two years, leading to higher utilization for SRCM. Trade share and share of premium products is on rise due to the launch of multiple premium eco-friendly brands over the last few quarters. With commissioning of Etah (closer to Agra) grinding unit, mgmt. plans to cater to faster growing central & East UP market. Mgmt. also remained upbeat on strong growth potential from Northern India and plans to cater to J&K, Gujarat & western MP markets with its Pali GU.

With improving Southern region pricing, we believe SRCM to continue to deliver strong performance in Q1FY26 however to grow higher than industry SRCM will have to tweak its strategy. With over 95mt capacity is expected to get commissioned (~34% in East) over next two years, maintaining value over volume can be challenging for SRCM. We tweak our FY26/27E EBITDA estimates by 4%/-1.5% on account of better near-term pricing. The stock is trading at EV of 21.5x/18x FY26E/FY27E EBITDA, which appears full. Maintain 'Reduce' rating with revised TP of Rs29,152 (earlier Rs28,336) valuing at 17x EV of Mar'27E EBITDA.

- Revenue growth on price uptick in key geographies:** SRCM's std. revenue increased 3% YoY to Rs52.4bn (+24% QoQ; PLe Rs50.3bn) on sharp jump in blended realization. Cement volumes grew 3.3% YoY to 9.84mt (+12% QoQ; PLe 9.91mt). Blended realization improved ~8% QoQ to Rs4,968/t (+2.2% YoY; PLe Rs 4,717/t) on uptick in cement prices in strong North and Eastern regions. Cement NSR as per company improved 4.5% QoQ to Rs4,758/t.
- Robust sequential improvement in EBITDA:** EBITDA grew 4.1% YoY to Rs13.8bn (+46% QoQ; PLe Rs12.3bn) mainly led by sharp improvement in cement realization and lower P&F costs. P&F costs/t declined 22% YoY to Rs1,172 on softer fuel prices. Freight cost/t increased 7.1% YoY to Rs1,175. RM costs/t increased to Rs569 due to reclassification of royalty & cess on limestone earlier from other expenses to RM. Other expenses/t stood at Rs743/t. Blended EBITDA/t for Q4FY25 was Rs1,404 (PLe Rs1,242/t). PAT declined 16% YoY to Rs5.6bn (up 142% QoQ, PLe Rs4.2bn).

Q4FY25 Conference Call Highlights:

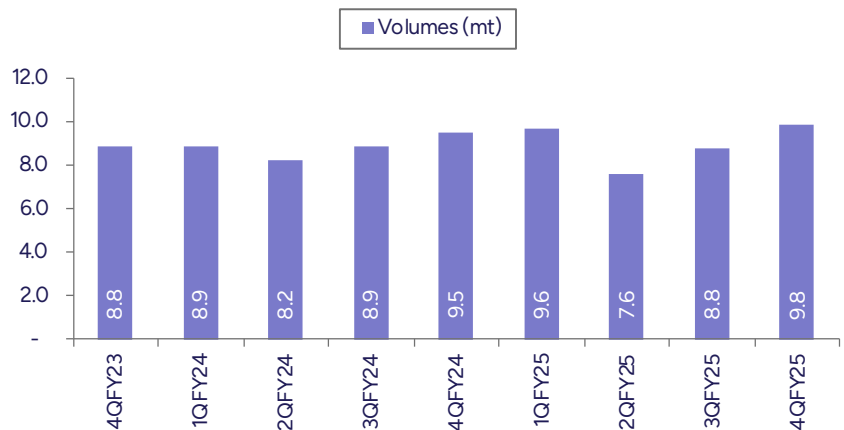
- SRCM commissioned two GU's of 3mtpa and 3.4mtpa in Etah, UP and Baloda Bazar, CG taking the total cement production capacity in India to 62.8mtpa.
- In Q4FY25, SRCM undertook capacity upgradation work of CU at Nawalgarh, RJ enhancing the capacity of the unit from 3.8mtpa to 4.5mtpa.
- Clinker capacity as of end FY25 is 36.7mtpa which would increase to 44mtpa by end FY26. Cement capacity to reach 68.8mtpa by end FY26.
- SRCM guided for a volume of ~39mt for FY26, with industry growth expected at 6.5–7.5%.
- Prices in North, East and South India were up 4%, 8% and -2% QoQ and 3%, 1%, -5% YoY.
- Regional sales mix for Q4FY25 stood at 54.7%, 32.7% and 11% for North, East and South India respectively.
- Ongoing ICU expansion projects in Jaitaran, RJ, and Kodla, KA, are expected to be commissioned by end Q1FY26 and Q2FY26, respectively. SRCM has deferred the commissioning of another 3mtpa GU at Jaitaran for the near term.
- SRCM commissioned a 60.3MW solar power plant at Jodhpur in Q4FY25 taking total green power capacity to 582MW while share of green electricity in total electricity consumption to 60.2%.
- Clinker capacity utilization was 73%/ 68% in Q4FY25/ FY25 respectively.
- Lead Distance for the quarter was 446KM vs 435KM in Q4FY24.
- Capex for FY26 would be Rs30bn mainly on upcoming projects due for commissioning during the year at Jaitaran, RJ and Kodla, KA.
- The blended ratio for the quarter stood at 59%. Trade and non-trade sales during the quarter stood at 73% and 27% respectively.
- Sales of premium products in Q4FY25 stood at 15.6% of the trade sale volume vs 14.9% in Q3FY25.
- During the quarter deliveries by road stood at 88.7%, while rail accounted for 11.3%.
- Pet coke mix for the quarter was 95%, while rest was coal and alternative fuels.
- Blended fuel costs for the quarter stood at 1.48/kcal.
- Net cash at the end of FY25 stood at Rs54bn.

Exhibit 1: Q4FY25 Result Overview (standalone)

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q4FY25E	% Var.	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	52,402	50,727	3.3	50,266	4.2	42,355	23.7	1,80,373	1,95,609	(7.8)
Raw Material	5,598	3,540	58.1	3,977	40.8	5,404	3.6	20,208	19,190	5.3
% of Net Sales	10.7	7.0		7.9		12.8		11.2	9.8	
Staff Costs	2,594	2,352	10.3	2,540	2.1	2,371	9.4	9,906	9,379	5.6
% of Net Sales	4.9	4.6		5.1		5.6		5.5	4.8	
Power & Fuel	11,531	14,274	(19.2)	13,063	(11.7)	9,134	26.2	44,730	55,602	(19.6)
% of Net Sales	22.0	28.1		26.0		21.6		24.8	28.4	
Freight and selling expenses	11,558	10,451	10.6	10,978	5.3	9,918	16.5	41,545	40,321	3.0
% of Net Sales	22.1	20.6		21.8		23.4		23.0	20.6	
Other Expenses	7,307	6,838	6.9	7,396	(1.2)	6,062	20.5	25,617	27,198	(5.8)
% of Net Sales	13.9	13.5		14.7		14.3		14.2	13.9	
Total Expenditure	38,589	37,455	3.0	37,953	1.7	32,889	17.3	1,42,006	1,51,690	(6.4)
EBITDA	13,813	13,272	4.1	12,313	12.2	9,466	45.9	38,368	43,919	(12.6)
Margin (%)	26.4	26.2		24.5		22.3		21.3	22.5	
Depreciation	7,470	6,281	18.9	7,646	(2.3)	7,496	(0.4)	28,080	16,147	73.9
EBIT	6,343	6,991	(9.3)	4,667	35.9	1,970	222.0	10,288	27,772	(63.0)
Other income	1,501	1,379	8.9	1,195	25.7	1,149	30.7	5,772	5,611	2.9
Interest	417	648	(35.6)	654	(36.3)	529	(21.1)	2,086	2,643	(21.1)
PBT	7,428	7,722	(3.8)	5,208	42.6	2,590	186.8	13,974	30,740	(54.5)
Extraordinary income/(expense)	-	-		-		-		-	-	
PBT (After EO)	7,428	7,722	(3.8)	5,208	42.6	2,590	186.8	13,974	30,740	(54.5)
Tax	1,868	1,105	69.1	1,042		296	531.3	2,011	5,772	(65.2)
% PBT	25.1	14.3		20.0		11.4		14.4	18.8	
Reported PAT	5,560	6,618	(16.0)	4,166	33.4	2,294	142.4	11,962	24,968	(52.1)

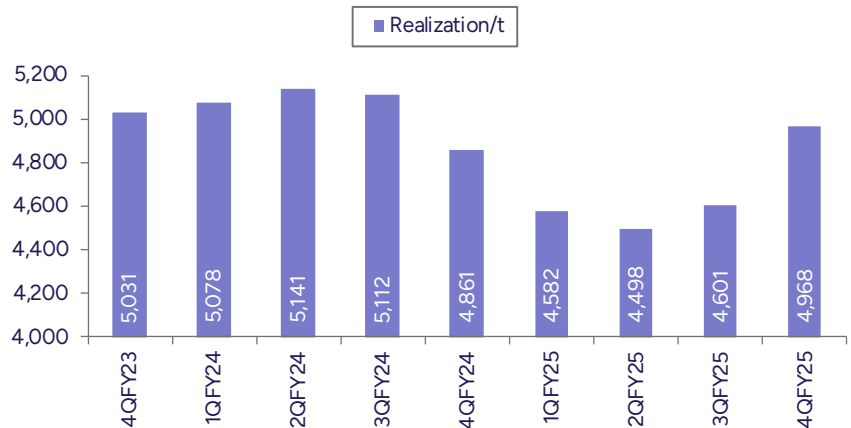
Source: Company, PL

Exhibit 2: Volumes grew 3.3% YoY as mgmt. adopted profitability over volumes



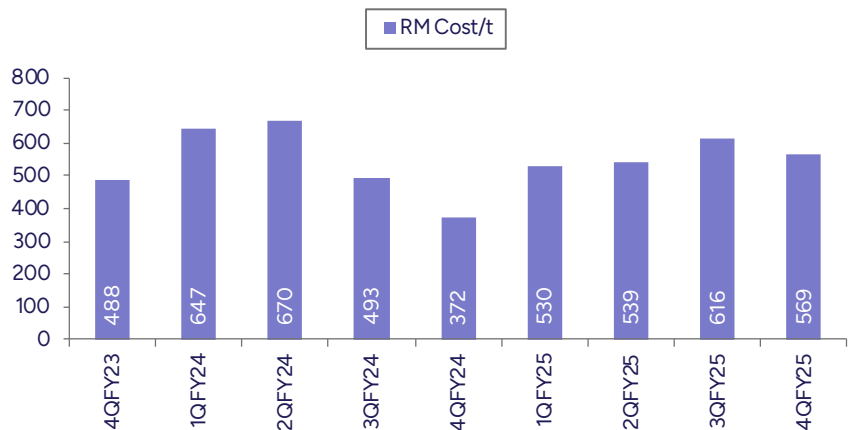
Source: Company, PL

Exhibit 3: Blended NSR improved ~8% QoQ on higher prices across North/East



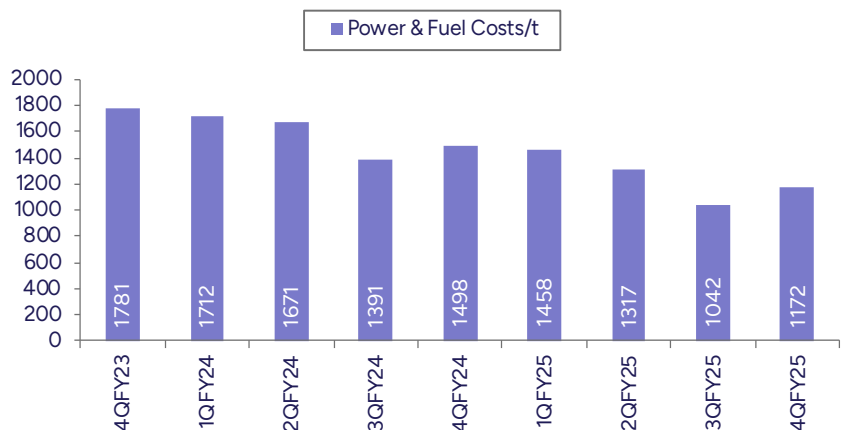
Source: Company, PL

Exhibit 4: RM costs/t increased 53% YoY due to reclassification of royalty



Source: Company, PL

Exhibit 5: P&F costs/t declined 22% YoY on benign pet coke prices



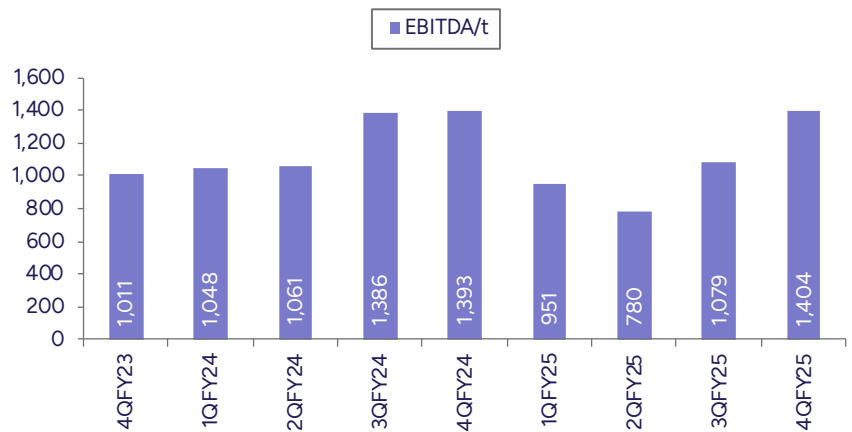
Source: Company, PL

Exhibit 6: Freight costs/t inched up 7% YoY despite better volumes



Source: Company, PL

Exhibit 7: Blended EBITDA/t grew 1% YoY to Rs1,404 (+30% QoQ)



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	2,02,461	1,92,828	2,11,292	2,30,825
YoY gr. (%)	15.3	(4.8)	9.6	9.2
Cost of Goods Sold	15,698	20,080	20,217	22,140
Gross Profit	1,86,763	1,72,749	1,91,075	2,08,685
Margin (%)	92.2	89.6	90.4	90.4
Employee Cost	10,644	11,478	11,876	12,567
Other Expenses	1,33,734	1,21,930	1,30,967	1,39,467
EBITDA	42,385	39,340	48,232	56,651
YoY gr. (%)	58.8	(7.2)	22.6	17.5
Margin (%)	20.9	20.4	22.8	24.5
Depreciation and Amortization	18,973	30,068	31,340	35,060
EBIT	23,412	9,272	16,892	21,592
Margin (%)	11.6	4.8	8.0	9.4
Net Interest	2,549	2,050	918	543
Other Income	8,730	5,892	7,974	8,659
Profit Before Tax	29,592	13,115	23,948	29,708
Margin (%)	14.6	6.8	11.3	12.9
Total Tax	5,630	1,877	4,407	7,216
Effective tax rate (%)	19.0	14.3	18.4	24.3
Profit after tax	23,962	11,238	19,541	22,492
Minority interest	5	10	(12)	(10)
Share Profit from Associate	-	-	-	-
Adjusted PAT	23,957	11,227	19,553	22,502
YoY gr. (%)	114.6	(53.1)	74.2	15.1
Margin (%)	11.8	5.8	9.3	9.7
Extra Ord. Income / (Exp)	-	1	-	-
Reported PAT	23,957	11,228	19,553	22,502
YoY gr. (%)	88.5	(53.1)	74.2	15.1
Margin (%)	11.8	5.8	9.3	9.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	23,957	11,228	19,553	22,502
Equity Shares O/s (m)	36	36	36	36
EPS (Rs)	664.0	311.2	541.9	623.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	2,17,858	2,45,164	2,77,164	3,07,164
Tangibles	2,17,858	2,45,164	2,77,164	3,07,164
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,21,949	1,52,017	1,83,357	2,18,417
Tangibles	1,21,949	1,52,017	1,83,357	2,18,417
Intangibles	-	-	-	-
Net fixed assets	95,909	93,147	93,807	88,748
Tangibles	95,909	93,147	93,807	88,748
Intangibles	-	-	-	-
Capital Work In Progress	26,982	37,962	35,962	40,962
Goodwill	-	-	-	-
Non-Current Investments	24,090	15,437	15,437	15,437
Net Deferred tax assets	6,293	7,764	7,764	7,764
Other Non-Current Assets	3,850	9,310	9,310	9,310
Current Assets				
Investments	52,640	64,526	64,526	64,526
Inventories	35,551	24,436	27,786	30,355
Trade receivables	12,865	14,015	14,472	15,810
Cash & Bank Balance	4,218	2,936	12,163	27,857
Other Current Assets	14,402	13,641	13,641	13,641
Total Assets	2,79,535	2,84,918	2,96,612	3,16,154
Equity				
Equity Share Capital	361	361	361	361
Other Equity	2,06,668	2,15,017	2,30,421	2,48,593
Total Network	2,07,029	2,15,378	2,30,782	2,48,954
Non-Current Liabilities				
Long Term borrowings	15,139	8,618	3,618	3,618
Provisions	307	341	341	341
Other non current liabilities	246	603	603	603
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	12,142	13,610	14,914	16,292
Other current liabilities	41,128	42,599	42,599	42,599
Total Equity & Liabilities	2,79,535	2,84,918	2,96,612	3,16,154

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	29,592	13,115	23,948	29,708
Add. Depreciation	18,973	30,068	31,340	35,060
Add. Interest	2,583	2,050	918	543
Less Financial Other Income	8,730	5,892	7,974	8,659
Add. Other	(5,979)	(5,732)	(7,974)	(8,659)
Op. profit before WC changes	45,170	39,500	48,232	56,651
Net Changes-WC	(7,253)	14,058	(2,504)	(2,528)
Direct tax	(4,442)	(4,355)	(4,407)	(7,216)
Net cash from Op. activities	33,475	49,203	41,321	46,908
Capital expenditures	(31,695)	(40,834)	(30,000)	(35,000)
Interest / Dividend Income	3,497	2,420	-	-
Others	14,014	1,137	7,974	8,659
Net Cash from Invst. activities	(14,185)	(37,276)	(22,026)	(26,341)
Issue of share cap. / premium	-	-	-	-
Debt changes	(11,111)	(7,251)	(5,000)	-
Dividend paid	(3,790)	(3,799)	(4,149)	(4,330)
Interest paid	(2,197)	(1,904)	(918)	(543)
Others	(2)	(9)	-	-
Net cash from Fin. activities	(17,101)	(12,963)	(10,067)	(4,872)
Net change in cash	2,190	(1,036)	9,227	15,694
Free Cash Flow	1,471	8,156	11,321	11,908

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	664.0	311.2	541.9	623.7
CEPS	1,189.9	1,144.5	1,410.6	1,595.4
BVPS	5,738.1	5,969.4	6,396.4	6,900.0
FCF	40.8	226.1	313.8	330.0
DPS	105.0	110.0	115.0	120.0
Return Ratio(%)				
RoCE	10.8	4.2	7.4	8.9
ROIC	11.8	5.1	9.0	10.8
RoE	12.2	5.3	8.8	9.4
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.3)	(0.3)	(0.4)
Net Working Capital (Days)	65	47	47	47
Valuation(x)				
PER	46.4	99.0	56.9	49.4
P/B	5.4	5.2	4.8	4.5
P/CEPS	25.9	26.9	21.8	19.3
EV/EBITDA	25.2	26.8	21.5	18.1
EV/Sales	5.3	5.5	4.9	4.4
Dividend Yield (%)	0.3	0.4	0.4	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	48,347	37,270	42,355	52,402
YoY gr. (%)	(3.3)	(18.3)	(13.6)	3.3
Raw Material Expenses	5,106	4,099	5,404	5,598
Gross Profit	43,241	33,171	36,951	46,803
Margin (%)	89.4	89.0	87.2	89.3
EBITDA	9,164	5,925	9,466	13,813
YoY gr. (%)	(1.7)	(31.9)	(23.3)	4.1
Margin (%)	19.0	15.9	22.3	26.4
Depreciation / Depletion	6,428	6,687	7,496	7,470
EBIT	2,736	(761)	1,970	6,343
Margin (%)	5.7	(2.0)	4.7	12.1
Net Interest	573	567	529	417
Other Income	1,346	1,776	1,149	1,501
Profit before Tax	3,508	448	2,590	7,428
Margin (%)	7.3	1.2	6.1	14.2
Total Tax	331	(484)	296	1,868
Effective tax rate (%)	9.4	(108.1)	11.4	25.1
Profit after Tax	3,177	931	2,294	5,560
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3,177	931	2,294	5,560
YoY gr. (%)	(45.3)	(81.0)	(68.8)	(16.0)
Margin (%)	6.6	2.5	5.4	10.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,177	931	2,294	5,560
YoY gr. (%)	(45.3)	(81.0)	(68.8)	(16.0)
Margin (%)	6.6	2.5	5.4	10.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,177	931	2,294	5,560
Avg. Shares O/s (m)	36	36	36	36
EPS (Rs)	88.1	25.8	63.6	154.1

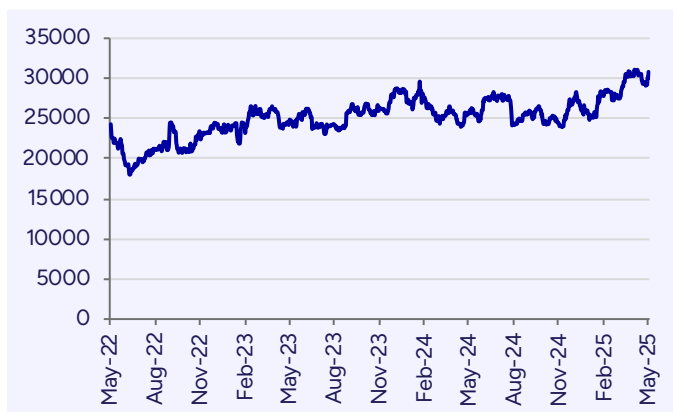
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Domestic volumes (mt)	36	36	38	41
Net Realisations (Rs/t)	4,862	4,560	4,788	4,922
Cement EBITDA (Rs/te)	1,228	1,070	1,215	1,328

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Apr-25	Reduce	28,336	30,788
2	01-Feb-25	Hold	26,190	27,796
3	08-Jan-25	Hold	24,838	26,027
4	12-Nov-24	Accumulate	25,815	24,424
5	07-Oct-24	Accumulate	27,481	26,034
6	08-Aug-24	Accumulate	27,524	24,143
7	07-Jul-24	Accumulate	29,225	27,417

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	2,117	1,974
4	Hindalco Industries	BUY	736	620
5	Jindal Stainless	BUY	678	580
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,150	973
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	374	343
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	118	116
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