

# VENUS PIPES

## RESULT UPDATE

### KEY DATA

<b>Rating</b>	<b>BUY</b>
Sector relative	Outperformer
Price (INR)	1,510
12 month price target (INR)	2,120
52 Week High/Low	2,490/969
Market cap (INR bn/USD bn)	31/0.4
Free float (%)	21.0
Avg. daily value traded (INR mn)	128.0

### SHAREHOLDING PATTERN

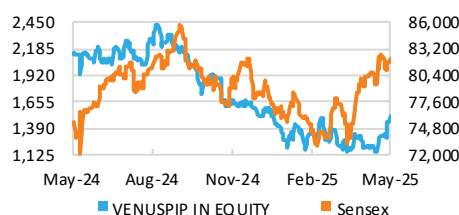
	Mar-25	Dec-24	Sep-24
Promoter	48.12%	48.12%	47.94%
FII	5.81%	4.31%	5.25%
DII	14.53%	14.06%	14.15%
Pledge	31.55%	33.51%	32.66%

### FINANCIALS

(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	9,585	12,805	16,230	20,849
EBITDA	1,676	2,160	2,720	3,447
Adjusted profit	929	1,241	1,735	2,271
Diluted EPS (INR)	45.5	60.8	84.9	111.2
EPS growth (%)	7.3	33.6	39.8	30.9
RoAE (%)	19.8	20.9	23.4	24.1
P/E (x)	33.3	24.9	17.8	13.6
EV/EBITDA (x)	10.2	8.0	6.2	4.7
Dividend yield (%)	0	0	0	0

### PRICE PERFORMANCE



## Demand picking up; exports resilient

Venus Pipes reported in-line Q4FY25 results with revenue up 15% YoY while EBITDA/PAT fell 8%/7% YoY. Exports contribution shot up to 44% versus 12% in Q4FY24 while domestic share was down to 56%, hurt by soft demand. FY25 volumes expanded 18% YoY to 26,000 tonnes. Margins slipped 400bp YoY due to weak demand, slowdown in export of welded pipes and increased competitive intensity. Management guided for 20%-plus volume growth along with 16–18% margins.

We believe given a strong order book (INR5.74bn) and expanding end-user categories, Venus is poised for strong growth ahead. Reiterate 'BUY' with a revised TP of INR2,120 (earlier INR2,000) as we roll forward valuation to 25x FY27E EPS.

### Volume growth moderates; exports share up

FY25 revenue expanded 19% YoY (Seamless: +18%/Welded: +12% YoY) on the back of 17% YoY volume growth in FY25. Volume growth in seamless pipes was higher at 25% versus welded pipes at 10% YoY. Exports more than tripled in Q4FY25, soaring 312% YoY led by strong order inflows and higher market penetration in new geographies. Share of seamless/welded in Q4FY25 was 59%/35% (versus 55%/40% in Q4FY24). Though overall demand remains bleak, the company is reporting a demand pickup from the power sector. Venus has received an order worth INR1.9bn for a thermal power project for the supply of stainless steel seamless boiler tubes.

### Margins wane due to domestic market and competitive exports

EBITDA margins contracted 400bp YoY (+10bp QoQ) to 16.1% owing to pressure from staff costs and other expenses. Weak domestic demand and lower share of welded pipe exports drove EBITDA margins downwards. Consequently, EBITDA decreased 7.6% YoY versus our estimate of 4% YoY fall. PAT contracted 5% YoY against our estimate of a 2% YoY reduction. The order book stood at INR5.75bn with 40% comprising exports.

### Exports climbing up; value-added capacity on stream

Venus has improved its export mix to ~44% led by network expansion in Europe, the US and Middle East. The process of obtaining approvals to penetrate further in the export and domestic markets is under way. The company recently commissioned operation of a new 3,600MT capacity for value-added products; fittings are likely to be commissioned in H1FY26. During the year, Venus received accreditation from NABL for its testing laboratory.

### Financials

Year to March	Q4FY25	Q4FY24	% Change	Q3FY25	% Change
Net Revenue	2,581	2,241	15.2	2,313	11.6
EBITDA	416	450	(7.6)	371	12.1
Adjusted Profit	232	248	(6.6)	175	32.8
Diluted EPS (INR)	11.4	12.2	(7.2)	8.6	31.9

## Financial Statements

### Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	9,585	12,805	16,230	20,849
Gross profit	3,190	4,190	5,309	6,783
Employee costs	380	493	641	834
Other expenses	1,135	1,537	1,948	2,502
EBITDA	1,676	2,160	2,720	3,447
Depreciation	185	206	257	289
Less: Interest expense	344	421	345	345
Add: Other income	107	123	196	216
Profit before tax	1,254	1,655	2,314	3,029
Prov for tax	325	414	579	757
Less: Other adj	0	0	0	0
Reported profit	929	1,241	1,735	2,271
Less: Excp.item (net)	0	0	0	0
Adjusted profit	929	1,241	1,735	2,271
Diluted shares o/s	20	20	20	20
Adjusted diluted EPS	45.5	60.8	84.9	111.2
DPS (INR)	0	0	0	0
Tax rate (%)	25.9	25.0	25.0	25.0

### Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Volume Growth (%)	17.2	30.7	20.0	20.3
Realisation Growth	2.0	2.2	5.6	6.8
Capex (INR mn)	1,083.9	1,200.0	600.0	600.0
EBITDA margin (%)	17.5	16.9	16.8	16.5
Net profit margin (%)	9.7	9.7	10.7	10.9
Revenue growth (% YoY)	19.5	33.6	26.7	28.5
EBITDA growth (% YoY)	14.5	28.9	25.9	26.7
Adj. profit growth (%)	8.0	33.6	39.8	30.9

### Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.3	6.3	6.3	6.3
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	82.0	82.0	82.0	82.0
Gross margins	33.3	32.7	32.7	32.5
EBITDA/MT	66,364.4	63,830.4	66,975.2	70,532.7
Depre % of gross block	5.9	5.2	5.3	5.3
Interest % of debt	20.2	22.0	18.0	18.0

### Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	33.3	24.9	17.8	13.6
Price/BV (x)	5.8	4.7	3.7	2.9
EV/EBITDA (x)	10.2	8.0	6.2	4.7
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

### Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	204	204	204	204
Reserves	5,110	6,353	8,088	10,359
Shareholders funds	5,315	6,557	8,292	10,564
Minority interest	0	0	0	0
Borrowings	1,915	1,915	1,915	1,915
Trade payables	2,399	944	1,197	1,541
Other liabs & prov	436	436	436	436
Total liabilities	10,083	9,871	11,859	14,475
Net block	3,088	4,082	4,425	4,736
Intangible assets	7	7	7	7
Capital WIP	665	665	665	665
Total fixed assets	3,761	4,755	5,097	5,408
Non current inv	34	34	34	34
Cash/cash equivalent	130	(174)	245	885
Sundry debtors	1,920	1,956	2,480	3,185
Loans & advances	0	0	0	0
Other assets	4,042	3,247	3,950	4,910
Total assets	10,083	9,871	11,859	14,475

### Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	929	1,241	1,735	2,271
Add: Depreciation	185	206	257	289
Interest (net of tax)	230	282	231	231
Others	170	140	115	115
Less: Changes in WC	828	552	975	1,322
Operating cash flow	687	1,318	1,363	1,584
Less: Capex	(1,084)	(1,200)	(600)	(600)
Free cash flow	(397)	118	763	984

### Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	19.8	20.9	23.4	24.1
RoCE (%)	25.0	26.5	28.5	29.7
Inventory days	162	128	100	99
Receivable days	70	55	50	50
Payable days	118	71	36	36
Working cap (% sales)	33.9	30.8	30.3	29.9
Gross debt/equity (x)	0.4	0.3	0.2	0.2
Net debt/equity (x)	0.3	0.3	0.2	0.1
Interest coverage (x)	4.3	4.6	7.1	9.2

### Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	7.3	33.6	39.8	30.9
RoE (%)	19.8	20.9	23.4	24.1
EBITDA growth (%)	14.5	28.9	25.9	26.7
Payout ratio (%)	0	0	0	0

## Q4FY25 conference call: Key highlights

### Opening remarks

- The global environment stays challenging due to geopolitical issues mainly driven by conflicts in Europe and changing trade practices led by the US.
- The government's continued support through PLI schemes and FTA should support growth for the industry.
- Exports more than tripled to INR9.58bn in FY25 with Q4FY25 contributing INR2.58bn.
- Domestic sales faced pressure due to subdued capex from the private sector as well as government. However, with several order wins, management remains confident of a demand revival going forward.
- Recruitment of key manpower has resulted in an increase in staff costs.
- Commenced production of VAP portfolio in FY26.

### Financial performance

- Manufacturing in higher segments of welded pipes.

### Guidance

- Overall margins to be in the range of 16–18% supported by higher mix of value added products.
- Lower sales of welded pipes in the export market affecting margins.
- Capex for FY26 would be close to INR1.2bn.

### Exports

- While exports were earlier focused towards Europe, they have now begun for Middle East as well as Europe with the EU and US being major geographies.
- In the US and EU, the products are routed through dealers and distributors.
- The company's products are not hurt by US tariffs.
- A few specific approvals are needed for South East Asian countries, which are likely to be added in the quarters to come.

### Order book

- Order book stands at INR5.75bn with 40% focused towards exports.
  - Exports: 40%
  - Domestic: 60%

### Miscellaneous

- Customers prefer manufacturers with capability for mother hollow tubes as they can inspect all the products in the value chain at a single facility.
- Competition is entering the business, but given this is an approval driven business, competition should take time to ramp-up.
- Ratnamani is another manufacturer getting into products similar to Venus.

## Demand

- Demand has been subdued in the domestic market, but orders from larger corporations are exhibiting signs of a demand recovery.
- Improvement in domestic demand looks to have started. FY26 should be good for the industry.

## Operational metrics

- 17% overall volume growth
  - Welded – 10%
  - Seamless: 25%
- Blended volume growth of 20% likely in FY26.
- EBITDA/kg stood at INR64–65.
- Volumes on a blended basis stood at 26,000 tonnes
- Realizations on a blended basis: INR340/kg (excluding other sales)

**Exhibit 1: Quarterly snapshot (INR mn)**

Year to March	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)
Revenues	2,581	2,241	15.2	2,313	11.6
Raw material	1,720	1,532	12.2	1,553	11
Staff costs	104	66	56.7	103	0
Others	342	193	77.5	285	20
Total expenditure	2,165	1,791	20.9	1,942	11
EBITDA	416	450	(7.6)	371	12.1
Depreciation	48	38	25.3	48	1
EBIT	368	412	(10.6)	323	
Less: Interest Expense	94	75	25.1	91	3
Add: Other income	50	1	3,431.7	10	419
Less: Exceptional item	0	0		0	
Profit Before Tax	324	338	(4.1)	242	34
Less: Provision for Tax	87	88	(0.7)	62	40
Profit after Tax	237	250	(5.3)	180	32
Add: Other Comprehensive income		-1		-0	
Less: Minority Interest	0	0		0	
Reported Profit	237	250	(5.1)	180	32
Adjusted net profit	232	250	(7.0)	180	29.3
Equity Capital (FV INR 10)	204	203		203	
No. of Diluted shares outstanding (mn)	20	20		20	
Adjusted Diluted EPS	11.6	12.3	(5.9)	8.9	31.0
P/E (x)					
EV/EBITDA (x)					
ROE(%)					
As % of net revenues					
Raw material	66.6	68.4		67.1	
Staff expenses	4.0	2.9		4.5	
Other expenses	13.3	8.6		12.3	
EBITDA	16.1	20.1	(4.0)	16.0	0.1
Net profit	9.2	11.1		7.8	

Source: Company, Nuvama Research

**Exhibit 2: Revenue split**

Year to March	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)
<b>Product wise</b>					
Seamless pipes	1,515	1,240	22	1,252	21
Welded Pipes	899	892	1	891	1
Others	167	109	53	170	-2
Total	2,581	2,241	15	2,313	12

Source: Company, Nuvama Research

## Company Description

Venus Pipes and Tubes (Venus), incorporated in 2015, is a manufacturer and exporter of SS pipes and tubes. It has a total production capacity of 12kt per year, which it produces at its facility in Dhaneti (Kutch), Gujarat. The plant lies approximately 55km and 75km from the Kandla and Mundra ports, respectively. The plant is spread over 68,090sqm, with the current set-up occupying 22,400sqm. Of the 12ktpa capacity, 3.6kt is dedicated to seamless SS pipes and 8.4kt to welded SS pipes. Easier access to the Kandla and Mundra ports helps the company to procure raw materials and export the products at low logistic costs. Venus commenced exporting products in 2017 and now reaches out to 20+ countries, including Brazil, the UK, Israel, and many in the European Union. Venus has a separate divisions for production of seamless and welded SS pipes and tubes.

## Investment Rationale

Venus is a dedicated SS tubes and pipes player, and its capacity market share is set to shoot up to 10% by FY25E—from 4% in FY22 .Increasing broad-based demand in end-user industries shall help sweat out the expanded assets base (with capacity trebling) to >80% by FY25E. Venus services diversified end-user industries such as chemicals, engineering, and pharma, and rakes in revenue from multiple streams: new projects, repair & maintenance and replacement demand. A diversified client base also hedges the company against slowdown in one particular end-user industry. Moreover, the company is constantly diversifying its client base by adding customers in new industries. Proximity to ports was always an edge Venus had in exports, ongoing capacity expansion along with backward integration shall provide exports a growth kicker.

## Key Risk

- Delays in completion of expansion projects are likely to push out its earnings growth trajectory.
- Potential slowdown in capex cycle of end-user industries such as pharma, chemicals, etc would suppress the demand for the company's products. This could be in domestic or exports markets.
- Dumping of low-cost imports from China.
- Exports-related weakness

## Additional Data

### Management

CMD	Arun Axaykumar Kothari
ED & Promoter	Jayantiram Motiram Choudhary
ED & Promoter	Megharam Sagramji Choudhary
ED & Promoter	Dhruv Mahendrakumar Patel
Auditor	Maheshwari & Co.

### Holdings – Top 10\*

% Holding		% Holding	
Kotak Life	4.34	Driehaus Capita	0.22
Nippon India	2.96	JM Financial as	0.14
WBC Holdings	1.21	Moital Oswal AM	0.12
Samsung Life In	0.53	State street co	0.09
Neuberger Berma	0.49	Van Eck Associa	0.04

\*Latest public data

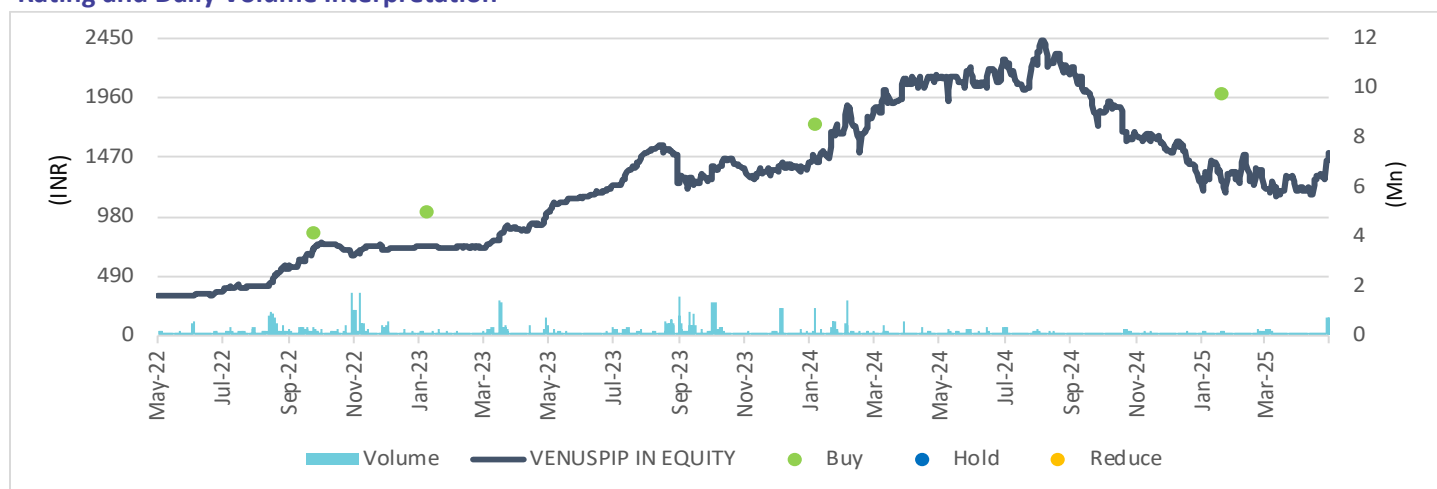
### Recent Company Research

Date	Title	Price	Reco
13-Feb-25	Demand bleak; exports share increases; <i>Result Update</i>	1,335	Buy
13-Nov-24	Venus Pipes & Tubes (VENUSPIP IN, INR 1; <i>Result Update</i>	1,862	Buy
09-Sep-24	Climbing up the growth ladder; <i>Company Update</i>	2,235	Buy

### Recent Sector Research

Date	Name of Co./Sector	Title
23-May-25	Astral Ltd	Margins and volumes steady; <i>Result Update</i>
22-May-25	Greenpanel	Optical illusion — MDF margins decline; <i>Result Update</i>
22-May-25	Prince Pipes	Volumes dip; margins improve; <i>Result Update</i>

### 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%	204
Hold	<15% and >-5%	63
Reduce	<-5%	34

## 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](mailto:complianceofficer.nwm@nuvama.com) Contact details +91 (22) 6623 3478 Investor Grievance e-mail address- [grievance.nwm@nuvama.com](mailto: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](http://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

---