

Kalyan Jewellers | BUY

Multiple pilots targeted to drive efficiency and growth

Kalyan reported robust revenue growth of 31% YoY, led by 18% SSSG growth in India. It added 10/1 Kalyan store in India/US and 8 Candere stores. India EBITDA was 10% above our estimates led by robust gross margins as (i) company implemented a pilot project of lean credit period to its vendors which resulted in higher margins/better RoCE and, (ii) inventory gains due to increase in prices of silver/platinum. Company is planning to launch new regional brands for every state to target the customers with regional taste and capture the pie from unorganised segment; 1st brand will be launched in CY25. It has temporarily paused the repayment of its debt obligation until release of its real estate collateral. Demand in Q2 remained until last week of June, post which the high base is optically leading to some YoY slowdown in growth, with growth again expected to pick in Q2 due to the festive season. Its steps towards lean credit policy is expected to drive profitability and improve RoCE, while the regional brand strategy is aimed at increasing the TAM; however, this would also lead an increase in the overall capital employed in the business. We largely maintain our EPS estimates as benefits of better margins gets negated by higher interest cost required for working capital requirement for the new pilot. Maintain BUY rating on the stock with an unchanged target price of INR 700, based on 45x June'27 EPS.

- **Beat on operational performance; store addition remains robust:** Consolidated revenue grew 31% YoY to INR 72.7 bn. EBITDA grew 35% YoY to INR 5.1 bn (5% beat) as EBITDA margin expanded ~20 bps YoY to 7% (JMFe: 6.7%) despite ~50bps YoY contraction in GM to 13.9% (JMFe: 13.4%) due to ~20/60 bps lower employee /advertisement partially offset by ~10 bps higher other expenses. APAT grew 49% YoY to INR 2.6 bn (5% beat) as other income increased 109% YoY which was partially set off by 29%/22% increase in depreciation/interest expense. Company added 10 stores in India and 1 in US of Kalyan and 8 Candere stores in India.
- **India growth momentum strong with robust growth in Candere:** Net reported revenue grew 31% YoY to INR 61.4 bn led by 18% SSSG. For South/Non-south, SSSG stood at 20%/16% YoY. Studded ratio remained largely flat at ~30%. EBITDA grew 38% YoY to INR 4.3 bn (10% beat) as EBITDA margin expanded ~30 bps YoY to 7.1% (JMFe: 6.4%) despite ~60bps YoY contraction in GM to 13.6% (JMFe: 13.1%) due to ~20/60/10 bps lower employee /advertisement /other expenses. Candere recorded 69% revenue growth in Q1 with a PAT loss of INR 100 mn as company has started brand campaigns from Q1FY26 and target to achieve PAT neutral status for it by FY26 end.
- **Multiple new initiatives to drive TAM and profitability:** Kalyan is planning to launch new regional brands for every state catering to the regional demand. The step is aimed at increasing the TAM, by targeting the mass end. It will launch 1st brand by CY25 in one state. It also launched a pilot project of where in it will make early payment to vendors and seek for better product margins which will eventually lead to better RoCE. This pilot will be implemented in the regional brands from the day of its launch and if successful, will be implemented gradually to entire Kalyan jewellers.



Gaurav Jogani

gaurav.jogani@jmfl.com | Tel: (91 22) 66303085

Mehul Desai

mehul.desai@jmfl.com | Tel: (91 22) 66303065

Tanuj Pandia

tanuj.pandia@jmfl.com | Tel: (91 22) 66303051

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	700
Upside/(Downside)	18.4%
Previous Price Target	700
Change	0.0%

Key Data – KALYANKJ IN

Current Market Price	INR591
Market cap (bn)	INR609.8/US\$7.0
Free Float	35%
Shares in issue (mn)	1,030.1
Diluted share (mn)	1,030.1
3-mon avg daily val (mn)	INR2,235.5/US\$25.5
52-week range	795/399
Sensex/Nifty	80,623/24,596
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	1.2	9.6	9.4
Relative*	5.1	5.8	7.0

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,84,726	2,49,727	3,23,357	4,07,085	4,98,044
Sales Growth (%)	31.7	35.2	29.5	25.9	22.3
EBITDA	12,791	16,410	21,102	26,110	31,246
EBITDA Margin (%)	6.9	6.6	6.5	6.4	6.3
Adjusted Net Profit	5,965	7,148	11,294	15,119	18,659
Diluted EPS (INR)	5.8	6.9	11.0	14.7	18.1
Diluted EPS Growth (%)	37.7	19.8	58.0	33.9	23.4
ROIC (%)	12.0	14.2	16.7	19.3	20.7
ROE (%)	15.2	15.9	21.3	23.5	23.7
P/E (x)	102.0	85.2	53.9	40.3	32.6
P/B (x)	14.5	12.7	10.5	8.6	7.0
EV/EBITDA (x)	49.4	38.5	29.9	23.8	20.0
Dividend Yield (%)	0.2	0.3	0.4	0.5	0.6

Source: Company data, JM Financial. Note: Valuations as of 07/Aug/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Quarterly standalone performance (INR mn)

Standalone (INR mn)	Reported		Chg (%)		JMe		Chng (%)		Reported	
	Q1FY25	Q4FY25	Q1FY26	YoY	QoQ	Q1FY26E	JMe		FY24	FY25
Stores (#)	217	278	287	70	9	287	0		204	278
Net operating revenues	46,875	53,504	61,422	31	15	61,335	0		157,744	216,510
Material cost	(40,226)	(46,378)	(53,058)	32	14	(53,300)	(0)		(134,915)	(187,577)
Gross profit	6,648	7,126	8,364	26	17	8,035	4		22,829	28,934
Employee cost	(1,485)	(1,747)	(1,804)	21	3	(1,850)	(3)		(5,190)	(6,384)
Advertising and promotion	(949)	(840)	(861)	(9)	2	(1,100)	(22)		(3,112)	(3,955)
Other expenditure	(1,065)	(1,104)	(1,358)	28	23	(1,150)	18		(3,453)	(4,437)
Total expenditure	(3,499)	(3,691)	(4,023)	15	9	(4,100)	(2)		(11,754)	(14,776)
EBITDA	3,150	3,435	4,342	38	26	3,935	10		11,075	14,158
Other income	250	424	521	108	23	460	13		846	1,361
Interest	(601)	(686)	(724)	20	6	(700)	3		(2,417)	(2,497)
Depreciation	(560)	(679)	(697)	24	3	(710)	(2)		(2,064)	(2,461)
PBT	2,239	2,494	3,443	54	38	2,985	15		7,441	10,561
Tax	(588)	(640)	(878)	49	37	(752)	17		(1,901)	(2,745)
PAT	1,651	1,854	2,565	55	38	2,233	15		5,541	7,815
Extraordinary items	-	-	-			-			-	(929)
Net profit (reported)	1,651	1,854	2,565	55	38	2,233	15		5,541	6,887
EPS (Rs)	1.6	1.8	2.5	55	38	2.2	15		5.4	7.6
Ratios (% of net sales)										
Gross margin (%)	14.2	13.3	13.6	-57 bps	29 bps	13.1	51 bps		14.5	13.4
EBITDA margin (%)	6.7	6.4	7.1	34 bps	64 bps	6.4	65 bps		7.0	6.5
PBT Margin (%)	4.8	4.7	5.6	82 bps	94 bps	4.9	73 bps		4.7	4.9
Employee cost	3.2	3.3	2.9	-24 bps	-33 bps	3.0	-8 bps		3.3	2.9
Advertising and promotion	2.0	1.6	1.4	-63 bps	-17 bps	1.8	-40 bps		2.0	1.8
Other expenditure	2.3	2.1	2.2	-7 bps	14 bps	1.9	33 bps		2.2	2.0
Income tax rate (% of PBT)	26.3	25.7	25.5	-76 bps	-18 bps	25.2	30 bps		25.5	26.0

Source: Company, JM Financial

Exhibit 2. Quarterly consolidated performance (INR mn)

Consolidated (INR mn)	Reported			Chg (%)		JMe	Chng (%)	Reported		Chg (%)
	Q4FY24	Q3FY25	Q1FY26	YoY	QoQ	Q1FY26E	JMe	FY24	FY25	YoY
Net operating revenues	55,355	61,815	72,685	31	18	72,233	1	140,714	185,156	32
Material cost	(47,419)	(53,314)	(62,603)	32	17	(62,541)	0	(118,722)	(158,346)	33
Gross profit	7,935	8,501	10,081	27	19	9,691	4	21,992	26,810	22
Employee cost	(1,724)	(2,035)	(2,096)	22	3	(2,125)	(1)	(4,406)	(6,072)	38
Advertisement and Promotion	(1,106)	(1,063)	(1,038)	(6)	(2)	(1,100)	(6)	(2,881)	(3,553)	23
Other expenditure	(1,345)	(1,408)	(1,868)	39	33	(1,637)	14	(3,566)	(4,394)	23
Total expenditure	(51,595)	(57,821)	(67,605)	31	17	(67,403)	0	(129,574)	(172,364)	33
EBITDA	3,760	3,994	5,080	35	27	4,829	5	11,140	12,791	15
Other income	222	408	463	109	13	425	9	379	1,064	181
Interest	(852)	(963)	(1,036)	22	8	(960)	8	(3,026)	(3,232)	7
Depreciation	(755)	(933)	(977)	29	5	(990)	(1)	(2,446)	(2,743)	12
PBT	2,375	2,506	3,530	49	41	3,304	7	6,048	7,880	30
Tax	(599)	(630)	(889)	48	41	(800)	11	(1,479)	(1,925)	30
Share of profit of associates	2	-	-	(100)	-	-	-	12	11	(10)
Recurring PAT (after MI)	1,778	1,876	2,641	49	41	2,504	5	4,580	5,965	30
Extraordinary items	-	-	-	-	-	-	-	(249)	-	-
Net profit (reported)	1,778	1,876	2,641	49	41	2,504	5	4,331	5,965	38
EPS (Rs)	1.7	1.8	2.6	49	41	2.4	5	4.4	5.8	30

Ratios (% of net sales)

Gross margin (%)	14.3	13.8	13.9	-47 bps	11 bps	13.4	45 bps	15.6	14.5	-115 bps
EBITDA margin (%)	6.8	6.5	7.0	19 bps	52 bps	6.7	30 bps	7.9	6.9	-101 bps
Employee cost	3.1	3.3	2.9	-24 bps	-41 bps	2.9	-6 bps	3.1	3.3	14 bps
Advertising and promotion	2.0	1.7	1.4	-57 bps	-30 bps	1.5	-10 bps	2.0	1.9	-13 bps
Other expenditure	2.4	2.3	2.6	13 bps	29 bps	2.3	30 bps	2.5	2.4	-17 bps
Income tax rate (% of PBT)	25.2	25.1	25.2	-6 bps	4 bps	24.2	96 bps	24.5	24.4	-3 bps

Source: Company, JM Financial

Exhibit 3. We largely maintain our EPS estimates over FY26-28E

(INR mn)	FY26E			FY27E			FY28E		
	Revised	Earlier	Chng (%)	Revised	Earlier	Chng (%)	Revised	Earlier	Chng (%)
Net Revenues	324,192	321,168	0.9	407,939	403,683	1.1	498,917	493,420	1.1
EBITDA	21,102	20,587	2.5	26,110	25,341	3.0	31,246	30,039	4.0
PAT	11,294	11,321	-0.2	15,119	15,124	0.0	18,659	18,400	1.4
EPS (Rs)	11.0	11.0	-0.2	14.7	14.7	0.0	18.1	17.9	1.4
Pre Ind AS									
EBITDA	17,427	16,912	3.0	21,841	21,072	3.7	26,249	25,042	4.8
PAT	11,434	11,460	-0.2	15,259	15,264	0.0	18,799	18,539	1.4
EPS (Rs)	11.1	11.1	-0.2	14.8	14.8	0.0	18.3	18.0	1.4

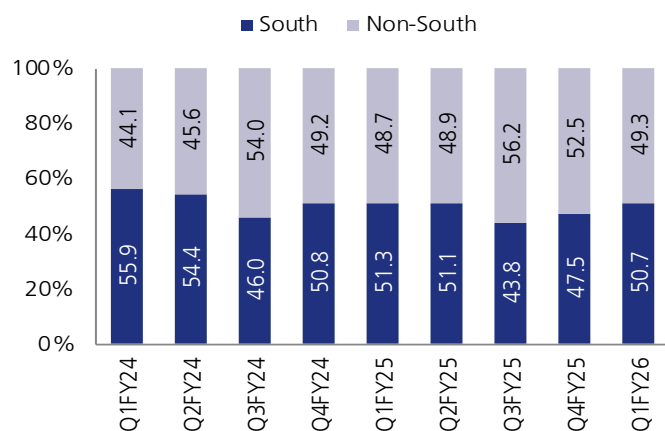
Source: Company, JM Financial

Key concall Takeaways

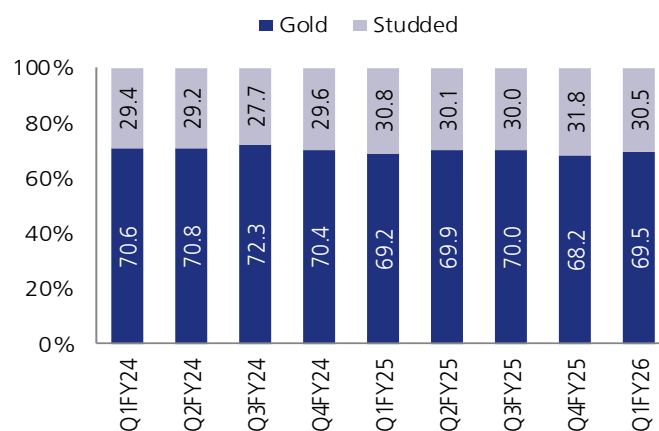
- **Demand** for the first 2-3 weeks of July month was good. Last week of July and 1st week of August, however, are not comparable due to custom duty rate cuts in the base quarter. Barring that, demand momentum seems good. Q2FY26 is expected to witness healthy demand at the end led by shift of Navratri from Q3 to Q2.
- **Candere** - Company expects to add 80 Candere showrooms in FY26. It launched the marketing campaign for the brand in Q1 resulting in 75% increase in the footfalls. It targets to become PAT neutral by FY26.
- **Lean credit period:** Company implemented a pilot which started in Mar'25 wherein it repaid some of its vendors earlier in lieu of better product margins. This resulted an increase in working capital of the company but eventually led to generation of higher RoCE on the capital employed vs. the company level RoCE. Company started this pilot as a precursor for its regional brand strategy where in it intends to sell mass end jewellery with lower Gross margin profile, but with higher asset turn leading to an RoCE of 18-20%. If successful, this will be gradually implemented to entire Kalyan Jewellers. Management expects additional working capital requirement of INR 15-20 bn to implement the pilot to entire Kalyan Jewellers. It targets to bring down the payable days from the current levels of 30-35 days to 1/3rd after full implementation, eventually leading to healthy increase in gross margin.
- **It plans a 3 step long term strategy** - (i) implement the linear credit planning for vendors, (ii) Jeweller park which will serve as a hub for all contract manufacturers. It has procured land for it in Kerala and is targeting to bring all the south contract manufacturers under one roof. This will help to drive better efficiency, (iii) Manufacturing of Jewellery- but not a near term focus of the company.

Creation of new regional brand

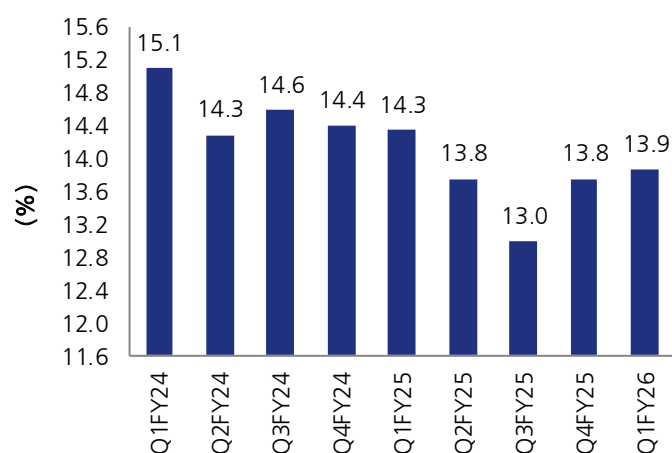
- Company is planning to create new regional retail brands apart from Kalyan and Candere. It will launch 1 regional brand by the end of CY25 to cater 1 state, and then several such brands will be launched by the company going forward. It will add 5 showrooms in one state which would require ~INR 3 bn. Going forward, expansion will be on FOCO basis.
- **Why regional brand:** The current Kalyan showrooms offers 30% hyperlocal products which acts as an enabler to target aspirational customer. The new regional brand will target only those customers who are not aspirational and only want to continue with the regional taste.
- For the new format, it will create a new company as a subsidiary of existing Kalyan Jewellers which will house all the regional brands going forward for different state.

Exhibit 4. Southern mix decreased by ~60bps YoY

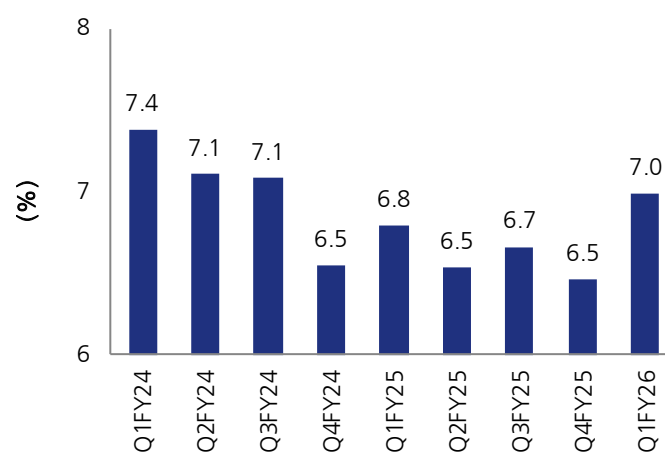
Source: Company, JM Financial

Exhibit 5. Studded ratio decreased ~30bps YoY

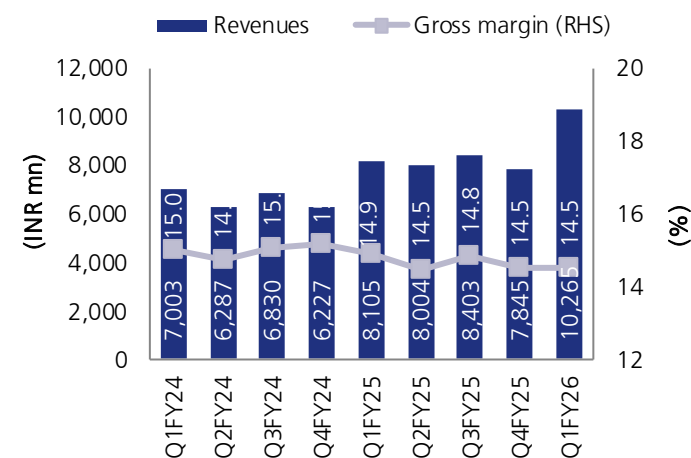
Source: Company, JM Financial

Exhibit 6. Consolidated gross margin contracted ~50bps YoY

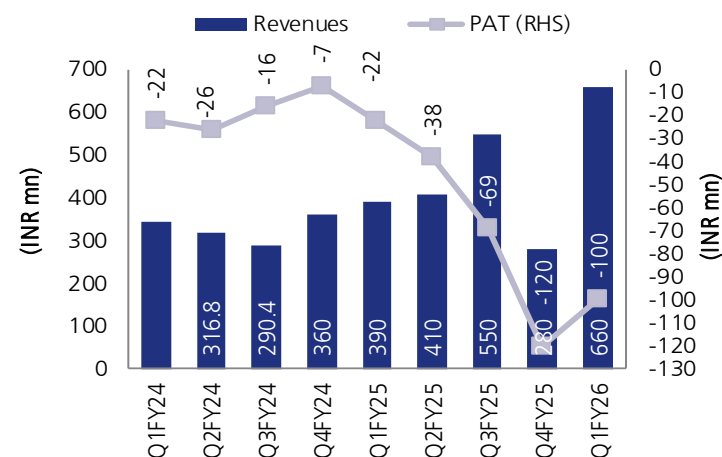
Source: Company, JM Financial

Exhibit 7. Consolidated EBITDA margin expanded ~20bps YoY

Source: Company, JM Financial

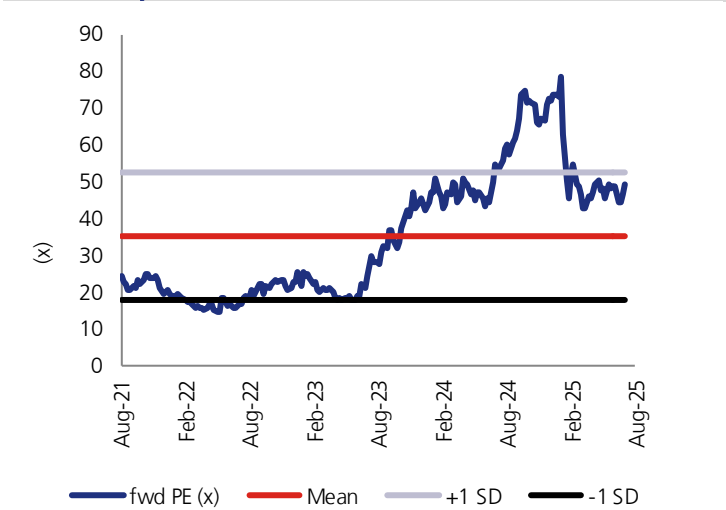
Exhibit 8. Middle east revenue grew ~27% YoY

Source: Company, JM Financial

Exhibit 9. Candere revenue grew ~69% YoY; loss increased ~5x

Source: Company, JM Financial

Exhibit 10. 1 year forward P/E



Source: Bloomberg

Exhibit 11. 1 year forward EV/EBITDA



Source: Bloomberg

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,84,726	2,49,727	3,23,357	4,07,085	4,98,044
Sales Growth	31.7%	35.2%	29.5%	25.9%	22.3%
Other Operating Income	430	724	835	854	874
Total Revenue	1,85,156	2,50,451	3,24,192	4,07,939	4,98,917
Cost of Goods Sold/Op. Exp	1,58,346	2,16,370	2,81,730	3,56,511	4,38,501
Personnel Cost	6,072	7,386	8,590	10,082	11,566
Other Expenses	7,947	10,284	12,770	15,236	17,605
EBITDA	12,791	16,410	21,102	26,110	31,246
EBITDA Margin	6.9%	6.6%	6.5%	6.4%	6.3%
EBITDA Growth	14.8%	28.3%	28.6%	23.7%	19.7%
Depn. & Amort.	2,743	3,427	4,284	4,936	5,666
EBIT	10,048	12,983	16,818	21,174	25,580
Other Income	1,064	1,446	1,870	2,935	3,599
Finance Cost	3,232	3,595	3,592	3,884	4,320
PBT before Excep. & Forex	7,880	10,834	15,097	20,225	24,859
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	7,880	10,834	15,097	20,225	24,859
Taxes	1,925	2,764	3,803	5,106	6,200
Extraordinary Inc./Loss(-)	0	-929	0	0	0
Assoc. Profit/Min. Int.(-)	-11	-6	0	0	0
Reported Net Profit	5,965	7,148	11,294	15,119	18,659
Adjusted Net Profit	5,965	7,148	11,294	15,119	18,659
Net Margin	3.2%	2.9%	3.5%	3.7%	3.7%
Diluted Share Cap. (mn)	1,030.1	1,030.1	1,030.1	1,030.1	1,030.1
Diluted EPS (INR)	5.8	6.9	11.0	14.7	18.1
Diluted EPS Growth	37.7%	19.8%	58.0%	33.9%	23.4%
Total Dividend + Tax	1,236	1,545	2,266	2,781	3,605
Dividend Per Share (INR)	1.2	1.5	2.2	2.7	3.5

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	7,880	10,834	15,097	20,225	24,859
Depn. & Amort.	2,743	3,427	4,284	4,936	5,666
Net Interest Exp. / Inc. (-)	2,976	3,156	2,903	2,426	2,345
Inc (-) / Dec in WCap.	2,040	-1,708	-5,731	1,478	-13,064
Others	-150	-1,236	-1,181	-1,476	-1,624
Taxes Paid	-2,262	-2,379	-3,803	-5,106	-6,200
Operating Cash Flow	13,228	12,094	11,568	22,482	11,983
Capex	-3,714	-4,275	-2,239	-2,664	-3,173
Free Cash Flow	9,513	7,819	9,329	19,818	8,809
Inc (-) / Dec in Investments	1,510	903	0	0	0
Others	825	1,606	-1,023	-565	1,599
Investing Cash Flow	-1,379	-1,765	-3,262	-3,230	-1,574
Inc / Dec (-) in Capital	0	-276	0	0	0
Dividend + Tax thereon	-515	-1,236	-1,545	-2,266	-2,781
Inc / Dec (-) in Loans	-8,577	-4,657	-1,394	-3,225	-3,634
Others	-2,389	-2,234	-3,592	-3,884	-4,320
Financing Cash Flow	-11,480	-8,402	-6,530	-9,376	-10,735
Inc / Dec (-) in Cash	368	1,926	1,776	9,877	-327
Opening Cash Balance	1,409	1,777	3,703	5,479	15,356
Closing Cash Balance	1,777	3,703	5,479	15,356	15,029

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	41,891	48,036	57,784	70,638	86,516
Share Capital	10,301	10,314	10,314	10,314	10,314
Reserves & Surplus	31,590	37,721	47,470	60,323	76,201
Lease Liabilities	11,691	16,660	20,005	23,425	27,005
Minority Interest	-13	0	0	0	0
Total Loans	33,173	32,933	37,256	41,369	45,553
Def. Tax Liab. / Assets (-)	-662	-1,125	-1,125	-1,125	-1,125
Total - Equity & Liab.	86,079	96,504	1,13,921	1,34,307	1,57,949
Net Fixed Assets	11,478	13,205	13,557	14,011	14,652
Gross Fixed Assets	18,971	22,678	24,917	27,581	30,754
Intangible Assets	51	51	51	51	51
Less: Depn. & Amort.	8,028	9,601	11,488	13,698	16,230
Capital WIP	485	77	77	77	77
ROU Assets	11,390	14,723	18,068	21,488	25,068
Investments	655	664	664	664	664
Current Assets	1,15,382	1,36,265	1,62,134	1,93,484	2,26,088
Inventories	82,976	96,811	1,10,431	1,20,704	1,43,763
Sundry Debtors	3,283	3,999	5,486	6,853	8,337
Cash & Bank Balances	9,751	10,311	14,979	28,356	30,029
Other Current Assets	7,982	10,421	13,170	16,083	18,891
Current Liab. & Prov.	41,436	53,630	62,434	73,852	83,455
Current Liabilities	19,441	23,503	26,882	32,944	37,754
Provisions & Others	21,995	30,127	35,552	40,908	45,701
Net Current Assets	73,946	82,635	99,700	1,19,632	1,42,633
Total - Assets	86,079	96,504	1,13,920	1,34,307	1,57,949

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	3.2%	2.9%	3.5%	3.7%	3.7%
Asset Turnover (x)	2.2	2.7	3.0	3.2	3.4
Leverage Factor (x)	2.1	2.1	2.0	2.0	1.9
RoE	15.2%	15.9%	21.3%	23.5%	23.7%

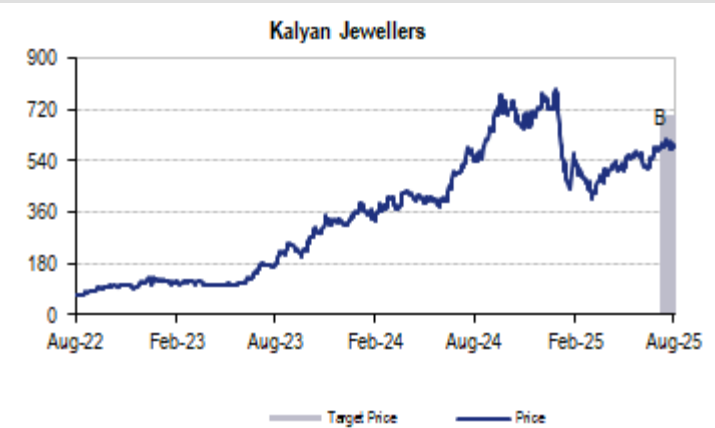
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	40.7	46.6	56.1	68.6	84.0
ROIC	12.0%	14.2%	16.7%	19.3%	20.7%
ROE	15.2%	15.9%	21.3%	23.5%	23.7%
Net Debt/Equity (x)	0.6	0.5	0.4	0.2	0.2
P/E (x)	102.0	85.2	53.9	40.3	32.6
P/B (x)	14.5	12.7	10.5	8.6	7.0
EV/EBITDA (x)	49.4	38.5	29.9	23.8	20.0
EV/Sales (x)	3.4	2.5	1.9	1.5	1.3
Debtor days	6	6	6	6	6
Inventory days	164	141	124	108	105
Creditor days	38	34	30	29	28

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-Jul-25	Buy	700	

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), 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 or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or 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 company(ies) 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 company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may 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. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.