

## India's HFC quota allocation likely to be company wise

SRF's management recently held an investor call to provide insights on refrigerant gas regulations. The key takeaways are: i) Asian region positioned to be the main growth driver of HFC consumption in the medium to long term, ii) companies expected to be assigned product-wise HFC quotas or overall GWP-based quotas by the government, iii) management expects company-wise HFC quotas based on baseline period production levels, iv) significant consumption of HFC-134a and blends in India could be potentially used for HFC-32 quota in future in case of GWP-based quotas. Further, for SRF, as we have highlighted before, the company remains well placed to benefit from the global ref gas demand supply mismatch (refer to our ref gas Deep-Dive [report](#)). Particularly, the company has room to increase its HFC-32 volumes, in our view. Our estimates are unchanged. We maintain our positive stance on the name with a BUY rating and an unchanged SoTP-based Sep'26 TP of INR 3,510/share as we see multiple positives for the company, going ahead.

- **Asia to be the main growth driver for HFC consumption:** SRF's management indicated that developed countries, which are part of the Non-A5 category, are in the process of transitioning from HFCs to HFOs due to Kigali Amendment stipulations. On the other hand, most HCFCs are currently produced and consumed in Asia, with Asian countries transitioning from HCFCs to better alternatives in the form of HFCs due to the Kigali Amendment. As a result, global HFC consumption will only grow marginally, going forward, while in Asia, HFC consumption growth rate is set to be higher, which makes the region the major growth driver for HFC consumption in future.
- **Company-wise HFC quotas expected based on baseline period production levels in India:** The management informed that, for ref gas production, manufacturers can be allocated individual ref gas wise quotas or overall quota based on total Global Warming Potential (GWP). While the US opted for the latter, China chose product-wise quotas for its companies with a sharply reduced HFC-134a quota. For India, if GWP-based quota is adopted, its significant HFC-134a and blends consumption could potentially be used for HFC-32 production in the future. The government is yet to decide how the quotas will be assigned, although the US, China, and India (in case of past HCFC quota allocation) have allocated quotas to companies based on their production levels during the baseline period. Also, China had declined to use its HCFC quota while allocating its HFC quotas, while India has yet to finalise its stance on the same. The management added that HFC production and consumption quotas are independent of each other.
- **Maintain BUY with Sep'26 TP of INR 3,510:** The management is confident that the company will be a leading player in the ref gas market with its strong brand and distribution network and backward integration advantage. In our view, the company will continue to benefit from the global ref gas demand-supply mismatch, particularly for HFC-32, where it has headroom to increase its sales volume. We expect ~24%/31% EBITDA/EPS CAGR over FY25-28E. Our estimates are unchanged. We maintain BUY with an unchanged SoTP-based Sep'26 TP of INR 3,510/share.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	129,104	143,582	164,953	194,015	218,661
Sales Growth (%)	-11.5	11.2	14.9	17.6	12.7
EBITDA	25,841	27,184	35,988	45,899	51,603
EBITDA Margin (%)	19.7	18.5	21.8	23.7	23.6
Adjusted Net Profit	13,357	12,508	19,510	26,598	28,284
Diluted EPS (INR)	45.1	42.2	65.9	89.8	95.5
Diluted EPS Growth (%)	-38.2	-6.4	56.0	36.3	6.3
ROIC (%)	10.4	9.1	12.2	14.9	15.1
ROE (%)	12.3	10.4	14.5	17.3	16.1
P/E (x)	63.2	67.5	43.3	31.8	29.9
P/B (x)	7.4	6.7	5.9	5.1	4.5
EV/EBITDA (x)	34.2	32.4	24.4	19.0	16.7
Dividend Yield (%)	0.3	0.3	0.4	0.6	0.6

Source: Company data, JM Financial. Note: Valuations as of 29/Aug/2025

**Krishan Parwani**  
krishan.parwani@jmfl.com | Tel: (91 22) 66303073

**Siddhinathan KN**  
siddhinathan.kn@jmfl.com | Tel: (91 22) 66303048

**Jesvin Solomon**  
jesvin.solomon@jmfl.com | Tel: (91 22) 66301854

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	3,510
Upside/(Downside)	23.7%
Previous Price Target	3,510
Change	0.0%

### Key Data – SRF IN

Current Market Price	INR2,836
Market cap (bn)	INR840.8/US\$9.5
Free Float	40%
Shares in issue (mn)	296.2
Diluted share (mn)	296.2
3-mon avg daily val (mn)	INR1,728.6/US\$19.6
52-week range	3,325/2,127
Sensex/Nifty	79,810/24,427
INR/US\$	88.2

### Price Performance

%	1M	6M	12M
Absolute	-8.8	1.5	11.7
Relative*	-7.9	-6.9	15.2

\* To the BSE Sensex

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.

## Assumptions and Estimates

### Exhibit 1. Key assumptions

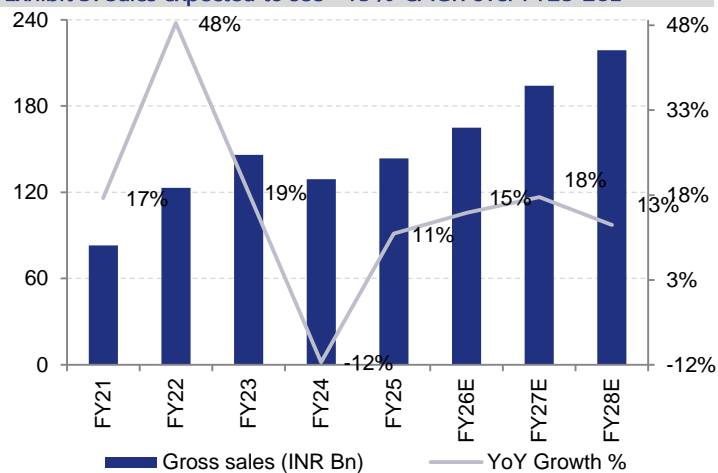
INR mn	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Segment revenues</b>											
Technical textiles	18,388	17,349	13,576	12,401	20,852	18,939	18,980	20,291	18,778	19,717	20,703
Chemicals	16,114	24,454	29,750	36,447	52,408	74,109	62,970	66,908	78,800	96,702	115,128
Packaging films	17,823	26,533	26,040	32,917	47,792	51,828	44,893	55,538	63,015	73,015	78,015
Others	4,573	2,716	2,783	2,320	3,403	3,926	4,653	4,275	4,441	4,663	4,897
Unallocated	49	57	54	87	119	99	112	81	81	81	81
<b>Total</b>	<b>56,849</b>	<b>70,996</b>	<b>72,094</b>	<b>83,998</b>	<b>124,337</b>	<b>148,703</b>	<b>131,385</b>	<b>146,931</b>	<b>164,953</b>	<b>194,015</b>	<b>218,661</b>
<b>YoY growth (%)</b>											
Technical textiles	-9%	-6%	-22%	-9%	68%	-9%	0%	7%	-7%	5%	5%
Chemicals	-6%	52%	22%	23%	44%	41%	-15%	6%	18%	23%	19%
Packaging films	26%	49%	-2%	26%	45%	8%	-13%	24%	13%	16%	7%
Others	526%	-41%	2%	-17%	47%	15%	19%	-8%	4%	5%	5%
Unallocated	15%	16%	-5%	61%	37%	-17%	13%	-28%	0%	0%	0%
<b>Total</b>	<b>9%</b>	<b>25%</b>	<b>2%</b>	<b>17%</b>	<b>48%</b>	<b>20%</b>	<b>-12%</b>	<b>12%</b>	<b>12%</b>	<b>18%</b>	<b>13%</b>
<b>Revenue contribution (%)</b>											
Technical textiles	32%	24%	19%	15%	17%	13%	14%	14%	11%	10%	9%
Chemicals	28%	34%	41%	43%	42%	50%	48%	46%	48%	50%	53%
Packaging films	31%	37%	36%	39%	38%	35%	34%	38%	38%	38%	36%
Others	8%	4%	4%	3%	3%	3%	4%	3%	3%	2%	2%
<b>Segmental EBIT</b>											
Technical textiles	2,529	2,615	1,515	1,769	4,714	2,617	2,742	2,381	2,535	2,760	2,898
Chemicals	2,694	3,843	5,115	7,281	13,969	23,407	16,274	16,648	21,670	27,560	32,812
Packaging films	2,298	4,115	5,556	8,977	9,463	5,562	2,065	3,645	6,617	8,762	10,142
Others	444	218	318	256	204	348	930	688	666	700	734
<b>Total</b>	<b>7,964</b>	<b>10,790</b>	<b>12,504</b>	<b>18,283</b>	<b>28,350</b>	<b>31,934</b>	<b>22,011</b>	<b>23,362</b>	<b>31,488</b>	<b>39,782</b>	<b>46,586</b>
<b>EBIT margins (%)</b>											
Technical textiles	13.8%	15.1%	11.2%	14.3%	22.6%	13.8%	14.4%	11.7%	13.5%	14.0%	14.0%
Chemicals	16.7%	15.7%	17.2%	20.0%	26.7%	31.6%	25.8%	24.9%	27.5%	28.5%	28.5%
Packaging films	12.9%	15.5%	21.3%	27.3%	19.8%	10.7%	4.6%	6.6%	10.5%	12.0%	13.0%
Others	9.7%	8.0%	11.4%	11.0%	6.0%	8.9%	20.0%	16.1%	15.0%	15.0%	15.0%
<b>Total</b>	<b>14.0%</b>	<b>15.2%</b>	<b>17.3%</b>	<b>21.8%</b>	<b>22.8%</b>	<b>21.5%</b>	<b>16.8%</b>	<b>15.9%</b>	<b>19.1%</b>	<b>20.5%</b>	<b>21.3%</b>

Source: Company, JM Financial

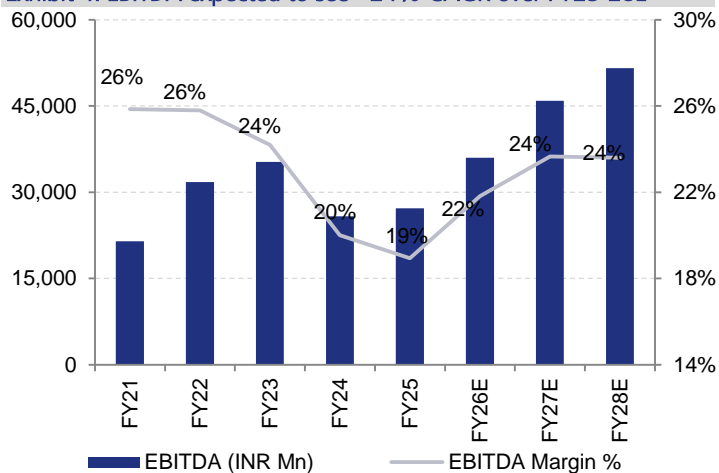
### Exhibit 2. Segment-wise breakdown of chemicals business revenue

(INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Segment-wise break down</b>									
Specialty Chemicals	16,238	23,894	31,003	41,650	36,661	37,932	44,432	55,932	68,932
Fluorochemicals (ref gas, industrial, and fluoropolymers)	13,511	12,553	21,405	32,459	26,310	28,976	34,368	40,770	46,197
<b>Total revenues</b>	<b>29,750</b>	<b>36,447</b>	<b>52,408</b>	<b>74,109</b>	<b>62,970</b>	<b>66,908</b>	<b>78,800</b>	<b>96,702</b>	<b>115,128</b>
<b>YoY growth (%)</b>									
Specialty Chemicals		47%	30%	34%	-12%	3%	17%	26%	23%
Fluorochemicals (ref gas, industrial, and fluoropolymers)		-7%	71%	52%	-19%	10%	19%	19%	13%
<b>Total revenues</b>		23%	44%	41%	-15%	6%	18%	23%	19%
<b>% share</b>									
Specialty Chemicals	55%	66%	59%	56%	58%	57%	56%	58%	60%
Fluorochemicals (ref gas, industrial, and fluoropolymers)	45%	34%	41%	44%	42%	43%	44%	42%	40%
<b>Total revenues</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

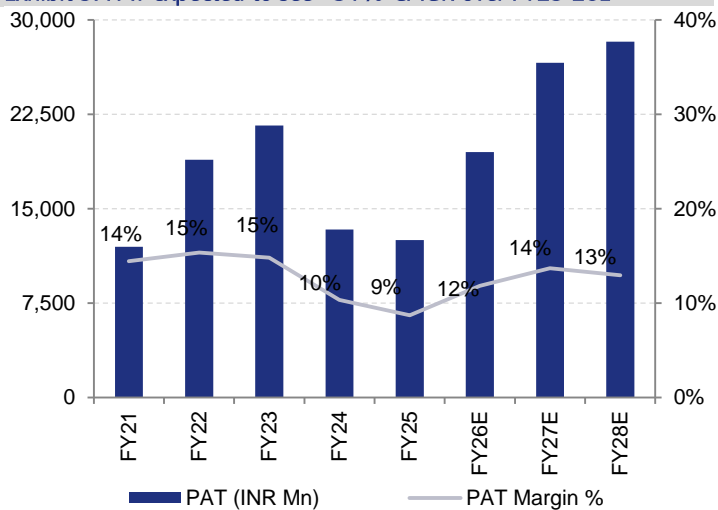
Source: Company, JM Financial

**Exhibit 3. Sales expected to see ~15% CAGR over FY25-28E**

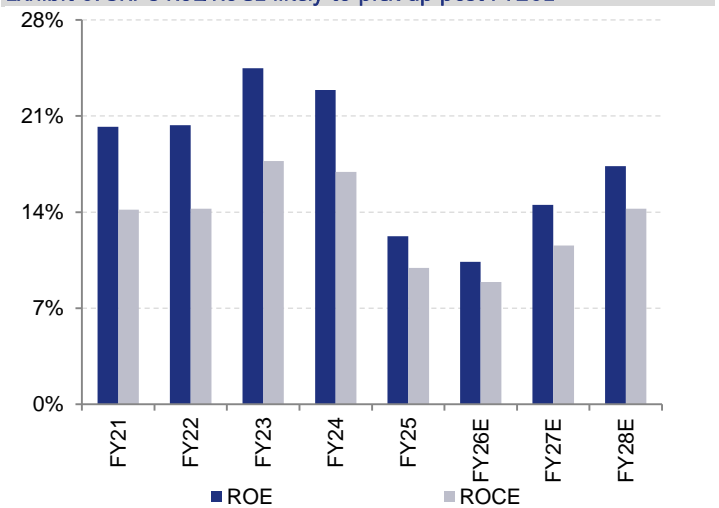
Source: Company, JM Financial

**Exhibit 4. EBITDA expected to see ~24% CAGR over FY25-28E**

Source: Company, JM Financial

**Exhibit 5. PAT expected to see ~31% CAGR over FY25-28E**

Source: Company, JM Financial

**Exhibit 6. SRF's RoE/RoCE likely to pick up post FY26E**

Source: Company, JM Financial

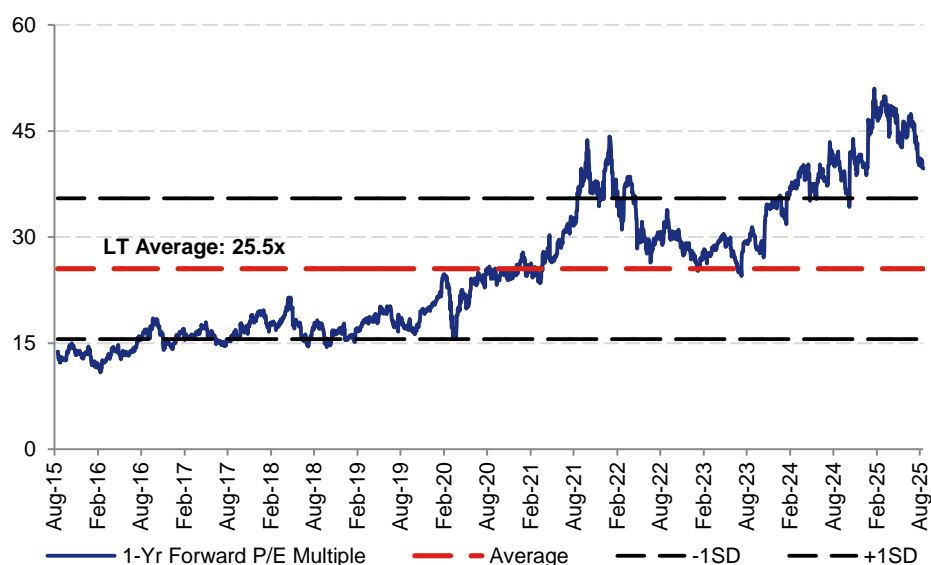
## Valuation

### Exhibit 7. Our Sep'26 TP for SRF stands at INR 3,510/share

Segments	Sep'27 EBITDA (INR bn)	EV/EBITDA multiple (x)	Value (INR bn)		Value (INR/share)	
Technical Textile Business	4	8	28		96	
Chemicals Business	37	25	926		3,125	
Packaging Films Business	12	8	100		337	
Others	1	8	8		28	
<b>Total Business EBITDA</b>	<b>54</b>		<b>1,062</b>		<b>3,586</b>	
Less: Gross Debt			30		101	
Add: Cash & Cash Equivalents			8		26	
<b>TP</b>			<b>1,040</b>		<b>3,510</b>	
Sep'27E consolidated EPS					93	
<b>Implied P/E multiple</b>					<b>38</b>	

Source: JM Financial

### Exhibit 8. SRF is currently trading at ~40x 1-year forward consensus P/E multiple



Source: Company, JM Financial

### Exhibit 9. Chemical companies peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	BUY	2,836	3,510	67.4	43.2	31.7	29.8	6.7	5.9	5.1	4.5	32.3	24.4	19.0	16.7	10.4	14.5	17.3	16.1
PI Industries	HOLD	3,692	3,920	33.9	33.3	29.7	26.4	5.5	4.8	4.2	3.7	24.1	21.9	19.4	17.1	17.5	15.5	15.2	15.0
Deepak Nitrite	BUY	1,788	2,265	35.0	30.9	24.7	23.4	4.5	4.0	3.5	3.1	22.9	20.6	16.3	15.1	13.6	13.7	15.0	14.0
Clean Science	BUY	1,172	1,780	47.1	37.5	29.1	23.5	8.8	7.2	5.8	4.7	31.2	26.2	20.0	15.9	20.2	21.0	21.9	22.0
Fine Organic	SELL	4,693	4,070	35.1	36.0	36.1	33.0	6.3	5.5	4.9	4.4	26.2	26.5	24.6	20.8	19.5	16.3	14.3	14.0
Galaxy Surfactants	HOLD	2,261	2,515	26.3	24.2	22.1	20.9	3.4	3.1	2.9	2.6	15.8	14.7	13.4	12.3	13.4	13.5	13.6	13.2
PCBL Chemical	HOLD	373	430	32.4	25.8	20.3	17.8	3.8	3.5	3.1	2.8	14.3	13.2	11.5	10.5	12.5	14.1	16.2	16.4
Aether Industries	BUY	736	1,030	57.4	49.2	32.6	24.8	4.4	4.0	3.6	3.1	40.3	29.3	22.0	16.8	7.9	8.5	11.5	13.4
Acutaas Chemicals	BUY	1,405	1,500	71.7	48.7	36.9	30.3	8.8	7.5	6.3	5.3	48.6	33.8	25.4	20.7	16.2	16.7	18.6	19.0
Anupam Rasayan	SELL	1,130	680	133.1	101.3	60.8	42.3	4.4	4.0	3.7	3.4	34.5	27.7	22.3	18.3	3.3	4.1	6.3	8.3
Archean Chemicals	HOLD	656	635	40.1	27.4	17.4	13.6	4.3	3.8	3.2	2.6	25.5	17.4	11.5	8.7	11.3	14.8	19.9	21.1
Tatva Chintan Pharma Chem	SELL	1,039	535	425.6	91.9	66.6	53.2	3.3	3.2	3.1	2.9	71.7	35.0	27.1	23.5	0.8	3.5	4.7	5.6
Paradeep Phosphates	SELL	317	175	46.9	31.4	27.3	26.9	6.3	5.3	4.4	3.8	23.3	17.4	15.4	14.9	14.4	18.4	17.6	15.2
Gujarat Fluorochemicals	HOLD	3,402	3,645	68.5	51.9	39.2	33.5	5.2	4.7	4.2	3.8	33.6	26.0	20.1	17.1	8.3	9.5	11.4	11.9

Source: Companies, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	129,104	143,582	164,953	194,015	218,661
Sales Growth	-11.5%	11.2%	14.9%	17.6%	12.7%
Other Operating Income	2,282	3,349	0	0	0
<b>Total Revenue</b>	<b>131,385</b>	<b>146,931</b>	<b>164,953</b>	<b>194,015</b>	<b>218,661</b>
Cost of Goods Sold/Op. Exp	66,956	75,742	82,476	95,844	107,581
Personnel Cost	9,350	10,425	11,571	12,729	14,001
Other Expenses	29,238	33,580	34,916	39,544	45,476
<b>EBITDA</b>	<b>25,841</b>	<b>27,184</b>	<b>35,988</b>	<b>45,899</b>	<b>51,603</b>
EBITDA Margin	19.7%	18.5%	21.8%	23.7%	23.6%
EBITDA Growth	-26.8%	5.2%	32.4%	27.5%	12.4%
Depn. & Amort.	6,726	7,715	8,505	9,439	11,327
EBIT	19,115	19,469	27,484	36,460	40,275
Other Income	830	1,327	800	1,000	300
Finance Cost	3,023	3,760	2,271	1,996	2,094
PBT before Excep. & Forex	16,922	17,037	26,013	35,464	38,482
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	16,922	17,037	26,013	35,464	38,482
Taxes	3,565	4,529	6,503	8,866	10,198
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	13,357	12,508	19,510	26,598	28,284
<b>Adjusted Net Profit</b>	<b>13,357</b>	<b>12,508</b>	<b>19,510</b>	<b>26,598</b>	<b>28,284</b>
Net Margin	10.2%	8.5%	11.8%	13.7%	12.9%
Diluted Share Cap. (mn)	296.2	296.2	296.2	296.2	296.2
<b>Diluted EPS (INR)</b>	<b>45.1</b>	<b>42.2</b>	<b>65.9</b>	<b>89.8</b>	<b>95.5</b>
Diluted EPS Growth	-38.2%	-6.4%	56.0%	36.3%	6.3%
Total Dividend + Tax	2,137	2,189	3,414	4,655	4,950
Dividend Per Share (INR)	7.2	7.4	11.5	15.7	16.7

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	16,922	17,037	26,013	35,464	38,482
Depn. & Amort.	6,726	7,715	9,006	9,872	11,827
Net Interest Exp. / Inc. (-)	3,023	3,760	2,271	1,996	2,094
Inc (-) / Dec in WCap.	-1,145	-176	-3,255	-4,426	-3,754
Others	-762	-121	0	0	0
Taxes Paid	-3,826	-3,339	-6,503	-8,866	-10,198
<b>Operating Cash Flow</b>	<b>20,939</b>	<b>24,875</b>	<b>27,532</b>	<b>34,039</b>	<b>38,451</b>
Capex	-22,169	-12,315	-22,000	-19,000	-20,000
Free Cash Flow	-1,231	12,560	5,532	15,039	18,451
Inc (-) / Dec in Investments	1,073	-3,172	0	0	0
Others	-1,177	647	0	0	0
<b>Investing Cash Flow</b>	<b>-22,273</b>	<b>-14,840</b>	<b>-22,000</b>	<b>-19,000</b>	<b>-20,000</b>
Inc / Dec (-) in Capital	300	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	5,055	-4,291	-2,000	-9,000	-11,000
Others	-6,072	-6,414	-5,685	-6,650	-7,044
<b>Financing Cash Flow</b>	<b>-717</b>	<b>-10,705</b>	<b>-7,685</b>	<b>-15,650</b>	<b>-18,044</b>
<b>Inc / Dec (-) in Cash</b>	<b>-2,052</b>	<b>-670</b>	<b>-2,153</b>	<b>-611</b>	<b>408</b>
Opening Cash Balance	6,045	3,994	3,340	1,187	576
Closing Cash Balance	3,994	3,340	1,187	576	984

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	114,790	126,262	142,358	164,301	187,635
Share Capital	2,974	2,974	2,974	2,974	2,974
Reserves & Surplus	111,816	123,288	139,383	161,327	184,661
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	49,202	46,412	44,412	35,412	24,412
Def. Tax Liab. / Assets (-)	9,112	10,196	10,196	10,196	10,196
<b>Total - Equity &amp; Liab.</b>	<b>173,104</b>	<b>182,867</b>	<b>196,963</b>	<b>209,906</b>	<b>222,241</b>
Net Fixed Assets	137,703	142,818	155,812	164,940	173,113
Gross Fixed Assets	162,906	175,541	197,541	216,541	236,541
Intangible Assets	1,195	1,125	1,125	1,125	1,125
Less: Depn. & Amort.	34,452	41,958	50,964	60,836	72,663
Capital WIP	8,053	8,110	8,110	8,110	8,110
Investments	5,349	8,471	8,471	8,471	8,471
Current Assets	61,492	63,922	68,495	77,030	85,193
Inventories	23,265	23,490	26,986	31,741	35,773
Sundry Debtors	19,428	21,695	24,924	29,315	33,039
Cash & Bank Balances	3,994	3,340	1,187	576	984
Loans & Advances	2,111	1,853	1,853	1,853	1,853
Other Current Assets	12,694	13,545	13,545	13,545	13,545
Current Liab. & Prov.	31,440	32,344	35,814	40,534	44,536
Current Liabilities	24,587	27,134	30,604	35,323	39,326
Provisions & Others	6,853	5,210	5,210	5,210	5,210
Net Current Assets	30,052	31,578	32,680	36,496	40,657
<b>Total - Assets</b>	<b>173,104</b>	<b>182,867</b>	<b>196,963</b>	<b>209,906</b>	<b>222,241</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	10.2%	8.5%	11.8%	13.7%	12.9%
Asset Turnover (x)	0.8	0.8	0.8	0.9	1.0
Leverage Factor (x)	1.5	1.5	1.5	1.4	1.3
RoE	12.3%	10.4%	14.5%	17.3%	16.1%

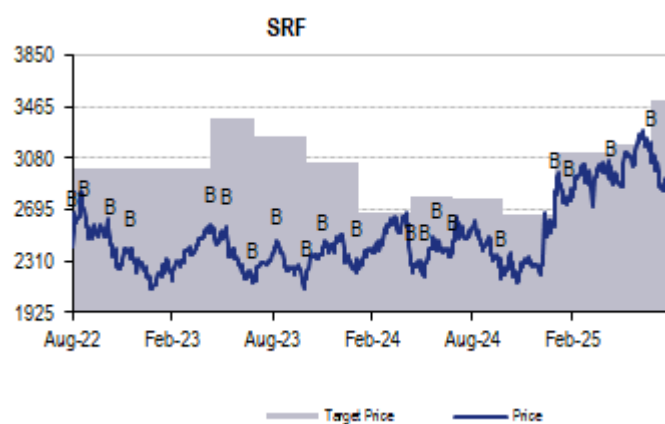
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	387.5	426.2	480.6	554.6	633.4
ROIC	10.4%	9.1%	12.2%	14.9%	15.1%
ROE	12.3%	10.4%	14.5%	17.3%	16.1%
Net Debt/Equity (x)	0.4	0.3	0.3	0.2	0.1
P/E (x)	63.2	67.5	43.3	31.8	29.9
P/B (x)	7.4	6.7	5.9	5.1	4.5
EV/EBITDA (x)	34.2	32.4	24.4	19.0	16.7
EV/Sales (x)	6.7	6.0	5.3	4.5	3.9
Debtor days	54	54	55	55	55
Inventory days	65	58	60	60	60
Creditor days	76	71	76	78	78

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
30-Aug-22	Buy	3,000	
21-Sep-22	Buy	3,000	0.0
6-Nov-22	Buy	3,000	0.0
14-Dec-22	Buy	3,000	0.0
10-May-23	Buy	3,380	12.7
7-Jun-23	Buy	3,380	0.0
25-Jul-23	Buy	3,245	-4.0
5-Sep-23	Buy	3,245	0.0
30-Oct-23	Buy	3,040	-6.3
30-Nov-23	Buy	3,040	0.0
31-Jan-24	Buy	2,665	-12.3
9-May-24	Buy	2,795	4.9
6-Jun-24	Buy	2,795	0.0
27-Jun-24	Buy	2,795	0.0
24-Jul-24	Buy	2,780	-0.6
23-Oct-24	Buy	2,660	-4.3
30-Jan-25	Buy	3,115	17.1
25-Feb-25	Buy	3,115	0.0
13-May-25	Buy	3,185	2.2
24-Jul-25	Buy	3,510	10.2

## 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, Cnergy, 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.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance 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.