

Steel Strips Wheels Ltd

Improved Q3, Growth outlook improving, Uncertainties transitory in nature, Maintain BUY!

Despite US tariff issues, Steel Strips reported better-than-estimated performance largely led by realizations & lower cost. Strong performance was because of robust domestic performance despite weaker export market and lower RM cost coupled with operational efficiencies supported EBITDA. The company's revenue grew by ~23% YoY supported by both volumes & realization growing by ~8% & ~14% respectively despite US tariff related loss lowering export performance. EBITDA per wheel remained flat YoY but grew by ~8% QoQ owing to better product mix & operating leverage benefits. As per management, EBITDA per wheel will improve going ahead & they will largely offset the impact of US tariff by focussing on other markets like EU. We slightly lower EBITDA per wheel growth estimate to ~3.5% (earlier ~4.4%) CAGR from FY25-28E as exports related headwinds persist. Despite short term upheaval led by US tariff & moderation in demand, management is quite confident on the exports market & growth for the next 2-3 years. The company will transition to newer markets like EU and South America to maintain its volume momentum & slightly negate the negative impact of US tariffs. On Aluminium Knuckles business, management maintained its revenue guidance of Rs1.05-1.15bn by FY27E with double-digit margin. Overall, we expect total volume to grow at CAGR of 6% (similar to last quarter estimate of ~6%) from FY25-28E led by growth in alloy wheels exports, long-term agreements signed with several tractor OEMs, identification of new growth markets for OTR, ramp up of knuckle casting project for a few OEMs, and consistent growth in export steel wheels. Led by improved product mix on the back of rising alloys wheel contribution, we anticipate the EBITDA margin to increase from ~9.8% in 9MFY26 to 10.4% by FY28E. We roll forward our valuations to March 28E & maintain our target multiple of ~14x & arrive at a target price of Rs 266 per share, upside of ~47.5% from current valuations.

Q3FY26 –Beat on performance led by realizations

- Revenue/EBITDA/PAT stood above est. by ~8/~10/~17% respectively. Revenue beat of ~8% was on account of better realization. EBITDA margin at 9.7% was higher than our estimates by 21bps, due to lower than anticipated other expenses. Reported PAT was higher by ~17% vs estimates, largely due to higher topline and better operational performance.
- During the quarter, exports declined by ~30.5% YoY owing to uncertainties relating to US tariff. The company is offsetting US tariff impact by building its EU market presence; EU exports contributed 58% in 9M (up from 32% in FY25).
- Despite uncertainties surrounding US tariff, management has stated that they remain confident of derisking a chunk of US business into other exports market. Management remains confident of uptick in other international markets excluding US. Although, muted demand in US markets coupled with tariff uncertainty will keep its momentum slow, company has proactively shifted focus towards the EU and South America.

Despite dip in exports, EBITDA/wheel improved supported by diversification, expect improvement in coming years

- EBITDA per wheel remained flat on YoY but grew by ~8% QoQ because of better product mix & lower operational cost.
- We expect EBITDA per wheel to rise to Rs 264 in FY27E and Rs 283 in FY28E (excluding Knuckle Casting business, which itself is good mid-teens margin business).
- Alloys, Exports and Off-road segment should support in improving EBITDA per unit in the

Y/E Mar (Rs mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	3QFY26e	Var (%)
Revenue	13,208	10,747	22.9	12,006	10.0	12,230	8.0
Gross margin (%)	34.3	36.4	(210) bps	35.5	(129) bps	-	-
EBITDA	1,278	1,183	8.0	1,119	14.2	1,157	10.4
EBITDA margin (%)	9.7	11.0	(133) bps	9.3	35 bps	9.5	21 bps
Other income	24	29	(17.3)	31	(22.5)	-	-
Depreciation expense	315	253	24.7	305	3.2	-	-
Interest expense	328	262	25.0	320	2.7	-	-
PBT	659	697	(5.4)	526	25.4	-	-
Taxes paid	168	179	(6.3)	140	19.4	-	-
Effective tax rate (%)	25.4	25.7	(23) bps	26.7	(129) bps	-	-
Reported PAT	492	518	(5.1)	385	27.6	419	17.3
PAT margin (%)	3.7	4.8	(110) bps	3.2	51 bps	3.4	30 bps

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)	EV/EBITDA (x)
FY24	43,571	7.8	4,652	10.7	2,199	13.5	14.0	17.7	12.5	16.7	10.1
FY25	44,290	1.6	4,868	11.0	2,099	-4.5	13.4	14.5	12.5	15.7	8.5
FY26E	51,013	15.2	4,975	9.8	1,921	-8.5	12.2	11.8	10.9	14.7	7.5
FY27E	56,281	10.3	5,668	10.1	2,384	24.1	15.2	13.0	11.5	11.8	6.5
FY28E	61,931	10.0	6,440	10.4	2,976	24.8	19.0	14.3	12.2	9.5	5.7

Source: Company, SMIFS Research Estimates, incorporated Knuckle casting from FY25 onwards in financials

foreseeable future. Exports to grow by ~9% (earlier ~10%) CAGR from FY25-28E considering US tariff impact getting partially offset by other markets like EU.

- Additionally, mid-teens margin businesses such as Tractors, OTR, and the ramp up of Knuckle casting revenue will further enhance value.

1st mover advantage in Knuckle casting, new plant set up at AMW facilities

- SSWL is the first company in India to manufacture knuckle casting, which boasts healthy EBITDA margin in the mid-teens.
- The company, which already counts M&M among its clients, has recently added two more OEMs. The demand for knuckle casting is expected to rise rapidly due to the growth of EVs and the trend towards light-weighting.
- The knuckle casting business reported flattish topline growth on QoQ to Rs210mn in Q3FY26 vs Rs200mn in Q2FY26 vs Rs132mn in Q1FY26 vs 94mn in Q4FY25 & Rs114mn revenue for FY25 which will increase to Rs1.1bn by FY27E. This high growth rate will continue due to strong orders in hand.
- The company is adding another capacity of 0.6mn units for knuckles taking the total capacity to 1.1mn units by FY27E.
- Instead of restarting the AMW plant and turning it into a cost centre, management has begun relocating equipment from AMW to existing SSWL plants in Chennai and Jamshedpur.
- This strategy will efficiently utilize AMW's assets, saving on power, water, employee, and other costs at the AMW plant, while increasing capacities at the SSWL plants.
- Further, Company has planned to incur capex of Rs. 4.2bn to set up new plant adding 1.2mn alloy wheels and 0.6mn units of aluminium knuckles at AMW's facilities in Bhuj, thereby, utilizing it for high growth areas.

Growth drivers intact, valuation inexpensive

- Although US tariff is negative for SSWL as already witnessed in dip in export performance, but company is derisking itself to other markets like EU which could negate the impact of US tariff to some extent. The growth outlook has been upgraded factoring higher EU business & the good point remains is the focus in high margin segments.
- We have slightly inched by PAT estimates for FY27E & maintained for FY28E.
- We still maintain our target P/E multiple of 14x & roll forward our valuations to March 28E on EPS of Rs 19, resulting in target price of Rs 266 per share. This implies an upside of around ~47.5% from the current valuations, maintaining our **BUY** rating on the stock.

Fig 1: 1-year forward P/E


Source: AceEquity, SMIFS research

Fig 2: 1-year forward EV/EBITDA


Source: AceEquity, SMIFS research

Fig 3: Changes in estimates

Rs (mn)	New estimates			Old estimates			Change (%)		
	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Revenue	51,013	56,281	61,931	46,182	50,883	56,043	10.5%	10.6%	10.5%
Gross profit	17,701	19,642	21,676	16,625	18,420	20,343	6.5%	6.6%	6.6%
Gross margin (%)	34.7	34.9	35.0	36.0	36.2	36.3	(130) bps	(130) bps	(130) bps
EBITDA	4,975	5,668	6,440	4,731	5,478	6,381	5.2%	3.5%	0.9%
EBITDA margin (%)	9.8	10.1	10.4	10.2	10.8	11.4	(49) bps	(69) bps	(99) bps
PAT	1,921	2,384	2,976	1,807	2,319	2,967	6.3%	2.8%	0.3%
EPS (Rs)	12.2	15.2	19.0	11.5	14.8	18.9	6.3%	2.8%	0.4%

Source: Company, SMIFS Research

- We have slightly tweaked PAT estimates upwards for FY27E & maintained flat for FY28E.

Q3FY26 – Key takeaways from the management call

Broad Outlook and Guidance

- The company anticipates Q4FY26 revenue of Rs 14.7bn and full-year FY26 revenue of ~Rs 50bn, even amid persistent export challenges. It projects 20% YoY growth in FY27, targeting ~Rs 60bn in revenue; this could rise by an additional Rs 5bn to ~Rs 65bn if US tariffs ease and measures address competition from Thailand and Vietnam.
- Post-GST reforms, robust growth is expected across domestic segments, with full capacity utilization in most areas—except the export-oriented steel wheels plant, impacted by US tariffs.
- Q3FY26 EBITDA per wheel reached Rs 260, with Q4FY26 projected at Rs 270; long-term aspiration is Rs 300 per wheel.

Capex, capacity expansion and Net debt

- New capacities at the Bhuj AMW facility include 1.2mn alloy wheels and 0.6mn knuckles, elevating total alloy wheel capacity to 6.2mn units and knuckles to 1.1mn units. Alloy wheel facility to have payback period of ~7-years.
- Bhuj capex totals ~Rs 4.2bn over FY26-28, funded via debt and internal accruals, adding ~Rs 2bn to net debt.
- These capacities target domestic and global markets, with EU discussions underway for knuckles and alloy wheels. They promise peak revenues of Rs 6bn (alloy wheels) and Rs 2bn (knuckles), with completion by Oct'26 and revenue from Dec'26.
- FY26 capex guidance is Rs 2.25-2.5bn; FY27 includes Rs 150-200mn for a CV wheels paint shop at Chandigarh and Rs. 400mn for maintenance capex. Majority of Rs 4.2bn capex for new facilities at Bhuj to be incurred in FY27.
- Average borrowing cost stands at 8-8.5%.

Exports

- US tariffs have eroded Rs 3-4bn in steel wheel exports, but the company remains optimistic about negotiations within 6 months. FY27 sales could rise by Rs 5bn if tariffs normalize and actions target Taiwan/Vietnam competitors.
- To mitigate US exposure, EU markets now represent ~58% of export revenue, stable for FY26.
- Realizations should improve via higher-value products and new EU business wins.
- In discussion with customers in EU about its alloy wheels and knuckles business to be catered from its upcoming new facility in Bhuj.

Aluminum Knuckle Casting

- FY26 knuckles revenue is eyed at ~Rs 800mn.
- Bhuj expansion adds 0.6mn units, lifting total capacity to 1.1mn units. The new facility can achieve Rs 2bn peak revenue at full utilization.
- Knuckle penetration is expected to grow in line with alloy wheels over the coming years.

Margins

- Q3FY26 EBITDA per wheel hit Rs 260 (up from Rs 242 in Q2), driven by greater alloy, CV, and tractor wheel mix.
- Q4FY26 targets Rs 270 per wheel, with Rs 300 as the long-term goal.
- Margin expansion will stem from premium segments (alloy, trucks, tractors), value-added products, better-priced contracts, and operating leverage.

Key Charts

Fig 4: Quarterly Volumes (in mn units)



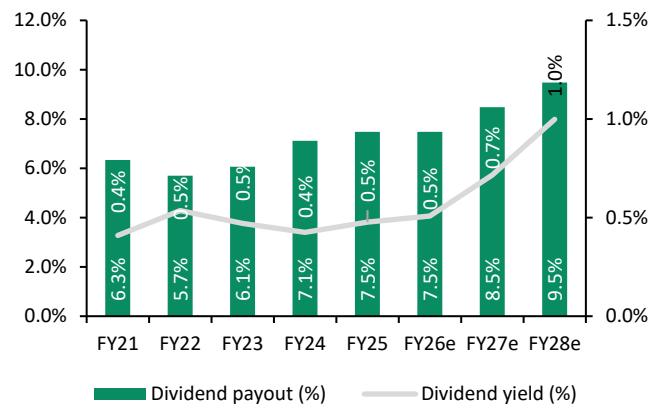
Source: Company, SMIFS research

Fig 5: Quarterly realization & growth



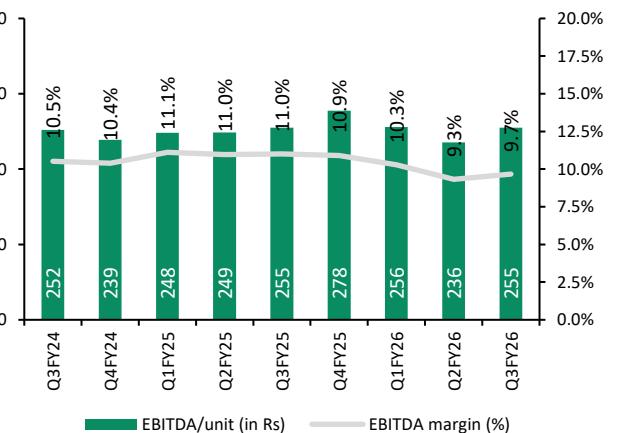
Source: Company, SMIFS research

Fig 6: Dividend payout



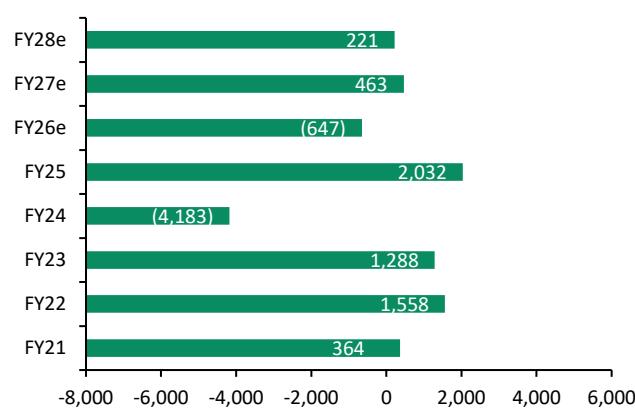
Source: Company, SMIFS research

Fig 7: Quarterly EBITDA/unit & margin



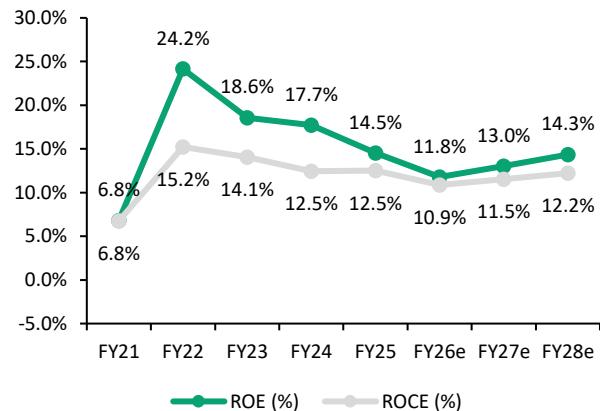
Source: Company, SMIFS research

Fig 8: FCF Generation



Source: Company, SMIFS research

Fig 9: RoE & RoCE trend (%)



Source: Company, SMIFS research

Quarterly financials, operating metrics and key performance indicators

Fig 10: Quarterly Financials

Y/E March (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Sales	10,687	10,253	10,951	10,747	12,339	11,868	12,006	13,208
Raw Materials	6,980	6,641	6,921	6,840	8,181	7,711	7,739	8,684
Employee Costs	903	902	948	969	978	1,024	1,041	1,099
Other Expenditure	1,693	1,570	1,882	1,754	1,835	1,913	2,106	2,147
EBITDA	1,111	1,140	1,200	1,183	1,345	1,220	1,119	1,278
Depreciation	225	249	253	253	256	304	305	315
Interest	280	311	304	262	295	288	320	328
Other Income	72	39	31	29	35	31	31	24
PBT	678	619	674	697	830	659	526	659
Tax	74	157	172	179	213	160	140	168
Tax rate (%)	10.9	25.4	25.5	25.7	25.6	24.2	26.7	25.4
Reported PAT	603	462	502	518	617	499	385	492
Adjusted PAT	603	462	502	518	617	499	385	492
YoY Growth (%)								
Revenue	6.3	(1.8)	(3.4)	(3.2)	15.5	15.8	9.6	22.9
EBITDA	2.4	0.9	(3.6)	1.4	21.1	7.1	(6.7)	8.0
PAT	27.6	(2.9)	(4.2)	(12.9)	2.2	8.1	(23.3)	(5.1)
QoQ Growth (%)								
Revenue	(3.7)	(4.1)	6.8	(1.9)	14.8	(3.8)	1.2	10.0
EBITDA	(4.8)	2.6	5.3	(1.4)	13.7	(9.3)	(8.3)	14.2
PAT	1.4	(23.4)	8.7	3.3	19.0	(19.1)	(22.8)	27.6
Margin (%)								
RMC/revenue (%)	65.3	64.8	63.2	63.6	66.3	65.0	64.5	65.7
Gross margin (%)	34.7	35.2	36.8	36.4	33.7	35.0	35.5	34.3
Employee cost/revenue (%)	8.4	8.8	8.7	9.0	7.9	8.6	8.7	8.3
Other expenses/revenue (%)	15.8	15.3	17.2	16.3	14.9	16.1	17.5	16.3
EBITDA margin (%)	10.4	11.1	11.0	11.0	10.9	10.3	9.3	9.7
PAT margin (%)	5.6	4.5	4.6	4.8	5.0	4.2	3.2	3.7
Key Drivers								
Volumes (in mn)	4.6	4.6	4.8	4.6	4.8	4.8	4.8	5.0
Realization per wheel	2,299	2,233	2,271	2,317	2,548	2,486	2,526	2,637
Gross per wheel	798	787	836	842	859	871	898	903
EBITDA per wheel	239	248	249	255	278	256	236	255

Source: Company, SMIFS Research

Fig 11: Key Assumptions

Operating Details	FY23	FY24	FY25	FY26e	FY27e	FY28e
Volumes (Mn units)	17.6	19.0	19.1	20.2	21.5	22.8
<i>Growth (%)</i>	-1.5	8.0	0.5	5.7	6.3	6.1
Blended Realization per wheel (Rs)	2,293	2,290	2,316	2,484	2,573	2,661
<i>Growth (%)</i>	15.2	-0.1	1.1	7.3	3.6	3.4
Gross Per wheel (Rs)	781	799	821	876	914	951
<i>Growth (%)</i>	1.8	2.3	2.7	6.6	4.4	4.0
EBITDA per wheel (Rs)	251	244	255	246	264	283
<i>Growth (%)</i>	-0.8	-2.7	4.1	-3.3	7.2	7.1

Source: Company, SMIFS research

Financial Statements

Income Statement

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	43,571	44,290	51,013	56,281	61,931
Raw Materials	28,361	28,582	33,311	36,639	40,255
% of sales	65.1	64.5	65.3	65.1	65.0
Personnel	3,580	3,798	4,336	4,784	5,202
% of sales	8.2	8.6	8.5	8.5	8.4
Manufacturing & Other	6,978	7,042	8,391	9,190	10,034
% of sales	16.0	15.9	16.4	16.3	16.2
EBITDA	4,652	4,868	4,975	5,668	6,440
Other Income	161	134	115	117	125
Depreciation &	900	1,010	1,256	1,422	1,521
EBIT	3,913	3,992	3,834	4,363	5,043
Finance cost	1,027	1,172	1,258	1,167	1,053
Core PBT	2,726	2,686	2,460	3,079	3,865
Exceptional Items	-	-	-	-	-
PBT	2,886	2,820	2,575	3,196	3,990
Tax	687	721	654	812	1,013
Tax Rate (%)	23.8	25.6	25.4	25.4	25.4
Reported PAT	2,199	2,099	1,921	2,384	2,976
Adjusted PAT	2,199	2,099	1,921	2,384	2,976

Source: Company, SMIFS Research

incorporated Knuckle casting from FY25 onwards in financials

Key Ratios

YE March	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratio (%)					
Revenue	7.8	1.6	15.2	10.3	10.0
EBITDA	5.1	4.6	2.2	13.9	13.6
PAT	13.5	-4.5	(8.5)	24.1	24.8
Margin Ratios (%)					
Gross Margin	34.9	35.5	34.7	34.9	35.0
EBITDA Margin	10.7	11.0	9.8	10.1	10.4
EBIT Margin	9.0	9.0	7.5	7.8	8.1
Core PBT margin	6.3	6.1	4.8	5.5	6.2
Adjusted PAT Margin	5.0	4.7	3.8	4.2	4.8
Return Ratios (%)					
ROE	17.7	14.5	11.8	13.0	14.3
ROCE	12.5	12.5	10.9	11.5	12.2
Turnover Ratios (days)					
Gross block turnover ratio (x)	1.9	1.8	1.8	1.9	1.9
Adjusted OCF/PAT (in %)	-17.2	190.7	122.5	120.1	81.3
Debtors	58	61	62	65	65
Inventory	37	40	42	45	45
Creditors	50	62	60	65	60
Cash conversion cycle	45	39	44	45	50
Solvency Ratio (x)					
Debt-equity	0.8	0.5	0.5	0.5	0.4
Net debt-equity	0.8	0.5	0.5	0.4	0.4
Gross debt/EBITDA	2.3	1.7	1.8	1.6	1.3
Current Ratio	1.0	1.0	1.1	1.2	1.3
Interest coverage ratio	3.8	3.4	3.0	3.7	4.8
Dividend					
DPS	1.0	1.0	0.9	1.3	1.8
Dividend yield %	0.4	0.5	0.5	0.7	1.0
Dividend payout %	7.1	7.5	7.5	8.5	9.5
Per share Ratios (Rs)					
Basic EPS (reported)	14.0	13.4	12.2	15.2	19.0
Adjusted EPS	14.0	13.4	12.2	15.2	19.0
CEPS	19.7	19.8	20.2	24.3	28.7
BV	85.8	98.4	109.7	123.6	140.8
Valuation (x)					
P/E	16.7	15.7	14.7	11.8	9.5
P/BV	2.7	2.1	1.6	1.5	1.3
EV/EBITDA	10.1	8.5	7.5	6.5	5.7
EV/Sales	1.1	0.9	0.7	0.7	0.6
Adj Mcap/Core PBT	13.4	12.2	11.4	9.1	7.3
Adj Mcap/Adj OCF	-96.8	8.2	11.9	9.8	11.6

Source: Company, SMIFS Research

Balance Sheet

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sources of funds					
Capital	157	157	157	157	157
Reserves & Surplus	13,300	15,281	17,059	19,241	21,935
Shareholder's Funds	13,457	15,438	17,215	19,397	22,092
Total Loan Funds	10,482	8,276	9,076	8,876	8,676
Other non-current liabilities	1,780	1,792	2,056	2,271	2,501
Total Liabilities	25,719	25,506	28,348	30,545	33,270
Application of funds					
Gross Block	23,627	26,218	29,218	31,618	33,818
Net Block	14,568	16,278	18,021	18,999	19,678
Capital WIP	3,458	2,711	1,801	1,519	1,573
Other Investments	92	161	290	347	417
Other Non-Current Assets	850	427	436	478	524
Inventories	6,970	7,431	8,665	10,023	11,029
Sundry Debtors	4,397	4,864	5,870	6,939	7,635
Cash and Bank balances	309	31	155	332	196
Quasi cash investments	-	-	-	-	-
Other current Assets	1,693	1,752	2,125	2,580	3,138
Total Current Assets	13,369	14,078	16,814	19,874	21,998
Sundry Creditors	5,999	7,521	8,386	10,023	10,181
Other Current Liabilities	618	627	629	650	740
Total Current Liabilities	6,617	8,148	9,014	10,672	10,921
Net Current Assets	6,752	5,930	7,800	9,202	11,078
Total Assets	25,719	25,506	28,348	30,545	33,270

Source: Company, SMIFS Research

Cash Flow

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Operating profit before WC changes	4,715	4,917	4,975	5,668	6,440
Net change in working capital	(3,445)	909	(710)	(827)	(1,952)
Income tax paid	(620)	(650)	(654)	(812)	(1,013)
Cash flow from operating activities (a)	650	5,176	3,611	4,030	3,474
Adjusted OCF	(377)	4,004	2,353	2,863	2,421
Capital expenditure	(3,806)	(1,972)	(3,000)	(2,400)	(2,200)
Adjusted free cash flow	(4,183)	2,032	(647)	463	221
Cash flow from investing activities (b)	(3,700)	(1,918)	(2,885)	(2,283)	(2,075)
Debt issuance (repayment)	4,097	(2,205)	800	(200)	(200)
Interest and lease expenses	(1,029)	(1,175)	(1,258)	(1,167)	(1,053)
Dividend paid	(157)	(157)	(144)	(202)	(282)
Cash flow from financing activities (c)	2,920	(3,537)	(602)	(1,569)	(1,535)
Net chg in cash (a+b+c)	(131)	(279)	124	178	(137)

Source: Company, SMIFS Research

Disclaimer

Analyst Certification:

We, **Aditya Khetan, Research Analyst, and Niraj Vajifdar, Research Associate** of SMIFS Limited (in short "SMIFS / the Company"), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities and distributed as per SEBI (Research Analysts) Regulations 2014. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Research Report. It is also confirmed that I, the above-mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

Terms & Conditions and Other Disclosures:

SMIFS Limited is regulated by the Securities and Exchange Board of India ("SEBI") and is engaged in the business of Stock Broking, Depository Services, Portfolio Management, Research Services and Distribution of Financial Products and related allied activities for which SMIFS is registered with various regulators. SMIFS Limited includes Subsidiaries, Group and Associate Companies, Promoter, Directors, Employees and affiliates.

Research Services

SMIFS is registered as a Research Analyst Entity. The Research Reports are prepared and distributed by SMIFS in the capacity of a Research Analyst as per Regulation 19 & 22(1) of SEBI (Research Analysts) Regulations 2014, having SEBI Registration Number – INH300001474.

Stock Broking

SMIFS is a Trading Member of National Stock Exchange of India Limited (NSE); BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI) and Multi Commodity of Exchange of India Limited (MCX); National Commodity and Derivatives Exchange Limited (NCDEX) with SEBI Registration Number: INZ000220635.

Depository Services

SMIFS is a Depository Participant of National Securities Depository Limited (NSDL) bearing DP ID – IN301629 and Central Depository Services (India) Limited (CDSL) bearing DP ID – 12016000 with SEBI Registration Number IN-DP-414-2019.

Portfolio Management

SMIFS is also registered as a Portfolio Manager with SEBI Registration Number INP000004623 and Research Analyst with SEBI Registration Number INH300001474.

Distribution

SMIFS is also registered with Association of Mutual Funds of India (AMFI) with ARN Code 3080 for the distribution of Mutual Fund Units of various reputed Asset Management Companies.

Subsidiaries

Stewart & Mackertich Commodities Limited is a subsidiary of SMIFS Limited and a Trading Member of National Commodity and Derivatives Exchange Limited (NCDEX) with SEBI Registration Number INZ000064332.

SMIFS Wealth Management Limited is also a subsidiary of SMIFS Limited, registered with Association of Portfolio Managers in India (APMI), having APRN - APRN00855.

SMIFS and its associates might have investment banking and other business relationship with a significant percentage of companies covered by our Research Analysts. SMIFS generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by SMIFS and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of SMIFS Limited. While we would endeavour to update the information herein on a reasonable basis, SMIFS is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent SMIFS from doing so. Non-rated securities indicate that the rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of SMIFS, in circumstances where SMIFS might be acting in an advisory capacity to this company, or in certain other circumstances.

This Research Report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This Research Report and information herein is solely for informational purposes and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Securities as defined in clause (h) of section 2 of the Securities Contract Act, 1956, includes Financial Instruments, Currency and Commodity Derivatives. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. SMIFS will not treat recipients as customers by virtue of their receiving this Research Report. Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research Report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. SMIFS accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. The information given in this report is as of date of this report and there can be no assurance that future results or events will be consistent with this information. The information provided in this report remains, unless otherwise stated, the copyright of SMIFS. All layout, design, original artwork, concepts and intellectual Properties remain the property and copyright of SMIFS and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the SMIFS.

SMIFS 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, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of SMIFS to present the data. In no event shall SMIFS 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 SMIFS through this report.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (a) Exchange Rates can be volatile and are subject to large fluctuations; (b) the value of currencies may be affected by numerous market factors, including world and notional economic, political and regulatory events, events in Equity & Debt Markets and changes in interest rates; and (c) Currencies may be subject to devaluation or government imposed Exchange Controls which could affect the value of the Currency. Investors in securities such as Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Since associates are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may: (i) from time to time have long or short positions in, and buy or sell the Securities, mentioned herein or (ii) be engaged in any other transaction involving such Securities and earn brokerage or other compensation of the Subject Company/ companies mentioned herein or act as an Advisor or Lender/Borrower to such Companies or have other potential/material Conflict of Interest with respect to any recommendation and related information and opinions at the time of the publication of the Research Report or at the time of Public Appearance.

SMIFS does not have proprietary trades but may at a future date, opt for the same with prior intimation to Clients/ Investors and extant Authorities where it may have proprietary long/short position in the above Scrip(s) and therefore should be considered as interested.

The views provided herein are general in nature and do not consider Risk Appetite or Investment Objective of any particular Investor; Clients/ Readers/ Subscribers of this Research Report are requested to take independent professional advice before investing, however the same shall have no bearing whatsoever on the specific recommendations made by the analysts, as the recommendations made by the analysts are completely independent views of the Associates of SMIFS even though there might exist an inherent conflict of interest in some of the stocks mentioned in the Research Report.

The information provided herein should not be construed as invitation or solicitation to do business with SMIFS.

SMIFS or its subsidiaries collectively or Research Analysts or their relatives, do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

SMIFS encourages independence in Research Report preparation and strives to minimize conflict in the preparation of Research Report. Accordingly, neither SMIFS and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

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

SMIFS or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory services in a merger or specific transaction from the subject company.

SMIFS or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

SMIFS or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

SMIFS and its Associates, Directors, Officers, Employees, Research Analysts, including their relatives worldwide, may have been engaged in market making activity for the companies mentioned in the Research Report.

SMIFS may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

A graph of daily closing prices of the securities/commodities is also available at www.nseindia.com and/or www.bseindia.com, www.mcxindia.com and/or <https://www.msei.in>.

SMIFS submits' that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities in last 3 years.

This Research 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 SMIFS and affiliates 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 certain categories of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Specific Disclosures

1. SMIFS, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2. SMIFS, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company.
3. SMIFS, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months.
4. SMIFS, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as director/officer/employee in the subject company
6. SMIFS has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.

7. SMIFS has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8. SMIFS has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months.
9. SMIFS has not received any compensation or other benefits from third party in connection with the research report.
10. SMIFS has not engaged in market making activity for the subject company
11. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
12. Registration granted by SEBI, enlisted with BSE and certification from NISM is no way guarantee performance of SMIFS or provides any assurance of returns to investors.
13. Performance related information is not verified by SEBI.
14. The Security/Securities quoted are for illustration only and are not recommendatory.

Disclaimer for U.S. persons only:

SMIFS has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("MPS").

This report was prepared, approved, published and distributed by SMIFS Limited (SMIFS) located outside of the United States (a "non-US Group Company"), which accepts responsibility for its contents. It is distributed in the U.S. by Marco Polo Securities Inc. ("MPS"), a U.S. registered Broker Dealer, on behalf of SMIFS, only to major U.S. Institutional Investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the "Exchange Act")) pursuant to the exemption in Rule 15a-6.

Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other Regulatory Requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization. Outside the United States, this report is distributed by SMIFS or an authorized affiliate of SMIFS.

Research reports are intended for distribution 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.

Marco Polo Securities Inc. ("MPS") is the distributor of this document in the United States of America. Any US customer wishing to effect transactions in any securities referred to herein or options thereon should do so only by contacting a representative of MPS and any transaction effected by a U.S. investor in the securities described in this report must be effected through Marco Polo Securities Inc at its registered address 1230 Avenue of the Americas, 16th Floor, New York, NY 10020.

Important US Regulatory Disclosures on Subject Companies

- SMIFS or its Affiliates have not recently been the beneficial owners of 1% or more of the securities mentioned in this report.
- SMIFS or its Affiliates have not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
- SMIFS or its Affiliates have not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
- However, one or more person of SMIFS or its affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon either on their own account or on behalf of their clients.
- SMIFS or its Affiliates may, to the extent permitted by law, act upon or use the above material or the conclusions stated above or the research or analysis on which they are based before the material is published to recipients and from time to time provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.
- As on date of the publication of this report, MPS may and/or may not make a market in the subject securities.

DISCLAIMERS FOR INTERNATIONAL JURISDICTION (WEBSITE)

Disclaimer for U.S. Persons:

The content of the SMIFS Website/Research Report does not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services and/or shall not be considered as an advertisement tool. "U.S. Persons" are generally defined as a natural person, residing in the United States or any entity organized or incorporated under the laws of the United States. US Citizens living abroad may also be deemed "US Persons" under certain rules. THIS DOCUMENT IS INTENDED SOLELY TO PROVIDE INFORMATION TO THE QUALIFIED INSTITUTIONAL INVESTORS ONLY AND IS NOT MEANT FOR RETAIL INVESTORS. If you are not the intended recipient you must not copy, distribute, or take any action or place reliance on it. If you have received this communication by error, please notify the sender immediately. This communication is intended solely for the person to whom it is addressed and may contain confidential or privileged information. The document is intended to be educational only and not for a marketing or prospecting purpose. The views and opinions expressed as part of this presentation do not necessarily state or reflect those of SMIFS Limited, its holding company(ies), subsidiaries and associates including entities in overseas jurisdictions.

The content of the website or any information contained therein must not be distributed, published, reproduced, or disclosed (in whole or in part) by recipients to any other person. The content of the website must not be acted on or relied on by persons who are not qualified institutional investor. Any investment or investment activity to which this website relates, is available only to qualified institutional investor and will be engaged only with qualified institutional investor. Any person who is not a qualified institutional investor should not act or rely on this website or any of its contents.

Additional Marketing Disclaimer for all other International Jurisdiction:

The content of SMIFS Website/Research Report is restricted in certain jurisdictions and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, by anyone in any jurisdiction in which such an offer or solicitation is not authorised or may not lawfully be made (without compliance with any registration or other legal requirements) or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer in any jurisdiction. The above information is for general guidance only, it is the responsibility of receivers to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, as well as any foreign exchange or other fiscal, or legal or regulatory restrictions which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of any securities if any mentioned in this document. This document is strictly private and confidential and may not be reproduced or use for any other purpose and not be provided to any person other than the recipient thereof. If you are not the intended recipient you must not copy, distribute, or take any action or place reliance on it. If you have received this communication by error, please notify the sender immediately. Any such information contained or discussed on the website is subject to change and SMIFS Limited or any of its Directors, Employees, agents or representatives shall not have any responsibility to maintain the information made available or to supply any correction therewith. In no event will SMIFS Limited or any of its Directors, Employees, agents or representatives, be liable for any special direct or indirect or consequential damages which may be incurred from the use of the information made available, even if it has been advised of the possibility of such damages. The company and its employees mentioned in these communications cannot be held liable for any error's inaccuracies and/or omission howsoever caused. Any opinion or advice herein is made on a general basis and is subject to change without notice. The information provided in this website may contain optimistic statements regarding future events or future financial performance of countries, markets, or companies. You must make your own financial assessment of the relevance, accuracy and adequacy of the information provided therein.

Analyst holding in stock: NO

Key to SMIFS Investment Rankings / Ratings

Buy: Return >15%, Accumulate: Return between 5% to 15%, Reduce: Return between -5% to +5%, Sell: Return < -5%

Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Tamari Chatterjee,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: smifs.institutional@smifs.com