

July 23, 2025

Q1FY26 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		ACCUMULATE	
Target Price	1,192		1,171	
Sales (Rs. m)	49,080	52,692	50,384	55,235
% Chng.	(2.6)	(4.6)		
EBITDA (Rs. m)	7,762	8,439	6,920	7,755
% Chng.	12.2	8.8		
EPS (Rs.)	29.3	33.1	24.8	29.3
% Chng.	18.0	13.1		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	44,740	46,351	49,080	52,692
EBITDA (Rs. m)	6,914	6,262	7,762	8,439
Margin (%)	15.5	13.5	15.8	16.0
PAT (Rs. m)	4,181	3,426	4,661	5,273
EPS (Rs.)	26.2	21.5	29.3	33.1
Gr. (%)	(12.2)	(18.0)	36.0	13.1
DPS (Rs.)	5.8	4.7	6.4	7.3
Yield (%)	0.5	0.4	0.5	0.6
RoE (%)	16.9	12.8	16.0	16.1
RoCE (%)	22.2	17.6	21.4	21.3
EV/Sales (x)	4.3	4.2	3.9	3.6
EV/EBITDA (x)	28.1	30.9	24.6	22.3
PE (x)	47.3	57.7	42.4	37.5
P/BV (x)	7.6	7.2	6.4	5.7

Key Data

KAJR.BO | KJC IN

52-W High / Low	Rs.1,579 / Rs.745
Sensex / Nifty	82,187 / 25,061
Market Cap	Rs.198bn / \$ 2,290m
Shares Outstanding	159m
3M Avg. Daily Value	Rs.670.01m

Shareholding Pattern (%)

Promoter's	47.49
Foreign	15.79
Domestic Institution	27.68
Public & Others	9.04
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	21.4	20.4	(10.6)
Relative	21.8	11.9	(12.5)

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Rahul Shah

rahulshah@plindia.com | 91-22-66322534

Cost reductions leads margin expansion

Quick Pointers:

- Tiles volume grew 0.7% in Q1FY26
- EBITDA margin expanded by ~160bps YoY, while reduction in realization.

We have revised our FY26/27 earnings estimates upward by 18.0%/13.1% mainly with improvement in margins on account of cost saving with distribution consolidation, integration of tiles divisions and the discontinuation of low margin tiles. We had downgraded our rating to 'HOLD' from 'Accumulate', we value the stock at 36x FY27E EPS to arrive at revised TP of Rs1,192 (earlier Rs 1,171). The management has refrained from providing guidance due to prevailing low demand conditions but expects to outperform the industry in FY26. KJC expects decent growth in Bathware and Adhesives segment in FY26 and gradual pick up in domestic volumes as exports is expected to reach to FY24 levels. We have considered 4.8% CAGR in tiles volume over FY25-27E with cons. EBITDA margin of 16.0% in FY27. Management indicated gradual pick-up in FY26 volumes, revival in exports due to lower freight rates, and expected improvement in margins, as the company works on cost rationalization and exits the low-margin plywood business. "KJC expects healthy earnings growth driven by margin expansion, though volume growth is likely to remain challenging. We expect Revenue/EBITDA/PAT CAGR of 6.6%/16.1%/24.0% over FY25-27E. Downgrade to HOLD.

Revenue grew by 0.6% YoY, PAT grew by 13.1% YoY: Revenues grew by 0.6% YoY to Rs 11.0bn (PLe: Rs 11.6bn), mainly due to single digit growth in volume (0.7% YoY). Tiles segment revenue decline by 0.3% YoY to Rs 9.9bn (contributes 89%sales) and other segment revenues declined by 5.0% YoY. Bathware division (contributes 8%rev.) grew by 0.5% YoY to 915mn. Adhesives segment grew by 64.0% YoY to Rs 249mn. Gross margin expanded by ~160bps YoY to 59.9% YoY (PLe: 57.0%). EBITDA grew by 9.3% YoY to Rs1.9bn (PLe: Rs1.7bn). EBITDA margin expanded by ~130bps YoY to 16.9% (PLe: 14.5%). Fuel expenses (as a % of sales) stood at 20.3% in Q1FY26 from 19.4% in Q1FY25. PBT grew by 13.9% YoY to Rs1.5bn (PLe: Rs1.3bn). PAT grew by 13.1% YoY to Rs 1.1bn (PLe: Rs 0.9bn).

Con call highlights: 1) KJC has refrained from providing FY26 guidance due to near-term soft demand, it remains confident of outperforming the industry. Domestic demand remained muted in Q1FY26, but management expects a recovery in the coming quarters, supported by increased government infrastructure and development spending. **2)** Exports in the tiles industry declined 20% YoY to Rs 160bn, primarily due to rising ocean freight rates and geopolitical uncertainty in Gulf regions. However, for FY26, management expects exports to reach to Rs 200bn as freight costs ease. In Q1, the exports stood at Rs45bn. **3)** EBITDAM expansion was aided by the consolidation of the dealer network and integration of Ceramic, GVT, and PVT tile divisions into one. This move, currently implemented in select states, has led to cost optimization, with full benefits expected as it scales pan-India. **4)** Fuel prices for the North/South/West stood at Rs 38/39/36 SCM. **5)** Tier1/Tier2/Tier3/Tier4 cities contributed 15%/30%/30%/15%

to the topline in Q1FY26. **6)** North/South/West/East contributed 35/30/15/20% to the topline in Q1FY26. **7)** In FY25, the Bathware/Adhesives segments contributed Rs3.8bn/Rs768mn, KJC aims to reach Rs4.8bn/1.2bn in FY26. **8)** The Gailpur Adhesives plant was commissioned in Q1FY26, and KJC is planning to set up another plant in Tamil Nadu, to serve the Southern market, expected to be operational by Q2FY26. **9)** Government projects contributed 4–6% to revenue and are expected to gradually increase going forward. **10)** Nepal JV having an annual capacity of 5.1 MSM, operated at 69% utilization levels in Q1 with a volume of 0.87 MSM. **11)** KJC currently has 1850 dealers, out of which 450 are exclusive dealers.

Exhibit 1: Q1FY26 Result Overview: Sales increase by 0.6% YoY, PAT grew by 13.1% YoY

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	11,027	10,958	0.6	11,639	(5.3)	12,219	(9.7)	49,080	46,351	5.9
Expenditure										
Operating & Manufacturing Expenses	4,425	4,577	(3.3)	5,005	(11.6)	5,395	(18.0)	20,368	19,655	3.6
% of Net Sales	40.1	41.8		43.0		44.2		44.2	184.5	
Gross Profit	6,603	6,381	3.5	6,634	(0.5)	6,824	(3.2)	28,712	26,695	7.6
% of Net Sales	59.9	58.2	1.64	57.0		55.8		55.8	33.2	
Personnel Cost	1,360	1,350	0.7	1,443	(5.8)	1,433	(5.1)	5,890	5,661	4.0
% of Net Sales	12.3	12.3		12.4		11.7		11.7	52.2	
Other Expenses	1,135	1,194	(5.0)	1,280	(11.4)	1,667	(31.9)	5,399	5,649	(4.4)
% of Net Sales	10.3	10.9		11.0		13.6		13.6	327.7	
Total Expenditure	9,159	9,248	(1.0)	9,951	(8.0)	10,835	(15.5)	41,317	40,089	3.1
EBITDA	1,869	1,710	9.3	1,688	10.7	1,384	35.0	7,762	6,262	24.0
Margin (%)	16.9	15.6		14.5		11.3		11.3	(359.5)	
Depreciation	436	419	4.1	449	(2.7)	434	0.5	1,726	1,654	4.4
EBIT	1,432	1,291	11.0	1,239	15.6	949	50.9	6,586	5,035	30.8
Other income	132	101	31.0	125	5.9	125	6.3	550	427	28.7
Interest	52	33	57.3	47	9.9	60	(13.4)	189	200	(5.7)
PBT	1,522	1,336	13.9	1,317	15.6	1,084	40.4	6,397	4,835	32.3
Total Taxes	396	358	10.6	342	15.7	344	15.1	1,663	1,360	22.3
ETR (%)	26.0	26.8		26.0		31.8		31.8	37.3	
Adjusted PAT	1,103	976	13.1	962	14.6	663	66.4	4,734	3,475	36.2

Source: Company, PL

Exhibit 2: Segmental Breakup: Tiles revenue declined by 0.3% YoY, with volume growth of 0.7% YoY

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Revenues								
Tiles	9,864	9,895	(0.3)	10,884	(9.4)	43,794	40,609	7.8
Others	1,180	1,242	(5.0)	1,382	(14.6)	5,286	5,175	2.1
Sales Volumes (Tiles in mn sq. m)								
Own Manufacturing	14.8	14.9	(0.9)	15.8	(6.6)	61.5	61.8	(0.4)
Subsidiaries	5.7	5.5	4.0	6.5	(11.1)	25.9	23.3	11.4
Outsource	6.7	6.6	1.8	7.9	(14.8)	31.9	29.6	7.6

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	44,740	46,351	49,080	52,692
YoY gr. (%)	2.1	3.6	5.9	7.4
Cost of Goods Sold	18,945	19,655	20,368	21,762
Gross Profit	25,795	26,695	28,712	30,930
Margin (%)	57.7	57.6	58.5	58.7
Employee Cost	4,916	5,661	5,890	6,323
Other Expenses	-	-	-	-
EBITDA	6,914	6,262	7,762	8,439
YoY gr. (%)	(4.4)	(9.4)	24.0	8.7
Margin (%)	15.5	13.5	15.8	16.0
Depreciation and Amortization	1,476	1,654	1,726	1,857
EBIT	5,439	4,608	6,036	6,582
Margin (%)	12.2	9.9	12.3	12.5
Net Interest	173	200	189	166
Other Income	462	427	550	710
Profit Before Tax	5,728	4,835	6,397	7,126
Margin (%)	12.8	10.4	13.0	13.5
Total Tax	1,435	1,360	1,663	1,794
Effective tax rate (%)	25.0	28.1	26.0	25.2
Profit after tax	4,293	3,475	4,734	5,333
Minority interest	101	57	48	48
Share Profit from Associate	(12)	8	(25)	(12)
Adjusted PAT	4,181	3,426	4,661	5,273
YoY gr. (%)	(12.2)	(18.0)	36.0	13.1
Margin (%)	9.3	7.4	9.5	10.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,181	3,426	4,661	5,273
YoY gr. (%)	(13.6)	(18.0)	36.0	13.1
Margin (%)	9.3	7.4	9.5	10.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,181	3,426	4,661	5,273
Equity Shares O/s (m)	159	159	159	159
EPS (Rs)	26.2	21.5	29.3	33.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	25,037	27,496	29,496	31,796
Tangibles	25,027	27,488	29,488	31,788
Intangibles	10	8	8	8
Acc: Dep / Amortization	8,987	10,641	12,368	14,224
Tangibles	8,987	10,641	12,368	14,224
Intangibles	-	-	-	-
Net fixed assets	16,050	16,855	17,128	17,572
Tangibles	16,040	16,847	17,120	17,564
Intangibles	10	8	8	8
Capital Work In Progress	679	1,087	1,087	1,087
Goodwill	327	319	319	319
Non-Current Investments	148	302	302	302
Net Deferred tax assets	(839)	(891)	(891)	(891)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	37	37	37	37
Inventories	5,322	6,181	6,365	6,800
Trade receivables	6,194	5,702	6,733	7,229
Cash & Bank Balance	5,141	5,829	8,252	11,033
Other Current Assets	648	571	571	571
Total Assets	35,429	37,562	41,514	45,722
Equity				
Equity Share Capital	159	159	159	159
Other Equity	26,006	27,284	30,710	34,586
Total Network	26,165	27,443	30,870	34,746
Non-Current Liabilities				
Long Term borrowings	635	714	714	714
Provisions	-	-	-	-
Other non current liabilities	533	779	825	886
Current Liabilities				
ST Debt / Current of LT Debt	1,071	1,046	846	646
Trade payables	2,933	3,381	3,498	3,737
Other current liabilities	2,663	2,651	3,213	3,445
Total Equity & Liabilities	35,429	37,562	41,514	45,722

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	5,870	3,345	4,661	5,273
Add. Depreciation	1,476	1,654	1,726	1,857
Add. Interest	(138)	134	127	111
Less Financial Other Income	462	427	550	710
Add. Other	1,276	1,037	(1,227)	(1,112)
Op. profit before WC changes	8,483	6,170	5,286	6,129
Net Changes-WC	260	12	575	512
Direct tax	(1,385)	(1,172)	(1,663)	(1,794)
Net cash from Op. activities	7,359	6,182	5,862	6,641
Capital expenditures	(2,999)	(2,205)	(2,000)	(2,300)
Interest / Dividend Income	23	-	-	-
Others	5	(1,515)	-	-
Net Cash from Inv. activities	(2,972)	(3,721)	(2,000)	(2,300)
Issue of share cap. / premium	11	14	-	-
Debt changes	(393)	100	(200)	(200)
Dividend paid	(1,394)	(1,752)	(1,235)	(1,397)
Interest paid	(129)	-	-	-
Others	(219)	(447)	-	-
Net cash from Fin. activities	(2,124)	(2,086)	(1,435)	(1,597)
Net change in cash	2,263	376	2,427	2,744
Free Cash Flow	4,359	3,977	3,862	4,341

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	26.2	21.5	29.3	33.1
CEPS	35.5	31.9	40.1	44.8
BVPS	164.3	172.3	193.8	218.2
FCF	27.4	25.0	24.2	27.3
DPS	5.8	4.7	6.4	7.3
Return Ratio(%)				
RoCE	22.2	17.6	21.4	21.3
ROIC	19.0	14.6	19.8	21.2
RoE	16.9	12.8	16.0	16.1
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.1)	(0.2)	(0.3)
Net Working Capital (Days)	70	67	71	71
Valuation(x)				
PER	47.3	57.7	42.4	37.5
P/B	7.6	7.2	6.4	5.7
P/CEPS	35.0	38.9	31.0	27.7
EV/EBITDA	28.1	30.9	24.6	22.3
EV/Sales	4.3	4.2	3.9	3.6
Dividend Yield (%)	0.5	0.4	0.5	0.6

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	11,793	11,556	12,219	11,027
YoY gr. (%)	5.1	0.3	1.1	0.6
Raw Material Expenses	5,115	4,717	5,395	4,425
Gross Profit	6,678	6,839	6,824	6,603
Margin (%)	56.6	59.2	55.8	59.9
EBITDA	1,589	1,533	1,384	1,869
YoY gr. (%)	(11.6)	(14.2)	(20.0)	9.3
Margin (%)	13.5	13.3	11.3	16.9
Depreciation / Depletion	406	397	434	436
EBIT	1,183	1,137	949	1,432
Margin (%)	10.0	9.8	7.8	13.0
Net Interest	47	74	60	52
Other Income	99	103	125	132
Profit before Tax	1,205	1,156	1,084	1,522
Margin (%)	10.2	10.0	8.9	13.8
Total Tax	350	307	344	396
Effective tax rate (%)	29.0	26.6	31.8	26.0
Profit after Tax	855	849	740	1,126
Minority interest	13	12	7	13
Share Profit from Associates	-	-	-	-
Adjusted PAT	872	846	663	1,103
YoY gr. (%)	(19.4)	(19.0)	(37.3)	13.1
Margin (%)	7.4	7.3	5.4	10.0
Extra Ord. Income / (Exp)	(29)	(10)	70	9
Reported PAT	843	836	733	1,112
YoY gr. (%)	(21.9)	(19.7)	(30.3)	16.8
Margin (%)	7.1	7.2	6.0	10.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	843	836	733	1,112
Avg. Shares O/s (m)	159	159	159	159
EPS (Rs)	5.5	5.3	4.2	6.9

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jul-25	Accumulate	1,171	1,075
2	07-May-25	Accumulate	878	800
3	08-Apr-25	BUY	966	785
4	05-Feb-25	BUY	1,224	960
5	08-Jan-25	BUY	1,545	1,061
6	24-Oct-24	Accumulate	1,604	1,259
7	08-Oct-24	Accumulate	1,651	1,421
8	24-Jul-24	Hold	1,488	1,468

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	546	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Accumulate	1,171	1,075
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,455	3,841
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	Hold	625	607
19	Voltas	Hold	1,350	1,367

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Praveen Sahay- MBA Finance, Mr. Rahul Shah- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

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

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Praveen Sahay- MBA Finance, Mr. Rahul Shah- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com