

July 24, 2025

## Q1FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	BUY		BUY	
<b>Target Price</b>	1,636		1,636	
Sales (Rs. m)	18,973	22,394	18,973	22,394
% Chng.	-	-	-	-
EBITDA (Rs. m)	3,529	4,255	3,529	4,255
% Chng.	-	-	-	-
EPS (Rs.)	38.8	46.7	38.8	46.7
% Chng.	-	-	-	-

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	13,226	16,402	18,973	22,394
EBITDA (Rs. m)	2,024	2,919	3,529	4,255
Margin (%)	15.3	17.8	18.6	19.0
PAT (Rs. m)	1,417	2,151	2,514	3,027
EPS (Rs.)	21.8	33.2	38.8	46.7
Gr. (%)	30.5	51.9	17.0	20.4
DPS (Rs.)	6.5	10.3	12.2	14.7
Yield (%)	0.5	0.8	0.9	1.1
RoE (%)	16.5	21.3	21.2	21.8
RoCE (%)	18.9	25.2	25.6	26.7
EV/Sales (x)	6.1	4.9	4.2	3.5
EV/EBITDA (x)	40.0	27.4	22.4	18.3
PE (x)	60.2	39.7	33.9	28.1
P/BV (x)	9.2	7.8	6.7	5.7

### Key Data

KIRP.BO | KKPC IN

52-W High / Low	Rs.1,818 / Rs.953
Sensex / Nifty	82,727 / 25,220
Market Cap	Rs.85bn/ \$ 988m
Shares Outstanding	65m
3M Avg. Daily Value	Rs.300.33m

### Shareholding Pattern (%)

Promoter's	38.84
Foreign	7.12
Domestic Institution	28.20
Public & Others	25.84
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(6.0)	2.5	(0.4)
Relative	(6.9)	(5.2)	(3.2)

### Amit Anwani

amitanwani@plindia.com | 91-22-66322250

### Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

### Hitesh Agarwal

hiteshagarwal@plindia.com | 91-22-66322535

## Temporary setback; structural growth intact

### Quick Pointers:

- The company received orders worth ~Rs3.7bn (down ~13% YoY) in Q1FY26 while the order book stood at ~Rs17.3bn (up ~7% YoY).
- Management has guided for ~Rs20bn revenue and ~18-20% EBITDA margin for FY26.

**Kirloskar Pneumatic (KKPC) reported a soft revenue growth of 2.3% YoY, while EBITDA margin contracted by 244bps YoY to 11.8%. During Q1, the company faced lower offtake and execution delays due to geopolitical uncertainties and supply chain disruptions. However, management remains optimistic about the long-term growth prospects amid short-term challenges. In the Air compression, Tezcatlipoca is expected to book highest ever orders worth ~Rs1.0bn in FY26 driven by strong traction from cold chains and industrial applications. Meanwhile, the refrigeration compressors are seeing strong demand from cement, dairy, and chemical sectors. The Gas compression segment faced delays due to global uncertainty. However, management remains confident of delivering ~250 CNG packages in FY26. With soft launch of Tyche compressors company aims at replacing European imports, and plans to scale up production from Q2FY26. Looking ahead, management is confident of achieving revenue of ~Rs20bn in FY26 supported by repeat orders for its new products, finalization of orders in biogas and hydrogen, and demand recovery in commercial refrigeration segment. We maintain our 'Buy' rating with a TP of Rs1,636 (same as earlier) valuing the business at a PE of 35x Mar'27E (same as earlier).**

**Long term View:** We believe KKPC is well placed for healthy long-term growth driven by 1) products launches in air compression (Tezcatlipoca, ARiA) to capture centrifugal and low-end screw compressor markets that are import-dominated, 2) market leadership in up/mid/downstream oil & gas and CNG mother stations, where the investment pipelines are robust, 3) new products – Calana and Jarilo – to address opportunities in CNG daughter stations and CBG plants respectively, 4) launch of Khione and acquisition of S&C India to enhance penetration in commercial and industrial refrigeration, 5) focus on building in house IP and backward integration capabilities, and 6) strong cash flows and balance sheet. The stock is trading at a PE of 33.9x/28.13x on FY25/26/27E earnings.

**Lesser revenue booking drags profitability:** Revenue rose 2.3% YoY to Rs2.8bn (Ple: Rs3.1bn), with Compression Systems sales flat at Rs2.5bn. The lower order booking and sales were due to global uncertainty, which delayed the finalization of several large orders amid the uncertain global tariff environment. Gross margin came in at 50.7% in Q1FY26 vs 51.1% in Q1FY25 EBITDA came in at Rs333mn vs Rs393mn in Q1FY26 (Ple: Rs458mn). EBITDA margin contracted by 244bps YoY to 11.8% in Q1FY26 (Ple: 14.6%) impacted by lesser revenue booking and increase in employee cost by 16.9% YoY to Rs 504mn. Adj. PBT down by 5.4% YoY to Rs340mn (Ple: Rs428m). Adj. PAT decreased by 5.9% YoY to Rs253mn (Ple: Rs320mn) due to marginal increase in effective tax rate to 25.6%.

**Healthy order book of Rs17.3bn provides strong visibility:** Q1FY26 order intake stood at ~Rs3.7bn (down 13.3% YoY) impacted by global uncertainties delaying order finalizations. Order Book stands at Rs17.3bn (1.0x of TTM revenue) up ~7% YoY.

**Exhibit 1: Adj. PAT down by ~6% YoY to Rs253mn due to marginal increase in effective tax rate and higher employee cost**

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
<b>Revenue</b>	2,817	2,753	2.3%	3,135	-10.2%	5,916	-52.4%	18,973	16,402	15.7%
<b>Gross Profit</b>	1,429	1,407	1.6%	1,561	-8.5%	2,578	-44.6%	9,107	7,753	17.5%
Margin (%)	50.7	51.1	(37)	49.8	92.8	43.6	715	48.0	47.3	73
Employee Cost	504	431	16.9%	467	7.9%	470	7.3%	2,144	1,789	19.8%
as % of sales	17.9	15.7	223	14.9	299.1	7.9	995	11.3	10.9	39
Other expenditure	592	583	1.6%	636	-7.0%	1,011	-41.5%	3,434	3,045	12.8%
as % of sales	21.0	21.2	(16)	20.3	71.5	17.1	392	18.1	18.6	(46)
<b>EBITDA</b>	333	393	-15.2%	458	-27.3%	1,097	-69.6%	3,529	2,919	20.9%
Margin (%)	11.8	14.3	(244)	14.6	(277.9)	18.5	(672)	18.6	17.8	80
Depreciation	75	78	-3.2%	85	-11.8%	71	6.1%	375	291	28.8%
<b>EBIT</b>	258	315	-18.1%	373	-30.8%	1,026	-74.9%	3,154	2,628	20.0%
Margin (%)	9.2	11.4	(229)	11.9	(273.0)	17.3	(819)	16.6	16.0	60
Other Income	84	44	89.2%	55	52.7%	56	49.5%	209	222	-6.2%
Interest	2	0	1900.0%	-	#DIV/O!	3	-23.1%	2	4	-45.8%
<b>PBT (ex. Extra-ordinaries)</b>	340	359	-5.4%	428	-20.5%	1,080	-68.5%	3,361	2,847	18.0%
Margin (%)	12.1	13.1	(99)	13.6	(157.4)	18.3	(618)	17.7	17.4	35
Extraordinary Items	-	-	-	-	-	(39)	-	-	(39)	-
<b>PBT</b>	340	359	-5.4%	428	-20.5%	1,041	-67.4%	3,361	2,808	19.7%
Total Tax	87	90	-3.8%	108	-	241	-63.8%	847	696	21.8%
Effective Tax Rate (%)	25.6	25.2	-	25.2	-	23.1	-	25.2	24.8	-
<b>Reported PAT</b>	253	269	-5.9%	320	-20.9%	801	-68.4%	2,514	2,113	19.0%
<b>Adj. PAT</b>	253	269	-5.9%	320	-20.9%	830	-69.5%	2,514	2,142	17.4%
Margin (%)	9.0	9.8	(79)	10.2	(122.4)	14.0	(504)	13.2	13.1	19
<b>Adj. EPS</b>	3.9	4.2	-5.9%	4.9	-20.9%	12.8	-69.5%	38.8	33.1	17.4%

Source: Company, PL

**Exhibit 2: Compression systems revenue remain flattish to Rs2.5bn with EBIT margin declined by 263bps YoY to 16.5%**

Segment Revenue (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Compression Systems	2,521	2,528	-0.3%	2,885	-12.6%	5,597	-55.0%	17,925	15,403	16.4
Other Non reportable Segments	296	224	31.9%	250	18.4%	319	-7.2%	1,049	999	5.0
<b>Mix (%)</b>										
Compression Systems	89.5	91.8	(235.6)	92.0	(253.4)	94.6	(511)	94.5	93.9	56.2
Other Non reportable Segments	10.5	8.2	235.6	8.0	253.4	5.4	511	5.5	6.1	(56.2)
<b>Segment EBIT (Rs mn)</b>										
Compression Systems	415	483	-14.1%	534	-22.3%	1,190	-65.1%	3,854	3,330	15.7
<b>Segment EBIT Margin (%)</b>										
Compression Systems	16.5	19.1	(263.8)	18.5	-11.0%	21.3	(480)	21.5	21.6	(12.0)

Source: Company, PL

## Conference Call Highlights

- **Guidance:** Despite a subdued quarter, management has reiterated its guidance of achieving ~Rs20bn revenue with an EBITDA margin of ~20% in FY26. For Q2FY26, management expects revenue growth of about 10%, reaching ~Rs5bn.
- During the quarter, the company faced execution delays primarily due to structural supply chain disruptions in Europe, which impacted the availability of Howden compressors and related components and global uncertainty. These challenges are industry-wide as European suppliers manage their internal supply chain issues.
- Management expects the revenue mix between **Equipment and Projects** to shift to ~70%:30%, compared to 60%:40% a year ago. They are also aiming to increase the Equipment share to 80% over the next few years.
- **Air Compression:** For the Air Compression segment, management estimates the addressable market size to be around Rs50–70bn. They expect this segment to contribute ~20% to the overall revenue going forward. The company currently focuses on industrial and specialty screw compressors but does not yet operate in the oil-free screw compressor segment however, it plans to enter this space in the future.
- **Tezcatlipoca** is gaining strong traction beyond its traditional markets of cold chains and ice plants, with increasing demand from industrial refrigeration packages. Management expects to secure its first significant order worth ~Rs1bn in FY26, solely for compressors, with a substantial portion expected to be executed within FY26.
- **Gas Compression** segment continues to face challenges due to delays in decision-making and deferrals of large orders amid ongoing global uncertainties. Management estimates the total addressable market for gas compression, including maintenance, to be approximately Rs30–50bn. In FY25, the company delivered around 200 CNG packages, evenly split between mother and booster stations, and targets ~250 packages in FY26. Management believes natural gas will play a pivotal role in meeting global energy demands and expects the gas segment's contribution to revenue to rise meaningfully, potentially reaching ~45% as the market becomes more structured and organized.
- **Biogas and Hydrogen:** Management noted strong market traction in the biogas segment, with several projects progressing toward finalization. In the hydrogen segment, a few projects have already been commissioned, with compressors sourced from PDC USA and packaging carried out locally. However, execution remains slow due to structural challenges primarily undefined end-use cases for hydrogen. Despite this, overall market activity continues to grow, and the company is currently in the process of finalizing additional orders in both biogas and hydrogen segments.

- **The Refrigeration Compression** market of commercial and Industrial is expected to be ~Rs40-50bn. The segment remained stable during the quarter, supported by strong demand for CO<sub>2</sub> compressors and Khione screw compressors from the cement, dairy, and chemical sectors. However, order finalizations and dispatches for overseas markets were delayed due to global uncertainties, though management expects the situation to improve in the coming quarters.
- **Tyche compressors**, fully developed in-house, are aimed at replacing European imports in commercial refrigeration applications such as cold rooms and ice boxes. Currently, ~2,000 semi-hermetic compressors are imported, and the total market is estimated to be ~Rs30-50bn. Tyche has been soft-launched and is expected to scale up from Q2FY26. The required castings will be supplied from the Nashik plant, currently under trial. To support this scale-up, the company is also developing the Yamus range of specialty motors for Tyche compressors. Management expects demand to improve with the anticipated recovery in the commercial refrigeration market.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>13,226</b>	<b>16,402</b>	<b>18,973</b>	<b>22,394</b>
YoY gr. (%)	6.7	24.0	15.7	18.0
Cost of Goods Sold	7,119	8,649	9,866	11,645
Gross Profit	6,107	7,753	9,107	10,749
Margin (%)	46.2	47.3	48.0	48.0
Employee Cost	1,639	1,789	2,144	2,486
Other Expenses	2,444	3,045	3,434	4,009
<b>EBITDA</b>	<b>2,024</b>	<b>2,919</b>	<b>3,529</b>	<b>4,255</b>
YoY gr. (%)	22.1	44.3	20.9	20.6
Margin (%)	15.3	17.8	18.6	19.0
Depreciation and Amortization	355	291	375	429
<b>EBIT</b>	<b>1,669</b>	<b>2,628</b>	<b>3,154</b>	<b>3,826</b>
Margin (%)	12.6	16.0	16.6	17.1
Net Interest	1	4	2	2
Other Income	194	222	209	224
<b>Profit Before Tax</b>	<b>1,779</b>	<b>2,808</b>	<b>3,361</b>	<b>4,047</b>
Margin (%)	13.4	17.1	17.7	18.1
Total Tax	446	696	847	1,020
Effective tax rate (%)	25.1	24.8	25.2	25.2
<b>Profit after tax</b>	<b>1,333</b>	<b>2,113</b>	<b>2,514</b>	<b>3,027</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,417</b>	<b>2,151</b>	<b>2,514</b>	<b>3,027</b>
YoY gr. (%)	30.5	51.9	16.8	20.4
Margin (%)	10.6	12.9	13.1	13.4
Extra Ord. Income / (Exp)	(84)	(39)	-	-
<b>Reported PAT</b>	<b>1,333</b>	<b>2,113</b>	<b>2,514</b>	<b>3,027</b>
YoY gr. (%)	22.7	58.5	19.0	20.4
Margin (%)	10.1	12.9	13.2	13.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,333	2,113	2,514	3,027
<b>Equity Shares O/s (m)</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>EPS (Rs)</b>	<b>21.8</b>	<b>33.2</b>	<b>38.8</b>	<b>46.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,989</b>	<b>5,115</b>	<b>5,689</b>	<b>6,376</b>
Tangibles	3,755	4,859	5,398	6,049
Intangibles	235	257	292	327
<b>Acc: Dep / Amortization</b>	<b>1,670</b>	<b>1,962</b>	<b>2,337</b>	<b>2,766</b>
Tangibles	1,475	1,743	2,096	2,499
Intangibles	195	219	241	267
<b>Net fixed assets</b>	<b>2,319</b>	<b>3,154</b>	<b>3,352</b>	<b>3,610</b>
Tangibles	2,280	3,115	3,301	3,550
Intangibles	39	38	51	60
Capital Work In Progress	349	213	339	352
Goodwill	-	-	-	-
Non-Current Investments	1,784	1,873	2,214	2,251
Net Deferred tax assets	(180)	(182)	(182)	(182)
Other Non-Current Assets	5	3	4	4
<b>Current Assets</b>				
Investments	3,747	4,804	5,198	6,135
Inventories	2,025	2,154	2,807	3,252
Trade receivables	1,855	2,686	2,700	3,700
Cash & Bank Balance	531	670	1,149	1,427
Other Current Assets	348	551	493	560
<b>Total Assets</b>	<b>13,850</b>	<b>16,472</b>	<b>19,264</b>	<b>22,471</b>
<b>Equity</b>				
Equity Share Capital	130	130	130	130
Other Equity	9,117	10,833	12,649	14,852
<b>Total Networkth</b>	<b>9,246</b>	<b>10,962</b>	<b>12,778</b>	<b>14,982</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	5	6	6	6
Provisions	76	102	129	137
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	3	100	100	100
Trade payables	2,027	2,159	2,911	3,374
Other current liabilities	2,312	2,834	3,032	3,563
<b>Total Equity &amp; Liabilities</b>	<b>13,850</b>	<b>16,472</b>	<b>19,264</b>	<b>22,471</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,779	2,808	3,361	4,047
Add. Depreciation	355	291	375	429
Add. Interest	1	4	2	2
Less Financial Other Income	194	222	209	224
Add. Other	(85)	(73)	-	-
Op. profit before WC changes	2,049	3,031	3,738	4,479
Net Changes-WC	182	(227)	(671)	(614)
Direct tax	(396)	(654)	(847)	(1,020)
<b>Net cash from Op. activities</b>	<b>1,834</b>	<b>2,150</b>	<b>2,220</b>	<b>2,845</b>
Capital expenditures	(698)	(777)	(700)	(700)
Interest / Dividend Income	43	53	-	-
Others	(709)	(829)	(342)	(1,040)
<b>Net Cash from Invt. activities</b>	<b>(1,364)</b>	<b>(1,554)</b>	<b>(1,042)</b>	<b>(1,740)</b>
Issue of share cap. / premium	21	29	-	-
Debt changes	-	1	-	-
Dividend paid	(356)	(486)	(698)	(824)
Interest paid	5	3	(2)	(2)
Others	(3)	(4)	-	-
<b>Net cash from Fin. activities</b>	<b>(333)</b>	<b>(458)</b>	<b>(700)</b>	<b>(826)</b>
<b>Net change in cash</b>	<b>137</b>	<b>138</b>	<b>479</b>	<b>278</b>
Free Cash Flow	1,119	1,370	1,520	2,145

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	21.8	33.2	38.8	46.7
CEPS	27.3	37.7	44.6	53.4
BVPS	142.6	169.1	197.3	231.3
FCF	17.2	21.1	23.5	33.1
DPS	6.5	10.3	12.2	14.7
<b>Return Ratio(%)</b>				
RoCE	18.9	25.2	25.6	26.7
ROIC	27.5	39.8	39.6	42.3
RoE	16.5	21.3	21.2	21.8
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.5)	(0.5)	(0.5)	(0.5)
Net Working Capital (Days)	51	60	50	58
<b>Valuation(x)</b>				
PER	60.2	39.7	33.9	28.1
P/B	9.2	7.8	6.7	5.7
P/CEPS	48.2	34.9	29.5	24.7
EV/EBITDA	40.0	27.4	22.4	18.3
EV/Sales	6.1	4.9	4.2	3.5
Dividend Yield (%)	0.5	0.8	0.9	1.1

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>4,307</b>	<b>3,426</b>	<b>5,916</b>	<b>2,817</b>
YoY gr. (%)	39.6	(30.1)	114.9	(34.6)
Raw Material Expenses	2,197	1,767	3,338	1,388
Gross Profit	2,110	1,659	2,578	1,429
Margin (%)	49.0	48.4	43.6	50.7
<b>EBITDA</b>	<b>936</b>	<b>494</b>	<b>1,097</b>	<b>333</b>
YoY gr. (%)	77.8	(46.0)	179.4	(64.4)
Margin (%)	21.7	14.4	18.5	11.8
Depreciation / Depletion	78	65	71	75
<b>EBIT</b>	<b>858</b>	<b>429</b>	<b>1,026</b>	<b>258</b>
Margin (%)	19.9	12.5	17.3	9.2
Net Interest	-	1	3	2
Other Income	62	60	56	84
<b>Profit before Tax</b>	<b>919</b>	<b>488</b>	<b>1,080</b>	<b>340</b>
Margin (%)	21.3	14.3	18.3	12.1
Total Tax	244	121	241	87
Effective tax rate (%)	26.5	24.7	22.3	25.6
<b>Profit after Tax</b>	<b>675</b>	<b>368</b>	<b>839</b>	<b>253</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>675</b>	<b>368</b>	<b>839</b>	<b>253</b>
YoY gr. (%)	234.6	5.3	22.3	(5.9)
Margin (%)	15.7	10.7	14.2	9.0
Extra Ord. Income / (Exp)	-	-	(39)	-
<b>Reported PAT</b>	<b>675</b>	<b>368</b>	<b>801</b>	<b>253</b>
YoY gr. (%)	234.6	5.3	33.0	(5.9)
Margin (%)	15.7	10.7	13.5	9.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>675</b>	<b>368</b>	<b>801</b>	<b>253</b>
Avg. Shares O/s (m)	65	65	65	65
<b>EPS (Rs)</b>	<b>10.4</b>	<b>5.7</b>	<b>13.0</b>	<b>3.9</b>

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	BUY	1,636	1,412
2	25-Apr-25	BUY	1,636	1,230
3	09-Apr-25	BUY	1,568	1,108
4	19-Mar-25	BUY	1,564	1,148
5	29-Jan-25	BUY	1,564	1,013
6	24-Jan-25	BUY	1,564	1,283

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,840
2	Apar Industries	Accumulate	7,825	8,600
3	BEML	Hold	4,142	4,522
4	Bharat Electronics	Hold	374	422
5	BHEL	Hold	237	258
6	Carborundum Universal	Hold	1,028	994
7	Cummins India	BUY	3,647	3,478
8	Elgi Equipments	Accumulate	559	535
9	Engineers India	Accumulate	250	242
10	GE Vernova T&D India	Accumulate	2,005	2,383
11	Grindwell Norton	Hold	1,739	1,753
12	Harsha Engineers International	Accumulate	398	405
13	Hindustan Aeronautics	Accumulate	5,500	5,003
14	Ingersoll-Rand (India)	BUY	4,522	4,045
15	Kalpataru Projects International	Accumulate	1,268	1,190
16	KEC International	Accumulate	911	878
17	Kirloskar Pneumatic Company	BUY	1,636	1,412
18	Larsen & Toubro	BUY	4,037	3,607
19	Praj Industries	BUY	545	497
20	Siemens	Accumulate	3,497	3,291
21	Thermax	Accumulate	3,629	3,435
22	Triveni Turbine	BUY	772	640
23	Voltamp Transformers	BUY	10,285	9,420

**PL's Recommendation Nomenclature (Absolute Performance)**

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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- MBA Finance, Mr. Hitesh Agarwal- 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](http://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. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- MBA Finance, Mr. Hitesh Agarwal- 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](http://www.plindia.com)**