

April 30, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	545		751	
Sales (Rs. m)	35,506	41,732	42,302	56,529
% Chng.	(16.1)	(26.2)		
EBITDA (Rs. m)	3,515	4,549	4,653	7,179
% Chng.	(24.5)	(36.6)		
EPS (Rs.)	12.8	17.0	17.6	27.9
% Chng.	(27.3)	(39.0)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	34,663	32,280	35,506	41,732
EBITDA (Rs. m)	3,718	3,149	3,515	4,549
Margin (%)	10.7	9.8	9.9	10.9
PAT (Rs. m)	2,834	1,983	2,347	3,131
EPS (Rs.)	15.4	10.8	12.8	17.0
Gr. (%)	18.2	(30.0)	18.4	33.4
DPS (Rs.)	6.0	4.3	5.1	8.2
Yield (%)	1.3	0.9	1.1	1.8
RoE (%)	24.1	14.9	16.1	19.0
RoCE (%)	25.6	15.1	15.7	19.5
EV/Sales (x)	2.3	2.5	2.3	1.9
EV/EBITDA (x)	21.6	25.8	23.0	17.7
PE (x)	29.9	42.8	36.1	27.1
P/BV (x)	6.7	6.1	5.5	4.8

Key Data

PRAJ.BO | PRJ IN

52-W High / Low	Rs.875 / Rs.452
Sensex / Nifty	80,242 / 24,334
Market Cap	Rs.85bn / \$ 1,004m
Shares Outstanding	184m
3M Avg. Daily Value	Rs.510.02m

Shareholding Pattern (%)

Promoter's	32.81
Foreign	18.63
Domestic Institution	18.19
Public & Others	30.37
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(16.9)	(37.6)	(15.8)
Relative	(19.8)	(38.3)	(21.8)

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

Muted quarter; all eyes on GenX scale up

Quick Pointers:

- For FY25, Praj booked scale-up related expenditure of Rs768.1mn for its GenX facility which impacted the profitability.
- Order book stood at Rs42.9bn (1.3x TTM revenue) – 69%/14%/17% in BioEnergy/HiPurity/Engineering and 76%/24% in domestic/exports.

We revise our FY26/27E EPS estimates by -27.3%/-39.0% accounting for delayed order booking for GenX facility and slower execution of long duration engineering orders. The company reported a weak quarterly performance, with revenue declining by 15.6% YoY, while EBITDA margins contracted by 362bps YoY to 8.8%, primarily due to execution delays. Despite near-term headwinds, Praj's growth prospects in BioEnergy remain robust driven by prospective mandates for ethanol blending in petrol to 25%-30% and blending in diesel, along with co-product development opportunities with existing ethanol plants. Innovations in the field of bio-bitumen production as byproduct of CBG and biopolymers will open up new avenues for growth in domestic bioenergy business. Meanwhile, Praj is seeing rising demand for starch-based ethanol plants, particularly from Latin America, is driving bioenergy exports. Praj's GenX facility is now operational and expects to recognize revenue in H2FY26 driving growth for Engineering segment however order booking for GenX will remain key monitorable in H1FY26.

We remain positive on PRJ in the long run given 1) its leadership in domestic ethanol projects (50-55% market share), 2) healthy export outlook in Engineering driven by ETCA, 3) large pipeline in SAF in the US and domestic CBG, 4) focus on new technologies such as 2G ethanol and biopolymers, and 5) improving margins owing to growing share of exports & services. The stock is trading at a P/E of 36.1x/27.1x on FY26/27E earnings. We roll forward to Mar'27 and maintain 'Buy' rating valuing the stock at a PE of 32x Mar'27E (33x Sep'26E earlier) with a revised TP of Rs545 (Rs751 earlier).

Weaker execution in BioEnergy and Engineering led to revenue decline: Consolidated revenue fell 15.6% YoY to Rs8.6bn (PLe: Rs10.2bn). Gross margin expanded by 844bps YoY to 52.1% (PLe: 43.4%) likely due to better sales mix. EBITDA declined 40.3% YoY to Rs754mn (PLe: Rs913mn) while EBITDA margin contracted by 362bps YoY to 8.8% (PLe: 8.9%) as gross margin expansion was offset by higher employee costs (+16.5% YoY) and higher other expenses (+17.1% YoY). Adj. PBT declined 52.6% YoY to Rs583mn (PLe: Rs781mn). Adj. PAT declined 56.7% YoY to Rs398mn (PLe: Rs581mn) as weaker operating performance was further impacted by lower other income (-36.7% YoY) and higher interest expenses (+25.7% YoY).

Strong order intake momentum in BioEnergy and HiPurity: Q4 order inflow grew by 10.7% YoY to Rs10.3bn primarily driven by HiPurity (+100% YoY to Rs929mn) and BioEnergy (+22% YoY to Rs7.3bn) partially offset by lower ordering in Engineering segment (-22% YoY to Rs2.2bn). Domestic/export inflow mix stood at 61%/39% (vs 61%/39% in Q4FY24). Order book stood at Rs42.9bn (1.3x TTM revenue) – 69%/14%/17% in BioEnergy/HiPurity/Engineering and 76%/24% in domestic/exports.

Exhibit 1: Higher mix of exports led to gross margin expansion of 844bps despite lower revenue

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
Revenue	8,597	10,186	-15.6%	10,247	-16.1%	8,530	0.8%	32,280	34,663	-6.9%
Gross Profit	4,477	4,444	0.7%	4,452	0.6%	3,700	21.0%	15,734	15,042	4.6%
Margin (%)	52.1	43.6	844	43.4	862.6	43.4	870	48.7	43.4	535
Employee Cost	954	819	16.5%	892	6.9%	912	4.7%	3,489	3,187	9.5%
as % of sales	11.1	8.0	306	8.7	239.3	10.7	41	10.8	9.2	161
Other expenditure	2,769	2,364	17.1%	2,647	4.6%	2,203	25.7%	9,097	8,136	11.8%
as % of sales	32.2	23.2	900	25.8	637.7	25.8	639	28.2	23.5	471
EBITDA	754	1,262	-40.3%	913	-17.5%	586	28.7%	3,149	3,718	-15.3%
Margin (%)	8.8	12.4	(362)	8.9	(14.4)	6.9	190	9.8	10.7	(97)
Depreciation	224	153	46.4%	224	0.3%	233	-3.6%	864	441	96.2%
EBIT	529	1,109	-52.2%	690	-23.2%	353	50.0%	2,284	3,278	-30.3%
Margin (%)	6.2	10.9	(473)	6.7	(57.0)	4.1	202	7.1	9.5	(238)
Other Income	101	160	-36.7%	138	-26.7%	279	-63.8%	608	595	2.2%
Interest	48	38	25.7%	46	3.6%	44	9.6%	188	98	92.4%
PBT (ex. Extra-ordinaries)	583	1,230	-52.6%	781	-25.4%	588	-1.0%	2,704	3,774	-28.4%
Margin (%)	6.8	12.1	(530)	7.6	(84.7)	6.9	(12)	8.4	10.9	(251)
Extraordinary Items	-	-	-	-	-	-	-	282	-	-
PBT	583	1,230	-52.6%	781	-25.4%	588	-1.0%	2,985	3,774	-20.9%
Total Tax	184	311	-40.7%	200	-	177	4.0%	796	941	-15.4%
Effective Tax Rate (%)	31.6	25.3	-	25.6	-	30.1	-	26.7	24.9	-
Reported PAT	398	919	-56.7%	581	-31.5%	411	-3.1%	2,189	2,834	-22.7%
Adj. PAT	398	919	-56.7%	581	-31.5%	411	-3.1%	1,982	2,833	-30.0%
Margin (%)	4.6	9.0	(439)	5.7	(104.1)	4.8	(19)	6.1	8.2	(203)
Adj. EPS	2.2	5.0	-56.7%	3.2	-31.5%	2.2	-3.1%	10.8	15.4	-30.0%

Source: Company, PL

Exhibit 2: Weaker execution in BioEnergy and Engineering led to revenue decline of 15.6% YoY to Rs8.6bn

Segment Revenue (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
Bio Energy	5,920	6,945	-14.8%	5,905	0.2%	6,230	-5.0%	22,790	25,656	(11.2)
HiPurity	1,210	1,166	3.8%	1,341	-9.8%	740	63.5%	3,110	2,920	6.5
Engineering	1,460	2,071	-29.5%	3,004	-51.4%	1,560	-6.4%	6,370	6,085	4.7
Total	8,590	10,182	-15.6%	10,251	-16.2%	8,530	0.7%	32,270	34,661	(6.9)
Mix (%)										
Bio Energy	68.9	68.2	1.0	57.6	1,123.4	73.0	(417)	70.6	74.0	(4.6)
HiPurity	14.1	11.4	23.0	13.1	98.7	8.7	540	9.6	8.4	14.4
Engineering	17.0	20.3	(16.5)	29.3	(1,233.5)	18.3	(130)	19.7	17.6	12.4
Geographic Revenue (Rs mn)										
Domestic	6,528	7,945	-17.8%	6,905	-5.5%	6,739	-3.1%	24,609	28,018	(12.2)
Export	2,062	2,241	-8.0%	3,343	-38.3%	1,791	15.1%	7,665	6,645	15.3
Total	8,590	10,186	-15.7%	10,248	-16.2%	8,530	0.7%	32,273	34,663	(6.9)
Mix (%)										
Domestic	75.9	78.0	(2.6)	67.4	855.7	79.0	(306)	76.2	80.8	(5.7)
Export	24.0	22.0	9.0	32.6	(864.6)	21.0	298	23.7	19.2	23.9

Source: Company, PL

Conference Call Highlights

- **BioEnergy:** Typically, bioenergy order book has an execution timeframe of 12-15 months. However, ongoing liquidity challenges in the domestic ethanol market has led to extension of execution time from 15 months to 18 months, resulting in lower revenue for the quarter.
- **1G Domestic:** Despite the short-term liquidity challenges in domestic ethanol space, management is optimistic about the future prospects given the prospective mandate for ethanol blending in petrol to the extent of ~25%-30% along with mandate for diesel blending is on the horizon. Furthermore, management believes that there are opportunities for debottlenecking and efficiency improvement of existing Ethanol plants while ethanol manufacturers eye for co-product development which will further enhance their profitability.
- **1G International:** Praj continue to see strong enquiries from Latin American countries such as Brazil, Argentina, Paraguay, Guatemala for starchy feedstock, especially corn, based ethanol plants as these countries are either implementing new or higher mandate for Ethanol blending. Furthermore, 45(Z) draft notification has been issued in North America which will further enhance demand and bolster Praj's position in international markets.
- **CBG:** The domestic CBG space is poised for growth as PSUs and many OMCs are showing interest in setting up CBG plants. During the quarter, Praj signed a contract with BPCL to develop 10 CBG projects under joint venture. Furthermore, mandate for 1% CBG blending in CNG and PNG from FY26 will generate opportunities for Praj in the near term. Praj is also in talks with its CBG customers for the production of Bio-Bitumen from existing CBG plants which will boost the economic viability of CBG projects in India.
- **Developments in the Biopolymers:** Praj entered in partnership with thyssenkrupp Uhde Ltd. to provide end-to-end offerings for polylactic acid production. In the JV, Praj will be responsible for providing the technology while Uhde Ltd. will be responsible for the polymerization process. It has already started jointly pitching their technology to prospective customers and is receiving positive feedback. On the international front, domestic production of biopolymers will help Praj remain cost-competitive in the international markets.
- **Praj GenX facility:** Praj's GenX facility commenced operations and is now approved by 8 key customers with 3 signing long-term agreements for supply. H1FY26 will be order booking phase for the GenX facility while H2FY26 will see a significant portion of revenue booking. The break-even revenue for Praj's GenX facility is estimated to be ~Rs4-4.5bn. Meanwhile, Praj booked scale-up related expenditure of Rs768.1mn for its GenX facility in FY25.
- **USA tariff implications:** Equipment exported by Praj to USA attract a duty of 5-7% which is primarily borne by its customers. Management believes that Praj is more favorably placed in USA compared to competitors from other Asian countries attracting higher reciprocal tariffs. Revenue from USA contributed only 3-4% of Praj's full year revenue and hence any impact from reciprocal tariffs by USA will not be significant.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	34,663	32,280	35,506	41,732
YoY gr. (%)	(1.8)	(6.9)	10.0	17.5
Cost of Goods Sold	19,621	16,546	19,351	22,660
Gross Profit	15,042	15,734	16,155	19,071
Margin (%)	43.4	48.7	45.5	45.7
Employee Cost	3,187	3,489	3,551	3,839
Other Expenses	1,950	9,097	2,521	3,130
EBITDA	3,718	3,149	3,515	4,549
YoY gr. (%)	20.8	(15.3)	11.6	29.4
Margin (%)	10.7	9.8	9.9	10.9
Depreciation and Amortization	441	864	926	955
EBIT	3,278	2,284	2,589	3,594
Margin (%)	9.5	7.1	7.3	8.6
Net Interest	98	188	117	117
Other Income	595	608	657	709
Profit Before Tax	3,775	2,986	3,129	4,186
Margin (%)	10.9	9.2	8.8	10.0
Total Tax	941	796	782	1,055
Effective tax rate (%)	24.9	26.7	25.0	25.2
Profit after tax	2,834	2,189	2,347	3,131
Minority interest	0	0	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,834	1,983	2,347	3,131
YoY gr. (%)	18.2	(30.0)	18.4	33.4
Margin (%)	8.2	6.1	6.6	7.5
Extra Ord. Income / (Exp)	-	206	-	-
Reported PAT	2,834	2,189	2,347	3,131
YoY gr. (%)	18.2	(22.7)	7.2	33.4
Margin (%)	8.2	6.8	6.6	7.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,834	2,189	2,347	3,131
Equity Shares O/s (m)	184	184	184	184
EPS (Rs)	15.4	10.8	12.8	17.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	7,536	8,793	9,643	10,493
Tangibles	7,536	8,793	9,643	10,493
Intangibles	-	-	-	-
Acc: Dep / Amortization	3,464	4,329	5,254	6,209
Tangibles	3,464	4,329	5,254	6,209
Intangibles	-	-	-	-
Net fixed assets	4,072	4,465	4,389	4,284
Tangibles	4,072	4,465	4,389	4,284
Intangibles	-	-	-	-
Capital Work In Progress	1,106	1,384	1,384	1,384
Goodwill	-	-	-	-
Non-Current Investments	1,367	1,104	1,145	1,224
Net Deferred tax assets	78	(30)	(30)	(30)
Other Non-Current Assets	80	88	71	83
Current Assets				
Investments	4,021	3,584	4,083	4,173
Inventories	2,209	2,533	3,307	3,773
Trade receivables	8,360	5,560	8,658	10,061
Cash & Bank Balance	2,127	1,812	1,715	1,932
Other Current Assets	5,370	10,923	7,811	10,016
Total Assets	28,864	31,604	32,741	37,139
Equity				
Equity Share Capital	368	368	368	368
Other Equity	12,377	13,450	15,004	17,196
Total Networth	12,745	13,818	15,371	17,564
Non-Current Liabilities				
Long Term borrowings	1,417	1,503	1,503	1,503
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	276	446	446	446
Trade payables	4,968	4,823	4,864	5,717
Other current liabilities	9,535	10,983	10,525	11,878
Total Equity & Liabilities	28,864	31,604	32,741	37,139

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	3,775	2,986	3,129	4,186
Add. Depreciation	441	864	926	955
Add. Interest	0	4	117	117
Less Financial Other Income	595	608	657	709
Add. Other	(206)	(396)	-	-
Op. profit before WC changes	4,010	3,458	4,172	5,258
Net Changes-WC	(971)	(2,000)	(1,227)	(1,990)
Direct tax	(1,045)	(1,028)	(782)	(1,055)
Net cash from Op. activities	1,994	430	2,162	2,213
Capital expenditures	(885)	(435)	(850)	(850)
Interest / Dividend Income	159	149	-	-
Others	625	998	(499)	(90)
Net Cash from Invst. activities	(101)	712	(1,349)	(940)
Issue of share cap. / premium	9	-	-	-
Debt changes	-	-	-	-
Dividend paid	(827)	(1,102)	(793)	(939)
Interest paid	(94)	(185)	(117)	(117)
Others	(327)	(322)	-	-
Net cash from Fin. activities	(1,239)	(1,608)	(910)	(1,056)
Net change in cash	654	(466)	(97)	217
Free Cash Flow	1,101	(441)	1,312	1,363

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	15.4	10.8	12.8	17.0
CEPS	17.8	15.5	17.8	22.2
BVPS	69.3	75.2	83.6	95.6
FCF	6.0	(2.4)	7.1	7.4
DPS	6.0	4.3	5.1	8.2
Return Ratio(%)				
RoCE	25.6	15.1	15.7	19.5
ROIC	36.9	17.3	18.1	21.8
RoE	24.1	14.9	16.1	19.0
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.3)	(0.2)
Net Working Capital (Days)	59	37	73	71
Valuation(x)				
PER	29.9	42.8	36.1	27.1
P/B	6.7	6.1	5.5	4.8
P/CEPS	25.9	29.8	25.9	20.8
EV/EBITDA	21.6	25.8	23.0	17.7
EV/Sales	2.3	2.5	2.3	1.9
Dividend Yield (%)	1.3	0.9	1.1	1.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	6,991	8,162	8,530	8,597
YoY gr. (%)	(5.1)	(7.5)	2.9	(15.6)
Raw Material Expenses	3,304	4,292	4,831	4,120
Gross Profit	3,688	3,870	3,700	4,477
Margin (%)	52.7	47.4	43.4	52.1
EBITDA	868	941	586	754
YoY gr. (%)	21.7	20.9	(39.3)	(40.3)
Margin (%)	12.4	11.5	6.9	8.8
Depreciation / Depletion	202	206	233	224
EBIT	666	736	353	529
Margin (%)	9.5	9.0	4.1	6.2
Net Interest	49	47	44	48
Other Income	172	56	279	101
Profit before Tax	789	744	588	583
Margin (%)	11.3	9.1	6.9	6.8
Total Tax	229	206	177	184
Effective tax rate (%)	29.0	27.7	30.1	31.6
Profit after Tax	560	538	411	398
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	560	538	411	398
YoY gr. (%)	(4.5)	(13.7)	(41.6)	(56.7)
Margin (%)	8.0	6.6	4.8	4.6
Extra Ord. Income / (Exp)	282	-	-	-
Reported PAT	842	538	411	398
YoY gr. (%)	43.5	(13.7)	(41.6)	(56.7)
Margin (%)	12.0	6.6	4.8	4.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	842	538	411	398
Avg. Shares O/s (m)	184	184	184	184
EPS (Rs)	3.0	2.9	2.2	2.2

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	BUY	751	496
2	24-Mar-25	BUY	751	575
3	01-Feb-25	BUY	751	632
4	09-Jan-25	BUY	804	800
5	29-Oct-24	BUY	804	700
6	07-Oct-24	BUY	804	761
7	28-Jul-24	BUY	804	700
8	08-Jul-24	BUY	815	733
9	14-Jun-24	BUY	815	700
10	31-May-24	BUY	671	522

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,955	5,064
2	Apar Industries	Accumulate	6,287	4,944
3	BEML	Accumulate	3,561	2,875
4	Bharat Electronics	BUY	340	281
5	BHEL	Accumulate	226	211
6	Carborundum Universal	Accumulate	1,052	950
7	Cummins India	BUY	3,309	2,746
8	Elgi Equipments	BUY	517	418
9	Engineers India	BUY	242	164
10	GE Vernova T&D India	Accumulate	1,950	1,304
11	Grindwell Norton	Accumulate	1,716	1,548
12	Harsha Engineers International	Accumulate	440	376
13	Hindustan Aeronautics	Accumulate	4,134	4,042
14	Ingersoll-Rand (India)	BUY	4,540	3,376
15	Kalpataru Projects International	BUY	1,105	876
16	KEC International	Accumulate	801	665
17	Kirloskar Pneumatic Company	BUY	1,636	1,230
18	Larsen & Toubro	BUY	3,920	3,161
19	Praj Industries	BUY	751	496
20	Siemens	Accumulate	3,233	2,763
21	Thermax	Accumulate	3,456	3,222
22	Triveni Turbine	BUY	744	488
23	Voltamp Transformers	BUY	11,437	6,582

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. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- 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. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- 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