

April 25, 2025

Q4FY25 Result Update

☒ Change in Estimates | ☒ Target | ☐ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	3,803		3,689	
Sales (Rs. m)	1,19,066	1,36,517	1,20,033	1,37,385
% Chng.	(0.8)	(0.6)		
EBITDA (Rs. m)	16,942	19,825	16,336	19,385
% Chng.	3.7	2.3		
EPS (Rs.)	90.0	108.6	86.7	105.4
% Chng.	3.8	3.1		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,01,337	1,04,463	1,19,066	1,36,517
EBITDA (Rs. m)	15,468	14,317	16,942	19,825
Margin (%)	15.3	13.7	14.2	14.5
PAT (Rs. m)	10,692	9,609	11,438	13,798
EPS (Rs.)	84.2	75.6	90.0	108.6
Gr. (%)	23.6	(10.1)	19.0	20.6
DPS (Rs.)	30.0	34.0	30.0	30.0
Yield (%)	0.9	1.0	0.9	0.9
RoE (%)	22.5	17.8	18.9	19.9
RoCE (%)	27.6	21.0	22.5	24.1
EV/Sales (x)	4.3	4.2	3.7	3.1
EV/EBITDA (x)	28.1	30.5	25.7	21.5
PE (x)	41.7	46.4	39.0	32.3
P/BV (x)	8.7	7.9	6.9	6.0

Key Data

SUPI.BO | SI IN

52-W High / Low	Rs.6,482 / Rs.3,020
Sensex / Nifty	79,801 / 24,247
Market Cap	Rs.446bn / \$ 5,231m
Shares Outstanding	127m
3M Avg. Daily Value	Rs.879.12m

Shareholding Pattern (%)

Promoter's	48.85
Foreign	22.94
Domestic Institution	13.25
Public & Others	14.96
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.2	(19.7)	(17.4)
Relative	(2.1)	(19.4)	(23.5)

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Rahul Shah

rahulshah@plindia.com | 91-22-66322274

Soft performance, expects volume pickup

Supreme Industries' (SI) Q4FY25 volume growth was 2.3% below with our estimates, due to lower volume in the plastic pipe segment (up 2.2% YoY against our est. of 5%) because of low demand in plumbing and infra segments, delay in ADD on PVC resin resulted de-stocking in the channels. EBITDA margin contracted by 260bps YoY with decrease in EBIT/kg to Rs 13.3 (down 27.8% YoY) in pipe segment mainly due to inventory losses in pipe segment. SI expects topline to reach Rs 12bn by FY26 driven by volume growth of 10-12% in pipe segment with overall EBITDA margin of 14.5-15.5%, also plastic pipe segment capacity to reach 1mn MT by FY26. We estimate FY25-27E revenue/EBITDA/PAT CAGR of 14.3%/17.7%/19.8%, with volume CAGR of 12.4% and EBITDA margin expansion of ~80bps. We have up revised our earnings estimates for FY26/FY27E by 3.8%/3.1% and revised TP to Rs3,803 (Rs3,689 earlier), based on 35x FY27E earnings. Maintain 'Accumulate'.

Revenues remain flat, Adj. PAT declines by 17.2%: Sales remain flat at Rs 30.3bn (PLe: Rs 31.0bn) with vol. increases by 2.3% YoY to 200kMT and realization decline by 1.8% YoY. Plastic Pipe segment revenue down by 3.6% YoY to Rs 20.7bn, packaging revenue up by 11.9% YoY to Rs 4.2bn, industrial revenue down by 1.50% YoY to Rs3.5bn, consumer segment was up by 15.0% YoY to Rs1.4bn. EBITDA decline by 15.2% YoY to Rs 4.1bn (PLe: Rs3.8bn). EBITDA margin was at 13.8% (PLe:12.3%) and EBITDA per Kg reached Rs19.0/kg. In Plastic Pipes/ Packaging/ Industrial/Consumer, EBIT margins contracted by ~320/450/110/75bps YoY to 10.4%/13.5%/10.2%/16.6%.PAT stood to Rs 2.9bn (-17.2%YoY; PLe Rs2.5bn). The overall turnover of value-added products remains at Rs.12.7bn in Q4FY25 as compared to Rs 11.9bn in Q4FY24.

Con call highlights: **1)** SI is targeting a topline of Rs 12bn driven by volume growth of 10–12% in the pipes segment and expects to EBITDA margins of 14.5–15.5%. **2)** The company is aiming to scale its pipe segment capacity to 1mn MT by FY26, along with setting up 5,000 tons of capacity for PVC profile manufacturing. **3)** The SI Plastic Pipe segment faced challenges in FY25 due to reduced government spending on infrastructure, unseasonal rainfall, and volatile PVC Resin prices, which fluctuated 14 times since July '24. While the overall plastic pipe segment volume declined by 6%, SI volume grew by 6%. **4)** The acquisition of Wavin will provide the company exclusive access to Orbia Wavin's advanced piping technologies in India and SAARC countries. It will add 73,000 MTPA capacity across three plants in Banmore, Hyderabad, and Neemrana. **5)** The Composite Cylinder Division had a challenging year, with lower business from M/s Indian. However, new designs for the 14.2 Kg cylinder are in progress, and the division is expanding its customer base in the Middle East and Russia while retaining international clients. **6)** The bathroom fittings division, currently having 729 SKUs, recorded robust 100% growth in FY25. The company aims to expand this to 1,000 SKUs to strengthen its product range. **7)** The protective packaging segment contributed Rs 8.5bn in FY25 and expected to reach Rs 10bn by FY26. **8)** The company operates eight plants, producing HDPE Pipes and Water Tanks to serve markets efficiently, also successfully launched Electrofusion Olefins and compression molded fittings, with 639 products in its portfolio, planning to add 75 in FY26. The company also introduce the PP Silent pipe system. **9)** The CPVC segment volume grew by 21 % in FY25. **10)** In FY26 company plans to invest Rs 11bn in capex. **11)** Company reported an inventory loss of Rs 1500mn and JJM based P&F volume of 18000MT in FY25.

Exhibit 1: Q3FY25 Result Overview: Sales remain flat YoY, adj PAT declines by 17.2% YoY

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	30,271	30,079	0.6	25,099	20.6	1,04,463	1,01,343	3.1
Expenditure								
Operating & Manufacturing Expenses	21,332	20,262	5.3	17,289	23.4	71,465	68,584	4.2
% of Net Sales	70.5	67.4		68.9		68.4	67.7	
Gross Profit	8,939	9,817	(8.9)	7,810	14.5	32,998	32,759	0.7
% of Net Sales	29.5	32.6		31.1	-	31.6	32.3	
Personnel Cost	1,310	1,233	6.3	1,152	13.7	4,873	4,422	10.2
% of Net Sales	4.3	4.1		4.6	-	4.7	4.4	
Other Expenses	2,623	2,815	(6.8)	2,674	(1.9)	13,808	12,864	7.3
% of Net Sales	8.7	9.4		10.7	-	13.2	12.7	
Total Expenditure	26,108	25,172	3.7	22,011	18.6	90,146	85,869	5.0
EBITDA	4,163	4,907	(15.2)	3,088	34.8	14,317	15,473	(7.5)
Margin (%)	13.8	16.3	(2.56)	12.3	-	13.7	15.3	
Other income	125	181	(31.2)	89	39.9	578	657	(12.0)
Depreciation	914	772	18.4	913	0.1	3,586	2,984	20.2
EBIT	3,249	4,135	(21.4)	2,175	49.4	11,309	13,146	(14.0)
Interest	30	77	(61.5)	30	(0.3)	119	161	(26.2)
PBT	3,344	4,239	(21.1)	2,235	49.6	11,190	12,985	(13.8)
Total Taxes	732	1,097	(33.3)	584	25.3	2,782	3,357	(17.1)
ETR (%)	21.9	25.9		26.2	-	24.9	25.8	
Adj. PAT	2,939	3,548	(17.2)	1,870	57.2	8,408	9,629	(12.7)
Share of Profit/(Loss) in Associate	328	407	(19.5)	220	49.2	1,201	1,069	12.4
Reported PAT	2,939	3,548	(17.2)	1,870	57.2	8,408	9,629	(12.7)

Source: Company, PL

Exhibit 2: Segmental Breakup: Pipe revenue down by 3.6% YoY, margins contract ~320bps YoY

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Revenues								
Plastic pipe	20741	21,525	(3.6)	16,649	24.6	70,353	69,316	1.5
Packing Product	4211	3,764	11.9	3,982	5.7	15,873	14,057	12.9
Industrial Product	3464	3,516	(1.48)	3,324	4.2	13,127	13,078	0.4
Consumer Product	1361	1,184	15.0	1,064	27.9	4,436	4,410	0.6
TOTAL	30271	30,079	0.6	25,099	20.6	1,04,463	1,01,343	3.1
EBIT								
Plastic pipe	2159.2	2,926	-26.2	1,377	56.9	7,353	9,002	(18.3)
EBIT margin (%)	10.4	13.6	-3.18	8.3	2.1	10.5	13.0	(2.5)
Packing Product	570.6	678	-15.9	441	29.3	1,846	1,877	(1.6)
EBIT margin (%)	13.5	18.0	-4.47	11.1	2.5	11.6	13.4	(1.7)
Industrial Product	352	395	-11.0	272	29.4	1,101	1,133	(2.9)
EBIT margin (%)	10.2	11.2	-1.08	8.2	2.0	8.4	8.7	(0.3)
Consumer Product	226	205	10.0	169	33.5	723	753	(4.0)
EBIT margin (%)	16.6	17.3	-0.75	15.9	0.7	16.3	17.1	(0.8)
Total	3373.6	4,316	-21.8	2,264	49.0	11,309	13,146	(14.0)
EBIT margin (%)	11.1	14.3	-3.2	9.0	2.1	10.8	13.0	(2.1)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,01,337	1,04,463	1,19,066	1,36,517
YoY gr. (%)	10.1	3.1	14.0	14.7
Cost of Goods Sold	68,584	71,465	81,474	92,832
Gross Profit	32,753	32,998	37,592	43,686
Margin (%)	32.3	31.6	31.6	32.0
Employee Cost	7,715	4,873	5,554	6,553
Other Expenses	4,253	10,384	9,406	10,785
EBITDA	15,468	14,317	16,942	19,825
YoY gr. (%)	28.9	(7.4)	18.3	17.0
Margin (%)	15.3	13.7	14.2	14.5
Depreciation and Amortization	2,984	3,586	3,958	4,245
EBIT	12,484	10,730	12,985	15,580
Margin (%)	12.3	10.3	10.9	11.4
Net Interest	161	119	187	213
Other Income	657	578	630	1,100
Profit Before Tax	12,980	11,190	13,428	16,466
Margin (%)	12.8	10.7	11.3	12.1
Total Tax	3,357	2,782	3,311	4,121
Effective tax rate (%)	25.9	24.9	24.7	25.0
Profit after tax	9,623	8,408	10,117	12,345
Minority interest	-	-	-	-
Share Profit from Associate	1,069	1,201	1,321	1,453
Adjusted PAT	10,692	9,609	11,438	13,798
YoY gr. (%)	23.6	(10.1)	19.0	20.6
Margin (%)	10.6	9.2	9.6	10.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	10,692	9,609	11,438	13,798
YoY gr. (%)	23.6	(10.1)	19.0	20.6
Margin (%)	10.6	9.2	9.6	10.1
Other Comprehensive Income	(74)	-	-	-
Total Comprehensive Income	10,618	9,609	11,438	13,798
Equity Shares O/s (m)	127	127	127	127
EPS (Rs)	84.2	75.6	90.0	108.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	45,918	52,965	62,761	65,541
Tangibles	44,489	51,241	61,037	63,817
Intangibles	1,430	1,724	1,724	1,724
Acc: Dep / Amortization	22,645	26,231	30,189	34,434
Tangibles	22,645	26,231	30,189	34,434
Intangibles	-	-	-	-
Net fixed assets	23,274	26,734	32,572	31,107
Tangibles	21,844	25,010	30,848	29,383
Intangibles	1,430	1,724	1,724	1,724
Capital Work In Progress	1,437	4,026	4,026	4,026
Goodwill	-	-	-	-
Non-Current Investments	6,591	7,276	7,276	7,276
Net Deferred tax assets	(960)	(875)	(875)	(875)
Other Non-Current Assets	1,382	2,583	2,583	2,583
Current Assets				
Investments	-	-	-	-
Inventories	13,586	13,337	15,201	17,429
Trade receivables	5,114	5,401	6,156	7,058
Cash & Bank Balance	11,785	9,441	10,139	20,287
Other Current Assets	2,389	2,881	3,283	3,765
Total Assets	65,557	71,678	81,236	93,531
Equity				
Equity Share Capital	254	254	254	254
Other Equity	50,834	56,350	63,977	73,963
Total Networth	51,088	56,604	64,231	74,217
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	298	380	380	380
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	10,156	8,934	10,183	11,676
Other current liabilities	2,572	4,209	4,797	5,500
Total Equity & Liabilities	65,557	71,678	81,236	93,531

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	14,048	12,390	14,749	17,919
Add. Depreciation	2,984	3,586	3,958	4,245
Add. Interest	161	119	187	213
Less Financial Other Income	657	578	630	1,100
Add. Other	(1,628)	(2,043)	(630)	(1,100)
Op. profit before WC changes	15,565	14,052	18,263	21,277
Net Changes-WC	1,796	(992)	(1,090)	(1,303)
Direct tax	(3,232)	(3,023)	(3,311)	(4,121)
Net cash from Op. activities	14,129	10,037	13,862	15,853
Capital expenditures	(5,493)	(8,904)	(9,796)	(2,780)
Interest / Dividend Income	12	22	630	1,100
Others	(604)	975	-	-
Net Cash from Invst. activities	(6,085)	(7,908)	(9,166)	(1,680)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(3,557)	(4,065)	3,812	3,812
Interest paid	(39)	(57)	187	213
Others	(221)	(279)	-	-
Net cash from Fin. activities	(3,817)	(4,400)	3,998	4,025
Net change in cash	4,227	(2,271)	8,694	18,198
Free Cash Flow	8,636	1,133	4,066	13,073

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	84.2	75.6	90.0	108.6
CEPS	107.6	103.9	121.2	142.0
BVPS	402.1	445.5	505.6	584.2
FCF	68.0	8.9	32.0	102.9
DPS	30.0	34.0	30.0	30.0
Return Ratio(%)				
RoCE	27.6	21.0	22.5	24.1
ROIC	25.9	18.2	19.5	23.9
RoE	22.5	17.8	18.9	19.9
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	31	34	34	34
Valuation(x)				
PER	41.7	46.4	39.0	32.3
P/B	8.7	7.9	6.9	6.0
P/CEPS	32.6	33.8	29.0	24.7
EV/EBITDA	28.1	30.5	25.7	21.5
EV/Sales	4.3	4.2	3.7	3.1
Dividend Yield (%)	0.9	1.0	0.9	0.9

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	26,364	22,730	25,099	30,271
YoY gr. (%)	11.3	(1.5)	2.5	0.6
Raw Material Expenses	17,958	14,886	17,289	21,332
Gross Profit	8,406	7,844	7,810	8,939
Margin (%)	31.9	34.5	31.1	29.5
EBITDA	3,873	3,192	3,088	4,163
YoY gr. (%)	20.4	(10.4)	(18.5)	(15.2)
Margin (%)	14.7	14.0	12.3	13.8
Depreciation / Depletion	860	899	913	914
EBIT	3,013	2,293	2,175	3,249
Margin (%)	11.4	10.1	8.7	10.7
Net Interest	33	26	30	30
Other Income	214	151	89	125
Profit before Tax	3,194	2,417	2,235	3,344
Margin (%)	12.1	10.6	8.9	11.0
Total Tax	836	629	584	732
Effective tax rate (%)	26.2	26.0	26.2	21.9
Profit after Tax	2,358	1,788	1,650	2,612
Minority interest	-	-	-	-
Share Profit from Associates	375	278	220	328
Adjusted PAT	2,734	2,066	1,870	2,939
YoY gr. (%)	26.8	(15.0)	(27.0)	(17.2)
Margin (%)	10.4	9.1	7.4	9.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,734	2,066	1,870	2,939
YoY gr. (%)	26.8	(15.0)	(27.0)	(17.2)
Margin (%)	10.4	9.1	7.4	9.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,734	2,066	1,870	2,939
Avg. Shares O/s (m)	127	127	127	127
EPS (Rs)	21.5	16.3	14.7	23.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Accumulate	3,689	3,112
2	03-Mar-25	Accumulate	3,748	3,533
3	21-Jan-25	BUY	5,040	4,022
4	08-Jan-25	BUY	5,721	4,600
5	23-Oct-24	BUY	5,752	4,593
6	08-Oct-24	Accumulate	6,069	5,433
7	23-Jul-24	Hold	6,069	5,694
8	07-Jul-24	Hold	6,211	6,020
9	27-Apr-24	BUY	5,188	4,338

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,532	1,288
2	Avalon Technologies	Accumulate	900	807
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,456	5,398
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	330	233
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	BUY	966	785
13	Kaynes Technology India	Accumulate	5,528	4,956
14	KEI Industries	BUY	4,278	2,880
15	Polycab India	BUY	7,152	5,286
16	R R Kabel	BUY	1,292	944
17	Supreme Industries	Accumulate	3,689	3,112
18	Syrma SGS Technology	BUY	629	469
19	Voltas	BUY	1,593	1,345

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