

Infra & Construction | Q2FY24 Result Update

Robust quarter; Improvement in execution to continue

- PSPPL reported revenue, EBITDA above estimates, however EBITDA margin and APAT were in line with our estimates.
- PSPPL posted sharp growth of 70.3%/ 91.0%/ 71.9% YoY in revenue/ EBITDA/ APAT to Rs6.1 bn/ Rs737 mn/ Rs394 mn in Q2FY24. EBITDA margin expanded by 132 bps YoY to 12.1% primarily led by lower construction expenses and employee cost which was partly offset by higher raw material costs.
- We expect 21.0%/ 24.7% revenue/ APAT CAGR over FY23-26E, with EBITDA margins of 12.4%/ 12.6%/ 12.6% for FY24E/ FY25E/ FY26E. Our revenue estimate of Rs25.4 bn for FY24E is lower vs. company's guidance of ~Rs26 bn.
- We decrease our EPS estimates by 2.7%/ 7.6% for FY24E/ FY25E factoring lower other income, higher depreciation & finance cost. We introduce FY26E. We maintain BUY, with a revised TP of Rs933 (13x FY26E EPS).

Order book provides 2.9x revenue visibility

PSPPL won orders worth Rs34.2 bn/ Rs10.6 bn (incl. Rs1 bn L1) in FY23/ YTD FY24. The current order book of Rs50 bn (incl. Rs1 bn L1) as on Sep'23 provides revenue visibility for 2.9x TTM revenue. PSPPL has bid pipeline of ~Rs65 bn. It plans to bid for ~Rs48 bn for Delhi railway station redevelopment projects in JV by Nov'23. We estimate order inflow of Rs30 bn (vs. earlier Rs35 bn)/ Rs40 bn/ Rs45 bn for FY24E/ FY25E/ FY26E.

Outlook and Valuation

Given its conservative strategy towards leverage and an efficient capital allocation, PSPPL will continue to remain a net cash company, with negative Net D:E of 0.1x during FY24E-26E. PSPPL will continue to witness superior return ratios (average RoE/ RoCE of 20.5%/ 19.6% during FY24E-26E), led by healthy NPM (7.3%), well-managed lean balance sheet and efficient working capital management. We maintain BUY, with a revised TP of Rs933 (13x FY26E EPS). **Any big order win like Delhi railway station redevelopment projects may lead to re-rating in P/E multiple.**

Q2FY24 Result (Rs Mn)

Particulars	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)
Revenue	6,071	3,566	70.3	5,096	19.2
Total Expense	5,334	3,180	67.7	4,449	19.9
EBITDA	737	386	91.0	646	14.1
Depreciation	144	91	58.5	118	21.2
EBIT	594	295	101.0	528	12.5
Other Income	60	83	(27.6)	57	5.7
Interest	125	70	76.6	91	37.1
EBT	530	308	71.8	494	7.2
Tax	136	79	71.4	127	6.8
RPAT	394	229	71.9	367	7.3
APAT	394	229	71.9	367	7.3
			(bps)		(bps)
Gross Margin (%)	17.9	18.6	(69)	19.8	(197)
EBITDA Margin (%)	12.1	10.8	132	12.7	(54)
NPM (%)	6.5	6.4	6	7.2	(72)
Tax Rate (%)	25.6	25.6	(5)	25.7	(10)
EBIT Margin (%)	9.8	8.3	150	10.4	(58)

CMP	Rs 771
Target / Upside	Rs 933 / 21%
NIFTY	19,133

Scrip Details

Equity / FV	Rs 360mn / Rs 10
Market Cap	Rs 28bn
	USD 337.8mn
52-week High/Low	Rs 846/ 591
Avg. Volume (no)	83,682
Bloom Code	PSPPL IN

Price Performance	1M	3M	12M
Absolute (%)	(3)	0	29
Rel to NIFTY (%)	(4)	0	20

Shareholding Pattern

	Mar'23	Jun'23	Sep'23
Promoters	67.6	66.2	66.2
MF/Banks/FIs	2.6	2.7	2.4
FIs	2.5	4.2	4.2
Public / Others	27.4	26.9	27.2

Valuation (x)

	FY24E	FY25E	FY26E
P/E	15.2	12.3	10.7
EV/EBITDA	8.9	7.3	6.2
ROE (%)	20.6	20.9	19.8
RoACE (%)	20.2	19.4	19.4

Estimates (Rs bn)

	FY24E	FY25E	FY26E
Revenue	25.4	29.9	34.1
EBITDA	3.2	3.8	4.3
PAT	1.8	2.3	2.6
EPS (Rs.)	50.8	62.6	71.7

VP Research: Shravan Shah

Tel: +91 22 40969749

E-mail: shravans@dolatcapital.com

Associate: Shouvik Chakraborty

Tel: +9122 40969751

E-mail: shouvikc@dolatcapital.com

Associate: Prachi Kadam

Tel: +9122 409696772

E-mail: prachik@dolatcapital.com

Exhibit 1: Actual V/s DART estimates (Rs mn)

Particulars (Rs mn)	Actual	DART Est	% Variance	Comments
Revenue	6,071	5,362	13.2	Higher than expected execution
EBITDA	737	642	14.9	Led by better operating performance
EBITDA (%)	12.1	12.0	18 bps	-
APAT	394	376	4.7	Led by better operating performance

Source: Company, DART

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY24E			FY25E			FY26E
	New	Old	Chg. (%)	New	Old	Chg. (%)	Introduced
Net revenues	25,444	24,373	4.4	29,949	30,243	(1.0)	34,139
EBITDA	3,156	3,029	4.2	3,772	3,825	(1.4)	4,301
EBITDA margin (%)	12.4	12.4	(3 bps)	12.6	12.6	(5 bps)	12.6
Adj. Net Profit	1,828	1,879	(2.7)	2,253	2,439	(7.6)	2,582
EPS (Rs)	50.8	52.2	(2.7)	62.6	67.8	(7.6)	71.7

Source: Company, DART

We increase our revenue/ EBITDA estimates by 4.4%/ 4.2% for FY24E factoring H1FY24 execution. For FY25E, we maintain our revenue and EBITDA estimates. We maintain EBITDA margin for FY24E/ FY25E. However, we decrease APAT estimates by 2.7%/ 7.6% for FY24E/ FY25E factoring lower other income, higher depreciation & finance cost. We introduce FY26E estimates.

Earnings Call KTAs

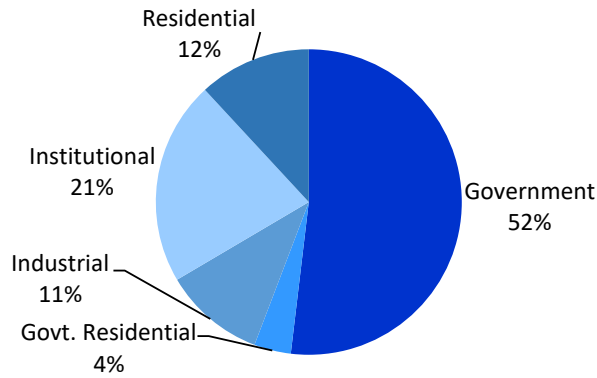
- **Guidance** – After a robust performance in H1FY24 registering 59.1% YoY growth in revenue, company has maintained its revenue guidance of Rs26bn (+34% YoY) for FY24. It has maintained its guidance on EBITDA margin front at 11-13% and order inflow of Rs30 bn for FY24.
- **Order book & Inflow** – PSPPL's Q2FY24 order book stood at Rs48.98 bn (2.1x TTM revenue); currently all projects are under execution. Government projects holds a major chunk of the order book comprising of 52%/ 55%/ 56% in Q2FY24/ Q1FY24/Q4FY23. Order inflow for YTD FY24 stood at Rs10.6 bn (Incl. L1 of Rs1 bn). Company has completed 212 projects so far since its inception (FY08) with 84%/ 16% being Private/ Government projects. As on date, company has 54 on-going projects of which 83%/ 17% are in Gujarat/ UP. Key on-going projects outside Gujarat are 1) EPC projects for Medical Colleges and Hospitals in UP (O/S OB of Rs3.08 bn), 2) Affordable Housing project in UP (O/S OB of Rs1.89 bn).
- **Bid Pipeline** – PSPPL has a bid pipeline of ~Rs65 bn. Major projects under its pipeline are 1) AIMS project in Rewari worth Rs10 bn, 2) Museum project in MP worth Rs10 bn, 3) University project in Baroda worth Rs7.75 bn, 4) University project in Lucknow worth Rs5.25 bn, 5) Dharoi Dam Pkg-2 worth Rs4.21 bn, 6) Commercial building in Delhi worth Rs3.50 bn, 7) Commercial building in Delhi for a developer worth Rs3 bn, 8) University project in Hyderabad worth Rs3.5 bn, 9) Project in Ahmedabad worth Rs3 bn, 10) Project in Ahmedabad worth Rs4 bn, 11) Airport project worth Rs2.37 bn, 12) Industrial project in Gujarat worth Rs1.5 bn, 13) Building worth Rs1.01 bn, 14) Residential facility in Gandhinagar worth Rs1 bn, 15) Other projects worth Rs5 bn. Company has already submitted bids worth >Rs25 bn. Redevelopment of Ahmedabad railway station is no longer part of its bid pipeline as it is won by DRA Infracon. In addition to ~Rs65 bn bid pipeline, company will be bidding for redevelopment of Delhi railway station worth Rs48 bn in JV; bid to be submitted by Nov'23 end.
- **UP medical projects** – Revenue from all UP medical projects stood at Rs2.68 bn in Q2FY24/ Rs1.96 bn in Q1FY24 and Rs11.83 bn till date. Company expects majority of the projects to be completed by FY24E except 1-2 projects which will spill over to Q1FY25. Currently, unbilled revenue for UP projects stand at Rs1 bn.

- **Surat Municipal Corporation (SMC)** – Company is executing SMC project worth Rs13.44 bn (O/S OB value - Rs12.2 bn) which is to be completed in 3 years. Company has booked revenue of Rs1.22 bn in H1FY24 and expects similar run rate to continue in H2FY24.
- **Bhiwandi & Pandharpur project** – For Bhiwandi project, company mentioned that both parties have submitted their claims and it is still in process. And for Pandharpur project, Honourable High Court of Bombay has appointed 2 arbitrators as nominated by each party and the nominated arbitrator has also appointed the presiding arbitrator; hearing to be held in coming months. Company expects the process to conclude within a year.
- **Precast Facility** – With huge requirement visible from infrastructure segment, company expects to cater more demand from this segment. Company has booked revenue of Rs750 mn in Q2FY24 and expects revenue of Rs2.25 bn in FY24. Company has incurred capex of Rs510 mn for precast in H1FY24 and this is sufficient to cater to its clients, hence no further capex is expected to be done in near future.
- **Depreciation** – Increase in depreciation from Rs90 mn in Q1FY24 to Rs140 mn in Q2FY24 is on account of significant additions in fixed assets worth Rs790 mn during the quarter.
- **Interest cost** – Increase in finance cost from Rs70 mn in Q1FY24 to Rs120 mn in Q2FY24 is mainly on account of increase in Short-term borrowings during the quarter. Going forward, company expects Rs100-120 mn/ quarter to be the normal runrate.
- **Other financial assets** – Increase was on account of increase in unbilled revenue of current projects and earlier year carried forward of SPV Surat and Kashi project amounting to Rs530 mn and Rs310 mn respectively; awaiting for the final bill pending certification.
- **Capex** – Company incurred capex of Rs970 mn (Rs510 mn for precast facility) in H1FY24. It maintains its guidance to incur capex of 3-4% of revenue translating to ~Rs1 bn for FY24.
- **WC days** – Debtor days/ Inventory days/ Creditors days stood at 69 days/ 37 days/ 65 days in Q2FY24 vs. 79 days/32 days/ 69 days in Q1FY24 vs. 82 days/ 29 days/ 70 days in Q4FY23 vs. 59 days/ 24 days/ 59 days in Q2FY23. Core WC days at 41 days in Q2FY24 vs. 42 days/ 41 days/ 45 days/ 24 days/ 35 days in Q1FY24/ Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23.
- **Debtors/ Inventory/ Creditors** for Q2FY24 stood at Rs4.6 bn/ Rs2.4 bn/ Rs4.3 bn.
- **Debt** – LT borrowings increased from Rs700 mn in Q4FY23 to Rs810 mn in Q2FY24. ST borrowings increased from Rs750 mn in Q4FY23 to Rs3.19 bn in Q2FY24. Increase in ST borrowings was primarily on account of increase in inventory, capex and other financial assets. As UP projects are expected to be completed by FY24, company expects total debt to reduce by Rs0.6-1 bn by end of FY24 (vs. Rs4 bn as on Q2FY24).
- **Gross Block** stood at Rs5.13 bn and Net Block at Rs3.11 bn; addition of Rs790 mn in H1FY24.
- **Mobilization advance/ Unbilled revenue/ Retention money (current + noncurrent)** stood at Rs2.43 bn/ Rs3.36 bn/ Rs1.71 bn in Q2FY24 vs. Rs2.23bn/ Rs2.61bn/ Rs1.44 bn/ in Q1FY24 vs. Rs2.45 bn / Rs2.57 bn/ Rs 1.35 bn in Q4FY23 vs. Rs1.41 bn/ Rs1.47 bn/ Rs1.21 bn in Q2FY23.
- As on Sep'23, PSPPL has **total FD** of Rs2.81 bn of which Free FD/ FD under lien with bank stands at Rs450 mn/ Rs2.36 bn.
- **Total Fund and Non-Fund based limits** stands at Rs14.97 bn; out of which Rs9.35 bn is the utilized limit (Rs2.1 bn/ Rs7.25 bn is Fund/ Non Fund limit). **Fund and Non-Fund based limits** increased from Rs1.45 bn/ Rs9.02 bn in Jun'23 to Rs2.25 bn/ Rs12.72 bn.

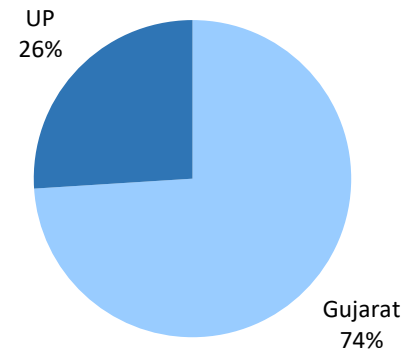
Exhibit 3: Income statement (Standalone)

Particulars (Rs mn)	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	H1FY24	H1FY23	YoY (%)
Revenue	6,071	3,566	70.3	5,096	19.2	11,167	7,018	59.1
(Inc)/dec in stocks & WIP	(542)	(345)	-	(93)	-	(635)	(363)	-
Material consumed	2,648	1,150	130.2	2,024	30.9	4,672	2,188	113.5
Construction exp	2,880	2,099	37.2	2,154	33.7	5,034	3,788	32.9
Employees cost	296	225	31.5	282	4.9	577	443	30.4
Other expenditure	52	51	2.2	83	(36.9)	135	105	28.6
Total expenditure	5,334	3,180	67.7	4,449	19.9	9,783	6,161	58.8
EBITDA	737	386	91.0	646	14.1	1,384	857	61.5
Depreciation	144	91	58.5	118	21.2	262	178	47.4
Operating profit	594	295	101.0	528	12.5	1,122	679	65.1
Other income	60	83	(27.6)	57	5.7	117	140	(15.9)
EBIT	654	379	72.7	585	11.8	1,239	819	51.3
Interest	125	70	76.6	91	37.1	215	126	70.3
Exceptional Items	0	0	-	0	-	0	0	-
EBT	530	308	71.8	494	7.2	1,024	692	47.9
Provision for Tax	136	79	71.4	127	6.8	263	178	47.3
Net income	394	229	71.9	367	7.3	761	514	48.1
Adjustments	0	0	-	0	-	0	0	-
APAT	394	229	71.9	367	7.3	761	514	48.1
EPS (Rs)	10.9	6.4	71.9	10.2	7.3	21.1	14.3	48.1
			<i>bps</i>		<i>bps</i>			<i>bps</i>
EBIDTA Margin (Excl. O.I.)	12.1	10.8	132	12.7	(54)	12.4	12.2	18
EBIDTA Margin (Incl. O.I.)	13.1	13.2	(2)	13.8	(67)	13.4	14.2	(76)
NPM (%)	6.4	6.3	15	7.1	(70)	6.7	7.2	(44)
Tax/PBT (%)	25.6	25.6	(5)	25.7	(10)	25.6	25.7	(10)
Material cons/Revenue (%)	82.1	81.4	69	80.2	197	81.2	80.0	124

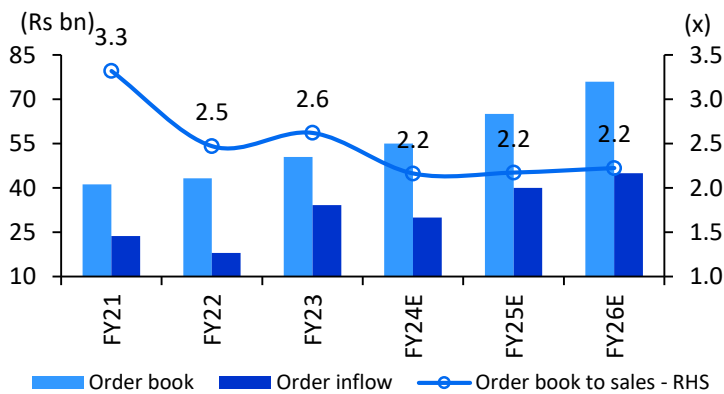
Source: DART, Company

Exhibit 4: Rs49 bn OB break up


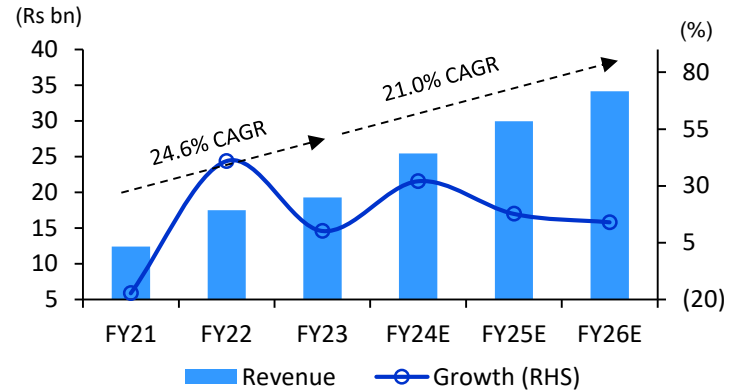
Source: Company, DART

Exhibit 5: Rs49 bn OB geographic break up


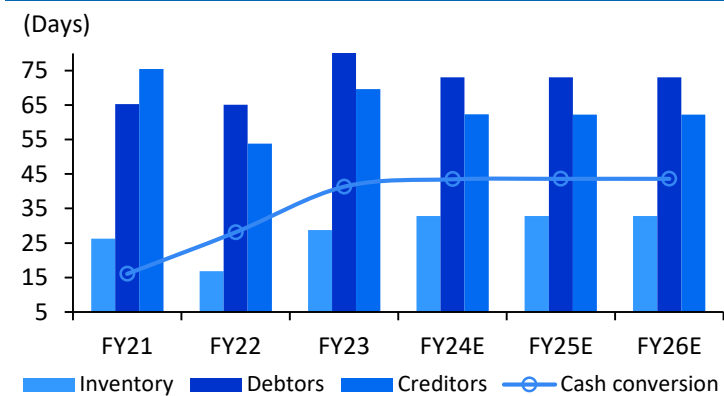
Source: Company, DART

Exhibit 6: Order book trend (Standalone)


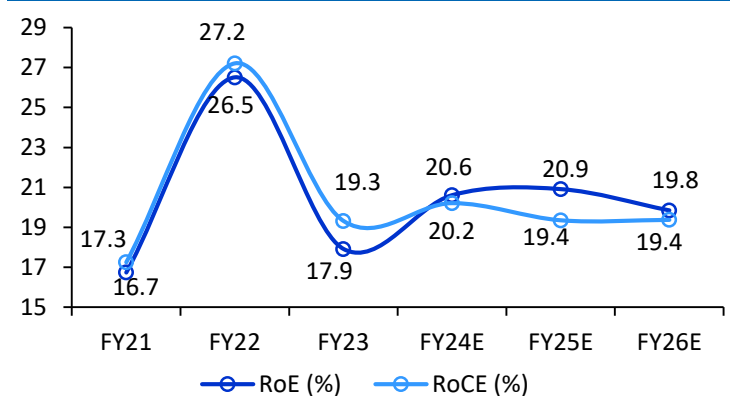
Source: Company, DART

Exhibit 7: 21.0% revenue CAGR over FY23-26E


Source: Company, DART

Exhibit 8: Efficient cash conversion


Source: Company, DART

Exhibit 9: Superior return ratios to continue


Source: Company, DART

Financial Performance

Profit and Loss Account

(Rs Mn)	FY23A	FY24E	FY25E	FY26E
Revenue	19,266	25,444	29,949	34,139
Total Expense	17,016	22,288	26,177	29,839
COGS	15,820	20,788	24,447	27,899
Employees Cost	935	1,187	1,353	1,488
Other expenses	261	314	376	452
EBIDTA	2,250	3,156	3,772	4,301
Depreciation	400	556	689	819
EBIT	1,850	2,600	3,083	3,482
Interest	320	400	350	350
Other Income	271	257	296	340
Exc. / E.O. items	0	0	0	0
EBT	1,801	2,457	3,029	3,472
Tax	471	630	776	890
RPAT	1,330	1,828	2,253	2,582
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
APAT	1,330	1,828	2,253	2,582

Balance Sheet

(Rs Mn)	FY23A	FY24E	FY25E	FY26E
Sources of Funds				
Equity Capital	360	360	360	360
Minority Interest	0	0	0	0
Reserves & Surplus	7,638	9,376	11,449	13,851
Net Worth	7,998	9,736	11,809	14,211
Total Debt	1,450	3,100	2,500	2,000
Net Deferred Tax Liability	(122)	(124)	(126)	(128)
Total Capital Employed	9,326	12,712	14,183	16,083

Applications of Funds

Net Block	2,396	3,017	3,328	3,709
CWIP	177	0	0	0
Investments	7	7	7	7
Current Assets, Loans & Advances	14,860	17,737	20,300	23,140
Inventories	1,516	2,290	2,695	3,073
Receivables	4,342	5,089	5,990	6,828
Cash and Bank Balances	2,421	2,917	2,884	3,297
Loans and Advances	44	111	131	149
Other Current Assets	6,537	7,330	8,601	9,794
Less: Current Liabilities & Provisions	8,114	8,050	9,453	10,774
Payables	3,676	4,346	5,104	5,819
Other Current Liabilities	4,438	3,703	4,348	4,955
<i>sub total</i>				
Net Current Assets	6,746	9,688	10,847	12,367
Total Assets	9,326	12,712	14,183	16,083

E – Estimates

Important Ratios

Particulars	FY23A	FY24E	FY25E	FY26E
(A) Margins (%)				
Gross Profit Margin	17.9	18.3	18.4	18.3
EBIDTA Margin	11.7	12.4	12.6	12.6
EBIT Margin	9.6	10.2	10.3	10.2
Tax rate	26.2	25.6	25.6	25.6
Net Profit Margin	6.9	7.2	7.5	7.6
(B) As Percentage of Net Sales (%)				
COGS	82.1	81.7	81.6	81.7
Employee	4.9	4.7	4.5	4.4
Other	1.4	1.2	1.3	1.3
(C) Measure of Financial Status				
Gross Debt / Equity	0.2	0.3	0.2	0.1
Interest Coverage	5.8	6.5	8.8	9.9
Inventory days	29	33	33	33
Debtors days	82	73	73	73
Average Cost of Debt	26.1	17.6	12.5	15.6
Payable days	70	62	62	62
Working Capital days	128	139	132	132
FA T/O	8.0	8.4	9.0	9.2
(D) Measures of Investment				
AEPS (Rs)	36.9	50.8	62.6	71.7
CEPS (Rs)	48.1	66.2	81.7	94.5
DPS (Rs)	5.0	2.5	5.0	5.0
Dividend Payout (%)	13.5	4.9	8.0	7.0
BVPS (Rs)	222.2	270.4	328.0	394.7
RoANW (%)	17.9	20.6	20.9	19.8
RoACE (%)	19.3	20.2	19.4	19.4
RoAIC (%)	26.0	26.7	24.7	24.3
(E) Valuation Ratios				
CMP (Rs)	771	771	771	771
P/E	20.9	15.2	12.3	10.7
Mcap (Rs Mn)	27,756	27,756	27,756	27,756
MCap/ Sales	1.4	1.1	0.9	0.8
EV	26,785	27,939	27,372	26,459
EV/Sales	1.4	1.1	0.9	0.8
EV/EBITDA	11.9	8.9	7.3	6.2
P/BV	3.5	2.9	2.4	2.0
Dividend Yield (%)	0.6	0.3	0.6	0.6
(F) Growth Rate (%)				
Revenue	10.2	32.1	17.7	14.0
EBITDA	(12.3)	40.3	19.5	14.0
EBIT	(17.6)	40.5	18.6	12.9
PBT	(17.9)	36.4	23.3	14.6
APAT	(18.1)	37.4	23.3	14.6
EPS	(18.1)	37.4	23.3	14.6

E – Estimates

Cash Flow

Particulars	FY23A	FY24E	FY25E	FY26E
Profit before tax	1,801	2,457	3,029	3,472
Depreciation & w.o.	400	556	689	819
Net Interest Exp	(82)	143	54	10
Direct taxes paid	(568)	(632)	(778)	(892)
Change in Working Capital	(1,118)	(2,513)	(1,194)	(1,106)
Non Cash	(3)	68	0	0
(A) CF from Operating Activities	431	79	1,800	2,303
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(788)	(1,000)	(1,000)	(1,200)
Free Cash Flow	(357)	(921)	800	1,103
(Inc.)/ Dec. in Investments	64	0	0	0
Other	647	257	296	340
(B) CF from Investing Activities	(77)	(743)	(704)	(860)
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	453	1,650	(600)	(500)
Interest exp net	(158)	(400)	(350)	(350)
Dividend Paid (Incl. Tax)	(180)	(90)	(180)	(180)
Other	0	0	0	0
(C) CF from Financing	115	1,160	(1,130)	(1,030)
Net Change in Cash	469	496	(34)	414
Opening Cash balances	1,952	2,421	2,917	2,884
Closing Cash balances	2,421	2,917	2,884	3,297

E – Estimates

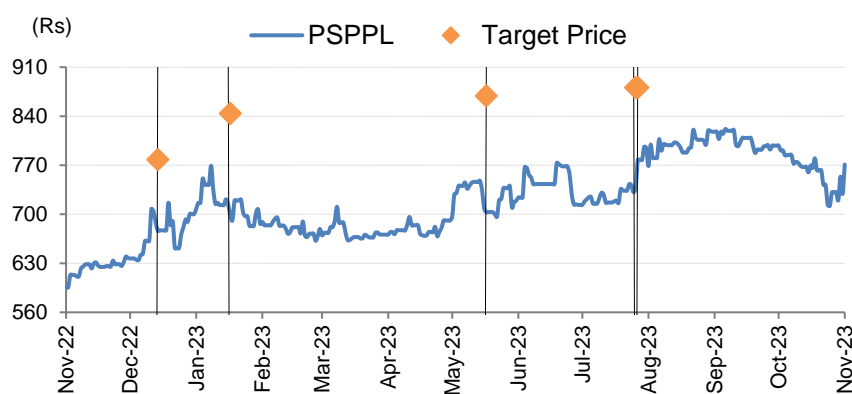
Notes

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Dec-22	BUY	778	677
Jan-23	BUY	844	698
May-23	BUY	869	703
Jul-23	BUY	881	737
Jul-23	BUY	881	778

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
-------------	-------------------	-------------------------	-----------------

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
-------------------	------------------	-----------------------	-----------------

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Naman Midtown, A-1203, 12th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai 400013

Analyst(s) Certification

The research analyst(s), 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 or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), 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 company(ies) mentioned herein 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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited. and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, 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.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
