

November 17, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		HOLD	
Target Price	387		474	
Sales (Rs. m)	22,254	24,532	22,880	25,033
% Chng.	(2.7)	(2.0)		
EBITDA (Rs. m)	3,116	3,778	3,386	3,880
% Chng.	(8.0)	(2.6)		
EPS (Rs.)	8.1	12.3	10.3	13.4
% Chng.	(21.0)	(8.0)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	21,784	19,665	22,254	24,532
EBITDA (Rs. m)	823	(492)	3,116	3,778
Margin (%)	3.8	(2.5)	14.0	15.4
PAT (Rs. m)	(766)	(1,199)	1,154	1,741
EPS (Rs.)	(5.4)	(8.4)	8.1	12.3
Gr. (%)	NA	NA	NA	50.8
DPS (Rs.)	-	-	-	1.0
Yield (%)	-	-	-	0.3
RoE (%)	NA	NA	23.9	28.1
RoCE (%)	NA	NA	14.8	19.3
EV/Sales (x)	2.9	3.3	2.8	2.5
EV/EBITDA (x)	77.3	NA	20.1	16.2
PE (x)	NA	NA	49.0	32.5
P/BV (x)	9.2	13.3	10.5	8.1

Key Data

VIP.IN | VIP IN

52-W High / Low	Rs.524 / Rs.248
Sensex / Nifty	84,563 / 25,910
Market Cap	Rs.57bn / \$ 638m
Shares Outstanding	142m
3M Avg. Daily Value	Rs.215.17m

Shareholding Pattern (%)

Promoter's	49.74
Foreign	6.95
Domestic Institution	16.06
Public & Others	27.27
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.5)	17.9	(14.6)
Relative	(8.3)	13.4	(21.7)

Jinesh Joshi

jineshjoshi@plindia.com | 91-22-66322238

Stuti Beria

stutiberia@plindia.com | 91-22-66322246

Dhvanit Shah

dhvanitshah@plindia.com | 91-22-66322258

A quarter of kitchen sinking

Quick Pointers:

- Adjusting for inventory provision of ~Rs550mn, GM compressed 90 bps YoY to 44.1%.
- Certain non-core assets having a fair value of Rs1,161mn have been identified for an eventual sale.

We cut our FY27E/FY28E EPS estimates by 21%/8% as we fine-tune our revenue and interest assumptions given weak performance in 2QFY26 (Refer section titled "key reasons for change in estimates" for more details). VIP IN reported weak set of results with topline declining 25.3% YoY to Rs4,063mn (PLe Rs4,898mn, CE Rs5,565mn) while GM succumbed to 30.6% amid inventory provision of Rs550mn. Adjusting for the inventory provision, EBITDA loss stood at Rs514mn (PLe Rs88mn; CE Rs321mn) as other expenses continue to remain elevated at Rs1,780mn. VIP IN has been facing problem of slow-moving inventory and provision of ~Rs750mn has been taken in the last 3 quarters. We believe 2HFY26E will be a period of reset and reorganization for VIP IN amid change of guard at top-level. We expect normalization to resume from FY27E with steady state GM/EBITDA margin of 51.5%/14.0% respectively. Consequent to rising challenges on growth & margins we cut our target multiple to 38x (earlier 40x; ~15% discount to SII IN) and retain HOLD on the stock with a TP of Rs387 (earlier Rs474).

Key reasons for change in estimates: In 1HFY26E, top-line was down 18.2% YoY and our implied 2HFY26E ask assumes flattish growth. Given weak performance in 1HFY26 and stiff competition, we cut our top-line estimates by 7%/3%/2% for FY26E/FY27E/FY28E.

Adjusting for inventory provision, GM stood at 48.0%/44.1% in 1QFY26/2QFY26, respectively. For 2HFY26E, we expect GM of 43.9% (assuming no provisions) and expect normalization to resume from next year. Accordingly, we expect GM of 51.5% in FY27E & FY28E. Prior to the discounting led price war, VIP IN's GM stood at 50.0%/51.1%/52.6% in FY22/FY23/FY24 respectively.

In 1HFY26, EBITDA loss stood at Rs817mn and our 2HFY26E ask implies an EBITDA margin of 3.3%. For FY27E/FY28E, we expect EBITDA margin of 14.0%/15.4%, led by improvement in GM and re-alignment in cost structure (other expenses have been marred by discounting and one-offs in the last few quarters).

Debt has increased to Rs4,376mn in 1HFY26 (Rs4,152mn in FY25). Consequently, we do not expect leverage to decline (earlier guidance of Rs1,300mn reduction in FY26E) in FY26E and have re-aligned our interest forecast accordingly. As a result, we expect loss of Rs1,199mn in FY26E (adjusted for inventory provision) and have cut our FY27E/FY28E EPS estimates by 21%/8% respectively. Downward revision in EPS is predominantly driven by cut in revenue estimates amid stiff competition and re-alignment of interest expenses.

Top-line falls by 25.3%: Top-line decreased 25.3% YoY to Rs4,063mn (PLe Rs4,898mn; CE Rs5,565mn). In comparison, SII IN and Samsonite India posted +16.5%/+8.5% YoY topline growth (constant currency) implying significant market share loss for VIP IN as pricing decisions undergo transition.

Adjusted GM at 44.1%: Gross profit declined 49.2% YoY to Rs1,244mn with margin of 30.6% as against a margin of 45.0% in 2QFY25. Steep margin compression was largely driven by an inventory provision of Rs550mn during the quarter. Adjusting for provision, GM stood at 44.1% (PLe of 46.0%). Pertinent to note, VIP IN has been taking provision on slow moving inventory and this is the 3rd consecutive quarter of write down. In 4QFY25/1QFY26/2QFY26, inventory provision of ~Rs52mn/~Rs150mn/~Rs550mn has been taken. Given the quantum of the provision in this quarter, it seems full kitchen sinking of slow-moving inventory could have been done.

Adjusted EBITDA/PAT loss at Rs514mn/Rs925mn: EBITDA loss came in at Rs1,064mn as against an EBITDA loss of Rs22mn in 2QFY26. Adjusting for inventory provision, EBITDA loss stood at Rs514mn (PLe EBITDA Rs88mn, CE of Rs321mn). As for the bottom line, after adjusting for an exceptional income towards insurance claim worth Rs43mn pertaining to fire incident at Bangladesh and adjusting for the inventory provision, loss for the quarter stood at Rs925mn (PLe loss Rs258mn, CE loss of Rs131mn) as compared to a loss of Rs366mn in 2QFY25.

Exhibit 1: Q2FY26 Result Overview - Consolidated (Rs mn)

Y/e March	2QFY26	2QFY25	YoY gr.	1QFY26	QoQ gr.	2QFY26E	Var.	H1FY26	H1FY25	YoY gr.
Net sales	4,063	5,443	-25.3%	5,614	-27.6%	4,898	-17.0%	9,678	11,832	-18.2%
Total raw material cost	2,819	2,992	-5.8%	3,087	-8.7%	2,645	6.6%	5,906	6,542	-9.7%
<i>As a % of sales</i>	<i>69.4%</i>	<i>55.0%</i>		<i>55.0%</i>		<i>54.0%</i>		<i>61.0%</i>	<i>55.3%</i>	
Gross Profit	1,244	2,451	-49.2%	2,527	-50.8%	2,253	-44.8%	3,772	5,289	-28.7%
<i>Gross margin</i>	<i>30.6%</i>	<i>45.0%</i>		<i>45.0%</i>		<i>46.0%</i>		<i>39.0%</i>	<i>44.7%</i>	
Employee expenses	528	577	-8.5%	544	-2.9%	549	-3.7%	1,072	1,166	-8.0%
<i>As a % of sales</i>	<i>13.0%</i>	<i>10.6%</i>		<i>9.7%</i>		<i>11.2%</i>		<i>11.1%</i>	<i>9.9%</i>	
Other expenses	1,780	1,896	-6.1%	1,737	2.5%	1,616	10.1%	3,517	3,652	-3.7%
<i>As a % of sales</i>	<i>43.8%</i>	<i>34.8%</i>		<i>30.9%</i>		<i>33.0%</i>		<i>36.3%</i>	<i>30.9%</i>	
EBITDA	(1,064)	(22)	NM	247	NM	88	NM	(817)	471	NM
<i>EBITDA margin</i>	<i>NM</i>	<i>NM</i>		<i>4.4%</i>		<i>1.8%</i>		<i>NM</i>	<i>4.0%</i>	
Depreciation	330	296	11.6%	316	4.4%	318	3.6%	646	587	9.9%
EBIT	(1,394)	(317)	NM	(69)	NM	(230)	NM	(1,463)	(116)	NM
<i>EBIT margin</i>	<i>NM</i>	<i>NM</i>		<i>NM</i>		<i>NM</i>		<i>NM</i>	<i>NM</i>	
Interest cost	176	201	-12.5%	167	5.6%	140	26.1%	343	386	-11.2%
Other income	107	27	304.9%	46	132.3%	39	173.8%	154	47	225.9%
PBT	(1,463)	(492)	NM	(190)	NM	(331)	NM	(1,652)	(455)	NM
Exceptional items	43	(36)	NM	19	-	-		63	36	74.6%
Tax expenses	12	(126)	NM	(40)	NM	(73)	NM	(27)	(129)	NM
Tax rate	NM	NM		NM		NM		NM	NM	
PAT	(1,431)	(331)	NM	(131)	NM	(258)	NM	(1,562)	(290)	NM
<i>PAT margin</i>	<i>NM</i>	<i>NM</i>		<i>NM</i>		<i>NM</i>		<i>NM</i>	<i>NM</i>	
EPS (Rs)	(10.1)	(2.3)	NM	(0.9)	NM	(1.8)	NM	(11.0)	(2.0)	NM
Adjusted PAT	(925)	(366)	NM	(150)	NM	(258)	NM	(815)	(326)	NM
<i>Adjusted PAT margin</i>	<i>NM</i>	<i>NM</i>		<i>NM</i>		<i>NM</i>		<i>NM</i>	<i>NM</i>	
Adjusted EPS (Rs)	(6.5)	(2.6)	NM	0.8	NM	(1.8)	NM	(5.7)	(2.3)	NM

Source: Company, PL

Exhibit 2: Sales & profitability profile of Bangladesh operations

Particulars (Rs mn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY25	FY26E	FY27E	FY28E
Sales	1,829	2,061	885	612	835	731	1,030	1,079	1,007	3,208	3,785	4,164	4,580
PAT	238	266	(152)	(94)	(24)	24	40	127	(22)	(54)	170	229	275
PAT margin	13.0%	12.9%	NM	NM	NM	3.2%	3.9%	11.8%	-2.2%	NM	4.5%	5.5%	6.0%
Bangladesh's sales a % of total sales	33.5%	37.7%	17.1%	9.6%	15.3%	14.6%	20.8%	19.2%	24.8%	14.7%	19.2%	18.7%	18.7%
Standalone PAT#	(24)	(49)	(106)	45	(385)	(168)	(305)	(233)	(1,390)	(814)			
Standalone PAT margin	NM	NM	NM	0.7%	NM	NM	NM	NM	NM	NM			

Source: Company, PL # PAT for 1QFY23 is adjusted for exceptional items

Exhibit 3: Gross & EBITDA margin trend is volatile due to fluctuation in raw material prices

Particulars	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Gross margin	48.1%	49.4%	57.9%	49.5%	55.5%	55.8%	50.1%	44.3%	45.0%	46.5%	46.9%	45.0%	30.6%
EBITDA margin	13.9%	13.9%	14.3%	12.7%	9.7%	9.6%	1.5%	7.7%	-0.4%	5.7%	1.3%	4.4%	NM

Source: Company, PL

Adjusted GM & EBITDA margin stood at 47.7% & 9.0% respectively in 1QFY26.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	21,784	19,665	22,254	24,532
YoY gr. (%)	(3.0)	(9.7)	13.2	10.2
Cost of Goods Sold	11,847	11,504	10,793	11,898
Gross Profit	9,938	8,161	11,461	12,634
Margin (%)	45.6	41.5	51.5	51.5
Employee Cost	2,253	2,124	2,270	2,453
Other Expenses	6,862	6,529	6,075	6,403
EBITDA	823	(492)	3,116	3,778
YoY gr. (%)	(57.5)	NA	NA	21.3
Margin (%)	3.8	NA	14.0	15.4
Depreciation and Amortization	1,191	1,278	1,358	1,423
EBIT	(368)	(1,770)	1,758	2,355
Margin (%)	NA	NA	7.9	9.6
Net Interest	732	669	478	368
Other Income	109	256	200	245
Profit Before Tax	(912)	(2,163)	1,480	2,232
Margin (%)	NA	NA	6.6	9.1
Total Tax	(224)	(175)	326	491
Effective tax rate (%)	24.6	8.1	22.0	22.0
Profit after tax	(688)	(1,989)	1,154	1,741
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	(766)	(1,199)	1,154	1,741
YoY gr. (%)	NA	NA	NA	50.8
Margin (%)	NA	NA	5.2	7.1
Extra Ord. Income / (Exp)	78	19	-	-
Reported PAT	(688)	(1,989)	1,154	1,741
YoY gr. (%)	NA	NA	NA	50.8
Margin (%)	NA	NA	5.2	7.1
Other Comprehensive Income	(35)	30	-	-
Total Comprehensive Income	(723)	(1,958)	1,154	1,741
Equity Shares O/s (m)	142	142	142	142
EPS (Rs)	(5.4)	(8.4)	8.1	12.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	8,971	10,296	11,721	13,146
Tangibles	8,852	10,152	11,552	12,952
Intangibles	120	145	170	195
Acc: Dep / Amortization	3,904	5,182	6,540	7,963
Tangibles	3,804	5,056	6,387	7,781
Intangibles	100	126	153	181
Net fixed assets	5,067	5,114	5,182	5,184
Tangibles	5,048	5,095	5,165	5,171
Intangibles	19	19	17	13
Capital Work In Progress	180	180	180	180
Goodwill	-	-	-	-
Non-Current Investments	374	310	322	349
Net Deferred tax assets	504	453	408	367
Other Non-Current Assets	323	340	353	364
Current Assets				
Investments	2	2	2	2
Inventories	6,984	5,388	5,000	5,511
Trade receivables	3,683	3,233	3,536	3,764
Cash & Bank Balance	479	232	586	713
Other Current Assets	844	728	801	883
Total Assets	18,564	16,097	16,503	17,465
Equity				
Equity Share Capital	284	284	284	284
Other Equity	5,878	3,962	5,117	6,716
Total Network	6,162	4,246	5,401	7,000
Non-Current Liabilities				
Long Term borrowings	2,746	2,883	3,027	3,179
Provisions	161	138	156	172
Other non current liabilities	1	2	2	2
Current Liabilities				
ST Debt / Current of LT Debt	4,765	4,765	3,515	2,265
Trade payables	3,863	3,340	3,658	4,033
Other current liabilities	857	703	722	790
Total Equity & Liabilities	18,564	16,097	16,503	17,465

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	(912)	(2,183)	1,480	2,232
Add. Depreciation	1,191	1,278	1,358	1,423
Add. Interest	732	669	478	368
Less Financial Other Income	109	256	200	245
Add. Other	53	63	-	-
Op. profit before WC changes	1,064	(173)	3,316	4,023
Net Changes-WC	1,899	1,449	353	(374)
Direct tax	(41)	255	(280)	(450)
Net cash from Op. activities	2,922	1,530	3,388	3,199
Capital expenditures	(412)	(400)	(400)	(400)
Interest / Dividend Income	2	-	-	-
Others	(56)	(847)	(1,049)	(1,064)
Net Cash from Invst. activities	(466)	(1,247)	(1,449)	(1,464)
Issue of share cap. / premium	-	-	-	-
Debt changes	(1,175)	-	(1,250)	(1,250)
Dividend paid	(7)	-	-	(142)
Interest paid	(465)	(669)	(478)	(368)
Others	(863)	137	144	151
Net cash from Fin. activities	(2,511)	(531)	(1,584)	(1,609)
Net change in cash	(55)	(247)	355	127
Free Cash Flow	2,490	1,130	2,988	2,799

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	(5.4)	(8.4)	8.1	12.3
CEPS	3.0	0.6	17.7	22.3
BVPS	43.4	29.9	38.0	49.3
FCF	17.5	8.0	21.0	19.7
DPS	-	-	-	1.0
Return Ratio(%)				
RoCE	NA	NA	14.8	19.3
ROIC	4.4	NA	18.9	21.6
RoE	NA	NA	23.9	28.1
Balance Sheet				
Net Debt : Equity (x)	1.1	1.7	1.1	0.7
Net Working Capital (Days)	114	98	80	78
Valuation(x)				
PER	NA	NA	49.0	32.5
P/B	9.2	13.3	10.5	8.1
P/CEPS	133.3	711.1	22.5	17.9
EV/EBITDA	77.3	NA	20.1	16.2
EV/Sales	2.9	3.3	2.8	2.5
Dividend Yield (%)	-	-	-	0.3

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	5,011	4,942	5,614	4,063
YoY gr. (%)	(8.3)	(4.3)	(12.1)	(25.3)
Raw Material Expenses	2,680	2,625	3,087	2,819
Gross Profit	2,331	2,317	2,527	1,244
Margin (%)	46.5	46.9	45.0	30.6
EBITDA	286	65	247	(1,064)
YoY gr. (%)	(45.2)	(17.0)	(50.0)	4,780.3
Margin (%)	5.7	1.3	4.4	(26.2)
Depreciation / Depletion	300	303	316	330
EBIT	(14)	(238)	(69)	(1,394)
Margin (%)	NA	NA	NA	NA
Net Interest	177	169	167	176
Other Income	25	38	46	107
Profit before Tax	(167)	(326)	(171)	(1,419)
Margin (%)	NA	NA	NA	NA
Total Tax	(43)	(53)	(40)	12
Effective tax rate (%)	25.6	16.2	23.2	(0.9)
Profit after Tax	(124)	(274)	(131)	(1,431)
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	(124)	(316)	110	(925)
YoY gr. (%)	NA	NA	171.5	NA
Margin (%)	NA	NA	2.0	NA
Extra Ord. Income / (Exp)	-	43	19	43
Reported PAT	(124)	(274)	(131)	(1,431)
YoY gr. (%)	NA	NA	NA	NA
Margin (%)	NA	NA	NA	NA
Other Comprehensive Income	28	1	(8)	39
Total Comprehensive Income	(96)	(273)	(139)	(1,393)
Avg. Shares O/s (m)	142	142	142	142
EPS (Rs)	(0.9)	(2.2)	0.8	(6.5)

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	Hold	474	430
2	08-Aug-25	Hold	455	450
3	09-Jul-25	UR	-	422
4	15-May-25	BUY	404	338
5	09-Apr-25	BUY	433	265
6	29-Jan-25	BUY	463	374
7	09-Jan-25	Hold	483	478

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Apeejay Surrendra Park Hotels	BUY	235	143
2	Chalet Hotels	BUY	1,183	960
3	Delhivery	Accumulate	489	443
4	DOMS Industries	BUY	3,085	2,566
5	Imagicaaworld Entertainment	BUY	73	51
6	Indian Railway Catering and Tourism Corporation	BUY	840	710
7	InterGlobe Aviation	BUY	6,332	5,630
8	Lemon Tree Hotels	Hold	174	155
9	Mahindra Logistics	Accumulate	386	344
10	Navneet Education	Reduce	119	148
11	Nazara Technologies	Hold	253	274
12	PVR Inox	Hold	1,211	1,087
13	S Chand and Company	BUY	291	185
14	Safari Industries (India)	BUY	2,570	2,099
15	Samhi Hotels	BUY	305	202
16	TCI Express	Hold	705	634
17	V.I.P. Industries	Hold	474	430
18	Zee Entertainment Enterprises	BUY	161	109

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. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA 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 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. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA 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.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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