ANAND RATHI

ANKIT PANKAJ SHAH

Digitally signed by ANKIT PANKAJ SHAH
Date: 2026.08.24 16:12:08 +05'30'

Annu Projects Limited

24-August-26

Subscribe- Long Term

Ankit Shah
ankitshah1@rathi.com

Issue Details

Issue Details	
Issue Size (Value in ₹`million, Upper Band)	1,750
Fresh Issue (No. of Shares in Lakhs)	177
Offer for Sale (No. of Shares in Lakhs)	0
Bid/Issue opens on	25-Aug-26
Bid/Issue closes on	28-Aug-26
Face Value	Rs. 10
Price Band	94-99
Minimum Lot	151

Objects of the Issue:

- **Fresh Issue: ₹1,750 Million**

- Funding capital expenditure requirements of our Company for purchase of machinery or equipment;
- Funding working capital requirements of our Company; and
- General corporate purposes

Book Running Lead Managers
Mefcom Capital Markets Limited
Registrar to the Offer
KFin Technologies Limited

Capital Structure (₹` Million)	Aggregate Value
Authorised share Capital	700
Subscribed paid up Capital (Pre-Offer)	478
Paid up capital (Post - Offer)	655

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	89%	65%
Public	11%	35%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY26	FY25	FY24
Revenue from operations	**2,412**	**1,801**	**1,540**
Operating Expenses	1,910	1,479	1,255
EBIDTA	**502**	**322**	**285**
Other Income	33	23	14
Depreciation	31	25	20
EBIT	**504**	**320**	**279**
Interest	43	38	36
PBT	**461**	**282**	**243**
Tax Expense	131	71	70
Consolidated PAT	**330**	**211**	**173**
EPS	**5.0**	**3.2**	**2.6**
Ratio	**FY26**	**FY25**	**FY24**
EBITDAM	20.8%	17.9%	18.5%
PATM	13.7%	11.7%	11.2%
Sales growth	33.9%	16.9%	

Company Description

- Established in 2003, Annu Projects Limited is engaged in the design, development, implementation, operations and maintenance of essential overhead and underground utilities infrastructure across telecom infrastructure, sewerage infrastructure vertical, gas pipeline vertical and railway signalling vertical. They are one of the diversified companies in the EPC sector, involved in fields ranging from fiber optics to sewerage projects and also undertakes gas pipeline projects. Over the years they have gained expertise in laying the overhead and underground utilities infrastructure, and have laid (i) more than 26,200 kms of optical fibre cable(s) ("OFC(s)") network and maintenance of more than 62,800 km of OFC networks in telecom infrastructure; (ii) more than 298 kms of sewerage pipes, construction and maintenance of sewerage treatment plant, construction of pumping stations, laying of house service connections in the sewerage infrastructure vertical; and (iii) more than 537 kms of MDPE laying of 20 mm to 125 mm diameter, 38,300 number of Galvanized Iron Pipes ("GI") for domestic gas connections in the gas pipeline vertical across 4 (four) states in India, namely; Bihar, Uttar Pradesh, Odisha, and Jharkhand. Further, except for gas pipeline vertical, they also undertake the operations and maintenance of the projects developed by the company or others for a specific contractual period.
- They maintain their own fleet of plant and machinery which reduces their dependence on third party suppliers for such plant and machinery which enables them in efficient execution. As on June 30, 2026, they owned a fleet of more than 558 machine and equipment (such as horizontal directional drilling machine, excavators, splicing machine, digitrak machine, OTDR machine, HDPE pipe welding machine etc). Their owned fleet of plant and machinery, along with their project management systems, engineering skills and capabilities of their work force, have been instrumental in them winning various infrastructure projects that involve a varying degree of complexity such as geographical and geopolitical challenges. They have relationship with local repair and maintenance workshop to upkeep their equipment, which also result in quick turnaround time in case of any breakdown or major overhaul of their equipment. Through their in-house integrated model, they have developed competencies to deliver a project from conceptualization to completion in a cost-effective manner, achieving a PAT Margin of 13.69% and delivered return on equity of 21.27% in Fiscal 2026. They also typically assign a part of the works to the sub contractors who provide them with manpower along with the equipment support.
- Their business is complemented by their quality and safety standards and processes, as evidenced by their ISO certifications including ISO 9001:2015 and 45001:2018. They are also committed to ensuring compliance with all applicable health and safety regulations, as well as other statutory and regulatory requirements governing their operations. In line with industry practices, they have implemented technological solutions at their project sites and undertake regular monitoring and close supervision to maintain a safe working environment.

- **Valuation**

  Annu Projects Limited, at an implied P/E of **19.6x** on FY2026 earnings at the upper price band. However, the IPO valuation appears **fully priced** at the upper band and hence, we recommend a **"Subscribe – Long Term"** rating to the IPO.

➢ **Description of Business**

- **They currently classify their business majorly under the following four verticals:**

  - **Telecom infrastructure:** In the telecom infrastructure vertical, they are primarily engaged in surveying, designing, and installing cabling and tower infrastructures for communication, automation, and electronic security systems. As part of their offerings, they also undertake the laying of OFC network, both overhead and underground, for telecom operators across India. Majority of their revenue from operations is derived from this vertical. They serve public sector units ("PSUs") and private parties by implementing OFC networks for their telecom networks. Bharat Sanchar Nigam Limited, A2Z Infra Engineering Limited, Bharat Broadband Network Limited, G R Infraprojects Limited and others are some of their customers in telecom infrastructure sector.
  - **Sewerage infrastructure:** Their core activities in this vertical include pipe laying, construction of manholes, construction of sewerage treatment plants, construction of pumping stations, and construction of structural facilities essential for supporting sewerage operations, construction of stormwater drainage systems and screening chambers for combined or sanitary sewers. The sewerage system typically concludes either at the inlet of a sewage treatment facility or at the designated discharge point into the environment. They are one of the key contractors with Sewerage Infrastructure Development Corporation Limited, Madhya Pradesh Urban Development Company Limited, Bihar Urban Infrastructure Development Corporation Limited, and Jharkhand Urban Infrastructure Development Company Limited for their sewerage scheme. The projects under this vertical are funded by World Bank, Asian Development Bank, Central Government, State Government under various scheme of Namami Gange and Swachh Bharat Mission.
  - **Gas pipeline:** We are actively engaged in laying MDPE ranging from 20 mm to 125 mm in diameter, along with 38,300 GI house connections for domestic and commercial gas supply. We have completed projects for Indraprastha Gas Limited, Gujarat Gas Limited and GAIL India Limited. As on June 30, 2026, we are working on 4 (four) projects with GAIL India Limited in Bihar, Jharkhand, Odisha and West Bengal.
  - **Railway signalling:** As part of our continued commitment to innovation and sustainable growth, we are actively exploring strategic opportunities across new transformative sectors such as railway signalling. With the growing emphasis on modernization and safety in railway infrastructure, we recognize the critical role of signalling. In line with this strategy, we have successfully won the bid for our first project in the railway sector for approximate Order Book value of ₹ 113.13 million.

  - The table below sets out the revenue derived from each vertical as per the Restated Financial Information during Fiscals 2026, 2025 and 2024, together with such revenue as a percentage of their revenue from operations from the respective years:

Business Verticals	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	As a % Total Revenue from Operations	Revenue from Operations (₹ million)	As a % Total Revenue from Operations	Revenue from Operations (₹ million)	As a % Total Revenue from Operations
Telecom infrastructure	1,001	42	609	34	813	53
Sewerage infrastructure	1,271	53	1,103	61	594	39
Gas pipeline	97	4	36	2	71	5
Others*	43	2	53	3	63	4
Total	**2,413**	**100**	**1,801**	**100**	**1,540**	**100**

  - They are awarded contracts through a transparent competitive bidding process undertaken by the Central Government or State Government. Additionally, they also execute projects as sub-contractors from various private parties. Over the last 21 Fiscals (as on June 30, 2026), they have completed 362 projects related to their business. As on June 30, 2026, the Company has 23 (twenty-three) ongoing projects with a Total Contract Value of ₹ 19,593.48 million, out of which, 4 (four) comprised of telecom infrastructure, 14 (fourteen) comprised of sewerage infrastructure, 4 (four) comprised of gas pipeline and 1 (one) comprised of railway signalling vertical, with a contract value of ₹ 14,815.78 million, ₹ 4,517.78 million, ₹ 126.43 million and ₹ 133.49 million, respectively. As on June 30, 2026, out of total Basic Contract Value of ₹ 16,814.91 million, they have completed work amounting to ₹ 6,764.36 million and their outstanding Order Book is of ₹ 10,050.55 million. 'Order Book' for the purposes of this Red Herring Prospectus would mean, the contract value of projects for which the Company has entered into direct contracts and sub-contracts minus the revenue already recognized from such projects.
  - A break-up of the Company's Order Book as on June 30, 2026, on account of their business verticals are as follows:

Business vertical	No. of projects	Total contract value (₹ mn)	Total basic contract value (₹ mn)	Order book value (₹ mn)	Order book (%)
Telecom infrastructure	4	14,816	12,627	8,333	83%
Sewerage infrastructure	14	4,518	3,967	1,504	15%
Gas pipeline	4	126	107	101	1%
Railway signalling	1	134	113	113	1%
Total	**23**	**19,594**	**16,815**	**10,051**	**100%**

  - While majority of their projects are on direct contract or sub-contract basis, they also form project specific joint venture or consortium agreements for certain projects including the telecom infrastructure and sewerage infrastructure projects, which are undertaken by the Company in collaboration with other infrastructure and construction entities. In particular, based on the specific eligibility requirements for certain projects, including inter alia requirements relating to specific types of experience and financial resources, they enter into such joint venture or consortium agreements with other infrastructure and construction entities, as the case may be to participate or bid in tenders for such projects.

➢ **Strengths:**

- **Established expertise in engineering, procurement and commissioning projects with special focus on underground and overhead utilities infrastructure:**

  - Leveraging their expertise of over two decades, they have developed project execution proficiency and have diversified revenue generation capabilities from the telecom infrastructure, sewerage infrastructure and gas pipeline verticals. They have been able to achieve this through their engineering capabilities by leveraging their in-house design and engineering team which comprises of qualified engineers and technicians. As on June 30, 2026, they own a fleet of more than 558 plant and machinery (such as horizontal directional drilling machine, excavators, splicing machine, digitrak machine, OTDR machine, HDPE pipe welding machine etc. This fleet of plant and machinery enables them to execute projects efficiently while maintaining control over quality. Additionally, their fleet of plant and machinery, along with their project management and engineering skills and capabilities of their work force, have been instrumental in them bagging various infrastructure projects that involve a varying degree of complexity such as geographical and geopolitical challenges. Since incorporation they have completed projects in the States of Bihar, Jharkhand, Gujarat, Goa, Haryana, Madhya Pradesh, Odisha, Mizoram (The project was short closed), Uttar Pradesh, West Bengal and a Union Territory i.e., Delhi. As on June 30, 2026, their Order Book was of ₹ 10,050.55 million. They serve some of the recognized customers such as Bharat Sanchar Nigam Limited, Madhya Pradesh Urban Development Company Limited, Bihar Urban Infrastructure Development Corporation Limited and Jharkhand Urban Infrastructure Development Company Limited, which require specified engineering standards, product quality and expertise.
  - The details of number of projects executed by them and the revenue from operation from such projects during the period as indicated below are as follows:

Business Vertical	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	No. of Projects	Revenue (₹ mn)	No. of Projects	Revenue (₹ mn)	No. of Projects	Revenue (₹ mn)
Telecom infrastructure	10	1,001	9	609	10	813
Sewerage infrastructure	18	1,271	15	1,103	16	594
Gas pipeline	15	97	11	36	9	71

  - Their commitment to problem-solving has allowed them to execute complex projects. For example, they executed installation of overhead and underground OFC network in high altitude areas with elevations ranging from 8,000 feet to 15,000 feet in East Sikkim Area (Thegu, Nathula, Kupup etc.) for G R Infraprojects Limited ("NFS Project") where they encountered several challenges arising from the region's rugged mountainous terrain, frequent landslides, and adverse weather conditions, all of which constrained the working season. The limited accessibility to remote project sites led to higher logistics costs and complicated the transportation of materials and equipment. Moreover, securing environmental and forest clearances proved to be a lengthy process due to the ecological sensitivity of the area. The shortage of skilled local labour also required them to mobilize workforce from other regions, adding to operational complexities. Additionally, the high geological risk in the area, coupled with a constrained timeline, significantly increased the technical complexity and overall project costs. They successfully contributed to the rollout of nearly 6,000 km of OFC network across five (5) Indian States, namely, West Bengal, Sikkim, Bihar, Jharkhand, and Odisha and the Union Territory of Andaman & Nicobar Islands. The NFS Project spanned across diverse geographical terrains, including coastal regions, mountainous landscapes, and varied soil conditions ranging from loose earth and murrum to hard rock.
  - The Company has established capabilities in telecom infrastructure deployment, restoration and network operations across multiple states in India. It has executed OFC network installation works in the high-altitude regions of East Sikkim under the Network for Spectrum ("NFS") Project and contributed to the rollout of approximately 6,000 km of OFC network across six geographies. Furthermore, the Company has also restored approximately 1,200 km of OFC network under the NFS Project and approximately 2,732 km under BharatNet Phase I. Further, it executed the BharatNet Phase II Project in Bihar involving installation of approximately 3,500 km of OFC and connectivity to 1,007 Gram Panchayats. The Company currently undertakes operation and maintenance of extensive OFC networks in Bihar, Jharkhand and Kerala, including support for broadband connectivity infrastructure and network operations.
  - Additionally, the Company has laid over 537 km of MDPE pipelines and executed more than 38,300 GI service connections for domestic and commercial gas consumers across Bihar, Uttar Pradesh, Odisha, and Jharkhand, demonstrating its experience in the execution of city gas distribution infrastructure projects. With their experience in managing infrastructure projects, they have developed deep insights into project risks, regulatory requirements, and operational challenges. This expertise enables them to adopt a strategic approach for bidding, ensuring competitive yet viable proposals. Their proficiency in contract management helps them to mitigate potential risks, and their project execution capabilities ensure timely and cost-effective delivery. They prioritize ongoing collaboration with their suppliers and sub-contractors to promoter mutual efficiency and high standards of quality. Through their operational capabilities and commitment, they continue to drive the successful execution of projects.

- **Project management with integrated execution capabilities:**

  - Their growth is attributable to their business model of careful selection and execution of their projects. This model has facilitated optimum efficiency and improved profitability over the years. They have implemented project management skills for planning, monitoring, and execution, which enhance resource optimization and cost control. Owning and maintaining a modern equipment fleet and use of technology for their projects ensures better control over execution in terms of cost and quality. Their project execution capabilities are further strengthened by their team of experienced personnel, who bring industry-specific expertise and technical proficiency, enabling them to navigate complex project requirements efficiently. Additionally, they have established relationships with local partners and vendors, which provide them with logistical advantages, better access to resources, and deeper market insights.
  - **In-house capabilities for fostering design and engineering:** They have engineers across various verticals to oversee project execution. For most projects, they receive the design and layout plan as part of the tender documents. However, subject to necessary approvals from the competent authority of the project they have the flexibility to modify the design for better technical solutions and cost optimization. Such modifications are undertaken by the respective vertical heads, leveraging their expertise in design adjustments. While they do not have a dedicated department for

this function their team of experienced personnel focusses on design capabilities for geographical complexities and critical aspects of the projects they undertake. Their on-board engineers bring expertise in delivering customized engineering solutions, with a focus on compliance with tender specifications and project-specific requirements. Their involvement strengthens their ability to offer tailored solutions across network design, engineering planning, project management, and technical consultation. Their team's knowledge and experience ensure quality outcomes, timely delivery, and strict adherence to regulatory and customer defined parameters. With this addition, they reinforce their commitment to delivering technically sound, efficient, and compliant engineering solutions, further strengthening their position as a reliable partner in the infrastructure sector.

- **Selective Equipment Ownership:** The ownership of equipment provides them with a competitive advantage, allowing them to utilize their plant and machinery at their optimal levels, reduce dependency on third party vendors and thereby avoiding the contractual risks and uncertainties associated in case of lease of equipment from third party suppliers which leads to reduction in their expenses. They have own plant and machinery, which meet most of the requirements for their present projects. Their owned equipment fleet ranges from electronic equipment like splicer machine, digitrack, optical time domain (OTDR) reflectometer to heavy machineries and equipment such as HDD machines, excavators machine etc. Ready access and high availability of their modern equipment fleet also enables them to deploy such equipment flexibly as per the schedule at specific projects, as opposed to the delays associated with returning and replacing leased equipment sourced from third party. They do not currently operate an in-house repair and maintenance workshop for the upkeep of their equipment. However, they ensure that all plant and machinery are maintained in optimal working condition through regular repairs and maintenance services provided by external service providers. Additionally, they undertake the repair and maintenance of their plant and machinery through third parties wherein they have entered into contracts for repairs and replacement with third parties and maintain their horizontal directional drilling machines through their group company i.e. Terragon Techno Machines Private Limited. As on June 30, 2026, they owned a fleet of 558 machinery and equipment such as horizontal directional drilling machine, excavators, splicing machine, digitrak machine, OTDR machine, HDPE pipe welding machine etc, this enables them to undertake multiple projects simultaneously without having to compromise on the quality in any of the projects.
- **Quality control and assurance framework:** They follow a structured approach to project execution which reflects their focus on efficiency and adherence to tender specifications. They ensure that all materials used in their projects meet the technical and quality standards prescribed in the tender documents and undergo rigorous quality checks aligned with industry norms. Every project is executed as per the defined specifications of the tender, and prior to handover, a comprehensive quality inspection is conducted as per the acceptance testing schedule. In line with their quality assurance and quality control policy, they are committed to maintaining the highest standards of quality across all stages of project execution, from procurement of materials for the project to final delivery of the project. This systematic approach to quality and compliance enables them to minimize errors, maintain consistency in execution, and ensure customer satisfaction. Their adherence to quality assurance practices has been their core strength to build trust with their customers.
- **Adoption and use of technology:** They continuously strive to adopt new technologies and have incorporated certain technical systems, which assist in efficient and timely execution of their projects. For the execution of telecom infrastructure, sewerage infrastructure, and gas pipeline projects, they adopt a technology-driven strategy centred around the use of trenchless methodology, specifically horizontal directional drilling machine. This approach enables efficient underground installation with minimal surface disruption. As of June 30, 2026, they have utilized splicing machines for the OFC slicing operations, which have been sourced source from China and from their group company. With an in-house inventory of 204 splicing machines as on June 30, 2026, they are equipped to ensure high-quality cable splicing operations. The use of trenchless technology not only minimizes environmental and urban disruption but also contributes to faster execution and greater operational efficiency. This equipment-backed execution capability, coupled with their technical expertise, supports the delivery of complex infrastructure projects with a focus on quality, speed, and reliability across telecom infrastructure, sewerage infrastructure, and gas pipeline verticals.

- **<u>Strong Order Book:</u>**

  - They are one of the diversified companies in the EPC sector, involved in fields ranging from fiber optics to sewerage projects and also undertakes gas pipeline projects. In the industry where they operate, the Order Book is commonly recognized as a vital indicator of future business performance. Alongside maintaining a robust Order Book, they prioritize securing notable projects that offer the potential for attractive margins or carry considerable prestige, thereby further strengthening their corporate reputation. By broadening both their specialized expertise and their diversified Order Book across multiple sectors, they are able to target a broader array of lucrative project tenders. This strategic diversification enables them to maximize their overall business volume and significantly enhance their profit margins.
  - The Company has worked for major telecom operators in India with expertise in OFC laying and tower erection and equipment installation and commissioning. Additionally, they have also been engaged in providing operations and maintenance services to the OFC network and telecom equipment. Further, in addition to their expertise in the telecom infrastructure vertical, they have also built significant experience in executing projects in the sewerage vertical and gas pipeline vertical. In the sewerage infrastructure vertical, they are involved in activities such as pipe laying, manhole construction, and setting up sewage treatment plants. Whereas in the gas pipeline vertical, their work includes laying pipelines and constructing supporting infrastructure.
  - Owing to their growing expertise across these infrastructure verticals, supported by a strong Order Book, strengthens their ability to deliver complex projects efficiently and meet the evolving requirements of their customers. As on June 30, 2026, the Company has 23 ongoing projects with an aggregate Order Book value of ₹ 10,050.55 million. Additionally, the Company had an Order Book of ₹ 9,386.53 million, ₹ 4,796.73 million and ₹ 7,077.65 million during Fiscals 2026, 2025, and 2024, respectively with a Book-to-Bill Ratio of 3.89 times, 2.66 times and 4.60 times during the respective periods. Further, the details of bids submitted, and projects awarded to them are as follows:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Bids submitted (nos.)	15	15	5
Projects awarded (nos.)	5	8	1
Bid to Win Ratio (%)	33%	53%	20%

  - Further, as on June 30, 2026, ongoing projects being implemented by them either directly or through sub-contract basis and their Company`s share in the Total Contract Value comprises of ₹ 10,050.55 million, out of which ₹ 8,332.84 million, ₹ 1,503.60 million, ₹ 100.98 million and ₹ 113.13 million, were in relation to telecom infrastructure, sewerage infrastructure, gas pipeline and railway signalling vertical, respectively. The

details of the Total Contract Value of completed projects, along with the Total Contract Value and Order Book value of ongoing projects, as on June 30, 2026, across their business verticals, are as follows:

Business Vertical	Completed Projects (Nos.)	Completed Projects – Total Contract Value (₹ mn)	Ongoing Projects (Nos.)	Ongoing Projects – Total Contract Value (₹ mn)	Order Book Value (₹ mn)
Telecom infrastructure – Government customer	17	2,950	1	5	4
Telecom infrastructure – Private customer	292	5,522	3	14,811	8,329
Telecom infrastructure – Total (A)	**309**	**8,472**	**4**	**14,816**	**8,333**
Sewerage infrastructure – Government customer	17	3,552	14	4,518	1,504
Sewerage infrastructure – Private customer	3	87	–	–	–
Sewerage infrastructure – Total (B)	**20**	**3,639**	**14**	**4,518**	**1,504**
Gas pipeline (C)	33	685	4	126	1001
Railway signalling (D)	–	–	1	134	113
Total (A+B+C+D)	**362**	**12,796**	**23**	**19,594**	**10,051**

- Additionally, as part of their continued focus on telecom infrastructure, the Company had submitted consortium bid for 16 packages for BharatNet Phase III. BharatNet project is being implemented by BBNL (Bharat Broadband Network) for connecting approximately 2.64 lakh Gram Panchayats of the country for providing broadband access to rural India. Under BharatNet, the connectivity is being provided, primarily by laying of Optical Fibre Cable (OFC), in the middle mile between Block and the Gram Panchayats. BharatNet Phase III is a critical extension of the BharatNet project, which aims to provide high-speed broadband connectivity to rural and remote areas across India. The primary goal is to enhance digital access, foster economic growth, and bridge the digital divide. Out of the 16 packages, the Company has emerged as the L1 bidder in consortium with G R Infraprojects Limited and SRIT India Private Limited for Package No. 16 in Kerala, under the BharatNet Phase-III project ("Project") vide letter of intent dated May 20, 2025. Furthermore, the Company will be responsible for executing all OFC infrastructure-related activities and providing maintenance services under the said Project, which are estimated to be around ₹ 9,185.50 million (including GST). The award of this contract further reinforces their domain expertise and strengthens their visibility in the telecom infrastructure space.
- Continuous project addition is essential for the Company to provide revenue visibility in future. They have grown steadily over the years and have adopted systematic approach in execution activities. They believe that consistent receipt of orders has materialized due to their continued focus on their ability to successfully bid and win new projects. The optimum utilisation of resources, technical capabilities, price competitiveness and systematic execution approach of their projects provide them a competitive edge to enable them to successfully bid and win new projects. The strong Order Book provides clear visibility into their future revenue streams. This predictability allows for better financial planning, budgeting and resource allocation.

➢ **Key Strategies:**

- **Strengthening their presence and expand into new geographies across India:**

  - They constantly seek to enhance their addressable markets within India through delivery of their services from their office located at Delhi, Kolkata, Goa, Siliguri, Muzaffarpur, Patna, Bhubaneshwar, Ranchi, Gangtok, Andaman and Nicobar Islands and Bhopal. They intend to continue to cater to their customers in other parts of India in order to increase their market share. They are exploring opportunities to expand their operations to new geographies accordingly they submitted consortium bid for 16 packages for BharatNet Phase III. BharatNet project is being implemented by BBNL (Bharat Broadband Network) for connecting approximately 2.64 lakh Gram Panchayats of the country for providing broadband access to rural India. Under BharatNet, the connectivity is being provided, primarily by laying of Optical Fibre Cable (OFC), in the middle mile between Block and the Gram Panchayats. BharatNet Phase III is a critical extension of the BharatNet project which aims to provide high-speed broadband connectivity to rural and remote areas across India. The primary goal is to enhance digital access, foster economic growth, and bridge the digital divide.
  - Out of the 16 packages, the Company has emerged as the L1 bidder in consortium with G R Infraprojects Limited and SRIT India Private Limited for Package No. 16 in Kerala, under the BharatNet Phase-III project ("Project") vide letter of intent dated May 20, 2025. Furthermore, the Company will be responsible for executing all OFC infrastructure-related activities and providing maintenance services under the said Project, which are estimated to be around ₹ 9,185.50 million (including GST), representing approximately 81.00% of the Total Contract Value. They plan to leverage their market presence and execution capabilities to attract new customers and secure additional projects across diverse locations. They are also evaluating possibilities of entering into partnerships with local entities to better understand and penetrate newer domestic markets.
  - As part of their expansion strategy, they are assessing target geographies where their services are relevant and in demand. They plan to adopt a phased approach for international operations, which may include market research, forming alliances or joint ventures with local partners, and establishing representative offices to build local relationships and manage execution efficiently. Additionally, they intend to provide their services not only to government and public sector customers but also to private players by leveraging their experience and capabilities in delivering quality infrastructure solutions.

- **Leveraging core competencies in project execution and expand into other verticals within the infrastructure development spaces:**

- The Engineering, Procurement, and Construction (EPC) industry in India is a cornerstone of the nation's infrastructure development, playing a key role in sectors such as energy, transportation, water management, and industrial projects. While they continue to focus on telecom infrastructure sector projects as part of their growth strategy, they intend to diversify into and will continue to bid for projects related to the gas pipeline and sewerage infrastructure. They think that diversifying into new functional areas will help them strengthen their position in the infrastructure industry and fully utilize their expertise in managing such projects. Additionally, this will enable them to build expertise in these fields and position themselves for future, strategic expansion in these fields. As on June 30, 2026, the Company has executed various projects in the States of Bihar, Jharkhand, Delhi, Gujarat, Goa, Haryana, Madhya Pradesh, Odisha, Mizoram (The project was short closed), Uttar Pradesh, West Bengal. They have 23 ongoing projects with a total basic contract value ₹ 16,814.91 million, which includes projects in telecom infrastructure, sewerage infrastructure, gas pipeline and railway signalling vertical on direct/ sub-contract basis.
- As part of their continued commitment to innovation and sustainable growth, they are actively exploring strategic opportunities across multiple transformative sectors such as railway signalling. With the growing emphasis on modernization and safety in railway infrastructure, they recognize the critical role of signalling in railways. In line with this strategy, and to diversify their project portfolio, they have, for the first time recently, participated in bid for project in the railway sector, which was duly allotted to them.

- **Continue to focus on efficient cost management in relation to project execution:**

- They remain committed to maintaining cost efficiency throughout project execution. Cost management plays a vital role in their project execution strategy. By implementing budgeting, closely monitoring expenditures, and optimizing resource allocation, they ensure that each phase of the project is delivered within budget without compromising on quality. They engage with a diverse and reliable network of vendors, which enables them to flexibly scale their resources based on project requirements and utilize their assets optimally. During project monitoring reviews, they closely track their progress and assess overall project budgets to ensure financial discipline and alignment with cost objectives.

➢ **Industry Snapshot*:***

- **Overview: EPC Services & Advantages**

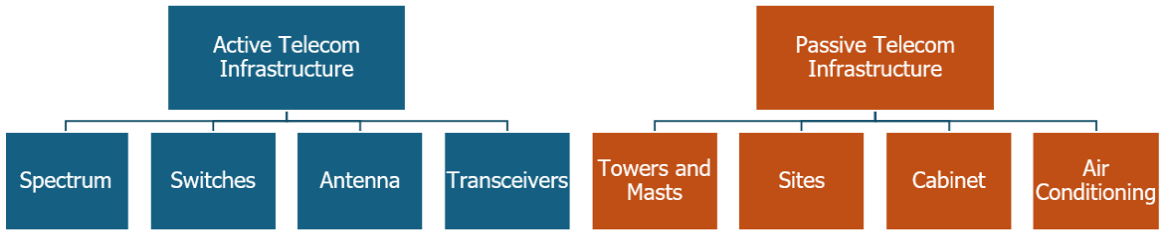
- The Engineering, Procurement, and Construction (EPC) industry in India is a cornerstone of the nation's infrastructure development, playing a key role in sectors such as energy, transportation, water management, and industrial projects. The EPC model involves a single entity managing the design, procurement of materials, and construction of a project, delivering a functional facility to the client. This integrated approach ensures efficiency, quality, and accountability.
- The EPC construction industry in India is the backbone of the nation's infrastructure development, catering to diverse sectors with a structured and efficient approach. Its advantages such as single point accountability, cost and time efficiency, risk mitigation, and scalability position it as a critical model for large scale projects. Growth drivers like government initiatives, renewable energy expansion, and smart city projects further bolster its prospects. By addressing challenges such as regulatory delays and skill gaps, the industry is well-placed to support India's infrastructure and economic transformation.

- **Overview of the Indian Telecom Sector:**

- The telecommunications sector plays an important role in the Indian economy as it contributes to the economic growth and GDP and generates revenue for the government. There has been growth in the last few years in the telecom sector on the back of strong consumer demand and supportive policies by the government. For instance, the services of the telecom sector are available to consumers at an affordable rate due to fair competition and a proactive regulatory framework by the government.
- As of March 2026 India, has the world's second largest subscriber base of 1.33 billion second to China. It jumped to 45th rank in 2025 from 67th in 2021 in the Network Readiness Index, an index published by Portulans Institute, an independent non-profit research and educational institute based in Washington DC which maps the network readiness landscape of 130+ economies based on their performance in four areas - Technology, People, Governance, and Impact.
- Furthermore, there has been augmented growth in the last few years because of affordable tariffs, higher penetration, roll out of Mobile Number Portability (MNP), expansion of 4G and 5G coverage, evolving consumption patterns of subscribers, Government's initiatives towards supporting India's domestic telecom infrastructure, and favourable regulatory environment.

- **Overview of Telecom Infrastructure: Active vs Passive:**

- **Active infrastructure** refers to a telecommunications network's physical and tangible components that actively transmit, route, and process data signals. It includes a range of equipment, such as switches, routers, servers, and other network devices essential for functioning and managing a robust telecom network.
- **Passive infrastructure** includes all the non-electronic elements required of a cell site. These can be tower itself, buildings or shelter, air conditioning plant, security, electricity generation capability for back-up, an electrical supply, technical premises, and pylons. However, the electronic elements required by a cell site such as base stations, microwave radio equipment, switches, antennae, and transceivers don't fall under the scope of passive infrastructure.



- **Optic Fibre Sector in India:**

  - The Indian optic fibre sector is a critical part of India's telecommunication and data transmission infrastructure. With the increasing digitization across industries and the proliferation of high-speed internet, there is a growing demand for reliable and high-capacity fibre optic cables in the country. The optic fibre ensures seamless data transfer and supports advanced communication networks.
  - Fibre is a fast-growing infrastructure asset class. Fibre demand in India is increasing at a rapid pace. Deployment of a large amount of high-frequency 4G and 5G spectrum needs a fibre backhaul. Whereas government initiatives such as BharatNet's and Digital India's focus on telecom infrastructure, especially fibre, is also contributing to increased fibre deployment.

- **Type of EPC Services provided to Telecom Sector:**

  - EPC (Engineering, Procurement, and Construction) services for telecom optic fiber cable projects involve the end-to-end process of planning, designing, supplying, installing, and commissioning the fiber optic infrastructure. These services ensure the efficient and effective deployment of optical fiber networks, which are used for high-speed communication systems. Below are the key types of EPC services typically provided for optical fiber cable projects:

    - Design and Engineering Services
    - Procurement Services
    - Installation and Construction Services
    - Integration and Commissioning Services
    - Project Management and Documentation
    - Post-Construction and Maintenance Services

- **Expected Growth in India's OFC Network:**

  - Optical fibre has evolved as the most practical wired solution for backhaul, considering its extraordinary capacity. Owing to its almost limitless capacity and scalability, it is the right choice for high-capacity routes where logistics are manageable, the capacity need is high, and the potential revenue gain offsets the expense. In the coming years, its share in the mobile backhaul network is likely to go up owing to the expected growth in the data traffic and the increasing requirement of backhaul for new technologies such as LTE, LTE Advanced, IMT-2020, etc.
  - The National Broadband Mission released by DoT in December 2019, envisaged to increase by around two and half times the number of fiberized telecom towers in the country.

- **Overview of the Sewage Treatment Infrastructure in India:**

  - India is the world's most populous country with 1.46 billion people. Out of this, 63.1% of the population lives in rural areas and 36.9% are connected to the urban centres according to United Nations. According to Census 2011, as many as 53 cities in India had a population above a million. At this current growth rate, the urban population is estimated to reach 951 million by 2050 which will represent 50% of the country's population will be in urban cities. This unsustainable increase in urban population exerts enormous pressure on city planners, especially for provisioning utility services, particularly water supply, sewerage, storm water drainage and solid waste management.
  - Sewage infrastructure in urban India faces significant challenges due to rapid urbanization, population growth, and outdated systems. The untreated sewage is a major contributor to the pollution of rivers, lakes, and groundwater. While some metropolitan cities have well-developed underground sewer systems and sewage treatment plants (STPs), many smaller cities and towns lack adequate infrastructure. Open drains and unplanned sewage disposal systems are common in these areas, leading to environmental degradation and public health risks. Despite the government initiatives like AMRUT and the Smart Cities Mission, many STPs underperform or remain non-operational due to power shortages, poor maintenance, or inefficiencies in design. Decentralized systems, such as small-scale sewage treatment plants, are being promoted to manage wastewater locally in areas where centralized networks are unfeasible. Whereas in rural India, sewage infrastructure primarily relies on decentralized and on-site sanitation systems, as centralized sewage networks are non existent. Most rural households use septic tanks, pit latrines, or soak pits, which are often poorly maintained, leading to overflow and environmental pollution. Greywater and faecal sludge are frequently discharged untreated into open drains, fields, or water bodies, contributing to groundwater contamination and waterborne diseases.
  - According to the Central Pollution Control Board (CPCB), the estimated sewage generation was almost 39,600 million liters per day (MLD) in rural regions, while in urban regions it was estimated to be 72,368 MLD for the year 2020-21. The estimated volume in the urban cities is almost double that of the rural regions because of the availability of more water for sanitation which has improved the standard of living.

- **Current technologies and practices in Urban waste management (UWM):**

  - **On-site systems:** An onsite system retains wastewater in the vicinity of the toilet in a pit or tank, and the produced sludge is removed periodically to the faecal sludge/septage treatment system. In India, approximately 60% of the population relies on on-site sewage management systems, also known as non-sewered sanitation, which treat sewage at the point of generation. The most widely used system in the country is the conventional septic tank combined with soaking methods such as soak pits and dispersion trenches. A septic tank is an underground chamber that collects and partially treats domestic sewage through anaerobic processes. Within the tank, solids settle and undergo anaerobic digestion, reducing sludge volume and allowing the overflow effluent to infiltrate into the ground via the soak pit without clogging the leaching system. However, in practice, many premises lack proper soaking arrangements due to space limitations and limited awareness. Consequently, pathogenic effluents are often discharged directly into open drains, creating significant public health risks.
  - **Off-site system:** An off-site system removes wastewater from the vicinity of the toilet for disposal elsewhere. An off-site system comprises of a sewerage network to transport sewage to a sewage treatment plant (STP), the treated wastewater's solid content is disposed to drying beds, and liquid is disposed to waterbodies.

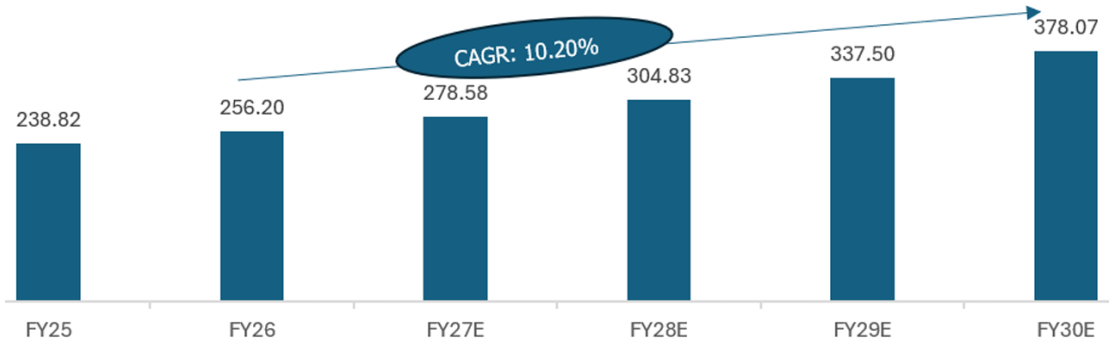
- **Sewage collection system:** Wastewater collection can be done using two systems (1) Separate system, which collects sewage and stormwater in separate drains, and (2) Combined system, which collects sewage and stormwater together in the same drain. In India, almost all the sewer networks are designed for separate systems, which satisfies the technical and economic advantages. However, old sewerage systems which were developed during British rule have a combined system like in Kolkata.
- **Sewage treatment facilities:** In India, under an off-site treatment system, domestic sewage is transported to STPs. The STPs are designed based on the influent characteristics like Total suspended solids (TSS), Biochemical oxygen demand (BOD), and Faecal coliform (FC). At present, 1,469 STPs (as of 2020 – 21) have been installed in the urban centres of 28 states and union territories in India, with a total installed capacity of 31,841 MLD.

- **Expected Growth in the Sector:**

  - About 37.00% of the Indian population lives in urban centers according to census 2011 and the number is expected to go up rapidly leading to the increase in demand for fresh water. The generation of wastewater is double in cities as compared to rural India because of availability of more water in urban cities due to increased living standards and the urbanization pace.
  - Rapid urbanisation has also intensified the demand for food and fresh water, leading to higher water consumption and the discharge of wastewater back into natural sources. With the increased use of water for household, industrial, and agricultural purposes, effective wastewater management and treatment have become crucial.
  - In FY21, only 28.00% of the total sewage generated—amounting to 20,236 million litres per day (MLD)—was treated, leaving 72.00% of wastewater untreated. This untreated wastewater is frequently discharged into rivers, lakes, or underground water sources, causing significant environmental challenges. However, this presents a substantial opportunity for growth and development in the wastewater management sector.

- **Market Size of Water Waste Management Market in India:**

  - India, the world's most populous country, is facing significant water challenges, with 18.00% of the global population relying on just 4.00% of the world's freshwater resources. Less than one-tenth of its annual rainfall is stored, and the country is increasingly classified as water-stressed. The situation is aggravated by excessive water use for agriculture, excessive groundwater extraction, and erratic monsoon rainfall, leading to approximately 50.00% of the population experiencing high-to-extreme water shortages, as per NITI Aayog.
  - The per capita water availability in India is rapidly decreasing due to the growing population. Currently, it is below 1,700 cubic meters per person annually and is expected to fall to 1,367 cubic meters by 2031. A 2022 report highlighted that 1,006 out of 7,089 water assessment units in the country are 'over-exploited', indicating the unsustainable use of groundwater resources.
  - With the rising pace of urbanisation, the demand for drinking water is shifting from rural to urban areas, and by 2050, it is estimated that India will require around 1,450 km^3 of water, with 75.00% of this demand coming from agriculture. Many urban areas, situated along rivers, are causing water contamination by consuming freshwater and discharging untreated wastewater back into the rivers. This creates substantial challenges in urban wastewater management and treatment.
  - India's water and wastewater management market is rapidly expanding, valued at Rs. 256.20 billion in FY26 and is projected to grow to Rs. 378.10 billion by FY30E, with a CAGR of 10.20%. This growth is driven by the increasing pollution of rivers caused by untreated sewage, industrial effluents, and inadequate treatment infrastructure. The rising demand for freshwater, along with industrialisation, is spurring significant investments in advanced water treatment technologies.



Market Size of Wastewater Treatment

- **Overview of the Natural Gas Sector in India:**

  - Natural Gas being a clean energy is used for multiple purposes in India. In the 19th and 20th century, it was mainly used for street and household lighting. Now a days, it is used to fuel water heaters, cook stoves, dryers, and other equipment in the residential sector. It is also used in the commercial sector and in appliances to generate cooling and power. In addition, natural gas is used as a base ingredient in the manufacturing of ammonia, anti-freeze, fabrics, glass, steel, plastics, and paint.
  - India's energy mix continues to have a huge dependence on coal and oil. While coal constitutes more than half of the country's energy mix, coal and oil together constitute more than 84.45% of the country's energy mix. However, Government of India is committed to achieve a 15.00% share of natural gas by 2030 from around 6.00% in 2024-25 in the overall energy mix. Thus, Natural gas demand in India is expected to register a healthy growth in the years to come. The current industry and regulatory environment bode well to achieve a shift towards gas becoming more prominent in the Indian fuel mix. CGD segment is likely to be one of the leading drivers of growth in natural gas consumption.

- **Expected Growth in Natural Gas Pipeline Network in India:**

  - India's natural gas pipeline network is expected to witness substantial growth over the next decade. Driven by increasing usage across various end-user customer segments, the Government of India has come up with multiple reforms as they target to raise the share of Natural Gas in the primary energy mix to 15.00% by 2030 from around 6% currently (in FY25).

- As per Ministry of Petroleum & Natural Gas (MoPNG, Government of India), as of December 2025, 10,459 km of Natural Gas pipeline (including sub-transmission pipeline & tie in connectivity pipeline) are under various stages of construction. The National Gas Grid aims to increase the pipeline network from the existing 25,492 kms to 35,000 kms by next 2-3 years, covering underserved regions such as the Northeast, Jammu & Kashmir, and parts of central India. Key players like GAIL, Indian Oil Corporation Limited (IOCL), and private entities are actively contributing to this growth. Key projects like the Urja Ganga Gas Pipeline, the North-East Gas Grid, and the Mumbai-Nagpur-Jharsuguda Pipeline are at the forefront of these efforts, contributing to a more connected National Gas Grid. The Northeast region is receiving substantial attention with a Rs 41,000 crore investment to build a network connecting cities like Guwahati, Kohima, and Imphal. Additionally, South India will see enhanced connectivity through pipelines such as the Kochi-Bengaluru-Mangalore line. With the increasing demand for natural gas fueled by industries such as fertilizer, power, and city gas distribution, the pipeline infrastructure is projected to support a steady rise in natural gas consumption over the coming years.

- **Demand Drivers for Natural Gas Consumption in India:**

  - The various factors driving the demand for natural gas consumption in India are discussed below:

    - Increasing demand from various sectors
    - Increase in Natural Gas Infrastructure as well as Investments
    - Investment by Global Firms
    - Ongoing Deep-water Development
    - Government Initiatives
    - Cost Competitiveness
    - Environmental Awareness and Clean Energy Adoption

➢ **KPI:**

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Financial KPIs			
Revenue from operations	2,412	1,801	1,540
Gross profit	668	467	444
Gross profit Margin (%)	28%	26%	29%
EBITDA	502	322	285
EBITDA Margin (%)	21%	18%	19%
PAT	330	211	174
PAT Margin (%)	14%	12%	11%
Return on Equity (%)	21%	17%	25%
Return on Capital Employed (%)	23%	21%	30%
Operational KPIs			
Order Book (₹ million)	9,387	4,797	7,078
Book-to-Bill Ratio (x)	3.9	2.7	4.6

➢ **Comparison with listed entity**

Name of the Company	Consolidated/ Standalone	Face Value per Equity Share (₹)	P/E (x)	Revenue from Operations (₹ mn)	EPS – Basic (₹)	EPS – Diluted (₹)	Total Income (₹ mn)	RoNW (%)	NAV per Equity Share (₹)
Annu Projects Limited	Standalone	10	**19.6**	2,412	6.9	6.9	2,446	21	32
Listed Peers									
Likhitha Infrastructure Limited	Consolidated	5	23.2	4,567	9.9	9.9	4,611	9	104
Bondada Engineering Limited	Consolidated	2	16.6	28,428	18.3	18.3	28,511	29	62
EMS Limited	Consolidated	10	24.7	7,327	16.3	16.3	7,450	9	190
Suyog Telematics Limited	Standalone	10	16.1	2,219	54.7	52.4	2,276	13	43

Note: Financial information of the Company is derived from the Restated Financial Statements for the Fiscal Year ended March 31, 2026

➢ **Key Risk:**

- They derived more than 90.00% of their revenue from operations from their telecom infrastructure and sewerage infrastructure verticals during Fiscals 2026, 2025 and 2024, respectively. Any slowdown in telecom sector, sewerage sector or decrease in demand of any services provided by them could materially and adversely impact their business.
- They are dependent on and derived 57.09%, 64.99% and 60.88% of their revenue from operations, during Fiscals 2026, 2025 and 2024, respectively, from government sector entities based on competitive bidding that exposes them to risks inherent in doing business with them, which may adversely affect their business, results of operations and financial condition. Also, their business depends on number of projects awarded to them. In case, they fail to secure awards of new projects, it will impact their business, results of operations and financials.

- They are dependent on their top ten customers in respect of their business. Their top 10 customers contributed to 97.96%, 98.25% and 95.90% of their revenue from operations during Fiscals 2026, 2025 and 2024, respectively. Any loss of any major customer may adversely impact revenue of their business. Any decrease in demand from such customers, the loss of such customers or their inability to diversify their customer base could have an adverse effect on their business, results of operations, financial condition and cash flows.
- Their current Order Book may not necessarily translate into or indicate their future revenue in its entirety. They had an Order Book of ₹ 9,386.53 million, ₹ 4,796.73 million and ₹ 7,077.65 million for Fiscals 2026, 2025 and 2024 respectively. Further, some of their current orders may be modified, cancelled, delayed, put on hold or not fully paid for by their customers, which could adversely affect their business, financial condition, results of operations and future prospects.
- Their business is relatively concentrated in the States of Bihar, Jharkhand, Goa, West Bengal and Madhya Pradesh which contributed more than 70.00% of their revenue from operations for the Fiscals 2026, 2025 and 2024. Any adverse development in such parts of India may adversely affect their business, results of operations and financial condition.
- They could incur losses under their project contracts and services contracts with their customers or be subjected to disputes or contractual penalties, liquidated damages as a result of delays or failures to meet contract specifications or delivery schedules. They may be unable to obtain approvals for extension in meeting delivery schedules. They paid an amount of ₹ 0.90 million, ₹ 8.52 million and ₹ 42.07 million towards liquidated damages during Fiscals 2026, 2025 and 2024. Imposition of such penalties or liquidated damages may have a material adverse effect on their business, results of operations and financial condition.
- They are dependent on their top ten suppliers for supply of materials. Their top 10 suppliers contributed to 67.92%, 69.23%, and 72.48% of their revenue from operations during Fiscals 2026, 2025 and 2024, respectively. Any loss of any major supplier may impact their business and operations.

➢ **Valuation:**

Annu Projects Limited, at an implied P/E of **19.6x** on FY2026 earnings at the upper price band. However, the IPO valuation appears **fully priced** at the upper band and hence, we recommend a **"Subscribe – Long Term"** rating to the IPO.

DISCLAIMER:

Analyst Certification

- The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report

Anand Rathi Ratings Definitions

- Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid-Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (Top 100 companies)	**>15%**	**0%-15%**	**Below 0%**
Mid Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small caps (251st company onwards)	>25%	0%-25%	Below 0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Metropolitan Stock Exchange of India Ltd. (MSE), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: -

This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable.

ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or

act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, 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 or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Copyright: - This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

Contd.

- **Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates**
- **Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report**

Sr. No.	Statement	Answers to the Best of the knowledge and belief of the ARSSBL/ its Associates/ Research Analyst who is preparing this report
1	ARSSBL/its Associates/ Research Analyst/ his Relative have any financial interest in the subject company? Nature of Interest (if applicable), is given against the company's name?.	NO
2	ARSSBL/its Associates/ Research Analyst/ his Relative 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 or date of the public appearance?.	NO
3	ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report or at the time of public appearance?.	NO
4	ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months.	NO
5	ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months.	NO
6	ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.	NO
7	ARSSBL/its Associates/ Research Analyst/ his Relative 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.	NO
8	ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report.	NO
9	ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	NO
10	ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	NO

Other Disclosures pertaining to distribution of research in the United States of America

The research report is a product of Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) under Marco Polo Securities 15a6 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 by 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, ARSSBL has entered into a chaperoning agreement with a U.S. registered broker dealer, Marco Polo Securities Inc. ("Marco Polo").

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

- ❑ As of the publication of this report, ARSSBL does not make a market in the subject securities.
- ❑ Additional information on recommended securities/instruments is available on request.
- ❑ Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.
- ❑ Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191 ARSSBL registered address: Express Zone, A Wing, 9th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097. Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.