

August 2, 2023

## Q1FY24 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,797		1,704	
Sales (Rs. m)	63,216	72,582	65,649	75,297
% Chng.	(3.7)	(3.6)		
EBITDA (Rs. m)	21,223	24,928	21,959	25,815
% Chng.	(3.4)	(3.4)		
EPS (Rs.)	27.6	52.3	33.2	59.1
% Chng.	(17.0)	(11.5)		

### Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24E	FY25E
Sales (Rs. m)	13,310	37,507	63,216	72,582
EBITDA (Rs. m)	1,057	10,477	21,223	24,928
Margin (%)	7.9	27.9	33.6	34.3
PAT (Rs. m)	(4,882)	(3,243)	2,703	5,121
EPS (Rs.)	(80.1)	(33.1)	27.6	52.3
Gr. (%)	NA	NA	NA	89.5
DPS (Rs.)	-	-	2.5	2.5
Yield (%)	-	-	0.2	0.2
RoE (%)	NA	NA	3.6	6.4
RoCE (%)	NA	2.0	6.6	8.6
EV/Sales (x)	10.6	6.1	3.7	3.2
EV/EBITDA (x)	133.6	22.0	11.0	9.2
PE (x)	NA	NA	56.7	29.9
P/BV (x)	6.9	2.1	2.0	1.9

### Key Data

PVRL.BO | PVRINOX IN

52-W High / Low	Rs.2,215 / Rs.1,336
Sensex / Nifty	66,459 / 19,734
Market Cap	Rs.153bn/ \$ 1,865m
Shares Outstanding	98m
3M Avg. Daily Value	Rs.1053.09m

### Shareholding Pattern (%)

Promoter's	27.61
Foreign	26.84
Domestic Institution	33.14
Public & Others	12.41
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	14.0	(5.6)	(27.4)
Relative	11.0	(15.2)	(36.5)

**Jinesh Joshi**

jineshjoshi@plindia.com | 91-22-66322238

**Stuti Beria**

stutiberia@plindia.com | 91-22-66322246

## PVR Inox (PVRINOX IN)

Rating: BUY | CMP: Rs1,565 | TP: Rs1,797

### Bollywood recovery under sight

#### Quick Pointers:

- Proforma (assuming consolidation in base quarter) SPH increased 10% YoY to Rs130.

*In a subdued quarter, PVR-Inox's performance was broadly in-line with footfalls of 33.9mn (PLe 33mn) and pre-IND AS EBITDA margin of 6.2% (PLe 5.8%). After the recent success of "Barbenheimer" and MI-7, Bollywood has an interesting pipeline with movies like Oh My God-2, Gadar-2, Jawan and Dream Girl-2 lined up for release in next 2 months. Even regional pipeline is healthy with movies like Jailor, Bhola Shankar and Salaar gearing up for release in 2QFY24. Though there are concerns over persistent high volatility in Bollywood genre 1) sustenance in KPIs (ATP/SPH up 2%/10% YoY on proforma basis), 2) expected back ended recovery in ad-revenues (a high margin business) and 3) strategy to penetrate deeper in Southern market (a high footfall geography) is expected to aid growth and margins. Consequently, we expect footfalls of 154mn/166mn with pre-IND AS EBITDA margin of 16.2%/17.8% for FY24E/FY25E respectively. Retain 'BUY' on the stock with a TP of Rs1,797 (earlier Rs1,704) after assigning EV/EBITDA of 14.5x as we roll-forward to FY25E.*

**Proforma revenue down 16.6% YoY:** Top-line increased 33% YoY to Rs13,049mn (PLe Rs13,414mn) due to consolidation impact with Inox Leisure. However, proforma revenue (assuming consolidation in base quarter) was down 16.6% YoY. Proforma footfalls were down 22% YoY to 33.9mn (PLe of 33mn). Proforma ATP/SPH was up 2%/10% YoY to Rs246/Rs130 respectively, while occupancy stood at 22.3%.

**Pre Ind-AS EBITDA margin of 6.2%:** Proforma pre Ind-AS EBITDA declined 74.2% YoY to Rs805mn (PLe Rs776mn) with a margin of 6.2%. Pre-IND AS loss stood at Rs441mn (PLe loss of Rs290mn) versus proforma pre-IND AS PAT of Rs1,424mn in 1QFY23.

**Con-call highlights:** 1) Hollywood strike is unlikely to have any near term impact on content flow. Resolution is expected over next 4-6 weeks. 2) SPH was up 9% QoQ as menus have been redesigned and lot of Inox properties have now started selling non-veg food. 3) Response to screening of trailer shows has been good with occupancy of 22% (footfalls were 0.3mn in 1QFY24). 4) Share of premium screens was 13.5% in 1QFY24 and in long term, the share is expected to rise to ~15-20%. 5) Convenience fee revenue was down 23% YoY, as new contract with BMS is on revenue share basis and there was a drop in admissions due to weak content. 6) PVR will screen select cricket world cup matches in cinemas and is likely to enter into a contract with ICC soon. 7) Roughly ~40-45% of new screen addition will happen in South India. 8) Rental contracts for new properties are mostly on revenue share basis or minimum guarantee (MG) whichever is higher. 9) The existing loyalty program which has 40mn members will likely wind-up and a new plan will be launched in 2H 10) Power cost was up 39% QoQ due to seasonality (summer in 1QFY24). 11) On track to open ~150-160 screens in FY24E.

**Exhibit 1: 1QFY24 Result Overview – Consolidated (Rs mn)**

Y/e March	1QFY24	1QFY23	YoY gr.	4QFY23	QoQ gr.
<b>Net sales</b>	<b>13,049</b>	<b>9,814</b>	<b>33.0%</b>	<b>11,432</b>	<b>14.1%</b>
Movie exhibition cost	2,980	2,407	23.8%	2,597	14.7%
<i>As a % of sales</i>	<i>22.8%</i>	<i>24.5%</i>		<i>22.7%</i>	
Consumption of F&B	1,071	765	40.0%	930	15.1%
<i>As a % of sales</i>	<i>8.2%</i>	<i>7.8%</i>		<i>8.1%</i>	
Employee expenses	1,559	1,027	51.8%	1,514	3.0%
<i>As a % of sales</i>	<i>11.9%</i>	<i>10.5%</i>		<i>13.2%</i>	
Other expenses	3,914	2,198	78.1%	3,752	4.3%
<i>As a % of sales</i>	<i>30.0%</i>	<i>22.4%</i>		<i>32.8%</i>	
<b>EBITDA</b>	<b>3,525</b>	<b>3,417</b>	<b>3.2%</b>	<b>2,639</b>	<b>33.6%</b>
<i>EBITDA margin</i>	<i>27.0%</i>	<i>34.8%</i>		<i>23.1%</i>	
Depreciation	2,908	1,494	94.7%	2,962	-1.8%
<b>EBIT</b>	<b>617</b>	<b>1,923</b>	<b>-67.9%</b>	<b>(323)</b>	<b>NM</b>
<i>EBIT margin</i>	<i>4.7%</i>	<i>19.6%</i>		<i>NM</i>	
Interest cost	1,945	1,280	52.0%	1,886	3.1%
Other income	249	207	20.3%	218	14.5%
<b>PBT</b>	<b>(1,079)</b>	<b>851</b>	<b>NM</b>	<b>(1,992)</b>	<b>NM</b>
Exceptional items/Share of JVs	-	-	NM	108	NM
Tax expenses	(259)	319	NM	1,240	NM
Tax rate	NM	37.5%		NM	
<b>PAT</b>	<b>(820)</b>	<b>531</b>	<b>NM</b>	<b>(3,340)</b>	<b>NM</b>
<i>PAT margin</i>	<i>NM</i>	<i>5.4%</i>		<i>NM</i>	
Non-controlling interest	4	2	81.8%	6	-35.5%
Other comprehensive income (OCI)	11	(5)	NM	(8)	NM
<b>PAT inclusive of OCI</b>	<b>(827)</b>	<b>539</b>	<b>NM</b>	<b>(3,326)</b>	<b>NM</b>
<b>EPS (Rs)</b>	<b>(8.3)</b>	<b>8.8</b>	<b>NM</b>	<b>(51.3)</b>	<b>NM</b>

Source: Company, PL Note: Performance is not comparable on YoY basis due to merger with Inox Leisure

**Exhibit 2: Revenue mix (Rs mn)**

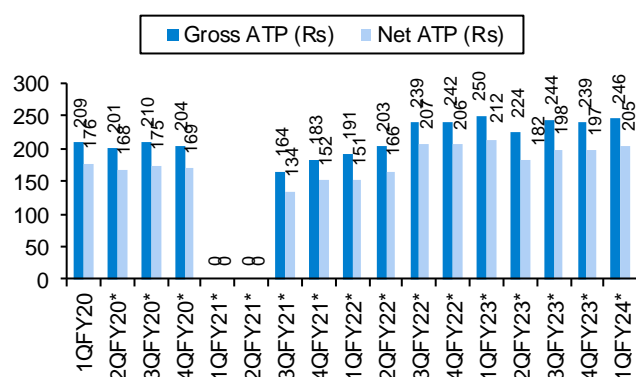
Y/e March	1QFY24	1QFY23	YoY gr.	4QFY23	QoQ gr.	Proforma 1QFY23	Proforma YoY gr.
<b>NBOC</b>	<b>6,945</b>	<b>5,302</b>	<b>31.0%</b>	<b>6,016</b>	<b>15.4%</b>	<b>8,828.0</b>	<b>-21.3%</b>
<i>As a % of total</i>	<i>53.2%</i>	<i>54.0%</i>		<i>52.6%</i>		<i>56.5%</i>	
<b>Net F&amp;B</b>	<b>4,277</b>	<b>3,238</b>	<b>32.1%</b>	<b>3,520</b>	<b>21.5%</b>	<b>4,879.0</b>	<b>-12.3%</b>
<i>As a % of total</i>	<i>32.8%</i>	<i>33.0%</i>		<i>30.8%</i>		<i>31.2%</i>	
<b>Advertisement revenue</b>	<b>893</b>	<b>627</b>	<b>42.4%</b>	<b>907</b>	<b>-1.5%</b>	<b>931.0</b>	<b>-4.1%</b>
<i>As a % of total</i>	<i>6.8%</i>	<i>6.4%</i>		<i>7.9%</i>		<i>6.0%</i>	
<b>Other revenue from operations</b>	<b>934</b>	<b>647</b>	<b>44.4%</b>	<b>989</b>	<b>-5.6%</b>	<b>999.0</b>	<b>-6.5%</b>
<i>As a % of total</i>	<i>7.2%</i>	<i>6.6%</i>		<i>8.7%</i>		<i>6.4%</i>	
<b>Total sales</b>	<b>13,049.0</b>	<b>9,814.0</b>	<b>33.0%</b>	<b>11,432.0</b>	<b>14.1%</b>	<b>15,637.0</b>	<b>-16.6%</b>

Source: Company, PL Note: Performance is not comparable on YoY basis due to consolidation of Inox Leisure. Proforma figures are given to enable better comparison.

**Exhibit 3: Ind-AS 116 Adjusted Consolidated Financials (Rs mn)**

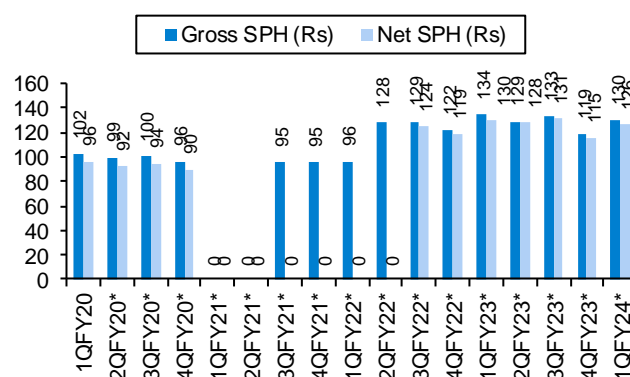
Y/e March	1QFY24	1QFY23	YoY gr.	4QFY23	QoQ gr.	FY21	FY22	FY23	FY24E	FY25E
Sales	13,049	9,814	33.0%	11,432	14.1%	2,800	13,310	37,507	63,216	72,582
Ind-AS Adjusted EBITDA	805	1,890	-57.4%	51	1475.4%	(4,545)	(2,331)	3,194	10,235	12,946
Ind-AS Adjusted EBITDA margin	6.2%	19.3%		0.4%		NM	NM	8.5%	16.2%	17.8%
Ind-AS Adjusted PAT	(441)	683	NM	(2,857)	NM	(6,656)	(4,189)	(2,429)	4,061	6,034
Ind-AS Adjusted PAT margin	NM	7.0%		NM		NM	NM	NM	6.4%	8.3%

Source: Company, PL

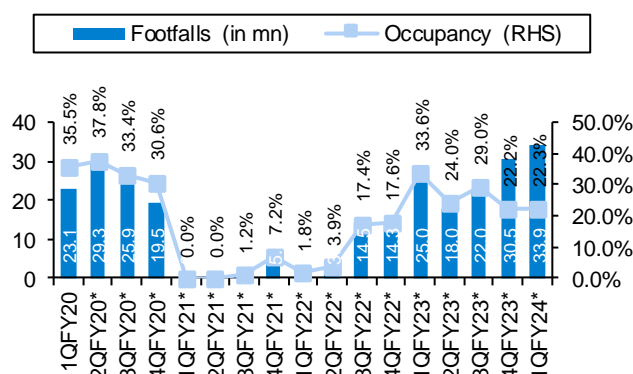
**Exhibit 4: Gross ATP trend over the last few quarters**


Source: Company, PL

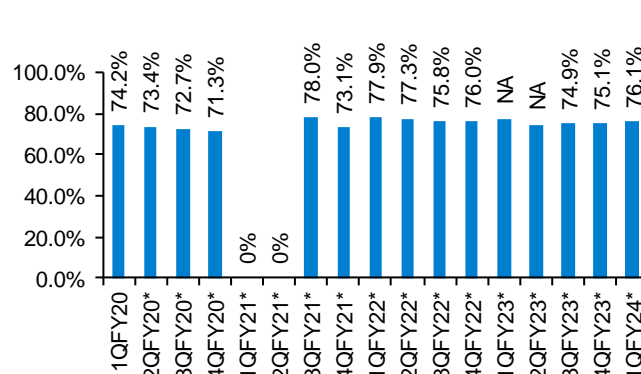
\*Including SPI Cinema's

**Exhibit 5: Gross SPH trend over the last few quarters**


Source: Company, PL \*Including SPI Cinema's Note: Net SPH is NM due to sale of other traded goods

**Exhibit 6: Footfalls are volatile, driven by content**


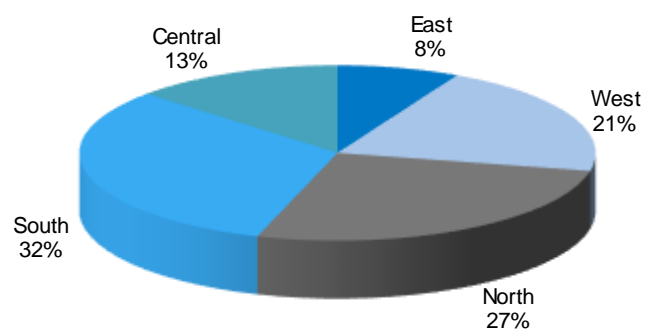
Source: Company, PL \*Including SPI Cinema's Note: Occupancy calculated based on 4-5 shows per day with no caps

**Exhibit 7: F&B GM is in the steady range of ~73-77%**


Source: Company, PL

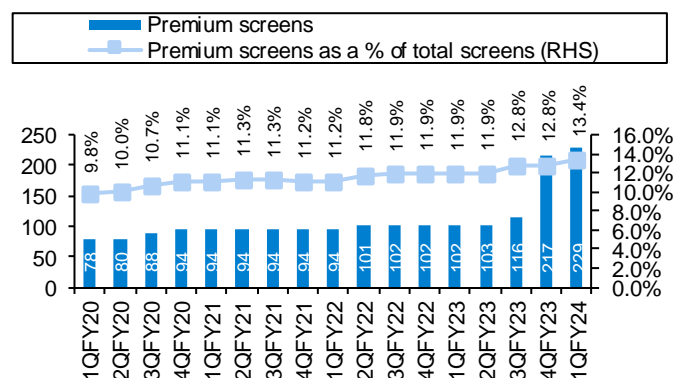
\*Including SPI Cinema's

Exhibit 8: Screen mix as of 1QFY24



Source: Company, PL

Exhibit 9: PVR's premium screen count is on a rise



Source: Company, PL

Exhibit 10: Relative valuation table

Particulars (Rs mn)	FY25E
EV/EBITDA	14.5
EBITDA*	12,946
EV	1,87,716
Less: Debt*	17,176
Add: Cash	5,371
Equity Value	1,75,911
No of shares	98
Per share value (Rs)	1,797

Source: Company, PL \*Pre IND-AS figures

## Financials

### Income Statement (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
<b>Net Revenues</b>	<b>13,310</b>	<b>37,507</b>	<b>63,216</b>	<b>72,582</b>
YoY gr. (%)	375.3	181.8	68.5	14.8
Cost of Goods Sold	3,975	11,286	19,109	21,800
Gross Profit	9,335	26,221	44,107	50,782
Margin (%)	70.1	69.9	69.8	70.0
Employee Cost	2,693	4,389	5,996	6,907
Other Expenses	5,585	11,355	16,887	18,947
<b>EBITDA</b>	<b>1,057</b>	<b>10,477</b>	<b>21,223</b>	<b>24,928</b>
YoY gr. (%)	(131.6)	890.9	102.6	17.5
Margin (%)	7.9	27.9	33.6	34.3
Depreciation and Amortization	6,144	7,533	11,000	11,300
<b>EBIT</b>	<b>(5,087)</b>	<b>2,944</b>	<b>10,223</b>	<b>13,628</b>
Margin (%)	NA	7.8	16.2	18.8
Net Interest	4,982	5,716	7,650	7,900
Other Income	3,261	791	1,030	1,100
<b>Profit Before Tax</b>	<b>(6,807)</b>	<b>(2,090)</b>	<b>3,603</b>	<b>6,828</b>
Margin (%)	NA	NA	5.7	9.4
Total Tax	(1,922)	1,274	901	1,707
Effective tax rate (%)	28.2	(61.0)	25.0	25.0
<b>Profit after tax</b>	<b>(4,885)</b>	<b>(3,364)</b>	<b>2,703</b>	<b>5,121</b>
Minority interest	(3)	(13)	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>(4,882)</b>	<b>(3,243)</b>	<b>2,703</b>	<b>5,121</b>
YoY gr. (%)	NA	NA	NA	89.5
Margin (%)	NA	NA	4.3	7.1
Extra Ord. Income / (Exp)	-	(108)	-	-
<b>Reported PAT</b>	<b>(4,882)</b>	<b>(3,351)</b>	<b>2,703</b>	<b>5,121</b>
YoY gr. (%)	NA	NA	NA	89.5
Margin (%)	NA	NA	4.3	7.1
Other Comprehensive Income	(22)	14	-	-
Total Comprehensive Income	(4,904)	(3,337)	2,703	5,121
<b>Equity Shares O/s (m)</b>	<b>61</b>	<b>98</b>	<b>98</b>	<b>98</b>
<b>EPS (Rs)</b>	<b>(80.1)</b>	<b>(33.1)</b>	<b>27.6</b>	<b>52.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>55,386</b>	<b>1,04,023</b>	<b>1,16,281</b>	<b>1,28,664</b>
Tangibles	52,611	1,01,358	1,13,616	1,25,999
Intangibles	2,775	2,665	2,665	2,665
<b>Acc: Dep / Amortization</b>	<b>11,833</b>	<b>19,366</b>	<b>30,366</b>	<b>41,666</b>
Tangibles	10,648	18,181	29,181	40,481
Intangibles	1,185	1,185	1,185	1,185
<b>Net fixed assets</b>	<b>43,553</b>	<b>84,658</b>	<b>85,916</b>	<b>86,999</b>
Tangibles	41,963	83,177	84,435	85,518
Intangibles	1,590	1,480	1,480	1,480
Capital Work In Progress	645	2,473	2,473	2,473
Goodwill	10,520	57,428	57,428	57,428
Non-Current Investments	2,586	4,628	5,373	6,169
Net Deferred tax assets	5,926	4,735	4,020	3,007
Other Non-Current Assets	1,342	2,312	2,491	3,078
<b>Current Assets</b>				
Investments	5	2	2	2
Inventories	342	664	520	597
Trade receivables	707	1,825	3,291	3,977
Cash & Bank Balance	5,781	3,616	4,953	5,371
Other Current Assets	1,447	2,293	3,667	4,500
<b>Total Assets</b>	<b>73,258</b>	<b>1,64,764</b>	<b>1,70,356</b>	<b>1,73,924</b>
<b>Equity</b>				
Equity Share Capital	610	980	980	980
Other Equity	13,094	72,319	74,777	79,653
<b>Total Networth</b>	<b>13,704</b>	<b>73,299</b>	<b>75,756</b>	<b>80,632</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	47,240	75,316	79,208	77,458
Provisions	97	276	253	290
Other non current liabilities	121	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	4,718	5,204	5,204	5,204
Trade payables	3,001	5,143	5,542	5,966
Other current liabilities	3,856	5,414	4,280	4,261
<b>Total Equity &amp; Liabilities</b>	<b>73,258</b>	<b>1,64,764</b>	<b>1,70,356</b>	<b>1,73,924</b>

Source: Company Data, PL Research

### Cash Flow (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
PBT	(6,807)	(2,090)	3,603	6,828
Add. Depreciation	2,605	3,010	11,000	11,300
Add. Interest	4,938	5,600	7,650	7,900
Less Financial Other Income	3,261	791	1,030	1,100
Add. Other	399	4,087	(1,164)	(209)
Op. profit before WC changes	1,136	10,607	21,089	25,819
Net Changes-WC	434	(1,969)	(923)	(340)
Direct tax	99	1	(901)	(1,707)
<b>Net cash from Op. activities</b>	<b>1,668</b>	<b>8,639</b>	<b>19,265</b>	<b>23,772</b>
Capital expenditures	(1,245)	(6,339)	(12,258)	(12,383)
Interest / Dividend Income	270	88	-	-
Others	947	493	(836)	(897)
<b>Net Cash from Invt. activities</b>	<b>(28)</b>	<b>(5,759)</b>	<b>(13,094)</b>	<b>(13,280)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	1,553	1,260	3,892	(1,750)
Dividend paid	-	-	(245)	(245)
Interest paid	(1,246)	(1,442)	(7,650)	(7,900)
Others	(2,475)	(6,754)	(831)	(180)
<b>Net cash from Fin. activities</b>	<b>(2,168)</b>	<b>(6,935)</b>	<b>(4,834)</b>	<b>(10,075)</b>
<b>Net change in cash</b>	<b>(528)</b>	<b>(4,055)</b>	<b>1,337</b>	<b>417</b>
Free Cash Flow	419	2,280	7,007	11,389

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY22	FY23	FY24E	FY25E
<b>Per Share(Rs)</b>				
EPS	(80.1)	(33.1)	27.6	52.3
CEPS	20.8	43.8	140.0	167.7
BVPS	225.5	748.7	773.8	823.6
FCF	6.9	23.3	71.6	116.3
DPS	-	-	2.5	2.5
<b>Return Ratio(%)</b>				
RoCE	NA	2.0	6.6	8.6
ROIC	1.4	6.4	12.5	14.3
RoE	NA	NA	3.6	6.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	3.4	1.0	1.0	1.0
Net Working Capital (Days)	(54)	(26)	(10)	(7)
<b>Valuation(x)</b>				
PER	NA	NA	56.7	29.9
P/B	6.9	2.1	2.0	1.9
P/CEPS	75.4	35.7	11.2	9.3
EV/EBITDA	133.6	22.0	11.0	9.2
EV/Sales	10.6	6.1	3.7	3.2
Dividend Yield (%)	-	-	0.2	0.2

Source: Company Data, PL Research

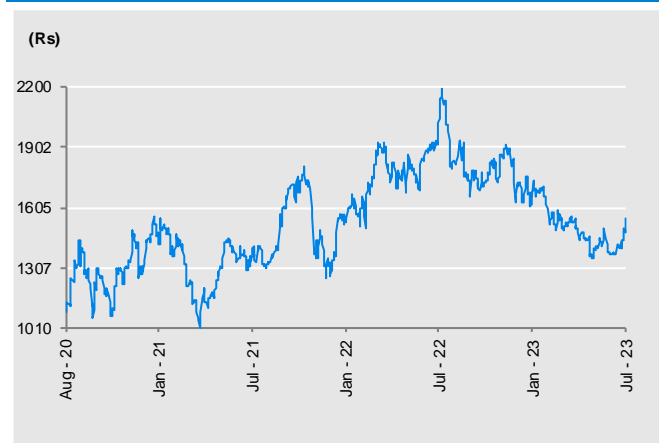
### Quarterly Financials (Rs m)

Y/e Mar	Q2FY23	Q3FY23	Q4FY23	Q1FY24
<b>Net Revenue</b>	<b>6,867</b>	<b>9,407</b>	<b>11,432</b>	<b>13,049</b>
YoY gr. (%)	470.7	53.2	112.8	33.0
Raw Material Expenses	2,092	2,454	3,527	4,051
Gross Profit	4,776	6,953	7,904	8,998
Margin (%)	69.5	73.9	69.1	69.0
<b>EBITDA</b>	<b>1,537</b>	<b>2,888</b>	<b>2,639</b>	<b>3,525</b>
YoY gr. (%)	NA	75.1	164.2	3.2
Margin (%)	22.4	30.7	23.1	27.0
Depreciation / Depletion	1,525	1,552	2,962	2,908
<b>EBIT</b>	<b>11</b>	<b>1,335</b>	<b>(323)</b>	<b>617</b>
Margin (%)	0.2	14.2	(2.8)	4.7
Net Interest	1,277	1,275	1,886	1,945
Other Income	164	201	218	249
<b>Profit before Tax</b>	<b>(1,102)</b>	<b>261</b>	<b>(2,100)</b>	<b>(1,079)</b>
Margin (%)	NA	2.8	NA	NA
Total Tax	(387)	102	1,240	(259)
Effective tax rate (%)	35.1	39.1	(59.0)	24.0
<b>Profit after Tax</b>	<b>(715)</b>	<b>159</b>	<b>(3,340)</b>	<b>(820)</b>
Minority interest	(3)	(2)	(6)	(4)
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>(712)</b>	<b>161</b>	<b>(3,226)</b>	<b>(816)</b>
YoY gr. (%)	NA	NA	NA	NA
Margin (%)	NA	1.7	NA	NA
Extra Ord. Income / (Exp)	-	-	(108)	-
<b>Reported PAT</b>	<b>(712)</b>	<b>161</b>	<b>(3,334)</b>	<b>(816)</b>
YoY gr. (%)	NA	NA	NA	NA
Margin (%)	NA	1.7	NA	NA
Other Comprehensive Income	(4)	4	8	(11)
<b>Total Comprehensive Income</b>	<b>(716)</b>	<b>165</b>	<b>(3,326)</b>	<b>(827)</b>
Avg. Shares O/s (m)	61	61	98	98
<b>EPS (Rs)</b>	<b>(11.7)</b>	<b>2.6</b>	<b>(51.3)</b>	<b>(8.3)</b>

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Jul-23	BUY	1,704	1,372
2	17-May-23	BUY	1,879	1,435
3	11-Apr-23	BUY	2,096	1,550
4	14-Mar-23	BUY	2,096	1,530
5	19-Jan-23	BUY	1,983	1,678
6	06-Jan-23	BUY	2,005	1,633
7	17-Oct-22	BUY	2,119	1,689
8	06-Oct-22	BUY	2,153	1,786

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	562	489
2	Entertainment Network (India)	Hold	180	126
3	Indian Railway Catering and Tourism Corporation	Hold	679	632
4	Inox Leisure	BUY	587	502
5	InterGlobe Aviation	BUY	2,993	2,699
6	Music Broadcast	Hold	18	11
7	Navneet Education	BUY	152	125
8	Nazara Technologies	BUY	834	694
9	PVR Inox	BUY	1,704	1,372
10	S Chand and Company	BUY	257	191
11	Safari Industries (India)	BUY	3,202	2,937
12	V.I.P. Industries	BUY	866	610
13	Zee Entertainment Enterprises	BUY	236	183

## PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://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 Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

**[www.plindia.com](http://www.plindia.com)**