

Sluggish demand impacts growth; Maintain SELL

- DEVYANI's revenue was in line, while EBITDA and APAT were below our estimates. Revenue grew by 12.6% including the Thailand (ex-Thailand up 4.2% YoY) led by outperformance from own brands (incl. Vaango, Biryani by Kilo and Goila Butter Chicken) on a favorable base of Q2FY25 and a double-digit growth in the international markets. However, the SSSG for KFC/ Pizza Hut (PH) were -4.2/-4.1% respectively.
- The company added 30/3/2 stores in KFC/PH/Costa Coffee and 2/2 in Thailand/Nepal, respectively, taking the total store count to 2,184. Furthermore, the company rolled out six tea live outlets during the quarter. Going ahead, the company will continue to expand KFC stores, while the store expansion for Pizza Hut will remain muted.
- As DEVYANI's operating performance and profitability were below our estimate, we have downward revised our FY26/27E EBITDA by 4.8/4.5% and introduced FY28E estimates. Though the base for Pizza Hut and KFC would become favorable in the ensuing quarters, overall slowdown is expected to pressurise profitability. We value the stock at 18x FY28E EV/EBITDA, arriving at a TP of Rs 147 (Rs 153 earlier). Reiterate 'SELL' rating.

Revenue in line; EBITDA and APAT below our estimates

Devyani's revenues grew by 12.6% YoY to Rs 13.8bn. GM contracted by 160bps YoY to 67.8%. A 160/130bps increase in RM/ other expenses was partially offset by a 40bps decrease in employee expenses, leading to EBITDA margin contraction of 250bps to 13.7%. EBITDA de-grew by 4.8% YoY to Rs 1.9bn and came 13.4% below our estimate. Reported loss for the quarter was Rs 216mn. Excluding exceptional items, loss was Rs 245mn.

Softer SSSG growth impacts brand contribution

Consolidated brand contribution declined YoY from 13.6% to 11.7% due to lower ADS and increased promotional activities in the quarter. KFC brand contribution contracted by 250bps YoY to 14.1% in Q2FY26. Further, PH reported a negative brand contribution margin of 0.2% vs +3.1% in Q2FY25. A drop in brand contribution margins was primarily due to the impact of Shraavana and Navaratri, along with unseasonal rains in key regions, resulting in lower SSSG. Going ahead, we believe that the increase in competition and PH's slow offtake would remain a hurdle for its profitability revamp. In the long run, we believe that KFC's brand contribution is likely to increase due to lower competition and strong brand positioning.

Key Data

Nifty	25,510
Equity / FV	Rs 1,206mn / Rs 1
Market Cap	Rs 188bn
	USD 2.1bn
52-Week High/Low	Rs 210/ 143
Avg. Volume (no)	29,24,420
Bloom Code	DEVYANI IN

	Current	Previous
Rating	SELL	SELL
Target Price	147	153

Change in Estimates

(Rs.bn)	Current		Chg (%) /bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	55.7	62.6	(1.0)	(1.0)
EBITDA	8.5	10.0	(4.8)	(4.5)
EBITDA (%)	15.3	16.0	(60)	(60)
APAT	0.0	0.5	(89.5)	(41.1)
EPS (Rs)	0.0	0.4	(89.5)	(41.1)

Valuation (x)

	FY26E	FY27E	FY28E
P/E	4976.2	372.2	294.1
EV/EBITDA	22.8	19.0	16.6
ROE (%)	0.3	4.5	5.5
RoACE (%)	11.9	15.4	16.7

Q2FY26 Result (Rs Mn)

Particulars	Q2FY26	YoY (%)	QoQ (%)
Revenue	13,768	12.6	1.5
Total Expense	11,876	16.0	3.1
EBITDA	1,892	(4.8)	(7.6)
Depreciation	1,552	11.5	3.7
EBIT	340	(42.9)	(38.4)
Other Income	51	6.1	(62.0)
Interest	688	5.4	3.1
EBT	(268)	NA	NA
Tax	(52)	NA	NA
RPAT	(216)	NA	NA
APAT	(245)	NA	NA
		(bps)	(bps)
Gross Margin	67.8	(160)	(40)
EBITDA (%)	13.7	(250)	(140)
NPM (%)	(1.6)	(116)	(175)
Tax Rate (%)	19.4	4528	183
EBIT (%)	2.5	(241)	(160)

Sachin Bobade
+91 22 40969731
sachinb@dolatcapital.com

Akshay Patel
akshayp@dolatcapital.com

Yash Dalvi
yashd@dolatcapital.com

Exhibit 1: Actual V/s Dolat Estimates

Particulars (Rs mn)	Actual	Estimates	Variance (%)	Comments
Revenue	13,768	13,553	1.6	-
EBITDA	1,892	2,185	(13.4)	Operating costs were ahead of estimate
EBITDA margin %	13.7	16.1	(240bps)	-
PAT	(245)	120	NA	Cascading effect of lower EBITDA

Source: Company, Dolat Capital

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY26E			FY27E			FY28E
	New	Old	Chg (%)	New	Old	Chg (%)	New
Revenue	55,669	56,241	(1.0)	62,572	63,216	(1.0)	69,834
EBIDTA	8,493	8,918	(4.8)	9,981	10,449	(4.5)	11,075
EBIDTA margin (%)	15.3	15.9	(60bps)	16.0	16.5	(60bps)	15.9
PAT	38	357	(89.5)	504	855	(41.1)	638
EPS (Rs)	0.0	0.3	(89.5)	0.4	0.7	(41.1)	0.5

Source: Company, Dolat Capital

We have downward revised our FY26/27E revenue estimates to factor in the slowdown and increased competition. Further, we have reduced our EBITDA margin estimates to factor in Q2 performance and lower operating leverage. In line, we have revised our APAT estimates.

Exhibit 3: H1FY26 performance

Particulars (Rs.mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Net Sales	13,768	12,222	12.6	13,570	1.5	27,337	24,441	11.9
Total Expenditure	11,876	10,234	16.0	11,521	3.1	23,397	20,219	15.7
RM Cost	4,438	3,747	18.4	4,318	2.8	8,756	7,517	16.5
Employee Exp	2,017	1,834	10.0	2,011	0.3	4,028	3,516	14.5
Other Exp	5,421	4,653	16.5	5,192	4.4	10,613	9,186	15.5
PBIDT (Excl OI)	1,892	1,987	(4.8)	2,049	(7.6)	3,941	4,221	(6.7)
Other Income	51	48	6.1	135	(62.0)	186	148	26.4
Depreciation	1,552	1,391	11.5	1,497	3.7	3,049	2,713	12.4
EBIT	391	644	(39.2)	687	(43.0)	1,078	1,656	(34.9)
Interest	688	653	5.4	668	3.1	1,356	1,283	5.7
Exceptional Items	29	(30)	NA	10	183.1	39	(106)	NA
PBT	(268)	(39)	NA	29	NA	(238)	266	NA
Tax	(52)	10	NA	5	NA	(47)	91	NA
Profit After Tax (Reported)	(216)	(49)	NA	24	NA	(192)	175	NA
APAT	(245)	(19)	NA	14	NA	(231)	281	NA
EPS	(0.2)	(0.0)	NA	0.0	NA	(0.2)	0.1	NA
	bps			bps			bps	
Gross Profit (%)	67.8	69.3	(160)	68.2	(40)	68.0	69.2	(127)
Employee Exp (%)	14.6	15.0	(40)	14.8	(20)	14.7	14.4	35
Other Exp (%)	39.4	38.1	130	38.3	110	38.8	37.6	124
EBITDA (%)	13.7	16.3	(250)	15.1	(140)	14.4	17.3	(286)
PAT (%) Adj	(1.8)	(0.2)	(160)	0.1	(190)	(0.8)	1.2	(200)

Source: Company, Dolat Capital

Earnings Call KTAs

Financial Performance

- **Revenue growth:** DEVYANI reported revenue growth of 12.6% YoY (including Thailand) to Rs 13.8 Bn led by outperformance from own brands (incl. Vaango, Biryani by Kilo and Goila Butter Chicken) on a favorable base of Q2FY25 and a double-digit growth in the international markets. During the quarter, the out-of-home consumption was affected due to Shraavana, Navaratri and unseasonal rains, especially in the east during the crucial second half of September.
- **Margin performance:** On a consolidated basis, GM declined by 150bps YoY to 67.8%. Brand contribution margin contracted by 190bps YoY to 11.7%, where margin compression in the India operations was partly offset by a stable performance across international markets. Operating EBITDA margin stood at 6.8%, down 260bps YoY. Margins were impacted as this quarter reflected the full impact of Skygate consolidation. Additionally, upfront costs related to scaling new franchise brands such as Tea Life and New York Fries and Kitchen further weighed on profitability.

GST 2.0 impact

- The company has proactively shared the benefits of lower input costs with its customers. Overall, GST 2.0 stands as a constructive reform that supports the continued expansion of India's consumption story.

KFC performance

- KFC's revenue grew by 5.3% YoY (6.6% QoQ) with a -4.2% SSSG in Q2FY26. KFC's GM contracted by 90 bps YoY to 68.1%, while it showed 100bps sequential improvement in GM, driven by operational efficiencies, better cost management, and optimization in input consumption. Further, brand contribution margin de-grew by 250bps YoY to 14.1% driven by lower ADS of Rs 89k versus Rs 96k in Q2FY25, lower GP, higher delivery and aggregator cost. During the quarter company opened 30 net new KFC stores in India and is on track to add 100-110 KFC stores in FY26. Excluding the impact of Navratri, Shraavana and rains, the SSSG was better but remained moderately negative.

Pizza Hut Performance

- PH revenue grew by a mere 0.6% YoY with -4.1% SSSG in Q2FY26 on a base of -5.7% SSSG in Q2FY25. GM contracted by 190bps to 76.7% but flat QoQ due to prudent cost control. Brand contribution margins declined to -0.2% versus 3.1% in Q2FY25 due to ADS deleverage, from Rs 35K in Q2FY25 to Rs 33K in Q2FY26. During the quarter company added 3 new net stores and, going ahead, new unit additions for PH will remain muted, as the company is currently in discussions with Yum Brands on certain matters related to the franchise.

International Business Performance

- International business revenue grew 14.0% YoY to ~Rs 4,495mn in Q2FY26. Further, Brand contribution in IB increased from 16.0% in Q2FY25 to 16.7% in Q2FY26. Total store count at the end of the quarter stood at 382.
- **Thailand Business:** For the Thailand KFC business, the company plans to open 20-21 new stores in FY26. While profitability in the market remains stable, some pressure on SSSG is seen, given the existing base of around 1,150 KFC outlets in the country. The company, in collaboration with Yum Brands, is conducting a market study to evaluate future expansion opportunities and ensure a balanced

approach between new store additions and sustainable SSSG. Thailand operations are cash flow positive at the operating level, aided by margin improvement despite negative SSSG. Near-term cash flows will primarily go toward repaying local debt, while the Tea Live pilot (three stores operational) is under evaluation for potential scale-up. The capex intensity is expected to be lower from next year as store expansion moderates.

Franchise and Own Brands performance

- **Franchisee Brands:** Franchisee brands (including Costa Coffee, Tealive & New York Fries) witnessed 4.9% YoY revenue growth, while the ADS for Costa Coffee stood at 24K. However, the brand contribution declined to 10.5% in Q2FY26 from 14.5% in Q2FY25.
- **Own Brands:** Own brands (including Vaango, Biryani by Kilo & Goila butter chicken) revenue stood at Rs 861 Mn. Brand contribution margin came in at 0.6% from 20.4% in Q2FY25, owing to Skygate consolidation. ADS for Vango stood at 24K, and for BBK+ (Skygate portfolio) it stood at Rs 70k. However, acquired portfolio of Biryani By Kilo and Goila Butter Chicken from Skygate continues to do well on revenue front. Skygate currently operates at double-digit brand contribution losses. However, the company is confident of achieving brand contribution breakeven for Skygate by March 2026, with gradual margin normalization thereafter. The company has tested its Biryani by Kilo brand at Mumbai and Pune airports, which has received encouraging consumer response. Plans are underway to extend the brand to select food court locations to assess scalability across formats.
- **Store addition:** Management plans to add ~100 net new stores in FY26 across both franchise and owned brands, with a total Capex estimated at ~Rs 500 Mn

Impact from Yum Brands global Pizza Hut restructuring

- Yum Brands CEO Chris Turner recently said that **“Pizza Hut’s performance indicates the need to take additional action to help the brand realize its full value, which may be better executed outside of Yum Brands”**. Regarding this, management has clarified that Devyani’s existing development and store-level agreements remain fully protected, and the move will have no operational or financial impact on its India or international Pizza Hut businesses. All contractual terms safeguard its franchise rights across markets. Management anticipates that global restructuring could, in fact, bring renewed focus to the Pizza Hut brand, which may prove beneficial for franchise partners.

Demand scenario

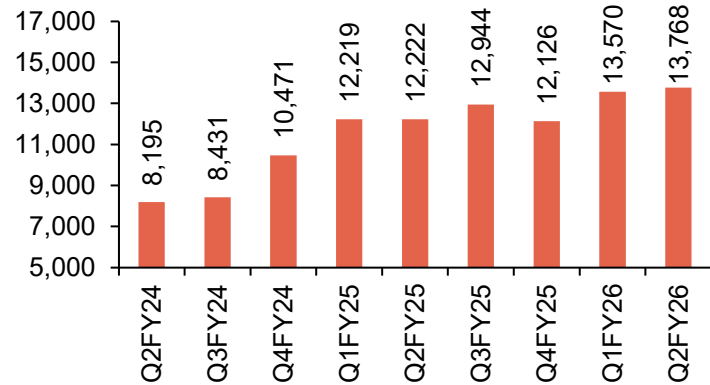
- While some demand upticks were observed post-Dussehra, overall demand environment remains weak, with consumption trends showing high sensitivity to promotions. The company observed that promotional campaigns continue to drive strong short-term upticks in sales, but demand softens once these offers are withdrawn.

New product launches

- During the Q2FY26 festive quarter, the company’s promotional campaigns focused on both topical events, such as Pujó and Onam specials, as well as its core product offerings. KFC launched the “Chana Chatpata Burger” pan-India, priced at Rs. 69, featuring a protein-rich vegetarian patty. The brand also initiated the rollout of a new grilled chicken line, along with limited-time offerings in beverages and desserts. At Pizza Hut, the introduction of the Ultimate Cheese Crust across all channels received a highly positive response, encouraging the brand to extend the offering to combo meals and value deals.

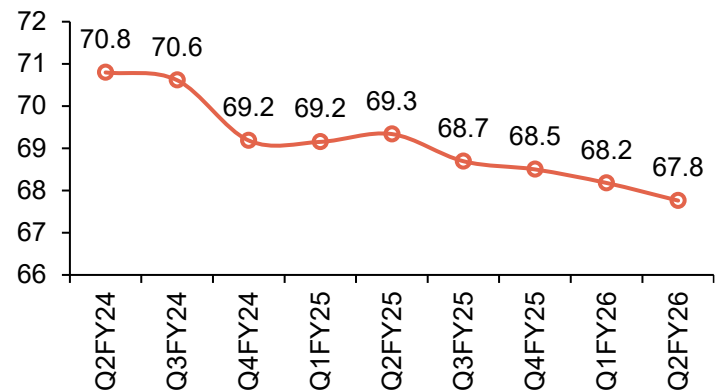
Story in chats

Exhibit 4: Revenue Trend (Rs mn)



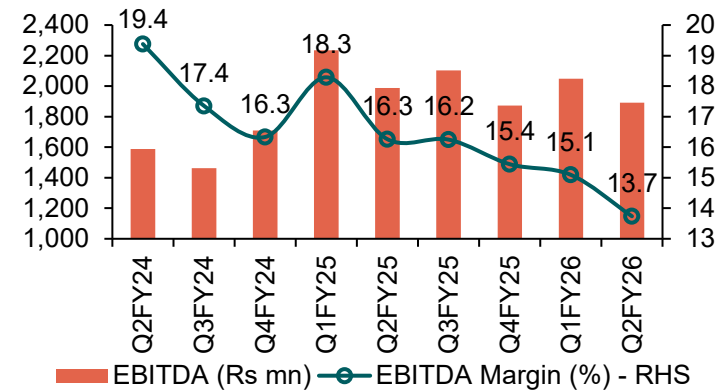
Source: Company, Dolat Capital

Exhibit 5: Gross Margin (%) at a 9-quarter low



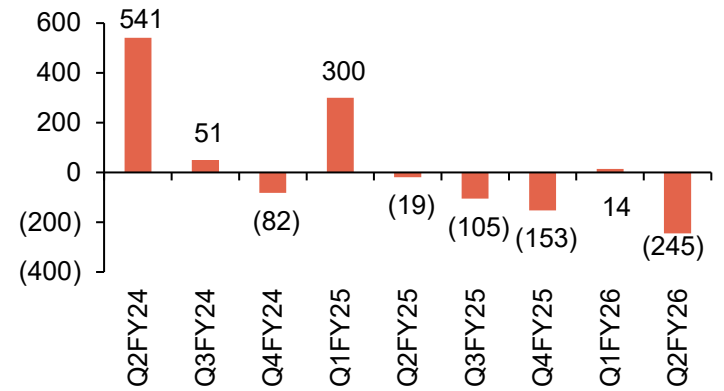
Source: Company, Dolat Capital

Exhibit 6: EBITDA and EBITDA Margin Trends



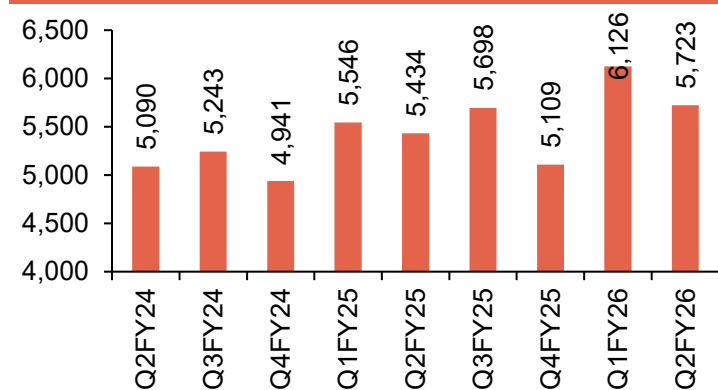
Source: Company, Dolat Capital

Exhibit 7: Adj loss at Rs 245 mn



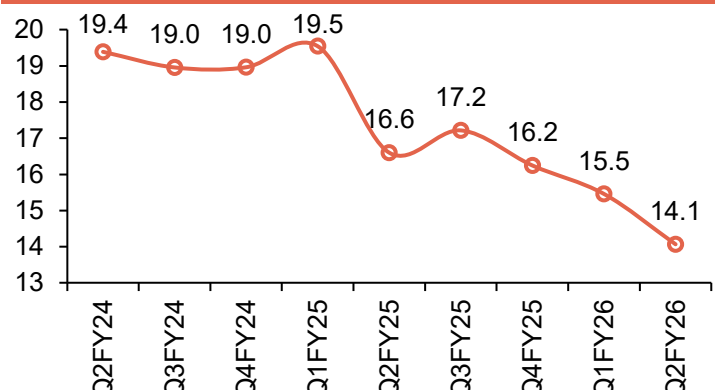
Source: Company, Dolat Capital

Exhibit 8: KFC Revenue at Rs 5,723 mn



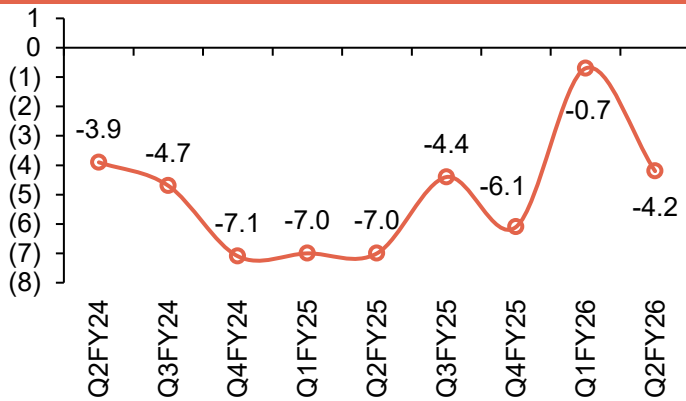
Source: Company, Dolat Capital

Exhibit 9: KFC Contribution Margin at 14.1%



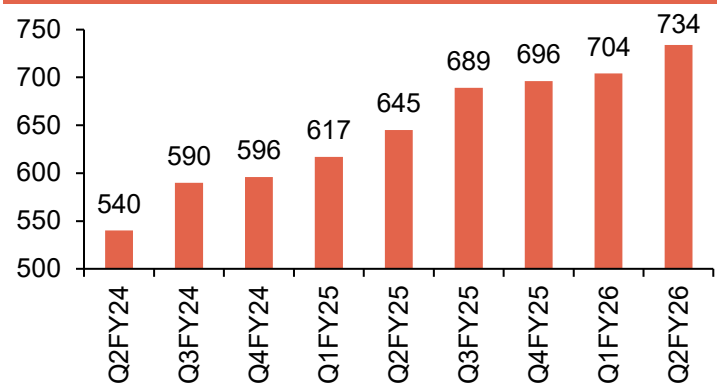
Source: Company, Dolat Capital

Exhibit 10: KFC negative SSSG trend continues



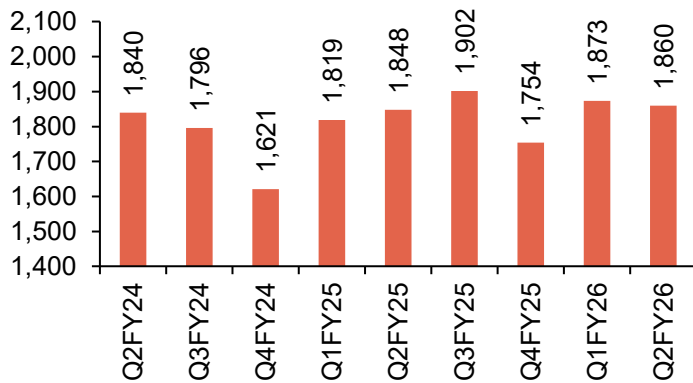
Source: Company, Dolat Capital

Exhibit 11: KFC Store Count at 734



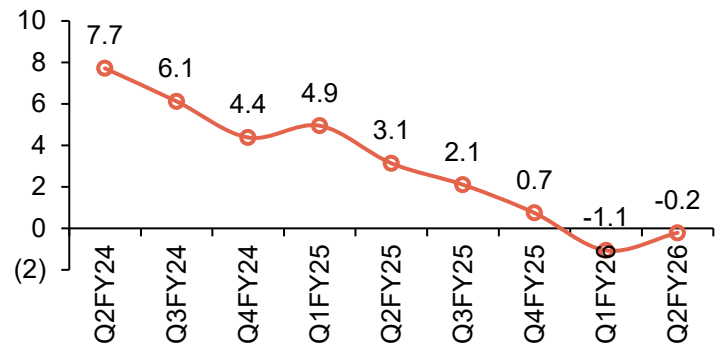
Source: Company, Dolat Capital

Exhibit 12: Pizza Hut Revenue Trends (Rs mn)



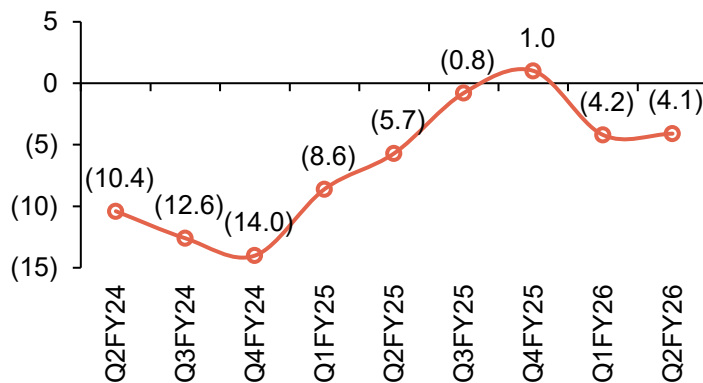
Source: Company, Dolat Capital

Exhibit 13: Pizza Hut Contribution Margin (%)



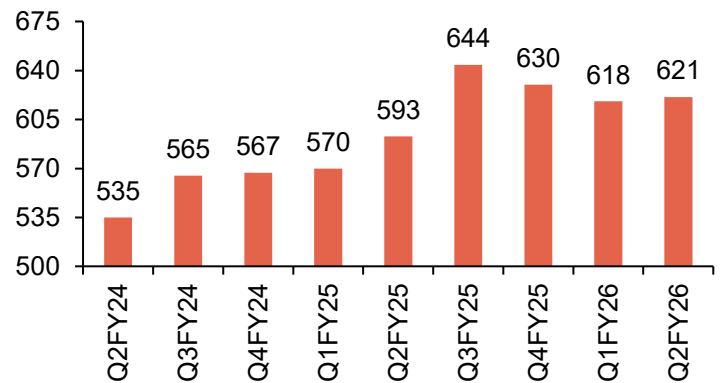
Source: Company, Dolat Capital

Exhibit 14: Pizza Hut SSSG (%) at -4.1%



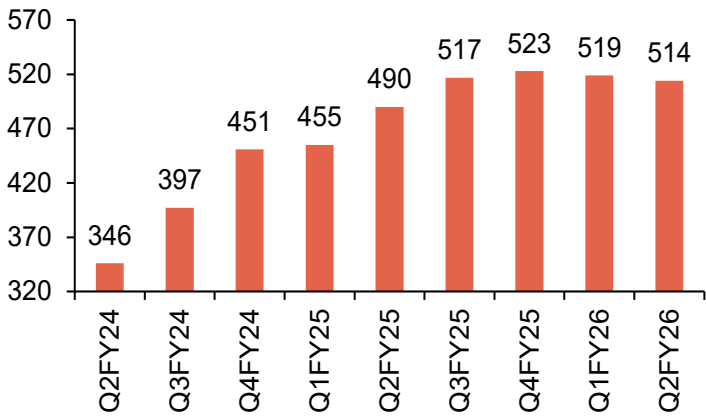
Source: Company, Dolat Capital

Exhibit 15: Pizza Hut Store Count stood at 621



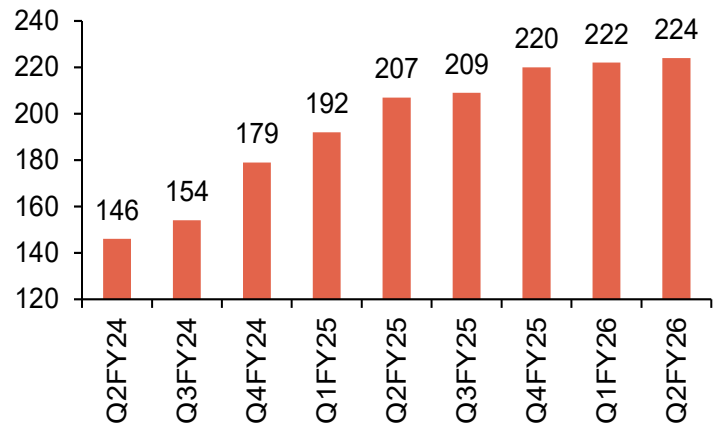
Source: Company, Dolat Capital

Exhibit 16: Cost Coffee Revenue Trends (Rs mn)



Source: Company, Dolat Capital

Exhibit 17: Costa Coffee Store Count at 224



Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Revenue	49,511	55,669	62,572	69,834
Total Expense	41,313	47,176	52,591	58,759
COGS	15,388	16,697	18,330	19,870
Employees Cost	7,104	9,169	9,778	10,871
Other expenses	18,821	21,310	24,483	28,018
EBIDTA	8,197	8,493	9,981	11,075
Depreciation	5,699	6,171	6,667	7,337
EBIT	2,499	2,322	3,314	3,737
Interest	2,648	2,772	3,146	3,423
Other Income	370	399	450	510
Exc. / E.O. items	92	0	0	0
EBT	313	(51)	618	824
Tax	197	(9)	155	206
Minority Interest	(160)	(80)	(40)	(20)
Profit/Loss share of associates	0	0	0	0
RPAT	276	38	504	638
Adjustments	(92)	0	0	0
APAT	184	38	504	638

Balance Sheet

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Sources of Funds				
Equity Capital	1,206	1,206	1,206	1,206
Minority Interest	3,079	2,998	2,958	2,938
Reserves & Surplus	9,738	9,695	10,159	10,777
Net Worth	10,944	10,902	11,365	11,983
Other LT liabilities	21,534	22,611	23,741	24,928
Total Debt	9,318	9,731	10,145	10,559
Net Deferred Tax Liability	(574)	(632)	(695)	(764)
Total Capital Employed	44,300	45,610	47,515	49,644

Applications of Funds

Net Block	45,976	42,878	39,421	35,455
CWIP	35	38	42	46
Investments	259	0	0	0
Current Assets, Loans & Advances	6,541	9,955	15,351	21,499
Current Investments	0	3,000	6,000	9,000
Inventories	1,482	2,135	2,400	2,679
Receivables	413	828	931	1,039
Cash and Bank Balances	1,814	852	2,535	4,934
Loans and Advances	1,029	1,111	1,205	1,303
Other Current Assets	1,804	2,028	2,280	2,544
Less: Current Liabilities & Provisions	8,511	7,261	7,300	7,356
Payables	4,411	3,968	3,568	3,186
Other Current Liabilities	4,100	3,293	3,732	4,170
<i>sub total</i>				
Net Current Assets	(1,970)	2,694	8,052	14,143
Total Assets	44,300	45,610	47,515	49,644

E – Estimates

Important Ratios

Particulars	FY25A	FY26E	FY27E	FY28E
(A) Margins (%)				
Gross Profit Margin	68.9	70.0	70.7	71.5
EBIDTA Margin	16.6	15.3	16.0	15.9
EBIT Margin	5.0	4.2	5.3	5.4
Tax rate	63.0	17.1	25.0	25.0
Net Profit Margin	0.6	0.1	0.8	0.9
(B) As Percentage of Net Sales (%)				
COGS	31.1	30.0	29.3	28.5
Employee	14.3	16.5	15.6	15.6
Other	38.0	38.3	39.1	40.1
(C) Measure of Financial Status				
Gross Debt / Equity	0.9	0.9	0.9	0.9
Interest Coverage	0.0	0.0	0.0	0.0
Inventory days	11	14	14	14
Debtors days	3	5	5	5
Average Cost of Debt	0.0	0.0	0.0	0.0
Payable days	33	26	21	17
Working Capital days	(15)	18	47	74
FA T/O	1.1	1.3	1.6	2.0
(D) Measures of Investment				
AEPS (Rs)	0.2	0.0	0.4	0.5
CEPS (Rs)	4.9	5.2	6.0	6.6
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	9.1	9.0	9.4	9.9
RoANW (%)	2.6	0.3	4.5	5.5
RoACE (%)	11.9	11.9	15.4	16.7
RoAIC (%)	12.1	10.8	15.3	18.2
(E) Valuation Ratios				
CMP (Rs)	156	156	156	156
Mcap (Rs Mn)	1,87,561	1,87,561	1,87,561	1,87,561
EV	1,95,064	1,93,440	1,89,170	1,84,185
MCap/ Sales	3.8	3.4	3.0	2.7
EV/Sales	3.9	3.5	3.0	2.6
P/E	1020.0	4976.2	372.2	294.1
EV/EBITDA	23.8	22.8	19.0	16.6
P/BV	17.1	17.2	16.5	15.7
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	39.2	12.4	12.4	11.6
EBITDA	26.8	3.6	17.5	11.0
EBIT	(4.5)	(7.1)	42.7	12.8
PBT	(85.1)	(116.4)	(1304.9)	33.2
APAT	(87.8)	(79.5)	1237.0	26.6
EPS	(87.8)	(79.5)	1237.1	26.6

E – Estimates

Cash Flow

Particulars	FY25A	FY26E	FY27E	FY28E
Profit before tax	220	(51)	618	824
Depreciation & w.o.	5,699	6,171	6,667	7,337
Net Interest Exp	0	0	0	0
Direct taxes paid	20	9	(155)	(206)
Change in Working Capital	648	(1,548)	456	495
Non Cash	(314)	(138)	(103)	(90)
(A) CF from Operating Activities	6,273	4,442	7,483	8,360
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(4,818)	(3,077)	(3,214)	(3,375)
Free Cash Flow	1,454	1,366	4,270	4,985
(Inc.)/ Dec. in Investments	200	(2,741)	(3,000)	(3,000)
Other	0	0	0	0
(B) CF from Investing Activities	(4,618)	(5,818)	(6,214)	(6,375)
Issue of Equity/ Preference	10	0	0	0
Inc./(Dec.) in Debt	(1,659)	414	414	414
Interest exp net	0	0	0	0
Dividend Paid (Incl. Tax)	0	0	0	0
Other	0	0	0	0
(C) CF from Financing	(1,649)	414	414	414
Net Change in Cash	5	(962)	1,683	2,399
Opening Cash balances	1,808	1,814	852	2,535
Closing Cash balances	1,814	852	2,535	4,934

E – Estimates

Notes

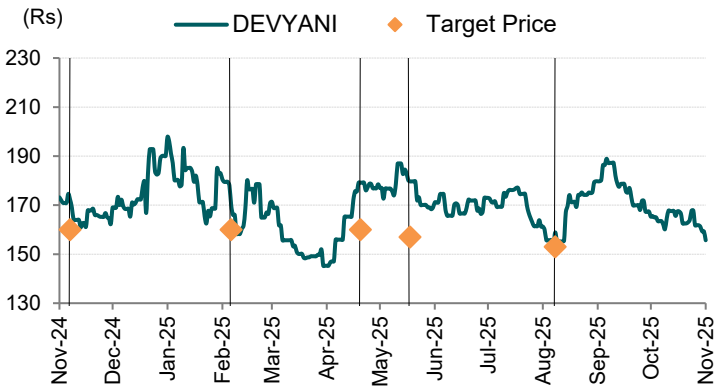
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(6)	(3)	(10)
Rel to NIFTY (%)	(8)	(7)	(14)

Shareholding Pattern

Particulars	Mar'25	Jun'25	Sep'25
Promoters	62.7	62.6	61.4
MF/Banks/FIs	16.9	18.1	19.8
FIIIs	10.5	9.4	6.6
Public / Others	10.0	9.9	12.3



Month	Rating	TP (Rs.)	Price (Rs.)
Nov-24	SELL	160	172
Feb-25	SELL	160	170
Apr-25	SELL	160	179
May-25	SELL	157	180
Aug-25	SELL	153	159

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

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

Dolat Team

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

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Nikhil Thacker	Director - Equity Sales	nikhult@dolatcapital.com	+9122 4096 9773
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Nishit Sariya	VP - Derivatives Sales Trading	nishits@dolatcapital.com	+9122 4096 9765
Monali Jobanputra	Co - Head Asia Derivatives	monalij@dolatcapital.com	+9122 6176 4841
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

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

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

II. Disclaimer:

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

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

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



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

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

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

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

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