

December 28, 2022

## Company Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	610		685	
Sales (Rs. m)	63,011	73,889	66,265	79,649
% Chng.	(4.9)	(7.2)		
EBITDA (Rs. m)	15,885	18,638	17,129	20,656
% Chng.	(7.3)	(9.8)		
EPS (Rs.)	10.6	13.6	11.8	15.5
% Chng.	(9.9)	(11.9)		

### Key Financials - Standalone

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. m)	43,311	51,826	63,011	73,889
EBITDA (Rs. m)	11,046	12,541	15,885	18,638
Margin (%)	25.5	24.2	25.2	25.2
PAT (Rs. m)	4,448	4,865	7,012	8,987
EPS (Rs.)	6.7	7.4	10.6	13.6
Gr. (%)	90.4	9.4	44.1	28.2
DPS (Rs.)	1.2	3.2	5.0	6.5
Yield (%)	0.2	0.6	1.0	1.3
RoE (%)	24.7	21.1	25.4	27.4
RoCE (%)	40.1	34.1	38.3	38.6
EV/Sales (x)	7.7	6.3	5.1	4.2
EV/EBITDA (x)	30.2	26.1	20.2	16.8
PE (x)	76.3	69.8	48.4	37.8
P/BV (x)	16.1	13.5	11.3	9.5

### Key Data

JUBI.BO | JUBI IN

52-W High / Low	Rs.806 / Rs.451
Sensex / Nifty	60,910 / 18,123
Market Cap	Rs.339bn/ \$ 4,097m
Shares Outstanding	660m
3M Avg. Daily Value	Rs.1611.81m

### Shareholding Pattern (%)

Promoter's	42.12
Foreign	28.66
Domestic Institution	19.94
Public & Others	9.29
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(7.0)	(3.9)	(26.7)
Relative	(4.5)	(16.1)	(30.3)

#### Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

#### Harish Advani

harishadvani@plindia.com | 91-22-66322242

#### Anushka Chhajed

anushkachhajed@plindia.com | 91-22-66322244

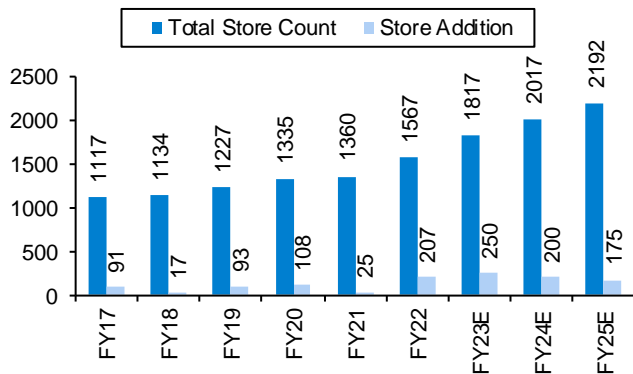
## Risk-reward favourable as headwinds priced in

We cut our FY23/FY24/FY25 EPS estimates by 9.0%/9.9%/11.9% on the back of 3-5% lower system average sales/store, 60-70bps lower EBIDTA margins and lower pace of store additions post ~480 store additions over FY21-23. We believe 3Q23 demand pressures are transitional, however higher competition requires JUBI to increase innovation and consumer value proposition which will limit pricing actions in the near term.

While the scalability of Ek dum, Hong's Kitchen, and Dunkin Donuts remain doubtful, Popeyes is showing encouraging consumer response. We expect more clarity to emerge with regards to store expansion even though it will take a few more years for it to achieve profits. JUBI has significantly underperformed QSR segment and risk-reward seems favorable at 38x FY25 EPS. We believe JUBI's strength in Pizza market, pick up in demand, and success in Popeyes can change the course over the coming few quarters. We estimate 26.4% PAT CAGR over FY22-25 and assign a DCF-based target price of Rs610 (Rs685 earlier). Retain BUY.

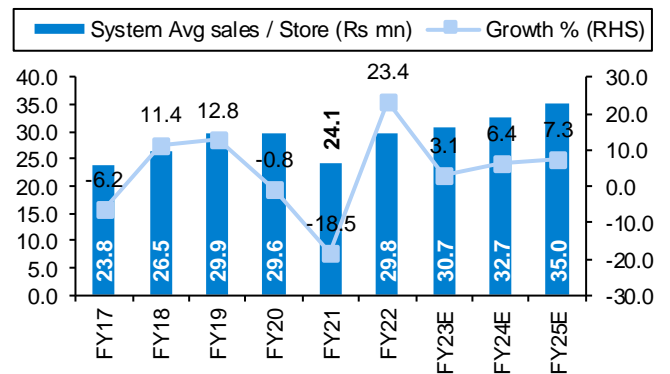
- Tepid demand post-Diwali:** Our channel check suggests good demand in run upto Diwali, however, November saw weak momentum in footfalls and sales which continued till middle of December. General decline in high street & mall footfalls and higher eating out at social functions (vs QSR chains) is attributed to the trend. However, demand has shown some signs of recovery off late, although 3Q sales have been impacted.
- RM Inflation remains elevated:** Cheese (~40% of RM) has seen 10-year high inflation on high milk prices even during the flush season due to lumpy cow disease and higher cost of inputs. Although vegetable prices have softened, rising prices of cheese and wheat (up 30% YoY) is a drag.
- Popeyes sustains initial traction:** Popeyes continues to trend well with strong repeat rates. The guidance for 20 stores by FY23 remains on track supported by the opening of a new commissary in Bengaluru.
- Capex plans intact, 60 store additions in 3Q:** JUBI seems on track to fulfill its guidance of more than 250 Dominos store addition in FY23; it added 130 stores in 1H23 and we expect addition of another 60 stores in 3Q23. However, post sharp store addition in FY22/23, we expect store openings to moderate to 180/200 over next 2-3 years. The commencement of a new commissary in Bengaluru by March 23 will enable achieve economies and scale up Popeyes.
- Cheesy rewards continue strong enrolments:** Loyalty programme – Cheesy Rewards has seen strong enrollment of 7.2mn users (2Q23) since launch in May'22 and will continue to help improve order frequency and reinforce customer stickiness for Domino's.
- Dominos targets 20-minute delivery:** JUBI has been delivering a large share of their pizza orders within 20 minutes. The formalization of this delivery promise is to better communicate to customers the Domino's promise and help expand the market share for Domino's.

**Exhibit 1: Domino's to open 625 new stores over FY22-25**



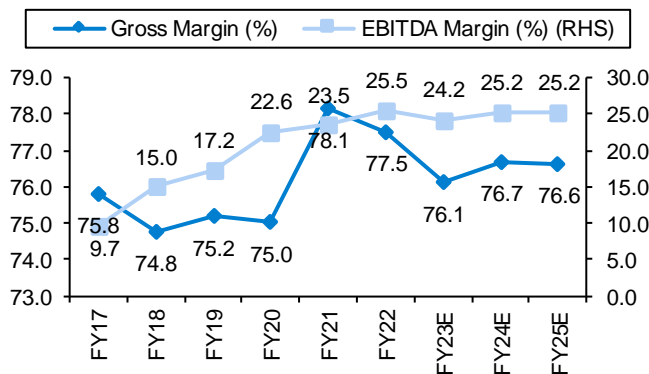
Source: Company, PL

**Exhibit 2: System Avg Sales CAGR at 5.6% over FY22-25**



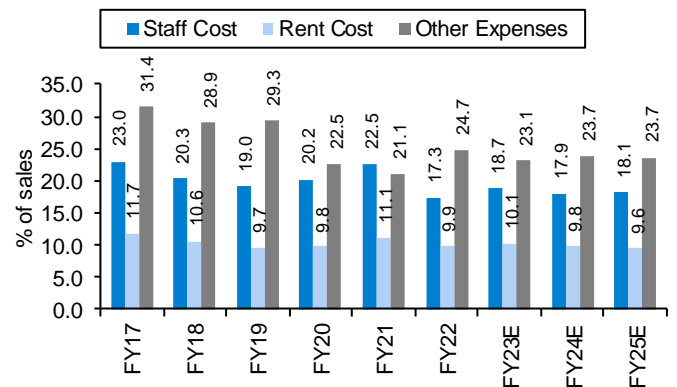
Source: Company, PL

**Exhibit 3: Margins to bounce back in FY24**



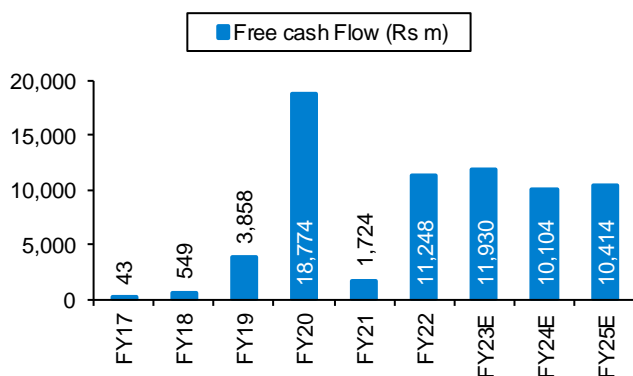
Source: Company, PL

**Exhibit 4: Higher op leverage to offset GM slippage**



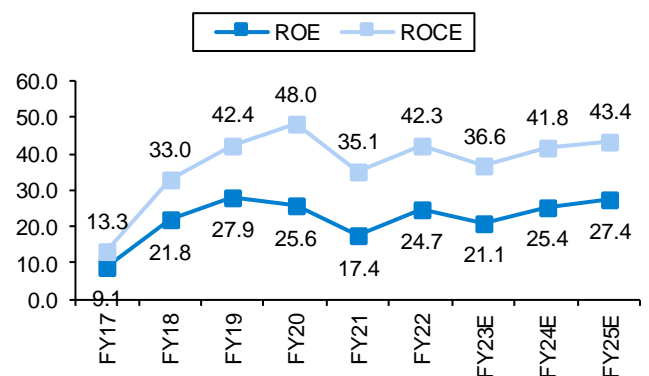
Source: Company, PL

**Exhibit 5: Strong FCF generation of Rs32.5bn over FY22-25**



Source: Company, PL

**Exhibit 6: With stable return ratios**



Source: Company, PL

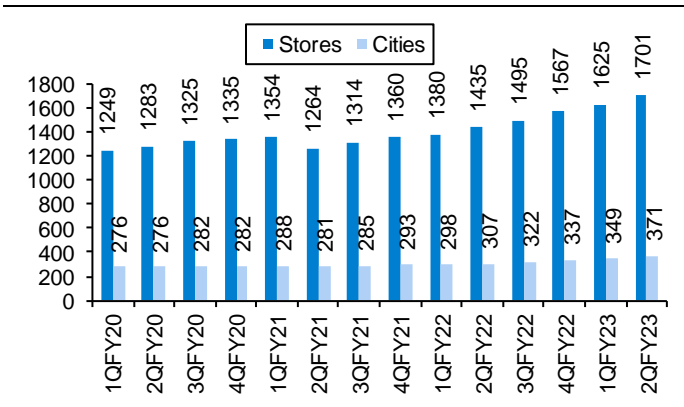


Exhibit 7: Net Sales grew 16.9%, EBITDA margins contracted by 170bps/27bps YoY/QoQ

Y/e March	2QFY23	2QFY22	YoY gr. (%)	1QFY23	1HFY23	1HFY22	YoY gr. (%)
<b>Net Sales</b>	<b>12,868</b>	<b>11,007</b>	<b>16.9</b>	<b>12,403</b>	<b>25,270</b>	<b>19,797</b>	<b>27.6</b>
<b>Gross Profit</b>	<b>9,811</b>	<b>8,613</b>	<b>13.9</b>	<b>9,514</b>	<b>19,325</b>	<b>15,401</b>	<b>25.5</b>
<i>% of NS</i>	<i>76.2</i>	<i>78.2</i>	<i>(2.0)</i>	<i>76.7</i>	<i>76.5</i>	<i>77.8</i>	<i>(1.3)</i>
<b>EBITDA</b>	<b>3,125</b>	<b>2,860</b>	<b>9.2</b>	<b>3,045</b>	<b>6,170</b>	<b>4,975</b>	<b>24.0</b>
<i>Margins %</i>	<i>24.3</i>	<i>26.0</i>	<i>(1.7)/</i>	<i>24.6</i>	<i>24.4</i>	<i>25.1</i>	<i>(0.7)</i>
Depreciation	1,123	902	24.5	1,050	2,173	1,792	21.3
Interest	485	416	16.6	459	945	834	13.3
Other Income	103	93	10.9	106	209	173	20.6
<b>PBT</b>	<b>1,619</b>	<b>1,635</b>	<b>(1.0)</b>	<b>1,642</b>	<b>3,261</b>	<b>2,522</b>	<b>29.3</b>
Tax	428	407	5.1	366	793	613	29.4
<i>Tax rate %</i>	<i>26.4</i>	<i>24.9</i>	<i>1.5</i>	<i>22.3</i>	<i>24.3</i>	<i>24.3</i>	<i>0.0</i>
<b>Adjusted PAT</b>	<b>1,192</b>	<b>1,228</b>	<b>(2.9)</b>	<b>1,276</b>	<b>2,468</b>	<b>1,909</b>	<b>29.3</b>

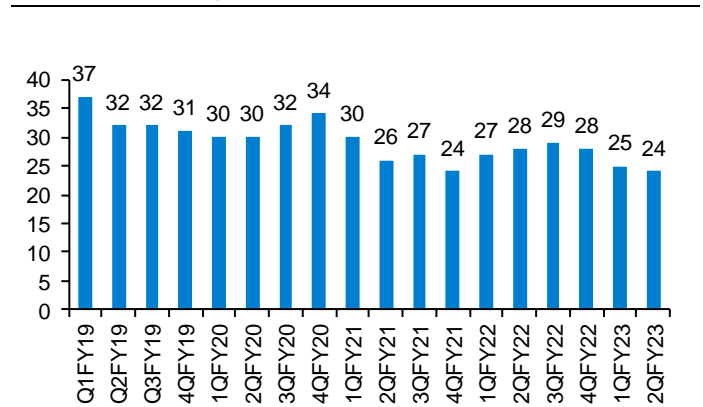
Source: Company, PL

Exhibit 8: Dominoes opened 76 new stores



Source: Company, PL

Exhibit 9: Dunking Donuts closed 1 store



Source: Company, PL

Exhibit 10: Hong's Kitchen stores unchanged



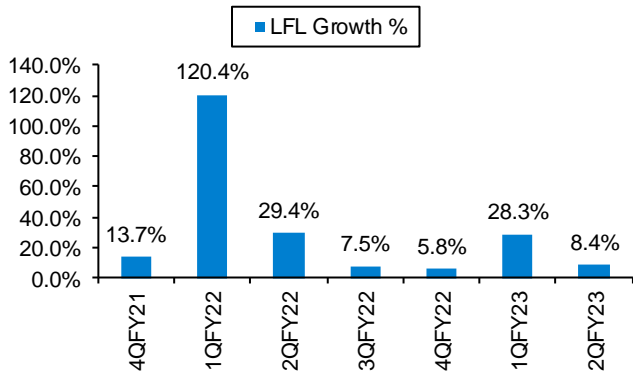
Source: Company, PL

Exhibit 11: Ekdum stores unchanged



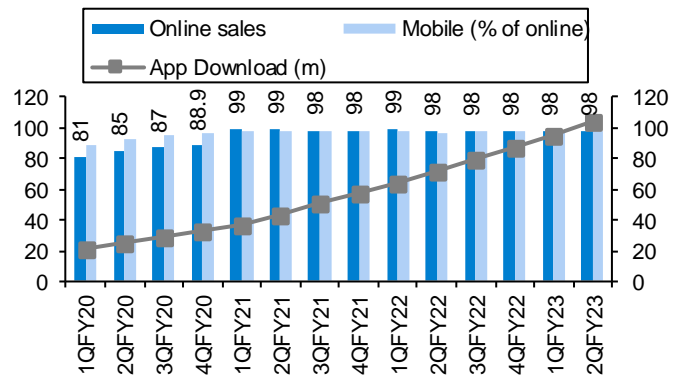
Source: Company, PL

**Exhibit 12: LFL Growth at 8.4% in 2QFY23**



Source: Company, PL

**Exhibit 13: OLO contribution at 98%**



Source: Company, PL

**Exhibit 14: Domino's India has launched 20-minute delivery promise in 20 zones & 14 cities**



Source: PL, Company

## Financials

### Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Net Revenues</b>	<b>43,311</b>	<b>51,826</b>	<b>63,011</b>	<b>73,889</b>
YoY gr. (%)	32.5	19.7	21.6	17.3
Cost of Goods Sold	9,742	12,375	14,689	17,260
Gross Profit	33,569	39,451	48,323	56,630
Margin (%)	77.5	76.1	76.7	76.6
Employee Cost	7,514	9,710	11,278	13,380
Other Expenses	6,980	7,636	9,369	10,821
<b>EBITDA</b>	<b>11,046</b>	<b>12,541</b>	<b>15,885</b>	<b>18,638</b>
YoY gr. (%)	44.1	13.5	26.7	17.3
Margin (%)	25.5	24.2	25.2	25.2
Depreciation and Amortization	3,830	4,668	5,341	5,948
<b>EBIT</b>	<b>7,216</b>	<b>7,873</b>	<b>10,544</b>	<b>12,689</b>
Margin (%)	16.7	15.2	16.7	17.2
Net Interest	1,730	2,000	2,219	2,344
Other Income	407	571	962	1,558
<b>Profit Before Tax</b>	<b>5,820</b>	<b>6,443</b>	<b>9,288</b>	<b>11,904</b>
Margin (%)	13.4	12.4	14.7	16.1
Total Tax	1,444	1,579	2,275	2,916
Effective tax rate (%)	24.8	24.5	24.5	24.5
<b>Profit after tax</b>	<b>4,375</b>	<b>4,865</b>	<b>7,012</b>	<b>8,987</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>4,448</b>	<b>4,865</b>	<b>7,012</b>	<b>8,987</b>
YoY gr. (%)	90.4	9.4	44.1	28.2
Margin (%)	10.3	9.4	11.1	12.2
Extra Ord. Income / (Exp)	(73)	-	-	-
<b>Reported PAT</b>	<b>4,375</b>	<b>4,865</b>	<b>7,012</b>	<b>8,987</b>
YoY gr. (%)	87.2	11.2	44.1	28.2
Margin (%)	10.1	9.4	11.1	12.2
Other Comprehensive Income	2,430	-	-	-
Total Comprehensive Income	6,805	4,865	7,012	8,987
<b>Equity Shares O/s (m)</b>	<b>660</b>	<b>660</b>	<b>660</b>	<b>660</b>
<b>EPS (Rs)</b>	<b>6.7</b>	<b>7.4</b>	<b>10.6</b>	<b>13.6</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>17,074</b>	<b>23,804</b>	<b>28,305</b>	<b>32,677</b>
Tangibles	15,642	22,056	26,341	30,505
Intangibles	1,431	1,748	1,963	2,172
<b>Acc: Dep / Amortization</b>	<b>9,286</b>	<b>11,675</b>	<b>14,516</b>	<b>17,794</b>
Tangibles	8,383	10,588	13,223	16,273
Intangibles	903	1,087	1,293	1,521
<b>Net fixed assets</b>	<b>10,697</b>	<b>12,129</b>	<b>13,789</b>	<b>14,883</b>
Tangibles	10,168	11,467	13,119	14,232
Intangibles	528	662	671	651
Capital Work In Progress	457	200	200	200
Goodwill	-	-	-	-
Non-Current Investments	9,685	10,726	10,881	11,022
Net Deferred tax assets	571	628	691	760
Other Non-Current Assets	16,959	19,179	19,658	19,259
<b>Current Assets</b>				
Investments	997	1,495	1,501	2,102
Inventories	1,571	1,871	2,100	2,372
Trade receivables	268	355	552	648
Cash & Bank Balance	5,400	10,063	16,444	25,119
Other Current Assets	726	648	756	739
<b>Total Assets</b>	<b>47,754</b>	<b>57,720</b>	<b>66,999</b>	<b>77,528</b>
<b>Equity</b>				
Equity Share Capital	1,320	1,320	1,320	1,320
Other Equity	19,715	23,788	28,689	34,377
<b>Total Networkth</b>	<b>21,035</b>	<b>25,108</b>	<b>30,009</b>	<b>35,697</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	17,653	21,687	24,350	26,374
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	5,353	6,081	6,737	7,928
Other current liabilities	3,707	4,333	4,977	5,552
<b>Total Equity &amp; Liabilities</b>	<b>47,754</b>	<b>57,214</b>	<b>66,078</b>	<b>75,556</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	5,893	6,443	9,288	11,904
Add. Depreciation	3,830	4,668	5,341	5,948
Add. Interest	1,730	2,000	2,219	2,344
Less Financial Other Income	407	571	962	1,558
Add. Other	6,214	3,767	2,425	1,794
Op. profit before WC changes	17,667	16,879	19,272	21,990
Net Changes-WC	(489)	545	760	815
Direct tax	(1,444)	(1,579)	(2,275)	(2,916)
<b>Net cash from Op. activities</b>	<b>15,734</b>	<b>15,845</b>	<b>17,756</b>	<b>19,889</b>
Capital expenditures	(13,037)	(8,896)	(7,460)	(6,622)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(13,037)</b>	<b>(8,896)</b>	<b>(7,460)</b>	<b>(6,622)</b>
Issue of share cap. / premium	50	-	-	-
Debt changes	-	-	-	-
Dividend paid	(792)	(792)	(2,112)	(3,299)
Interest paid	(1,730)	(2,000)	(2,219)	(2,344)
Others	-	(1)	1	(1)
<b>Net cash from Fin. activities</b>	<b>(2,472)</b>	<b>(2,793)</b>	<b>(4,329)</b>	<b>(5,645)</b>
<b>Net change in cash</b>	<b>225</b>	<b>4,156</b>	<b>5,967</b>	<b>7,623</b>
Free Cash Flow	2,697	6,949	10,296	13,267

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

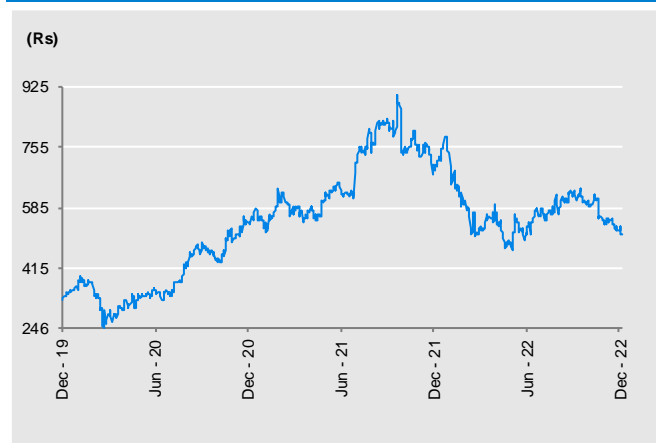
Y/e Mar	Q3FY22	Q4FY22	Q1FY23	Q2FY23
<b>Net Revenue</b>	<b>11,935</b>	<b>11,579</b>	<b>12,403</b>	<b>12,868</b>
YoY gr. (%)	12.9	12.9	41.1	16.9
Raw Material Expenses	2,673	2,674	2,888	3,056
Gross Profit	9,262	8,905	9,514	9,811
Margin (%)	77.6	76.9	76.7	76.2
<b>EBITDA</b>	<b>3,174</b>	<b>2,897</b>	<b>3,045</b>	<b>3,125</b>
YoY gr. (%)	13.9	16.2	44.0	9.2
Margin (%)	26.6	25.0	24.6	24.3
Depreciation / Depletion	1,006	1,031	1,050	1,123
<b>EBIT</b>	<b>2,168</b>	<b>1,865</b>	<b>1,995</b>	<b>2,002</b>
Margin (%)	18.2	16.1	16.1	15.6
Net Interest	446	450	459	485
Other Income	109	124	106	103
<b>Profit before Tax</b>	<b>1,831</b>	<b>1,539</b>	<b>1,642</b>	<b>1,619</b>
Margin (%)	15.3	13.3	13.2	12.6
Total Tax	457	374	366	428
Effective tax rate (%)	25.0	24.3	22.3	26.4
<b>Profit after Tax</b>	<b>1,374</b>	<b>1,165</b>	<b>1,276</b>	<b>1,192</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,374</b>	<b>1,165</b>	<b>1,276</b>	<b>1,192</b>
YoY gr. (%)	9.8	11.7	87.3	(3.0)
Margin (%)	11.5	10.1	10.3	9.3
Extra Ord. Income / (Exp)	(1)	(4)	(266)	-
<b>Reported PAT</b>	<b>1,373</b>	<b>1,161</b>	<b>1,010</b>	<b>1,192</b>
YoY gr. (%)	9.8	11.3	61.4	(2.0)
Margin (%)	11.5	10.0	8.1	9.3
Other Comprehensive Income	1,045	(589)	(551)	65
<b>Total Comprehensive Income</b>	<b>2,419</b>	<b>572</b>	<b>459</b>	<b>1,257</b>
Avg. Shares O/s (m)	14	14	14	14
<b>EPS (Rs)</b>	<b>98.2</b>	<b>83.2</b>	<b>91.1</b>	<b>85.1</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Per Share(Rs)</b>				
EPS	6.7	7.4	10.6	13.6
CEPS	12.5	14.4	18.7	22.6
BVPS	31.9	38.1	45.5	54.1
FCF	4.1	10.5	15.6	20.1
DPS	1.2	3.2	5.0	6.5
<b>Return Ratio(%)</b>				
RoCE	40.1	34.1	38.3	38.6
ROIC	17.4	17.1	21.5	25.2
RoE	24.7	21.1	25.4	27.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.5)	(0.6)	(0.8)
Net Working Capital (Days)	(30)	(27)	(24)	(24)
<b>Valuation(x)</b>				
PER	76.3	69.8	48.4	37.8
P/B	16.1	13.5	11.3	9.5
P/CEPS	41.0	35.6	27.5	22.7
EV/EBITDA	30.2	26.1	20.2	16.8
EV/Sales	7.7	6.3	5.1	4.2
Dividend Yield (%)	0.2	0.6	1.0	1.3

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Nov-22	BUY	685	613
2	04-Oct-22	BUY	688	615
3	28-Jul-22	BUY	700	565
4	07-Jul-22	BUY	710	571
5	30-May-22	BUY	708	567
6	08-Apr-22	Accumulate	3,230	2,792
7	02-Feb-22	Accumulate	3,600	3,302
8	06-Jan-22	Accumulate	4,109	3,638

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Accumulate	3,326	3,141
2	Avenue Supermarts	BUY	5,121	4,306
3	Britannia Industries	Hold	4,142	3,804
4	Colgate Palmolive	Hold	1,639	1,639
5	Dabur India	Accumulate	615	549
6	Emami	Accumulate	555	465
7	Hindustan Unilever	Accumulate	2,798	2,705
8	ITC	Accumulate	365	350
9	Jubilant FoodWorks	BUY	685	613
10	Kansai Nerolac Paints	Accumulate	563	465
11	Marico	Hold	543	539
12	Mold-tek Packaging	Hold	947	939
13	Nestle India	Accumulate	20,111	19,388
14	Pidilite Industries	Hold	2,737	2,656
15	Restaurant Brands Asia	Accumulate	156	126
16	Titan Company	Accumulate	2,875	2,770
17	Westlife Foodworld	BUY	847	719

**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. Amnish Aggarwal- MBA, CFA, Mr. Harish Advani- PGDM Finance, Ms. Anushka Chhajed- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### (US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her 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. Amnish Aggarwal- MBA, CFA, Mr. Harish Advani- PGDM Finance, Ms. Anushka Chhajed- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

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

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

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

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

### 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)