

May 9, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		HOLD	
Target Price	137		123	
Sales (Rs. m)	88,630	95,876	87,387	94,262
% Chng.	1.4	1.7		
EBITDA (Rs. m)	15,688	18,025	15,118	17,910
% Chng.	3.8	0.6		
EPS (Rs.)	10.7	12.5	10.1	12.3
% Chng.	5.6	1.7		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	86,372	82,941	88,630	95,876
EBITDA (Rs. m)	9,071	11,962	15,688	18,025
Margin (%)	10.5	14.4	17.7	18.8
PAT (Rs. m)	4,738	7,701	10,256	11,986
EPS (Rs.)	4.9	8.0	10.7	12.5
Gr. (%)	(18.5)	62.5	33.2	16.9
DPS (Rs.)	1.0	2.4	2.7	3.1
Yield (%)	0.9	2.2	2.4	2.8
RoE (%)	4.4	6.9	8.6	9.4
RoCE (%)	5.4	8.0	10.4	11.4
EV/Sales (x)	1.1	1.0	0.9	0.8
EV/EBITDA (x)	10.6	7.1	5.1	4.0
PE (x)	22.5	13.9	10.4	8.9
P/BV (x)	1.0	0.9	0.9	0.8

Key Data

ZEE.BO | Z IN

52-W High / Low	Rs.169 / Rs.89
Sensex / Nifty	80,335 / 24,274
Market Cap	Rs.107bn / \$ 1,245m
Shares Outstanding	961m
3M Avg. Daily Value	Rs.1423.31m

Shareholding Pattern (%)

Promoter's	3.99
Foreign	22.83
Domestic Institution	16.01
Public & Others	57.18
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.9	(9.4)	(17.3)
Relative	(4.9)	(10.3)	(24.4)

Jinesh Joshi

jineshjoshi@plindia.com | 91-22-66322238

Stuti Beria

stutiberia@plindia.com | 91-22-66322246

Dhvanit Shah

dhvanitshah@plindia.com | 91-22-66322258

Ad-revenue recovery key to re-rating

Quick Pointers:

- Domestic ad-revenue declines 27.0% YoY to Rs7,786mn.
- ZEE5's EBITDA loss of Rs753mn is at an all-time low.

We increase our EPS estimates by 6%/2% for FY26E/FY27E and upgrade our rating to BUY (earlier HOLD) with a TP of Rs137 as we revise our target multiple to 11x (earlier 10x) amid sustained improvement in operating performance since last 4 quarters. Despite a weak ad-environment, ZEEL reported better than expected performance with EBITDA margin of 13.1% (PLe 12.5%) led by cost optimization efforts and narrowing losses in ZEE5. In FY25, ZEEL's content and employee cost was down 10.4% and 9.0% respectively while operating loss in ZEE5 almost halved leading to 390 bps expansion in EBITDA margin. While this is commendable, we believe true operating leverage benefit of the ongoing cost optimization exercise is overshadowed by a weak ad-environment. Assuming a modest 8.0% CAGR in ad-revenue on a low base of FY25 is expected to result in 440bps expansion in EBITDA margin over next 2 years given the cost reset. Backed by sharp earnings recovery and attractive valuations (10.4x/8.9x our FY26E/FY27E EPS) we upgrade the stock to a BUY with a TP of Rs137 (11x FY27E EPS).

Top line remained flat YoY: Revenue was flat at Rs21,841mn (PLe Rs20,874mn). Domestic ad-revenue declined 27.0% YoY to Rs7,786mn, primarily due to weak macro backdrop, postponement of Zee Cine Awards, packed sports calendar and higher base in 4QFY24. However, total subscription revenues increased 3.9% YoY to Rs9,865mn.

EBITDA margin stood at 13.1%: EBITDA increased 35.6% YoY to Rs2,852mn (PLe Rs2,612mn, CE Rs2,801mn) with a margin of 13.1% (PLe 12.5%). EBITDA was better than our expectations on account of narrowing losses in ZEE5, and lower than expected other expenses, which came in at Rs870mn (PLe Rs1,287mn). Reported PAT stood at Rs1,886mn with a margin of 8.6%. Adjusting for a fair value gain of Rs125mn on financial instruments, adjusted PAT increased 342.4% YoY to Rs1,761mn (PLe Rs1,343mn, CE Rs1,655mn). The PAT outperformance was led by a lower-than-expected tax rate and other expenses.

ZEE5's revenue increased 15.8% YoY: ZEE5's revenue increased by 15.8% YoY to Rs2,747mn aided by syndication revenue. 16 new shows/movies were launched including 4 originals in 4QFY25 and EBITDA loss declined to Rs753mn.

Con-call highlights: **1)** Ad-revenue will be supported in FY26E driven by Zee Anmol's re-entry into the FTA segment. **2)** ZEE5's EBITDA loss was at an all-time low of Rs753mn supported by syndication gains. However, even after excluding syndication revenue, ZEE5's revenue and operating performance improved sequentially in 4QFY25. **3)** 20 movies were released in FY25, with 18 to 21 films slated for release in FY26E. **4)** Other sales and services grew 226.4% YoY, driven by a higher number of movie releases and increased syndication revenue. **5)** EBITDA margin target of 18-20% remains intact for FY26E. **6)** Other expenses were lower at Rs870mn in 4QFY25, due to one-off recoveries, including reversal of provisions related to bad debts. **7)** The US contributes only a small portion to overall business of ZEE studios, so any potential impact from Trump tariffs on non-US films would be negligible. **8)** Cash and treasury investments rose to Rs24,064mn in 4QFY25.

Exhibit 1: 4QFY25 Result Overview - Consolidated (Rs mn)

Consolidated (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q3FY25	QoQ gr.	Q4FY25E	% Var	FY25	FY24	YoY gr.
Net Sales	21,841	21,699	0.7%	19,788	10.4%	20,874	4.6%	82,941	86,372	-4.0%
Operational cost	12,819	12,830	-0.1%	9,968	28.6%	11,913	7.6%	45,172	50,393	-10.4%
<i>As a % of sales</i>	<i>58.7%</i>	<i>59.1%</i>		<i>50.4%</i>		<i>57.1%</i>		<i>54.5%</i>	<i>58.3%</i>	
Employee expenses	2,300	2,552	-9.9%	2,433	-5.5%	2,461	-6.5%	9,266	10,188	-9.0%
<i>As a % of sales</i>	<i>10.5%</i>	<i>11.8%</i>		<i>12.3%</i>		<i>11.8%</i>		<i>11.2%</i>	<i>11.8%</i>	
Other expenses	870	1,573	-44.7%	1,226	-29.0%	1,287	-32.4%	5,075	6,042	-16.0%
<i>As a % of sales</i>	<i>4.0%</i>	<i>7.2%</i>		<i>6.2%</i>		<i>6.2%</i>		<i>6.1%</i>	<i>7.0%</i>	
A&P spends	3,000	2,642	13.5%	2,977	0.8%	2,601	15.4%	11,466	10,677	7.4%
<i>As a % of sales</i>	<i>13.7%</i>	<i>12.2%</i>		<i>15.0%</i>		<i>12.5%</i>		<i>13.8%</i>	<i>12.4%</i>	
Total Expenditure	18,989	19,597	-3.1%	16,604	14.4%	18,262	4.0%	70,979	77,301	-8.2%
EBITDA	2,852	2,103	35.6%	3,184	-10.4%	2,612	9.2%	11,962	9,071	31.9%
<i>EBITDA Margin</i>	<i>13.1%</i>	<i>9.7%</i>		<i>16.1%</i>		<i>12.5%</i>		<i>14.4%</i>	<i>10.5%</i>	
Depreciation	639	772	-17.2%	658	-2.9%	821	-22.1%	2,785	3,091	-9.9%
EBIT	2,213	1,331	66.3%	2,526	-12.4%	1,791	23.5%	9,177	5,980	53.5%
<i>EBIT Margin</i>	<i>10.1%</i>	<i>6.1%</i>		<i>12.8%</i>		<i>8.6%</i>		<i>11.1%</i>	<i>6.9%</i>	
Interest	81	69	17.4%	108	-25.0%	101	-19.9%	327	721	-54.6%
Other income	362	154	135.5%	345	4.9%	340	6.3%	1,234	1,293	-4.6%
Fair value (gain)/loss on financial instruments	(125)	-	NM	(23)	NM	-	NM	(159)	(38)	NM
PBT before exceptional items	2,619	1,415	85.0%	2,786	-6.0%	2,031	29.0%	10,243	6,591	55.4%
Exceptional items	-	(276)	NM	(809)	NM	-	NM	(986)	(2,784)	NM
Share of profit in associates and joint ventures	1	1	42.9%	1	0.0%	-	NM	4	4	14.3%
PBT	2,620	1,140	129.9%	1,978	32.5%	2,031	29.0%	9,261	3,811	143.0%
Tax	734	1,018	-27.9%	342	114.6%	688	6.7%	2,387	1,818	31.3%
<i>Tax Rate</i>	<i>28.0%</i>	<i>89.3%</i>		<i>17.3%</i>		<i>33.9%</i>		<i>25.8%</i>	<i>47.7%</i>	
PAT	1,886	122	1448.4%	1,636	15.3%	1,343	40.5%	6,874	1,993	245.0%
<i>PAT Margin</i>	<i>8.6%</i>	<i>0.6%</i>		<i>8.3%</i>		<i>6.4%</i>		<i>8.3%</i>	<i>2.3%</i>	
Other comprehensive income	34	24	42.3%	169	-79.9%	100	-66.0%	411	95	332.4%
Adjusted PAT	1,761	398	342.4%	2,422	-27.3%	1,343	31.2%	7,701	4,738	62.5%
Loss from discontinued operations	(2)	12	NM	-	NM	-	NM	(79)	(578)	NM
PAT/Loss including discontinued operations	1,884	133	1311.2%	1,636	15.2%	1,343	40.3%	6,795	1,414	380.4%
EPS (Rs)	2.0	0.1	1410.3%	1.7	15.3%	1.4	40.5%	7.2	2.1	245.0%
Adjusted EPS	1.8	0.4	342.4%	2.5	-27.3%	1.4	31.2%	8.0	4.9	62.5%

Source: Company, PL Note: Adjusted PAT is prior to losses from discontinued operations

Exhibit 2: Domestic ad-revenue declined by 27.0% YoY in 4QFY25 (Rs mn)

Particulars (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q3FY25	QoQ gr.
Domestic ad-revenue	7,786	10,660	-27.0%	8,806	-11.6%
As a % of ad-revenue	93.0%	96.0%		93.6%	
International ad-revenue	589	442	33.3%	600	-1.8%
As a % of ad-revenue	7.0%	4.0%		6.4%	
Total ad-revenue	8,375	11,102	-24.6%	9,406	-11.0%
Domestic subscription revenue	8,855	8,474	4.5%	8,959	-1.2%
As a % of subscription-revenue	89.8%	89.3%		91.2%	
International subscription revenue	1,010	1,020	-1.0%	866	16.6%
As a % of subscription-revenue	10.2%	10.7%		8.8%	
Total subscription revenue	9,865	9,494	3.9%	9,825	0.4%
Other sales & services	3,601	1,103	226.4%	557	546.5%
Total Revenues	21,841	21,699	0.7%	19,788	10.4%

Source: Company, PL

Exhibit 3: ZEE5's EBITDA loss stood at Rs753mn in 4QFY25

Particulars	3QFY24	4QFY24	1QFY25	3QFY25	4QFY25
Global MAU	NA	NA	NA	NA	NA
Global DAU	NA	NA	NA	NA	NA
Average watch time (per viewer/per month)	NA	NA	NA	NA	NA
Revenue	Rs2,232mn	Rs2,372mn	Rs2,237mn	Rs2,413mn	Rs2,747mn
EBITDA	Rs(2,440mn)	Rs(2,652mn)	Rs(1,777mn)	Rs(1,362mn)	Rs(753mn)
Number of originals/movies released	19	16	13	14	16

Source: Company, PL.

Exhibit 4: Movie rights constitute 90% of the content pie in 4QFY25

Particulars (Rs bn)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Movie Rights	50.9	50.9	49.1	48.1	41.8	45.8	47.0	46.1	64.1
As % of total	64%	64%	64%	64%	64%	65%	67%	66%	90%
Shows	11.1	11.1	10.7	10.5	9.1	9.9	9.1	9.1	8.6
As % of total	14%	14%	14%	14%	14%	14%	13%	13%	12%
Movie production, Music & Others	10.3	11.1	10.7	10.5	15.1	9.9	8.4	9.1	6.5
As % of total	13%	14%	14%	14%	23%	14%	12%	13%	9%
Content advances & deposits	6.4	6.4	6.1	6.0	2.3	4.9	4.9	5.6	-4.2
As % of total	8%	8%	8%	8%	3%	7%	7%	8%	-6%
Grand Total (Inventory & advances/deposits)	79.6	79.6	76.7	75.2	65.3	70.5	70.1	69.9	71.5

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	86,372	82,941	88,630	95,876
YoY gr. (%)	6.8	(4.0)	6.9	8.2
Cost of Goods Sold	50,393	45,172	46,088	49,856
Gross Profit	35,979	37,769	42,543	46,021
Margin (%)	41.7	45.5	48.0	48.0
Employee Cost	10,188	9,266	9,749	10,355
Other Expenses	6,042	5,075	5,495	5,944
EBITDA	9,071	11,962	15,688	18,025
YoY gr. (%)	(17.6)	31.9	31.1	14.9
Margin (%)	10.5	14.4	17.7	18.8
Depreciation and Amortization	3,091	2,785	3,013	3,164
EBIT	5,980	9,177	12,674	14,861
Margin (%)	6.9	11.1	14.3	15.5
Net Interest	721	327	281	259
Other Income	1,331	1,393	1,374	1,486
Profit Before Tax	3,807	9,257	13,767	16,088
Margin (%)	4.4	11.2	15.5	16.8
Total Tax	1,818	2,387	3,511	4,102
Effective tax rate (%)	47.8	25.8	25.5	25.5
Profit after tax	1,989	6,870	10,256	11,986
Minority interest	-	-	-	-
Share Profit from Associate	4	4	-	-
Adjusted PAT	4,738	7,701	10,256	11,986
YoY gr. (%)	(18.5)	62.5	33.2	16.9
Margin (%)	5.5	9.3	11.6	12.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,993	6,874	10,256	11,986
YoY gr. (%)	(20.7)	245.0	49.2	16.9
Margin (%)	2.3	8.3	11.6	12.5
Other Comprehensive Income	95	411	-	-
Total Comprehensive Income	2,088	7,285	10,256	11,986
Equity Shares O/s (m)	961	961	961	961
EPS (Rs)	4.9	8.0	10.7	12.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	24,710	25,511	27,862	30,404
Tangibles	16,871	17,789	19,030	20,372
Intangibles	7,839	7,722	8,832	10,032
Acc: Dep / Amortization	16,464	19,249	22,262	25,426
Tangibles	10,473	12,283	14,242	16,299
Intangibles	5,991	6,966	8,020	9,128
Net fixed assets	8,736	6,742	6,079	5,458
Tangibles	6,888	5,986	5,268	4,554
Intangibles	1,848	756	811	904
Capital Work In Progress	121	40	40	40
Goodwill	3,303	3,304	3,304	3,304
Non-Current Investments	971	1,502	1,332	1,316
Net Deferred tax assets	4,542	4,101	3,442	2,735
Other Non-Current Assets	4,546	3,383	3,412	3,248
Current Assets				
Investments	-	11,564	11,564	11,564
Inventories	69,129	67,748	67,990	69,609
Trade receivables	17,016	15,325	16,512	18,125
Cash & Bank Balance	11,931	12,500	17,755	25,166
Other Current Assets	9,725	7,636	9,749	10,546
Total Assets	1,34,496	1,37,341	1,45,260	1,55,516
Equity				
Equity Share Capital	961	961	961	961
Other Equity	1,07,768	1,14,373	1,22,065	1,31,054
Total Network	1,08,729	1,15,334	1,23,026	1,32,015
Non-Current Liabilities				
Long Term borrowings	1,622	2,398	2,398	2,398
Provisions	1,671	1,579	1,418	1,438
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	14,355	11,907	12,384	13,134
Other current liabilities	8,120	6,123	6,034	6,531
Total Equity & Liabilities	1,34,497	1,37,341	1,45,260	1,55,516

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	3,811	9,261	13,767	16,088
Add. Depreciation	3,167	2,785	3,013	3,164
Add. Interest	724	296	281	259
Less Financial Other Income	1,331	1,393	1,374	1,486
Add. Other	(1,575)	(487)	(1,733)	591
Op. profit before WC changes	6,126	11,855	15,328	20,102
Net Changes-WC	3,418	739	(952)	(2,481)
Direct tax	(2,401)	(734)	(3,511)	(4,102)
Net cash from Op. activities	7,143	11,860	10,865	13,518
Capital expenditures	(1,087)	(880)	(2,351)	(2,542)
Interest / Dividend Income	465	583	-	-
Others	148	(15,738)	(413)	(310)
Net Cash from Invt. activities	(474)	(16,035)	(2,764)	(2,852)
Issue of share cap. / premium	-	-	-	-
Debt changes	(4)	1,997	-	-
Dividend paid	-	(961)	(2,564)	(2,996)
Interest paid	(671)	(120)	(281)	(259)
Others	(2,060)	(688)	-	-
Net cash from Fin. activities	(2,735)	228	(2,845)	(3,255)
Net change in cash	3,933	(3,947)	5,256	7,410
Free Cash Flow	5,838	10,944	8,514	10,976

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	4.9	8.0	10.7	12.5
CEPS	8.1	10.9	13.8	15.8
BVPS	113.2	120.1	128.1	137.4
FCF	6.1	11.4	8.9	11.4
DPS	1.0	2.4	2.7	3.1
Return Ratio(%)				
RoCE	5.4	8.0	10.4	11.4
ROIC	3.2	7.6	10.2	11.9
RoE	4.4	6.9	8.6	9.4
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	303	313	297	284
Valuation(x)				
PER	22.5	13.9	10.4	8.9
P/B	1.0	0.9	0.9	0.8
P/CEPS	13.6	10.2	8.0	7.0
EV/EBITDA	10.6	7.1	5.1	4.0
EV/Sales	1.1	1.0	0.9	0.8
Dividend Yield (%)	0.9	2.2	2.4	2.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	21,305	20,007	19,788	21,841
YoY gr. (%)	7.4	(17.9)	(3.3)	0.7
Raw Material Expenses	11,770	10,615	9,968	12,819
Gross Profit	9,536	9,392	9,820	9,022
Margin (%)	44.8	46.9	49.6	41.3
EBITDA	2,717	3,210	3,184	2,852
YoY gr. (%)	75.3	(3.5)	52.2	35.6
Margin (%)	12.8	16.0	16.1	13.1
Depreciation / Depletion	756	732	658	639
EBIT	1,960	2,478	2,526	2,213
Margin (%)	9.2	12.4	12.8	10.1
Net Interest	55	83	108	81
Other Income	179	359	368	487
Profit before Tax	1,798	2,863	1,977	2,619
Margin (%)	8.4	14.3	10.0	12.0
Total Tax	542	769	342	734
Effective tax rate (%)	30.2	26.9	17.3	28.0
Profit after Tax	1,256	2,094	1,635	1,885
Minority interest	-	-	-	-
Share Profit from Associates	1	1	1	1
Adjusted PAT	1,554	1,964	2,422	1,761
YoY gr. (%)	119.8	(21.3)	113.1	342.4
Margin (%)	7.3	9.8	12.2	8.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,257	2,095	1,636	1,886
YoY gr. (%)	3,147.0	61.3	206.7	1,448.4
Margin (%)	5.9	10.5	8.3	8.6
Other Comprehensive Income	84	124	169	34
Total Comprehensive Income	1,341	2,219	1,805	1,920
Avg. Shares O/s (m)	961	961	961	961
EPS (Rs)	1.3	2.2	1.7	2.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Hold	123	108
2	24-Jan-25	Hold	137	121
3	09-Jan-25	Hold	138	134
4	19-Oct-24	Hold	145	132
5	08-Oct-24	Hold	143	127
6	01-Aug-24	Hold	157	149
7	08-Jul-24	Hold	160	151
8	20-May-24	Hold	160	141

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,108	825
2	Delhivery	BUY	350	249
3	DOMS Industries	BUY	3,308	2,635
4	Imagicaaworld Entertainment	BUY	97	67
5	Indian Railway Catering and Tourism Corporation	BUY	850	715
6	InterGlobe Aviation	BUY	5,875	5,157
7	Lemon Tree Hotels	BUY	173	139
8	Mahindra Logistics	Hold	287	310
9	Navneet Education	Hold	152	136
10	Nazara Technologies	BUY	1,127	973
11	PVR Inox	Hold	1,027	884
12	S Chand and Company	BUY	294	193
13	Safari Industries (India)	BUY	2,437	1,960
14	Samhi Hotels	BUY	267	176
15	TCI Express	BUY	924	636
16	V.I.P. Industries	BUY	433	265
17	Zee Entertainment Enterprises	Hold	123	108

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

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

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her 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.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

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

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

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

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

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