

February 10, 2025

Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,827		1,783	
Sales (Rs. m)	20,01,130	21,88,954	19,61,539	21,45,728
% Chng.	2.0	2.0		
EBITDA (Rs. m)	10,60,599	11,60,146	10,39,616	11,37,236
% Chng.	2.0	2.0		
EPS (Rs.)	48.8	57.6	47.8	56.5
% Chng.	2.1	1.9		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. bn)	1,500	1,715	2,001	2,189
EBITDA (Rs. bn)	783	906	1,061	1,160
Margin (%)	52.2	52.8	53.0	53.0
PAT (Rs. bn)	135	181	277	327
EPS (Rs.)	23.7	31.9	48.8	57.6
Gr. (%)	60.5	34.6	52.9	17.9
DPS (Rs.)	8.0	9.0	12.0	12.0
Yield (%)	0.5	0.5	0.7	0.7
RoE (%)	16.9	19.7	23.8	22.3
RoCE (%)	12.9	14.2	16.1	16.6
EV/Sales (x)	7.7	6.5	5.5	4.9
EV/EBITDA (x)	14.7	12.2	10.4	9.3
PE (x)	70.7	52.5	34.3	29.1
P/BV (x)	11.6	9.3	7.3	5.8

Key Data

BRTI.BO | BHARTI IN

52-W High / Low	Rs.1,779 / Rs.1,098
Sensex / Nifty	77,860 / 23,560
Market Cap	Rs.10,039bn/ \$ 1,14,830m
Shares Outstanding	5,696m
3M Avg. Daily Value	Rs.9183.19m

Shareholding Pattern (%)

Promoter's	53.17
Foreign	24.62
Domestic Institution	19.13
Public & Others	3.08
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.4	16.3	47.8
Relative	5.9	18.7	37.0

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Payal Shah

payalshah@plindia.com |

Tariff hike drives earnings

Quick Pointers:

- ARPU came in at Rs245; net subscriber addition stood at 4.95mn in Q3.
- Consol capex incurred in Q3 was Rs91.6bn and capex incurred in India was Rs79.8bn

Bharti reported consol EBITDA of Rs245.9bn (up 12.6%QoQ; PLe: Rs230.6bn, BBGe: Rs237.4bn). Adj PAT came in at Rs72.3bn (up 62.7%QoQ; PLe: Rs48.6bn, BBGe: Rs50.2bn). There was an exceptional gain of Rs75.5bn primarily due to consolidation of Indus Towers and lower tax rate due to recognition of deferred tax asset on unrecognized losses. India mobile revenues were up 5.8%QoQ with a stable EBITDA margin of 59.8%. ARPU improved QoQ to Rs245 with a net subscriber addition of 4.95mn in Q3. Enterprise revenue remained flat QoQ, with 1.8% de-growth in EBITDA. Home services (fixed line + broadband) had an ARPU decline of 2.1%. DTH ARPU grew marginally QoQ. Africa mobile Revenue grew 4.4% QoQ. We remain optimistic on the India business and continue to maintain 'Accumulate' rating with a TP of Rs1,827 based on 14x FY27 EV/EBITDA for India mobile business, Enterprise segment at 7x FY27 EV/EBITDA, 3x FY27 EV/EBITDA for DTH, 3x FY27 EV/EBITDA for Home Services, and adding the value of its investments in Airtel Africa, Indus Towers and Bharti Hexacom

ARPU rises 5.3% QoQ: India mobile Q3 revenue/EBITDA was Rs262.6bn (+5.8%QoQ) and Rs154.5bn (+9.1%QoQ). ARPU rose to Rs245 (+5.3% QoQ, +18%YoY) on the back of tariff hike undertaken by the company. Net subscriber addition stood at 4.9mn (against loss of 2.9mn in Q2). Q3 4G net customer addition continue to remain impressive at 6.5mn. Monthly churn fell to 2.5% (vs 3.2% in Q2). We expect moderate growth in ARPU on the back of tariff hikes undertaken by the company. We estimate FY25/26/27E subscribers at 359/375/391mn each along with ARPU of Rs237/265/272.

Enterprise reports muted performance: In Q3 enterprise segment's revenue came in flat QoQ to Rs56.5bn while EBITDA fell 1.8% QoQ to Rs19.8bn. Margins contracted 50bps to 35.2%. DTH revenue came in flat QoQ to Rs7.6bn, while EBITDA at Rs4.4bn was up 4.3% QoQ. ARPU rose marginally to Rs160 (up 1.1% QoQ) with net addition of 29k subscribers (against loss of 0.5mn in Q2). Home services revenue grew steadily by 5.4% QoQ to Rs15bn with an EBITDA of Rs7.4bn (+3.6% QoQ) and margin of 49.5%. Q3 ARPU fell to Rs554 (down 2.1% QoQ). Net additions came in at 0.7mn (up 15.5% QoQ)

Improvement in Africa performance: Q3 Africa revenues were at US\$1.3bn (up 4.4%QoQ) and EBITDA came in at \$0.6bn (up 5.7% QoQ). Subscriber addition improved by 6.4mn (Q2:1.2mn), ARPU grew to \$2.4 (Q2: \$2.3). Monthly churn came in at 3.8% (Q2: 4.7%).

Concall highlights: **1)** Bharti has paid Rs36.2bn to the Department of Telecommunications, and fully pre-paid all deferred liabilities pertaining to spectrum acquired in the 2016 auction.**2)** Focus to convert potential 80mn customers to postpaid services. **3)** The company will transfer 16,100 telecom towers to Indus Towers. **4)** Consol capex for Q3 was Rs91bn and is expected to moderate in FY26

Exhibit 1: Valuation Table

Segment	Stake	EV/E (x)		Remarks
India mobile business	100%	14.0	9,913	15x FY27E EV/EBITDA
Airtel Africa	56%		238	25% holding discount
Enterprise segment	100%	7.0	743	7x FY27 EV/EBITDA
Stake in Indus tower	50%		367	25% holding discount
Stake in Bharti Hexacom	70%		387	25% holding discount
DTH	100%	3.0	64	3x FY27 EV/EBITDA
Home services	100%	3.0	171	3x FY27 EV/EBITDA
EV			11,884	
Net Debt			1,513	
Equity value (Rs bn)			10,371	
Equity value/share			1,827	

Source: PL

Exhibit 2: Quarterly and 9MFY25 Financials (Rs mn)

Y/e March	Q3FY25	Q3FY24	YoY gr.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
Revenue	451,293	378,995	19.1%	414,733	8.8%	1,251,090	1,123,833	11.3%
Operating Expenses								
Cost of services (Excl D&A)	157,683	137,929	14.3%	147,950	6.6%	447,615	409,729	9.2%
Access charges	19,636	18,568	5.8%	18,211	7.8%	56,931	56,684	0.4%
License fees, revenue share & spectrum charges	35,698	30,205	18.2%	34,658	3.0%	101,920	89,251	14.2%
Network operations costs	86,267	75,926	13.6%	80,115	7.7%	243,988	224,202	8.8%
Employee costs	16,082	13,230	21.6%	14,966	7.5%	44,776	39,592	13.1%
SG&A	29,261	20,473	42.9%	28,824	1.5%	85,242	60,659	40.5%
Other Expenses	18,383	22,445	-18.1%	19,497	-5.7%	56,729	64,175	-11.6%
Total Operating Expense	205,327	180,847	13.5%	196,271	4.6%	589,586	534,563	10.3%
EBITDA	245,966	198,148	24.1%	218,462	12.6%	661,504	589,270	12.3%
Depreciation and amortization	117,042	100,743	16.2%	110,000	6.4%	332,443	294,624	12.8%
Interest	56,755	66,449	-14.6%	54,237	4.6%	162,516	174,444	-6.8%
Other income	4,697	4,398	6.8%	2,547	84.4%	10,879	11,185	-2.7%
Exceptional Gain	75,456	-1,302	NA	-8,537	NA	74,269	-51,168	NA
PBT	152,322	34,052	347.3%	48,235	215.8%	251,693	80,219	213.8%
Tax	7,573	12,320	-38.5%	17,440	-56.6%	38,091	34,113	11.7%
Minority Interest	13,534	4,342	211.7%	5,602	141.6%	24,712	10,944	125.8%
Share of profits in associates / joint ventures	16,597	7,032	136.0%	10,739	54.5%	36,453	18,791	94.0%
PAT	147,812	24,422	505.2%	35,932	311.4%	225,343	53,953	317.7%
Adj PAT	72,356	25,724	181.3%	44,469	62.7%	151,074	89,419	69.0%

Source: Company, PL

Exhibit 3: Quarterly Segment wise performance

Y/e March (Rs m)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
India operations					
Revenues	278,107	285,128	290,461	315,607	364,024
QoQ growth	3.0%	2.5%	1.9%	8.7%	15.3%
EBITDA	145,609	148,876	155,506	172,787	208,428
QoQ growth	3.0%	2.2%	4.5%	11.1%	5.0%
Margin (%)	52.4%	52.2%	53.5%	54.7%	57.3%
Africa operations					
Revenues (Rsmn)	102,972	92,933	96,369	101,631	107,032
QoQ growth	0.2%	-9.8%	3.7%	5.5%	5.3%
EBITDA (Rs mn)	50,541	43,887	44,171	45,809	49,713
QoQ growth	0.6%	-13.2%	-15.3%	3.7%	8.5%
Margin (%)	49.1%	47.2%	45.8%	45.1%	47.0%
India Wireless					
Revenue	216,386	220,657	225,274	248,371	262,687
QoQ growth	3.3%	2.0%	2.1%	10.3%	5.8%
EBITDA	119,240	121,607	125,274	141,710	154,568
QoQ growth	3.7%	2.0%	3.0%	13.1%	9.1%
Margin (%)	55.1%	55.1%	55.6%	57.1%	58.8%
Subscribers EoP (m)	346	352	355	352	357
ARPU	208	209	211	233	245
QoQ growth	2.5%	0.5%	0.8%	10.6%	5.3%
Homes					
Revenues	12,718	13,155	13,670	14,321	15,092
QoQ growth	4.2%	3.4%	3.9%	4.8%	5.4%
EBITDA	6,384	6,566	6,867	7,203	7,465
QoQ growth	5.1%	2.9%	4.6%	4.9%	3.6%
Margin (%)	50.2%	49.9%	50.2%	50.3%	49.5%
Enterprise Business					
Revenues	51,948	54,616	54,765	56,555	56,460
QoQ growth	1.7%	5.1%	0.3%	3.3%	-0.2%
EBITDA	20,625	20,830	19,855	20,208	19,846
QoQ growth	0.2%	1.0%	-4.7%	1.8%	-1.8%
Margin (%)	39.7%	38.1%	36.3%	35.7%	35.2%
DTH					
Revenues	7,837	7,693	7,771	7,586	7,607
EBITDA	4,285	4,391	4,402	4,243	4,425
Margin (%)	39.7%	38.1%	36.3%	35.7%	35.2%
DTH subs (m)	16.1	16.1	16.3	15.8	15.8
DTH ARPU (Rs)	163	160	159	158	160

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	14,99,824	17,14,590	20,01,130	21,88,954
YoY gr. (%)	7.8	14.3	16.7	9.4
Cost of Goods Sold	-	-	-	-
Gross Profit	14,99,824	17,14,590	20,01,130	21,88,954
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	53,231	60,999	56,032	61,291
Other Expenses	86,618	78,050	80,045	87,558
EBITDA	7,82,918	9,05,768	10,60,599	11,60,146
YoY gr. (%)	9.8	15.7	17.1	9.4
Margin (%)	52.2	52.8	53.0	53.0
Depreciation and Amortization	3,95,376	4,48,442	4,77,575	4,98,022
EBIT	3,87,542	4,57,326	5,83,024	6,62,124
Margin (%)	25.8	26.7	29.1	30.2
Net Interest	2,26,477	2,21,947	2,41,923	2,54,019
Other Income	14,354	12,971	11,408	11,754
Profit Before Tax	1,26,790	2,48,349	3,52,510	4,19,859
Margin (%)	8.5	14.5	17.6	19.2
Total Tax	41,210	90,750	98,274	1,15,226
Effective tax rate (%)	32.5	36.5	27.9	27.4
Profit after tax	85,580	1,57,599	2,54,236	3,04,633
Minority interest	10,910	14,183	14,892	15,637
Share Profit from Associate	27,094	37,932	37,932	37,932
Adjusted PAT	1,34,690	1,81,347	2,77,275	3,26,928
YoY gr. (%)	61.4	34.6	52.9	17.9
Margin (%)	9.0	10.6	13.9	14.9
Extra Ord. Income / (Exp)	-	74,269	-	-
Reported PAT	74,669	2,55,616	2,77,275	3,26,928
YoY gr. (%)	(10.5)	242.3	8.5	17.9
Margin (%)	5.0	14.9	13.9	14.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	74,669	2,55,616	2,77,275	3,26,928
Equity Shares O/s (m)	5,679	5,679	5,679	5,679
EPS (Rs)	23.7	31.9	48.8	57.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	26,74,492	27,54,727	28,92,463	30,37,086
Tangibles	26,74,492	27,54,727	28,92,463	30,37,086
Intangibles	-	-	-	-
Acc: Dep / Amortization	16,08,371	17,64,844	18,30,860	19,07,580
Tangibles	16,08,371	17,64,844	18,30,860	19,07,580
Intangibles	-	-	-	-
Net fixed assets	10,66,121	9,89,883	10,61,603	11,29,507
Tangibles	10,66,121	9,89,883	10,61,603	11,29,507
Intangibles	-	-	-	-
Capital Work In Progress	6,48,444	6,68,877	7,90,747	8,28,256
Goodwill	14,07,543	13,61,464	14,38,216	15,20,340
Non-Current Investments	4,22,791	3,95,986	4,94,784	4,75,179
Net Deferred tax assets	(25,118)	(25,118)	(27,630)	(30,393)
Other Non-Current Assets	3,22,077	3,22,077	3,22,077	3,22,077
Current Assets				
Investments	2,695	2,965	2,965	2,965
Inventories	3,639	3,639	3,639	3,639
Trade receivables	47,277	47,277	47,277	47,277
Cash & Bank Balance	1,63,399	8,96,428	9,75,968	12,94,469
Other Current Assets	1,28,346	1,41,181	1,55,299	1,70,829
Total Assets	44,56,695	50,98,576	55,88,253	61,19,784
Equity				
Equity Share Capital	28,766	28,766	28,766	28,766
Other Equity	7,91,422	9,95,924	12,73,199	16,00,127
Total Network	8,20,188	10,24,690	13,01,965	16,28,893
Non-Current Liabilities				
Long Term borrowings	18,48,897	21,88,850	22,26,828	22,68,604
Provisions	5,443	5,987	6,586	7,245
Other non current liabilities	1,470	1,617	1,779	1,957
Current Liabilities				
ST Debt / Current of LT Debt	3,07,026	2,51,225	2,60,974	2,71,697
Trade payables	3,51,325	4,03,486	4,69,834	5,14,524
Other current liabilities	7,30,038	7,88,407	8,52,613	9,23,239
Total Equity & Liabilities	44,70,013	50,98,576	55,88,253	61,19,784

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	1,26,790	3,60,550	3,90,441	4,57,790
Add. Depreciation	3,95,376	4,48,442	4,77,575	4,98,022
Add. Interest	2,26,477	2,21,947	2,41,923	2,54,019
Less Financial Other Income	14,354	12,971	11,408	11,754
Add. Other	75,723	(74,269)	-	-
Op. profit before WC changes	8,24,366	9,56,670	11,09,939	12,09,831
Net Changes-WC	(1,20,501)	6,53,448	1,37,216	1,22,644
Direct tax	(41,210)	(90,750)	(98,274)	(1,15,226)
Net cash from Op. activities	6,62,655	15,19,367	11,48,881	12,17,249
Capital expenditures	(3,59,822)	(3,16,712)	(8,43,367)	(6,62,273)
Interest / Dividend Income	-	-	-	-
Others	(2,950)	(3,042)	(3,346)	(3,681)
Net Cash from Invt. activities	(3,62,772)	(3,19,754)	(8,46,714)	(6,65,954)
Issue of share cap. / premium	(1,24,671)	74,269	68,153	68,153
Debt changes	(1,36,283)	2,84,152	(15,949)	(17,544)
Dividend paid	(45,435)	(51,115)	(68,153)	(68,153)
Interest paid	(2,26,477)	(2,21,947)	(2,41,923)	(2,54,019)
Others	-	-	-	-
Net cash from Fin. activities	(5,32,867)	85,359	(2,57,872)	(2,71,563)
Net change in cash	(2,32,984)	12,84,972	44,296	2,79,732
Free Cash Flow	1,74,615	11,93,855	5,52,896	6,98,014

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	3,75,991	3,85,064	4,14,733	4,51,293
YoY gr. (%)	4.4	2.8	12.0	19.1
Raw Material Expenses	-	-	-	-
Gross Profit	3,75,991	3,85,064	4,14,733	4,51,293
Margin (%)	100.0	100.0	100.0	100.0
EBITDA	1,93,648	1,97,076	2,18,462	2,45,966
YoY gr. (%)	3.6	0.6	12.0	24.1
Margin (%)	51.5	51.2	52.7	54.5
Depreciation / Depletion	1,00,752	1,05,401	1,10,000	1,17,042
EBIT	92,896	91,675	1,08,462	1,28,924
Margin (%)	24.7	23.8	26.2	28.6
Net Interest	52,033	51,524	54,237	56,755
Other Income	3,169	3,635	2,547	4,697
Profit before Tax	19,477	51,136	48,235	1,52,322
Margin (%)	5.2	13.3	11.6	33.8
Total Tax	7,098	13,078	17,440	7,573
Effective tax rate (%)	36.4	25.6	36.2	5.0
Profit after Tax	12,379	38,058	30,795	1,44,749
Minority interest	(34)	5,576	5,602	13,534
Share Profit from Associates	8,303	9,117	10,739	16,597
Adjusted PAT	45,271	34,249	44,469	72,356
YoY gr. (%)	50.6	(31.9)	231.7	181.3
Margin (%)	12.0	8.9	10.7	16.0
Extra Ord. Income / (Exp)	(24,555)	7,350	(8,537)	75,456
Reported PAT	20,716	41,599	35,932	1,47,812
YoY gr. (%)	(31.1)	158.0	168.0	505.2
Margin (%)	5.5	10.8	8.7	32.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	20,716	41,599	35,932	1,47,812
Avg. Shares O/s (m)	5,753	5,753	5,753	5,753
EPS (Rs)	7.9	6.0	7.7	12.6

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	23.7	31.9	48.8	57.6
CEPS	93.3	110.9	132.9	145.3
BVPS	144.4	180.4	229.2	286.8
FCF	30.7	210.2	97.4	122.9
DPS	8.0	9.0	12.0	12.0
Return Ratio(%)				
RoCE	12.9	14.2	16.1	16.6
ROIC	9.0	10.9	12.6	13.7
RoE	16.9	19.7	23.8	22.3
Balance Sheet				
Net Debt : Equity (x)	2.4	1.5	1.2	0.8
Net Working Capital (Days)	(137)	(136)	(134)	(136)
Valuation(x)				
PER	70.7	52.5	34.3	29.1
P/B	11.6	9.3	7.3	5.8
P/CEPS	18.0	15.1	12.6	11.5
EV/EBITDA	14.7	12.2	10.4	9.3
EV/Sales	7.7	6.5	5.5	4.9
Dividend Yield (%)	0.5	0.5	0.7	0.7

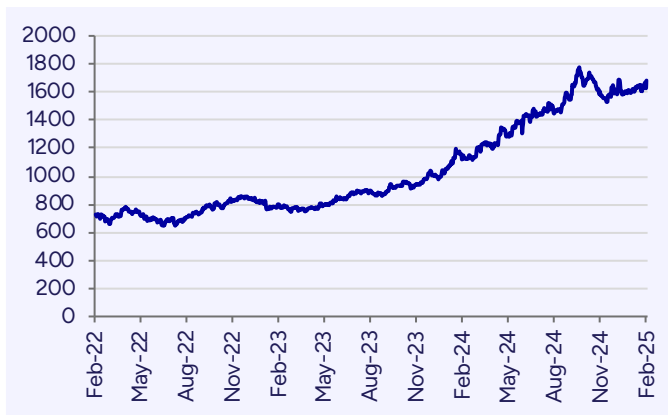
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Subscribers (mn)	352	359	375	391
ARPU (Rs/mon)	209	237	265	272

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	Accumulate	1,783	1,599
2	30-Oct-24	Accumulate	1,782	1,637
3	08-Oct-24	Accumulate	1,831	1,657
4	07-Aug-24	Accumulate	1,593	1,444
5	07-Jul-24	Accumulate	1,618	1,430
6	28-Jun-24	Accumulate	1,620	1,444
7	16-May-24	Accumulate	1,373	1,310
8	09-Apr-24	Accumulate	1,269	1,204

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	411	453
2	Bharat Petroleum Corporation	Hold	286	271
3	Bharti Airtel	Accumulate	1,783	1,599
4	Clean Science and Technology	Hold	1,329	1,385
5	Deepak Nitrite	Reduce	2,295	2,460
6	Fine Organic Industries	BUY	5,199	4,350
7	GAIL (India)	Accumulate	204	180
8	Gujarat Fluorochemicals	Reduce	3,190	3,537
9	Gujarat Gas	Sell	362	508
10	Gujarat State Petronet	Hold	351	359
11	Hindustan Petroleum Corporation	Hold	373	353
12	Indian Oil Corporation	Hold	124	123
13	Indraprastha Gas	Sell	150	192
14	Jubilant Ingrevia	Hold	680	660
15	Laxmi Organic Industries	Hold	237	226
16	Mahanagar Gas	Accumulate	1,412	1,267
17	Mangalore Refinery & Petrochemicals	Accumulate	168	145
18	Navin Fluorine International	Accumulate	4,373	3,908
19	NOCIL	Reduce	226	247
20	Oil & Natural Gas Corporation	BUY	288	249
21	Oil India	BUY	714	465
22	Petronet LNG	Reduce	276	291
23	Reliance Industries	Accumulate	1,472	1,266
24	SRF	Hold	2,698	2,831
25	Vinati Organics	Accumulate	1,934	1,749

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. Swarnendu Bhushan- IIT, MBA Finance, Ms. Payal Shah- MMS-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.

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. Swarnendu Bhushan- IIT, MBA Finance, Ms. Payal Shah- MMS-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