

March 27, 2024

## Analyst Meet Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	3,961		3,312	
Sales (Rs. m)	7,44,335	8,46,694	7,01,830	8,16,703
% Chng.	6.1	3.7		
EBITDA (Rs. m)	1,72,926	1,85,117	1,65,891	1,77,899
% Chng.	4.2	4.1		
EPS (Rs.)	185.6	180.4	170.0	165.4
% Chng.	9.2	9.0		

### Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. m)	5,44,465	6,68,376	7,44,335	8,46,694
EBITDAR (Rs. m)	68,212	1,59,584	1,72,926	1,85,117
Margin (%)	12.5	23.9	23.2	21.9
PAT (Rs. m)	(3,058)	67,959	71,566	69,556
EPS (Rs.)	(7.9)	176.3	185.6	180.4
Gr. (%)	NA	NA	5.3	(2.8)
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	5.0	NA	173.4	62.2
RoCE (%)	NA	NA	158.6	81.7
EV/Sales (x)	2.1	1.5	1.2	0.9
EV/EBITDAR (x)	24.6	11.0	9.8	8.9
PE (x)	NA	19.8	18.8	19.3
P/BV (x)	NA	244.4	17.4	9.2

### Key Data

### INGL.BO | INDIGO IN

52-W High / Low	Rs.3,509 / Rs.1,810
Sensex / Nifty	72,470 / 22,005
Market Cap	Rs.1,344bn / \$ 16,137m
Shares Outstanding	386m
3M Avg. Daily Value	Rs.4556.07m

### Shareholding Pattern (%)

Promoter's	63.12
Foreign	18.70
Domestic Institution	14.65
Public & Others	3.45
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	9.4	44.8	86.7
Relative	10.4	31.9	48.2

**Jinesh Joshi**

jineshjoshi@plindia.com | 91-22-66322238

**Stuti Beria**

stutiberia@plindia.com | 91-22-66322246

# InterGlobe Aviation (INDIGO IN)

Rating: ACCUMULATE | CMP: Rs3,482 | TP: Rs3,961

## Promising outlook ahead

### Quick Pointers:

- Early double digit growth in capacity addition outlined for FY25E.

*We attended the InterGlobe Aviation (IndiGo) analyst meet wherein management highlighted plans to 1) add more than one aircraft per week 2) increase capacity by early double digits 3) expand the network by launching 10 new destinations and 4) add 5,500-6,000 employees in FY25E. Despite escalation in engine issues at P&W, growth guidance of early double digits is an indication IndiGo is well placed to mitigate supply chain challenges. In addition, commentary on yields was positive (expectation of growth in 4QFY24E versus a flattish guidance given earlier) with increasing focus on international markets. We increase our EBITDAR assumptions by ~4% over the next 2 years as we tweak our ASKM forecast given the growth commentary. Overall, we expect revenue CAGR of 13% over FY24E-FY26E with EBITDAR margin of 23.9%/23.2%/21.9% in FY24E/FY25E/ FY26E (lower in last year due to higher fuel cost). Retain 'ACCUMULATE' with a TP of Rs3,961 (earlier Rs3,312) as we increase our EV/EBITDA multiple to 8.5x (earlier 7.5x).*

**Gross addition of >1 aircraft per week expected in FY25E:** IndiGo expects gross addition of >1 aircraft per week in FY25E. Nonetheless, given AoG figure is in mid-70's net addition will be lower. Current order book is ~960 and steady delivery is expected from the recent order of 500 aircrafts placed in 2023.

**Network and capacity addition is on the cards:** IndiGo plans to add 10 new destinations to its the network in FY25E. Expansion in fleet and network coverage is likely to result in early double digit capacity addition as well as passenger growth in FY25E.

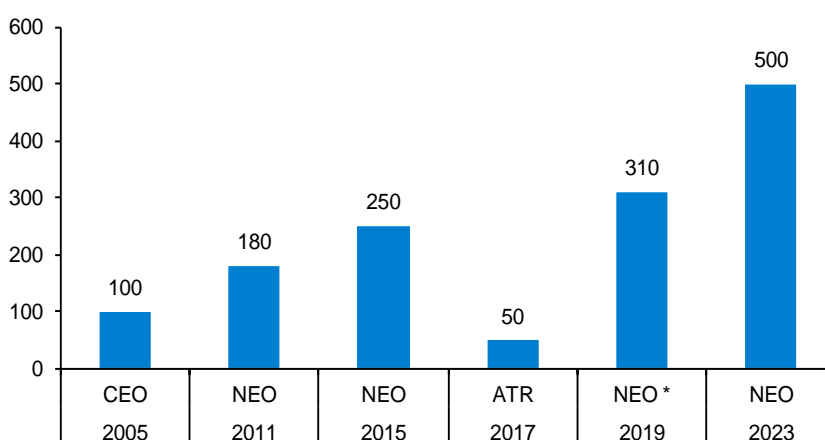
**Plans to expand in international markets:** Indigo's international ASK share has increased to 27% during FY24 as the airline added 7 destinations and 19 routes. Addition of more routes and induction of XLR's into portfolio that fly over mid-long haul distance is expected to increase the share of international ASKM to ~30% in near future.

**Favorable demographics & infrastructure initiatives to boost aviation growth:** India is one of the fastest growing aviation markets globally (>30% of all aircraft orders in 2023 were from Indian carriers) and the aviation passenger traffic is likely to double to 510mn in FY30E. In addition, the count of airports is likely to rise to 220. Strong growth in aviation industry is likely to result in huge financing and MRO opportunities in India.

## Other key highlights from the analyst meet

- Indigo boasts of an unmatched network, providing unparalleled connectivity to 88 domestic destinations and 420+ direct domestic city pairs.
- There are plans to start 2<sup>nd</sup> training center in Gurgaon while new centers are likely to come up in Hyderabad, Kolkata and Mumbai soon.
- Indigo commands a significant market share in Cargo business, operating 3 freighters with a 27-tonne payload each (the third being acquired in November '23). Cargo surged as a primary focus area during COVID and is now facing yield pressure amid competition, though it remains a smaller contributor. Demand escalates during festive season, with "Made in India" initiatives further boosting growth.
- Loyalty program has witnessed 6.8x growth in subscriber base since FY21.
- As of 29<sup>th</sup> Feb 2024, fleet comprises of 366 aircrafts, with ~80% being NEO aircrafts (94 A321 NEOs and 191 A320 NEOs).
- AoG is expected to remain range bound at current levels.
- Indigo maintains the world's youngest aircraft fleet, with an average age of 3.9 years.
- The Navi Mumbai airport is set to be operational within 18 months, establishing Mumbai as another major city worldwide with two airports.
- Yield is likely to register growth in 4QFY24 versus an earlier expectation of being flat.
- Free cash on books is Rs192bn.
- New notifications regarding pilot fatigue is likely to result in higher operational cost.

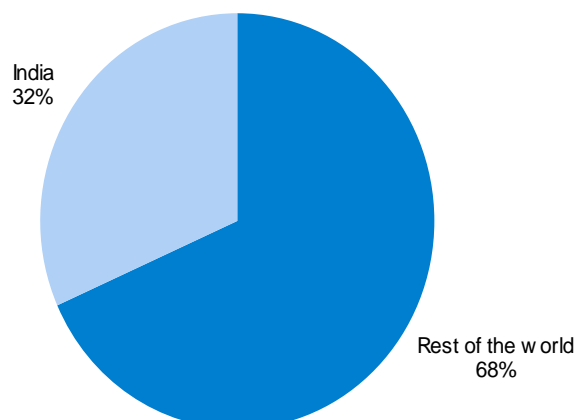
### Exhibit 1: Indigo's order book has rising fuel efficient NEOs



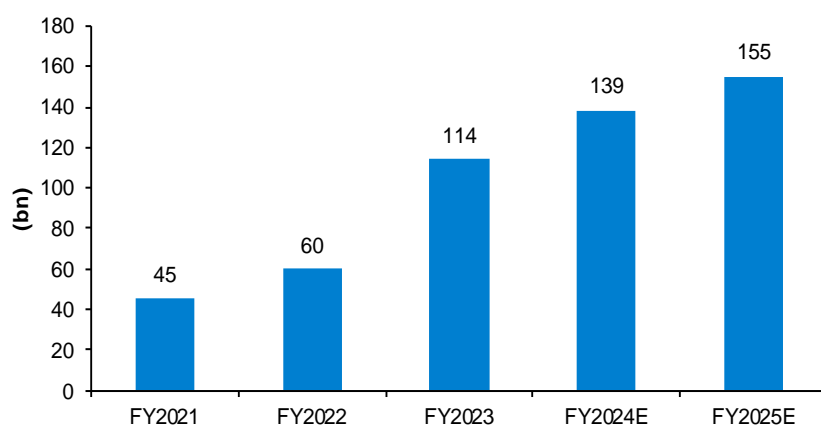
Source: Company, PL

\*Including XLRs

\*\*In 2019 placed additional order of 10 aircraft in 2023

**Exhibit 2: India's share in aircraft orders is >30% in 2023**


Source: Company, PL

**Exhibit 3: ASKM growth to be in low double digits in FY25E**


Source: Company, PL

**Exhibit 4: Management Guidance - Path ahead FY24E & FY25E**

Particulars	FY24 guidance	FY25E guidance
Capacity	North of mid-teens	Early double digits
Fleet	350	More than 1 aircraft per week
Passengers	100 mn passengers	Early double digits
Destinations	10-15 destinations end with 115	10 destinations
Employee addition	5,000 employees	5,500-6,000 employees

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>5,44,465</b>	<b>6,68,376</b>	<b>7,44,335</b>	<b>8,46,694</b>
YoY gr. (%)	110.0	22.8	11.4	13.8
Aircraft Fuel Expenses	2,36,460	2,38,632	2,57,773	3,14,200
Employee Cost	47,948	61,197	76,001	91,007
Other Expenses	1,88,985	2,05,500	2,33,912	2,51,935
<b>EBITDAR</b>	<b>68,212</b>	<b>1,59,584</b>	<b>1,72,926</b>	<b>1,85,117</b>
YoY gr. (%)	694.1	134.0	8.4	7.0
Margin (%)	12.5	23.9	23.2	21.9
Aircraft Lease Rentals	3,258	9,691	11,165	6,774
Depreciation and Amortization	51,030	62,143	67,704	74,745
<b>EBIT</b>	<b>13,924</b>	<b>87,750</b>	<b>94,057</b>	<b>1,03,598</b>
Margin (%)	2.6	13.1	12.6	12.2
Net Interest	31,317	42,251	45,268	49,587
Other Income	14,350	22,596	23,500	16,964
<b>Profit Before Tax</b>	<b>(3,044)</b>	<b>68,095</b>	<b>72,289</b>	<b>70,975</b>
Margin (%)	(0.6)	10.2	9.7	8.4
Total Tax	14	136	723	1,420
Effective tax rate (%)	(0.5)	0.2	1.0	2.0
<b>Profit after tax</b>	<b>(3,058)</b>	<b>67,959</b>	<b>71,566</b>	<b>69,556</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>(3,058)</b>	<b>67,959</b>	<b>71,566</b>	<b>69,556</b>
YoY gr. (%)	(95.0)	(2,322.5)	5.3	(2.8)
Margin (%)	(0.6)	10.2	9.6	8.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>(3,058)</b>	<b>67,959</b>	<b>71,566</b>	<b>69,556</b>
YoY gr. (%)	NA	NA	5.3	(2.8)
Margin (%)	(0.6)	10.2	9.6	8.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(3,058)	67,959	71,566	69,556
<b>Equity Shares O/s (m)</b>	<b>386</b>	<b>386</b>	<b>386</b>	<b>386</b>
<b>EPS (Rs)</b>	<b>(7.9)</b>	<b>176.3</b>	<b>185.6</b>	<b>180.4</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>4,30,635</b>	<b>5,03,842</b>	<b>5,79,419</b>	<b>6,66,332</b>
Tangibles	4,30,635	5,03,842	5,79,419	6,66,332
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>1,54,158</b>	<b>2,16,301</b>	<b>2,84,004</b>	<b>3,58,749</b>
Tangibles	1,54,158	2,16,301	2,84,004	3,58,749
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>2,76,584</b>	<b>2,87,660</b>	<b>2,95,544</b>	<b>3,07,725</b>
Tangibles	2,76,477	2,87,542	2,95,414	3,07,582
Intangibles	107	118	130	143
Capital Work In Progress	208	208	208	208
Goodwill	-	-	-	-
Non-Current Investments	1	1	1	1
Net Deferred tax assets	2,949	3,097	3,252	3,414
Other Non-Current Assets	50,469	53,497	56,707	60,109
<b>Current Assets</b>				
Investments	1,15,580	1,32,917	1,46,874	1,54,217
Inventories	5,911	5,494	6,118	6,959
Trade receivables	5,199	5,494	6,118	6,959
Cash & Bank Balance	1,18,397	2,19,780	3,32,809	4,25,071
Other Current Assets	16,400	25,636	28,550	32,476
<b>Total Assets</b>	<b>5,91,698</b>	<b>7,33,783</b>	<b>8,76,180</b>	<b>9,97,140</b>
<b>Equity</b>				
Equity Share Capital	3,855	3,855	3,855	3,855
Other Equity	(66,321)	1,638	73,204	1,42,760
<b>Total Network</b>	<b>(62,465)</b>	<b>5,494</b>	<b>77,060</b>	<b>1,46,615</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	13,365	14,033	14,734	15,471
Other non current liabilities	79,263	79,263	79,263	79,263
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	22,523	19,523	16,523	13,523
Trade payables	32,090	31,130	34,668	39,435
Other current liabilities	80,904	1,05,018	1,26,820	1,48,453
<b>Total Equity &amp; Liabilities</b>	<b>5,91,698</b>	<b>7,33,783</b>	<b>8,76,180</b>	<b>9,97,140</b>

Source: Company Data, PL Research



## Cash Flow (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	(3,044)	68,095	72,289	70,975
Add. Depreciation	51,030	62,143	67,704	74,745
Add. Interest	31,317	42,251	45,268	49,587
Less Financial Other Income	14,350	22,596	23,500	16,964
Add. Other	(14,350)	(22,596)	(23,500)	(16,964)
Op. profit before WC changes	64,954	1,49,893	1,61,761	1,78,343
Net Changes-WC	(5,413)	14,033	21,170	20,784
Direct tax	(14)	(284)	(878)	(1,582)
<b>Net cash from Op. activities</b>	<b>59,526</b>	<b>1,63,642</b>	<b>1,82,053</b>	<b>1,97,545</b>
Capital expenditures	(1,13,731)	(73,219)	(75,588)	(86,926)
Interest / Dividend Income	-	-	-	-
Others	56,997	20,244	20,999	14,306
<b>Net Cash from Invt. activities</b>	<b>(56,734)</b>	<b>(52,975)</b>	<b>(54,589)</b>	<b>(72,620)</b>
Issue of share cap. / premium	473	-	-	-
Debt changes	79,764	50,304	44,789	24,267
Dividend paid	-	-	-	-
Interest paid	(31,317)	(42,251)	(45,268)	(49,587)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>48,920</b>	<b>8,053</b>	<b>(479)</b>	<b>(25,320)</b>
<b>Net change in cash</b>	<b>51,712</b>	<b>1,18,720</b>	<b>1,26,985</b>	<b>99,606</b>
Free Cash Flow	(54,205)	90,423	1,06,465	1,10,619

Source: Company Data, PL Research

## Quarterly Financials (Rs m)

Y/e Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24
<b>Net Revenue</b>	<b>1,41,606</b>	<b>1,66,831</b>	<b>1,49,439</b>	<b>1,94,521</b>
YoY gr. (%)	76.5	29.8	19.6	30.3
Raw Material Expenses	732	747	820	985
Gross Profit	1,40,874	1,66,084	1,48,618	1,93,537
Margin (%)	99.5	99.6	99.5	99.5
<b>EBITDA</b>	<b>28,938</b>	<b>51,690</b>	<b>23,958</b>	<b>54,484</b>
YoY gr. (%)	2,651.0	678.6	3,064.5	70.9
Margin (%)	20.4	31.0	16.0	28.0
Depreciation / Depletion	13,532	14,078	15,490	16,657
<b>EBIT</b>	<b>13,985</b>	<b>35,667</b>	<b>6,513</b>	<b>34,836</b>
Margin (%)	9.9	21.4	4.4	17.9
Net Interest	9,182	9,537	10,213	10,952
Other Income	4,395	4,778	5,591	6,101
<b>Profit before Tax</b>	<b>9,198</b>	<b>30,907</b>	<b>1,892</b>	<b>29,985</b>
Margin (%)	6.5	18.5	1.3	15.4
Total Tax	6	1	3	4
Effective tax rate (%)	0.1	-	0.1	-
<b>Profit after Tax</b>	<b>9,192</b>	<b>30,906</b>	<b>1,889</b>	<b>29,981</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>9,192</b>	<b>30,906</b>	<b>1,889</b>	<b>29,981</b>
YoY gr. (%)	NA	NA	NA	110.7
Margin (%)	6.5	18.5	1.3	15.4
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>9,192</b>	<b>30,906</b>	<b>1,889</b>	<b>29,981</b>
YoY gr. (%)	NA	NA	NA	110.7
Margin (%)	6.5	18.5	1.3	15.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>9,192</b>	<b>30,906</b>	<b>1,889</b>	<b>29,981</b>
Avg. Shares O/s (m)	385	385	385	385
<b>EPS (Rs)</b>	<b>23.9</b>	<b>80.3</b>	<b>4.9</b>	<b>77.9</b>

Source: Company Data, PL Research

## Key Financial Metrics

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	(7.9)	176.3	185.6	180.4
CEPS	124.4	337.4	361.2	374.3
BVPS	(162.0)	14.2	199.9	380.3
FCF	(140.6)	234.5	276.1	286.9
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	(45.8)	(1,175.9)	158.6	81.7
ROIC	3.9	23.0	23.7	24.8
RoE	5.0	(238.6)	173.4	62.2
<b>Balance Sheet</b>				
Net Debt : Equity (x)	3.4	(60.6)	(6.0)	(3.9)
Net Working Capital (Days)	(14)	(11)	(11)	(11)
<b>Valuation(x)</b>				
PER	(439.1)	19.8	18.8	19.3
P/B	(21.5)	244.4	17.4	9.2
P/CEPS	28.0	10.3	9.6	9.3
EV/EBITDAR (Adj)	24.6	11.0	9.8	8.9
EV/Sales	2.1	1.5	1.2	0.9
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

## Key Operating Metrics

Y/e Mar	FY23	FY24E	FY25E	FY26E
EBITDAR (Rs mn)	68,212	1,59,584	1,72,926	1,85,117
EBITDAR %	12.5	23.9	23.2	21.9
ASK (bn)	114	139	155	185
RPK (bn)	94	120	135	160
PLF %	82	87	87	87
RASK (Rs)	4.8	4.8	4.8	4.6
CASK (Rs)	4.9	4.5	4.5	4.3
RASK-CASK (Rs)	(0.1)	0.4	0.3	0.3
Fleet Size	304.0	365.0	437.0	482.0

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Feb-24	Accumulate	3,312	3,127
2	05-Jan-24	Accumulate	3,053	2,996
3	04-Nov-23	BUY	2,816	2,509
4	09-Oct-23	BUY	2,701	2,536
5	02-Aug-23	BUY	2,855	2,565
6	07-Jul-23	BUY	2,993	2,699
7	19-May-23	BUY	2,565	2,257
8	11-Apr-23	BUY	2,346	1,905

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	Accumulate	820	762
2	Indian Railway Catering and Tourism Corporation	Hold	825	929
3	Inox Leisure	BUY	587	502
4	InterGlobe Aviation	Accumulate	3,312	3,127
5	Lemon Tree Hotels	BUY	155	138
6	Navneet Education	BUY	182	153
7	Nazara Technologies	Hold	833	871
8	PVR Inox	Accumulate	1,719	1,455
9	S Chand and Company	BUY	357	262
10	Safari Industries (India)	BUY	2,271	2,045
11	V.I.P. Industries	Hold	589	539
12	Zee Entertainment Enterprises	Hold	167	155

## PL's Recommendation Nomenclature (Absolute Performance)

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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

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

### **(US Clients)**

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

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **US Clients**

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

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

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

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

---

**Prabhudas Lilladher Pvt. Ltd.**

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

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