

# PDS Ltd. | BUY

## Beat in margins; cost optimisation remains on track

PDS reported consol. EBITDA of INR1.4bn, higher than JMfe of INR1bn driven by better sourcing performance. Revenue for the quarter registered a 10% growth YoY to INR35bn driven by a) ~10% YoY growth in sourcing segment revenues b) ~16% YoY growth in manufacturing segment revenue. Key takeaways from the call are 1) FY26 revenue growth guidance at mid-teens 2) Company has guided for total cost savings to the tune of ~INR500mn driven by a) losses from new verticals (INR1.62bn in FY25) expected to come down by 25-30% with improving sales growth b) plan to save INR150-200mn from optimising the tail (merge or shut down option for non-performing companies) 3) North America orderbook is expected to witness uptick over the next few months with multiple customer accounts ramping up 4) margins were subdued in FY25 given subdued Agency business (Ted Baker). PDS completed the acquisition of 55% stake in Knit Gallery India Pvt Ltd. (KGIPL) in 1QFY26. With India-UK FTA in place, PDS remains well-positioned to gain from its UK customers (USD1bn of GMV) by establishing their sourcing base in India. The company remains committed to its 5-5-5 vision targeting USD5bn GMV over 5 years, delivering a 5% PAT. We revise our earnings downwards by 15% / 19% for FY26E / FY27E driven by subdued performance in brand management business and lower overall margins – leading to a revised target price of INR690/sh (-13%) at 30x P/E FY28E. Maintain BUY.

- **Margins expand given better sourcing/manufacturing performance:** Revenue for the quarter registered a 10% growth YoY to INR35bn driven by a) ~10% YoY growth in sourcing segment revenues b) ~16% YoY growth in manufacturing segment revenue. Consol EBITDA for the quarter came in at INR1.4bn, up 22% YoY driven by higher sales. The company delivered PBT margins of sourcing / manufacturing segments at 2% / 4% respectively. GMV during the quarter increased 11% YoY to INR50bn. Net debt as at end of the quarter stood at INR3.7bn – increased YoY given acquisition of 55% stake in Knit Gallery. Order book for the company in early April stands strong at over USD600mn.
- **Enhancing manufacturing footprint through acquisitions:** PDS completed the acquisition of 55% stake in Knit Gallery India Pvt Ltd. (KGIPL) for an equity consideration of INR400mn, to be paid in three tranches over the next 12 months. Out of this, INR240mn has been paid by the company in 1QFY26. Part of Knit Gallery business will be transferred from its existing firm to KGIPL for a Business Transfer Consideration of INR340mn, which will be payable from KGIPL cash flows over 3 years, subject to achievement of pre-defined targets. With India-UK FTA in place, PDS remains well-positioned to gain from its UK customers (USD1bn of GMV) by establishing their sourcing base in India. With tariff situation settling, North America orderbook is expected to witness uptick over the next few months with multiple customer accounts ramping up like Walmart, TJX etc.



**Ashutosh Somani**

ashutosh.somani@jmfll.com | Tel: (91 22) 66303083

**Anirudh Nagpal**

anirudh.Nagpal@jmfll.com | Tel: (91 22) 66303263

**Rajvi Panchmatia**

rajvi.panchmatia@jmfll.com | Tel: (91 22) 66303018

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	690
Upside/(Downside)	56.6%
Previous Price Target	790
Change	-12.7%

### Key Data – PDSL IN

Current Market Price	INR440
Market cap (bn)	INR62.2/US\$0.7
Free Float	38%
Shares in issue (mn)	141.1
Diluted share (mn)	141.1
3-mon avg daily val (mn)	INR48.3/US\$0.6
52-week range	659/336
Sensex/Nifty	82,531/25,062
INR/US\$	85.6

### Price Performance

%	1M	6M	12M
Absolute	6.8	-12.7	-0.5
Relative*	-0.3	-17.9	-11.2

\* To the BSE Sensex

### Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,03,727	1,25,780	1,49,468	1,66,925	1,85,761
Sales Growth (%)	-1.9	21.3	18.8	11.7	11.3
EBITDA	4,131	4,571	5,760	6,498	7,206
EBITDA Margin (%)	4.0	3.6	3.9	3.9	3.9
Adjusted Net Profit	1,442	1,569	2,361	2,812	3,229
Diluted EPS (INR)	10.9	11.1	16.7	19.9	22.9
Diluted EPS Growth (%)	-46.0	1.6	50.5	19.1	14.8
ROIC (%)	20.5	16.3	16.6	17.5	17.7
ROE (%)	12.4	9.5	13.0	13.9	0.0
P/E (x)	40.2	39.6	26.3	22.1	19.2
P/B (x)	5.0	3.8	3.4	3.1	2.7
EV/EBITDA (x)	16.1	14.8	11.7	10.4	9.5
Dividend Yield (%)	1.2	0.7	1.0	1.2	1.4

Source: Company data, JM Financial. Note: Valuations as of 15/May/2025

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Cost optimisation to aid margins; outlook optimistic:** Company has guided for total cost savings to the tune of ~INR500mn driven by a) losses from new verticals (INR1.62bn in FY25) expected to come down by 25-30% with improving sales growth b) plan to save INR150-200mn from optimising the tail (merge or shut down option for non-performing companies). Overall structural positives in terms of increased outsourcing from global retailers, entry into newer markets (i.e. US), improved capacity utilisation at manufacturing segment, increasing contribution from SAAS is likely to act as triggers for growth implying a revenue CAGR of ~14% over FY25-28E.

#### Key Conference Call takeaways:

- FY26 revenue growth guidance at mid-teens. With India-UK FTA in place, PDS remains well-positioned to gain from its UK customers (USD1bn of GMV) by establishing their sourcing base in India.
- Cost optimisation program with BCG remains on track; company expects majority of benefits to flow in 2HFY26.
- Margins were subdued in FY25 due to subdued Agency business especially Ted Baker retail business.
- Company has guided for total cost savings of ~INR500mn driven by:
  - Losses from new verticals (INR1.62bn in FY25) expected to come down by 25-30% with improving sales growth.
  - Plan to save INR150-200mn from optimising the tail (merge or shut down option for non-performing companies)
- Company remains cautious of new investments and remains focused on reducing working capital in the next few years.
- Out of the INR4.3bn fundraise during QIP, company used INR2.78bn for debt repayment and INR240mn for KGIPL acquisition.
- UK business witnessed slow growth of 6% given over-reliance on one customer (Matalan) – plans to scale down business from this customer.
- With tariff situation settling, North America orderbook is expected to witness uptick over the next few months with multiple customer accounts ramping up like Walmart, TJX etc.

#### Exhibit 1. Operational analysis

	4QFY25A	4QFY25E	bps Var	4QFY24	YoY %/bps	3QFY25	QoQ %/bps
Gross Margin (%)	19.9	19.2	66	19.9	(1)	20.4	(51)
Staff Cost as % of rev (%)	9.2	9.1	15	8.8	48	10.3	(103)
Other exp. As % of rev (%)	6.7	7.0	(37)	7.6	(90)	7.0	(37)

Source: Company, JM Financial

**Exhibit 2. Consolidated financial performance****(INR mn)**

(INR mn)	4QFY25A	4QFY25E	% Var	4QFY24	YoY (%)	3QFY25	QoQ (%)
<b>Net Sales</b>	<b>35,258</b>	<b>34,081</b>	<b>3.5</b>	<b>32,152</b>	<b>9.7</b>	<b>31,249</b>	<b>12.8</b>
Raw material consumed	27,910	27,530	1.4	25,314	10.3	26,300	6.1
Change in inventory	340	0		445	-23.6	-1,421	-123.9
Gross profit	7,008	6,550	7.0	6,392	9.6	6,370	10.0
Gross margin (%)	19.9	19.2	3.4	19.9	(0.0)	20.4	-2.5
Staff costs	3,259	3,100	5.1	2,817	15.7	3,212	1.5
Staff costs (% of sales)	9.2	9.1		8.8		10.3	
Other costs	2,356	2,401	-1.9	2,439	-3.4	2,202	7.0
Other costs (% of sales)	6.7	7.0		7.6		7.0	
Total expenditure	33,864	33,032	2.5	31,015	9.2	30,293	11.8
<b>EBITDA</b>	<b>1,393</b>	<b>1,049</b>	<b>32.8</b>	<b>1,136</b>	<b>22.6</b>	<b>956</b>	<b>45.8</b>
EBITDA margin (%)	4.0	3.1		3.5		3.1	
Other income	95	90		58		90	
Depreciation	355	260	36.6	264	34.5	266	33.8
EBIT	1,133	879		930		780	
Interest	295	300	-1.8	278	5.8	301	-2.1
PBT	838	579		651		479	
Tax	95	87		43		47	
Eff. Tax rate (%)	11.4	15.0		6.7		9.8	
XO items	-	-		-		-	
Minority Interest	343	201		196		176	
<b>Reported PAT</b>	<b>403</b>	<b>285</b>		<b>458</b>		<b>249</b>	
<b>Adjusted PAT</b>	<b>403</b>	<b>285</b>	<b>41.6</b>	<b>458</b>	<b>-12.0</b>	<b>249</b>	<b>62.1</b>
EPS (INR)	3.1	2.2		3.5		1.9	
<b>GMV (INR mn)</b>	<b>50,070</b>	<b>0</b>		<b>45,260</b>	<b>10.6</b>	<b>44,020</b>	<b>13.7</b>
<b>Net Debt</b>	<b>3,740</b>	<b>0</b>		<b>2,590</b>		<b>3,530</b>	

Source: Company, JM Financial

**Exhibit 3. Key Assumptions table**

Business Segment	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Consol. Revenue (INR Mn)</b>	<b>88,282</b>	<b>1,05,770</b>	<b>1,03,727</b>	<b>1,25,780</b>	<b>1,49,468</b>	<b>1,66,925</b>	<b>1,85,761</b>
<b>Consol. EBITDA (INR Mn)</b>	<b>3,334</b>	<b>4,742</b>	<b>4,131</b>	<b>4,571</b>	<b>5,760</b>	<b>6,498</b>	<b>7,206</b>
Sourcing Revenue (INR Mn)	85,065	1,01,046	1,00,800	1,22,000	1,35,586	1,51,788	1,69,927
Brand Management Revenue (INR Mn)	-	-	5,230	4,707	5,084	5,541	6,040
Manufacturing Revenue (INR Mn)	5,471	7,030	5,970	7,880	8,735	9,529	9,724

Source: Company, JM Financial

**Exhibit 4. Segmental break-up**

	4QFY25	4QFY24	YoY(%)	3QFY25	QoQ(%)
<b>Revenue (INR mn)</b>					
Sourcing	34,439	31,270	10	30,399	13
Manfg	2,568	2,211	16	1,656	55
Others	14	13	6	15	(5)
Intersegmental	1,764	1,342	31	822	115
<b>Total</b>	<b>35,258</b>	<b>32,152</b>	<b>10</b>	<b>31,249</b>	<b>13</b>
<b>PBT (INR mn)</b>					
Sourcing	787	727	8	471	67
Manfg	96	76	27	104	(8)
Others	(4)	(74)	(95)	(55)	(93)
Intersegmental	(40)	(77)	(48)	(40)	0
<b>Total</b>	<b>838</b>	<b>651</b>	<b>29</b>	<b>479</b>	<b>75</b>
<b>PBT (in %)</b>					
Sourcing	2.3%	2.3%		1.5%	
Manfg	3.7%	3.4%		6.3%	
Others	-26.7%	-551.7%		-368.8%	
<b>Segmental Assets (INR Mn)</b>					
Sourcing	37,399	31,716	18	35,841	4
Manfg	5,347	4,665	15	5,032	6
Others	4,636	4,238	9	4,632	0
<b>Total</b>	<b>47,382</b>	<b>40,619</b>	<b>17</b>	<b>45,505</b>	<b>4</b>
<b>Segment Liabilities (INR Mn)</b>					
Sourcing	28,750	25,982	11	25,521	13
Manfg	1,202	1,505	(20)	1,826	(34)
Others	266	675	(61)	1,107	(76)
<b>Total</b>	<b>30,218</b>	<b>28,162</b>	<b>7</b>	<b>28,453</b>	<b>6</b>

Source: JM Financial, Company

**Exhibit 5. Target price**

	FY28E
EPS (INR)	22.9
P/E multiple	30
<b>Fair value (INR/share)</b>	<b>690</b>

Source: JM Financial

**Exhibit 6. Change in estimates**

		OLD		NEW			% Change	
	Unit	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E
<b>Net Sales</b>	INR mn	1,47,989	1,69,343	1,49,468	1,66,925	1,85,761	1.0%	-1.4%
<b>EBITDA</b>	INR mn	5,748	6,823	5,760	6,498	7,206	0.2%	-4.8%
<b>PAT</b>	INR mn	2,797	3,471	2,361	2,812	3,229	-15.6%	-19.0%
<b>EPS</b>		21.2	26.3	16.7	19.9	22.9	-21.2%	-24.4%
<b>Target Price</b>	INR		790			690		-12.8%
<b>Rating</b>			BUY			BUY		

Source: JM Financial

Exhibit 7. PDSL: 1yr forward P/E valuation



Source: Bloomberg, JM Financial

Exhibit 8. PDSL: 1yr forward EV/EBITDA valuation



Source: Bloomberg, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,03,727	1,25,780	1,49,468	1,66,925	1,85,761
Sales Growth	-1.9%	21.3%	18.8%	11.7%	11.3%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>1,03,727</b>	<b>1,25,780</b>	<b>1,49,468</b>	<b>1,66,925</b>	<b>1,85,761</b>
Cost of Goods Sold/Op. Exp	82,618	1,00,471	1,22,887	1,37,134	1,52,843
Personnel Cost	9,795	12,108	10,976	12,162	13,328
Other Expenses	7,183	6,630	9,845	11,131	12,384
<b>EBITDA</b>	<b>4,131</b>	<b>4,571</b>	<b>5,760</b>	<b>6,498</b>	<b>7,206</b>
EBITDA Margin	4.0%	3.6%	3.9%	3.9%	3.9%
EBITDA Growth	-12.9%	10.7%	26.0%	12.8%	10.9%
Depn. & Amort.	934	1,107	1,296	1,374	1,471
EBIT	3,197	3,464	4,464	5,124	5,735
Other Income	409	495	351	330	330
Finance Cost	1,282	1,265	1,207	1,157	1,132
PBT before Excep. & Forex	2,324	2,694	3,608	4,296	4,933
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,324	2,694	3,608	4,296	4,933
Taxes	297	271	541	644	740
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-585	-854	-705	-840	-964
Reported Net Profit	1,442	1,569	2,361	2,812	3,229
<b>Adjusted Net Profit</b>	<b>1,442</b>	<b>1,569</b>	<b>2,361</b>	<b>2,812</b>	<b>3,229</b>
Net Margin	1.4%	1.2%	1.6%	1.7%	1.7%
Diluted Share Cap. (mn)	131.8	141.1	141.1	141.1	141.1
<b>Diluted EPS (INR)</b>	<b>10.9</b>	<b>11.1</b>	<b>16.7</b>	<b>19.9</b>	<b>22.9</b>
Diluted EPS Growth	-46.0%	1.6%	50.5%	19.1%	14.8%
Total Dividend + Tax	672	420	636	757	869
Dividend Per Share (INR)	5.1	3.0	4.5	5.4	6.2

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,739	1,831	2,903	3,456	3,969
Depn. & Amort.	934	1,107	1,296	1,374	1,471
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	-2,208	-4,633	-1,855	-2,636	-3,488
Others	0	0	0	0	0
Taxes Paid	-297	-271	-541	-644	-740
<b>Operating Cash Flow</b>	<b>169</b>	<b>-1,966</b>	<b>1,803</b>	<b>1,550</b>	<b>1,212</b>
Capex	-1,665	-1,942	-850	-875	-875
Free Cash Flow	-1,497	-3,907	953	675	337
Inc (-) / Dec in Investments	-387	-455	-200	-200	-200
Others	-1,246	3,515	705	840	964
<b>Investing Cash Flow</b>	<b>-3,298</b>	<b>1,118</b>	<b>-345</b>	<b>-235</b>	<b>-111</b>
Inc / Dec (-) in Capital	2	19	0	0	0
Dividend + Tax thereon	-672	-420	-636	-757	-869
Inc / Dec (-) in Loans	3,349	1,781	-500	-500	0
Others	0	0	0	0	0
<b>Financing Cash Flow</b>	<b>2,679</b>	<b>1,380</b>	<b>-1,136</b>	<b>-1,257</b>	<b>-869</b>
<b>Inc / Dec (-) in Cash</b>	<b>-450</b>	<b>533</b>	<b>322</b>	<b>58</b>	<b>232</b>
Opening Cash Balance	7,291	6,841	7,374	7,696	7,753
Closing Cash Balance	6,841	7,374	7,696	7,753	7,985

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	11,665	16,505	18,230	20,285	22,644
Share Capital	264	282	282	282	282
Reserves & Surplus	11,402	16,222	17,948	20,003	22,362
Preference Share Capital	0	0	0	0	0
Minority Interest	792	658	1,363	2,203	3,168
Total Loans	10,539	12,321	11,821	11,321	11,321
Def. Tax Liab. / Assets (-)	-108	-156	-156	-156	-156
<b>Total - Equity &amp; Liab.</b>	<b>22,888</b>	<b>29,327</b>	<b>31,258</b>	<b>33,653</b>	<b>36,977</b>
Net Fixed Assets	6,189	7,023	6,577	6,078	5,482
Gross Fixed Assets	9,549	12,623	13,396	14,271	15,236
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	4,506	5,614	6,909	8,284	9,755
Capital WIP	1,146	13	90	90	0
Investments	4,571	5,025	5,225	5,425	5,625
Current Assets	29,752	35,332	38,408	42,968	48,700
Inventories	3,286	4,834	7,371	8,232	9,161
Sundry Debtors	16,771	18,599	18,428	20,580	24,429
Cash & Bank Balances	6,841	7,374	7,696	7,753	7,985
Loans & Advances	2,854	4,525	4,914	6,403	7,125
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	17,623	18,053	18,952	20,817	22,830
Current Liabilities	15,042	15,071	15,971	17,836	19,848
Provisions & Others	2,581	2,982	2,982	2,982	2,982
Net Current Assets	12,129	17,279	19,456	22,150	25,870
<b>Total - Assets</b>	<b>22,888</b>	<b>29,327</b>	<b>31,258</b>	<b>33,653</b>	<b>36,977</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	1.4%	1.2%	1.6%	1.7%	1.7%
Asset Turnover (x)	5.0	4.8	4.9	5.1	5.3
Leverage Factor (x)	1.9	1.9	1.7	1.7	1.6
RoE	13.0%	11.1%	13.6%	14.6%	15.0%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	88.5	117.0	129.2	143.8	160.5
ROIC	20.5%	16.3%	16.6%	17.5%	17.7%
ROE	12.4%	9.5%	13.0%	13.9%	0.0%
Net Debt/Equity (x)	0.3	0.3	0.2	0.2	0.1
P/E (x)	40.2	39.6	26.3	22.1	19.2
P/B (x)	5.0	3.8	3.4	3.1	2.7
EV/EBITDA (x)	16.1	14.8	11.7	10.4	9.5
EV/Sales (x)	0.6	0.5	0.5	0.4	0.4
Debtor days	59	54	45	45	48
Inventory days	12	14	18	18	18
Creditor days	55	45	41	41	41

Source: Company, JM Financial



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

**Research Analyst(s) Certification**

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures**

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or 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 company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.



While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**Additional disclosure only for U.S. persons:** JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

**Additional disclosure only for U.K. persons:** Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

**Additional disclosure only for Canadian persons:** This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.