

## **Adlabs Films**

**Amol Dhariya (amol.dhariya@karvy.com)**

**Buy**  
**Rs58**

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### *Multiplex at Mulund*

Adlabs Films and the Runwal Group launched a 4-screen Multiplex, *R Adlabs* at Mulund (West) on July 10. The Cineplex would be thrown open to the public on 18 July. Adlabs has invested around Rs60-70mn in the project.

### *More Digital Cinema*

Mukta Arts would be taking a 50% stake in Adlabs Digital. The company would now be called Mukta Adlabs Digital Exhibition. The move signals an entry into distribution for Mukta Arts and an entry into digital exhibition for Adlabs. The Rs200mn joint venture would target 400 B and C grade town theatres in the next one to two years.

### **View**

**We have estimated a DCF fair value of Rs27 for Adlabs' 50% stake in Mukta Adlabs Digital. We have yet to build in a fair price for R Adlabs and Adlabs' movies' businesses, the visibility for which will emerge in the second half of FY2004. We estimate a cumulative value for FY04 to be at least Rs90-95. BUY.**

**Stock Ratings Absolute Returns**

Buy	:	> 25%
Out Performer	:	16 - 25%
Market Performer	:	0 - 15%
Under Performer	:	< 0%

**Karvy Stock Broking Limited**

131, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai – 400 053. India.  
Tel: (91-22) 5695 0204 - 7, 5693 6346/47.

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