

31 October 2018

Majesco

*Slow revenue growth but higher cloud-mix improve margins; Buy*Rating: **Buy**

Target Price: ₹570

Share Price: ₹468

With \$34m revenue, Majesco US (the underlying) had a steady Q2 (up 1.5% q/q, 12% y/y), as cloud-revenues (contributing 39% and growing 9% q/q, 41% y/y) displace traditional service revenues (down 3% q/q, 1% y/y). The transition hit the order book, at \$73m (down 10% q/q, 5% y/y) leading to expectations of a slow H2. Majesco won its second deal through IBM, not yet in the order book, likely to benefit FY20. The EBITDA margin at 11%, up 272bps q/q, was driven by currency, higher offshore and SG&A discipline, and is likely to persist. We maintain our Buy, with a ₹570 target (₹575 earlier) while moving to a PE-based valuation (from EV:Sales) reflecting profitability and scale.

Growth driven by L&A, P&C slow. Majesco's growth is powered by L&A (incl. the IBM/Metlife deal) which now contributes 28% to revenue, up from 14% in Q4 FY17. This was driven by faster cloud adoption in the L&A business (~46% estimated). On the P&C side, Majesco is replacing on-premise revenues with cloud (~36% estimated) and will take a few more quarters before growth returns at the segment level. While the order book is likely to improve in Q3, revenue recovery will be slow with seasonality kicking in in Q3 and typical lags in order ramp-ups (in Q4).

11% EBITDA margin, up 272bps q/q, 1,019bps y/y. The EBITDA margin benefited from currency (~100bps estimate), higher cloud subscription (12.5% of revenue now, vs. 9.8% in Q1) and flattish SG&A costs q/q. Tailwinds from cloud are likely to continue along with operating leverage, leading to further margin expansion (ARe 12.6% by FY21). Gains, though in H2 will be limited as Majesco re-invests in SG&A amid slow revenue recovery.

Maintaining a Buy; target ₹570 (17x FY21 PE). We lower our sales estimate ~5-6% on the continuing transition to the cloud, but raise our FY19/FY20 margin 66bps/219bps, adjusting for currency and the higher cloud sales. We introduce FY21e and move to a PE-based valuation to reflect its scale and profitability by then. **Risks:** Execution misses.

Key financials (YE Mar)	FY17	FY18	FY19e	FY20e	FY21e
Sales (₹ m)	8,275	8,060	9,613	10,810	12,222
Net profit (₹ m)	143	63	532	806	1,007
EPS (₹)	5.8	2.5	18.9	27.3	34.1
PE (x)	NA	NA	26.0	17.1	13.7
EV / EBITDA (x)	22.1	44.0	11.1	8.0	6.5
PBV (x)	4.8	2.5	2.3	2.0	1.8
RoE (%)	5.1	1.5	9.3	12.7	13.8
RoCE (%)	3.8	0.1	7.3	10.3	11.3
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	-0.3	-0.5	-0.6	-0.6	-0.7

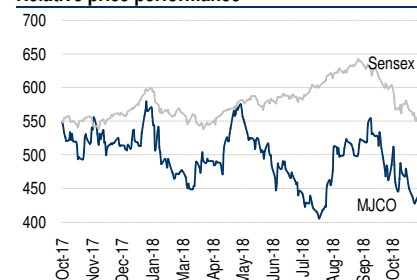
Source: Company, Anand Rathi Research

Key data	MJCO IN / MAJC.BO
52-week high / low	₹604 / 401
Sensex / Nifty	33891 / 10198
3-m average volume	\$0.8m
Market cap	₹13bn / \$179.5m
Shares outstanding	28m

Shareholding pattern (%)	Sep'18	June'18	Mar'18
Promoters	39.6	39.7	40.2
- of which, Pledged	3.6	4.3	4.2
Free float	60.4	59.8	52.1
- Foreign institutions	8.0	7.9	0.8
- Domestic institutions	12.4	15.0	9.6
- Public	40.0	36.9	41.7

Estimates revision (%)	FY19e	FY20e
Sales (\$)	(4.7)	(5.8)
EBITDA	7.6	22.0
PAT	0.4	36.5

Relative price performance



Source: Bloomberg

Mohit Jain
Research AnalystShobit Singhal
Research AssociateSugandhika Singh
Research Associate

Anand Rathi Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Quick Glance – Financials and Valuations

Fig 1 – Income statement (₹ m)

Year-end: Mar	FY17	FY18	FY19e	FY20e	FY21e
Revenues (\$ m)	123	125	137	154	174
Growth (%)	7	1	9	12	13
Net revenues (₹ m)	8,275	8,060	9,613	10,810	12,222
Employee & direct costs	5,452	5,728	6,610	7,293	8,106
Gross profit	2,823	2,332	3,003	3,516	4,117
Gross margins %	34.1	28.9	31.2	32.5	33.7
SG&A	2,374	2,106	2,108	2,274	2,578
EBITDA	449	226	895	1,242	1,539
EBITDA margins (%)	5.4	2.8	9.3	11.5	12.6
- Depreciation	261	179	127	149	174
Other income	63	214	270	342	431
Interest expenses	56	49	48	47	49
PBT	196	213	991	1,387	1,747
Effective tax rate (%)	1	87	29	24	24
+ Associates / (Minorities)	-51	35	-175	-251	-315
Net income	143	63	532	806	1,007
WANS	25	25	28	30	30
FDEPS (₹ / sh)	5.8	2.5	18.9	27.3	34.1

Fig 3 – Cash-flow statement (₹ m)

Year-end: Mar	FY17	FY18	FY19e	FY20e	FY21e
PBT	196	213	991	1,387	1,747
+ Non-cash items	344	227	-143	-192	-257
Oper. prof. before WC	540	439	848	1,195	1,490
- Incr. / (decr.) in WC	-240	419	-32	-65	-75
Others incl. taxes	96	-248	-296	-344	-440
Operating cash-flow	877	-228	583	916	1,124
- Capex (tang. + intang.)	247	136	163	183	207
Free cash-flow	630	-364	421	733	918
Acquisitions	-	-	-105	-105	-105
- Div.(incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	36	2,253	-	-	-
+ Debt raised	-185	70	-500	-184	-
- Fin investments	68	2,200	154	162	170
- Misc. (CFI + CFF)	13	-52	-270	-342	-431
Net cash-flow	401	-683	-69	623	1,073

Source: Company, Anand Rathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 2 – Balance sheet (₹ m)

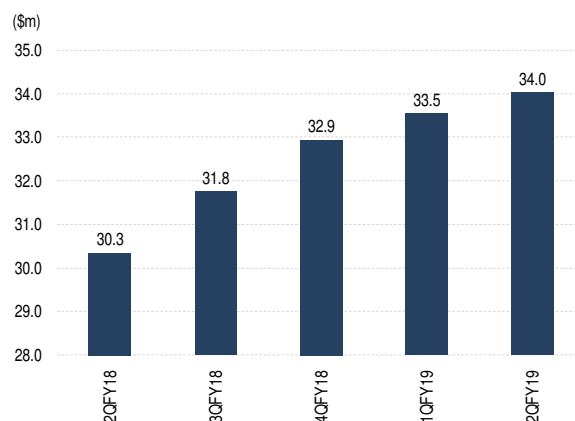
Year-end: Mar	FY17	FY18	FY19e	FY20e	FY21e
Share capital	117	141	141	141	141
Net worth	2,879	5,433	5,965	6,771	7,778
Total debt	722	684	184	-	-
Minority interest	752	787	962	1,213	1,527
DTL / (asset)	-404	-462	-462	-462	-462
Capital employed	3,948	6,441	6,649	7,521	8,843
Net tangible assets	349	295	331	365	397
Net intangible assets	276	49	154	260	365
Goodwill	1,880	2,212	2,212	2,212	2,212
CWIP (tang. & intang.)	17	2	2	2	2
Investments (strategic)	-	-	-	-	-
Investments (financial)	171	3,088	3,242	3,405	3,575
Current assets (ex cash)	1,772	2,347	2,525	2,688	2,867
Cash	1,581	898	829	1,451	2,524
Current liabilities	2,097	2,451	2,648	2,862	3,101
Working capital	-325	-103	-123	-174	-234
Capital deployed	3,948	6,441	6,649	7,521	8,843
Contingent liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year-end: Mar	FY17	FY18	FY19e	FY20e	FY21e
P/E (x)	NA	NA	26	17	14
EV / EBITDA (x)	22	44	11	8	6
EV / sales (x)	1.7	1.8	1.5	1.3	1.2
P/B (x)	4.8	2.5	2.3	2.0	1.8
RoE (%)	5.1	1.5	9.3	12.7	13.8
RoCE (%) - after tax	3.8	0.1	7.3	10.3	11.3
RoIC (%) - after tax	5.5	0.2	15.8	23.2	28.1
DPS (₹ / sh)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%) - incl. DDT	-	-	-	-	-
Net debt / equity (x)	-0.3	-0.5	-0.6	-0.6	-0.7
Receivables (days)	60	87	77	72	67
Inventory (days)	-	-	-	-	-
Payables (days)	7	7	7	7	7
CFO : PAT %	NA	NA	82.5	86.6	85.1

Source: Company, Anand Rathi Research

Fig 6 – Revenue performance



Source: Company

Majesco US: Result highlights

Q2 FY19 Results at a Glance

Fig 7 – Majesco US, segment-wise results

	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19	Q/Q %	Y/Y %
Revenues (\$ m)	30.3	31.8	32.9	33.5	34.0	1.5	12
Revenues (₹ m)	1,956	2,051	2,125	2,244	2,392	6.6	22
Eff. exchange rate	64.4	64.6	64.5	66.9	70.3	1.5	5
Order backlog	77.5	90.4	90.6	81.6	73.3	-10.2	-5
Q/Q growth %	0	17	0	-10	-10		
Cost of revenues (excl. D&A)	(19.9)	(20.4)	(21.2)	(21.5)	(21.0)	-2.3	5
As % of revenue	-66	-64	-64	-64	-62	234bps	397bps
Employee cost	(17)	(17)	(18)	(17)	(17)		
Utilization %	44.84	46.92	46.88	47.93	50.14	222bps	530bps
-R&D costs	(4.2)	(4.5)	(4.6)	(4.8)	(4.7)	-3.3	11
As % of revenue	-14	-14	-14	-14	-14	67bps	16bps
SG&A (excl D&A)	(10)	(10)	(10)	(9)	(9)	0.1	-9
As % of revenues	-34	-32	-30	-28	-27	37bps	622bps
EBITDA	0.3	1.3	2.0	2.8	3.8	34.5	NA
EBITDA margins %	1	4	6	8	11	272bps	NA
D&A	(1.3)	(1.2)	(1.1)	(1.0)	(0.8)	-21.1	-74.0
EBIT	-1.03	0.10	0.86	1.77	2.95	66.9	NA
EBIT margins %	-3.4	0.3	2.6	5.3	8.7	340bps	NA
Other income	0.01	(0.12)	0.12	0.19	1.28	590.3	NA
PBT	-1.17	-0.13	0.85	1.83	4.13	125.8	NA
PBT margins %	-3.8	-0.4	2.6	5.4	12.1	668bps	NA
Taxes	0.5	(2.9)	(0.4)	(0.8)	(1.3)	64.0	NA
ETR %	NA	NA	-49	-43	-31	1186bps	NA
Net profit (\$ m)	(0.7)	(3.1)	0.4	1.0	2.8	173.1	NA
Net profit (₹ m)	(46)	(198)	28	69	199	186.9	NA

Source: Company, Anand Rath Research

Fig 8 – Quarterly result (Majesco, US)

Year-end: Mar (₹ m)	Q2 FY19	% Q/Q	% Y/Y	H1 FY19	H1 FY18	% Y/Y
Sales (\$ m)	34	1.5	12.2	68	58	16.0
Sales	2,392	6.6	22.3	4,637	3,755	23.5
EBITDA	264	41.3	1,482.7	451	(52)	NA
EBITDA margins (%)	11.0	272 bps	1019 bps	9.7	(1.4)	NA
EBIT	207	75.4	NA	325	(217)	NA
EBIT margins (%)	8.7	340 bps	NA	7.0	(5.8)	NA
PBT	290	137.2	NA	412	(236)	NA
Tax	(91)	72.3	NA	(144)	83	NA
Tax rate (%)	(31.5)	1186 bps	NA	(35.0)	(35.4)	NA
Net income	199	186.9	NA	268	(152)	NA

Source: Company, Anand Rath Research

Factsheet (Majesco, US)

Fig 9 – Revenue-split, by LOB

(%)	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
P&C	79	76	76	73	71
L&A	20	23	23	27	28
Non-insurance	2	1	1	1	1
Total	100	100	100	100	100

Source: Company, Anand Rath Research

Fig 10 – Revenue growth, by LOB (Q/Q)

(%)	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
P&C	7	0	5	-3	0
L&A	22	25	0	20	8
Non-insurance	-18	-44	56	-32	-24
Total	9	5	4	2	1

Source: Company, Anand Rath Research

Fig 11 – Revenue-split, by region

(%)	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
North America	90	90	89	90	89
UK	5	5	5	4	5
APAC	5	6	5	6	6
Total	100.0	100.0	100.0	100.0	100.0

Source: Company, Anand Rath Research

Fig 12 – Region-wise growth (Q/Q)

(%)	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
North America	10	4	3	2	1
UK	-6	7	19	-19	16
APAC	9	19	-2	17	-5
Total	9	5	4	2	1

Source: Company, Anand Rath Research

Fig 13 – Client contribution (%)

	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
Top 1	8.7	10.4	9	13.5	13.5
Top 5	28.8	27.9	28.4	30.9	30.9
Top 10	44.4	43.9	43.1	45.9	45.9

Source: Company, Anand Rath Research

Fig 14 – Client contribution (\$ m)

	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
Top 1	2.6	3.3	3.0	4.5	4.6
Next 2-5	6.1	5.6	6.4	5.8	5.9
Next 6-10	4.7	5.1	4.8	5.0	5.1
Revenues from Top-10	13.5	13.9	14.2	15.4	15.6

Source: Company, Anand Rath Research

Valuations

We now value the stock at 17x FY21e EPS. Earlier, we had valued it on EV/Sales, of 1.7x FY20e. However, as the company gains scale and turns profitable, we are aligning it with other IT companies in terms of valuation methodology used for fair value.

Margins are expected to be volatile given that Majesco is still operating close to breakeven, though on a yearly basis we expect significant expansion, driven by fixed costs, cloud scale-up, and a depreciating rupee. Since Majesco India has a 70% stake in Majesco, the Indian entity fully consolidates Majesco US's earnings while owning only 70%; the balance 30% is shown in the accounts as minority interest.

For FY19, the company is aiming at ~9% growth and we expect margin expansion to continue on support from currency and on operating leverage. We maintain a Buy on the stock, with a revised price target of ₹570 (now valuing it at 17x FY21E EPS (vs. 1.7x FY20e EV:sales) at the consolidated entity level.

Fig 15 – Change in estimates

	2019			2020		
	New	Old	% Change	New	Old	% Change
Revenue (\$ m)	137	144	-5	154	163	-6
Revenue (₹ m)	9,613	9,619	0	10,810	10,941	-1
EBITDA	895	832	8	1,242	1,018	22
EBITDA margins (%)	9.3	8.7	66 bps	11.5	9.3	219 bps
EBIT	769	681	13	1,093	842	30
EBIT margins (%)	8.0	7.1	92 bps	10.1	7.7	242 bps
PBT	991	806	23	1,387	988	40
Net Profit	532	530	0	806	591	36

Source: Anand Rathi Research

Fig 16 – EV / sales (one-year-forward)



Source: Bloomberg, Anand Rathi Research

Risks

- **Execution miss:** The company has, in the past, shown more volatility, in execution as it is on the discretionary side of the business (software purchases or upgrades). Also, it operates in a highly competitive arena and competes with larger entities. Therefore, execution needs to be flawless.

- **Vigorous M&A strategy:** Majesco has relied on its M&A strategy to gain scale fast. This inherently gives rise to risks (cultural and technical integration) as well as to the balance sheet (due to upfront payments). The balance sheet, at present, doesn't leave any scope for Majesco to go wrong on this front.
- Sharp rupee appreciation.

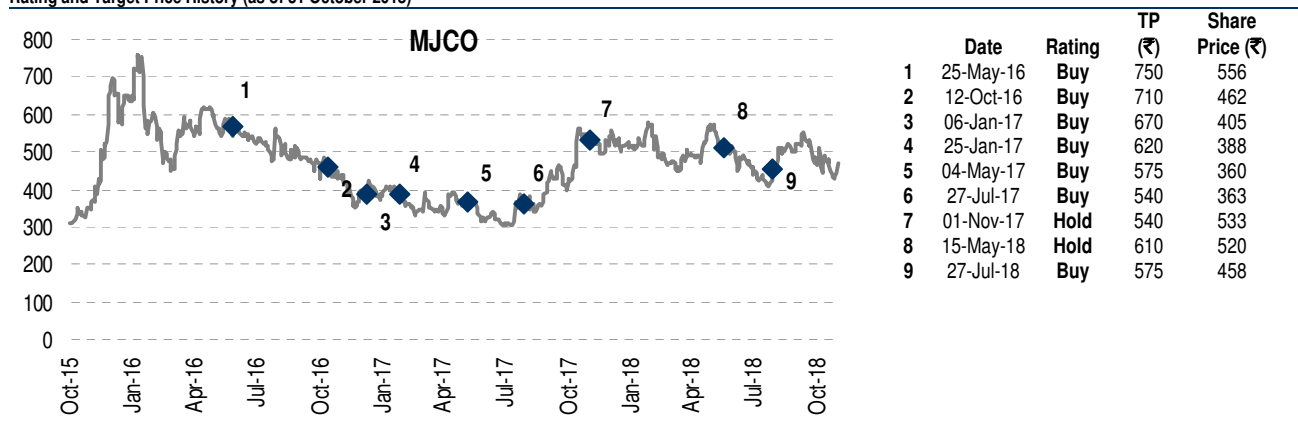
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 31 October 2018)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps (>US\$1bn) and Mid/Small Caps (<US\$1bn) as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (>US\$1bn)	>15%	5-15%	<5%
Mid/Small Caps (<US\$1bn)	>25%	5-25%	<5%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity) is a subsidiary of Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd. (NSEIL), Multi Stock Exchange of India Ltd (MCX-SX) and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. ARSSBL is engaged in the business of Stock Broking, Depository Participant and Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, 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 or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

ARSSBL/its Associates/ Research Analyst/ his Relative 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?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative 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	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No

Other Disclosures pertaining to distribution of research in the United States of America

This research report is a product of ARSSBL, 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 ARSSBL 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, ARSSBL has entered into an agreement with a U.S. registered broker-dealer, Cabrera Capital Markets. ("Cabrera"). Transactions in securities discussed in this research report should be effected through Cabrera or another U.S. registered broker dealer.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2018. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

Additional information on recommended securities/instruments is available on request.

ARSSBL registered address: 4th Floor, Silver Metropolis, Jaicoach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai - 400 063.
Tel No: +91 22 4001 3700 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.