

Result Preview



Cyient
HCL Tech
Hexaware
Infosys
L&T Infotech
Mindtree
Mphasis
NIIT Tech
Persistent
TCS
Tech Mahindra
Wipro
Zensar

Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We [request your ballot](#).



Deal signings to be key monitorable

Weak growth expectations given COVID-19 disruption

- Accenture's recent result and commentary have set a baseline expectation for Indian IT companies. However, as we highlighted in our earlier note ([link](#)), the Healthcare vertical of Indian IT is not as big as that of Accenture (18% of sales).
- Accordingly, while this vertical remained a key growth driver for Accenture, it may not move the needle to that extent in the case of Indian IT. Nevertheless, we believe Indian IT should demonstrate a similar operational resilience.
- As the quarter progressed, supply-side issues eased as most of the countries re-opened their economies. Barring a few areas, such as ER&D, the supply side should not see any further material bottleneck.
- However, demand issues persist and are more pronounced in some verticals (e.g., Retail, Travel, Transportation and Hospitality, and Aerospace).
- For Q1FY20, we expect aggregate revenue (USD)/revenue (INR)/ EBIT/PAT to grow by -4%/5%/5%/0% YoY respectively.
- On a sequential basis, Tier I revenue should move in the range of (8.0)%–(4.5)% (CC) and (8.5)%–(4.8)% (USD), with INFY/TechM leading / lagging behind the pack.
- Across Tier II, revenue should move in the range of (15)%–(3)% (QoQ, CC) and (15)%–(5)% (QoQ USD), with LTI/Cyient leading / lagging behind.

Margin disruption should not be as severe as feared

- Our recent interactions with companies suggest that pricing pressure was not to the extent that was anticipated earlier.
- While a fall in utilization levels and negative operating leverage should hurt margins, they should be partly offset by sharp INR depreciation, the deferral of salary revisions, and the absence of certain G&A / PM CARES fund related expenses.
- Overall, while the sequential EBIT margins of Tier I should contract by (240)–(70)bp, our Tier II coverage should move in the range of (180)–50bp.
- For the full year, we currently build-in a (310)–320bp EBIT margin impact for our coverage universe. However, subject to companies' commentary, there may be an upside risk to our estimates.

Deal wins data a key observable

- Limited visibility on recovery, coupled with the risk of a potential second wave, should render it challenging for companies to provide guidance even this time.
- Despite the partial impact of COVID-19 in 4QFY20, deal bookings (TCS: 44% YoY) remained resilient, even with net new signings showing a strong increase.
- Deal signings in 1QFY21 and commentary around the pipeline are likely to be the key focus areas for investors as this is the latest available proxy for demand.
- Moreover, as this would be the first full quarter where the majority of associates would be working from home, operational metrics (e.g., utilizations and G&A expenses) in the new normal would also be keenly watched.

Compelling long-term outlook; prefer Infosys/TCS/LTI

- Despite near-term uncertainties due to COVID-19 and the US elections, we continue to like Infosys/TCS/HCLT among Tier I and LTI/Mindtree among Tier II.
- This is attributable to their robust business models, high return ratios, strong management teams, and reasonable valuations.
- These companies have had a legacy of overcoming multiple business challenges and technology change cycles in the past. Accordingly, we believe they would be able to adapt and overcome any transient challenges posed by COVID-19.

Sudheer Guntupalli – Research analyst (Sudheer.Guntupalli@MotilalOswal.com)

Research analyst: Mohit Sharma (Mohit.Sharma@MotilalOswal.com) / Heenal Gada (Heenal.Gada@motilalosal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Exhibit 1: Expect Tier I revenue (USD) to decline by 6% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)
TCS	5,172	5,444	-5.0	5,485	-5.7	393	399	-1.6	382	3.0
Infosys	3,044	3,197	-4.8	3,131	-2.8	231	233	-0.6	218	6.1
Wipro	1,926	2,074	-7.1	2,039	-5.5	151	158	-4.5	148	2.0
HCLT	2,350	2,543	-7.6	2,364	-0.6	179	186	-3.9	164	8.7
TECHM	1,185	1,295	-8.5	1,247	-5.0	90	95	-5.1	87	4.0
Aggregate	13,676	14,553	-6.0	14,266	-4.1	1,044	1,071	-2.5	999	4.5

Company	EBIT Margin (%)					PAT (INR b)				
	1QFY21E	4QFY20	QoQ (bp)	1QFY20	YoY (bp)	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)
TCS	24.4	25.1	-70	24.2	20	81	81	-0.4	82	-1.1
Infosys	20.5	21.2	-70	20.5	0	39	43	-11.1	38	1.3
Wipro	15.3	16.7	-140	16.7	-130	22	23	-7.7	24	-9.9
HCLT	18.5	20.9	-240	17.1	140	27	32	-16.0	22	18.9
TECHM	9.0	10.0	-100	11.5	-250	7	7	3.1	9	-21.1
Aggregate	19.9	20.9	-100	20.0	10	175	187	-6.3	175	-0.3

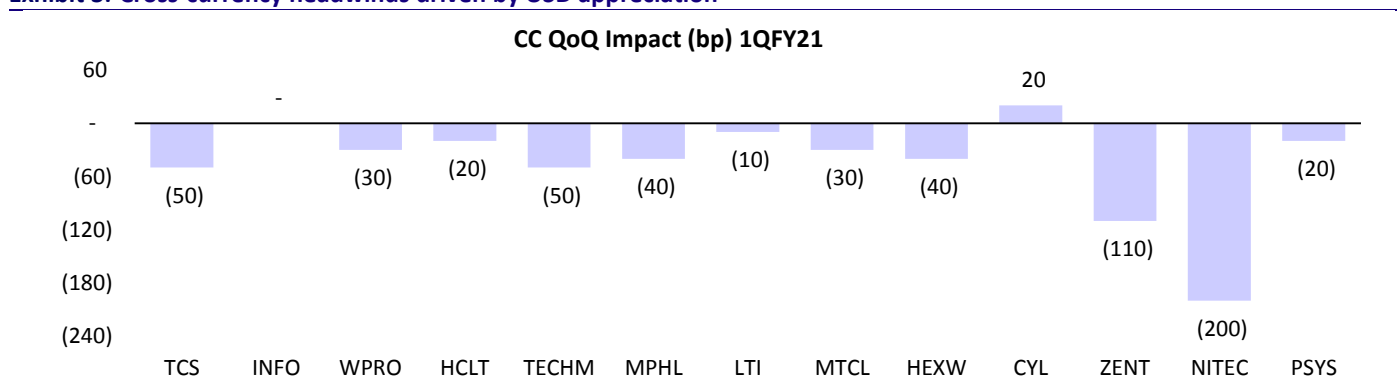
Source: Company, MOFSL

Exhibit 2: Expect Tier II revenue (USD) to decline by 7% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)
LTI	389	410	-5.0	357	9.2	30	30	-1.7	25	19.1
Mindtree	256	278	-7.9	264	-3.0	19	21	-5.0	18	6.2
Mphasis	303	320	-5.1	297	2.2	23	23	-2.5	21	11.0
NIIT Tech	147	155	-5.0	138	6.6	11	11	0.3	10	15.9
Hexaware	193	211	-8.5	189	2.2	15	15	-5.0	12	11.9
Persistent	119	127	-6.0	120	-0.1	9	9	-2.0	8	9.1
Zensar	127	141	-10.0	153	-17.4	10	10	-5.5	11	-9.7
Cyient	127	149	-15.1	157	-19.1	10	11	-10.3	11	-11.6
Aggregate	1,662	1,790	-7.2	1,674	-0.7	126	131	-3.6	116	8.3

Company	EBIT Margin (%)					PAT (INR b)				
	1QFY21E	4QFY20	QoQ (bp)	1QFY20	YoY (bp)	1QFY21E	4QFY20	QoQ (%)	1QFY20	YoY (%)
LTI	17.2	16.7	50	16.0	120	3.9	4.3	-9.8	3.6	8.3
Mindtree	13.7	13.8	-10	6.4	730	2.0	2.1	-3.7	0.9	114.1
Mphasis	15.1	16.3	-120	15.5	-40	2.8	3.5	-19.5	2.6	7.5
NIIT Tech	12.6	13.9	-130	12.9	-30	1.3	1.2	2.3	1.0	21.5
Hexaware	10.3	11.8	-150	14.6	-430	1.2	1.7	-33.6	1.5	-23.2
Persistent	7.5	9.2	-170	9.8	-230	0.6	0.8	-26.1	0.8	-24.9
Zensar	8.0	9.8	-190	10.7	-270	0.6	0.7	-22.2	0.8	-29.9
Cyient	7.0	8.4	-140	9.2	-220	0.6	0.8	-19.6	0.9	-31.2
Aggregate	12.9	13.6	-70	12.4	50	13	15	-15.0	12	5.7

Source: Company, MOFSL

Exhibit 3: Cross-currency headwinds driven by USD appreciation

Source: Bloomberg, MOFSL

Exhibit 4: 1QFY21 currency highlights (INR)

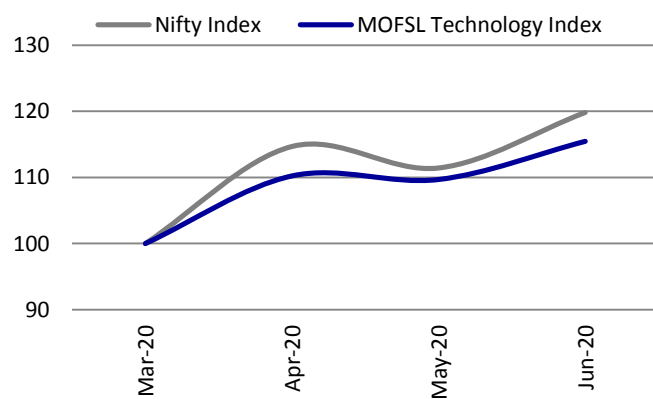
	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD	EUR	GBP	AUD
Average	75.88	83.6	94.2	49.9	4.8%	4.7%	1.7%	6.9%
Closing	75.56	84.8	92.8	52.1	0.3%	1.9%	-0.9%	12.1%

Source: Bloomberg, Exchangerates.org.uk, MOFSL

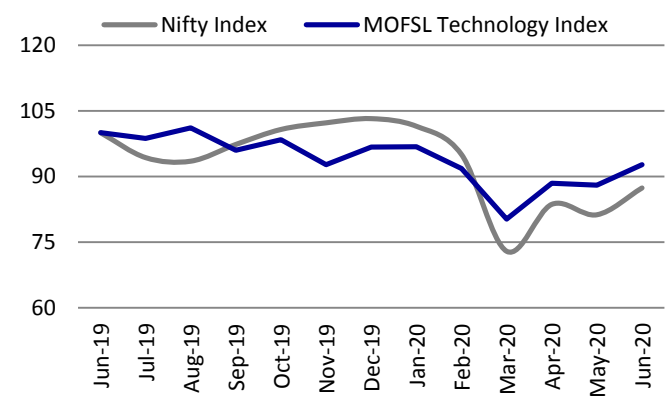
Exhibit 5: 1QFY21 currency highlights (in USD)

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR	GBP	AUD
Average	1.10	1.24	0.66	0.1%	-3.0%	-0.3%
Closing	1.12	1.24	0.69	1.8%	0.8%	11.3%

Source: Bloomberg, MOFSL

Exhibit 6: Relative performance—3m (%)

Source: Bloomberg, MOFSL

Exhibit 7: Relative performance—1Yr (%)

Source: Bloomberg, MOFSL

Exhibit 8: Change in estimates

Sector	Revised EPS (INR)		Earlier EPS (INR)		Change (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
TCS	85	98	82	98	4	0
Infosys	38	43	37	43	2	0
Wipro	15	18	15	18	0	1
HCL Tech	39	46	40	48	-4	-5
TechM	36	45	34	45	7	-1
Mphasis	60	72	58	71	3	2
LTI	94	110	93	109	2	1
Mindtree	51	60	51	60	0	0
Cyient	24	28	23	27	8	2
Hexaware	18	22	18	23	-2	-3
NIIT Tech	76	97	70	91	8	7
Persistent	44	59	45	61	-2	-2
Zensar	13	16	13	15	2	3

Source: Company, MOFSL

Exhibit 9: Expected quarterly performance summary

Sector	CMP		SALES (INR M)			EBIT (INR M)			NET PROFIT (INR M)		
	(INR)	RECO	Jun-20	Var % YoY	Var % QoQ	Jun-20	Var % YoY	Var % QoQ	Jun-20	Var % YoY	Var % QoQ
TCS	2159	Neutral	3,93,057	3.0	-1.6	95,978	4.1	-4.3	80,628	-1.1	-0.4
Infosys	756	Buy	2,31,309	6.1	-0.6	47,418	6.1	-3.8	38,528	1.3	-11.1
Wipro	224	Neutral	1,50,988	2.0	-4.5	23,145	-6.2	-12.3	21,641	-9.9	-7.7
HCL	571	Buy	1,78,618	8.7	-3.9	32,978	17.4	-15.0	26,539	18.9	-16.0
TechM	563	Neutral	90,032	4.0	-5.1	8,103	-18.4	-14.7	7,492	-21.1	3.1
LTI	1953	Buy	29,595	19.1	-1.7	5,090	28.2	1.1	3,853	8.3	-9.8
Mindtree	937	Buy	19,480	6.2	-5.0	2,667	127.5	-5.9	1,985	114.1	-3.7
Mphasis	873	Neutral	22,886	11.0	-2.5	3,459	8.3	-9.7	2,844	7.5	-19.5
NIIT Tech	1411	Neutral	11,123	15.9	0.3	1,402	13.0	-8.9	1,271	21.5	2.3
Hexaware	336	Neutral	14,645	11.9	-5.0	1,508	-21.1	-17.0	1,161	-23.2	-33.6
Persistent	643	Buy	9,079	9.1	-2.0	681	-16.5	-20.5	619	-24.9	-26.1
Zensar	129	Neutral	9,622	-9.7	-5.5	767	-32.5	-23.3	560	-29.9	-22.2
Cyient	274	Neutral	9,626	-11.6	-10.3	673	-33.0	-25.6	618	-31.2	-19.6
Sector Aggregate			11,70,761	4.9	-2.6	2,23,869	4.6	-7.5	1,87,739	0.1	-7.0

Source: Company, MOFSL

Exhibit 10: Comparative valuation

Company Name	CMP (INR)	MCap (INR b)	EPS (INR)			EPS CAGR %	Div. Yield (%)	PE (x)			ROE (%)		
			FY20	FY21E	FY22E			FY20-22E	FY20	FY21E	FY22E	FY20	FY21E
Cyient	274	30	33.8	24.2	27.9	-9.0	4.7	8.1	11.3	9.8	13.5	9.2	10.1
HCL Tech.	571	1550	40.7	38.8	45.6	5.8	1.4	14.0	14.7	12.5	24.3	19.4	19.0
Hexaware Tech.	336	100	21.8	18.0	22.2	0.9	2.5	15.4	18.6	15.2	24.9	18.5	20.3
Infosys	756	3200	39.0	37.6	43.0	5.0	2.3	19.4	20.1	17.6	25.3	22.2	22.8
L&T Infotech	1953	244	86.7	94.3	110.1	12.7	1.4	22.5	20.7	17.7	31.1	27.7	26.4
Mindtree	937	154	38.3	51.0	60.0	25.1	1.4	24.4	18.4	15.6	20.0	22.4	22.2
Mphasis	873	163	61.5	59.9	72.5	8.6	4.0	14.2	14.6	12.0	21.4	18.6	20.9
NIIT Tech.	1411	86	73.5	76.0	97.0	14.9	2.2	19.2	18.6	14.6	20.5	18.6	20.9
Persistent Sys.	643	48	44.4	44.4	59.5	15.8	1.9	14.5	14.5	10.8	14.3	12.8	15.1
TCS	2159	8100	86.2	85.3	97.9	6.6	3.4	25.1	25.3	22.2	36.4	34.1	33.3
Tech Mahindra	563	543	45.9	36.3	44.7	-1.3	2.7	12.2	15.4	12.5	18.5	13.3	14.9
Wipro	224	1270	16.6	15.4	17.7	3.2	0.4	13.4	14.5	12.6	17.3	14.8	15.5
Zensar Tech	129	29	11.8	13.4	15.9	16.1	2.2	10.9	9.7	8.1	13.0	13.1	14.1

Source: Company, MOFSL

The tables below provide a snapshot of actual and estimated numbers for IT companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Cyient**Neutral****CMP INR274 | TP: INR266 (-3%)****EPS CHANGE (%): FY21|22: 7.6|2.4**

- ER&D services highly impacted due to discretionary nature
- Progress on cost-cutting a key monitorable
- A&D, Transport verticals expected to see high impact
- Potential pressure on receivables another concern

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	157	164	155	149	127	119	122	126	625	494
QoQ (%)	-5.2	4.9	-5.5	-3.9	-15.1	-6.4	3.2	3.1	-5.3	-21.0
Revenue (INR m)	10,890	11,589	11,060	10,736	9,626	9,011	9,296	9,581	44,275	37,515
YoY (%)	0.8	-2.4	-6.9	-7.7	-11.6	-22.2	-15.9	-10.8	-4.1	-15.3
GPM (%)	34.4	34.4	36.0	33.5	32.5	33.1	34.0	35.0	34.6	33.7
SGA (%)	21.2	20.6	22.1	20.6	21.6	21.6	21.4	22.0	21.1	21.7
EBITDA	1,445	1,599	1,533	1,382	1,048	1,037	1,167	1,248	5,959	4,500
EBITDA Margin (%)	13.3	13.8	13.9	12.9	10.9	11.5	12.6	13.0	13.5	12.0
EBIT Margin (%)	9.2	9.6	9.6	8.4	7.0	7.5	8.6	9.0	9.2	8.0
Other income	283	264	498	206	262	219	245	266	1,251	993
ETR (%)	22.0	22.4	23.3	21.3	23.0	23.0	23.0	23.0	22.3	23.0
PAT	904	986	1,083	451	618	588	700	771	3,726	2,676
QoQ (%)	-48.9	9.1	9.8	-58.4	36.9	-4.8	19.1	10.0		
YoY (%)	9.6	-22.5	17.6	-74.5	-31.7	-40.4	-35.3	70.9	-22.2	-28.2
EPS (INR)	8.2	8.9	9.8	4.1	5.6	5.3	6.3	7.0	33.8	24.2

HCL Technologies**Buy****CMP INR571 | TP: INR657 (+15%)****EPS CHANGE (%): FY21|22: -3.6|-5.1**

- ER&D segment to see higher impact
- Expect delay in FY21 growth/margin guidance
- IMS' performance a key monitorable
- Renewals in Mode-3 also a key observable

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	2,364	2,486	2,543	2,543	2,350	2,287	2,298	2,333	9,936	9,268
QoQ (%)	3.8	5.2	2.3	0.0	-7.6	-2.7	0.5	1.5	15.1	-6.7
Revenue (INR b)	164	175	181	186	179	174	175	177	707	704
YoY (%)	18.5	18.0	15.1	16.3	8.7	-0.8	-3.6	-4.6	16.9	-0.3
GPM (%)	33.5	36.9	38.4	40.1	36.5	36.0	36.1	36.2	37.3	36.2
SGA (%)	12.8	13.5	13.7	14.7	13.5	13.0	12.9	12.8	13.7	13.1
EBIT	28	35	37	39	33	32	33	33	138	131.1
EBIT Margin (%)	17.1	20.0	20.2	20.9	18.5	18.5	18.7	18.9	19.6	18.6
Other income	1	0	1	0	1	0	1	1	2	3
ETR (%)	24.0	23.9	18.4	18.2	21.0	21.0	21.0	21.0	20.9	21.0
Adjusted PAT	22	27	30	32	26	26	26	27	111	105
QoQ (%)	-13.1	19.3	14.5	3.8	-16.1	-3.2	1.8	4.3		
YoY (%)	-7.4	5.1	16.7	23.3	19.0	-3.5	-14.2	-13.8	9.5	-4.7
EPS	8.2	9.8	11.2	11.6	9.7	9.4	9.6	10.0	40.7	38.8

Hexaware Technologies**Neutral****CMP INR336 | TP: INR298 (-11%)****EPS CHANGE (%): CY20|21: -1.8|-2.6**

- COVID-19 impact in verticals such as Travel, Transportation
- Progress on delist proposal
- Impact in service offerings such as IMS and BPO
- Commentary around US operations a key monitorable

Quarterly Performance (Indian GAAP)

Y/E Dec	CY19				CY20E				CY19	CY20E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	180.0	188.5	210.5	214.3	210.6	192.7	186.9	190.7	793	781
QoQ (%)	2.2	4.7	11.7	1.8	-1.7	-8.5	-3.0	2.0	17.1	-1.6
Revenue (INR m)	12,640	13,083	14,814	15,288	15,418	14,645	14,206	14,490	55,825	58,758
YoY (%)	20.5	15.1	22.5	22.1	22.0	11.9	-4.1	-5.2	20.1	5.3
GPM (%)	29.4	31.1	32.0	30.7	29.1	28.5	28.3	29.0	30.8	28.7
SGA (%)	15.6	16.5	18.1	17.4	17.3	18.2	18.3	18.2	17.0	18.0
EBIT	1,739	1,912	2,053	2,041	1,818	1,508	1,421	1,565	7,746	6,312
EBIT Margin (%)	13.8	14.6	13.9	13.4	11.8	10.3	10.0	10.8	13.9	10.7
Other income	-42	99	171	-16	328	-66	72	100	212	434
ETR (%)	18.4	16.4	17.4	17.3	18.5	19.5	19.5	19.5	17.3	19.2
PAT	1,385	1,512	1,836	1,676	1,749	1,161	1,201	1,340	6,409	5,452
QoQ (%)	12.2	9.2	21.4	-8.7	4.4	-33.6	3.4	11.5		
YoY (%)	3.1	-1.4	6.6	35.8	26.3	-23.2	-34.5	-20.0	9.9	-14.9
EPS (INR)	4.6	5.6	6.1	5.5	5.8	3.8	4.0	4.4	21.8	18.0

Infosys**Buy****CMP INR756 | TP: INR877 (+16%)****EPS CHANGE (%): FY21 | 22: 2.2 | -0.2**

- Manufacturing / Auto vertical under pressure
- Large TCX deal a key observable
- Expect margin impact to be limited relative to peers
- Commentary on demand recovery an important feature

Quarterly Performance (IFRS)

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	3,131	3,210	3,243	3,197	3,044	3,013	3,013	3,043	12,781	12,113
QoQ (%)	2.3	2.5	1.0	-1.4	-4.8	-1.0	0.0	1.0	8.2	-5.2
Revenue (INR m)	218	226	231	233	231	229	229	231	908	921
YoY (%)	14.0	9.8	7.9	8.0	6.1	1.2	-0.8	-0.6	9.8	1.4
GPM (%)	32.2	33.4	33.4	33.4	32.5	33.0	33.2	33.4	33.1	33.0
SGA (%)	11.7	11.7	11.5	12.2	12.0	11.9	11.7	11.5	11.8	11.8
EBITDA	52	56	58	57	56	57	58	59	223	229
EBITDA Margin (%)	23.6	24.9	25.1	24.4	24.0	24.7	25.2	25.7	24.5	24.9
EBIT Margin (%)	20.5	21.7	21.9	21.2	20.5	21.1	21.5	21.9	21.3	21.2
Other income	7	6	8	6	5	5	5	6	26	22
ETR (%)	26.4	26.5	23.6	21.1	26.5	26.5	26.5	26.5	24.4	26.5
PAT	38	40	45	43	39	39	40	41	166	160
QoQ (%)	-6.8	6.2	10.6	-2.9	-11.1	2.5	1.8	3.0		
YoY (%)	5.3	-1.8	23.7	6.3	1.3	-2.2	-10.0	-4.5	8.0	-4.1
EPS (INR)	8.8	9.5	10.5	10.2	9.1	9.3	9.5	9.8	39.0	37.6

LTI **Buy****CMP INR1,953 | TP: INR2,265 (+16%)****EPS CHANGE (%): FY21|22: 1.9|1.1**

- Absence of pass-through revenues to impact topline
- Margins to remain stable; currency depreciation a tailwind
- Expect forex loss due to sharp depreciation
- Commentary around deal ramp-ups a monitorable

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	357	364	394	410	389	378	389	409	1,525	1,565
QoQ (%)	0.8	2.0	8.4	3.9	-5.0	-3.0	3.0	5.0	13.0	2.6
Revenue (INR m)	24,849	25,707	28,111	30,119	29,595	28,707	29,568	31,047	1,08,786	1,18,916
YoY (%)	15.3	10.3	13.7	21.2	19.1	11.7	5.2	3.1	15.2	9.3
GPM (%)	33.1	31.8	31.7	32.8	32.7	32.8	32.9	32.9	32.4	32.8
SGA (%)	14.7	13.7	13.0	13.6	13.0	13.2	13.5	13.5	13.7	13.3
EBITDA	4,580	4,658	5,274	5,781	5,830	5,627	5,736	6,023	20,293	23,216
EBITDA Margin (%)	18.4	18.1	18.8	19.2	19.7	19.6	19.4	19.4	18.7	19.5
EBIT Margin (%)	16.0	15.5	16.2	16.7	17.2	17.1	16.9	16.9	16.1	17.0
Other income	812	739	433	479	-20	380	610	610	2,463	1,580
ETR (%)	25.6	23.9	24.6	22.5	24.0	24.0	24.0	24.0	24.1	24.0
Adj PAT	3,557	3,603	3,767	4,274	3,853	4,020	4,261	4,451	15,201	16,586
QoQ (%)	-6.1	1.3	4.6	13.5	-9.8	4.3	6.0	4.5		
YoY (%)	-1.5	-10.0	0.3	12.9	8.3	11.6	13.1	4.1	0.3	9.1
EPS (INR)	20.3	20.5	21.6	24.3	21.9	22.9	24.2	25.3	86.7	94.3

MindTree **Buy****CMP INR937 | TP: INR1,096 (+17%)****EPS CHANGE (%): FY21|22: 0.1|0.0**

- Expect higher impact due to exposure to TTH vertical
- Outlook on TTH recovery a key observable
- Outlook on top client a key thing to watch out for
- Outlook on margin expansion a key monitorable

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	264	271	275	278	256	260	269	283	1,089	1,069
QoQ (%)	0.9	2.6	1.5	1.2	-7.9	1.5	3.4	5.1	8.7	-1.9
Revenue (INR m)	18,342	19,143	19,653	20,505	19,480	19,779	20,455	21,500	77,643	81,214
YoY (%)	11.9	9.1	10.0	11.5	6.2	3.3	4.1	4.9	10.6	4.6
GPM (%)	28.0	30.2	32.7	33.6	33.7	33.7	33.7	33.7	31.2	33.7
SGA (%)	21.6	21.0	20.6	19.8	20.0	20.0	20.0	20.0	20.7	20.0
Adj. EBIT (INR M)	1,172	1,775	2,364	2,833	2,667	2,708	2,800	2,943	8,144	11,117
EBIT Margin (%)	6.4	9.3	12.0	13.8	13.7	13.7	13.7	13.7	10.5	13.7
Other income	220	197	348	-92	150	175	200	250	673	775
ETR (%)	26.5	26.4	23.6	21.1	26.0	26.0	26.0	26.0	23.9	26.0
Adj. PAT	927	1,350	1,970	2,062	1,985	2,034	2,121	2,264	6,309	8,404
YoY (%)	-41.4	-34.6	3.0	3.9	114.1	50.7	7.7	9.8	-16.3	33.2
EPS (INR)	5.6	8.2	12.0	12.5	12.1	12.3	12.9	13.7	38.3	51.0

Mphasis**Neutral****CMP INR873 | TP: INR875 (+0%)****EPS CHANGE (%): FY21|22: 2.9|1.8**

- Operations largely stable, barring challenges seen in BPO
- Deal ramp-up related challenges in earlier part of quarter
- Outlook on DXC a key observable
- Outlook on FY21 growth and margins a key monitorable

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20E	Sep 20E	Dec 20E	Mar 21E		
Revenue (USD m)	297	305	318	320	303	295	300	305	1,239	1,203
QoQ (%)	1.8	2.6	4.3	0.6	-5.1	-2.8	1.7	1.7	10.8	-2.9
Revenue (INR m)	20,626	21,581	22,767	23,462	22,886	22,242	22,635	23,028	88,436	90,792
YoY (%)	13.3	12.7	15.5	15.9	11.0	3.1	-0.6	-1.8	14.4	2.7
GPM (%)	28.4	28.8	28.7	29.3	28.6	26.8	27.2	28.8	28.8	27.9
SGA (%)	10.2	10.0	10.0	10.4	10.9	9.8	9.7	9.8	10.2	10.0
EBITDA	3,743	4,052	4,269	4,441	4,054	3,776	3,973	4,392	16,505	16,195
EBITDA Margin (%)	18.1	18.8	18.8	18.9	17.7	17.0	17.6	19.1	18.7	17.8
EBIT Margin (%)	15.5	16.1	16.2	16.3	15.1	14.4	15.0	16.5	16.0	15.3
Other income	541	351	362	526	364	95	329	455	1,780	1,243
ETR (%)	25.1	24.2	24.0	14.9	24.5	24.5	24.5	24.5	21.8	24.5
PAT	2,647	2,733	2,937	3,532	2,844	2,449	2,772	3,180	11,849	11,246
QoQ (%)	-0.5	3.3	7.5	20.3	-19.5	-13.9	13.2	14.7		
YoY (%)	2.5	0.9	5.7	32.7	7.5	-10.4	-5.6	-10.0	10.4	-5.1
EPS (INR)	14.2	14.2	15.2	18.8	15.2	13.0	14.8	16.9	62.4	59.9

NIIT Technologies**Neutral****CMP INR1,411 | TP: INR1,461 (+4%)****EPS CHANGE (%): FY21|22: 8.1|6.7**

- Impact from exposure to Travel vertical
- Recent strong deal wins to offset COVID-19 impact
- Outlook on Travel vertical; top client stability would be key
- New deal wins a key thing to watch out for

Quarterly Performance (IND-AS)

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Rev. (USD m) Ex. forex & bought outs	138	149	151	155	147	147	147	152	593	593
QoQ (%)	4.4	7.7	1.7	2.3	-5.0	-0.3	0.3	3.0	14.3	0.0
Revenue (INR m)	9,597	10,385	10,734	11,093	11,123	11,149	11,193	11,535	41,809	44,999
YoY (%)	19.9	14.4	10.5	19.0	15.9	7.4	4.3	4.0	15.8	7.6
GPM (%)	33.9	34.6	34.1	34.3	33.5	34.3	34.6	35.1	34.2	34.4
SGA (%)	16.8	16.3	16.1	16.5	16.8	17.0	16.8	16.6	16.4	16.8
EBITDA (INR m)	1,641	1,898	1,940	1,971	1,860	1,929	1,988	2,135	7,450	7,911
EBITDA Margin (%)	17.1	18.3	18.1	17.8	16.7	17.3	17.8	18.5	17.8	17.6
EBIT (INR m)	1,240	1,451	1,491	1,538	1,402	1,472	1,529	1,662	5,720	
EBIT Margin (%)	12.9	14.0	13.9	13.9	12.6	13.2	13.7	14.4	13.7	13.5
Other income	75	76	130	180	238	37	64	72	461	410
ETR (%)	20.5	18.1	20.7	20.3	22.5	22.5	22.5	22.5	19.9	22.5
PAT	1,022	1,195	1,233	1,136	1,211	1,101	1,163	1,268	4,586	4,742
QoQ (%)	-8.0	16.9	3.2	-7.9	6.6	-9.1	5.6	9.0	12.6	3.4
YoY (%)	21.5	6.9	23.1	2.3	18.5	-7.9	-5.7	11.6		
EPS (INR)	16.6	19.2	19.7	18.2	19.4	17.6	18.6	20.3	73.7	76.0

Persistent Systems**Buy****CMP INR643 | TP: INR745 (+16%)****EPS CHANGE (%): FY21|22: -2.4|-1.9**

- Expect IP revenues to remain weak
- On a sequential basis, expect TSU to see moderate impact
- Outlook on discretionary spending a key monitorable
- Outlook for FY21 growth/margins should be focus

Quarterly Performance (IFRS)

Y/E March	FY20				FY21E				FY20	FY21E
(Consolidated)	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	119.6	125.5	129.4	127.1	119.5	118.1	123.5	125.2	502	486
QoQ (%)	1.1	4.9	3.1	-1.8	-6.0	-1.1	4.5	1.4	4.3	-3.1
Revenue (INR m)	8,321	8,846	9,227	9,264	9,079	8,977	9,384	9,518	35,658	36,958
QoQ (%)	0.0	6.3	4.3	0.4	-2.0	-1.1	4.5	1.4		
YoY (%)	-0.3	5.9	6.8	11.4	9.1	1.5	1.7	2.7	5.9	3.6
GPM (%)	30.1	29.9	28.6	29.3	28.3	29.5	30.0	29.4	29.5	29.3
SGA (%)	20.3	21.0	19.9	20.0	20.8	19.9	19.5	19.5	20.3	19.9
EBITDA	1,202	1,216	1,234	1,277	1,108	1,284	1,426	1,390	4,930	5,207
EBITDA Margin (%)	14.4	13.8	13.4	13.8	12.2	14.3	15.2	14.6	13.8	14.1
EBIT Margin (%)	9.8	8.9	8.7	9.2	7.5	9.6	10.5	9.9	9.2	9.4
Other income	282	364	334	274	144	309	344	252	1,254	1,050
ETR (%)	24.9	25.5	22.9	25.9	25.0	25.0	25.0	25.0	24.8	25.0
PAT	825	861	879	838	619	878	997	896	3,403	3,390
QoQ (%)	-2.4	4.4	2.2	-4.7	-26.1	41.8	13.6	-10.2		
YoY (%)	-5.6	-2.3	-4.1	-0.8	-24.9	2.0	13.4	6.9	-3.2	-0.4
EPS (INR)	10.7	11.3	11.5	11.0	8.1	11.5	13.1	11.7	44.4	44.4

TCS**Neutral****CMP INR2,159 | TP: INR2,160 (0%)****EPS CHANGE (%): FY21|22: 3.6|0.0**

- Strong deal wins in 4Q to partially offset COVID-19 impact
- Margin impact not as severe as feared
- Order bookings/backlogs key monitorables
- Outlook on recovery visibility would be important

Quarterly Performance (IFRS)

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
IT Services Revenue (USD m)	5,485	5,517	5,586	5,444	5,172	5,120	5,120	5,135	22,032	20,547
QoQ (%)	1.6	0.6	1.3	-2.5	-5.0	-1.0	0.0	0.3	5.4	-6.7
Overall Revenue (INR b)	382	390	399	399	393	389	389	390	1,569	1,562
QoQ (%)	0.4	2.1	2.3	0.2	-1.6	-1.0	0.0	0.3		
YoY (%)	11.4	5.8	6.7	5.1	3.0	-0.2	-2.4	-2.3	7.2	-0.5
GPM (%)	40.5	40.8	41.4	42.0	41.0	41.3	41.1	40.9	41.2	41.1
SGA (%)	16.3	16.8	16.3	16.9	16.6	16.9	16.4	16.4	16.6	16.6
EBITDA	100	102	109	110	105	104	105	104	421	417
EBITDA Margin (%)	26.3	26.2	27.3	27.5	26.6	26.7	26.9	26.7	26.8	26.7
EBIT Margin (%)	24.2	24.0	25.0	25.1	24.4	24.5	24.7	24.5	24.6	24.5
Other income	14	12	6	5	9	9	9	9	37	35
ETR (%)	23.4	23.5	23.0	23.0	23.0	23.0	23.0	23.0	23.2	23.0
PAT	82	81	81	81	81	80	81	80	324	320
QoQ (%)	-0.3	-1.2	1.1	-0.6	-0.4	-0.8	1.0	-0.5		
YoY (%)	10.7	1.7	0.3	-1.1	-1.1	-0.7	-0.8	-0.6	2.2	-1.4
EPS (INR)	21.7	21.4	21.6	21.5	21.4	21.2	21.4	21.3	86.2	85.3

Tech Mahindra**Neutral****CMP INR563 | TP: INR583 (+4%)****EPS CHANGE (%): FY21|22: 5.6|-1.1**

- Strong impact due to higher BPO, field services exposure
- Progress on deal ramp-ups an area of investor focus
- Margin commentary a key observable
- Outlook on Telecom vertical a key monitorable

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	1,247	1,287	1,353	1,295	1,185	1,149	1,184	1,231	5,182	4,748
QoQ (%)	-1.6	3.2	5.1	-4.3	-8.5	-3.0	3.0	4.0	4.3	-8.4
Revenue (INR b)	87	91	97	95	90	87	90	94	369	361
YoY (%)	4.6	5.1	7.9	6.7	4.0	-3.7	-6.8	-1.4	6.1	-2.1
GPM (%)	25.0	25.8	26.3	25.3	24.6	24.9	25.3	25.3	25.6	25.0
SGA (%)	13.6	13.0	14.1	15.3	15.6	15.5	15.2	15.0	14.0	15.3
EBITDA	13	15	16	13	12	12	13	14	57	50
EBITDA Margin (%)	15.2	16.5	16.2	14.2	13.2	13.6	14.3	14.5	15.5	13.9
EBIT Margin (%)	11.5	12.8	12.2	10.0	9.0	9.4	10.1	10.3	11.6	9.7
Other income	3	2	3	2	2	2	2	2	10	8
ETR (%)	25.7	16.9	24.6	20.2	24.8	24.8	24.8	24.8	22.0	24.8
PAT	10	11	11	8	7	7	8	9	40	32
QoQ (%)	-15.3	17.2	2.0	-29.8	-8.3	0.8	12.2	5.7		
YoY (%)	6.8	5.6	-4.7	-29.0	-23.1	-33.8	-27.2	9.6	-6.2	-20.8
EPS (INR)	11.0	12.8	13.0	9.1	8.4	8.5	9.5	10.0	45.9	36.3

Wipro**Neutral****CMP INR224 | TP: INR225 (0%)****EPS CHANGE (%): FY21|22: 0.0|0.8**

- Expect 1QFY21 to see broad-based impact – ER&D, IT Services
- New management's strategy for Wipro would be key
- Margin commentary should be key focus area
- Outlook on Energy vertical a key monitorable

Quarterly Performance (IFRS)

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
IT Services Revenue (USD m)	2,039	2,049	2,095	2,074	1,926	1,877	1,875	1,882	8,256	7,560
QoQ (%)	-1.8	0.5	2.2	-1.0	-7.1	-2.5	-0.1	0.4	1.7	-8.4
Overall Revenue (INR b)	148	152	155	158	151	148	147	148	613	594
QoQ (%)	-1.6	2.6	2.4	1.7	-4.5	-1.9	-0.7	0.6		
YoY (%)	5.3	3.6	2.6	5.1	2.0	-2.4	-5.3	-6.4	4.1	-3.1
GPM (%)	29.6	28.9	29.4	27.8	27.7	28.1	28.2	28.1	28.9	28.0
SGA (%)	12.9	11.3	11.9	11.4	12.1	12.3	12.2	11.9	11.9	12.3
EBITDA	30	31	33	32	29	28	29	30	126	115
EBITDA Margin (%)	20.0	20.7	20.9	20.4	19.0	19.2	19.4	19.9	20.5	19.4
IT Serv. EBIT (%)	18.0	18.1	18.4	17.6	16.0	16.2	16.4	16.7	18.0	16.3
EBIT Margin (%)	16.7	17.6	17.5	16.7	15.3	15.5	15.7	16.3	17.1	15.7
Other income	6	5	4	3	4	4	4	4	18	17
ETR (%)	21.8	18.3	20.0	20.9	20.9	20.9	20.9	20.9	20.2	20.9
PAT	24	26	25	23	22	21	22	22	97	86
QoQ (%)	-9.4	6.6	-3.8	-4.8	-7.7	-0.7	0.6	3.6		
YoY (%)	14.4	36.0	-3.2	-99.9	-9.9	-16.1	-12.2	-99.9	5.3	-11.2
EPS (INR)	4.0	4.3	4.3	4.1	3.8	3.8	3.8	4.0	16.6	15.4

Zensar Technologies**Neutral****CMP INR129 | TP: INR115 (-10%)****EPS CHANGE (%): FY21|22: 2.0|3.3**

- No supply-side challenges; expect Retail to take sharp hit
- Deal pipeline translation into revenue a key monitorable
- Top-line volatility to impact margins
- Recovery commentary should be key focus area

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	153	152	143	141	127	130	134	140	590	531
QoQ (%)	3.1	-0.7	-5.9	-1.9	-10.0	2.5	3.5	4.2	5.8	-10.0
Revenue (INR m)	10,661	10,723	10,206	10,178	9,622	9,865	10,211	10,640	41,768	40,338
YoY (%)	20.8	13.3	-0.1	-2.8	-9.7	-8.0	0.1	4.5	7.1	-3.4
GPM (%)	29.4	29.1	23.6	28.9	27.8	29.4	30.3	30.2	27.8	29.5
SGA (%)	15.2	15.1	16.8	15.0	16.0	15.8	15.8	15.5	15.5	15.8
EBITDA	1,515	1,500	696	1,416	1,133	1,345	1,486	1,569	5,127	5,532
EBITDA Margin (%)	14.2	14.0	6.8	13.9	11.8	13.6	14.5	14.7	12.3	13.7
EBIT Margin (%)	10.7	10.4	2.8	9.8	8.0	9.8	10.7	10.9	8.5	9.9
Other income	146	181	397	161	205	200	183	251	885	839
ETR (%)	28.4	28.5	25.5	27.3	27.3	27.3	27.3	27.3	27.7	27.3
PAT	787	799	397	695	549	716	819	939	2,678	3,023
QoQ (%)	-9.6	1.5	-50.3	75.1	-21.0	30.3	14.4	14.8		
YoY (%)	-5.8	-16.0	-32.3	-20.1	-30.2	-10.4	106.2	35.2	-17.5	12.9
EPS (INR)	3.5	3.5	1.8	3.1	2.4	3.2	3.6	4.2	11.8	13.4

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may: (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH00000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com. CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.