

Publishing revival drive results beat; Highwire to drive growth hereon

- MPS reported strong Q1FY21 results, with a 3.2% QoQ growth in revenue (our estm: 6.0% QoQ de-growth), led by Content business growth of 12.6% QoQ and Platform business growth of 23.6% QoQ.
- OPM improved 90bps QoQ to 20.6% (our estm: 7.7%) primarily due to strong revival in content business margins to 33.2% from 8.1% QoQ.
- MPS acquired HighWire, a publishing-biz peer for \$7.1mn, and is expected to be integrated fully from Q2 with potential annualised revenues of \$13mn-\$17mn (break-even OPM). MPS expects to cross sell complementary tech across the huge Highwire client base (150 service relationships with clients).
- Publishing business revival and Highwire integration solves the growth concern for the company and focus now shifts toward timely revival of profitability in acquired business to company average (30%). Given the tough environment we believe it may take longer than usual but given attractive valuation and strong payouts (dividend + buyback) maintain our Buy rating with TP of Rs480, valued at 12x FY22 PER.

Highwire Acquisition brings cross selling and complementary technology

Coupled with their complementary tech stack across the publishing and content value chain, the cross selling opportunity for MPS would be immense. The tech stacks between Highwire and MPS has strength in each area (Highwire's strength in Manuscript Submission, Hosting Space and MPS's strength in Content Editing and Production) and complementary product in Analytics space. **HighWire acquisition** puts MPS on the top 3 level of publishers, given the dynamics of competitor's location in high cost areas, MPS plans to compete based on product development efforts (via low cost India) rather than price. MPS is expecting HighWire to reach margins of 40-45% from current EBITDA breakeven in 5-6 Quarter. We believe this is at the stretch for turnaround of the business (15% YoY decline in CY19). **Platform Business** is expected to perform well further with Order Book, Pipeline Visibility and as one of its key client focusing more on product development. Content Business has concern are behind with key volume revival in key client. E-Learning Biz declined 29.4% QoQ as clients have paused temporary to re-visit strategy and is expected to revive hereon as order book & pipeline is pure virtual.

Q1FY21 Result (Rs Mn)

Particulars	Q1FY21	Q1FY20	YoY (%)	Q4FY20	QoQ (%)
Revenue	818	836	(2.2)	762	7.4
Total Expense	611	633	(3.5)	627	(2.6)
EBITDA	207	204	1.7	135	53.9
Depreciation	39	39	0.5	38	3.2
EBIT	169	165	2.0	97	73.5
Other Income	25	57	(56.2)	44	(43.8)
Interest	4	5	(20.8)	6	(26.3)
EBT	189	217	(12.7)	136	39.4
Tax	51	63	(19.7)	41	22.0
RPAT	139	154	(9.8)	94	47.1
APAT	139	154	(9.8)	94	47.1
			(bps)		(bps)
Gross Margin (%)	51.6	48.9	277	45.5	614
EBITDA Margin (%)	25.3	24.4	98	17.7	766
NPM (%)	17.0	18.4	(143)	12.4	458
Tax Rate (%)	26.7	29.0	(234)	30.5	(382)
EBIT Margin (%)	20.6	19.8	85	12.7	785

CMP	Rs 435
Target / Upside	Rs 480 / 10%
BSE Sensex	38,341
NSE Nifty	11,301

Scrip Details

Equity / FV	Rs 186mn / Rs 10
Market Cap	Rs 8bn
	US\$ 108mn
52-week High/Low	Rs 602/Rs 154
Avg. Volume (no)	15,095
NSE Symbol	MPSLTD
Bloomberg Code	MPS IN

Shareholding Pattern Jun'20(%)

Promoters	67.8
MF/Banks/FIs	0.5
FIs	5.9
Public / Others	25.8

Valuation (x)

	FY20A	FY21E	FY22E
P/E	13.5	14.1	10.8
EV/EBITDA	9.2	9.5	7.5
ROE (%)	14.3	16.2	21.1
RoACE (%)	14.7	16.5	21.3

Estimates (Rs mn)

	FY20A	FY21E	FY22E
Revenue	3,317	4,133	4,726
EBITDA	790	843	1,023
PAT	599	576	753
EPS (Rs.)	32.2	30.9	40.5

VP Research: Rahul Jain

Tel: +9122 40969771

E-mail: rahulj@dolatcapital.com

Associate: Divyesh Mehta

Tel: +91 22 40969768

E-mail: divyesh.mehta@dolatcapital.com

Exhibit 1: Quarterly performance versus estimates

(in Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
Revenues (in US\$ mn)	10.8	9.5	NA	13.6	NA	USD Revenue above estimates due to positive surprise in Content business growth (12.6% QoQ)
Sales	818	713	NA	14.7	NA	
EBIT	169	55	NA	208.1	NA	EBIT Margin above expectations due to improvement in Platform Solutions (33.2%)
EBIT Margin (%)	20.6	7.7	NA	1,290bps	NA	
PAT	139	68	NA	104.8	NA	PAT beat was narrowed slightly owing to lower Other Income.

Source: Company, DART

Change in estimates

Factoring in recovery in key client performance and integration of Highwire financials in to our estimate we have upgraded our revenue estimate substantially and have now expect reported revenue growth of 24%/14% respectively in FY21/22E. However, given near term challenge on consolidation of Highwire margin (break-even at time of acquisition) would dent the overall profitability over next few quarters. Also accounting for the buyback we have upgraded earnings by 6.6%/9.1% for FY21/22E.

Exhibit 2: Change in estimates

(Rs mn)	FY20 Actual	FY21E			FY22E		
		Old	New	% change	Old	New	% Change
Revenues (US\$ mn)	46.9	42.6	54.9	28.8	45.8	62.2	35.8
YoY growth (%)	(9.7)	(9.3)	16.9		7.5	13.4	
Revenues	3,317	3,149	4,133	31.2	3,432	4,726	37.7
EBIT	636	563	680	20.7	738	841	13.9
EBIT Margin (%)	19.2	17.9	16.4		21.5	17.8	
Net profits	599	548	576	5.0	691	753	9.0
EPS (Rs)	32.2	29	31	6.6	37.1	40.5	9.1

Source: Company, DART

Exhibit 3: Key assumptions in our estimates

Metrics	FY21E	FY22E
USD Revenue growth (%)	16.9	13.4
INR Revenue growth (%)	24.6	14.4
EBIT Margin	16.4	17.8
INR/US\$ realized rate	75.3	76.0

Source: Company, DART

Exhibit 4: Quarterly and YTD Performance Trends

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY	QoQ	YTD FY20	YTD FY21	YoY (%)
Revenue (US\$ mn)	12.0	12.7	11.8	10.5	10.8	(10.3)	3.2	12.0	10.8	(10.3)
Sales	836	882	837	762	818	(2.2)	7.4	836	818	(2.2)
Expenditure	633	617	651	627	611	(3.5)	(2.6)	633	611	(3.5)
Employee Cost	428	408	406	415	396	(7.5)	(4.7)	428	396	(7.5)
as % of sales	51.1	46.2	48.5	54.5	48.4			51.1	48.4	
Other expenditure	205	209	245	212	215	4.9	1.5	205	215	4.9
as % of sales	24.5	23.7	29.3	27.8	26.3			24.5	26.3	
EBITDA	204	265	186	135	207	1.7	53.9	204	207	1.7
Depreciation	39	39	39	38	39			39	39	
EBIT	165	227	147	97	169	2.0	73.5	165	169	2.0
Other Income	57	64	34	44	25	(56.2)	(43.8)	57	25	
PBT	217	286	176	136	189	(12.7)	39.4	217	189	(12.7)
Total Tax	63	65	47	41	51	(19.7)	22.0	63	51	
Reported PAT	154	221	130	94	139	(9.8)	47.1	154	139	(9.8)
EPS	8.3	11.9	7.0	5.1	7.5	(9.7)	47.1	8.3	7.5	(9.7)
Margins (%)						(bps)	(bps)			(bps)
EBIDTA	24.4	30.1	22.2	17.7	25.3	98	766	24.4	25.3	98
EBIT	19.8	25.7	17.6	12.7	20.6	85	785	19.8	20.6	85
PBT	25.9	32.4	21.0	17.8	23.1	(278)	532	25.9	23.1	(278)
PAT	18.4	25.1	15.5	12.4	17.0	(143)	458	18.4	17.0	(143)
Effective Tax rate	29.0	22.7	26.4	30.5	26.7	(233.5)	(381.7)	29.0	26.7	(233.5)

Source: DART, Company

What to expect next Quarter

We expect strong growth of 32% QoQ in revenues - most of it inorganic led Highwire Integration (expected to add about US\$3.5mn in Q2). Profitability is likely to take a hit as consolidation would be margin dilutive (expect 740bps contraction- Highwire to incur loss for Q2) and even EPS dilutive.

Exhibit 5: What to expect next Quarter

(Rs Mn)	Q2FY21E	Q1FY21	Q2FY20	QoQ (%)	YoY (%)
Sales (US\$ mn)	14.2	10.8	12.7	31.9	12.2
Sales	1,079	818	882	31.9	22.3
EBIT	142	169	227	(15.5)	(37.2)
PAT	121	139	221	(13.0)	(45.4)
EPS (Rs)	6.5	7.5	11.9	(13.0)	(45.4)
EBIT Margin (%)	13.2	20.6	25.7	(740 bps)	(1250 bps)

Source: DART, Company

Con-Call Key Takeaways

- **Content Solutions:** Content Solutions business grew 12.6% QoQ to Rs. 548mn (67% of Revenue). Content business has shown recovery in Q1FY21 after significant hit in Q4FY20 (down 18% YoY). Focusing here primarily on Journals, Books and Digital. The journal segment showed a positive reversal and it has kept strong order flow intact and recovery can be seen within 2 to 3 years. On Books side, it is focusing across Quality, delivery and commercials and thus recovery will be faster. Digital it is primarily on New media, Graphics which broadly move in synchronous with the other two. However importantly segment would get powered with High-wire integration starting Q2.
- **Publishing Platform Solutions:** Platform business (MPS North America and Books) grew 23.8% QoQ to Rs. 136mn (17% of Revenue). The growth was led by strong volume from large publishers and new customers from Ed-tech space. Digital Solutions also performed well. MPS believes that Order Book and near-term potential from THINK and DigiCore reflect the momentum in the business. Moreover, there are product updates, integration which are expected to add revenue (includes launching a new product that supports html5 authoring, and seamless delivery to multiple delivery formats, and unlocking marketing synergies with MPS other businesses such as MPS interactive).
- **E-Learning Business:** E-learning business de-grew 19% to Rs. 134mn (16% of Revenue). The performance of E-Learning reflects a pause in business as school and large corp re-think the learning and development systems (more focus on digital learning will have a positive impact in medium term). The activity has picked up in last days so there should be some level of recovery visible. The Order book and Pipeline for E-Learning still reflects some momentum in the business. It is expected grow faster to reach is normalized run rate for E-learning at Rs. 180mn Revenue at 20% Margin and post that growth would normalise. New opportunities in E-Learning side are emerging such as virtual on-boarding for Corporates and classroom digital learning content is also needed in current environment.
- **Platform Tech:** MPS has huge opportunity in platform space as MPS's technology solve most publisher's problems. MPS highlighted the gap of not having critical mass of customers to scale. Two ecosystem with MPS are THINK and Digi-CORE where MPS has acquired some customers organically over 3-4 Years period. Currently, MPS has 50 customers (ex Highwire). With acquisition of Highwire (150 customer engagements), MPS has the critical mass of 200 customer engagements (Highwire client count may include overlapping client as well for different offerings).
- **Key Client revives:** In FY20, two of its large clients announced merger that had led to lower business for Content business for MPS – synergetic led decline. However, later on the merger got cancelled and thus one of that client is focusing back on new Product development and as a result MPS has witnessed decent volume revival from the client.

HighWire Acquisition related takeaways

- **Team:** CEO of Highwire has left the organisation but rest of the team (85 people equally spread across US/UK/Ireland) were retained.
- **Publisher Market Overview:** The publishing platform and subsector of this content creation market is worth \$1.5Bn. The top three players have revenue size of \$75mn which implies that the market is largely fragmented.
- **Customers Base for Scale:** MPS has huge opportunity in platform space as MPS's technology solve most publisher's problems. MPS highlighted the gap of not

having critical mass of customers to scale. Two ecosystem with MPS are THINK and Digi-CORE where MPS has acquired some customers organically over 3-4 Years period. Currently, MPS has 50 customers (ex HighWire). With acquisition of HighWire (150 customers), MPS has the critical mass of 200 customers for scaling.

- **Cross-Selling Opportunities:** Both MPS and HighWire hold different tech stack and some complimentary tools. The Cross-Selling opportunities within the customer base, as per MPS, can support MPS for 2-3 years. With HighWire's ability to have access to the CTO of the company, Cross-Selling will be easier for MPS Ltd – in a way acquisition has now given seat-on-the-table with client's key decision-makers.
- **Publishing Market Dynamics:** MPS will be middle of the range pricing for Publishing business with HighWire. The marginal cost to deliver revenue is minimal. The competition for publishing is based in developed markets while MPS is present in India, there is certain cost advantage to invest more on product research. (MPS Goal: have products 2 years ahead of competition) Play on product rather than pricing.
- **Turnaround expected by year end:** Currently, HighWire is EBITDA breakeven. MPS is targeting HighWire margin of ~40% by Q1FY22/Q2FY22 and guided for material profitability by Q4FY21. MPS expects ~\$14mn in revenues for first year from HighWire. (run-down from \$17mn at the time of acquisition).
- **Customers:** Bulk of HighWire customers are in western hemisphere. Geography Mix is 60% US, Rest is Majorly Europe and some customers in Australia.
- **Debt:** There is no debt on balance sheet for HighWire. (Cleared pre-acquisition)
- **Employees:** HighWire has 85 Employees equally divided between US, Ireland and Europe.

Key point on High wire can drive growth for publishing platform and scholarly platforms a huge business opportunity.

- **Cost pressures high for clients:** Publishers concerning that the publishing platform will be influenced by competitors forcing publishers to invest in publishing platforms. Tremendous pressure on target customer like bite size publishers, societies, university press to reduce cost and adopt to unique business model to drive growth has increased demand for publishing platforms.
- **Sticky clients:** Constant revenue flow once customer is on boarded because this business offering has sticky customer which on an average stay for two to three decades with the company.
- **High client level customizations:** Customization and be better at implementation than companies' competitors because competitors cannot afford to do much customization, which is a huge point of pain in the publishing world because academics are very precise, they have certain precise requirements, and they want to work with partners that can meet those precise requirements.

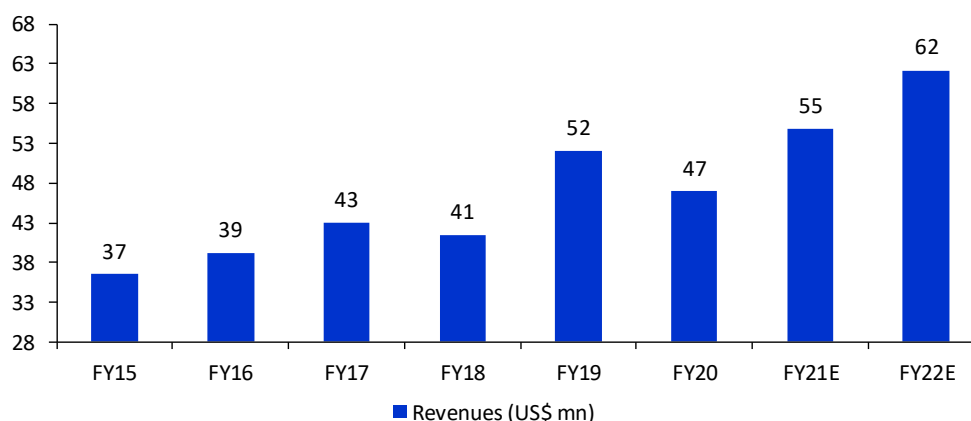
Exhibit 6: MPS and HighWire Capabilities are complementary and synergetic

Solution Offerings	HighWire	MPS
Manuscript submission system and peer review platform	Customer base of 50	1 customer from Indian Subcontinent (Partner for MPS to develop that product)
Content Editing and Content Production	No Presence	12 to 15 customers served by products like MPS Tack, Digi Add(Content editing system), Digi Con (Production system)
Content Hosting	Helping 150 customers in strategically important revenue generating area for publishers.	Helping 4 publishers to generate revenue by content creation and content management space through authentication module
Content Fulfillment	No Presence	Present in this space. Fulfilling the order and collecting the cash.
Analytics	Serves 50 customers with strong expertise in custom analytics and in building deep analytics to serve custom publisher requirements, Providing data on sales, intelligence and business intelligence standpoint	One of the fastest to adhere to the COUNTERS standards (Compliance) and providing data that is relevant from a compliance standpoint by serving 30 customers spread between publishers and libraries.

Source: Company, DART

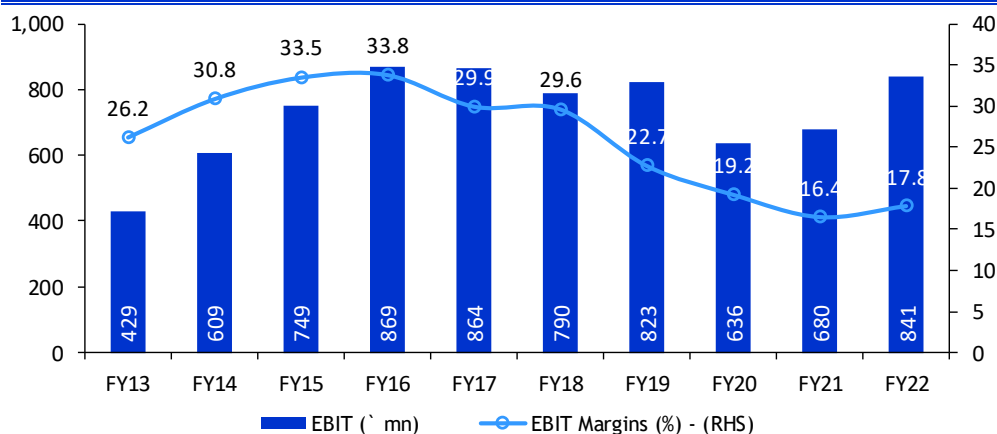
Charting the story

Exhibit 7: Revenues traction to be led by publishing/eLearning business in FY21/22



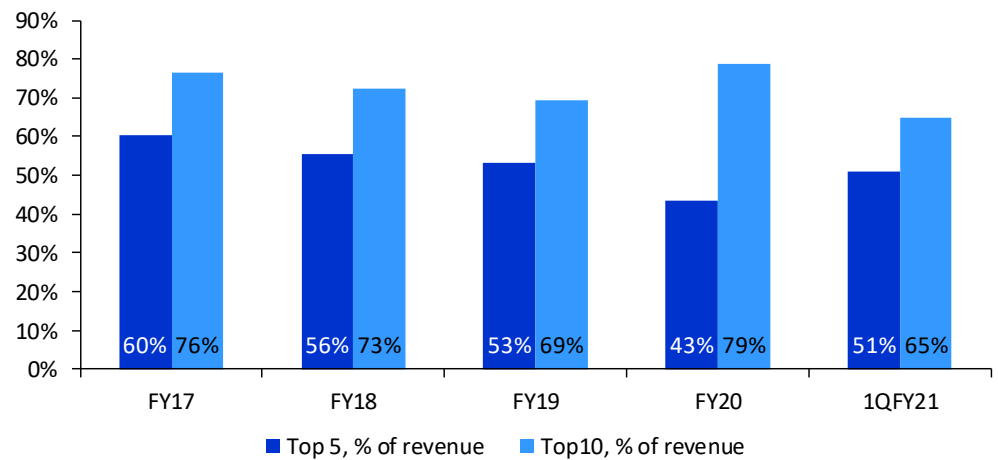
Source: Company, DART

Exhibit 8: Profitability to remain under pressure till FY22E



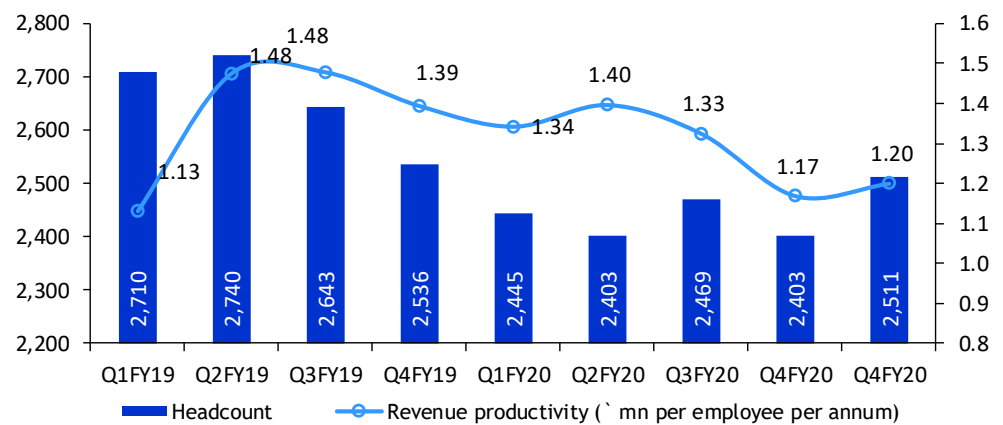
Source: Company, DART

Exhibit 9: Client concentration well under check (reducing gradually)



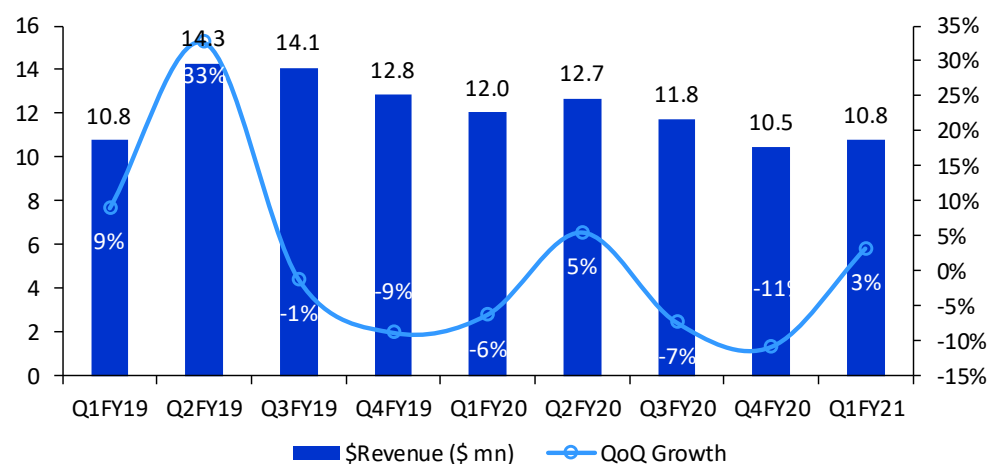
Source: Company, DART,

Exhibit 10: Productivity to improve hereon as non-linear revenue picks-up



Source: Company, DART

Exhibit 11: Rev growth was led by strong traction in Content biz (up 12.6% QoQ)



Source: DART, Company

Profit and Loss Account

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
Revenue	3,625	3,317	4,133	4,726
Total Expense	2,692	2,527	3,289	3,703
COGS	1,645	1,656	2,218	2,522
Employees Cost	0	0	0	0
Other expenses	1,047	871	1,071	1,181
EBIDTA	934	790	843	1,023
Depreciation	111	154	164	182
EBIT	823	636	680	841
Interest	2	22	22	25
Other Income	253	200	116	191
Exc. / E.O. items	0	0	0	0
EBT	1,074	814	774	1,007
Tax	313	216	198	253
RPAT	761	599	576	753
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
APAT	761	599	576	753

Balance Sheet

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
Sources of Funds				
Equity Capital	186	186	181	181
Minority Interest	0	0	0	0
Reserves & Surplus	4,525	3,483	3,253	3,541
Net Worth	4,712	3,669	3,434	3,722
Total Debt	0	128	128	128
Net Deferred Tax Liability	(34)	(56)	(56)	(56)
Total Capital Employed	4,678	3,741	3,505	3,793

Applications of Funds

Net Block	1,031	1,139	1,569	1,487
CWIP	0	0	0	0
Investments	2,121	857	867	877
Current Assets, Loans & Advances	2,118	2,338	1,765	2,209
Inventories	0	0	0	0
Receivables	687	623	793	880
Cash and Bank Balances	767	945	201	558
Loans and Advances	74	35	35	35
Other Current Assets	589	736	736	736
Less: Current Liabilities & Provisions	591	594	696	781
Payables	133	122	136	155
Other Current Liabilities	458	472	560	625
<i>sub total</i>				
Net Current Assets	1,527	1,744	1,069	1,429
Total Assets	4,678	3,741	3,505	3,793

E – Estimates

Important Ratios

Particulars	FY19A	FY20A	FY21E	FY22E
(A) Margins (%)				
Gross Profit Margin	54.6	50.1	46.3	46.6
EBIDTA Margin	25.7	23.8	20.4	21.6
EBIT Margin	22.7	19.2	16.4	17.8
Tax rate	29.2	26.5	25.6	25.2
Net Profit Margin	21.0	18.0	13.9	15.9
(B) As Percentage of Net Sales (%)				
COGS	45.4	49.9	53.7	53.4
Employee	0.0	0.0	0.0	0.0
Other	28.9	26.3	25.9	25.0
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	433.1	29.6	31.3	33.6
Inventory days	0	0	0	0
Debtors days	69	69	70	68
Average Cost of Debt		33.6	17.0	19.5
Payable days	13	13	12	12
Working Capital days	154	192	94	110
FA T/O	3.5	2.9	2.6	3.2
(D) Measures of Investment				
AEPS (Rs)	40.9	32.2	30.9	40.5
CEPS (Rs)	46.8	40.4	39.7	50.3
DPS (Rs)	25.0	50.0	25.0	25.0
Dividend Payout (%)	61.1	155.5	80.8	61.8
BVPS (Rs)	253.1	197.1	184.5	199.9
RoANW (%)	17.2	14.3	16.2	21.1
RoACE (%)	17.4	14.7	16.5	21.3
RoAIC (%)	20.6	19.0	22.3	25.7
(E) Valuation Ratios				
CMP (Rs)	435	435	435	435
P/E	10.7	13.5	14.1	10.8
Mcap (Rs Mn)	8,103	8,103	8,103	8,103
MCap/ Sales	2.2	2.4	2.0	1.7
EV	7,336	7,286	8,029	7,673
EV/Sales	2.0	2.2	1.9	1.6
EV/EBITDA	7.9	9.2	9.5	7.5
P/BV	1.7	2.2	2.4	2.2
Dividend Yield (%)	5.7	11.5	5.7	5.7
(F) Growth Rate (%)				
Revenue	35.8	(8.5)	24.6	14.4
EBITDA	7.2	(15.4)	6.8	21.3
EBIT	4.1	(22.7)	6.9	23.7
PBT	5.4	(24.2)	(4.9)	30.1
APAT	8.3	(21.3)	(3.8)	30.9
EPS	8.3	(21.3)	(3.8)	30.9

Cash Flow

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
CFO	536	527	577	766
CFI	(39)	1,516	(488)	81
CFF	(270)	(1,753)	(580)	(583)
FCFF	(134)	481	(16)	666
Opening Cash	230	475	766	275
Closing Cash	474	766	275	539

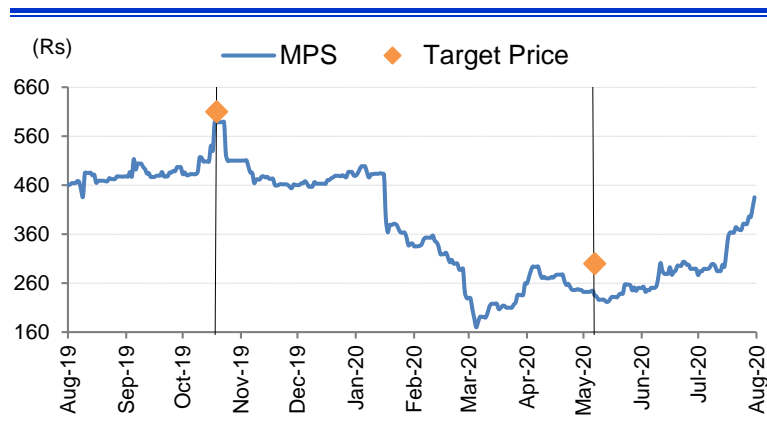
E – Estimates

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Nov-19	Buy	610	588
May-20	Buy	300	235

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
-------------	-------------------	-------------------------	-----------------

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
-------------------	------------------	-----------------------	-----------------

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Derivatives Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013

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.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. 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 affiliated company(ies) 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 Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. 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 Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. 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. The investment discussed or views expressed 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 Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), 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) 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. 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 Dolat Capital Market Private Limited. 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.

For U.S. Entity/ persons only: This research report is a product of Dolat Capital Market Private Limited., 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 Dolat Capital Market Private Limited. 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 or entity.

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, Dolat Capital Market Private Limited. has entered into an agreement with a U.S. registered broker-dealer Ltd Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer/Entity as informed by Dolat Capital Market Private Limited. from time to time.

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685

Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
