

BSE SENSEX	S&P CNX
52,323	15,691

Motilal Oswal values your support in the **Asiamoney Brokers Poll 2021 for India Research, Sales, Corporate Access and Trading team**. We [request your ballot](#).



Stock Info

Bloomberg	ZENT IN
Equity Shares (m)	226
M.Cap.(INRb)/(USDb)	67.2 / 0.9
52-Week Range (INR)	347 / 121
1, 6, 12 Rel. Per (%)	0/14/50
12M Avg Val (INR M)	97

Financials Snapshot (INR b)

Y/E Mar	FY21	FY22E	FY23E
Sales	36.7	39.1	46.6
EBIT Margin (%)	13.9	13.2	14.1
PAT	3.5	3.7	4.7
EPS (INR)	15.3	15.9	20.3
EPS Gr. (%)	31.0	3.7	27.7
BV/Sh. (INR)	105.7	114.3	127.6
Ratios			
RoE (%)	15.5	14.7	16.9
RoCE (%)	5.7	5.6	6.7
Payout (%)	41.8	30.2	30.2
Valuations			
P/E (x)	19.4	18.7	14.7
P/BV (x)	2.8	2.6	2.3
EV/EBITDA (x)	8.2	7.8	5.8
Div Yield (%)	2.2	1.6	2.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	49.2	49.2	49.2
DII	24.6	24.6	24.7
FII	16.0	16.2	17.7
Others	10.2	10.0	8.5

FII Includes depository receipts

CMP: INR298 TP: INR350 (+18%) Buy

Positive on new strategy and leadership

We attended ZENT's analyst meet on Day 2 of the RPG conference, where the management reiterated its GTM strategy and highlighted key investment areas for the company. Here are the key highlights from the meet:

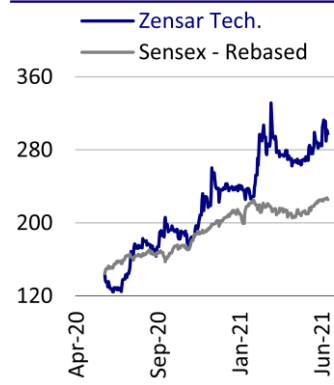
- ZENT reiterated its GTM strategy under the new leadership of Mr. Ajay Bhutoria. It reiterated its focus on five strategic growth opportunities (SGOs) to better target the enterprise market. ZENT expects its capabilities under Experience Services (c10% of revenue) to fuel business in Advanced Engineering Services, Data Engineering, Analytics, and Infra Services. Application Services will remain a focus area, given it's the largest volume generator in the business.
- To increase the traction in its GTM strategy and drive better revenue growth, it has identified four key areas of investments: 1] sales, 2] partnerships, 3] talent, and [4] M&A.
- It plans to use its historical high profitability (4QFY21 EBITDA margin of 19.9%) and cash balance (of c\$160m in 4QFY21) to fuel investment in sales and for inorganic acquisitions to add capabilities and target clients.
- We remain positive on the strategy devised under the new leadership and expect the same to deliver results in the next two years. We expect ZENT to deliver 12.5% CAGR over FY21-23E as against a combined 11% decline in revenue from FY19-21.

Five key strategies to leverage the strong market environment

- The company has been focusing on unbundling its current services into five key segments: 1] Experience Services – Spearheaded through earlier acquired entities – Foolproof and Indigo Slate; 2] Advanced Engineering Services – to tap downstream demand; 3] Data Engineering – leverage AI/ML; 4] Application Services, and 5] Digital Foundation Services – experience led infra services.
- While these are not the new businesses, a different packaging of the same will help in targeting the right client for right services, instead of a non-systematic sales structure.
- ZENT believes this change will be fully implemented in the next 4-8 weeks.

Investments in sales and talent to keep margin rangebound

- The company has been investing in building up its sales strength on two fronts: 1] increasing/restructuring the sales team, and 2] enriching the sales process. It is also hiring/restructuring several business heads and bringing in senior delivery personnel.
- The management said there is an acute shortage of relevant talent in the market. To manage the same, it has enhanced its onboarding engine by expanding its recruiting team and invested in better training of freshers. It has also invested in the recruitment process to onboard laterals and on-site talent (East Europe).

Stock Performance (1-year)

- ZENT believes the above two factors, along with the partial comeback of travel expenses, will impact margin. However, sustained offshoring and better pyramid structure should keep EBITDA margin at high-teen levels.

Capital allocation skewed towards M&A, payout to remain low

- The company will use its over USD160m cash balance majorly for acquisitions. It has identified three parameters for the same: 1] capability enhancement, 2] increased access to skills, and 3] access to market.
- ZENT will keep its payout at 20-25%, one of the lowest in the industry, to use the cash to fuel growth.

Valuation and view

- ZENT's current valuation at 15x FY23E EPS is the lowest in our midcap coverage and is at a 44% discount to the median valuations of peers.
- We expect revenue growth to rebound from 2HFY22E as the new leadership (Mr. Ajay Bhutoria took over in Jan'21), refreshed strategy, and reinvestment of margin gains in sales starts to pay off. With a likely return to double-digit growth in FY23E (we estimate 18% YoY) on a good FY22E exit and recovery in key accounts, we see potential for a significant stock re-rating as valuations catch up with its peer group.
- We see higher downside protection in the share price at current levels as 21% of ZENT's m-cap is in cash v/s only 8% for its midcap IT Services peers.
- We maintain our Buy rating on the stock in the likelihood of a recovery in growth and attractive valuations. Our TP implies 17x FY23E EPS.

Change in strategy and operational performance

- After a change in leadership five years back, it initiated 'Living Digital', with the intention to re-wire the company and make it completely digital.
- In accordance with this, ZENT made tuck-in acquisitions like Foolproof, Indigo Slate, Keystone, and Cynosure.
- Higher focus on new age services and neglect of the cash cow Oracle drove the underperformance, given the increased monetization time needed for Digital Services.
- Despite witnessing soft growth, operational discipline led to strong EBITDA during FY21. A strong cash position gives ZENT enough room to invest in growth.
- Post the leadership change, the company has now opted for a new operational strategy, which includes five key growth areas.
- Going forward, it will focus on the growth areas of: 1) Experience Services – driven under the umbrella of experience studios, 2) Advanced Engineering Services – to harness downstream demand from Experience Services and Cloud, 3) Data Engineering and AI, 4) Application Services – would be the largest area for the company, and 5) Digital Foundation Services – includes experience led infra services, where the pipeline is strong.

The path forward

- The management intends to make increased investments in sales, including re-wiring and enrichment of the sales process, which in turn is expected to drive growth going forward.

- ZENT is focusing on talent acquisitions in the right places, and intends to expand its talent supply chain outside India, specifically in Europe.
- Efforts to reduce running costs of clients and invest in change and growth has shot up, with a lot of related large deals coming into the market. ZENT is prepared to grab this upcoming opportunity.

Vertical and geographical commentary

- The company intends to double down on its services in the Hi-Tech and Manufacturing segment. Within BFSI, ZENT is using a micro-vertical perspective, with a complete focus on domain-led engagement in Banking and P&C Insurance in the Insurance segment.
- In the case of Retail, corporates are putting in massive efforts to shift to e-commerce from physical stores. The customer supply chain is also getting better. Demand in this vertical is now returning after being severely affected due to the pandemic.
- Europe is going strong for ZENT, and the management is seeing a strong pipeline building up in this geography.

Impact on margin

- An integral part of its strategy is to invest in sales, which will lead to a moderation in margin.
- With supply pressures coming up and the second round of wage hikes in Jul'21, margin would be impacted. However, levers in terms of offshoring and pyramid rationalization should help offset the same.
- Despite travel cost returning, the management is confident that it would not be similar to pre-COVID levels. EBITDA is expected to be at high-teen levels.

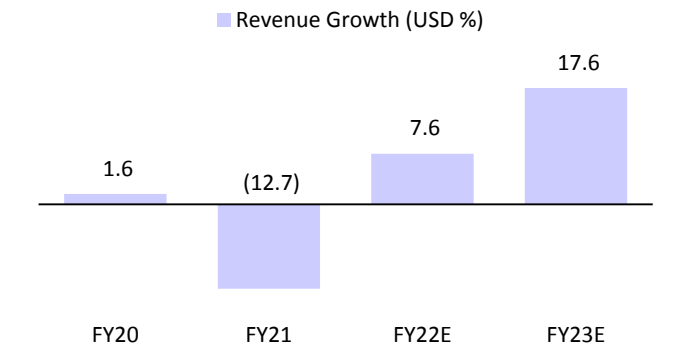
Talent resource

- ZENT is fine tuning onboarding of freshers from colleges and has significantly increased its efforts to capture lateral talent as well.
- The company is extremely focused on Eastern Europe and has already started operations in Poland.
- The management stated that attrition rates have gone up across the industry and is watching this space closely.
- With an increase in the cost of lateral talent, it is exploring the possibility of a rate change with clients.

Capital allocation

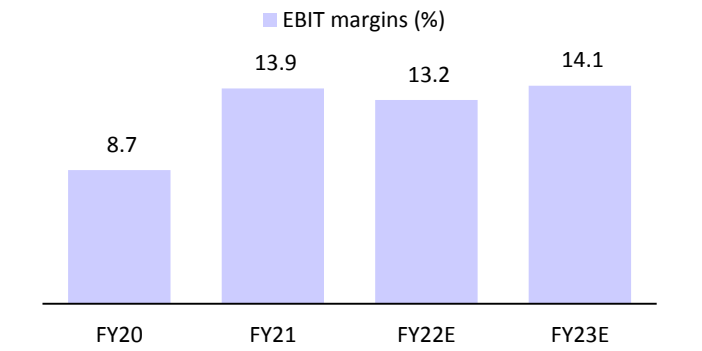
- The company is largely preserving cash to use in M&A opportunities.
- ZENT's dividend payout policy of 20-25% will continue.

Exhibit 1: ZENT to witness strong growth on the back of a revised strategy post the management change



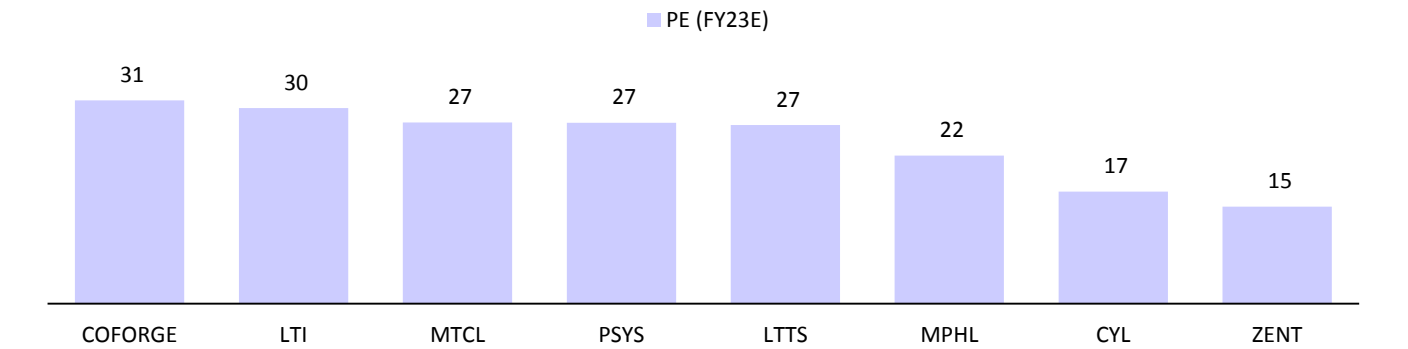
Source: Company, MOFSL

Exhibit 2: Increased investment in growth to moderate margin slightly and then rebound with growth



Source: Company, MOFSL

Exhibit 3: ZENT trades at the lowest P/E multiple v/s its peers



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Sales	29,381	30,556	30,058	38,988	40,102	36,681	39,083	46,575
Change (%)	11.8	4.0	(1.6)	29.7	2.9	(8.5)	6.5	19.2
Cost of Services	20,168	21,603	21,220	27,626	28,756	24,417	26,034	30,646
SG&A Expenses	4,826	5,087	5,254	6,283	6,310	5,422	6,097	7,219
EBITDA	4,388	3,866	3,583	5,079	5,037	6,842	6,952	8,710
% of Net Sales	14.9	12.7	11.9	13.0	12.6	18.7	17.8	18.7
Depreciation	651	486	651	894	1,567	1,732	1,798	2,142
Interest	106	88	227	373	605	536	568	699
Other Income	178	172	202	502	435	367	391	466
Forex	360	21	463	291	449	-113	0	0
PBT	4,169	3,486	3,370	4,604	3,749	4,828	4,976	6,335
Tax	1,246	1,103	1,013	1,310	1,038	1,261	1,244	1,584
Rate (%)	29.9	31.6	30.1	28.5	27.7	26.1	25.0	25.0
Minority Interest	28	35	50	51	82	70	59	59
Net Income	2,896	2,348	2,306	3,243	2,629	3,497	3,673	4,692
Change (%)	9.4	-18.9	-1.8	40.6	-18.9	33.0	5.0	27.7

Balance Sheet								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Share Capital	446	449	450	450	451	451	451	451
Reserves	12,205	14,267	16,239	18,973	20,900	23,423	25,807	28,853
Net Worth	12,651	14,716	16,689	19,424	21,351	23,874	26,259	29,304
Loans	1,481	1,306	60	2,578	2,886	-	0	0
Other liabilities	525	535	906	924	4,008	3,526	3,526	3,526
Capital Employed	14,658	16,556	17,655	22,925	28,244	27,401	29,785	32,830
Net Block	3,878	4,495	5,976	9,617	13,340	11,330	10,333	8,990
Other LT Assets	517	1,897	2,356	1,898	2,039	3,076	3,156	3,407
Curr. Assets	13,989	14,657	14,624	19,360	20,576	19,928	23,685	29,203
Current Investments	1,016	1,467	1,302	454	2,670	7,127	9,127	11,127
Inventories	1,259	1,127	1,060	985	941	0	0	0
Debtors	5,427	5,332	6,423	8,762	6,656	5,888	6,425	7,656
Cash and Bank Balance	2,844	5,996	5,137	3,259	5,258	3,775	4,790	6,436
Other Current Assets	2,371	736	702	5,901	5,051	3,138	3,344	3,984
Current Liab. and Prov.	3,725	4,493	5,301	7,951	7,711	6,933	7,389	8,771
Trade payables	1,643	1,753	1,839	3,010	2,650	2,201	2,347	2,763
Other liabilities	1,790	2,740	3,461	4,941	5,061	4,732	5,042	6,008
Net Current Assets	10,263	10,164	9,323	11,409	12,865	12,994	16,296	20,432
Application of Funds	14,658	16,556	17,655	22,925	28,245	27,400	29,784	32,830

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
EPS	13.7	10.3	10.1	14.3	11.7	15.3	15.9	20.3
Cash EPS	16.8	12.5	13.0	18.2	18.6	22.9	23.6	29.5
Book Value	60.9	65.6	74.2	86.3	96.3	105.7	114.3	127.6
DPS	12.0	12.0	7.0	2.8	2.8	6.4	4.8	6.1
Payout (%)	87.5	116.1	69.0	19.6	24.0	41.8	30.2	30.2
Valuation (x)								
P/E	21.7	28.7	29.3	20.8	25.4	19.4	18.7	14.7
Cash P/E	17.7	23.8	22.8	16.3	15.9	13.0	12.6	10.1
EV/EBITDA	13.5	15.6	16.9	12.9	12.1	8.2	7.8	5.8
EV/Sales	2.0	2.0	2.0	1.7	1.5	1.5	1.4	1.1
Price/Book Value	4.9	4.5	4.0	3.4	3.1	2.8	2.6	2.3
Dividend Yield (%)	4.0	4.0	2.4	0.9	0.9	2.2	1.6	2.1
Profitability Ratios (%)								
RoE	25.0	17.2	14.7	18.0	12.9	15.5	14.7	16.9
RoCE	5.7	6.1	6.9	8.1	4.7	5.7	5.6	6.7
Turnover Ratios								
Debtors (Days)	67	64	78	82	61	59	60	60
Fixed Asset Turnover (x)	7.5	7.3	5.7	5.0	3.5	3.0	3.6	4.8

Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
CF from Operations	3,805	3,244	3,298	4,183	4,508	5,432	5,990	7,126
Cash for Working Capital	-1,218	-201	-1,385	-2,622	2,354	3,148	-367	-741
Net Operating CF	2,587	3,043	1,913	1,561	6,862	8,580	5,623	6,385
Net Purchase of FA	-423	-349	-515	-517	-781	-393	-800	-800
Free Cash Flow	2,164	2,694	1,398	1,043	6,081	8,187	4,823	5,585
Net Purchase of Invest.	1	-1,552	-1,050	-1,894	-2,372	-4,890	-1,668	-1,593
Net Cash from Invest.	-422	-1,902	-1,565	-2,411	-3,153	-5,283	-2,468	-2,393
Proc. from equity issues	42	46	26	14	15	15	0	0
Proceeds from LTB/STB	-215	2,281	-922	-376	-502	-4,505	-851	-699
Dividend Payments	-969	-261	-626	-633	-1,228	-271	-1,289	-1,647
Cash Flow from Fin.	-1,142	2,066	-1,522	-995	-1,714	-4,761	-2,141	-2,346
Exchange difference	-14	-56	315	-32	4	-20	0	0
Net Cash Flow	1,009	3,151	-859	-1,877	1,999	-1,483	1,014	1,646
Opening Cash Bal.	1,835	2,845	5,996	5,137	3,259	5,258	3,775	4,789
Add: Net Cash	1,009	3,151	-859	-1,877	1,999	-1,483	1,014	1,646
Closing Cash Bal.	2,845	5,996	5,137	3,259	5,258	3,775	4,789	6,435

(INR m)

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. INH000000412. 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. INH000000412) 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.