

Estimate change	
TP change	
Rating change	

Bloomberg	CYIENTDL IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	55.4 / 0.7
52-Week Range (INR)	884 / 580
1, 6, 12 Rel. Per (%)	5/-6/-27
12M Avg Val (INR M)	315

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	17.2	24.7	31.5
EBITDA	1.7	2.9	3.8
Adj. PAT	1.0	2.0	2.7
EBITDA Margin (%)	9.8	11.6	12.2
Cons. Adj. EPS (INR)	13.1	24.7	34.3
EPS Gr. (%)	70.3	87.9	38.9
BV/Sh. (INR)	127.8	152.5	186.8
Ratios			
Net D:E	-0.3	-0.4	-0.5
ROE (%)	10.8	17.6	20.2
RoCE (%)	12.1	18.1	20.7
Valuations			
P/E (x)	54	29	21
EV/EBITDA (x)	31	18	13

Shareholding pattern (%)

As on	Sep-24	Jun-24	Sep-23
Promoter	52.2	66.7	66.7
DII	27.8	17.4	12.3
FII	7.8	5.1	6.2
Others	12.3	10.8	14.8

Note: FII includes depository receipts

CMP: INR699 **TP: INR870 (+25%)** **Buy**
Defense momentum fuels growth trajectory

PAT misses estimates due to higher interest cost

- Cyient DLM (CYIENTDL) reported a strong quarter, with revenue growth of ~33% YoY in 2QFY25, led by significant traction in the defense (up 82% YoY) and aerospace (up 20% YoY) verticals. Margins were flat YoY at 8.1%.
- However, the order book continued its downward trend, with 13% YoY/ 7% QoQ decline in 2Q to INR19.8b. The management indicated the trend will change in 4Q, with a healthy order pipeline and the finalization of key deals. We believe the order book will witness an uptick in 4QFY25, factoring in the conversion of orders from new client additions happened over the last few quarters.
- Factoring in the higher-than-anticipated interest cost in FY25 due to an increase in debt, we reduce our FY25E EPS by ~5%, while we increase our FY26E EPS by ~12% considering the recent Altek acquisition (integration from 2HFY25). We retain our BUY rating on the stock with a TP of INR870 (35x FY26E EPS).

Margins remain soft due to unfavorable business mix

- Consol. revenue grew 33% YoY to INR3.9b (in line with est.) in 2Q, mainly led by the defense (+82% YoY) and aerospace (+20% YoY) verticals. The order book stood at ~INR19.8b as of 2Q (down 13% YoY and 7% QoQ).
- Margin was flat YoY at 8.1% (est. 8.4%); however, it is still lower than historical margins due to a higher mix of low-margin business. EBITDA grew 34% YoY to INR316m (in line).
- Adjusted PAT grew 6% YoY to INR155m (est. INR197m). Adjusted PAT missed our estimate due to higher interest costs (INR110m vs. est. INR50m) in 2Q as the company took incremental short-term debt to fund the business due to negative cash flow from operations in 1HFY25.
- For 1HFY25, revenue/EBITDA/adj. PAT grew 27%/19%/30% YoY to INR6.5b/INR516m/INR261m. Based on our estimates, implied revenue/EBITDA growth for 2HFY25 is 58%/74% YoY, led by the integration of the Altek acquisition. Organic growth is likely to contribute to 32% of revenue growth, with incremental growth expected from acquisitions in 2HFY25.

Highlights from the management commentary

- **Outlook:** The company maintains its guidance of ~30% revenue CAGR. It expects EBITDA margins to reach near to its earlier guidance of double digits, but they will be largely flat YoY.
- **Altek's** EBITDA margin and business profile (low volume high margin) is similar to that of CYIENTDL. Accordingly, this acquisition will be EPS-accretive for the company from FY26 (CYIENTDL will incur one-time transaction cost in FY25). The company will have better client proximity and will get access to multiple fortune 500 clients through this acquisition.
- **The Middle East conflict** is impacting the supply chain of the business. Apart from this, there is no significant impact on the operations, although company is closely monitoring the situation.

Valuation and view

- CYIENTDL witnessed strong revenue growth during the quarter, led by robust traction in the defense segment, while margins remained flat. Going ahead, the growth is likely to accelerate with 2H being seasonally strong for the company. This, coupled with the integration of Altek, will lead to strong financial performance from the company.
- In the medium term, we expect CYIENTDL to sustain its growth momentum, aided by: 1) expected healthy order inflows (from 4QFY25 onward); 2) integration and synergy from the Altek acquisition.
- We estimate CYIENTDL to report a CAGR of 38%/51%/64% in revenue/ EBITDA/ Adj. PAT over FY24-27E. We retain our BUY rating on the stock with a TP of INR870 (35x FY26E EPS).

Consolidated - Quarterly Earning Model											(INR m)	
Y/E March	FY24					FY25E			FY24	FY25E	FY25E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	2,171	2,918	3,210	3,618	2,579	3,895	5,137	5,634	11,919	17,244	3,837	1
YoY Change (%)	27.6	71.5	49.7	30.5	18.8	33.4	60.0	55.7	43.2	44.7	31.5	
Total Expenditure	1,972	2,683	2,916	3,238	2,379	3,578	4,620	4,974	10,809	15,551	3,515	
EBITDA	200	235	294	380	200	316	516	661	1,110	1,693	323	-2
Margins (%)	9.2	8.1	9.2	10.5	7.8	8.1	10.1	11.7	9.3	9.8	8.4	
Depreciation	48	55	58	62	67	69	74	77	223	287	69	
Interest	91	76	83	94	80	110	90	70	344	350	50	
Other Income	9	93	93	83	89	71	85	94	278	339	60	
PBT before EO expense	70	198	247	307	142	209	437	608	821	1,395	264	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	70	198	247	307	142	209	437	608	821	1,395	264	
Tax	16	51	63	80	36	54	110	153	209	353	66	
Rate (%)	23.3	25.9	25.3	25.9	25.2	26.0	25.2	25.2	25.5	25.3	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	54	147	184	227	106	155	327	455	612	1,042	197	
Adj PAT	54	147	184	227	106	155	327	455	612	1,042	197	-22
YoY Change (%)	-15.2	106.4	222.9	80.7	97.7	5.5	77.4	99.9	92.9	70.3	34.7	
Margins (%)	2.5	5.0	5.7	6.3	4.1	4.0	6.4	8.1	5.1	6.0	5.1	

Key Exhibits

Exhibit 1: Consolidated order book trend

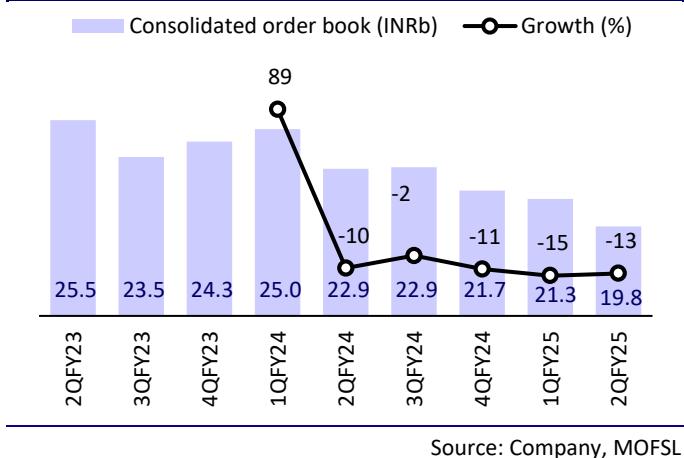


Exhibit 2: Consolidated revenue trend

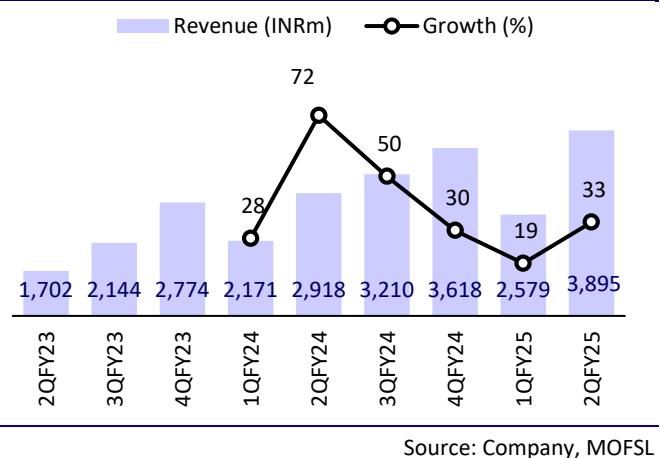


Exhibit 3: Consolidated EBITDA trend

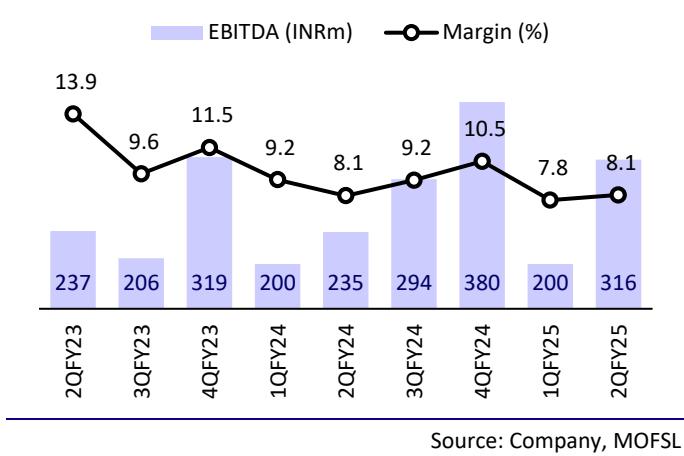


Exhibit 4: Consolidated Adj. PAT trend

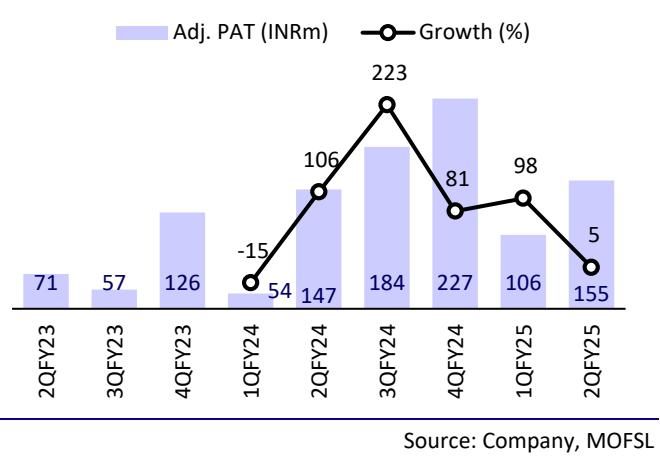


Exhibit 5: Product-wise revenue mix

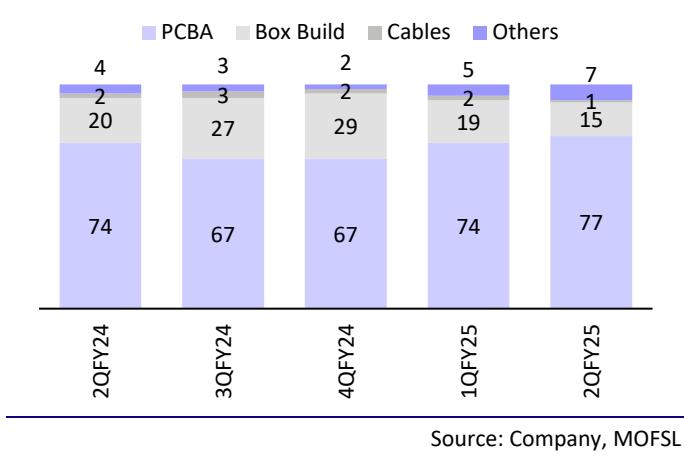


Exhibit 6: End-user industry-wise revenue mix

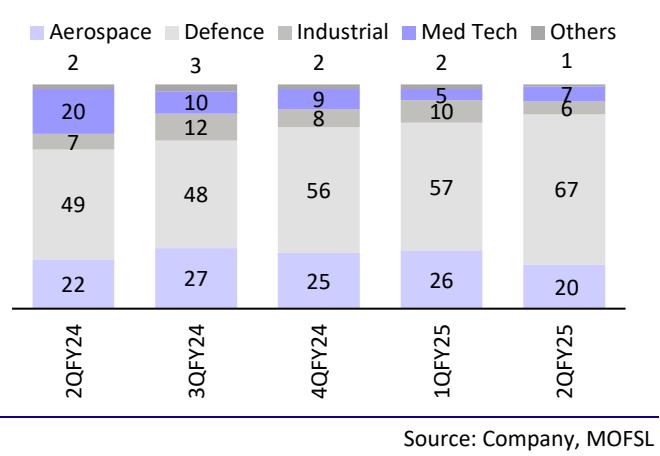


Exhibit 7: Rationale for Altek acquisition

- Nearshore to our US clients
- Tap into US Defense market
- Clients in US Defense
- Cyient current / potential clients have strong play in US market.
- Strengthen capability in Medical and Industrial
- ITAR Certified facility
- Increased Build to Specification Capabilities

Source: MOFSL, Company

Exhibit 8: CYIENTDL growth plans**Strengthen Current Business**

- Large Deals: Building strategic engagements through large deals.
- Focus in India Defense: by strengthening Defense sales team
- Build to Specification: Strengthen B2S offerings across verticals

Focus on large OEMs**Inorganic Expansion**

- Target inorganic expansion strategy for:
 - Client proximity and geographic footprint
 - Accessing target clients
 - Expanding our capabilities
- Looking for acquisition in NAM, EMEA

Acquisition of Altek will add revenues from Q3FY25**New Industries New Geographies**

- New Geographies: Look to tap growing EMS destinations
- New Industries: Strategize entering disruptive industries like Electric vehicles.

**Nearshore location in US
Access to ITAR work for US Defense**

Source: MOFSL, Company



Highlights from the management commentary

Order Book

- The pipeline continues to be healthy as key deals get closer to finalization.
- The company added two new global logos in 2Q – a premier defense PSU in India and a global oilfield service company.
- It expects the lumpiness of the order book to continue and order inflows to improve once the repeat orders from clients are received.
- Order book mix: ~60% export orders and rest 40% domestic orders.

Altek Acquisition

- Altek is based in Connecticut, providing high-value electronic manufacturing service in medical and industrial segment.
- The company made upfront payout of USD23.4m. The acquisition will be EPS-accretive from FY26 as it will incur a one-time transaction cost in FY25.
- Altek's product profile is similar to that of Cyient DLM (high mix of low-volume products). Altek also has ITAR certification.
- It has a manufacturing setup of ~80,000 sq. ft. with ~209 employees.
- The acquisition will lead to positive impact on financials of Cyient DLM. It will get access to multiple fortune 500 clients through this acquisition
- The company will comment on goodwill and amortization of the same in the next quarter.

Guidance and Outlook

- The company maintains its guidance of ~30% revenue CAGR, excluding any inorganic growth opportunity.
- Cyient DLM expects flat EBITDA margins YoY in FY25. It expects to reach near its double-digit margin guidance given earlier.
- The company expects the business mix to change in FY26 (one low-margin contract dragged margins in FY25), which would boost EBITDA margins.
- Cyient DLM has action plan to bring down inventory days to ~90-100 days going forward.
- Net working capital has improved sequentially. Going ahead, the company expects this to further improve.

Middle East conflict

- The conflict in the Middle East is impacting the supply chain of the business. There was delay in inward as well as outward shipment from Israel.
- Apart from this, there is no significant impact on business operations due to this conflict, but company is closely monitoring the space.

Debt

- Cyient DLM has taken short-term debt in 2Q to fund the inventory.
- Organic debt will go down as and when the company generates sufficient cash flow.
- It has also taken debt for M&A transaction.
- The unutilized IPO proceeds have to be utilized only for earmarked purposes.

Others

- The company has to borrow funds as free cash flow was negative in 1HFY25, leading to higher finance costs. Going ahead, free cash flow is expected to turn positive in 2HFY25.
- Generally H2 is stronger than H1 and that trend is expected to continue in FY25.
- This was an unusual quarter in which domestic sales were higher. Going ahead, the company expects exports to continue to account for ~70% sales.
- The Head of Sales of Cyient DLM has resigned during the quarter.

Valuation and View

- CYIENTDL witnessed strong revenue growth during the quarter, led by robust traction in the defense segment, while margins remained flat. Going ahead, growth is likely to accelerate with 2H being seasonally strong for the company. This, coupled with the integration of Altek, will lead to strong financial performance from the company.
- In the medium term, we expect CYIENTDL to sustain its growth momentum, aided by: 1) expected healthy order inflows (from 4QFY25 onward); 2) Integration and synergy from the Altek acquisition.
- We estimate CYIENTDL to report a CAGR of 38%/51%/64% in revenue/ EBITDA/ Adj. PAT over FY24-27E. We retain our BUY rating on the stock with a TP of INR870 (35x FY26E EPS).

Exhibit 9: Summary of our revised estimates

Earnings change (INR m)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	15,944	21,206	17,244	24,675	8%	16%
EBITDA	1,616	2,502	1,693	2,862	5%	14%
Adj. PAT	1,099	1,745	1,042	1,959	-5%	12%

Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	4,571	6,280	7,205	8,320	11,919	17,244	24,675	31,528
Change (%)	-4.9	37.4	14.7	15.5	43.2	44.7	43.1	27.8
RM Cost	3,649	4,953	5,440	6,452	9,200	13,277	18,951	24,151
Employees Cost	441	469	517	647	1,174	1,634	1,925	2,396
Other Expenses	344	399	409	344	435	640	938	1,135
Total Expenditure	4,434	5,821	6,365	7,442	10,809	15,551	21,813	27,682
% of Sales	97.0	92.7	88.3	89.4	90.7	90.2	88.4	87.8
EBITDA	137	460	840	878	1,110	1,693	2,862	3,846
Margin (%)	3.0	7.3	11.7	10.6	9.3	9.8	11.6	12.2
Depreciation	106	185	193	194	223	287	368	391
EBIT	31	275	647	684	887	1,407	2,495	3,455
Int. and Finance Charges	182	208	220	315	344	350	250	230
Other Income	78	89	79	63	278	339	373	410
PBT bef. EO Exp.	-72	156	507	432	821	1,395	2,617	3,636
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	-72	156	507	432	821	1,395	2,617	3,636
Total Tax	-5	38	109	114	209	353	659	915
Tax Rate (%)	7.2	24.2	21.6	26.5	25.5	25.3	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	-67	118	398	317	612	1,042	1,959	2,720
Adjusted PAT	-67	118	398	317	612	1,042	1,959	2,720
Change (%)	760.3	-276.3	236.0	-20.2	92.9	70.3	87.9	38.9
Margin (%)	-1.5	1.9	5.5	3.8	5.1	6.0	7.9	8.6

Consolidated - Balance Sheet								(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	14	14	14	529	793	793	793	793
Total Reserves	243	363	757	1,450	8,297	9,339	11,298	14,018
Net Worth	257	377	771	1,979	9,090	10,132	12,091	14,811
Total Loans	3,080	2,790	3,369	3,145	1,336	1,000	500	500
Deferred Tax Liabilities	-62	-51	-39	0	0	0	0	0
Capital Employed	3,275	3,116	4,101	5,123	10,425	11,132	12,590	15,311
Gross Block	1,705	2,650	2,668	2,750	3,285	5,433	5,750	6,143
Less: Accum. Deprn.	674	824	977	1,171	1,394	1,680	2,048	2,439
Net Fixed Assets	1,032	1,826	1,692	1,579	1,891	3,753	3,702	3,704
Goodwill on Consolidation	30	30	30	30	30	30	30	30
Capital WIP	774	23	34	13	10	177	210	267
Total Investments	3	3	3	895	662	662	662	662
Curr. Assets, Loans&Adv.	4,034	4,517	5,971	8,529	13,440	14,646	19,366	25,168
Inventory	2,226	1,555	2,696	4,251	4,642	6,002	7,788	9,263
Account Receivables	546	2,264	1,523	1,617	2,259	2,835	4,056	5,183
Cash and Bank Balance	661	342	1,218	1,676	5,366	4,258	5,302	7,884
Loans and Advances	601	357	534	985	1,173	1,552	2,221	2,838
Curr. Liability & Prov.	2,599	3,284	3,629	5,924	5,607	8,137	11,381	14,521
Account Payables	1,205	1,928	1,932	2,853	3,200	4,365	6,230	7,940
Other Current Liabilities	1,330	1,262	1,564	2,973	2,297	3,621	4,935	6,306
Provisions	64	93	134	98	110	151	215	275
Net Current Assets	1,435	1,233	2,342	2,605	7,832	6,509	7,986	10,647
Appl. of Funds	3,274	3,116	4,101	5,123	10,425	11,132	12,590	15,311

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	-0.8	1.5	5.0	4.0	7.7	13.1	24.7	34.3
Cash EPS	0.5	3.8	7.4	6.4	10.5	16.8	29.3	39.2
BV/Share	3.2	4.7	9.7	25.0	114.6	127.8	152.5	186.8
Valuation (x)								
P/E	-836.8	474.6	141.3	177.0	91.8	53.9	28.7	20.6
Cash P/E	1,450.9	185.4	95.1	109.8	67.2	42.2	24.1	18.0
P/BV	218.4	149.1	72.8	28.4	6.2	5.5	4.6	3.8
EV/Sales	12.8	9.3	8.1	6.9	4.4	3.1	2.1	1.5
EV/EBITDA	426.9	127.5	69.4	65.6	46.9	31.2	17.9	12.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-8.4	0.9	5.2	5.8	-15.6	15.2	17.9	30.3
Return Ratios (%)								
RoE	-22.1	37.3	69.3	23.1	11.1	10.8	17.6	20.2
RoCE	3.8	8.5	15.6	11.9	11.2	12.1	18.1	20.7
RoIC	1.9	9.1	18.1	18.7	19.1	20.2	30.0	40.0
Working Capital Ratios								
Fixed Asset Turnover (x)	2.7	2.4	2.7	3.0	3.6	3.2	4.3	5.1
Asset Turnover (x)	1.4	2.0	1.8	1.6	1.1	1.5	2.0	2.1
Inventory (Days)	201	139	143	196	176	165	150	140
Debtor (Days)	70	82	96	69	59	60	60	60
Creditor (Days)	108	115	130	135	120	120	120	120
Leverage Ratio (x)								
Current Ratio	1.6	1.4	1.6	1.4	2.4	1.8	1.7	1.7
Interest Cover Ratio	0.2	1.3	2.9	2.2	2.6	4.0	10.0	15.0
Net Debt/Equity	9.4	6.5	2.8	0.7	-0.4	-0.3	-0.4	-0.5

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	-67	118	398	317	821	1,395	2,617	3,636
Depreciation	106	185	193	194	223	287	368	391
Interest & Finance Charges	133	171	175	267	66	11	-123	-180
Direct Taxes Paid	3	1	-62	-168	-209	-353	-659	-915
(Inc)/Dec in WC	-105	-200	-329	-229	-1,537	215	-432	-79
CF from Operations	69	275	375	381	-637	1,555	1,771	2,853
Others	93	74	111	158	-68	0	0	0
CF from Operating incl EO	163	349	486	539	-705	1,555	1,771	2,853
(Inc)/Dec in FA	-830	-274	-77	-76	-531	-350	-350	-450
Free Cash Flow	-667	75	409	463	-1,236	1,205	1,421	2,403
(Pur)/Sale of Investments	-3	0	0	-892	0	0	0	0
Others	-51	265	-247	-450	-3,746	-1,627	373	410
CF from Investments	-884	-9	-324	-1,418	-4,277	-1,977	23	-40
Issue of Shares	0	0	0	889	7,000	0	0	0
Inc/(Dec) in Debt	905	-336	534	-4	-1,809	-336	-500	0
Interest Paid	-183	-92	-73	-145	-344	-350	-250	-230
Dividend Paid	0	0	0	0	0	0	0	0
Others	0	-232	0	-19	-58	0	0	0
CF from Fin. Activity	723	-660	461	721	4,789	-686	-750	-230
Inc/Dec of Cash	2	-320	622	-158	-192	-1,108	1,044	2,583
Opening Balance	596	662	342	1,218	1,676	5,366	4,258	5,302
Other cash & cash equivalent	64	0	254	616	3,882	0	0	0
Closing Balance	662	342	1,218	1,676	5,366	4,258	5,302	7,884

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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 be 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, Depository participant services & distribution of various financial products. 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 (hereinafter 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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- 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.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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 alterations 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, nor 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.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Patel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022- 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.