

# Cyient DLM

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CYIENTDL IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	47.3 / 0.5
52-Week Range (INR)	884 / 580
1, 6, 12 Rel. Per (%)	-10/-16/-16
12M Avg Val (INR M)	315

## Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	15.9	19.1	24.3
EBITDA	1.4	2.1	2.7
Adj. PAT	0.8	1.3	1.8
EBITDA Margin (%)	9.0	10.8	11.0
Cons. Adj. EPS (INR)	9.6	16.3	22.4
EPS Gr. (%)	25.0	69.3	37.0
BV/Sh. (INR)	123.5	139.9	162.2

## Ratios

Net D:E	-0.3	-0.4	-0.5
RoE (%)	8.1	12.4	14.8
RoCE (%)	9.9	13.2	15.6

## Valuations

P/E (x)	62	37	27
EV/EBITDA (x)	31	21	15

## Shareholding pattern (%)

As on	Dec-24	Sep-24	Dec-23
Promoter	52.2	52.2	66.7
DII	29.4	27.8	11.2
FII	3.6	7.8	6.3
Others	14.8	12.3	15.8

Note: FII includes depository receipts

**CMP: INR596 TP: INR700 (+17%) Buy**

## Slowdown in order flows dampens growth visibility

### Earnings below our estimates

- Cyient DLM's (CYIENTDL) 3QFY25 consolidated revenue/EBITDA grew by ~38%/23% YoY. However, EBITDA missed our estimates as margins declined 90bp YoY due to a high mix of low-margin business (BEL order execution). Standalone revenue (excl. Altek – recently acquired) grew only ~11% YoY in 3QFY25.
- The order book continued its downward trend, down 19% YoY/6% QoQ in 3Q to INR18.5b (consol. order book at INR21.4b, including Altek order of INR2.9b). Order book growth remains a key concern amid a delay in ordering from some clients; however, the conversion of orders from new clients added over the last few quarters and ongoing discussions with some large global potential customers can boost growth visibility.
- We reduce our earnings estimates for FY25/FY26/FY27 by 14%/25%/26%, due to softness in order flows (lack of BEL orders), lower margins due to unfavorable operating leverage, and uncertainty about large order flows in the near term. We retain our BUY rating on the stock with a TP of INR700 (31x FY27E EPS).

### Margins remain soft due to unfavorable business mix

- Consol. revenue grew 38% YoY to INR4.4b (in line with est.) in 3QFY25, mainly led by the medical technology (+2.1x YoY), defense (+33% YoY) and aerospace (+14% YoY) verticals. The order book stood at ~INR21.4b as of 3QFY25 (down 7% YoY/up 8% QoQ).
- Adj. margin contracted 100bp YoY to 8.1% (est. 9.6%). Adj. EBITDA grew 23% YoY to INR361m (est. INR433). EBITDA was adjusted with one-time M&A integration expenses of INR80m in 3QFY25. Adjusted PAT declined 8% YoY to INR170m (est. INR265m).
- In 9MFY25, revenue/EBITDA/adj. PAT grew 32%/20%/12% YoY to INR10.9b/INR878m/INR429m. In 4QFY25, we estimate consol. revenue/EBITDA/adj. PAT growth of 38%/47%/48%, led by the integration of Altek. Standalone growth is likely to be 11%/21%/29%.

### Highlights from the management commentary

- **Outlook:** The company maintains its guidance of a ~30% revenue CAGR over the next three to five years; however, FY26 consol. revenue growth would be in mid-teens due to the lack of BEL orders. EBITDA margins may remain flat in FY25, with margin expansion expected after 1HFY26.
- **Altek:** The emphasis on local manufacturing in the US, aided by favorable regulations introduced by the new administration, offers strong growth opportunities for Altek, which will bolster the company's manufacturing capabilities and expand its footprint in the US market.
- **Order book** remains under pressure as consumption growth by major clients outpaces new order growth; however, management anticipates strong traction in the North American markets going ahead, with the company already in talks with three big global players.

**Sumant Kumar - Research Analyst** (Sumant.Kumar@MotilalOswal.com)

**Research Analyst: Meet Jain** (Meet.Jain@MotilalOswal.com) | **Nirvik Saini** (Nirvik.saini@MotilalOswal.com)

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

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Valuation and view**

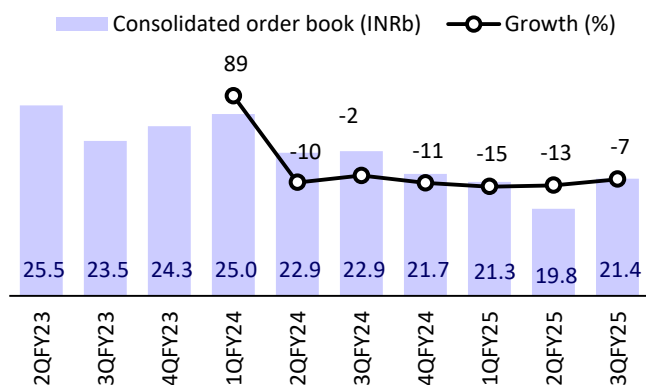
- Going ahead, we expect the growth momentum to slow down in the near term due to the lack of BEL orders and a delay in order flows from existing and new clients. However, the integration of Altek, should drive healthy financial performance due to synergy benefits and industry tailwinds.
- For the medium to long term, the conversion of orders from new clients added over the last few quarters and ongoing discussions with some large global potential customers should boost growth visibility.
- We estimate CYIENTDL to report a CAGR of 27%/34%/43% in revenue/EBITDA/adj. PAT over FY24-27E. We retain our BUY rating on the stock with a TP of INR700 (31x FY27E EPS).

**Consolidated - Quarterly Earning****(INR m)**

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
<b>Gross Sales</b>	<b>2,171</b>	<b>2,918</b>	<b>3,210</b>	<b>3,618</b>	<b>2,579</b>	<b>3,895</b>	<b>4,442</b>	<b>4,993</b>	<b>11,919</b>	<b>15,909</b>	<b>4,495</b>	<b>-1</b>
YoY Change (%)	27.6	71.5	49.7	30.5	18.8	33.4	38.4	38.0	43.2	33.5	40.0	
Total Expenditure	1,972	2,683	2,916	3,238	2,379	3,578	4,081	4,435	10,809	14,473	4,061	
<b>EBITDA</b>	<b>200</b>	<b>235</b>	<b>294</b>	<b>380</b>	<b>200</b>	<b>316</b>	<b>361</b>	<b>558</b>	<b>1,110</b>	<b>1,436</b>	<b>433</b>	<b>-17</b>
Margins (%)	9.2	8.1	9.2	10.5	7.8	8.1	8.1	11.2	9.3	9.0	9.6	
Depreciation	48	55	58	62	67	69	100	105	223	341	74	
Interest	91	76	83	94	80	110	100	98	344	388	90	
Other Income	9	93	93	83	89	71	69	94	278	322	85	
<b>PBT before EO expense</b>	<b>70</b>	<b>198</b>	<b>247</b>	<b>307</b>	<b>142</b>	<b>209</b>	<b>230</b>	<b>449</b>	<b>821</b>	<b>1,030</b>	<b>354</b>	
Extra-Ord expense	0	0	0	0	0	0	80	0	0	80	0	
<b>PBT</b>	<b>70</b>	<b>198</b>	<b>247</b>	<b>307</b>	<b>142</b>	<b>209</b>	<b>150</b>	<b>449</b>	<b>821</b>	<b>950</b>	<b>354</b>	
Tax	16	51	63	80	36	54	40	113	209	243	89	
Rate (%)	23.3	25.9	25.3	25.9	25.2	26.0	26.8	25.2	25.5	25.6	25.2	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>54</b>	<b>147</b>	<b>184</b>	<b>227</b>	<b>106</b>	<b>155</b>	<b>110</b>	<b>336</b>	<b>612</b>	<b>707</b>	<b>265</b>	
<b>Adj PAT</b>	<b>54</b>	<b>147</b>	<b>184</b>	<b>227</b>	<b>106</b>	<b>155</b>	<b>168</b>	<b>336</b>	<b>612</b>	<b>787</b>	<b>265</b>	<b>-37</b>
YoY Change (%)	-15.2	106.4	222.9	80.7	97.7	5.5	-8.7	47.9	92.9	28.6	43.8	
Margins (%)	2.5	5.0	5.7	6.3	4.1	4.0	3.8	6.7	5.1	4.9	5.9	

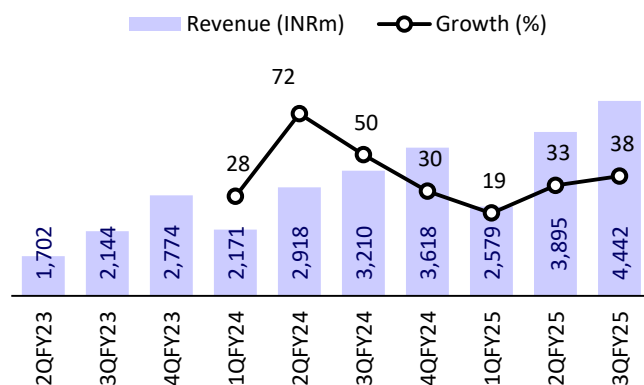
## Key Exhibits

Exhibit 1: Consolidated order book trend



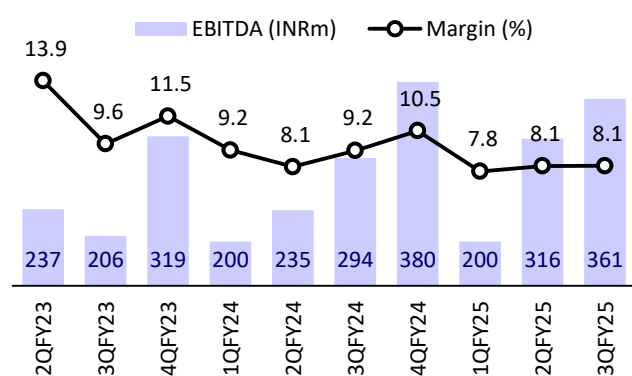
Source: Company, MOFSL

Exhibit 2: Consolidated revenue trend



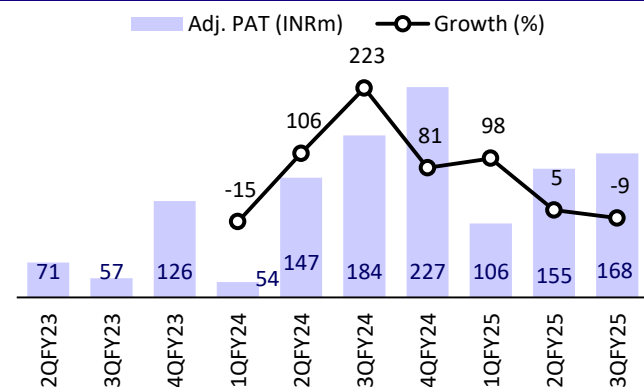
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



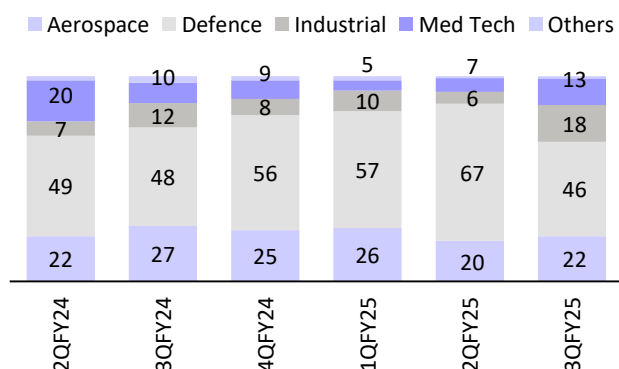
Source: Company, MOFSL

Exhibit 4: Consolidated Adj. PAT trend



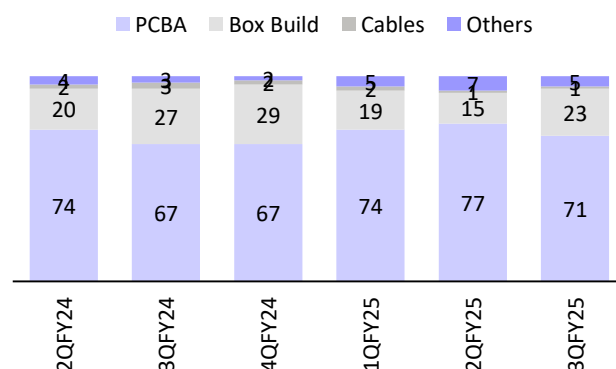
Source: Company, MOFSL

Exhibit 5: Product-wise revenue mix



Source: Company, MOFSL

Exhibit 6: End-user industry-wise revenue mix



Source: Company, MOFSL



## Highlights from the management commentary

### Operating performance

- The revenue mix is slowly changing, which will have some effect on operations in the medium term.
- Large contracts signed last year are starting to see some traction.
- The defense segment reported ~31% YoY growth, while the aerospace segment reported ~14% YoY growth.
- The business share of the Rest of the World (ROW) market continues to be higher, driven by increased demand in aerospace & defense customers outside of India.
- The Indian business mix stood at ~39%, with a major contribution from the defense segment, and going forward, management expects this trend to continue.
- One-time M&A integration related expenses of INR80m were included as other expenses in 3QFY25 and are not expected to be repeated going forward.
- Despite foreign exchange gains, other income remained low, and going forward the company does not expect other income to increase as the company continues to consume the surplus cash from the IPO, leading to a decrease in interest yields.

### Order book

- Order backlog stands at INR21.4b, which includes INR2.9m worth of order backlog from Altek.
- Growth in order consumption by big clients is faster than growth in the order book.
- The company is in active conversation with three large global companies, with the company seeing strong traction in the North American markets.
- Standalone order book execution is usually around 18-24 months.

### Altek acquisition

- Altek is based in Connecticut, providing high-value electronic manufacturing service in the medical and industrial segments.
- The integration process is going at a good pace as per the plan, with synergy benefits being mapped and expected to start from the upcoming quarters.
- Going forward the focus will be on market dealers. It is working with top clients of both companies.
- The focus of local manufacturing in the US, driven by favorable regulations by the new government, will provide significant growth opportunities for Altek and strengthen its manufacturing capacities in the US markets.
- Altek has been providing services in the EMS industry for about 50 years, with a focus on the industrial, defense and medical segments. Altek's business complements Cyient DLM's business in many ways.
- Many clients of the company are based in the US and this acquisition will open more avenues for the company.
- Altek EBITDA margins were similar to Cyient DLM in 3QFY25, significantly below the historical margins of ~10%. However, 3Q was a one-off quarter and the company has a plan for margin expansion.
- RoE for both businesses will be in similar lines.

**Guidance and Outlook**

- Management reiterates a 30% revenue CAGR guidance over the next three years, though yearly growth rates may vary.
- Overall margins are expected to be flat in FY25 on a YoY basis.
- EBITDA margins are expected to be soft in 1HFY26 and may expand in FY26, driven by the change in the revenue mix.

**Others**

- The industry and medical segments are showing signs of a recovery in India.
- Cyient DLM has added a leading global technology company, which specializes in energy services and solutions.
- Currently, the company has sufficient capacity; hence, there are no major capex plans other than small incremental capex.
- The pipeline as of 3QFY25 stands at USD1b (total contract value), with three large deals at advanced stages.
- The revenue mix has changed significantly from the previous quarters and it looks more balanced with the acquisition of Altek, which resulted in 47%/156% YoY growth in the industrial/MedTech.
- Standalone EBITDA margins were impacted by the rise in other expenses due to the increase in bad debt provisions.
- Every year USD1m will be coming under amortization and the balance will be goodwill.

**Valuation and view**

- Going ahead, we expect the growth momentum to slow down in the near term due to the lack of BEL orders and a delay in order flows from existing and new clients. However, the integration of Altek will drive healthy financial performance due to synergy benefits and industry tailwinds.
- For the medium to long term, the conversion of orders from new clients added over the last few quarters and ongoing discussions with some large global potential customers should boost growth visibility.
- We estimate CYIENTDL to report a CAGR of 27%/34%/43% in revenue/EBITDA/adj. PAT over FY24-27E. We retain our BUY rating on the stock with a TP of INR700 (31x FY27E EPS).

**Exhibit 7: Summary of our revised estimates**

Earnings change (INR m)	Old			New			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	16,034	21,923	27,950	15,909	19,112	24,330	-1%	-13%	-13%
EBITDA	1,493	2,543	3,410	1,436	2,064	2,676	-4%	-19%	-22%
Adj. PAT	893	1,720	2,394	765	1,296	1,775	-14%	-25%	-26%

## Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	<b>4,571</b>	<b>6,280</b>	<b>7,205</b>	<b>8,320</b>	<b>11,919</b>	<b>15,909</b>	<b>19,112</b>	<b>24,330</b>
Change (%)	-4.9	37.4	14.7	15.5	43.2	33.5	20.1	27.3
RM Cost	3,649	4,953	5,440	6,452	9,200	11,871	14,239	18,126
Employees Cost	441	469	517	647	1,174	1,841	2,045	2,555
Other Expenses	344	399	409	344	435	761	764	973
<b>Total Expenditure</b>	<b>4,434</b>	<b>5,821</b>	<b>6,365</b>	<b>7,442</b>	<b>10,809</b>	<b>14,473</b>	<b>17,048</b>	<b>21,654</b>
% of Sales	97.0	92.7	88.3	89.4	90.7	91.0	89.2	89.0
<b>EBITDA</b>	<b>137</b>	<b>460</b>	<b>840</b>	<b>878</b>	<b>1,110</b>	<b>1,436</b>	<b>2,064</b>	<b>2,676</b>
Margin (%)	3.0	7.3	11.7	10.6	9.3	9.0	10.8	11.0
Depreciation	106	185	193	194	223	341	437	465
<b>EBIT</b>	<b>31</b>	<b>275</b>	<b>647</b>	<b>684</b>	<b>887</b>	<b>1,095</b>	<b>1,627</b>	<b>2,211</b>
Int. and Finance Charges	182	208	220	315	344	388	250	230
Other Income	78	89	79	63	278	322	355	390
<b>PBT bef. EO Exp.</b>	<b>-72</b>	<b>156</b>	<b>507</b>	<b>432</b>	<b>821</b>	<b>1,030</b>	<b>1,732</b>	<b>2,371</b>
EO Items	0	0	0	0	0	80	0	0
<b>PBT after EO Exp.</b>	<b>-72</b>	<b>156</b>	<b>507</b>	<b>432</b>	<b>821</b>	<b>950</b>	<b>1,732</b>	<b>2,371</b>
Total Tax	-5	38	109	114	209	243	436	597
Tax Rate (%)	7.2	24.2	21.6	26.5	25.5	25.6	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>-67</b>	<b>118</b>	<b>398</b>	<b>317</b>	<b>612</b>	<b>707</b>	<b>1,296</b>	<b>1,775</b>
<b>Adjusted PAT</b>	<b>-67</b>	<b>118</b>	<b>398</b>	<b>317</b>	<b>612</b>	<b>765</b>	<b>1,296</b>	<b>1,775</b>
Change (%)	760.3	-276.3	236.0	-20.2	92.9	25.0	69.3	37.0
Margin (%)	-1.5	1.9	5.5	3.8	5.1	4.8	6.8	7.3

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	9,003	10,299	12,074
<b>Net Worth</b>	<b>257</b>	<b>377</b>	<b>771</b>	<b>1,979</b>	<b>9,090</b>	<b>9,797</b>	<b>11,092</b>	<b>12,867</b>
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
<b>Capital Employed</b>	<b>3,275</b>	<b>3,116</b>	<b>4,101</b>	<b>5,123</b>	<b>10,425</b>	<b>10,796</b>	<b>11,592</b>	<b>13,366</b>
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	1,735	2,172	2,637
<b>Net Fixed Assets</b>	<b>1,032</b>	<b>1,826</b>	<b>1,692</b>	<b>1,579</b>	<b>1,891</b>	<b>3,699</b>	<b>3,578</b>	<b>3,506</b>
Goodwill on Consolidation	30	30	30	30	30	30	30	30
Capital WIP	774	23	34	13	10	177	210	267
<b>Total Investments</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>895</b>	<b>662</b>	<b>662</b>	<b>662</b>	<b>662</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>4,034</b>	<b>4,517</b>	<b>5,971</b>	<b>8,529</b>	<b>13,440</b>	<b>13,611</b>	<b>15,781</b>	<b>19,938</b>
Inventory	2,226	1,555	2,696	4,251	4,642	5,366	5,851	6,952
Account Receivables	546	2,264	1,523	1,617	2,259	2,615	3,142	3,999
Cash and Bank Balance	661	342	1,218	1,676	5,366	4,197	5,068	6,796
Loans and Advances	601	357	534	985	1,173	1,432	1,720	2,190
<b>Curr. Liability &amp; Prov.</b>	<b>2,599</b>	<b>3,284</b>	<b>3,629</b>	<b>5,924</b>	<b>5,607</b>	<b>7,383</b>	<b>8,670</b>	<b>11,037</b>
Account Payables	1,205	1,928	1,932	2,853	3,200	3,903	4,681	5,959
Other Current Liabilities	1,330	1,262	1,564	2,973	2,297	3,341	3,822	4,866
Provisions	64	93	134	98	110	139	167	212
<b>Net Current Assets</b>	<b>1,435</b>	<b>1,233</b>	<b>2,342</b>	<b>2,605</b>	<b>7,832</b>	<b>6,228</b>	<b>7,111</b>	<b>8,900</b>
<b>Appl. of Funds</b>	<b>3,274</b>	<b>3,116</b>	<b>4,101</b>	<b>5,123</b>	<b>10,425</b>	<b>10,796</b>	<b>11,592</b>	<b>13,366</b>

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>-0.8</b>	<b>1.5</b>	<b>5.0</b>	<b>4.0</b>	<b>7.7</b>	<b>9.6</b>	<b>16.3</b>	<b>22.4</b>
Cash EPS	0.5	3.8	7.4	6.4	10.5	13.9	21.9	28.2
BV/Share	3.2	4.7	9.7	25.0	114.6	123.5	139.9	162.2
<b>Valuation (x)</b>								
P/E	-705.0	399.9	119.0	149.1	77.3	61.8	36.5	26.7
Cash P/E	1,222.4	156.2	80.1	92.5	56.6	42.8	27.3	21.1
P/BV	184.0	125.6	61.3	23.9	5.2	4.8	4.3	3.7
EV/Sales	10.9	7.9	6.9	5.9	3.6	2.8	2.2	1.7
EV/EBITDA	362.4	108.3	58.9	55.6	39.0	30.7	20.7	15.3
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	15.1	16.0	19.8
<b>Return Ratios (%)</b>								
RoE	-22.1	37.3	69.3	23.1	11.1	8.1	12.4	14.8
RoCE	3.8	8.5	15.6	11.9	11.2	9.9	13.2	15.6
RoIC	1.9	9.1	18.1	18.7	19.1	16.1	21.3	29.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.7	2.4	2.7	3.0	3.6	2.9	3.3	4.0
Asset Turnover (x)	1.4	2.0	1.8	1.6	1.1	1.5	1.6	1.8
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
<b>Leverage Ratio (x)</b>								
Current Ratio	1.6	1.4	1.6	1.4	2.4	1.8	1.8	1.8
Interest Cover Ratio	0.2	1.3	2.9	2.2	2.6	2.8	6.5	9.6
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	1,030	1,732	2,371
Depreciation	106	185	193	194	223	341	437	465
Interest & Finance Charges	133	171	175	267	66	65	-105	-160
Direct Taxes Paid	3	1	-62	-168	-209	-243	-436	-597
(Inc)/Dec in WC	-105	-200	-329	-229	-1,537	436	-12	-61
<b>CF from Operations</b>	<b>69</b>	<b>275</b>	<b>375</b>	<b>381</b>	<b>-637</b>	<b>1,629</b>	<b>1,616</b>	<b>2,018</b>
Others	93	74	111	158	-68	-80	0	0
<b>CF from Operating incl EO</b>	<b>163</b>	<b>349</b>	<b>486</b>	<b>539</b>	<b>-705</b>	<b>1,549</b>	<b>1,616</b>	<b>2,018</b>
(Inc)/Dec in FA	-830	-274	-77	-76	-531	-350	-350	-450
<b>Free Cash Flow</b>	<b>-667</b>	<b>75</b>	<b>409</b>	<b>463</b>	<b>-1,236</b>	<b>1,199</b>	<b>1,266</b>	<b>1,568</b>
(Pur)/Sale of Investments	-3	0	0	-892	0	0	0	0
Others	-51	265	-247	-450	-3,746	-1,644	355	390
<b>CF from Investments</b>	<b>-884</b>	<b>-9</b>	<b>-324</b>	<b>-1,418</b>	<b>-4,277</b>	<b>-1,994</b>	<b>5</b>	<b>-60</b>
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	-388	-250	-230
Dividend Paid	0	0	0	0	0	0	0	0
Others	0	-232	0	-19	-58	0	0	0
<b>CF from Fin. Activity</b>	<b>723</b>	<b>-660</b>	<b>461</b>	<b>721</b>	<b>4,789</b>	<b>-724</b>	<b>-750</b>	<b>-230</b>
<b>Inc/Dec of Cash</b>	<b>2</b>	<b>-320</b>	<b>622</b>	<b>-158</b>	<b>-192</b>	<b>-1,169</b>	<b>871</b>	<b>1,728</b>
Opening Balance	596	662	342	1,218	1,676	5,366	4,197	5,068
Other cash & cash equivalent	64	0	254	616	3,882	0	0	0
<b>Closing Balance</b>	<b>662</b>	<b>342</b>	<b>1,218</b>	<b>1,676</b>	<b>5,366</b>	<b>4,197</b>	<b>5,068</b>	<b>6,796</b>

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](http://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://online.reports.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](http://www.nseindia.com), [www.bseindia.com](http://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") (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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.

8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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 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.

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 Parel 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.