Zensar

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ZENT IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	170.2 / 2
52-Week Range (INR)	840 / 513
1, 6, 12 Rel. Per (%)	0/6/26
12M Avg Val (INR M)	772

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	52.9	58.8	64.9
EBIT Margin (%)	13.7	14.1	14.5
PAT	6.5	7.4	8.4
EPS (INR)	28.4	32.4	36.6
EPS Gr. (%)	-2.5	14.3	12.7
BV/Sh. (INR)	177.7	201.3	227.9
Ratios			
RoE (%)	17.1	17.3	17.2
RoCE (%)	13.6	13.9	14.0
Payout (%)	24.0	24.0	24.0
Valuations			
P/E (x)	26.6	23.3	20.6
P/BV (x)	4.2	3.8	3.3
EV/EBITDA (x)	18.6	15.9	13.5
Div Yield (%)	0.9	1.0	1.2

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	49.1	49.1	49.2
DII	19.8	19.1	16.5
FII	15.1	14.8	17.1
Others	16.0	17.0	17.2

FII Includes depository receipts

CMP: INR750 **TP: INR850 (+13%)** **Neutral**

Upbeat performance

But Hi-tech concerns persist; reiterate Neutral

- ZENT reported a decent 3QFY25, with revenue growth of 0.7% QoQ CC (est. flat growth), driven by Manufacturing & Consumer services (up 6.5% QoQ CC) and Healthcare & Lifesciences (up 3.2% QoQ CC). Deal TCV came in at USD205.3m (up 1.7% QoQ/22.6% YoY). EBIT margin expanded 70bp QoQ to 13.8%, above our estimate of 13.2%. PAT of INR1,598m (up 2.6% QoQ/down 1.2% YoY) beat our estimate of INR1,431m, led by higher EBIT & other income. For 9MFY25, revenue grew 6.8%, whereas EBIT/PAT declined 5.8%/3.7% vs. 9MFY24. For 4QFY25, we expect revenue/EBIT/PAT to grow by 11.4%/10.1%/1.3% YoY. Our TP of INR850 is based on 23x FY27E EPS. **Reiterate Neutral.**

Our view: Strong deal wins in 3Q

- **Growth (excl. Hi-tech) robust despite furloughs**: ZENT reported decent overall growth, led by strong growth in Healthcare and BFSI. The TMT (Telecom, Media, and Technology) segment faced declined by 3.5% QoQ CC due to client-specific furloughs. Despite persistent issues in the top account, we believe ZENT's execution is impressive, and as the company continues to diversify, growth should de-couple in the coming quarters.
- **Deal wins healthy**: ZENT achieved its highest-ever order book of USD205m in 3Q, with a book-to-bill ratio of 1.3x, supported by broad-based deal wins. Notably, this was the second consecutive quarter of more than USD200m in order bookings. Since ZENT's practice of counting only signed statements of work ensures almost a 100% conversion rate, underscoring revenue predictability, in our view.
- **Discretionary spending slowly coming back**: Management noted that discretionary spending is gradually recovering. This recovery aligns with client interest in emerging technologies such as GenAI and Agentic AI, which ZENT has proactively embraced through its innovative AI solutions. Despite macroeconomic uncertainties, we believe early signs of client optimism suggest that discretionary spending could further accelerate if these technologies gain widespread adoption.
- **Stable margins**: Margins were impacted by SG&A (-180bp), which was offset by volume and utilization benefits (+10bp), higher leave utilization (+90bp), operational efficiencies (+80bp) and exchange impact on GM (+10bp). As a result, EBITDA margin expanded 20bp QoQ. We believe the new management has proven that it can deliver on margins.
- **Hi-tech may continue to drag down growth in FY26E:** We note the company's impressive execution in banking, manufacturing, and healthcare, and expect ZENT revenue (excl. Hi-Tech) to grow by ~16% in FY26E. That said, a 10% decline in Hi-Tech could drag down overall revenue growth to 10% in FY26E. Hence, we sit on the sidelines.

Abhishek Pathak - Research analyst (Abhishek.Pathak@MotilalOswal.com)
Research analyst: Keval Bhagat (Keval.Bhagat@MotilalOswal.com) | **Tushar Dhonde** (Tushar.Dhonde@MotilalOswal.com)

Valuation and change in estimates

- We expect ZENT to deliver EBITDA margin of 15.6%/15.9%/16.3% in FY25/ FY26/FY27. This will result in an INR PAT CAGR of 8.0% over FY24-27E. We have raised our FY25/FY26/FY27 estimates by ~5%, supported by a decent 3Q print in a seasonally weak quarter and a robust order book. Our TP of INR850 is based on 23x FY27E EPS. **Retain Neutral.**

Revenue largely in line and margins beat; TMT declined QoQ

- ZENT revenue stood at USD157m, up 0.5% QoQ in USD terms, ahead of our estimate of flat growth QoQ. Reported USD revenue rose 0.7% QoQ CC.
- Growth was driven by Manufacturing & Consumer services (up 6.5% QoQ CC), followed by Healthcare & Life Sciences (up 3.2% QoQ CC). TMT/BFSI declined 3.5%/1.3% QoQ CC.
- Deal TCV: bookings came in at USD205.3m (up 1.7% QoQ/22.6% YoY) and the book-to-bill was 1.3x.
- EBIT margin was 13.8% (est. 13.2%), up 70bp QoQ.
- In 3Q, total headcount increased by 2.7% QoQ to 10,517. LTM attrition was 10% (flat QoQ). Utilization was flat QoQ at 82.9%.
- PAT of INR1,598m (up 2.6% QoQ/down 1.2% YoY) beat our estimate of INR1,431m, led by higher EBIT and other income.

Key highlights from the management commentary

- Both farming (deepening existing client relationships) and hunting (acquiring new clients) are critical for building large accounts. Over the past two years, the company has significantly strengthened its farming efforts, successfully adding one client to the USD20m revenue bucket.
- Discretionary spending trends will align with emerging market trends. For example, if Generative AI (Gen-AI) gains widespread adoption, it could lead to a significant increase in discretionary spending.
- Order bookings were broad-based and did not include any large deals. However, the company is currently in discussions regarding 2-3 significant deals.
- The company is focusing more on building annuity revenue, which provides stability, rather than relying on discretionary spending. Large deals are a key avenue for this strategy.
- Depreciation as a percentage of revenue declined to 1.7% and is expected to remain at this level. The increase in SG&A expenses was attributed to higher investments in sales and marketing.

Valuation and view

- We believe the company’s exposure to the Hi-Tech vertical could continue to weigh on growth in the near term; however, it will be offset by a recovery in BFS. We have raised our FY25/FY26/FY27 estimates by 5%, supported by a solid 3Q performance (despite the impact of furloughs) and a robust order book. Our TP of INR850 is based on 23x FY27E EPS. **Retain Neutral**.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY25	bp)
Revenue (USD m)	**149**	**150**	**145**	**148**	**154**	**156**	**157**	**159**	**592**	**627**	**156**	**0.6**
QoQ (%)	1.2	0.6	-3.7	2.3	4.3	1.2	0.5	1.4	-2.0	5.8	-0.1	58bp
Revenue (INR m)	**12,272**	**12,408**	**12,041**	**12,297**	**12,881**	**13,080**	**13,256**	**13,696**	**49,018**	**52,913**	**13,162**	**0.7**
YoY (%)	2.0	0.5	0.5	1.4	5.0	5.4	10.1	11.4	1.1	7.9	9.3	78bp
GPM (%)	**33.6**	**31.8**	**31.1**	**30.6**	**30.4**	**28.1**	**30.1**	**30.5**	**31.8**	**29.8**	**29.3**	**80bp**
SGA (%)	14.9	13.2	13.9	14.1	15.2	12.7	14.5	14.3	14.0	14.2	13.8	69bp
EBITDA	**2,301**	**2,308**	**2,076**	**2,030**	**1,961**	**2,011**	**2,069**	**2,219**	**8,715**	**8,260**	**2,040**	**1.4**
EBITDA Margin (%)	**18.8**	**18.6**	**17.2**	**16.5**	**15.2**	**15.4**	**15.6**	**16.2**	**17.8**	**15.6**	**15.5**	**11bp**
EBIT	**1,878**	**1,942**	**1,764**	**1,793**	**1,714**	**1,714**	**1,832**	**1,974**	**7,377**	**7,235**	**1,737**	**5.5**
EBIT Margin (%)	**15.3**	**15.7**	**14.6**	**14.6**	**13.3**	**13.1**	**13.8**	**14.4**	**15.0**	**13.7**	**13.2**	**62bp**
Other income	224	306	356	493	383	366	270	342	1,379	1,361	171	57.8
ETR (%)	25.7	22.7	23.8	24.2	24.7	25.1	24.0	24.2	24.1	24.5	25.0	
Adj. PAT	**1,562**	**1,738**	**1,616**	**1,733**	**1,579**	**1,558**	**1,597**	**1,756**	**6,649**	**6,490**	**1,431**	**11.6**
QoQ (%)	30.9	11.3	-7.0	7.2	-8.9	-1.3	2.5	10.0			-8.2	
YoY (%)	108.0	206.0	111.2	45.3	1.1	-10.4	-1.2	1.3	102.9	-2.4	-11.5	
EPS (INR)	**6.8**	**7.6**	**7.1**	**7.6**	**6.9**	**6.8**	**7.0**	**7.7**	**29.1**	**28.4**	**6.3**	11.4

Key Performance Indicators

Y/E March	FY24				FY25E			FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	1.3	0.2	(3.2)	2.0	4.3	0.3	0.7	
Margins								
Gross Margin	33.6	31.8	31.1	30.6	30.4	28.1	30.1	31.8
EBIT Margin	15.3	15.7	14.6	14.6	13.3	13.1	13.8	15.0
Net Margin	12.7	14.0	13.4	14.1	12.3	11.9	12.0	13.6
Operating metrics								
Headcount	10,540	10,330	10,225	10,349	10,396	10,240	10,517	10,349
LTM Attrition (%)	15.9	13.1	12.0	10.9	10.6	10.1	10.0	11
Offshore Rev	48.0	49.1	49.6	50.0	48.6	50.3	50.5	50.0
Key Geographies (YoY USD %)								
North America	(6.3)	(10.5)	(6.5)	(5.7)	2.4	6.4	10.6	(7.3)
UK	1.6	20.3	13.5	15.4	6.6	1.6	7.5	12.6
Africa	(0.8)	8.4	9.7	14.3	4.3	(4.5)	(0.2)	7.9

Key highlights from the management commentary

Growth and outlook

- The company is observing early signs of discretionary spending based on client conversations. Operational excellence, robust database governance, and a strong focus on client centricity have boosted the company's resilience. ZENT now feels optimistic and confident about adopting an aggressive approach to business growth.
- Both farming (deepening existing client relationships) and hunting (acquiring new clients) are critical for building large accounts. Over the past two years, the company has significantly strengthened its farming efforts, successfully adding one client to the USD20m revenue bucket.
- Discretionary spending trends will align with emerging market trends. For example, if Gen-AI gains widespread adoption, it could lead to a significant increase in discretionary spending.
- Operational excellence, robust database governance, and a strong focus on client centricity have boosted the company's resilience. ZENT now feels optimistic and confident about adopting an aggressive approach to business growth.

- Despite a seasonally weak quarter, the company achieved 8.6% YoY growth. Some pockets experienced furlough-related challenges, but the impact was limited. The company's healthcare segment was not significantly affected by the Bridgeview integration and is now reported as a combined entity.
- Order bookings were broad-based and did not include any large deals. However, the company is currently in discussions regarding 2-3 significant deals. The deal pipeline remains healthy, albeit slightly lower, as win rates have improved.
- While furlough effects and fewer working days may slightly affect performance, the company expects a positive outlook for the next quarter. A significant portion of the order book is concentrated in the BFSI sector and Europe.
- ZENT considers signed statements of work as deal wins, implying a 100% conversion of the order book.
- The company is focusing more on building annuity revenue, which provides stability, rather than relying on discretionary spending. Large deals are a key avenue for this strategy.
- Manufacturing & Consumer led growth with a 6.5% QoQ CC increase. One client progressed from the USD10m revenue bucket to the USD20m bucket.
- Health Care & Life Science: The demand environment remained soft. Life sciences faced uncertainty regarding competition between Viva and Salesforce in the CRM space. The industry is preparing for reduced remuneration rates for certain drugs, with the new trump administration expected to adopt stricter healthcare cost policies, leading to conservative spending.
- Telecommunications, Media & Technology: Revenue declined 3.5% QoQ CC. ZENT is focusing on growing other business segments faster than TMT to diversify its revenue mix. The TMT segment's revenue share dropped from 27% last year to about 21% this quarter. The company added a new client in the semiconductor space and expects mild growth in TMT in 4Q as furlough impacts subside.
- ZENT remains committed to talent development and innovation, with plans to increase headcount. The company expects to recruit more talent from campuses as growth accelerates.
- During the quarter, ZENT deployed four major AI stack solutions for clients. The company highlighted the significance of Gen AI (based on large language models) and Agentic AI, which creates agents on top of these models. ZENT believes that Agentic AI is crucial for the adoption and popularity of GenAI.

Margin performance and outlook

- EBITDA margins stood at 15.6%, a 20bp QoQ improvement. Margins were impacted by SG&A (-180bp), offset by volume and utilization benefits (+10bp), higher leave utilization (+90bp), operational efficiencies (+80bp) and exchange impact on GM (+10bp), leading to a net increase of 20bp QoQ in EBITDA margin.
- EBIT margins improved by 70bp QoQ to 13.8%.
- EBITDA margin was in line with the guidance of mid-teen margin. Depreciation as a percentage of revenue declined to 1.7% and is expected to remain at this level.
- The increase in SG&A expenses was attributed to higher investments in sales and marketing.

- The company expects to maintain the guided range of mid-teens, and anything above mid-teens will be recouped in business for building sales and capabilities.

Exhibit 1: Manufacturing and Healthcare witnessed strong growth

Verticals	Revenue contribution (%)	Growth QoQ (CC)
Hi-Tech	21.4	(3.5)
Manufacturing	27.7	6.5
Banking	40.1	(1.3)
Healthcare	10.8	3.2

Source: Company, MOFSL

Exhibit 2: Europe performed well in 3Q

Geographies	Revenue contribution (%)	Growth QoQ (CC)
North America	67.3	0.2
Europe	21.2	2.2
Africa	11.5	1.5

Source: Company, MOFSL

Valuation and view

- We believe the company's exposure to the Hi-Tech vertical could continue to weigh on growth in the near term; however, it will be offset by a recovery in BFS. We have raised our FY25/FY26/FY27 estimates by 5%, supported by a solid 3Q performance (despite the impact of furloughs) and a robust order book. Our TP of INR850 is based on 23x FY27E EPS. **Retain Neutral**.

Exhibit 3: Summary of our revised estimates

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	84.4	86.0	86.0	84.1	84.9	84.9	0.4%	1.3%	1.3%
USD Revenue - m	627	683	754	625	680	750	0.3%	0.6%	0.6%
Growth (%)	5.8	9.0	10.4	5.5	8.7	10.4	30bps	30bps	0bps
EBIT margin (%)	13.7	14.1	14.5	13.5	15.0	15.5	20bps	-80bps	-100bps
PAT (INR m)	6,490	7,419	8,364	6,151	7,053	8,028	5.5%	5.2%	4.2%
EPS	28.4	32.4	36.6	26.9	30.9	35.1	5.4%	5.1%	4.1%

Source: Company, MOFSL

Exhibit 4: Operating metrics

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Geographic Mix - %									
USA	70	70	69	66	66	66	69	68	67
Europe	19	18	19	22	21	21	20	21	21
ROW	11	12	11	12	13	13	12	11	12
Revenue by delivery - %									
Onsite	55	54	52	51	50	50	51	50	50
Offshore	45	46	48	49	50	50	49	50	51
Client concentration - %									
Top 5	32	34	34	32	29	28	28	29	28
Top 6-10	13	12	11	11	11	13	14	14	14
Top 10	45	46	45	42	41	41	42	42	41
Top 11-20	17	15	17	16	17	16	17	16	16
Top 20	61	61	62	58	58	57	59	58	57
Number of million dollar clients									
1 Million dollar +	87	84	87	84	84	85	86	86	87
5 Million dollar +	28	29	29	29	32	31	31	32	34
10 Million dollar +	15	14	14	14	14	14	14	15	14
20 Million dollar +	4	4	4	4	4	4	4	4	5
Client metrics									
Number of active clients	148	148	147	148	147	148	148	158	158
Employee metrics									
Total headcount	10,845	10,563	10,540	10,330	10,225	10,349	10,396	10,240	10,517
Gross employees added during the period	593	552	654	643	627	816	855	693	975
Utilization	77.6	81.4	82.5	83.1	80.7	83.7	83.9	82.8	82.9
Attrition	22.8	19.8	15.9	13.1	12.0	10.9	10.6	10.1	10.0

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Sales	**40,102**	**36,681**	**42,437**	**48,483**	**49,018**	**52,913**	**58,780**	**64,868**
Change (%)	2.9	(8.5)	15.7	14.2	1.1	7.9	11.1	10.4
Cost of Services	28,756	24,417	29,214	35,000	33,434	37,159	40,852	45,083
Gross Profit	**11,347**	**12,264**	**13,223**	**13,483**	**15,584**	**15,754**	**17,928**	**19,785**
SG&A Expenses	6,310	5,422	6,659	7,960	6,869	7,494	8,563	9,211
EBITDA	**5,037**	**6,842**	**6,564**	**5,523**	**8,715**	**8,260**	**9,365**	**10,573**
% of Net Sales	12.6	18.7	15.5	11.4	17.8	15.6	15.9	16.3
Depreciation	1,567	1,732	1,849	1,830	1,338	1,025	1,048	1,162
EBIT	**3,470**	**5,109**	**4,715**	**3,693**	**7,377**	**7,235**	**8,317**	**9,411**
% of Net Sales	8.7	13.9	11.1	7.6	15.0	13.7	14.1	14.5
Interest	605	536	354	278	209	192	294	324
Other Income	435	367	907	642	1,583	1,863	1,763	1,946
Forex	449	-113	470	386	5	-309	0	0
PBT	**3,749**	**4,828**	**5,738**	**4,443**	**8,756**	**8,596**	**9,786**	**11,033**
Tax	1,038	1,261	1,525	1,166	2,107	2,106	2,368	2,669
Rate (%)	27.7	26.1	26.6	26.2	24.1	24.5	24.2	24.2
Minority Interest	82	70	53	0	0	0	0	0
Adjusted PAT	**2,629**	**3,497**	**4,160**	**3,277**	**6,649**	**6,490**	**7,419**	**8,364**
Change (%)	-18.9	33.0	19.0	-21.2	102.9	-2.4	14.3	12.7

Balance Sheet								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Share Capital	451	451	452	453	453	453	453	453
Reserves	20,900	23,423	26,417	29,309	35,166	39,847	45,197	51,228
Net Worth	**21,351**	**23,874**	**26,869**	**29,762**	**35,619**	**40,300**	**45,650**	**51,681**
Loans	2,886	-	0	0	0	0	0	0
Other liabilities	4,008	3,526	3,544	2,866	2,319	2,319	2,319	2,319
Capital Employed	**28,244**	**27,401**	**30,413**	**32,628**	**37,938**	**42,619**	**47,969**	**54,000**
Net Block	**13,340**	**11,330**	**12,858**	**11,735**	**10,393**	**10,168**	**9,919**	**9,557**
Other LT Assets	2,039	3,076	3,226	6,291	10,144	10,263	10,441	10,626
Curr. Assets	**20,576**	**19,928**	**22,628**	**23,184**	**25,941**	**31,506**	**37,919**	**45,195**
Current Investments	2,670	7,410	5,141	7,045	9,315	11,315	13,315	15,315
Inventories	941	0	0	0	0	0	0	0
Debtors	6,656	5,888	7,967	7,298	7,320	8,698	9,662	10,663
Cash & Bank Balance	5,258	3,492	5,054	4,744	4,432	6,232	9,097	12,767
Other Current Assets	5,051	3,138	4,466	4,097	4,874	5,261	5,845	6,450
Current Liab. & Prov	**7,711**	**6,933**	**8,299**	**8,582**	**8,540**	**9,317**	**10,311**	**11,379**
Trade payables	2,650	2,201	3,164	2,772	3,095	3,440	3,782	4,173
Other liabilities	5,061	4,732	5,135	5,810	5,445	5,878	6,529	7,206
Net Current Assets	**12,865**	**12,994**	**14,329**	**14,602**	**17,401**	**22,188**	**27,608**	**33,817**
Application of Funds	**28,245**	**27,400**	**30,413**	**32,628**	**37,938**	**42,619**	**47,969**	**54,000**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	**11.7**	**15.3**	**18.3**	**14.4**	**29.1**	**28.4**	**32.4**	**36.6**
Cash EPS	18.6	22.9	26.5	22.4	35.0	32.9	37.0	41.7
Book Value	96.3	105.7	119.0	131.5	157.3	177.7	201.3	227.9
DPS	2.8	6.4	5.0	5.0	7.0	6.8	7.8	8.8
Payout %	24.0	41.8	27.3	34.8	24.0	24.0	24.0	24.0
Valuation (x)								
P/E	64.7	49.3	41.2	52.6	25.9	26.6	23.3	20.6
Cash P/E	40.5	33.0	28.5	33.7	21.6	23.0	20.4	18.1
EV/EBITDA	32.2	23.3	24.4	28.8	18.0	18.6	15.9	13.5
EV/Sales	4.0	4.3	3.8	3.3	3.2	2.9	2.5	2.2
Price/Book Value	7.8	7.1	6.3	5.7	4.8	4.2	3.8	3.3
Dividend Yield (%)	0.4	0.8	0.7	0.7	0.9	0.9	1.0	1.2
Profitability Ratios (%)								
RoE	12.9	15.5	16.4	11.6	20.3	17.1	17.3	17.2
RoCE	10.6	14.1	12.0	8.6	15.9	13.6	13.9	14.0
Turnover Ratios								
Debtors (Days)	61	59	69	55	55	60	60	60
Fixed Asset Turnover (x)	3.5	3.0	3.5	3.9	4.4	5.1	5.9	6.7

Cash Flow Statement **(INR m)**

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CF from Operations	4,508	5,432	5,774	5,030	6,901	6,154	6,998	7,904
Cash for Working Capital	2,354	3,148	-2,427	2,113	-480	-1,106	-733	-723
Net Operating CF	**6,862**	**8,580**	**3,347**	**7,143**	**6,421**	**5,048**	**6,265**	**7,181**
Net Purchase of FA	-781	-393	-373	-334	-151	-800	-800	-800
Free Cash Flow	**6,081**	**8,187**	**2,974**	**6,809**	**6,270**	**4,248**	**5,465**	**6,381**
Net Purchase of Invest.	-2,372	-4,890	400	-4,941	-4,600	-446	-237	-54
Net Cash from Invest.	**-3,153**	**-5,283**	**27**	**-5,275**	**-4,751**	**-1,246**	**-1,037**	**-854**
Proc. from equity issues	15	15	32	4	1	0	0	0
Proceeds from LTB/STB	-502	-4,505	-1,260	-1,058	-726	-192	-294	-324
Dividend Payments	-1,228	-271	-881	-1,132	-1,246	-1,810	-2,069	-2,332
Cash Flow from Fin.	**-1,714**	**-4,761**	**-2,109**	**-2,186**	**-1,971**	**-2,002**	**-2,363**	**-2,657**
Exchange difference	4	-20	14	8	-11	0	0	0
Net Cash Flow	**1,999**	**-1,483**	**1,279**	**-310**	**-312**	**1,799**	**2,866**	**3,670**
Opening Cash Bal.	**3,259**	**5,258**	**3,775**	**5,054**	**4,744**	**4,432**	**6,231**	**9,097**
Add: Net Cash	1,999	-1,483	1,279	-310	-312	1,799	2,866	3,670
Closing Cash Bal.	**5,258**	**3,775**	**5,054**	**4,744**	**4,432**	**6,231**	**9,097**	**12,767**

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 (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.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
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(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.