

Industry	TECHNOLOGY
Bloomberg	CYL IN
BSE CODE	532175

## Weak quarter, 1Q to see major revenue dip

**RATING** **NEUTRAL**

<b>CMP</b>	<b>212</b>
<b>Price Target</b>	<b>242</b>
<b>Potential Upside</b>	<b>14%</b>

**Rating Change** 

**Estimate Change** 

**Target Change** 

### Stock Info

52wk Range H/L	581/200
Mkt Capital (Rs Cr)	2293
Free float (%)	78%
Avg. Vol 1M (000)	258
No. of Shares (Crs)	11
Promoters Pledged (Crs)	0

Fig in Rs cr

FINANCIAL	FY18	FY19	FY20
Net Sales	3,914	4,618	4,427
EBITDA	535	633	549
EBIT	430	521	361
PAT	403	477	341
EPS (Rs)	36	43	31
EPS	18%	21%	-28%
ROE (%)	18	19	13
ROCE (%)	19	21	14
BV	203	232	246
P/B (X)	3	3	1
P/E (x)	19	15	7

### Research Analyst

**NIHARIKA OJHA**

niharika@narnolia.com

+91-22-62701230

### 4QFY20 Result update

- ❑ Cyient reported a weak set of numbers in 4Q result .Both revenue and margin came below estimates. Revenue during the quarter at USD 149.2mn, a de-growth of 3.9/9.7% QoQ/YoY vs. est. of USD 152mn.
- ❑ The growth was impacted by offshore mix (USD 4mn), DLM supply chain issue (USD 1.2mn), field work challenges on account of COVID 19 (USD 3mn) and delay in shipment (USD 1.5mn).
- ❑ EBIT came at Rs 86 crore (excluding on time loss), a de-growth of 18.5%QoQ. Margin for the quarter was at EBIT stood at 8% (excluding one off).
- ❑ The margins were negatively impacted by Lower utilization, adverse revenue mix, Volume impact offset by Decrease in SGA cost and currency impact . Services margin came at 9.6% while DLM margins was at -0.5%QoQ.
- ❑ Services EBIT Margin came at 9.6% down 100bps QoQ, margins were impacted by lower utilization (140bps), revenue mix (70bps) and volume impact (120bps) offset by SGA (210bps) and currency benefit (20bps).
- ❑ PAT for the quarter came Rs 46 crore (including one off) , a de-growth of 57.6%QoQ mainly owing to margin miss..

### Broad based decline across service business

- ❑ Services (89% of rev) posted fourth consecutive quarter of YoY decline of 10%YoY .In sequential term , service decline 5.6%QoQ mainly led decline in Semiconductor and Energy & Utilities which were down 22.9%/ 24.5%QoQ.Even Communications, Portfolio and Medical remained soft and declined 1.7%/ 2.9%/ 1.6%QoQ respectively .While A&D showed a marginal growth of 0.6%QoQ growth in 4Q.

### Challenges to continue in major verticals

- ❑ Aerospace & Defense (34% of rev) which has seeing challenges for last few quarters due to structural issues in Top accounts will continue to see severe issue in coming quarter . The largest vertical, will be impacted due to lesser delivery's in commercial aircraft activity. Boeing & Airbus has indicated ~50% lesser delivery. Aerospace would take 12-18 months to recover. Even Communication (25% of revenue)will face medium term challenges, however investment continues in 5G and broadband will continue. Company will significant volume impact in 1HFY20 but recovery will be visible from 2HFY21E.

### Margin to remain under pressure ,1Q revenue to dip 15% to 20%

- ❑ EBIT margin will see significant challenge in 1Q. The company expects in 2Q to improve significantly to the 4QFY20 level while on revenue front , management expects de- growth of 15% to 20%QoQ in 1Q.The company expects growth to get back in 2Q based on current backlog and order book. Aerospace and defense will see major challenges for the year.

### View and Valuation

Cyient 4Q performance remained weak in both revenue and margins terms. Revenue declined 3.9%QoQ more than expected majorly due steep decline in Service business while supply side issue and one off impacted the margins. Broad based decline was seen across most of service business (majorly impacted semiconductor and E&U) while DLM offset some impact .The largest vertical (A&D) continues sees challenges with sharp drop in commercial aircraft activity .Going forward , we expect CYIENT to fall back among its peers as struggles continues with most of its major vertical . The company w sees stress in top accounts and in its core vertical (A&D). Even Communication communication/Transportation verticals will see significant volume impact in 1HFY20.We expect lower revenue and margin pressure in near to due investment .Even management has stated of 1Q revenue to see decline of 15% to 20%QoQ.

Post result, disappointing 4Q and Fundamental challenges in near term , we have reduced our pat estimates by 37% in FY21E.Thus we maintain our Neutral rating on stock with revised target price of Rs 242.

### Key Risks to our rating and target

- ❑ Slower than expected growth in aerospace and communications vertical.
- ❑ Slow down in order booking.

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Narnolia Financial Advisors Ltd. does and seeks to do business with companies covered in its research reports. As a result investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

## 4QFY20 Results

### Revenue misses estimates

Financials	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY %	QoQ%	FY19	FY20	Fig in Rs cr
										YoY %
Net Sales	1,163	1,089	1,159	1,106	1,074	-7.7%	-2.9%	4618	4427	-4.1%
Other Income	79	28	26	50	54	-31.7%	8.2%	134	158	18.1%
COGS	97	102	136	75	79	-18.6%	5.3%	419	392	-6.3%
Employee Exp	641	631	632	615	600	-6.5%	-2.5%	2537	2478	-2.4%
Other Expenses	258	214	230	264	261	1.2%	-0.9%	1029	968	-5.9%
EBITDA	167	143	160	152	93	-44.0%	-38.7%	633	549	-13.3%
Depreciation	26	44	49	47	48	83.5%	2.1%	111	188	68.6%
EBIT	141	99	112	105	45	-67.7%	-56.9%	521	361	-30.7%
Interest	8	12	13	12	13	50.6%	5.0%	33	49	49.1%
PBT	211	115	126	143	87	-58.9%	-39.4%	623	471	-24.4%
Tax	32	26	28	33	40	26.1%	20.4%	143	127	-11.0%
Exceptional	4	-	-	-	-	-100.0%	#DIV/0!	4	0	-100.0%
PAT	176	90	98	108	46	-73.7%	-57.1%	477	341	-28.5%

### Concall Highlights

#### ➤ Covid 19 highlights

- Cyient remained focused on WFH across geographies .In India 92% of employees are enabled WFH and 96% are either doing WFH or working in customers locations in other geographies.
- The company took WFH approval from 94% of the clients across top 65 accounts.

#### ➤ Weak quarter

- 4Q revenue came below the company's expectation (difference is 7%). Overall DLM grew 12.4% which was expected to be higher. The growth was impacted due to Covid, some issues due to lockdown of DLM Mysore( material not dispatched) and semiconductor saw impact due to delay in component shipments from China(USD1 to 1.5 million impacts) .Also the company was anticipating revenue from licensing on E & U .
- A&D and communication came in line while more challenges were seen in SI business and E&U business resulted in QoQ decline

#### ➤ Margin performance

- Consolidated EBIT stood at 8%(excluding one off).The margins were negatively impacted by Lower utilization, adverse revenue mix, Volume impact offset by Decrease in SGA cost and currency impact . Services margin came at 9.6% while DLM margins was at -0.5%.

#### ➤ Change in hedge book

- Due to volatility in major currencies, the company for one time has revised the policy to hedge 80% of net inflows for the rolling 12 months (as against previous policy of 70%).The company will be neutral from utility of foreign exchange .

#### ➤ Other update

- The boards of director have approved the appointment of Mr. Mohan Reddy as executive chairman.
- The board has approved removal of a gap of 49% on foreign holding subject to shareholders approval.

#### ➤ Industry Outlook

- Aerospace & Defense: Expected to remain impacted with Covid crisis. Boeing and Airbus are expecting 50% less deliverables in the immediate future .The company will see significant impact.
- Communications: Sees immediate impact and expect for the year(Especially H2) to perform well.
- Energy & Utilities: Overall management expects tepid growth in energy sector Utility expected to grow.
- Transportation: The Transportation industry is expected to see a medium term impact with people accessing lesser public transport and delayed project execution.

- Portfolio: Industrial segment to be hard hit in immediate term, there will supply chain challenges and capex is coming down .Expects to recover in the medium term.

## ➤ Outlook for 1QFY21

- 1Q will be challenging .The company expects a de- growth of 15% to 20%QoQ in 1Q.The company expects growth to get back in 2Q based on current backlog and order book. Aerospace and defense will see major challenges for the year.
- Communication, E&U will be impacted in 1HFY21.Transportation will also have challenges in the immediate term due to client issues.
- No salary increase in 1H.
- EBIT margin will see significant challenge in 1Q.The company expects in 2Q to improve significantly to the 4QFY20 level.

## Revenue Mix (Services + DLM)

### Strong growth in DLM, Service declined more than expected

Revenue Mix (USD mn)	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	QoQ%	YoY
Services revenue	146	145	147	138	140	140	132	-5.6%	-10.0%
DLM Revenue	23	21	18	19	24	15	17	12.6%	-7.3%
<b>Total revenue</b>	<b>169</b>	<b>165</b>	<b>165</b>	<b>157</b>	<b>164</b>	<b>155</b>	<b>149</b>	<b>-3.8%</b>	<b>-9.7%</b>

## Revenues by Service Ex DLM

### Broad based decline in business

Verticals Split (USD mn)	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	QoQ%	YoY
Aerospace and Defense	49	50	50	48	48	45	45	0.6%	-8.9%
Transportation	17	17	18	18	18	16	15	-3.0%	-16.6%
Energy & Utilities	13	12	19	17	19	20	15	-24.5%	-20.3%
Semiconductor	8	7	8	8	7	7	5	-22.9%	-35.7%
Medical and Consumer	3	3	3	3	3	3	3	-1.6%	12.5%
Portfolio	21	22	16	14	15	15	14	-2.9%	-10.0%
Communications	35	34	33	30	30	34	34	-1.3%	2.9%

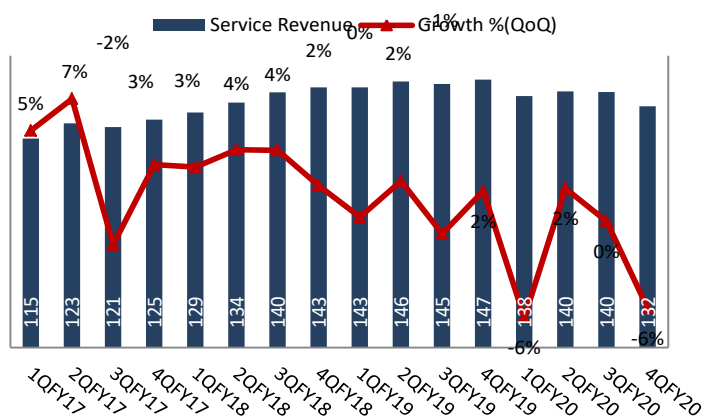
## Revenues by Geography(service)

### Softness across geographies

Geography Split (USD mn)	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	QoQ%	YoY%
North America	82	84	84	81	85	81	75	-6.4%	-10.0%
Europe, ME, Africa and	39	35	39	37	37	36	36	1.5%	-6.6%
Asia Pacific	25	26	25	20	19	24	21	-12.8%	-15.9%
<b>Total Revenue</b>	<b>146</b>	<b>145</b>	<b>147</b>	<b>138</b>	<b>141</b>	<b>140</b>	<b>132</b>	<b>-5.5%</b>	<b>-10.1%</b>

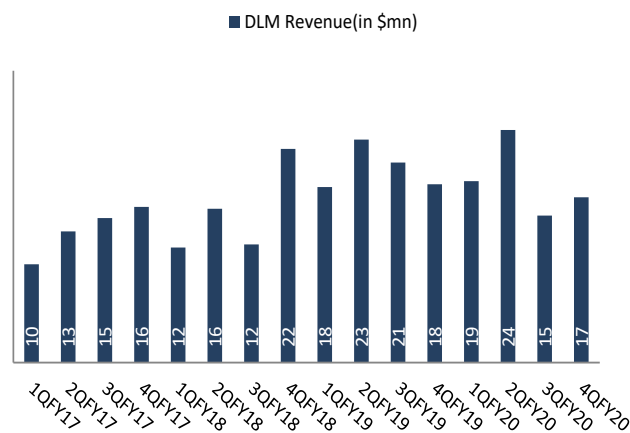
## Exhibit: Revenue trend

Broad based decline across verticals.



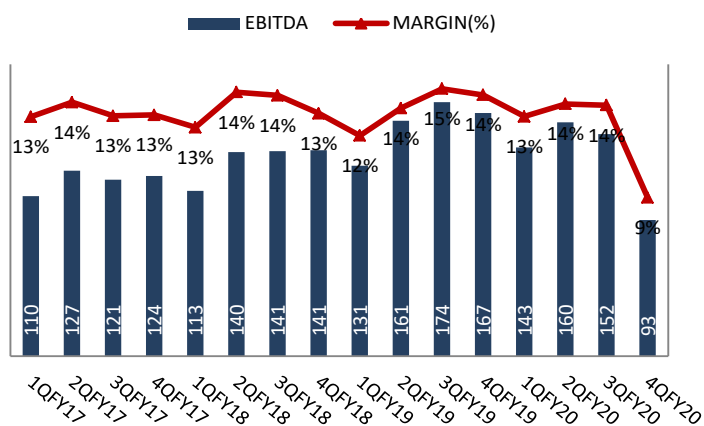
## Exhibit: DLM revenue

DLM recovered on sequential basis but drop in 1Q, in-line with company average.



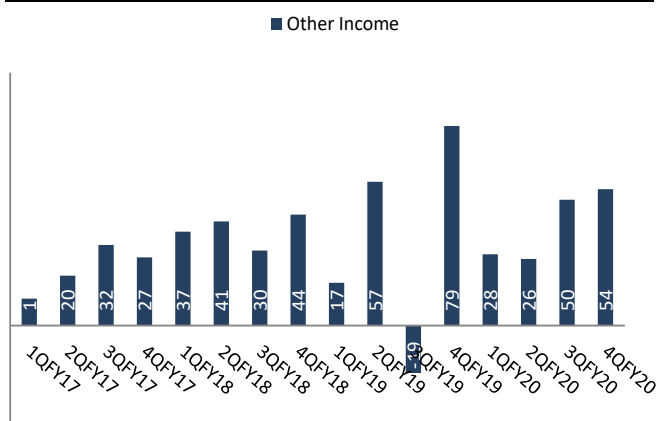
## Exhibit: Margin Trend

One off and continued investment impact ed margins .



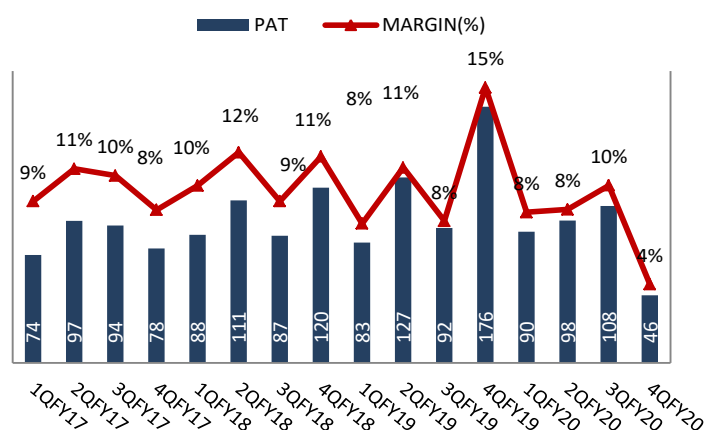
## Exhibit: Other income

Unrealized forex gain led to higher other income .4Q to continue to see jump .



## Exhibit: PAT and PAT Growth

Higher ETR and revenue miss impacted PAT growth.



## Operational Details(consolidated )

Geography %	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
America	52.5%	52.0%	54.1%	54.0%	55.4%	55.3%	56.8%	55.7%
EMEA	24.6%	23.8%	22.1%	24.7%	28.1%	26.5%	25.1%	25.7%
Asia Pacific	23.0%	24.3%	23.8%	21.3%	16.4%	18.2%	18.1%	18.6%

No. of Mn Dollar Client	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
20 Mn+	4	4	4	4	4	4	4	4
10 Mn+	11	13	13	13	12	12	11	11
5 Mn+	25	31	31	29	28	27	27	26
1 Mn+	66	81	87	86	85	91	90	95
New Customers Added	20	15	11	5	21	20	13	22

client	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
top 5	33.7%	32.7%	33.2%	31.8%	32.3%	31.0%	33.0%	31.4%
top 10	46.0%	44.1%	43.9%	43.0%	44.1%	41.6%	44.5%	43.6%

Utilization (%)	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Utilization (%)	75	78	78	78	N/A	N/A	N/A	N/A

By Business Unit (%)	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Aerospace and Defense	37%	38%	39%	37%	39%	40%	35%	38%
Transportation	11%	10%	11%	11%	11%	11%	10%	10%
IE&NR	10%	10%	13%	12%	13%	13%	15%	12%
Semicon	5%	5%	4%	5%	5%	4%	4%	4%
Medical & Healthcare	3%	3%	4%	3%	4%	4%	5%	4%
Utilities and Geospatia	22%	22%	21%	20%	19%	19%	22%	23%
Communications	12%	12%	10%	11%	9%	9%	9%	10%

Order Intake (\$ Mn)	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Cyient Services Total OI	153	157	255	185	134	143	173	196
DLM Total OI	17	39	19	11	21	22	8	60

Employee metrics	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Total Manpower	15056	15040	15193	15084	15043	14869	14472	13859
Billable	13851	13845	14002	13916	13912	13800	13405	12825
Non Billable	419	421	413	393	373	380	378	349
Support	786	774	778	775	758	689	689	685
Voluntary Attrition	16.9%	18.4%	21.2%	19.9%	17.4%	18.0%	19.7%	18.9%
Involuntary Attrition	3.4%	4.3%	2.3%	4.6%	4.3%	5.8%	5.2%	9.8%

## Financial Details

## Balance Sheet

Fig in Rs cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
Share Capital	56	56	56	56	56	56	55	55
Reserves	1,266	1,532	1,788	1,854	2,061	2,288	2,509	2,506
<b>Networth</b>	<b>1,322</b>	<b>1,588</b>	<b>1,844</b>	<b>1,910</b>	<b>2,117</b>	<b>2,344</b>	<b>2,564</b>	<b>2,561</b>
minority interest	-	-	12	13	3	0	(1)	(3)
Debt	0	6	128	183	165	241	325	374
Other Non Current Liab	<b>43</b>	<b>43</b>	<b>83</b>	<b>79</b>	<b>138</b>	<b>163</b>	<b>226</b>	<b>423</b>
<b>Total Capital Employed</b>	<b>1,322</b>	<b>1,594</b>	<b>1,972</b>	<b>2,093</b>	<b>2,282</b>	<b>2,585</b>	<b>2,889</b>	<b>2,935</b>
Net Fixed Assets (incl CWIP)	356	341	372	408	450	494	556	643
Non Current Investments	37	53	68	80	103	30	27	41
<b>Non Current Assets</b>	<b>98</b>	<b>108</b>	<b>570</b>	<b>454</b>	<b>512</b>	<b>563</b>	<b>721</b>	<b>760</b>
Inventory	-	-	61	98	94	131	28	-
Debtors	394	480	534	615	650	691	814	726
Cash & Bank	498	691	623	695	878	981	971	952
Other Curr Assets	107	155	183	199	92	91	167	119
Short-term loans and advances	59	79	136	109	-	-	-	-
Other financial assets	-	-	-	-	266	338	423	441
Current investments	61	40	34	79	93	113	28	227
<b>Current Assets</b>	<b>1,119</b>	<b>1,445</b>	<b>1,570</b>	<b>1,795</b>	<b>2,071</b>	<b>2,346</b>	<b>2,430</b>	<b>2,465</b>
Creditors	121	174	275	311	402	381	371	373
Provisions	48	62	96	58	24	23	29	38
Other Curr Liab	75	72	140	184	288	280	376	348
<b>Curr Liabilities</b>	<b>245</b>	<b>309</b>	<b>511</b>	<b>553</b>	<b>713</b>	<b>684</b>	<b>775</b>	<b>758</b>
<b>Net Curr Assets</b>	<b>875</b>	<b>1,136</b>	<b>1,059</b>	<b>1,242</b>	<b>1,358</b>	<b>1,662</b>	<b>1,654</b>	<b>1,707</b>
<b>Total Assets</b>	<b>1,610</b>	<b>1,947</b>	<b>2,579</b>	<b>2,737</b>	<b>3,136</b>	<b>3,433</b>	<b>3,889</b>	<b>4,180</b>

## Income Statement

Fig in Rs cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
<b>Revenue from Operation</b>	<b>1873</b>	<b>2206</b>	<b>2736</b>	<b>3096</b>	<b>3586</b>	<b>3914</b>	<b>4618</b>	<b>4427</b>
Change (%)	21%	18%	24%	13%	16%	9%	18%	-4%
<b>EBITDA</b>	<b>342</b>	<b>410</b>	<b>401</b>	<b>421</b>	<b>477</b>	<b>535</b>	<b>633</b>	<b>549</b>
Change (%)	27%	20%	-2%	5%	13%	12%	18%	-13%
Margin (%)	18%	19%	15%	14%	13%	14%	14%	12%
Depr & Amor.	64	72	71	89	95	105	111	188
<b>EBIT</b>	<b>279</b>	<b>338</b>	<b>330</b>	<b>331</b>	<b>382</b>	<b>430</b>	<b>521</b>	<b>361</b>
Int. & other fin. Cost	0	1	6	18	16	20	33	49
Other Income	38	17	122	109	93	152	134	158
<b>EBT</b>	<b>317</b>	<b>354</b>	<b>446</b>	<b>422</b>	<b>459</b>	<b>562</b>	<b>623</b>	<b>471</b>
Exp Item	2	-	-	9	26	5	4	-
Tax	97	103	110	99	105	138	143	127
Minority Int & P/L share of Ass.	13	15	15	12	12	(16)	1	(3)
<b>Reported PAT</b>	<b>231</b>	<b>266</b>	<b>351</b>	<b>327</b>	<b>340</b>	<b>403</b>	<b>477</b>	<b>341</b>
<b>Adjusted PAT</b>	<b>231</b>	<b>266</b>	<b>351</b>	<b>327</b>	<b>340</b>	<b>403</b>	<b>477</b>	<b>341</b>
Change (%)	43%	15%	32%	-7%	4%	18%	18%	-28%
Margin(%)	12%	12%	13%	11%	9%	10%	10%	8%

## Financial Details

## Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
ROE	19	18	20	17	17	18	19	13
ROCE	22	23	19	17	18	19	21	14
Asset Turnover	5	6	7	8	8	8	8	7
Current Ratio	5	5	3	3	3	3	3	3
Debtor Days	77	114	71	72	66	64	64	60
Book Value Per Share	113	137	159	165	183	203	232	246
Payable Days	24	29	37	37	41	36	29	31
Earnings Per Share	21	24	31	29	30	36	43	31
P/E	8	14	16	15	16	19	15	7
Price / Book Value	1	2	3	3	3	3	3	1
EV/EBITDA	4	7	13	10	10	13	10	3
EV/Sales	1	1	2	1	1	2	1	0

## Cash Flow Statement

Fig in Rs cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
PBT	315	354	446	413	340	403	477	341
(inc)/Dec in Working Capital	(100)	(67)	33	(93)	37	(166)	(171)	33
Non Cash Op Exp	325	395	440	456	466	607	650	647
Int Paid (+)	0	1	6	18	17	20	33	49
Tax Paid	(85)	(102)	(117)	(102)	(100)	(165)	(142)	(146)
<b>CF from Op. Activities</b>	<b>140</b>	<b>227</b>	<b>362</b>	<b>278</b>	<b>420</b>	<b>296</b>	<b>370</b>	<b>582</b>
(inc)/Dec in FA & CWIP	(72)	(77)	(82)	(129)	(108)	(147)	(151)	(215)
Free Cashflow	68	151	280	150	312	149	219	368
(Pur)/Sale of Inv	(39)	21	6	(45)	(24)	314	611	623
others	38	38	(453)	89	(49)	(254)	(681)	(565)
<b>CF from Inv. Activities</b>	<b>(73)</b>	<b>(18)</b>	<b>(528)</b>	<b>(85)</b>	<b>(181)</b>	<b>(87)</b>	<b>(221)</b>	<b>(157)</b>
inc/(dec) in Debt	3	5	7	2	2	1	2	2
Int. Paid	0	(1)	(6)	(18)	(17)	(19)	(30)	(29)
Div Paid (inc tax)	(42)	(52)	(78)	(162)	(75)	(189)	(126)	(317)
others	(3)	6	46	67	(3)	72	85	32
<b>CF from Fin. Activities</b>	<b>(42)</b>	<b>(43)</b>	<b>(32)</b>	<b>(111)</b>	<b>(94)</b>	<b>(136)</b>	<b>(232)</b>	<b>(446)</b>
<b>Inc(Dec) in Cash</b>	<b>25</b>	<b>167</b>	<b>(198)</b>	<b>83</b>	<b>146</b>	<b>74</b>	<b>(83)</b>	<b>(21)</b>
Add: Opening Balance	471	522	769	600	711	857	960	910
<b>Closing Balance</b>	<b>496</b>	<b>689</b>	<b>570</b>	<b>683</b>	<b>857</b>	<b>960</b>	<b>907</b>	<b>900</b>

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

**Disclosures:** Narnolia Financial Advisors Ltd. (NFAL) (FormerlyMicrosec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFALis engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at [www.narnolia.com](http://www.narnolia.com)

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, it's associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have 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. NFAL 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 NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and it's associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL 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. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**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.

**Disclosure of Interest Statement-**

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

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).

Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVelox Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

**Disclaimer:**

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL)and is meant for sole use by the recipient and not for public 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 NFAL. 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. 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. 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.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 his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, 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 or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL 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 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 NFAL & its group companies to registration or licensing requirements within such jurisdictions.