

BPO and KPO | Company Update

AJE Acquisition Deepens Content capabilities and B2C Access.

- MPS announced acquisition of 100% stake in Research Square AJE for a cash consideration of \$8.4mn (Rs.700mn) for an implied P/S of 0.3x.
- Acquisition is aimed at complementing MPS in: - a) Scaling up AI capabilities, b) Entry into B2C marketplace, c) Expansion into China, d) Value chain advancement and e) Premier Customer partnership.
- The transaction is valued at ~0.3x P/S on CY23 Rev. of ~\$30mn, which is very attractive as management is confident and have decent visibility on its roadmap to take current Early teens EBIDTA margins to reach 25-30% levels on FY25 exit basis.
- This acquisition reflects the right alignment of MPS's FY28 vision (to achieve Rs.1.5bn Rev). Transaction will lead to an uptick in growth prospects, thus driving up our growth confidence and TP to Rs.2120 valued at 20x of FY26E EPS (implies just 1x on PEG basis).

MPS acquires AJE: Forging Academic Publishing Dominance.

American Journal Experts (Research Square), founded in 2004 in Durham, USA, is a subsidiary of Springer Nature Group (MPS's largest client). It has a strong presence in the AI, NLP market & operates globally, including a subsidiary in Beijing, China, serving over 1k+ Chinese research institutions with language editing & related services. AJE Revenues stood at \$35mn/\$36mn/\$34mn for CY20/21/22 respectively with 65% Gross margins.

AJE Acquisition Fuels Content & Platform Capabilities / Geo Expansion.

MPS acquired AJE to gain AI editing tech, enter new markets (China accounts 65% of rev of acquired entities), & become the sole end-to-end academic publishing service provider. Research Square has a successful AI editing tool, but was used for captive author base of Springer Nature, but will now be showcase to other publisher B2C base and thus has significant revenue synergies.

FINANCIALS (Rs Mn)

Particulars	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	4,489	5,011	5,453	7,728	8,663
Growth(%)	6.2	11.6	8.8	41.7	12.1
EBITDA	1,260	1,566	1,735	2,251	2,635
OPM(%)	28.1	31.3	31.8	29.1	30.4
PAT	871	1,092	1,226	1,517	1,797
Growth(%)	48.7	25.3	12.3	23.7	18.5
EPS(Rs.)	48.9	64.0	72.2	89.3	105.8
Growth(%)	50.7	30.9	12.8	23.7	18.5
PER(x)	33.0	25.2	22.3	18.0	15.2
ROANW(%)	23.3	27.6	27.2	29.4	29.9
ROACE(%)	23.0	26.9	26.4	28.9	29.5

CMP	Rs 1,611
Target / Upside	Rs 2,120 / 32%
NIFTY	22,494

Scrip Details

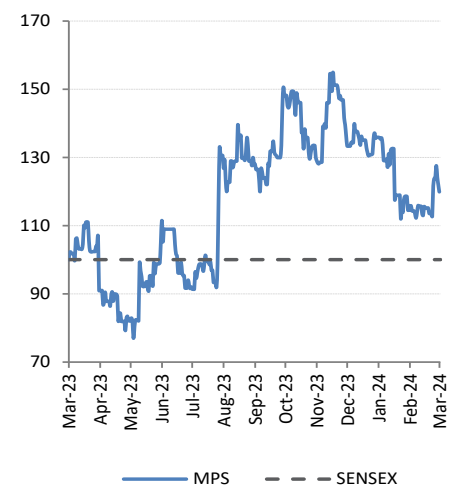
Equity / FV	Rs 171mn / Rs 10
Market Cap	Rs 27bn
	USD 329.4mn
52-week High/Low	Rs 1,885/ 814
Avg. Volume (no)	21,762
Bloom Code	MPS IN

Price Performance	1M	3M	12M
Absolute (%)	7	(4)	49
Rel to NIFTY (%)	4	(11)	22

Shareholding Pattern

	Jun'23	Sep'23	Dec'23
Promoters	68.3	68.3	68.3
MF/Banks/FIs	0.6	0.6	0.6
FIs	3.8	3.7	3.7
Public / Others	27.2	27.4	27.4

MPS Relative to SENSEX



VP - Research: Rahul Jain

Tel: +9122 40969771

E-mail: rahulj@dolatcapital.com

Associate: Ayur Bohra

Tel: +9122 40969624

E-mail: ayurb@dolatcapital.com

Associate: Deepesh Lakhani

Tel: +9122 40969776

E-mail: deepeshl@dolatcapital.com

Acquisition offers tremendous scalability and attractive ROI

Less competition in AI in Scholarly publishing, Sole player in providing end-to-end academic publishing services, Expansion in scope of work to authors beyond Springer nature provides huge growth opportunity to MPS. The company plans to prune some non-profitable customer base which in turn would help it achieve strong gains in profitability and thus may see payback in about 2years.

AJE: AI-Powered Editing, Targeting B2C Growth

AJE LLC operates primarily in the transactional B2C space, boasting commendable gross margins attributed to its emphasis on automation and the integration of AI/ML in its editing processes. The company harbors ambitions to tap into the burgeoning AI NLP market, forecasted to reach \$112 billion by 2030 with a CAGR of 25% (although specific TAM for AJE would be much smaller sub set of this). Springer Nature initially acquired a minority stake in AJE LLC in 2016, subsequently increasing its ownership to a majority share in 2018 and finalizing a complete acquisition in 2022. The objective of the transaction was to boost the experience of the Content creator for its author base that creates scholarly content which goes beyond the paywall. Thus, the entity was limiting itself to only captive consumption and was missing out opportunities for B2B side of business (which now opens up for MPS). AJE's clientele spans a broad spectrum of author base given its B2C model which minimizes the risk of over-dependency on any single customer. The AOV of Curie remains modest at \$132, while standard editing package at \$275 and premium editing packages at \$475 p.a..

Pioneering AJE's Confidence in Competitive Landscape

While acknowledging the eventual emergence of competitors in the B2C AI editing space, AJE emphasizes its current position of strength due to its pioneering efforts and proprietary LLM technology. This advantage, however, is not viewed as an insurmountable barrier to future competitors. Despite this, AJE expresses confidence in its ability to maintain a competitive edge.

This confidence stems from their growth trajectory, particularly within the B2C author editing sector. They highlight the B2C sector's growth as exceeding that of the B2B space, suggesting a potentially lucrative and under-exploited market opportunity. This unique positioning within Springer Nature, combined with their observed B2C growth, underscores AJE's optimistic outlook on their ability to not only compete but thrive in the evolving landscape of AI-powered editing solutions.

Strong focus on leveraging AJE capabilities

AJE is primarily into B2C nature of work while MPS was pre-dominantly in B2B. This acquisition will help MPS cross-sell AJE capabilities to its customers. Earlier AJE could not sell services to Spring nature's competitors as SN was a publisher, now it will open opportunities to sell solutions across board which will help realize revenue synergies in short term and cost synergies in medium term. **First mover Advantage:** AJE uses AI in two ways i.e. 1) Internal efficiency and content efficacy and 2) Licensing Curie as SaaS platform. Management pointed out that there is less competition in AI for Scholarly/Scientific Publishing market, which gives it a First mover advantage. Additionally, MPS will continue to invest and implement in suit of AI solutions in their own workforce programs to help improve efficiency and margins.

What makes this acquisition unique?

Previous Acquisitions like Highwire and TIS saw revenue run-off as customers moved out mainly due to a) High revenue concentration of top clients and 2) Low customer satisfaction.

But with the acquisition of AJE, Revenue is **highly diversified** as it is B2C in nature and has **high customer satisfaction** with NPS score above 60. Management remained confident that It won't face revenue run-off situation like the previous acquisitions, but expect some conscious discontinuation of unprofitable projects which will lead to revenue in the range of Rs.2bn-Rs.2.5bn in FY25.

Business Overview and History

American Journal Experts (AJE), an author solutions company was established in 2004 in Durham, North Carolina, USA. In 2020, Research Square Company was formed to unite the two businesses i.e. American Journal Experts (AJE) and Research Square.

AJE LLC: It is a subsidiary of Springer Nature Group, established in 2004, and headquartered in Durham, North Carolina, USA, is a leading scientific language editing service provider and trusted partner to academic and author communities with >1M manuscripts edited.

AJE: It is a transactional B2C-dominated business with excellent gross margins. AJE's strong gross margins are driven by a focus on automation and applying ML/AI in the editing process. AJE LLC delivers a wide range of digital language editing services under the brands American Journal Experts ("AJE") and Springer Nature Author Services ("SNAS"). These services comprise language editing, academic translations in several languages, scientific editing, formatting services and custom illustration.

American Journal Online (AJO): it is a 100% subsidiary of AJE LLC headquartered in Beijing, China, and was established in 2019. American Journal Online functions as a wholly foreign owned enterprise with a dedicated local team. Its business portfolio contains services identical to AJE LLC's. Since 2004, it has served more than 1,000 Chinese research institutions and groups and has edited more than 520,000 Chinese research manuscripts. AJO has a long-term commitment to supporting the Chinese research community with high quality services and superior customer support.

The transaction perimeter composed of two legal entities, one registered in the US and another registered in China, and additional two products as detailed below, owned by Springer Science+Business Media LLC:

- **Curie:** It is an AI-based proprietary language SaaS platform which provides intelligent suggestions, improves 'Start typing here' writing structure, enhances flow, and assists 'Start typing here' with citations, thus facilitating the creation of high-quality academic content. The platform improves language quality by enhancing phrasing, article use, grammar and makes direct edits using tracked changes.
- **Research Quality Evaluation (RQE):** Services engage qualified reviewers to expedite the peer review process. With its team of active researchers with terminal degrees (for example, PhD, MD, and DrPh), RQE helps eliminate publishing bottlenecks by speeding up the peer review process.

Strategic Advantages

- Scaling up AI capabilities:** MPS invested in developing Bengaluru-based MPS Labs a few years ago while AJE has a long track record of internal AI/ML applications for scientific language editing. AJE launched Curie a Microsoft Word plugin for scientific writers. This allows MPS to enter and compete in the digital editing market and further enhance AI-driven capabilities and consistent innovation through MPS labs.
- Expansion in China:** After adding Australia and New Zealand in 2023 through the majority investment in Liberate Learning, the entry into China further diversifies MPS's business. China has been the primary market for AJE (accounts 2/3rd of its revenues) for several years and the AJE's US origin and global brand provides a strong platform for international expansion. Expansion into China help diversify the business and strengthen global presence.
- Value Chain Advancement:** AJE is a long-standing language editing service provider for STM publishers. AJE's acquisition advances MPS upstream in the value chain, bringing it closer to authors. The strategic move will gradually make MPS even more relevant in the marketplace. MPS now stands as the only global player with the end-to-end capabilities to service academic publishing from author to researcher.
- Premier Customer Partnership:** AJE LLC gives a unique opportunity to MPS to strengthen its association with Springer Nature, one of the leading STM publishers and the largest client of MPS. It will help create tremendous value by advancing its strategic partnership.
- Definitive entry into the B2C marketplace:** AJE Tailors its customer Acquisition Strategy into Three Distinct Strategies: B2C, B2B and B2B2C. This allows MPS to target B2C in its offering basket to other clients:

Exhibit 1: Target Clients

 B2C	Individuals (mostly researchers at various career stages)	<ul style="list-style-type: none"> Referral programs Loyalty discounts Online ads Other ads (SEO, 3rd party ads) Content and Events
 B2B	Universities, Laboratories, Publishers, Learned Societies etc.	<ul style="list-style-type: none"> Products sold through in-house and parent company B2B sales team
 B2B2C	Researchers within Institutions (Universities, Learned Societies etc.) and Research Offices	<ul style="list-style-type: none"> Lead generation with the support of AJE's parent company's institutional sales team

Source: Company, DART

Exhibit 2: Key Assumptions in our estimates

Assumptions Table	FY22	FY23	FY24E	FY25E	FY26E
USD revenue growth (%)	5.4	3.0	6.1	40.0	11.9
INR revenue growth (%)	6.2	11.6	8.8	41.7	12.9
EBIT margins (%)	23.5	27.4	28.2	25.5	26.4
EPS growth (%)	50.7	30.5	12.8	23.7	23.7
USD/INR	74.5	80.8	82.9	83.9	84.5

Source: Company, DART

Management Confident on turnaround: Management is pretty confident on strong turnaround for AJE biz and thus expect flat to small decline in revenues for FY25 and expect margins to improve sharply from early teens to late twenties in first year itself. If we would go by that assessment than our earnings estimate may see uptick of 5-7% for FY25/FY26.

Exhibit 3: Dolat Estimates v/s Management's Expectations (based call commentary)

Particulars	Dolat Estimates			Management's Expectations		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenues (INR Mn)	5,453	7,728	8,663	5,532	7,998	8,957
EBITDA Margin AJE (%)	13.0	16.5	22.0	13.0	19.3	27.5
New EBITDA combined (INR Mn)	1,735	2,251	2,635	1,780	2,374	2,838
Margin (%)	31.8	29.1	30.4	32.2	29.7	31.7
PAT (INR Mn)	1,226	1,517	1,797	1,259	1,597	1,932
EPS (abs)	72.3	89.4	106.0	74.0	94.0	114.0
Conservative by %	2.3%	4.8%	7.0%			

Source: Company, DART

Change in Estimates

Acquisition of Research Square AJE is a significant development for MPS. Accounting for acquired business (to be consolidated starting Mar'24), we raise Revenue growth estimates by 2%/30%/30% for FY24E/FY25E/FY26E. Expect integration and higher amortization charge along with lower EBITDA margins in near term to negatively impact OPM by 113bps/414bps/264bps for FY24E/FY25E/FY26E respectively. We upgraded overall EPS growth by 8.6%/15.2% for FY25E/FY26E respectively.

Exhibit 4: Change in Estimates

Particulars (Rs. mn)	FY23A	FY24E			FY25E			FY26E		
	Actual	Old	New	Chg. (%)	Old	New	Chg. (%)	Old	New	Chg. (%)
USD Revenue	62.0	64.3	65.8	2.3	70.9	92.1	29.9	78.8	102.5	30.1
YoY growth,	3.0	3.7	6.1		10.2	40.0		11.1	11.3	
INR Revenue	5,011	5,332	5,453	2.3	5,948	7,728	29.9	6,657	8,663	30.1
YoY growth,	11.6	6.4	8.8		11.6	41.7		11.9	12.1	
EBIT	1,373	1,564	1,536	(1.8)	1,760	1,967	11.8	1,962	2,327	18.6
EBIT Margin,	27.4	29.3	28.2	(113 bps)	29.6	25.5	(414 bps)	29.5	26.9	(264 bps)
Net Profit	1,092	1,250	1,226	(1.9)	1,397	1,517	8.6	1,561	1,797	15.1
EPS (Rs)	64.0	73.7	72.3	(1.9)	82.4	89.4	8.6	92.0	106.0	15.2

Source: DART, Company

Valuation

The acquisition of Research Square AJE has been done at an attractive price. We believe the stock is currently trading at an attractive valuation of 14.7x on FY26E earnings, and thus may see significant re-rating as it would see synergistic gains through improved profitability of acquired assets over FY25. We value MPS at 20x on FY26E EPS of Rs.106 with the TP of Rs.2120 and assign Buy Rating on the stock.

Annexures

Exhibit 5: Revenue trend from subsidiaries

Revenue (INR Mn)	FY20	FY21	FY22	FY23
MPS North America LLC	657	842	924	872
MPS Interactive Systems Limited	643	474	539	695
E.I. Design			311	
MPS Europa AG	121	111	152	102
TOPSIM GmbH	173	156	149	157
Total	1,594	1,582	1,763	1,826
Growth YoY (%)		(0.8)	11.5	3.5

Source: Company, DART

Exhibit 6: Historical Acquisitions

Period	Date	Target	Stake	Cost (Rs. mn)	Revenue	Comment
Q4FY24	29-Feb-24	Research Square AJE	100%	\$8.4mn	\$34mn	Acquired Research Square for its AI editing tech and China presence, enhancing its academic publishing services and relationship with Springer Nature.
Q2FY23	29-Aug-23	LLG Acquisition	65%	AUD 9.3mn	AUD 8.3mn	LLG has a presence in the APAC markets, which is outperforming other mature markets, and this will help MPS to tap new regions rather than targeting its traditional markets.
Q1FY23	30-May-22	E.I. Design Private Limited	100%	INR 40cr	\$6.7mn	The acquisition of EI Design furthers the inherent momentum in our eLearning business. MPS Interactive will benefit from the significant operational efficiency gains that will be enabled by EI Design's proprietary operating model.
Q2FY21	01-Jul-20	HighWire	100%	\$7.1mn	\$19mn	Through the HighWire acquisition, MPS expects to scale its platform solutions business segment and strengthen its positioning in the Academic and STM publishing community.
Q2FY19	18-Jul-18	TIS	100%	INR 80cr	INR 140cr	The acquisition adds a global sales and marketing engine that has a rich background in scaling business and will unlock combined value. MPS has a strong track record in making publishing smarter through efficient workflows and rich platform solutions, and we look forward to synergies to enable this in the Enterprise Learning space through TIS.
Q1FY18	01-Apr-17	Think Subscription	100%	N.M.	N.M.	THINK will not have a material effect on revenues and profits of MPS
Q2FY17	01-Jul-16	Magplus	N.M.	N.M.	N.M.	Acquisition of Mag+ has enhanced its platform capabilities and expanded reach into newer publishing markets including enterprises & magazine publishers.
Q4FY15	30-3.2015	TSI Evolve	N.M.	\$1mn	\$5.4mn	N.M.
Q3FY15	01-Oct-14	Electronic Publishing Services	N.M.	N.M.	N.M.	N.M.
Q1FY13	19-Jun-13	Elements LLC	100%	N.M.	N.M.	N.M.

Source: Company, DART

Financial Performance

Profit and Loss Account

(Rs Mn)	FY23A	FY24E	FY25E	FY26E
Revenue	5,011	5,453	7,728	8,663
Total Expense	3,444	3,719	5,477	6,029
COGS	2,128	2,397	3,495	3,861
Employees Cost	0	0	0	0
Other expenses	1,316	1,322	1,982	2,168
EBIDTA	1,566	1,735	2,251	2,635
Depreciation	194	198	284	308
EBIT	1,373	1,536	1,967	2,327
Interest	11	8	24	27
Other Income	108	129	93	113
Exc. / E.O. items	0	0	0	0
EBT	1,469	1,657	2,036	2,413
Tax	377	431	519	615
RPAT	1,092	1,226	1,517	1,797
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
APAT	1,092	1,226	1,517	1,797

Balance Sheet

(Rs Mn)	FY23A	FY24E	FY25E	FY26E
Sources of Funds				
Equity Capital	171	171	171	171
Minority Interest	0	0	0	0
Reserves & Surplus	4,066	4,614	5,367	6,317
Net Worth	4,237	4,785	5,539	6,488
Total Debt	0	0	0	0
Net Deferred Tax Liability	162	162	162	162
Total Capital Employed	4,399	4,947	5,701	6,650

Applications of Funds

Net Block	1,716	2,448	2,459	2,501
CWIP	0	0	0	0
Investments	1,283	1,283	1,283	1,283
Current Assets, Loans & Advances	2,507	2,095	3,162	4,023
Inventories	0	0	0	0
Receivables	866	896	1,270	1,519
Cash and Bank Balances	580	67	411	904
Loans and Advances	0	0	0	0
Other Current Assets	1,061	1,131	1,480	1,600
Less: Current Liabilities & Provisions	1,107	880	1,203	1,157
Payables	204	199	299	327
Other Current Liabilities	904	680	905	831
<i>sub total</i>				
Net Current Assets	1,399	1,216	1,958	2,866
Total Assets	4,399	4,947	5,701	6,650

E – Estimates

Important Ratios

Particulars	FY23A	FY24E	FY25E	FY26E
(A) Margins (%)				
Gross Profit Margin	57.5	56.0	54.8	55.4
EBIDTA Margin	31.3	31.8	29.1	30.4
EBIT Margin	27.4	28.2	25.5	26.9
Tax rate	25.7	26.0	25.5	25.5
Net Profit Margin	21.8	22.5	19.6	20.7
(B) As Percentage of Net Sales (%)				
COGS	42.5	44.0	45.2	44.6
Employee	0.0	0.0	0.0	0.0
Other	26.3	24.2	25.6	25.0
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	123.7	189.6	82.0	86.2
Inventory days	0	0	0	0
Debtors days	63	60	60	64
Average Cost of Debt				
Payable days	15	13	14	14
Working Capital days	102	81	92	121
FA T/O	2.9	2.2	3.1	3.5
(D) Measures of Investment				
AEPS (Rs)	64.0	72.2	89.3	105.8
CEPS (Rs)	75.3	83.9	106.0	123.9
DPS (Rs)	20.0	39.9	44.9	49.9
Dividend Payout (%)	31.3	55.3	50.3	47.2
BVPS (Rs)	248.3	281.6	326.0	381.9
RoANW (%)	27.6	27.2	29.4	29.9
RoACE (%)	26.9	26.4	28.9	29.5
RoAIC (%)	40.4	35.3	38.7	42.2
(E) Valuation Ratios				
CMP (Rs)	1611	1611	1611	1611
P/E	25.2	22.3	18.0	15.2
Mcap (Rs Mn)	27,374	27,374	27,374	27,374
MCap/ Sales	5.5	5.0	3.5	3.2
EV	26,794	27,306	26,963	26,470
EV/Sales	5.3	5.0	3.5	3.1
EV/EBITDA	17.1	15.7	12.0	10.0
P/BV	6.5	5.7	4.9	4.2
Dividend Yield (%)	1.2	2.5	2.8	3.1
(F) Growth Rate (%)				
Revenue	11.6	8.8	41.7	12.1
EBITDA	24.3	10.7	29.8	17.0
EBIT	30.2	11.9	28.1	18.3
PBT	24.6	12.8	22.9	18.5
APAT	25.3	12.3	23.7	18.5
EPS	30.9	12.8	23.7	18.5

E – Estimates

Cash Flow

Particulars	FY23A	FY24E	FY25E	FY26E
Profit before tax	1,469	1,657	2,036	2,413
Depreciation & w.o.	195	198	284	308
Net Interest Exp	(33)	(8)	(24)	(27)
Direct taxes paid	(354)	(431)	(519)	(615)
Change in Working Capital	(164)	(329)	(399)	(414)
Non Cash	15	0	0	0
(A) CF from Operating Activities	1,128	1,088	1,378	1,664
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(375)	(930)	(295)	(350)
Free Cash Flow	1,086	158	1,083	1,314
(Inc.)/ Dec. in Investments	(311)	0	0	0
Other	38	0	0	0
(B) CF from Investing Activities	(647)	(930)	(295)	(350)
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	0	0	0	0
Interest exp net	0	0	0	0
Dividend Paid (Incl. Tax)	(513)	(678)	(763)	(848)
Other	(187)	8	24	27
(C) CF from Financing	(701)	(670)	(739)	(821)
Net Change in Cash	(215)	(513)	343	493
Opening Cash balances	795	580	67	411
Closing Cash balances	580	67	411	904

E – Estimates

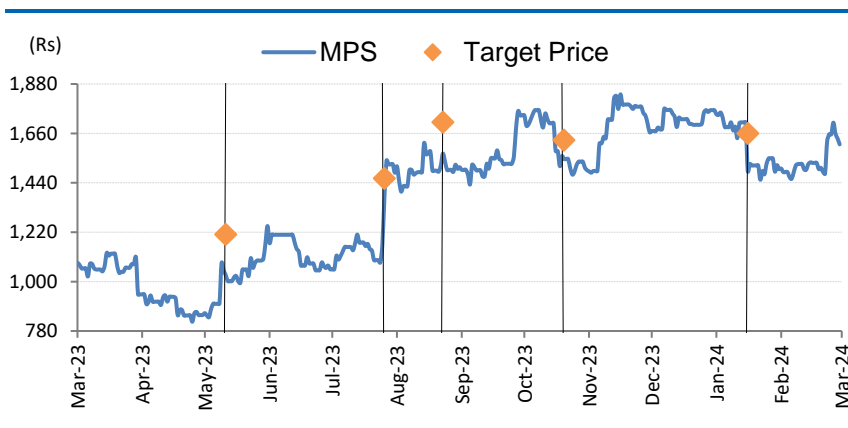
Notes

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
May-23	Accumulate	1,210	1,029
Aug-23	Accumulate	1,460	1,375
Aug-23	Accumulate	1,710	1,570
Oct-23	Accumulate	1,630	1,546
Jan-24	Accumulate	1,660	1,492

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Naman Midtown, A-1203, 12th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai 400013

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
