Tech Mahindra (TECMAH)

CMP: ₹ 1085 | Target: ₹ 1130 (4%) | Target Period: 12 months | **HOLD**

March 8, 2023

Margin led focus till leadership change…

About the stock: Tech Mahindra (TechM) has over 1.2 lakh employees across 90 countries serving 1000+ clients with higher exposure to telecom (40% of revenues).

- Apart from telecom, the company caters to BFSI, manufacturing & retail
- TechM has grown organically & inorganically (dollar revenue CAGR of 6.6% over the past five years)

Investor Day Highlights:

- We attended TechM Investor Day. On leadership transition, the CEO mentioned that he expects transition to be smooth as it is a planned succession and they are currently focusing on margin expansion
- The company for the first time talked about their Product & Platform (P&P) business, which is at US$450 mn revenues and it is likely to scale up to US$1 bn in the next three years
- The company is looking at better medium-term outlook on 5G, cloud, sustainability related spending while margins are likely to see a recovery from FY24 onwards

What should investors do? TechM's share price has grown by ~1.7x over the past five years (from ~₹ 612 in March 2018 to ~₹ 1,085 levels in March 2023).

- We maintain our **HOLD** rating on the stock

Target Price and Valuation: We value TechM at ₹ 1130 i.e., 13x P/E on FY25E EPS

Key triggers for future price performance:

- Healthy deal wins, traction in communication segment led by legacy modernisation, 5G, customer care, automation, network and cloud to drive revenues
- TechM has restructured its Products & Platforms business expects to grow this business to US$1bn in next three years
- Restructuring of low margin portfolios, acceleration in Europe and improving demand from lift & shift deals to drive 11.6% CAGR in FY22-25E
- Margins recovery will likely play out from FY24 onwards

Alternate Stock Idea: Apart from TechM, in our IT coverage we also like Infosys.

- Key beneficiary of improved digital demand, industry leading revenue growth and healthy capital allocation prompt us to be positive
- BUY with a target price of ₹ 1,730

Tech Mahindra

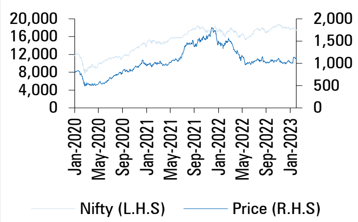
Particulars

Particular	Amount
Market Cap (₹ Crore)	1,04,844
Total Debt (₹ Crore)	1,582
Cash and Invest (₹ Crore)	8,949
EV (₹ Crore)	97,300
52 week H/L	1575 / 944
Equity capital	439
Face value	₹ 5

Shareholding pattern

	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	35	35	35	35
FII	34	30	28	28
DII	18	21	24	24
Public	13	14	13	13

Price Chart



Recent Event & Key risks

- Expect Products & Platform business to grow from US$450 mn to US$1 bn in next three years
- **Key Risk:** (i) Lower than expected revenue, (ii) Better than expected margins

Research Analyst

Sameer Pardikar
sameer.pardikar@icicisecurities.com
Sujay Chavan
sujay.chavan@icicisecurities.com

Key Financial Summary

Key Financials	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	FY25E	3 years CAGR (FY22-25E)
Net sales	37,855	44,646	8.9	53,341	57,544	62,007	11.6
EBITDA	6,847	8,020	13.9	8,214	9,034	10,479	9.3
EBITDA Margin (%)	18.1	18.0		15.4	15.7	16.9	
Net Profit	4,428	5,566	14.6	5,558	6,531	7,615	11.0
EPS (₹)	50.2	63.1		63.0	74.0	86.0	
P/E	21.6	17.2		17.2	14.7	12.6	
RoNW (%)	17.8	20.7		18.6	19.5	20.2	
RoCE (%)	19.8	22.5		20.9	21.8	22.9	

Source: Company, ICICI Direct Research

Analyst meet highlights

CEO

- The company indicated that Innovation, business transformation continues to be the area of investments from clients. It is seeing mixed indicators globally where on the one side we are seeing layoffs in some global tech companies while on the other end, there has been continuous news flow on investments. The company also indicated that US recession is likely to be not as bad as it was anticipated. Hence, the company is looking for some certainty on investments amid uncertainty around
- The company indicated that its 5G revenue reached US$1 bn revenues now vs. US$500 mn a year ago. The company indicated that network efficiency and network modernisation to be able to offer 5G, data analytics, customer experience continue to see investments across communication providers, fixed broadband players and media companies. The company indicated that it works with telecom operators in 90 countries and top two to three players in the market have a tie up with Tech M. The company indicated that there are three large operators globally, which are rolling out 5G services in their respective countries (Japan, Germany, US) and TechM is a part of their modernisation, network efficiency, etc
- The company indicated that it is pausing on M&A for the time being and its current focus is on integration of acquired assets and they are determined to improve profitability. The company also indicated that alliances is also a focus area for it as 30% revenue mix comes from various alliances for the company compared to 40% number for the industry
- The company indicated following four pillars of strategy to execution:
    1. **Growth levers:** It is looking to focus on large transformational deals while also looking for few more alliances. They are also looking for portfolio synergies,
    2. **Technology bets:** The company is betting on following technology bets i) cloud ii) Products & Platforms iii) emerging technologies iv) customer experience & engineering,
    3. **Operational Rigor:** Automation and EBITDA improvement,
    4. **Talent development:** Upskilling, career advancement, diversity etc,
- The company indicated that BPO business has been growing well in the last five to six years (19.5% CAGR revenue growth) due to which its revenue mix has increased from 7% to 12% now. The company indicated that in this business it has added more than $700 mn TCV cumulatively in the last few quarters. Hence, it is expected to report strong growth going forward as well. it is one of the fastest growing services for the company, three sub-verticals within BPO clocked more than US$100mn revenues and two more are knocking the doors for US$100mn as per company. The company also indicated that out of Top 200 accounts they are offering BPO services to only 50% accounts and there is further scope of growth there. The company also mentioned that current buzzword ChatGPT is unlikely to impact BPO business as generative AI is yet to be developed to that scale,
- **The company for first time talked about platform business**. The platform business has been there from long time within the company; however, it has now carved out the business separately and Manish Vyas who was earlier leader in the CME vertical has been given a responsibility to drive this business. The company indicated that this business (containing all platforms together) has currently has annual revenue of US$450 mn (6.8% of annualised FY23 revenues) and it is looking to take this business to US$1 bn revenue in the next two to three years

TechM - ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	67.3	67.3	67.6
Social	49.0	51.6	48.5
Governance	87.4	87.4	87.4
Overall ESG Score	**67.9**	**68.8**	**67.9**

*Source: Blomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures*

- Some of the platforms which are developed over the years are:
  1. **Under Simplify**, it has 3 platforms, **1) netOps.ai:** intelligent platform to integrate and management networks, which is helping telecom players for faster network roll-outs. It currently has seven customers under this platform. **2. BlueMarble:** It is a SaaS based BSS which has 18 customers currently and has US$45mn ARR (40% growth). **3) iSustain:** Intelligent ESG platform, which is end to end ESG related data management, ESG reporting and analytics. Total addressable market for the same is US$1.8 bn
  2. **Under Modernise**, it has three platforms, **1) yantr.ai:** A cognitive platform for transforming field operations, it was launched in September 2022 and three customers while it has an opportunity to disrupt US$30 bn spend **2) CloudBlazetech:** It is an integrated cloud platform, which has total addressable market of US$500 bn, which helps in 30% faster cloud migration and has 30+ customers currently. **3) AFTEAZE:** It is an aftermarket platform for manufacturing industries for cost take out, more than US$300 mn cost eliminated, it is being offered in 30 countries and 20 languages
  3. **Under Monetise**, it has three platforms, **1) MobiLytix:** A customer value management platform, growing at 30% CAGR and has US$10 bn total addressable market **2) YABX:** it is cloud lending and savings platform, which has US$12 bn total addressable market, >1 mn unique customers, >US$100 mn annual loan disbursement 3**) Mobiquity:** It is a digital payment gateway with 80+ deployments over 50+ countries with US$200 bn transaction values and 150 mn wallets powered
- **The margins for product & platforms business are not currently known but if we take a reference of P&P business margin of its peers, then we may see an upside risk of 150-200 bps on our margin expansion assumption**

CFO

- The company communicated the following five things earlier and as per management it has achieved four out of those while there was a miss on margin improvement piece. The company has achieved i) large deals in the range of US$700 mn to US$1 bn ii) double digit revenue growth on YoY basis iii) focus on integration of M&A iv) capital return i.e. FCF net of M&A,

- The company indicated that quarterly large deal TCV has increased 1.8x i.e., from US$448 mn (average over FY16-20) to US$830 mn (average for last eight quarters ending at Q3FY23) while revenue CQGR has increased 2.4x over the same period. The company indicated that EBIT margin has increased 30bps over the same period,

- On the EBIT margin he mentioned that the long-term investment to improve the competencies has impacted margins. He indicated the following on the same: 1) The company has invested over US$1.2 bn for acquiring various companies in the recent time to strengthen its capability in cloud, digital transformation, CX, etc. 2) The winning rate in large deals has increased and since initial margins in the large deals are lower impacting overall margins 3) There was an impact of high attrition and the cost for the replacing the talent was very high and also company had to incur significant wage hike to retain talent. He further mentioned that although the company had received rate hike from clients the same was not able to offset the wage hikes and retention costs impacting margins

- On the organic growth he mentioned that the growth of the company will be aided by its ability to continue to win large deals & expand its wallet share among the existing large clients by offering multiple capability offerings. He also mentioned that the company is changing its investment strategy and it is now doing more internal investments in platforms and investment in newer areas by co-creating with clients

- On the margin improvement, the company indicated that FY23 EBIT margins are likely to be lower than its FY22 margins i.e., 14.6%. it indicated that for FY24E, the margins are likely to be better than FY23 where tailwinds would be operating efficiency, portfolio rationalisation & earnout reduction, SG&A reduction while there could be headwinds in terms of large deal transactions & wage hike impact. The company indicated that in long term i.e., in FY26, margins are likely to be better than FY22 considering similar tailwinds and headwinds,
- On the portfolio synergy Manish Agarwal, President, mentioned that TechM is currently focusing on integration of all the acquired companies. He mentioned that TechM had acquired the various companies to scale its capabilities across cloud, hyperscalers, etc. and it is now conducting the integration across various layers like client integration, capability integration, etc. He mentioned that the investments are on track to give anticipated returns although he indicated that its largest acquisition of CTCO was impacted due to shutting down of its operations in a country impacted by Russia-Ukraine conflict. He, however also mentioned that operations of CTCO is now recovering and also mentioned that all the other acquisitions integrations are going as per plans,
- On the capital allocation policy, the CFO mentioned that company has a policy wherein it will return the any excess free cash flow net of M&A to the shareholders and it will continue with the same. The company has returned 75% of FCF to shareholders in FY21 & FY22, up from average of 54% for the period FY16 to FY20

CHRO

- He mentioned that the company's internal fulfilment improved from 46% in FY22 to 71% in January 2023 and also the quarterly attrition has declined to 14.3% in last quarter which is one of lowest among the peers. He also mentioned that the company has expanded to tier 2 cities, which has helped it to gain talent for niche skills at the right cost. He further mentioned that the company entered into tie ups & partnerships with top universities for upskilling of its employees,
- On the future focus area, he mentioned that the company will work in the following areas: continue to build delivery capabilities, improve productivity, improve internal fulfilment and focus on improving retention & dropping of attrition level

Others

- On leadership transition, the CEO mentioned that he expects transition to be smooth as it is a planned succession. He mentioned that current strategy will continue till leadership change and they are currently focusing on margin expansion as near-term growth headwinds are visible however they are looking at better medium-term outlook on 5G, cloud, sustainability and scale up of their platform business,
- The company indicated that in CME it has added 15 new clients on TTM basis while TCV growth has been strong at 15%. It also mentioned that more than 50% deals are coming from network modernisation, cloud transformation etc. It has also mentioned about 2x revenue growth in media & entertainment space while 5G revenues has clocked US$1bn revenue now in this vertical out of US$2.4 bn (~40%),
- In manufacturing, which is US$1 bn vertical for it, it won six large deals while 21 new clients are added which includes EV/electrification and ESG related deals. The vertical has reported 12% YoY growth in CC terms on TTM,
- In BFSI, it has reported 16% YoY growth in CC terms on TTM basis. More than 50% deals in this space are from cloud transformation. It won 6 large deals and 23 new logos,
- In Hi-Tech it has reported 34% YoY revenue growth in CC terms on TTM. More than 50% revenue is coming from platforms, ISV, semiconductor companies. It won 19 new logos and 7 large deals,

- In HLS, the company indicated that there is US$225bn spending opportunity in this space which is expected to double in next 7 years. The company has won 13 new logos while it is providing support to 260+ health systems and 800 hospitals,
- On the M&A strategy the company mentioned although it has paused the M&A program for now it will on case-to-case basis look out M&A opportunity to strengthen its products & platform business

Exhibit 1: Change in estimates

	FY23E			FY24E			FY25E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	Old	New	% Change	
Revenue	53,341	53,341	0.0	57,544	57,544	0.0	62,007	62,007	0.0	
EBIT	6,241	6,241	0.0	7,366	7,193	-2.3	8,371	8,619	3.0	
EBIT Margin (%)	11.7	11.7	0 bps	12.8	12.5	-30 bps	13.5	13.9	40 bps	
PAT	5,558	5,558	0.0	6,662	6,531	-2.0	7,426	7,615	2.5	
EPS (₹)	63.0	63.0	0.0	75.5	74.0	-2.0	83.9	86.0	2.5	

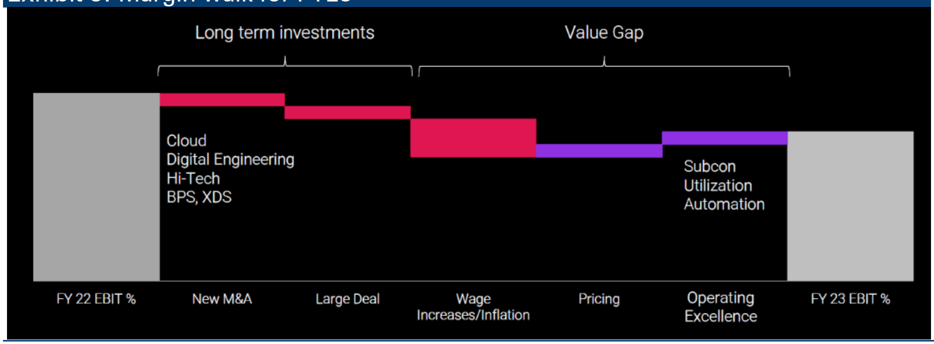
Source: Company, ICICI Direct Research

Exhibit 2: Largely in line with strategy outlined earlier, except margin

	What we communicated	What we Achieved
Large Deals	$0.7 to $1 bn/qtr	✓
Revenue Growth	Double Digits	✓
EBIT%	Improve	✗
M&As	Focus on integration	✓
Capital Return	FCF net of M&A	✓

Source: Company, ICICI Direct Research

Exhibit 3: Margin walk for FY23



Source: Company, ICICI Direct Research

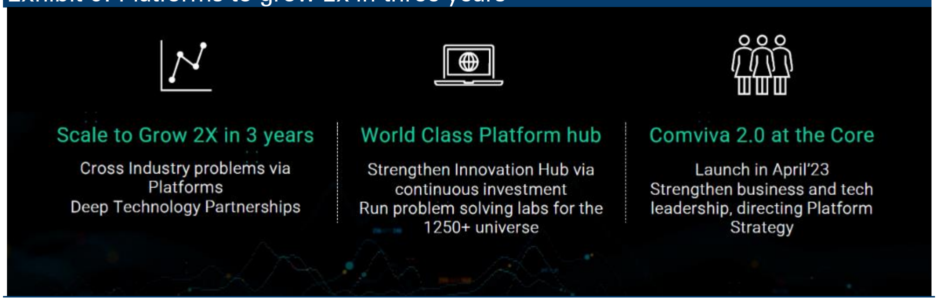
Exhibit 4: P&P business investments increasing

Source: Company, ICICI Direct Research

Exhibit 5: Full margin recovery only in FY26

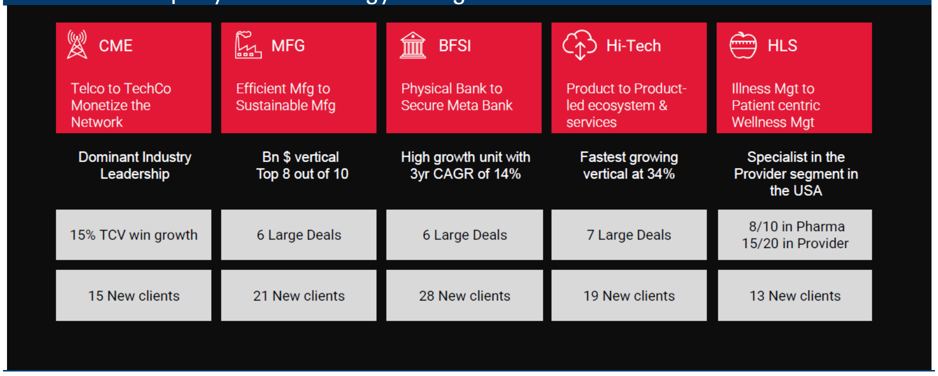
Source: Company, ICICI Direct Research

Exhibit 6: Platforms to grow 2x in three years



Source: Company, ICICI Direct Research

Exhibit 7: Company's 1+4 strategy aiding to scale focused 5 verticals



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 8: Profit & loss statement (₹ crore)

(Year-end March)	FY22	FY23E	FY24E	FY25E
Net sales	**44,646**	**53,341**	**57,544**	**62,007**
Growth (%)	18	19	8	8
COGS (employee expenses)	30,972	38,139	41,029	43,467
Gross profit	13,674	15,202	16,515	18,540
S,G&A expenses	5,654	6,988	7,481	8,061
Total Operating Expenditure	36,626	45,126	48,509	51,527
EBITDA	**8,020**	**8,214**	**9,034**	**10,479**
Growth (%)	17	2	10	16
Depreciation	1,520	1,974	1,841	1,860
Interest	163	163	163	163
Other Income	1,112	1,465	1,644	1,644
PBT	7,449	7,543	8,674	10,100
Total Tax	1,822	1,923	2,082	2,424
Exceptional item	-	-	-	-
PAT	**5,566**	**5,558**	**6,531**	**7,615**
Growth (%)	26	(0)	17	17
EPS (₹)	63.1	63.0	74.0	86.0

Source: Company, ICICI Direct Research,

Exhibit 9: Cash flow statement (₹ crore)

(Year-end March)	FY22	FY23E	FY24E	FY25E
Profit before Tax	7,452	7,543	8,674	10,100
Add: Depreciation	1,520	1,974	1,841	1,860
(Inc)/dec in Current Assets	(3,362)	(3,110)	(1,507)	(1,601)
Inc/(dec) in CL and Provisions	1,928	2,155	1,042	1,106
Taxes paid	(2,314)	(1,923)	(2,082)	(2,424)
CF from operating activities	**5,285**	**5,900**	**7,051**	**8,125**
(Inc)/dec in Investments	1,188	-	-	-
(Inc)/dec in Fixed Assets	(835)	(1,334)	(1,439)	(1,550)
Others	108	901	1,079	1,079
CF from investing activities	**482**	**(433)**	**(359)**	**(471)**
Issue/(Buy back) of Equity	87	-	-	-
Inc/(dec) in loan funds	(163)	-	-	-
Dividend paid & dividend tax	(3,981)	(2,501)	(2,939)	(3,427)
Inc/(dec) in debentures	-	-	-	-
Finance charges	(123)	(163)	(163)	(163)
CF from financing activities	**(4,667)**	**(3,014)**	**(3,452)**	**(3,939)**
Net Cash flow	1,100	2,453	3,240	3,715
Cash by acquisition	-	-	-	-
Opening Cash	2,835	3,975	6,428	9,668
Cash carried to B/S	**3,975**	**6,428**	**9,668**	**13,383**

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet (₹ crore)

(Year-end March)	FY22	FY23E	FY24E	FY25E
Liabilities				
Equity Capital	439	439	439	439
Share application money	-	-	-	-
Reserve and Surplus	26,447	29,504	33,096	37,284
Total Shareholders funds	26,886	29,943	33,535	37,723
Minority Interest	495	559	623	687
Total Debt	1,582	1,582	1,582	1,582
Other long term liabilities	4,843	4,843	4,843	4,843
Total Liabilities	**33,806**	**36,927**	**40,583**	**44,835**
Assets				
Net Block	3,620	3,136	3,083	3,123
Capital WIP	165	165	165	165
Investments	4,884	4,887	4,889	4,892
Deferred tax assets	819	819	819	819
Goodwill on consolidation	7,426	7,426	7,426	7,426
Debtors	11,934	14,258	15,382	16,575
Loans and Advances (short)	-	-	-	-
Other non-current assets	4,198	4,191	4,192	4,192
Cash	3,975	6,428	9,668	13,383
Other current assets	4,071	4,864	5,248	5,655
Total Current Assets	24,457	30,027	34,774	40,089
Trade payables	4,095	4,892	5,278	5,687
Current liabilities	6,299	7,525	8,118	8,748
Provisions	672	802	866	933
Total Current Liabilities	11,065	13,220	14,262	15,368
Application of Funds	**33,806**	**36,927**	**40,583**	**44,835**

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY22	FY23E	FY24E	FY25E
Per share data (₹)				
EPS	63.1	63.0	74.0	86.0
Cash EPS	80.3	85.4	94.9	107.0
BV	304.7	339.4	380.1	426.1
DPS	28.4	28.4	33.3	38.8
Cash Per Share	45.0	72.9	109.6	151.2
Operating Ratios (%)				
EBITDA Margin	18.0	15.4	15.7	16.9
PAT Margin	12.5	10.4	11.3	12.3
Return Ratios (%)				
RoE	20.7	18.6	19.5	20.2
RoCE	22.5	20.9	21.8	22.9
RoIC	25.8	24.3	27.5	32.3
Valuation Ratios (x)				
P/E	17.2	17.2	14.7	12.6
EV / EBITDA	12.2	11.6	10.2	8.5
EV / Net Sales	2.2	1.8	1.6	1.4
Market Cap / Sales	2.3	2.0	1.8	1.7
Price to Book Value	3.6	3.2	2.9	2.5
Solvency Ratios				
Debt/EBITDA	0.2	0.2	0.2	0.2
Debt/Equity	0.1	0.1	0.0	0.0
Current Ratio	1.5	1.4	1.4	1.4
Quick Ratio	1.4	1.4	1.4	1.4

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Sameer Pardikar, MBA, Sujay Chavan, MMS, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.
ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. 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 of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report 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. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. 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. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities and affiliates 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.