

Looking for mid teen revenue growth in FY24...

About the stock: Coforge offers system integration, apps & BPO services to BFSI, travel & healthcare verticals.

- Revenues grew at 18.1% CAGR in the past five years
- Healthy OCF, EBITDA (~75%) and robust return ratios (RoCE > 20%)

Q3FY23 Results: Coforge reported strong Q3FY23 results.

- Revenue grew 3.7% QoQ in CC terms and 1.9% QoQ in dollar terms
- Adjusted EBITDA margin was flat QoQ at 17.6%
- Highest ever TCV of US\$345mn, up 13.5% QoQ

What should investors do? Coforge's share price has grown by ~5.9x over the past five years (from ~₹ 709 in January 2018 to ~₹ 4165 levels in January 2023).

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

Target Price and Valuation: We value Coforge at ₹ 4870 i.e. 25x P/E on FY25E EPS.

Key triggers for future price performance:

- Continued momentum in order intake & winning large deals, healthy order book to drive growth
- Bottoming out of travel vertical (in the US), preferred partnership with Fortune 500 insurance & Tier 1 banking companies, recent acquisition to drive 17.6% revenue CAGR over FY22-25E
- A 170 bps improvement in margins over FY22-25E due to offshoring, higher fresher additions and utilisation improvement

Alternate Stock Idea: Apart from Coforge, 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

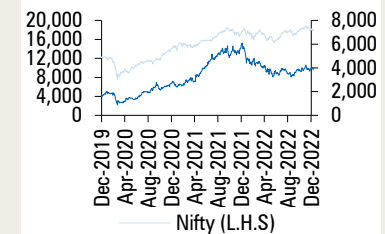
Particulars

Particular	Amount
Market Capitalisation (₹ Crore)	25,891
Total Debt (₹ Crore)	336.5
Cash & Investment (₹ Crore)	453.5
EV (₹ Crore)	25,774
52 week H/L	5720/ 3210
Equity capital	60.9
Face value	10.0

Shareholding pattern

	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	40	40	40	40
FII	22	22	21	21
DII	25	26	26	27
Public	12	12	13	12

Price Chart



Recent event & key risks

- Increased guidance from 20% to 22% from 20% CC growth in FY23
- **Key Risk:** (i) Lower-than-expected growth (ii) Lower-than-expected margins

Research Analyst

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

Key Financial Summary

Financials	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	FY25E	3 year CAGR (FY22-25E)
Net Sales	4,663	6,432	18.1	8,162	9,332	10,464	17.6%
EBITDA	786	1,115	18.1	1,543	1,773	1,988	21.2%
EBITDA Margins (%)	16.9	17.3		18.9	19.0	19.0	
Net Profit	456	662	12.7	925	1,073	1,210	22.3%
EPS (₹)	73.3	106.5		148.9	172.7	194.7	
P/E	56.8	39.1		28.0	24.1	21.4	
RoNW (%)	18.5	24.2		28.5	28.0	26.9	
RoCE (%)	23.3	25.6		31.8	31.5	30.6	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

- US\$ revenues grew 1.9% QoQ to US\$251.7 million (mn) while growth in CC terms was 3.7% QoQ implying 180 bps headwind impact out of which ~80 bps was on account of hedge losses & ~100 bps on account of cross currency. The company reported rupee revenues of ₹ 2,055.8 crore, up 4.9% QoQ
- Geography wise, growth was driven by EMEA (40.3% of mix) & RoW (10.5% of mix) reporting growth of 6.7% & 4.9%, respectively, QoQ while America region (49.2% of mix) declined 2.2% QoQ
- Vertical wise in CC terms BFS (31.1% of mix) reported strong revenue growth of 39.3% YoY despite the softness in mortgage vertical. TTH & Other reported growth 25.6% & 24.1% YoY in CC terms while insurance declined 6.9% YoY. The company indicated that within the others vertical Retail & healthcare now contributes ~8% of the revenue & public sector contributes ~7% of the revenue
- The company indicated the growth momentum is likely to sustain in FY24 on the basis of execution of five large deals it won as well as strong pipeline ahead. Out of five large deals it won for the quarter a) one deal was with TCV of US\$50 mn with a large speciality insurance player in US for their core IT infrastructure upgrade b) the deal with one of the leading banks with TCV \$30 mn in the data analytics, fraud reporting space and the deal duration is of three years. The company also indicated that out of five large deals, two are from insurance space, one from BFS and one is in the BPO space where it won with TCV of US\$20 mn+. Coforge also indicated that vendor consolidation theme is also one of the growth drivers, going ahead, as it mentioned that out of five large deals it won during the quarter, TCV US\$50 mn deal in the insurance space and BPO deal are vendor consolidation deals where vendors with lack of end-to-end capabilities are being replaced. Hence, its wallet share continued to increase
- Coforge also said there is a good mix of cost take out deals and cloud transformation in the five large deals it won during the quarter. The company indicated that incremental deals are skewed towards cost take out programs. Coforge mentioned there are some areas in the market, which are being affected by macro issues but so far they are largely insulated from the pain. The company indicated that it has a good runway for growth despite macros issues due to continued order wins. **Coforge also mentioned that its revenue growth in FY24 is likely to be around 15%.** The company also added that 22% CC growth guidance for FY23 is conservative, in its opinion, and it would like to exceed the growth for FY23. Coforge also mentioned that this annual guidance translates into 3.4% CC growth in Q4, which is not challenging
- On BFS, the company indicated that the performance for the quarter was impacted by furloughs. It is a temporary blip as per its view. Coforge expects the performance to see a strong rebound from Q4 onwards. The company also mentioned on account of strong deal wins in this segment in the last few quarters as well as new deals signed in this quarter, revenue growth momentum is likely to continue. Coforge indicated that low code no code platforms, data analytics, fraud management continue to be area of key client interest. On the insurance side, the company is seeing a rebound due to deal momentum i.e. two large deals closed in Q3. Coforge acknowledged that in this vertical, revenue conversion has been a laggard in Q3. It expects a rebound in Q4

Coforge - ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	0.0	2.4	0.0
Social	0.0	25.4	0.0
Governance	0.0	78.6	0.0
Overall ESG Score	0.0	35.5	0.0

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

- In insurance, especially on its 'Advantage GO' insurance platform, the company mentioned that the performance was not up to the mark from this platform in the last few quarters. Coforge did take corrective action and on boarded a new leader for this platform in this quarter, who has joined it from one of its closest competitor in this space. As per the company, this product forms 1.2% of its revenue mix but it was acting as a minor drag on the company's performance. Coforge expects a material rebound in this business. On the travel vertical, the company expects a travel rebound and continued client spending on touchless on boarding on airports, data analytics, etc. **Coforge guided for 25% growth in the travel vertical in FY24.** The company also indicated that out of others verticals, which forms 27% of the mix, retail, healthcare forms 8% of the mix, public sector forms 7%. It will likely carve out retail & healthcare separately, going forward
- The company indicated that GM has witnessed an expansion for the quarter due to i) continued offshore mix increase ii) 300bps increase in utilisation iii) fresher billings. EBITDA margins declined due to a sharp rise in SG&A expenses due to investments in sales people. The margins for the quarter also saw an impact of forex loss of 70 bps, which almost nullified tailwinds from rupee depreciation for the quarter. Coforge guided for a sharp margin expansion in Q4 i.e. 150-170 bps out of which 100 bps QoQ margin expansion will come on account of savings due to headcount rationalisation in BPO business in last couple of quarters (adjusted to headwinds in this business due to lower volumes) as it generally comes with a lag. The company also indicated that their efforts will continue on margin expansion in the medium terms and margins are expected to be much high whenever it reaches a milestone of US\$2 bn revenues. On net decline of employees, Coforge indicated that the decline largely pertains to BPO business, which is facing headwinds while net count is likely to see positive number from Q4 onwards as it has on boarded 1000 freshers who are undergoing training. They are likely become billable in the next quarter or two
- The company indicated that its offshore mix ratio continues to improve. It reported an offshore: onshore mix of 50.5%: 49.5% compared to 50.2%: 49.8% in Q2. The company also reiterated the increased offshoring will be one of the key margin levers for the company
- The LTM attrition declined 60 bps QoQ to 15.8%, which is the lowest among its peers and IT services companies. The net employees during the quarter declined by 486 to 22,505 with the decline in IT services & BPS at 191 & 348, respectively
- The company also indicated that it has delayed ADR listing due to unfavourable market conditions and is keeping a close watch on the market
- The company declared an interim dividend of ₹ 19 per share

Exhibit 1: Variance Analysis

	Q3FY23	Q3FY23E	Q2FY22	YoY (%)	Q2FY23	QoQ (%)	Comments
Revenue in USD	251.7	254.8	221.6	13.6	246.9	1.9	Revenue increased 3.7% QoQ in CC terms
Revenue	2,055.8	2,095.0	1,658.1	24.0	1,959.4	4.9	
Employee expenses	1,369.8	1,416.2	1,121.0	22.2	1,331.6	2.9	
Gross Margin	686.0	678.8	537.1	27.7	627.8	9.3	
Gross margin (%)	33.4	32.4	32.4	98 bps	32.0	133 bps	
SG&A expenses	324.5	301.7	235.1	38.0	282.9	14.7	
EBITDA	361.5	377.1	302.0	19.7	344.9	4.8	
EBITDA Margin (%)	17.6	18.0	18.2	-63 bps	17.6	-2 bps	Margin flat due to elevated S&M expenses. There was also impact of forex loss of 70 bps for the quarter, which nullified currency benefits
Depreciation & amortisation	62.4	60.0	56.6	10.2	61.4	1.6	
EBIT	299.1	317.1	245.4	21.9	283.5	5.5	
EBIT Margin (%)	14.5	15.1	14.8	-25 bps	14.5	8 bps	
Other income (less interest)	8.3	-15.0	-12.2	-168.0	-15.0	-155.3	
Exceptional items	0.0	0.0	0.0	NM	0.0	NM	
PBT	307.4	302.1	233.2	31.8	268.5	14.5	
Tax paid	71.5	69.5	36.0	98.6	47.4	50.8	
PAT	228.2	212.6	183.7	24.2	201.6	13.2	

Source: Company, ICICI Direct Research

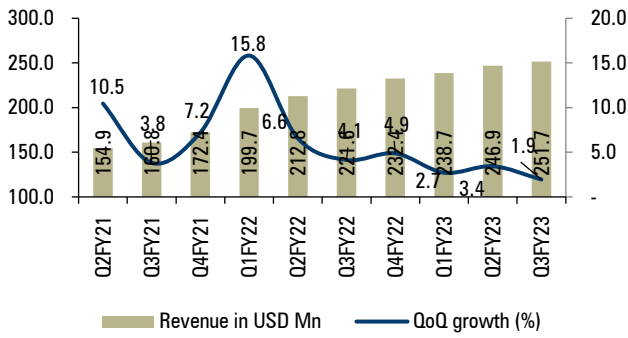
Exhibit 2: Change in estimates

	FY23E			FY24E			FY25E		Comments	
	Old	New	% Change	Old	New	% Change	Old	New		
(₹ Crore)										
Revenue	8,108	8,162	0.7	9,235	9,332	1.1	10,241	10,464	2.2	Realigned numbers on 9M performance
EBITDA	1,532.3	1,543	0.7	1,754.7	1,773	1.1	1,946	1,988	2.2	
EBITDA Margin (%)	18.9	18.9	0 bps	19.0	19.0	0 bps	19.0	19.0	0 bps	
PAT	918.4	925	0.7	1,061	1,073	1.1	1,183	1,210	2.3	
EPS (₹)	147.8	148.9	0.7	170.8	172.7	1.1	190.3	194.7	2.3	

Source: Company, ICICI Direct Research

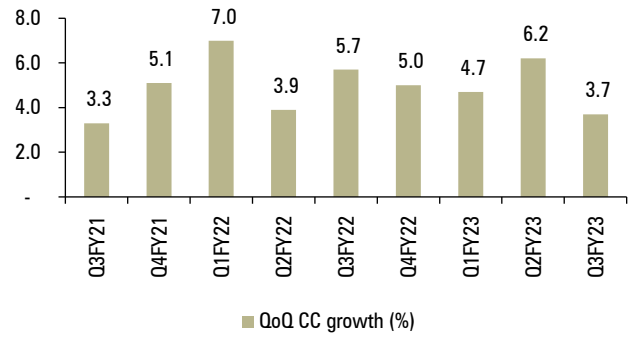
Key quarterly highlights

Exhibit 3: Dollar revenue impacted by cross currency



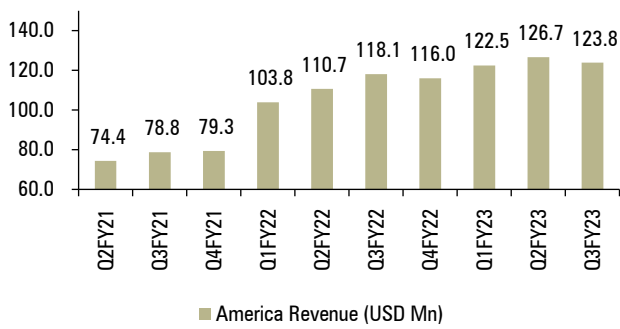
Source: Company, ICICI Direct Research

Exhibit 4: Revenue growth steady in seasonally weak Q3



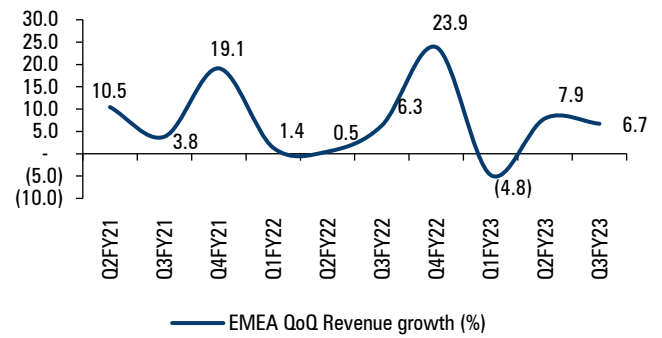
Source: Company, ICICI Direct Research

Exhibit 5: America revenue muted due to furloughs



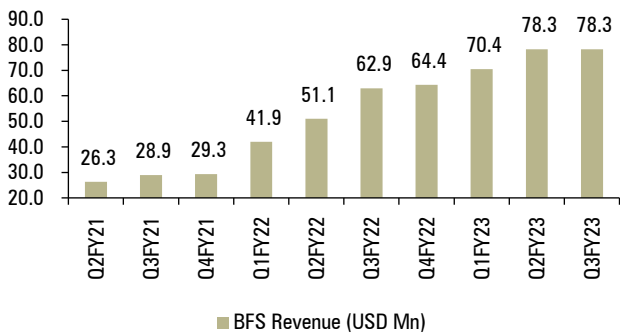
Source: Company, ICICI Direct Research

Exhibit 6: EMEA continues steady growth



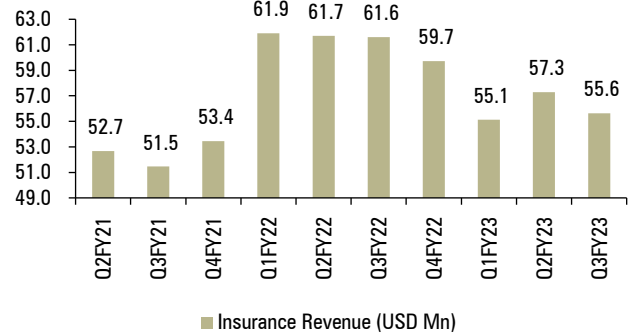
Source: Company, ICICI Direct Research

Exhibit 7: BFS impacted by furloughs



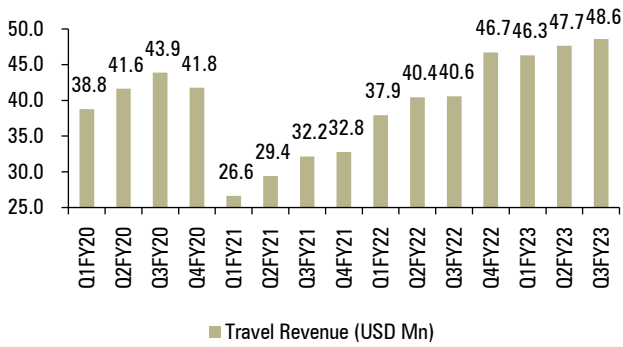
Source: Company, ICICI Direct Research

Exhibit 8: Insurance revenue conversion slower



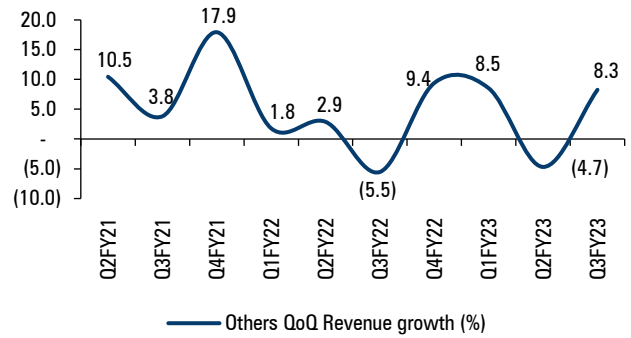
Source: Company, ICICI Direct Research

Exhibit 9: Travel continues steady growth



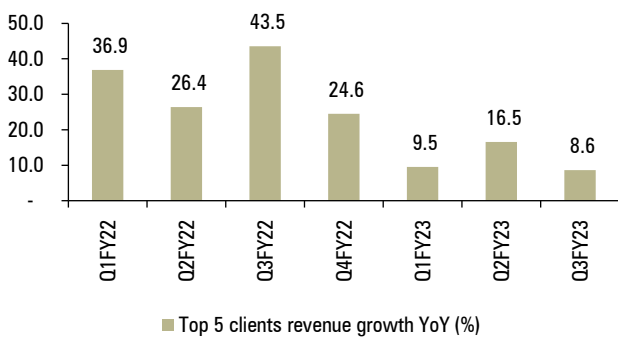
Source: Company, ICICI Direct Research

Exhibit 10: Others including retail, public sector keep growing



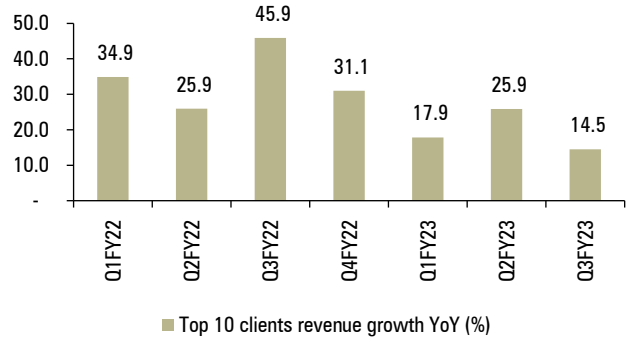
Source: Company, ICICI Direct Research

Exhibit 11: Top five client's growth moderates



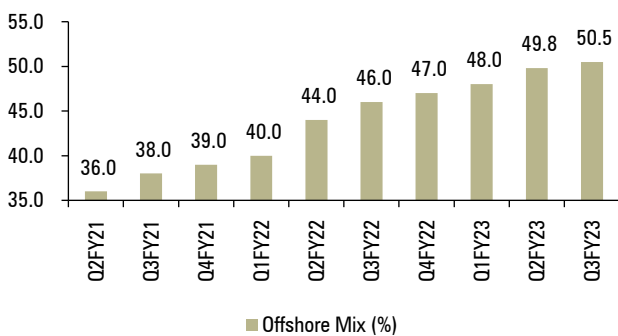
Source: Company, ICICI Direct Research

Exhibit 12: Same for Top 10 clients



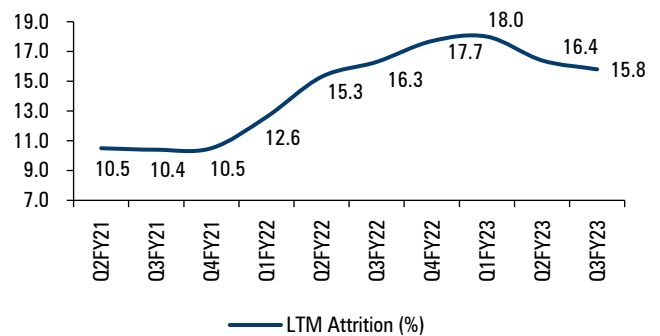
Source: Company, ICICI Direct Research

Exhibit 13: Offshore mix keeps improving



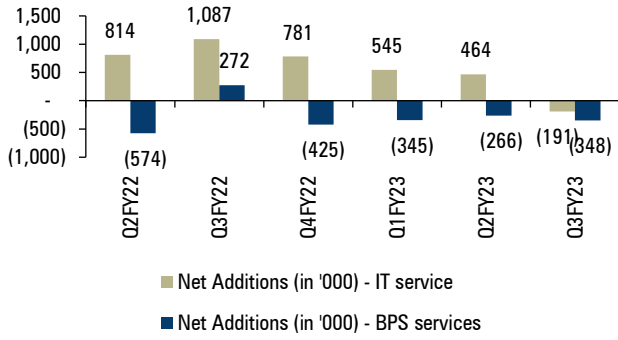
Source: Company, ICICI Direct Research

Exhibit 14: LTM attrition lowest in industry



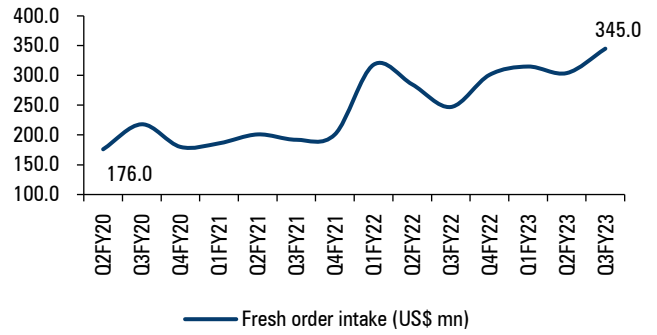
Source: Company, ICICI Direct Research

Exhibit 15: Net hiring declines for both IT & BPS



Source: Company, ICICI Direct Research

Exhibit 16: Fresh order intake continues to healthy



Source: Company, ICICI Direct Research

Financial summary

Exhibit 17: Profit and loss statement				
	₹ crore			
	FY22	FY23E	FY24E	FY25E
Total operating Income	6,432	8,162	9,332	10,464
Growth (%)	37.9	26.9	14.3	12.1
COGS (employee expenses)	4,374	5,469	6,253	7,011
S,G&A expenses	943	1,151	1,307	1,465
Total Operating Expenditure	5,317	6,620	7,559	8,476
EBITDA	1,115	1,543	1,773	1,988
Growth (%)	41.8	38.3	14.9	12.1
Depreciation	227	286	327	366
Other Income (net)	(27)	(7)	(7)	(7)
PBT	862	1,250	1,439	1,615
Total Tax	147	275	317	355
Adjusted 'PAT	662	925	1,073	1,210
Growth (%)	45	40	16	13
Adjusted EPS (₹)	106.5	148.9	172.7	194.7
Growth (%)	45.3	39.8	16.0	12.8

Source: Company, ICICI Direct Research

Exhibit 18: Cash flow statement				
	₹ crore			
	FY22	FY23E	FY24E	FY25E
Profit before Tax	862	1,250	1,439	1,615
Add: Depreciation	227	286	327	366
(Inc)/dec in Current Assets	(392)	(510)	(320)	(310)
Inc/(dec) in CL and Provisions	217	622	238	230
Taxes paid	(265)	(275)	(317)	(355)
CF from operating activities	766	1,373	1,367	1,547
(Inc)/dec in Investments	-	-	-	-
(Inc)/dec in Fixed Assets	(154)	(155)	(177)	(199)
Others	2	(7)	(7)	(7)
CF from investing activities	(956)	(162)	(184)	(206)
Issue/(Buy back) of Equity	5	-	-	-
Inc/(dec) in loan funds	(45)	-	-	-
Dividend paid & dividend tax	(375)	(416)	(483)	(544)
CF from financing activities	(156)	(566)	(633)	(694)
Net Cash flow	(347)	644	550	646
Exchange difference	(7)	-	-	-
Opening Cash	812	454	1,098	1,648
Closing Cash	454	1,098	1,648	2,295

Source: Company, ICICI Direct Research

Exhibit 19: Balance sheet				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Liabilities				
Equity Capital	61	61	61	61
Reserve and Surplus	2,672	3,181	3,771	4,436
Total Shareholders funds	2,733	3,242	3,832	4,497
Total Debt	337	337	337	337
Provisions	105	105	105	105
Minority Interest / Other non CL	197	247	297	347
Total Liabilities	3,371	3,930	4,570	5,285
Assets				
Net Block	996	544	545	528
Capital WIP	9	9	9	9
Total Fixed Assets	1,005	553	554	536
Goodwill	1,071	1,071	1,071	1,071
Deferred tax assets	155	155	155	155
Debtors	1,389	1,557	1,780	1,996
Other Current Assets	378	727	831	932
Cash	454	1,098	1,648	2,295
Current Investments	-	-	-	-
Total Current Assets	2,221	3,382	4,260	5,223
Trade payables	652	652	745	835
Other current liabilities	480	971	1,111	1,245
Short term provisions	32	39	45	50
Total Current Liabilities	1,164	1,662	1,901	2,131
Net Current Assets	1,057	1,720	2,359	3,092
Application of Funds	3,371	3,931	4,571	5,286

Source: Company, ICICI Direct Research

Exhibit 20: Key ratios				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Per share data (₹)				
Adjusted EPS (Diluted)	106.5	148.9	172.7	194.7
DPS	49	69	80	90
Cash per Share	73.0	176.7	265.3	369.3
BV per share (Diluted)	439.9	521.8	616.8	723.8
Operating Ratios (%)				
EBITDA Margin	17.3	18.9	19.0	19.0
PBT Margin	13.4	15.3	15.4	15.4
PAT Margin	10.3	11.3	11.5	11.6
Debtor days	79	70	70	70
Creditor days	37	29	29	29
Return Ratios (%)				
RoE	24.2	28.5	28.0	26.9
RoCE	25.6	31.8	31.5	30.6
RoIC	29.3	48.3	53.8	58.8
Valuation Ratios (x)				
P/E (Adjusted)	39.1	28.0	24.1	21.4
EV / EBITDA	23.1	16.3	13.9	12.0
EV / Net Sales	4.0	3.1	2.6	2.3
Market Cap / Sales	4.0	3.2	2.8	2.5
Price to Book Value	9.5	8.0	6.8	5.8
Solvency Ratios				
Debt/EBITDA	0.3	0.2	0.2	0.2
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	1.5	1.4	1.4	1.4
Quick Ratio	1.5	1.4	1.4	1.4

Source: Company, ICICI Direct Research

Exhibit 21: ICICI Direct coverage universe (IT)

Company Name	CMP	TP (₹)	Rating	Mcap (₹)	EPS (₹)			P/E			RoCE (x)			RoE(x)		
					FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
HCL Tech (HCLTEC)	1,111	1,220	BUY	3,01,488	49.8	53.6	59.2	22.3	20.7	18.8	24.2	26.2	27.7	21.8	22.2	23.3
Infosys (INFTEC)	1,541	1,730	BUY	6,48,394	52.1	60.7	70.8	29.6	25.4	21.8	36.0	36.2	39.1	29.2	30.1	32.3
TCS (TCS)	3,372	3,780	BUY	12,33,832	104.7	118.5	133.4	32.2	28.5	25.3	51.4	50.1	49.3	43.0	42.6	41.5
Tech M (TECMAH)	1,053	1,240	BUY	1,02,438	63.1	65.2	80.0	16.7	16.2	13.2	22.5	21.5	23.2	20.7	19.1	20.8
Wipro (WIPRO)	403	455	BUY	2,20,896	23.5	23.3	26.4	17.2	17.3	15.3	18.8	18.9	20.5	19.6	18.7	20.3
LTIM (LTINFO)	4,244	UR	UR	1,25,536	130.8	155.9*	186.2*	32.4	27.3*	22.9*	32.3	-	-	26.1	-	-
Coforge (NIITEC)	4,165	4,870	BUY	25,367	106.5	148.9	172.7	39.1	28.0	24.1	25.6	31.8	31.5	24.2	28.5	28.0
TeamLease (TEASER)	2,477	2,540	HOLD	4,235	22.5	72.9	88.0	110.2	34.0	28.1	15.4	15.4	16.0	(4.7)	15.1	15.6
Infoedge (INFEDG)	3,715	4,590	HOLD	46,688	35.8	45.5	51.7	103.8	81.7	71.9	4.2	5.4	6.0	3.2	4.1	4.5

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, Akruiti 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.