

# LTIMINDTREE

Refer to important disclosures at the end of this report

## Demand moderation and one-off costs to weigh on H2 performance

We recently met with Vinit Teredesai - CFO and Nitin Mohta - IR of LTIMindtree, to understand the demand environment and progress on integration. Key meeting-takeaways are:

- Q3 revenue growth is likely to be impacted by the higher-than-usual furloughs, lower number of working days at onsite, and elimination of related-party revenue between LTI-MTCL (~0.4% in FY22). LTIM is seeing delay in decision-making in Retail & CPG, Hi-tech and E&U.
- Mgmt expects a weaker margin trajectory in H2 due to moderation in the revenue growth momentum and anticipated one-off costs related to the merger & business mix (higher pass-through revenue in H2). Mgmt indicated that one-off costs are likely to be 100-150bps in Q3.
- Near-term performance is likely to be impacted by the worsening macro, merger integration costs, and weak cash-conversion due to delayed billing. However, the combined business offers a well-diversified portfolio, improved large-deals participation with scale, end-to-end capabilities and cross-sell opportunities that would help in sustaining revenue growth on a larger scale.
- We remain positive on the medium-to-long term growth prospects of LTIM; but the current valuation offers limited upside and integration presents some challenges in talent retention, margin trajectory and cash conversion in the near term. We roll forward our valuations to Dec-24E and maintain HOLD with TP of Rs4,700/share at 23x Dec-24E EPS.

**Furloughs and slower decision-making to weigh on Q3 performance:** Sequential revenue growth in Q3 is likely to be impacted by higher-than-usual furloughs, lower number of working days at onsite, elimination of related-party revenue between LTI-MTCL (related-party revenue was ~0.4% in FY22) and slower decision-making (particularly in Retail & CPG, Hi-tech and E&U). Moderation in revenue growth and one-off costs related to the merger (100-150bps in Q3) & business mix (increase in pass-through revenue which usually yields a lower margin vs services revenue) would weigh on margins. Despite the macro uncertainties, LTIM does not expect delay in finalization of the CY23 budget. It plans to slow down its hiring plan considering moderation in attrition, and focus on utilization & deployment of the existing bench. It expects deterioration in cash conversion in the near term due to expected delay in billing as system integration gathers momentum.

**Merger to impact near-term performance; complementary portfolio and expanded capabilities augur well for long-term growth prospects:** The LTI and Mindtree merger scheme has become effective from November 14, 2022. Management maintained that there will not be any layoffs and all employees will be accommodated in the wider organization, although roles & responsibilities may see some changes. Debashis Chatterjee (former CEO of MTCL) will lead the combined entity. Vinit Teredesai (erstwhile CFO of MTCL) has been appointed as CFO of the combined entity. Sales leadership has been split between Sudhir Chaturvedi (ex President Sales at LTI) and Venugopal Lambu (former President Global Markets at MTCL). Nachiket Deshpande (erstwhile COO at LTI) is now COO of LTIM. Management expects benefits from the integration of support functions to take effect only after a couple of quarters, due to the legal & operational complexities involved. The company is likely to face some unavoidable churn on account of possible dissatisfaction among some leaders, with the new assigned roles. It plans to realign employee compensation in the next appraisal cycle. LTIM expects the merger harmonization process to be completed by end-FY23 and FY24 performance to thus reflect business as usual.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(Page 5\)](#)

### Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,23,698	1,56,687	3,33,816	3,79,882	4,42,099
EBITDA	27,252	30,585	64,417	74,587	86,816
EBITDA Margin (%)	22.0	19.5	19.3	19.6	19.6
APAT	19,361	22,969	46,601	53,836	63,027
EPS (Rs)	110.8	131.0	157.6	182.0	213.1
EPS (% chg)	26.9	18.3	20.2	15.5	17.1
ROE (%)	30.5	28.5	27.4	28.9	28.5
P/E (x)	39.7	33.6	27.9	24.2	20.7
EV/EBITDA (x)	27.9	24.9	19.7	17.1	14.6
P/BV (x)	10.5	8.8	7.6	6.4	5.4

Source: Company, Emkay Research

### CMP

Rs 4,402  
as of (December 9, 2022)

### Rating

HOLD (■)

### Target Price

Rs 4,700 (▲)  
12 months

### Upside

6.8 %

### Change in Estimates

EPS Chg FY23E/FY24E (%)	NA
Target Price change (%)	4
Target Period (Months)	12
Previous Reco	HOLD

### Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	157.6	182.0
Consensus	157.0	181.0
Mean Consensus TP (12M)	Rs 4,982	

### Stock Details

Bloomberg Code	LTIM IN
Face Value (Rs)	1
Shares outstanding (mn)	296
52 Week H/L	7,595 / 3,733
M Cap (Rs bn/USD bn)	1,302 / 15.82
Daily Avg Volume (nos.)	4,11,226
Daily Avg Turnover (USD mn)	23.8

### Shareholding Pattern 25 Nov '22

Promoters	68.7%
FIIIs	9.6%
DIIIs	10.1%
Public and Others	11.6%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	(9)	(6)	1	(33)
Rel. to Nifty (11)	(9)	(10)	(37)	(37)

### Relative price trend



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

### Dipesh Mehta

dipeshkumar.mehta@emkayglobal.com

+91 22 6612 1253

### Ayush Bansal

ayush.bansal@emkayglobal.com

+91 22 6612 1344

### Ruchita Agarwal

ruchita.agarwal@emkayglobal.com

+91 22 6624 2450

## Key Financials (Consolidated)

### Income Statement

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>1,23,698</b>	<b>1,56,687</b>	<b>3,33,816</b>	<b>3,79,882</b>	<b>4,42,099</b>
<b>Expenditure</b>	<b>96,446</b>	<b>1,26,102</b>	<b>2,69,399</b>	<b>3,05,296</b>	<b>3,55,283</b>
<b>EBITDA</b>	<b>27,252</b>	<b>30,585</b>	<b>64,417</b>	<b>74,587</b>	<b>86,816</b>
Depreciation	3,325	3,549	7,248	7,751	9,080
<b>EBIT</b>	<b>23,927</b>	<b>27,036</b>	<b>57,170</b>	<b>66,835</b>	<b>77,737</b>
Other Income	1,955	3,939	6,339	6,853	8,314
Interest expenses	0	0	1,278	1,399	1,423
<b>PBT</b>	<b>25,882</b>	<b>30,975</b>	<b>62,231</b>	<b>72,290</b>	<b>84,627</b>
Tax	6,500	7,989	15,605	18,434	21,580
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(21)	(17)	(24)	(20)	(20)
<b>Reported Net Income</b>	<b>19,361</b>	<b>22,969</b>	<b>46,601</b>	<b>53,836</b>	<b>63,027</b>
<b>Adjusted PAT</b>	<b>19,361</b>	<b>22,969</b>	<b>46,601</b>	<b>53,836</b>	<b>63,027</b>

### Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	175	175	296	296	296
Reserves & surplus	72,859	87,971	1,69,977	2,01,925	2,39,515
<b>Net worth</b>	<b>73,034</b>	<b>88,146</b>	<b>1,70,273</b>	<b>2,02,221</b>	<b>2,39,811</b>
<b>Minority Interest</b>	<b>37</b>	<b>57</b>	<b>81</b>	<b>101</b>	<b>121</b>
<b>Loan Funds</b>	<b>414</b>	<b>519</b>	<b>519</b>	<b>519</b>	<b>519</b>
Net deferred tax liability	(511)	(444)	(441)	(441)	(441)
<b>Total Liabilities</b>	<b>72,974</b>	<b>88,278</b>	<b>1,70,432</b>	<b>2,02,400</b>	<b>2,40,010</b>
<b>Net block</b>	<b>19,060</b>	<b>20,977</b>	<b>39,468</b>	<b>40,517</b>	<b>40,738</b>
<b>Investment</b>	<b>37,295</b>	<b>34,820</b>	<b>66,503</b>	<b>96,503</b>	<b>1,16,503</b>
<b>Current Assets</b>	<b>49,528</b>	<b>63,534</b>	<b>1,32,753</b>	<b>1,41,718</b>	<b>1,69,265</b>
Cash & bank balance	7,594	7,773	24,001	23,120	32,428
Other Current Assets	14,271	17,159	24,226	26,750	30,160
<b>Current liabilities &amp; Provision</b>	<b>33,571</b>	<b>35,866</b>	<b>70,231</b>	<b>77,778</b>	<b>87,935</b>
<b>Net current assets</b>	<b>15,957</b>	<b>27,668</b>	<b>62,521</b>	<b>63,941</b>	<b>81,330</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>72,974</b>	<b>88,278</b>	<b>1,70,432</b>	<b>2,02,400</b>	<b>2,40,010</b>

### Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>23,927</b>	<b>27,036</b>	<b>55,892</b>	<b>65,437</b>	<b>76,314</b>
Other Non-Cash items	4,985	7,641	15,605	18,434	21,580
Chg in working cap	2,704	(9,542)	(13,857)	(2,300)	(8,082)
<b>Operating Cashflow</b>	<b>23,996</b>	<b>16,520</b>	<b>40,015</b>	<b>59,307</b>	<b>64,045</b>
Capital expenditure	(3,091)	(9,335)	(8,898)	(8,300)	(9,300)
<b>Free Cash Flow</b>	<b>20,905</b>	<b>7,185</b>	<b>31,117</b>	<b>51,007</b>	<b>54,745</b>
Investments	(14,611)	(1,635)	(6,176)	(30,000)	(20,000)
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>(16,560)</b>	<b>(9,594)</b>	<b>(15,074)</b>	<b>(38,300)</b>	<b>(29,300)</b>
Equity Capital Raised	1	0	0	0	0
Loans Taken / (Repaid)	94	105	0	0	0
Dividend paid (incl tax)	(5,319)	(8,749)	(19,226)	(21,888)	(25,438)
Other Financing Cash Flow	157	(1,766)	0	0	0
<b>Financing Cashflow</b>	<b>(5,088)</b>	<b>(10,458)</b>	<b>(19,226)</b>	<b>(21,888)</b>	<b>(25,438)</b>
<b>Net chg in cash</b>	<b>2,348</b>	<b>(3,532)</b>	<b>5,715</b>	<b>(881)</b>	<b>9,308</b>
Opening cash position	5,252	7,594	18,286	24,001	23,120
<b>Closing cash position</b>	<b>7,594</b>	<b>3,949</b>	<b>24,001</b>	<b>23,120</b>	<b>32,428</b>

Source: Company, Emkay Research

Note: Figures from FY23 onwards pertain to LTIMindtree as a merged entity

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 12/12/2022 08:52 PM

**Key Ratios**

<b>Profitability (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EBITDA Margin	22.0	19.5	19.3	19.6	19.6
EBIT Margin	19.3	17.3	17.1	17.6	17.6
Effective Tax Rate	25.1	25.8	25.1	25.5	25.5
Net Margin	15.7	14.7	14.0	14.2	14.3
ROCE	41.3	38.4	37.3	39.5	38.9
ROE	30.5	28.5	27.4	28.9	28.5
RoIC	69.4	58.8	54.9	62.5	67.7

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	110.8	131.0	157.6	182.0	213.1
CEPS	129.8	151.3	182.1	208.2	243.8
BVPS	417.9	502.9	575.7	683.7	810.8
DPS	40.0	55.0	65.0	74.0	86.0

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	39.7	33.6	27.9	24.2	20.7
P/CEPS	33.9	29.1	24.2	21.1	18.1
P/BV	10.5	8.8	7.6	6.4	5.4
EV / Sales	6.2	4.9	3.8	3.4	2.9
EV / EBITDA	27.9	24.9	19.7	17.1	14.6
Dividend Yield (%)	0.9	1.2	1.5	1.7	2.0

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)
Net Debt/EBIDTA	(0.3)	(0.4)	(0.5)	(0.4)	(0.4)
Working Cap Cycle (days)	24.7	46.3	42.1	39.2	40.4

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	13.7	26.7	113.0	13.8	16.4
EBITDA	34.3	12.2	110.6	15.8	16.4
EBIT	36.2	13.0	111.5	16.9	16.3
PAT	27.4	18.6	102.9	15.5	17.1

<b>Quarterly (Rs mn)- Proforma LTIMindtree</b>	<b>Q2FY22</b>	<b>Q3FY22</b>	<b>Q4FY22</b>	<b>Q1FY23</b>	<b>Q2FY23</b>
Revenue	63,532	68,876	71,990	76,439	82,371
EBITDA	12,639	14,232	14,547	14,889	16,274
<b>EBITDA Margin (%)</b>	<b>19.9</b>	<b>20.7</b>	<b>20.2</b>	<b>19.5</b>	<b>19.8</b>
PAT	9,504	10,495	11,101	11,051	11,880
<b>EPS (Rs)</b>	<b>32.1</b>	<b>35.5</b>	<b>37.5</b>	<b>37.4</b>	<b>40.2</b>

Source: Company, Emkay Research

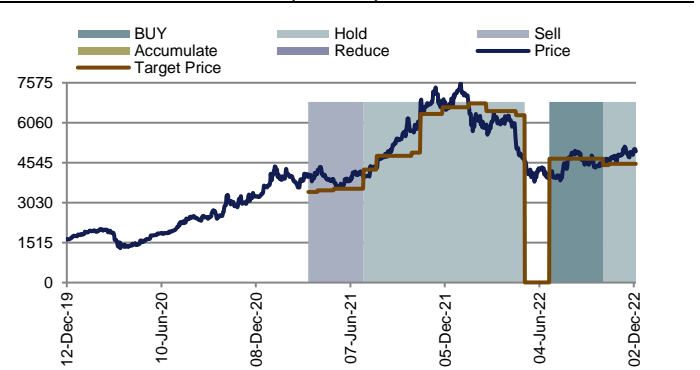
<b>Shareholding Pattern (%)</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Jun-22</b>	<b>Sep-22</b>	<b>25-Nov-22</b>
Promoters	74.1	74.1	74.1	74.0	74.0	68.7
FIIIs	13.3	12.5	10.1	8.4	8.1	9.6
DIIIs	4.7	5.4	7.5	8.1	8.1	10.1
Public and Others	7.9	8.0	8.4	9.5	9.7	11.6

Source: Capitaline

**RECOMMENDATION HISTORY (Rs/share)**

Date	Closing Price	TP	Period	Rating	Analyst
15-Oct-22	4,669	4,500	12m	Hold	Dipeshkumar Mehta
04-Oct-22	4,588	4,450	12m	Hold	Dipeshkumar Mehta
15-Jul-22	3,975	4,700	12m	Buy	Dipeshkumar Mehta
23-Jun-22	4,133	4,700	12m	Buy	Dipeshkumar Mehta
07-May-22	4,593	-	12m	UR	Dipeshkumar Mehta
20-Apr-22	5,170	6,350	12m	Hold	Dipeshkumar Mehta
01-Apr-22	6,174	6,500	12m	Hold	Dipeshkumar Mehta
22-Feb-22	5,991	6,500	12m	Hold	Dipeshkumar Mehta
20-Jan-22	6,606	6,800	12m	Hold	Dipeshkumar Mehta
01-Jan-22	7,332	6,650	12m	Hold	Dipeshkumar Mehta
09-Dec-21	6,606	6,650	12m	Hold	Dipeshkumar Mehta
30-Nov-21	6,810	6,650	12m	Hold	Dipeshkumar Mehta
19-Oct-21	6,855	6,400	12m	Hold	Dipeshkumar Mehta
02-Oct-21	5,751	4,930	12m	Hold	Dipeshkumar Mehta
27-Jul-21	4,349	4,800	12m	Hold	Dipeshkumar Mehta
17-Jul-21	4,289	4,280	12m	Hold	Dipeshkumar Mehta
02-Jul-21	4,043	4,280	12m	Hold	Dipeshkumar Mehta
16-Jun-21	4,210	3,550	12m	Sell	Dipeshkumar Mehta
06-May-21	3,812	3,550	12m	Sell	Dipeshkumar Mehta
05-Apr-21	4,270	3,490	12m	Sell	Dipeshkumar Mehta
18-Mar-21	4,007	3,430	12m	Sell	Dipeshkumar Mehta

Source: Company, Emkay Research

**RECOMMENDATION HISTORY (Rs/share)**


Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Information Technology



**Analyst: Dipesh Mehta**

### Contact Details

dipeshkumar.mehta@emkayglobal.com  
+91 22 6612 1253

### Sector

IT Services, ITes and Software

### Analyst bio

Dipesh is a seasoned Equities professional who has covered Technology sector for over 15 years. Dipesh has completed his B.E. in Information Technology from Sardar Patel University and MMS in Finance from Mumbai University.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
<b>Information Technology</b>	<b>11.56</b>	<b>11.03</b>	<b>-5%</b>	<b>-53</b>	<b>100.00</b>	
BirlaSoft	0.00	0.01	NA	1	0.11	0
Coforge	0.13	0.00	-100%	-13	0.00	0
Firstsource Solutions	0.00	0.02	NA	2	0.15	0
HCL Tech	1.06	1.06	1%	1	9.20	0
Infosys	5.38	5.31	-1%	-7	45.95	0
LTI Mindtree*	0.19	0.18	-2%	0	1.60	0
Mphasis	0.16	0.17	7%	1	1.44	0
Oracle Financial Services*	0.07	0.00	-100%	-7	0.00	0
Persistent Systems	0.19	0.18	-6%	-1	1.52	0
TCS	3.11	2.90	-7%	-22	25.08	0
Tech Mahindra	0.62	0.63	2%	2	5.46	0
Wipro	0.54	0.57	5%	3	4.94	0
Zomato	0.12	0.17	42%	5	1.46	0
<b>Cash</b>	<b>0.00</b>	<b>0.53</b>	<b>NA</b>	<b>53</b>	<b>4.56</b>	<b>0</b>

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	8-Dec-21	9-Jun-22	8-Sep-22	7-Nov-22	8-Dec-22
EAP - Information Technology	100.0	232.9	201.8	190.6	197.9	211.0
BSE200 Neutral Weighted Portfolio (ETF)	100.0	217.5	186.4	176.4	180.8	190.1

\*Performance measurement base date 1<sup>st</sup> April 2019

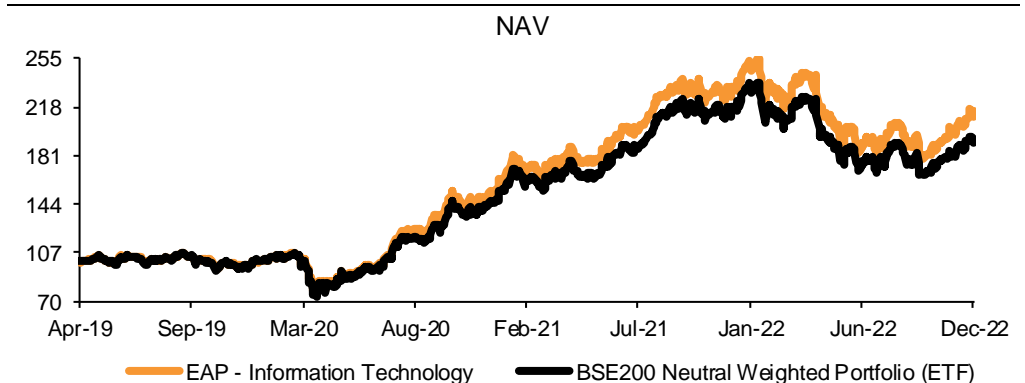
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Information Technology	6.6%	10.7%	4.5%	-9.4%
BSE200 Neutral Weighted Portfolio (ETF)	5.2%	7.8%	2.0%	-12.6%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 12 Dec 2022 08:40:00 (SGT)  
Dissemination Date: 12 Dec 2022 08:41:00 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

### GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com)

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. 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 research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

**Disclaimer for U.S. persons only:** This research report is a product of Emkay Global Financial Services Limited (Emkay), 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 Financial Institutions Regulatory Authority (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. This report is intended for distribution 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.



## ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate<sup>1</sup> does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

## COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of December 12, 2022
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
3. **Disclosure of previous investment recommendation produced:** EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of December 12, 2022.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the December 12, 2022
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the December 12, 2022

**RESTRICTIONS ON DISTRIBUTION**

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 <sup>th</sup> Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

**Emkay Global Financial Services Ltd.****CIN - L67120MH1995PLC084899**

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: [www.emkayglobal.com](http://www.emkayglobal.com)