

06 February 2025

India | Equity Research | Results update

Happiest Minds Technologies

Technology

Organic growth engine is yet to fire; higher focus on inorganic growth

Happiest Minds (HAPPSTMNDS) has once again revised down its FY25 revenue target to 27-28% vs 30-35% YoY CC earlier. We cut revenue by 7%/9% for FY26-27E, factoring in lower organic growth momentum and softness in edutech. We model 14-15% growth for FY26/27E; cut EPS by 12%/14.6% for FY26/27E, led by cut in revenue estimates and ~100bps cut in margin. We arrive at revised TP of INR 610 (average of P/E based TP of INR 570 and DCF-based TP of INR 640) and downgrade to **REDUCE** (earlier: *Hold*) due to growth challenges in organic portfolio (~17% exposure to low growth in edutech vertical and sub-scale presence in larger accounts in higher growth verticals of BFSI, retail and hitech) and higher reliance on inorganic acquisition to meet the long-term growth target.

Weak top line; FY25 revenue target revised down once again

HAPPSTMNDS reported revenue growth of 0.8%/0.5% QoQ CC/USD, lower than our expectation of 1.1% QoQ USD. Weakness in edutech vertical has dragged down overall growth, despite healthy growth momentum in BFSI, healthcare, retail and hitech. Q3 revenue was impacted by lower working days, higher leaves and furloughs which was offset by higher volumes and improved utilisation.

The company has revised down its FY25 revenue target to 27-28% YoY growth vs 30-35% YoY earlier. This implies high ask rate of 6-7% QoQ in Q4, which would get support from consolidation of GAVS acquisition (2-months incremental revenue), seasonal strength in Arttha Banking platform, reversal of furloughs and improving demand environment. We model 6% QoQ growth in Q4FY24E, leading to 27.3% YoY CC growth in FY25E.

EBITDA margin in line within guided range of 20-22%

Reported EBITDA margin came in at 21.1%, -60bps QoQ. EBITDA margin excluding other income was 17.7%, +10bps QoQ above our estimate of 17.5%. Improvement in gross margin by 90bps QoQ was offset by an increase in SG&A costs by 70bps QoQ led by continued investments in Gen AI BU, industry verticals and net new sales engine. Gross margin got support from 170bps QoQ improvement in utilisation. Senior management wage hike had an impact of ~60bps QoQ.

Margin levers for Q4FY25 and beyond would be improvement in utilisation to ~80% from current 78%, INR depreciation against USD, higher margin license revenue of Arttha banking platform and growth leverage.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	16,247	20,825	24,051	27,633
EBITDA	3,359	3,857	4,872	5,876
EBITDA Margin (%)	20.7	18.5	20.3	21.3
Net Profit	2,484	2,102	2,610	3,224
EPS (INR)	15.7	14.4	17.3	21.4
EPS % Chg YoY	(3.9)	(8.4)	20.4	23.5
P/E (x)	44.5	48.6	40.4	32.7
EV/EBITDA (x)	32.0	29.9	23.1	18.6
RoCE (%)	12.5	9.3	10.7	13.6
RoE (%)	21.4	13.7	16.1	18.6

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com
22 6807 7573

Aditi Patil

aditi.patil@icicisecurities.com

Seema Nayak

seema.nayak@icicisecurities.com

Market Data

Market Cap (INR)	107bn
Market Cap (USD)	1,219mn
Bloomberg Code	HAPPSTMN IN
Reuters Code	HAPP BO
52-week Range (INR)	956 /666
Free Float (%)	53.0
ADTV-3M (mn) (USD)	5.1

Price Performance (%)	3m	6m	12m
Absolute	(8.3)	(9.5)	(18.2)
Relative to Sensex	(6.8)	(8.9)	(27.3)

ESG Score	2023	2024	Change
ESG score	72.1	NA	NA
Environment	45.4	NA	NA
Social	77.8	NA	NA
Governance	81.2	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY25E	FY26E	FY27E
Revenue	(0.3)	(7.1)	(9.2)
EBIT	(0.1)	(12.0)	(14.3)
EPS	(2.4)	(12.1)	(14.6)

Previous Reports

15-11-2024: [Q2FY25 results review](#)

14-08-2024: [Q1FY25 results review](#)

Demand outlook in key verticals

In terms of verticals, edutech (-9.4% QoQ USD) and travel, media & entertainment (-1.8% QoQ USD) continue to decline. Hitech, BFSI and retail reported healthy sequential growth of 8.3%/5.5%/4.3% QoQ USD, respectively.

BFSI (24% of revenue) – Demand in financial services and banking in US is healthy led by stable inflation, buoyant job market and resilient US economy. In insurance sub-segment, company has rolled out productised service offerings for smaller insurance companies in European insurance market, where it has larger presence.

HAPPSTMNDS is also focusing on cross-selling Arttha banking platform (part of PureSoftware Technologies acquisition) to its existing large clients. It won two license deals and completed the implementation in Q3. It is seeing traction in Indian market for this platform. It also plans to sell this banking platform to large banks in the Middle East (acquired as clients through Gavs Technologies acquisition).

Healthcare (16.4% of revenue) – Healthcare vertical has witnessed rapid growth in past three quarters. HAPPSTMNDS is targeting to become a formidable player as a digital health partner for customers in the areas of personalised medicine, value-based care and biosimilars.

Edutech (17.4% of revenue) – Sequential decline in edutech vertical was led by insourcing by one of the mid-sized customers who has captive centre in India and completion of project for one of the K12 customers. The company is witnessing softness in higher-education sub-segment as customers reassess their business strategies amid AI-led disruptions leading to changing student preferences. Demand is improving in professional education sub-segment led by focus on workforce development. Company expects growth in this segment to be soft from hereon due to slowdown in investments by edutech industry players.

Retail (8.4% of revenue) – Company is seeing improvement in demand from mid-sized retailers and CPG clients. Mid-sized retailers who have been behind in their digital transformation journeys are now spending on analytics and AI to improve personalisation. CPG clients underwent strategic review and restructuring of their business in CY24 and have now begun to spend.

GAVS acquisition to strengthen BFSI presence in Middle East

HAPPSTMNDS has announced the acquisition of the Middle East business of Gavs Technologies. This acquisition consolidates HAPPSTMNDS' position within certain existing customers and adds couple of large customers in the Middle East. It strengthens the company's position in BFSI vertical and IMSS service line in the Middle East. HAPPSTMNDS will also onboard 90 employees (local delivery talent) from the acquired company, implying lower operating margins than that of higher offshore centric HAPPSTMNDS. Annual revenue of continuing operations of the acquired entity that has been carved out is approximately USD 6.4mn. The acquisition is likely to complete in first week of Feb'25 as per management.

HAPPSTMNDS paid total consideration of USD 1.7mn, at attractive valuation of 0.2x EV/sales likely because this transaction was part of divestment of non-core Middle East business of Gavs Technologies by its private equity owner.

Efforts to improve organic growth

HAPPSTMNDS rolled out three key initiatives at the start of FY25 to improve organic growth trajectory – 1) Creation of Gen AI business unit, 2) creation of net new sales team, and 3) verticalisation into 6 industry verticals. It has divided the roles of mining existing accounts and hunting new logos and it is beefing up sales teams in US and India with focus on adding net new logos and deals. It won seven new logos in Q3, with notable being a large US logistics tech provider. Pipeline of new logos is also healthy with couple of large deals in advanced stages.

Traction in Gen AI business unit

Company has 15 projects in PoC stage which could lead to order conversions in FY26. It is seeing healthy demand momentum in Gen AI especially from hitech vertical in areas of product innovation and user engagement. Sectors like travel, retail, edutech and manufacturing are implementing Gen AI to enhance customer and employee experience and optimise operations.

Notable Gen AI deal win in Q3 – 1) Global leader in parcel spend management and supply-chain planning chose HAPPSTMNDS to develop a Gen AI powered chatbot that simplifies data querying, offering real time insights and dynamic visualisations to make informed data-driven decisions, 2) HAPPSTMNDS implemented conversational interface for Coca Cola Beverages Vietnam improving its efficiency by leveraging Microsoft Azure AI platform.

Company expects revenue opportunity to increase because of replicable Gen AI sales across clients even if it has to pass on the productivity benefits initially. It also expects to maintain margins in case it has to pass on productivity benefits. It is also able to charge higher bill rates in Gen AI projects which are generally fixed price projects.

Other highlights

- Company did net addition of 50 employees QoQ to 6,630. Total headcount increased 0.8% QoQ.
- LTM attrition increased to 15.3% to 90bps QoQ, which is a seasonal phenomenon and should trend down in Q4, as per management.
- Company has 85 customers (improvement of 3 QoQ and 26 YoY) with more than USD 1bn in annual revenue, contributing 47% of overall revenue.
- Average revenue per active customer improved to USD 898K, +7% QoQ, +11% YoY. Company targets to improve this number to USD 1mn.
- Synergy wins in acquired companies Aureus and PureSoftware – 1) American multinational financial services company chose Aureus to transform the enterprise content management systems. In another case 2) a US health tech company chose PureSoftware to provide infrastructure management services based on the capability of HAPPSTMNDS' IMSS business unit.

Key upside risks: 1) Faster realisation of revenue synergies through acquisitions. 2) Stronger-than-expected demand environment, 3) sooner-than-expected revival of demand in edutech vertical.

Exhibit 1: Q3FY25 result review

INR mn	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	Q3FY25E-ISEC	vs our estimates
Revenue QoQ CC	0.8%	12.7%		0.8%		1.3%	
Sales (USD mn)	63	62	0.5%	49	27.0%	63	-0.5%
Average (USD rate)	84.6	83.6	1.2%	83.0	2.0%	84.4	0.3%
INR mn							
Sales	5,308	5,216	1.8%	4,099	29.5%	5,322	-0.3%
EBIT	704	662	6.4%	655	7.5%	676	4.2%
EBIT Margin	13.3%	12.7%	57 bps	16.0%	-271 bps	12.7%	56 bps
Reported PAT	501	495	1.2%	596	-16.0%	503	-0.4%
EPS	3.3	3.3	1.1%	4.0	-15.9%	3.3	-0.5%

Source: Company data, I-Sec research

Exhibit 2: HAPPSTMNDS – change in estimates

	Revised			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenues (USD mn)	247	282	324	248	304	357	-0.3%	-7.1%	-9.2%
Revenue YoY CC	27.3%	14.5%	14.9%	27.7%	22.8%	17.5%	-40bps	-830bps	-260bps
Revenue growth (USD, %)	25.9%	14.3%	14.9%	26.4%	22.6%	17.5%	-40bps	-830bps	-260bps
USD/INR	84.3	85.2	85.2	84.2	85.2	85.2	0.1%	0.0%	0.0%
INR mn									
Revenues	20,825	24,051	27,633	20,880	25,890	30,432	-0.3%	-7.1%	-9.2%
EBIT	2,871	3,807	4,653	2,873	4,329	5,428	-0.1%	-12.0%	-14.3%
EBIT margin	13.8%	15.8%	16.8%	13.8%	16.7%	17.8%	0bps	-90bps	-100bps
EPS (INR/share)	14.0	17.3	21.4	14.3	19.7	25.1	-2.4%	-12.1%	-14.6%

Source: Company data, I-Sec research

Exhibit 3: Valuation methodology

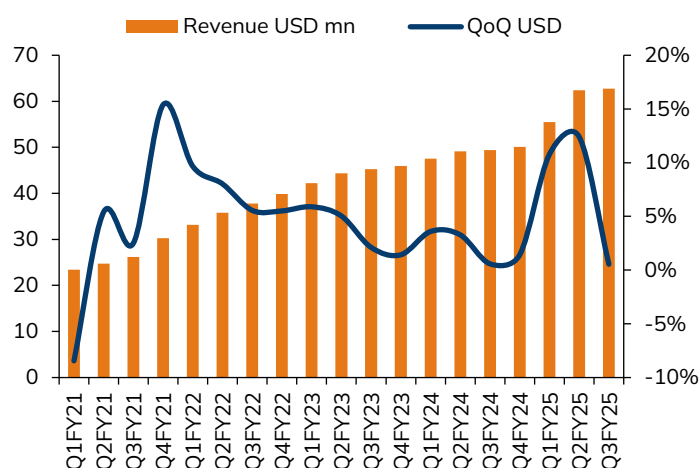
Valuation	Average of DCF, P/E
Weightage to DCF-based valuation	50%
P/E valuation-based Target Price arrived at by valuing at 30x Q3FY26 to Q2FY27 EPS of INR 19	INR 570
DCF valuation-based Target Price	INR 640
Target Price	INR 610

Source: I-Sec research, Company data

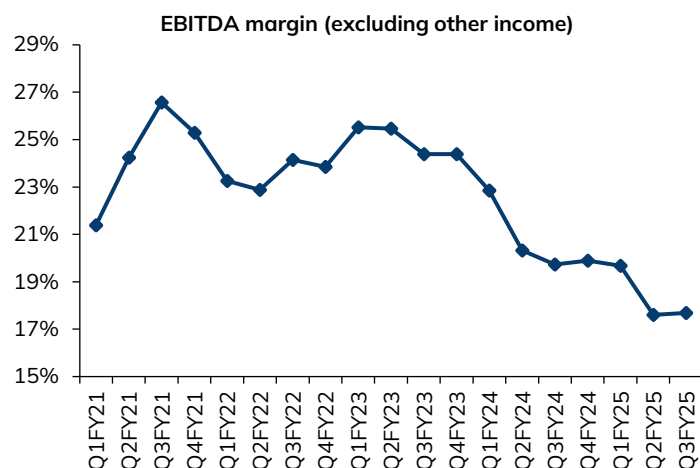
Exhibit 4: Weakness in edutech vertical drags down overall growth despite healthy growth momentum in BFSI, healthcare, retail and hitech in Q3FY25

Revenue (USD mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
BFSI	5.5	5.8	6.3	4.7	5.0	5.2	5.1	5.4	5.7	9.3	14.0	14.8
QoQ USD	15.6%	5.9%	8.9%	-25.9%	6.3%	5.5%	-3.3%	6.4%	6.1%	63.3%	50.5%	5.5%
Edutech	9	10	11	11	10	11	12	12	11	12	12	11
QoQ USD	10.2%	6.3%	5.5%	-0.5%	-3.0%	12.4%	7.1%	-3.5%	-5.8%	6.8%	0.9%	-9.4%
Healthcare	0.0	0.0	0.0	0.0	0.0	6.1	6.8	7.3	8.1	9.1	10.2	10.3
QoQ USD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.3%	12.8%	12.4%	0.5%
Hitech	7	7	7	7	9	7	7	7	7	8	9	10
QoQ USD	-3.7%	-1.1%	11.8%	-3.4%	26.0%	-21.4%	-0.9%	1.3%	4.3%	11.5%	8.6%	8.3%
Travel, Media & Entertainment	5.5	5.4	5.5	5.9	6.1	5.7	5.7	5.8	6.1	5.9	5.4	5.3
QoQ USD	17.5%	-1.8%	3.4%	7.0%	2.2%	-5.8%	-0.2%	1.4%	5.8%	-2.8%	-9.7%	-1.8%
Retail	4.0	4.2	3.9	4.7	3.5	3.4	3.5	3.8	3.9	4.3	5.1	5.3
QoQ USD	0.5%	4.8%	-6.5%	19.3%	-24.9%	-4.5%	4.7%	6.2%	4.1%	10.8%	16.7%	4.3%
Industrial	2.6	3.5	3.4	4.2	3.8	3.9	3.7	3.4	3.7	4.1	4.5	4.2
QoQ USD	-4.6%	31.6%	-1.4%	22.0%	-8.5%	2.3%	-4.3%	-10.0%	10.4%	9.3%	10.9%	-6.4%
Manufacturing	4.0	4.2	4.6	4.5	4.9	2.6	3.1	3.7	3.2	2.2	1.9	2.0
QoQ USD	13.4%	4.8%	9.2%	-1.8%	8.5%	-47.7%	20.5%	18.1%	-13.7%	-29.7%	-15.7%	7.2%

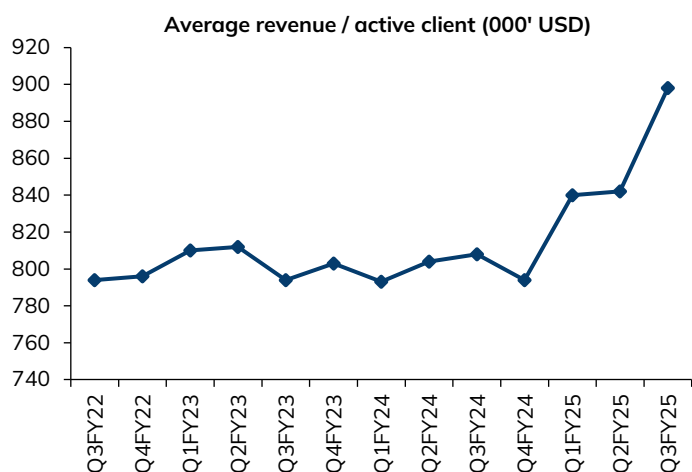
Source: I-Sec research, Company data

Exhibit 5: Soft growth in Q3FY25 revenue led by seasonal weakness


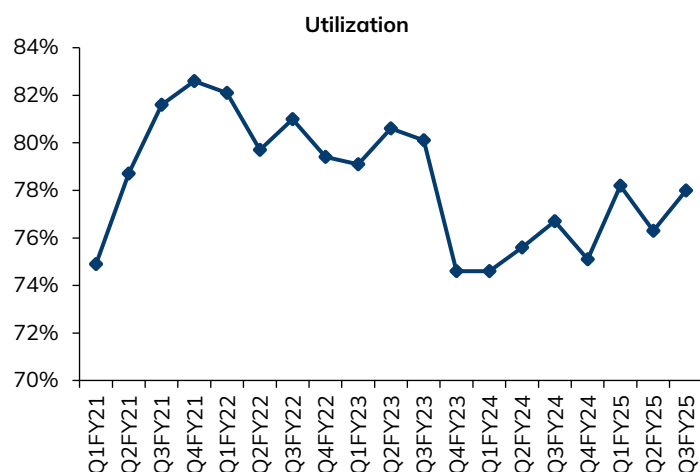
Source: I-Sec research, Company data

Exhibit 6: Resilient margin


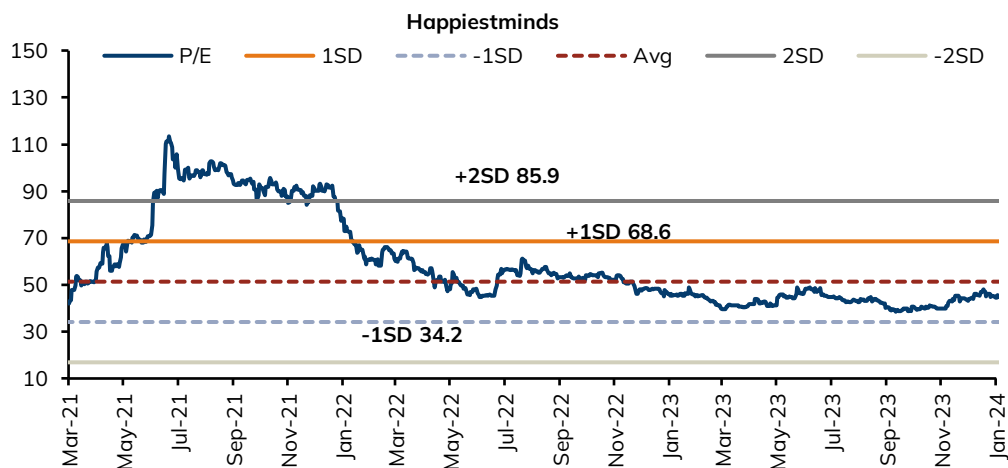
Source: I-Sec research, Company data

Exhibit 7: Average revenue per active client +7% QoQ, +11% YoY


Source: I-Sec research, Company data

Exhibit 8: Utilisation improved as fresher billability improved


Source: I-Sec research, Company data

Exhibit 9: HAPSTMNDS is trading at 33x (one year forward P/E) below avg+1SD of 35x


Source: I-Sec research, Company data

Exhibit 10: Shareholding pattern

%	Jun'24	Sep'24	Dec'24
Promoters	44.2	44.2	44.2
Institutional investors	7.3	9.5	11.3
MFs and others	1.5	2.7	3.7
FIs/Banks	0.0	0.0	0.0
Insurance	1.3	1.5	2.2
FIIIs	5.4	5.3	5.3
Others	47.6	46.3	44.5

Source: Bloomberg

Exhibit 11: Price chart



Source: Bloomberg

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales (USD mn)	196	247	282	324
Net Sales (INR. mn)	16,247	20,825	24,051	27,633
Operating Expense	12,888	16,969	19,178	21,757
EBITDA	3,359	3,857	4,872	5,876
EBITDA Margin (%)	20.7	18.5	20.3	21.3
Depreciation & Amortization	603	986	1,065	1,223
EBIT	2,755	2,871	3,807	4,653
Interest expenditure	402	918	977	977
Other Non-operating Income	854	981	760	760
Recurring PBT	3,207	2,934	3,591	4,436
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	863	768	981	1,212
PAT	2,344	2,166	2,610	3,224
Less: Minority Interest	-	-	-	-
Net Income (Reported)	2,484	2,102	2,610	3,224
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	2,484	2,102	2,610	3,224

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	17,778	19,490	18,456	17,869
of which cash & cash eqv.	1,147	805	1,615	2,363
Total Current Liabilities & Provisions	2,049	3,751	3,864	4,110
Net Current Assets	15,728	15,739	14,592	13,759
Investments	-	-	-	-
Net Fixed Assets	1,379	1,408	1,409	1,410
ROU Assets	570	692	692	692
Capital Work-in-Progress	-	-	-	-
Goodwill	1,403	7,533	7,533	7,533
Other assets	568	707	707	707
Deferred Tax Assets	-	-	-	-
Total Assets	20,429	28,647	27,502	26,669
Liabilities				
Borrowings	4,424	10,733	8,633	6,533
Deferred Tax Liability	-	-	-	-
provisions	334	499	499	499
other Liabilities	170	807	807	807
Minority Interest	-	-	-	-
Equity Share Capital	299	300	300	300
Reserves & Surplus*	14,504	15,478	16,432	17,700
Total Net Worth	14,802	15,777	16,732	17,999
Total Liabilities	20,429	28,647	27,502	26,669

Source Company data, I-Sec research

Exhibit 14: Quarterly trend

(INR mn, year ending March)

	Mar-24	Jun-24	Sep-24	Dec-24
Net Sales	4,173	4,638	5,216	5,308
% growth (YOY)	1.8	11.2	12.5	1.8
EBITDA	830	913	918	939
Margin %	19.9	19.7	17.6	17.7
Other Income	252	254	270	230
Adjusted Net Profit	720	510	495	501

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
CFO before WC changes	3,347	2,870	3,591	4,436
CFO after WC changes	3,150	2,216	3,852	4,481
Capital Commitments	(103)	(9,055)	(1,066)	(1,224)
Free Cashflow	2,229	10,503	3,936	4,493
Other investing cashflow	(4,561)	1,194	2,760	2,760
Cashflow from Investing Activities	(4,664)	(7,861)	1,695	1,536
Issue of Share Capital	-	1	-	-
Interest Cost	(331)	-	-	-
Inc (Dec) in Borrowings	118	6,309	(2,100)	(2,100)
Cash flow from Financing Activities	3,635	6,072	(3,755)	(4,056)
Dividend paid	(860)	(1,128)	(1,655)	(1,956)
Others	4,708	890	-	-
Chg. in Cash & Bank balance	1,096	(342)	810	748
Closing cash & balance	1,089	805	1,615	2,363

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	15.7	14.4	17.3	21.4
Diluted EPS	15.7	14.4	17.3	21.4
Cash EPS	20.7	20.5	24.4	29.6
Dividend per share (DPS)	5.8	7.5	11.0	13.0
Book Value per share (BV)	99.3	104.9	111.2	119.6
Dividend Payout (%)	36.7	52.1	63.4	60.7
Growth (%)				
Net Sales	13.7	28.2	15.5	14.9
EBITDA	(5.7)	14.8	26.3	20.6
EPS	(3.9)	(8.4)	20.4	23.5
Valuation Ratios (x)				
P/E	44.5	48.6	40.4	32.7
P/CEPS	33.8	34.1	28.7	23.7
P/BV	7.0	6.7	6.3	5.9
EV / EBITDA	32.0	29.9	23.1	18.6
P/S	6.4	5.1	4.4	3.8
Dividend Yield (%)	82.6	107.1	157.1	185.7
Operating Ratios				
EBITDA Margins (%)	20.7	18.5	20.3	21.3
EBIT Margins (%)	17.0	13.8	15.8	16.8
Effective Tax Rate (%)	26.9	26.2	27.3	27.3
Net Profit Margins (%)	14.4	10.4	10.9	11.7
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	11.9	14.9	17.1	19.6
Receivables Days	53	47	44	44
Payables Days	17	18	20	19
Working Capital Days	254	259	212	161
Net Debt / EBITDA (x)	5.4	10.1	6.6	3.4
Profitability Ratios				
RoCE (%)	12.5	9.3	10.7	13.6
RoC (%)	11.3	8.0	11.3	14.8
RoNW (%)	21.4	13.7	16.1	18.6

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Ruchi Mukhija, CA; Aditi Patil, MBA; Seema Nayak, MBA; 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. 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 AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 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 icidirect.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 Institutional 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 Retail 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 in 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
