

Revenue beat; profit misses expectations

Information Technology ▶ Result Update ▶ February 7, 2025

TARGET PRICE (Rs): 350

Firstsource (FSOL) delivered yet another quarter of strong topline growth in Q3FY25; revenue grew 7.6% QoQ CC, compared to our growth estimate of 6.9%. Growth was led by Ascensos (incremental 2 months of contribution), but remained broad based across verticals. Growth remained broad based across 3 core verticals in North America, while companies continue to face significant cost pressures in the UK. EBITM of 11.1% was a tad lower than our estimate. Deal wins remained steady, with the pipeline close to an all-time high. The management has upped its FY25 revenue guidance again to 21.8%-22.3% (from 19.5%-20.5% previously), implying sequential growth of -0.4% to +1.2% in Q4, which seems a reasonable ask given the ramp up of recently won deals and healthy pipeline. The company retained EBITM guidance of 11%-11.5% for FY25. We trim FY25-27E EPS by 0-2% factoring in the Q3 performance and revised guidance. We maintain REDUCE, given the rich valuations, with an unchanged TP of Rs350 at 25x Dec-26E EPS.

Firstsource Solutions: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	60,223	63,362	79,984	95,068	107,756
EBITDA	8,265	9,562	12,150	15,043	17,767
Adj. PAT	5,137	5,192	6,056	8,081	10,219
Adj. EPS (Rs)	7.4	7.4	8.7	11.6	14.7
EBITDA margin (%)	13.7	15.1	15.2	15.8	16.5
EBITDA growth (%)	(13.9)	15.7	27.1	23.8	18.1
Adj. EPS growth (%)	(4.4)	1.1	16.6	33.4	26.5
RoE (%)	16.1	14.7	15.7	18.8	20.7
RoIC (%)	12.1	13.9	14.9	16.8	20.0
P/E (x)	48.1	47.6	40.8	30.6	24.2
EV/EBITDA (x)	30.4	26.3	21.3	16.9	14.0
P/B (x)	7.3	6.7	6.1	5.4	4.7
FCFF yield (%)	3.0	2.3	2.6	3.9	4.9

Source: Company, Emkay Research

Results Summary

Revenue grew 8.3% QoQ to USD249mn (7.6% CC; includes 2 months of incremental contribution from Ascensos), higher than our estimate of USD244mn. Revenue growth was broad based, led by Diverse Industries (80% CC QoQ, includes acquisition impact), CMT (3.4%), and BFS (1.6%), while Healthcare remained flattish. Among geographies, North America grew 1.3% CC QoQ and EMEA grew 22%. The company added 13 new logos and won 3 large deals during Q3FY25. EBITM expanded by 30bps QoQ to 11.1%, a tad lower than our estimate. BFS and Healthcare margin expanded by 200bps and 300bps QoQ, respectively, while Diverse Industries and CMT margin contracted by 140bps and 120bps, respectively. Despite an exceptional gain to the tune of Rs88mn, net profit of Rs1.6bn was lower than our estimate of Rs1.7bn. Headcount grew 3.8% QoQ to 34,144. The company has announced an interim dividend of Rs4/ share. **What we liked:** Broad-based revenue growth, upward revision in revenue guidance. **What we did not like:** Profit miss, weak cash conversion (56% OCF/EBITDA for 9MFY25).

Earnings Call KTAs

1) BFS grew 1.6% QoQ CC and maintained growth momentum driven by enhanced sales and solutions capabilities, particularly in North America. It added seven new logos. 2) Healthcare stood flat on account of temporary softness in payer segment due to slowdown in decision-making ahead of the open enrollment period and US elections. The deal conversations have now resumed actively over the last few weeks and are expected to conclude in Q4. It added five new logos (three in Provider). 3) CMT grew 3.4% driven by expansion in marquee consumer tech logos, with both traditional and non-traditional service propositions. It added one of the largest consumer tech companies as a client for its AI services through a large deal. 4) Diverse industries was up 80% on the back of full quarter impact of the Ascensos acquisition. Mgmt expects broad-based growth to continue in Ascensos with a healthy deal pipeline in both retail and utilities. 5) It signed 3 large deals (ACV of over USD5mn) and added 13 new logos including 5 strategic logos (potential of at least USD5mn of annual revenue) in Q3. 6) Exceptional gain of Rs88.09mn includes fair value adjustment on contingent consideration payable on account of an earlier business combination (credit of Rs651.44mn), impairment charge of Rs283.7mn of intangible assets on earlier business combinations, and one-time costs owing to expected credit loss of Rs129.65mn with respect to certain customer contracts, which have been terminated and special bonus of Rs150mn given to employees.

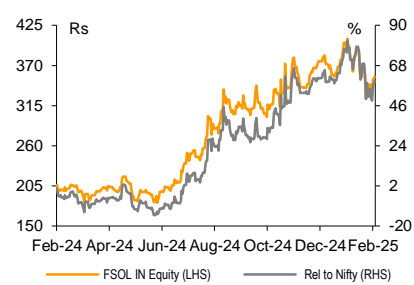
Target Price – 12M	Feb-25
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(1.3)
CMP (07-Feb-25) (Rs)	354.6

Stock Data	Ticker
52-week High (Rs)	423
52-week Low (Rs)	176
Shares outstanding (mn)	697.0
Market-cap (Rs bn)	247
Market-cap (USD mn)	2,827
Net-debt, FY25E (Rs mn)	12,039
ADTV-3M (mn shares)	4
ADTV-3M (Rs mn)	1,629.2
ADTV-3M (USD mn)	18.6
Free float (%)	44.0
Nifty-50	23,560
INR/USD	87.4
Shareholding, Dec-24	
Promoters (%)	53.7
FPIs/MFs (%)	11.0/20.9

Price Performance

(%)	1M	3M	12M
Absolute	(12.8)	(6.9)	71.5
Rel. to Nifty	(12.3)	(4.4)	59.7

1-Year share price trend (Rs)



Dipesh Mehta

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

Pulkit Chawla

pulkit.chawla@emkayglobal.com
+91 22 6624 2458

Kevin Shah

kevin.shah@emkayglobal.com
+91 22 6612 1340

Shivang Bagla

shivang.bagla@emkayglobal.com
+91 22 6624 2491

Exhibit 1: Quarterly snapshot

(Rs mn)	Q3FY25	Q2FY25	QoQ (%)	Q3FY24	YoY (%)
Revenue (USD mn)	249.0	230.0	8.3	192.0	29.7
Net sales	21,024	19,254	9.2	15,966	31.7
Total Income	21,024	19,254		15,966	
Operating expenses	17,847	16,381	8.9	13,595	31.3
EBITDA	3177	2873	10.6	2371	34.0
Margins (%)	15.1	14.9	20	14.9	30
Depreciation	844	792		663	
EBIT	2333	2081	12.1	1709	36.5
Margins (%)	11.1	10.8	30	10.7	40
Interest Paid	393	343		254	
Other income	-21	-27		154	
Non-recurring items	-88	0		0	
Pre-tax profit	2007	1710	17.3	1608	24.8
Tax provided	403	328		321	
Profit after tax	1603	1382		1287	
Minority	0	0		0	
Emkay Net profit	1,603	1,382	16.0	1,287	24.5
EPS (Rs)	2.3	2.0	16.0	1.8	24.5

Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates

(Rs mn)	Actual	Estimate (Emkay)	Estimate (Consensus)	Variation		Comments
				Emkay	Consensus	
Revenue (USD mn)	249	244	244	2.0%	2.0%	Revenue was better than estimates.
Sales	21,024	20,723	20,659	1.5%	1.8%	
EBIT	2,333	2,323	2,287	0.4%	2.0%	
EBIT margin	11.1%	11.2%	11.1%	-10 bps	0 bps	Margins came a tad lower than our expectations.
PAT	1,603	1,676	1,633	-4.4%	-1.8%	Profit missed estimates due to higher interest costs and lower other income.

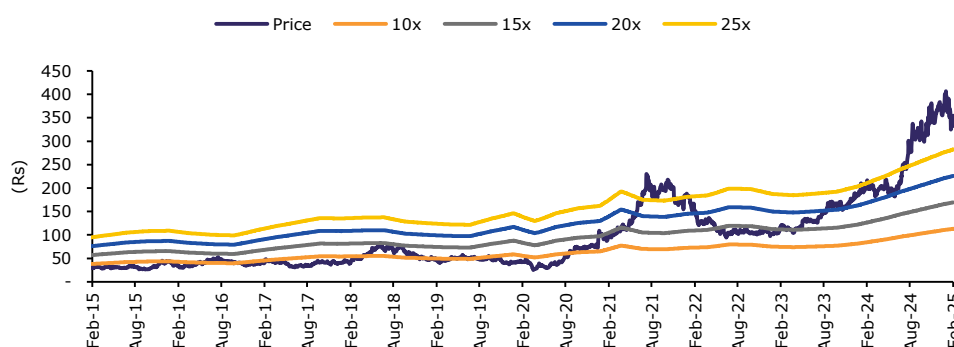
Source: Company, Bloomberg, Emkay Research

Exhibit 3: Changes in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue (USD mn)	937	947	1.0%	1,083	1,102	1.8%	1,215	1,235	1.6%
USD revenue, YoY growth	22.5%	23.8%		15.6%	16.4%		12.2%	12.1%	
Revenue	79,128	79,984	1.1%	92,895	95,068	2.3%	105,967	107,756	1.7%
Revenue, YoY growth	24.9%	26.2%		17.4%	18.9%		14.1%	13.3%	
EBIT	8,803	8,912	1.2%	11,080	11,222	1.3%	13,334	13,528	1.5%
EBIT margin	11.1%	11.1%		11.9%	11.8%		12.6%	12.6%	
PAT	6,174	6,056	-1.9%	8,153	8,081	-0.9%	10,294	10,219	-0.7%
EPS (Rs)	8.9	8.7	-1.9%	11.7	11.6	-0.9%	14.8	14.7	-0.7%

Source: Company, Emkay Research

Exhibit 4: FSOL – One-year forward PER



Source: Company, Emkay Research

Firstsource Solutions: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	60,223	63,362	79,984	95,068	107,756
Revenue growth (%)	1.7	5.2	26.2	18.9	13.3
EBITDA	8,265	9,562	12,150	15,043	17,767
EBITDA growth (%)	(13.9)	15.7	27.1	23.8	18.1
Depreciation & Amortization	2,632	2,602	3,239	3,821	4,239
EBIT	5,633	6,960	8,912	11,222	13,528
EBIT growth (%)	(20.7)	23.6	28.0	25.9	20.5
Other operating income	0	0	0	0	0
Other income	1,309	415	(24)	79	139
Financial expense	790	1,034	1,356	1,325	1,051
PBT	6,152	6,342	7,532	9,976	12,616
Extraordinary items	0	0	0	0	0
Taxes	1,015	1,150	1,476	1,896	2,397
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	5,137	5,192	6,056	8,081	10,219
PAT growth (%)	(4.4)	1.1	16.6	33.4	26.5
Adjusted PAT	5,137	5,192	6,056	8,081	10,219
Diluted EPS (Rs)	7.4	7.4	8.7	11.6	14.7
Diluted EPS growth (%)	(4.4)	1.1	16.6	33.4	26.5
DPS (Rs)	3.5	3.5	4.0	4.0	4.0
Dividend payout (%)	47.5	47.0	46.0	34.5	27.3
EBITDA margin (%)	13.7	15.1	15.2	15.8	16.5
EBIT margin (%)	9.4	11.0	11.1	11.8	12.6
Effective tax rate (%)	16.5	18.1	19.6	19.0	19.0
NOPLAT (pre-IndAS)	4,704	5,699	7,166	9,090	10,958
Shares outstanding (mn)	697.0	697.0	697.0	697.0	697.0

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	6,152	6,342	7,532	9,976	12,616
Others (non-cash items)	1,689	3,273	3,262	3,742	4,100
Taxes paid	(656)	(718)	(1,476)	(1,896)	(2,397)
Change in NWC	765	(2,404)	(671)	(1,060)	(1,064)
Operating cash flow	7,950	6,448	8,648	10,763	13,255
Capital expenditure	(514)	(850)	(2,206)	(1,190)	(1,200)
Acquisition of business	0	0	(6,987)	0	0
Interest & dividend income	10	10	(24)	79	139
Investing cash flow	134	(547)	(9,417)	(1,411)	(2,761)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(2,351)	(291)	6,706	(3,687)	(4,800)
Payment of lease liabilities	(1,495)	(1,993)	(2,700)	(2,500)	(2,500)
Interest paid	(787)	(1,011)	0	0	0
Dividend paid (incl tax)	(2,384)	(2,406)	(2,788)	(2,788)	(2,788)
Others	(140)	59	0	0	0
Financing cash flow	(7,434)	(5,642)	1,218	(8,975)	(10,088)
Net chg in Cash	650	259	449	376	406
OCF	7,950	6,448	8,648	10,763	13,255
Adj. OCF (w/o NWC chg.)	7,185	8,852	9,319	11,822	14,319
FCFF	7,436	5,597	6,441	9,573	12,055
FCFE	6,657	4,574	5,062	8,327	11,143
OCF/EBITDA (%)	96.2	67.4	71.2	71.5	74.6
FCFE/PAT (%)	129.6	88.1	83.6	103.0	109.0
FCFF/NOPLAT (%)	158.1	98.2	89.9	105.3	110.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	6,970	6,970	6,970	6,970	6,970
Reserves & Surplus	26,699	30,034	33,302	38,595	46,027
Net worth	33,668	37,004	40,272	45,565	52,997
Minority interests	4	4	4	4	4
Deferred tax liability (net)	1,196	1,470	1,470	1,470	1,470
Total debt	6,665	6,715	14,987	11,300	6,500
Total liabilities & equity	41,533	45,193	56,734	58,339	60,971
Net tangible fixed assets	1,739	1,641	1,811	1,898	1,912
Net intangible assets	1,015	649	2,332	1,772	1,192
Net ROU assets	4,958	6,355	7,854	8,196	8,223
Capital WIP	34	171	170	170	170
Goodwill	29,450	29,885	34,985	34,985	34,985
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	2,267	2,300	2,949	3,625	5,731
Current assets (ex-cash)	17,180	19,624	22,469	25,103	27,571
Current Liab. & Prov.	15,111	15,432	15,835	17,410	18,814
NWC (ex-cash)	2,069	4,192	6,634	7,693	8,758
Total assets	41,533	45,193	56,734	58,339	60,971
Net debt	4,398	4,415	12,039	7,675	769
Capital employed	41,533	45,193	56,734	58,339	60,971
Invested capital	39,232	42,722	53,615	54,544	55,070
BVPS (Rs)	48.3	53.1	57.8	65.4	76.0
Net Debt/Equity (x)	0.1	0.1	0.3	0.2	0.0
Net Debt/EBITDA (x)	0.5	0.5	1.0	0.5	0.0
Interest coverage (x)	0.1	0.1	0.2	0.1	0.1
RoCE (%)	16.8	17.0	17.4	19.6	22.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	48.1	47.6	40.8	30.6	24.2
P/CE(x)	31.8	31.7	26.6	20.8	17.1
P/B (x)	7.3	6.7	6.1	5.4	4.7
EV/Sales (x)	4.2	4.0	3.2	2.7	2.3
EV/EBITDA (x)	30.4	26.3	21.3	16.9	14.0
EV/EBIT(x)	44.6	36.1	29.1	22.7	18.3
EV/IC (x)	6.4	5.9	4.8	4.7	4.5
FCFF yield (%)	3.0	2.3	2.6	3.9	4.9
FCFE yield (%)	2.7	1.9	2.0	3.4	4.5
Dividend yield (%)	1.0	1.0	1.1	1.1	1.1
DuPont-RoE split					
Net profit margin (%)	8.5	8.2	7.6	8.5	9.5
Total asset turnover (x)	1.5	1.5	1.6	1.7	1.8
Assets/Equity (x)	1.3	1.2	1.3	1.3	1.2
RoE (%)	16.1	14.7	15.7	18.8	20.7
DuPont-RoIC					
NOPLAT margin (%)	7.8	9.0	9.0	9.6	10.2
IC turnover (x)	1.5	1.5	1.7	1.8	2.0
RoIC (%)	12.1	13.9	14.9	16.8	20.0
Operating metrics					
Core NWC days	12.5	24.1	30.3	29.5	29.7
Total NWC days	12.5	24.1	30.3	29.5	29.7
Fixed asset turnover	1.3	1.3	1.4	1.5	1.6
Opex-to-revenue (%)	86.3	84.9	84.8	84.2	83.5

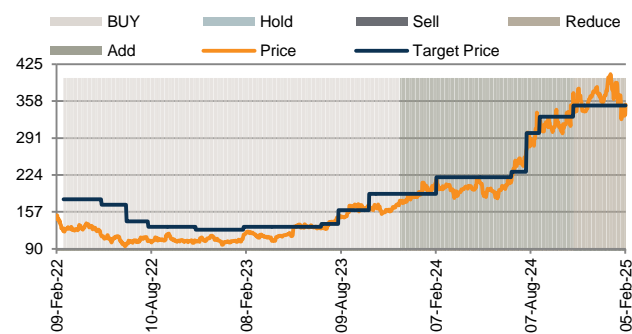
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
01-Jan-25	384	350	Reduce	Dipeshkumar Mehta
28-Oct-24	373	350	Reduce	Dipeshkumar Mehta
01-Oct-24	312	330	Add	Dipeshkumar Mehta
24-Sep-24	334	330	Add	Dipeshkumar Mehta
24-Aug-24	323	330	Add	Dipeshkumar Mehta
30-Jul-24	271	300	Add	Dipeshkumar Mehta
01-Jul-24	214	230	Add	Dipeshkumar Mehta
09-Jun-24	197	220	Add	Dipeshkumar Mehta
03-Jun-24	192	220	Add	Dipeshkumar Mehta
27-May-24	194	220	Add	Dipeshkumar Mehta
03-May-24	208	220	Add	Dipeshkumar Mehta
31-Mar-24	198	220	Add	Dipeshkumar Mehta
01-Mar-24	205	220	Add	Dipeshkumar Mehta
08-Feb-24	217	220	Add	Dipeshkumar Mehta
31-Dec-23	185	190	Add	Dipeshkumar Mehta
30-Nov-23	178	190	Add	Dipeshkumar Mehta
16-Nov-23	166	190	Buy	Dipeshkumar Mehta
08-Nov-23	160	190	Buy	Dipeshkumar Mehta
02-Oct-23	168	190	Buy	Dipeshkumar Mehta
04-Aug-23	149	160	Buy	Dipeshkumar Mehta
02-Jul-23	127	135	Buy	Dipeshkumar Mehta
05-May-23	113	130	Buy	Dipeshkumar Mehta
01-Apr-23	106	130	Buy	Dipeshkumar Mehta
03-Feb-23	116	130	Buy	Dipeshkumar Mehta
02-Jan-23	103	125	Buy	Dipeshkumar Mehta
03-Nov-22	104	125	Buy	Dipeshkumar Mehta
04-Oct-22	105	130	Buy	Dipeshkumar Mehta
04-Aug-22	105	130	Buy	Dipeshkumar Mehta
23-Jun-22	100	140	Buy	Dipeshkumar Mehta
06-May-22	112	170	Buy	Dipeshkumar Mehta
01-Apr-22	128	180	Buy	Dipeshkumar Mehta
22-Feb-22	122	180	Buy	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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 BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] 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 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.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("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. However, SEBI and Stock Exchanges had conducted their 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 its existing 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.

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 clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company 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. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 EGFSL; 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. 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 affiliates. 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 report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of 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. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

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. Except 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. 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.

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 associated persons¹ may have served 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 may have Financial Interests² 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.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² 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:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of February 7, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
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.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of February 7, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the February 7, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received 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.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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

OTHER DISCLAIMERS AND DISCLOSURES:**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) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . 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 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. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.