

January 15, 2014

NIIT Technologies (NIITEC)

₹ 376

WHAT'S CHANGED...

PRICE TARGET	Changed from ₹ 330 to ₹ 415
EPS (FY14E)	Changed from ₹ 42.5 to ₹ 39.0
EPS (FY15E)	Unchanged
RATING	Unchanged

Services business refocus to aid margins...

NIIT Tech's (NTL) Q3FY14 earnings gave insights on its execution strategy to achieve the aspirational \$1 billion revenue goal in the next five years. The company seems to have streamlined its corporate agenda and has identified key verticals, geographies and services to achieve sustainable above-industry-average growth. NTL will focus on 1) scaling up the US business, 2) becoming a preferred vendor in its largest verticals, BFSI and travel, 3) driving and consolidating its presence in the IMS space and 4) large deal focus, similar to \$300 million won in Q3. However, 90% of this win was renewal while 10% was new-scope. NTL needs several such new-scope deals to improve its order intake run-rate given government business defocus may pressurise order book growth in FY15E.

Result summary

Q3FY14 dollar revenues declined 0.8% QoQ to \$94.8 million and were below our \$95.7 million (+0.2%) estimate led by lower hardware (PFR) revenues while services business grew 3.6% in constant currency. Rupee revenues were flat QoQ (₹ 587.3 crore) and below our 1.3% QoQ (₹ 595 crore) growth estimate. EBITDA margins came in at 16.3% (+121 bps QoQ), above our 15.4% estimate, led by a mix shift towards services revenues. Reported PAT of ₹ 53.1 crore was below our ₹ 54.4 crore estimate led by lower revenue and other income loss vs. profit estimate.

NTM executable order backlog rises 6.9% QoQ

Fresh order intake of \$377 million (US: \$320 million, EMEA: \$43 million, RoW: \$14 million) in Q3 was led by the \$300 million renewal and vendor consolidation contract from a top BFSI client in the US. This takes the next 12 month executable order backlog to \$265 million (vs. \$248 million in Q2). However, normalised Q3 fresh order intake stands at \$107 million as 90% of it was renewal while only 10% was new-scope.

Services business refocus & likely improving margin profile dictates BUY

We estimate NIIT Tech will report revenue, EPS CAGR of 15.1% each over FY13-15E (average 16.2% EBITDA margins in FY14-15E), vs. 16.5%, 9.5% reported during FY08-13 (average 18.4% margins). The commentary suggests EBITDA margins could revert to their mean (staggered ~100 bps improvement every year starting FY15E) led by improving revenue mix. Government business defocus, likely improving margin profile & execution and ability to win large deals lead to a modest target multiple raise to 8.7x (7x earlier) and target price revision to ₹ 415.

Exhibit 1: Financial Performance

(₹ Crore)	Q3FY14	Q3FY14E	Q2FY14	Q3FY13	QoQ(Ch %)	YoY(Ch %)
Net Sales	587.3	595.0	587.3	514.4	-	14.2
EBITDA Margin (%)	16.3	15.4	15.1	15.8	121 bps up	49 bps up
Depreciation	16.0	15.7	15.5	14.2	3.2	12.7
Other Income	(7.0)	3.0	18.2	12.6	NM	NM
Reported PAT	53.1	54.4	62.4	56.1	(14.9)	(5.3)
EPS (₹)	8.8	9.0	10.3	9.3	(14.9)	(5.7)

Source: Company, ICICIdirect.com Research

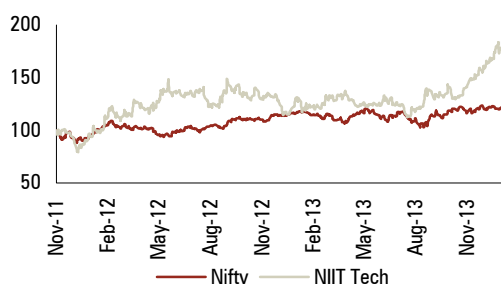
Rating matrix	
Rating	: Buy
Target	: ₹ 415
Target Period	: 12 months
Potential Upside	: 10%

Key Financials				
(₹ Crore)	FY12	FY13	FY14E	FY15E
Net Sales	1576	2021	2373	2678
EBITDA	268	330	373	445
EBITDA margin(%)	17.0	16.3	15.7	16.6
Net profit	195	213	234	283
EPS (₹)	32.4	35.4	39.0	47.1

Valuation summary				
	FY12	FY13	FY14E	FY15E
PE (x)	11.6	10.6	9.7	8.0
Target PE	12.8	11.7	10.7	8.8
EV/Sales	1.3	1.0	0.9	0.8
EV to EBITDA(x)	7.6	6.2	5.5	4.6
RONW (%)	23.5	21.3	19.9	20.8
ROCE (%)	27.7	26.7	25.8	27.3

Stock data	
Market cap (₹ crore)	₹ 2272 Crore
Debt (Dec - 13)	₹ 28 Crore
Cash (Dec - 13)	₹ 248 Crore
EV	₹ 2052 Crore
52 week H/L (₹)	399 / 235
Equity capital	60.4
Face value	10.0
DII Holding (%)	17.3
FII Holding (%)	32.4

Price movement



Analyst's name

Abhishek Shindadkar
 abhishek.shindadkar@icicisecurities.com

Hardik Varma
 hardik.varma@icicisecurities.com

Operating metrics highlights

US (44% of revenues) and Europe (38% of revenues) were robust and grew 6.5% and 4.8% QoQ, respectively, while RoW continues to decline (32% QoQ). Among services, growth was led by managed services (7.5% QoQ) and ADM (5.6%) while SI & PI, IP-based declined 42.1% and 11.8% QoQ, respectively. Government declined 40.5% QoQ led by lower hardware revenues while other verticals (BFSI, transportation, and manufacturing) delivered strong quarterly growth (5.3%, 1.9% and 15.8% QoQ, respectively). Top 5 customer revenues grew 2% QoQ while top 6-10 and 11-20 customers declined 8.4% and 6.6% QoQ, respectively. The company added four new clients (one in US, one in APAC and two in India; one each in BFSI, transportation, manufacturing and government) during the quarter. Net additions stood at 143. Attrition increased 96 bps QoQ to 13.4% while utilisation declined 190 bps QoQ to 78.4%.

Exhibit 2: For second consecutive quarter top 5 clients anchor quarterly growth

Revenue from Top clients (\$ million)	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
Top 5	32.6	31.7	30.5	34.4	35.1
QoQ growth(%)	13.1	46.6	-4.0	12.9	2.0
Top 6-10	13.4	14.9	14.7	12.4	11.4
QoQ growth(%)	-0.6	10.9	-0.9	-15.8	-8.4
Top 11-20	16.3	16.9	18.2	16.2	15.2
QoQ growth(%)	6.5	3.5	7.8	-10.7	-6.6
Others	33.5	35.7	34.9	32.5	33.2
QoQ growth(%)	3.5	6.5	-2.3	-6.9	2.2

Source: Company, ICICIdirect.com Research

Exhibit 3: Clients with million dollar revenue run-rate remain unchanged (67) during quarter

Client mix	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
\$1-5 million	48	48	48	48	48
\$5-10 million	11	11	11	11	11
More than \$10 million	9	9	9	8	8
Significant new customers added	4	5	5	3	4

Source: Company, ICICIdirect.com Research

Exhibit 4: Government decline led by lower hardware revenues

Revenue Mix Verticalwise (\$ million)	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
Finance, Insurance & Banking	29.7	30.7	29.5	31.5	33.2
QoQ growth (%)	0.0	3.5	-4.1	6.9	5.3
Transportation	40.2	36.7	35.4	35.3	36.0
QoQ growth (%)	6.5	-8.8	-3.6	-0.1	1.9
Manufacturing	5.7	6.0	6.9	5.7	6.6
QoQ growth (%)	6.5	3.5	15.6	-16.7	15.8
Government	7.7	10.9	12.8	9.5	5.7
QoQ growth (%)	70.3	42.3	17.1	-25.2	-40.5
Others	12.5	14.9	13.8	13.4	13.3
QoQ growth (%)	-1.1	19.5	-7.5	-2.8	-0.8

growth in US\$, Source: Company, ICICIdirect.com Research

Exhibit 5: US, Europe lead growth with domestic business sluggish

Revenue Mix Geowise (\$ million)	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
America	35.4	37.7	38.3	39.2	41.7
<i>QoQ growth (%)</i>	<i>3.7</i>	<i>6.3</i>	<i>1.7</i>	<i>2.2</i>	<i>6.5</i>
Europe	38.3	36.7	34.4	34.4	36.0
<i>QoQ growth (%)</i>	<i>9.2</i>	<i>-4.2</i>	<i>-6.3</i>	<i>0.0</i>	<i>4.8</i>
APAC	10.5	7.9	6.9	6.7	6.6
<i>QoQ growth (%)</i>	<i>-9.9</i>	<i>-24.7</i>	<i>-13.3</i>	<i>-2.8</i>	<i>-0.8</i>
India	11.5	16.9	18.7	15.3	10.4
<i>QoQ growth (%)</i>	<i>27.8</i>	<i>46.7</i>	<i>10.7</i>	<i>-18.1</i>	<i>-31.8</i>
RoW	22.0	24.8	25.5	22.0	17.1
<i>QoQ growth (%)</i>	<i>6.5</i>	<i>12.5</i>	<i>3.0</i>	<i>-14.0</i>	<i>-22.3</i>

growth in US\$, Source: Company, ICICIdirect.com Research

Exhibit 6: Managed services bounce back sharply (grow 7.5% QoQ vs. 10.3% decline in Q2)

Revenue Mix Service lines (\$ million)	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
SI & PI	9.6	12.9	12.8	11.5	6.6
<i>QoQ growth(%)</i>	<i>18.3</i>	<i>34.6</i>	<i>-0.9</i>	<i>-10.3</i>	<i>-42.1</i>
IP Asset based	8.6	7.9	8.8	8.6	7.6
<i>QoQ growth(%)</i>	<i>-4.2</i>	<i>-8.0</i>	<i>11.4</i>	<i>-2.8</i>	<i>-11.8</i>
Managed Services	11.5	11.9	12.8	11.5	12.3
<i>QoQ growth(%)</i>	<i>16.1</i>	<i>3.5</i>	<i>7.3</i>	<i>-10.3</i>	<i>7.5</i>
ADM	60.3	60.5	58.9	59.2	62.5
<i>QoQ growth(%)</i>	<i>4.8</i>	<i>0.2</i>	<i>-2.6</i>	<i>0.4</i>	<i>5.6</i>
BPO	5.7	6.0	2.9	1.9	2.8
<i>QoQ growth(%)</i>	<i>6.5</i>	<i>3.5</i>	<i>-50.5</i>	<i>-35.2</i>	<i>48.9</i>
Non-BPO	NA	NA	2.0	2.9	2.8
<i>QoQ growth(%)</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>45.8</i>	<i>-0.8</i>

growth in US\$, Source: Company, ICICIdirect.com Research

Decline in government and hardware business lead to DSO improvement

Exhibit 7: Utilisation declines 190 bps QoQ but flat YoY; attrition picks up 96 bps QoQ

	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
Total Employees	7882	8158	8207	8017	8160
Additions	265	276	49	-190	143
Utilisation(%)	78.4	78.2	77.3	80.3	78.4
Attrition(%)	12.5	12.2	12.4	12.4	13.4
DSO	76	82	98	100	96

Source: Company, ICICIdirect.com Research

ROOM, GIS, Morris and Proyecta margins stood at 18% (17% in Q2), 13% (15%), 11.3% (14%) and 10% (5%) respectively

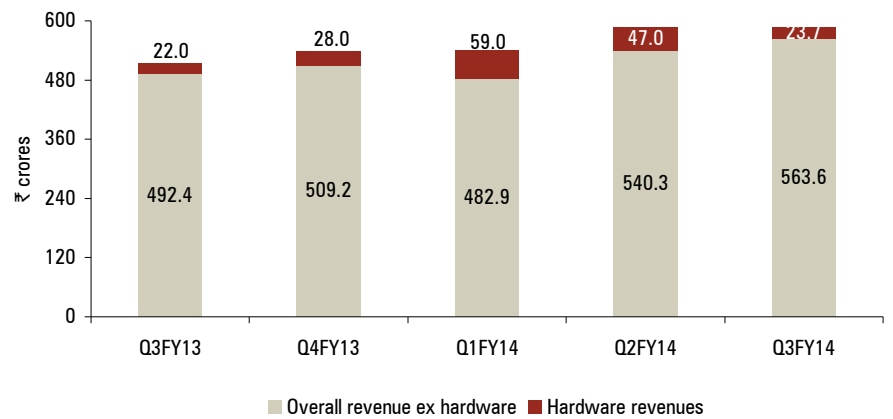
Exhibit 8: Except GIS, all subsidiaries report decent quarter

₹ crore	Q3FY13	Q4FY13	Q1FY14	Q2FY14	Q3FY14
GIS	19.7	25.6	21.9	23.5	23.3
<i>QoQ growth(%)</i>	<i>-14.0</i>	<i>29.9</i>	<i>-14.5</i>	<i>7.3</i>	<i>-0.9</i>
ROOM Solutions	33.7	34.3	35	40.5	40.7
<i>QoQ growth(%)</i>	<i>-7.9</i>	<i>1.8</i>	<i>2.0</i>	<i>15.7</i>	<i>0.5</i>
Proyecta	11.4	15.1	17	18	18.2
<i>QoQ growth(%)</i>	<i>-10.2</i>	<i>32.5</i>	<i>12.6</i>	<i>5.9</i>	<i>1.1</i>
Morris Communications	30.3	29.7	30	35.7	37.6
<i>QoQ growth(%)</i>	<i>14.8</i>	<i>-2.0</i>	<i>1.0</i>	<i>19.0</i>	<i>5.3</i>

Source: Company, ICICIdirect.com Research

Hardware revenues could range at ₹ 20-25 crore in Q4FY14E and decline further in Q1FY15E

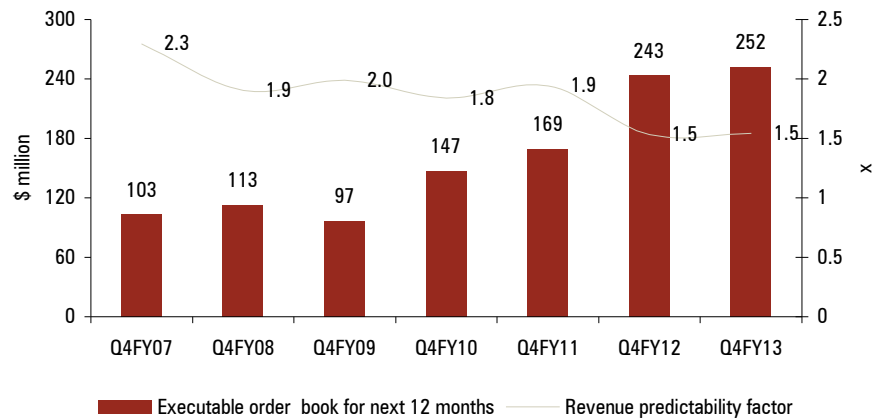
Exhibit 9: Services revenues grow 3.6% in constant currency



Source: Company, ICICIdirect.com Research

Historically, average NTM revenues to current order backlog ratio stood at 1.9x. This implies likely FY14E revenues of \$389 million, assuming Q4FY13 order backlog of \$252 million

Exhibit 10: Average NTM revenues to current order backlog ratio stands at 1.9x

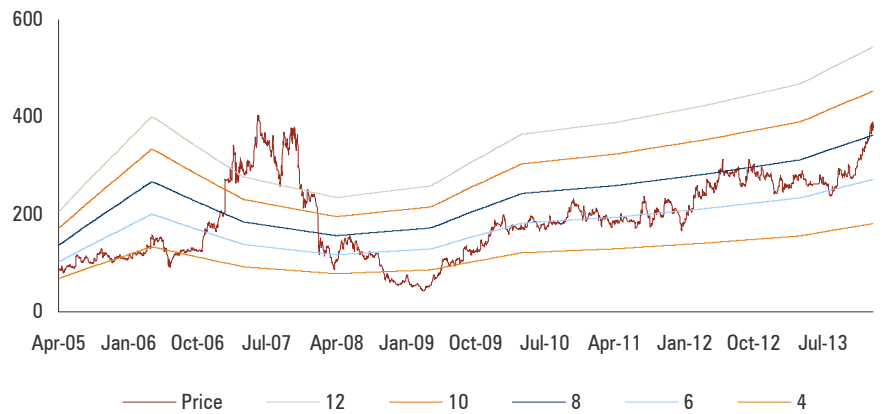


Source: Company, ICICIdirect.com Research

Risks and concern

Macro continues to be a challenge. Cross currency volatility could impact revenue growth in FY15E. However, significant rupee depreciation continues to be a key margin tailwind.

Exhibit 11: One year forward (PE) chart



Source: Company, ICICIdirect.com Research

Exhibit 12: Assumptions

	FY12	FY13	FY14E	FY15E
Total Employee base	7,362	8,158	8,297	8,951
Utilisation excluding trainees	80.3%	78.7%	79.0%	80.5%
Attrition (LTM)	13.4%	12.4%	13.0%	12.0%
Average \$/ ₹	47.9	54.2	61.0	60.5

Source: Company, ICICIdirect.com Research

Financial Summary

Profit & Loss Account

	(₹ Crore)			
(Year-end March)	FY12	FY13	FY14E	FY15E
Total operating Income	1,576	2,021	2,373	2,678
Growth (%)	27.9	28.2	17.4	12.8
COGS (employee expenses)	988	1,316	1,557	1,722
S,G&A expenses	320	376	444	512
Total Operating Expenditure	1,308	1,692	2,001	2,234
EBITDA	268	330	373	445
Growth (%)	11.6	22.8	13.1	19.3
Depreciation	36	56	64	72
Other Income	28	21	34	35
PBT	260	294	343	407
Total Tax	64	75	103	118
PAT	195	213	234	283
Growth (%)	6.9	9.4	9.7	20.9
EPS (₹)	32	35	39	47

Source: Company, ICICIdirect.com Research

Balance sheet

	(₹ Crore)			
(Year-end March)	FY12	FY13	FY14E	FY15E
Liabilities				
Equity Capital	60	60	60	60
Reserve and Surplus	850	1,034	1,197	1,395
Total Shareholders funds	910	1,094	1,257	1,456
Total Debt	13	34	8	6
Deferred Tax Liability	0	0	0	0
Minority Interest / Others	12	17	23	30
Total Liabilities	935	1,145	1,288	1,491
Assets				
Net Block	423	438	554	582
Capital WIP	0	28	28	28
Total Fixed Assets	423	466	582	610
Deferred tax assets	21	12	12	12
Debtors	331	454	496	546
Other Current Assets	289	337	427	482
Cash	222	233	236	260
Total Current Assets	843	1,024	1,158	1,288
Current liabilities	391	394	508	463
Total Current Liabilities	391	394	508	463
Net Current Assets	451	630	651	826
Application of Funds	935	1,145	1,288	1,491

Source: Company, ICICIdirect.com Research

Cash flow statement

	(₹ Crore)			
(Year-end March)	FY12	FY13	FY14E	FY15E
Profit before Tax	260	294	343	407
Add: Depreciation	36	56	64	72
(Inc)/dec in Current Assets	-97	-131	-132	-105
Inc/(dec) in CL and Provisions	64	57	114	-45
Taxes paid	-59	-72	-103	-118
CF from operating activities	164	235	252	176
(Inc)/dec in Investments	-7	-21	0	0
(Inc)/dec in Fixed Assets	-93	-93	-180	-100
Others	3	4	34	35
CF from investing activities	(98)	(113)	(146)	(65)
Issue/(Buy back) of Equity	5	9	0	0
Inc/(dec) in loan funds	34	-40	-2	-2
Dividend paid & dividend tax	-51	-57	-70	-85
CF from financing activities	(17)	(91)	(72)	(87)
Net Cash flow	49	30	33	25
Exchange difference	12	6	0	0
Opening Cash	105	165	202	236
Other balances	57	31		
Closing Cash	222	233	236	260

Source: Company, ICICIdirect.com Research

Ratio Analysis

(Year-end March)	FY12	FY13	FY14E	FY15E
Per share data (₹)				
EPS	32.4	35.4	39.0	47.1
Cash EPS	49.1	57.9	67.3	79.4
BV	150.6	181.1	208.2	241.0
DPS	8.0	8.5	10.0	12.0
Operating Ratios (%)				
EBITDA Margin	17.0	16.3	15.7	16.6
PBT Margin	16.5	14.5	14.4	15.2
PAT Margin	12.4	10.5	9.8	10.6
Debtor days	70.0	70.9	73.0	71.0
Creditor days	75.2	70.9	69.3	66.1
Return Ratios (%)				
RoE	23.5	21.3	19.9	20.8
RoCE	27.7	26.7	25.8	27.3
RoIC	34.7	34.3	32.1	33.4
Valuation Ratios (x)				
P/E	11.6	10.6	9.7	8.0
EV / EBITDA	7.6	6.2	5.5	4.6
EV / Net Sales	1.3	1.0	0.9	0.8
Market Cap / Sales	1.4	1.1	1.0	0.8
Price to Book Value	2.5	2.1	1.8	1.6
Solvency Ratios				
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.2	2.6	2.3	2.8
Quick Ratio	2.2	2.6	2.3	2.8

Source: Company, ICICIdirect.com Research

Company Description

NIIT Technologies Ltd (NTL) offers application development and maintenance, managed services, cloud computing and business process outsourcing services to organisations in the financial services, insurance, travel, transportation and logistics, manufacturing and distribution and government sectors. The company provides application development services, including custom software development, business intelligence and migration and modernisation to its customers while its business process outsourcing (BPO) offerings include business transformation solutions. NTL has also invested in creating its own IP assets in the insurance and travel segments.

Exhibit 13: Recommendation History



Source: Company, ICICIdirect.com Research

Exhibit 14: Recent releases

Date	Event	CMP	Target Price	Rating
21-May-13	Q4FY13 Result Update	260	310	BUY
5-Jul-13	Q1FY14 Preview	263	310	BUY
16-Jul-13	Q1FY14 Result Update	262	310	BUY
7-Oct-13	Q2FY14 Preview	285	310	BUY
15-Oct-13	Q2FY14 Result Update	288	330	BUY
8-Jan-14	Q3FY14 Preview	385	330	BUY
15-Jan-14	Q3FY14 Result Update	376	415	BUY

Source: Company, ICICIdirect.com Research

ICICIdirect.com Coverage Universe (Information Technology)

Sector / Company	CMP	TP(₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)				FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E
Eclerx (ECLSER)	1,099	1,020	Buy	3,307	56.9	83.8	102.0	19.3	13.1	10.8	12.0	8.6	7.6	60.9	63.0	55.3	39.1	43.8	41.3
Firstsource (FIRSOU)	26	29	Buy	1,736	2.8	2.9	4.5	9.3	9.0	5.9	9.5	7.2	5.6	7.5	10.5	13.3	9.3	10.1	13.0
HCL Tech* (HCLTEC)	1,330	1,260	Buy	92,968	56.6	81.0	91.0	23.5	16.4	14.6	15.2	10.6	9.8	36.7	39.1	33.2	30.6	32.0	27.6
Infotech (INFTEC)	330	265	Buy	3,694	20.7	24.0	26.5	15.9	13.8	12.4	9.0	7.5	6.9	26.5	27.9	26.3	18.6	18.7	17.8
Infosys (INFTEC)	3,712	3,750	Hold	213,159	164.9	188.4	214.8	22.5	19.7	17.3	16.1	13.6	11.8	28.5	28.2	27.4	25.7	24.7	23.7
KPIT Technologies (KPISYS)	173	150	Hold	3,353	10.5	14.6	17.1	16.4	11.9	10.1	9.3	7.3	6.3	27.8	28.0	28.1	22.8	24.8	23.4
Mastek (MASTEK)	181	240	Buy	447	14.0	19.1	30.3	13.0	9.5	6.0	4.0	2.5	1.7	5.6	9.0	13.6	6.5	8.3	11.9
Mindtree (MINCON)	1,471	1,450	Buy	6,125	81.8	112.0	131.5	18.0	13.1	11.2	12.4	9.5	8.5	29.5	30.9	27.5	25.8	27.8	26.0
NIIT Ltd. (NIIT)	27	22	Hold	448	1.5	1.6	4.4	17.7	16.6	6.2	12.8	8.3	6.7	NM	NM	1.9	3.8	4.1	10.3
NIIT Technologies (NIITEC)	376	415	Buy	2,281	35.4	39.0	47.1	10.6	9.7	8.0	6.3	5.5	4.6	26.7	25.8	27.3	21.3	19.9	20.8
Sasken Com (SASCOM)	178	135	Hold	378	13.1	12.1	13.8	13.6	14.7	12.9	5.5	5.2	4.6	5.2	6.1	7.3	7.6	7.5	8.3
Persistent (PSYS)	1,023	900	Hold	4,092	46.1	59.2	77.6	22.2	17.3	13.2	10.6	8.8	7.3	27.3	27.6	29.4	19.8	21.4	23.5
TCS (TCS)	2,354	2,450	Buy	461,006	71.0	97.0	110.1	33.2	24.3	21.4	25.0	17.9	16.1	45.8	47.8	40.9	36.0	36.2	31.8
Tech Mahindra (TECMAH)	1,884	1,600	Hold	43,927	82.4	113.6	128.3	22.9	16.6	14.7	13.4	10.1	9.0	40.3	41.0	35.1	33.5	33.2	28.1
Wipro (WIPRO)	561	550	Buy	138,246	25.0	30.2	32.9	22.5	18.5	17.0	15.6	13.3	12.2	23.6	26.2	23.4	21.6	23.2	23.2

Source: Company, ICICIdirect.com Research, *June year end

RATING RATIONALE

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

Strong Buy: > 15%/20% for large caps/midcaps, respectively, with high conviction;

Buy: > 10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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

research@icicidirect.com

ANALYST CERTIFICATION

We I/, *Abhishek Shindadkar MBA Hardik Varma MBA* research analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of 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 aren't registered as research analysts by FINRA and might not be an associated person of the ICICI Securities Inc.

Disclosures:

ICICI Securities Limited (ICICI Securities) and its affiliates are a full-service, integrated investment banking, investment management and brokerage and financing group. We along with affiliates are leading underwriter of securities and participate in virtually all securities trading markets in India. We and our affiliates have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. Our research professionals provide important input into our investment banking and other business selection processes. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their dependent family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

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 reasonable basis, ICICI Securities, its subsidiaries and associated companies, their directors and employees ("ICICI Securities and affiliates") are 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 is 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 may 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 of investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities and affiliates accept no liabilities 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 and its affiliates might have managed or co-managed a public offering for the subject company in the preceding twelve months. ICICI Securities and affiliates might have received 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 public offerings, corporate finance, investment banking or other advisory services in a merger or specific transaction. It is confirmed that *Abhishek Shindadkar MBA Hardik Varma MBA* research analysts and the authors of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Our research professionals are paid in part based on the profitability of ICICI Securities, which include earnings from Investment Banking and other business.

ICICI Securities or its subsidiaries collectively 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.

It is confirmed that *Abhishek Shindadkar MBA Hardik Varma MBA* research analysts and the authors of this report or any of their family members does not serve as an officer, director or advisory board member of the companies mentioned in the report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. ICICI Securities and affiliates may act upon or make use of information contained in the report prior to the publication thereof.

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.