

Pass-through revenue aids growth; implied Q4 guidance disappoints

Information Technology ▶ Result Update ▶ January 17, 2025

TARGET PRICE (Rs): 2,150

Infosys reported better than expected revenue growth in Q3. Revenue grew 1.7% QoQ CC, partly aided by increase in pass-through revenue and incremental contribution (20bps) from the in-tech acquisition. EBITM expanded by 20bps to 21.3%, in line with expectation. Deal-win (worth USD2.5bn) was steady, with net new deals TCV up 57% QoQ. Deal pipeline has also improved, with the large-deal pipeline becoming stronger. Q3 saw improvement in the discretionary spending environment in the Retail and CPG in North America, and BFSI in Europe; this follows improvement in BFSI in North America in Q2. Demand is stable in other industries, with cost optimization driving the spends. It has upped FY25 revenue growth guidance for the 3rd consecutive quarter to 4.5-5% (3.75-4.5% earlier). However, this implies sequential decline of 2.5% to 0.6% in Q4, negatively impacted by seasonality of pass-through revenue and lesser working days. We tweak FY25-27E EPS by less than 1%, factoring in the Q3 performance. We retain BUY and TP of Rs2,150 at 28x Dec-26E EPS.

Infosys: Financial Snapshot (Consolidated)					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	1,467,670	1,536,710	1,638,712	1,796,462	1,973,829
EBITDA	351,310	364,250	391,278	435,512	480,944
Adj. PAT	240,950	262,320	262,467	295,900	328,927
Adj. EPS (Rs)	58.1	63.2	63.2	71.3	79.2
EBITDA margin (%)	23.9	23.7	23.9	24.2	24.4
EBITDA growth (%)	11.6	3.7	7.4	11.3	10.4
Adj. EPS growth (%)	10.5	8.8	0.0	12.7	11.2
RoE (%)	31.8	31.9	28.4	29.3	29.8
RoIC (%)	55.2	49.5	49.2	55.5	60.7
P/E (x)	33.2	30.5	30.5	27.1	24.3
EV/EBITDA (x)	21.9	20.9	19.2	17.1	15.3
P/B (x)	10.6	9.0	8.3	7.6	6.9
FCFF yield (%)	2.6	3.0	3.7	3.6	4.0

Source: Company, Emkay Research

Results Summary

Infosys reported revenue growth of 0.9% QoQ (1.7% CC) to USD4.94bn, ahead of our estimate of USD4.87bn. Cost of third-party items bought for service delivery to clients increased by ~150bps QoQ, reflecting increased contribution from pass-through revenue, largely explaining the revenue beat. EBITM expanded by 20bps to 21.3%, in line with our estimate. Margin expansion was aided by currency tailwinds (40bps), benefits accruing from Project Maximus (30bps), and lower provision for post-sales customer support and expected credit loss (20bps), partially offset by higher furloughs and lesser working days (-70bps). Among verticals, Financial Services (3.1% QoQ), Retail (4.7%), Lifesciences (5.1%), and EURS (0.9%) saw growth, while Communications (-5%), Manufacturing (-0.4%), Hi-Tech (-0.3%), and Others (-12.1%) saw a decline. North America, Europe, and India grew 2.7%, 0.9%, and 0.9%, respectively, while ROW declined 9.5%. Headcount grew 1.8% QoQ to 323,379. LTM attrition inched up to 13.7%, from 12.9% in Q2FY25. **What we liked:** Steady operating performance, healthy cash conversion (OCF/EBITDA 110.7%). **What we did not like:** Weakness in top-5 clients, Q4 implied guidance.

Earnings Call KTAs

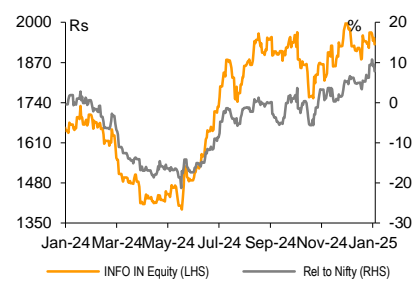
1) The mgmt highlighted it is beginning to see positivity in discretionary spends led by revival in BFSI in North America since a couple of quarters (esp in capital markets, mortgages, cards, payments), and now in Europe. Retail and CPG in North America is also seeing uptick in demand and deal booking. Automotive sector in Europe, however, remains under pressure, while other verticals saw no change. 2) Client focus continues on cost optimization, though an increased traction is witnessed in spending toward new growth areas like AI, cloud adoption, cybersecurity data, and analytics. 3) The company closed 17 large deals in Q3 – 11 in America and 6 in Europe. 4) BFSI saw a third consecutive quarter of volume growth, reflecting continued positivity in demand. 5) The company plans to roll out wage hikes in 2 phases – first in January (majority of the employees) and the second in April. The average wage hike is likely to be 6-8% for India-based employees. 6) The mgmt indicated that realization improved 3.6% YoY in 9MFY25 on the back of progress in value-based selling under Project Maximus. 7) The mgmt attributed weakness in top-5 clients to furloughs and currency impact. 8) The company is developing 100 new Gen AI agents for deployment across clients. It has developed 4 small LLMs – for banking, IT operations, cyber security and, broadly, for enterprise.

Target Price – 12M	Dec-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	11.5
CMP (16-Jan-25) (Rs)	1,928.5

Stock Data	Ticker
52-week High (Rs)	2,007
52-week Low (Rs)	1,358
Shares outstanding (mn)	4,152.3
Market-cap (Rs bn)	8,007
Market-cap (USD mn)	92,518
Net-debt, FY25E (Rs mn)	-480,690
ADTV-3M (mn shares)	6
ADTV-3M (Rs mn)	10,608.9
ADTV-3M (USD mn)	122.6
Free float (%)	86.0
Nifty-50	23,312
INR/USD	86.6
Shareholding, Sep-24	
Promoters (%)	13.1
FPIs/MFs (%)	30.1/34.5

Price Performance			
(%)	1M	3M	12M
Absolute	(2.6)	0.4	18.9
Rel. to Nifty	3.1	7.6	12.3

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 chg	Q3FY24	YoY chg
Net sales (USD mn)	4,939	4,894	0.9%	4,663	5.9%
Net sales	417,640	409,860	1.9%	388,210	7.6%
Operating expenses	316,490	311,770		296,840	
EBITDA	101,150	98,090	3.1%	91,370	10.7%
Margins (%)	24.2	23.9	30	23.5	70
Depreciation	12030	11600		11760	
EBIT	89,120	86,490	3.0%	79,610	11.9%
Margins (%)	21.3	21.1	20	20.5	80
Other income (net)	7,580	6,040		6,580	
Pre-tax profit	96,700	92,530	4.5%	86,190	
Tax provided	28,480	27,370		25,060	
Profit after tax	68,220	65,160		61,130	
Emkay Net profit	68,060	65,060	4.6%	61,060	11.5%
EPS (Rs)	16.4	15.7	4.6%	14.7	11.4%

Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates

(Rs mn)	Actual	Estimate		Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue (USD mn)	4,939	4,870	4,891	1.4%	1.0%	Revenue came in above our expectations.
Sales	417,640	411,962	412,909	1.4%	1.1%	
EBIT	89,120	87,591	87,537	1.7%	1.8%	
EBIT margin	21.3%	21.3%	21.2%	10 bps	10 bps	Margin came in line with our expectations.
PAT	68,060	66,687	67,304	2.1%	1.1%	Net profit beat our expectations due to revenue beat.

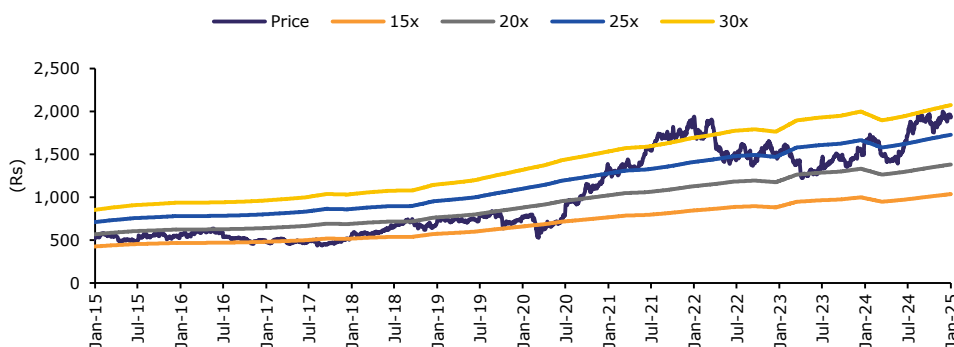
Source: Company, Bloomberg, Emkay Research

Exhibit 3: Changes in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue (USD mn)	19,357	19,437	0.4%	21,007	21,011	0.0%	22,683	22,688	0.0%
YoY growth	4.3%	4.7%		8.5%	8.1%		8.0%	8.0%	
Revenue	1,632,150	1,638,712	0.4%	1,796,126	1,796,462	0.0%	1,973,461	1,973,829	0.0%
EBIT	343,309	344,217	0.3%	384,668	384,598	0.0%	425,828	425,766	0.0%
EBIT margin	21.0	21.0		21.4	21.4		21.6	21.6	
Net profit	261,231	262,467	0.5%	293,774	295,900	0.7%	327,331	328,927	0.5%
EPS (Rs)	62.9	63.2	0.5%	70.8	71.3	0.7%	78.8	79.2	0.5%

Source: Company, Emkay Research

Exhibit 4: Infosys – One-year forward PER



Source: Company, Emkay Research

Infosys: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	1,467,670	1,536,710	1,638,712	1,796,462	1,973,829
Revenue growth (%)	20.7	4.7	6.6	9.6	9.9
EBITDA	351,310	364,250	391,278	435,512	480,944
EBITDA growth (%)	11.6	3.7	7.4	11.3	10.4
Depreciation & Amortization	42,250	46,780	47,060	50,915	55,178
EBIT	309,060	317,470	344,217	384,598	425,766
EBIT growth (%)	10.3	2.7	8.4	11.7	10.7
Other operating income	0	0	0	0	0
Other income	27,160	45,420	30,811	35,557	40,906
Financial expense	3,000	3,000	3,000	3,000	3,000
PBT	333,220	359,890	372,028	417,154	463,672
Extraordinary items	0	0	0	0	0
Taxes	92,140	97,410	109,171	120,975	134,465
Minority interest	(130)	(160)	(390)	(280)	(280)
Income from JV/Associates	0	0	0	0	0
Reported PAT	240,950	262,320	262,467	295,900	328,927
PAT growth (%)	9.0	8.9	0.1	12.7	11.2
Adjusted PAT	240,950	262,320	262,467	295,900	328,927
Diluted EPS (Rs)	58.1	63.2	63.2	71.3	79.2
Diluted EPS growth (%)	10.5	8.8	0.0	12.7	11.2
DPS (Rs)	34.0	46.0	44.0	49.5	55.0
Dividend payout (%)	58.5	72.8	69.6	69.5	69.4
EBITDA margin (%)	23.9	23.7	23.9	24.2	24.4
EBIT margin (%)	21.1	20.7	21.0	21.4	21.6
Effective tax rate (%)	27.7	27.1	29.3	29.0	29.0
NOPLAT (pre-IndAS)	223,601	231,542	243,208	273,064	302,294
Shares outstanding (mn)	4,148.6	4,150.4	4,152.1	4,152.1	4,152.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	333,220	359,890	372,028	417,154	463,672
Others (non-cash items)	49,840	44,550	46,670	50,635	54,898
Taxes paid	(87,940)	(92,310)	(109,171)	(120,975)	(134,465)
Change in NWC	(65,030)	(51,620)	43,837	(13,904)	(14,260)
Operating cash flow	230,220	260,660	353,365	332,910	369,845
Capital expenditure	(25,790)	(22,010)	(57,750)	(43,530)	(47,030)
Acquisition of business	(9,700)	(1,010)	(26,320)	0	0
Interest & dividend income	18,630	21,670	26,831	31,357	36,706
Investing cash flow	(17,640)	(58,650)	(84,070)	(43,530)	(47,030)
Equity raised/(repaid)	(118,110)	50	0	0	0
Debt raised/(repaid)	0	0	0	0	0
Payment of lease liabilities	(12,310)	(20,240)	0	0	0
Interest paid	0	0	0	0	0
Dividend paid (incl tax)	(136,530)	(154,850)	(182,694)	(205,531)	(228,368)
Others	1,380	(840)	0	0	0
Financing cash flow	(265,570)	(175,880)	(182,694)	(205,531)	(228,368)
Net chg in Cash	(52,990)	26,130	86,600	83,849	94,447
OCF	230,220	260,660	353,365	332,910	369,845
Adj. OCF (w/o NWC chg.)	295,250	312,280	309,528	346,814	384,105
FCFF	204,430	238,650	295,615	289,380	322,815
FCFE	220,060	257,320	319,446	317,737	356,521
OCF/EBITDA (%)	65.5	71.6	90.3	76.4	76.9
FCFE/PAT (%)	91.3	98.1	121.7	107.4	108.4
FCFF/NOPLAT (%)	91.4	103.1	121.5	106.0	106.8

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	20,690	20,710	20,710	20,710	20,710
Reserves & Surplus	737,260	863,900	943,673	1,034,041	1,134,600
Net worth	757,950	884,610	964,383	1,054,751	1,155,310
Minority interests	0	0	0	0	0
Deferred tax liability (net)	(250)	13,400	9,940	9,940	9,940
Total debt	0	0	0	0	0
Total liabilities & equity	757,700	898,010	974,323	1,064,691	1,165,250
Net tangible fixed assets	133,460	123,700	114,669	110,518	108,129
Net intangible assets	17,490	13,970	28,694	23,211	17,634
Net ROU assets	68,820	65,520	69,996	72,245	72,064
Capital WIP	4,470	4,480	5,000	5,000	5,000
Goodwill	72,480	73,030	99,350	99,350	99,350
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	316,510	394,090	480,690	564,539	658,986
Current assets (ex-cash)	632,480	698,810	684,249	743,520	808,789
Current Liab. & Prov.	488,010	475,590	508,326	553,693	604,702
NWC (ex-cash)	144,470	223,220	175,923	189,827	204,088
Total assets	757,700	898,010	974,323	1,064,691	1,165,250
Net debt	(316,510)	(394,090)	(480,690)	(564,539)	(658,986)
Capital employed	757,700	898,010	974,323	1,064,691	1,165,250
Invested capital	436,720	499,440	488,633	495,152	501,264
BVPS (Rs)	182.7	213.1	232.3	254.0	278.2
Net Debt/Equity (x)	(0.4)	(0.4)	(0.5)	(0.5)	(0.6)
Net Debt/EBITDA (x)	(0.9)	(1.1)	(1.2)	(1.3)	(1.4)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	44.4	43.8	40.1	41.2	41.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	33.2	30.5	30.5	27.1	24.3
P/CE(x)	28.2	25.9	25.9	23.1	20.8
P/B (x)	10.6	9.0	8.3	7.6	6.9
EV/Sales (x)	5.2	5.0	4.6	4.1	3.7
EV/EBITDA (x)	21.9	20.9	19.2	17.1	15.3
EV/EBIT(x)	24.9	24.0	21.9	19.4	17.3
EV/IC (x)	17.6	15.2	15.4	15.0	14.7
FCFF yield (%)	2.6	3.0	3.7	3.6	4.0
FCFE yield (%)	2.8	3.2	4.0	4.0	4.5
Dividend yield (%)	1.8	2.4	2.3	2.6	2.9
DuPont-RoE split					
Net profit margin (%)	16.4	17.1	16.0	16.5	16.7
Total asset turnover (x)	1.9	1.9	1.8	1.8	1.8
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	31.8	31.9	28.4	29.3	29.8
DuPont-RoIC					
NOPLAT margin (%)	15.2	15.1	14.8	15.2	15.3
IC turnover (x)	3.6	3.3	3.3	3.7	4.0
RoIC (%)	55.2	49.5	49.2	55.5	60.7
Operating metrics					
Core NWC days	35.9	53.0	39.2	38.6	37.7
Total NWC days	35.9	53.0	39.2	38.6	37.7
Fixed asset turnover	3.0	2.9	2.9	2.9	3.0
Opex-to-revenue (%)	76.1	76.3	76.1	75.8	75.6

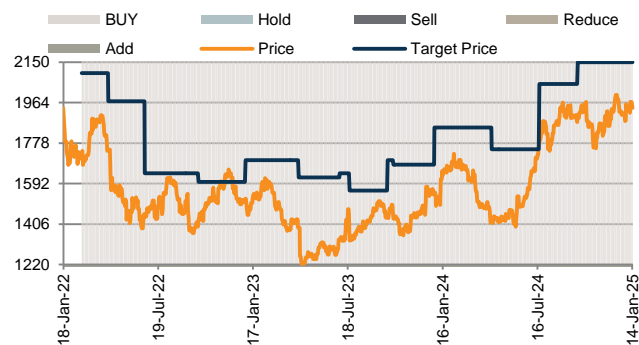
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
01-Jan-25	1,883	2,150	Buy	Dipeshkumar Mehta
18-Oct-24	1,880	2,150	Buy	Dipeshkumar Mehta
01-Oct-24	1,904	2,150	Buy	Dipeshkumar Mehta
19-Jul-24	1,793	2,050	Buy	Dipeshkumar Mehta
09-Jun-24	1,534	1,750	Buy	Dipeshkumar Mehta
03-Jun-24	1,406	1,750	Buy	Dipeshkumar Mehta
27-May-24	1,471	1,750	Buy	Dipeshkumar Mehta
19-Apr-24	1,411	1,750	Buy	Dipeshkumar Mehta
01-Apr-24	1,495	1,850	Buy	Dipeshkumar Mehta
31-Mar-24	1,498	1,850	Buy	Dipeshkumar Mehta
01-Mar-24	1,655	1,850	Buy	Dipeshkumar Mehta
12-Jan-24	1,613	1,850	Buy	Dipeshkumar Mehta
31-Dec-23	1,543	1,850	Buy	Dipeshkumar Mehta
30-Nov-23	1,455	1,680	Buy	Dipeshkumar Mehta
13-Oct-23	1,431	1,680	Buy	Dipeshkumar Mehta
02-Oct-23	1,435	1,700	Buy	Dipeshkumar Mehta
21-Jul-23	1,332	1,560	Buy	Dipeshkumar Mehta
02-Jul-23	1,336	1,640	Buy	Dipeshkumar Mehta
14-Apr-23	1,389	1,620	Buy	Dipeshkumar Mehta
01-Apr-23	1,428	1,700	Buy	Dipeshkumar Mehta
13-Jan-23	1,504	1,700	Buy	Dipeshkumar Mehta
02-Jan-23	1,524	1,700	Buy	Dipeshkumar Mehta
14-Oct-22	1,474	1,600	Buy	Dipeshkumar Mehta
04-Oct-22	1,429	1,600	Buy	Dipeshkumar Mehta
25-Jul-22	1,504	1,640	Buy	Dipeshkumar Mehta
23-Jun-22	1,452	1,640	Buy	Dipeshkumar Mehta
01-Jun-22	1,479	1,970	Buy	Dipeshkumar Mehta
14-Apr-22	1,749	1,970	Buy	Dipeshkumar Mehta
01-Apr-22	1,904	2,100	Buy	Dipeshkumar Mehta
22-Feb-22	1,734	2,100	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 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 January 17, 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 January 17, 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 January 17, 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.