

11 April 2025

India | Equity Research | Results update

Tata Consultancy Services

Technology

Caught in macroeconomic flux: Underwhelming Q4 result, upbeat TCV

TCS' Q4FY25 performance was a miss with regards to muted growth and margin. TCV was the silver lining, though down 7.5% YoY. Macro uncertainty has hit enterprise spending and the upbeat management commentary (in Q3FY25) has shifted to a more cautious tone now. We believe Q4 earnings might be grimmer for rest of the IT peers given that TCS has lesser % of revenue as discretionary vs peers. Despite management commentary that FY26 revenue growth will be better than FY25, we see low FY26 discretionary demand, weighing down growth. We believe TCS is better placed vs peers to weather the current macro storm, being the industry bellwether with best-in-class RoE and execution. We cut FY26-27E EPS slightly, reiterate **ADD** with Mar'26E TP of INR 3,680 on attractive valuations (currently trading close to 5-year average - 2SD).

BSNL ramp-down impacts growth

TCS reported sequential revenue growth of -1%/-0.8% USD/ CC, underperforming I-Sec and consensus estimates of -0.8%/-0.3% USD/ CC for Q4FY25. For full year FY25, revenue grew 3.8% /4.2% USD/ CC. Revenue growth was impacted by macroeconomic volatility, project deferrals and lack of deal backfilling for BSNL ramp-down. With BSNL deal on its last leg, regional markets were down 6.4% QoQ USD, with seemingly no backfilling of projects. India geography revenue declined USD 112mn QoQ. TCV stood at USD 12.2bn, sans any mega deals, vs USD 10.2bn reported in Q3FY25, going above the usual quarterly run-rate of USD 7-9bn. Full year TCV stood at USD 39.4bn, down 8% YoY. North America/ BFSI/ consumer business group TCV stood at USD 6.8/4/ 1.7bn, respectively.

Margins impacted in Q4FY25

TCS reported EBIT margin at 24.2%, down 30bps QoQ, in line with I-Sec's estimate (24.4%), but falling lower than consensus estimate (24.7%). The margin fillip from BSNL deal ramp-down, higher utilization as well as rupee depreciation was offset by higher employee expense (+90bps), other expenses (+20bps), subcontracting cost (at 4.8%; +20bps QoQ), marketing expenses (+60bps). FY25 EBIT margin stood at 24.3%, down 30bps YoY. Company has delayed wage hike for FY26 amid escalated macro uncertainty. Headcount was up by 626 QoQ, similar to Accenture's muted headcount addition. FY26 will see similar to increased fresher hiring v/s FY25 with increased focus on skilling for and with AI.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	25,53,240	26,62,565	28,50,796	29,92,408
EBITDA	6,74,070	7,19,204	7,73,452	8,06,755
EBITDA Margin (%)	26.4	27.0	27.1	27.0
Net Profit	4,87,970	5,20,700	5,58,901	5,80,982
EPS (Rs)	134.2	143.2	153.7	159.8
EPS % Chg YoY	6.9	6.7	7.4	4.0
P/E (x)	24.2	22.7	21.1	20.3
EV/EBITDA (x)	17.3	16.2	15.1	14.5
RoCE (%)	48.5	49.8	51.8	52.7
RoE (%)	50.8	52.0	54.0	54.8

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com
22 6807 7573

Seema Nayak

seema.nayak@icicisecurities.com

Aditi Patil

aditi.patil@icicisecurities.com

Market Data

Market Cap (INR)	11,746bn
Market Cap (USD)	1,35,474mn
Bloomberg Code	TCS IN
Reuters Code	TCS.BO
52-week Range (INR)	4,520 /3,056
Free Float (%)	28.0
ADTV-3M (mn) (USD)	120.3

Price Performance (%)	3m	6m	12m
Absolute	(18.3)	(22.4)	(16.4)
Relative to Sensex	(13.8)	(13.2)	(14.8)

ESG Score	2023	2024	Change
ESG score	73.8	72.6	(1.2)
Environment	61.0	60.0	(1.0)
Social	76.6	73.2	(3.4)
Governance	77.4	79.6	2.2

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	(0.1)	(0.1)	(0.1)
EBIT	(0.3)	0.7	(0.2)
EPS	(0.6)	(1.0)	(1.6)

Previous Reports

04-04-2025: [Sector update](#)

10-01-2025: [Q3FY25 results review](#)

Highlights

FY25- a muted year led by regional markets

TCS' FY25 USD revenue growth was 3.8% vs 4.1% in FY24. The growth was led by India, up 62.6% YoY CC, followed by 11.2% **YoY** growth in MEA. BFSI- up 0.7% **YoY** and energy and utilities- up 5.1% **YoY**. Regional markets led the growth with 37.2% **YoY** uptick. Communication & media was the laggard with 9.5% **YoY** revenue contraction. EBIT margin at 24.3% was down 30bps YoY, with 200bps worth of impact from wage hikes. Net margin was 19%. Full year TCV was USD 39.4bn, down 7.9% YoY. FY25 saw net headcount addition of 6,433. Free cashflow stood at INR 464bn, up 4.9% **YoY**.

Mixed signals: management expects FY26 to be better than FY25 however delayed wage hike

- TCS saw second consecutive quarter of strong TCV with a good mix of small, mid and large deals. As a result, management reiterated expectation that FY26 will be better than FY25 (for international revenue). There is increased uncertainty in global macroeconomic environment, resulting in a shift in management's commentary regarding discretionary spending. Management acknowledged deferral of some projects in the month of March. Company has decided to delay wage hike for FY26 amid escalated macro uncertainty. CEO called for perpetual adaptability to perpetually changing business environment. Shift to cloud migration continued.
- BFSI clients continued investments in compliance, digital modernisation, analytics and customer experience. Insurance sector in US saw delayed decision making with roll back of discretionary spending. Companies are prioritising cost optimisation, and funding new technology updates such as adoption of AI, IoT with savings from cost optimisation initiatives.
- **Key demand areas are:** S/4 HANA migration, implementation of gen AI, automation of testing in SDLC, legacy modernisation, data modernisation, building AI/ ML model, customer experience, digital transformation, AI adoption, (agentic AI is the next frontier in AI, going beyond chatbots use cases), hyper personalisation.
- **AI for business- a net positive:** There is an increased demand for customer servicing and experience enhancement led by AI. There is sharper focus on business outcomes, moving away from just experimentation. Three key areas of focus in AI are: 1) Industry specific AI-as clients want tailored solutions, 2) building scale through strategic partnerships with hyperscalers and platforms and 3) responsible AI. TCS is sharing AI productivity gains with clients but is gaining larger share of client portfolio, resulting in a net positive impact on revenue.

Vertical colour

- Healthcare growth revived with QoQ print of -1% (vs. -4.5% in Q3FY25), as client-specific issues subsided, marking the best performance in last four quarters. Healthcare customers are moving cautiously with reassessment of deal timeline. Manufacturing showed a subdued print of -1% (vs. -4% in Q3FY25), mostly on continued weakness in auto and aerospace subsegments. Auto OEMs are seeing weak demand as EV-fication slows down and inventory builds up. BFSI bounced back with 1.3% sequential growth, in line with management's upbeat commentary on the vertical and ACN's recent performance ([Link](#)); however, there was some softness in insurance. Retail was weak at -1% QoQ. Technology vertical performed well with 0.3% QoQ USD growth- one of the better performing verticals.

Communication vertical saw some improvement in demand from vendor consolidation. Energy & utilities vertical continues to grow well, up 0.8% QoQ USD.

Geography colour

- Europe with 1% QoQ USD growth, performed well on the back of large deal wins from Q3FY25. Americas showed muted performance at -0.2% QoQ growth. Middle East and Africa grew well.

Miscellaneous

- Book-to-bill ratio improved at 1.6x vs 1.4x in Q3FY25.
- Attrition stood at 13.3%, up 30bps QoQ.
- Ignio saw 30 new deal wins and 11 go-lives, led by AI demand. Ignio has code accelerator to reduce coding efforts of TCS, increasing coding efficiency by 150%. BaNCs had four new wins and four go-lives.
- USD 1/5/20 mn+ client buckets grew 23/1/4 QoQ. USD 100mn bucket remained constant while USD 10mn/50mn bucket saw four customers decline, each.
- The Board announced a final dividend of INR 30/sh for Q4FY25.

Key risks:

Sharp cutbacks in discretionary spending cuts, delayed backfilling of BSNL deal

Exhibit 1: Quarterly performance

(INR bn)	Q4FY25	Q3FY25	QoQ	Q4FY24	YoY
CC growth	-0.8%	0.0%		1.1%	
Sales (USD m)	7,465	7,539	-1.0%	7,363	1.4%
USD/INR	86.4	84.4	2.3%	83.2	3.9%
Sales (INR bn)	645	640	0.8%	612	5.3%
EBIT	156	157	-0.4%	159	-2.0%
EBIT Margin	24.2%	24.5%	-28 bps	26.0%	-179 bps
Reported PAT	122	124	-1.3%	124	-1.6%
EPS	33.8	34.2	-1.3%	34.0	-0.8%

Source: I-Sec research, Company data

Exhibit 2: TCS – change in estimates

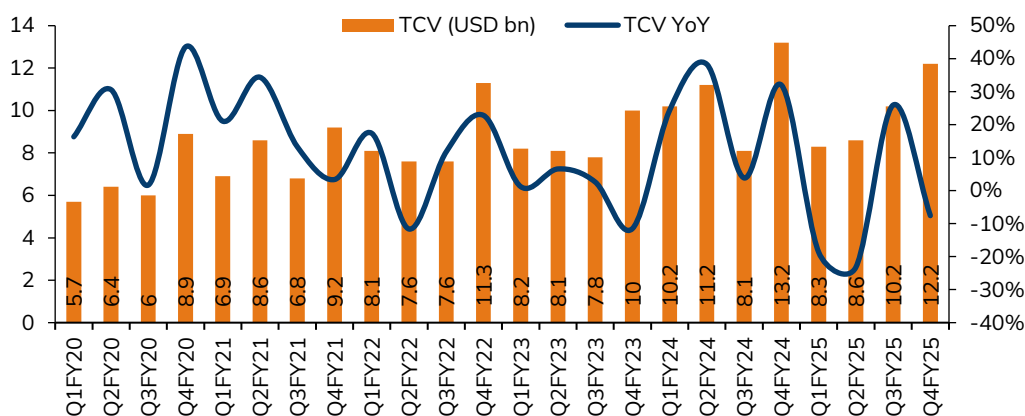
	New			Old			New vs. Old		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25A/E	FY26E	FY27E
Revenues (USD mn)	30,179	30,746	32,395	30,194	30,784	32,438	0.0%	-0.1%	-0.1%
Revenue growth YoY CC	4.2%	2.6%	5.4%	4.4%	3.0%	5.4%	-10bps	-30bps	0bps
Revenue growth YoY USD	3.8%	1.9%	5.4%	3.8%	2.0%	5.4%	0bps	-10bps	0bps
USD/INR	84.6	86.6	88.0	84.66	86.60	88.00	-0.1%	0.0%	0.0%
INR bn									
Revenues	2,553	2,663	2,851	2,556	2,666	2,855	-0.1%	-0.1%	-0.1%
EBIT	622	666	716	624	662	718	-0.3%	0.7%	-0.2%
EBIT margin	24.3%	25.0%	25.1%	24.4%	24.8%	25.1%	-10bps	20bps	0bps
EPS (INR/share)	134.2	143.2	153.7	135.0	144.6	156.3	-0.6%	-1.0%	-1.6%

Source: I-Sec research, Company data

Exhibit 3: Margin headwinds: 1) -90bps from higher employee costs; 2)- 20bps from other expenses 3) -20bps from higher subcontracting costs

Cost line items	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
COGS												
Employee costs	44.89%	43.51%	43.27%	44.29%	45.97%	45.85%	44.48%	45.12%	45.97%	45.55%	44.37%	45.27%
Fees to External Consultants	9.67%	9.63%	9.18%	8.23%	7.39%	6.83%	6.14%	4.57%	4.03%	4.37%	4.40%	4.51%
Travel	0.81%	0.86%	0.78%	0.77%	0.83%	0.85%	0.80%	0.94%	0.98%	0.95%	0.86%	0.87%
Cost of equipment and software licenses	0.41%	0.73%	1.10%	1.05%	0.85%	0.77%	1.94%	2.55%	3.44%	5.03%	5.50%	4.26%
Other costs	5.80%	5.78%	5.61%	5.51%	5.44%	5.61%	5.85%	5.68%	5.74%	5.92%	6.06%	6.31%
SG&A costs												
Employee costs	12.59%	12.61%	12.49%	12.65%	13.22%	12.99%	12.83%	12.27%	12.19%	11.50%	11.83%	11.74%
Fees to External Consultants	0.35%	0.33%	0.23%	0.33%	0.33%	0.36%	0.41%	0.29%	0.23%	0.28%	0.25%	0.26%
Travel	0.25%	0.32%	0.47%	0.47%	0.51%	0.30%	0.33%	0.39%	0.36%	0.32%	0.28%	0.41%
Other costs	2.14%	2.23%	2.33%	2.21%	2.30%	2.18%	2.20%	2.20%	2.41%	2.03%	1.98%	2.17%

Source: I-Sec research, Company data

Exhibit 4: Stellar deal TCV at USD 12.2bn, up 19.6% QoQ/down 7.6% YoY


Source: I-Sec research, Company data

Exhibit 5: Deal win ramp-up 20% QoQ, down 8% YoY

Deal TCV (USD mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Total Deal TCV	8200	8100	7800	10000	10200	11200	8100	13200	8300	8600	10200	12200
QoQ	-27%	-1%	-4%	28%	2%	10%	-28%	63%	-37%	4%	19%	20%
YoY	1%	7%	3%	-12%	24%	38%	4%	32%	-19%	-23%	26%	-8%
BFSI	2600	2300	2500	3000	3000	3000	2600	4100	2700	2900	3200	4000
QoQ	-19%	-12%	9%	20%	0%	0%	-13%	58%	-34%	7%	10%	25%
YoY	18%	10%	-14%	-6%	15%	30%	4%	37%	-10%	-3%	23%	-2%
Retail	1000	1600	1200	1300	1200	1440	1500	1600	1100	1200	1300	1700
QoQ	-62%	60%	-25%	8%	-8%	20%	4%	7%	-31%	9%	8%	31%
YoY	-33%	33%	20%	-50%	20%	-10%	25%	23%	-8%	-17%	-13%	6%
North America	4500	4300	4200	5000	5200	4500	4200	5700	4600	4200	5900	6800
QoQ	-26%	-4%	-2%	19%	4%	-13%	-7%	36%	-19%	-9%	40%	15%
YoY	13%	10%	-7%	-18%	16%	5%	0%	14%	-12%	-7%	40%	19%

Source: I-Sec research, Company data

Exhibit 6: Growth led by Europe and emerging markets (India, LAT-Am and MEA)

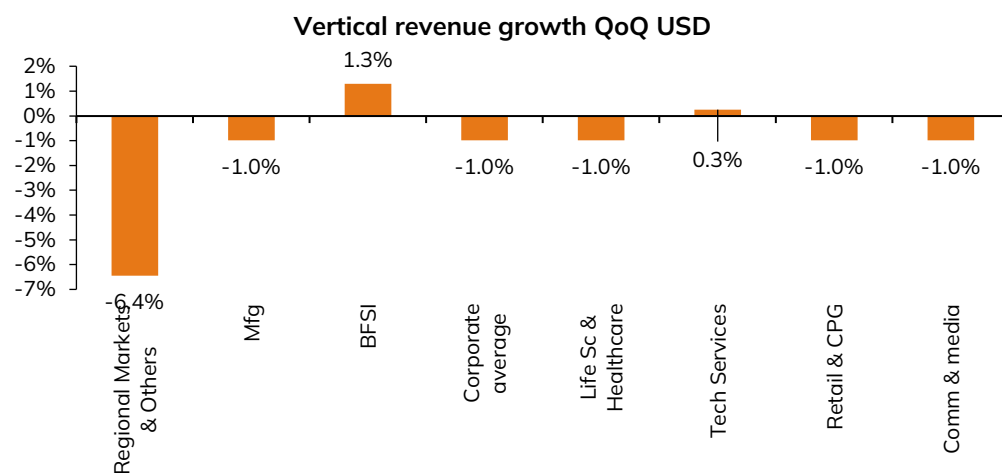
YoY CC Revenue Growth	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
North America	17.6%	15.4%	9.6%	4.6%	0.1%	-3.0%	-2.3%	-1.1%	-2.1%	-2.3%	-1.9%
Latin America	19.0%	14.6%	15.1%	13.5%	13.1%	13.2%	9.8%	6.3%	6.8%	7.0%	4.3%
UK	14.8%	15.4%	17.0%	16.1%	10.7%	8.1%	6.2%	6.0%	4.6%	4.1%	1.2%
Continental Europe	14.1%	9.7%	8.4%	3.4%	1.3%	0.5%	-2.0%	0.9%	1.8%	-1.5%	1.4%
India	7.0%	9.1%	13.4%	14.0%	3.9%	23.4%	37.9%	61.8%	95.2%	70.2%	33.0%
Asia Pacific	16.7%	9.5%	7.5%	4.7%	4.1%	3.9%	5.2%	7.6%	7.5%	5.8%	6.4%
MEA	8.2%	8.6%	7.8%	15.2%	15.9%	16.0%	10.7%	8.5%	7.9%	15.0%	13.2%
Total	15.4%	13.5%	10.7%	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%

Source: I-Sec research, Company data

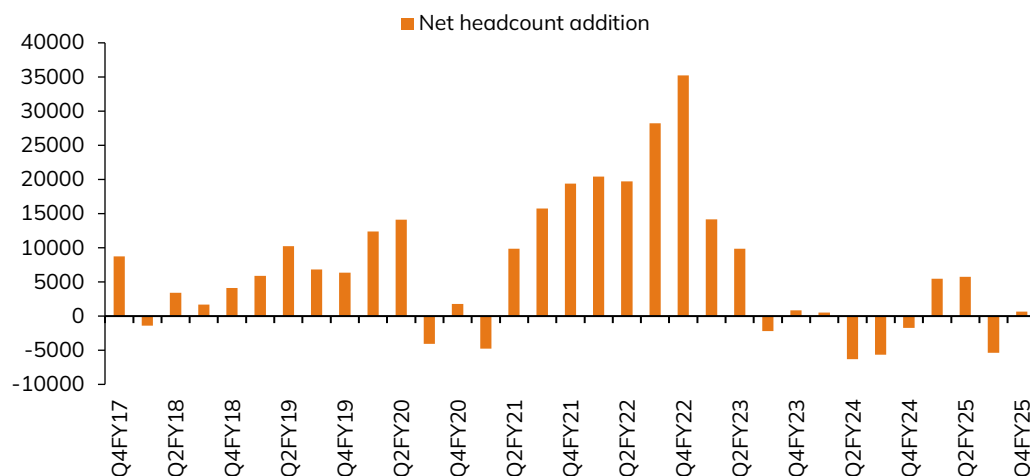
Exhibit 7: Growth led by regional markets; BFSI sees improvement

YoY CC Revenue growth	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
BFSI	13.1%	11.1%	9.1%	3.0%	-0.5%	-3.0%	-3.2%	-0.9%	0.1%	0.9%	2.5%
Retail & CPG	22.9%	18.7%	13.0%	5.3%	1.0%	-0.3%	-0.3%	-0.3%	0.1%	1.1%	-0.2%
Communication & Media	18.7%	13.5%	5.3%	0.5%	-2.1%	-4.9%	-5.5%	-7.4%	-10.3%	-10.6%	-9.8%
Manufacturing	14.5%	12.5%	9.1%	9.4%	5.8%	7.0%	9.7%	9.4%	5.3%	0.4%	-2.9%
Life Science & Healthcare	14.5%	14.4%	12.3%	10.1%	5.0%	3.1%	1.7%	4.0%	0.1%	-4.3%	-5.6%
Technology & Services	15.9%	13.6%	9.2%	4.4%	-2.2%	-5.0%	-5.6%	-3.9%	-1.9%	-0.4%	1.1%
Regional Markets & Others	13.1%	13.3%	14.6%	16.9%	14.3%	19.2%	26.0%	37.7%	50.4%	40.9%	22.5%
Total	15.4%	13.5%	10.7%	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%

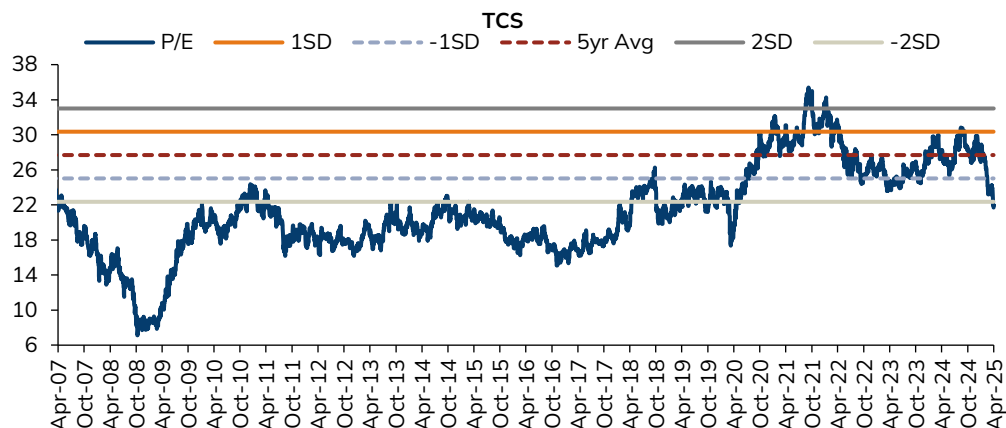
Source: I-Sec research, Company data

Exhibit 8: Weak QoQ show by regional markets with lack of backfill for BSNL deal ramp-down


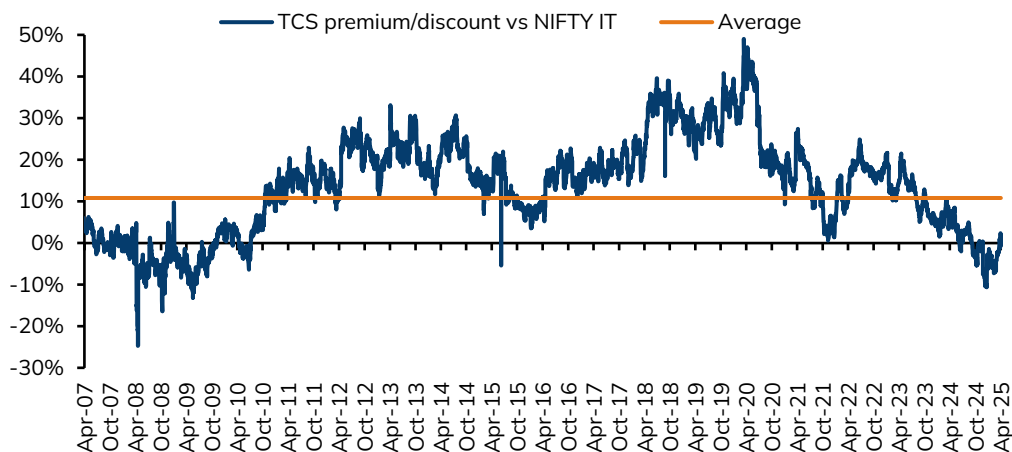
Source: I-Sec research, Company data

Exhibit 9: Headcount up by 625 QoQ


Source: Company data, I-Sec research

Exhibit 10: TCS is trading at 21.7x, vs. its 5-year average of 27.7x

Source: Company data, I-Sec research

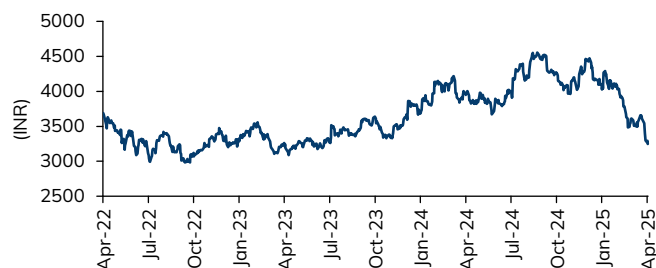
Exhibit 11: TCS is trading roughly at par with NIFTY IT vs. 5- year average premium of 10.8%

Source: I-Sec research, Company data

Exhibit 12: Shareholding pattern

%	Jun'24	Sep'24	Dec'24
Promoters	71.8	71.8	71.8
Institutional investors	23.5	23.7	23.5
MFs and others	4.3	4.3	4.3
FIs/Banks	0.6	0.6	0.6
Insurance	6.1	6.0	5.8
FIIIs	12.5	12.8	12.8
Others	4.7	4.5	4.7

Source: Bloomberg, I-Sec research

Exhibit 13: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales (USD mn)	30,179	30,746	32,395	34,005
Net Sales (INR mn)	25,53,240	26,62,565	28,50,796	29,92,408
Operating Expense	19,31,590	19,96,612	21,34,360	21,70,027
EBITDA	6,74,070	7,19,204	7,73,452	8,06,755
EBITDA Margin (%)	26.4	27.0	27.1	27.0
Depreciation & Amortization	52,420	53,251	57,016	59,848
EBIT	6,21,650	6,65,953	7,16,436	7,46,907
Interest expenditure	-	-	-	-
Other Non-operating Income	31,660	32,974	33,766	32,935
Recurring PBT	6,53,310	6,98,927	7,50,202	7,79,842
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,65,340	1,78,226	1,91,302	1,98,860
PAT	4,87,970	5,20,700	5,58,901	5,80,982
Less: Minority Interest	(2,440)	(2,760)	(2,760)	(2,760)
Net Income (Reported)	4,87,970	5,20,700	5,58,901	5,80,982
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,85,530	5,17,940	5,56,141	5,78,222

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	12,30,110	12,82,234	13,27,082	13,58,137
of which cash & cash eqv.	83,420	95,301	88,258	78,047
Total Current Liabilities & Provisions	5,30,010	5,50,246	5,68,421	5,83,284
Net Current Assets	7,00,100	7,31,988	7,58,661	7,74,853
Investments	2,750	2,750	2,750	2,750
Net Fixed Assets	1,29,320	1,33,320	1,37,320	1,41,320
ROU Assets	92,750	92,750	92,750	92,750
Capital Work-in-Progress	-	-	-	-
Goodwill	40,240	40,240	40,240	40,240
Other assets	1,12,980	1,12,980	1,12,980	1,12,980
Liabilities				
Total Assets	10,87,540	11,23,428	11,54,101	11,74,293
Borrowings	-	-	-	-
Deferred Tax Liability provisions	9,800	9,800	9,800	9,800
other Liabilities	20,390	20,390	20,390	20,390
Minority Interest	10,150	12,910	15,670	18,430
Equity Share Capital	3,620	3,620	3,620	3,620
Reserves & Surplus*	9,65,200	9,98,328	10,26,241	10,43,673
Total Net Worth	9,68,820	10,01,948	10,29,861	10,47,293
Total Liabilities	10,87,540	11,23,428	11,54,101	11,74,293

Source Company data, I-Sec research

Exhibit 16: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	6,26,130	6,42,590	6,39,730	6,44,790
% growth (YOY)	5.4	7.7	5.6	5.3
EBITDA	1,66,620	1,67,320	1,70,330	1,69,800
Margin %	26.6	26.0	26.6	26.3
Other Income	7,890	5,670	10,090	8,010
Extraordinaries	0	0	1	2
Adjusted Net Profit	1,20,400	1,19,090	1,23,800	1,22,240

Source Company data, I-Sec research

Exhibit 17: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
CFO before WC changes	6,71,630	7,16,444	7,70,692	8,03,995
CFO after WC changes	6,67,680	6,85,781	7,30,575	7,72,501
Capital Commitments	(29,170)	(57,251)	(61,016)	(63,848)
Free Cashflow	5,40,990	5,64,806	6,00,289	6,37,489
Other investing cashflow	(27,590)	32,974	33,766	32,935
Cashflow from Investing Activities	(56,760)	(24,278)	(27,250)	(30,913)
Issue of Share Capital	280	2,760	2,760	(18,948)
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(16,640)	10,657	6,402	5,091
Cash flow from Financing Activities	(4,65,980)	(4,71,396)	(5,19,066)	(5,52,939)
Dividend paid	(4,48,640)	(4,84,812)	(5,28,228)	(5,39,082)
Others	(980)	-	-	-
Chg. in Cash & Bank balance	(10,920)	11,881	(7,043)	(10,211)
Closing cash & balance	79,240	95,301	88,258	78,047

Source Company data, I-Sec research

Exhibit 18: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	134.2	143.2	153.7	159.8
Diluted EPS	134.2	143.2	153.7	159.8
Cash EPS	148.7	157.9	169.5	176.4
Dividend per share (DPS)	126.0	134.0	146.0	149.0
Book Value per share (BV)	267.8	276.9	284.6	289.5
Dividend Payout (%)	93.9	93.6	95.0	93.2
Growth (%)				
Net Sales	6.0	4.3	7.1	5.0
EBITDA	4.9	6.7	7.5	4.3
EPS	6.9	6.7	7.4	4.0
Valuation Ratios (x)				
P/E	24.2	22.7	21.1	20.3
P/CEPS	21.8	20.6	19.2	18.4
P/BV	12.1	11.7	11.4	11.2
EV / EBITDA	17.3	16.2	15.1	14.5
P/S	4.6	4.4	4.1	3.9
Dividend Yield (%)	3.9	4.1	4.5	4.6
Operating Ratios				
EBITDA Margins (%)	26.4	27.0	27.1	27.0
EBIT Margins (%)	24.3	25.0	25.1	25.0
Effective Tax Rate (%)	25.3	25.5	25.5	25.5
Net Profit Margins (%)	19.1	19.6	19.6	19.4
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	21.1	20.3	21.1	21.5
Receivables Days	68	71	70	70
Payables Days	17	20	19	20
Working Capital Days	85	86	84	83
Net Debt / EBITDA (x)	(1.6)	(1.8)	(1.5)	(1.3)
Profitability Ratios				
RoCE (%)	48.5	49.8	51.8	52.7
RoIC (%)	58.4	60.5	62.3	62.7
RoNW (%)	50.8	52.0	54.0	54.8

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; Seema Nayak, MBA; Aditi Patil, 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
