nuvama institutional equities

TATA COMMUNICATIONS

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,680
12 month price target (INR)	2,000
52 Week High/Low	2,175/1,586
Market cap (INR bn/USD bn)	479/5.5
Free float (%)	39.6
Avg. daily value traded (INR mn)	587.1

SHAREHOLDING PATTERN

	Dec-24	Sep-24	Jun-24
Promoter	58.86%	58.86%	58.86%
FII	17.80%	18.06%	18.09%
DII	13.66%	13.45%	13.15%
Pledge	0.00%	0.00%	0.00%

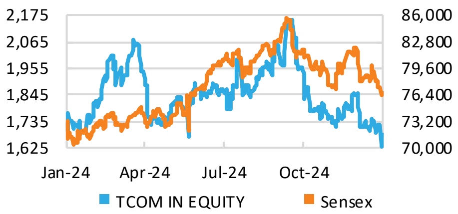
FINANCIALS (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Revenue	2,09,688	2,31,496	2,57,307	2,94,011
EBITDA	42,301	46,927	58,573	70,743
Adjusted profit	12,040	11,484	21,658	31,391
Diluted EPS (INR)	42.2	40.3	76.0	110.2
EPS growth (%)	(30.0)	(4.6)	88.7	44.9
RoAE (%)	58.0	63.0	62.1	56.3
P/E (x)	39.7	41.7	22.1	15.2
EV/EBITDA (x)	14.6	12.8	10.0	7.8
Dividend yield (%)	1.0	1.1	1.2	1.2

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY25E	FY26E	FY25E	FY26E
Revenue	2,31,496	2,57,307	-1.2%	-2.2%
EBITDA	46,927	58,573	-5.7%	-5.0%
Adjusted profit	14,121	21,658	-13.6%	-8.2%
Diluted EPS (INR)	49.5	76.0	-13.6%	-8.1%

PRICE PERFORMANCE



Modest results; ask rate climbing

TCOM reported modest Q3FY25 numbers with revenue at INR58.0bn (+1.2% QoQ/+3.8% YoY) in line with our estimate of INR59.4bn. Data revenue grew +1.4% QoQ (+6.2% YoY) as Digital grew +4.1% QoQ (+10.2% YoY). Consolidated EBITDA margin was 20.4% (+65bp QoQ), in line with estimates. PAT at INR2.4bn, was slightly below estimates.

As growth continues to elude TCOM due to macro and micro factors, its ask rate to meet the FY25 guidance (especially growth) keeps rising. We continue to see TCOM as an exciting play, offering the best of telecom (stability) and IT Services (growth) sectors. We are cutting FY25E/26E EBITDA by -5% mainly on lower growth assumption. We maintain 'BUY/SO' with TP of INR2,000 (earlier INR2,150).

Digital finally reports decent growth

Data revenue grew 1.4% QoQ (+6.2% YoY) to INR49.0bn on a blended basis. This was driven by a +4.1% QoQ (+10.2% YoY) growth in the Digital portfolio while Core Connectivity declined -0.9% QoQ. In Digital, Next-gen grew +14.4% QoQ while Cloud and Security grew +4.1% QoQ. Media declined -0.2% YoY, whereas CPaaS witnessed growth of +5.7% QoQ. Management indicated that the challenges from cable cuts, in core connectivity business have been resolved, with repairs completed in October.

Margins show healthy improvement

EBITDA margin improved to 20.4% (+65bp QoQ/+27bp YoY) with data margins at 19.2% (+99bp QoQ/-165bp YoY). Margins improved on account of cost optimisation activities. Management indicated that excluding the two acquisitions (Kalyera and Switch), consolidated margins remain close to 23% range. RoCE for Q3FY25 dipped -40bp QoQ to 16.0% hurt by FX fluctuations. Net debt decreased marginally to INR104.7bn (INR104.8bn QoQ). Management remains committed to strategic measures, including monetisation of non-core assets has received shareholder approval for the land sale, expected to fetch INR8.5bn in Q4FY25.

Outlook and Valuation: Ask rate gradually becoming higher

While management maintained its four-point FY27 guidance, the confidence in achieving the revenue guidance appears to be waning. The longer the company takes to report stronger growth, higher the ask rate becomes to achieve the guidance. We continue to hold fort, expecting Digital growth and margins to pick up sharply in FY26, leading to strong growth in FY26E/27E. We continue to value the digital business at 12x average of FY26E–27E EV/EBITDA and Core/Others at 10x/4x average of FY26E–FY27E EV/EBITDA. In all, we remain positive on this unique technology and telecom play (read IC 'here'); maintain '**BUY**'.

Financials

Year to March	Q3FY25	Q3FY24	% Change	Q2FY25	% Change
Net Revenue	57,981	56,333	2.9	57,674	0.5
EBITDA	11,810	11,343	4.1	11,170	5.7
Adjusted Profit	2,509	2,303	8.9	1,843	36.1
Diluted EPS (INR)	8.8	8.1	9.1	6.5	36.2

Vibhor Singhal
VIBHOR.SINGHAL@nuvama.com

Parth Ghiya
parth.ghiya@nuvama.com

Financial Statements

Income Statement (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Total operating income	2,09,688	2,31,496	2,57,307	2,94,011
COGS	80,864	94,281	90,923	1,03,889
Employee costs	44,530	47,465	52,748	60,272
Other expenses	41,993	42,823	55,063	59,107
EBITDA	42,301	46,927	58,573	70,743
Depreciation	24,697	25,822	27,000	28,114
Less: Interest expense	6,442	6,194	5,432	4,382
Add: Other income	2,825	1,323	3,081	3,952
Profit before tax	14,187	16,134	28,884	41,861
Prov for tax	2,135	4,646	7,221	10,465
Less: Other adj	(2,357)	2,637	0	0
Reported profit	9,683	14,121	21,658	31,391
Less: Excp.item (net)	(2,357)	2,637	0	0
Adjusted profit	12,040	11,484	21,658	31,391
Diluted shares o/s	285	285	285	285
Adjusted diluted EPS	42.2	40.3	76.0	110.2
DPS (INR)	16.7	18.0	20.0	20.0
Tax rate (%)	15.0	28.8	25.0	25.0

Balance Sheet (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Share capital	2,850	2,850	2,850	2,850
Reserves	15,014	24,005	39,964	65,655
Shareholders funds	17,864	26,855	42,814	68,505
Minority interest	39	43	47	52
Borrowings	1,01,178	91,178	71,178	51,178
Trade payables	36,562	38,054	42,297	48,331
Other liabs & prov	48,383	48,383	48,383	48,383
Total liabilities	2,45,613	2,47,000	2,48,107	2,60,736
Net block	85,332	79,339	77,170	74,180
Intangible assets	5,362	5,262	5,162	5,062
Capital WIP	0	0	0	0
Total fixed assets	90,694	84,601	82,332	79,242
Non current inv	13,068	13,068	13,068	13,068
Cash/cash equivalent	9,917	16,550	15,880	25,718
Sundry debtors	37,584	36,786	39,477	43,498
Loans & advances	0	0	0	0
Other assets	14,799	15,866	16,078	16,380
Total assets	2,45,613	2,47,000	2,48,107	2,60,736

Important Ratios (%)

Year to March	FY24A	FY25E	FY26E	FY27E
Material cost as % of rev	38.6	40.7	35.3	35.3
Staff cost as % of rev	21.2	20.5	20.5	20.5
Other exp. as % of rev	20.0	18.5	21.4	20.1
EBITDA margin (%)	20.2	20.3	22.8	24.1
Net profit margin (%)	5.7	5.0	8.4	10.7
Revenue growth (% YoY)	17.5	10.4	11.1	14.3
EBITDA growth (% YoY)	(2.0)	10.9	24.8	20.8
Adj. profit growth (%)	(30.0)	(4.6)	88.6	44.9

Free Cash Flow (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Reported profit	9,683	14,121	21,658	31,391
Add: Depreciation	24,697	25,822	27,000	28,114
Interest (net of tax)	6,442	6,194	5,432	4,382
Others	(6,612)	5,085	6,823	9,941
Less: Changes in WC	(192)	(1,222)	(1,339)	(1,712)
Operating cash flow	31,820	45,354	52,354	61,651
Less: Capex	(20,718)	(18,720)	(24,973)	(25,683)
Free cash flow	11,102	26,634	27,380	35,969

Assumptions (%)

Year to March	FY24A	FY25E	FY26E	FY27E
GDP (YoY %)	6.5	6.3	6.5	6.5
Repo rate (%)	6.5	5.3	5.3	5.3
USD/INR (average)	84.0	84.0	84.0	84.0
Total Revenue growth	17.5	10.4	11.1	14.3
Total organic growth	7.4	4.3	11.1	14.3
Data business growth	21.9	13.4	13.5	16.4
Core connectivty growth	6.0	2.5	3.8	4.6
Digital business growth	55.4	29.0	24.5	27.6

Key Ratios

Year to March	FY24A	FY25E	FY26E	FY27E
RoE (%)	58.0	63.0	62.1	56.3
RoCE (%)	14.6	14.2	22.4	29.9
Inventory days	5	5	8	8
Receivable days	57	59	54	52
Payable days	156	144	161	159
Working cap (% sales)	(15.7)	(14.7)	(13.8)	(12.6)
Gross debt/equity (x)	5.7	3.4	1.7	0.7
Net debt/equity (x)	5.1	2.8	1.3	0.4
Interest coverage (x)	2.7	3.4	5.8	9.7

Valuation Metrics

Year to March	FY24A	FY25E	FY26E	FY27E
Diluted P/E (x)	39.7	41.7	22.1	15.2
Price/BV (x)	26.8	17.8	11.2	7.0
EV/EBITDA (x)	14.6	12.8	10.0	7.8
Dividend yield (%)	1.0	1.1	1.2	1.2

Valuation Drivers

Year to March	FY24A	FY25E	FY26E	FY27E
EPS growth (%)	(30.0)	(4.6)	88.7	44.9
RoE (%)	58.0	63.0	62.1	56.3
EBITDA growth (%)	(2.0)	10.9	24.8	20.8
Payout ratio (%)	49.2	36.3	26.3	18.2

Source: Company and Nuvama estimates

Q3FY25 earnings call highlights

- Revenue growth was driven by data business. Revenue growth was 0.2% QoQ and 1% YoY if adjusted for foreign exchange gains.
- CPaaS grew 5.7% QoQ and 11.7% YoY. Launched Kalyera.io (AI platform) to help clients in their workflow.
- Network fabric is witnessing growth backed by continuous cloud migration, and AI adoption. The connectivity segment witnessed headwinds, including price erosion and customer churn.
- Media portfolio grew .7% -0.2% QoQ and 6YoY. Has signed one of the deals with Latin based media tech company.
- Internationally, cable rate cuts posed a challenge, but repairs were completed in October. In Q3FY25, the focus shifted to customer acquisition.
- YTD order book grew double-digit and Q4FY25 is expected to witness robust deal wins. Deal pipeline funnel remains robust and deal conversion remained at normal levels. Large deals are taking more time for closure.
- In Next-gen connectivity order conversion takes elongated time due to large nature of deals. Despite this digital portfolio growth remains healthy.
- Working towards making TCTS more profitable; Q3FY25 margins improved by 800bps. This is an outcome from move coming out of large lost making contracts.
- FCF was negative until H1FY25; however, in Q3FY25, it reached INR8.4bn, the highest level in the last 10 quarters.
- Expects leverage ratios to improve in the next couple of quarters. Net debt and RoCE were hurt by forex exchange fluctuations.
- Large part of the product portfolio is network. Demand for network transformation is going to remain healthy, as there would be more data to transfer.
- CPaaS would make more channel diversity in different markets during the year, which would work as trigger for growth. SMS is not growing at a faster pace and the margins too remain subdued.
- There are some levers in digital portfolio especially in international geographies and acquired entities, which can led to margin expansion. Ex. of acquisitions margins remain healthy at 23% levels.
- Management has outlined a timeline prioritising net debt reduction, followed by improvements in ROCE and lastly margins improvement in each year moving forward.
- Management indicated that excluding the two acquisitions (Kalyera and Switch), consol margins remain close to 23% range.
- Management aims to improve margins to previous levels of 23-25%.
- Strategic measures pertaining to review of non-core assets and its monetization remain intact. Had announced the land monetization provisions in last quarter and have received approvals from shareholders.

Exhibit 1: Financial snapshot (INR mn)

Year to March	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	FY24	FY25E	FY26E	FY27E
Total revenues	57,981	57,674	0.5	56,333	2.9	2,09,688	2,31,496	2,57,307	2,94,011
Cost of materials	25,134	24,622	2.1	22,792	10.3	80,864	94,281	90,923	1,03,889
Employee Benefit Expense	11,240	11,986	(6.2)	11,617	(3.2)	44,530	47,465	52,748	60,272
Other Expense	9,797	9,896	(1.0)	10,580	(7.4)	41,993	42,823	55,063	59,107
EBITDA	11,810	11,170	5.7	11,343	4.1	42,301	46,927	58,573	70,743
Depreciation	6,371	6,606	(3.5)	6,190	2.9	24,697	25,822	27,000	28,114
EBIT	5,438	4,564	19.1	5,153	5.5	17,604	21,104	31,573	42,629
Less : Exceptional Items	149	-429	(134.8)	1,855	(92.0)	2,357	-2,637	0	0
Less: Interest expense	1,869	1,926	(2.9)	1,876	(0.4)	6,442	6,194	5,432	4,382
Other Income	287	141	103.5	115	150.3	2,825	1,323	3,081	3,952
Add: Share of profits from associates	-85	40	(311.8)	48	(277.1)	200	-99	-338	-338
PBT	3,623	3,249	11.5	1,585	128.5	11,831	18,771	28,884	41,861
Provision for taxation	1,262	976	29.3	1,135	11.2	2,135	4,646	7,221	10,465
Less: Minority Interest	1	0	200.0	2	(50.0)	12	4	5	5
Reported profit	2,360	2,272	3.8	448	426.6	9,683	14,121	21,658	31,391
Add : Exceptional item	149.3	-429.0		1,855.2		2,357	-2,637	-	-
Adjusted profit	2,509	1,843	36.1	2,303	8.9	12,040	11,484	21,658	31,391
as % of net revenues									
Employee Benefit Expense	19.4	20.8		20.6		21.2	20.5	20.5	20.5
Other Expenses	16.9	17.2		18.8		20.0	18.5	21.4	20.1
EBITDA margin	20.4	19.4		20.1		20.2	20.3	22.8	24.1
EBIT margin	9.4	7.9		9.1		8.4	9.1	12.3	14.5
Adjusted profit	4.3	3.2		4.1		5.7	5.0	8.4	10.7
Tax rate	34.8	30.0		71.6		18.0	24.8	25.0	25.0

Source: Company, Nuvama Research

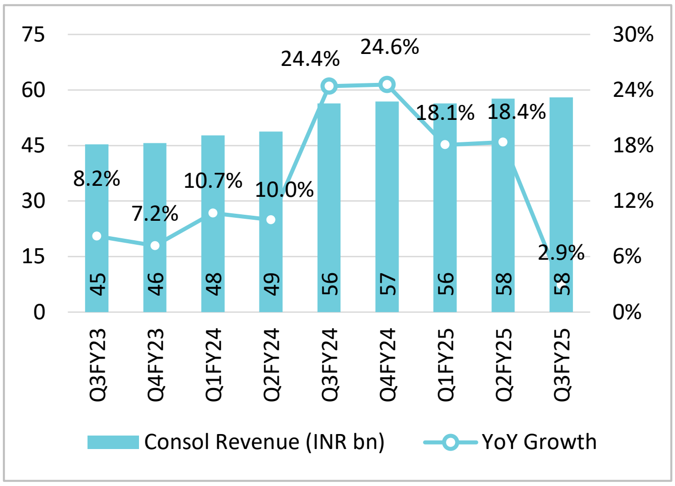
Note: Financials not restated for retrospective period

Exhibit 2: Digital revenue breakdown

		Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Collaboration/CPaaS	Revenue	4,015	3,869	4,388	4,063	10,536	10,509	10,447	11,140	11,773
	YoY Growth	8.8%	1.8%	19.4%	7.5%	162.4%	171.6%	138.1%	174.2%	11.7%
Cloud and Security	Revenue	3,240	3,568	3,487	3,705	3,646	3,670	4,157	4,151	4,320
	YoY Growth	23.7%	38.5%	23.9%	24.4%	12.5%	2.9%	19.2%	12.1%	18.5%
Next Gen Connectivity	Revenue	1,835	1,926	2,213	2,555	2,530	2,468	2,078	2,172	2,485
	YoY Growth	26.8%	10.5%	46.6%	46.9%	37.9%	28.1%	-6.1%	-15.0%	-1.8%
Media	Revenue	1,469	1,436	2,928	3,070	3,089	3,023	3,367	2,889	3,083
	YoY Growth	17.1%	19.5%	108.7%	107.0%	110.3%	110.6%	15.0%	-5.9%	-0.2%
Incubation Services	Revenue	1,221	1,335	1,132	1,175	1,193	1,153	1,388	1,856	1,468
	YoY Growth	125.3%	65.3%	27.5%	-2.7%	-2.3%	-13.7%	22.6%	58.0%	23.1%

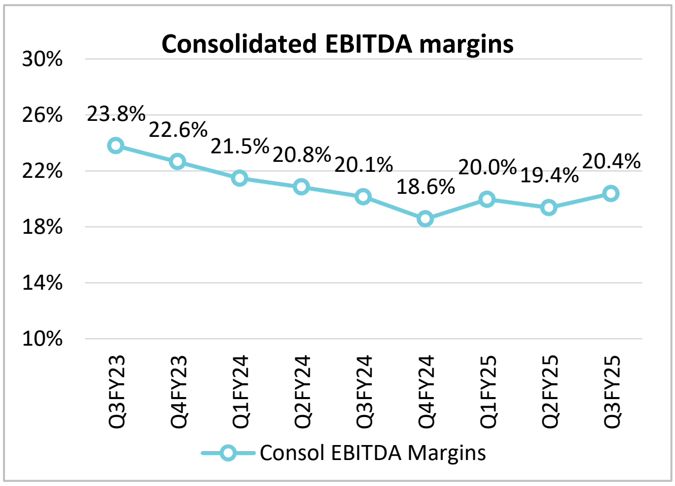
Source: Company, Nuvama Research

Exhibit 3: Consolidated revenue and growth



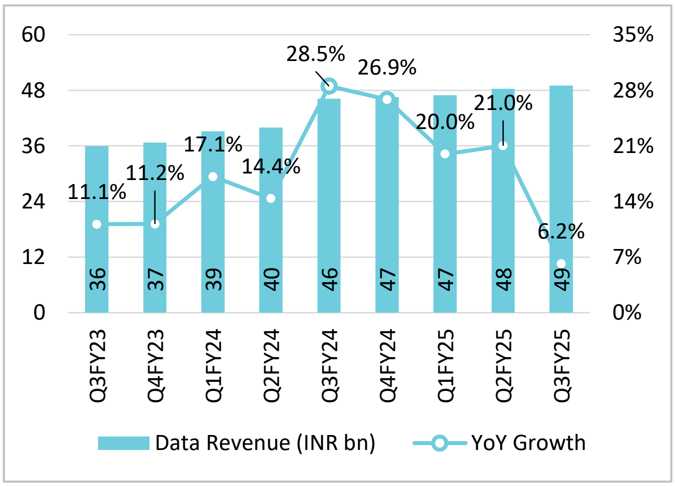
Source: Company, Nuvama Research

Exhibit 4: Consolidated EBITDA margins



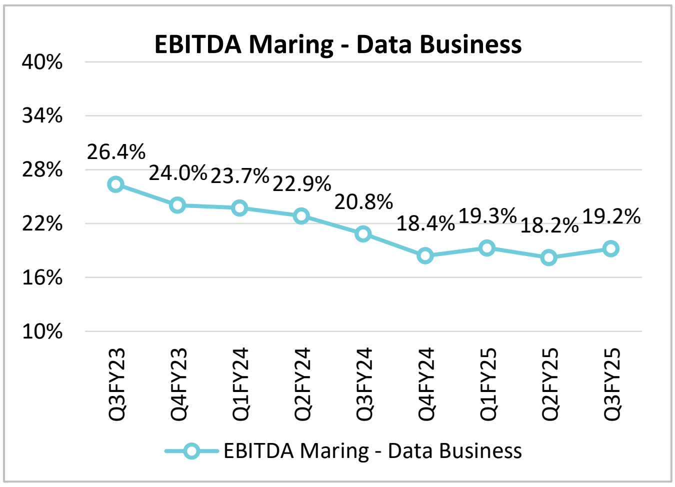
Source: Company, Nuvama Research

Exhibit 5: Data business revenue and growth



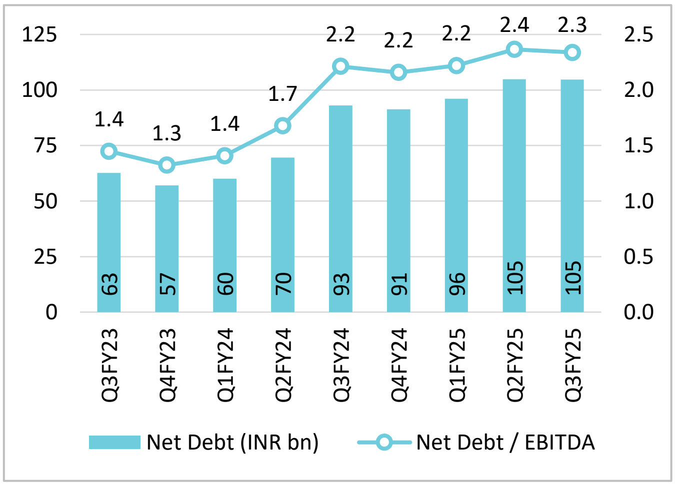
Source: Company, Nuvama Research

Exhibit 6: Data business EBITDA margins



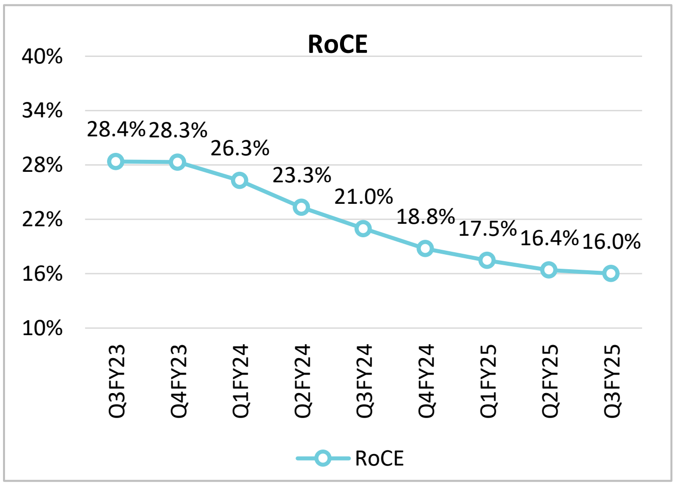
Source: Company, Nuvama Research

Exhibit 7: Debt profile of TCOM



Source: Company, Nuvama Research
Note: Financials not restated for retrospective period

Exhibit 8: Return on capital employed (RoCE)



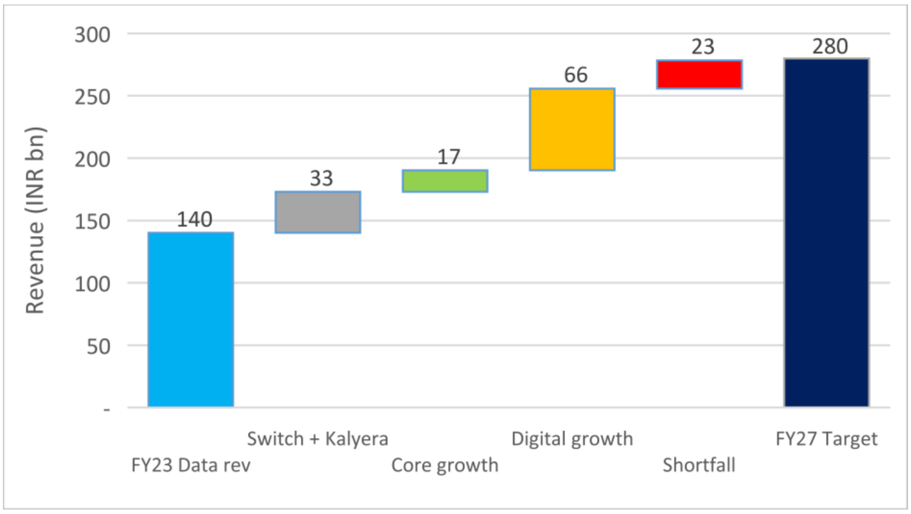
Source: Company, Nuvama Research

Exhibit 9: SotP valuation of TCOM

Segment (INR mn)	Avg FY26-27 EBITDA	Target multiple	Total EV	Per share
Data business				
Core Connectivity	44,667	10.0	4,46,668	1,567
Digital	11,836	12.0	1,42,037	498
Voice business	1,399	4.0	5,595	20
Other businesses	6,756	4.0	27,025	95
Total Business EV			**6,21,325**	**2,180**
Net debt			55,298	194
Total Business Equity Value			**5,66,026**	**2,000**

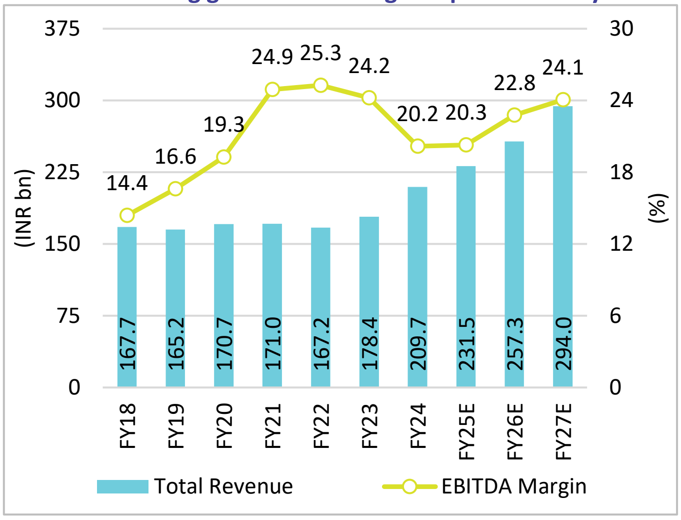
Source: Company, Nuvama Research

Exhibit 10: FY27 target achievable with a bit of help from acquisitions



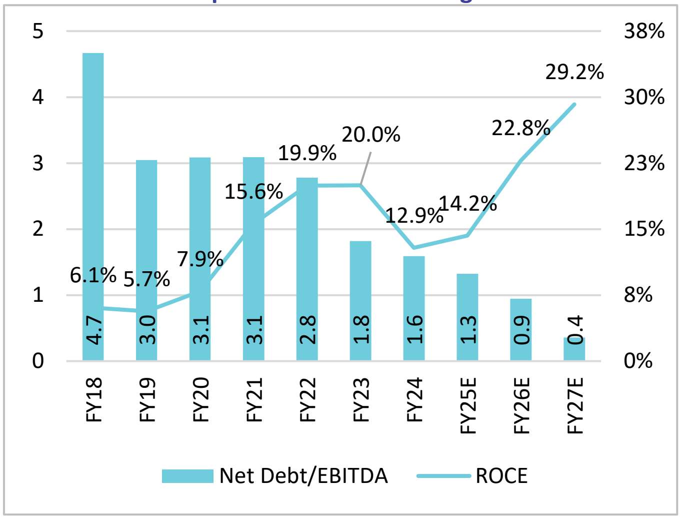
Source: Company, Nuvama Research

Exhibit 11: Strong growth and margin expansion likely…



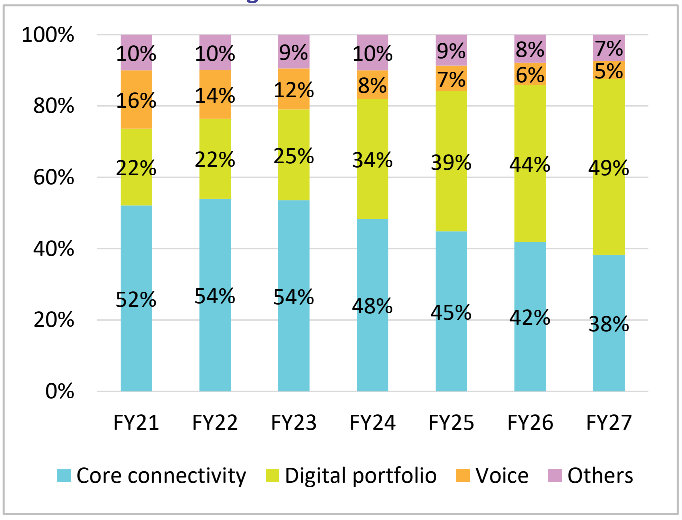
Source: Company, Nuvama Research

Exhibit 12: … to improve RoCE and leverage



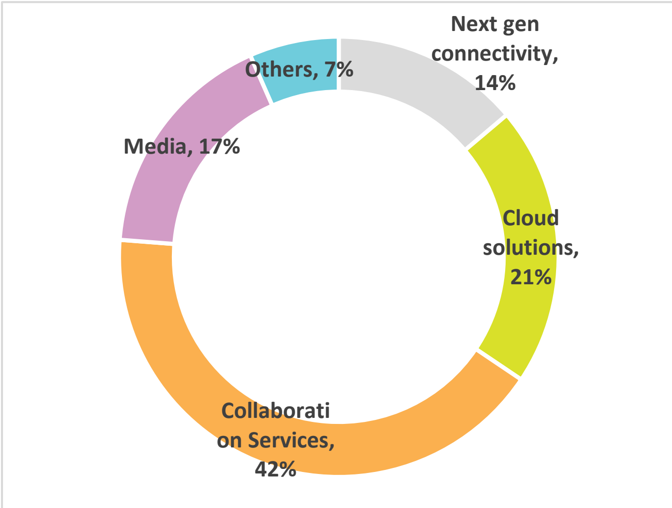
Source: Company, Nuvama Research

Exhibit 13: Share of digital revenue to increase



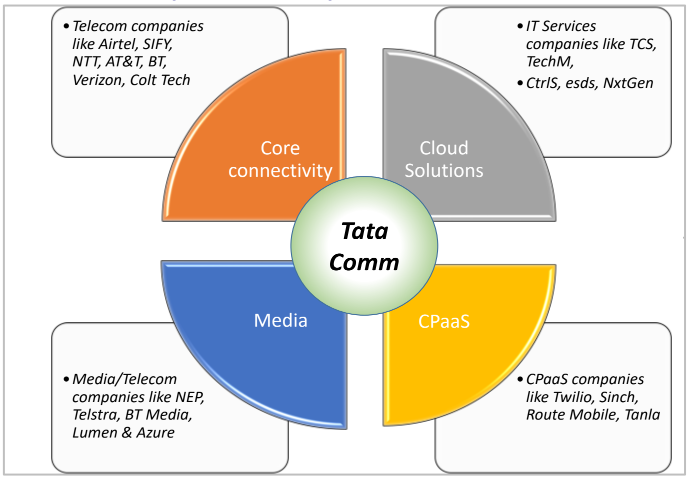
Source: Company, Nuvama Research

Exhibit 14: Digital portfolio mix (FY24)



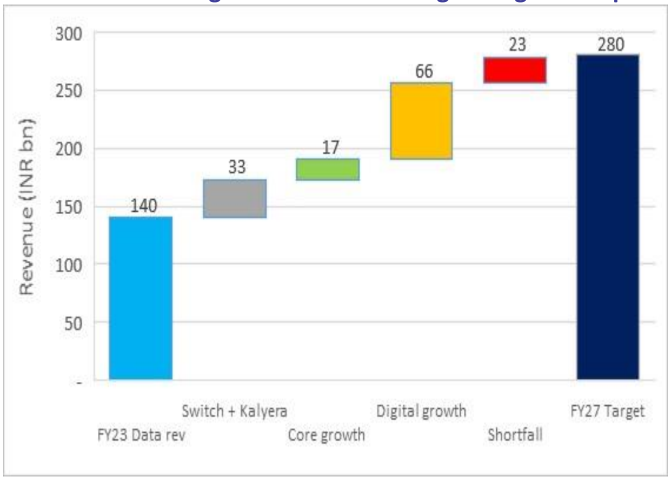
Source: Company, Nuvama Research

Exhibit 15: Unique set of competitors in each domain



Source: Company, Nuvama Research

Exhibit 16: FY27 target achievable through inorganic help



Source: Company, Nuvama Research

Company Description

Tata Communications was incorporated as Videsh Sanchar Nigam (VSNL), a public sector enterprise, in 1986. In 2002, the Tata Group acquired 25% stake in VSNL. In FY06, VSNL acquired Tyco and Teleglobe providing it undersea cable network spanning 60k km connecting the continents of North America, Europe, and Asia. In 2008, VSNL was renamed Tata Communications and announced an expansion of network connectivity into Africa through an agreement with Neotel. In recent years, it has developed and expanded its portfolio of digital solutions around the telecom infrastructure – to get transformed from a telecom infrastructure provider – to an enabler of digital telecom solutions.

Investment Theme

TCOM primarily has two business segments (excluding others, which are small and/or declining) – Core connectivity and Digital Portfolio. The Core connectivity business forms 52% of revenue – in which it provides traditional point-to-point (P2P) connectivity solutions for enterprises. The digital business (25% of revenue) is the new-gen hi-tech Digital portfolio (Digital), built around its connectivity solutions – helping enterprises leverage the power of digital solutions like cloud and XaaS. Combined, TCOM intends to be able to address all the connectivity-related needs of an enterprise. In addition to these segments, it has an ATM network subsidiary in India (Tata Communications Payment Solutions) and a network management outsourcing subsidiary that supports global telecom service providers (Tata Communications Transformation Services).

Key Risks

Weak macro environment leading to deferment of technology spends by enterprises across the world

Regulatory changes in the telecom sector

Competitive intensity

Technology disruptions

Contingent liability of INR77bn for AGR dues

Additional Data

Management

CEO	A S Lakshminarayanan
CFO	Kabir Ahmed Shakir
Wholetime Director	
COO	N. Ganapathy Subramaniam
Auditor	S.R. Batliboi & Associates LLP

Holdings – Top 10*

	% Holding		% Holding
Panatone Finves	44.80	Mirae Asset Fin	1.99
Tata Sons Pvt L	14.07	Vanguard Group	1.62
HDFC AMC Ltd	4.43	Jhunjhunwala Re	1.58
First Sentier I	3.56	Norges Bank	1.48
First Sentier G	2.68	Quant Money Man	1.38

**Latest public data*

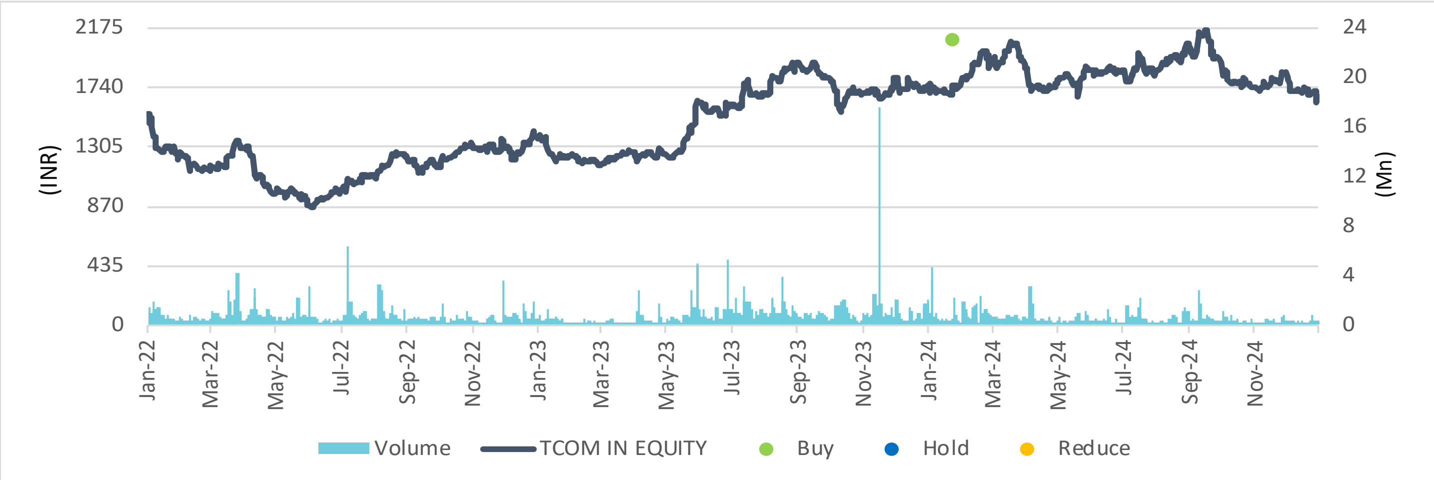
Recent Company Research

Date	Title	Price	Reco
17-Oct-24	In-line results; growth continues to elu; *Result Update*	1830	Buy
19-Jul-24	Growth disappoints; margins on track; *Result Update*	1788	Buy
12-Jun-24	Investor day: Opportunities galore; *Company Update*	1891	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
17-Jan-25	Sterlite Tech.	Seasonality impacts growth; *Result Update*
14-Nov-24	Vodafone Idea	Sharp subscriber loss; challenges ahead; *Result Update*
05-Nov-24	Sterlite Tech.	Strong growth rebound in optical fibre; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	227
Hold	<15% and >-5%	62
Reduce	<-5%	27

DISCLAIMER

Nuvama Wealth Management Limited (defined as "NWML" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance/Grievance officer: Mr. Atul Bapna, E-mail address: complianceofficer.nwm@nuvama.com Contact details +91 (22) 6623 3478 Investor Grievance e-mail address- grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. 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 NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML (e) Registration granted by SEBI and certification from NISM in no way guarantee performance of NWML or provide any assurance of returns to investors and clients.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No

NWML has financial interest in the subject companies: No

NWML's 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 publication of research report.

Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.
A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:
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.

Additional Disclaimers

Disclaimer for U.S. Persons
This research report is a product of NWML, 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 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 by NWML only 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, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons
The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the “Order”); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”).

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons
This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons
In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons
This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance “SFO”. This report is intended for distribution only to “Professional Investors” as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors.” Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal, pseudonym=47IeWj0vlzKRUdWSEFvWUquxP0HUOyNu, 2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c, postalCode=400098, st=Maharashtra, serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9, cn=ABNEESH KUMAR ROY
Date: 2025.01.23 01:20:31 +05'30'
Adobe Acrobat version: 2024.005.20320