

# Mphasis

Refer to important disclosures at the end of this report

## Commentary related to HP channel growth remains strong

- Mphasis reported 3.1% growth in CC terms, better than our 2.0% expectations in a seasonally slow Q3FY19. A 15bps margin beat (at 15.8% vs. 15.6% expectation) was on the back of a better-than-expected G&A and pyramid optimization, automation benefits, despite wage hikes, lower working days and a significant decline in Digital risk (~20% qoq) in Q3FY19.
- Allaying fears of a slowdown in HP channel (~25% of sales) with DXC Tech's Luxoft acquisition, Mphasis has highlighted no near- to medium-term growth impact, with a positive impact in the long term. It continues to expect above market growth in this channel.
- While qoq growth in Direct core/ HP channel (~90% of sales in total) was strong at ~6% each in CC terms, a decline in Digital risk (~7% of sales; down 20% qoq) was attributed to the deferment of deal closures to Q4FY19 and a lesser number of mortgage transactions in Q3FY19.
- The continuous addition of Blackstone portfolio cos. to its clientele (10 now vs. 5 at the end of FY18), strong USD growth in top five strategic accounts (~25% yoy in 9MFY19) and a gradual shift of mix towards niche service transformation work in DXC/HP channel provide confidence of sustainable and profitable growth. We maintain our Buy, with a TP of Rs1,370.

### Growth and margin visibility is improving in all engines of Mphasis

Allaying the street's growth fears in HP business following DXC Tech's Luxoft acquisition, Mphasis stated that Luxoft's addressable space in DXC Tech is going to be different - more of a front end as compared to Mphasis' back-end service transformation work. With ongoing consolidation of vendors by DXC Tech (to improve its margins), Mphasis expects a continued increase in its market share due to its differentiated service transformation capabilities (Mphasis' share is ~10% of USD3.5bn spends by DXC Tech currently). Mphasis continues to gain traction among Blackstone portfolio companies, with ~5% of overall revenues to come from this channel and three/five new conversions in Q3FY19/9MFY19, respectively. Its strategic accounts (top five have risen by ~25% yoy in USD terms) also continue to grow at a healthy rate. With strong and industry-leading growth in a relatively high-margin new-gen services (~50% yoy vs. industry growth of 30%), growing share of new-gen deals in overall deal TCV (~80% of deals were in new-gen areas in Q3FY19), ongoing cost-optimization efforts (G&A and Pyramid optimization) and lower hedge losses in FY20, Mphasis indicated an upward bias to its EBIT margin guidance band (15-17% in FY19).

### Earnings outperformance to continue; maintain Buy with a TP of Rs1,370

Continued executions and an improvement in commentary on both revenue growth and margins continue to bolster our confidence of a sustained earnings growth outperformance. Attractive valuations (at 12x FY21E EPS) force a compelling Buy on Mphasis, with a TP of Rs1,370 (based on 18x FY21E EPS).

### Financial Snapshot (Consolidated)

(Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	60,763	65,459	77,791	89,944	1,02,504
EBITDA	9,096	9,917	12,646	14,900	17,089
EBITDA Margin (%)	15.0	15.1	16.3	16.6	16.7
APAT	8,187	8,507	10,868	12,458	14,132
EPS (Rs)	38.9	44.0	58.4	67.0	76.0
EPS (% chg)	12.9	13.1	32.8	14.6	13.4
ROE (%)	13.6	14.6	20.5	22.5	22.0
P/E (x)	23.7	20.9	15.8	13.8	12.1
EV/EBITDA (x)	16.4	14.0	10.8	8.7	7.1
P/BV (x)	3.2	3.2	3.3	2.9	2.5

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 921</b>	<b>Rs 1,370 (■)</b>
as of (January 25, 2019)	12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>48.7 %</b>

### Change in Estimates

EPS Chg FY19E/FY20E (%)	2.3/1.1
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

	EPS Estimates	
	FY19E	FY20E
Emkay	58.4	67.0
Consensus	55.4	63.4
Mean Consensus TP (12M)	Rs 1,171	

### Stock Details

Bloomberg Code	MPHL IN
Face Value (Rs)	10
Shares outstanding (mn)	193
52 Week H/L	1,279 / 790
M Cap (Rs bn/USD bn)	178 / 2.50
Daily Avg Volume (nos.)	4,11,985
Daily Avg Turnover (US\$ mn)	5.5

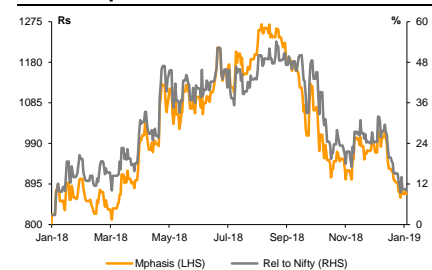
### Shareholding Pattern Dec '18

Promoters	52.3%
FIIIs	28.9%
DIIIs	8.2%
Public and Others	10.6%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(10)	(10)	(21)	15
<b>Rel. to Nifty (11)</b>	(15)	(19)	17	

### Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

#### Rahul Jain

rahul.jain@emkayglobal.com  
+91 22 6612 1253

#### Devanshu Bansal

devanshu.bansal@emkayglobal.com  
+91 22 6612 1385

**Exhibit 1: Actual vs. estimate**

(in Rs mn)	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues (in US\$ mn)	282.7	280.2	283.0	0.9%	-0.1%	Both growth and margins were slightly better than our estimates
Sales	19,710	19,895	19,990	-0.9%	-1.4%	
EBIT	3,110	3,104	3,149	0.2%	-1.2%	
EBIT, margin	15.8%	15.6%	15.8%	20 bps	0 bps	
PAT	2,780	2,548	2,610	9.1%	6.5%	

Source: Company, Emkay Research, Bloomberg

**Exhibit 2: Quarterly financial performance**

Rs mn	Q3FY18	Q2FY19	Q3FY19	YoY (%)	QoQ (%)	FY18TD	FY19TD	YoY (%)
Revenues(in US\$ mn)	251.6	275.6	282.7	12.4	2.6	724.9	827.1	14.1
Revenue	16,607	19,149.0	19,710.0	18.7	2.9	48,014	57,061	18.8
Operating Expenditure	14,041	16,004	16,600	18.2	3.7	41,022	47,784	16.5
Cost of revenues	12,172	13,932	14,380	18.1	3.2	35,271	41,415	17.4
as % of sales	73.3	72.8	73.0			73.5	72.6	
SG&A expenses	1,869	2,072	2,220	18.8	7.1	5,751	6,369	10.7
as % of sales	11.3	10.8	11.3			16.3	15.4	
EBITDA	2,742	3,329	3,306	20.6	(0.7)	7,530	9,836	30.6
Depreciation	709	196	204	(71.2)	4.1	1,056	584	(44.7)
EBIT	2,566	3,145	3,110	21.2	(1.1)	6,992	9,277	32.7
Other Income	325	441	471			1,111	1,319	
PBT	2,891	3,586	3,581	23.9	(0.1)	8,103	10,596	30.8
Total Tax	741	877	801	8.1	(8.7)	2,104	2,524	20.0
Adjusted PAT	2,150	2,709	2,780	29.3	2.6	5,999	8,072	34.6
(Profit)/loss from JV's/Ass/MI	0	0	0			-	-	
APAT after MI	2,150	2,709	2,780	29.3	2.6	5,999	8,072	34.6
Extra ordinary items	131	0	0			262	-	
Reported PAT	2,281	2,709	2,780	21.9	2.6	6,261	8,072	28.9
Reported EPS	11.1	14.0	14.4	29.4	2.8	30	42	37.2

Margins (%)				(bps)	(bps)				(bps)
EBIDTA	16.5	17.4	16.8	26	(61)	15.7	17.2	155	
EBIT	15.5	16.4	15.8	33	(65)	14.6	16.3	170	
EBT	17.4	18.7	18.2	76	(56)	16.9	18.6	169	
PAT	13.7	14.1	14.1	37	(4)	12.5	14.1	165	
Effective Tax rate	25.6	24.5	22.4	(326.3)	(208.8)	26.0	23.8	(215)	

Source: Company, Emkay Research

**Exhibit 3: Change in estimates**

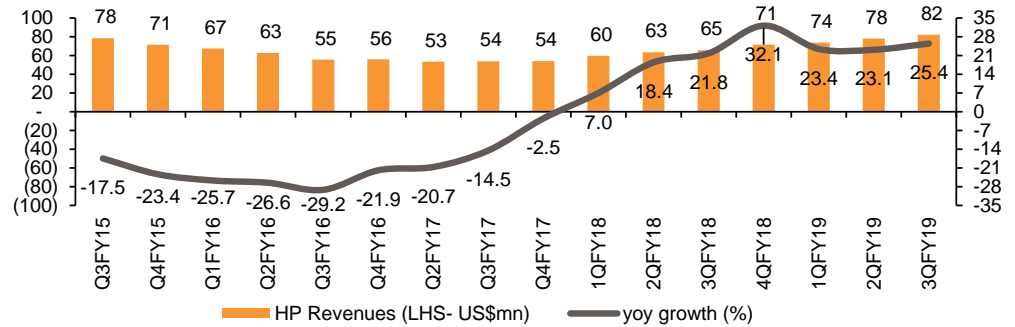
(All fig in Rs mn except EPS and %)	FY19E			FY20E			FY21E		
	Old	New	% change	Old	New	% change	Old	New	% change
Overall Revenues( in US\$ mn)	1117	1122	0.4%	1250	1258	0.7%	1395	1404	0.7%
YoY growth, %	13.2%	13.7%		11.9%	12.1%		11.6%	11.6%	
Revenues	77,739	77,791	0.1%	89,354	89,944	0.7%	1,01,836	1,02,504	0.7%
EBIT	12,631	12,646	0.1%	14,802	14,900	0.7%	17,083	17,089	0.0%
EBIT mgns, %	16.2	16.3		16.6	16.6		16.8	16.7	
Net profits	10,614	10,868	2.4%	12,315	12,458	1.2%	14,127	14,132	0.0%
EPS	57.1	58.4	2.3%	66.2	66.9	1.1%	76.0	75.9	0.0%

Source: Company, Emkay Research

## Differentiated client intimacy acting as an edge

**HP Channel (~28% of sales):** After falling ~20% yoy for five straight years, HP has shown a strong recovery in FY18/9MFY19, where it is up ~20%/~24% yoy. This comes on the back of strategic changes such as One Mphasis and team centralizations incorporated by new CEO Nitin Rakesh, which drove the segment growth. Mphasis expects this growth momentum to sustain in this segment as it penetrates deeper into segments of HP (i.e., HPE, HP Inc. and Micro Focus), other than DXC Tech, which contributes ~80% of current HP segment revenues.

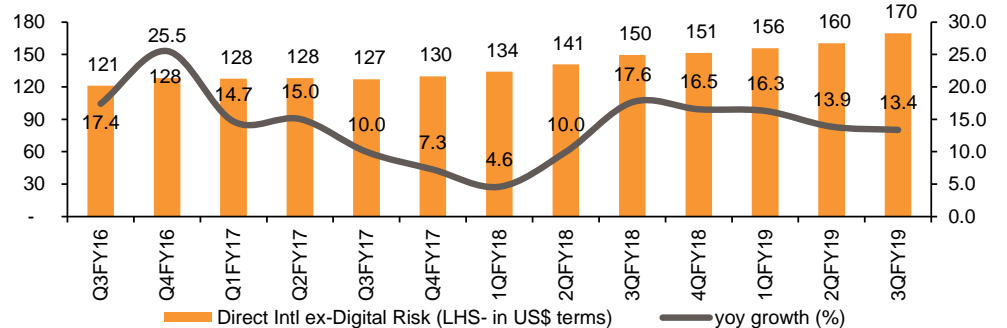
**Exhibit 4: HP/DXC strategic relationship to help accelerate growth in FY20**



Source: Company, Emkay Research

**Direct International (Ex- Digital Risk) (~65% of sales):** Direct International has been the best-performing business segment of Mphasis, with an industry-leading yoy growth over the last three years (See Exhibit 5). Both growth in key strategic accounts and hunting of Blackstone portfolio companies are fuelling continued growth in this segment. Digital Risk (~7% of revenues; down ~20% qoq in Q3FY19) has been underperforming over the last few quarters but Mphasis expects growth stability and margin improvements in this segment, going ahead.

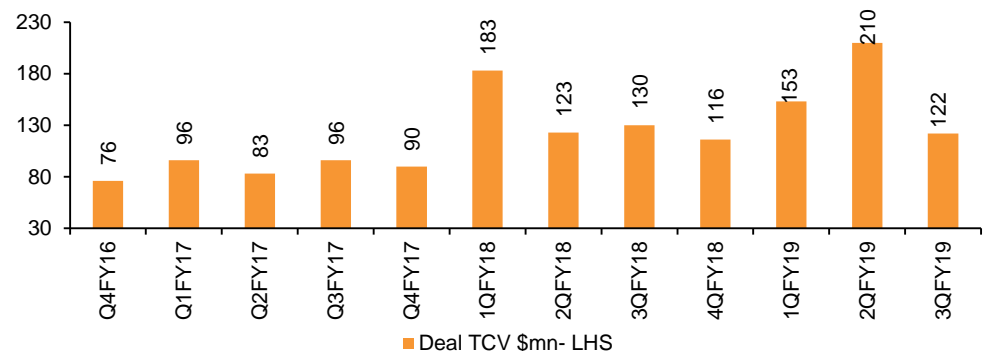
**Exhibit 5: Direct Intl (ex- DR) growth continues to remain market leading**



Source: Company, Emkay Research

**Deal TCV:** Direct International deal TCV has seen strong growth over the last six quarters (up ~14% yoy on a TTM basis). HP segment also has recovered and grown 20%+ in FY18 and ~24% yoy in 9MFY19. With both the engines fired up, we remain confident of Mphasis' growth and margin improvement trajectory over FY19-21E.

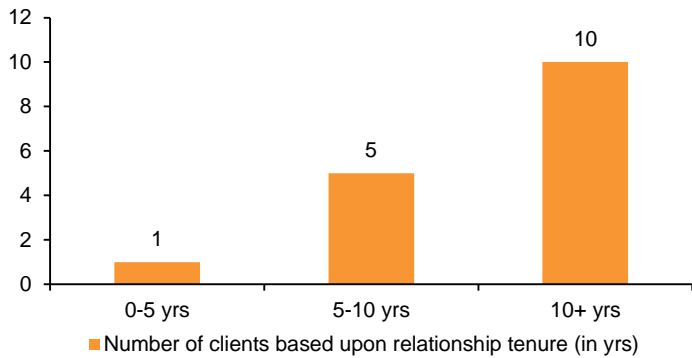
**Exhibit 6: Deal TCV growth supports visibility**



Source: Company, Emkay Research

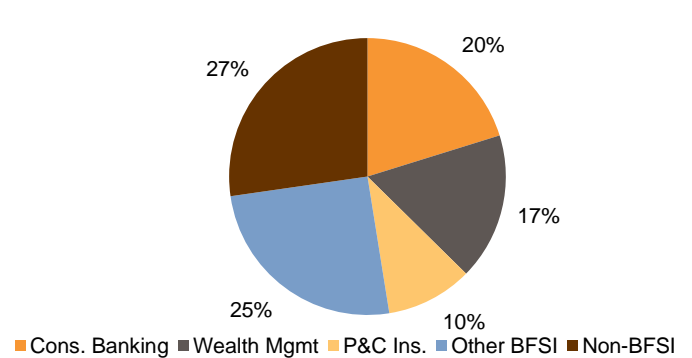
**Client relationships:** Mphasis has 16 strategic accounts, where it has long-term and growing relationships. About 10 out of these 16 strategic accounts are more than a decade old accounts (see Exhibit 7). Its clientele includes major global firms and 11 out of these 16 strategic accounts are in the BFSI vertical. Mphasis has a differentiated growth strategy to increase revenue growth by mining strategic accounts, to hunt Blackstone portfolio companies and win new logos.

**Exhibit 7: Mphasis has a number of long-term and growing client relationships**



Source: Company, Emkay Research

**Exhibit 8: Mphasis has a micro-focus approach and has developed differentiated solutions to service BFSI sub-verticals**



Source: Company, Emkay Research

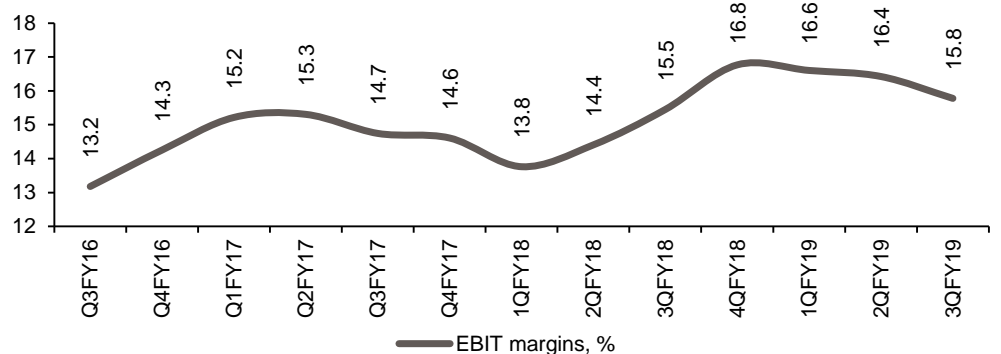
**Exhibit 9: Client list includes some of the most enviable names**

S.No.	Client Description
1	Largest Bank in North America
2	Largest Insurance Company in North America
3	Largest publicly traded Invest. Services Firm
4	Largest Logistics Provider
5	Largest Commercial RE player

Source: Company, Emkay Research

**Margins:** The improvement in margins has been secular across all business verticals on the back of strong revenue growth and various cost optimizations (such as centralization of sales efforts, pyramid optimization and automation).

**Exhibit 10: EBIT margins expansion will continue gradually**

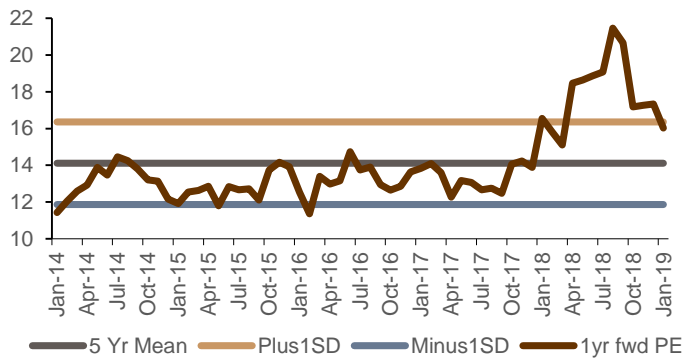


Source: Company, Emkay Research

## Valuation

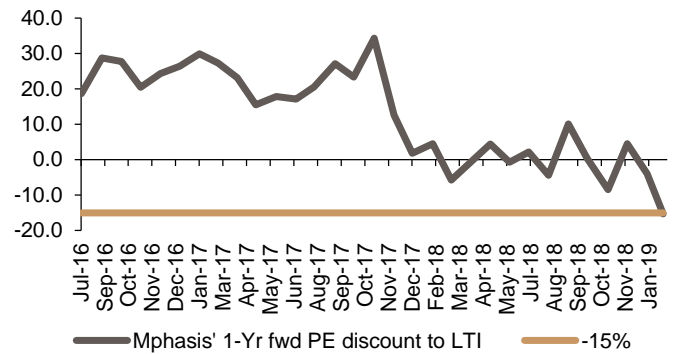
With strong historical revenue growth and expectations, differentiated growth channels in the form of Blackstone portfolio companies and long client relationships (HP group companies such as DXC Tech, HPE, HP Inc. and Micro Focus and 16 strategic accounts), improving margin profile (guided for 15-17% EBIT margins in FY19 vs. 14-16% in FY18 and also expects margin improvement in FY20), confident management commentary and strong leading indicators (New deal TCV up ~14% yoy on LTM basis), we believe that the recent correction in stock prices of Mphasis is most likely a contagion effect of the sector-wide correction in Q3FY19 (NIFTY IT Index was down ~9% in Q3FY19) and provides a good opportunity to enter this fundamentally sound name. In addition, Mphasis shares a similar growth and margin improvement profile with LTI, which makes us believe that the present P/E discount (~15%; see Exhibit 12) between the two names is unwarranted and should narrow down. We have a Buy rating on the stock, with a TP of Rs1,370 (based on 18x FY21E EPS).

**Exhibit 11: Mphasis' 5-year historical 1-year fwd P/E multiple chart**



Source: Company, Emkay Research

**Exhibit 12: Mphasis' 1-year fwd P/E discount to LTI**



Source: Company, Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
<b>Revenue</b>	<b>60,763</b>	<b>65,459</b>	<b>77,791</b>	<b>89,944</b>	<b>1,02,504</b>
<b>Expenditure</b>	<b>51,667</b>	<b>55,542</b>	<b>65,145</b>	<b>75,044</b>	<b>85,415</b>
<b>EBITDA</b>	<b>9,096</b>	<b>9,917</b>	<b>12,646</b>	<b>14,900</b>	<b>17,089</b>
Depreciation	0	0	0	0	0
<b>EBIT</b>	<b>9,096</b>	<b>9,917</b>	<b>12,646</b>	<b>14,900</b>	<b>17,089</b>
Other Income	2,385	1,620	1,775	1,795	2,065
Interest expenses	139	130	96	0	73
<b>PBT</b>	<b>11,342</b>	<b>11,407</b>	<b>14,325</b>	<b>16,695</b>	<b>19,082</b>
Tax	3,155	2,900	3,456	4,237	4,950
Extraordinary Items	(152)	131	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>8,035</b>	<b>8,638</b>	<b>10,868</b>	<b>12,458</b>	<b>14,132</b>
<b>Adjusted PAT</b>	<b>8,187</b>	<b>8,507</b>	<b>10,868</b>	<b>12,458</b>	<b>14,132</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Equity share capital	2,104	1,933	1,859	1,859	1,859
Reserves & surplus	59,420	52,885	49,484	57,479	67,148
<b>Net worth</b>	<b>61,524</b>	<b>54,818</b>	<b>51,343</b>	<b>59,338</b>	<b>69,008</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>761</b>	<b>1,016</b>	<b>1,062</b>	<b>1,111</b>	<b>1,162</b>
Net deferred tax liability	651	872	959	1,055	1,161
<b>Total Liabilities</b>	<b>62,936</b>	<b>56,706</b>	<b>53,364</b>	<b>61,504</b>	<b>71,330</b>
<b>Net block</b>	<b>19,215</b>	<b>18,844</b>	<b>19,331</b>	<b>19,769</b>	<b>20,186</b>
<b>Investment</b>	<b>38,843</b>	<b>33,007</b>	<b>33,354</b>	<b>35,571</b>	<b>40,295</b>
<b>Current Assets</b>	<b>15,106</b>	<b>17,984</b>	<b>14,020</b>	<b>19,466</b>	<b>24,679</b>
Cash & bank balance	6,144	7,067	2,577	7,865	10,376
Other Current Assets	2,683	2,800	2,800	2,856	2,914
<b>Current liabilities &amp; Provision</b>	<b>10,235</b>	<b>13,148</b>	<b>13,359</b>	<b>13,320</b>	<b>13,848</b>
<b>Net current assets</b>	<b>4,870</b>	<b>4,836</b>	<b>661</b>	<b>6,146</b>	<b>10,831</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>62,936</b>	<b>56,706</b>	<b>53,364</b>	<b>61,504</b>	<b>71,330</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>11,144</b>	<b>11,407</b>	<b>14,325</b>	<b>16,695</b>	<b>19,082</b>
Other Non-Cash items	125	0	0	0	0
Chg in working cap	(1,045)	0	680	(412)	(2,530)
<b>Operating Cashflow</b>	<b>6,641</b>	<b>7,726</b>	<b>10,633</b>	<b>11,063</b>	<b>10,443</b>
Capital expenditure	(1,150)	0	(1,250)	(1,250)	(1,250)
<b>Free Cash Flow</b>	<b>5,491</b>	<b>7,726</b>	<b>9,383</b>	<b>9,813</b>	<b>9,193</b>
Investments	3,373	0	(43)	(1,906)	(4,263)
Other Investing Cash Flow	0	0	(1,213)	0	0
<b>Investing Cashflow</b>	<b>2,679</b>	<b>1,490</b>	<b>(827)</b>	<b>(1,361)</b>	<b>(3,520)</b>
Equity Capital Raised	3	0	(9,880)	0	0
Loans Taken / (Repaid)	(1,976)	0	46	49	51
Dividend paid (incl tax)	(5,055)	(4,638)	(4,463)	(4,463)	(4,463)
Other Financing Cash Flow	(13)	0	0	0	0
<b>Financing Cashflow</b>	<b>(7,114)</b>	<b>(4,638)</b>	<b>(14,296)</b>	<b>(4,414)</b>	<b>(4,412)</b>
<b>Net chg in cash</b>	<b>2,207</b>	<b>4,578</b>	<b>(4,491)</b>	<b>5,288</b>	<b>2,511</b>
Opening cash position	3,749	6,144	7,067	2,577	7,865
<b>Closing cash position</b>	<b>6,144</b>	<b>7,067</b>	<b>2,577</b>	<b>7,865</b>	<b>10,376</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
EBITDA Margin	15.0	15.1	16.3	16.6	16.7
EBIT Margin	15.0	15.1	16.3	16.6	16.7
Effective Tax Rate	27.8	25.4	24.1	25.4	25.9
Net Margin	13.5	13.0	14.0	13.9	13.8
ROCE	18.4	19.3	26.2	29.1	28.8
ROE	13.6	14.6	20.5	22.5	22.0
RoIC	58.7	57.4	74.3	84.0	88.3

<b>Per Share Data (Rs)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
EPS	38.9	44.0	58.4	67.0	76.0
CEPS	38.9	44.0	58.4	67.0	76.0
BVPS	292.4	283.6	276.1	319.1	371.1
DPS	20.0	20.0	20.0	20.0	20.0

<b>Valuations (x)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
PER	23.7	20.9	15.8	13.8	12.1
P/CEPS	23.7	20.9	15.8	13.8	12.1
P/BV	3.2	3.2	3.3	2.9	2.5
EV / Sales	2.5	2.1	1.8	1.4	1.2
EV / EBITDA	16.4	14.0	10.8	8.7	7.1
Dividend Yield (%)	2.2	2.2	2.2	2.2	2.2

<b>Gearing Ratio (x)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
Net Debt/ Equity	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Net Debt/EBIDTA	(4.9)	(3.9)	(2.8)	(2.8)	(2.9)
Working Cap Cycle (days)	(7.7)	(12.4)	(9.0)	(7.0)	1.6

<b>Growth (%)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
Revenue	(0.2)	7.7	18.8	15.6	14.0
EBITDA	10.6	9.0	27.5	17.8	14.7
EBIT	10.6	9.0	27.5	17.8	14.7
PAT	20.0	7.5	25.8	14.6	13.4

<b>Quarterly (Rs mn)</b>	<b>Q3FY18</b>	<b>Q4FY18</b>	<b>Q1FY19</b>	<b>Q2FY19</b>	<b>Q3FY19</b>
Revenue	16,607	17,445	18,202	19,149	19,710
EBITDA	2,566	2,925	3,022	3,145	3,110
<b>EBITDA Margin (%)</b>	<b>15.5</b>	<b>16.8</b>	<b>16.6</b>	<b>16.4</b>	<b>15.8</b>
PAT	2,150	2,639	2,583	2,709	2,780
<b>EPS (Rs)</b>	<b>11.6</b>	<b>14.2</b>	<b>13.9</b>	<b>14.6</b>	<b>15.0</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-18</b>	<b>Jun-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Dec-18</b>
Promoters	60.4	52.4	52.3	52.3	52.3
FIs	22.8	29.2	29.1	28.4	28.9
DIs	7.6	9.1	8.7	8.2	8.2
Public and Others	9.3	9.4	9.9	11.1	10.6

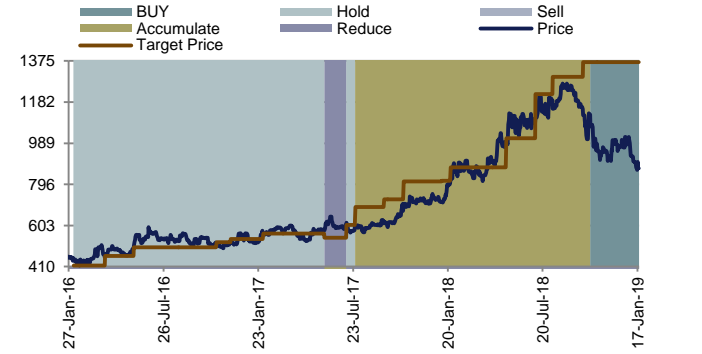
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
09-Jan-19	905	1,370	12m	Buy	Rahul Jain
02-Jan-19	989	1,370	12m	Buy	Rahul Jain
19-Oct-18	1,068	1,370	12m	Buy	Rahul Jain
05-Oct-18	1,121	1,370	12m	Accumulate	Rahul Jain
08-Aug-18	1,150	1,300	12m	Accumulate	Rahul Jain
10-Jul-18	1,132	1,220	12m	Accumulate	Rahul Jain
06-Jul-18	1,109	1,220	12m	Accumulate	Rahul Jain
14-May-18	984	1,012	12m	Accumulate	Rahul Jain
11-May-18	988	1,012	12m	Accumulate	Rahul Jain
05-Apr-18	870	875	12m	Accumulate	Rahul Jain
25-Jan-18	824	875	12m	Accumulate	Rahul Jain
08-Jan-18	716	813	12m	Accumulate	Rahul Jain
27-Oct-17	704	810	12m	Accumulate	Rahul Jain
04-Oct-17	617	725	12m	Accumulate	Rahul Jain
20-Sep-17	614	725	12m	Accumulate	Rahul Jain
27-Jul-17	603	690	12m	Accumulate	Rahul Jain
10-Jul-17	616	605	12m	Hold	Rahul Jain
29-May-17	581	545	12m	Reduce	Manik Taneja
06-Mar-17	592	565	12m	Hold	Manik Taneja
01-Feb-17	564	565	12m	Hold	Manik Taneja
01-Dec-16	529	540	12m	Hold	Manik Taneja
04-Nov-16	509	525	12m	Hold	Manik Taneja
26-Jul-16	536	500	12m	Hold	Manik Taneja
21-Jun-16	546	500	12m	Hold	Manik Taneja
30-May-16	506	500	12m	Hold	Manik Taneja
05-Apr-16	458	460	12m	Hold	Manik Taneja
05-Feb-16	440	415	12m	Hold	Manik Taneja

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Rating Distribution

BUY	Expected total return (%) (Stock price appreciation and dividend yield) of over 25% within the next 12-18 months.
ACCUMULATE	Expected total return (%) (Stock price appreciation and dividend yield) of over 10% within the next 12-18 months.
HOLD	Expected total return (%) (Stock price appreciation and dividend yield) of upto 10% within the next 12-18 months.
REDUCE	Expected total return (%) (Stock price depreciation) of upto (-) 10% within the next 12-18 months.
SELL	The stock is believed to underperform the broad market indices or its related universe within the next 12-18 months.

### 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

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Rahul Jain, BCOM, CFA (ICFAI)

rahul.jain@emkayglobal.com

+91 22 6612 1253