UNIFI Capital

# INITIAL OBSERVATIONS RETAIN THEIR TRUTH

## STRATEGY COMMUNIQUE

Q4 CY21

## Initial observations retain their truth

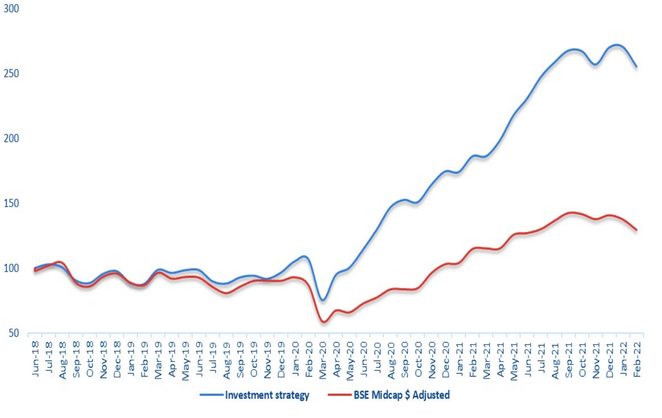
Twenty years back, on the 24th of April 2002, Unifi invested its maiden tranche of investor capital. Records indicate an investment of Rs.5 Lacs, or $18,000 in equivalent. India's $300bn markets were experiencing their initial burst of economic expansion since the '91 reforms, and Unifi's approach of participating in this expansion was based on a firm bottom-up focused approach of buying growth at a reasonable price. Since then, India has strengthened its domestic franchise of consumption-led growth, achieved global dominance in several sectors, and is today birthing a renaissance in manufacturing while rapidly formalizing. Ergo, vast pools of profit that did not exist until a few years ago are now emerging. In parallel, India grew 10x to a $3 trillion market today. In that journey and for the first time in modern economic history, interest rates fell to near zero [in the West], completely changing how growth assets are valued.

Unifi has been an active participant in this journey of India from a $300bn to $3trillion market, representing over 2/3rds of India's modern economic history and underwriting more than $1.5bn in investor capital today. What has not changed all this while is Unifi's approach to investing. Over the past twenty years, Unifi has stayed firm with its initial philosophy of aligning with growth firms at a reasonable price. And this is as good a time as any to reemphasize our philosophy in simple terms.

With the right framing, narratives tend to become an asset. It is irrelevant how great a business model is if the equity premiums expected to underwrite them are excessive and do not explain in simple terms how the rewards from such an investment will be significantly higher than the risks it will entail. While this seems simple, it isn't easy to practice in a growth-focused market like India, as valuations often discount the most optimistic outcomes. And investors with options tend to gravitate to the strongest narrative presence. Such investments are unlikely to merit our attention if it does not favor the right mix of risk and reward.

Often, this will result in significant divergence from consensus. Ideas that challenge consensus-held assumptions can feel lonely, but in our opinion, this is all the more reason they merit closer attention. It is our experience that this is typically where asset mispricing resides. And is the precursor to absolute returns.

India has witnessed one of the best recoveries post-covid. IMF projects India as the fastest-growing major economy in the world in the coming years. As per IMF, India’s prospects for 2023 are marked up on expected improvements to credit growth and, subsequently, investment and consumption—building on the better-than-anticipated performance of the financial sector.




## Q3 FY 22 and Inflation Positioning

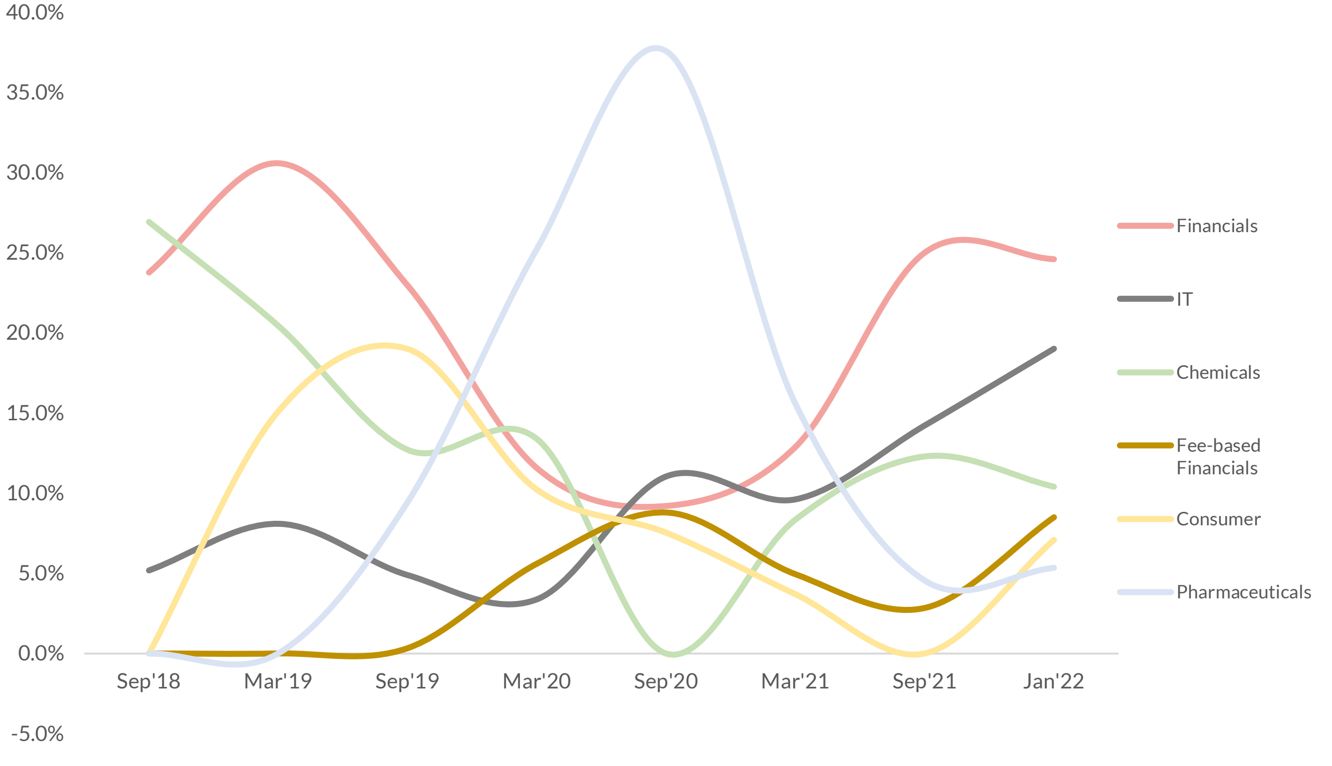
Managing inflation is not a one-size-fits-all approach. There is a stark difference in how product and category leaders navigate such a cycle, and this eventually plays out in a manner that strengthens their proposition. We are deeply vigilant of the current inflationary cycle in preserving our underlying principles of curating portfolios with the right risk reward. From what we have seen so far, we are comfortable with the earnings resilience of investee companies given the environment. For the Q3 of FY 2023, companies excluding BFSI in the portfolio have grown the collective PBT by 42% YoY and 9% QoQ.

These are our broad thoughts on how we are navigating this cycle.

| Key Sector | Allocation | Comments |
|---|---|---|
| **IT** | ~19% | Global spending on cloud adoption is below the halfway mark, pointing to a significant runway of growth for the next many years. The companies here have exposure to wage inflation as a challenge and that has been managed well given the demand environment. The supply side is expected to get significantly better over the next 3-quarters. Otherwise, technology spending is anti-inflationary with continuing high levels of capital efficiency. For the quarter, the average EBITDA growth of Portfolio companies was 21% YoY in Q3 FY 22 while defending margins in a ball park range. |

| Key Sector | Allocation | Comments |
|---|---|---|
| **Chemicals** | ~10% | We have advised allocating to companies with the following characteristics: (a) base Chemicals with committed access to feedstock with maximization of its downstream capabilities, (b) diversified earnings base, and (c) Leadership position in key chemistries/products with exposure to multiple end-use industries. India is in the midst of a new wave of import substitution, and we continue to like the space for the runway of growth it offers for multiple years ahead. For the quarter, the average EBITDA growth of Portfolio companies was 25% YoY in Q3 FY 22 while margins were maintained. |
| **Consumer-durables & others** | ~7% | India's household spending on consumer durables continues to be strong, led by a new wave of home modernization and expansion. As wage inflation and rural incomes continue to remain supportive, we believe this is early days into India's journey of premiumization of consumer durables. Our investee companies here are price and cost leaders and have the best right to win given the environment. For the quarter the average EBITDA growth of portfolio companies was 13% YoY in Q3 FY 22 while more or less defending their operating margins. |
| **Pharma & Healthcare** | ~5% | We have advised to avoid Commodity API / Generics and have instead our advice been to allocate towards Branded Pharma, Complex Generics & Healthcare Services with negligible risk of Material and Energy Inflation. The average EBITDA growth of portfolio companies was 35% in Q3 FY 22 with expansion in margins. |

Since the inception of this portfolio, different sectors have ebbed and flowed depending on the cycle they are in. And this is how it is broadly reflected in the portfolio.



## Internal dialogues

Good investment research is analogous to investigative journalism. It is a dynamic and iterative process. Expecting a crystal-clear idea of thought to play out is not just academic but perhaps also a failure to appreciate a dynamic asset class. The fundamental investigation of the business, the people running it, and the valuations we choose to participate in are under continuous diligence. Over the years, we have continued to add layers to our assessment. Many of you have asked us what is it exactly we cover here? We take the liberty of sharing our basic governance framework with you.

**Management Competence & Governance Scorecard**

**Capital Allocation & Business Model**
- Long Term Capital Efficiency - ROCE & ROE
- Incremental Capex - Core or Non-Core
- Dividend Policy & Consistency
- Cashflow from Operations & Margin management - Long term record

**Quality of the Board and Executive Team**
- The credibility of Independent Directors
- Relevance of their Qualification & Experience
- Presence in other boards & Compensation level
- Salaries of Key Executives, ESOPs
- HR element - Feedback on work culture

**Promoter / Management Quality, Compensation & Activity**
- Qualification/Experience, family involved
- Salary – Performance-based and fixed
- Other Business Interests
- Overall Stake in the company – History of dilutions/warrants
- Pledge of Shares - Quantum / End-use of Funds, insider buying/selling

**Transparency & Governance**
- Related party transactions, Disclosure - Subsidiaries, Associates, JVs
- Annual report commentary & consistency
- Quality of Auditor, audit qualifications
- SEBI / Regulatory Compliance track record
- Industry / Peer group Feedback
- Credit Rating History & Comments
- Feedback - Bankers / Suppliers / Customers / Former Employees

**Overall Score**

Note: For a proper perspective of the target and its promoters, we construct a picture using these data points over the long term and apply proper context. We relate each point with the other, to test for validation; in isolation, they mean little. These parameters are weighted and scored on a case-to-case basis.

## In closing

Doubt is not a pleasant condition. And the last two years, in particular, have made it clear that certainty is absurd. We are in an industry where uncertainty is the basic premise of everything we seek to do. As fund managers, it is a part of our mandate to weather uncertainty. And as investors, it is essential for you to be appreciative of this phenomenon for very long periods of time.

We refrain from commenting on the current geopolitical situation while closely watching for linkages to our investments. War is painful. To add to, it is near meaningless, as the event in itself.

While investors will judge us on the outcomes, we continue to judge ourselves based on our processes. Given where we are in the uncertainty of matrix today, our internal process of diligence is the single biggest piece of variable we rely on. Across cycles, our underlying principle of seeking absolute growth at reasonable valuation remains constant, and the process of underwriting is responsible for delivering them. Adherence to the correct process will eventually result in intended outcomes.

## Q3-FY22 | Results summary

The following annexure presents a brief on the top holdings

| Company | Brief background and Investment rationale |
|---|---|
| **SBI** | SBI reported 6.5% YoY growth in Net Interest Income led by 8.9% YoY growth in the loan book. Sequential loan growth at 5.5% has shown an improving trend and this shall reflect in better Net Interest Incomes in the coming quarters. Loan growth was led across the business vertical in the range of 5-10% QoQ. Their margins excluding certain one-offs were broadly stable and they endeavor to maintain margins at current levels. Operating leverage seems to be coming in for SBI with a slew of digitization measures implemented over the years. Cost ratios are now down by ~10% compared to an average of the last 10 years. Asset quality has further improved with the moderation of NPAs and slippages stood negligible for the quarter. We do not expect any large stress coming on on SBI's book over the short to medium term.<br><br>SBI is well placed to reap the benefit of improving the economy with a much cleaner balance sheet, provision buffer build-in, and a comfortable capital position. We expect SBI should continue its superior performance on the operational & asset quality side and shall report RoA of 0.9% and RoE of ~16% in FY23.<br><br>Key risks would include deterioration of asset quality leading to higher-than-expected credit costs, a decline in NIMs due to falling yields, and lower than expected loan growth. |
| **Sonata Software** | Sonata delivered revenue growth of 33% YoY driven by IT services division that grew 31% YoY, and the domestic product segment that grew 33% YoY. Overall EBIDTA margin contracted sequentially by 570 bps to 7.1% mainly led by margin contraction in domestic product segment at 2.5% vs. 5.6% QoQ. As a result, PAT came at Rs.97cr, up 81% YoY and 7% QoQ. The IITS segment EBITDA margin was down 70bps QoQ due to wage hike pressure and will remain under pressure for a few quarters.<br><br>The outlook for each of their segments in the times to come are good driven by normalization in the European travel industry, traction in Microsoft's' core business, and enterprise investment in new age cloud and IT products. Sonata is a key partner to Microsoft in their global product development initiatives and has strong domestic products re-selling business. There is a trend of better off-shoring that is being witnessed on the back of industry wide work-from-home initiatives, and this is likely to be margin accretive in the times to come.<br><br>Risks: Slower than expected economic recovery in Europe and cuts in discretionary IT spends by enterprise clients. |
| **Axis Bank** | Axis bank reported robust loan growth of 7% QoQ which was better than a few of its large peers. Loan growth across business verticals in the range of 6-9% QoQ while Net interest Income grew by 17% YoY. Margins overall improved sequentially by 15bps to 3.5%. Cost ratios were a bit elevated for the quarter led by higher-tech spending, recovery, origination, and statutory expenses. The bank will continue to make investments in the technology and operational side which will keep opex ratios elevated over the short term. Asset quality improved with moderation in Gross and Net NPAs. Net slippages were negligible for the bank and credit cost has now narrowed to ~80bps (lower than the long time average).<br><br>The bank is well placed to ride the growth wave and recent quarter performance has increased our confidence in its ability and intent to grow the book. We believe that asset quality is in very good shape and best among its peers given Net NPA of 0.9% and restructuring at ~0.7% of loans. Considering higher provision coverage of the bank at ~72% and ~25% coverage on restructured loans, we believe the bank is sufficiently provided for its stressed assets. The bank may report an RoA / RoE of ~1.5-1.6 / ~15% in FY23 led by improvement in margins and operating expenses.<br><br>Key risks would include deterioration of asset quality leading to higher-than-expected credit costs, decline in NIMs due to falling yields, and lower than expected loan growth. |

| | |
|---|---|
| **CG Consumer** | Crompton Greaves Consumer reported revenue growth of 5% YoY to Rs.1,411cr. The lighting segment was flat owning to decline in B2G business, and Consumer durables delivered 6% YoY growth, due to de-growth in pumps segment. In each of the key product segments [Fans (11% YoY), Electric Appliances (13% YoY), the company delivered ahead of industry growth rates, on the back of product innovation, premiumization, and market reach initiatives. The company was able to mitigate commodity inflation through price hikes, product mix improvement, and aggressive cost reduction. As a result, the gross margin was stable sequentially 32%. We expect this trend to continue, along with headline growth that is ahead of the industry. The company reported PAT of Rs. 147cr (down 3% YoY) during the quarter.<br><br>Crompton is amongst India's most profitable players in the consumer durables space with best-in-class growth, margins, and capital efficiency. We continue to like the company and expect them to benefit from this phase of consolidation and growth in household spending on durables.<br><br>Key risks to the investment could emanate from a drop in consumer sentiment, and steep inflation in raw materials. |
| **eClerx** | With tailwinds for the outsourcing industry continuing to be strong, eClerx reported yet another strong set of numbers for Q3FY22. On a constant currency basis the growth was 5.9% on QoQ and 40% on a YoY basis. It is expected that growth trends will broadly continue in the coming quarters as there is little visibility on near-term roll-offs. Total revenue for Q3FY22 was Rs. 564cr, an increase of 7.3% on QoQ basis and 42% on a YoY basis. EBIDTA came in at Rs. 182cr, an increase of 9.4% sequentially and 51% YoY. EBIDTA margin was 32.3% (up 60bps sequentially and 190bps YoY). PAT Margin was 18.9%, down 30bps sequentially and 100bps YoY.<br><br>Wage hikes and labor shortage in the US are helping eClerx's business model. Overall, the business model has been supported by overall increased demand, new customers comfortable with offshoring, the slowdown in captive deployment. The company has reiterated EBITDA margin guidance of 28-32%. The company hired 540 employees during the quarter with about 90% of the workforce working from home. As some of these people start returning to work, we could see some pressure on margins. SG&A-led savings have been about 250bps during the covid time. Management is confident that 50% of these savings would be retained as normalcy returns (so more structural in nature). There could be, though, one-off costs as the workforce returns to the workplace<br><br>Key risks would be slower than expected growth, global banks routing more work to their captive centers, or a general trend away from offshoring work to India. |
| **JK Paper** | JK Paper reported revenue growth of 37% YoY & 8% QoQ to Rs.1,024cr, supported by higher realizations & volume recovery. The company had taken a price hike of 8% in Q3 to pass on the increase in raw material & power costs. As a result, EBITDA was up by 62% YoY at Rs.251cr. The company continued to perform well amidst a turnaround in the business at its subsidiary- Sirpur Paper Mills. Overall, PAT came at Rs.151cr compared to Rs. 118cr in Q2FY22 and Rs.65cr in the previous year.<br><br>JK Paper is a play on the revival of domestic paper consumption driven by the reopening of offices and educational institutions. Further, the company is increasing its capacity from 4.36 lakh tonne to 7.42 lakh tonne driven by greenfield packaging board expansion in Gujarat with a capacity of 1.7 lakh tonne and the addition of 1.36 lakh tonne from the inorganic acquisition of Sirpur paper mills. The medium-term earnings growth would be driven by volume increase, cost optimization, and better realization.<br><br>Key risks would be a delay in capacity addition, a decline in realization and the extended impact of COVID-19. |
| **Natco Pharma** | Natco Pharma is a vertically integrated and R&D focussed company engaged in developing, manufacturing and marketing FDFs and APIs. It is one of the market leaders in branded oncology medicines in India. The Company focuses on niche therapeutic areas and it sells FDF products in the US, India, Europe and the Rest of the World (RoW); with substantial clientele in Canada and Brazil as well. |

Natco was a late entrant in the US market compared to large-sized listed peers and despite that, a differentiated strategy in the US has ensured a sharp and very profitable scale-up over the last decade. The company pursuits complex products with low competition, long gestation period and large market size - transferring litigation risk to marketing partners sharing with them a significant part of cashflows.

The long-term strategy of the company is to bring stability in earnings – focus on creating a steady branded generics business in India through acquisition and a front end franchise in the US; evaluate M&A opportunities in US, India and other large EMs. To fund the capabilities and acquisition, the company will significant cashflows from the launch of gRevlimid [8Bn$ market size in the US and 12Bn$ globally] and other complex products in the US and other RoW markets for the next 2years.

Natco recorded revenue growth of 58% YoY to Rs. 561cr. However, revenue includes reimbursement of expenses incurred towards the R&D of 3 products in the US market from the marketing partner. Adjusting that the revenue has grown at a moderate pace. EBITDA and PAT grew by 23% and 27% YoY respectively. Domestic Formulation revenue grew at 6% YoY. The company is looking to expand the portfolio and launched 3 products in Q3 FY 22 [of which the company is sole generic in one product]. Exports grew moderately adjuted for one-offs. gRevlimid in Canada and Everolimus [launched in Oct] are driving the portfolio currently. NATCO has acquired Dash Pharmaceuticals, a New Jersey-based entity for consideration of US$ 18mn. Apart from Revlimid, the company has about 10 approved products in the pipeline, of which atleast 4 products will be launched in the next two financial years. The company file 2 ANDAs in Q3 FY 22 and in addition, in process of filing 3 complex products for which R&D was reimbursed by the partner in the current quarter.

Key risk: Product Concentration, Inability to grow base business

**HIL Ltd**

HIL's Revenue, grew by 2% at Rs.821cr whereas EBIDTA/Adj PAT dropped by 28%/35% to Rs.73cr / 34cr on account of high RM costs. Building solution, Polymer, and Roofing segments have delivered YoY revenue growth of 25%, 14%, and 11% respectively while Parador recorded de-growth of 10% YoY. Barring polymer there were RM price pressures in all other segments and price hikes have been taken to compensate for the same.

Parador faced huge price increases in key RMs HDF and MDF due to supply constraints but that will ease in coming quarters and the segment will return to profitability. Each of HIL's segments continues to face the prospect of significant growth in the times ahead led by strength in core demand, and consolidation within the industry.

Key risks may emanate from poor rural sentiment for the year ahead, higher competitive intensity, and the inability to procure raw materials at favorable prices.

**Chemplast**

Chemplast delivered strong revenue and EBITDA growth of 33% and 26% YoY to Rs. 1,452cr and 353cr respectively while PAT came in at Rs. 237cr vs 102cr in Q3 last year. Volumes of both Specialty business and Suspension PVC business declined by single-digit YoY in Q3 due to curtailed operations in the NCR region and erratic monsoon and slowdown in the construction activity, respectively. The company has a build-up of inventory, and the management is confident of liquidating the same in Q4. With strong profitability spreads, EBITDA grew by 41% and 13% respectively YoY in both segments in Q3 FY22. The company has launched 2 new products in the current quarter in the contract manufacturing business. The company plans to reinvest a significant portion of their cash flows in scaling up their contract manufacturing business and the multi-purpose plant capacity will commence gradually in FY23 and FY24 amounting to Capex of Rs. 350cr. From the IPO proceeds, the company has repaid Rs. 1240cr debt resulting in a net cash balance sheet. The company plans to debottleneck Suspension PVC capacity by 10% and expand Paste PVC capacity by 50% in FY22 and FY23 respectively.

Chemplast has a prominent leadership in Suspension and Paste PVC in India along with Caustic soda and chlorine derivatives.

| | |
|---|---|
| | The profitability growth going forward will be fueled by a favorable business cycle in key products, technological advantages, operating leverage, and large-scale debt reduction from the IPO proceeds. The management has turned around the business and has revamped it with a targeted approach. With attractive valuations and clear growth directions along with a more prudent balance sheet, we like the company to capitalize on its growth in respective segments and consolidate its positions among its peers and substitute imports.<br><br>Key risk: Decline in PVC prices globally and inability to maintain gross profit spread, Unwarranted expansion in a commodity business |
| **ICICI Bank** | ICICI Bank has reported a higher loan growth of 6.4% QoQ / 16.4% YoY which was driven by growth across business segments. NII grew by 23% Y-Y on the back of higher loan growth and improved margins. ICICI Bank has considerably grown its margins over the past few years from 3.4% in FY19 to 4% in 3QFY22. We expect margins to improve only once the surplus liquidity dries up in the system which would restrict pricing wars to some extent. ICICI reported improvement in headline GNPA number, and Net NPA now stands at 0.9%. Retail NPAs are back to a historical level after inching up during the pandemic. Slippages have also moderated to normalized level while net slippages were almost Nil for the quarter.<br><br>ICICI Bank has ticked almost all boxes in terms of higher loan growth, protecting its margins in a band of 3.9-4%, asset quality performance in terms of slippages & recoveries, and moderation in credit cost trend. ICICI Bank may continue to deliver higher growth with improvement in the macro environment. Drying up liquidity in the system and general improvement in interest rates may lead to better margins in FY23. With higher provisioning on GNPA & restructured book and normalized slippages for FY23, credit cost shall be contained at around current levels. We expect the bank to report RoA / RoE of 1.9% / 17% in FY23.<br><br>Key risks would include deterioration of asset quality, higher than expected credit costs, the decline in NIMs due to falling yields and lower than expected loan growth. |

## PORTFOLIO VALUATION METRICS

| Weighted | FY22E | FY23E |
|---|---|---|
| Earnings Growth* | 34.2% | 62.6% |
| Price to Earnings Ratio | 18.6 | 13.8 |
| ROE | 22% | 23% |
| Price to Book Ratio | 3.4 | 2.9 |
| Weighted Avg Market cap (USD Mn) | 10,777 | |

## Top 10 Holdings

| Holdings | Weights % |
|---|---|
| State Bank of India | 10.81% |
| Axis Bank Ltd | 9.81% |
| Sonata Software Ltd | 9.31% |
| Crompton Greaves Consumer Electricals Ltd | 7.85% |
| eClerx Services Ltd | 6.02% |
| JK Paper Ltd | 5.53% |
| Natco Pharma Ltd | 5.47% |
| Tube Investments of India Ltd | 5.08% |
| HIL Ltd | 5.07% |
| Chemplast Sanmar Ltd | 5.03% |
| Total | 72.74% |

## Sector Exposure

| Sector | % |
|---|---|
| Financials | 29.75% |
| IT | 15.21% |
| Consumer | 14.24% |
| Chemicals & Fertilizer | 12.60% |
| Paper | 5.49% |
| Pharmaceuticals | 5.43% |
| Auto | 5.04% |
| Materials | 5.03% |
| Fee - Based Financials | 4.14% |
| Digital Connectivity | 2.32% |
| Cash | 0.76% |
| Total | 100% |

## Classification of market cap

| Segment | Basis | % |
|---|---|---|
| Large Cap | > $2000mn | 65.21% |
| Mid Cap | > $200mn < $2000mn | 34.79% |
| Small Cap | > $50mn < $200mn | 0.00% |

## Liquidity analysis

| Segment | % of portfolio |
|---|---|
| Less than 1 day | 63.72% |
| Between 1 & 3 days | 21.35% |
| Between 3 & 5 days | 14.93% |
| Greater than 5 days | |
| Total | 100% |

## Risk Management

| Risk | Mitigants |
|---|---|
| Coronavirus Impact | The impact from the ongoing Coronavirus outbreak in India and rest of the World can be multifold. The lockdown related slowdown in consumption can affect several sectors. The investee companies have product & category leadership along the financial wherewithal to withstand temporary phases of demand slowdown and lead consolidation of demand. The BFSI sector could have heightened stressed assets for a certain period of time thereby impacting their profitability |
| Geo-political risks | Any geo political tensions between India and neighboring countries can disrupt supply chain in the region. This might have a non-linear impact on business. |
| Raw material inflation | India continues to be dependent on the supply of feedstock whose pricing is global in nature. Key categories would be crude, metals, minerals, and natural commodities. Sharp movement in their underlying prices will have a short-term financial impact on the companies. The situation in China [political] has the potential to disrupt the supply chain of a few of the investee companies. |

| Risk | Mitigants |
|---|---|
| Foreign Exchange risk | The foreign exchange system continues to be guided by global developments. The investee companies in the IT sector are subject to sharp movements in the USD and GBP. They mitigate the same via hedging, but there remains a portion of revenues that continue to be subject to the vagaries in fx movements. Most of the non-IT exposure is to companies that derive their revenues from the domestic market. The revenue from exports would be minimal for each strategy as a whole, and where relevant, are adequately hedged. A sharp depreciation in the INR will affect the import of feedstock (higher prices) which can lead to a brief moment of earnings-related volatility. |
| Leverage risk | Except for financial companies, most of the operating companies in the strategies carry nil to moderate debt on their balance sheets with a track record of having managed leverage well in the past. Their leverage is monitored regularly. |
| Technology Obsolescence | Technological changes can render the products/services of a company obsolete and thereby hurt its profitability and valuation. Such a risk is generally minimized by limiting the aggregate exposure of portfolio to such investments to less than 10% of value. |
| Governance risk | We advise not to invest in companies with a known history of corporate governance issues. If such issue arises in an existing investment, we stop additional purchases and start optimally exiting the investment. |
| Concentration risk | At the portfolio level, such risks are minimized by limiting the aggregate exposure of portfolio to such investments to less than 10% of value at the time of investment. |
| Stock Illiquidity risk | High Impact cost, due to thin trading at the time of buying or selling is endemic to small & mid-caps. We plan the investment decisions, size of the investment and trading strategies to minimize the costs due to illiquidity. |
| Key Man Risk | Small and mid-caps are frequently managed by a key promoter / person on whom the business is completely reliant and without whom the business would be materially inferior. We generally avoid such names and in cases where we make any exceptions, the aggregate exposure of portfolio to such investments is limited to less than 10% by value. |
| Slowdown in global consumption | The wallet-share of the investee companies in the global manufacturing value chain, does not pose a significant risk of loss of business to their vendors. New and high growth areas such as Lithium-Ion batteries, EV vehicles are in relative infancy stage and have a strong growth curve ahead of them. |
| Softness in IT product spends | The convergence to digital software solutions is a ‘must do’ proposition and the investee companies have exhibited significant traction in competing in this space. A combination of their recent deal wins, and current bid pipelines bode well for their future. |



CHENNAI:
11, Kakani Towers 15
Khader Nawaz Khan Road
Nungambakkam High
Road Chennai - 600 006.
INDIA
Ph: +91-44-3022 4466,
2833 1556

HYDERABAD:
H No. 6-3-346/1,
Road No. 1
Banjara Hills Scotia
Bank Building
Hyderabad – 500 034.
INDIA Ph: +91-40-
6675 2622/23

BANGALORE:
1109, 11th Floor
Barton Centre 84,
M.G. Road
Bangalore - 560 001.
INDIA
Ph: +91-80-255
9418/19

MUMBAI:
Shiv Sagar Estate,
A-Block, 8th Floor,
Dr. Annie Besant
Road Worli,
Mumbai - 400 018.
INDIA

DELHI:
No.818, International
Trade Tower, Nehru
Place.
Delhi - 110 019.
INDIA
Ph: +91-9930112828