

# Wipro Ltd.



# Wipro Ltd.

**Results margin above estimates, guidance remain flat**

CMP <b>INR 494</b>	Target <b>INR 531</b>	Potential Upside <b>8%</b>	Market Cap (INR Mn) <b>1202934</b>	Recommendation <b>Accumulate</b>	Sector <b>IT</b>
-----------------------	--------------------------	-------------------------------	---------------------------------------	-------------------------------------	---------------------

## Result highlights

• In dollar terms, Net Sales in Q4 FY17 stood at \$1,955 Mn which was above our estimate of \$1,944 Mn, which grew by 2.7% qoq (Quarter-over-Quarter) and 3.9% yoy (Year-over-Year).

• **By Geography:** Europe has seen the highest growth of 6.2% qoq due to Digital Ecosystem, which is well accepted by the European market. India & Middle-East grew by 3.7% qoq followed by the U.S by 1.6% qoq. However, almost all the regions have seen a de-growth on yoy basis.

• **By Industry:** Manufacturing & Hi-Tech and Financial Solution grew by 5% and 4.7% respectively, which are leading over other verticals. Hi-Tech has seen good recovery due to customers transferring their workload on cloud. However, Global Media & Telecom has seen a de-growth of 4.2% qoq due to headwinds.

• **By Services:** Application service and Global Infrastructure Service are leading over other services, which grew by 5.7% qoq and 2.4% qoq respectively followed by Product Engineering and Wipro Analytics with the same rate of 1.3% qoq.

## MARKET DATA

Shares outs (Mn)	2432
EquityCap (INR Mn)	4864.8
Mkt Cap (INR Mn)	1202934
52 Wk H/L (INR)	577/410
Volume Avg (3m K)	1759.58
Face Value (INR)	2
Bloomberg Code	WPRO IN

## KEY FINANCIALS

Particulars (INR Mn)	FY15	FY16	FY17	FY18E	FY19E
Net Sales	469,545	512,440	550,402	576,352	622,305
EBITDA	108,246	109,844	112,900	130,318	140,028
PAT	86,528	88,922	80,813	88,794	96,918
EPS	35.1	36.0	32.7	36.01	39.30
OPM	20.3%	18.9%	16.3%	16.8%	17.1%
NPM	18.4%	17.4%	14.7%	15.4%	15.6%

Source: Company, KRChoksey Research

## Growth will continue from Q2 FY18 onwards

The growth for Q1 FY18 would remain stagnant due to project completions in the previous quarter, and it will continue its momentum from Q2 FY18 onwards, as few projects are still in pipeline. The company has opened multi-client delivery centers in the US and the UK region, which would help in carrying out business operations and reduce costs. The company is expecting a revenue growth of -2% to 0% for the next quarter, as BFSI segment would continue to remain sluggish that accounts for third largest source of revenue.

## EBIT analysis, and revenue guidance for Q2 FY18

EBIT margin stood at 17.2% for 4Q FY17 compared to 16.4% in the same period last year, a decline of 70 basis points (bps). The decline in margin came due to restructuring activities that the company carried out in the previous quarter. The company has divested EcoEnergy business from its ecosystem, and introduced Appirio to diversify into cloud segment. Although selling of EcoEnergy had generated \$70 million, but it wasn't enough to offset the operating expenses incurred from integrating its Appirio cloud unit.

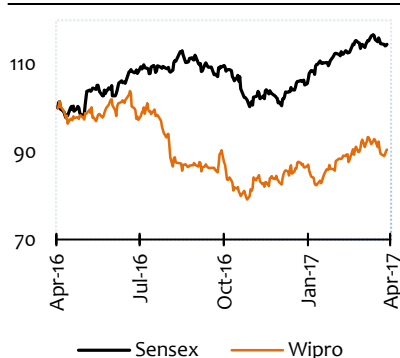
The company has given a revenue guidance of \$1915 mn to \$1955 mn for Q1 FY17. The guidance is a little pessimistic due to ForEx, and pricing pressure.

**Key Concall Highlights:** (i) HLS and Communication business would see a decline, as projects are getting over. (ii) Pricing pressure on legacy business would have an impact on margin, however, it will get smoothened due to cloud implementation and automation. (iii) Deployment of Holmes (Artificial Intelligence unit) is picking up, as the cloud capacity is expanding. (iv) Client mining and digital transformation are gaining traction.

## Valuation and view

Wipro had been under performing for last several quarters, but for this quarters it has come up with the good results, which have outperformed our estimations. Going forward, we are expecting the company would deliver better performance, as it has completed the restructuring activities for India and Middle-East. As far as Obama Care is concerned that is yet to make its impact on IT industry, we would re-rate the stock once the dust settles down. As of now, We have given the "ACCUMULATE" rating on the stock and as we assign multiple of 13x to its FY19E EPS of INR. 39.3 to arrive at a price target of INR 531.

## SHARE PRICE PERFORMANCE

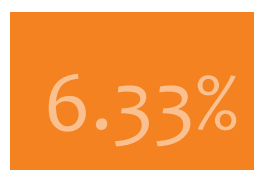


## MARKET INFO

SENSEX	30133
NIFTY	9352

## SHARE HOLDING PATTERN (%)

Particulars	Mar 17	Dec 16	Sep16
Promoters	73.25	73.25	73.25
FIIIs	10.2	9.75	10.51
DIIIs	5.77	5.88	4.99
Others	10.78	11.12	11.25
Total	100	100	100



Revenue CAGR between FY 18 and FY 20E



PAT CAGR between FY 18 and FY 20E

## ANALYST

Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

## KRChoksey Research

is also available on Bloomberg KRCS<GO>  
Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569  
[www.krchoksey.com](http://www.krchoksey.com)

# Wipro Ltd.

## Q4FY17 Result Snapshot

### Exhibit 1: Quarterly Income Statement

Particulars (INR Mn)	Q4 FY17	Q3 FY17	Q-o-Q change %	Q4 FY16	Y-o-Y change %	Q4 FY17 Estimate	Deviation %
<b>Net Sales (\$ Mn)</b>	<b>1,955</b>	<b>1,903</b>	<b>2.7%</b>	<b>1,882</b>	<b>3.9%</b>	<b>1,944</b>	<b>0.5%</b>
<b>Net Sales (INR Mn)</b>	<b>143,957</b>	<b>136,878</b>	<b>5.2%</b>	<b>136,324</b>	<b>5.6%</b>	<b>136,234</b>	<b>5.7%</b>
Cost of sales	100,771	96,576	4.3%	95,843	5.1%	96,526	4.4%
Gross profit	43,186	40,302	7.2%	40,481	6.7%	39,708	8.8%
Operating expenses:							
Selling and marketing expenses	11,836	9,226	28.3%	8,983	31.8%	9,400	
General and administrative expenses	7,267	8,610	-15.6%	7,755	-6.3%	8,855	
Foreign exchange (gains)/losses, net	-745	-767	-2.9%	-1,093	-31.8%	-767	
Total operating expenses	18,358	17,069	7.6%	15,645	17.3%	17,488	5.0%
Operating Profit	24,828	23,233	6.9%	24,836	0.0%	22,220	11.7%
Depreciation	8,181	5,410		4,304		6,243	
<b>EBITDA</b>	<b>33,009</b>	<b>28,643</b>	<b>15.2%</b>	<b>29,140</b>	<b>13.3%</b>	<b>28,463</b>	<b>16.0%</b>
Interest Paid	1,053	1,366	-22.9%	1,284	-18.0%	1,428	
Non-operating Income	5,636	5,719	-1.5%	5,617	0.3%	5,884	
<b>Profit Before Tax</b>	<b>29,411</b>	<b>27,586</b>	<b>6.6%</b>	<b>29,169</b>	<b>0.8%</b>	<b>26,676</b>	<b>10.3%</b>
Less: Total Tax	6,742	6,440	4.7%	6,626	1.8%	6,228	
Non-controlling interest	58	52	11.5%	193	-69.9%	133	
<b>PAT</b>	<b>22,611</b>	<b>21,094</b>	<b>7.2%</b>	<b>22,350</b>	<b>1.2%</b>	<b>20,315</b>	<b>11.3%</b>
<b>Diluted EPS (INR)</b>	<b>9.2</b>	<b>8.7</b>	<b>5.5%</b>	<b>9.1</b>	<b>1.2%</b>	<b>8.4</b>	<b>9.3%</b>
Diluted Shares Outstanding (mn)	2,463	2,424		2,463		2,417	
<b>Margin Analysis(%)</b>			<b>Change in bps</b>	<b>Change in bps</b>		<b>Change in bps</b>	
Operating Profit Margin	17.2%	17.0%	27	18.2%	-97	16.3%	94
PBT Margin	20.4%	20.2%	28	21.4%	-97	19.6%	85
NPM	15.7%	15.4%	30	16.4%	-69	14.9%	79
Effective Tax Rate(%)	22.9%	23.3%	-42	22.7%	21	23.3%	-42
<b>Cost Analysis %</b>			<b>Change in bps</b>	<b>Change in bps</b>		<b>Change in bps</b>	
Cost of sales / Total Sales	70.0%	70.6%	-56	70.3%	-30	70.9%	-85
Selling and marketing expenses/Total Sales	8.2%	6.7%	148	6.6%	163	6.9%	132

Source: Company, KRChoksey Research

- Operating profit margin saw a decline of 97 basis points yoy from 18.2% in Q4 FY16 and 17.2% Q4 FY17.
- Cost margin declined from 70.3% in Q4 FY16 to 70% Q4 FY17, a decline of 30 basis points despite the increase in revenues. which is a good indicator.
- Effective tax rate declined by 42 basis points qoq.

**ANALYST**

Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
 Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

**KRChoksey Research**

is also available on Bloomberg KRCS<GO>  
 Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569  
[www.krchoksey.com](http://www.krchoksey.com)

## Wipro Ltd.

### Exhibit 2: Q4 FY17 Geography QoQ Growth (%)

Geography	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
US	-0.6%	2.7%	3.1%	0.0%	1.8%	4.5%	1.7%	0.6%	1.6%
Europe	-5.8%	-1.6%	0.5%	-1.2%	5.7%	1.8%	-6.2%	-2.4%	6.2%
RoW	3.5%	0.6%	1.6%	3.1%	0.1%	-1.2%	-0.3%	-2.1%	2.7%
India & Middle East Business	10.2%	0.2%	2.1%	4.1%	2.4%	-3.0%	-0.8%	-4.5%	3.7%
Other Emerging Markets	-2.0%	1.1%	1.2%	2.1%	-2.1%	0.7%	0.2%	0.2%	1.8%

Source: Company, KRChoksey Research

Europe led the growth pack with a 6.2% qoq growth driven by Digital offering accepted well and strong deal wins. India & Middle-East Business' restructuring activities have completed, and it will start picking up from the next quarter onwards. However, US and other emerging markets have seen a meager growth of 1.6% and 1.8%.

### Exhibit 3: Q4 FY17 Vertical QoQ Growth (%)

Verticals	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Global Media & Telecom	-3.3%	-1.1%	3.7%	0.3%	0.1%	-40.5%	-2.1%	-2.0%	-4.2%
Finance Solutions	1.9%	2.2%	1.7%	-1.5%	-0.7%	3.4%	-1.1%	-0.7%	4.7%
Manufacturing & Hitech	-1.2%	2.8%	2.7%	-1.3%	4.6%	22.8%	-1.2%	-1.1%	5.0%
Healthcare, Life Sciences & Services	-1.2%	-3.2%	3.9%	5.6%	13.5%	18.0%	3.8%	-0.7%	0.2%
Consumer	1.6%	4.6%	2.8%	3.7%	1.1%	5.3%	-1.4%	-0.1%	2.7%
Energy & Utilities	-6.6%	-0.9%	-1.3%	-1.7%	-0.5%	-3.3%	-3.0%	0.1%	3.5%

Source: Company, KRChoksey Research

Manufacturing and Hitech increased by 5% followed by Finance Solutions and Energy Utilities of 4.7% and 3.5%. However, Global Media & Telecom fell by 4.2%.

### Exhibit 4: Q4 FY17 Service Lines QoQ Growth (%)

Services	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Global Infrastructure Services	-0.5%	1.5%	2.1%	0.7%	5.3%	-1.0%	0.3%	-1.1%	2.4%
Wipro Analytics	0.2%	6.8%	2.1%	-1.0%	-0.4%	5.4%	-2.1%	-4.8%	1.3%
Business Process Services	-2.2%	0.0%	7.6%	0.3%	10.7%	24.9%	3.1%	-1.4%	-5.0%
Product Engineering	5.8%	2.4%	4.8%	1.6%	2.4%	-8.9%	2.0%	-2.1%	1.3%
Application Services	-2.6%	0.1%	0.6%	0.1%	-0.7%	1.2%	-2.7%	0.7%	5.7%

Source: Company, KRChoksey Research

Application Services and Global Infrastructure Services rose by 5.7% and 2.4% respectively. However, Business process Services saw a decline of 5.0%, and it is expected to gain its momentum from the Q2 FY18 onwards.

#### ANALYST

Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
 Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

#### KRChoksey Research

is also available on Bloomberg KRCS<GO>  
 Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569  
[www.krchoksey.com](http://www.krchoksey.com)

# Wipro Ltd.

## Exhibit 5: Q4 FY17 Profit & Loss Statement

INR Mn	FY15	FY16	FY17	FY18E	FY19E
<b>Total Revenue</b>	<b>469,545</b>	<b>512,440</b>	<b>550,402</b>	<b>576,352</b>	<b>622,305</b>
Personnel	321,283	356,724	391,544	407,240	438,407
Selling, General & Administrative Expenses	56,476	62,562	72,838	75,387	80,464
Foreign exchange (gains)/losses, net	(3,637)	(3,867)	(3,777)	(2,980)	(2,980)
<b>Total Operating Expenditure</b>	<b>374,122</b>	<b>415,419</b>	<b>460,605</b>	<b>479,647</b>	<b>515,891</b>
<b>EBITDA</b>	<b>108,246</b>	<b>109,844</b>	<b>112,900</b>	<b>130,318</b>	<b>140,028</b>
EBITDA Growth %	7.8%	1.5%	2.8%	15.4%	7.5%
Less: Depreciation	12,823	12,823	23,103	33,614	33,614
<b>EBIT</b>	<b>95,423</b>	<b>97,021</b>	<b>89,797</b>	<b>96,705</b>	<b>106,414</b>
EBIT Growth %	6.8%	1.7%	-7.4%	7.7%	10.0%
Interest Paid	3,599	5,582	5,183	3,044	3,733
Non-operating Income	19,859	23,280	21,660	22,410	24,010
<b>Profit Before tax</b>	<b>111,683</b>	<b>114,719</b>	<b>106,274</b>	<b>116,070</b>	<b>126,691</b>
Tax	24,624	25,305	25,213	26,696	29,139
Minority Interest	531	492	248	580	633
Share in earnings of affiliates	0	0	0	0	0
<b>Net Profit</b>	<b>86,528</b>	<b>88,922</b>	<b>80,813</b>	<b>88,794</b>	<b>96,918</b>
<b>Net Profit Excl. extra-ordinaries</b>	<b>86,528</b>	<b>88,922</b>	<b>80,813</b>	<b>88,794</b>	<b>96,918</b>

Source: Company, KRChoksey Research

**ANALYST**

 Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
 Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

**KRChoksey Research**

 is also available on Bloomberg KRCS<GO>  
 Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569

[www.krchoksey.com](http://www.krchoksey.com)

# Wipro Ltd.

## Exhibit 6: Q4 FY17 Balance Sheet

INR Mn	FY15	FY16	FY17	FY18E	FY19E
<b>Liabilities</b>					
Equity Capital	4,937	4,941	4,945	4,943	4,943
Reserves & Surplus	403,045	461,137	523,179	593,210	671,367
<b>Equity</b>	<b>407,982</b>	<b>466,078</b>	<b>528,124</b>	<b>598,153</b>	<b>676,310</b>
<b>Net Worth</b>	<b>407,982</b>	<b>466,078</b>	<b>528,124</b>	<b>598,153</b>	<b>676,310</b>
Minority Interest	1,646	2,224	1,459	1,609	1,756
<b>Total Loans</b>	<b>78,913</b>	<b>125,221</b>	<b>115,221</b>	<b>105,221</b>	<b>95,221</b>
<b>Capital Employed</b>	<b>491,781</b>	<b>598,631</b>	<b>649,912</b>	<b>710,091</b>	<b>778,395</b>
<b>Assets</b>					
Gross Block	121,322	144,068	156,068	168,068	180,068
Less: Depreciation	72,587	85,327	108,430	142,044	175,657
<b>Net Block</b>	<b>48,735</b>	<b>58,741</b>	<b>47,638</b>	<b>26,024</b>	<b>4,411</b>
Capital WIP	5,471	6,211	6,211	6,211	6,211
<b>Investments</b>	<b>53,908</b>	<b>132,944</b>	<b>132,944</b>	<b>132,944</b>	<b>132,944</b>
Intangible Assets	76,009	117,832	117,832	117,832	117,832
Others - A	12,145	12,011	12,011	12,011	12,011
<b>Current Assets</b>					
Inventories	4,849	5,390	5,504	5,764	6,223
Sundry Debtors	91,531	102,380	111,588	116,849	126,166
Cash and Bank Balance	165,561	102,269	144,422	241,271	317,554
Loans and Advances	114,276	155,941	166,052	149,851	161,799
<b>Total Current Assets</b>	<b>402,074</b>	<b>391,688</b>	<b>455,198</b>	<b>542,668</b>	<b>642,982</b>
<b>Less:Current Liabilities &amp; Provisions</b>					
Sundry Creditors	58,745	68,187	70,800	73,638	79,274
Provisions	33,626	37,057	36,811	38,976	42,543
Other Current Liabilities	14,190	15,552	14,310	14,985	16,180
<b>Total Current Liabilities &amp; Provisions</b>	<b>106,561</b>	<b>120,796</b>	<b>121,921</b>	<b>127,599</b>	<b>137,996</b>

Source: Company, KRChoksey Research

**ANALYST**

 Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
 Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

**KRChoksey Research**

 is also available on Bloomberg KRCS<GO>  
 Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569

[www.krchoksey.com](http://www.krchoksey.com)

# Wipro Ltd.

## Exhibit 7: Q4 FY17 Ratio Analysis

INR Mn	FY15	FY16	FY17	FY18E	FY19E
EBITDA Margin(%)	23.1%	21.4%	20.5%	22.6%	22.5%
Tax/PBT(%)	22.0%	22.1%	23.7%	23.0%	23.0%
Net Profit Margin(%)	18.4%	17.4%	14.7%	15.4%	15.6%
RoE(%)	22.2%	19.6%	16.0%	15.5%	15.0%
RoCE(%)	19.4%	16.6%	13.4%	13.2%	13.2%
Current Ratio(x)	3.8x	3.2x	3.7x	4.3x	4.7x
Dividend Payout(%)	34.1%	39.9%	23.2%	21.1%	19.4%
Book Value Per Share(Rs.)	165.6	188.9	213.9	242.6	274.3
<b>Financial Leverage Ratios</b>					
Debt/Equity(x)	0.2x	0.3x	0.2x	0.2x	0.1x
<b>Growth Indicators%</b>					
Growth in Gross Block(%)	6.9%	18.7%	8.3%	7.7%	7.1%
Sales Growth(%)	8.1%	9.1%	7.4%	4.7%	8.0%
EBITDA Growth(%)	7.8%	1.5%	2.8%	15.4%	7.5%
Net Profit Growth(%)	11.0%	2.8%	(9.1%)	9.9%	9.1%
Diluted EPS Growth(%)	10.90%	2.59%	-9.20%	10.03%	9.15%
<b>Turnover Ratios</b>					
Debtors (Days of net sales)	71	73	74	74	74

Source: Company, KRChoksey Research

## Exhibit 8: Q4 FY17 Free Cash Flow Analysis

INR Mn	FY15	FY16	FY17	FY18E	FY19E
EBITDA	95,423	97,021	89,797	96,705	106,414
Less: Adjusted Taxes	21,039	21,401	21,304	22,242	24,475
NOPLAT	74,384	75,620	68,493	74,463	81,939
Plus: Depreciation	12,823	12,823	23,103	33,614	33,614
Less: Increase in Working Capital	87,207	88,443	91,596	108,076	115,552
Operating Cash flow	10,657	3,928	7,801	2,339	(8,646)
Less: Net Capex	76,551	84,515	83,795	105,738	124,198
Less: Increase in Net Other Assets	15,580	23,569	12,000	12,000	12,000
Total FCF	38,234	74,844	13,954	(17,025)	10,606

Source: Company, KRChoksey Research

### ANALYST

Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
 Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

### KRChoksey Research

is also available on Bloomberg KRCS<GO>  
 Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569

[www.krchoksey.com](http://www.krchoksey.com)

# Wipro Ltd.

Wipro Ltd.				Rating Legend	
Date	CMP (INR)	TP (INR)	Recommendation	Our Rating	Upside
26-Apr-17	494	531	ACCUMULATE	Buy	More than 15%
27-Jan-16	473	495	HOLD	Accumulate	5% – 15%
19-Oct-16	499	522	HOLD	Hold	0 – 5%
				Reduce	-5% – 0
				Sell	Less than – 5%

**ANALYST CERTIFICATION:**

We, Mayank Babla (MCom & BSc Economics & Management), research analyst and Pritesh Thakkar (MBA, Bcom), research associate, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I 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.

**Terms & Conditions and other disclosures:**

KRChoksey Shares and Securities Pvt. Ltd (hereinafter referred to as KRCSSPL) is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX Stock Exchange Limited. KRCSSPL is a registered Research Entity vide SEBI Registration No. INH00001295 under SEBI (Research Analyst) Regulations, 2014.

We submit that no material disciplinary action has been taken on KRCSSPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.

KRCSSPL prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.

The information and opinions in this report have been prepared by KRCSSPL 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 KRCSSPL. While we would endeavor to update the information herein on a reasonable basis, KRCSSPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent KRCSSPL 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 KRCSSPL policies, in circumstances where KRCSSPL 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. KRCSSPL 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. KRCSSPL 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. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

Associates (Group Companies) of KRCSSPL might have received any commission/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 brokerage services or specific transaction or for products and services other than brokerage services.

KRCSSPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months

KRCSSPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. KRCSSPL 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 KRCSSPL nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that, Mayank Babla (MCom & BSc Economics & Management), research analyst and Pritesh Thakkar (MBA, Bcom), research associate of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific brokerage service transactions.

KRCSSPL or its associates (Group Companies) collectively or its research analyst do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst, and has not been engaged in market making activity of the company covered by research analyst. Since associates (Group Companies) of KRCSSPL are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

It is confirmed that, Mayank Babla (MCom & BSc Economics & Management) and Pritesh Thakkar (MBA, Bcom), research associate research analyst, do not serve as an officer, director or employee of the companies mentioned in the report.

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 KRCSSPL 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.

Please send your feedback to [research.insti@krchoksey.com](mailto:research.insti@krchoksey.com)

Visit us at [www.krchoksey.com](http://www.krchoksey.com)

Kisan Ratilal Choksey Shares and Securities Pvt. Ltd

Registered Office:

1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.

Phone: 91-22-6633 5000; Fax: 91-22-6633 8060.

Corporate Office:

ABHISHEK, 5th Floor, Link Road, Andheri (W), Mumbai – 400 053.

Phone: 91-22-6696 5555; Fax: 91-22-6691 9576.

**ANALYST**

Mayank Babla, [mayank.babla@krchoksey.com](mailto:mayank.babla@krchoksey.com), 91-22-6696 5572  
Pritesh Thakkar, [pritesh.thakkar@krchoksey.com](mailto:pritesh.thakkar@krchoksey.com), 91-22-6696 5502

**KRChoksey Research**

is also available on Bloomberg KRCS<GO>  
Thomson Reuters, Factset and Capital IQ

91-22-6696 5555 / 91-22-6691 9569  
[www.krchoksey.com](http://www.krchoksey.com)