

# HCL TECHNOLOGIES

## Guidance maintained amid tepid revenue growth

India Equity Research | IT

HCL Technologies' (HCLT) Q2FY18 revenue of USD1,928mn was up 2.3% QoQ (0.9% in CC terms), but below Street's 3.8% estimate due to project ramp-downs in India. EBITDA margin came in at 22.2%, up 10bps QoQ and ahead of Street's 21.6% estimate. Despite tepid revenue growth, management is confident of meeting lower-end of 10.5-12.5% CC revenue growth guidance owing to robust bookings during H1FY18 and strong pipeline. The company continued its strong focus on Mode-3 services, extending its relationship with IBM and restructuring its joint venture (JV) with DXC into IP-partnership. With companies progressing to large IT-service providers from small boutique enterprises to scale up their digital journey, we remain confident on HCLT's long-term growth prospects. Maintain 'BUY' with a revised TP of INR1,041 (INR1,058 earlier), as we marginally cut our revenue estimates to reflect weak Q2FY18.

### Public services, retail drag

While Manufacturing/BFS/Healthcare grew 2.4%/1.2%/1.8% QoQ in CC terms, Public Services (down 4.6% QoQ) and Retail & CPG (down 0.5%) pulled down revenue growth. Amongst services, ER&D continued its robust momentum growing 4.4% QoQ (CC), while Application services remained flat and IMS declined 0.2% QoQ. Operating margins grew by 10bps QoQ, despite the 50bps wage hike impact on account of better execution.

### FY18 guidance maintained, despite subdued Q2FY18

Revenue belied estimates due to USD20mn impact from project ramp-downs in India. However, HCLT remains confident of meeting lower-end of FY18 revenue growth guidance of 12.1-14.1% growth in USD terms, which implies CQGR of 2.6% over next 2 quarters. The company also maintained its FY18 operating margin guidance at 19.5-20.5%, despite investments in Mode 2 & 3 offerings, on account of excellent execution.

### Outlook and valuations: Bright long-term prospects; maintain 'BUY'

We like HCLT's strategy of accelerated transition to platform & product-led solutions and reiterate our conviction on the company's long-term prospects. Considering strong services portfolio- supported by ER&D expertise and capabilities and operating excellence, the stock is available at reasonable valuation of 13.1x FY19E EPS. We maintain 'BUY/SP' with a revised target price of INR1,041 (15x FY19E EPS).

### Financials

(INR mn)

Year to March	Q2FY18	Q1FY18	% Chg	Q2FY17	% Chg	FY17	FY18E	FY19E
Net revenues	124,340	121,490	2.3	115,190	7.9	467,220	508,165	566,088
EBITDA	27,590	26,810	2.9	25,110	9.9	103,090	112,443	126,631
Adjusted Profit	21,880	21,710	0.8	20,150	8.6	84,570	88,478	97,434
Diluted EPS (INR)	15.7	15.1	3.6	14.3	9.9	59.9	63.0	69.4
Diluted P/E (x)						15.2	14.4	13.1
EV/EBITDA (x)						12.4	11.2	9.9
EV/Revenues (x)						2.7	2.5	2.2

### EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Performer
Risk Rating Relative to Sector	High
Sector Relative to Market	Overweight

### MARKET DATA (R: HCLT.BO, B: HCLT IN)

CMP	: INR 907
Target Price	: INR 1,041
52-week range (INR)	: 944 / 731
Share in issue (mn)	: 1,427.0
M cap (INR bn/USD mn)	: 1,294 / 19,939
Avg. Daily Vol.BSE/NSE('000)	: 1,665.6

### SHARE HOLDING PATTERN (%)

	Current	Q1FY18	Q4FY17
Promoters *	60.1	59.7	59.7
MF's, FI's & BK's	9.9	10.5	7.7
FII's	25.3	25.3	24.6
Others	4.7	4.5	8.0
* Promoters pledged shares (% of share in issue)			NIL

### PRICE PERFORMANCE (%)

	Stock	Nifty	EW Technology Index
1 month	3.8	4.3	4.0
3 months	1.3	3.3	(0.5)
12 months	12.7	18.5	2.4

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### **Growth led by Europe; slowdown in India to continue**

While Americas posted steady growth of 1.5% QoQ in CC term, growth was led by the 4.4% QoQ spurt in Europe, driven by strength in banking. Rest of the World (RoW) dragged growth down with sequential decline of 12.0% QoQ on account of project ramp-downs in India. Ramp-down in IMS and Application Services deals in India impacted revenue by ~USD20mn during the quarter. The company stated that its strategy for India would be to selectively pursue value-accretive deals, and accordingly expects slowness to continue in H2FY18. The company believes that impact of ramp-down in India business would be to be the tune of USD70-75mn for FY18.

### **Strong client addition and deal wins**

HCLT won 15 transformational deals during the quarter, which are well-balanced across industries, services and geographies. The company also added a client QoQ to its USD100mn plus bucket, taking total clients to 9. Its USD1mn and USD5mn clients increased by 28 and 10, respectively, during the quarter.

### **Continued to forge partnerships to enhance capabilities**

During the quarter, HCLT continued to forge IP-based partnerships with various leading global technology providers, leveraging on its capabilities and domain expertise in engineering and research. The company has further expanded its relationship with IBM to collaboration solutions, which includes Notes, Domino, Smart Cloud Notes, Verse and Sametime, to provide superior business value and support to a larger customer base.

HCLT reconstructed its JV with DXC into a 10-year IP-partnership, whereby HCLT will be responsible for product development and modernisation, maintenance and professional services of core banking products, while DXC will be responsible for sales, marketing and client relationship. This deal reconstruction is expected to impact HCLT's revenues by ~USD22mn in FY18, as under the JV agreement, complete revenues were being consolidated, whereas HCLT's stake in JV amounted to only 51%. During the quarter, the company also announced a strategic partnership with Alpha Insight, a London-based intelligent products and solutions company.

### **Outlook and valuations: Bright long term prospects; maintain 'BUY'**

We reiterate our thesis that ER&D and digital are key growth drivers for IT services. Considering HCLT's expertise and capabilities in ER&D, acquisitions and partnerships for accelerated transition to emerging technologies and platform-led solutions and excellent execution ensuring margins are maintained in guided range of 19.5-20.5% despite currency and acquisitions headwinds, we believe the stock is available at attractive valuations — 13.1x FY19E EPS. We maintain **'BUY/SP'** with a revised target price of INR1,041 (INR1,058 earlier), as we marginally trim our revenue estimates.

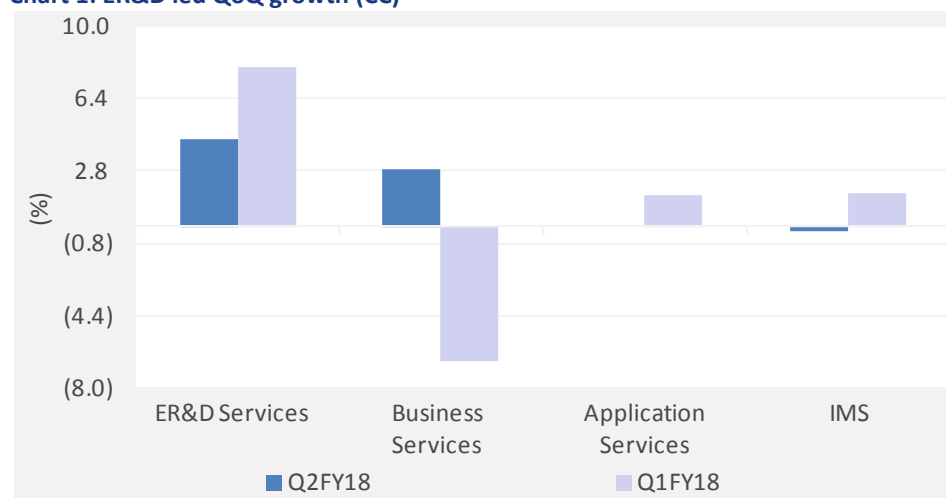
## Q2FY18: Key highlights

- Consolidated revenue of USD1,928mn was up 2.3% QoQ, but below Street's 3.8% QoQ estimate. In CC terms, revenue grew 0.9% QoQ. In INR terms, revenue rose 2.3% QoQ and 7.9% YoY to INR124.3bn.
- Gross profit stood at INR42.3bn, up 3.3% QoQ and 9.3% YoY. Gross margin, at 34.0%, rose by 30bps QoQ. EBITDA stood at INR27.6bn with EBITDA margin at 22.2% (up 10bps QoQ).
- Net profit grew 0.8% QoQ and 8.6% YoY to INR21.9bn.
- Net employees stood higher by 1,259, taking the total employee count to 119,040. Gross addition for the quarter was 8,645.

## Segmental performance

- **IT Services:** The segment (contributes 96.4% to total revenues) grew 12.4% YoY (2.2% QoQ) to USD1,858mn versus USD1,817mn in previous quarter. Operating margin (EBIT) declined by 30bps QoQ to 20.1%.
  - **Core Software:** Revenue, at USD1,117mn, grew 2.4% QoQ and 16.6% YoY. Operating margin (EBIT), at 20.2%, dipped by 20bps QoQ.
  - **IMS:** Revenue, at USD742mn, grew 2.0% QoQ. EBIT margin fell 50bps QoQ to 20.0%.
- **BPO:** Revenue, at USD69.9mn, grew 4.5% QoQ but dipped 0.1% YoY. EBIT margin plummeted by 330bps QoQ to 8.9%.
- **Services:** Revenue growth was broad based across services, i.e., Engineering and R&D (up 4.4% QoQ CC) and Business Services (up 2.9% QoQ CC). While Application Services was flat QoQ, Infrastructure Services declined 0.2% QoQ in CC terms.

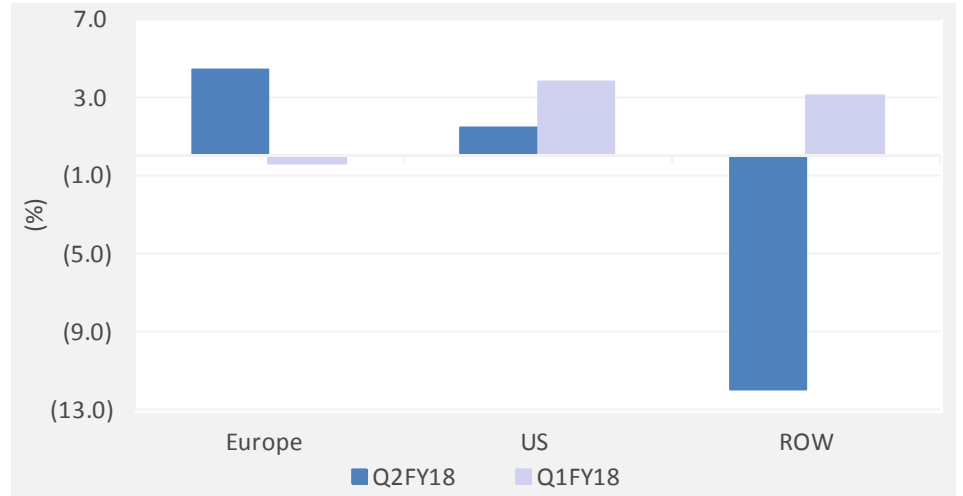
Chart 1: ER&D led QoQ growth (CC)



Source: Company, Edelweiss research

- **Geo split:** In CC terms, growth was led by Europe (up 4.4% QoQ) and Americas (up 1.5% QoQ), while RoW posted sharp decline of 12.0% QoQ.

Chart 2: Europe powered growth during quarter (CC)



Source: Company, Edelweiss research

- Manufacturing, Lifesciences & Healthcare, Telecommunications, Media, Publishing & Entertainment and Financial Services grew 2.4%, 1.8%, 1.7% and 1.2% QoQ, respectively, in CC terms. While Retail & CPG declined by 0.5%, Public Services witnessed sharp drop of 4.6% QoQ, in CC terms
- **Client addition:** Number of clients contributing USD1mn and USD5mn plus stood at 536 (28 additions QoQ) and 259 (10 additions QoQ), respectively. Number of clients in the USD10mn plus category (157) increased by 3 QoQ. HCLT lost 2 clients in the USD20mn plus category (84 clients) and remained flat QoQ in the USD30mn plus category (52 clients). Number of USD40mn plus clients increased by 2 to 37, USD50mn remained flat QoQ (25 clients) and USD100mn plus clients rose by 1 to 9 clients.
- **Attrition** in IT services (LTM) stood at 18.6% versus 16.2% in the previous quarter.
- **Utilisation:** Blended utilisation remained flat QoQ at 86.0%.
- **DSO** stood at 64 days versus 63 in previous quarter.

## Financial snapshot

(INR mn)

Year to March	Q2FY18	Q1FY18	% Change	Q2FY17	% Change	YTD18	FY18E	FY19E
Net revenues	124,340	121,490	2.3	115,190	7.9	245,830	508,165	566,088
Direct costs	82,080	80,570	1.9	76,530	7.3	162,650	336,773	374,357
Gross profit	42,260	40,920	3.3	38,660	9.3	83,180	171,392	191,731
SG&A	14,670	14,110	4.0	13,550	8.3	28,780	58,948	65,100
EBITDA	27,590	26,810	2.9	25,110	9.9	54,400	112,443	126,631
Depreciation	3,080	2,360	30.5	1,930	59.6	5,440	11,211	11,888
EBIT	24,510	24,450	0.2	23,180	5.7	48,960	101,232	114,743
Other income	1,540	1,620	(4.9)	2,040	(24.5)	3,160	6,177	6,021
Foreign exc. gain / (loss)	1,440	1,070	34.6	310	364.5	2,510	4,041	2,100
Profit before tax	27,490	27,140	1.3	25,530	7.7	54,630	111,450	122,864
Provision for taxes	5,610	5,430	3.3	5,380	4.3	11,040	22,972	25,431
Reported net profit	21,880	21,710	0.8	20,150	8.6	43,590	88,478	97,434
Adjusted Profit	21,880	21,710	0.8	20,150	8.6	43,590	88,478	97,434
Diluted EPS (INR)	15.7	15.1	3.6	14.3	9.9	43.4	63.0	69.4
Diluted P/E (x)	-	-	-	-	-	-	14.4	13.1
EV/EBITDA (x)	-	-	-	-	-	-	11.2	9.9
EV/Revenues (x)	-	-	-	-	-	-	2.5	2.2
Tax Rate	20.4	20.0	-	21.1	-	20.2	20.6	20.7

## As % of net revenues

Gross profit	34.0	33.7	-	33.6	-	33.8	33.7	33.9
SG&A	11.8	11.6	-	11.8	-	11.7	11.6	11.5
EBITDA	22.2	22.1	-	21.8	-	22.1	22.1	22.4
EBIT	19.7	20.1	-	20.1	-	19.9	19.9	20.3
Reported net profit	17.6	17.9	-	17.5	-	17.7	17.4	17.2

## Company Description

HCLT is India's fourth-largest IT services company. It provides software-led IT solutions, remote infrastructure management, and BPO services, focused mainly on transformational outsourcing. The company leverages its extensive offshore infrastructure and global network of offices in 26 countries to deliver solutions across select verticals, including financial services, retail and consumer, life sciences aerospace, automotive, semiconductors, telecom and media publishing, and entertainment. The company's employee force stands at 119,040 and its revenues for the past twelve months stood at INR484.5bn (USD7.4bn).

## Investment Theme

As a scale player HCLT is expected to gradually increase its share of the total IT pie largely through its rapidly growing infrastructure management practice and robust order book. HCLT has been aggressively pursuing large deals in the past few quarters. Its well-established infrastructure management practice, combined with its EAS practice, provides significant cross-selling opportunity, which could help HCLT win some of the large size deals. The ramp up of the deals over the next two years will drive the revenue growth for the company.

## Key Risks

Key risks to our investment theme include: (a) sustained slowdown in the US; (b) failure in maintaining margins at current levels, while pursuing large deals; (c) higher wage inflation and other costs resulting in significant margin dilution and (d) appreciation of the INR against the USD, EUR and GBP.

## Financial Statements

### Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
<b>Macro</b>				
GDP(Y-o-Y %)	7.9	6.6	6.8	7.4
Inflation (Avg)	4.9	4.5	4.0	4.5
Repo rate (exit rate)	6.8	6.3	5.8	5.8
USD/INR (Avg)	65.5	67.1	65.0	66.0
<b>Company</b>				
Gross additions	24,500	29,400	26,500	19,812
<b>Efforts</b>				
Onsite (%)	25.0	26.0	26.2	26.0
Offshore (%)	75.0	74.0	73.8	74.0
<b>Pricing change</b>				
Onsite (%)	1.4	(1.8)	2.5	1.2
Offshore (%)	0.1	(0.5)	2.5	1.2
<b>BPO</b>				
Revenue Growth (in USD)	11.7	(15.9)	5.0	10.4
Pricing Growth (%)	11.9	3.4	-	7.6
<b>Financial assumptions</b>				
Cash yield (%)	7.0	7.0	7.5	7.0
Capex (INR mn)	17,844	58,402	24,655	11,888
Debtor days	90	84	81	80

### Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Net revenue	409,130	467,220	508,165	566,088
Cost of revenues	269,010	308,890	336,773	374,357
Gross profit	140,120	158,330	171,392	191,731
Total SG&A expenses	52,170	55,240	58,948	65,100
EBITDA	87,950	103,090	112,443	126,631
Depreciation	5,690	8,340	11,211	11,888
EBIT	82,260	94,750	101,232	114,743
Add: Other income	10,090.00	9,340.00	10,218.06	8,121.15
Profit Before Tax	92,350	104,090	111,450	122,864
Less: Provision for Tax	18,830	19,520	22,972	25,431
Reported Profit	73,520	84,570	88,478	97,434
Adjusted Profit	73,520	84,570	88,478	97,434
Shares o /s (mn)	1,413	1,413	1,404	1,404
Adjusted Basic EPS	52.0	59.9	63.0	69.4
Diluted shares o/s (mn)	1,413	1,413	1,404	1,404
Adjusted Diluted EPS	52.0	59.9	63.0	69.4
Adjusted Cash EPS	56.1	65.8	71.0	77.9
Dividend per share (DPS)	17.0	24.0	21.0	30.0
Dividend Payout Ratio(%)	38.2	46.9	38.8	50.6

### Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Cost of revenues	65.8	66.1	66.3	66.1
Gross margin	34.2	33.9	33.7	33.9
SG&A expenses	12.8	11.8	11.6	11.5
EBITDA margins	21.5	22.1	22.1	22.4
EBIT margins	20.1	20.3	19.9	20.3
Net Profit margins	18.0	18.1	17.4	17.2

### Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	14.6	14.2	8.8	11.4
EBITDA	(0.2)	17.2	9.1	12.6
PBT	0.7	12.7	7.1	10.2
Adjusted Profit	0.6	15.0	4.6	10.1
EPS	0.5	15.1	5.3	10.1

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	2,820	2,827	2,785	2,785	
Reserves & Surplus	277,403	332,076	350,918	399,069	
Shareholders' funds	280,223	334,903	353,703	401,854	
Long term borrowings	9,732	5,417	6,770	5,770	
Total Borrowings	9,732	5,417	6,770	5,770	
<b>Sources of funds</b>	<b>289,955</b>	<b>340,320</b>	<b>360,473</b>	<b>407,624</b>	
Net Block	43,231	46,806	55,397	69,884	
Intangible Assets	64,194	114,256	127,700	127,700	
Total Fixed Assets	107,425	161,062	183,097	197,584	
Non current investments	112,837	115,119	83,190	83,190	
Cash and Equivalents	7,293	13,165	18,751	26,136	
Sundry Debtors	107,228	108,026	118,471	128,948	
Loans & Advances	62,892	66,950	66,684	86,444	
Current Assets (ex cash)	170,120	174,976	185,155	215,392	
Trade payable	107,720	124,002	109,721	114,678	
Total Current Liab	107,720	124,002	109,721	114,678	
Net Curr Assets-ex cash	62,400	50,974	75,434	100,714	
<b>Uses of funds</b>	<b>289,955</b>	<b>340,320</b>	<b>360,473</b>	<b>407,624</b>	
BVPS (INR)	198.3	237.1	251.9	286.2	

#### Profitability and efficiency ratios

Year to March	FY16	FY17	FY18E	FY19E
ROAE (%)	27.9	27.5	25.7	25.8
ROACE (%)	34.1	33.0	31.8	32.0
Debtors Days	90	84	81	80
Payable Days	144	137	127	109
Cash Conversion Cycle	(54)	(53)	(45)	(30)
Current Ratio	1.6	1.5	1.9	2.1

#### Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
HCL Technologies	19,939	14.4	13.1	11.2	9.9	25.7	25.8
Cyient	973	15.0	13.3	9.6	7.8	18.4	18.2
ECLERX SERVICES	766	14.0	12.5	8.4	6.9	26.5	24.8
Infosys	33,095	14.4	13.0	9.6	8.2	22.5	25.1
Persistent Systems	809	15.0	12.7	9.1	7.1	17.3	17.9
Tata Consultancy Services	77,703	19.4	17.7	14.1	12.4	29.7	30.6
Tech Mahindra	7,036	13.7	12.0	9.1	7.3	17.2	17.6
Wipro	22,408	16.6	14.9	13.4	11.9	17.4	18.7
Median	-	14.7	13.0	9.6	8.0	20.4	21.8
AVERAGE	-	15.3	13.7	10.6	8.9	21.8	22.3

Source: Edelweiss research

Operating ratios					
Year to March	FY16	FY17	FY18E	FY19E	
Total Asset Turnover	1.5	1.5	1.5	1.5	
Fixed Asset Turnover	4.1	3.5	3.0	3.0	
Equity Turnover	1.6	1.5	1.5	1.5	

#### Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	52.0	59.9	63.0	69.4
Y-o-Y growth (%)	0.5	15.1	5.3	10.1
Adjusted Cash EPS (INR)	56.1	65.8	71.0	77.9
Diluted P/E (x)	17.4	15.2	14.4	13.1
P/B (x)	4.6	3.8	3.6	3.2
EV / Sales (x)	3.1	2.7	2.5	2.2
EV / EBITDA (x)	14.6	12.4	11.2	9.9
Dividend Yield (%)	1.9	2.6	2.3	3.3



## Additional Data

### Directors Data

Mr. Shiv Nadar	Chairman & Chief Strategy Officer	Ms. Robin Abrams	Non- Executive Director
Mr. Amal Ganguli	Non- Executive Director	Mr. R. Srinivasan	Non- Executive Director
Mr. Sudhinar Krishan Khanna	Non- Executive Director	Mr. Sosale Shankara Sastry	Non- Executive Director
Roshni Nadar Malhotra	Non Executive Director	Keki Mistry	Non Executive Independent Director
Subramanian Madhavan	Non Executive Independent Director	Thomas Sieber	Independent Director

Auditors - S.R.Batliloi & Co., Chartered Accountants

*\*as per last annual report*

### Holding - Top10

	Perc. Holding		Perc. Holding
Artisan	3.37	Vanguard Group	1.79
ICICI Prudential Asset Mgmt	1.57	Blackrock	1.57
ICICI Prudential Life Insurance	1.39	Lazard	1.10
Life Insurance Corporation of India	1.03	Reliance Capital Trustee Co Ltd	1.01
SBI Funds Management	0.94	HSBC	0.72

*\*as per last available data*

### Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
16 May 2017	Vama Sundari Investments (Delhi) Pvt Ltd	Buy	12425000	858.00
23 Mar 2017	Hcl Avas Pvt Ltd	Buy	7500000	870.00
23 Mar 2017	Vama Sundari Investments (Delhi) Pvt Ltd	Sell	7500000	870.00

*\*in last one year*

### Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
19 May 2017	HCL Corporation Private Limited	Sell	3175000.00
19 May 2017	KIRAN NADAR MUSEUM OF ART	Sell	4050000.00
19 May 2017	SHIV NADAR FOUNDATION	Sell	5200000.00
19 May 2017	VAMA SUNDARI INVESTMENTS (DELHI) PRIVATE LIMITED	Buy	12425000.00
28 Mar 2017	VAMA SUNDARI INVESTMENTS (DELHI) PRIVATE LIMITED	Sell	16750000.00

*\*in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Cyient	BUY	SP	H	ECLERX SERVICES	HOLD	SP	M
HCL Technologies	BUY	SP	H	Hexaware Technologies	HOLD	SP	M
Info Edge	BUY	SP	M	Infosys	HOLD	SP	L
Just Dial	REDUCE	SU	M	Persistent Systems	BUY	SP	L
Tata Consultancy Services	HOLD	SP	L	Tech Mahindra	BUY	SP	M
Wipro	HOLD	SP	L				

### ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

### RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

### RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

### SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return



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**Coverage group(s) of stocks by primary analyst(s): IT**

Cyient, ECLERX SERVICES, HCL Technologies, Hexaware Technologies, Infosys, Info Edge, Just Dial, Persistent Systems, Tata Consultancy Services, Tech Mahindra, Wipro

**Recent Research**

Date	Company	Title	Price (INR)	Recos
24-Oct-17	Infosys	Minor strategy tweaks; CEO appointment critical; <i>Result Update</i>	926	Hold
17-Oct-17	Wipro	Fairly valued; <i>Result Update</i>	290	Hold
16-Oct-17	Persistent Systems	Inline performance; strong outlook ; <i>Result Update</i>	665	Buy

**Distribution of Ratings / Market Cap**

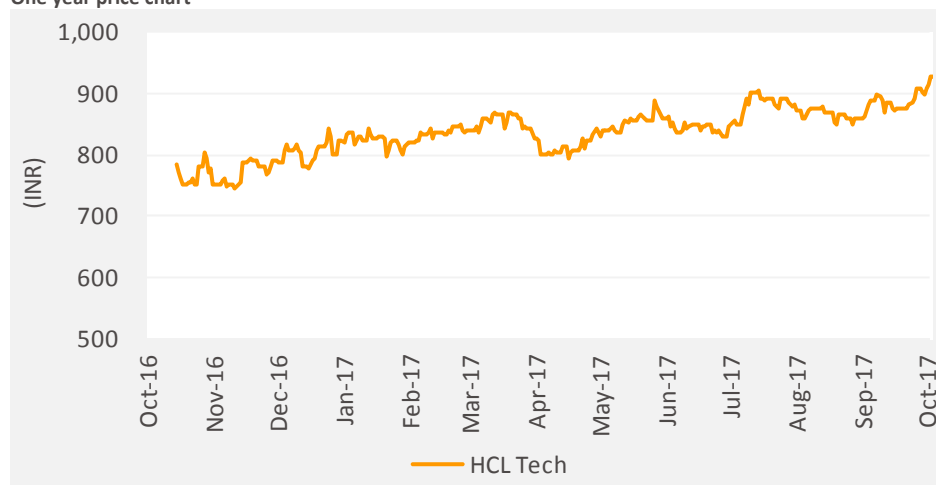
**Edelweiss Research Coverage Universe**

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

**Rating Interpretation**

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

**One year price chart**



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