Sharekhan by BNP PARIBAS

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Stock Update

HCL Technologies

Q1 off mark; charting new waters for growth

IT & ITES	Sharekhan code: HCLTECH	Result Update

Summary

- We maintain a Buy on HCL Technologies with a PT of Rs. 1,200, given consistent wins in integrated deals, strong deal pipeline and reasonable valuations.
- Revenue and EBIT margin missed our estimates owing to revenue loss amid second wave of COVID-19; but Q4 witnessed healthy deal bookings (37% y-o-y), employee additions (7,522+ on q-o-q) and a strong deal pipeline.
- As expected, the management reiterated its earlier guidance of a double-digit CC revenue growth and EBIT margin of 19-21%. Management remains confident on delivering strong q-o-q growth for remaining quarters of FY2022.
- Strong deal pipeline, aggressive net employee addition, healthy deal bookings and strong demand create a solid platform for HCL Tech to deliver revenue growth in FY2022E. We expect HCL Tech to clock a 12.6% CAGR in revenue over FY2021-24E.

HCL Technologies (HCL Tech) reported lower-than-expected revenue and EBIT margin attributed to demand fulfillment challenges given the second wave of COVID-19, while net profit remained in-line with our expectations led by lower tax provisions. Further, the company witnessed strong net employee addition, a record-high deal pipeline, recovery in ERD business and decent order booking. Constant currency (CC) revenue grew by 0.7% q-o-q, slightly below our estimates, owing to $7 million revenue loss because of COVID-19 second wave. Sequential revenue growth was primarily driven by 4.3% q-o-q CC revenue growth in ERD business. USD revenues grew 0.9% q-o-q and 15.5% y-o-y to $2,719.6 million. EBIT margin declined by 67 bps q-o-q to 19.6%, below our estimates, owing to the aforementioned revenue loss (-90 bps), hiring and retention expenses and investments in new geographies, partially offset by forex gain and lower amortisation expenses. The management maintained its earlier guidance of a double-digit CC revenue growth and EBIT margin of 19-21% as expected. At the lower end of revenue growth guidance of 10%, the revenue CQGR would be at 2% for the remaining three quarters of FY2022E. This growth rate can be achieved comfortably by the company, given a ramp-up of large deal wins, recovery in asset-heavy industries, and healthy deal pipeline. The management remains confident of delivering good q-o-q growth for the rest of the year, given 37% y-o-y growth in deal bookings and net hiring of over 7,500 during the quarter. The company signed 12 transformative deals including 4 significant product wins and total new deal TCVs grew 37% y-o-y to $1.66 billion. Given its capabilities in both infrastructure and application business, the company is able to win integrated deals. Over the last five quarters, the company has closed at-least 15 integrated deals. This implies the company has strengthened its positioning in modern applications, which would boost its growth apart from traditional strengths. Further, management indicated that revenue growth would accelerate in FY2023 given strong deal wins. Though EBIT margin would remain under pressure for next 2-3 quarters given investments in sales and digital capabilities, wage revision, higher recruitment expenses and reversal of COVID-19 savings, we believe these margin headwinds would be partially offset by automation, employee pyramids, and higher offshoring.

Key positives

- ERD business CC revenue grew 4.3% q-o-q
- FCF grew 5% q-o-q to $403 million
- Strong deal TCVs and deal pipeline would drive Europe biz's growth going ahead

Key negatives

- P&P business' CC revenue declined 1% q-o-q
- Attrition to inch up in coming quarters

Our Call

Valuation – Maintain Buy with a PT of Rs. 1,200: We tweaked earnings estimates for FY2022E/FY2023E, to factor in Q1FY2022 results, recovery in the Europe business and asset-heavy industries from Q2FY2022 and strong deal pipeline. We believe, strong deal pipeline, aggressive net employee addition (at over 16,800 in the last two quarters), healthy deal bookings (37% y-o-y) and rising spends on digital and cloud initiatives create strong platform for HCL Technologies to deliver revenue growth in FY2022E. Management expects its investments in sales, Mode-2 capabilities and new geography expansion would help to accelerate its growth in FY2023. We introduced FY2024 numbers in this note. At CMP, the stock trades at a reasonable valuation of 20x/17x its FY2022E/FY2023E earnings. With improving free cash flow (FCF) generation, we expect that the management would maintain a higher payout ratio in coming quarters. Hence, we maintain a Buy rating on the stock with a revised PT of Rs. 1,200.

Key risk

Any integration issues in ongoing M&A activities especially IP-related transactions could impact earnings. Further, high dependence on IMS could create challenges to its revenue growth trajectory.

Valuation Rs cr

Particulars	FY21	FY22E	FY23E	FY24E
Revenue	75,379.0	84,952.6	97,881.0	1,07,509.7
OPM (%)	26.6	24.6	24.8	24.6
Adjusted PAT	13,010.0	13,616.9	15,607.8	17,238.6
% YoY growth	*17.6*	*4.7*	*14.6*	*10.4*
Adjusted EPS (Rs.)	47.9	50.2	57.5	63.5
P/E (x)	20.9	19.9	17.4	15.7
P/B (x)	4.5	4.1	3.7	3.3
EV/EBITDA (x)	13.4	12.9	11.1	10.1
RoNW (%)	23.3	21.5	22.1	22.0
RoCE (%)	25.0	24.1	25.6	25.6

Source: Company; Sharekhan estimates

3R MATRIX

	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)	✓		

\+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS		↔	
RQ		↔	
RV		↔	

Reco/View	Change
Reco: **Buy**	↔
CMP: **Rs. 1,000**	
Price Target: **Rs. 1,200**	↔

↑ Upgrade ↔ Maintain ↓ Downgrade

Company details

Market cap:	Rs. 2,71,421 cr
52-week high/low:	Rs. 1,073 / 610
NSE volume: (No of shares)	55.0 lakh
BSE code:	532281
NSE code:	HCLTECH
Free float: (No of shares)	107.6 cr

Shareholding (%)

Promoters	60.3
FII	24.7
DII	11.1
Others	3.9

Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	2.6	0.3	2.0	60.4
Relative to Sensex	2.2	(9.3)	(6.3)	18.5

Sharekhan Research, Bloomberg

Key Q4 indicators miss mark: Revenue and EBIT margin lagged expectations in Q1, while net profit met our expectations led by lower tax provisions. HCL Tech also reported healthy order bookings, strong deal pipeline and robust net addition of employees. The company reported a q-o-q revenue growth of 0.7% on a constant currency (CC) basis, slightly below our estimates, attributed to a $7 million revenue loss owing to COVID-19 second wave. Sequential revenue growth was driven by 4.3% q-o-q CC revenue growth in Engineering and R&D services (ERD), while the P&P segment's CC revenue growth declined by 1.0% q-o-q. Mode-1 and Mode-2 services delivered CC revenue growth of 0.8% q-o-q and 2.3% q-o-q respectively, while Mode-3 services revenue declined 2% q-o-q. USD revenues grew 0.9% q-o-q and 15.5% y-o-y to $2,719.6 million, led by 5.2%/3.2%/1.5% q-o-q growth in lifesciences & healthcare/financial services/technology & services verticals. EBIT margin declined by 67 bps q-o-q to 19.6%, below our estimates, owing to drop in revenue due to COVID-19 (-20 bps), special pandemics leaves cost (-25 bps), COVID-19 support costs (-45 bps), retention costs (-35 bps) and investment in new markets and R&D spend (-30 bps). These margin headwinds during the quarter was partially offset by forex gain (+20 bps) and lower amortisation (+60 bps). EBIT margin of IT and business services and ERD services declined 150 bps q-o-q and 10 bps q-o-q respectively, while product & platforms' EBIT margin improved 290 bps q-o-q during the quarter. Net profit of Rs. 3,214 crore (up 8.5% q-o-q and 10% y-o-y) was in line with our estimates despite miss in revenue and operating margin, aided by lower tax provisions (21.7% versus 28.6% in Q4FY2021).

Q1FY2022 Key earnings call highlights

- **Revenue growth drivers:** HCL Technologies reported a revenue growth of 0.9% q-o-q and 15.5% y-o-y in USD terms, driven by a strong growth in Mode-2 business (up 2.3% q-o-q and 29% y-o-y on CC). IT and business services unit grew by 0.3% q-o-q and 13% y-o-y on a CC basis, led by digital and cloud transformation deals, which includes application modernization, vertical-led operating model, analytics, cloud migration, cybersecurity and digital workplace. ERD business grew 4.3% q-o-q and 10.7% y-o-y on a CC basis. However, products & platforms business declined 1% q-o-q on CC basis, but grew 6% y-o-y.
- **Commentary on products & platforms business:** P&P business continued to register a decline of 1% q-o-q in revenue, but it grew 6% y-o-y on a CC basis. The renewal rates in the P&P segment remained healthy during the quarter. Management stated that the company exited the IP partnership with CeleritiFinTech (CFT) given the stagnant revenue stream. The work that HCL Tech has been doing under this partnership will be transitioned back to them the next two quarters. Hence, HCL Tech's revenue from this partnership would become NIL during Q4FY2022. Effective Q1FY2022, certain ERD business product sales are now classified under the P&P segment. The management maintained its earlier revenue growth guidance of low single digit for P&P business in FY2022.
- **Maintained revenue and margin guidance for FY2022:** The management guided for double-digit CC revenue growth and EBIT margin of 19-21%, as expected. At the lower end of 10% revenue growth, the revenue CQGR stands at 2% for the remaining three quarters of FY2022E. This growth rate can be achieved comfortably by the company, given its strong deal wins. The management remains confident of delivering good q-o-q growth for the rest of the year, given 37% y-o-y growth in deal bookings and net hiring of over 7,500 employees during the quarter. Further, management indicated that revenue growth would accelerate in FY2023 given strong deal wins. Management believes that EBIT margin would improve after two quarters of investments in sales and capabilities, led by automation, employee pyramids (plans to hire around 22,000 fresher in FY2022), higher offshoring and expanding into smaller cities.
- **Business segment performance:** (1) IT and business services revenue grew 0.3% q-o-q (up 13% y-o-y) in CC terms, led by higher spends in digital and cloud transformation initiatives by clients. (2) Engineering and R&D services segment's revenue increased by 4.3% q-o-q in CC (up 10.7% y-o-y). (3) P&P segment's revenue declined by 1% q-o-q (but up 6% y-o-y) on CC terms.
- **Vertical-wise performance:** The life sciences, healthcare, financial services and technology & services verticals led overall growth, with a rise of 5.4%, 2.9% and 1.6% q-o-q in CC terms, respectively. Lifesciences and healthcare vertical continued its strong growth momentum on both q-o-q and y-o-y basis on the back of its business propositions including digital transformation, workplace and digital engineering services. Telecommunication vertical reported 17% y-o-y revenue growth on a CC basis given a recovery in this segment.

- **Expect strong bounce back of growth in Europe:** America and Rest of World (RoW) reported revenue growth of 2.6% q-o-q (up 13.5% y-o-y) and 2.4% q-o-q (up 20% y-o-y) on a CC basis, while the Europe business declined 3.9% q-o-q (but it grew 5.1% y-o-y) during the quarter. Management highlighted that the revenue decline in the Europe business on a sequential basis was a temporary blip because the order booking and deal pipeline remains strong. The company has strengthened its leadership in Germany and France during the quarter. The company announced the appointment of country heads in Spain and Portugal and expects growth acceleration in these regions given strong traction for its digital offerings. The company will continue to invest in its sales and capabilities in terms of employees and delivery centers in Europe. Management remains confident on strong growth momentum in Europe region on the back of strong order booking, robust deal pipeline and investments in sales.
- **Country managers appointed in new geographies:** The company plans to enter into new geographies where its sees growing demand and a significant adoption of the global delivery model. The management indicated at investments on sales and marketing in geographies like Germany, France, Canada, Australia and Japan. Management is looking at expanding into some emerging markets to address some of the IT demands in countries like Brazil, Mexico, South Korea and Spain. HCL Tech has appointed country managers in South Korea, Vietnam, Taiwan in Mexico, Brazil, Spain and Portugal.
- **Eyeing recovery in ERD business:** After four consecutive quarters of revenue decline on y-o-y basis, ERD business reported 10.7% y-o-y (up 4.3% q-o-q) revenue growth on CC basis. The management expect acceleration in revenue growth in ERD business in coming quarters in both Europe and America, led by increasing demand for digital engineering in both lifescience and healthcare and technology and services verticals. Further, the growth would be aided by the recovery in the asset heavy industries, which were impacted severely owing to COVID-19.
- **Enhanced digital propositions increases its participation in client' digital initiatives:** IT and Business services revenues remained flat q-o-q, but it grew 13% y-o-y on a CC basis. Strong growth on y-o-y basis was driven by its digital business which includes digital consulting, application services and data analytics. The company's earlier investment in digital capabilities helped the company to participate in client's digital transformation journey. As a results, the company could add new logos in higher revenue category (over $50 million and over $20 million as well) and consistently win large integrated deals during the quarter given its strong Mode 2 digital propositions. The company's Mode 2 business grew 2.3% q-o-q and 29% y-o-y during the quarter, led by higher spends on cloud and digital transformation by its clients.
- **Wage hikes in Q2FY2022:** The company would roll out annual wage hike for its employees effective Q2FY2022. Given the talent war in the industry, the company focuses to retain talents to meet the growing demand of digital technology.
- **Strong cash generation:** Free cash flow (FCF) stood at $403 million (vs $385 million in Q4FY21) with FCF to net income ratio at 92%. Net Cash stood at $2,053 million versus $2,268 million in Q4FY2021.
- **Healthy order bookings and order pipeline:** HCL Tech signed 12 transformative deals (including 4 significant product deals) across the verticals, led by oil & gas, financial services, and technology and services vertical. New Deal TCV remained at $1.7 billion, increasing 37.4% y-o-y. Management indicated that it will continue to invest on sales and external hires to drive its revenue growth. Given its capabilities in both infrastructure and application business, the company is able to win integrated deals that improves its positioning in modern applications. The company has closed at least 15 integrated deals in the last five quarters.
- **Headcount:** Headcount increased by a net 7,522 on a sequential basis to 176,499. Management indicated that the company hired 3,500 freshers. The company recruited around 16,800 employees in last two consecutive quarters. Attrition rate stood at 11.8% in Q1FY2022 versus 9.9% in Q4FY2021. The management indicated that attrition rate would inch up in coming quarter considering strong demand environment. The company plans to hire over 22,000 entry-level hires during FY2022.
- **Capital allocation:** HCL Tech announced dividend of Rs. 6 per share versus Rs. 16 per share in Q4FY2021.

Results Rs cr

Particulars	Q1FY22	Q1FY21	Q4FY21	y-o-y (%)	q-o-q (%)
Revenue ($ mn)	**2,719.6**	**2,355.5**	**2,695.9**	**15.5**	**0.9**
Net sales	**20,068.0**	**17,841.0**	**19,642.0**	**12.5**	**2.2**
Direct costs	12,197.0	10,728.0	11,740.0	13.7	3.9
Gross profit	**7,871.0**	**7,113.0**	**7,902.0**	**10.7**	**-0.4**
Research & development	396.0	342.0	335.0	15.8	18.2
SG&A	2,567.0	2,205.0	2,470.0	16.4	3.9
EBITDA	**4,908.0**	**4,566.0**	**5,097.0**	**7.5**	**-3.7**
Depreciation and amortisation	977.0	906.0	1,117.0	7.8	-12.5
EBIT	**3,931.0**	**3,660.0**	**3,980.0**	**7.4**	**-1.2**
Forex gain/(loss)	41.0	-	47.0	-	-12.8
Other income	153.0	205.0	143.0	-25.4	7.0
PBT	**4,125.0**	**3,865.0**	**4,170.0**	**6.7**	**-1.1**
Tax provision	894.0	929.0	1,191.0	-3.8	-24.9
Net profit	**3,214.0**	**2,923.0**	**2,387.0**	**10.0**	**34.6**
Adjusted net profit	**3,214.0**	**2,923.0**	**2,962.0**	**10.0**	**8.5**
EPS (Rs.)	12.3	10.8	12.0	13.7	2.3
Margin (%)				**BPS**	**BPS**
EBITDA	24.5	25.6	25.9	-114	-149
EBIT	19.6	20.5	20.3	-93	-67
NPM	16.0	16.4	12.2	-37	386

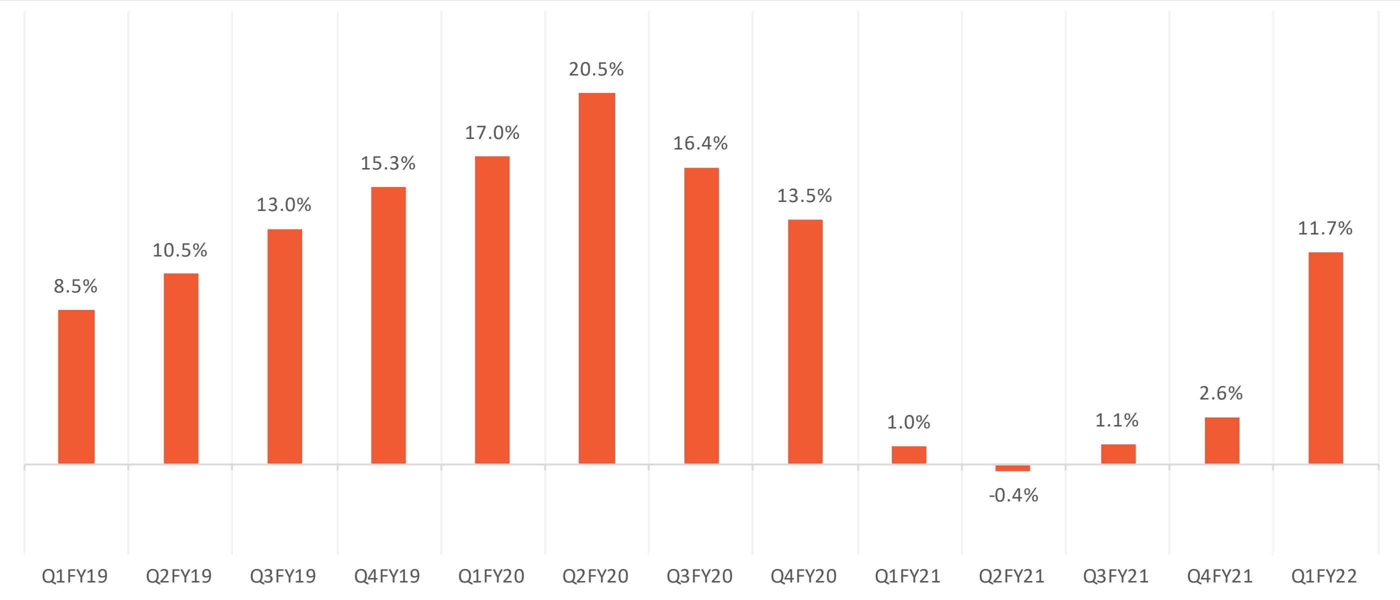
Source: Company; Sharekhan Research

Revenue mix: Geographies, industry verticals and other operating metrics

Particulars	Revenues	Contribution	$ Growth (%)		CC growth (%)	
	($ mn)	(%)	q-o-q	y-o-y	q-o-q	y-o-y
Revenues ($ mn)	2,720	100	0.9	15.5	0.7	11.7
Geographic mix						
Americas	1,716	63.1	2.7	14.4	2.6	13.5
Europe	759	27.9	-3.3	13.8	-3.9	5.1
RoW	245	9.0	2.0	29.9	2.4	20.0
Industry verticals						
Financial services	601	22.1	3.2	13.9	2.9	8.8
Manufacturing	468	17.2	-2.0	9.7	-2.2	5.3
Technology & services	470	17.3	1.5	16.1	1.6	14.9
Retail & CPG	272	10.0	-0.1	15.5	-0.1	11.4
Telecommunications, media, publishing & entertainment	215	7.9	-1.6	20.0	-1.9	17.0
Lifesciences & healthcare	400	14.7	5.2	23.9	5.4	22.1
Public services	294	10.8	-2.7	13.4	-3.4	6.5
Service line						
IT and business services	1,947	71.6	0.5	17.8	0.3	13.0
Engineering and R&D Services	416	15.3	2.2	10.4	4.3	10.7
Products & platforms	356	13.1	1.7	9.6	-1.0	6.0
Clients Contribution						
Top 5	354	13.0	-0.6	8.0	-	-
Top 10	566	20.8	0.4	14.9	-	-
Top 20	827	30.4	-0.4	14.0	-	-

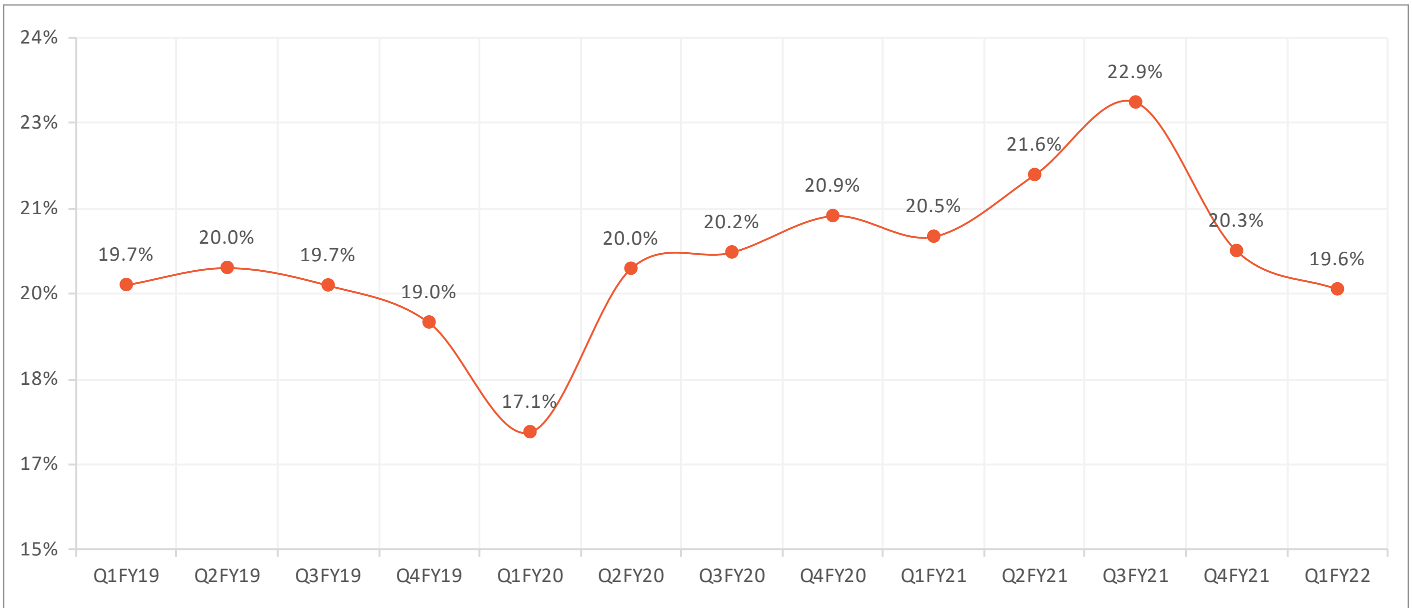
Source: Company; Sharekhan Research

HCL Tech' constant-currency revenue growth trend (y-o-y)



Source: Company, Sharekhan Research

EBIT margin expanded by 127 bps q-o-q despite partial wage revision



Source: Company, Sharekhan Research

Outlook and Valuation

■ Sector View – Expect acceleration in technology spending going forward

The COVID-19 pandemic is estimated to drag the world output by 3.3% in CY2020, as advanced economies see GDP shrink by 4.7%. As a result, global technology spend is estimated to have declined 3.2% to $1.4 trillion in 2020. Within that, IT services spending is likely to have declined 3.9%, while business process management spends fell by 2.4%. After the initial dislocations led to contractions, the need for business continuity, operational resilience and the switch to digital transactions has led to strong demand for IT services. Industry analysts such as Gartner estimate that IT services spending would grow by 7-9% over CY2021-CY2024E as compared to the average of 3.6% achieved over CY2010-CY2020. Forecasts indicate higher demand for cloud infrastructure services, a potential increase in specialised software, potential investments in transformation projects by clients, and increased online adoption across verticals.

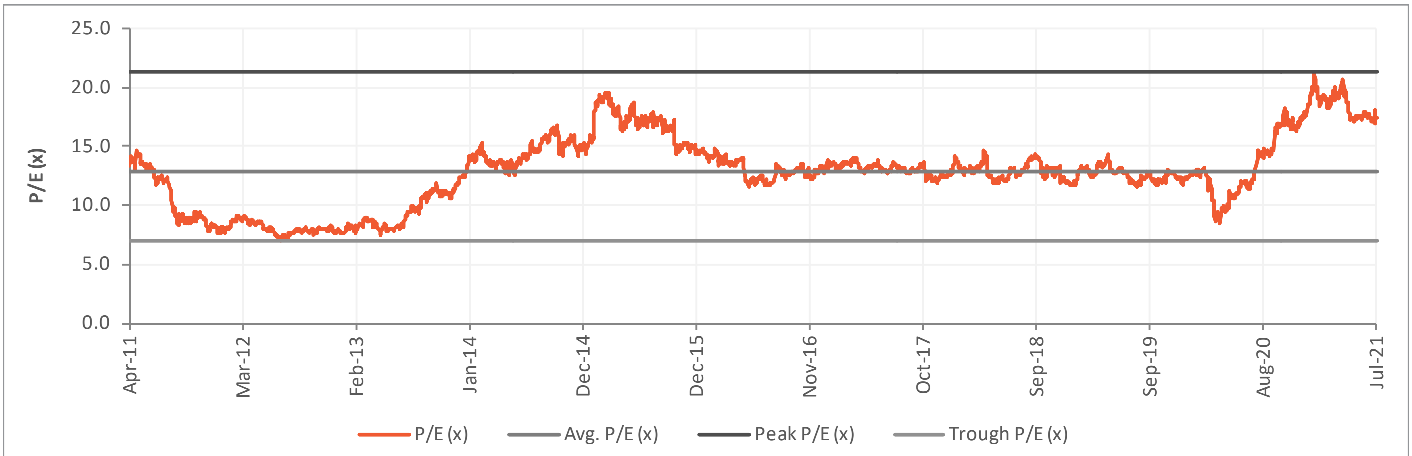
■ Company Outlook – Growth on recovery path

HCL Technologies has invested aggressively in the fast-growing Mode-2 (a good proxy for digital offering) capabilities, which would help HCL Technologies to deliver strong revenue growth in coming years. The company has made large investments towards the acquisition of IP products to diversify its focus on new high-margin revenue streams. The addressable market opportunity for IMS is huge, with only a 10-12% penetration in the addressable market. Given its differentiated positioning in IMS and strong capabilities in engineering services, HCL Technologies is well-positioned to maintain growth momentum in these segments going ahead. HCL Tech's strength in cloud infrastructure and capabilities in digital offerings, make it a strong contender for building out digital foundations for clients.

■ Valuation – Maintain Buy with a PT of Rs. 1200

We tweaked earnings estimates for FY2022E/FY2023E, to factor in Q1FY2022 results, recovery in the Europe business and asset-heavy industries from Q2FY2022 and strong deal pipeline. We believe, strong deal pipeline, aggressive net employee addition (at over 16,800 in the last two quarters), healthy deal bookings (37% y-o-y) and rising spends on digital and cloud initiatives create strong platform for HCL Technologies to deliver revenue growth in FY2022E. Management expects its investments in sales, Mode-2 capabilities and new geography expansion would help to accelerate its growth in FY2023. We introduced FY2024 numbers in this note. At CMP, the stock trades at a reasonable valuation of 20x/17x its FY2022E/FY2023E earnings. With improving free cash flow (FCF) generation, we expect that the management would maintain a higher payout ratio in coming quarters. Hence, we maintain a Buy rating on the stock with a revised PT of Rs. 1,200.

One-year forward P/E (x) band



Source: Sharekhan Research

Peer valuation

Particulars	CMP (Rs / Share)	O/S Shares (Cr)	MCAP (Rs Cr)	P/E (x)		EV/EBIDTA (x)		P/BV (x)		RoE (%)	
				FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Infosys	1,542	426	6,56,666	29.2	25.1	20.1	17.5	4.4	4.1	27.7	30.0
TCS	3,184	370	11,77,926	29.7	26.2	21.0	18.8	12.1	10.7	42.6	43.4
HCL Tech	1,000	271	2,71,421	19.9	17.4	12.9	11.1	4.1	3.7	21.5	22.1

Source: Company, Sharekhan estimates

About company

HCL Tech is a leading global technology company providing software-led IT solutions, remote infrastructure management, and BPO services and engineering-related services. Further, the company helps global enterprises re-imagine and transform their businesses through digital technology transformation. HCL Tech leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi-service delivery in key industry verticals.

Investment theme

HCL Tech's revenue growth momentum is expected to accelerate, led by several large deal wins in the past few quarters and gradual recovery in infrastructure management services. The company focuses on chasing large deals to capture market share from incumbents in consolidation deals. Being the leader in IMS practices and the third-largest engineering services player globally in revenue, the company is well positioned to win large deal wins. Strong deal wins along with acquisition of select IP products will help the company to drive growth going ahead.

Key Risks

1) Continued slowdown in organic revenue growth, 2) integration issues in ongoing M&A activities, especially IP-related transactions, 3) rupee appreciation and/or adverse cross-currency movements, 4) pressure in renewal of IMS deals, 5) any hostile regulatory visa norms could have an impact on employee expenses, and 6) any major macro issues in developed markets, especially in the U.S. and Europe.

Additional Data

Key management personnel

Shiv Nadar	Founder & Chairman
C Vijay Kumar	President & CEO
Prateek Aggarwal	Chief Financial Officer
G H Rao	President – Engineering and R&D Services
Rahul Singh	President – Financial Services

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Pvt Ltd	2.18
2	BlackRock Inc	1.61
3	Artisan Partners LP	1.56
4	Life Insurance Corp of India	1.45
5	ICICI Prudential Asset Management	1.45
6	Vanguard Group Inc/The	1.43
7	Vontobel Holding AG	0.83
8	Nomura Holdings Inc	0.72
9	Norges Bank	0.59
10	Virtus Investment Partners Inc	0.59

Source: Bloomberg

Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research

Sharekhan

by BNP PARIBAS

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