

Q4FY22 result review
and earnings revision

Technology

Target price: Rs1,150

Earnings revision

(%)	FY23E	FY24E
Sales	↑ 1.8	↑ 1.3
EBIT	↓ 2.8	↓ 1.3
EPS	↓ 2.7	↓ 1.3

Target price revision

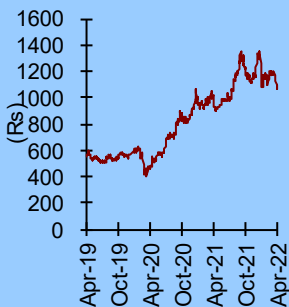
Rs1,150 from Rs1,177

Shareholding pattern

	Sep '21	Dec '21	Mar '22
Promoters	60.3	60.3	60.7
Institutional investors	34.8	34.2	33.7
MFs and others	7.8	9.0	9.7
FIs/Bank	0.2	0.1	0.1
Insurance Cos.	4.3	4.4	4.8
FII	22.5	20.7	19.1
Others	4.9	5.5	5.6

Source: www.nseindia.com

Price chart



Research Analysts:

Aniket Pande

aniket.pande@icicisecurities.com
+91 22 6807 7573

Heenal Gada

heenal.gada@icicisecurities.com
+91 22 6807 7504

INDIA

HCL Technologies

Deja vu

HOLD

Maintain

Rs1,099

HCLT's results exhibited a similar theme as the last three quarters: strong services growth, margin performance impacted by weak Products business, and a healthy TCV. HCLT reported a miss on revenue growth at 1.1% QoQ CC (vs 1sec: +1.5%). Miss was on account of 24% QoQ CC decline in Products and Platforms but Services (ITBS and ERS) posted strong growth of 5% QoQ CC. We would like to highlight that since last three quarters, Services business has consistently grown organically at 5.0% CC QoQ or higher (highest amongst Tier-I). Among Services, IT services posted strong growth of 5.2% QoQ and ER&D posted 4% QoQ CC growth. Q1 is a seasonally weak quarter because of pass-through of productivity benefits and HCLT expects Q1FY23 to be no different. HCLT has guided for 12-14 YoY CC growth for FY23, and we expect revenue growth of 13%/12.3% YoY USD in FY23/24.

On P&P business, management mentioned 20 products have high growth potential and large market opportunities. HCLT will continue investing in these products (HCLT invests \$200mn every year in P&P R&D). These will become the bed-rock of P&P growth going forward. Total revenue of P&P segment is at \$1.4bn and 73% of the revenue (non-licence) is stable and growing, while 27% of the business is volatile based on quarterly booking. Subscription-support services, Professional services and Product and license sales account for 67%, 5% and 28% of revenue.

Product and license sales are a volatile component and revenue recognition depends on quarterly bookings. HCLT's focus is to convert this stream of revenue into subscription-based model. Many of these products are already available in SAAS versions, which will reduce quarterly volatility of P&P segment going forward. We continue to believe that Products business has low growth characteristics; hence, we model a revenue decline over the next two years.

HCLT reported EBIT margins at 17.9%(-110bps QoQ) vs our estimate of 18.5%. Margin decline was on account of lower mix of P&P revenue. IT services margins expanded 90bps QoQ to 17.5% and ER&D services margins rose 50bps QoQ to 19.1%. HCLT has guided for EBIT margin range at 18-20%(in line with our estimates) for FY23, below its earlier guidance of 19-21%. We are estimating EBIT margins at the lower end of the guidance at 18% in FY23 and 19% in FY24. Our EPS estimates get reduced by 3%/1% for FY23/24 on account of cut in margin estimates. HCLT trades at 21x/18x PE on EPS of Rs.52/61 for FY23/24. HCLT's pre-covid (FY18-20) average PE multiple stands at 13.4x vs 20x avg. PE multiple for FY20-24 – a premium of 43% but EPS CAGR stands at 12% for FY22-24 vs 14% for FY18-20. We do believe that HCLT's underperformance in growth and margins w.r.t. to peers will continue, but risk-reward looks favourable to us. We maintain HOLD rating with multiple of 19x on FY24E EPS of Rs61 to arrive at a target price of Rs1,150 (prior: Rs1,177).

Market Cap	Rs2983bn/US\$39.1bn
Reuters/Bloomberg	HCLT.BO/HCLT IN
Shares Outstanding (mn)	2,713.7
52-week Range (Rs)	1358/899
Free Float (%)	39.7
FII (%)	19.1
Daily Volume (US\$'000)	65,150
Absolute Return 3m (%)	(5.9)
Absolute Return 12m (%)	19.0
Sensex Return 3m (%)	(1.8)
Sensex Return 12m (%)	22.6

Year to March	FY21	FY22	FY23E	FY24E
Revenue (Rs mn)	7,53,790	8,55,023	9,85,536	11,04,720
Net Income (Rs mn)	1,24,330	1,32,762	1,40,847	1,65,914
EPS (Rs)	45.8	48.9	51.9	61.2
% Chg YoY	12.4	6.8	6.1	17.8
P/E (x)	24.0	22.5	21.2	18.0
CEPS (Rs)	60.5	64.3	68.9	79.2
EV/E (x)	14.6	13.8	12.8	11.3
Dividend Yield	2.4	2.4	6.6	6.6
RoCE (%)	18.0	17.8	20.1	25.2
RoE (%)	22.0	21.5	23.8	30.2

- ▶ **Revenue below estimates.** Revenue for the quarter was at US\$2993mn (+1.1% QoQ CC) below consensus of 1.5% QoQ CC. Services business (IT services + ER&D) grew 5% QoQ CC, while Products & Platforms (P&P) segment declined 24% QoQ CC due to seasonality. Services segment has consistently grown at 5%+ QoQ (CC) CQGR (highest among Tier-1) on the back of strong momentum in digital, cloud and engineering services.

Growth was led by Europe (+2.4% QoQ) and RoW (+3.5% QoQ). In terms of verticals, growth was led by Communication (+6.8% QoQ), Manufacturing (+4.3% QoQ), Lifesciences (+4.1% QoQ) and Public services (+3.2% QoQ).

- ▶ **Healthy deal wins.** Company reported new deal TCV of US\$2.3b, +6% QoQ but declining 27% YoY on a high base. Services TCV was at US\$2.2bn (6 net new deals) while Products TCV was at US\$54mn (4 net new deals).

Deal pipeline has a good mix of transformation deals and healthy mix of large and small deals as well. The pipeline is strong across geographies.

- ▶ **Strong demand environment.** Demand for digital services continues to be strong, and is particularly high for cloud adoption services, agility, modernising applications for SAAS, data and analytics, operating model transformation (dev-ops and intelligent transformation) and cyber security. Clients in the telecom vertical are investing in 5G and telecom modernisation. In Q4FY22, HCLT launched two new 5G applications.

Within Lifesciences, clients are investing in remote patient monitoring devices (like BP monitoring). For manufacturing clients, HCLT launched "M vision" a framework to migrate the legacy firms to next-generation enterprises to make the organisation resilient.

- ▶ **Services segment outlook.** Management expects Q1FY23 to be seasonally weak given absence of pass-through productivity benefits. In the last six months, HCLT has increased focus on cross selling services to P&P clients and is witnessing good synergies between its services and P&P business. HCLT has already seen few RFPs which would not have been possible otherwise. P&P clients now contribute 10% of the deal pipeline.

Growth in ER&D is being driven by 5G, telecom modernisation and industry 4.0. Acquisition of Starschema should further add to HCLT's data engineering capabilities.

- ▶ **P&P segment outlook.** HCLT invests \$200mn every year in P&P R&D. It will continue to invest in 20 products which have high growth potential and large market opportunities. These should help propel P&P growth going forward. Further, company has invested to modernise "Unico" and "Commerce".

Of total revenues, 67% is subscription based, 5% is professional services around products and balance is license sales which causes lumpiness in the business. HCLT's focus is to convert this stream of revenue into subscription-based model. Many of these products are already available in SAAS versions, which will reduce the quarterly volatility of the P&P segment going forward. This is a multiyear journey and HCLT is at the start of this journey.

- ▶ **FY23 guidance.** Management guided to grow at 12-14% YoY in FY23 driven by deal pipeline, solution accelerations and HCLT's strengthened application and data modernisation capability. EBIT margins were guided to be in the range of 18-20%. This will imply improvement in margins from FY22 exit rate.
- ▶ **Miss on margins.** EBIT margins for the quarter stood at 17.9% down 110bps QoQ (30bps below consensus). Margin decline was largely due to lower mix of P&P revenues in the quarter. IT services margins increased 90bps QoQ to 17.5% while ER&D service margins increased 50bps QoQ to 19.1%. P&P margins declined 11ppts to 19.1% due to revenue decline.

In FY22, HCLT made significant investments in talent model transformation– near shore delivery, large fresher hiring and employee training. HCLT has invested in 12 countries, including 5 focused countries (these investments will continue in FY23 also); these will deliver returns in the next few quarters.

Further, management indicated that customers are receptive of price increase especially for Mode 2 services. However, it will take few quarters to release price hikes while wage hikes will come sooner.

- ▶ **Strong hiring continues.** Net addition for the quarter was at 11.1k, +5.6% QoQ. Management intends to proactively invest to create talent pool to address upcoming growth opportunities.
- ▶ **Other highlights.** Given there is no large acquisition in the pipeline, management intends to focus more on payouts to shareholders as its capital allocation policy. Company announced Rs.18 per share as interim dividend for FY23.

Table 1: Q4FY22 actuals vs estimates (INR mn)

	Q4FY22	Q3FY22	QoQ	Q4FY21	YoY	Q4FY22E-I-Sec	vs our estimates
Sales (\$ m)	2,993	2,978	0.5%	2,696	11.0%	2,987	0.2%
Rs bn							
Sales	226	223	1.2%	196	15.1%	225	0.5%
EBIT Margin	17.9%	19.1%	-106 bps	17.5%	53 bps	18.5%	-49 bps
PBT	43	44	-2.5%	35	22.8%	44	-2.6%
Tax	7	10	-26.6%	12	-39.2%	10	-26.1%
Tax Rate	16.7%	22.2%	-548 bps	33.7%	-1702 bps	22.0%	-531 bps
Reported PAT	35	34	2.8%	11	221.2%	34	2.7%
EPS	13.1	12.7	3.1%	4.1	222.0%	12.7	2.9%

Source: Company data, I-Sec research

Table 2: Change in estimates

	Revised		Old		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Rs bn						
Revenues	986	1,105	968	1,090	1.8	1.3
EBIT	178	210	183	213	(2.8)	(1.3)
EBIT margin	18.0	19.0	18.9	19.5	-90bps	-50bps
EPS (Rs/share)	51.9	61.2	53.4	62.0	(2.7)	(1.3)
Revenues (US\$ mn)	12,968	14,347	12,733	14,158	1.8	1.3
Revenue growth (US\$, %)	12.9	10.6	11.0	11.2	200bps	-60bps

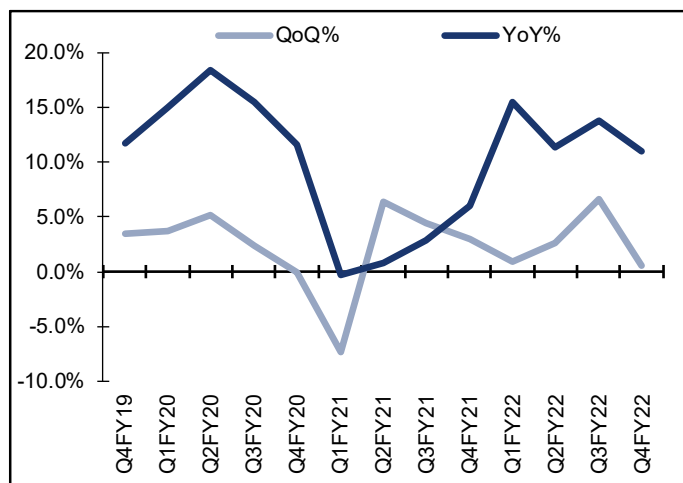
Source: Company data, I-Sec research

Table 3: Segmental growth (Q4FY22)

	Revenues (US\$ mn)	QoQ CC (%)	YoY CC (%)	% of total
Total Revenues	2,993	1.1	13.3	100.0
Revenue by geography				
US	1,880	0.2	13.0	62.8
Europe	847	2.3	13.6	28.3
AsiaPac	266	3.5	15.0	8.9
Revenue by verticals				
Financial Services	626	0.4	10.2	
Manufacturing	539	4.3	16.6	18.0
Life Sciences + Healthcare	446	4.1	18.5	14.9
Public Services	320	3.2	7.8	10.7
Retail, CPG	281	(5.6)	6.0	9.4
Telecom/ Media/ publishing	257	6.8	20.2	8.6
Technology & Services	524	(3.8)	14.3	17.5
Revenue by segment				
IT and Business Services	2,200	5.2	16.2	73.5
Engineering and R&D				
Services	491	3.9	23.7	16.4
Products & Platforms	305	(24.0)	(13.9)	10.2

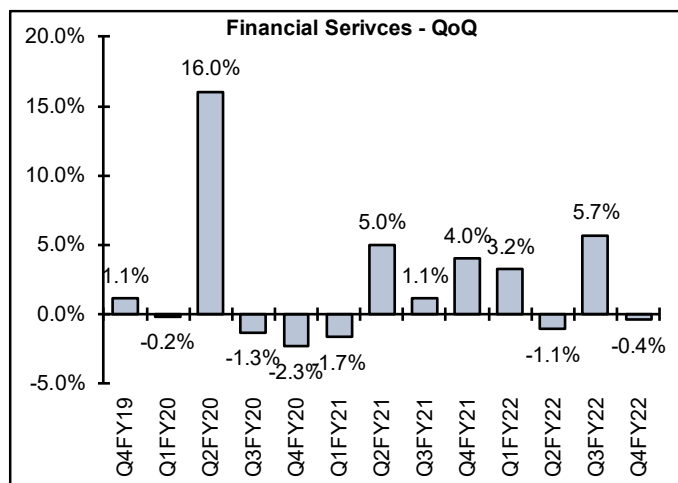
Source: Company data, I-Sec research

Chart 1: HCLT reported 1.1% QoQ CC growth



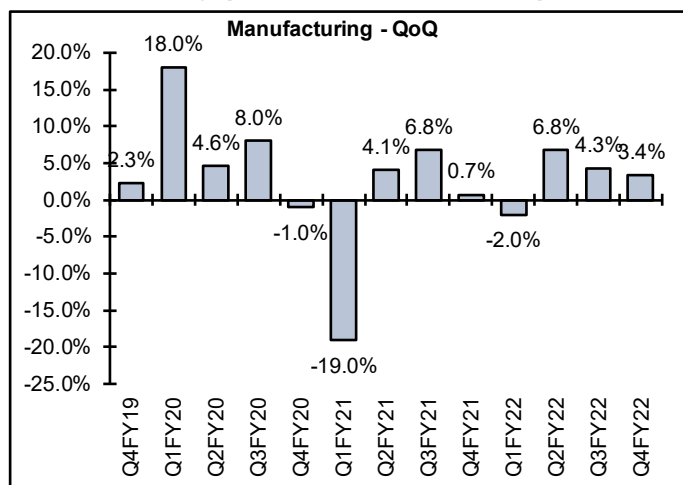
Source: Company, I-Sec research

Chart 2: Financial Services was largely flat QoQ



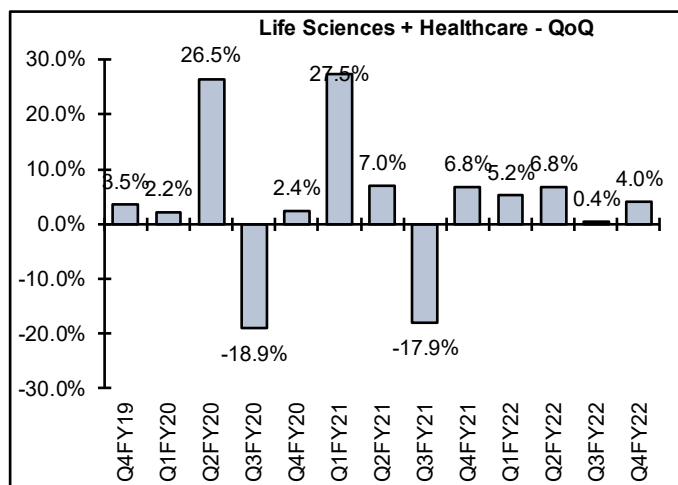
Source: Company, I-Sec research

Chart 3: Steady growth in Manufacturing



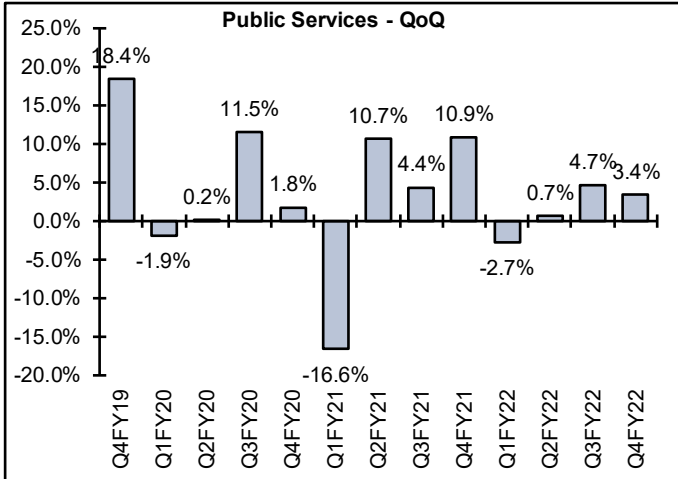
Source: Company, I-Sec research

Chart 4: Pickup in Lifesciences & Healthcare



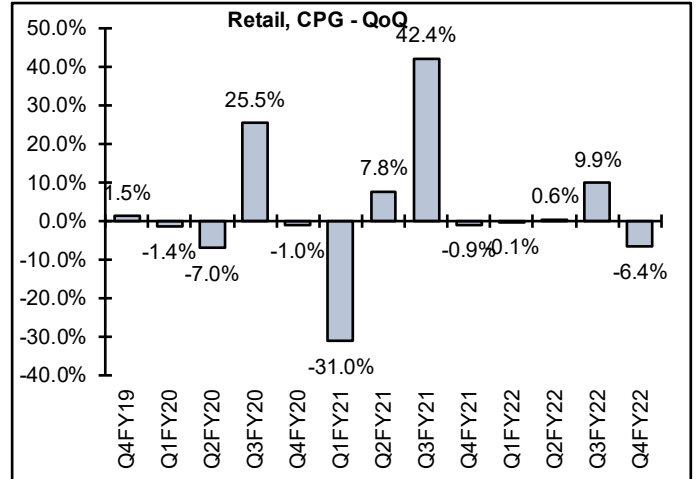
Source: Company, I-Sec research

Chart 5: Steady growth in Public services



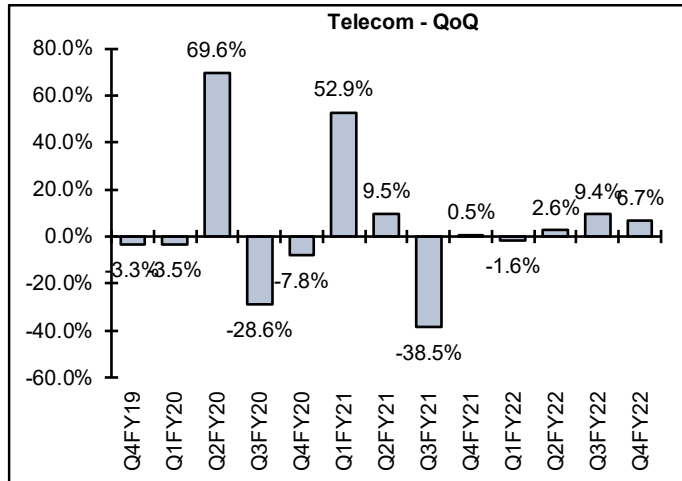
Source: Company, I-Sec research

Chart 6: Retail & CPG declined QoQ



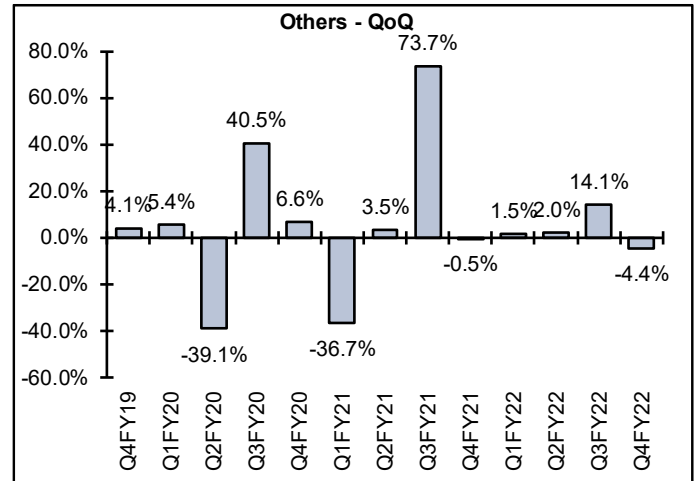
Source: Company, I-Sec research

Chart 7: Steady growth in Telecom



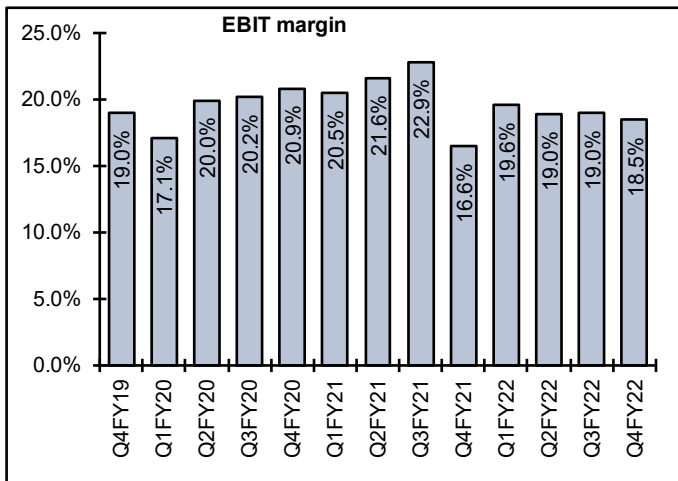
Source: Company, I-Sec research

Chart 8: Growth in others declined



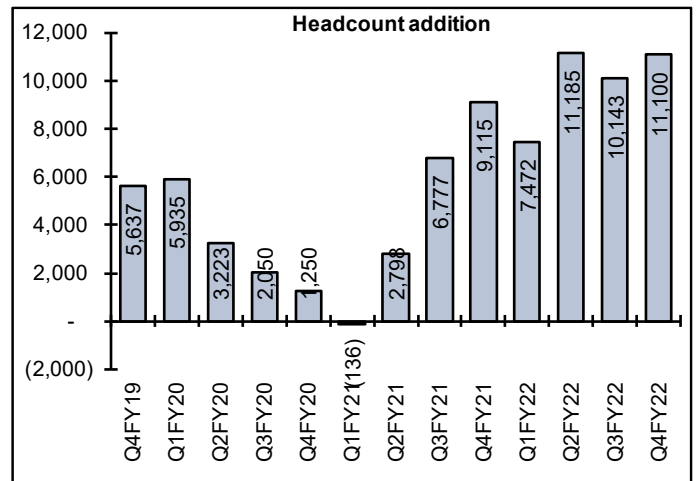
Source: Company, I-Sec research

Chart 9: Margins declined sequentially



Source: Company, I-Sec research

Chart 10: Net addition remained strong



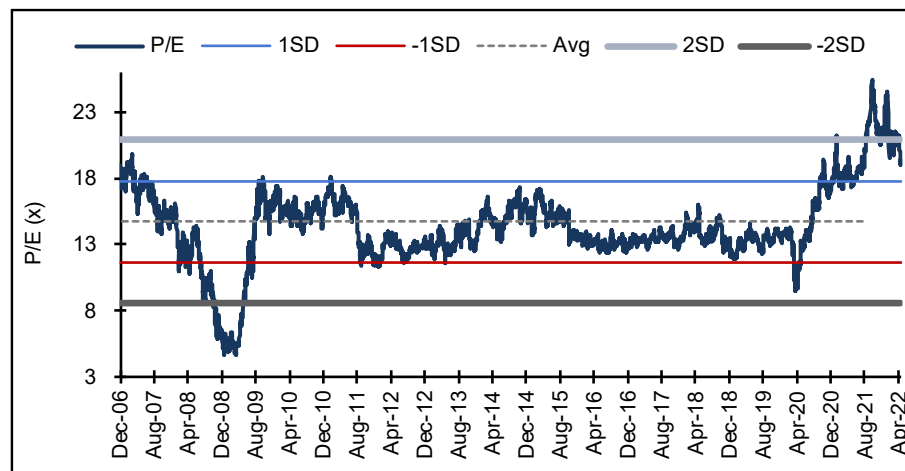
Source: Company, I-Sec research

Table 4: HCLT summary

Rs bn	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
USD Rev (mn)	7,837	8,633	9,936	10,175	11,481	12,968	14,347
YoY	12.4%	10.1%	15.1%	2.4%	12.8%	12.9%	10.6%
Revenues	506	604	707	754	855	986	1,105
YoY	8.2%	19.5%	17.0%	6.6%	13.4%	15.3%	12.1%
EBIT	100	118	139	153	161	178	210
Margin	19.8%	19.6%	19.6%	20.4%	18.9%	18.0%	19.0%
PAT	88	101	111	124	133	141	166
EPS (Rs)	31	37	41	46	48.9	51.9	61.2
Payout	86%	66%	21%	57%	53%	139%	118%
OCF	83	90	134	196	145	172	202
FCF	65	27	54	165	153	122	150
RoE	25%	26%	24%	22%	22%	24%	30%
P/E	35.1	29.9	26.9	24.0	22.5	21.2	18.0

Source: Company data, I-Sec research

Chart 11: 1-year forward P/E



Source: Bloomberg, I-Sec research.

Financial summary

Table 5: Profit and loss statement

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
Revenues (US\$mn)	10,175	11,481	12,968	14,347
Operating Revenues (Sales)	7,53,790	8,55,023	9,85,536	11,04,720
Operating Expenses	5,60,510	6,51,954	7,61,834	8,45,988
EBITDA	1,93,280	2,03,068	2,23,702	2,58,732
% margins	25.6	23.8	22.7	23.4
Depreciation/Amortisation	39,850	41,666	46,129	48,835
EBIT	1,53,430	1,61,402	1,77,572	2,09,897
% margins	20.4	18.9	18.0	19.0
Other Income	6,570	8,800	4,920	4,920
Recurring PBT	1,60,000	1,70,202	1,82,492	2,14,817
Less: Taxes	35,100	36,870	41,086	48,342
Less: Minority Interest	570	570	560	560
Net Income (Reported)	1,24,330	1,32,762	1,40,847	1,65,914

Source: Company data, I-Sec research

Table 6: Balance sheet

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
Assets				
Total Current Assets	4,30,520	4,80,410	4,51,823	4,39,233
Total Current Liabilities & Provisions	1,67,550	1,80,140	2,05,860	2,26,739
Net Current Assets	2,62,970	3,00,270	2,45,963	2,12,493
Investments	890	1,120	1,120	1,120
Net Fixed Assets	3,77,870	3,29,010	3,33,010	3,37,010
Other Assets	67,750	79,790	79,790	79,790
Total Assets	7,09,480	7,10,190	6,59,883	6,30,413
Liabilities				
Borrowings	39,070	39,850	39,850	39,850
Other Liabilities	49,500	50,280	50,280	50,280
Net Worth	6,20,910	6,20,060	5,69,753	5,40,283
Total Liabilities	7,09,480	7,10,190	6,59,883	6,30,413

Source: Company data, I-Sec Research

Table 7: Cashflow statement

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
Operating Cashflow before W Cap changes	1,59,290	1,68,798	1,84,056	2,11,830
Working Capital Inflow / (Outflow)	36,890	(23,370)	(11,628)	(9,439)
Operating Cashflow	1,96,180	1,45,428	1,72,428	2,02,390
Capex	(31,150)	7,194	(50,129)	(52,835)
Other investing activities	(26,270)	(6,640)	2,920	2,920
Proceeds from Issue of Share Capital	-	(63,057)	4,230	-
Inc/(Dec) in Borrowings / other L.Term Liabs	(79,240)	1,560	-	-
Dividend paid	(32,560)	(70,555)	(1,95,384)	(1,95,384)
Increase/(Decrease) in Cash	26,960	13,930	(65,935)	(42,909)

Source: Company data, I-Sec research

Table 8: Key ratios

(Year ending March 31)

	FY21	FY22	FY23E	FY24E
Per Share Data (in Rs)				
Adjusted EPS	45.8	48.9	51.9	61.2
Recurring Cash EPS	60.5	64.3	68.9	79.2
Dividend per share (DPS)	26.0	26.0	72.0	72.0
Book Value per share (BV)	226.7	228.2	208.1	197.2
Growth Ratios (%)				
Operating Income (Sales) - US\$ terms	2.4	12.8	12.9	10.6
Operating Income (Sales)	6.6	13.4	15.3	12.1
EBITDA	15.8	5.1	10.2	15.7
Reported Net Income	12.4	6.8	6.1	17.8
Adjusted EPS	12.4	6.8	6.1	17.8
Recurring Cash EPS	18.1	6.2	7.2	14.9
Valuation Ratios (x)				
P/E	24.0	22.5	21.2	18.0
P/CEPS	18.2	17.1	15.9	13.9
P/BV	4.8	4.8	5.3	5.6
EV / EBITDA	14.6	13.8	12.8	11.3
EV / Sales	3.7	3.3	2.9	2.6
Operating Ratios				
Other Income / PBT (%)	4.1	5.2	2.7	2.3
Effective Tax Rate (%)	21.9	21.7	22.5	22.5
Receivables (days)	85	88	87	86
Return/Profitability Ratios (%)				
Reported Net Income Margins	16.5	15.5	14.3	15.0
RoCE (Based on Avg)	18.0	17.8	20.1	25.2
RoNW (Based on Avg)	22.0	21.5	23.8	30.2
Dividend Yield	2.4	2.4	6.6	6.6
EBITDA Margins	25.6	23.8	22.7	23.4

Source: Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

*New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return*

ANALYST CERTIFICATION

I/We, *Aniket Pande, MBA' Heenal Gada, CA*; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH00000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities 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 ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities 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 ICICI Securities policies, in circumstances where ICICI Securities 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. ICICI Securities 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. ICICI Securities 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.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any 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 managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates 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 ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.