

Wipro

HOLD

Macro, slowdown in discretionary spend a key dampener

Summary

Wipro's (WRPO) reported subdued Q3FY23 results. The company has guided revenue guidance of 11.5%-12.0% in cc terms which we believe will lead to -0.8%+0.9% growth in Q4FY23E. This indicates macro led challenges. In addition, despite robust order book of US\$4.3 billion in TCV (up 26% YoY), we believe conversion of TCV wins to revenues will lag due to longer transition in vendor consolidation, macro uncertainty, lower discretionary spend and delay in decision making. This coupled with slowdown in Europe will impact near term growth. Hence, we expect FY24E revenue growth to be subdued (6.2% YoY) and then reviving in FY25E (up 8.3% YoY). With improving margins and roll forward to FY25E we have revised target price upwards from Rs 425 to Rs 430 (16x FY25E EPS). However, we maintain our Hold rating on the stock.

Key Highlights and Investment Rationale

- Macro to dent growth:** Wipro is witnessing strong demand in ER&D segment. The company continues to win large deals (11 in the quarter) and is targeting to gain more large deals. Wipro is also seeing strong growth in cloud, security, engineering and data. However, lag in conversion of TCV wins due to longer transition in vendor consolidation, macro uncertainty, lower discretionary spend and delay in decision making will impact revenue growth. Hence, we expect revenues to grow at a CAGR of 7.3% over FY22-25E.
- Margins to remain key overhang in near term:** Wipro has witnessed healthy growth in Q3 margins. Going forward with levers like higher utilisation, pyramid rationalisation, re-allocation of resources to T&M from fixed contract and lower lateral hiring will drive margins. Hence, we expect margins to improve by 157 bps and 37 bps to 16.5% & 16.8% in FY24E & FY25E.

TP	Rs430
CMP	Rs394
Potential upside/downside	9%
Previous Rating	HOLD

Price Performance (%)

	-1m	-3m	-12m
Absolute	(3.1)	3.8	(39.4)
Rel to Sensex	0.3	(1.4)	(37.8)

V/s Consensus

EPS (Rs)	FY23E	FY24E	FY25E
IDBI Capital	20.6	24.4	26.8
Consensus	20.6	24.1	26.9
% difference	(0.2)	1.2	(0.5)

Key Stock Data

Bloomberg/Reuters	WPRO IN/WIPR.BO
Sector	IT Services
Shares o/s (mn)	5,487
Market cap. (Rs mn)	2,159,938
3-m daily avg Trd value (Rs mn)	247.7
52-week high / low	Rs666 / 372
Sensex / Nifty	60,261 / 17,957

Shareholding Pattern (%)

Promoters	73.0
FII	6.6
DII	7.6
Public	12.8

Financial snapshot

Year	FY21	FY22	FY23E	FY24E	FY25E
Revenue	619,430	790,934	903,433	968,647	1,048,819
Change (yoy, %)	2	28	14	7	8
EBITDA	147,780	164,628	168,738	195,003	212,111
Change (yoy, %)	21	11	2	16	9
EBITDA Margin(%)	24	21	19	20	20
Adj.PAT	107,946	122,296	113,200	133,799	147,143
EPS (Rs)	19.7	22.3	20.6	24.4	26.8
Change (yoy, %)	16	13	-7	18	10
PE(x)	20	18	19	16	15
Dividend Yield (%)	0	2	3	3	3
EV/EBITDA (x)	13	12	11	10	8
RoE (%)	19.4	20.2	16.6	18.2	18.3
RoCE (%)	18	18	15	17	18

Source: IDBI Capital Research;

Other Key Highlights

- \$ revenue for the quarter stood at \$2.8bn, growth of 0.6%/10.4% in CC terms (4.1%/12.9% QoQ/YoY in prev quarter) and 0.2%/6.2% in reported terms. Growth was mainly driven by cloud transformation deals.
- Europe led the growth (+2.4%/+12% QoQ/YoY in CC terms), followed by Americas1 (+1.3%/+11% QoQ/YoY in CC terms). However, Americas2 & APMEA recorded sequential decline of 0.9% and 1.2%. Growth in Americas1 was led by Communication vertical growing 14% YoY. Majority of European markets observed double digit YoY growth led by Nordics and order TCV increased by 25% YoY. Energy & utilities and Capital Markets verticals drove the YoY growth of Americas2 with order book rising by 40% YoY. In the APMEA region SE Asia and ME continued to do well and order book TCV grew 22% YoY as pipeline remains robust.
- iDEAS business line grew 12% YoY in CC terms led by Cloud transformation (+27% YoY), Application & data (+18% YoY) and Engineering services (+12% YoY). iCORE line grew 8% YoY as cyber security (+16% YoY) and Digital operations (+9% YoY) continue to see robust demand. Wipro observed 15% YoY uptick in the Cloud Infrastructure Services order book as company is focused on winning large deals.
- Management stated that tech spends remained robust during the quarter despite continuing macro challenges resulting in record order book TCV of \$4.3 bn of which 44% was derived from hyperscalers. Order book has healthy balance of renewals and new wins as Cloud & Engineering services which saw YoY of growth of 25% & 45% respectively drove the growth in bookings. However conversion of order book to revenue will lag due to delay in decision making and cut in discretionary spend. Company expects to grow in the European region on the back of market share gains and vendor consolidation opportunities
- EBIT margin for the quarter improved by 165 bps QOQ to 15.6% led by fall in attrition and cost efficiency measures undertaken by the company.
- For FY23, management expects revenue to grow in the range of 11.5%-12% in CC terms on the back of market share gains, vendor consolidation opportunities, robust demand across cloud, engineering & security. Also, Company does not foresee any slowdown in hyperscaler impeding the growth.
- Total headcount stood at 2,58,744 recording a QoQ reduction of 435. LTM Attrition reduced from 23% in previous quarter to 21.2% as quarterly attrition dropped by 360 bps to 17.5%. Wipro expects attrition to further reduce in coming quarters.

Exhibit 1: Financial snapshot

(Rs mn)

Year-end: March	Q3FY23	Q2FY23	QoQ (%)	Q3FY22	YoY (%)
Revenues	232,290	225,397	3.1	203,136	14.4
COGS	154,044	155,866	(1.2)	135,319	13.8
Gross profit	78,246	69,531	12.5	67,817	15.4
SG&A	32,772	30,116	8.8	26,024	25.9
EBITDA	45,474	39,415	15.4	41,793	8.8
Depreciation & amortization	9,229	7,969	15.8	7,459	23.7
EBIT	36,245	31,446	15.3	34,334	5.6
Other income	3,481	2,827	23.1	3,376	3.1
PBT	39,726	34,273	15.9	37,710	5.3
Tax	9,102	7,710	18.1	8,063	12.9
Minority interest	(95)	27	n.m.	43	n.m.
Adjusted net profit	30,529	26,590	14.8	29,690	2.8
Extraordinary items	0	0	n.m.	0	n.m.
Reported net profit	30,529	26,590	14.8	29,690	2.8
Recurring EPS (Rs)	5.6	4.9	14.8	5.4	2.8
As % of net revenue					
Gross profit	33.7	30.8		33.4	
SG&A	14.1	13.4		12.8	
EBITDA	19.6	17.5		20.6	
EBIT	15.6	14.0		16.9	
Reported net profit	13.1	11.8		14.6	
Tax rate	22.9	22.5		21.4	

Source: Company; IDBI Capital Research

Exhibit 2: Earnings Revision

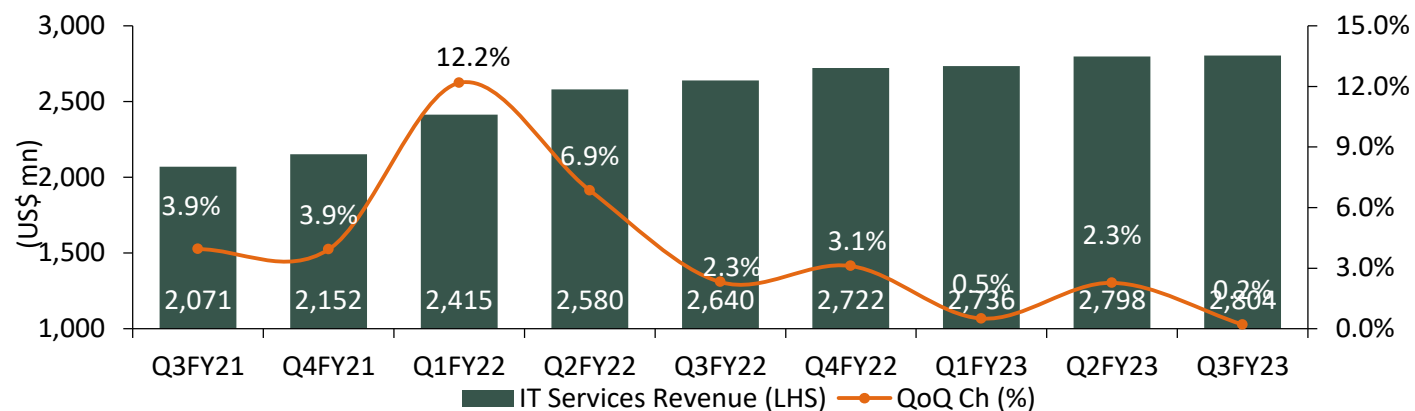
Year-end: March	FY23F			FY24F			FY25E
	New	Old	Chg (%)	New	Old	Chg (%)	Introduced
Revenue (US\$ mn)	11,314	11,415	(0.9)	12,018	12,164	(1.2)	13,013
Revenue (Rs bn)	903.4	902.5	0.1	968.6	968.3	0.0	1,048.8
EBIT margin (%)	14.9%	15.3%	(41) bps	16.5%	17.4%	(94) bps	16.8%
EPS (Rs)	20.6	21.2	(2.8)	24.4	25.9	(5.7)	26.8

Source: Company; IDBI Capital Research

Exhibit 3: Actual vs. estimates

Year to March	Q3FY23	Q3FY23E	Variance (%)
IT Services revenue (US\$ mn)	2,804	2,826	-0.8%
Consolidated revenue (Rs mn)	232,290	234,613	-1.0%
EBIT (Rs mn)	36,245	34,323	5.6%
EBIT margin (%)	15.6%	14.6%	97 bps
Recurring PAT (Rs mn)	30,529	28,856	5.8%
Recurring PAT margin (%)	13.1%	12.3%	84 bps
Recurring EPS (Rs)	5.6	5.3	5.8%

Source: Company; IDBI Capital Research

Exhibit 4: Q3FY23 IT services revenue was below estimates

Source: Company; IDBI Capital Research

Exhibit 5: Large client metrics

Year-end: March	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
US\$100M+	10	11	13	15	17	19	20	19	19
US\$75M+	24	27	27	28	29	29	30	29	29
US\$50M+	38	40	42	44	47	50	50	52	52
US\$20M+	97	93	95	100	110	117	120	122	119
US\$10M+	168	167	176	182	189	194	195	198	202
US\$5M+	260	257	273	279	286	297	306	308	307
US\$3M+	341	349	361	390	399	410	417	425	431
US\$1M+	567	566	601	623	661	679	703	729	739

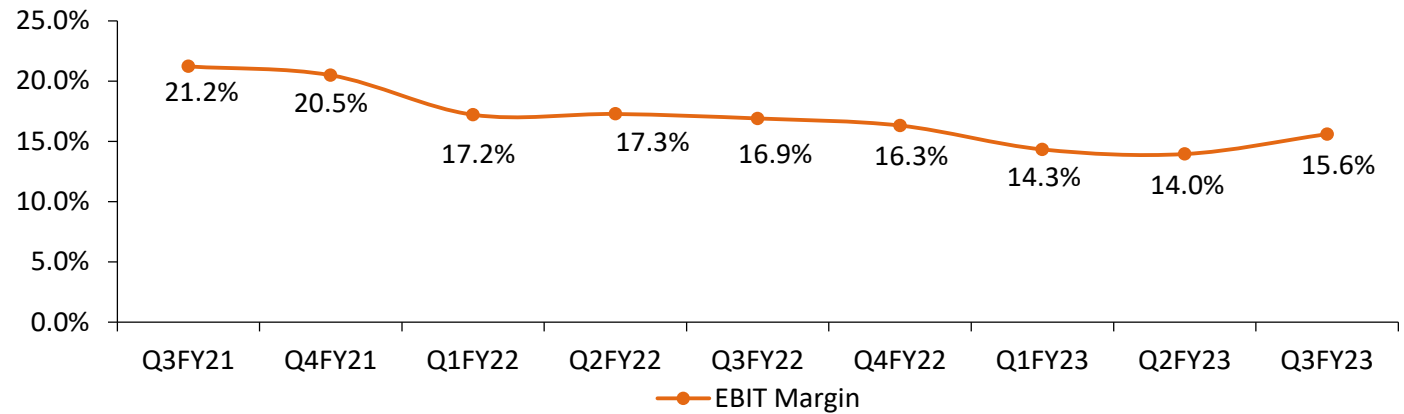
Source: Company; IDBI Capital Research

Exhibit 6: Revenue growth across various segments (%)

Parameters	% of revenue	CC growth (QoQ)	CC growth (YoY)
IT revenue growth		0.6%	10.4%
Global Business Lines			
iDEAS		-0.40%	11.80%
iCORE		2.30%	8.00%
Geography		CC growth (QoQ)	CC growth (YoY)
Americas 1	29.4	1.3%	11.0%
Americas 2	30.8	-0.9%	9.4%
Europe	28.8	2.4%	12.0%
APMEA	11	-1.2%	7.0%
Verticals		CC growth (QoQ)	CC growth (YoY)
BFSI	34.9	-0.2%	9.6%
Consumer	18.9	0.6%	16.8%
Health	12	4.7%	8.9%
Energy, Natural Resources & Utilities	11.4	2.8%	10.1%
Technology	11.3	-1.3%	4.0%
Manufacturing	6.9	0.6%	14.4%
Communications	4.6	-2.6%	6.4%

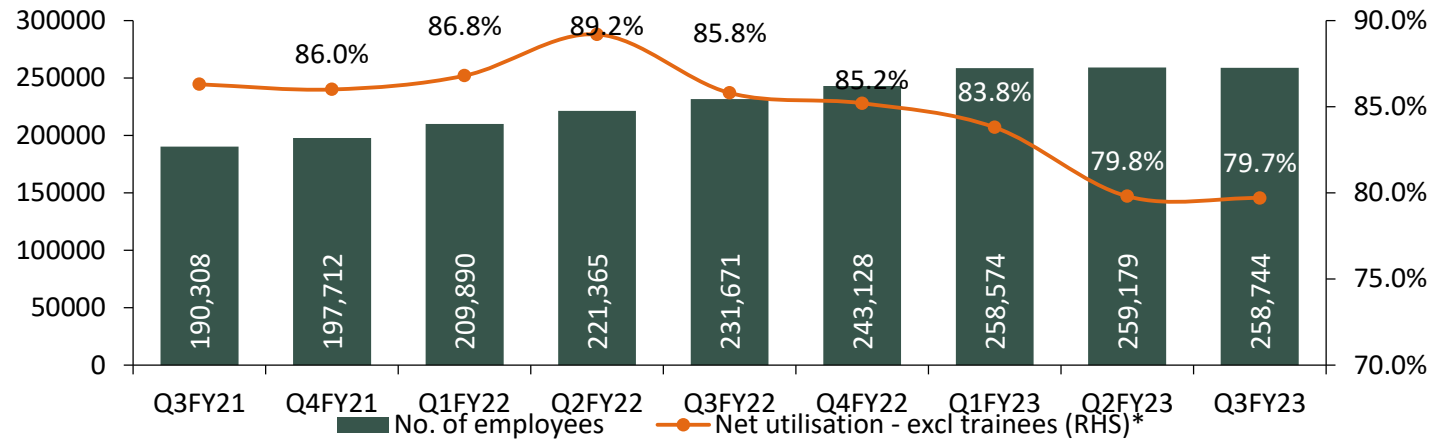
Source: Company; IDBI Capital Research

Exhibit 7: Q3FY23 EBIT margin was above our forecast



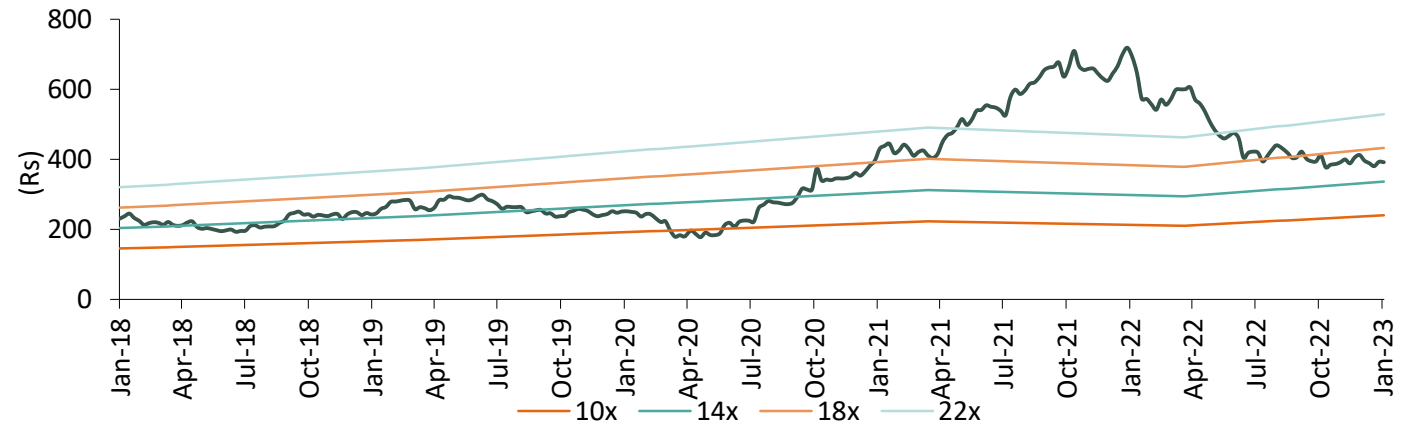
Source: Company; IDBI Capital Research

Exhibit 8: Utilization declined QoQ



Source: Company; IDBI Capital Research

Exhibit 9: One-year forward PER trend



Source: Company; IDBI Capital Research

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net sales	610,232	619,430	790,934	903,433	968,647	1,048,819
<i>Change (yoy, %)</i>	4	2	28	14	7	8
Operating expenses	(487,958)	(471,650)	(626,306)	(734,696)	(773,644)	(836,708)
EBITDA	122,274	147,780	164,628	168,738	195,003	212,111
<i>Change (yoy, %)</i>	5	21	11	2	16	9
<i>Margin (%)</i>	20.0	23.9	20.8	18.7	20.1	20.2
Depreciation	(20,857)	(27,641)	(30,778)	(34,179)	(35,548)	(35,548)
EBIT	101,417	120,139	133,850	134,559	159,455	176,563
Interest paid	(7,328)	(5,088)	(5,325)	(10,119)	(11,608)	(11,608)
Other income	28,394	23,826	22,798	22,214	24,038	24,038
Pre-tax profit	122,483	138,877	151,323	146,654	171,885	188,993
Tax	(24,799)	(30,345)	(28,946)	(33,349)	(37,815)	(41,578)
<i>Effective tax rate (%)</i>	20	22	19	23	22	22
Minority Interest	(466.0)	(586.0)	(81.0)	(104.0)	(272.0)	(272.0)
Net profit	97,218	107,946	122,296	113,200	133,799	147,143
Exceptional items	-	-	-	-	-	-
Adjusted net profit	97,218	107,946	122,296	113,200	133,799	147,143
<i>Change (yoy, %)</i>	8	11	13	(7)	18	10
EPS	17.0	19.7	22.3	20.6	24.4	26.8
Dividend per sh.	1	1	6	12	14	14
<i>Dividend Payout (%)</i>	7	5	27	58	55	50

Balance Sheet

(Rs mn)

Year-end: March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Shareholders' funds	557,458	553,095	658,158	705,574	765,366	838,502
Share capital	11,427	10,958	10,964	10,964	10,964	10,964
Reserves & surplus	546,031	542,137	647,194	694,610	754,402	827,538
Total Debt	78,180	83,332	151,696	151,696	151,696	151,696
Other liabilities	17,564	21,875	35,281	35,281	35,281	35,281
Curr Liab & prov	155,980	169,970	231,234	248,964	264,281	286,155
Current liabilities	143,637	149,612	215,232	222,764	236,191	255,739
Provisions	12,343	20,358	16,002	26,200	28,091	30,416
Total liabilities	251,724	275,177	418,211	435,941	451,258	473,132
Total equity & liabilities	811,057	829,770	1,076,884	1,142,134	1,217,516	1,312,797
Net fixed assets	245,242	253,824	400,312	419,876	411,207	399,419
Investments	9,302	10,592	19,115	19,115	19,115	19,115
Other non-curr assets	36,662	42,168	36,705	61,433	65,868	71,320
Current assets	519,851	523,186	620,752	641,710	721,326	822,944
Inventories	1,865	1,064	1,334	1,485	1,592	1,724
Sundry Debtors	104,474	94,298	115,219	138,609	148,614	160,915
Cash and Bank	334,134	345,500	345,491	380,334	441,081	519,504
Marketable Securities	-	-	-	-	-	-
Loans and advances	25,209	27,124	60,809	39,603	42,461	45,976
Total assets	811,057	829,770	1,076,884	1,142,134	1,217,516	1,312,797

Cash Flow Statement

(Rs mn)

Year-end: March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Pre-tax profit	122,483	138,877	151,323	146,654	171,885	188,993
Depreciation	17,354	3,874	6,864	35,548	38,668	41,788
Tax paid	(25,792)	(24,196)	(22,072)	(33,349)	(37,815)	(41,578)
Chg in working capital	8,501	23,052	6,388	15,395	2,346	5,927
Other operating activities	(74,725)	(114,175)	(15,903)	75,730	(15,747)	(665,056)
Cash flow from operations (a)	47,821	27,432	126,600	239,979	159,339	(469,926)
Capital expenditure	(61,253)	(12,456)	(153,352)	(55,112)	(30,000)	(30,000)
Chg in investments	(2,386)	(1,290)	(8,523)	-	-	-
Other investing activities	-	-	-	-	-	-
Cash flow from investing (b)	(63,639)	(13,746)	(161,875)	(55,112)	(30,000)	(30,000)
Equity raised/(repaid)	101	(1,030)	858	(91,868)	-	-
Debt raised/(repaid)	(21,287)	5,152	68,364	-	-	-
Dividend (incl. tax)	(6,879)	(5,479)	(32,892)	(65,784)	(74,007)	(74,007)
Chg in minorities	(1,228)	(963)	(1,064)	-	-	-
Other financing activities	-	-	-	-	-	-
Cash flow from financing (c)	(29,293)	(2,320)	35,266	(160,784)	(74,007)	(74,007)
Net chg in cash (a+b+c)	(45,111)	11,366	(9)	24,083	55,332	(573,933)

Financial Ratios

Year-end: March	FY20	FY21	FY22	FY23E	FY24E	FY25E
Book Value (Rs)	97.6	100.9	120.1	128.7	139.6	153.0
Adj EPS (Rs)	17.0	19.7	22.3	20.6	24.4	26.8
Adj EPS growth (%)	14	16	13	-7	18	10
EBITDA margin (%)	20	24	21	19	20	20
Pre-tax margin (%)	20	22	19	16	18	18
Net Debt/Equity (x)	0	0	0	0	0	0
ROCE (%)	15	18	18	15	17	18
ROE (%)	17.3	19.4	20.2	16.6	18.2	18.3

DuPont Analysis

Asset turnover (x)	0.7	0.8	0.8	0.8	0.8	0.8
Leverage factor (x)	1.5	1.5	1.6	1.6	1.6	1.6
Net margin (%)	15.9	17.4	15.5	12.5	13.8	14.0

Working Capital & Liquidity ratio

Inventory days	1	1	1	1	1	1
Receivable days	62	56	53	56	56	56
Payable days	58	59	58	58	58	58

Valuations

Year-end: March	FY20	FY21	FY22	FY23E	FY24E	FY25E
PER (x)	23.2	20.0	17.7	19.1	16.1	14.7
Price/Book value (x)	4.0	3.9	3.3	3.1	2.8	2.6
EV/Net sales (x)	3.3	3.1	2.5	2.1	1.9	1.7
EV/EBITDA (x)	16	13	12	11	10	8
Dividend Yield (%)	0	0	2	3	3	3

Source: Company; IDBI Capital Research



Dealing

(91-22) 6836 1111

dealing@idbicapital.com

Key to Ratings Stocks:**BUY:** 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.**IDBI Capital Markets & Securities Ltd.****Equity Research Desk**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 2217 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

SEBI Registration: BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578**Compliance Officer:** Christina D'souza; Email: compliance@idbicapital.com; Telephone: (91-22) 2217 1907**Disclaimer**

This report has been published by IDBI Capital Markets & Securities Ltd. (hereinafter referred to as "IDBI Capital") for private circulation. This report should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this report. The information contained herein is strictly confidential and meant for 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 the prior written consent of IDBI Capital.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behavior of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

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 IDBI Capital and associates 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 report may come are required to inform themselves of and to observe such restriction.

E-mail is not a secure method of communication. IDBI Capital cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s).

This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrived late. IDBI Capital, its directors or employees or associates accept no liability for any damage caused, directly or indirectly, by this email.

Analyst Disclosures

We, Devang Bhatt and Dhawal Doshi, hereby certify that the views expressed in this report accurately reflect our personal views about the subject companies and / or securities. We also certify that no part of our compensation were, are or would be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, We will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as “IDBI Capital”) was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India’s leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on www.idbicapital.com IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations 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. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital 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. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative’s may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at www.bseindia.com; www.nseindia.com and www.economictimes.indiatimes.com/markets/stocks/stock-quotes.