

Wipro

HOLD

Execution rigor with near term demand constraint

### Summary

Wipro's (WRPO) Q1FY25 numbers were in-line with consensus expectation. Going forward, the company has guided -1% to +1% indicating constraint demand scenario (except BFSI). However, with recovery in BFSI and large deal ramp up in next quarter, we believe growth to be in mid-range of the band. Further, despite green shoots in Capco's consulting clients and large deal wins (net new 10 this quarter), we expect near term growth to be muted. We expect lower discretionary spend, volatile demand and client specific challenges will weigh on Wipro's revenue growth in short term. Hence, we have lowered our EPS estimates downwards by -6% for FY25E. Consequently, we have maintained our target price to Rs 521 (20x FY26E EPS). Thereafter, we downgrade our rating to HOLD on the stock.

### Key Highlights and Investment Rationale

- 5 key focus of the new CEO:** As per management, the 5 theme strategy to be in process on the back of few results seen like lower employees cost QoQ, higher utilization QoQ, pyramid rationalization which would boost the margins, prioritizing large deals with large a/c (Top 100) and full synergies realization.
- Margins to maintain the range:** Going forward management is confident in achieving upper band of the margin range on back of improvement in consulting revenues, pyramid rationalization, rationalization of G&A and acquisition synergy. Hence we expect the EBIT margins in the range of 16%-17% in FY26E.

<b>TP</b>	<b>Rs521</b>
<b>CMP</b>	<b>Rs557</b>
Potential upside/downside	-7%
Previous Rating	BUY

### Price Performance (%)

	-1m	-3m	-12m
Absolute	13.6	23.1	37.7
Rel to Sensex	9.2	12.8	16.9

### V/s Consensus

EPS (Rs)	FY25E	FY26E
IDBI Capital	23	26
Consensus	23	26
% difference	(0.7)	1.7

### Key Stock Data

Bloomberg/Reuters	WPRO IN/WIPR.BO
Sector	IT Services
Shares o/s (mn)	5,231
Market cap. (Rs mn)	2,914,718
3-m daily avg Trd value (Rs mn)	223.1
52-week high / low	Rs580 / 375
Sensex / Nifty	80,605 / 24,531

### Shareholding Pattern (%)

Promoters	72.8
FII	7.1
DII	8.2
Public	11.9

### Financial snapshot

Year	FY22	FY23	FY24	FY25E	FY26E
Revenue	7,90,934	9,04,876	8,97,603	8,84,490	9,56,541
Change (yoy, %)	28	14	(1)	(1)	8
EBITDA	1,64,523	1,68,536	1,69,830	1,72,944	1,99,422
Change (yoy, %)	11	2	1	2	15
EBITDA Margin(%)	20.8	18.6	18.9	19.6	20.8
Adj.PAT	1,22,296	1,13,500	1,10,452	1,17,899	1,36,526
EPS (Rs)	22	21	21	23	26
Change (yoy, %)	13.2	(7.3)	2.2	7	16
PE(x)	25	27	26	25	21
Dividend Yield (%)	1.1	1.3	0.2	3	3
EV/EBITDA (x)	17	16	15	15	13
RoE (%)	20	16	14	15	16
RoCE (%)	18	15	15	15	16

Source: IDBI Capital Research;

### Divija Parekh

divija.parekh@idbicapital.com  
+91-22-4069 1937

### Other Key Highlights

- Group revenue for the quarter stood at \$ 2635.8mn down by 1.1% QoQ & 1% in CC terms. The decline was led by dip in IT services revenue by 1% in CC terms & IT product revenue. The decline was due to lower discretionary spend, cautious environment and lower deal conversion,
- EBIT margin grew by 50bps QoQ at 16.5% led by operational efficiency. Margins are further expected to improve by optimizing G&A expenses and getting more no. of synergies deals.
- Americas 1 improved 0.4% QoQ while, Americas 2, Europe and APMEA decline sequentially by 0.7%, 1.4% and 4.2% respectively.
- The company won 10 large deals (net new) this quarter with \$1.2bn TCv and order bookings of \$3.3bn. Management is focusing on more large deals from BFSI segment. With respect to deal tenure, management stated tenure to be shorter (3-5yrs). Management stated good pipeline in BFSI, Consumer business, Telecom and region-wise; America1 & America2. Also, emphasized on deal conversion improvement from the last quarter.
- **Demand environment:** Management expects good recovery in BFSI sector and healthcare is expected to see the good momentum. E&U & manufacturing is expected to be soft in near term, however, considering the pipeline management is hopeful of recovery in H2FY25E. Consumer & Telecom is expected to be see good momentum in America 1. Management continues to be cautious on demand environment. The company is seeing good traction & momentum in CAPCO. On geo's front, management still sees softness in Europe & APMEA.
- Management emphasized on execution rigor and continues to invest on newer technologies (AI – implementation) strategy of moving to high value transformational projects/ deals and reduce low margin a/c for margin accretion. Company would like to focus more on Top 100 accounts and invest in the same.
- Company guided IT services revenue growth to be in range of -1% to +1% in CC terms and operating margin to be in the same range. Management is confident on sustaining the margins on the back of operational rigor and pyramid rationalization
- Headcount stood at 2,34,391 with attrition at 14.1% and utilization at 87.7% v/s 86.9% last quarter.

## Exhibit 1: Financial snapshot

(Rs mn)

Year-end: March	Q1FY25	Q4FY24	QoQ (%)	Q1FY24	YoY (%)
<b>Revenues</b>	<b>2,19,638</b>	<b>2,22,083</b>	<b>(1.1)</b>	<b>2,28,310</b>	<b>(3.8)</b>
COGS	1,46,017	1,48,814	(1.9)	1,53,881	(5.1)
Gross profit	73,621	73,269	0.5	74,429	(1.1)
SG&A	30,057	29,363	2.4	32,471	(7.4)
<b>EBITDA</b>	<b>43,564</b>	<b>43,906</b>	<b>(0.8)</b>	<b>41,958</b>	<b>3.8</b>
Depreciation & amortization	7,289	8,405	(13.3)	7,380	(1.2)
EBIT	36,275	35,501	2.2	34,578	4.9
Other income	3,941	3,121	26.3	3,394	16.1
PBT	40,216	38,622	4.1	37,972	5.9
Tax	9,850	10,040	(1.9)	9,115	8.1
Minority interest	-334	-236	n.m.	-156	n.m.
Adjusted net profit	30,032	28,346	5.9	28,701	4.6
Extraordinary items	0	0	n.m.	0	n.m.
<b>Reported net profit</b>	<b>30,032</b>	<b>28,346</b>	<b>5.9</b>	<b>28,701</b>	<b>4.6</b>
<b>Recurring EPS (Rs)</b>	<b>5.8</b>	<b>5.4</b>	<b>5.9</b>	<b>5.2</b>	<b>9.9</b>
<b>As % of net revenue</b>					
Gross profit	33.5	33.0		32.6	
SG&A	13.7	13.2		14.2	
EBITDA	19.8	19.8		18.4	
EBIT	16.5	16.0		15.1	
Reported net profit	13.7	12.8		12.6	
Tax rate	24.5	26.0		24.0	

Source: Company; IDBI Capital Research

**Exhibit 2: Earnings Revision**

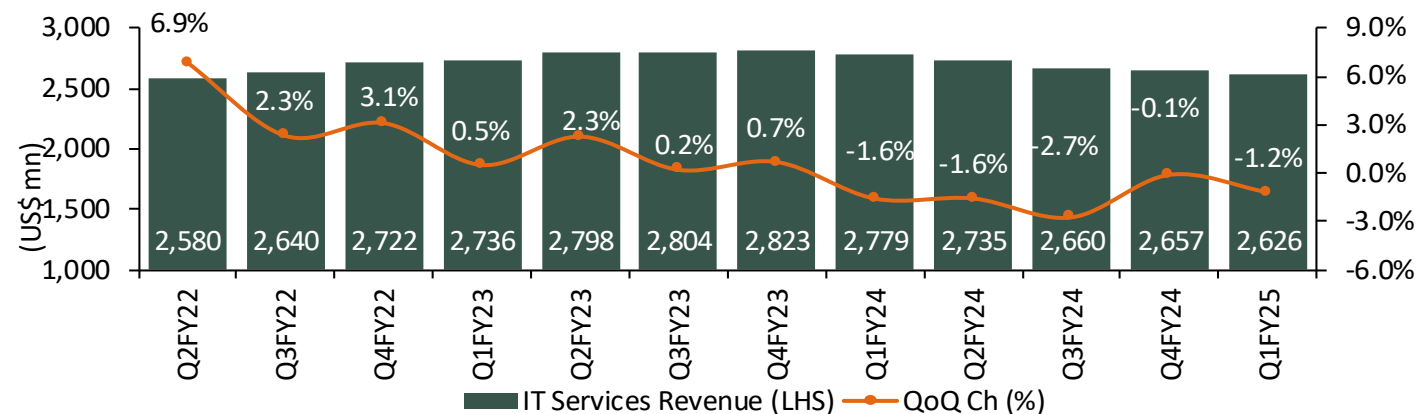
Year-end: March	FY25E			FY26E		
	New	Old	Chg (%)	New	Old	Chg (%)
Revenue (US\$ mn)	10,648	10,827	(1.7)	11,527	11,546	(0.2)
Revenue (Rs bn)	884.5	894.0	(1.1)	956.5	953.6	0.3
EBIT margin (%)	15.8%	16.50%	-74 bps	16.8%	16.7%	13 bps
EPS (Rs)	22.3	23.6	(5.5)	25.8	25.7	0.5

Source: Company; IDBI Capital Research

**Exhibit 3: Actual vs. estimates**

Year to March	Q1FY25	Q1FY25E	Variance (%)
IT Services revenue (US\$ mn)	2,655	2,647	0.3%
Consolidated revenue (Rs mn)	2,19,638	2,20,359	-0.3%
EBIT (Rs mn)	36,275	36,070	0.6%
EBIT margin (%)	16.5%	16.4%	15 bps
Recurring PAT (Rs mn)	30,032	30,588	-1.8%
Recurring PAT margin (%)	13.7%	13.9%	-21 bps
Recurring EPS (Rs)	5.8	5.9	-1.8%

Source: Company; IDBI Capital Research

**Exhibit 4: Q1FY25 IT services revenue were in-line consensus estimates**

Source: Company; IDBI Capital Research

**Exhibit 5: Large client metrics**

Year-end: March	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
US\$100M+	19	20	19	19	19	21	22	22	22
US\$75M+	29	30	29	29	29	28	28	31	32
US\$50M+	50	50	52	52	53	51	51	46	45
US\$20M+	117	120	122	119	117	123	122	121	116
US\$10M+	194	195	198	202	208	207	207	203	205
US\$5M+	297	306	308	307	311	319	313	305	301
US\$3M+	410	417	425	431	427	444	437	430	409
US\$1M+	679	703	729	739	750	769	774	750	741

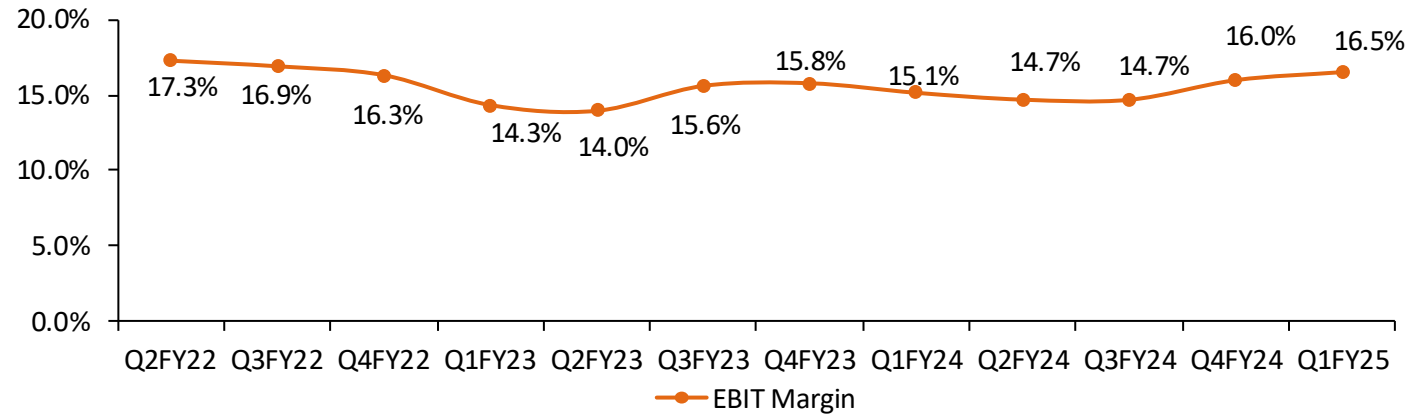
Source: Company; IDBI Capital Research

**Exhibit 6: Revenue growth across various segments (%)**

Parameters	% of revenue	CC growth (QoQ)	CC growth (YoY)
IT revenue growth		-1.0%	-4.9%
Geography		CC growth (QoQ)	CC growth (YoY)
Americas 1	30.9	0.4%	1.4%
Americas 2	30.8	-0.7%	-2.5%
Europe	27.6	-1.4%	-10.7%
APMEA	10.7	-4.2%	-11.7%
Verticals		CC growth (QoQ)	CC growth (YoY)
BFSI	34	0.5%	-4.8%
Consumer	19.2	1.6%	-2.3%
Health	13.9	-2.8%	7.2%
Energy, Natural Resources & Utilities	11.2	-6.3%	-11.1%
Technology	11.5	-0.5%	-3.2%
Manufacturing	6.4	-3.0%	-14.5%
Communications	3.8	-1.8%	-20.6%

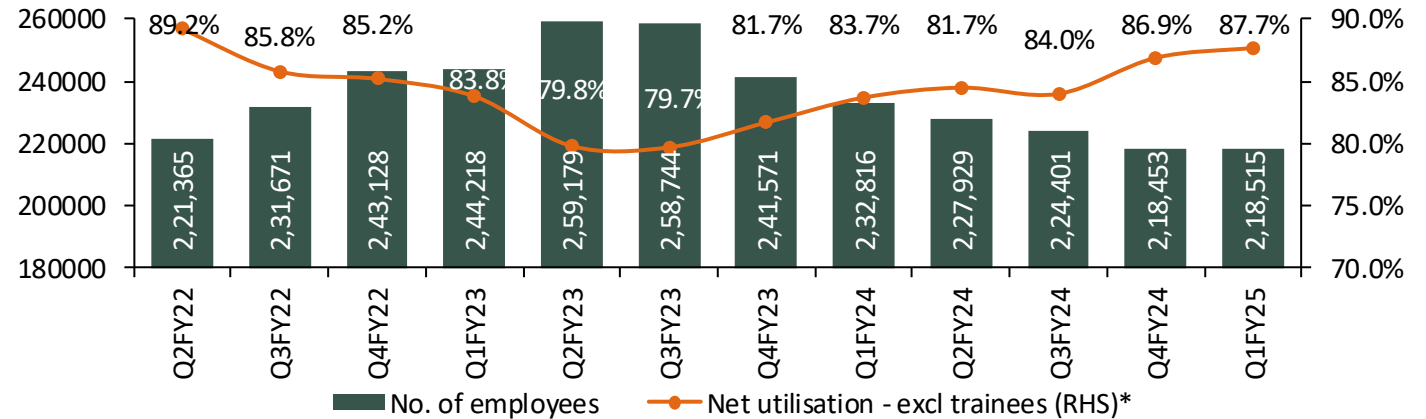
Source: Company; IDBI Capital Research

**Exhibit 7: Q1FY25 EBIT margin improved QoQ by 50bps**



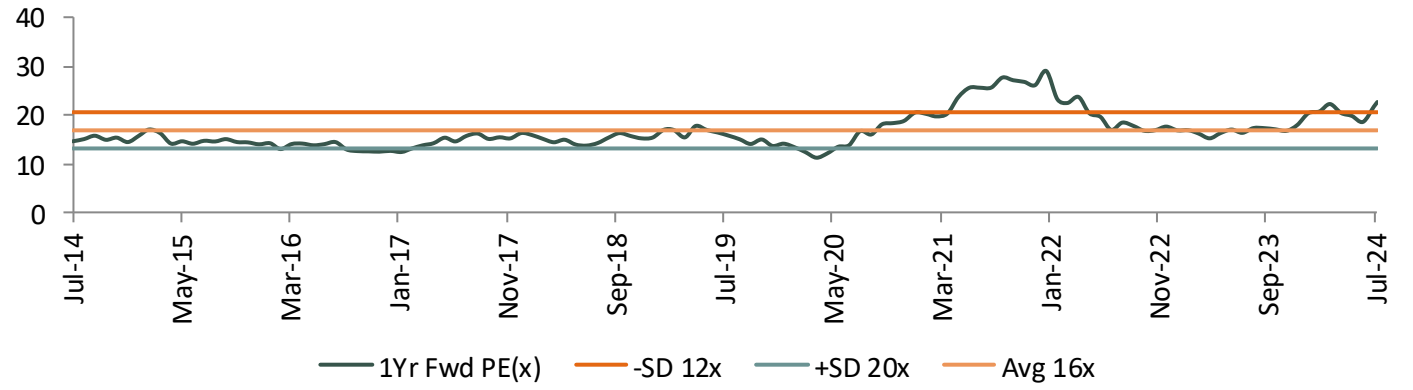
Source: Company; IDBI Capital Research

**Exhibit 8: Utilization improved by 80bps 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	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net sales</b>	<b>6,19,430</b>	<b>7,90,934</b>	<b>9,04,876</b>	<b>8,97,603</b>	<b>8,84,490</b>	<b>9,56,541</b>
<i>Change (yoy, %)</i>	1.5	28	14	(1)	(1)	8
Operating expenses	(4,71,650)	(6,26,411)	(7,36,340)	(7,27,773)	(7,11,546)	(7,57,119)
<b>EBITDA</b>	<b>1,47,780</b>	<b>1,64,523</b>	<b>1,68,536</b>	<b>1,69,830</b>	<b>1,72,944</b>	<b>1,99,422</b>
<i>Change (yoy, %)</i>	20.9	11	2	1	2	15
<i>Margin (%)</i>	23.9	20.8	18.6	18.9	19.6	20.8
Depreciation	(27,641)	(30,778)	(33,402)	(34,071)	(33,588)	(38,390)
<b>EBIT</b>	<b>1,20,139</b>	<b>1,33,745</b>	<b>1,35,134</b>	<b>1,35,759</b>	<b>1,39,356</b>	<b>1,61,032</b>
Interest paid	(5,088)	(5,325)	(10,077)	(12,552)	(12,969)	(12,908)
Other income	23,826	22,988	22,657	24,030	30,095	32,384
<b>Pre-tax profit</b>	<b>1,38,877</b>	<b>1,51,408</b>	<b>1,47,714</b>	<b>1,47,237</b>	<b>1,56,482</b>	<b>1,80,508</b>
Tax	(30,345)	(28,946)	(33,992)	(36,089)	(37,754)	(43,322)
<i>Effective tax rate (%)</i>	21.9	19.1	23.0	24.5	24.1	24.0
Minority Interest	(586.0)	(166.0)	(222.0)	(696.0)	(829.0)	(660.0)
<b>Net profit</b>	<b>1,07,946</b>	<b>1,22,296</b>	<b>1,13,500</b>	<b>1,10,452</b>	<b>1,17,899</b>	<b>1,36,526</b>
Exceptional items	-	-	-	-	-	-
<b>Adjusted net profit</b>	<b>1,07,946</b>	<b>1,22,296</b>	<b>1,13,500</b>	<b>1,10,452</b>	<b>1,17,899</b>	<b>1,36,526</b>
<i>Change (yoy, %)</i>	11.0	13	(7)	(3)	7	16
EPS	19.7	22.3	20.7	21.1	22.6	26.1
Dividend per sh.	1.0	6.0	7.0	1.0	15.0	15.0
<i>Dividend Payout (%)</i>	5.1	26.9	33.8	5	66	57

**Balance Sheet**

(Rs mn)

Year-end: March	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Shareholders' funds</b>	<b>5,53,095</b>	<b>6,58,158</b>	<b>7,76,679</b>	<b>7,49,883</b>	<b>7,89,407</b>	<b>8,47,558</b>
Share capital	10,958	10,964	10,976	10,450	10,450	10,450
Reserves & surplus	5,42,137	6,47,194	7,65,703	7,39,433	7,78,957	8,37,108
<b>Total Debt</b>	<b>83,332</b>	<b>1,51,696</b>	<b>89,386</b>	<b>94,221</b>	<b>94,221</b>	<b>94,221</b>
Other liabilities	21,875	35,281	34,830	52,740	52,740	52,740
<b>Curr Liab &amp; prov</b>	<b>1,69,970</b>	<b>2,31,234</b>	<b>2,67,753</b>	<b>2,52,458</b>	<b>2,46,673</b>	<b>2,66,768</b>
Current liabilities	1,49,612	2,15,232	2,34,989	2,19,192	2,13,893	2,31,317
Provisions	20,358	16,002	32,764	33,266	32,780	35,450
<b>Total liabilities</b>	<b>2,75,177</b>	<b>4,18,211</b>	<b>3,91,969</b>	<b>3,99,419</b>	<b>3,93,634</b>	<b>4,13,729</b>
<b>Total equity &amp; liabilities</b>	<b>8,29,770</b>	<b>10,76,884</b>	<b>11,69,237</b>	<b>11,50,642</b>	<b>11,85,210</b>	<b>12,64,115</b>
Net fixed assets	2,53,824	4,00,312	4,53,739	4,48,313	4,55,248	4,51,858
Investments	10,592	19,115	20,749	21,654	21,654	21,654
Other non-curr assets	42,168	36,705	33,653	30,013	29,575	31,984
<b>Current assets</b>	<b>5,23,186</b>	<b>6,20,752</b>	<b>6,61,096</b>	<b>6,50,662</b>	<b>6,78,734</b>	<b>7,58,620</b>
Inventories	1,064	1,334	1,188	907	894	967
Sundry Debtors	94,298	1,15,219	1,26,350	1,15,477	1,13,790	1,23,059
Cash and Bank	3,45,500	3,45,491	4,01,112	4,08,124	4,39,739	5,00,156
Loans and advances	27,124	60,809	60,515	58,345	57,493	62,176
<b>Total assets</b>	<b>8,29,770</b>	<b>10,76,884</b>	<b>11,69,237</b>	<b>11,50,642</b>	<b>11,85,210</b>	<b>12,64,115</b>

**Cash Flow Statement**

(Rs mn)

Year-end: March	FY21	FY22	FY23	FY24	FY25E	FY26E
Pre-tax profit	1,38,877	1,51,408	1,47,714	1,47,237	1,56,482	1,80,508
Depreciation	3,874	6,864	33,018	28,399	35,065	38,390
Tax paid	(24,196)	(22,072)	(30,782)	(33,492)	(37,754)	(43,322)
Chg in working capital	23,052	6,388	25,828	(1,971)	(3,232)	6,069
Other operating activities	(1,14,175)	(15,903)	1,65,350	11,040	373	(6,473)
<b>Cash flow from operations (a)</b>	<b>27,432</b>	<b>1,26,685</b>	<b>3,41,128</b>	<b>1,51,213</b>	<b>1,50,934</b>	<b>1,75,172</b>
Capital expenditure	(12,456)	(1,53,352)	(86,445)	(22,973)	(42,000)	(35,000)
Chg in investments	(1,290)	(8,523)	(1,634)	(905)	-	-
Other investing activities	-	-	-	-	-	-
<b>Cash flow from investing (b)</b>	<b>(13,746)</b>	<b>(1,61,875)</b>	<b>(88,079)</b>	<b>(23,878)</b>	<b>(42,000)</b>	<b>(35,000)</b>
Equity raised/(repaid)	(1,030)	858	(96,554)	(1,19,988)	-	-
Debt raised/(repaid)	5,152	68,364	(62,310)	4,835	-	-
Dividend (incl. tax)	(5,479)	(32,892)	(38,416)	(5,225)	(78,375)	(78,375)
Chg in minorities	(963)	(1,149)	(148)	55	-	-
Other financing activities	-	-	-	-	-	-
<b>Cash flow from financing (c)</b>	<b>(2,320)</b>	<b>35,181</b>	<b>(1,97,428)</b>	<b>(1,20,323)</b>	<b>(78,375)</b>	<b>(78,375)</b>
<b>Net chg in cash (a+b+c)</b>	<b>11,366</b>	<b>(9)</b>	<b>55,621</b>	<b>7,012</b>	<b>30,559</b>	<b>61,797</b>

### Financial Ratios

Year-end: March	FY21	FY22	FY23	FY24	FY25E	FY26E
Book Value (Rs)	100.9	120	142	144	151	162
Adj EPS (Rs)	19.7	22.3	20.7	21.1	22.6	26.1
Adj EPS growth (%)	15.8	13	-7	2	7	16
EBITDA margin (%)	23.9	20.8	18.6	18.9	19.6	20.8
Pre-tax margin (%)	22.4	19.1	16.3	16.4	17.7	18.9
Net Debt/Equity (x)	-0.5	-0.3	-0.4	-0.4	-0.4	-0.5
ROCE (%)	18.3	18	15	15	15	16
ROE (%)	19.4	20	16	14	15	16

### DuPont Analysis

Asset turnover (x)	0.8	0.8	0.8	0.8	0.8	0.8
Leverage factor (x)	1.5	1.6	1.6	1.5	1.5	1.5
Net margin (%)	17.4	15.5	12.5	12.3	13.3	14.3

### Working Capital & Liquidity ratio

Inventory days	1	1	0	0	0	0
Receivable days	56	53	51	47	47	47
Payable days	59	58	48	46	45	46

### Valuations

Year-end: March	FY21	FY22	FY23	FY24	FY25E	FY26E
PER (x)	28	25	27	26	25	21
Price/Book value (x)	5.5	4.6	3.9	3.9	3.7	3.4
EV/Net sales (x)	5	4	3	3	3	3
EV/EBITDA (x)	19	17	16	15	15	13
Dividend Yield (%)	0.2	1.1	1.3	0.2	2.7	2.7

Source: Company; IDBI Capital Research



# Notes

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) 4069 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:** Pushkar Vartak; Email: compliance@idbicapital.com; Telephone: (91-22) 4069 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

I, Divija Parekh, hereby certify that the views expressed in this report accurately reflect my personal views about the subject companies and / or securities. I also certify that no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, I 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](http://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% or 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](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com) and [www.economictimes.indiatimes.com/markets/stocks/stock-quotes](http://www.economictimes.indiatimes.com/markets/stocks/stock-quotes).