

# IT Services

Tighter budgets and lower discretionary spend key dampeners

## Summary

**Weak macro, lower discretionary spend and tighter budget to impact revenues of IT companies in Q4FY24E and beyond. Longer tenured deal led by cost efficiency deals, delayed decision making, slower ramp up in deals and slower deal conversion are key commentary by IT companies. This commentary cast doubt of a significant recovery in H2FY25E and overall outlook for FY25E. The only near term trigger is generative AI. For Q4FY24E, in terms of large caps we expect dollar revenue growth in the range of -1.3% - +1.5% QoQ and cross currency tailwind of average 36 bps. Among mid-caps we expect -1.1 to +2% QoQ growth. In terms of margins, we expect it to improve across companies (except Zensar, LTIMindtree & HCL tech) due to absence of furloughs and higher utilization. We expect Coforge, Newgen & Birlasoft to report healthy numbers. Newgen & Sonata are our top picks.**

## Key Highlights

- Revenue Outlook:** Despite lower base in Q3, Q4 is more or less expected to be muted for tier 1. What needs to be watched out is deal trend, budget outlook, discretionary spend comments and FY25E outlook. Among mid-caps, we expect Birlasoft (1.7% QoQ growth), Coforge (2% QoQ) and Newgen (25% YoY growth) to lead the pack. **In terms of guidance we expect Infosys to guide in the range of 4%-5% YoY. We expect Wipro to guide -0.5 to -1% QoQ revenue guidance for Q1FY25E. We expect Cyient and Coforge to guide in the range of 10%-12%.**
- Margins Outlook:** We expect TCS and Wipro margins to report 52 bps & 40 bps increase due to absence of furloughs & higher utilisation. We expect HCL tech to report 222 bps QoQ dip in margins due to dip in product revenues and wage hike. Among mid-caps we expect Birlasoft, Coforge & Newgen to report margin improvement of 33 bps QoQ, 161 bps QoQ and 81 bps YoY.

## India IT Sector: Valuation and Rating

Companies	Rating	CMP	TP	Upside	Mkt Cap	P/E (x)	
		(Rs)	(Rs)	(%)	(Rs bn)	FY25E	FY26E
TCS	<b>HOLD</b>	3,882	4,000	3	14,051	27	24
Infosys	<b>BUY</b>	1,483	1,730	17	6,221	21	19
HCL Tech.	<b>HOLD</b>	1,528	1,470	(4)	4,146	24	21
Wipro	<b>BUY</b>	481	535	11	2,514	20	18
Tech Mah.	<b>HOLD</b>	1,236	1,345	9	1,207	21	17
LTIMindtree	<b>SELL</b>	4,900	5,660	16	1,451	27	22
Cyient Ltd	<b>BUY</b>	2,009	2,360	17	222	26	22
Zensar Tech.	<b>HOLD</b>	600	605	1	137	20	18
Birlasoft	<b>HOLD</b>	766	785	2	205	29	25
Newgen	<b>BUY</b>	789	1,042	32	110	34	26
Coforge	<b>HOLD</b>	5,566	6,130	10	344	29	24
Sonata Software	<b>BUY</b>	734	915	25	203	32	24

Source: IDBI Capital, Company

**Devang Bhatt**

Devang.bhatt@idbic平al.com  
+91-22-2217 1846

## Exhibit: Estimates

(Rs mn)

Company	Mar-24	Dec-23	Mar-23	QoQ (%)	YoY (%)	Comments	
TCS	Revenue (US\$ mn)	7,383	7,281	7,195	1.4	2.6	■ We expect QoQ revenue to be up 1% in CC and positive impact of cross currency to the tune of 40 bps. Weak quarter, furloughs, lower discretionary spend and delay in deal ramp up is expected to impact revenues
	Revenue (Rs mn)	6,12,784	6,05,830	5,91,620	1.1	3.6	■ We expect EBIT margin to increase by 52 bps QoQ on account of absence of furloughs and higher utilization
	EBIT (Rs mn)	1,46,812	1,41,970	1,44,880	3.4	1.3	■ <b>Would watch for:</b> 1) Strategy of CEO to drive growth; 2) TCV of deal wins; 3) Deal pipeline conversion trend; 4) hiring & offshoring, 5) outlook on EBIT margin and its sustainability; 6) commentary on long term digital trends; 7) trends in Generative AI; 8) Banking, US & Europe outlook 9) trend in cost take out deals and 10) ACV trend indication 11) Outlook on budget, macro & FY25E
	EBIT margin (%)	24%	23%	25%	52 bps	(53 bps)	
	Net profit (Rs mn)	1,15,304	1,10,580	1,13,920	4.3	1.2	
	EPS (Rs)	31.5	30.2	31.1	4.3	1.2	
Infosys	Revenue (US\$ mn)	4,700	4,663	4,554	0.8	3.2	■ We forecast revenue growth to grow by 0.5% CC terms and cross currency tailwind of 27 bps. The increase is mainly led by absence of furloughs, higher working days and higher utilization
	Revenue (Rs mn)	3,90,077	3,88,210	3,74,410	0.5	4.2	■ We expect EBIT margin to increase by 16 bps to 20.7%
	EBIT (Rs mn)	80,606	79,610	78,770	1.3	2.3	■ <b>Would watch for:</b> 1) Ramp up of large deals; 2) Trend in discretionary spends; 3) trends in Generative AI; 4) margin outlook; and 5) outlook on telecom, retail, BFSI & Hi tech verticals 6) Impact on revenues due to leadership changes 7) Outlook on conversion of pipeline and project run offs 8) hiring & utilization outlook 9) Budget trends 10) FY25E guidance
	EBIT margin (%)	21%	21%	21%	16 bps	(37 bps)	
	Net profit (Rs mn)	64,520	61,060	61,280	5.7	5.3	
	EPS (Rs)	15.6	14.7	14.77	5.7	5.5	
Wipro	Revenue (US\$ mn)	2,647	2,660	2,823	-0.5	-6.2	■ We expect IT services revenue to contract by 0.9% in CC terms offset by cross currency tailwind of 33 bps. Softness in consulting business, extended furloughs in BFSI & Tech and client specific challenges across geos to impact revenue growth
	Revenue (Rs mn)	2,19,732	2,22,051	2,31,903	-1.0	-5.2	■ We forecast EBIT margin to improve by 40 bps QoQ due to lower base in last quarter
	EBIT (Rs mn)	33,147	32,603	36,587	1.7	-9.4	■ <b>Would watch for:</b> 1) Outlook for Q1FY25E; 2) Outlook for consulting business; 3) Commentary on the large deal wins and its connect with revenue growth; 4) Leadership changes & impact; 5) Commentary on new strategy to turnaround; 6) Commentary across verticals - especially BFSI, Consumer, Hi Tech and Manufacturing business unit 7) Attrition trends 8) M&A and capital allocation 9) Outlook on any other macro challenges.
	EBIT margin (%)	15%	15%	16%	40 bps	(69 bps)	
	Net profit (Rs mn)	27,055	26,942	30,745	0.4	-12.0	
	EPS (Rs)	5.2	5.2	5.6	0.4	-7.6	

Company	Mar-24	Dec-23	Mar-23	QoQ (%)	YoY (%)	Comments	
HCLT	Revenue (US\$ mn)	3,384	3,415	3,235	-0.9	4.6	■ We expect sequential revenue de-growth of 1.3% in CC terms offset by cross currency tailwind of 43 bps. The dip in revenue is mainly due to 18.5% QoQ decline in product revenues offset by 1% QoQ increase in IT services (mainly led by 1 month of Verizon deal and ramp up of deals won)
	Revenue (Rs mn)	2,80,839	2,84,460	2,66,060	-1.3	5.6	■ We expect EBIT margin to decline by 222 bps mainly due to impact of wage hikes and decline in product revenues
	EBIT (Rs mn)	49,177	56,150	48,360	-12.4	1.7	■ <b>Would watch for:</b> 1) Outlook on product business 2) Commentary on deal pipeline, especially large deals, pricing 3) hiring trend 4) Margin outlook; 5) M&A plans; 6) tech spends by clients 7) ER&D outlook and its drivers 8) Trend in discretionary spend in ER&D 9) Budget 10) FY25E guidance
	<i>EBIT margin (%)</i>	18%	20%	18%	(222 bps)	(67 bps)	
	Net profit (Rs mn)	38,107	43,500	39,830	-12.4	-4.3	
	EPS (Rs)	14.1	16.1	14.7	-12.4	-4.3	
TechM	Revenue (US\$ mn)	1,561	1,573	1,668	-0.7	-6.4	■ We expect QoQ revenue to de grow by 1.0% in CC terms offset by positive cross currency of 32 bps. Extended furloughs and broad based weakness across verticals are key drag for revenues
	Revenue (Rs mn)	1,29,600	1,31,013	1,37,182	-1.1	-5.5	■ We expect EBIT margin to increase by 167 bps QoQ on account of low base. Adjusting for normalized margins, we expect flat margins on QoQ basis
	EBIT (Rs mn)	9,122	7,030	15,303	29.8	-40.4	■ <b>Would watch for:</b> 1) Large deal wins; 2) CEO strategy & ways to improve growth 3) Commentary on revival in comms business & growth in enterprise business, 4) 5G trends 5) Restructuring of margin; 6) Outlook on geography 7) M&A and capital allocation 8) trend reversal in margins 9) FY25E outlook
	<i>EBIT margin (%)</i>	7%	5%	11%	167 bps	(412 bps)	
	Net profit (Rs mn)	7,590	5,104	11,176	48.7	-32.1	
	EPS (Rs)	8.6	5.8	12.6	48.7	-32.1	
LTIMindtree	Revenue (US\$ mn)	1073	1084	1058	-1.0	1.5	■ We forecast 1.1% QoQ de-growth in CC terms offset by 13 bps cross currency tailwind. Absence of pass through and extended furloughs to impact revenues
	Revenue (Rs mn)	89,048	90,166	86,910	-1.2	2.5	■ We expect EBIT margins to decline by 120 bps QoQ on account of revenue decline
	EBIT (Rs mn)	12,614	13,859	14,214	-9.0	-11.3	■ <b>Would watch for:</b> 1) Order book & large deal trend; 2) Commentary on deal pipeline & its conversion, new logo addition, pricing; 3) Outlook on BFS & discretionary spend revival 5) Outlook for the margins; and 6) Trend in top clients and 7) Outlook on ability to achieve 17-18% margins in near term and long term margin trajectory 8) Commentary on budget 9) trend in discretionary spend
	<i>EBIT margin (%)</i>	14%	15%	16%	(120 bps)	(219 bps)	
	Net profit (Rs mn)	10,524	11,689	11,137	-10	-5.5	
	EPS (Rs)	35.6	39.5	37.6	-9.9	-5.5	

Company	Mar-24	Dec-23	Mar-23	QoQ (%)	YoY (%)	Comments	
CYIENT	Revenue (US\$ mn)	225	219	213	3.0	5.8	■ We expect revenue to grow by 3.0% QoQ mainly led by 10% QoQ growth in DLM. Growth of services revenue is expected to be up 1.5% QoQ. In terms of verticals, transportation, automotive and sustainability to drive growth. We expect Services revenue for full year to be at lower end of guided range
	Revenue (Rs mn)	18,744	18,215	17,514	2.9	7.0	■ We forecast EBIT margin to decline marginally on QoQ basis led by wage hike and de-growth in consulting revenues
	EBIT (Rs mn)	2,626	2,600	2,494	1.0	5.3	■ <b>Would watch for:</b> 1) Outlook on verticals like Aerospace and Communications, Transportation and ENU; 2) FY25E guidance; 3) Outlook on EBIT margin; 4) Outlook on attrition; 5) M&A6) New growth verticals outlook 7) Order book trend
	EBIT margin (%)	14%	14%	14%	(26 bps)	(23 bps)	
	Net profit (Rs mn)	1,909	1857	1,760	2.8	8.4	
	EPS (Rs)	17.4	16.9	16.0	2.8	8.4	
Zensar	Revenue (US\$ mn)	147	145	148	1.7	-0.2	■ We forecast revenue to increase by 1.5% QoQ in CC terms further pushed by 18 bps increase in cross currency tailwind. We expect revenue growth to be driven by BFSI and Consumer offset by Hi Tech
	Revenue (Rs mn)	12,214	12,041	12,127	1.4	0.7	■ We forecast EBIT margin to decline by 82 bps QoQ to 13.8%
	EBIT (Rs mn)	1689	1764	1407	-4.3	20.0	■ <b>Would watch for:</b> 1) Comments on expected turnaround in the company; 2) Outlook on the BFSI, manufacturing, Hi tech & retail given the global challenges; 3) Deal pipeline 4) Large deal wins 5) New logo addition and client mining trend 6) attrition trends 7) Order book trend 8) Outlook on EBIT margin 9) Deal decision making, pipeline conversion and outlook on budget
	EBIT margin (%)	14%	15%	12%	(82 bps)	223 bps	
	Net profit (Rs mn)	1,514	1,617	1,192	-6.4	27.0	
	EPS (Rs)	6.7	7.1	5.3	-6.4	26.8	
Birlasoft	Revenue (US\$ mn)	164	161	149	1.8	10.1	■ Revenue is expected to record growth of 1.7% QoQ in CC terms due to tailwinds in manufacturing and insurance.
	Revenue (Rs mn)	13,629	13,430	12,264	1.5	11.1	■ EBIT margins are expected to be up 33 bps QoQ mainly led by absence of furloughs
	EBIT (Rs mn)	2,007	1,932	1,460	3.8	37.4	■ <b>Would watch for:</b> 1) Outlook on top clients; 2) Deal pipeline 3) Large deal wins 4) new logo addition and client mining trend 5) Outlook on EBIT margin; 6) outlook on BFSI, manufacturing & hitech; 7) commentary on client related issues; 8) outlook on Europe and 9) Order book trend 10) trend in ERP
	EBIT margin (%)	15%	14%	12%	33 bps	282 bps	
	Net profit (Rs mn)	1,612	1,611	1,122	0.1	43.7	
	EPS (Rs)	5.75	5.73	4.02	0.4	43.1	

Company	Mar-24	Dec-23	Mar-23	QoQ (%)	YoY (%)	Comments
Newgen	Revenue (Rs mn)	3,802	3,237	3,051	17.5	24.6
	EBIT (Rs mn)	1,149	701	897	63.8	28.1
	EBIT margin (%)	30%	22%	29%	853 bps	81 bps
	Net profit (Rs mn)	951	683	786	39.1	20.9
	EPS (Rs)	6.81	4.90	5.65	39.1	20.6
Coforge	Revenue (US\$ mn)	288.5	282	264	2.3	9.1
	Revenue (Rs mn)	23,942	23,233	21,700	3.1	10.3
	EBIT (Rs mn)	3,686	3,201	3,359	15.2	9.7
	EBIT margin (%)	15%	14%	16%	161 bps	(08 bps)
	Net profit (Rs mn)	2,600	2,380	2,474	9.3	5.1
	EPS (Rs)	41.7	38.1	39.8	9.3	4.8
Sonata Software	Revenue (US\$ mn)	84.5	83.7	65.8	1.0	28.5
	Revenue (Rs mn)	22,234	24,934	19,135	-10.8	16.2
	EBIT (Rs mn)	1,612	1,740	1,327	-7.4	21.5
	EBIT margin (%)	7%	7%	7%	27 bps	32 bps
	Net profit (Rs mn)	1,192	1,285	1,138	-7.3	4.8
	EPS (Rs)	4.3	4.6	4.1	-7.2	4.8

Source: IDBI Capital Research; Note: data for EBIT Margin YOY and QOQ is in bps.

**Exhibit: Stock price performance**

Change (%)	1-mnth	3-mnth	6-mnth	1-yr
SENSEX	0.0%	2.7%	12.5%	24.9%
BSE IT	-6.8%	-0.3%	10.1%	25.7%
TCS	-5.4%	2.7%	8.3%	21.5%
INFO	-10.4%	-3.2%	1.5%	5.2%
WPRO	-7.9%	2.6%	18.3%	30.8%
HCLT	-6.3%	4.9%	24.8%	40.4%
TECHM	-2.4%	-2.8%	3.1%	12.6%
LTIM	-7.5%	-20.3%	-6.3%	3.4%
CYL	-1.2%	-13.0%	19.6%	101.9%
ZENT	10.0%	2.3%	12.8%	118.7%
BSOFT	-2.5%	11.7%	49.5%	187.8%
NEWGEN	-5.8%	1.0%	79.4%	259.3%
COFORGE	-14.8%	-8.2%	6.5%	44.0%
SONATA SOFTWARE	-12.1%	1.8%	39.5%	68.2%

*Source: Bloomberg*

## Exhibit: Cross-currency movement trend

Currency	Details	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
USD/INR	Average	77.2	79.8	82.2	82.3	82.2	82.7	83.3	83.0
	QoQ	2.7	3	3	0	(0)	1	1	(0)
	Closing	79.0	81.9	82.9	82.2	82.0	83.0	83.2	83.4
	QoQ	3.9	4	1	(1)	(0)	1	0	0
GBP/USD	Average	1.3	1.2	1.2	1.2	1.3	1.3	1.2	1.3
	QoQ	(6.1)	(6)	(0)	3	3	1	(2)	2
	Closing	1.2	1.1	1.2	1.2	1.3	1.2	1.3	1.3
	QoQ	(7.0)	(11)	10	2	3	(4)	4	(1)
EUR/USD	Average	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.1
	QoQ	(5.5)	(5)	1	5	2	(0)	(1)	1
	Closing	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1
	QoQ	(5.4)	(7)	9	2	1	(3)	5	(3)
AUD/USD	Average	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	QoQ	(0.6)	(5)	(4)	4	(2)	(2)	(1)	1
	Closing	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7
	QoQ	(11.1)	(2)	3	(1)	(1)	(3)	6	(5)

Source: Bloomberg



# Notes

Dealing

(91-22) 6836 1111

dealing@idbic平.ocom

**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@idbic平.ocom

**SEBI Registration:** BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578**Compliance Officer:** Mr. Pushkar Vartak; Email: compliance@idbic平.ocom; 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, Devang Bhatt, 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 our 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% 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](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).