

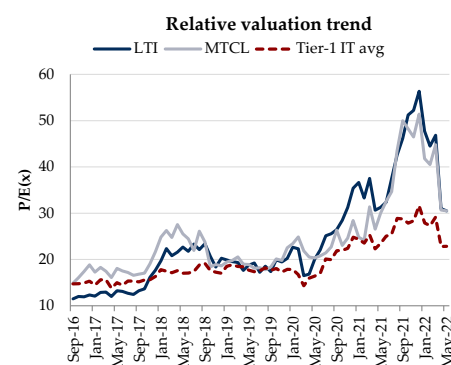
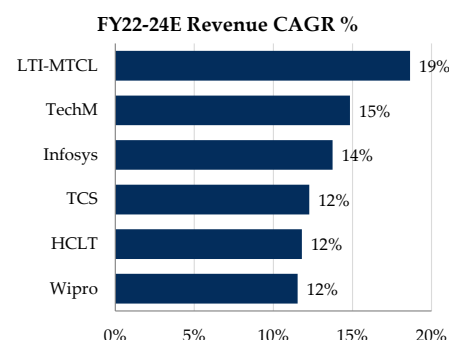
Information Technology

Two to tango

Mindtree (MTCL) will merge into L&T Infotech (LTI) to form the amalgamated entity 'LTIMindtree' in a deal that has been widely speculated and hinted at earlier by the parent L&T. The transaction closure is expected in 9 to 12 months, with a swap ratio of 73 shares of LTI for every 100 shares of MTCL and L&T will hold 68.7% of the combined entity. Debashis Chatterjee (Mindtree's CEO) will head LTIMindtree and Sanjay Jalona (LTI's CEO) has resigned. The combined entity has a revenue of USD 3.5bn, PAT of USD 530mn, cash of nearly USD 1bn, and headcount of 82k. Over the past year, both entities have been in sync or converged – on growth, margin, valuations, and even attrition.

The key rationale for the merger includes (1) gaining scale (providing competitive advantage and participation in larger contracts); (2) complimentary nature of verticals and limited overlaps with major verticals, including BFSI (USD 1bn and 35% of combined revenue) and communication, media & tech (USD 870mn and 25% of combined revenue); (3) diversified service offerings that can aid pricing; (4) potential revenue synergies with cross-sell opportunity (combined client base of ~750); (5) access to a wider talent pool (opportunity to improve pyramid and utilisation); and (6) cost synergies with consolidation of delivery centres and G&A optimisation. We upgrade LTI to BUY (ADD earlier) and MTCL to BUY (ADD earlier) and estimate the combined entity to grow at 1.5x tier-1 IT peers, with an upward bias on margins and synergies.

- **Strong complimentary credentials:** LTI has strong credentials in client mining (USD 20mn+ and USD 1mn+ logos have doubled in five years) and it has scaled competencies (SAP, AWS, Temenos) significantly, supported by improved tiering in partnerships and strong solutioning (MOSAIC, Leni). LTI's strong sub-vertical prowess (particularly within BFSI) is likely to be complimented by MTCL's digital capabilities cutting across front-end/customer success and competencies in Salesforce, Adobe as well as Microsoft. Better delivery presence (limited centre overlap is NorthAm) and delivery centre consolidation (overlaps in India and Europe) can improve and optimise delivery operations. Management indicated the aspiration for a better operational trajectory after the integration.
- **Risk mitigation is work in progress:** In our opinion, there are risks of senior level and high-performer attrition in a tight supply market and client attrition in short cycle deals, with possibility of increased competition. While the companies have been operating under L&T's parentage, cultural alignment will be work in progress (MTCL scores slightly higher on some of the supply side metrics). We await more details over the course to understand the integration efforts, following the set-up of steering committee, even as MTCL has successfully navigated a transition in FY20. While LTI's CEO exit may be construed as a risk, let's not miss an equally high CEO approval score as well as a track record of MTCL's turnaround (both operational and growth). While the near-term noise may create volatility, the foundation for 'tier-1' IT growth leadership has been set.



Apurva Prasad

apurva.prasad@hdfcsec.com
+91-22-6171-7327

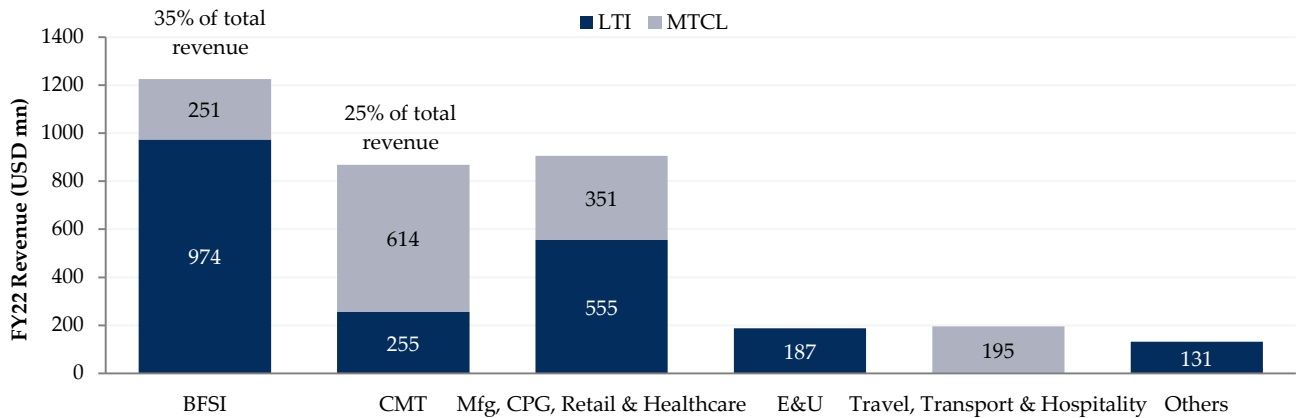
Amit Chandra

amit.chandra@hdfcsec.com
+91-22-6171-7345

Vinesh Vala

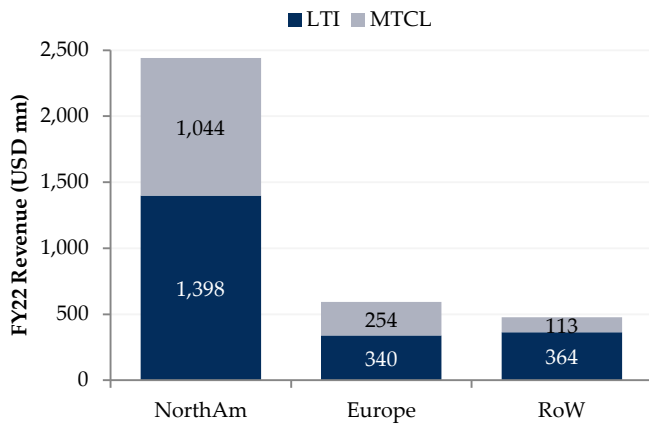
vinesh.vala@hdfcsec.com
+91-22-6171-7332

Exhibit 1: Complimentary strengths in verticals with dominant BFSI (LTI led) and dominant CMT (MTCL led)



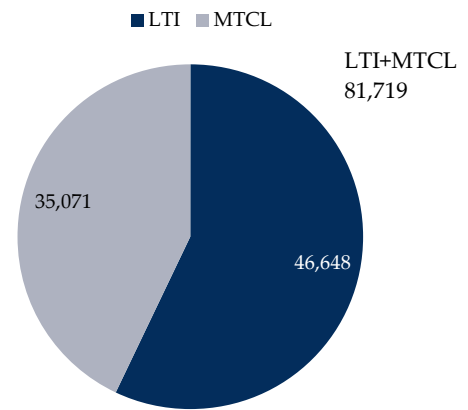
Source : Company, HSIE Research; FY22 revenue mix by verticals

Exhibit 2: NorthAm to remain core and opportunity to scale Europe revenue



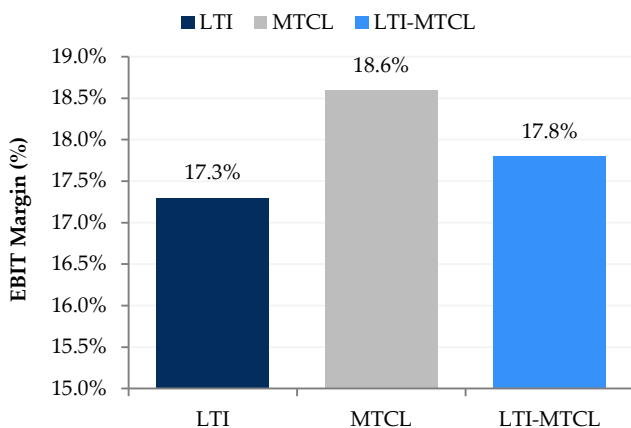
Source : Company, HSIE Research; FY22 revenue mix by geography

Exhibit 3: Gaining scale in talent pool will enable optimal utilization and pyramid



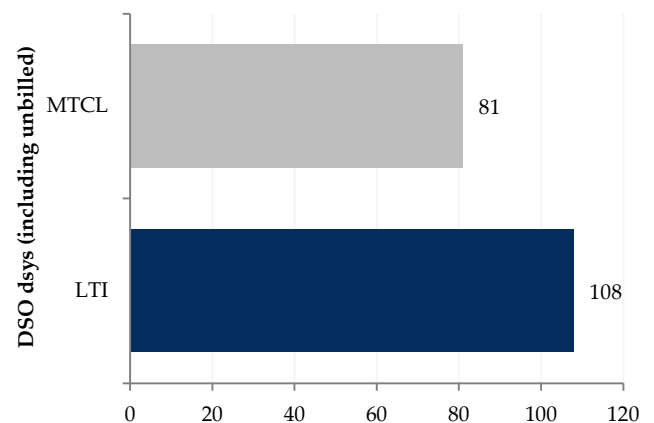
Source : Company, HSIE Research; Headcount nos

Exhibit 4: EBITM near parity and cost optimization brings upside risk to margins

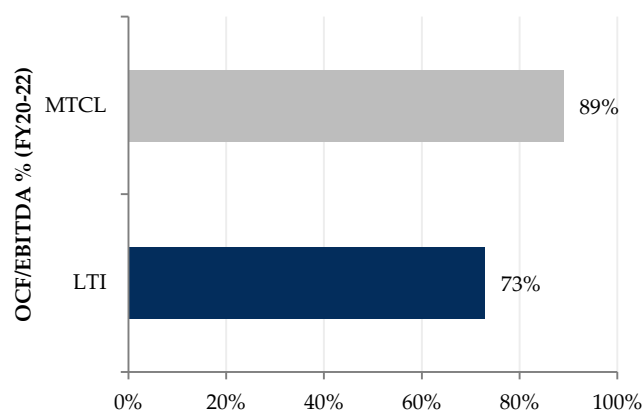


Source : Company, HSIE Research

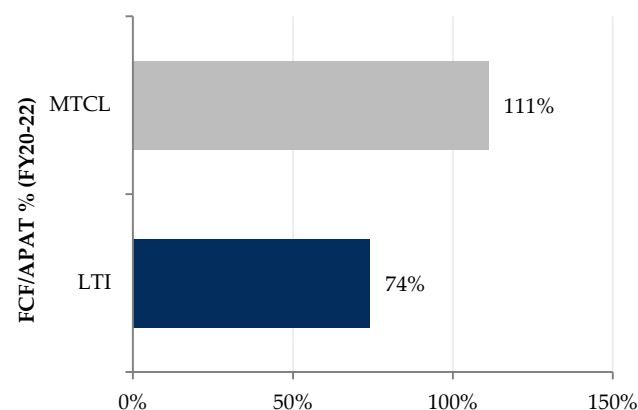
Exhibit 5: Scope for DSO differential to improve



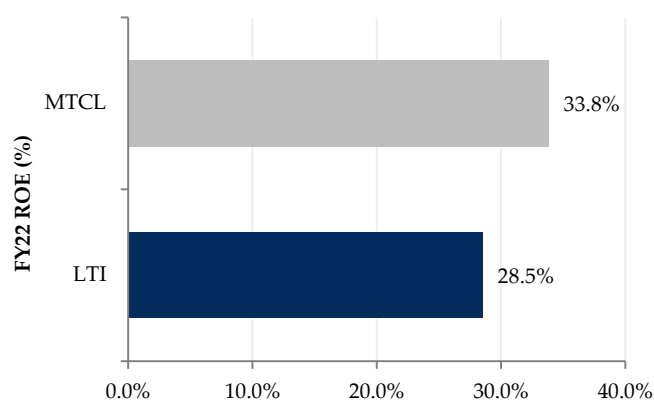
Source : Company, HSIE Research

Exhibit 6: MTCL has outperformed on OCF/EBITDA

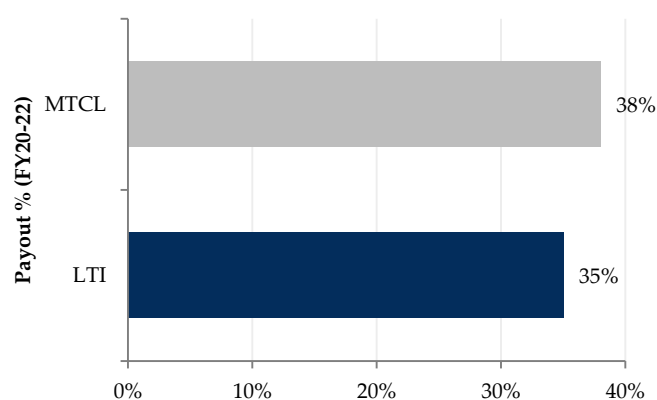
Source: Company, HSIE Research; Note: OCF/EBITDA is FY20-22 cumulative

Exhibit 7: Higher acquisitive intensity of LTI relative to MTCL also impacted FCF/APAT

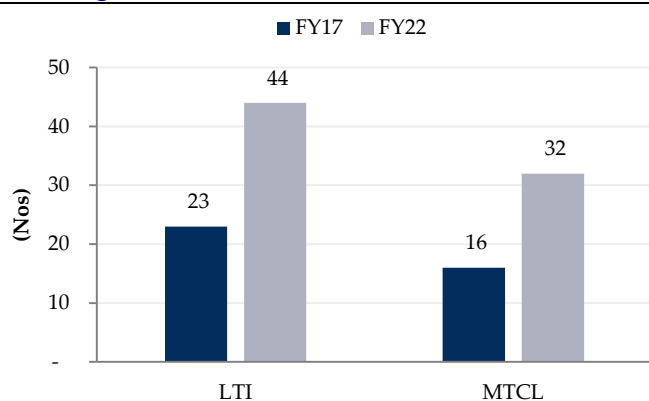
Source: Company, HSIE Research; Note: FCF/APAT is FY20-22 cumulative

Exhibit 8: ROE profile differential

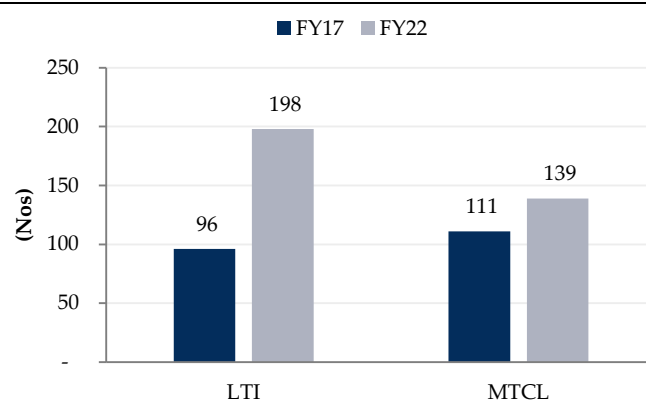
Source: Company, HSIE Research

Exhibit 9: Near parity in historical payout%

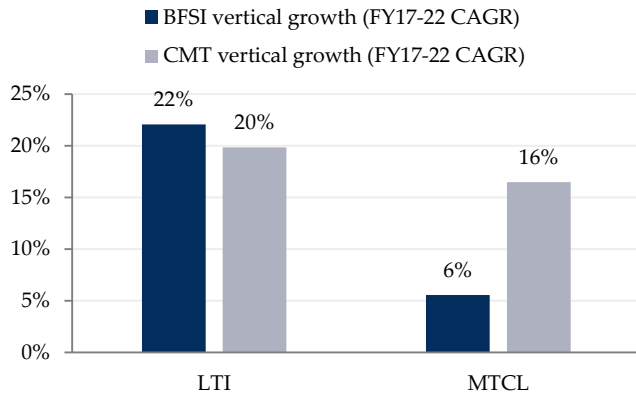
Source: Company, HSIE Research

Exhibit 10: Strong client mining both by LTI & MTCL - doubling of USD 10mn+ accounts

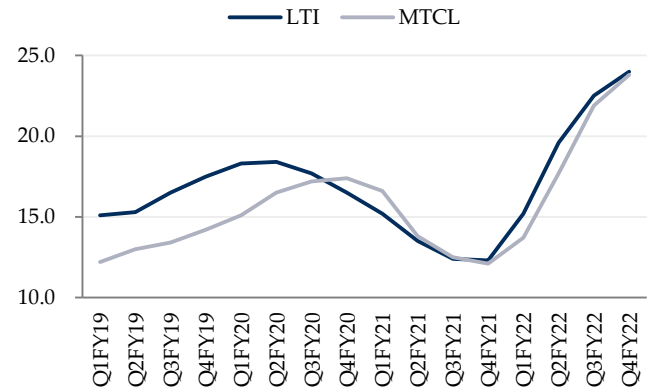
Source: Company, HSIE Research

Exhibit 11: Accelerated growth in USD 1mn+ accounts by LTI

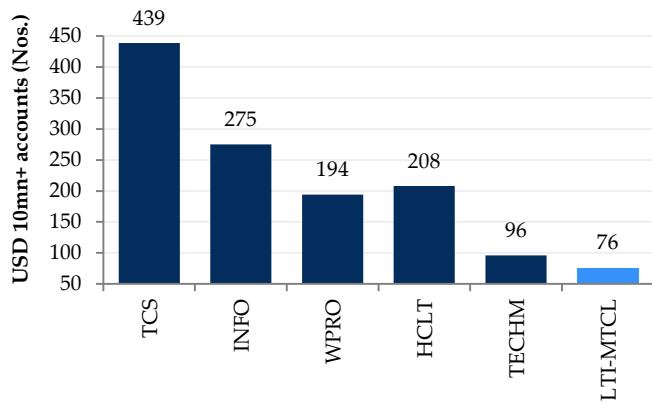
Source: Company, HSIE Research

Exhibit 12: Core verticals' growth performance

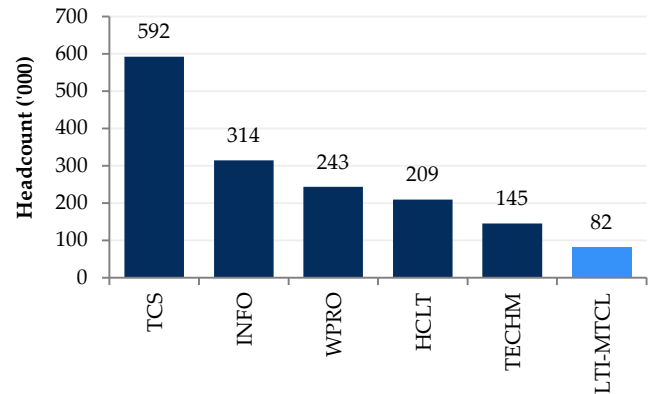
Source: Company, HSIE Research

Exhibit 13: Even attrition is in sync (%)

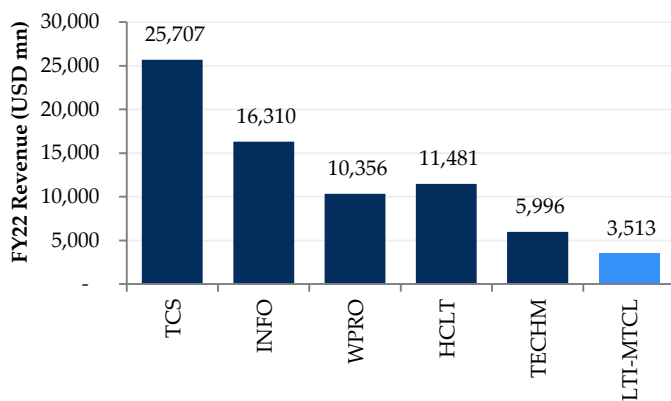
Source: Company, HSIE Research; LTM attrition (%)

Exhibit 14: USD 10mn+ account comparison with Tier-1

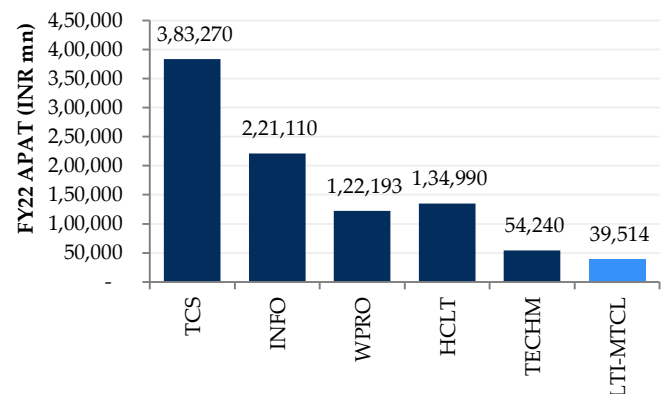
Source: Company, HSIE Research; TECHM as on Q3FY22

Exhibit 15: Headcount relative to Tier-1 IT peers

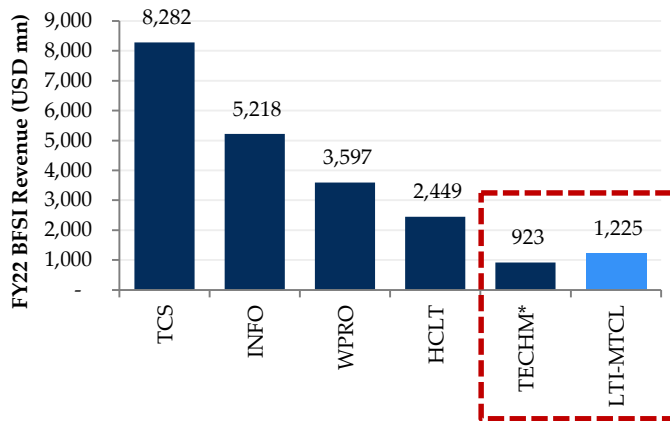
Source: Company, HSIE Research; TECHM as on Q3FY22

Exhibit 16: USD revenue comparison with Tier-1 IT peers – combined entity ~60% of TECHM revenue

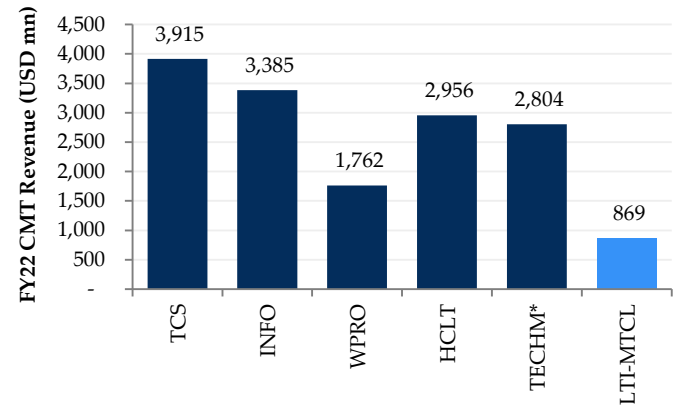
Source: Company, HSIE Research

Exhibit 17: Combined entity profit pool >70% of TECHM

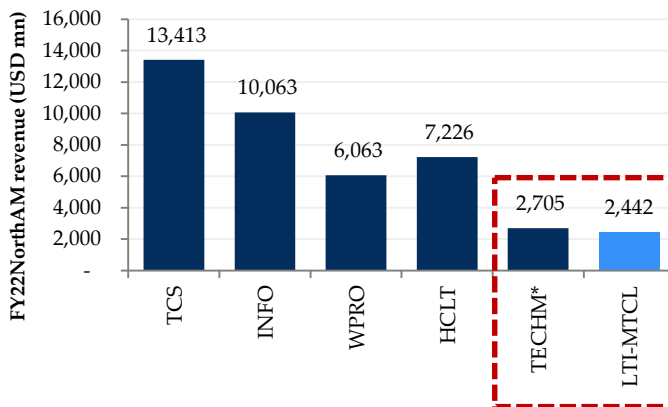
Source: Company, HSIE Research

Exhibit 18: Fifth largest BFSI portfolio

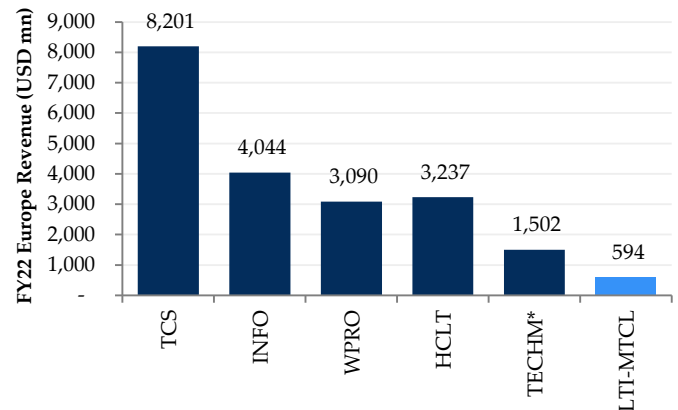
Source: Company, HSIE Research; TECHM TTM basis as on Q3FY22, BFSI in TCS does not include Regional market

Exhibit 19: Large market share displacement opportunity in CMT portfolio despite scale

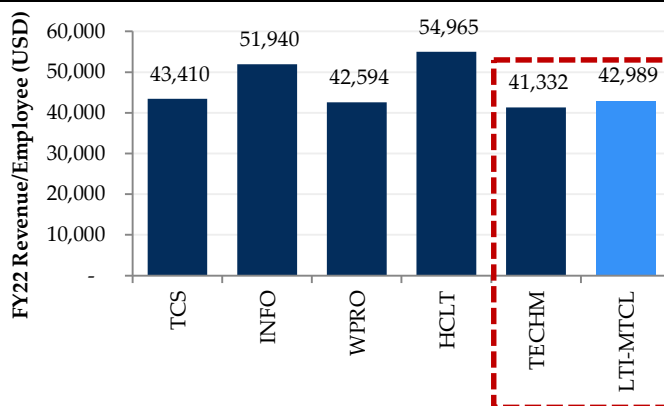
Source: Company, HSIE Research; TECHM TTM basis, TCS includes Communication & Media and Technology services verticals, INFO includes Communication and Hitech verticals, WPRO includes Communication & Technology verticals, HCLT includes Telecom & Media and Technology & services verticals, TECHM includes Communication and Technology M&E verticals

Exhibit 20: NorthAm Revenue vs Tier-1 peers

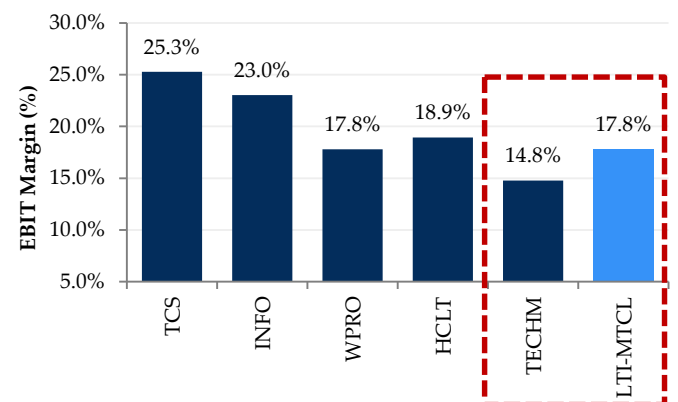
Source: Company, HSIE Research; TECHM TTM basis as on Q3FY22

Exhibit 21: Europe Revenue vs Tier-1 peers

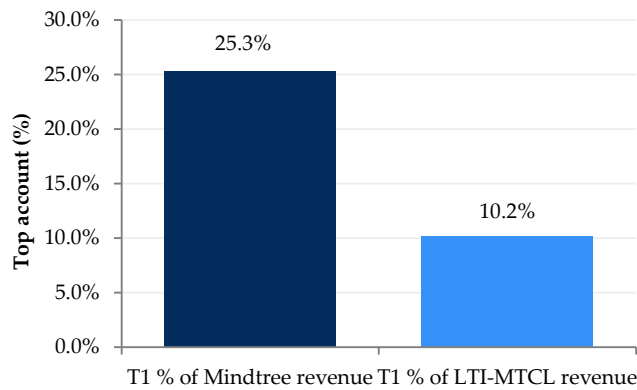
Source: Company, HSIE Research; TECHM TTM basis as on Q3FY22

Exhibit 22: Revenue/employee lower on offshoring mix

Source: Company, HSIE Research

Exhibit 23: EBITM superior to TECHM and similar to WPRO

Source: Company, HSIE Research; IT services EBITM for WPRO

Exhibit 24: MTCL's top account concentration will reduce within the combined entity


Source: Company, HSIE Research

Exhibit 25: MTCL scores tad higher on people metrics

	MTCL	LTI
CEO approval rating	91%	92%
Overall	4.0	3.8
Culture & Values	4.0	3.7
Diversity & Inclusion	4.0	3.7
Work/Life balance	3.8	3.6
Senior management	3.6	3.4
Compensation & benefits	3.4	3.3
Career opportunities	3.9	3.7

Source: Glassdoor review, HSIE Research

Exhibit 26: LTI acquisition history

Date	Target Company	Area of Operation	Purchase Consideration (USD mn)	Valuation - EV/S (x)
Oct-16	Augment IQ	Data analytics platform	1	2.9
Nov-17	Syncordis	Core banking implementation (Temenos)	32	2.4
Jan-19	Ruletronics	Pega consulting (BFSI, healthcare, retail)	7	2.2
Feb-19	Nielsen+Partner (N+P)	Temenos implementation	29	2.8
Oct-19	Powerupcloud Technologies Pvt Ltd	Cloud & managed services (AWS, Azure, GCP)	15	4.3
Jul-19	Lymbyc	AI and advanced analytics platform	5	5.4
Jun-21	Cuelogic Technologies	Digital product engineering	8	1.5

Source: Company, HSIE Research

Exhibit 27: Mindtree's recent acquisition history

Date	Target Company	Area of Operation	Purchase Consideration (USD mn)	Valuation - EV/S (x)
May-21	NxT Digital business of L&T Ltd	IoT & Industry 4.0	26	5.3
Apr-22	COPE Healthcare Consulting Inc	US Healthcare consulting, implementation (6.6% stake)	5	0.2

Source: Company, HSIE Research; Magnet360 (Salesforce implementation) and BlueFin (SAP consulting) in Jan-16 and Jul-15 not included above

Exhibit 28: LTI management

Name	Designation	# years in company
Sanjay Jalona	CEO (has resigned)	7.3
Nachiket Deshpande	Whole-time Director & COO	3.4
Anil Rander	CFO	1.1
Sudhir Chaturvedi	President Sales & Executive Board member	5.7
Peeyush Dubey	Chief Marketing Officer	6.7
Tridib Barat	Company Secretary & Compliance Officer	0.6
Harsh Naidu	Chief Business Officer - Banking & Financial Services – Americas	20.4
Rohit Kedia	Chief Business Officer - Manufacturing and Group Leader - Consulting & Enterprise Applications	6.6
Siddharth Bohra	Chief Business Officer - Tech, Consumer, Utilities and Group Leader - Cloud & Data Products	6.7
David Althoff	Chief Business Officer – Insurance	1.3
Dibyendu Halder	Head of Media and Entertainment	21.8
Rajesh Pandya	Country Head – Americas	29.0
Ramesh Kannan	Head of Oil and Gas, Americas	1.6
Srini Rao	Head of Europe & South Africa	1.2
Ram Khizamboor	Global Delivery Head – BFS	1.5
Vineet Moroney	Global Head SAP	20.5

Source: Company, LinkedIn, HSIE Research

Exhibit 29: Mindtree key management personnel

Name	Designation	# years in company
Debashis Chatterjee	CEO & MD (to lead the combined entity)	2.8
Venu Lambu	ED & President, Global Markets	1.8
Vinit Teredesai	CFO	1.9
Subhodh Shetty	Company Secretary	1.5
Venkat Pery	Chief Strategy Officer	1.7
Aan Chauhan	Chief Technology Officer	0.9
Paneesh Rao	Global Head of Sustainability	2.7
Suresh Bethavandu	Chief People Officer	0.8
Sreedhar Bhagavatheeswaran	Global head of Consulting	4.8
Radhakrishnan Rajagopalan	Global head, Technology services	2.0
Manikandesh Venkatachalam	Chief Business Officer - Communications, Media & Technology	2.8

Source: Company, LinkedIn, HSIE Research

Exhibit 30: LTI deal wins in Q4FY22 – LTI's net new large deals (USD 15mn+ TCV) was USD 142mn in FY22

Client	Vertical	Geography	Service
NA	Banking, Financial Services and Insurance	NA	Data & Digital Platform
NA	CPG, Retail & Pharma	NA	Data Analytics
NA	Others	NA	Infra services
NA	Energy & Utilities	NA	ERP Managed Services
NA	Banking, Financial Services and Insurance	US	Enterprise Data Warehouse
NA	CPG, Retail & Pharma	Middle East	Security & Network Operations
NA	Banking, Financial Services and Insurance	NA	Cloud & Digital Experience
NA	Banking, Financial Services and Insurance	Europe	Digital Services
NA	High-Tech, Media & Entertainment	NA	SAP S/4HANA ERP platform
NA	Others	NA	Infrastructure & Network services
NA	Energy & Utilities	US	Core application management

Source: Company, HSIE Research

Exhibit 31: Mindtree deal wins in Q4FY22 – MTCL's total TCV in FY22 was USD 1.6bn

Client	Vertical	Geography	Service
NA	Communications, Media & Technology	US	Product Support
NA	Retail, CPG & Manufacturing	Europe	DataOps & IoT
NA	BFSI	US	Digital Transformation
NA	BFSI	NA	Cloud transformation
NA	Travel & Hospitality	US	Testing services

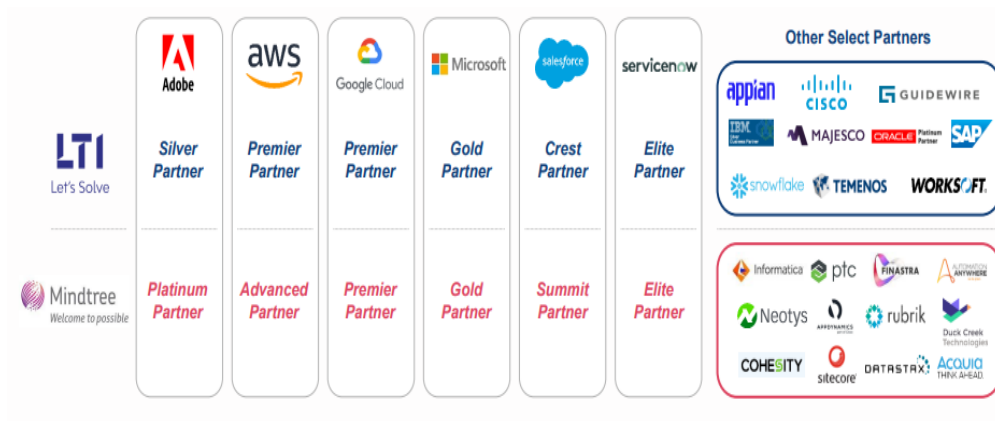
Source: Company, HSIE Research

Exhibit 32: Enhances scale and bridging gap with larger peers

	LTI Let's Solve	+	Mindtree Welcome to possible	=	Proforma (As-is)
FY22					
Revenue (\$mn)	\$2,102		\$1,411		\$3,513
EBIT (\$mn; %)⁽¹⁾	\$363 17.3%		\$262 18.6%		\$625 17.8%
PAT (\$mn; %)⁽¹⁾	\$308 14.7%		\$222 15.7%		\$530 15.1%
Cash & Investments (\$mn)⁽¹⁾	\$516		\$475		\$991
Employees	46,648		35,071		81,719

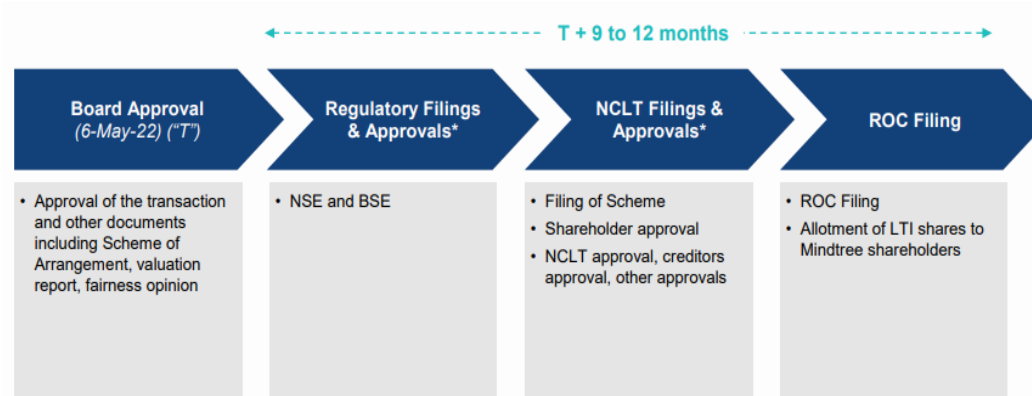
Source : Company

Exhibit 33: Strong relationships with Hyperscalers and other strategic Partners



Source : Company

Exhibit 34: Indicative Timelines and Key Approvals



Source : Company

Exhibit 35: LTI key financials (M-cap INR 805bn, CMP 4593, TP 6185, BUY)
Income Statement (Consolidated)

YE March (INR bn)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Revenues (USD mn)	1,132	1,349	1,525	1,670	2,103	2,510	2,950
<i>Growth (%)</i>	16.7	19.1	13.0	9.5	25.9	19.4	17.6
Net Revenues	73.06	94.46	108.79	123.70	156.69	190.74	227.17
EBITDA	11.87	18.83	20.29	27.25	30.58	37.12	44.41
EBIT	10.31	17.36	17.56	23.93	27.04	32.92	39.41
<i>EBIT (%)</i>	14.1	18.4	16.1	19.3	17.3	17.3	17.3
PBT	14.42	20.28	20.03	25.88	30.97	35.79	42.77
APAT	11.61	15.16	15.21	18.93	22.99	26.66	31.86
EPS (INR)	66.3	86.5	86.8	108.0	131.2	152.2	181.9

Balance Sheet (Consolidated)

Cash & Equivalents	16.28	21.55	27.44	43.88	39.14	48.26	58.94
Debtors	13.96	18.26	23.12	20.84	28.34	34.49	41.08
Other Current Assets	11.41	11.89	12.73	16.60	21.18	25.79	30.71
Total Current Assets	41.65	51.70	63.29	81.31	88.66	108.53	130.74
Net Block	4.10	4.44	13.04	12.75	14.52	15.28	16.54
Goodwill & Other Intangible Assets	2.76	4.95	6.37	6.57	6.90	6.90	6.90
Other Non-current Assets	3.07	4.06	3.33	5.91	14.07	14.07	14.07
Total Non Current Assets	9.93	13.45	22.74	25.23	35.49	36.25	37.51
Creditors	3.79	4.67	6.95	8.28	8.03	9.77	11.64
Other Current Liabilities & Provns	9.64	11.79	16.04	17.63	20.64	25.13	28.88
Total Current Liabilities	13.43	16.46	22.99	25.91	28.66	34.90	40.52
TOTAL APPLICATION OF FUNDS	38.14	48.68	63.04	80.64	95.48	109.88	127.73
Total Shareholders' Funds	38.60	48.94	54.04	73.03	88.15	102.53	120.35
Total Debt	0.00	0.00	0.32	0.41	0.52	0.52	0.52
Other Liabilities + Minority	-0.46	-0.25	8.68	7.19	6.82	6.84	6.86
TOTAL SOURCES OF FUNDS	38.14	48.68	63.04	80.64	95.48	109.88	127.73

Cash Flow (Consolidated)

Operating Cash Flow (OCF)	8.44	13.95	16.44	24.00	16.52	24.39	28.66
Capex + Acq	-2.17	-1.63	-2.57	-3.13	-9.02	-4.96	-6.26
Free Cash Flow (FCF)	6.27	12.32	13.87	20.87	7.50	19.43	22.39
Investing Cash Flow	-1.81	-1.54	-1.85	-0.82	-7.94	-2.26	-3.20
Financing Cash Flow	-4.08	-5.94	-8.90	-5.09	-10.46	-13.02	-14.77
Closing Cash & Equivalents	16.28	21.55	27.44	43.88	39.14	48.26	58.94

Key Ratios

RoE (%)	33.2	34.6	29.5	29.8	28.5	28.0	28.6
RoIC (%)	40.7	53.0	42.5	49.5	43.1	41.6	45.0
Tax Rate (%)	22.8	25.3	24.1	25.1	25.8	25.5	25.5
Debtors (Billed days)	70	71	78	61	66	66	66
DPS (INR/sh)	21.5	28.0	28.0	40.0	55.0	70.0	80.0
P/E (x)	69.3	53.1	52.9	42.5	35.0	30.2	25.3
EV/EBITDA (x)	66.4	41.6	38.3	27.9	25.0	20.4	16.8
Payout Yield (Dividend+Buyback) %	0.4	0.7	0.7	0.7	1.1	1.5	1.7

Source: Company, HSIE Research

Exhibit 36: Mindtree key financials (M-cap INR 556bn, CMP 3374, TP 4855, BUY)**Income Statement (Consolidated)**

YE March (INR bn)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Revenues (USD mn)	847	1,001	1,089	1,077	1,411	1,694	1,995
<i>Growth (%)</i>	8.6	18.3	8.7	-1.1	31.1	20.0	17.8
Net Revenues	54.63	70.22	77.64	79.68	105.25	128.71	153.61
EBITDA	7.41	10.64	10.62	16.43	21.96	26.41	31.49
EBIT	5.69	9.00	7.87	13.83	19.54	23.32	27.79
<i>EBIT (%)</i>	10.4	12.8	10.1	17.4	18.6	18.1	18.1
PBT	7.42	9.79	8.29	14.98	22.11	25.43	30.69
APAT	5.31	7.25	6.66	11.57	16.53	18.94	22.86
EPS (INR)	32.3	44.0	40.4	70.3	100.3	115.0	138.8

Balance Sheet (Consolidated)

Cash & Equivalents	10.55	10.60	13.62	28.07	36.02	46.30	59.45
Debtors	10.16	13.36	14.39	12.74	17.31	21.17	25.27
Other Current Assets	4.38	4.92	5.35	6.11	10.52	12.50	14.07
Total Current Assets	25.09	28.87	33.35	46.92	63.86	79.97	98.78
Net Block	5.03	4.94	9.36	8.03	9.02	9.73	10.33
Goodwill & Other Intangible Assets	4.54	4.73	4.73	4.73	4.73	4.73	4.73
Other Non-current Assets	2.39	2.86	2.29	3.59	3.97	3.97	3.97
Total Non Current Assets	11.96	12.53	16.38	16.35	17.72	18.43	19.03
Creditors	1.71	2.13	2.55	2.68	5.36	6.66	7.94
Other Current Liabilities & Provns	5.15	6.42	10.68	13.25	16.65	20.15	23.65
Total Current Liabilities	6.86	8.55	13.24	15.93	22.01	26.81	31.59
TOTAL APPLICATION OF FUNDS	30.19	32.85	36.50	47.34	59.57	71.59	86.22
Total Shareholders' Funds	27.41	33.06	31.57	43.19	54.74	66.76	81.39
Total Debt	3.01	0.01	0.00	0.00	0.00	0.00	0.00
Other Liabilities + Minority	-0.23	-0.21	4.93	4.15	4.83	4.83	4.83
TOTAL SOURCES OF FUNDS	30.19	32.85	36.50	47.34	59.57	71.59	86.22

Cash Flow (Consolidated)

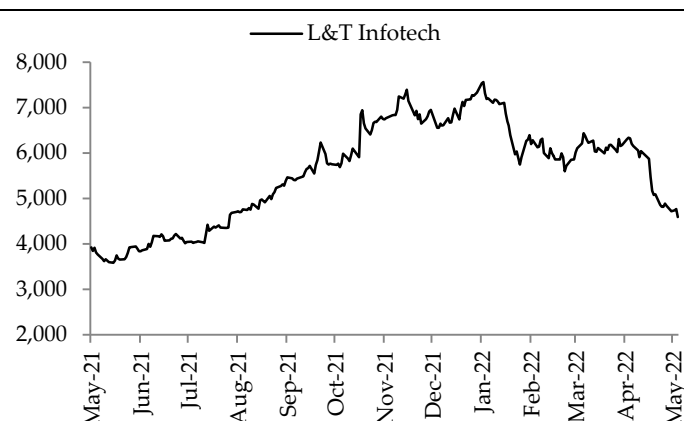
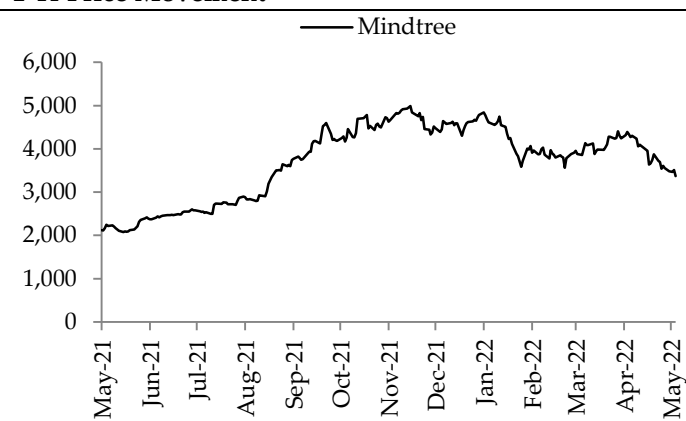
Operating Cash Flow (OCF)	5.64	6.23	8.25	19.96	15.37	19.55	23.65
Capex + Acq	-1.18	-1.75	-1.24	-0.68	-3.06	-3.80	-4.30
Free Cash Flow (FCF)	4.46	4.48	7.01	19.28	12.31	15.75	19.35
Investing Cash Flow	0.01	-1.13	-1.10	0.37	-1.98	-2.37	-2.28
Financing Cash Flow	-2.88	-5.22	-6.96	-4.23	-5.96	-7.40	-8.72
Closing Cash & Equivalents	10.55	10.60	13.62	28.07	36.02	46.30	59.45

Key Ratios

RoE (%)	20.0	24.0	20.6	31.0	33.8	31.2	30.9
RoIC (%)	23.2	32.8	26.5	48.6	68.2	71.1	79.5
Tax Rate (%)	23.2	23.8	23.9	25.9	25.2	25.5	25.5
Debtors (Billed days)	68	69	68	58	60	60	60
DPS (INR/sh)	13.0	13.0	33.0	25.0	37.0	42.0	50.0
P/E (x)	104.3	76.6	83.5	48.0	33.6	29.3	24.3
EV/EBITDA (x)	74.0	51.2	51.0	32.1	23.7	19.3	15.8
Payout Yield (Dividend+Buyback) %	0.9	0.4	1.1	0.5	0.8	1.2	1.5

Source: Company, HSIE Research

1 Yr Price Movement



Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: >10% Downside return potential

Disclosure:

We, **Apurva Prasad, MBA, Amit Chandra, MBA & Vinesh Vala, MBA** 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. HSL has no material adverse disciplinary history as on the date of publication of this report. 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.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock –No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) 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 act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL 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.

HSL 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 in the normal course of business.

HSL 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 HSL nor Research Analysts 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. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066 Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

HDFC securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board : +91-22-6171 7330 www.hdfcsec.com