

# Teamlease Services

**BUY**
**INDUSTRY STAFFING SVS**
**CMP (as on 17 May 2018)** Rs 2,895

**Target Price** Rs 3,300

Nifty 10,683

Sensex 35,149

**KEY STOCK DATA**

Bloomberg/Reuters TEAM IN

No. of Shares (mn) 17

MCap (Rs bn) / (\$ mn) 49/731

6m avg traded value (Rs mn) 135

**STOCK PERFORMANCE (%)**
**52 Week high / low** Rs 3,219 / 1,105

	3M	6M	12M
Absolute (%)	34.0	60.5	148.1
Relative (%)	30.7	55.1	133.4

**SHAREHOLDING PATTERN (%)**

Promoters 42.33

FIs &amp; Local MFs 7.09

FPIs 32.46

Public &amp; Others 18.12

Source : BSE

**Amit Chandra**

amit.chandra@hdfcsec.com

+91-22-6171-7345

**Apurva Prasad**

apurva.prasad@hdfcsec.com

+91-22-6171-7327

## Structural growth story

Teamlease reported good set of numbers for 4QFY18 with beat on both revenue and margins. Revenue stood at Rs 9.78bn up 6.5% QoQ vs our est. of Rs 9.68bn. Growth was led by staffing segment (+5.1% QoQ, 90.3% of rev) and specialised staffing (+24.0% QoQ, 7.3% of rev, led by full quarter impact of Evolve acquisition). EBITDA margin expansion (+38bps QoQ to 2.3%) was encouraging and stood higher than our estimate of 2.0% led by richer mix. Growth in higher-margin specialised staffing business, rising associate/core ratio (+8.4% YoY in FY18) and higher mark-ups (+7.5% QoQ for FY18) are driving margins (+66bps to 1.9% in FY18).

We continue to like Teamlease considering the secular growth trends visible in the flexi-staffing sector. Macro tailwinds, such as (1) GST and labour reforms, (2) Expansion of organised businesses to Tier 2/3 cities, (3) Rising preference for organised staffing providers, and (4) Government-driven skill development initiatives will drive ~20-25% CAGR in organised flexi-staffing over the next few years. TeamLease, being the leader in the organised flexi-staffing market, is well poised to reap the benefits of the shift from the unorganised to organised market. We like the company's low risk business model (non

**Financial Summary**

YE March (Rs mn)	4QFY18	4QFY17	YoY (%)	3QFY18	QoQ (%)	FY16	FY17	FY18	FY19E	FY20E
Net Revenue	9,775	8,170	19.6	9,181	6.5	25,049	30,418	36,241	44,656	55,152
EBITDA	227	82	177.5	179	27.2	258	376	688	973	1,386
APAT	215	304	-29.3	184	16.8	248	581	737	984	1,412
Diluted EPS (Rs)	12.6	17.8	-29.3	10.8	16.8	14.5	34.0	43.1	57.6	82.6
P/E (x)						199.6	85.2	67.1	50.3	35.1
EV / EBITDA (x)						182.7	127.6	70.0	48.9	33.6
RoE (%)						10.8	17.1	18.2	20.0	23.1

Source: Company, HDFC sec Inst Research #consolidated

HDFC securities Institutional Research is also available on Bloomberg HSLB &lt;GO&gt; &amp; Thomson Reuters

outcome based), focus on scaling NETAP associates (higher margin) and increased focus on higher margin specialised staffing business. We expect TeamLease's revenue/EBITDA/PAT to grow at 23/42/38% CAGR over FY18-20E.

We earlier added back the NPV of the tax benefits availed under 80JJAA to the normalized earnings giving 40x multiple. After receiving clarity from the management about the longer term nature of the tax benefit, we are now applying the same multiple to the reported earnings. We maintain BUY with a TP of Rs 3,300 based on 40x FY20E EPS.

**Highlights of the quarter**

- Total no of associates in Staffing/NETAP stood at 132/43k, +1/7% QoQ. Staffing mark-up was flat QoQ at Rs 755/associate/month. Associate/Core ratio stood at 220 in 4Q vs 219 in the last quarter. Total associates stood at 181K +20% YoY.
- GM in NETAP (75% of associates, +84% YoY, ~5.4% GM) are higher than Staffing (25% of associate, +5% YoY, ~3.3% GM), which is aiding margin expansion.
- **Near-term outlook:** Volume growth will resume in 1QFY19 led by strong NETAP additions. Margin expansion will be gradual with better revenue mix.

**Organic revenue growth excluding Evolve was 18% YoY in FY18**

**In 4Q organic growth was 5.4% QoQ, adjusted for Evolve**

**HR revenue grew strongly (+14.4% QoQ) for the third consecutive quarter**

**Evolve is a higher margin business (~6-7%) which led to margin expansion**

**Other income was lower due to lower interest income (cash was used for acquisitions)**

**PAT included benefit from section 80JJAA**

### Financial Snapshot (Consolidated)

Particulars	4QFY18	4QFY17	YoY (%)	3QFY18	QoQ (%)
<b>Total Revenues</b>	<b>9,775</b>	<b>8,170</b>	<b>19.6</b>	<b>9,181</b>	<b>6.5</b>
Associate employee cost	9,314	7,883	18.2	8,755	6.4
SG&A Expenses	233	206	13.5	247	(5.4)
<b>EBITDA</b>	<b>227</b>	<b>82</b>	<b>177.5</b>	<b>179</b>	<b>27.2</b>
Depreciation	28	31	(10.0)	24	15.1
<b>EBIT</b>	<b>200</b>	<b>51</b>	<b>290.2</b>	<b>155</b>	<b>29.0</b>
Other Income	12	50	(76.3)	42	(72.1)
Interest Cost	11	3	316.9	8	37.2
<b>PBT</b>	<b>200</b>	<b>98</b>	<b>103.7</b>	<b>189</b>	<b>6.1</b>
Tax	(15)	(206)	NM	5	NM
<b>RPAT</b>	<b>215</b>	<b>304</b>	<b>(29.3)</b>	<b>184</b>	<b>16.8</b>
EO Items (Adj For Tax)	0	0	NM	0	NM
<b>APAT</b>	<b>215</b>	<b>304</b>	<b>(29.3)</b>	<b>184</b>	<b>16.8</b>

Source: Company, HDFC sec Inst Research

MARGIN ANALYSIS	4QFY18	4QFY17	YoY (bps)	3QFY18	QoQ (bps)
Associate employee cost % of Revenue	95.3	96.5	(119)	95.4	(8)
SG&A Expenses % of Revenue	2.4	2.5	(13)	2.7	(30)
Gross Margin (%)	4.7	3.5	119	4.6	8
EBITDA Margin (%)	2.3	1.0	132	1.9	38
Operating Margin (%)	2.0	0.6	142	1.7	36
Tax Rate (%)	(7.4)	(209.2)	NM	2.5	NM
APAT Margin (%)	2.2	3.7	(152)	2.0	20

Source: Company, HDFC sec Inst Research

*Core staffing revenue contribution dropping due to higher contribution from IT & Telecom staffing categorized as specialised staffing*

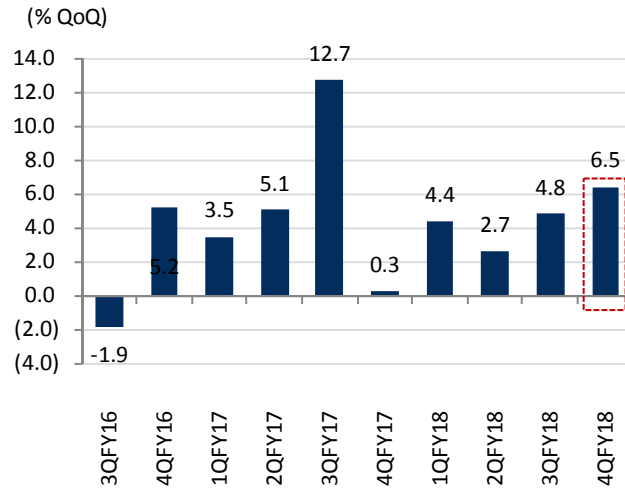
*Specialised associates grew by 0.6% to 5.94K for the quarter*

*NETAP trainee's addition has been very strong (+16% CQGR for the last four quarters)*

*Realisation NETAP trainees is Rs 570/employee/month vs Rs 568 last quarter.*

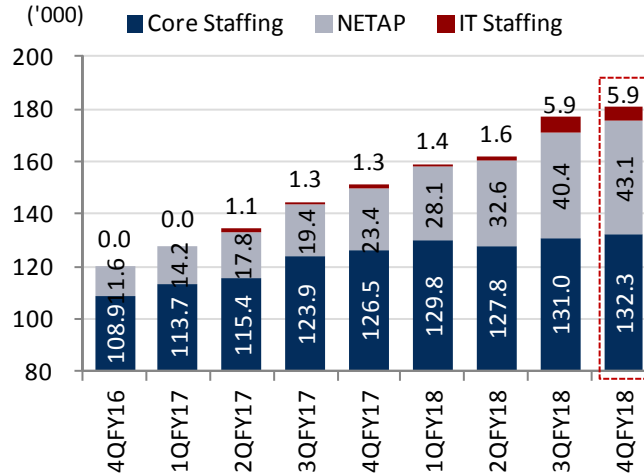
*EBITDA margin will expand gradually to the 2-3% range in the next two years*

**Total Revenue Growth**



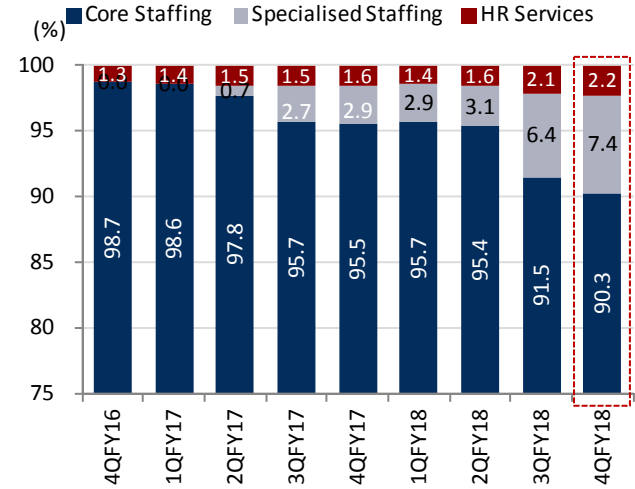
Source: Company, HDFC sec Inst Research

**Associate Strength Across Business Lines**



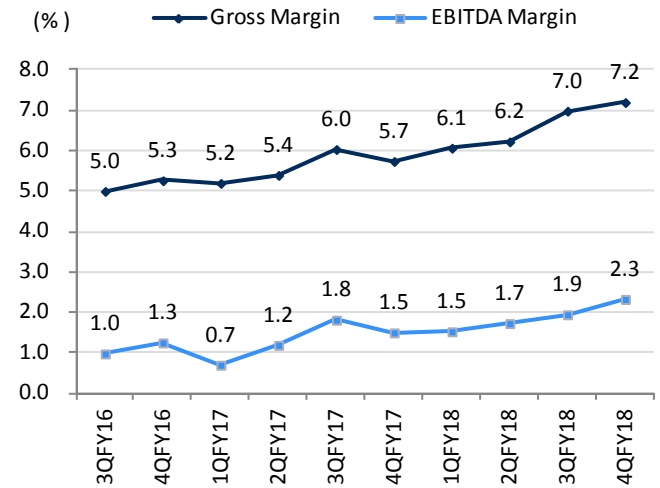
Source: Company, HDFC sec Inst Research

**Total Revenue Mix**



Source: Company, HDFC sec Inst Research

**Gross And EBITDA Margin**



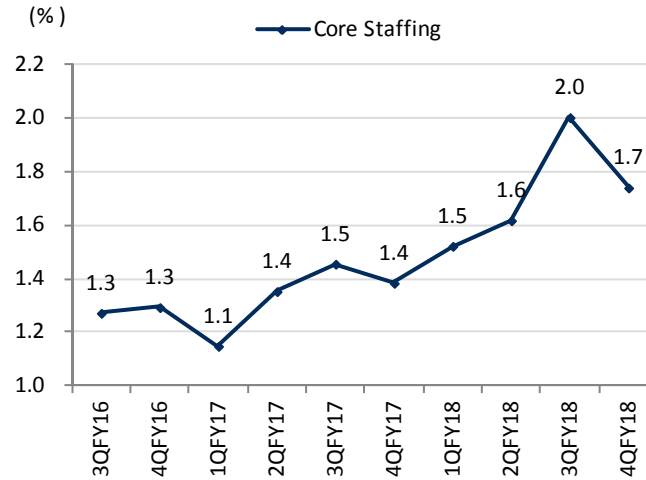
Source: Company, HDFC sec Inst Research, GM is excluding core employee cost

**Higher associate-to-core ratio increased contribution of NETAP will drive margins**

**Specialised staffing EBIT margin fell due to integration of Evolve which is a lower margin business compared to IT staffing**

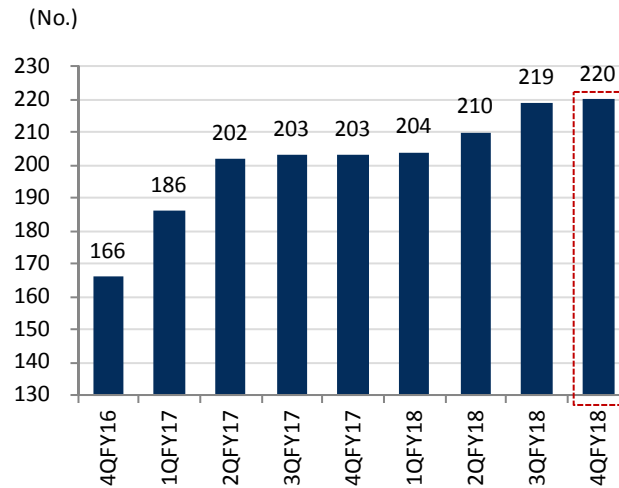
**Realisation coming down due to high growth in NETAP associates which has lower realization but higher GM**

**Core Staffing EBIT Margin**



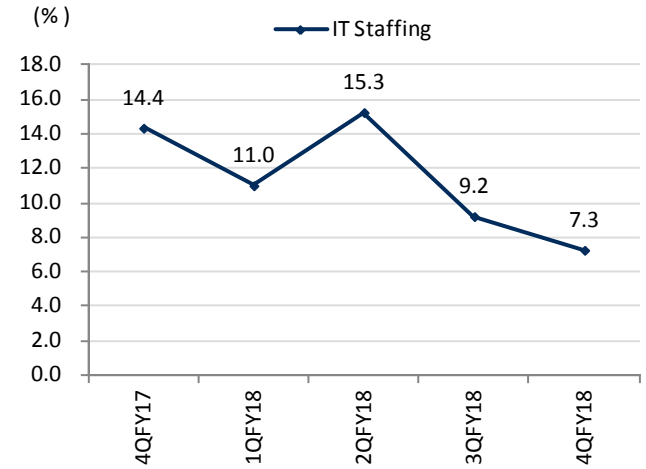
Source: Company, HDFC sec Inst Research

**Associate / Core Ratio**



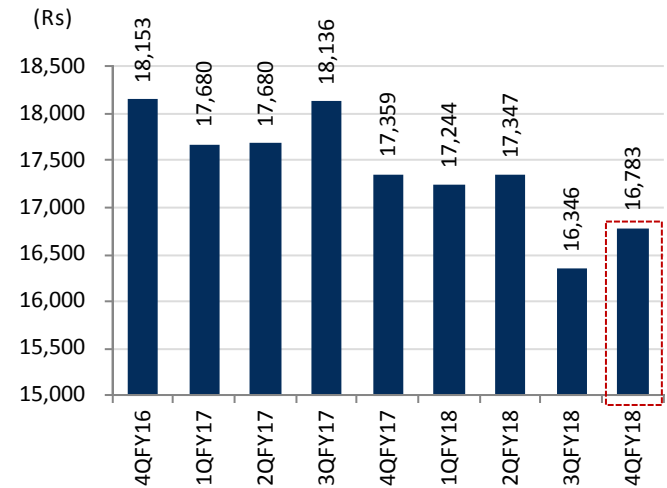
Source: Company, HDFC sec Inst Research

**Specialised IT/Telecom Staffing EBIT Margin**



Source: Company, HDFC sec Inst Research

**Core Staffing Realisation (Including NETAP)**



Source: Company, HDFC sec Inst Research

### Key Assumptions Table

Rs mn	FY16	FY17	FY18	FY19E	FY20E
Core Staffing Revenue	24,758	29,453	33,749	40,799	50,873
YoY %		19.0	14.6	20.9	24.7
IT Staffing Revenue	-	508	1,829	3,017	3,231
YoY %		NM	NM	64.9	7.1
HR Services Revenue	291	457	663	840	1,048
YoY %		56.9	44.9	26.7	24.8
<b>Total Revenue</b>	<b>25,049</b>	<b>30,418</b>	<b>36,241</b>	<b>44,656</b>	<b>55,152</b>
YoY %		21.4	19.1	23.2	23.5
Core Staffing Associates (Nos.)	120,434	149,902	175,375	201,375	231,375
IT Staffing Associates (Nos.)	0	1,251	5,948	6,048	6,148
Volume Growth YoY %	27.2	25.5	20.0	14.4	14.5
Realisation YoY %	(3.1)	(3.6)	(1.0)	7.7	7.8
Gross Margin %	4.9	5.6	6.6	6.7	6.6
EBITDA Margin %	1.0	1.2	1.9	2.2	2.5

Source: Company, HDFC sec Inst Research

### Change In Estimates

Particulars	Earlier estimates	Revised estimates	% change
<b>FY18E</b>			
Revenue (Rs mn)	44,652	44,656	0.0
EBITDA (Rs mn)	1,023	973	(4.9)
EBITDA margin (%)	2.3	2.2	(11) bps
EPS (Rs)	60.3	57.6	(4.5)
<b>FY19E</b>			
Revenue (Rs mn)	54,947	55,152	0.4
EBITDA (Rs mn)	1,409	1,386	(1.6)
EBITDA margin (%)	2.6	2.5	(5) bps
EPS (Rs)	81.6	82.6	1.2

Source: Company, HDFC sec Inst Research

**Peer Valuation**

Relative Valuation	YE	Mcap	Revenue			18-20E CAGR %	EBITDA			18-20E CAGR %	EBITDA Margin %			EV/EBITDA (x)			P/E (x)			RoE (%)			
			FY18	FY19E	FY20E		FY18	FY19E	FY20E		FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	
<b>Global Players</b>		<b>(US\$ bn)</b>	<b>(US\$ bn)</b>				<b>(US\$ bn)</b>																
Adecco*	Dec	10.9	24.3	25.2	26.0	3.3	1.2	1.3	1.3	4.8	5.1	5.2	5.2	8.4	8.0	7.7	13.3	12.7	12.0	20.8	19.6	18.2	
Randstad	Dec	9.8	24.2	25.1	25.9	3.5	1.2	1.3	1.4	5.6	5.1	5.2	5.3	9.1	8.6	8.2	12.0	11.3	10.8	18.7	19.0	15.5	
Manpower	Dec	6.2	23.3	24.4	25.7	4.9	1.0	1.1	1.1	4.5	4.3	4.4	4.2	6.7	6.3	6.2	10.4	10.2	9.3	19.9	17.4	15.6	
<b>Indian Players</b>		<b>(Rs bn)</b>	<b>(Rs bn)</b>				<b>(Rs bn)</b>																
Quess	Mar	171	62.29	82.58	99.08	26.1	3.72	5.36	6.69	34.0	6.0	6.5	6.7	44.7	31.0	24.9	53.3	38.1	28.9	22.1	21.4	21.6	
SIS	Mar	101	58.49	68.90	79.51	16.6	3.23	4.12	5.04	25.0	5.5	6.0	6.3	31.2	24.5	20.0	56.7	39.3	30.0	21.7	21.9	23.4	
<b>TeamLease</b>	<b>Mar</b>	<b>49</b>	<b>36.24</b>	<b>44.66</b>	<b>55.15</b>	<b>23.4</b>	<b>0.69</b>	<b>0.97</b>	<b>1.39</b>	<b>42.0</b>	<b>1.9</b>	<b>2.2</b>	<b>2.5</b>	<b>70.0</b>	<b>48.9</b>	<b>33.6</b>	<b>67.1</b>	<b>50.3</b>	<b>35.1</b>	<b>18.2</b>	<b>20.0</b>	<b>23.1</b>	

## Consolidated Income Statement

YE March (Rs mn)	FY16	FY17	FY18	FY19E	FY20E
<b>Net Revenues</b>	<b>25,049</b>	<b>30,418</b>	<b>36,241</b>	<b>44,656</b>	<b>55,152</b>
<b>Growth (%)</b>	<b>24.8</b>	<b>21.4</b>	<b>19.1</b>	<b>23.2</b>	<b>23.5</b>
Employee benefits	24,391	29,413	34,712	42,692	52,639
Other expenses	400	629	841	991	1,127
<b>EBITDA</b>	<b>258</b>	<b>376</b>	<b>688</b>	<b>973</b>	<b>1,386</b>
<b>EBITDA Margin (%)</b>	<b>1.0</b>	<b>1.2</b>	<b>1.9</b>	<b>2.2</b>	<b>2.5</b>
<b>EBITDA Growth (%)</b>	<b>7.2</b>	<b>45.7</b>	<b>83.1</b>	<b>41.4</b>	<b>42.5</b>
Depreciation	30	61	92	102	117
<b>EBIT</b>	<b>228</b>	<b>315</b>	<b>596</b>	<b>871</b>	<b>1,269</b>
Other Income (Including EO Items)	154	217	156	141	176
Interest	4	11	25	18	19
<b>PBT</b>	<b>378</b>	<b>520</b>	<b>728</b>	<b>994</b>	<b>1,426</b>
Tax (Incl Deferred)	130	-61	-9	10	14
<b>RPAT</b>	<b>248</b>	<b>581</b>	<b>737</b>	<b>984</b>	<b>1,412</b>
Minority Interest	-	-	-	-	-
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-
<b>APAT</b>	<b>248</b>	<b>581</b>	<b>737</b>	<b>984</b>	<b>1,412</b>
<b>APAT Growth (%)</b>	<b>-19.4</b>	<b>134.2</b>	<b>26.9</b>	<b>33.5</b>	<b>43.5</b>
<b>Adjusted EPS (Rs)</b>	<b>14.5</b>	<b>34.0</b>	<b>43.1</b>	<b>57.6</b>	<b>82.6</b>
<b>EPS Growth (%)</b>	<b>-19.4</b>	<b>134.2</b>	<b>26.9</b>	<b>33.5</b>	<b>43.5</b>

Source: Company, HDFC sec Inst Research

## Consolidated Balance Sheet

YE March (Rs mn)	FY16	FY17	FY18	FY19E	FY20E
<b>SOURCES OF FUNDS</b>					
Share Capital - Equity	171	171	171	171	171
Reserves	2,945	3,493	4,246	5,230	6,641
<b>Total Shareholders Funds</b>	<b>3,116</b>	<b>3,663</b>	<b>4,417</b>	<b>5,401</b>	<b>6,812</b>
Minority Interest	0	0	0	0	0
<b>Total Debt</b>	<b>194</b>	<b>11</b>	<b>73</b>	<b>73</b>	<b>73</b>
Net Deferred Taxes	(45)	(248)	(399)	(399)	(399)
Long Term Provisions & Others	332	424	486	625	771
<b>TOTAL SOURCES OF FUNDS</b>	<b>3,596</b>	<b>3,850</b>	<b>4,576</b>	<b>5,699</b>	<b>7,257</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	94	232	248	370	473
CWIP	0	0	0	0	0
Goodwill	24	837	1,130	1,130	1,130
Investments	0	0	270	270	270
LT Loans & Advances	908	1,277	1,951	2,009	2,482
<b>Total Non-current Assets</b>	<b>1,026</b>	<b>2,346</b>	<b>3,599</b>	<b>3,779</b>	<b>4,355</b>
Inventories	2	103	323	313	386
Debtors	1,205	1,729	2,235	2,692	3,324
Other Current Assets	924	748	880	1,116	1,379
Cash & Equivalents	2,590	1,602	1,424	2,042	3,053
<b>Total Current Assets</b>	<b>4,721</b>	<b>4,182</b>	<b>4,863</b>	<b>6,162</b>	<b>8,142</b>
Creditors	0	0	0	0	0
Other Current Liabilities & Provns	2,144	2,678	3,885	4,242	5,239
<b>Total Current Liabilities</b>	<b>2,144</b>	<b>2,678</b>	<b>3,885</b>	<b>4,242</b>	<b>5,239</b>
<b>Net Current Assets</b>	<b>2,577</b>	<b>1,504</b>	<b>978</b>	<b>1,920</b>	<b>2,902</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>3,602</b>	<b>3,850</b>	<b>4,576</b>	<b>5,699</b>	<b>7,257</b>

Source: Company, HDFC sec Inst Research

## Consolidated Cash Flow

YE March (Rs mn)	FY16	FY17	FY18	FY19E	FY20E
Reported PBT	378	520	728	994	1,426
Non-operating & EO Items	(102)	(217)	(156)	(141)	(176)
Interest Expenses	4	11	25	18	19
Depreciation	30	61	92	102	117
Working Capital Change	(150)	(192)	(263)	(245)	(297)
Tax Paid	(265)	61	9	(10)	(14)
<b>OPERATING CASH FLOW ( a )</b>	<b>(105)</b>	<b>244</b>	<b>434</b>	<b>718</b>	<b>1,075</b>
Capex	(47)	(1,013)	(400)	(223)	(221)
Free Cash Flow (FCF)	(152)	(769)	34	495	854
Investments	(58)	0	0	0	0
Non-operating Income	113	217	156	141	176
<b>INVESTING CASH FLOW ( b )</b>	<b>8</b>	<b>(796)</b>	<b>(244)</b>	<b>(82)</b>	<b>(45)</b>
Debt Issuance/(Repaid)	73	(183)	62	0	0
Interest Expenses	(4)	(11)	(25)	(18)	(19)
FCFE	(82)	(963)	71	477	835
Share Capital Issuance/IPO	1,500	0	0	0	0
Dividend	0	0	0	0	0
<b>FINANCING CASH FLOW ( c )</b>	<b>1,569</b>	<b>(194)</b>	<b>37</b>	<b>(18)</b>	<b>(19)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>1,472</b>	<b>(746)</b>	<b>227</b>	<b>618</b>	<b>1,011</b>
EO Items, Others	(29)	(242)	(405)	0	0
Closing Cash & Equivalents	2,590	1,602	1,424	2,042	3,053

Source: Company, HDFC sec Inst Research

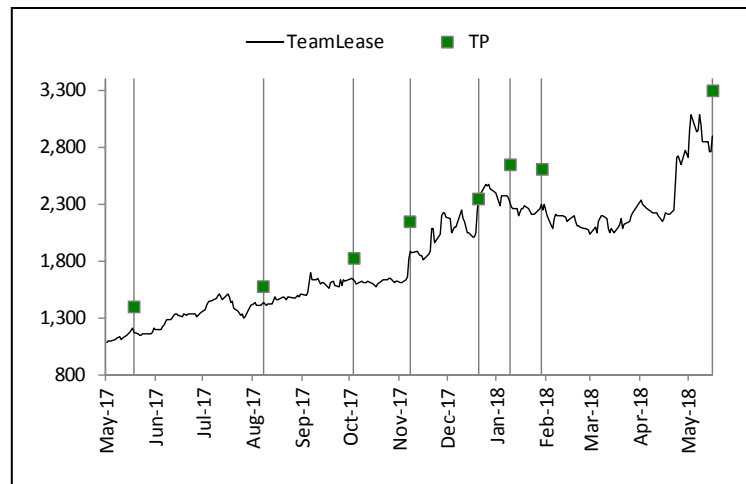
## Key Ratios

	FY16	FY17	FY18E	FY19E	FY20E
<b>PROFITABILITY (%)</b>					
GPM	2.6	3.3	4.2	4.4	4.6
EBITDA Margin	1.0	1.2	1.9	2.2	2.5
APAT Margin	1.0	1.9	2.0	2.2	2.6
RoE	10.8	17.1	18.2	20.0	23.1
RoIC (or Core RoCE)	19.7	21.6	23.5	27.5	34.3
RoCE	9.5	15.9	18.1	19.5	22.1
<b>EFFICIENCY</b>					
Tax Rate (%)	34.4	-11.6	-1.3	1.0	1.0
Fixed Asset Turnover (x)					
Inventory (days)	0	1	3	3	3
Debtors (days)	18	21	23	22	22
Other Current Assets (days)	13	9	9	9	9
Payables (days)	0	0	0	0	0
Other Current Liab & Provns (days)	31	32	39	35	35
Cash Conversion Cycle (days)	-0.2	-1.2	-4.5	-1.0	-1.0
Net D/E (x)	-0.8	-0.4	-0.3	-0.4	-0.4
Interest Coverage (x)	58.1	28.7	24.2	47.8	65.2
<b>PER SHARE DATA (Rs)</b>					
EPS	14.5	34.0	43.1	57.6	82.6
CEPS	16.3	37.5	48.5	63.5	89.4
Dividend	0	0	0	0	0
Book Value	182	214	258	316	398
<b>VALUATION</b>					
P/E (x)	199.6	85.2	67.1	50.3	35.1
P/BV (x)	15.9	13.5	11.2	9.2	7.3
EV/EBITDA (x)	182.7	127.6	70.0	48.9	33.6
EV/Revenues (x)	1.9	1.6	1.3	1.1	0.8
OCF/EV (%)	(0.2)	0.5	0.9	1.5	2.3
FCF/EV (%)	(0.3)	(1.6)	0.1	1.0	1.8
FCFE/Mkt Cap (%)	-0.2	-1.9	0.1	1.0	1.7
Dividend Yield (%)	0	0	0	0	0

Source: Company, HDFC sec Inst Research



**RECOMMENDATION HISTORY**



Date	CMP	Reco	Target
20-May-17	1,169	BUY	1,402
9-Aug-17	1,423	BUY	1,580
4-Oct-17	1,649	BUY	1,828
8-Nov-17	1,826	BUY	2,150
21-Dec-17	2,047	BUY	2,350
10-Jan-18	2,348	BUY	2,650
31-Jan-18	2,285	BUY	2,610
17-May-18	2,895	BUY	3,300

**Rating Definitions**

- BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
- NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
- SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

## INSTITUTIONAL RESEARCH

**Disclosure:**

We, **Amit Chandra, MBA & Apurva Prasad, MBA**, author and the name 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 meant for sole use by the recipient and not for circulation. 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. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and 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 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 individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HSL.

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. 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](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600**

**HDFC Securities Limited, SEBI Reg. No.: NSE-INB/F/E 231109431, BSE-INB/F 011109437, AMFI Reg. No. ARN: 13549, PFRDA Reg. No. POP: 04102015, IRDA Corporate Agent License No.: HDF 2806925/HDF C000222657, SEBI Research Analyst Reg. No.: INH000002475, CIN - U67120MH2000PLC152193**

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

