

Sector Thematic

Indian IT

Demand recovery in sight

Indian IT will stage a recovery from the near-term economic shock and is currently in the resurrection phase with demand recovery in sight. Competitive advantage vs. global peers, favourable risk-reward based on multiple industry scenario analysis and resilient dynamics of core industry segments can support the recovery trajectory. Primary checks, digital playbook and high-frequency indicators also suggest 2H recovery, vendor consolidation gains and service delivery shifts. Despite recent valuation re-rating to pre-covid levels, IT sector valuations at median levels with sector skew provides opportunities.



Apurva Prasad

IT Sector

apurva.prasad@hdfcsec.com

+91-22-6171-7327



Amit Chandra

IT Sector

amit.chandra@hdfcsec.com

+91-22-6171-7345



Vinesh Vala

IT Sector

vinesh.vala@hdfcsec.com

+91-22-6171-7332

IT Sector

Indian IT: Demand recovery in sight

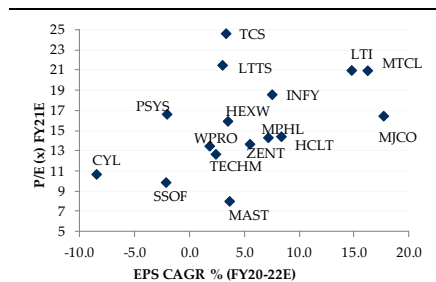
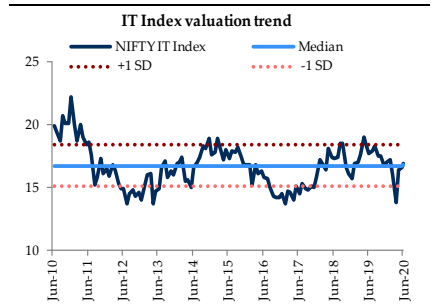
Indian IT is expected to recover 2Q-3QFY21 onwards. While the severity of the economic impact has been reasonably factored, the trajectory of recovery is uncertain. We expect the demand trajectory to rebound sharply based on our top-down industry scenario analysis, primary checks, resilient dynamics in core verticals and strong digital playbook.

Our checks with IT cos./industry experts suggest (1) Scale & end-to-end services suite (increasing partner-led deals) are strong factors for vendor consolidation gains (pricing, large deal constructs & existing customers CSAT key elements) as enterprises undertake technology portfolio rationalisation, (2) Reduction in legacy tech estate of enterprises to gather pace post-covid and higher share of F-500 customers provide resilience, (3) Accelerated automation and higher work from home are expected to impact service delivery in the long term with changes in talent practice, and (4) Higher near-term impact on account of delay/cancellation in discretionary projects, as compared to impact from pricing/volume cuts in business critical projects with overall tech budget cuts in 5-15% range.

- Market-share gains across cycles:** Indian IT (even Wipro) has delivered a consistent track record of market-share gains vs. global IT, across tech mega trends and market cycles, which reflect the strong competitive advantage (recent growth outperformance by ~700bps). Contrary to popular narrative, Indian IT's growth in the digital/cloud era (FY15-20) has outpaced global IT peers (>80% share of incremental growth within large global IT), following significant gains in the post GFC period. Portfolio depth across verticals & technologies underpins our expectations of continued outperformance.
- Favourable risk-reward:** Key observations from top-down industry scenarios analysis suggest (1) Favourable risk-reward for the sector as even a bear case implies recovery beyond FY21 and as cyclical downtrend in a structurally positive outcome has limited impact on valuations, (2) Bear case & bull case implies a rev growth variance of ~10% in FY21 (-12% YoY to +1% YoY range) and ~6% in FY22 (+6.5% YoY to +13.5% YoY range) for tier-1 IT, (3) HCLT has the least impact in bear case and highest upside in a bull case (supported by acquisitive growth), and 3) TCS and Infosys exhibit fairly similar levels of sensitivity under bear-bull case.
- Resilient dynamics of verticals & strong digital playbook:** Vertical trends suggest (1) BFSI tech spend buoyancy despite slowdown, (2) Recent recovery in US retail concurrent with tech spend priorities such as building omni-channel & in-store analytics (strong recent deal activity in HCLT/TCS), 3) Positive enterprise trends in Healthcare vertical (HCLT/Wipro higher exposure) in conjunction with tech investments in RPA.
- Maintain constructive stance:** Despite the strong valuations re-rating to pre-covid levels, 1) IT valuations are at historical avg. (-8% below +1SD), 2) Valuation skew within the sector provides opportunities, and 3) USD-INR has upside risks (revised EPS higher ~4% factoring USD-INR at 75/76 for FY21E/22E and our target valuations are revised upwards to historical avg. on better visibility). Upgrades include Wipro (ADD) and Mphasis (BUY); downgrades include L&T Tech (REDUCE) and Hexaware (REDUCE).

Top Picks: Infosys, HCL Tech, LTI, Mphasis, Sonata

| Company | CMP (Rs) | RECO | TP (Rs) |
|---------------|----------|--------|---------|
| TCS | 2,035 | REDUCE | 1,930 |
| Infosys | 721 | BUY | 805 |
| HCL Tech | 580 | BUY | 670 |
| Wipro | 221 | ADD | 245 |
| Tech Mahindra | 559 | BUY | 710 |
| LTI | 1,885 | ADD | 2,070 |
| Mphasis | 855 | BUY | 1,055 |
| Mindtree | 928 | ADD | 985 |
| LTTS | 1,297 | REDUCE | 1,220 |
| Hexaware | 320 | REDUCE | 320 |
| Persistent | 616 | REDUCE | 630 |
| Zensar | 136 | ADD | 130 |
| Cyient | 256 | REDUCE | 255 |
| Sonata | 226 | BUY | 305 |
| Mastek | 395 | BUY | 535 |
| Majesco | 349 | BUY | 450 |



Apurva Prasad

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

Amit Chandra

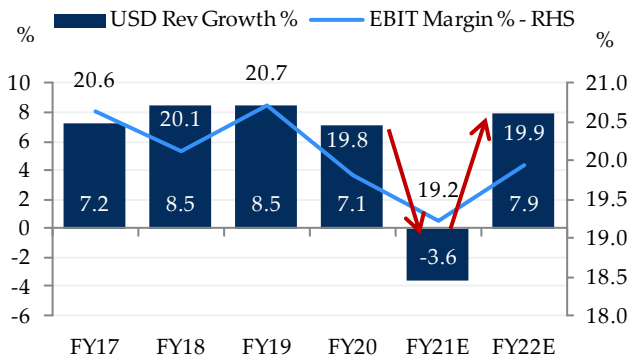
amit.chandra@hdfcsec.com
+91-22-6171-7345

Vinesh Vala

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

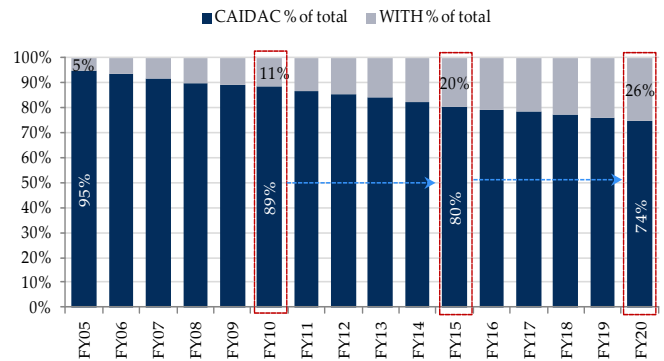
Focus Charts

Revenue and Margin Trend (IT Sector)



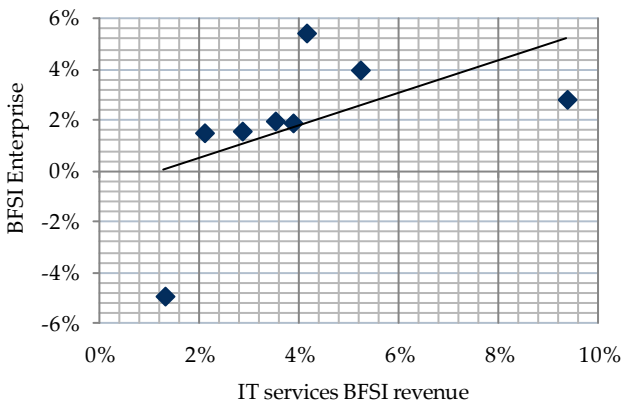
Source: Company, HSIE Research; Coverage universe aggregate

Indian IT Gained Market Share Across Cycles



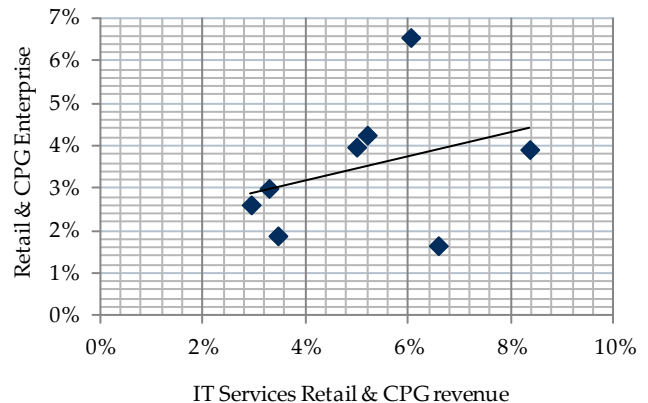
Source: Company, HSIE Research; CAIDAC denotes aggregate of Cognizant, Accenture, IBM services, DXC, Atos, Capgemini & WITH denotes TCS, INFY, HCLT, Wipro aggregate

BFSI Enterprise Revenue & IT services BFSI Revenue Growth Correlation (R2 = 0.3)



Source: Company, HSIE Research

Retail & CPG Enterprise & IT Services Retail & CPG Revenue Growth Correlation (R2 = 0.1)



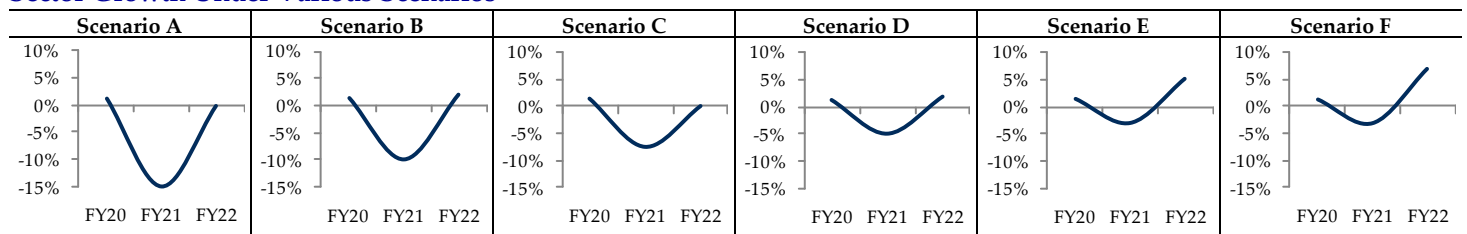
Source: Company, HSIE Research

IT companies Rankings

| Parameters | TCS | INFY | HCLT | Wipro |
|--------------------------------------|----------|----------|----------|----------|
| Market share gains vs. Global majors | 2 | 3 | 1 | 4 |
| Health of large accounts | 1 | 4 | 3 | 2 |
| USD 10mn+ client adds | 2 | 1 | 3 | 4 |
| USD 100mn+ client adds | 4 | 3 | 2 | 1 |
| BFSI vertical momentum | 3 | 2 | 1 | 4 |
| Communication vertical momentum | 1 | 4 | 2 | 3 |
| Retail & CPG vertical momentum | 2 | 3 | 1 | 4 |
| Healthcare vertical momentum | 1 | 2 | 3 | 4 |
| Overall Service Portfolio | 1 | 2 | 4 | 3 |
| Digital Portfolio | 2 | 1 | 4 | 3 |
| OVERALL RANK | 1 | 2 | 3 | 4 |

Source: HSIE Research; Data from Gartner, Forrester, IDC, Everest, HFS to assess overall service portfolio & digital portfolio

Sector Growth Under Various Scenarios



Source: HSIE Research

IT Sector Valuation Universe

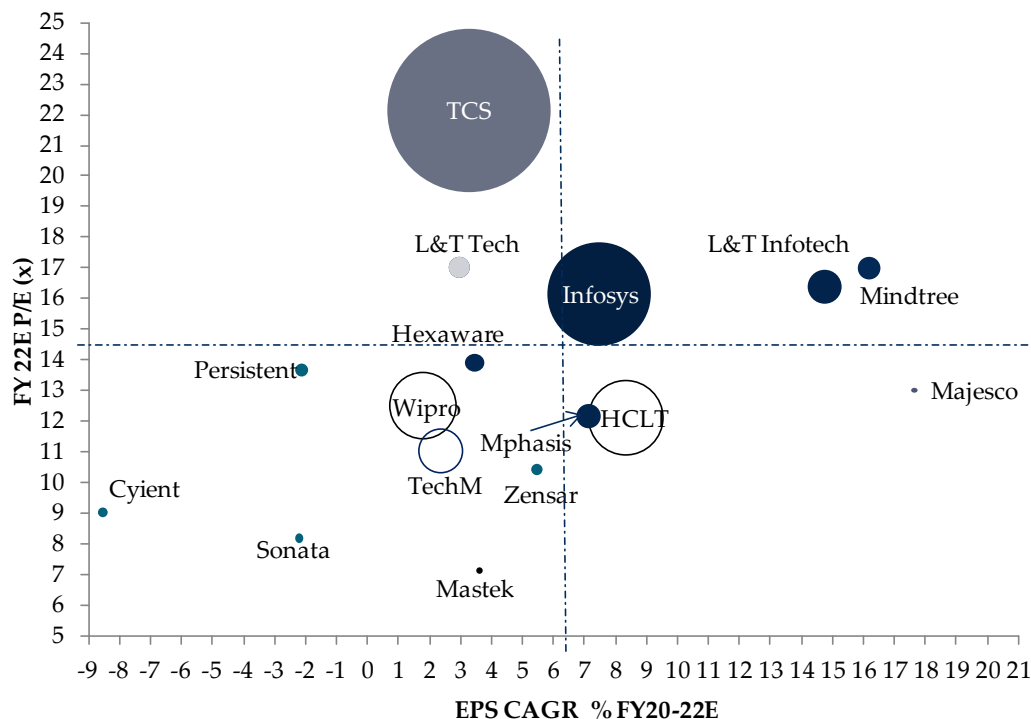
| Company | MCap (Rs bn) | CMP (Rs) | TP (Rs) | RECO | EPS (Rs) | | | | P/E (x) | | | | RoE (%) | | | | \$ Rev CAGR% FY20-22 | EPS CAGR% FY20-22 |
|-----------------------------|-----------------|-------------|------------|--------|----------|------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|-------------------------|
| | | | | | FY19 | FY20 | FY21E | FY22E | FY19 | FY20 | FY21E | FY22E | FY19 | FY20 | FY21E | FY22E | | |
| TCS | 7,637 | 2,035 | 1,930 | REDUCE | 83.9 | 86.2 | 82.5 | 91.9 | 24.3 | 23.6 | 24.7 | 22.1 | 36.1 | 37.3 | 36.4 | 39.5 | 0.3 | 3.3 |
| Infosys | 3,060 | 721 | 805 | BUY | 37.1 | 38.6 | 38.7 | 44.6 | 19.4 | 18.7 | 18.6 | 16.1 | 24.3 | 25.2 | 24.4 | 26.2 | 3.9 | 7.5 |
| HCL Tech | 1,574 | 580 | 670 | BUY | 37.3 | 40.8 | 40.2 | 47.9 | 15.5 | 14.2 | 14.4 | 12.1 | 26.0 | 23.8 | 19.6 | 20.2 | 4.0 | 8.3 |
| Wipro | 1,258 | 221 | 245 | ADD | 15.8 | 17.0 | 16.3 | 17.7 | 14.0 | 12.9 | 13.5 | 12.5 | 17.3 | 17.3 | 15.5 | 14.6 | 0.1 | 1.8 |
| TechM | 539 | 559 | 710 | BUY | 48.9 | 48.3 | 44.0 | 50.6 | 11.4 | 11.6 | 12.7 | 11.0 | 22.0 | 20.2 | 17.1 | 18.3 | 0.9 | 2.3 |
| Tier-1 IT Median | | | | | | | | | 15.5 | 14.2 | 14.4 | 12.5 | 24.3 | 23.8 | 19.6 | 20.2 | 0.9 | 3.3 |
| LTI | 328 | 1,885 | 2,070 | ADD | 87.0 | 87.3 | 89.7 | 115.0 | 21.7 | 21.6 | 21.0 | 16.4 | 34.6 | 29.5 | 26.6 | 28.7 | 10.0 | 14.7 |
| Mphasis | 159 | 855 | 1,055 | BUY | 57.6 | 61.3 | 59.7 | 70.4 | 14.8 | 14.0 | 14.3 | 12.2 | 20.0 | 20.6 | 18.5 | 20.4 | 4.4 | 7.1 |
| Mindtree | 153 | 928 | 985 | ADD | 44.1 | 40.5 | 44.2 | 54.6 | 21.1 | 22.9 | 21.0 | 17.0 | 24.9 | 19.5 | 21.8 | 23.8 | 3.3 | 16.2 |
| L&T Tech | 135 | 1,297 | 1,220 | REDUCE | 65.8 | 71.9 | 60.3 | 76.2 | 19.7 | 18.0 | 21.5 | 17.0 | 31.1 | 28.6 | 21.3 | 23.5 | 0.7 | 3.0 |
| Hexaware* | 95 | 320 | 320 | REDUCE | 19.6 | 21.5 | 20.0 | 23.0 | 16.4 | 14.9 | 16.0 | 13.9 | 26.5 | 24.9 | 20.4 | 20.9 | 6.2 | 3.5 |
| Persistent | 47 | 616 | 630 | REDUCE | 47.8 | 47.0 | 37.0 | 45.0 | 12.9 | 13.1 | 16.7 | 13.7 | 15.7 | 14.4 | 11.5 | 12.9 | 2.6 | -2.1 |
| Zensar | 31 | 136 | 130 | ADD | 14.2 | 11.7 | 9.9 | 13.0 | 9.6 | 11.6 | 13.7 | 10.4 | 17.7 | 12.9 | 10.3 | 12.6 | -2.4 | 5.5 |
| Cyient | 28 | 256 | 255 | REDUCE | 44.4 | 33.9 | 23.9 | 28.3 | 5.8 | 7.6 | 10.7 | 9.0 | 20.0 | 14.5 | 10.1 | 11.4 | -7.1 | -8.5 |
| Sonata | 23 | 226 | 305 | BUY | 23.7 | 28.9 | 22.8 | 27.6 | 9.5 | 7.8 | 9.9 | 8.2 | 34.7 | 41.7 | 33.3 | 35.7 | -1.3 | -2.2 |
| Mastek | 11 | 395 | 535 | BUY | 39.9 | 51.5 | 49.2 | 55.3 | 9.9 | 7.7 | 8.0 | 7.1 | 15.9 | 17.4 | 16.6 | 16.5 | 18.0 | 3.6 |
| Majesco | 10 | 349 | 450 | BUY | 18.3 | 19.4 | 21.2 | 26.8 | 19.0 | 18.0 | 16.5 | 13.0 | 8.4 | 7.9 | 8.2 | 9.5 | 6.6 | 17.7 |
| Tier-2 IT AVG | | | | | | | | | 14.6 | 14.3 | 15.4 | 12.5 | 22.7 | 21.1 | 18.1 | 19.6 | 3.7 | 5.3 |
| Tier-2 IT Median | | | | | | | | | 14.8 | 14.0 | 16.0 | 13.0 | 20.0 | 19.5 | 18.5 | 20.4 | 3.3 | 3.6 |

| Company | MCap (USD bn) | CMP USD | TP | RECO | EPS (USD) | | | | P/E (x) | | | | RoE (%) | | | | \$ Rev CAGR% FY20-22 | EPS CAGR% FY20-22 |
|-----------------------------|------------------|------------|----|------|-----------|------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|-------------------------|
| | | | | | FY19 | FY20 | FY21E | FY22E | FY19 | FY20 | FY21E | FY21E | FY19 | FY20 | FY21E | FY22E | | |
| Accenture | 133 | 202 | NA | NR | 7.4 | 7.6 | 8.1 | 8.7 | 27.4 | 26.6 | 24.9 | 23.1 | 38.6 | 32.8 | 29.5 | 27.0 | NA | 7.5 |
| Cognizant | 29 | 54 | NA | NR | 4.0 | 3.0 | 3.8 | 4.2 | 13.6 | 18.3 | 14.1 | 12.9 | 16.4 | 15.2 | 17.1 | 16.0 | NA | 19.3 |
| Capgemini ^ | 17 | 100 | NA | NR | 6.8 | 6.3 | 7.4 | 8.5 | 14.7 | 15.9 | 13.4 | 11.8 | 10.8 | 11.2 | 13.1 | 14.0 | NA | 16.2 |
| Global IT AVG | | | | | | | | | 18.6 | 20.3 | 17.5 | 15.9 | 21.9 | 19.7 | 19.9 | 19.0 | NA | 14.3 |
| Global IT Median | | | | | | | | | 14.7 | 18.3 | 14.1 | 12.9 | 16.4 | 15.2 | 17.1 | 16.0 | | 16.2 |

Source: HSIE Research, Bloomberg, *Dec YE, ^CMP, MCap and EPS in EUR terms

IT : Sector Thematic

IT Sector P/E and EPS Growth Matrix



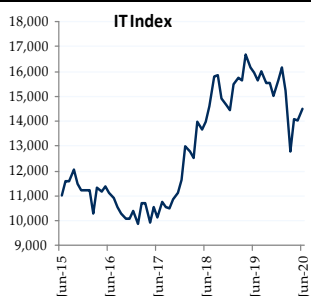
Source: HSIE Research, Note: Size of Bubble represents M-cap

Stock Performance (%)

| Stocks/Index | 1W | 1M | 3M | 6M | 1Y | 3Y CAGR | 5Y CAGR |
|---------------------|-------|------|-------|--------|--------|---------|---------|
| Nifty | 4.0 | 12.8 | 35.6 | (12.1) | (7.5) | 5.9 | 6.7 |
| Nifty IT | (0.3) | 2.8 | 26.1 | (8.5) | (11.6) | 12.2 | 5.0 |
| TCS | (0.5) | 0.7 | 21.9 | (8.8) | (9.5) | 19.1 | 8.7 |
| Infosys | 2.8 | 4.1 | 36.9 | (2.1) | (6.3) | 12.3 | 6.0 |
| HCL Tech | (0.1) | 9.4 | 39.1 | 1.6 | 7.9 | 9.0 | 3.8 |
| Wipro | 3.9 | 16.7 | 29.7 | (13.1) | (26.9) | 0.3 | (1.7) |
| Tech Mahindra | 4.8 | 5.5 | 14.7 | (27.9) | (25.9) | 13.3 | 0.3 |
| L&T Infotech | 0.5 | 5.6 | 45.9 | 7.5 | 11.3 | 33.6 | NA |
| Mphasis | 1.7 | 1.9 | 33.2 | (2.8) | (8.9) | 11.7 | 13.5 |
| Mindtree | 1.7 | 4.2 | 26.5 | 19.3 | (4.0) | 19.5 | 6.2 |
| L&T Technology | (1.1) | 15.6 | 27.5 | (11.5) | (24.7) | 22.5 | NA |
| Hexaware | 1.3 | 35.5 | 53.9 | (2.6) | (22.7) | 8.6 | 3.6 |
| Tata Elxsi | 0.7 | 13.8 | 61.9 | 3.0 | 2.4 | 3.1 | 8.0 |
| Persistent | 6.3 | 17.4 | 31.3 | (8.1) | (6.1) | (3.8) | (3.9) |
| Zensar | (0.9) | 56.8 | 93.2 | (21.4) | (46.7) | (7.8) | 0.1 |
| Cyient | 21.3 | 35.4 | 11.3 | (39.3) | (55.1) | (21.3) | (16.1) |
| Sonata | (2.0) | 14.3 | 38.0 | (25.9) | (35.0) | 14.3 | 10.3 |
| eClerx | 6.8 | 15.9 | 23.0 | (19.3) | (44.9) | (31.4) | (18.8) |
| Intellect | 17.0 | 72.7 | 132.8 | (23.1) | (57.4) | 6.4 | 6.2 |
| HGS | 10.2 | 26.0 | 50.1 | 7.2 | 4.2 | 7.2 | 6.0 |
| Mastek | 1.3 | 65.2 | 108.3 | (2.4) | (16.1) | 16.2 | 21.3 |
| Majesco | (0.9) | 24.2 | 87.6 | (6.6) | (32.2) | 11.6 | 5.8 |
| Global Peers | | | | | | | |
| Accenture* | (0.9) | 4.6 | 41.0 | (3.6) | 9.0 | 17.7 | 14.7 |
| Cognizant* | (2.7) | 4.7 | 27.5 | (15.1) | (20.7) | (9.8) | (5.5) |
| Capgemini* | 2.4 | 16.7 | 56.6 | (9.4) | (1.0) | 2.6 | 3.8 |

Source: Bloomberg, HSIE Research, *USD/Local currency terms

IT index up 26% in 3M period, yet down 11% in 1Y



Contents

| | |
|--|----|
| Industry scenario analysis & top-down sensitivity..... | 6 |
| Vertical trends provide diverse opportunities | 11 |
| Large accounts metrics & Digital indicators | 18 |
| High frequency (macro) indicators recovering..... | 21 |
| Estimate revision..... | 24 |
| Valuation Charts | 25 |

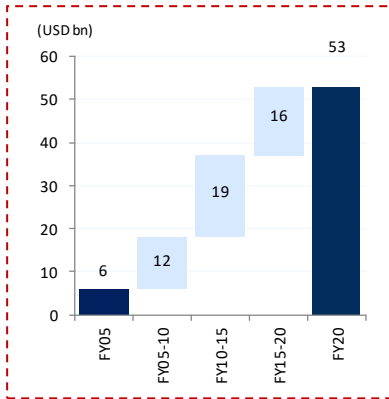
Indian IT (TCS, INFY, HCLT, Wipro) have grown from USD 6bn to USD 53bn over FY05-20, gaining share from Global IT

Industry scenario analysis & top-down sensitivity

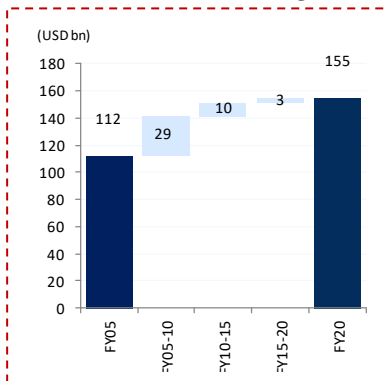
Consistent track record of market-share gains

- Indian IT has gained market-share consistently across market cycles as well as across technological mega-trends of ERP, IMS and Digital/cloud. Indian IT referred as WITH (TCS, Infosys, HCLT, Wipro aggregate) comprised 5% of the IT aggregate pool of USD 118bn in FY05 has gained to 26% of the overall pool of USD 208bn in FY20. Global IT services (referred as CAIDAC) including Cognizant, Accenture, IBM services, DXC Tech (HPE & CSC earlier), Atos and Capgemini over that period of FY05-20 have grown from USD 112bn to USD 155bn (2.2% CAGR); WITH during that period grew at 15.6% CAGR from USD 6bn to USD 53bn. Even during the recent period of FY15-20, WITH growth has outpaced CAIDAC by 700bps growing at 7.4% CAGR (3-Yr outperformance by 800bps).
- Gains in market-share reflect the competitive advantage of Indian IT vs. global peers and we reckon that the relative positioning has improved significantly. Portfolio depth across verticals & technologies and improving track record with large enterprise accounts are some factors that will support the relative outperformance.

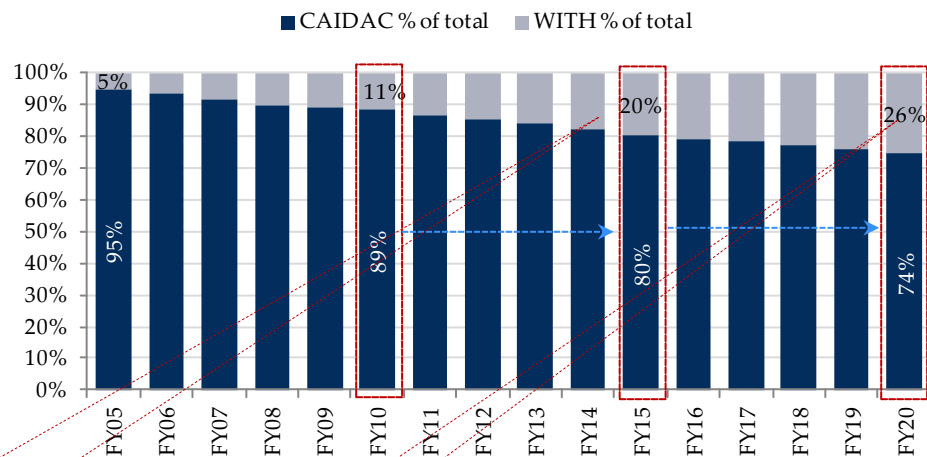
WITH Revenue Bridge



CAIDAC Revenue Bridge



Indian IT Gained Market Share from Global Peers Across Cycles



Source: Company, HSIE Research; CAIDAC denotes aggregate of Cognizant, Accenture, IBM services, DXC, Atos, Capgemini & WITH denotes TCS, INFY, HCLT, Wipro aggregate

WITH & CAIDAC Growth Rate across Cycles

| Company | CAGR % FY05-10 | CAGR % FY 10-15 | CAGR % FY 15-20 |
|---------------------|----------------|-----------------|-----------------|
| IBM | 4% | 0% | -4% |
| Accenture | 6% | 7% | 7% |
| DXC | 4% | -7% | -7% |
| Cognizant | 41% | 26% | 10% |
| Capgemini | 9% | 4% | 3% |
| Atos | 2% | 11% | 2% |
| Total CAIDAC | 5% | 1% | 0% |
| TCS | 23% | 20% | 7% |
| INFY | 25% | 13% | 8% |
| HCLT | 29% | 17% | 11% |
| Wipro | 25% | 10% | 3% |
| Total WITH | 25% | 15% | 7% |

Source: Company, HSIE Research; CAIDAC denotes aggregate of Cognizant, Accenture, IBM services, DXC, Atos, Capgemini & WITH denotes TCS, INFY, HCLT, Wipro

Indian IT market share (Top-4) increased from 11% in FY10 to 20% in FY15 post GFC; WITH CAGR for FY10-15 stood at 15% vs. 1% for CAIDAC

Indian IT market share (Top-4) increased to 26% in FY20 despite the compression in legacy services. Growth in WITH was 7% CAGR vs. 0% for CAIDAC

Accenture and TCS Winners With Highest Market Share Gain

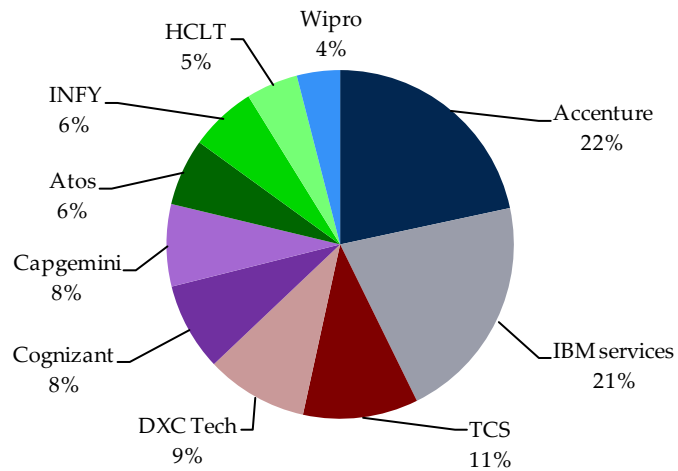
| Incremental Market Share (%) | FY05-10 | FY 10-15 | FY 15-20 |
|------------------------------|------------|------------|------------|
| IBM | 21% | 0% | -57% |
| Accenture | 15% | 32% | 63% |
| DXC | 17% | -45% | -44% |
| Cognizant | 7% | 24% | 34% |
| Capgemini | 9% | 8% | 13% |
| Atos | 2% | 16% | 8% |
| Total CAIDAC | 71% | 35% | 17% |
| TCS | 10% | 31% | 34% |
| INFY | 8% | 13% | 21% |
| HCLT | 5% | 11% | 21% |
| Wipro | 7% | 9% | 6% |
| Total WITH | 29% | 65% | 83% |



Source: Company, HSIE Research; CAIDAC denotes aggregate of Cognizant, Accenture, IBM services, DXC, Atos, Capgemini & WITH denotes TCS, INFY, HCLT, Wipro aggregate

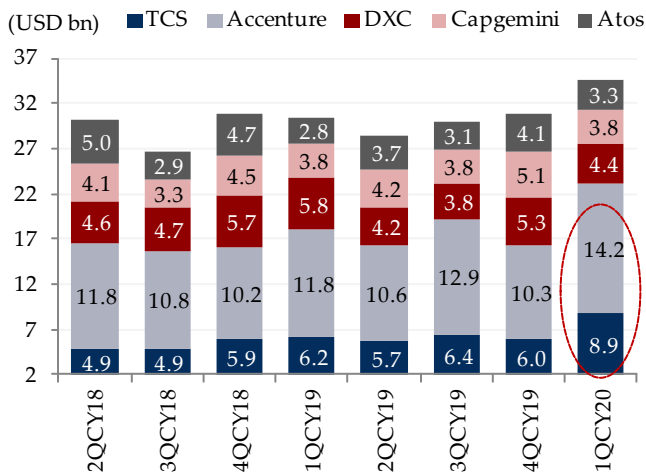
Incremental share of 'WITH' at 83% in the period FY15-20 has been the highest across cycles

Revenue market-share (USD 206bn TTM)



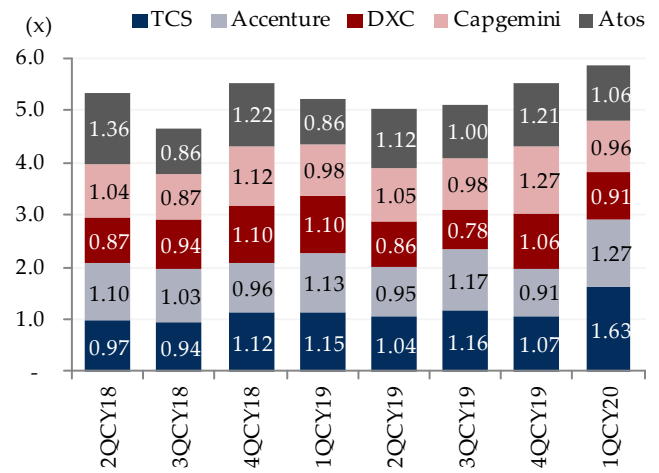
Source: Company, HSIE Research

Increasing share of deal wins: TCS/Accenture



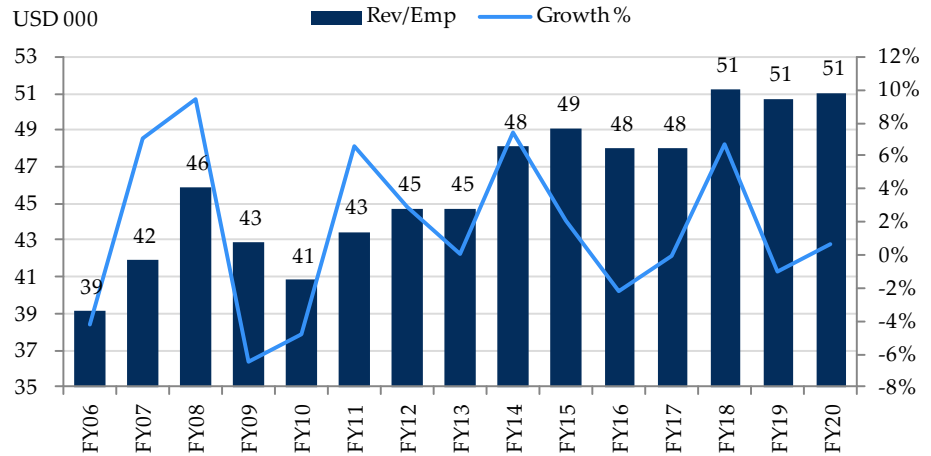
Source: Company, HSIE Research

Stronger book-to-bill: TCS highest



Source: Company, HSIE Research

'WITH' Employee Productivity Increased at CAGR of 4% Over FY10-15 But Slowed to 1% CAGR over FY15-20



Source: Company, HSIE Research, WITH denotes TCS, INFY, HCLT, Wipro

Incremental Headcount Addition At Higher Productivity

| Headcount Growth | CAGR % FY05-10 | CAGR % FY 10-15 | CAGR % FY 15-20 |
|------------------|-------------------|--------------------|--------------------|
| TCS | 29% | 15% | 7% |
| INFY | 25% | 9% | 7% |
| HCLT | 22% | 9% | 8% |
| Wipro | 21% | 8% | 5% |
| WITH | 25% | 11% | 7% |

| Revenue Growth | CAGR % FY05-10 | CAGR % FY 10-15 | CAGR % FY 15-20 |
|----------------|-------------------|--------------------|--------------------|
| TCS | 23% | 20% | 7% |
| INFY | 25% | 13% | 8% |
| HCLT | 29% | 17% | 11% |
| Wipro | 25% | 10% | 3% |
| WITH | 25% | 15% | 7% |

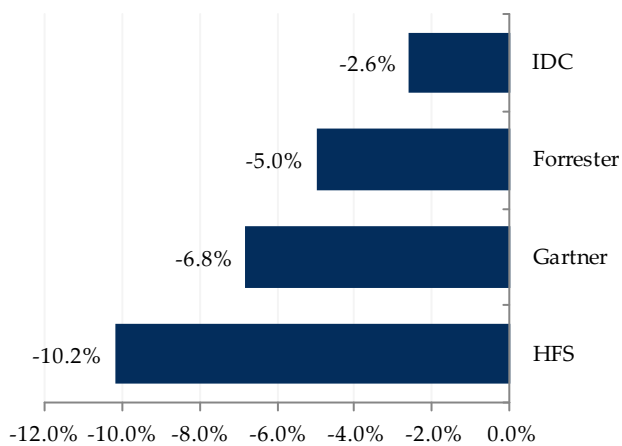
| Incremental Revenue Productivity | FY05-10 | FY10-15 | FY15-20 |
|----------------------------------|---------------|---------------|---------------|
| TCS | 35,619 | 57,243 | 51,068 |
| INFY | 41,689 | 62,621 | 61,390 |
| HCLT | 48,004 | 84,756 | 83,994 |
| Wipro | 44,287 | 53,667 | 29,679 |
| WITH | 40,782 | 61,029 | 56,190 |

Source: Company, HSIE Research, WITH denotes TCS, INFY, HCLT, Wipro aggregate

The shape of demand curve

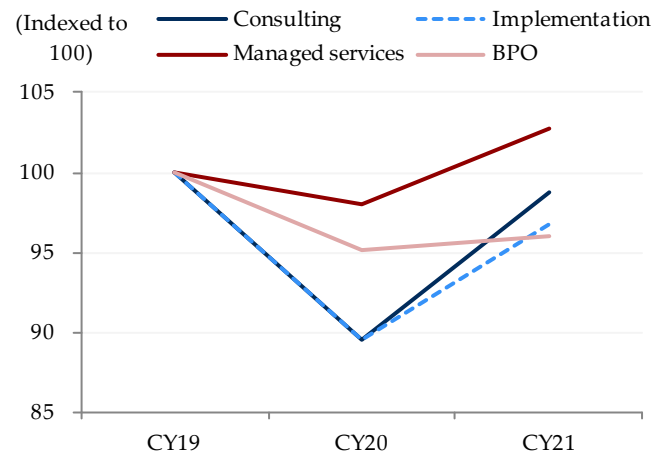
Leading global tech research & advisory firms have estimated IT services to decline in the range of 2-10% for CY20 and subsequent recovery in CY21 (barring HFS' estimates). Based on various growth/(decline) scenarios across verticals/industries, we have arrived at 6 scenarios for the sector (2 each in bear, base, bull case) that entail 1) Decline of 15% and 10% under bear-case scenarios, 2) Decline of 7.5% and 5% under base-case scenarios, and 3) decline of 3% under bull-case scenarios.

Global IT services growth/ (decline) forecast (CY20)



Source: IDC, Forrester, Gartner, HFS, HSIE Research

IT services trend by segment: Recovery estimated in CY21E



Source: Gartner, HSIE Research; CY19 indexed to 100

Scenario Analysis

We have done top-down scenario analysis with the hypothesis that Indian IT (represented by WITH) will continue to gain share vs. global peers (represented by CAIDAC). The top-down approach is based on similar market-share trends as per the past 1/2 years and the scenario analysis factors 6 industry growth scenarios (2 each under bear, base, bull case) to arrive at company growth rate & its sensitivity.

Key observations include 1) Bear case & bull case scenario implies a revenue growth rate variance of ~10% in FY21 (-12% YoY to +1% YoY range) and ~6% in FY22 (+6.5% YoY to +13.5% YoY range) for tier-1 IT, 2) HCLT has the least impact in bear case and highest upside in a bull case (partly impacted by acquisitive growth), 3) TCS and Infosys exhibit fairly similar levels of sensitivity under bear-bull case, and 4) Favourable risk-reward for the sector as cyclical downtrend in a structurally positive outcome has limited impact on valuations (bear-case scenario impacts DCF-based valuations upto ~4-5%).

Vertical growth/ (decline) assumptions

| | CY19 % of revenue | Scenario A | Scenario B | Scenario C | Scenario D | Scenario E | Scenario F |
|--------------------------------|-------------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Financial services & Insurance | 26% | -20.0% | -12.5% | -10.0% | -5.0% | -3.0% | -2.0% |
| Resources & Services | 20% | -20.0% | -15.0% | -12.5% | -10.0% | -7.5% | -10.0% |
| Telecom, Media & Tech | 17% | -10.0% | -5.0% | -3.0% | -1.0% | 0.0% | 2.0% |
| Public sector & defense | 16% | -5.0% | -3.0% | 0.0% | 0.0% | 0.0% | 1.0% |
| Manufacturing | 15% | -20.0% | -15.0% | -12.5% | -10.0% | -5.0% | -7.5% |
| Healthcare & Life sciences | 6% | -5.0% | -3.0% | 0.0% | 0.0% | 1.0% | 2.0% |
| Aggregate | 100% | -15.0% | -10.0% | -7.5% | -5.0% | -3.0% | -3.0% |

Source: Gartner, HSIE Research

Revenue impact under multiple industry growth scenarios

| (USD bn) Scenarios | TCS | | INFY | | HCLT | | Wipro | | Industry (CAIDAC+WITH) Growth % | |
|--|-------|------|-------|------|-------|------|-------|-------|---------------------------------|-------|
| | FY21E | FY22 | FY21E | FY22 | FY21E | FY22 | FY21E | FY22E | FY21E | FY22E |
| A Bear Case scenario 1: Industry decline of 15% in FY21 and flat in FY22 Growth (%) | 18.8 | 20.0 | 11.4 | 12.2 | 9.6 | 10.4 | 7.1 | 7.2 | -15.0% | 0.0% |
| B Bear Case scenario 2: Industry decline of 10% in FY21 and +2% in FY22 Growth (%) | 19.9 | 21.6 | 12.1 | 13.1 | 10.2 | 11.2 | 7.5 | 7.8 | -10.0% | 2.0% |
| C Base Case scenario 1: Industry decline of 7.5% in FY21 and flat in FY22 Growth (%) | 20.4 | 21.8 | 12.4 | 13.2 | 10.5 | 11.3 | 7.7 | 7.8 | -7.5% | 0.0% |
| D Base Case scenario 2: Industry decline of 5% in FY21 and +2% in FY22 Growth (%) | 21.0 | 22.8 | 12.7 | 13.9 | 10.7 | 11.8 | 7.9 | 8.2 | -5.0% | 2.0% |
| E Bull Case scenario 1: Industry decline of 3% in FY21 and +5% in FY22 Growth (%) | 21.4 | 24.0 | 13.0 | 14.6 | 11.0 | 12.4 | 8.1 | 8.6 | -3.0% | 5.0% |
| F Bull Case scenario 2: Industry decline of 3% in FY21 and +7% in FY22 Growth (%) | 21.4 | 24.5 | 13.0 | 14.9 | 11.0 | 12.6 | 8.1 | 8.8 | -3.0% | 7.0% |

Source: HSIE Research

Deviation of HSIE revenue estimate (FY22E) under multiple industry growth scenarios

| | TCS | INFY | HCLT | Wipro |
|------------|-------|--------|-------|--------|
| Scenario A | -9.5% | -11.7% | -4.4% | -12.9% |
| Scenario B | -2.3% | -4.7% | 3.2% | -6.0% |
| Scenario C | -1.5% | -3.9% | 4.0% | -5.2% |
| Scenario D | 3.1% | 0.6% | 8.9% | -0.7% |
| Scenario E | 8.4% | 5.8% | 14.5% | 4.3% |
| Scenario F | 10.5% | 7.8% | 16.7% | 6.3% |

Source: HSIE Research, Growth percentage represent Scenario derived/HSIE estimates revenue estimate

Sector Growth under Various Scenarios



Source: HSIE Research; Sector represented by aggregate of Accenture, Cognizant, DXC, IBM services, Capgemini, Atos, TCS, INFY, HCLT, Wipro

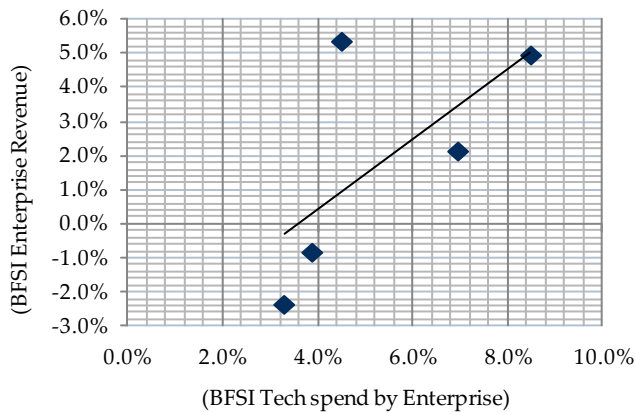
Vertical trends provide diverse opportunities

BFSI tech spend buoyancy despite slowdown

BFSI, Healthcare and E&U verticals have higher correlation with Enterprise performance, while Retail & Telecom verticals have lower correlation

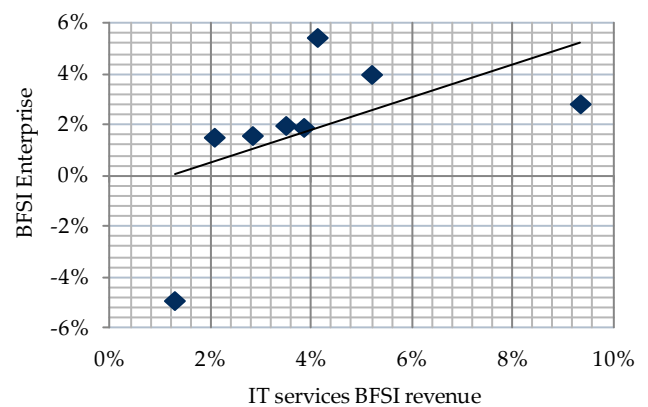
IT sector BFSI portfolio has been resilient supported by buoyancy in tech spend, despite slowdown/decline in enterprise revenue. Despite enterprise revenue growth decelerating to 0.9% YoY TTM basis as compared to 2.6% YoY earlier, IT sector BFSI revenue continues to grow at >250bps premium. Key trends that continue to drive BFSI tech spend are 1) Investments to build strong digital channels/platforms, 2) Decommissioning of legacy applications and deployment of BOTs/automation, 3) Continued in-sourcing with growth in tech spend of large BFSI ahead of the IT services revenue from BFSI vertical, 4) Infrastructure modernisation with shift to hybrid cloud model, and 5) Investments in RegTech and Security. The recent stimulus measures have further improved the liquidity situation at large banks which is likely to support the near-term demand for tech spend.

BFSI Enterprise Revenue Growth and Tech Spend correlation ($R^2 = 0.4$)



Source: Company, HSIE Research

BFSI Enterprise Revenue and IT services BFSI Revenue Growth correlation ($R^2 = 0.3$)



Source: Company, HSIE Research

BFSI Vertical Growth & BFSI Enterprise Growth Trend

| Tier-1 | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| TCS | 5.3% | 5.3% | 6.9% | 7.8% | 7.5% | 5.1% | 5.0% | -3.0% |
| INFY | 2.9% | 4.1% | 7.4% | 5.9% | 9.3% | 8.9% | 5.2% | 3.5% |
| HCLT | 4.4% | 0.1% | -2.7% | -5.7% | -1.4% | 5.1% | 15.5% | 11.4% |
| Wipro | 15.2% | 12.7% | 15.1% | 12.8% | 8.7% | 4.6% | 0.7% | -3.6% |
| TechM | 1.6% | -1.1% | 5.1% | 2.7% | -4.1% | 1.8% | 5.7% | 19.3% |
| Accenture | 19.6% | 7.2% | -1.1% | -2.3% | -1.5% | 1.6% | 3.3% | 1.6% |
| Cognizant | 4.5% | 2.6% | 1.7% | -1.7% | 0.3% | 1.9% | 1.2% | 1.0% |
| Tier-2 | | | | | | | | |
| LTI | 28.1% | 21.1% | 19.5% | 10.8% | 4.0% | 5.9% | 10.1% | 13.1% |
| Mphasis | 8.4% | 6.0% | 3.8% | 5.6% | 6.8% | 10.1% | 14.2% | 11.1% |
| Mindtree | 7.2% | 8.2% | 2.8% | 11.5% | 5.8% | 6.3% | 7.6% | -0.4% |
| Hexaware | 9.0% | 8.8% | 6.8% | 3.5% | 4.2% | 11.8% | 2.7% | 5.7% |
| Zensar | 35.3% | 28.6% | 35.6% | 28.9% | 18.6% | 38.6% | 21.2% | 23.5% |
| NIIT Tech | 23.9% | 22.2% | 21.0% | 12.9% | 9.0% | 21.2% | 14.7% | 17.3% |
| BFSI enterprise revenue (YoY %) | | | | | | | | |
| JP Morgan | 7.9% | 6.6% | 6.8% | 4.4% | 3.9% | 7.6% | 8.5% | -3.0% |
| Bank of America | -1.1% | 4.6% | 10.9% | 0.4% | 1.7% | -0.2% | -1.2% | -1.4% |
| Citigroup | 1.7% | 0.5% | -2.2% | 5.8% | 1.8% | -2.2% | 13.3% | 4.0% |
| Wells Fargo | -3.1% | 0.4% | -4.9% | -1.5% | 0.1% | 0.3% | -5.3% | -18.0% |
| Morgan Stanley | 11.6% | 7.3% | -10.0% | -7.1% | -3.5% | 1.6% | 27.0% | -8.3% |
| Charles Schwab | 16.7% | 19.1% | 19.0% | 13.6% | 7.8% | 5.1% | -2.4% | -3.9% |
| BFSI enterprise Aggregate (YoY %) | 2.8% | 4.0% | 2.0% | 1.5% | 1.6% | 1.9% | 5.5% | -4.9% |
| Tier-1 IT BFSI aggregate (YoY %) | 9.4% | 5.2% | 3.5% | 2.1% | 2.8% | 3.9% | 4.1% | 1.3% |

Source: Company, HSIE Research

BFSI Tech Spend Growth: Tech spend continues to grow ~500bps higher

| Growth in Tech spend (YoY %) | CY16 | CY17 | CY18 | CY19 | 1QCY20 |
|---|--------------|-------------|-------------|-------------|--------------|
| JP Morgan | 10.5% | 12.7% | 14.1% | 11.6% | 9.1% |
| Bank of America | 0.4% | -6.2% | 0.6% | 2.0% | 3.9% |
| Wells Fargo | 4.4% | 3.9% | 9.3% | 13.1% | 0.0% |
| Citigroup | 1.8% | 3.1% | 4.1% | -1.6% | 0.2% |
| Morgan Stanley | 1.1% | 0.2% | 12.6% | 8.8% | 5.8% |
| UBS | -4.8% | -3.6% | -10.6% | -18.9% | -13.3% |
| Goldman Sachs | 0.4% | 10.9% | 14.0% | 14.1% | 12.2% |
| Capital One Financial | 10.8% | 0.7% | 7.1% | 2.4% | -0.3% |
| Discover Financials | -2.9% | -7.1% | 11.1% | 16.9% | 15.2% |
| Citizens Financial | 7.4% | 2.3% | 4.7% | 10.8% | 6.4% |
| Synchrony Financial | 13.8% | 10.4% | 14.2% | 13.8% | 8.8% |
| Banco Santander | -2.8% | 16.9% | 28.8% | 32.3% | -12.8% |
| First Republic Bank | 28.6% | 36.6% | 15.8% | 12.8% | 6.0% |
| State Street Bank | 8.1% | 5.6% | 13.5% | 10.6% | 6.4% |
| Charles Schwab | 10.2% | 14.6% | 12.8% | 7.3% | 7.1% |
| Northern Trust | 2.8% | 12.1% | 11.1% | 5.1% | 9.4% |
| Agg Tech spend growth (YoY %) | 3.9% | 4.5% | 8.5% | 7.0% | 3.3% |
| Agg BFSI Enterprise Rev growth (YoY %) | -0.8% | 5.4% | 5.0% | 2.2% | -2.3% |

Source: Company, HSIE Research

Recent BFSI Deal Activity

| IT vendor | Client | Service |
|------------|--|---|
| HCLT | Bank (Europe) | Infrastructure Services |
| HCLT | Bank (US) | Digital Transformation |
| HCLT | Bank - wealth management (US) | Digital Services |
| HCLT | BFSI (US) | Cognitive automation |
| HCLT | Bank (US) | UX, Salesforce, Cloud |
| HCLT | Bank (Europe) | Strategic integration platform |
| HCLT | Insurance (US) | Cyber security |
| HCLT | Bank (Europe) | IT Operations and Security (BigFix) |
| HCLT | Bank (Europe) | DRYiCE iAutomate |
| Infosys | ABN AMRO | Cloud & DevOps |
| LTI | Standard Chartered Bank | Temenos T24 implementation |
| LTI | Bank (US) | Cloud migration |
| LTI | P&C Insurer | Cloud Platforms |
| LTI | NA | AMS |
| Mindtree | Insurance (US) | Digital Transformation |
| Persistent | Ascensus | Core IT modernisation and data migration |
| TCS | ABN AMRO | Core systems transformation |
| TCS | Insurtech | Cloud & Infrastructure |
| TCS | Investment management | Mobile and web channel development |
| TCS | Financial services (US) | Cloud-based financial management application |
| TCS | Financial services (US) | Digital ERP |
| TCS | Financial services (UK) | Agile & DevOps |
| TCS | Investment Bank | Agile Transformation |
| TCS | Research & advisory | CPQ Solutions |
| TCS | Investment Management Copmany (Canada) | Engineering services |
| TCS | Horizon Blue Cross Blue Shield (US) | Engineering and Transformation services |
| TCS | Investment Bank (US) | Cognitive Automation |
| TCS | Investment Bank (US) | Analytics, Digital Transformation |
| TechM | Insurance (Australia) | Infrastructure, Security and Digital Services |
| TechM | Insurance (India) | Modernisation of IT application system |

Source: Company, HSIE Research

Wells Fargo and Citi's tech spend growth has been flat YoY, while JPM and BofA had strongest growth in tech spend

Large Tech vendors

| | |
|-------------|---------|
| JPM | BofA |
| Cognizant | TCS |
| TCS | HCLT |
| Mphasis | |
| Wells Fargo | Citi |
| Capgemini | TCS |
| Cognizant | Wipro |
| Infosys | Infosys |
| Persistent | LTI |

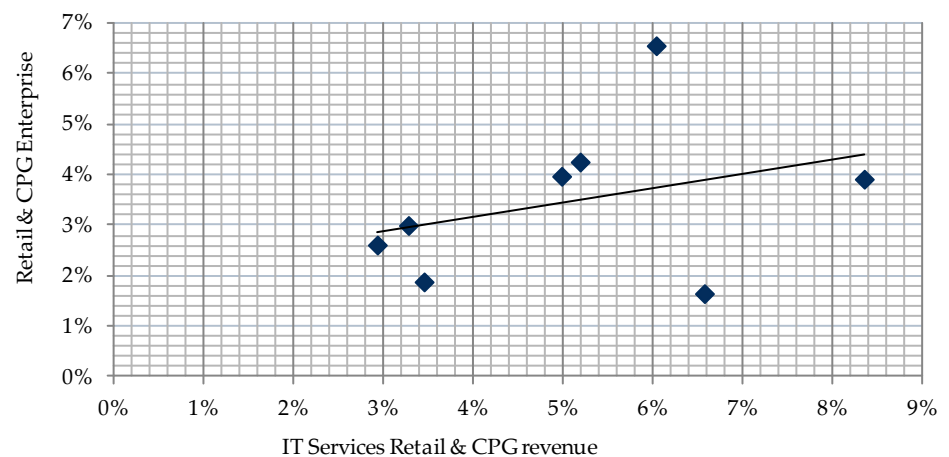
BFSI deals in March quarter posted a 30% increase QoQ with 116 deals. This accounted for the largest share of deals in ITO, as per Everest Group

US Retail rebounds in May

IT sector Retail & CPG revenue growth has converged to enterprise growth, as compared to >150bps growth premium historically. Many large retailers such as Walmart, Best Buy and Target have suspended their annual guidance on macroeconomic uncertainty. US retail is expected to rebound in CY21 following a 10% decline in CY20 with growth expected at 1.7% CAGR over CY19-24E, as per eMarketer data. Key tech spend priorities of retailers include building a strong omni-channel spanning across in-store analytics, online channel with superior CX as well as building stronger inventory & supply chain management. TCS and HCLT have reported strong recent deal activity in the vertical.

Best Buy and Kohl's are the worst impacted, key vendors are Accenture and Wipro; Walgreens, Home Depot and Nike are the least impacted and key vendors include TCS, Mindtree, Persistent & Wipro

Retail & CPG enterprise & IT services Retail & CPG Revenue Growth Correlation (R² = 0.1)



Source: Company, HSIE Research

Retail & CPG vertical growth and Retail & CPG enterprise growth trends

| Tier-1 IT | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| TCS | 5.9% | 6.6% | 1.8% | -1.3% | 5.8% | 1.7% | 4.3% | 2.9% |
| INFY | 8.9% | 12.7% | 9.5% | 8.9% | 5.5% | -0.6% | 1.3% | 1.8% |
| HCLT | 4.4% | 17.0% | 17.7% | 16.4% | 20.1% | 7.8% | 16.7% | 13.9% |
| Wipro | -7.4% | -5.3% | -5.0% | -4.4% | -0.5% | 2.0% | 2.4% | 2.2% |
| TechM | 29.1% | 27.8% | 12.3% | 4.7% | 7.5% | 17.2% | 16.5% | 0.8% |
| Tier-2 IT | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
| LTI | 32.1% | 37.6% | 36.2% | 34.9% | 35.9% | 24.9% | 20.1% | 22.4% |
| Mindtree | 23.0% | 10.8% | 12.3% | 9.3% | 5.4% | 9.6% | 1.1% | -2.6% |
| Zensar | 7.4% | -8.6% | -9.9% | -6.7% | -11.9% | -15.6% | -33.6% | -36.5% |
| Sonata | 20.4% | 7.3% | 5.1% | 25.6% | 31.3% | 15.9% | 23.5% | 5.8% |

| Retail & CPG enterprise - Revenue (YoY %) | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Walmart | 3.8% | 1.4% | 1.9% | 1.0% | 1.8% | 2.5% | 2.1% | 8.6% |
| Walgreen Boots | 14.0% | 10.9% | 9.9% | 4.6% | 0.7% | 1.5% | 1.6% | 3.7% |
| Home Depot | 8.4% | 5.1% | 10.9% | 5.7% | 1.2% | 3.5% | -2.7% | 7.1% |
| Nike | 12.8% | 9.7% | 9.6% | 7.0% | 4.0% | 7.2% | 10.2% | 5.1% |
| Best Buy | 6.8% | 4.9% | 2.9% | -3.7% | 4.7% | 4.1% | 58.5% | -42.2% |
| GAP Inc | 10.0% | 7.5% | 6.5% | -3.2% | -2.0% | -2.0% | -2.2% | 1.1% |
| Kohl's | 4.0% | 1.3% | -3.3% | -2.9% | -3.1% | -0.1% | 0.1% | -40.6% |
| Levis Strauss | 16.7% | 9.9% | 8.6% | 6.8% | 5.4% | 3.8% | -1.5% | 5.0% |
| Retail & CPG Enterprise - Agg (YoY %) | 6.6% | 3.9% | 4.3% | 1.9% | 1.7% | 2.6% | 4.0% | 3.0% |
| IT Retail & CPG Agg (YoY %) | 6.0% | 8.4% | 5.2% | 3.4% | 6.6% | 2.9% | 5.0% | 3.3% |

Source: Company, HSIE Research

Recent Retail & CPG Deal activity

| IT vendor | Client | Service |
|-----------|-------------------------|--|
| HCLT | Fonterra Co-operative | IT Infra services transformation |
| HCLT | Retail (Australia) | Agile & Devops |
| HCLT | Retail (US) | Radar-based tech |
| TCS | Coop | S/4 HANA, Automation |
| TCS | Walgreen Boots Alliance | AMS, IMS, Security (USD 1.5bn 10-yr TCv) |
| TCS | Retail (Germany) | ADM, analytics and mobility platforms |
| TCS | Sainsbury's | Cognitive automation |
| TCS | Retail (Europe) | Cloud Platforms |
| Zensar | Aptos | Next-gen services |

Source: Company, HSIE Research

Recovery in US Retail in May

| | April QoQ % | May QoQ % | April YoY % | May YoY % |
|--|-------------|-----------|-------------|-----------|
| US Monthly Retail Sales | -14.7% | 17.7% | -19.9% | -6.1% |
| - Furniture & Home furnishing stores | -48.4% | 89.7% | -58.7% | -21.5% |
| - Electronics & Appliances stores | -43.2% | 50.5% | -53.1% | -29.9% |
| - F&B stores | -12.8% | 2.0% | 12.4% | 14.5% |
| - General merchandise stores | -13.6% | 6.0% | 0.0% | -5.9% |
| - Clothing & clothing accessories stores | -75.2% | 188.0% | -87.3% | -63.4% |

Source: US Census Bureau, HSIE Research

Revenue-Mix by Verticals

| Verticals | TCS | Infosys | HCLT | Wipro | TechM | LTI |
|-------------------------|-------|---------|-------|-------|-------|-------|
| BFSI | 29.7% | 31.3% | 21.1% | 30.4% | 15.3% | 44.4% |
| Retail & CPG | 15.4% | 15.5% | 10.2% | 16.8% | 7.3% | 11.2% |
| Hi-Tech | 8.7% | 7.9% | 16.2% | 12.8% | 7.4% | 11.0% |
| Communication & Media | 7.2% | 13.0% | 8.3% | 5.5% | 40.8% | NA |
| Manufacturing | 10.1% | 10.1% | 20.7% | 8.2% | 17.7% | 18.0% |
| Healthcare | 8.8% | 6.4% | 12.5% | 13.5% | NA | NA |
| E&U | NA | 12.9% | 11.1% | 12.8% | NA | 11.4% |
| Travel & Transportation | NA | NA | NA | NA | NA | NA |

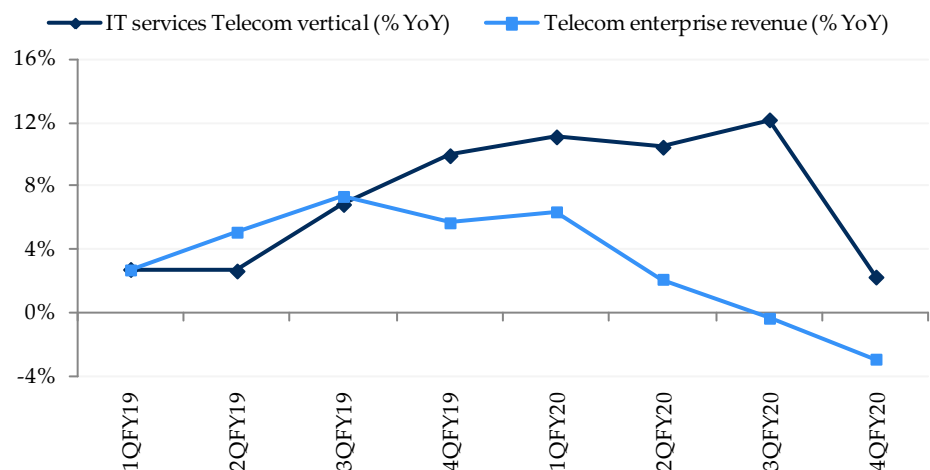
| Verticals | Mphasis | Mindtree | Hexaware | LTTTS | Cyient | Zensar |
|-------------------------|---------|----------|----------|-------|--------|--------|
| BFSI | 57.1% | 20.5% | 44.8% | NA | NA | 29.0% |
| Retail & CPG | NA | 20.3% | 17.5% | NA | NA | 14.5% |
| Hi-Tech | 15.0% | 43.0% | NA | NA | NA | 41.8% |
| Communication & Media | NA | NA | NA | 18.7% | 25.4% | NA |
| Manufacturing | NA | NA | NA | 35.4% | 41.4% | 12.2% |
| Healthcare | NA | NA | 12.1% | 10.3% | 2.5% | NA |
| E&U | NA | NA | NA | NA | 11.6% | NA |
| Travel & Transportation | NA | 16.2% | 9.9% | 35.7% | 11.4% | NA |

Source: Company, HSIE Research; NA also implies data not disclosed separately

Stronger enterprise trends in Healthcare vertical: HCLT & Wipro have higher exposure

There is upside risk to growth in the Healthcare vertical, based on historical growth premium in IT services over enterprise growth and the recent uptick in enterprise growth (life-sciences & medical devices IT services is expected to grow at 9% CAGR over CY25, as per Everest Group). HCLT & Wipro have higher exposure to the vertical with some key accounts such as J&J, Merck, Abbott and Becton Dickinson. For the telecom vertical, 5G & network modernisation continues to be the biggest opportunity and TechM holds pole position in that segment. 5G uptake is expected to be faster than 4G supported by 25% CAGR in data traffic per smartphone, as per Ericsson Mobility report. E&U vertical challenges appear more structural and IT sector revenue from E&U vertical is expected to post steep declines following the enterprise trend. Crack in crude prices, lower demand for O&G and lower rig count (~70% lower YTD) reflect the weakness in the sector. Wipro, Infosys, HCLT and LTI have highest exposure to the vertical with key clients including BP, Chevron.

Growth Trend of Telecom Enterprises & Telecom Vertical of IT Services Vendors



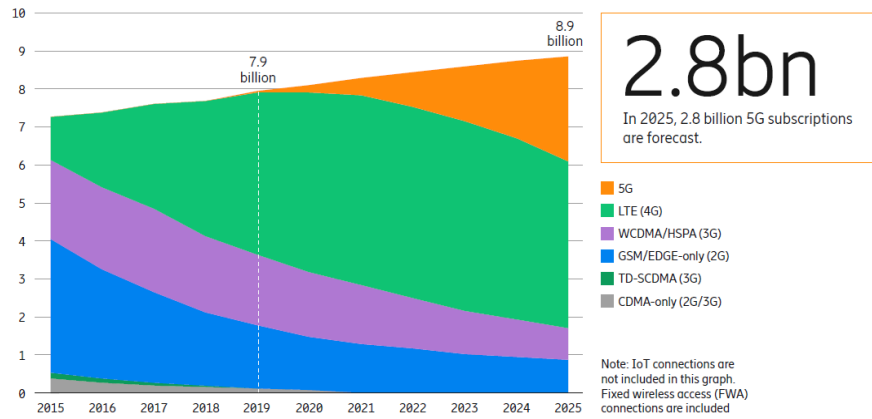
Source: Company, HSIE Research

Tier-1 IT Telecom Vertical Growth & Telecom Enterprise Growth Trends

| Tier-1 IT | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| TCS | 10.0% | 5.4% | 6.6% | 4.0% | 5.5% | 8.9% | 7.9% | 6.8% |
| INFY | 7.7% | 5.9% | 3.7% | 14.1% | 20.1% | 17.0% | 18.6% | 0.6% |
| HCLT | 0.8% | -2.0% | 37.7% | 29.9% | 26.1% | 31.6% | 13.0% | 7.8% |
| Wipro | 4.9% | 6.1% | 7.2% | 11.0% | 4.5% | 3.9% | 10.9% | 3.6% |
| TechM | -5.8% | -1.9% | 0.1% | 4.6% | 8.1% | 4.6% | 11.2% | -2.4% |
| Telecom Enterprise Revenue Growth (YoY %) | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 |
| Cisco | 5.9% | 7.7% | 4.7% | 4.0% | 4.5% | 0.7% | -3.5% | -7.5% |
| Comcast | 2.1% | 5.0% | 26.1% | 17.8% | 23.6% | 21.2% | 2.0% | -0.9% |
| AT&T | -2.1% | 15.3% | 15.2% | 17.8% | 15.3% | -2.5% | -2.4% | -4.6% |
| Verizon | 5.4% | 2.8% | 1.0% | 1.1% | -0.4% | 0.9% | 1.4% | -1.6% |
| Deutsche Telekom | -2.8% | 4.7% | 5.7% | 8.7% | 7.1% | 4.8% | 5.4% | 2.3% |
| Vodafone | -2.1% | -2.6% | -3.9% | -4.4% | -2.3% | 3.1% | 6.8% | 4.3% |
| Telefonica | -6.3% | -8.3% | -1.9% | -1.7% | 0.0% | 1.7% | -4.0% | -5.1% |
| Enterprise Agg (YoY %) | 2.7% | 5.1% | 7.4% | 5.7% | 6.4% | 2.1% | -0.3% | -2.9% |
| IT Services Agg (YoY %) | 2.7% | 2.6% | 6.8% | 9.9% | 11.1% | 10.5% | 12.2% | 2.3% |

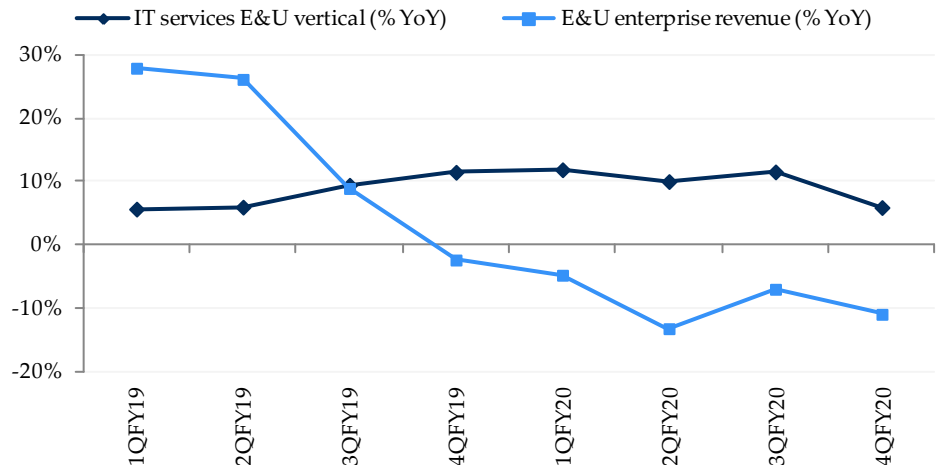
Source: Company, HSIE Research

Mobile Subscriptions by Technology: 5G Opportunity



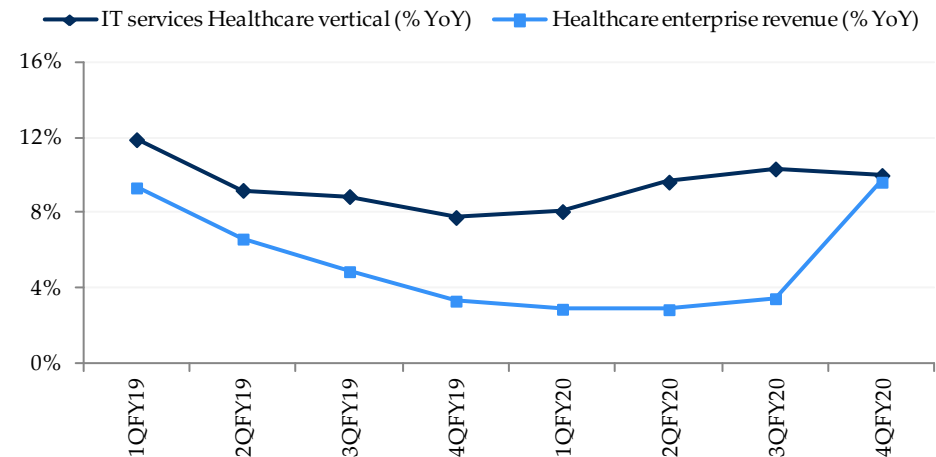
Source: Ericsson Mobility report

Growth Trend of E&U enterprises & E&U vertical of IT Services Vendors: structural challenges can impact Wipro, INFY, HCLT & LTI



Source: Company, HSIE Research

Upside Risk to Growth in IT Services Revenue from Healthcare Vertical: HCLT & Wipro can benefit disproportionately



Source: Company, HSIE Research

50% of US healthcare providers are expected to invest in RPA in the next 3 years as compared to 5% currently, which will support cost optimisation and streamline operations, as per Gartner

Recent Healthcare & Life-sciences Deal Activity

| IT vendor | Client | Service |
|------------|---------------------------|---|
| HCLT | Healthcare (US) | Digital Services |
| HCLT | Life-sciences (US) | Data Warehouse & Cloud |
| HCLT | Life-sciences (US) | Cloud services, automation |
| Infosys | Reckitt Benckiser | Infrastructure and Application operations |
| Persistent | Healthcare | Salesforce |
| Persistent | NA | SaaS solution |
| Persistent | NA | Salesforce |
| Persistent | Mount Sinai Health System | Artificial Intelligence |
| Persistent | Biopharma | Salesforce |
| TCS | Pharma | Integration Services |
| TCS | Pharma (UK) | Agile |
| TCS | Biopharma (US) | Digital Transformation |
| TechM | Pharma (Swiss) | Agile Development |
| Wipro | Healthcare (US) | AI Automation & Analytics |
| Zensar | Vyair Medical | Enterprise Application |

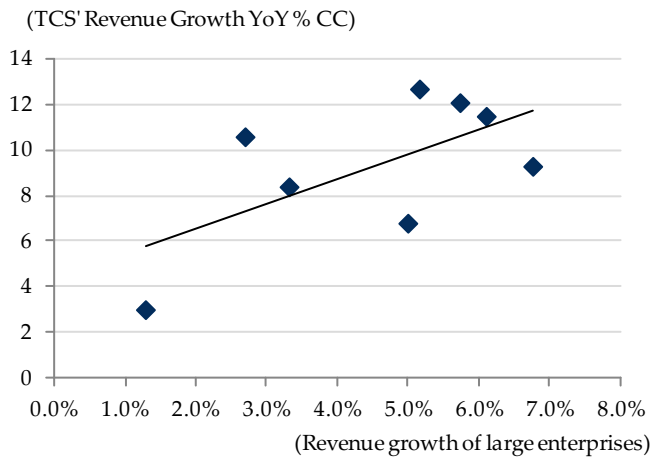
Source: Company, HSIE Research

Within Healthcare, J&J, Merck, Abbott have performed well in the recent quarter, while Pfizer has underperformed. Key vendors include TCS, Infosys, HCLT, Mphasis, LTI

Large accounts metrics & Digital indicators

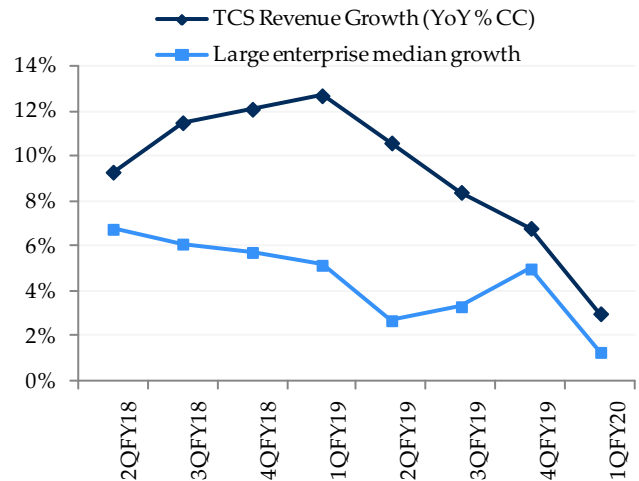
Key observations from large enterprise performance suggest that 1) Infosys is more susceptible to growth slowdown as compared to TCS, 2) TCS is most suited to benefit from vendor consolidation within tier-1 IT and least susceptible to growth decline, 3) Client mining success in mid-sized accounts is fairly similar between TCS and Infosys (Wipro lags in this), and 4) TCS also has the strongest correlation with its large enterprise accounts growth, as compared to peers. Based on our framework of multiple demand indicators as well as services catalogue/digital prowess, we rank tier-1 IT in the order of TCS > Infosys > HCLT > Wipro.

TCS' Revenue Growth & Large Accounts Revenue Correlation



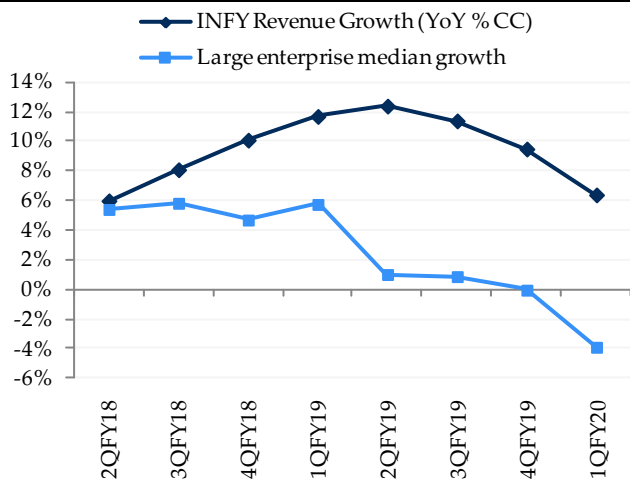
Source: Company, HSIE Research

TCS Revenue Growth and Large Accounts Median Revenue Trend



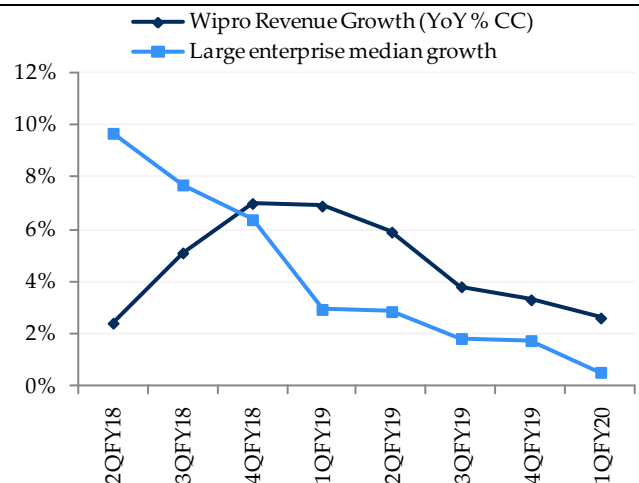
Source: Company, HSIE Research; FY implies CY period

Infosys Revenue Growth and Large Accounts Median Revenue Trend



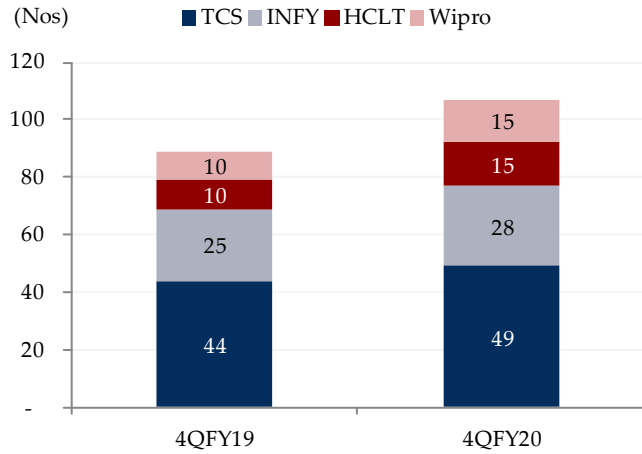
Source: Company, HSIE Research; FY implies CY period

Wipro Revenue Growth and Large Accounts Median Revenue Trend



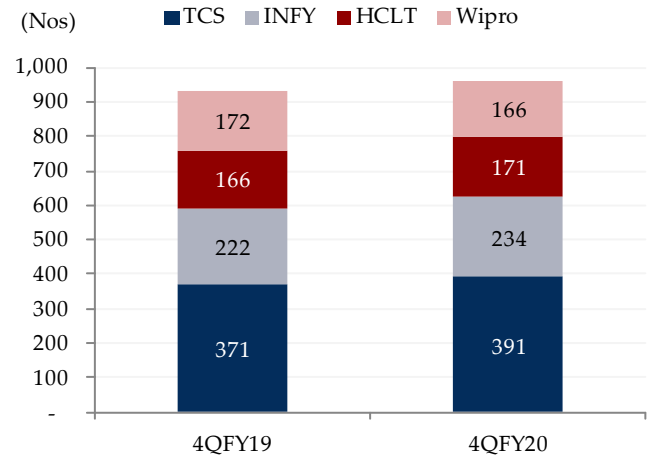
Source: Company, HSIE Research; FY implies CY period

USD 100mn+ Clients Growth



Source: Company, HSIE Research

USD 10mn+ Clients Growth



Source: Company, HSIE Research

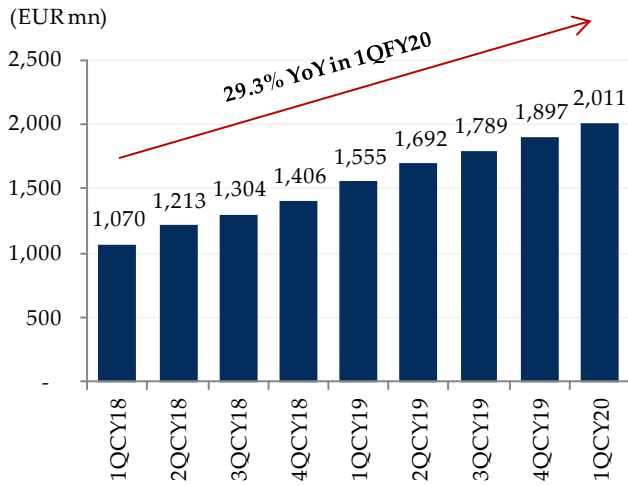
IT companies Rankings

| | TCS | INFY | HCLT | Wipro |
|--------------------------------------|----------|----------|----------|----------|
| Market share gains vs. Global majors | 2 | 3 | 1 | 4 |
| Health of large accounts | 1 | 4 | 3 | 2 |
| USD 10mn+ client adds | 2 | 1 | 3 | 4 |
| USD 100mn+ client adds | 4 | 3 | 2 | 1 |
| BFSI vertical momentum | 3 | 2 | 1 | 4 |
| Communication vertical momentum | 1 | 4 | 2 | 3 |
| Retail & CPG vertical momentum | 2 | 3 | 1 | 4 |
| Healthcare vertical momentum | 1 | 2 | 3 | 4 |
| Overall Service Portfolio | 1 | 2 | 4 | 3 |
| Digital Portfolio | 2 | 1 | 4 | 3 |
| OVERALL RANK | 1 | 2 | 3 | 4 |

Source: HSIE Research; Data from Gartner, Forrester, IDC, Everest, HFS to assess service portfolio & digital portfolio

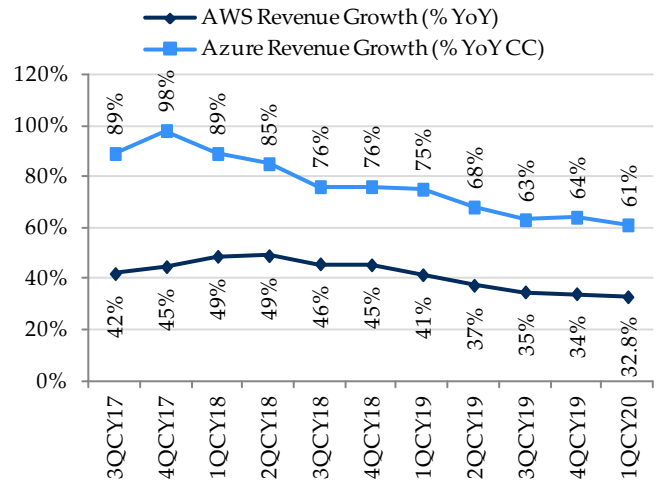
Digital indicators are robust

SAP Cloud Revenue: Consistent Growth



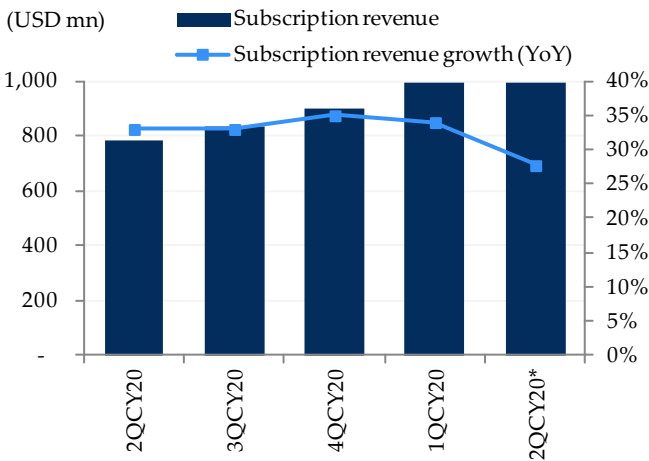
Source: Company, HSIE Research

AWS & Azure Growth Trend



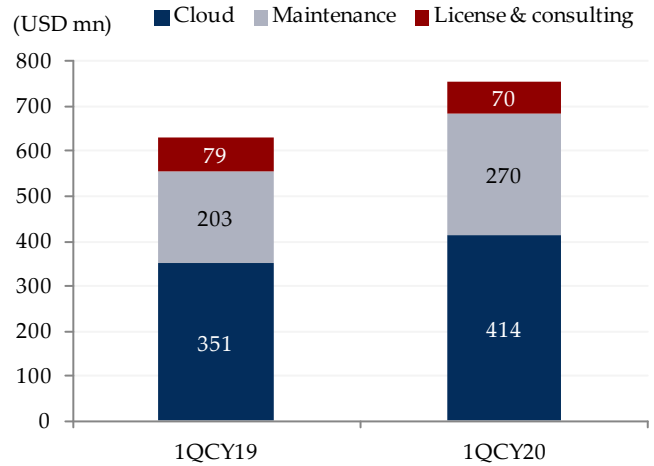
Source: Company, HSIE Research

Robust Growth in ServiceNow Subscription Revenue



Source: Company, HSIE Research; * guidance

Pegasystems Backlog Growth Strong



Source: Company, HSIE Research

High frequency indicators (macro) recovering

Recovery in Visa Transactions Processed

| YoY % | Apr-20 | May-20 | Quarter-to-Date |
|---|--------|--------|-----------------|
| U.S. Payments Volume | -18% | -5% | -11% |
| Credit | -30% | -21% | -25% |
| Debit | -5% | 12% | 4% |
| Processed Transactions | -24% | -12% | -18% |
| Cross-Border Volume Excluding Intra-Europe Transactions | -51% | -45% | -48% |
| Cross-Border Volume Including Intra-Europe Transactions | -43% | -35% | -39% |

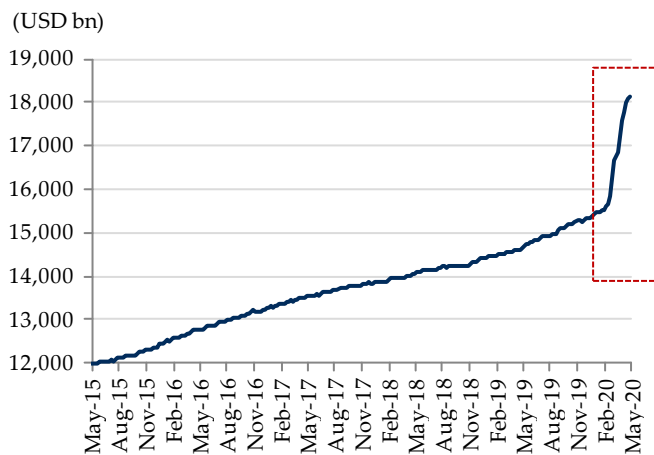
Source: Company, HSIE Research

Recovery in MasterCard Transactions Processed

| YoY % | WE Apr 07 | WE Apr 14 | WE Apr 21 | WE Apr 28 | WE May 07 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| Switched Volume | -25% | -30% | -20% | -17% | -12% |
| United States | -22% | -26% | -15% | -12% | -6% |
| Worldwide ex- US | -28% | -33% | -25% | -22% | -19% |
| Switched transactions | -24% | -24% | -20% | -16% | -12% |
| Cross-border volume | -48% | -55% | -49% | -49% | -43% |

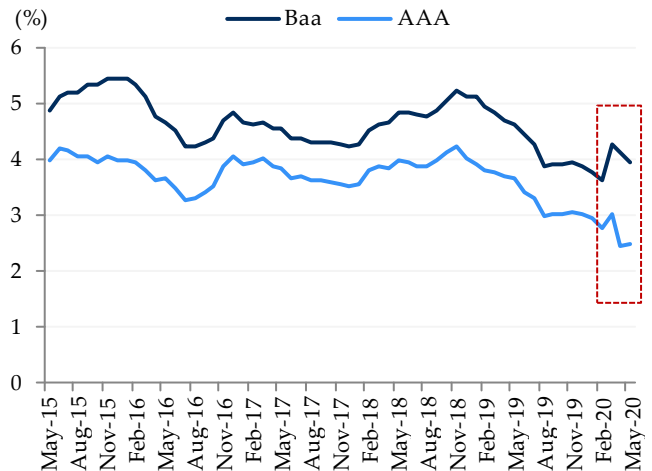
Source: Company, HSIE Research

Increasing liquidity: US Money Supply (M2)



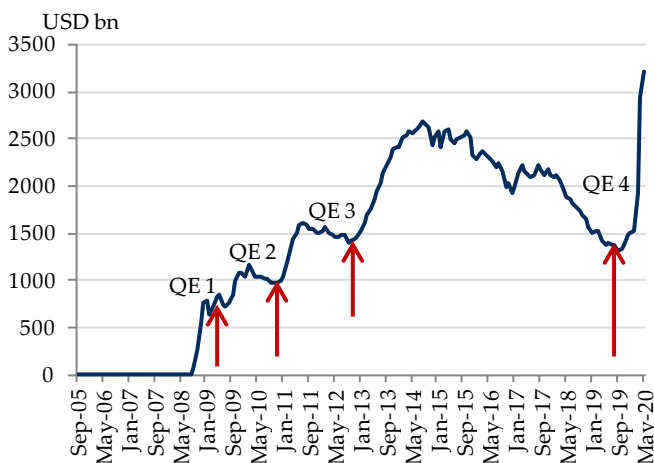
Source: FRED, HSIE Research

US Corporate Bond Yield Trend



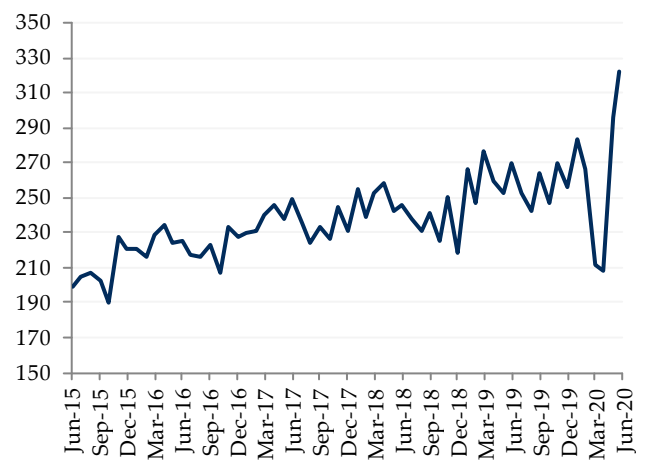
Source: FRED, Moody's, HSIE Research

Excess Bank Reserve: Increased post recent stimulus



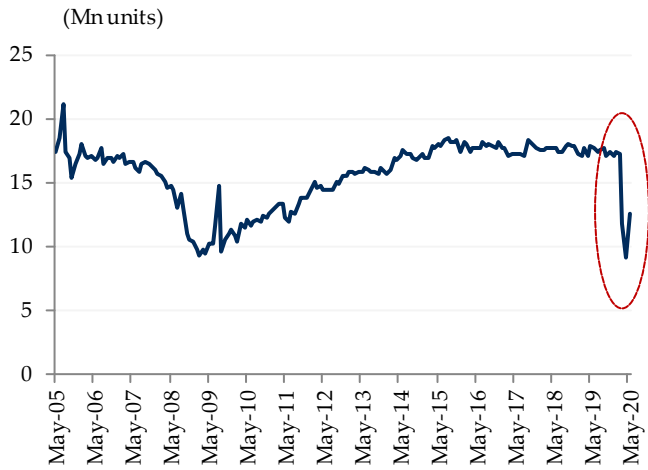
Source: FRED, HSIE Research

US Mortgage Purchase Index: 12-yr High Led by Falling Mortgage Rates



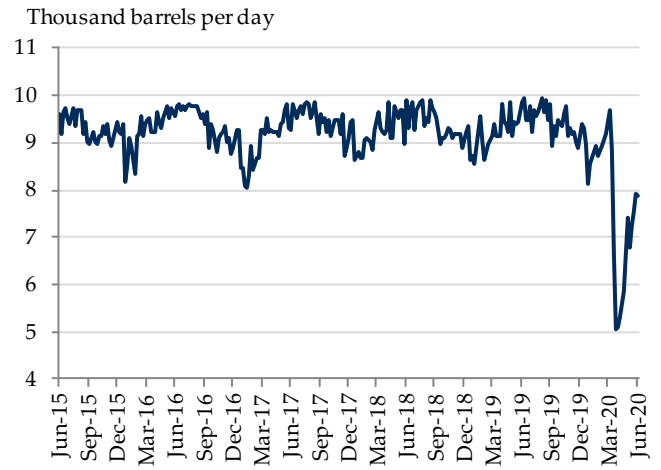
Source: Bloomberg, HSIE Research; Index indicates new mortgages purchases taken for initial home purchase

US Auto Monthly Sales (annualised) Trend



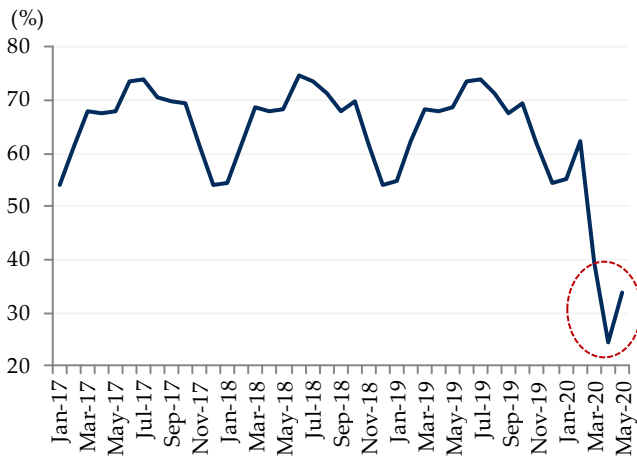
Source: Bloomberg, HSIE Research

Finished Motor Gasoline: Significant Improvement



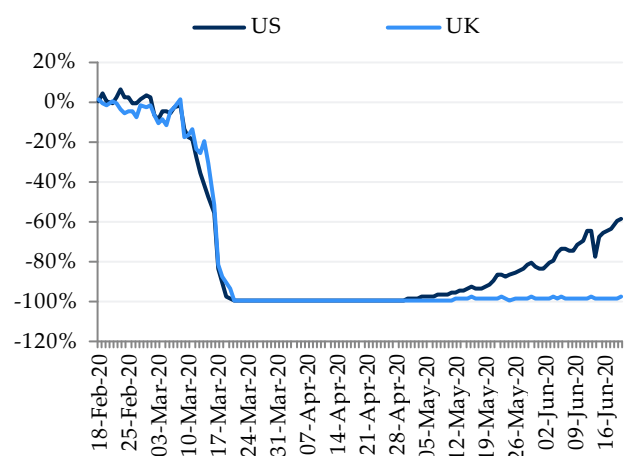
Source: DOE, HSIE Research

US Hotel Occupancy Is Improving Gradually



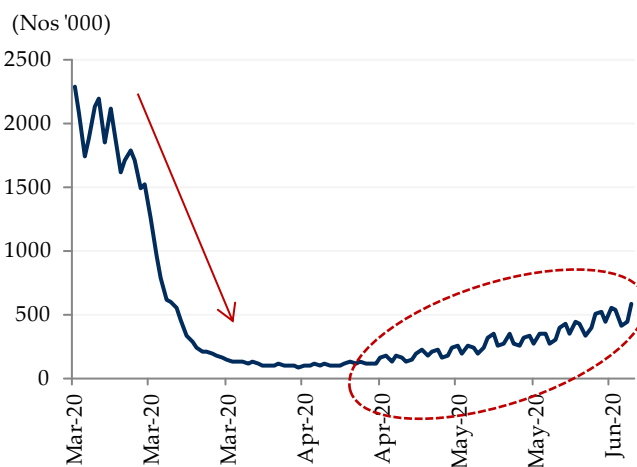
Source: Statista, HSIE Research

Restaurant Activity Recovering In US



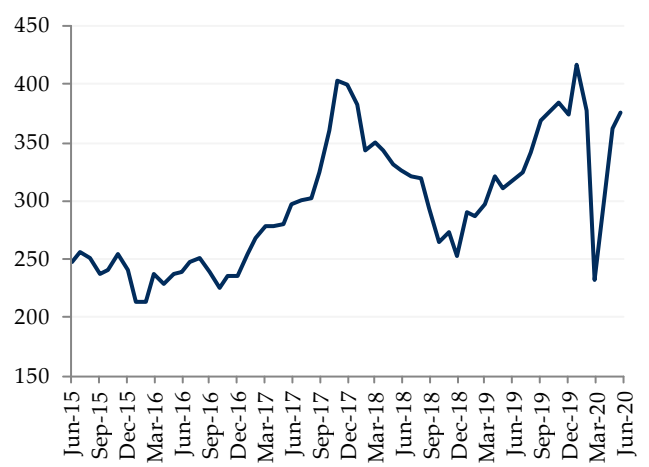
Source: OpenTable, HSIE Research

US Airline Travelers Improving, but gradual



Source: TSA, HSIE Research

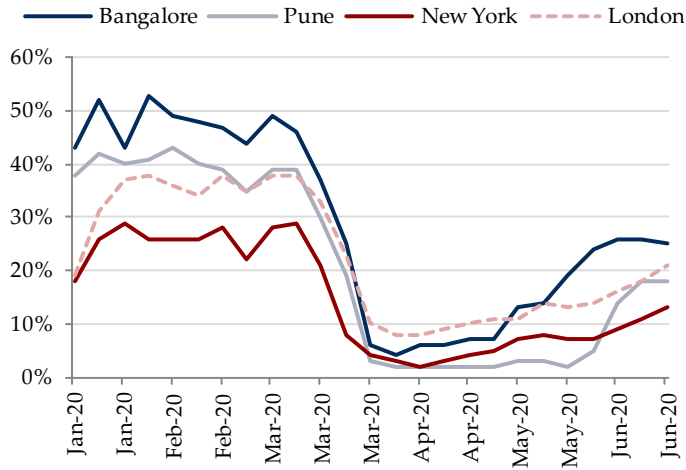
Bloomberg Home Builders Index: Improved sharply and now back to Pre Covid Levels



Source: Bloomberg, HSIE Research, Home Builders Index measures the health of the US housing market

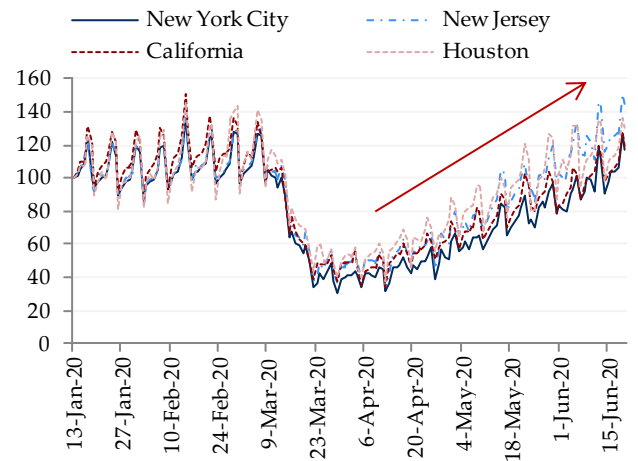
IT : Sector Thematic

Weekly Traffic Congestion Levels In Core Demand/Supply Locations



Source: TomTom, HSIE Research

Mobility Tracker For Major US Cities/States (YoY %)



Source: Apple Data, HSIE Research

Top Apps Worldwide by Downloads: Increased Usage of Collaboration & Virtual Meeting Tools

| S.No | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 |
|------|---------------------|-----------|------------------|-----------------|--------------|
| 1 | TikTok | TikTok | TikTok | ZOOM | TikTok |
| 2 | WhatsApp | WhatsApp | WhatsApp | TikTok | ZOOM |
| 3 | Facebook | Facebook | ZOOM | Facebook | WhatsApp |
| 4 | Instagram | Instagram | Facebook | WhatsApp | Facebook |
| 5 | Messenger | Messenger | Messenger | Instagram | Messenger |
| 6 | Likee | Likee | Instagram | Messenger | Instagram |
| 7 | SHAREit | SHAREit | SHAREit | Aarogya Setu | Google Meet |
| 8 | TikTok Wall Picture | Snapchat | Netflix | Google Meet | Aarogya Setu |
| 9 | Snapchat | Youtube | Snapchat | Netflix | Youtube |
| 10 | Youtube | Helo | Google Classroom | Microsoft Teams | Snapchat |

Source: SensorTower, HSIE Research

Change in Estimates

| Company | Revenue USD mn (New) | | Change % | | EBIT % (New) | | Change (bps) | | EPS (Rs) New | | Change (%) | |
|------------|----------------------|--------|----------|-------|--------------|-------|--------------|-------|--------------|-------|------------|--------|
| | FY21E | FY22E | FY21E | FY22E | FY21E | FY22E | FY21E | FY22E | FY21E | FY22E | FY21E | FY22E |
| TCS | 20,694 | 22,153 | 0.0% | 0.0% | 24.2 | 24.9 | 41 | 35 | 82.5 | 91.9 | 4.6% | 4.1% |
| Infosys | 12,519 | 13,787 | 0.0% | 0.0% | 20.7 | 21.2 | 20 | (7) | 38.7 | 44.6 | 5.6% | 5.4% |
| HCL Tech | 9,919 | 10,741 | 0.0% | 0.0% | 18.9 | 19.8 | 10 | (15) | 40.2 | 47.9 | 3.7% | 2.0% |
| Wipro | 7,896 | 8,267 | 0.0% | 0.0% | 16.2 | 16.4 | 41 | 31 | 16.3 | 17.7 | 4.4% | 4.1% |
| TechM | 4,937 | 5,271 | 0.0% | 0.0% | 11.2 | 12.3 | 11 | 31 | 44.0 | 50.6 | 3.9% | 5.4% |
| LTI | 1,606 | 1,846 | 0.0% | 0.0% | 15.6 | 17.1 | (14) | 0 | 89.7 | 115.0 | 4.2% | 2.1% |
| Mphasis | 1,241 | 1,350 | 0.0% | 0.0% | 15.3 | 16.3 | 46 | 22 | 59.7 | 70.4 | 3.8% | 2.4% |
| Mindtree | 1,055 | 1,161 | -4.7% | -4.5% | 12.0 | 13.0 | 55 | 29 | 44.2 | 54.6 | 1.1% | (0.9%) |
| L&T Tech | 715 | 798 | -5.0% | -4.9% | 14.5 | 16.0 | (98) | (44) | 60.3 | 76.2 | (8.8%) | (5.1%) |
| Hexaware* | 820 | 894 | 0.0% | 0.0% | 11.3 | 12.6 | (36) | (44) | 20.0 | 23.0 | 1.4% | 0.3% |
| Persistent | 489 | 528 | 0.0% | 0.0% | 7.9 | 8.9 | (10) | 1 | 37.0 | 45.0 | (0.4%) | 2.6% |
| Zensar | 518 | 562 | 0.0% | 0.0% | 8.1 | 9.4 | 33 | 30 | 9.9 | 13.0 | 6.0% | 6.1% |
| Cyient | 500 | 539 | 0.0% | 0.0% | 8.0 | 9.0 | 11 | 17 | 23.9 | 28.3 | 3.0% | 5.8% |
| Sonata | 160 | 176 | 0.0% | 0.0% | 7.9 | 8.7 | 49 | 35 | 22.8 | 27.6 | 6.9% | 4.6% |
| Mastek | 194 | 210 | 0.0% | 0.0% | 13.6 | 13.8 | 84 | 72 | 49.2 | 55.3 | 9.8% | 7.1% |
| Majesco | 150 | 166 | 0.0% | 0.0% | 8.8 | 10.3 | 25 | 28 | 21.2 | 26.8 | 5.5% | 5.5% |

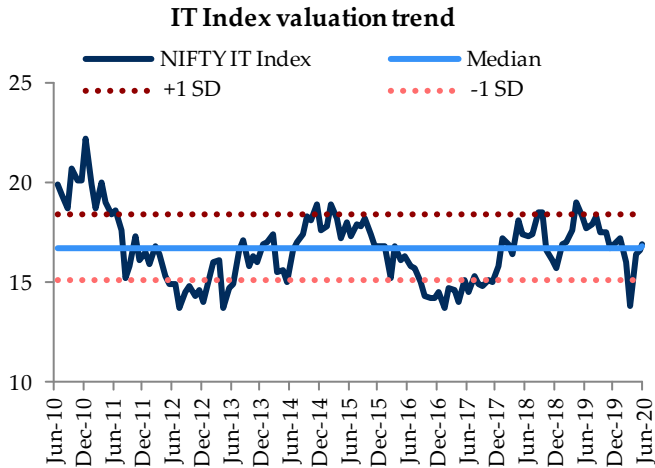
Source: HSIE Research, *Dec YE

| Company | USD Rev Growth | | CMP Rs | Rating OLD | Rating NEW | TP OLD (Rs) | TP NEW (Rs) | Upside from CMP % | Multiple OLD (x) | Multiple NEW (x) | 5Y Avg 1Y Fwd P/E | 10Y Avg 1Y Fwd P/E |
|------------|----------------|-------|-----------|---------------|---------------|-------------------|-------------------|-------------------------|---------------------|---------------------|-------------------------|--------------------------|
| | FY21E | FY22E | | | | | | | | | | |
| TCS | -6.1% | 7.0% | 2,035 | REDUCE | REDUCE | 1,680 | 1,930 | -5% | 19 | 21 | 20 | 20 |
| Infosys | -2.0% | 10.1% | 721 | BUY | BUY | 680 | 805 | 12% | 16 | 18 | 17 | 17 |
| HCL Tech | -0.2% | 8.3% | 580 | BUY | BUY | 565 | 670 | 15% | 12 | 14 | 14 | 14 |
| Wipro | -4.4% | 4.7% | 221 | REDUCE | ADD | 185 | 245 | 11% | 11 | 14 | 15 | 15 |
| TechM | -4.7% | 6.8% | 559 | BUY | BUY | 625 | 710 | 27% | 13 | 14 | 14 | 13 |
| LTI | 5.4% | 15.0% | 1,885 | ADD | ADD | 1,800 | 2,070 | 10% | 16 | 18 | 16 | NM |
| Mphasis | 0.1% | 8.8% | 855 | ADD | BUY | 825 | 1,055 | 23% | 12 | 15 | 14 | 13 |
| Mindtree | -3.1% | 10.0% | 928 | ADD | ADD | 830 | 985 | 6% | 15 | 18 | 18 | 15 |
| L&T Tech | -9.1% | 11.6% | 1,297 | ADD | REDUCE | 1,125 | 1,220 | -6% | 14 | 16 | 19 | NM |
| Hexaware* | 3.4% | 9.0% | 320 | ADD | REDUCE | 300 | 320 | 0% | 13 | 14 | 16 | 14 |
| Persistent | -2.5% | 8.1% | 616 | REDUCE | REDUCE | 525 | 630 | 2% | 12 | 14 | 14 | 13 |
| Zensar | -12.1% | 8.4% | 136 | ADD | ADD | 98 | 130 | -4% | 8 | 10 | 13 | 9 |
| Cyient | -20.0% | 7.8% | 256 | REDUCE | REDUCE | 240 | 255 | 0% | 9 | 9 | 13 | 12 |
| Sonata | -11.6% | 10.1% | 226 | BUY | BUY | 240 | 305 | 35% | 9 | 11 | 11 | 8 |
| Mastek | 28.8% | 8.1% | 395 | BUY | BUY | 400 | 535 | 35% | 8 | 10 | 11 | NM |
| Majesco | 2.5% | 10.9% | 349 | BUY | BUY | 375 | 450 | 29% | 1 EV/Rev | 1.3 EV/Rev | 1 | NM |

Source: HSIE Research, *Dec YE

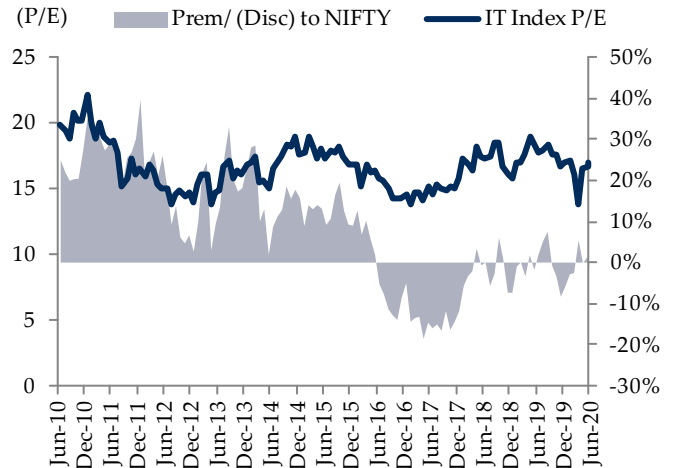
Valuation Charts

NIFTY IT Index Valuation Trend (P/E 1-yr fwd)



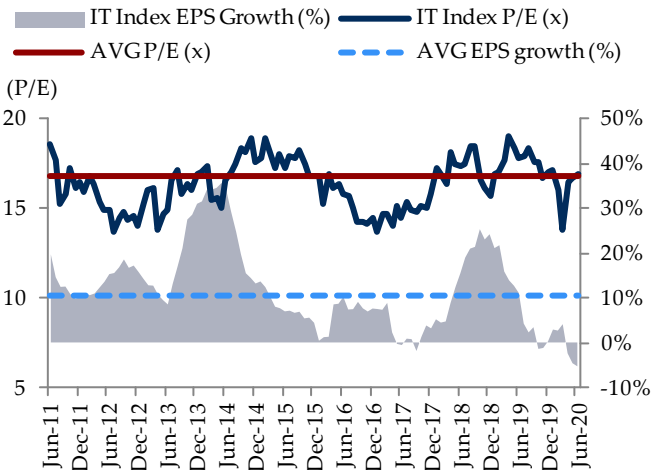
Source: Bloomberg, HSIE Research

IT Index Valuation Trend vs NIFTY



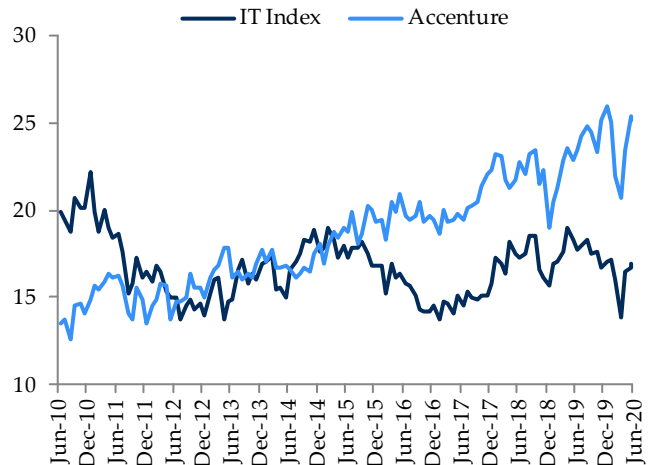
Source: Bloomberg, HSIE Research

IT Index Valuation and Earnings Growth Trend



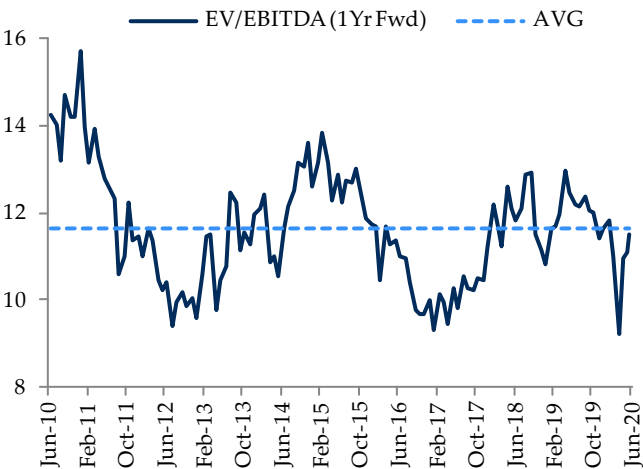
Source: Bloomberg, HSIE Research

Indian IT Valuations Trend vs. Accenture (P/E 1-yr fwd)



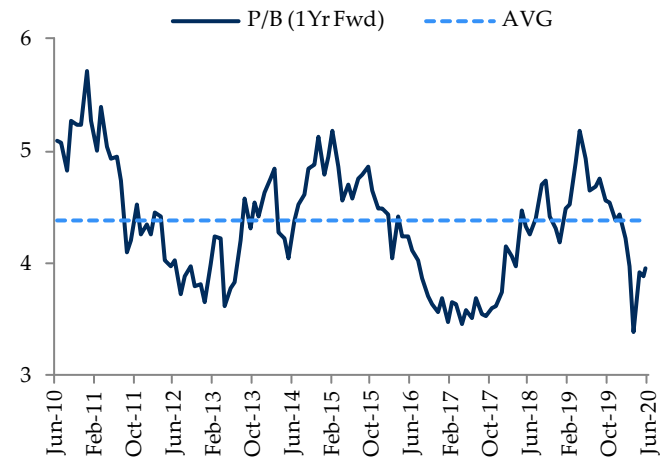
Source: Bloomberg, HSIE Research

IT Sector EV/EBITDA (x) Trend



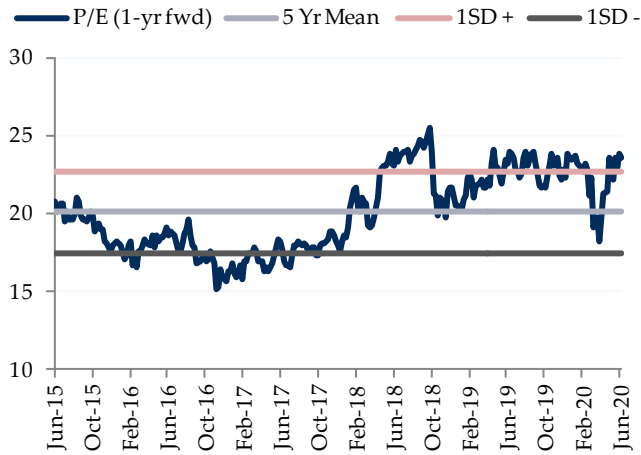
Source: Bloomberg, HSIE Research

IT Sector P/B (x) Trend



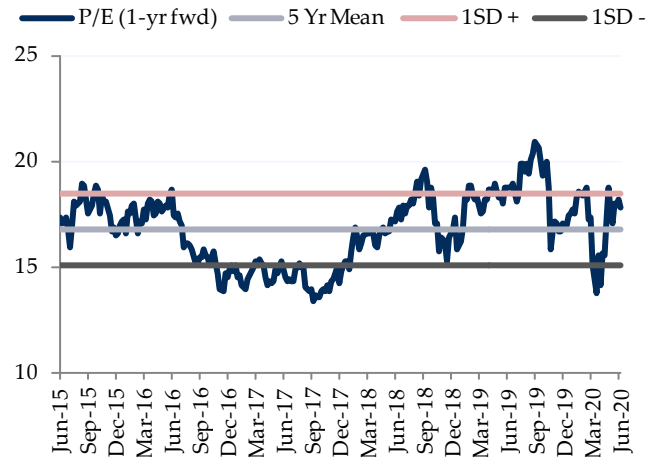
Source: Bloomberg, HSIE Research

TCS P/E (1-yr fwd) Trend



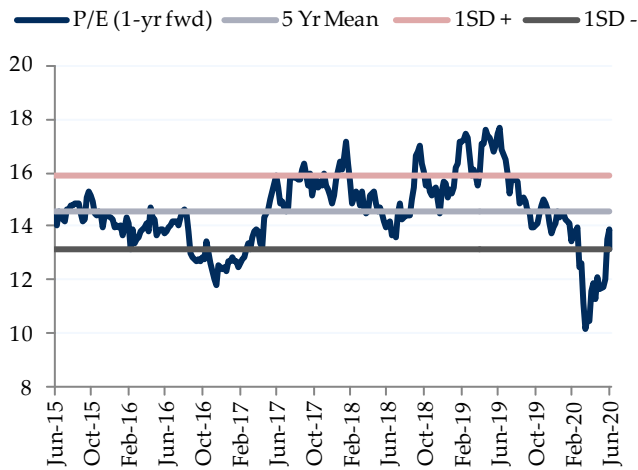
Source: Bloomberg, HSIE Research

Infosys P/E (1-yr fwd) Trend



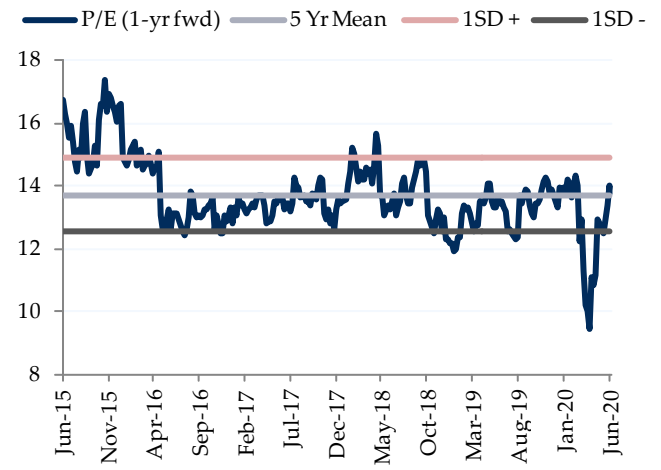
Source: Bloomberg, HSIE Research

Wipro P/E (1-yr fwd) Trend



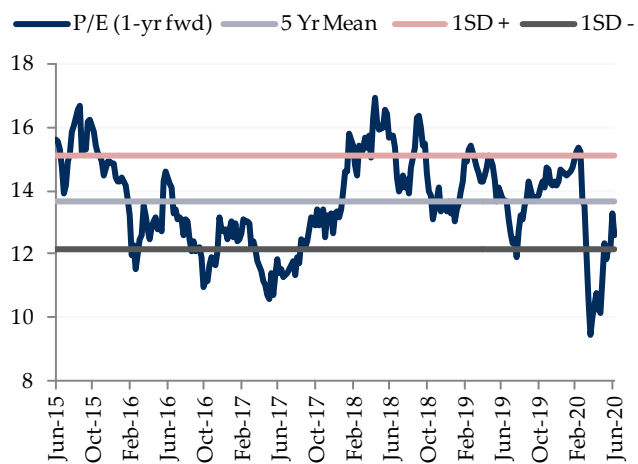
Source: Bloomberg, HSIE Research

HCL Tech P/E (1-yr fwd) Trend



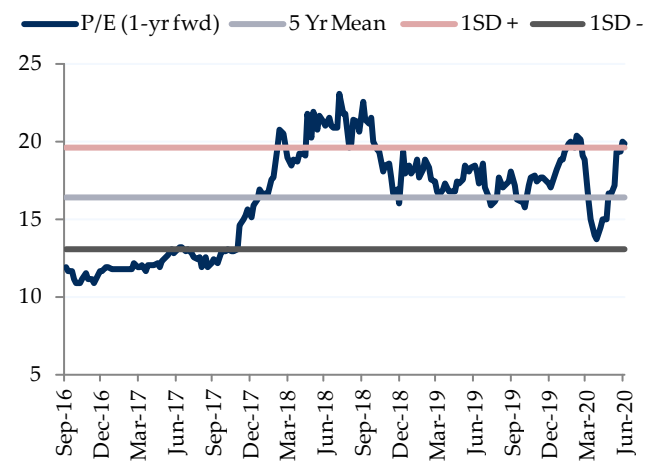
Source: Bloomberg, HSIE Research

Tech Mahindra P/E (1-yr fwd) Trend



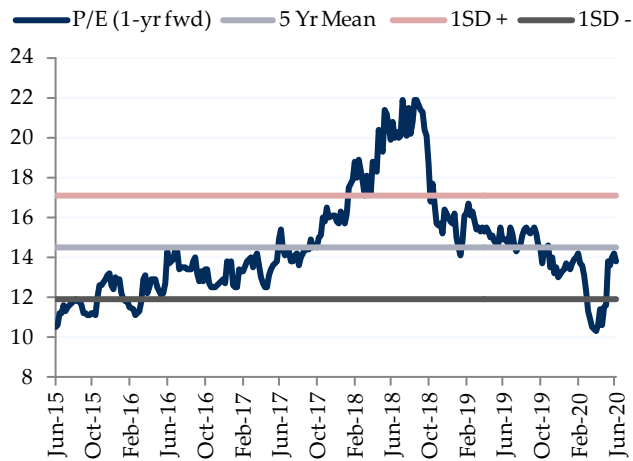
Source: Bloomberg, HSIE Research

L&T Infotech P/E (1-yr fwd) Trend



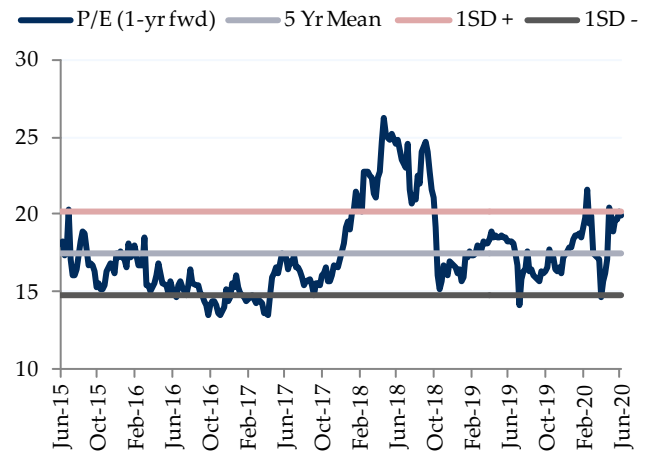
Source: Bloomberg, HSIE Research

Mphasis P/E (1-yr fwd) Trend



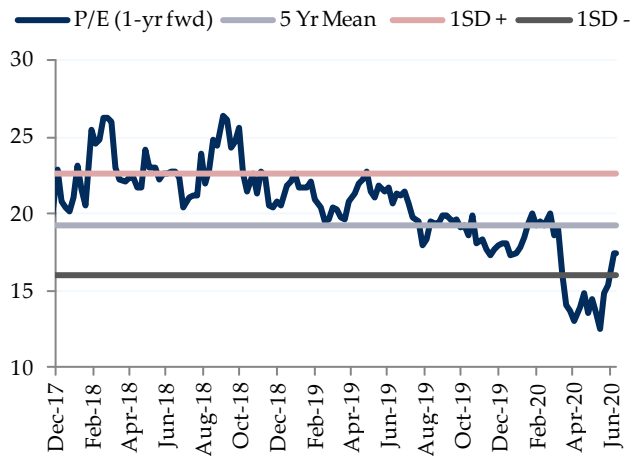
Source: Bloomberg, HSIE Research

Mindtree P/E (1-yr fwd) Trend



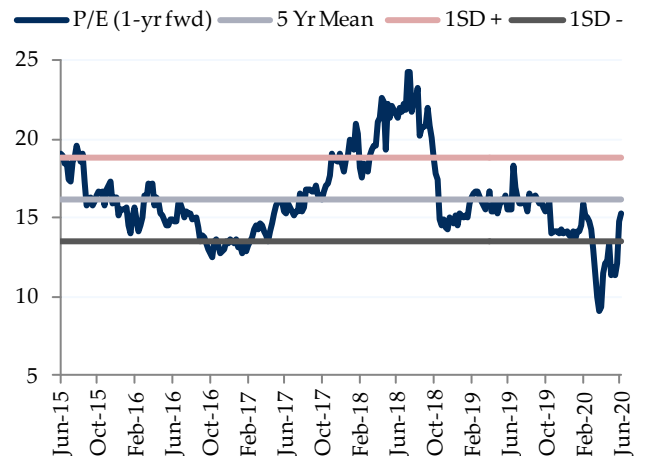
Source: Bloomberg, HSIE Research

L&T Technology P/E (1-yr fwd) Trend



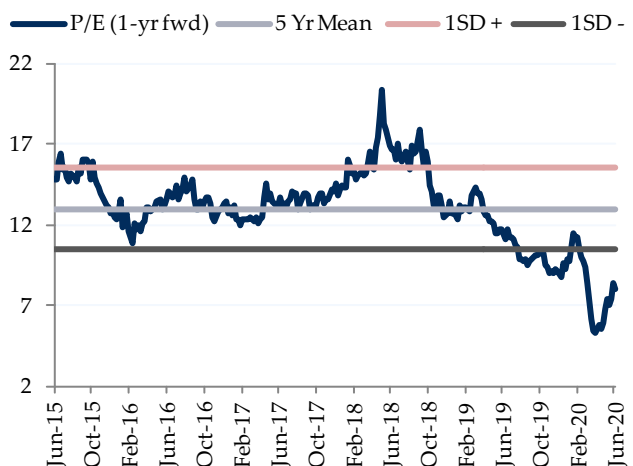
Source: Bloomberg, HSIE Research

Hexaware P/E (1-yr fwd) Trend



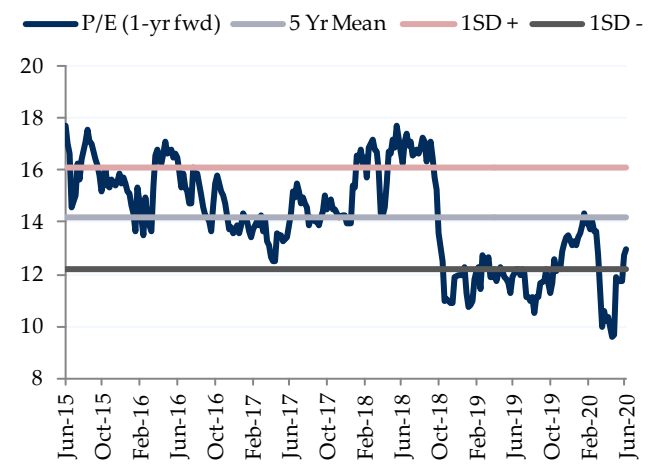
Source: Bloomberg, HSIE Research

Cyient P/E (1-yr fwd) Trend



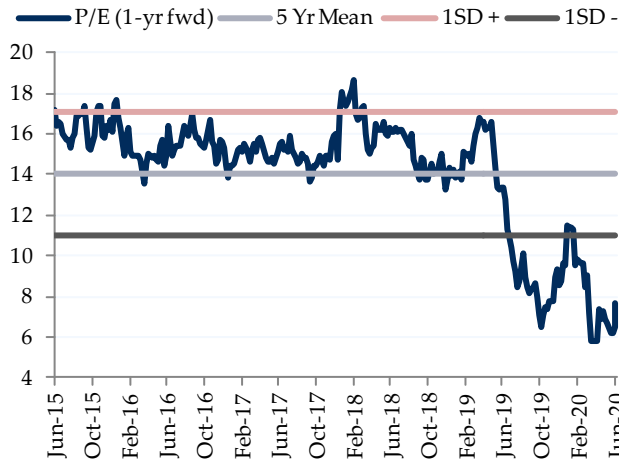
Source: Bloomberg, HSIE Research

Persistent P/E (1-yr fwd) Trend



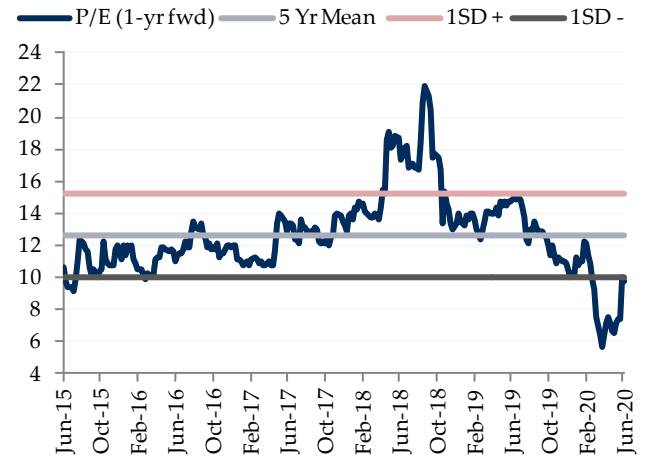
Source: Bloomberg, HSIE Research

eClerx P/E (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

Zensar P/E (1-yr fwd) Trend



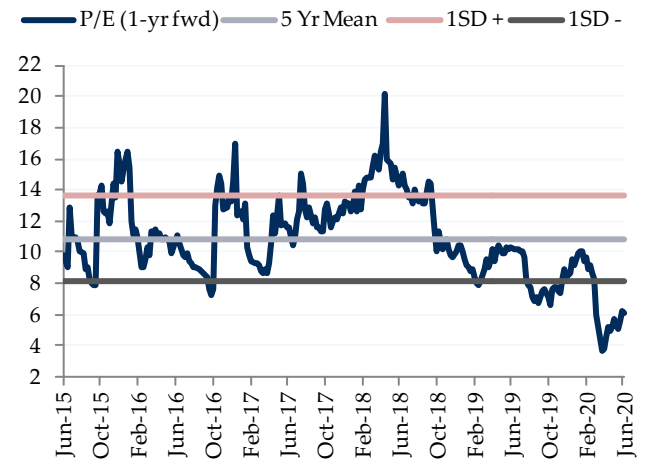
Source: Bloomberg, HSIE Research

Sonata P/E (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

Mastek P/E (1-yr fwd) Trend



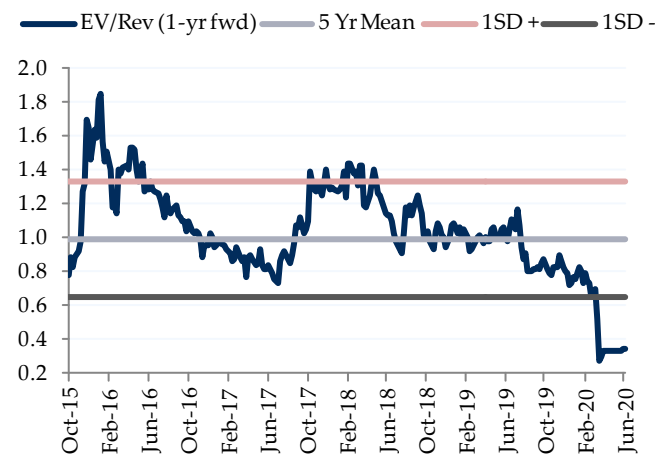
Source: Bloomberg, HSIE Research

Intellect EV/Revenue (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

Majesco EV/Revenue (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

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