

# HCL Technologies

## Performance Highlights

(` cr) – Consol.	1QFY18	4QFY17	% chg (qoq)	1QFY17	% chg (yoy)
<b>Net revenue</b>	<b>12,149</b>	<b>12,053</b>	<b>0.8</b>	<b>11,336</b>	<b>7.2</b>
EBIT	2,445	2,416	1.2	2,333	4.8
EBIT margin (%)	20.1	20.0	8bp	20.6	(46)ps
<b>PAT</b>	<b>2,171</b>	<b>2,325</b>	<b>(6.6)</b>	<b>2,047</b>	<b>6.1</b>

Source: Company, Angel Research

For 1QFY2018, HCL Tech posted results below expectations on sales front, while EBIT and net profit came in higher than expected. The sales came in at US\$1,884mn (v/s. US\$1,891mn expected) v/s. US\$1,817mn in 4QFY2017, a qoq growth of 3.7% qoq. Revenue in Constant Currency (CC) terms was up 2.6% qoq. The EBIT margin came in at 20.1% (v/s. 19.5% expected) v/s. 20.0% in 4QFY2017, a qoq expansion of 8bps. Thus, PAT came in at `2,171cr (v/s. `2,101cr expected) v/s. `2,325cr in 4QFY2017, a qoq dip of 6.6%. In terms of guidance, the company has re-iterated that FY2018 revenues are expected to grow between 10.5-12.5% in CC, while Operating Margin (EBIT) is expected to be in the range of 19.5-20.5%. **We maintain our Buy rating.**

**Quarterly highlights:** The sales came in at US\$1,884mn (v/s. US\$1,891mn expected) v/s. US\$1,817mn in 4QFY2017, a qoq growth of 3.7% qoq. Revenue in Constant Currency was up 2.6% qoq. The growth in terms of geography was driven by the USA and ROW, which posted a qoq CC growth of 3.8% and 3.1% respectively. Europe on the other hand posted a CC qoq dip of 0.4%. In terms of the services, it was Engineering and R&D Services which posted a CC qoq of 7.9%. In terms of verticals, the financial services posted a qoq CC growth of 5.3%; Life sciences & Healthcare posted a qoq CC growth of 4.8%, while Retail & CPG posted a qoq CC growth of 4.9%. On the operating profit front, the EBIT came in at 20.1% (v/s. 19.5% expected) v/s. 20.0% in 4QFY2017, a qoq expansion of 8bps. Thus, PAT came in at `2,171cr (v/s. `2,101cr expected) v/s. `2,325cr in 4QFY2017, a qoq dip of 6.6%.

**Outlook and valuation:** We expect HCL Tech to post a USD and INR revenue CAGR of 10.7% and 10.7% respectively over FY2017–19E. On the back of strong order book and given the attractive valuations, we **recommend a Buy on the stock.**

## Key financials (Consolidated, US GAAP)

Y/E March (` cr)	FY2016	FY2017	FY2018E	FY2019E
<b>Net sales</b>	<b>30,781</b>	<b>46,723</b>	<b>52,342</b>	<b>57,053</b>
% chg	(16.9)	51.8	12.0	9.0
<b>Net profit</b>	<b>5,643</b>	<b>8,457</b>	<b>8,860</b>	<b>9,536</b>
% chg	(22.2)	49.9	4.8	7.6
EBITDA margin (%)	21.5	22.1	20.9	20.9
<b>EPS (`)</b>	<b>40.0</b>	<b>60.0</b>	<b>62.8</b>	<b>67.6</b>
P/E (x)	22.3	14.9	14.2	13.2
P/BV (x)	4.5	3.8	3.2	2.7
RoE (%)	20.1	25.3	22.4	20.6
RoCE (%)	15.6	20.4	18.3	17.3
EV/Sales (x)	3.8	2.5	2.1	1.8
EV/EBITDA (x)	17.6	11.1	10.0	8.7

Source: Company, Angel Research; Note: CMP as of July 26, 2017

## BUY

CMP	₹891
Target Price	₹1,014

Investment Period	12 Months
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### Stock Info

Sector	IT
Market Cap (₹ cr)	1,27,209
Net Debt (₹ cr)	(12140)
Beta	0.4
52 Week High / Low	910/731
Avg. Daily Volume	1,44,465
Face Value (₹)	2
BSE Sensex	32,382
Nifty	10,021
Reuters Code	HCLT.BO
Bloomberg Code	HCLT@IN

### Shareholding Pattern (%)

Promoters	59.9
MF / Banks / Indian Fls	11.0
FII / NRIs / OCBs	26.0
Indian Public / Others	3.1

Abs.(%)	3m	1yr	3yr
Sensex	8.1	15.7	24.6
HCL Tech	8.8	19.7	10.5

## 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 1QFY2018 performance (Consolidated, US GAAP)**

Y/E March (` cr)	1QFY18	4QFY17	% chg (qoq)	1QFY17	% chg (yoy)	FY17	FY16	% chg(yoy)
<b>Net revenue</b>	<b>12,149</b>	<b>12,053</b>	<b>0.8</b>	<b>11,336</b>	<b>7.2</b>	<b>46,723</b>	<b>40,913</b>	<b>14.2</b>
Cost of revenue	8,057	7,987	0.9	7,440	8.3	30,890	26,901	14.8
<b>Gross profit</b>	<b>4,092</b>	<b>4,066</b>	<b>0.6</b>	<b>3,896</b>	<b>5.0</b>	<b>15,833</b>	<b>14,012</b>	<b>13.0</b>
SG&A expense	1,411	1,417	(0.4)	1,375	2.6	5,524	5,217	5.9
<b>EBITDA</b>	<b>2,681</b>	<b>2,649</b>	<b>1.2</b>	<b>2,521</b>	<b>6.3</b>	<b>10,309</b>	<b>8,795</b>	<b>17.2</b>
Dep. and amortization	236	233	1.3	188	25.5	835	569	46.7
EBIT	2,445	2,416	1.2	2,333	4.8	9,474	8,226	15.2
Other income	269	215	25.1	253	6.3	934	1,009	(7.4)
PBT	2,714	2,631	3.2	2,586	4.9	10,408	9,235	12.7
Income tax	543	303	79.2	543	-	1,952	1,883	3.7
<b>PAT</b>	<b>2,171</b>	<b>2,325</b>	<b>(6.6)</b>	<b>2,047</b>	<b>6.1</b>	<b>8,456</b>	<b>7,352</b>	<b>15.0</b>
Forex gain/(loss)	-	-	-	-	-	-	-	-
<b>Adjusted PAT</b>	<b>2,171</b>	<b>2,325</b>	<b>(6.6)</b>	<b>2,047</b>	<b>6.1</b>	<b>8,456</b>	<b>7,352</b>	<b>15.0</b>
<b>EPS</b>	<b>15.4</b>	<b>16.5</b>	<b>(6.6)</b>	<b>14.5</b>	<b>6.1</b>	<b>60.0</b>	<b>52.1</b>	<b>15.0</b>
Gross margin (%)	33.7	33.7	(5)bp	34.4	(69)bps	33.9	34.2	(36)bp
EBITDA margin (%)	22.1	22.0	9bp	22.2	(17)bps	22.1	21.5	57bp
EBIT margin (%)	20.1	20.0	8bp	20.6	(46)ps	20.3	20.1	17bp
PAT margin (%)	17.9	19.3	(142)bp	18.1	(19)bps	18.1	18.0	13bp

Source: Company, Angel Research, Note-FY2016 is 12month results for meaningful comparison, From FY2017, company has March ending company

**Exhibit 2: 1QFY2018 – Actual Vs Angel estimates**

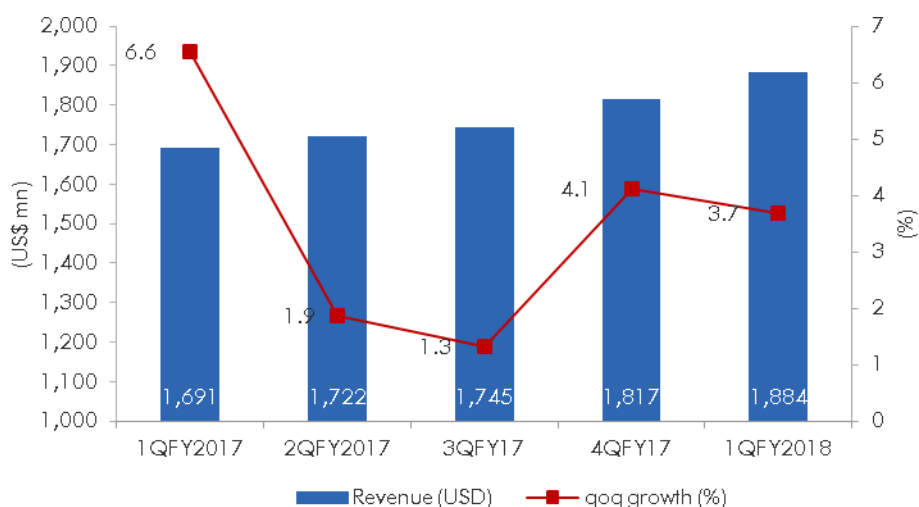
(₹ cr)	Actual	Estimate	Variation (%)
<b>Net revenue</b>	<b>12,149</b>	<b>12,208</b>	<b>(0.5)</b>
EBITDA margin (%)	22.1	21.4	67bp
<b>PAT</b>	<b>2,171</b>	<b>2,101</b>	<b>3.3</b>

Source: Company, Angel Research

**Sales just in-line with expectation**

The sales, came in at US\$1,884mn (v/s. US\$1,891mn expected) v/s. US\$1,817mn in 4QFY2017, a qoq growth of 3.7% qoq. In Rupee terms, the sales came in at `12,149 (v/s. `12,208cr expected) v/s. `12,053cr in 4QFY2017, a qoq growth of 0.8%. Revenue in Constant Currency was up 2.6% qoq.

The growth in terms of geography was driven by the USA and ROW, which posted a qoq CC growth of 3.8% and 3.1% respectively. Europe on the other hand posted a CC qoq dip of 0.4%. In terms of the services, it was Engineering and R&D Services which posted a CC qoq of 7.9%. In terms of verticals, the financial services posted a qoq CC growth of 5.3%, Life sciences & Healthcare posted a qoq CC growth of 4.8%, while Retail & CPG posted a qoq CC growth of 4.9%.

**Exhibit 3: Revenue growth trend**


Source: Company, Angel Research

In terms of services, Engineering & R&D services (which constituted 21.5% of sales) posted a growth of 7.9% qoq (CC), while Application services (accounting for 36.3% of sales) grew by 1.6% qoq (CC). Infrastructure services, another important segment of the company, which contributes around 38.6% to overall sales, posted a growth of 1.7% qoq (CC). Business services, which constituted 3.6% of sales, degrew by 6.7% qoq (CC).

**Exhibit 4: Revenue growth trend (Service wise)**

	% of revenue	% growth CC (qoq)	% growth (yoy)
Application services	36.3	1.6	6.3
Infrastructure services	38.6	1.7	22.7
Business services	3.6	(6.7)	(10.6)
Engineering and R&D services	21.5	7.9	19.4

Source: Company, Angel Research

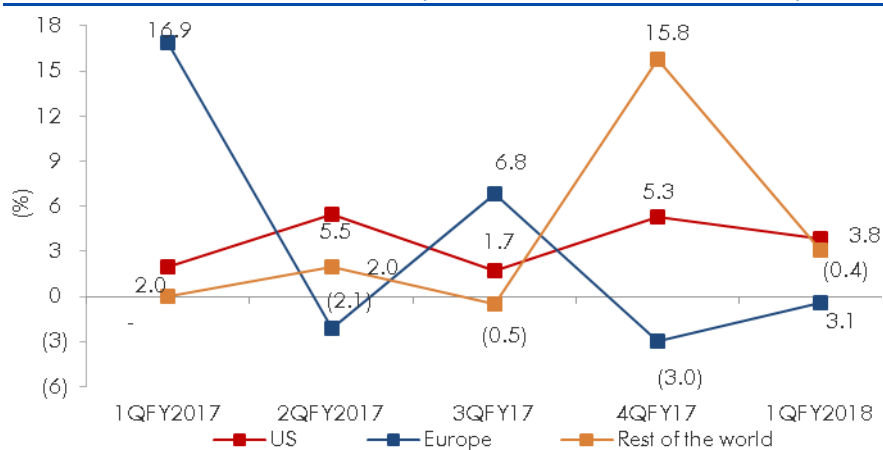
Industry segment wise, the company's Financial Services vertical (contributing 24.9% to revenue) posted a 5.3% qoq growth in CC terms. The Manufacturing vertical (contributing 34.9% to revenue) posted a 3.3% qoq growth in CC terms. Public services, Life sciences & Healthcare, and Telecommunication, Media, Publishing & Entertainment reported a qoq growth of (2.7)%, 4.8% and (2.5)%, all in CC terms, respectively. Retail & CPG (contributing 9.5% of the revenue), on the other hand, reported a growth of 4.9% qoq CC terms during the quarter.

**Exhibit 5: Revenue growth trend (Industry wise)**

	% of revenue	% growth (CC qoq)	% growth (yoy)
Financial services	24.9	5.3	9.3
Manufacturing	34.9	3.3	18.2
Life sciences & Healthcare	11.8	4.8	11.8
Public Services	11.1	(2.7)	22.5
Retail & CPG	9.5	4.9	16.0
Telecom, MPE	7.9	(2.5)	3.4

Source: Company, Angel Research

Among geographies, in CC terms, America grew by 3.8% qoq, RoW grew by 3.1% qoq, while Europe de-grew by 0.4% qoq, during the period.

**Exhibit 6: Revenue growth trend (Geography wise in CC terms)**


Source: Company, Angel Research

**Hiring and utilization**

During the quarter, the overall headcount of HCL Tech increased by 10,752 to 1,17,781 employees. The attrition rate in IT Services inched downwards to 16.2% (v/s. 16.9% in 4QFY2017) and the blended utilization level of the company inched up to 86.0% (v/s. 85.7% in 4QFY2017).

**Exhibit 7: Hiring trend**

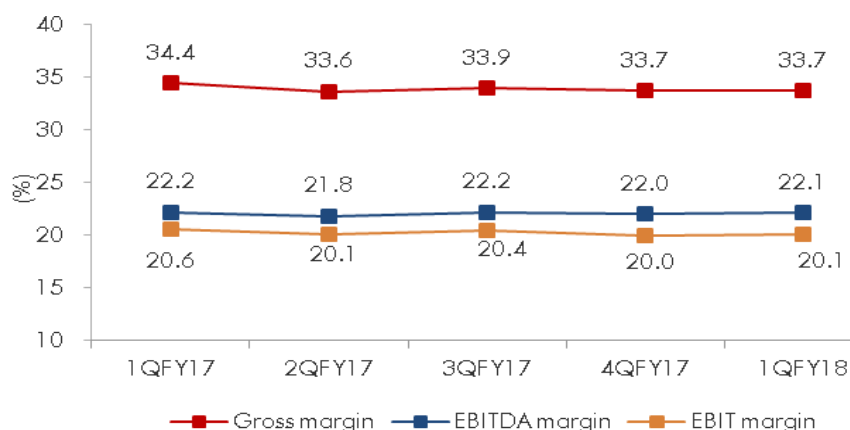
Particulars	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
Technical	98,225	99,897	1,01,154	1,05,547	1,07,029
Support	9,743	9,898	9,938	10,426	10,752
<b>Total employee base</b>	<b>107,968</b>	<b>109,795</b>	<b>1,11,092</b>	<b>1,15,973</b>	<b>1,17,781</b>
Gross addition	10,515	9,083	8,467	10,605	9,462
Net addition	3,072	2,097	3,124	6,178	1,808
<b>Attrition - IT services (LTM) - %</b>	<b>17.8</b>	<b>18.6</b>	<b>17.9</b>	<b>16.9</b>	<b>16.2</b>

Source: Company, Angel Research

## Operating margin better then expectation

On the operating front, the EBDITA margins came in at 22.1% (v/s. 22.0% in 4QFY2017), a qoq expansion of 9bps, while the EBIT margins came in at 20.1%, a qoq expansion of 8bps. This was against the EBDITA & EBIT margin expectations of 21.4% & 19.5% respectively.

### Exhibit 8: Margin profile



Source: Company, Angel Research

## Client pyramid

The company signed 13 transformational deals this quarter. These deals represented a well-balanced mix across service lines, industry verticals and geographies. Company added 1 client in the US\$50+mn and 2 in the US\$40+mn.

### Exhibit 9: Client pyramid

Particulars	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
US\$1mn–5mn	262	245	259	260	259
US\$5mn–10mn	84	91	89	93	95
US\$10mn–20mn	49	66	64	68	68
US\$20mn–30mn	35	32	33	36	34
US\$30mn–40mn	16	16	15	15	17
US\$40mn–50mn	5	12	14	9	10
US\$50mn–100mn	10	13	12	17	17
US\$100mn plus	7	7	8	8	8

Source: Company, Angel Research

## Investment arguments

**Robust outlook re-titrated for FY2018:** On the basis of deals on hand, the company gave a revenue growth guidance of 10.5-12.5% in CC for FY2018, which includes a component of inorganic growth, adjusting for which, the organic growth would be 7.5-9.5% in CC for FY2018. The operating margin (EBIT) for FY2018 is expected to be in the range of 19.5-20.5%. We expect HCL Tech to post a USD and INR revenue CAGR of 10.7% and 10.7% respectively, over FY2017–19E (inclusive of the acquisition of Geometric Software and Volvo deals).

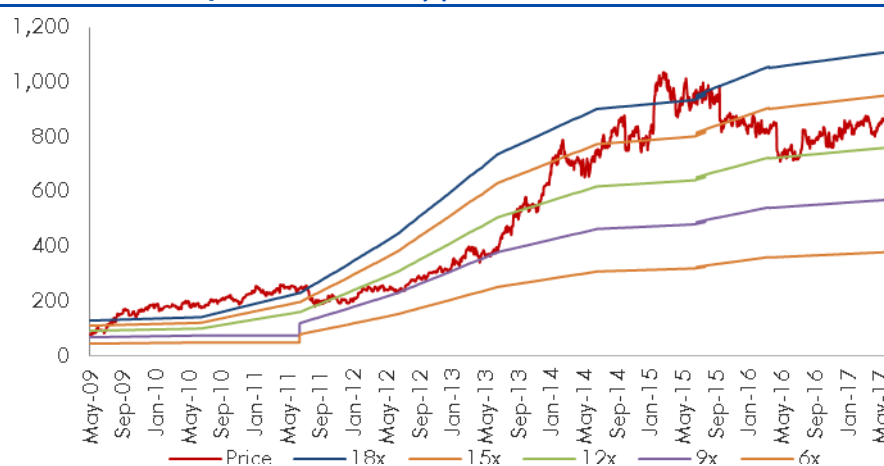
**Healthy pipeline:** HCL Tech signed 8 transformational deals this quarter, across service lines and industry verticals. The broad-based business wins were driven by next-generation integrated offerings – Next-Gen ITO, BEYONDigital, and IoT WoRKS, reflecting investments in Internet of Things, digital technologies, cloud, automation and artificial intelligence.

The company signed 13 transformational deals this quarter. These deals represented a well-balanced mix across service lines, industry verticals and geographies. Company added 1 client in the US\$50+mn and 2 in the US\$40+mn.

## Outlook and valuation

On the operating front, HCL Tech's EBIT margin had been around 19.3% in FY2017, a dip of 1,000bps over the previous financial year. We expect the EBIT and PAT to post a 7.9% and 7.1% CAGR respectively over FY2017-19E. At the current market price, the stock is trading at 14.2x FY2018E and 13.2x FY2019E EPS. **We recommend a Buy, with a price target of ₹1,014.**

**Exhibit 10: One-year forward PE (x) chart**



Source: Company, Angel Research

**Exhibit 11: Recommendation summary**

Company	Reco	CMP (₹)	Tgt Price (₹)	Upside (%)	FY2019E EBITDA (%)	FY2019E P/E (x)	FY2017-19E EPS CAGR (%)	FY2019E EV/Sales (x)	FY2019E RoE (%)
HCL Tech	Accumulate	891	1,014	13.7	20.9	13.2	6.2	1.8	20.6
Infosys	Buy	994	1,179	18.6	26.0	14.3	5.3	2.2	19.6
TCS	Neutral	2,555	-	-	27.6	16.4	7.8	3.1	29.8
Tech Mahindra	Buy	389	533	37.0	15.0	10.2	8.6	1.1	16.3
Wipro	Neutral	290	-	-	20.3	15.2	4.4	1.2	13.4

Source: Company, Angel Research

**Company Background**

HCL Tech is India's fifth largest IT services company, with over 1,00,000 employees catering to more than 450 clients. The company's service offerings include Enterprise Application Services (EAS), Custom Applications, Engineering Research & Development (ERD), and Infrastructure Management Services (IMS). In December 2008, HCL Tech acquired UK-based SAP consulting company - Axon, which now contributes ~10% to its consolidated revenue. Recently, during 3QFY2016, the company acquired Geometric Software.

**Profit and loss statement (Consolidated, US GAAP)**

Y/E Mar (` cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>Net sales</b>	<b>37,061</b>	<b>30,781</b>	<b>46,723</b>	<b>52,342</b>	<b>57,053</b>
Cost of revenues	23,798	20,235	30,890	34,598	37,712
<b>Gross profit</b>	<b>13,263</b>	<b>10,546</b>	<b>15,833</b>	<b>17,744</b>	<b>19,341</b>
% of net sales	35.8	34.3	33.9	33.9	33.9
SG&A expenses	4,563	3,940	5,524	6,804	7,417
% of net sales	12.3	12.8	11.8	13.0	13.0
<b>EBITDA</b>	<b>8,700</b>	<b>6,606</b>	<b>10,309</b>	<b>10,939</b>	<b>11,924</b>
% of net sales	23.5	21.5	22.1	20.9	20.9
Depreciation and amort.	451	393	835	935	1085
% of net sales	1.2	1.3	1.8	1.8	1.9
<b>EBIT</b>	<b>8,249</b>	<b>6,213</b>	<b>9,474</b>	<b>10,004</b>	<b>10,839</b>
% of net sales	22.3	20.2	20.3	19.1	19.0
Other income, net	912	756	934	934	934
Profit before tax	9,161	6,969	10,408	10,938	11,773
Provision for tax	1,908	1,364	1,952	2,078	2,237
% of PBT	20.8	19.6	18.8	19.0	19.0
<b>PAT</b>	<b>7,253</b>	<b>5,605</b>	<b>8,457</b>	<b>8,860</b>	<b>9,536</b>
Share from equity invest.	-	-	-	-	-
Forex loss	-	-	-	-	-
ESOP charges	103	38	-	-	-
<b>Reported net profit</b>	<b>7,253</b>	<b>5,643</b>	<b>8,457</b>	<b>8,860</b>	<b>9,536</b>
<b>Fully diluted EPS (`)</b>	<b>51.4</b>	<b>40.0</b>	<b>60.0</b>	<b>62.8</b>	<b>67.6</b>

Note: FY2016 Numbers are 9 month figures



**Balance sheet (Consolidated, US GAAP)**

Y/E Mar (` cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
Cash and cash equivalent	1,352	729	1,317	1,500	1,700
Account receivables, net	6,563	7,721	8,301	9,039	9,853
Unbilled receivables	2,923	3,002	2,501	3,141	3,423
Deposit with banks	9,670	10,587	10,220	14,102	20,059
Deposit (one year with HDFC Ltd)	-	-	-	-	-
Invest. securities, available for sale	767	537	1,146	2,250	2,251
Other current assets	2,338	2,410	2,983	3,283	3,583
<b>Total current assets</b>	<b>23,613</b>	<b>24,986</b>	<b>26,468</b>	<b>33,315</b>	<b>40,870</b>
Property and equipment, net	3,820	4,323	4,681	4,981	5,281
Intangible assets, net	5,204	6,419	11,426	11,426	11,426
Deposits with HDFC Ltd.	-	-	-	-	-
Fixed deposits with banks	-	-	-	-	-
Investment securities HTM	8	160	147	147	147
Investment in equity investee	-	-	-	-	-
Other assets	3,066	3,879	3,712	4,780	4,780
<b>Total assets</b>	<b>35,711</b>	<b>39,768</b>	<b>46,432</b>	<b>54,648</b>	<b>62,502</b>
Current liabilities	9,232	9,509	11,148	12,483	13,606
Borrowings	469	973	542	542	542
Other liabilities	1,259	1,264	1,253	2,078	2,078
<b>Total liabilities</b>	<b>10,960</b>	<b>11,745</b>	<b>12,942</b>	<b>15,103</b>	<b>16,226</b>
Minority interest	-	-	-	-	-
Total stockholder equity	24,751	28,022	33,490	39,545	46,276
<b>Total liab. and stock holder equity</b>	<b>35,711</b>	<b>39,767</b>	<b>46,432</b>	<b>54,648</b>	<b>62,502</b>

Note: FY2016 Numbers are 9 month figures

**Cash flow statement (Consolidated, US GAAP)**

Y/E Mar ('cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
Pre tax profit from operations	7,253	5,643	8,457	8,860	9,536
Depreciation	451	393	835	935	1,085
Expenses (deferred)/written off/others	(168)	(48)	(48)	(48)	(48)
Pre tax cash from operations	7,536	5,988	9,244	9,747	10,573
Other income/prior period ad	912	756	934	934	934
Net cash from operations	8,448	6,744	10,178	10,681	11,507
Tax	(1,908)	(1,364)	(1,952)	(2,078)	(2,237)
<b>Cash profits</b>	<b>6,540</b>	<b>5,381</b>	<b>8,226</b>	<b>8,603</b>	<b>9,270</b>
(Inc)/dec in current assets	(1,991)	(1,309)	(653)	(1,677)	(1,396)
Inc/(dec) in current liabilities	1,035	277	1,639	1,335	1,123
Net trade working capital	(956)	(1,033)	987	(342)	(273)
<b>Cashflow from operating activities</b>	<b>5,584</b>	<b>4,348</b>	<b>9,213</b>	<b>8,261</b>	<b>8,998</b>
(Inc)/dec in fixed assets	(674)	(503)	(358)	(300)	(300)
(Inc)/dec in intangibles	(55)	(1,215)	(5,006)	-	-
(Inc)/dec in investments	(1,458)	(687)	(242)	(4,987)	(5,958)
(Inc)/dec in minority interest	-	-	-	-	-
Inc/(dec) in non current liabilities	(203)	5	(11)	-	-
(Inc)/dec in non current assets	(214)	(72)	(573)	(300)	(300)
<b>Cashflow from investing activities</b>	<b>(2,602)</b>	<b>(2,473)</b>	<b>(6,189)</b>	<b>(5,587)</b>	<b>(6,558)</b>
Inc/(dec) in debt	-	-	-	-	-
Inc/(dec) in equity/premium	-	-	-	-	-
ESOP charges	(103)	(103)	(103)	(103)	(103)
Dividends	(1,651)	(2,805)	(2,805)	(2,805)	(2,805)
Others	(208)	2,385	614	1,551	1,969
<b>Cashflow from financing activities</b>	<b>(1,962)</b>	<b>(523)</b>	<b>(2,294)</b>	<b>(1,357)</b>	<b>(939)</b>
<b>Cash generated/(utilised)</b>	<b>331</b>	<b>(623)</b>	<b>587</b>	<b>184</b>	<b>200</b>
Cash at start of the year	1,021	1,352	729	1,317	1,500
Cash at end of the year	1,352	729	1,317	1,500	1,700

Note: FY2016 Numbers are 9 month figures

**Key ratios**

Y/E Mar	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>Valuation ratio (x)</b>					
P/E (on FDEPS)	17.3	22.3	14.9	14.2	13.2
P/CEPS	16.3	20.8	13.5	12.8	11.8
P/BVPS	5.1	4.5	3.8	3.2	2.7
Dividend yield (%)	1.6	1.9	1.9	1.9	1.9
EV/Sales	3.1	3.8	2.5	2.1	1.8
EV/EBITDA	13.3	17.6	11.1	10.0	8.7
EV/Total assets	3.2	2.9	2.5	2.0	1.7
<b>Per share data (₹)</b>					
EPS (Fully diluted)	51.4	40.0	60.0	62.8	67.6
Cash EPS	54.6	42.8	65.9	69.4	75.3
Dividend	14.0	17.0	17.0	17.0	17.0
Book value	175	199	237	280	328
<b>Dupont analysis</b>					
Tax retention ratio (PAT/PBT)	0.8	0.8	0.8	0.8	0.8
Cost of debt (PBT/EBIT)	1.1	1.1	1.1	1.1	1.1
EBIT margin (EBIT/Sales)	0.2	0.2	0.2	0.2	0.2
Asset turnover ratio (Sales/Assets)	1.0	0.8	1.0	1.0	0.9
Leverage ratio (Assets/Equity)	1.4	1.4	1.4	1.4	1.4
Operating ROE	29.3	20.0	25.3	22.4	20.6
<b>Return ratios (%)</b>					
RoCE (pre-tax)	23.1	15.6	20.4	18.3	17.3
Angel RoIC	34.5	22.4	28.2	27.3	28.3
RoE	29.3	20.1	25.3	22.4	20.6
<b>Turnover ratios (x)</b>					
Asset turnover (fixed assets)	10.6	7.6	10.4	10.8	11.1
Receivables days	68	83	78	67	66

Note: FY2016 Numbers are 9 month figures

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### HCL Technologies

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2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)