

October 11, 2018

Q2FY19 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY19E	FY20E	FY19E	FY20E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	2,300		2,300	
Sales (Rs. m)	14,68,618	16,70,721	14,57,360	16,47,686
% Chng.			0.8	1.4
EBITDA (Rs. m)	4,11,257	4,61,766	4,08,458	4,61,625
% Chng.			0.7	-
EPS (Rs.)	86.0	96.4	84.8	95.7
% Chng.			1.4	0.8

Key Financials

	FY17	FY18	FY19E	FY20E
Sales (Rs. bn)	1,180	1,231	1,469	1,671
EBITDA (Rs. bn)	323	325	411	462
Margin (%)	27.4	26.4	28.0	27.6
PAT (Rs. bn)	263	258	323	362
EPS (Rs.)	66.7	67.5	86.0	96.4
Gr. (%)	8.6	1.1	27.4	12.1
DPS (Rs.)	23.3	25.0	31.8	35.7
Yield (%)	1.2	1.3	1.6	1.8
RoE (%)	32.6	29.4	36.6	36.5
RoCE (%)	32.1	28.9	35.8	35.7
EV/Sales (x)	6.2	5.8	4.8	4.1
EV/EBITDA (x)	22.7	22.0	17.1	14.9
PE (x)	29.7	29.3	23.0	20.5
P/BV (x)	8.8	8.7	8.3	6.8

Key Data

TCS.BO | TCS IN

52-W High / Low	Rs.2,276 / Rs.1,228
Sensex / Nifty	34,001 / 10,235
Market Cap	Rs.7,580bn / \$ 1,02,256m
Shares Outstanding	3,829m
3M Avg. Daily Value	Rs.11891.04m

Shareholding Pattern (%)

Promoter's	71.92
Foreign	16.59
Domestic Institution	6.87
Public & Others	4.62
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.2)	31.4	58.4
Relative	6.5	31.1	48.3

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Steady quarter, Digital shows strong momentum

■ **USD revenues beat estimates, margins inline:** TCS delivered a steady performance for 2QFY19 with a modest beat on constant currency revenues and steady performance on EBIT margins. However, lower other income led to PAT miss our estimates by 2% for the quarter. Revenues came at USD5215mn for 2QFY19 up 3.2% QoQ and 10% YoY and above our estimates (PLe: USD5162mn). Constant currency revenue growth for the quarter stood at 3.7% marginally above our estimates (PLe: 3.5%). EBIT margin for the quarter came at 26.5% up 150 bps QoQ and in line with our estimates (PLe: 26.6%). Operational efficiencies (+30bps), INR depreciation (+120bps) aided in margin expansion for the quarter. Core operational margin expansion (ex-INR depreciation) was only 30bps QoQ and we believe that TCS recent deal wins which have a large onsite re-bidding could have limited sequential core margin expansion. PAT for the quarter came at Rs79.2bn which is 2% below our estimates (PLe: Rs80.6bn) owing to lower other income.

■ **Guides for steady momentum:** For 2QFY19, TCS' revenues grew by 11.5% YoY in constant currency. Management believes that it is back on track for double digit YoY revenue growth momentum in constant currency. BFSI vertical revenues were up 3.5% QoQ in constant currency and 6.1% YoY and BFSI showed second consecutive quarter of steady performance. Retail & CPG vertical revenues grew by 3.4% QoQ in constant currency. Digital Revenues contributed to 28% of total revenues and were up 16.5% QoQ in constant currency and 60% YoY and remained the key driver for incremental growth.

■ **Valuation and View:** Led by USD revenue beat in 2QFY19, we raise TCS' USD revenue growth assumption to 10.1% for FY19E (vs 9.2% growth modelled earlier). Achieving 10.1% USD revenue growth for FY19 would require 2% CQGR over the remaining two quarters which we believe is favorable doable (despite 2H being seasonally soft).

■ TCS delivered 6.7% constant currency revenue growth for FY18 (8.6% USD revenue growth for FY18). Hence, FY19 is a year of growth acceleration (vs FY18). TCS is outpacing Accenture on the organic revenue growth front. Accenture has guided for revenues to grow 5-8% YoY in local currency for FY19E which includes inorganic initiatives (Accenture organic revenue growth guidance would be 3.5-6.5% YoY for FY19E). Hence, TCS' constant currency revenue growth would be ~2x that of Accenture organic revenue growth.

■ Our USD/INR assumptions are at 70/72 for FY19/FY20E. While rupee depreciation could aid margins in medium term, we believe TCS might have to gradually pass on the benefits to clients. We model EBIT margins at 26.6/26.4/25.6% for FY19/FY20E/FY21E (vs 24.8% in FY18). Our EPS estimates are upgraded modestly by 1.5/1% for FY19/FY20E to Rs85/96.5/sh. Our FY21E EPS estimates is retained at Rs105/sh. TCS trades at 20.7x FY20E EPS and 19.8x Sep20E EPS. Retain TP at Rs2300/sh (23x Sep20E EPS) Retain Accumulate.

Exhibit 1: Consolidated P&L

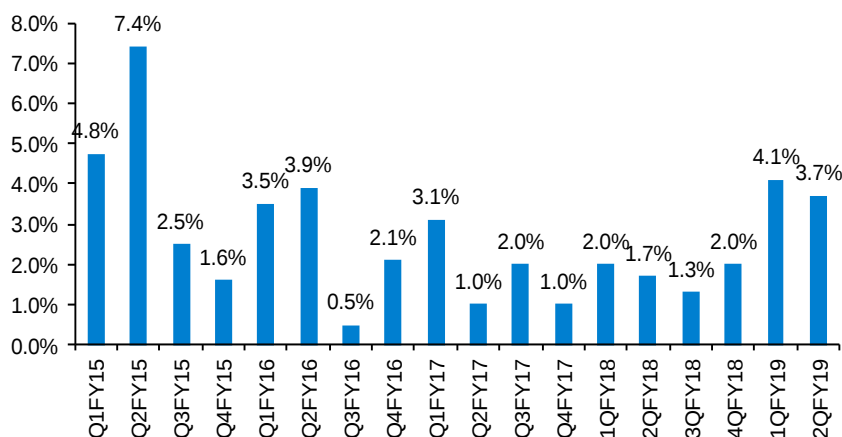
(Rs mn)	2QFY19	1QFY19	QoQ Growth	1QFY19	YoY Growth	PI Estimates	Variance(PL VS ACTUAL)
Total Operating Income (USD)	5,215	5,051	3.2%	4,739	10.0%	5,162	1.0%
Total Operating Income	368,540	342,610	7.6%	305,410	20.7%	364,962	1.0%
EBITDA	102,780	90,710	13.3%	81,630	25.9%	102,189	0.6%
<i>EBITDA Margins</i>	<i>27.9%</i>	<i>26.5%</i>	<i>141 bps</i>	<i>26.7%</i>	<i>116 bps</i>	<i>28.0%</i>	
Pre -Tax Income	103,640	97,860	5.9%	84,720	22.3%	107,080	-3.2%
Tax	24,370	24,240	0.5%	20,120	21.1%	26,235	-7.1%
<i>Tax- Rate</i>	<i>23.5%</i>	<i>24.8%</i>	<i>-126 bps</i>	<i>23.7%</i>	<i>-23 bps</i>	<i>24.5%</i>	
PAT	79,010	73,400	7.6%	64,460	22.6%	80,645	-2.0%
EPS	20.6	19.2	7.6%	16.8	22.6%	21.1	-2.0%

Source: Company, PL

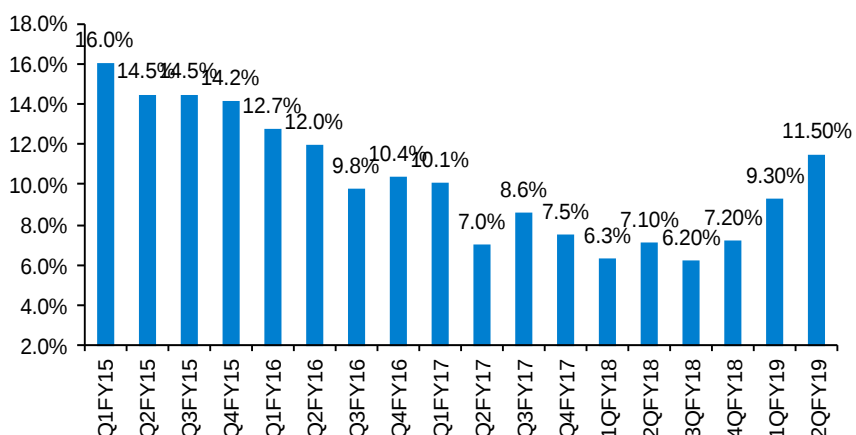
TCS has shown stronger revenue momentum in 1HFY19 (vs 1HFY18) led by large deal wins

USD revenues above estimates: Revenues came at USD5215mn were up 3.2% QoQ and 10% YoY and above our estimates (Ple: USD 5162mn). Constant currency growth for the quarter stood at 3.7% and above our estimates (Ple: 3.5%)

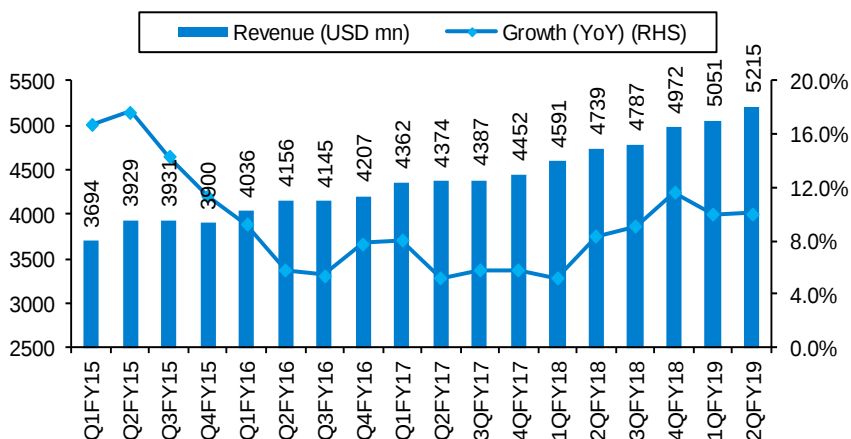
Digital revenues stood at USD1460mn up 15.6% QoQ and 56.4% YoY in USD. In constant currency, Digital revenues for 2QFY19 were up 16.5% QoQ and 60% YoY. Traditional Business (Revenues Ex-Digital) revenue came at USD3755mn decline 1% QoQ and down 1.3% YoY. Hence, digital remains the key driver for incremental growth.

Exhibit 2: Revenue Growth in Constant Currency (QoQ)


Source: Company, PL

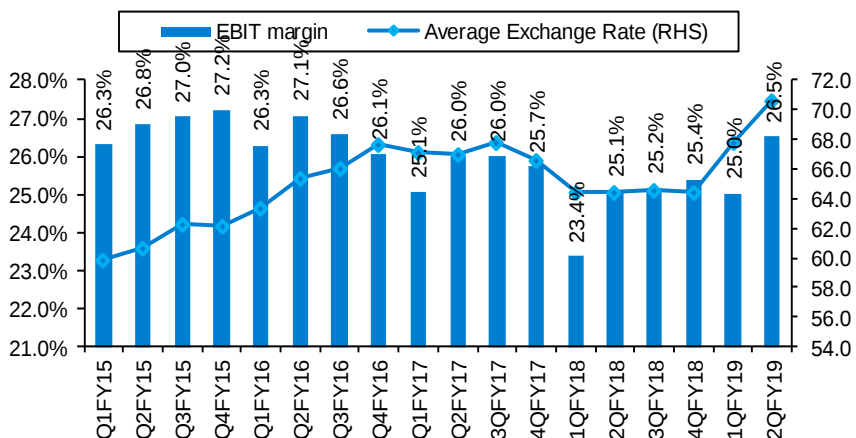
Exhibit 3: Revenue growth in cc (YoY)


Source: Company, PL

Exhibit 4: USD Revenue growth (YoY)


Source: Company, PL

- Margin in line our estimates:** EBITDA Margin for the quarter came at 27.9% up 140 bps QoQ and inline with our estimates (PLe: 28.0%). EBIT margin for the quarter came at 26.5% up 150 bps QoQ and in line with our estimates (PLe: 26.6%).

Exhibit 5: EBIT Margin vs Average exchange rate


Source: PL, Company

Key Metrics

Exhibit 6: Geographical Mix of Revenues

Geography Mix in %	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
North America	53.5	54	55	53	52.5	51.9	52	50.2	51.0	51.1
Latin America	2.0	2.0	2.2	2.1	2.1	2.2	2.2	2	1.9	2.0
UK	14.8	13.8	13.3	13.7	13.9	14	14.1	15.2	15.5	15.6
Continental Europe	11.5	11.8	11.1	11.8	12.5	13.4	13.5	14.2	14.0	14.0
India	6.2	5.8	6.3	6.8	7	6.3	6.3	6.2	5.8	5.6
APAC	9.6	10.2	9.6	9.7	9.5	9.8	9.5	9.7	9.6	9.6
MEA	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.5	2.2	2.1

Source: Company, PL

Exhibit 7: Revenue contribution by Geography and cc growth in geographies

Geography (CC Growth)	Revenue Contribution (%)	QoQ (CC growth)	YoY (CC Growth)
North America	51.1%	2.6%	8.1%
Latin America	2.0%	7.1%	6.8%
UK	15.6%	6.0%	22.8%
Continental Europe	14.0%	4.1%	17.4%
India	5.6%	5.0%	7.4%
Asia	9.6%	4.5%	12.5%
MEA	2.1%	0.3%	-4.4%
Total	100.0%	3.7%	11.5%

Source: PL, Company

Exhibit 8: Headcount Details

Employee Details	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
Total number of employees	362,079	371,519	378,497	387,223	385,809	389,213	390,880	394,988	400,875	411,102
Net additions	8,236	9,440	6,978	8,726	-1,414	3,404	1,667	4,118	5,877	10,227
Attrition	13.6%	12.9%	11.3%	11.3%	11.6%	11.3%	11.1%	11.0%	10.9%	10.9%

Source: Company, PL

Headcount stands at 411,102 for the quarter with net addition of 10,112 employees which stood at 12 quarter high.

Communication and Media, Energy and Utilities remain flat QoQ, while Life sciences & Healthcare (up 5.7% QoQ) and Regional markets (up 7.3% QoQ in cc) delivered strong growth.

Exhibit 9: Revenue by vertical and growth (QoQ & YoY)

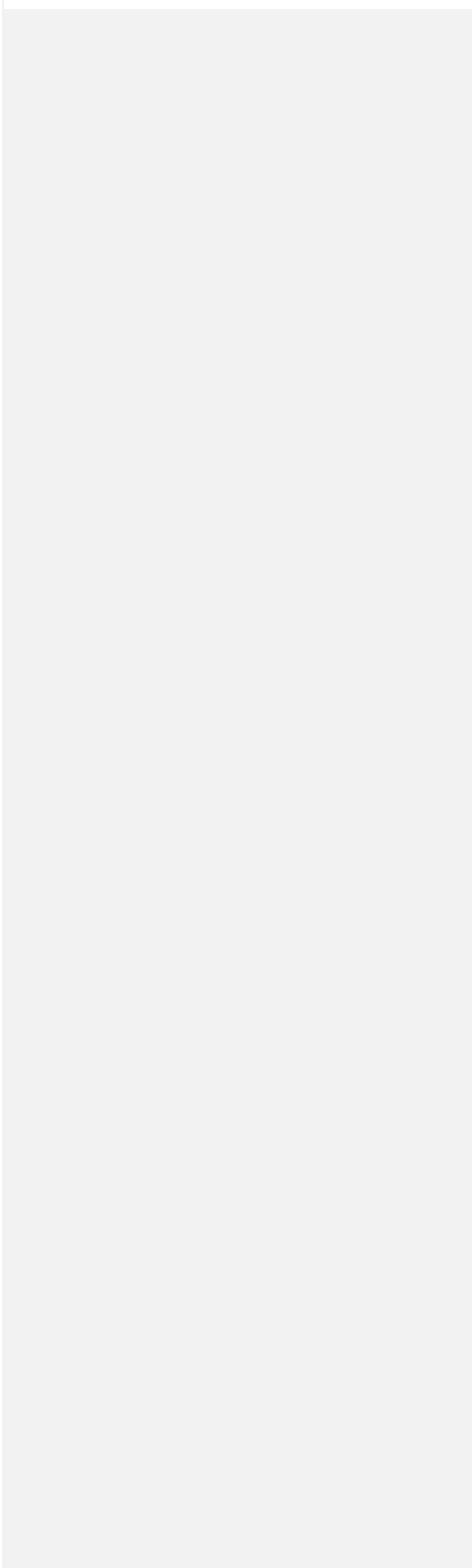
Verticals (CC Growth)	Revenue contribution (%)	QoQ (CC Growth)	YoY (CC Growth)
BFSI	31.2%	3.5%	6.1%
Retail & CPG	16.6%	3.4%	15.6%
Communication & Media	6.9%	0.0%	8.0%
Manufacturing	7.2%	1.6%	6.9%
Life Sciences & Healthcare	7.5%	5.7%	14.7%
Energy & Utilities	4.6%	0.0%	22.2%
Technology and services	7.6%	2.3%	5.8%
Regional markets and others	18.4%	7.3%	19.8%
Total	100.0%	3.7%	11.5%

Source: Company, PL

Exhibit 10: Client Details

Client Bucket	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
USD 1mn	838	829	847	859	880	897	905	933	941	963	978	989
USD 5mn	413	429	439	449	454	459	464	470	485	495	508	513
USD10 mn	281	298	298	295	300	310	322	328	337	350	355	365
USD20 mn	173	173	179	185	186	190	190	196	203	207	206	213
USD50 mn	65	73	77	78	80	84	85	91	94	97	97	98
USD100 mn	34	37	37	36	34	35	36	37	37	38	40	44

Source: Company, PL

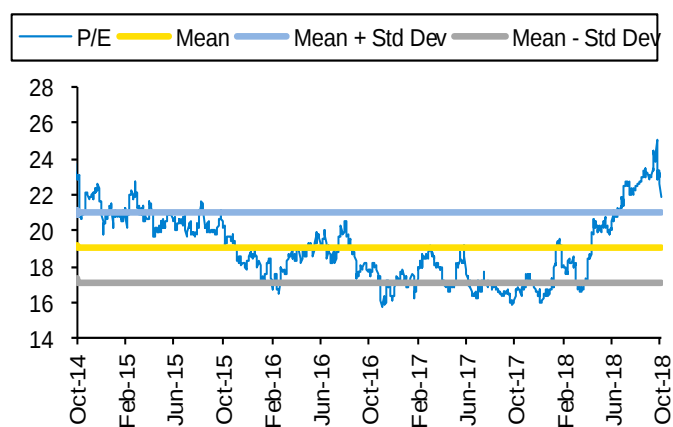


Valuations

At CMP of Rs2000/sh, TCS is trading at 20.7x FY20E EPS and 19.8x Sep20E EPS (Two year forward EPS). TCS Mcap stands at USD101bn which is ~6% lower than Accenture Mcap (USD 108bn). TCS is trading at par with Accenture on one year forward P/E multiple. TCS is trading at 22.1x one year forward EPS (Accenture is also trading at same multiple). We expect TCS to deliver 10% USD revenue growth for FY19E (Accenture has guided for 5-8% local currency revenue growth for FY19E (3.5-6.5% organic local currency revenue growth). Hence, TCS continues to grow at faster pace (vs Accenture).

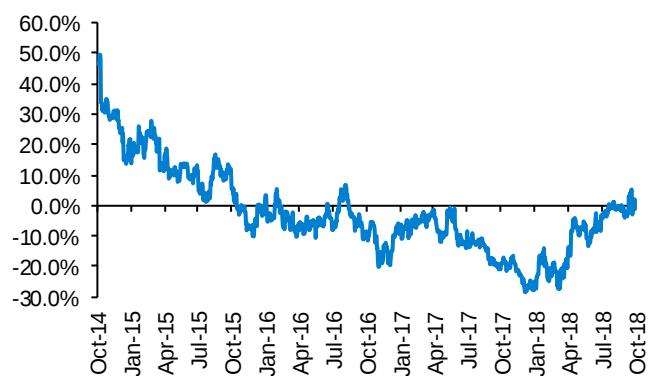
Our EPS estimates for TCS are FY19/FY20E/FY21E to Rs85/96.5/106/sh. Our target price is Rs2300/sh (23x Sep20E EPS). Retain "Accumulate

Exhibit 11: TCS one-year forward P/E Chart



Source: Bloomberg, Company, PL

Exhibit 12: TCS vs. Accenture one-year forward P/E dis./prem.



Source: Bloomberg, Company, PL

Exhibit 13: Consolidated Model Sheet of TCS

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Revenues- USD mn	13,443	15,454	16,544	17,575	19,089	21,011	23,204	25,423
Growth (%)	16.2%	15.0%	7.1%	6.2%	8.6%	10.1%	10.4%	9.6%
Constant Currency growth (%)	17.3%	17.0%	11.9%	8.3%	6.7%			
Average exchange rate (USD vs INR)	60.8	61.2	65.6	67.1	64.5	69.9	72.0	70.0
Consolidated revenues (Rs mn)	818,093	946,484	1,086,462	1,179,660	1,231,040	1,468,618	1,670,721	1,779,637
Growth (%)	29.9%	15.7%	14.8%	8.6%	4.4%	19.3%	13.8%	6.5%
EBITDA (Rs mn)	251,533	272,941	306,776	323,110	325,170	411,257	461,766	502,880
EBIT (Rs mn)	238,031	254,243	287,901	303,240	305,030	391,031	440,681	454,786
PAT (Rs mn)	191,546	216,961	242,147	262,890	258,315	322,671	361,858	396,145
EBITDA Margins (%)	30.7%	28.8%	28.2%	27.4%	26.4%	28.0%	27.6%	28.3%
EBIT Margins (%)	29.1%	26.9%	26.5%	25.7%	24.8%	26.6%	26.4%	25.6%
NPM (%)	23.4%	22.4%	22.3%	22.3%	21.0%	22.0%	21.7%	22.3%
EPS	48.9	54.4	61.6	66.7	67.1	85.2	96.4	105.6
Growth (%)	37.5%	11.2%	13.2%	8.3%	0.6%	26.9%	13.2%	9.5%
P/E	25.0	36.1	32.5	30.0	29.7	23.5	20.7	18.9
EV/EBITDA	18.2	27.9	24.6	23.0	22.2	17.2	15.0	13.4
ROE	43.6%	38.5%	37.1%	32.6%	29.4%	36.6%	36.5%	33.0%
ROIC(%)	52.8%	50.8%	52.5%	52.5%	51.5%	61.8%	64.9%	66.7%
Consolidated balance sheet (Rs mn)								
Net cash on balance sheet (Rs mn)	201,255	204,995	299,852	460,070	429,470	416,672	577,486	776,848
Net cash per share	49.2	49.8	74.7	115.6	110.2	107.9	151.8	204.8
Net cash per share/ Stock price	2.5%	2.5%	3.7%	5.8%	5.5%	5.4%	7.6%	10.2%
Consolidated cash flows (Rs mn)								
Cash flow from operations	159,221	212,055	209,164	269,920	281,660	309,497	343,481	397,290
Capex + Acquisitions	(35,344)	(31,518)	(19,894)	(19,890)	(18,620)	(19,000)	(22,000)	(22,000)
Free cash flows	123,876	180,537	189,270	250,030	263,040	290,497	321,481	375,290
FCF Yield(%)	1.6%	2.4%	2.5%	3.3%	3.4%	3.8%	4.2%	4.9%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
Net Revenues	11,79,660	12,31,040	14,68,618	16,70,721
YoY gr. (%)	8.6	4.4	19.3	13.8
Employee Cost	6,50,320	6,88,760	8,28,982	9,43,651
Gross Profit	5,29,340	5,42,280	6,39,636	7,27,070
Margin (%)	44.9	44.1	43.6	43.5
SG&A Expenses	2,06,230	2,17,110	2,28,379	2,65,303
Other Expenses	-	-	-	-
EBITDA	3,23,110	3,25,170	4,11,257	4,61,766
YoY gr. (%)	5.3	0.6	26.5	12.3
Margin (%)	27.4	26.4	28.0	27.6
Depreciation and Amortization	19,870	20,140	20,226	21,085
EBIT	3,03,240	3,05,030	3,91,031	4,40,681
Margin (%)	25.7	24.8	26.6	26.4
Net Interest	-	-	-	-
Other Income	41,890	35,900	36,510	36,500
Profit Before Tax	3,45,130	3,40,930	4,27,541	4,77,181
Margin (%)	29.3	27.7	29.1	28.6
Total Tax	81,560	82,120	1,03,990	1,14,523
Effective tax rate (%)	23.6	24.1	24.3	24.0
Profit after tax	2,63,570	2,58,810	3,23,551	3,62,658
Minority interest	680	495	880	800
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,62,890	2,58,315	3,22,671	3,61,858
YoY gr. (%)	8.6	(1.7)	24.9	12.1
Margin (%)	22.3	21.0	22.0	21.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,62,890	2,58,315	3,22,671	3,61,858
YoY gr. (%)	8.6	(1.7)	24.9	12.1
Margin (%)	22.3	21.0	22.0	21.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,62,890	2,58,315	3,22,671	3,61,858
Equity Shares O/s (m)	3,940	3,828	3,753	3,753
EPS (Rs)	66.7	67.5	86.0	96.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
Non-Current Assets				
Gross Block	2,14,380	2,32,760	2,51,760	2,73,760
Tangibles	2,13,910	2,32,640	2,51,640	2,73,640
Intangibles	470	120	120	120
Acc: Dep / Amortization	96,500	1,16,640	1,36,866	1,57,951
Tangibles	96,500	1,16,640	1,36,866	1,57,951
Intangibles	-	-	-	-
Net fixed assets	1,17,880	1,16,120	1,14,894	1,15,809
Tangibles	1,17,410	1,16,000	1,14,774	1,15,689
Intangibles	470	120	120	120
Capital Work In Progress	-	-	-	-
Goodwill	37,210	38,840	38,840	38,840
Non-Current Investments	11,780	29,680	31,680	33,680
Net Deferred tax assets	18,860	22,530	22,530	22,530
Other Non-Current Assets	53,350	49,770	52,770	53,770
Current Assets				
Investments	4,16,360	3,57,070	3,57,070	3,57,070
Inventories	53,510	69,130	70,494	80,195
Trade receivables	2,26,840	2,50,370	2,85,676	3,24,990
Cash & Bank Balance	40,270	69,390	56,592	2,17,406
Other Current Assets	22,970	26,100	29,100	30,100
Total Assets	10,53,530	10,84,090	11,14,736	13,29,480
Equity				
Equity Share Capital	3,940	3,828	3,753	3,753
Other Equity	8,79,210	8,68,586	8,87,633	10,88,424
Total Network	8,83,150	8,72,414	8,91,386	10,92,177
Non-Current Liabilities				
Long Term borrowings	710	540	540	540
Provisions	4,540	5,030	5,230	5,430
Other non current liabilities	4,710	9,210	10,110	11,010
Current Liabilities				
ST Debt / Current of LT Debt	2,180	1,930	1,930	1,930
Trade payables	62,790	50,940	56,331	64,082
Other current liabilities	80,150	1,25,410	1,29,510	1,33,610
Total Equity & Liabilities	10,53,530	10,84,094	11,14,736	13,29,480

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
PBT	3,45,130	3,40,920	4,27,541	4,77,181
Add. Depreciation	19,870	20,140	20,226	21,085
Add. Interest	-	-	-	-
Less Financial Other Income	41,890	35,900	36,510	36,500
Add. Other	(4,560)	(3,000)	-	-
Op. profit before WC changes	3,60,440	3,58,060	4,47,767	4,98,266
Net Changes-WC	(11,060)	(310)	(34,280)	(40,262)
Direct tax	(79,460)	(76,090)	(1,03,990)	(1,14,523)
Net cash from Op. activities	2,69,920	2,81,660	3,09,497	3,43,481
Capital expenditures	(19,540)	(18,040)	(19,000)	(22,000)
Interest / Dividend Income	-	-	-	-
Others	(1,65,670)	15,510	-	-
Net Cash from Invst. activities	(1,85,210)	(2,530)	(19,000)	(22,000)
Issue of share cap. / premium	(540)	(1,60,420)	(1,60,000)	-
Debt changes	870	(190)	400	400
Dividend paid	(1,09,730)	(1,07,600)	(1,43,624)	(1,61,066)
Interest paid	-	-	-	-
Others	(660)	(240)	-	-
Net cash from Fin. activities	(1,10,060)	(2,68,450)	(3,03,224)	(1,60,666)
Net change in cash	(25,350)	10,680	(12,727)	1,60,814
Free Cash Flow	2,50,030	2,63,040	2,90,497	3,21,481

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY17	FY18	FY19E	FY20E
Per Share(Rs)				
EPS	66.7	67.5	86.0	96.4
CEPS	71.8	72.7	91.4	102.0
BVPS	224.1	227.9	237.5	291.0
FCF	63.5	68.7	77.4	85.7
DPS	23.3	25.0	31.8	35.7
Return Ratio(%)				
RoCE	32.1	28.9	35.8	35.7
ROIC	54.4	52.0	62.0	64.8
RoE	32.6	29.4	36.6	36.5
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.5)	(0.5)	(0.5)
Debtor (Days)	70	74	71	71
Valuation(x)				
PER	29.7	29.3	23.0	20.5
P/B	8.8	8.7	8.3	6.8
P/CEPS	71.8	72.7	91.4	102.0
EV/EBITDA	22.7	22.0	17.1	14.9
EV/Sales	6.2	5.8	4.8	4.1
Dividend Yield (%)	1.2	1.3	1.6	1.8

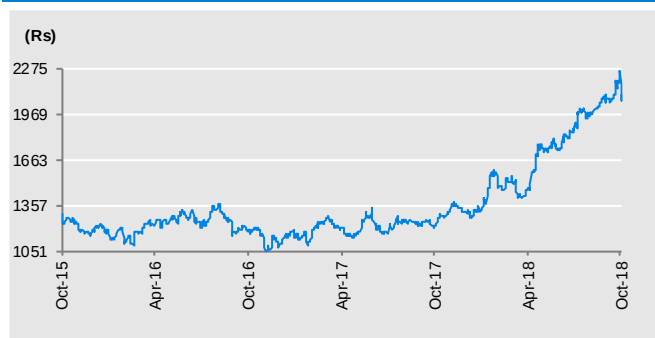
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY18	Q4FY18	Q1FY19	Q2FY19
Net Revenue	3,09,040	3,20,750	3,42,610	3,68,540
YoY gr. (%)	3.9	8.2	15.8	20.7
Employee l Expenses	1,74,610	1,81,240	1,96,850	2,07,950
Gross Profit	1,34,430	1,39,510	1,45,760	1,60,590
Margin (%)	43.5	43.5	42.5	43.6
EBITDA	82,880	86,530	90,710	1,02,780
YoY gr. (%)	1.5	4.4	4.8	13.3
Margin (%)	26.8	27.0	26.5	27.9
Depreciation / Depletion	5,070	5,050	4,930	5,070
EBIT	77,810	81,480	85,780	97,710
Margin (%)	25.2	25.4	25.0	26.5
Net Interest	-	-	-	-
Other Income	8,640	9,820	12,080	5,930
Profit before Tax	86,450	91,300	97,860	1,03,640
Margin (%)	28.0	28.5	28.6	28.1
Total Tax	21,000	22,040	24,240	24,370
Effective tax rate (%)	24.3	24.1	24.8	23.5
Profit after Tax	65,450	69,260	73,620	79,270
Minority interest	-	-	-	-
Share Profit from Associates	(140)	(210)	(220)	(260)
Adjusted PAT	65,310	69,050	73,400	79,010
YoY gr. (%)	(3.6)	4.5	23.4	22.6
Margin (%)	21.1	21.5	21.4	21.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	65,310	69,050	73,400	79,010
YoY gr. (%)	(3.6)	4.5	23.4	22.6
Margin (%)	21.1	21.5	21.4	21.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	65,310	69,050	73,400	79,010
Avg. Shares O/s (m)	3,829	3,829	3,829	3,825
EPS (Rs)	17.1	18.0	19.2	20.7

Source: Company Data, PL Research

Price Chart



Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	BUY	860	759
2	HCL Technologies	BUY	1,255	1,077
3	Hexaware Technologies	Hold	475	409
4	Infosys	BUY	790	707
5	L&T Technology Services	Accumulate	1,780	1,651
6	Mphasis	Accumulate	1,250	1,148
7	NIIT Technologies	BUY	1,300	1,198
8	Redington (India)	BUY	140	92
9	Sonata Software	BUY	420	330
10	Tata Consultancy Services	Accumulate	2,300	2,065
11	TeamLease Services	Hold	2,740	2,219
12	Tech Mahindra	BUY	885	721
13	Wipro	Hold	350	325
14	Zensar Technologies	BUY	330	297

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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