

Cyient (CYL IN)

Rating: BUY | CMP: Rs976 | TP: Rs1,293

Robust performance!

Quick Pointers:

- Strong order intake at \$225.5 mn, +16% YoY, +44.6% QoQ; Deal pipeline up 27% YoY indicate strong revenue momentum to continue in services
- Increase in EBIT margin guidance: Margins to improve by +350bps YoY in FY22 vs +250-300 bps YoY earlier.

Cyient reported beat in revenue growth of +5.2% QoQ USD (Ple: 4.2%, Cons: 5%) led by higher than expected growth in both Services +3.6% QoQ USD (Ple:3%) and DLM business +12.8% QoQ USD. (Ple: 10%). Revenue guidance of double digit growth in Services remains intact given strong order intake, backlog and deal pipeline (+27% YoY). DLM growth guidance is reduce to low single digit from 15-20% earlier because of order fulfillment challenges due to unavailability or long lead times for semiconductor components. This lost revenue is expected to be realized in future quarters, however it may take 12-15 months for supplies to normalize.

Beat in consolidated EBIT margin, 13.9%, -14 bps QoQ (Ple: 12.7%, Cons: 13%) was led by higher Services EBIT margin of 15.6%, +14bps QoQ. DLM EBIT margin stood at 6% decline of 81 bps QoQ. Upgrade in EBIT margin guidance despite supply side pressures is impressive. Management aims to maintain Services margins above 15% in FY23 as well aided by levers of pricing, pyramid optimization and automation. Sequential revenue decline in DLM business in Q4 will not impact margins as Cyient is prioritizing delivery to high margin business which will result in higher EBIT margin for DLM.

Attrition further increased to 29.3% (vs 24.3% in 2Q22 & 13.2% in 3Q21). Net headcount addition (+1.1% QoQ, 5% YoY) was on lower side led by management's strategy to go slow on hiring and reap margin benefits from higher utilization. They intend to ramp up hiring in coming quarters and have increased overall capacity in terms of sub-contracting and partnerships.

Our EPS estimates change by -1.9%/0.6% for FY23/24E led by decrease in revenue estimates due to weakness in DLM business in FY23 and subsequent recovery in FY24. We anticipate 16% revenue CAGR & 19% EPS CAGR for FY22-24E. We continue to value Cyient on 22x to arrive at a TP of INR 1293 (earlier INR 1301) on Sep-23 EPS of INR 58.8. Cyient is currently trading at 17.8/15.6x on FY23/24 earnings of INR 54.9/62.7 respectively. It is trading at significant discount of 60%/78%/68% to LTTS/Tata Elxsi/KPIT on FY23 consensus valuations. Maintain BUY!

- Beat in revenue:** Cyient reported revenue of \$157.9 Mn, +5.2% QoQ USD (Ple: 4.2%, Cons: 5%). Beat in revenue was led by higher than expected growth in both Services revenue of \$129.1 mn, +3.6% QoQ USD (Ple:3%) and DLM business revenue of \$21.6 mn +12.8% QoQ USD. (Ple: 10%).
- Growth in services was led by continued strong growth momentum in Portfolio (+10.2% QoQ USD) and gradual slow recovery in Aerospace (+3.9% QoQ

January 21, 2022

Q3FY22 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	1,293		1,301	
Sales (Rs. m)	53,250	63,183	54,438	62,765
% Chng.	(2.2)	0.7		
EBITDA (Rs. m)	9,425	11,183	9,635	11,109
% Chng.	(2.2)	0.7		
EPS (Rs.)	55.0	62.8	56.1	62.4
% Chng.	(1.9)	0.6		

Key Financials - Consolidated

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. m)	41,325	45,161	53,250	63,183
EBITDA (Rs. m)	6,060	8,141	9,425	11,183
Margin (%)	14.7	18.0	17.7	17.7
PAT (Rs. m)	3,743	4,990	6,171	7,042
EPS (Rs.)	33.4	44.5	55.0	62.8
Gr. (%)	1.0	33.3	23.7	14.1
DPS (Rs.)	11.9	15.9	19.6	26.9
Yield (%)	1.2	1.6	2.0	2.8
RoE (%)	13.6	16.1	18.0	18.5
RoCE (%)	12.9	17.0	18.5	20.1
EV/Sales (x)	2.3	2.1	1.8	1.2
EV/EBITDA (x)	15.4	11.4	10.0	6.9
PE (x)	29.3	21.9	17.7	15.6
P/BV (x)	3.6	3.3	3.0	2.2

Key Data

CYIE.BO | CYL IN

52-W High / Low	Rs.1,292 / Rs.490
Sensex / Nifty	59,465 / 17,757
Market Cap	Rs.108bn / \$ 1,445m
Shares Outstanding	110m
3M Avg. Daily Value	Rs.339.02m

Shareholding Pattern (%)

Promoter's	23.41
Foreign	34.72
Domestic Institution	22.76
Public & Others	19.11
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.8	(0.2)	94.5
Relative	(4.4)	(12.4)	62.9

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New Age Technology areas are growing at double the company average rate and now contribute to 25% of revenue vs 18-19% last year.

USD). Communications (+3.5% QoQ USD) and Utilities (+2.3% QoQ USD) also had healthy traction. Rail transportation (-9.5% QoQ USD) is declining since last two quarters due to shift of significant work to offshore and rationalization of spend by large clients undergoing consolidation.

- **Healthy deal momentum:** Order intake (OI) was strong at \$225.5 Mn (44.6% QoQ, 15.9% YoY) led by Services OI of 200.6\$ Mn (+63.6% QoQ, 12.8%). DLM OI at 24.9\$ mn declined by 25.4% QoQ given high base in Q2 but was up 50% YoY. Cyient won 7 large deals with total contract potential of ~\$68.8 million (6 from services and 1 from DLM).
- **Double digit growth guidance in Services unchanged:** Management is confident of growing double digit in FY22 in Services with growth momentum continuing in 4Q. Demand continues to robust led by clients fast-tracking launch of their products, CX, hyper-connectivity (satellites, 5G, private wireless), sustainability (electrification, smart grid etc.), supply chain resiliency. Industry is expected to grow at mid-teen levels and Cyient aspires to get to industry growth rate over medium term.
- **DLM (18% revenue share) growth guidance reduced to low single digit:** DLM growth guidance is reduce to low single digit from 15-20% guidance earlier because of order fulfillment challenges due to unavailability or long lead times for semiconductor components. Management mentioned that this unserved demand is already contracted and revenue from this will be realized in future quarters as semiconductor shortage issue resolves. It may take 12-15 months for supply shortages to normalize.
- **Beat in margins:** Consolidated EBIT margin stood at 13.9%, -14 bps QoQ, +272 bps YoY (Ple: 12.7%, Cons: 13%). Beat in margins was led by further improvement in Services EBIT margin is at 15.6%, +14bps QoQ, now at all-time high. Offshoring mix at ~51.3% (+130 bps QoQ) and Utilization at 86.2%, +128 bps QoQ, is highest ever. DLM EBIT margin stood at 6% decline of 81 bps QoQ.
- Services EBIT QoQ growth is led by **tailwinds** from improvement in operational metrics (+87 bps), growth leverage impact on SG&A (+139 bps), lower depreciation (+54 bps) partially offset by **headwinds** from change in revenue mix (-80 bps), lower billing days (-107 bps), High travel cost (-25 bps), Impact of intermittent wage increases (-54 bps).
- **Increased margin guidance underscores focus on improving profitability:** Management expects EBIT margin to improve by 350bps YoY (i.e. 13.5%) in FY22 (vs +250bps-300bps YoY guidance given earlier). Management aims to maintain Services margins above 15% in FY23 as well aided by levers of pricing, pyramid optimization and automation. **Management mentioned that expected sequential revenue decline in DLM business in Q4 will not affect margins as they are prioritizing delivery to high margin business which will result in higher EBIT margin for DLM.**
- **Attrition increased sharply, Net headcount addition was low:** Attrition further increased to 29.3% (vs 24.3% in 2Q22 & 13.2% in 3Q21). Net headcount addition of 138 employees +1.1% QoQ, 5% YoY was on lower side led by high attrition and management's strategy of going slow on hiring and reap margin benefits from higher utilization. However, management mentioned that capacity has overall increased considering addition of sub-contractors and

partnerships. They intend to aggressively ramp up hiring in Q4 with plan to do net addition of employees equal to that done in 9MFY22.

Vertical wise outlook:

- **Transportation (43% of revs, -0.5% QoQ USD, +5.6% YoY USD):** Aerospace is slowly recovering (+3.9% QoQ USD) with green shoots seen in top accounts. Recovery in regional aircraft is better. Growth in aerospace is led by addition of a new customer in North America and a couple of deals secured in the aftermarket services. Rail transportation (-9.5% QoQ USD) is declining since last two quarters due to shift of significant work to offshore and rationalization of spend by large clients undergoing consolidation.
- **Communications (22% of revs, 3.5% QoQ USD, 3.5% YoY USD):** Communications BU won two major deals in Q3, one from a key client in Australia to accelerate their broadband network performance and the other from a key prospect in Australia to enable their network transformation. Cyient also started to engage with key clients in North America to support their communication network roll out plans under the Rural Digital Opportunity Fund (RDOF) program.
- **Utilities (6.4% of revs, +2.3% QoQ USD, +41.4% YoY USD):** Cyient won a major program from a key client in North America to support their data transformation program and a strategic project from a new client in APAC to deploy a cloud native next generation spatial information system to enhance their user experience
- **Portfolio (27.4% of revs, 10.2% QoQ USD, 24.5% YoY USD):**
 - **Automotive and Off Highway** continue to see rising demand in the market and outlook for this sector remains positive.
 - **Mining** activity remains strong and management expects this trend to continue in Q4 with a ramp up in key consulting projects and focus on large deal opportunities from major mining companies.
 - Outlook for **Medical Technology and Healthcare** remains positive as Cyient continues to execute and ramp up on recent contracts while strengthening pipeline focused on digital transformation, embedded software, design-led manufacturing services and quality and regulatory services
 - **Semiconductor** unit witnessed positive growth driven by a positive performance from solutions. Customer demand for both engineering services and solutions remains strong, however the talent and labor market remains highly competitive and a critical challenge. Global supply chain semiconductor issues create new opportunities
- Free cash flow conversion (FCF/EBITDA) was lower at 70.9% in 3Q vs 97% in 2Q22 and 85.8% in 3Q21. There was a cash outflow of INR 10 Cr related to SDR (Software Defined Radio division) transaction wherein Cyient transferred the technology to ICS company 15% shareholding of ICS against this business transfer and investment. DSO days improved to 66 days vs 71 days in Q2.

Exhibit 1: Q3FY22: Quick View on Results

Rs mn	3QFY22	2QFY22	QoQ gr.	3QFY21	YoY gr.	PL Estimates	Variance (Actual vs Pls)
Revenues (USD mn)	158	150	5.2%	141	11.7%	156	1.0%
Revenues (INR mn)	11,834	11,116	6.5%	10,443	13.3%	11,694	1.2%
EBITDA	2,129	2,075	2.6%	1,650	29.0%	2,070	2.9%
EBITDA Margins	18.0%	18.7%	-68 bps	15.8%	219 bps	17.7%	29 bps
EBIT	1,642	1,558	5.4%	1,165	40.9%	1,485	10.6%
EBIT Margins	13.9%	14.0%	-14 bps	11.2%	272 bps	12.7%	118 bps
Adjusted PAT	1,317	1,213	8.6%	954	38.0%	1,272	3.5%
EPS	12	11	8.6%	8.7	38.0%	12	3.5%

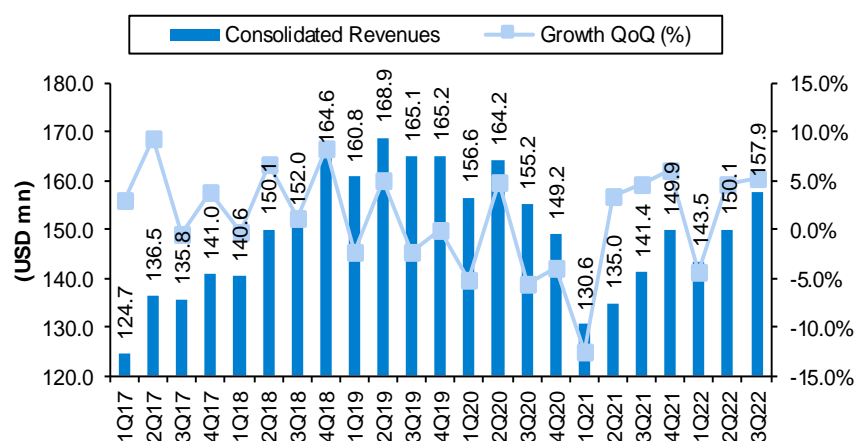
Source: Company, PL

Exhibit 2: Change in Estimates

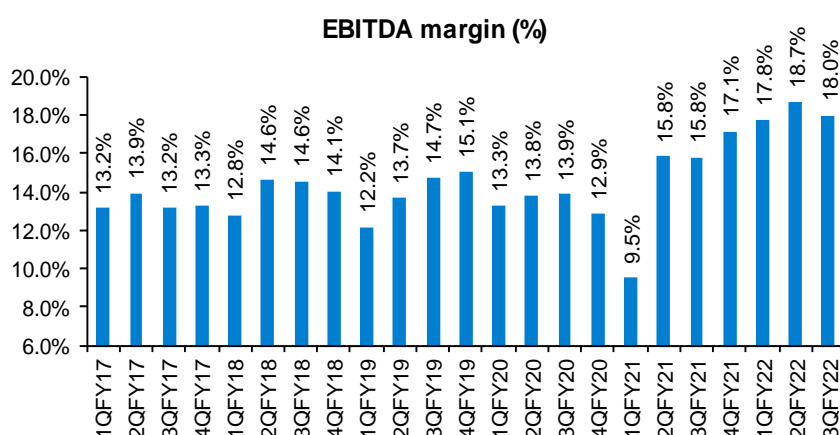
Change in Estimates	FY21E	FY22E	FY24E
USD revenues (US\$ m)			
- New	609	701	821
- Old	615	716	815
Change (%)	-1.0%	-2.2%	0.7%
EBIT Margin			
- New	13.6%	13.7%	13.7%
- Old	13.3%	13.7%	13.7%
Change (%)	31 bps	0 bps	0 bps
Recurring EPS - Fully diluted (Rs)			
- New	44.5	55.0	62.8
- Old	44.6	56.1	62.4
Change (%)	-0.3%	-1.9%	0.6%

Source: PL

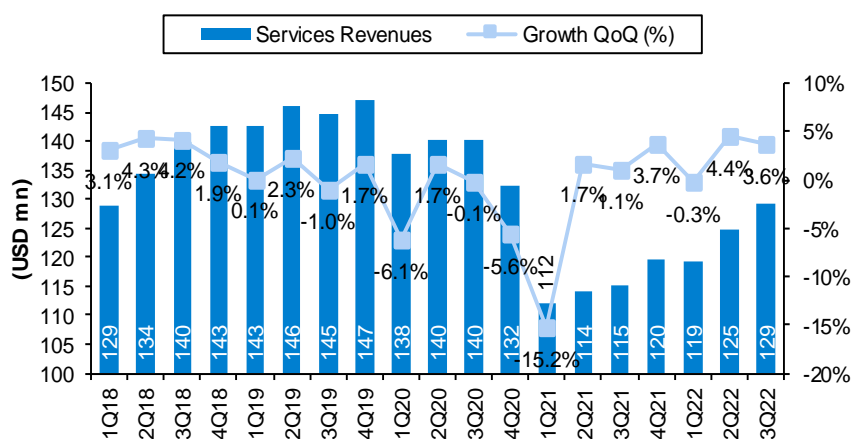
Exhibit 3: Revenue growth momentum is back



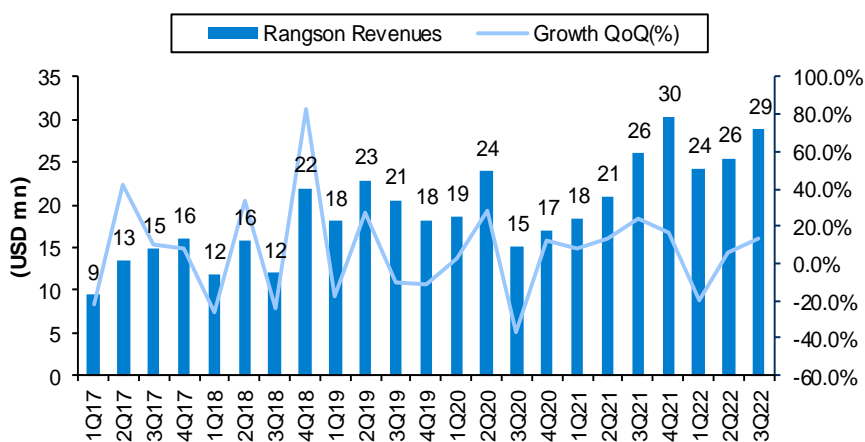
Source: Company, PL

Exhibit 4: Consolidated EBITDA margin is maintained above 18%


Source: Company, PL

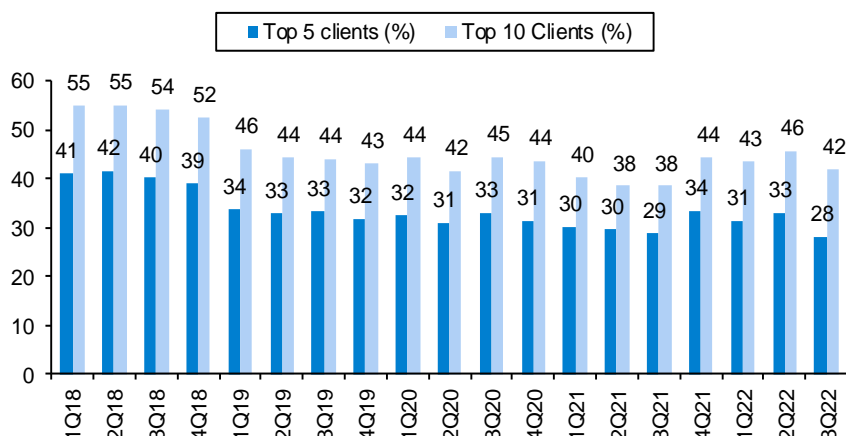
Exhibit 5: Growth momentum sustained in services


Source: Company, PL

Exhibit 6: Growth back in DLM business


Source: Company, PL

Exhibit 7: Growth in top 5 clients muted reflected by lower revenue concentration



Source: Company, PL

Exhibit 8: Geography-wise revenues

USD in Mn	3QFY22	2QFY22	QoQ gr.	3QFY21	YoY gr.
America	78	73	6.1%	69	5.5%
Europe, ME, Africa & India	40	37	6.5%	36	4.1%
APAC	41	40	2.4%	36	9.5%
Total	158	150	5.2%	141	6.2%
as a % of total					
America	49.2	48.8	40 bps	49.1	10 bps
Europe, ME, Africa & India	25.1	24.8	30 bps	25.3	-20 bps
APAC	25.7	26.4	-70 bps	25.6	10 bps

Source: Company, PL

Exhibit 9: Vertical-wise revenues

USD in Mn	3QFY22	2QFY22	QoQ gr.	3QFY21	YoY gr.
Transportation Total	69.2	64.5	7.2%	62.5	3.3%
Aerospace	54.6	48.2	13.4%	46.1	4.5%
Rail transportation	14.4	16.4	-12.2%	16.3	0.6%
C&U Total	45.5	44.0	3.4%	41.3	6.5%
Communications	35.4	34.1	3.8%	34.1	0.0%
Utilities	10.1	9.9	2.0%	7.2	37.4%
Portfolio	43.3	41.6	4.1%	37.6	10.5%
Total	157.9	150.1	5.2%	141.4	11.7%
as a % of total					
Transportation Total	43.8	43.0	80 bps	44.2	-40 bps
Aerospace	34.6	32.1	250 bps	32.6	200 bps
Rail transportation	9.1	10.9	-180 bps	11.5	-240 bps
C&U Total	28.8	29.3	-50 bps	29.2	-40 bps
Communications	22.4	22.7	-30 bps	24.1	-170 bps
Utilities	6.4	6.6	-20 bps	5.1	130 bps
Portfolio	27.4	27.7	-30 bps	26.6	80 bps

Source: Company, PL

Exhibit 10: Client Metrics

Client Buckets	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
20mn+	4	4	4	4	4	4	3	3	3	3	3	3	3
10mn+	13	13	12	12	11	11	9	7	7	8	10	10	10
5 mn+	31	29	28	27	27	26	30	32	32	30	30	32	36
1mn+	87	86	85	91	90	95	92	95	94	90	89	92	93

Source: Company, PL

Exhibit 11: Geography-wise revenue contribution (%)

Geographical Mix in %	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
North America	54.0	55.4	55.3	56.8	55.7	52.3	49.9	49.1	47.4	47.9	48.8	49.2
Europe	24.7	28.1	26.5	25.1	25.7	24.0	28.9	25.3	24.6	28.4	24.8	25.1
APAC	21.3	16.4	18.2	18.1	18.6	23.7	21.2	25.6	28.0	23.7	26.4	25.7

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	41,325	45,161	53,250	63,183
YoY gr. (%)	(6.7)	9.3	17.9	18.7
Employee Cost	21,805	22,497	26,092	30,960
Gross Profit	19,520	22,665	27,157	32,223
Margin (%)	47.2	50.2	51.0	51.0
SG&A Expenses	13,460	14,523	17,732	21,040
Other Expenses	-	-	-	-
EBITDA	6,060	8,141	9,425	11,183
YoY gr. (%)	1.7	34.3	15.8	18.7
Margin (%)	14.7	18.0	17.7	17.7
Depreciation and Amortization	1,944	2,017	2,130	2,527
EBIT	4,116	6,124	7,295	8,656
Margin (%)	10.0	13.6	13.7	13.7
Net Interest	472	371	216	216
Other Income	1,166	877	1,000	800
Profit Before Tax	4,810	6,630	8,079	9,240
Margin (%)	11.6	14.7	15.2	14.6
Total Tax	1,133	1,668	2,020	2,310
Effective tax rate (%)	23.6	25.2	25.0	25.0
Profit after tax	3,677	4,962	6,059	6,930
Minority interest	-	-	-	-
Share Profit from Associate	66	28	112	112
Adjusted PAT	3,743	4,990	6,171	7,042
YoY gr. (%)	1.0	33.3	23.7	14.1
Margin (%)	9.1	11.0	11.6	11.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,743	4,990	6,171	7,042
YoY gr. (%)	1.0	33.3	23.7	14.1
Margin (%)	9.1	11.0	11.6	11.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,743	4,990	6,171	7,042
Equity Shares O/s (m)	110	110	110	92
EPS (Rs)	33.4	44.5	55.0	62.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	7,972	10,972	13,972	16,972
Tangibles	6,605	8,705	10,805	12,905
Intangibles	1,367	2,267	3,167	4,067
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	7,972	10,972	13,972	16,972
Tangibles	6,605	8,705	10,805	12,905
Intangibles	1,367	2,267	3,167	4,067
Capital Work In Progress	-	-	-	-
Goodwill	5,830	5,830	5,830	5,830
Non-Current Investments	344	564	784	1,004
Net Deferred tax assets	319	319	319	319
Other Non-Current Assets	1,262	1,262	1,262	1,262
Current Assets				
Investments	-	100	200	300
Inventories	1,586	1,586	1,586	1,586
Trade receivables	8,026	8,042	9,483	11,252
Cash & Bank Balance	18,906	19,627	18,450	17,340
Other Current Assets	-	20	40	60
Total Assets	44,245	48,323	51,926	55,925
Equity				
Equity Share Capital	550	550	550	550
Other Equity	28,991	31,878	35,449	39,524
Total Network	29,541	32,428	35,999	40,074
Non-Current Liabilities				
Long Term borrowings	2,827	2,827	2,827	2,827
Provisions	1,288	1,388	1,488	1,588
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,302	2,302	2,302	2,302
Trade payables	4,532	4,807	4,609	4,302
Other current liabilities	4,256	4,387	4,517	4,648
Total Equity & Liabilities	44,928	48,323	51,926	55,925

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	4,876	6,658	8,191	9,352
Add. Depreciation	1,944	2,017	2,130	2,527
Add. Interest	472	371	216	216
Less Financial Other Income	1,166	877	1,000	800
Add. Other	(1,166)	(877)	(1,000)	(800)
Op. profit before WC changes	6,126	8,170	9,537	11,295
Net Changes-WC	6,498	450	(1,448)	(1,885)
Direct tax	(1,133)	(1,668)	(2,020)	(2,310)
Net cash from Op. activities	11,491	6,951	6,069	7,100
Capital expenditures	(1,920)	(4,334)	(5,130)	(5,527)
Interest / Dividend Income	1,166	877	1,000	800
Others	(3,329)	(300)	(300)	(300)
Net Cash from Inv. activities	(4,083)	(3,757)	(4,430)	(5,027)
Issue of share cap. / premium	-	-	-	-
Debt changes	1,391	-	-	-
Dividend paid	(1,577)	(2,103)	(2,601)	(2,968)
Interest paid	(472)	(371)	(216)	(216)
Others	(2,893)	1	-	1
Net cash from Fin. activities	(3,551)	(2,473)	(2,817)	(3,183)
Net change in cash	3,857	721	(1,177)	(1,110)
Free Cash Flow	9,571	2,617	939	1,573

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Net Revenue	10,932	10,582	11,116	11,834
YoY gr. (%)	1.8	6.7	10.8	13.3
Raw Material Expenses	5,430	5,548	5,511	5,956
Gross Profit	5,502	5,034	5,605	5,878
Margin (%)	50.3	47.6	50.4	49.7
EBITDA	1,874	1,879	2,075	2,129
YoY gr. (%)	35.6	98.4	30.6	29.0
Margin (%)	17.1	17.8	18.7	18.0
Depreciation / Depletion	491	490	517	487
EBIT	1,383	1,389	1,558	1,642
Margin (%)	12.7	13.1	14.0	13.9
Net Interest	129	110	91	116
Other Income	170	257	149	221
Profit before Tax	1,348	1,536	1,616	1,747
Margin (%)	12.3	14.5	14.5	14.8
Total Tax	315	385	403	430
Effective tax rate (%)	23.4	25.1	24.9	24.6
Profit after Tax	1,033	1,151	1,213	1,317
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,033	1,151	1,213	1,317
YoY gr. (%)	129.0	41.6	39.9	38.0
Margin (%)	9.4	10.9	10.9	11.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,033	1,151	1,213	1,317
YoY gr. (%)	129.0	41.6	39.9	38.0
Margin (%)	9.4	10.9	10.9	11.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,033	1,151	1,213	1,317
Avg. Shares O/s (m)	110	110	110	110
EPS (Rs)	9.4	10.5	11.1	12.0

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	33.4	44.5	55.0	62.8
CEPS	51.7	63.7	75.5	104.4
BVPS	268.6	294.8	327.3	437.2
FCF	87.0	23.8	8.5	17.2
DPS	11.9	15.9	19.6	26.9
Return Ratio(%)				
RoCE	12.9	17.0	18.5	20.1
ROIC	20.0	25.7	24.3	23.6
RoE	13.6	16.1	18.0	18.5
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.5)	(0.4)	(0.3)
Debtor (Days)	71	65	65	65
Valuation(x)				
PER	29.3	21.9	17.7	15.6
P/B	3.6	3.3	3.0	2.2
P/CEPS	18.9	15.3	12.9	9.4
EV/EBITDA	15.4	11.4	10.0	6.9
EV/Sales	2.3	2.1	1.8	1.2
Dividend Yield (%)	1.2	1.6	2.0	2.8

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	4-Jan-22	BUY	1,301	1,065
2	17-Oct-21	BUY	1,315	1,160
3	5-Oct-21	BUY	1,145	1,055
4	6-Aug-21	BUY	1,088	967
5	16-Jul-21	BUY	1,088	946
6	2-Jul-21	BUY	912	886
7	23-Apr-21	BUY	825	689
8	5-Apr-21	BUY	683	666
9	22-Jan-21	BUY	681	508

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	1,530	1,194
2	Coforge	BUY	5,708	5,973
3	Cyient	BUY	1,301	1,065
4	HCL Technologies	BUY	1,398	1,337
5	Infosys	BUY	2,234	1,877
6	L&T Technology Services	BUY	5,714	5,421
7	Larsen & Toubro Infotech	BUY	7,239	7,533
8	Mindtree	BUY	5,249	4,744
9	Mphasis	BUY	3,772	3,423
10	Persistent Systems	BUY	4,808	4,872
11	Redington (India)	BUY	215	147
12	Sonata Software	BUY	1,011	858
13	Tata Consultancy Services	BUY	4,468	3,860
14	TeamLease Services	Reduce	4,366	4,187
15	Tech Mahindra	BUY	1,945	1,722
16	Wipro	BUY	737	691
17	Zensar Technologies	BUY	528	533

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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