

January 22, 2021

Q3FY21 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		BUY	
Target Price	681		606	
Sales (Rs. m)	47,373	53,051	44,982	50,237
% Chng.	5.3	5.6		
EBITDA (Rs. m)	7,434	7,989	7,059	7,566
% Chng.	5.3	5.6		
EPS (Rs.)	41.4	45.5	39.6	43.4
% Chng.	4.5	4.8		

Key Financials - Consolidated

Y/e Mar	FY20	FY21E	FY22E	FY23E
Sales (Rs. m)	44,275	41,751	47,373	53,051
EBITDA (Rs. m)	5,959	6,139	7,434	7,989
Margin (%)	13.5	14.7	15.7	15.1
PAT (Rs. m)	3,707	3,853	4,639	5,100
EPS (Rs.)	33.0	34.4	41.4	45.5
Gr. (%)	(25.4)	3.9	20.4	9.9
DPS (Rs.)	11.8	12.3	14.8	16.2
Yield (%)	2.3	2.4	2.9	3.2
RoE (%)	14.5	14.4	15.9	15.9
RoCE (%)	14.0	13.7	16.1	16.4
EV/Sales (x)	1.1	1.2	1.0	0.9
EV/EBITDA (x)	8.4	7.9	6.3	5.9
PE (x)	15.4	14.8	12.3	11.2
P/BV (x)	2.2	2.0	1.8	1.7

Key Data

CYIE.BO | CYL IN

52-W High / Low	Rs.563 / Rs.184
Sensex / Nifty	49,625 / 14,590
Market Cap	Rs.56bn/ \$ 765m
Shares Outstanding	110m
3M Avg. Daily Value	Rs.556.73m

Shareholding Pattern (%)

Promoter's	23.48
Foreign	35.70
Domestic Institution	22.67
Public & Others	18.15
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.5	69.4	10.3
Relative	(5.0)	29.5	(8.1)

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Re-rating on the cards

Quick Pointers:

- Guidance of FY21 revenue decline to be close to 10% (vs 12% decline earlier) implying ~9% QoQ growth in 4Q with sequential growth in services business driven by growth across all segments except Aerospace & Defense which is expected to remain flat.
- Management guided that FY21 margins will be 50-100 bps higher than FY20 margins and there is still scope for improving margins in FY22. DLM margins to be maintained at 10%+ going forward.
- Cyient won 5 multi-year deals with total contract potential of \$106 million. Order-intake in Q3 FY21 is at \$194.5 Mn, increased by 52.8% QoQ & 7% YoY.

Cyient reported strong revenue growth of 4.7% QoQ led by strong growth in DLM business (+24.8% QoQ). With strong large deal wins of potential size of \$106 Mn, Cyient is on path to deliver consistent growth in coming quarters back by strong deal wins. 3Q deal TCV is \$106 mn and pipeline remains healthy across all segments except commercial aerospace. Cyient is seeing strong traction in areas such as digital engineering, embedded electronics, remote telemetry, IoT, power electronics, medical devices, EV triggered by the pandemic. Under leadership of new CEO, sales rigor, revenue consistency & operational discipline has returned. There is a strong focus on building sales teams to consistently win large deals. The new GTM structure aims to increase customer touch points, sales productivity & agility with strong focus on digital. Performance linked ESOP scheme is also an effort in the same direction. Consolidated EBIT margin stood at 11.2% (Ple: 10.7%); largely flat QoQ & +50bps above our estimates. Margins are expected to improve due to improvement in operational efficiency and unique niche capabilities to support pricing.

We are increasing the multiple to 15X (earlier 14X, still at significant discount ~40-50% to peers) led by strong revenue outlook, broad-based outlook on ER&D spends, strong deal wins and scope for margin expansion. We have increased EPS estimates by 4.5/4.8% for FY22/23E. We see strong earnings momentum with improved visibility and acceleration in FY22 with A&D vertical benefitting from easing travel restriction. We are estimating 11.5% revenue CAGR & 15% EPS CAGR for FY21-22E. We arrive at a TP of INR 681 (earlier INR 606) on FY23 EPS of INR 45.4. Cyient is currently trading at 12.3X/11.2X on FY22/23 earnings of INR 41.3/45.4 respectively. Maintain BUY.

- Strong revenue growth to sustain:** Cyient reported revenue of \$141.4 Mn +4.7% QoQ USD resulting in beat of 130bps in revenue growth (Ple: 3.4%) led by strong growth of +24.8% QoQ in DLM revenues (\$26 Mn). Services business revenues are \$115.3 Mn +1.0% QoQ. With strong order book management expects 4Q to be better than 3Q. Management expects revenue growth close to -10% y/y implying ~9% QoQ growth in 4Q with balanced performance from Service & DLM business led by positive outlook across all segments except commercial Aerospace.

Cyient won 5 multi-year deals with total contract potential of \$106 million. These include i) 3 large deals worth \$50 million with top 5 telecom companies ii) Deal in DLM worth \$36 million iii) deal win from one of the top 5 Med Tech company worth \$20 million. Cyient has been able to achieve these wins through strong focus on client mining

Management guided that volume acceleration will substantially improve margins in 4Q with full year FY21 margins to be 50-100 bps higher than FY20 and there is still scope for improving margins in FY22. DLM margins are expected to be maintained above 10% going forward.

- **EBIT margins to improve:** Consolidated EBIT margin stood at 11.2% (Ple: 10.7%); largely flat QoQ, due to 88bps impact of wage hikes and furloughs on services EBIT margins. In Q3 Cyient rolled out wage hikes for 2/3rd of their junior employees. There were improvements in operational metrics – offshoring, utilization (+200 bps QoQ) & automation, favorable volume impact and lower subcon cost, SG&A and depreciation which offset the impact of headwinds.
- **Management guided that volume acceleration will substantially improve margins in 4Q with full year FY21 margins to be 50-100 bps higher than FY20 and there is still scope for improving margins in FY22.** DLM margins were led by better inventory management & material cost reduction. **DLM margins are expected to be maintained above 10% going forward.** Wage hikes will be given in Q2 of FY22, but may be rationalized depending on demand scenario.
- **Strong large deal wins:** Cyient won 5 multi-year deals with total contract potential of \$106 million. These include i) 3 large deals worth \$50 million with top 5 telecom companies ii) Deal in DLM worth \$36 million iii) deal win from one of the top 5 Med Tech company worth \$20 million. Cyient has been able to achieve these wins through strong focus on client mining. Order-intake in Q3 FY21 is at \$194.5 Mn, increased by 52.8% QoQ & 7% YoY. Cyient is investing in sales teams, ex-customer CXO advisory with focus on winning large deals and this process is expected to reach a mature stage in next 3-4 quarters.
- **Growth to be predictable and margins to improve in DLM business:** The focus on mining of existing accounts coupled with opportunities in Indian Defense has led to a strong growth of 24.8% QoQ and 72.4% YoY. Cyient has taken lot of effort in localization of parts, inventory management, material cost reductions and automation which has led to a significant improvement in margins. **They have also moved out of margin dilutive projects. Revenue volatility of DLM business will further reduce as scale increases and as share of engineering increases in comparison to contract manufacturing.** Strong order pipeline in aerospace, defense and medical coupled with order backlog will provide growth momentum and sustain margins.
- **ESOP scheme expected to significantly influence performance:** Cyient announced performance linked ESOP scheme which will cover about 80 to 100 senior associates who can significantly influence the company's performance. Vesting will begin upon achieving revenue, operating profit milestones over 3-4-year time period. Targets for few key top executives also includes sustainable share price milestone. There will not be dilution of shares in this exercise as the Trust would acquire shares upfront in next 3-4 months and then distribute on face value. RSU charge impact on P&L will be minimal of 50bps spread out over 3-4 years. **We believe that the sales rigor and operational discipline brought by new CEO coupled with this scheme will create strong culture of consistent growth in the organization.**

In communication vertical, Cyient won 4 key deals in the areas of fiber, wireless, system integration and 5G rollout from existing and new clients. They continue to benefit from accelerated deployment of 5G networks which form ~10% of the revenue portfolio for this segment

Cyient signed two contracts with top R&D spenders over the quarter in Medical devices segment. One of them is among the top 5 medical devices companies. Management's outlook remains positive for Q4 backed by strong client engagements and new contract wins

- **New GTM structure expected to improve sales productivity:** GTM structure is re-aligned to two vertical business units – i) Transportation and ii) Communication & Utilities, two horizontal business units - i) digital services ii) DLM) and Portfolio of 5 sectors. This structure aims to achieve better sales productivity, more customer touch points, agility and shift in focus to digital. Management has created space for multiple sectors to charter their own path of growth. New reporting structure will come into effect from Q4FY21

■ Vertical wise outlook:

Aerospace & Defense (32.6% of revs, +8% QoQ, -14.8% YoY): Growth was led by DLM business due to the increased spend by India/Israel. Management mentioned that bottom has hit in this segment and expects growth to be flat in Q4. The industry is expected to see signs of recovery from the mid-year FY22 onwards.

Communications (24.1% of revs, +5.2% QoQ, -0.6% YoY): Cyient won 4 key deals in the areas of fiber, wireless, system integration and 5G rollout from existing and new clients. They continue to benefit from accelerated deployment of 5G networks which form ~10% of the revenue portfolio for this segment. Management outlook remains positive in this segment due to increased spending in network transformation & accelerated deployment of broadband and wireless infrastructure.

Transportation (11.5% of revs, -0.5% QoQ, +4.7% YoY): The QoQ drop was primarily due to right shifting of projects from some of their clients. Management is optimistic about the recovery in Q4, driven by traction in key client accounts. In general, increased spends in rail transportation and consolidation in rail industry provide a strong outlook.

E&U (11.9% of revs, +16.7% QoQ, -25.3% YoY): Organic growth in this segment was 3% and rest of it was led by IGP acquisition. Management expects positive momentum to continue in Q4, driven by EPC sector, specifically in power generation facilities, facility system integrations, and energy storage projects. For Utilities, focus will be on digital solutions in design automation and predictive maintenance applications for asset management.

Medical Technology and Healthcare (7.1% of revs, -9.9% QoQ, +41.6% YoY): The QoQ de-growth was due the supply chain issues which impacted one of the top DLM clients. Cyient signed two contracts with top R&D spenders over the quarter. One of them is among the top 5 medical devices companies. Management's outlook remains positive for Q4 backed by strong client engagements and new contract wins.

Semiconductor (4.3% of revs, 0.2% QoQ, -12% YoY): Semiconductor was flat QoQ mainly due to Turnkey ASIC development where the customers (typically OEM companies) are still reluctant to make new investments. Management expects the softness in this vertical to continue in Q4 post which there should be pick-up in growth.

Exhibit 1: Q3FY21: Quick View on Results

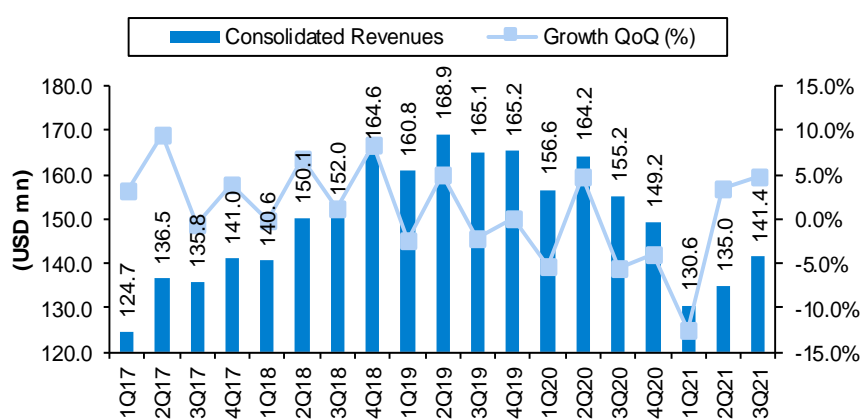
Rs mn	3QFY21	2QFY21	QoQ gr.	3QFY20	YoY gr.	PL Estimates	Variance
Revenues (USD mn)	141	135	4.7%	155	-8.9%	140	1.3%
Revenues (INR mn)	10,443	10,033	4.1%	11,060	-5.6%	10,255	1.8%
EBITDA	1,650	1,589	3.8%	1,533	7.6%	1,590	3.8%
EBITDA Margins	15.8%	15.8%	-4 bps	13.9%	194 bps	15.5%	30 bps
EBIT	1,165	1,105	5.4%	1,063	9.6%	1,097	6.2%
EBIT Margins	11.2%	11.0%	14 bps	9.6%	154 bps	10.7%	46 bps
Adjusted PAT	954	867	10.1%	1,083	-11.9%	960	-0.7%
EPS	9	8	14.5%	9.6	-9.6%	9	1.9%

Source: Company, PL

Cyient reported 3Q21 revenues of \$141.4 Mn +4.7% QoQ USD resulting in strong beat in revenue growth (Ple: 3.4%, Cons: 4.5%) led DLM revenues (\$26 Mn) which grew +24.8% QoQ business. Services business revenues are \$115.3 Mn +1.0% QoQ.

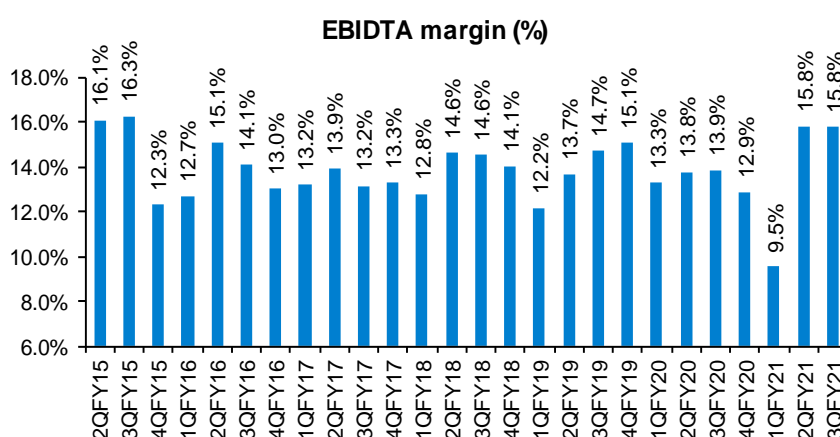
In Q3, Cyient rolled out wage hikes for individual contributors (roughly 2/3rd of the associates), the impact of which was ~1% on EBIT

Exhibit 2: Revenue performance above our estimates



Source: Company, PL

Exhibit 3: Strong Margin performance



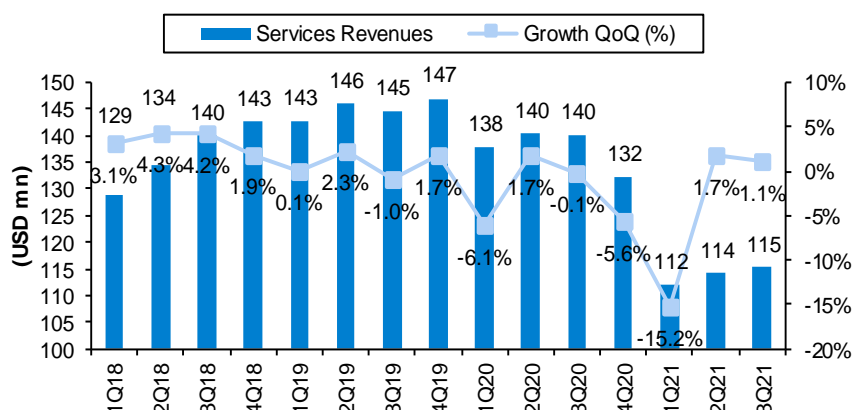
Source: Company, PL

Services revenue came in at. Services business revenues are \$115.3 Mn +1.0% QoQ. In Services business, growth was led by E&U (+13.9% QoQ) & Communications (+5.2% QoQ).

DLM revenues (\$26 Mn) grew at strong pace of +24.8% QoQ business.

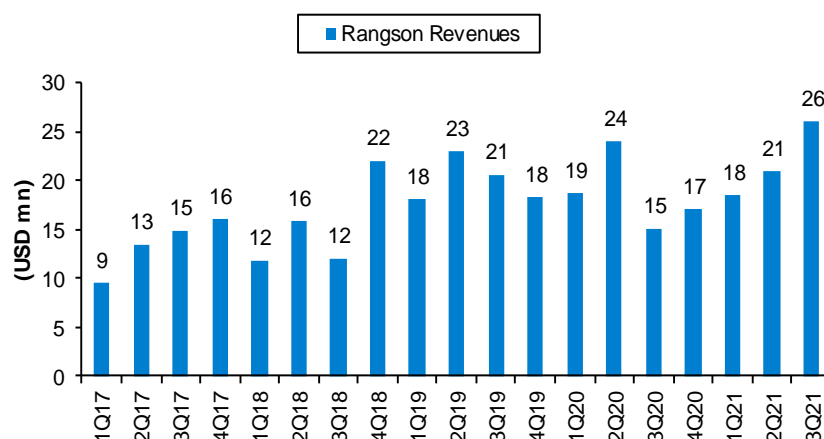
Services EBIT at 11.3% was lower by 88 bps QoQ after taking into account the wage hike and furlough impact.

Exhibit 4: Service business grew at steady rate of 1.1% QoQ



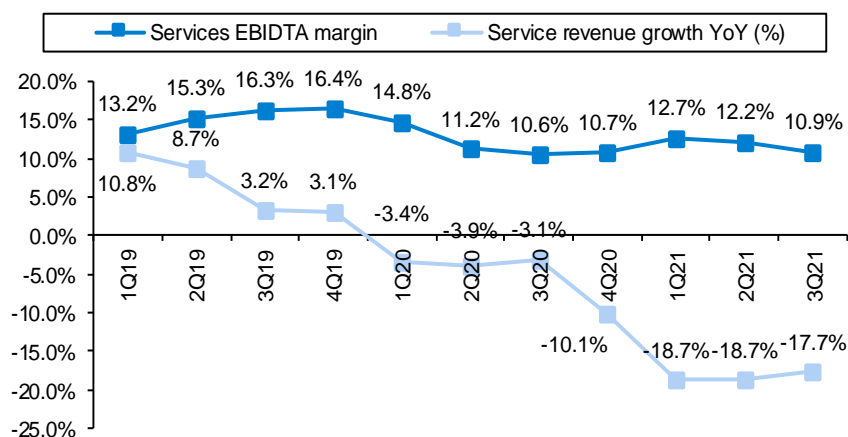
Source: Company, PL

Exhibit 5: Strong revenue growth from DLM business



Source: Company, PL

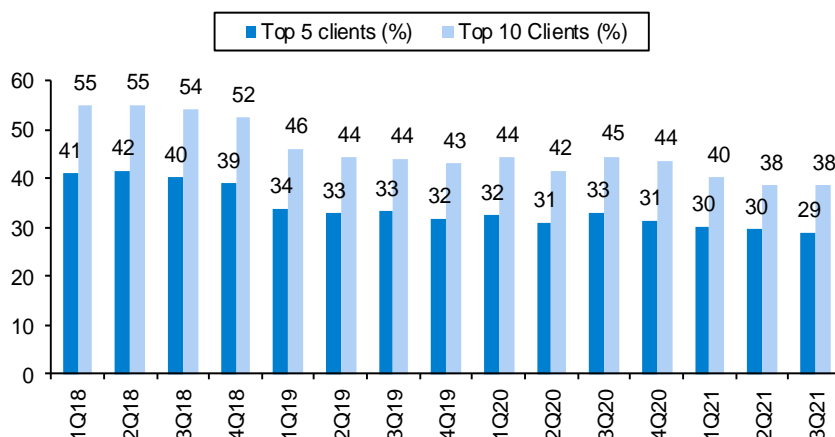
Exhibit 6: Services margin impacted by wage hikes in 3Q



Source: Company, PL

Client concentration further reduces

Exhibit 7: Revenues concentration from Top clients



Source: Company, PL

Exhibit 8: Geography-wise revenues

USD in Mn	3QFY21	2QFY21	QoQ gr.	3QFY20	YoY gr.
America	69	72	-3.7%	88	-18.2%
Europe, ME, Africa & India	36	39	-7.3%	39	-0.9%
APAC	36	24	49.0%	28	-13.5%
Total	141	135	4.7%	155	-13.0%
as a % of total					
America	49.1	53.4	-430 bps	56.8	-770 bps
Europe, ME, Africa & India	25.3	28.6	-330 bps	25.1	20 bps
APAC	25.6	18.0	760 bps	18.1	750 bps

Source: Company, PL

Exhibit 9: Vertical-wise revenues

USD in Mn	3QFY21	2QFY21	QoQ gr.	3QFY20	YoY gr.
Aerospace and Defense	46.1	47.7	-3.3%	54.0	-11.7%
Transportation	16.3	13.5	20.9%	15.7	-14.2%
I&ENR	16.8	14.5	16.1%	22.5	-35.6%
Semiconductor	6.1	6.1	-0.9%	6.8	-10.1%
Medical & Healthcare	10.0	7.4	34.9%	7.0	6.6%
Communications	34.1	30.0	13.4%	34.5	-12.8%
Total	129.4	119.2	8.5%	140.5	-7.9%
as a % of total					
Aerospace and Defense	32.6	36.5	-390 bps	34.8	-220 bps
Transportation	11.5	10.3	120 bps	10.1	140 bps
I&ENR	11.9	11.1	80 bps	14.5	-260 bps
Semiconductor	4.3	4.7	-40 bps	4.4	-10 bps
Medical & Healthcare	7.1	5.7	140 bps	4.5	260 bps
Communications	24.1	23	110 bps	22.2	190 bps

Source: Company, PL

Exhibit 10: Client Metrics

Client Buckets	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
20mn+	5	4	4	4	4	4	4	4	4	4	3	3	3
10mn+	11	12	11	13	13	13	12	12	11	11	9	7	7
5 mn+	23	24	25	31	31	29	28	27	27	26	30	32	32
1mn+	66	63	66	81	87	86	85	91	90	95	92	95	94

Source: Company, PL

Exhibit 11: Geography-wise revenue contribution (%)

Geographical Mix in %	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
North America	49.0%	52.5%	52.0%	54.1%	54.0%	55.4%	55.3%	56.8%	55.7%	52.3%	53.4%	49.1%
Europe	28.3%	24.6%	23.8%	22.1%	24.7%	28.1%	26.5%	25.1%	25.7%	24.0%	28.6%	25.3%
APAC	22.7%	23.0%	24.3%	23.8%	21.3%	16.4%	18.2%	18.1%	18.6%	23.7%	18.0%	25.6%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Net Revenues	44,275	41,751	47,373	53,051
YoY gr. (%)	(4.1)	(5.7)	13.5	12.0
Employee Cost	24,537	22,366	25,581	28,853
Gross Profit	19,738	19,385	21,791	24,198
Margin (%)	44.6	46.4	46.0	45.6
SG&A Expenses	13,779	13,245	14,357	16,209
Other Expenses	-	-	-	-
EBITDA	5,959	6,139	7,434	7,989
YoY gr. (%)	(7.5)	3.0	21.1	7.5
Margin (%)	13.5	14.7	15.7	15.1
Depreciation and Amortization	1,878	1,964	2,132	2,122
EBIT	4,081	4,175	5,302	5,867
Margin (%)	9.2	10.0	11.2	11.1
Net Interest	517	397	216	216
Other Income	1,250	1,196	950	1,000
Profit Before Tax	4,814	4,974	6,036	6,651
Margin (%)	10.9	11.9	12.7	12.5
Total Tax	1,076	1,215	1,509	1,663
Effective tax rate (%)	22.4	24.4	25.0	25.0
Profit after tax	3,738	3,759	4,527	4,988
Minority interest	-	-	-	-
Share Profit from Associate	(31)	94	112	112
Adjusted PAT	3,707	3,853	4,639	5,100
YoY gr. (%)	(24.2)	3.9	20.4	9.9
Margin (%)	8.4	9.2	9.8	9.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,707	3,853	4,639	5,100
YoY gr. (%)	(24.2)	3.9	20.4	9.9
Margin (%)	8.4	9.2	9.8	9.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,707	3,853	4,639	5,100
Equity Shares O/s (m)	110	110	110	110
EPS (Rs)	33.0	34.4	41.4	45.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Non-Current Assets				
Gross Block	15,616	18,616	21,616	25,616
Tangibles	10,033	12,433	14,533	17,333
Intangibles	5,583	6,183	7,083	8,283
Acc: Dep / Amortization	10,644	12,608	14,740	16,862
Tangibles	5,828	6,908	8,081	9,248
Intangibles	4,816	5,700	6,659	7,614
Net fixed assets	4,972	6,008	6,876	8,754
Tangibles	4,205	5,525	6,452	8,085
Intangibles	767	483	424	669
Capital Work In Progress	4,163	4,163	4,163	4,163
Goodwill	5,374	5,374	5,374	5,374
Non-Current Investments	723	943	1,163	1,383
Net Deferred tax assets	18	18	18	18
Other Non-Current Assets	1,519	1,519	1,519	1,519
Current Assets				
Investments	-	100	200	300
Inventories	2,267	2,267	2,267	2,267
Trade receivables	7,262	7,435	8,436	9,448
Cash & Bank Balance	9,518	10,780	12,214	11,968
Other Current Assets	1,192	1,212	1,232	1,252
Total Assets	41,797	44,608	48,251	51,234
Equity				
Equity Share Capital	550	550	550	550
Other Equity	25,059	27,289	29,973	32,924
Total Network	25,609	27,839	30,523	33,474
Non-Current Liabilities				
Long Term borrowings	859	859	859	859
Provisions	1,151	1,251	1,351	1,451
Other non current liabilities	24	24	24	24
Current Liabilities				
ST Debt / Current of LT Debt	2,879	2,879	2,879	2,879
Trade payables	3,729	4,079	4,807	4,609
Other current liabilities	4,527	4,658	4,788	4,918
Total Equity & Liabilities	41,797	44,608	48,251	51,234

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
PBT	4,783	5,069	6,148	6,763
Add. Depreciation	1,878	1,964	2,132	2,122
Add. Interest	517	397	216	216
Less Financial Other Income	1,250	1,196	950	1,000
Add. Other	(1,250)	(1,196)	(950)	(1,000)
Op. profit before WC changes	5,928	6,234	7,546	8,101
Net Changes-WC	1,257	368	(83)	(1,019)
Direct tax	(1,076)	(1,215)	(1,509)	(1,663)
Net cash from Op. activities	6,109	5,386	5,954	5,420
Capital expenditures	(5,567)	(3,000)	(3,000)	(4,000)
Interest / Dividend Income	1,250	1,196	950	1,000
Others	(38)	(300)	(300)	(300)
Net Cash from Invt. activities	(4,355)	(2,104)	(2,350)	(3,300)
Issue of share cap. / premium	-	-	-	-
Debt changes	485	-	-	-
Dividend paid	(1,562)	(1,624)	(1,955)	(2,149)
Interest paid	(517)	(397)	(216)	(216)
Others	1,953	1	-	-
Net cash from Fin. activities	359	(2,020)	(2,171)	(2,365)
Net change in cash	2,113	1,262	1,433	(246)
Free Cash Flow	542	2,386	2,954	1,420

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY20	FY21E	FY22E	FY23E
Per Share(Rs)				
EPS	33.0	34.4	41.4	45.5
CEPS	50.8	52.9	61.6	65.7
BVPS	232.8	253.1	277.5	304.3
FCF	4.9	21.7	26.9	12.9
DPS	11.8	12.3	14.8	16.2
Return Ratio(%)				
RoCE	14.0	13.7	16.1	16.4
ROIC	16.0	15.2	18.2	17.6
RoE	14.5	14.4	15.9	15.9
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.3)	(0.3)	(0.3)
Debtor (Days)	60	65	65	65
Valuation(x)				
PER	15.4	14.8	12.3	11.2
P/B	2.2	2.0	1.8	1.7
P/CEPS	10.0	9.6	8.3	7.7
EV/EBITDA	8.4	7.9	6.3	5.9
EV/Sales	1.1	1.2	1.0	0.9
Dividend Yield (%)	2.3	2.4	2.9	3.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Net Revenue	10,736	9,917	10,033	10,443
YoY gr. (%)	(7.7)	(8.9)	(13.4)	(5.6)
Raw Material Expenses	6,327	5,825	5,375	5,507
Gross Profit	4,409	4,092	4,658	4,936
Margin (%)	41.1	41.3	46.4	47.3
EBITDA	1,382	947	1,589	1,650
YoY gr. (%)	(21.1)	(34.5)	(0.6)	7.6
Margin (%)	12.9	9.5	15.8	15.8
Depreciation / Depletion	478	484	484	485
EBIT	904	463	1,105	1,165
Margin (%)	8.4	4.7	11.0	11.2
Net Interest	134	100	107	136
Other Income	206	684	93	219
Profit before Tax	674	1,047	1,091	1,248
Margin (%)	6.3	10.6	10.9	12.0
Total Tax	208	272	252	294
Effective tax rate (%)	30.9	26.0	23.1	23.6
Profit after Tax	466	775	839	954
Minority interest	-	-	-	-
Share Profit from Associates	(15)	38	28	-
Adjusted PAT	451	813	867	954
YoY gr. (%)	(74.4)	(9.4)	(11.0)	(11.9)
Margin (%)	4.2	8.2	8.6	9.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	451	813	867	954
YoY gr. (%)	(74.4)	(9.4)	(11.0)	(11.9)
Margin (%)	4.2	8.2	8.6	9.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	451	813	867	954
Avg. Shares O/s (m)	113	113	114	110
EPS (Rs)	4.0	7.2	7.6	8.7

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	4-Jan-21	BUY	606	514
2	22-Dec-20	BUY	584	491
3	23-Nov-20	BUY	492	485
4	5-Oct-20	BUY	456	379
5	1-Oct-20	BUY	456	384
6	2-Sep-20	BUY	431	387

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	2,966	2,722
2	Cyient	BUY	606	514
3	HCL Technologies	BUY	1,160	990
4	Infosys	BUY	1,611	1,387
5	L&T Technology Services	BUY	3,057	2,658
6	Larsen & Toubro Infotech	BUY	4,364	4,091
7	Mindtree	BUY	1,940	1,664
8	Mphasis	BUY	1,802	1,530
9	Persistent Systems	BUY	1,526	1,498
10	Redington (India)	BUY	138	133
11	Sonata Software	BUY	437	393
12	Tata Consultancy Services	BUY	3,358	2,928
13	TeamLease Services	BUY	2,931	2,666
14	Tech Mahindra	BUY	1,099	978
15	Wipro	BUY	493	459
16	Zensar Technologies	BUY	257	243

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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