

October 28, 2021

Q2FY22 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	4,641		3,994	
Sales (Rs. m)	68,552	79,015	66,452	76,413
% Chng.	3.2	3.4		
EBITDA (Rs. m)	12,339	14,235	11,961	13,767
% Chng.	3.2	3.4		
EPS (Rs.)	106.9	114.3	105.3	111.0
% Chng.	1.5	3.1		

Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. m)	41,879	55,520	68,552	79,015
EBITDA (Rs. m)	6,830	10,056	12,339	14,235
Margin (%)	16.3	18.1	18.0	18.0
PAT (Rs. m)	4,507	7,198	8,550	9,145
EPS (Rs.)	56.4	90.0	106.9	114.3
Gr. (%)	32.4	59.7	18.8	7.0
DPS (Rs.)	14.7	23.5	28.0	32.9
Yield (%)	0.4	0.6	0.7	0.8
RoE (%)	17.4	23.6	23.8	21.7
RoCE (%)	19.5	26.0	26.5	26.1
EV/Sales (x)	7.0	5.3	4.2	3.3
EV/EBITDA (x)	43.1	29.1	23.5	18.1
PE (x)	72.0	45.1	38.0	35.5
P/BV (x)	11.1	9.4	8.0	6.2

Key Data

PERS.BO | PSYS IN

52-W High / Low	Rs.4,390 / Rs.1,075
Sensex / Nifty	61,143 / 18,211
Market Cap	Rs.310bn/ \$ 4,136m
Shares Outstanding	76m
3M Avg. Daily Value	Rs.2220.63m

Shareholding Pattern (%)

Promoter's	34.31
Foreign	19.33
Domestic Institution	27.85
Public & Others	18.51
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	12.5	108.0	243.2
Relative	10.6	66.5	127.4

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HOME RUN!

Quick Pointers:

- Strong revenue growth of greater than 9% QoQ for two consecutive quarters.
- Expansion in EBIT margin (13.9%, 40bps QoQ) despite 230bps QoQ impact of wage hikes and higher hiring costs.
- Strong headcount addition over last 4 quarter led to headcount increase of 47% YoY indicating strong revenue growth momentum.

Persistent reported revenue of \$182.3 mn, growth of 9.3% QoQ USD, much above our and cons estimates (Ple: 8%, Cons: 6.3%). Growth was strong across all three verticals. Onsite price declined (-2.7% QoQ) due to change in onsite mix led by – 1) lower share of revenue in Europe due to seasonality and 2) higher share of revenue from near shore delivery centres like Mexico and Canada. We believe Persistent can deliver strong growth (~32.6% YoY) given 1) strong deal TCV of \$282.5 mn, +15.4% QoQ, with 53% net new wins in Q2 and TTM TCV of \$1075.8 mn and 2) strong headcount addition with total headcount up 47% YoY. Management aspires to reach \$1Bn annual revenue run-rate in next 1.5-2 years.

EBIT margin increased by 39bps QoQ to 13.5%, above our and cons estimates (Ple: 12.5%, Cons: 13.3%) despite impact of wage hikes and supply side pressures. Management mentioned that they will prioritize investing for growth and will maintain EBITDA margins in the band of 16-17% (vs 16.6% in 2Q22 and 16.3% in FY21). They aspire margin expansion of 100bps over next 2-3 years.

Our EPS estimates increase by 0.7%/1.5%/3.1% for FY22/23/24 led by revenue increase in revenue growth estimates. We arrive at DCF based target price of 4641 (implying target multiple of 41x on FY24 EPS). Persistent is currently trading at 38x/36x earnings multiple on FY23/24 EPS of INR 107/114 respectively. Persistent has Revenue/EPS CAGR of 17%/13% over FY22-24. Maintain Buy.

- Strong organic sequential growth (>9% QoQ) for two consecutive quarters:** Persistent reported revenue of \$182.3 mn, growth of 9.3% QoQ USD, much above our and cons estimates (Ple: 8%, Cons: 6.3%). Growth was strong across all three verticals - Healthcare & Life Sciences (+13% QoQ USD), BFS (+8.9% QoQ USD). and Tech. Cos. & Emerging Verticals (7.9% QoQ USD).
- Growth driven by volume surge partially offset by decline in pricing:** Growth in Services was led by volume (Offshore: +11.8% QoQ, Onsite: +8.9% QoQ) while onsite price decreased (Onsite: -2.7% QoQ, Offshore: 0.5% QoQ) due to change in onsite mix. Revenue share from Europe declined to 8.8% (vs 9.5% in 1Q) and revenue share from relatively lower priced near shore delivery centres such as Mexico and Canada increased. Persistent plans to expand delivery center presence in Mexico and Canada. Growth in Europe was soft (+1.2% QoQ USD) because Q2 is seasonally weak quarter due to more number of vacation days

In 2Q22, Persistent won one of the largest proactive deal in recent history with TCV exceeding \$50 mn including vendor consolidation part of the deal. Persistent was chosen by US government and health savings facilitator to build and enhance government savings platform.

- **Strong growth across top 20 accounts:** Revenue growth was strong across client buckets with top 1/ top 2-5/top 11-20 accounts growing 8.6%/+5.9%/+8.1% QoQ USD indicating strong client mining capabilities. 1 new client was added in \$5 mn+ revenue bucket and 8 new clients were added in \$1mn+ bucket
- **Optimized one IP contract by converting it to T&M contract.** Conversion of IP contract to T&M will improve company gross margins and have no impact on revenue. Persistent is going to focus on IT services business and IP led business is expected to gradually decline over long term.
- **Strong deal TCV:** Persistent reported strong deal TCV of \$282.5, +15.4% QoQ mn, with 53% net new wins. Total ACV stood at \$201.1 mn, +6.5% QoQ, with 54% net new wins. Management mentioned that deal pipeline remains healthy with participation in even larger deals. They won a large \$50mn+ deal in Q2. New large deal wins were broad-based with 3 new wins in each of the vertical.
- **Consistent expansion in EBIT Margin:** EBIT margin increased by 39bps QoQ, +178bps YoY to 13.5% above our and cons estimates (Ple: 12.5%, Cons: 13.3%) despite 230bps impact of salary hikes rolled out from 1st July 2021. Impact of salary hike was offset by increase in utilization (82.8%, +270 bps QoQ), pyramid improvement and SG&A leverage due to strong revenue growth. Impairment charges of INR 74 mn were reported in past two quarters; and with this the impairment of one of the non-current investment is completed.
- **Management mentioned that they will prioritize investing for growth and will maintain EBITDA margins in the band of 16-17%. They aspire margin expansion of 100bps over next 2-3 years.**
- **Continued strong headcount addition for four consecutive quarters:** Hiring was strong with net addition of 975 employees, +6.5% QoQ. (vs 1224 net addition in 1Q22). Continued strong hiring in four consecutive quarters has led to 47% YoY growth in headcount. They plan to add total 2000 freshers in FY22. LTM attrition jumped to 23.6% (+700 bps QoQ). Persistent is taking various steps to retain employees including – 1) In-person employee engagement programs, 2) Extended ESOP plan to approximately 80% of employee base. Management mentioned that ESOP scheme will have impact of 70-80bps on margins which they expect to offset over time via revenue growth leverage.
- **Capability led acquisitions:** Persistent's acquisition of SCI and its affiliate, Fusion 360 (valued at 3.1x EV/Sales) serves as the foundation for scaling up the newly announced Payment Business Unit given – 1) SCI's deep domain capabilities specializing in Payment solutions and Fusion 360's expertise in servicing leading Payment platforms including IBM's Financial Transaction Manager (FTM), 2) SCI provides inroads to 10 (most within top 20) leading banks in North America, 3) presence in Charlotte, North Carolina, one of the largest US banking hubs, 4) opens up cross-selling opportunities and 5) complements Persistent's work of taking FTM to hybrid cloud for their largest client.

- Shree Partner's acquisition** (inexpensive valuations of 0.9x EV/Sales) was part of 5-year vendor consolidation deal won by Persistent wherein Shree Partner was one of the vendor of the client which undertook vendor consolidation. Since Shree Partners derived 50% of their revenue from this client, they approached Persistent to acquire them. Shree Partners 1) brings strategic client relationship - leader in the global claims management industry, 2) strengthens Persistent's cloud, infrastructure, data and AI/ML capabilities and 3) adds new delivery location in NCR, India with 200+ employees.
- Both the acquisitions together add ~USD 25 mn, 4.4% of Persistent's revenue and are gross margin accretive, however there is expected to be 50-70 bps impact on EBIT margin because of amortization charge.**
- Operational CapEx for the quarter was INR 1431 mn which includes payment towards new office premises in Pune of INR 915 mn. They have also provided loan of INR 1880 mn (~\$25 mn) for ESOP trust for the purchase of shares from the secondary market to meet the obligations under these ESOP scheme. DSO increased by 1 day to 55 days (vs 54 days in 1Q22 and 63 in 2Q21).

Exhibit 1: Q2FY22 Result Summary

Particulars (Rs mn)	2QFY22	1QFY22	QoQ gr.	2QFY21	YoY gr.	Ple	Var (ACT. Vs. Est)
Sales (USD mn)	182	167	9.3%	136	34.0%	180	1.2%
Sales	13,512	12,299	9.9%	10,077	34.1%	13,331	1.4%
EBITDA	2,244	2,015	11.4%	1,658	35.4%	2,066	8.6%
<i>EBITDA Margins</i>	<i>16.6%</i>	<i>16.4%</i>	<i>22bp</i>	<i>16.4%</i>	<i>16bp</i>	<i>15.5%</i>	<i>110.6</i>
EBIT	1,873	1,665	12.5%	1,218	53.8%	1,666	12.4%
<i>EBIT Margins</i>	<i>13.9%</i>	<i>13.5%</i>	<i>32bp</i>	<i>12.1%</i>	<i>178bp</i>	<i>12.5%</i>	<i>136.2</i>
PAT	1,618	1,512	6.9%	1,020	58.6%	1,614	0.2%
EPS (diluted)	20.2	18.9	6.9%	13.3	51.6%	20.2	0.2%

Source: Company, PL

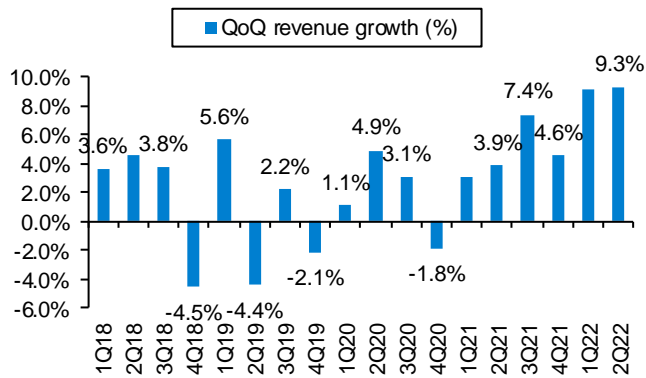
Exhibit 2: Key financial metrics

	FY19	FY20	FY21	FY22E	FY23E	FY24E
Organic Revenue US\$ mn	481	502	566	738	874	993
<i>Growth YoY</i>	<i>2.2%</i>	<i>4.3%</i>	<i>12.8%</i>	<i>30.4%</i>	<i>18.4%</i>	<i>13.7%</i>
SCI, Fusion 360 US\$ mn				9	20	23
<i>Growth YoY</i>						<i>18.6%</i>
Shree Partners				4	8	9
<i>Growth YoY</i>						<i>12.6%</i>
Total Revenue US\$ mn	481	502	566	751	902	1026
<i>Growth YoY</i>	<i>2.2%</i>	<i>4.3%</i>	<i>12.8%</i>	<i>32.6%</i>	<i>20.2%</i>	<i>13.8%</i>
EBIT	4234	3270	5075	7998	9597	11075
<i>EBIT margin</i>	<i>12.6%</i>	<i>9.2%</i>	<i>12.1%</i>	<i>14.4%</i>	<i>14.0%</i>	<i>14.0%</i>
EPS	44.0	42.5	56.4	90.0	106.9	114.3
<i>Growth YoY</i>	<i>8.9%</i>	<i>-3.3%</i>	<i>32.4%</i>	<i>59.7%</i>	<i>18.8%</i>	<i>7.0%</i>

Source: Company, PL

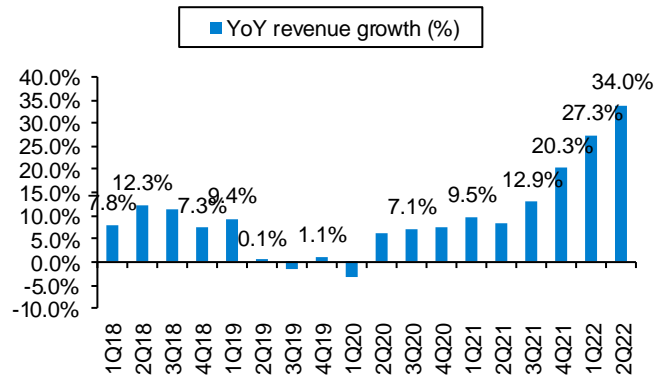
Revenue from acquisitions SCI and Shree Partners will flow in from Q3FY22

Exhibit 3: Strong sequential growth for two consecutive quarters



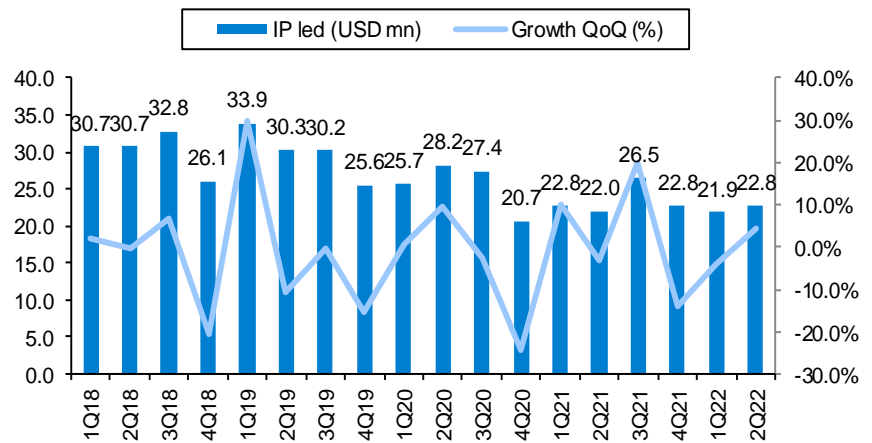
Source: Company, PL

Exhibit 4: Strong YoY growth momentum



Source: Company, PL

Exhibit 5: Healthy growth momentum in IP led business



Source: Company, PL

Exhibit 6: Geography-wise revenues

USD in Mn	2QFY22	1QFY22	QoQ gr.	2QFY21	YoY gr.
America	143.5	131.6	9.0%	112.8	27.2%
Europe	16.0	15.8	1.2%	10.3	55.1%
APAC	22.8	19.3	17.8%	12.9	76.3%
Total	182.3	166.8	9%	136.1	34.0%
-as a % of sales					
America	78.7%	78.9%	-20bp	82.9%	-420bp
Europe	8.8%	9.5%	-70bp	7.6%	120bp
APAC	12.5%	11.6%	90bp	9.5%	300bp

Source: Company, PL

Exhibit 7: Revenue by Industry classification

USD in Mn	2QFY22	1QFY22	QoQ gr.	2QFY21	YoY gr.
ISV	159.5	144.9	10%	114.0	39.9%
IP led	22.8	21.9	4%	22.0	3.4%
Total	182.3	166.8	9%	136.1	34.0%
-as a % of sales					
ISV	87.5%	87.5%	0bp	83.8%	370bp
IP led	12.5%	12.5%	0bp	16.2%	-370bp

Source: Company, PL

Exhibit 8: Revenue contribution by Geography (%)

Revenue by geography (%)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
America	82.6%	83.7%	80.9%	82.5%	81.4%	80.1%	80.2%	80.4%	82.9%	81.1%	79.2%	78.9%	78.7%
Europe	7.5%	7.6%	7.9%	8.5%	9.9%	10.6%	8.8%	10.2%	7.6%	8.8%	10.0%	9.5%	8.8%
APAC	9.9%	8.7%	11.2%	9.0%	8.7%	9.3%	11.0%	9.4%	9.5%	10.1%	10.8%	11.6%	12.5%

Source: Company, PL

Exhibit 9: Client Metrics

Revenue by clients (%)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Top Client	25.7%	26.3%	20.2%	23.6%	23.7%	21.5%	19.2%	17.7%	19.4%	18.5%	17.9%	17.0%	16.9%
Top 5 Clients	43.3%	45.0%	40.0%	44.6%	44.3%	42.3%	41.5%	40.8%	41.6%	37.8%	36.4%	36.5%	35.8%
Top 10 Clients	52.4%	54.6%	50.2%	52.6%	53.4%	51.1%	49.9%	49.0%	50.5%	47.0%	46.3%	46.7%	45.4%
Non Top 10 Clients	47.6%	45.4%	49.8%	47.4%	46.6%	48.9%	50.1%	51.0%	49.5%	53.0%	53.7%	53.3%	54.6%

Source: Company, PL

Exhibit 10: Other Operating Metrics

Billing rates (USD/p.p.m)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Rest of the world	15787	16204	16846	16742	17155	16761	17276	17036	16993	16790	16603	17004	16544
India	4372	4392	4385	4427	4437	4420	4427	4308	4304	4204	4203	4286	4307
Billed person months													
Rest of the World	2,221	2,232	2,206	2,179	2,271	2,430	2,425	2,595	2,647	2,651	2,794	3,080	3,354
India	12,097	12,402	12,674	12,962	13,138	13,865	14,550	14,866	16,033	17,879	19,892	21,596	24,149
TOTAL	14,318	14,634	14,880	15,141	15,409	16,295	16,975	17,461	18,680	20,530	22,686	24,676	27,503
DSO Days	63	61	63	65	64	68	65	69	63	57	55	54	55

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	41,879	55,520	68,552	79,015
YoY gr. (%)	17.4	32.6	23.5	15.3
Employee Cost	27,650	36,313	44,559	51,551
Gross Profit	14,229	19,207	23,993	27,464
Margin (%)	34.0	34.6	35.0	34.8
SG&A Expenses	-	-	-	-
Other Expenses	7,398	9,151	11,654	13,229
EBITDA	6,830	10,056	12,339	14,235
YoY gr. (%)	38.6	47.2	22.7	15.4
Margin (%)	16.3	18.1	18.0	18.0
Depreciation and Amortization	1,756	2,058	2,742	3,161
EBIT	5,075	7,998	9,597	11,075
Margin (%)	12.1	14.4	14.0	14.0
Net Interest	-	-	-	-
Other Income	1,020	1,669	1,910	1,200
Profit Before Tax	6,094	9,667	11,508	12,275
Margin (%)	14.6	17.4	16.8	15.5
Total Tax	1,588	2,469	2,957	3,130
Effective tax rate (%)	26.1	25.5	25.7	25.5
Profit after tax	4,507	7,198	8,550	9,145
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,507	7,198	8,550	9,145
YoY gr. (%)	32.4	59.7	18.8	7.0
Margin (%)	10.8	13.0	12.5	11.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,507	7,198	8,550	9,145
YoY gr. (%)	32.4	59.7	18.8	7.0
Margin (%)	10.8	13.0	12.5	11.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,507	7,198	8,550	9,145
Equity Shares O/s (m)	76	76	76	69
EPS (Rs)	56.4	90.0	106.9	114.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	4,484	5,284	6,084	6,784
Tangibles	3,254	3,654	4,054	4,404
Intangibles	1,230	1,630	2,030	2,380
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	4,484	5,284	6,084	6,784
Tangibles	3,254	3,654	4,054	4,404
Intangibles	1,230	1,630	2,030	2,380
Capital Work In Progress	122	122	122	122
Goodwill	86	86	86	86
Non-Current Investments	3,782	3,882	3,982	4,082
Net Deferred tax assets	1,038	1,038	1,038	1,038
Other Non-Current Assets	442	442	442	442
Current Assets				
Investments	6,375	6,375	6,375	6,375
Inventories	-	-	-	-
Trade receivables	5,709	8,366	10,330	11,906
Cash & Bank Balance	9,809	11,283	14,473	18,531
Other Current Assets	2,272	2,322	2,372	2,422
Total Assets	36,656	42,111	48,959	56,061
Equity				
Equity Share Capital	764	764	764	764
Other Equity	27,192	32,223	38,200	44,592
Total Network	27,957	32,988	38,964	45,357
Non-Current Liabilities				
Long Term borrowings	44	44	44	44
Provisions	241	241	241	241
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	222	222	222	222
Trade payables	3,124	3,499	4,320	4,979
Other current liabilities	4,352	4,402	4,452	4,502
Total Equity & Liabilities	36,655	42,111	48,959	56,061

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	6,094	9,667	11,508	12,275
Add. Depreciation	1,756	2,058	2,742	3,161
Add. Interest	(559)	(810)	(960)	(480)
Less Financial Other Income	1,020	1,669	1,910	1,200
Add. Other	-	-	-	-
Op. profit before WC changes	-	10,915	13,290	14,955
Net Changes-WC	1,578	(2,757)	(1,986)	(1,634)
Direct tax	(1,582)	(2,469)	(2,957)	(3,130)
Net cash from Op. activities	-	5,689	8,346	10,191
Capital expenditures	(1,638)	(2,858)	(3,542)	(3,861)
Interest / Dividend Income	-	810	960	480
Others	(3,717)	-	-	-
Net Cash from Inv. activities	-	(2,048)	(2,582)	(3,381)
Issue of share cap. / premium	-	-	-	-
Debt changes	(5)	-	-	-
Dividend paid	-	(1,799)	(2,138)	(2,286)
Interest paid	(319)	-	-	-
Others	9	(367)	(436)	(466)
Net cash from Fin. activities	(315)	(2,166)	(2,574)	(2,753)
Net change in cash	-	1,474	3,190	4,058
Free Cash Flow	-	2,831	4,804	6,331

Source: Company Data, PL Research

Key Financial Metrics

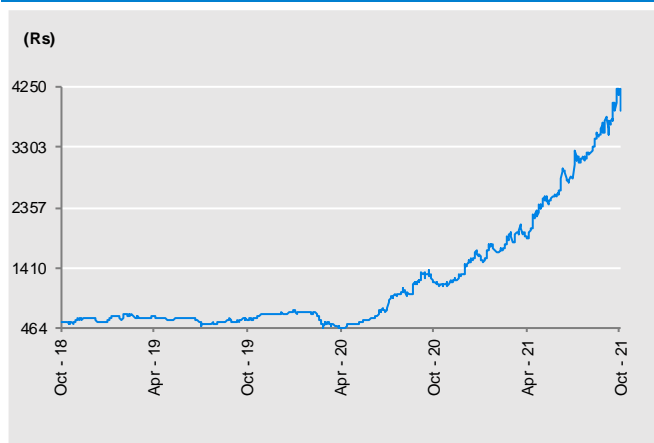
Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	56.4	90.0	106.9	114.3
CEPS	81.9	121.1	147.8	177.1
BVPS	365.8	431.6	509.8	652.8
FCF	-	37.0	62.9	91.1
DPS	14.7	23.5	28.0	32.9
Return Ratio(%)				
RoCE	19.5	26.0	26.5	26.1
ROIC	31.2	38.2	38.8	39.8
RoE	17.4	23.6	23.8	21.7
Balance Sheet				
Net Debt : Equity (x)	(0.6)	(0.5)	(0.5)	(0.5)
Debtor (Days)	50	55	55	55
Valuation(x)				
PER	72.0	45.1	38.0	35.5
P/B	11.1	9.4	8.0	6.2
P/CEPS	81.9	121.1	147.8	177.1
EV/EBITDA	43.1	29.1	23.5	18.1
EV/Sales	7.0	5.3	4.2	3.3
Dividend Yield (%)	0.4	0.6	0.7	0.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Net Revenue	10,754	11,134	12,299	13,512
YoY gr. (%)	16.5	20.2	24.1	34.1
Raw Material Expenses	7,064	7,363	8,173	8,982
Gross Profit	3,690	3,771	4,126	4,530
Margin (%)	34.3	33.9	33.5	33.5
EBITDA	1,825	1,883	2,015	2,244
YoY gr. (%)	47.8	47.5	37.6	35.4
Margin (%)	17.0	16.9	16.4	16.6
Depreciation / Depletion	461	419	350	371
EBIT	1,364	1,464	1,665	1,873
Margin (%)	12.7	13.2	13.5	13.9
Net Interest	-	-	-	-
Other Income	286	385	365	303
Profit before Tax	1,650	1,849	2,031	2,176
Margin (%)	15.3	16.6	16.5	16.1
Total Tax	441	471	518	559
Effective tax rate (%)	26.7	25.5	25.5	25.7
Profit after Tax	1,209	1,378	1,512	1,618
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,209	1,378	1,512	1,618
YoY gr. (%)	37.5	64.3	68.0	58.6
Margin (%)	11.2	12.4	12.3	12.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,209	1,378	1,512	1,618
YoY gr. (%)	37.5	64.3	68.0	58.6
Margin (%)	11.2	12.4	12.3	12.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,209	1,378	1,512	1,618
Avg. Shares O/s (m)	80	80	80	80
EPS (Rs)	15.1	17.2	18.9	20.2

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Oct-21	BUY	3,994	3,714
2	01-Oct-21	BUY	3,954	3,716
3	06-Aug-21	BUY	3,603	3,118
4	25-Jul-21	Hold	2,851	3,039
5	02-Jul-21	UR	-	2,965
6	01-May-21	BUY	2,344	2,038
7	05-Apr-21	BUY	2,017	1,954
8	01-Feb-21	BUY	1,727	1,524
9	04-Jan-21	BUY	1,526	1,498

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	1,411	1,123
2	Coforge	BUY	5,596	5,069
3	Cyient	BUY	1,315	1,160
4	HCL Technologies	BUY	1,386	1,251
5	Infosys	BUY	2,004	1,709
6	L&T Technology Services	BUY	5,621	5,132
7	Larsen & Toubro Infotech	BUY	6,710	5,906
8	Mindtree	BUY	4,804	4,364
9	Mphasis	BUY	3,674	3,396
10	Persistent Systems	BUY	3,994	3,714
11	Redington (India)	BUY	202	146
12	Sonata Software	BUY	994	918
13	Tata Consultancy Services	BUY	4,113	3,936
14	TeamLease Services	BUY	4,892	4,645
15	Tech Mahindra	BUY	1,862	1,524
16	Wipro	BUY	728	673
17	Zensar Technologies	BUY	496	479

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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