

April 24, 2019

## Q1CY19 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	CY19E	CY20E	CY19E	CY20E
Rating	REDUCE		REDUCE	
Target Price	325		325	
Sales (Rs. m)	53,566	60,442	53,676	60,611
% Chng.	(0.2)	(0.3)		
EBITDA (Rs. m)	8,412	9,531	8,421	9,558
% Chng.	(0.1)	(0.3)		
EPS (Rs.)	21.5	23.7	21.6	23.7
% Chng.	(0.2)	-		

### Key Financials

	CY17	CY18	CY19E	CY20E
Sales (Rs. m)	39,420	46,477	53,566	60,442
EBITDA (Rs. m)	6,903	7,709	8,412	9,531
Margin (%)	17.5	16.6	15.7	15.8
PAT (Rs. m)	4,994	5,833	6,391	7,024
EPS (Rs.)	16.8	19.7	21.5	23.7
Gr. (%)	21.8	16.8	9.6	9.9
DPS (Rs.)	4.0	6.9	7.5	8.3
Yield (%)	1.2	2.1	2.3	2.5
RoE (%)	26.6	26.8	25.3	24.1
RoCE (%)	33.5	32.4	30.7	30.0
EV/Sales (x)	2.4	2.0	1.7	1.4
EV/EBITDA (x)	13.5	11.9	10.6	9.1
PE (x)	19.8	16.9	15.4	14.1
P/BV (x)	4.9	4.2	3.6	3.2

### Key Data

HEXT.BO | HEXW IN

52-W High / Low	Rs.558 / Rs.294
Sensex / Nifty	39,055 / 11,726
Market Cap	Rs.99bn / \$ 1,417m
Shares Outstanding	298m
3M Avg. Daily Value	Rs.927.65m

### Shareholding Pattern (%)

Promoter's	62.66
Foreign	17.14
Domestic Institution	10.97
Public & Others	9.23
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(1.5)	(5.2)	(21.9)
Relative	(3.7)	(17.4)	(30.8)

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## Watchful on margin trajectory

Hexaware's 1QCY19 results were broadly inline with our estimates. Hexaware has maintained its guidance of 12-14% organic revenue growth in CY19E, with EBITDA growth likely to be similar to revenue growth despite a fairly high ask-rate of 4% CQGR in USD terms over 1Q-4QCY19. Management expects margin performance to improve in coming quarters due to better pricing & utilization however we believe margin guidance (7.5% CQGR) looks stretched owing to lack of tailwinds. Gross margin was lowest in last 6 years (30.5%), management mentioned rising proportion of onsite revenues led to the fall however we believe rising competitive intensity & onsite investments may have attributed to the fall. We believe key negative for Hexaware is softness in BFS (41% of revenue) mainly focused in capital markets & buy side for new deals which have longer sales cycles. We remain watchful on expanded attrition levels of 18% (6 year high) along with supply side constraints. We expect revenue & EPS CAGR growth of 12.2% & 9.7% over CY18-CY20E & value Hexaware at 14x Mar-21 to arrive at an unchanged target price of Rs. 325. Hexaware currently trades at 15.7x & 14.3x CY19E/CY20E EPS. Maintain Reduce.

- Inline revenue performance:** Hexaware reported an inline revenue performance in 1QCY19 at US\$ 180mn (Pl:180.5mn) growth of 2.2% QoQ in USD terms. CC revenue clocked at 2% QoQ. Growth components were volume growth (+1.2% QoQ), cross currency movement (+0.3% QoQ), higher billing days (+0.7% QoQ).
- Cautious on margin trajectory:** EBITDA margins (excluding ESOP's) fell by 73bps QoQ, inline with our estimates of 15.2% due to impact from forex, visa cost and other costs, which was partial offset by SG&A leverage. Q1CY19 saw gross margin decline by 180 bps QoQ to 30.5% which was partly offset operating leverage in SG&A (down 145 bps QoQ), thus providing cushion to the impact on EBITDA margin. Gross margin was lowest in last 6 years, management mentioned rising proportion of onsite revenues led to fall. Management expects margin performance to improve in coming quarters due to better pricing & utilization, we believe margin guidance (7.5% CQGR) looks stretched owing to lack of tailwinds.
- Weak growth in largest vertical (banking) keeps us cautious:** Hexaware reported 1% QoQ decline in BFS. From vertical perspective, growth was led by Professional Services (+5.5% QoQ) and MFG & Consumer (+15.6% QoQ). Travel & Transportation (-1.6% QoQ) continues to be under pressure. Geographically, revenue from Asia Pacific region grew by a strong 12.9% QoQ, US revenue grew by 1.1% QoQ while Europe declined by -0.9% QoQ.
- Comments on Baring acquisition of NIIT Tech:** Management mentioned that both the deals are from different funds (Hexaware invested fund to expire in 21-22) & as per the contract there cannot be possible merger between 2 entities. We don't see any major change in revenue momentum or deal wins or any disruption in management teams. We believe both entities will run separately.

**Exhibit 1: Q1CY19 Result Review**

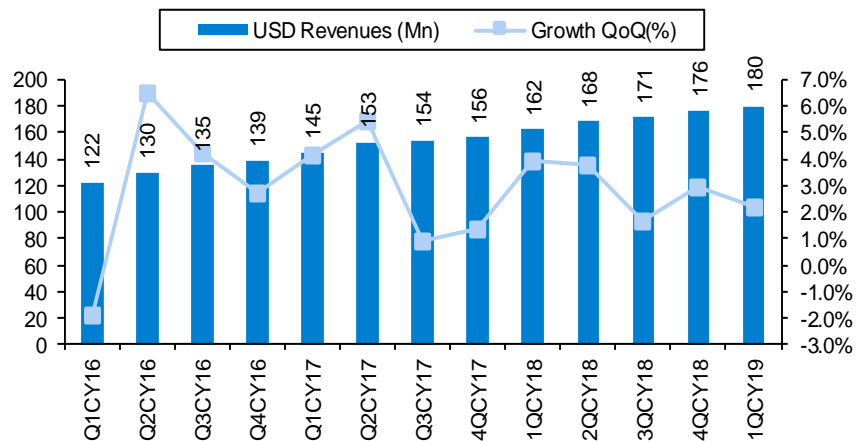
Rs mn	Q1CY19	Q4CY18	QoQ	Q1CY18	YoY	PL Estimates	Variance (Actual vs Pl)
Revenues (USD mn)	180.0	176	2.2%	162	11.0%	180.5	-0.3%
Revenues (INR mn)	12,640	12,524	0.9%	10,490	20.5%	12,635	0.0%
EBITDA	1,930	2,004	-3.7%	1,719	12.3%	1,921	0.5%
EBITDA Margins	15.3%	16.0%	-73 bps	16.4%	-111.8	15.2%	7 bps
PAT	1,385	1,234	12.2%	1,343	3.1%	1,447	-4.3%
EPS	4.6	4.1	12.2%	4.5	3.1%	4.8	-4.3%

Source: Company, PL

Constant currency growth for the quarter stood at 2.0%

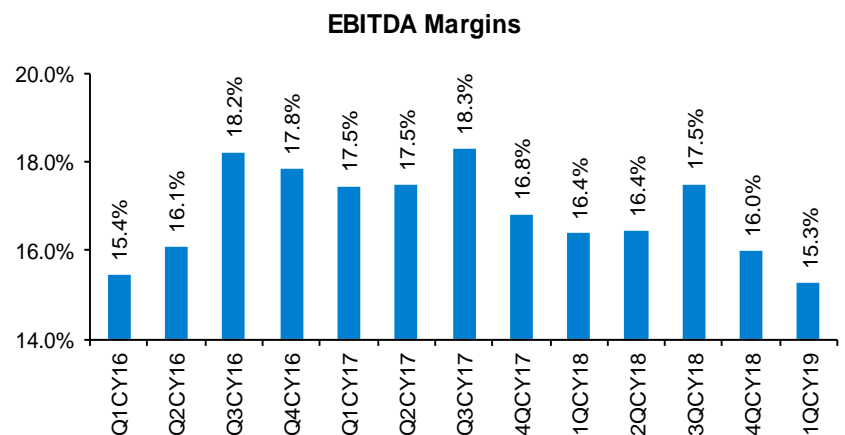
Margins continue to remain under pressure with supply crunch issues in USA.

**Exhibit 2: Revenue growth below estimates**



Source: Company, PL

**Exhibit 3: EBITDA margins continue to decline**



Source: Company, PL

## Key Concall Highlights

### Outlook:

- Continue to focus on automation
- Increase traction in customer transformation and cloud.
- Customer Experience transformation deals are driving growth for the company among all vertical lines except BFSI.
- Management committed to spend US\$250-300mn on acquisitions over the next 2-3 years, with minimum revenue size likely to be US\$25mn and area of focus being customer experience and Cloud

### Attrition:

- Attrition for the quarter was high mainly led by Onsite Attrition. Onsite Attrition is high due to tight labor market in USA. Offshore attrition was uptick during the quarter.
- Management indicated that it has organized several programs which has led to improvement in offshore attrition.
- Management also indicated to take steps like increasing HR to employees in some location and programs like management intervention program to improve Onsite attrition.

### Guidance:

- Management retained its guidance of 12-14% organic revenue growth in CY19E with EBITDA growth likely to be similar to revenue growth.
- Management also guided that EPS growth will be faster than EBITDA growth in coming quarters led by lower forex loss/ gain and lower tax.
- ETR guided for CY19 is 20% (earlier 20.5%) on account of improved revenues from an offshore.

### EPS growth levers:

- US taxation policies
- Improvement in revenue mix from offshore business
- Active management strategies to deliver in specific tax zones which though are lower margins but are EPS accretive.

### Europe:

- Management expect recovery from this geography going ahead and believes that it can be best performing region in CY19.
- Management also cited that Insurance vertical is doing well in Europe.

**Margin:**

Gross margin continues to remain high in this quarter also, management guided that it will improve with higher utilization, improvement in onshore revenues.

**M&A:** Company will focus on acquisition with following bases:

- High revenue per client
- High gross margins- reasonably profitable
- Not looking for acquisition in automation
- Focused on service lines related to Customer transformation space and cloud space.

**BFSI:**

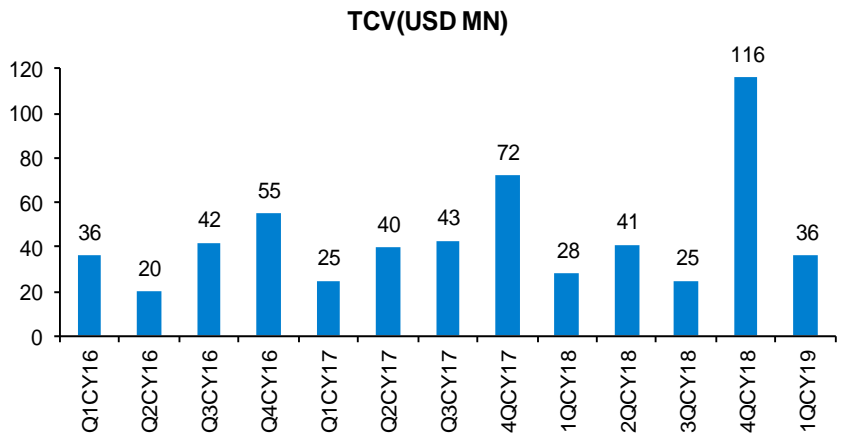
- Management is seeing more weakness than at the start of the year but also guided that it will not change overall performance.
- Despite weakness in BFS, expects to meet revenue guidance.

**Other Verticals:**

- HNI and manufacturing will continue to perform well
- Healthcare & Insurance and Professional Services will offset the tepid growth in weakness from BFS
- Growth in Manufacturing & Consumer driven by big project execution and guided that momentum of growth will be higher than company average growth.
- Sub segments of M&C vertical are process manufacturing, education, retail and telecom.

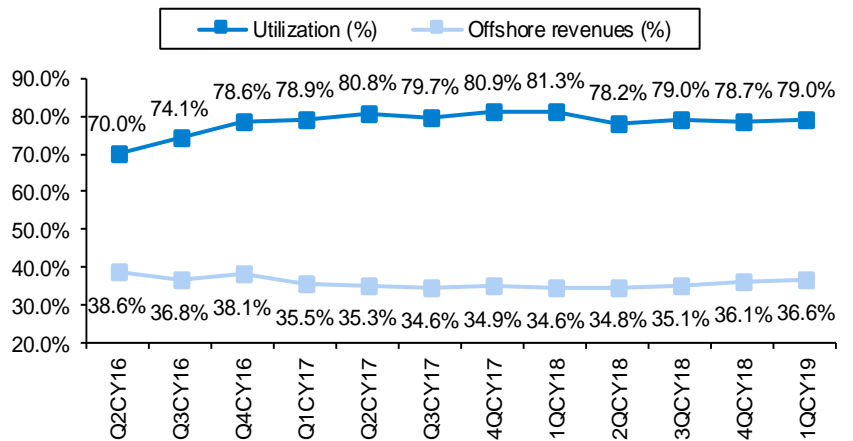
4 new clients signed in Q1 2019 with TCV of US\$ 36 Mn.

**Exhibit 4: TCV back to normal after large deal win in 4QCY18**



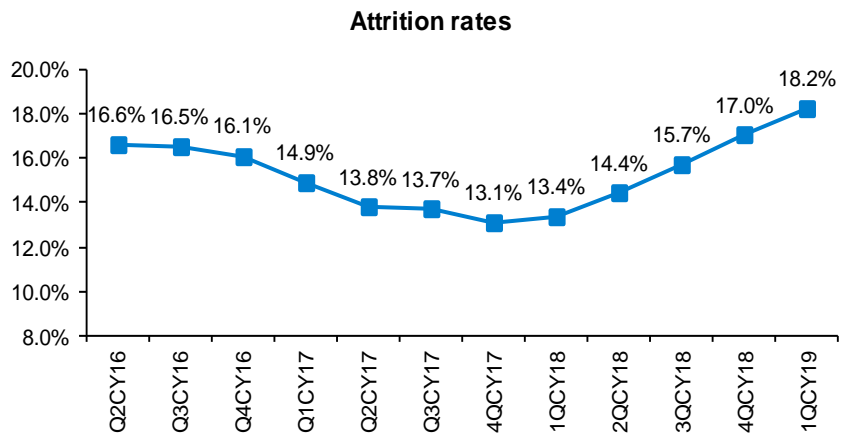
Source: Company, PL

**Exhibit 5: Utilization continue to remain strong**



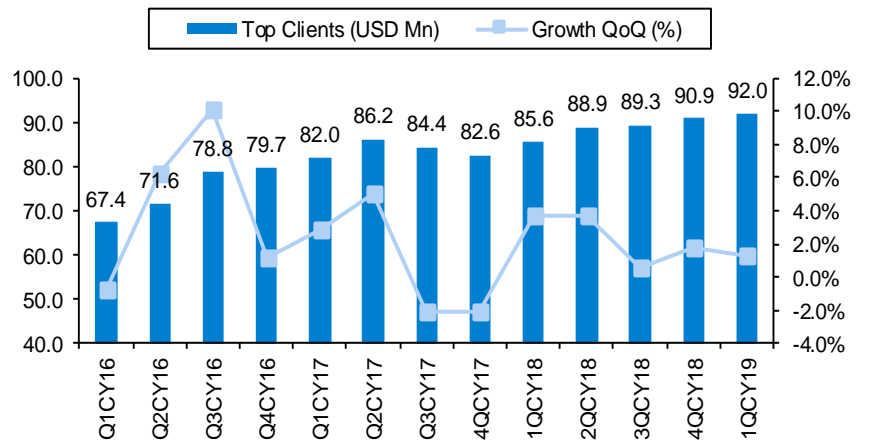
Source: Company, PL

**Exhibit 6: Increase in Attrition rate causing concern**



Source: Company, PL

**Exhibit 7: Volatility in performance of top clients continues**



Source: Company, PL

**Exhibit 8: Vertical-wise revenues**

USD mn	Q1CY19	Q4CY18	QoQ	Q1CY18	YoY
BFSI	73.4	74.1	-1%	70.9	4%
Travel & Transportation	17.1	17.4	-2%	21.2	-20%
Healthcare & Insurance	32.9	33.6	-2%	26.0	27%
Manufacturing, Consumer & Others	31.0	26.8	16%	24.5	26%
Professional services	25.7	24.3	6%	19.6	31%
<b>Total</b>	<b>180.2</b>	<b>176.3</b>	<b>2%</b>	<b>162.2</b>	<b>11%</b>
<b>as a % of total</b>					
BFSI	40.8	42.1	-130 bps	43.7	-290 bps
Travel & Transportation	9.5	9.9	-40 bps	13.1	-360 bps
Healthcare & Insurance	18.3	19.1	-80 bps	16.0	230 bps
Manufacturing, Consumer & Others	17.2	15.2	200 bps	15.1	210 bps
Professional services	14.3	13.8	50 bps	12.1	220 bps

Source: Company, PL

**Exhibit 9: Geography-wise revenues**

USD mn	Q1CY19	Q4CY18	QoQ	Q1CY18	YoY
Americas	137.0	135.4	1%	122.1	12%
Europe	22.7	22.9	-1%	20.3	12%
Asia Pacific	20.3	17.8	14%	19.8	3%
<b>Total</b>	<b>180.0</b>	<b>176.1</b>	<b>0%</b>	<b>162.2</b>	<b>0%</b>
<b>as a % of total</b>					
Americas	76.1	76.9	-80 bps	75.3	80 bps
Europe	12.6	13.0	-40 bps	12.5	10 bps
Asia Pacific	11.3	10.1	120 bps	12.2	-90 bps

Source: Company, PL

**Exhibit 10: Revenue by Service-lines**

USD mn	Q1CY19	Q4CY18	QoQ	Q1CY18	YoY
ADM	62.1	61.8	0%	58.2	7%
Enterprise Solutions	17.1	16.7	2%	17.7	-3%
Testing / QATS (Quality)	31.5	30.8	2%	31.0	2%
BI and Analytics	23.58	23.1	2%	23.0	2%
Business Process Services	13.68	12.9	6%	11.2	22%
IMS	32.04	30.8	4%	21.1	52%
<b>Total</b>	<b>180</b>	<b>176.1</b>	<b>2%</b>	<b>162.2</b>	<b>11%</b>
<b>as a % of total</b>					
ADM	34.5	35.1	-60 bps	35.9	-140 bps
Enterprise Solutions	9.5	9.5	0 bps	10.9	-140 bps
Testing / QATS (Quality)	17.5	17.5	0 bps	19.1	-160 bps
BI and Analytics	13.1	13.1	0 bps	14.2	-110 bps
Business Process Services	7.6	7.3	30 bps	6.9	70 bps
IMS	17.8	17.5	30 bps	13	480 bps

Source: Company, PL

**Exhibit 11: Revenue concentration from Top clients shifting**

As a % of total Revenues	2QCY16	3QCY16	4QCY16	Q1CY17	Q2CY17	Q3CY17	Q4CY17	Q1CY18	Q2CY18	Q3CY18	Q4CY18	Q1CY19
Top 5 client	43.1	47.0	46.3	45.6	46.1	43.5	42.8	42.1	42.4	42.1	42.0	41.7
Top 10 clients	55.2	58.3	57.4	56.7	56.5	54.8	52.9	52.8	52.8	52.2	51.6	51.1

Source: Company, PL

**Exhibit 12: Strong Capital Allocation Strategy**

In Rs	2QCY16	3QCY16	4QCY16	Q1CY17	Q2CY17	Q3CY17	Q4CY17	Q1CY18	Q2CY18	Q3CY18	Q4CY18	Q1CY19
Dividend	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.5	2.5	2.5	2.5

Source: Company, PL

**Exhibit 13: Client Metrics**

	2QCY16	3QCY16	4QCY16	Q1CY17	Q2CY17	Q3CY17	Q4CY17	Q1CY18	Q2CY18	Q3CY18	Q4CY18	Q1CY19
1 mn	76	77	78	81	81	82	88	89	93	95	99	99
1 mn - 5 mn	62	63	64	67	66	64	71	69	71	70	72	71
5 mn - 10 mn	6	6	6	6	7	9	7	10	12	15	18	19
10mn -20mn	3	3	3	3	3	4	6	6	6	6	4	4
> USD 20 mn	5	5	5	5	5	5	4	4	4	4	5	5

Source: Company, PL

**Exhibit 14: Headcount Metrics**

Billable Personnel (IT Services +BPS)	Q4CY16	1QCY17	2QCY17	3QCY17	4QCY17	1QCY18	2QFY18	3QCY18	4QCY18	1QCY19
Onsite	21.0%	20.9%	20.9%	19.9%	19.7%	19.0%	18.8%	18.4%	19.0%	19.1%
Offshore	70.7%	71.0%	71.2%	72.1%	72.5%	73.3%	73.7%	74.2%	73.6%	73.3%
Total	91.7%	91.9%	92.1%	92.0%	92.2%	92.3%	92.5%	92.6%	92.6%	92.3%
Marketing (incl. Sales Support)	3.3%	3.2%	3.3%	3.3%	3.3%	3.2%	3.0%	3.0%	3.0%	3.2%
Others (incl. tech Support)	5.0%	4.9%	4.6%	4.7%	4.5%	4.5%	4.5%	4.4%	4.4%	4.5%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Dec	CY17	CY18	CY19E	CY20E
<b>Net Revenues</b>	<b>39,420</b>	<b>46,477</b>	<b>53,566</b>	<b>60,442</b>
YoY gr. (%)	11.5	17.9	15.3	12.8
Employee Cost	25,700	31,122	36,406	40,791
Gross Profit	13,720	15,355	17,160	19,651
Margin (%)	34.8	33.0	32.0	32.5
SG&A Expenses	6,817	7,646	8,748	10,120
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>6,903</b>	<b>7,709</b>	<b>8,412</b>	<b>9,531</b>
YoY gr. (%)	15.2	11.7	9.1	13.3
Margin (%)	17.5	16.6	15.7	15.8
Depreciation and Amortization	633	650	652	786
<b>EBIT</b>	<b>6,270</b>	<b>7,059</b>	<b>7,760</b>	<b>8,745</b>
Margin (%)	15.9	15.2	14.5	14.5
Net Interest	-	-	-	-
Other Income	135	206	195	120
<b>Profit Before Tax</b>	<b>6,405</b>	<b>7,265</b>	<b>7,955</b>	<b>8,865</b>
Margin (%)	16.2	15.6	14.9	14.7
Total Tax	1,411	1,432	1,564	1,842
Effective tax rate (%)	22.0	19.7	19.7	20.8
<b>Profit after tax</b>	<b>4,994</b>	<b>5,833</b>	<b>6,391</b>	<b>7,024</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>4,994</b>	<b>5,833</b>	<b>6,391</b>	<b>7,024</b>
YoY gr. (%)	19.7	16.8	9.6	9.9
Margin (%)	12.7	12.6	11.9	11.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>4,994</b>	<b>5,833</b>	<b>6,391</b>	<b>7,024</b>
YoY gr. (%)	19.7	16.8	9.6	9.9
Margin (%)	12.7	12.6	11.9	11.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,994	5,833	6,391	7,024
<b>Equity Shares O/s (m)</b>	<b>297</b>	<b>297</b>	<b>297</b>	<b>297</b>
<b>EPS (Rs)</b>	<b>16.8</b>	<b>19.7</b>	<b>21.5</b>	<b>23.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Dec	CY17	CY18	CY19E	CY20E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>7,731</b>	<b>8,931</b>	<b>10,131</b>	<b>11,331</b>
Tangibles	6,994	7,954	8,914	9,874
Intangibles	737	977	1,217	1,457
<b>Acc: Dep / Amortization</b>	<b>3,974</b>	<b>4,624</b>	<b>5,276</b>	<b>6,062</b>
Tangibles	3,414	3,934	4,456	5,085
Intangibles	560	690	820	977
<b>Net fixed assets</b>	<b>3,757</b>	<b>4,307</b>	<b>4,855</b>	<b>5,269</b>
Tangibles	3,580	4,020	4,458	4,790
Intangibles	177	287	397	479
Capital Work In Progress	2,563	2,563	2,563	2,563
Goodwill	1,656	1,656	1,656	1,656
Non-Current Investments	424	424	424	424
Net Deferred tax assets	1,336	1,336	1,336	1,336
Other Non-Current Assets	1,182	1,282	1,382	1,482
<b>Current Assets</b>				
Investments	189	189	189	189
Inventories	-	-	-	-
Trade receivables	5,360	6,367	7,338	8,280
Cash & Bank Balance	5,298	7,045	9,197	11,878
Other Current Assets	678	778	878	978
<b>Total Assets</b>	<b>25,453</b>	<b>29,381</b>	<b>33,677</b>	<b>38,328</b>
<b>Equity</b>				
Equity Share Capital	594	594	594	594
Other Equity	19,479	22,854	26,552	30,616
<b>Total Network</b>	<b>20,073</b>	<b>23,448</b>	<b>27,146</b>	<b>31,210</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	179	189	199	209
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	2,204	2,547	2,935	3,312
Other current liabilities	2,966	3,166	3,366	3,566
<b>Total Equity &amp; Liabilities</b>	<b>25,453</b>	<b>29,381</b>	<b>33,677</b>	<b>38,328</b>

Source: Company Data, PL Research



**Cash Flow (Rs m)**

Y/e Dec	CY17	CY18	CY19E	CY20E
PBT	6,406	7,265	7,955	8,865
Add. Depreciation	633	650	652	786
Add. Interest	1	-	-	-
Less Financial Other Income	135	206	195	120
Add. Other	371	-	-	-
Op. profit before WC changes	7,411	7,915	8,607	9,651
Net Changes-WC	(901)	(978)	(899)	(868)
Direct tax	(1,748)	(1,432)	(1,564)	(1,842)
<b>Net cash from Op. activities</b>	<b>4,762</b>	<b>5,505</b>	<b>6,145</b>	<b>6,941</b>
Capital expenditures	(954)	(1,200)	(1,200)	(1,200)
Interest / Dividend Income	17	-	-	-
Others	(1)	(100)	(100)	(100)
<b>Net Cash from Inv. activities</b>	<b>(938)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>
Issue of share cap. / premium	(1,367)	-	-	-
Debt changes	-	-	-	-
Dividend paid	(1,428)	(2,458)	(2,693)	(2,960)
Interest paid	(1)	-	-	-
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(2,796)</b>	<b>(2,458)</b>	<b>(2,693)</b>	<b>(2,960)</b>
<b>Net change in cash</b>	<b>1,029</b>	<b>1,747</b>	<b>2,152</b>	<b>2,682</b>
Free Cash Flow	3,806	4,305	4,945	5,741

Source: Company Data, PL Research

**Key Financial Metrics**

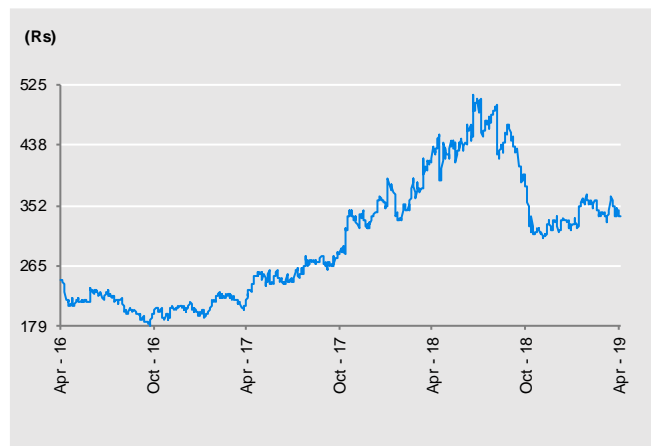
Y/e Dec	CY17	CY18	CY19E	CY20E
<b>Per Share(Rs)</b>				
EPS	16.8	19.7	21.5	23.7
CEPS	19.0	21.8	23.7	26.3
BVPS	67.6	79.0	91.5	105.2
FCF	12.8	14.5	16.7	19.3
DPS	4.0	6.9	7.5	8.3
<b>Return Ratio(%)</b>				
RoCE	33.5	32.4	30.7	30.0
ROIC	33.5	35.0	35.1	36.2
RoE	26.6	26.8	25.3	24.1
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.3)	(0.4)
Debtor (Days)	50	50	50	50
<b>Valuation(x)</b>				
PER	19.8	16.9	15.4	14.1
P/B	4.9	4.2	3.6	3.2
P/CEPS	17.5	15.2	14.0	12.6
EV/EBITDA	13.5	11.9	10.6	9.1
EV/Sales	2.4	2.0	1.7	1.4
Dividend Yield (%)	1.2	2.1	2.3	2.5

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Dec	Q2CY18	Q3CY18	Q4CY18	Q1CY19
<b>Net Revenue</b>	<b>11,367</b>	<b>12,096</b>	<b>12,524</b>	<b>12,640</b>
YoY gr. (%)	15.6	21.8	24.6	20.5
Raw Material Expenses	7,659	8,038	8,476	8,781
Gross Profit	3,708	4,058	4,048	3,859
Margin (%)	32.6	33.5	32.3	30.5
<b>EBITDA</b>	<b>1,773</b>	<b>2,023</b>	<b>1,913</b>	<b>1,887</b>
YoY gr. (%)	9.0	14.1	(5.4)	(1.4)
Margin (%)	15.6	16.7	15.3	14.9
Depreciation / Depletion	182	159	158	148
<b>EBIT</b>	<b>1,591</b>	<b>1,864</b>	<b>1,755</b>	<b>1,739</b>
Margin (%)	14.0	15.4	14.0	13.8
Net Interest	-	-	-	-
Other Income	327	264	(215)	(42)
<b>Profit before Tax</b>	<b>1,918</b>	<b>2,128</b>	<b>1,540</b>	<b>1,697</b>
Margin (%)	16.9	17.6	12.3	13.4
Total Tax	384	406	306	312
Effective tax rate (%)	20.0	19.1	19.9	18.4
<b>Profit after Tax</b>	<b>1,534</b>	<b>1,722</b>	<b>1,234</b>	<b>1,385</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,534</b>	<b>1,722</b>	<b>1,234</b>	<b>1,385</b>
YoY gr. (%)	25.3	21.3	1.9	3.1
Margin (%)	13.5	14.2	9.9	11.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,534</b>	<b>1,722</b>	<b>1,234</b>	<b>1,385</b>
YoY gr. (%)	25.3	21.3	1.9	3.1
Margin (%)	13.5	14.2	9.9	11.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,534</b>	<b>1,722</b>	<b>1,234</b>	<b>1,385</b>
Avg. Shares O/s (m)	300	302	302	302
<b>EPS (Rs)</b>	<b>5.1</b>	<b>5.7</b>	<b>4.1</b>	<b>4.6</b>

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	3-May-18	Reduce	425	451
2	10-Jul-18	Reduce	425	468
3	24-Jul-18	BUY	460	496
4	5-Oct-18	Hold	475	409
5	25-Oct-18	Accumulate	430	351
6	7-Jan-19	Accumulate	430	332
7	31-Jan-19	Accumulate	384	323
8	5-Apr-19	Reduce	325	360

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Accumulate	621	595
2	HCL Technologies	BUY	1,186	1,093
3	Hexaware Technologies	Reduce	325	360
4	Infosys	Accumulate	782	748
5	L&T Technology Services	Accumulate	1,807	1,609
6	Larsen & Toubro Infotech	BUY	2,032	1,652
7	Mindtree	Reduce	873	972
8	Mphasis	Accumulate	1,090	975
9	NIIT Technologies	BUY	1,539	1,348
10	Persistent Systems	Hold	653	627
11	Redington (India)	BUY	108	98
12	Sonata Software	Accumulate	400	346
13	Tata Consultancy Services	BUY	2,312	2,013
14	TeamLease Services	Hold	3,203	3,031
15	Tech Mahindra	BUY	886	777
16	Wipro	Hold	247	281
17	Zensar Technologies	Accumulate	256	231

**PL's Recommendation Nomenclature (Absolute Performance)**

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



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