

August 14, 2017

Rating matrix		
Rating	:	Sell
Target	:	₹ 1145
Target Period	:	12 months
Potential Upside	:	-11%

What's changed?		
Target		Unchanged
EPS FY18E	Changed from ₹ 79.5 to ₹ 80.4	
EPS FY19E	Changed from ₹ 88 to ₹ 88.2	
Rating		Unchanged

Quarterly performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	333.2	340.3	(2.1)	331.5	0.5
EBITDA	100.4	126.1	(20.4)	111.6	(10.1)
EBITDA (%)	30.1	37.0	-692 bps	33.7	-354 bps
PAT	79.3	96.0	(17.4)	75.0	5.8

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	1,314	1,330	1,286	1,426
EBITDA	481	469	423	476
Net Profit	342	354	322	353
EPS (₹)	82.2	86.4	80.4	88.2

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	15.6	14.8	15.9	14.5
Target P/E	13.9	13.3	14.2	13.0
EV / EBITDA	9.8	10.0	10.8	9.6
P/BV	4.9	4.3	3.8	3.4
RoNW (%)	31.3	29.1	23.9	23.7
RoCE (%)	40.0	34.5	28.9	29.4

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	5,297.5
Total Debt (₹ Crore)	1.1
Cash and Investments (₹ Crore)	355.7
EV (₹ Crore)	4,691.5
52 week H/L	1775 / 1260
Equity capital	39.7
Face value	10.0

Price performance				
	1M	3M	6M	12M
Cyient	(4.2)	(8.3)	5.8	(0.7)
Persistent	(6.2)	4.7	(0.6)	(9.3)
eClerx	(4.8)	(3.5)	(9.6)	(15.7)
Mastek	(10.3)	(18.0)	50.6	107.4

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## eClerx Services (ECLSER)

₹ 1280

### Tones down margin commentary...

- eClerx Services (eClerx) reported Q1FY18 earnings, where US\$ revenue was in line with our expectations while margins missed our estimates
- US\$ revenues grew 1.9% QoQ to \$48.8 million in line with our \$48.6 million estimate. In constant currency, revenues grew 1.4% QoQ
- Revenues in rupees grew 0.5% QoQ at ₹ 333.2 crore and were above our 3.2% decline and ₹ 320.9 crore estimates (average rupee realised: 68.3 vs. 65.5 assumed)
- At 30.1%, EBITDA margins declined 350 bps QoQ and were below our estimate of 31.7% and 200 bps decline. The EBITDA margin decline was led by an increase in employee expenses (8.8% QoQ) and selling & distribution expenses (4.2% QoQ increase)
- Reported PAT of ₹ 79.4 crore was above our ₹ 74.6 crore estimate led by better-than-expected revenue and higher other income (₹ 8.2 crore vs. loss of 7.2 crore in Q4FY17)

### Revenue to decline 2-4% sequentially in Q2FY18 ...

eClerx' dollar revenues grew 1.9% QoQ to \$48.8 million. In constant currency, revenues grew 1.4% QoQ. Even dollar revenues from Top 10 clients (75% of revenues) grew 3.3% sequentially to \$36.6 million after declining for five consecutive quarters. However, eClerx' \$ revenues are expected to decline 2-4% in Q2FY18 on account of ramp down by top 3 clients. Thereafter, the management expects revenues to stabilise in H2FY18 as the company is seeing healthy deal pipeline (half of them in digital space). Overall, we expect eClerx' revenues to remain flattish at \$193 million in FY18E and grow 10.2% YoY to \$213 million in FY19E.

### Lowers EBIT margin guidance to 29% in FY18E...

eClerx' EBIT margin declined 270 bps QoQ at 26.9% mainly on account of wage hike & increase in both, onshore & offshore delivery employees (240 bps) & exchange rate headwinds (150 bps). In Q1FY18, the company also opened onshore delivery centre in North Carolina which is likely to have impact of 50-100 bps in FY18E. This, coupled with currency headwind, eClerx now expects its EBIT margin to come down to ~29% in FY18E vs. 30% guided earlier. Overall, we incorporate EBIT margin of 29%, 29.5% in FY18E, FY19E, respectively.

### Definitive agreement to purchase TwoFour Holdings LLC assets...

eClerx entered into a definitive agreement to purchase TwoFour Holdings LLC assets. The purchase is expected to contribute 1% to revenues in FY18E, which is contingent upon closing in Q2FY18. In terms of emerging accounts, it grew 0.8% sequentially at 12.4% after growing strongly at 9.9% in Q4FY17. Going ahead, the management anticipates emerging accounts to showcase better performance on the back of stronger deal pipeline offsetting impact of ramp down by top clients.

### Weak growth with margin headwind; maintain SELL...

Continued weakness among top 10 clients and decline in EBIT margin on account of ramp up in onshoring capabilities & currency headwinds would weight on eClerx earnings. We expect eClerx' revenues to grow 3.6% with earnings remaining flattish with 180 bps decline in EBIT margin at 29.5% in FY17-19E. Hence, we maintain our **SELL** recommendation on the stock with a revised target price of ₹ 1145 based on 13x FY19E EPS.

## Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Comments
Revenue	333.2	320.9	340.3	-2.1	331.5	0.5	\$ revenues grew 1.5% QoQ and were in line with our expectation
Employee expenses	143.2	134.4	132.5	8.0	131.6	8.8	
Gross Margin	190.0	186.4	207.8	-8.6	199.9	-5.0	
Gross margin (%)	57.0	58.1	61.1	-403 bps	60.3	-328 bps	
SG&A expenses	89.6	84.7	81.7	9.7	88.3	1.5	
EBITDA	100.4	101.7	126.1	-20.4	111.6	-10.1	
EBITDA Margin (%)	30.1	31.7	37.0	-692 bps	33.7	-354 bps	EBITDA margins declined 350 bps led by hike in wage cost & opening of onshore delivery center in North Carolina
Depreciation & amortisation	10.9	13.3	12.0	-9.0	13.7	-20.6	
EBIT	89.5	88.5	114.1	-21.6	97.9	-8.6	
EBIT Margin (%)	26.9	27.6	33.5	-667 bps	29.5	-267 bps	
Other income (less interest)	8.2	8.4	10.0	21.8	-7.2	-214.2	
PBT	97.7	96.9	124.1	-21.3	90.7	7.7	
Tax paid	18.5	22.3	28.1	-34.2	15.9	16.6	
PAT	79.3	74.6	96.0	-17.4	75.0	5.8	PAT was higher than our expectation despite subdued EBITDA margin mainly due to higher other income and lower tax rate

## Key Metrics

Closing employees	9,053	8,700	8,827	2.6	8,737	3.6	Sequentially, headcount increased by 316
Attrition (%)	40.8	35.0	30.4	1040 bps	34.3	650 bps	Attrition grew QoQ and stands at highly elevated levels
Utilisation (%)	0.0	70.0	68.7	-6870 bps	68.9	-6890 bps	
Average \$/₹	68.3	66.0	67.8	0.7	69.2	-1.3	

Source: Company, ICICIdirect.com Research

## Change in estimates

(₹ Crore)	FY18E			FY19E		
	Old	New	% Change	Old	New	% Change
Revenue	1,281	1,275	-0.5	1,406	1,406	0.0
EBITDA	446	444	-0.5	492	492	0.0
EBITDA Margin (%)	34.8	34.8	0 bps	35.0	35.0	0 bps
PAT	319	318	-0.2	353	352	-0.2
EPS (₹)	79	79	-0.2	88	88	-0.2

Source: Company, ICICIdirect.com Research

## Assumptions

	FY15	FY16	FY17	Current FY18E	Earlier FY18E	Introduced FY19E	Earlier FY19E	Comments
Closing employees	8,100	8,862	8,737	8,837	8,837	9,244	9,244	
Attrition (%)	28.3	33.1	34.8	35.0	35.0	35.0	35.0	
Utilisation (%)	73.0	76.9	78.3	76.5	77.0	79.0	79.0	
Average \$/₹	61.2	66.0	68.5	66.0	65.9	67.0	67.0	

Source: Company, ICICIdirect.com Research

### Conference call highlights...

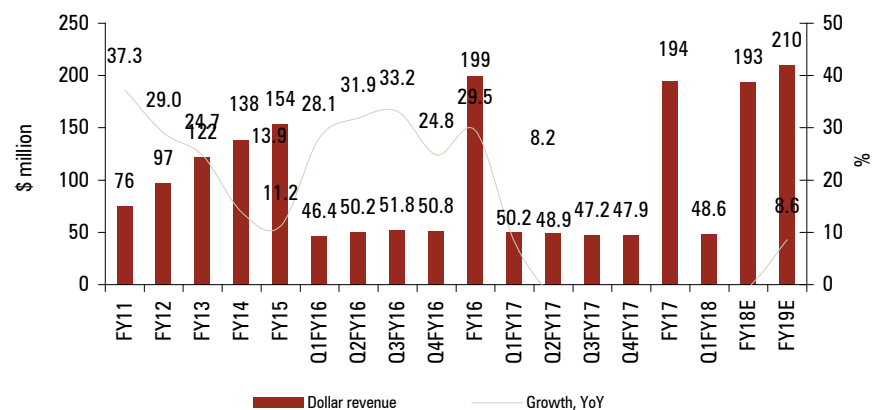
- **Revenue Outlook** – The management expects \$ revenues to decline 2-4% in Q2FY18 due to ramp down by three large clients, which contributes ~5% to revenues. Post that, the company expects revenues to stabilise in H2FY18. In terms of demand environment, the company continues to healthy deal pipeline. The company is seeing half of new business win in digital space. In terms of new logo win, it won it from one of Top 3 global auto players and multibillionaire retailer in the US.
- **Margins**- The management expects its EBIT margin to decline to 29% in FY18% vs. 30% guided earlier mainly on account of currency headwind as well as new onshore centre opened in North Carolina, which will have additional impact of 50-100 bps in FY18E. In our view, with a shift in delivery model towards onshore model, eClerx margin should remain lower at these levels in FY19E.
- **Employee update**- Employee headcount was at 9053 (vs. 8737 in Q4FY17) with net addition of 316 employees. Attrition for the fiscal was at 40.8%, which surged drastically from 34.8% in FY17 owing to some mismatch of skills among few employees. Staff utilisation was at 76.8% in Q1FY18 vs. 76.0% in Q4FY17. It should see improvement in utilisation only from H2FY18 as Q2FY18 is expected to see ramp down from top three clients in Q2FY18
- **Cash position**- The company has cash & cash equivalent of ₹ 642.9 crore
- **Capex**- The company incurred capex worth ₹ 8.7 crore in Q1FY18 vs. ₹ 4.3 crore in Q4FY17. Overall, the company expects capex to remain at similar level of FY17 at ₹ 21.1 crore
- **DSO Days** - DSO days was at 88 days at Q1FY18 (vs. 85 days in Q4FY17)
- **Hedge Position**- Forward hedge-book stood at US\$ 139.7 million with average strike rate of ₹ 71.0 and expects US\$ 83 million to convert into operating revenues by FY18E at ₹ 71.4.

## Company Analysis

### Dollar revenues to grow at 4.7% CAGR during FY17-FY19E

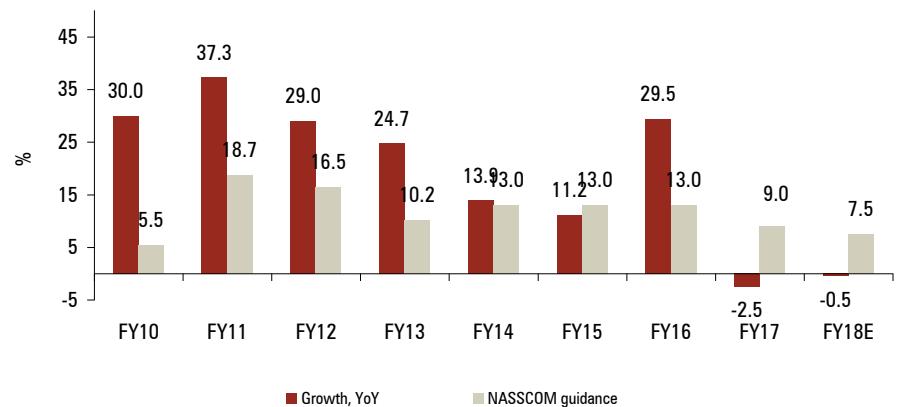
eClerx' dollar revenues grew 1.9% QoQ to \$48.8 million. In constant currency, revenues grew 1.4% QoQ. Even dollar revenues from Top 10 clients (75% of revenues) grew 3.3% sequentially to \$36.6 million. However, eClerx' dollar revenues are expected to decline 2-4% in Q2 FY18 on account of a ramp down by top three clients. Thereafter, the management expects revenues to stabilise in H2FY18 as the company is seeing healthy deal pipeline (half of them in digital space). Overall, we anticipate eClerx' revenues will remain flattish at \$193 million in FY18 and grow 10.2% YoY to \$213 million in FY19. This translates into 4.7% CAGR revenues growth in \$ revenues during FY17-19E.

**Exhibit 1: \$ revenues may grow at 4.7% CAGR during FY17-19E**



Source: Company, ICICIdirect.com Research

**Exhibit 2: eClerx vs. Nasscom guidance**



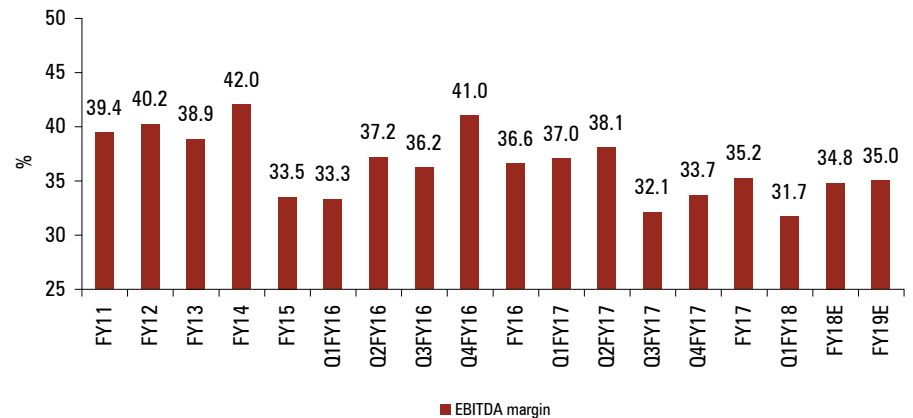
Source: Company, ICICIdirect.com Research

### Lowers EBIT margin guidance to 29% in FY18E...

eClerx' EBIT margin declined 270 bps QoQ at 26.9% mainly on account wage hike & increase in both onshore & offshore delivery employees (240 bps) & exchange rate headwinds (150 bps). In Q1FY18, the company also opened onshore delivery centre in North Carolina, which is likely to have an impact of 50-100 bps in FY18. This coupled with currency headwind eClerx now expects its EBIT margin to come down to ~29% in FY18 vs.

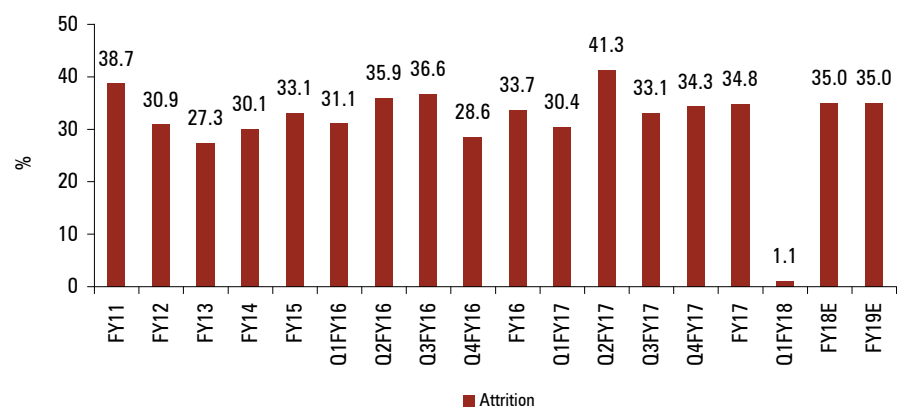
30% guided earlier. We incorporate EBIT margin of 29%, 29.5% in FY18, FY19, respectively.

**Exhibit 3: FY18E margin may decline in FY18**



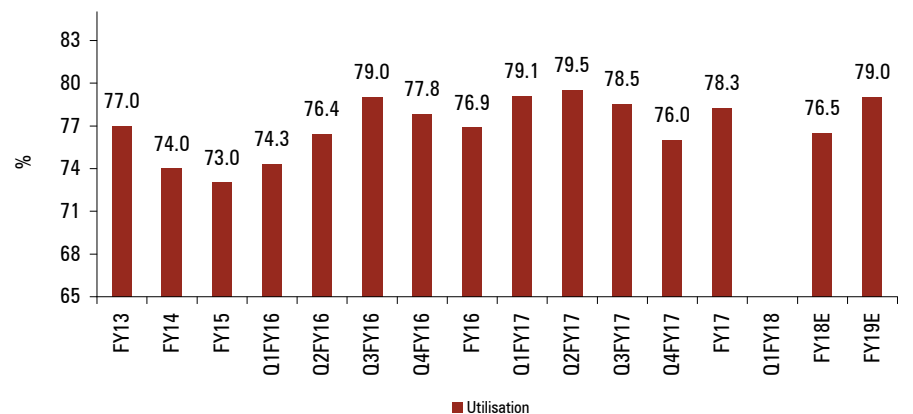
Source: Company, ICICIdirect.com Research

**Exhibit 4: Attrition at 34.8% in FY17; still at elevated levels**



Source: Company, ICICIdirect.com Research

**Exhibit 5: Utilisation increases 140 bps YoY in FY17, may be under pressure in FY18E**

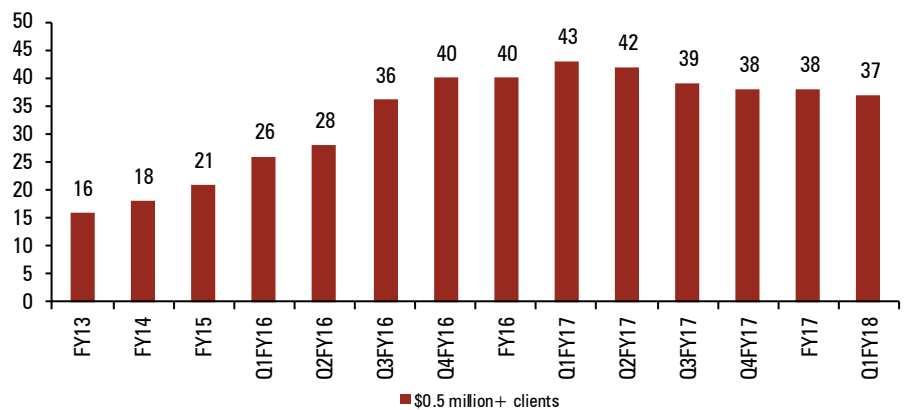


Source: Company, ICICIdirect.com Research

### Clients count contributing \$0.5 million+ now stand at 37 ...

In the direction of client count in FY17 vs. FY16, client count declined by two to 38 in \$0.5 million+ bucket due to certain projects getting completed in digital vertical. In Q1FY18, it has further come down to 37. In terms of \$ revenues from Top 10 clients (75% of revenues) grew 3.3% sequentially to \$36.6 million. The growth in top 10 client was witnessed after five consecutive quarters revenues decline. However, eClerx' \$ revenues are again expected to decline 2-4% in Q2 FY18 on account of ramp down by top three clients. In terms of emerging accounts, it grew 0.8% sequentially to \$12.4% after growing strongly at 9.9% in Q4FY17.

**Exhibit 6: In FY17, clients contributing \$0.5 million+ in revenues declined by two**



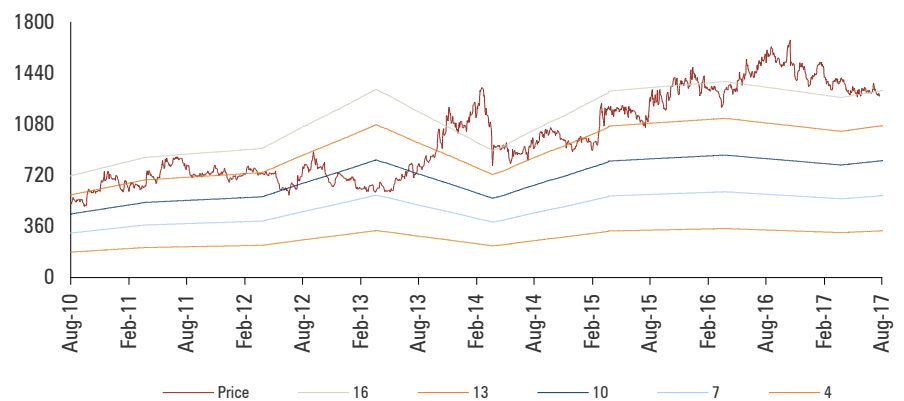
Source: Company, ICICIdirect.com Research

## Outlook and Valuation

eClerx reported Q1FY18 earnings, where US\$ revenue was in line with our expectations while margins missed our estimates on account of higher employee expenses and selling & distribution expenses. The management expects 2-4% decline in \$ revenues in Q2FY18E due to ramp down by top three clients. Thereafter, it expects revenues to stabilise in H2FY18 on account of healthy deal pipeline.

We maintain our **SELL** rating on eClerx as continued weakness among top 10 clients and decline in EBIT margin on account ramp up in onshoring capabilities & currency headwinds would weight on eClerx' earnings. We expect eClerx' revenues to grow 3.6% while earnings to remain flattish with 180 bps decline in EBIT margin at 29.5% in FY17-19E. We value the stock at ₹ 1145 based on 13x FY19 EPS.

**Exhibit 7: One year forward rolling PE**



Source: Company, ICICIdirect.com Research

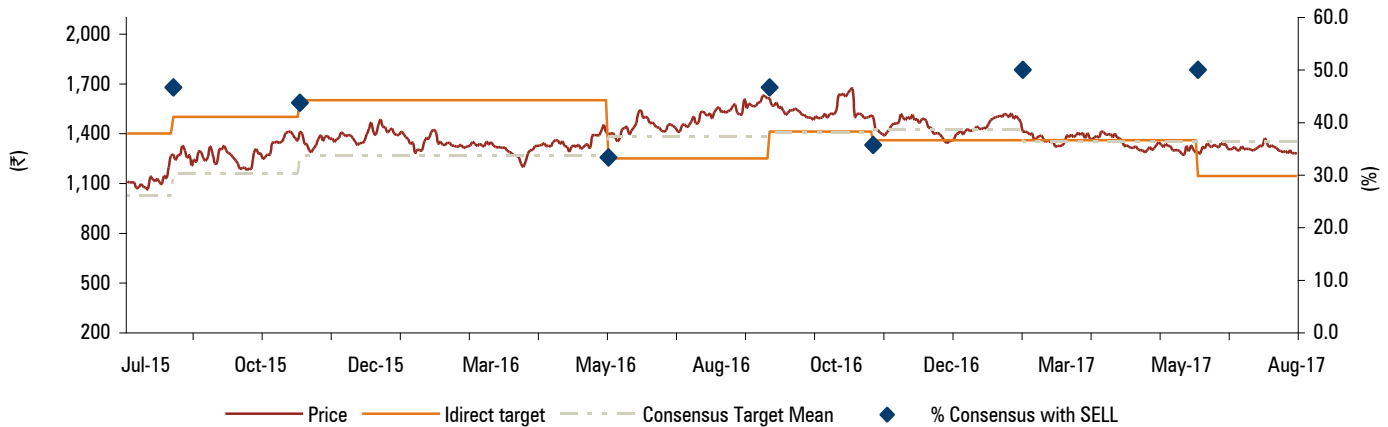
**Exhibit 8: Valuations**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	1,314	39.5	82.2	47.5	15.6	9.8	31.3	40.0
FY17	1,330	1.2	86.4	5.1	14.8	10.0	29.1	34.5
FY18E	1,286	(3.3)	80.4	(6.9)	15.9	10.8	23.9	28.9
FY19E	1,426	10.9	88.2	9.6	14.5	9.6	23.7	29.4

Source: Company, ICICIdirect.com Research



## Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

## Key events

Date	Event
Oct-12	Reports \$29.8 million revenue (6% QoQ growth) and 32.5% EBIT margins for Q2FY13, below our \$30.5 million and 34.1% estimate, respectively
Aug-13	Approves buyback of shares at maximum ₹ 825 per share
Jul-14	Reports muted Q1FY15 revenue growth led by weakness in top 5 clients (cable and sales & marketing). Margins decline 600 bps
Jan-15	Q3FY15 was yet another disappointing quarter where dollar revenue growth and margins came below our estimates led by degrowth in top 5 clients
Mar-15	Acquires CLX Europe for €25 million. CLX had revenues of €19.4 million in CY14 with EBITDA of €4.5 million and PAT of €500,000
May-15	During Q4FY15, revenue growth came above our estimates led by emerging accounts while margins continue to decline sequentially
Jun-15	Reports steady Q1FY16 earnings as revenue growth was in line but margins were above our estimates. Growth was led by CLX integration and recovery in top 5 clients
Nov-15	Reports good set of Q2FY16 earnings as both revenue and margins were above our estimates. Growth was led by CLX and top 5 clients
Aug-16	Reports Q2FY17 numbers, which were marginally below our estimates
Oct-16	Eclerx finalises buyback price of ₹ 2000 per share with final amount of buyback at ₹ 234 crore
Nov-16	Eclerx to commence its ₹ 234 crore buyback on November 28, 2016 and close on December 9, 2016
Dec-16	Eclerx step-down subsidiary Agilyst Inc US, to be merged with eclerx LLC US, its wholly-owned subsidiary for administrative convenience and to maintain a lean organisational structure
Dec-16	eClerx completes buy-back programme worth ₹ 234 crore. Buy-back undertaken on proportionate basis by way of tender offer for cash at ₹ 2000 per equity shares constituted 11,70,000 shares representing 2.87% of total paid-up equity share capital

Source: Company, ICICIdirect.com Research

## Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Malik (Anjan)	30-Jun-17	25.0%	10.0	0.0
2	Mundhra (Priyadarshan)	30-Jun-17	25.0%	10.0	0.0
3	Matthews International Capital Management, L.L.C.	21-Dec-15	7.9%	3.2	-0.2
4	Fidelity Management & Research Company	31-Mar-16	4.5%	1.8	1.8
5	Franklin Templeton Asset Management (India) Pvt. Ltd.	30-Jun-17	3.4%	1.4	0.0
6	UTI Asset Management Co. Ltd.	30-Jun-17	2.9%	1.2	0.0
7	PineBridge Investments Asia Limited	30-Jun-17	2.9%	1.2	0.0
8	SBI Funds Management Pvt. Ltd.	30-Jun-17	2.2%	0.9	0.0
9	HDFC Asset Management Co., Ltd.	30-Jun-17	1.6%	0.6	-0.6
10	IIFL Inc	30-Jun-17	1.6%	0.6	0.0

Source: Reuters, ICICIdirect.com Research

## Shareholding Pattern

(in %)	Dec-16	Mar-17	Jun-17
Promoter	50.44	50.28	50.21
Public	49.50	49.53	49.49
Others	0.06	0.19	0.30
Total	100.00	100.00	100.00

## Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Malabar Investments, L.L.C.	9.3m	0.5m	HDFC Asset Management Co., Ltd.	11.3m	0.6m
Stichting Depository APG Emerging Markets Equity Pool	8.5m	0.4m	Goldman Sachs Asset Management International	5.9m	0.3m
APG Asset Management	7.5m	0.3m	ABN AMRO Investment Solutions (AAIS)	0.6m	0.0m
Eclerx Employee Welfare Trust	1.0m	0.0m	L&T Investment Management Limited	0.5m	0.0m
Franklin Templeton Asset Management (India) Pvt. Ltd.	0.8m	0.0m	Malik (Pawan)	0.3m	0.0m

Source: Reuters, ICICIdirect.com Research



## Financial summary

Profit and loss statement	₹ Crore			
	FY16	FY17	FY18E	FY19E
Total Revenues	1,314	1,330	1,286	1,426
Growth (%)	39.5	1.2	(3.3)	10.9
Employee expenses	503	525	533	586
Other Expenditure	331	337	331	364
EBITDA	481	469	423	476
Growth (%)	52.3	(2.5)	(9.7)	12.6
Depreciation	57	52	50	56
Other Income	37	19	30	32
Interest expense	-	0	-	-
PBT before Exceptional Items	461	436	403	453
Growth (%)	54.7	(5.5)	(7.5)	12.4
Tax	118	82	81	100
PAT before Exceptional Items	343	354	322	353
Exceptional items	-	-	-	-
PAT before MI	343	354	322	353
Minority Int & Pft. from associates	0	(0)	-	-
PAT	342	354	322	353
Growth (%)	49.0	3.4	(9.0)	9.6
EPS	82	86	80	88
EPS (Growth %)	47.5	5.1	(6.9)	9.6

Source: Company, ICICIdirect.com Research

Balance sheet	₹ Crore			
	FY16	FY17	FY18E	FY19E
Equity	41	40	40	40
Reserves & Surplus	1,052	1,176	1,309	1,454
Networth	1,093	1,215	1,348	1,494
Minority Interest	1	0	0	0
Loans	4	1	-	-
Other liabilities	55	46	46	46
Source of funds	1,148	1,260	1,394	1,540
Gross Block	123	139	204	275
Acc.dep	36	69	119	175
Net Block	87	70	84	100
CWIP	-	2	2	2
Other Intangible assets	67	55	55	55
Other non current assets	49	59	59	59
Investments	219	251	251	251
Goodwill	211	200	200	200
Debtors	186	214	108	249
Cash & Cash equivalents	328	356	473	461
Loans and advances	-	-	84	93
Other current assets	141	191	197	201
Trade payables	14	13	3	3
Current liabilities	53	46	39	43
Provisions	74	77	77	86
Application of funds	1,148	1,260	1,393	1,539

Source: Company, ICICIdirect.com Research

Cash flow statement	₹ Crore			
	FY16	FY17	FY18E	FY19E
Net profit before Tax	461	436	403	453
Depreciation	57	52	50	56
(inc)/dec in Current Assets	(63)	(33)	42	(148)
(inc)/dec in current Liabilities	(113)	(103)	(81)	(100)
CF from operations	419	312	342	235
Other Investments	(63)	(30)	-	-
Other income	37	19	30	-
(Purchase)/Sale of Fixed Assets	(52)	(30)	(64)	(71)
CF from investing Activities	(165)	(170)	(34)	(39)
Inc / (Dec) in Equity Capital	14	(2)	-	-
Dividend & Dividend tax	(128)	(5)	(189)	(208)
Interest Paid on Loans	(0)	(0)	-	-
CF from Financial Activities	(165)	(245)	(190)	(208)
Exchange rate differences	(3)	(6)	-	-
Opening cash balance	287	328	356	473
Other adjustments	(45)	135	-	-
Closing cash	328	356	473	461

Source: Company, ICICIdirect.com Research

Key ratios	FY16	FY17	FY18E	FY19E
Per share data (₹)				
EPS	82.2	86.4	80.4	88.2
Cash EPS	95.8	99.0	93.0	102.1
BV	262.3	296.5	336.4	372.8
DPS	1.0	1.0	40.2	44.1
Cash Per Share	78.9	86.8	118.0	115.2
Operating Ratios (%)				
EBITDA Margin	36.6	35.2	32.9	33.4
PBT Margin	35.1	32.8	31.3	31.8
PAT Margin	26.0	26.6	25.1	24.8
Debtor days	52	59	31	64
Creditor days	4	4	1	1
Return Ratios (%)				
RoE	31.3	29.1	23.9	23.7
RoCE	40.0	34.5	28.9	29.4
RoIC	154.9	122.8	105.3	82.3
Valuation Ratios (x)				
P/E	15.6	14.8	15.9	14.5
EV / EBITDA	9.8	10.0	10.8	9.6
EV / Net Sales	3.6	3.5	3.5	3.2
Market Cap / Sales	4.0	4.0	4.1	3.7
Price to Book Value	4.9	4.3	3.8	3.4
Solvency Ratios				
Debt/EBITDA	0.0	0.0	-	-
Debt / Equity	0.0	0.0	-	-
Current Ratio	2.3	3.0	3.3	4.1
Quick Ratio	2.3	3.0	3.3	4.1

Source: Company, ICICIdirect.com Research

## ICICIdirect.com coverage universe (IT)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE(%)		
	(₹)	TP(₹)	Rating		FY16	FY17P	FY18E	FY16	FY17P	FY18E	FY16	FY17P	FY18E	FY16	FY17P	FY18E	FY16	FY17P	FY18E
Cyient (INFENT)	491	545	Hold	5,528	29.0	30.5	35.2	17.0	16.1	14.0	11.6	9.7	7.6	20.3	19.7	20.7	17.8	16.2	16.8
Eclerx (ECLSER)	1,280	1,145	Sell	5,277	82.2	86.4	80.4	15.6	14.8	15.9	9.8	10.0	10.8	40.0	34.5	28.9	31.3	29.1	23.9
Firstsource (FIRSOU)	35	40	Buy	2,323	3.9	4.1	4.0	8.7	8.2	8.4	7.7	6.8	6.2	11.6	11.7	11.7	14.7	13.8	11.9
HCL Tech (HCLTEC)	860	930	Hold	121,406	52.1	60.0	59.7	16.5	14.3	14.4	12.8	10.4	9.8	31.2	30.3	30.6	26.9	26.6	25.5
Infosys (INFTEC)	982	1,040	Hold	224,438	59.0	62.8	64.7	16.6	15.6	15.2	11.1	10.5	10.7	30.2	28.8	31.2	21.8	20.8	22.4
KPIT Tech (KPISYS)	112	140	Hold	2,229	14.1	10.6	9.9	7.9	10.5	11.3	4.7	6.1	6.2	23.7	16.3	14.9	20.4	15.4	11.7
Mindtree (MINCON)	467	470	Hold	7,842	32.9	24.9	26.9	14.2	18.8	17.4	9.0	10.1	10.5	29.1	21.2	24.2	22.9	16.2	18.8
NIIT Technologies (NIITEC)	486	575	Hold	1,741	45.8	43.5	44.7	10.6	10.2	10.9	2.8	2.4	2.2	30.5	30.0	27.8	17.6	15.0	13.9
Persistent (PSYS)	610	700	Buy	4,879	37.2	37.6	38.8	17.1	16.9	16.4	10.8	9.9	9.0	23.4	20.7	19.4	17.7	15.9	14.6
TCS (TCS)	2,469	2,400	Hold	483,603	122.9	133.4	133.1	20.1	18.5	18.5	14.8	13.6	13.6	42.2	38.0	37.6	33.1	29.8	29.5
Tech Mahindra (TECMAH)	402	450	Hold	39,505	31.7	31.7	32.4	12.7	12.7	12.4	8.3	8.4	7.6	22.3	19.4	17.3	20.5	17.1	15.5
Wipro (WIPRO)	288	285	Hold	70,937	22.6	17.5	18.1	12.7	16.5	15.9	4.7	4.3	5.3	19.6	16.8	17.3	19.1	16.3	17.0

Source: Company, ICICIdirect.com Research

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