

Indian IT Services

Looking Ahead at CY14 – Make Hay While the Sun Shines!

- **Stay constructive going into CY14** — Despite ~50% outperformance in CY13, we remain positive on the sector: (1) Demand has been the key variable driving the sector – and continues to be encouraging. Past cycles show that momentum usually sustains for 6-8 quarters once it picks up from lows; (2) relative stability on factors like currency, immigration bill; (3) P/E at ~14-16x (ex TCS) offer room for re-rating, though previous peaks are unlikely to be scaled. *Our top picks remain Wipro/HCLT.*
- **Demand environment: should continue to shine** — Given the good deal wins, we expect demand trends across the sector to remain positive through CY14 (excl. core ERP). Trends from larger global peers like IBM (ytd signings up ~17%) and ACN also continue to be encouraging on the services front.
- **Relatively more stability on other factors** — USD/INR has seen some stability in recent times, which should help. Companies have yet to see any negative impact on pricing in their discussions with clients. The noise around immigration reform has significantly abated in the recent months, although it remains a medium-term risk.
- **Taking lessons from the past** — As the industry matures, we see several similarities with the previous cycle of CY09-10:
 - **CY13 was a repeat of CY09** — Indian IT companies were operating in a tough macro environment and we entered the year with extreme pessimism. As we discussed in [Déjà Vu - Will CY13 Be a Repeat of CY09?](#), pent up demand helped a rebound in spends and BSEIT index saw ~50% outperformance, akin to CY09.
 - **Will CY14 be a repeat of CY10?** — We see the similarities continuing into CY14 as demand recovery continues and valuations appearing a little high on the back of a strong outperformance in the previous year. But even on the back of a strong CY09, CY10 saw BSEIT yielding ~32% returns (~15% outperformance). The general elections later this year are the wildcard; any sector rotation could dilute the “lack of choices” argument that has benefited the sector in the India context.
- **Stock selection to be key** — Unlike CY13, where returns in the sector were more broad-based, we expect stock selection to play a greater role this year. We continue to prefer stocks where expectations are relatively modest.
- **Expect Q3FY14 to be a quarter of consolidation** — Near term, we expect Q3 to see some seasonal weakness with ~2.5% to 3% qoq growth for the tier 1 companies. Bookings could likely be a little soft, given decision making is generally a little slow given the holiday season. Any correction in stocks around results should be an opportunity to buy, given the good medium-term outlook.

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Will CY14 be a Repeat of CY10?

CY13 was a repeat of CY09

- **We entered the year with extreme pessimism** — Going into the year, CY13 reminded us of CY09; Indian IT companies were operating in a tough macro environment and we entered the year with extreme pessimism. Reverse DCF analysis shows us that prevalent stock price of Infosys factored in a 10-year EBIT growth of ~5% CAGR going into CY13, similar to that in CY09.

Good returns in CY13 on the back of extreme pessimism entering the year...

Figure 1. Reverse DCF – Expectations for Infosys at the beginning of the year

	CY09	CY13	CY10	CY14
DCF Value (Prevalent stock price)	1,118	2,319	2,605	3,486
10 year EBIT growth (%)	4.9%	4.9%	19.4%	14.9%
Discounting Assumptions				
Terminal growth rate	4.0%	4.0%	4.0%	4.0%
Cost of equity	13.3%	13.3%	13.3%	13.3%

Source: Citi Research Estimates

- **Pent up demand helps a pick up?** — In [Déjà Vu - Will CY13 Be a Repeat of CY09?](#), we discussed how demand picks up after a few weak years of depressed tech spending (maybe helped by some pent up spend). Q3FY13 provided the initial signs, where the pipeline was building up. Q4, although muted, had most data points still suggesting an improving growth outlook ([Improving Demand and Inexpensive Valuations](#)). Q1 ([What to Do Post 40% Outperformance?](#)) saw the momentum pick up further – which continued into Q2 as well.

...Business momentum has only been picking up through the course of CY13

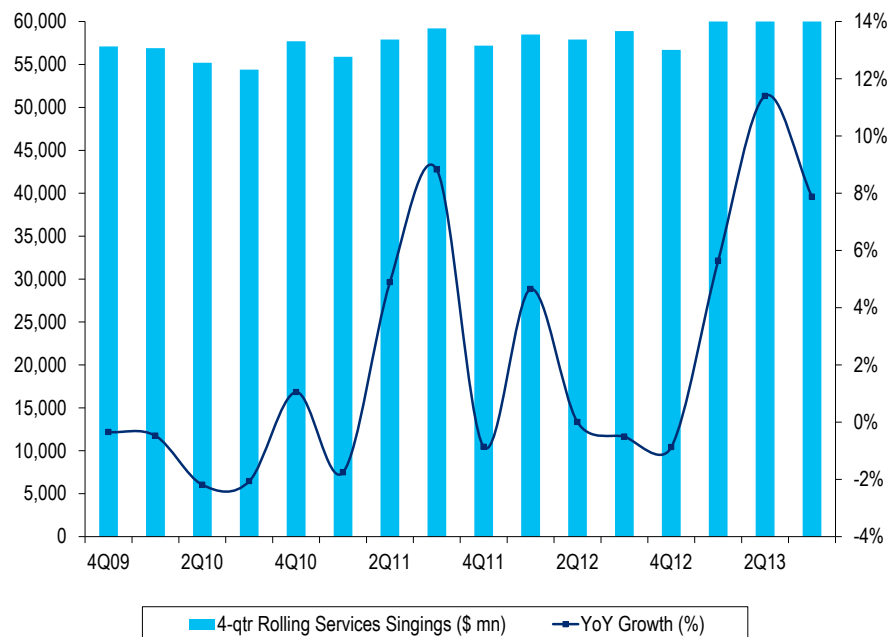
- **Rebound in spends helped strong outperformance** — As tech spending returned with macro environment stabilizing, the year delivered a strong outperformance. BSEIT index returned ~130% in CY09 (~50% outperformance). We saw a similar ~50% outperformance in CY13.

Demand Trends – Expect Momentum to Continue

- **Expect demand momentum to continue through CY14** — Deal wins for Indian IT companies have been picking up over the past couple of quarters. Although near term the pace is likely to cool off (given decision making on key discretionary projects is delayed in the holiday season), historically demand momentum coming out of a trough has sustained for 6-8 quarters. In this context, we expect demand trends to remain positive through CY14 (excl core ERP).
- **Global peers continue to report healthy signings** — Trends from larger global peers like IBM/Accenture continue to be encouraging on the services front. While IBM's 3Q13 signings were negatively impacted by government but YTD signings are up 17%. On a rolling 4-quarter basis, growth in signings has been amongst the highest in its history. Accenture surprised positively on bookings, coupled with some positive commentary on stabilizing enterprise spend.

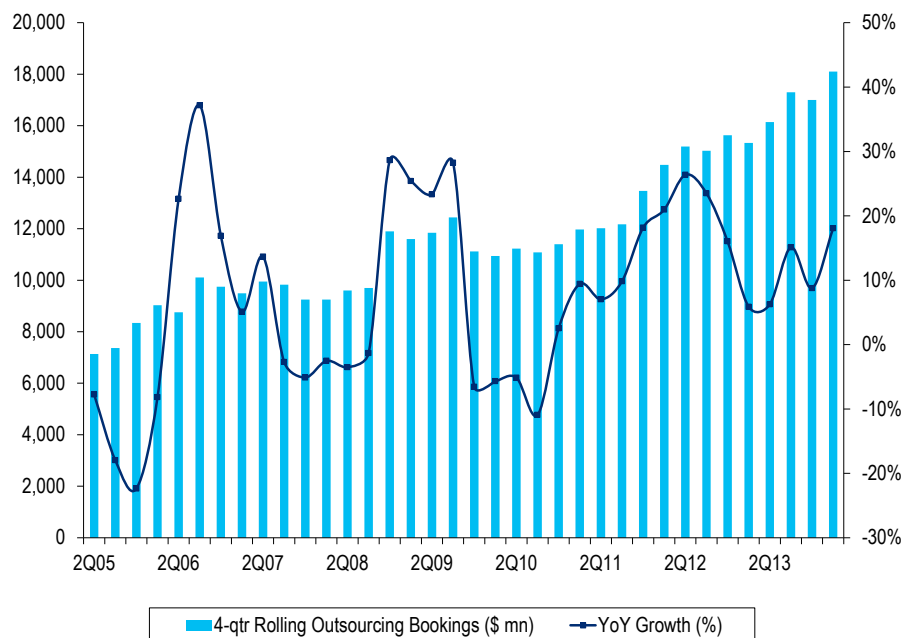
Expect momentum to continue - global peers have been reported strong trends. ERP “on-premise” business remains a relatively weak area though

Figure 2. IBM – Services Signings seeing good momentum



Source: Company Reports, Citi Research

Figure 3. Accenture – Outsourcing bookings seeing good traction



Source: Company Reports

The 12c should be a positive catalyst for Oracle in the quarters to come

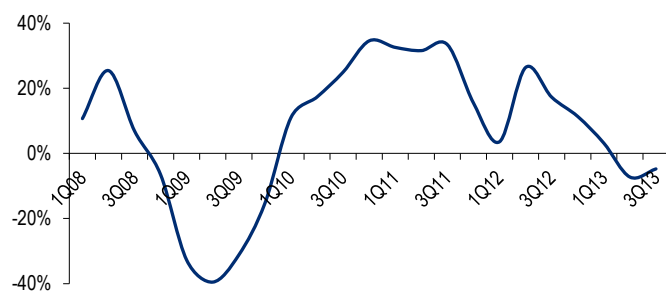
Core ERP continues to see some softness

- Weak results by global peers highlight the continuing challenges in ERP space. We would caution against building an immediate recovery on this front. However, trends here need to be keenly watched particularly given the impact of SaaS/Cloud on the ERP ecosystem; any pick-up could lend further upsidess to

overall growth. SAP results were not as bad as feared ([Q3 Results A Little Light, But Hold Up Better Than We Expected](#)), but core software revenue is declining at an accelerating pace (-15% in Q3 vs. -12% in Q2 and -8% in Q1).

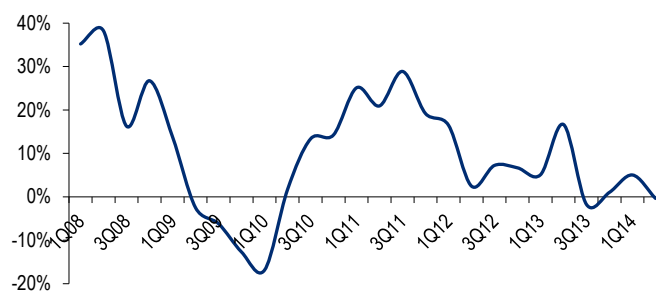
- However, there are pockets of opportunities. For SAP, trends from Europe were encouraging; software license grew 10% cc with strength in UK, Netherlands, Switzerland. For Oracle, our US software analyst discusses how the launch of the 12c database could lead to some uptick in license revenue growth in the coming quarters ([A Look at the Impact of 12c Multitenant Database](#)).

Figure 4. SAP — Software Revenue Growth (YoY)



Source: Company Reports

Figure 5. Oracle — New Software License Revenue Growth (YoY)



Source: Company Reports

Q3: A Quarter of Consolidation

- **Some seasonal weakness likely** — In the backdrop of some seasonal weakness setting in on account of the holiday season, we expect ~2.5% to 3% qoq growth for the tier 1 companies. Growth this quarter should be helped by some cross currency tailwind, driven by GBP/EUR.

Figure 6. Currency Movements

	2QFY14	3QFY14	Change (diff)	Change (%)
USD/INR				
Period end	62.59	61.81	-0.78	-1.2%
Average	62.02	61.98	-0.05	-0.1%
GBP/USD				
Period end	1.62	1.66	0.04	2.3%
Average	1.55	1.62	0.07	4.4%
EUR/USD				
Period end	1.35	1.37	0.02	1.6%
Average	1.33	1.36	0.04	2.7%
AUD/USD				
Period end	0.93	0.89	-0.04	-4.3%
Average	0.92	0.93	0.01	1.3%

Source: Powered by dataCentral

Figure 7. Indian IT Services – Q3FY14 Results Preview

Infosys	Dec'12	Sep'13	Dec'13E	QoQ	YoY	Key things to watch for
Revenue (\$ m)	1,911	2,066	2,117	2.5%	10.8%	* Sequentially, we expect ~2.5% revenue growth (\$-terms)
Revenue (Rs m)	104,240	129,650	130,711	0.8%	25.4%	* We expect margins to be up ~225bp qoq - largely due to reversal of provisions pertaining to visa matters
EBITDA (Rs m)	29,700	31,710	34,920	10.1%	17.6%	
EBITDA margin (%)	28.5%	24.5%	26.7%	226bp	-178bp	* Key things to watch - Changes to strategic direction (if any), comments on deal flow and demand environment
Net Profit (Rs m)	23,690	24,070	27,827	15.6%	17.5%	
TCS						
Revenue (\$ m)	2,948	3,337	3,431	2.8%	16.4%	* Expect revenue growth of ~3% in \$-terms
Revenue (Rs m)	160,699	209,772	211,878	1.0%	31.8%	* Margins to remain flattish in a narrow band
EBIT (Rs m)	43,809	63,295	63,500	0.3%	44.9%	* Key things to watch - Comments on demand environment, deal closures, pricing, and discretionary spends, initial view on CY14 IT budgets post discussions with clients
EBIT margin (%)	27.3%	30.2%	30.0%	-20bp	271bp	
Net Profit (Rs m)	35,518	47,017	52,913	12.5%	49.0%	
Wipro - IT Services						
Revenue (\$ m)	1,577	1,631	1,675	2.7%	6.2%	* At the company level, we expect revenues of ~Rs112bn with EBITDA margins of ~23% (flattish qoq) and PAT of Rs20.6bn
Revenue (Rs m)	86,018	100,679	103,009	2.3%	19.8%	
EBIT (Rs m)	17,917	22,644	23,280	2.8%	29.9%	* Q3 guidance for IT Services (\$1.66-1.69bn) implies ~1.8 to 3.6% qoq growth.
EBIT margin (%)	20.8%	22.5%	22.6%	11bp	177bp	* Key things to watch - Q4 revenue guidance, comments on large deal conversions
HCL Tech						
Revenue (\$ m)	1,154	1,270	1,311	3.2%	13.6%	* Expect revenue growth of ~3% in \$-term QoQ and margins to be down ~140bp as some of the currency benefits are reinvested
Revenue (Rs m)	62,783	79,610	80,978	1.7%	29.0%	
EBITDA (Rs m)	13,948	20,930	20,163	-3.7%	44.6%	* Expect cash generation to pick up post the seasonal weakness last quarter
EBITDA margin (%)	22.2%	26.3%	24.9%	-139bp	268bp	* Key things to watch - outlook for deal wins and ramp-ups, margin commentary, visibility of growth in software services
Net Profit (Rs m)	9,443	14,160	14,357	1.4%	52.0%	
Tech Mahindra						
Revenue (\$ m)	674.9	758.0	776.5	2.4%	15.0%	* Expect revenue growth of ~2.5%
Revenue (Rs m)	36,683	47,715	47,946	0.5%	30.7%	* Expect margins to be in a narrow band - wage hikes deferred to 4Q14
EBITDA (Rs m)	7,957	11,110	11,049	-0.6%	38.9%	* Key things to watch - outlook on BT/AT&T (the biggest clients), large deals in enterprise side, comments on synergies
EBITDA margin (%)	21.7%	23.3%	23.0%	-24bp	135bp	
Net Profit (Rs m)	6,155	7,184	7,383	2.8%	19.9%	
MindTree						
Revenue (\$ m)	109.9	124.0	127.6	2.9%	16.1%	* Expect revenue growth of ~3% (\$-term) sequentially
Revenue (Rs m)	5,901	7,696	7,878	2.4%	33.5%	* Margins expected to be down ~135bp due to partial impact of wage hikes and some hiring
EBITDA (Rs m)	1,204	1,598	1,530	-4.2%	27.1%	* Key things to watch - comments on volumes/pricing and margin leverage, large deal pipeline, outlook in PES
EBITDA margin (%)	20.4%	20.8%	19.4%	-134bp	-98bp	
Net Profit (Rs m)	988	1,287	893	-30.6%	-9.6%	

Source: Company Reports, Citi Research estimates

Figure 8. INR was relatively stable through Q3, post the sharp volatility in Q2



Source: Powered by dataCentral

Figure 9. Hedge position (end of September 2013)

Company	Hedge book (\$ mn)	JAS'13 Rev (\$ mn)	% of Qtrly revenue	Avg strike
TCS	\$1,092	\$3,337	33%	na
Infosys	\$1,095	\$2,066	53%	63.5
Wipro	\$1,481	\$1,745	85%	na
HCL Tech	\$1,579	\$1,270	124%	55.6
TechM	\$1,282	\$758	169%	58.9
Mindtree	\$137	\$124	110%	59.3

Source: Company Reports, Citi Research; Fx cover for TCS includes only USD contracts

What does CY14 have in store for the stocks?

- **History lessons continue to help; Looking back at CY10** — As we enter CY14, we notice the several similarities to CY10 – (1) tech spending seems to be recovering, with companies reporting decent level of deal bookings and pipeline activity; (2) stocks have seen a sharp rally in the past year, with lot of positives on the demand front seemingly priced in. Reverse DCF analysis also shows us that expectations are not too different, with ~15-19% EBIT growth being priced in.
- **CY10 also saw a healthy outperformance** — Even on the back of a strong CY09, CY10 saw the momentum continuing. The BSEIT index was up ~32%, outperforming Sensex by ~15%. However, the returns were not broad based and stock selection assumed greater significance with the outperformance skewed towards Infosys/TCS and stocks like TechM/Mindtree underperforming.

Figure 10. Indian IT – Decomposing the stock performance in CY10

Company	Stock performance	FY11 – Consensus EPS Estimate			FY12 – Consensus EPS Estimate			P/E multiple		
		31-Dec-09	31-Dec-10	Change	31-Dec-09	31-Dec-10	Change	31-Dec-09	31-Dec-10	Change
Infosys	32%	116.16	121.75	5%	136.38	147.05	8%	23.9	24.4	2%
TCS	55%	36.06	42.42	18%	40.91	49.02	20%	21.4	24.5	15%
Wipro	20%	20.24	21.83	8%	22.87	24.42	7%	20.7	20.6	0%
HCL Tech	23%	24.39	24.14	-1%	28.41	30.62	8%	17.3	16.7	-4%

Source: I/B/E/S, Citi Research

- **Expect re-rating to be a factor this time around** — With valuations of the top companies hovering around ~17-24x at the start of CY10, outperformance during the year was largely led by earnings upgrades, with the exception of TCS. However, BSEIT now trades at ~17x and still offers room for a re-rating over the course of CY14 as demand trends continue to be solid. While we expect a cyclical upswing, the peak multiples in this cycle should tend to be lower than that seen in previous cycles – with growth slowing down on a higher scale as the industry matures.

Figure 11. BSEIT 1-year forward P/E band chart – Valuations still offer decent upsides



Source: Bloomberg, Citi Research

- **Stock selection to be key** — Going into CY14, we remain constructive on Indian IT. Despite the strong outperformance in CY13, we see decent upsides ahead with momentum from the good demand trends continuing into the year. As in CY10, we expect stock selection to assume higher importance this year and prefer to align with stocks where expectations are relatively moderate.
- **Wipro/HCL Tech are top picks** — Wipro has seen deal wins picking up and followed up a strong Q2 performance with a fairly strong Q3 guidance (in the context of seasonal trends) – suggesting an improving revenue outlook. There could be some benefits on margins as growth picks up given that the company has been making significant investments in the recent past. HCLT has been executing well and is a big beneficiary of the strong infrastructure services demand. Valuations at ~14-15x still offer decent upsides.

Figure 12. Indian IT Services – Valuation Comparables

Company	RIC Code	Citi Rating	M Cap USD mn	CMP Rs	TP Rs	P/E FY14E	P/E FY15E	EPS CAGR FY13-15E	RoE FY14E	EV/EBITDA FY14E	EV/EBITDA FY15E
Infosys	INFY.BO	1	32,717	3,565	4,020	19.5	16.0	16.4%	24%	13.0	10.4
TCS	TCS.BO	2	69,894	2,222	2,300	22.9	19.3	27.1%	40%	16.6	14.2
Wipro	WIPR.BO	1	21,926	557	650	17.6	14.6	23.6%	23%	12.8	10.5
HCL Tech	HCLT.BO	1	14,151	1,261	1,460	16.5	13.8	33.1%	34%	10.5	8.5
Tech Mahindra	TEML.BO	2	6,875	1,836	1,865	15.0	13.7	22.7%	35%	9.6	8.5

Source: Citi Research estimates

HCL Technologies

Valuation

Our target price for HCLT of Rs1,460 is based on ~16x Mar'15E EPS. This is higher than the mid-point of the 5-20x band that the stock has traded in over the past three years. We believe a higher multiple is justified given HCLT's improved positioning in the sector (in terms of sale and capabilities) and better service portfolio (post Axon acquisition). We believe PE remains the most appropriate valuation measure given HCLT's profitable track record.

Risks

The key risks to our investment thesis on HCL Tech are: (1) any significant appreciation of the rupee against the USD/EUR/GBP; (2) a sharp slowdown in the US/global economy; (3) acquisition-related risks; (4) the strategy of pursuing large deals could have negative margin implications; (5) immigration reform is a sectoral risk. If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price.

Infosys

Valuation

Our Rs4,020 target price for Infosys is based on 18x Mar'15E EPS, in line with the 5-year average 12-month forward earnings multiple of ~18x. Our estimates continue to assume a certain PE premium to the market; this is justified, in our view, given the strong FCF and ROIC for Infosys vs. the overall market. We believe PE remains the most appropriate valuation measure given Infosys' profitability record and higher earnings visibility.

Risks

The key downside risks to our investment thesis on Infosys are: (1) any significant appreciation of the rupee against the USD/EUR/GBP; (2) pressure on billing rates; (3) a prolonged slowdown in the US economy; (4) immigration reform is a sectoral risk. If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price.

Tata Consultancy Services

Valuation

Our target price of Rs2,300 is based on ~20x Mar'15E EPS. We estimate TCS' earnings will grow at an ~22% CAGR over FY13-16E, and believe the stock should trade closer to the higher end of its historical five-year trading range of 7-24x 12-month forward earnings. We believe PE remains the most appropriate valuation measure, given TCS' past profitability and future earnings visibility.

Risks

The key downside risks to our investment thesis on TCS are: (1) any significant appreciation of the rupee against the USD/EUR/GBP; (2) a prolonged recession in the US; and (3) any margin-dilutive acquisition. (4) Immigration reform is a sectoral risk. Key upside risks to our investment thesis on TCS are: (1) any significant depreciation of the rupee against the USD/EUR/GBP; (2) aggressive pent-up demand from corporates in the US; and (3) any margin-accretive acquisition. Any of these risk factors could cause the shares to deviate from our target price.

Tech Mahindra

Valuation

Our target price of Rs1,865 is based on ~12.5x consol Mar'15E EPS (adjusted for treasury stock). This is at ~20% discount to our target multiple for HCL Tech given the lower earnings growth profile of the TechM-Satyam combined entity and higher vertical/client concentration risks. We expect consol EBITDA growth to lag peers as Satyam margins are peaking and TechM margins face multiple headwinds like (1) Integration of recent acquisitions, (2) some transition costs in large deals, and (3) the fact that benefits from the accounting treatment of ~Rs2bn refund end in 4Q14 – there could be limited room for a price renegotiation, given client concentration.

Risks

The key downside risks to our investment thesis on Tech Mahindra are: (1) Loss of part of business from large telecom clients; (2) Further worsening of IT spends in telecom sector (3) INR appreciation against key currencies. Key upside risks are: 1) any significant depreciation of the rupee against the USD/EUR/GBP; 2) a sharp upturn in IT spending among TSPs; 3) large deal announcements; and 4) inorganic activity due to a stake sale or change in ownership. If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price. Conversely, if the impact of any of these upside risks is greater than we anticipate, the stock could exceed our target price.

Wipro

Valuation

Post the company's recent demerger, we value the stock on the earnings from the IT business. Our target price of Rs650 is based on our ~17x March 15E EPS. Our target multiple is derived from a PE-band analysis of Wipro's historical trading pattern and peer group valuations. Wipro has traded at 8-22x over the past three years. While the company's growth has lagged peers in the recent past, the management restructuring seems to be resulting in some growth recovery, and the overall macro is seeing signs of some pickup. Given this background, we believe Wipro should trade around the midpoint of its three-year trading band. PE is the most appropriate valuation measure, in our view, given Wipro's profitability and earnings visibility.

Risks

The key risks to our investment thesis on Wipro are: (1) An extended slowdown in the US/Global economy; (2) Any significant appreciation of the rupee against the USD/EUR/GBP; and (3) Any margin dilutive acquisition. (4) Immigration reform is a key sectoral risk. If any of these risk factors has a greater downside impact than we anticipate, the shares will probably have difficulty attaining our target price.

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

Tata Consultancy Services (TCS.BO)

Ratings and Target Price History Fundamental Research

Analyst: Surendra Goyal, CFA



Date	Rating	Target Price	Closing Price
1 8-Feb-11	2L	*1,185.00	1,128.45
2 28-Apr-11	2L	*1,260.00	1,160.05
3 2-Sep-11	2L	*1,110.00	1,021.65
4 5-Oct-11	2L	*1,140.00	1,043.50
5 7-Oct-11	Stock rating system changed		
6 7-Oct-11	*2	1,140.00	1,048.70

* Indicates change

Date	Rating	Target Price	Closing Price
7 2-Nov-11	2	*1,160.00	1,106.30
8 5-Jan-12	2	*1,275.00	1,172.45
9 3-May-12	2	*1,290.00	1,280.35
10 22-Jun-12	2	*1,310.00	1,233.70
11 30-Aug-12	2	*1,380.00	1,365.05
12 14-Jan-13	2	*1,410.00	1,334.30

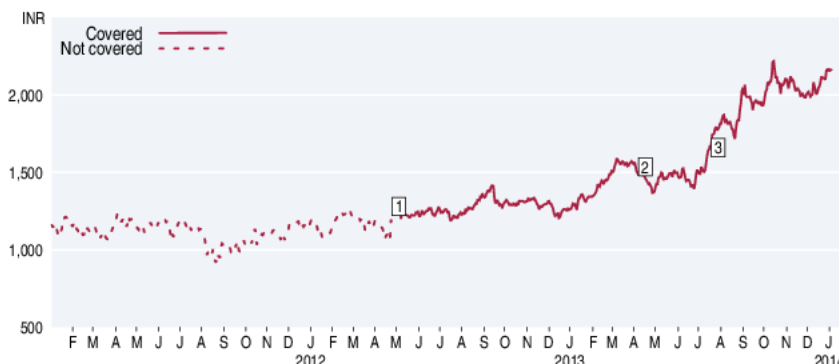
Date	Rating	Target Price	Closing Price
13 28-Mar-13	2	*1,625.00	1,571.80
14 18-Jul-13	2	*1,710.00	1,660.15
15 29-Aug-13	2	*1,950.00	1,946.15
16 15-Oct-13	2	*2,225.00	2,218.15
17 3-Jan-14	2	*2,300.00	2,162.30

Rating/target price changes above reflect Eastern Standard Time

Tata Consultancy Services (TCS.BO)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Surendra Goyal, CFA



Date	Rating	Target Price	Closing Price
1 4-May-12	*ADD LP	-	1,278.10

* Indicates change

Date	Rating	Target Price	Closing Price
2 17-Apr-13	*REM LP	-	1,459.20

Date	Rating	Target Price	Closing Price
3 28-Jul-13	*ADD LP	-	1,772.45

Rating/target price changes above reflect Eastern Standard Time

Tech Mahindra (TEML.BO)

Ratings and Target Price History Fundamental Research

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	6-Apr-11	3M	*700.00	733.20
2	2-Sep-11	3M	*625.00	636.70
3	5-Oct-11	3M	*585.00	533.05
4	7-Oct-11	Stock rating system changed		
5	7-Oct-11	*2	585.00	563.40
6	5-Jan-12	2	*640.00	595.15

* Indicates change

	Date	Rating	Target Price	Closing Price
7	21-Mar-12	2	*685.00	683.90
8	3-Apr-12	2	*725.00	715.90
9	23-May-12	2	*645.00	611.90
10	9-Aug-12	2	*790.00	761.70
11	6-Feb-13	2	*1,050.00	979.10
12	28-Mar-13	2	*1,120.00	1,059.15

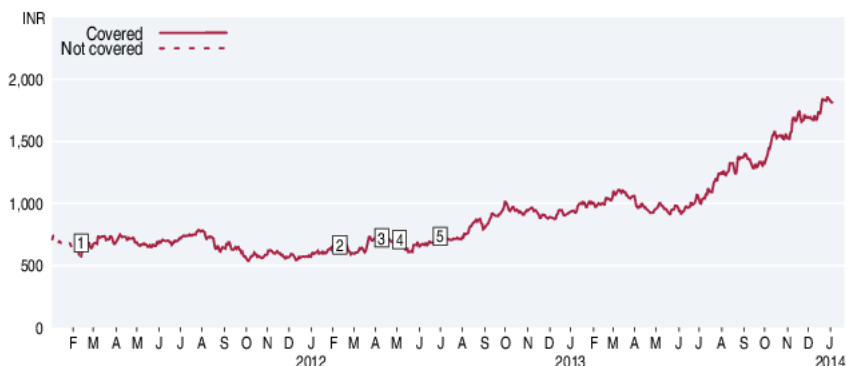
	Date	Rating	Target Price	Closing Price
13	12-Aug-13	2	*1,340.00	1,265.80
14	29-Aug-13	2	*1,525.00	1,367.05
15	7-Nov-13	2	*1,700.00	1,580.20
16	3-Jan-14	2	*1,865.00	1,815.25

Rating/target price changes above reflect Eastern Standard Time

Tech Mahindra (TEML.BO)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	11-Feb-11	*ADD LP	-	571.95
2	10-Feb-12	*REM LP	-	650.30

* Indicates change

	Date	Rating	Target Price	Closing Price
3	10-Apr-12	*ADD LP	-	710.45
4	4-May-12	*REM LP	-	679.65

	Date	Rating	Target Price	Closing Price
5	30-Jun-12	*N	-	707.95

Rating/target price changes above reflect Eastern Standard Time

HCL Technologies (HCLT.BO)

Ratings and Target Price History Fundamental Research

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	8-Feb-11	1L	*560.00	465.50
2	28-Apr-11	1L	*595.00	512.45
3	2-Sep-11	1L	*505.00	397.35
4	5-Oct-11	1L	*510.00	395.10
5	7-Oct-11	Stock rating system changed		
6	7-Oct-11	*1	510.00	404.65
7	2-Nov-11	1	*515.00	438.20

* Indicates change

	Date	Rating	Target Price	Closing Price
8	4-Jan-12	1	*550.00	418.10
9	18-Apr-12	1	*570.00	495.55
10	3-May-12	1	*585.00	514.10
11	25-Jul-12	1	*615.00	513.75
12	30-Aug-12	1	*650.00	546.30
13	17-Oct-12	1	*680.00	580.30
14	17-Jan-13	1	*820.00	703.30

	Date	Rating	Target Price	Closing Price
15	28-Mar-13	1	*895.00	795.95
16	31-Jul-13	1	*1,030.00	937.75
17	28-Aug-13	1	*1,160.00	977.85
18	17-Oct-13	1	*1,330.00	1,083.15
19	3-Jan-14	1	*1,460.00	1,260.95

Rating/target price changes above reflect Eastern Standard Time

HCL Technologies (HCLT.BO)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	11-Feb-11	*ADD MP	-	469.95

* Indicates change

	Date	Rating	Target Price	Closing Price
2	4-May-12	*REM MP	-	512.85

	Date	Rating	Target Price	Closing Price
3	30-Jun-12	*N	-	476.20

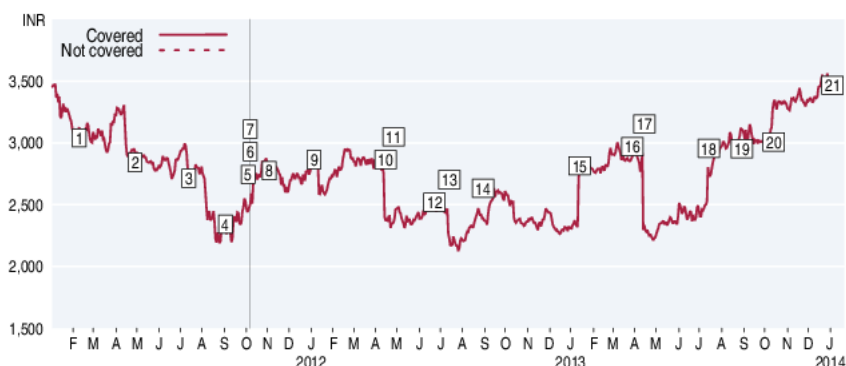
Rating/target price changes above reflect Eastern Standard Time

Infosys (INFY.BO)

Ratings and Target Price History

Fundamental Research

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	9-Feb-11	2L	*3,430.00	3,127.00
2	28-Apr-11	2L	*3,230.00	2,931.55
3	13-Jul-11	2L	*3,125.00	2,784.20
4	2-Sep-11	2L	*2,570.00	2,315.55
5	5-Oct-11	2L	*2,650.00	2,454.30
6	7-Oct-11	Stock rating system changed		
7	7-Oct-11	*2	2,650.00	2,507.05

* Indicates change

	Date	Rating	Target Price	Closing Price
8	3-Nov-11	2	*2,890.00	2,802.15
9	5-Jan-12	2	*3,110.00	2,838.90
10	16-Apr-12	2	*2,700.00	2,369.35
11	26-Apr-12	*1	*2,750.00	2,358.20
12	22-Jun-12	1	*2,825.00	2,475.10
13	13-Jul-12	1	*2,550.00	2,227.80
14	30-Aug-12	1	*2,710.00	2,391.00

	Date	Rating	Target Price	Closing Price
15	14-Jan-13	1	*3,035.00	2,807.25
16	28-Mar-13	1	*3,450.00	2,889.90
17	15-Apr-13	1	*2,695.00	2,333.95
18	15-Jul-13	1	*3,130.00	2,741.85
19	29-Aug-13	1	*3,500.00	3,109.00
20	14-Oct-13	1	*3,700.00	3,323.50
21	3-Jan-14	1	*4,020.00	3,474.75

Rating/target price changes above reflect Eastern Standard Time

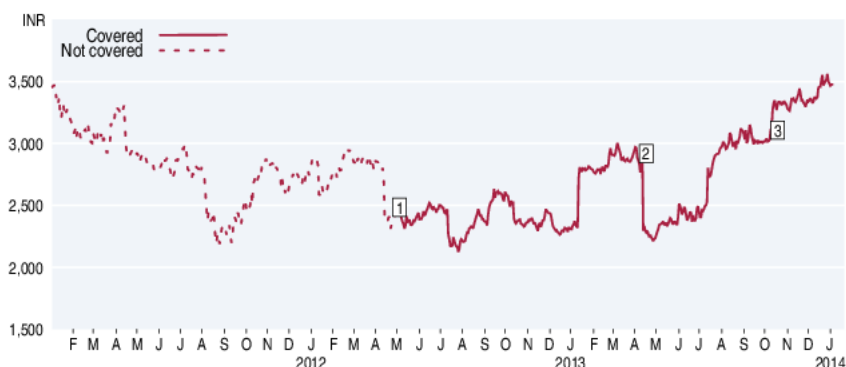
Infosys (INFY.BO)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	4-May-12	*ADD MP	-	2,441.15

* Indicates change

	Date	Rating	Target Price	Closing Price
2	17-Apr-13	*REM MP	-	2,281.85

	Date	Rating	Target Price	Closing Price
3	18-Oct-13	*ADD MP	-	3,316.15

Rating/target price changes above reflect Eastern Standard Time

Wipro (WIPR.BO)

Ratings and Target Price History

Fundamental Research

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	9-Feb-11	1L	*452.58	372.03
2	28-Apr-11	1L	*461.36	392.55
3	20-Jul-11	1L	*448.18	350.28
4	2-Sep-11	1L	*360.30	293.60
5	5-Oct-11	1L	*369.09	288.15
6	7-Oct-11	Stock rating system changed		

* Indicates change

	Date	Rating	Target Price	Closing Price
7	7-Oct-11	*1	369.09	293.34
8	5-Jan-12	1	*417.42	364.13
9	25-Apr-12	1	*408.64	360.43
10	3-May-12	1	*413.03	362.32
11	25-Jul-12	1	*351.51	297.91
12	30-Aug-12	1	*373.48	324.36

	Date	Rating	Target Price	Closing Price
13	28-Mar-13	1	*435.00	384.16
14	22-Apr-13	1	*420.00	339.35
15	29-Jul-13	1	*440.00	408.50
16	29-Aug-13	1	*535.00	474.40
17	23-Oct-13	1	*595.00	492.20

Rating/target price changes above reflect Eastern Standard Time

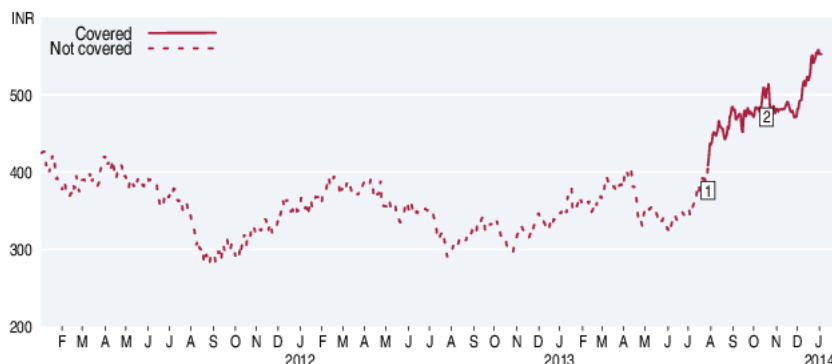
Wipro (WIPR.BO)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Surendra Goyal, CFA



	Date	Rating	Target Price	Closing Price
1	28-Jul-13	*ADD MP	-	382.80

* Indicates change

	Date	Rating	Target Price	Closing Price
2	18-Oct-13	*REM MP	-	506.95

Rating/target price changes above reflect Eastern Standard Time

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Data current as of 31 Dec 2013

12 Month Rating			Relative Rating		
Buy	Hold	Sell	Buy	Hold	Sell

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