

Sept 09, 2016

Buy Around:	479
SL:	450
Target:	537
Upside:	12%
Horizon:	1 Month

VALUE PARAMETERS

Price (Rs)	473.60
52 W H/L(Rs)	613.00/470.25
Mkt. Cap.(Rs Cr)	115121.86
Latest Equity(Subscribed)	486.16
Latest Reserve (cons.)	44194.50
Latest EPS (cons.) -Unit Curr.	36.04
Latest P/E Ratio -cons	13.14
Latest Bookvalue (cons.) -Unit Curr.	183.81
Latest P/BV - cons	2.58
Dividend Yield -%	1.28
Face Value	2.00

STOCK DATA

BSE Code	507685
NSE Symbol	WIPRO
Reuters	WIPR.BO
Bloomberg	WPRO IN

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2016
Foreign	14.01
Institutions	4.68
Govt Holding	0.00
Non Promoter Corp. Hold.	2.33
Promoters	73.25
Public & Others	5.74

The company is well-positioned to take advantage of the opportunities in the market, while tackling headwinds in certain areas. Digital, Open Source and Artificial Intelligence as key levers for driving business change and reshaping the delivery model for the future. Moreover, it is also well placed through its positioning in digital especially by emphasizing on consultative selling and it is seeing some good traction with both existing clients and new customers in its key markets. Moreover, the management does not see any immediate impact of Brexit other than currency although in the near term there could be delay in some discretionary spend especially in the European financial services sector.

Business Profile

Wipro is a leading information technology, consulting and business process Services Company that delivers solutions to enable its client's does business better.

INVESTMENT RATIONALE

- Q1FY17 revenue growth is in line with its guidance. Revenues grew 2.6% sequentially and year-on-year growth has been 7.6%. On constant currency basis, both these numbers are 2.0% and 9.5% respectively. Moreover, Q1 margins reflect wage inflation impact for 2 months, dilution due to the integration of acquisitions including accounting policy change around amortization of intangibles and certain headwinds in India and Middle East business.
- The company is focusing to build a sustainable business model and regarding that it has completed the restructuring of consulting business and is now working on looking into the India and Middle East business model.
- According to management, that initiative would drive operational improvements in Q2FY17 with respect to operating margins. It may not see the full benefit of all the operational improvements given the impact of two additional months of wage revision, but it expects that it will be reflected much strongly in Q3 and beyond.
- The company is scaling up centers in Mountain View and Atlanta and is in the process of setting up a new center in Dallas within the U.S. In Continental Europe, Wipro and Cellent have now an integrated go to market as part of its acquisition integration and it is starting to see some synergy deals.
- The company has set up new development centers in Ireland and in Mexico. It continues to execute well in its recent acquisitions.

TECHNICAL TRENDS



We recommend a buy in the stock of WIPRO for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs470.25 and 52 week high of Rs 613.00. Buy around at 479 with a closing below stop loss of Rs.450 levels for the target of Rs.537.

Note:

- Follow Strict Stop Loss.

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