

January 13, 2022

Q3FY22 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	4,468		4,210	
Sales (Rs. m)	2,235,005	2,521,728	2,223,559	2,509,009
% Chng.	0.5	0.5		
EBITDA (Rs. m)	618,243	692,364	612,187	682,838
% Chng.	1.0	1.4		
EPS (Rs.)	124.7	139.5	122.7	136.7
% Chng.	1.6	2.0		

Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. bn)	1,642	1,915	2,235	2,522
EBITDA (Rs. bn)	465	526	618	692
Margin (%)	28.3	27.5	27.7	27.5
PAT (Rs. bn)	334	390	473	529
EPS (Rs.)	88.1	102.8	124.7	139.5
Gr. (%)	3.2	16.7	21.3	11.8
DPS (Rs.)	38.0	52.5	54.0	54.0
Yield (%)	1.0	1.4	1.4	1.4
RoE (%)	38.7	40.6	39.8	35.6
RoCE (%)	49.2	51.0	49.1	44.0
EV/Sales (x)	8.7	7.3	6.2	5.3
EV/EBITDA (x)	30.6	26.7	22.3	19.4
PE (x)	43.8	37.5	30.9	27.7
P/BV (x)	16.9	13.9	11.1	8.9

Key Data

TCS.BO | TCS IN

52-W High / Low	Rs.4,123 / Rs.2,701
Sensex / Nifty	61,150 / 18,212
Market Cap	Rs.14,278bn/ \$ 193,161m
Shares Outstanding	3,699m
3M Avg. Daily Value	Rs.9790.53m

Shareholding Pattern (%)

Promoter's	72.19
Foreign	14.98
Domestic Institution	7.93
Public & Others	4.90
Promoter Pledge (Rs bn)	48.72

Stock Performance (%)

	1M	6M	12M
Absolute	6.1	20.9	21.6
Relative	2.0	3.5	(1.6)

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Revenue growth momentum is back!

Quick Pointers:

- Continued strong hiring with highest ever net headcount addition of 28,238 +5% QoQ, 18.7% YoY and 34K fresher addition in Q3 alone, indicates sustainability of strong demand environment.
- Read through for peers: sustainable strong demand environment, continued strong hiring, quarterly annualized attrition stabilizing.

TCS reported beat in revenue with growth of +3% QoQ USD (Ple:2.5%, Cons: 2.1%). Growth was broad-based led Retail and CPG (+3.7% QoQ USD), Communications & Media (+3% QoQ USD), Manufacturing (+3% QoQ USD). Deal TCW was healthy at USD \$7.6bn, flat QoQ, +12% YoY. This includes strong deal win of \$2.9 Bn in BFSI, \$1 Bn in Retail and \$4.5 Bn in North America. Deal pipeline continues to be strong with good mix of large, mid-sized and small deals. Several new deal wins were driven by TCS's innovative products and platforms. TCS experienced improved realization this quarter and there is further scope for price increase.

EBIT margin at 25% (-57bps QoQ) was lower than our (26%) & cons (25.6%) estimate. Margin decline was led by supply side pressures of backfilling of attrition, increased sub-contracting costs, wage interventions to retain talent and discretionary costs. These were offset partially by tailwinds from pyramid balancing, improved utilization, slight uptick in realization.

Strong headcount addition continued with highest ever net headcount addition of 28,238 +5% QoQ, 18.7% YoY. TCS added 43K freshers in H1FY22 and further added 34K freshers in Q3 alone. They intend to add more freshers in Q4 as well indicating sustainability of strong demand environment. Though LTM IT Services attrition inched up to 15.3%, +340bps QoQ, it is still lowest in the industry. Management mentioned that quarterly annualized attrition has flattened QoQ. We expect attrition to peak out in Q4 and slowly inch down in coming quarters.

We believe TCS can easily sustain ~26% EBIT margin in FY23 despite return of discretionary expenses and supply side cost pressures. As supply side pressures ease off in FY23, there is scope for margin expansion led by reducing sub-contracting costs, improved pricing, pyramid optimization, best-in-class supply side engine and leverage from revenue growth.

We increase our EPS estimates by ~1.6%/2.0% for FY23/24 led by marginal increase in revenue growth and EBIT margin. We project revenue growth of 16.3%/14%/11.4% in \$ terms for FY22/23/24E respectively. We arrive at a DCF based TP of INR 4,468 (implied earnings target multiple of 32x on FY24 EPS). TCS is currently trading at 31/27.7 on FY23/24 EPS of 124.7/139.5 with revenue/EPS CAGR of 12.7%/16.5% over FY22-24E.

- Beat in revenue:** TCS reported revenue of USD 6,524 mn, grew by +3% QoQ USD (PLe: 2.5%, Cons: 2.1%). Growth was broad-based across Retail and CPG (+3.7% QoQ USD), Communications & Media (+3% QoQ USD), Manufacturing (+3% QoQ USD), BFSI (+2.1% QoQ USD), and Tech Services

TCS report strong growth across client buckets with addition of 10 new clients in \$100 mn+, 21 clients in \$50 mn+, 26 in \$20 mn+ and 40 in \$10Mn+ on YoY basis.

(+1.8% QoQ USD). Regional markets and others grew 5.4% QoQ USD due to one-off seasonality.

- **Sustained healthy deal momentum:** Deal TCV was healthy at USD \$7.6bn was flat QoQ, +12% YoY. This includes strong deal win of \$2.9 Bn in BFSI, \$1 Bn in Retail and \$4.5 Bn in North America. Deal TCV is heterogeneous mix of all type of deals from small to large size and several new deal wins were driven by TCS's innovative products and platforms.
- Demand continues to be strong led by three broad themes – 1) Modernizing digital core, 2) Tech optimization and efficiency improvement, 3) growth and transformation deals. Cloud continues to be big driver of growth. Technology solutions related Sustainability and ESG theme are also gaining traction.
- **Product and platforms won numerous new deals this quarter:** Product and platforms continue to perform well winning numerous SaaS deals this quarter. Ignio won 10 new wins and 5 go-lives, TCS BANCS won 9 new wins, Quartz Blockchain won 3 new wins, Cognix won 6 large deals, Quartz blockchain had 2 new wins and one go-live, TCS HOBS suite of products for communication service provider had 2 go-lives and TCS Mastercraft suite had 24 new wins, Twin X had 4 new wins and 3 go-lives, TCS Omnistore had 2 new wins.
- **Tepid Margins:** EBIT margin at 25% (-57bps QoQ) was lower than our (26%) & cons (25.6%) estimate. Margin decline was led by supply side pressures of backfilling of attrition, increased sub-contracting costs, wage interventions to retain talent and discretionary costs. These were offset partially by tailwinds from pyramid balancing, improved utilization, slight uptick in realization.
- **Continued strong hiring for fifth consecutive quarters:** Strong headcount addition continued with highest ever net headcount addition of 28,238 +5% QoQ, 18.7% YoY. TCS added 43K freshers in H1FY22 and further added 34K freshers in Q3 alone. They intend to add more freshers in Q4 as well indicating sustainability of strong demand environment. Though LTM IT Services attrition inched up to 15.3%, +340bps QoQ, it is still lowest in the industry. Management mentioned that quarterly annualized attrition has flattened QoQ. We expect attrition to peak out in Q4 and slowly inch down in coming quarters.
- **We believe TCS can easily sustain ~26% EBIT margin in FY23 despite return of discretionary expenses and cost inflation. As supply side pressures ease off in FY23, there is scope for margin expansion led by reducing sub-contracting costs, improved pricing, pyramid optimization, best-in-class supply side engine and leverage from growth.**
- Cash conversion was healthy with FCF at 111% of net profit. Board declared second interim dividend of INR 7 per share. Board recommended a buyback of shares to the tune of Rs. 18,000 Cr at Rs. 4,500 per share (~18% premium to closing price on Buyback intimation date)

Exhibit 1: Q3FY22 Result Overview (Rs mn)

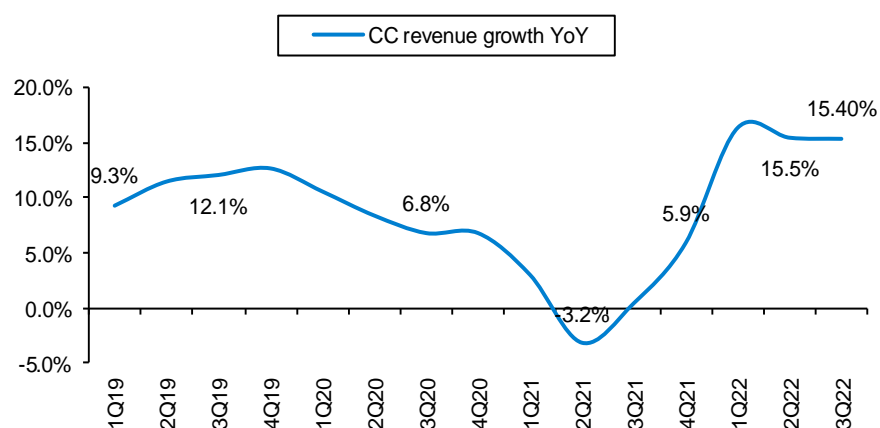
Y/e March	3Q22	2Q22	QoQ gr.	3Q21	YoY gr.	Ple	Act vs Ple
Revenues (US\$ mn)	6,524	6,333	3.0%	5,702	14.4%	6,490	0.5%
Revenues	4,88,850	4,68,670	4.3%	4,20,150	16.4%	4,85,437	0.7%
EBITDA	1,34,330	1,31,150	2.4%	1,21,720	10.4%	1,34,855	-0.4%
EBITDA Margin	27.5%	28.0%	-50 bps	29.0%	-149 bps	28%	-30 bps
EBIT	1,22,370	1,20,000	2.0%	1,11,840	9.4%	1,26,232	-3.1%
EBIT Margin	25.0%	25.6%	-57 bps	26.6%	-159 bps	26.0%	-97 bps
Adjusted PAT	97,690	96,240	1.5%	87,010	12.3%	99,031	-1.4%
PAT Margin	20.0%	20.5%	-55 bps	20.7%	-73 bps	20.4%	-42 bps
EPS (Rs)	26.4	26.0	1.5%	23.2	13.9%	26.77	-1.4%

Source: Company, PL

Exhibit 2: Vertical & Geography Wise Rev growth QoQ \$ terms

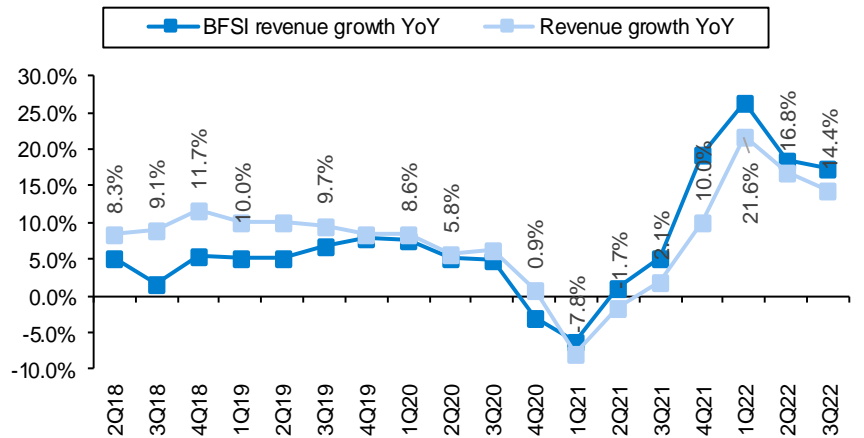
Revenue growth QoQ \$ Terms	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Vertical wise QoQ							
BFSI	-2.1%	9.3%	3.1%	8.1%	3.7%	2.6%	2.1%
Retail & CPG	-15.5%	11.8%	4.4%	5.0%	4.9%	4.3%	3.7%
Comm & media	-8.4%	-1.8%	6.7%	3.4%	1.2%	4.5%	3.0%
Manufacturing	-10.8%	3.9%	7.4%	5.0%	4.9%	4.0%	3.0%
Life Science & Healthcare	1.4%	9.4%	5.1%	4.0%	8.1%	0.9%	2.0%
Tech Services	-2.8%	4.9%	1.6%	2.6%	5.2%	0.0%	0.0%
Regional Markets & Others	-11.2%	5.5%	9.0%	2.4%	-4.8%	5.3%	1.8%
Geography Wise QoQ							
Americas	-5.3%	4.2%	3.5%	3.8%	4.4%	4.7%	4.0%
- North America	-5.0%	4.1%	3.4%	4.0%	4.4%	4.8%	3.8%
- Ibero America	-12.2%	7.2%	5.1%	-1.1%	2.8%	2.9%	9.5%
Europe	-8.0%	10.3%	5.5%	8.0%	3.4%	-0.2%	1.7%
- UK	-11.1%	8.6%	6.5%	7.0%	4.7%	1.6%	-0.2%
- Continental	-4.6%	12.0%	4.5%	8.9%	2.1%	-2.0%	3.7%
India	-27.3%	24.7%	17.7%	5.0%	-15.6%	14.1%	11.1%
Others	-2.9%	6.3%	5.1%	3.2%	2.8%	-0.7%	-1.7%
- AsiaPac	-2.1%	6.1%	5.1%	1.8%	1.7%	-0.4%	-1.6%
- Middle East & Africa	-7.1%	7.2%	5.1%	10.6%	7.9%	-2.0%	-2.1%

Source: Company, PL

Exhibit 3: Strong growth in revenue despite a seasonally weak quarter


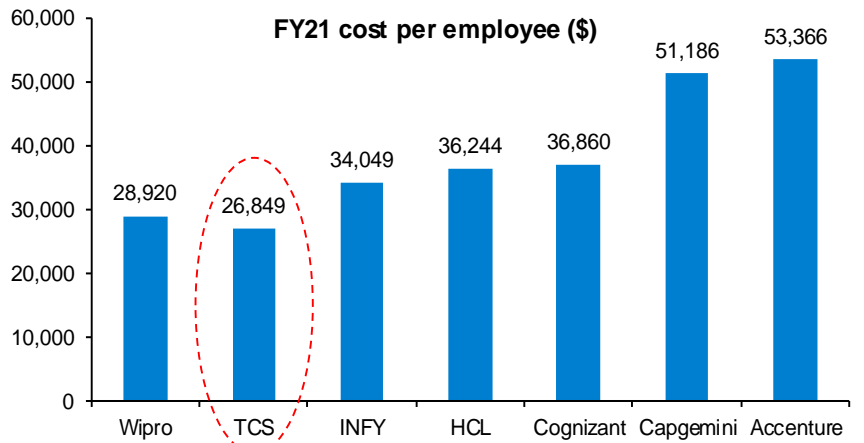
Source: Company, PL

Exhibit 4: Healthy YoY growth in BFSI continues



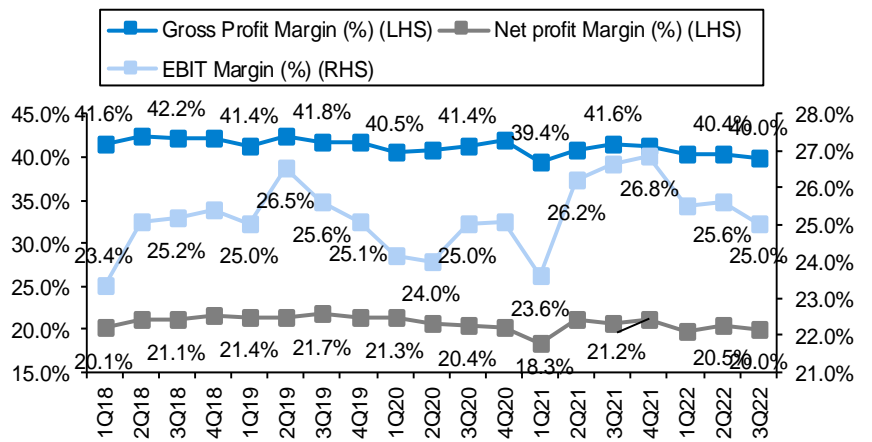
Source: Company, PL

Exhibit 5: TCS has lowest cost per employee



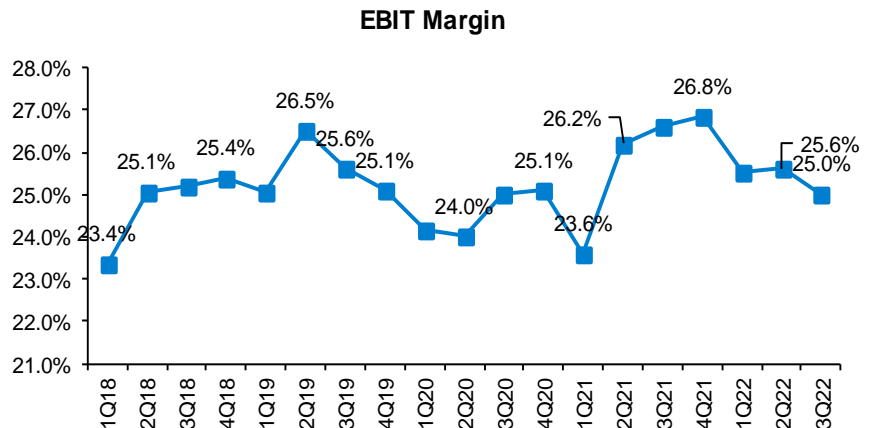
Source: Company, PL, Cost per employee = Cost of sales / Total headcount

Exhibit 6: EBIT margins maintained above 25%



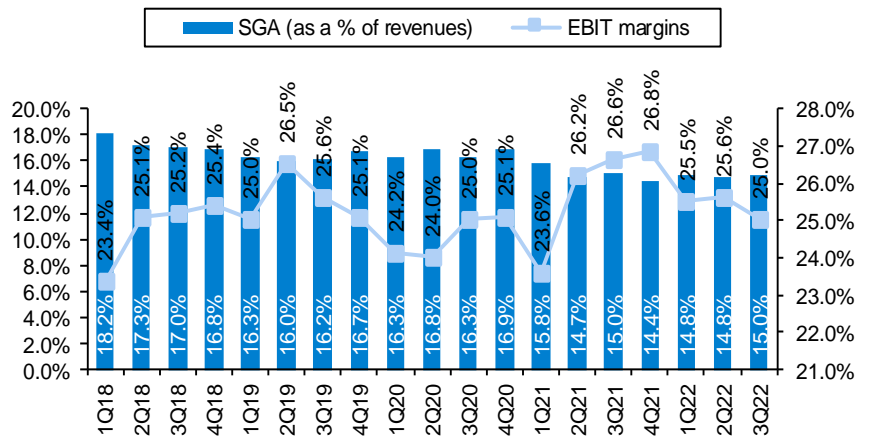
Source: Company, PL

Exhibit 7: Margins declined due to supply side headwinds



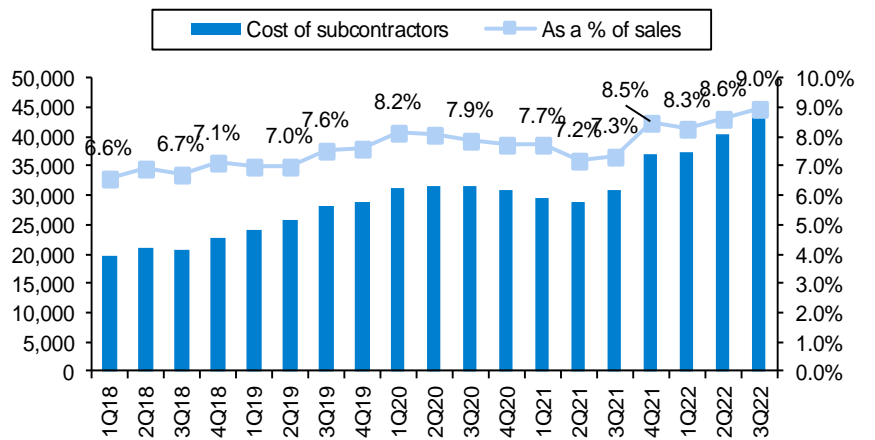
Source: Company, PL

Exhibit 8: SGA costs maintained within narrow band of 14-15%



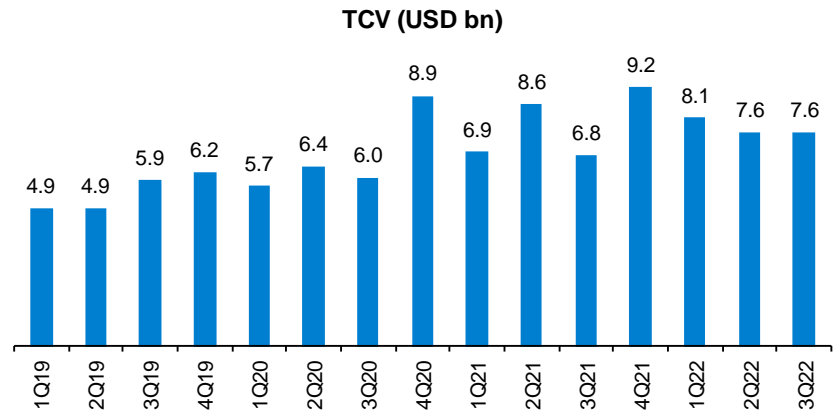
Source: Company, PL

Exhibit 9: Sub-Contracting costs increased by 40 bps QoQ



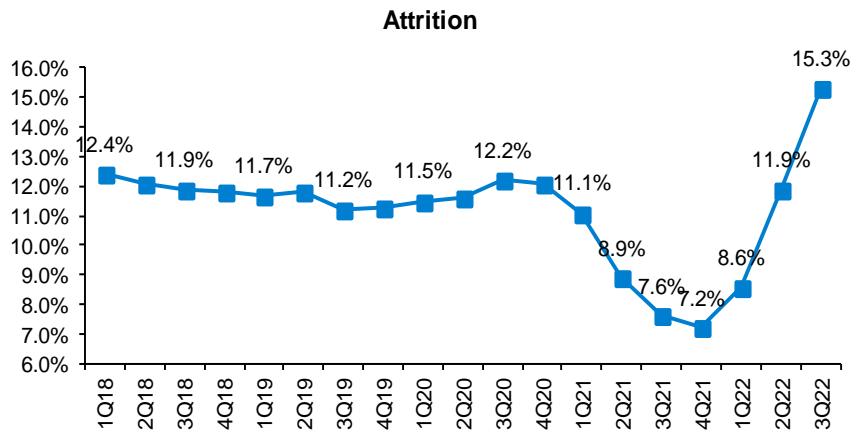
Source: Company, PL

Exhibit 10: Healthy deal momentum



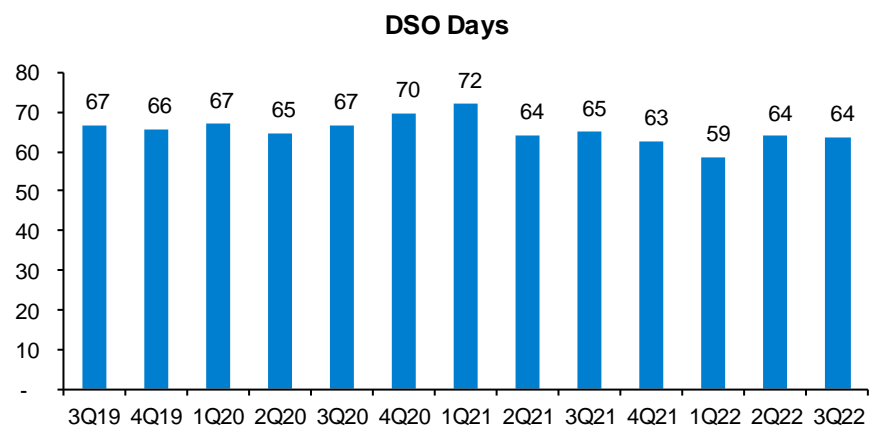
Source: Company, PL

Exhibit 11: Attrition inching up but still lowest in the industry



Source: Company, PL

Exhibit 12: DSO (ex-cluding unbilled revenue) days remained stable



Source: Company, PL

Valuations

We believe TCS' low attrition (as compared to peers) is a competitive advantage in the current environment where growth is constrained more by supply rather than demand. We believe TCS can easily sustain ~26% EBIT margin in FY23 despite return of discretionary expenses and supply side cost pressures. As supply side pressures ease off in FY23, there is scope for margin expansion led by reducing sub-contracting costs, improved pricing, pyramid optimization, best-in-class supply side engine and leverage from revenue growth.

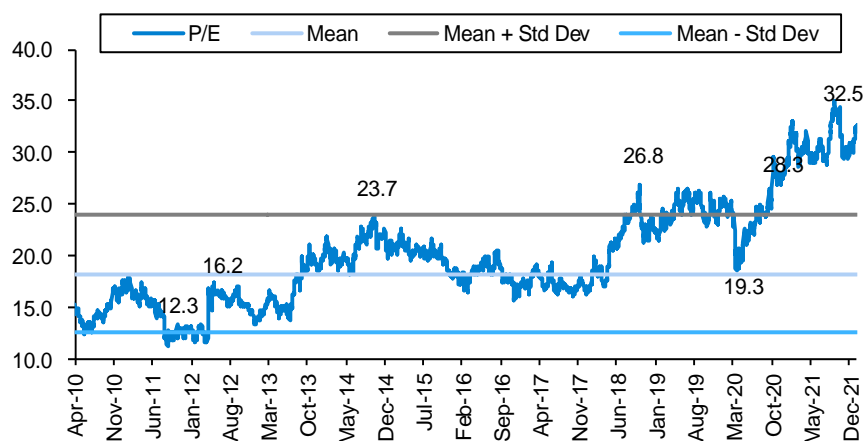
We increase our EPS estimates by ~1.6%/2.0% for FY23/24 led by marginal increase in revenue growth and EBIT margin. We project revenue growth of 16.3%/14%/11.4% in \$ terms for FY22/23/24E respectively. We arrive at a DCF based TP of INR 4,468 (implied earnings target multiple of 32x on FY24 EPS). TCS is currently trading at 31/27.7 on FY23/24 EPS of 124.7/139.5 with revenue/EPS CAGR of 12.7%/16.5% over FY22-24E.

Exhibit 13: Change in Estimates

Y/e March	FY22E	FY23E	FY24E
USD revenues (US\$ m)			
- New	25,792	29,408	32,750
- Old	25,723	29,257	32,585
<i>Change (%)</i>	0.3%	0.5%	0.5%
USD Revenue growth YoY	16.3%	14.0%	11.4%
EBIT Margin			
- New	25.6%	26.1%	25.9%
- Old	25.8%	26.0%	25.7%
<i>Change (%)</i>	-25 bps	13 bps	24 bps
Recurring EPS - Fully diluted (Rs)			
- New	102.8	124.7	139.5
- Old	103.0	122.7	136.7
<i>Change (%)</i>	-0.2%	1.6%	2.0%

Source: Company, PL

Exhibit 14: One year forward PE chart of TCS



Source: Bloomberg, Company, PL

Exhibit 15: Sequential growth led by North America

(US\$ m)	3Q22	2Q22	QoQ gr.	3Q21	YoY gr.
America	3,419	3,287	4.0%	2,897	18.0%
North America	3,308	3,185	3.8%	2,800	18.1%
Ibero America	111	101	9.5%	97	14.4%
Europe	2,062	2,027	1.7%	1,819	13.3%
UK	1,018	1,020	-0.2%	895	13.7%
Continental Europe	1,044	1,007	3.7%	924	13.0%
India	359	323	11.1%	319	12.4%
Asia Pacific	561	570	-1.6%	553	1.4%
MEA	124	127	-2.1%	108	14.4%
% of Total					
America	52.4%	51.9%	50 bps	50.8%	160 bps
North America	50.7%	50.3%	40 bps	49.1%	160 bps
Ibero America	1.7%	1.6%	10 bps	1.7%	0 bps
Europe	31.6%	32.0%	-40 bps	31.9%	-30 bps
UK	15.6%	16.1%	-50 bps	15.7%	-10 bps
Continental Europe	16.0%	15.9%	10 bps	16.2%	-20 bps
India	5.5%	5.1%	40 bps	5.6%	-10 bps
Asia Pacific	8.6%	9.0%	-40 bps	9.7%	-110 bps
MEA	1.9%	2.0%	-10 bps	1.9%	0 bps

Source: Company, PL

Exhibit 16: Sequential growth led by Retail, Comm & Media, Manufacturing

(US\$ m)	3Q22	2Q22	QoQ gr.	3Q21	YoY gr.
BFSI	2,094	2,052	2.1%	1,785	17.3%
Retail & CPG	985	950	3.7%	827	19.2%
Comm & media	424	412	3.0%	376	12.7%
Mfg	646	627	3.0%	547	18.0%
Life Sc & Healthcare	646	633	2.0%	559	15.6%
Tech Services	568	557	1.8%	490	15.7%
Regional Markets & Others	1,161	1,102	5.4%	1,118	3.9%
Total	6,524	5,059	29.0%	5,702	14.4%
% of Total					
BFSI	32.1%	32.4%	-30 bps	31.3%	80 bps
Retail & CPG	15.1%	15.0%	10 bps	14.5%	60 bps
Comm & media	6.5%	6.5%	0 bps	6.6%	-10 bps
Mfg	9.9%	9.9%	0 bps	9.6%	30 bps
Life Sc & Healthcare	9.9%	10.0%	-10 bps	9.8%	10 bps
Tech Services	8.7%	8.8%	-10 bps	8.6%	10 bps
Regional Markets & Others	17.8%	17.4%	40 bps	19.6%	-180 bps

Source: Company, PL

Exhibit 17: Consistent improvement in client Metrics

	3Q22	2Q22	QoQ gr.	3Q21	YoY gr.
US\$ 1mn clients	1,175	1,138	37	1,077	98
US\$ 5mn clients	619	609	10	565	54
US\$ 10mn clients	426	417	9	386	40
US\$ 20mn clients	255	247	8	229	26
US\$ 50mn clients	118	114	4	97	21
US\$ 100mn clients	58	54	4	48	10

Source: Company, PL

Exhibit 18: Strong hiring continued

Headcount Metrics	3Q22	2Q22	QoQ gr.	3Q21	YoY gr.
Headcount	5,56,986	5,28,748	5.3%	4,69,261	18.7%
Net Addition (Consolidated)	28,238	19,690	43.4%	15,721	79.6%
Overall Attrition	15.3%	11.9%	340 bps	7.6%	770 bps

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	1,641,770	1,914,803	2,235,005	2,521,728
YoY gr. (%)	4.6	16.6	16.7	12.8
Employee Cost	940,530	1,110,268	1,233,795	1,397,241
Gross Profit	701,240	804,535	1,001,210	1,124,487
Margin (%)	42.7	42.0	44.8	44.6
SG&A Expenses	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	465,110	525,835	618,243	692,364
YoY gr. (%)	9.9	13.1	17.6	12.0
Margin (%)	28.3	27.5	27.7	27.5
Depreciation and Amortization	40,300	36,434	34,172	38,974
EBIT	424,810	489,401	584,071	653,390
Margin (%)	25.9	25.6	26.1	25.9
Net Interest	-	-	-	-
Other Income	24,970	34,780	43,768	45,130
Profit Before Tax	449,780	524,181	627,839	698,520
Margin (%)	27.4	27.4	28.1	27.7
Total Tax	114,580	133,653	154,903	169,694
Effective tax rate (%)	25.5	25.5	24.7	24.3
Profit after tax	335,200	390,528	472,936	528,826
Minority interest	1,320	965	300	300
Share Profit from Associate	-	-	-	-
Adjusted PAT	333,880	389,563	472,636	528,526
YoY gr. (%)	3.2	16.7	21.3	11.8
Margin (%)	20.3	20.3	21.1	21.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	333,880	389,563	472,636	528,526
YoY gr. (%)	3.2	16.7	21.3	11.8
Margin (%)	20.3	20.3	21.1	21.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	333,880	389,563	472,636	528,526
Equity Shares O/s (m)	3,790	3,790	3,790	3,790
EPS (Rs)	88.1	102.8	124.7	139.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	219,470	200,077	229,725	256,273
Tangibles	196,690	177,297	206,945	233,493
Intangibles	22,780	22,780	22,780	22,780
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	219,470	200,077	229,725	256,273
Tangibles	196,690	177,297	206,945	233,493
Intangibles	22,780	22,780	22,780	22,780
Capital Work In Progress	-	-	-	-
Goodwill	-	-	-	-
Non-Current Investments	2,130	2,130	2,130	2,130
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	93,190	93,190	93,190	93,190
Current Assets				
Investments	-	-	-	-
Inventories	-	-	-	-
Trade receivables	366,620	490,190	525,226	585,041
Cash & Bank Balance	384,890	600,832	842,561	1,190,136
Other Current Assets	241,290	76,592	89,400	100,869
Total Assets	1,307,590	1,463,010	1,782,232	2,227,639
Equity				
Equity Share Capital	3,700	3,700	3,700	3,700
Other Equity	860,630	1,051,231	1,319,221	1,643,101
Total Network	864,330	1,054,931	1,322,921	1,646,801
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	101,710	101,710	101,710	101,710
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	341,550	306,368	357,601	479,128
Total Equity & Liabilities	1,307,590	1,463,010	1,782,232	2,227,639

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	449,780	524,181	627,839	698,520
Add. Depreciation	40,300	36,434	34,172	38,974
Add. Interest	-	-	-	-
Less Financial Other Income	24,970	34,780	43,768	45,130
Add. Other	-	-	-	-
Op. profit before WC changes	490,080	560,615	662,012	737,494
Net Changes-WC	85,780	5,947	3,388	50,244
Direct tax	(114,580)	(133,653)	(154,903)	(169,694)
Net cash from Op. activities	461,280	432,909	510,496	618,044
Capital expenditures	(99,060)	(17,040)	(63,821)	(65,522)
Interest / Dividend Income	-	-	-	-
Others	30	-	-	-
Net Cash from Inv. activities	(99,030)	(17,040)	(63,821)	(65,522)
Issue of share cap. / premium	(50)	-	-	-
Debt changes	-	-	-	-
Dividend paid	(144,010)	(198,962)	(204,646)	(204,646)
Interest paid	-	-	-	-
Others	(189,210)	(965)	(300)	(300)
Net cash from Fin. activities	(333,270)	(199,927)	(204,946)	(204,946)
Net change in cash	28,980	215,942	241,729	347,575
Free Cash Flow	362,220	415,868	446,675	552,522

Source: Company Data, PL Research

Key Financial Metrics

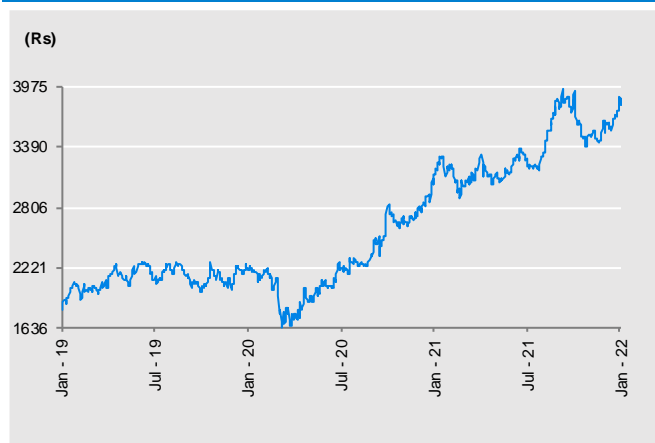
Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	88.1	102.8	124.7	139.5
CEPS	98.7	112.4	133.7	149.7
BVPS	228.1	278.4	349.1	434.5
FCF	95.6	109.7	117.9	145.8
DPS	38.0	52.5	54.0	54.0
Return Ratio(%)				
RoCE	49.2	51.0	49.1	44.0
ROIC	39.6	38.7	37.5	33.7
RoE	38.7	40.6	39.8	35.6
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.6)	(0.6)	(0.7)
Debtor (Days)	82	93	86	85
Valuation(x)				
PER	43.8	37.5	30.9	27.7
P/B	16.9	13.9	11.1	8.9
P/CEPS	39.1	34.3	28.9	25.8
EV/EBITDA	30.6	26.7	22.3	19.4
EV/Sales	8.7	7.3	6.2	5.3
Dividend Yield (%)	1.0	1.4	1.4	1.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Net Revenue	437,050	454,110	468,670	488,850
YoY gr. (%)	9.4	18.5	16.8	16.4
Raw Material Expenses	248,600	267,460	270,480	284,010
Gross Profit	188,450	186,650	198,190	204,840
Margin (%)	43.1	41.1	42.3	41.9
EBITDA	128,010	121,580	131,150	134,330
YoY gr. (%)	16.6	21.3	13.9	10.4
Margin (%)	29.3	26.8	28.0	27.5
Depreciation / Depletion	10,670	5,700	11,150	11,960
EBIT	117,340	115,880	120,000	122,370
Margin (%)	26.8	25.5	25.6	25.0
Net Interest	-	-	-	-
Other Income	7,930	5,750	9,690	9,540
Profit before Tax	125,270	121,630	129,690	131,910
Margin (%)	28.7	26.8	27.7	27.0
Total Tax	32,450	31,320	33,160	33,850
Effective tax rate (%)	25.9	25.8	25.6	25.7
Profit after Tax	92,820	90,310	96,530	98,060
Minority interest	360	230	290	370
Share Profit from Associates	-	-	-	-
Adjusted PAT	92,460	90,080	96,240	97,690
YoY gr. (%)	14.9	28.5	14.1	12.3
Margin (%)	21.2	19.8	20.5	20.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	92,460	90,080	96,240	97,690
YoY gr. (%)	14.9	28.5	14.1	12.3
Margin (%)	21.2	19.8	20.5	20.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	92,460	90,080	96,240	97,690
Avg. Shares O/s (m)	3,703	3,703	3,699	3,699
EPS (Rs)	25.0	24.3	26.0	26.4

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	4-Jan-22	BUY	4,210	3,818
2	9-Oct-21	BUY	4,113	3,936
3	5-Oct-21	BUY	3,968	3,773
4	6-Aug-21	BUY	3,807	3,310
5	9-Jul-21	BUY	3,776	3,259
6	2-Jul-21	BUY	3,588	3,342
7	13-Apr-21	BUY	3,636	3,247
8	5-Apr-21	BUY	3,620	3,167

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	1,530	1,194
2	Coforge	BUY	5,708	5,973
3	Cyient	BUY	1,301	1,065
4	HCL Technologies	BUY	1,400	1,326
5	Infosys	BUY	2,063	1,898
6	L&T Technology Services	BUY	5,705	5,729
7	Larsen & Toubro Infotech	BUY	7,239	7,533
8	Mindtree	BUY	5,141	4,842
9	Mphasis	BUY	3,772	3,423
10	Persistent Systems	BUY	4,808	4,872
11	Redington (India)	BUY	215	147
12	Sonata Software	BUY	994	869
13	Tata Consultancy Services	BUY	4,210	3,818
14	TeamLease Services	Reduce	4,366	4,187
15	Tech Mahindra	BUY	1,908	1,785
16	Wipro	BUY	753	719
17	Zensar Technologies	BUY	528	533

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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