

Tech Mahindra (TECHM IN)

Rating: BUY | CMP: Rs1,149 | TP: Rs1,237

July 22, 2021

Annual Report Analysis

■ Change in Estimates | ☒ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		BUY	
Target Price	1,237		1,174	
Sales (Rs. m)	4,192,942	4,85,435	4,19,942	4,85,435
% Chng.	-	-	-	-
EBITDA (Rs. m)	79,889	92,378	79,889	92,378
% Chng.	-	-	-	-
EPS (Rs.)	61.1	69.1	61.1	69.1
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. bn)	379	420	485	542
EBITDA (Rs. bn)	68	80	92	103
Margin (%)	18.1	19.0	19.0	19.0
PAT (Rs. bn)	44	53	60	67
EPS (Rs.)	50.7	61.1	69.1	76.4
Gr. (%)	4.0	20.4	13.1	10.7
DPS (Rs.)	45.4	10.1	10.1	10.1
Yield (%)	4.0	0.9	0.9	0.9
RoE (%)	18.5	19.8	19.1	18.1
RoCE (%)	20.9	21.5	21.5	20.8
EV/Sales (x)	2.4	2.1	1.8	1.5
EV/EBITDA (x)	13.2	11.0	9.2	7.9
PE (x)	22.6	18.8	16.6	15.0
P/BV (x)	4.0	3.4	2.9	2.5

Key Data

TEML.BO | TECHM IN

52-W High / Low	Rs.1,152 / Rs.595
Sensex / Nifty	52,837 / 15,824
Market Cap	Rs.1,113bn/ \$ 14,946m
Shares Outstanding	969m
3M Avg. Daily Value	Rs.6306.04m

Shareholding Pattern (%)

Promoter's	35.76
Foreign	38.31
Domestic Institution	14.40
Public & Others	11.53
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	8.6	17.1	89.4
Relative	8.1	10.0	36.0

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Repair phase is over...Now in rally phase...

Quick Pointers:

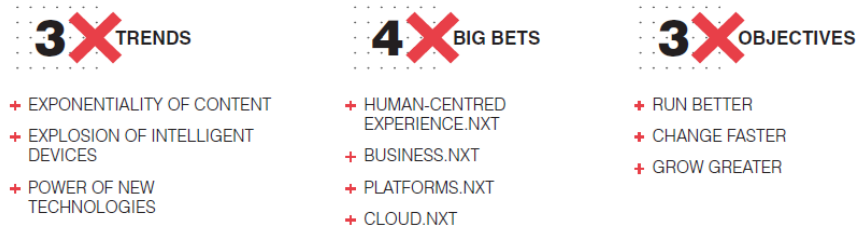
- We expect growth trajectory to improve in Rally phase to 12% CAGR over FY21-23E vs 4.8% CAGR over FY16-21
- TechM will focus now on improving margins in acquired entities through cost rationalization and restructuring, which will improve profitability in FY2022/23
- Profile of acquisitions post FY17 has significantly improved (High growth areas, filling the gaps & aggressive cross-selling).

TechM's annual report titled "NXT.NOW – Experience the future now" outlines its strategy to enable clients experience the future of technology now. We believe TechM has rightly identified gaps and has set on path to transform itself - In 'Repair phase' (till FY21) it has identified strategic growth areas and is re-aligning itself to bring back growth focus. It has significantly improved its profitability too (EBIT margin of 10% in 4Q20 to 16.5% in 4Q21). In the 'Rally phase' (FY22) it aims to expand wallet share across clients as well as improve margins. Cost optimization and restructuring of acquired companies to turn them profitable will provide additional margin tailwinds (~50-70bps) apart from levers of pyramid optimization and automation. The third phase 'Rise beyond' involves building on efforts taken in previous phases and further accelerate growth momentum and margins.

We believe TechM will be the biggest beneficiary of 5G spends. We expect its communication segment to also grow in-line with company average (~12% in FY22 vs -0.8% CAGR over FY16-21) given the strong uptick in 5G capex spends. We value TechM at 17X on Sep-23 EPS (roll over) of INR 72.7 to arrive at TP of INR 1237 (earlier: 1085) with revenue & earnings CAGR of 11.9%/16.7% respectively. The company is currently trading at 18.8X/16.6X on EPS of INR 61.1/69.1 on FY22/23E respectively. Maintain 'BUY'.

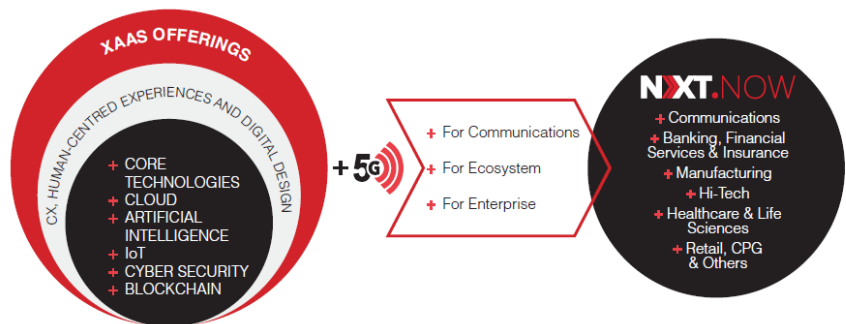
- **TechM is well positioned to capture fair share of 5G spends:** TechM is well positioned to benefit from communication capex cycle boosted by strong pickup 5G investments. TechM did significant 5G related deployments this year including - 1) transforming a Transport Network to be 5G ready for a Tier-1 European Carrier, 2) accelerating 5G Network Deployment for a Tier-1 North American Carrier using Automation/AI, and 3) operating the World's First Cloud Native Network with a Tier 1 Carrier in Japan. The company also strengthened alliances with Hyperscalers (AWS, Google, Microsoft) to launch new services on workload migration and low latency 5G use-cases.
- **New focused approach reaching to customers:** TechM is transforming itself to be future ready now through its NXT.NOW strategy. NXT.NOW strategy is focused on helping companies accelerate technology-led transformation now and gain competitive dominance & evolve their business model to make it more customer-centric, digital, intelligent driving human centered experiences - more focus on B2C. The main pillars of NXT Strategy are 1) Robust strategic approach, 2) Deep technology expertise, 3) Robust innovation strategy, 4) Geographically diversified operations, 5) Industry-specific solutions, 6) Operational excellence (New Age Delivery) and 7) top rated ESG performance.

Exhibit 1: TechM's NXT.NOW strategy



Source: Company, PL

Exhibit 2: Focus on creating human-centered experience through 'As a service model' powered by 5G network



Source: Company, PL

Solutions to increase cross selling & client mining

- TechM is leveraging its portfolio of offerings, intellectual property and platforms to build capabilities in big technology bets and establish new competencies through strategic collaborations to help proactively identify and solve customer's problems. Their new age service offerings in each of the services are mentioned below:
- **Network Services**
 - Communication service provider – core network transformation, enabling platforms, operational / business support systems (OSS and BSS)
 - Enterprise – building private wireless network, enabling a plethora of IoT use cases, digital solutions
 - Ecosystem – network platforms and devices platforms

TechM is Operating the world's first Cloud Native Network with Tier 1 Carrier in Japan

Tech Mahindra designed, built, tested and operated world's first 5G end-to-end Cloud Native Platform (CNP) for a Tier 1 Carrier in Japan. They orchestrated, virtualised and tested multiple Hyperscalers, RAN/Core OEMs in the CNP to achieve extreme lower latency to drive new cases for enterprises and consumers. This includes automation of subscribers on real-time boarding and provisioning.

■ Engineering Services

- Skills in electronics, mechatronics and mechanical engineering
- Solutions around EV, Industry 4.0, IoT and Manufacturing, 5G and Connected factories

■ Platforms

- GAiA (comprehensive AI and automation platform), Cloud Platforms for multi cloud management & operations, WarrantEaze (warranty management claims lifecycle), BlueMarble (digital telecom platform for omni channel processes) and Comviva platforms for enriching Valued-Added Services to Telcos

TechM has architected a comprehensive strategy to become a world leading block-chain company

Developed a VIN (Vehicle Identification Number) – based Dealer Financing solution for a leading public sector company. Based on Hyperledger Fabric, this blockchain solution enables banks (including captives) to improve credit quality and financial health of dealers by tracking the flow and usage of funds across dealer financing ecosystem.

■ Security

- End-to-end security transformation capabilities specialized offerings in Secure Access Service Edge (SASE)

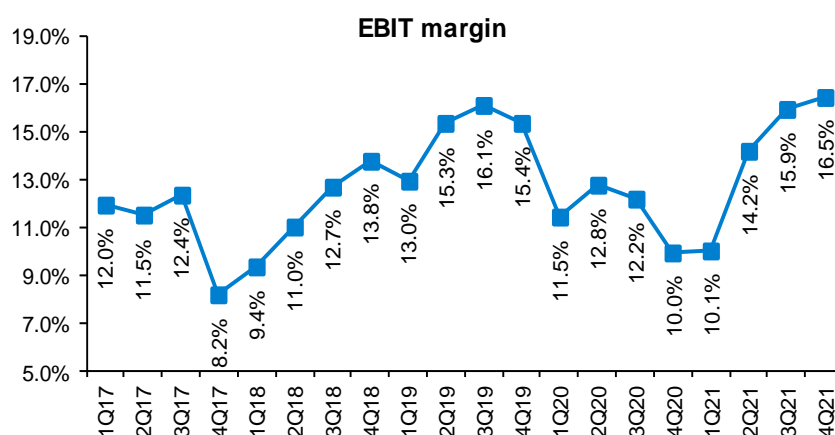
■ Digital marketing and customer experience

- Connected human centered brand experience powered by behavioural and data science.

Improved performance on operational parameters

TechM has formed 4 strategic transformation offices focusing on 1) Operations & Delivery, 2) Growth, 3) Process & 4) People. These offices will be directly working with CEO. The company has also stated three phases to accelerate transformation to drive better profitability and growth.

- **Repair phase (till FY21)** involves re-aligning process in the organization with focus on growth and improving profitability through levers such as higher offshoring, reducing sub-contracting costs, cost rationalization across subsidiaries, pyramid optimization and automation. As a result of these efforts, EBIT margin improved sharply in past three quarters and is expected to sustain and improve further in coming quarters.
- **Rally phase (FY22)** involves expanding wallet share across clients, scaling up investments in strategic areas to become full-service model and further improving margins.
- **Rise beyond (beyond FY22)** involves building on efforts taken in previous phases and further accelerating growth momentum and improve margins

Exhibit 3: EBIT margin improved from 11% levels in 1Q20 to 16.5% in 4Q21


Source: Company, PL

Exhibit 4: Sub-contracting, travel and SG&A expenses reduced in FY21

Cost structure	2015	2016	2017	2018	2019	2020	2021
Expenses as % of revenues							
Personnel Expenses	52.7	52.6	53	54	50.4	51	51
Subcontracting Expenses	12.5	13.5	12.4	12.6	12.5	14.8	13.1
Travel expense	4	3.6	3.5	3.3	3.3	3.3	0.9
Software, hardware and project specific expenses	2.9	4.3	6.3	4.9	5.5	6	7.7
Bad debt expenses	0	1	0	0	1	0	1
Operating and other expenses	9.3	9.3	9.9	9.3	9.1	9	8.5
EBITDA	18.4	16.1	14.4	15.3	18.2	15.5	18.1
Depreciation and amortization	2.7	2.9	3.4	3.5	3.3	3.9	3.9
EBIT	15.7	13.3	11	11.8	15	11.6	14.2

Source: Company, PL

Revenue growth trajectory to improve in rally phase

- Enterprise has grown at a healthy rate of 9.8% CAGR over past 5 years (FY16-21) v/s TCS (4.3%), INFY (5.2%), HCLT (7.2%), Wipro (1%). However overall growth has been soft at 3.4% CAGR, due to weak performance by communications segment (-0.8% CAGR over FY16-21).
- TechM delivered some marquee projects in communications in FY21** – 1) Operated world's first Cloud Native Network with Tier 1 Carrier in Japan, 2) working with a client to deploy Intelligent 5G Mining solution that will increase coal production of mines by 3X and 3) partnering with a European Government for co-developing 5G /6G Intelligent Labs to research, test and deploy use cases that can have a compounding effect on the country's economic growth and job creation.
- With onset of communication capex cycle and strong demand for 5G across developed countries, growth is expected to come back to company average levels in communications segment in FY22 & FY23
- TechM is also investing in 7 horizontal offerings-(1) IT, (2) BPS, (3) ER&D, (4) Communication (5G, Network Infra), (5) SaaS platforms, (6) CX, and (7) Cybersecurity targeted at different buyers in client organizations with an objective to become full service model and gain more wallet share.

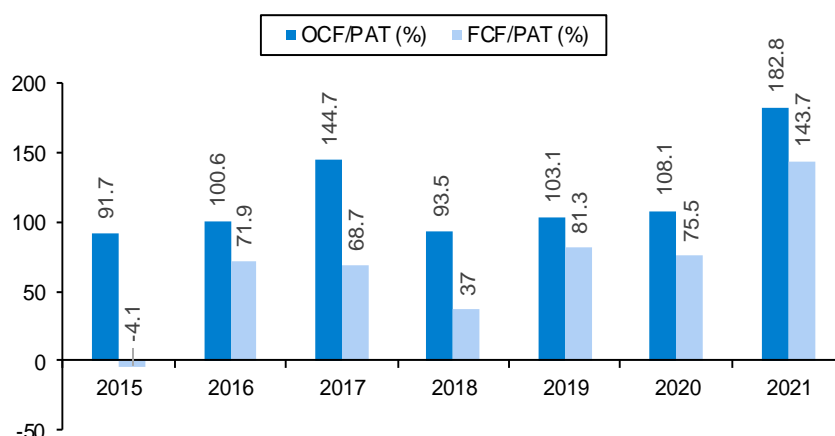
Exhibit 5: Enterprise segment has grown at 9.8% CAGR over past 5 years while telecom CAGR has been soft at -0.8%

Tech Mahindra consolidated	2013	2014	2015	2016	2017	2018	2019
Revenue (US\$ mn)	2,633	3,098	3,663	4,038	4,351	4,771	4,971
Incremental revenue (US\$ mn)	168	465	565	374	314	419	200
US\$ revenue growth (%)	6.8	17.7	18.2	10.2	7.8	9.6	4.2
Telecom revenue (US\$ mn)	1,206	1,527	1,916	2,097	2,079	2,065	2,050
Incremental revenue (US\$ mn)	50	321	389	181	-18	-14	-15
US\$ revenue growth (%)	4.3	26.6	25.4	9.4	-0.9	-0.7	-0.7
Enterprise revenue (US\$ mn)	1,426	1,571	1,747	1,940	2,272	2,706	2,921
Incremental revenue (US\$ mn)	118	144	177	193	332	434	215
US\$ revenue growth (%)	9	10.1	11.2	11.1	17.1	19.1	8

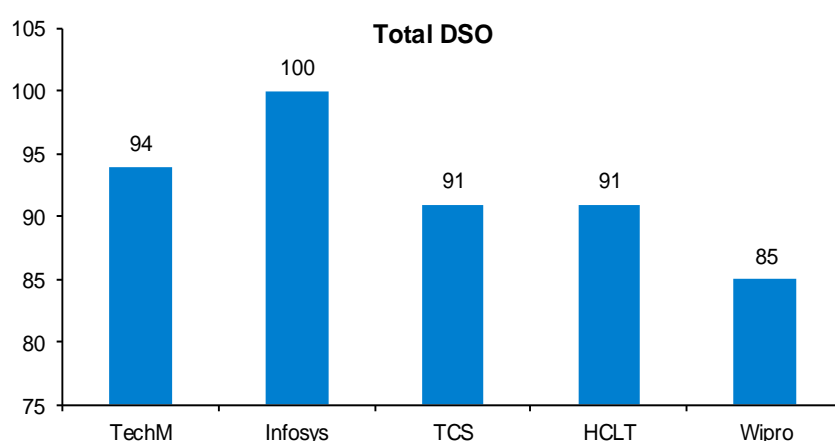
Source: Company, PL

Strong operating cash conversion

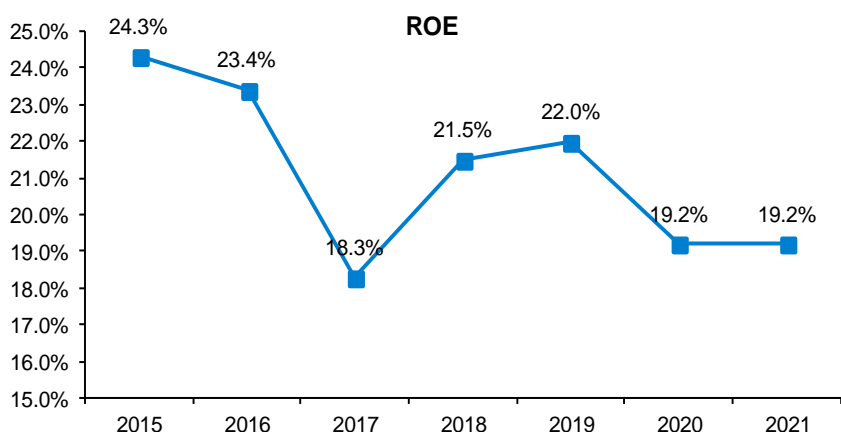
- Cash flow conversion was robust with OCF/PAT at 182.8% and FCF/PAT at 143.7% led by rigour over collections. DSO declined to 94 days from 115 days in FY20. Capex for the year was Rs. 6.6 Bn (-21.5% YoY) offset by higher investments of Rs.10.6 Bn (+126% YoY) in acquisitions. OCF (Rs. 80.9 Bn) & FCF (Rs. 63.4 Bn) grew by 86% & 109% YoY in FY21.

Exhibit 6: Cash flow conversion almost doubled in FY21 vs FY20


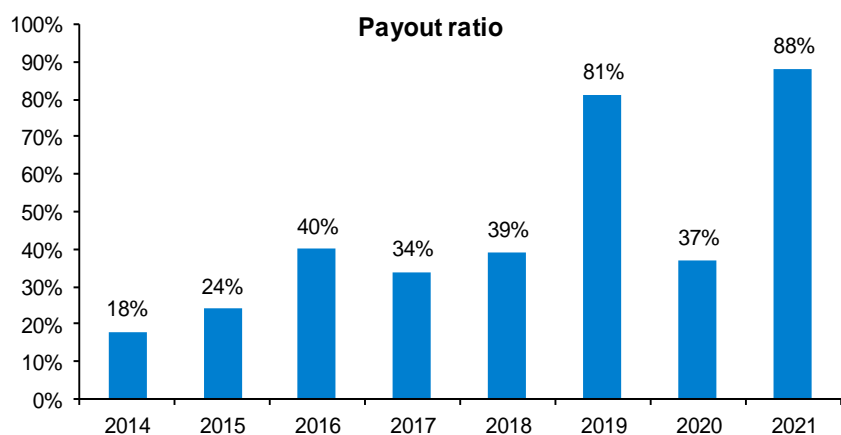
Source: Company, PL

Exhibit 7: DSO in-line with peers


Source: Company, PL

Exhibit 8: ROE stable at 19.2%

Source: Company, PL

Exhibit 9: Improved payout (dividend + buyback) ratio

Source: Company, PL

CEO compensation declined due to lower exercise of stock options

- Total reported CEO compensation declined by 50% YoY due to lower RSU charge related to exercise of stock options. However, if we look at stock expense recognized in P&L, then the total compensation as % of P&L is 0.5%, in-line with industry peers. (vs INFY at 0.4% of PAT)

Exhibit 10: CEO compensation at 0.5% of PAT is in-line with peers (vs INFY at 0.4% of PAT)

(Rs mn)	2016	2017	2018	2019	2020	2021
Salary	16	24	27	28	28	27
Perquisites	0	1	1	1	2	1
Company contribution to PF	1	1	1	1	1	0
Commissions	6	10	11	16	6	18
Total cash compensation	24	37	40	46	37	46
Stock options exercised	430	1,472	1,423	179	250	98
Total compensation	454	1,508	1,463	225	287	144
Net profit	29,929	28,129	38,000	42,888	40,330	44,280
% of net profit	1.5	5.4	3.9	0.5	0.7	0.3
Cash compensation	24	37	40	46	37	46
Stock expense charged in P&L	394	143	237	403	295	173
Total compensation	418	180	277	449	332	219
Net profit	29,929	28,129	38,000	42,888	40,330	44,280
% of net profit	1.4	0.6	0.7	1	0.8	0.5

Source: Company, PL

Restructuring of acquisitions will aid margins in FY22

- Acquisitions of LCC, Comviva, Sofgen, Pininfarina etc. have not turned profitable even after 5 years of acquisition. For example, Pininfarina reported loss of EUR24.4 mn in CY2020 including ~EUR10 mn in one-time restructuring cost. However, TechM is improving margins by restructuring and cost optimization across these subsidiaries, which can provide margin lever in FY22. Positive profitability in Pininfarina alone acquisition alone can provide 50bps margin tailwind.
- Acquisitions done post 2018 have margins in-line with company average margins and are in high growth areas. TechM has increased focus on creating integrated solutions combining both organic and inorganic offerings and is incentivizing based on synergy benefits to align managerial interests with that of TechM. Success in cross-selling offerings from HCI Group's (acquired in 2017) healthcare clients is one such example.
- The profile of acquisitions has significantly improved & they are focusing on creating and selling integrated solutions combining both in-house offerings and acquired competencies.
- Focus on acquisitions is on 3 areas of customer experience (Mad*Pow, Born Group, Eventus), Industry related (Zen3, Cerium, Payments, Perigord) & cloud (DigitalOnUs, Brainscale, Momenton)

Exhibit 11: Acquisitions done before FY17 are drag on growth and margins

	2016	2017	2018	2019	2020	2021	CAGR
Revenues (INR mn)							
LCC	26,989	20,681	16,061	15,328	15,534	13,715	-13%
Comviva Technologies	7,825	8,314	8,572	9,133	8,119	9,707	4%
Sofgen Holdings	2,764	3,050	2,995	2,273	2,120	2,020	-6%
Tech Mahindra Business Services	7,032	7,076	7,036	7,426	7,643	7,855	2%
Target		5,481	6,037	6,920	6,256	6,880	6%
Pininfarina		5,117	6,403	8,499	7,124	5,668	3%
Bio Agency			1,253	762	400	408	-31%
Profit after tax							
LCC	685	-2,760	-35	-993	149	901	
<i>Margins</i>	2.5%	-13.3%	-0.2%	-6.5%	1.0%	6.6%	
Comviva Technologies	756	-90	575	479	-92	NA	
<i>Margins</i>	10%	-1%	7%	5%	-1%	NA	
Sofgen Holdings	-237	-327	-295	238	-1,484	1,634	
<i>Margins</i>	-9%	-11%	-10%	10%	-70%	81%	
Tech Mahindra Business Services	885	807	808	655	1,066	1,200	
<i>Margins</i>	13%	11%	11%	9%	14%	15%	
Target		143	59	333	-1,095	-697	
<i>Margins</i>		3%	1%	5%	-18%	-10%	
Pininfarina		1,525	96	175	-1,819	-2,067	
<i>Margins</i>		30%	1%	2%	-26%	-36%	
Bio Agency			129	-23	-258	-169	
<i>Margins</i>			10%	-3%	-65%	-41%	

Source: Company, PL

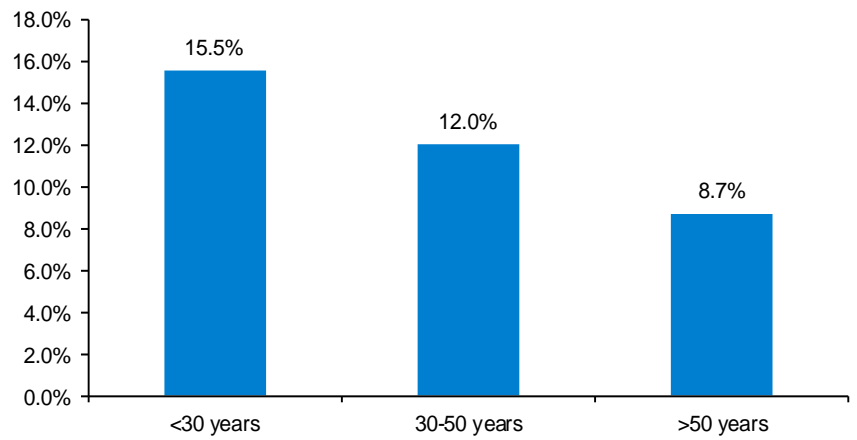
Exhibit 12: Recent acquisitions are performing better

	2019	2020	2021	YoY gr.
Revenues (INR mn)				
K-vision	11	691	1,341	94%
Mad*Pow		617	1,181	91%
Tech Mahindra Canada INC (Objectwise)		355	555	56%
Profit after tax				
K-vision	0	2	111	
Mad*Pow		68	121	
Tech Mahindra Canada INC (Objectwise)		-10	-2	

Source: Company, PL

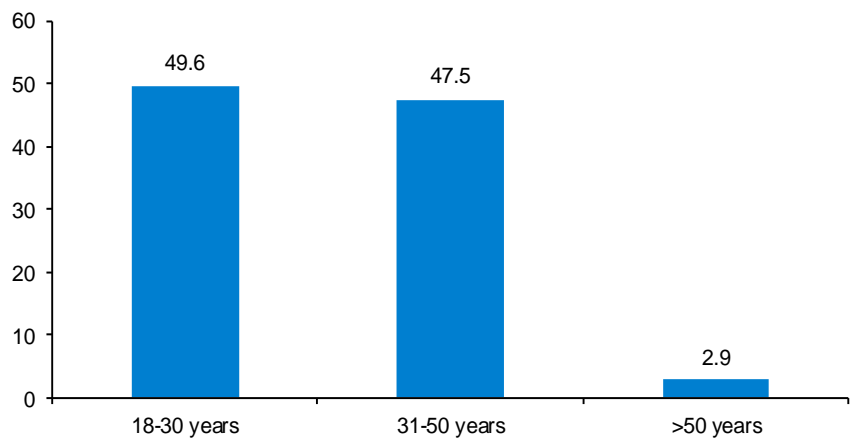
Employee metrics

Exhibit 13: Attrition rate higher for employees below 30 years of age



Source: Company, PL

Exhibit 14: Scope to optimize pyramid – increase share of 18-30 age group



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	3,78,551	4,19,942	4,85,435	5,42,182
YoY gr. (%)	2.7	10.9	15.6	11.7
Employee Cost	2,58,555	2,80,259	3,20,241	3,57,677
Gross Profit	1,19,997	1,39,684	1,65,194	1,84,505
Margin (%)	31.7	33.3	34.0	34.0
SG&A Expenses	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	68,471	79,889	92,378	1,03,178
YoY gr. (%)	19.6	16.7	15.6	11.7
Margin (%)	18.1	19.0	19.0	19.0
Depreciation and Amortization	14,577	16,798	19,417	21,687
EBIT	53,894	63,091	72,961	81,490
Margin (%)	14.2	15.0	15.0	15.0
Net Interest	1,740	1,900	1,500	1,500
Other Income	7,364	8,000	8,000	8,000
Profit Before Tax	59,518	69,191	79,461	87,990
Margin (%)	15.7	16.5	16.4	16.2
Total Tax	15,999	16,561	19,857	21,923
Effective tax rate (%)	26.9	23.9	25.0	24.9
Profit after tax	43,519	52,631	59,604	66,067
Minority interest	(750)	(750)	(750)	(750)
Share Profit from Associate	-	-	-	-
Adjusted PAT	44,269	53,381	60,354	66,817
YoY gr. (%)	4.0	20.6	13.1	10.7
Margin (%)	11.7	12.7	12.4	12.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	44,269	53,381	60,354	66,817
YoY gr. (%)	4.0	20.6	13.1	10.7
Margin (%)	11.7	12.7	12.4	12.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	44,269	53,381	60,354	66,817
Equity Shares O/s (m)	873	874	874	874
EPS (Rs)	50.7	61.1	69.1	76.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	63,247	52,493	60,679	67,773
Tangibles	63,247	52,493	60,679	67,773
Intangibles	-	-	-	-
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	63,247	52,493	60,679	67,773
Tangibles	63,247	52,493	60,679	67,773
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	40,082	41,672	43,262	44,852
Non-Current Investments	10,294	10,294	10,294	10,294
Net Deferred tax assets	9,133	9,133	9,133	9,133
Other Non-Current Assets	20,288	20,330	20,337	20,342
Current Assets				
Investments	-	-	-	-
Inventories	-	-	-	-
Trade receivables	64,728	80,537	93,097	1,03,980
Cash & Bank Balance	1,24,971	1,45,193	1,75,218	2,13,866
Other Current Assets	62,612	69,290	80,097	89,460
Total Assets	3,95,597	4,36,501	5,00,855	5,69,459
Equity				
Equity Share Capital	4,370	4,370	4,370	4,370
Other Equity	2,44,280	2,87,341	3,37,376	3,93,873
Total Network	2,48,650	2,91,711	3,41,746	3,98,243
Non-Current Liabilities				
Long Term borrowings	9,735	9,735	9,735	9,735
Provisions	-	-	-	-
Other non current liabilities	31,825	29,102	31,721	33,991
Current Liabilities				
ST Debt / Current of LT Debt	14,960	13,460	11,960	10,460
Trade payables	27,850	35,695	41,262	46,085
Other current liabilities	59,965	53,753	62,136	69,399
Total Equity & Liabilities	3,96,780	4,36,501	5,00,855	5,69,459

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	59,518	69,191	79,461	87,990
Add. Depreciation	14,577	16,798	19,417	21,687
Add. Interest	1,740	1,900	1,500	1,500
Less Financial Other Income	7,364	8,000	8,000	8,000
Add. Other	-	-	-	-
Op. profit before WC changes	75,835	87,889	1,00,378	1,11,178
Net Changes-WC	25,798	(30,937)	(7,982)	(6,916)
Direct tax	(15,999)	(16,561)	(19,857)	(21,923)
Net cash from Op. activities	85,634	40,392	72,539	82,338
Capital expenditures	(31,781)	(6,450)	(29,194)	(30,371)
Interest / Dividend Income	-	-	-	-
Others	7,611	-	-	-
Net Cash from Invt. activities	(24,170)	(6,450)	(29,194)	(30,371)
Issue of share cap. / premium	(67)	-	-	-
Debt changes	12,148	(1,500)	(1,500)	(1,500)
Dividend paid	(46,387)	(10,319)	(10,319)	(10,319)
Interest paid	(1,740)	(1,900)	(1,500)	(1,500)
Others	22,052	-	-	-
Net cash from Fin. activities	(13,994)	(13,719)	(13,319)	(13,319)
Net change in cash	47,470	20,222	30,025	38,648
Free Cash Flow	58,078	32,758	43,345	51,967

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	50.7	61.1	69.1	76.4
CEPS	67.4	80.3	91.3	101.3
BVPS	284.9	333.7	391.0	455.6
FCF	66.5	37.5	49.6	59.5
DPS	45.4	10.1	10.1	10.1
Return Ratio(%)				
RoCE	20.9	21.5	21.5	20.8
ROIC	19.2	19.4	18.9	17.9
RoE	18.5	19.8	19.1	18.1
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.4)	(0.5)
Debtor (Days)	62	70	70	70
Valuation(x)				
PER	22.6	18.8	16.6	15.0
P/B	4.0	3.4	2.9	2.5
P/CEPS	17.0	14.3	12.6	11.3
EV/EBITDA	13.2	11.0	9.2	7.9
EV/Sales	2.4	2.1	1.8	1.5
Dividend Yield (%)	4.0	0.9	0.9	0.9

Source: Company Data, PL Research

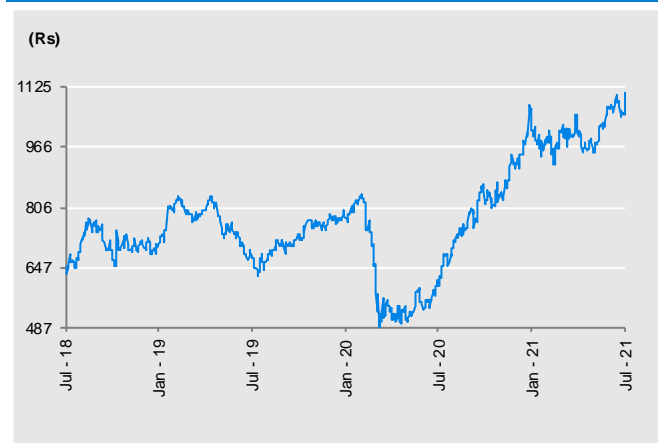
Quarterly Financials (Rs m)

Y/e Mar	Q2FY21	Q3FY21	Q4FY21	Q1FY22E
Net Revenue	93,718	96,471	97,299	1,00,265
YoY gr. (%)	3.3	(0.1)	2.5	10.1
Raw Material Expenses	64,245	64,708	64,497	67,177
Gross Profit	29,473	31,763	32,802	33,087
Margin (%)	31.4	32.9	33.7	33.0
EBITDA	17,030	18,955	19,481	18,048
YoY gr. (%)	13.5	21.2	44.5	38.8
Margin (%)	18.2	19.6	20.0	18.0
Depreciation / Depletion	3,717	3,584	3,444	4,011
EBIT	13,313	15,371	16,037	14,037
Margin (%)	14.2	15.9	16.5	14.0
Net Interest	399	421	417	400
Other Income	1,175	2,209	(181)	2,000
Profit before Tax	14,089	17,159	15,439	15,637
Margin (%)	15.0	17.8	15.9	15.6
Total Tax	3,462	4,263	4,998	3,766
Effective tax rate (%)	24.6	24.8	32.4	24.1
Profit after Tax	10,627	12,896	10,441	11,871
Minority interest	(15)	(197)	(371)	(167)
Share Profit from Associates	4	5	2	-
Adjusted PAT	10,646	13,098	10,814	12,038
YoY gr. (%)	(5.3)	14.3	5.9	23.8
Margin (%)	11.4	13.6	11.1	12.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	10,646	13,098	10,814	12,038
YoY gr. (%)	(5.3)	14.3	5.9	23.8
Margin (%)	11.4	13.6	11.1	12.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	10,646	13,098	10,814	12,038
Avg. Shares O/s (m)	879	879	882	882
EPS (Rs)	12.1	14.9	12.3	13.6

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	2-Jul-21	BUY	1,174	1,085
2	27-Apr-21	BUY	1,132	962
3	5-Apr-21	BUY	1,143	990
4	1-Feb-21	BUY	1,138	961
5	4-Jan-21	BUY	1,099	978
6	26-Oct-20	BUY	1,042	848
7	5-Oct-20	BUY	966	823
8	1-Oct-20	BUY	966	792
9	28-Jul-20	Accumulate	716	665

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	4,327	4,194
2	Cyient	BUY	1,088	946
3	HCL Technologies	BUY	1,094	1,000
4	Infosys	BUY	1,832	1,577
5	L&T Technology Services	BUY	3,149	2,911
6	Larsen & Toubro Infotech	Accumulate	4,623	4,289
7	Mindtree	BUY	3,229	2,505
8	Mphasis	BUY	2,335	2,161
9	Persistent Systems	UR	-	2,965
10	Redington (India)	BUY	301	279
11	Sonata Software	BUY	834	757
12	Tata Consultancy Services	BUY	3,776	3,259
13	TeamLease Services	BUY	4,136	3,604
14	Tech Mahindra	BUY	1,174	1,085
15	Wipro	BUY	678	576
16	Zensar Technologies	BUY	290	276

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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