

April 19, 2022

## Q4FY22 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>4,778</b>		<b>5,157</b>	
Sales (Rs. m)	128,588	148,662	128,603	148,585
% Chng.	-	0.1		
EBITDA (Rs. m)	25,957	30,423	26,053	30,460
% Chng.	(0.4)	(0.1)		
EPS (Rs.)	116.4	135.0	116.0	134.9
% Chng.	0.4	-		

### Key Financials - Consolidated

Y/e Mar	FY21	FY22	FY23E	FY24E
Sales (Rs.m)	79,678	105,253	128,588	148,662
EBITDA (Rs. m)	16,428	21,956	25,957	30,423
Margin (%)	20.6	20.9	20.2	20.5
PAT (Rs. m)	11,083	16,529	19,183	22,246
EPS (Rs.)	67.3	100.3	116.4	135.0
Gr. (%)	75.6	49.0	16.1	16.0
DPS (Rs.)	25.0	37.0	37.0	37.0
Yield (%)	0.6	0.9	0.9	0.9
RoE (%)	29.7	33.8	31.3	29.3
RoCE (%)	36.2	39.2	36.5	34.7
EV/Sales (x)	7.8	5.9	4.7	4.0
EV/EBITDA (x)	38.1	28.2	23.4	19.5
PE (x)	58.8	39.5	34.0	29.3
P/BV (x)	15.1	11.9	9.6	7.8

### Key Data

MINT.BO | MTCL IN

52-W High / Low	Rs.5,060 / Rs.1,998
Sensex / Nifty	57,167 / 17,174
Market Cap	Rs.652bn/ \$ 8,553m
Shares Outstanding	165m
3M Avg. Daily Value	Rs.3251.07m

### Shareholding Pattern (%)

Promoter's	61.00
Foreign	15.72
Domestic Institution	9.71
Public & Others	13.57
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.7)	(15.9)	91.2
Relative	(1.9)	(9.8)	62.4

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## Mindtree (MTCL IN)

Rating: BUY | CMP: Rs3,958 | TP: Rs4,778

### Set to lead on growth front, resilient margins

#### Quick Pointers:

- Resilient EBIT margin 18.9%, -30bps QoQ in Q4 and EBITDA margin guidance of 20%+ retained for FY23
- TCV of \$390 mn, 9% YoY, 4% QoQ in Q4 and \$1.6bn, 16.7% YoY in FY23 plus net headcount addition of 47% YoY indicate strong demand momentum.

**MTCL reported strong revenue growth of 5.2% QoQ CC in-line with our and above cons estimates, led by broad-based growth across most verticals. The company delivered industry leading organic growth of 31% YoY USD in FY22 and is well positioned to lead on growth front in FY23 led by – 1) strong TTM TCV of \$1.6 Bn, 16.7% YoY, 2) strong client mining capabilities (doubled \$20mn+ accounts from 7 to 14 in FY22, 90% of revenue comes from focused 100 accounts) and 3) strong deal pipeline. Strong headcount addition of 47% YoY in FY22 also indicates strength in demand. EBIT margins were resilient at 18.9%, only 30bps QoQ decline despite supply side cost pressures. Management retained EBITDA margin guidance of 20%+ in FY23 (vs reported EBITDA margin of 21% in FY22)**

**Our EPS estimates remain largely unchanged. Our DCF based TP of Rs. 4,778 (earlier Rs.5157) with implied earnings target multiple of 35x on FY24 EPS (earlier 38x) factors increase in risk free rate to 7.2% (earlier 6.8%) and moderation in terminal growth rate. MTCL is currently trading at 34x/29x on earnings of INR 116/135 for FY23/24 respectively with Revenue/EPS CAGR of 17%/16% for FY22-24E. Maintain 'Buy'.**

- Five consecutive quarters of greater than 5% CC growth:** MTCL reported revenue of \$383.8 mn, +5.2% QoQ CC (Ple: 5.3%), 4.8% QoQ USD terms (Ple: 5%, Cons: 4.5%) led by broad-based growth across BFSI (8.9% QoQ), CMT (5.2% QoQ), TTH (9.2% QoQ) and Healthcare (18% QoQ), (all in USD terms). RCM declined by 2.4% QoQ USD due to ramp down in one Retail account also reflected in decline in UK & Ireland (-6% QoQ USD).
- Strong deal win momentum:** MTCL reported strong deal TCV of USD \$390 mn, +9% YoY, 4% QoQ taking FY22 deal TCV to \$1.6 Bn, 16.7% YoY. TTM book-to-bill ratio stands at 1.14x. MTCL delivered industry leading growth of 31% YoY in FY22 and aspires to achieve industry leading in FY23 as well. Deal pipeline continues to be strong with no impact yet seen due to macro issues.
- Beat in margins:** EBIT margin came at 18.9%, 30bps QoQ, (Ple: 18.4%, Cons: 18.8%) above our and cons estimates. Sequential decline in margins was due to 60bps increase in employee costs. Sub-con costs decline slightly to 9.5% vs 9.8% in Q3. FY22 margins are at 18.6%, 120bps YoY.
- Retained EBITDA margin guidance of 20%:** Management has retained EBITDA margin guidance of 20%+ in FY23 (vs 21% in FY22) as headwinds from increased manpower costs and return of travel and facility costs are

MTCL plans to considerably increase fresher hiring in FY23. MTCL has revamped training program for freshers, including training starting in the last semester of engineering degree program, leading to significant reduction in time to bill freshers.

expected to be partially offset by pyramid optimization and fast tracking time to bill for freshers and better pricing for niche skills.

- Utilization increased to 83.1% (vs 81.5% in 3Q22 and 84.3% in 4Q21) led by shorter order book to billing period and fast tracking of fresher billing. Utilization is expected to go back to comfortable range of 80-82% over period of time. Offshore effort mix is stable at 86.3% (vs 86% in 3Q22 and 82.9% in 4Q21), but is expected to decrease in H2FY23 as global travel normalizes.
- **Strong client mining capabilities:** MTCL has strong client mining capabilities given 90% of revenue coming from focused 100 accounts with revenue per client improving from ~\$4 mn in FY21 to \$5.1 mn to FY22. \$20mn+ account doubled from 7 to 14 in FY22. It has focused on scaling up client engagements to full stack accounts cutting across service lines.
- **Strong hiring continued:** MTCL added 3112 employees, +10% QoQ, +47% YoY in 4Q22. (vs average addition of 2.7K per quarter in 9MFY22). MTCL has been adding 1.5K+ freshers every quarter since last 2-3 quarters. It has added delivery centre in Pune and opened new development center in Kolkata.
- **Rise in attrition:** Trailing 12 months' attrition increased to 23.8%, +190bps QoQ (vs 21.9% in 3Q22 and 12.1% in 4Q21). We expect attrition to remain at elevated levels in H1FY23 and trend down in 2HFY23.
- DSO for the quarter is 60days, lower by 4days QoQ. Cash and investment balances are at all-time high of USD 412.7 mn. OCF/EBITDA improved significantly to 92.2% in Q4 vs 87.7% in Q3. Board declared dividend of Rs. 27 resulting in payout ratio of 37% for FY22

#### Exhibit 1: Q4FY22 quick view on results

Rs m	4Q21	3Q22	4Q22	QoQ gr.	YoY gr.	3Q22E	% var from est
Net Sales (US\$ m)	288.2	366.4	383.8	4.7%	33.2%	384.5	-0.2%
Net Sales	21,093	27,500	28,974	5.4%	37.4%	28,918	0.2%
EBITDA	4,626	5,921	6,083	2.7%	31.5%	5,899	3.1%
EBITDA margin (%)	21.9%	21.5%	21.0%	-54bp	-94bp	20.4%	59bp
EBIT	3,913	5,289	5,487	3.7%	40.2%	5,323	3.1%
EBIT margin (%)	18.6%	19.2%	18.9%	-30bp	39bp	18.4%	53bp
PBT	4,188	5,870	6,265	6.7%	49.6%	5,796	8.1%
Reported PAT	3,173	4,375	4,731	8.1%	49.1%	4,347	8.8%
EPS diluted (Rs.)	19.3	26.5	28.71	8.2%	49.1%	26.4	8.9%

Source: Company, PL

## Exhibit 2: Change in Estimates

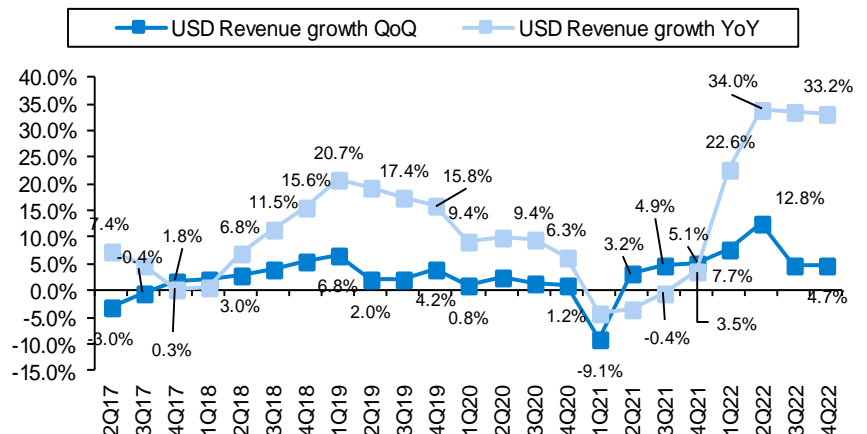
Y/e March	FY23E	FY24E
USD revenues (US\$ m)		
- New	1,692	1,931
- Old	1,692	1,930
Change (%)	0.0%	0.1%
EBIT Margin		
- New	17.7%	17.9%
- Old	17.7%	18.0%
Change (%)	-7 bps	-4 bps
Recurring EPS (Basic) Rs.		
- New	116.4	135.0
- Old	116.0	134.9
Change (%)	0.4%	0.0%

Source: Company, PL

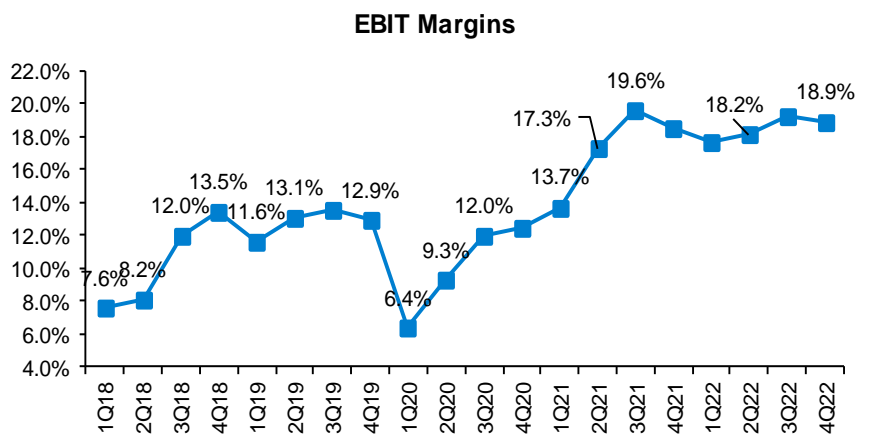
## Exhibit 3: Segmental Margin Performance

	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
<b>Revenues</b>														
Retail,CPG,Manufacturing	3984	4076	4077	4150	4048	4164	3927	4139	4381	4719	5059	6566	6674	6560
BFSI	3878	4015	3953	4136	4195	4195	3879	3922	3956	3875	4162	4536	4805	5261
CMT	7034	7290	7226	7612	8139	8816	9737	9597	10089	10412	10420	10995	11857	12546
Travel & Hospitality	2976	3013	3086	3245	3271	3330	1545	1602	1811	2087	3053	3489	3804	4178
Healthcare											223	276	360	429
<b>Operating Profit</b>														
Retail,CPG,Manufacturing	712	674	575	664	740	865	783	927	1051	923	550	1140	1090	1005
BFSI	101	184	190	468	627	716	785	830	916	779	902	921	932	883
CMT	1577	1560	892	1016	1317	1529	2114	1910	2395	2472	2550	2454	2979	3293
Travel & Hospitality	443	385	184	334	379	402	-204	117	317	452	582	766	867	907
Healthcare											61	26	53	-5
<b>EBITDA Margins</b>														
Retail,CPG,Manufacturing	17.9%	16.5%	14.1%	16.0%	18.3%	20.8%	19.9%	22.4%	24.0%	19.6%	10.9%	17.4%	16.3%	15.3%
BFSI	2.6%	4.6%	4.8%	11.3%	14.9%	17.1%	20.2%	21.2%	23.2%	20.1%	21.7%	20.3%	19.4%	16.8%
CMT	22.4%	21.4%	12.3%	13.3%	16.2%	17.3%	21.7%	19.9%	23.7%	23.7%	24.5%	22.3%	25.1%	26.2%
Travel & Hospitality	14.9%	12.8%	6.0%	10.3%	11.6%	12.1%	-13.2%	7.3%	17.5%	21.7%	19.1%	22.0%	22.8%	21.7%
Healthcare											27.4%	9.4%	14.7%	-1.2%
Consolidated EBITDA Margin	13.6%	12.9%	6.4%	9.3%	12.0%	12.5%	13.7%	17.3%	23.1%	21.9%	20.3%	20.5%	21.5%	21.0%
<b>Revenue Mix</b>														
Retail,CPG,Manufacturing	22.3%	22.2%	22.2%	21.7%	20.6%	20.3%	20.6%	21.5%	21.6%	22.4%	22.1%	25.4%	24.3%	22.6%
BFSI	21.7%	21.8%	21.6%	21.6%	21.3%	20.4%	20.3%	20.4%	19.6%	18.4%	18.2%	17.5%	17.5%	18.2%
CMT	39.3%	39.6%	39.4%	39.8%	41.5%	43.1%	51.0%	49.8%	49.9%	49.4%	45.4%	42.5%	43.1%	43.3%
Travel & Hospitality	16.7%	16.4%	16.8%	16.9%	16.6%	16.2%	16.6%	8.1%	8.9%	12.7%	13.3%	13.5%	13.8%	14.4%
Healthcare											1.0%	1.1%	1.3%	1.5%

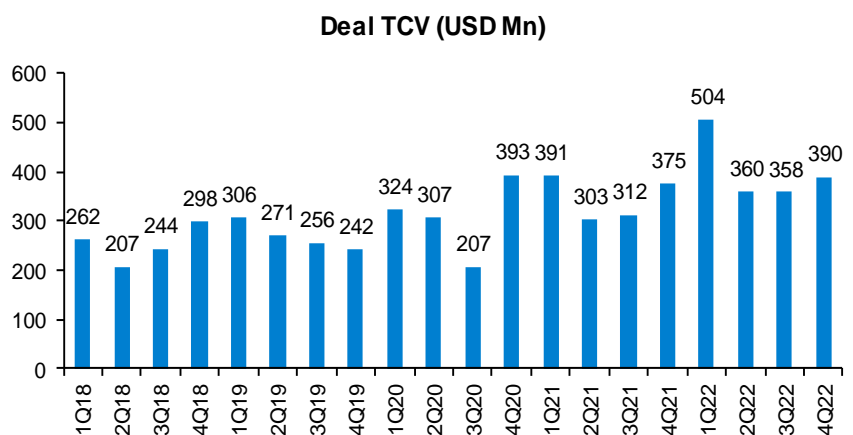
Source: Company, PL

**Exhibit 4: Strong sequential growth (>5% CC) for five consecutive quarters**


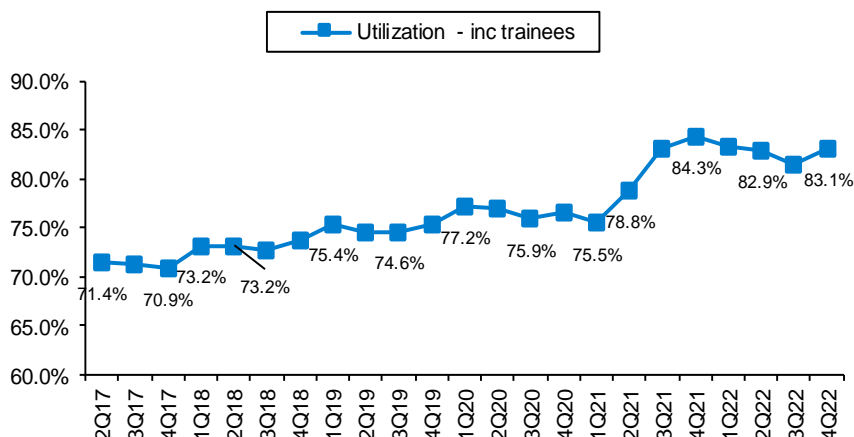
Source: Company, PL

**Exhibit 5: Increase in margin despite supply side pressures**


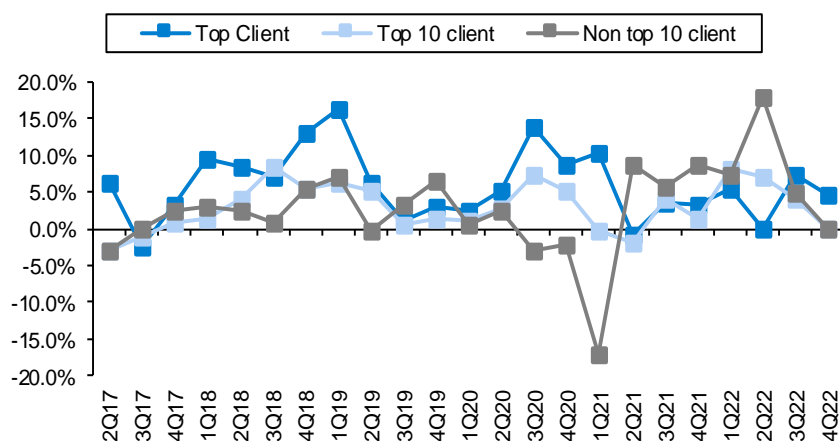
Source: Company, PL

**Exhibit 6: FY22 deal TCV up +16.7% YoY**


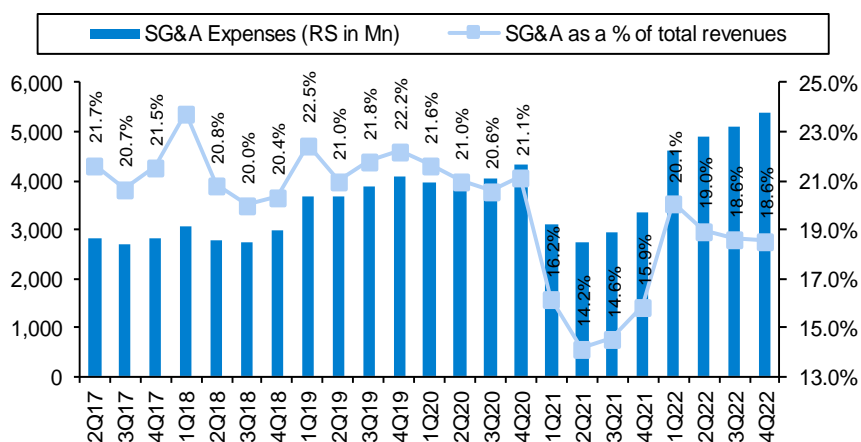
Source: Company, PL

**Exhibit 7: Utilization inched up despite aggressive fresher hiring**


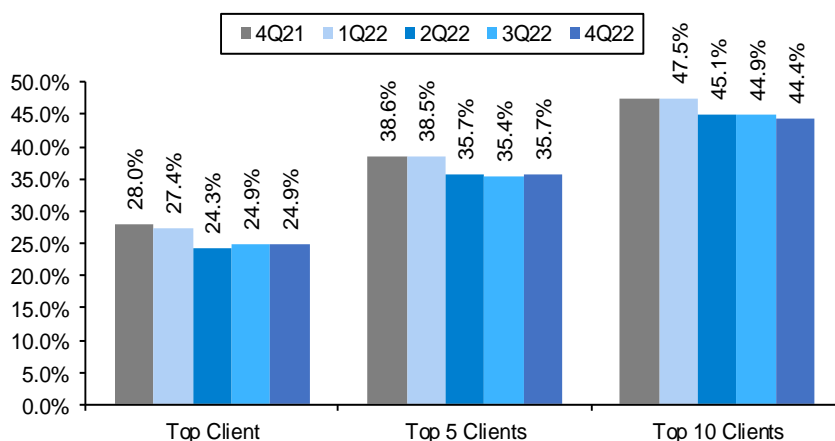
Source: Company, PL

**Exhibit 8: Strong growth in top client, +4.7% QoQ USD**


Source: Company, PL

**Exhibit 9: SG&A expenses remained stable**


Source: Company, PL

**Exhibit 10: Client concentration remained stable on QoQ basis**

Source: Company, PL

**Exhibit 11: America led growth in 4QFY22**

(US\$ m)	4Q21	3Q22	4Q22	QoQ gr	YoY gr.
America	221	267	282	5.6	28.0
Europe	45	68	68	(0.3)	50.1
APAC / Rest of the World	22	31	33	8.5	50.5
<b>Geography wise(% of sales)</b>					
America	76.6%	73.0%	73.6%	60bp	-300bp
Europe	15.7%	18.6%	17.7%	-90bp	200bp
APAC / Rest of the World	7.7%	8.4%	8.7%	30bp	100bp

Source: Company, PL

**Exhibit 12: Client Metrics**

	4Q21	3Q22	4Q22	QoQ gr.	YoY gr.
Total active clients	270	265	276	11.00	6.0
New clients added	4	8	11	3.00	7.0
<b>Customer Concentration (%)</b>					
Top Customer	28.0%	24.9%	24.9%	0bp	-310bp
Top 5 Customers	38.6%	35.4%	35.7%	30bp	-290bp
Top 10 Customers	47.3%	44.9%	44.4%	-50bp	-290bp
<b>Receivables position</b>					
Days of Sales Outstanding	60	64	60	(4.0)	0.0
<b>Client relationships</b>					
US\$ 1m+	118	136	139	3.0	21.0
US\$ 5m+	44	52	56	4.0	12.0
US\$ 10m+	20	33	32	(1.0)	12.0
US\$ 50m+	4	0	0	0.0	(4.0)

Source: Company, PL

**Exhibit 13: Headcount Metrics**

	4Q21	3Q22	4Q22	QoQ gr.	YoY gr.
Total employees	23,814	31,959	35,071	3,112.0	11,257.0
- net hiring	1,619	2,227	3,112	885.0	1,493.0
Delivery employees	22,540	30,338	35,071	4,733.0	12,531.0
- net addition	1,907	4,469	6,853	2,384.0	4,946.0
Sales and support	1,274	1,621	1,865	244.0	591.0
Utilization % - inc trainees	84.3%	81.5%	83.1%	160bp	-120bp
Attrition rate - LTM	12.1%	21.9%	23.8%	190bp	1170bp

Source: Company, PL

**Exhibit 14: Data & Intelligence and customer success led growth in 4QFY22**

	4Q21	3Q22	4Q22	QoQ gr.	YoY gr.
<b>Revenue by Service Offering*</b>	39%	43%	43%	0bp	430bp
Customer Success	16%	15%	15%	10bp	-110bp
Data & Intelligence	19%	19%	19%	0bp	-30bp
Cloud	26%	23%	23.1%	-10bp	-290bp
Enterprise IT	100%	100%	100%		
<b>Total</b>					
<b>Revenue by Service Offering*</b>					
Customer Success	111	157	165	4.7%	48.0%
Data & Intelligence	46	54	57	5.5%	24.0%
Cloud	56	70	73	4.7%	31.1%
Enterprise IT	75	85	89	4.3%	18.3%
<b>Total</b>	288	366	384	4.7%	33.2%

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Net Revenues</b>	<b>79,678</b>	<b>105,253</b>	<b>128,588</b>	<b>148,662</b>
YoY gr. (%)	2.6	32.1	22.2	15.6
Employee Cost	51,132	63,278	78,889	91,231
Gross Profit	28,546	41,975	49,699	57,430
Margin (%)	35.8	39.9	38.6	38.6
SG&A Expenses	-	-	-	-
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>16,428</b>	<b>21,956</b>	<b>25,957</b>	<b>30,423</b>
YoY gr. (%)	54.6	33.6	18.2	17.2
Margin (%)	20.6	20.9	20.2	20.5
Depreciation and Amortization	2,596	2,420	3,249	3,777
<b>EBIT</b>	<b>13,832</b>	<b>19,536</b>	<b>22,708</b>	<b>26,646</b>
Margin (%)	17.4	18.6	17.7	17.9
Net Interest	504	502	400	400
Other Income	1,656	3,073	2,933	3,416
<b>Profit Before Tax</b>	<b>14,984</b>	<b>22,107</b>	<b>25,241</b>	<b>29,662</b>
Margin (%)	18.8	21.0	19.6	20.0
Total Tax	3,901	5,578	6,058	7,415
Effective tax rate (%)	26.0	25.2	24.0	25.0
<b>Profit after tax</b>	<b>11,083</b>	<b>16,529</b>	<b>19,183</b>	<b>22,246</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>11,083</b>	<b>16,529</b>	<b>19,183</b>	<b>22,246</b>
YoY gr. (%)	75.7	49.1	16.1	16.0
Margin (%)	13.9	15.7	14.9	15.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>11,083</b>	<b>16,529</b>	<b>19,183</b>	<b>22,246</b>
YoY gr. (%)	75.7	49.1	16.1	16.0
Margin (%)	13.9	15.7	14.9	15.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	11,083	16,529	19,183	22,246
<b>Equity Shares O/s (m)</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
<b>EPS (Rs)</b>	<b>67.3</b>	<b>100.3</b>	<b>116.4</b>	<b>135.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>8,036</b>	<b>9,235</b>	<b>9,239</b>	<b>9,243</b>
Tangibles	8,036	9,235	9,239	9,243
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>8,036</b>	<b>9,235</b>	<b>9,239</b>	<b>9,243</b>
Tangibles	8,036	9,235	9,239	9,243
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	4,946	4,732	4,732	4,732
Non-Current Investments	1,161	5,580	5,580	5,580
Net Deferred tax assets	351	(161)	(161)	(161)
Other Non-Current Assets	3,366	1,286	1,286	1,286
<b>Current Assets</b>				
Investments	19,307	22,391	22,391	22,391
Inventories	-	-	-	-
Trade receivables	12,742	17,313	20,103	23,427
Cash & Bank Balance	7,597	10,513	22,117	36,502
Other Current Assets	6,108	10,523	12,219	14,239
<b>Total Assets</b>	<b>63,614</b>	<b>81,573</b>	<b>97,666</b>	<b>117,400</b>
<b>Equity</b>				
Equity Share Capital	1,647	1,648	1,648	1,648
Other Equity	41,543	53,091	66,176	82,325
<b>Total Network</b>	<b>43,190</b>	<b>54,739</b>	<b>67,824</b>	<b>83,973</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	4,498	4,665	4,665	4,665
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	885	896	896	896
Trade payables	2,676	5,357	6,220	7,249
Other current liabilities	12,365	15,755	17,900	20,457
<b>Total Equity &amp; Liabilities</b>	<b>63,614</b>	<b>81,573</b>	<b>97,666</b>	<b>117,400</b>

Source: Company Data, PL Research



### Cash Flow (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
PBT	14,984	22,107	25,241	29,662
Add. Depreciation	2,596	2,420	3,249	3,777
Add. Interest	-	-	-	-
Less Financial Other Income	1,656	3,073	2,933	3,416
Add. Other	(1,656)	(2,571)	(2,533)	(3,016)
Op. profit before WC changes	15,924	21,956	25,957	30,423
Net Changes-WC	7,204	(1,122)	(1,477)	(1,760)
Direct tax	(3,168)	(5,464)	(6,058)	(7,415)
<b>Net cash from Op. activities</b>	<b>19,960</b>	<b>15,370</b>	<b>18,422</b>	<b>21,247</b>
Capital expenditures	(673)	(1,982)	(3,253)	(3,781)
Interest / Dividend Income	-	-	-	-
Others	(11,160)	(4,878)	2,933	3,416
<b>Net Cash from Invt. activities</b>	<b>(11,833)</b>	<b>(6,860)</b>	<b>(320)</b>	<b>(365)</b>
Issue of share cap. / premium	1	1	-	-
Debt changes	(842)	(928)	-	-
Dividend paid	(2,880)	(4,528)	(6,098)	(6,098)
Interest paid	(504)	(502)	(400)	(400)
Others	(214)	363	-	-
<b>Net cash from Fin. activities</b>	<b>(4,439)</b>	<b>(5,594)</b>	<b>(6,498)</b>	<b>(6,498)</b>
<b>Net change in cash</b>	<b>3,688</b>	<b>2,916</b>	<b>11,604</b>	<b>14,384</b>
Free Cash Flow	19,287	13,388	15,169	17,466

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Per Share(Rs)</b>				
EPS	67.3	100.3	116.4	135.0
CEPS	83.1	115.0	136.1	157.9
BVPS	262.4	332.2	411.6	509.5
FCF	117.2	81.2	92.0	106.0
DPS	25.0	37.0	37.0	37.0
<b>Return Ratio(%)</b>				
RoCE	36.2	39.2	36.5	34.7
ROIC	25.0	29.3	33.7	37.7
RoE	29.7	33.8	31.3	29.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.6)	(0.6)	(0.6)	(0.7)
Debtor (Days)	58	60	57	58
<b>Valuation(x)</b>				
PER	58.8	39.5	34.0	29.3
P/B	15.1	11.9	9.6	7.8
P/CEPS	83.1	115.0	136.1	157.9
EV/EBITDA	38.1	28.2	23.4	19.5
EV/Sales	7.8	5.9	4.7	4.0
Dividend Yield (%)	0.6	0.9	0.9	0.9

Source: Company Data, PL Research

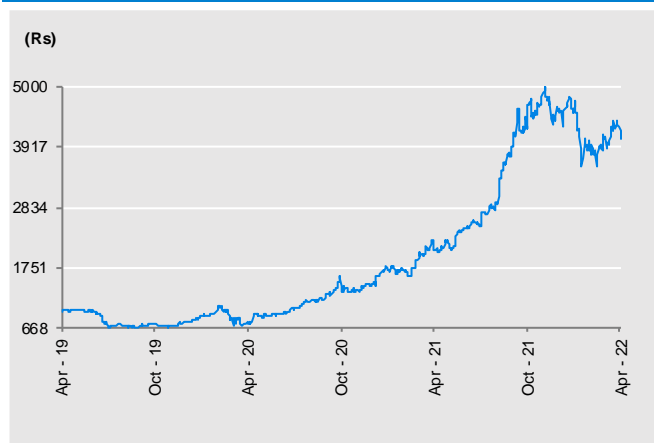
### Quarterly Financials (Rs m)

Y/e Mar	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Net Revenue</b>	<b>22,917</b>	<b>25,862</b>	<b>27,500</b>	<b>28,974</b>
YoY gr. (%)	20.1	34.3	35.9	37.4
Raw Material Expenses	13,673	15,644	16,458	17,503
Gross Profit	9,244	10,218	11,042	11,471
Margin (%)	40.3	39.5	40.2	39.6
<b>EBITDA</b>	<b>4,645</b>	<b>5,307</b>	<b>5,921</b>	<b>6,083</b>
YoY gr. (%)	44.3	36.0	26.5	31.5
Margin (%)	20.3	20.5	21.5	21.0
Depreciation / Depletion	582	610	632	596
<b>EBIT</b>	<b>4,063</b>	<b>4,697</b>	<b>5,289</b>	<b>5,487</b>
Margin (%)	17.7	18.2	19.2	18.9
Net Interest	129	125	127	121
Other Income	718	748	708	899
<b>Profit before Tax</b>	<b>4,652</b>	<b>5,320</b>	<b>5,870</b>	<b>6,265</b>
Margin (%)	20.3	20.6	21.3	21.6
Total Tax	1,218	1,331	1,495	1,534
Effective tax rate (%)	26.2	25.0	25.5	24.5
<b>Profit after Tax</b>	<b>3,434</b>	<b>3,989</b>	<b>4,375</b>	<b>4,731</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>3,434</b>	<b>3,989</b>	<b>4,375</b>	<b>4,731</b>
YoY gr. (%)	55.2	64.0	34.0	49.1
Margin (%)	15.0	15.4	15.9	16.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,434</b>	<b>3,989</b>	<b>4,375</b>	<b>4,731</b>
YoY gr. (%)	55.2	64.0	34.0	49.1
Margin (%)	15.0	15.4	15.9	16.3
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>3,434</b>	<b>3,989</b>	<b>4,375</b>	<b>4,731</b>
Avg. Shares O/s (m)	165	165	165	165
<b>EPS (Rs)</b>	<b>20.9</b>	<b>24.2</b>	<b>26.5</b>	<b>28.7</b>

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Apr-22	BUY	5,157	4,316
2	13-Jan-22	BUY	5,249	4,744
3	04-Jan-22	BUY	5,141	4,842
4	14-Oct-21	BUY	4,804	4,364
5	05-Oct-21	BUY	4,593	4,253
6	06-Aug-21	BUY	3,450	2,842
7	14-Jul-21	BUY	3,229	2,505
8	02-Jul-21	BUY	2,902	2,581
9	18-Jun-21	BUY	3,118	2,477
10	27-May-21	BUY	2,567	2,207

## Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	1,535	1,270
2	Coforge	BUY	5,559	4,512
3	Cyient	BUY	1,258	944
4	HCL Technologies	BUY	1,295	1,187
5	Infosys	BUY	2,204	1,883
6	L&T Technology Services	BUY	5,428	5,190
7	Larsen & Toubro Infotech	BUY	7,166	6,300
8	Mindtree	BUY	5,157	4,316
9	Mphasis	BUY	3,755	3,312
10	Persistent Systems	BUY	5,160	4,792
11	Redington (India)	BUY	200	150
12	Sonata Software	BUY	1,065	765
13	Tata Consultancy Services	BUY	4,221	3,696
14	TeamLease Services	Accumulate	4,647	4,034
15	Tech Mahindra	BUY	1,837	1,499
16	Wipro	BUY	735	606
17	Zensar Technologies	BUY	453	384

## PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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