

October 16, 2018

Q2FY19 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY19E	FY20E	FY19E	FY20E
Rating	BUY		BUY	
Target Price	790		790	
Sales (Rs. m)	8,23,129	9,28,293	8,15,467	9,11,832
% Chng.			0.9	1.8
EBITDA (Rs. m)	2,14,858	2,42,275	2,19,505	2,44,128
% Chng.			(2.1)	(0.8)
EPS (Rs.)	37.7	42.4	37.9	42.4
% Chng.			(0.5)	(0.1)

Key Financials

	FY17	FY18	FY19E	FY20E
Sales (Rs. bn)	685	705	823	928
EBITDA (Rs. bn)	186	190	215	242
Margin (%)	27.2	27.0	26.1	26.1
PAT (Rs. bn)	144	160	164	184
EPS (Rs.)	31.4	36.8	37.7	42.4
Gr. (%)	6.4	17.4	2.4	12.3
DPS (Rs.)	12.9	17.3	22.2	19.9
Yield (%)	1.9	2.5	3.2	2.9
RoE (%)	22.0	23.9	24.3	25.7
RoCE (%)	22.0	23.9	24.3	25.7
EV/Sales (x)	4.2	3.9	3.3	2.9
EV/EBITDA (x)	15.0	14.2	12.4	10.8
PE (x)	22.2	18.9	18.4	16.4
P/BV (x)	4.6	4.7	4.5	4.0

Key Data

[INFO.BO](#) | [INFO IN](#)

52-W High / Low	Rs.755 / Rs.454
Sensex / Nifty	35,162 / 10,585
Market Cap	Rs.3,037bn/ \$ 41,269m
Shares Outstanding	4,368m
3M Avg. Daily Value	Rs.12211.47m

Shareholding Pattern (%)

Promoter's	13.30
Foreign	35.05
Domestic Institution	22.17
Public & Others	29.48
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.2)	23.7	49.3
Relative	2.7	20.7	38.5

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Solid growth and TCV wins negate margin miss

Strong Revenue beat: Infosys 2QFY19 results were a mixed bag. Revenues at USD2921mn were up 3.2% QoQ and above our estimates (Ple: USD2890mn). Constant currency growth for the quarter stood at 4.2% which is above our estimates (Ple: 2.9% cc growth). This is in comparison with TCS which delivered 3.7% QoQ constant currency growth for the quarter. Hence, Infosys has outperformed TCS on the revenue growth front in 2QFY19. EBIT margin came at 23.7% QoQ and below our estimates (PLe: 25.0%). Tailwinds from INR depreciation were negated by headwinds from wage hikes (for the remaining 15% of employees not covered in 1Q) and continued uptick in subcontracting expenses. Subcontracting expenses stood at 7.4% of total revenues as on 2QFY19 (vs 5.9% as on 3QFY18). PAT came at Rs 41.1bn was 1.5% below our estimates (Our ests: Rs41.7bn) led by margin miss.

BFSI and Retail verticals show solid growth: Among verticals, Infosys has shown sharp bounce in BFSI vertical which is key positive. BFSI vertical revenues grew by 5.8% QoQ in constant currency and Infosys cited continued strong momentum in the vertical. Retail & CPG vertical revenues grew by 5.9% in constant currency and also remained strong. Revenues from Digital accounts to 31% of total revenues up 13.5% QoQ in constant currency. Revenues from top account grew by a whopping 8.8% QoQ and accounted to 3.9% of total revenues. Revenues from top 10 accounts grew by 4.3% QoQ and accounted to 19.4% of total revenues. Infosys management retained strong demand outlook across key verticals and geographies.

Valuation and View: Led by solid revenue growth in 2QFY19, we raise Infosys USD revenue growth assumptions to 7.6/9.5% for FY19/FY20E (vs 6.7/8.5% modeled earlier). To achieve 7.6% USD revenue growth for FY19E, Infosys would need to achieve 2% CQGR over the remaining two quarters. Infosys showed record TCV signing of USD2029mn in 2QFY19 (vs USD731mn in 2QFY18) led by large deal wins. We believe Infosys could be back on revenue momentum and narrow growth differential with TCS (We modeled 10% USD revenue growth for TCS for FY19E).

Our USD/INR assumptions stand at 70/72 for FY19/FY20E. Owing to tepid margin execution in 2QFY19 as well as 1HFY19, we model EBIT margins at 23.9/24.1% for FY19/FY20E (vs 24.3% in FY18). Hence, despite 8% INR depreciation in FY19 (vs FY18), Infosys is likely to report modest YoY drop in EBIT margin. However, USD revenue upgrade negates EBIT margin downgrade. Hence, our estimates are retained at Rs37.7/42.4/45.5/sh for FY19/FY20/FY21E. Infosys trades at 16.3x FY20E EPS and 15.6x Sep20E EPS. Infosys trades at 22% discount to TCS. We believe Infosys valuations are reasonable considering the improving growth trajectory. We see possibility of Infosys narrowing its discount wrt to TCS owing to improved growth and strong aggression on deal wins. Our TP is retained at Rs790/sh (18x Sep20E EPS).

Exhibit 1: Q2FY19: Revenues remain strong while margins miss's estimates

Rs mn	Q2FY19	Q1FY19	QoQ	Q2FY18	YoY	Q1FY19(PLe)	Var (PL VS ACTUAL)
Total Operating Income (US\$)	2,921	2,831	3.2%	2,728	7.1%	2,890	1.1%
Total Operating Income	206,090	191,280	7.7%	175,670	17.3%	204,355	0.8%
EBIT	48,940	45,370	7.9%	42,460	15.3%	51,089	-4.2%
EBIT Margin	23.7%	23.7%	3 bps	24.2%	-42 bps	25.0%	-125 bps
Pre Tax Income	56,330	52,630	7.0%	51,290	9.8%	58,389	-3.5%
Tax	15,230	13,810		14,030		16,641	
Tax Rate	27.0%	26.2%		27.4%		28.5%	
RPAT	41,100	36,120	13.8%	37,260	10.3%	41,748	-1.6%
APAT	41,100	38,820	5.9%	37,260	10.3%	41,748	-1.6%

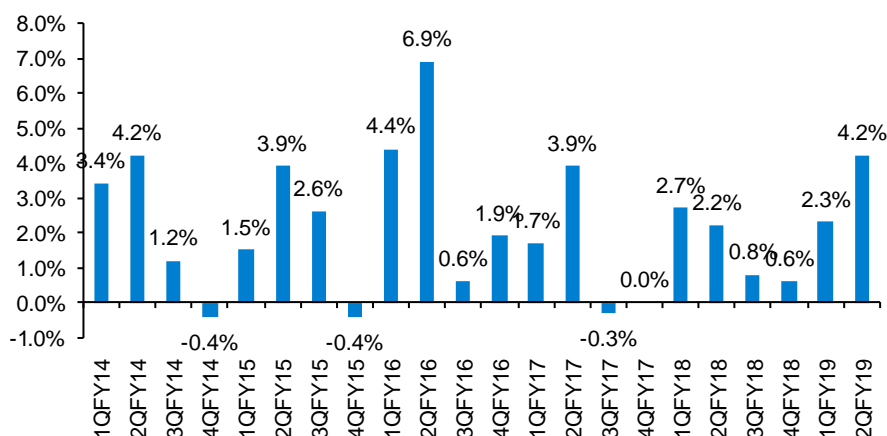
Source: Company, PL

- Revenues beat estimates:** Revenues stood at US\$2921m for Q2FY19, up 3.2% QoQ and above our estimates (US\$2890m). Revenue growth stood at 4.2% QoQ in constant currency and above our expectations (PLe: 2.9% cc growth). Volume growth for the quarter stood at 2.8% QoQ. Blend pricing improved by 0.9% QoQ in constant currency (Onsite up 0.8% QoQ and offshore up 1.7% QoQ in constant currency).

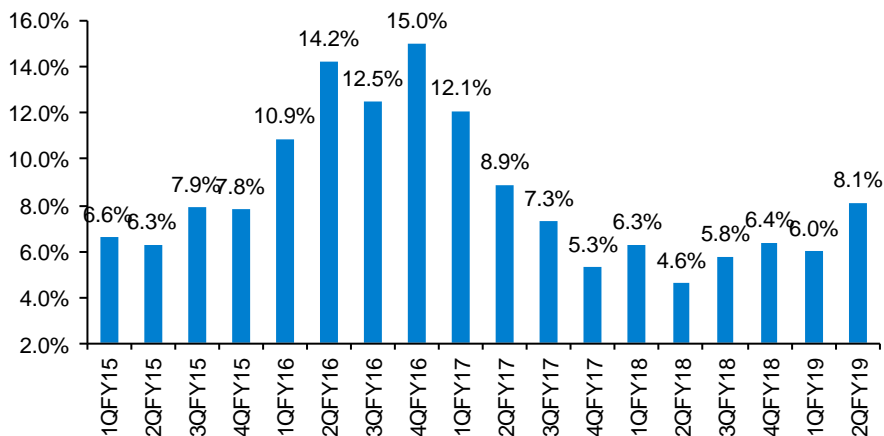
CC revenue growth was 4.2% QoQ. TCS delivered cc growth of 3.7% for 2QFY19.

BFS and Retail showed recovery by delivering strong growth during the quarter.

Developed markets (North America and Europe) remained strong for the quarter with record TCV wins

Exhibit 2: Infosys Constant Currency QoQ Growth (%)


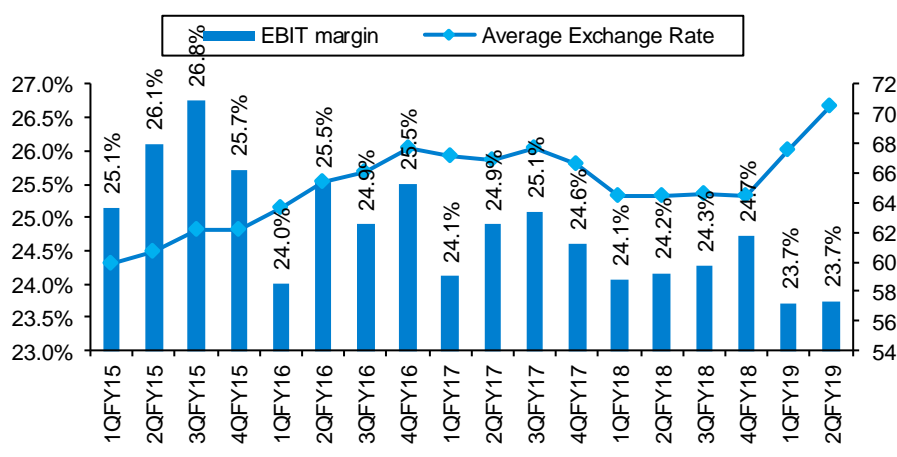
Source: Company, PL

Exhibit 3: Infosys Constant Currency YoY growth (%)


Source: Company, PL

- Guidance Retained:** Infosys has retained constant currency revenue growth guidance of 6-8% for FY19E. Despite the recent INR depreciation, Infosys has retained EBIT margin guidance of 22-24% for FY19. Management cited necessity for continued investments in 2HFY19.
- Margins below estimates:** EBIT margin came in at 23.7% flat QoQ and down 42bps YoY and below our estimates (PLe: 25.0%). Tailwind from INR depreciation (+80bps) and Reduction in Onsite mix and lower visa expenses (+70bps) were negated by Headwinds from higher subcontracting expenses (-50bps), wage hikes (for 15% of employees not covered in 1QFY19) as well as salary realignments and higher variable pay (-100bps).

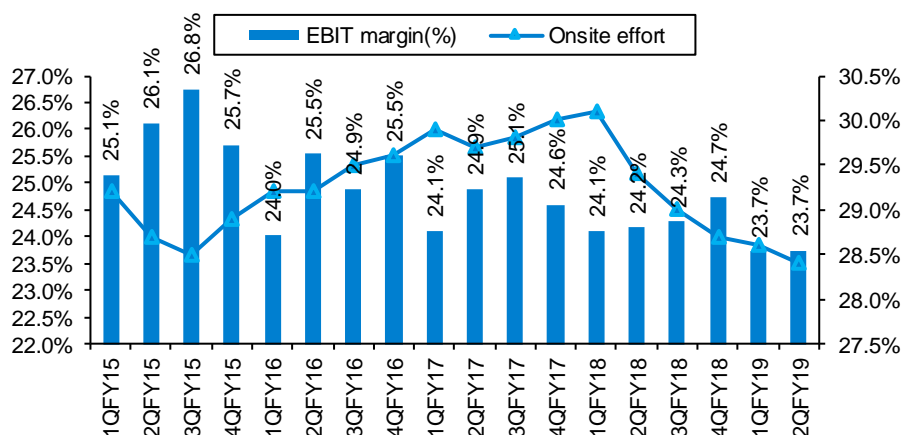
Exhibit 4: EBIT Margin Vs Average Exchange Rate



Source: Company, PL

- Company has shown a steady reduction in effort from onsite over the past five quarters. Effort from onsite stood at 28.4% in 2QFY19 down 20bps QoQ and 100bps YoY. However, over the same period, subcontracting expenses were trending higher. Subcontracting expenses as a % of total revenues stood at 7.4% for 2QFY19 (vs 5.9% as on 3QFY18).

Exhibit 5: Effort Mix from Onsite and EBIT Margin (%)

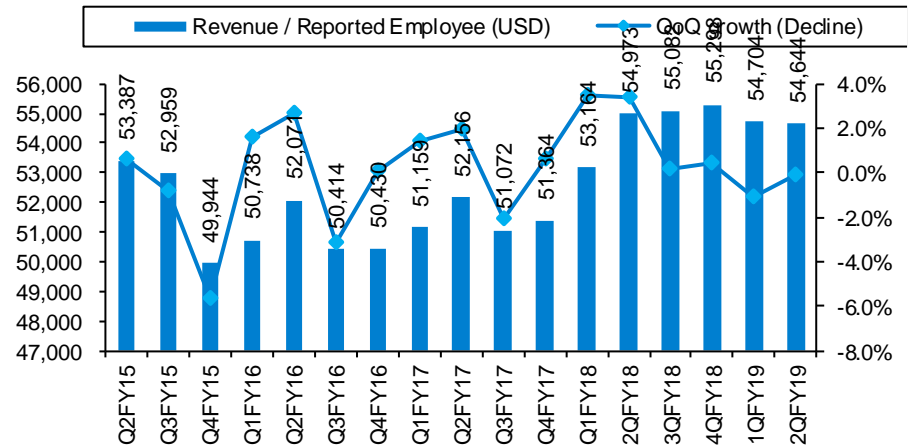


Source: Company, PL

Focus on Automation to drive revenue per reported employee

- Infosys revenue per reported employee (Quarterly annualized) stood at USD 54,663 per employee as on 2QFY19. This represents a 3.8% YoY growth in constant currency. Strong focus on improving utilisation rates has aided revenue productivity of Infosys.

Exhibit 6: Revenue per Reported Employee Quarterly Annualized (USD) and Growth (YoY)

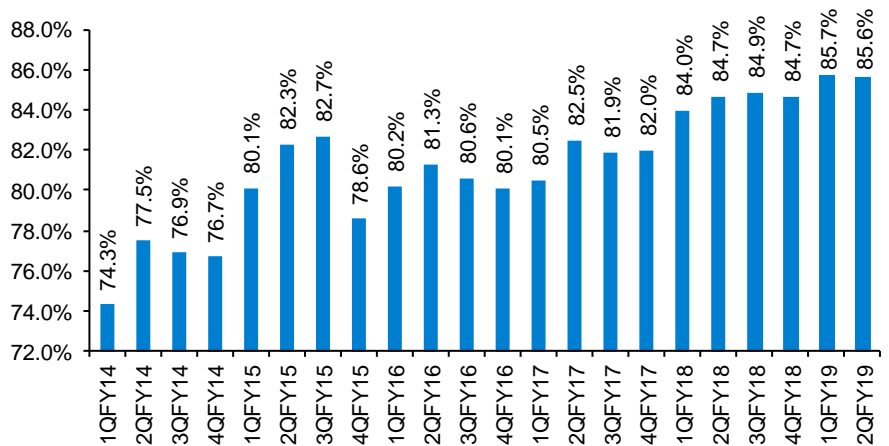


Source: Company, PL

Utilisation remain strong

- IT services utilisation (excluding trainees) came in at 85.6% for Q2FY19 marginally down 10bps QoQ. Infosys has been maintaining utilisation rates above 80% for the past few consecutive quarters.

Exhibit 7: IT Services Utilization (excluding trainees)



Source: Company, PL

- **Steady TCV wins:** TCV wins for the quarter stood at USD 2029mn which is at record high. Management cited that 60% of the TCV is net new deals. This TCV comprise of 12 large deals (7 in North America, 4 in Europe and 1 in ROW).

Exhibit 8: TCV Wins

USD mn	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
TCV	983	360	757	809	1209	664	806	657	731	779	905	1116	2029

Source: Company, PL

- **Capital allocation:** Net cash on Infosys balance sheet stands at Rs303bn (USD 4.2bn) which is Rs70/sh (10% of Mcap). Infosys aims to return Rs130bn to shareholders in FY19E. While Rs26bn has been paid as special dividend, we believe Infosys could do a Buy back post Dec 15, 2018 (completion of one year from earlier Buyback) spending ~Rs104bn for the same.

Operating Metrics

Exhibit 9: Geography Mix of Revenues (%)

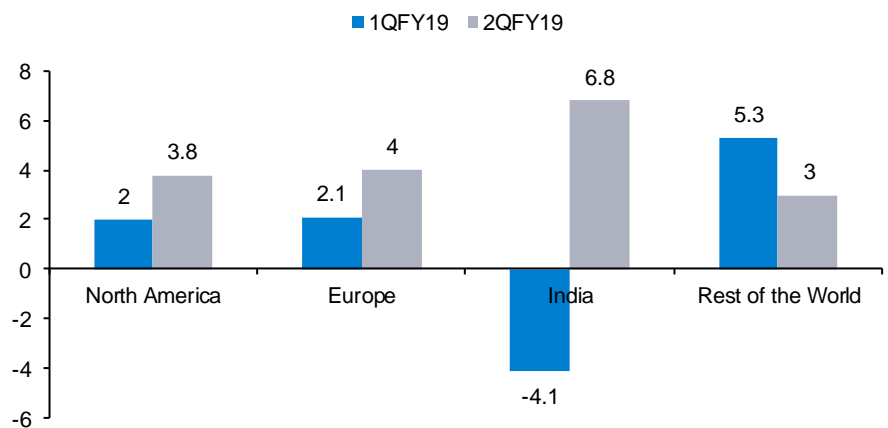
Geography Mix (%)	1QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
North America	63.2	62.5	61.9	62	61.5	62.0	62.3	61.1	60.6	60.4	59.4	60.0	60.3
Europe	22.4	23.2	23.4	23	22.5	22.2	22.1	22.4	23.2	24.4	24.8	24.3	24.0
India	2.2	2.8	3	2.7	3.4	3.4	3.2	3.6	3.3	3	2.8	2.6	2.5
Rest of the world	12.2	11.5	11.7	12.3	12.6	12.4	12.4	12.9	12.9	12.2	13	13.1	13.2

Source: Company, PL

Exhibit 10: Geography wise Revenues and Growth in geographies (%)

Growth by Geography (USD mn)	2QFY19	1QFY19	QoQ	2QFY18	YoY
North America	1761	1699	3.7%	1653	6.5%
Europe	701	688	1.9%	633	10.8%
India	73	74	-0.8%	90	-18.9%
Rest of the World	386	371	4.0%	352	9.6%
Total Revenues	2921	2831	3.2%	2728	7.1%

Source: Company, PL

Exhibit 11: Growth in Constant Currency in geographies (%) for 2QFY19


Source: Company, PL

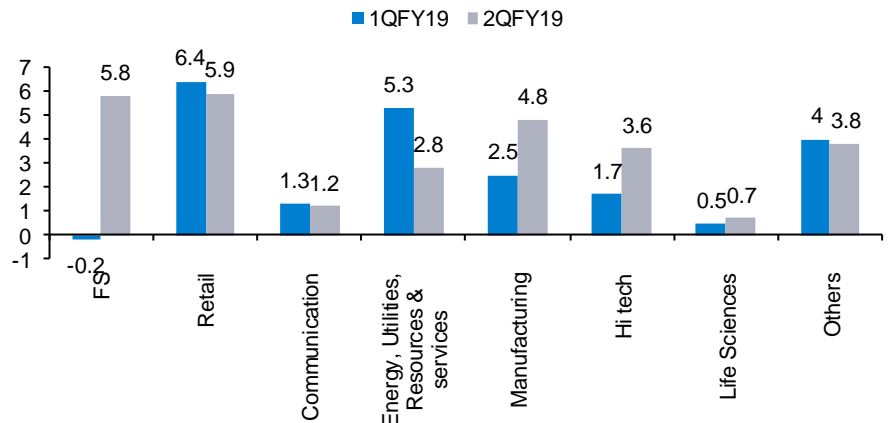
Exhibit 12: Vertical wise Revenues and Growth in Verticals (%)

Growth by Vertical (USD mn)	Q2FY19	Q1FY19	QoQ	Q2FY18	YoY
Financial Services	941	900	4.5%	903	4.2%
Retail	491	470	4.4%	436	12.4%
Communication	359	360	-0.1%	338	6.2%
Energy, Utilities, Resources & services	359	351	2.3%	319	12.6%
Manufacturing	280	272	3.2%	256	9.4%
Hi tech	219	209	4.6%	196	11.5%
Life Sciences	187	187	0.1%	186	0.8%
Others	85	82	3.2%	93	-8.7%
Total Revenues	2921	2831	3.2%	2728	7.1%

Source: Company, PL

BFS and Retail delivered strong performance during the quarter with growth of 5.8% and 5.9% respectively in cc terms

Exhibit 13: Revenue growth in Constant Currency for verticals (%) for 2QFY19



Source: Company, PL

Exhibit 14: Employee Metrics

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
Total Employees	197,050	199,829	199,763	200,364	198,553	198,440	201,691	204,107	209,905	217,739
Gross Addition	13,268	12,717	9,120	9,130	8,645	10,514	12,622	12,329	17,709	171,554
Net Addition	3,006	2,779	(66)	601	(1,811)	(113)	3,251	2,416	5,798	7,834
Attrition (Employee leaving per quarter)	10,262	9,938	9,186	8,529	10,456	10,627	9,371	9,913	11,911	11,887
Attrition % Consolidated (Quarterly Annualized)	21.0	20.0	18.4	17.1	21.0	21.4	18.7	19.5	23.0	22.2

Source: Company, PL

Attrition has seen a sharp spike in 1QFY19 and continued to remain high in 2QFY19 as well. Quarterly annualized attrition rate at 22.2%. Company cited measures to address the same.

- Headcount stood at 217,739 employees with net addition of 7834 employees. Attrition continued to remain elevated at 22.2% for 2QFY19.

Exhibit 15: Consolidated Model Sheet of Infosys

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Total revenues USD mn	8,249	8,711	9,501	10,208	10,939	11,770	12,893	14,070
Growth (%)	11.5%	5.6%	9.1%	7.4%	7.2%	7.6%	9.5%	9.1%
Average exchange rate (USD vs INR)	60.7	61.2	65.7	67.1	64.5	69.91	72.00	70.00
% Change	11.3%	0.8%	7.3%	2.1%	-3.9%	8.4%	3.0%	-2.8%
Total Revenues (Rs mn)	501,330	533,190	624,410	684,850	705,220	823,129	928,293	984,887
Growth (%)	24.2%	6.4%	17.1%	9.7%	3.0%	16.7%	12.8%	6.1%
EBIDTA	136,340	149,028	170,780	186,050	190,100	214,858	242,275	259,542
EBIT	122,600	138,338	156,190	169,020	171,480	196,492	223,484	239,844
APAT	106,480	123,328	134,900	143,530	160,280	161,375	184,309	198,301
Margins								
EBIDTA Margins(%)	27.2%	28.0%	27.4%	27.2%	27.0%	26.1%	26.1%	26.4%
EBIT Margin (%)	24.5%	25.9%	25.0%	24.7%	24.3%	23.9%	24.1%	24.4%
PBT(%)	29.8%	32.4%	30.0%	29.2%	28.8%	27.4%	27.6%	28.2%
NPM	21.2%	23.1%	21.6%	21.0%	22.7%	19.6%	19.9%	20.1%
Tax Rate	27.2%	28.6%	28.0%	28.0%	20.9%	27.3%	28.0%	28.5%
Diluted EPS	23	27	30	31	35.5	37.1	42.4	45.6
EPS Growth (%)	13.0%	15.8%	9.4%	6.4%	13.1%	4.5%	14.2%	7.6%
P/E	29.6	25.6	23.4	22.0	19.4	18.6	16.3	15.1
P/S	6.1	5.7	5.1	4.6	4.3	3.6	3.2	3.0
EV/EBIDTA	20.1	18.2	16.5	14.9	14.1	12.4	10.7	9.7
ROE(%)	23.9%	24.1%	23.2%	22.0%	23.9%	24.3%	25.7%	24.8%
ROCE(%)	23.9%	24.1%	23.2%	22.0%	23.9%	24.3%	25.7%	24.8%
ROIC(%)	52.3%	48.8%	45.5%	42.5%	43.1%	43.4%	47.3%	47.8%
Consolidated Balance sheet (R mn)								
Net Cash on Balance Sheet	292,260	325,860	345,830	389,770	319,810	348,558	405,100	476,973
Net Cash Per Share	64	71	76	85	73	80	93	110
Net Cash per share as a % of stock price	4.8%	5.4%	11.0%	12.4%	10.7%	11.6%	13.5%	15.9%
Consolidated Cash flow (R mn)								
Cash flow from Operations	121,870	107,520	122,430	140,630	145,590	166,850	183,272	206,554
Capex+ acquisitions	27,450	35,290	34,700	27,600	20,250	22,000	22,000	22,000
Free cash flow from operations	94,420	72,230	87,730	113,030	125,340	144,850	161,272	184,554
FCF /EBIDTA	69.3%	48.5%	51.4%	60.8%	65.9%	67.4%	66.6%	71.1%
FCF Yield(%)	3.1%	2.4%	2.8%	3.6%	4.2%	4.8%	5.4%	6.1%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
Net Revenues	6,84,850	7,05,220	8,23,129	9,28,293
YoY gr. (%)	9.7	3.0	16.7	12.8
Employee Cost	4,15,500	4,32,690	5,11,087	5,75,542
Gross Profit	2,69,350	2,72,530	3,12,042	3,52,751
Margin (%)	39.3	38.6	37.9	38.0
SG&A Expenses	47,390	46,850	53,476	60,339
Other Expenses	-	-	-	-
EBITDA	1,86,050	1,90,100	2,14,858	2,42,275
YoY gr. (%)	8.9	2.2	13.0	12.8
Margin (%)	27.2	27.0	26.1	26.1
Depreciation and Amortization	17,030	18,620	18,367	18,791
EBIT	1,69,020	1,71,480	1,96,492	2,23,484
Margin (%)	24.7	24.3	23.9	24.1
Net Interest	-	-	-	-
Other Income	30,790	31,930	29,350	32,500
Profit Before Tax	1,99,810	2,03,410	2,25,842	2,55,984
Margin (%)	29.2	28.8	27.4	27.6
Total Tax	55,980	42,420	61,767	71,676
Effective tax rate (%)	28.0	20.9	27.3	28.0
Profit after tax	1,43,830	1,60,990	1,64,075	1,84,309
Minority interest	-	-	-	-
Share Profit from Associate	(300)	(710)	-	-
Adjusted PAT	1,43,530	1,60,280	1,64,075	1,84,309
YoY gr. (%)	6.4	11.7	2.4	12.3
Margin (%)	21.0	22.7	19.9	19.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,43,530	1,60,280	1,64,075	1,84,309
YoY gr. (%)	6.4	11.7	2.4	12.3
Margin (%)	21.0	22.7	19.9	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,43,530	1,60,280	1,64,075	1,84,309
Equity Shares O/s (m)	4,576	4,352	4,352	4,352
EPS (Rs)	31.4	36.8	37.7	42.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
Non-Current Assets				
Gross Block	1,83,320	2,01,790	2,23,790	2,45,790
Tangibles	1,83,320	2,01,790	2,23,790	2,45,790
Intangibles	-	-	-	-
Acc: Dep / Amortization	85,810	1,00,630	1,18,997	1,37,788
Tangibles	85,810	1,00,630	1,18,997	1,37,788
Intangibles	-	-	-	-
Net fixed assets	97,510	1,01,160	1,04,793	1,08,002
Tangibles	97,510	1,01,160	1,04,793	1,08,002
Intangibles	-	-	-	-
Capital Work In Progress	27,410	22,740	22,740	22,740
Goodwill	36,520	22,110	22,110	22,110
Non-Current Investments	64,530	57,560	57,560	57,560
Net Deferred tax assets	3,330	7,410	7,410	7,410
Other Non-Current Assets	65,130	82,340	84,340	86,340
Current Assets				
Investments	99,700	64,070	64,070	64,070
Inventories	36,480	42,610	41,156	46,415
Trade receivables	1,23,220	1,31,420	1,48,840	1,65,313
Cash & Bank Balance	2,26,250	1,98,180	2,26,928	2,83,470
Other Current Assets	51,400	43,290	46,290	49,290
Total Assets	8,33,550	7,98,900	8,31,648	9,18,130
Equity				
Equity Share Capital	11,440	10,880	10,880	10,880
Other Equity	6,78,380	6,38,350	6,66,274	7,45,852
Total Network	6,89,820	6,49,230	6,77,154	7,56,732
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	480	-	-
Other non current liabilities	1,530	2,720	2,720	2,720
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	21,440	29,890	23,403	25,506
Other current liabilities	1,18,690	1,11,160	1,22,962	1,27,761
Total Equity & Liabilities	8,33,550	7,98,900	8,31,648	9,18,130

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY17	FY18	FY19E	FY20E
PBT	1,99,510	2,02,700	2,23,142	2,55,984
Add. Depreciation	17,030	18,630	18,367	18,791
Add. Interest	-	-	-	-
Add. Other	60	(6,390)	-	-
Op. profit before WC changes	2,16,600	2,14,940	2,41,508	2,74,775
Net Changes-WC	(19,440)	(1,060)	(12,892)	(19,828)
Direct tax	(56,530)	(68,290)	(61,767)	(71,676)
Net cash from Op. activities	1,40,630	1,45,590	1,66,850	1,83,272
Capital expenditures	(26,690)	(16,420)	(22,000)	(22,000)
Interest / Dividend Income	-	-	-	-
Others	(1,44,050)	47,530	-	-
Net Cash from Inv. activities	(1,70,740)	31,110	(22,000)	(22,000)
Issue of share cap. / premium	-	(1,30,410)	-	-
Debt changes	-	-	-	-
Dividend paid	(69,390)	(74,640)	(1,17,061)	(1,04,730)
Interest paid	-	-	-	-
Others	-	-	-	-
Net cash from Fin. activities	(69,390)	(2,05,050)	(1,17,061)	(1,04,730)
Net change in cash	(99,500)	(28,350)	27,788	56,542
Free Cash Flow	1,13,030	1,25,610	1,44,850	1,61,272

Source: Company Data, PL Research

Key Financial Metrics

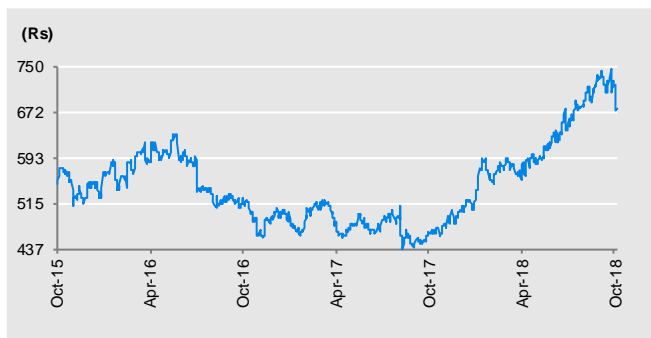
Y/e Mar	FY17	FY18	FY19E	FY20E
Per Share(Rs)				
EPS	31.4	36.8	37.7	42.4
CEPS	35.1	41.1	41.9	46.7
BVPS	150.7	149.2	155.6	173.9
FCF	24.7	28.9	33.3	37.1
DPS	12.9	17.3	22.2	19.9
Return Ratio(%)				
RoCE	22.0	23.9	24.3	25.7
ROIC	42.5	43.1	43.4	47.3
RoE	22.0	23.9	24.3	25.7
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.4)	(0.4)	(0.5)
Debtor (Days)	66	68	66	65
Valuation(x)				
PER	22.2	18.9	18.4	16.4
P/B	4.6	4.7	4.5	4.0
P/CEPS	35.9	42.1	42.9	47.8
EV/EBITDA	15.3	14.5	12.7	11.1
EV/Sales	4.2	3.9	3.3	2.9
Dividend Yield (%)	1.9	2.5	3.2	2.9

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY18	Q4FY18	Q1FY19	Q2FY19
Net Revenue	1,77,940	1,80,830	1,91,280	2,06,090
YoY gr. (%)	3.0	5.6	12.0	17.3
Employee Expenses	1,09,520	1,10,960	1,18,520	1,28,170
Gross Profit	68,420	69,870	72,760	77,920
Margin (%)	38.5	38.6	38.0	37.8
EBITDA	48,170	49,300	49,730	53,580
YoY gr. (%)	2.4	2.3	0.9	7.7
Margin (%)	27.1	27.3	26.0	26.0
Depreciation / Depletion	4,980	4,580	4,360	4,640
EBIT	43,190	44,720	45,370	48,940
Margin (%)	24.3	24.7	23.7	23.7
Net Interest	-	-	-	-
Other Income	9,620	5,340	7,260	7,390
Profit before Tax	52,810	50,060	49,930	56,330
Margin (%)	29.7	27.7	26.1	27.3
Total Tax	1,520	13,160	13,810	15,230
Effective tax rate (%)	2.9	26.3	27.7	27.0
Profit after Tax	51,290	36,900	36,120	41,100
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	51,290	36,900	36,120	41,100
YoY gr. (%)	38.3	2.4	3.7	10.3
Margin (%)	28.8	20.4	18.9	19.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	51,290	36,900	36,120	41,100
YoY gr. (%)	38.3	2.4	3.7	10.3
Margin (%)	28.8	20.4	18.9	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	51,290	36,900	36,120	41,100

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	24-Oct-17	Accumulate	1,070	927
2	10-Jan-18	BUY	1,140	1,041
3	15-Jan-18	BUY	1,220	1,080
4	13-Apr-18	BUY	1,230	1,169
5	13-Apr-18	BUY	1,220	1,169
6	10-Jul-18	BUY	1,400	1,354
7	13-Jul-18	BUY	1,430	1,317
8	05-Oct-18	BUY	790	707

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	BUY	860	759
2	HCL Technologies	BUY	1,255	1,077
3	Hexaware Technologies	Hold	475	409
4	Infosys	BUY	790	707
5	L&T Technology Services	Accumulate	1,780	1,651
6	Mphasis	Accumulate	1,250	1,148
7	NIIT Technologies	BUY	1,300	1,198
8	Redington (India)	BUY	140	92
9	Sonata Software	BUY	420	330
10	Tata Consultancy Services	Accumulate	2,300	1,980
11	TeamLease Services	Hold	2,740	2,219
12	Tech Mahindra	BUY	885	721
13	Wipro	Hold	350	325
14	Zensar Technologies	BUY	330	297

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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