



**DALAL & BROACHA**  
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

## Q2 FY21 Result Update@ Dalal&Broacha

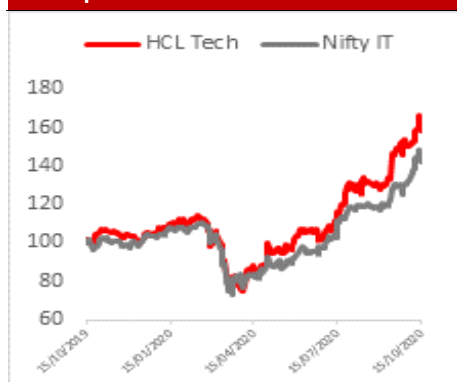
### Buy on Dips

Current Price	827
Target Price	868
Upside	4.9%
52 Week Range	376/911

### Key Share Data

Market Cap (Rs.Bn)	2244
Market Cap (US\$ Mn)	30562
No of o/s shares (Mn)	2714
Face Value	2
Monthly Avg.	
Vol(BSE+NSE)('000)	14111
BSE Code	532281
NSE Code	HCLTECH
Bloomberg	HCLT:IN

### Price performance



% Shareholding	Jun-20	Mar-20
Promoters	60.33	60.33
Public	39.67	39.67
Others	0.00	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

Please Note: September Shareholding Pattern not released yet.

### Consolidated Financials (In INR Mn)

Year	Net Sales	% Growth	EBIT	EBIT Margin (%)	PAT	PAT Margin (%)	EPS	Growth (%)	PE (x)	ROE (%)	ROCE (%)
FY18	505,690	8%	99,870	19.7%	87,810	17%	31.5	5.4%	13.1x	25.3%	26.3%
FY19	604,280	19%	118,210	19.6%	101,530	17%	36.4	15.6%	11.3x	26.1%	25.3%
FY20	706,780	17%	137,377	19.4%	110,107	16%	40.6	11.4%	20.4x	24.3%	25.4%
FY21E	744,806	5.4%	156,103	21.0%	122,768	16.5%	45.3	0.2%	18.3x	23.5%	25.9%
FY22E	799,951	7.4%	163,473	20.4%	130,792	16.4%	48.2	8.4%	17.2x	22.9%	25.4%

Source: Company, Dalal&Broacha Research

### HCL Tech's Q2FY21 performance was marginally better than our estimates

- \$ Revenue came in at \$2,507 Mn, +6.4% qoq / +0.9% yoy and +1.8% vs. estimates
- INR revenue came in at INR 185,940 Mn, +4.2% qoq / +6.1% yoy and +1.5% above our estimates
- EBIT was reported at INR 40,160 Mn, +9.7% qoq / +14.8% yoy and -1.9% vs our estimates
- EBIT margins stood at 21.6%, vs 20.5% / 20% in Q1FY21 / Q2FY20 respectively and 80 bps below our estimates
- PAT came in at INR 31,420 Mn, +7.4% qoq / +18.5% yoy and +0.5% above our estimates
- EPS at INR 11.6 in Q2FY21 vs 10.8 / 9.8 in Q1FY21 / Q2FY20 respectively
- Management has given guidance of 1.5-2.5% revenue growth for Q3 and Q4 of FY21e in cc terms and 20-21% on the EBIT margin front (0.5% lower than the lower margin guidance band given earlier)

### Segment Analysis

**IT & Business services (70.8% of revenue)** reported a growth of +4.9% qoq / -1.6% yoy in cc terms; **ER&D Services (15.7% of revenue)** grew 3.6% qoq / -6.8% yoy in cc terms; **Products & Platforms (13.8% of revenue)** de-grew by 2.1% qoq

### Industry-wise

**Financial Services (22.1% of topline)** reported a growth of +2.6% qoq and -2.5% yoy. **Lifesciences & Healthcare (14.1% of topline)** was +8.6% qoq / +9.2% yoy. **Retail & CPG (10.4% of revenue)** reported +8.4% qoq / 3.3% yoy. **Technology Services (17.3% of revenue)** grew by 6.3% qoq / 12.8% yoy; **Telecom, Media & Entertainment (7.7%)** grew 6.1% qoq and -8.8% yoy

**Mode II (20.9% of topline)** 6.9% qoq / 14.7% yoy. **Mode I (63.3% of topline)** grew 4.3% qoq / -6.2%. **Mode III (15.8% of revenue)** grew +2.1% / +7.6%

### Concall KTAs

1. **Key factors that enabled strong growth:** High intensity of tech spend in the market, large deals in digital transformation, strong client relationships, leadership in digital foundation business (hybrid clouds, cyber security, network security), automation, right-shoring, dedication of employees
2. Certain sectors and geographies opened-up to outsourcing due to pandemic. Hyper-scalers opened up opportunities to new clients
3. Acquisition of DWS Ltd (Australia) will enhance digital transformation services business
4. Focus will be on driving partnerships with Hyper-scalers to drive growth
5. Bookings in Q2FY21 at similar level as last year and 35% up qoq | Q2 pipeline grew 20% qoq
6. Improved growth guidance will enable positive growth in FY21 at 0-0.7% growth in FY21 vs degrowth guidance of -2.3% to -0.8% given at the end of Q1FY21. Growth guidance given translates into muted growth for Q3 and Q4 due to seasonality of services in Q3 and since Product and Platform bookings were preponed to Q1 instead of seasonally strong Q3.



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7. Variable compensation in FY21 will be same as last year and will start from 1<sup>st</sup> October
8. Q2FY21 growth translated into -0.4% CC terms YoY
9. OCF @ 152% of PAT | FCF @ \$578 Mn: 136% of PAT
10. Doubled the dividend per share per quarter
11. **Gross Cash at \$2.2 Bn and \$1.83 Bn of Net Cash**
12. Increased margin guidance by 50 bps for FY21 on both ends from 19.5%-20.5% to 20-21% for FY21
13. **Margin Sustainability:** Margins may shrink marginally but not completely to pre-COVID levels if travel resumes as now companies are adopting a hybrid model to sales. However, localization initiatives by the US government (relating to H1B Visas) might mean that the company may have to transfer work to its centers to Canada or India and may impact margin negatively going ahead. (**Stat:** 1/3<sup>rd</sup> of employees in US are Visa dependent and affected by these new policies)

### Cloud Business:

1. Developed new IP to accelerate SAP implementation on Google Cloud platform.
2. Became the only certified SAP competency partner for 4 hyper-scalers – Google, AWS, Azure and IBM

### Q2FY21 Performance Review

YE March (Rs mn)	Q2 FY21	Q1 FY21	Q-o-Q change %	Q2 FY20	Y-o-Y change %	Q2 FY21 Estimates	Deviation %
Revenues (\$)	2,507	2,356	6.4%	2,486	0.8%	2,463	1.8%
<b>Revenues (INR)</b>	<b>185,940</b>	<b>178,410</b>	<b>4.2%</b>	<b>175,280</b>	<b>6.1%</b>	<b>183,115</b>	<b>1.5%</b>
Direct Cost	109,290	107,280	1.9%	110,610	(1.2%)	108,889	0.4%
<b>Gross Profit</b>	<b>76,650</b>	<b>71,130</b>	<b>7.8%</b>	<b>64,670</b>	<b>18.5%</b>	<b>74,226</b>	<b>3.3%</b>
SG&A	27,140	25,450	6.6%	23,640	14.8%	26,735	1.5%
<b>EBITDA</b>	<b>49,510</b>	<b>45,680</b>	<b>8.4%</b>	<b>41,030</b>	<b>20.7%</b>	<b>47,491</b>	<b>4.3%</b>
Depreciation & Amortisation	9,350	9,060	3.2%	6,060	54.3%	6,533	43.1%
<b>EBIT</b>	<b>40,160</b>	<b>36,620</b>	<b>9.7%</b>	<b>34,970</b>	<b>14.8%</b>	<b>40,958</b>	<b>(1.9%)</b>
Other Income, net	1,360	2,050	(30)			183	
<b>PreTax Income</b>	<b>41,520</b>	<b>38,670</b>	<b>7.4%</b>	<b>34,940</b>	<b>18.8%</b>	<b>41,141</b>	<b>0.9%</b>
<b>Adjusted Pretax Income</b>	<b>41,520</b>	<b>38,670</b>	<b>7.4%</b>	<b>34,940</b>	<b>18.8%</b>	<b>41,141</b>	
Tax	9,990	9,290	7.5%	8,350	19.6%	9,884	
Share of Minority Interest		130		80			
<b>Net Profit</b>	<b>31,530</b>	<b>29,250</b>	<b>7.8%</b>	<b>26,510</b>	<b>18.9%</b>	<b>31,258</b>	<b>0.9%</b>
<b>Adjusted Net Profit</b>	<b>31,530</b>	<b>29,250</b>	<b>7.8%</b>	<b>26,510</b>	<b>18.9%</b>	<b>31,258</b>	<b>0.9%</b>
<b>Diluted EPS (Rs)</b>	<b>11.6</b>	<b>10.8</b>	<b>7.8%</b>	<b>9.8</b>	<b>18.9%</b>	<b>11.5</b>	
<b>Adjusted Diluted EPS</b>	<b>11.6</b>	<b>10.8</b>	<b>7.8%</b>	<b>9.8</b>	<b>18.9%</b>	<b>11.5</b>	<b>0.9%</b>
No. of Shares (mn) - Diluted	2,713	2,714		2,713		2,713	
<b>Margin Analysis (%)</b>			<b>Change in bps</b>	<b>Change in bps</b>			
Operating Profit Margin (%)	21.6%	20.5%	107	20.0%	165	22.4%	(77)
EBITDA Margin (%)	26.6%	25.6%	102	23.4%	322	25.9%	69
Net Profit Margin (%)	17.0%	16.4%	56	15.1%	183	17.1%	(11)
Adjusted NPM (%)	17.0%	16.4%	56	15.1%	183	17.1%	(11)
Effective Tax rate (%)	24.1%	24.0%	4	23.9%	16	24.0%	4
<b>Cost Analysis (%)</b>			<b>Change in bps</b>	<b>Change in bps</b>			
Direct cost as % of Sales	58.8%	60.1%	(135)	63.1%	(433)	59.5%	(69)
SG&A as % of Sales	14.6%	14.3%	33	13.5%	111	14.6%	(0)

\$ Revenue was 1.8% above our estimates

### Margin Walk:

Margins grew by a gross amount of 150 bps but was offset by 24 bps due to INR appreciation, -32 bps due to investments in SG&A and Products and Platforms which led to net improvement of 108 bps. Improvement was mainly led by revenue growth, higher utilization and better margins in Mode 2 which increased from 14 to 18% yoy

Source: Company, Dalal&Broacha Research



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### Industry-wise Performance

Revenue by Industry	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
Financial Services	20.3%	22.4%	21.6%	21.1%	22.4%	22.1%
Manufacturing & Hi-Tech	19.9%	19.8%	20.9%	20.7%	18.1%	17.7%
Telecom	8.0%	8.4%	9.0%	8.3%	7.6%	7.7%
Retail & CPG	9.5%	10.0%	10.3%	10.2%	10.0%	10.4%
Life Science	12.8%	12.9%	12.2%	12.5%	13.7%	14.1%
Public Services (Includes Energ	10.5%	11.0%	10.9%	11.1%	11.0%	10.7%
Technology Services	18.9%	15.4%	15.1%	16.2%	17.2%	17.3%
Revenue by Industry	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
<b>Financial Services</b>	<b>480</b>	<b>557</b>	<b>549</b>	<b>537</b>	<b>528</b>	<b>554</b>
Q-o-Q Growth	-0.2%	16.0%	-1.3%	-2.3%	-1.7%	5.0%
Y-o-Y Growth	-1.9%	15.4%	15.5%	11.7%	10.0%	-0.5%
<b>Manufacturing &amp; Hi-Tech</b>	<b>470</b>	<b>492</b>	<b>532</b>	<b>526</b>	<b>426</b>	<b>444</b>
Q-o-Q Growth	18.0%	4.6%	8.0%	-1.0%	-19.0%	4.1%
Y-o-Y Growth	25.1%	30.3%	36.4%	32.1%	-9.4%	-9.9%
<b>Telecom</b>	<b>189</b>	<b>209</b>	<b>229</b>	<b>211</b>	<b>179</b>	<b>193</b>
Q-o-Q Growth	-3.5%	10.4%	9.6%	-7.8%	-15.2%	7.8%
Y-o-Y Growth	26.1%	38.2%	13.0%	7.8%	-5.3%	-7.6%
<b>Retail &amp; CPG</b>	<b>225</b>	<b>249</b>	<b>262</b>	<b>259</b>	<b>236</b>	<b>261</b>
Q-o-Q Growth	-1.4%	10.7%	5.4%	-1.0%	-9.2%	10.7%
Y-o-Y Growth	20.1%	18.4%	16.7%	13.9%	4.9%	4.9%
<b>Life Science</b>	<b>303</b>	<b>321</b>	<b>310</b>	<b>318</b>	<b>323</b>	<b>353</b>
Q-o-Q Growth	2.2%	6.0%	-3.2%	2.5%	1.5%	9.5%
Y-o-Y Growth	15.0%	18.4%	8.4%	7.4%	6.7%	10.2%
<b>Public Services (Includes Energy u</b>	<b>248</b>	<b>273</b>	<b>277</b>	<b>282</b>	<b>259</b>	<b>268</b>
Q-o-Q Growth	-1.8%	10.2%	1.4%	1.8%	-8.2%	3.5%
Y-o-Y Growth	15.0%	21.8%	29.8%	11.7%	4.4%	-1.9%
<b>Technology Services</b>	<b>447</b>	<b>383</b>	<b>384</b>	<b>412</b>	<b>405</b>	<b>434</b>
Q-o-Q Growth	6.0%	-14.3%	0.3%	7.3%	-1.7%	7.0%
Y-o-Y Growth	19.5%	0.2%	-6.7%	-2.2%	-9.3%	13.3%

- Analytics, AI & Cognitive (12.5% of revenue) and Infrastructure Management Services (13.6% of revenue) grow at 2.6% and 2.8% in reported terms (2.9% & 2.6% qoq in cc terms) respectively.

- ADAM decline 2.3%, Enterprise solutions declined 5.7% and Enterprise Integration & Mobility declined 5.9% qoq

- Digital business grew at 18.2% yoy

Key: Green Highlighting indicates performance was relatively better than previous period

Red Highlighting indicates performance was worse off than previous comparable period

### Mode-wise Performance

Mode 1 - 2 - 3	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
Mode I	70%	67%	66%	65.1%	63%	63%
Mode II	18.8%	18.3%	18.2%	19.2%	20.3%	20.9%
Mode III	10.9%	14.7%	15.8%	15.7%	16.2%	15.8%
Mode 1 - 2 - 3 Trend	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
<b>Mode I</b>	<b>1,662</b>	<b>1,665</b>	<b>1,679</b>	<b>1,656</b>	<b>1,493</b>	<b>1,587</b>
Q-o-Q Growth		0.2%	0.8%	-1.4%	-9.8%	6.2%
Y-o-Y Growth					-10.1%	-4.7%
<b>Mode II</b>	<b>444</b>	<b>455</b>	<b>463</b>	<b>488</b>	<b>478</b>	<b>524</b>
Q-o-Q Growth		2.4%	1.8%	5.5%	-2.1%	9.6%
Y-o-Y Growth					7.6%	15.2%
<b>Mode III</b>	<b>258</b>	<b>365</b>	<b>402</b>	<b>399</b>	<b>382</b>	<b>396</b>
Q-o-Q Growth		41.8%	10.0%	-0.6%	-4.4%	3.8%
Y-o-Y Growth					48.1%	8.4%

- Mode 1: Digital Foundation drove growth  
- Mode 2: Digital & Analytics Business were key drivers  
- Mode 3: reported good performance despite seasonality



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Segment-wise Contribution	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
IT and Business Services	75%	71%	70%	70.6%	70%	71%
Engineering & R&D Services	17%	17%	17%	16%	16%	16%
Products & Platforms	8%	12%	13%	13%	14%	14%

Segment-wise Trend	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY20
<b>IT and Business Services</b>	<b>1,780</b>	<b>1,775</b>	<b>1,785</b>	<b>1,796</b>	<b>1,654</b>	<b>1,775</b>
Q-o-Q Growth		-0.3%	0.6%	0.6%	-7.9%	7.3%
Y-o-Y Growth					-7.1%	0.0%
<b>Engineering &amp; R&amp;D Services</b>	<b>399</b>	<b>420</b>	<b>425</b>	<b>415</b>	<b>377</b>	<b>394</b>
Q-o-Q Growth		5.2%	1.1%	-2.4%	-9.1%	4.4%
Y-o-Y Growth					-5.6%	-6.3%
<b>Products &amp; Platforms</b>	<b>184</b>	<b>291</b>	<b>333</b>	<b>333</b>	<b>325</b>	<b>338</b>
Q-o-Q Growth		57.7%	14.6%	0.0%	-2.4%	4.1%
Y-o-Y Growth					76.3%	16.4%

- IT & Business services: digital foundation services in mode 1, cloud native offerings and transformation services in mode 2 drove growth
- ER&D: product innovations and new engagements in medical devices and hi-tech drove growth
- P&P: positive traction in business driven by strong demand environment. The Products business is not witnessing any pricing pressure but there will be moderate increase in the prices going ahead
- Signed 15 transformational deals in Q2 in Lifesciences & Healthcare, Energy and Media & Telecom. All are new deals and exclude renewals
- Enhanced Cyber Security practice by opening center in Sweden to help local organizations with regulations regarding data sovereignty

### Valuation & Outlook

HCL Tech is currently trading at 18.3x / 17.2x FY21e / FY22e EPS. HCL Tech has outperformed expectations on all fronts, especially Mode II or next gen services which have not only driven overall growth but also margin accretive. Additionally, management has indicated that Mode II services will continue to play a central role as company focuses on a strong hyper-scaler partnership ecosystem. Although the upgraded growth guidance indicates a relatively muted performance in H2, we believe that HCL Tech has imbibed the IBM products by introducing necessary upgrades, retaining clients and maintaining a healthy revenue run-rate. **We retain a BUY on Dips rating on the stock with a revised target price of INR 868 (from INR 784 earlier) based on FY22e EPS estimates.**



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P&L Statement					
YE March (Rs. mn)	FY18	FY19	FY20	FY21E	FY22E
<b>Total Revenues</b>	<b>505,690</b>	<b>604,280</b>	<b>706,780</b>	<b>744,806</b>	<b>799,951</b>
Revenue Growth (Y-o-Y)	8.2%	19.5%	17.0%	5.4%	7.4%
<b>Less:</b>					
Employees Cost	332,370	392,680	443,080	443,958	484,059
SG&A	58,930	71,910	96,770	108,137	115,993
<b>Total Op. Expenditure</b>	<b>391,300</b>	<b>464,590</b>	<b>539,850</b>	<b>552,094</b>	<b>600,052</b>
<b>EBIDTA</b>	<b>114,390</b>	<b>139,690</b>	<b>166,930</b>	<b>192,712</b>	<b>199,899</b>
EBIDTA Growth (Y-o-Y)	10.9%	22.1%	19.5%	15.4%	3.7%
Less: Depreciation	14,520	21,480	29,553	36,609	36,426
<b>Operating Profit</b>	<b>99,870</b>	<b>118,210</b>	<b>137,377</b>	<b>156,103</b>	<b>163,473</b>
Growth (Y-o-Y)	5.4%	18.4%	16.2%	13.6%	4.7%
Non-operating Income	11,110	8,050	1,790	4,932	8,000
<b>Profit Before tax</b>	<b>110,980</b>	<b>126,260</b>	<b>139,167</b>	<b>161,034</b>	<b>171,472</b>
Tax	23,170	24,810	29,380	38,732	41,153
<b>Net Profit</b>	<b>87,810</b>	<b>101,530</b>	<b>110,107</b>	<b>122,768</b>	<b>130,792</b>
Adjusted Net Profit	87,810	101,530	110,107	122,768	130,792
<b>Diluted EPS (Rs.)</b>	<b>31.5</b>	<b>36.4</b>	<b>40.6</b>	<b>45.3</b>	<b>48.2</b>
Growth (Y-o-Y) %	5.4%	15.6%	11.4%	11.5%	6.5%
<b>Adjusted Diluted EPS</b>	<b>31.5</b>	<b>36.4</b>	<b>40.6</b>	<b>45.3</b>	<b>48.2</b>
Growth (Y-o-Y) %	5.4%	15.6%	11.4%	11.5%	6.5%

Key Ratios					
YE March (Rs. mn)	FY18	FY19	FY20	FY21E	FY22E
<b>EBITDA Margin %</b>	<b>22.6%</b>	<b>23.1%</b>	<b>23.6%</b>	<b>25.9%</b>	<b>25.0%</b>
EBIT Margins %	19.7%	19.6%	19.4%	21.0%	20.4%
<b>NPM (%)</b>	<b>17.4%</b>	<b>16.8%</b>	<b>15.6%</b>	<b>16.5%</b>	<b>16.4%</b>
RoE (%)	25.3%	26.1%	24.3%	23.5%	22.9%
<b>RoCE (%)</b>	<b>26.3%</b>	<b>25.3%</b>	<b>25.4%</b>	<b>25.9%</b>	<b>25.4%</b>
BV/Per Share Rs.	261	297	181	204	218

Valuation Ratios					
YE March (Rs. mn)	FY18E	FY19E	FY19E	FY19E	FY19E
P/E (x)	13.1x	11.3x	20.4x	18.3x	17.2x
<b>EVEBITDA</b>	<b>9.7x</b>	<b>8.0x</b>	<b>13.2x</b>	<b>11.4x</b>	<b>11.1x</b>
P/BV (x)	3.2x	2.8x	4.6x	4.1x	3.8x
<b>Market Cap / Sales</b>	<b>2.3x</b>	<b>1.9x</b>	<b>3.2x</b>	<b>3.0x</b>	<b>2.8x</b>

Key Operating Ratios					
YE March (Rs. mn)	FY18	FY19	FY20	FY21E	FY22E
EBITDA Margin (%)	22.6%	23.1%	23.6%	25.9%	25.0%
<b>Tax / PBT (%)</b>	<b>20.9%</b>	<b>19.6%</b>	<b>21.1%</b>	<b>24.1%</b>	<b>24.0%</b>
Net Profit Margin (%)	17.4%	16.8%	15.6%	16.5%	16.4%
<b>RoE (%)</b>	<b>25.3%</b>	<b>26.1%</b>	<b>24.3%</b>	<b>23.5%</b>	<b>22.9%</b>
RoCE (%)	26.3%	25.3%	25.4%	25.9%	25.4%
<b>Current Ratio (x)</b>	<b>2.2x</b>	<b>2.3x</b>	<b>2.1x</b>	<b>2.0x</b>	<b>1.6x</b>
Dividend Payout (%)	23.1%	11.0%	30.0%	50.0%	70.0%
<b>BV Per Share (Rs.)</b>	<b>261.2</b>	<b>296.9</b>	<b>180.9</b>	<b>203.5</b>	<b>218.0</b>
<b>Growth Indicators %</b>					
Gross Block Growth (%)	13.0%	17.7%	9.7%	8.8%	8.1%
Sales Growth (%)	8.2%	19.5%	17.0%	5.4%	7.4%
EBITDA Growth (%)	10.9%	22.1%	19.5%	15.4%	3.7%
Net Profit Growth (%)	3.8%	15.6%	8.4%	11.5%	6.5%
Diluted EPS Growth (%)	5.4%	15.6%	11.4%	11.5%	6.5%

Balance Sheet					
YE March (Rs. mn)	FY18	FY19	FY20	FY21E	FY22E
Equity Capital	2,780	2,710	5,351	5,351	5,351
Reserves & Surplus	361,080	410,950	485,384	546,768	586,005
<b>Equity</b>	<b>363,860</b>	<b>413,660</b>	<b>490,735</b>	<b>552,119</b>	<b>591,357</b>
<b>Net Worth</b>	<b>363,860</b>	<b>413,660</b>	<b>490,735</b>	<b>552,119</b>	<b>591,357</b>
<b>Capital Employed</b>	<b>379,262</b>	<b>466,868</b>	<b>540,216</b>	<b>602,889</b>	<b>643,591</b>
<b>Assets</b>					
Gross Block	87,740	103,260	113,260	123,260	133,260
Less: Depreciation	42,140	50,330	78,730	110,452	117,115
<b>Net Block</b>	<b>45,600</b>	<b>52,930</b>	<b>34,530</b>	<b>12,808</b>	<b>16,145</b>
<b>Investments</b>	<b>13,950</b>	<b>16,410</b>	<b>18,968</b>	<b>19,916</b>	<b>21,292</b>
Intangible Assets	141,930	175,950	250,887	322,090	395,736
Other Non-current	35,170	38,540	45,077	47,503	51,020
<b>Current Assets</b>					
Sundry Debtors	96,390	117,060	136,916	144,283	154,965
Cash and Bank Balance	39,862	75,588	67,062	85,960	49,936
Other Current Assets	49,620	65,210	76,271	80,375	86,326
<b>Total Current Assets</b>	<b>221,692</b>	<b>271,888</b>	<b>316,457</b>	<b>348,727</b>	<b>332,172</b>
<b>Less: Current Liabilities</b>					
Sundry Creditors	9,180	13,050	12,446	12,470	13,597
<b>Total Current Liabilities</b>	<b>100,650</b>	<b>115,750</b>	<b>149,327</b>	<b>175,206</b>	<b>201,607</b>
<b>Capital Applied</b>	<b>379,262</b>	<b>466,868</b>	<b>540,216</b>	<b>602,889</b>	<b>643,591</b>

Cash Flow Statement					
YE March (Rs. mn)	FY18	FY19	FY20	FY21E	FY22E
PAT	87,810	101,530	110,107	122,768	130,792
Less: Non Operating Income	11,110	8,050	1,790	4,932	8,000
Add: Depreciation	14,520	21,480	29,553	36,609	36,426
Add: Interest Paid	0	0	0	0	0
Tax Adjustment	(1,852)	(6,180)	3,675	(3,280)	(1,566)
<b>Operating Profit before Working Capital Ch</b>	<b>89,369</b>	<b>108,780</b>	<b>141,545</b>	<b>151,165</b>	<b>157,654</b>
(Inc)/Dec in Current Assets	(20,063)	(15,280)	(53,136)	(13,371)	(19,391)
Inc/(Dec) in Current Liabilities	(12,146)	15,100	33,577	25,880	26,401
<b>Net Cash Generated From Operations</b>	<b>58,195</b>	<b>109,410</b>	<b>122,027</b>	<b>163,672</b>	<b>164,585</b>
<b>Cash Flow from Investing Activities</b>					
(Inc)/Dec in Fixed Assets	(20,137)	(28,810)	(11,153)	(14,887)	(39,763)
(Inc)/Dec in Capital Work In Progress	1,279	850	(399)	(148)	(214)
(Inc)/Dec in Investment (Others)	(6,511)	(2,460)	(2,558)	(949)	(1,376)
Add: Non Operating Income	11,110	8,050	1,790	4,932	8,000
(Inc)/Dec in Intangible Assets	(29,553)	(34,020)	(74,937)	(71,203)	(73,646)
Other Assets	(12,771)	(3,370)	(6,537)	(2,425)	(3,517)
<b>Net Cash Flow from/(used in) Investing Act</b>	<b>(55,325)</b>	<b>(59,760)</b>	<b>(93,793)</b>	<b>(84,680)</b>	<b>(110,518)</b>
<b>Cash Flow from Financing Activities</b>					
Inc/(Dec) in Total Loans	1,705	37,670	(3,569)	1,289	1,464
Dividend Paid	(20,310)	(11,137)	(33,032)	(61,384)	(91,555)
<b>Net Cash Flow from Financing Activities</b>	<b>(18,605)</b>	<b>26,533</b>	<b>(36,601)</b>	<b>(60,095)</b>	<b>(90,091)</b>
<b>Net Inc/Dec in cash equivalents</b>	<b>(17,700)</b>	<b>34,960</b>	<b>11,150</b>	<b>6,391</b>	<b>(42,955)</b>
<b>Opening Balance</b>	<b>190,679</b>	<b>172,979</b>	<b>207,939</b>	<b>219,089</b>	<b>225,479</b>
<b>Closing Balance Cash and Cash Equivalents</b>	<b>172,979</b>	<b>207,939</b>	<b>219,089</b>	<b>225,479</b>	<b>182,524</b>

Free Cash Flow Analysis					
	FY18	FY19	FY20E	FY20E	FY20E
<b>EBITDA</b>	<b>114,390</b>	<b>139,690</b>	<b>166,930</b>	<b>192,712</b>	<b>199,899</b>
<b>Add: Depreciation Tax Shield</b>	<b>3,031</b>	<b>4,221</b>	<b>6,239</b>	<b>8,805</b>	<b>8,742</b>
<b>Less: Inc in FC Investment</b>	<b>(39,643)</b>	<b>(49,540)</b>	<b>(84,937)</b>	<b>(81,203)</b>	<b>(83,646)</b>
<b>Taxes Paid</b>	<b>23,170</b>	<b>24,810</b>	<b>29,380</b>	<b>38,732</b>	<b>41,153</b>
<b>Total Free Cash Flows</b>	<b>23,436</b>	<b>70,191</b>	<b>39,334</b>	<b>94,089</b>	<b>90,774</b>



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