



Analyst: Mayank Babla (022) 67141412

Q3 FY20 Result Update@ Dalal&Broacha

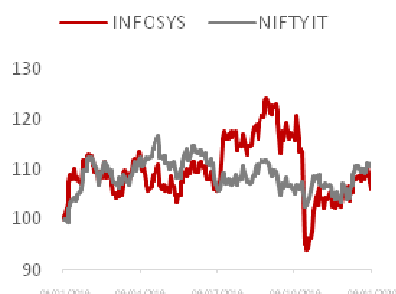
BUY

Current Price	738
Target Price	823
Upside	11.5%
52 Week Range	847/615

Key Share Data

Market Cap (Rs.Bn)	3144
Market Cap (US\$ Bn)	44.33
No of o/s shares (Mn)	4258.41
Face Value	5
Monthly Avg. Vol(BSE+NSE)('000)	7380
BSE Code	500209
NSE Code	INFY
Bloomberg	INFY:IN

Price performance



% Shareholding	Sept-19	Jun-19
Promoters	13.15	13.15
Public	86.41	86.36
Others	0.44	0.47
Total	100	100

Financial Highlights

- US\$ revenue came in at \$3,243, +1% qoq / +8.6% yoy and -0.6% vs our est. of \$3,263 Mn
- INR revenue at INR 2,30,920 Mn, +2% qoq / +7.9% yoy and -0.6% vs our est. of INR 2,32,391 Mn
- EBIT at INR 50,640 Mn, +3.1% qoq / +4.8% and -3.1% below our est. of INR 52,266 Mn
- PAT was reported at INR 44,570 Mn, +10.4% qoq / +23.5% yoy and in-line with our estimate of INR 44,777 Mn
- Company upgraded the range of Revenue Growth Guidance from 9 – 10% to 10 – 10.5% in cc terms
- EBIT margin guidance maintained at 21-23%
- Large deal signings at \$1.8 Bn in Q3FY20 vs \$2.8 Bn in Q1FY20 and \$1.6 Bn in Q3FY19

Segmental Highlights:

- Digital (40.6% of revenue) grew 40.8% in CC terms whereas Core (59.4% of revenue) de-grew by 5% in CC terms. Core services witnessed a decline as clients are shifting spend from traditional to Digital.
- Financial Services (31.5% of revenue) reported a CC growth of 6.2% yoy
- Retail (15.3% of revenue) was soft during the quarter with a 2.5% CC yoy growth
- Communications (13% of revenue) and Manufacturing (10.3% of topline) continued to report stellar performance and grew at 11.8% in CC terms and 20.6% yoy in cc terms, respectively

Whistleblower Case Updates:

- Audit committee did a thorough investigation and gave a clean chit therefore no restatement of reported numbers or such
- Not sure of if whistleblower is an employee and can be an outsider too
- Board has complete faith in management

Concall KTAs:

- ❖ 4 business segments (Manufacturing, Communications, Hi-Tech and Lifesciences, i.e. 37.6% of total) clocked double digit yoy growth in CC terms
- ❖ Europe and ROW also grew double digit yoy in CC terms
- ❖ Utilisation dropped 50 bps during the quarter due to furloughs
- ❖ Retention efforts were successful as LTM attrition came down to 15.6%
- ❖ Added 82 clients during the quarter with major additions in the \$100 Mn bucket
- ❖ TCV of deal wins was \$1.8 Bn with the share of Net New deals at 32% of TCV. Total number of new deals won stood at 14 – 7 in BFS, 2 in Comms, 1 in Retail and others. Geographically, 8 from North America, 5 from Europe and 1 from ROW
- ❖ Headwinds in BFS persist, however, company witnessed positive growth in BFS in North America due to stable spends. Spend in BFS in Europe was soft due to Brexit issue. Expect pressure to continue in the near term due to market volatility

Consolidated Financials (In INR Mn)

Year	Net Sales	% Growth	EBIT	EBIT Margin (%)	PAT	PAT Margin (%)	EPS	Growth (%)	PE (x)	ROE (%)	ROCE (%)
FY18	705,220	3.0%	171,480	24.3%	160,990	22.8%	74.0	18%	9.6x	22.8%	22.6%
FY19	826,760	17.2%	188,790	22.8%	161,310	19.5%	37.1	-50%	19.8x	22.5%	22.2%
FY20E	910,581	10.1%	196,569	21.6%	169,686	18.6%	39.0	5%	18.8x	23.1%	22.8%
FY21E	1,004,127	10.3%	215,760	21.5%	180,962	18.0%	41.6	7%	17.7x	21.8%	21.6%
FY22E	1,097,398	9.3%	238,833	21.8%	200,784	18.3%	46.2	11.0%	15.9x	21.5%	21.3%

Source: Company, Dalal & Broacha Research

Bonus Issue in FY19 and therefore EPS showing a drop of 50%



Q3 FY20 Result Update@ Dalal&Broacha

- ❖ Retail performance remained muted with cautious stance taken by clients
- ❖ Strength in Communication to persist on account of execution of healthy deal pipeline
- ❖ Manufacturing had a solid run. Uncertainty exists in the global manufacturing industry due to trade wars. However, management sees some sort of comfort due to past deal wins and performance should remain steady
- ❖ Growth in Energy & Utilities and Process Industry was soft due to certain client challenges and seasonal weakness. However growth should revive in the medium term.
- ❖ Margin Walk: +10 bps due to currency, +50 bps due to cost optimization benefits such as re-shuffling of onsite offshore mix and operating leverage. -50 bps due to lower utilization – Leading to 20 bps improvement in operating margins in Q3FY20 to 21.9%
- ❖ Effective tax rate stood at 23.6% for the quarter. However, expect a normalized rate of 27% going ahead

Quarterly Deviation Analysis

YE March (Rs. Mn)	Q3 FY20	Q2 FY20	Q-o-Q change %	Q3 FY19	Y-o-Y change %	Q3 FY20 estimates	Deviation %
Net Sales (US\$ Mn)	3,243	3,210	1.0%	2,987	8.6%	3,263	(0.6%)
Net Sales (INR Mn)	230,920	226,290	2.0%	214,000	7.9%	232,391	(0.6%)
Less:							
Employees Remuneration & Benefits	153,730	150,790	1.9%	140,160	9.7%	152,185	1.0%
Administrative & Other Expenses	26,550	26,380	0.6%	25,540	4.0%	27,939	(5.0%)
Total Operating Expenditure	180,280	177,170	1.8%	165,700	8.8%	180,124	0.1%
EBIT	50,640	49,120	3.1%	48,300	4.8%	52,266	(3.1%)
Less: Depreciation	7,360	7,270	1.2%	5,800	26.9%	7,466	
Add: Other income	8,270	6,260	32.1%	7,530	9.8%	7,436	11.2%
Finance Costs	420	420					
Profit Before Tax	58,490	54,960	6.4%	51,320	14.0%	59,703	(2.0%)
Adjusted Profits	58,490	54,960	6.4%	55,830	4.8%	59,703	
Less: Total Tax	13,830	14,590	(5.2%)	15,220	(9.1%)	14,926	
PAT	44,570	40,190	10.9%	36,100	23.5%	44,777	(0.5%)
Adjusted PAT	44,570	40,190	10.9%	40,610	9.8%	44,777	(0.5%)
Reported Diluted EPS (Rs.)	10.5	9.5	10.9%	8.3	26.3%	10.5	
Adjusted Diluted EPS (Rs.)	10.5	9.5	10.9%	9.3	12.3%	10.5	(0.5%)
No of Shared Diluted (mn)	4,249	4,249		4,348		4,249	
Margin Analysis %							
			<i>Change in bps</i>		<i>Change in bps</i>		<i>Deviation in bps</i>
EBIT Margin	21.9%	21.7%	22	22.6%	(64)	22.5%	(56)
EBIDTA Margin	25.1%	24.9%	20	25.3%	(16)	25.7%	(59)
NPM	19.3%	17.8%	154	16.9%	243	19.3%	3
Adjusted NPM	19.3%	17.8%	154	19.0%	32	19.3%	3
Effective Tax Rate %	23.6%	26.5%	(290)	29.7%	(601)	25.0%	(135)
Cost Analysis %							
			<i>Change in bps</i>		<i>Change in bps</i>		<i>Deviation in bps</i>
Employee Cost/Net Sales	66.6%	66.6%	(6)	65.5%	108	65.5%	109
SG&A/Net sales	11.5%	11.7%	(16)	11.9%	(44)	12.0%	(53)

- US\$ revenue grew at 1% qoq and 8.6% yoy in US\$ terms and 1% QoQ and 9.5% yoy in CC terms
- EBIT margin stood at 21.9% - +10 bps due to currency, +50 bps due to cost optimization and -40 bps due to lower utilization
- FCF generation crossed \$1.5 Bn
- ETR stood at 23.6% for Q3FY20, however normalized ETR at 27%

Geography-wise Trend Analysis

Geography-wise revenue split	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
North America	60.0%	60.3%	60.4%	61.2%	61.6%	61.4%	61.3%
Europe	24.3%	24.0%	24.2%	24.0%	23.6%	24.1%	24.4%
India	2.6%	2.5%	2.6%	2.3%	2.3%	2.7%	2.8%
Rest of the world	13.1%	13.2%	12.8%	12.5%	12.5%	11.8%	11.5%
Geography Trend Analysis	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
North America	1,699	1,761	1,804	1,873	1,929	1,971	1,988
Q-o-Q Growth	1.9%	3.7%	2.4%	3.8%	3.0%	2.2%	0.9%
Y-o-Y Growth	4.9%	6.5%	8.4%	12.4%	13.5%	11.9%	10.2%
Europe	688	701	723	734	739	774	791
Q-o-Q Growth	-1.1%	1.9%	3.1%	1.6%	0.6%	4.7%	2.3%
Y-o-Y Growth	15.8%	10.8%	7.5%	5.6%	7.4%	10.4%	9.5%
India	74	73	78	70	72	87	91
Q-o-Q Growth	-6.3%	-0.8%	6.3%	-9.4%	2.3%	20.4%	4.8%
Y-o-Y Growth	-22.9%	-18.9%	-6.0%	-10.4%	-2.2%	18.7%	16.9%
Rest of the world	371	386	382	383	391	379	373
Q-o-Q Growth	1.7%	4.0%	-0.8%	0.0%	2.3%	-3.2%	-1.5%
Y-o-Y Growth	8.4%	9.6%	13.8%	4.9%	5.5%	-1.8%	-2.5%
Total	2,831	2,921	2,987	3,060	3,131	3,210	3,243
Q-o-Q Growth	0.9%	3.2%	2.3%	2.4%	2.3%	2.5%	1.0%
Y-o-Y Growth	6.8%	7.1%	8.4%	9.1%	10.6%	9.9%	8.6%

- YoY growth across geographies was reported in solid double digits with N. America, Europe and India growing at 10.2%, 9.5% and 16.9% YoY, respectively
- On a quarterly basis, N. America and Europe reported a softer quarter mainly due to seasonal weakness



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Industry-wise Trend Analysis

Industry Contribution	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Banking, Financial Services & Insurance	32%	32%	33%	32%	31%	32%	32%
Manufacturing	10%	10%	10%	10%	10%	10%	10%
Retail	17%	17%	16%	16%	16%	15%	15%
Telecom	13%	12%	12%	14%	14%	13%	13%
Energy & Utilities	12%	12%	13%	13%	13%	13%	13%
Life sciences & Healthcare	7%	6%	6%	6%	6%	6%	7%
Others	3%	3%	3%	3%	3%	3%	3%
Hi-Tech	7%	8%	7%	8%	8%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%
Industry-wise Growth Trends	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Banking, Financial Services & Insurance	900	941	971	967	983	1,024	1,022
Q-o-Q Growth	-1.5%	4.5%	3.2%	-0.4%	1.7%	4.2%	-0.2%
Y-o-Y Growth	2.9%	3.2%	6.5%	5.7%	9.2%	8.9%	5.2%
Manufacturing	272	280	302	306	301	324	334
Q-o-Q Growth	0.9%	3.2%	7.6%	1.4%	-1.8%	7.9%	3.0%
Y-o-Y Growth	10.2%	-53.3%	-49.8%	13.6%	10.6%	15.6%	10.7%
Retail	470	491	490	487	495	488	496
Q-o-Q Growth	5.4%	4.4%	-0.2%	-0.7%	1.7%	-1.4%	1.7%
Y-o-Y Growth	9.4%	30.4%	26.1%	9.1%	5.3%	-0.6%	1.3%
Telecom	360	359	355	413	432	421	422
Q-o-Q Growth	-0.6%	-0.1%	-1.1%	16.2%	4.6%	-2.7%	0.3%
Y-o-Y Growth	7.6%	26.6%	22.9%	14.2%	20.2%	17.0%	18.6%
Energy & Utilities	351	359	382	389	407	421	415
Q-o-Q Growth	4.3%	2.3%	6.4%	1.6%	4.7%	3.3%	-1.3%
Y-o-Y Growth	17.2%	139.5%	139.3%	15.5%	15.9%	17.0%	8.6%
Life sciences & Healthcare	187	187	185	184	191	205	217
Q-o-Q Growth	-0.6%	0.1%	-0.9%	-0.9%	4.0%	7.6%	5.8%
Y-o-Y Growth	6.8%	0.8%	3.4%	-2.3%	2.2%	9.9%	17.3%
Others	82	85	84	80	81	83	91
Q-o-Q Growth	0.9%	3.2%	-1.3%	-4.9%	2.3%	2.5%	8.8%
Y-o-Y Growth	-16.3%	-49.1%	-50.2%	-2.2%	-0.8%	-1.5%	8.6%
Hi-Tech	209	219	218	236	241	244	246
Q-o-Q Growth	0.9%	4.6%	-0.5%	8.1%	2.3%	1.2%	1.0%
Y-o-Y Growth	8.3%	10.0%	8.4%	13.5%	15.1%	11.4%	13.0%
Total	2,831	2,921	2,987	3,060	3,131	3,210	3,243
Q-o-Q Growth	0.9%	3.2%	2.3%	2.4%	2.3%	2.5%	1.0%
Y-o-Y Growth	6.8%	7.1%	8.4%	9.1%	10.6%	9.9%	8.6%

- In line with earlier guidance and expectations, **BFSI performance was soft during Q3FY20** with -0.2% qoq and 5.2% yoy in reported terms. Company witnessed certain green shoots in BFSI in N. America, however **headwinds still persist**. Europe BFSI spends were subdued due to Brexit issues.
- **Expect Manufacturing to continue growing at steady rates** despite macro challenges
- **Telecom to continue steady performance** due to high spends in 5G and by traditional Content Service providers who are transforming to digital due to intensive competition
- **E&U reported a soft performance** due to client specific issues in 2 clients. Expect a bounceback in the medium term

Offering wise Revenue

Revenue by Offering	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Digital	28.4%	31.0%	31.5%	33.8%	35.7%	38.3%	40.6%
Core	71.6%	69.0%	68.5%	66.2%	64.3%	61.7%	59.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Offering-wise Trends	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Digital	804.0	905.5	940.9	1,034.3	1,117.8	1,229.4	1,316.7
Q-o-Q Growth	7.0%	12.6%	3.9%	9.9%	8.1%	10.0%	7.1%
Y-o-Y Growth				37.6%	39.0%	35.8%	39.9%
Core	2,027.0	2,015.5	2,046.1	2,025.7	2,013.2	1,980.6	1,926.3
Q-o-Q Growth	-1.3%	-0.6%	1.5%	-1.0%	-0.6%	-1.6%	-2.7%
Y-o-Y Growth					-0.7%	-1.7%	-5.9%
Total	2,831.0	2,921.0	2,987.0	3,060.0	3,131.0	3,210.0	3,243.0
Q-o-Q Growth					2.3%	2.5%	1.0%
Y-o-Y Growth					10.6%	9.9%	8.6%

- Digital (40.6% of revenue) continued to report solid double digit growth with a 39.9% yoy growth in reported terms
- Core continued to decelerate with a -5.9% yoy growth in reported terms
- Management continues to witness shift in spend from Traditional to Digital, as witnessed in the company's performance

Utilization & Attrition

Utilization	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Including trainees	81.5%	80.2%	79.8%	78.9%	80.3%	81.6%	80.4%
Excluding trainees	85.7%	85.6%	83.8%	82.3%	83.1%	84.9%	84.4%
Attrition	23.0%	22.2%	19.9%	20.4%	23.4%	21.7%	19.6%

- Utilization dropped to 80.4% during the quarter due to furloughs and seasonal weakness
- Attrition came down from 21.7% to 19.6% as a result of retention initiatives



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Top Client Trends

Client Contribution	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Top client	4%	4%	3%	3%	3%	3%	3%
Top 10 clients	19%	19%	19%	20%	20%	19%	19%
Top 25 Clients	35%	35%	34%	35%	35%	35%	34%
Repeat business	100%	98%	97%	95%	99%	98%	97%
Top Clients Trends							
Top client	105	114	102	101	100	103	97
Q-o-Q Growth	3.7%	8.8%	-10.9%	-0.6%	-0.8%	2.5%	-5.3%
Y-o-Y Growth	19.7%	22.8%	8.4%	0.0%	-4.3%	-9.8%	-4.2%
Top 10 clients	544	567	574	603	626	616	613
Q-o-Q Growth	0.9%	4.3%	1.2%	5.1%	3.9%	-1.6%	-0.6%
Y-o-Y Growth	2.5%	6.5%	8.4%	11.9%	15.2%	8.8%	6.9%
Top 25 Clients	988	1,014	1,013	1,071	1,093	1,111	1,109
Q-o-Q Growth	-0.5%	2.6%	-0.1%	5.8%	2.0%	1.6%	-0.1%
Y-o-Y Growth	3.5%	3.2%	4.1%	7.9%	10.6%	9.6%	9.5%

- Top client reported a -5.3% qoq de-growth, however management attributed it to seasonal weakness

- Top 10 clients reported a 6.9% yoy growth whereas Top 20 clients grew by 9.5% yoy in Q3FY20

- TCV of large deal wins stood at \$1.8 Bn in Q3FY20, -36.3% qoq and +15.5% yoy.

- Large deal wins was down qoq due to base effect as company had signed the Verizon deal in Q2FY20

- Infosys signed 7 deals in FS and 8 deals in N. America in Q3FY20

Large Deals Trends

Large Deals (\$ Mn)	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY FY19	Q1 FY20	Q2 FY20	Q3 FY20
Total Contract Value (TCV)	1,116	2,029	1,570	1,568	6,283	2,714	2,847	1,813
Q-o-Q Growth	-63.7%	81.8%	-22.6%	-0.1%		-56.8%	4.9%	-36.3%
Y-o-Y Growth	69.9%	177.6%	101.5%	73.3%	104.5%	143.2%	40.3%	15.5%

Valuation & Outlook

We believe that Infosys reported a healthy Q3FY20 and delivered as per our expectations. Factors such as upgrade of revenue guidance for FY20e, maintained margin guidance, strong double digit yoy performance in 4 segments and a clean chit on the whistleblower issue will serve as major positive triggers for the stock. However, headwinds in BFSI and Retail continue to persist. At CMP of INR 738, Infosys is trading at 17.7x and 15.9x FY21e and FY22e EPS, **we maintain our BUY rating on the stock and maintain our TP of INR 823 based on FY22E EPS estimate of INR 46.2.**



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YEMarch (INR Mn)	Profit & Loss A/c				
	FY18	FY19	FY20E	FY21E	FY22E
Net Sales	705,220	826,760	910,581	1,004,127	1,097,398
Growth%	3.0%	17.2%	10.1%	10.3%	9.3%
Total Revenue	705,220	826,760	910,581	1,004,127	1,097,398
Less:					
Employees Cost	451,310	538,680	608,056	670,884	734,559
SG&A	82,430	99,290	105,956	117,483	124,006
Operating Expenditure	533,740	637,970	714,012	788,367	858,565
EBITDA	190,100	208,890	225,510	238,855	264,073
EBITDA Growth%	2.2%	9.9%	8.0%	5.9%	10.6%
Less: Depreciation	18,620	20,100	28,941	23,095	25,240
Operating Profit	171,480	188,790	196,569	215,760	238,833
Growth%	1.5%	10.1%	4.1%	9.8%	10.7%
Non-operating Income	31,930	28,830	30,318	32,132	36,214
Profit Before tax	203,410	217,620	226,887	247,892	275,047
Tax	42,420	56,310	57,202	66,931	74,263
Net Profit	160,990	161,310	169,686	180,962	200,784
Adjusted Profit	160,990	161,310	169,686	180,962	200,784
Diluted EPSRs	74.0	37.1	39.0	41.6	46.2
Growth %	17.7%	-49.9%	5.2%	6.6%	11.0%
Adjusted EPS	74.0	37.1	39.0	41.6	46.2
Growth%	17.7%	-49.9%	5.2%	6.6%	11.0%

Key Ratios					
OPM(%)	24.3%	22.8%	21.6%	21.5%	21.8%
NPM(%)	22.8%	19.5%	18.6%	18.0%	18.3%
RoE(%)	22.8%	22.5%	23.1%	21.8%	21.5%
RoCE(%)	22.6%	22.2%	22.8%	21.6%	21.3%
BV/PerShareRs.	299	149	170	191	215

YEMarch (INR Mn)	Free Cash Flow Statement				
	FY18	FY19	FY20E	FY21E	FY22E
EBITDA	190,100	208,890	225,510	238,855	264,073
FC Investment	18,470	27,120	20,000	15,000	15,000
WC Changes	9,740	14,210	(5,995)	(8,902)	(39,082)
Depreciation Tax Shield	3,883	5,201	7,296	6,236	6,815
Tax (EBITDA * Tax Rate)	39,644	54,051	56,855	64,491	71,300
FCFF	145,609	147,130	149,956	156,698	145,506

YE March (Rs.mn)	Key Ratios				
	FY18	FY19	FY20E	FY21E	FY22E
EBITDA Margin(%)	24.3%	22.8%	21.6%	21.5%	21.8%
Tax/PBT(%)	20.9%	25.9%	25.2%	27.0%	27.0%
Net Profit Margin(%)	22.8%	19.5%	18.6%	18.0%	18.3%
RoE(%)	22.8%	22.5%	23.1%	21.8%	21.5%
RoCE(%)	22.6%	22.2%	22.8%	21.6%	21.3%
Current Ratio(x)	3.5x	2.8x	3.6x	4.9x	6.0x
Dividend Payout(%)	46.4%	85.0%	47.7%	48.1%	48.1%
Book Value Per Share(Rs.)	298.5	149.4	169.8	191.4	215.4
Growth Indicators%					
Growth in Gross Block(%)	10.1%	13.4%	8.7%	6.0%	5.7%
Sales Growth(%)	3.0%	17.2%	10.1%	10.3%	9.3%
EBITDA Growth(%)	1.5%	10.1%	4.1%	9.8%	10.7%
Net Profit Growth(%)	12.0%	0.2%	5.2%	6.6%	11.0%
Diluted EPS Growth(%)	17.7%	(49.9%)	5.2%	6.6%	11.0%
Turnover Ratios					
Debtors (Days of net sales)	68	65	64	65	65

YE March (INR Mn)	BalanceSheet				
	FY18	FY19	FY20E	FY21E	FY22E
Liabilities					
Equity Capital	10,880	21,700	21,700	21,700	21,700
Reserves & Surplus	638,350	627,780	716,566	810,509	914,742
Equity	649,230	649,480	738,266	832,209	936,442
Net Worth	649,230	649,480	738,266	832,209	936,442
Net Deferred tax liability/(Asset)	5,410	6,720	6,720	6,720	6,720
Total Loans	3,200	4,220	4,220	4,220	4,220
Capital Employed	657,840	660,420	749,206	843,149	947,382
Assets					
Gross Block	201,790	228,910	248,910	263,910	278,910
Less: Depreciation	100,630	114,120	143,061	166,156	191,396
Net Block	101,160	114,790	105,849	97,754	87,514
Capital WIP	40,640	56,190	55,969	57,372	58,771
Investments	60,760	49,650	49,650	49,650	49,650
Others-Assets	96,170	97,970	97,970	33,465	37,131
Current Assets					
Sundry Debtors	131,420	148,270	159,664	178,817	195,427
Cash and Bank Balance	198,180	195,100	287,053	443,289	513,615
Loans and Advances	69,230	57,460	81,952	116,479	126,201
Total Current Assets	500,170	528,200	610,621	758,668	857,191
Less: Current Liabilities					
Sundry Creditors	6,940	16,550	5,869	4,320	4,704
Provisions	25,350	21,430	34,321	5,354	5,941
Other Current Liabilities	108,770	148,400	130,663	144,086	132,230
Total Current Liabilities	141,060	186,380	170,853	153,761	142,875
Capital Applied	657,840	660,420	749,206	843,149	947,382

YE March (Rs. Mn)	Cash Flow Statement				
	FY18	FY19	FY20E	FY21E	FY22E
PAT	160,990	161,310	169,686	180,962	200,784
Less: Non Operating Income	(31,930)	(28,830)	(30,318)	(32,132)	(36,214)
Add: Depreciation	18,620	20,100	28,941	23,095	25,240
Operating Profit before WC Changes	147,680	152,580	168,308	171,924	189,810
(Inc)/Dec in Current Assets	8,810	(31,110)	9,532	8,190	(28,197)
Inc/(Dec) in Current Liabilities	930	45,320	(15,527)	(17,092)	(10,885)
Net Cash Generated From Operations	157,420	166,790	162,313	163,022	150,728
Cash Flow from Investing Activities					
(Inc)/Dec in Fixed Assets	(22,270)	(33,730)	(20,000)	(15,000)	(15,000)
(Inc)/Dec in Capital Work In Progress	(2,410)	2,180	221	(1,403)	(1,399)
Add: Non Operating Income Income	31,930	28,830	30,318	32,132	36,214
Net Cash Flow from Investing Activities	11,080	(11,140)	10,540	80,233	16,149
Cash Flow from Financing Activities					
Dividend Paid	(47,269)	(112,000)	(69,741)	(74,375)	(82,522)
Tax Paid on Dividend	(27,380)	(25,050)	(11,159)	(12,644)	(14,029)
Net Cash Flow from Financing Activities	(199,800)	(167,520)	(79,589)	(87,019)	(96,551)
Net Inc/Dec in cash equivalents	(31,300)	(11,870)	93,263	156,236	70,326
Opening Balance	226,250	198,180	195,100	287,053	443,289
Closing Balance Cash and Cash Equivalents	194,950	186,310	288,363	443,289	513,615

Valuation Ratios					
YE March (Rs.mn)	FY18	FY19	FY20E	FY21E	FY22E
P/E(x)	9.6x	19.8x	18.8x	17.7x	15.9x
P/BV(x)	2.4x	4.9x	4.3x	3.8x	3.4x
EV/EBITDA(x)	7.9x	15.9x	14.8x	12.8x	11.3x
MarketCap./Sales(x)	2.2x	3.9x	3.5x	3.2x	2.9x



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