

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,577      TP: INR1,770 (+12%)      Buy**

## Expect a further upward revision in its guidance

### Long-term traction intact, reiterate Buy

- INFO reported strong broad based growth of 4.8% QoQ CC, beating our estimate of 3.9%. Deal TCV stood at USD2.6b, implying a growth of 48% YoY. While net new deal wins were relatively lower at 30%, the deal pipeline remains strong given the robust demand environment.
- EBIT margin fell 80bp QoQ to 23.7% in 1QFY22 (est. 24.8%), due to a 50bp/80bp impact from higher subcontracting expenses (highest in the last five years)/employee cost (on retention/hiring and promotions). This was partially offset by a 40bp/10bp impact from utilization/currency. Utilizations and offshore mix remain stretched, indicating a strong demand environment.
- The management increased its FY22 USD revenue growth guidance to 14-16% CC YoY from 12-14%. It characterized the current demand environment to be one of the strongest in a while.
- We expect INFO to deliver another year of an ongoing guidance raise as the current one does not fully factor in strong technology demand and execution of its record high deal wins (LTM deal wins rose 86% YoY to USD14.9b).
- A strong topline growth (est. +18% YoY) should allow INFO to keep EBIT margin intact (due to a wage hike in 2QFY22, large deal ramp up, stretched operating metrics, and increased subcontracting expenses) at the upper end of its guidance. Apart from operating leverage, it should also benefit from the further flattening of the pyramid (expected additions of 35K freshers in FY22) and increased efficiency measures.
- We see the sharp (300bp QoQ) rebound in attrition (to 13.9% in 1QFY22) as concerning, especially as utilization was at record high of 88.5%, which is unsustainable. This remains a key monitorable in our view.
- INFO reported a strong FCF/PAT conversion of 122% in 1QFY22. FCF rose 19% YoY, led by a robust increase in operating income and lower capex.
- We have cut our FY22E/FY23E EPS estimate by 3.2%/1.6% to encompass margin pressure due to ongoing supply crunch in the industry and expected increase in travel expenses. We continue to view INFO as a key beneficiary of a recovery in IT spends in FY22, given its capabilities around Cloud and Digital transformation. We value INFO at 27x FY23E EPS and reiterate our **Buy** rating.

### Strong growth performance; miss on margin due to supply pressures

- Revenue (CC)/EBIT/PAT grew 16.9%/22.7%/22.3% YoY in 1QFY22.
- Revenue growth of 4.8% QoQ CC in 1QFY22 beat our expectation of 3.9%. In USD terms, revenue grew 4.7% QoQ (est. 3.9%) and 21.2% YoY in 1QFY22.
- Growth was a function of outperformance in BFSI/Retail/Life Sciences (+22.6%/+22.2%/+22.1% YoY CC). Growth in the Communications segment remained muted at 4.6% YoY CC.

Motilal Oswal values your support in the Asiamoney Brokers Poll 2021 for India Research, Sales, Corporate Access and Trading team. We [request your ballot](#).



Bloomberg	INFO IN
Equity Shares (m)	4,572
M.Cap.(INRb)/(USD b)	6719.6 / 90.1
52-Week Range (INR)	1591 / 781
1, 6, 12 Rel. Per (%)	7/8/55
12M Avg Val (INR M)	11792

#### Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	1,005	1,184	1,411
EBIT Margin (%)	24.5	23.6	24.5
PAT	194	224	279
EPS (INR)	45.6	52.6	65.6
EPS Gr. (%)	17.1	15.5	24.7
BV/Sh. (INR)	180	165	173

#### Ratios

RoE (%)	27.3	30.6	39.0
RoCE (%)	23.0	25.1	31.1
Payout (%)	106.7	75.0	75.0

#### Valuations

P/E (x)	34.6	30.0	24.0
P/BV (x)	8.8	9.6	9.1
EV/EBITDA (x)	24.0	21.0	17.1
Div Yield (%)	1.7	2.5	3.1

#### Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	13.0	13.0	13.2
DII	22.0	23.1	25.4
FII	33.8	33.0	30.9
Others	31.3	30.9	30.5

FII Includes depository receipts

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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- US/Europe/RoW grew by 21.1%/12.2%/4.9% YoY CC.
- Digital grew by 42% YoY, and were at 53.9% of total revenue.
- Large deal TCV in 1QFY22 stood at USD2.6b.
- EBIT margin dipped 80bp sequentially (despite an increase in utilization and offshore mix) to 23.7%, 110bp miss to our estimate of 24.8%. On a YoY basis, margin increased by 100bp.
- The dip in margin was majorly led by a 50bp/80bp increase in subcontracting expenses/employee cost (on retention/hiring and promotions). This was partially offset by a 40bp/10bp impact from utilization/currency.
- PAT grew 22.3% YoY to INR51.9b, 5% below out estimates.
- Attrition inched up by 300bp QoQ, while utilization, including trainees, was further stretched to 83.3%, an increase of 110bp.
- DSO (LTM) reduced by a day sequentially to 70 days. FCF grew 18.5% YoY to USD863m. FCF conversion stood at 122.3% of net profit.
- INFO raised its FY22 guidance by 200bp to 14-16% YoY CC. Its EBIT margin guidance remained unchanged at 22-24%.

#### **Highlights from the management commentary**

- The company witnessed broad based growth across all sectors, service lines, and geographies, with the Digital business growing by 42% YoY. There has been sustained growth acceleration, with seven industries reporting strong double-digit growth. With Cloud becoming a Digital priority, many clients are taking advantage of Infosys Cobalt.
- Growth was led by the US, especially in the Banking and Retail segments, as clients start making aggressive investments to improve its Digital capabilities. A lot of the discretionary spending is also returning.
- Within Europe, there had been a lesser demand from its Banking clients and ramp up of few deals were delayed, impacting performance. However, this is not a secular trend and the issue is more customer specific.
- This, along with a return of travel and other discretionary cost, should pose as margin headwinds. However, pyramid rationalization and further automation should help offset these headwinds. The management is confident of achieving its margin guidance band of 22-24%.

#### **Valuation and view – Expect multiples to converge with TCS**

- INFO posted a strong growth in 1QFY22. We expect the company to deliver a top quartile growth performance in FY22E on the back of its strong technical capabilities and ramp up in deal wins in FY21.
- It delivered a strong margin in FY21. Some margin tailwinds are not sustainable and their benefits would partially wane out as travel returns, and attrition and offshore ratio normalize.
- We expect INFO to be a key beneficiary of a recovery in IT spends in FY22E.
- Our relative preference for INFO over TCS is premised on its headroom for increased growth potential, which was further reinforced by this result.
- As INFO has outperformed TCS in FY21 and in 1QFY22, we expect no valuation divergence between the two companies. Based on our revised estimates, the stock is currently trading at 24x FY23E EPS. We value the stock at 27x FY23E EPS, implying a TP of INR1,770.

## Quarterly performance (IFRS)

(INR b)

Y/E March	FY21				FY22				FY21	FY22E	FY22E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue (USD m)	3,121	3,312	3,516	3,613	3,782	3,979	4,057	4,198	13,562	16,016	3,754	0.7
QoQ (%)	-2.4	6.1	6.2	2.8	4.7	5.2	2.0	3.5	6.1	18.1	3.9	77bp
Revenue (INR m)	237	246	259	263	279	292	300	313	1,005	1,184	277	0.8
YoY (%)	8.5	8.6	12.3	13.1	17.9	19.0	15.8	18.9	10.7	17.9	16.9	98bp
GPM (%)	33.6	35.8	35.3	34.8	33.7	32.8	34.0	35.1	34.9	33.9	35.2	-157bp
SGA (%)	10.9	10.5	9.9	10.3	10.0	10.3	10.6	10.3	10.4	10.3	10.4	-41bp
EBITDA	61	71	74	73	74	75	79	87	279	315	77	-3.5
EBITDA Margin (%)	25.9	28.8	28.6	27.6	26.6	25.5	26.4	27.8	27.8	26.6	27.8	-119bp
EBIT	54	62	66	64	66	66	70	78	246	280	69	-3.9
EBIT Margin (%)	22.7	25.3	25.4	24.5	23.7	22.5	23.4	24.8	24.5	23.6	24.8	-116bp
Other income	4	5	6	5	6	6	6	7	20	25	6	-5.9
ETR (%)	26.2	28.0	27.1	26.8	27.5	26.0	26.0	26.0	27.0	26.4	26.0	152bp
PAT	42	48	52	51	52	53	57	62	194	224	55	-5.9
QoQ (%)	-1.7	14.0	7.3	-2.3	2.3	2.3	6.4	10.1			8.8	-645bp
YoY (%)	11.9	20.6	16.6	17.5	22.3	9.7	8.8	22.6	16.7	15.6	30.0	-770bp
EPS (INR)	10.0	11.4	12.2	11.9	12.2	12.5	13.3	14.6	45.5	52.7	13.0	-6.0

## Key performance indicators

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (QoQ CC %)	-2.0	4.0	5.3	2.0	4.8				5.0	
<b>Margins</b>										
Gross Margin	33.6	35.8	35.3	34.8	33.7	32.8	34.0	35.1	34.9	33.9
EBIT Margin	22.7	25.3	25.4	24.5	23.7	22.5	23.4	24.8	24.5	23.6
Net Margin	18.0	19.7	20.0	19.3	18.6	18.2	18.8	19.9	19.3	18.9
<b>Operating metrics</b>										
Headcount	239	240	249	260	268				260	
Voluntary Attrition (%)	11.7	7.8	10	15.2	13.9				15.2	
Deal Win TCV (USD b)	1.7	3.2	7.1	2.1	2.6				14.1	
<b>Key Verticals (YoY CC %)</b>										
BFSI	2.1	2.9	12.0	15.6	22.6				8.2	
Retail	(7.4)	(0.3)	2.0	4.5	22.2				-0.2	
<b>Key Geographies (YoY CC %)</b>										
North America	-	1.9	8.8	12.3	21.1				5.8	
Europe	4.4	0.6	1.3	5.1	12.2				2.8	

## Highlights from the management commentary

## 1QFY22 performance and demand outlook

- INFO reported a growth of 4.8% QoQ and 16.9% YoY (CC) in 1QFY22. This has been the fastest growth in the past 10 years, all organic and in the Digital transformation area.
- The company witnessed broad based growth across all sectors, service lines, and geographies, with the Digital business growing by 42% YoY.
- There has been sustained growth acceleration, with seven industries reporting strong double-digit growth. With Cloud becoming a Digital priority, many clients are taking advantage of Infosys Cobalt.
- It reported a TCV of USD2.6b, of which 30% are net new additions. The deal pipeline has a good mix of medium, large, and very large deals. The management is proactively looking at increasing the share of net new deals.

- Growth was led by the US, especially in the Banking and Retail segments, as clients start making aggressive investments to improve its Digital capabilities. A lot of the discretionary spending is also returning.
- Within Europe, there had been a lesser demand from its Banking clients and ramp up of few deals were delayed, impacting performance. However, this is not a secular trend and the issue is more customer specific.
- On the back of robust deal wins during 1QFY22 and a strong deal pipeline, the management has revised its growth guidance to 14-16% YoY (CC) v/s 12-14% earlier, while still maintaining its margin guidance band.

### Margin performance

- Margin in 1QFY22 stood at 23.7%. The QoQ decline was due to an increase in employee and subcontracting costs, partly offset by an increase in utilizations and cross currency.
- Subcontracting expenses rose 120bp on the back of stronger than expected demand and increased attrition.
- Wage hikes for FY22 would start rolling out with effect from Jul'21 for majority of its workforce.
- This, along with a return of travel and other discretionary cost, should pose as margin headwinds. However, pyramid rationalization and further automation should help offset these headwinds.
- With remote working being widely adopted, clients realize that to fuel its Digital transformation offshoring is required, and hence this trend is expected to continue going forward.
- The management is confident of achieving its margin guidance band of 22-24%.

### Other highlights

- The management expects attrition to remain high in the near term due to strong demand. The company now intends to hire ~35k freshers globally as against 26k stated before.

### Exhibit 1: BFSI/Retail/Life Sciences outperform

Verticals	Contribution to revenue (%)	Growth YoY (CC)
Financial Services	33.0	22.6
Retail	15.0	22.2
Communications	12.2	4.6
Energy, Utilities, Resources	12.1	10.5
Manufacturing	9.7	18.5
Hi-Tech	8.3	14.8
Life Sciences	6.8	21.2
Others	2.9	10.2

Source: Company, MOFSL

### Exhibit 2: Growth led by North America during 1QFY22

Geographies	Contribution to revenue (%)	Growth YoY (CC)
North America	61.7	21.1
Europe	24.2	12.2
India	2.9	20.7
RoW	11.2	4.9

Source: Company, MOFSL

**Valuation and view – Expect multiples to converge with TCS**

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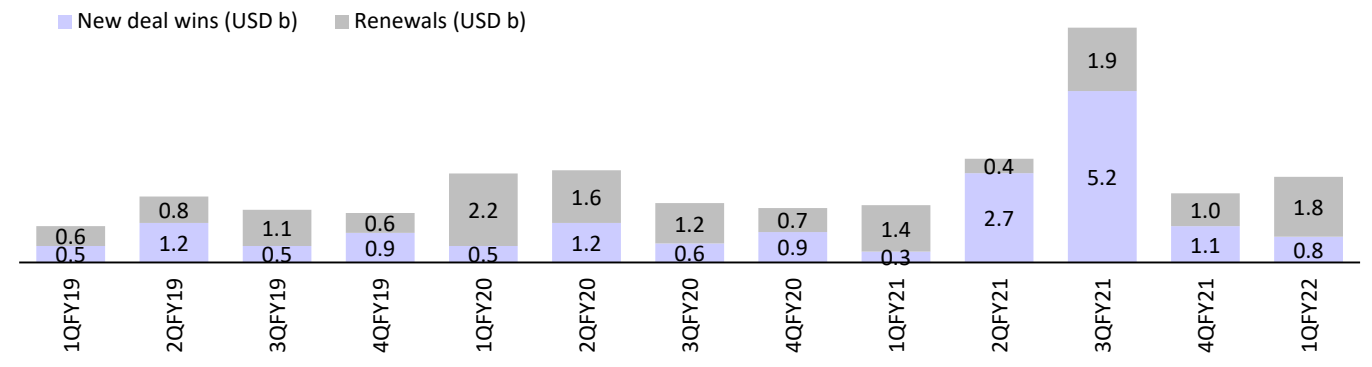
**Exhibit 3: Revision to our estimates**

	Revised		Earlier		Change (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
USD: INR	73.9	75.6	73.9	75.6	0.0	0.0
Revenue (USD m)	16,016	18,662	15,857	18,357	1.0	1.7
Growth (%)	18.1	16.5	16.9	15.8	120bp	70bp
EBIT margin (%)	23.6	24.5	24.5	25.4	-90bp	-90bp
PAT (INR b)	224	279	231	284	-3.2	-1.5
EPS	52.7	65.6	54.4	66.7	-3.2	-1.6

Source: MOFSL

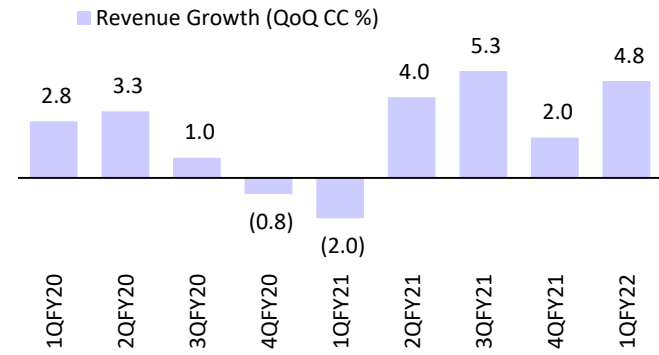
Story in charts

Exhibit 4: Net new deal wins constitute 30% of total large deals in 1QFY22



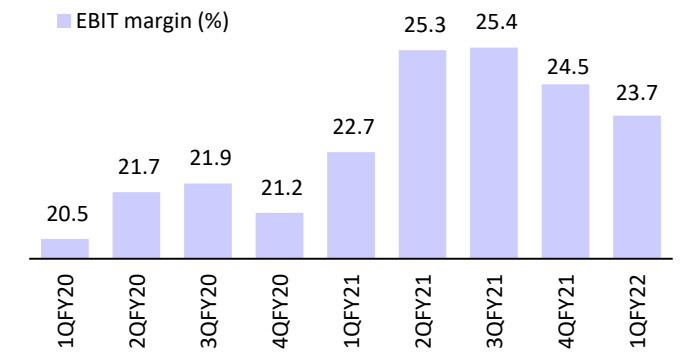
Source: Company, MOFSL

Exhibit 5: Revenue grew 16.9% YoY (CC) in 1QFY22



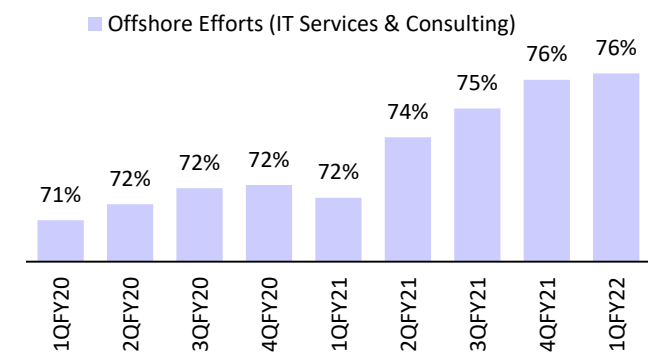
Source: Company, MOFSL

Exhibit 6: Margin impacted by supply-side challenges



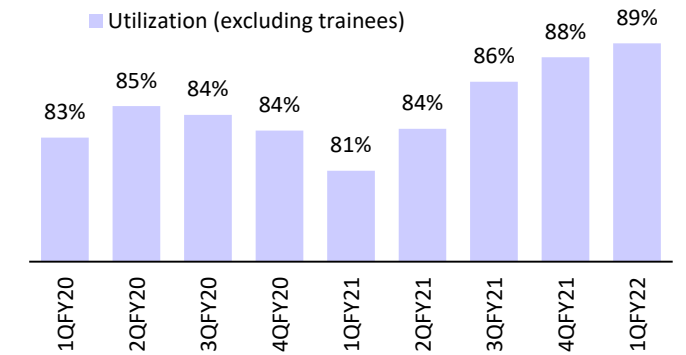
Source: Company, MOFSL

Exhibit 7: Offshoring ratio has been largely stable



Source: Company, MOFSL

Exhibit 8: Expect utilization to decline going forward



Source: Company, MOFSL

## Exhibit 9: Operating metrics

	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
<b>Effort (IT Services and Consulting)</b>									
Onsite	29%	28%	28%	28%	28%	26%	25%	24%	24%
Offshore	71%	72%	72%	72%	72%	74%	75%	76%	76%
<b>Utilization (IT Services and Consulting)</b>									
Including trainees	80%	82%	80%	79%	78%	81%	82%	82%	83%
Excluding trainees	83%	85%	84%	84%	81%	84%	86%	88%	89%
<b>Employee metrics</b>									
<b>Total employees (Consolidated, in '000)</b>	<b>229</b>	<b>236</b>	<b>243</b>	<b>242</b>	<b>239</b>	<b>240</b>	<b>249</b>	<b>260</b>	<b>268</b>
S/W professional ('000)	180	186	191	228	225	226	235	245	253
Support and sales ('000)	11	11	12	14	14	14	14	15	14
<b>Revenue by client geography</b>									
North America	62%	61%	61%	62%	62%	61%	62%	62%	62%
Europe	24%	24%	24%	24%	24%	24%	24%	24%	24%
India	2%	3%	3%	3%	3%	3%	3%	3%	3%
RoW	13%	12%	12%	11%	12%	12%	12%	11%	11%
<b>Revenue by business segments</b>									
Financial Services	31%	32%	32%	31%	32%	32%	33%	33%	33%
Retail	16%	15%	15%	16%	14%	15%	15%	15%	15%
Communications	14%	13%	13%	13%	13%	13%	12%	12%	12%
Energy, Utilities, Resources, and Services	13%	13%	13%	13%	13%	12%	13%	12%	12%
Manufacturing	10%	10%	10%	10%	10%	9%	9%	10%	10%
Hi-Tech	8%	8%	8%	8%	9%	9%	8%	8%	8%
Life Sciences	6%	6%	7%	6%	7%	7%	7%	7%	7%
Others	3%	3%	3%	3%	3%	3%	3%	3%	3%
<b>Revenue by offerings</b>									
Digital	36%	38%	41%	42%	45%	47%	50%	51%	54%
Core	64%	62%	59%	58%	55%	53%	50%	49%	46%
<b>Geography YoY % CC</b>									
North America	14%	12%	10%	6%	0%	2%	9%	12%	21%
Europe	11%	15%	12%	10%	4%	1%	1%	5%	12%
India	1%	18%	18%	22%	33%	20%	4%	31%	21%
RoW	11%	2%	0%	2%	-2%	4%	6%	-1%	5%
<b>Business segments YoY % CC</b>									
Financial Services	11%	10%	6%	6%	2%	3%	12%	16%	23%
Retail	7%	1%	3%	4%	-7%	0%	2%	5%	22%
Communications	23%	19%	21%	3%	-1%	-2%	1%	-1%	5%
Energy, Utilities, Resources, and Services	18%	19%	9%	7%	0%	-4%	5%	5%	11%
Manufacturing	13%	17%	12%	7%	0%	-8%	-4%	3%	19%
Hi-Tech	15%	12%	12%	8%	13%	24%	17%	16%	15%
Life Sciences	4%	11%	18%	12%	8%	7%	11%	18%	21%
Others	-1%	0%	12%	21%	24%	25%	3%	26%	10%
<b>DSO</b>	<b>68</b>	<b>66</b>	<b>73</b>	<b>69</b>	<b>71</b>	<b>69</b>	<b>73</b>	<b>71</b>	<b>70</b>
<b>Large deal TCV (USD m)</b>	<b>2,714</b>	<b>2,847</b>	<b>1,813</b>	<b>1,650</b>	<b>1,740</b>	<b>3,150</b>	<b>7,130</b>	<b>2,100</b>	<b>2,600</b>
<b>Client (% of revenue)</b>									
Top 10 clients	20.0%	19.2%	18.9%	18.7%	19.3%	18.7%	18.5%	18.3%	18.8%
Top 25 clients	34.9%	34.6%	34.2%	34.1%	34.6%	34.2%	34.6%	34.2%	34.4%
Number of active clients	1,336	1,364	1,384	1,411	1,458	1,487	1,562	1,626	1,659
New clients added in the period	112	96	84	84	110	96	139	130	113

Source: Company, MOFSL

## Financials and valuations

Income Statement							(INR b)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
<b>Sales</b>	<b>624</b>	<b>685</b>	<b>705</b>	<b>827</b>	<b>908</b>	<b>1,005</b>	<b>1,184</b>	<b>1,411</b>
Change (%)	17.1	9.7	3.0	17.2	9.8	10.7	17.9	19.1
Software Develop. Exp.	391	433	451	539	607	654	783	920
SGA expenses	77	83	82	99	107	104	122	145
<b>EBITDA</b>	<b>171</b>	<b>186</b>	<b>190</b>	<b>209</b>	<b>223</b>	<b>279</b>	<b>319</b>	<b>392</b>
% of Net Sales	27.4	27.2	27.0	25.3	24.5	27.8	26.9	27.8
Depreciation	15	17	19	20	29	33	39	47
Interest	0	0	0	0	0	0	0	0
Other Income	31	31	32	29	26	20	25	32
<b>PBT</b>	<b>187</b>	<b>200</b>	<b>204</b>	<b>218</b>	<b>220</b>	<b>266</b>	<b>305</b>	<b>378</b>
Tax	53	56	57	56	54	72	80	98
Rate (%)	28.0	28.1	27.8	25.9	24.4	27.0	26.4	26.0
Minority Interest	0	0	0	0	0	1	0	0
<b>Adjusted PAT</b>	<b>135</b>	<b>144</b>	<b>147</b>	<b>161</b>	<b>166</b>	<b>194</b>	<b>224</b>	<b>279</b>
Extraordinary Items	0	0	-13	7	0	0	0	0
<b>Reported PAT</b>	<b>135</b>	<b>144</b>	<b>160</b>	<b>154</b>	<b>166</b>	<b>194</b>	<b>224</b>	<b>279</b>
Change (%)	9.4	6.4	11.7	-3.9	7.7	16.7	15.6	24.7

Balance Sheet							(INR b)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Share Capital	22	24	2	2	21	21	21	21
Reserves	595	666	647	647	633	742	678	713
<b>Net Worth</b>	<b>618</b>	<b>690</b>	<b>649</b>	<b>649</b>	<b>655</b>	<b>764</b>	<b>699</b>	<b>734</b>
<b>Capital Employed</b>	<b>622</b>	<b>693</b>	<b>658</b>	<b>661</b>	<b>719</b>	<b>845</b>	<b>795</b>	<b>847</b>
Gross Block	249	274	278	328	428	479	507	545
Less: Depreciation	96	113	132	152	181	213	252	299
<b>Net Block</b>	<b>153</b>	<b>161</b>	<b>146</b>	<b>176</b>	<b>247</b>	<b>266</b>	<b>255</b>	<b>246</b>
Investments and Other Assets	84	135	153	143	134	211	224	241
<b>Curr. Assets</b>	<b>517</b>	<b>537</b>	<b>500</b>	<b>529</b>	<b>546</b>	<b>607</b>	<b>589</b>	<b>678</b>
Debtors	144	160	174	202	240	268	300	353
Cash and Bank Balance	327	226	198	196	186	247	189	217
Investments	1	100	64	66	47	23	23	23
Other Current Assets	46	51	64	65	73	69	77	85
<b>Current Liab. and Prov.</b>	<b>132</b>	<b>140</b>	<b>141</b>	<b>186</b>	<b>209</b>	<b>239</b>	<b>274</b>	<b>318</b>
<b>Net Current Assets</b>	<b>385</b>	<b>397</b>	<b>359</b>	<b>342</b>	<b>337</b>	<b>369</b>	<b>315</b>	<b>359</b>
<b>Application of Funds</b>	<b>622</b>	<b>693</b>	<b>658</b>	<b>661</b>	<b>719</b>	<b>845</b>	<b>795</b>	<b>847</b>



## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>29.5</b>	<b>31.4</b>	<b>35.5</b>	<b>35.4</b>	<b>38.9</b>	<b>45.6</b>	<b>52.6</b>	<b>65.6</b>
Cash EPS	32.7	35.1	39.6	40.0	45.7	53.3	61.8	76.6
Book Value	135.1	150.9	144.0	149.4	153.7	180.0	164.7	172.9
DPS	12.1	12.9	21.8	21.5	17.5	27.0	39.5	49.2
Payout (%)	41.1	41.0	75.5	109.2	45.4	106.7	75.0	75.0
<b>Valuation (x)</b>								
P/E	53.5	50.2	44.4	44.6	40.5	34.6	30.0	24.0
Cash P/E	48.2	44.9	39.8	39.4	34.5	29.6	25.5	20.6
EV/EBITDA	42.2	38.8	37.4	32.8	30.2	24.0	21.0	17.1
EV/Sales	11.5	10.5	10.1	8.3	7.4	6.7	5.7	4.7
Price/Book Value	11.7	10.5	11.0	10.6	10.3	8.8	9.6	9.1
Dividend Yield (%)	0.8	0.8	1.4	1.4	1.1	1.7	2.5	3.1
<b>Profitability Ratios (%)</b>								
RoE	23.2	22.0	22.0	24.8	25.5	27.3	30.6	39.0
RoCE	19.2	18.5	18.3	21.2	21.2	23.0	25.1	31.1
<b>Turnover Ratios</b>								
Debtors (Days)	84	85	90	89	96	97	92	91
Fixed Asset Turnover (x)	4.1	4.2	4.8	4.7	3.7	3.8	4.6	5.7

### Cash Flow Statement

(INR b)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
CF from Operations	145	160	147	164	205	235	259	317
Cash for Working Capital	-23	-19	-1	-6	-19	6	-4	-15
<b>Net Operating CF</b>	<b>122</b>	<b>141</b>	<b>146</b>	<b>158</b>	<b>186</b>	<b>241</b>	<b>255</b>	<b>302</b>
Net Purchase of FA	-27	-28	-20	-24	-34	-21	-25	-30
<b>Free Cash Flow</b>	<b>95</b>	<b>113</b>	<b>126</b>	<b>134</b>	<b>152</b>	<b>220</b>	<b>230</b>	<b>272</b>
Net Purchase of Invest.	-4	-143	51	9	16	-63	0	0
<b>Net Cash from Invest.</b>	<b>-31</b>	<b>-171</b>	<b>31</b>	<b>-16</b>	<b>-18</b>	<b>-84</b>	<b>-25</b>	<b>-30</b>
Proceeds from Equity	0	0	0	0	0	0	0	0
Others	0	0	0	0	-6	-7	0	0
Dividend Payments	-68	-69	-205	-145	-95	-91	-196	-245
Buyback of shares	0	0	0	0	-75	0	-92	0
<b>Cash Flow from Fin.</b>	<b>-68</b>	<b>-69</b>	<b>-205</b>	<b>-145</b>	<b>-176</b>	<b>-98</b>	<b>-288</b>	<b>-245</b>
<b>Net Cash Flow</b>	<b>23</b>	<b>-100</b>	<b>-28</b>	<b>-2</b>	<b>-8</b>	<b>60</b>	<b>-58</b>	<b>28</b>
Effect of forex on cash flow	0	-1	0	0	-1	1	0	0
<b>Opening Cash Bal.</b>	<b>304</b>	<b>327</b>	<b>226</b>	<b>198</b>	<b>196</b>	<b>186</b>	<b>247</b>	<b>189</b>
Add: Net Cash	23	-101	-28	-2	-9	61	-58	28
<b>Closing Cash Bal.</b>	<b>327</b>	<b>226</b>	<b>198</b>	<b>196</b>	<b>186</b>	<b>247</b>	<b>189</b>	<b>217</b>

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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