

L&T Technology

Estimate change



TP change



Rating change



Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	571.9 / 7.7
52-Week Range (INR)	5958 / 2296
1, 6, 12 Rel. Per (%)	-7/45/103
12M Avg Val (INR M)	1450

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	54.5	65.9	81.2
EBIT Margin (%)	14.5	18.4	18.7
PAT	6.6	9.7	12.5
EPS (INR)	62.8	92.1	118.0
EPS Gr. (%)	(19.0)	46.6	28.1
BV/Sh. (INR)	330.8	384.5	453.4

Ratios

RoE (%)	21.2	25.8	28.2
RoCE (%)	16.2	20.7	22.2
Payout (%)	35.0	35.0	35.0

Valuations

P/E (x)	86.3	58.8	45.9
P/BV (x)	16.4	14.1	12.0
EV/EBITDA (x)	54.6	38.3	30.6
Div Yield (%)	0.4	0.6	0.8

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	73.9	74.2	74.3
DII	5.4	6.1	6.4
FII	9.2	9.5	8.9
Others	11.4	10.2	10.5

FII Includes depository receipts

CMP: INR5,421
TP: INR6,130 (+13%)
Buy
FY23 growth levers intact, but margin can surprise on the upside
Demand environment continues to remain attractive

- LTTS reported a 4.2% QoQ CC growth in 3Q, 100bp below our estimate due to softer Industrial Products (+0.7% QoQ) and Medical Devices (+1.5% QoQ) on a high base of 2QFY22. Operating leverage aided the 20bp QoQ improvement in EBIT margin to 18.6% (In line), despite adding a record 2,135 net employees (+12%), lower utilization (-220bp) and on-site mix (+50bp). It reported an attrition of 17.5% (+100bp QoQ). USD revenue/INR EBIT/INR PAT grew 20%/59%/48% YoY in 9MFY22.
- The management maintained its 19-20% USD revenue growth guidance. It indicated that it is likely to be tilted towards the upper end. Moreover, this guidance includes a planned scale back in part of the company's Media sub-vertical, where it will exit a few low margin accounts in 4QFY22. The management said the demand environment remains encouraging and the deal pipeline is healthy. Strong hiring with a record 2,135 net additions (+12% QoQ) provides further visibility on demand.
- LTTS can surprise on the upside (FY23 EBIT margin guidance of over 18%), given that it will gain from: a) a favorable pyramid, due to higher fresher addition (1,900 in 3QFY22); b) better than industry attrition, which is stabilizing ahead of our expectation; and c) pickup in margin in the Telecom vertical (~9pp gap v/s group margin). We expect LTTS to deliver a further 50bp margin improvement over the next two years from our FY22 estimate of 18.4%.
- We continue to view LTTS as a beneficiary of the growing penetration of ER&D Services and the best Tier II IT Services play within our coverage. We slightly lower our FY22E revenue growth estimate to 20% on account of a revenue miss, but continue to remain positive on FY23-24 growth. We have built in a 21%/24% USD revenue/INR EPS CAGR over FY22-24E.
- We lower our FY22-24E EPS estimate by 1-2% due to the 3QFY22 miss. We maintain our **Buy** rating and marginally tweak our TP to INR6,130 per share (43x FY24E EPS).

Revenue growth below our expectation in 3QFY22

- USD revenue grew 18.4% YoY (est. 19.6%), operating profit rose 44.7% (est. 46%), and PAT increased by 31% (est. 38%) in 3QFY22.
- Revenue rose 3.5% QoQ to USD225.1m (est. 5.2%) in 3QFY22. In constant currency, revenue rose 4.2% QoQ and 19.5% YoY.
- LTTS bagged three deals with a TCV of over USD10m in 3QFY22. This includes one deal of over USD45m.
- Revenue from Digital and leading-edge technologies stood at 56% in 3QFY22.
- Top five/10 clients grew 5.4%/4.6% QoQ. The top 20 clients registered softer growth of 2.8% QoQ.

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- Telecom and Hi-Tech, Transportation, and Plant Engineering grew 5%, 4.9%, and 4.2% QoQ, respectively. Growth in Medical Devices and Industrial products were softer at 1% each.
- The management maintained its FY22 USD revenue growth guidance at 19-20%.
- EBIT margin improved by 20bp QoQ to 18.6% (in line with our estimate) in 3QFY22.
- The increase in margin was despite adding a record 2,135 net employees (+12% QoQ), lower utilization (-220bp QoQ), and a 50bp rise in the onsite mix.
- PAT rose 8% QoQ to INR2.5b, 5% below our estimate, due to lower growth and other income.
- Total employee strength stood at 20,118, a record net addition of 2,135 employees. Attrition was up 100bp sequentially to 17.5%.
- FCF stood at INR7.25b in 9MFY22, implying a FCF/PAT of 104%.

Key highlights from the management commentary

- The company had two empanelments in 3QFY22. One was with a big technology company and the other was with an Aerospace OEM. The management sees a potential of USD50m in each empanelment.
- Within **Transportation**, demand remains strong across all three sub-segments: Auto, Trucks, and Off-Highway Equipment. It saw one large deal of more than USD45m in the Auto vertical (ESEV) in 3QFY22. This was the third deal in the last three quarters from the same client (combined TCV of over USD90m). The deal pipeline in Auto is steadily improving. In this space, the management sees continued momentum in growth across sub-segments. It also highlighted that spend areas are picking up in Aerospace.
- Within **Plant Engineering**, growth was led by O&G, FMCG, and the Chemicals sub-segment. In FMCG, demand was driven by higher capex. The management sees a good set of opportunities in the verticals, which will drive growth in coming quarters.
- Though **Industrial Products** saw a soft quarter, it sees good demand in platform development and data analytics. The deal pipeline continues to remain strong.
- **Telecom and Hi-Tech** is seeing good traction in 5G. It is seeing huge spends around network and 7nm chips. In the Media sub-segment, margin will improve, but will remain muted in 4QFY22 as the company will not accept some legacy orders. This will result in a one-time impact, but there will be no impact in FY23.
- Within **Medical Devices**, the management is seeing good traction in robotic surgery and tele-medicine. The pipeline continues to improve.
- The management has maintained its FY22 revenue growth guidance at 19-20% YoY and said that it will cross the USD1b run-rate in 2Q/3QFY23.
- The management continued with its sustainable long-term margin guidance of over 18%. While its current margin performance is trending at over 18%, the management sees a few headwinds from: 1) a gradual increase in travel cost and facility expenses, 2) supply-side challenges and a wage hike, and 3) inorganic investments. Tailwinds to margin include: a) growth and the quality of revenue, b) economies of scale, and c) productivity improvements.

Valuation and view

- Digitization is driving accelerated spends in ER&D and LTTS should benefit from it due to: 1) its strong capabilities, 2) multi-vertical presence, and 3) solid wallet share. We expect LTTS to deliver strong revenue growth over the coming years and retain it as our top pick in the Tier II IT Services space.
- The management expects strong growth in the medium term, which implies a growth momentum of ~20% over FY21-25E. We view this as an indication that there can be potential upside risk to its USD1.5b revenue aspiration by FY25.
- After a sharp dip in margin in FY21, LTTS has managed to clock a record high margin. We expect it to sustain in a narrow band.
- Our TP of INR6,130 per share implies 43x FY24E EPS. We anticipate improved industry spends compared to the preceding five years. We maintain our **BUY** rating.

Quarterly performance

(INR m)

Y/E March	FY21				FY22E				FY21	FY22E	Est. 3QFY22	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	171	178	190	198	206	217	225	236	737	885	227	-1.0
QoQ (%)	-12.5	4.1	6.8	3.9	4.2	5.7	3.5	5.0	-6.3	20.1	4.6	-108bp
Revenue (INR m)	12,947	13,138	14,007	14,405	15,184	16,077	16,875	17,724	54,497	65,860	17,195	-1.9
YoY (%)	-3.9	-6.3	-1.6	-0.4	17.3	22.4	20.5	23.0	-3.0	20.8	22.8	-228bp
GPM (%)	26.8	30.1	30.8	32.3	33.4	33.3	33.7	34.4	30.1	33.7	33.9	-16bp
SGA (%)	10.9	12.4	11.1	11.9	12.4	11.6	12.0	12.1	11.6	12.0	12.0	-4bp
EBITDA	2,059	2,328	2,756	2,931	3,177	3,493	3,675	3,957	10,074	14,302	3,766	-2.4
EBITDA Margin (%)	15.9	17.7	19.7	20.3	20.9	21.7	21.8	22.3	18.5	21.7	21.9	-12bp
EBIT	1,567	1,801	2,132	2,391	2,623	2,964	3,144	3,408	7,891	12,139	3,198	-1.7
EBIT Margin (%)	12.1	13.7	15.2	16.6	17.3	18.4	18.6	19.2	14.5	18.4	18.6	3bp
Other income	30	457	374	221	334	180	259	354	1,082	1,127	361	-28.3
ETR (%)	26.0	26.4	25.4	25.2	26.6	26.6	26.7	26.0	25.7	26.4	26.0	65bp
PAT	1,173	1,655	1,861	1,945	2,162	2,300	2,488	2,782	6,634	9,732	2,632	-5.5
QoQ (%)	-42.7	41.1	12.4	4.5	11.2	6.4	8.2	11.8			14.4	
YoY (%)	-42.4	-19.6	-8.8	-5.0	84.3	39.0	33.7	43.0	-19.0	46.7	41.4	
EPS (INR)	11.1	15.7	17.6	18.4	20.4	21.8	23.6	26.3	62.8	92.1	24.9	-5.4

Key performance indicators

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (QoQ CC %)	-12.7	2.9	6.6	3.8	4.3	6.0	4.2			
Margins (%)										
Gross margin	26.8	30.1	30.8	32.3	33.4	33.3	33.7	34.4	30.1	33.7
EBIT margin	12.1	13.7	15.2	16.6	17.3	18.4	18.6	19.2	14.5	18.4
Net margin	9.1	12.6	13.3	13.5	14.2	14.3	14.7	15.7	12.2	14.8
Operating metrics										
Headcount	16,641	15,902	16,069	16,452	16,972	17,983	20,118		16,452	
Attrition (%)	11.4	10.8	10.7	12.2	14.5	16.5	17.5		12.2	
Utilization (incl. trainees)	70.9	75.4	77.5	78.9	79.2	78.1	75.9		75.7	
Key verticals (YoY %)										
Transportation	-20.4	-19.0	-19.0	-11.7	19.1	21.7	23.9		-17.5	
Industrial Products	-12.7	-9.5	-4.1	-1.5	20.9	25.3	19.6		-7.0	
Telecom and Hi-Tech	-11.4	-6.5	18.1	19.5	18.1	20.4	10.7		3.9	
Key geographies (YoY %)										
North America	-11.4	-12.4	-4.6	1.6	22.5	28.0	20.9		-6.7	
Europe	-9.5	0.0	8.9	1.1	26.3	27.5	21.4		0.0	



Key highlights from the management commentary

Demand and industry outlook

- LTTS bagged three deals, of which one was more than USD45m and the rest were over USD10m. The deal pipeline is healthy, with the deals being sticky in nature. The management sees good deal traction in over USD10m deals as some deals got pushed to 4QFY22.
- The company had two empanelments in 3QFY22. One was with a big technology company and the other was with an Aerospace OEM. The management sees a potential of USD50m in each empanelment.
- Within **Transportation**, demand remains strong across all three sub-segments: Auto, Trucks, and Off-Highway Equipment. It saw one large deal of more than USD45m in the Auto vertical (ESEV) in 3QFY22. This was the third deal in the last three quarters from the same client (combined TCV of over USD90m). The deal pipeline in Auto is steadily improving. In this space, the management sees continued momentum in growth across sub-segments. It also highlighted that spend areas are picking up in Aerospace.
- Within **Plant Engineering**, growth was led by O&G, FMCG, and the Chemicals sub-segment. In FMCG, demand was driven by higher capex. The management sees a good set of opportunities in the verticals, which will drive growth in coming quarters.
- Though **Industrial Products** saw a soft quarter, it sees good demand in platform development and data analytics. The deal pipeline continues to remain strong.
- **Telecom and Hi-Tech** is seeing good traction in 5G. It is seeing huge spends around network and 7nm chips. In the Media sub-segment, margin will improve, but will remain muted in 4QFY22 as the company will not accept some legacy orders. This will result in a one-time impact, but there will be no impact in FY23.
- Within **Medical Devices**, the management is seeing good traction in robotic surgery and tele-medicine. The pipeline continues to improve.
- On the Digital front, it sees continued improvement, which will drive a larger portion of revenue in coming quarters. LTTS filed 25 new patents in this area.
- The management has maintained its FY22 revenue growth guidance at 19-20% YoY and said that it will cross the USD1b run-rate in 2Q/3QFY23.
- Its outlook for 4QFY22 was strong, with a good deal pipeline. It sees strong growth in Europe, with attrition stabilizing.

Margin performance

- EBIT margin in 3QFY22 was at a record high of 18.6% and this was the sixth consecutive quarter of improvement.
- Operational efficiency measures include productivity improvement, cost optimization, and forex and pyramid rationalization. This aided margin, which was offset by lower utilization and higher travel spends.
- The management continued with its sustainable long-term margin guidance of over 18%. While its current margin performance is trending at over 18%, the management sees a few headwinds from: 1) a gradual increase in travel cost and facility expenses, 2) supply-side challenges and a wage hike, and 3) inorganic investments. Tailwinds to margin include: a) growth and the quality of revenue, b) economies of scale, and c) productivity improvements.

Other highlights

- Total DSO (including unbilled) was still higher than the management's comfort range of below 95 days. The management expects a further reduction in DSO.
- Headcount increased by a record high of 2,135 employees. LTTS plans to ramp up its fresher addition to rationalize the pyramid. It expects to add a similar number for freshers in FY23. The management said there will be a ramp up in hiring similar to 3QFY22 levels in 2QFY23.
- It expects utilization levels to stabilize at 78-80% levels.

Exhibit 1: India leads growth across geographies with 9.1% QoQ growth

Geographies	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
North America	62.5	2.9	20.9
Europe	16.5	2.3	21.4
India	13.7	9.1	16.7
RoW	7.3	2.1	(1.8)

Source: Company, MOFSL

Exhibit 2: Growth broad based, but Industrial Products and Medical Devices relatively soft

Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Transportation	31.8	4.9	23.9
Industrial Products	19.5	1.0	19.6
Telecom and Hi-Tech	21.4	5.0	10.7
Plant Engineering	15.4	4.2	24.0
Medical Devices	11.9	1.0	11.0

Source: MOFSL, Company

Valuation and view

- Digitization is driving accelerated spends in ER&D and LTTS should benefit from it due to: 1) its strong capabilities, 2) multi-vertical presence, and 3) solid wallet share. We expect LTTS to deliver strong revenue growth over the coming years and retain it as our top pick in the Tier II IT Services space.
- The management expects strong growth in the medium term, which implies a growth momentum of ~20% over FY21-25E. We view this as an indication that there can be potential upside risk to its USD1.5b revenue aspiration by FY25.
- After a sharp dip in margin in FY21, LTTS has managed to clock a record high margin. We expect it to sustain in a narrow band.
- Our TP of INR6,130 per share implies 43x FY24E EPS. We anticipate improved industry spends compared to the preceding five years. We maintain our **BUY** rating.

Exhibit 3: Revisions to our estimates

	Revised			Earlier			Change		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
USD:INR	74.4	75.0	75.0	74.6	75.0	75.0	-0.2%	0.0%	0.0%
Revenue (USD m)	885	1,083	1,301	892	1,097	1,314	-0.8%	-1.3%	-1.0%
Growth (%)	20.1	22.4	20.2	21.1	23.0	19.8	-100bps	-60bps	40bps
EBIT margin (%)	18.4	18.7	18.9	18.3	18.6	18.6	10bps	10bps	30bps
PAT (INR m)	9,732	12,463	15,066	9,899	12,598	15,159	-1.7%	-1.1%	-0.6%
EPS	92.1	118.0	142.7	93.7	119.2	143.5	-1.7%	-1.0%	-0.6%

Source: MOFSL

Story in charts

Exhibit 4: LTTS reports a sequential growth of 3.5%

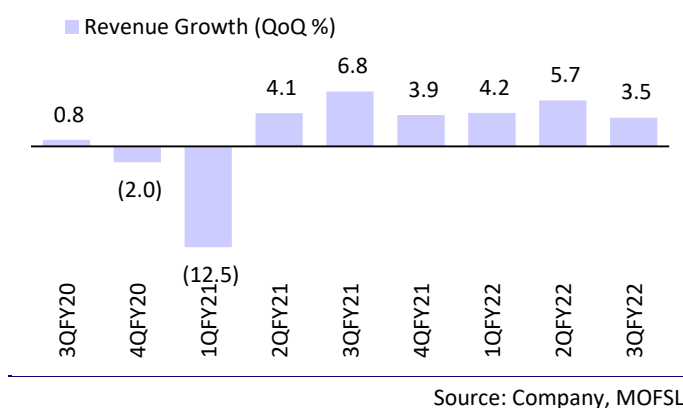


Exhibit 5: Industrial Products were soft on a high base

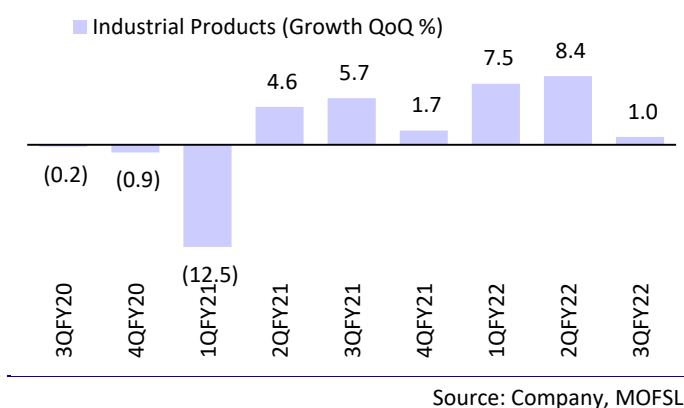


Exhibit 6: Telecom and Hi-Tech grew 5% QoQ on a low base

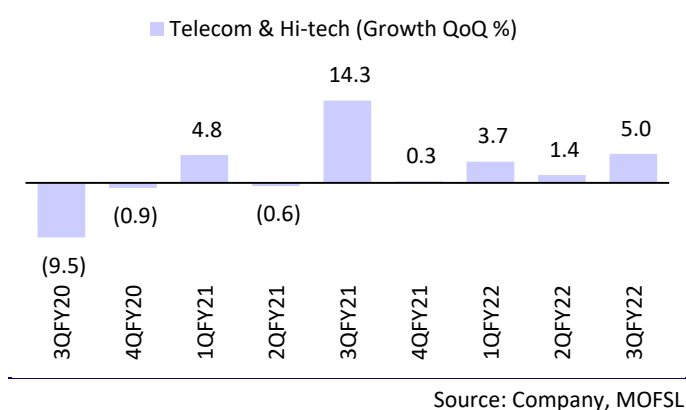


Exhibit 7: Margin expands 20bp QoQ and 340bp YoY

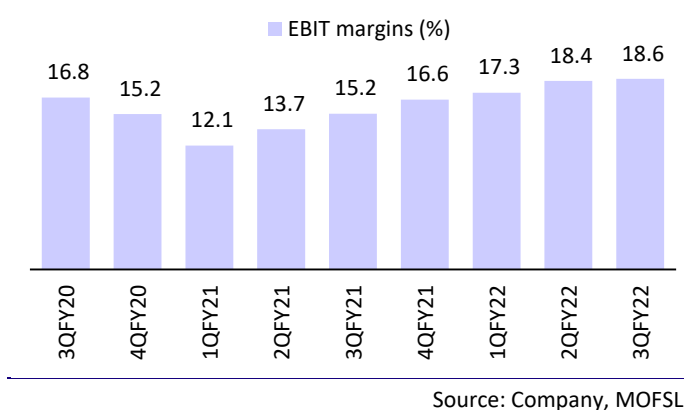


Exhibit 8: Utilization dips further in 3QFY22

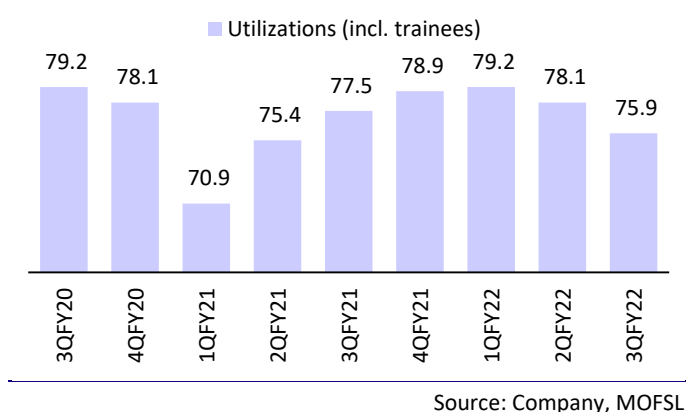
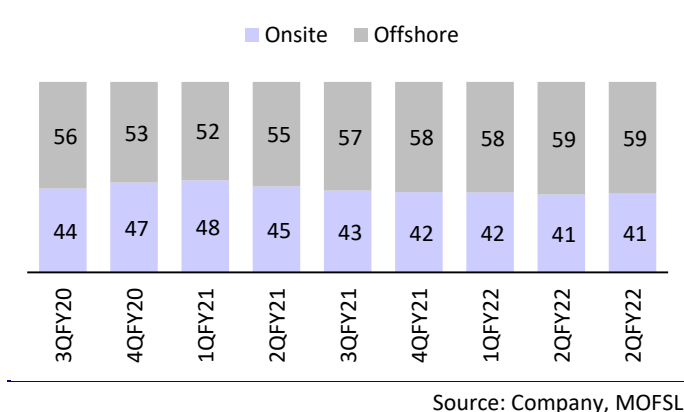


Exhibit 9: Offshoring stood flat in 3QFY22



Operating metrics

Exhibit 10: Operating metrics

	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
Revenue by verticals (%)									
Transportation	35.8	35.7	31.5	31.5	30.4	31.2	31.2	31.4	31.8
Industrial Products	19.2	19.4	19.4	19.5	19.3	18.9	19.5	20.0	19.5
Telecom and Hi-Tech	18.5	18.7	22.4	21.4	22.9	22.1	22.0	21.1	21.4
Plant Engineering	17.2	16.0	13.8	14.4	14.7	15.5	15.5	15.3	15.4
Medical Devices	9.4	10.3	12.8	13.2	12.7	12.3	11.7	12.2	11.9
Revenue by geographies (%)									
North America	61.2	61.2	61.2	60.0	61.2	61.5	62.3	62.9	62.5
Europe	14.1	16.7	16.0	16.0	16.1	16.7	16.8	16.7	16.5
India	13.2	12.8	13.0	13.6	13.9	13.1	12.9	13.0	13.7
RoW	11.5	9.3	9.8	10.4	8.8	8.7	8.0	7.4	7.3
Client metrics									
Top five clients	21.1	19.2	17.8	17.0	16.3	16.1	16.4	17.0	17.3
Top 10 clients	33.9	31.8	29.7	28.3	27.3	26.9	27.4	28.2	28.5
Top 20 clients	49.8	48.5	46.8	44.9	44.0	43.8	43.9	44.1	43.8
Clients (USD m)									
Over USD30m	3	2	1	1	1	-	-	1	2
Over USD20m	7	8	4	5	4	3	5	6	6
Over USD10m	20	21	22	20	18	20	20	21	22
Over USD5m	43	43	43	44	41	39	43	45	44
Over USD1m	107	113	113	116	118	122	122	125	126
Employee metrics									
Billable	15,604	15,667	15,481	14,778	14,975	15,335	15,896	16,875	18,975
Sales and support	1,183	1,216	1,160	1,124	1,094	1,117	1,076	1,108	1,143
Total employees	16,787	16,883	16,641	15,902	16,069	16,452	16,972	17,983	20,118
Attrition (%)	13.9	13.8	11.4	10.8	10.7	12.2	14.5	16.5	17.5
Utilization (incl. trainees)	79.2	78.1	70.9	75.4	77.5	78.9	79.2	78.1	75.9

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	37,471	50,783	56,192	54,497	65,860	81,220	97,602
Change (%)	15.4	35.5	10.7	-3.0	20.8	23.3	20.2
Employees Cost	24,600	31,440	32,747	33,550	36,692	44,820	53,607
Other Expenses	7,060	10,185	12,340	10,873	14,865	18,653	22,546
Total Expenditure	31,660	41,625	45,087	44,423	51,558	63,474	76,153
% of Sales	84.5	82.0	80.2	81.5	78.3	78.2	78.0
EBITDA	5,811	9,158	11,105	10,074	14,302	17,746	21,449
Margin (%)	15.5	18.0	19.8	18.5	21.7	21.8	22.0
Depreciation	888	1,053	1,829	2,183	2,163	2,518	3,026
EBIT	4,923	8,105	9,276	7,891	12,139	15,228	18,424
Other Income	1,910	2,210	1,727	1,082	1,127	1,624	1,952
PBT	6,833	10,315	11,003	8,973	13,266	16,852	20,376
Total Tax	1,712	2,630	2,779	2,307	3,508	4,382	5,298
Tax Rate (%)	25.1	25.5	25.3	25.7	26.4	26.0	26.0
Reported PAT	5,121	7,685	8,224	6,666	9,758	12,471	15,078
Change (%)	20.5	50.1	7.0	-18.9	46.4	27.8	20.9
Margin (%)	13.7	15.1	14.6	12.2	14.8	15.4	15.4
Minority Interest	-6	-28	-38	-32	-26	-8	-12
PAT to shareholders	5,115	7,657	8,186	6,634	9,732	12,463	15,066

Consolidated - Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	205	208	209	210	210	210	210
Total Reserves	19,159	24,583	27,477	34,521	40,165	47,394	56,132
Net Worth	19,364	24,791	27,686	34,731	40,375	47,604	56,342
Minority Interest	3	31	69	101	127	135	147
Borrowings	702	702	303	0	0	0	0
Other Long term liabilities	47	194	4,890	4,915	5,940	7,325	8,803
Capital Employed	20,116	25,718	32,948	39,747	46,442	55,064	65,292
Net Fixed Assets	2,173	2,435	6,275	6,997	5,747	4,356	2,684
Goodwill	4,921	5,365	5,460	5,827	5,827	5,827	5,827
Capital WIP	1	0	87	119	119	119	119
Other Assets	1,349	2,123	2,109	2,760	3,307	3,695	4,108
Curr. Assets, Loans&Adv.	18,607	23,715	29,102	35,026	42,550	52,745	64,824
Account Receivables	9,623	10,643	13,807	12,346	14,435	17,802	21,392
Cash and Bank Balance	1,541	2,048	2,179	1,751	3,952	7,289	12,220
Current Investments	2,208	5,752	6,370	15,725	18,225	20,725	23,225
Other Current Assets	5,235	5,272	6,746	5,204	5,938	6,930	7,987
Curr. Liability & Prov.	6,935	7,920	10,085	10,982	11,108	11,677	12,271
Account Payables	1,807	1,879	1,975	2,352	2,478	3,047	3,641
Other Current Liabilities	3,922	4,700	6,456	7,046	7,046	7,046	7,046
Provisions	1,206	1,341	1,654	1,584	1,584	1,584	1,584
Net Current Assets	11,672	15,795	19,017	24,044	31,442	41,067	52,553
Appl. of Funds	20,116	25,718	32,948	39,747	46,442	55,064	65,292

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Basic EPS (INR)	48.1	72.6	77.5	62.8	92.1	118.0	142.7
Cash EPS	56.6	82.6	94.9	83.5	112.6	141.9	171.3
BV/Share	188.9	238.4	264.9	330.8	384.5	453.4	536.6
DPS	15.6	21.0	21.0	22.0	32.2	41.3	49.9
Payout (%)	32.4	28.9	27.1	35.0	35.0	35.0	35.0
Valuation (x)							
P/E	112.7	74.6	69.9	86.3	58.8	45.9	38.0
Cash P/E	95.8	65.6	57.1	64.9	48.1	38.2	31.6
P/BV	28.7	22.7	20.5	16.4	14.1	12.0	10.1
EV/Sales	14.8	10.9	9.9	10.1	8.3	6.7	5.5
EV/EBITDA	95.5	60.4	50.1	54.6	38.3	30.6	25.0
Dividend Yield (%)	0.3	0.4	0.4	0.4	0.6	0.8	0.9
Return Ratios (%)							
RoE	29.6	34.7	31.1	21.2	25.8	28.2	28.9
RoCE	21.5	27.2	24.0	16.2	20.7	22.2	22.7

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	6,778	10,314	11,002	8,973	13,266	16,852	20,376
Depreciation	888	1,042	1,829	2,183	2,163	2,518	3,026
Interest & Finance Charges	24	19	365	455	0	0	0
Direct Taxes Paid	-1,721	-2,808	-2,119	-2,523	-3,508	-4,382	-5,298
(Inc)/Dec in WC	-1,701	-739	-4,287	4,245	-2,219	-2,791	-2,991
Others	-132	234	-409	-60	0	0	0
CF from Operations	4,136	8,062	6,381	13,273	9,702	12,198	15,113
(Inc)/Dec in FA	-851	-885	-1,511	-756	-914	-1,127	-1,354
Free Cash Flow	3,285	7,177	4,870	12,517	8,788	11,071	13,759
(Pur)/Sale of Investments	-1,231	-4,389	-1,039	-9,653	-2,500	-2,500	-2,500
Others	78	181	328	355	0	0	0
CF from Investments	-2,004	-5,093	-2,222	-10,054	-3,414	-3,627	-3,854
Issue of Shares	2	3	1	1	0	0	0
Inc/(Dec) in Debt	-317	2	-1,028	-995	0	0	0
Interest Paid	-25	-19	-365	-455	0	0	0
Dividend Paid	-983	-2,440	-2,636	-2,198	-4,087	-5,234	-6,328
CF from Fin. Activity	-1,323	-2,454	-4,028	-3,647	-4,087	-5,234	-6,328
Inc/Dec of Cash	809	515	131	-428	2,201	3,337	4,931
Forex Adjustment	60	-8	0	0	0	0	0
Opening Balance	672	1,541	2,048	2,179	1,751	3,952	7,289
Closing Balance	1,541	2,048	2,179	1,751	3,952	7,289	12,220

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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