

## Strong demand to offset seasonality

- Q3FY22 expected to be a strong quarter despite seasonality due to high demand and a robust deal pipeline
- Revenue growth of mid-sized companies likely to outperform larger peers; margins set to remain flattish QoQ across the board
- Prefer LTI & COFORGE among mid-caps and TECHM among the Big-5

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**Demand momentum to offset seasonal weakness:** Despite Q3 being a seasonally weak quarter, we expect average growth of 4.1% across our coverage IT services universe given the robust demand momentum. HCLT and TECHM are likely to lead revenue growth among large-caps at 4.2% and 4.1% QoQ CC respectively. We expect PSYS/LTI to lead the mid-cap pack with 7.8%/6.1% QoQ CC growth. Overall, mid-sized companies will likely outperform their larger peers. We build in cross-currency headwinds of 30-70bps largely led by appreciation of the GBP and EUR against the USD.

**Operating margins to hold steady sequentially:** We expect sequentially steady operating margins for Indian technology players. Barring declines for TCS, INFO and PSYS, we build in a sequentially flat-to-modest increase in operating margin for our IT services coverage. On an annual basis, however, we expect to see margin contraction for 9 out of our 11 coverage companies in this space due to the two wage hikes effected by them since Dec'20. Attrition is likely to remain heightened. Companies are trying to balance rising hiring costs by recruiting more freshers and optimising the pyramid.

**Encouraging Accenture numbers:** Accenture posted its highest ever growth of 27% YoY in local currency terms in Q4FY21 (Y/E Aug), with a robust 21% uptick in outsourcing, indicated a thriving demand environment. The growth was broadbased with positive indicators on all fronts. Outsourcing and consulting bookings increased 42% and 17% YoY. Attrition also slowed slightly. FY22 guidance saw a big jump. All this bodes well ahead of Indian IT's Q3FY22 results.

**Cloud remains a key growth driver:** Workload migration to the cloud is still at a ~30% level on average. These are early stages of IaaS (infrastructure as a service) adoption and there exists ample headroom for growth over the next couple of years. We will watch for TCV momentum, impact of furlough on margins, cloud revenue growth and any guidance upgrades. For now, we raise target prices for our IT services universe on rolling valuations forward to Dec'23. In addition, we have increased our target multiples for INFO, HCLT and ECLX on elevated growth expectations (Fig 4).

## Recommendation snapshot

Ticker	Price	Target	Rating
COFORGE IN	5,767	7,040	BUY
ECLX IN	2,833	3,690	BUY
HCLT IN	1,344	1,560	BUY
INFO IN	1,856	2,170	BUY
LTI IN	7,174	8,270	BUY
MPHL IN	3,207	3,650	HOLD
MTCL IN	4,584	3,540	SELL
PSYS IN	4,492	4,240	HOLD
TCS IN	3,916	4,720	BUY
TECHM IN	1,737	1,970	BUY
WPRO IN	694	850	BUY

Price & Target in Rupees | Price as of 11 Jan 2022



## Company-wise highlights

- We expect **TCS** to grow 2% QoQ USD in Q3FY22, slower than peers, impacted by furloughs and seasonality. The company signed a couple of deals in the BFSI and telecom verticals – we thus expect growth to be BFSI-driven.
- **INFO** has announced large deals in manufacturing, automobiles, logistics and consulting. We expect the company to post moderate growth of 2.9% USD. INFO is likely to revise up and narrow down the revenue guidance from its present 16.5-17.5% YoY CC range.
- For **WPRO**, we model for moderate growth of 3.3% QoQ USD, which lies within its guided range of 2-4%. The company has signed a respectable number of large deals in BFSI, logistics, hi-tech and telecom. Its pipeline has been the best in recent quarters (cloud pipeline crossed US\$ 8bn in Q2). We expect WPRO to guide for 2-4% QoQ revenue growth for the Mar'22 quarter.
- After a strong Q2, we are building in moderate growth of 3.6% QoQ USD for **TECHM** in Q3. The company has signed a few deals in cybersecurity, energy and utilities, which will drive momentum this quarter. Its retail segment is expected to do well on the back of the holiday season. Hence, TCV is likely to be robust. We expect EBIT margin to be flat QoQ.
- For **LTI**, we estimate brisk growth of 5.6% QoQ USD given the robust demand. EBIT margin is likely to remain flat QoQ with PAT margin at 14-15%. H2FY22 is expected to fare better than H2FY21 and the company has a healthy deal pipeline.
- We forecast robust 4.8% QoQ USD growth for **MTCL** given strong traction in its hi-tech, BFSI and CMT verticals alongside momentum from its 4\*4\*4 strategy. Traction is high for the travel & hospitality (TTHL: recovery in travel) and retail, CPG and manufacturing (RCM) verticals as well. We expect MTCL to register an EBIT margin of 18.4%, up 20bps QoQ. Subcontracting costs which had affected the margin in Q1 are likely to remain high.
- **PSYS** is estimated to lead growth at 7.4% QoQ USD due to revenue from acquired entities such as SCI and Shree Partners together with strong deal wins in Q2FY22 (US\$ 283mn).
- We expect **ECLX**, **MPHL** and **Coforge** to grow by 2.6%, 5.4% and 4.3% QoQ USD respectively. Coforge is likely to see increased demand from Europe.

**Fig 1 – Q3FY22 outlook: IT Services companies**

Company	Revenue (US\$ mn)	US\$ Revenue growth (%)		CC growth (% QoQ)	EBIT margin (%)	EBIT (Rs mn)	EBIT growth (%)		EBIT margin (bps)		Net profit (Rs mn)	Net profit growth (%)		Cross currency impact (bps)
		QoQ	YoY				QoQ	YoY	QoQ	YoY		QoQ	YoY	
TCS	6,458	2.0	13.3	2.7	25.3	122,033	1.7	9.1	(30)	(130)	96,501	0.0	10.6	(70)
INFO	4,113	2.9	17.0	3.5	23.2	71,369	2.4	8.3	(30)	(219)	58,538	7.8	12.2	(60)
WPRO	2,665	3.3	28.2	3.8	18.1	37,161	6.4	9.9	30	(360)	32,089	9.5	7.1	(50)
HCLT	2,888	3.5	10.4	4.2	19.7	42,491	8.5	(3.8)	70	(320)	32,847	0.2	(17.8)	(70)
TECHM	1,526	3.6	16.5	4.1	15.3	17,506	6.0	13.9	10	(60)	14,259	6.3	10.5	(50)
LTI	537	5.6	25.6	6.1	17.2	6,904	6.5	6.2	0	(340)	5,727	3.8	10.3	(50)
MPHL	409	5.4	21.9	5.8	15.5	4,764	10.3	17.7	50	(80)	3,621	6.0	11.2	(40)
MTCL	367	4.8	33.8	5.2	18.4	5,040	7.3	27.2	20	(120)	3,890	(2.5)	(16.7)	(40)
PSYS	196	7.4	34.0	7.8	13.4	2,015	7.6	47.8	(50)	69	1,614	(0.2)	33.5	(40)
COFORGE	222	4.3	38.0	4.8	14.8	2,325	26.7	35.8	230	(2)	1,519	23.2	32.2	(57)
ECLX	71	2.6	33.4	2.9	31.6	1,454	4.1	49.3	20	220	1,105	9.0	55.4	(30)

Source: BOBCAPS Research | CC – Constant Currency

**Fig 2 – Currency movement in Q3FY22**

Exchange rate	Dec'20	Sep'21	Dec'21	QoQ (%)	YoY (%)
<b>USD/INR</b>					
Average	73.8	73.9	74.7	1.1	1.3
Close	73.6	73.9	74.7	1.1	1.6
<b>Euro/USD</b>					
Average	1.20	1.18	1.14	(2.9)	(4.5)
Close	1.22	1.18	1.14	(2.9)	(6.5)
<b>GBP/USD</b>					
Average	1.33	1.37	1.35	(1.4)	1.9
Close	1.35	1.37	1.35	(1.4)	0.6

Source: RBI, BOBCAPS Research

**Fig 3 – Notable deals in Q3FY22**

Date	Company	Client	Geography	Vertical	Remarks
6-Oct-21	TCS	SBI	India	BFSI	As part of the new contract, TCS will help enhance SBI's application estate around core banking areas and financial inclusion for a further five years.
26-Oct-21	INFO	Posten Norge	Norway	Logistics	INFO announced that it has been selected by Posten Norge as a strategic partner to digitally transform its IT service management function. Through this collaboration, INFO will establish a best-in-class IT service desk and adapt Posten Norge's IT processes for new-age software delivery methods.
27-Oct-21	WPRO	Kerala State Co-op Bank	India	BFSI	WPRO announced that it has secured a multi-year contract from Kerala State Co-op Bank (also known as Kerala Bank), a scheduled state co-operative bank established by the government of Kerala. As part of this multi-million-dollar strategic engagement, WPRO will implement a consolidated, common core banking system for the bank and provide over 20 allied solutions aimed at streamlining technology adoption and enabling a superior customer experience.
1-Nov-21	TCS	Celcom Axiata	Malaysia	Telecom	TCS has signed a two-year deal with mobile services operator group Axiata from Malaysia to build and manage an internet protocol (IP)-based network in select markets in the Asia Pacific. These include Dialog Telekom in Sri Lanka, PT XL Axiata in Indonesia, Celcom Axiata in Malaysia and MobileOne in Singapore.

Date	Company	Client	Geography	Vertical	Remarks
1-Nov-21	INFO	East Sussex County Council	UK	-	East Sussex County Council has selected INFO as its implementation partner to modernise critical business systems and accelerate its transition to the cloud with the Oracle Cloud Fusion Applications Suite. East Sussex County Council provides services used by all residents in East Sussex, including care and support to children, families and the elderly and maintaining roads, as well as focusing on producing excellent results for its residents.
10-Nov-21	WPRO	Aggreko	UK	BFSI, Logistics	WPRO has been selected as partner in the transformation of Aggreko's Finance and Procurement function. Aggreko, a world leader in mobile modular power, temperature control and energy services, helps transform the lives and livelihoods of individuals, organisations and communities across the globe.
16-Nov-21	TCS	Zebra Technologies	US	Hi-Tech	Zebra Technologies has selected TCS to help drive IT agile transformation and DevSecOps services. Zebra provides an award-winning portfolio of purpose-built hardware, software, services, and solutions that digitise and automate workflows for the retail, manufacturing, transportation and logistics, supply chain, healthcare, and government sectors. With its contextual knowledge and industry expertise, TCS will play a key role in the end-to-end global agile transformation of Zebra's IT that supports its systems and applications used by 8,800 employees in 45 countries.
16-Nov-21	HCLT	Euroclear	Germany	BFSI	HCL will work with Euroclear, the world's largest provider of domestic and cross-border settlement and related services, for bond, equity and fund transactions, to explore new business models and market opportunities to create value through innovation and data monetisation. Leveraging its Fenix 2.0 execution framework, HCL will modernise Euroclear's digital channel landscape and help Euroclear accelerate innovation in its digital channels by harnessing automation, unified end-customer experience and DevOps delivery models.
23-Nov-21	WPRO	Telefonica	Madrid, Spain	Telecom/Communication	Telefónica and WPRO announced an agreement to initiate the transformational journey towards network operations by introducing continuous integration, continuous deployment and continuous testing (CI/CD/CT) in Telefonica's German and Brazilian markets, with the perspective of expansion to Spain and the UK.
24-Nov-21	TECHM	TANESCO	Africa	Energy and Utilities	TECHM is working with utility companies in Ethiopia, Ghana, Botswana, Zambia, Angola, South Africa, among others, to help them with digital technology, business consultancy, infrastructure and enterprise security, platform and network services.
24-Nov-21	LTI	PIH	Middle East	Energy and Utilities	LTI has partnered with Qatar-based global conglomerate, Power International Holding (PIH) Group of Companies to enable large scale digital transformation leveraging an extensive array of SAP solutions for an intelligent enterprise. The solution framework implementation further strengthens and accelerates PIH's vision to attain a digital-first, data-driven business approach.
30-Nov-21	INFO	Daimler	Germany, Europe	Auto, Manufacturing	INFO will transfer Daimler's High Performance Computing (HPC) workloads used to design vehicles and automated driving technologies to one of Europe's greenest data centres, Lefdal Mine Datacenter in Norway. The shift to Green Data Centre as a Service is an important milestone in supporting Daimler deliver on its sustainability mission "Ambition 2039" to become CO2 neutral by 2039.
14-Dec-21	INFO	Orion Corporation	London, UK	Consulting	INFO announced it has been selected by Finland-based Orion Corporation to holistically transform its ERP and Planning platforms, enhance employee experience, and drive business value realisation. Through this engagement, INFO will adopt standardised best SAP practices to enable end-to-end visibility across Orion's operations, informed decision making, and reduce business operations cost through AI, ML, and robotic process automation (RPA).
23-Dec-21	TCS	LA Mobiliere's	Switzerland, Europe	BFSI	La Mobildire is pursuing a digitisation strategy and is modernising its core business including products, core processes and digital touch points for customers, partners, and employees, to become future-ready. It is already doing this with remarkable success; La Mobildire has recently won the Digital Excellence Award 2021. The insurer is now looking to further accelerate its efforts including the deployment of data driven services and technologies such as artificial intelligence to enhance customer experience even more.

Source: Company, BOBCAPS Research

**Fig 4 – Change in target price**

Company	Old TP	New TP	Old P/E	New P/E
TCS	4630	4720	37	37
INFO	2000	2,170	32	34
WPRO	840	850	29	29
HCLT	1440	1560	24.6	26
TECHM	1890	1970	23	23
LTI	7980	8270	46	46
MPHL	3510	3,650	35	34
MTCL	3390	3,540	36	36
PSYS	4170	4240	40	40.1
COFORGE	6680	7,040	35	35
ECLX	2880	3690	19.5	24

Source: BOBCAPS Research

## Stock performance

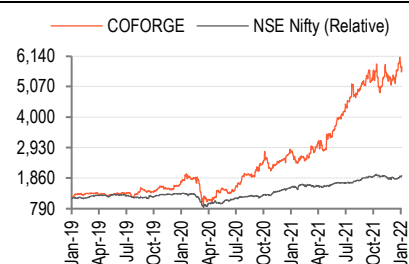
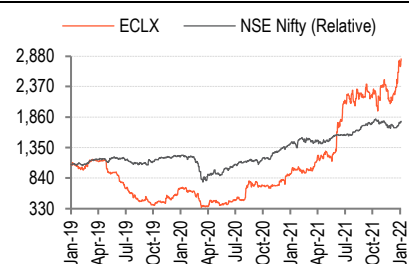
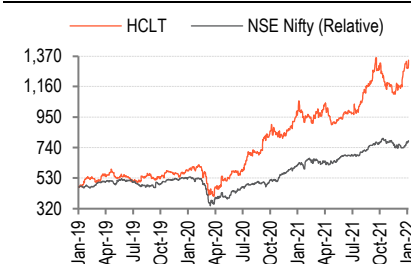
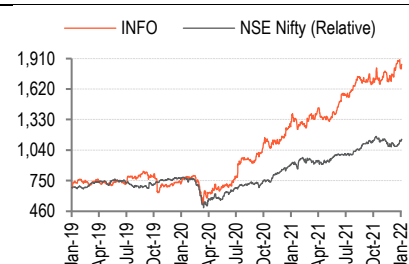
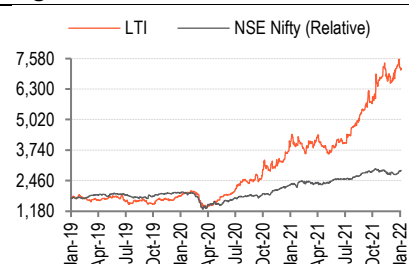
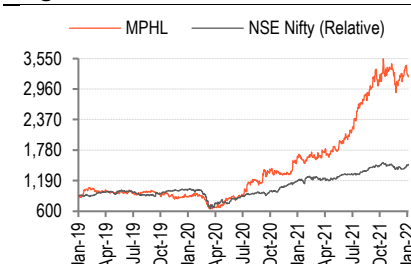
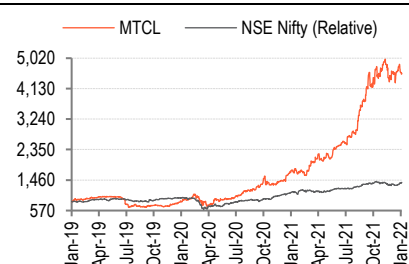
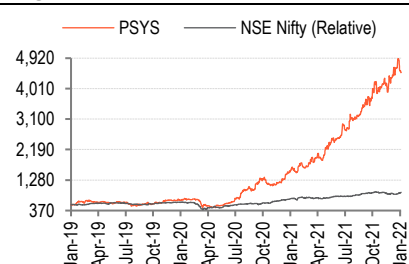
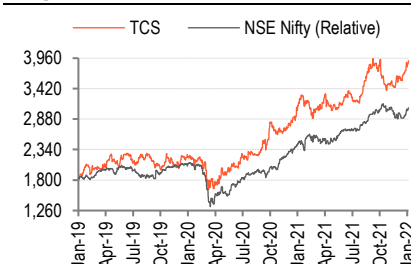
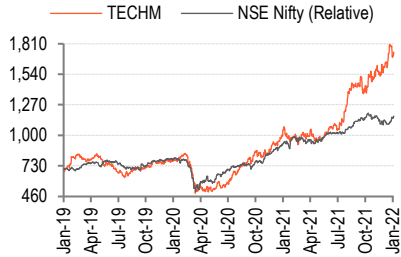
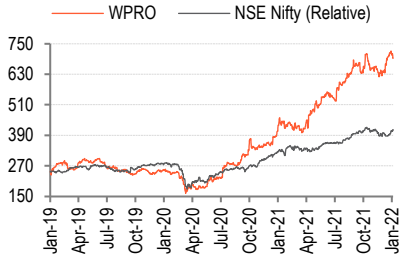
**Fig 5 – COFORGE****Fig 6 – ECLX****Fig 7 – HCLT****Fig 8 – INFO****Fig 9 – LTI****Fig 10 – MPHL****Fig 11 – MTCL****Fig 12 – PSYS****Fig 13 – TCS**

Fig 14 – TECHM



Source: NSE

Fig 15 – WPRO



## Financials – COFORGE

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>41,839</b>	<b>46,628</b>	<b>64,009</b>	<b>77,472</b>	<b>89,339</b>
EBITDA	7,431	8,035	11,889	15,028	17,592
Depreciation	1,730	1,836	2,208	2,028	2,180
EBIT	5,701	6,199	9,681	13,000	15,412
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	462	113	305	1,108	1,540
Exceptional items	0	0	0	0	0
EBT	5,978	5,962	9,986	14,107	16,952
Income taxes	1,203	1,302	1,995	2,962	3,560
Extraordinary items	185	350	0	0	0
Min. int./Inc. from assoc.	236	104	496	628	628
<b>Reported net profit</b>	<b>4,539</b>	<b>4,556</b>	<b>7,495</b>	<b>10,516</b>	<b>12,763</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>4,539</b>	<b>4,556</b>	<b>7,495</b>	<b>10,516</b>	<b>12,763</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	7,526	6,238	11,229	13,553	15,601
Provisions	922	921	6,313	7,641	8,811
Debt funds	0	0	0	0	0
Other liabilities	387	295	295	295	295
Equity capital	625	606	606	606	606
Reserves & surplus	23,340	24,285	28,172	34,254	41,502
Shareholders' fund	23,965	24,891	28,778	34,860	42,108
<b>Total liab. and equities</b>	<b>32,800</b>	<b>32,345</b>	<b>46,615</b>	<b>56,349</b>	<b>66,815</b>
Cash and cash eq.	8,195	7,999	14,026	20,878	29,078
Accounts receivables	5,672	5,911	12,802	15,494	17,868
Inventories	3	3	3	3	3
Other current assets	3,976	4,398	6,959	8,176	9,249
Investments	3,651	3,013	3,013	3,013	3,013
Net fixed assets	10,001	9,592	8,384	7,355	6,175
CWIP	0	0	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	1,302	1,429	1,429	1,429	1,429
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>32,800</b>	<b>32,345</b>	<b>46,615</b>	<b>56,349</b>	<b>66,815</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>3,601</b>	<b>9,157</b>	<b>10,330</b>	<b>11,807</b>	<b>13,805</b>
Capital expenditures	(703)	(757)	(1,000)	(1,000)	(1,000)
Change in investments	3,702	21	0	0	0
Other investing cash flows	(1,041)	(1,552)	305	1,108	1,540
<b>Cash flow from investing</b>	<b>1,958</b>	<b>(2,288)</b>	<b>(695)</b>	<b>108</b>	<b>540</b>
Equities issued/Others	275	(4,148)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(1,469)	(686)	(3,608)	(5,063)	(6,144)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(1,194)</b>	<b>(4,834)</b>	<b>(3,608)</b>	<b>(5,063)</b>	<b>(6,144)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>4,365</b>	<b>2,035</b>	<b>6,027</b>	<b>6,852</b>	<b>8,200</b>
<b>Closing cash &amp; cash eq.</b>	<b>8,197</b>	<b>7,999</b>	<b>14,026</b>	<b>20,878</b>	<b>29,078</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	72.9	75.0	123.4	173.2	210.2
Adjusted EPS	72.9	75.0	123.4	173.2	210.2
Dividend per share	10.0	24.8	49.4	69.3	84.1
Book value per share	384.8	399.7	462.1	559.8	676.2

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	8.5	7.6	5.5	4.5	3.8
EV/EBITDA	47.7	43.9	29.5	23.2	19.4
Adjusted P/E	79.1	76.9	46.7	33.3	27.4
P/BV	15.0	14.4	12.5	10.3	8.5

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.9	76.4	75.1	74.5	75.3
Interest burden (PBT/EBIT)	104.9	96.2	103.2	108.5	110.0
EBIT margin (EBIT/Revenue)	13.6	13.3	15.1	16.8	17.3
Asset turnover (Rev./Avg TA)	138.5	143.2	162.1	150.5	145.1
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.5	1.6	1.6
Adjusted ROAE	20.3	18.6	27.9	33.1	33.2

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	13.8	11.4	37.3	21.0	15.3
EBITDA	15.2	8.1	48.0	26.4	17.1
Adjusted EPS	10.1	2.9	64.5	40.3	21.4
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	17.8	17.2	18.6	19.4	19.7
EBIT margin	13.6	13.3	15.1	16.8	17.3
Adjusted profit margin	10.8	9.8	11.7	13.6	14.3
Adjusted ROAE	20.3	18.6	27.9	33.1	33.2
ROCE	17.7	18.5	30.0	44.2	55.7
<b>Working capital days (days)</b>					
Receivables	48	45	53	67	68
Inventory	0	0	0	0	0
Payables	90	83	117	136	133
<b>Ratios (x)</b>					
Gross asset turnover	4.6	4.8	7.1	9.8	13.2
Current ratio	2.3	2.6	1.9	2.1	2.3
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.5)	(0.6)	(0.7)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – ECLX

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>14,376</b>	<b>15,644</b>	<b>21,074</b>	<b>24,369</b>	<b>26,621</b>
EBITDA	3,249	4,642	6,637	7,653	8,312
Depreciation	710	816	999	1,179	1,345
EBIT	2,539	3,826	5,638	6,474	6,967
Net interest inc./(exp.)	(188)	(203)	(210)	(200)	(200)
Other inc./(exp.)	452	182	279	311	395
Exceptional items	0	0	(57)	0	0
EBT	2,803	3,806	5,651	6,585	7,162
Income taxes	715	978	1,440	1,712	1,862
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	8	0	0
<b>Reported net profit</b>	<b>2,087</b>	<b>2,828</b>	<b>4,203</b>	<b>4,873</b>	<b>5,300</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>2,087</b>	<b>2,828</b>	<b>4,203</b>	<b>4,873</b>	<b>5,300</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	2,058	2,874	2,887	3,338	3,647
Provisions	197	238	115	134	146
Debt funds	63	63	63	63	63
Other liabilities	129	175	175	175	175
Equity capital	358	346	346	346	346
Reserves & surplus	12,706	14,674	15,814	17,755	19,865
Shareholders' fund	13,065	15,019	16,160	18,100	20,211
<b>Total liab. and equities</b>	<b>15,513</b>	<b>18,370</b>	<b>19,400</b>	<b>21,810</b>	<b>24,242</b>
Cash and cash eq.	3,345	4,909	3,927	5,608	7,761
Accounts receivables	2,378	2,930	3,464	4,006	4,376
Inventories	0	0	0	0	0
Other current assets	1,520	1,950	3,753	4,340	4,741
Investments	4,368	2,286	2,286	2,286	2,286
Net fixed assets	1,246	2,229	1,904	1,505	1,012
CWIP	2	2	2	2	2
Intangible assets	2,272	3,726	3,726	3,726	3,726
Deferred tax assets, net	384	340	340	340	340
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>15,513</b>	<b>18,370</b>	<b>19,401</b>	<b>21,811</b>	<b>24,243</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>3,338</b>	<b>3,646</b>	<b>2,694</b>	<b>5,282</b>	<b>6,000</b>
Capital expenditures	(335)	(387)	(674)	(780)	(852)
Change in investments	(1,371)	2,236	0	0	0
Other investing cash flows	1,889	(1,894)	69	111	195
<b>Cash flow from investing</b>	<b>183</b>	<b>(45)</b>	<b>(605)</b>	<b>(669)</b>	<b>(657)</b>
Equities issued/Others	6	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(3,053)	(1,849)	0	0	0
Dividends paid	(36)	(34)	(3,070)	(2,932)	(3,189)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(3,082)</b>	<b>(1,883)</b>	<b>(3,070)</b>	<b>(2,932)</b>	<b>(3,189)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>439</b>	<b>1,717</b>	<b>(982)</b>	<b>1,680</b>	<b>2,153</b>
<b>Closing cash &amp; cash eq.</b>	<b>3,345</b>	<b>4,909</b>	<b>3,927</b>	<b>5,608</b>	<b>7,761</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	55.5	82.8	123.8	143.6	156.1
Adjusted EPS	55.5	82.8	123.8	143.6	156.1
Dividend per share	1.0	41.8	1.0	72.9	79.3
Book value per share	347.1	399.0	429.3	480.9	536.9

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	7.1	6.6	4.9	4.2	3.8
EV/EBITDA	31.5	22.1	15.5	13.4	12.3
Adjusted P/E	51.1	34.2	22.9	19.7	18.1
P/BV	8.2	7.1	6.6	5.9	5.3

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	74.5	74.3	74.4	74.0	74.0
Interest burden (PBT/EBIT)	110.4	99.5	100.2	101.7	102.8
EBIT margin (EBIT/Revenue)	17.7	24.5	26.8	26.6	26.2
Asset turnover (Rev./Avg TA)	91.2	92.3	111.6	118.3	115.6
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.2	1.2
Adjusted ROAE	15.5	20.1	27.0	28.4	27.7

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	0.5	8.8	34.7	15.6	9.2
EBITDA	5.1	42.9	43.0	15.3	8.6
Adjusted EPS	(7.7)	49.4	49.5	15.9	8.8

### Profitability & Return ratios (%)

EBITDA margin	22.6	29.7	31.5	31.4	31.2
EBIT margin	17.7	24.5	26.8	26.6	26.2
Adjusted profit margin	14.5	18.1	19.9	20.0	19.9
Adjusted ROAE	15.5	20.1	27.0	28.4	27.7
ROCE	26.1	37.7	49.3	51.2	54.7

### Working capital days (days)

Receivables	61	62	55	56	57
Inventory	0	0	0	0	0
Payables	66	82	73	68	70

### Ratios (x)

Gross asset turnover	11.3	9.0	10.2	14.3	21.1
Current ratio	3.2	3.1	3.7	4.0	4.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.2)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets



## Financials – HCLT

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>706,780</b>	<b>753,790</b>	<b>843,828</b>	<b>951,573</b>	<b>1,041,272</b>
EBITDA	166,930	200,560	206,636	241,493	261,598
Depreciation	28,400	39,850	39,701	49,365	51,113
EBIT	138,530	160,710	166,935	192,129	210,486
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	1,790	6,580	5,465	5,925	7,994
Exceptional items	0	0	0	0	0
EBT	140,320	167,290	172,399	198,054	218,479
Income taxes	29,380	36,630	38,981	47,533	52,435
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>110,940</b>	<b>130,660</b>	<b>133,419</b>	<b>150,521</b>	<b>166,044</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>110,940</b>	<b>130,660</b>	<b>133,419</b>	<b>150,521</b>	<b>166,044</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	259,090	217,050	295,340	333,050	364,445
Provisions	0	0	16,877	19,031	20,825
Debt funds	50,930	39,070	39,070	39,070	39,070
Other liabilities	5,280	5,850	5,850	5,850	5,850
Equity capital	2,812	2,812	2,812	2,812	2,812
Reserves & surplus	514,048	612,248	681,466	759,556	845,700
Shareholders' fund	522,140	620,910	690,128	768,218	854,362
<b>Total liab. and equities</b>	<b>832,160</b>	<b>877,030</b>	<b>1,041,414</b>	<b>1,159,370</b>	<b>1,278,702</b>
Cash and cash eq.	48,430	65,150	188,786	275,396	370,966
Accounts receivables	177,720	175,250	208,067	234,634	256,752
Inventories	0	0	0	0	0
Other current assets	79,030	74,290	84,383	95,157	104,127
Investments	105,680	140,220	168,264	185,090	203,599
Net fixed assets	62,440	62,450	41,346	10,981	(21,131)
CWIP	0	0	0	0	0
Intangible assets	294,210	291,500	291,500	291,500	291,500
Deferred tax assets, net	0	0	0	0	0
Other assets	64,650	68,170	59,068	66,610	72,889
<b>Total assets</b>	<b>832,160</b>	<b>877,030</b>	<b>1,041,414</b>	<b>1,159,369</b>	<b>1,278,702</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>143,665</b>	<b>78,334</b>	<b>229,013</b>	<b>188,942</b>	<b>204,985</b>
Capital expenditures	(150,090)	(39,860)	(18,597)	(19,000)	(19,000)
Change in investments	47,160	34,540	28,044	16,826	18,509
Other investing cash flows	1,790	6,580	(50,624)	(27,728)	(29,024)
<b>Cash flow from investing</b>	<b>(101,140)</b>	<b>1,260</b>	<b>(41,177)</b>	<b>(29,902)</b>	<b>(29,515)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(53,384)	(62,874)	(64,201)	(72,431)	(79,900)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(53,384)</b>	<b>(62,874)</b>	<b>(64,201)</b>	<b>(72,431)</b>	<b>(79,900)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(10,859)</b>	<b>16,720</b>	<b>123,635</b>	<b>86,610</b>	<b>95,570</b>
<b>Closing cash &amp; cash eq.</b>	<b>48,430</b>	<b>65,151</b>	<b>188,786</b>	<b>275,396</b>	<b>370,966</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	40.9	48.1	49.2	55.5	61.2
Adjusted EPS	40.9	48.1	49.2	55.5	61.2
Dividend per share	16.4	19.3	19.7	22.2	24.5
Book value per share	192.4	228.8	254.3	283.1	314.8

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	5.1	4.8	4.3	3.7	3.3
EV/EBITDA	21.7	18.1	17.6	14.7	13.2
Adjusted P/E	32.9	27.9	27.3	24.2	22.0
P/BV	7.0	5.9	5.3	4.7	4.3

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	79.1	78.1	77.4	76.0	76.0
Interest burden (PBT/EBIT)	101.3	104.1	103.3	103.1	103.8
EBIT margin (EBIT/Revenue)	19.6	21.3	19.8	20.2	20.2
Asset turnover (Rev./Avg TA)	99.5	88.2	88.0	86.5	85.4
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.5	1.5
Adjusted ROAE	23.5	22.9	20.4	20.6	20.5

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	17.0	6.7	11.9	12.8	9.4
EBITDA	19.2	20.1	3.0	16.9	8.3
Adjusted EPS	11.5	17.8	2.1	12.8	10.3
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	23.6	26.6	24.5	25.4	25.1
EBIT margin	19.6	21.3	19.8	20.2	20.2
Adjusted profit margin	15.7	17.3	15.8	15.8	15.9
Adjusted ROAE	23.5	22.9	20.4	20.6	20.5
ROCE	23.4	22.2	22.5	26.9	30.0
<b>Working capital days (days)</b>					
Receivables	84	85	83	85	86
Inventory	0	0	0	0	0
Payables	130	157	147	162	163
<b>Ratios (x)</b>					
Gross asset turnover	7.3	12.1	16.3	36.4	(205.2)
Current ratio	1.4	1.8	1.7	1.9	2.1
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	(0.2)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – INFO

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>907,910</b>	<b>1,004,730</b>	<b>1,196,881</b>	<b>1,368,411</b>	<b>1,492,127</b>
EBITDA	222,680	279,350	317,471	359,380	391,830
Depreciation	28,930	32,680	33,912	36,482	39,255
EBIT	193,750	246,670	283,559	322,898	352,576
Net interest inc./(exp.)	16,120	16,150	21,822	14,828	18,954
Other inc./(exp.)	28,030	19,960	29,402	24,828	29,754
Exceptional items	0	0	0	0	0
EBT	221,780	266,630	312,960	347,726	382,330
Income taxes	53,680	72,050	84,703	93,926	103,229
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	750	590	130	0	0
<b>Reported net profit</b>	<b>167,350</b>	<b>193,990</b>	<b>228,128</b>	<b>253,800</b>	<b>279,101</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>167,350</b>	<b>193,990</b>	<b>228,128</b>	<b>253,800</b>	<b>279,101</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	263,520	308,910	252,493	288,678	314,777
Provisions	5,720	7,130	9,837	11,247	12,264
Debt funds	0	0	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	21,220	21,240	21,240	21,240	21,240
Reserves & surplus	637,220	746,580	745,432	846,508	957,660
Shareholders' fund	658,440	767,820	766,672	867,748	978,900
<b>Total liab. and equities</b>	<b>927,680</b>	<b>1,083,860</b>	<b>1,029,002</b>	<b>1,167,673</b>	<b>1,305,941</b>
Cash and cash eq.	186,490	247,140	80,127	143,609	230,420
Accounts receivables	184,870	192,940	245,934	281,180	306,601
Inventories	0	0	0	0	0
Other current assets	71,210	75,270	81,978	93,727	102,200
Investments	87,920	147,990	147,990	147,990	147,990
Net fixed assets	250,530	265,680	265,245	265,243	262,468
CWIP	41,680	47,940	47,940	47,940	47,940
Intangible assets	0	0	0	0	0
Deferred tax assets, net	17,440	10,980	10,980	10,980	10,980
Other assets	129,220	143,860	196,748	224,944	245,281
<b>Total assets</b>	<b>927,680</b>	<b>1,083,860</b>	<b>1,029,002</b>	<b>1,167,673</b>	<b>1,305,941</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>255,638</b>	<b>227,791</b>	<b>66,338</b>	<b>227,859</b>	<b>261,486</b>
Capital expenditures	(88,220)	(41,570)	(33,477)	(36,480)	(36,480)
Change in investments	0	(28,798)	0	0	0
Other investing cash flows	28,030	19,960	29,402	24,828	29,754
<b>Cash flow from investing</b>	<b>(60,190)</b>	<b>(50,408)</b>	<b>(4,075)</b>	<b>(11,652)</b>	<b>(6,726)</b>
Equities issued/Others	(73,287)	0	(92,000)	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(100,703)	(116,733)	(137,276)	(152,724)	(167,949)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(173,990)</b>	<b>(116,733)</b>	<b>(229,276)</b>	<b>(152,724)</b>	<b>(167,949)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>21,458</b>	<b>60,650</b>	<b>(167,013)</b>	<b>63,482</b>	<b>86,811</b>
<b>Closing cash &amp; cash eq.</b>	<b>186,490</b>	<b>247,140</b>	<b>80,127</b>	<b>143,609</b>	<b>230,420</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	39.0	45.5	54.2	60.3	66.3
Adjusted EPS	39.0	45.5	54.2	60.3	66.3
Dividend per share	19.5	22.8	27.1	30.2	33.2
Book value per share	153.5	180.2	182.1	206.2	232.6

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	8.5	7.7	6.4	5.7	5.2
EV/EBITDA	34.7	27.7	24.2	21.5	19.9
Adjusted P/E	47.6	40.8	34.2	30.8	28.0
P/BV	12.1	10.3	10.2	9.0	8.0

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.5	72.8	72.9	73.0	73.0
Interest burden (PBT/EBIT)	114.5	108.1	110.4	107.7	108.4
EBIT margin (EBIT/Revenue)	21.3	24.6	23.7	23.6	23.6
Asset turnover (Rev./Avg TA)	106.3	99.9	113.3	124.6	120.6
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.3	1.3
Adjusted ROAE	26.5	27.2	29.7	31.1	30.2

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	9.8	10.7	19.1	14.3	9.0
EBITDA	6.6	25.4	13.6	13.2	9.0
Adjusted EPS	10.3	16.7	19.1	11.3	10.0
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	24.5	27.8	26.5	26.3	26.3
EBIT margin	21.3	24.6	23.7	23.6	23.6
Adjusted profit margin	18.4	19.3	19.1	18.5	18.7
Adjusted ROAE	26.5	27.2	29.7	31.1	30.2
ROCE	32.1	36.3	34.3	33.4	35.0

### Working capital days (days)

Receivables	65	69	67	70	72
Inventory	0	0	0	0	0
Payables	115	144	117	98	100

### Ratios (x)

Gross asset turnover	4.5	3.9	4.5	5.2	5.7
Current ratio	2.1	2.1	2.3	2.5	2.7
Net interest coverage ratio	12.0	15.3	13.0	21.8	18.6
Adjusted debt/equity	(0.3)	(0.3)	(0.1)	(0.2)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – LTI

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>108,786</b>	<b>123,698</b>	<b>154,182</b>	<b>184,664</b>	<b>211,721</b>
EBITDA	20,291	27,253	31,030	39,197	44,931
Depreciation	2,731	3,325	3,528	4,247	4,870
EBIT	17,560	23,928	27,502	34,949	40,061
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	2,463	1,955	3,667	3,338	3,661
Exceptional items	0	0	0	0	0
EBT	20,023	25,883	31,169	38,287	43,723
Income taxes	4,825	6,500	7,998	9,763	11,149
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>15,198</b>	<b>19,383</b>	<b>23,171</b>	<b>28,524</b>	<b>32,573</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>15,198</b>	<b>19,383</b>	<b>23,171</b>	<b>28,524</b>	<b>32,573</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	23,618	23,175	28,886	34,597	39,666
Provisions	2,908	3,956	4,931	5,906	6,771
Debt funds	7,571	6,854	6,854	6,854	6,854
Other liabilities	101	35	35	35	35
Equity capital	174	175	175	175	175
Reserves & surplus	53,877	72,896	86,303	102,807	121,654
Shareholders' fund	54,051	73,071	86,478	102,982	121,829
<b>Total liab. and equities</b>	<b>88,249</b>	<b>107,091</b>	<b>127,184</b>	<b>150,374</b>	<b>175,155</b>
Cash and cash eq.	5,252	7,594	15,805	27,263	41,296
Accounts receivables	27,541	26,906	38,017	45,533	52,205
Inventories	0	0	0	0	0
Other current assets	10,442	15,111	14,785	17,707	20,302
Investments	22,186	36,282	36,282	36,282	36,282
Net fixed assets	19,788	19,722	20,819	22,112	23,594
CWIP	0	0	0	0	0
Intangible assets	1,316	2,667	2,667	2,667	2,667
Deferred tax assets, net	3,039	1,476	1,476	1,476	1,476
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>88,248</b>	<b>107,091</b>	<b>127,184</b>	<b>150,374</b>	<b>175,155</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>16,273</b>	<b>17,700</b>	<b>20,878</b>	<b>26,304</b>	<b>30,710</b>
Capital expenditures	(5,480)	(3,379)	(4,625)	(5,540)	(6,352)
Change in investments	0	(5,390)	0	0	0
Other investing cash flows	(3,287)	1,862	1,723	2,714	3,401
<b>Cash flow from investing</b>	<b>(8,767)</b>	<b>(6,907)</b>	<b>(2,903)</b>	<b>(2,826)</b>	<b>(2,950)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(6,404)	(8,451)	(9,764)	(12,020)	(13,726)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(6,404)</b>	<b>(8,451)</b>	<b>(9,764)</b>	<b>(12,020)</b>	<b>(13,726)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>1,102</b>	<b>2,342</b>	<b>8,211</b>	<b>11,458</b>	<b>14,033</b>
<b>Closing cash &amp; cash eq.</b>	<b>5,252</b>	<b>7,594</b>	<b>15,805</b>	<b>27,263</b>	<b>41,296</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	86.4	110.5	132.0	162.5	185.6
Adjusted EPS	86.4	110.5	132.0	162.5	185.6
Dividend per share	30.2	40.0	46.2	56.9	65.0
Book value per share	307.3	416.4	492.8	586.8	694.2

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	11.5	10.2	8.2	6.8	5.9
EV/EBITDA	61.9	46.2	40.6	32.0	27.7
Adjusted P/E	83.0	65.0	54.3	44.1	38.6
P/BV	23.3	17.2	14.6	12.2	10.3

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.9	74.9	74.3	74.5	74.5
Interest burden (PBT/EBIT)	114.0	108.2	113.3	109.5	109.1
EBIT margin (EBIT/Revenue)	16.1	19.3	17.8	18.9	18.9
Asset turnover (Rev./Avg TA)	140.4	126.6	131.6	133.1	130.1
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.5	1.4
Adjusted ROAE	29.5	30.5	29.0	30.1	29.0

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	15.2	13.7	24.6	19.8	14.7
EBITDA	7.7	34.3	13.9	26.3	14.6
Adjusted EPS	0.0	27.8	19.5	23.1	14.2
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	18.7	22.0	20.1	21.2	21.2
EBIT margin	16.1	19.3	17.8	18.9	18.9
Adjusted profit margin	14.0	15.7	15.0	15.4	15.4
Adjusted ROAE	29.5	30.5	29.0	30.1	29.0
ROCE	34.7	37.1	36.7	43.6	47.1
<b>Working capital days (days)</b>					
Receivables	86	80	77	83	84
Inventory	0	0	0	0	0
Payables	11	13	13	14	14
<b>Ratios (x)</b>					
Gross asset turnover	7.8	6.3	7.6	8.6	9.3
Current ratio	1.6	1.8	2.0	2.2	2.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MPHL

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21E	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>88,436</b>	<b>97,223</b>	<b>118,144</b>	<b>140,107</b>	<b>159,921</b>
EBITDA	16,505	18,028	21,403	26,631	30,883
Depreciation	2,317	2,418	3,003	3,686	3,718
EBIT	14,188	15,610	18,401	22,946	27,165
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	967	696	715	636	849
Exceptional items	0	0	0	0	0
EBT	15,155	16,306	19,116	23,582	28,014
Income taxes	3,306	4,139	4,851	5,896	7,003
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>11,849</b>	<b>12,167</b>	<b>14,265</b>	<b>17,687</b>	<b>21,011</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>11,849</b>	<b>12,167</b>	<b>14,265</b>	<b>17,687</b>	<b>21,011</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21E	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	12,769	11,927	17,803	21,112	24,098
Provisions	2,242	3,494	4,855	5,758	6,572
Debt funds	12,955	11,811	11,811	11,811	11,811
Other liabilities	137	343	343	343	343
Equity capital	1,865	1,870	1,870	1,870	1,870
Reserves & surplus	56,431	63,398	68,217	74,191	81,289
Shareholders' fund	58,296	65,268	70,087	76,061	83,159
<b>Total liab. and equities</b>	<b>86,399</b>	<b>92,843</b>	<b>104,898</b>	<b>115,085</b>	<b>125,982</b>
Cash and cash eq.	11,484	11,310	15,720	19,969	25,400
Accounts receivables	7,217	8,147	9,710	11,516	13,144
Inventories	0	0	0	0	0
Other current assets	21,596	23,437	30,750	36,466	41,623
Investments	13,257	18,460	18,460	18,460	18,460
Net fixed assets	8,730	8,870	7,639	6,055	4,736
CWIP	553	31	31	31	31
Intangible assets	21,405	21,326	21,326	21,326	21,326
Deferred tax assets, net	2,157	1,261	1,261	1,261	1,261
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>86,399</b>	<b>92,842</b>	<b>104,897</b>	<b>115,084</b>	<b>125,981</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21E	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>13,710</b>	<b>11,528</b>	<b>14,913</b>	<b>17,426</b>	<b>20,894</b>
Capital expenditures	(1,243)	(1,477)	(1,772)	(2,102)	(2,399)
Change in investments	1,552	3,702	0	0	0
Other investing cash flows	2,182	696	715	636	849
<b>Cash flow from investing</b>	<b>2,491</b>	<b>2,921</b>	<b>(1,057)</b>	<b>(1,465)</b>	<b>(1,550)</b>
Equities issued/Others	151	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(2,333)	0	0	0	0
Dividends paid	(6,065)	(14,623)	(9,446)	(11,712)	(13,913)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(8,247)</b>	<b>(14,623)</b>	<b>(9,446)</b>	<b>(11,712)</b>	<b>(13,913)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>7,954</b>	<b>(174)</b>	<b>4,410</b>	<b>4,249</b>	<b>5,431</b>
<b>Closing cash &amp; cash eq.</b>	<b>11,484</b>	<b>11,310</b>	<b>15,720</b>	<b>19,969</b>	<b>25,400</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21E	FY22E	FY23E	FY24E
Reported EPS	63.7	65.4	76.6	95.0	112.9
Adjusted EPS	63.7	65.4	76.6	95.0	112.9
Dividend per share	35.0	65.0	42.0	52.1	61.8
Book value per share	313.2	350.6	376.5	408.6	446.7

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21E	FY22E	FY23E	FY24E
EV/Sales	6.7	6.1	5.1	4.2	3.7
EV/EBITDA	36.1	33.1	27.9	22.4	19.1
Adjusted P/E	50.4	49.1	41.9	33.8	28.4
P/BV	10.2	9.1	8.5	7.8	7.2

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21E	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	78.2	74.6	74.6	75.0	75.0
Interest burden (PBT/EBIT)	106.8	104.5	103.9	102.8	103.1
EBIT margin (EBIT/Revenue)	16.0	16.1	15.6	16.4	17.0
Asset turnover (Rev./Avg TA)	111.1	108.5	119.5	127.4	132.7
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.5	1.5	1.5
Adjusted ROAE	21.4	19.7	21.1	24.2	26.4

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21E	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	14.4	9.9	21.5	18.6	14.1
EBITDA	24.7	9.2	18.7	24.4	16.0
Adjusted EPS	10.4	2.7	17.2	24.0	18.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	18.7	18.5	18.1	19.0	19.3
EBIT margin	16.0	16.1	15.6	16.4	17.0
Adjusted profit margin	13.4	12.5	12.1	12.6	13.1
Adjusted ROAE	21.4	19.7	21.1	24.2	26.4
ROCE	19.9	18.5	20.7	25.5	29.5

### Working capital days (days)

Receivables	33	29	28	28	28
Inventory	0	0	0	0	0
Payables	70	63	69	73	73

### Ratios (x)

Gross asset turnover	16.3	11.0	14.3	20.5	29.6
Current ratio	2.7	2.8	2.5	2.5	2.6
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	(0.1)	(0.1)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MTCL

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>77,643</b>	<b>79,678</b>	<b>103,469</b>	<b>119,833</b>	<b>133,478</b>
EBITDA	10,623	16,426	21,576	24,266	28,379
Depreciation	2,754	2,596	2,346	2,573	2,841
EBIT	7,869	13,830	19,229	21,693	25,538
Net interest inc./(exp.)	(529)	(504)	(514)	(600)	(640)
Other inc./(exp.)	948	1,656	2,087	1,496	1,978
Exceptional items	0	0	0	0	0
EBT	8,288	14,982	20,803	22,589	26,876
Income taxes	1,979	3,879	5,311	6,099	7,257
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>6,309</b>	<b>11,103</b>	<b>15,492</b>	<b>16,490</b>	<b>19,620</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>6,309</b>	<b>11,103</b>	<b>15,492</b>	<b>16,490</b>	<b>19,620</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	17,690	17,914	25,513	29,548	32,912
Provisions	2,304	2,510	2,268	2,626	2,926
Debt funds	0	0	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	1,642	1,647	1,647	1,647	1,647
Reserves & surplus	29,926	41,547	48,977	58,521	69,877
Shareholders' fund	31,568	43,194	50,624	60,168	71,524
<b>Total liab. and equities</b>	<b>51,562</b>	<b>63,618</b>	<b>78,405</b>	<b>92,343</b>	<b>107,362</b>
Cash and cash eq.	5,870	7,597	13,933	23,992	36,220
Accounts receivables	14,389	12,742	19,843	22,982	25,599
Inventories	0	0	0	0	0
Other current assets	5,107	4,910	7,087	8,208	9,142
Investments	7,748	20,468	20,468	20,468	20,468
Net fixed assets	13,469	13,993	12,467	11,414	10,093
CWIP	136	224	224	224	224
Intangible assets	4,732	4,732	4,732	4,732	4,732
Deferred tax assets, net	1,835	355	355	355	355
Other assets	3,148	3,553	4,252	4,925	5,485
<b>Total assets</b>	<b>51,566</b>	<b>63,618</b>	<b>78,405</b>	<b>92,343</b>	<b>107,362</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>7,754</b>	<b>5,557</b>	<b>12,776</b>	<b>17,629</b>	<b>20,673</b>
Capital expenditures	(1,496)	(305)	(1,489)	(1,520)	(1,520)
Change in investments	0	0	0	0	0
Other investing cash flows	419	1,152	1,573	896	1,338
<b>Cash flow from investing</b>	<b>(1,077)</b>	<b>847</b>	<b>84</b>	<b>(624)</b>	<b>(182)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(3,369)	(4,677)	(6,526)	(6,946)	(8,264)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(3,369)</b>	<b>(4,677)</b>	<b>(6,526)</b>	<b>(6,946)</b>	<b>(8,264)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>3,308</b>	<b>1,727</b>	<b>6,335</b>	<b>10,059</b>	<b>12,228</b>
<b>Closing cash &amp; cash eq.</b>	<b>5,870</b>	<b>7,598</b>	<b>13,933</b>	<b>23,992</b>	<b>36,220</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	38.3	67.4	94.1	100.2	119.2
Adjusted EPS	38.3	67.4	94.1	100.2	119.2
Dividend per share	17.0	23.6	32.9	35.1	41.7
Book value per share	191.7	262.3	307.5	365.4	434.4

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	9.7	9.4	7.2	6.2	5.5
EV/EBITDA	70.9	45.7	34.7	30.7	25.9
Adjusted P/E	119.6	68.0	48.7	45.8	38.5
P/BV	23.9	17.5	14.9	12.5	10.6

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	76.1	74.1	74.5	73.0	73.0
Interest burden (PBT/EBIT)	105.3	108.3	108.2	104.1	105.2
EBIT margin (EBIT/Revenue)	10.1	17.4	18.6	18.1	19.1
Asset turnover (Rev./Avg TA)	166.3	138.3	145.7	140.4	133.7
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.5	1.5	1.5
Adjusted ROAE	19.5	29.7	33.0	29.8	29.8

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	10.6	2.6	29.9	15.8	11.4
EBITDA	(0.2)	54.6	31.4	12.5	16.9
Adjusted EPS	(16.3)	76.0	39.5	6.4	19.0
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	13.7	20.6	20.9	20.3	21.3
EBIT margin	10.1	17.4	18.6	18.1	19.1
Adjusted profit margin	8.1	13.9	15.0	13.8	14.7
Adjusted ROAE	19.5	29.7	33.0	29.8	29.8
ROCE	27.9	45.0	53.1	59.4	71.3

### Working capital days (days)

Receivables	65	62	57	65	66
Inventory	0	0	0	0	0
Payables	68	103	97	105	108

### Ratios (x)

Gross asset turnover	6.6	5.8	7.8	10.0	12.4
Current ratio	1.4	1.4	1.6	1.9	2.1
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	(0.3)	(0.4)	(0.5)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – PSYS

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>35,658</b>	<b>41,879</b>	<b>56,441</b>	<b>68,957</b>	<b>78,224</b>
EBITDA	4,930	6,830	9,034	11,259	12,686
Depreciation	1,660	1,756	1,599	1,854	1,938
EBIT	3,270	5,075	7,435	9,405	10,747
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	1,254	1,020	972	626	715
Exceptional items	0	0	0	0	0
EBT	4,523	6,094	8,408	10,030	11,462
Income taxes	1,121	1,588	2,148	2,608	2,980
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>3,403</b>	<b>4,507</b>	<b>6,260</b>	<b>7,422</b>	<b>8,482</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>3,403</b>	<b>4,507</b>	<b>6,260</b>	<b>7,422</b>	<b>8,482</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	3,810	4,607	6,031	7,368	8,358
Provisions	1,954	2,719	3,093	3,778	4,286
Debt funds	12	44	44	44	44
Other liabilities	0	0	0	0	0
Equity capital	791	764	764	764	764
Reserves & surplus	24,002	27,192	30,881	36,070	42,000
Shareholders' fund	24,793	27,957	31,645	36,835	42,765
<b>Total liab. and equities</b>	<b>30,569</b>	<b>35,327</b>	<b>40,813</b>	<b>48,025</b>	<b>55,453</b>
Cash and cash eq.	1,461	2,419	3,047	4,021	9,021
Accounts receivables	5,862	5,709	9,278	11,335	12,859
Inventories	0	0	0	0	0
Other current assets	5,373	4,945	6,495	8,879	10,073
Investments	13,304	17,853	17,853	19,853	19,853
Net fixed assets	4,083	3,277	3,327	3,123	2,835
CWIP	316	122	122	122	122
Intangible assets	81	86	86	86	86
Deferred tax assets, net	405	1,038	727	727	727
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>30,569</b>	<b>35,327</b>	<b>40,813</b>	<b>48,025</b>	<b>55,453</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>2,025</b>	<b>5,679</b>	<b>3,565</b>	<b>6,232</b>	<b>8,487</b>
Capital expenditures	(1,500)	(392)	(1,650)	(1,650)	(1,650)
Change in investments	0	(3,722)	0	(2,000)	0
Other investing cash flows	1,254	1,020	972	626	715
<b>Cash flow from investing</b>	<b>(247)</b>	<b>(3,094)</b>	<b>(678)</b>	<b>(3,024)</b>	<b>(935)</b>
Equities issued/Others	(828)	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(1,229)	(1,627)	(2,260)	(2,233)	(2,552)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(2,057)</b>	<b>(1,627)</b>	<b>(2,260)</b>	<b>(2,233)</b>	<b>(2,552)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(278)</b>	<b>958</b>	<b>628</b>	<b>974</b>	<b>5,000</b>
<b>Closing cash &amp; cash eq.</b>	<b>1,461</b>	<b>2,419</b>	<b>3,047</b>	<b>4,021</b>	<b>9,021</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	42.7	56.5	78.5	93.1	106.3
Adjusted EPS	42.7	56.5	78.5	93.1	106.3
Dividend per share	12.8	16.9	23.5	23.3	26.6
Book value per share	310.8	350.5	396.7	461.8	536.1

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	10.0	8.5	6.3	5.2	4.5
EV/EBITDA	72.5	52.4	39.6	31.7	28.1
Adjusted P/E	105.3	79.5	57.2	48.3	42.2
P/BV	14.5	12.8	11.3	9.7	8.4

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.2	73.9	74.5	74.0	74.0
Interest burden (PBT/EBIT)	138.3	120.1	113.1	106.7	106.7
EBIT margin (EBIT/Revenue)	9.2	12.1	13.2	13.6	13.7
Asset turnover (Rev./Avg TA)	120.6	127.1	148.3	155.2	151.2
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.3	1.3	1.3
Adjusted ROAE	14.1	17.1	21.0	21.7	21.3

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	5.9	17.4	34.8	22.2	13.4
EBITDA	(15.1)	38.6	32.3	24.6	12.7
Adjusted EPS	(2.9)	32.4	38.9	18.6	14.3

### Profitability & Return ratios (%)

EBITDA margin	13.8	16.3	16.0	16.3	16.2
EBIT margin	9.2	12.1	13.2	13.6	13.7
Adjusted profit margin	9.5	10.8	11.1	10.8	10.8
Adjusted ROAE	14.1	17.1	21.0	21.7	21.3
ROCE	10.9	15.3	20.4	22.6	23.9

### Working capital days (days)

Receivables	55	50	48	55	56
Inventory	0	0	0	0	0
Payables	41	44	41	42	44

### Ratios (x)

Gross asset turnover	8.6	11.4	17.1	21.4	26.3
Current ratio	2.2	1.8	2.1	2.2	2.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets



## Financials – TCS

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>1,569,490</b>	<b>1,641,770</b>	<b>1,897,491</b>	<b>2,170,173</b>	<b>2,386,124</b>
EBITDA	421,100	465,460	528,779	612,597	673,540
Depreciation	35,300	40,650	44,155	48,428	39,629
EBIT	385,800	424,810	484,624	564,169	633,912
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	36,680	24,970	28,710	28,109	38,972
Exceptional items	0	0	0	0	0
EBT	422,480	449,780	513,334	592,278	672,884
Income taxes	98,010	111,980	129,983	151,031	171,585
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(1,070)	(1,320)	(820)	(600)	(600)
<b>Reported net profit</b>	<b>323,400</b>	<b>336,480</b>	<b>382,530</b>	<b>440,647</b>	<b>500,698</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>323,400</b>	<b>336,480</b>	<b>382,530</b>	<b>440,647</b>	<b>500,698</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	292,440	371,480	327,512	374,578	411,852
Provisions	0	0	0	0	0
Debt funds	69,060	65,030	65,030	65,030	65,030
Other liabilities	0	0	0	0	0
Equity capital	3,750	3,700	3,700	3,700	3,700
Reserves & surplus	0	0	0	0	0
Shareholders' fund	847,490	871,080	1,070,280	1,299,400	1,559,662
<b>Total liab. and equities</b>	<b>1,208,990</b>	<b>1,307,590</b>	<b>1,462,822</b>	<b>1,739,008</b>	<b>2,036,544</b>
Cash and cash eq.	86,460	68,580	148,407	322,785	527,621
Accounts receivables	305,320	300,790	363,902	416,197	457,613
Inventories	0	0	0	0	0
Other current assets	239,510	295,170	311,916	356,741	392,240
Investments	273,760	318,440	318,440	318,440	318,440
Net fixed assets	198,410	196,690	190,485	185,461	193,555
CWIP	0	0	0	0	0
Intangible assets	19,930	22,780	22,780	22,780	22,780
Deferred tax assets, net	28,280	39,310	39,310	39,310	39,310
Other assets	57,320	65,830	67,582	77,294	84,985
<b>Total assets</b>	<b>1,208,990</b>	<b>1,307,590</b>	<b>1,462,822</b>	<b>1,739,007</b>	<b>2,036,543</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>328,975</b>	<b>372,880</b>	<b>273,217</b>	<b>401,800</b>	<b>454,623</b>
Capital expenditures	(119,970)	(38,930)	(37,950)	(43,403)	(47,722)
Change in investments	(75,780)	44,680	0	0	0
Other investing cash flows	36,680	24,970	28,710	28,109	38,972
<b>Cash flow from investing</b>	<b>(159,070)</b>	<b>30,720</b>	<b>(9,240)</b>	<b>(15,294)</b>	<b>(8,751)</b>
Equities issued/Others	0	(259,499)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(155,685)	(161,981)	(184,150)	(212,128)	(241,036)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(155,685)</b>	<b>(421,480)</b>	<b>(184,150)</b>	<b>(212,128)</b>	<b>(241,036)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>14,220</b>	<b>(17,880)</b>	<b>79,827</b>	<b>174,378</b>	<b>204,836</b>
<b>Closing cash &amp; cash eq.</b>	<b>86,460</b>	<b>68,580</b>	<b>148,407</b>	<b>322,785</b>	<b>527,621</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	86.2	90.9	103.4	119.1	135.3
Adjusted EPS	86.2	90.9	103.4	119.1	135.3
Dividend per share	34.5	36.4	41.4	47.6	54.1
Book value per share	225.8	235.4	289.3	351.2	421.6

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	9.3	8.9	7.7	6.8	6.1
EV/EBITDA	34.8	31.5	27.8	23.9	21.6
Adjusted P/E	45.4	43.1	37.9	32.9	28.9
P/BV	17.3	16.6	13.5	11.1	9.3

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	76.5	74.8	74.5	74.4	74.4
Interest burden (PBT/EBIT)	109.5	105.9	105.9	105.0	106.1
EBIT margin (EBIT/Revenue)	24.6	25.9	25.5	26.0	26.6
Asset turnover (Rev./Avg TA)	133.1	130.5	137.0	135.6	126.4
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.4	1.4	1.3
Adjusted ROAE	37.0	39.2	39.4	37.2	35.0

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	7.2	4.6	15.6	14.4	10.0
EBITDA	6.6	10.5	13.6	15.9	9.9
Adjusted EPS	2.6	5.5	13.7	15.2	13.6

### Profitability & Return ratios (%)

EBITDA margin	26.8	28.4	27.9	28.2	28.2
EBIT margin	24.6	25.9	25.5	26.0	26.6
Adjusted profit margin	20.6	20.5	20.2	20.3	21.0
Adjusted ROAE	37.0	39.2	39.4	37.2	35.0
ROCE	35.8	37.6	39.0	41.4	44.2

### Working capital days (days)

Receivables	67	67	64	66	67
Inventory	0	0	0	0	0
Payables	86	103	93	82	84

### Ratios (x)

Gross asset turnover	10.1	8.3	9.8	11.5	12.6
Current ratio	2.4	2.0	2.7	3.1	3.6
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – TECHM

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>368,677</b>	<b>378,551</b>	<b>443,999</b>	<b>524,039</b>	<b>604,137</b>
EBITDA	57,261	68,471	83,048	104,314	120,285
Depreciation	14,458	14,577	14,204	16,769	19,332
EBIT	42,803	53,894	68,844	87,545	100,953
Net interest inc./(exp.)	(1,919)	(1,740)	(1,510)	(1,650)	(1,650)
Other inc./(exp.)	11,924	7,871	9,207	6,406	3,534
Exceptional items	0	0	0	0	0
EBT	52,753	59,530	76,551	92,341	102,896
Income taxes	11,604	15,999	19,567	22,623	25,210
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	1,301	762	663	1,640	2,060
<b>Reported net profit</b>	<b>42,505</b>	<b>44,281</b>	<b>57,638</b>	<b>71,317</b>	<b>79,687</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>42,505</b>	<b>44,281</b>	<b>57,638</b>	<b>71,317</b>	<b>79,687</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	103,830	102,292	115,561	136,394	157,241
Provisions	11,055	13,121	12,164	14,357	16,552
Debt funds	24,282	16,618	16,618	16,618	16,618
Other liabilities	12,304	12,304	12,304	12,304	12,304
Equity capital	4,359	4,370	4,370	4,370	4,370
Reserves & surplus	217,705	248,075	279,383	317,330	359,518
Shareholders' fund	222,064	252,445	283,753	321,700	363,888
<b>Total liab. and equities</b>	<b>373,535</b>	<b>396,780</b>	<b>440,401</b>	<b>501,373</b>	<b>566,603</b>
Cash and cash eq.	30,167	26,904	47,481	89,754	136,829
Accounts receivables	75,772	64,728	87,583	103,372	119,172
Inventories	358	242	242	242	242
Other current assets	121,702	110,932	114,225	120,804	127,387
Investments	61,046	104,436	104,436	104,436	104,436
Net fixed assets	76,047	80,405	77,301	73,633	69,404
CWIP	501	1,183	1,183	1,183	1,183
Intangible assets	33,877	40,082	40,082	40,082	40,082
Deferred tax assets, net	8,443	9,133	9,133	9,133	9,133
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>373,535</b>	<b>396,780</b>	<b>440,401</b>	<b>501,373</b>	<b>566,603</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>46,075</b>	<b>64,824</b>	<b>46,635</b>	<b>79,088</b>	<b>92,494</b>
Capital expenditures	(15,386)	(12,048)	(11,100)	(13,101)	(15,103)
Change in investments	(16,880)	43,390	0	0	0
Other investing cash flows	13,843	(64,787)	10,717	8,056	5,184
<b>Cash flow from investing</b>	<b>(18,423)</b>	<b>(33,445)</b>	<b>(383)</b>	<b>(5,045)</b>	<b>(9,920)</b>
Equities issued/Others	0	(569)	0	0	0
Debt raised/repaid	0	(13,624)	0	0	0
Interest expenses	0	(1,789)	0	0	0
Dividends paid	(17,912)	(18,660)	(25,676)	(31,770)	(35,499)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(17,912)</b>	<b>(34,642)</b>	<b>(25,676)</b>	<b>(31,770)</b>	<b>(35,499)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>9,740</b>	<b>(3,263)</b>	<b>20,576</b>	<b>42,273</b>	<b>47,075</b>
<b>Closing cash &amp; cash eq.</b>	<b>30,167</b>	<b>26,904</b>	<b>47,481</b>	<b>89,754</b>	<b>136,829</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	48.3	50.4	65.5	81.1	90.6
Adjusted EPS	48.3	50.4	65.5	81.1	90.6
Dividend per share	16.9	17.6	24.2	30.0	33.5
Book value per share	252.5	287.1	322.7	365.8	413.8

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	4.1	4.0	3.4	2.9	2.4
EV/EBITDA	26.4	22.1	18.2	14.3	12.2
Adjusted P/E	35.9	34.5	26.5	21.4	19.2
P/BV	6.9	6.1	5.4	4.7	4.2

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	80.6	74.4	75.3	77.2	77.4
Interest burden (PBT/EBIT)	123.2	110.5	111.2	105.5	101.9
EBIT margin (EBIT/Revenue)	11.6	14.2	15.5	16.7	16.7
Asset turnover (Rev./Avg TA)	104.1	98.3	106.1	111.3	113.1
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	1.6
<b>Adjusted ROAE</b>	<b>19.8</b>	<b>18.7</b>	<b>21.5</b>	<b>23.6</b>	<b>23.2</b>

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	6.1	2.7	17.3	18.0	15.3
EBITDA	(9.6)	19.6	21.3	25.6	15.3
Adjusted EPS	1.2	4.2	30.2	23.7	11.7
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	15.5	18.1	18.7	19.9	19.9
EBIT margin	11.6	14.2	15.5	16.7	16.7
Adjusted profit margin	11.5	11.7	13.0	13.6	13.2
Adjusted ROAE	19.8	18.7	21.5	23.6	23.2
ROCE	15.1	16.3	19.7	25.1	29.5

### Working capital days (days)

Receivables	72	68	63	67	67
Inventory	1	0	0	0	0
Payables	114	121	110	110	111

### Ratios (x)

Gross asset turnover	5.0	4.8	5.6	6.9	8.4
Current ratio	2.0	1.8	2.0	2.1	2.2
Net interest coverage ratio	(22.3)	(31.0)	(45.6)	(53.1)	(61.2)
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.3)</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets



## Financials – WPRO

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	613,401	622,425	803,966	917,042	1,001,507
EBITDA	124,867	144,560	173,514	205,800	224,812
Depreciation	20,281	20,540	26,531	30,262	33,050
EBIT	104,586	124,020	146,983	175,538	191,762
Net interest inc./(exp.)	16,752	15,824	14,602	20,411	21,177
Other inc./(exp.)	0	0	(63)	0	0
Exceptional items	0	0	0	0	0
EBT	120,589	139,844	161,522	195,948	212,939
Income taxes	24,799	30,345	33,569	42,904	46,625
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	495	716	153	200	200
<b>Reported net profit</b>	<b>95,295</b>	<b>108,783</b>	<b>127,800</b>	<b>152,844</b>	<b>166,114</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>95,295</b>	<b>108,783</b>	<b>127,800</b>	<b>152,844</b>	<b>166,114</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	0	0	0	0	0
Other current liabilities	156,761	164,725	178,414	203,508	222,252
Provisions	612	676	1,982	2,261	2,469
Debt funds	78,042	83,332	83,332	83,332	83,332
Other liabilities	2,825	4,633	4,633	4,633	4,633
Equity capital	11,427	10,958	10,958	10,958	10,958
Reserves & surplus	547,906	543,635	656,207	695,857	747,179
Shareholders' fund	559,333	554,593	667,165	706,815	758,137
<b>Total liab. and equities</b>	<b>797,573</b>	<b>807,959</b>	<b>935,527</b>	<b>1,000,549</b>	<b>1,070,824</b>
Cash and cash eq.	144,499	169,793	238,201	260,100	301,522
Accounts receivables	104,474	94,298	145,375	165,821	181,094
Inventories	1,865	1,064	6,608	7,537	8,232
Other current assets	108,891	111,925	170,705	194,714	212,649
Investments	203,345	191,811	193,261	193,261	193,261
Net fixed assets	81,120	85,192	84,661	82,399	77,349
CWIP	0	0	0	0	0
Intangible assets	147,374	152,212	152,212	152,212	152,212
Deferred tax assets, net	6,005	1,664	1,664	1,664	1,664
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>797,573</b>	<b>807,959</b>	<b>992,687</b>	<b>1,057,709</b>	<b>1,127,983</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>130,744</b>	<b>141,154</b>	<b>39,477</b>	<b>142,883</b>	<b>163,238</b>
Capital expenditures	(45,057)	(39,531)	(26,000)	(28,000)	(28,000)
Change in investments	34,579	26,907	(1,450)	0	0
Other investing cash flows	16,752	15,824	14,602	20,411	21,177
<b>Cash flow from investing</b>	<b>6,274</b>	<b>3,200</b>	<b>(12,848)</b>	<b>(7,589)</b>	<b>(6,823)</b>
Equities issued/Others	(105,000)	(95,000)	0	(95,000)	(95,000)
Debt raised/repaid	0	0	0	0	0
Interest expenses	(4,601)	(3,335)	0	0	0
Dividends paid	(11,469)	(13,092)	(15,381)	(18,395)	(19,992)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(121,070)</b>	<b>(111,427)</b>	<b>(15,381)</b>	<b>(113,395)</b>	<b>(114,992)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>15,949</b>	<b>32,927</b>	<b>11,248</b>	<b>21,899</b>	<b>41,423</b>
<b>Closing cash &amp; cash eq.</b>	<b>194,025</b>	<b>226,952</b>	<b>238,201</b>	<b>260,100</b>	<b>301,522</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	16.7	19.7	23.1	27.7	30.1
Adjusted EPS	16.7	19.7	23.1	27.7	30.1
Dividend per share	1.7	2.0	2.3	2.8	3.0
Book value per share	97.9	100.4	120.8	128.0	137.2

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	6.3	6.0	4.6	4.0	3.7
EV/EBITDA	30.8	25.9	21.4	17.9	16.3
Adjusted P/E	41.6	35.2	30.0	25.1	23.1
P/BV	7.1	6.9	5.7	5.4	5.1

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	79.0	77.8	79.1	78.0	78.0
Interest burden (PBT/EBIT)	115.3	112.8	109.9	111.6	111.0
EBIT margin (EBIT/Revenue)	17.1	19.9	18.3	19.1	19.1
Asset turnover (Rev./Avg TA)	75.2	77.5	89.3	89.5	91.6
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.5	1.5	1.5
Adjusted ROAE	16.9	19.5	20.9	22.2	22.7

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	4.1	1.5	29.2	14.1	9.2
EBITDA	2.6	15.8	20.0	18.6	9.2
Adjusted EPS	11.6	18.1	17.5	19.6	8.7
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	20.4	23.2	21.6	22.4	22.4
EBIT margin	17.1	19.9	18.3	19.1	19.1
Adjusted profit margin	15.5	17.5	15.9	16.7	16.6
Adjusted ROAE	16.9	19.5	20.9	22.2	22.7
ROCE	20.7	25.6	29.6	33.3	35.5
<b>Working capital days (days)</b>					
Receivables	61	58	54	62	63
Inventory	2	1	2	3	4
Payables	113	118	95	94	96
<b>Ratios (x)</b>					
Gross asset turnover	8.1	7.5	9.5	11.0	12.5
Current ratio	2.3	2.3	3.1	3.1	3.1
Net interest coverage ratio	6.2	7.8	10.1	8.6	9.1
Adjusted debt/equity	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Disclaimer

### Recommendation scale: Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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