

Wipro

Performance Highlights

(₹ cr)	2QFY13	1QFY13	% chg (qoq)	2QFY12	% chg (yoy)
Net revenue	10,657	10,653	0.0	9,095	17.2
EBITDA	2,138	2,143	(0.2)	1,740	22.9
EBITDA margin (%)	20.1	20.1	(5)bp	19.1	93bp
PAT	1,617	1,580	2.3	1,301	24.3

Source: Company, Angel Research

For 2QFY2013, Wipro's results came in largely in line with our estimates. The IT services USD revenue growth came in at 1.7% qoq. One key negative thing was the tepid volume growth of 0.2% qoq (way below other peer companies), but on the positive side the company has been able to maintain its pricing as against peer companies and also despite giving wage hikes, the decline in EBIT margin of IT services was much less than expected (31bp qoq). For 3QFY2013, the management has given a USD revenue guidance of US\$1,560mn-1,590mn, which translates into a qoq growth of 1.1-3.1%. **We maintain Buy rating on the stock.**

Quarterly highlights: For 2QFY2013, Wipro posted almost flat revenue to ₹10,657cr. Wipro's EBITDA and EBIT margins declined slightly by 5bp and 13bp qoq to 20.1% and 17.4%, respectively. The PAT came in at ₹1,617cr, up 2.3% qoq, aided by ₹270cr finance income.

Outlook and valuation: For 3QFY2013, the management has given USD revenue guidance of US\$1,560mn-1,590mn, which translates into qoq growth of 1.1-3.1%, (lower than our expectation of 1.5-3.5%) because of continued weakness in IT spend from investment banks, India region and seasonally weak 3Q. Wipro has chosen its growth strategy to revolve around focusing on selected few segments in terms of industry verticals and services. We expect Wipro's transition will take longer than anticipated earlier and the uncertain macro environment will further push the timeline. We expect USD and INR revenue CAGR for IT services to be at 8.9% and 13.3%, respectively over FY2012-14E. On a consolidated level, we expect Wipro's revenue to post a CAGR of 12.8% over FY2012-14E. We expect a 12.8% and 11.1% CAGR in EBITDA and PAT over FY2012-14E. The stock is currently trading at 14.0x FY2013E and 13.0x FY2014E EPS. We value the stock at 15x FY2014E EPS of ₹28.1, which gives us a target price of ₹421. **We maintain Buy rating on the stock.**

Key financials (Consolidated, IFRS)

Y/E March (₹ cr)	FY2010*	FY2011	FY2012	FY2013E	FY2014E
Net sales	27,124	31,099	37,525	43,219	47,241
% chg	6.2	14.7	20.7	15.2	9.3
Net profit	4,594	5,297	5,573	6,420	6,882
% chg	18.5	15.3	5.2	15.2	7.2
EBITDA margin (%)	21.9	21.2	19.8	20.0	20.0
EPS (₹)	18.9	21.7	22.7	26.1	28.1
P/E (x)	19.3	16.8	16.1	14.0	13.0
P/BV (x)	4.1	3.7	3.1	2.7	2.3
RoE (%)	23.4	22.0	19.5	19.3	17.9
RoCE (%)	15.6	15.5	14.7	15.0	14.4
EV/Sales (x)	3.0	2.6	2.1	1.7	1.5
EV/EBITDA (x)	13.8	12.2	10.8	8.7	7.4

Source: Company, Angel Research; Note: *Adjusted for 2:3 bonus

BUY

CMP	₹365
Target Price	₹421

Investment Period	-
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Stock Info	
Sector	IT
Market Cap (₹ cr)	89,540
Net debt (₹ cr)	(7,443)
Beta	0.5
52 Week High / Low	452/326
Avg. Daily Volume	129,133
Face Value (₹)	2
BSE Sensex	18,755
Nifty	5,698
Reuters Code	WIPR.BO
Bloomberg Code	WPRO@IN

Shareholding Pattern (%)	
Promoters	78.3
MF / Banks / Indian Fls	3.5
FII / NRIs / OCBs	6.5
Indian Public / Others	11.7

Abs. (%)	3m	1yr	3yr
Sensex	8.9	7.4	18.0
Wipro	7.3	(2.4)	0.1

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Exhibit 1: 2QFY2013 performance (Consolidated, IFRS)

Y/E March (₹ cr)	2QFY13	1QFY13	% chg (qoq)	2QFY12	% chg (yoy)	1HFY13	1HFY12	% chg (yoy)
Net revenue	10,657	10,653	0.0	9,095	17.2	21,310	17,659	20.7
Cost of revenue	7,037	7,017	0.3	6,246	12.7	14,053	12,500	12.4
Gross profit	3,620	3,636	(0.5)	2,849	27.1	7,256	5,159	40.7
SG&A expense	1,482	1,494	(0.8)	1,109	33.6	2,976	2,176	36.8
EBITDA	2,138	2,143	(0.2)	1,740	22.9	4,281	3,469	23.4
Dep. and amortization	280	270	3.4	252	10.9	550	486	13.2
EBIT	1,859	1,872	(0.7)	1,488	24.9	3,731	2,983	25.1
Other income	270	133		86		402	230	
PBT	2,125	1,994	6.5	1,584	34.1	4,119	3,233	27.4
Income tax	508	405	25.5	284	78.8	913	594	53.7
PAT	1,617	1,590	1.7	1,300	24.4	3,207	2,640	21.5
Minority interest	-	10	(100.0)	(1)	(100.0)	10	4	148.7
Adj. PAT	1,617	1,580	2.3	1,301	24.3	3,197	2,636	21.3
Diluted EPS (₹)	6.6	6.4	1.9	5.3	22.9	13.0	10.8	20.5
Gross margin (%)	34.0	34.1	(17)bp	31.3	265bp	34.1	29.2	484bp
EBITDA margin (%)	20.1	20.1	(5)bp	19.1	93bp	20.1	19.6	44bp
EBIT margin (%)	17.4	17.6	(13)bp	16.4	108bp	17.5	16.9	62bp
PAT margin (%)	17.7	16.1	163bp	14.3	341bp	16.9	16.2	66bp

Source: Company, Angel Research

Exhibit 2: 2QFY2013 – Actual vs Angel estimates

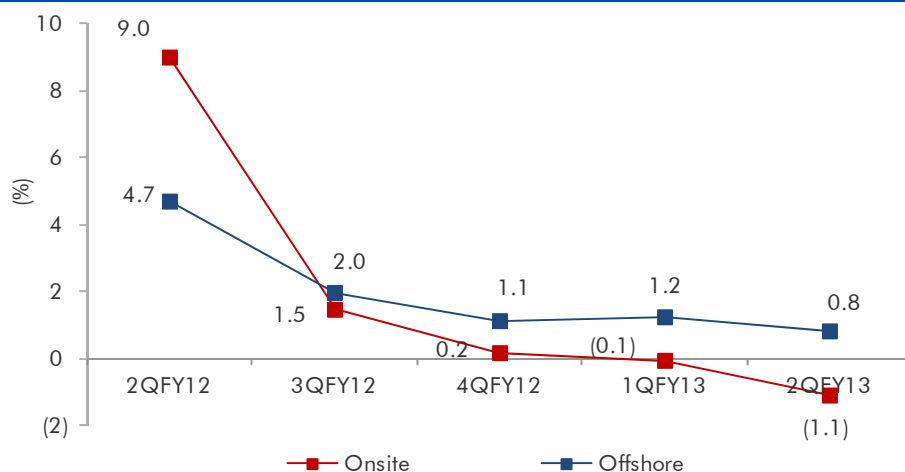
(₹ cr)	Actual	Estimate	Variation (%)
Net revenue	10,657	10,990	(3.0)
EBITDA margin (%)	20.1	18.7	135bp
PAT	1,617	1,446	11.8

Source: Company, Angel Research

Decent results

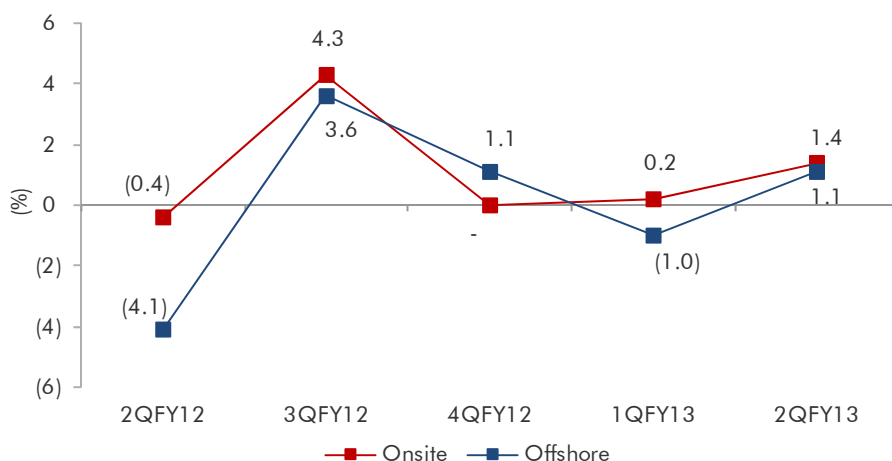
For 2QFY2013, Wipro's IT services revenue came largely in-line with expectations at US\$1,541mn, up 1.7% qoq, primarily led by 1.4% and 1.1% qoq onsite and offshore pricing increase, respectively, in constant currency (CC) terms. Volume growth was again tepid at 0.2% qoq in global IT services. Volume growth of 0.2% qoq in global IT services came on the back of 0.8% qoq offshore volume growth and 1.1% qoq onsite volume decline. In INR terms, revenue of the IT services segment came in at ₹8,373cr, up 0.7% qoq.

Exhibit 3: Volume trend (Effort wise)



Source: Company, Angel Research

Exhibit 4: Pricing trend (Effort wise, CC basis)



Source: Company, Angel Research

Industry wise, Wipro's growth was led by energy and utilities (contributed 15.1% to revenue) and financial solutions (contributed 27.0% to revenue) industry segments, which reported revenue growth of 7.4% and 3.6% qoq, respectively. In tandem with its peers, Wipro reported a decline in revenues from global media and telecom, revenues of which declined by 1.9% qoq. The management indicated that revenue growth from the telecom industry is expected to remain sluggish for the next few quarters. Revenue from healthcare, lifesciences and services and manufacturing and hi-tech declined by 4.4% and 0.6% qoq, respectively. The management indicated that retail banking and some pockets of insurance are expected to perform well going ahead.

Exhibit 5: Revenue growth (Service wise – CC basis)

	% to revenue	% growth (qoq)	% growth (yoy)
Global media and telecom	14.4	(1.9)	0.9
Financial solutions	27.0	3.6	6.5
Manufacturing and hi-tech	19.0	(0.6)	8.3
Healthcare, life sciences and services	9.5	(4.4)	3.8
Retail and transportation	15.0	1.1	10.1
Energy and utilities	15.1	7.4	16.0

Source: Company, Angel Research

Service wise, Wipro's anchor service lines, business application services (contributed 30.7% to revenue) and technology infrastructure services (contributed 23.2% to revenue) posted 1.8% and 3.6% qoq, respectively. Revenues from application development and maintenance (ADM) (contributed 22.1% to revenue) remained almost flat qoq. Revenue from analytics and information management services and BPO posted 0.7% and 5.7% qoq revenue growth, respectively. The management indicated that analytics, mobility and data will be the next growth drivers for the overall IT industry and is making continuous investments in these areas.

Exhibit 6: Revenue growth (Service wise)

Service verticals	% to revenue	% growth (qoq)	% growth (yoy)
Technology infrastructure services	23.2	3.6	10.4
Analytics and information management	7.1	0.7	12.5
Business application services	30.7	1.8	5.2
BPO	8.7	5.7	3.4
Product engineering and mobility	8.2	(1.5)	2.1
ADM	22.1	(0.2)	(2.3)
R&D business	11.6	(1.8)	(2.6)
Consulting	2.4	(0.2)	(19.5)

Source: Company, Angel Research

Geography wise, Wipro's primary revenue growth came in from almost all geographies except Japan. Revenue from the US and Europe grew by 1.3% and 1.7% qoq (CC terms), respectively.

Exhibit 7: Revenue growth (Geography wise, CC basis)

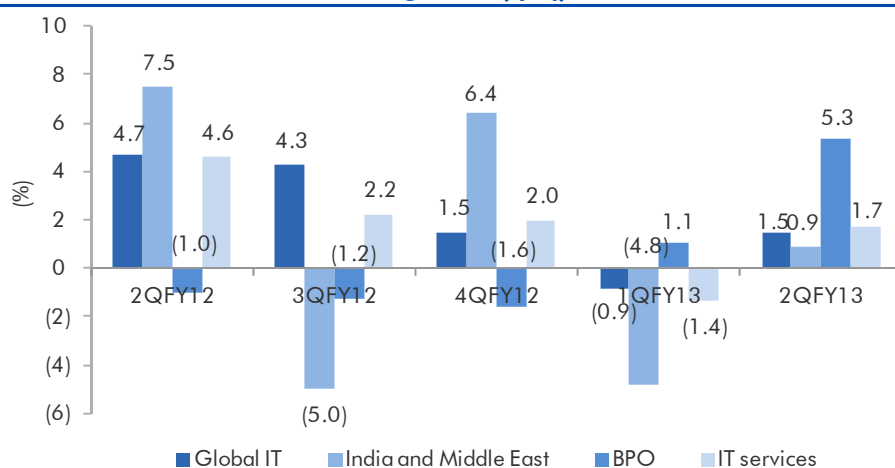
	% to revenue	% growth (qoq)	% growth (yoy)
America	51.5	1.3	4.3
Europe	28.2	1.7	6.3
Japan	1.1	(11.9)	(7.1)
India and Middle East	8.6	0.7	14.7
APAC and other emerging markets	10.6	2.4	25.1

Source: Company, Angel Research

Segmental performance

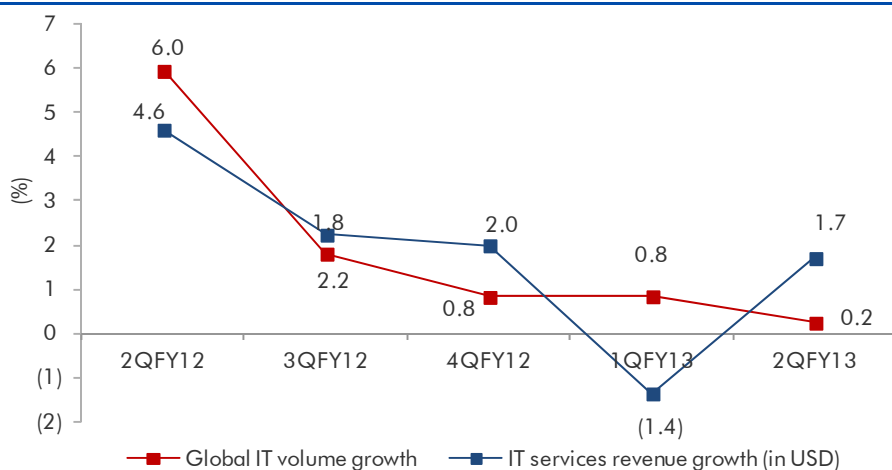
During the quarter, the IT services segment's revenue came in at US\$1,541mn, up 1.7% qoq, with BPO being the major growth dragger, the revenues from which grew by 5.3% qoq. Revenue from global IT services came in at US\$1,166mn, up 1.5% qoq, while revenue from India and Middle East business grew by 0.9% qoq.

Exhibit 8: IT services – Revenue growth (qoq)



Source: Company, Angel Research

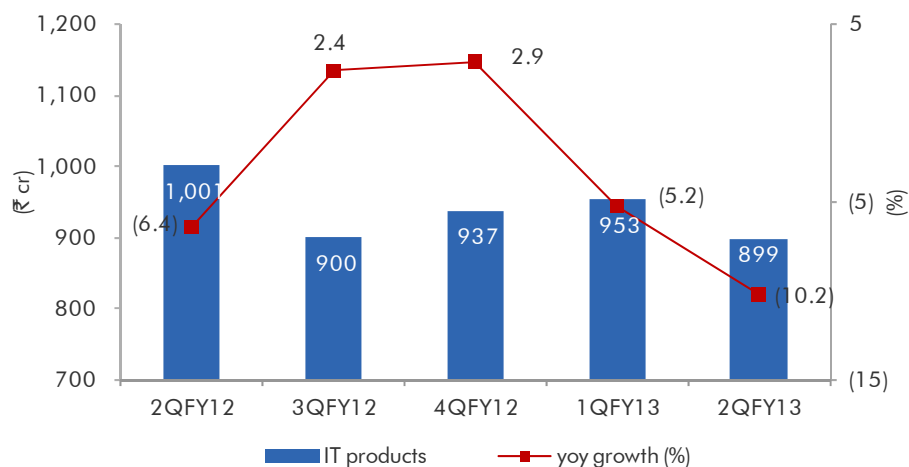
Exhibit 9: Global IT services revenue trend



Source: Company, Angel Research

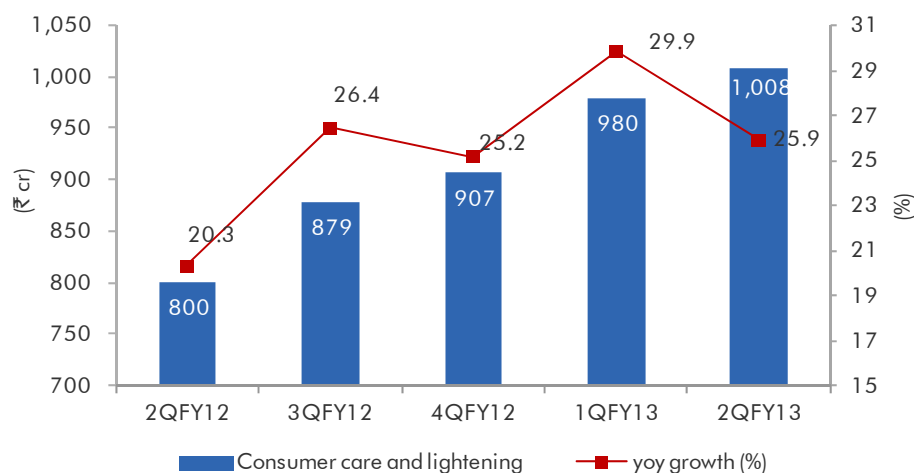
The IT products segment reported a 10.2% yoy decline in its revenue to ₹899cr during the quarter. The consumer care and lighting segment posted another strong quarter with a 25.9% yoy growth in revenue to ₹1,008cr, with brands like Yardley and Santoor bolstering growth. In the lighting business, Wipro is gaining traction in its eco-energy business, which involves managing energy through the use of renewable products.

Exhibit 10: IT products – Revenue growth (yoy)



Source: Company, Angel Research

Exhibit 11: Consumer care and lighting – Revenue growth (yoy)



Source: Company, Angel Research

On a consolidated level, Wipro’s revenue came in at ₹10,657cr, almost flat qoq.

Hiring and utilization

Wipro reported net addition of 2,017 employees in its IT services employee base, with its employee base now standing at 140,569. Voluntary attritions (annualized) in the global IT business declined to 14.4% in 2QFY2012 from 15.2% in 1QFY2013. The attrition rate (quarterly) in BPO increased to 14.4% in 2QFY2013 from 13.4% in 1QFY2013.

Exhibit 12: Employee pyramid

Employee pyramid	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13
Utilization – Global IT (%)	69.3	67.1	67.4	68.3	66.8
Attrition (%)					
Global IT	18.5	14.2	14.4	15.2	14.4
BPO	14.1	13.9	15.1	13.4	14.4
Net additions	5,240	5,004	(814)	2,632	2,017

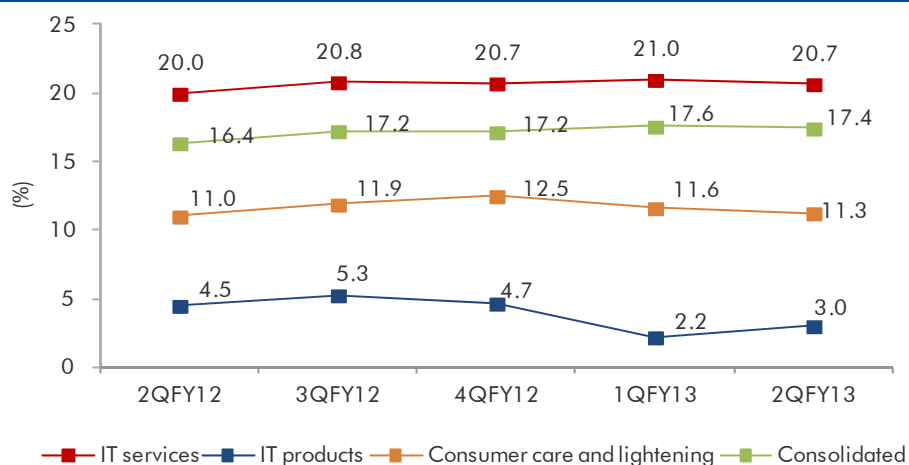
Source: Company, Angel Research

Utilization rate of the global IT business declined by 150bp qoq to 66.8% as the company added freshers into the system. Going ahead, increased utilization level will be an important margin lever.

Margins decline, but stood above estimates

During 2QFY2013, Wipro’s EBITDA and EBIT margins declined slightly by 5bp and 13bp qoq to 20.1% and 17.4%, respectively. Despite having the wage hike impact during the quarter, the EBIT margin of the IT services business came in at 20.7% (down 31bp qoq) vs our estimate of 19.3%, which was a positive surprise. The management indicated that a dedicated hunting team has been set to look out for potential large clients. The EBIT margin of the IT products business segment increased by 81bp qoq to 3.0%, while EBIT margin of consumer care and lighting business segment declined by 37bp qoq to 11.3%.

Exhibit 13: Segment-wise EBIT margin trend



Source: Company, Angel Research

Client pyramid

Wipro added 53 new clients in 2QFY2013 with its active client base increasing to 939 from 919 in 1QFY2013. The company's client pyramid witnessed qualitative improvement, with one client getting added each in the US\$100mn plus and US\$75mn-100mn revenue brackets. The company's revenue from top5/10 clients grew by 8.4%/8.5% qoq, respectively.

Exhibit 14: Client metrics

Particulars	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13
US\$100mn plus	5	6	7	8	9
US\$75mn-\$100mn	8	8	9	6	7
US\$50mn-\$75mn	11	11	9	11	9
US\$20mn-\$50mn	46	48	50	48	46
US\$10mn-\$20mn	50	48	46	58	62
US\$5mn-\$10mn	72	76	87	82	62
US\$3mn-\$5mn	75	87	84	89	85
US\$1mn-\$3mn	195	178	183	176	182
New clients	44	39	41	37	53
Active customers	930	953	943	919	939

Source: Company, Angel Research

Outlook and valuation

For 3QFY2013, the management has given a USD revenue guidance of US\$1,560mn-1,590mn, which translates into a qoq growth of 1.1-3.1%, (lower than our expectation of 1.5-3.5%) because of continued weakness in IT spend from investment banks, India region and a seasonally weak 3Q. The senior management team indicated that the demand scenario remains volatile due to uncertainty across the globe but outsourcing/offshoring as a means of driving productivity as well as cost benefits remains crucial to clients. Wipro has chosen its growth strategy to revolve around focusing on selected few segments in terms of industry verticals and services. With sluggish revenue growth in 1HFY2013 and lackluster 3QFY2013 guidance, for Wipro to achieve Nasscom's industry guidance for FY2013 of USD revenue growth 11-14% seems unattainable. We expect Wipro's transition to take longer than anticipated earlier and the uncertain macro environment will further push the timeline. We expect USD and INR revenue CAGR for IT services to be at 8.9% and 13.3%, respectively over FY2012-14E. On a consolidated level, we expect Wipro's revenue to post a CAGR of 12.8% over FY2012-14E.

Wipro has been performing well on the operating margin front since the past four quarters by rationalizing costs. At the operating front, Wipro has tailwinds of improving utilization level and headwinds of moderate volume growth. We expect a 12.8% and 11.1% CAGR in EBITDA and PAT over FY2012-14E. The stock is currently trading at 14.0x FY2013E and 13.0x FY2014E EPS. **We value the stock at 15x FY2014E EPS of ₹28.1, which gives us a target price of ₹421. We maintain our Buy rating on the stock.**

Exhibit 15: Key assumptions

	FY2013	FY2014
Revenue growth – IT services (USD)	5.8	12.1
USD-INR rate (realized)	53.8	52.0
Revenue growth – Consolidated (₹)	15.2	9.3
EBITDA margin (%)	20.0	20.0
Tax rate (%)	17.4	17.5
EPS growth (%)	15.2	7.5

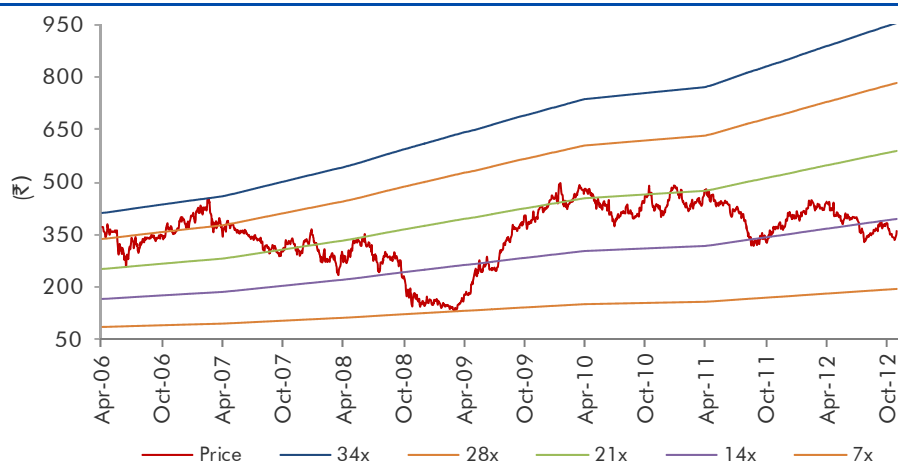
Source: Company, Angel Research

Exhibit 16: Change in estimates

Parameter (₹ cr)	FY2013E			FY2014E		
	Earlier estimates	Revised estimates	Variation (%)	Earlier estimates	Revised estimates	Variation (%)
Net revenue	43,800	43,219	(1.3)	48,332	47,241	(2.3)
EBITDA	8,559	8,642	1.0	9,339	9,439	1.1
Other income	670	902	34.7	1,004	1,012	0.7
PBT	8,078	8,386	3.8	9,095	9,230	1.5
Tax	1,773	1,936	9.2	2,183	2,307	5.7
PAT	6,265	6,420	2.5	6,872	6,882	0.2

Source: Company, Angel Research

Exhibit 17: One-year forward PE chart



Source: Company, Angel Research

Exhibit 18: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2014E EBITDA (%)	FY2014E P/E (x)	FY2011-14E EPS CAGR (%)	FY2014E RoCE (%)	FY2014E RoE (%)
HCL Tech	Accumulate	613	648	5.8	18.1	12.8	10.1	1.5	22.0
Hexaware	Buy	113	135	19.3	21.1	9.3	11.1	1.2	24.1
Infosys	Accumulate	2,389	2,573	7.7	30.4	13.9	5.6	2.7	23.1
Infotech Enterprises	Neutral	194	202	4.0	17.3	9.6	11.6	0.7	14.0
KPIT Cummins	Accumulate	124	132	6.8	15.0	10.3	14.5	0.9	19.8
Mahindra Satyam	Accumulate	109	115	5.8	18.8	10.4	0.7	1.1	22.9
MindTree	Buy	646	747	15.7	17.7	8.6	11.6	0.8	19.7
Mphasis	Neutral	388	392	0.9	16.9	10.4	(0.5)	0.8	12.6
NIIT	Accumulate	34	36	6.2	11.0	5.3	(1.5)	0.3	14.3
Persistent	Neutral	478	485	1.4	24.6	8.9	15.1	1.0	17.9
TCS	Accumulate	1,331	1,410	5.9	29.1	17.5	12.0	3.6	29.1
Tech Mahindra	Accumulate	954	1046	9.7	17.1	9.6	4.2	1.7	20.5
Wipro	Buy	365	421	15.4	20.0	13.0	7.4	1.5	17.9

Source: Company, Angel Research

Company background

Wipro is one of the leading Indian companies, majorly offering IT services. The company is also engaged in the IT hardware (11% of sales) and consumer care and lighting (10% of sales) businesses. Wipro's IT arm is India's fourth largest IT firm, employing more than 1,40,000 professionals, offering a wide portfolio of services such as ADM, consulting and package implementation, and servicing more than 900 clients.

Profit & Loss account (Consolidated, IFRS)

Y/E March (₹ cr)	FY2010*	FY2011	FY2012	FY2013E	FY2014E
Net revenue	27,124	31,099	37,525	43,219	47,241
Cost of revenues	18,630	21,285	26,317	29,729	32,425
Gross profit	8,494	9,814	11,207	13,491	14,816
% of net sales	31.3	31.6	29.9	31.2	31.4
Selling and mktg exp.	1,861	2,218	2,778	3,609	4,021
% of net sales	6.9	7.1	7.4	8.3	8.5
General and admin exp.	1,482	1,829	2,029	2,365	2,536
% of net sales	5.5	5.9	5.4	5.5	5.4
Depreciation and amortization	783	821	1,013	1,125	1,181
% of net sales	2.9	2.6	2.7	2.6	2.5
EBIT	5,151	5,767	6,401	7,517	8,258
% of net sales	19.0	18.5	17.1	17.4	17.5
Other income, net	337	472	541	902	1,012
Share in profits of eq. acc. ass.	53	64.8	33.3	-33.7	-40
Profit before tax	5,541	6,303	6,975	8,386	9,230
Provision for tax	929	971	1,376	1,936	2,307
% of PBT	16.8	15.4	19.7	23.1	25.0
PAT	4,612	5,332	5,599	6,449	6,922
Share in earnings of associate	-	-	-	-	-
Minority interest	18	35	26	30	40
Adj. PAT	4,594	5,297	5,573	6,420	6,882
Diluted EPS (₹)	18.9	21.7	22.7	26.1	28.1

Note: *Adjusted for 2:3 bonus

Balance sheet (Consolidated, IFRS)

Y/E March (₹ cr)	FY2010*	FY2011	FY2012	FY2013E	FY2014E
Assets					
Goodwill	5,380	5,482	6,794	6,794	6,794
Intangible assets	401	355	423	423	423
Property, plant & equipment	5,346	5,509	5,899	5,974	5,993
Investment in equ. acc. investees	235	299	323	323	323
Derivative assets	120	298	346	346	346
Non-current tax assets	346	924	1,029	1,188	1,234
Deferred tax assets	169	147	260	300	350
Other non-current assets	878	898	1,178	1,569	1,943
Total non-current assets	12,875	13,913	16,251	16,917	17,406
Inventories	793	971	1,066	1,089	1,165
Trade receivables	5,093	6,163	8,033	8,289	9,060
Other current assets	2,111	1,974	2,574	2,632	2,700
Unbilled revenues	1,671	2,415	3,003	3,197	3,495
Available for sale investments	3,042	4,928	4,196	8,835	12,089
Current tax assets	660	496	564	725	900
Derivative assets	262	171	147	273	350
Cash and cash equivalents	6,488	6,114	7,767	8,196	10,082
Total current assets	20,118	23,231	27,349	33,237	39,840
Total assets	32,993	37,144	43,600	50,154	57,246
Equity					
Share capital	294	491	492	492	492
Share premium	2,919	3,012	3,046	3,046	3,046
Retained earnings	16,579	20,325	24,191	28,891	34,053
Share based payment reserve	314	136	198	198	198
Other components of equity	(440)	58	659	659	659
Shares held by controlled trust	(54)	(54)	(54)	(54)	(54)
Equity attrib. to shareholders of Co.	19,611	23,968	28,531	33,231	38,394
Minority interest	44	69	85	85	85
Total equity	19,655	24,037	28,616	33,316	38,479
Liabilities					
Long term loans and borrowings	1,811	1,976	2,251	2,401	2,551
Deferred tax liability	38	30	35	35	35
Derivative liabilities	288	259	31	31	31
Non-current tax liability	307	502	540	700	850
Other non-current liabilities	323	271	352	350	450
Provisions	10	8	6	6	6
Total non-current liabilities	2777	3045	3215	3523	3923
Loans and bank overdraft	4,440	3,304	3,645	4,078	4,350
Trade payables	3,875	4,405	4,726	5,701	6,218
Unearned revenues	746	660	957	750	900
Current tax liabilities	485	734	723	780	850
Derivative liabilities	138	136	635	635	635
Other current liabilities	650	591	970	1,220	1,620
Provisions	227	232	112	150	270
Total current liabilities	10,561	10,062	11,769	13,315	14,844
Total liabilities	13,338	13,107	14,984	16,838	18,767
Total equity and liabilities	32,993	37,144	43,600	50,154	57,246

Note: *Adjusted for 2:3 bonus

Cash flow statement (Consolidated, IFRS)

Y/E March (₹ cr)	FY2010*	FY2011	FY2012	FY2013E	FY2014E
Pre tax profit from operations	5,204	5,832	6,434	7,483	8,218
Depreciation	783	821	1,013	1,125	1,181
Expenses (deferred)/written off	(18)	(35)	(26)	(30)	(40)
Pre tax cash from operations	5,969	6,618	7,422	8,578	9,359
Other income/prior period ad	337	472	541	902	1,012
Net cash from operations	6,306	7,090	7,962	9,480	10,371
Tax	(929)	(971)	(1,376)	(1,936)	(2,307)
Cash profits	5,377	6,119	6,586	7,544	8,063
(Inc)/dec in current assets	(1,076)	(1,601)	(3,197)	(820)	(1,464)
Inc/(dec) in current liab.	237	(499)	1,707	1,547	1,529
Net trade working capital	(840)	(2,101)	(1,490)	727	65
Cashflow from oper. actv.	4,537	4,018	5,096	8,271	8,129
(Inc)/dec in fixed assets	(1,150)	(985)	(1,402)	(1,200)	(1,200)
(Inc)/dec in intangibles	182	(56)	(1,380)	-	-
(Inc)/dec in investments	(1,455)	(1,951)	708	(4,639)	(3,254)
(Inc)/dec in net def. tax assets	268	22	(113)	(40)	(50)
(Inc)/dec in derivative assets	(120)	(178)	(48)	-	-
(Inc)/dec in non-current tax asset	(346)	(578)	(105)	(160)	(46)
(Inc)/dec in minority interest	20	25	16	-	-
Inc/(dec) in other non-current liab	(436)	103	(105)	158	250
(Inc)/dec in other non-current ast.	(70)	(20)	(280)	(390)	(374)
Cashflow from investing activities	(3,107)	(3,616)	(2,709)	(6,271)	(4,674)
Inc/(dec) in debt	(157)	165	275	150	150
Inc/(dec) in equity/premium	982	617	713	0	(0)
Dividends	(679)	(1,558)	(1,723)	(1,720)	(1,720)
Cashflow from financing activities	146	(775)	(735)	(1,570)	(1,570)
Cash generated/(utilized)	1,576	(374)	1,653	430	1,885
Cash at start of the year	4,912	6,488	6,114	7,767	8,196
Cash at end of the year	6,488	6,114	7,767	8,196	10,082

Note: *Adjusted for 2:3 bonus

Key Ratios

Y/E March	FY2010*	FY2011	FY2012	FY2013E	FY2014E
Valuation ratio(x)					
P/E (on FDEPS)	19.3	16.8	16.1	14.0	13.0
P/CEPS	8.2	8.1	7.5	6.4	5.9
P/BVPS	4.1	3.7	3.1	2.7	2.3
Dividend yield (%)	1.1	1.6	1.6	1.6	1.6
EV/Sales	3.0	2.6	2.1	1.7	1.5
EV/EBITDA	13.8	12.2	10.8	8.7	7.4
EV/Total assets	2.5	2.2	1.8	1.5	1.2
Per share data (₹)					
EPS (Fully diluted)	18.9	21.7	22.7	26.1	28.1
Cash EPS	44.3	45.1	48.8	56.9	61.8
Dividend	4.0	6.0	6.0	6.0	6.0
Book value	89.3	98.0	116.6	136.0	157.1
DuPont analysis					
Tax retention ratio (PAT/PBT)	0.8	0.8	0.8	0.8	0.8
Cost of debt (PBT/EBIT)	7.1	7.7	6.9	7.5	7.8
EBIT margin (EBIT/Sales)	0.0	0.0	0.0	0.0	0.0
Asset turnover ratio (Sales/Assets)	0.8	0.8	0.9	0.9	0.8
Leverage ratio (Assets/Equity)	1.7	1.5	1.5	1.5	1.5
Operating ROE	23.5	22.2	19.6	19.4	18.0
Return ratios (%)					
RoCE (pre-tax)	15.6	15.5	14.7	15.0	14.4
Angel RoIC	28.5	28.0	25.8	28.6	29.2
RoE	23.4	22.0	19.5	19.3	17.9
Turnover ratios (x)					
Asset turnover(fixed assets)	0.9	0.9	0.9	0.9	0.9
Receivables days	67	66	69	69	68
Payable days	79	71	63	64	64

Note: *Adjusted for 2:3 bonus

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Disclosure of Interest Statement	Wipro
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

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Ratings (Returns):	Buy (> 15%) Reduce (-5% to 15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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