

India

**HOLD** (no change)

Consensus ratings\*: Buy 23 Hold 13 Sell 9

Current price:	Rs3,736
Target price: ▲	Rs3,734
Previous target:	Rs3,628
Up/downside:	0.0%
InCred Research / Consensus:	-3.3%

Reuters:	TCS.NS
Bloomberg:	TCS IN
Market cap:	US\$164,615m Rs13,668,570m
Average daily turnover:	US\$88.5m Rs7346.7m
Current shares o/s:	3,644.7m
Free float:	28.0%

\*Source: Bloomberg

**Key changes in this note**

- Expect 7.2% revenue CAGR over FY24F-26F.
- Expect 10.5% EBIT CAGR over FY24F-26F.
- Expect 11.6% PAT CAGR over FY24F-26F.

Price performance	1M	3M	12M
Absolute (%)	1.7	5.4	14.3
Relative (%)	(1.4)	(2.4)	(4.4)

Major shareholders	% held
FPI	12.5
LIC	4.8
Mutual Funds	3.5

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# Tata Consultancy Services

## Decent 3Q considering the environment

- 3QFY24 revenue and margin beat expectations led by BSNL deal ramp-up.
- 9MFY24 OCF/EBITDA at 68.6% was marginally lower yoy (71.1% in 9MFY23).
- Retain HOLD rating (with a higher target price of Rs3,734) as 3QFY24 is unlikely to drive a material change in FY25F EPS. Margin surprise is a key risk.

**3QFY24 results summary**

3QFY24 revenue of Tata Consultancy Services or TCS was up 1.7% yoy in constant currency or CC terms, with the beat driven by Bharat Sanchar Nigam (BSNL) deal ramp-up and aided by Europe/UK while North America geography, Financial Services (FSI), Technology & Services and Communication verticals were weak. However, the EBIT margin beat of 40/55bp relative to consensus/InCred estimates was encouraging, despite the shift in revenue mix. Management commentary on a likely growth in the FSI vertical from 4QFY24F (led by deal ramp-up and portfolio stability), potential further improvement in the EBIT margin (driven by operational efficiency), timely conversion (read our 27 Nov 2023 report) & ramp-up of deals and a healthy pipeline, despite recent wins, is encouraging, but is likely priced in consensus current FY25F estimates.

**Decent bookings despite mega deals, but could have been better**

3QFY24 order book at US\$8.1bn was up 3.8% yoy but down 27.7% qoq (down 12% qoq adjusted for mega deals in 2QFY24), with the TTM order book at US\$39.5bn, up 11.6% yoy. Vertical-wise, FSI order wins at US\$2.6bn were down/up 13.3%/4% qoq/yoy, respectively, while Consumer order wins were up 7.1% qoq but down 25% yoy. North America TCW at US\$4.2bn was down 6.7% qoq and flat yoy.

**EBIT margin beat encouraging despite the shift in revenue mix**

The EBIT margin (25%; up 75bp qoq and 48bp yoy) beat was led by the reduction in sub-contractor expenses (+70bp), operational efficiency (+60bp) and currency tailwinds (+25bp) offset by headwinds from seasonal furloughs and higher third-party expenses (-80bp). Management reiterated that the focus on productivity, utilization, realization and optimization of sub-contractor expenses could continue to aid the medium-term EBIT margin aspiration of 26-28%. We incorporate 3QFY24 margin beat and increase our FY24F-26F average margin assumption by 30bp to 24.7%

**Retain HOLD rating with a higher target price of Rs3,734**

We retain HOLD rating on TCS with a higher target price of Rs3,734 (Rs3,628 earlier) as we adjust our estimates for 3Q performance. We continue to model in a 7.2% US\$ revenue CAGR over FY23-26F but change in the EBIT margin assumption raises PAT (Rs) CAGR to 11.6% (vs. 11.5% earlier) and retain our 2x target PE/G multiple to arrive at a target P/E multiple of 23.7x. Cash conversion (OCF/EBITDA at ~76% over FY19-23), healthy return ratios & payout (~100% of FCF) provide cushion, in our view. Upside risk: Better revenue execution. Downside risk: Moderation led by slower order book conversion or leakage.

**Financial Summary**

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	1,917,540	2,254,580	2,420,780	2,626,017	2,889,319
Operating EBITDA (Rsm)	530,570	592,590	642,980	701,147	781,561
Net Profit (Rsm)	383,270	421,470	467,220	508,422	569,474
Core EPS (Rs)	103.6	115.2	128.2	140.8	157.8
Core EPS Growth	19.5%	11.2%	11.3%	9.9%	12.0%
FD Core P/E (x)	36.05	32.42	29.14	26.52	23.68
DPS (Rs)	43.0	115.0	54.0	112.7	126.2
Dividend Yield	1.15%	3.08%	1.45%	3.02%	3.38%
EV/EBITDA (x)	25.26	22.37	20.44	18.41	16.37
P/FCFE (x)	38.38	34.89	30.51	28.62	25.73
Net Gearing	(46.9%)	(45.7%)	(50.0%)	(55.0%)	(59.1%)
P/BV (x)	15.50	15.11	14.25	12.76	11.52
ROE	43.7%	46.9%	50.3%	50.5%	51.1%
% Change In Core EPS Estimates			2.57%	0.64%	0.73%
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 1: Quarterly performance**

Y/E Mar (Rs m)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	3QFY24F	Var. (%)
Revenue (US\$ m)	7,281	7,075	2.9	7,210	1.0	7,233	0.7
Revenue (Rs m)	6,05,830	5,82,290	4.0	5,96,920	1.5	6,02,481	0.6
USD-Rs realization	83.2	82.3	1.1	82.79	0.5	83.3	(0.1)
EBITDA	1,63,880	1,55,530	5.4	1,57,460	4.1	1,60,139	2.3
EBITDA margin (%)	27.1	26.7	34 bp	26.4	67 bp	26.6	47 bp
EBIT	1,51,550	1,42,840	6.1	1,44,830	4.6	1,47,392	2.8
EBIT margin (%)	25.0	24.5	48 bp	24.3	75 bp	24.5	55 bp
Depreciation	12,330	12,690	(2.8)	12,630	(2.4)	12,748	(3.3)
Net other income	6,320	3,600	75.6	8,470	(25.4)	8,170	(22.6)
PBT	1,57,870	1,46,440	7.8	1,53,300	3.0	1,55,562	1.5
Provision for tax	37,320	37,610	(0.8)	39,500	(5.5)	40,135	(7.0)
% tax rate	23.6	25.7	(204 bp)	25.8	(213 bp)	25.8	(216 bp)
Net profit	1,10,580	1,08,460	2.0	1,13,420	(2.5)	1,04,635	5.7
EPS (Rs)	30.3	29.6	2.0	31.0	(2.3)	28.6	5.7

SOURCES: INCRED RESEARCH, COMPANY REPORTS

### Key conference-call takeaways

- The deals signed by TCS were led by vendor consolidation and operating model transformation.
- Good deal pipeline in Europe, with the region likely to return to growth in the medium term.
- Generative AI continues to be the key theme driving demand for services. TCS has launched a new Cyber Insights platform which focuses on AI-powered threat detection. The company has launched Gen AI offering around industry value chains, responsible AI framework and invested in several centres of excellence innovation labs to develop accelerators, frameworks, and assets.
- Products & platforms witnessed good traction during 3QFY24. Ignio (Cognitive automation) had 27 new deal wins and 6 go-lives. TCS BaNCS (banking suite) had six new wins and three go-lives. Quartz (block chain platform) had one win and one go-live during 3QFY24. TCS HOBBS (suite for communication service providers) had one new win and two go-lives.
- TCS has commenced campus hiring and would recalibrate lateral hiring. The focus remains on optimizing capacity utilization. Reiterates 40k fresher addition target for FY25F.
- YTD, logged 39.7m employee learning hours and acquired 3.7m competencies.

Figure 2: Operating metric trends

Operating trends	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (US\$ m)	6,524	6,696	6,780	6,877	7,075	7,195	7,226	7,210	7,281
Growth YoY (%)	14.4	11.8	10.2	8.6	8.4	7.5	6.6	4.8	2.9
Growth QoQ (%)	3.0	2.6	1.3	1.4	2.9	1.7	0.4	-0.2	1.0
CC growth YoY (%)	15.4	14.3	15.5	15.4	13.5	10.7	7.0	2.8	1.7
CC growth QoQ (%)	4.0	3.2	3.5	3.9	2.3	0.7	0.0	-0.2	1.2
Revenue (Rs m)	4,88,850	5,05,910	5,27,580	5,53,090	5,82,290	5,91,620	5,93,810	5,96,920	6,05,830
Growth YoY (%)	16.4	15.8	16.2	18.0	19.1	16.9	12.6	7.9	4.0
Growth QoQ (%)	4.3	3.5	4.3	4.8	5.3	1.6	0.4	0.5	1.5
EBIT margin (%)	25.0	25.0	23.1	24.0	24.5	24.5	23.2	24.3	25.0
US\$-Rs realized rate	74.9	75.6	77.8	80.4	82.3	82.2	82.2	82.8	83.2
Headcount	5,56,986	5,92,195	6,06,331	6,16,171	6,13,974	6,14,795	6,15,318	6,08,985	6,03,305
LTM attrition (%)	15.3	17.4	19.7	21.5	21.3	20.1	17.8	14.9	13.3
Vertical (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
BFSI	32.1	31.9	32.1	33.6	33.1	32.9	32.5	32.6	31.7
Communication & Media	6.5	6.7	6.8	7.3	7.2	7.1	7.0	6.9	6.7
Manufacturing	9.9	10.0	9.9	8.2	8.2	8.2	8.3	8.5	8.6
Retail & CPG	15.1	15.4	15.9	16.1	16.0	16.0	16.1	15.9	15.7
Life Science & Health Care	9.9	10.0	10.1	10.7	10.8	10.9	11.0	10.9	10.9
Technology & services	8.7	8.7	8.8	9.1	9.0	8.9	8.7	8.6	8.4
Others	17.8	17.3	16.4	10.0	10.5	10.6	10.9	11.0	12.3
Vertical (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
BFSI	2,094	2,136	2,176	2,311	2,342	2,367	2,348	2,350	2,308
Communication & Media	424	449	461	502	509	511	506	497	488
Manufacturing	646	670	671	564	580	590	600	613	626
Retail & CPG	985	1,031	1,078	1,107	1,132	1,151	1,163	1,146	1,143
Life Science & Health Care	646	670	685	736	764	784	795	786	794
Technology & services	568	583	597	626	637	640	629	620	612
Others	1,161	1,158	1,112	688	743	763	788	793	896
Vertical yoy (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
BFSI	17.3	10.8	8.8	13.0	11.8	10.8	7.9	1.7	-1.4
Communication & Media	12.7	15.2	17.1	20.1	20.1	13.9	9.7	-0.9	-4.2
Manufacturing	18.0	16.5	11.3	-10.1	-10.2	-11.9	-10.6	8.7	7.9
Retail & CPG	19.2	18.7	18.4	16.6	14.9	11.6	7.9	3.5	1.0
Life Science & Health Care	15.6	15.3	9.1	16.2	18.3	17.1	16.1	6.8	3.9
Technology & services	15.7	15.8	12.7	12.3	12.2	9.9	5.4	-0.9	-3.9
Others	3.9	1.3	2.1	-37.6	-36.0	-34.2	-29.2	15.3	20.6
Vertical qoq (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
BFSI	2.4	2.0	1.9	6.2	1.3	1.1	-0.8	0.1	-1.8
Communication & Media	1.5	5.8	2.8	8.9	1.5	0.3	-1.0	-1.6	-1.9
Manufacturing	3.0	3.7	0.2	-16.0	2.9	1.7	1.7	2.2	2.2
Retail & CPG	3.7	4.7	4.5	2.7	2.2	1.7	1.1	-1.5	-0.3
Life Science & Health Care	2.0	3.7	2.3	7.5	3.8	2.6	1.4	-1.1	1.0
Technology & services	1.8	2.6	2.4	4.9	1.7	0.6	-1.8	-1.4	-1.4
Others	5.4	-0.2	-4.0	-38.2	8.0	2.7	3.3	0.7	12.9
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
BFSI	49	42	40	134	31	25	-19	2	-42
Communication & Media	6	25	12	41	7	1	-5	-8	-10
Manufacturing	19	24	2	-107	16	10	10	13	13
Retail & CPG	35	46	47	29	25	19	12	-17	-3
Life Science & Health Care	13	24	15	51	28	20	11	-9	8
Technology & services	10	15	14	29	11	4	-12	-9	-8
Others	59	-3	-46	-424	55	20	25	5	102
Geography (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North Americas	50.7	51.6	53.2	54.3	53.7	52.4	52.0	51.7	50.6
Latin Americas	1.7	1.7	1.8	1.7	1.8	1.8	2.0	2.0	2.1
Europe	16.0	15.5	15.2	14.5	14.8	15.1	14.9	14.9	15.0
UK	15.6	15.6	14.9	14.5	14.9	15.7	16.4	16.5	16.4
APAC	8.6	8.5	8.3	8.0	7.9	8.0	7.8	7.8	7.8
India	5.5	5.1	4.8	5.1	5.1	5.0	4.9	4.9	6.1
Rest of the world	1.9	2.0	1.8	1.9	1.8	2.0	2.0	2.2	2.0
Geography (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North Americas	3,308	3,455	3,607	3,734	3,799	3,770	3,758	3,728	3,684
Latin Americas	111	114	122	117	127	130	145	144	153
Europe	1,044	1,038	1,031	997	1,047	1,086	1,077	1,074	1,092
UK	1,018	1,045	1,010	997	1,054	1,130	1,185	1,190	1,194
APAC	561	569	563	550	559	576	564	562	568
India	359	341	325	351	361	360	354	353	444
Rest of the world	124	134	122	131	127	144	145	159	146
Geography yoy (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North Americas	18.1	18.7	18.6	17.2	14.9	9.1	4.2	-0.2	-3.0
Latin Americas	14.4	18.8	23.9	15.4	14.8	13.8	18.4	23.3	20.1
Europe	13.0	3.2	0.3	-1.0	0.3	4.7	4.5	7.7	4.3
UK	13.7	9.0	0.7	-2.2	3.6	8.1	17.3	19.3	13.3
APAC	1.4	1.1	-1.7	-3.5	-0.4	1.1	0.2	2.2	1.6
India	12.4	1.8	15.0	8.6	0.6	5.3	8.8	0.7	23.1
Rest of the world	8.7	11.8	-5.6	3.2	2.7	7.5	18.4	21.4	14.3
Geography qoq (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North Americas	3.8	4.5	4.4	3.5	1.7	-0.8	-0.3	-0.8	-1.2
Latin Americas	9.5	2.6	7.2	-4.2	8.9	1.7	11.6	-0.2	6.0
Europe	3.7	-0.6	-0.7	-3.2	5.0	3.8	-0.9	-0.2	1.7
UK	-0.2	2.6	-3.3	-1.3	5.7	7.2	4.9	0.4	0.4
APAC	-1.6	1.4	-1.1	-2.2	1.6	3.0	-2.1	-0.2	1.0

India	11.1	-4.8	-4.7	7.8	2.9	-0.3	-1.6	-0.2	25.7
Rest of the world	-2.1	8.0	-8.9	7.1	-2.5	13.0	0.4	9.8	-8.2
<b>Incremental revenue (US\$ m)</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North Americas	122.2	147.5	151.8	127.3	65.1	-29.1	-12.7	-29.9	-43.4
Latin Americas	9.6	2.9	8.2	-5.1	10.4	2.2	15.0	-0.3	8.7
Europe	36.9	-6.0	-7.3	-33.4	49.9	39.3	-9.8	-2.4	17.9
UK	-1.9	26.8	-34.4	-13.1	57.0	75.4	55.4	4.6	4.4
APAC	-8.9	8.1	-6.4	-12.6	8.8	16.7	-12.0	-1.2	5.5
India	35.8	-17.3	-16.1	25.3	10.1	-1.1	-5.7	-0.8	90.9
Rest of the world	-2.7	10.0	-11.9	8.6	-3.3	16.6	0.6	14.1	-13.0
<b>Deal wins (US\$ m)</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
TCV	7,600	11,300	8,200	8,100	7,800	10,000	10,200	11,200	8,100
QoQ	0.0	48.7	-27.4	-1.2	-3.7	28.2	2.0	9.8	-27.7
YoY	11.8	22.8	1.2	6.6	2.6	-11.5	24.4	38.3	3.8
LTM TCV	32,500	34,600	34,700	35,200	35,400	34,100	36,100	39,200	39,500
YoY	4.2	9.8	6.1	11.0	8.9	-1.4	4.0	11.4	11.6
<b>Client mining</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
US\$ 1 m clients	1,175	1,182	1,196	1,210	1,217	1,241	1,268	1,272	1,288
US\$ 5 m clients	619	638	650	650	658	665	677	688	693
US\$ 10 m clients	426	439	446	455	456	461	468	483	480
US\$ 20 m clients	255	268	272	283	290	291	296	292	299
US\$ 50 m clients	118	120	124	124	130	133	137	137	137
US\$ 100 m clients	58	58	59	59	59	60	60	61	61
<b>Per employee analysis</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Revenue (US\$ m) - TTM	25,000	25,707	26,333	26,877	27,428	27,927	28,373	28,706	28,912
Employees (average TTM)	5,20,860	5,46,747	5,71,065	5,92,921	6,07,168	6,12,818	6,15,065	6,13,268	6,10,601
Revenue per employee (TTM)	47,998	47,018	46,112	45,330	45,174	45,571	46,130	46,808	47,350

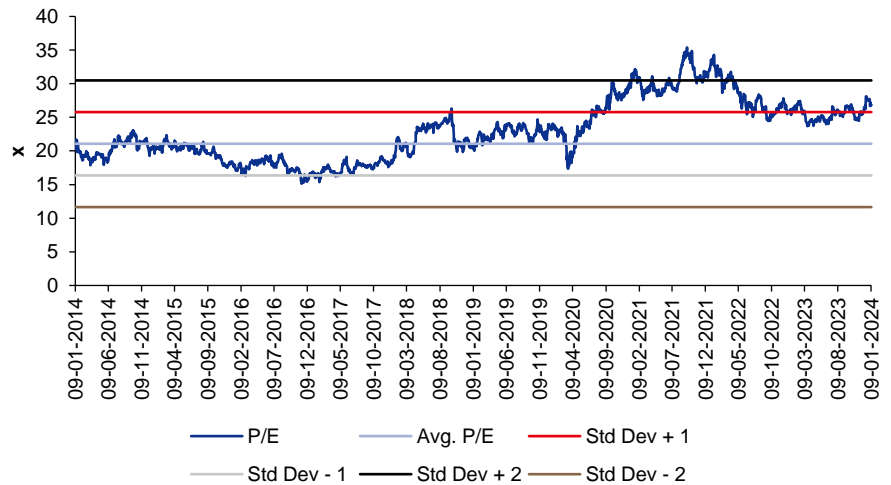
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in earnings estimate

Y/E, Mar (Rs m)	FY24F			FY25F			FY26F		
	New	Old	% change	New	Old	% change	New	Old	% change
US\$ revenue	29,219	29,241	-0.1	31,262	31,284	-0.1	33,597	33,602	0.0
Revenue	24,20,780	24,16,399	0.2	26,26,017	26,27,863	-0.1	28,89,319	28,89,757	0.0
EBIT	5,92,856	5,80,458	2.1	6,47,313	6,41,987	0.8	7,23,774	7,14,059	1.4
EBIT Margin (%)	24.5	24.0	47 bp	24.7	24.4	22 bp	25.1	24.7	34 bp
Net PAT	4,57,640	4,56,013	0.4	5,08,422	5,06,333	0.4	5,69,474	5,66,603	0.5
EPS (Rs)	128.2	125.0	2.6	140.8	140.0	0.6	157.8	156.6	0.7

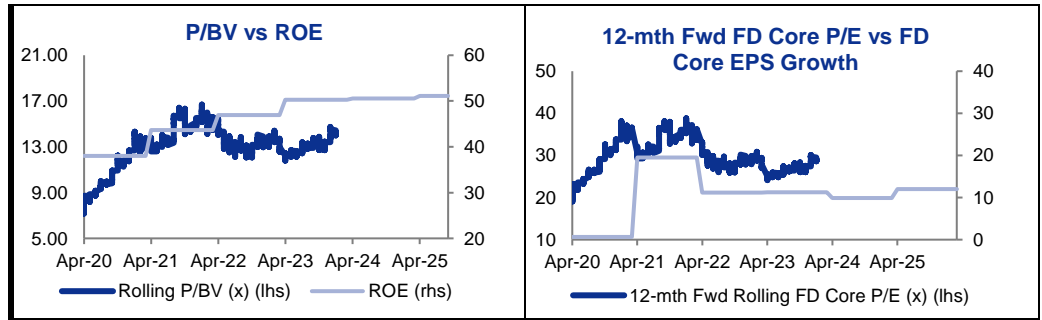
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: TCS trades at one-year forward P/E of ~27x



SOURCE: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>1,917,540</b>	<b>2,254,580</b>	<b>2,420,780</b>	<b>2,626,017</b>	<b>2,889,319</b>
<b>Gross Profit</b>	<b>817,370</b>	<b>942,120</b>	<b>1,029,371</b>	<b>1,116,057</b>	<b>1,230,850</b>
<b>Operating EBITDA</b>	<b>530,570</b>	<b>592,590</b>	<b>642,980</b>	<b>701,147</b>	<b>781,561</b>
Depreciation And Amortisation	(46,040)	(50,220)	(50,124)	(53,833)	(57,786)
<b>Operating EBIT</b>	<b>484,530</b>	<b>542,370</b>	<b>592,856</b>	<b>647,313</b>	<b>723,774</b>
Financial Income/(Expense)	32,340	26,700	33,694	37,226	42,715
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>516,870</b>	<b>569,070</b>	<b>626,550</b>	<b>684,540</b>	<b>766,489</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>516,870</b>	<b>569,070</b>	<b>626,550</b>	<b>684,540</b>	<b>766,489</b>
Taxation	(132,380)	(146,040)	(157,710)	(174,558)	(195,455)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>384,490</b>	<b>423,030</b>	<b>468,840</b>	<b>509,982</b>	<b>571,034</b>
Minority Interests	(1,220)	(1,560)	(1,620)	(1,560)	(1,560)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>383,270</b>	<b>421,470</b>	<b>467,220</b>	<b>508,422</b>	<b>569,474</b>
Recurring Net Profit	383,270	421,470	467,220	508,422	569,474
<b>Fully Diluted Recurring Net Profit</b>	<b>383,270</b>	<b>421,470</b>	<b>467,220</b>	<b>508,422</b>	<b>569,474</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>530,570</b>	<b>592,590</b>	<b>642,980</b>	<b>701,147</b>	<b>781,561</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(27,690)	(42,170)	(16,508)	(31,578)	(40,512)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(1,220)	(1,560)	(1,620)	(1,560)	(1,560)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(114,860)	(129,660)	(157,710)	(174,558)	(195,455)
<b>Cashflow From Operations</b>	<b>386,800</b>	<b>419,200</b>	<b>467,142</b>	<b>493,451</b>	<b>544,034</b>
Capex	(24,830)	(25,320)	(20,000)	(20,000)	(20,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	15,860	25,710	41,514	46,426	51,915
<b>Cash Flow From Investing</b>	<b>(8,970)</b>	<b>390</b>	<b>21,514</b>	<b>26,426</b>	<b>31,915</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(180,490)	(41,920)	(209,590)		
Dividends Paid	(133,170)	(413,470)	(196,814)	(406,738)	(455,579)
Preferred Dividends					
Other Financing Cashflow	(21,970)	(23,390)	(7,820)	(9,200)	(9,200)
<b>Cash Flow From Financing</b>	<b>(335,630)</b>	<b>(478,780)</b>	<b>(414,224)</b>	<b>(415,938)</b>	<b>(464,779)</b>
Total Cash Generated	42,200	(59,190)	74,432	103,939	111,169
<b>Free Cashflow To Equity</b>	<b>361,970</b>	<b>393,880</b>	<b>447,142</b>	<b>473,451</b>	<b>524,034</b>
<b>Free Cashflow To Firm</b>	<b>377,830</b>	<b>419,590</b>	<b>488,656</b>	<b>519,877</b>	<b>575,948</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Total Cash And Equivalents	484,830	479,290	543,994	647,934	759,102
Total Debtors	418,100	499,540	523,950	568,371	625,359
Inventories	200	280	280	280	280
Total Other Current Assets	179,970	123,590	123,590	123,590	123,590
<b>Total Current Assets</b>	<b>1,083,100</b>	<b>1,102,700</b>	<b>1,191,814</b>	<b>1,340,174</b>	<b>1,508,332</b>
Fixed Assets	196,150	190,240	160,116	126,283	88,496
Total Investments	29,870	29,360	29,360	29,360	29,360
Intangible Assets	28,880	27,250	27,250	27,250	27,250
Total Other Non-Current Assets	77,140	86,960	86,960	86,960	86,960
<b>Total Non-current Assets</b>	<b>332,040</b>	<b>333,810</b>	<b>303,686</b>	<b>269,853</b>	<b>232,066</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	80,450	105,150	112,749	122,308	134,571
Other Current Liabilities	343,060	330,430	330,732	334,016	338,229
<b>Total Current Liabilities</b>	<b>423,510</b>	<b>435,580</b>	<b>443,481</b>	<b>456,324</b>	<b>472,800</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	93,170	88,870	88,870	88,870	88,870
<b>Total Non-current Liabilities</b>	<b>93,170</b>	<b>88,870</b>	<b>88,870</b>	<b>88,870</b>	<b>88,870</b>
Total Provisions					
<b>Total Liabilities</b>	<b>516,680</b>	<b>524,450</b>	<b>532,351</b>	<b>545,194</b>	<b>561,670</b>
Shareholders Equity	891,390	904,240	955,328	1,057,013	1,170,908
Minority Interests	7,070	7,820	7,820	7,820	7,820
<b>Total Equity</b>	<b>898,460</b>	<b>912,060</b>	<b>963,148</b>	<b>1,064,833</b>	<b>1,178,728</b>

<b>Key Ratios</b>					
	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Revenue Growth	16.8%	17.6%	7.4%	8.5%	10.0%
Operating EBITDA Growth	17.1%	11.7%	8.5%	9.0%	11.5%
Operating EBITDA Margin	27.7%	26.3%	26.6%	26.7%	27.1%
Net Cash Per Share (Rs)	113.87	114.06	132.24	162.31	193.11
BVPS (Rs)	241.02	247.17	262.11	292.82	324.37
Gross Interest Cover	61.80	69.62	75.81	70.36	78.67
Effective Tax Rate	25.6%	25.7%	25.2%	25.5%	25.5%
Net Dividend Payout Ratio	41.5%	99.8%	42.1%	80.0%	80.0%
Accounts Receivables Days	74.68	74.28	77.16	75.91	75.40
Inventory Days	0.05	0.07	0.07	0.07	0.06
Accounts Payables Days	26.38	25.81	28.58	28.41	28.27
ROIC (%)	64.4%	84.5%	90.1%	100.7%	113.2%
ROCE (%)	38.0%	41.6%	44.4%	44.8%	45.5%
Return On Average Assets	26.5%	28.3%	30.3%	31.1%	32.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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