

India

ADD (no change)

Consensus ratings*: Buy 30 Hold 9 Sell 5

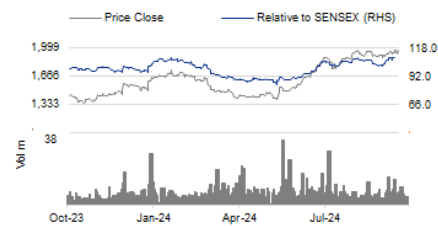
Current price:	Rs1,968
Target price:	Rs2,166
Previous target:	Rs2,166
Up/downside:	10.1%
InCred Research / Consensus:	9.3%

Reuters:	INFY.NS
Bloomberg:	INFO IN
Market cap:	US\$97,203m Rs8,171,840m
Average daily turnover:	US\$157.2m Rs13216.0m
Current shares o/s:	4,143.4m
Free float:	87.0%

*Source: Bloomberg

Key changes in this note

- Expect 7.7% revenue CAGR over FY25F-27F.
- Expect 10.8% EBIT CAGR over FY25F-27F.
- Expect 12.3% PAT CAGR over FY25F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.8	14.0	37.2
Relative (%)	3.2	14.5	11.6

Major shareholders	% held
LIC	10.8
SBI MF	4.6
ICICI MF	2.9

Research Analyst(s)



Abhishek SHINDADKAR

T (91) 22 4161 1543
E abhishek.shindadkr@incredresearch.com

Smit GOSRANI

T (91) 02241611554
E smit.gosrani@incredresearch.com

Infosys

Nice and steady

- 2QFY25 revenue was in line. FSI discretionary commentary was positive.
- Pushout of wage hikes helped sustain EBIT margin qoq.
- Retain our estimates with an ADD rating and a target price of Rs2,166.

2QFY25 earnings summary

2QFY25 revenue growth at 3.1% qoq in constant currency (CC) was above/in line with consensus/InCred estimates while the EBIT margin at 21.1% was 30/10bp below. Growth was led by the strength in FSI, manufacturing, E&U verticals and Europe. The demand environment commentary was consistent with a noticeable call-out for 1) an uptick in discretionary spending in the US financial services, especially in capital markets, mortgages, cards & payments, 2) double-digit qoq increase in the pipeline of deals below US\$50m, & 3) visibility improvement led by expanding pipeline of smaller deals. Together, it led to raising of FY25F CC revenue guidance to 3.75%-4.5% vs. 3%-4% earlier.

Commentary consistent; deal TCV monitorable

Large-deal TCV at US\$2.4bn was down 41.1% qoq & 69% yoy while the new component at 41.1% was lower than 57.6% in 1QFY25. Infosys signed 21 (34 in 1Q) large deals in 2Q with seven in financial services, three each in communication, manufacturing and others, two in retail & one each in ENU, high-tech & life sciences. Across verticals, the momentum continues with traction in cost optimization opportunities in FSI, cost takeout and consolidation in retail, customer experience & digital marketing in consumer, cost reduction in telecom, cloud & AI adoption in E&U while challenges in European auto are driving vendor consolidation. Services opportunities exist in supply chain optimization, cloud, ERP, smart factory & setting up of AI centre of excellence to drive AI adoption at scale.

EBIT margin reflects the nature of deals

The EBIT margin at 21.1% was flat qoq as tailwinds from project Maximus (80bp) and forex (10bp) were offset by headwinds from acquisition-related amortization of intangibles (30bp) and 60bp due to salary and variable increases. Large deal transition cost, staggered wage hikes (effective 1 Jan and 1 Apr 2025F) and furloughs in 3QFY25F are key headwinds while efficiency and role ratio optimization are key tailwinds. Hence, we retain our average 21.4% EBIT margin over FY25F-27F.

Retain ADD rating with a target price of Rs2,166

We retain our estimates and model 7.7% US\$ revenue CAGR over FY25F-27F and 12.3% PAT (Rs) CAGR. We also retain 1) target PE/G multiple of ~2.2x, given improving demand outlook and visibility, uptick in FSI commentary, and 2) our target price of Rs2,166. Cash conversion (OCF/EBITDA was ~73% over FY2019-24), healthy return ratios and payout, ramp-up of deal wins and improvement in discretionary spending provide cushion, in our view. Decision-making delay and customer-specific issues are key downside risks.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	1,467,670	1,536,710	1,619,990	1,773,863	1,949,232
Operating EBITDA (Rsm)	351,310	364,250	390,583	432,468	475,613
Net Profit (Rsm)	240,950	262,320	261,257	298,661	329,741
Core EPS (Rs)	57.3	63.0	63.0	72.0	79.5
Core EPS Growth	9.8%	9.8%	0.0%	14.2%	10.4%
FD Core P/E (x)	34.32	31.25	31.24	27.35	24.77
DPS (Rs)	34.0	46.0	53.0	61.2	67.5
Dividend Yield	1.72%	2.33%	2.69%	3.11%	3.43%
EV/EBITDA (x)	23.21	21.93	20.34	18.30	16.55
P/FCFE (x)	47.52	41.20	33.59	30.96	28.41
Net Gearing	(15.9%)	(24.1%)	(23.6%)	(26.6%)	(29.2%)
P/BV (x)	10.93	9.25	8.85	8.44	8.03
ROE	32.0%	32.1%	29.0%	31.6%	33.2%
% Change In Core EPS Estimates			(0.06%)	(0.04%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	2QFY25F	Var. (%)
Revenue (US\$ m)	4,894	4,718	3.7	4,714	3.8	4,892	0.0
Revenue (Rs m)	4,09,860	3,89,940	5.1	3,93,150	4.3	4,09,820	0.0
USD-Rs realization	83.7	82.6	1.3	83.40	0.4	83.8	(0.0)
EBITDA	98,090	94,400	3.9	94,370	3.9	99,176	(1.1)
EBITDA margin (%)	23.9	24.2	(28 bp)	24.0	(7 bp)	24.2	(27 bp)
EBIT	86,490	82,740	4.5	82,880	4.4	86,882	(0.5)
EBIT margin (%)	21.1	21.2	(12bp)	21.1	2bp	21.2	(10bp)
Depreciation	11,600	11,660	(0.5)	11,490	1.0	12,295	(5.6)
Net other income	6,040	4,940	22.3	7,330	(17.6)	6,676	(9.5)
PBT	92,530	87,680	5.5	90,210	2.6	93,558	(1.1)
Provision for tax	27,370	25,530	7.2	26,470	3.4	27,038	1.2
% tax rate	29.6	29.1	46 bp	29.3	24 bp	28.9	68 bp
Net profit	65,060	62,120	4.7	63,680	2.2	66,460	(2.1)
EPS (Rs)	15.7	15.0	4.7	15.4	2.1	16.0	(2.1)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call highlights

- **Guidance:** FY25F constant currency or CC revenue growth guidance revised upwards to 3.5%-4.75% (3-4% earlier), driven by strong 1HFY25 performance, increase in small deal pipeline, and a pick-up in discretionary spending in the FSI vertical in the US. The EBIT margin guidance was maintained at 20% to 22%. The company expects 3QFY25F to be impacted by furloughs.
- **Vertical-wise commentary**
 - **BFSI:** Growth momentum continued in 2Q, driven by traction in cost optimization through large outsourcing and transformation opportunities. Strong deal wins and a growing pipeline of small deals improved visibility. Additionally, various GenAI projects are being integrated into large programs.
 - **Retail:** The vertical remained under pressure due to economic and political uncertainties, with clients focusing on cost efficiency and consolidation. Consumer spending in the holiday season is critical for future spending decisions. Companies using AI to enhance customer and employee experiences and digital marketing, with strong emphasis on privacy and ethics.
 - **Communication:** Clients prioritizing cost reduction and profitability. Discretionary spending for OEMs is under pressure while cost optimization and vendor consolidation are top priorities. Clients are seeking innovative solutions, including AI, to boost productivity. Political conflicts and high interest rates continue to influence spending pattern, driving a focus on cost-efficient initiatives.
 - **ENU:** Growth driven by increased adoption of cloud programs and AI strategies. Capabilities in the energy transition space, human experience, and industry clouds along with proactive client pitches have contributed to building a robust pipeline in ENU.
 - **Manufacturing:** Growth driven by in-tech acquisition while European automotive OEMs are facing discretionary spending pressure. Discussing with clients to establish AI initiatives for scalable adoption.
 - **Hi-Tech:** Saw cautious client behaviour due to geopolitical tensions, while discretionary spending and the initiation of new projects remain muted.
- **Generative AI:** Infosys advancing capabilities in GenAI with a focus on building enterprise solutions and deploying GenAI platforms, creating small language model using industry and internal data sets, and developing multi-agent frameworks to support business processes. GenAI is getting embedded in large programs.

Figure 2: Operating metric trends

Revenue (\$m)	4,444	4,555	4,659	4,554	4,617	4,718	4,663	4,564	4,714	4,894
Growth yoy (%)	17.5	13.9	9.6	6.4	3.9	3.6	0.1	0.2	2.1	3.7
Growth qoq (%)	3.8	2.5	2.3	-2.3	1.4	2.2	-1.2	-2.1	3.3	3.8
CC Growth yoy (%)	21.4	18.8	13.7	8.8	4.2	2.5	-1.0	-	2.5	3.3
CC Growth qoq (%)	5.5	4.0	2.4	-3.2	1.0	2.3	-1.0	-2.2	3.6	3.1
Revenue (Rs. m)	3,44,700	3,65,380	3,83,180	3,74,410	3,79,330	3,89,940	3,88,210	3,79,230	3,93,150	4,09,860
Growth yoy (%)	23.6	23.4	20.2	16.0	10.0	6.7	1.3	1.3	3.6	5.1
Growth qoq (%)	6.8	6.0	4.9	-2.3	1.3	2.8	-0.4	-2.3	3.7	4.3
EBIT Margin (%)	20.1	21.5	21.5	21.0	20.8	21.2	20.5	20.1	21.1	21.1
US\$-INR realized rate	77.6	80.2	82.2	82.2	82.2	82.6	83.3	83.1	83.4	83.7
Headcount	3,35,186	3,45,218	3,46,845	3,43,234	3,36,294	3,28,764	3,22,663	3,17,240	3,15,332	3,17,788
Utilization ex-trainees (%)	84.7	83.6	81.7	80.0	81.1	81.8	82.7	83.5	85.3	85.9
LTM attrition - IT services (%)	28.4	27.1	24.3	20.9	17.3	14.6	12.9	12.6	12.7	12.9
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Financial services	30.6	30.5	29.3	28.9	28.1	27.5	27.8	26.4	27.5	27.2
Retail	14.5	14.2	14.3	14.8	14.5	15.2	14.6	14.3	13.8	13.3
Communication	13.0	12.3	12.3	11.8	11.7	11.4	11.4	12.3	12.1	11.9
Energy, Utilities, Resources & Services	12.4	12.3	13.0	12.9	12.9	12.7	13.1	13.4	13.3	13.5
Manufacturing	12.1	12.8	13.3	13.5	14.1	14.3	14.9	14.7	14.7	15.7
Hi Tech	8.2	8.2	8.1	8.0	8.1	7.8	7.7	8.7	8.0	8.0
Life Sciences	6.5	6.7	7.0	7.2	7.2	7.8	7.6	7.3	7.3	7.3
Others	2.7	3.0	2.7	2.9	3.4	3.3	2.9	2.9	3.3	3.1
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Financial services	1,360	1,389	1,365	1,316	1,297	1,297	1,296	1,205	1,296	1,331
Retail	644	647	666	674	669	717	681	653	651	651
Communication	578	560	573	537	540	538	532	561	570	582
Energy, Utilities, Resources & Services	551	560	606	587	596	599	611	612	627	661
Manufacturing	538	583	620	615	651	675	695	671	693	768
Hi-Tech	364	374	377	364	374	368	359	397	377	392
Life Sciences	289	305	326	328	332	368	354	333	344	357
Others	120	137	126	132	157	156	135	132	156	152
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Financial services	9.0	7.6	2.0	-1.8	-4.6	-6.6	-5.0	-8.4	-0.1	2.6
Retail	13.6	10.8	8.1	10.1	3.9	10.9	2.2	-3.2	-2.8	-9.2
Communication	25.2	13.0	7.9	-1.9	-6.5	-4.0	-7.2	4.5	5.6	8.3
Energy, Utilities, Resources & Services	20.4	18.8	21.8	14.4	8.1	6.9	0.9	4.1	5.3	10.3
Manufacturing	46.6	33.8	29.0	21.7	21.1	15.7	12.1	9.1	6.4	13.9
Hi-Tech	16.1	9.9	9.6	3.8	2.6	-1.5	-4.9	9.0	0.8	6.4
Life Sciences	12.3	7.5	2.3	16.1	15.1	20.6	8.7	1.6	3.5	-2.9
Others	9.4	42.4	2.1	2.9	30.8	13.9	7.5	0.2	-0.9	-2.6
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Financial services	1.5	2.2	-1.7	-3.6	-1.4	0.0	-0.1	-7.1	7.6	2.7
Retail	5.3	0.4	3.0	1.2	-0.7	7.1	-5.1	-4.1	-0.3	0.1
Communication	5.5	-3.0	2.3	-6.2	0.5	-0.4	-1.2	5.6	1.6	2.1
Energy, Utilities, Resources & Services	7.3	1.7	8.1	-3.0	1.4	0.6	1.9	0.1	2.5	5.4
Manufacturing	6.5	8.4	6.3	-0.8	5.9	3.6	3.0	-3.4	3.3	10.9
Hi-Tech	3.8	2.5	1.0	-3.5	2.7	-1.6	-2.4	10.6	-5.0	3.8
Life Sciences	2.3	5.7	6.9	0.5	1.4	10.7	-3.7	-6.0	3.3	3.8
Others	-6.6	13.9	-7.9	5.0	18.9	-0.8	-13.1	-2.1	17.5	-2.5
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Financial services	20	29	-24	-49	-19	0	-1	-91	91	35
Retail	32	2	19	8	-5	48	-36	-28	-2	0
Communication	30	-17	13	-36	3	-2	-6	30	9	12
Energy, Utilities, Resources & Services	37	9	45	-18	8	4	12	1	15	34
Manufacturing	33	45	37	-5	36	24	20	-24	22	75
Hi-Tech	13	9	4	-13	10	-6	-9	38	-20	14
Life Sciences	6	16	21	2	5	36	-14	-21	11	13
Others	-8	17	-11	6	25	-1	-20	-3	23	-4
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	61.8	61.9	62.0	61.0	60.8	61.1	59.0	59.6	58.9	57.4
Europe	25.0	24.8	25.8	27.0	26.8	26.5	28.2	28.6	28.4	29.8
India	2.6	2.6	2.4	2.6	2.7	2.8	2.4	2.2	3.1	3.1
ROW	10.6	10.7	9.8	9.4	9.7	9.6	10.4	9.6	9.6	9.7
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	2,746	2,820	2,889	2,778	2,807	2,883	2,751	2,720	2,777	2,809
Europe	1,111	1,130	1,202	1,230	1,237	1,250	1,315	1,305	1,339	1,458
India	116	118	112	118	125	132	112	100	146	152
ROW	471	487	457	428	448	453	485	438	453	475
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	17.7	13.9	10.0	5.7	2.2	2.2	-4.8	-2.1	-1.1	-2.6
Europe	21.4	13.9	13.6	14.0	11.4	10.7	9.4	6.2	8.2	16.6
India	5.3	13.9	-12.3	-13.5	7.9	11.5	0.1	-15.2	17.2	14.8
ROW	11.2	13.9	4.3	-1.9	-4.9	-7.1	6.2	2.4	1.0	4.8
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	4.5	2.7	2.4	-3.8	1.1	2.7	-4.6	-1.1	2.1	1.2
Europe	3.0	1.7	6.4	2.3	0.6	1.0	5.2	-0.7	2.6	8.9
India	-15.6	2.5	-5.6	5.9	5.3	6.0	-15.3	-10.3	45.5	3.8
ROW	7.9	3.5	-6.3	-6.2	4.6	1.1	7.1	-9.7	3.3	4.9
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	118	73	69	-111	29	76	-132	-31	56	33
Europe	32	19	72	28	8	13	65	-10	33	120
India	-21	3	-7	7	6	7	-20	-12	46	6
ROW	35	16	-31	-29	20	5	32	-47	14	22

Deal wins	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
TCV (US\$m)	1700	2700	3300	2100	2300	7700	3200	4,500	4,100	2,400
TCV yoy (%)	-34.6	25.6	30.4	-8.7	35.3	185.2	-3.0	114.3	78.3	-68.8
TCV qoq (%)	-26.1	58.8	22.2	-36.4	9.5	234.8	-58.4	40.6	-8.9	-41.5
TTM TCV	8,680	9,230	10,000	9,800	10,400	15,400	15,300	17,700	19,500	14,200
Clients (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Top 5	13.0	12.6	13.1	13.0	13.4	13.3	13.4	13.6	13.5	13.7
Top 6-10	7.8	7.6	7.4	7.1	7.0	6.6	6.6	6.8	7.4	7.2
Top 11-25	15.5	15.1	14.8	14.6	14.2	14.2	13.7	13.9	14.0	13.8
Non-top 25	63.7	64.7	64.7	65.3	65.4	65.9	66.3	65.7	65.1	65.3
Clients (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Top 5	578	574	610	592	619	627	625	621	636	670
Top 6-10	347	346	345	323	323	311	308	310	349	352
Top 11-25	689	688	690	665	656	670	639	634	660	675
Non-top 25	2,831	2,947	3,014	2,974	3,020	3,109	3,092	2,999	3,069	3,196
Clients yoy growth(%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Top 5	35.2	25.9	19.7	17.2	7.1	9.3	2.4	4.8	2.9	6.9
Top 6-10	22.2	8.2	-1.1	-0.6	-6.8	-10.1	-10.7	-4.0	7.9	13.2
Top 11-25	16.8	7.5	3.3	-2.9	-4.8	-2.6	-7.4	-4.6	0.7	0.8
Non-top 25	14.1	14.1	10.6	7.6	6.7	5.5	2.6	0.8	1.6	2.8
Clients qoq growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Top 5	14.4	-0.7	6.3	-3.0	4.5	1.4	-0.4	-0.7	2.5	5.4
Top 6-10	6.6	-0.1	-0.4	-6.2	-0.0	-3.7	-1.2	0.8	12.4	1.0
Top 11-25	0.6	-0.1	0.3	-3.6	-1.4	2.2	-4.6	-0.7	4.0	2.3
Non-top 25	2.4	4.1	2.3	-1.3	1.5	3.0	-0.6	-3.0	2.3	4.1
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
No of active clients	1,778	1,779	1,850	1,872	1,883	1,884	1,872	1,882	1,867	1,870
TTM revenue per avg active client	10	10	10	10	10	10	10	10	10	10
US\$1m+	877	895	912	922	940	951	944	959	987	985
US\$10m+	278	281	294	298	312	312	308	315	309	307
US\$50m+	69	77	79	75	79	80	82	83	84	86
US\$100m+	38	39	38	40	38	39	40	40	40	41
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Revenues (US\$m) TTM	16,972	17,529	17,938	18,212	18,385	18,548	18,552	18,562	18,659	18,835
Employees (average TTM)	3,05,221	3,21,622	3,35,316	3,42,621	3,42,898	3,38,784	3,32,739	3,26,240	3,21,000	3,18,256
Revenue per employee (TTM)	55,606	54,502	53,496	53,155	53,617	54,749	55,755	56,897	58,128	59,182

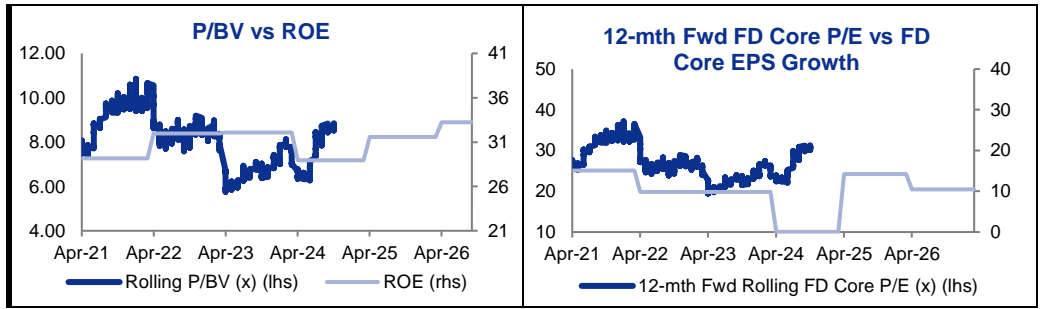
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E Mar (Rs m)	FY25F			FY26F			FY27F		
	New	Old	% change	New	Old	% change	New	Old	% change
US\$ revenue	19,363	19,300	0.3	20,747	20,747	0.0	22,405	22,405	0.0
Revenue	16,19,990	16,09,607	0.6	17,73,863	17,73,835	0.0	19,49,232	19,49,201	0.0
EBIT	3,42,984	3,41,182	0.5	3,80,139	3,80,133	0.0	4,75,613	4,75,605	0.0
EBIT Margin (%)	21.2%	21.2%	(0.0)bp	21.4%	21.4%	(0.0)bp	24.4%	24.4%	(0.0)bp
Net PAT	2,61,257	2,61,219	0.0	2,98,661	2,98,663	0.0	3,29,741	3,29,622	0.0
EPS (Rs)	63.0	63.0	0.0	72.0	72.0	0.0	79.5	79.5	0.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	1,467,670	1,536,710	1,619,990	1,773,863	1,949,232
Gross Profit	486,390	509,350	542,465	590,696	647,145
Operating EBITDA	351,310	364,250	390,583	432,468	475,613
Depreciation And Amortisation	(42,250)	(46,780)	(47,599)	(52,329)	(56,528)
Operating EBIT	309,060	317,470	342,984	380,139	419,085
Financial Income/(Expense)	15,390	15,980	20,050	22,241	24,629
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	8,770	26,440	5,352	7,237	8,479
Profit Before Tax (pre-EI)	333,220	359,890	368,386	409,617	452,193
Exceptional Items					
Pre-tax Profit	333,220	359,890	368,386	409,617	452,193
Taxation	(92,140)	(97,410)	(106,770)	(110,597)	(122,092)
Exceptional Income - post-tax					
Profit After Tax	241,080	262,480	261,617	299,021	330,101
Minority Interests	(130)	(160)	(360)	(360)	(360)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	240,950	262,320	261,257	298,661	329,741
Recurring Net Profit	240,950	262,320	261,257	298,661	329,741
Fully Diluted Recurring Net Profit	240,950	262,320	261,257	298,661	329,741

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	351,310	364,250	390,583	432,468	475,613
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(63,440)	(50,820)	(16,517)	(35,684)	(43,722)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(130)	(160)	(360)	(360)	(360)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(87,940)	(92,310)	(106,770)	(110,597)	(122,092)
Cashflow From Operations	199,800	220,960	266,937	285,828	309,438
Capex	(25,790)	(22,010)	(24,000)	(22,000)	(22,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	13,700	(28,080)	(13,558)	33,768	37,398
Cash Flow From Investing	(12,090)	(50,090)	(37,558)	11,768	15,398
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(114,990)				
Dividends Paid	(136,310)	(146,920)	(219,516)	(253,862)	(280,280)
Preferred Dividends					
Other Financing Cashflow	(15,650)	(28,120)	(4,290)	(4,290)	(4,290)
Cash Flow From Financing	(266,950)	(175,040)	(223,806)	(258,152)	(284,570)
Total Cash Generated	(79,240)	(4,170)	5,573	39,445	40,267
Free Cashflow To Equity	174,010	198,950	242,937	263,828	287,438
Free Cashflow To Firm	187,710	170,870	229,379	297,596	324,836

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	190,820	277,010	282,583	322,028	362,294
Total Debtors	407,130	429,610	448,271	485,990	534,036
Inventories					
Total Other Current Assets	110,860	187,700	187,700	187,700	187,700
Total Current Assets	708,810	894,320	918,554	995,718	1,084,031
Fixed Assets	205,160	192,150	211,801	181,472	146,944
Total Investments	154,060	148,470	148,470	148,470	148,470
Intangible Assets	89,970	87,000	87,000	87,000	87,000
Total Other Non-Current Assets	100,160	56,200	56,200	56,200	56,200
Total Non-current Assets	549,350	483,820	503,471	473,142	438,614
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	38,650	39,560	41,704	43,739	48,063
Other Current Liabilities	353,210	348,380	348,380	348,380	348,380
Total Current Liabilities	391,860	387,940	390,084	392,119	396,443
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	108,350	105,590	105,590	105,590	105,590
Total Non-current Liabilities	108,350	105,590	105,590	105,590	105,590
Total Provisions					
Total Liabilities	500,210	493,530	495,674	497,709	502,033
Shareholders Equity	754,070	881,160	922,901	967,700	1,017,161
Minority Interests	3,880	3,450	3,450	3,450	3,450
Total Equity	757,950	884,610	926,351	971,150	1,020,611

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	20.7%	4.7%	5.4%	9.5%	9.9%
Operating EBITDA Growth	11.6%	3.7%	7.2%	10.7%	10.0%
Operating EBITDA Margin	23.9%	23.7%	24.1%	24.4%	24.4%
Net Cash Per Share (Rs)	28.73	51.41	52.67	62.18	71.88
BVPS (Rs)	180.13	212.67	222.39	233.19	245.10
Gross Interest Cover	108.82	67.69	79.95	88.61	97.69
Effective Tax Rate	27.7%	27.1%	29.0%	27.0%	27.0%
Net Dividend Payout Ratio	58.8%	72.6%	84.0%	85.0%	85.0%
Accounts Receivables Days	93.23	99.37	98.90	96.12	95.50
Inventory Days					
Accounts Payables Days	14.88	13.89	13.76	13.18	12.87
ROIC (%)	49.7%	44.4%	43.1%	46.2%	50.5%
ROCE (%)	27.4%	26.1%	25.1%	27.4%	28.9%
Return On Average Assets	18.9%	19.0%	17.7%	19.6%	20.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
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Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
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Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.