

India

HOLD (no change)

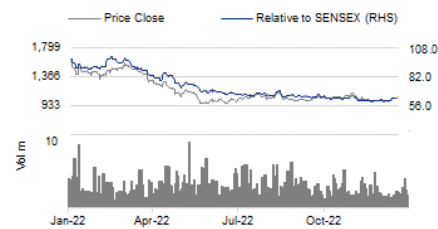
Consensus ratings*: Buy 25 Hold 11 Sell 8

Current price:	Rs1,030
Target price:	Rs1,122 ▲
Previous target:	Rs1,018
Up/downside:	8.9%
InCred Research / Consensus:	-2.6%
Reuters:	TEML.NS
Bloomberg:	TECHM IN
Market cap:	US\$12,305m Rs1,003,090m
Average daily turnover:	US\$35.6m Rs2900.8m
Current shares o/s:	885.5m
Free float:	64.0%

*Source: Bloomberg

Key changes in this note

- Expect FY23F-25F US\$ revenue CAGR of 7.9%.
- Expect FY23F-25F EBIT CAGR of 13.5%.
- Expect FY23-25F PAT CAGR of 12.7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.7	(0.1)	(24.6)
Relative (%)	4.3	1.0	(27.3)

Major shareholders	% held
LIC	7.4
SBI-ETF Nifty 50	3.2
ICICI Prudential Bluechip Fund	2.2

Analyst(s)



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Tech Mahindra

Decent 3Q but could have been better

- New deal wins run-rate healthy but LTM TCV growth moderating.
- Employee count declined 4.2% qoq led by a 7% reduction in BPO professionals and 2.2% in software professionals.
- 9MFY23 operating cash flow (OCF) declined 0.7% yoy to Rs39.7bn. OCF/EBITDA was at 66.1% in 9MFY23 vs. 67.4% in 9MFY22.

Earnings summary

Tech Mahindra's (TECHM IN) 3QFY23 constant currency (CC) revenue was in line with expectations while EBIT margin beat estimates. Management commentary suggests the Telecom vertical's growth trajectory could continue driven by 5G-related spending, modernization and cost-take-out deals while Enterprise revenue drivers are intact led by Cloud and that EBIT margin trajectory is on the rise. However, headwinds from decision-making delay, softness in the Technology (hi-tech) vertical and exit from non-strategic segments could be growth headwinds in the near term. Finally, commentary of inherent demand strength, but near-term challenges led by decision-making delay, was consistent with peers while select customers extending furloughs to Jan 2023 was unique.

New deal wins run-rate healthy but LTM TCV growth moderates

New deal wins were healthy at US\$795m, up 11% qoq and 12.9% yoy, and within the aspirational US\$0.7-1bn band. However, LTM TCV win growth was a modest 0.4% yoy and has moderated significantly from 19.5% in 1QFY23. This, coupled with extension of furlough, implies acceleration in revenue growth momentum could be challenging.

Margin trajectory on the rise but the gradient could have been better

There was a 33bp beat on EBIT margin at 12%, up 62bp qoq but down 285bp yoy, driven by moderation in sub-contractor expenses (down 2.5% qoq; 14.4% of revenue vs. 15.4% in 2QFY23), optimization of employee expenses (51.4% of revenue vs. 52.5% in 2QFY23; headcount down by 4.2% qoq), improvement in segmental margins of BPO business (19.3% vs. 15.5% in 2QFY23) and currency tailwind. Management commentary suggests the trajectory is on the rise driven by portfolio company synergy, improvement in utilization, higher offshoring, optimization of sub-contractor cost, and employee pyramid correction.

Retain HOLD rating with a higher target price of Rs1,122

We model 7.9% US\$ revenue CAGR over FY23F-25F, 12.7% PAT (Rs.) CAGR and retain our HOLD rating, but with a higher target price of Rs1,122 (Rs1,018 earlier) as we roll forward to FY25F estimates. The low base of FY23F improves FY23F-FY25F EPS CAGR and, in turn, our implied P/E, despite applying a higher discount (40% vs. 20% earlier) to TCS' PE/G multiple to arrive at our target PE/G multiple of 1.2x (vs. 1.6x) and target P/E multiple of 15.3x. Longer time horizon and weak execution warrants a higher discount. Acceleration in deal velocity, lower attrition rate and operational efficiency are upside risks to our revenue/EBIT margin assumptions. Weak execution remains a key downside risk.

Financial Summary

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	378,551	446,460	534,411	589,320	647,713
Operating EBITDA (Rsm)	68,471	80,201	82,550	97,745	104,282
Net Profit (Rsm)	44,281	55,662	51,187	61,124	65,049
Core EPS (Rs)	51.1	63.0	58.1	69.0	73.5
Core EPS Growth	6.2%	23.4%	(7.8%)	18.8%	6.4%
FD Core P/E (x)	20.41	16.35	17.82	14.92	14.02
DPS (Rs)	45.0	45.0	38.0	45.0	50.0
Dividend Yield	4.33%	4.34%	3.68%	4.37%	4.85%
EV/EBITDA (x)	11.79	10.64	10.19	8.38	7.61
P/FCFE (x)	12.17	21.03	22.27	17.18	15.29
Net Gearing	(39.7%)	(22.3%)	(26.1%)	(31.3%)	(36.9%)
P/BV (x)	3.65	3.39	3.18	2.96	2.78
ROE	19.2%	21.5%	18.5%	20.6%	20.4%
% Change In Core EPS Estimates			(6.56%)	(6.87%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	3QFY23	3QFY22	YoY (%)	2QFY23	QoQ (%)	3QFY23F	Var. (%)
Revenue (US\$ m)	1,668.3	1,533.5	8.8	1,638.1	1.8	1,646.8	1.3
Net sales	1,37,346	1,14,508	19.9	1,31,295	4.6	1,35,367	1.5
USD-INR realization	82.3	74.7	10.3	80.2	2.7	82.2	0.2
EBITDA	21,440	20,601	4.1	19,841	8.1	20,847	2.8
EBITDA margin (%)	15.6	18.0	(238 bp)	15.1	50 bp	15.4	21 bp
EBIT	16,459	16,980	(3.1)	14,924	10.3	15,777	4.3
EBIT margin (%)	12.0	14.8	(285 bp)	11.4	62 bp	11.7	33 bp
Depreciation	4,981	3,621	37.6	4,917	1.3	5,070	(1.7)
Net other income	1,343	1,892	(29.0)	2,112	(36.4)	1,647	(18.4)
PBT	17,802	18,872	(5.7)	17,036	4.5	17,424	2.2
Provision for tax	4,859	5,082	(4.4)	3,647	33.2	4,356	11.5
% Tax rate	27.3	26.9	37 bp	21.4	589 bp	25.0	229 bp
Net profit	12,966	13,686	(5.3)	12,854	0.9	12,777	1.5
EPS (Rs)	14.6	15.5	(5.3)	14.5	0.8	14.4	1.4

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- Extended furloughs in Jan 2023 in select verticals, customer-specific challenges and right-sizing of operations in hi-tech/technology vertical could be a growth headwind in 4QFY23F.
- Enterprise segment (~60% of revenue) surpassed US\$1bn quarterly run-rate. Demand drivers are strong and driven by Cloud, AI-enabled metaverse, and 5G. However, slower decision-making could create near-term challenges.
- 5G continues to fuel growth in the CME vertical (~40% of revenue; up 1.9% qoq and 5.9% yoy). 5G rollout at Mahindra & Mahindra or M&M's Chakan factory could improve reference ability and unlock opportunities. Modernization of telco systems, IT stack and monetization opportunity remain key demand drivers in the CME segment. Cost take-out deals could fructify over the next six-to-seven months.
- Partnerships with Hyper-scalers are aiding growth in the Technology vertical (10.3% of revenue; up 3.3% qoq and 32.2% yoy).
- BPO growth (up 8.8% qoq and 21% yoy in reported US\$ terms) was aided by seasonality and traction in customer experience management services.
- Tech Mahindra aims to improve business plan management and mining with a monthly review of customer engagement vs. quarterly earlier.
- Select top 5 clients' performance was impacted due to their internal restructuring and unfavourable currency but could bottom out by 4QFY23F.
- Witnessing good momentum from clients in the Middle East. Deal wins are predominantly coming from Europe. Deal pipeline remains healthy.
- Increase in offshore mix, sub-contractor expenses optimization, synergy from portfolio companies and exiting non-strategic business mix (approaching half-way of ~US\$100m target) remain key margin levers.
- Operating metric update: Headcount declined by 6,844 during 3Q with total employee count at 1,57,068 (down 4.2% qoq but up 8.3% yoy). LTM attrition moderated to 17.3% vs. 19.6% in 2QFY23. Demand for niche skills remains elevated. Utilization (ex-trainees) improved by 150bp qoq to 86.4%.
- At Rs39.7bn, operating cash flow (OCF) was down by 0.7% yoy in 9MFY23. OCF/EBITDA was at 66.1% in 9MFY23 vs. 67.4% in 9MFY22. Furloughs impacted some billings in 3QFY23. Tech Mahindra has gross cash of Rs64.5bn while its gross debt stood at Rs17.5bn. Net cash was at Rs53 per share. The company remains committed to prudent capital allocation.

Figure 2: Operating metrics trend

Operating trends	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (US\$ m)	1,308.7	1,329.6	1,383.6	1,472.6	1,533.5	1,608	1,633	1,638	1,668
Growth YoY (%)	-3.3	2.7	14.6	16.4	17.2	20.9	18.0	11.2	8.8
Growth QoQ (%)	3.4	1.6	4.1	6.4	4.1	4.9	1.5	0.3	1.8
CC Growth YoY (%)	-4.6	-0.5	10.8	15.5	17.5	22.6	21.2	16.8	12.7
CC Growth QoQ (%)	2.8	0.7	3.9	7.2	4.7	5.4	3.5	2.9	0.2
Revenue (Rs. m)	96,471	97,299	1,01,976	1,08,813	1,14,508	1,21,163	1,27,079	1,31,295	1,37,346
Growth YoY (%)	-0.1	2.5	12.0	16.1	18.7	24.5	24.6	20.7	19.9
Growth QoQ (%)	2.9	0.9	4.8	6.7	5.2	5.8	4.9	3.3	4.6
EBIT Margin (%)	15.9	16.5	15.2	15.2	14.8	13.2	11.0	11.4	12.0

US\$-Rs realized rate	73.7	73.2	73.7	73.9	74.7	75.3	77.8	80.2	82.3
Headcount	1,21,901	1,21,054	1,26,263	1,41,193	1,45,067	1,51,173	1,58,035	1,63,912	1,57,068
IT Utilization - Trainees (%)	87.0	87.4	88.0	86.9	84.0	83.1	82.8	84.9	86.4
IT Utilization -Ex-trainees (%)	87.0	87.4	88.6	89.3	86.0	84.2	83.3	84.9	86.4
IT LTM Attrition (%)	12.4	13.3	17.2	21.2	23.5	23.5	22.2	19.6	17.3
Vertical (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
CME	40.6	40.4	40.0	40.1	40.9	40.6	40.4	39.7	39.8
Manufacturing	16.4	16.4	16.5	16.0	15.8	14.9	15.3	16.0	15.7
Technology	8.5	8.5	8.8	9.0	8.4	9.3	9.7	10.1	10.3
BFSI	16.0	16.4	16.4	16.3	15.4	17.4	16.7	16.3	15.9
Retail, Transport & Logistics	8.1	7.7	7.7	7.8	8.5	7.6	7.9	8.1	8.5
Others	10.6	10.6	10.6	10.8	10.9	10.2	10.0	9.8	9.9
Vertical (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
CME	531	537	554	590	627	653	660	651	664
Manufacturing	215	218	229	236	243	240	249	262	262
Technology	111	113	122	132	129	149	159	166	171
BFSI	209	218	227	240	237	280	272	267	265
Retail, Transport & Logistics	106	102	106	114	131	122	129	133	141
Others	139	141	147	159	167	164	163	160	166
Vertical YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
CME	-7.8	1.7	12.6	16.1	18.0	21.6	19.1	10.3	5.8
Manufacturing	-8.3	-4.8	12.0	14.2	13.0	9.9	8.9	11.1	7.9
Technology	8.2	18.0	22.9	17.2	16.4	31.8	30.3	25.5	32.2
BFSI	17.2	10.1	19.6	15.7	13.0	28.5	20.0	11.0	12.0
Retail, Transport & Logistics	8.8	8.3	15.7	17.4	23.3	19.2	21.2	16.4	8.0
Others	-16.0	-5.3	11.5	19.4	20.4	16.6	11.0	0.9	-0.8
Vertical QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
CME	4.5	1.1	3.1	6.7	6.2	4.1	1.0	-1.3	1.9
Manufacturing	4.1	1.6	4.8	3.0	3.0	-1.3	3.9	5.1	0.0
Technology	-1.2	1.6	7.7	8.4	-1.9	15.1	6.4	4.5	3.3
BFSI	0.9	4.1	4.0	6.0	-1.5	18.4	-2.9	-2.0	-0.5
Retail, Transport & Logistics	8.8	-3.4	3.7	7.7	14.3	-6.6	5.5	3.4	6.0
Others	4.4	1.6	4.2	8.1	5.2	-1.6	-0.8	-1.7	3.4
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
CME	22.6	5.8	16.4	36.8	36.8	25.8	6.5	-8.5	12.6
Manufacturing	8.4	3.4	10.5	6.9	7.1	-3.1	9.5	12.7	0.1
Technology	-1.4	1.8	8.7	10.3	-2.5	19.6	9.6	7.1	5.5
BFSI	1.9	8.7	8.6	13.5	-3.5	43.6	-8.2	-5.5	-1.4
Retail, Transport & Logistics	8.6	-3.6	3.8	8.1	16.3	-8.6	6.7	4.3	8.0
Others	5.9	2.2	5.9	11.9	8.3	-2.7	-1.4	-2.8	5.5
Geography (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Americas	46.8	45.5	46.7	47.8	48.9	48.3	49.6	50.8	49.7
Europe	26.4	26.5	27.2	25.9	25.5	26.4	25.5	24.5	24.4
ROW	26.8	28.0	26.1	26.3	25.6	25.3	24.9	24.7	25.9
Geography (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Americas	612.5	605.0	646.1	703.9	749.9	776.7	809.7	832.2	829.1
Europe	345.5	352.3	376.3	381.4	391.0	424.5	416.3	401.3	407.1
ROW	350.7	372.3	361.1	387.3	392.6	406.8	406.5	404.6	432.1
Geography YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Americas	-6.5	-2.0	8.5	14.9	22.4	28.4	25.3	18.2	10.6
Europe	-5.4	2.7	20.8	19.6	13.2	20.5	10.6	5.2	4.1
ROW	5.4	11.5	20.1	15.9	11.9	9.3	12.6	4.5	10.1
Geography QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Americas	0.0	-1.2	6.8	8.9	6.5	3.6	4.2	2.8	-0.4
Europe	8.3	2.0	6.8	1.3	2.5	8.6	-1.9	-3.6	1.4
ROW	5.0	6.1	-3.0	7.2	1.4	3.6	-0.1	-0.5	6.8
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Americas	0.0	-7.5	41.2	57.8	46.0	26.8	33.0	22.4	-3.0
Europe	26.6	6.8	24.0	5.1	9.6	33.5	-8.3	-15.0	5.7
ROW	16.7	21.6	-11.2	26.2	5.3	14.3	-0.4	-1.9	27.5
Deal wins (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
TCV	455.5	1043	815	750	704	1011	802	716	795
QoQ (%)	8.1	128.9	-21.8	-8.0	-6.1	43.6	-20.7	-10.7	11.0
YoY (%)	-63.0	103.3	180.6	78.1	54.6	-3.0	-1.6	-4.5	12.9
TTM TCV	1,680.1	2,209.8	2,734.4	3,063.2	3,311.7	3,280	3,267	3,233	3,324
Clients (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	21.8	22.3	22.1	22.4	22.7	22.1	21.0	19.0	18.0
Top 6-10	8.8	8.8	8.9	8.9	8.7	9.1	9.0	9.0	9.0
Top 11-20	11.9	12.2	12.2	11.4	11.0	11.5	11.0	12.0	13.0
Non-top 20	57.5	56.8	56.8	57.3	57.6	57.3	59.0	60.0	60.0
Clients (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	286	296	306	331	348	355	343	311	300
Top 6-10	115	116	123	131	133	146	147	147	150
Top 11-20	155	163	169	168	169	185	180	197	217
Non-top 20	753	755	785	843	883	921	963	983	1,001
Clients YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	-5.3	6.8	16.6	21.5	21.9	20.1	11.9	-5.8	-13.7
Top 6-10	-2.6	-6.3	9.3	16.8	16.4	25.7	19.8	12.3	12.5
Top 11-20	3.4	-0.3	12.8	7.2	8.6	13.7	6.1	17.3	28.6
Non-top 20	-3.9	3.4	15.1	16.4	17.3	22.1	22.6	16.6	13.3
Clients QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	5.0	3.6	3.6	7.9	5.3	2.1	-3.5	-9.2	-3.5
Top 6-10	2.0	1.5	5.3	7.0	1.7	9.7	0.4	0.3	1.8
Top 11-20	-0.7	4.7	4.1	-0.9	0.6	9.6	-2.9	9.5	10.3
Non-top 20	3.9	0.2	4.1	7.4	4.8	4.3	4.5	2.0	1.8

Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	13.5	10.2	10.5	24.2	17.6	7.3	-12.6	-31.6	-10.9
Top 6-10	2.3	1.8	6.2	8.6	2.2	12.9	0.6	0.5	2.7
Top 11-20	-1.1	7.2	6.6	-1.6	1.1	16.2	-5.4	17.0	20.3
Non-top 20	28.6	1.7	30.7	57.8	40.1	38.1	41.7	19.7	18.1
Client metrics	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Active clients	997	1,007	1,058	1,123	1,191	1,224	1,262	1,279	1,290
Revenue per active clients	5.1	5.1	5.0	4.9	4.8	4.9	4.9	5.0	5.1
US\$ 1 m+	454	451	466	488	502	524	549	562	574
US\$ 5 m+	162	169	168	169	173	174	176	194	185
US\$ 10 m+	83	85	86	90	96	97	104	108	109
US\$ 20 m+	50	50	51	50	50	54	60	63	65
US\$ 50 m+	21	21	22	22	22	23	23	23	24
Per employee analysis	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (US\$ m) - TTM	5,076	5,111	5,287	5,495	5,719	5,998	6,247	6,412	6,547
Employees (average TTM)	1,17,111	1,16,167	1,16,909	1,20,880	1,26,342	1,33,490	1,40,959	1,46,286	1,49,043
Revenue per employee (TTM)	43,345	43,999	45,226	45,454	45,268	44,931	44,316	43,833	43,927

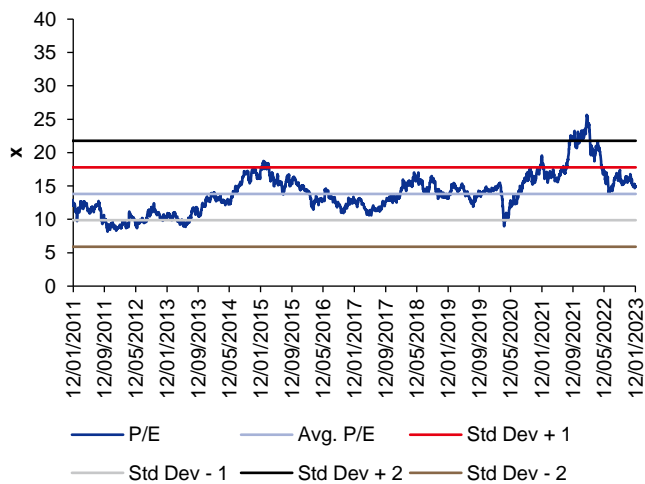
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY23F			FY24F			FY25F
	New	Old	% change	New	Old	% change	New
US\$ revenue	6,624	6,701	-1.2	7,100	7,305	-2.8	7,711
Revenue	5,34,411	5,33,951	0.1	5,89,320	5,91,684	-0.4	6,47,713
EBIT	62,892	65,946	-4.6	76,530	79,936	-4.3	80,964
EBIT Margin (%)	11.8	12.4	(58) bp	13.0	13.5	(52) bp	12.5
Net PAT	51,187	53,614	-4.5	61,124	65,618	-6.8	65,049
EPS (Rs)	58.1	60.5	-4.5	69.0	74.1	-6.8	73.5

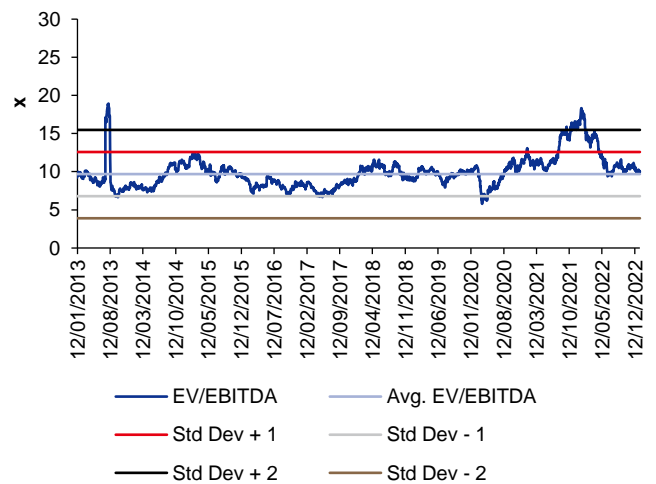
SOURCE: INCRED RESEARCH

Figure 4: One-year forward P/E at ~15x



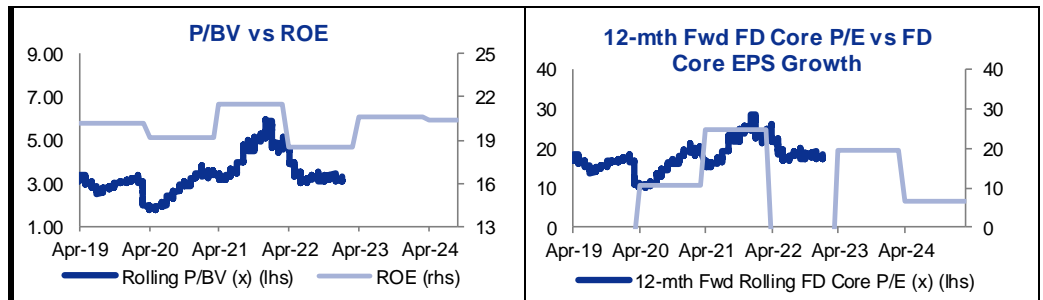
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: One-year forward EV/EBITDA at ~10x



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenue	378,551	446,460	534,411	589,320	647,713
Gross Profit	119,996	136,741	152,089	170,903	184,598
Operating EBITDA	68,471	80,201	82,550	97,745	104,282
Depreciation And Amortisation	(14,577)	(15,204)	(19,658)	(21,216)	(23,318)
Operating EBIT	53,894	64,997	62,892	76,530	80,964
Financial Income/(Expense)	147	3,855	1,338	788	1,767
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,984	5,642	4,164	4,715	4,534
Profit Before Tax (pre-EI)	60,025	74,494	68,394	82,032	87,265
Exceptional Items					
Pre-tax Profit	60,025	74,494	68,394	82,032	87,265
Taxation	(15,999)	(18,220)	(16,562)	(20,508)	(21,816)
Exceptional Income - post-tax	(507)		(244)		
Profit After Tax	43,519	56,274	51,588	61,524	65,449
Minority Interests	762	(612)	(401)	(400)	(400)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	44,281	55,662	51,187	61,124	65,049
Recurring Net Profit	44,788	55,662	51,431	61,124	65,049
Fully Diluted Recurring Net Profit	44,788	55,662	51,431	61,124	65,049

Cash Flow

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	68,471	80,201	82,550	97,745	104,282
Cash Flow from Invt. & Assoc.					
Change In Working Capital	15,635	(14,343)	(12,390)	(10,941)	(10,079)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	12,718	11,758	802	800	800
Other Operating Cashflow					
Net Interest (Paid)/Received	(1,740)	(1,626)	(3,451)	(4,516)	(4,516)
Tax Paid	(14,146)	(23,137)	(16,562)	(20,508)	(21,816)
Cashflow From Operations	80,938	52,853	50,949	62,580	68,671
Capex	(6,660)	(9,584)	(10,000)	(9,500)	(9,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(47,841)	14,399	8,953	10,018	10,817
Cash Flow From Investing	(54,501)	4,815	(1,047)	518	1,817
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(17,594)	(39,808)	(33,582)	(39,855)	(44,233)
Preferred Dividends					
Other Financing Cashflow	(12,275)	(6,858)	(3,451)	(4,516)	(4,516)
Cash Flow From Financing	(29,869)	(46,666)	(37,033)	(44,371)	(48,749)
Total Cash Generated	(3,432)	11,002	12,869	18,728	21,738
Free Cashflow To Equity	74,278	43,269	40,949	53,080	59,671
Free Cashflow To Firm	28,177	59,294	53,353	67,614	75,004

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	124,971	84,104	98,977	121,021	146,075
Total Debtors	90,317	119,334	134,701	150,155	165,034
Inventories	242	405	405	405	405
Total Other Current Assets	37,069	40,714	40,714	40,714	40,714
Total Current Assets	252,599	244,557	274,797	312,295	352,228
Fixed Assets	35,887	37,846	28,188	16,473	2,155
Total Investments	11,418	10,153	10,153	10,153	10,153
Intangible Assets	54,590	110,844	110,844	110,844	110,844
Total Other Non-Current Assets	42,286	45,307	45,307	45,307	45,307
Total Non-current Assets	144,181	204,150	194,492	182,777	168,459
Short-term Debt	14,960	14,397	14,397	14,397	14,397
Current Portion of Long-Term Debt					
Total Creditors	27,850	40,947	43,924	48,437	53,237
Other Current Liabilities	72,269	82,008	82,008	82,008	82,008
Total Current Liabilities	115,079	137,352	140,329	144,842	149,642
Total Long-term Debt	1,658	1,420	1,420	1,420	1,420
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	27,598	36,124	36,124	36,124	36,124
Total Non-current Liabilities	29,256	37,544	37,544	37,544	37,544
Total Provisions					
Total Liabilities	144,335	174,896	177,873	182,386	187,186
Shareholders' Equity	248,650	268,857	286,462	307,731	328,547
Minority Interests	3,795	4,954	4,954	4,954	4,954
Total Equity	252,445	273,811	291,416	312,685	333,501

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	2.7%	17.9%	19.7%	10.3%	9.9%
Operating EBITDA Growth	19.6%	17.1%	2.9%	18.4%	6.7%
Operating EBITDA Margin	18.1%	18.0%	15.4%	16.6%	16.1%
Net Cash Per Share (Rs)	113.81	68.99	85.78	110.68	138.97
BVPS (Rs)	282.21	303.66	323.50	347.52	371.03
Gross Interest Cover	30.97	39.97	18.22	16.95	17.93
Effective Tax Rate	26.7%	24.5%	24.2%	25.0%	25.0%
Net Dividend Payout Ratio	87.8%	71.1%	65.3%	65.2%	68.0%
Accounts Receivables Days	95.61	85.70	86.75	88.21	88.81
Inventory Days	0.42	0.38	0.39	0.35	0.32
Accounts Payables Days	42.64	40.54	40.51	40.29	40.07
ROIC (%)	22.1%	30.6%	20.6%	24.5%	26.0%
ROCE (%)	14.9%	17.1%	15.6%	17.7%	17.5%
Return On Average Assets	11.4%	12.6%	11.1%	12.6%	12.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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