



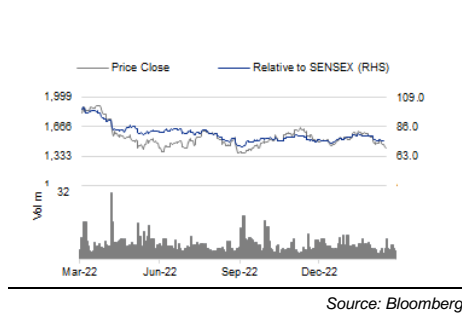
India

**HOLD** (previously ADD)

Consensus ratings*:	Buy 39 Hold 5 Sell 4
Current price:	Rs1,389
Target price:	Rs1,400
Previous target:	Rs1,695
Up/downside:	0.8%
InCred Research / Consensus:	-16.6%
Reuters:	INFY.NS
Bloomberg:	INFO IN
Market cap:	US\$70,407m Rs5,763,180m
Average daily turnover:	US\$112.0m Rs9164.9m
Current shares o/s:	4,149.6m
Free float:	87.0%
*Source: Bloomberg	

Key changes in this note

- Expect 6.2% US\$ revenue CAGR over FY23F-25F.
- Expect 10.4% EBIT CAGR over FY23F-25F.
- Expect 10.5% PAT CAGR over FY23F-25F.



<b>Price performance</b>	1M	3M	12M
Absolute (%)	(2.2)	(7.6)	(20.6)
Relative (%)	(6.3)	(7.9)	(23.3)

<b>Major shareholders</b>	% held
LIC	7.7
SBI MF	4.4
ICICI Pru MF	2.4

Analyst(s)



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# Infosys

## All-round miss; downgrade to HOLD

- The lower end of the company's FY24F constant currency revenue growth (4-7%) and 20-22% EBIT margin guidance missed street expectations.
- We trim our FY23F-25F US\$ revenue growth and EBIT margin CAGR by ~2 pp to 6%/10%, respectively.
- Downgrade rating to HOLD with a lower TP of Rs1,400 vs. Rs1,695 earlier.

### 4QFY23 results considerably weaker than expectations

Infosys' (INFO IN) 4QFY23 constant currency or CC revenue decline of 3.2% QoQ was below consensus estimate of 0.3% QoQ growth while EBIT margin miss was ~60bp. Infosys highlighted than unplanned project ramp-downs across verticals such as retail, hi-tech, telecom and financial services or FSI (mortgage, asset management, & investment banking), delay in select projects and one-time revenue impact (cancellation and client-specific issues) hit 4Q performance. We feel FY24F revenue guidance appears aggressive, given the weak exit momentum and is likely hinge on closure of mega deals while EBIT margin guidance appears conservative, given the internal efficiency cost program (recall savings exceeded >US\$150m in a similar thing launched earlier). Overall, we trim estimates and downgrade Infosys to HOLD (ADD earlier) with a lower target price.

### Deal commentary encouraging but 4Q order wins were weak

Quarterly deal wins were weak, down 36.4% qoq and 8.7% yoy, at US\$2.1bn and dragged TTM TCV to US\$9.8bn, down 2% qoq. Signing of large deals (>US\$50m) was soft at 17 vs. 32 in 3QFY23, while net new contribution at 21% was significantly lower than the avg. 43.9% reported over the last eight quarters. Management commentary suggests that the large deal pipeline is the strongest-ever with several mega deals relating to cost efficiency and vendor consolidation. However, it could also be a reflection of a longer closure time.

### Efficiency program could help EBIT margin surprise

At 21%, EBIT margin was down 47bp qoq and 51bp yoy as tailwinds from cost optimization (+50bp) and lower post-sales customer support cost (+60bp) were offset by headwinds from lower utilization (-70bp) and one-time revenue impact (-90bp). The company has undertaken an internal efficiency program to rationalize cost along with calibrated hiring in FY24F and discrete wage hikes.

### Downgrade to HOLD with a lower target price of Rs1,400

We trim our estimates to account for weak 4Q results and FY24F guidance and now model in a 6.2% US\$ revenue CAGR over FY23F-25F and a 10.5% PAT (Rs) CAGR. This, in turn, drives a cut in our target price to Rs1,400 (Rs1,695 earlier) and our rating to HOLD (from ADD) despite retaining target PE/G multiple at 1.8x to arrive at our target P/E of ~19.8x (vs. 22.6x earlier). We feel strong execution, cash conversion (OCF/EBITDA was ~74% over FY19-23), healthy return ratios and payout provide cushion. Stronger execution is key upside risk and moderation in the order book led by FSI vertical is key downside risk.

Financial Summary	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
Revenue (Rsm)	1,004,730	1,216,410	1,467,670	1,571,459	1,726,111
Operating EBITDA (Rsm)	278,900	314,920	351,310	381,865	427,023
Net Profit (Rsm)	193,510	221,110	240,950	261,261	294,033
Core EPS (Rs)	45.4	52.2	57.3	62.7	70.9
Core EPS Growth	18.0%	15.0%	9.8%	9.3%	13.0%
FD Core P/E (x)	30.60	26.60	24.23	22.16	19.61
DPS (Rs)	27.0	31.0	34.0	51.5	53.1
Dividend Yield	1.94%	2.22%	2.44%	3.70%	3.83%
EV/EBITDA (x)	20.44	18.07	16.28	14.75	12.98
P/FCFE (x)	28.04	29.03	33.55	25.20	22.39
Net Gearing	(29.3%)	(25.8%)	(15.9%)	(20.1%)	(25.8%)
P/BV (x)	7.73	7.78	7.71	7.19	6.58
ROE	27.3%	29.2%	32.0%	33.6%	35.1%
% Change In Core EPS Estimates				(0.07%)	(0.06%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly result update

YE Mar (Rs m)	4QFY23	4QFY22	YoY (%)	3QFY23	QoQ (%)	4QFY23F	Var. (%)
Revenue (US\$ m)	4,554	4,280	6.4	4,659	(2.3)	4,712	(3.4)
Revenue (Rs m)	3,74,410	3,22,760	16.0	3,83,180	(2.3)	3,87,817	(3.5)
USD-Rs realization	82.2	75.4	9.0	82.2	(0.0)	82.3	(0.1)
EBITDA	89,980	78,460	14.7	93,670	(3.9)	94,627	(4.9)
EBITDA Margin (%)	24.0	24.3	(28 bp)	24.4	(41 bp)	24.4	(37 bp)
EBIT	78,770	69,560	13.2	82,420	(4.4)	83,241	(5.4)
EBIT Margin (%)	21.0	21.6	(51 bp)	21.5	(47 bp)	21.5	(43 bp)
Depreciation	11,210	8,900	26.0	11,250	(0.4)	11,386	(1.5)
Net other income	5,890	5,870	0.3	6,890	(14.5)	4,720	24.8
PBT	84,660	75,430	12.2	89,310	(5.2)	87,961	(3.8)
Provision for tax	23,320	18,480	26.2	23,450	(0.6)	22,958	1.6
% tax rate	27.5	24.5	305 bp	26.3	129 bp	26.1	145 bp
Net Profit	61,280	56,860	7.8	65,860	(7.0)	65,003	(5.7)
EPS (Rs)	14.8	13.5	9.1	15.7	(5.9)	15.7	(6.1)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Operating metrics

Operating trends	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (\$ m)	3,613.0	3,782.0	3,998.0	4,250.0	4,280.0	4,444.0	4,555.0	4,659.0	4,554.0
Growth YoY (%)	13.0	21.2	20.7	20.9	18.5	17.5	13.9	9.6	6.4
Growth QoQ (%)	2.8	4.7	5.7	6.3	0.7	3.8	2.5	2.3	-2.3
CC Growth YoY (%)	9.6	16.9	19.4	21.5	20.6	21.4	18.8	13.7	8.8
CC Growth QoQ (%)	2.0	4.8	6.3	7.0	1.2	5.5	4.0	2.4	-3.2
Revenue (Rs. m)	2,63,110	2,78,960	2,96,020	3,18,670	3,22,760	3,44,700	3,65,380	3,83,180	3,74,410
Growth YoY (%)	13.1	17.9	20.5	22.9	22.7	23.6	23.4	20.2	16.0
Growth QoQ (%)	1.5	6.0	6.1	7.7	1.3	6.8	6.0	4.9	-2.3
EBIT Margin (%)	24.5	23.7	23.6	23.5	21.6	20.1	21.5	21.5	21.0
US\$-INR realized rate	72.8	73.8	74.0	75.0	75.4	77.6	80.2	82.2	82.2
Headcount	2,59,619	2,67,953	2,79,617	2,92,067	3,14,015	3,35,186	3,45,218	3,46,845	3,43,234
Utilization ex-trainees (%)	87.7	88.5	89.2	88.5	87.0	84.7	83.6	81.7	80.0
LTM Attrition - IT services (%)	10.9	13.9	20.1	25.5	27.7	28.4	27.1	24.3	20.9
Vertical (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Financial Services	33.0	33.0	32.3	31.5	31.3	30.6	30.5	29.3	28.9
Retail	14.8	15.0	14.6	14.5	14.3	14.5	14.2	14.3	14.8
Communication	12.0	12.2	12.4	12.5	12.8	13.0	12.3	12.3	11.8
Energy, Utilities, Resources & Services	12.3	12.1	11.8	11.7	12.0	12.4	12.3	13.0	12.9
Manufacturing	9.6	9.7	10.9	11.3	11.8	12.1	12.8	13.3	13.5
Hi-Tech	8.1	8.3	8.5	8.1	8.2	8.2	8.2	8.1	8.0
Life Sciences	6.8	6.8	7.1	7.5	6.6	6.5	6.7	7.0	7.2
Others	3.4	2.9	2.4	2.9	3.0	2.7	3.0	2.7	2.9
Vertical (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Financial Services	1,192	1,248	1,291	1,339	1,340	1,360	1,389	1,365	1,316
Retail	535	567	584	616	612	644	647	666	674
Communication	434	461	496	531	548	578	560	573	537
Energy, Utilities, Resources & Services	444	458	472	497	514	551	560	606	587
Manufacturing	347	367	436	480	505	538	583	620	615
Hi-Tech	293	314	340	344	351	364	374	377	364
Life Sciences	246	257	284	319	282	289	305	326	328
Others	123	110	96	123	128	120	137	126	132
Vertical YoY (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Financial Services	19.2	26.9	21.8	15.0	12.4	9.0	7.6	2.0	-1.8
Retail	7.9	27.1	18.3	19.2	14.5	13.6	10.8	8.1	10.1
Communication	4.3	10.3	18.8	21.9	26.4	25.2	13.0	7.9	-1.9
Energy, Utilities, Resources & Services	7.8	14.6	15.8	13.1	15.6	20.4	18.8	21.8	14.4
Manufacturing	7.4	23.7	44.6	46.9	45.6	46.6	33.8	29.0	21.7
Hi-Tech	15.9	15.6	12.8	19.4	19.9	16.1	9.9	9.6	3.8
Life Sciences	20.1	23.0	26.0	27.7	15.0	12.3	7.5	2.3	16.1
Others	32.5	13.4	-9.5	29.8	4.5	9.4	42.4	2.1	2.9
Vertical QoQ (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Financial Services	2.4	4.7	3.5	3.7	0.1	1.5	2.2	-1.7	-3.6
Retail	3.5	6.1	2.9	5.6	-0.7	5.3	0.4	3.0	1.2
Communication	-0.6	6.4	7.4	7.2	3.1	5.5	-3.0	2.3	-6.2
Energy, Utilities, Resources & Services	1.1	3.0	3.1	5.4	3.3	7.3	1.7	8.1	-3.0
Manufacturing	6.1	5.8	18.8	10.2	5.2	6.5	8.4	6.3	-0.8
Hi-Tech	1.5	7.3	8.3	1.3	1.9	3.8	2.5	1.0	-3.5
Life Sciences	-1.6	4.7	10.4	12.3	-11.4	2.3	5.7	6.9	0.5
Others	29.4	-10.7	-12.5	28.4	4.2	-6.6	13.9	-7.9	5.0
Incremental revenue (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Financial Services	28	56	43	47	1	20	29	-24	-49
Retail	18	33	16	33	-4	32	2	19	8
Communication	-2	28	34	35	17	30	-17	13	-36
Energy, Utilities, Resources & Services	5	13	14	25	16	37	9	45	-18
Manufacturing	20	20	69	44	25	33	45	37	-5
Hi-Tech	4	21	26	4	7	13	9	4	-13
Life Sciences	-4	11	27	35	-36	6	16	21	2
Others	28	-13	-14	27	5	-8	17	-11	6
Geography (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
North America	61.6	61.7	61.9	61.8	61.4	61.8	61.9	62	61
Europe	24.4	24.2	24.8	24.9	25.2	25	24.8	25.8	27

India	3	2.9	2.6	3	3.2	2.6	2.6	2.4	2.6
ROW	11	11.2	10.7	10.3	10.2	10.6	10.7	9.8	9.4
<b>Geography (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
North America	2,226	2,333	2,475	2,627	2,628	2,746	2,820	2,889	2,778
Europe	882	915	992	1,058	1,079	1,111	1,130	1,202	1,230
India	108	110	104	128	137	116	118	112	118
ROW	397	424	428	438	437	471	487	457	428
<b>Geography YoY (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
North America	13.0	21.6	23.1	21.3	18.1	17.7	13.9	10.0	5.7
Europe	13.0	22.2	23.2	25.4	22.3	21.4	13.9	13.6	14.0
India	30.4	21.2	4.6	39.5	26.4	5.3	13.9	-12.3	-13.5
ROW	9.0	17.0	7.6	5.5	9.8	11.2	13.9	4.3	-1.9
<b>Geography QoQ (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
North America	2.8	4.8	6.1	6.1	0.1	4.5	2.7	2.4	-3.8
Europe	4.5	3.8	8.3	6.7	1.9	3.0	1.7	6.4	2.3
India	18.6	1.2	-5.2	22.7	7.4	-15.6	2.5	-5.6	5.9
ROW	-4.2	6.6	1.0	2.3	-0.3	7.9	3.5	-6.3	-6.2
<b>Incremental revenue (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
North America	60	108	141	152	1	118	73	69	-111
Europe	38	34	76	67	20	32	19	72	28
India	17	1	-6	24	9	-21	3	-7	7
ROW	-17	26	4	10	-1	35	16	-31	-29
<b>Services (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Digital	51.5	53.9	56.1	58.5	59.2	61.0	61.8	62.9	62.9
Core	48.5	46.1	43.9	41.5	40.8	39.0	38.2	37.1	37.1
<b>Services (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Digital	1,861	2,038	2,243	2,486	2,534	2,711	2,815	2,931	2,864
Core	1,752	1,744	1,755	1,764	1,746	1,733	1,740	1,728	1,690
<b>Services YoY (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Digital	38.9	46.8	43.2	41.1	36.2	33.0	25.5	17.9	13.1
Core	-5.7	0.7	0.6	0.5	-0.3	-0.6	-0.9	-2.0	-3.2
<b>Services QoQ (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Digital	6	10	10	11	1.9	7.0	3.8	4.1	-2.3
Core	0	-1	1	0	-1.0	-0.7	0.4	-0.7	-2.3
<b>Incremental revenue (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Digital	99	178	204	243	48	177	104	116	-66
Core	-2	-9	12	9	-18	-13	7	-12	-39
<b>Deal wins</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
TCV (US\$ m)	2,100	2,600	2,150	2,530	2,300	1,700	2,700	3,300	2,100
TCV YoY (%)	27.6	49.1	-31.6	-64.5	9.5	-34.6	25.6	30.4	-8.7
TCV QoQ (%)	-70.5	23.8	-17.3	17.7	-9.1	-26.1	58.8	22.2	-36.4
TTM TCV	14,119	14,975	13,980	9,380	9,580	8,680	9,230	10,000	9,800
<b>Clients (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	10.9	11.3	11.4	12	11.8	13	12.6	13.1	13
Top 6-10	7.4	7.5	8	8.2	7.6	7.8	7.6	7.4	7.1
Top 11-25	15.9	15.6	16	15.7	16	15.5	15.1	14.8	14.6
Non-top 25	65.8	65.6	64.6	64.1	64.6	63.7	64.7	64.7	65.3
<b>Clients (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	394	427	456	510	505	578	574	610	592
Top 6-10	267	284	320	349	325	347	346	345	323
Top 11-25	574	590	640	667	685	689	688	690	665
Non-top 25	2,377	2,481	2,583	2,724	2,765	2,831	2,947	3,014	2,974
<b>Clients YoY growth(%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	9.0	16.0	21.8	34.3	28.2	35.2	25.9	19.7	17.2
Top 6-10	13.0	21.2	30.5	28.7	21.7	22.2	8.2	-1.1	-0.6
Top 11-25	16.7	23.6	24.6	17.9	19.2	16.8	7.5	3.3	-2.9
Non-top 25	12.8	21.5	18.5	18.5	16.3	14.1	14.1	10.6	7.6
<b>Clients QoQ growth(%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	3.7	8.5	6.6	11.9	-1.0	14.4	-0.7	6.3	-3.0
Top 6-10	-1.2	6.1	12.8	9.0	-6.7	6.6	-0.1	-0.4	-6.2
Top 11-25	1.5	2.7	8.4	4.3	2.6	0.6	-0.1	0.3	-3.6
Non-top 25	3.4	4.4	4.1	5.5	1.5	2.4	4.1	2.3	-1.3
<b>Client metrics</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
No of active clients	1,626	1,659	1,714	1,738	1,741	1,778	1,779	1,850	1,872
Revenue per active client	8.3	8.6	8.7	9.0	9.4	9.5	9.9	9.7	9.7
US\$ 1 m+	779	805	841	854	853	877	895	912	922
US\$ 10 m+	252	264	270	274	275	278	281	294	298
US\$ 50 m+	59	59	62	64	64	69	77	79	75
US\$ 100 m+	32	34	35	37	38	38	39	38	40
<b>Per employee analysis</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Revenue (US\$ m) - TTM	13,562	14,223	14,909	15,643	16,310	16,972	17,529	17,938	18,212
Employees (Average TTM)	2,47,093	2,54,273	2,64,125	2,74,814	2,88,413	3,05,221	3,21,622	3,35,316	3,42,621
Revenue per employee (TTM)	54,886	55,936	56,447	56,922	56,551	55,606	54,502	53,496	53,155

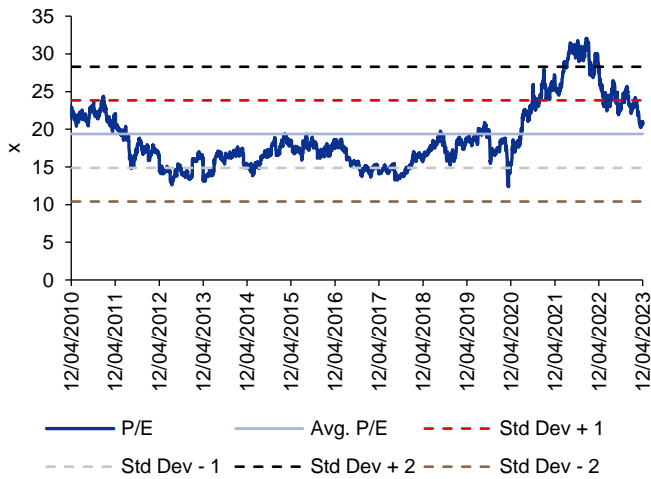
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Change in our earnings estimates**

Y/E, Mar (Rs m)	FY24F			FY25F		
	New	Old	% change	New	Old	% change
US\$ revenue	18,933	19,757	-4.2	20,549	21,498	-4.4
Revenue	15,71,459	16,39,871	-4.2	17,26,111	18,05,840	-4.4
EBIT	3,35,348	3,53,116	-5.0	3,76,965	3,92,121	-3.9
EBIT Margin (%)	21.3%	21.5%	(0.2) bp	21.8%	21.7%	0.1 bp
Net PAT	2,61,261	2,79,192	-6.4	2,94,033	3,10,056	-5.2
EPS (Rs)	63.0	67.5	-6.8	70.9	75.0	-5.5

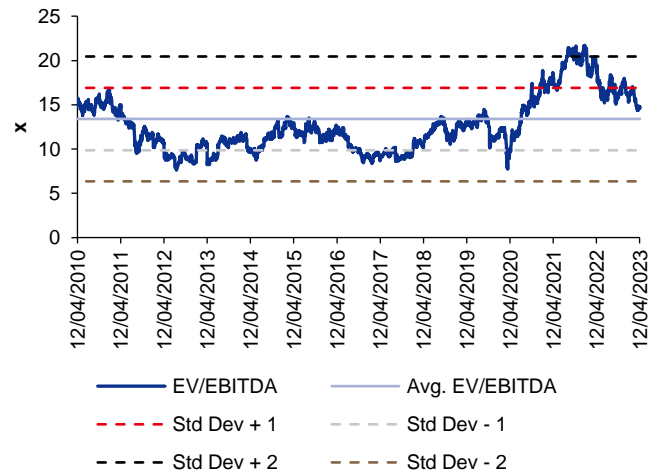
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: One-year forward P/E at ~21x**



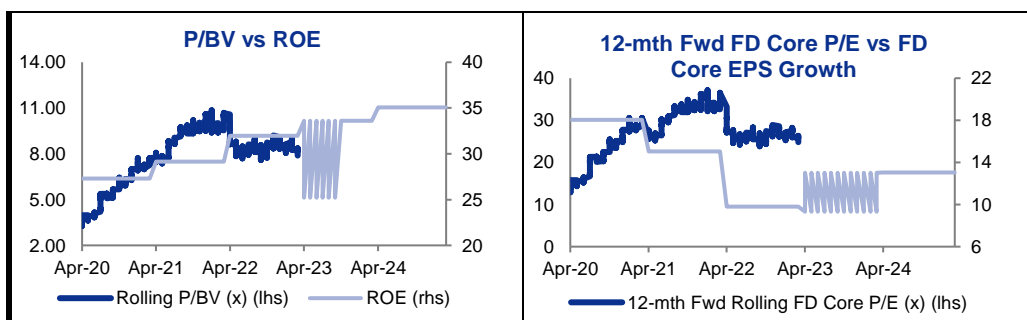
SOURCE: INCRED RESEARCH, BLOOMBERG

**Figure 5: One-year forward EV/EBITDA at ~15x**



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
<b>Total Net Revenues</b>	<b>1,004,730</b>	<b>1,216,410</b>	<b>1,467,670</b>	<b>1,571,459</b>	<b>1,726,111</b>
<b>Gross Profit</b>	<b>383,260</b>	<b>431,190</b>	<b>486,390</b>	<b>526,439</b>	<b>581,700</b>
<b>Operating EBITDA</b>	<b>278,900</b>	<b>314,920</b>	<b>351,310</b>	<b>381,865</b>	<b>427,023</b>
Depreciation And Amortisation	(32,680)	(34,770)	(42,250)	(46,516)	(50,057)
<b>Operating EBIT</b>	<b>246,220</b>	<b>280,150</b>	<b>309,060</b>	<b>335,348</b>	<b>376,965</b>
Financial Income/(Expense)	14,200	14,440	15,390	16,756	20,363
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,860	6,510	8,770	8,587	8,007
<b>Profit Before Tax (pre-EI)</b>	<b>266,280</b>	<b>301,100</b>	<b>333,220</b>	<b>360,691</b>	<b>405,335</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>266,280</b>	<b>301,100</b>	<b>333,220</b>	<b>360,691</b>	<b>405,335</b>
Taxation	(72,050)	(79,640)	(92,140)	(99,190)	(111,062)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>194,230</b>	<b>221,460</b>	<b>241,080</b>	<b>261,501</b>	<b>294,273</b>
Minority Interests	(720)	(350)	(130)	(240)	(240)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>193,510</b>	<b>221,110</b>	<b>240,950</b>	<b>261,261</b>	<b>294,033</b>
Recurring Net Profit	193,510	221,110	240,950	261,261	294,033
<b>Fully Diluted Recurring Net Profit</b>	<b>193,510</b>	<b>221,110</b>	<b>240,950</b>	<b>261,261</b>	<b>294,033</b>

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
<b>EBITDA</b>	<b>278,900</b>	<b>314,920</b>	<b>351,310</b>	<b>381,865</b>	<b>427,023</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	7,680	(14,240)	(63,440)	(27,712)	(34,261)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	9,550	(350)	(130)	(240)	(240)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(63,890)	(76,120)	(87,940)	(99,190)	(111,062)
<b>Cashflow From Operations</b>	<b>232,240</b>	<b>224,210</b>	<b>199,800</b>	<b>254,723</b>	<b>281,459</b>
Capex	(21,070)	(21,610)	(25,790)	(25,000)	(24,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(53,490)	(42,560)	13,700	28,623	31,650
<b>Cash Flow From Investing</b>	<b>(74,560)</b>	<b>(64,170)</b>	<b>(12,090)</b>	<b>3,623</b>	<b>7,650</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased		(111,250)	(114,990)		
Dividends Paid	(91,170)	(126,520)	(136,310)	(213,417)	(220,525)
Preferred Dividends					
Other Financing Cashflow	(6,690)	(8,650)	(15,650)	(3,280)	(3,280)
<b>Cash Flow From Financing</b>	<b>(97,860)</b>	<b>(246,420)</b>	<b>(266,950)</b>	<b>(216,697)</b>	<b>(223,805)</b>
Total Cash Generated	59,820	(86,380)	(79,240)	41,649	65,304
<b>Free Cashflow To Equity</b>	<b>211,170</b>	<b>202,600</b>	<b>174,010</b>	<b>229,723</b>	<b>257,459</b>
<b>Free Cashflow To Firm</b>	<b>157,680</b>	<b>160,040</b>	<b>187,710</b>	<b>258,346</b>	<b>289,109</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>
Total Cash And Equivalents	270,560	241,450	190,820	232,469	297,773
Total Debtors	268,210	342,660	407,130	439,245	477,744
Inventories					
Total Other Current Assets	68,560	87,740	110,860	110,860	110,860
<b>Total Current Assets</b>	<b>607,330</b>	<b>671,850</b>	<b>708,810</b>	<b>782,574</b>	<b>886,377</b>
Fixed Assets	182,760	183,140	205,160	183,644	157,587
Total Investments	130,360	151,450	154,060	154,060	154,060
Intangible Assets	81,510	79,020	89,970	89,970	89,970
Total Other Non-Current Assets	81,900	93,390	100,160	100,160	100,160
<b>Total Non-current Assets</b>	<b>476,530</b>	<b>507,000</b>	<b>549,350</b>	<b>527,834</b>	<b>501,777</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	26,450	41,340	38,650	43,054	47,291
Other Current Liabilities	212,200	294,690	353,210	353,210	353,210
<b>Total Current Liabilities</b>	<b>238,650</b>	<b>336,030</b>	<b>391,860</b>	<b>396,264</b>	<b>400,501</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	77,390	85,460	108,350	108,350	108,350
<b>Total Non-current Liabilities</b>	<b>77,390</b>	<b>85,460</b>	<b>108,350</b>	<b>108,350</b>	<b>108,350</b>
Total Provisions					
<b>Total Liabilities</b>	<b>316,040</b>	<b>421,490</b>	<b>500,210</b>	<b>504,614</b>	<b>508,851</b>
Shareholders Equity	763,510	753,500	754,070	801,915	875,423
Minority Interests	4,310	3,860	3,880	3,880	3,880
<b>Total Equity</b>	<b>767,820</b>	<b>757,360</b>	<b>757,950</b>	<b>805,795</b>	<b>879,303</b>

<b>Key Ratios</b>					
	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>
Revenue Growth	10.7%	21.1%	20.7%	7.1%	9.8%
Operating EBITDA Growth	25.2%	12.9%	11.6%	8.7%	11.8%
Operating EBITDA Margin	27.8%	25.9%	23.9%	24.3%	24.7%
Net Cash Per Share (Rs)	52.88	46.34	28.73	39.02	54.75
BVPS (Rs)	179.68	178.66	180.13	193.25	210.97
Gross Interest Cover	126.27	140.07	108.82	102.24	114.93
Effective Tax Rate	27.1%	26.4%	27.7%	27.5%	27.4%
Net Dividend Payout Ratio	59.2%	58.9%	58.8%	81.7%	75.0%
Accounts Receivables Days	95.16	91.65	93.23	98.29	96.95
Inventory Days					
Accounts Payables Days	16.14	15.76	14.88	14.27	14.41
ROIC (%)	41.1%	46.4%	49.7%	46.6%	51.9%
ROCE (%)	23.8%	25.5%	27.4%	28.5%	30.0%
Return On Average Assets	18.3%	18.6%	18.9%	19.4%	20.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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