

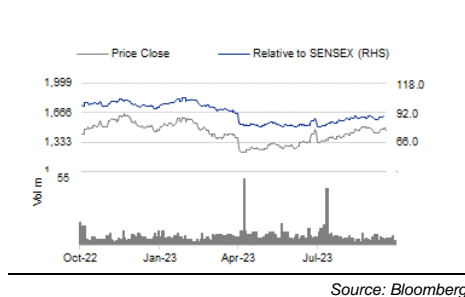
India

**HOLD** (no change)

Consensus ratings*: Buy 21 Hold 15 Sell 9	
Current price:	Rs1,466
Target price: ▲	Rs1,496
Previous target:	Rs1,400
Up/downside:	2.0%
InCred Research / Consensus:	-0.8%
Reuters:	INFY.NS
Bloomberg:	INFO IN
Market cap:	US\$73,066m Rs6,082,388m
Average daily turnover:	US\$121.5m Rs10115.4m
Current shares o/s:	4,142.7m
Free float:	87.0%
*Source: Bloomberg	

**Key changes in this note**

- Expect 6.1% revenue CAGR over FY24F-26F.
- Expect 10.5% EBIT CAGR over FY24F-26F.
- Expect 11.3% PAT CAGR over FY24F-26F.



<b>Price performance</b>	1M	3M	12M
Absolute (%)	(2.2)	7.4	3.2
Relative (%)	(0.6)	6.0	(11.0)

<b>Major shareholders</b>	% held
LIC	8.2
SBI MF	4.5
Govt. of Singapore	2.6

**Analyst(s)**



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# Infosys

## Prefer to remain on the sidelines

- 2QFY24 revenue and EBIT margin optically beat consensus/InCred estimates.
- Order-booking momentum encouraging from a FY25F revenue perspective.
- We prefer to remain on the sidelines given limited line of sight on recovery.

### Optical beat

Infosys' (INFO IN) 2QFY24 constant currency or CC revenue growth (2.3% qoq vs. 0.8%/1% consensus/InCred estimates, respectively) and 21.2% EBIT margin (21.1%/20.7%) performance was better than expected. However, growth adjusted for cost of software packages appears soft and could be the reason, along with slower decision-making and low digital transformation & discretionary spending, for trimming of the top end of the revenue guidance. Like its larger peer, management commentary suggests that the vacuum created due to faster project roll-offs or completion and slower ramp-up could continue to weigh on the near-term revenue growth. Overall, we adjust our estimates and retain HOLD rating on the stock with a higher target price, rolling forward to FY26F.

### Deal wins encouraging - likely to reflect in FY25F revenue

Quarterly deal wins at US\$7.7bn, up 234.8% qoq and 185.2% yoy, were strong led by four mega deals and takes TTM TCV to US\$15.4bn, up ~48% qoq and ~67% vs. 2QFY23. Infosys signed 21 large deals, with six in retail, five in manufacturing, four in telecom, three in financial services, two in life sciences and one in utility resources and services verticals. Across regions, 12 were in America, eight in Europe, and one in RoW. Finally, the order pipeline may have moderated qoq due to conversion, but management commentary suggests the funnel has enough to replenish the pipeline.

### Sees early benefits of efficiency program

At 21.2%, EBIT margin beat was largely aided by cost optimization (50bp), revenue one-timers (30bp) partly offset by a 50bp rise due to increased third-party costs, salary-related, and other items. Management highlighted that it has identified new opportunities as a part of this program while compensation hike since 1 Nov 2023 for all employees likely reflects early benefits in utilization & optimization of overheads. However, we adjust FY25F assumptions, as the transition of mega deals could be a key headwind.

### Retain HOLD with a higher target price of Rs1,496 vs. Rs1,400 earlier

We trim our estimates to account for guidance revision and now model in a 6.1% US\$ revenue CAGR over FY24F-26F and a ~11% PAT (Rs) CAGR. Though we maintain our HOLD rating, rolling forward the valuation to FY26F earnings drives an increase in our target price, despite retaining target PE/G multiple at 1.8x. Better execution, cash conversion (OCF/EBITDA was ~74% over FY19-23), healthy return ratios & payout provide cushion, in our view. Upside risk: Stronger execution. Downside risk: Moderation in the order book led by the FSI vertical.

### Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	1,216,410	1,467,670	1,541,976	1,647,346	1,810,322
Operating EBITDA (Rsm)	314,920	351,310	370,390	401,952	445,339
Net Profit (Rsm)	221,110	240,950	246,782	273,404	305,529
Core EPS (Rs)	52.2	57.3	59.3	66.0	73.8
Core EPS Growth	15.0%	9.8%	3.3%	11.4%	11.8%
FD Core P/E (x)	28.06	25.56	24.73	22.21	19.87
DPS (Rs)	31.0	34.0	50.0	54.8	61.2
Dividend Yield	2.11%	2.31%	3.41%	3.74%	4.18%
EV/EBITDA (x)	19.09	17.20	16.05	14.59	13.07
P/FCFE (x)	30.62	35.39	26.79	24.08	22.32
Net Gearing	(25.8%)	(15.9%)	(20.2%)	(24.8%)	(28.3%)
P/BV (x)	8.20	8.14	7.65	7.22	6.80
ROE	29.2%	32.0%	31.9%	33.5%	35.3%
% Change In Core EPS Estimates			(0.05%)	(0.07%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 1: Quarterly performance**

YE Mar (Rs m)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	2QFY24F	Var. (%)
Revenue (US\$ m)	4,718	4,555	3.6	4,617	2.2	4,657	1.3
Revenue (Rs m)	389,940	365,380	6.7	379,330	2.8	385,114	1.3
USD-Rs realization	82.6	80.2	3.0	82.16	0.6	82.7	(0.1)
EBITDA	94,400	89,020	6.0	90,640	4.1	91,470	3.2
EBITDA margin (%)	24.2	24.4	(15 bp)	23.9	31 bp	23.8	46 bp
EBIT	82,740	78,730	5.1	78,910	4.9	79,724	3.8
EBIT margin (%)	21.2	21.5	(33 bp)	20.8	42 bp	20.7	52 bp
Depreciation	11,660	10,290	13.3	11,730	(0.6)	11,746	(0.7)
Net other income	4,940	5,180	(4.6)	4,710	4.9	4,984	(0.9)
PBT	87,680	83,910	4.5	83,620	4.9	84,708	3.5
Provision for tax	25,530	23,650	7.9	24,170	5.6	23,295	9.6
% tax rate	29.1	28.2	93 bp	28.9	21 bp	27.5	162 bp
Net profit	62,120	60,210	3.2	59,450	4.5	61,413	1.2
EPS (Rs)	15.0	14.3	4.6	14.4	4.5	14.8	1.1

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key conference call take-aways

- Infosys has signed four mega-deals. TCV excludes the Memorandum of Understanding or MoU (US\$1.5bn) signed earlier. The company believes it is winning market share in the areas of cost, efficiency, automation, and AI.
- Driving margin improvement plan (project Maximus) across the organization. Pyramid, automation, indirect cost, critical portfolio and value are the key focus areas.
- Vertical-wise commentary:
- BFSI – Uncertainty remains in areas like mortgage, asset management, investment banking, cards and payment. Revenue growth in 2QFY24 was impacted by the reduction in spending by some large clients, which was partially offset by ramp-up of large deal wins in areas like cost optimization and vendor consolidation.
- Communication – Growth challenges continue, coupled with increasing opex pressure, risk of inflation, high interest rates and supply-demand imbalance creating near-term uncertainty. Strong large deal signings and pipelines will help support growth in the medium term.
- Manufacturing – The sector continues to show double-digit growth on a yoy basis with capabilities in areas like digital transformation, cloud ERP, supply chain, smart factory, etc. aiding growth.
- Retail – Budgets continue to remain tight, with clients continuing to focus on budget consolidation, cost, and efficiency.
- Working on 90 GenAI programs. 57k employees trained on GenAI.

Figure 2: Operating metrics trends

Operating trends	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Revenue (US\$ m)	3,998.0	4,250.0	4,280.0	4,444.0	4,555.0	4,659.0	4,554.0	4,617.0	4,718.0
Growth yoy (%)	20.7	20.9	18.5	17.5	13.9	9.6	6.4	3.9	3.6
Growth qoq (%)	5.7	6.3	0.7	3.8	2.5	2.3	-2.3	1.4	2.2
CC Growth yoy (%)	19.4	21.5	20.6	21.4	18.8	13.7	8.8	4.2	2.5
CC Growth qoq (%)	6.3	7.0	1.2	5.5	4.0	2.4	-3.2	1.0	2.3
Revenue (Rs. m)	296,020	318,670	322,760	344,700	365,380	383,180	374,410	379,330	389,940
Growth yoy (%)	20.5	22.9	22.7	23.6	23.4	20.2	16.0	10.0	6.7
Growth qoq (%)	6.1	7.7	1.3	6.8	6.0	4.9	-2.3	1.3	2.8
EBIT margin (%)	23.6	23.5	21.6	20.1	21.5	21.5	21.0	20.8	21.2
US\$-INR realized rate	74.0	75.0	75.4	77.6	80.2	82.2	82.2	82.2	82.6
Headcount	279,617	292,067	314,015	335,186	345,218	346,845	343,234	336,294	328,764
Utilization ex-trainees (%)	89.2	88.5	87.0	84.7	83.6	81.7	80.0	81.1	81.8
LTM attrition - IT services (%)	20.1	25.5	27.7	28.4	27.1	24.3	20.9	17.3	14.6
<b>Vertical (%)</b>	<b>2QFY22</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>
Financial services	32.3	31.5	31.3	30.6	30.5	29.3	28.9	28.1	27.5
Retail	14.6	14.5	14.3	14.5	14.2	14.3	14.8	14.5	15.2
Communication	12.4	12.5	12.8	13.0	12.3	12.3	11.8	11.7	11.4
Energy, utilities, resources & services	11.8	11.7	12.0	12.4	12.3	13.0	12.9	12.9	12.7
Manufacturing	10.9	11.3	11.8	12.1	12.8	13.3	13.5	14.1	14.3
Hi-tech	8.5	8.1	8.2	8.2	8.2	8.1	8.0	8.1	7.8
Life sciences	7.1	7.5	6.6	6.5	6.7	7.0	7.2	7.2	7.8
Others	2.4	2.9	3.0	2.7	3.0	2.7	2.9	3.4	3.3
<b>Vertical (US\$ m)</b>	<b>2QFY22</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>
Financial services	1,291	1,339	1,340	1,360	1,389	1,365	1,316	1,297	1,297
Retail	584	616	612	644	647	666	674	669	717
Communication	496	531	548	578	560	573	537	540	538
Energy, utilities, resources & services	472	497	514	551	560	606	587	596	599
Manufacturing	436	480	505	538	583	620	615	651	675
Hi-tech	340	344	351	364	374	377	364	374	368
Life Sciences	284	319	282	289	305	326	328	332	368
Others	96	123	128	120	137	126	132	157	156
<b>Vertical yoy (%)</b>	<b>2QFY22</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>
Financial services	21.8	15.0	12.4	9.0	7.6	2.0	-1.8	-4.6	-6.6
Retail	18.3	19.2	14.5	13.6	10.8	8.1	10.1	3.9	10.9
Communication	18.8	21.9	26.4	25.2	13.0	7.9	-1.9	-6.5	-4.0
Energy, utilities, resources & services	15.8	13.1	15.6	20.4	18.8	21.8	14.4	8.1	6.9
Manufacturing	44.6	46.9	45.6	46.6	33.8	29.0	21.7	21.1	15.7
Hi-tech	12.8	19.4	19.9	16.1	9.9	9.6	3.8	2.6	-1.5
Life sciences	26.0	27.7	15.0	12.3	7.5	2.3	16.1	15.1	20.6
Others	-9.5	29.8	4.5	9.4	42.4	2.1	2.9	30.8	13.9
<b>Vertical qoq (%)</b>	<b>2QFY22</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>
Financial services	3.5	3.7	0.1	1.5	2.2	-1.7	-3.6	-1.4	0.0
Retail	2.9	5.6	-0.7	5.3	0.4	3.0	1.2	-0.7	7.1
Communication	7.4	7.2	3.1	5.5	-3.0	2.3	-6.2	0.5	-0.4
Energy, utilities, resources & services	3.1	5.4	3.3	7.3	1.7	8.1	-3.0	1.4	0.6
Manufacturing	18.8	10.2	5.2	6.5	8.4	6.3	-0.8	5.9	3.6
Hi-tech	8.3	1.3	1.9	3.8	2.5	1.0	-3.5	2.7	-1.6
Life sciences	10.4	12.3	-11.4	2.3	5.7	6.9	0.5	1.4	10.7
Others	-12.5	28.4	4.2	-6.6	13.9	-7.9	5.0	18.9	-0.8
<b>Incremental revenue (US\$ m)</b>	<b>2QFY22</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>
Financial services	43	47	1	20	29	-24	-49	-19	0
Retail	16	33	-4	32	2	19	8	-5	48
Communication	34	35	17	30	-17	13	-36	3	-2
Energy, utilities, resources & services	14	25	16	37	9	45	-18	8	4
Manufacturing	69	44	25	33	45	37	-5	36	24
Hi-tech	26	4	7	13	9	4	-13	10	-6
Life sciences	27	35	-36	6	16	21	2	5	36
Others	-14	27	5	-8	17	-11	6	25	-1
<b>Geography (%)</b>	<b>2QFY22</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>
North America	61.9	61.8	61.4	61.8	61.9	62	61	60.8	61.1
Europe	24.8	24.9	25.2	25	24.8	25.8	27	26.8	26.5
India	2.6	3	3.2	2.6	2.6	2.4	2.6	2.7	2.8
ROW	10.7	10.3	10.2	10.6	10.7	9.8	9.4	9.7	9.6
<b>Geography (US\$ m)</b>	<b>2QFY22</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>
North America	2,475	2,627	2,628	2,746	2,820	2,889	2,778	2,807	2,883
Europe	992	1,058	1,079	1,111	1,130	1,202	1,230	1,237	1,250
India	104	128	137	116	118	112	118	125	132
ROW	428	438	437	471	487	457	428	448	453
<b>Geography yoy (%)</b>	<b>2QFY22</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>
North America	23.1	21.3	18.1	17.7	13.9	10.0	5.7	2.2	2.2
Europe	23.2	25.4	22.3	21.4	13.9	13.6	14.0	11.4	10.7
India	4.6	39.5	26.4	5.3	13.9	-12.3	-13.5	7.9	11.5
ROW	7.6	5.5	9.8	11.2	13.9	4.3	-1.9	-4.9	-7.1
<b>Geography qoq (%)</b>	<b>2QFY22</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>
North America	6.1	6.1	0.1	4.5	2.7	2.4	-3.8	1.1	2.7
Europe	8.3	6.7	1.9	3.0	1.7	6.4	2.3	0.6	1.0
India	-5.2	22.7	7.4	-15.6	2.5	-5.6	5.9	5.3	6.0
ROW	1.0	2.3	-0.3	7.9	3.5	-6.3	-6.2	4.6	1.1
<b>Incremental revenue (US\$ m)</b>	<b>2QFY22</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>
North America	141	152	1	118	73	69	-111	29	76
Europe	76	67	20	32	19	72	28	8	13
India	-6	24	9	-21	3	-7	7	6	7
ROW	4	10	-1	35	16	-31	-29	20	5

<b>Deal wins</b>	<b>2QFY22</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>
TCV (US\$ m)	2,150	2,530	2,300	1,700	2,700	3,300	2,100	2,300	7,700
TCV yoy (%)	-31.6	-64.5	9.5	-34.6	25.6	30.4	-8.7	35.3	185.2
TCV qoq (%)	-17.3	17.7	-9.1	-26.1	58.8	22.2	-36.4	9.5	234.8
TTM TCV	13,980	9,380	9,580	8,680	9,230	10,000	9,800	10,400	15,400
<b>Clients (%)</b>	<b>2QFY22</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>
Top 5	11.4	12	11.8	13	12.6	13.1	13	13.4	13.3
Top 6-10	8	8.2	7.6	7.8	7.6	7.4	7.1	7.0	6.6
Top 11-25	16	15.7	16	15.5	15.1	14.8	14.6	14.2	14.2
Non-top 25	64.6	64.1	64.6	63.7	64.7	64.7	65.3	65.4	65.9
<b>Clients (US\$ m)</b>	<b>2QFY22</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>
Top 5	456	510	505	578	574	610	592	619	627
Top 6-10	320	349	325	347	346	345	323	323	311
Top 11-25	640	667	685	689	688	690	665	656	670
Non-top 25	2,583	2,724	2,765	2,831	2,947	3,014	2,974	3,020	3,109
<b>Clients yoy growth(%)</b>	<b>2QFY22</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>
Top 5	21.8	34.3	28.2	35.2	25.9	19.7	17.2	7.1	9.3
Top 6-10	30.5	28.7	21.7	22.2	8.2	-1.1	-0.6	-6.8	-10.1
Top 11-25	24.6	17.9	19.2	16.8	7.5	3.3	-2.9	-4.8	-2.6
Non-top 25	18.5	18.5	16.3	14.1	14.1	10.6	7.6	6.7	5.5
<b>Clients qoq growth (%)</b>	<b>2QFY22</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>
Top 5	6.6	11.9	-1.0	14.4	-0.7	6.3	-3.0	4.5	1.4
Top 6-10	12.8	9.0	-6.7	6.6	-0.1	-0.4	-6.2	0.0	-3.7
Top 11-25	8.4	4.3	2.6	0.6	-0.1	0.3	-3.6	-1.4	2.2
Non-top 25	4.1	5.5	1.5	2.4	4.1	2.3	-1.3	1.5	3.0
<b>Client metrics</b>	<b>2QFY22</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>
No of active clients	1,714	1,738	1,741	1,778	1,779	1,850	1,872	1,883	1,884
TTM revenue per avg. active client	9.1	9.3	9.5	9.7	10.0	10.0	10.0	10.0	9.9
US\$ 1 m+	841	854	853	877	895	912	922	940	951
US\$ 10 m+	270	274	275	278	281	294	298	312	312
US\$ 50 m+	62	64	64	69	77	79	75	79	80
US\$ 100 m+	35	37	38	38	39	38	40	38	39
<b>Per employee analysis</b>	<b>2QFY22</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>
Revenue (US\$ m) - TTM	14,909	15,643	16,310	16,972	17,529	17,938	18,212	18,385	18,548
Employees (Average TTM)	264,125	274,814	288,413	305,221	321,622	335,316	342,621	342,898	338,784
Revenue per employee (TTM)	56,447	56,922	56,551	55,606	54,502	53,496	53,155	53,617	54,749

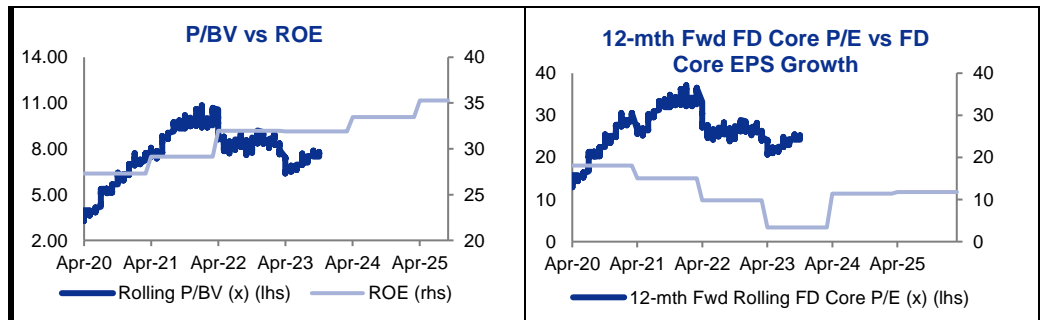
SOURCE: INCRED RESEARCH, COMPANY REPORTS

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

Y/E, Mar (Rs m)	FY24F			FY25F			FY26F
	New	Old	% change	New	Old	% change	New
<b>US\$ revenue</b>	18,684	18,933	-1.3	19,611	20,549	-4.6	21,050
<b>Revenue</b>	1,541,976	1,571,459	-1.9	1,647,346	1,726,111	-4.6	1,810,322
<b>EBIT</b>	324,205	335,348	-3.3	354,179	376,965	-6.0	395,555
<b>EBIT Margin (%)</b>	21.0%	21.3%	(0.3) bp	21.5%	21.8%	(0.3) bp	21.9%
<b>Net PAT</b>	246,782	261,261	-5.5	273,404	294,033	-7.0	305,529
<b>EPS (Rs)</b>	59.6	63.0	-5.4	66.0	70.9	-6.9	73.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>1,216,410</b>	<b>1,467,670</b>	<b>1,541,976</b>	<b>1,647,346</b>	<b>1,810,322</b>
<b>Gross Profit</b>	<b>431,190</b>	<b>486,390</b>	<b>516,603</b>	<b>551,861</b>	<b>610,079</b>
<b>Operating EBITDA</b>	<b>314,920</b>	<b>351,310</b>	<b>370,390</b>	<b>401,952</b>	<b>445,339</b>
Depreciation And Amortisation	(34,770)	(42,250)	(46,185)	(47,773)	(49,784)
<b>Operating EBIT</b>	<b>280,150</b>	<b>309,060</b>	<b>324,205</b>	<b>354,179</b>	<b>395,555</b>
Financial Income/(Expense)	14,440	15,390	15,065	15,993	17,498
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	6,510	8,770	4,819	7,061	8,199
<b>Profit Before Tax (pre-EI)</b>	<b>301,100</b>	<b>333,220</b>	<b>344,089</b>	<b>377,233</b>	<b>421,253</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>301,100</b>	<b>333,220</b>	<b>344,089</b>	<b>377,233</b>	<b>421,253</b>
Taxation	(79,640)	(92,140)	(97,217)	(103,739)	(115,634)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>221,460</b>	<b>241,080</b>	<b>246,872</b>	<b>273,494</b>	<b>305,619</b>
Minority Interests	(350)	(130)	(90)	(90)	(90)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>221,110</b>	<b>240,950</b>	<b>246,782</b>	<b>273,404</b>	<b>305,529</b>
Recurring Net Profit	221,110	240,950	246,782	273,404	305,529
<b>Fully Diluted Recurring Net Profit</b>	<b>221,110</b>	<b>240,950</b>	<b>246,782</b>	<b>273,404</b>	<b>305,529</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>314,920</b>	<b>351,310</b>	<b>370,390</b>	<b>401,952</b>	<b>445,339</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(14,240)	(63,440)	(20,279)	(22,052)	(35,570)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(350)	(130)	(90)	(90)	(90)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(76,120)	(87,940)	(97,217)	(103,739)	(115,634)
<b>Cashflow From Operations</b>	<b>224,210</b>	<b>199,800</b>	<b>252,804</b>	<b>276,071</b>	<b>294,045</b>
Capex	(21,610)	(25,790)	(25,000)	(24,000)	(22,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(42,560)	13,700	24,924	28,574	31,218
<b>Cash Flow From Investing</b>	<b>(64,170)</b>	<b>(12,090)</b>	<b>(76)</b>	<b>4,574</b>	<b>9,218</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(111,250)	(114,990)			
Dividends Paid	(126,520)	(136,310)	(206,932)	(226,925)	(253,589)
Preferred Dividends					
Other Financing Cashflow	(8,650)	(15,650)	(5,040)	(5,520)	(5,520)
<b>Cash Flow From Financing</b>	<b>(246,420)</b>	<b>(266,950)</b>	<b>(211,972)</b>	<b>(232,445)</b>	<b>(259,109)</b>
Total Cash Generated	(86,380)	(79,240)	40,756	48,200	44,154
<b>Free Cashflow To Equity</b>	<b>202,600</b>	<b>174,010</b>	<b>227,804</b>	<b>252,071</b>	<b>272,045</b>
<b>Free Cashflow To Firm</b>	<b>160,040</b>	<b>187,710</b>	<b>252,728</b>	<b>280,645</b>	<b>303,263</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	241,450	190,820	231,576	279,776	323,930
Total Debtors	342,660	407,130	431,005	455,944	491,019
Inventories					
Total Other Current Assets	87,740	110,860	110,860	110,860	110,860
<b>Total Current Assets</b>	<b>671,850</b>	<b>708,810</b>	<b>773,441</b>	<b>846,579</b>	<b>925,808</b>
Fixed Assets	183,140	205,160	183,975	160,202	132,418
Total Investments	151,450	154,060	154,060	154,060	154,060
Intangible Assets	79,020	89,970	89,970	89,970	89,970
Total Other Non-Current Assets	93,390	100,160	100,160	100,160	100,160
<b>Total Non-current Assets</b>	<b>507,000</b>	<b>549,350</b>	<b>528,165</b>	<b>504,392</b>	<b>476,608</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	41,340	38,650	42,246	45,133	44,638
Other Current Liabilities	294,690	353,210	353,210	353,210	353,210
<b>Total Current Liabilities</b>	<b>336,030</b>	<b>391,860</b>	<b>395,456</b>	<b>398,343</b>	<b>397,848</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	85,460	108,350	108,350	108,350	108,350
<b>Total Non-current Liabilities</b>	<b>85,460</b>	<b>108,350</b>	<b>108,350</b>	<b>108,350</b>	<b>108,350</b>
Total Provisions					
<b>Total Liabilities</b>	<b>421,490</b>	<b>500,210</b>	<b>503,806</b>	<b>506,693</b>	<b>506,198</b>
Shareholders Equity	753,500	754,070	793,920	840,399	892,339
Minority Interests	3,860	3,880	3,880	3,880	3,880
<b>Total Equity</b>	<b>757,360</b>	<b>757,950</b>	<b>797,800</b>	<b>844,279</b>	<b>896,219</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	21.1%	20.7%	5.1%	6.8%	9.9%
Operating EBITDA Growth	12.9%	11.6%	5.4%	8.5%	10.8%
Operating EBITDA Margin	25.9%	23.9%	24.0%	24.4%	24.6%
Net Cash Per Share (Rs)	46.34	28.73	38.87	50.50	61.16
BVPS (Rs)	178.66	180.13	191.64	202.86	215.40
Gross Interest Cover	140.07	108.82	64.33	64.16	71.66
Effective Tax Rate	26.4%	27.7%	28.3%	27.5%	27.5%
Net Dividend Payout Ratio	58.9%	58.8%	83.9%	83.0%	83.0%
Accounts Receivables Days	91.65	93.23	99.20	98.26	95.46
Inventory Days					
Accounts Payables Days	15.76	14.88	14.40	14.56	13.65
ROIC (%)	46.4%	49.7%	44.6%	49.3%	55.3%
ROCE (%)	25.5%	27.4%	27.4%	28.8%	30.5%
Return On Average Assets	18.6%	18.9%	18.4%	19.7%	21.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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