Infosys

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	INFO IN
Equity Shares (m)	4152
M.Cap.(INRb)/(USDb)	5898.5 / 69.1
52-Week Range (INR)	2007 / 1307
1, 6, 12 Rel. Per (%)	-17/-24/-7
12M Avg Val (INR M)	12545

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	1,630	1,701	1,810
EBIT Margin (%)	21.1	21.4	21.5
PAT	265	278	298
EPS (INR)	63.9	66.9	71.9
EPS Gr. (%)	9.3	4.8	7.5
BV/Sh. (INR)	231	232	232
Ratios			
RoE (%)	28.8	29.0	31.0
RoCE (%)	23.9	24.3	25.7
Payout (%)	67.2	85.0	85.0
Valuations			
P/E (x)	22.2	21.2	19.7
P/BV (x)	6.1	6.1	6.1
EV/EBITDA (x)	15.0	14.0	13.1
Div Yield (%)	3.0	4.0	4.3

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	13.1	13.1	13.2
DII	34.7	34.5	32.0
FII	39.9	39.9	41.0
Others	12.3	12.6	13.8

FII includes depository receipts

CMP: INR1,420 TP: INR1,600 (+13%) Neutral

Poor 4Q but commentary springs a surprise

Limited near-term catalysts drive our Neutral rating

- Infosys (INFO) reported 4QFY25 revenue of USD4.7b, down 3.5% QoQ CC/up 4.8% YoY CC vs. our estimate of 1.0% QoQ CC decline. For full year, revenue stood at USD19.2b, up 4.2% YoY CC. EBIT margins stood at 21% vs. our estimates of 20.6%. EBIT declined 3.8% QoQ/up 12.5% YoY to INR85b (est. INR87b). PAT came in at INR68b, flat QoQ/up 12.1% YoY, above our estimate of INR67b.
- The company guided for FY26 CC revenue growth of 0-3%. This guidance implies a CQGR of +0.5% to +1.5% over the next four quarters. Large deal TCV stood at USD2.6b vs. USD2.5b in 3Q, up 4% QoQ. The book-to-bill ratio was 0.5x. Net new TCV was down 24.7% QoQ. For FY25, revenue/EBIT/PAT grew 6.1%/8.4%/8.8% YoY in INR terms. We expect revenue/EBIT/PAT to grow 5.4%/4.7%/3.9% YoY in 1QFY26. We reiterate our NEUTRAL rating on INFO with a TP of INR1,600, implying a 13% potential upside.

Our view: Better growth in 1Q; lower pass-through to aid margins

- **The management struck an optimistic tone on guidance:** The upper end of INFO's guidance (3% YoY organic cc growth) assumes a 'stable to marginally improving environment', according to management. We found this to be notably positive; we assume FY26e could end up at 2% YoY organic cc growth, ahead of most large-caps. We build in ~0.5% contribution from acquisitions for the year.
- **Normal seasonality points to a positive start to FY26e:** Management also guided for normal seasonality, indicating little to no impact from current macro uncertainties on Q1 revenues—unlike peers. This guidance suggests that INFO is likely to outperform peers, with an expected 2% QoQ cc revenue growth in 1QFY26.
- **Lower pass-through revenues for FY26e bode well for margins**: Pass-through revenues for FY26e could be materially lower, and this could provide a good lever for margin expansion in FY26e. While there could be a wage hike impact in the coming quarter, we believe margins could expand ~30bp for the full year on the back of lower pass-through revenues.
- **Earnings cut could be lower than expected, but we remain below consensus:** The current guidance protects against downside risks to earnings cuts for FY26/FY27e. The absence of widespread deferrals or ramp-downs in Q1 means our numbers are cut by a marginal 2-3%. We believe discretionary spends are certainly not recovering in a hurry, and we continue to remain below consensus.

Valuation and changes in estimates

- We have made minor adjustments to our FY26/FY27E estimates to reflect the current macro environment and trends in discretionary spending. Nonetheless, INFO has maintained its margin guidance of 20-22%. We value INFO at 22x FY27E EPS. This yields a rounded TP of INR1,600, implying a 13% upside. We reiterate our **NEUTRAL** rating.

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Miss on revenues and beat on margins; upper end of guidance better than beaten-down estimates

- USD revenue declined 4.2% QoQ to USD4.7b. In CC, it was down 3.5% QoQ, below our estimate of a 1% QoQ decline. For full year, revenue stood at USD 19.2b, up 4.2% YoY CC, below the guidance of 4.5-5%.
- The company guided for organic FY26 CC revenue growth of 0-3%. This guidance implies a CQGR of +0.5% to +1.5% over the next four quarters.
- In 4QFY25, Life Sciences/Retail/BFSI declined 14.3%/7.7%/2.2% QoQ in USD terms. Hi-Tech and Communications reported flat QoQ growth.
- EBIT margin stood at 21%, beating our estimates of 20.6%. For FY25, EBIT margin stood at 21.1% vs 20.7% in FY24. FY26 EBIT margin guidance was maintained in the 20-22% range.
- PAT was up 3.3% QoQ/down 11.7% YoY at INR68b (above our est. of INR67b). For FY25, PAT stood at INR265b.
- Employee additions were flat QoQ. Total headcount at the end of FY25 stood at 323,578, up 2% from FY24.
- Large deal TCV stood at USD.2.6b vs. USD2.5b in 3Q, up 4% QoQ. For FY25, deal TCV stood at USD11.6b. The book-to-bill ratio was 0.5x.
- LTM attrition was up 40bp QoQ at 14.1%. Utilization dropped QoQ to 84.9% vs 86% in 3Q (ex-trainees).
- The company announced two acquisitions during the quarter—one in the Energy, Utilities, and Services vertical in the US and the other in the cybersecurity space in Australia.
- INFO’s board has proposed a final dividend of INR22/share.

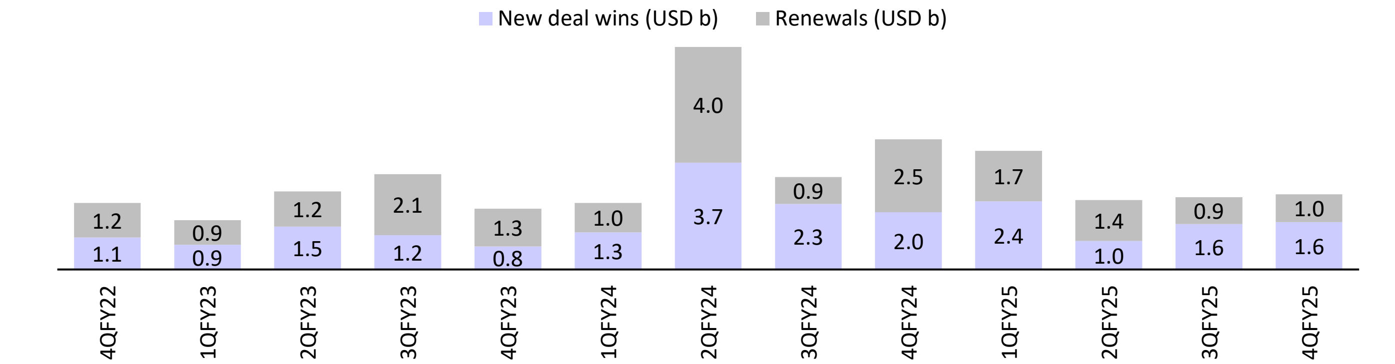
Key highlights from the management commentary

- The environment remains uncertain. With changes in the economic outlook, client conversations are increasingly centered around cost take-outs and vendor consolidation.
- Roughly two-thirds of the revenue decline was due to lower third-party costs and revenues, as some deals slipped out of the quarter.
- Third-party costs and revenues are expected to be lower in FY26 vs. FY25, given the current deal pipeline.
- Recently won deals have started ramping up during 4QFY25. No major ramp-downs or closures were observed.
- Pricing remained stable during the quarter. The company sees opportunities for pricing improvement through value-based selling and does not expect pricing pressure from vendor consolidation deals.
- FY26 revenue growth guidance stands at 0-3% in CC terms. M&A closed during the quarter are expected to contribute 40-50 bps to full-year revenue growth in FY26. The top end of the guidance assumes steady to marginal improvement; the lower end assumes elevated macro challenges. Tariff impact remains difficult to quantify.
- Wage increments were rolled out in Jan’25, with the remainder implemented in Apr’25.

Valuation and view

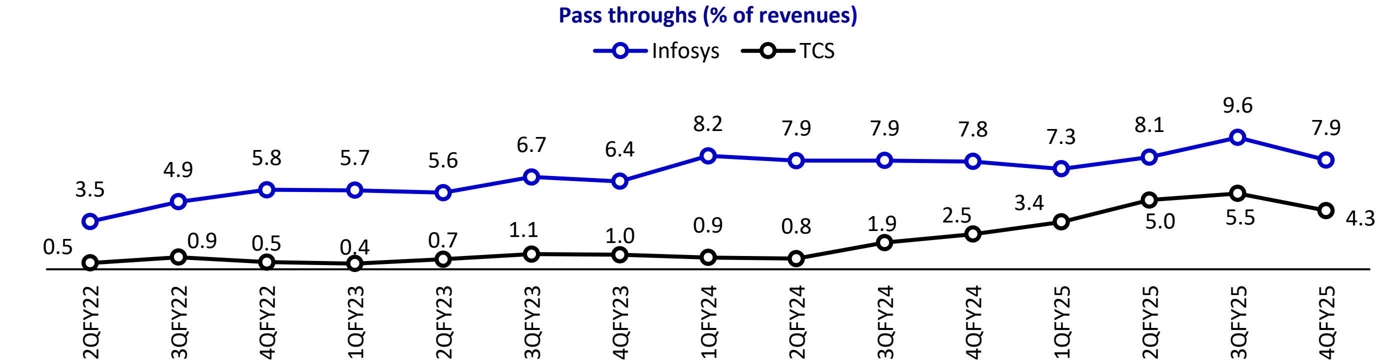
- We have made minor adjustments to our FY26/FY27E estimates to reflect the current macro environment and trends in discretionary spending. Nonetheless, INFO has maintained its margin guidance of 20-22%. We value INFO at 22x FY27E EPS. This yields a rounded TP of INR1,600, implying a 13% upside. We reiterate our **NEUTRAL** rating.

Exhibit 1: Net new deal wins stood at 63% of total deal wins



Source: Company, MOFSL

Exhibit 2: INFO reported a decline in third-party costs and revenues, and expects third-party revenue in FY26 to be lower than in FY25.



Source: Company, MOFSL

Quarterly Performance (IFRS) (INR Bn)

Y/E March	FY24				FY25				FY24	FY25	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY25	(%/bp)
Revenue (USD m)	**4,617**	**4,718**	**4,663**	**4,564**	**4,714**	**4,894**	**4,939**	**4,730**	**18,562**	**19,277**	**4,869**	**-2.9**
QoQ (%)	1.4	2.2	-1.2	-2.1	3.3	3.8	0.9	-4.2	1.9	3.9	-1.4	-281bp
Revenue (INR b)	**379**	**390**	**388**	**379**	**393**	**410**	**418**	**409**	**1,537**	**1,630**	**422**	**-3.0**
YoY (%)	10.0	6.7	1.3	1.3	3.6	5.1	7.6	7.9	4.7	6.1	11.3	-339bp
GPM (%)	**30.5**	**30.7**	**29.8**	**29.5**	**30.9**	**30.5**	**30.3**	**30.2**	**30.1**	**30.5**	**29.5**	**68bp**
SGA (%)	**9.6**	**9.5**	**9.3**	**9.4**	**9.8**	**9.4**	**8.9**	**9.2**	9.4	9.3	8.9	32bp
EBITDA	**90**	**95**	**91**	**88**	**94**	**99**	**101**	**98**	**364**	**392**	**98**	**-0.5**
EBITDA Margin (%)	**23.8**	**24.3**	**23.6**	**23.1**	**24.0**	**24.1**	**24.3**	**23.9**	**23.7**	**24.1**	**23.3**	**61bp**
EBIT	**79**	**83**	**80**	**76**	**83**	**86**	**89**	**86**	**317**	**344**	**87**	**-1.4**
EBIT Margin (%)	**20.8**	**21.2**	**20.5**	**20.1**	**21.1**	**21.1**	**21.3**	**21.0**	**20.7**	**21.1**	**20.6**	**35bp**
Other income*	5	5	7	7	7	6	8	8	23	29	6	20.2
ETR (%)	28.9	29.1	29.1	26.8	29.3	29.6	29.5	27.0	28.5	28.9	28.5	-146bp
PAT	**59**	**62**	**61**	**61**	**64**	**65**	**68**	**68**	**243**	**265**	**67**	**2.1**
QoQ (%)	-3.0	4.5	-1.7	-0.5	4.8	2.2	4.6	0.0			-2.0	201bp
YoY (%)	10.9	3.2	-7.3	-0.9	7.1	4.7	11.5	12.1	1.0	8.8	9.8	225bp
EPS (INR)	**14.4**	**15.0**	**14.7**	**14.7**	**15.4**	**15.7**	**16.4**	**16.4**	**58.4**	**63.9**	16.1	2.1

*Note: Other Income and Tax includes one-off impact in 4QFY24 and 4QFY25

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	1.0	2.3	-1.0	-2.2	3.6	3.1	1.7	-3.5		
Margins										
Gross Margin	30.5	30.7	29.8	29.5	30.9	30.5	30.3	30.2	30.1	30.5
EBIT Margin	20.8	21.2	20.5	20.1	21.1	21.1	21.3	21.0	20.7	21.1
Net Margin	15.7	15.9	15.7	16.0	16.2	15.9	16.3	16.6	15.8	16.3
Operating metrics										
Headcount	336	329	323	317	315	318	323	324	317	324
Voluntary Attrition (%)	17.3	14.6	12.9	12.6	12.7	12.9	13.7	14.1	12.6	14
Deal Win TCV (USD b)	2.3	7.7	3.2	4.5	4.1	2.4	2.5	2.6	4.5	3
Key Verticals (YoY CC %)										
BFSI	(4.2)	(7.3)	(5.9)	(8.5)	0.3	2.3	6.1	12.6	-6.5	12.6
Retail	4.0	9.2	0.4	(3.7)	(3.0)	(9.6)	0.1	(2.6)	2.2	-2.6
Key Geographies (YoY CC%)										
North America	2.1	1.0	(4.9)	(2.2)	(1.2)	(2.7)	4.8	(0.4)	-1.1	-0.4
Europe	10.1	5.4	5.0	4.9	9.1	15.5	12.2	15.0	6.3	15.0

CONFERENCE CALL

Highlights from the management commentary

Performance in 4QFY25 and demand outlook

- The environment remains uncertain. With changes in the economic outlook, client conversations are increasingly centered around cost take-outs and vendor consolidation.
- USD revenue declined 4.2% QoQ to USD4.7b. In CC, revenue declined 3.5% QoQ.
- Roughly two-thirds of the revenue decline was due to lower third-party costs and revenues, as some deals slipped out of the quarter. Seasonality and reduced volumes also impacted performance.
- Third-party costs and revenues are expected to be lower in FY26 vs. FY25, given the current deal pipeline.
- Recently won deals have started ramping up during 4QFY25. No major ramp-downs or closures were observed.
- Pricing remained stable during the quarter. The company sees opportunities for pricing improvement through value-based selling and does not expect pricing pressure from vendor consolidation deals.
- Large deal TCV for the quarter was USD2.6b (vs. USD2.5b in 3QFY25), up 4% QoQ; 63% of these were net new.
- FY26 revenue growth guidance stands at 0-3% in CC terms. M&A closed in the quarter are expected to add 40-50bp to full-year revenue growth in FY26. The top end of the guidance assumes steady-to-marginal improvement; the lower end assumes elevated macro challenges. Tariff impact remains difficult to quantify.
- **BFSI:** The positive outlook is supported by deregulation and a strong 1QFY25 for clients. Budgets are flat to slightly higher for AI, regulatory compliance, and cost optimization. Mortgages could see improvement if interest rates decline. Steady growth is seen in Cards & Payments and Capital Markets, especially in large global and US regional banks.
- **Manufacturing:** Budgets are lower for Automotive and Industrials, while remaining flat for Aerospace. The company is supporting clients in Aerospace with supply chain bottlenecks.

- **Communications:** Discretionary spending is under pressure, but there is potential for an uptick in IT budgets if interest costs decline, benefiting Telecom OEM profitability.
- **EURS:** The vertical outperformed the company's average for FY25. Energy prices remain volatile, but midstream/downstream markets in the US are opening up. There has been an increase in M&A and tax-related work, with cloud migration and vendor consolidation being key focus areas in the services sub-segment**.**
- **Europe**: The automotive sector has experienced some softness. Grew at 3x the company's average, supported by strong client mining and large deals.
- Large customer service programs using AI are yielding 30-40% productivity benefits; these gains are partially shared with clients.

Margin performance

- EBIT margin stood at 21%, down 30bp QoQ.
- **Margin Walk:** Headwinds – 140bp from wage hikes and 40bp from one-time amortization of acquired intangibles. Tailwinds – 80bp from lower post-sales customer support, 20bp from currency, 30bp from Project Maximus, and 20bp from lower subcontractor costs.
- Wage increments were rolled out in Jan'25, with the remainder implemented in Apr'25.
- FY26 expected ETR: 29-30%. For FY26, FCF is expected to be above 100% of PAT.
- EBIT margin guidance remains at 20-22%.

Exhibit 3: Except for BFSI, all other verticals recorded muted YoY growth in 4QFY25

Verticals (YoY in CC)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25
Financial Services	14.1	12.1	11.5	5.5	0.4	-4.2	-7.3	-5.9	-8.5	0.3	2.3	6.1	12.6
Retail	16.5	17.8	15.4	12.7	12.6	4.0	9.2	0.4	-3.7	-3.0	-9.6	0.1	-2.6
Communications	29.2	30	18.4	12.7	0.3	-5.6	-4.3	-8.0	4.5	5.4	7.0	4.0	0.0
Energy, Utilities, Resources	17.8	24.6	24.3	25.9	17.1	8.6	5.1	0.3	3.3	6.3	10.9	8.6	1.5
Manufacturing	50.6	55.2	45	36.8	26.5	20.7	12.6	10.6	8.7	6.0	12.3	10.7	14.0
Hi Tech	20.9	16.4	9.9	10.4	3.7	2.3	-0.6	-5.1	9.7	2.1	6.0	8.4	-1.1
Life Sciences	16.2	15.8	10.3	5	15.7	13.9	18.4	6.3	1.0	2.9	-3.5	6.3	-3.4
Others	7.3	15.4	56.6	8.1	13.4	32.9	15.3	7.0	0.5	4.5	-1.2	3.2	-2.8

Source: Company, MOFSL

Exhibit 4: India and Europe continue to report growth

Geographies (YoY in CC)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25
North America	18.5	18.4	15.6	10.5	6	2.1	1.0	-4.9	-2.2	-1.2	-2.7	4.8	-0.4
Europe	28.3	33.2	28.5	25.3	20.3	10.1	5.4	5.0	4.9	9.1	15.5	12.2	15.0
India	29.5	5.8	36.4	-5.4	-7.1	13.7	2.6	-1.0	-15.4	19.9	16.0	40.1	43.7
ROW	13.9	17.8	11.9	11.9	3.4	-0.5	3.9	7.8	4.5	2.3	3.8	-11.1	-2.2

Source: Company, MOFSL

Valuation and view

- We have made minor adjustments to our FY26/FY27E estimates to reflect the current macro environment and trends in discretionary spending. Nonetheless, INFO has maintained its margin guidance of 20-22%. We value INFO at 22x FY27E EPS. This yields a rounded TP of INR1,600, implying a 13% upside. We reiterate our **NEUTRAL** rating.

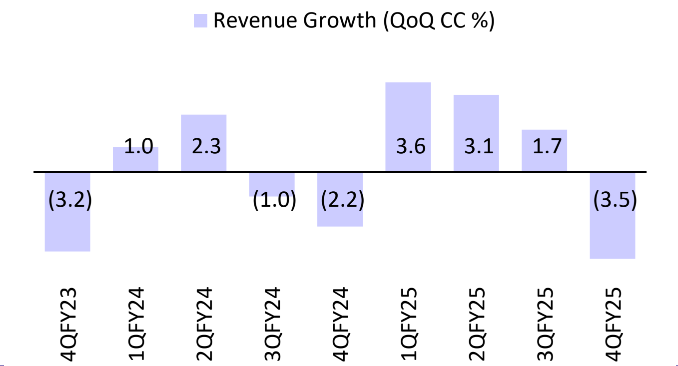
Exhibit 5: Revisions to our estimates

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.0	86.0	86.0	86.0	0.0%	0.0%
USD Revenue (m)	19,792	21,064	20,277	21,678	-2.4%	-2.8%
Growth (%)	2.7	6.4	4.4	6.9	-180bps	-50bps
EBIT margin (%)	21.4	21.5	21.4	21.5	0bps	0bps
PAT (INR b)	278	298	285	307	-2.4%	-2.8%
EPS	66.9	71.9	68.7	74.2	-2.4%	-2.8%

Source: MOFSL

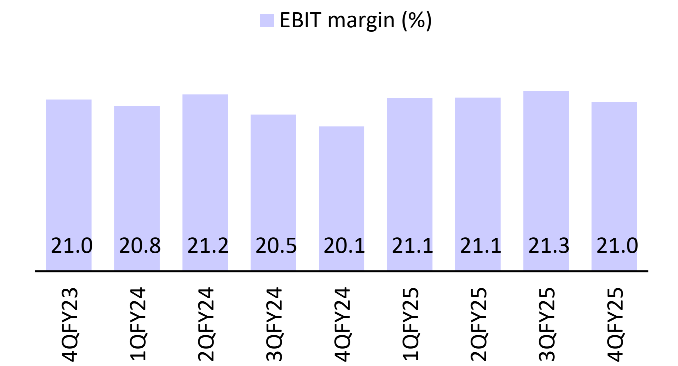
Story in charts

Exhibit 6: Revenue declined the lowest among the last eight quarters



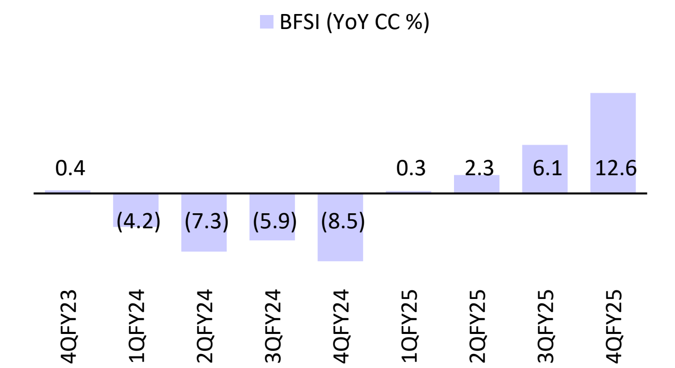
Source: Company, MOFSL

Exhibit 7: EBIT margins contracted 30bp to 21%



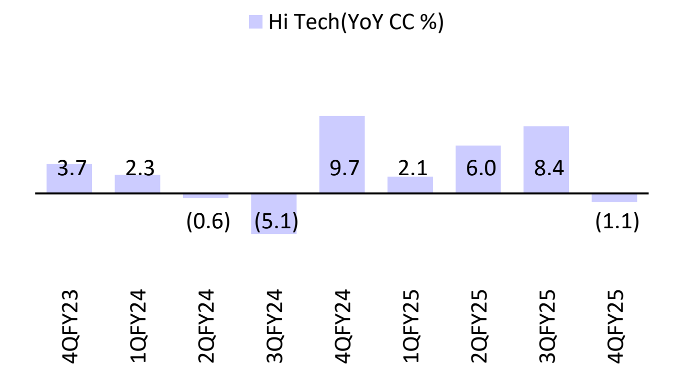
Source: Company, MOFSL

Exhibit 8: BFSI continues to show growth amid macro uncertainty



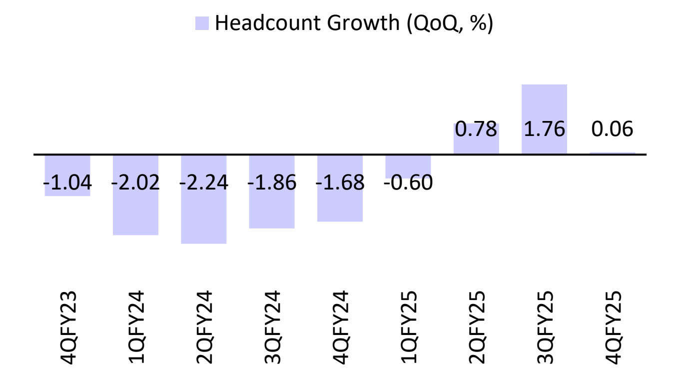
Source: Company, MOFSL

Exhibit 9: Hi-Tech remained soft on account of weaker discretionary spend



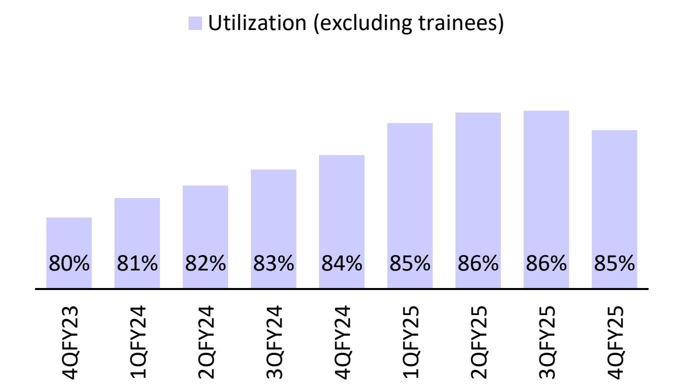
Source: Company, MOFSL

Exhibit 10: Headcount growth remained flat sequentially



Source: Company, MOFSL

Exhibit 11: Utilization dropped 100bp to 85%



Source: Company, MOFSL

Exhibit 12: Operating metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Effort (IT Services and Consulting)									
Onsite	25%	25%	25%	24%	24%	24%	24%	24%	24%
Offshore	75%	75%	75%	76%	76%	76%	76%	76%	76%
Utilization (IT Services and Consulting)									
Including trainees	77%	79%	80%	82%	82%	84%	84%	83%	82%
Excluding trainees	80%	81%	82%	83%	84%	85%	86%	86%	85%
Employee Metrics									
Total Employees (Consolidated, in k)	**343**	**336**	**329**	**323**	**317**	**315**	**318**	**323**	**324**
S/W professional (k)	325	318	310	305	300	298	301	307	307
Support and sales (k)	18	19	18	18	17	17	17	17	17
Revenues by Client Geography									
North America	61%	61%	61%	59%	60%	59%	57%	58%	57%
Europe	27%	27%	27%	28%	29%	28%	30%	30%	31%
India	3%	3%	3%	2%	2%	3%	3%	3%	3%
ROW	9%	10%	10%	10%	10%	10%	10%	9%	9%
Revenues by Business Segments									
Financial Services	29%	28%	28%	28%	26%	28%	27%	28%	28%
Retail	15%	15%	15%	15%	14%	14%	13%	14%	13%
Communications	12%	12%	11%	11%	12%	12%	12%	11%	12%
Energy, Utilities, Resources, and Services	13%	13%	13%	13%	13%	13%	14%	14%	13%
Manufacturing	14%	14%	14%	15%	15%	15%	16%	16%	16%
Hi-Tech	8%	8%	8%	8%	9%	8%	8%	8%	8%
Life Sciences	7%	7%	8%	8%	7%	7%	7%	8%	7%
Others	3%	3%	3%	3%	3%	3%	3%	3%	3%
Geography YoY % CC									
North America	6%	2%	1%	-5%	-2%	-1%	-3%	5%	0%
Europe	20%	10%	5%	5%	5%	9%	16%	12%	15%
India	-7%	14%	3%	-1%	-15%	20%	16%	40%	44%
ROW	3%	-1%	4%	8%	5%	2%	4%	-11%	-2%
Business Segments YoY % CC									
Financial Services	0%	-4%	-7%	-6%	-9%	0%	2%	6%	13%
Retail	13%	4%	9%	0%	-4%	-3%	-10%	0%	-3%
Communications	0%	-6%	-4%	-8%	5%	5%	7%	4%	0%
Energy, Utilities, Resources, and Services	17%	9%	5%	0%	3%	6%	11%	9%	2%
Manufacturing	27%	21%	13%	11%	9%	6%	12%	11%	14%
Hi-Tech	4%	2%	-1%	-5%	10%	2%	6%	8%	-1%
Life Sciences	16%	14%	18%	6%	1%	3%	-4%	6%	-3%
Others	13%	33%	15%	7%	1%	5%	-1%	3%	-3%
DSO	62	63	67	72	71	72	73	74	69
Large Deal TCV (USD m)		**2,300**	**7,700**	**3,200**	**4,454**	**4,100**	**2,400**	**2,500**	**2,600**
Client (% of revenues)									
Top 10 client	20.1%	20.4%	19.9%	20.0%	20.4%	20.9%	20.9%	19.9%	20.7%
Top 25 client	34.7%	34.6%	34.1%	33.7%	34.3%	34.9%	34.7%	34.2%	34.8%
Number of active clients	1,872	1,883	1,884	1,872	1,882	1,867	1,884	1,876	1,869
New clients added in the period	115	99	100	88	98	87	86	101	91

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Sales	**908**	**1,005**	**1,216**	**1,468**	**1,537**	**1,630**	**1,701**	**1,810**
Change (%)	9.8	10.7	21.1	20.7	4.7	6.1	4.4	6.4
Software Develop. Exp.	607	654	820	1,024	1,074	1,133	1,182	1,250
Selling and Mktg. Exp.	0	0	0	0	0	0	0	0
Gross Profit	**301**	**351**	**396**	**444**	**463**	**496**	**519**	**561**
SGA Expenses	107	104	116	135	145	152	155	172
EBITDA	**223**	**279**	**315**	**351**	**364**	**392**	**421**	**449**
% of Net Sales	24.5	27.8	25.9	23.9	23.7	24.1	24.7	24.8
Depreciation	29	33	35	42	47	48	56	60
EBIT	**194**	**246**	**280**	**309**	**317**	**344**	**365**	**389**
% of Net Sales	21.3	24.5	23.0	21.1	20.7	21.1	21.4	21.5
Interest	0	0	0	0	0	0	0	0
Other Income	26	20	21	24	23	29	24	25
PBT	**220**	**266**	**301**	**333**	**341**	**373**	**388**	**414**
Tax	54	72	80	92	97	108	111	116
Rate (%)	24.4	27.0	26.4	27.7	28.5	28.9	28.5	28.0
Minority Interest	0	1	0	0	0	0	0	0
Extraordinary Items	0	0	0	0	-19	0	0	0
Adjusted PAT	**166**	**194**	**221**	**241**	**243**	**265**	**278**	**298**
Change (%)	2.9	16.7	14.2	9.0	1.0	8.8	4.8	7.5

Balance Sheet								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	21	21	21	21	21	21	21	21
Reserves	633	742	733	733	860	937	940	942
Net Worth	**655**	**764**	**754**	**754**	**881**	**958**	**960**	**963**
Capital Employed	**719**	**845**	**843**	**866**	**990**	**1,061**	**1,084**	**1,094**
Gross Block	428	479	511	587	618	703	756	812
Less: Depreciation	181	213	248	290	337	385	441	501
Net Block	**247**	**266**	**263**	**297**	**281**	**318**	**314**	**311**
Investments & Other Assets	134	211	244	253	203	200	244	248
Curr. Assets	**546**	**607**	**672**	**709**	**894**	**971**	**958**	**985**
Debtors	240	268	343	407	430	440	419	446
Cash & Bank Balance	186	247	175	122	148	245	312	305
Investments	47	23	67	69	129	125	125	125
Other Current Assets	73	69	88	111	188	162	102	109
Current Liab. & Prov	**209**	**239**	**336**	**392**	**388**	**429**	**433**	**450**
Net Current Assets	**337**	**369**	**336**	**317**	**506**	**542**	**525**	**535**
Application of Funds	**719**	**845**	**843**	**866**	**990**	**1,061**	**1,084**	**1,094**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	**38.9**	**45.6**	**52.4**	**57.6**	**63.3**	**63.8**	**66.9**	**71.9**
Cash EPS	45.7	53.3	60.7	67.7	74.6	75.4	80.4	86.3
Book Value	153.7	180.0	179.0	180.4	212.9	231.4	231.9	232.4
DPS	17.5	27.0	31.0	33.5	46.0	43.0	56.9	61.1
Payout %	44.9	106.7	59.0	96.7	78.2	67.2	85.0	85.0
Valuation (x)								
P/E	36.5	31.1	27.1	24.7	22.4	22.2	21.2	19.7
Cash P/E	31.1	26.7	23.4	21.0	19.0	18.8	17.6	16.4
EV/EBITDA	27.1	21.6	19.0	16.9	16.1	15.0	14.0	13.1
EV/Sales	6.7	6.0	4.9	4.0	3.8	3.6	3.5	3.2
Price/Book Value	9.2	7.9	7.9	7.9	6.7	6.1	6.1	6.1
Dividend Yield (%)	1.2	1.9	2.2	2.4	3.2	3.0	4.0	4.3
Profitability Ratios (%)								
RoE	25.5	27.3	29.2	32.0	29.8	28.8	29.0	31.0
RoCE	21.2	23.0	24.4	26.2	24.5	23.9	24.3	25.7
Turnover Ratios								
Debtors (Days)	96	97	103	101	102	99	90	90
Fixed Asset Turnover (x)	3.7	3.8	4.6	4.9	5.5	5.1	5.4	5.8

Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	205	235	261	295	312	360	324	347
Cash for Working Capital	-19	6	-12	-65	-52	-3	62	-12
Net Operating CF	**186**	**241**	**250**	**230**	**261**	**357**	**385**	**335**
Net Purchase of FA	-34	-21	-22	-26	-22	-22	-43	-45
Free Cash Flow	**152**	**220**	**228**	**204**	**239**	**335**	**343**	**290**
Net Purchase of Invest.	16	-63	-53	8	-37	3	0	0
Net Cash from Invest.	**-18**	**-84**	**-75**	**-18**	**-59**	**-19**	**-43**	**-45**
Proceeds from Equity	0	0	0	0	0	0	0	0
Others	-6	-7	-8	-15	-28	-39	0	0
Dividend Payments	-95	-91	-127	-137	-147	-203	-276	-296
Buyback of Shares	-75	0	-111	-115	0	0	0	0
Cash Flow from Fin.	**-176**	**-98**	**-246**	**-267**	**-175**	**-242**	**-276**	**-296**
Net Cash Flow	**-8**	**60**	**-72**	**-54**	**27**	**96**	**67**	**-6**
Effect of Forex on Cash Flow	-1	1	-1	1	-1	1	0	0
Opening Cash Bal.	**196**	**186**	**247**	**175**	**122**	**148**	**245**	**312**
Add: Net Cash	-9	61	-72	-53	26	97	67	-6
Closing Cash Bal.	**186**	**247**	**175**	**122**	**148**	**245**	**312**	**305**

Explanation of Investment Rating	
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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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