Motilal Oswal Financial Services

25 July 2025

1QFY26 Results Update | Sector: Technology

Mphasis

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	499.4 / 5.8
52-Week Range (INR)	3240 / 2025
1, 6, 12 Rel. Per (%)	-1/-19/-8
12M Avg Val (INR M)	1820

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	142.3	157.7	175.4
EBIT Margin	15.3	15.2	15.5
PAT	17.0	19.0	21.3
EPS (INR)	89.3	99.8	111.8
EPS Gr. (%)	9.2	11.8	12.1
BV/Sh. (INR)	508.3	546.2	591.1
Ratios			
RoE (%)	18.5	19.0	19.7
RoCE (%)	16.0	16.5	17.6
Payout (%)	60.4	60.2	60.2
Valuations			
P/E (x)	29.4	26.3	23.5
P/BV (x)	5.2	4.8	4.4
EV/EBITDA (x)	17.9	16.1	14.2
Div Yield (%)	2.1	2.3	2.6

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	40.1	40.1	40.4
DII	36.5	34.9	35.9
FII	19.0	20.6	18.3
Others	4.4	4.3	5.4

FII includes depository receipts

CMP: INR2,625 TP: INR2,900 (+10%) Neutral

Record deal TCV sets up a healthy FY26

Logistics revenue to grow too

- Mphasis (MPHL)'s 1QFY26 gross revenue inched up 1.0% QoQ in Constant Currency (CC), below our estimate of 1.5% QoQ CC. Direct business rose 1.6%/8.1% QoQ/YoY in CC, fueled by BFS and Insurance. TCV was up 95% QoQ to USD760m. EBIT margin stood at 15.3%, in line with our estimate of 15.3%. PAT came in at INR4.4b (down 1.1%/up 9.2% QoQ/YoY), in line with our estimate of INR4.5b.
- For 1QFY26, net revenue/EBIT/PAT grew 9.1%/11.2%/9.2% YoY in INR terms. We expect revenue/EBIT/PAT to grow 10.3%/10.7%/13.0% YoY in 2QFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75%. While deal wins have been consistent and execution is encouraging, the broader demand environment remains uneven, with an elongated decision cycle. We reiterate our **Neutral** rating on the stock.

Our view: Record TCV offsets mixed demand cues

- **Strong start to FY26 with healthy execution and deal ramp-ups**: MPHL posted 3.2% QoQ CC growth in Direct, driven by steady ramp-up of large deals in BFS and Insurance. This quarter benefited from momentum carried over from 4Q, with continued traction in BFSI/TMT and early signs of recovery in logistics. Excluding logistics, growth was healthy at 7.4% QoQ/ 16.4% YoY in USD terms. While management remains optimistic about sustaining momentum into upcoming quarters, we believe broader demand continues to be uneven, with client decision cycles elongated and pockets of hesitation still there in some segments.
- **Logistics recovery underway but still remains a monitorable**: While client-specific issues in logistics have largely been resolved, revenue contribution from the segment remains volatile. MPHL indicated that recovery is anticipated in the coming quarters, with some large deals in ramp-up mode. We believe a more sustained improvement over the next couple of quarters would add comfort on broader vertical health and help us turn more constructive on the name.
- **Record TCV wins**: TCV for the quarter came in at USD760m – the highest-ever for MPHL – with four large deal wins, including three USD100m+ deals. Steady TCV-to-revenue conversion will remain key to tracking execution from hereon.
- **EBIT margin remains within the guided band**: MPHL's EBIT margin stood within the guided band (14.75-15.75%) as the company continues to balance growth investments with operational levers like utilization and delivery transformation. Management commentary indicates margins may hover near the midpoint of the range. With elevated utilization and a fixed-price mix rising, the margin trajectory should remain stable in the near term. We estimate a 15.2%/15.5% EBIT margin for FY26/FY27.

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Valuation and changes to our estimates

- We remain positive on the BFSI exposure, as it remains relatively resilient amid the current uncertainty. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain a key monitorable. We broadly retain our estimates. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~12.0%. We value the stock at 27x FY27E EPS with a TP of INR2,900. **Reiterate Neutral.**

Miss on revenue but in-line margins; big beat on deal TCV (up 95% QoQ)

- MPHL's gross revenue of USD 437m grew 1.0% QoQ CC, up 6.5% YoY CC, below our estimate of 1.5% QoQ CC growth.
- Direct revenue was up 1.6% QoQ CC and 8.1% YoY CC.
- Insurance & BFS led the growth, with a 21.9%/7.6% QoQ increase, while logistics declined 46% QoQ in USD terms.
- EBIT margin stood at 15.3% vs. our estimate of 15.3% QoQ.
- PAT was at INR4.4b (down 1.1% QoQ) vs. our estimate of INR 4.5b.
- TCV stood at USD 769m (up 95% QoQ/138% YoY). About 82% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) increased 600 bps QoQ at 84%. Net headcount declined 1.2% QoQ in 1QFY26 to 31,063.
- A sustainable EBIT margin target range has been maintained at 14.75%-15.75%.

Key highlights from the management commentary

- Continued volatility and lack of tailwinds; decision cycles remain elongated due to persistent uncertainty.
- Geopolitics and cyber remain dominant themes in client conversations. Tech spending is being funded at the program level rather than top-down.
- AI investments are being carved out from existing budgets. GCC remains an evolving theme, with models ranging from carve-outs and build-outs to managed captives.
- Demand saw some resilience, but only in selected pockets.
- Growth momentum was sustained through deal wins and underlying business resilience. Growth was led by BFS, Insurance, and the ramp-up of recent large deals.
- Expecting to clock ~2x industry growth on the back of strong Q1 performance and steady TCV-to-revenue conversion.
- MPHL witnessed the largest-ever pipeline, led by Mphasis AI platforms. It also recorded the highest-ever TCV wins, driven by large deals.
- BFS pipeline was up 47% YoY; Non-BFS rose 108% YoY. Strong traction was seen in AI archetypes such as AI Ops, Data, and AI Modernization.
- TCV for the quarter stood at USD760m — the highest in company history. Secured four large deals: three worth USD100m+ and one worth USD50m+.
- TCV wins were primarily led by BFS, Insurance, and TMT. Spending themes focused on cost takeout, efficiency, and vendor consolidation.
- Targeting operating (EBIT) margin in the 14.75%–15.75% range. Expecting margins to hover around the midpoint of the guidance band.
- Headcount has stabilized; utilization improved in this quarter. Going forward, expect divergence between headcount growth and revenue growth.

Valuation and view

- We remain positive on the BFSI exposure, as it remains relatively resilient amid the current uncertainty. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain a key monitorable. We broadly retain our estimates. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~12.0%. We value the stock at 27x FY27E EPS with a TP of INR2,900. **Reiterate Neutral.**

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY26	(% / bp)
Revenue (USD m)	**410**	**421**	**419**	**430**	**437**	**449**	**462**	**478**	**1,680**	**1,826**	**440**	**-0.7**
QoQ (%)	-0.2	2.7	-0.5	2.7	1.6	2.6	3.0	3.5	4.4	8.7	2.3	-72bp
Revenue (INR m)	**34,225**	**35,362**	**35,613**	**37,101**	**37,324**	**38,888**	**40,055**	**41,458**	**1,42,301**	**1,57,726**	**37,607**	**-0.8**
YoY (%)	5.2	7.9	6.7	8.7	9.1	10.0	12.5	11.7	7.2	10.8	9.9	-83bp
GPM (%)	**30.8**	**31.3**	**31.7**	**31.8**	**31.9**	**31.5**	**31.0**	**31.0**	**31.4**	**31.3**	**31.4**	**51bp**
SGA (%)	**12.7**	**12.9**	**12.7**	**12.9**	**13.1**	**12.5**	**12.5**	**12.5**	**12.8**	**12.6**	**12.6**	48bp
EBITDA	**6,185**	**6,480**	**6,781**	**7,026**	**7,028**	**7,389**	**7,410**	**7,670**	**26,472**	**29,497**	**7,070**	**-0.6**
EBITDA Margin (%)	**18.1**	**18.3**	**19.0**	**18.9**	**18.8**	**19.0**	**18.5**	**18.5**	**18.6**	**18.7**	**18.8**	**3bp**
EBIT	**5,135**	**5,444**	**5,458**	**5,673**	**5,709**	**6,028**	**6,008**	**6,219**	**21,710**	**23,964**	**5,754**	**-0.8**
EBIT Margin (%)	**15.0**	**15.4**	**15.3**	**15.3**	**15.3**	**15.5**	**15.0**	**15.0**	**15.3**	**15.2**	**15.3**	**0bp**
Other income	238	182	235	239	392	389	401	415	894	1,596	263	48.9
ETR (%)	24.7	24.7	24.8	24.5	27.6	25.4	24.5	24.5	24.7	25.5	24.5	314bp
PAT	**4,045**	**4,234**	**4,279**	**4,466**	**4,417**	**4,786**	**4,839**	**5,008**	**17,024**	**19,050**	**4,545**	**-2.8**
QoQ (%)	2.9	4.7	1.1	4.4	-1.1	8.4	1.1	3.5			1.8	-161.7
YoY (%)	2.1	8.0	14.5	13.6	9.2	13.0	13.1	12.1	9.5	11.9	12.4	-25.7
EPS (INR)	21.3	22.2	22.4	23.4	23.1	25.1	25.3	26.2	89.3	99.8	23.8	-2.9

Key Performance Indicators

Y/E March	FY25				FY26E	FY25
	1Q	2Q	3Q	4Q	1Q	
Margins						
Gross Margin	30.8	31.3	31.7	31.8	31.9	31.4
EBIT Margin	15.0	15.4	15.3	15.3	15.3	15.3
Net Margin	11.8	12.0	12.0	12.0	11.8	12.0
Operating metrics						
Headcount	31,645	31,601	31,194	31,442	31,063	31,645
Deal Win TCV (USD m)	319	207	351	390	760	1,267
Key Verticals (YoY%)						
BFS	-0.4	7.3	8.4	11.3	17.9	6.6
Insurance	10.8	10.4	7.0	8.2	28.8	9.0
IT, Comm, Ent	9.8	0.7	13.5	16.6	20.3	10.0
Key Geographies (YoY%)						
North America	2.8	7.7	5.9	6.2	10.0	5.6
Europe	9.7	-2.9	-8.6	-5.7	-16.5	-2.2

Key highlights from the management commentary

Demand and industry outlook

- Continued volatility and lack of tailwinds; decision cycles remain elongated due to persistent uncertainty.
- Geopolitics and cyber remain dominant themes in client conversations. Tech spends are being funded at the program level rather than top-down.
- AI investments are being carved out from existing budgets. GCC remains an evolving theme, with models ranging from carve-outs and build-outs to managed captives.
- Demand saw some resilience, but only in selected pockets.
- There's a need to release innovative features to stay competitive. Rapid advances in AI are shifting the model toward "Services as Software.
- Growth momentum sustained through deal wins and underlying business resilience. Growth was led by BFS, Insurance, and the ramp-up of recent large deals.
- Expecting to clock ~2x industry growth on the back of strong Q1 performance and steady TCV-to-revenue conversion.
- Growth in Direct business remains robust.

- Growth momentum expected to sustain across verticals with healthy growth anticipated in 2Q/3Q/4Q.
- The company witnessed the largest-ever pipeline, led by Mphasis AI platforms. It also recorded the highest-ever TCV wins, driven by large deals.
- BFS pipeline up 47% YoY; Non-BFS up 108% YoY. Strong traction seen in AI archetypes like AI Ops, Data, and AI Modernization.
- TCV for the quarter stood at USD760m — the highest in company history. Secured four large deals: three worth USD100m+ and one worth USD50m+.
- TCV wins were primarily led by BFS, Insurance, and TMT. Spend themes focused on cost takeout, efficiency, and vendor consolidation.
- TCV-to-revenue conversion remains steady.
- Investments continue in areas with visible demand signals.
- Pipeline remains active across verticals, including logistics and healthcare.
- Over the past 4–5 quarters, the focus has been on account-specific mining around modernization and cost efficiency.
- Ramp-ups of the four large deals are progressing; a 1–2 quarter ramp-up timeline is a fair assumption.
- **BFS:** BFS, Insurance, and TMT continued strong momentum with 20%+ YoY CC growth in Direct across all three. BFS revenue growth driven by wallet share gains, new accounts, and ramp-up of previously won deals. Deal closures remain strong. Some fatigue observed among clients working with legacy vendors not investing in capabilities — this is translating into increased deal wins.
- **Insurance:** Growth driven by ramp-up in recent large deal wins. This vertical is likely to be a growth engine throughout FY26. Pipeline remains strong. Existing clients are driving new deal flow, along with traction from newly signed logos.
- **TMT:** Continued deal wins and strong conversions are fueling revenue growth.
- **Logistics and Transportation:** Vertical was impacted by client-specific investment constraints. However, significant new deals are in the pipeline. Issues from specific clients are now behind; business has recovered. Expect a gradual recovery through the year. Headwinds are behind, and the trajectory is expected to improve from hereon.
- Focus remains on pursuing, winning, and executing AI-led engagements at the account level.
- Rapid AI evolution continues to drive the shift to “Services as Software.”
- Ongoing investment in Mphasis.ai and across the origination-to-execution value chain.
- AI-led deals are now taking center stage.
- 68% of the pipeline now AI-led — “AI is a deal-breaker” for clients where the company previously lacked a winning edge

Margin performance

- Continued to deliver stable margins while investing in future growth.
- ETR will normalize going forward.
- Targeting operating (EBIT) margin in the 14.75%–15.75% range. Expecting margins to hover around the mid-point of the guidance band.
- Headcount has stabilized; utilization improved in this quarter.
- Going forward, expect divergence between headcount growth and revenue growth. The company also noted a shift toward fixed-price business models.
- No longer see the need for legacy bench policies as services are shifting toward platform-based models. Utilization levels may remain elevated versus the average of the past three years.

Exhibit 1: Application services performed well

Services	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Application Services	73.8	4.3	10.2
BPO	14.8	(2.3)	(2.5)
Infrastructure Services	11.4	(8.9)	(1.5)

Source: Company, MOFSL

Exhibit 2: North America/India grew while Europe declined YoY

Geographies	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
North America	83.4	3.3	10.0
Europe	8.7	(11.3)	(16.5)
India	5.3	6.7	6.1
Rest of the World	2.6	(11.9)	2.3

Source: Company, MOFSL

Exhibit 3: Insurance and TMT led growth in 1Q, while logistics dipped

Verticals	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Banking and Financial Services	52.7	7.1	17.9
Insurance	13.7	21.8	28.8
Technology, Media, and Telecom	18.1	3.6	20.3
Logistics and Transportation	5.8	(45.9)	(54.7)
Others	9.7	(0.4)	(8.2)

Source: Company, MOFSL

Exhibit 4: The top 6-10 clients saw major growth in 1Q

	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Top client	13.0	(5.7)	(1.0)
Top 2-5 clients	27.0	(2.0)	(4.0)
Top 6-10 clients	14.0	18.5	65.9

Source: Company, MOFSL

Valuation and view

- We remain positive on the BFSI exposure, as it remains relatively resilient amid the current uncertainty. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain a key monitorable. We broadly retain our estimates. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~12.0%. We value the stock at 27x FY27E EPS with a TP of INR2,900. **Reiterate Neutral.**

Exhibit 5: Summary of our revised estimates

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.4	86.7	86.4	86.7	0.0%	0.0%
USD Revenue - m	1,826	2,023	1,835	2,028	-0.5%	-0.2%
Growth (%)	8.7	10.8	9.2	10.5	-50bps	30bps
EBIT margin(%)	15.2	15.5	15.2	15.3	0bps	20bps
PAT (INR M)	19,050	21,347	19,012	21,155	0.2%	0.9%
EPS	99.8	111.8	99.7	110.9	0.1%	0.8%

Source: MOFSL

Exhibit 6: Operating metrics

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Geographical contribution (%)									
Americas	81.1	79.2	80.2	81.0	80.9	80.7	81.5	82.0	83.4
EMEA	10.4	12.0	11.6	11.0	11.1	11.0	10.2	9.9	8.7
India	5.7	6.0	5.5	5.3	5.3	5.7	6.0	5.1	5.3
RoW	2.9	2.9	2.7	2.7	2.7	2.6	2.4	2.9	2.6
Vertical contribution (%)									
Banking and capital market	49.3	47.1	46.8	47.1	47.7	47.9	48.7	50.0	52.7
Insurance	10.5	10.8	11.4	11.0	11.3	11.2	11.7	11.4	13.7
IT, communications, and entertainment	15.1	17.3	15.6	16.0	16.0	16.5	17.0	17.8	18.1
Logistics and transportation	14.2	13.4	13.7	13.7	13.7	13.1	12.2	10.9	5.8
Others	11.0	11.4	12.6	12.3	11.3	11.3	10.5	9.9	9.7
Revenue by project type (%)									
Time and material	57.7	58.5	58.3	58.5	59.6	60.0	57.6	55.4	48.6
Transaction-based	10.2	10.3	10.1	10.1	10.4	10.3	10.6	8.6	8.3
Fixed price	32.0	31.2	31.6	31.4	30.0	29.7	31.8	36.0	43.1
Revenue by delivery location (%)									
Onsite	52.1	52.1	53.2	56.0	57.1	57.3	59.0	59.9	59.6
Offshore	47.9	47.9	46.8	44.0	42.9	42.7	41.0	40.1	40.4
Secondary market segment (%)									
Direct international	94.9	95.1	95.4	95.4	95.8	95.8	95.9	96.7	97.3
DXC	3.5	3.2	2.9	3.0	2.6	2.7	2.7	2.5	2.4
Others	1.7	1.7	1.7	1.6	1.6	1.5	1.4	0.8	0.2
Service type (%)									
Application services	71.0	70.5	70.7	71.2	71.4	71.3	71.7	71.8	73.8
BPO	16.2	16.9	16.6	16.6	16.2	16.4	16.4	15.4	14.8
Infrastructure services	12.8	12.7	12.7	12.3	12.4	12.3	11.9	12.7	11.4
Client contribution (%)									
Top client	17	16	15	14	14	15	15	14	13
Top 2-5 clients	30	31	31	30	30	28	28	28	27
Top 6-10 clients	12	11	9	10	9	10	10	12	14
New clients added	5	5	5	3	2	2	2	3	3
Clients contributing more than:									
Over USD100m	3	3	3	3	3	3	3	3	4
Over USD75m	5	4	4	4	4	4	5	5	6
Over USD50m	6	6	5	5	5	5	5	5	7
Over USD20m	12	11	10	10	9	9	11	11	10
Over USD10m	26	26	29	29	30	27	29	29	31
Over USD5m	46	46	46	47	48	51	47	50	50
Over USD1m	112	115	134	135	135	140	140	139	137
Headcount									
Onsite – billable									
Tech services	4,517	4,504	4,664	4,656	4,637	4,788	4,892	4,981	5,127
BPO	1,307	1,319	1,338	1,318	1,374	1,363	1,351	1,281	1,142
Offshore – billable									
Tech services	16,005	15,425	15,393	14,799	14,721	14,576	14,218	14,540	14,477
BPO	6,459	6,418	6,733	6,341	5,984	5,851	5,681	5,545	5,503
Total billable headcount	28,288	27,666	28,128	27,114	26,716	26,578	26,142	26,347	26,249
Total headcount	33,961	33,771	33,992	32,664	31,645	31,601	31,194	31,442	31,063

Source: Company, MOFSL

Financials and valuations

Income Statement (INR m)

Y/E	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenues	**88,436**	**97,222**	**1,19,616**	**1,37,985**	**1,32,785**	**1,42,301**	**1,57,726**	**1,75,369**
Change (%)	14.4	9.9	23.0	15.4	-3.8	7.2	10.8	11.2
Cost of Goods Sold	61,376.5	67,723.0	84,664	98,128	92,772	97,602	1,08,297	1,21,882
Gross Profit	**27,060**	**29,499**	**34,952**	**39,857**	**40,013**	**44,699**	**49,429**	**53,488**
SG&A Expenses	10,536	11,472	13,570	15,517	15,793	18,227	19,932	20,865
EBITDA	**16,524**	**18,027**	**21,382**	**24,340**	**24,220**	**26,472**	**29,497**	**32,622**
% of Net Sales	19	19	17.9	17.6	18.2	18.6	18.7	18.6
Depreciation	2,317	2,418	2,906	3,253	4,106	4,762	5,533	5,388
EBIT	**14,207**	**15,609**	**18,476**	**21,087**	**20,114**	**21,710**	**23,964**	**27,234**
% of Net Sales	16	16	15.4	15.3	15.1	15.3	15.2	15.5
Other Income	967	696	861	644	570	894	1,596	1,228
PBT	**15,174**	**16,305**	**19,337**	**21,731**	**20,684**	**22,604**	**25,560**	**28,462**
Tax	3,306	4,139	4,870	5,351	5,135	5,580	6,510	7,116
Rate (%)	**22**	**25**	25.2	24.6	24.8	24.7	25.5	25.0
Adjusted PAT	**11,868**	**12,166**	**14,467**	**16,380**	**15,549**	**17,024**	**19,050**	**21,347**
Change (%)	10.6	2.5	18.9	13.2	-5.1	9.5	11.9	12.1

Balance Sheet (INR m)

Y/E	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,865	1,870	1,878	1,884	1,890	1,901	1,901	1,901
Reserves	56,431	63,397	67,553	77,464	86,056	94,383	1,02,003	1,10,542
Net Worth	**58,296**	**65,267**	**69,431**	**79,348**	**87,946**	**96,284**	**1,03,904**	**1,12,443**
Loans	5,713	5,135	5,272	1,985	15,436	11,159	11,159	11,159
Other long-term liabilities	7,567	7,285	9,030	8,768	11,310	8,295	7,934	8,075
Capital Employed	**71,576**	**77,687**	**83,734**	**90,101**	**1,14,692**	**1,15,739**	**1,22,997**	**1,31,677**
Net Block	**8,823**	**8,869**	**10,388**	**11,281**	**14,011**	**14,908**	**10,060**	**5,434**
CWIP	74	31	110	55	137	2	2	2
Goodwill	21,405	21,326	27,348	29,586	41,793	42,907	42,907	42,907
Investments	3,479	3,114	3,778	3,848	4,971	4,238	4,238	4,238
Other assets	9,624	9,246	8,774	11,794	14,066	17,151	19,302	20,908
Curr. Assets	**44,131**	**51,403**	**57,164**	**59,531**	**66,324**	**69,861**	**73,933**	**88,703**
Debtors	17,696	18,505	22,270	25,207	24,256	28,407	28,952	32,191
Cash	11,267	9,098	9,494	10,534	8,144	16,126	13,264	19,913
Investments	9,768	16,870	14,351	13,679	25,928	17,844	21,844	25,844
Other current assets	5,400	6,929	11,048	10,111	7,997	7,484	9,872	10,754
Current Liab. & Prov	**15,959**	**16,302**	**23,828**	**25,993**	**26,610**	**33,328**	**27,444**	**30,514**
Sundry Liabilities	15,891	15,806	22,744	23,573	23,818	30,220	26,182	29,111
Provisions	68	497	1,084	2,420	2,792	3,108	1,262	1,403
Net Current Assets	**28,172**	**35,100**	**33,336**	**33,538**	**39,714**	**36,534**	**46,488**	**58,189**
Application of Funds	**71,576**	**77,687**	**83,734**	**90,102**	**1,14,692**	**1,15,739**	**1,22,997**	**1,31,677**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
EPS	**63.1**	**64.2**	**75.1**	**86.9**	**81.8**	**89.3**	**99.8**	**111.8**
Cash EPS	75.5	77.0	90.2	104.2	103.3	114.2	128.8	140.1
Book Value	312.9	349.3	365.3	421.2	466.1	508.3	546.2	591.1
DPS	35.0	65.0	45.7	52.2	49.4	53.9	60.1	67.3
Payout %	55.4	101.2	60.8	60.0	60.5	60.4	60.2	60.2
Valuation (x)								
P/E	41.6	40.9	35.0	30.2	32.1	29.4	26.3	23.5
Cash P/E	34.8	34.1	29.1	25.2	25.4	23.0	20.4	18.7
EV/EBITDA	28.7	26.1	22.5	19.4	19.7	17.9	16.1	14.2
EV/Sales	5.4	4.8	4.0	3.4	3.6	3.3	3.0	2.7
Price/Book Value	8.4	7.5	7.2	6.2	5.6	5.2	4.8	4.4
Dividend Yield (%)	1.3	2.5	1.7	2.0	1.9	2.1	2.3	2.6
Profitability Ratios (%)								
RoE	21.4	19.7	21.5	22.0	18.6	18.5	19.0	19.7
RoCE	18.6	16.8	18.3	19.1	16.1	16.0	16.5	17.6
Turnover Ratios								
Debtors (Days)	73	69	68	67	67	73	67	67
Fixed Asset Turnover (x)	16.2	11.0	12.4	12.7	10.5	9.8	12.6	22.6

Cash Flow Statement **(INR m)**

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	12,788	14,999	18,497	20,397	17,769	21,393	22,987	25,507
Chg. in Wkg. Capital	422	-453	-1,501	-5,779	4,028	-2,341	-11,330	-2,515
Net Operating CF	**13,210**	**14,545**	**16,996**	**14,618**	**21,797**	**19,052**	**11,657**	**22,992**
Net Purchase of FA	-1,243	-1,252	-1,192	-1,112	-916	-599	-685	-762
Free Cash Flow	**11,967**	**13,293**	**15,805**	**13,506**	**20,881**	**18,453**	**10,972**	**22,229**
Net Purchase of Invest.	2,652	-6,967	-1,629	2,936	-23,905	1,039	-2,404	-2,772
Net Cash from Invest.	**1,408**	**-8,219**	**-2,820**	**1,825**	**-24,821**	**441**	**-3,089**	**-3,535**
Proceeds from Equity	151	268	442	271	301	575	0	0
Proceeds from LTB/STB and Others	-3,863	-2,356	-2,152	-7,153	9,898	-1,564	0	0
Dividend Payments	-6,065	-6,527	-12,177	-8,652	-9,427	-10,401	-11,430	-12,808
Net CF from Financing	**-9,777**	**-8,615**	**-13,887**	**-15,534**	**772**	**-11,389**	**-11,430**	**-12,808**
Net Cash Flow	**4,842**	**-2,288**	**289**	**908**	**-2,252**	**8,103**	**-2,862**	**6,649**
Exchange Difference	10	120	107	132	-139	-121	0	0
Opening Cash Balance	**6,416**	**11,267**	**9,098**	**9,494**	**10,534**	**8,144**	**16,126**	**13,264**
Add: Net Cash	4,851	-2,169	396	1,040	-2,391	7,982	-2,862	6,649
Closing Cash Balance	**11,267**	**9,098**	**9,494**	**10,534**	**8,144**	**16,126**	**13,264**	**19,913**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
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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