

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	WPRO IN
Equity Shares (m)	10482
M.Cap.(INRb)/(USD\$)	2731.8 / 31.7
52-Week Range (INR)	325 / 225
1, 6, 12 Rel. Per (%)	-2/-16/-9
12M Avg Val (INR M)	3837

#### Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	891	908	944
EBIT Margin (%)	17.0	16.9	17.2
PAT	131	133	138
EPS (INR)	12.5	12.6	13.1
EPS Gr. (%)	22.8	1.0	3.9
BV/Sh. (INR)	79.2	80.6	82.1

#### Ratios

RoE (%)	16.6	15.9	16.2
RoCE (%)	12.0	12.0	12.8
Payout (%)	47.8	70.0	70.0

#### Valuations

P/E (x)	20.8	20.6	19.8
P/BV (x)	3.3	3.2	3.2
EV/EBITDA (x)	13.0	12.8	14.1
Div Yield (%)	2.3	3.4	3.5

#### Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	72.7	72.8	72.9
DII	7.5	8.2	8.3
FII	11.2	10.4	9.5
Others	8.5	8.6	9.4

FII Includes depository receipts

**CMP: INR261 TP: INR230 (-12%) Sell**

### Deals deliver; conversion a key monitorable

#### Margins likely to remain range-bound

- Wipro (WPRO) reported 1QFY26 IT Services revenue of USD2.5b, down 2.0% QoQ CC, above our estimate of 2.5% QoQ decline. It posted an order intake of USD4.9b (up 25.6% QoQ), with a large deal TCV of USD2.6b (up 51% QoQ). EBIT margin of IT Services was 17.3% (est. 17.5%). PAT stood at INR33b (up 6.7% QoQ/10.8% YoY) vs. our est. of INR32b. In INR terms, revenue was flat YoY, EBIT declined 1%, and PAT grew 9.8% YoY. In 2QFY26, we expect revenue/EBIT to grow 1.1%/3.1% and PAT to remain flat YoY.
- We believe improvement in execution and sustained conversion of deal TCV to revenue will be key for a constructive view. We **reiterate our Sell rating** on Wipro with a TP of INR230, implying 18x FY27E EPS.

#### Our view: Solid deal wins offer 2H hope

- **Deal TCV strong, but revenue acceleration still a wait:** WPRO reported strong TCV of USD4.9b in 1QFY26 (up 26% QoQ/51% YoY), including two mega deals in BFSI. While wins reflect success in vendor consolidation and offer better revenue visibility for 2H, near-term execution remains weak, with a muted 2Q guidance of -1% to +1%. As seen through FY24-25, deal conversion remains a key monitorable.
- We build in the midpoint of guidance for 2Q and ~1.5% CQGR in 2H as large deal ramp-ups kick in. That said, the weak exit from FY25 and soft start to FY26 (services down 2% QoQ CC in 1QFY26) may weigh on the full-year trajectory, and we model a 1.3% YoY CC revenue decline for FY26E.
- **Europe showing early signs of stability:** Management indicated that Europe is beginning to stabilize, with some client-specific issues now resolved. The Phoenix deal (won in 4Q) is expected to start contributing from 3QFY26. However, a broader demand recovery remains uneven, and the region's improvement is likely to be gradual.
- **Margins stable, but downside risk persists as ramp-ups begin:** Services EBIT margin declined 20bp QoQ to 17.3%. We believe WPRO is at the upper end of the range and further gains could be limited, particularly due to upfront investments required in large deal ramp-ups in 2H. The company expects to offset pressures through AI productivity, G&A optimization, and better utilization, but we see limited room for further upside from current levels. We estimate 17.1%/17.4% services EBIT margin for FY26/27E.

#### Beat on revenue and margins in line; deal TCV up 26% QoQ

- IT Services revenue at USD2.5b was down 2.0% QoQ in CC (reported USD revenue down 0.3% QoQ), above our estimate of 2.5% QoQ CC decline.
- In 1QFY26, BFSI and Consumer were down 3.8/4.0% QoQ CC. Health was up 0.5% QoQ CC, whereas Technology was up 0.4% QoQ CC.
- 2QFY26 revenue guidance is -1% to +1% in CC terms.
- Americas1 grew 0.2% QoQ CC, while Europe and Americas2 declined by 6.4%/1.7% QoQ CC.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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- IT Services EBIT margin was 17.3% (down 20bp QoQ), in line with our estimate of 17.5%.
- PAT was down 6.7%QoQ/up 10.8% YoY at INR33b (against our est. of INR32b).
- WPRO reported deal TCV at USD4.9b in 1QFY26, up 25.6% QoQ/51.3% YoY, while large TCV at USD2.6b was up 51% QoQ/131% YoY.
- Net utilization (excl. trainees) was up 40bp at 85% (vs. 84.6% in 4Q). Attrition (LTM) was up 10bp QoQ at 15.1%.

### Key highlights from the management commentary

- The quarter began with macroeconomic uncertainties, which kept demand muted. Clients prioritized initiatives around cost optimization and vendor consolidation.
- Despite tight discretionary budgets, outsourcing and contract renewals have enabled the company to expand its wallet share.
- WPRO has guided for -1% to +1% QoQ CC revenue performance in 2QFY26.
- Management indicated that 2HFY26 is expected to be better than 1H, as some deals are currently in transition and are likely to stabilize over the next 3-6 months.
- Capco reported 6% YoY growth, led by strong performance in Latin America, with bookings crossing USD1b. Growth was broad-based across Insurance, Asset Management, and Energy sectors.
- The company secured 16 large deals, including two mega deals in BFSI. Many of these deals were driven by vendor consolidation.
- Deal closures provide strong revenue visibility for 2HFY26.
- Ramp-ups in large deals may exert near-term pressure on margins due to upfront investments, especially in talent acquisition.
- A healthy pipeline exists in Europe. The Phoenix deal won in 4Q is expected to start contributing to revenue from 3Q onwards.

### Valuations and view

- We model a 1.3% YoY CC revenue decline for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC), muted 2Q guidance, and a gradual recovery in 2H as large deal ramp-ups begin to reflect in revenue. While strong deal TCV and early signs of stabilization in Europe prompt a slight upward revision to our FY26/FY27E estimates (by ~2%), we see limited room for margin expansion from current levels.
- Further improvement in execution and sustained conversion of deal TCV to revenue will be key for a constructive view. We reiterate our **Sell** rating on WPRO with a **TP of INR230**, implying **18x FY27E EPS**.

## Quarterly Performance (IFRS)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	VAR.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY26E	(% / bp)
IT Services Revenue (USD m)	2,626	2,660	2,629	2,597	2,587	2,593	2,632	2,671	10,512	10,483	2,569	0.7
QoQ (%)	-1.2	1.3	-1.2	-1.2	-0.4	0.2	1.5	1.5	-2.7	-0.3	-1.0	70bp
Overall Revenue (INR b)	220	223	223	225	221	226	229	232	891	908	220	0.4
QoQ (%)	-1.1	1.5	0.1	0.8	-1.6	1.9	1.5	1.5			-2.0	39bp
YoY (%)	-3.8	-1.0	0.5	1.3	0.8	1.1	2.6	3.3	-0.6	1.9	0.4	40bp
GPM (%)	30.2	30.5	31.0	30.9	29.0	29.7	29.7	29.7	30.7	29.5	30.2	-124bp
SGA (%)	13.7	13.6	13.8	13.6	12.9	12.8	12.5	12.5	13.7	12.7	12.8	10bp
EBITDA	43	45	46	47	43	46	47	48	181	184	46	-6.2
EBITDA Margin (%)	19.7	20.0	20.8	20.7	19.5	20.3	20.6	20.6	20.3	20.2	20.8	-136bp
IT Serv. EBIT (%)	16.5	16.8	17.5	17.5	17.3	17.0	17.3	17.3	17.1	17.2	17.6	-31bp
EBIT Margin (%)	16.4	16.7	17.5	17.4	16.1	17.0	17.3	17.3	17.0	16.9	17.5	-136bp
Other income	4	6	6	8	7	4	4	4	24	20	4	60.3
ETR (%)	24.5	24.6	24.4	24.3	21.6	23.8	23.6	23.4	24.5	23.1	24.5	-285bp
PAT	30	32	34	36	33	32	33	34	131	133	32	3.7
QoQ (%)	5.9	6.8	4.5	6.4	-6.7	-3.2	3.2	1.7			-10.1	335bp
YoY (%)	4.6	21.3	24.5	25.9	10.9	0.4	-0.8	-5.2	19.2	1.0	6.9	399bp
EPS (INR)	5.7	3.1	3.2	3.4	3.2	3.1	3.2	3.2	12.5	12.6	3.1	3.7

## Key Performance Indicators

Y/E March	FY25				FY26		FY25
	1Q	2Q	3Q	4Q	1Q		
Revenue (QoQ CC %)	-1.0	0.6	0.1	-0.8	-2.0		
<b>Margins</b>							
Gross Margin	30.2	30.5	31.0	30.9	29.0		30.7
EBIT Margin	16.4	16.7	17.5	17.4	16.1		17.0
Net Margin	13.7	14.4	15.0	15.9	15.0		14.7
<b>Operating metrics</b>							
Headcount (k)	233	234	233	233	233		233
Attrition (%)	14.1	14.5	15.3	15.0	15.1		15.0
Utilization	87.7	86.4	83.5	84.6	85.0		85.6
<b>Key Verticals (QoQ CC %)</b>							
BFSI	0.5	2.7	-1.9	-0.5	-3.8		-0.1
Retail	1.6	0.3	-0.9	-1.3	-4		-0.4



## Highlights from the management commentary

### 1QFY26 performance and demand outlook

- The quarter began with macroeconomic uncertainties, which kept demand muted. Clients prioritized initiatives around cost optimization and vendor consolidation.
- Despite tight discretionary budgets, outsourcing and contract renewals have enabled the company to expand its wallet share.
- WPRO has guided for -1% to +1% QoQ CC revenue performance in 2QFY26.
- Management indicated that 2HFY26 is expected to be better than 1H, as some deals are currently in transition and are likely to stabilize over the next 3-6 months.
- Capco reported 6% YoY growth, led by strong performance in Latin America, with bookings crossing USD1b. Growth was broad-based across Insurance, Asset Management, and Energy sectors.
- WPRO reported total TCV of USD4.9b in 1QFY26, up 25.6% QoQ and 51.3% YoY.
- The company secured 16 large deals, including two mega deals in BFSI. Many of these deals were driven by vendor consolidation.

- The wins reflect a balanced mix between extensions of existing work and new business wins. None of the deals are simple pass-throughs, and several were won through competitive bidding.
- Deal closures provide strong revenue visibility for 2HFY26.
- Despite bookings of over USD5b, the pipeline remains strong across geographies, especially in the Americas, where momentum continues.
- By vertical: BFSI remains strong and steady; Telecom and Communications and EMR are stable; Manufacturing is seeing softness; Consumer segment has seen traction in B2C deal wins.
- **BFSI:** Demand continues to be strong and steady. Two mega deals were won in this segment. A healthy pipeline exists in Europe. The Phoenix deal won in 4Q is expected to start contributing to revenue from 3Q onwards.
- **Technology & Services:** There is a clear shift toward AI investments by clients that are focused on modernizing software and platforms. A large deal was won, which has potential to evolve into a mega deal. A significant portion of this deal includes an extension of existing work rather than a pure renewal.
- **Healthcare:** Continues to perform well as clients pursue digital and modernization investments. Payers are under cost pressure, but the overall outlook for the vertical remains positive.
- **Consumer:** A client has paused its SAP program, and that pause continues.
- **Europe:** Some client-specific challenges have now been addressed. The second half of the year is expected to see stability and potential growth. The focus remains on converting the strong deal pipeline into wins.
- A healthy pipeline exists in Europe. The Phoenix deal won in 4Q is expected to start contributing to revenue from 3Q onwards.

#### Margin outlook

- IT Services EBIT margin stood at 17.3%, a 20bp decline QoQ.
- Ramp-ups in large deals may exert near-term pressure on margins due to upfront investments, especially in talent acquisition.
- However, the company expects margin pressures to be offset through key operating levers such as AI-driven productivity, margin improvement in acquired entities, optimization of G&A expenses, improved utilization, and pyramid rationalization.
- The restructuring cost was incurred primarily in Europe and was one-off in nature.

**Exhibit 1: BFSI and Consumer remained under pressure; outlook for BFSI remains positive**

Verticals (QoQ 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	1Q FY26
BFSI	3.4	2.4	3.6	-0.2	-2.4	-4.3	-3.0	-4.3	2.1	0.5	2.7	-1.9	-0.5	-3.8
Consumer Business Unit	4.2	5.0	5.5	0.6	-0.9	-3.5	-2.3	-1.0	-0.6	1.6	0.3	-0.9	-1.3	-4.0
Energy, Natural Resources & Utilities	1.8	-1.0	6.6	2.8	5.9	-4.9	-5.3	0.7	-0.3	-6.3	-3.7	0.4	1.1	-0.7
Health Business Unit	0.3	0.5	3.0	4.7	2.0	-1.3	1.4	7.5	1.2	-2.8	-0.5	6.7	-3.1	0.5
Technology & Communications	3.6	0.8	1.5	-1.3	-2.7	0.1	5.8	-1.9	-6.0	-0.5	1.6	-0.6	-0.9	0.4

Note: Company has clubbed Manufacturing in ENU w.e.f 3QFY25 Source: Company, MOFSL

**Exhibit 2: Europe is expected to stabilize now as client-specific issues bottom out**

Geographies (QoQ 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	1Q FY26
Americas 1	3.1	3.1	2.9	1.3	-1.5	-1.1	1.0	2.0	-1.8	0.4	1.2	3.9	0.2	0.6
Americas 2	5.1	2.1	3.0	-0.9	-0.3	-4.2	-2.3	-1.3	1.9	-0.7	0.8	-0.6	-1.0	-1.7
Europe	2.3	1.2	5.6	2.4	-0.6	-3.4	-5.1	-4.3	-0.1	-1.4	-0.1	-2.7	-2.5	-6.4
APMEA	-0.3	2.2	6.7	-1.2	0.7	-1.9	-0.5	-5.4	-2.2	-4.2	0.3	-2.1	1.0	0.6

Source: Company, MOFSL

**Valuations & View**

- We model a 1.3% YoY CC revenue decline for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC), muted 2Q guidance, and a gradual recovery in 2H as large deal ramp-ups begin to reflect in revenue. While strong deal TCV and early signs of stabilization in Europe prompt a slight upward revision to our FY26/FY27E estimates (by ~2%), we see limited room for margin expansion from current levels.
- Further improvement in execution and sustained conversion of deal TCV to revenue will be key for a constructive view. We reiterate our Sell rating on WPRO with a TP of INR230, implying 18x FY27E EPS.

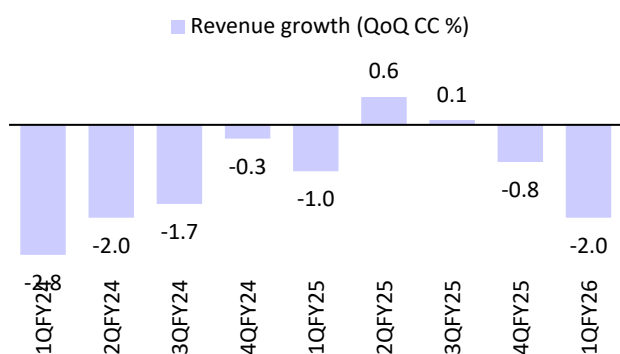
**Exhibit 3: Revisions to our estimates**

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.4	86.7	86.4	86.7	0.0%	0.0%
IT Services USD Revenue - m	10,483	10,851	10,417	10,712	0.6%	1.3%
Overall Growth (%)	(0.1)	3.9	(0.3)	2.8	30bps	110bps
EBIT margin - Overall (%)	16.9	17.2	17.3	17.4	-40bps	-20bps
EBIT margin - IT Services (%)	17.2	17.4	17.4	17.4	-20bps	0bps
PAT (INR B)	132.6	137.9	130.0	135.6	2.0%	1.7%
EPS	12.64	13.14	12.39	12.93	2.0%	1.7%

Source: MOFSL, Company

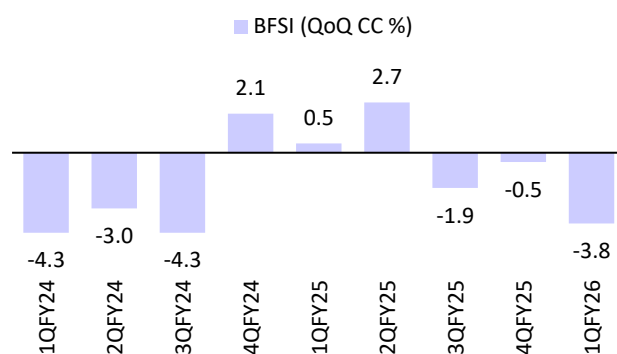
## Story in charts

**Exhibit 4: WPRO revenue declined in 1Q but was within guided range**



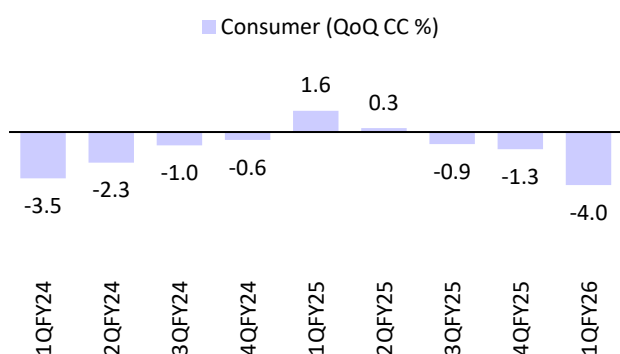
Source: Company, MOFSL

**Exhibit 5: BFSI continued to drag but client-specific issues in Europe appear to be behind**



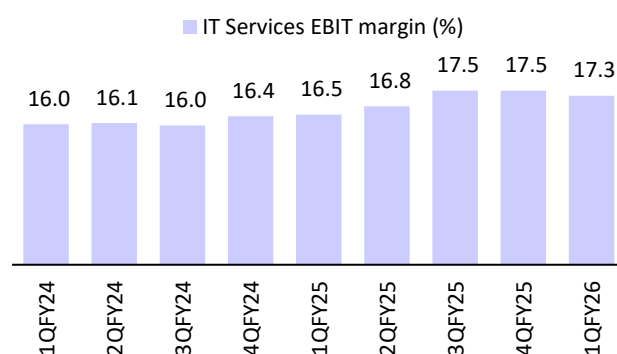
Source: Company, MOFSL

**Exhibit 6: Consumer saw decline as pause in some client programs continued**



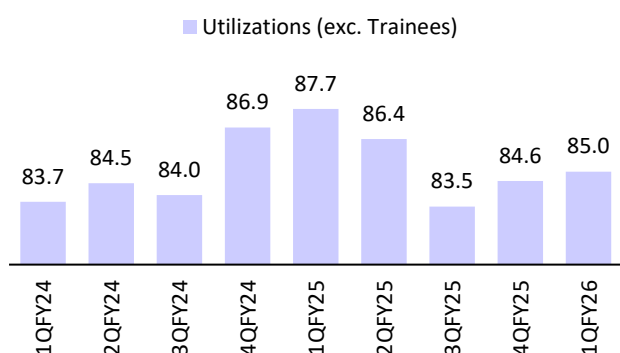
Source: Company, MOFSL

**Exhibit 7: IT services margin contracted 20bp QoQ**



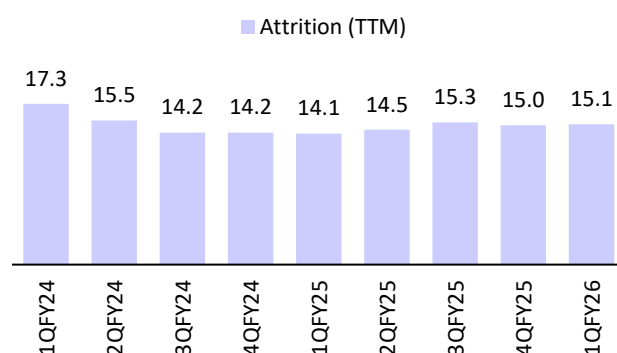
Source: Company, MOFSL

**Exhibit 8: Utilization was up 40bp to 85%**



Source: Company, MOFSL

**Exhibit 9: Attrition remained stable in 1Q**



Source: Company, MOFSL

## Operating metrics

Exhibit 10: Operating metrics

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>Verticals (%)</b>									
Finance Solutions	33.9	33.6	32.7	33.5	34.0	34.8	34.1	34.2	33.6
Healthcare Life Sciences	12.2	12.7	13.9	14.1	13.9	13.6	14.7	14.4	14.6
Energy, Manufacturing and Resources	12.0	18.6	18.5	18.5	17.6	17.0	16.9	17.3	17.7
Consumer	18.7	18.7	18.8	18.7	19.2	19.2	19.0	18.9	18.6
Technology & Communications	15.9	16.4	16.1	15.2	15.3	15.4	15.3	15.2	15.5
<b>Geography (%)</b>									
Americas 1	28.8	29.8	31.0	30.4	30.9	30.8	32.3	32.8	33.1
Americas 2	30.0	29.9	30.0	30.7	30.8	30.6	30.6	30.6	30.4
Europe	29.5	28.6	27.7	27.8	27.6	27.9	26.7	26.1	25.7
APMEA	11.7	11.7	11.3	11.1	10.7	10.7	10.4	10.5	10.8
<b>Customer size distribution (TTM)</b>									
Over USD100m	21	22	22	22	22	21	18	17	16
Over USD75m	28	28	31	32	29	30	30	28	27
Over USD50m	51	51	46	45	43	42	42	44	47
Over USD20m	123	122	121	116	117	117	114	111	109
Over USD10m	207	207	203	205	192	186	187	181	180
Over USD5m	319	313	305	301	301	297	290	289	281
Over USD3m	444	437	430	409	407	411	403	398	397
Over USD1m	769	774	750	741	735	733	722	716	725
<b>Customer metrics</b>									
Revenue from existing customers (%)	99.6	99.1	98.8	97.8	99.7	99.4	98.8	98.1	99.6
Number of new customers	65	49	55	60	43	28	63	63	49
Total number of active customers	1444	1393	1349	1371	1364	1342	1299	1282	1266
<b>Employee metrics</b>									
Closing headcount – IT Services (k)	250	245	240	233	233	234	233	233	233
Sales and support staff – IT Services (k)	17	17	16	0	0	0	0	0	0
<b>Utilization</b>									
Net utilization (excluding trainees, %)	83.7	84.5	84.0	86.9	87.7	86.4	83.5	84.6	85.0
<b>Attrition</b>									
Voluntary TTM	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15.0	15.1
<b>Customer concentration (%)</b>									
Top customer	3.1	3.0	3.0	3.8	4.0	4.1	4.5	4.4	4.7
Top five	12.5	12.3	12.1	13.4	13.6	14.0	14.3	14.5	14.7
Top 10	20.5	20.6	20.5	22.0	22.5	22.9	23.7	24.2	24.5

Source: MOFSL, Company

## Financials and valuations

### Income Statement

(InR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Sales</b>	<b>610</b>	<b>619</b>	<b>791</b>	<b>905</b>	<b>896</b>	<b>891</b>	<b>908</b>	<b>944</b>
Change (%)	4.2	1.5	27.7	14.4	-0.9	-0.6	1.9	3.9
Operating Costs	436	423	556	645	631	618	640	659
<b>Gross Profit</b>	<b>174</b>	<b>196</b>	<b>235</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>268</b>	<b>285</b>
SG&A	69	73	97	120	130	122	114	123
<b>EBITDA</b>	<b>126</b>	<b>151</b>	<b>169</b>	<b>173</b>	<b>170</b>	<b>181</b>	<b>184</b>	<b>193</b>
% of Net Sales	20.6	24.3	21.4	19.1	19.0	20.3	20.2	20.5
Depreciation & Amort.	21	28	31	33	34	30	30	31
<b>EBIT</b>	<b>105</b>	<b>123</b>	<b>138</b>	<b>140</b>	<b>136</b>	<b>151</b>	<b>154</b>	<b>162</b>
% of Net Sales	17.2	19.8	17.5	15.4	15.2	17.0	16.9	17.2
Other Income	17	16	13	8	11	24	20	19
<b>PBT</b>	<b>123</b>	<b>139</b>	<b>151</b>	<b>148</b>	<b>147</b>	<b>175</b>	<b>174</b>	<b>181</b>
Tax	25	30	29	34	36	43	40	42
Rate (%)	20.2	21.8	19.1	23.0	24.5	24.5	23.1	23.4
Extraordinary items	0	0	0	0	0	0	0	0
Minority Interest	0	1	0	0	1	1	1	1
<b>Adjusted PAT</b>	<b>97</b>	<b>108</b>	<b>122</b>	<b>114</b>	<b>110</b>	<b>131</b>	<b>133</b>	<b>138</b>
Change (%)	8.0	11.0	13.2	-7.1	-2.9	19.2	1.0	4.0

### Balance Sheet

(InR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	12	11	11	11	11	10	21	21
Reserves	556	546	542	647	770	739	807	823
<b>Net Worth</b>	<b>568</b>	<b>557</b>	<b>553</b>	<b>658</b>	<b>781</b>	<b>750</b>	<b>828</b>	<b>844</b>
Minority Interest & others	22	38	41	56	66	88	108	57
Loans	99	78	83	152	150	141	162	152
<b>Capital Employed</b>	<b>690</b>	<b>674</b>	<b>677</b>	<b>866</b>	<b>997</b>	<b>979</b>	<b>1,098</b>	<b>1,052</b>
Gross Block	220	268	299	338	369	395	432	450
Less : Depreciation	149	170	198	228	262	296	325	356
Net Block	71	98	102	110	107	100	106	94
Investments	13	11	12	20	22	23	28	28
Intangible Assets	131	147	152	291	351	349	352	352
Other non-current assets	47	41	42	38	35	31	22	51
<b>Curr. Assets</b>	<b>572</b>	<b>520</b>	<b>523</b>	<b>621</b>	<b>661</b>	<b>651</b>	<b>778</b>	<b>794</b>
Debtors	123	130	121	176	187	174	182	192
Inventories	4	2	1	1	1	1	1	1
Cash & Bank Balance	159	144	170	104	92	97	122	96
Adv., Other Current Assets	46	54	55	98	72	68	62	74
Investments	240	190	176	242	309	311	411	431
<b>Current Liab. &amp; Prov</b>	<b>143</b>	<b>143</b>	<b>154</b>	<b>213</b>	<b>179</b>	<b>173</b>	<b>188</b>	<b>267</b>
<b>Net Current Assets</b>	<b>429</b>	<b>377</b>	<b>369</b>	<b>408</b>	<b>482</b>	<b>477</b>	<b>589</b>	<b>527</b>
<b>Application of Funds</b>	<b>690</b>	<b>674</b>	<b>677</b>	<b>866</b>	<b>997</b>	<b>979</b>	<b>1,098</b>	<b>1,052</b>

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>8.2</b>	<b>9.4</b>	<b>11.0</b>	<b>10.4</b>	<b>10.2</b>	<b>12.5</b>	<b>12.6</b>	<b>13.1</b>
Cash EPS	10.1	12.0	14.0	13.4	13.5	15.3	15.5	16.1
Book Value	47.8	49.0	60.2	71.3	70.9	79.2	80.6	82.1
DPS	0.5	0.5	3.0	0.5	0.0	6.0	8.8	9.2
Payout %	113.9	93.3	26.9	4.8	1.6	47.8	70.0	70.0
<b>Valuation (x)</b>								
P/E	31.7	27.7	23.7	25.1	25.5	20.8	20.6	19.8
Cash P/E	25.7	21.7	18.6	19.4	19.2	16.9	16.8	16.1
EV/EBITDA	22.1	17.8	15.7	15.0	14.6	13.0	12.8	14.1
EV/Sales	4.6	4.3	3.3	2.9	2.8	2.6	2.6	2.9
Price/Book Value	5.4	5.3	4.3	3.6	3.7	3.3	3.2	3.2
Dividend Yield (%)	0.2	0.2	1.2	0.2	0.0	2.3	3.4	3.5
<b>Profitability Ratios (%)</b>								
RoE	17.3	19.4	20.2	15.8	14.4	16.6	15.9	16.2
RoCE	13.7	16.0	16.3	12.8	11.3	12.0	12.0	12.8
<b>Turnover Ratios</b>								
Debtors (Days)	78	72	81	75	71	75	77	77
Asset Turnover (x)	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7
<b>Leverage Ratio</b>								
Debt/Equity Ratio(x)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2

### Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	124	125	147	145	158	159	163	169
Cash for Wkg. Capital	-24	23	-36	-15	19	10	-24	-2
<b>Net Operating CF</b>	<b>101</b>	<b>148</b>	<b>111</b>	<b>131</b>	<b>176</b>	<b>169</b>	<b>139</b>	<b>167</b>
Net Purchase of FA	-22	-19	-19	-14	-6	-13	-18	-19
Other change in investments	56	27	-205	-70	18	-68	-20	-20
<b>Net Cash from Invest.</b>	<b>34</b>	<b>8</b>	<b>-224</b>	<b>-84</b>	<b>12</b>	<b>-81</b>	<b>-38</b>	<b>-39</b>
Issue of Shares/Other adj	0	0	0	0	0	0	0	0
Proceeds from LTB/STB	-143	-122	53	-28	-177	-1	-19	-19
Dividend Payments	-8	-6	-7	-33	-6	-63	-108	-113
<b>Net CF from Finan.</b>	<b>-151</b>	<b>-129</b>	<b>47</b>	<b>-61</b>	<b>-183</b>	<b>-64</b>	<b>-127</b>	<b>-131</b>
Free Cash Flow	78	129	91	116	170	156	121	148
<b>Net Cash Flow</b>	<b>-16</b>	<b>26</b>	<b>-67</b>	<b>-14</b>	<b>5</b>	<b>25</b>	<b>-26</b>	<b>-3</b>
Forex difference	2	-1	1	2	0	0	0	0
<b>Opening Cash Bal.</b>	<b>157</b>	<b>142</b>	<b>168</b>	<b>102</b>	<b>90</b>	<b>95</b>	<b>120</b>	<b>94</b>
Add: Net Cash	-14	26	-66	-12	5	25	-26	-3
<b>Closing Cash Bal.</b>	<b>142</b>	<b>168</b>	<b>102</b>	<b>90</b>	<b>95</b>	<b>120</b>	<b>94</b>	<b>91</b>

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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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