motilal oswal
Financial Services

16 October 2025
2QFY26 Results Update | Sector: Technology

Wipro

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	WPRO IN
Equity Shares (m)	10484
M.Cap.(INRb)/(USDb)	2660.9 / 30.3
52-Week Range (INR)	325 / 225
1, 6, 12 Rel. Per (%)	-1/-7/-7
12M Avg Val (INR M)	3293

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	923	961	992
EBIT Margin (%)	16.3	16.5	16.5
PAT	131	133	137
EPS (INR)	12.5	12.6	13.1
EPS Gr. (%)	(0.2)	1.2	3.6
BV/Sh. (INR)	80.5	82.0	83.5
Ratios			
RoE (%)	15.7	15.6	15.9
RoCE (%)	11.8	12.4	12.5
Payout (%)	70.0	70.0	70.0
Valuations			
P/E (x)	20.3	20.1	19.4
P/BV (x)	3.2	3.1	3.0
EV/EBITDA (x)	12.6	11.7	13.5
Div Yield (%)	3.4	3.5	3.6

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	72.7	72.7	72.8
DII	7.8	7.5	8.3
FII	11.0	11.2	9.6
Others	8.5	8.5	9.4

FII Includes depository receipts

CMP: INR254 TP: INR200 (-21%) Sell

Growth pickup still awaited

Margins to stay range-bound

- Wipro (WPRO) reported 2QFY26 IT Services revenue of USD2.6b, up 0.3% QoQ CC, in line with our estimate of 0.3% QoQ growth. It posted an order intake of USD4.7b (down 5.7% QoQ), with a large-deal TCV of USD2.8b (up 7% QoQ). EBIT margin of IT Services was 16.7% (est. 17.0%). PAT stood at INR32b (down 2.5% QoQ/up 1.2% YoY) vs. our est. of INR31b. In INR terms, revenue/EBIT/PAT grew 1.2%/1.0%/5.3% YoY in 1HFY26. In 2HFY26, we expect revenue to grow 6.0% and EBIT/PAT to decline 1.0%/5.3% YoY.
- We believe that broad-based growth across verticals and a stable conversion of deal TCV to revenue will be key to a constructive view. We **reiterate our Sell rating** on Wipro with a TP of INR200, implying 16x Jun'27E EPS.

Our view: BFSI/Europe provide support

- **Deal momentum sustained, but revenue acceleration still awaited:** WPRO reported modest IT Services growth of 0.3% QoQ CC in 2QFY26. The 3Q guidance of -0.5% to +1.5% CC (midpoint implying a mild uptick, the first positive midpoint in several quarters). That said, macro uncertainty, tariff-related headwinds in consumer/energy/manufacturing verticals, and seasonal furloughs could continue to cap growth momentum. We build in the midpoint of guidance for 3Q and assume flat growth in 4Q, based on a gradual pace of conversion from recent deal wins.
- **Execution to drive 2H delivery:** Deal TCV remained healthy at USD4.7b in 2Q (USD9.5b in 1H), with good traction in BFSI and healthcare. In our view, while deal activity remains robust, the pace of conversion continues to be a key monitorable.
- **BFSI/Europe showing early signs of stability:** BFSI grew 2.2% QoQ CC, marking its first sequential improvement, led by good traction in Europe and APMEA. Phoenix deal is expected to ramp up in 3QFY26, supporting further recovery. That said, we believe overall demand in consumer and ENRU remains soft due to tariff-related pressure, and a broad-based recovery in spending is yet to be seen.
- **Margins stable, but near-term headwinds likely as Harman integrates:** IT Services EBIT margin stood at 16.7% (down 60bp QoQ), impacted by a one-off provision related to a client bankruptcy. Adj. margin at 17.2% was stable, supported by INR depreciation, utilization gains, and SG&A efficiencies.
- Large-deal ramp-up and pricing pressure in vendor consolidation programs could weigh on near-term margins, and we see limited room for upside from the current levels. Management reiterated its comfort within the 17.0-17.5% range, but the pending Harman DTA acquisition (expected to close in 3Q) will likely dilute margins by ~60bp. We estimate 16.3%/16.5% EBIT margin for FY26/27E.

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In-line revenues and margins; 3QFY26 guidance at -0.5 to 1.5% CC

- IT Services revenue at USD2.6b was up 0.3% QoQ in CC (reported USD revenue was up 0.7% QoQ), in line with our estimate of 0.3% QoQ CC growth.
- In 2QFY26, BFSI/Technology were up 2.6/1.0% QoQ CC. Consumer was down 1.1% QoQ CC.
- Americas1 grew 0.6% QoQ CC. Europe saw 2.7% QoQ CC growth.
- IT Services EBIT margin was 16.7% (down 70bp QoQ), below our estimate of 17.0%. IT Services operating margin for 2QFY26 was impacted by a provision of INR1,165m (USD13.1m) made with respect to bankruptcy of a customer. Adjusted for this event, IT Services margin for the quarter was 17.2%.
- PAT was down 2.5% QoQ/up 1.2% YoY at INR32b (against our est. of INR31b).
- WPRO reported deal TCV of USD4.7b in 2QFY26, down 5.7% QoQ/ up 31% YoY, while large-deal TCV of USD2.9b was up 7% QoQ/90% YoY.
- 3QFY26 revenue guidance was -0.5% to +1.5% in CC terms.
- Net utilization (excl. trainees) was up 140bp at 86.4%% (vs. 85% in 1Q). Attrition (LTM) was down 20bp QoQ at 14.9%.

Key highlights from the management commentary

- Sequential guidance for 3QFY26 is -0.5% to +1.5% in CC, translating into USD2.59-2.64b in revenue. Harman acquisition is expected to close during 3QFY26; current guidance excludes any contribution from it.
- The midpoint of guidance is positive for the first time in several quarters, indicating a gradual improvement in momentum.
- Management expects several large deals signed in 1H to begin ramping up in 2H.
- 1HFY26 bookings stood at USD9.5b; pipeline remains strong and broad-based.
- Large deal activity driven by vendor consolidation, AI-led transformation, and consulting-led programs.
- Two mega deals signed this quarter - one in healthcare and one in BFSI - largely renewals but important for deepening relationships and driving future growth.
- Margins were supported by INR depreciation, improved utilization, lower attrition, higher profitability in fixed-price programs, and SG&A optimization.
- Headwinds came from large-deal transition costs, which will continue in 3Q.
- Management aims to maintain operating margins within a narrow band of 17.0-17.5%. 3Q is seasonally weak due to furloughs and fewer working days.
- A healthy pipeline exists in Europe. The Phoenix deal won in 4Q is expected to start contributing to revenue from 3Q onward.

Valuations and view

- We model flat YoY CC revenue growth for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC), muted 2Q/3Q guidance, and a gradual recovery in 2H. We see limited room for margin expansion from current levels. We keep our FY26/FY27 estimates unchanged.
- Further improvement in execution and a stable conversion of deal TCV to revenue will be key to a constructive view. We reiterate our **Sell** rating on WPRO with a **TP of INR200**, implying **16x Jun'27E EPS**.

Quarterly performance (IFRS)

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	VAR.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26E	(% / bp)
IT Services Revenue (USD m)	**2,626**	**2,660**	**2,629**	**2,597**	**2,587**	**2,604**	**2,664**	**2,664**	**10,512**	**10,520**	**2,607**	**-0.1**
QoQ (%)	-1.2	1.3	-1.2	-1.2	-0.4	0.7	2.3	0.0	-2.7	0.1	0.8	-10bp
Overall Revenue (INR b)	**220**	**223**	**223**	**225**	**221**	**227**	**237**	**237**	**891**	**923**	**228**	**-0.6**
QoQ (%)	-1.1	1.5	0.1	0.8	-1.6	2.5	4.6	0.0			3.1	-59bp
YoY (%)	-3.8	-1.0	0.5	1.3	0.8	1.8	6.4	5.5	-0.6	3.6	2.4	-59bp
GPM (%)	**30.2**	**30.5**	**31.0**	**30.9**	**29.0**	**29.6**	**28.4**	**29.2**	**30.7**	**29.0**	**29.7**	**-12bp**
SGA (%)	13.7	13.6	13.8	13.6	12.9	13.2	12.6	12.9	13.7	12.9	13.5	-34bp
EBITDA	**43**	**45**	**46**	**47**	**43**	**45**	**46**	**47**	**181**	**182**	**45**	**1.4**
EBITDA Margin (%)	**19.7**	**20.0**	**20.8**	**20.7**	**19.5**	**20.0**	**19.4**	**19.9**	**20.3**	**19.7**	**19.6**	**39bp**
IT Serv. EBIT (%)	**16.5**	**16.8**	**17.5**	**17.5**	**17.3**	**16.7**	**16.5**	**17.0**	**17.1**	**16.8**	**17.0**	**-28bp**
EBIT Margin (%)	**16.4**	**16.7**	**17.5**	**17.4**	**16.1**	**16.7**	**16.0**	**16.5**	**17.0**	**16.3**	**16.3**	**39bp**
Other income	4	6	6	8	7	5	4	4	24	21	4	15.2
ETR (%)	24.5	24.6	24.4	24.3	21.6	23.8	23.6	23.3	24.5	23.1	23.7	8bp
PAT	**30**	**32**	**34**	**36**	**33**	**32**	**32**	**33**	**131**	**131**	**31**	**3.4**
QoQ (%)	5.9	6.8	4.5	6.4	-6.7	-2.5	-0.9	3.1			-5.8	323bp
YoY (%)	4.6	21.3	24.5	25.9	10.9	1.2	-4.1	-7.1	19.2	-0.2	-2.2	335bp
EPS (INR)	5.7	3.1	3.2	3.4	3.2	3.1	3.1	3.2	12.5	12.5	3.0	3.4

Key performance indicators

Y/E March	FY25				FY26		FY25
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	-1.0	0.6	0.1	-0.8	0.0	0.0	
Margins							
Gross Margin	30.2	30.5	31.0	30.9	29.0	29.6	30.7
EBIT Margin	16.4	16.7	17.5	17.4	16.1	16.7	17.0
Net Margin	13.7	14.4	15.0	15.9	15.0	14.3	14.7
Operating metrics							
Headcount (k)	233	234	233	233	233	235	233
Attrition (%)	14.1	14.5	15.3	15.0	15.1	14.9	15.0
Utilization	87.7	86.4	83.5	84.6	85	86.4	85.6
Key Verticals (QoQ CC %)							
BFSI	0.5	2.7	-1.9	-0.5	-3.8	2.2	-0.1
Retail	1.6	0.3	-0.9	-1.3	-4	-1.7	-0.4

CONFERENCE CALL

Highlights from the management commentary

2QFY26 performance and demand outlook

- IT Services revenue grew 0.3% QoQ in CC and 0.7% QoQ in reported terms.
- Sequential guidance for 3QFY26 is -0.5% to +1.5% in CC, translating into USD2.59-2.64b in revenue. Harman acquisition is expected to close during 3QFY26; current guidance excludes any contribution from it.
- The midpoint of guidance is positive for the first time in several quarters, indicating a gradual improvement in momentum.
- Management expects several large deals signed in 1H to begin ramping up in 2H.
- Furloughs are expected to be in line with last year. Tariff-related uncertainties continue to impact the consumer, energy, and manufacturing verticals.
- Closed USD4.7b in total contract value during the quarter, including 13 large deals.
- 1HFY26 bookings stood at USD9.5b; pipeline remains strong and broad-based.
- Large deal activity driven by vendor consolidation, AI-led transformation, and consulting-led programs.
- Two mega deals signed this quarter - one in healthcare and one in BFSI - largely renewals but important for deepening relationships and driving future growth.

- A large BFSI deal from 4QFY25 is ramping up in 3QFY26, while other large deals won in 1H will phase in over 6-8 months. 2Q BFSI deal wins were mainly renewals.
- Growth in BFSI during 2Q was led by Europe and APMEA; Americas expected to join in subsequent quarters as large deals ramp up.
- Clients across industries are prioritizing cost optimization and vendor consolidation, increasingly leveraging AI for efficiency.
- Productivity gains achieved by clients are being reinvested into AI innovation and data modernization programs. Standard productivity benefits are being passed on in renewals, creating modest deflationary pressure.
- One client impacted by tariff-related uncertainty delayed an SAP transformation project.
- Management highlighted proactive deal pitching and a sustained, secular pipeline across geographies and deal sizes.
- **BFSI:** Sequential growth of 2.2%; first quarter of sequential improvement. Growth led by Europe and APMEA, both reporting high single-digit QoQ growth. Clients continue to focus on cost optimization, vendor consolidation, and modernization of core systems. Banking and payments remain strong domains; capital markets anchor accounts are performing well. The Phoenix deal will begin ramping up in 3QFY26. Order booking remains robust with continued strength in Europe and APMEA
- **Healthcare:** Declined 0.2% QoQ but grew 3.9% YoY. Sector remains one of Wipro's strongest verticals despite structural changes. A healthcare megadeal signed this quarter. Payers are accelerating modernization, with traction in claims processing, pre-authorization, and contact center transformation
- **Consumer:** Declined 1.7% QoQ and 7.4% YoY. Continued impact from tariff uncertainty.
- **Americas 2**: Declined 2% QoQ and 5% YoY; deals signed in 1H are now starting to ramp up.
- **Europe**: Grew 1.4% QoQ; returned to growth led by BFSI. Formed a multi-year modernization partnership with a leading European financial institution using Wipro's VEGA AI platform.
- Net headcount increased in 2QFY26, supported by fresher onboarding.
- Hiring will align with deal ramp-ups; no supply constraints foreseen. Over 80% of the US workforce is localized, minimizing H-1B dependency; no supply-side issues anticipated
- Introduced Wipro Intelligence - a unified suite of AI platforms, solutions, and offerings to help clients scale confidently in an AI-first world.
- Brings together Wipro's delivery platforms (software, infrastructure, and business operations) and industry-specific AI platforms.
- Over 200 AI agents and platforms developed across sectors.
- Focus on embedding productivity gains, measurable business outcomes, and responsible AI guardrails.
- Key offerings include AutoCortex (automotive), Wealth AI (BFSI), and Payer AI (healthcare).

Margin outlook

- IT Services operating margin for 2Q stood at 16.7%, down 60bp QoQ and 10bp YoY.
- Adjusted for a one-off provision of INR1,165m (USD13m) related to a client bankruptcy, the adjusted margin was 17.2% (up 40bp YoY).

- 1QFY26 margin stood at 17.3%.
- Margins were supported by INR depreciation, improved utilization, lower attrition, higher profitability in fixed-price programs, and SG&A optimization.
- Headwinds came from large deal transition costs, which will continue in 3Q.
- Management aims to maintain operating margins within a narrow band of 17.0-17.5%.
- 3Q is seasonally weak due to furloughs and fewer working days.
- Vendor consolidation deals remain highly competitive and initially margin-dilutive, but productivity benefits should offset this over time.
- The Harman Digital Transformation Solutions acquisition, expected to close in 3Q, will dilute margins by about 60bp.
- The restructuring cost was incurred primarily in Europe and was one-off in nature.

Exhibit 1: BFSI grew 2.2% QoQ CC after couple of weak quarters

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	2Q 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	2.2
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	-1.7
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	-1.5
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	-0.2
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	0.8

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	2Q 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	0.5
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	-2.0
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	1.4
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	3.1

Source: Company, MOFSL

Valuations & View

- We model a flat YoY CC revenue growth for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC), muted 2Q/3Q guidance, and a gradual recovery in 2H. We see limited room for margin expansion from current levels. We keep our FY26/FY27 estimates unchanged.
- Further improvement in execution and sustained conversion of deal TCV to revenue will be key to a constructive view. We reiterate our **Sell** rating on WPRO with a **TP of INR200**, implying **16x Jun'27E EPS**.

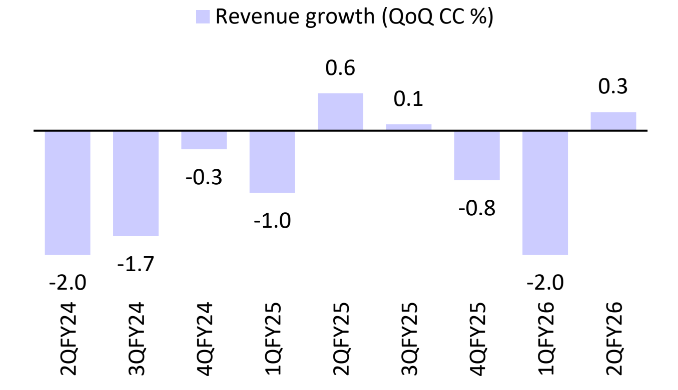
Exhibit 3: Revisions to our estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.6	88.7	88.7	87.6	88.7	88.7	0.0%	0.0%	0.0%
IT Services USD Revenue - m	10,520	10,790	11,145	10,578	10,929	11,289	-0.5%	-1.3%	-1.3%
Overall Growth (%)	(0.2)	3.6	3.2	0.8	3.7	3.3	-100bps	-10bps	0bps
EBIT margin - Overall (%)	16.3	16.5	16.5	16.3	16.7	17.3	0bps	-20bps	-80bps
EBIT margin - IT Services (%)	16.8	17.3	16.8	17.2	17.2	16.7	-40bps	20bps	20bps
PAT (INR B)	131.1	132.7	137.5	130.9	135.4	144.8	0.1%	-2.0%	-5.1%
EPS	12.49	12.65	13.10	12.48	12.91	13.81	0.1%	-2.0%	-5.1%

Source: MOFSL, Company

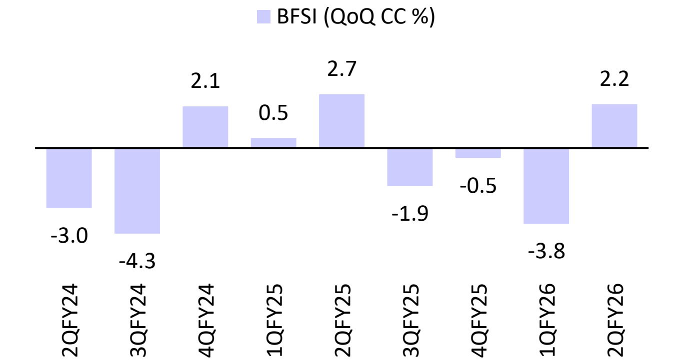
Story in charts

Exhibit 4: WPRO revenue grew by 0.3% QoQ CC



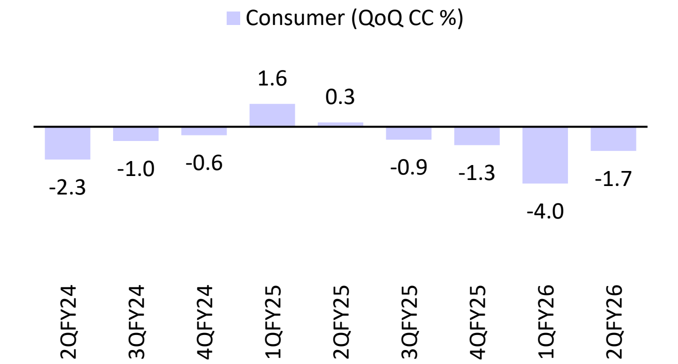
Source: Company, MOFSL

Exhibit 5: BFSI saw recovery in 2Q



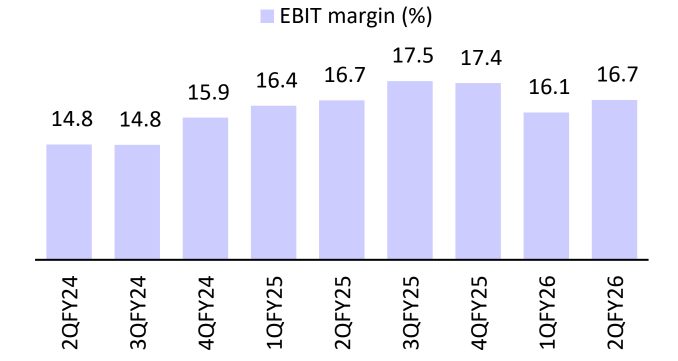
Source: Company, MOFSL

Exhibit 6: Tariffs continue to impact Consumer



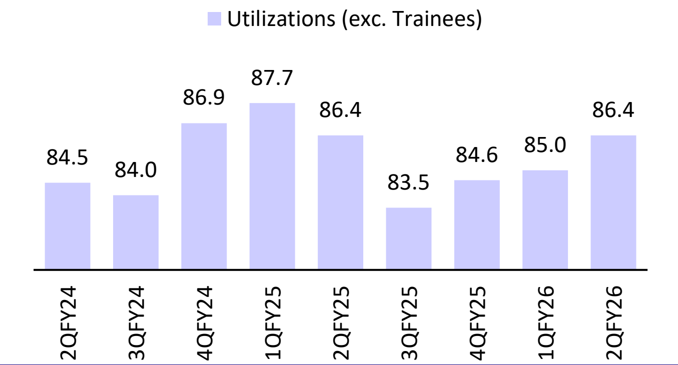
Source: Company, MOFSL

Exhibit 7: EBIT margin grew 60bp QoQ



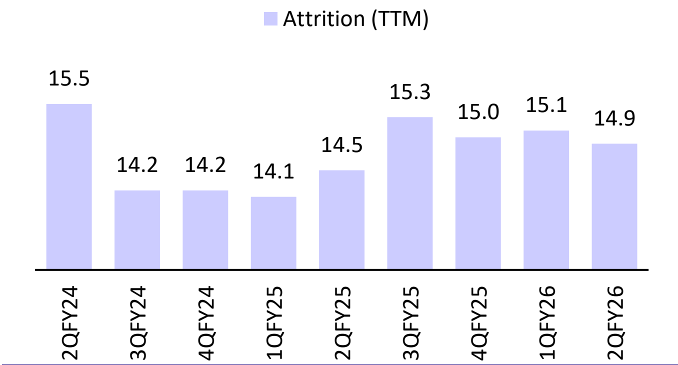
Source: Company, MOFSL

Exhibit 8: Utilization was up 140bp to 86.4%



Source: Company, MOFSL

Exhibit 9: Attrition was down 20bp in 2Q



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Verticals (%)									
Finance Solutions	33.6	32.7	33.5	34.0	34.8	34.1	34.2	33.6	34.3
Healthcare Life Sciences	12.7	13.9	14.1	13.9	13.6	14.7	14.4	14.6	14.5
Energy, Manufacturing and Resources	18.6	18.5	18.5	17.6	17.0	16.9	17.3	17.7	17.4
Consumer	18.7	18.8	18.7	19.2	19.2	19.0	18.9	18.6	18.2
Technology & Communications	16.4	16.1	15.2	15.3	15.4	15.3	15.2	15.5	15.6
Geography (%)									
Americas 1	29.8	31.0	30.4	30.9	30.8	32.3	32.8	33.1	33.0
Americas 2	29.9	30.0	30.7	30.8	30.6	30.6	30.6	30.4	29.6
Europe	28.6	27.7	27.8	27.6	27.9	26.7	26.1	25.7	26.3
APMEA	11.7	11.3	11.1	10.7	10.7	10.4	10.5	10.8	11.1
Customer size distribution (TTM)									
Over USD100m	22	22	22	22	21	18	17	16	16
Over USD75m	28	31	32	29	30	30	28	27	29
Over USD50m	51	46	45	43	42	42	44	47	45
Over USD20m	122	121	116	117	117	114	111	109	104
Over USD10m	207	203	205	192	186	187	181	180	177
Over USD5m	313	305	301	301	297	290	289	281	272
Over USD3m	437	430	409	407	411	403	398	397	393
Over USD1m	774	750	741	735	733	722	716	725	730
Customer metrics									
Revenue from existing customers (%)	99.1	98.8	97.8	99.7	99.4	98.8	98.1	99.6	98.6
Number of new customers	49	55	60	43	28	63	63	49	45
Total number of active customers	1393	1349	1371	1364	1342	1299	1282	1266	1257
Employee metrics									
Closing headcount – IT Services (k)	245	240	233	233	234	233	233	233	235
Sales and support staff – IT Services (k)	17	16	16	0	0	0	15	0	0
Utilization									
Net utilization (excluding trainees, %)	84.5	84.0	86.9	87.7	86.4	83.5	84.6	85.0	86.4
Attrition									
Voluntary TTM	15.5	14.2	14.2	14.1	14.5	15.3	15.0	15.1	14.9
Customer concentration (%)									
Top customer	3.0	3.0	3.8	4.0	4.1	4.5	4.4	4.7	4.8
Top five	12.3	12.1	13.4	13.6	14.0	14.3	14.5	14.7	14.4
Top 10	20.6	20.5	22.0	22.5	22.9	23.7	24.2	24.5	24.0

Source: MOFSL, Company

Financials and valuations

Income Statement (INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sales	**619**	**791**	**905**	**896**	**891**	**923**	**961**	**992**
Change (%)	1.5	27.7	14.4	-0.9	-0.6	3.6	4.1	3.2
Operating Costs	423	556	645	631	618	655	675	695
Gross Profit	**196**	**235**	**259**	**266**	**273**	**268**	**287**	**297**
SG&A	73	97	120	130	122	117	128	133
EBITDA	**151**	**169**	**173**	**170**	**181**	**182**	**190**	**197**
% of Net Sales	24.3	21.4	19.1	19.0	20.3	19.7	19.8	19.8
Depreciation & Amort.	28	31	33	34	30	31	32	33
EBIT	**123**	**138**	**140**	**136**	**151**	**151**	**158**	**164**
% of Net Sales	19.8	17.5	15.4	15.2	17.0	16.3	16.5	16.5
Other Income	16	13	8	11	24	21	18	19
PBT	**139**	**151**	**148**	**147**	**175**	**171**	**176**	**183**
Tax	30	29	34	36	43	40	42	44
Rate (%)	21.8	19.1	23.0	24.5	24.5	23.1	24.0	24.2
Extraordinary items	0	0	0	0	0	0	0	0
Minority Interest	1	0	0	1	1	1	1	1
Adjusted PAT	**108**	**122**	**114**	**110**	**131**	**131**	**133**	**137**
Change (%)	11.0	13.2	-7.1	-2.9	19.2	-0.2	1.3	3.6

Balance Sheet (INR b)

Y/E March	FY21	FY21	FY22	FY23	FY24	FY26E	FY27E	FY28E
Share Capital	11	11	11	10	21	21	21	21
Reserves	542	647	770	739	807	823	838	854
Net Worth	**553**	**658**	**781**	**750**	**828**	**843**	**859**	**875**
Minority Interest & others	41	56	66	88	108	58	60	62
Loans	83	152	150	141	162	152	142	132
Capital Employed	**677**	**866**	**997**	**979**	**1,098**	**1,053**	**1,061**	**1,069**
Gross Block	299	338	369	395	432	450	469	489
Less : Depreciation	198	228	262	296	325	356	388	421
Net Block	102	110	107	100	106	94	81	68
Investments	12	20	22	23	28	28	28	28
Intangible Assets	152	291	351	349	352	352	352	352
Other non-current assets	42	38	35	31	22	52	54	56
Curr. Assets	**523**	**621**	**661**	**651**	**778**	**799**	**825**	**853**
Debtors	121	176	187	174	182	195	203	209
Inventories	1	1	1	1	1	1	1	1
Cash & Bank Balance	170	104	92	97	122	96	92	91
Adv., Other Current Assets	55	98	72	68	62	75	78	80
Investments	176	242	309	311	411	431	451	471
Current Liab. & Prov	**154**	**213**	**179**	**173**	**188**	**272**	**280**	**288**
Net Current Assets	**369**	**408**	**482**	**477**	**589**	**527**	**545**	**565**
Application of Funds	**677**	**866**	**997**	**979**	**1,098**	**1,053**	**1,061**	**1,069**

Financials and valuations

Ratios								
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Basic (INR)								
EPS	**9.4**	**11.0**	**10.4**	**10.2**	**12.5**	**12.5**	**12.6**	**13.1**
Cash EPS	12.0	14.0	13.4	13.5	15.3	15.4	15.7	16.2
Book Value	49.0	60.2	71.3	70.9	79.2	80.5	82.0	83.5
DPS	0.5	3.0	0.5	0.0	6.0	8.7	8.9	9.2
Payout %	93.3	26.9	4.8	1.6	47.8	70.0	70.0	70.0
Valuation (x)								
P/E	27.1	23.2	24.5	24.9	20.3	20.3	20.1	19.4
Cash P/E	21.2	18.2	19.0	18.7	16.5	16.5	16.2	15.6
EV/EBITDA	17.3	15.3	14.6	14.2	12.6	12.6	11.7	13.5
EV/Sales	4.2	3.3	2.8	2.7	2.6	2.5	2.3	2.7
Price/Book Value	5.2	4.2	3.6	3.6	3.2	3.2	3.1	3.0
Dividend Yield (%)	0.2	1.2	0.2	0.0	2.4	3.4	3.5	3.6
Profitability Ratios (%)								
RoE	19.4	20.2	15.8	14.4	16.6	15.7	15.6	15.9
RoCE	16.0	16.3	12.8	11.3	12.0	11.8	12.4	12.5
Turnover Ratios								
Debtors (Days)	72	81	75	71	75	77	77	77
Asset Turnover (x)	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Leverage Ratio								
Debt/Equity Ratio(x)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Cash Flow Statement								(INR b)
Y/E March	**FY21**	**FY21**	**FY22**	**FY23**	**FY24**	**FY26E**	**FY27E**	**FY28E**
CF from Operations	125	147	145	158	159	162	165	170
Cash for Wkg. Capital	23	-36	-15	19	10	-23	-2	-1
Net Operating CF	**148**	**111**	**131**	**176**	**169**	**139**	**162**	**170**
Net Purchase of FA	-19	-19	-14	-6	-13	-18	-19	-20
Other change in investments	27	-205	-70	18	-68	-20	-20	-20
Net Cash from Invest.	**8**	**-224**	**-84**	**12**	**-81**	**-38**	**-39**	**-40**
Issue of Shares/Other adj	0	0	0	0	0	0	0	0
Proceeds from LTB/STB	-122	53	-28	-177	-1	-19	-19	-19
Dividend Payments	-6	-7	-33	-6	-63	-107	-109	-112
Net CF from Finan.	**-129**	**47**	**-61**	**-183**	**-64**	**-126**	**-127**	**-131**
Free Cash Flow	129	91	116	170	156	120	143	150
Net Cash Flow	**26**	**-67**	**-14**	**5**	**25**	**-26**	**-4**	**-1**
Forex difference	-1	1	2	0	0	0	0	0
Opening Cash Bal.	**142**	**168**	**102**	**90**	**95**	**120**	**95**	**91**
Add: Net Cash	26	-66	-12	5	25	-26	-4	-1
Closing Cash Bal.	**168**	**102**	**90**	**95**	**120**	**95**	**91**	**89**

N O T E S

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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