

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	535.5 / 5.8
52-Week Range (INR)	3079 / 2025
1, 6, 12 Rel. Per (%)	1/0/-9
12M Avg Val (INR M)	1752

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	157.6	179.5	209.2
EBIT Margin	15.3	15.4	15.6
Adj. PAT	18.9	21.9	25.6
Adj. EPS (INR)	99.3	115.2	134.2
EPS Gr. (%)	11.2	16.0	16.5
BV/Sh. (INR)	544.1	589.8	643.5

Ratios

RoE (%)	19.0	20.3	21.8
RoCE (%)	16.6	17.9	19.6
Payout (%)	60.1	60.0	60.0

Valuations

P/E (x)	28.3	24.4	20.9
P/BV (x)	5.2	4.8	4.4
EV/EBITDA (x)	17.3	14.9	12.6
Div Yield (%)	2.1	2.5	2.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	30.6	40.1	40.2
DII	45.3	37.1	34.6
FII	19.8	18.5	20.8
Others	4.4	4.3	4.4

FII includes depository receipts

CMP: INR2,810 **TP: INR3,900(+39%)** **Buy**

A steady quarter

A stronger FY26 exit in sight; margins likely to stay range-bound

- Mphasis's (MPHL) 3QFY26 revenue rose 1.5% QoQ in Constant Currency (CC), largely in line with our estimate of 1.3% QoQ CC. Direct revenue rose 1.9% QoQ CC and 9.6% YoY CC. TCV rose 22% YoY to USD428m. EBIT margin stood at 15.2%, in line with our estimate of 15.4%. Adj. PAT came in at INR4.7b (flat QoQ/up 9.5% YoY), below our estimate of INR4.9b. This excludes a one-time impact of INR355m related to changes in labor laws.
- For 9MFY26, revenue/EBIT/adj. PAT grew 11.4%/10.7%/9.8% YoY in INR terms. We expect revenue/EBIT/adj. PAT to grow 11.8%/12.6%/15% YoY in 4QFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75%. We value the stock at 30x FY28E EPS, arriving at a TP of INR3,900. **We reiterate our BUY rating on the stock.**

Our view: Deal wins and pipeline strength support visibility

- **3Q growth steady; stronger 4Q exit likely, but conversion remains key:** MPHL posted a 1.3% QoQ CC growth in 3Q, led by Insurance (+8.3% QoQ), as recently won large deals continued to ramp up. BFS showed early signs of pickup, in our view, supported by an improving rate-related environment, while TMT was softer due to seasonality.
- While the deals won over the past few quarters were strong, revenue growth from them has been measured. Management expects 4QFY26 to be the strongest quarter of the year, helped by ongoing deal ramp-ups. We build in ~2.5% QoQ CC growth in 4QFY26 and ~6.4% YoY CC growth for FY26, with a stronger exit setting the base for FY27.
- **TCV—revenue linkage improving as AI-led spends pick up:** The deal pipeline stands at record levels, up 66% YoY, with ~69% tied to NeoIP platform-led opportunities, pointing to rising client interest in AI-led transformation. Management indicated that conversion issues seen in early 2025 are largely behind them. We believe ongoing budget reallocation toward AI stacks, modernization, and agent-led deployments should support steadier deal-to-revenue flow over the coming quarters.
- **Margins steady, upside limited in the near term:** EBIT margin was stable at 15.2%, within the guided range. Utilization and pricing discipline continue to support margins, while a higher share of milestone- and outcome-linked contracts has pushed up unbilled receivables, which management views as controlled and structural to deal constructs. We do not expect meaningful margin expansion in the near term, given continued investments in GTM, AI platforms, and capability build-out. Overall, we expect margins to remain range-bound and model ~15.2–15.4% EBIT margin for FY26, with only modest improvement as large deal ramp-ups scale.

Valuation and change in estimates

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. With strong TCV growth in 9MFY26 and large client issues now normalized, we see improving visibility on revenue growth over the next few quarters. Over FY25-28, we forecast a USD revenue CAGR of ~10.8% and an INR PAT CAGR of ~14%. We value the stock at 30x FY28E EPS, arriving at a TP of INR3,900. **We reiterate our BUY rating on the stock.**

Revenue and margins largely in line with our estimates; four large deal wins in 3Q

- MPHL's revenue of USD451m grew 1.5% QoQ CC, up 7.4% YoY CC, largely in line with our estimate of 1.3% QoQ CC growth.
- Direct revenue was up 1.9% QoQ CC and 9.6% YoY CC.
- BFS/Insurance led growth with a 2.4%/8.3% QoQ increase, while logistics declined 1.3% QoQ.
- EBIT margin stood at 15.2%, vs our estimate of 15.4% QoQ.
- Adj. PAT was at INR4.7b (flat QoQ), below our estimates of INR4.9b. This excludes a one-time impact of INR355m related to changes in labor laws.
- **TCV stood at USD428m (up 21.9% YoY).** About 64% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) decreased 400bp QoQ at 83%. Net headcount was up 1.5% QoQ in 3QFY26 to 31,272.
- Sustainable EBIT margin target range was maintained at 14.75-15.75%.

Key highlights from the management commentary

- Discretionary spending is unlikely to return to previous patterns. Spending is expected to remain stable or trend upwards in CY26.
- There is a reallocation of spending underway, as enterprises free up budgets to invest in AI fabric, whether through stack build-out, migration to new stacks, deployment of agents, or incremental software spend. This creates new pools of spending.
- In banking, while the company is comfortable across multiple domains, there are still areas that require further investment to reach the same level of execution capability. Overall, the market is opening up, and partner channels, including hyperscalers and ecosystem partners, are seeing strong activity.
- Management believes this is a good time to take its proposition to customers, as there is openness to new ideas and engagement models. If demand picks up, particularly in BFSI, given that applications account for ~75% of revenue, the company could be among the biggest beneficiaries in the coming quarters due to its application-heavy portfolio skew.
- The pace of revenue growth and conversion is expected to remain strong, propelled by savings-led transformation initiatives, while growth momentum in Direct continues to remain strong.

Valuation and view

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. With strong TCV growth in 9MFY26 and large client issues now normalized, we see improving visibility on revenue growth over the next few quarters. Over FY25-28, we forecast a USD revenue CAGR of ~10.8% and an INR PAT CAGR of ~14%. We value the stock at 30x FY28E EPS, arriving at a TP of INR3,900. **We reiterate our BUY rating on the stock.**

Quarterly Performance

(InR Mn)

Y/E March	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	410	421	419	430	437	445	451	463	1,680	1,797	450	0.2
QoQ (%)	-0.2	2.7	-0.5	2.7	1.6	1.8	1.4	2.7	4.4	7.0	1.2	24bp
Revenue (INR m)	34,225	35,362	35,613	37,101	37,324	39,019	40,026	41,226	1,42,301	1,57,605	39,794	0.6
YoY (%)	5.2	7.9	6.7	8.7	9.1	10.3	12.4	11.1	7.2	10.8	11.7	65bp
GPM (%)	30.8	31.3	31.7	31.8	31.9	30.9	31.3	31.3	31.4	31.3	31.2	8bp
SGA (%)	12.7	12.9	12.7	12.9	13.1	12.4	12.5	12.5	12.8	12.6	12.5	-1bp
EBITDA	6,185	6,480	6,781	7,026	7,028	7,236	7,518	7,750	26,472	29,543	7,441	1.0
EBITDA Margin (%)	18.1	18.3	19.0	18.9	18.8	18.5	18.8	18.8	18.6	18.7	18.7	8bp
EBIT	5,135	5,444	5,458	5,673	5,709	5,958	6,089	6,390	21,710	24,156	6,128	-0.6
EBIT Margin (%)	15.0	15.4	15.3	15.3	15.3	15.3	15.2	15.5	15.3	15.3	15.4	-19bp
Other income	238	182	235	239	392	289	198	412	894	1,291	398	-50.2
ETR (%)	24.7	24.7	24.8	24.5	27.6	24.9	25.4	24.5	24.7	25.6	24.5	95bp
Adj.PAT	4,045	4,234	4,279	4,466	4,417	4,690	4,687	5,136	17,024	18,940	4,927	-4.9
QoQ (%)	2.9	4.7	1.1	4.4	-1.1	6.2	-0.1	9.6			5.1	-101.3
YoY (%)	2.1	8.0	14.5	13.6	9.2	10.8	9.5	15.0	9.5	11.3	15.2	-37.1
Exceptional items	0	0	0	0	0	0	265	0	0	265		
Reported PAT	4,045	4,234	4,279	4,466	4,417	4,690	4,422	5,136	17,024	18,675		
Adj. EPS (INR)	21.3	22.2	22.4	23.4	23.1	24.5	24.6	27.0	89.3	99.3	25.8	-4.6

Key Perfor. Indicators

Y/E March	FY25				FY26E			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Margins								
Gross Margin	30.8	31.3	31.7	31.8	31.9	30.9	31.3	31.4
EBIT Margin	15.0	15.4	15.3	15.3	15.3	15.3	15.2	15.3
Net Margin	11.8	12.0	12.0	12.0	11.8	12.0	11.7	12.0
Operating metrics								
Headcount	31,645	31,601	31,194	31,442	31,063	30,809	31,272	31,442
Deal Win TCV (USD m)	319	207	351	390	760	528	428	1267
Key Verticals (YoY%)								
BFS	-0.4	7.3	8.4	11.3	17.9	13.2	14.6	6.6
Insurance	10.8	10.4	7.0	8.2	28.8	31.8	37.9	9.0
IT, Comm, Ent	9.8	0.7	13.5	16.6	20.3	24.3	16.7	10.0
Key Geographies (YoY%)								
North America	2.8	7.7	5.9	6.2	10.0	9.5	10.0	5.6
Europe	9.7	-2.9	-8.6	-5.7	-16.5	-12.3	-1.4	-2.2



Key highlights from the management commentary

Demand and industry outlook

- The nature of technological shifts underscores that every business is looking for opportunities not only to drive higher efficiency using AI, but more importantly, to reimagine entire business models to remain relevant to end customers. Customers are recalibrating classic managed services constructs, with outcomes becoming more important than effort-based services.
- While there is deflation in traditional people-based models, there is an extremely healthy appetite for AI-led technology solutions and AI-driven efficiencies. Even as clients seek significant rationalization of service partners, there is a strong focus on bringing in partners that can build the AI stack, establish governance, and implement guardrails.
- Discretionary spending is unlikely to return in the same shape and form. Spending is expected to remain stable or trend upwards in CY26.

- There is a reallocation of spending underway, as enterprises free up budgets to invest in AI fabric, whether through stack build-out, migration to new stacks, deployment of agents, or incremental software spend. This creates new pools of spending.
- In banking, while the company is comfortable across multiple domains, there are still areas that require further investment to reach the same level of execution capability. Overall, the market is opening up, and partner channels, including hyperscalers and ecosystem partners, are seeing strong activity.
- Management believes this is a good time to take its proposition to customers, as there is openness to new ideas and engagement models. If demand picks up, particularly in BFSI, given that applications account for ~75% of revenue, the company could be among the biggest beneficiaries in the coming quarters due to its application-heavy portfolio skew.
- The pace of revenue growth and conversion is expected to remain strong, propelled by savings-led transformation initiatives, while growth momentum in Direct continues to remain strong.
- In the last quarter, the top client delivered sequential growth higher than the company average, and this trend continued in the current quarter.
- The company is not seeing AI-related deflation due to its positioning as a transformation partner. The new IP platform is enabling deeper participation in customer spending compared to the past.
- Management expects growth to exceed 2x the industry rate, supported by 1Q–3QFY26 performance and steady conversion of strong TCV wins into revenue.
- Seasonality was in line with expectations.
- Large deals are expected to ramp up steadily over the coming quarters.
- The strongest sequential quarter in FY26 is expected to be 4Q.
- Improvement in the client pyramid is driven by gains in existing accounts, supported by a strong account mining approach, large deal wins, and successful ramp-up of neo-cons.
- The pipeline is at record levels, growing 66% YoY, with ~69% of the pipeline linked to new IP platform-led opportunities, reflecting strong customer interest.
- The correlation between revenue and TCV remains strong and is expected to improve further, as client-specific issues seen in early 2025 are no longer present.
- Excluding the impact of one vertical, overall revenue growth is in the mid-teens.
- BFS grew 14.8% YoY, with overall growth impacted by the ramp down of business in India.
- BFS Direct grew 2.5% QoQ and 18.2% YoY, driven by wallet share gains and growth in new wins and accounts.
- Management indicated early signs of increased activity linked to the interest rate environment. In the BPO headcount, there has been an increase in inflows, along with a deal from an existing customer to set up a mortgage origination unit.
- Over the last four to five quarters, strong growth has been observed in BFS, with insurance contributing meaningfully over the last couple of quarters.
- Banks and financial institutions, particularly in the US and Europe, continue to operate in a strong earnings environment, supported by elevated NIMs and record spreads.

- Insurance maintained growth momentum, with Direct revenue growing 8.1% QoQ, supported by the continued ramp-up of recent large deal wins.
- Life and annuity segments are positioned for growth, driven by the integration of distribution and wealth platforms. P&C remains under pressure due to elevated claim ratios.
- Customers leveraging the NeoIP platform contribute more than 50% of the company's total revenue, indicating strong traction.
- The company is confident in its ability to drive rapid deployments, particularly in modernization archetypes, where value capture paths are clearly defined. There is early evidence of transitioning from traditional pricing models to improved pricing structures in select archetypes, though it is still early to see this across all use cases.
- Three years after the launch of ChatGPT, enterprises have moved beyond experimentation and proof-of-concept stages. While adoption stages vary by customer and industry, AI is increasingly becoming real and embedded within enterprise operations, driven by top-down focus.

Margin performance

- EBIT margin remained stable at 15.2%.
- The quarter had 91 days, an increase of two days QoQ. The increase in receivable days is primarily due to unbilled receivables related to milestone-based contracts and remains controlled and aligned with deal constructs, as highlighted in previous quarters.
- The company maintained its sustainable EBIT margin within the target range of 14.75-15.75%.

Exhibit 1: Core application services business grew 13% YoY

Services	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Application Services	75.0	3.6	12.7
BPO	14.8	0.7	(2.9)
Infrastructure Services	10.2	(11.5)	(7.6)

Source: Company, MOFSL

Exhibit 2: North America grew, while Europe declined YoY

Geographies	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
North America	83.3	1.0	10.1
Europe	9.3	3.4	(1.3)
India	5.0	4.8	(9.4)
Rest of the World	2.4	0.6	8.0

Source: Company, MOFSL

Exhibit 3: Insurance led growth in 3Q; logistics declined sequentially again

Verticals	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Banking and Financial Services	51.8	2.4	14.7
Insurance	15.0	8.3	38.0
Technology, Media, and Telecom	18.4	(3.8)	16.8
Logistics and Transportation	5.4	(1.3)	(52.2)
Others	9.5	(1.9)	(3.1)

Source: Company, MOFSL

Exhibit 4: The top 2-5 clients witnessed major QoQ growth in 3Q

	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Top client	12.0	1.4	(13.8)
Top 2-5 clients	28.0	5.1	7.7
Top 6-10 clients	15.0	(4.9)	61.6

Source: Company, MOFSL

Valuation and view

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. With strong TCV growth in 9MFY26 and large client issues now normalized, we see improving visibility on revenue growth over the next few quarters. Over FY25-28, we forecast a USD revenue CAGR of ~10.8% and an INR PAT CAGR of ~14%. We value the stock at 30x FY28E EPS, arriving at a TP of INR3,900. **We reiterate our BUY rating on the stock.**

Exhibit 5: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	88.2	90.0	92.0	88.1	90.0	92.0	0.1%	0.0%	0.0%
USD Revenue - m	1,797	2,006	2,286	1,795	2,001	2,280	0.1%	0.3%	0.3%
Growth (%)	7.0	11.6	13.9	6.8	11.5	13.9	10bps	10bps	0bps
EBIT margin(%)	15.3	15.4	15.6	15.4	15.5	15.8	0bps	-10bps	-20bps
Adj. PAT (INR M)	18,940	21,950	25,575	19,171	21,958	25,911	-1.2%	0.0%	-1.3%
Adj. EPS	99.3	115.2	134.2	100.3	114.9	135.6	-1.1%	0.3%	-1.0%

Source: MOFSL

Exhibit 6: Operating metrics

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Geographical contribution (%)									
Americas	80.2	81.0	80.9	80.7	81.5	82.0	83.4	83.6	83.3
EMEA	11.6	11.0	11.1	11.0	10.2	9.9	8.7	9.1	9.3
India	5.5	5.3	5.3	5.7	6.0	5.1	5.3	4.8	5.0
RoW	2.7	2.7	2.7	2.6	2.4	2.9	2.6	2.4	2.4
Vertical contribution (%)									
Banking and capital market	46.8	47.1	47.7	47.9	48.7	50.0	52.7	51.3	51.8
Insurance	11.4	11.0	11.3	11.2	11.7	11.4	13.7	14.0	15.0
IT, communications, and entertainment	15.6	16.0	16.0	16.5	17.0	17.8	18.1	19.4	18.4
Logistics and transportation	13.7	13.7	13.7	13.1	12.2	10.9	5.8	5.6	5.4
Others	12.6	12.3	11.3	11.3	10.5	9.9	9.7	9.8	9.5
Revenue by project type (%)									
Time and material	58.3	58.5	59.6	60.0	57.6	55.4	48.6	49.1	46.8
Transaction-based	10.1	10.1	10.4	10.3	10.6	8.6	8.3	8.2	8.5
Fixed price	31.6	31.4	30.0	29.7	31.8	36.0	43.1	42.7	44.8
Revenue by delivery location (%)									
Onsite	53.2	56.0	57.1	57.3	59.0	59.9	59.6	57.5	59.8
Offshore	46.8	44.0	42.9	42.7	41.0	40.1	40.4	42.5	40.2
Secondary market segment (%)									
Direct international	95.4	95.4	95.8	95.8	95.9	96.7	97.3	97.5	97.9
DXC	2.9	3.0	2.6	2.7	2.7	2.5	2.4	2.3	2.0
Others	1.7	1.6	1.6	1.5	1.4	0.8	0.2	0.2	0.2
Service type (%)									
Application services	70.7	71.2	71.4	71.3	71.7	71.8	73.8	73.4	75.0
BPO	16.6	16.6	16.2	16.4	16.4	15.4	14.8	14.9	14.8
Infrastructure services	12.7	12.3	12.4	12.3	11.9	12.7	11.4	11.7	10.2
Client contribution (%)									
Top client	15	14	14	15	15	14	13	12	12
Top 2-5 clients	31	30	30	28	28	28	27	27	28
Top 6-10 clients	9	10	9	10	10	12	14	16	15
New clients added	5	3	2	2	2	3	3	2	3
Clients contributing more than:									
Over USD100m	3	3	3	3	3	3	4	4	4
Over USD75m	4	4	4	4	5	5	6	6	6
Over USD50m	5	5	5	5	5	5	7	7	8
Over USD20m	10	10	9	9	11	11	10	11	14
Over USD10m	29	29	30	27	29	29	31	30	28
Over USD5m	46	47	48	51	47	50	50	50	51
Over USD1m	134	135	135	140	140	139	137	136	131
Headcount									
Onsite – billable									
Tech services	4,664	4,656	4,637	4,788	4,892	4,981	5,127	5,377	5,436
BPO	1,338	1,318	1,374	1,363	1,351	1,281	1,142	1,143	1,071
Offshore – billable									
Tech services	15,393	14,799	14,721	14,576	14,218	14,540	14,477	14,498	14,587
BPO	6,733	6,341	5,984	5,851	5,681	5,545	5,503	5,422	5,831
Total billable headcount	28,128	27,114	26,716	26,578	26,142	26,347	26,249	26,440	26,925
Total headcount	33,992	32,664	31,645	31,601	31,194	31,442	31,063	30,809	31,272

Source: Company, MOFSL

Financials and valuations

Income Statement

(InR m)

Y/E	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	97,222	1,19,616	1,37,985	1,32,785	1,42,301	1,57,605	1,79,531	2,09,230
Change (%)	9.9	23.0	15.4	-3.8	7.2	10.8	13.9	16.5
Cost of Goods Sold	67,723.0	84,664	98,128	92,772	97,602	1,08,204	1,24,509	1,45,297
Gross Profit	29,499	34,952	39,857	40,013	44,699	49,401	55,022	63,933
SG&A Expenses	11,472	13,570	15,517	15,793	18,227	19,858	21,451	24,951
EBITDA	18,027	21,382	24,340	24,220	26,472	29,543	33,571	38,982
% of Net Sales	19	17.9	17.6	18.2	18.6	18.7	18.7	18.6
Depreciation	2,418	2,906	3,253	4,106	4,762	5,386	5,865	6,265
EBIT	15,609	18,476	21,087	20,114	21,710	24,156	27,706	32,717
% of Net Sales	16	15.4	15.3	15.1	15.3	15.3	15.4	15.6
Other Income	696	861	644	570	894	1,291	1,433	1,253
PBT	16,305	19,337	21,731	20,684	22,604	25,448	29,139	33,970
Tax	4,139	4,870	5,351	5,135	5,580	6,508	7,189	8,395
Rate (%)	25	25.2	24.6	24.8	24.7	25.6	24.7	24.7
Adjusted PAT	12,166	14,467	16,380	15,549	17,024	18,940	21,950	25,575
Change (%)	2.5	18.9	13.2	-5.1	9.5	11.3	15.9	16.5

Balance Sheet

(InR m)

Y/E	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,870	1,878	1,884	1,890	1,901	1,901	1,901	1,901
Reserves	63,397	67,553	77,464	86,056	94,383	1,01,694	1,10,474	1,20,704
Net Worth	65,267	69,431	79,348	87,946	96,284	1,03,595	1,12,375	1,22,605
Loans	5,135	5,272	1,985	15,436	11,159	11,159	11,159	11,159
Other long-term liabilities	7,285	9,030	8,768	11,310	8,295	7,933	8,108	8,346
Capital Employed	77,687	83,734	90,101	1,14,692	1,15,739	1,22,687	1,31,643	1,42,110
Net Block	8,869	10,388	11,281	14,011	14,908	10,206	5,418	618
CWIP	31	110	55	137	2	2	2	2
Goodwill	21,326	27,348	29,586	41,793	42,907	42,907	42,907	42,907
Investments	3,114	3,778	3,848	4,971	4,238	4,238	4,238	4,238
Other assets	9,246	8,774	11,794	14,066	17,151	19,291	21,286	23,989
Curr. Assets	51,403	57,164	59,531	66,324	69,861	73,732	89,295	1,07,028
Debtors	18,505	22,270	25,207	24,256	28,407	28,930	32,955	38,407
Cash	9,098	9,494	10,534	8,144	16,126	13,091	19,533	26,330
Investments	16,870	14,351	13,679	25,928	17,844	21,844	25,844	29,844
Other current assets	6,929	11,048	10,111	7,997	7,484	9,866	10,962	12,447
Current Liab. & Prov	16,302	23,828	25,993	26,610	33,328	27,423	31,238	36,406
Sundry Liabilities	15,806	22,744	23,573	23,818	30,220	26,162	29,802	34,732
Provisions	497	1,084	2,420	2,792	3,108	1,261	1,436	1,674
Net Current Assets	35,100	33,336	33,538	39,714	36,534	46,308	58,057	70,622
Application of Funds	77,687	83,734	90,102	1,14,692	1,15,739	1,22,952	1,31,908	1,42,375

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EPS	64.2	75.1	86.9	81.8	89.3	99.3	115.2	134.2
Cash EPS	77.0	90.2	104.2	103.3	114.2	127.5	146.0	167.1
Book Value	349.3	365.3	421.2	466.1	508.3	544.1	589.8	643.5
DPS	65.0	45.7	52.2	49.4	53.9	59.7	69.1	80.5
Payout %	101.2	60.8	60.0	60.5	60.4	60.1	60.0	60.0
Valuation (x)								
P/E	43.8	37.4	32.3	34.4	31.5	28.3	24.4	20.9
Cash P/E	36.5	31.2	27.0	27.2	24.6	22.0	19.2	16.8
EV/EBITDA	28.0	24.1	20.8	21.1	19.2	17.3	14.9	12.6
EV/Sales	5.2	4.3	3.7	3.9	3.6	3.2	2.8	2.3
Price/Book Value	8.0	7.7	6.7	6.0	5.5	5.2	4.8	4.4
Dividend Yield (%)	2.3	1.6	1.9	1.8	1.9	2.1	2.5	2.9
Profitability Ratios (%)								
RoE	19.7	21.5	22.0	18.6	18.5	19.0	20.3	21.8
RoCE	16.8	18.3	19.1	16.1	16.0	16.6	17.9	19.6
Turnover Ratios								
Debtors (Days)	69	68	67	67	73	67	67	67
Fixed Asset Turnover (x)	11.0	12.4	12.7	10.5	9.8	12.6	23.0	69.3

Cash Flow Statement

(INR m)

Y/E March	FY21	FY2	FY23	FY24	FY25	FY26E	FY27E	FY28E
CF from Operations	14,999	18,497	20,397	17,769	21,393	23,035	26,382	30,587
Chg. in Wkg. Capital	-453	-1,501	-5,779	4,028	-2,341	-11,312	-3,126	-4,234
Net Operating CF	14,545	16,996	14,618	21,797	19,052	11,723	23,256	26,353
Net Purchase of FA	-1,252	-1,192	-1,112	-916	-599	-685	-1,077	-1,465
Free Cash Flow	13,293	15,805	13,506	20,881	18,453	11,038	22,179	24,888
Net Purchase of Invest.	-6,967	-1,629	2,936	-23,905	1,039	-2,709	-2,567	-2,747
Net Cash from Invest.	-8,219	-2,820	1,825	-24,821	441	-3,394	-3,644	-4,212
Proceeds from Equity	268	442	271	301	575	0	0	0
Proceeds from LT/STB and Others	-2,356	-2,152	-7,153	9,898	-1,564	0	0	0
Dividend Payments	-6,527	-12,177	-8,652	-9,427	-10,401	-11,364	-13,170	-15,345
Net CF from Financing	-8,615	-13,887	-15,534	772	-11,389	-11,364	-13,170	-15,345
Net Cash Flow	-2,288	289	908	-2,252	8,103	-3,035	6,442	6,797
Exchange Difference	120	107	132	-139	-121	0	0	0
Opening Cash Balance	11,267	9,098	9,494	10,534	8,144	16,126	13,091	19,533
Add: Net Cash	-2,169	396	1,040	-2,391	7,982	-3,035	6,442	6,797
Closing Cash Balance	9,098	9,494	10,534	8,144	16,126	13,091	19,533	26,330

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Nainesh

Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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