

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	WPRO IN
Equity Shares (m)	10484
M.Cap.(INRb)/(USDb)	2804.7 / 30.9
52-Week Range (INR)	325 / 225
1, 6, 12 Rel. Per (%)	4/0/-17
12M Avg Val (INR M)	2816

**Financials & Valuations (INR b)**

Y/E Mar	FY26E	FY27E	FY28E
Sales	926	977	1,030
EBIT Margin (%)	16.3	16.7	16.7
Adj. PAT	132	136	143
Adj. EPS (INR)	12.6	13.0	13.7
EPS Gr. (%)	0.7	3.0	5.3
BV/Sh. (INR)	80.6	82.2	83.9

**Ratios**

RoE (%)	15.8	16.0	16.5
RoCE (%)	11.8	12.7	13.1
Payout (%)	70.0	70.0	70.0

**Valuations**

P/E (x)	21.2	20.6	19.6
P/BV (x)	3.3	3.3	3.2
EV/EBITDA (x)	13.3	12.1	13.6
Div Yield (%)	3.3	3.4	3.6

**Shareholding pattern (%)**

As On	Sep-25	Jun-25	Sep-24
Promoter	72.7	72.7	72.8
DII	7.9	7.8	8.7
FII	10.9	11.0	9.7
Others	8.6	8.5	8.8

FII Includes depository receipts

**CMP: INR267**
**TP: INR275 (+3%)**
**Neutral**
**Revenue recovery still patchy**
**Margins to stay range-bound; 4Q guidance unexciting**

- Wipro (WPRO) reported 3QFY26 IT Services revenue of USD2.6b, up 1.4% QoQ CC, in line with our estimate of 1.5% QoQ growth. It posted an order intake of USD3.3b (down 30% QoQ), with a large-deal TCV of USD0.9b (down 6.2% YoY). Adj. EBIT margin came in at 16.5% (est. 16.4%). Adj. PAT stood at INR34b (up 3.6% QoQ/flat) vs. our est. of INR33b. This excludes a one-time impact of labor codes amounting to INR3,028m.
- In INR terms, revenue/adj. EBIT/adj. PAT grew 2.7%/remained flat/grew 3.9% YoY in 9MFY26. In 4QFY26, we expect revenue to grow 7.6% and adj. EBIT/adj. PAT to decline 0.8%/8.1% 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 **Neutral rating** on WPRO with a TP of INR275, implying a 20x FY28E EPS.

**Our view: Soft exit likely in 4Q**

- Deal ramp-up delays keep near-term growth muted:** 4QFY26 guidance of 0–2% QoQ CC suggests a soft exit, even after including the incremental contribution from Harman DTS. Ex-Harman, we believe organic growth is likely to be around -0.5% in 4Q, as ramp-ups of two large deals have been pushed out and discretionary spends remain cautious. We think near-term revenue visibility will remain limited, as fewer working days in 4Q and delayed ramp-ups together weigh on growth. Given this, we now build in an organic revenue decline of 0.4% and overall revenue growth of 0.5% YoY CC in FY26.
- Muted deal TCV; revenue conversion remains the key watch point:** We think WPRO's demand continues to be driven mainly by cost optimization and vendor consolidation, rather than broad-based discretionary spending or large-scale AI-led programs. While the overall deal pipeline remains intact, we believe the pace of converting these deals into actual revenue has been slower than expected, which is keeping growth uneven.
- Margins well managed, but incremental headwind ahead:** IT Services' EBIT margin expanded to 17.6%, supported by restructuring benefits, utilization improvement, and stable pricing. Management reiterated its comfort within the 17.0-17.5% range. However, margin dilution from Harman DTS, potential wage hikes, and large-deal ramp-ups could limit upside from current levels. We estimate 16.7% EBIT margin for both FY26/27E.
- Vertical performance mixed; broad recovery still missing:** BFSI and healthcare continue to provide stability, aided by deal ramp-ups and seasonal factors, while technology benefits partially from Harman DTS. Consumer and EMR remain impacted by tariff uncertainty and delayed client decisions. Overall, we believe a broad-based recovery in spending is still away, and growth will likely remain uneven across verticals.

## Revenue and margins in line with estimates; 4QFY26 guidance at 0% to 2% CC

- IT Services' revenue at USD2.6b was up 1.4% QoQ in CC (reported USD revenue was up 1.2% QoQ), in line with our estimate of 1.5% QoQ CC growth.
- In 3QFY26, BFSI, Technology, Health were up 2.6%/4.2%/4.2% QoQ CC, while Energy, Manufacturing, and Consumer was down 4.9% QoQ CC.
- Americas grew 1.8% QoQ CC, while Europe recorded 3.3% QoQ CC growth.
- Overall Adj. EBIT margin declined 20bp QoQ at 16.5%, in line with our estimates of 16.4%. IT Services EBIT margin was 17.6% (up 70bp QoQ).
- Adj. PAT was up 3.6%QoQ/flat YoY at INR34b (against our est. of INR33b). This excludes the one-time impact of labor codes amounting to INR3,028m.
- WPRO reported deal TCV of USD3.3b in 3QFY26, down 30% QoQ/6% YoY, while large TCV of USD0.9b was down 6.2% YoY.
- 4QFY26 revenue guidance was 0% to 2% in CC terms.
- Net utilization (excl. trainees) was down 330bp at 83.1% (vs. 86.4% in 2Q). Attrition (LTM) was stable QoQ at 14.2%.
- WPRO announced an interim dividend of INR6/share for 3QFY26.

## Key highlights from the management commentary

- There is no major change in the demand environment yet, especially for discretionary spending, as uncertainty continues.
- January is a key month when clients finalize budgets; visibility should improve only after that. Overall, clients remain cautious and are still in a wait-and-watch mode.
- IT Services revenue for 4QFY26 is guided at USD2,635–2,688m, implying 0% to 2% QoQ growth in CC.
- Guidance includes an incremental two-month contribution from Harman DTS. Growth is impacted by fewer working days in 4Q and delays in ramp-ups of some large deals won earlier. IT Services revenue in 3Q stood at USD2.64b, up 1.4% QoQ in CC (1.2% QoQ reported).
- Management highlighted incremental margin dilution from Harman DTS going forward.
- Despite this, the company aims to keep operating margins broadly in the 17.0–17.5% range.
- Wage hikes have not yet been announced. Restructuring was mainly related to obsolete skills, primarily in Europe (due to labour laws) and at Capco, similar to actions taken in 1Q.
- Tech and communications is the key area where management sees the biggest upside from the Harman acquisition.

## Valuations and view

- We model a 0.5% YoY CC revenue growth for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC) and muted 4Q guidance. We see limited room for margin expansion from current levels. We keep our 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 **Neutral** rating on WPRO with a **TP of INR275**, implying **20x FY28E EPS**.

Quarterly Performance (IFRS)											(INR b)			
Y/E March	FY25				FY26E				FY25		FY26E		Est.	VAR.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26E	(% / bp)		
IT Services Revenue (USD m)	2,626	2,660	2,629	2,597	2,587	2,604	2,635	2,671	10,512	10,498	2,635	0.0		
QoQ (%)	-1.2	1.3	-1.2	-1.2	-0.4	0.7	1.2	1.3	-2.7	-0.1	1.2	0bp		
Overall Revenue (INR b)	220	223	223	225	221	227	236	242	891	926	236	-0.1		
QoQ (%)	-1.1	1.5	0.1	0.8	-1.6	2.5	3.8	2.8			3.9	-9bp		
YoY (%)	-3.8	-1.0	0.5	1.3	0.8	1.8	5.5	7.6	-0.6	4.0	5.6	-9bp		
GPM (%)	30.2	30.5	31.0	30.9	29.0	29.6	30.3	28.7	30.7	29.4	29.2	111bp		
SGA (%)	13.7	13.6	13.8	13.6	12.9	13.2	14.2	13.0	13.7	13.3	13.0	118bp		
EBITDA	43	45	46	47	43	45	47	47	181	182	47	0.0		
EBITDA Margin (%)	19.7	20.0	20.8	20.7	19.5	20.0	19.8	19.3	20.3	19.6	19.8	2bp		
IT Serv. EBIT (%)	16.5	16.8	17.5	17.5	17.3	16.7	17.6	17.0	17.1	17.1	17.0	62bp		
EBIT Margin (%)	16.4	16.7	17.5	17.4	16.1	16.7	16.5	16.0	17.0	16.3	16.4	2bp		
Other income	4	6	6	8	7	5	6	4	24	22	4	29.2		
ETR (%)	24.5	24.6	24.4	24.3	21.6	23.8	23.6	23.4	24.5	23.1	23.6	7bp		
Adj PAT	30	32	34	36	33	32	34	33	131	132	33	1.9		
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.0	0.0	2.4				
PAT	30	32	34	36	33	32	31	33	131	130	33	-4.6		
QoQ (%)	5.9	6.8	4.5	6.4	-6.7	-2.5	-3.9	5.2			0.7	-459bp		
YoY (%)	4.6	21.3	24.5	25.9	10.9	1.2	-7.0	-8.1	19.2	-1.2	-2.6	-444bp		
EPS (INR)	5.7	3.1	3.2	3.4	3.2	3.1	3.2	3.1	12.5	12.6	3.1	3.0		

#### Key Performance Indicators

Y/E March	FY25				FY26				FY25		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
Revenue (QoQ CC %)	-1.0	0.6	0.1	-0.8	-2.0	0.3	1.4				
<b>Margins</b>											
Gross Margin	30.2	30.5	31.0	30.9	29.0	29.6	30.3	30.7			
EBIT Margin	16.4	16.7	17.5	17.4	16.1	16.7	16.5	17.0			
Net Margin	13.7	14.4	15.0	15.9	15.0	14.3	14.3	14.7			
<b>Operating metrics</b>											
Headcount (k)	233	234	233	233	233	235	242	233			
Attrition (%)	14.1	14.5	15.3	15.0	15.1	14.9	14.2	15.0			
Utilization	87.7	86.4	83.5	84.6	85	86.4	83.1	85.6			
<b>Key Verticals (QoQ CC %)</b>											
BFSI	0.5	2.7	-1.9	-0.5	-3.8	2.2	2.6	-0.1			
Retail	1.6	0.3	-0.9	-1.3	-4	-1.7	0.7	-0.4			



#### Highlights from the management commentary

##### 3QFY26 performance and demand outlook

- There is no major change in the demand environment yet, especially for discretionary spending, as uncertainty continues.
- Across clients, priorities are clearly shifting as AI starts influencing how companies plan and invest.
- AI has moved to a board-level mandate, with CEOs directly driving adoption and transformation.
- January is a key month when clients finalize budgets; visibility should improve only after that. Overall, clients remain cautious and are still in a wait-and-watch mode.
- IT Services revenue for 4QFY26 is guided at USD2,635–2,688m, implying a 0% to 2% QoQ growth in CC.
- Guidance includes an incremental two-month contribution from Harman DTS. Growth is impacted by fewer working days in 4Q and delays in ramp-ups of some large deals won earlier.
- IT Services revenue in 3Q stood at USD2.64b, up 1.4% QoQ in CC (1.2% QoQ reported).

- Excluding Harman DTS, organic growth was 0.6% QoQ in CC.
- Deal ramp-ups have been delayed, but management stressed these are timing issues rather than cancellations.
- Inorganic strategy remains aligned to strategic priorities; Harman DTS adds both capabilities and access to new markets.
- Total deal TCV stood at USD3.3b in 3QFY26, down ~30% QoQ and ~6% YoY.
- Deal momentum continues to be driven by cost optimization, vendor consolidation, and AI-led transformation.
- Management said deal signings tend to be lumpy, with several deals still in the pipeline and expected to close.
- Delay in the ramp-up of two mega deals has impacted 4Q growth guidance.
- **BFSI:** Continues to see traction, driven by deal ramp-ups and new wins. Capco remained impacted by furloughs and was flat YoY.
- **Healthcare:** Performance remains strong. 3Q benefited from seasonal strength due to open enrollment.
- **Consumer:** Impacted by tariff uncertainty. A large SAP program was put on hold last year and has not yet restarted. Overall performance remains mixed, though some deals are gradually ramping up.
- **EMR:** Impacted by tariff-related issues and supply chain disruptions. Pipeline remains strong. Good momentum in energy in the US and Europe; manufacturing traction improving in Europe.
- FY26 fresher hiring target reduced to ~8,000 from ~10,000 earlier.
- Increase in headcount during the quarter was mainly due to the Phoenix deal ramp-up and Harman DTS acquisition.
- Attrition remains low and supply-side utilization is improving.
- Brings together WPRO's delivery platforms (software, infrastructure, and business operations) and industry-specific AI platforms.
- AI adoption is becoming a key differentiator, with WPRO Intelligence contributing to multiple wins.
- Clients are increasingly adopting AI-enabled platforms and delivery through WINGS and WEGA.
- Strategy rests on three pillars:
- Industry-specific, consulting-led AI platforms.
- AI-enabled delivery platforms across ADM, IMS, and BPS to scale adoption.
- Wipro Innovation Network, connecting labs, partners, startups, universities, and deep-tech talent.
- WINGS and WEGA are being used to embed AI across IT infrastructure and core business functions to drive efficiency and productivity.
- Acquisition is now complete. Strengthens the Engineering Global Business Line and AI-driven product innovation.
- Opens access to new geographies and enables WPRO to handle more complex transformation programs.
- Tech and communications is the key area where management sees the biggest upside from the acquisition.

### Margin outlook

- IT Services EBIT margin came in at 17.6%, up ~70bp QoQ.
- Margins exclude a one-time gratuity charge of INR3.0b due to the implementation of the new labor code.

- Management highlighted incremental margin dilution from Harman DTS going forward.
- Despite this, the company aims to keep operating margins broadly in the 17.0–17.5% range.
- A restructuring charge of ~INR 2.6b was taken during the quarter; management confirmed restructuring is now complete with no further charges expected.
- One large deal (Phoenix), won in 4QFY25, is now fully ramped up and has started contributed fully in 3Q.
- Wage hikes have not yet been announced; a decision is expected in the coming weeks.
- Restructuring was mainly related to obsolete skills, primarily in Europe (due to labour laws) and at Capco, similar to actions taken in 1Q.

**Exhibit 1: Technology grew 4.2% QoQ CC, posting consecutive third growth quarter**

Verticals (QoQ CC, %)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
BFSI	-0.2	-2.4	-4.3	-3.0	-4.3	2.1	0.5	2.7	-1.9	-0.5	-3.8	2.2	2.6
Communications	-2.6	-4.4	-0.5	-7.2	-8.6	-4.8	-1.8	1.6	0.0	-4.8	-1.8	1.6	0.0
Consumer Business Unit	0.6	-0.9	-3.5	-2.3	-1.0	-0.6	1.6	0.3	-0.9	-1.3	-4.0	-1.7	0.7
Energy, Natural Resources & Utilities	2.8	5.9	-4.9	-5.3	0.7	-0.3	-6.3	-3.7	0.4	1.1	-0.7	-1.5	-4.9
Health Business Unit	4.7	2.0	-1.3	1.4	7.5	1.2	-2.8	-0.5	6.7	-3.1	0.5	-0.2	4.2
Manufacturing	0.6	-0.3	0.9	-5.4	-6.1	-0.6	-3.0	-2.0	0.0	-0.6	-3.0	-2.0	0.0
Technology	-1.3	-2.7	0.1	5.8	-1.9	-6.0	-0.5	1.6	-0.6	-0.9	0.4	0.8	4.2

Source: Company, MOFSL

**Exhibit 2: Europe led growth in 3QFY26**

Geographies (QoQ CC, %)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Americas 1	1.3	-1.5	-1.1	1.0	2.0	-1.8	0.4	1.2	3.9	0.2	0.6	0.5	1.8
Americas 2	-0.9	-0.3	-4.2	-2.3	-1.3	1.9	-0.7	0.8	-0.6	-1.0	-1.7	-2.0	-0.8
Europe	2.4	-0.6	-3.4	-5.1	-4.3	-0.1	-1.4	-0.1	-2.7	-2.5	-6.4	1.4	3.3
APMEA	-1.2	0.7	-1.9	-0.5	-5.4	-2.2	-4.2	0.3	-2.1	1.0	0.6	3.1	1.7

Source: Company, MOFSL

**Valuations & view**

- We model a 0.5% YoY CC revenue growth for FY26E, factoring in a soft start (1Q services revenue down 2.0% QoQ CC) and muted 4Q guidance. We see limited room for margin expansion from current levels. We keep our 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 **Neutral** rating on WPRO with a **TP of INR275**, implying **20x FY28E EPS**.

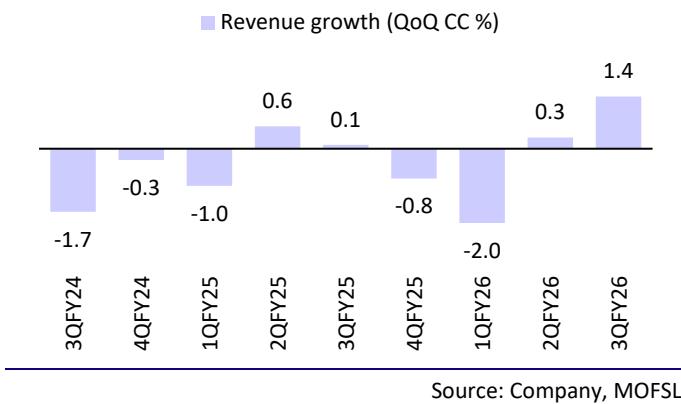
**Exhibit 3: Revisions to our estimates**

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.9	90.0	92.0	87.9	90.0	92.0	0.0%	0.0%	0.0%
IT Services USD Revenue - m	10,498	10,751	11,098	10,485	10,819	11,293	0.1%	-0.6%	-1.7%
IT services Growth (%)	(0.1)	2.4	3.2	(0.3)	3.2	4.4	10bps	-80bps	-120bps
EBIT margin - Overall (%)	16.3	16.7	16.7	16.3	16.6	16.6	0bps	10bps	10bps
Adj. PAT (INR B)	132.2	136.1	143.4	130.8	135.5	144.3	1.1%	0.4%	-0.7%
Adj. EPS	12.60	12.98	13.68	12.46	12.91	13.75	1.1%	0.5%	-0.5%

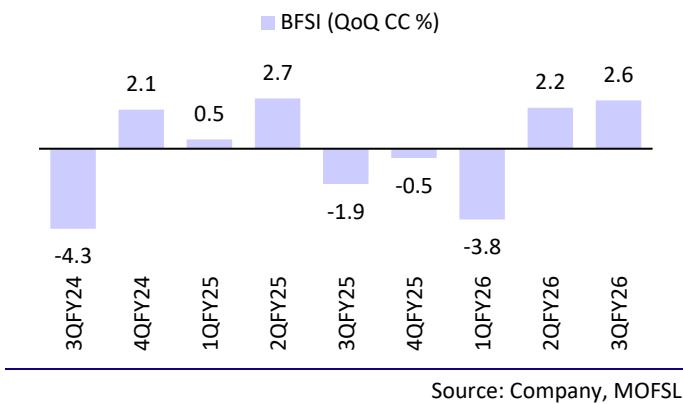
Source: MOFSL, Company

## Story in charts

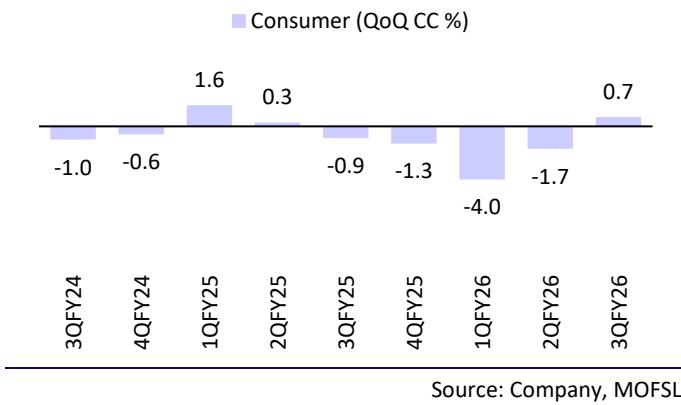
**Exhibit 4: WPRO revenue grew 1.4% QoQ CC, largely driven by the Harman DTS acquisition**



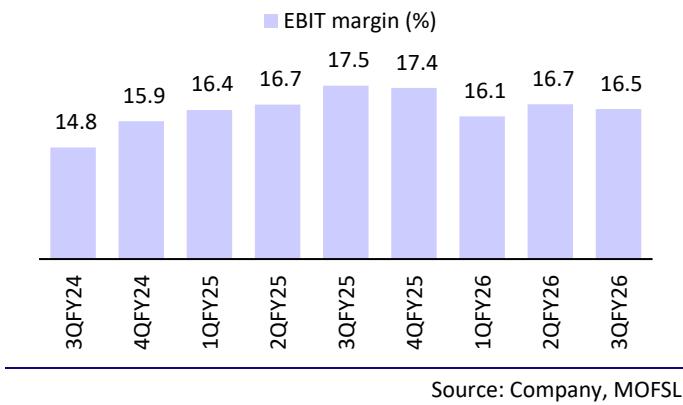
**Exhibit 5: BFSI grew 2.6% QoQ cc in 3Q**



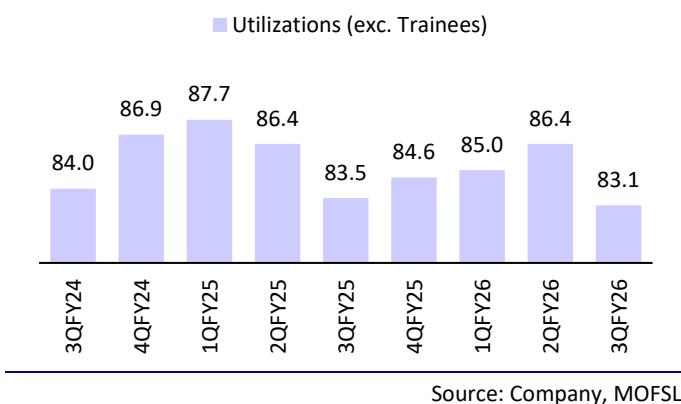
**Exhibit 6: Tariffs continue to impact Consumer**



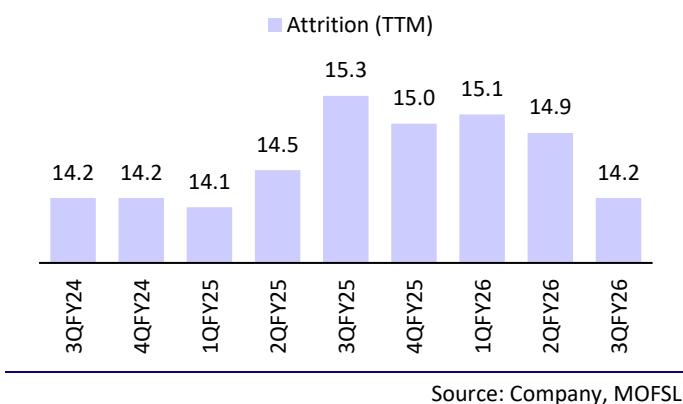
**Exhibit 7: EBIT margin contracted 20bp QoQ**



**Exhibit 8: Utilization reduced 330bp to 83.1%**



**Exhibit 9: Attrition reduced 70bp in 3Q**



## Operating metrics

### Exhibit 10: Operating metrics

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Verticals (%)</b>									
Finance Solutions	32.7	33.5	34.0	34.8	34.1	34.2	33.6	34.3	34.6
Healthcare Life Sciences	13.9	14.1	13.9	13.6	14.7	14.4	14.6	14.5	14.9
Energy, Manufacturing and Resources	18.5	18.5	17.6	17.0	16.9	17.3	17.7	17.4	16.3
Consumer	18.8	18.7	19.2	19.2	19.0	18.9	18.6	18.2	18.2
Technology & Communications	16.1	15.2	15.3	15.4	15.3	15.2	15.5	15.6	16.0
<b>Geography (%)</b>									
Americas 1	31.0	30.4	30.9	30.8	32.3	32.8	33.1	33.0	33.2
Americas 2	30.0	30.7	30.8	30.6	30.6	30.6	30.4	29.6	29.0
Europe	27.7	27.8	27.6	27.9	26.7	26.1	25.7	26.3	26.7
APMEA	11.3	11.1	10.7	10.7	10.4	10.5	10.8	11.1	11.1
<b>Customer size distribution (TTM)</b>									
Over USD100m	22	22	22	21	18	17	16	16	16
Over USD75m	31	32	29	30	30	28	27	29	31
Over USD50m	46	45	43	42	42	44	47	45	45
Over USD20m	121	116	117	117	114	111	109	104	103
Over USD10m	203	205	192	186	187	181	180	177	177
Over USD5m	305	301	301	297	290	289	281	272	281
Over USD3m	430	409	407	411	403	398	397	393	390
Over USD1m	750	741	735	733	722	716	725	730	722
<b>Customer metrics</b>									
Revenue from existing customers (%)	98.8	97.8	99.7	99.4	98.8	98.1	99.6	98.6	99.4
Number of new customers	55	60	43	28	63	63	49	45	92
Total number of active customers	1349	1371	1364	1342	1299	1282	1266	1257	1272
<b>Employee metrics</b>									
Closing headcount – IT Services (k)	240	233	233	234	233	233	233	235	242
Sales and support staff – IT Services (k)	16	16	0	0	0	15	0	0	0
<b>Utilization</b>									
Net utilization (excluding trainees, %)	84.0	86.9	87.7	86.4	83.5	84.6	85.0	86.4	83.1
<b>Attrition</b>									
Voluntary TTM	14.2	14.2	14.1	14.5	15.3	15.0	15.1	14.9	14.2
<b>Customer concentration (%)</b>									
Top customer	3.0	3.8	4.0	4.1	4.5	4.4	4.7	4.8	4.7
Top five	12.1	13.4	13.6	14.0	14.3	14.5	14.7	14.4	14.4
Top 10	20.5	22.0	22.5	22.9	23.7	24.2	24.5	24.0	23.7

Source: MOFSL, Company

## Financials and valuations

Income Statement									(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
<b>Sales</b>	<b>619</b>	<b>791</b>	<b>905</b>	<b>896</b>	<b>891</b>	<b>926</b>	<b>977</b>	<b>1,030</b>	
Change (%)	1.5	27.7	14.4	-0.9	-0.6	4.0	5.5	5.4	
Operating Costs	423	556	645	631	618	654	685	720	
<b>Gross Profit</b>	<b>196</b>	<b>235</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>272</b>	<b>292</b>	<b>309</b>	
SG&A	73	97	120	130	122	121	129	138	
<b>EBITDA</b>	<b>151</b>	<b>169</b>	<b>173</b>	<b>170</b>	<b>181</b>	<b>182</b>	<b>195</b>	<b>206</b>	
% of Net Sales	24.3	21.4	19.1	19.0	20.3	19.6	20.0	20.0	
Depreciation & Amort.	28	31	33	34	30	31	32	34	
<b>EBIT</b>	<b>123</b>	<b>138</b>	<b>140</b>	<b>136</b>	<b>151</b>	<b>151</b>	<b>163</b>	<b>172</b>	
% of Net Sales	19.8	17.5	15.4	15.2	17.0	16.3	16.7	16.7	
Other Income	16	13	8	11	24	22	18	19	
<b>PBT</b>	<b>139</b>	<b>151</b>	<b>148</b>	<b>147</b>	<b>175</b>	<b>173</b>	<b>181</b>	<b>191</b>	
Tax	30	29	34	36	43	40	43	46	
Rate (%)	21.8	19.1	23.0	24.5	24.5	23.1	24.0	24.2	
Extraordinary items	0	0	0	0	0	2	0	0	
Minority Interest	1	0	0	1	1	1	1	1	
<b>Adjusted PAT</b>	<b>108</b>	<b>122</b>	<b>114</b>	<b>110</b>	<b>131</b>	<b>132</b>	<b>136</b>	<b>143</b>	
Change (%)	11.0	13.2	-7.1	-2.9	19.2	0.6	3.0	5.3	
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	839	857	
<b>Net Worth</b>	<b>553</b>	<b>658</b>	<b>781</b>	<b>750</b>	<b>828</b>	<b>844</b>	<b>860</b>	<b>878</b>	
Minority Interest & others	41	56	66	88	108	58	61	64	
Loans	83	152	150	141	162	152	142	132	
<b>Capital Employed</b>	<b>677</b>	<b>866</b>	<b>997</b>	<b>979</b>	<b>1,098</b>	<b>1,053</b>	<b>1,063</b>	<b>1,073</b>	
Gross Block	299	338	369	395	432	450	470	490	
Less : Depreciation	198	228	262	296	325	356	389	423	
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	55	58	
<b>Curr. Assets</b>	<b>523</b>	<b>621</b>	<b>661</b>	<b>651</b>	<b>778</b>	<b>799</b>	<b>830</b>	<b>865</b>	
Debtors	121	176	187	174	182	195	206	217	
Inventories	1	1	1	1	1	1	1	1	
Cash & Bank Balance	170	104	92	97	122	96	93	93	
Adv., Other Current Assets	55	98	72	68	62	76	79	83	
Investments	176	242	309	311	411	431	451	471	
<b>Current Liab. &amp; Prov</b>	<b>154</b>	<b>213</b>	<b>179</b>	<b>173</b>	<b>188</b>	<b>272</b>	<b>284</b>	<b>297</b>	
<b>Net Current Assets</b>	<b>369</b>	<b>408</b>	<b>482</b>	<b>477</b>	<b>589</b>	<b>527</b>	<b>546</b>	<b>568</b>	
<b>Application of Funds</b>	<b>677</b>	<b>866</b>	<b>997</b>	<b>979</b>	<b>1,098</b>	<b>1,053</b>	<b>1,063</b>	<b>1,073</b>	

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
EPS	<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>13.0</b>	<b>13.7</b>
Cash EPS	12.0	14.0	13.4	13.5	15.3	15.8	16.1	16.9
Book Value	49.0	60.2	71.3	70.9	79.2	80.6	82.2	83.9
DPS	0.5	3.0	0.5	0.0	6.0	8.8	9.1	9.6
Payout %	93.3	26.9	4.8	1.6	47.8	70.0	70.0	70.0
<b>Valuation (x)</b>								
P/E	28.5	24.4	25.8	26.2	21.4	21.2	20.6	19.6
Cash P/E	22.4	19.2	20.0	19.7	17.4	17.0	16.6	15.8
EV/EBITDA	18.3	16.2	15.5	15.1	13.4	13.3	12.1	13.6
EV/Sales	4.5	3.5	3.0	2.9	2.7	2.6	2.4	2.7
Price/Book Value	5.5	4.4	3.7	3.8	3.4	3.3	3.3	3.2
Dividend Yield (%)	0.2	1.1	0.2	0.0	2.2	3.3	3.4	3.6
<b>Profitability Ratios (%)</b>								
RoE	19.4	20.2	15.8	14.4	16.6	15.8	16.0	16.5
RoCE	16.0	16.3	12.8	11.3	12.0	11.8	12.7	13.1
<b>Turnover Ratios</b>								
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	0.8
<b>Leverage Ratio</b>								
Debt/Equity Ratio(x)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
	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	163	169	178
Cash for Wkg. Capital	23	-36	-15	19	10	-24	-2	-1
<b>Net Operating CF</b>	<b>148</b>	<b>111</b>	<b>131</b>	<b>176</b>	<b>169</b>	<b>139</b>	<b>166</b>	<b>176</b>
Net Purchase of FA	-19	-19	-14	-6	-13	-19	-20	-21
Other change in investments	27	-205	-70	18	-68	-20	-20	-20
<b>Net Cash from Invest.</b>	<b>8</b>	<b>-224</b>	<b>-84</b>	<b>12</b>	<b>-81</b>	<b>-39</b>	<b>-40</b>	<b>-41</b>
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	-108	-111	-117
<b>Net CF from Finan.</b>	<b>-129</b>	<b>47</b>	<b>-61</b>	<b>-183</b>	<b>-64</b>	<b>-127</b>	<b>-130</b>	<b>-136</b>
Free Cash Flow	129	91	116	170	156	121	147	156
<b>Net Cash Flow</b>	<b>26</b>	<b>-67</b>	<b>-14</b>	<b>5</b>	<b>25</b>	<b>-26</b>	<b>-3</b>	<b>0</b>
Forex difference	-1	1	2	0	0	0	0	0
<b>Opening 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>
Add: Net Cash	26	-66	-12	5	25	-26	-3	0
<b>Closing Cash Bal.</b>	<b>168</b>	<b>102</b>	<b>90</b>	<b>95</b>	<b>120</b>	<b>94</b>	<b>91</b>	<b>91</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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