13 July 2026

1QFY27 Results Update | Sector: Technology

HCL Technologies

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	HCLT IN
Equity Shares (m)	2714
M.Cap.(INRb)/(USDb)	3313.9 / 34.7
52-Week Range (INR)	1780 / 1030
1, 6, 12 Rel. Per (%)	8/-21/-22
12M Avg Val (INR M)	5027

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	1,301	1,423	1,497
EBIT Margin (%)	17.2	17.8	17.9
PAT	170	200	211
EPS (INR)	64.0	73.9	78.0
EPS Gr. (%)	0.2	15.5	5.6
BV/Sh. (INR)	258	255	251
Ratios			
RoE (%)	24.9	28.9	30.9
RoCE (%)	24.2	27.4	29.3
Payout (%)	84.4	90.0	90.0
Valuations			
P/E (x)	19.1	16.5	15.6
P/BV (x)	4.7	4.8	4.9
EV/EBITDA (x)	12.0	10.6	9.9
Div Yield (%)	4.4	5.4	5.8

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	60.9	60.8	60.8
DII	19.0	18.4	15.5
FII	15.8	16.5	19.3
Others	4.4	4.3	4.4

FII Includes depository receipts

CMP: INR1,221 TP: INR1,450 (+19%) Buy

One eye on the future; near-term guidance maintained

Investments in sovereign AI and data center stack encouraging

- HCL Technologies (HCLT) reported 1QFY27 revenue of USD3.6b, which declined 0.5% QoQ CC, above our estimate of 1.4% QoQ CC decline. EBIT margin came in at 16.9%, in line with our estimate of 16.9%. New deal TCV was USD2.4b (up 32.8% YoY) in 1QFY27. For FY27, revenue growth guidance was maintained at 1–4% YoY in CC. Services revenue growth was also maintained at 1.5% and 4.5% YoY in CC (vs. our expectations of a guidance cut at the upper end). EBIT margin guidance of 17.5–18.5% was in line.
- For 1QFY27, revenue/EBIT/adj. PAT grew 13.9%/18%/20.3% YoY in INR terms. We expect revenue/EBIT/PAT to grow 9.3%/15.7%/20% YoY in 2QFY27. Free cash flow stood at 99% of net profit for 1QFY27. We **reiterate our BUY rating with a revised TP of INR1,450, based on 18x FY28E EPS (earlier 16x).** We maintain HCLT as our preferred pick in the large cap space.

Our view: AI playbook starts taking shape; margins still below long-term average

- **Guidance maintained despite our expectation of a 100bp cut:** HCLT retained its FY27 revenue growth guidance of **1–4% YoY CC** and services growth guidance of **1.5–4.5% YoY CC**, implying ~1% CQGR at the midpoint.
- The company reported its highest-ever 1Q bookings, **while the recently announced USD1.14b mega deal (not part of 1Q TCV) provides additional comfort around achieving the midpoint of guidance**. Management clarified that the deal will have a negligible revenue contribution in FY27 as it reaches steady state only by Apr'27. We expect the ramp-up to provide a stronger exit into FY28**.**
- **Data center and Sarvam investments are encouraging:** HCLT announced plans to invest up to **INR35b to build a full-stack AI data center business**, scalable to 50MW capacity. This follows its **USD150m** investment in Sarvam, India's sovereign LLM play. We believe HCLT is investing ahead of the market to build the next-generation AI stack.
- **We believe a clearer playbook is now emerging through HCLT's five-pillar AI strategy**—transforming services, building differentiated IP, expanding AI-led services, strengthening AI partnerships, and scaling AI talent. This should help the company defend against, and eventually benefit from, AI disruption, and **HCLT seems ahead of the curve here.**
- **Data center strategy is different from a traditional colocation model:** Management highlighted that this is not a pure data center or capacity leasing business. The **focus is on a full-stack offering** that combines AI-ready infrastructure with software, managed services, sovereign AI capabilities, and SLMs. Investments will be phased and supported by committed client demand, partner funding, and a mix of equity and debt.

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- **EBIT margins expanded sequentially, helped by lower restructuring costs and forex**, partly offset by seasonal productivity commitments and weaker ER&D revenue. Management retained its FY27 EBIT margin guidance of 17.5%–18.5%, which already includes restructuring costs. We continue to expect margins to remain largely range-bound through FY27-28 as AI investments offset operating leverage.
- **Vertical commentary remains mixed:** BFSI remains the strongest vertical, supported by AI-led wallet share gains and healthy demand for data and analytics. **Technology and telecom remain impacted by discretionary spending cuts at two large US telecom clients**, weighing on ER&D growth. Life Sciences & Healthcare continues to face headwinds from the rollover of earlier regulatory programs and a weak US healthcare market.

Beat on revenues and deal TCV; margins in line with our estimates; FY27E services guidance maintained at 1.5–4.5%

- HCLT's revenue declined 0.5% QoQ in CC, compared to our estimate of 1.4% QoQ cc decline.
- New deal TCV stood at USD2.4b (up 24.3%/up 32.8% QoQ/YoY) in 1QFY27.
- P&P grew 2.2% QoQ cc, while ER&D declined 3.7% QoQ cc and IT Business remained flat QoQ cc.
- For 1QFY27, EBIT margin was 16.9%, in line with our estimate of 16.9%.
- For FY27, revenue growth guidance was maintained at 1–4% YoY in CC. Services revenue growth was also maintained at 1.5% and 4.5% YoY in CC (vs. our expectations of guidance cut at the upper end). EBIT margin guidance of 17.5–18.5% was in line.
- In 1QFY27, adj. PAT rose 3% QoQ and 20.3% YoY to INR46b vs. our est. of INR47b.
- LTM attrition improved 20bp QoQ to 12.7%. Net employee headcount declined by 1.45% in 1QFY27 and stood at 2,23,889 by the end of 1QFY27. HCLT added 1,056 freshers in this quarter.
- LTM FCF to Net Income stood at 99%.
- Management declared an interim dividend of INR12/share for 1QFY27.

Key highlights from the management commentary

- 1Q is a seasonally weaker quarter due to planned productivity commitments in large managed services contracts; despite this, the company delivered a broad-based performance.
- Management flagged a clear divergence in the AI landscape: AI-native and AI-amplified services continue to see strong, sustained growth, while AI-disrupted (traditional/commoditized) services remain under pricing and volume pressure from automation.
- The company signed a marquee deal with a Fortune 250 semiconductor equipment OEM for SAP-enabled design-to-manufacturing transformation, integrating SAP with PLM/MES to build an AI-led digital supply chain backbone.
- Moreover, the company announced its entry into the AI data center business with a planned investment of up to INR35b, scalable to 50MW of capacity. It is positioned as a full-stack play (data centers, software, managed services) rather

than a pure colocation business, and will be funded through partner arrangements, committed client capacity, and a mix of equity and debt.

- Management has retained FY27 revenue growth guidance of 1-4% (organic, CC), excluding acquisitions such as Jaspersoft.
- The company has added 1 client in the USD100m+ bucket, 6 in the USD50m+ bucket, 11 in the USD20m+ bucket, and 31 in the USD10m+ bucket on a YoY basis, reflecting continued account mining.

Valuation and view

- We now expect HCLT to deliver a USD revenue CAGR of ~4%/INR PAT CAGR of 12.0% over FY26–28, with EBIT margins of ~17.8%. Client-specific issues in key verticals such as telecom have reduced HCLT's growth premium in FY27E. That said, a potentially strong exit as well as continued strong deal wins could restore the gap in FY28E.
- We continue to like HCLT's all-weather portfolio. Its investments in Sarvam and the AI data center business strengthen its long-term AI positioning. We have kept our estimates unchanged and **reiterate our BUY rating with a revised TP of INR1,450 based on 18x FY28E EPS (earlier 16x).** We maintain HCLT as our preferred pick in the large-cap space**.**

Exhibit 1: Annualized AI services revenue reached ~USD684m

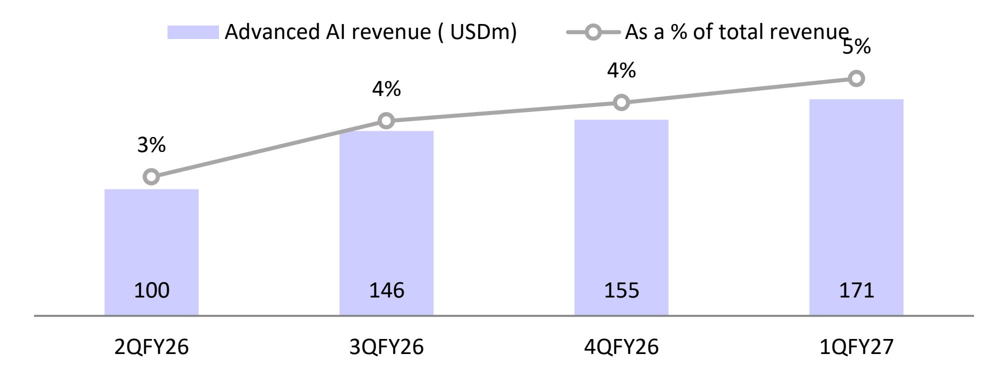


Exhibit 2: Realizations have improved 1.1% YoY

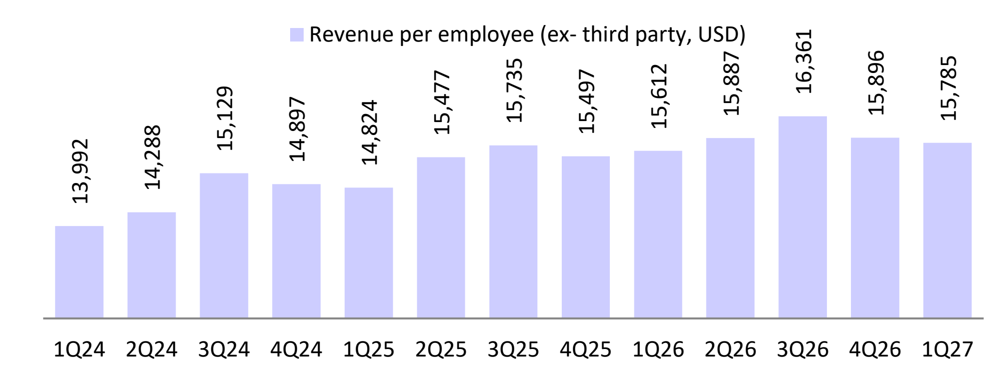
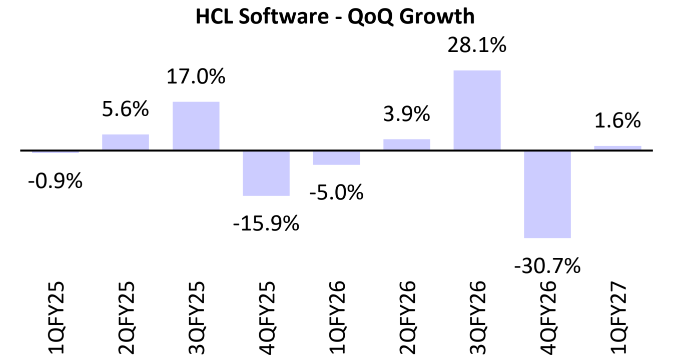
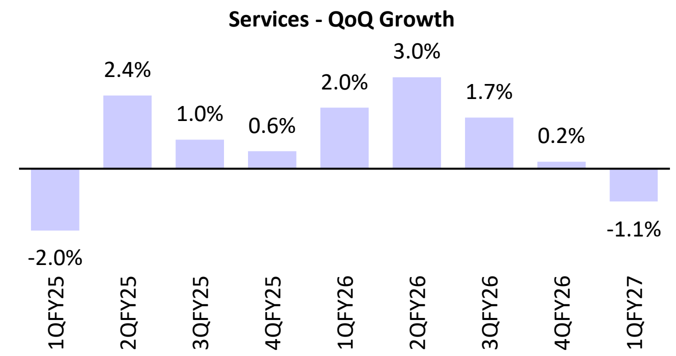


Exhibit 3: P&P business grew 1.6% QoQ.



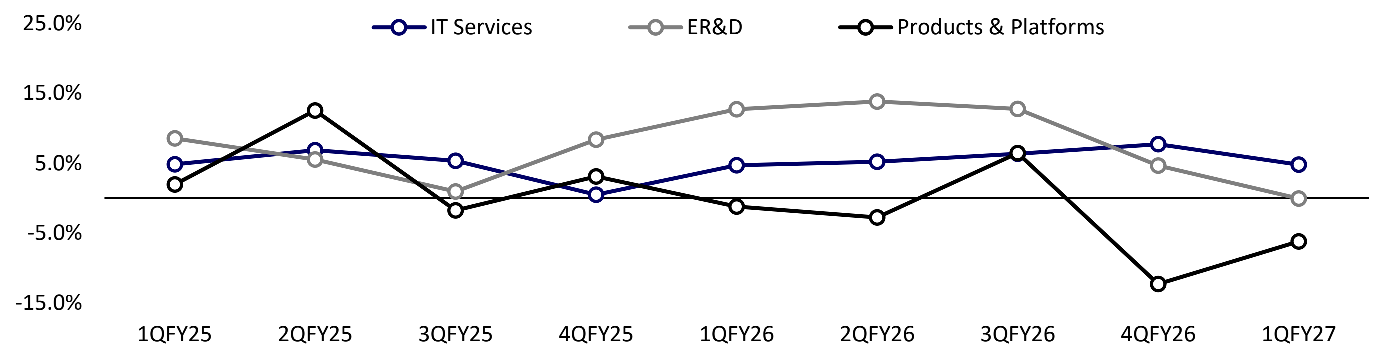
Source: MOFSL, Company

Exhibit 4: FY27 IT services growth guidance retained at 1.5-4.5% YoY CC



Source: MOFSL, Company

Exhibit 5: IT services growth remained resilient, while ER&D weakened and P&P contraction eased



Source: Company, MOFSL

Exhibit 6: RoW & India led growth; Americas also grew, while Europe's growth was the weakest

Geographies (YoY CC Growth, %)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Americas	7.3	3.9	6.7	6.8	8.0	7.5	6.2	0.1	0.5	2.4	1.5	4.9	2.9
Europe	10.5	3.9	1.7	5.5	3.0	4.2	2.6	4.3	9.6	7.6	4.6	-2.9	0.1
ROW	-6.0	-3.6	-7.5	-7.1	-3.6	-2.6	2.9	23.2	15.0	17.9	22.1	16.6	10.8
India									1.3	0.6	15.8	5.3	16.9

Source: Company, MOFSL

Exhibit 7: Retail & Public Service led growth, while Telecommunications declined

Verticals (YoY CC Growth, %)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Financial Services	14.4	12.5	12.9	12.1	-1.3	-4.5	-1.4	0.7	6.8	11.4	8.1	4.3	5.3
Manufacturing	16.5	3.3	5.8	9.8	3.5	7.1	0.0	-6.1	-1.0	-1.8	1.8	3.3	3.7
Technology & Services	-7.0	-9.5	-9.2	-8.6	2.7	5.6	7.6	10.8	13.7	13.9	14.4	17.8	7.3
Retail & CPG	3.2	8.1	11.7	8.2	9.7	6.2	17.2	9.5	8.2	5.5	-2.0	3.5	10.1
Telecommunications, Media, Publishing & Entertainment	-11.7	-10.4	8.3	6.5	69.2	61.2	33.1	24.3	13.0	11.7	7.1	-8.6	-10.9
Lifesciences & Healthcare	13.4	9.8	0.5	5.4	-4.1	-2.8	-1.1	-7.4	-4.0	-3.0	-1.4	1.6	0.4
Public Services	6.8	1.7	-0.6	0.1	-3.7	-2.0	-4.6	-0.5	-2.4	2.2	8.0	10.7	12.0

Source: Company, MOFSL

Quarterly Performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(% / bp)
Revenue (USD m)	3,545	3,644	3,793	3,682	3,650	3,696	3,846	3,862	14,664	15,054	3,624	0.7
QoQ (%)	1.3	2.8	4.1	-2.9	-0.9	1.3	4.1	0.4	6.0	2.7	-1.6	71bp
Revenue (INR b)	303	319	339	340	346	349	363	365	1,301	1,423	343	0.8
YoY (%)	8.2	10.7	13.3	12.3	13.9	9.3	7.2	7.3	11.2	9.3	13.0	90bp
GPM (%)	33.7	34.1	34.7	33.7	33.4	35.5	36.0	34.7	34.1	34.9	34.2	-78bp
SGA (%)	12.3	11.9	11.3	12.4	12.0	12.2	12.5	12.5	12.0	12.3	12.5	-53bp
EBITDA	60	66	74	68	69	76	80	76	268	301	69	-1.1
EBITDA Margin (%)	19.6	20.7	21.9	19.9	19.9	21.9	22.1	20.8	20.6	21.1	20.2	-38bp
EBIT	49	56	63	56	58	64	68	63	224	253	58	0.6
EBIT Margin (%)	16.3	17.4	18.6	16.5	16.9	18.4	18.6	17.3	17.2	17.8	16.9	-4bp
Other income	2	2	2	1	3	3	4	4	7	14	5	-46.2
ETR (%)	25.9	25.7	25.7	21.3	24.3	25.0	25.0	25.0	24.7	24.8	25.0	-75bp
Adj PAT	38	42	48	45	46	51	53	50	174	200	47	
Exceptional items	0.0	0.0	7.1	0.0	0.0	0.0	0.0	0.0	7.1	0.0	0.0	
PAT	38	42	41	45	46	51	53	50	167	200	47	-2.2
QoQ (%)	-10.8	10.2	-3.5	9.9	3.0	9.7	5.1	-6.3			5.4	-236bp
YoY (%)	-9.7	0.0	-11.0	4.2	20.3	19.8	30.6	11.4	-4.3	20.3	23.1	-275bp
EPS	14.2	15.6	17.7	16.6	17.1	18.7	19.7	18.5	64.0	73.9	17.5	-2.2

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	-0.8	2.4	4.2	-3.3	-0.5	
Costs (% of revenue)						
COGS	66.3	65.9	65.3	66.3	66.6	64.1
SGA	12.3	11.9	11.3	12.4	12.0	12.4
Margins						
Gross Margin	33.7	34.1	34.7	33.7	33.4	35.9
EBIT Margin	16.3	17.4	18.6	16.5	16.9	18.2
Net Margin	12.7	13.3	14.2	13.2	13.4	14.3
Operating metrics						
Headcount (k)	223	227	226	227	224	227
Attrition (%)	12.8	12.6	12.4	12.5	12.7	12.4
Key Verticals (YoY CC %)						
BFSI	6.8	11.4	8.1	4.3	5.3	12.1
Manufacturing	-1.0	-1.8	1.8	3.3	3.7	9.8
Key Geographies (YoY CC %)						
North America	0.5	2.4	1.5	4.9	2.9	6.8
Europe	9.6	7.6	4.6	-2.9	0.1	5.5

CONFERENCE CALL

Key highlights from the management commentary

Demand and industry outlook

- 1Q is a seasonally weaker quarter due to planned productivity commitments in large managed services contracts; despite this, the company delivered a broad-based performance.
- Management flagged a clear divergence in the AI landscape: AI-native and AI-amplified services continue to see strong, sustained growth, while AI-disrupted (traditional/commoditized) services remain under pricing and volume pressure from automation.
- The company signed a marquee deal with a Fortune 250 semiconductor equipment OEM for SAP-enabled design-to-manufacturing transformation, integrating SAP with PLM/MES to build an AI-led digital supply chain backbone.

- Moreover, it announced its entry into the AI data center business, with a planned investment of up to INR35b, scalable to 50MW capacity. It is positioned as a full-stack play (data center plus software plus managed services) rather than a pure colocation business, to be funded via partner arrangements, committed client capacity, and a mix of equity and debt.
- Management has retained FY27 revenue growth guidance of 1-4% (organic, CC), excluding acquisitions such as Jaspersoft.
- The company has added 1 client in the USD100m+ bucket, 6 in the USD50m+ bucket, 11 in the USD20m+ bucket, and 31 in the USD10m+ bucket on a YoY basis, reflecting continued account mining.
- Enterprise demand is shifting toward sovereign AI architectures built on a zero-trust, tiered model (private on-prem/VPC-hosted SLMs plus a policy-enforcing gateway for frontier model access), rather than simply renting large models.
- The recently announced mega deal is expected to begin transition in a couple of months, reaching steady state only by April 2027; hence negligible revenue impact is expected in FY27.
- **BFSI:** BFSI has sustained strong momentum with YoY growth among the highest in the industry, driven by an AI-native approach to large clients and higher wallet share within top BFSI accounts.
- Broad-based traction was also seen in data & analytics, viewed by management as preparatory work as clients build out their enterprise AI stack — a meaningful tailwind in recent quarters.
- **Life Sciences & Healthcare:** The vertical has seen a gradual decline over roughly the past 8 to 9 quarters. Growth was earlier supported by regulatory-related engineering work for medical device clients, a key driver ~3 years ago - which has since rolled off without adequate refill.
- **Technology:** Near-term softness stemmed from discretionary spend cuts at two large US telecom clients, an impact management expects to continue weighing on related engineering work in subsequent quarters, as previously flagged.
- **Products and Platforms (HCLSoftware):** The company completed the acquisition of Jaspersoft, adding a visualization layer to the data management portfolio. The deal is expected to fully close within the quarter and contribute USD10–15m per quarter in revenue from 2Q onward, outside FY27 guidance.
- It made a strategic USD150m investment in Sarvam, India's sovereign full-stack AI company, to build differentiated SLM capabilities for the Indian sovereign AI and enterprise market.
- AI Force is now deployed across 92 client accounts. The 2.2 release has added VS Code IDE plugin support, multimodal AI, long-term memory, configurable governance guardrails and AWS-native integration.

Margin performance

- EBIT margin came in at 16.9% of revenue, up ~39bp QoQ and ~56bp YoY; adjusted for restructuring costs (~62bps), margin stood at ~17.5% versus 17.7% in the prior quarter.
- Margin wall: Lower restructuring costs added ~70bp and period-end items added ~20bp, offset by a ~110bp headwind from seasonality (annual productivity resets and INR depreciation); forex added a further ~60bp benefit.

- FY27 margin guidance was retained at 17.5–18.5%, inclusive of an estimated 40–50bps restructuring cost impact; guidance excludes Jaspersoft and other pending acquisitions.
- Management deferred commentary on a return to the erstwhile 18–19% margin band, indicating FY28 guidance will address the medium-term trajectory.
- Revenue per employee rose ~3.3% YoY, improving for the fifth consecutive quarter, reflecting productivity gains from the AI-led strategy.

Valuation and view

- We now expect HCLT to deliver a USD revenue CAGR of ~4%/INR PAT CAGR of 12.0% over FY26–28, with EBIT margins around ~17.8%. Client-specific issues in key verticals such as telecom have reduced HCLT’s growth premium in FY27E. That said, a potentially strong exit as well as continued strong deal wins could restore the gap in FY28E.
- We continue to like HCLT's all-weather portfolio. Its investments in Sarvam and the AI data center business strengthen its long-term AI positioning. We have kept our estimates unchanged and **reiterate our BUY rating with a revised TP of INR1,450 based on 18x FY28E EPS (earlier 16x).** We maintain HCLT as our preferred pick in the large cap space**.**

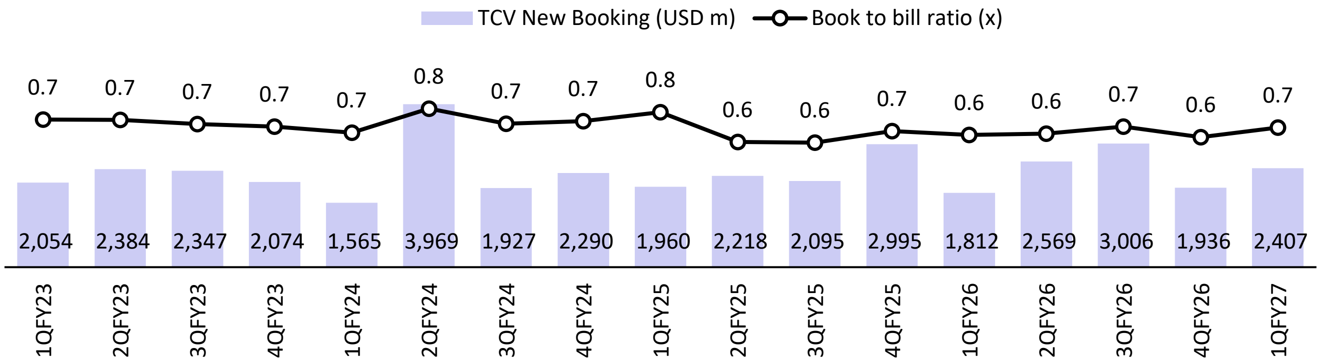
Exhibit 8: Our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	95.0	94.5	95.0	0.0%	0.0%
USD Revenue - m	15,054	15,757	14,995	15,584	0.4%	1.1%
Growth (cc %)	3.1	4.8	2.6	4.1	50bps	70bps
EBIT margin - Overall (%)	17.8	17.9	17.7	17.9	10bps	0bps
PAT (INR b)	200	211	204	215	-1.9%	-1.5%
EPS	73.9	78.0	75.3	79.2	-1.9%	-1.5%

Source: MOFSL

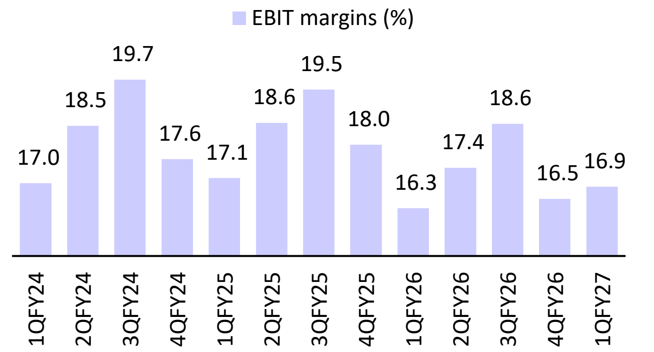
Story in charts

Exhibit 9: TCV (new deal wins) at USD2,407m, up 32.8% YoY



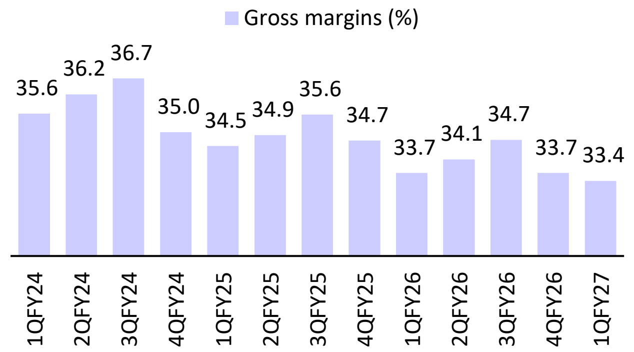
Source: Company, MOFSL

Exhibit 10: EBIT margin stood at 16.9%, up 40bp QoQ



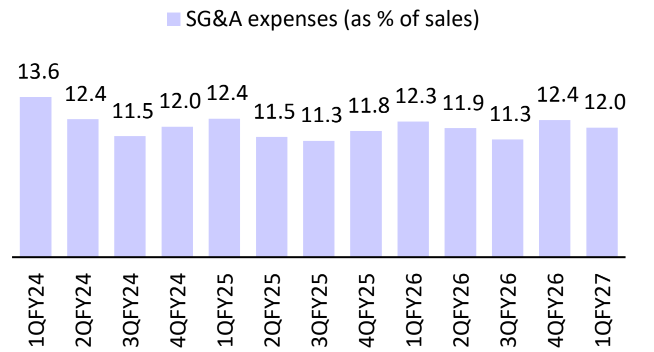
Source: Company, MOFSL

Exhibit 11: Gross margin contracted 30bp QoQ



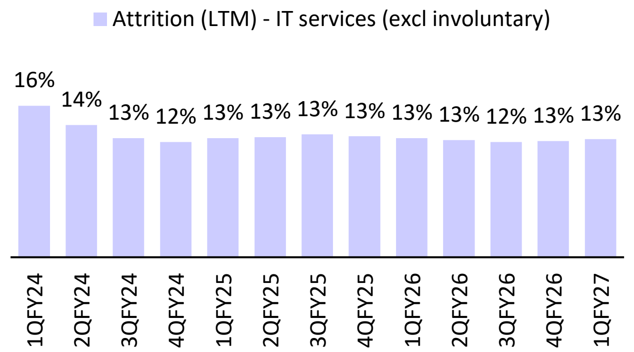
Source: Company, MOFSL

Exhibit 12: SG&A expenses declined 40bp QoQ



Source: Company, MOFSL

Exhibit 13: LTM attrition remained flat QoQ



Source: Company, MOFSL

Operating metrics

Exhibit 14: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Service-wise (%)									
IT and Business Services	74.5	74.6	73.0	73.3	74.0	74.2	72.3	75.0	75.3
Engineering and R&D Services	15.9	15.8	16.0	17.1	17.0	17.0	16.8	17.0	16.5
Products and Platform	9.6	9.9	11.3	9.6	9.0	9.1	11.2	8.0	8.2
Vertical-wise (Services) (%)									
BFSI	21.0	20.5	20.3	21.1	21.6	21.7	21.1	21.4	22.1
Manufacturing	19.4	19.5	19.1	18.6	18.6	18.3	18.8	18.6	18.7
Technology and Services	13.0	13.1	13.3	13.4	14.0	14.0	14.2	14.8	14.4
Retail and CPG	9.4	9.6	10.6	9.7	9.7	9.6	9.9	9.7	10.3
Telecom MP&E	12.2	12.1	12.3	13.9	13.1	12.7	12.5	12.1	11.2
Life Sciences	15.9	16.0	15.5	14.7	14.5	14.7	14.4	14.2	14.0
Public Services	9.1	9.2	8.9	8.6	8.5	8.9	9.1	9.2	9.3
Geography-wise (Services) (%)									
US	59.6	65.1	65.5	57.4	56.5	56.2	56.3	56.3	56.0
Europe	25.9	28.4	28.2	27.5	28.3	28.3	27.7	27.1	27.6
RoW	11.0	6.5	6.3	12.0	11.9	12.4	12.8	13.7	13.1
India*				3.1	3.3	3.2	3.3	2.9	3.3
Client-wise (%)									
Top five clients	11.4	12.1	12.6	12.7	12.6	12.4	12.2	11.9	11.6
Top 10 clients	19.6	20.1	20.3	20.2	20.2	19.9	19.7	19.1	18.7
Top 20 clients	30.1	30.8	30.9	30.4	29.9	29.5	29.1	28.5	28.0

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**857**	**1,015**	**1,099**	**1,171**	**1,301**	**1,423**	**1,497**
Change (%)	13.6	18.5	8.3	6.5	11.2	9.3	5.2
Cost of Goods Sold	546	662	721	778	878	945	989
Gross Profit	**311**	**353**	**378**	**392**	**423**	**477**	**508**
Selling & Admin Exp.	109	127	136	137	156	175	187
EBITDA	**202**	**226**	**242**	**255**	**268**	**302**	**321**
% of Net Sales	23.6	22.3	22.0	21.8	20.6	21.3	21.5
Depreciation	40	41	42	41	44	49	54
EBIT	**162**	**185**	**200**	**214**	**224**	**253**	**267**
% of Net Sales	18.9	18.2	18.2	18.3	17.2	17.8	17.9
Other Income	8	10	9	18	7	14	15
PBT	**170**	**195**	**210**	**233**	**231**	**267**	**282**
Tax	34	46	53	59	60	66	71
Rate (%)	20.3	23.8	25.1	25.2	26.0	24.8	25.0
EO Item (net)	0	0	0	0	8	0	0
Adjusted PAT	**135**	**148**	**157**	**174**	**170**	**200**	**211**
Change (%)	19.2	9.9	5.7	10.8	-2.0	17.5	5.6

Balance Sheet							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Reserves	620	654	683	697	699	689	678
Net Worth	**620**	**654**	**683**	**697**	**699**	**689**	**678**
Loans	39	21	22	1	1	1	1
Other liabilities	43	45	66	78	84	89	90
Capital Employed	**703**	**720**	**771**	**775**	**784**	**778**	**769**
Gross Block	560	596	643	694	720	749	779
Less : Depreciation	208	249	291	332	376	425	479
Net Block	**352**	**347**	**352**	**362**	**345**	**324**	**300**
Other assets	57	51	52	71	75	78	77
Investments	85	112	178	206	206	206	206
Curr. Assets	**397**	**425**	**416**	**416**	**469**	**511**	**544**
Debtors	207	255	255	258	285	308	321
Cash & Bank Balance	105	91	95	82	101	111	127
Other Current Assets	85	80	66	75	83	91	96
Current Liab. & Prov	**188**	**214**	**227**	**280**	**312**	**341**	**359**
Net Current Assets	**209**	**211**	**189**	**136**	**158**	**170**	**185**
Application of Funds	**703**	**720**	**771**	**775**	**784**	**778**	**769**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Diluted (INR)							
EPS	**49.8**	**54.8**	**57.9**	**63.9**	**64.0**	**73.9**	**78.0**
Cash EPS	64.6	70.1	73.3	78.9	78.9	92.0	97.9
Book Value	228.6	241.6	252.1	256.0	258.1	254.6	250.6
DPS	44.0	48.0	48.0	60.0	54.0	66.5	70.2
Payout (%)	88.3	87.6	82.9	93.9	84.4	90.0	90.0
Valuation (x)							
P/E	24.5	22.3	21.1	19.1	19.1	16.5	15.6
Cash P/E	18.9	17.4	16.7	15.5	15.5	13.3	12.5
EV/EBITDA	16.1	14.3	13.4	12.7	12.0	10.6	9.9
EV/Sales	3.8	3.2	2.9	2.8	2.5	2.2	2.1
Price/Book Value	5.3	5.1	4.8	4.8	4.7	4.8	4.9
Dividend Yield (%)	3.6	3.9	3.9	4.9	4.4	5.4	5.8
Profitability Ratios (%)							
RoE	21.9	23.3	23.5	25.2	24.9	28.9	30.9
RoCE	19.6	21.1	21.7	22.9	24.2	27.4	29.3
Turnover Ratios							
Debtors (Days)	88	92	85	81	80	79	78
Asset Turnover (x)	2.4	2.9	3.1	3.2	3.8	4.4	5.0

Cash Flow Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	174	193	201	213	217	249	265
Chg. in Working Capital	-5	-13	23	10	-1	0	2
Net Operating CF	**169**	**180**	**224**	**223**	**216**	**249**	**267**
Net Purchase of FA	-16	-14	-10	-11	-26	-28	-30
Net Purchase of Invest.	30	-25	-57	-38	0	0	0
Net Cash from Inv.	**15**	**-39**	**-67**	**-49**	**-26**	**-28**	**-30**
Issue of shares/other adj.	0	0	0	0	0	0	0
Proceeds from LTB/STB	-31	-29	-14	-23	0	0	0
Dividend Payments	-114	-130	-141	-163	-171	-211	-222
Net CF from Finan.	**-145**	**-159**	**-154**	**-186**	**-171**	**-211**	**-222**
Free Cash Flow	153	166	214	212	190	221	237
Net Cash Flow	**39**	**-18**	**3**	**-12**	**19**	**10**	**15**
Forex difference	1	4	1	0	0	0	0
Opening Cash Balance	**66**	**106**	**91**	**95**	**83**	**102**	**112**
Closing Cash Balance	**106**	**91**	**95**	**83**	**102**	**112**	**127**

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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