Financial Services

12 July 2026

1QFY27 Results Update | Sector: Technology

LTM

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	LTM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1197.5 / 12.6
52-Week Range (INR)	6430 / 3528
1, 6, 12 Rel. Per (%)	-2/-27/-20
12M Avg Val (INR M)	1724

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	423.1	478.1	518.0
EBIT Margin (%)	15.4	16.0	16.0
Adj. PAT	53.8	63.6	69.0
Adj. EPS (INR)	182.5	214.3	232.5
EPS Gr. (%)	17.5	17.4	8.5
BV/Sh. (INR)	816.2	935.7	1,072.5
Ratios			
RoE (%)	21.3	24.5	23.1
RoCE (%)	18.3	19.6	18.7
Payout (%)	41.2	41.2	41.2
Valuations			
P/E (x)	22.1	18.9	17.4
P/BV (x)	5.0	4.3	3.8
EV/EBITDA (x)	13.8	12.0	10.7
Div Yield (%)	1.9	2.2	2.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.5	68.5	68.6
DII	17.0	16.9	15.6
FII	6.6	6.5	7.0
Others	7.8	8.0	8.8

FII includes depository receipts

CMP: INR4,037 **TP: INR4,900 (+21%)** **Buy**

On a stronger footing

Stable revenue and beat on margins; well set up for FY27

- LTM reported revenue of USD1.2b in 1QFY27, up 0.3% QoQ in constant currency (CC) vs. our estimate of flat revenue QoQ CC. EBIT margin at 15.5% was above our estimate of 15.1%. Adj. PAT came in at INR14.7b, up 9.5% QoQ/17.1% YoY and in line with our estimate of INR15b.
- In INR terms, revenue/EBIT/adj. PAT grew 18%/27.9%/17.1% YoY in 1QFY27. In 2QFY27, we expect revenue/EBIT/adj. PAT to grow 13.6%/14.6%/14.2% YoY. We maintain BUY with a **TP of INR4,900** (valuing at **21x FY28E EPS)**, implying ~21% upside.

Our view: 2Q recovery on track; margins surprise positively

- **Revenue growth came in flat (+0.3% QoQ CC) due to a seasonal pass-through** decline in Production (-5.7% QoQ) and a delayed India PAN card deal ramp-up impacting the Consumer segment (-0.7% QoQ). However, BFS (+3.2% QoQ) and Tech & Services (+3.4% QoQ, +10% YoY) grew well, aided by broad-based momentum across top 5/top 10 client categories (+4.5%/+4.3% QoQ).
- **Margins came in better than expected at 15.5% (+40bp QoQ) as wage hike impact (~100bp)** was almost entirely offset by currency gains and operational efficiencies helped as well. **Margin performance was commendable. Though we expect some headwinds from Randstad** once it is integrated, we expect organic margins to expand by 60bp YoY in FY27.
- Cash flow metrics worsened optically – OCF/PAT at 79%, down from 96% in 4Q; FCF/PAT at 63%, down from 75%, but **this was largely due to a one-time non-cash valuation gain on the Voicing AI investment, which inflated the PAT base. Adjusted for this**, OCF/PAT and FCF/PAT would have been 88% and 70%, respectively, largely in line with 4Q. We do not read this as a deterioration in operational cash conversion.
- **The PAN card deal ramp-up remains on track to resume in 2Q, contingent on hardware/memory chip shipment** timelines normalizing over the next month or two.
- Management's confidence that FY27 growth will be "better than FY26" is encouraging, and if delivered, it **would put LTM among the fastest-growing names in the top six IT services peers. LTM has gone through the difficult transition of up-fronting productivity pass-throughs** in its key BFS/Hi-tech accounts, and this creates a slight advantage over peers in FY27.

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Valuation and changes to our estimates

- We believe LTM's estimated EPS CAGR of 13% for the next two years remains meaningfully better than that of large-caps. Productivity pain for key accounts is behind, and this could be positive vs. peers in the next couple of years. While growth acceleration remains measured at ~7-8% over FY27-FY28 and the recovery in the top BFSI account recovery is likely to be gradual, strong deal wins and a robust pipeline provide visibility. We raise our estimates by 1-2% for FY27/FY28. In addition, stable margin execution and improving visibility on growth lead us to raise our target multiple to 21x FY28E EPS (19x earlier). This results in a revised TP of INR4,900, implying ~21% upside. We reiterate BUY.

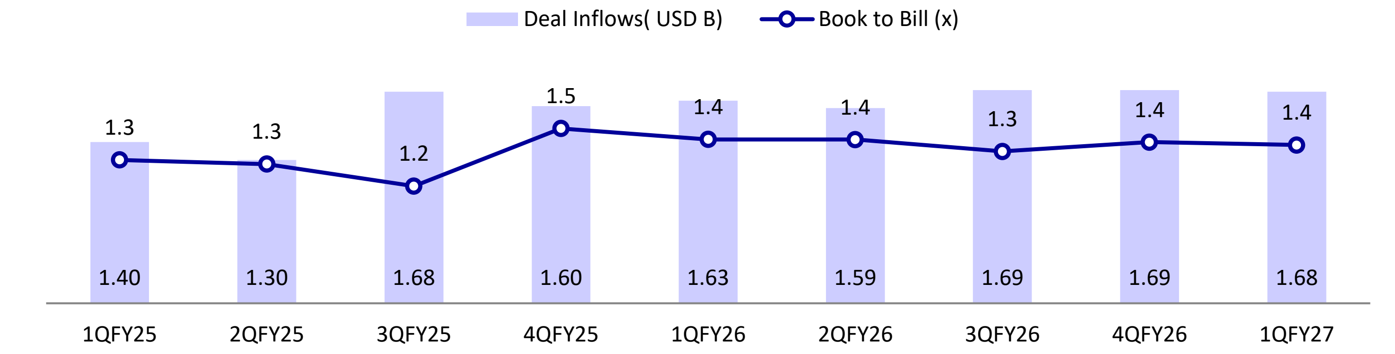
Beat on revenue and margins; BFSI and Technology-led vertical growth

- Revenue stood at USD1.2b, up 0.3% QoQ cc vs. our estimate of flat QoQ cc. Reported USD revenue was up 0.1% QoQ/6.1% YoY.
- BFSI/Technology grew 3.2%/3.4% QoQ cc, while production declined 5.7% QoQ cc.
- EBIT margin at 15.5% came in above our estimate of 15.1%.
- Employee metrics: Software headcount increased by 181 (0.2% QoQ), utilization improved by 70bp QoQ to 86.4%, and attrition remained flat at 13.3%.
- Adj. PAT came in at INR14.7b, up 9.5% QoQ/17.1% YoY, in line with our estimates of INR15b.
- Order inflows stood at USD 1.68b, down 0.6% QoQ.

Key highlights from the management commentary

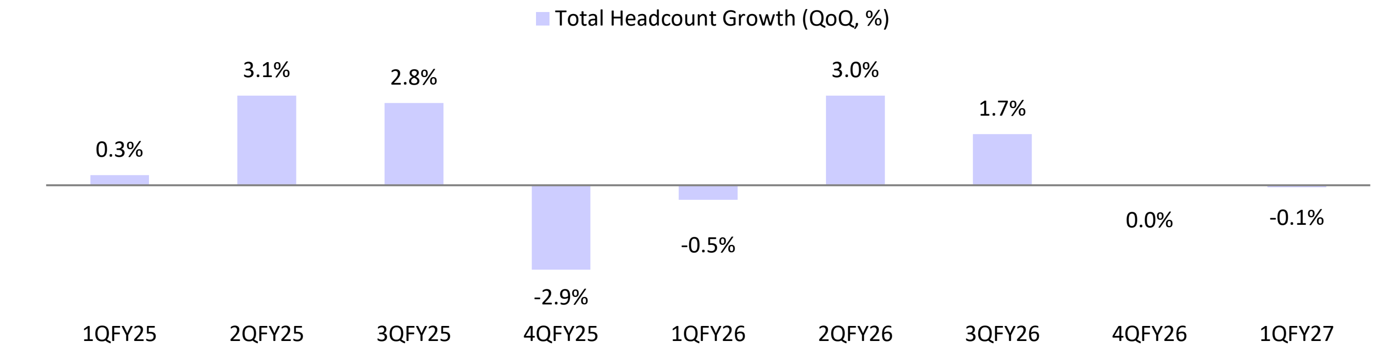
- Discretionary spend by clients remains constrained; management expects normalization over time as macro/geopolitical situations ease, unlocking pent-up project backlog.
- Management flagged geopolitical uncertainty (Middle East) and hardware/memory chip supply constraints as external swing factors, though both seen as transient.
- Productivity/AI-deflation-linked pricing pressure in large accounts is now largely behind the company; impact was concentrated in top clients and did not materially affect smaller accounts.
- BlueVerse Voicing SLM added two new wins this quarter, taking cumulative implementations to 17 over the trailing 12 months; engagements are structured on an outcome-based commercial model.
- Management launched the AI1000 initiative, targeting the development of 1,000 forward-deployed AI engineers to support enterprise AI deployment globally.
- The acquisition of Randstad Technology and Consulting Services (Europe/ Australia) remains on track, with regulatory filings submitted. The deal comprises IT services takeover, talent-sourcing outsourcing, and digital business transition. Ramp-up has already begun, with contribution expected from 2Q; no investment banking costs as it was a direct transaction.

Exhibit 1: Deal wins of USD1.68b, down 0.6%; book-to-bill at 1.4x



Source: MOFSL, Company

Exhibit 2: Headcount declined to 0.1% QoQ.



Source: MOFSL, Company

Exhibit 3: North America-led growth in 1Q

Geographies	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
North America	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9	1.8	2.0	0.4	0.5	2.3
Europe	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1	5.3	-2.5
RoW	-7.8	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8	-5.7	3.3	14.4	0.3	-9.6

Exhibit 4: Technology and BFSI-led growth in 1QFY27

Verticals	2QFY26	3QFY26	4QFY26	1QFY27
Financial Services	0.1	-0.5	-5.2	3.2
Consumer	9.1	2.8	5.5	-1.0
Technology & Services	-1.4	0.2	7.8	3.2
Production	1.8	9.2	0.7	-6.2

Source: MOFSL, Company

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(% / bp)
Revenue (USD m)	**1,153**	**1,180**	**1,208**	**1,222**	**1,224**	**1,251**	**1,282**	**1,301**	**4,763**	**5,058**	**1,218**	**0.4**
QoQ (%)	2.0	2.3	2.4	1.2	0.1	2.2	2.5	1.5	6.0	6.2	-0.3	43
Revenue (INR B)	**98**	**104**	**108**	**113**	**116**	**118**	**121**	**123**	**423**	**478**	**115**	**0.6**
YoY (%)	7.6	10.2	11.6	15.6	18.0	13.6	12.3	8.8	11.3	13.0	17.2	76
GPM (%)	**29.1**	**30.3**	**29.4**	**27.8**	**28.0**	**29.2**	**29.5**	**29.5**	**29.1**	**29.1**	**28.5**	**(54)**
SGA (%)	12.3	11.7	10.8	10.3	10.2	11.0	11.0	11.0	11.3	10.8	11.2	(99)
EBITDA	**16**	**19**	**20**	**20**	**21**	**21**	**22**	**23**	**76**	**87**	**20**	**3.3**
EBITDA Margin (%)	**16.8**	**18.6**	**18.6**	**17.5**	**17.8**	**18.2**	**18.5**	**18.5**	**17.9**	**18.2**	**17.3**	**45**
EBIT	**14**	**16**	**17**	**17**	**18**	**19**	**20**	**20**	**65**	**77**	**17**	**3.3**
EBIT Margin (%)	**14.3**	**15.9**	**16.1**	**15.1**	**15.5**	**16.0**	**16.3**	**16.3**	**15.4**	**16.0**	**15.1**	**40**
Other income	**3.2**	**2.3**	**1.6**	**1.1**	**1.8**	**2.1**	**2.2**	**2.2**	**8**	**8**	2	(14)
ETR (%)	27.3	26.5	26.0	26.3	25.8	25.0	25.0	25.0	26.5	25.2	25.0	
Adj PAT	**13**	**14**	**14**	**13**	**15**	**16**	**16**	**17**	**54**	**64**	**15**	**0.5**
QoQ (%)	11.2	10.1	1.5	-4.3	9.5	7.4	4.2	1.5			9.0	
YoY (%)	10.5	10.4	29.0	18.8	17.1	14.2	17.3	24.4	16.9	18.2	16.5	
Exceptional Items	0	0	4	0	0	0	0	0	4	0	0.0	
PAT	**13**	**14**	**10**	**14**	**15**	**16**	**16**	**17**	**50**	**64**	**15**	**0.5**
EPS (INR)	**42.3**	**47.2**	**47.6**	**45.4**	**49.4**	**53.1**	**55.4**	**56.2**	**182.5**	**214.2**	**49.5**	**(0.2)**

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	0.8	2.4	2.4	1.2	0.3	
Margins (%)						
Gross Margin	29.1	30.3	29.4	27.8	28.0	29.1
EBIT Margin	14.3	15.9	16.1	15.1	15.5	15.4
Net Margin	12.7	13.3	13.0	11.9	12.7	12.7
Operating metrics						
Headcount	83,889	86,447	87,958	87,950	87,886	87,950
Attrition (%)	14.4	14.2	13.8	13.3	13.3	13
Utilization (excl. trainees)	88.1	88.1	86.9	85.7	86.4	87.2
Key Verticals (QoQ %)						
Financial Services	NA	0.1	-0.5	-5.2	3.2	-21.2
Consumer	NA	9.1	2.8	5.5	-1.0	-0.7
Technology & Services	NA	-1.4	0.2	7.8	3.2	12.8
Production	NA	1.8	9.2	0.7	-6.2	9.3
Key Geographies (QoQ %)						
North America	1.8	2.0	0.4	0.5	2.3	4.0
Europe	10.2	2.3	3.1	5.3	-2.5	12.5

Key highlights from the management commentary

Demand and industry outlook

- Discretionary spend by clients remains constrained; management expects normalization over time as macro/geopolitical situations ease, unlocking pent-up project backlog.
- Management flagged geopolitical uncertainty (Middle East) and hardware/ memory chip supply constraints as external swing factors, though both seen as transient.
- Productivity/AI-deflation-linked pricing pressure in large accounts is now largely behind the company; impact was concentrated in top clients and did not materially affect smaller accounts.
- BlueVerse Voicing SLM added two new wins this quarter, taking cumulative implementations to 17 over the trailing 12 months; engagements are structured on an outcome-based commercial model.
- The acquisition of Randstad Technology and Consulting Services (Europe/ Australia) remains on track, with regulatory filings submitted. The deal comprises IT services takeover, talent-sourcing outsourcing, and digital business transition. Ramp-up has already begun, with contribution expected from 2Q; no investment banking costs as it was a direct transaction.
- The company added one client in the USD50m+ bucket (total 15) and one in the USD20m+ bucket (total 52), reflecting broad-based account mining.
- Demand momentum broadened across client categories, with top 5 and top 10 clients growing 4.5% and 4.3% QoQ, respectively.
- Management guided for growth to accelerate through 2Q and 2H, with FY27 organic growth expected to better the ~6% delivered in FY26.
- Subcontractor costs rose ~130bp QoQ and ~320bp YoY, attributed to vendor consolidation deals where tail-vendor work is transitioned in before being absorbed into the company's delivery model; management does not see this as a sustained trend.
- **BFSI**: Financial Services returned to growth, up 3.2% QoQ CC (still down 2.5% YoY), with margin improvement driven by revenue recovery and better utilization.
- **Technology:** Technology & Services grew by a strong 3.4% QoQ and 10% YoY CC, led by North America-centric demand; management expects this momentum to sustain.
- **Manufacturing:** Production segment declined 5.7% QoQ CC on seasonal pass-through fall-off, but delivered strong 5.3% YoY CC growth.
- **Consumer:** Consumer segment dipped 0.7% QoQ CC but grew by a robust 18.2% YoY CC; the sequential dip was linked to delayed ramp-ups tied to an India tax-related project and Middle East supply chain/hardware delays, expected to reverse from 2Q.
- **India:** Related project delays (tax department client, hardware/memory chip shortages) weighed on Consumer segment in 1Q; ramp-up expected to resume in 2Q.
- **Europe:** Identified as a key white-space growth market; the Randstad deal is expected to accelerate the European growth trajectory from 3Q onward.

- **North America:** Growth was broad-based, led by Technology & Services and financial services demand traction; management is confident of stable momentum.
- The Middle East contributes less than 3% of revenue; the geopolitical situation remains a watch item, though management does not see it derailing overall growth.
- Utilization (ex-trainees) improved to 86.4% from 85.7% in 4Q, within management's targeted 86-87% band.
- Talent pyramid is expected to gradually shift toward a more diamond-shaped structure as AI-native skilling initiatives (including the AI1000 program) scale up.
- Headcount stood at 87,886 at quarter-end, with fresher additions of ~1,100-1,300 in 1Q; similar quarterly fresher intake is expected through FY27.
- Combined AI revenue (Business AI, Creative AI, Industrial AI) reached ~USD150m on a quarterly run-rate basis; Enterprise AI (delivered via iRun/iTransform) is not separately disclosed as AI is now embedded across core delivery.
- Strategic investment made in Uniphore to strengthen SLM/agentic AI capabilities; partnership with OVHcloud signed to support sovereign AI cloud deployment in Europe.
- Management believes the industry has now moved from the "AI creation" phase to the "AI deployment" phase, where enterprise-scale implementation and adoption become the primary growth opportunity.
- Management views hyperscaler investments in forward-deployed (FD) engineering capacity as complementary rather than competitive, citing an industry-wide shortage of FD talent; partnership discussions with an AI lab are in final stages.
- Management has reiterated its ambition of doubling its revenue in the next five years. Growth levers include faster European expansion (via Randstad), APAC white space, scaling of AI-led work beyond the current USD150m run-rate, and recovery in discretionary client spending.

Margin performance

- EBIT margin expanded 40bp QoQ to 15.5%, driven by operational efficiencies under the New Horizons program; forex tailwinds broadly offset wage hike costs (~1% impact).
- EBIT margin improved by 120bp from 14.3% in 1QFY26, reflecting consistent efficiency gains from the earlier Fit-for-Future program and its successor, New Horizons.
- PAT margin improved to 12.7% from 11.9% QoQ, aided by a one-time gain on revaluation of the Voicing AI investment, partly offset by cash flow hedge-related investment income losses.
- Effective tax rate eased to 25% from 26.3% in 4Q.
- Management expects organic margins to keep expanding, with the Randstad integration seen as broadly margin-neutral to positive over the 1-2-quarter consolidation period, with synergies to follow.
- SG&A is expected to stay near the current levels rather than revert to the earlier-guided sales range of 11–11.5%, as efficiency gains are viewed as sustainable. Sales investment continues even as support function costs are optimized via AI adoption.

Exhibit 5: Top client contributions

Clients	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	23.5	4.6	-8.7
Top 10 clients	32.0	4.4	-1.0
Top 20 clients	42.8	3.0	2.0

Source: MOFSL, Company

Exhibit 6: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	95.0	94.5	95.0	0.1%	0.0%
USD Revenue (m)	5,058	5,453	5,022	5,401	0.7%	1.0%
CC Growth (%)	6.6	7.9	6.0	7.6	60bps	30bps
EBIT margin (%)	16.0	16.0	15.7	16.0	40bps	0bps
Adj. PAT (INR m)	63,571	68,993	62,200	68,329	2.2%	1.0%
Adj. EPS	214.3	232.5	210.6	231.4	1.7%	0.5%

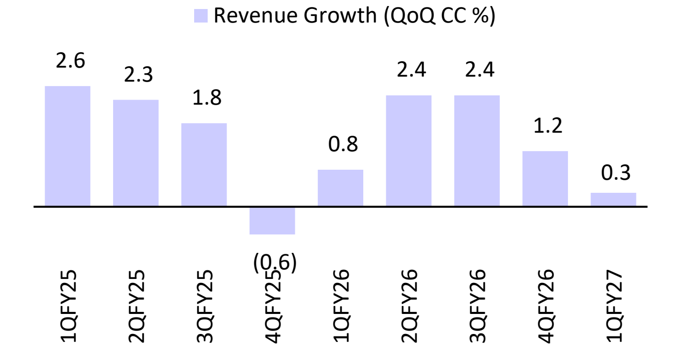
Source: MOFSL, Company

Valuation and view

- We believe LTM's estimated EPS CAGR of 13% for the next two years remains meaningfully better than that of large-caps. Productivity pain for key accounts is behind, which could be positive vs. peers in the next couple of years. While growth acceleration remains measured at ~7-8% over FY27-FY28 and the recovery in the top BFSI account recovery is likely to be gradual, strong deal wins and a robust pipeline provide visibility. We raise our estimates by 1-2% for FY27/FY28. In addition, stable margin execution and improving visibility on growth lead us to raise our target multiple to 21x FY28E EPS (19x earlier). This results in a revised TP of INR4,900, implying ~21% upside. We reiterate BUY.

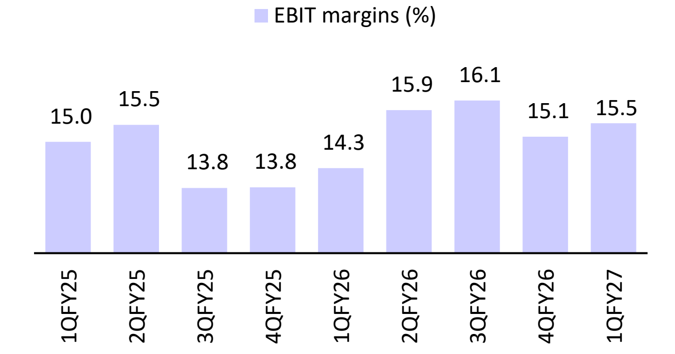
Story in charts

Exhibit 7: Revenue grew 0.3% QoQ cc.



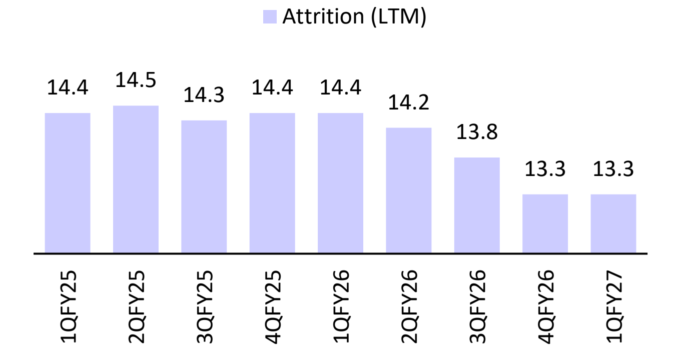
Source: Company, MOFSL

Exhibit 8: EBIT margin increased 40bp QoQ



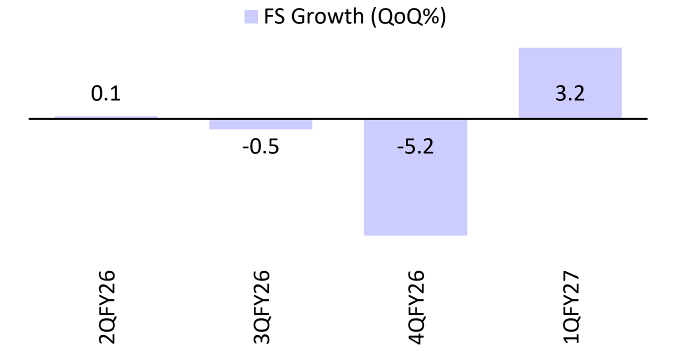
Source: Company, MOFSL

Exhibit 9: Attrition remained stable



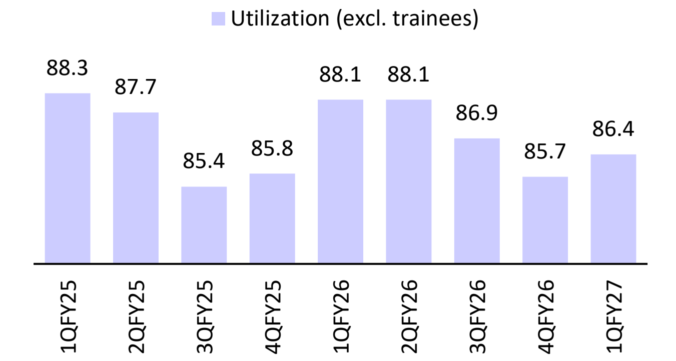
Source: Company, MOFSL

Exhibit 10: FS grew 3.2% QoQ



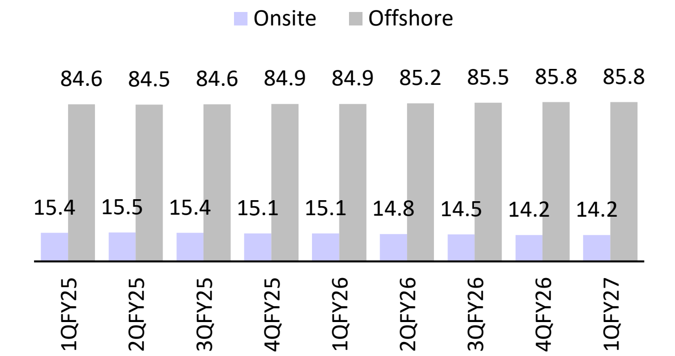
Source: Company, MOFSL

Exhibit 11: Utilization increased 70bp QoQ



Source: Company, MOFSL

Exhibit 12: The effort mix remained stable



Source: Company, MOFSL

Operating metrics

Exhibit 13: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue by verticals (%)									
Financial Services*	NA	NA	NA	NA	37.0	36.2	35.2	33.0	34.0
Consumer*	NA	NA	NA	NA	24.1	25.7	25.8	26.9	26.6
Technology & Services*	NA	NA	NA	NA	19.3	18.6	18.2	19.4	20.0
Production*	NA	NA	NA	NA	19.6	19.5	20.8	20.7	19.4
Revenue by geography (%)									
North America	75.1	75.0	74.7	74.5	74.4	74.2	72.8	72.3	73.9
Europe	14.4	14.4	13.8	13.6	14.7	14.7	14.8	15.4	15.0
ROW	10.5	10.6	11.5	11.9	11.0	11.1	12.4	12.3	11.1
Client metrics (% of revenues)									
Top 5 client	28.8	28.4	27.9	27.7	27.3	25.3	24.0	22.5	23.5
Top 10 client	35.7	35.0	34.5	34.3	34.3	32.8	31.7	30.7	32.0
Top 20 client	46.2	45.8	45.5	44.8	44.5	43.5	43.3	41.6	42.8
Top 40 client	58.9	58.2	58.1	57.2	56.8	56.1	56.8	55.3	56.1
Non-Top 20 clients	53.8	54.2	54.5	55.2	55.5	56.5	56.7	55.3	57.2
Number of active clients	748	742	742	741	741	749	746	751	740
New clients added in the period	27	22	23	26	17	23	26	13	16
Million $ clients									
5 Million $ clients	148	154	152	154	159	158	162	164	170
10 Million $ clients	87	88	90	89	90	93	97	101	104
20 Million $ clients	43	42	39	40	41	45	47	48	52
50 Million $ clients	12	12	13	14	14	14	12	14	15
100 Million $ clients	2	2	2	2	2	2	2	2	2
Employee metrics									
Development	76,837	79,374	81,641	79,081	78,729	81,355	82,911	83,004	83,185
Sales and support	5,097	5,064	5,159	5,226	5,160	5,092	5,047	4,946	4,701
Total employees	81,934	84,438	86,800	84,307	83,889	86,447	87,958	87,950	87,886
Efforts mix									
Onsite	15.4	15.5	15.4	15.1	15.1	14.8	14.5	14.2	14.2
Offshore	84.6	84.5	84.6	84.9	84.9	85.2	85.5	85.8	85.8
Utilization measures									
Excluding trainees	88.3	87.7	85.4	85.8	88.1	88.1	86.9	85.7	86.4
Attrition LTM (%)	14.4	14.5	14.3	14.4	14.4	14.2	13.8	13.3	13.3

Source: Company, MOFSL

*Note : Effective 1QFY27, LTM reorganized its reporting segments to better align with customer industries. Key changes include renaming BFSI to Financial Services, Consumer Business to Consumer, Manufacturing & Resources to Production, and Technology, Media & Communications to Technology & Services (excluding Media & Entertainment, while Healthcare, Life Sciences & Public Services moved to Consumer). Prior-period segment data has been restated for comparability.

Financials and valuations

Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Sales	**2,61,086**	**3,31,830**	**3,55,170**	**3,80,081**	**4,23,076**	**4,78,145**	**5,18,031**
Change (%)	(8.8)	27.1	7.0	7.0	11.3	13.0	8.3
Cost of Services	1,78,271	2,32,037	2,46,214	2,68,217	2,99,909	3,39,230	3,63,876
Gross Profit	**82,815**	**99,793**	**1,08,956**	**1,11,864**	**1,23,167**	**1,38,915**	**1,54,155**
SG&A Expenses	30,330	37,915	45,082	46,915	47,615	51,681	59,574
EBITDA	**52,485**	**61,878**	**63,874**	**64,949**	**75,552**	**87,234**	**94,581**
% of Net Sales	20.1	18.6	18.0	17.1	17.9	18.2	18.3
Depreciation	5,971	7,227	8,189	9,915	10,541	10,578	11,915
EBIT	**46,514**	**54,651**	**55,685**	**55,034**	**65,011**	**76,655**	**82,666**
% of Net Sales	17.8	16.5	15.7	14.5	15.4	16.0	16.0
Other Income	6,426	4,065	4,802	7,108	8,181	8,308	9,325
PBT	**52,940**	**58,716**	**60,487**	**62,142**	**73,192**	**84,963**	**91,991**
Tax	13,439	13,812	14,641	16,122	19,414	21,393	22,998
Rate (%)	25.4	23.5	24.2	25.9	26.5	25.2	25.0
Minority Interest	0	11	25	27	-354	0	0
Extraordinary	0	800	0	0	3,952	0	0
Adjusted PAT	**39,501**	**44,904**	**45,846**	**46,020**	**53,779**	**63,571**	**68,993**
Change (%)	-11	14	2	0	17	18	9

Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	296	296	296	296	296	296	296
Reserves	1,42,576	1,65,625	1,99,876	2,26,687	2,39,954	2,77,326	3,17,887
Net Worth	**1,42,872**	**1,65,921**	**2,00,172**	**2,26,983**	**2,40,250**	**2,77,622**	**3,18,183**
Minority Interest	57	71	92	132	827	827	827
Other liabilities	11,972	14,143	17,934	19,526	33,046	32,914	32,960
Capital Employed	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,11,363**	**3,51,970**
Net Block	**13,772**	**17,823**	**21,224**	**25,406**	**30,092**	**27,514**	**23,599**
Intangibles	14,861	15,452	15,078	14,212	14,604	14,604	14,604
Other LT Assets	27,805	29,789	50,798	57,303	50,292	55,688	58,599
Curr. Assets	**1,49,386**	**1,71,897**	**1,88,530**	**2,09,379**	**2,76,972**	**2,75,897**	**3,21,615**
Current Investments	57,882	53,349	77,494	88,999	1,25,168	1,45,168	1,65,168
Debtors	56,271	72,284	70,387	76,882	94,716	83,839	90,833
Cash & Bank Balance	14,462	23,389	18,200	20,623	23,311	8,937	24,870
Other Current Assets	20,771	22,875	22,449	22,875	33,777	37,952	40,744
Current Liab. & Prov	**50,923**	**54,826**	**57,432**	**59,659**	**97,837**	**62,339**	**66,447**
Trade payables	13,250	12,938	14,939	15,499	20,610	11,954	12,951
Other liabilities	31,381	33,754	34,007	34,469	65,486	38,644	41,755
Provisions	6,292	8,134	8,486	9,691	11,741	11,741	11,741
Net Current Assets	**98,463**	**1,17,071**	**1,31,098**	**1,49,720**	**1,79,135**	**2,13,558**	**2,55,168**
Application of Funds	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,11,363**	**3,51,970**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
EPS	133.5	151.8	154.8	155.3	182.5	214.3	232.5
Cash EPS	153.7	173.5	182.5	188.8	204.9	249.9	272.7
Book Value	483.0	560.9	676.0	766.2	816.2	935.7	1,072.5
DPS	63.9	60.0	65.0	65.0	75.2	88.3	95.8
Payout (%)	47.9	39.5	42.0	41.8	41.2	41.2	41.2
Valuation (x)							
P/E ratio	30.3	26.6	26.1	26.0	22.1	18.9	17.4
Cash P/E ratio	26.3	23.3	22.1	21.4	19.7	16.2	14.8
EV/EBITDA ratio	21.4	18.1	17.2	16.7	13.8	12.0	10.7
EV/Sales ratio	4.3	3.4	3.1	2.9	2.5	2.2	1.9
Price/Book Value ratio	8.4	7.2	6.0	5.3	5.0	4.3	3.8
Dividend Yield (%)	1.6	1.5	1.6	1.6	1.9	2.2	2.4
Profitability Ratios (%)							
RoE	36.6	26.1	24.4	23.3	21.3	24.5	23.1
RoCE	29.5	24.9	21.2	19.0	18.3	19.6	18.7
Turnover Ratios							
Debtors (Days)	79	80	72	74	82	64	64
Fixed Asset Turnover (x)	19.0	18.6	16.7	15.0	14.1	17.4	22.0

Cash Flow Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	44,695	48,591	50,720	50,261	53,157	74,149	80,908
Cash for Working Capital	-12,188	-17,645	5,975	-4,803	-5,169	-34,324	-8,543
Net Operating CF	**32,507**	**30,946**	**56,695**	**45,458**	**47,988**	**39,825**	**72,365**
Net Purchase of FA	-10,529	-9,346	-8,330	-9,336	-9,092	-8,000	-8,000
Free Cash Flow	**21,978**	**21,600**	**48,365**	**36,122**	**38,896**	**31,825**	**64,365**
Net Purchase of Invest.	-5,924	6,037	-30,791	-8,046	-8,587	-20,000	-20,000
Net Cash from Invest.	**-16,453**	**-3,309**	**-39,121**	**-17,382**	**-17,679**	**-28,000**	**-28,000**
Proc. from equity issues	2	12	0	0	0	0	0
Proceeds from LTB/STB	-3,529	-3,702	-4,947	-6,498	-9,353	0	0
Dividend Payments	-13,277	-15,627	-17,753	-19,246	-19,911	-26,198	-28,433
Cash Flow from Fin.	**-16,804**	**-19,317**	**-22,700**	**-25,744**	**-29,264**	**-26,198**	**-28,433**
Exchange difference	21	607	-63	91	1,643	0	0
Net Cash Flow	**-729**	**8,927**	**-5,189**	**2,423**	**2,688**	**-14,374**	**15,932**
Opening Cash Bal.	**15,191**	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**8,937**
Add: Net Cash	-729	8,927	-5,189	2,423	2,688	-14,374	15,932
Closing Cash Bal.	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**8,937**	**24,870**

E: MOFSL estimates

NOTES

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

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