Motilal Oswal Financial Services

16 July 2026
1QFY27 Results Update | Sector: Technology

Wipro

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	WPRO IN
Equity Shares (m)	10487
M.Cap.(INRb)/(USDb)	1760.4 / 18.3
52-Week Range (INR)	273 / 169
1, 6, 12 Rel. Per (%)	-3/-27/-28
12M Avg Val (INR M)	3561

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	926	986	1,026
EBIT Margin (%)	16.6	16.4	17.0
Adj. PAT	134	134	144
Adj. EPS (INR)	12.8	12.8	13.7
EPS Gr. (%)	2.2	(0.1)	7.2
BV/Sh. (INR)	84.5	74.8	78.4
Ratios			
RoE (%)	15.7	16.1	17.9
RoCE (%)	11.7	12.7	14.0
Payout (%)	85.9	60.0	70.0
Valuations			
P/E (x)	13.9	13.9	13.0
P/BV (x)	2.1	2.4	2.3
EV/EBITDA (x)	8.1	7.9	9.0
Div Yield (%)	6.2	4.3	5.4

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	72.6	72.6	72.7
DII	5.2	7.9	7.8
FII	11.3	10.9	11.0
Others	10.9	8.6	8.5

FII Includes depository receipts

CMP: INR178 TP: INR160 (-10%) Neutral

Growth recovery still elusive

2Q guidance points to another weak quarter; margins remain under pressure

- Wipro (WPRO) reported 1QFY27 IT Services revenue of USD2.6b, down 1.2% QoQ CC, in line with our estimate of a 1.3% QoQ decline. It posted an order intake of USD3.4b (down 2.4% QoQ cc), with a large-deal TCV of USD1.6b (up 12.9% QoQ cc). Adj. EBIT margin came in at 16% (est. 16.1%). Adj. PAT stood at INR34b (up 4.7% QoQ) vs. our estimate of INR34b.
- In INR terms, revenue/adj. EBIT/adj. PAT grew 10.6%/9.7%/0.6% YoY in 1QFY27. In 2QFY27, we expect revenue/adj. EBIT/adj. PAT to grow 8.1%/5.2%/1% YoY. We cut our FY27E EPS estimate by ~3.5%, primarily to factor in the weaker-than-expected 1Q margin performance and weaker 1H organic growth. **We value WPRO at 11x FY28E EPS and reiterate our Neutral rating with a TP of INR160.**

Our view: Flat FY27 growth remains our base case

- **Growth recovery still lacks clear evidence:** 1QFY27 revenue declined 1.2% QoQ CC and the midpoint of 2Q guidance (-1.5% to +0.5% QoQ CC) points to another soft quarter. While management highlighted improving traction in BFSI, Technology, and Europe, **some large deal closures and ramp-ups have slipped into 2Q. We believe demand remains constrained by longer decision-making and slower project execution**, while AI-led productivity continues to limit growth from the existing business. We expect WPRO to lag peers, **with FY27 likely to be another year of flat to slightly negative growth**.
- **Margin well below street estimates; recovery could remain under pressure amid continued investments:** EBIT margin contracted 120bp YoY to 16.0%, impacted by wage hikes, large-deal ramp-ups, acquisition integration, and continued AI investments. Although management reiterated its 17.0-17.5% margin aspiration, it refrained from providing a timeline for recovery. **We believe the remaining wage hike impact in 2Q, continued AI investments, and lower-margin deal ramp-ups are likely to keep margin recovery gradual**. We estimate EBIT margin of 16.4%/17.0% for FY27E/FY28**.**
- **AI-led productivity could keep pressure on the legacy business:** Management acknowledged that AI is improving productivity across software development and is increasingly being embedded into large outsourcing deals. **We believe productivity benefits will increasingly be passed on to clients as contracts come up for renewal**, keeping pressure on revenue growth in the legacy services business.
- **Recovery across verticals remains uneven:** Technology & Communications continues to hold up well, while management expects BFSI to improve as recent deal wins ramp up. However, **Healthcare remains weak due to spending pressure in the US payer and provider market**, while EMR continues to face a soft demand environment despite a few recent wins. We believe recovery is **still limited to a few pockets**, with broad-based improvement in demand likely to take longer.

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Revenues and margin in line with our estimates; 2QFY27 guidance at -1.5% to 0.5% CC

- IT Services revenue at USD2.6b declined 1.2% QoQ in CC (reported USD revenue was down 1.4% QoQ), in line with our estimate of 1.3% QoQ CC decline.
- In 1QFY27, Technology & Communications/Consumer grew 0.2%/0.7% QoQ CC, while BFSI/Health/Energy declined 1.2%/2.6%/3.6% QoQ CC.
- APMEA grew 4.4% QoQ CC, while Americas 2 declined 2.5% QoQ CC, Americas 1 declined 2.3% QoQ CC, and Europe declined 0.9% QoQ cc.
- Overall, Adj. EBIT margin was 16% (down 120bp QoQ) and in line with our estimate of 16.1%.
- Adj. PAT declined 4.7% QoQ/rose 0.6% YoY to INR34b (against our est. of INR34b).
- WPRO reported a deal TCV of USD3.4b in 1QFY27, declining 2.4% QoQ cc, while large TCV stood at USD1.6b, rising 12.9% QoQ cc.
- 2QFY27 revenue guidance was -1.5% to 0.5% in CC terms.
- Net utilization (excl. trainees) rose 10bp to 83.6% (vs. 83.5% in 4QFY26). Attrition (LTM) rose 10bp QoQ to 13.9%.
- The Board of Directors approved an interim dividend of INR2/share.

Key highlights from the management commentary

- Macro environment remains resilient, but uncertainty continues to shape client decision-making, leading to longer decision cycles and more rigorous evaluation of tech spend.
- Management believes AI disruption is expanding the market, not shrinking it; clients continue to invest in AI, cloud modernization, cybersecurity, and productivity-led transformation, albeit with tighter linkage between investment and outcomes.
- Despite selective client spending, the pipeline remains healthy with strong engagement across markets and industries.
- Management flagged that some large-deal decisions slipped into 2Q, though the underlying pipeline remains healthy with no signs of vendor-consolidation deal loss.
- 2QFY27 guidance was pegged at -1.5% to +0.5% QoQ CC (USD2.574b–USD2.627b), reflecting continued macro and geopolitical uncertainty.
- Management highlighted ‘reimagined AI’ as the next growth vector, spanning AI advisory, data priming, agent orchestration, model ops, and sovereign AI, with token economics and RoI scrutiny increasingly shaping client conversations (CFOs weighing high-end LLMs vs. open-source models).
- The company completed an acquisition during the quarter (Mindsprint) and has transitioned from integration planning into execution. It is also deepening a partner relationship and exploring opportunities in the food & agriculture sector.

Valuations and view

- We continue to model another weak year for WPRO, with flat to slightly negative FY27E CC revenue growth, reflecting a soft 1H, slower deal ramp-ups, and an uneven recovery across verticals. We also expect margin recovery to remain gradual, as continued AI investments, the remaining wage hike impact in 2Q, and deal ramp-ups offset operational improvements.
- We cut our FY27E EPS estimate by ~3.5%, primarily to factor in the weaker-than-expected 1Q margin performance and weaker 1H organic growth. We value WPRO at 11x FY28E EPS and reiterate our Neutral rating with a TP of INR160.

Quarterly Performance (IFRS) (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	VAR.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(% / bp)
IT Services Revenue (USD m)	**2,587**	**2,604**	**2,635**	**2,651**	**2,614**	**2,587**	**2,602**	**2,628**	**10,478**	**10,432**	**2,610**	**0.1**
QoQ (%)	-0.4	0.7	1.2	0.6	-1.4	-1.0	0.6	1.0	-0.3	-0.4	-1.5	14bp
Overall Revenue (INR b)	**221**	**227**	**236**	**242**	**245**	**245**	**247**	**249**	**926**	**986**	**249**	**-1.9**
QoQ (%)	-1.6	2.5	3.8	2.9	1.0	0.2	0.6	1.0			2.9	-193bp
YoY (%)	0.8	1.8	5.5	7.7	10.6	8.1	4.8	2.8	4.0	6.5	12.7	-211bp
GPM (%)	**29.0**	**29.6**	**30.3**	**29.0**	**28.5**	**29.0**	**29.3**	**29.5**	**29.5**	**29.1**	**28.4**	**15bp**
SGA (%)	12.9	13.2	14.2	11.9	12.9	13.1	13.2	13.0	13.0	13.0	12.4	45bp
EBITDA	**43**	**45**	**46**	**49**	**47**	**47**	**48**	**50**	**183**	**192**	**48**	**-2.5**
EBITDA Margin (%)	**19.3**	**19.8**	**19.6**	**20.3**	**19.2**	**19.4**	**19.6**	**20.0**	**19.8**	**19.5**	**19.3**	**-11bp**
EBIT Margin (%)	**16.1**	**16.7**	**16.5**	**17.2**	**16.0**	**16.2**	**16.4**	**16.8**	**16.6**	**16.4**	**16.1**	**-11bp**
Other income	7	5	6	5	4	4	4	4	22	16	4	-1.5
ETR (%)	21.6	23.8	23.6	24.4	22.6	24.7	24.7	24.7	23.4	24.2	23.4	-82bp
Adj PAT	**33**	**32**	**34**	**35**	**34**	**33**	**33**	**34**	**134**	**134**	**34**	**-0.8**
Exceptional Items	0.0	0.0	2.4	-0.2	0.0	0.0	0.0	0.0	2.3	0.0	0.0	
PAT	**33**	**32**	**31**	**35**	**34**	**33**	**33**	**34**	**132**	**134**	**34**	**-0.8**
QoQ (%)	-6.7	-2.5	-3.9	11.8	-3.8	-2.2	1.7	3.1			-3.1	-76bp
YoY (%)	10.9	1.2	-7.0	-2.3	0.6	1.0	6.9	-1.4	0.5	1.6	1.4	-80bp
EPS (INR)	3.2	3.1	3.2	3.3	3.2	3.1	3.2	3.3	12.8	12.8	3.6	-12.0

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	-1.0	0.6	0.1	-0.8	-2.0	
Margins						
Gross Margin	30.2	30.5	31.0	30.9	29.0	29.5
EBIT Margin	16.4	16.7	17.5	17.4	16.1	16.6
Net Margin	13.7	14.4	15.0	15.9	15.0	14.5
Operating metrics						
Headcount (k)	233	234	233	233	233	242
Attrition (%)	14.1	14.5	15.3	15.0	15.1	13.8
Utilization	87.7	86.4	83.5	84.6	85	84.5
Key Verticals (QoQ CC %)						
BFSI	0.5	2.7	-1.9	-0.5	-3.8	-1.9
Retail	1.6	0.3	-0.9	-1.3	-4	-5.5

CONFERENCE CALL

Highlights from the management commentary

1QFY27 performance and demand outlook

- Macro environment remains resilient but uncertainty continues to shape client decision-making, leading to longer decision cycles and more rigorous evaluation of tech spend.
- Management believes AI disruption is expanding the market, not shrinking it; clients continue to invest in AI, cloud modernization, cybersecurity, and productivity-led transformation, albeit with tighter linkage between investment and outcomes.
- Despite selective client spending, the pipeline remains healthy with strong engagement across markets and industries.
- Management flagged that some large-deal decisions slipped into 2Q, though the underlying pipeline remains healthy with no signs of vendor-consolidation deal loss.
- 2QFY27 guidance was pegged at -1.5% to +0.5% QoQ CC (USD2.574b–USD2.627b), reflecting continued macro and geopolitical uncertainty.
- Management highlighted ‘reimagined AI’ as the next growth vector, spanning AI advisory, data priming, agent orchestration, model ops, and sovereign AI, with token economics and RoI scrutiny increasingly shaping client conversations (CFOs weighing high-end LLMs vs. open-source models).
- The company completed an acquisition during the quarter (Mindsprint) and has transitioned from integration planning into execution. It is also deepening a partner relationship and exploring opportunities in the food & agriculture sector.
- IT service revenue came in at USD2.61b, rising 0.9% YoY but declining 1.2% QoQ in CC, within the guided range.
- Key wins included a global animal healthcare provider (operations modernization via Wipro Intelligence) and a European specialty chemicals company (application landscape transformation via the ‘wings’ platform, AI-powered digital command center).
- Order booking totaled USD3.4b, including USD1.6b of large deal TCV across 13 large deals.
- **BFSI:** BFSI grew 2.6% YoY but declined 1.2% QoQ in CC, with growth led by Europe (large-deal ramp-ups) and APMEA (ramp-ups plus new wins). Cost optimization and vendor consolidation remain key demand drivers, with savings increasingly reinvested into AI.
- **Healthcare:** Healthcare declined 2.6% QoQ/3.0% YoY, pressured by structural and demographic headwinds in the US healthcare ecosystem and budget reallocation toward AI/compliance spend. Emerging opportunities are seen in claims processing, contact-center AI, and regulatory (HIPAA) compliance.
- **Manufacturing:** Consumer grew 1.9% YoY/0.7% QoQ; tech & communications was the standout segment, rising 10.8% YoY, led by strength in the Americas.
- **EMR:** EMR declined 3.6% QoQ/8.9% YoY, with softness concentrated in Europe and APMEA, though the recent chemicals-sector deal win is expected to support recovery; segment remained strong in the Americas, including LatAm.
- Headcount increase was driven entirely by the recent acquisition; excluding acquired headcount, organic headcount declined ~2,500 QoQ.

- The company launched an Applied AI Center of Excellence for Claude models, built in partnership with Anthropic, to strengthen frontier AI adoption with enterprise-grade governance.
- The AI-native Business & Platforms unit has moved from strategy to execution, building industry-specific AI platforms and forging ecosystem partnerships.
- Management cited multiple live client engagements, including a multi-agent healthcare system that reduced provider-enrollment processing time by up to 70% and manual effort by up to 90%; AI-led model safety/reasoning work for a global tech client; pharmacovigilance transformation for a life-sciences client; enterprise robotics roadmap for an energy client.

Margin outlook

- IT services margin stood at 16%, down 120bp YoY, driven by salary hike impact, large-deal ramp-up costs, AI investments, and acquisition integration expenses, partly offset by rupee depreciation and opex efficiencies.
- Management reiterated its 17–17.5% target band but declined to commit to a timeline, citing continued investment in the AI-native business, talent, and infrastructure; recovery levers include automation, bench utilization, pyramid restructuring, and agent-led delivery.
- On AI-driven deal economics, CFO noted that margin impact is deal-specific, not uniform — large traditional cost-optimization/vendor-consolidation deals carry near-term margin pressure as forward productivity gains get baked into pricing upfront, while newer "reimagined AI" engagements (data/AI advisory, smaller modernization pockets) are expected to be margin-accretive with premium rate realization.
- Management also flagged that rising competitive intensity in traditional IT/BPO work (as clients push to divert compressed budgets toward AI) is a source of margin pressure, whereas net-new AI programs carry better margin profiles than legacy cost-takeout deals. Management indicated it does not intend to trade margin for growth in the competitive segment.

Exhibit 1: Technology and Consumer grew 0.2%/0.7% QoQ CC

Verticals (QoQ CC, %)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
BFSI	-4.3	-3.0	-4.3	2.1	0.5	2.7	-1.9	-0.5	-3.8	2.2	2.6	-1.3	-1.2
Communications	-0.5	-7.2	-8.6	-4.8	-1.8	1.6	0.0	-4.8	-1.8	1.6	0.0	-4.8	-1.8
Consumer Business Unit	-3.5	-2.3	-1.0	-0.6	1.6	0.3	-0.9	-1.3	-4.0	-1.7	0.7	1.7	0.7
Energy, Natural Resources & Utilities	-4.9	-5.3	0.7	-0.3	-6.3	-3.7	0.4	1.1	-0.7	-1.5	-4.9	1.1	-3.6
Health Business Unit	-1.3	1.4	7.5	1.2	-2.8	-0.5	6.7	-3.1	0.5	-0.2	4.2	-4.4	-2.6
Manufacturing	0.9	-5.4	-6.1	-0.6	-3.0	-2.0	0.0	-0.6	-3.0	-2.0	0.0	-0.6	-3.0
Technology	0.1	5.8	-1.9	-6.0	-0.5	1.6	-0.6	-0.9	0.4	0.8	4.2	5.3	0.2

Source: Company, MOFSL

Exhibit 2: APMEA led growth in 1QFY27

Geographies (QoQ CC, %)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Americas 1	-1.1	1.0	2.0	-1.8	0.4	1.2	3.9	0.2	0.6	0.5	1.8	0.3	-2.3
Americas 2	-4.2	-2.3	-1.3	1.9	-0.7	0.8	-0.6	-1.0	-1.7	-2.0	-0.8	-2.6	-2.5
Europe	-3.4	-5.1	-4.3	-0.1	-1.4	-0.1	-2.7	-2.5	-6.4	1.4	3.3	2.0	-0.9
APMEA	-1.9	-0.5	-5.4	-2.2	-4.2	0.3	-2.1	1.0	0.6	3.1	1.7	3.1	4.4

Source: Company, MOFSL

Valuations and view

- We continue to model another weak year for WPRO, with flat to slightly negative FY27E CC revenue growth, reflecting a soft 1H, slower deal ramp-ups, and an uneven recovery across verticals. We also expect margin recovery to remain gradual, as continued AI investments, the remaining wage hike impact in 2Q, and deal ramp-ups offset operational improvements.
- We cut our FY27E EPS estimate by ~3.5%, primarily to factor in the weaker-than-expected 1Q margin performance and weaker 1H organic growth. We value WPRO at 11x FY28E EPS and reiterate our Neutral rating with a TP of INR160.

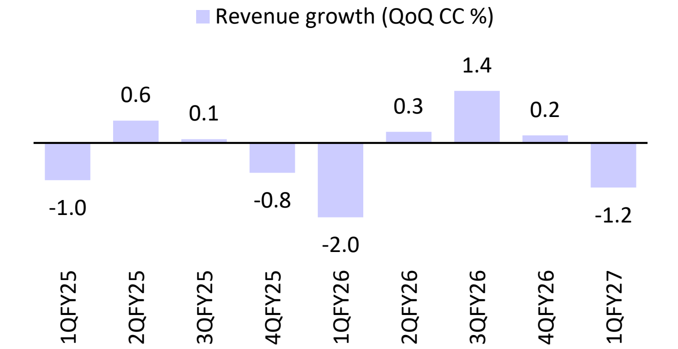
Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	95.0	94.5	95.0	0.0%	0.0%
IT Services USD Revenue - m	10,432	10,763	10,520	10,825	-0.8%	-0.6%
YoY CC Growth (%)	(0.1)	3.3	0.8	3.1	-80bps	30bps
EBIT margin - Overall (%)	16.4	17.0	16.8	16.9	-40bps	20bps
Adj. PAT (INR B)	134.0	143.6	139.0	143.1	-3.6%	0.4%
Adj. EPS	12.78	13.70	13.24	13.62	-3.4%	0.6%

Source: MOFSL

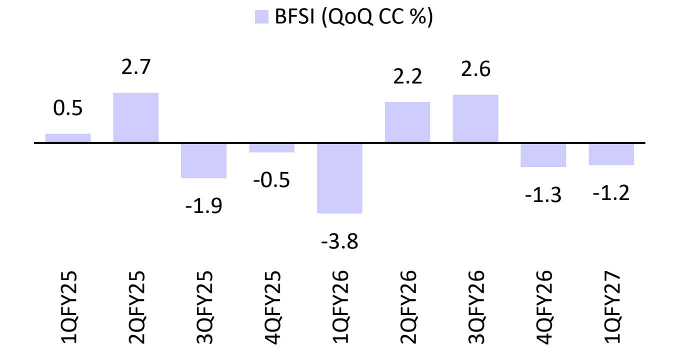
Story in charts

Exhibit 4: WPRO revenue decline 1.2% QoQ CC



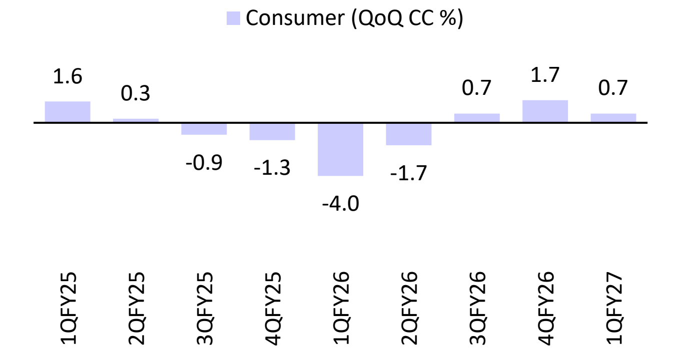
Source: Company, MOFSL

Exhibit 5: BFSI declined 1.2% QoQ cc in 1QFY27



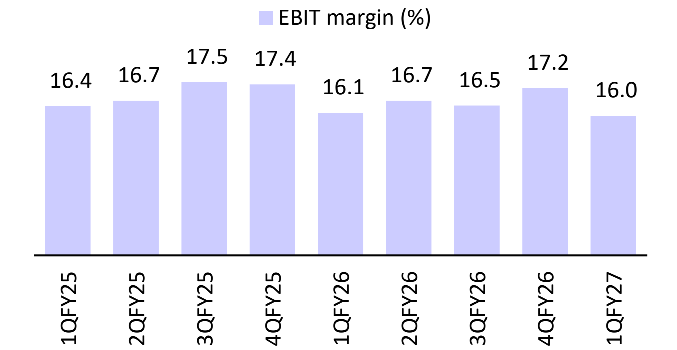
Source: Company, MOFSL

Exhibit 6: Consumer grew 0.7% QoQ cc



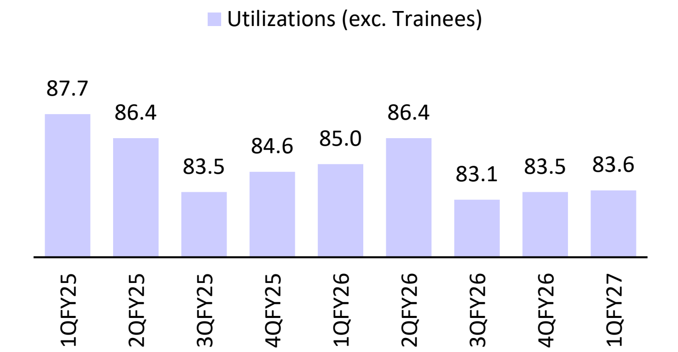
Source: Company, MOFSL

Exhibit 7: EBIT margin contracted 120bp QoQ



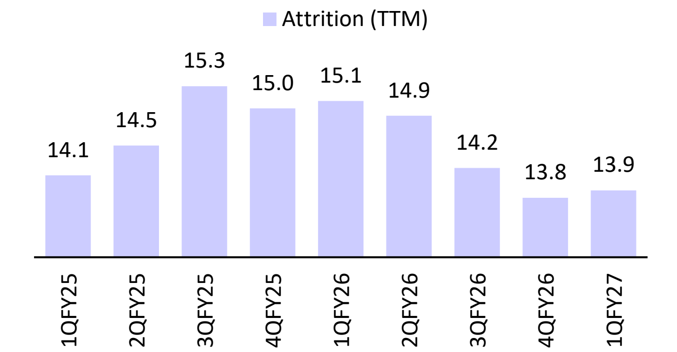
Source: Company, MOFSL

Exhibit 8: Utilization increased 10bp to 83.6%



Source: Company, MOFSL

Exhibit 9: Attrition rose 10bp to 13.9% in 1QFY27



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Verticals (%)									
Finance Solutions	34.0	34.8	34.1	34.2	33.6	34.3	34.6	34.1	34.1
Healthcare Life Sciences	13.9	13.6	14.7	14.4	14.6	14.5	14.9	14.2	14.0
Energy, Manufacturing and Resources	17.6	17.0	16.9	17.3	17.7	17.4	16.3	16.5	16.1
Consumer	19.2	19.2	19.0	18.9	18.6	18.2	18.2	18.4	18.8
Technology & Communications	15.3	15.4	15.3	15.2	15.5	15.6	16.0	16.8	17.0
Geography (%)									
Americas 1	30.9	30.8	32.3	32.8	33.1	33.0	33.2	33.2	35.2
Americas 2	30.8	30.6	30.6	30.6	30.4	29.6	29.0	28.1	25.4
Europe	27.6	27.9	26.7	26.1	25.7	26.3	26.7	27.2	27.2
APMEA	10.7	10.7	10.4	10.5	10.8	11.1	11.1	11.5	12.2
Customer size distribution (TTM)									
Over USD100m	22	21	18	17	16	16	16	16	16
Over USD75m	29	30	30	28	27	29	31	29	32
Over USD50m	43	42	42	44	47	45	45	45	45
Over USD20m	117	117	114	111	109	104	103	106	110
Over USD10m	192	186	187	181	180	177	177	183	184
Over USD5m	301	297	290	289	281	272	281	289	287
Over USD3m	407	411	403	398	397	393	390	391	394
Over USD1m	735	733	722	716	725	730	722	715	714
Customer metrics									
Revenue from existing customers (%)	99.7	99.4	98.8	98.1	99.6	98.6	96.5	94.7	98.9
Number of new customers	43	28	63	63	49	45	92	30	49
Total number of active customers	1364	1342	1299	1282	1266	1257	1272	1233	1233
Employee metrics									
Closing headcount – IT Services (k)	233	234	233	233	233	235	242	242	243
Sales and support staff – IT Services (k)	0	0	0	15	0	0	0	0	0
Utilization									
Net utilization (excluding trainees, %)	87.7	86.4	83.5	84.6	85.0	86.4	83.1	83.5	83.6
Attrition									
Voluntary TTM	14.1	14.5	15.3	15.0	15.1	14.9	14.2	13.8	13.9
Customer concentration (%)									
Top customer	4.0	4.1	4.5	4.4	4.7	4.8	4.7	4.3	4.4
Top five	13.6	14.0	14.3	14.5	14.7	14.4	14.4	13.8	14.3
Top 10	22.5	22.9	23.7	24.2	24.5	24.0	23.7	23.1	23.6

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**791**	**905**	**896**	**891**	**926**	**986**	**1,026**
Change (%)	27.7	14.4	-0.9	-0.6	4.0	6.5	4.1
Operating Costs	556	645	631	618	653	699	718
Gross Profit	**235**	**259**	**266**	**273**	**273**	**287**	**309**
SG&A	97	120	130	122	119	125	134
EBITDA	**169**	**173**	**170**	**181**	**183**	**192**	**207**
% of Net Sales	21.4	19.1	19.0	20.3	19.8	19.5	20.2
Depreciation & Amort.	31	33	34	30	29	31	32
EBIT	**138**	**140**	**136**	**151**	**154**	**161**	**175**
% of Net Sales	17.5	15.4	15.2	17.0	16.6	16.4	17.0
Other Income	13	8	11	24	22	16	16
PBT	**151**	**148**	**147**	**175**	**176**	**178**	**191**
Tax	29	34	36	43	41	43	47
Rate (%)	19.1	23.0	24.5	24.5	23.4	24.2	24.4
Extraordinary items	0	0	0	0	2	0	0
Minority Interest	0	0	1	1	1	1	1
Adjusted PAT	**122**	**114**	**110**	**131**	**134**	**134**	**144**
Change (%)	13.2	-7.1	-2.9	19.2	2.2	-0.2	7.1

Balance Sheet							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	11	11	10	21	21	21	21
Reserves	647	770	739	807	864	762	799
Net Worth	**658**	**781**	**750**	**828**	**885**	**783**	**820**
Minority Interest & others	56	66	88	108	129	130	146
Loans	152	150	141	162	168	158	148
Capital Employed	**866**	**997**	**979**	**1,098**	**1,182**	**1,070**	**1,114**
Gross Block	338	369	395	432	465	488	509
Less : Depreciation	228	262	296	325	354	385	418
Net Block	110	107	100	106	110	103	91
Investments	20	22	23	28	30	30	30
Intangible Assets	291	351	349	352	417	417	417
Other non-current assets	38	35	31	22	36	42	44
Curr. Assets	**621**	**661**	**651**	**778**	**826**	**731**	**792**
Debtors	176	187	174	182	213	219	228
Inventories	1	1	1	1	1	1	1
Cash & Bank Balance	104	92	97	122	106	94	158
Adv., Other Current Assets	98	72	68	62	70	80	78
Investments	242	309	311	411	438	338	328
Current Liab. & Prov	**213**	**179**	**173**	**188**	**237**	**253**	**260**
Net Current Assets	**408**	**482**	**477**	**589**	**589**	**478**	**532**
Application of Funds	**866**	**997**	**979**	**1,098**	**1,182**	**1,070**	**1,114**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
EPS	**11.0**	**10.4**	**10.2**	**12.5**	**12.8**	**12.8**	**13.7**
Cash EPS	14.0	13.4	13.5	15.4	15.8	15.8	16.8
Book Value	60.2	71.3	70.9	79.2	84.5	74.8	78.4
DPS	3.0	0.5	0.0	6.0	11.0	7.7	9.6
Payout %	27.3	4.8	1.6	47.9	85.9	60.0	70.0
Valuation (x)							
P/E	16.2	17.2	17.4	14.2	13.9	13.9	13.0
Cash P/E	12.7	13.3	13.1	11.6	11.3	11.3	10.6
EV/EBITDA	10.4	9.8	9.5	8.2	8.1	7.9	9.0
EV/Sales	2.2	1.9	1.8	1.7	1.6	1.5	1.8
Price/Book Value	3.0	2.5	2.5	2.2	2.1	2.4	2.3
Dividend Yield (%)	1.7	0.3	0.0	3.4	6.2	4.3	5.4
Profitability Ratios (%)							
RoE	20.2	15.8	14.4	16.6	15.7	16.1	17.9
RoCE	16.3	12.8	11.3	12.0	11.7	12.7	14.0
Turnover Ratios							
Debtors (Days)	81	75	71	75	84	81	81
Asset Turnover (x)	0.8	0.8	0.8	0.7	0.7	0.7	0.8
Leverage Ratio							
Debt/Equity Ratio(x)	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Cash Flow Statement (INR b)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
CF from Operations	147	145	158	159	163	165	176
Cash for Wkg. Capital	-36	-15	19	10	-14	-6	15
Net Operating CF	**111**	**131**	**176**	**169**	**149**	**159**	**191**
Net Purchase of FA	-19	-14	-6	-13	-15	-20	-21
Other change in investments	-205	-70	18	-68	-19	96	10
Net Cash from Invest.	**-224**	**-84**	**12**	**-81**	**-33**	**76**	**-11**
Issue of Shares/Other adj	0	0	0	0	-1	0	0
Proceeds from LTB/STB	53	-28	-177	-1	-26	-166	-16
Dividend Payments	-7	-33	-6	-63	-115	-80	-100
Net CF from Finan.	**47**	**-61**	**-183**	**-64**	**-141**	**-247**	**-117**
Free Cash Flow	91	116	170	156	134	139	170
Net Cash Flow	**-67**	**-14**	**5**	**25**	**-25**	**-11**	**64**
Forex difference	1	2	0	0	9	0	0
Opening Cash Bal.	**168**	**102**	**90**	**95**	**120**	**104**	**93**
Add: Net Cash	-66	-12	5	25	-16	-11	64
Closing Cash Bal.	**102**	**90**	**95**	**120**	**104**	**93**	**157**

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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