12 October 2026
2QFY27 Results Update | Sector: Technology

HCL Technologies

Estimate change	⇧
TP change	⇔
Rating change	⇔

Bloomberg	HCLT IN
Equity Shares (m)	2714
M.Cap.(INRb)/(USDb)	3318.8 / 34.6
52-Week Range (INR)	1780 / 1030
1, 6, 12 Rel. Per (%)	6/-9/-7
12M Avg Val (INR M)	4763

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	1,301	1,442	1,523
EBIT Margin (%)	17.2	17.6	18.0
PAT	170	201	217
EPS (INR)	64.0	74.1	80.1
EPS Gr. (%)	0.2	15.7	8.2
BV/Sh. (INR)	258	255	250
Ratios			
RoE (%)	24.9	28.9	31.8
RoCE (%)	24.2	27.8	30.1
Payout (%)	84.4	90.0	90.0
Valuations			
P/E (x)	19.1	16.5	15.3
P/BV (x)	4.7	4.8	4.9
EV/EBITDA (x)	12.0	10.7	9.7
Div Yield (%)	4.4	5.4	5.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	60.9	60.9	60.8
DII	18.8	19.0	16.2
FII	15.2	15.8	18.7
Others	5.2	4.4	4.3

FII Includes depository receipts

CMP: INR1,223 TP: INR1,450 (+19%) Buy

AI momentum strengthens, but guidance remains cautious

Organic growth guidance unchanged at the midpoint; large-deal ramp-up to support FY28E growth

- HCL Technologies (HCLT) reported 2QFY27 revenue of USD3.7b, rising 2.3% QoQ CC, below our estimate of 3% QoQ CC. EBIT margin came in at 18.2%, in line with our estimate of 18.1%. New deal TCV was USD3.3b (up 26.8% YoY) in 2QFY27. For FY27, revenue growth guidance was raised at the lower end to 2.5–4.0% YoY in CC (from 1.0-4.0%), driven by M&A; organic guidance remained unchanged. IT Services revenue growth guidance was revised to 3–4% YoY CC from 1.5–4.5%, reflecting a cut of 50bp at the upper end. EBIT margin guidance of 17.5–18.5% is in line with our estimates.
- For 1HFY27, revenue/EBIT/adj. PAT grew 12.7%/17.2%/20.8% YoY in INR terms. We expect revenue/EBIT/PAT to grow 9.1%/9.4%/11.2% YoY in 2HFY27. Free cash flow stood at 87% of net profit for 2QFY27. We **reiterate our BUY rating with an unchanged TP of INR1,450, based on 18x FY28E EPS.** We maintain HCLT as our preferred pick in the large cap space.

Our view: Pipeline and bookings support near-term growth outlook, although macro uncertainty remains

- FY27 **organic growth guidance remains broadly unchanged** at the midpoint, although the **upper end has been lowered by 50bp**. While we believe the market was not factoring in growth at the upper end, the reduction **is a slight dampener**. Services growth is expected **to be better than the midpoint**. The USD1.14b Mercedes-Benz deal is expected to start contributing in 1QFY28. We estimate **~1.3% contribution to growth and build in 5.1% YoY CC growth for FY28** versus 3.3% for FY27, with large-deal ramp-ups supporting growth into FY28.
- Advanced AI revenue grew **28.4% QoQ CC and 78% YoY CC to USD219m**, equivalent to **~5.9% of quarterly revenue**, with an annualized run rate of USD876m. Higher-margin AI services **contributed 32bp to sequential EBIT margin expansion**, while management indicated that Advanced AI services margins are expected to be 7–10pp above traditional services. **Non-AI revenue remained subdued, declining 1% YoY.**
- **The Anthropic partnership expands HCLT's enterprise AI ecosystem and monetization opportunities.** The global premier partnership with Anthropic complements the existing Open AI relationship and is expected to support enterprise adoption of agentic AI, with a focus on safety, cybersecurity, and governance. Management indicated that implementation revenue will largely follow a services model, while integration of AI Force and other software products could support a more non-linear model, including token-related pricing.

Abhishek Pathak - Research Analyst (Abhishek.Pathak@MotilalOswal.com)
Keval Bhagat - Research Analyst (Keval.Bhagat@MotilalOswal.com) | **Suket Kothari - Research Analyst** (Suket.Kothari@MotilalOswal.com)

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- **1HFY27 bookings were the strongest ever for a first half**, with 2Q bookings of **USD3.3b, rising 27% YoY**. Demand remained healthy toward the end of the quarter, although **discretionary spending and the broader operating environment remain fluid**. We expect large-deal ramp-ups and AI-led engagements to **support sequential growth over the next 3–4 quarters**.
- EBIT margin **expanded 131bp QoQ** to 18.2%, aided by operating efficiencies, operating leverage, and the contribution from Advanced AI. Management indicated that the **desired margin band remains 18–19%** but has not committed to a higher range, given the need to reinvest in capabilities and AI talent. We expect **EBIT margin to reach 18% in FY28**, with further expansion dependent on the balance between AI-led productivity gains and reinvestment.

Miss on revenues but margins in line with our estimates; mid-point of organic growth guidance remains unchanged

- HCLT's revenue rose 2.3% QoQ in CC, below our estimate of 3% QoQ CC.
- New deal TCV stood at USD3.3b (up 35.4%/up 26.8% QoQ/YoY) in 2QFY27.
- Advanced AI services revenue stood at USD219m in 2QFY27, rising 28.4%/78% QoQ/YoY CC.
- ER&D/IT Business increased 4.1%/2.7% QoQ CC, while P&P declined 5.8% QoQ CC.
- For 2QFY27, EBIT margin was 18.2%, in line with our estimate of 18.1%.
- For FY27, revenue growth guidance was raised at the lower end to 2.5–4.0% YoY in CC (from 1.0-4.0%), driven by M&A; organic guidance remained unchanged. IT Services revenue growth guidance was revised to 3–4% YoY CC from 1.5–4.5%, reflecting a cut of 50bp at the upper end. EBIT margin guidance of 17.5–18.5% is in line with our estimates.
- In 2QFY27, Adj. PAT rose 11% QoQ and 21.2% YoY to INR51b vs. est. of INR51b.
- LTM attrition improved 10bp QoQ to 12.8%. Net employee headcount increased 2.9% in 2QFY27 and stood at 230,339 by the end of 2QFY27. HCLT added 6,136 freshers in this quarter.
- LTM FCF to net income stood at 87%.
- Management declared an interim dividend of INR12/share for 2QFY27.

Key highlights from the management commentary

- Pipeline remains strong and balanced across service lines, verticals, and geographies, with healthy demand seen toward the quarter-end.
- Management remains cautious amid a fluid and volatile environment and has refrained from raising the upper end of its guidance.
- Renewals are expected to return in FY28 and FY29, and the ARR-revenue gap should narrow once multi-year cyclicality is excluded.
- FY27 revenue growth guidance for the company is ~2.5-4% CC and for services ~3-4% CC, including inorganic contribution of ~87bp and ~62bp, respectively.
- US Department of Labor's decision on the PERM program is not expected to materially affect talent plans, as filings in recent years have been minimal.
- AI was a central theme in every large deal, with AI-led transformation now a key enabler of most large wins.

- Management expects legacy and product modernization to emerge as a key growth vector, with several large deals now carrying a specific AI Force platform line item.

Valuation and view

- We expect HCLT to deliver a USD revenue CAGR of ~4% and INR PAT CAGR of ~12% over FY26–28, with **EBIT margin reaching ~18%.** While FY27E growth remains constrained by **client-specific challenges** in the telecom and manufacturing vertical, **strong bookings, accelerating Advanced AI revenue, and the ramp-up of large deals** provide support for a stronger growth trajectory in FY28E. AI-led productivity gains and a higher-margin revenue mix should also support profitability.
- 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 increased our EPS estimates for FY28E by 1.9% and **reiterate our BUY rating with an unchanged TP of INR1,450 based on 18x FY28E EPS.** We maintain HCLT as our preferred pick in the large-cap space**.**

Exhibit 1: Advanced AI services revenue for 2QFY27 was USD219m, rising 28.4% QoQ CC

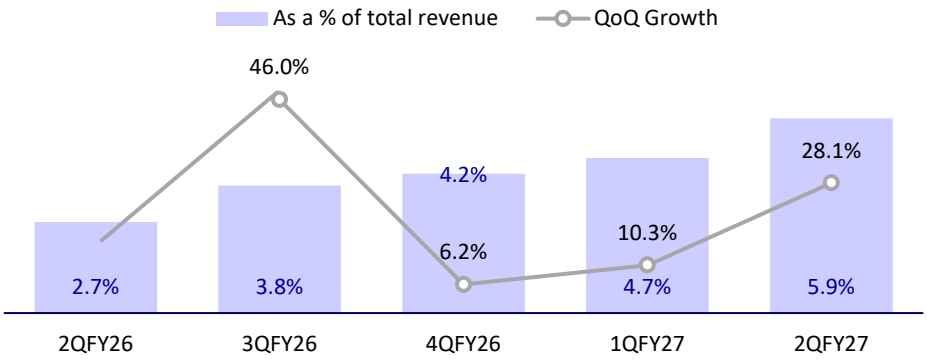


Exhibit 2: Realizations have improved 0.5% YoY

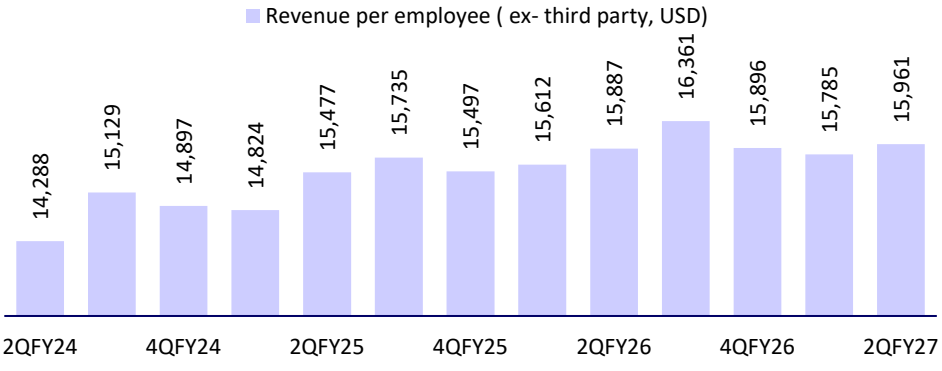
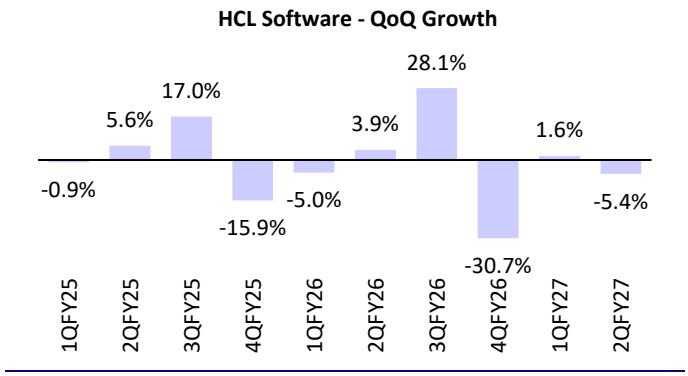
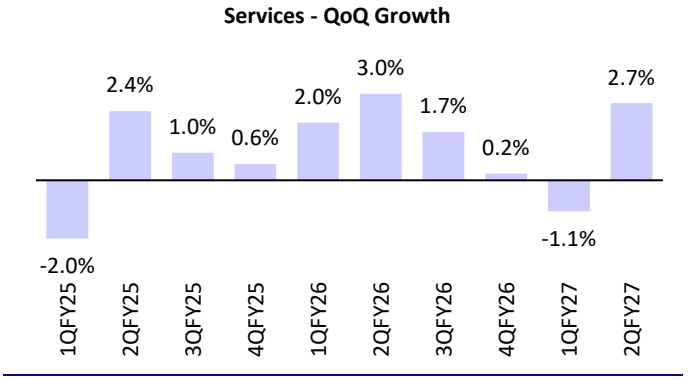


Exhibit 3: P&P business declined 5.4% QoQ



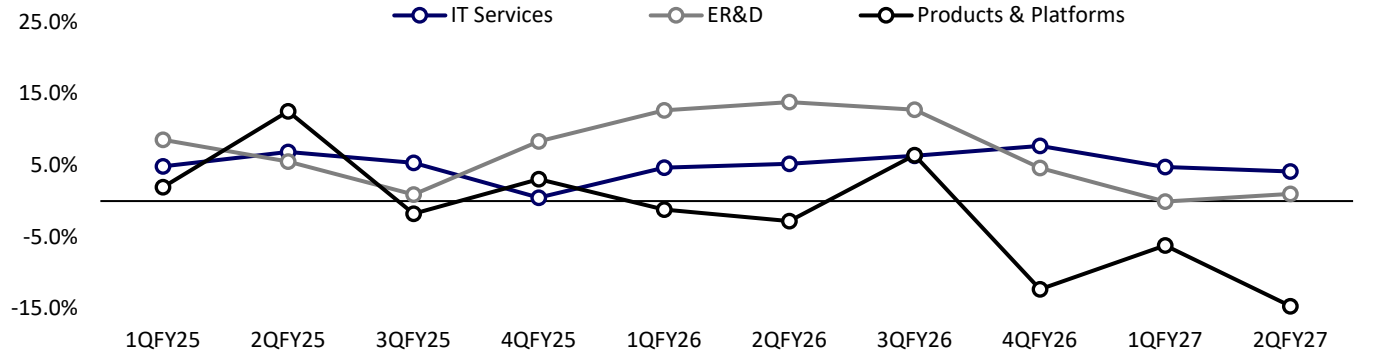
Source: MOFSL, Company

Exhibit 4: FY27 IT services growth guidance revised to 3.0-4.0% YoY CC



Source: MOFSL, Company

Exhibit 5: IT services and ER&D growth remained relatively resilient, while P&P growth stayed volatile



Source: Company, MOFSL

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

Geographies (YoY CC Growth, %)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Americas	3.9	6.7	6.8	8.0	7.5	6.2	0.1	0.5	2.4	1.5	4.9	2.9	3.5
Europe	3.9	1.7	5.5	3.0	4.2	2.6	4.3	9.6	7.6	4.6	-2.9	0.1	-0.3
ROW	-3.6	-7.5	-7.1	-3.6	-2.6	2.9	23.2	15.0	17.9	22.1	16.6	10.8	11.4
India								1.3	0.6	15.8	5.3	16.9	21.8

Source: Company, MOFSL

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

Verticals (YoY CC Growth, %)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Financial Services	12.5	12.9	12.1	-1.3	-4.5	-1.4	0.7	6.8	11.4	8.1	4.3	5.3	7.1
Manufacturing	3.3	5.8	9.8	3.5	7.1	0.0	-6.1	-1.0	-1.8	1.8	3.3	3.7	3.9
Technology & Services	-9.5	-9.2	-8.6	2.7	5.6	7.6	10.8	13.7	13.9	14.4	17.8	7.3	5.9
Retail & CPG	8.1	11.7	8.2	9.7	6.2	17.2	9.5	8.2	5.5	-2.0	3.5	10.1	14.0
Telecommunications, Media, Publishing & Entertainment	-10.4	8.3	6.5	69.2	61.2	33.1	24.3	13.0	11.7	7.1	-8.6	-10.9	-2.1
Lifesciences & Healthcare	9.8	0.5	5.4	-4.1	-2.8	-1.1	-7.4	-4.0	-3.0	-1.4	1.6	0.4	-2.1
Public Services	1.7	-0.6	0.1	-3.7	-2.0	-4.6	-0.5	-2.4	2.2	8.0	10.7	12.0	1.2

Source: Company, MOFSL

Quarterly Performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	Est. 2QFY27	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	**3,545**	**3,644**	**3,793**	**3,682**	**3,650**	**3,724**	**3,868**	**3,866**	**14,664**	**15,108**	**3,755**	**-0.8**
QoQ (%)	1.3	2.8	4.1	-2.9	-0.9	2.0	3.9	0.0	6.0	3.0	2.9	-86bp
Revenue (INR b)	**303**	**319**	**339**	**340**	**346**	**356**	**370**	**370**	**1,301**	**1,442**	**359**	**-0.7**
YoY (%)	8.2	10.7	13.3	12.3	13.9	11.5	9.3	8.9	11.2	10.8	12.3	-83bp
GPM (%)	**33.7**	**34.1**	**34.7**	**33.7**	**33.4**	**34.4**	**35.7**	**34.3**	**34.1**	**34.5**	**35.2**	**-79bp**
SGA (%)	12.3	11.9	11.3	12.4	12.0	11.5	12.5	12.5	12.0	12.1	12.2	-72bp
EBITDA	**60**	**66**	**74**	**68**	**69**	**76**	**80**	**75**	**268**	**299**	**77**	**-1.4**
EBITDA Margin (%)	19.6	20.7	21.9	19.9	19.9	21.4	21.6	20.2	20.6	20.8	21.6	-14bp
EBIT	**49**	**56**	**63**	**56**	**58**	**65**	**68**	**63**	**224**	**253**	**65**	**-0.5**
EBIT Margin (%)	16.3	17.4	18.6	16.5	16.9	18.1	18.3	16.9	17.2	17.6	18.1	5bp
Other income	2	2	2	1	3	0	4	4	7	10	4	**-99.4**
ETR (%)	25.9	25.7	25.7	21.3	24.3	20.6	25.0	25.0	24.7	23.8	25.0	-437bp
Adj PAT	**38**	**42**	**48**	**45**	**46**	**51**	**54**	**50**	**174**	**201**	**51**	**-0.2**
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**	**54**	**50**	**167**	**201**	**51**	**-0.1**
QoQ (%)	-10.8	10.2	13.3	-6.5	3.0	10.9	4.4	-7.3			11.1	-17bp
YoY (%)	-9.8	0.0	4.5	4.2	20.3	21.2	11.6	10.6	-4.3	20.6	21.3	-18bp
EPS	14.2	15.6	17.7	16.6	17.1	18.9	19.8	18.3	64.0	74.1	19.0	-0.1

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	**-0.8**	**2.4**	**4.2**	**-3.3**	**-0.5**	**2.3**	**-0.8**
Costs (% of revenue)							
COGS	**66.3**	**65.9**	**65.3**	**66.3**	**66.6**	**65.6**	**66.3**
SGA	12.3	11.9	11.3	12.4	12.0	11.5	12.3
Margins							
Gross Margin	33.7	34.1	34.7	33.7	33.4	34.4	33.7
EBIT Margin	16.3	17.4	18.6	16.5	16.9	18.1	16.3
Net Margin	12.7	13.3	14.2	13.2	13.4	14.4	12.7
Operating metrics							
Headcount (k)	223	227	226	227	224	230	223
Attrition (%)	12.8	12.6	12.4	12.5	12.7	12.8	12.8
Key Verticals (YoY CC %)							
BFSI	6.8	11.4	8.1	4.3	5.3	7.1	6.8
Manufacturing	-1.0	-1.8	1.8	3.3	3.7	3.9	-1.0
Key Geographies (YoY CC %)							
North America	0.5	2.4	1.5	4.9	2.9	3.5	0.5
Europe	9.6	7.6	4.6	-2.9	0.1	-0.3	9.6



Key highlights from the management commentary

Demand and industry outlook

- Pipeline remains strong and balanced across service lines, verticals, and geographies, with healthy demand seen toward the quarter end.
- Management stays cautious given a fluid and volatile environment, and refrained from raising the top end of its guidance.
- Renewals are expected to return in FY28 and FY29, and the ARR-revenue gap should narrow once multi-year cyclicality is excluded.
- FY27 revenue growth guidance for the company is ~2.5-4% CC and for services ~3-4% CC, including inorganic contribution of ~87bp and ~62bp, respectively.
- The US Department of Labor's decision on the PERM program is not expected to materially affect talent plans, as filings in recent years have been minimal.

- AI was a central theme in every large deal, with AI-led transformation now a key enabler of most large wins.
- Management expects legacy and product modernization to emerge as a key growth vector, with several large deals now carrying a specific AI Force platform line item.
- The top 5, 10 and 20 client buckets remain flat, as ramp-downs at 2 telecom clients (discretionary spend) and 1 manufacturing client (budget cuts) were already factored into the guidance.
- Inorganic contribution was ~USD36m (~97bp QoQ), led by HPE telco solutions (~USD21m for two months, ~62bp) and Jaspersoft (~USD15m).
- Organic guidance midpoint is broadly unchanged, with the top end trimmed to keep a narrower band despite the strong 1H.
- A mega deal will not contribute to revenue in 3Q or 4Q; it will start in 1QFY28, which explains the seemingly softer 2H sequential trajectory.
- Guardian Life Insurance chose HCL for a multi-year AI-driven technology transformation using AI Force.
- Multi-year subscription license revenue declined to ~USD39m from ~USD81m in 2QFY26, given the upfront recognition of ~60-70% of term value for 2-3 year licenses.
- Software ARR grew ~7.8% YoY to ~USD 1.13b (~2.6% ex-Jaspersoft), which management sees as the better health indicator.
- **BFSI:** Financial services grew ~7.1% YoY, making it one of the two fastest-growing verticals. A Europe-based financial services provider selected HCL for an agentic AI solution for relationship managers, covering real-time portfolio insights and covenant monitoring.
- A private bank is using an AI-led core banking migration, with ~87% accuracy and ~9x productivity gain per routine.
- **Telecom & Media:** Two top 20 telecom clients remain under pressure on discretionary spending, weighing on top client bucket growth. The HPE telco solutions acquisition adds IP across OSS and 5G subscriber data management. The acquisition contributed ~USD 21m for two months (~62 bps to services growth) and was a ~25bp margin headwind.
- **Products and Platforms (HCLSoftware):** Software revenue declined ~5.8% QoQ and ~11.2% YoY (CC) to ~USD 294m, with an organic decline of ~15% YoY. The planned acquisition of Robotic IQ.AI (RPA) will strengthen agent orchestration in HCL Nuvama. Software margins expanded QoQ on absence of 1Q restructuring, lower employee costs, and lower amortization, with further cost rationalization planned.
- Services growth is expected to be slightly above the midpoint of the 3-4% FY27 guidance.
- HCL signed a 3-year global premier partnership with Anthropic and will set up a dedicated business unit and a center of excellence.
- Advanced AI services contributed ~32bp to QoQ margin expansion, aided by higher-margin IP and platform revenue.
- Agentic AI offerings crossed ~USD100m per quarter, while the AI factory proposition grew ~64% QoQ.
- Sovereign AI demand is being addressed through a planned AI data center in Bhubaneswar with Sarvam and the Government of Odisha.

Margin performance

- EBIT margin expanded ~131bp QoQ and ~71bp YoY to ~18.2%, ahead of management expectations.
- Adjusted for restructuring costs of ~84bp, EBIT margin was ~19% vs ~17.5% in 1Q.
- The QoQ bridge shows Project Ascent and AI efficiencies at ~73bp, advanced AI services mix at ~32bp, SG&A leverage at ~50bp, and forex at ~23bp.
- Headwinds were higher restructuring costs (~22bp) and the HPE telco acquisition (~25bp).
- FY27 EBIT margin guidance is maintained at ~17.5-18.5%.
- Management sees 18-19% as its desired band but will not commit due to ongoing investments in capabilities, IP, and talent.
- LTM FCF was ~USD 1.78b (~87% of net income) and OCF ~USD 1.96b (~95%), hit by one-offs in the BAPA tax payment and shift to an external gratuity trust.
- FCF conversion is expected to revert to 100%+ as one-offs roll off, while net cash stood at ~USD 2.56b and DSO improved by 2 days QoQ to 84 days.
- HCL launched HCL Tech Pulse, a business unit targeting fast-growing enterprises with USD500m to USD5b in annual revenue.

Valuation and view

- We expect HCLT to deliver a USD revenue CAGR of ~4% and INR PAT CAGR of ~12% over FY26–28E, with **EBIT margin reaching ~18%.** While FY27E growth remains constrained by **client-specific challenges** in the telecom and manufacturing vertical, **strong bookings, accelerating Advanced AI revenue, and the ramp-up of large deals** provide support for a stronger growth trajectory in FY28E. AI-led productivity gains and a higher-margin revenue mix should also support profitability.
- 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 increased our EPS estimates for FY28E by 1.9% and **reiterate our BUY rating with an unchanged TP of INR1,450 based on 18x FY28E EPS.** We maintain HCLT as our preferred pick in the large-cap space**.**

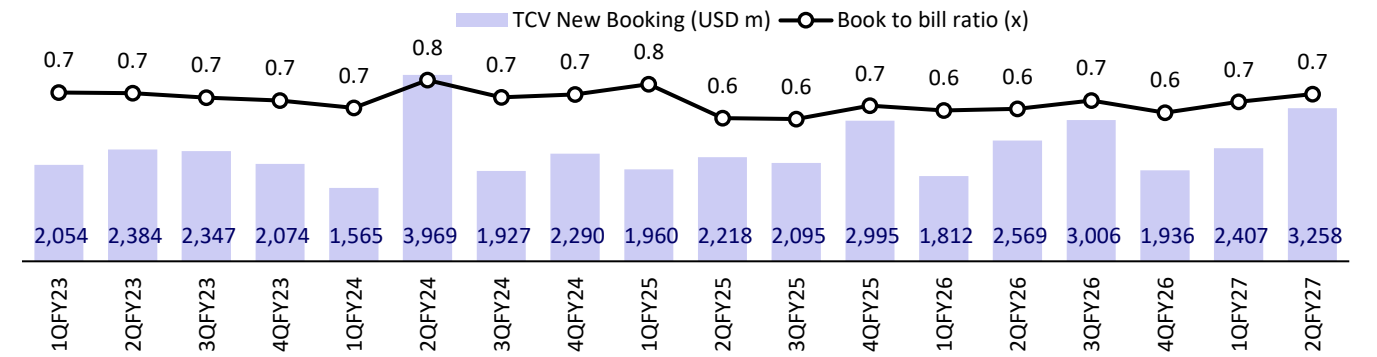
Exhibit 8: Our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	95.5	96.0	95.4	96.0	0.1%	0.0%
USD Revenue - m	15,108	15,863	15,121	15,703	-0.1%	1.0%
Growth (cc %)	3.3	5.1	3.2	3.9	0bps	120bps
EBIT margin - Overall (%)	17.6	18.0	17.5	17.9	0bps	20bps
PAT (INR b)	201	217	200	213	0.2%	1.9%
EPS	74.1	80.1	73.9	78.6	0.2%	1.9%

Source: MOFSL

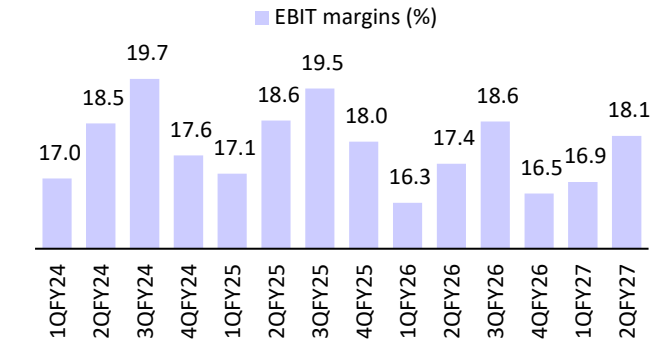
Story in charts

Exhibit 9: TCV (new deal wins) at USD3,258m, rising 26.8% YoY



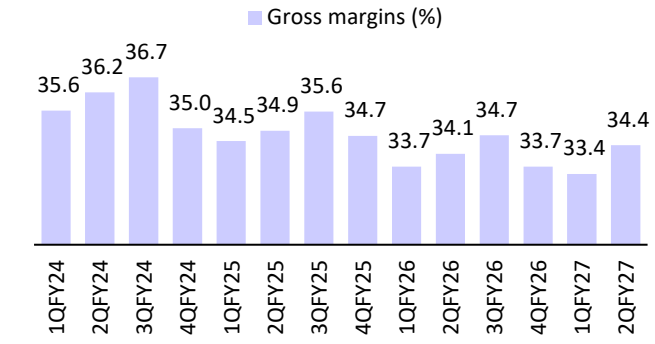
Source: Company, MOFSL

Exhibit 10: EBIT margin stood at 18.1%, rising 120bp QoQ



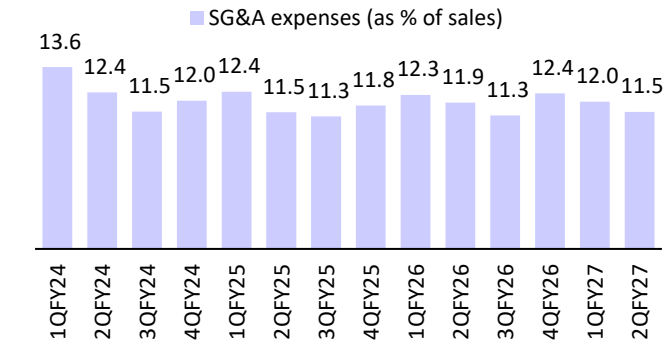
Source: Company, MOFSL

Exhibit 11: Gross margin expanded 100bp QoQ



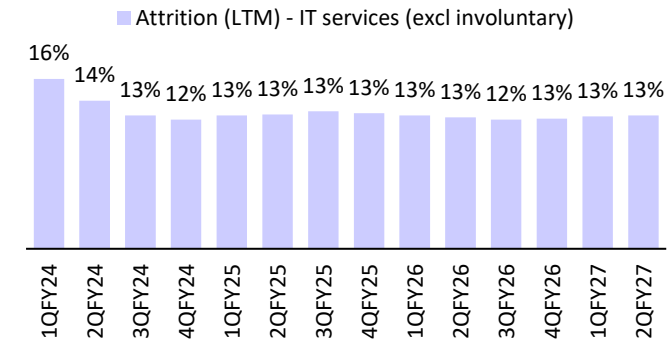
Source: Company, MOFSL

Exhibit 12: SG&A expenses declined 50bp QoQ



Source: Company, MOFSL

Exhibit 13: LTM attrition remained flat QoQ



Source: Company, MOFSL

Operating metrics

Exhibit 14: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Service-wise (%)									
IT and Business Services	74.6	73.0	73.3	74.0	74.2	72.3	75.0	75.3	75.6
Engineering and R&D Services	15.8	16.0	17.1	17.0	17.0	16.8	17.0	16.5	16.8
Products and Platform	9.9	11.3	9.6	9.0	9.1	11.2	8.0	8.2	7.6
Vertical-wise (Services) (%)									
BFSI	20.5	20.3	21.1	21.6	21.7	21.1	21.4	22.1	22.4
Manufacturing	19.5	19.1	18.6	18.6	18.3	18.8	18.6	18.7	18.3
Technology and Services	13.1	13.3	13.4	14.0	14.0	14.2	14.8	14.4	14.3
Retail and CPG	9.6	10.6	9.7	9.7	9.6	9.9	9.7	10.3	10.5
Telecom MP&E	12.1	12.3	13.9	13.1	12.7	12.5	12.1	11.2	12.0
Life Sciences	16.0	15.5	14.7	14.5	14.7	14.4	14.2	14.0	13.8
Public Services	9.2	8.9	8.6	8.5	8.9	9.1	9.2	9.3	8.8
Geography-wise (Services) (%)									
US	65.1	65.5	57.4	56.5	56.2	56.3	56.3	56.0	56.1
Europe	28.4	28.2	27.5	28.3	28.3	27.7	27.1	27.6	26.9
RoW	6.5	6.3	12.0	11.9	12.4	12.8	13.7	13.1	13.6
India*			3.1	3.3	3.2	3.3	2.9	3.3	3.4
Client-wise (%)									
Top five clients	12.1	12.6	12.7	12.6	12.4	12.2	11.9	11.6	11.4
Top 10 clients	20.1	20.3	20.2	20.2	19.9	19.7	19.1	18.7	18.4
Top 20 clients	30.8	30.9	30.4	29.9	29.5	29.1	28.5	28.0	27.4

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**	**1,442**	**1,523**
Change (%)	13.6	18.5	8.3	6.5	11.2	10.8	5.6
Cost of Goods Sold	546	662	721	778	878	967	1,006
Gross Profit	**311**	**353**	**378**	**392**	**423**	**475**	**517**
Selling & Admin Exp.	109	127	136	137	156	175	188
EBITDA	**202**	**226**	**242**	**255**	**268**	**300**	**329**
% of Net Sales	23.6	22.3	22.0	21.8	20.6	20.8	21.6
Depreciation	40	41	42	41	44	47	55
EBIT	**162**	**185**	**200**	**214**	**224**	**253**	**275**
% of Net Sales	18.9	18.2	18.2	18.3	17.2	17.6	18.0
Other Income	8	10	9	18	7	10	15
PBT	**170**	**195**	**210**	**233**	**231**	**263**	**290**
Tax	34	46	53	59	60	63	72
Rate (%)	20.3	23.8	25.1	25.2	26.0	23.8	25.0
EO Item (net)	0	0	0	0	8	0	0
Adjusted PAT	**135**	**148**	**157**	**174**	**170**	**201**	**217**
Change (%)	19.2	9.9	5.7	10.8	-2.0	17.8	8.2

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	90	92
Capital Employed	**703**	**720**	**771**	**775**	**784**	**779**	**770**
Gross Block	560	596	643	694	720	749	780
Less : Depreciation	208	249	291	332	376	423	478
Net Block	**352**	**347**	**352**	**362**	**345**	**326**	**302**
Other assets	57	51	52	71	75	79	79
Investments	85	112	178	206	206	206	206
Curr. Assets	**397**	**425**	**416**	**416**	**469**	**513**	**548**
Debtors	207	255	255	258	285	313	327
Cash & Bank Balance	105	91	95	82	101	108	123
Other Current Assets	85	80	66	75	83	92	98
Current Liab. & Prov	**188**	**214**	**227**	**280**	**312**	**345**	**365**
Net Current Assets	**209**	**211**	**189**	**136**	**158**	**168**	**183**
Application of Funds	**703**	**720**	**771**	**775**	**784**	**779**	**770**

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**	**74.1**	**80.1**
Cash EPS	64.6	70.1	73.3	78.9	78.9	91.4	100.3
Book Value	228.6	241.6	252.1	256.0	258.1	254.5	250.4
DPS	44.0	48.0	48.0	60.0	54.0	66.6	72.1
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	15.3
Cash P/E	18.9	17.4	16.7	15.5	15.5	13.4	12.2
EV/EBITDA	16.1	14.3	13.4	12.7	12.0	10.7	9.7
EV/Sales	3.8	3.2	2.9	2.8	2.5	2.2	2.1
Price/Book Value	5.3	5.1	4.9	4.8	4.7	4.8	4.9
Dividend Yield (%)	3.6	3.9	3.9	4.9	4.4	5.4	5.9
Profitability Ratios (%)							
RoE	21.9	23.3	23.5	25.2	24.9	28.9	31.8
RoCE	19.6	21.1	21.7	22.9	24.2	27.8	30.1
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	248	272
Chg. in Working Capital	-5	-13	23	10	-1	-1	2
Net Operating CF	**169**	**180**	**224**	**223**	**216**	**247**	**274**
Net Purchase of FA	-16	-14	-10	-11	-26	-29	-30
Net Purchase of Invest.	30	-25	-57	-38	0	0	0
Net Cash from Inv.	**15**	**-39**	**-67**	**-49**	**-26**	**-29**	**-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	-228
Net CF from Finan.	**-145**	**-159**	**-154**	**-186**	**-171**	**-211**	**-228**
Free Cash Flow	153	166	214	212	190	218	243
Net Cash Flow	**39**	**-18**	**3**	**-12**	**19**	**7**	**15**
Forex difference	1	4	1	0	0	0	0
Opening Cash Balance	**66**	**106**	**91**	**95**	**83**	**102**	**109**
Closing Cash Balance	**106**	**91**	**95**	**83**	**102**	**109**	**124**

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

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