16 October 2026
2QFY27 Results Update | Sector: Technology

LTM

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	LTM IN
Equity Shares (m)	297
M.Cap.(INRb)/(USDb)	1300.8 / 13.7
52-Week Range (INR)	6430 / 3528
1, 6, 12 Rel. Per (%)	4/-3/-12
12M Avg Val (INR M)	1916

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	423.1	476.2	514.4
EBIT Margin (%)	15.4	15.6	16.4
Adj. PAT	53.8	58.9	69.0
Adj. EPS (INR)	182.5	198.7	232.7
EPS Gr. (%)	17.5	8.9	17.1
BV/Sh. (INR)	816.2	924.2	1,066.7
Ratios			
RoE (%)	21.3	22.8	23.3
RoCE (%)	18.3	19.1	19.2
Payout (%)	41.1	42.8	38.7
Valuations			
P/E (x)	24.1	22.1	18.9
P/BV (x)	5.4	4.8	4.1
EV/EBITDA (x)	15.1	13.6	11.6
Div Yield (%)	1.7	1.9	2.1

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	68.5	68.5	68.6
DII	16.8	17.0	16.2
FII	6.4	6.6	6.6
Others	8.3	7.8	8.6

FII includes depository receipts

CMP: INR4,385 **TP: INR5,050 (+15%)** **Buy**

Growth moderates; margins capped

FY27 growth and margins to track FY26 levels

- LTM reported revenue of USD1.2b in 2QFY27, rising 1.1% QoQ in constant currency (CC) vs. our estimate of 0.9% QoQ CC. EBIT margin at 15.6% was largely in line with our estimate of 15.7%. Adj. PAT came in at INR14b, declining 6.0% QoQ but remaining flat YoY and below our estimate of INR15b.
- In INR terms, revenue/EBIT/adj. PAT grew 15.7%/19.1%/8.1% YoY in 1HFY27. In 2HFY27, we expect revenue/EBIT/adj. PAT to grow 9.7%/10.6%/10.9% YoY. We reiterate BUY with a **TP of INR5,050** (valuing at **21x FY28E EPS)**, implying ~15% upside.

Our view: Consolidated margin expansion to remain muted

- Revenue growth was **relatively soft in 2QFY27**, with the Middle East impact expected to weigh on FY27 performance. We **do not expect growth acceleration** in FY27 and maintain our **5.1% YoY CC growth estimate,** as the Middle East business weighed on 2QFY27 QoQ CC growth by ~60–70bp. Excluding this, growth would have been ~1.7–1.8% QoQ CC. However, we believe that the **outlook for FY28 remains positive**.
- **Limited margin expansion:** In 1QFY27, management expected continued organic margin expansion, with consolidated margins at FY26 levels or higher. However, in 2QFY27, **it adopted a more cautious stance,** guiding for FY27 margins to remain closer to the FY26 level of 15.4%, including Randstad, citing acquisition-related amortisation. Traditional-services pricing pressure and an **unfavorable revenue mix could further constrain expansion.** We lower our FY27 EBIT margin estimate by **~20bp to 15.6%.**
- **AI-led deals are shorter-tenured and offer faster revenue conversion:** TCV stood at USD1.3b, with a **significant proportion comprising ACV** rather than traditional multi-year TCV. AI-led engagements involve faster revenue realization, given shorter transition periods and quicker deployment. **AI revenue increased 40% YoY to 13.4% of revenue in 2QFY27**, compared with ~12% in 1QFY27. The gross margin profile of AI projects is higher than that of traditional services. The **CBDT engagement contributed** to 2QFY27 revenue, with a gradual ramp-up expected as hardware availability has improved.
- **Randstad integration remains on track:** Approvals for the acquisition of Randstad's digital businesses in Europe and Australia are expected by the end of 3QFY27, followed by closure and integration. The acquired capabilities are expected to **support expansion into newer markets**.
- **Cash conversion was affected by timing-related outflows:** OCF to PAT **declined to 39% in 2QFY27** from 79% in 1QFY27, primarily due to gratuity funding against provisions recognized in 3QFY26, advance-tax payments in India and the US, and TDS on the final dividend paid in 1QFY27. Most gratuity funding has been completed, although some outflow may continue in 3QFY27; cash conversion is expected to normalize progressively.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and changes to our estimates

- We believe LTM's FY26-28 **USD revenue CAGR of ~6%** remains ahead of most large-caps peers, despite the Middle East impact. We expect growth and margins to improve in FY28 as deal **TCV pivots toward short-term AI deals,** which convert into revenue faster and offer higher margins.
- We maintain our EPS estimates for FY28, while lowering FY27 EPS estimates mainly due to **continued foreign exchange losses** for the next two quarters, which will lead to slight under-delivery of earnings. We value LTM at **21x FY28E EPS** (20x earlier) due to better growth and margin outlook for FY28, resulting in a revised TP of INR5,050, implying ~15% upside. We reiterate **BUY**.

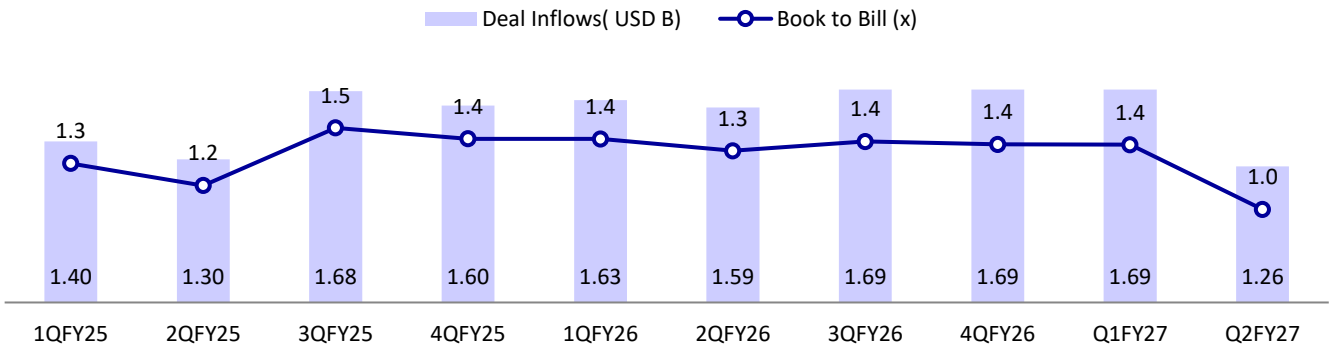
Revenue and margins in line with our estimates; deal TCV down 25% QoQ

- Revenue stood at USD1.2b, up 1.1% QoQ CC vs. our estimate of 0.9% QoQ CC. Reported USD revenue rose 1.0%/4.7% QoQ/YoY.
- Financial Services/Production grew 3.1%/3.7% QoQ CC, while Technology declined 4.0% QoQ CC.
- EBIT margin at 15.6% was largely in line with our estimate of 15.7% for 2QFY27.
- Employee metrics: Software headcount increased 947 (1.1% QoQ), utilization remained flat QoQ at 86.4%, and attrition remained flat QoQ at 13.3%.
- Adj. PAT stood at INR14b in 2QFY27, down 6.0% QoQ and flat YoY, below our estimate of INR15b.
- Order inflows stood at USD1.26b, declining 25% QoQ.
- The company declared an interim dividend of INR25/share for 2QFY27.

Key highlights from the management commentary

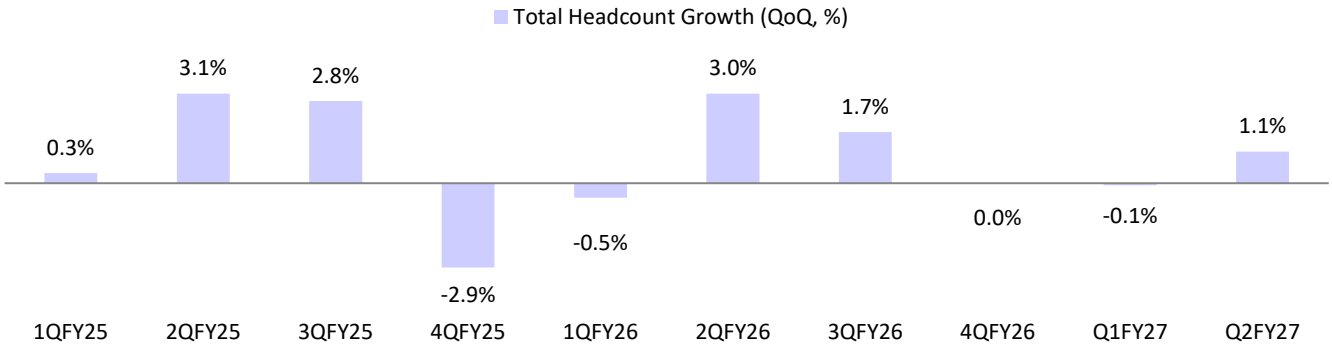
- Macro conditions have remained broadly unchanged over the last 2-3 quarters, with no incremental deterioration or improvement in 2Q.
- Management saw no deal deferrals from macro, and attributes softer TCV to a deliberate shift in the deal mix toward AI.
- Client spend is shifting toward AI deployment cycles, spanning process reimagination, contextual scale-up, sovereignty, and cost optimization.
- Demand outside Saudi remains healthy, with BFSI growth recovering and three of the four verticals exceeding 7% growth YoY.
- 1HFY27 growth stood at ~5.4% YoY, with management guiding for stronger sequential growth in 3Q and 4Q.
- Management aims to bring FY27 growth as close to FY26 as possible, and expects FY28 to be better.
- AI deals typically run 6-12 months, with iterative follow-ons in areas such as data modernization and application remediation.
- Sales KPIs and incentives are being recalibrated, with separate commissions and AI rate cards for AI-native deals.
- AI revenue reached ~13.4% of total revenue, growing ~40% YoY, or ~47% including enterprise AI.
- Management sees AI as the primary growth driver, with productivity pass-through done for ~60-70% of the portfolio.

Exhibit 1: Deal wins of USD1.26b, down 25% QoQ; book-to-bill at 1.0x



Source: MOFSL, Company

Exhibit 2: Headcount increased to 1.1% QoQ.



Source: MOFSL, Company

Exhibit 3: North America-led growth in 2Q

Geographies	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
North America	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9	1.8	2.0	0.4	0.5	2.3	1.5
Europe	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1	5.3	-2.5	0.3
RoW	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8	-5.7	3.3	14.4	0.3	-9.6	-1.8

Exhibit 4: Production and BFSI-led growth in 2QFY27

Verticals	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Financial Services	0.1	-0.5	-5.2	3.2	3.0
Consumer	9.1	2.8	5.5	-1.0	0.2
Technology & Services	-1.4	0.2	7.8	3.2	-4.1
Production	1.8	9.2	0.7	-6.2	3.6

Source: MOFSL, Company

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY27	(% / bp)
Revenue (USD m)	**1,153**	**1,180**	**1,208**	**1,222**	**1,224**	**1,235**	**1,254**	**1,279**	**4,763**	**4,991**	**1,233**	**0.1**
QoQ (%)	2.0	2.3	2.4	1.2	0.1	1.0	1.5	2.0	6.0	4.8	0.8	15
Revenue (INR B)	**98**	**104**	**108**	**113**	**116**	**118**	**120**	**122**	**423**	**476**	**118**	**0.2**
YoY (%)	7.6	10.2	11.6	15.6	18.0	13.6	11.2	8.3	11.3	12.6	13.4	21
GPM (%)	**29.1**	**30.3**	**29.4**	**27.8**	**28.0**	**28.0**	**28.7**	**28.0**	**29.1**	**28.2**	**29.0**	**(100)**
SGA (%)	12.3	11.7	10.8	10.3	10.2	10.3	10.5	10.5	11.3	10.4	11.0	(73)
EBITDA	**16**	**19**	**20**	**20**	**21**	**21**	**22**	**21**	**76**	**85**	**21**	**(1.3)**
EBITDA Margin (%)	**16.8**	**18.6**	**18.6**	**17.5**	**17.8**	**17.7**	**18.2**	**17.5**	**17.9**	**17.8**	**18.0**	**(27)**
EBIT	**14**	**16**	**17**	**17**	**18**	**18**	**19**	**19**	**65**	**74**	**19**	**(0.7)**
EBIT Margin (%)	**14.3**	**15.9**	**16.1**	**15.1**	**15.5**	**15.6**	**16.1**	**15.4**	**15.4**	**15.6**	**15.7**	**(13)**
Other income	**3.2**	**2.3**	**1.6**	**1.1**	**1.8**	**0.2**	**1.2**	**1.2**	**8**	**4**	2	(90)
ETR (%)	27.3	26.5	26.0	26.3	25.8	25.8	25.0	25.0	26.5	25.4	25.0	
Adj PAT	**13**	**14**	**14**	**13**	**15**	**14**	**15**	**15**	**54**	**59**	**15**	**(10.8)**
QoQ (%)	11.2	10.1	1.5	-4.3	9.5	-6.0	11.4	-2.2			5.3	
YoY (%)	10.5	10.4	29.0	18.8	17.1	-0.1	9.7	12.2	16.9	9.5	12.0	
Exceptional Items	0	0	4	0	0	0	0	0	4	0	0.0	
PAT	**13**	**14**	**10**	**14**	**15**	**14**	**15**	**15**	**50**	**59**	**15**	**(10.8)**
EPS (INR)	**42.3**	**47.2**	**47.6**	**45.4**	**49.4**	**47.1**	**51.8**	**50.7**	**182.5**	**199.1**	**52.1**	**(9.6)**

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	0.8	2.4	2.4	1.2	0.3	1.1	
Margins (%)							
Gross Margin	29.1	30.3	29.4	27.8	28.0	28.0	29.1
EBIT Margin	14.3	15.9	16.1	15.1	15.5	15.6	15.4
Net Margin	12.7	13.3	13.0	11.9	12.7	11.7	12.7
Operating metrics							
Headcount	83,889	86,447	87,958	87,950	87,886	88,835	87,950
Attrition (%)	14.4	14.2	13.8	13.3	13.3	13.3	13
Utilization (excl. trainees)	88.1	88.1	86.9	85.7	86.4	86.4	87.2
Key Verticals (QoQ %)							
Financial Services	NA	0.1	-0.5	-5.2	3.2	3.0	-21.2
Consumer	NA	9.1	2.8	5.5	-1.0	0.2	-0.7
Technology & Services	NA	-1.4	0.2	7.8	3.2	-4.1	12.8
Production	NA	1.8	9.2	0.7	-6.2	3.6	9.3
Key Geographies (QoQ %)							
North America	1.8	2.0	0.4	0.5	2.3	1.5	4.0
Europe	10.2	2.3	3.1	5.3	-2.5	0.3	12.5



Key highlights from the management commentary

Demand and industry outlook

- Macro conditions remained broadly unchanged over the last 2-3 quarters, with no incremental deterioration or improvement in 2Q.
- Management saw no deal deferrals from macro, and attributes softer TCV to a deliberate shift in the deal mix toward AI.
- Client spend is shifting toward AI deployment cycles, spanning process reimagination, contextual scale-up, sovereignty, and cost optimization.
- Demand outside Saudi remains healthy, with BFSI resuming growth and three of the four verticals exceeding 7% YoY.
- 1HFY27 growth stood at ~5.4% YoY, with management guiding for stronger sequential growth in 3Q and 4Q.
- Management aims to bring FY27 growth as close to FY26 as possible, and expects FY28 to be better.
- AI deals run 6-12 months with iterative follow-ons in areas such as data modernization and application remediation.
- Sales KPIs and incentives are being recalibrated, with separate commissions and AI rate cards for AI-native deals.
- AI revenue reached ~13.4% of total revenue, growing ~40% YoY, or ~47% including enterprise AI.
- Management sees AI as the primary growth driver, with productivity pass-through done for ~60-70% of the portfolio.
- Traditional services are expected to stay under pressure, with industry-wide deflation likely to persist for a couple more years.
- Tech clients show no signs of slowdown, and the FY28 demand outlook is described as good.
- Randstad digital acquisition approvals are on track for 3Q, leaving ~3-4 months to integrate before FY28.
- Saudi disruption cost ~60-70bp of QoQ growth, which would otherwise have been ~1.7-1.8%.
- ACV versus TCV disclosure is expected after about one more quarter, with the majority of current order inflow being ACV in nature.
- Wins included a strategic technology partnership with a global bank, AI-led infrastructure management for a North American construction firm, and IT consolidation for a US insurer.
- **BFSI**: Revenue grew ~3.1% QoQ and returned to YoY growth at ~0.4% in CC. This is the second consecutive quarter of sequential growth, following the completion of productivity headwinds in the top client. The new USD 100m+ account, the first in FS in years, scaled faster than any past account. The top client's consolidation from 50+ vendors to 5 is a multi-year program, from which LTM expects to benefit as a retained vendor.
- **Technology:** Revenue declined ~4% QoQ but grew ~7% YoY in CC. The QoQ decline reflects the top client's seasonal renewal cycle from July and the Saudi JV business classified in this vertical. Growth is expected to normalize from 3Q, supported by new deal ramp-ups.

- **Consumer:** Revenue grew ~0.3% QoQ and ~8.6% YoY in CC, with sequential growth lagging other verticals. Travel and hospitality was the key drag as clients tightened budgets amid fuel price volatility.
- **India:** CBDT deal contributed to 2Q revenue, with ramp-up linked to hardware availability and delivery. A new business unit is being set up to help clients build and scale GCCs in India.
- Headcount stood at 88,835, with a net addition of 949 including 1,743 freshers.
- Hiring reflects confidence in the demand outlook, while revenue-headcount linearity continues to weaken.
- AI 1,000 program for forward-deployed engineers is on track, with ~1,000 employees in persona-based journeys.
- More than 2,000 certifications were completed across cloud, Gemini, Copilot and Azure AI, and global AI sales enablement is complete.
- Blueworks expanded with One Token (workload routing and governance), Right Logic (cyber risk assurance) and Sovrin, alongside three new SLMs and six patents.
- Partnerships include Anthropic (Claude embedded in Blueworks Delivery Fabric), Glean, Cognition, IBM-Red Hat and Chainguard.
- Client proof points include ~50% lower cycle time with 12 AI agents for a European high-tech client and ~40% potential HR ticket reduction for a petrochemical major.

Margin performance

- EBIT margin expanded ~10bp QoQ to ~15.6% after absorbing wage hikes, with H1 margin at ~15.5%.
- Management targets flat FY27 margin YoY (~15.4% in FY26) on a consolidated basis, including M&A impact.
- Organic margins are expected to hold and improve on robust core demand and cost controls, with Randstad impact limited to amortization.
- PAT margin declined to ~11.7% from ~12.7% in 1Q, as 1Q included a one-time gain on the invoicing.ai investment.
- AI work carries higher gross margins and premium rate cards, but reinvestment limits near-term flow-through, while pricing pressure is confined to traditional deals.
- Forex losses below EBIT may continue for the next couple of quarters, with rupee depreciation the key swing factor, against a layered hedge book of ~USD4.5b.
- Interim dividend of INR25 per share was declared, up ~13.6% YoY, with payout ratio rising to ~45% from ~40%.
- Gratuity funding is due by October, so cash conversion should normalize in 3Q but may remain below earlier levels.
- OCF/PAT fell to ~39% from ~79% in 1Q, and FCF/PAT to ~24% from ~63%, on advance payments, gratuity funding, delayed TDS, and advance tax.

Exhibit 5: Top client contributions

Clients	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	22.9	-1.6	-5.3
Top 10 clients	31.4	-0.9	0.2
Top 20 clients	42.3	-0.2	1.8

Source: MOFSL, Company

Exhibit 6: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	95.4	96.0	95.4	96.0	0.0%	0.0%
USD Revenue (m)	4,991	5,359	4,992	5,351	0.0%	0.1%
CC Growth (%)	5.1	7.4	5.1	7.2	0bps	20bps
EBIT margin (%)	15.6	16.4	15.9	16.0	-20bps	40bps
Adj. PAT (INR m)	58,891	69,003	62,769	68,416	-6.2%	0.9%
Adj. EPS	198.7	232.7	211.6	230.6	-6.1%	0.9%

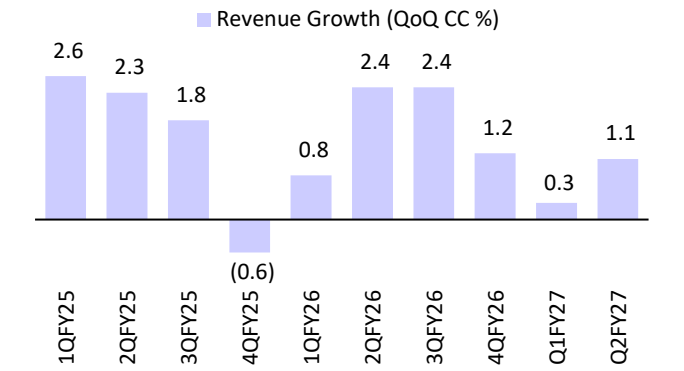
Source: MOFSL, Company

Valuation and view

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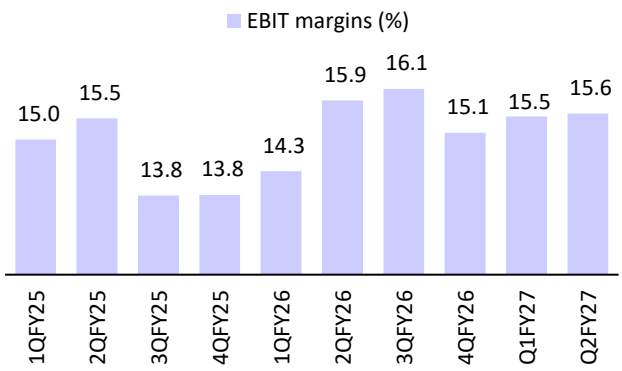
Story in charts

Exhibit 7: Revenue grew 1.1% QoQ CC



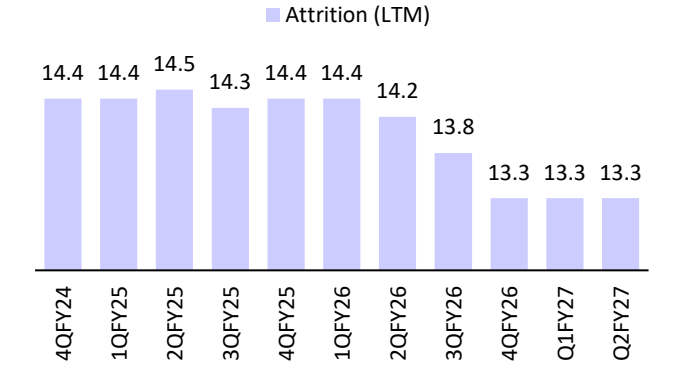
Source: Company, MOFSL

Exhibit 8: EBIT margin expanded 10bp QoQ to 15.6%



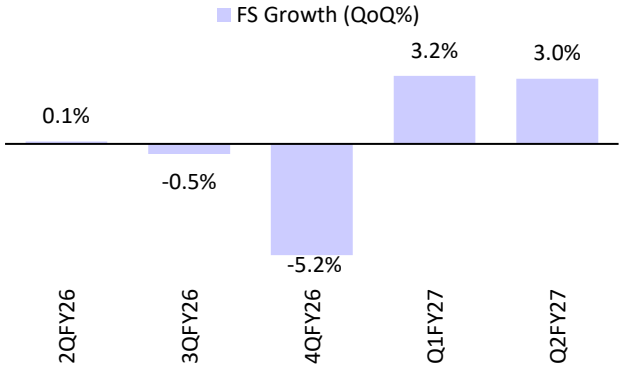
Source: Company, MOFSL

Exhibit 9: Attrition remained stable QoQ



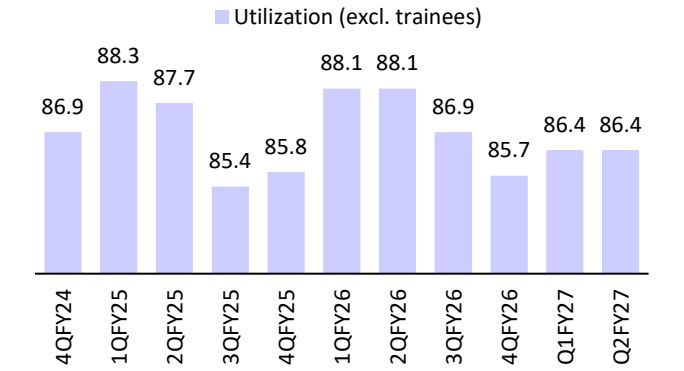
Source: Company, MOFSL

Exhibit 10: FS grew 3.0% QoQ in 2QFY27



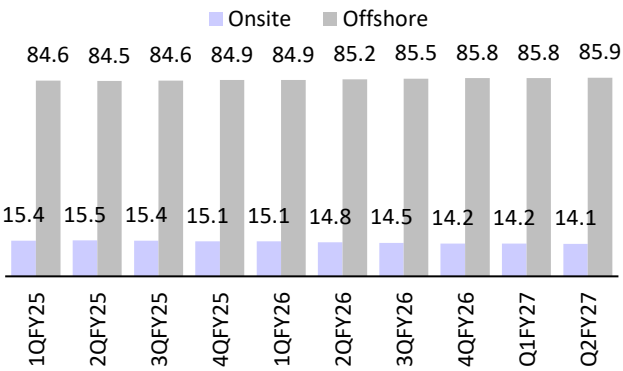
Source: Company, MOFSL

Exhibit 11: Utilization remained stable QoQ



Source: Company, MOFSL

Exhibit 12: The effort mix remained stable



Source: Company, MOFSL

Operating metrics

Exhibit 13: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Revenue by verticals (%)									
Financial Services*	NA	NA	NA	37.0	36.2	35.2	33.0	34.0	34.7
Consumer*	NA	NA	NA	24.1	25.7	25.8	26.9	26.6	26.4
Technology & Services*	NA	NA	NA	19.3	18.6	18.2	19.4	20.0	19.0
Production*	NA	NA	NA	19.6	19.5	20.8	20.7	19.4	19.9
Revenue by geography (%)									
North America	75.0	74.7	74.5	74.4	74.2	72.8	72.3	73.9	74.3
Europe	14.4	13.8	13.6	14.7	14.7	14.8	15.4	15.0	14.9
ROW	10.6	11.5	11.9	11.0	11.1	12.4	12.3	11.1	10.8
Client metrics (% of revenues)									
Top 5 client	28.4	27.9	27.7	27.3	25.3	24.0	22.5	23.5	22.9
Top 10 client	35.0	34.5	34.3	34.3	32.8	31.7	30.7	32.0	31.4
Top 20 client	45.8	45.5	44.8	44.5	43.5	43.3	41.6	42.8	42.3
Top 40 client	58.2	58.1	57.2	56.8	56.1	56.8	55.3	56.1	55.6
Non-Top 20 clients	54.2	54.5	55.2	55.5	56.5	56.7	55.3	57.2	57.7
Number of active clients	742	742	741	741	749	746	751	740	729
New clients added in the period	22	23	26	17	23	26	13	16	20
Million $ clients									
5 Million $ clients	154	152	154	159	158	162	164	170	172
10 Million $ clients	88	90	89	90	93	97	101	104	109
20 Million $ clients	42	39	40	41	45	47	48	52	51
50 Million $ clients	12	13	14	14	14	12	14	15	15
100 Million $ clients	2	2	2	2	2	2	2	2	3
Employee metrics									
Development	79,374	81,641	79,081	78,729	81,355	82,911	83,004	83,185	84,132
Sales and support	5,064	5,159	5,226	5,160	5,092	5,047	4,946	4,701	4,703
Total employees	84,438	86,800	84,307	83,889	86,447	87,958	87,950	87,886	88,835
Efforts mix									
Onsite	15.5	15.4	15.1	15.1	14.8	14.5	14.2	14.2	14.1
Offshore	84.5	84.6	84.9	84.9	85.2	85.5	85.8	85.8	85.9
Utilization measures									
Excluding trainees	87.7	85.4	85.8	88.1	88.1	86.9	85.7	86.4	86.4
Attrition LTM (%)	14.5	14.3	14.4	14.4	14.2	13.8	13.3	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**	**4,76,241**	**5,14,440**
Change (%)	(8.8)	27.1	7.0	7.0	11.3	12.6	8.0
Cost of Services	1,78,271	2,32,037	2,46,214	2,68,217	2,99,909	3,42,099	3,65,847
Gross Profit	**82,815**	**99,793**	**1,08,956**	**1,11,864**	**1,23,167**	**1,34,142**	**1,48,593**
SG&A Expenses	30,330	37,915	45,082	46,915	47,615	49,399	52,987
EBITDA	**52,485**	**61,878**	**63,874**	**64,949**	**75,552**	**84,743**	**95,606**
% of Net Sales	20.1	18.6	18.0	17.1	17.9	17.8	18.6
Depreciation	5,971	7,227	8,189	9,915	10,541	10,249	11,318
EBIT	**46,514**	**54,651**	**55,685**	**55,034**	**65,011**	**74,494**	**84,288**
% of Net Sales	17.8	16.5	15.7	14.5	15.4	15.6	16.4
Other Income	6,426	4,065	4,802	7,108	8,181	4,428	7,717
PBT	**52,940**	**58,716**	**60,487**	**62,142**	**73,192**	**78,922**	**92,005**
Tax	13,439	13,812	14,641	16,122	19,414	20,031	23,001
Rate (%)	25.4	23.5	24.2	25.9	26.5	25.4	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**	**58,891**	**69,003**
Change (%)	-11	14	2	0	17	10	17

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	2,73,644	3,15,964
Net Worth	**1,42,872**	**1,65,921**	**2,00,172**	**2,26,983**	**2,40,250**	**2,73,940**	**3,16,260**
Minority Interest	57	71	92	132	827	827	827
Other liabilities	11,972	14,143	17,934	19,526	33,046	32,912	32,957
Capital Employed	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,07,679**	**3,50,044**
Net Block	**13,772**	**17,823**	**21,224**	**25,406**	**30,092**	**27,843**	**24,526**
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	55,549	58,337
Curr. Assets	**1,49,386**	**1,71,897**	**1,88,530**	**2,09,379**	**2,76,972**	**2,71,826**	**3,18,654**
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	83,505	90,203
Cash & Bank Balance	14,462	23,389	18,200	20,623	23,311	5,334	22,791
Other Current Assets	20,771	22,875	22,449	22,875	33,777	37,819	40,493
Current Liab. & Prov	**50,923**	**54,826**	**57,432**	**59,659**	**97,837**	**62,143**	**66,077**
Trade payables	13,250	12,938	14,939	15,499	20,610	11,906	12,861
Other liabilities	31,381	33,754	34,007	34,469	65,486	38,496	41,475
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**	**2,09,683**	**2,52,577**
Application of Funds	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,07,679**	**3,50,044**

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**	**198.7**	**232.7**
Cash EPS	153.7	173.5	182.5	188.8	204.9	233.3	270.9
Book Value	483.0	560.9	676.0	766.2	816.2	924.2	1,066.7
DPS	63.9	60.0	65.0	65.0	75.0	85.0	90.0
Payout (%)	47.9	39.5	42.0	41.8	41.1	42.8	38.7
Valuation (x)							
P/E ratio	32.9	28.9	28.4	28.3	24.1	22.1	18.9
Cash P/E ratio	28.6	25.3	24.1	23.3	21.4	18.8	16.2
EV/EBITDA ratio	23.4	19.7	18.9	18.3	15.1	13.6	11.6
EV/Sales ratio	4.7	3.7	3.4	3.1	2.7	2.4	2.2
Price/Book Value ratio	9.1	7.8	6.5	5.7	5.4	4.8	4.1
Dividend Yield (%)	1.5	1.4	1.5	1.5	1.7	1.9	2.1
Profitability Ratios (%)							
RoE	36.6	26.1	24.4	23.3	21.3	22.8	23.3
RoCE	29.5	24.9	21.2	19.0	18.3	19.1	19.2
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	17.1	21.0

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	69,139	80,321
Cash for Working Capital	-12,188	-17,645	5,975	-4,803	-5,169	-33,916	-8,181
Net Operating CF	**32,507**	**30,946**	**56,695**	**45,458**	**47,988**	**35,224**	**72,140**
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**	**27,224**	**64,140**
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	-25,201	-26,683
Cash Flow from Fin.	**-16,804**	**-19,317**	**-22,700**	**-25,744**	**-29,264**	**-25,201**	**-26,683**
Exchange difference	21	607	-63	91	1,643	0	0
Net Cash Flow	**-729**	**8,927**	**-5,189**	**2,423**	**2,688**	**-17,977**	**17,457**
Opening Cash Bal.	**15,191**	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**5,334**
Add: Net Cash	-729	8,927	-5,189	2,423	2,688	-17,977	17,457
Closing Cash Bal.	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**5,334**	**22,791**

E: MOFSL estimates

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SELL	< - 10%
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