16 April 2026

4QFY26 Results Update | Sector: Technology

Wipro

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	WPRO IN
Equity Shares (m)	10487
M.Cap.(INRb)/(USDb)	2205.3 / 23.7
52-Week Range (INR)	273 / 187
1, 6, 12 Rel. Per (%)	4/-12/-18
12M Avg Val (INR M)	2878

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	926	1,002	1,044
EBIT Margin (%)	16.6	16.9	16.9
Adj. PAT	134	139	144
Adj. EPS (INR)	13.6	14.5	15.5
EPS Gr. (%)	2.2	7.1	6.6
BV/Sh. (INR)	89.8	85.0	89.0
Ratios			
RoE (%)	15.7	16.7	17.9
RoCE (%)	11.7	13.2	14.0
Payout (%)	81.0	60.0	70.0
Valuations			
P/E (x)	15.5	14.5	13.6
P/BV (x)	2.3	2.5	2.4
EV/EBITDA (x)	9.3	8.0	9.3
Div Yield (%)	5.2	4.1	5.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	72.6	72.7	72.8
DII	8.4	7.9	8.2
FII	10.6	10.9	10.4
Others	8.4	8.6	8.6

FII Includes depository receipts

CMP: INR210 TP: INR215 (+2%) Neutral

Another soft quarter

1Q guidance underwhelming; BFSI impacted by client-specific headwinds

- Wipro (WPRO) reported 4QFY26 IT Services revenue of USD2.6b, up 0.2% QoQ CC, below our estimate of 1.0% QoQ growth. It posted an order intake of USD3.5b (up 3.5% QoQ), with a large-deal TCV of USD1.4b (down 18% YoY). Adj. EBIT margin came in at 17.2% (est. 16%). Adj. PAT stood at INR34.8b (up 3.7% QoQ) vs. our estimate of INR33b.
- In INR terms, revenue/adj. EBIT/adj. PAT grew 4.0%/1.8%/2.2% YoY in FY26. In 1QFY27, we expect revenue/adj. EBIT/adj. PAT to grow 11.9%/13.9%/2.5% YoY. Free cash flow stood at 101.4% of net profit for FY26. FY26 RoE came in at 15.7% (vs. 16.6%/14.4%/15.8% in FY25/FY24/FY23). We believe that broad-based growth across verticals and a stable conversion of deal TCV to revenue will be key to a constructive view. We **reiterate our Neutral rating on WPRO with a TP of INR215,** implying 14x FY28E EPS.

Our view: Margin headwinds to persist in 1Q

- **Top client decline and US BFSI weakness to weigh on near-term growth:** 1QFY27 guidance of -2% to 0% QoQ CC (mid-point -1%) **suggests another soft quarter despite partial contribution (1.5 months' impact in 1QFY27) from two large deals.** We believe the key drag remains Americas 2, led by a client-specific issue and delayed ramp-ups.
- While management expects normalization from 2Q, we think near-term visibility remains limited due to ramp-up delays and seasonality. **We believe that the timely execution of these deals will be key to improving growth visibility.** The top client decline in 4Q (8% QoQ in 4QFY26) also points to volatility in large accounts. We now build in an organic revenue decline of 1.8% QoQ cc in 1QFY27**.**
- **Margins could be under pressure in the near term owing to investments and deal ramp-ups:** IT Services margins stood at ~17.3%, despite one-month wage hikes and acquisition impact. However, **we believe 1QFY27 margins could see pressure, led by:** 1) the remaining two months of wage hike impact, 2) lower-margin deal ramp-ups, and 3) continued investments in AI platforms. We estimate ~16.4%/ 16.9% EBIT margin for 1QFY27E/FY27E.
- **Vertical performance mixed; recovery still uneven:** BFSI was impacted by ramp-up delays and client-specific issues. Technology & Communications continues to lead, supported by AI-led deals, while Healthcare remains weak due to seasonality and policy changes. Manufacturing continues to see pressure from tariffs and demand uncertainty. Overall, we believe a broad-based recovery is still some time away, with growth likely to remain uneven across verticals.

Abhishek Pathak - Research Analyst (Abhishek.Pathak@MotilalOswal.com)

Research Analyst - Keval Bhagat (Keval.Bhagat@MotilalOswal.com) | **Tushar Dhonde** (Tushar.Dhonde@MotilalOswal.com)

- **Deal TCV healthy, but revenue conversion remains the key monitorable:** WPRO closed 14 large deals (~USD1.4bn TCV) in 4Q, with continued traction in vendor consolidation and cost takeout. While the pipeline remains healthy, we believe **the conversion of deal wins into revenue remains slower than expected,** driven by delayed ramp-ups and increasing deal complexity.
- The company announced a ~INR150b buyback (~5.7% of paid-up equity) at ~19% premium, with completion expected in 1QFY27. **This is broadly in line with past buybacks (~4–5% of equity), implying mid-single-digit EPS accretion assuming full execution.** Combined with dividends, the three-year payout ratio stands at ~88% above its stated policy.

Miss on revenues & guidance and beat on margins; 1QFY27 guidance at -2% to 0% CC

- IT Services revenue at USD2.6b was up 0.2% QoQ in CC (reported USD revenue was up 0.6% QoQ), below our estimate of 1.0% QoQ CC growth. FY26 revenue stood at USD10.4b, down 0.3% YoY.
- 1QFY27 revenue guidance was -2% to 0% in CC terms (mid-point of -1.0% vs -0.5% expected).
- In 4QFY26, Technology and Communications/Consumer grew 5.3%/1.7% QoQ CC, while BFSI/Healthcare declined 1.3%/4.4% QoQ CC.
- Americas 1 grew 0.3% QoQ CC, while Americas 2 declined 2.6% QoQ CC; Europe stood at 2.0% QoQ CC growth.
- Overall Adj. EBIT margin was 17.2% (up 70bps QoQ) and above our estimate of 16.0%. For the full year, IT services margin stood at 17.2%, up 20bp YoY.
- Adj. PAT was up 3.7% QoQ/down 2.3% YoY at INR34.8b (against our estimate of INR33b).
- WPRO reported a deal TCV of USD3.5b in 4QFY26, up 3.5% QoQ/down 12.6% YoY, while large TCV of USD1.4b was up 65% QoQ/down 18% YoY. For FY26, deal TCV stood at USD16.5b, up 15% YoY.
- Net utilization (excl. trainees) was up 40bp at 83.5% (vs. 83.1% in 3Q). Attrition (LTM) was down 40bp QoQ at 13.8%.
- WPRO proposed a buyback of INR150b at a price of INR250/share (implying a 19% premium of CMP), equating to 600m shares (~5.7% of total paid-up equity share capital).

Key highlights from the management commentary

- Client priorities are shifting, with spending decisions increasingly tied to business outcomes. WPRO is making decisive investments in AI.
- Certain clients are witnessing supply chain disruptions due to geopolitical issues.
- Deal structures vary, with productivity benefits either passed on upfront or over time; the Olam deal follows an upfront structure.
- 1QFY27 revenue guidance is in the range of -2% to 0% QoQ in CC terms (mid-point -1.0% vs expectations of -0.5%), reflecting seasonality, a client-specific issue in Americas 2, and partial-quarter contribution from two large deal wins.
- Capco is playing a more proactive advisory role, helping clients navigate AI adoption, geopolitical trade disruptions, and technology transitions; sequentially and YoY, Capco delivered one of its highest revenue quarters in recent periods.

- Enterprise-level token consumption remains low, concentrated in AI-native companies, indicating a future growth opportunity.
- WPRO proposed a buyback of INR150b at INR250 per share (~19% premium), representing ~5.7% of total equity.
- The buyback is expected to be completed in 1QFY27; the three-year capital return ratio stands at 88%, above the stated policy.

Valuations and view

- We model ~1.0% YoY CC revenue growth for FY27E, factoring in a weak start (1QFY27E revenue down ~1.0% QoQ CC) and continued near-term headwinds from ramp-up delays, top client decline, and vertical weakness. We also see limited room for margin expansion, given the wage hikes, lower-margin deal ramp-ups, and ongong AI investments. We keep our estimates largely unchanged.
- Further improvement in execution and a stable conversion of deal TCV to revenue will be key to a constructive view. We reiterate **our Neutral rating on WPRO with a TP of INR215,** implying 14x FY28E EPS.

Quarterly Performance (IFRS) **(INR b)**

Y/E March	FY25				FY26				FY25	FY26	Est.	VAR.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY26	(% / bp)
IT Services Revenue (USD m)	**2,626**	**2,660**	**2,629**	**2,597**	**2,587**	**2,604**	**2,635**	**2,651**	**10,512**	**10,478**	**2,672**	**-0.8**
QoQ (%)	-1.2	1.3	-1.2	-1.2	-0.4	0.7	1.2	0.6	-2.7	-0.3	1.4	-78bp
Overall Revenue (INR b)	**220**	**223**	**223**	**225**	**221**	**227**	**236**	**242**	**891**	**926**	**246**	**-1.6**
QoQ (%)	-1.1	1.5	0.1	0.8	-1.6	2.5	3.8	2.9			4.6	-169bp
YoY (%)	-3.8	-1.0	0.5	1.3	0.8	1.8	5.5	7.7	-0.6	4.0	9.5	-177bp
GPM (%)	**30.2**	**30.5**	**31.0**	**30.9**	**29.0**	**29.6**	**30.3**	**29.0**	**30.7**	**29.5**	**28.7**	**26bp**
SGA (%)	13.7	13.6	13.8	13.6	12.9	13.2	14.2	11.9	13.7	13.0	13.0	-111bp
EBITDA	**43**	**45**	**46**	**47**	**43**	**45**	**46**	**49**	**181**	**183**	**48**	**3.5**
EBITDA Margin (%)	**19.7**	**20.0**	**20.8**	**20.7**	**19.3**	**19.8**	**19.6**	**20.3**	**20.3**	**19.8**	**19.3**	**100bp**
IT Serv. EBIT (%)	**16.5**	**16.8**	**17.5**	**17.5**	**17.3**	**16.7**	**17.6**	**17.3**	**17.1**	**17.2**	**17.0**	**29bp**
EBIT Margin (%)	**16.4**	**16.7**	**17.5**	**17.4**	**16.1**	**16.7**	**16.5**	**17.2**	**17.0**	**16.6**	**16.0**	**118bp**
Other income	4	6	6	8	7	5	6	5	24	22	4	8.7
ETR (%)	24.5	24.6	24.4	24.3	21.6	23.8	23.6	24.4	24.5	23.4	23.4	109bp
Adj PAT	**30**	**32**	**34**	**36**	**33**	**32**	**34**	**35**	**131**	**134**	**33**	**4.2**
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	2.4	-0.2	0.0	2.3	0.0	
PAT	**30**	**32**	**34**	**36**	**33**	**32**	**31**	**35**	**131**	**132**	**33**	**4.7**
QoQ (%)	5.9	6.8	4.5	6.4	-6.7	-2.5	-3.9	11.8			6.8	497bp
YoY (%)	4.6	21.3	24.5	25.9	10.9	1.2	-7.0	-2.3	19.2	0.5	-6.7	435bp
EPS (INR)	5.7	3.1	3.2	3.4	3.2	3.1	3.2	3.3	12.5	12.8	3.2	4.6

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	-1.0	0.6	0.1	-0.8	-2.0	0.3	1.4	0.2		
Margins										
Gross Margin	30.2	30.5	31.0	30.9	29.0	29.6	30.3	29.0	30.7	29.5
EBIT Margin	16.4	16.7	17.5	17.4	16.1	16.7	16.5	17.2	17.0	16.6
Net Margin	13.7	14.4	15.0	15.9	15.0	14.3	14.3	14.4	14.7	14.5
Operating metrics										
Headcount (k)	233	234	233	233	233	235	242	242	233	242
Attrition (%)	14.1	14.5	15.3	15.0	15.1	14.9	14.2	13.8	15.0	13.8
Utilization	87.7	86.4	83.5	84.6	85	86.4	83.1	83.5	85.6	84.5
Key Verticals (QoQ CC %)										
BFSI	0.5	2.7	-1.9	-0.5	-3.8	2.2	2.6	-1.3	-0.1	-1.9
Retail	1.6	0.3	-0.9	-1.3	-4	-1.7	0.7	1.7	-0.4	-5.5

CONFERENCE CALL

Highlights from the management commentary

4QFY26 performance and demand outlook

- Client priorities are shifting, with spending decisions increasingly tied to business outcomes. WPRO is making decisive investments in AI.
- Certain clients are witnessing supply chain disruptions due to geopolitical issues.
- Deal structures vary, with productivity benefits either passed on upfront or over time; the Olam deal follows an upfront structure.
- 1QFY27 revenue guidance is in the range of -2% to 0% QoQ in CC terms (mid-point -1.0% vs expectations of -0.5%), reflecting seasonality, a client-specific issue in Americas 2, and partial-quarter contribution from two large deal wins.
- Enterprise-level token consumption remains low, concentrated in AI-native companies, indicating a future growth opportunity.
- The company has proposed a buyback of INR150b at INR250 per share (~19% premium), representing ~5.7% of total equity.
- The buyback is expected to be completed in 1QFY27; the three-year capital return ratio stands at 88%, above stated policy.
- Geopolitical and policy disruptions have become the new normal.
- Cloud, data, and AI continue to attract investments as they form the foundation for future outcomes.
- Partnerships remain critical, with increasing emphasis on AI-native capabilities.
- The top account witnessed a sequential decline in 4Q. An increase in unbilled revenues is considered a quarterly aberration.
- **BFSI:** Performance was impacted by delayed ramp-ups in large deals and client-specific issues. One large deal continues to ramp-up slowly and is expected to impact 1Q as well.
- Capco is playing a more proactive advisory role, helping clients navigate AI adoption, geopolitical trade disruptions, and technology transitions; sequentially and YoY, Capco delivered one of its highest revenue quarters in recent periods.
- **Healthcare:** Impacted by seasonality and policy changes.
- **Manufacturing:** Demand remains cautious due to tariff-led disruptions, uncertainty in consumer demand, and pressure on input costs, leading to tighter budgeting.
- **EMR:** No material impact from geopolitical developments at present.
- **Americas 1:** Growth driven by Consumer, Technology, and Communications verticals.
- **Americas 2:** Significant softness due to BFSI, driven by client-specific issues and delayed deal ramp-ups. Impact expected to normalize from 2QFY27, with effects largely contained to 4Q and 1Q.
- **APMEA:** Growth driven by Southeast Asia, with traction in BFSI, Technology, and Communications. Signed a large deal with Olam Group (~USD 800 million), one of the largest engagements in the region.
- **Europe:** Strong traction in BFSI and healthy deal momentum, particularly in Germany.
- Hired ~7.5k freshers in FY26; no hiring guidance provided for FY27.
- Future revenues are expected to be less FTE-linked, reflecting a shift in delivery models.
- Productivity improvements are visible in SDLC, particularly in testing and coding.
- Clients are increasingly seeking AI-powered, non-legacy solutions.

- Recent acquisitions are aligned with vendor consolidation strategies for clients.

Margin outlook

- Adjusted EBIT margin stood at 17.2%, up 70 bps QoQ.
- IT Services margins remained stable at 17.3%, despite the impact of the Harman acquisition (two months) and wage hikes effective March 1. Tailwinds included rupee depreciation.
- 1QFY27 margins may witness volatility due to large deal ramp-ups and the full-quarter impact of wage increases.
- The company will continue to accelerate investments, particularly in the Wipro Intelligence Platform.

Exhibit 1: Technology grew 5.3% QoQ CC, posting a consecutive fourth quarter growth

Verticals (QoQ CC, %)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
BFSI	-2.4	-4.3	-3.0	-4.3	2.1	0.5	2.7	-1.9	-0.5	-3.8	2.2	2.6	-1.3
Communications	-4.4	-0.5	-7.2	-8.6	-4.8	-1.8	1.6	0.0	-4.8	-1.8	1.6	0.0	-4.8
Consumer Business Unit	-0.9	-3.5	-2.3	-1.0	-0.6	1.6	0.3	-0.9	-1.3	-4.0	-1.7	0.7	1.7
Energy, Natural Resources & Utilities	5.9	-4.9	-5.3	0.7	-0.3	-6.3	-3.7	0.4	1.1	-0.7	-1.5	-4.9	1.1
Health Business Unit	2.0	-1.3	1.4	7.5	1.2	-2.8	-0.5	6.7	-3.1	0.5	-0.2	4.2	-4.4
Manufacturing	-0.3	0.9	-5.4	-6.1	-0.6	-3.0	-2.0	0.0	-0.6	-3.0	-2.0	0.0	-0.6
Technology	-2.7	0.1	5.8	-1.9	-6.0	-0.5	1.6	-0.6	-0.9	0.4	0.8	4.2	5.3

Source: Company, MOFSL

Exhibit 2: APMEA led growth in 4QFY26

Geographies (QoQ CC, %)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Americas 1	-1.5	-1.1	1.0	2.0	-1.8	0.4	1.2	3.9	0.2	0.6	0.5	1.8	0.3
Americas 2	-0.3	-4.2	-2.3	-1.3	1.9	-0.7	0.8	-0.6	-1.0	-1.7	-2.0	-0.8	-2.6
Europe	-0.6	-3.4	-5.1	-4.3	-0.1	-1.4	-0.1	-2.7	-2.5	-6.4	1.4	3.3	2.0
APMEA	0.7	-1.9	-0.5	-5.4	-2.2	-4.2	0.3	-2.1	1.0	0.6	3.1	1.7	3.1

Source: Company, MOFSL

Valuations and view

- We model ~1.0% YoY CC revenue growth for FY27E, factoring in a weak start (1QFY27E revenue down ~1.0% QoQ CC) and continued near-term headwinds from ramp delays, top client decline, and vertical weakness. We also see limited room for margin expansion, given the wage hikes, lower-margin deal ramp-ups, and ongoing AI investments. We keep our estimates largely unchanged.
- Further improvement in execution and a stable conversion of deal TCV to revenue will be key to a constructive view. We reiterate **our Neutral rating on WPRO with a TP of INR215,** implying 14x FY28E EPS.

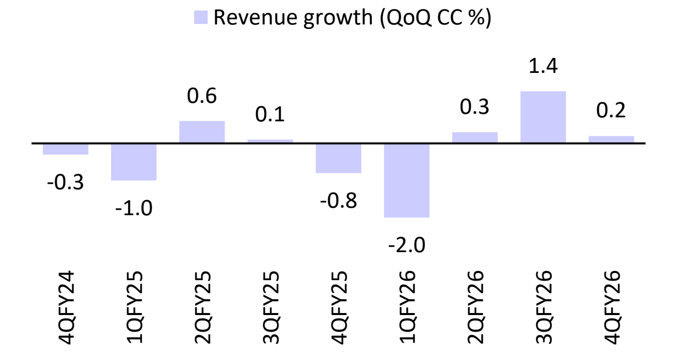
Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	93.8	95.0	93.8	95.0	0.0%	0.0%
IT Services USD Revenue - m	10,579	10,898	10,716	11,066	-1.3%	-1.5%
IT services Growth (%)	1.0	3.0	2.1	3.3	-110bps	-30bps
EBIT margin - Overall (%)	16.9	16.9	16.7	16.7	20bps	20bps
Adj. PAT (INR B)	139.4	143.9	140.9	146.0	-1.1%	-1.4%
Adj. EPS	14.53	15.49	14.69	15.72	-1.1%	-1.4%

Source: MOFSL

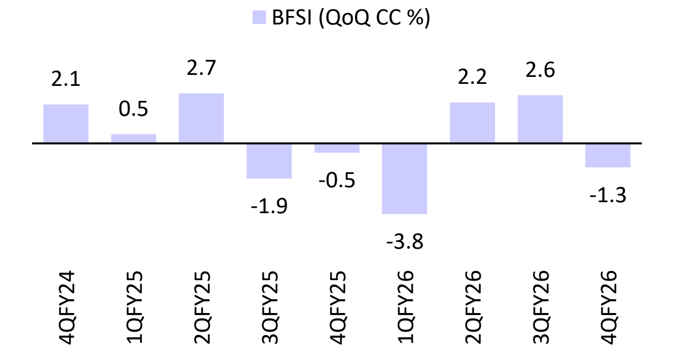
Story in charts

Exhibit 4: WPRO revenue grew 0.2% QoQ CC



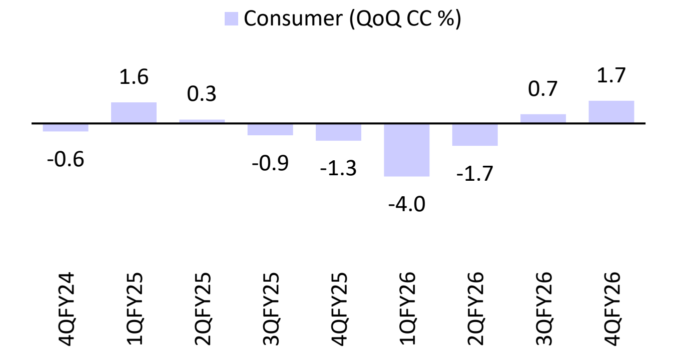
Source: Company, MOFSL

Exhibit 5: BFSI declined 1.3% QoQ cc in 4Q due to delays in ramp-up



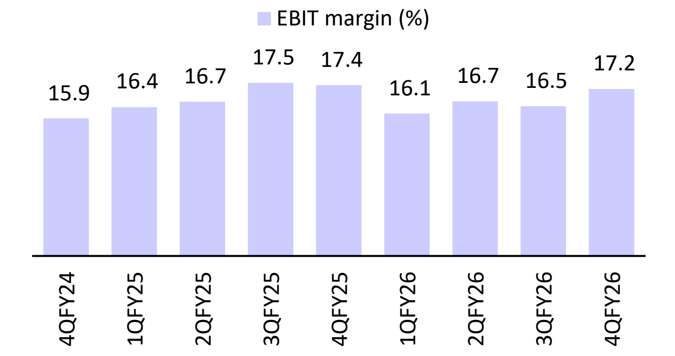
Source: Company, MOFSL

Exhibit 6: Consumer showed strength in Americas 1



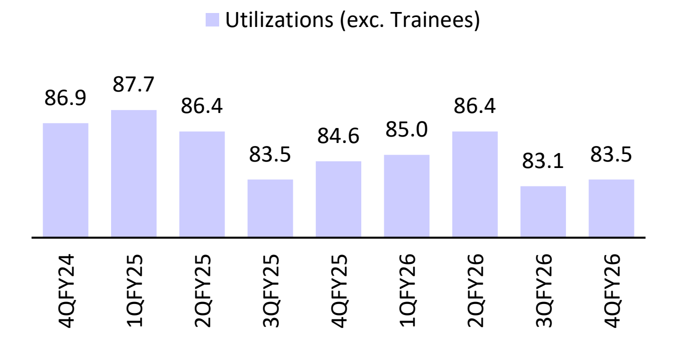
Source: Company, MOFSL

Exhibit 7: EBIT margin expanded 70bp QoQ



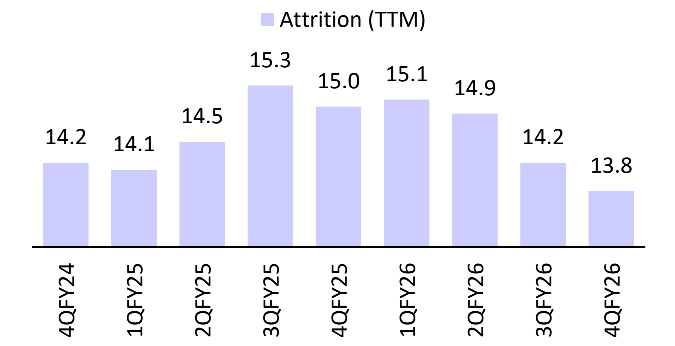
Source: Company, MOFSL

Exhibit 8: Utilization increased 40bp to 83.5%



Source: Company, MOFSL

Exhibit 9: Attrition was down 40bp in 4Q



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Verticals (%)									
Finance Solutions	33.5	34.0	34.8	34.1	34.2	33.6	34.3	34.6	34.1
Healthcare Life Sciences	14.1	13.9	13.6	14.7	14.4	14.6	14.5	14.9	14.2
Energy, Manufacturing and Resources	18.5	17.6	17.0	16.9	17.3	17.7	17.4	16.3	16.5
Consumer	18.7	19.2	19.2	19.0	18.9	18.6	18.2	18.2	18.4
Technology & Communications	15.2	15.3	15.4	15.3	15.2	15.5	15.6	16.0	16.8
Geography (%)									
Americas 1	30.4	30.9	30.8	32.3	32.8	33.1	33.0	33.2	33.2
Americas 2	30.7	30.8	30.6	30.6	30.6	30.4	29.6	29.0	28.1
Europe	27.8	27.6	27.9	26.7	26.1	25.7	26.3	26.7	27.2
APMEA	11.1	10.7	10.7	10.4	10.5	10.8	11.1	11.1	11.5
Customer size distribution (TTM)									
Over USD100m	22	22	21	18	17	16	16	16	16
Over USD75m	32	29	30	30	28	27	29	31	29
Over USD50m	45	43	42	42	44	47	45	45	45
Over USD20m	116	117	117	114	111	109	104	103	106
Over USD10m	205	192	186	187	181	180	177	177	183
Over USD5m	301	301	297	290	289	281	272	281	289
Over USD3m	409	407	411	403	398	397	393	390	391
Over USD1m	741	735	733	722	716	725	730	722	715
Customer metrics									
Revenue from existing customers (%)	97.8	99.7	99.4	98.8	98.1	99.6	98.6	96.5	94.7
Number of new customers	60	43	28	63	63	49	45	92	30
Total number of active customers	1371	1364	1342	1299	1282	1266	1257	1272	1233
Employee metrics									
Closing headcount – IT Services (k)	233	233	234	233	233	233	235	242	242
Sales and support staff – IT Services (k)	16	0	0	0	15	0	0	0	0
Utilization									
Net utilization (excluding trainees, %)	86.9	87.7	86.4	83.5	84.6	85.0	86.4	83.1	83.5
Attrition									
Voluntary TTM	14.2	14.1	14.5	15.3	15.0	15.1	14.9	14.2	13.8
Customer concentration (%)									
Top customer	3.8	4.0	4.1	4.5	4.4	4.7	4.8	4.7	4.3
Top five	13.4	13.6	14.0	14.3	14.5	14.7	14.4	14.4	13.8
Top 10	22.0	22.5	22.9	23.7	24.2	24.5	24.0	23.7	23.1

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**	**1,002**	**1,044**
Change (%)	27.7	14.4	-0.9	-0.6	4.0	8.2	4.2
Operating Costs	556	645	631	618	653	707	730
Gross Profit	**235**	**259**	**266**	**273**	**273**	**295**	**314**
SG&A	97	120	130	122	119	126	138
EBITDA	**169**	**173**	**170**	**181**	**183**	**200**	**209**
% of Net Sales	21.4	19.1	19.0	20.3	19.8	20.0	20.0
Depreciation & Amort.	31	33	34	30	29	31	33
EBIT	**138**	**140**	**136**	**151**	**154**	**169**	**176**
% of Net Sales	17.5	15.4	15.2	17.0	16.6	16.9	16.9
Other Income	13	8	11	24	22	17	16
PBT	**151**	**148**	**147**	**175**	**176**	**186**	**192**
Tax	29	34	36	43	41	45	47
Rate (%)	19.1	23.0	24.5	24.5	23.4	24.4	24.5
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**	**139**	**144**
Change (%)	13.2	-7.1	-2.9	19.2	2.2	3.8	3.3

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	767	804
Net Worth	**658**	**781**	**750**	**828**	**885**	**788**	**825**
Minority Interest & others	56	66	88	108	129	132	149
Loans	152	150	141	162	168	158	148
Capital Employed	**866**	**997**	**979**	**1,098**	**1,182**	**1,077**	**1,121**
Gross Block	338	369	395	432	465	489	509
Less : Depreciation	228	262	296	325	354	386	419
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	43	45
Curr. Assets	**621**	**661**	**651**	**778**	**826**	**741**	**803**
Debtors	176	187	174	182	213	222	232
Inventories	1	1	1	1	1	1	1
Cash & Bank Balance	104	92	97	122	106	99	164
Adv., Other Current Assets	98	72	68	62	70	81	79
Investments	242	309	311	411	438	338	328
Current Liab. & Prov	**213**	**179**	**173**	**188**	**237**	**256**	**264**
Net Current Assets	**408**	**482**	**477**	**589**	**589**	**485**	**539**
Application of Funds	**866**	**997**	**979**	**1,098**	**1,182**	**1,077**	**1,121**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
EPS	**12.4**	**11.5**	**11.1**	**13.3**	**13.6**	**14.5**	**15.5**
Cash EPS	15.5	14.9	14.6	16.3	16.7	18.4	19.0
Book Value	66.7	79.2	76.0	84.0	89.8	85.0	89.0
DPS	3.0	0.5	0.0	6.0	11.0	8.7	10.8
Payout %	24.2	4.4	1.6	45.2	81.0	60.0	70.0
Valuation (x)							
P/E	17.0	18.3	18.9	15.8	15.5	14.5	13.6
Cash P/E	13.6	14.2	14.4	12.9	12.6	11.4	11.1
EV/EBITDA	11.1	10.5	10.6	9.4	9.3	8.0	9.3
EV/Sales	2.4	2.0	2.0	1.9	1.8	1.6	1.9
Price/Book Value	3.2	2.7	2.8	2.5	2.3	2.5	2.4
Dividend Yield (%)	1.4	0.2	0.0	2.9	5.2	4.1	5.2
Profitability Ratios (%)							
RoE	20.2	15.8	14.4	16.6	15.7	16.7	17.9
RoCE	16.3	12.8	11.3	12.0	11.7	13.2	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	171	177
Cash for Wkg. Capital	-36	-15	19	10	-14	-7	16
Net Operating CF	**111**	**131**	**176**	**169**	**149**	**164**	**193**
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	-81	-100
Net CF from Finan.	**47**	**-61**	**-183**	**-64**	**-141**	**-247**	**-117**
Free Cash Flow	91	116	170	156	134	144	172
Net Cash Flow	**-67**	**-14**	**5**	**25**	**-25**	**-7**	**65**
Forex difference	1	2	0	0	9	0	0
Opening Cash Bal.	**168**	**102**	**90**	**95**	**120**	**104**	**97**
Add: Net Cash	-66	-12	5	25	-16	-7	65
Closing Cash Bal.	**102**	**90**	**95**	**120**	**104**	**97**	**162**

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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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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Grievance Redressal Cell:

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

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