25 April 2026

4QFY26 Result Update | Sector: Technology

Zensar

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ZENT IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	121.9 / 1.3
52-Week Range (INR)	895 / 511
1, 6, 12 Rel. Per (%)	-6/-26/-22
12M Avg Val (INR M)	501

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	56.9	62.0	67.3
EBIT Margin (%)	14.5	14.3	14.4
PAT	7.9	8.0	8.6
EPS (INR)	34.5	34.8	37.6
EPS Gr. (%)	21.7	0.7	8.1
BV/Sh. (INR)	207.8	225.4	244.3
Ratios			
RoE (%)	18.1	16.2	16.2
RoCE (%)	13.6	13.1	13.3
Payout (%)	43.4	43.4	43.4
Valuations			
P/E (x)	15.5	15.4	14.2
P/BV (x)	2.6	2.4	2.2
EV/EBITDA (x)	10.5	9.2	8.0
Div Yield (%)	2.8	2.8	3.0

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	49.0	49.0	49.1
DII	23.7	23.1	19.9
FII	10.8	12.1	15.0
Others	16.5	15.7	16.1

FII Includes depository receipts

CMP: INR536 TP: INR640 (19%) Buy

Recovery to follow steadily

2HFY27 growth hinges on mega-deal ramp up; TMT drag continues

- Zensar (ZENT) reported 4QFY26 with a revenue decline of 1.9% QoQ CC (est. a decline of 1.8% CC). BFSI grew 1.2% QoQ CC, while HLS/MCS declined 6.6%/3.9% QoQ CC. **Deal TCV**: Bookings came in at USD401.8m (up 122.9% QoQ/down 88% YoY), and the book-to-bill was 2.5x. EBIT margin was 14.7% (est. 13.8%), down 130bp QoQ. Adj. PAT of INR2,102m (down 4.1% QoQ/19.2% YoY), above our estimate of INR1,602m.
- For FY26, revenue/EBIT/adj. PAT grew 7.7%/15.4%/22.1% YoY in INR terms. In 1QFY26, we expect revenue/EBIT/adj. PAT to grow 7.5%/9.6%/3.7% YoY. Cash flow from operations stood at ~97% of adj. net profit for FY26. For FY26, RoE came in at 18.1% (vs. 17.0%/20.3%/11.6% in FY25/FY24/FY23). We reiterate a **BUY** rating on ZENT with a TP of INR640, implying a 17x FY28E EPS.

Our view: Near-term margins could be impacted by deal ramp-up investment

- **Growth visibility improves with large deal but near-term growth and margins remain tight:** ZENT's revenue declined -1.3% QoQ CC, impacted by TMT weakness and delayed ramp-up of the mega deal (closed only in Feb). Management indicated that **1QFY27 is unlikely to see a further decline, with growth trajectory dependent on the pace of ramp-up of the ~USD210m deal (full run-rate only from 3QFY27).** While order intake remains strong (ex-large deals at ~USD190-200m; BTB >1.1x), conversion into revenue will be gradual, given the transition timelines. We estimate an uptick in revenue in 2HFY27, with 1H likely softer with a modest growth of 1.0%/2.0% QoQ cc in 1Q/2QFY27.
- **AI-led shift impacting pricing:** Clients continue to prioritize cost optimization, with AI spends largely coming from existing ADM/testing budgets rather than incremental spend. We believe this is creating pricing pressure on legacy services, especially during renewals.
- **Vertical mix remains uneven; TMT drag persists:** TMT (weakest vertical) declined ~9.7% YoY in FY26 and continues to face structural pressure from insourcing and shift in spends toward AI infrastructure. **Management does not expect recovery in the near term, with the top client (~6–8% of revenue) likely to remain a drag. BFSI remains steady and is expected to drive growth**, while MCS is stabilizing, and HLS may remain flat amid client consolidation. Overall, we believe growth will remain dependent on non-TMT verticals, offsetting continued weakness in these verticals.
- **Margins to see near-term pressure from large deal investments:** EBITDA margins contracted ~130bp QoQ in 4Q, impacted by ~110bp reversal of leave benefits, ~110bp increase in SG&A (including deal-related costs), and ~30bp volume decline, partly offset by ~120bp forex tailwind. **Management indicated that transition and hiring costs (already ~50–60bp impact in 4Q) will increase further in 1Q–2QFY27 before normalizing. While mid-teens margin guidance is maintained**, we expect 1H pressure with a recovery in 2H as revenues ramp up. We build in EBITDA margins of 16.1% for FY27E.

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- **Deal momentum strong but competitive intensity rising:** Order book reached an all-time high in 4Q, with total intake up ~123% QoQ, supported by a ~USD210m mega deal (largest in company history). Ex-large deal intake stood at ~USD192–206m (vs. ~USD180m in 3Q), implying a book-to-bill above ~1.2x. That said, revenue ramp from large deals is phased (limited in 1Q, gradual in 2Q, meaningful from 3Q), and **competitive intensity has increased with Tier-1 vendors participating more actively in similar deal sizes**. Sustaining win rates and deal economics in a competitive environment will be key monitorables.

Valuation and change in estimates

- 4Q performance reflects continued demand unevenness, with TMT weakness and delayed deal ramp impacting growth, while margins saw early pressure from transition costs. The mega deal (~USD210m) provides better medium-term revenue visibility, though contribution will build gradually from 2Q and scale meaningfully only from 3QFY27.
- At the same time, AI-led reprioritization of spends is keeping pricing tight in legacy services, limiting near-term margin expansion. We cut our estimates by -2.5%/-2.0% for FY27/FY28. We estimate EBITDA margins of ~16.1%/16.2% **for FY27E/FY28.** Our TP of INR640 is based on 17x FY28E EPS. We reiterate our BUY rating**.**

Revenues in line with our estimates and beat on margins; strong deal TCV wins (up 123% QoQ)

- ZENT's revenue stood at USD158.4m, down 1.9% QoQ in CC terms, in line with our estimates of a 1.8% decline QoQ CC. Reported 4Q USD revenue was down 1.3% QoQ. For FY26, revenue was up 3.1% YoY to USD643.7m.
- BFSI grew 1.2% QoQ CC, while HLS/MCS declined 6.6%/3.9% QoQ CC.
- Deal TCV: Bookings came in at USD401.8m (up 122.9% QoQ/88% YoY), and the book-to-bill was 2.5x. For FY26, deal TCV stood at USD912.7m, up 17.8% YoY.
- EBIT margin was 14.7% (est. 13.8%), down 130bp QoQ. For FY26, EBIT margin was 14.5% (est. 14.3%), up 100bp YoY.
- In 4Q, total headcount reached 10,779 (flat QoQ). LTM attrition was 9.8%, up 30bp QoQ. Utilization was up 80bp QoQ at 84.3%.
- Adj. PAT of INR2,102m (down 4.1% QoQ/up 19.2% YoY) was above our estimate of INR1,602m. Adj. PAT for FY26 stood at INR7.9b (up 22% YoY), above our expectation of INR7.4b.
- The company declared an interim dividend of INR 12.6/share.

Key highlights from the management commentary

- While clients are willing to expand AI adoption, the majority of AI spend is being carved from existing ADM and testing budgets rather than being incremental, resulting in pricing pressure on legacy services.
- Macro conditions and AI-related rethinking are compressing overall budgets, though management does not yet see a systemic push-out in decision-making.
- Tier-1 vendors have expanded their pursuit perimeter meaningfully, now competing for deals they would not have pursued a few quarters ago.
- Sequential decline was primarily caused by two factors: continued weakness in the TMT vertical and the mega deal closing only in February, leaving no material revenue contribution in 4Q.
- The mega deal has a gross TCV of ~USD210m; ex-large deal order intake for the quarter stood at ~USD192-206m (vs. ~USD180m last quarter).

- A majority of AI spend continues to be repurposed from existing application development and testing budgets, exerting pressure on renewals and pricing.
- Mid-teens EBITDA margin guidance is maintained for FY27 as a whole; margin pressure in 1H is expected to normalize from 2HFY27 as the large deal reaches full revenue run-rate.
- TMT: Management expects TMT to remain under pressure for the next several quarters, with the top client budgeted for continuous decline as insourcing trends and internal cost-cutting intensify. Top TMT client, which has declined in revenue share to ~6-8% of total revenue, remains a known drag; management has not assumed any growth for this account in its internal plans.

Valuation and view

- 4Q performance reflects continued demand unevenness, with TMT weakness and delayed deal ramp impacting growth, while margins saw early pressure from transition costs. The mega deal (~USD210m) provides better medium-term revenue visibility, though contribution will build gradually from 2Q and scale meaningfully only from 3QFY27.
- At the same time, AI-led reprioritization of spends is keeping pricing tight in legacy services, limiting near-term margin expansion. We cut our estimates by -2.5%/-2.0% for FY27/FY28. We estimate EBITDA margins of ~16.1%/ 16.2**% for FY27/FY28.** Our TP of INR640 is based on 17x FY28E EPS. We reiterate our BUY rating.

Quarterly Performance **(INR M)**

Y/E March	FY25				FY26				FY25	FY26	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY26	(% / bp)
Revenue (USD m)	**154**	**156**	**157**	**157**	**162**	**163**	**161**	**158**	**624**	**644**	**159**	**-0.3**
QoQ (%)	4.3	1.2	0.5	-0.1	3.3	0.5	-1.4	-1.3	5.4	3.1	-1.0	-32bp
Revenue (INR m)	**12,881**	**13,080**	**13,256**	**13,589**	**13,850**	**14,213**	**14,307**	**14,504**	**52,806**	**56,874**	**14,497**	**0.0**
YoY (%)	5.0	5.4	10.1	10.5	7.5	8.7	7.9	6.7	7.7	7.7	6.7	5bp
GPM (%)	**30.4**	**28.1**	**30.1**	**30.3**	**30.5**	**31.0**	**33.8**	**32.7**	**29.7**	**32.0**	**32.0**	**75bp**
SGA (%)	15.2	12.7	14.5	14.7	15.3	15.6	16.3	16.5	14.3	15.9	16.5	0bp
EBITDA	**1,961**	**2,011**	**2,069**	**2,125**	**2,106**	**2,199**	**2,499**	**2,357**	**8,166**	**9,161**	**2,247**	**4.9**
EBITDA Margin (%)	**15.2**	**15.4**	**15.6**	**15.6**	**15.2**	**15.5**	**17.5**	**16.3**	**15.5**	**16.1**	**15.5**	**75bp**
EBIT	**1,714**	**1,714**	**1,832**	**1,887**	**1,875**	**1,947**	**2,296**	**2,130**	**7,147**	**8,248**	**2,001**	**6.5**
EBIT Margin (%)	**13.3**	**13.1**	**13.8**	**13.9**	**13.5**	**13.7**	**16.0**	**14.7**	**13.5**	**14.5**	**13.8**	**89bp**
Other income	383	366	270	411	531	454	607	625	1,430	2,217	130	379.5
ETR (%)	24.7	25.1	24.0	23.2	24.4	24.2	24.5	23.7	24.2	24.2	24.8	
Adj. PAT	**1,579**	**1,558**	**1,597**	**1,764**	**1,820**	**1,821**	**2,191**	**2,102**	**6,498**	**7,934**	**1,602**	**31.2**
QoQ (%)	-8.9	-1.3	2.5	10.5	3.2	0.1	20.3	-4.1			-26.9	
YoY (%)	1.1	-10.4	-1.2	1.8	15.3	16.9	37.2	19.2	-2.3	22.1	-9.2	
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	193.0	-3.8	**0**	**189**	0.0	
Reported PAT	**1,579**	**1,558**	**1,597**	**1,764**	**1,820**	**1,821**	**1,998**	**2,106**	**6,498**	**7,745**	**1,602**	**31.4**
Adj. EPS (INR)	**6.9**	**6.8**	**7.0**	**7.7**	**7.9**	**7.9**	**9.5**	**9.2**	**28.4**	**34.5**	**7.0**	**31.2**

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	4.3	0.3	0.7	0.9	1.9	-	(1.3)	(1.9)		
Margins										
Gross Margin	30.4	28.1	30.1	30.3	30.5	31.0	33.8	32.7	29.7	32.0
EBIT Margin	13.3	13.1	13.8	13.9	13.5	13.7	16.0	14.7	13.5	14.5
Net Margin	12.3	11.9	12.0	13.0	13.1	12.8	15.3	14.5	12.3	14.0
Operating metrics										
Headcount	10,396	10,240	10,517	10,702	10,620	10,550	10,732	10,779	10,702	10,779
LTM Attrition (%)	10.6	10.1	10.0	9.9	9.8	9.8	9.5	9.8	10	10
Offshore Rev	48.6	50.3	50.5	51.0	52.6	54.2	54.5	53.8	51.0	54
Key Geographies (YoY USD %)										
North America	2.4	6.4	10.6	8.1	4.3	2.7	(0.5)	(2.1)	6.8	1.1
UK	6.6	1.6	7.5	5.9	8.6	6.2	6.1	7.3	5.3	7.0
Africa	4.3	(4.5)	(0.2)	(3.8)	2.2	9.8	10.2	6.9	(1.2)	7.3

Key highlights from the management commentary

Growth and outlook

- Geopolitical uncertainty and sudden policy shifts have become the new normal for the industry; tighter immigration policies are beginning to have a visible impact on IT operations.
- AI-led cost optimization continues to drive client spending priorities, with enterprises tilting budgets toward efficiency and vendor consolidation over discretionary spend.
- While clients are willing to expand AI adoption, the majority of AI spend is being carved from existing ADM and testing budgets rather than being incremental, resulting in pricing pressure on legacy services.
- Client decision-making cycles have not elongated materially; management views decision timelines as more client-specific than macro-driven.
- **Macro conditions and AI-related rethinking are compressing overall budgets,** though management does not yet see a systemic push-out in decision-making.
- Tier-1 vendors have expanded their pursuit perimeter meaningfully, now competing for deals they would not have pursued a few quarters ago.
- A majority of AI spend continues to be repurposed from existing application development and testing budgets**, exerting pressure on renewals and pricing.**
- Sequential decline was primarily caused by two factors: continued weakness in the TMT vertical and the mega deal closing only in February, leaving no material revenue contribution in 4Q.
- Service line performance on a YoY reported currency basis was mixed — Cloud Infrastructure & Security grew ~13%, Data Engineering & Analytics ~8%, Products & Platforms (incl. CMO) ~6%, and Enterprise Application Services ~1.2%.
- Management does not anticipate a decline in 1QFY27 based on current visibility.
- FY27 growth trajectory will be materially dependent on the ramp-up pace of the mega deal.
- AI-related deflation is not a significant near-term headwind for ZENT, given its predominantly project-based (non-annuity) book of business. Management views AI more as a competitive tool than a pricing threat.

- Quality Intelligence (QI), a reimagined AI-native testing offering replacing traditional IVS/testing, **is being positioned as a potential ~USD10m service line**, with active pursuits already underway.
- Order book hit an all-time high in 4Q, surging ~122.9% QoQ, supported by the signing of a mega deal - the largest in the company's history.
- The mega deal has a gross TCV of ~USD210m; ex-large deal order intake for the quarter stood at ~USD192-206m (vs. ~USD180m last quarter).
- Management is comfortable with a run-rate order intake of ~USD180-200m per quarter (ex-large deals), with anything above 1.1x book-to-bill considered healthy.
- The mega deal win involved displacing an incumbent Tier-1 vendor and was driven significantly by ZENT's AI-native solutioning.
- Revenue ramp from the mega deal is expected to be gradual: some contribution in 1Q, modest improvement in 2Q, with full and proper ramp expected only from 3QFY27, given the complexity of the transition.
- Competitive intensity has increased materially, with Tier-1 firms now regularly encountered in ZENT's deal pursuits.
- Pipeline health remains good; management expressed comfort on pipeline depth and new business generation from both existing and new clients.
- **BFS:** Management expects BFSI to continue to be a growth driver in FY27, underpinned by secular demand from European and US financial services clients.
- **TMT:** Management expects TMT to remain under pressure for the next several quarters, with the top client budgeted for continuous decline as insourcing trends and internal cost-cutting intensify.
- Large-cap tech companies (Oracle, Snap, Meta, Microsoft) are letting go of tens of thousands of employees signals a structural shift — outsourced spend at these firms is contracting in tandem.
- Top TMT client, which has declined in revenue share to ~6-8% of total revenue, remains a known drag; management has not assumed any growth for this account in its internal plans.
- **HLS:** Headwinds stem from consolidation plays by a couple of clients, resulting in ZENT being rationalized out; these impacts were flagged in the previous quarter and are now being absorbed. Management aims to keep HLS at least flat in FY27, acknowledging that new client additions will be needed to offset the identified account losses.
- Gross additions stood at ~968 employees in 4Q, reflecting demand for delivery capacity and **proactive hiring for the mega deal ramp.**
- **New AI-native offerings launched or refined in 4Q include:** Agentic Foundry (workflow automation for BFSI), Quality Intelligence (QI), Context Intelligence, Synops for AI, and Zensar.Guide.
- AI adoption is also embedded in internal functions — recruitment is fully AI-enabled, and AI agents are being deployed across Finance (AP/AR, FP&A, contracting) and HR processes.
- Management is actively using AI to expand its addressable market into adjacent spend pools — CMO, BPO/operations, HR, and Finance — where AI-led propositions can displace traditional headcount-heavy delivery models.

- While clients are willing to expand AI adoption, the majority of AI spend is being carved from existing ADM and testing budgets rather than being incremental — resulting in pricing pressure on legacy services.

Margin performance and outlook

- EBITDA margins contracted ~130bp QoQ in 4Q, attributable to: lower volumes (~30bps drag), reversal of 3Q leave utilization benefit (~110bp), higher SG&A including early large deal costs (~110bp), partially offset by a favorable forex impact (~120bpW).
- PAT margin for the quarter stood at ~14.4%, expanding ~50bp QoQ, aided by forex tailwinds and other below-EBITDA items.
- Large deal transition costs are still in their early stages — management cautioned that costs recognized in 4Q represent only a small fraction of what is expected to flow through in 1Q and 2Q of FY27.
- Incremental headcount-related cost for the mega deal ramp added ~50-60bp to 4Q employee costs; this is expected to increase further over 1Q-2QFY27 before stabilizing as revenues begin to accrue.
- **Mid-teens EBITDA margin guidance maintained for FY27 as a whole**; margin pressure in 1H is expected to normalize from 2HFY27 as the large deal reaches full revenue run-rate.
- Management flagged a conscious trade-off between near-term margin and growth - margin blips, if any, will be in service of long-term revenue ramp.
- Effective tax rate for 4Q stood at ~23.7%; for FY27, management guided toward normal corporate tax rate, with a range of plus/minus ~50bp.

Exhibit 1: TMT declines as clients shift budgets to capex

Verticals	Revenue contribution (%)	Growth QoQ (CC)
Hi-Tech	18.1	(3.8)
Manufacturing	25.8	(3.9)
Banking	45.6	1.2
Healthcare	10.5	(6.6)

Source: Company, MOFSL

Exhibit 2: North America sees drag due to TMT client base

Geographies	Revenue contribution (%)	Growth QoQ (CC)
North America	65.5	(2.8)
Europe	22.0	2.6
Africa	12.4	0.3

Source: Company, MOFSL

Valuation and view

- 4Q performance reflects continued demand unevenness, with TMT weakness and delayed deal ramp impacting growth, while margins saw early pressure from transition costs. The mega deal (~USD210m) provides better medium-term revenue visibility, though contribution will build gradually from 2Q and scale meaningfully only from 3QFY27.
- At the same time, AI-led reprioritization of spends is keeping pricing tight in legacy services, limiting near-term margin expansion. We cut our estimates by -2.5%/-2.0% for FY27/FY28. We estimate EBITDA margins of ~16.1%/ 16.2**% for FY27/FY28.** Our TP of INR640 is based on 17x FY28E EPS. We reiterate our BUY rating.

Exhibit 3: Summary of our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	93.8	95.0	93.8	95.0	0.0%	0.0%
USD Revenue - m	661	708	664	704	-0.4%	0.6%
Growth (%)	2.7	7.1	3.0	6.1	-30bps	100bps
EBIT margin (%)	14.3	14.4	14.4	14.5	0bps	-10bps
Adj. PAT (INR m)	7,990	8,640	8,195	8,820	-2.5%	-2.0%
Adj. EPS	34.8	37.6	35.7	38.4	-2.5%	-2.0%

Source: Company, MOFSL

Exhibit 4: Operating metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Geographic Mix - %									
USA	66	69	68	67	67	68	67	66	65
Europe	21	20	21	21	21	21	22	22	22
ROW	13	12	11	12	12	11	12	12	13
Revenue by delivery - %									
Onsite	50	51	50	50	49	47	46	46	46
Offshore	50	49	50	51	51	53	54	55	54
Client concentration - %									
Top 5	28	28	29	28	28	27	27	26	24
Top 6-10	13	14	14	14	13	14	14	14	14
Top 10	41	42	42	41	41	41	41	39	38
Top 11-20	16	17	16	16	15	16	17	17	18
Top 20	57	59	58	57	56	58	57	57	56
Number of million dollar clients									
1 Million dollar +	85	86	86	87	84	82	84	85	83
5 Million dollar +	31	31	32	34	33	32	32	31	32
10 Million dollar +	14	14	15	14	14	16	15	15	15
20 Million dollar +	4	4	4	5	6	6	6	6	6
Client metrics									
Number of active clients	148	148	158	158	166	166	171	176	178
Employee metrics									
Total headcount	10,349	10,396	10,240	10,517	10,702	10,620	10,550	10,732	10,779
Gross employees added during the period	816	855	693	975	873	728	831	988	968
Utilization	83.7	83.9	82.8	82.9	84.6	84.3	84.8	83.5	84.3
Attrition	10.9	10.6	10.1	10.0	9.9	9.8	9.8	9.5	9.8

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Sales	**42,437**	**48,483**	**49,018**	**52,806**	**56,874**	**62,033**	**67,292**
Change (%)	15.7	14.2	1.1	7.7	7.7	9.1	8.5
Cost of Services	29,214	35,000	33,434	37,111	38,657	42,983	46,733
Gross Profit	**13,223**	**13,483**	**15,584**	**15,695**	**18,217**	**19,050**	**20,560**
SG&A Expenses	6,659	7,960	6,869	7,529	9,056	9,055	9,656
EBITDA	**6,564**	**5,523**	**8,715**	**8,166**	**9,161**	**9,995**	**10,903**
% of Net Sales	15.5	11.4	17.8	15.5	16.1	16.1	16.2
Depreciation	1,849	1,830	1,338	1,019	913	1,117	1,211
EBIT	**4,715**	**3,693**	**7,377**	**7,147**	**8,248**	**8,878**	**9,692**
% of Net Sales	11.1	7.6	15.0	13.5	14.5	14.3	14.4
Interest	354	278	209	173	121	295	336
Other Income	907	642	1,583	1,962	2,068	1,893	2,019
Forex	470	386	5	-359	270	43	0
PBT	**5,738**	**4,443**	**8,756**	**8,577**	**10,465**	**10,520**	**11,374**
Tax	1,525	1,166	2,107	2,079	2,531	2,530	2,734
Rate (%)	26.6	26.2	24.1	24.2	24.2	24.0	24.0
Minority Interest	53	0	0	0	0	0	0
Adjusted PAT	**4,160**	**3,277**	**6,649**	**6,498**	**7,934**	**7,990**	**8,640**
Change (%)	19.0	-21.2	102.9	-2.3	22.1	0.7	8.1

E: MOSL Estimates

Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	452	453	453	454	453	453	453
Reserves	26,417	29,309	35,166	40,243	46,738	50,715	55,014
Net Worth	**26,869**	**29,762**	**35,619**	**40,697**	**47,191**	**51,168**	**55,467**
Loans	0	0	0	0	0	0	0
Other liabilities	3,544	2,866	2,319	2,210	2,144	2,144	2,144
Capital Employed	**30,413**	**32,628**	**37,938**	**42,907**	**49,335**	**53,312**	**57,611**
Net Block	**12,858**	**11,735**	**10,393**	**11,709**	**13,986**	**13,669**	**13,258**
Other LT Assets	3,226	6,291	10,144	6,874	6,346	6,480	6,617
Curr. Assets	**22,628**	**23,184**	**25,941**	**33,146**	**40,503**	**45,783**	**51,438**
Current Investments	5,141	7,045	9,315	17,265	21,746	23,746	25,746
Inventories	0	0	0	0	0	0	0
Debtors	7,967	7,298	7,320	7,901	9,242	10,197	11,062
Cash & Bank Balance	5,054	4,744	4,432	2,708	4,163	6,003	8,298
Other Current Assets	4,466	4,097	4,874	5,272	5,352	5,837	6,332
Current Liab. & Prov	**8,299**	**8,582**	**8,540**	**8,822**	**11,500**	**12,621**	**13,701**
Trade payables	3,164	2,772	3,095	3,437	3,674	4,085	4,442
Other liabilities	5,135	5,810	5,445	5,385	7,826	8,536	9,260
Net Current Assets	**14,329**	**14,602**	**17,401**	**24,324**	**29,003**	**33,162**	**37,737**
Application of Funds	**30,413**	**32,628**	**37,938**	**42,907**	**49,335**	**53,312**	**57,612**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
EPS	**18.3**	**14.4**	**29.1**	**28.4**	**34.5**	**34.8**	**37.6**
Cash EPS	26.5	22.4	35.0	32.8	38.5	39.7	42.9
Book Value	119.0	131.5	157.3	179.4	207.8	225.4	244.3
DPS	5.0	5.0	7.0	13.0	15.0	15.1	16.3
Payout %	27.3	34.8	24.0	45.8	43.4	43.4	43.4
Valuation (x)							
P/E	29.3	37.3	18.4	18.9	15.5	15.4	14.2
Cash P/E	20.3	23.9	15.3	16.3	13.9	13.5	12.5
EV/EBITDA	16.9	19.8	12.3	12.4	10.5	9.2	8.0
EV/Sales	2.6	2.3	2.2	1.9	1.7	1.5	1.3
Price/Book Value	4.5	4.1	3.4	3.0	2.6	2.4	2.2
Dividend Yield (%)	0.9	0.9	1.3	2.4	2.8	2.8	3.0
Profitability Ratios (%)							
RoE	16.4	11.6	20.3	17.0	18.1	16.2	16.2
RoCE	12.0	8.6	15.9	13.4	13.6	13.1	13.3
Turnover Ratios							
Debtors (Days)	69	55	55	55	59	60	60
Fixed Asset Turnover (x)	3.5	3.9	4.4	4.8	4.4	4.5	5.0

E: MOFSL Estimates

Cash Flow Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	5,774	5,030	6,901	6,201	8,180	7,465	8,169
Cash for Working Capital	-2,427	2,113	-480	-551	-472	-454	-416
Net Operating CF	**3,347**	**7,143**	**6,421**	**5,650**	**7,708**	**7,012**	**7,753**
Net Purchase of FA	-373	-334	-151	-353	-521	-800	-800
Free Cash Flow	**2,974**	**6,809**	**6,270**	**5,297**	**7,187**	**6,212**	**6,953**
Net Purchase of Invest.	400	-4,941	-4,600	-4,445	-1,885	-63	19
Net Cash from Invest.	**27**	**-5,275**	**-4,751**	**-4,798**	**-2,406**	**-863**	**-781**
Proc. from equity issues	32	4	1	2	-564	0	0
Proceeds from LTB/STB	-1,260	-1,058	-726	-606	-403	-295	-336
Dividend Payments	-881	-1,132	-1,246	-2,041	-3,043	-4,014	-4,340
Cash Flow from Fin.	**-2,109**	**-2,186**	**-1,971**	**-2,645**	**-4,010**	**-4,309**	**-4,676**
Exchange difference	14	8	-11	69	163	0	0
Net Cash Flow	**1,279**	**-310**	**-312**	**-1,724**	**1,455**	**1,839**	**2,295**
Opening Cash Bal.	**3,775**	**5,054**	**4,744**	**4,432**	**2,708**	**4,163**	**6,002**
Add: Net Cash	1,279	-310	-312	-1,724	1,455	1,839	2,295
Closing Cash Bal.	**5,054**	**4,744**	**4,432**	**2,708**	**4,163**	**6,002**	**8,297**

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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
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