motilal oswal
Financial Services

15 July 2026
1QFY27 Results Update | Sector: Technology

Tata Elxsi

Estimate change	↓
TP change	↓
Rating change	⟷

Bloomberg	TELX IN
Equity Shares (m)	62
M.Cap.(INRb)/(USDb)	230.3 / 2.4
52-Week Range (INR)	6440 / 3558
1, 6, 12 Rel. Per (%)	-11/-27/-36
12M Avg Val (INR M)	1533
Free float (%)	56.1

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	37.6	41.7	45.2
EBIT Margin (%)	20.0	21.6	22.5
PAT	6.3	8.2	9.2
EPS (INR)	100.9	131.3	148.4
EPS Gr. (%)	(19.9)	30.1	13.1
BV/Sh. (INR)	488.3	544.6	618.0
Ratios			
RoE (%)	21.3	25.4	25.5
RoCE (%)	15.5	17.1	17.6
Payout (%)	74.3	60.0	60.0
Valuations			
P/E (x)	36.6	28.2	24.9
P/BV (x)	7.6	6.8	6.0
EV/EBITDA (x)	25.3	21.4	18.4
Div Yield (%)	2.0	2.1	2.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	43.9	43.9	43.9
DII	11.4	12.3	8.6
FII	11.1	8.6	12.7
Others	33.6	35.2	34.8

FII Includes depository receipts

CMP: INR3,697 **TP: INR3,100 (-16%)** **Sell**

Vertical recovery remains uneven

Transportation vertical remains soft; margins disappoint

- Tata Elxsi (TELX) reported revenue of USD108m in 1QFY27, up 1.3% QoQ in CC terms, broadly in line with our estimate of 1.2% QoQ CC. Growth was led by Media and Communication/Others, which grew 2.9%/21% QoQ CC, whereas HLS/Transportation declined 0.3%/0.4% QoQ CC. EBIT margin was 19% (down 330bp QoQ), below our estimate of 21.5%. Adj. PAT declined 22.6% QoQ and rose 18.2% YoY to INR1,706m (below our est. of INR2,027m).
- For 1QFY27, revenue/EBIT/adj. PAT grew 14.5%/19.2%/18.2 YoY in INR terms. We expect revenue/EBIT/adj. PAT to grow 12%/18.1%/21.7% YoY in 2QFY27. We value TELX at 21x FY28E EPS (earlier 22x), resulting in a revised TP of INR3,100. We reiterate our Sell rating.

Our view: Current valuation leaves limited room for disappointment

- **1Q does little to change the broader growth picture:** Revenue grew 1.3% QoQ CC, broadly in line with expectations, but the improvement was largely driven by Media & Communications, while Transportation and Healthcare remained weak. **We believe meaningful growth will require a recovery in the larger Transportation business (~55% of revenue),** where spending remains cautious, particularly across Europe.
- **Margins came in well below expectations:** EBIT margin contracted to 19%, below our estimate of 21.5%. Management attributed this to ~150bp of one-off costs (deal transitions, a customer-specific Chapter 11 provision, and retention costs), ~220-230bp of higher onsite delivery and subcontractor costs tied to H-1B visa constraints, and AI infra investments.
- **A company-wide wage hike in 2Q will further offset any near-term unwind of these costs.** We believe recovery could remain gradual, given the uneven demand environment and the need to continue investing in talent and capabilities.
- **Transportation recovery remains the key monitorable:** Transportation, the company's largest vertical, declined this quarter, reflecting continued weakness in automotive engineering spends. While Media & Communications can support growth in the near term, we do not believe it will be sufficient to drive a sustained acceleration without a broader improvement in Transportation and Healthcare.
- **Valuation continues to discount a stronger recovery than what we see:** We believe that revenue recovery remains concentrated in a few pockets, while Transportation demand has yet to turn and margins remain below historical levels. **At 28x/24x FY27E/FY28E consensus P/E, we believe the current valuation leaves limited room for disappointment.** We would look for broader-based growth across verticals and a more sustained margin recovery before turning more constructive on the stock.

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Valuations and changes to our estimates

- We lower our FY27/FY28 EPS estimates by ~5%/~1%, reflecting weaker-than-expected margin performance in 1Q and a slower recovery in the Transportation business. While some of the margin headwinds are one-off in nature, we expect margin recovery to remain gradual amid continued investments, wage hikes in 2Q, and an uneven demand environment. We continue to model USD revenue CAGR of ~5.5% over FY26–28. We value TELX at 21x FY28E EPS (earlier 22x), resulting in a revised TP of INR3,100. We reiterate our Sell rating.

Revenue in line with our estimates and miss on margins; Media & Comms. lead growth

- USD revenue came in at USD108m, up 1.3% QoQ in CC terms, broadly in line with our estimate of 1.2% QoQ CC growth.
- Growth was led by Media and Communication/Others, which grew 2.9%/21% QoQ CC, whereas HLS/Transportation declined 0.3%/0.4% QoQ CC.
- In terms of geography, growth was driven solely by the Americas, which rose 8.6% QoQ in USD terms, while Europe/India/RoW declined 3.1%/3.4%/13.5%, respectively.
- EBIT margin was 19% (down 330bp QoQ), below our estimate of 21.5%.
- Adj. PAT declined 22.6% QoQ and rose 18.2% YoY to INR1,706m (below our est. of INR2,027m).
- The net headcount decreased by 204 employees to 11,336 (down 1.8% QoQ) in 1QFY27. Attrition (LTM) increased by 20bp QoQ to 16%.

Key highlights from the management commentary

- Management flagged a challenging global environment, with continued softness in Germany/Continental Europe impacting the automotive vertical, while calling out visa-related cost pressures (H-1B) in the US as an industry-wide constraint.
- Demand trends were mixed across verticals - Transportation and Media & Communications saw healthy traction on the back of large deal ramp-ups, while Healthcare demand remained muted, with delayed deal closures from key clients.
- Large consolidation deals in Media & Telecom continued to ramp up, with the company benefiting as an incumbent vendor in client M&A transactions, gaining access to a wider project pool.
- Adoption remains measured and calibrated, particularly in mission-critical industries like automotive and healthcare, given large, complex, multi-year legacy codebases.
- The Neuron platform helped a European telecom client (Sky) transition to zero-touch network operations, delivering 30-70% efficiency gains across parameters.
- Management retained its FY27 growth aspiration of high single digits, contingent on a recovery in the Healthcare vertical.

Valuation and view

- We lower our FY27/FY28 EPS estimates by ~5%/~1%, reflecting weaker-than-expected margin performance in 1Q and a slower recovery in the Transportation business. While some of the margin headwinds are one-off in nature, we expect margin recovery to remain gradual amid continued investments, wage hikes in 2Q, and an uneven demand environment. We continue to model USD revenue CAGR of ~5.5% over FY26–28. We value TELX at 21x FY28E EPS (earlier 22x), resulting in a revised TP of INR3,100. We reiterate our Sell rating.

Exhibit 1: Vertical-wise performance (QoQ, %)

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Transportation	2.0	6.4	3.1	9.8	4.8	8.4	-3.3	-9.3	5.2	-2.0	5.7	1.1	-3.0
Media and Communications	0.3	-0.4	0.8	-11.7	1.1	-1.9	-0.2	-6.6	-3.7	4.5	-2.0	6.9	0.9
Healthcare and Life Sciences	3.6	3.2	4.4	-10.8	-4.5	-10.5	0.5	2.9	-5.5	-4.1	-5.7	-12.5	-2.3

Source: Company, MOFSL

Exhibit 2: Region-wise performance (QoQ, %)

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Europe	7.0	10.2	4.0	-1.4	7.0	3.9	-7.7	-11.3	3.9	-1.7	10.7	4.1	-3.1
Americas	-1.4	1.5	-3.0	-4.6	-4.3	-7.7	-0.5	-6.3	-2.0	5.4	3.1	-8.1	8.6
India	-0.2	-6.0	8.7	4.5	4.0	9.7	0.7	9.2	-11.9	-3.7	-10.5	2.3	-3.4
RoW	-7.2	-4.7	19.5	9.5	5.5	31.1	9.3	-7.5	15.0	2.3	-11.5	21.4	-13.5

Source: Company, MOFSL

Quarterly Performance

(INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	bp)
Revenue (USD m)	**105**	**105**	**107**	**109**	**108**	**109**	**111**	**114**	**426**	**442**	**109**	**-1.1**
QoQ (%)	-0.3	0.4	1.8	1.7	-1.0	1.0	2.3	2.0			0.2	-115bp
Revenue (INR m)	**8,921**	**9,181**	**9,535**	**9,938**	**10,211**	**10,283**	**10,519**	**10,729**	**37,575**	**41,742**	**10,330**	**-1.1**
YoY (%)	-3.7	-3.9	1.5	9.4	14.5	12.0	10.3	8.0	0.8	11.1	15.8	-133bp
GPM (%)	**20.9**	**21.1**	**23.3**	**24.6**	**21.2**	**21.7**	**25.0**	**27.0**	**22.5**	**23.8**	**23.8**	**-265bp**
SGA (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0bp
EBITDA	**1,867**	**1,933**	**2,222**	**2,446**	**2,160**	**2,231**	**2,630**	**2,897**	**8,469**	**9,918**	**2,458**	**-12.1**
EBITDA Margin (%)	**20.9**	**21.1**	**23.3**	**24.6**	**21.2**	**21.7**	**25.0**	**27.0**	**22.5**	**23.8**	**23.8**	**-265bp**
EBIT	**1,625**	**1,699**	**1,994**	**2,213**	**1,937**	**2,007**	**2,398**	**2,661**	**7,531**	**9,004**	**2,221**	**-12.8**
EBIT Margin (%)	**18.2**	**18.5**	**20.9**	**22.3**	**19.0**	**19.5**	**22.8**	**24.8**	**20.0**	**21.6**	**21.5**	**-253bp**
Other income	339	448	425	465	387	473	484	494	1,677	1,838	465	-16.7
ETR (%)	26.5	27.9	26.0	17.7	26.6	24.0	24.0	24.0	24.1	24.6	24.5	210bp
Adj PAT	**1,444**	**1,548**	**1,791**	**2,204**	**1,706**	**1,885**	**2,190**	**2,397**	**6,987**	**8,179**	**2,027**	**-15.9**
Exceptional items	0.0	0.0	702	0.0	0.0	0.0	0	0.0	702	0	0.0	
PAT	**1,444**	**1,548**	**1,089**	**2,204**	**1,706**	**1,885**	**2,190**	**2,397**	**6,285**	**8,179**	**2,027**	**-15.9**
QoQ (%)	-16.3	7.2	-29.7	102.4	-22.6	10.5	16.2	9.4			-8.0	
YoY (%)	-21.6	-32.5	-45.3	27.8	18.2	21.7	101.1	8.8	-11.0	17.1	40.4	
EPS (INR)	23.2	24.9	17.5	35.4	27.4	30.3	35.2	38.5	100.9	131.3	32.5	-15.8

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	-3.9	1.0	3.2	0.9	1.3	
Margins (%)						
Gross Margin	20.9	21.1	23.3	24.6	21.2	22.5
EBIT Margin	18.2	18.5	20.9	22.3	19.0	20.0
Net Margin	16.2	16.9	18.8	22.2	16.7	18.6
Operating metrics						
Headcount	12,127	11,951	11,594	11,590	11,336	12,127
Attrition (%)	15.0	15.4	15.6	15.8	16.0	15.0
Key Geographies (YoY %)						
Europe	-11.7	-16.4	0.4	17.8	9.9	-3.4
USA	-15.7	-3.8	-0.3	-2.2	8.4	-5.8

CONFERENCE CALL

Highlights from the management commentary

1QFY27 performance and demand outlook

- Management flagged a challenging global environment, with continued softness in Germany/Continental Europe impacting the automotive vertical, while calling out visa-related cost pressures (H-1B) in the US as an industry-wide constraint.
- Demand trends were mixed across verticals - Transportation and Media & Communications saw healthy traction on the back of large deal ramp-ups, while Healthcare demand remained muted, with delayed deal closures from key clients.
- Large consolidation deals in Media & Telecom continued to ramp up, with the company benefiting as an incumbent vendor in client M&A transactions, gaining access to a wider project pool.
- Adoption remains measured and calibrated, particularly in mission-critical industries like automotive and healthcare, given large, complex, multi-year legacy codebases.
- Neuron platform helped a European telecom client (Sky) transition to zero-touch network operations, delivering 30-70% efficiency gains across parameters.
- Management retained its FY27 growth aspiration of high single digits, contingent on a recovery in the Healthcare vertical.
- Revenue was near flat, down 0.3% QoQ in CC, reflecting a muted global healthcare spending environment and staggered deal awards.
- Healthcare deal pipeline remains active, but paperwork/closure delays pushed expected wins beyond 1Q.
- The company won a strategic deal with a global medtech company for its AI-led material intelligence platform. It secured large automotive OEM, off-road and aerospace engagements in Transportation.
- **Transportation**: It contributes >55% of segment revenue. The segment grew 6.7% YoY in CC and 13.3% YoY in actual currency, led by large OEM engagements and strategic wins in off-road and aerospace.
- OEM mix now stands at 78% of automotive revenue, reflecting continued pivot toward OEM clients; Germany/Europe remain soft, but the US and APAC delivered strong recovery.
- **Healthcare & Life Sciences:** Revenue was near flat, down 0.3% QoQ in CC, reflecting a muted global healthcare spending environment and staggered deal awards. It contributes less than 10% of total revenue. The company continues to invest in platform capabilities and AI-enabled offerings, expecting the vertical to return to growth within FY27.
- **Media & Communication:** It delivered the strongest growth among verticals: +4.7% QoQ / +22.2% YoY in actual currency, and +2.9% QoQ / +11.5% YoY in CC. Management expects growth momentum to sustain over the next 2-3 quarters on the back of large pipeline deals in media/telecom consolidation.
- **Americas:** It outperformed across verticals, led by new deal wins and ramp-ups. Onshore delivery costs (forward teams, subcontractors) were elevated to support transition and mitigate visa-related delays.
- **Europe:** It continues to be the largest geography for Transportation (>40% of vertical revenue), but remains under pressure due to OEM softness, particularly in Germany.
- Management is adopting a wait-and-watch approach on Continental Europe, given the macro uncertainty, though existing deal execution remains unaffected.
- Management views AI adoption as domain-led rather than technology-led, with the Neuron and Vitro platforms enabling customer-facing transformation

(cybersecurity, autonomous operations, SDLC efficiency) rather than pure cost plays.

- Onsite-offshore mix shifted marginally to ~74:26 from ~75:25, driven by short-term onsite ramp-up needs. The company reiterated that its structural target of ~90:10 offshore-heavy delivery remains unchanged.
- One customer's Chapter 11 filing led to a one-time higher provisioning during the quarter, factored into the margin bridge.
- Utilization stood at ~75%, providing headroom before aggressive fresher hiring resumes; fresher additions were modest (~100-150 in the quarter) versus the prior year.
- Attrition stands at ~16%; the company is prioritizing retention of niche/critical talent (AI, domain-specific skills) over broad-based lateral hiring.

Margin outlook

- EBITDA came in at INR2.16b, +15.7% YoY, with margin at 21.2%; EBIT margin contracted ~330bp QoQ, reflecting a mix of one-off costs and planned investments.
- Margin walk: ~40-50bp benefit from cross-currency gains, offset by ~150bp of one-off/transition-related costs (large deal transitions, select employee retention, a customer-specific Chapter 11 provision, and upfronting of annual costs) and ~220-230bp toward strategic investments (onsite delivery ramp-up, subcontractor costs due to US visa constraints, and specialized talent/AI infrastructure).
- Management expects the one-off cost bucket to largely unwind over the next 1-2 quarters, while investment-related costs should normalize gradually as ramp-ups stabilize and work shifts back offshore.
- A company-wide wage hike is planned in 2QFY27 (versus staggered hikes last year), which will partly offset the margin recovery from one-offs rolling off. A sequential margin improvement is expected through FY27 as revenue scales and hikes get absorbed.

Valuation and view

- We lower our FY27/FY28 EPS estimates by ~5%/~1%, reflecting weaker-than-expected margin performance in 1Q and a slower recovery in the Transportation business. While some of the margin headwinds are one-off in nature, we expect margin recovery to remain gradual amid continued investments, wage hikes in 2Q, and an uneven demand environment. We continue to model USD revenue CAGR of ~5.5% over FY26–28. We value TELX at 21x FY28E EPS (earlier 22x), resulting in a revised TP of INR3,100. We reiterate our Sell rating.

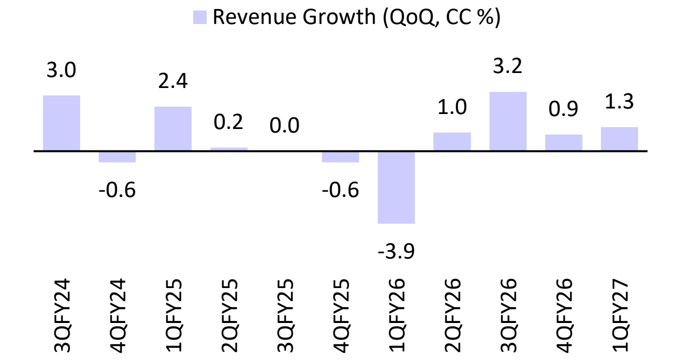
Exhibit 3: Summary of our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	95.0	94.5	95.0	0.0%	0.0%
USD Revenue (m)	442	475	447	488	-1.2%	-2.5%
Growth (%)	3.69	7.6	4.9	9.1	-120bps	-150bps
EBIT margin (%)	21.6	22.5	22.6	23.7	-110bps	-120bps
Adj. PAT (INR b)	8,179	9,249	8,655	9,339	-5.5%	-1.0%
Adj. EPS	131.3	148.4	138.9	149.9	-5.5%	-1.0%

Source: MOFSL

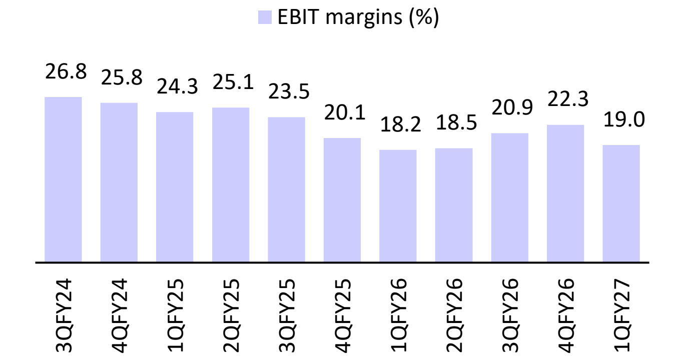
Story in charts

Exhibit 4: Revenue increased to 1.3% QoQ CC growth



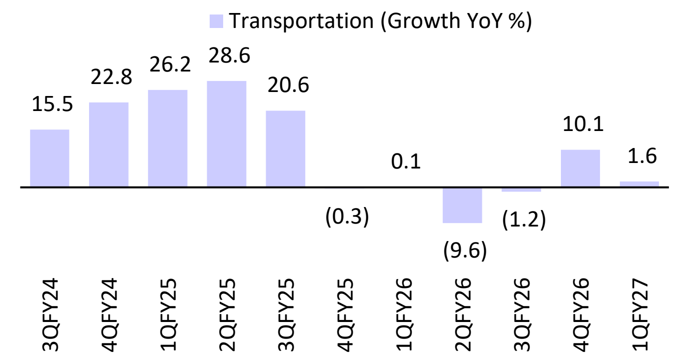
Source: Company, MOFSL

Exhibit 5: EBIT margin contracted 330bp QoQ



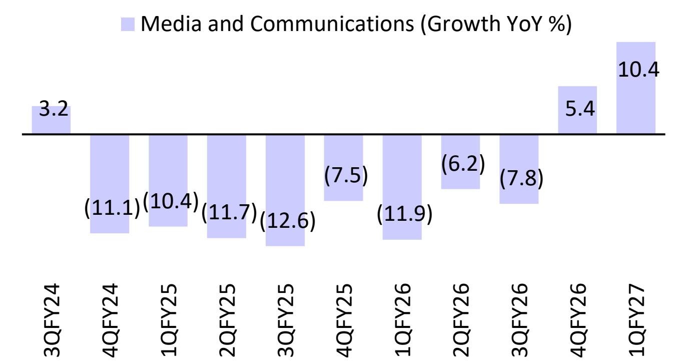
Source: Company, MOFSL

Exhibit 6: Transportation decreased to 1.6% QoQ growth



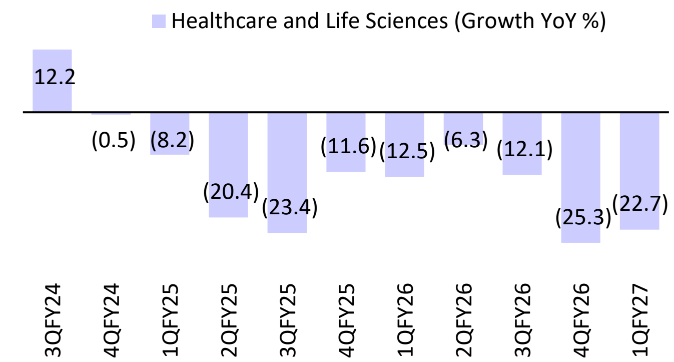
Source: Company, MOFSL

Exhibit 7: Media and Comms has shown significant recovery



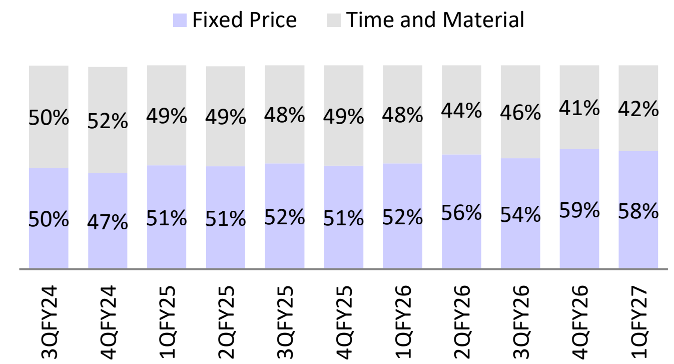
Source: Company, MOFSL

Exhibit 8: HLS decreased to a 22.7% YoY decline



Source: Company, MOFSL

Exhibit 9: T&M remained stable



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Verticals (%)									
Transportation	52.8	55.7	55.0	53.4	55.8	54.7	56.6	56.3	55.3
Media and Communications	33.3	31.8	32.4	32.4	31.0	32.4	31.1	32.7	33.4
Healthcare and Life Sciences	13.2	11.5	11.8	13.0	12.2	11.7	10.8	9.3	9.2
Geographies (%)									
Europe	42.2	42.7	40.4	37.9	39.5	38.7	42.1	43.1	42.2
Americas	33.7	30.3	30.9	30.6	30.1	31.6	32.0	28.9	31.7
India	17.6	18.8	19.4	22.4	19.8	19.0	16.7	16.8	16.4
Row	6.5	8.3	9.3	9.1	10.5	10.7	9.3	11.1	9.7
Segments (%)									
Software Development and Services	97.0	97.1	97.5	96.3	97.3	96.9	97.2	97.1	96.9
System Integration and Support	3.0	2.9	2.5	3.7	2.7	3.1	2.8	2.9	3.1
Project Type (%)									
Fixed Price	50.9	50.5	51.9	50.7	51.9	56.3	54.4	58.9	57.8
Time and Material	49.1	49.0	48.1	49.3	48.1	43.7	45.6	41.1	42.2
Revenue Mix (%)									
Onsite	27.2	25.3	25.8	25.9	26.9	26.1	27.0	25.0	25.9
Offsite	72.8	74.7	74.2	74.1	73.1	73.9	73.0	75.0	74.1
QoQ growth (CC, %)									
Transportation	5.3	4.4	0.5	-9.7	0.0	-0.5	7.3	0.2	-0.4
Media and Communications	0.5	-2.6	0.4	-6.3	-5.5	3.7	-1.3	5.6	2.9
Healthcare and Life Sciences	-4.3	-11.2	1.1	3.5	-6.7	-4.6	-4.3	-13.1	-0.3
Client Metrics (%)									
Top 5 Clients	47.2	45.1	44.8	46.2	44.7	44.2	49.4	49.6	49.2
Top 10 Clients	58.0	55.6	54.2	55.9	54.6	54.7	59.4	58.8	59.7
Employee Metrics (%)									
Total Employees	13,142	12,793	12,878	12,414	12,127	11,951	11,594	11,590	11,336
Attrition (%)	12.3	12.5	12.4	13.3	15.0	15.4	15.6	15.8	16.0

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Total Income from Operations	**24,708**	**31,447**	**35,521**	**37,290**	**37,575**	**41,742**	**45,157**
Change (%)	35.3	27.3	13.0	5.0	0.8	11.1	8.2
Employees Cost	17,050	21,834	25,057	27,561	29,106	31,824	33,750
Total Expenditure	**17,050**	**21,834**	**25,057**	**27,561**	**29,106**	**31,824**	**33,750**
% of Sales	69.0	69.4	70.5	73.9	77.5	76.2	74.7
Gross Profit	**7,658**	**9,613**	**10,464**	**9,730**	**8,469**	**9,918**	**11,407**
SG&A	0	0	0	0	0	0	0
EBITDA	**7,658**	**9,613**	**10,464**	**9,730**	**8,469**	**9,918**	**11,407**
% of Sales	31.0	30.6	29.5	26.1	22.5	23.8	25.3
Depreciation	557	814	994	1,049	938	914	1,264
EBIT	**7,101**	**8,799**	**9,470**	**8,681**	**7,531**	**9,004**	**10,143**
% of Sales	28.7	28.0	26.7	23.3	20.0	21.6	22.5
Other Income	351	576	1,017	1,603	1,677	1,838	2,077
PBT	**7,452**	**9,375**	**10,487**	**10,284**	**9,209**	**10,841**	**12,220**
Total Tax	1,958	1,823	2,564	2,435	2,221	2,663	2,971
Tax Rate (%)	26.3	19.4	24.5	23.7	24.1	24.6	24.3
Adjusted PAT	**5,494**	**7,552**	**7,922**	**7,850**	**6,987**	**8,179**	**9,249**
Change (%)	49.2	37.5	4.9	-0.9	-11.0	17.1	13.1
Margin (%)	22.2	24.0	22.3	21.1	18.6	19.6	20.5
Minority Interest/Exceptional Items	0	0	0	0	702	0	0
Reported PAT	**5,494**	**7,552**	**7,922**	**7,850**	**6,285**	**8,179**	**9,249**

Consolidated - Balance Sheet							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	623	623	623	623	623	623	623
Total Reserves	15,386	20,235	24,434	27,977	29,790	33,296	37,872
Net Worth	**16,009**	**20,858**	**25,057**	**28,600**	**30,413**	**33,919**	**38,494**
Minority Interest	0	0	0	0	0	0	0
Borrowings	1,183	1,537	1,812	1,393	1,037	1,037	1,037
Other Long term liabilities	398	455	542	568	605	635	687
Capital Employed	**17,590**	**22,849**	**27,410**	**30,560**	**32,055**	**35,591**	**40,219**
Net Fixed Assets	**2,512**	**3,174**	**3,825**	**3,092**	**2,542**	**2,880**	**2,970**
Goodwill	203	162	134	88	50	50	50
Capital WIP	221	70	22	16	0	0	0
Other Assets	1,799	1,094	2,521	4,686	7,351	8,377	9,044
Curr. Assets, Loans&Adv.	**16,957**	**23,135**	**25,367**	**27,975**	**29,681**	**31,209**	**35,247**
Account Receivables	6,728	9,764	9,716	9,715	10,794	10,293	11,135
Cash and Bank Balance	1,511	1,339	1,332	1,353	1,945	3,711	6,709
Current Investments	8,294	11,051	12,806	14,992	14,990	15,055	15,077
Other Current Assets	424	981	1,513	1,915	1,953	2,150	2,326
Curr. Liability & Prov.	**4,102**	**4,786**	**4,459**	**5,297**	**7,570**	**6,923**	**7,093**
Account Payables	843	1,032	856	1,230	1,203	1,205	1,278
Other Current Liabilities	3,133	3,498	3,218	3,575	5,044	4,396	4,493
Provisions	126	256	385	492	1,323	1,323	1,323
Net Current Assets	**12,855**	**18,349**	**20,908**	**22,678**	**22,112**	**24,286**	**28,155**
Appl. of Funds	**17,590**	**22,849**	**27,410**	**30,560**	**32,055**	**35,593**	**40,220**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic EPS (INR)	88.3	121.3	127.2	126.0	100.9	131.3	148.4
Cash EPS	97.2	134.3	143.2	142.8	115.9	145.9	168.7
BV/Share	257.1	334.9	402.3	459.2	488.3	544.6	618.0
DPS	42.5	60.6	70.0	75.0	75.0	78.8	89.1
Payout (%)	48.2	50.0	55.0	59.5	74.3	60.0	60.0
Valuation (x)							
P/E	41.9	30.5	29.1	29.3	36.6	28.2	24.9
Cash P/E	38.0	27.5	25.8	25.9	31.9	25.3	21.9
P/BV	14.4	11.0	9.2	8.1	7.6	6.8	6.0
EV/Sales	9.0	7.0	6.1	5.8	5.7	5.1	4.6
EV/EBITDA	28.9	22.8	20.8	22.1	25.3	21.4	18.4
Dividend Yield (%)	1.1	1.6	1.9	2.0	2.0	2.1	2.4
Return Ratios (%)							
RoE	37.2	41.0	34.5	29.3	21.3	25.4	25.5
RoCE	27.1	29.0	24.3	19.8	15.5	17.1	17.6

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	7,452	9,375	10,487	10,284	8,252	10,841	12,220
Depreciation	553	814	994	1,049	938	914	1,264
Interest & Finance Charges	94	162	203	190	162	0	0
Direct Taxes Paid	-2,062	-1,848	-2,580	-2,239	-2,240	-2,158	-3,024
(Inc)/Dec in WC	-1,002	-3,097	-1,351	-242	674	-408	-871
Others	-208	-538	-741	-921	-1,145	-1,807	-2,025
CF from Operations	**4,827**	**4,867**	**7,012**	**8,120**	**6,641**	**7,383**	**7,563**
(Inc)/Dec in FA	-712	-637	-830	-162	-103	-1,252	-1,355
Free Cash Flow	**4,116**	**4,230**	**6,182**	**7,959**	**6,537**	**6,131**	**6,209**
(Pur)/Sale of Investments	-656	-1,695	-2,745	-3,741	-1,879	-1,530	-615
Others	285	313	874	820	1,257	1,838	2,077
CF from Investments	**-1,083**	**-2,019**	**-2,701**	**-3,083**	**-725**	**-945**	**108**
Inc/(Dec) in Debt	-271	-381	-498	-612	-659	0	0
Interest Paid	-1	-4	-7	-14	-18	0	0
Dividend Paid	-2,989	-2,647	-3,774	-4,359	-4,671	-4,673	-4,673
CF from Fin. Activity	**-3,261**	**-3,031**	**-4,278**	**-4,986**	**-5,348**	**-4,673**	**-4,673**
Inc/Dec of Cash	**483**	**-183**	**33**	**51**	**567**	**1,765**	**2,998**
Forex Adjustment	20	10	-39	-31	26	0	0
Opening Balance	1,007	1,511	1,338	1,331	1,352	1,945	3,710
Closing Balance	**1,511**	**1,338**	**1,331**	**1,352**	**1,945**	**3,710**	**6,708**

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
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