

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR4,228 **TP: INR5,400 (+28%)** **Buy**

BSNL ramp-up continues to fuel growth

US BFSI recovery on track

Bloomberg	TCS IN
Equity Shares (m)	3618
M.Cap.(INRb)/(USDb)	15295.1 / 182.1
52-Week Range (INR)	4592 / 3296
1, 6, 12 Rel. Per (%)	-6/-4/-10
12M Avg Val (INR M)	10157
Free float (%)	28.2

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	2,592	2,817	3,041
EBIT Margin (%)	25.0	25.5	26.0
PAT	512	569	624
EPS (INR)	141.0	156.8	172.0
EPS Gr. (%)	11.7	11.2	9.7
BV/Sh. (INR)	263	282	301

Ratios

RoE (%)	54.8	57.4	59.0
RoCE (%)	46.2	47.8	49.0
Payout (%)	90.0	90.0	90.0

Valuations

P/E (x)	30.0	27.0	24.6
P/BV (x)	16.0	15.0	14.0
EV/EBITDA (x)	21.6	19.0	17.2
Div Yield (%)	3.0	3.3	3.7

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	71.8	71.8	72.3
DII	11.1	10.7	9.8
FII	12.4	12.7	12.5
Others	4.8	4.9	5.4

FII Includes depository receipts

- TCS reported revenue of USD7.6b in 2QFY25, up 2.2% QoQ in USD terms, beating our estimate of ~1.6%. Growth was driven by India (up 21.3% QoQ/93.2% YoY, aided by BSNL ramp-up) and UK (up 2.8% QoQ), while North America was down 1.7% QoQ. EBIT margins came in ~40bp below our estimate at 24.1%. PAT was down 1.2% QoQ/up 5.1% YoY at INR120b (4.1% below our est. of INR125b). For 1HFY25, TCS's revenue/EBIT/PAT increased by 6.5%/9.5%/6.8% compared to 1HFY24. FCF conversion came in at 86% for 1HFY25 vs. 95% for 1HFY24. TCS reported a deal TCV of USD8.6b, within its usual range, up 4% QoQ and down 23% YoY. The book-to-bill ratio was 1.1x.
- **Our View:** Growth was primarily driven by the BSNL ramp-up (excluding India, growth was 0.7% in USD terms vs. 2.2% overall). The decline in North America was surprising, but this was attributable to client-specific issues in healthcare and persistent weakness in communications vertical. Last quarter marked a significant shift in client behavior, as the recovery in the US banking sector started taking shape—a trend that continued into this quarter's commentary too. Admittedly, there was little in the way of incrementally positive outlook as compared to 1Q, and the precarious geopolitical landscape and continued macro uncertainty could keep the recovery range-bound. We reiterate that a J-curve recovery may not materialize, but as we noted in our thematic report ([Technology: Bounce-back! Charting the path to revival for IT services](#)), clients are gradually returning with renewed interest in core and ERP modernization projects.
- **On margins,** the 60bp decline in EBIT margin was driven by higher pass-through revenues (up 160bp QoQ). The BSNL ramp-up, according to the management, is now at its peak, and headwinds from this ramp-up should recede. With wage hikes behind and TCS's best-in-class pyramid, we expect margins to improve sequentially.
- We believe the BSNL deal and other large deal ramp-ups should support TCS's revenue growth in FY25. However, geopolitical risks and current macro uncertainty continue to slow the recovery in client spends. We believe some of these headwinds should recede in 2HFY25.
- We keep our estimates largely unchanged. Over FY24-27E, we expect a USD revenue CAGR of ~7.6% and an INR EPS CAGR of ~10.9%. Our TP of INR5,400 implies 33x Sep'26 EPS, with a 28% upside potential. We reiterate our **BUY** rating on the stock.

Key highlights from the quarter

- USD revenue came in at USD7.6b; YoY CC growth was 5.5%.
- 2Q growth was driven by Energy & Utilities, Growth Markets and BFSI. North America declined by 1.7% QoQ. BFSI sustained its growth momentum (up 1.9% QoQ), whereas Communications and Media remained under pressure. Life Sciences declined QoQ due to client-specific issues.

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- EBIT margin was 24.1% (down 60bp QoQ), below our estimate of 24.5%.
- Attrition (LTM) increased by 20bp QoQ to 12.3%. PAT was down 1.0% QoQ/ up 5.0% YoY at INR120b (4.2% below our est. of INR125b).
- The net headcount addition was 5,726 employees (up 1% QoQ) in 2QFY25.
- TCS declared a dividend of INR10/share in 2Q.

Key highlights from management commentary

- Given the uncertain macro environment, clients are focusing on realizing immediate benefits.
- Overall, demand remained stable compared to the last quarter. Two to three client issues led to slightly muted growth. This headwind should normalize in the upcoming quarter.
- Expect growth markets like India, EMEA, and Asia Pacific to be sustainable growth drivers for TCS going forward.
- Globally, clients continue to prioritize efficiency through cost transformation programs, and demand for discretionary deals with low immediate ROI remains relatively subdued.
- Despite an uncertain geopolitical situation, the biggest vertical, BFSI, showed signs of recovery. TCS also witnessed a strong performance in growth markets.
- The company is seeing continued momentum in AI/GenAI adoption, with the underlying technology maturing rapidly. There are now over 600 AI/GenAI engagements, either deployed successfully in production or in various phases of development.
- TCS expects the furlough situation to remain the same as last year.
- On the cloud front, TCS continues to see good growth in legacy modernization, data platform modernization, and technology landscape simplification.

Valuation and view

- Given its size, order book and exposure to long-duration orders and portfolio, TCS is well positioned to grow over the medium term.
- Owing to its steadfast market leadership position and best-in-class execution, the company has been able to sustain its industry-leading margin and demonstrate superior return ratios.
- We maintain our positive stance on TCS. Our TP of INR5,400 implies 33x Sep'26E EPS, with a 28% upside potential. We reiterate our **BUY** rating on the stock.

Quarterly Performance (IFRS)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	Est.	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
IT Services Revenue (USD m)	7,226	7,210	7,281	7,363	7,505	7,670	7,801	7,957	29,080	30,933	7,629	0.5
QoQ (%)	0.4	-0.2	1.0	1.1	1.9	2.2	1.7	2.0	4.1	6.4	1.6	55bp
Overall Revenue (INR b)	594	597	606	612	626	643	655	668	2,409	2,592	639	0.5
QoQ (%)	0.4	0.5	1.5	1.1	2.2	2.6	2.0	2.0			2.1	55bp
YoY (%)	12.6	7.9	4.0	3.5	5.4	7.7	8.2	9.1	6.8	7.6	7.1	57bp
GPM (%)	39.5	40.1	40.8	41.1	42.6	38.2	41.0	41.7	40.4	40.9	41.0	-281bp
SGA (%)	16.4	15.8	15.8	15.1	18.0	14.1	16.0	15.6	15.7	15.9	16.5	-238bp
EBITDA	150	157	164	172	167	168	177	188	643	700	170	-1.1
EBITDA Margin (%)	25.2	26.3	27.1	28.1	26.7	26.1	27.0	28.1	26.7	27.0	26.5	-44bp
EBIT	138	145	152	159	154	155	164	174	594	647	157	-1.2
EBIT Margin (%)	23.2	24.3	25.0	26.0	24.7	24.1	25.0	26.1	24.7	25.0	24.5	-43bp
Other income	12	8	7	9	8	6	13	13	37	33	11	-47.8
PBT	150	153	159	168	162	160	177	188	632	687	167	-4.3
ETR (%)	25.8	25.8	25.8	25.8	25.4	25.4	25.5	25.5	25.7	25.5	25.5	-7bp
Adj. PAT	111	114	118	125	121	120	132	140	469	512	125	-4.2
Exceptional items	0	0	-7	0	0	0	0	0	-7	0	0	
Reported PAT	111	114	111	125	121	120	132	140	462	512	125	-4.2
QoQ (%)	-2.8	2.3	-2.5	12.7	-3.2	-1.2	10.3	6.2			3.1	-430bp
YoY (%)	16.8	8.7	2.0	9.3	8.9	5.1	18.8	11.9	9.3	10.8	9.6	-458bp
EPS (INR)	30.3	31.0	30.3	34.4	33.3	32.9	36.3	38.5	126.3	141.0	34.7	-5.0

Key Performance Indicators

Y/E March	FY24				FY25E		FY24
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	0.0	0.1	1.0	1.1	2.5	1.6	
Costs (% of revenue)							
COGS	60.5	59.9	59.2	58.9	57.4	61.8	59.6
SGA	16.4	15.8	15.8	15.1	18.0	14.1	15.7
Margins							
Gross Margin	39.5	40.1	40.8	41.1	42.6	38.2	40.4
EBIT Margin	23.2	24.3	25.0	26.0	24.7	24.1	24.7
Net Margin	18.7	19.1	19.4	20.4	19.3	18.6	19.5
Operating metrics							
Headcount (k)	615.3	609.0	603	602	607.0	612.7	602
Attrition (%)	17.8	14.9	13.3	12.5	12.1	12.3	12.5
Deal Win TCV (USD b)	10.2	11.2	8.1	13.2	8.3	8.6	42.7
Key Verticals (YoY CC %)							
BFSI	3.0	-0.5	-3.0	-3.2	-0.9	0.1	-1.0
Retail	5.3	1.0	-0.3	-0.3	-0.3	0.1	1.8
Key Geographies (YoY CC%)							
North America	4.6	0.1	-3.0	-2.3	-1.1	-2.1	-0.2
UK	16.1	10.7	8.1	6.2	6.0	4.6	10.1
Continental Europe	3.4	1.3	0.5	-2.0	0.9	1.8	0.7



Highlights from management commentary

2QFY25 performance and demand outlook

- All the growth markets are marching above the company average: India (+95.2% YoY cc), the Middle East & Africa (+7.9% YoY cc), Asia Pacific (+7.5% YoY cc), and Latin America (+6.8% YoY cc).
- **Growth was led by Energy, Resources, and Utilities (+7.0% YoY cc) and Manufacturing (+5.3% YoY cc).**
- Overall, demand remained stable compared to the last quarter. Two to three client issues led to slightly muted growth. This headwind should normalize in the upcoming quarter. **Expect growth markets like India, EMEA, and Asia Pacific to be sustainable growth drivers for TCS going forward.**
- Globally, clients continue to prioritize efficiency through cost transformation programs, and demand for discretionary deals with low immediate ROI remains relatively subdued.
- **Cyber Security, AI/Cloud, and TCS Interactive led the growth this quarter.**
- Despite an uncertain geopolitical situation, the biggest vertical, BFSI, showed signs of recovery. TCS also witnessed a strong performance in growth markets.
- **On the cloud front, TCS continues to see good growth in legacy modernization, data platform modernization, and technology landscape simplification.**
- Demand continues around areas of cost optimization, and discretionary spending has remained stable. Deal durations in terms of closure have slightly increased for discretionary projects.
- Expect the furlough situation to remain the same as last year.
- Overall, 100,000 BSNL sites need to be deployed and currently the work is at the halfway mark. TCS expects 1.1-1.2x BBR to support revenue growth going forward.
- **In BFSI**, North America is seeing good growth in banking. Insurance and regulation have shown good growth, while capital markets remain weak. Expect this growth to sustain in the coming quarter. Softness in the UK/Europe is due to client-specific issues.
- **In Manufacturing**, supply chain issues in auto & aerospace and labor issues led to weakness, but these are short-term impacts. Expect demand to see an uptick in coming quarters. Smart manufacturing and software-defined vehicles are the two major long-term trends.
- **In Communication and Media**, clients continue to focus on profitability, with heightened focus on projects delivering immediate ROI.
- **There are now over 600 AI/GenAI engagements**, either deployed successfully in production or in various phases of development.
- 86 engagements went into production this quarter, showing signs of maturing. TCV for GenAI is almost doubling every quarter.
- TCS declared a dividend of INR10. The capital allocation policy remains consistent.

Margin performance and outlook

- **Margin Walk:** 24.1% EBIT margin in 2QFY25. Headwinds this quarter included higher third-party expenses, as projects running at the peak impacted margins by 60bp. Incremental investments in talent and infrastructure impacted margins by 70bp, offset by currency benefits and some non-recurring one-offs.

- Expect one more quarter of margin impact due to transformational projects, which should act as a tailwind in 4Q/1Q onward.
- Aspirational margin range of 26-28% for the long term, with FY25 expected to exit at around 26%.
- LTM IT Services attrition rate at 12.3%.
- TCS has commenced the campus hiring process for FY26.
- Trainee addition will continue to sustain in the upcoming quarters, with lateral hiring dependent on technology and market demand.

Exhibit 1: Vertical wise performance (QoQ,%)

	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
BFSI	2.6	2.1	2.0	1.9	6.2	1.3	1.1	-0.8	0.1	-1.8	-0.1	0.6	1.9
Retail & CPG	4.3	-0.4	9.0	4.5	2.7	2.2	1.7	1.1	-1.5	-0.3	1.1	0.0	0.2
Communication & Media	4.5	4.6	4.2	2.8	8.9	1.5	0.3	-1.0	-1.6	-1.9	-0.4	-4.2	-2.7
Manufacturing	4.0	-0.1	6.9	0.2	-16.0	2.9	1.7	1.7	2.2	2.2	3.5	1.9	-0.1
Life Sciences & Healthcare	0.9	1.0	4.7	2.3	7.5	3.8	2.6	1.4	-1.1	1.0	1.1	2.9	-3.4
Technology & Services	5.3	0.7	3.8	2.4	4.9	1.7	0.6	-1.8	-1.4	-1.4	-1.3	0.7	0.9
Energy and Utilities	0.0	0.0	0.0	0.0	0.0	7.0	5.6	2.3	1.6	2.8	-0.6	1.9	4.0
Regional markets & Others	1.2	11.3	-5.6	-4.0	-38.2	8.0	2.7	3.3	0.7	12.9	6.1	10.6	13.1

Source: Company, MOFSL

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

	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
North America	4.8	3.8	4.5	4.4	3.5	1.7	-0.8	-0.3	-0.8	-1.2	-0.1	0.9	-1.7
Latin America	2.9	9.5	2.6	7.2	-4.2	8.9	1.7	11.6	-0.2	6.0	-3.7	-3.2	-3.2
UK	1.6	-0.2	2.6	-3.3	-1.3	5.7	7.2	4.9	0.4	0.4	3.6	2.5	2.8
Continental Europe	-2.0	3.7	-0.6	-0.7	-3.2	5.0	3.8	-0.9	-0.2	1.7	-1.6	0.5	3.6
India	14.1	11.1	-4.8	-4.7	7.8	2.9	-0.3	-1.6	-0.2	25.7	11.1	14.1	21.3
Asia Pacific	-0.4	-1.6	1.4	-1.1	-2.2	1.6	3.0	-2.1	-0.2	1.0	1.1	1.9	4.8
MEA	-2.0	-2.1	8.0	-8.9	7.1	-2.5	13.0	0.4	9.8	-8.2	6.2	-2.9	7.3

Source: Company, MOFSL

Valuation and view

- Given its size, order book and exposure to long-duration orders and portfolio, TCS is well positioned to grow over the medium term
- Owing to its steadfast market leadership position and best-in-class execution, the company has been able to maintain its industry-leading margin and demonstrate superior return ratios.
- We maintain our positive stance on TCS. Our TP of INR5,400 implies 33x Sep'26 EPS, with a 28% upside potential. We reiterate our **BUY** rating on the stock.

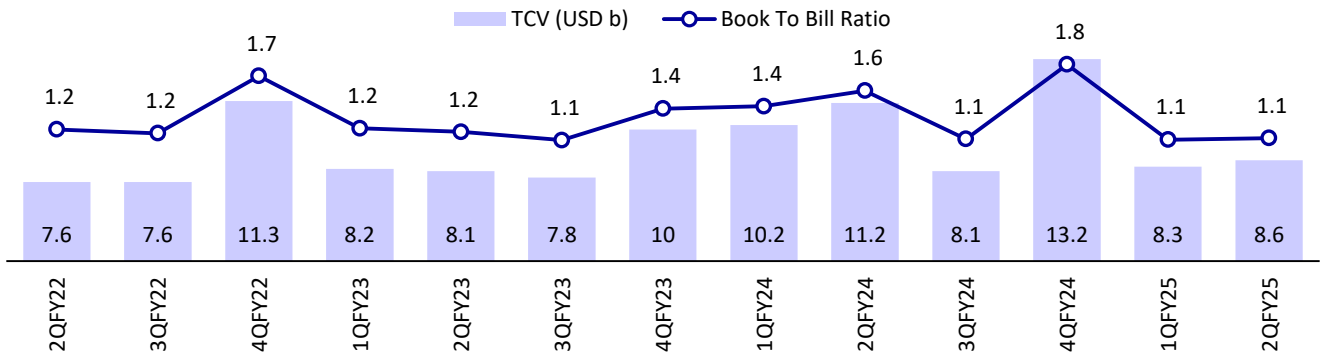
Exhibit 3: Revisions to our estimates

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	83.8	84.0	84.0	83.7	83.7	83.7	0.1%	0.4%	0.4%
USD Revenue (m)	30,933	33,531	36,200	30,808	33,354	36,009	0.4%	0.5%	0.5%
Growth (%)	6.4	8.4	8.0	5.9	8.3	8.0	40bps	10bps	0bps
EBIT margin (%)	25.0	25.5	26.0	25.1	25.5	26.0	-10bps	0bps	0bps
PAT (INR b)	510	567	622	515.5	567.0	621.4	-1.0%	0.1%	0.1%
EPS	141.0	156.8	172.0	142.5	156.7	171.8	-1.0%	0.1%	0.1%

Source: MOFSL

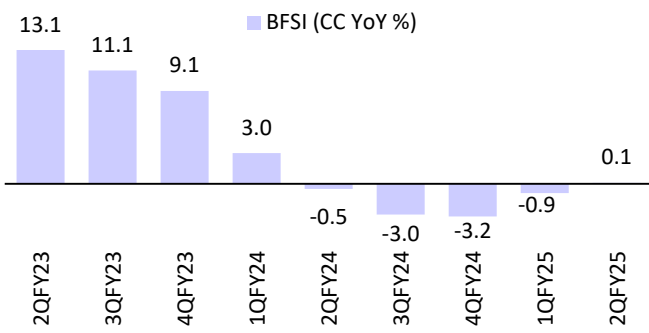
Story in charts

Exhibit 4: Deal wins were soft at USD8.6b with book-to-bill ratio of 1.1x



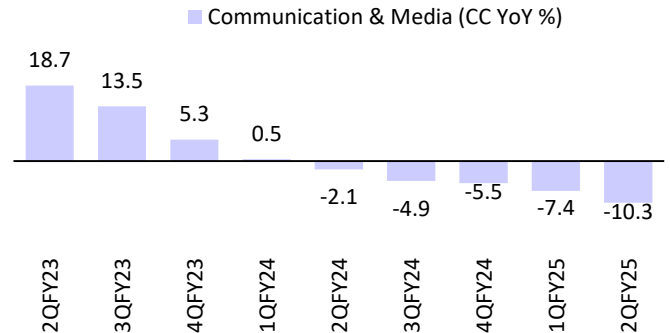
Source: Company, MOFSL

Exhibit 5: BFSI showed positive momentum



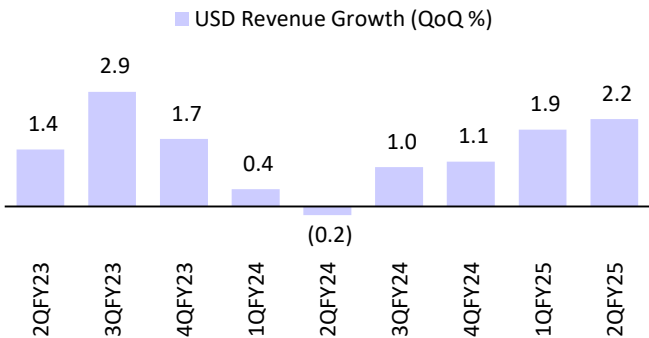
Source: Company, MOFSL

Exhibit 6: Communication remained weak



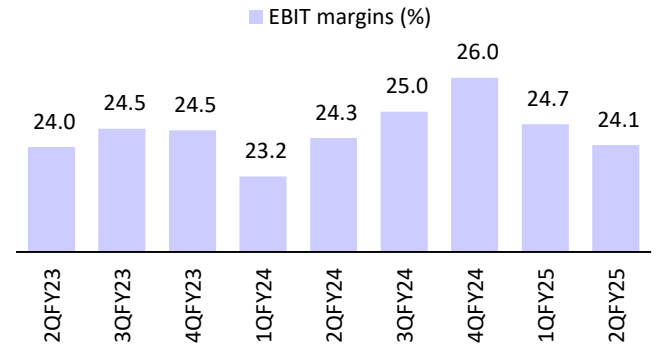
Source: Company, MOFSL

Exhibit 7: Revenue growth beat estimates



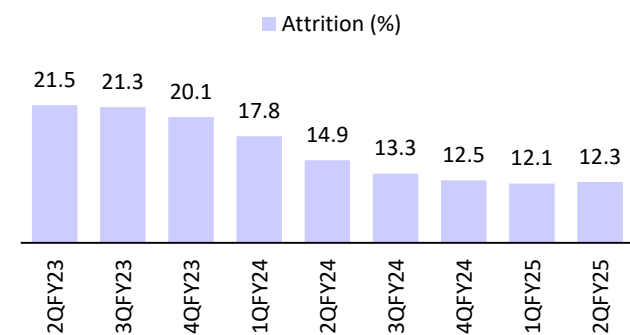
Source: Company, MOFSL

Exhibit 8: Margins declined due to higher 3rd party expenses



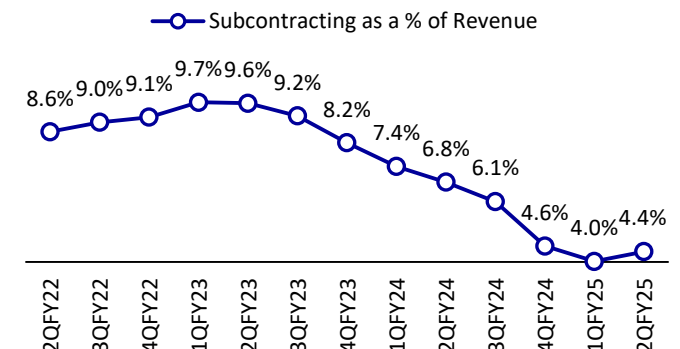
Source: Company, MOFSL

Exhibit 9: LTM Attrition expected to stabilize at this level

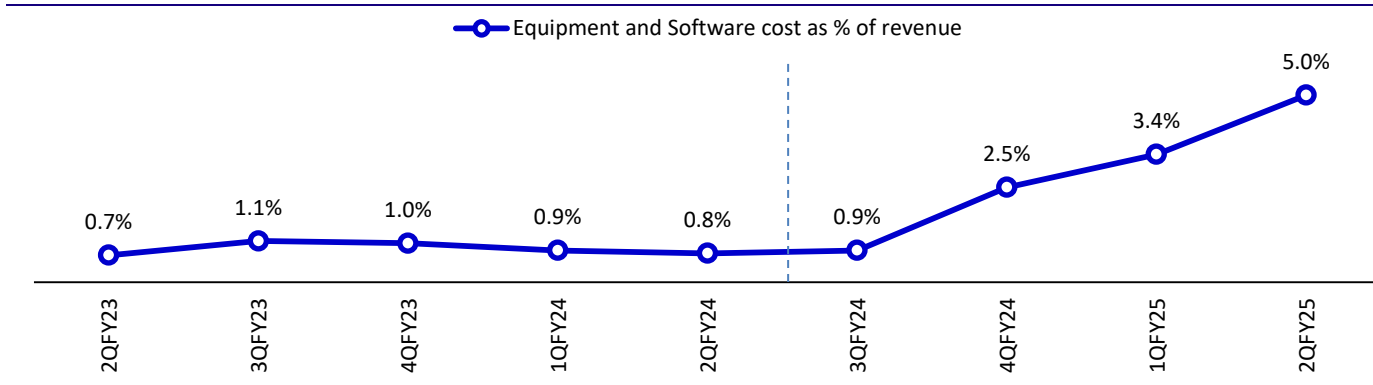


Source: Company, MOFSL

Exhibit 10: Sub-contracting inched up by 40bp



Source: Company, MOFSL

Exhibit 11: Increased costs driven by pass-through revenue resulting from BSNL's ramp-up

Source: Company, MOFSL

Operating metrics

Exhibit 12: Operating metrics

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Verticals (%)									
BFSI	33.6	33.1	32.9	32.5	32.6	31.7	31.3	30.9	30.8
Retail & CPG	16.1	16.0	16.0	16.1	15.9	15.7	15.7	15.4	15.1
Communication & Media	7.3	7.2	7.1	7.0	6.9	6.7	6.6	6.2	5.9
Manufacturing	8.2	8.2	8.2	8.3	8.5	8.6	8.8	8.8	8.6
Life Sciences & Healthcare	10.7	10.8	10.9	11.0	10.9	10.9	10.9	11.0	10.4
Technology & Services	9.1	9.0	8.9	8.7	8.6	8.4	8.2	8.1	8
Energy & Utilities	5	5.2	5.4	5.5	5.6	5.7	5.6	5.6	5.7
Regional markets & Others	10	10.5	10.6	10.9	11	12.3	12.9	14.0	15.5
Geographies (%)									
North America	54.3	53.7	52.4	52.0	51.7	50.6	50.0	49.5	47.6
Latin America	1.7	1.8	1.8	2.0	2.0	2.1	2.0	1.9	1.8
UK	14.5	14.9	15.7	16.4	16.5	16.4	16.8	16.9	17.0
Continental Europe	14.5	14.8	15.1	14.9	14.9	15.0	14.6	14.4	14.6
India	5.1	5.1	5.0	4.9	4.9	6.1	6.7	7.5	8.9
Asia Pacific	8	7.9	8.0	7.8	7.8	7.8	7.8	7.8	8
MEA	1.9	1.8	2.0	2.0	2.2	2.0	2.1	2.0	2.1
QoQ growth (%)									
BFSI	6.2	1.3	1.1	-0.8	0.1	-1.8	-0.1	0.6	1.9
Retail & CPG	2.7	2.2	1.7	1.1	(1.5)	-0.3	1.1	(0.0)	0.2
Communication & Media	8.9	1.5	0.3	-1.0	(1.6)	-1.9	-0.4	(4.2)	(2.7)
Manufacturing	(16.0)	2.9	1.7	1.7	2.2	2.2	3.5	1.9	(0.1)
Life Sciences & Healthcare	7.5	3.8	2.6	1.4	(1.1)	1.0	1.1	2.9	(3.4)
Technology & Services	4.9	1.7	0.6	-1.8	(1.4)	-1.4	-1.3	0.7	0.9
Energy and Utilities		7.0	5.6	2.3	1.6	2.8	-0.6	1.9	4.0
Regional markets & Others	(38.2)	8.0	2.7	3.3	0.7	12.9	6.1	10.6	13.1
North America	3.5	1.7	-0.8	-0.3	(0.8)	-1.2	-0.1	0.9	(1.7)
Latin America	(4.2)	8.9	1.7	11.6	(0.2)	6.0	-3.7	(3.2)	(3.2)
UK	(1.3)	5.7	7.2	4.9	0.4	0.4	3.6	2.5	2.8
Continental Europe	(3.2)	5.0	3.8	-0.9	(0.2)	1.7	-1.6	0.5	3.6
India	7.8	2.9	-0.3	-1.6	(0.2)	25.7	11.1	14.1	21.3
Asia Pacific	(2.2)	1.6	3.0	-2.1	(0.2)	1.0	1.1	1.9	4.8
MEA	7.1	-2.5	13.0	0.4	9.8	-8.2	6.2	(2.9)	7.3
Total Employees (k)	616	614.0	614.8	615.3	609	603.3	601.5	607	613
Net Additions (k)	9.8	-2.2	0.8	0.5	-6.3	-5.7	-1.8	5.5	5.7
Attrition (LTM %)	21.5	21.3	20.1	17.8	14.9	13.3	12.5	12.1	12.3

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	1,569	1,642	1,918	2,255	2,409	2,592	2,817	3,041
Change (%)	7.2	4.6	16.8	17.6	6.8	7.6	8.6	8.0
Cost of Services	923	971	1,146	1,363	1,436	1,533	1,657	1,782
SG&A Expenses	646	670	771	892	973	1,060	1,160	1,259
EBITDA	260	246	287	350	379	412	441	470
As a percentage of Net Sales	421	465	530	592	644	700	790	865
Depreciation	26.8	28.4	27.7	26.3	26.7	27.0	28.0	28.5
EBIT	35	41	46	50	50	53	70	76
As a percentage of Net Sales	386	425	485	542	594	647	719	789
Other Income	24.6	25.9	25.3	24.1	24.7	25.0	25.5	26.0
PBT	37	25	32	27	37	40	45	49
Tax	422	450	517	569	632	687	764	838
Rate (%)	98	115	132	146	163	175	195	214
PAT	23.2	25.5	25.6	25.7	25.7	25.5	25.5	25.5
Extraordinary Gains/Losses	0	-10	0	0	-7	0	0	0
Adjusted PAT	1	1	1	2	2	2	2	2
Minority Interest	324	326	384	423	462	512	569	624
Reported PAT	2.8	0.4	18.1	10.0	9.3	10.8	11.1	9.6
Change (%)	1,569	1,642	1,918	2,255	2,409	2,592	2,817	3,041

Balance Sheet								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share capital	4	4	4	4	4	4	4	4
Reserves	838	861	888	901	901	952	1,016	1,085
Net Worth	841	864	891	904	905	956	1,020	1,089
Minority Interest and Others	97	102	100	97	99	128	139	150
Loans	0	0	0	0	0	0	0	0
Capital Employed	938	966	992	1,001	1,003	1,084	1,159	1,239
Gross Block	408	449	500	542	586	637	710	786
Depreciation	207	247	293	343	393	446	516	592
Net Block	201	201	207	199	193	191	193	194
Intangibles	45	57	55	52	52	49	52	55
Other LT assets	60	56	70	83	89	95	103	111
Current Assets	902	993	1,083	1,103	1,130	1,204	1,304	1,411
Debtors	363	367	418	500	536	562	610	659
Cash and Bank Balance	97	69	125	71	90	195	280	372
Investments	261	316	360	401	358	313	268	223
Other Current Assets	182	241	180	131	146	135	146	158
Current Liab. and Prov.	271	342	424	436	461	455	493	532
Net Current Assets	632	651	660	667	669	750	811	879
Application of Funds	938	966	992	1,001	1,003	1,084	1,159	1,239

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	86.2	86.7	104.0	115.3	126.3	141.0	156.8	172.0
Cash EPS	95.6	97.6	116.4	129.0	139.9	155.6	176.3	193.0
Book Value	224.2	231.1	241.8	247.3	248.1	263.5	281.9	301.0
DPS	71.4	97.2	100.9	115.1	72.9	126.9	141.2	154.8
Payout (%)	82.8	112.1	97.1	99.8	57.7	90.0	90.0	90.0
Valuation (x)								
P/E	49.0	48.8	40.7	36.7	33.5	30.0	27.0	24.6
Cash P/E	44.2	43.3	36.3	32.8	30.2	27.2	24.0	21.9
EV/EBITDA	37.4	33.8	29.1	26.0	23.8	21.6	19.0	17.2
EV/Sales	10.0	9.6	8.1	6.8	6.4	5.8	5.3	4.9
Price/Book Value	18.9	18.3	17.5	17.1	17.0	16.0	15.0	14.0
Dividend Yield (%)	1.7	2.3	2.4	2.7	1.7	3.0	3.3	3.7
Profitability Ratios (%)								
RoE	37.3	38.0	43.7	46.9	50.9	54.8	57.4	59.0
RoCE	31.7	33.2	36.8	40.5	44.0	46.2	47.8	49.0
Turnover Ratios								
Debtors (Days)	84	82	80	81	81	79	79	79
Fixed Asset Turnover (x)	7.8	8.1	9.3	11.3	12.5	13.6	14.6	15.7

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INR b)								
CF from Operations	370	379	427	462	512	565	628	690
Cash for Working Capital	-47	9	-28	-42	-69	4	-23	-24
Net Operating CF	324	388	399	420	443	569	605	666
Net Purchase of FA	-32	-32	-30	-31	-27	-50	-54	-59
Free Cash Flow	291	356	370	389	417	519	550	607
Net Purchase of Invest.	118	-50	21	31	87	45	45	45
Net Cash from Invest.	86	-81	-9	0	60	-5	-9	-14
Proceeds from Equity Issues	0	0	0	0	0	0	0	0
Proceeds from LTB/STB	-13	-211	-195	-57	-16	0	0	0
Others	-9	-6	-7	-8	-7	0	0	0
Dividend Payments	-377	-109	-134	-414	-462	-459	-511	-560
Cash Flow from Fin.	-399	-326	-336	-479	-485	-459	-511	-560
Net Cash Flow	14	-18	56	-54	19	105	85	92
Opening Cash Balance	77	91	73	130	76	95	200	284
Add: Net Cash	14	-18	56	-54	19	105	85	92
Closing Cash Balance	91	73	130	76	95	200	284	377

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NOTES

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