31 October 2025

2QFY26 Results Update | Sector: Technology

Mphasis

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	526 / 5.9
52-Week Range (INR)	3240 / 2025
1, 6, 12 Rel. Per (%)	0/6/-10
12M Avg Val (INR M)	1509

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	157.2	173.4	188.7
EBIT Margin	15.4	15.5	16.1
PAT	19.2	21.3	23.9
EPS (INR)	100.3	111.2	124.8
EPS Gr. (%)	12.4	10.9	12.2
BV/Sh. (INR)	546.4	591.0	641.2
Ratios			
RoE (%)	19.1	19.6	20.3
RoCE (%)	16.7	17.5	18.2
Payout (%)	60.3	60.3	60.3
Valuations			
P/E (x)	27.6	24.8	22.1
P/BV (x)	5.1	4.7	4.3
EV/EBITDA (x)	17.1	15.2	13.3
Div Yield (%)	2.2	2.4	2.7

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	40.1	40.1	40.3
DII	37.1	36.5	37.0
FII	18.5	19.0	18.3
Others	4.3	4.4	4.4

FII includes depository receipts

CMP: INR2,764 **TP: INR2,900 (+5%)** **Neutral**

A mixed quarter

Deal wins healthy; margins to remain within the guided range

- Mphasis's (MPHL) 2QFY26 net revenue rose 1.2% QoQ in Constant Currency (CC), largely in line with our estimate of 1.5% QoQ CC. Direct revenue rose 2.2% QoQ CC and 7.9% YoY CC. TCV rose 155% YoY to USD528m. EBIT margin stood at 15.3%, in line with our estimate of 15.3%. PAT came in at INR4.7b (up 6.2%/10.8% QoQ/YoY), in line with our estimate of INR4.7b.
- For 1HFY26, net revenue/EBIT/PAT grew 9.7%/10.3%/10.0% YoY in INR terms. We expect revenue/EBIT/PAT to grow 11.2%/12.3%/14.9% YoY in 2HFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75%. While deal wins has been consistent and execution is encouraging, the pace and consistency of conversion remain the key monitorables. **We reiterate our Neutral rating on the stock**.

Our view: Revenue conversion yet to accelerate

- **Seasonal furloughs to weigh on 3Q**: MPHL posted a modest 1.2% QoQ CC growth in 2Q, driven by a steady ramp-up of deals. TMT and Insurance led growth during the quarter, with consistent ramp-ups and conversions. Although logistics experienced another decline, management expects sequential growth in the upcoming quarter. We expect furloughs to weigh on 3QE growth (1.8% QoQ CC), with a recovery in 4QE (2.8%) as ramp-ups from large deals offset near-term softness, supporting a stronger FY26 exit.
- **Revenue conversion remains a key monitorable**: TCV for MPHL stood at USD528m (up 155% YoY), with six large deal wins during the quarter. As a result, TCV won in 1HFY26 now exceeds the full-year TCV for FY25. That said, while TCV growth has consistently remained above 100% YoY over the past few quarters, meaningful revenue conversion has yet to follow. Unlike other mid-cap peers, revenue growth and deal conversion have not been at par. We would turn constructive on the stock once we observe sustained revenue conversion.
- **EBIT margins remain within the guided band, GTM investments continue**: MPHL has continued to deliver margins around the midpoint of its guided range (14.75-15.75%) over the past few quarters, now. The logistics vertical margin was impacted by a one-time client-specific investment. This is expected to normalize in 3Q. Further, utilization reached 87% (vs 76% YoY), and fixed price contracts increased 50% YoY. With elevated utilization and a rising fixed-price mix, the margin trajectory should remain stable in the near term. We estimate 15.4%/15.5% EBIT margin for FY26/FY27.

Valuation and change in estimates

We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain key monitorables. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~8.1% and an INR PAT CAGR of ~12%. We value the stock at 26x Jun'27E EPS with a TP of INR2,900. **We reiterate our Neutral rating on the stock.**

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Revenue and margins in-line with our estimates; deal TCV up 155% YoY, wins six large deals in 2Q

- MPHL's net revenue grew 1.2% QoQ CC, largely in line with our estimate of 1.5% QoQ CC growth.
- Direct revenue rose 2.2% QoQ CC and 7.9% YoY CC.
- TMT and Insurance led growth with a 9.1%/4.3% QoQ increase, while logistics declined 2.7% QoQ.
- EBIT margin stood at 15.3% vs our estimate of 15.3%.
- PAT was at INR4.7b (up 6.2% QoQ), in line with our estimates of INR4.7b.
- TCV stood at USD528m (up 155% YoY). About 87% of the deal wins were in NextGen Services. The company won six large deals in 2QFY26.
- Offshore utilization (excl. trainees) increased 300bp QoQ to 87%. Net headcount declined 0.8% in 2QFY26 to 30,809.
- The company maintained its sustainable EBIT margin within the target range of 14.75-15.75%.

Key highlights from the management commentary

- Efficiency and savings continue to dominate client discussions, though bundled with transformation and modernization programs.
- The company expects to grow at >2x industry rate in FY26, backed by strong 1H performance and TCV conversion. Sequential growth is expected to continue through 2H, led by a steady ramp-up of large deals won in prior quarters.
- It is too early to assess the impact of furloughs, but the higher share of fixed contracts provides flexibility.
- The FY26 exit run rate is expected to improve meaningfully, with direct business being the primary growth driver.
- 1HFY26 TCV of USD1.3b already exceeds FY25 full-year TCV.
- The company has maintained margin stability despite continued investments in GTM and AI platforms.
- Conversion from TCV to revenue remains steady; ramp-ups are expected to strengthen over 3Q and 4Q.
- The 2Q margin impact in the logistics vertical was a one-off, tied to a client-specific investment, with normalization expected in 3Q.
- H1B reforms have limited direct impact but may drive work globalization and faster adoption of automation.
- The company has launched the NeoIP™ Agentic Platform, integrating multiple AI agents for transformation.

Valuation and view

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain key monitorables. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~8.1% and an INR PAT CAGR of ~12%. We value the stock at 26x Jun'27E EPS with a TP of INR2,900. **We reiterate our Neutral rating on the stock.**

Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26	(% / bp)
Revenue (USD m)	410	421	419	430	437	445	453	466	1,680	1,801	445	0.1
QoQ (%)	-0.2	2.7	-0.5	2.7	1.6	1.8	1.7	2.8	4.4	7.2	1.7	11bp
Revenue (INR m)	34,225	35,362	35,613	37,101	37,324	39,019	39,878	41,003	1,42,301	1,57,232	38,795	0.6
YoY (%)	5.2	7.9	6.7	8.7	9.1	10.3	12.0	10.5	7.2	10.5	9.7	63bp
GPM (%)	30.8	31.3	31.7	31.8	31.9	30.9	31.2	31.3	31.4	31.3	31.5	-60bp
SGA (%)	12.7	12.9	12.7	12.9	13.1	12.4	12.5	12.5	12.8	12.6	12.7	-34bp
EBITDA	6,185	6,480	6,781	7,026	7,028	7,236	7,457	7,709	26,472	29,437	7,294	-0.8
EBITDA Margin (%)	18.1	18.3	19.0	18.9	18.8	18.5	18.7	18.8	18.6	18.7	18.8	-26bp
EBIT	5,135	5,444	5,458	5,673	5,709	5,958	6,141	6,355	21,710	24,171	5,936	0.4
EBIT Margin (%)	15.0	15.4	15.3	15.3	15.3	15.3	15.4	15.5	15.3	15.4	15.3	-3bp
Other income	238	182	235	239	392	289	399	410	894	1,490	388	-25.5
ETR (%)	24.7	24.7	24.8	24.5	27.6	24.9	24.5	24.5	24.7	25.3	25.4	-49bp
PAT	4,045	4,234	4,279	4,466	4,417	4,690	4,938	5,108	17,024	19,160	4,717	-0.6
QoQ (%)	2.9	4.7	1.1	4.4	-1.1	6.2	5.3	3.4			6.8	-8.9
YoY (%)	2.1	8.0	14.5	13.6	9.2	10.8	15.4	14.4	9.5	12.5	11.4	-5.6
EPS (INR)	21.3	22.2	22.4	23.4	23.1	24.5	25.8	26.7	89.3	100.3	24.7	-0.7

Key Performance Indicators

Y/E March	FY25				FY26E		FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q		
Margins								
Gross Margin	30.8	31.3	31.7	31.8	31.9	30.9	30.1	31.4
EBIT Margin	15.0	15.4	15.3	15.3	15.3	15.3	15.1	15.3
Net Margin	11.8	12.0	12.0	12.0	11.8	12.0	11.7	12.0
Operating metrics								
Headcount	31,645	31,601	31,194	31,442	31,063	30,809	32,664	31,442
Deal Win TCV (USD m)	319	207	351	390	760	528	1380	1267
Key Verticals (YoY%)								
BFS	-0.4	7.3	8.4	11.3	17.9	13.2	-16.3	6.6
Insurance	10.8	10.4	7.0	8.2	28.8	31.8	11.5	9.0
IT, Comm, Ent	9.8	0.7	13.5	16.6	20.3	24.3	10.5	10.0
Key Geographies (YoY%)								
North America	2.8	7.7	5.9	6.2	10.0	9.5	-7.9	5.6
Europe	9.7	-2.9	-8.6	-5.7	-16.5	-12.3	4.5	-2.2

Key highlights from the management commentary

Demand and industry outlook

- Efficiency and savings continue to dominate client discussions, though bundled with transformation and modernization programs.
- The company expects to grow at >2x industry rate in FY26, backed by 1H performance and strong TCV conversion. Sequential growth is expected to continue through 2H, led by steady ramp-up of large deals won in prior quarters.
- Clients are increasingly focusing on savings-led transformation; pricing competition has not impacted profitability.
- Direct business grew 2.2% QoQ/7.9% YoY CC, contributing to 97.5% of revenue.
- Growth was led by AI-led modernization within Direct Apps and steady ramp-up of build-and-run programs.
- Fixed-price contracts increased by >50% YoY.
- Hedge losses are expected to remain similar in the near-term; 80% of exposure is hedged under the rolling four-quarter policy.
- It is too early to assess the impact of furloughs, but the higher share of fixed contracts provides flexibility.

- The FY26 exit run rate is expected to improve meaningfully, with the direct business being a primary growth driver.
- 1HFY26 TCV of USD1.3b already exceeds FY25 full-year TCV.
- The large-deal pipeline rose 180% YoY, aided by the new large-deal pursuit teams.
- Conversion from TCV to revenue remains steady; ramp-ups are expected to strengthen over 3Q and 4Q.
- **BFS** revenue grew 13.8% YoY (Direct BFS +17.3% YoY), driven by wallet share gains and the ramp-up of new accounts.
- Rate cuts could support mortgage refinancing volumes in the coming quarters.
- Regional banks remain stable; no credit stress was observed.
- YoY growth in BFS was impacted by the ramp-down of the ATM business. CQGR was 4% in direct.
- **Insurance:** The insurance vertical grew 4.5% QoQ / 32% YoY CC, led by ramp-ups in recent large deal wins and modernization programs. The company expects continued strength over the next few quarters as large deals reach a steady state.
- **Logistics:** The logistics vertical witnessed a 2.7% QoQ decline. It expects sequential growth from 3Q onwards. The vertical's margin impact in 2Q was a one-off, tied to a client-specific investment. Normalization is expected in 3Q.
- **Others:** The company has onboarded a new leader, leveraging the Javelina platform to expand its client base beyond the payer space to national-level enterprises.
- Offshore utilization (ex-trainees) rose 300bp QoQ to 87**%**, the highest in five years.
- Dynamic workforce planning is guided based on rolling 90-day forecasts to optimize bench strength.
  H1B reforms have limited direct impact but are expected to globalize work and accelerate automation adoption.
- The company launched NeoIP™ Agentic Platform, integrating multiple AI agents for transformation.
- It has embedded other platforms—**NeoCrux, NeoZeta, NeoSaBa**—across verticals to enhance productivity and efficiency.
- 69% of the overall deal pipeline is now linked to AI-led services.
- The adoption of AI model is evenly split between efficiency-driven and innovation-led projects.
- The company embeds human-in-loop risk mitigation in AI offerings to prevent hallucination and ensure quality outcomes.
- Client mining continues to improve wallet share—top customer grew faster than the company average in 2Q.

Margin performance

- EBIT margin stood at 15.3%.
- The company has maintained its margin stability despite continued investments in GTM and AI platforms.
- The 2Q margin impact in its logistics vertical was one-off, tied to a client-specific investment; normalization is expected in 3Q.
- The company maintained its sustainable EBIT margin within the target range of 14.75-15.75%.

Exhibit 1: Core application services business grew 9% YoY

Services	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Application Services	73.4	1.3	8.8
BPO	14.9	2.4	(3.8)
Infrastructure Services	11.7	4.3	0.8

Source: Company, MOFSL

Exhibit 2: North America grew, while Europe declined YoY

Geographies	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
North America	83.6	2.0	9.5
Europe	9.1	7.0	(12.3)
India	4.8	(7.2)	(10.7)
Rest of the World	2.4	(3.9)	(0.3)

Source: Company, MOFSL

Exhibit 3: Logistics declined during the quarter; sequential growth expected

Verticals	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Banking and Financial Services	51.3	(0.9)	13.3
Insurance	14.0	4.3	31.9
Technology, Media, and Telecom	19.4	9.1	24.3
Logistics and Transportation	5.6	(2.7)	(55.3)
Others	9.8	2.3	(8.3)

Source: Company, MOFSL

Exhibit 4: The top 6-10 clients witnessed major growth in 2Q

	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Top client	12.0	(6.0)	(15.4)
Top 2-5 clients	27.0	1.8	2.0
Top 6-10 clients	16.0	16.4	69.2

Source: Company, MOFSL

Valuation and view

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain the key monitorables. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~8.1% and an INR PAT CAGR of ~12%. We value the stock at 26x Jun'27E EPS with a TP of INR2,900. **We reiterate our Neutral rating on the stock.**

Exhibit 5: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.8	88.7	88.7	87.5	88.7	88.7	0.3%	0.0%	0.0%
USD Revenue - m	1,801	1,965	2,137	1,802	1,981	2,157	0.0%	-0.8%	-0.9%
Growth (%)	7.2	9.1	8.7	7.2	10.0	8.9	0bps	-80bps	-10bps
EBIT margin(%)	15.4	15.5	16.1	15.3	15.5	16.1	10bps	0bps	0bps
PAT (INR M)	19,160	21,261	23,853	19,142	21,385	24,074	0.1%	-0.6%	-0.9%
EPS	100.3	111.2	124.8	100.3	112.0	126.1	0.0%	-0.7%	-1.0%

Source: MOFSL

Exhibit 6: Operating metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Geographical contribution (%)									
Americas	79.2	80.2	81.0	80.9	80.7	81.5	82.0	83.4	83.6
EMEA	12.0	11.6	11.0	11.1	11.0	10.2	9.9	8.7	9.1
India	6.0	5.5	5.3	5.3	5.7	6.0	5.1	5.3	4.8
RoW	2.9	2.7	2.7	2.7	2.6	2.4	2.9	2.6	2.4
Vertical contribution (%)									
Banking and capital market	47.1	46.8	47.1	47.7	47.9	48.7	50.0	52.7	51.3
Insurance	10.8	11.4	11.0	11.3	11.2	11.7	11.4	13.7	14.0
IT, communications, and entertainment	17.3	15.6	16.0	16.0	16.5	17.0	17.8	18.1	19.4
Logistics and transportation	13.4	13.7	13.7	13.7	13.1	12.2	10.9	5.8	5.6
Others	11.4	12.6	12.3	11.3	11.3	10.5	9.9	9.7	9.8
Revenue by project type (%)									
Time and material	58.5	58.3	58.5	59.6	60.0	57.6	55.4	48.6	49.1
Transaction-based	10.3	10.1	10.1	10.4	10.3	10.6	8.6	8.3	8.2
Fixed price	31.2	31.6	31.4	30.0	29.7	31.8	36.0	43.1	42.7
Revenue by delivery location (%)									
Onsite	52.1	53.2	56.0	57.1	57.3	59.0	59.9	59.6	57.5
Offshore	47.9	46.8	44.0	42.9	42.7	41.0	40.1	40.4	42.5
Secondary market segment (%)									
Direct international	95.1	95.4	95.4	95.8	95.8	95.9	96.7	97.3	97.5
DXC	3.2	2.9	3.0	2.6	2.7	2.7	2.5	2.4	2.3
Others	1.7	1.7	1.6	1.6	1.5	1.4	0.8	0.2	0.2
Service type (%)									
Application services	70.5	70.7	71.2	71.4	71.3	71.7	71.8	73.8	73.4
BPO	16.9	16.6	16.6	16.2	16.4	16.4	15.4	14.8	14.9
Infrastructure services	12.7	12.7	12.3	12.4	12.3	11.9	12.7	11.4	11.7
Client contribution (%)									
Top client	16	15	14	14	15	15	14	13	12
Top 2-5 clients	31	31	30	30	28	28	28	27	27
Top 6-10 clients	11	9	10	9	10	10	12	14	16
New clients added	5	5	3	2	2	2	3	3	2
Clients contributing more than:									
Over USD100m	3	3	3	3	3	3	3	4	4
Over USD75m	4	4	4	4	4	5	5	6	6
Over USD50m	6	5	5	5	5	5	5	7	7
Over USD20m	11	10	10	9	9	11	11	10	11
Over USD10m	26	29	29	30	27	29	29	31	30
Over USD5m	46	46	47	48	51	47	50	50	50
Over USD1m	115	134	135	135	140	140	139	137	136
Headcount									
Onsite – billable									
Tech services	4,504	4,664	4,656	4,637	4,788	4,892	4,981	5,127	5,377
BPO	1,319	1,338	1,318	1,374	1,363	1,351	1,281	1,142	1,143
Offshore – billable									
Tech services	15,425	15,393	14,799	14,721	14,576	14,218	14,540	14,477	14,498
BPO	6,418	6,733	6,341	5,984	5,851	5,681	5,545	5,503	5,422
Total billable headcount	**27,666**	**28,128**	**27,114**	**26,716**	**26,578**	**26,142**	**26,347**	**26,249**	**26,440**
Total headcount	**33,771**	**33,992**	**32,664**	**31,645**	**31,601**	**31,194**	**31,442**	**31,063**	**30,809**

Source: Company, MOFSL

Financials and valuations

Income Statement (INR m)

Y/E	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	**97,222**	**1,19,616**	**1,37,985**	**1,32,785**	**1,42,301**	**1,57,232**	**1,73,448**	**1,88,700**
Change (%)	9.9	23.0	15.4	-3.8	7.2	10.5	10.3	8.8
Cost of Goods Sold	67,723.0	84,664	98,128	92,772	97,602	1,07,980	1,20,351	1,30,237
Gross Profit	**29,499**	**34,952**	**39,857**	**40,013**	**44,699**	**49,252**	**53,097**	**58,462**
SG&A Expenses	11,472	13,570	15,517	15,793	18,227	19,814	20,690	22,418
EBITDA	**18,027**	**21,382**	**24,340**	**24,220**	**26,472**	**29,437**	**32,407**	**36,044**
% of Net Sales	19	17.9	17.6	18.2	18.6	18.7	18.7	19.1
Depreciation	2,418	2,906	3,253	4,106	4,762	5,266	5,449	5,653
EBIT	**15,609**	**18,476**	**21,087**	**20,114**	**21,710**	**24,171**	**26,957**	**30,391**
% of Net Sales	16	15.4	15.3	15.1	15.3	15.4	15.5	16.1
Other Income	696	861	644	570	894	1,490	1,297	1,319
PBT	**16,305**	**19,337**	**21,731**	**20,684**	**22,604**	**25,661**	**28,254**	**31,710**
Tax	4,139	4,870	5,351	5,135	5,580	6,501	6,993	7,857
Rate (%)	**25**	25.2	24.6	24.8	24.7	25.3	24.8	24.8
Adjusted PAT	**12,166**	**14,467**	**16,380**	**15,549**	**17,024**	**19,160**	**21,261**	**23,853**
Change (%)	2.5	18.9	13.2	-5.1	9.5	12.5	11.0	12.2

Balance Sheet (INR m)

Y/E	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,870	1,878	1,884	1,890	1,901	1,901	1,901	1,901
Reserves	63,397	67,553	77,464	86,056	94,383	1,02,047	1,10,552	1,20,093
Net Worth	**65,267**	**69,431**	**79,348**	**87,946**	**96,284**	**1,03,948**	**1,12,452**	**1,21,994**
Loans	5,135	5,272	1,985	15,436	11,159	11,159	11,159	11,159
Other long-term liabilities	7,285	9,030	8,768	11,310	8,295	7,930	8,060	8,182
Capital Employed	**77,687**	**83,734**	**90,101**	**1,14,692**	**1,15,739**	**1,23,038**	**1,31,672**	**1,41,335**
Net Block	**8,869**	**10,388**	**11,281**	**14,011**	**14,908**	**10,325**	**5,916**	**1,585**
CWIP	31	110	55	137	2	2	2	2
Goodwill	21,326	27,348	29,586	41,793	42,907	42,907	42,907	42,907
Investments	3,114	3,778	3,848	4,971	4,238	4,238	4,238	4,238
Other assets	9,246	8,774	11,794	14,066	17,151	19,257	20,733	22,121
Curr. Assets	**51,403**	**57,164**	**59,531**	**66,324**	**69,861**	**73,667**	**88,056**	**1,03,316**
Debtors	18,505	22,270	25,207	24,256	28,407	28,862	31,838	34,638
Cash	9,098	9,494	10,534	8,144	16,126	13,114	19,715	27,413
Investments	16,870	14,351	13,679	25,928	17,844	21,844	25,844	29,844
Other current assets	6,929	11,048	10,111	7,997	7,484	9,848	10,658	11,421
Current Liab. & Prov	**16,302**	**23,828**	**25,993**	**26,610**	**33,328**	**27,358**	**30,180**	**32,834**
Sundry Liabilities	15,806	22,744	23,573	23,818	30,220	26,101	28,792	31,324
Provisions	497	1,084	2,420	2,792	3,108	1,258	1,388	1,510
Net Current Assets	**35,100**	**33,336**	**33,538**	**39,714**	**36,534**	**46,309**	**57,876**	**70,483**
Application of Funds	**77,687**	**83,734**	**90,102**	**1,14,692**	**1,15,739**	**1,23,038**	**1,31,672**	**1,41,335**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EPS	**64.2**	**75.1**	**86.9**	**81.8**	**89.3**	**100.3**	**111.2**	**124.8**
Cash EPS	77.0	90.2	104.2	103.3	114.2	127.8	139.8	154.4
Book Value	349.3	365.3	421.2	466.1	508.3	546.4	591.0	641.2
DPS	65.0	45.7	52.2	49.4	53.9	60.4	67.0	75.2
Payout %	101.2	60.8	60.0	60.5	60.4	60.3	60.3	60.3
Valuation (x)								
P/E	43.0	36.8	31.8	33.8	31.0	27.6	24.8	22.1
Cash P/E	35.9	30.7	26.5	26.7	24.2	21.6	19.8	17.9
EV/EBITDA	27.5	23.7	20.5	20.8	18.9	17.1	15.2	13.3
EV/Sales	5.1	4.2	3.6	3.8	3.5	3.2	2.8	2.5
Price/Book Value	7.9	7.6	6.6	5.9	5.4	5.1	4.7	4.3
Dividend Yield (%)	2.4	1.7	1.9	1.8	2.0	2.2	2.4	2.7
Profitability Ratios (%)								
RoE	19.7	21.5	22.0	18.6	18.5	19.1	19.6	20.3
RoCE	16.8	18.3	19.1	16.1	16.0	16.7	17.5	18.2
Turnover Ratios								
Debtors (Days)	69	68	67	67	73	67	67	67
Fixed Asset Turnover (x)	11.0	12.4	12.7	10.5	9.8	12.5	21.4	50.3

Cash Flow Statement **(INR m)**

Y/E March	FY21	FY2	FY23	FY24	FY25	FY26E	FY27E	FY28E
CF from Operations	14,999	18,497	20,397	17,769	21,393	22,937	25,413	28,187
Chg. in Wkg. Capital	-453	-1,501	-5,779	4,028	-2,341	-11,259	-2,312	-2,174
Net Operating CF	**14,545**	**16,996**	**14,618**	**21,797**	**19,052**	**11,677**	**23,101**	**26,012**
Net Purchase of FA	-1,252	-1,192	-1,112	-916	-599	-683	-1,041	-1,321
Free Cash Flow	**13,293**	**15,805**	**13,506**	**20,881**	**18,453**	**10,994**	**22,061**	**24,691**
Net Purchase of Invest.	-6,967	-1,629	2,936	-23,905	1,039	-2,510	-2,703	-2,681
Net Cash from Invest.	**-8,219**	**-2,820**	**1,825**	**-24,821**	**441**	**-3,193**	**-3,744**	**-4,002**
Proceeds from Equity	268	442	271	301	575	0	0	0
Proceeds from LTB/STB and Others	-2,356	-2,152	-7,153	9,898	-1,564	0	0	0
Dividend Payments	-6,527	-12,177	-8,652	-9,427	-10,401	-11,496	-12,757	-14,312
Net CF from Financing	**-8,615**	**-13,887**	**-15,534**	**772**	**-11,389**	**-11,496**	**-12,757**	**-14,312**
Net Cash Flow	**-2,288**	**289**	**908**	**-2,252**	**8,103**	**-3,012**	**6,601**	**7,699**
Exchange Difference	120	107	132	-139	-121	0	0	0
Opening Cash Balance	**11,267**	**9,098**	**9,494**	**10,534**	**8,144**	**16,126**	**13,113**	**19,715**
Add: Net Cash	-2,169	396	1,040	-2,391	7,982	-3,012	6,601	7,699
Closing Cash Balance	**9,098**	**9,494**	**10,534**	**8,144**	**16,126**	**13,113**	**19,715**	**27,413**

Explanation of Investment Rating	
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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