

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	482.5 / 5.6
52-Week Range (INR)	3240 / 2025
1, 6, 12 Rel. Per (%)	-1/-16/7
12M Avg Val (INR M)	2319

## Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	142.3	157.5	174.0
EBIT Margin	15.3	14.9	15.1
PAT	17.0	18.7	20.7
EPS (INR)	89.3	98.0	108.5
EPS Gr. (%)	9.2	9.8	10.7
BV/Sh. (INR)	508.3	546.2	589.8

## Ratios

RoE (%)	18.5	18.7	19.2
RoCE (%)	16.0	16.5	17.1
Payout (%)	60.4	60.3	60.3

## Valuations

P/E (x)	28.6	26.0	23.5
P/BV (x)	5.0	4.7	4.3
EV/EBITDA (x)	17.4	16.0	14.3
Div Yield (%)	2.1	2.3	2.6

## Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	40.1	40.2	55.5
DII	34.9	34.6	24.7
FII	20.6	20.8	14.9
Others	4.3	4.4	5.0

FII includes depository receipts

**CMP: INR2,539 TP: INR2,700 (+6%) Neutral**

## Good execution on deal wins and growth

### But growth-led investments to bind margins; reiterate **NEUTRAL**

- Mphasis (MPHL)'s 4QFY25 gross revenue was 2.9% QoQ in Constant Currency (CC), in line with our estimate of 3.0% QoQ CC. Direct business grew 3.8%/6.8% QoQ/YoY in CC, aided by BFS and TMT. TCV was up 11% QoQ to USD390m. EBIT margin stood at 15.3%, in line with our estimate of 15.4%. PAT came in at INR4.5b (up 4.4%/13.6% QoQ/YoY), in line with our estimate of INR4.5b. For FY25, net revenue/EBIT/PAT grew 6.7%/8.0%/9.5% YoY in INR terms. We expect revenue/EBIT/PAT to grow 11.2%/10.9%/11.3% YoY in 1QFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75% (vs. 14.6-16% earlier). **We reiterate our Neutral rating on the stock.**

### Our view: Solid FY25 exit sets the tone for a good start to FY26

- **Momentum from Q4 carrying into the start of FY26:** MPHL exited FY25 on a strong footing, with Q4 clocking the highest growth in 12 quarters at 2.9% QoQ in CC terms. This momentum is expected to sustain into 1QFY26, aided by ramp-ups in the BFS and TMT verticals. Management commentary was confident, underpinned by steady TCV conversion and a robust deal pipeline.
- **Healthy TCV wins a key positive:** The company reported TCV wins of USD390m in Q4, up 120% YoY, its best-ever quarter. Importantly, ~85% of wins were in NextGen services, with AI-led deals forming a major chunk (59%). This was the most encouraging takeaway. We will turn constructive on the stock with sustained revenue conversion and clarity on the logistics vertical.
- **Logistics remains a watch area:** The logistics and transportation segment continues to face a broad-based decline due to macro-related delays, particularly due to tariff uncertainty and trade flow disruptions. Logistics declined 6.4% QoQ in 4QFY25. While the pipeline remains intact, the deal ramp-up timelines are uneven. A large Q4 win is expected to partially ramp up in 1Q, but full stabilization may take more time.
- **EBIT margins remain within the guided band:** Margins for Q4FY25 stood at 15.3%, steady QoQ and within the revised sustainable band of 14.75-15.75%. While there is no near-term focus on margin expansion, efficiency levers like offshoring, platform reuse, and AI productivity could help offset upfront investments in large deals and GenAI platforms.

### Valuation and change in estimates

- We are positive on the BFSI exposure as it remains relatively resilient in the current uncertainty, and we will turn positive once clarity around logistics emerges. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~10.2%. We value the stock at 25x FY27E EPS (earlier 23x) with a TP of INR2,700. **We reiterate our Neutral rating on the stock.**

### In-line revenue and margins but logistics declines 6% QoQ; deal TCV wins healthy

- MPHL's gross revenue of USD430m grew 2.9% QoQ CC, up 5.4% YoY CC, in line with our estimate of 3% QoQ CC growth. For FY25, revenue stood at USD1.6b, up 4.6% YoY CC.
- Direct revenue was up 3.8% QoQ CC and 6.8% YoY CC.
- BFS and TMT led the growth with 7.4/9.5% QoQ increases, followed by Insurance (up 2.0% QoQ), while logistics declined 6.4% QoQ.
- EBIT margin stood at 15.3% vs our estimate of 15.4% QoQ. For FY25, EBIT margin stood at 15.3%.
- PAT was INR4.5b (up 4.4% QoQ). For FY25, PAT stood at INR17b, up 9.5% YoY.
- TCV stood at USD390m (up 11% QoQ/120% YoY) vs. USD351m in 3QFY25. About 85% of the deal wins were in NextGen Services. For FY25, deal TCV stood at USD1.2b vs USD1.3b in FY24.
- Offshore utilization (excl. trainees) increased 300bp QoQ at 78%. Net headcount was flat at 31,442 in 4QFY25.
- The sustainable EBIT margin target range has been revised to 14.75-15.75% (vs 14.6-16% earlier).

### Key highlights from the management commentary

- Certain industries, including logistics, energy, automotive, and supply chains, are directly impacted by tariff fluctuations. The volatility in tariffs has not changed their stance, as decision-making has been paused. While decisions are being delayed, no cancellations have been observed. BFSI is experiencing second-order macroeconomic impacts, though these have not yet materially affected results.
- Clients are prioritizing the consolidation and modernization of their technology stacks. Converting pipeline opportunities into Total Contract Value (TCV) and converting TCV into revenue remain top strategic priorities.
- Management expects revenue to grow above the industry average in FY26, supported by recent deal wins.
- AI-led deals are becoming a key driver of pipeline growth, especially for large contracts, helping the company maintain its competitive edge.
- TCV-to-revenue conversion remains steady, with an accelerated pace of deal conversion.
- Management expects the current TCV run rate to be sustained in FY26, unless there is a significant macro deterioration.
- The company has revised its sustainable EBIT margin target range to 14.75-15.75% (earlier 14.6-16%) to allow flexibility for ramping up mega or large deals, which often require upfront investments.
- The shift from service delivery to solution delivery has reduced concerns around margin dilution from onshoring; the company now views it as a 'right-shoring' strategy instead.
- Offshore headcount increased in Q4 due to large deal ramp-ups. The company does not plan on building a large bench and will continue to align its headcount with demand.
- Clients are increasingly focused on improving productivity using AI across business operations, IT, underwriting, and claims processing.

## Valuation and view

- We are positive on the BFSI exposure as it remains relatively resilient in the current uncertainty, and we will turn positive once clarity around logistics emerges. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~10.2%. We value the stock at 25x FY27E EPS (earlier 23x) with a TP of INR2,700. **We reiterate our Neutral rating on the stock.**

## Quarterly Performance

Y/E March	FY24				FY25				(INR Mn)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY24	FY25	Est. 4QFY25	Var. (% / bp)
Revenue (USD m)	398	398	402	411	410	421	419	430	1,609	1,680	430	0.1
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.7	-0.5	2.7	-6.3	4.4	2.7	6bp
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,362	35,613	37,101	1,32,785	1,42,301	37,343	-0.6
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.9	6.7	8.7	-3.8	7.2	9.4	-71bp
GPM (%)	29.1	28.9	31.3	31.2	30.8	31.3	31.7	31.8	30.1	31.4	32	1bp
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.9	12.7	12.9	11.9	12.8	12.9	-3bp
EBITDA	5,869	5,956	6,007	6,388	6,185	6,480	6,781	7,026	24,220	26,472	7,058	-0.5
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	18.3	19.0	18.9	18.2	18.6	18.9	4bp
EBIT	4,995	5,067	4,972	5,080	5,135	5,444	5,458	5,673	20,114	21,710	5,751	-1.4
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.3	15.1	15.3	15.4	-11bp
Other income	263	150	14	143	238	182	235	239	570	894	261	-8.6
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.8	24.5	24.8	24.7	24.8	-29bp
PAT	3,961	3,920	3,736	3,932	4,045	4,234	4,279	4,466	15,549	17,024	4,524	-1.3
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	4.7	1.1	4.4			6	-23.7
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	8.0	14.5	13.6	-5.1	9.5	15.1	-9.8
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.2	22.4	23.4	81.8	89.3	23.7	-1.2

## Key Performance Indicators

Y/E March	FY24				FY25				FY24		FY25	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Margins</b>												
Gross Margin	29.1	28.9	31.3	31.2	30.8	31.3	31.7	31.8	30.1		31.4	
EBIT Margin	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.3	15.1		15.3	
Net Margin	12.2	12.0	11.2	11.5	11.8	12.0	12.0	12.0	11.7		12.0	
<b>Operating metrics</b>												
Headcount	33,961	33,771	33,992	32,664	31,645	31,601	31,194	31,442	32,664		31,442	
Deal Win TCV (USD m)	707	255	241	177	319	207	351	390	1380		1267	
<b>Key Verticals (YoY%)</b>												
BFS	-14.8	-21.3	-18.3	-10.1	-0.4	7.3	8.4	11.3	-16.3		6.6	
Insurance	-7.2	16.9	29.0	12.0	10.8	10.4	7.0	8.2	11.5		9.0	
IT, Comm, Ent	-3.9	21.0	12.7	13.6	9.8	0.7	13.5	16.6	10.5		10.0	
<b>Key Geographies (YoY%)</b>												
North America	-10.1	-12.7	-8.2	-0.1	2.8	7.7	5.9	6.2	-7.9		5.6	
Europe	-2.4	10.0	7.3	3.0	9.7	-2.9	-8.6	-5.7	4.5		-2.2	



## Key highlights from the management commentary

### Demand and industry outlook

- Certain industries, including logistics, energy, automotive, and supply chains, are directly impacted by tariff fluctuations. Volatility in tariffs has not changed their stance, as decision-making has been paused. While decisions are being delayed, no cancellations have been observed. BFSI is experiencing second-order macroeconomic impacts, though these have not yet materially affected results.
- Clients are prioritizing the consolidation and modernization of their technology stacks. Converting pipeline opportunities into TCV and converting TCV into revenue remain top strategic priorities.

- Gross revenue for the quarter was USD430m, growing 2.9% QoQ in CC and 5.4% YoY in CC. This was the highest quarterly growth in the past 12 quarters.
- Management expects revenue to grow above the industry average in FY26, supported by recent deal wins.
- In the current environment, the company believes it is more prudent to prioritize growth over margin expansion.
- AI-led deals are becoming a key driver of pipeline growth, especially for large contracts, helping the company maintain its competitive edge.
- TCV-to-revenue conversion remains steady, with an accelerated pace of deal conversion.
- Management expects the current TCV run rate to be sustained in FY26, unless there is a significant macro deterioration.
- **BFS:** Growth was driven by increased wallet share from existing accounts and the ramp-up of large deal wins. The mortgage business remains stable, with clients exploring AI integration in operations. AI-driven consolidation and transformation are the key trends.
- **TMT:** The segment continues to see traction in deal wins and large deal conversions, with wallet share expanding through the execution of existing contracts. While the segment holds promise, there is some uncertainty in manufacturing and hi-tech (including tech devices, med devices, and ISVs). The enterprise stack, engineering services, R&D, IT value stream modernization, and cybersecurity services are performing well.
- **Logistics and Transportation:** The segment experienced a disproportionate impact due to macroeconomic uncertainty. The decline was broad-based and not limited to a single client.
- Offshore utilization (excluding trainees) improved 300bp QoQ, reaching 78%. Offshore headcount increased in Q4 due to large deal ramp-ups. The company does not plan on building a large bench and will continue to align its headcount with demand.
- MPHL continues to invest in AI platforms while maintaining its target margin band.
- Clients are increasingly focused on improving productivity using AI across business operations, IT, underwriting, and claims processing.
- New opportunities are emerging around AI infrastructure, data governance, and data privacy, as more spending shifts in that direction.
- The shift from service delivery to solution delivery has reduced concerns around margin dilution from onshoring; the company now views it as a 'right-shoring' strategy.

#### **Margin performance**

- EBIT margin stood at 15.3%, in line with estimates of 15.4% QoQ. For the full year FY25, the EBIT margin was also 15.3%.
- The company has revised its sustainable EBIT margin target range to 14.75-15.75% (earlier 14.6-16%) to allow flexibility for ramping up mega or large deals, which often require upfront investments.

**Exhibit 1: Infrastructure and application services performed well in 4Q**

Services	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Application Services	71.8	3.0	5.8
BPO	15.4	(3.5)	(2.4)
Infrastructure Services	12.7	9.9	8.8

Source: Company, MOFSL

**Exhibit 2: North America grew while Europe declined YoY**

Geographies	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
North America	82.0	3.4	6.2
Europe	9.9	0.6	(5.7)
India	5.1	(12.6)	0.3
Rest of the World	2.9	26.7	15.7

Source: Company, MOFSL

**Exhibit 3: BFS and TMT led growth in 4Q, while logistics declined**

Verticals	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Banking and Financial Services	50.0	5.6	11.3
Insurance	11.4	0.3	8.2
Technology, Media, and Telecom	17.8	7.6	16.6
Logistics and Transportation	10.9	(8.0)	(16.3)
Others	9.9	(3.1)	(15.2)

Source: Company, MOFSL

**Exhibit 4: The top 6-10 clients saw major growth in 4Q**

	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Top client	14.0	(4.1)	4.8
Top 2-5 clients	28.0	2.7	(2.2)
Top 6-10 clients	12.0	23.3	25.8

Source: Company, MOFSL

**Valuation and view**

- We are positive on the BFSI exposure as it remains relatively resilient in the current uncertainty, and we will turn positive once clarity around logistics emerges. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~10.2%. We value the stock at 25x FY27E EPS (earlier 23x) with a TP of INR2,700. **We reiterate our Neutral rating on the stock.**

**Exhibit 5: Summary of our revised estimates**

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.0	86.0	86.0	86.0	0.0%	0.0%
USD Revenue - m	1,831	2,024	1,824	1,996	0.4%	1.4%
Growth (%)	9.0	10.5	8.5	9.5	40bps	110bps
EBIT margin(%)	14.9	15.1	15.5	15.5	-50bps	-40bps
PAT (INR M)	18,697	20,704	19,099	20,921	-2.1%	-1.0%
EPS	98.0	108.5	100.0	109.6	-2.0%	-0.9%

Source: MOFSL

**Exhibit 6: Operating metrics**

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
<b>Geographical contribution (%)</b>									
Americas	80.8	81.1	79.2	80.2	81.0	80.9	80.7	81.5	82.0
EMEA	10.7	10.4	12.0	11.6	11.0	11.1	11.0	10.2	9.9
India	5.5	5.7	6.0	5.5	5.3	5.3	5.7	6.0	5.1
RoW	3.0	2.9	2.9	2.7	2.7	2.7	2.6	2.4	2.9
<b>Vertical contribution (%)</b>									
Banking and capital market	52.2	49.3	47.1	46.8	47.1	47.7	47.9	48.7	50.0
Insurance	9.8	10.5	10.8	11.4	11.0	11.3	11.2	11.7	11.4
IT, communications, and entertainment	14.0	15.1	17.3	15.6	16.0	16.0	16.5	17.0	17.8
Logistics and transportation	13.8	14.2	13.4	13.7	13.7	13.7	13.1	12.2	10.9
Others	10.2	11.0	11.4	12.6	12.3	11.3	11.3	10.5	9.9
<b>Revenue by project type (%)</b>									
Time and material	58.1	57.7	58.5	58.3	58.5	59.6	60.0	57.6	55.4
Transaction-based	11.1	10.2	10.3	10.1	10.1	10.4	10.3	10.6	8.6
Fixed price	30.8	32.0	31.2	31.6	31.4	30.0	29.7	31.8	36.0
<b>Revenue by delivery location (%)</b>									
Onsite	53.5	52.1	52.1	53.2	56.0	57.1	57.3	59.0	59.9
Offshore	46.6	47.9	47.9	46.8	44.0	42.9	42.7	41.0	40.1
<b>Secondary market segment (%)</b>									
Direct international	94.6	94.9	95.1	95.4	95.4	95.8	95.8	95.9	96.7
DXC	3.8	3.5	3.2	2.9	3.0	2.6	2.7	2.7	2.5
Others	1.7	1.7	1.7	1.7	1.6	1.6	1.5	1.4	0.8
<b>Service type (%)</b>									
Application services	70.7	71.0	70.5	70.7	71.2	71.4	71.3	71.7	71.8
BPO	16.4	16.2	16.9	16.6	16.6	16.2	16.4	16.4	15.4
Infrastructure services	12.9	12.8	12.7	12.7	12.3	12.4	12.3	11.9	12.7
<b>Client contribution (%)</b>									
Top client	13	17	16	15	14	14	15	15	14
Top 2-5 clients	31	30	31	31	30	30	28	28	28
Top 6-10 clients	15	12	11	9	10	9	10	10	12
New clients added	4	5	5	5	3	2	2	2	3
<b>Clients contributing more than:</b>									
Over USD100m	4	3	3	3	3	3	3	3	3
Over USD75m	5	5	4	4	4	4	4	5	5
Over USD50m	7	6	6	5	5	5	5	5	5
Over USD20m	13	12	11	10	10	9	9	11	11
Over USD10m	26	26	26	29	29	30	27	29	29
Over USD5m	46	46	46	46	47	48	51	47	50
Over USD1m	112	112	115	134	135	135	140	140	139
<b>Headcount</b>									
<b>Onsite – billable</b>									
Tech services	4,669	4,517	4,504	4,664	4,656	4,637	4,788	4,892	4,981
BPO	1,606	1,307	1,319	1,338	1,318	1,374	1,363	1,351	1,281
<b>Offshore – billable</b>									
Tech services	16,799	16,005	15,425	15,393	14,799	14,721	14,576	14,218	14,540
BPO	6,234	6,459	6,418	6,733	6,341	5,984	5,851	5,681	5,545
<b>Total billable headcount</b>	<b>29,308</b>	<b>28,288</b>	<b>27,666</b>	<b>28,128</b>	<b>27,114</b>	<b>26,716</b>	<b>26,578</b>	<b>26,142</b>	<b>26,347</b>
<b>Total headcount</b>	<b>34,042</b>	<b>33,961</b>	<b>33,771</b>	<b>33,992</b>	<b>32,664</b>	<b>31,645</b>	<b>31,601</b>	<b>31,194</b>	<b>31,442</b>

Source: Company, MOFSL



## Financials and valuations

### Income Statement

(InR m)

Y/E	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Revenues</b>	<b>88,436</b>	<b>97,222</b>	<b>1,19,616</b>	<b>1,37,985</b>	<b>1,32,785</b>	<b>1,42,301</b>	<b>1,57,471</b>	<b>1,74,002</b>
Change (%)	14.4	9.9	23.0	15.4	-3.8	7.2	10.7	10.5
Cost of Goods Sold	61,376.5	67,723.0	84,664	98,128	92,772	97,602	1,09,243	1,21,327
<b>Gross Profit</b>	<b>27,060</b>	<b>29,499</b>	<b>34,952</b>	<b>39,857</b>	<b>40,013</b>	<b>44,699</b>	<b>48,228</b>	<b>52,675</b>
SG&A Expenses	10,536	11,472	13,570	15,517	15,793	18,227	19,397	21,269
<b>EBITDA</b>	<b>16,524</b>	<b>18,027</b>	<b>21,382</b>	<b>24,340</b>	<b>24,220</b>	<b>26,472</b>	<b>28,831</b>	<b>31,406</b>
% of Net Sales	19	19	17.9	17.6	18.2	18.6	18.3	18.0
Depreciation	2,317	2,418	2,906	3,253	4,106	4,762	5,298	5,209
<b>EBIT</b>	<b>14,207</b>	<b>15,609</b>	<b>18,476</b>	<b>21,087</b>	<b>20,114</b>	<b>21,710</b>	<b>23,533</b>	<b>26,197</b>
% of Net Sales	16	16	15.4	15.3	15.1	15.3	14.9	15.1
Other Income	967	696	861	644	570	894	1,100	1,215
<b>PBT</b>	<b>15,174</b>	<b>16,305</b>	<b>19,337</b>	<b>21,731</b>	<b>20,684</b>	<b>22,604</b>	<b>24,633</b>	<b>27,412</b>
Tax	3,306	4,139	4,870	5,351	5,135	5,580	5,936	6,708
Rate (%)	<b>22</b>	<b>25</b>	25.2	24.6	24.8	24.7	24.1	24.5
<b>Adjusted PAT</b>	<b>11,868</b>	<b>12,166</b>	<b>14,467</b>	<b>16,380</b>	<b>15,549</b>	<b>17,024</b>	<b>18,697</b>	<b>20,704</b>
Change (%)	10.6	2.5	18.9	13.2	-5.1	9.5	9.8	10.7

### Balance Sheet

(InR m)

Y/E	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,865	1,870	1,878	1,884	1,890	1,901	1,901	1,901
Reserves	56,431	63,397	67,553	77,464	86,056	94,383	1,01,862	1,10,144
<b>Net Worth</b>	<b>58,296</b>	<b>65,267</b>	<b>69,431</b>	<b>79,348</b>	<b>87,946</b>	<b>96,284</b>	<b>1,03,763</b>	<b>1,12,045</b>
Loans	5,713	5,135	5,272	1,985	15,436	11,159	11,159	11,159
Other long-term liabilities	7,567	7,285	9,030	8,768	11,310	8,295	7,932	8,064
<b>Capital Employed</b>	<b>71,576</b>	<b>77,687</b>	<b>83,734</b>	<b>90,101</b>	<b>1,14,692</b>	<b>1,15,739</b>	<b>1,22,854</b>	<b>1,31,268</b>
<b>Net Block</b>	<b>8,823</b>	<b>8,869</b>	<b>10,388</b>	<b>11,281</b>	<b>14,011</b>	<b>14,908</b>	<b>10,294</b>	<b>5,842</b>
CWIP	74	31	110	55	137	2	2	2
Goodwill	21,405	21,326	27,348	29,586	41,793	42,907	42,907	42,907
Investments	3,479	3,114	3,778	3,848	4,971	4,238	4,238	4,238
Other assets	9,624	9,246	8,774	11,794	14,066	17,151	19,279	20,783
<b>Curr. Assets</b>	<b>44,131</b>	<b>51,403</b>	<b>57,164</b>	<b>59,531</b>	<b>66,324</b>	<b>69,861</b>	<b>73,534</b>	<b>87,773</b>
Debtors	17,696	18,505	22,270	25,207	24,256	28,407	28,906	31,940
Cash	11,267	9,098	9,494	10,534	8,144	16,126	12,925	19,303
Investments	9,768	16,870	14,351	13,679	25,928	17,844	21,844	25,844
Other current assets	5,400	6,929	11,048	10,111	7,997	7,484	9,859	10,686
<b>Current Liab. &amp; Prov</b>	<b>15,959</b>	<b>16,302</b>	<b>23,828</b>	<b>25,993</b>	<b>26,610</b>	<b>33,328</b>	<b>27,400</b>	<b>30,276</b>
Sundry Liabilities	15,891	15,806	22,744	23,573	23,818	30,220	26,140	28,884
Provisions	68	497	1,084	2,420	2,792	3,108	1,260	1,392
<b>Net Current Assets</b>	<b>28,172</b>	<b>35,100</b>	<b>33,336</b>	<b>33,538</b>	<b>39,714</b>	<b>36,534</b>	<b>46,134</b>	<b>57,497</b>
<b>Application of Funds</b>	<b>71,576</b>	<b>77,687</b>	<b>83,734</b>	<b>90,102</b>	<b>1,14,692</b>	<b>1,15,739</b>	<b>1,22,854</b>	<b>1,31,268</b>

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>EPS</b>	<b>63.1</b>	<b>64.2</b>	<b>75.1</b>	<b>86.9</b>	<b>81.8</b>	<b>89.3</b>	<b>98.0</b>	<b>108.5</b>
Cash EPS	75.5	77.0	90.2	104.2	103.3	114.2	125.8	135.8
Book Value	312.9	349.3	365.3	421.2	466.1	508.3	546.2	589.8
DPS	35.0	65.0	45.7	52.2	49.4	53.9	59.1	65.4
Payout %	55.4	101.2	60.8	60.0	60.5	60.4	60.3	60.3
<b>Valuation (x)</b>								
P/E	40.4	39.7	33.9	29.3	31.2	28.6	26.0	23.5
Cash P/E	33.8	33.1	28.3	24.5	24.7	22.3	20.3	18.8
EV/EBITDA	27.8	25.3	21.8	18.8	19.1	17.4	16.0	14.3
EV/Sales	5.2	4.7	3.9	3.3	3.5	3.2	2.9	2.6
Price/Book Value	8.1	7.3	7.0	6.1	5.5	5.0	4.7	4.3
Dividend Yield (%)	1.4	2.5	1.8	2.0	1.9	2.1	2.3	2.6
<b>Profitability Ratios (%)</b>								
RoE	21.4	19.7	21.5	22.0	18.6	18.5	18.7	19.2
RoCE	18.6	16.8	18.3	19.1	16.1	16.0	16.5	17.1
<b>Turnover Ratios</b>								
Debtors (Days)	73	69	68	67	67	73	67	67
Fixed Asset Turnover (x)	16.2	11.0	12.4	12.7	10.5	9.8	12.5	21.6

### Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	12,788	14,999	18,497	20,397	17,769	21,393	22,895	24,698
Chg. in Wkg. Capital	422	-453	-1,501	-5,779	4,028	-2,341	-11,293	-2,357
<b>Net Operating CF</b>	<b>13,210</b>	<b>14,545</b>	<b>16,996</b>	<b>14,618</b>	<b>21,797</b>	<b>19,052</b>	<b>11,602</b>	<b>22,341</b>
Net Purchase of FA	-1,243	-1,252	-1,192	-1,112	-916	-599	-684	-756
<b>Free Cash Flow</b>	<b>11,967</b>	<b>13,293</b>	<b>15,805</b>	<b>13,506</b>	<b>20,881</b>	<b>18,453</b>	<b>10,918</b>	<b>21,585</b>
Net Purchase of Invest.	2,652	-6,967	-1,629	2,936	-23,905	1,039	-2,900	-2,785
<b>Net Cash from Invest.</b>	<b>1,408</b>	<b>-8,219</b>	<b>-2,820</b>	<b>1,825</b>	<b>-24,821</b>	<b>441</b>	<b>-3,585</b>	<b>-3,541</b>
Proceeds from Equity	151	268	442	271	301	575	0	0
Proceeds from LTB/STB and Others	-3,863	-2,356	-2,152	-7,153	9,898	-1,564	0	0
Dividend Payments	-6,065	-6,527	-12,177	-8,652	-9,427	-10,401	-11,218	-12,423
<b>Net CF from Financing</b>	<b>-9,777</b>	<b>-8,615</b>	<b>-13,887</b>	<b>-15,534</b>	<b>772</b>	<b>-11,389</b>	<b>-11,218</b>	<b>-12,423</b>
<b>Net Cash Flow</b>	<b>4,842</b>	<b>-2,288</b>	<b>289</b>	<b>908</b>	<b>-2,252</b>	<b>8,103</b>	<b>-3,201</b>	<b>6,378</b>
Exchange Difference	10	120	107	132	-139	-121	0	0
<b>Opening Cash Balance</b>	<b>6,416</b>	<b>11,267</b>	<b>9,098</b>	<b>9,494</b>	<b>10,534</b>	<b>8,144</b>	<b>16,126</b>	<b>12,925</b>
Add: Net Cash	4,851	-2,169	396	1,040	-2,391	7,982	-3,201	6,378
<b>Closing Cash Balance</b>	<b>11,267</b>	<b>9,098</b>	<b>9,494</b>	<b>10,534</b>	<b>8,144</b>	<b>16,126</b>	<b>12,925</b>	<b>19,303</b>

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NEUTRAL	< - 10 % to 15%
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