

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR3080 TP: INR3,400 (+10%) Neutral

Strong quarter and improving growth outlook

BFSI and US recoveries on track, but risks remain

Bloomberg	MPHL IN
Equity Shares (m)	189
M.Cap.(INRb)/(USD\$b)	582.8 / 6.9
52-Week Range (INR)	3188 / 2068
1, 6, 12 Rel. Per (%)	0/22/10
12M Avg Val (INR M)	2124

- Mphasis (MPHL)'s 2QFY25 revenue was 2.5% QoQ in Constant Currency (CC), which was above our estimate (+2 % QoQ CC). Direct business grew 2.4%/6.2% QoQ/YoY in CC, aided by TMT and BFS. The Total Contract Value (TCV) was down 35% QoQ to USD207m. EBIT margin stood at 15.4%, beating our estimate by 10bp QoQ. PAT came in at INR4.2b (up 4.7% QoQ), led by lower depreciation and employee costs. For 1HFY25, net revenue/EBIT/PAT grew 6.6%/5.1%/5.1% compared to 1HFY24. MPHL targets a sustainable operating (EBIT) margin within the stated band of 14.6%-16%.

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	143.0	160.3	179.4
EBIT Margin	15.4	15.6	15.6
PAT	17.4	20.0	22.4
EPS (INR)	91.4	104.7	117.2
EPS Gr. (%)	11.8	14.5	12.0
BV/Sh. (INR)	501.9	544.1	591.4
Ratios			
RoE (%)	19.1	20.2	20.8
RoCE (%)	16.1	17.0	17.7
Payout (%)	60.5	60.5	60.5
Valuations			
P/E (x)	33.7	29.4	26.3
P/BV (x)	6.1	5.7	5.2
EV/EBITDA (x)	21.8	19.6	17.2
Div Yield (%)	1.8	2.1	2.3

Our view: Strong quarter, but we remain cognizant of risks

- **Strong Q2 results but we remain on the sidelines:** While Q2 performance was solid, we maintain a HOLD rating as we await further clarity before taking a more positive stance.
- **Key reasons for HOLD:** Our caution so far has been driven by three main factors: (1) weak deal TCV, (2) top 5 clients' weakness, and (3) expectations of a slower recovery in US mortgage originations and refinancing.
- **TCV weakness persists, but improvements in conversion visible:** TCV remains weak; however, the improvement in revenue growth suggests that the Annual Contract Value (ACV) to TCV ratios are strengthening. This indicates a return of discretionary spending, short-cycle deals, and scope expansion projects that aren't captured in TCV. However, the headline TCV number must improve to build confidence in sustainable growth.
- **BFSI sector recovery and mortgage market recovery:** The Banking, Financial Services, and Insurance (BFSI) sector is recovering as management has indicated a bottom approximately three quarters ago. The company has also highlighted a recovery in its top client and the US mortgage market. That said, we remain cautious about the speed of the mortgage market rebound, believing it may occur in earnest in 2HFY25.
- **Top client challenges:** Despite recovery in the top client, the next four largest clients (top 2-5) reported a 4% QoQ decline. A significant logistics account also poses a risk to future growth. Although management has not reported any underlying issues, we believe this to be a potential headwind.
- **Awaiting further evidence:** While some signs of improvement are emerging, we are waiting for further clarity on TCV trends, client stability, and the US mortgage recovery before revisiting our position.

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	40.3	40.4	55.6
DII	37.0	35.9	22.7
FII	18.3	18.3	16.6
Others	4.4	5.4	5.2

FII includes depository receipts

Valuation and change in estimates

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. While we have maintained our FY25 EPS projections, we have marginally increased our FY26/FY27 EPS estimates by ~1.0%/2.3%. Over FY24-FY27, we expect a USD revenue CAGR of ~9.8% and an INR PAT CAGR of ~12.8%. We raise our target multiple to 30x Sep'26E EPS. Our TP of INR3,400 implies an 11% upside. **We reiterate our Neutral rating on the stock.**

Revenues beat estimates; margins expand sequentially

- MPHL's revenue of USD421.1m grew 2.5% QoQ CC, up 6.3% YoY CC, which was above our estimate of 2% QoQ CC growth.
- Direct revenue was up 2.4% QoQ CC and 6.2% YoY CC.
- Hi-tech led the growth pack with 5.6% QoQ rise; BFS (~48% of revenue) grew 3.2% QoQ, while Insurance grew 1.9% QoQ.
- EBIT margin stood at 15.4%, beating our estimate by 10bp QoQ. PAT was at INR4.2b (up 4.7% QoQ) due to higher revenue and lower employee costs.
- TCV stood at USD207m (down 35% QoQ/19% YoY) vs. USD319m in 1QFY25. About 88% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) remained stable at 76% QoQ. Net headcount declined by 44 (flat QoQ) in 2QFY25.

Key highlights from the management commentary

- Monetary policy is easing, leading to expectations of a soft landing. The company aims to maximize value from transformation while staying focused on costs and ROI. It continues to execute in an environment that is steadily moving in the right direction. Its focus remains on the micro level as gradual improvements unfold.
- Stability in key verticals and geographies, with a continued trend of green shoots across the client portfolio. Growth requires a best-in-class tech landscape, and cloud remains relevant.
- The pipeline remains strong with broad-based growth across all chosen verticals, and the US pipeline was up 28% YoY. Continued higher share of proactive deal wins with a focus on deal-making. It closed six large deals in 1H and three in 2QFY25. Unexecuted/unconsumed TCV remains high, providing confidence going forward.
- The pace of converting TCV to revenue has picked up. The TCV-to-revenue conversion is steadily improving with ramp-ups and monetization accelerating. The company is witnessing good deal traction in IT operations and infrastructure, along with early signs of recovery in its mortgage business.

Valuation and view – Reiterate Neutral

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. While we have maintained our FY25 EPS projections, we have marginally increased our FY26/FY27 EPS estimates by ~1.0%/2.3%. Over FY24-FY27, we expect a USD revenue CAGR of ~9.8% and an INR PAT CAGR of ~12.8%. We raise our target multiple to 30x Sep'26E EPS. Our TP of INR3,400 implies an 11% upside. **We reiterate our Neutral rating on the stock.**

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	398	398	402	411	410	421	426	446	1,609	1,703	419	0.6
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.7	1.3	4.5	-6.3	5.8	2.1	60bp
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,362	35,891	37,503	1,32,785	1,42,980	35,089	0.8
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.9	7.5	9.9	-3.8	7.7	7.1	83bp
GPM (%)	29.1	28.9	31.3	31.2	30.8	31.3	29.8	29.8	30.1	30.4	30	126bp
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.9	12.0	12.0	11.9	12.4	12.5	44bp
EBITDA	5,869	5,956	6,007	6,388	6,185	6,480	6,389	6,675	24,220	25,729	6,141	5.5
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	18.3	17.8	17.8	18.2	18.0	17.5	82bp
EBIT	4,995	5,067	4,972	5,080	5,135	5,444	5,563	5,888	20,114	22,030	5,369	1.4
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.4	15.5	15.7	15.1	15.4	15.3	10bp
Other income	263	150	14	143	238	182	359	375	570	1,154	351	-48.1
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7	24.7	3bp
PAT	3,961	3,920	3,736	3,932	4,045	4,234	4,457	4,713	15,549	17,449	4,306	-1.7
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	4.7	5.3	5.8			6	-27.5
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	8.0	19.3	19.9	-5.1	12.2	9.8	-18.6
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.2	23.4	24.7	81.8	91.4	22.6	-1.9

Key Performance Indicators

Y/E March	FY24			FY25		FY24
	2Q	3Q	4Q	1Q	2Q	
Margins						
Gross Margin	28.9	31.3	31.2	30.8	31.3	30.1
EBIT Margin	15.5	14.9	14.9	15.0	15.4	15.1
Net Margin	12.0	11.2	11.5	11.8	12.0	11.7
Operating Metrics						
Headcount	33,771	33,992	32,664	31,645	31,601	32,664
Deal Win TCV (USD m)	255	241	177	319	207	1380
Key Verticals (YoY%)						
BFS	-21.3	-18.3	-10.1	-0.4	7.3	-16.3
Insurance	16.9	29.0	12.0	10.8	10.4	11.5
IT, Comm, Ent	21.0	12.7	13.6	9.8	0.7	10.5
Key Geographies (YoY%)						
North America	-12.7	-8.2	-0.1	2.8	7.7	-7.9
Europe	10.0	7.3	3.0	9.7	-2.9	4.5



Key highlights from the management commentary

Demand and industry outlook

- Monetary policy is easing, leading to expectations of a soft landing. The company aims to maximize value from transformation while staying focused on costs and ROI. It continues to execute in an environment that is steadily moving in the right direction. The company's focus remains on the micro level as gradual improvements unfold.
- The pipeline remains strong with broad-based growth across all chosen verticals, and the US pipeline is up 28% YoY. Continued higher share of proactive deal wins with a focus on deal-making. It closed six large deals in 1H and three in 2QFY25. Unexecuted/unconsumed TCV remains high, providing confidence going forward. 35% of the pipeline is AI-led.
- Many transformational projects are in the pipeline; however, the sales cycle has extended.
- The company is focused on increasing its wallet share in top accounts. Growth in key accounts is driven by rising spending.
- In the Direct Segment, the company is experiencing a gradual recovery in discretionary spending, with new accounts ramping up. Its efforts on new engines of direct growth are paying off, resulting in healthy revenue ramp-ups in new customers across segments.
- **Recovery continues in BFS**, with signs of improvement in mortgages. Following the rate cut, there has been a lot of client engagement. Mortgage 30-year rates were cut by 50 bp, leading to an uptick in the mortgage business in 2Q. However, a rapid recovery is not expected in this segment. Small deal wins have contributed to growth, with revenue conversion also picking up.
- Gradual recovery is underway in capital markets (primarily in secondary markets), and banks have indicated a soft landing.
- In the **TMT vertical**, client-led and account-driven strategies have led to success compared to peers. Additionally, domain expertise in product engineering has contributed to growth.
- **The logistics and transportation vertical** experienced a marginal decline, but there was no loss of wallet or client share.
- Furloughs are expected to remain at normal levels. 4Q is expected to be better than 3Q, with 3Q being seasonally weak.
- Gen AI is an imperative. Initial pilots demonstrate the incredible power of advanced use cases. Accelerating AI adoption across enterprises is a key theme among customers. The trend for AI adoption mirrors that of the cloud cycle.
- Stability in key verticals and geographies, with a continued trend of green shoots across the client portfolio. Growth requires a best-in-class tech landscape, and cloud remains relevant. The company expects BFS and TMT to lead growth in the coming quarters.
- The headcount growth will depend on the nature of growth.
- Cash has reduced due to dividend payments and debt repayment. Meanwhile, net operating cash generated during the quarter was at 100% of the net income.

Margin performance

- EBIT margin stood at 15.4%, beating our estimate by 10bp QoQ. PAT was INR4.2b (up 4.7% QoQ) vs. our estimate of INR4.3b due to higher revenue and lower employee costs.
- The margin performance was within the target band of 14.6% to 16% EBIT margin.
- Onsite-centric growth led to lower employee cost growth.

Exhibit 1: BPO performed well in 2Q

Services	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Application Services	71.3	2.6	7.0
BPO	16.4	3.7	2.7
Infrastructure Services	12.3	1.9	2.3

Source: Company, MOFSL

Exhibit 2: India grew 10.2% QoQ in 2Q

Geographies	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
North America	80.7	2.4	7.7
Europe	11.0	1.9	(2.9)
India	5.7	10.2	1.6
Rest of the World	2.6	(1.4)	(5.4)

Source: Company, MOFSL

Exhibit 3: TMT grew 5.5% QoQ, while BFS inched up 3.2% QoQ in 2Q

Verticals	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Banking and Financial Services	47.9	3.2	7.3
Insurance	11.2	1.9	10.4
Technology, Media, and Telecom	16.5	5.5	0.7
Logistics and Transportation	13.1	(1.4)	3.9
Others	11.3	2.4	4.1

Source: Company, MOFSL

Exhibit 4: Top 6-10 clients saw a major growth in 2Q

	Contribution to revenue (%)	Growth QoQ (%)	Growth YoY (%)
Top client	15.0	10.0	(0.9)
Top 2-5 clients	28.0	(4.2)	(4.5)
Top 6-10 clients	10.0	14.1	(3.9)

Source: Company, MOFSL

Valuation and view – Reiterate Neutral

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. While we have maintained our FY25 EPS projections, we have marginally increased our FY26/FY27 EPS estimates by ~1.0%/2.3%. Over FY24-FY27, we expect a USD revenue CAGR of ~9.8% and an INR PAT CAGR of ~12.8%. We raise our target multiple to 30x Sep'26E EPS. Our TP of INR3,400 implies an 11% upside. **We reiterate our Neutral rating on the stock.**

Exhibit 5: Summary of our revised estimates

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	83.8	84.0	84.0	83.7	83.8	83.8	0.1%	0.3%	0.3%
USD Revenue - m	1,703	1,906	2,133	1,702	1,886	2,082	0.1%	1.0%	2.5%
Growth (%)	5.8	11.9	12.0	5.7	10.8	10.4	10bps	110bps	160bps
EBIT margin(%)	15.4	15.6	15.6	15.4	15.6	15.6	0bps	0bps	0bps
PAT (INR M)	17,449	19,975	22,363	17,528	19,757	21,804	-0.5%	1.1%	2.6%
EPS	91.4	104.7	117.2	92.1	103.8	114.5	-0.7%	0.9%	2.3%

Source: MOFSL

Exhibit 6: Operating metrics

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Geographical contribution (%)									
Americas	82.2	81.8	80.8	81.1	79.2	80.2	81.0	80.9	80.7
EMEA	9.8	10.1	10.7	10.4	12.0	11.6	11.0	11.1	11.0
India	4.9	5.1	5.5	5.7	6.0	5.5	5.3	5.3	5.7
RoW	3.1	3.0	3.0	2.9	2.9	2.7	2.7	2.7	2.6
Vertical contribution (%)									
Banking and capital market	54.2	53.6	52.2	49.3	47.1	46.8	47.1	47.7	47.9
Insurance	8.3	8.3	9.8	10.5	10.8	11.4	11.0	11.3	11.2
IT, communications, and entertainment	12.9	12.9	14.0	15.1	17.3	15.6	16.0	16.0	16.5
Logistics and transportation	12.7	13.0	13.8	14.2	13.4	13.7	13.7	13.7	13.1
Others	11.8	12.2	10.2	11.0	11.4	12.6	12.3	11.3	11.3
Revenue by project type (%)									
Time and material	56.0	56.8	58.1	57.7	58.5	58.3	58.5	59.6	60.0
Transaction-based	13.9	12.7	11.1	10.2	10.3	10.1	10.1	10.4	10.3
Fixed price	30.0	30.5	30.8	32.0	31.2	31.6	31.4	30.0	29.7
Revenue by delivery location (%)									
Onsite	56.8	55.2	53.5	52.1	52.1	53.2	56.0	57.1	57.3
Offshore	43.2	44.8	46.6	47.9	47.9	46.8	44.0	42.9	42.7
Secondary market segment (%)									
Direct international	93.7	93.6	94.6	94.9	95.1	95.4	95.4	95.8	95.8
DXC	4.6	4.8	3.8	3.5	3.2	2.9	3.0	2.6	2.7
Others	1.6	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.5
Service type (%)									
Application services	67.4	69.4	70.7	71.0	70.5	70.7	71.2	71.4	71.3
BPO	20.5	17.9	16.4	16.2	16.9	16.6	16.6	16.2	16.4
Infrastructure services	12.1	12.6	12.9	12.8	12.7	12.7	12.3	12.4	12.3
Client contribution (%)									
Top client	16	16	13	17	16	15	14	14	15
Top 2-5 clients	33	33	31	30	31	31	30	30	28
Top 6-10 clients	12	12	15	12	11	9	10	9	10
New clients added	5	4	4	5	5	5	3	2	2
Clients contributing more than:									
Over USD100m	4	4	4	3	3	3	3	3	3
Over USD75m	6	6	5	5	4	4	4	4	4
Over USD50m	6	6	7	6	6	5	5	5	5
Over USD20m	11	12	13	12	11	10	10	9	9
Over USD10m	23	22	26	26	26	29	29	30	27
Over USD5m	44	45	46	46	46	46	47	48	51
Over USD1m	104	106	112	112	115	134	135	135	140
Headcount									
Onsite – billable									
Tech services	5,082	4,806	4,669	4,517	4,504	4,664	4,656	4,637	4,788
BPO	2,056	1,828	1,606	1,307	1,319	1,338	1,318	1,374	1,363
Offshore – billable									
Tech services	18,514	17,454	16,799	16,005	15,425	15,393	14,799	14,721	14,576
BPO	5,839	6,176	6,234	6,459	6,418	6,733	6,341	5,984	5,851
Total billable headcount	31,491	30,264	29,308	28,288	27,666	28,128	27,114	26,716	26,578
Total headcount	36,876	35,450	34,042	33,961	33,771	33,992	32,664	31,645	31,601

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenues	88,436	97,222	1,19,616	1,37,985	1,32,785	1,42,980	1,60,310	1,79,439
Change (%)	14.4	9.9	23.0	15.4	-3.8	7.7	12.1	11.9
Cost of Goods Sold	61,376.5	67,723.0	84,664	98,128	92,772	99,514	1,13,381	1,26,908
Gross Profit	27,060	29,499	34,952	39,857	40,013	43,466	46,929	52,531
SG&A Expenses	10,536	11,472	13,570	15,517	15,793	17,737	18,603	20,822
EBITDA	16,524	18,027	21,382	24,340	24,220	25,729	28,326	31,709
% of Net Sales	19	19	17.9	17.6	18.2	18.0	17.7	17.7
Depreciation	2,317	2,418	2,906	3,253	4,106	3,699	3,368	3,769
EBIT	14,207	15,609	18,476	21,087	20,114	22,030	24,959	27,940
% of Net Sales	16	16	15.4	15.3	15.1	15.4	15.6	15.6
Other Income	967	696	861	644	570	1,154	1,604	1,795
PBT	15,174	16,305	19,337	21,731	20,684	23,184	26,562	29,734
Tax	3,306	4,139	4,870	5,351	5,135	5,735	6,587	7,372
Rate (%)	22	25	25.2	24.6	24.8	24.7	24.8	24.8
Adjusted PAT	11,868	12,166	14,467	16,380	15,549	17,449	19,975	22,363
Change (%)	10.6	2.5	18.9	13.2	-5.1	12.2	14.5	12.0

Balance Sheet								(INR m)
Y/E	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,865	1,870	1,878	1,884	1,890	1,890	1,890	1,890
Reserves	56,431	63,397	67,553	77,464	86,056	93,036	1,01,026	1,09,971
Net Worth	58,296	65,267	69,431	79,348	87,946	94,926	1,02,916	1,11,861
Loans	5,713	5,135	5,272	1,985	15,436	15,436	15,436	15,436
Other long-term liabilities	7,567	7,285	9,030	8,768	11,310	11,155	11,294	11,447
Capital Employed	71,576	77,687	83,734	90,101	1,14,692	1,21,516	1,29,645	1,38,743
Net Block	8,823	8,869	10,388	11,281	14,011	11,321	9,084	6,581
CWIP	74	31	110	55	137	137	137	137
Goodwill	21,405	21,326	27,348	29,586	41,793	41,793	41,793	41,793
Investments	3,479	3,114	3,778	3,848	4,971	4,971	4,971	4,971
Other assets	9,624	9,246	8,774	11,794	14,066	16,494	18,071	19,812
Curr. Assets	44,131	51,403	57,164	59,531	66,324	71,679	83,483	96,672
Debtors	17,696	18,505	22,270	25,207	24,256	26,246	29,427	32,938
Cash	11,267	9,098	9,494	10,534	8,144	6,299	10,056	14,777
Investments	9,768	16,870	14,351	13,679	25,928	29,928	33,928	37,928
Other current assets	5,400	6,929	11,048	10,111	7,997	9,206	10,073	11,029
Current Liab. & Prov	15,959	16,302	23,828	25,993	26,610	24,879	27,894	31,222
Sundry Liabilities	15,891	15,806	22,744	23,573	23,818	23,735	26,611	29,787
Provisions	68	497	1,084	2,420	2,792	1,144	1,282	1,436
Net Current Assets	28,172	35,100	33,336	33,538	39,714	46,800	55,589	65,450
Application of Funds	71,576	77,687	83,734	90,102	1,14,692	1,21,516	1,29,645	1,38,743

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	63.1	64.2	75.1	86.9	81.8	91.4	104.7	117.2
Cash EPS	75.5	77.0	90.2	104.2	103.3	110.8	122.3	136.9
Book Value	312.9	349.3	365.3	421.2	466.1	501.9	544.1	591.4
DPS	35.0	65.0	45.7	52.2	49.4	55.4	63.4	70.9
Payout %	55.4	101.2	60.8	60.0	60.5	60.5	60.5	60.5
Valuation (x)								
P/E	48.8	48.0	41.0	35.4	37.7	33.7	29.4	26.3
Cash P/E	40.8	40.0	34.1	29.6	29.8	27.8	25.2	22.5
EV/EBITDA	33.8	30.8	26.5	22.9	23.2	21.8	19.6	17.2
EV/Sales	6.3	5.7	4.7	4.0	4.2	3.9	3.5	3.0
Price/Book Value	9.8	8.8	8.4	7.3	6.6	6.1	5.7	5.2
Dividend Yield (%)	1.1	2.1	1.5	1.7	1.6	1.8	2.1	2.3
Profitability Ratios (%)								
RoE	21.4	19.7	21.5	22.0	18.6	19.1	20.2	20.8
RoCE	18.6	16.8	18.3	19.1	16.1	16.1	17.0	17.7
Turnover Ratios								
Debtors (Days)	73	69	68	67	67	67	67	67
Fixed Asset Turnover (x)	16.2	11.0	12.4	12.7	10.5	11.3	15.7	22.9

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CF from Operations	12,788	14,999	18,497	20,397	17,769	19,994	21,740	24,337
Chg. in Wkg. Capital	422	-453	-1,501	-5,779	4,028	-7,514	-2,471	-2,727
Net Operating CF	13,210	14,545	16,996	14,618	21,797	12,480	19,269	21,610
Net Purchase of FA	-1,243	-1,252	-1,192	-1,112	-916	-1,009	-1,131	-1,266
Free Cash Flow	11,967	13,293	15,805	13,506	20,881	11,471	18,138	20,344
Net Purchase of Invest.	2,652	-6,967	-1,629	2,936	-23,905	-2,846	-2,396	-2,205
Net Cash from Invest.	1,408	-8,219	-2,820	1,825	-24,821	-3,855	-3,527	-3,471
Proceeds from Equity	151	268	442	271	301	0	0	0
Proceeds from LTB/STB and Others	-3,863	-2,356	-2,152	-7,153	9,898	0	0	0
Dividend Payments	-6,065	-6,527	-12,177	-8,652	-9,427	-10,469	-11,985	-13,418
Net CF from Financing	-9,777	-8,615	-13,887	-15,534	772	-10,469	-11,985	-13,418
Net Cash Flow	4,842	-2,288	289	908	-2,252	-1,844	3,756	4,721
Exchange Difference	10	120	107	132	-139	0	0	0
Opening Cash Balance	6,416	11,267	9,098	9,494	10,534	8,144	6,299	10,055
Add: Net Cash	4,851	-2,169	396	1,040	-2,391	-1,844	3,756	4,721
Closing Cash Balance	11,267	9,098	9,494	10,534	8,144	6,299	10,055	14,777

(INR m)

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