

All-round beat; Cautious optimism amid macro headwinds

- MPHL reported Rev. of 2.9% CC QoQ (DE: +2.8%), while INR Rev grew 4.2% QoQ. Growth was led by Direct biz (98% of rev.), which grew 5.4% QoQ in CC terms. OPM was flat at 15.3% (DE: 14.9%).
- Robust deal wins continued (\$390mn, +11% QoQ), while commentary on pipeline across segments was benign (BFS/Non-BFS) up 70%/99% YoY. Although MPHL is positive on delivering better growth in FY26, macro headwinds pose a challenge, with clients and their spends navigating an uncertain environment. OPM band guided in the range of 14.75% - 15.75%.
- We lower our FY26E/FY27E earnings by 2.9%/3.9%, due to the prevailing uncertainties in the macro environment. Despite these challenges, MPHL has demonstrated consistent execution and is well placed to ride on revival in BFS while enhancing its non-BFS portfolio. Given reasonable valuations, we maintain our 'BUY' rating with TP of Rs. 3,130 (valuing at 28x FY27E).

Strong TCV wins; Pipeline commentary positive

MPHL reported TCV wins of \$390mn, (highest in past 7 qtrs), with broad based wins across verticals (incl. 2 large wins), while the pace of TCV to Rev. conversion remains healthy. Pipeline growth for BFS/Non-BFS is now up by 70%/99% YoY (Q3: up 58%/44% YoY resp). Management shared that it has not yet seen any project cancellations and expects to continue building on improving win rates and maintaining TCV momentum over the next few quarters at least.

BFS & TMT leads Q4; Macro impact less pronounced for now

BFS & TMT verticals grew 5.6%/8.2% QoQ in CC terms, led by wallet share gains, New wins/accounts, and steady deal conversion. Insurance and Logistics & Transport reported +0.4%/-7.7% QoQ cc movement but are now relatively better placed in terms of pipeline. Tariff-related disruption had not yet been felt by MPHL due to lower exposure to directly affected sectors like automotive, energy, etc., but 2nd order risks remain. MPHL would aim to deliver better growth in FY26 but may be affected by macro uncertainty.

Focus on Micro & AI initiatives remain; OPM band narrowed

MPHL shared that it would focus on taking a nuanced, client-specific approach, led by AI-led transformation (65% of the pipeline was AI-led). Also, irrespective of the macro environment, MPHL would double down on AI-led propositions, investments that improve client experience, and focus on savings-led transformation. FY26 OPM guided band is between 14.75% to 15.75%, accounting for potential investments to ramp-up large deals, while also considering an uncertain environment.

Key Data

Nifty	24,247
Equity / FV	Rs 1,890mn / Rs 10
Market Cap	Rs 471bn
	USD 5.5bn
52-Week High/Low	Rs 3,238/ 2,051
Avg. Volume (no)	611,357
Bloom Code	MPHL IN

	Current	Previous
Rating	BUY	BUY
Target Price	3,130	3,490

Change in Estimates

(Rs.bn)	Current		Chg (%) /bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	156	173	(3.2)	(3.8)
EBITDA	30	33	(2.9)	(3.9)
EBITDA (%)	18.9	19.0	6	(3)
APAT	19	21	(2.9)	(3.9)
EPS (Rs)	99.8	111.6	(2.9)	(3.9)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	27.7	24.7	22.1
EV/EBITDA	17.6	15.8	14.0
ROE (%)	18.5	19.2	20.2
RoACE (%)	18.0	18.9	19.9

Q4FY25 Result (Rs Mn)

Particulars	Q4FY25	YoY (%)	QoQ (%)
Revenue	37,101	8.7	4.2
Total Expense	31,428	8.2	4.2
EBITDA	7,026	10.0	3.6
Depreciation	1,353	3.4	2.3
EBIT	5,673	11.7	3.9
Other Income	600	(6.5)	(4.1)
Interest	361	(27.6)	(7.9)
EBT	5,912	13.2	3.9
Tax	1,446	12.0	2.3
RPAT	4,466	13.6	4.4
APAT	4,466	13.6	4.4

	(bps)	(bps)
Gross Margin	28.7	68
EBITDA (%)	18.9	21
NPM (%)	12.0	51
Tax Rate (%)	24.5	(26)
EBIT (%)	15.3	40

Director Research: Rahul Jain

+9122 40969771

rahulj@dolatcapital.com**Associate: Harsh Yadav**

+9122 40969773

harshy@dolatcapital.com**Associate: Kashish Mehta**

+9122 40969789

kashishm@dolatcapital.com

Exhibit 1: Quarterly performance versus estimates

Particulars (Rs mn)	Estimates		% Variation		Comment
	Actual	Dolat Consensus	Dolat Consensus	Dolat Consensus	
USD Revenue	430	430	423	(0.0) 1.8	Beat led by strong BFS and TMT performance
INR Revenue	37,101	36,807	35,818	0.8 3.6	
EBIT	5,673	5,492	5,502	3.3 3.1	OPM beat from operating leverage
EBIT, margin	15.3	14.9	15.4	37 bps (7 bps)	
PAT	4,466	4,303	4,274	3.8 4.5	Op. perf. led PAT beat.

Source: Company, Dolat Capital

Change in estimates

For FY26E/FY27E: MPHL delivered a strong Q4 performance, and management is positive on building on deal and growth momentum. However, we believe present macro headwinds and uncertain environment would likely delay few projects and push out growth rates. We lower our revenue estimates by 2.6%/2.9% and remain watchful of the developing industry environment. OPM has been lowered marginally by 10bps/20bps. Overall, earnings have been lowered by 2.9%/3.9%.

Exhibit 2: Change in Estimates

Particulars (Rs. mn)	FY24A	FY25A	FY26E			FY27E		
	Actual	Actual	Old	New	Chg.(%)	Old	New	Chg.(%)
USD Revenue	1,608	1,681	1,865	1,816	(2.6)	2,057	1,997	(2.9)
YoY growth,	(6.4)	4.5	10.4	8.0	(241 bps)	10.3	10.0	(31 bps)
INR Revenue	1,32,785	142,301	161,425	156,193	(3.2)	180,125	173,362	(3.8)
YoY growth,	(3.8)	7.2	13.1	9.8	(332 bps)	11.6	11.0	(59 bps)
EBIT	20,114	21,710	25,078	24,111	(3.9)	28,485	27,077	(4.9)
EBIT Margin,	15.1	15.3	15.5	15.4	(10 bps)	15.8	15.6	(20 bps)
Net Profit	15,549	17,024	19,630	19,056	(2.9)	22,179	21,304	(3.9)
EPS (Rs)	81.6	89.2	102.8	99.8	(2.9)	116.2	111.6	(3.9)

Source: Dolat Capital, Company

What to expect next Quarter?

Noting strong Q4 TCV wins, and positive near term deal execution commentary, we expect a 2.9% QoQ growth. OPM to see modest expansion of 10bps to maintain margins in narrow guidance band of 14.75% to 15.75%, balancing growth investments with efficiency.

Exhibit 3: What to expect next Quarter

(Rs Mn)	Q1FY26E	Q4FY25	Q1FY25	QoQ (%)	YoY (%)
USD Revenue	443	430	410	2.9	8.0
INR Revenue	38,100	37,101	34,225	2.7	11.3
EBIT	5,862	5,673	5,135	3.3	14.2
PAT	4,616	4,466	4,045	3.3	14.1
EPS (Rs.)	24.2	23.4	21.3	3.3	13.8
EBIT Margin (%)	15.4	15.3	15.0	10 bps	38 bps

Source: Company, Dolat Capital

Exhibit 4: Key Revenue Assumptions

Metrics	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
CC Revenue growth (%)	4.9	9.4	(6.4)	5.1	8.5	10.0
DXC Revenue growth (%)	(32.0)	(25.1)	(34.2)	(12.8)	(7.6)	0.1
Direct Biz Revenue growth (%)	17.8	10.4	(5.0)	5.5	9.1	10.3
USD Revenue growth (%)	5.6	8.0	(6.4)	4.5	8.0	10.0
INR Revenue growth (%)	9.8	16.7	(3.7)	6.7	9.8	11.0
USD/INR	74.1	80.6	82.9	84.6	86.0	86.8
EBIT Margins (%)	16.1	15.3	15.1	15.3	15.4	15.6
EPS growth (%)	1.8	14.8	(5.5)	9.0	11.9	11.8

Source: Company, Dolat Capital

Exhibit 5: YoY CC Growth Trend (%)

Particulars	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
DXC Biz. Growth	(30.0)	(32.7)	(36.3)	(43.2)	(23.8)	(14.6)	(26.1)	(3.8)	(4.9)
Direct Biz. Growth	(1.9)	(7.2)	(8.9)	(5.0)	(0.4)	4.1	6.2	5.1	5.1
Revenue Growth	(3.7)	(8.4)	10.1	(6.4)	1.2	4.1	6.2	4.6	4.6

Source: Company, Dolat Capital

Exhibit 6: Quarterly and YTD Trend

Particulars (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
USD Revenue	411	412	420	419	430	4.8	2.6	1,608	1,681	4.5
INR Revenue	34,120	34,225	35,361	35,613	37,101	8.7	4.2	132,785	142,300	7.2
Operating Expenses	29,040	29,090	29,918	30,155	31,428	8.2	4.2	112,671	120,591	7.0
Cost of Service	24,558	24,519	25,128	25,424	26,451	7.7	4.0	95,950	101,522	5.8
as % of sales	72.0	71.6	71.1	71.4	71.3	28 bps	(10 bps)	72.3	71.3	(92 bps)
SG&A Expense	4,482	4,571	4,790	4,731	4,977	11.0	5.2	16,721	19,069	14.0
as % of sales	13.1	13.4	13.5	13.3	13.4	(67 bps)	13 bps	12.6	13.4	81 bps
EBITDA	6,388	6,185	6,479	6,781	7,026	10.0	3.6	24,220	26,471	9.3
Depreciation	1,308	1,050	1,036	1,323	1,353	3.4	2.3	4,106	4,762	16.0
EBIT	5,080	5,135	5,443	5,458	5,673	11.7	3.9	20,114	21,709	7.9
Other Income	642	736	587	626	600	(6.5)	(4.1)	2,178	2,549	17.1
Finance Cost	499	498	405	392	361	(27.6)	(7.9)	1,608	1,656	3.0
PBT	5,223	5,373	5,625	5,692	5,912	13.2	3.9	20,684	22,603	9.3
Total Tax	1,291	1,328	1,392	1,413	1,446	12.0	2.3	5,135	5,579	8.6
Reported PAT	3,932	4,045	4,233	4,279	4,466	13.6	4.4	15,549	17,024	9.5
Reported EPS (Abs)	20.7	21.3	22.2	22.4	23.4	13.4	4.4	81.8	89.3	9.1
Margins (%)							bps			bps
EBIDTA	18.7	18.1	18.3	19.0	18.9	94 bps	(10 bps)	18.2	18.6	36 bps
EBIT	14.9	15.0	15.4	15.3	15.3	40 bps	(4 bps)	15.1	15.3	11 bps
PBT	15.3	15.7	15.9	16.0	15.9	100 bps	(5 bps)	15.6	15.9	31 bps
PAT	11.5	11.8	12.0	12.0	12.0	85 bps	2 bps	11.7	12.0	25 bps
Effective Tax rate	24.7	24.7	24.7	24.8	24.5	(61 bps)	(36 bps)	24.8	24.7	(14 bps)

Source: Company

Earning call KTAs

- **Revenue:** MPHL reported revenue growth of 2.9% QoQ in CC terms, and growth of 2.6% in USD terms (reflecting Fx impact of 0.6%) and stood at \$430mn. Direct Biz. (97.7% of Rev) reported a Revenue growth of 5.6%, while DXC Biz. (2.3% of Rev) declined 2.7% QoQ growth in \$ terms.
- **Segment-wise performance:** Q4FY25 segment performance was led by **BFS vertical** (50% of Revenue), which grew 5.6% QoQ in cc terms, with growth led by wallet share gains in existing accounts and strong execution in new account wins. Management shared that the mortgage business was now stable. **Insurance vertical** (11% of Rev) grew 0.3% QoQ in CC terms. Management shared that while Q4 performance was on the softer side, this vertical has become a growth engine and is poised for a strong come-back in FY26 on back of strong TCV & pipeline. **Technology, Media and Telecom** (17.8% of Rev.), grew 8.2% QoQ in CC terms, led by continued deal wins and conversions, though one customer in particular contributed more to incremental growth. **Logistics & Transportation** (11% of Revenue), declined 7.7% QoQ in cc terms, and was impacted by macro uncertainties. Management clarified that weakness was broad based amongst client based, and not due to the impact of any single large client. MPHL is positive on getting this vertical back to growth in FY26, **Others** (10% of Rev), declined 3.4% QoQ. This also includes Healthcare. Looking forward, MPHL expects significant opportunities in the pipeline for Logistics, Transport and Healthcare.
- **TCV and Pipeline:** Mphasis reported Net New TCV wins of \$390mn in Q4 (up 120% YoY) and TTM TCV wins \$1,267mn (down 8.2% YoY). The pipeline mix is 59% AI-led (incl. AI ops & AI modernization), with BFS/Non-BFS pipeline now up 70%/99% YoY respectively (In Q3, this pipeline was up 58%/44% YoY). Management expects TCV wins for the near term to remain healthy.
- **Margin:** EBIT Margin was flat at 15.3%, led by operational efficiencies. For FY'2026, MPHL guided for a 14.75% to 15.75% OPM range (FY25 range was 14.6%-16% range). The guidance band was narrowed, and this range incorporates the uncertain environment and accommodates investments needed to ramp-up and execute large deal wins.
- **Hiring:** Headcount stood at 31.4k, an addition of 248 employees. The company reiterated towards aligning hiring trends closely with demand forecasts. Utilization of ex-trainees improved to 78% (from 75% in Q3).

Exhibit 7: Vertical Trend for Q4FY25

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%) in CC terms	YoY (%) in CC terms	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
Banking and Financial Services	215.2	50.0	5.6	11.8	11.1	101.3
Insurance	49.1	11.4	0.3	8.2	0.1	0.8
Technology Media and Telecom	76.4	17.8	8.2	18.1	5.3	48.2
Logistics and Transportation	47.0	10.9	(7.7)	(15.6)	(4.1)	(37.5)
Others	42.7	9.9	(3.4)	(15.1)	(1.4)	(12.9)
Total	430.3	100.0	2.9	5.4	11.0	100.0

Source: Company, Dolat Capital

Exhibit 8: Geography Trend for Q4FY25

Geography	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
Americas	353.0	82.0	3.3	6.1	11.3	102.8
EMEA	42.8	9.9	0.5	(5.7)	0.2	1.8
India	21.8	5.1	(12.7)	0.3	(3.2)	(28.9)
RoW	12.7	2.9	26.6	15.7	2.7	24.2
Total	430.3	100.0	2.6	4.8	11.0	100.0

Source: Company, Dolat Capital

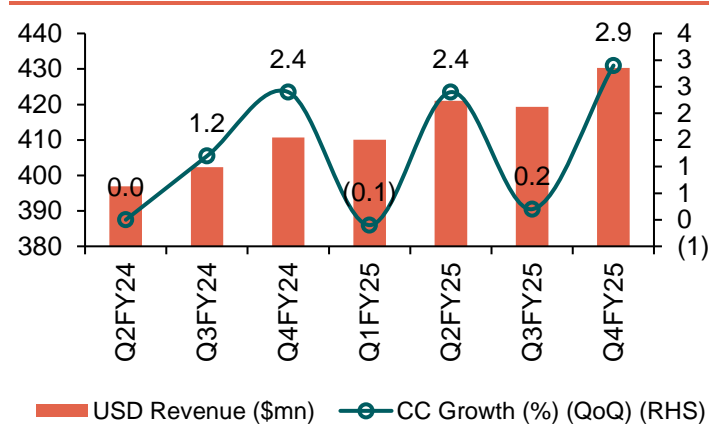
Exhibit 9: Client Trend for Q4FY25

Client Type	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
Top Client	60.2	14.0	(4.2)	4.8	(2.7)	(24.1)
Top 2-5	120.5	28.0	2.6	(2.2)	3.1	28.0
Top 6-10	51.6	12.0	23.1	25.7	9.7	88.2
Non-Top 10 Client	197.9	46.0	0.4	4.8	0.9	7.9
Total	430.3	100.0	2.6	4.8	11.0	100.0

Source: Company, Dolat Capital

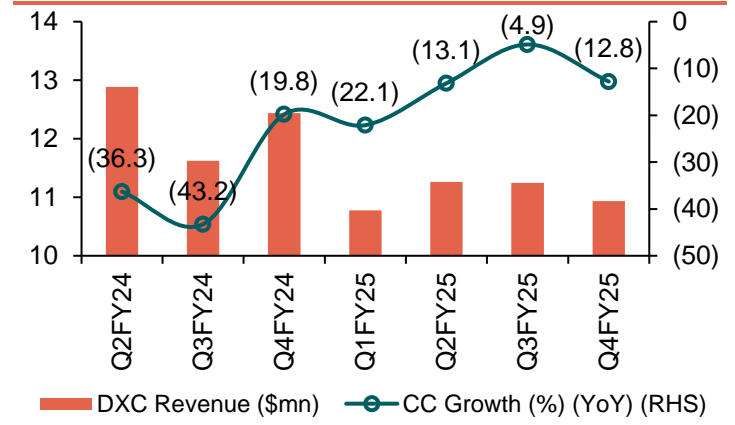
Story in Charts

Exhibit 10: USD Revenue grew 2.9% QoQ CC



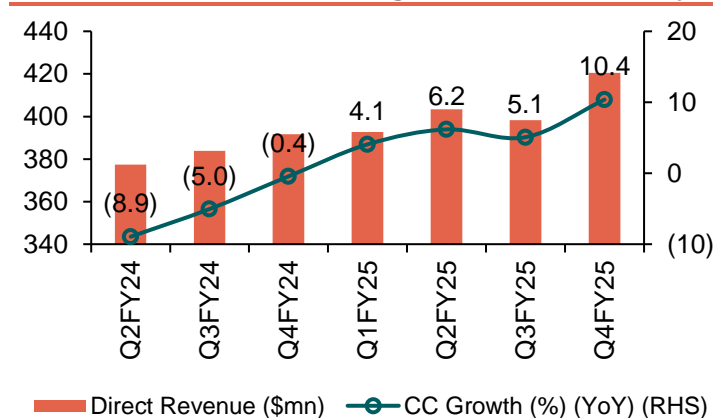
Source: Company, Dolat Capital

Exhibit 11: DXC Biz down 12.8% YoY



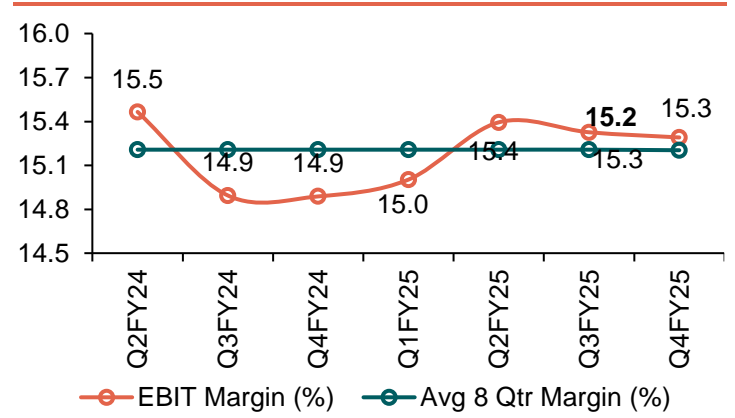
Source: Company, Dolat Capital

Exhibit 12: Direct biz. seeing consistent recovery



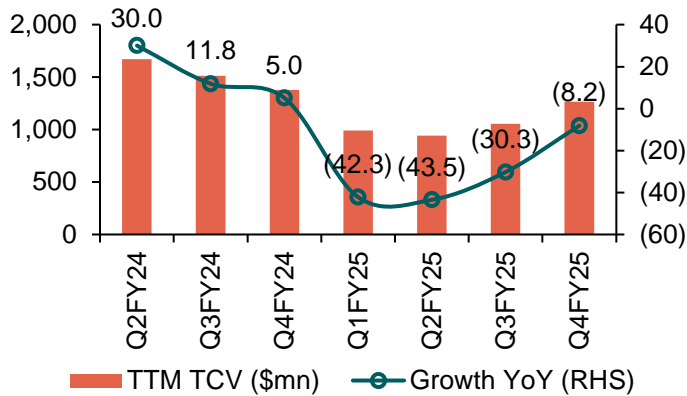
Source: Company, Dolat Capital

Exhibit 13: OPM flat on QoQ basis



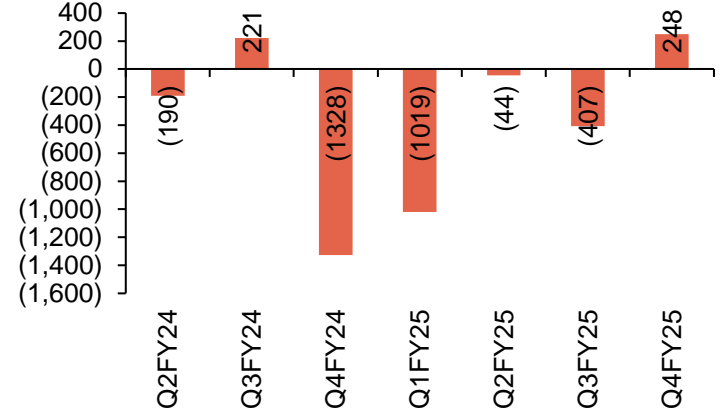
Source: Company, Dolat Capital

Exhibit 14: TTM TCV was down 8.2% YoY



Source: Company, Dolat Capital

Exhibit 15: Headcount at 31.4K; Net Hiring muted



Source: Company, Dolat Capital

Valuation

We believe MPHL is well-positioned to remain on a healthy growth trajectory, driven by strong signs of pick-up in BFS (incl mortgage) and recovery in the non-BFS segment as well. TCV wins, and the pipeline remains healthy. However, we take cognizance of the weakened macro environment due to tariff disruption and expect delays in client decision making and re-thinking of budgets, which may push out growth rates. Relative to peers, valuations are reasonable and supported by strong execution and commentary. **Maintain 'BUY' rating with TP of Rs. 3,130 at ~28x FY27E earnings of Rs.111.6.**

Exhibit 16: Operating Metrics 1

Operating Metrics	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
\$ Revenue	412.0	398.0	396.9	402.3	410.7	410.0	419.9	419.3	430.3
Growth (%) (YoY)	(4.3)	(8.7)	(9.8)	(6.3)	(0.3)	3.0	6.1	4.2	4.8
Growth (%) (QoQ)	(4.1)	(3.4)	(0.3)	1.4	2.1	(0.2)	2.7	(0.4)	2.6
Geo. Amount (\$ mn)									
AMERICAS	332.8	322.7	314.4	322.7	332.6	331.7	338.9	341.7	353.0
EMEA	44.1	41.4	47.5	46.6	45.4	45.4	46.1	42.6	42.8
INDIA	22.6	22.6	23.7	22.2	21.7	21.9	24.1	25.0	21.8
ROW	12.5	11.4	11.3	10.8	11.0	10.9	10.7	10.0	12.7
Geo. YoY Growth (%)									
AMERICAS	(5.1)	(10.1)	(13.1)	(8.2)	(0.1)	2.8	7.8	5.9	6.1
EMEA	(4.2)	(2.4)	9.6	7.3	3.0	9.7	(2.8)	(8.6)	(5.7)
INDIA	7.8	3.5	9.9	1.9	(3.9)	(3.0)	1.7	12.3	0.3
ROW	(3.1)	(10.8)	(17.0)	(16.2)	(12.3)	(3.9)	(5.3)	(7.3)	15.7
Vertical Amount									
BFS	218.8	196.1	187.1	188.3	193.3	195.4	201.0	204.0	215.2
Insurance	31.5	41.9	42.7	45.8	45.3	46.4	47.2	49.0	49.1
Tech, Media & Teleco	52.3	59.9	68.7	62.7	65.5	65.8	69.3	71.1	76.4
Logistics & Transportation	56.0	56.3	53.1	55.0	56.1	56.1	55.2	51.1	47.0
Others	53.5	43.8	45.4	50.5	50.4	46.3	47.3	44.1	42.7
Vertical YoY Growth (%)									
BFS	(5.3)	(14.8)	(21.6)	(18.3)	(10.1)	(0.4)	7.4	8.4	11.3
Insurance	(23.4)	(7.2)	16.4	29.0	12.0	10.8	10.5	7.0	8.2
Tech, Media & Teleco	(8.4)	(3.9)	20.6	12.7	13.6	9.8	0.9	13.5	16.6
Logistics & Transportation	1.4	(2.5)	(5.0)	(1.1)	(1.2)	(0.3)	4.0	(7.1)	(16.3)
Others	15.5	8.1	(12.8)	(3.5)	20.0	5.7	4.2	(12.7)	(15.2)
Vertical Segment Margin									
BFS	28.5	26.1	22.3	27.8	26.6	25.9	26.9	27.1	29.2
Insurance	26.2	26.6	19.5	34.0	30.4	34.2	32.0	30.9	30.1
Tech, Media & Teleco	21.4	22.9	39.0	22.9	22.1	24.7	26.4	21.6	20.7
Logistics & Transportation	30.9	30.5	28.8	33.5	33.1	32.3	32.1	36.9	37.1
Others	30.8	37.5	35.4	33.5	33.9	33.0	33.2	33.6	31.0
Client Revenue (\$ mn)									
Top Client	53.6	67.7	63.5	60.3	57.5	57.4	63.0	62.9	60.2
Top 2-5	127.7	119.4	123.0	124.7	123.2	123.0	117.6	117.4	120.5
Top 5 Client	181.3	187.1	186.5	185.1	180.7	180.4	180.6	180.3	180.7
Top 6-10	61.8	47.8	43.7	36.2	41.1	36.9	42.0	41.9	51.6
Top 10 Client	243.1	234.8	230.2	221.3	221.8	217.3	222.6	222.2	232.4
Non-Top 10 Client	168.9	163.2	166.7	181.0	188.9	192.7	197.4	197.1	197.9
Client YoY Growth (%)									
Top Client	13.0	41.1	20.2	(12.2)	7.3	(15.2)	(0.8)	4.2	4.8
Top 2-5	(10.1)	(19.4)	(15.3)	(12.0)	(3.5)	3.0	(4.4)	(5.9)	(2.2)
Top 5 Client	(4.3)	(4.6)	(5.8)	(12.1)	(0.3)	(3.6)	(3.2)	(2.6)	0.0
Top 6-10	(4.3)	(27.0)	(33.9)	(29.7)	(33.5)	(22.8)	(3.8)	15.8	25.7
Top 10 Client	(4.3)	(10.2)	(12.8)	(15.5)	(8.8)	(7.5)	(3.3)	0.4	4.8
Non-Top 10 Client	(4.3)	(6.4)	(5.3)	8.1	11.8	18.1	18.4	8.9	4.8

Source: Company, Dolat Capital

Exhibit 17: Operating Metrics 2

Operating Metrics	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Client Data									
\$200 million	1	1	1	1	1	1	1	1	1
\$150 million	3	3	3	3	3	3	2	2	2
\$100 million	4	3	3	3	3	3	3	3	3
\$75 million	5	5	4	4	4	4	4	5	5
\$50 million	7	7	6	5	5	5	5	5	5
\$20 million	13	13	11	10	10	9	9	11	11
\$10 million	25	27	26	29	29	30	27	29	29
\$5 million	46	47	46	46	47	48	51	47	50
\$1 million	112	113	115	134	135	135	140	140	139
New Client Wins	4	5	5	5	3	2	2	2	3
On / Off shore Rev (\$mn)									
Onsite	220.3	207.3	206.8	214.0	230.0	234.2	240.6	247.2	257.8
Offshore	191.7	190.7	190.2	188.3	180.7	175.8	179.3	172.1	172.5
On / Offshore YoY (%)									
Onsite	(12.4)	(18.4)	(17.3)	(9.7)	4.4	12.9	16.4	15.5	12.1
Offshore	7.0	4.9	0.0	(2.2)	(5.7)	(7.8)	(5.7)	(8.6)	(4.5)
Number of Employees									
Onsite	6,275	5,824	5,823	6,002	5,974	6,011	6,151	6,243	6,262
Offshore	23,033	22,464	21,843	22,126	21,140	20,705	20,427	19,899	20,085
SG&A Employees	4,734	5,673	6,105	5,864	5,550	4,929	5,023	5,052	5,095
Total	34,042	33,961	33,771	33,992	32,664	31,645	31,601	31,194	31,442
Utilization (%)									
Including Trainees									
Onsite	89	89	87	84	86	86	87	86	9
Offshore	75	75	72	69	71	75	74	74	78
Excluding Trainees									
Offshore	79	80	77	74	75	76	76	75	78
Project Seg. (\$ mn)									
Time & Material	239.2	229.8	232.1	234.6	240.1	244.2	252.0	241.7	238.4
Fixed Price	45.9	40.7	41.0	40.6	41.6	42.7	43.2	44.3	37.2
Transaction Based	126.9	127.6	123.9	127.2	129.1	123.1	124.8	133.3	154.7
Project Seg. YoY Growth (%)									
Time & Material	1.6	(3.3)	(5.9)	(3.8)	0.4	6.3	8.6	3.0	(0.7)
Fixed Price	(31.8)	(40.2)	(33.1)	(25.8)	(9.4)	4.9	5.4	9.3	(10.6)
Transaction Based	(0.7)	(2.2)	(6.4)	(3.0)	1.7	(3.5)	0.8	4.8	19.9

Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	132,785	142,301	156,193	173,362
Total Expense	112,671	120,591	132,082	146,285
COGS	95,950	101,522	111,497	123,536
Employees Cost	0	0	0	0
Other expenses	16,721	19,069	20,584	22,749
EBIDTA	24,220	26,472	29,503	32,863
Depreciation	4,106	4,762	5,392	5,786
EBIT	20,114	21,710	24,111	27,077
Interest	1,608	1,656	1,420	1,554
Other Income	2,178	2,549	2,717	2,882
Exc. / E.O. items	0	0	0	0
EBT	20,684	22,603	25,408	28,405
Tax	5,135	5,579	6,352	7,101
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	15,549	17,024	19,056	21,304
Adjustments	0	0	0	0
APAT	15,549	17,024	19,056	21,304

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	1,890	1,901	1,890	1,890
Minority Interest	0	0	0	0
Reserves & Surplus	86,056	94,383	100,177	107,271
Net Worth	87,946	96,284	102,067	109,161
Total Debt	15,436	11,159	10,490	10,280
Net Deferred Tax Liability	(1,557)	(1,623)	(1,452)	(1,268)
Total Capital Employed	101,824	105,820	111,104	118,173

Applications of Funds

Net Block	48,556	51,370	52,652	53,540
CWIP	137	2	2	7
Investments	30,899	22,082	23,482	24,882
Current Assets, Loans & Advances	58,854	72,366	72,704	80,465
Current Investments	0	0	0	0
Inventories	0	0	0	0
Receivables	27,027	31,604	31,504	31,482
Cash and Bank Balances	8,144	16,126	15,827	22,666
Loans and Advances	0	0	0	0
Other Current Assets	23,683	24,636	25,374	26,317
Less: Current Liabilities & Provisions	36,622	40,000	37,736	40,721
Payables	7,983	9,785	9,409	10,020
Other Current Liabilities	28,638	30,215	28,328	30,702
<i>sub total</i>				
Net Current Assets	22,233	32,366	34,968	39,744
Total Assets	101,824	105,820	111,104	118,173

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	27.7	28.7	28.6	28.7
EBIDTA Margin	18.2	18.6	18.9	19.0
EBIT Margin	15.1	15.3	15.4	15.6
Tax rate	24.8	24.7	25.0	25.0
Net Profit Margin	11.7	12.0	12.2	12.3
(B) As Percentage of Net Sales (%)				
COGS	72.3	71.3	71.4	71.3
Employee	0.0	0.0	0.0	0.0
Other	12.6	13.4	13.2	13.1
(C) Measure of Financial Status				
Gross Debt / Equity	0.2	0.1	0.1	0.1
Interest Coverage	12.5	13.1	17.0	17.4
Inventory days	0	0	0	0
Debtors days	74	81	74	66
Average Cost of Debt	10.4	14.8	13.5	15.1
Payable days	22	25	22	21
Working Capital days	61	83	82	84
FA T/O	2.7	2.8	3.0	3.2
(D) Measures of Investment				
AEPS (Rs)	81.8	89.2	99.8	111.6
CEPS (Rs)	103.4	114.1	128.1	141.9
DPS (Rs)	54.6	56.6	69.5	74.4
Dividend Payout (%)	66.7	63.4	69.6	66.7
BVPS (Rs)	462.9	504.4	534.7	571.9
RoANW (%)	18.6	18.5	19.2	20.2
RoACE (%)	18.9	18.0	18.9	19.9
RoAIC (%)	24.7	23.7	26.1	28.4
(E) Valuation Ratios				
CMP (Rs)	2468	2468	2468	2468
Mcap (Rs Mn)	470,964	470,964	470,964	470,964
EV	478,256	465,998	465,627	458,578
MCap/ Sales	3.5	3.3	3.0	2.7
EV/Sales	3.6	3.3	3.0	2.6
P/E	30.2	27.7	24.7	22.1
EV/EBITDA	19.7	17.6	15.8	14.0
P/BV	5.3	4.9	4.6	4.3
Dividend Yield (%)	2.2	2.3	2.8	3.0
(F) Growth Rate (%)				
Revenue	(3.8)	7.2	9.8	11.0
EBITDA	(0.5)	9.3	11.5	11.4
EBIT	(4.6)	7.9	11.1	12.3
PBT	(4.8)	9.3	12.4	11.8
APAT	(5.1)	9.5	11.9	11.8
EPS	(5.3)	9.0	11.9	11.8

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	20,683	22,601	25,408	28,405
Depreciation & w.o.	4,105	4,763	5,392	5,786
Net Interest Exp	1,081	728	(1,297)	(1,328)
Direct taxes paid	(5,902)	(7,111)	(6,352)	(7,101)
Change in Working Capital	4,028	(2,341)	(2,730)	2,448
Non Cash	(2,198)	412	0	0
(A) CF from Operating Activities	21,797	19,052	20,421	28,210
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(13,249)	(3,398)	(6,674)	(6,879)
Free Cash Flow	8,547	15,654	13,747	21,331
(Inc.)/ Dec. in Investments	(11,901)	3,376	(1,400)	(1,400)
Other	329	463	1,297	1,328
(B) CF from Investing Activities	(24,821)	441	(6,777)	(6,951)
Issue of Equity/ Preference	301	575	(11)	0
Inc./(Dec.) in Debt	12,965	(4,455)	(670)	(210)
Interest exp net	(833)	(964)	0	0
Dividend Paid (Incl. Tax)	(9,427)	(10,401)	(13,262)	(14,210)
Other	(2,235)	(2,313)	0	0
(C) CF from Financing	771	(17,557)	(13,943)	(14,419)
Net Change in Cash	(2,392)	1,814	(299)	6,839
Opening Cash balances	10,441	8,049	9,863	9,564
Closing Cash balances	8,049	9,863	9,564	16,403

E – Estimates

Notes

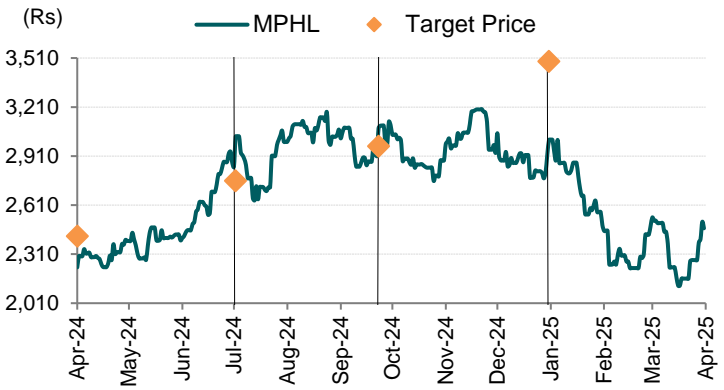
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(3)	(18)	11
Rel to NIFTY (%)	(5)	(23)	3

Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	40.3	40.2	40.1
MF/Banks/FIs	36.9	34.6	34.9
FIIIs	18.3	20.8	20.6
Public / Others	4.6	4.4	4.3



Month	Rating	TP (Rs.)	Price (Rs.)
Apr-24	ACCUMULATE	2,420	2,229
Jul-24	REDUCE	2,760	3,030
Oct-24	REDUCE	2,970	3,080
Jan-25	BUY	3,490	3,009

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Dolat Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	Director - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited, to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited, and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited, may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited, does not warrant its accuracy or completeness. Dolat Capital Market Private Limited, may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited, reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited, and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited, and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
