

January 12, 2026

RESULT REPORT Q3 FY26 | Sector: Information Technology

Tata Consultancy Services

In-line results; AI revenues scaling fast

In-line result on both Revenue & EBIT; Several one-offs mar net profit

Broad based revenue growth – Promise of FY26 international business growing faster than FY25 on CC basis still intact: TCS saw 0.8% CC QoQ growth in 3QFY26 led by Europe (2.1% CC QoQ) while North America remained flat mostly due to seasonality. BFSI continues to ramp-up on YoY basis (1.6% CC YoY), sequential growth in CBG (1.3% CC QoQ) was led by Retail, travel and hospitality. Manufacturing vertical remains resilient apart from Automotive while broader Technology vertical is facing pressure apart from large few tech giants who continue to spend on AI infrastructure. Management repeated its target of achieving faster international business growth in FY26 over FY25 (9MFY26 USD rev up 1.7% YoY). It is supported by shortening decision making cycles & continued momentum of Q2 into Q3.

AI revenue scaling rapidly – Annualized AI revenue hits \$1.8bn in 3QFY26, 17.3% QoQ on CC bases: AI revenues include business transformation and modernization programs (excludes internal use of AI in testing/engineering). 2025 marked transition from pilots to ROI-led, scaled deployments across vertical value chains. This was also seen in 3x increase in rapid builds QoQ, accelerating client experimentation-to-production cycles and short-duration deal closures especially in data, cloud, and AI transformation.

Several one-offs cause net margin to dip ~200bps QoQ – Charges include Impact of labour codes (Rs 2,128cr), provision for one-off legal claim (Rs 1,010cr), and restructuring expenses (Rs 253cr): Excluding one-off expenses, TCS saw flat EBIT Margins QoQ at 25.2% with +80bps coming from productivity, 20bps from currency despite 50bps heading each from wage hikes and continuing investments. Investment intensity is expected to continue in coming quarters and Q4 will see some incremental benefit of restructuring. We remain ~50/40bps below consensus on EBIT Margin estimates (24.5%/24.7%) for FY26/27E due to continued investments, 10-20bps impact of labour codes, highly competitive environment and ramp-up of several cost-takeout and vendor consolidation deals.

Subdued TCV growth despite one mega deal – TTM Book-to-bill & orderbook rises despite YoY decrease in quarterly TCV in 3Q: Total deal TCV came out at \$9.3Bn (-9% YoY) including one mega deal in BFSI in North America. However, TTM Book-to-bill has improved from 1.3 to 1.4 QoQ providing decent revenue visibility into FY27. Better revenue conversion and decision making by clients will be decision variables going ahead.

Reiterate BUY – Continued sequential momentum in international business: We expect North America to slowly recover in FY27 with ramp-up of mega deal and strong BFSI. BNSL's PO is also expected to add to regional markets. Combined with much faster than overall growth of AI and AI driven services, increase in scope countering topline deflation due to AI, and absent margin headwinds apart from annual wage hike cycles. TCS offers a solid value play trading at 21.1x NTM EPS (YSEC estimates) despite having last five-year average of ~25.6x. We reiterate our BUY rating with TP of Rs 4,095 at 25x 4QFY27-3QFY28 EPS of Rs. 163.8.

Result at a glance

Rsm	3Q25	2Q26	3Q26	QoQ	YoY	Consensus	Diff.
Revenue growth in CC				-2.6%	-2.2%		
Revenues	639,730	657,990	670,870	2.0%	4.9%	668,493	0.4%
EBIT	156,570	165,650	168,890	2.0%	7.9%	167,323	0.9%
Ebit margin	24.5%	25.2%	25.2%	0bps	70bps	25.0%	14bps
Other Income	10,090	6,380	5,800	-9.1%	-42.5%		
Net profit	123,800	117,690	106,570	-9.4%	-13.9%	130,055	-18.1%
EPS (Rs)	34.2	32.5	29.5	-9.4%	-13.9%	35.7	-17.4%

Source: Bloomberg, YES Sec

Recommendation	: BUY
Current Price	: Rs 3,240
Target Price	: Rs 4,095
Potential Return	: +26.4%

Stock data (as on January 12, 2026)

Nifty	25,790
52 Week h/l (Rs)	4255 / 2867
Market cap (Rs/USD mn)	11606100 / 128724
Outstanding Shares (mn)	3,618
6m Avg t/o (Rs mn):	8,762
Div yield (%):	4.1
Bloomberg code:	TCS IN
NSE code:	TCS

Stock performance



Shareholding pattern (As of Sep'25 end)

Promoter	71.8%
FII+DII	23.0%
Others	5.2%

△ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	4,095	4,068

Financial Summary

(Rs mn)	FY25	FY26E	FY27E
Net Revenue	2,553,240	2,654,609	2,908,341
YoY Growth	6.0	4.0	9.6
EBITDA	674,070	716,586	772,049
EBITDA (%)	26.4	27.0	26.5
EBIT	621,650	660,753	711,924
EBIT (%)	24.3	24.9	24.5
PAT	485,530	486,105	560,911
YoY Growth	5.8	0.1	15.4
ROE	51.5	50.5	44.4
EPS	134.2	134.4	155.0
P/E	24.1	22.1	20.9

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ANALYST VIEW & INVESTMENT THESIS

We remain positive on TCS over the next 12 months, driven by broad-based recovery in revenue growth, accelerating deal conversions, and resilient margins despite wage and investment headwinds. The company's disciplined execution, strong order book, and full-service offerings will help it sail through tough demand environment. We expect momentum in BFSI & reversal in North America/UK due to mega deal ramp-up/JLR revival to drive international revenue in FY27 along with BSNL PO supporting India revenues.

Over a 3-year horizon, we remain constructive on TCS as it leverages its proven strengths in large-scale project execution, systems integration, and ecosystem partnerships to expand into adjacencies like data centres and sovereign cloud. The 1GW data-centre foray, built in collaboration with hyperscalers and governments, underscores TCS's intent to capture the infrastructure layer of the AI economy while reinforcing long-term annuity revenues. Coupled with its deep enterprise relationships, AI-first delivery model, and disciplined capital allocation, we see TCS evolving into a more diversified, infrastructure-plus-services technology leader with sustained earnings compounding potential.

CONCALL SUMMARY

1) Overall demand environment & revenue growth

- Management stated that the improvement in demand seen in Q2 continued in Q3, despite seasonality and furloughs. CC revenue grew +0.8% QoQ; international services +0.4% QoQ.
- Client spend continues to be tightly controlled, with faster decision-making primarily on short-cycle, ROI-backed programs rather than large discretionary initiatives.
- Management highlighted a steady increase in short-cycle AI and data projects across verticals, reflected in the sharp QoQ rise in AI revenues.
- Based on deal momentum, rising AI-led work and improving decision velocity, management reiterated confidence of a "good CY26" and reiterated aspiration for FY26 international growth to be better than FY25.

2) Sectoral & geographical performance:

Geographies:

- Europe continued to show resilience, while North America was flat QoQ, largely attributed to seasonality rather than structural demand weakness. India, APAC and MEA saw healthy momentum, led by enterprise and public services digital programs.

Sectoral:

- BFSI:
 - BFSI demand remained seasonally soft but underlying momentum intact; TCV increased to \$3.8bn (+\$600mn QoQ), including one mega deal in North America.
 - Clients continue cost discipline while prioritizing resilience, compliance, cloud modernization, payments, fraud prevention and AI-led operations.
 - AI adoption is scaling, though agentic AI deployments remain cautious due to governance and regulatory considerations.

- Management reiterated BFSI weakness as seasonal and expects the vertical to return to growth.
- Consumer Business Group (CBG):
 - Sequential growth led by retail, travel and hospitality.
 - International travel strong; domestic airlines weak; essentials doing well, while fashion and specialty retail remain soft.
 - UK continues to face challenges; US and Europe showed improvement.
- Life Sciences & Healthcare:
 - Strong momentum driven by AI-led drug discovery, automation, digital health, diagnostics, RCM, cloud and cybersecurity.
 - GenAI adoption moving from pilots to scaled deployments across providers, payers and pharma.
- Manufacturing:
 - Marginal growth; auto remains weak, while non-auto segments (industrial, electronics, smart manufacturing) showed resilience.
 - Continued investments in robotics, vision AI, agentic systems and semiconductor manufacturing.
- Technology, Software & Services:
 - Degrew sequentially due to typical Q3 seasonality and macro uncertainty, despite strong AI infrastructure investments by hyperscalers and chip companies.
- CMI & ERU:
 - CMI delivered positive sequential growth driven by AI-led monetization, automation, ad-tech optimization and outcome-based transformation.
 - ERU posted strong growth on the back of energy transition, renewables, grid modernization and AI-led asset optimization.

4) Margins & cashflow

- Operating margins stable at 25.2% QoQ:
 - +80 bps from productivity, pyramid, efficiencies
 - +20 bps from currency
 - -50 bps wage hike impact
 - -50 bps investments in facilities, partnerships
 - Net: Flat QoQ margins.
- One-offs elevated SG&A: Legal (largely M&A-related), marketing and CSR expenses impacted SG&A; management indicated ~10–20 bps as non-recurring.
- Labour code provision clarified: One-time provision of ₹2,128cr (₹1,800cr gratuity; ~₹300cr leave liability). Ongoing impact expected to be limited to ~10–15 bps from Q4 onward; no further exceptional items expected.
- Margin trajectory: Management reiterated intent to move toward 26%+ over time, balancing productivity levers against wage cycles and continued strategic investments

5) Deal wins & sales momentum

- Q3 TCV stood at \$9.3bn, including one mega deal in North America; BFSI and CBG were key contributors.

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- FY26 YTD order intake of ~\$28–29bn; management indicated full-year order book could reach ~\$38–39bn, supporting FY27 growth visibility.
- Mix: Cost optimization and transformation remain dominant, with a rising share of short-cycle “rapid-build” AI, data and cloud engagements with faster conversion cycles.

6) AI strategy & transformation (core strategic narrative)

- AI monetization scaling rapidly: Annualized AI services revenue reached ~\$1.8bn, growing ~17.3% QoQ CC; driven by business transformation and modernization programs (excluding internal AI productivity use).
- Clear shift from POCs to production: Management highlighted CY25 as the inflection year where AI adoption moved decisively from experimentation to ROI-led, scaled implementations across industry value chains.
- Rapid-build acceleration: Over 3x QoQ increase in AI rapid builds, enabling faster experimentation-to-production cycles and shorter deal closures.
- Five-pillar AI execution reiterated:
 - Internal transformation (TCS^{AI}): Democratization of AI tools, AI Friday hackathons, 15+ patentable solutions in Q3, AI-first hiring and learning platforms.
 - Reimagined service delivery: Human + AI autonomy model (levels 1–5) rolled out across service lines; early client examples showed 2x deployment frequency, 30% faster time-to-market and ~40% operational efficiency gains.
 - Client AI labs: Set up for a US insurer and a regional US bank to scale agentic AI in underwriting, KYC and AML.
 - Ecosystem & infrastructure: Continued hyperscaler partnerships; progress on AI data-centre initiative with first revenues expected ~18 months post build-out.

7) Talent & Organizational Readiness

- AI talent scale-up: 217k employees with advanced AI skills (3x YoY); strong hiring of AI-native freshers and advisory talent in cyber, cloud, data, and enterprise apps.
- Restructuring ongoing but controlled: ~1,800 exits in Q3 as part of role realignment towards future skills; process-driven, not target-driven.
- Industry recognition: Ranked #1 by Everest for next-gen AI/data talent readiness; Forbes Best Employer for Engineers; Newsweek's most reliable tech services firm.

8) Pricing, Renewals & Contracting

- Renewals bake in productivity (10–15%) but scope expands: Realizations largely protected as volume of work and AI-led transformation scope increases.
- AI productivity pre-priced into new deals: Most contracts assume aggressive AI-led efficiency upfront rather than gain-share models, limiting downside risk to margins while increasing delivery scale.

Geography Performance

US\$m	3Q25	2Q26	3Q26	As a % of revenue	QoQ	YoY	CC YoY	CC QoQ
North America	3,596	3,643	3,642	48.5%	0.0%	1.3%	1.3%	0.1%
Latin America	143	142	150	2.0%	5.9%	4.8%	1.4%	4.6%
UK	1,251	1,307	1,269	16.9%	-2.9%	1.4%	-3.2%	-1.9%
Continental Europe	1,048	1,142	1,171	15.6%	2.5%	11.8%	1.4%	2.1%
India	739	433	458	6.1%	5.8%	-38.0%	-34.3%	8.0%
Asia Pacific	588	620	623	8.3%	0.6%	6.0%	3.5%	1.1%

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MEA	173	179	195	2.6%	9.0%	12.6%	8.3%	3.2%
TOTAL	7,539	7,466	7,509	100.0%	0.6%	-0.4%	-2.6%	0.8%

Source: Company, YES Sec

Vertical Performance

US\$m	3Q25	2Q26	3Q26	As a % of revenue	QoQ	YoY	CC YoY	CC QoQ
BFSI	2,299	2,404	2,395	31.9%	-0.4%	4.2%	1.6%	-0.4%
Consumer Business	1,153	1,142	1,156	15.4%	1.2%	0.3%	-2.7%	1.3%
Life Sciences & Healthcare	761	784	788	10.5%	0.6%	3.5%	2.2%	0.9%
Technology & Services	603	635	631	8.4%	-0.6%	4.6%	1.7%	-1.3%
Manufacturing	633	657	661	8.8%	0.6%	4.3%	1.7%	0.2%
Communication & Media	437	440	443	5.9%	0.6%	1.3%	-1.6%	0.6%
Energy, Resources and Utilities	422	440	451	6.0%	2.3%	6.7%	2.2%	1.0%
Regional Markets & Others	1,229	963	984	13.1%	2.1%	-20.0%	-19.4%	4.6%
TOTAL	7,539	7,466	7,509	100.0%	0.6%	-0.4%	-2.6%	0.8%

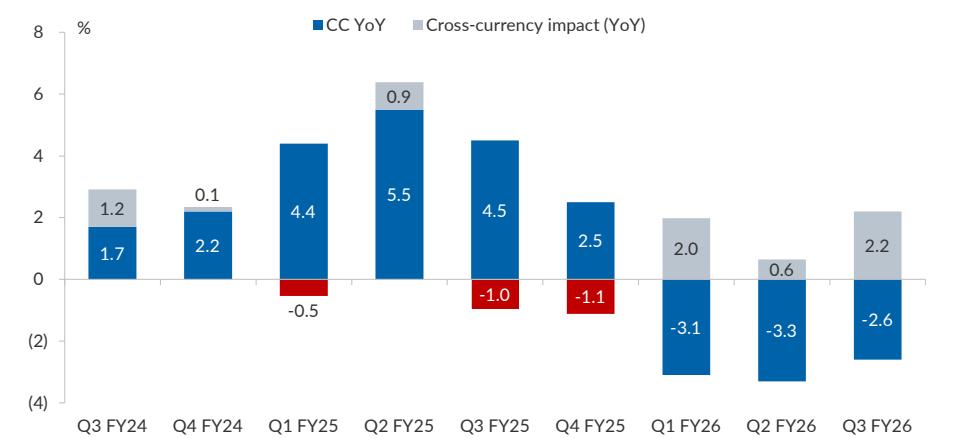
Source: Company, YES Sec

Valuation Summary

Valuation Metric	
4QFY27-3QFY28 EPS (Rs)	163.8
Target Multiple	25x
Target price (Rs)	4,095
Rating	BUY

Charts of the Quarter

Exhibit 1: CC Growth Trend and Currency Impact (YoY)



Source: Company, YES Sec

Exhibit 2: EBIT Margin trend

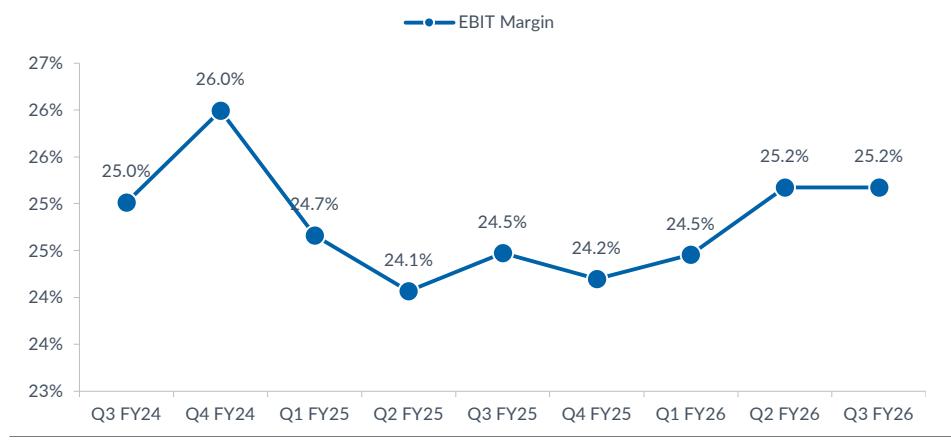


Exhibit 3: TCV growth over quarters

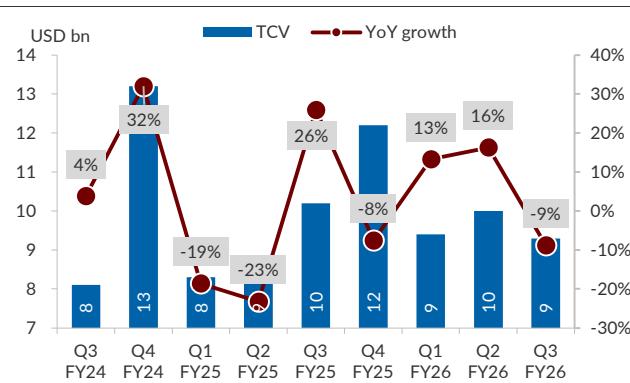


Exhibit 4: TTM TCV growth over quarters

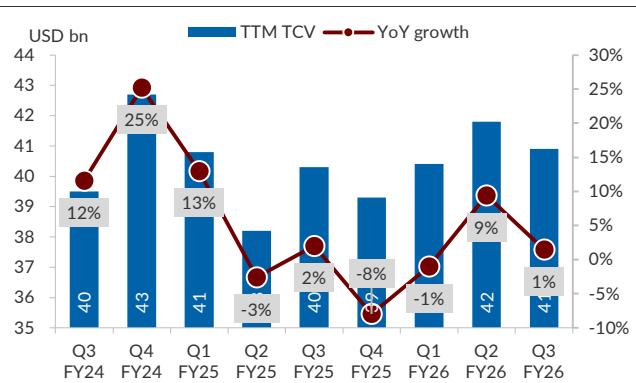


Exhibit 5: Vertical Performance- BFSI

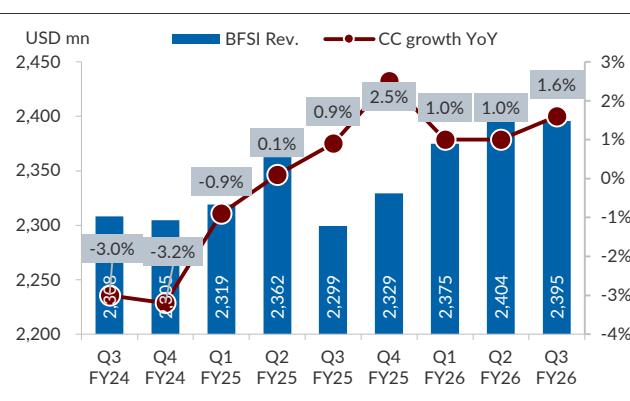


Exhibit 6: Vertical Performance- Consumer Business

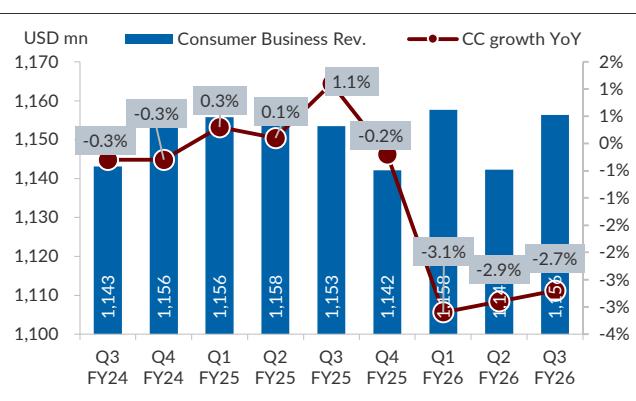
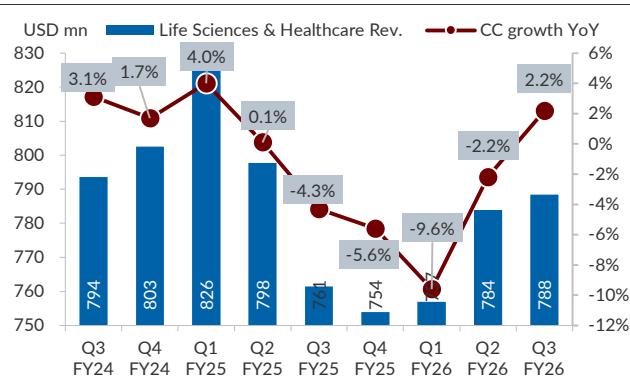
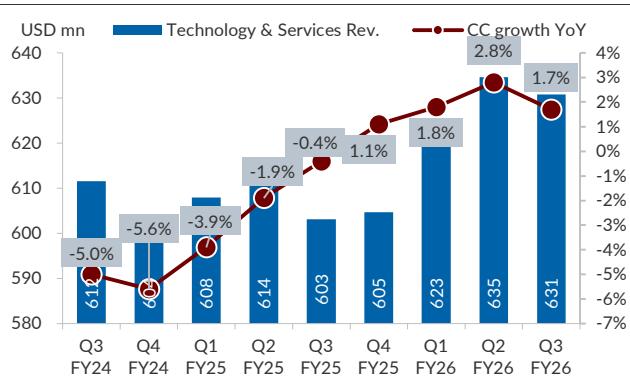


Exhibit 7: Vertical Performance- LS & Healthcare



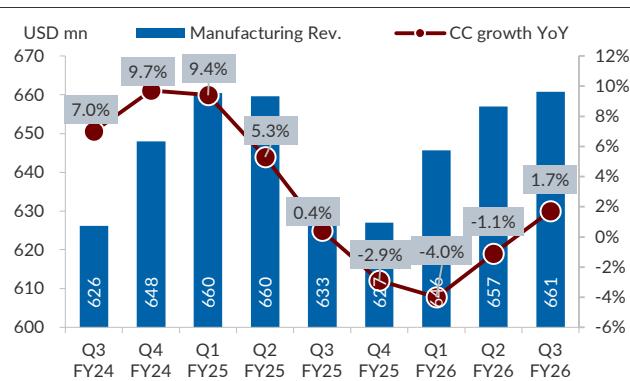
Source: Company, YES Sec

Exhibit 8: Vertical Performance- Technology



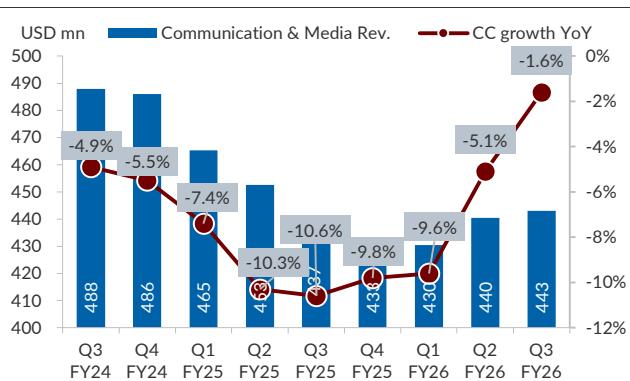
Source: Company, YES Sec

Exhibit 9: Vertical Performance- Manufacturing



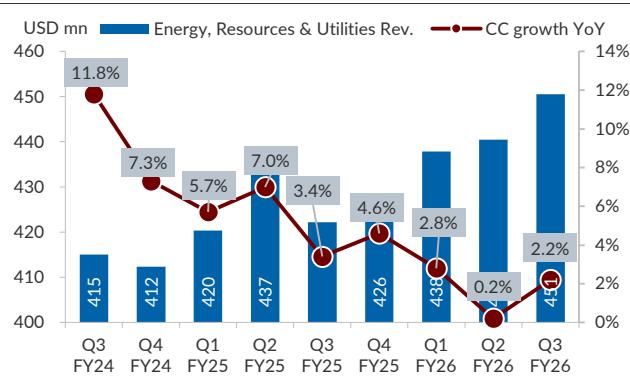
Source: Company, YES Sec

Exhibit 10: Vertical Performance- Communication



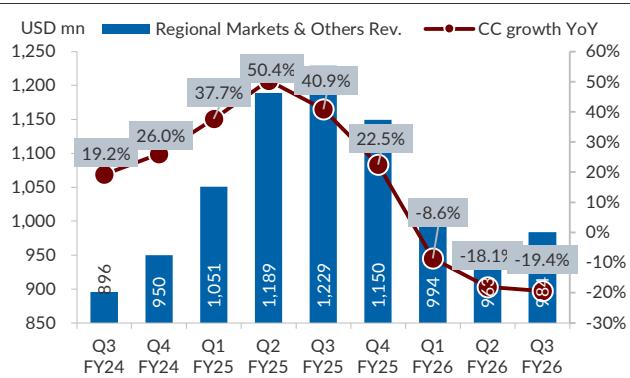
Source: Company, YES Sec

Exhibit 11: Vertical Performance- Energy & Utilities



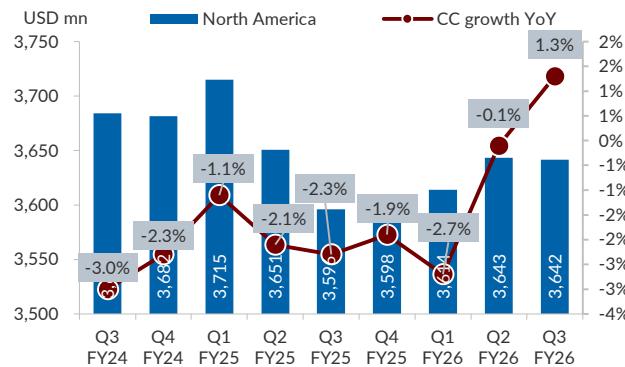
Source: Company, YES Sec

Exhibit 12: Vertical Performance- Regional Markets



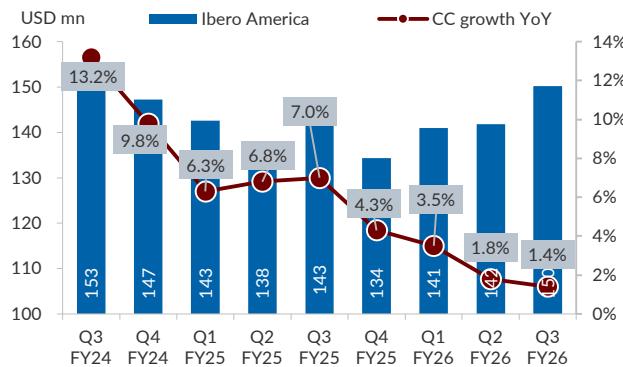
Source: Company, YES Sec

Exhibit 13: Geography Performance- North America



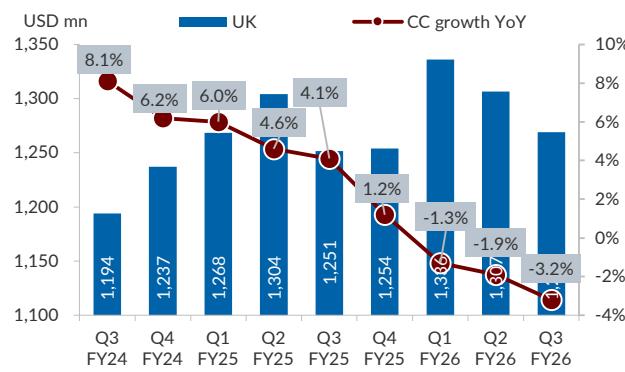
Source: Company, YES Sec

Exhibit 14: Geography Performance- Latin America



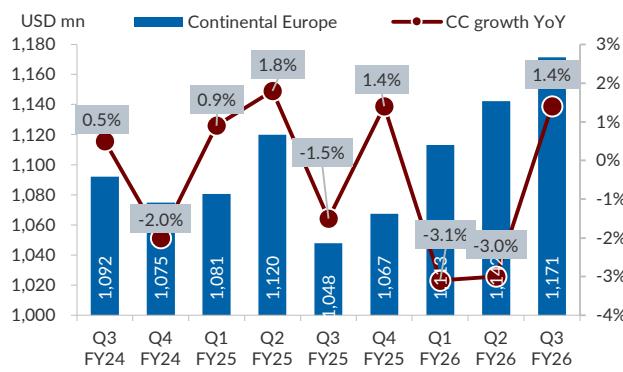
Source: Company, YES Sec

Exhibit 15: Geography Performance- UK



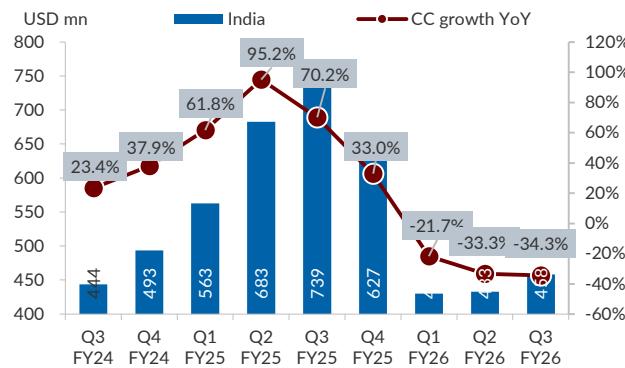
Source: Company, YES Sec

Exhibit 16: Geography Performance- Europe



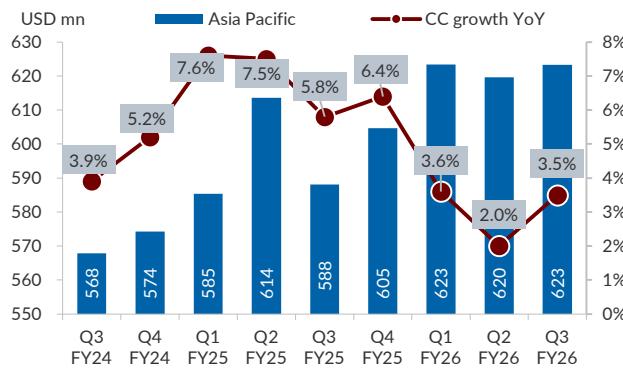
Source: Company, YES Sec

Exhibit 17: Geography Performance- India



Source: Company, YES Sec

Exhibit 18: Geography Performance- Asia Pacific



Source: Company, YES Sec

Exhibit 19: Geography Performance- MEA

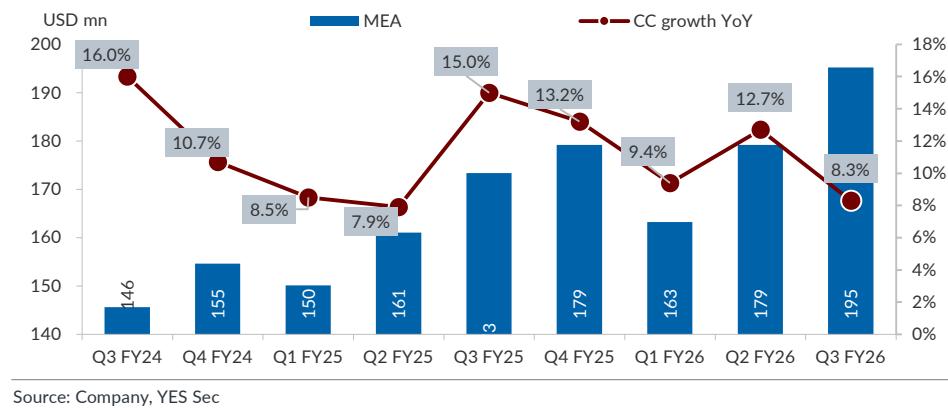
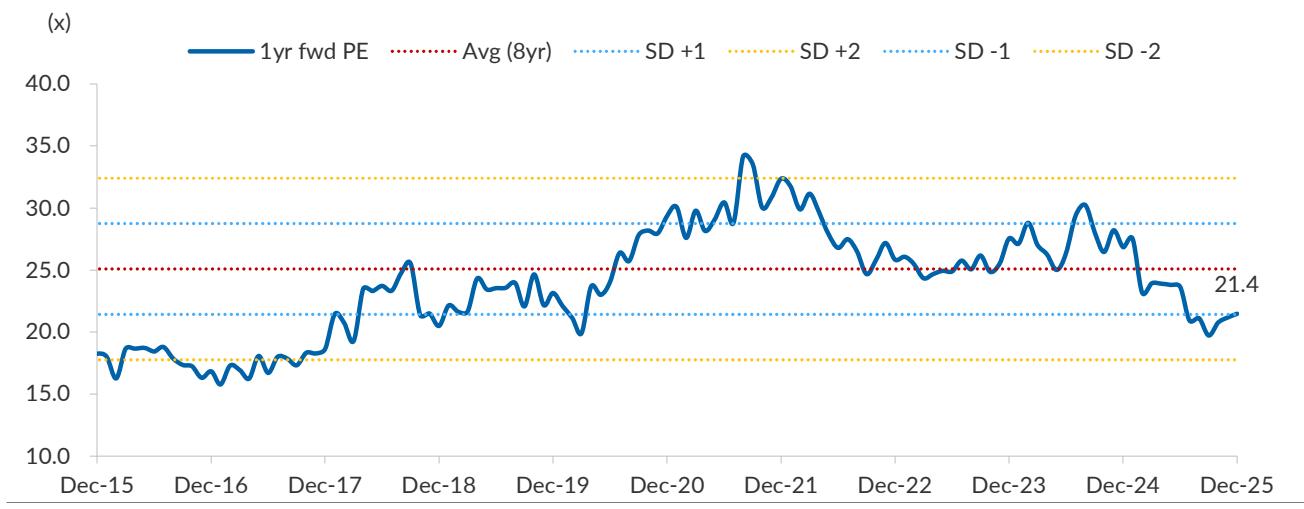


Exhibit 20: 1-year forward P/E (x) chart



FINANCIALS

Exhibit 21: Quarterly Snapshot

Particulars (Rs. Mn)	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)
Con. Revenues (USD mn)	7,539	7,466	7,509	-0.4	0.6
% CC growth				-2.6	0.8
Exchange rate (INR/USD)	85	88	89	5.3	1.4
Con. Revenues (Rs mn)	639,730	657,990	670,870	4.9	2.0
Costs of revenues	380,610	386,650	386,230	1.5	-0.1
Gross Profit	259,120	271,340	284,640	9.8	4.9
Gross margin	40.5	41.2	42.4	192.4bps	119.1bps
SG&A costs	88,790	91,560	101,950	14.8	11.3
EBITDA	170,330	179,780	182,690	7.3	1.6
EBITDA margin	26.6	27.3	27.2	60.7bps	-9.1bps
D&A Expense	13,760	14,130	13,800	0.3	-2.3
EBIT	156,570	165,650	168,890	7.9	2.0
EBIT margin	24.5	25.2	25.2	70.0bps	0.0bps
Other Income	10,090	6,380	5,800	-42.5	-9.1
Profit before tax	166,660	172,030	174,690	4.8	1.5
Tax	42,220	42,430	33,580	-20.5	-20.9
Minority Interest	640	560	630	-1.6	12.5
Net PAT	123,800	129,040	140,480	13.5	8.9
PAT margin	19.4	19.6	20.9	158.8bps	132.9bps
EPS (Rs)	34.2	32.5	29.5	-13.9	-9.4

Source: Company, YES Sec

Exhibit 22: Income Statement

Income statement (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Con. Revenues(USD mn)	27,927	29,080	30,179	30,069	31,898	33,061
% growth	8.6	4.1	3.8	-0.4	6.1	3.6
% CC growth	13.7	3.4	4.2	-2.3	6.1	3.6
Exchange rate (INR/USD)	81	83	85	88	91	93
Con. Revenues (Rs mn)	2,254,580	2,408,930	2,553,240	2,654,609	2,908,341	3,067,159
% growth	17.6	6.8	6.0	4.0	9.6	5.5
Costs of revenues	1,324,480	1,397,750	1,519,050	1,551,192	1,700,394	1,787,218
Gross Profit	930,100	1,011,180	1,034,190	1,103,417	1,207,947	1,279,942
Gross margin	41.3	42.0	40.5	41.6	41.5	41.7
SG&A costs	337,500	368,230	360,120	386,831	435,898	459,675
EBITDA	592,600	642,950	674,070	716,586	772,049	820,266
EBITDA margin	26.3	26.7	26.4	27.0	26.5	26.7
% growth (bps)	-138.5	40.6	-29.0	59.3	-44.8	19.8
D&A Expense	50,230	49,840	52,420	55,833	60,124	63,407
EBIT	542,370	593,110	621,650	660,753	711,924	756,859
EBIT margin	24.1	24.6	24.3	24.9	24.5	24.7

Income statement (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
% growth (bps)	-121.2	56.5	-27.4	54.3	-41.2	19.8
Other Income	26,700	36,440	31,660	34,789	42,416	57,189
Profit before tax	569,070	629,550	653,310	695,542	754,340	814,048
Tax	146,040	161,790	165,340	161,767	190,909	206,020
Minority Interest	1,560	1,910	2,440	2,410	2,520	2,520
One off items	-	6,770	-	45,260	-	-
Net PAT	421,470	459,080	485,530	486,105	560,911	605,508
PAT margin	18.7	19.1	19.0	18.3	19.3	19.7
EPS (Rs)	115.2	125.9	134.2	134.4	155.0	167.4
% growth	10.0	9.3	6.6	0.1	15.4	8.0

Source: Company, YES Sec

Exhibit 23: Balance Sheet

Balance sheet (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	3,660	3,620	3,620	3,620	3,620	3,620
Reserves & surplus	775,940	729,260	916,830	1,086,491	1,332,629	1,624,204
Accumulated other income/loss	145,820	193,240	48,370	55,690	55,690	55,690
Minority interests	7,820	8,300	10,150	11,360	13,880	16,400
Total equity	933,240	934,420	978,970	1,145,801	1,391,939	1,683,514
Current liabilities						
Accounts payable	105,150	99,810	139,090	148,913	163,147	172,056
Unearned and deferred revenues	38,430	36,400	40,280	42,801	46,892	49,453
Other current liabilities	292,000	324,830	350,640	390,778	428,129	451,509
Accrued expenses and other current liabilities	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Short-term borrowings	-	-	-	-	-	-
Income tax payable	-	-	-	-	-	-
Total current liabilities	435,580	461,040	530,010	582,493	638,169	673,018
Long-term debt	-	-	-	-	-	-
Preference shares with Tata Sons Ltd.	-	-	-	-	-	-
Lease liabilities	62,030	65,160	78,380	90,810	90,810	90,810
Other non-current liabilities	26,840	25,100	30,190	33,780	33,780	33,780
Total liabilities	524,450	551,300	638,580	718,443	776,639	814,008
Total equity and liabilities	1,457,690	1,485,720	1,617,550	1,864,244	2,168,578	2,497,521
Current assets						
Cash & equivalents	472,440	442,960	452,460	593,449	809,203	1,074,349
Accounts receivable -Billed	410,490	444,340	501,420	570,533	625,065	659,199
Unbilled revenues	147,360	91,430	89,040	91,903	100,687	106,185
Other current assets	74,560	151,110	187,190	185,119	202,813	213,888

Balance sheet (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total current assets	1,104,850	1,129,840	1,230,110	1,441,004	1,737,768	2,053,621
Accounts receivable -Billed	1,490	1,270	910	967	1,059	1,117
Unbilled revenues	1,990	160	380	1,802	1,974	2,082
Investments	2,660	2,810	2,750	2,490	2,490	2,490
Intangibles	8,670	5,100	9,400	2,860	2,860	2,860
Goodwill	40,060	39,890	40,240	48,170	48,170	48,170
Property & equipment, Net	115,950	112,240	129,320	142,332	149,636	162,561
Lease assets	75,600	78,860	92,750	105,480	105,480	105,480
Other non-current assets	106,420	115,550	111,690	119,140	119,140	119,140
Total non- current assets	352,840	355,880	387,440	423,241	430,810	443,900
Total assets	1,457,690	1,485,720	1,617,550	1,864,244	2,168,578	2,497,521

Source: Company, YES Sec

Exhibit 24: Cash Flow

Cash flow statement (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	423,030	460,990	487,970	533,775	563,431	608,028
Depreciation and amortisation expense	50,220	49,850	52,420	55,833	60,124	63,407
Others	145,310	159,310	166,190	161,767	190,909	206,020
Operating profit before WC changes	618,560	670,150	706,580	751,375	814,465	877,455
Changes in WC	(43,870)	(75,940)	(36,460)	(36,460)	(36,460)	(36,460)
Cash generated from operations	574,690	594,210	670,120	714,915	778,005	840,995
Net taxes paid	(129,660)	(124,890)	(155,860)	(152,492)	(179,963)	(194,207)
Cash flow from operations	445,030	469,320	514,260	562,423	598,042	646,788
Capex (Net)	(28,500)	(26,200)	(76,775)	(76,775)	(67,428)	(76,332)
Other investing activities	(4,280)	53,540	30,645	-	-	-
Cash flow from investing activities	(32,780)	27,340	(46,130)	(76,775)	(67,428)	(76,332)
Buyback/ issuance of shares	(41,740)	(170,000)	-	-	-	-
Dividend paid	(414,100)	(252,180)	(430,552)	(430,552)	(604,221)	(604,221)
other financing activities	(15,150)	(16,600)	-	-	-	-
Cash from financing activities	(470,990)	(438,780)	(430,552)	(430,552)	(604,221)	(604,221)
Change in cash balance	(58,740)	57,880	37,578	55,096	(73,607)	(33,765)
Opening cash balance	124,880	71,230	90,160	83,420	138,516	64,908
Exchange difference on translation of foreign currency C&CE	5,090	640	1,740	-	-	-
Closing cash balance	71,230	129,750	129,478	138,516	64,908	31,143

Source: Company, YES Sec

Exhibit 25: Ratios

Ratios (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Per share numbers (Rs)						
Reported earnings	115.2	127.7	134.2	146.9	155.0	167.4
Dividend	48.0	55.0	60.0	73.0	87.0	87.0
Book Value	252.9	254.0	267.8	316.7	384.7	465.3
Valuations (x)						
P/E	28.1	25.4	24.1	22.1	20.9	19.4
EV / EBITDA	19.0	17.5	16.7	15.5	14.1	13.0
EV/Sales	5.0	4.7	4.4	4.2	3.8	3.5
Profitability Ratios						
Gross margin	41.3	42.0	40.5	41.6	41.5	41.7
EBITDA margin	26.3	26.7	26.4	27.0	26.5	26.7
PAT margin	18.7	19.1	19.0	18.3	19.3	19.7
Return Ratios						
ROCE (pre-tax)	69.6	69.2	78.5	76.0	80.7	102.4
RONW	29.2	31.8	31.4	30.7	27.9	26.1
ROE	46.0	50.5	51.5	50.5	44.4	39.5
Turnover ratios						
Debtors days	60.9	64.8	67.6	73.7	75.0	76.4
Cash Conversion Ratios						
OCF/EBITDA	75.1	73.0	76.3	78.5	77.5	78.9
FCF/PAT	98.8	96.5	90.1	98.1	92.5	91.8

Source: Company, YES Sec

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