

Estimate change	↔↔
TP change	↔↔
Rating change	↔↔

Bloomberg	LTIM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1899.6 / 20.9
52-Week Range (INR)	6430 / 3802
1, 6, 12 Rel. Per (%)	5/23/-1
12M Avg Val (INR M)	1685

#### Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	421.5	471.1	539.5
EBIT Margin (%)	15.5	16.1	16.0
Adj. PAT	54.8	63.3	71.9
Adj. EPS (INR)	185.0	215.3	244.6
EPS Gr. (%)	19.1	16.4	13.6
BV/Sh. (INR)	858.9	991.4	1,133.7
<b>Ratios</b>			
RoE (%)	20.9	23.2	23.0
RoCE (%)	18.5	19.5	19.5
Payout (%)	41.8	41.8	41.8
<b>Valuations</b>			
P/E (x)	34.6	29.8	26.2
P/BV (x)	7.5	6.5	5.7
EV/EBITDA (x)	23.3	19.9	17.1
Div Yield (%)	1.2	1.4	1.6

#### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	68.5	68.6	68.6
DII	16.7	16.2	14.9
FII	6.4	6.6	7.4
Others	8.4	8.6	9.1

FII includes depository receipts

**CMP: INR6,407**

**TP: INR7,900(+23%)**

**Buy**

#### A steady rise

##### Sustains growth and margin recovery

- LTIMindtree (LTIM) reported a revenue of USD1.2b in 3QFY26, up 2.4% QoQ in constant currency (CC), above our estimate of 2.2% QoQ CC growth. EBIT margin at 16.1% was in line with our estimate of 16.0%. Adj. PAT came in at INR14.0b, up 1.5% QoQ/29% YoY and in line with our estimates of INR14b. This excludes the one-time impact of labor codes amounting to INR4,417m.
- In INR terms, revenue/EBIT/adj. PAT grew 9.8%/15.2%/16.2% YoY in 9MFY26. In 4QFY26, we expect revenue/EBIT/adj. PAT to grow 13.9%/28.2%/29.0% YoY. With improving revenue visibility and medium-term earnings growth potential of ~13–15%, we broadly maintain our estimates. We value LTIM at **32x FY28E EPS**, implying a **TP of INR7,900** and ~23% upside.

#### Our view: Top-client productivity likely to bottom out in 4Q

- Revenue growth likely to be sustained in 4Q:** The 3Q growth of 2.4% QoQ CC came in above our estimate, led by Manufacturing and HLS, which grew close to double digits QoQ. In our view, momentum built over the past two quarters should carry into 4Q, supported by ongoing deal ramp-ups and stabilization in large accounts; therefore, we have built in 2.5% QoQ CC growth for 4Q. We see growth gradually normalizing through FY27 as vertical performance becomes more balanced. In addition, AI-led services spending should pick up from mid-2026, supporting a recovery in growth to ~9.4% YoY CC in FY27.
- Steady order inflows support medium-term visibility:** Since Mr. Venu took over, large deal wins have gathered pace, and we saw further evidence of that in this quarter. Order inflows of USD1.7b in 3QFY26 point to steady demand despite a cautious macro backdrop. We also think renewals are increasingly being used to consolidate vendor positions, supporting LTIM for wallet-share gains.
- Productivity pass-throughs at top clients remain a near-term drag:** AI-led productivity initiatives at large clients continue to affect near-term growth, particularly within the top five accounts. However, the intensity of this impact appears to be moderating, with four of the top five clients having largely completed their productivity programs and the remaining account expected to stabilize around 4Q. We think this phase of transition should be manageable, with lower client concentration and steady growth across the broader top-20 client base helping to offset near-term pressure.
- Stable margin performance, headwinds ahead:** LTIM's margin performance was steady in 3Q with an improvement of 20bp to 16.1%, favored by currency gains and operational efficiencies, partially offset by furlough. Despite wage hikes spread over the next couple of quarters and some lower working days in 4Q, management is positive about exiting FY26 with better margins than last year. We expect EBIT margins to settle around 15.5%/16.1% in FY26/FY27.

### Valuation and changes to our estimates

- We reiterate our **BUY** rating on LTIM, supported by sustained revenue momentum and steady order inflows. The carry-forward of deal ramp-ups into 4Q and a more balanced vertical mix support our confidence in 5.6% YoY CC growth for FY26E, with AI-led services spending expected to provide additional support from mid-2026.
- Margins remain supported by Fit4Future execution and SG&A discipline, even as near-term wage headwinds persist. With improving revenue visibility and medium-term earnings growth potential of ~13–15%, we broadly maintain our estimates. We value LTIM at **32x FY28E EPS**, implying a **TP of INR7,900** and ~23% upside.

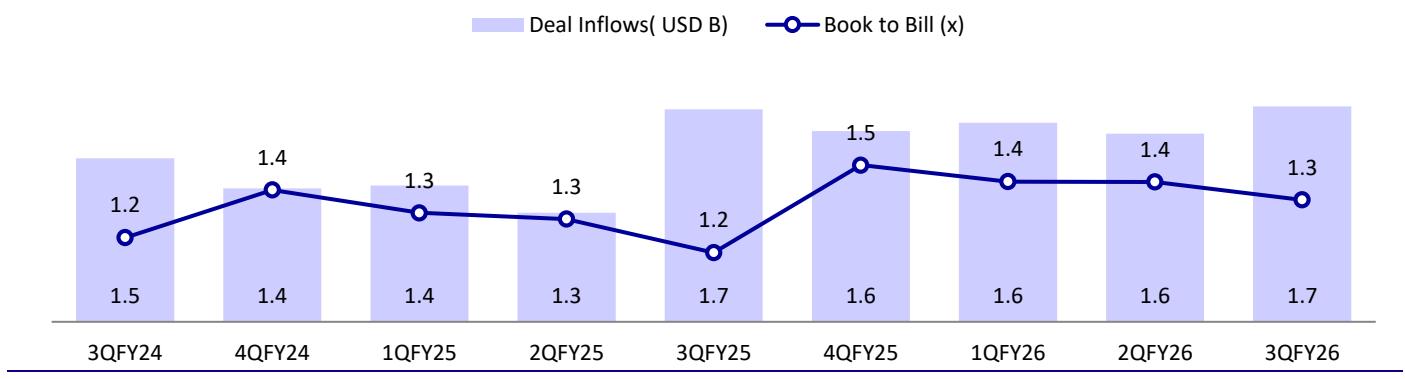
### Beat on revenue and margins in line; Manufacturing and HLS-led growth

- LTIM's revenue stood at USD1.2b, up 2.4% QoQ CC above our estimate of 2.2% QoQ CC. Reported USD revenue was up 2.4%/5.2% QoQ/YoY.
- Manufacturing and resources/HLS grew 9.4%/9.9% QoQ. Technology was flat QoQ, while BFSI declined 0.7% QoQ.
- EBIT margin of 16.1% was in line with our estimate of 16.0%.
- Employee metrics: Software headcount increased by 1,566 (2% QoQ), utilization declined 120bp QoQ to 86.9%, while attrition was down 40bp QoQ to 13.8%.
- Adj. PAT came in at INR14.0b, up 1.5% QoQ/29% YoY and in line with our estimates of INR14b. This excludes the one-time impact of labor codes amounting to INR4,417m.
- Order inflows stood at USD1.69b, flat YoY.

### Key highlights from the management commentary

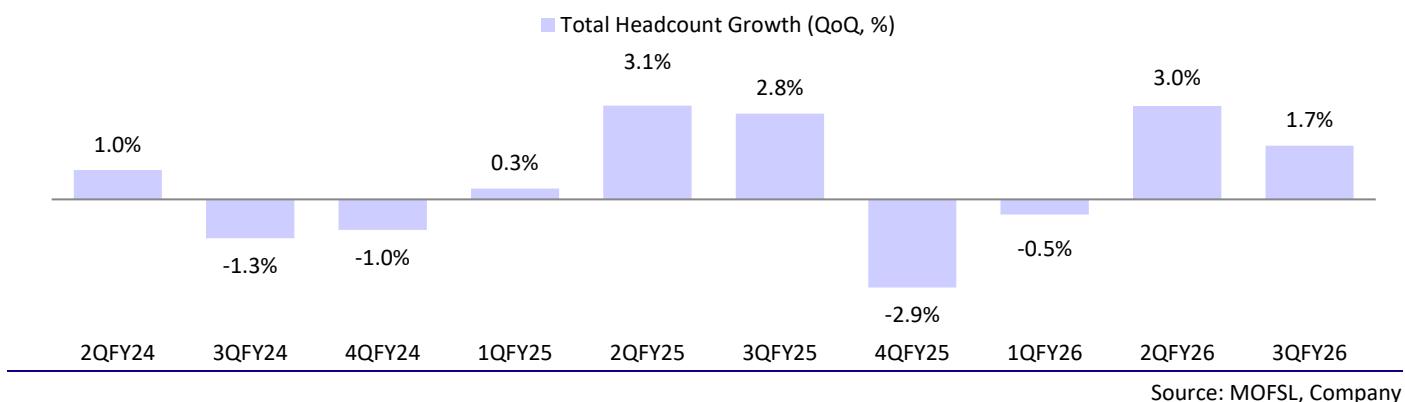
- The convergence of technology and domain expertise, along with evolving client expectations, is unfolding rapidly. The company is reimagining its service lines with a clear focus on AIOps and integrated transformation capabilities.
- Expects growth momentum to continue through the balance of the year and is preparing for the next phase of the journey in FY27 and beyond.
- Delivered 6.1% YoY growth in 3Q, with performance improving each quarter and now within reach of double-digit growth in FY26E.
- The decline in the top five customers continued; one of the top five accounts is expected to eventually bottom out.
- Renewals are increasingly becoming strategic inflection points where clients reimagine their vendor ecosystem. Renewals are no longer transactional and often result in taking wallet share from other service providers, as reflected in recent large deal wins.
- No change in deal tenure, with the average cycle remaining at three to five years
- Wage hikes will begin in 4Q and be spread over a couple of quarters, with 50% of employees receiving hikes in 4Q. The wage hike impact is expected to be around 1% in 4Q and the following quarter.
- The next quarter will also see headwinds from fewer working days and ongoing client productivity programs. The company remains confident of closing the year with better EBIT margins than the previous year.
- **Healthcare, Life Sciences, and Public Services:** Ramp-up of the PAN deal is reflected in RoW and public services. These verticals are influenced by project life cycles, leading to cyclical impacts in India. Fit4Future-driven productivity improvements have also influenced this segment.
- **Technology, Media & Communications:** The top high-tech client completed its productivity journey around the same time last year, and that phase is now behind us.

**Exhibit 1: Deal wins of USD1.7b, flat YoY; book-to-bill at 1.3x**



Source: MOFSL, Company

**Exhibit 2: Headcount up 1.7% QoQ**



Source: MOFSL, Company

**Exhibit 3: RoW-led growth in 3Q due to the ramp-up of the public services deal**

Geographies	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26
North America	1.6	0.5	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9	1.8	2.0	0.4
Europe	4.5	4.4	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1
RoW	4.9	0.2	-7.8	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8	-5.7	3.3	14.4

Source: MOFSL, Company

**Exhibit 4: Manufacturing and HLS-led growth in 3QFY26**

Verticals	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26
BFSI	5.8	2.7	-1.2	-1.1	-1.7	-2.7	2.8	3.9	3.3	1.2	1.7	0.1	-0.7
Manufacturing	10.6	1.0	-1.0	5.1	14.3	-9.6	2.0	0.6	7.8	2.4	0.4	1.8	9.2
CPG, Retail & Pharma	1.1	2.4	-1.8	2.9	-3.2	1.4	-1.6	2.8	-0.3	-2.1	5.6	9.3	1.1
Technology, Media & Communication	-4.5	-1.5	3.2	2.0	-3.0	4.7	8.0	2.0	-5.7	-1.9	1.1	0.1	0.1
Healthcare	-5.1	-2.2	5.0	3.2	0.8	4.8	-7.9	6.1	-0.5	-13.3	3.8	9.6	10.9

Source: MOFSL, Company

**Quarterly Performance**

Y/E March	FY25								FY26E		(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	Est.	Var.
Revenue (USD m)	1,096	1,127	1,139	1,131	1,153	1,180	1,208	1,241	4,493	4,782	1,205	0.2
QoQ (%)	2.5	2.8	1.1	-0.7	2.0	2.3	2.4	2.7	4.8	6.4	2.1	24
Revenue (INR B)	91	94	97	98	98	104	108	111	380	421	107	0.5
YoY (%)	5.1	5.9	7.1	9.9	7.6	10.2	11.6	13.9	7.0	10.9	11.1	53
GPM (%)	30.3	30.8	28.8	27.9	29.1	30.3	29.4	29.0	29.4	29.4	30.2	(79)
SGA (%)	12.7	12.8	12.3	11.6	12.3	11.7	10.8	11.0	12.3	11.4	11.7	(86)
EBITDA	16	17	16	16	19	20	20	20	65	76	20	0.9
EBITDA Margin (%)	17.6	18.0	16.5	16.3	16.8	18.6	18.6	18.0	17.1	18.0	18.5	8
EBIT	14	15	13	13	14	16	17	17	55	65	17	1.2
EBIT Margin (%)	15.0	15.5	13.8	13.8	14.3	15.9	16.1	15.5	14.5	15.5	16.0	11
Other income	1.5	2.3	1.4	1.8	3.2	2.3	1.6	2.0	7	9	2	(18)
ETR (%)	25.6	25.8	26.2	26.2	27.3	26.5	26.0	25.0	25.9	26.2	25.0	
Adj PAT	11	13	11	11	13	14	14	14	46	55	14	(2.2)
QoQ (%)	3.1	10.3	-13.2	3.9	11.2	10.1	1.5	3.1				3.7
YoY (%)	-1.5	7.7	-7.1	2.5	10.5	10.4	29.0	28.0	0.4	19.1		31.8
Exceptional Items	0	0	0	0	0	0	4	0	0	4		
PAT	11	13	11	11	13	14	10	14	46	50	14	(33.0)
EPS (INR)	38.2	42.2	36.6	38.0	42.3	47.2	47.6	49.2	155.0	186.3	48.4	(1.6)

**Key Performance Indicators**

Y/E March	FY25				FY26E			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	2.6	2.3	1.8	-0.6	0.8	2.4	2.4	
<b>Margins (%)</b>								
Gross Margin	30.3	30.8	28.8	27.9	29.1	30.3	29.4	29.4
EBIT Margin	15.0	15.5	13.8	13.8	14.3	15.9	16.1	14.5
Net Margin	12.4	13.3	11.2	11.5	12.7	13.3	13.0	12.1
<b>Operating metrics</b>								
Headcount	81,934	84,438	86,800	84,307	83,889	86,447	87,958	84,307
Attrition (%)	14.4	14.5	14.3	14.4	14.4	14.2	13.8	14.4
Utilization (excl. trainees)	88.3	87.7	85.4	85.8	88.1	88.1	86.9	86.8
<b>Key Verticals (QoQ %)</b>								
BFSI	2.8	3.9	3.3	1.2	1.7	0.1	-0.7	4.5
CMT	8.0	2.0	-5.7	-1.9	1.1	0.1	0.1	8.5
MFG	2.0	0.6	7.8	2.4	0.4	1.8	9.2	7.2
Healthcare	-7.9	6.1	-0.5	-13.3	3.8	9.6	10.9	-2.8
CPG, Retail and Pharma	-1.6	2.8	-0.3	-2.1	5.6	9.3	1.1	-0.1
<b>Key Geographies (QoQ %)</b>								
North America	4.3	2.6	0.7	-0.9	1.8	2.0	0.4	7.0
Europe	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1	-1.2



## Key highlights from the management commentary

### Demand and industry outlook

- The industry is at an inflection point, marked by significant reimagination of capabilities and redefined operating models.
- The convergence of technology and domain expertise, along with evolving client expectations, is unfolding rapidly. The company is reimagining its service lines with a clear focus on AIOps and integrated transformation capabilities.
- Expects growth momentum to continue through the balance of the year and is preparing for the next phase of the journey in FY27 and beyond.
- Delivered 6.1% YoY growth in 3Q, with performance improving each quarter and now within reach of double-digit growth in FY26E.
- Decline in the top five customers continued; one of the top five accounts is expected to eventually bottom out.
- Every customer is going through a productivity journey driven by AI adoption on the existing book of business, and the company is proactively helping clients navigate this transition. Given the material size of the top five accounts, short-term declines will persist until all five complete this journey.
- Portfolio balance remains intact despite near-term pressure. Of the top five clients, four have largely transitioned, while one remaining client may take more time. This account is expected to bottom out in the next quarter.
- A large deal announced in 2Q is progressing through its initial phase and is expected to move toward steady state by 4Q.
- Selected as a strategic partner by a leading US insurance and financial services company for a multi-year engagement covering application management, infrastructure, operations, and end-user services, driven by an AI-led delivery model. The contract carries a total value of USD155m over five years.
- Selected by a leading manufacturer to consolidate its technology landscape under a multi-year agreement spanning applications, cloud infrastructure, cybersecurity, data, and AI services.
- Renewals are increasingly becoming strategic inflection points where clients reimagine their vendor ecosystem. Renewals are no longer transactional and often result in taking wallet share from other service providers, as reflected in recent large deal wins.
- No change in deal tenure, with the average cycle remaining at three to five years.
- **BFSI:** Margin improvement was driven by Fit4Future initiatives, fresher infusion, pyramid optimization, rate realization, and foreign exchange benefits. BFSI is expected to bottom out in Q4, followed by an accelerated growth trajectory. For several large global banks, the company is now the prime supplier, with other BFSI accounts growing faster than the market.
- **Technology, Media & Communications:** The top high-tech client completed its productivity journey around the same time last year, and that phase is now behind.
- **Healthcare, Life Sciences, and Public Services:** Ramp-up of the PAN deal is reflected in RoW and public services. These verticals are influenced by project life cycles, leading to cyclical impacts in India. Fit4Future-driven productivity improvements have also influenced this segment.

- **Consumer Business:** Momentum is expected to continue, with ongoing client conversations that are likely to materialize. The opportunity in this space appears attractive.
- Total headcount at the end of 3Q stood at 87,958, with net additions of 1,511, including 1,736 freshers.
- Recognizing the importance of industry domain expertise, over 70% of the workforce has now been covered under tech-domain skilling initiatives across various competency levels.
- Concentration risk has reduced organically over the past few quarters. The revenue contribution of the top two accounts has declined from ~20–23% last year to approximately 18–19%, reflecting improved portfolio diversification.

#### Margin performance

- EBIT margin expanded 20 bp QoQ to 16.1%, driven by the Fit4Future program and favorable currency movements, partially offset by lower working days and furloughs.
- The effective tax rate stood at 26.5%, while DSO was at 85 days.
- Fit4Future has delivered on its stated objectives over the past three quarters from an execution standpoint.
- Wage hikes will begin in 4Q and be spread over a couple of quarters, with 50% of employees receiving hikes in 4Q. The wage hike impact is expected to be around 1% in 4Q and the following quarter. The next quarter will also see headwinds from lower working days and ongoing client productivity programs. The company remains confident of closing the year with better EBIT margins than the previous year.
- SG&A efficiency has been driven by the Fit4Future program along with a one-off reversal during the quarter. The company aims to maintain SG&A in the 11–11.5% range over the long term.
- Cost discipline and margin improvement initiatives remain ongoing.
- The company plans to sunset Fit4Future and replace it with a more balanced transformation initiative, New Horizon, focusing equally on growth and cost discipline. Further efficiency potential remains.
- Labor code impact is expected to be largely one-time, with any recurring impact dependent on clarifications and not expected to be material.
- The company remains consistent with its hedging policy and does not intend to change it.

#### Exhibit 5: Top client contributions

Clients	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	24.0	-2.9	-8.7
Top 10 clients	31.7	-1.1	-2.5
Top 20 clients	43.3	1.9	1.0

Source: MOFSL, Company

**Exhibit 6: Changes to our estimates**

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	88.1	90.0	92.0	88.0	90.0	92.0	0.1%	0.0%	0.0%
USD Revenue (m)	4,782	5,234	5,865	4,776	5,228	5,880	0.1%	0.1%	-0.3%
Growth (%)	6.4	9.5	12.0	6.3	9.5	12.5	10bps	0bps	-40bps
EBIT margin (%)	15.5	16.1	16.0	15.4	15.8	16.2	0bps	30bps	-20bps
Adj. PAT (INR m)	54,814	63,263	71,870	55,089	62,108	73,036	-0.5%	1.9%	-1.6%
Adj. EPS	185.0	215.3	244.6	186.0	212.0	249.0	-0.5%	1.6%	-1.8%

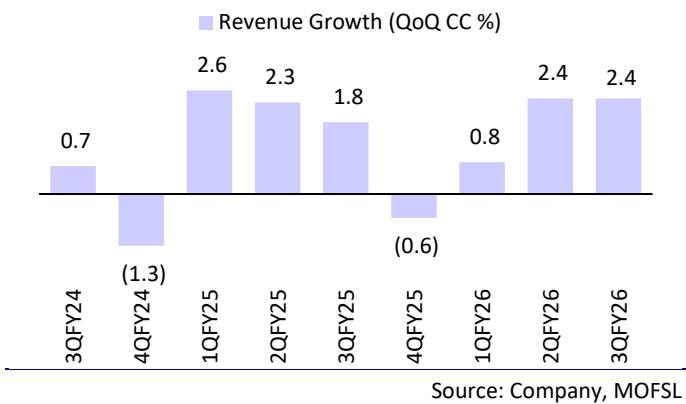
Source: MOFSL, Company

**Valuation and view**

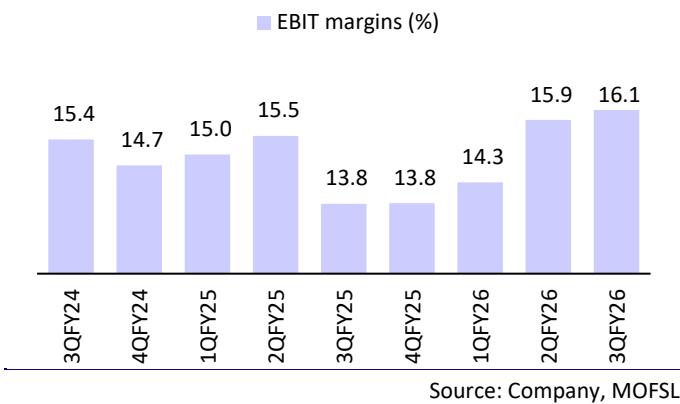
- We reiterate our **BUY** rating on LTIM, supported by sustained revenue momentum and steady order inflows. The carry-forward of deal ramp-ups into 4Q and a more balanced vertical mix support our confidence in **5.6% YoY CC** growth for FY26E, with AI-led services spending expected to provide additional support from mid-2026.
- Margins remain supported by Fit4Future execution and SG&A discipline, even as near-term wage headwinds persist. With improving revenue visibility and medium-term earnings growth potential of ~13–15%, we broadly maintain our estimates. We value LTIM at **32x FY28E EPS**, implying a **TP of INR7,900** and ~23% upside.

## Story in charts

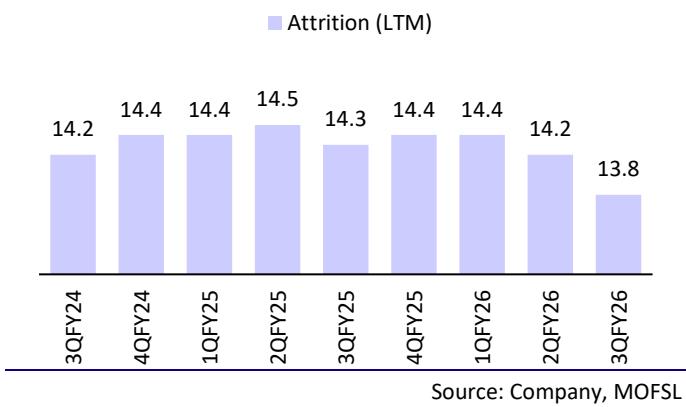
**Exhibit 7: Revenue grew 2.4% QoQ**



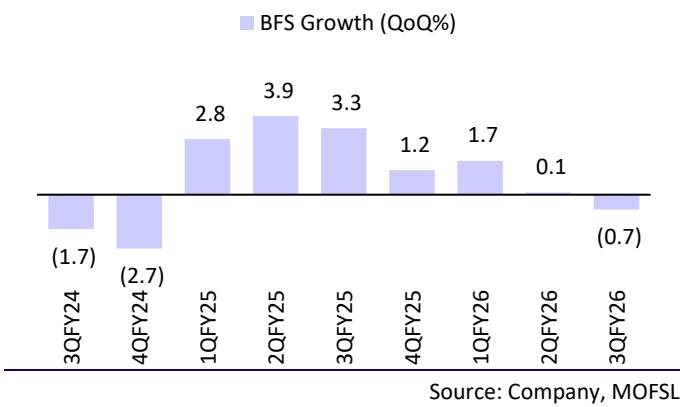
**Exhibit 8: EBIT margin improved 20bp QoQ**



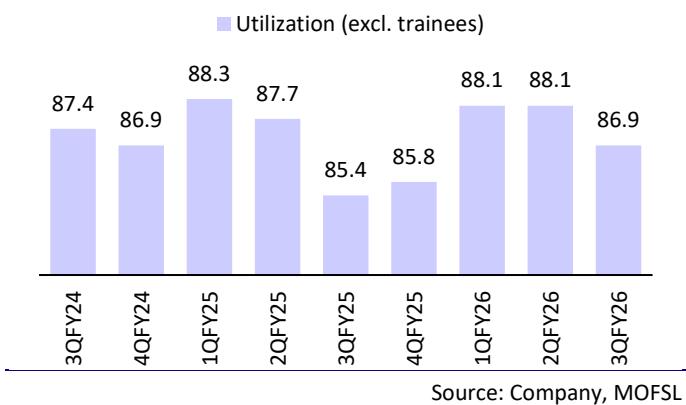
**Exhibit 9: Attrition dropped 40bp QoQ**



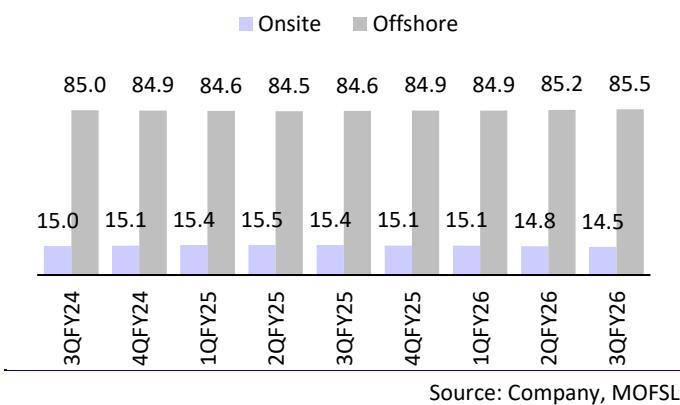
**Exhibit 10: BFSI growth remained muted sequentially**



**Exhibit 11: Utilization declined 120bp QoQ**



**Exhibit 12: The effort mix remained stable**



## Operating metrics

### Exhibit 13: Operating metrics

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Revenue by verticals (%)</b>									
BFSI	35.6	35.1	35.2	35.6	36.4	37.1	37.0	36.2	35.1
Manufacturing	20.3	18.6	18.5	18.1	19.3	19.9	19.6	19.5	20.8
CPG, retail & pharma	14.7	15.1	14.5	14.5	14.3	14.1	14.6	15.6	15.4
High tech, media & entertainment	22.9	24.3	25.6	25.4	23.7	23.4	23.2	22.7	22.2
Healthcare, Life, Public Science	6.5	6.9	6.2	6.4	6.3	5.5	5.6	6.0	6.5
<b>Revenue by geography (%)</b>									
North America	72.7	73.8	75.1	75.0	74.7	74.5	74.4	74.2	72.8
Europe	14.5	14.6	14.4	14.4	13.8	13.6	14.7	14.7	14.8
ROW	12.8	11.6	10.5	10.6	11.5	11.9	11.0	11.1	12.4
<b>Client metrics (% of revenues)</b>									
Top 5 client	27.5	28.3	28.8	28.4	27.9	27.7	27.3	25.3	24.0
Top 10 client	35.3	35.5	35.7	35.0	34.5	34.3	34.3	32.8	31.7
Top 20 client	45.9	45.9	46.2	45.8	45.5	44.8	44.5	43.5	43.3
Top 40 client	58.5	58.0	58.9	58.2	58.1	57.2	56.8	56.1	56.8
Non-Top 20 clients	54.1	54.1	53.8	54.2	54.5	55.2	55.5	56.5	56.7
Number of active clients	739	738	748	742	742	741	741	749	746
New clients added in the period	23	30	27	22	23	26	17	23	26
<b>Million \$ clients</b>									
5 Million \$ clients	149	153	148	154	152	154	159	158	162
10 Million \$ clients	89	91	87	88	90	89	90	93	97
20 Million \$ clients	40	40	43	42	39	40	41	45	47
50 Million \$ clients	12	13	12	12	13	14	14	14	12
100 Million \$ clients	2	2	2	2	2	2	2	2	2
<b>Employee metrics</b>									
Development	77,203	76,460	76,837	79,374	81,641	79,081	78,729	81,355	82,911
Sales and support	5,268	5,190	5,097	5,064	5,159	5,226	5,160	5,092	5,047
<b>Total employees</b>	<b>82,471</b>	<b>81,650</b>	<b>81,934</b>	<b>84,438</b>	<b>86,800</b>	<b>84,307</b>	<b>83,889</b>	<b>86,447</b>	<b>87,958</b>
<b>Efforts mix</b>									
Onsite	15.0	15.1	15.4	15.5	15.4	15.1	15.1	14.8	14.5
Offshore	85.0	84.9	84.6	84.5	84.6	84.9	84.9	85.2	85.5
<b>Utilization measures</b>									
Excluding trainees	87.4	86.9	88.3	87.7	85.4	85.8	88.1	88.1	86.9
<b>Attrition LTM (%)</b>	<b>14.2</b>	<b>14.4</b>	<b>14.4</b>	<b>14.5</b>	<b>14.3</b>	<b>14.4</b>	<b>14.4</b>	<b>14.2</b>	<b>13.8</b>

Source: Company, MOFSL

## Financials and valuations

Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Sales</b>	<b>2,61,086</b>	<b>3,31,830</b>	<b>3,55,170</b>	<b>3,80,081</b>	<b>4,21,466</b>	<b>4,71,095</b>	<b>5,39,535</b>
Change (%)	(8.8)	27.1	7.0	7.0	10.9	11.8	14.5
Cost of Services	1,78,271	2,32,037	2,46,214	2,68,217	2,97,372	3,33,040	3,78,964
<b>Gross Profit</b>	<b>82,815</b>	<b>99,793</b>	<b>1,08,956</b>	<b>1,11,864</b>	<b>1,24,094</b>	<b>1,38,055</b>	<b>1,60,571</b>
SG&A Expenses	30,330	37,915	45,082	46,915	48,237	51,820	62,046
<b>EBITDA</b>	<b>52,485</b>	<b>61,878</b>	<b>63,874</b>	<b>64,949</b>	<b>75,857</b>	<b>86,235</b>	<b>98,524</b>
% of Net Sales	20.1	18.6	18.0	17.1	18.0	18.3	18.3
Depreciation	5,971	7,227	8,189	9,915	10,688	10,364	12,409
<b>EBIT</b>	<b>46,514</b>	<b>54,651</b>	<b>55,685</b>	<b>55,034</b>	<b>65,170</b>	<b>75,871</b>	<b>86,115</b>
% of Net Sales	17.8	16.5	15.7	14.5	15.5	16.1	16.0
Other Income	6,426	4,065	4,802	7,108	9,091	8,480	9,712
<b>PBT</b>	<b>52,940</b>	<b>58,716</b>	<b>60,487</b>	<b>62,142</b>	<b>74,260</b>	<b>84,350</b>	<b>95,827</b>
Tax	13,439	13,812	14,641	16,122	19,446	21,088	23,957
Rate (%)	25.4	23.5	24.2	25.9	26.2	25.0	25.0
Minority Interest	0	11	25	27	0	0	0
Extraordinary	0	800	0	0	4,418	0	0
<b>Adjusted PAT</b>	<b>39,501</b>	<b>44,904</b>	<b>45,846</b>	<b>46,020</b>	<b>54,814</b>	<b>63,263</b>	<b>71,870</b>
Change (%)	-11	14	2	0	19	15	14
Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	296	296	296	296	296	296	296
Reserves	1,42,576	1,65,625	1,99,876	2,26,687	2,54,157	2,90,961	3,32,771
<b>Net Worth</b>	<b>1,42,872</b>	<b>1,65,921</b>	<b>2,00,172</b>	<b>2,26,983</b>	<b>2,54,453</b>	<b>2,91,257</b>	<b>3,33,067</b>
Minority Interest	57	71	92	132	132	132	132
Other liabilities	11,972	14,143	17,934	19,526	19,505	19,564	19,644
<b>Capital Employed</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,46,641</b>	<b>2,74,091</b>	<b>3,10,952</b>	<b>3,52,843</b>
<b>Net Block</b>	<b>13,772</b>	<b>17,823</b>	<b>21,224</b>	<b>25,406</b>	<b>22,718</b>	<b>20,354</b>	<b>15,945</b>
Intangibles	14,861	15,452	15,078	14,212	14,212	14,212	14,212
Other LT Assets	27,805	29,789	50,798	57,303	50,810	54,433	59,429
<b>Curr. Assets</b>	<b>1,49,386</b>	<b>1,71,897</b>	<b>1,88,530</b>	<b>2,09,379</b>	<b>2,40,374</b>	<b>2,81,089</b>	<b>3,29,443</b>
Current Investments	57,882	53,349	77,494	88,999	1,08,999	1,28,999	1,48,999
Debtors	56,271	72,284	70,387	76,882	73,901	82,603	94,603
Cash & Bank Balance	14,462	23,389	18,200	20,623	25,236	33,774	45,337
Other Current Assets	20,771	22,875	22,449	22,875	32,239	35,713	40,503
<b>Current Liab. &amp; Prov</b>	<b>50,923</b>	<b>54,826</b>	<b>57,432</b>	<b>59,659</b>	<b>54,024</b>	<b>59,136</b>	<b>66,185</b>
Trade payables	13,250	12,938	14,939	15,499	10,537	11,777	13,488
Other liabilities	31,381	33,754	34,007	34,469	33,796	37,667	43,006
Provisions	6,292	8,134	8,486	9,691	9,691	9,691	9,691
<b>Net Current Assets</b>	<b>98,463</b>	<b>1,17,071</b>	<b>1,31,098</b>	<b>1,49,720</b>	<b>1,86,350</b>	<b>2,21,953</b>	<b>2,63,257</b>
<b>Application of Funds</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,46,641</b>	<b>2,74,091</b>	<b>3,10,952</b>	<b>3,52,843</b>

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>EPS</b>	<b>133.5</b>	<b>151.8</b>	<b>154.8</b>	<b>155.3</b>	<b>185.0</b>	<b>215.3</b>	<b>244.6</b>
Cash EPS	153.7	173.5	182.5	188.8	206.2	250.6	286.9
Book Value	483.0	560.9	676.0	766.2	858.9	991.4	1,133.7
DPS	63.9	60.0	65.0	65.0	77.4	90.1	102.3
Payout (%)	47.9	39.5	42.0	41.8	41.8	41.8	41.8
<b>Valuation (x)</b>							
P/E ratio	48.0	42.2	41.4	41.2	34.6	29.8	26.2
Cash P/E ratio	41.7	36.9	35.1	33.9	31.1	25.6	22.3
EV/EBITDA ratio	34.7	29.4	28.2	27.5	23.3	19.9	17.1
EV/Sales ratio	7.0	5.5	5.1	4.7	4.2	3.7	3.1
Price/Book Value ratio	13.3	11.4	9.5	8.4	7.5	6.5	5.7
Dividend Yield (%)	1.0	0.9	1.0	1.0	1.2	1.4	1.6
<b>Profitability Ratios (%)</b>							
RoE	36.6	26.1	24.4	23.3	20.9	23.2	23.0
RoCE	29.5	24.9	21.2	19.0	18.5	19.5	19.5
<b>Turnover Ratios</b>							
Debtors (Days)	79	80	72	74	64	64	64
Fixed Asset Turnover (x)	19.0	18.6	16.7	15.0	18.6	23.1	33.8

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	(INR m)
CF from Operations	44,695	48,591	50,720	50,261	61,084	73,627	84,279	
Cash for Working Capital	-12,188	-17,645	5,975	-4,803	-5,545	-10,629	-14,658	
<b>Net Operating CF</b>	<b>32,507</b>	<b>30,946</b>	<b>56,695</b>	<b>45,458</b>	<b>55,538</b>	<b>62,998</b>	<b>69,622</b>	
Net Purchase of FA	-10,529	-9,346	-8,330	-9,336	-8,000	-8,000	-8,000	
<b>Free Cash Flow</b>	<b>21,978</b>	<b>21,600</b>	<b>48,365</b>	<b>36,122</b>	<b>47,538</b>	<b>54,998</b>	<b>61,622</b>	
Net Purchase of Invest.	-5,924	6,037	-30,791	-8,046	-20,000	-20,000	-20,000	
<b>Net Cash from Invest.</b>	<b>-16,453</b>	<b>-3,309</b>	<b>-39,121</b>	<b>-17,382</b>	<b>-28,000</b>	<b>-28,000</b>	<b>-28,000</b>	
Proc. from equity issues	2	12	0	0	0	0	0	
Proceeds from LTB/STB	-3,529	-3,702	-4,947	-6,498	0	0	0	
Dividend Payments	-13,277	-15,627	-17,753	-19,246	-22,926	-26,459	-30,059	
<b>Cash Flow from Fin.</b>	<b>-16,804</b>	<b>-19,317</b>	<b>-22,700</b>	<b>-25,744</b>	<b>-22,926</b>	<b>-26,459</b>	<b>-30,059</b>	
Exchange difference	21	607	-63	91	0	0	0	
<b>Net Cash Flow</b>	<b>-729</b>	<b>8,927</b>	<b>-5,189</b>	<b>2,423</b>	<b>4,613</b>	<b>8,539</b>	<b>11,562</b>	
<b>Opening Cash Bal.</b>	<b>15,191</b>	<b>14,462</b>	<b>23,389</b>	<b>18,200</b>	<b>20,623</b>	<b>25,236</b>	<b>33,774</b>	
Add: Net Cash	-729	8,927	-5,189	2,423	4,613	8,539	11,562	
<b>Closing Cash Bal.</b>	<b>14,462</b>	<b>23,389</b>	<b>18,200</b>	<b>20,623</b>	<b>25,236</b>	<b>33,774</b>	<b>45,337</b>	

E: MOFSL estimates

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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822, IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.