

Estimate change	
TP change	
Rating change	

Bloomberg	LTIM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1344.2 / 15.7
52-Week Range (INR)	6768 / 3802
1, 6, 12 Rel. Per (%)	-4/-23/-13
12M Avg Val (INR M)	2562

**Financials & Valuations (INR b)**

Y/E Mar	FY25	FY26E	FY27E
Sales	380.1	405.9	440.5
EBIT Margin (%)	14.5	15.0	15.6
PAT	46.0	51.1	57.3
EPS (INR)	155.3	172.4	193.6
EPS Gr. (%)	0.3	11.0	12.3
BV/Sh. (INR)	766.2	866.5	979.1
<b>Ratios</b>			
RoE (%)	23.3	21.1	21.0
RoCE (%)	19.0	17.4	17.5
Payout (%)	41.8	41.8	41.8
<b>Valuations</b>			
P/E (x)	29.2	26.3	23.4
P/BV (x)	5.9	5.2	4.6
EV/EBITDA (x)	19.0	16.8	15.0
Div Yield (%)	1.4	1.6	1.8

**Shareholding pattern (%)**

As On	Mar-25	Dec-24	Mar-24
Promoter	68.6	68.6	68.6
DII	15.6	15.0	13.6
FII	7.0	7.5	7.9
Others	8.8	9.0	10.0

FII Includes depository receipts

**CMP: INR4,537**
**TP: INR5,150 (+14%)**
**Buy**
**A weak quarter, but reset in progress**
**All eyes now on new management for turnaround**

- LTIMindtree (LTIM) reported 4QFY25 revenue of USD1.1b, down 0.6% QoQ CC and below our estimate of flat QoQ CC. FY25 revenue stood at USD4.5b, up 5.0% YoY CC. 4Q EBIT margin at 13.8% was in line with our estimate of 13.8%. 4Q PAT stood at INR11.2b, up 3.9% QoQ/2.5% YoY and slightly below our estimate of INR12b. FY25 revenue grew 7.0% YoY, EBIT declined 1.2%, and PAT remained largely flat in INR terms. In 1QFY26, we expect revenue/EBIT/PAT to grow 8.3%/15.2%/7.3% YoY. We value LTIM at 26x FY27E EPS and our revised TP of INR5,150 implies a 14% upside potential.

**Our view: Awaiting a concrete turnaround plan for growth and margins**

- Microsoft productivity gain episode now done, but macro uncertainty could limit growth upside in FY26:** There is no overhang of the Microsoft productivity pass-through beyond 4Q; however, we believe FY26 could be a year of mediocre growth. We expect LTIM to report ~5% CC growth in FY26E.
- A new cost-saving initiative, however we await concrete margin expansion direction:** LTIM has launched its “Fit for Future” initiative to drive cost efficiency and improve profitability, starting in 1QFY26. This includes reassessing direct and indirect costs, optimizing delivery and sales structures, and continuing pyramid correction efforts. Though these steps align well with client demand for cost savings and modernization, management has not provided a tighter guidance range or timeline, which makes the margin expansion trajectory a tad vague, in our view.
- Long way to go; cut target multiple:** We believe the new management has their task cut out, and the added macro uncertainty pushes back the prospect of a double-digit growth rate as well as normalized EBIT margins beyond FY27. We cut our target multiple by ~10%. A successful turnaround could lead to re-rating, and the current price offers valuation comfort. We thus maintain a BUY rating.

**Miss on revenues and in-line margins (miss on consensus); deal TCV down ~5% QoQ**

- Revenue stood at USD1.1b, down 0.6% QoQ CC and below our estimate of flat QoQ CC. Reported USD revenue was down 0.7% QoQ/up 5.8% YoY. For FY25, revenue stood at USD4.5b, up 5.0% YoY CC.
- Manufacturing & Resources grew 2.3% QoQ and BFSI was up 1.2% QoQ. Hi-Tech was down 1.5% QoQ, while Retail/Life Sciences declined 2.4%/14.0% QoQ.
- EBIT margin at 13.8% was in line with our estimate of 13.8%. For FY25, EBIT margin stood at 14.5% vs. 15.7% in FY24.
- Employee metrics: Software headcount declined by ~2,560 (-3.1% QoQ), utilization inched up 40bp QoQ to 85.8%, and attrition was up 10bp QoQ at 14.4%.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

 Motilal Oswal research is available on [www.motilaloswal.com](http://www.motilaloswal.com)/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

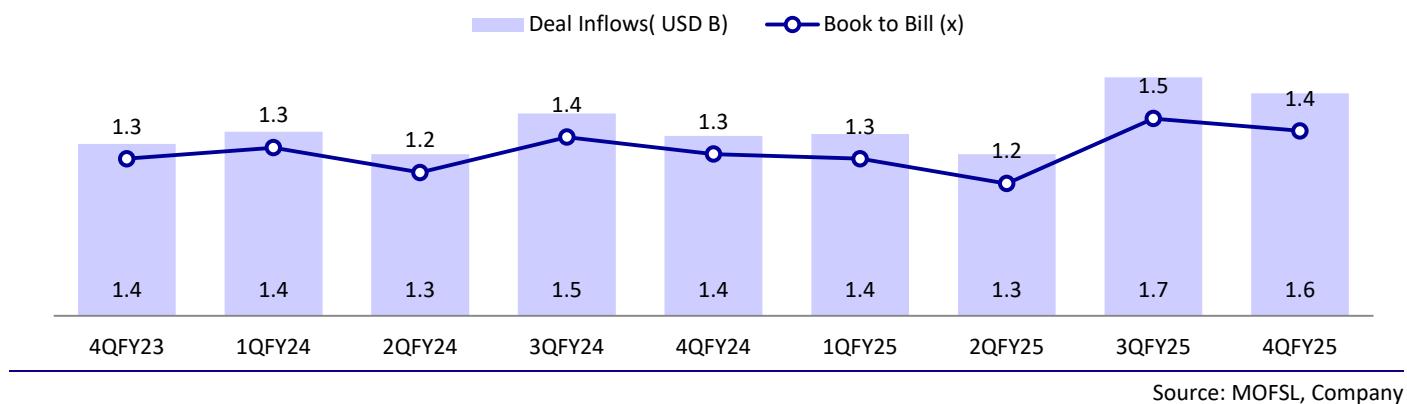
- PAT came in at INR11.2b, up 3.9% QoQ/2.5% YoY and slightly below our estimate of INR12b. FY25 PAT stood at INR46b, flat YoY.
- Order inflows stood at USD1.6b, down ~4.7% QoQ. FY25 order book stood at USD6b.
- The company declared a final dividend of INR45/share for FY25.

#### **Key highlights from the management commentary**

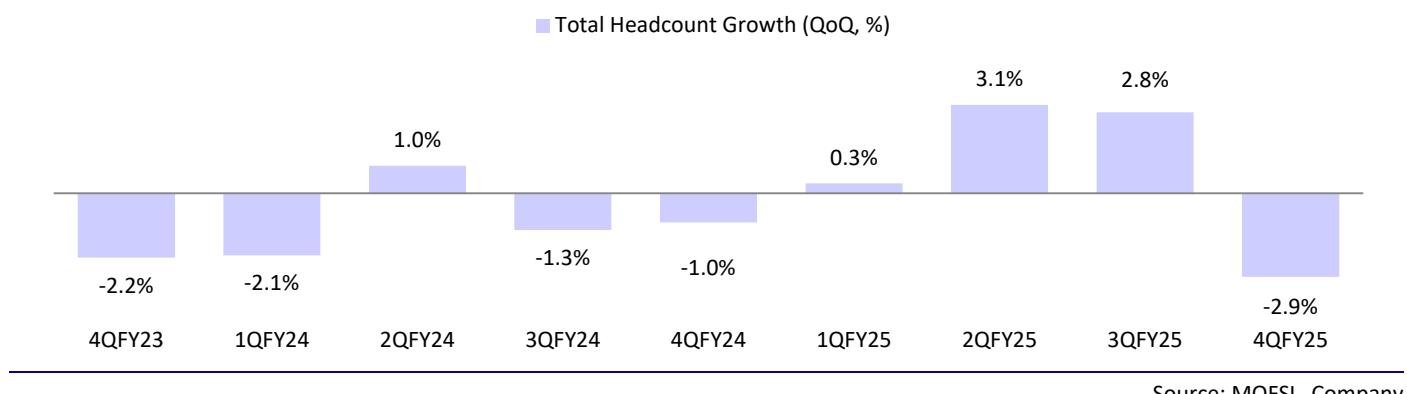
- FY25 was a year of consolidation; discretionary spending remained muted in 4Q.
- 2H momentum slowed due to ongoing macro uncertainty, which persisted in 4Q.
- Strategic initiatives for FY26: 1) Sales Transformation – Realignment of service lines and sales structure to target a broader portion of client spend via the AI economy. 2) Robust GTM – Focus on multi-service, multi-delivery, and multi-geography models. 3) Fit for Future – Drive agility and profitability by reassessing direct/indirect costs, improving efficiency across sales and delivery. Margin improvement is expected to start in 1QFY26.
- Clients were largely in "wait-and-watch" mode during 4Q, but they are opening up now for conversations.
- LTIM is adjusting its portfolio from a higher discretionary mix to longer-term efficiency programs. Some closed deals failed to ramp up as planned; certain 4Q deals got delayed.
- **Technology, Media, and Communications:** Productivity gains delivered to the top client in 3Q and 4Q. No pricing reset has happened and no future impact is expected on pass-backs.
- **Consumer:** There were some client-specific issues in the Travel, Transport & Hospitality portfolios. Those clients are now planning new initiatives. No material impact observed from tariff-related changes.
- Headcount was ramped up in 2Q/3Q in anticipation of 4Q deal execution, which did not materialize, leading to a drop in headcount.

#### **Valuation and view**

- We maintain our BUY rating on LTIM, supported by its capabilities in data engineering and ERP modernization. The current stock price also offers attractive valuation comfort. While our FY26 estimates remain largely unchanged, we lower our FY27 EPS estimate by ~5% to account for the current macroeconomic headwinds. We now value LTIM at 26x FY27E EPS (earlier 30x), leading to a revised TP of INR 5,150, implying a 14% upside from the current level.

**Exhibit 1: Deal win at USD1.6b, down ~5% QoQ; book-to-bill at 1.4x**


Source: MOFSL, Company

**Exhibit 2: Headcount normalization after anticipated 4Q deal execution did not materialize**


Source: MOFSL, Company

**Exhibit 3: North America and Europe declined QoQ**

Geographies (QoQ %)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	3.8	7.0	6.1	1.6	0.5	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9
Europe	3.5	-6.7	-0.4	4.5	4.4	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1
RoW	-2.2	-0.2	0.3	4.9	0.2	-7.8	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8

Source: MOFSL, Company

**Exhibit 4: Healthcare and Retail performed poorly in 4Q while BFSI and Manufacturing were defensive**

Verticals (QoQ %)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	4.0	5.7	4.6	5.8	2.7	-1.2	-1.1	-1.7	-2.7	2.8	3.9	3.3	1.2
Manufacturing	-2.2	-2.9	3.7	10.6	1.0	-1.0	5.1	14.3	-9.6	2.0	0.6	7.8	2.4
CPG, Retail & Pharma	3.5	3.7	2.3	1.1	2.4	-1.8	2.9	-3.2	1.4	-1.6	2.8	-0.3	-2.1
Technology, Media & Communications	4.1	5.3	3.9	-4.5	-1.5	3.2	2.0	-3.0	4.7	8.0	2.0	-5.7	-1.9
Healthcare	1.3	6.9	7.5	-5.1	-2.2	5.0	3.2	0.8	4.8	-7.9	6.1	-0.5	-13.3

Source: MOFSL, Company

**Quarterly Performance**

Y/E March	FY24				FY25				FY24	FY25	Est. 4QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131	4,287	4,493	1,136	(0.5)
QoQ (%)	0.1	1.6	0.8	-1.3	2.5	2.8	1.1	-0.7	4.4	4.8	-0.2	(46)
Revenue (INR B)	87	89	90	89	91	94	97	98	355	380	99	(0.8)
YoY (%)	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9	7.0	7.0	10.8	(89)
GPM (%)	31.6	31.4	29.9	29.8	30.3	30.8	28.8	27.9	30.7	29.4	29.0	(109)
SGA (%)	12.8	13.1	12.3	12.5	12.7	12.8	12.3	11.6	12.7	12.3	12.5	(92)
EBITDA	16	16	16	15	16	17	16	16	64	65	16	(1.8)
EBITDA Margin (%)	18.8	18.3	17.6	17.3	17.6	18.0	16.5	16.3	18.0	17.1	16.5	(17)
EBIT	15	14	14	13	14	15	13	13	56	55	14	(1.0)
EBIT Margin (%)	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	15.7	14.5	13.8	(3)
Other income	0.9	1.0	1.6	1.4	1.5	2.3	1.4	1.8	5	7	2	4
ETR (%)	25.0	23.5	24.3	24.0	25.6	25.8	26.2	26.2	24.2	25.9	25.0	
Adj PAT	12	12	12	11	11	13	11	11	46	46	12	(2.1)
QoQ (%)	3.4	0.9	0.6	-5.9	3.1	10.3	-13.2	3.9			6.1	
YoY (%)	4.1	-2.2	8.2	-1.2	-1.5	7.7	-7.1	2.5	2.1	0.4	4.7	
EPS (INR)	38.9	39.2	39.4	37.1	38.2	42.2	36.6	38.0	154.5	155.0	38.9	(2.2)

**Key Perform. Indicators**

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	0.1	1.7	0.7	-1.3	2.6	2.3	1.8	-0.6		
<b>Margins (%)</b>										
Gross Margin	31.6	31.4	29.9	29.8	30.3	30.8	28.8	27.9	30.7	29.4
EBIT Margin	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	15.7	14.5
Net Margin	13.2	13.1	13.0	12.4	12.4	13.3	11.2	11.5	12.9	12.1
<b>Operating metrics</b>										
Headcount	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307	81,650	84,307
Attrition (%)	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4	14.4	14.4
Utilization (excl. trainees)	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8	86.4	86.8
<b>Key Verticals (QoQ %)</b>										
BFSI	-1.2	-1.1	-1.7	-2.7	2.8	3.9	3.3	1.2	2.2	4.5
CMT	3.2	2.0	-3.0	4.7	8.0	2.0	-5.7	-1.9	1.7	8.5
MFG	-1.0	5.1	14.3	-9.6	2.0	0.6	7.8	2.4	14.6	7.2
Healthcare	5.0	3.2	0.8	4.8	-7.9	6.1	-0.5	-13.3	6.5	-2.8
CPG, Retail and Pharma	-1.8	2.9	-3.2	1.4	-1.6	2.8	-0.3	-2.1	1.9	-0.1
<b>Key Geographies (QoQ %)</b>										
North America	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9	5.9	7.0
Europe	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1	3.4	-1.2



## Key highlights from the management commentary

### Demand and industry outlook

- FY25 was a year of consolidation; discretionary spending remained muted in 4Q.
- 2H momentum slowed due to ongoing macro uncertainty, which persisted in 4Q.
- Strategic initiatives for FY26: 1) **Sales Transformation** – Realignment of service lines and sales structure to target a broader portion of client spend via the AI economy. 2) **Robust GTM** – Focus on multi-service, multi-delivery, and multi-geography models. 3) **Fit for Future** – Drive agility and profitability by reassessing direct/indirect costs, improving efficiency across sales and delivery. Margin improvement expected to start in 1QFY26.
- LTIM sees the current tech transformation phase (especially AI) as an opportunity. Demand in the current environment is concentrated around cost-saving, vendor consolidation, and tech modernization.
- Management is confident about a return to growth in 1QFY26.
- Order inflow was USD1.6b in 4QFY25, down ~4.7% QoQ. FY25 total TCV was USD6b. LTIM is adjusting its portfolio from a higher discretionary mix to longer-term efficiency programs. Some closed deals failed to ramp up as planned; certain 4Q deals got delayed.
- Engaged in a couple of large deal conversations with retail clients.
- Management expects order book in FY26 to be better than FY25, with deal ramp-ups starting from 1QFY26.
- Clients were largely in "wait-and-watch" mode during 4Q, but they are opening up now for conversations.
- **Manufacturing & Resources:** Growth supported by prior large deal wins. Deals are mostly signed for vendor consolidation, managed services, and ERP transformation. The outlook is steady and growth-oriented.
- **Technology, Media, and Communications:** Productivity gains delivered to the top client in 3Q and 4Q. No pricing reset has happened and no future impact is expected on pass-backs.
- **Consumer:** There were some client-specific issues in the Travel, Transport & Hospitality portfolios. Those clients are now planning new initiatives. No material impact observed from tariff-related changes.
- **Healthcare, Life Sciences & Public Services:** Segment declined 13% QoQ — the smallest vertical in the portfolio. No specific client issues. Business here is largely project-based, especially in healthcare and public services.
- Headcount was ramped up in 2Q/3Q in anticipation of 4Q deal execution, which did not materialize, leading to a drop in headcount.
- Onboarded 4,700 freshers in FY25 as part of pyramid correction strategy. AI-driven productivity to drive non-linear growth.
- Declared a final dividend of INR45/share for FY25.

### Margin performance

- 4Q EBIT margin was 13.8%, in line with our estimates. FY25 EBIT margin came in at 14.5%, down from 15.7% in FY24.
- Margin pressure in 3Q and 4Q was due to wage hikes.
- Focus areas for margin improvement would be pyramid correction and an improved span of control.

### Exhibit 5: Top client buckets dropped sequentially

Clients	Contribution to Revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	27.7	-1.4	3.5
Top 10 clients	34.3	-1.3	2.2
Top 20 clients	44.8	-2.2	3.2

Source: MOFSL, Company

### Exhibit 6: Changes to our estimates

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.0	86.0	86.0	86.0	0.0%	0.0%
USD Revenue (m)	4,723	5,125	4,810	5,297	-1.8%	-3.3%
Growth (%)	5.1	8.5	6.9	10.1	-180bps	-160bps
EBIT margin (%)	15.0	15.6	15.0	15.9	0bps	-40bps
PAT (INR m)	51,074	57,340	52,016	60,502	-1.8%	-5.2%
EPS	172.4	193.6	175.5	204.2	-1.8%	-5.2%

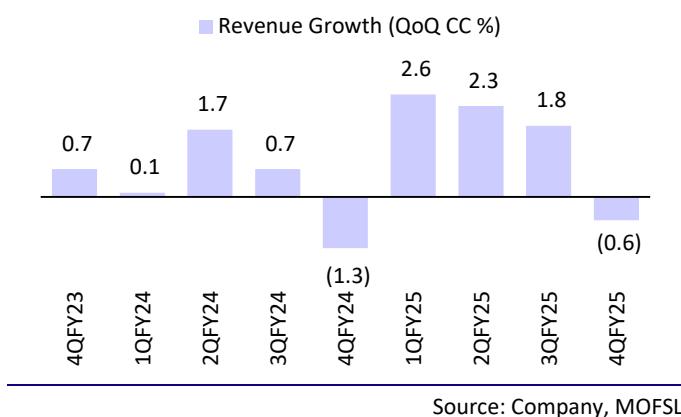
Source: MOFSL, Company

### Valuation and view

- **We maintain our BUY rating on LTIM**, supported by its capabilities in data engineering and ERP modernization. The current stock price also offers attractive valuation comfort. While our FY26 estimates remain largely unchanged, we lower our FY27 EPS estimate by ~5% to account for the current macroeconomic headwinds. We now value LTIM at 26x FY27E EPS, leading to a revised TP of INR5,150, implying a 14% upside from the current levels.

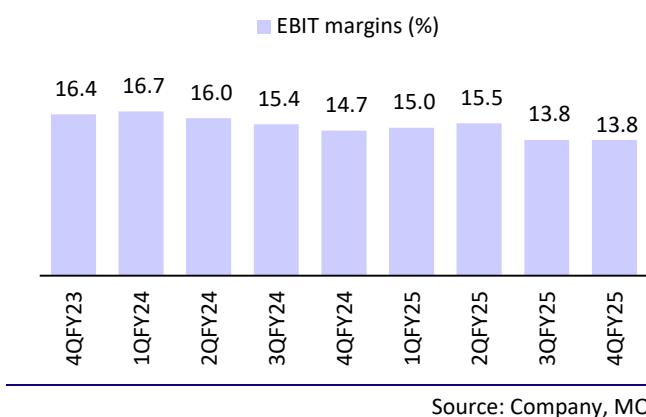
## Story in charts

### Exhibit 1: Revenue declined QoQ



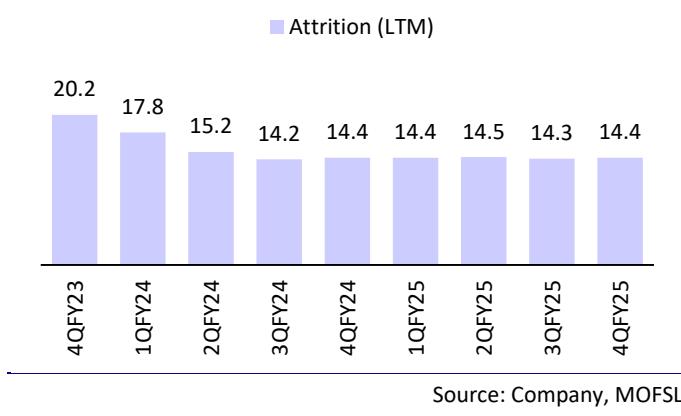
Source: Company, MOFSL

### Exhibit 2: EBIT margins were flat QoQ



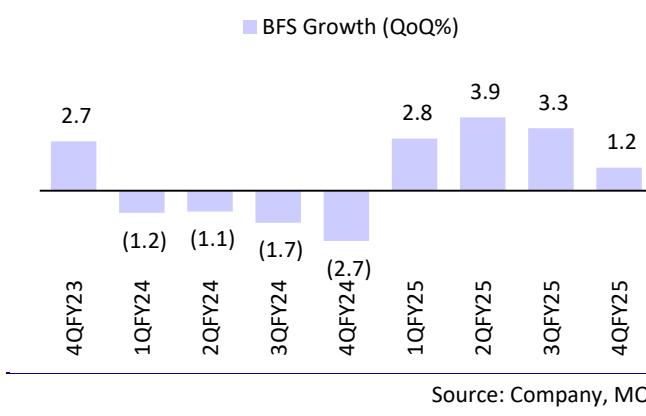
Source: Company, MOFSL

### Exhibit 3: Attrition remained stable



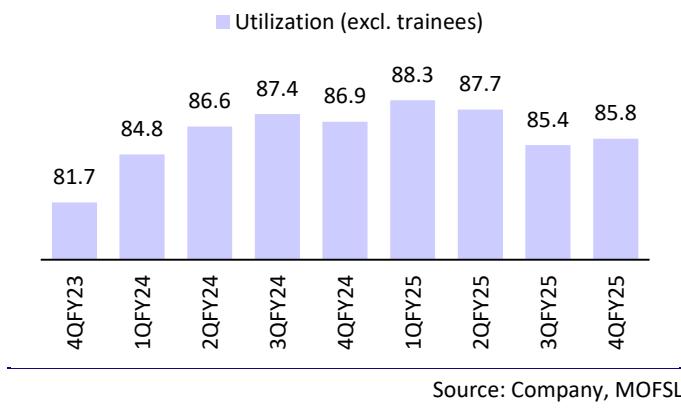
Source: Company, MOFSL

### Exhibit 4: BFSI continued its growth momentum despite macro headwinds



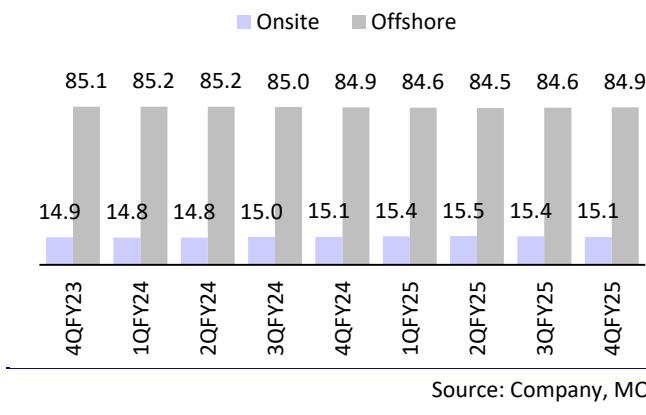
Source: Company, MOFSL

### Exhibit 5: Utilization inched up by 40bps in 4Q



Source: Company, MOFSL

### Exhibit 6: Effort mix remained unchanged



Source: Company, MOFSL

## Operating metrics

### Exhibit 1: Operating metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
<b>Revenue by verticals (%)</b>									
BFSI	38.0	37.5	36.5	35.6	35.1	35.2	35.6	36.4	37.1
Manufacturing	17.5	17.3	17.9	20.3	18.6	18.5	18.1	19.3	19.9
CPG, retail & pharma	15.4	15.1	15.3	14.7	15.1	14.5	14.5	14.3	14.1
High tech, media & entertainment	23.0	23.7	23.8	22.9	24.3	25.6	25.4	23.7	23.4
Healthcare, Life, Public Science	6.1	6.4	6.5	6.5	6.9	6.2	6.4	6.3	5.5
<b>Revenue by geography (%)</b>									
North America	71.9	73.1	73.4	72.7	73.8	75.1	75.0	74.7	74.5
Europe	15.4	15.2	15.3	14.5	14.6	14.4	14.4	13.8	13.6
ROW	12.7	11.7	11.3	12.8	11.6	10.5	10.6	11.5	11.9
<b>Client metrics (% of revenues)</b>									
Top 5 client	25.4	26.7	26.8	27.5	28.3	28.8	28.4	27.9	27.7
Top 10 client	32.9	34.1	34.3	35.3	35.5	35.7	35.0	34.5	34.3
Top 20 client	44.0	44.9	45.2	45.9	45.9	46.2	45.8	45.5	44.8
Top 40 client	56.8	57.2	57.6	58.5	58.0	58.9	58.2	58.1	57.2
Non-Top 20 clients	56.0	55.1	54.8	54.1	54.1	53.8	54.2	54.5	55.2
Number of active clients	728	723	737	739	738	748	742	742	741
New clients added in the period	31	19	30	23	30	27	22	23	26
<b>Million \$ clients</b>									
5 Million \$ clients	146	148	146	149	153	148	154	152	154
10 Million \$ clients	81	88	90	89	91	87	88	90	89
20 Million \$ clients	38	40	41	40	40	43	42	39	40
50 Million \$ clients	13	13	14	12	13	12	12	13	14
100 Million \$ clients	2	2	2	2	2	2	2	2	2
<b>Employee metrics</b>									
Development	80,283	77,555	78,276	77,203	76,460	76,837	79,374	81,641	79,081
Sales and support	4,263	5,183	5,256	5,268	5,190	5,097	5,064	5,159	5,226
<b>Total employees</b>	<b>84,546</b>	<b>82,738</b>	<b>83,532</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>Efforts mix</b>									
Onsite	14.9	14.8	14.8	15.0	15.1	15.4	15.5	15.4	15.1
Offshore	85.1	85.2	85.2	85.0	84.9	84.6	84.5	84.6	84.9
<b>Utilization measures</b>									
Excluding trainees	81.7	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8
<b>Attrition LTM (%)</b>	<b>20.2</b>	<b>17.8</b>	<b>15.2</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>

Source: Company, MOFSL

## Financials and valuations

Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Sales</b>	<b>2,69,413</b>	<b>2,86,287</b>	<b>2,61,086</b>	<b>3,31,830</b>	<b>3,55,170</b>	<b>3,80,081</b>	<b>4,05,917</b>	<b>4,40,479</b>
Change (%)	12.2	6.3	(8.8)	27.1	7.0	7.0	6.8	8.5
Cost of Services	1,77,967	1,95,985	1,78,271	2,32,037	2,46,214	2,68,217	2,86,671	3,11,609
<b>Gross Profit</b>	<b>91,446</b>	<b>90,302</b>	<b>82,815</b>	<b>99,793</b>	<b>1,08,956</b>	<b>1,11,864</b>	<b>1,19,246</b>	<b>1,28,870</b>
SG&A Expenses	36,068	26,759	30,330	37,915	45,082	46,915	47,493	50,655
<b>EBITDA</b>	<b>55,378</b>	<b>63,543</b>	<b>52,485</b>	<b>61,878</b>	<b>63,874</b>	<b>64,949</b>	<b>71,752</b>	<b>78,215</b>
% of Net Sales	20.6	22.2	20.1	18.6	18.0	17.1	17.7	17.8
Depreciation	8,239	8,520	5,971	7,227	8,189	9,915	10,960	9,691
<b>EBIT</b>	<b>47,139</b>	<b>55,023</b>	<b>46,514</b>	<b>54,651</b>	<b>55,685</b>	<b>55,034</b>	<b>60,792</b>	<b>68,525</b>
% of Net Sales	17.5	19.2	17.8	16.5	15.7	14.5	15.0	15.6
Other Income	1,796	3,410	6,426	4,065	4,802	7,108	7,307	7,929
<b>PBT</b>	<b>48,934</b>	<b>58,434</b>	<b>52,940</b>	<b>58,716</b>	<b>60,487</b>	<b>62,142</b>	<b>68,099</b>	<b>76,453</b>
Tax	8,780	14,262	13,439	13,812	14,641	16,122	17,025	19,113
Rate (%)	17.9	24.4	25.4	23.5	24.2	25.9	25.0	25.0
Minority Interest	0	0	0	11	25	27	0	0
Extraordinary	0	-571	0	800	0	0	0	0
<b>Adjusted PAT</b>	<b>40,154</b>	<b>44,172</b>	<b>39,501</b>	<b>44,904</b>	<b>45,846</b>	<b>46,020</b>	<b>51,074</b>	<b>57,340</b>
Change (%)	-3	10	-11	14	2	0	11	12

Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	174	175	296	296	296	296	296	296
Reserves	53,866	72,859	1,42,576	1,65,625	1,99,876	2,26,687	2,56,400	2,89,757
<b>Net Worth</b>	<b>54,040</b>	<b>73,034</b>	<b>1,42,872</b>	<b>1,65,921</b>	<b>2,00,172</b>	<b>2,26,983</b>	<b>2,56,696</b>	<b>2,90,053</b>
Minority Interest	11	37	57	71	92	132	132	132
Other liabilities	10,886	7,697	11,972	14,143	17,934	19,526	19,511	19,553
<b>Capital Employed</b>	<b>64,937</b>	<b>80,768</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,46,641</b>	<b>2,76,338</b>	<b>3,09,739</b>
<b>Net Block</b>	<b>12,104</b>	<b>10,481</b>	<b>13,772</b>	<b>17,823</b>	<b>21,224</b>	<b>25,406</b>	<b>22,446</b>	<b>20,756</b>
Intangibles	7,684	9,241	14,861	15,452	15,078	14,212	14,212	14,212
Other LT Assets	5,170	6,056	27,805	29,789	50,798	57,303	49,675	52,198
<b>Curr. Assets</b>	<b>63,290</b>	<b>81,313</b>	<b>1,49,386</b>	<b>1,71,897</b>	<b>1,88,530</b>	<b>2,09,379</b>	<b>2,42,427</b>	<b>2,78,555</b>
Current Investments	22,186	36,282	57,882	53,349	77,494	88,999	1,08,999	1,28,999
Debtors	27,541	26,906	56,271	72,284	70,387	76,882	71,174	77,235
Cash & Bank Balance	5,252	7,594	14,462	23,389	18,200	20,623	31,104	38,752
Other Current Assets	8,311	10,531	20,771	22,875	22,449	22,875	31,150	33,570
<b>Current Liab. &amp; Prov</b>	<b>23,311</b>	<b>26,323</b>	<b>50,923</b>	<b>54,826</b>	<b>57,432</b>	<b>59,659</b>	<b>52,422</b>	<b>55,982</b>
Trade payables	7,269	8,277	13,250	12,938	14,939	15,499	10,148	11,012
Other liabilities	13,454	14,504	31,381	33,754	34,007	34,469	32,584	35,279
Provisions	2,588	3,542	6,292	8,134	8,486	9,691	9,691	9,691
<b>Net Current Assets</b>	<b>39,979</b>	<b>54,990</b>	<b>98,463</b>	<b>1,17,071</b>	<b>1,31,098</b>	<b>1,49,720</b>	<b>1,90,005</b>	<b>2,22,573</b>
<b>Application of Funds</b>	<b>64,937</b>	<b>80,768</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,46,641</b>	<b>2,76,338</b>	<b>3,09,739</b>

# Pro Forma P&L statement for the combined entity (LTIM) from FY20 to FY21

\* Standalone (LTI) Balance Sheet from FY20 to FY21

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>EPS</b>	89.4	98.9	133.5	151.8	154.8	155.3	172.4	193.6
Cash EPS	107.8	117.8	153.7	173.5	182.5	188.8	209.4	226.3
Book Value	120.3	161.5	483.0	560.9	676.0	766.2	866.5	979.1
DPS	22.7	37.6	63.9	60.0	65.0	65.0	72.1	81.0
Payout (%)	25.4	38.0	47.9	39.5	42.0	41.8	41.8	41.8
<b>Valuation (x)</b>								
P/E ratio	50.7	45.8	34.0	29.9	29.3	29.2	26.3	23.4
Cash P/E ratio	42.1	38.5	29.5	26.1	24.9	24.0	21.7	20.1
EV/EBITDA ratio	36.3	31.6	24.2	20.4	19.5	19.0	16.8	15.0
EV/Sales ratio	7.5	7.0	4.9	3.8	3.5	3.2	3.0	2.7
Price/Book Value ratio	37.7	28.1	9.4	8.1	6.7	5.9	5.2	4.6
Dividend Yield (%)	0.5	0.8	1.4	1.3	1.4	1.4	1.6	1.8
<b>Profitability Ratios (%)</b>								
RoE	78.0	70.4	36.6	26.1	24.4	23.3	21.1	21.0
RoCE	67.2	57.1	29.5	24.9	21.2	19.0	17.4	17.5
<b>Turnover Ratios</b>								
Debtors (Days)	37.31	34.30	79	80	72	74	64	64
Fixed Asset Turnover (x)	22.3	27.3	19.0	18.6	16.7	15.0	18.1	21.2

Cash Flow Statement	(INR m)					
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	44,695	48,591	50,720	50,261	62,034	67,030
Cash for Working Capital	-12,188	-17,645	5,975	-4,803	-2,192	-7,400
<b>Net Operating CF</b>	<b>32,507</b>	<b>30,946</b>	<b>56,695</b>	<b>45,458</b>	<b>59,842</b>	<b>59,630</b>
Net Purchase of FA	-10,529	-9,346	-8,330	-9,336	-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>51,842</b>	<b>51,630</b>
Net Purchase of Invest.	-5,924	6,037	-30,791	-8,046	-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>
Proc. from equity issues	2	12	0	0	0	0
Proceeds from LTB/STB	-3,529	-3,702	-4,947	-6,498	0	0
Dividend Payments	-13,277	-15,627	-17,753	-19,246	-21,362	-23,982
<b>Cash Flow from Fin.</b>	<b>-16,804</b>	<b>-19,317</b>	<b>-22,700</b>	<b>-25,744</b>	<b>-21,362</b>	<b>-23,982</b>
Exchange difference	21	607	-63	91	0	0
<b>Net Cash Flow</b>	<b>-729</b>	<b>8,927</b>	<b>-5,189</b>	<b>2,423</b>	<b>10,481</b>	<b>7,648</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>31,104</b>
Add: Net Cash	-729	8,927	-5,189	2,423	10,481	7,648
<b>Closing Cash Bal.</b>	<b>14,462</b>	<b>23,389</b>	<b>18,200</b>	<b>20,623</b>	<b>31,104</b>	<b>38,752</b>

E: MOFSL estimates

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SELL	< - 10%
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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