23 April 2026

4QFY26 Results Update | Sector: Technology

LTM

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	LTM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1343.6 / 14.3
52-Week Range (INR)	6430 / 4000
1, 6, 12 Rel. Per (%)	3/-13/1
12M Avg Val (INR M)	1663

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	423.1	476.5	522.2
EBIT Margin (%)	15.4	15.8	16.0
Adj. PAT	53.8	62.9	69.5
Adj. EPS (INR)	182.5	213.0	235.5
EPS Gr. (%)	17.5	16.7	10.6
BV/Sh. (INR)	816.2	950.3	1,101.6
Ratios			
RoE (%)	21.3	24.1	22.9
RoCE (%)	18.3	19.2	18.6
Payout (%)	35.8	35.8	35.8
Valuations			
P/E (x)	24.8	21.3	19.2
P/BV (x)	5.6	4.8	4.1
EV/EBITDA (x)	15.7	13.8	12.0
Div Yield (%)	1.4	1.7	1.9

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.5	68.5	68.6
DII	17.0	16.9	15.6
FII	6.6	6.5	7.0
Others	7.8	8.0	8.8

FII includes depository receipts

CMP: INR4,532 TP: INR5,400 (+19%) Buy

In a better spot

Growth better placed vs. peers; BFSI recovery key

- LTM reported revenue of USD1.2b in 4QFY26, up 1.2% QoQ in constant currency (CC) vs. our estimate of 1.5% QoQ CC growth. EBIT margin at 15.1% was in line with our estimate of 15.2%. Adj. PAT came in at INR13.4b, down 4.3% QoQ/up 18.8% YoY below our estimate of INR14b.
- In INR terms, revenue/EBIT/adj. PAT grew 11.3%/18.2%/16.9% YoY in FY26. In 1QFY27, we expect revenue/EBIT/adj. PAT to grow 17.2%/27.9%/20% YoY. Free cash flow stood at 78% of net profit in FY26. FY26 RoE came in at 21.3% (vs. 23.3%/24.4%/26.1% in FY25/FY24/FY23). We maintain BUY with a **TP of INR5,400** (valuing at **23x FY28E EPS)**, implying ~19% upside.

Our view: Front-ended productivity hits place it better vs. peers

- **Good quarter, but elusive on growth acceleration:** 4Q was healthy with revenue of **USD1.22b (+1.2% QoQ, +8.1% YoY)** and FY26 revenue growth was **~6% YoY**. LTM reported strong deal wins with **TCV of USD1.7b in 4Q and USD6.6b in FY26 (+10% YoY)**, along with a robust pipeline. The impact of AI-led productivity has been largely front-loaded in key top accounts, which should reduce near-term disruption.
- Overall, LTM appears better placed vs. peers on execution and pipeline visibility, **though we still model a measured revenue growth trajectory of ~7-8% over FY27-28.** We believe this is a better outcome vs peers; however, we remain watchful in the next couple of quarters as a slower-than-expected recovery in the top BFS account poses risks to these estimates.
- **Top BFSI account recovery to take longer after reset in 4Q**: The top BFSI account saw a steeper decline in 4Q (-4.9% QoQ) due to a deliberate productivity reset. While management indicated that it was likely the bottom, the recovery would be gradual and slower than the pace of decline. **This implies a continued drag from the top account in the near term, even as the rest of BFSI segment remains healthy and growing**.
- **Hi-Tech back on growth:** The Technology, Media & Comms vertical saw a stronger-than-expected recovery in 4Q, driven by a faster ramp-up of certain cloud and transformation programs (especially in top accounts). While management cautioned against extrapolating the strong uptick, near-term momentum appears to have improved after a weak phase.
- **Margins – focus on balanced growth, gradual expansion:** FY26 margins improved ~90bp YoY (15.4%), supported by cost programs. 4Q saw a ~100bp QoQ dip due to wage hikes and productivity commitments. **We believe margin expansion could be restricted to 50bp in the next couple of years as pricing pressure and competitive intensity dominate**, but productivity pass-throughs for major accounts are behind and there are potential upsides.

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- **Ambition to double revenue in five years – high growth aspiration, but execution risk remains: Management aims to double revenue over the next five years, implying a ~15% CAGR, likely** supported by a mix of organic growth and inorganic contributions. While this signals a clear intent to operate at a structurally higher growth plane vs. large-cap peers, we remain wary given the steep ramp-up required from current growth levels and the dependence on successful AI monetization and M&A execution. The ambition is notable, but the path to delivery remains less defined at this stage.

Valuation and changes to our estimates

- We believe LTM's estimated EPS CAGR of 14% for the next two years remains meaningfully better than that of large-caps; productivity pain for key accounts is behind, and this could be positive vs. peers in the next couple of years. While growth acceleration remains measured at ~7-8% over FY27-FY28 and the recovery in the top BFSI account recovery is likely to be gradual, strong deal wins and a robust pipeline provide visibility. We cut our estimates by 2-3% for FY27/FY28. We value the company at **23x FY28E EPS, implying a TP of INR5,400 and ~19**% upside. Reiterate BUY.

Miss on revenue and margins in line; Technology and HLS-led vertical growth

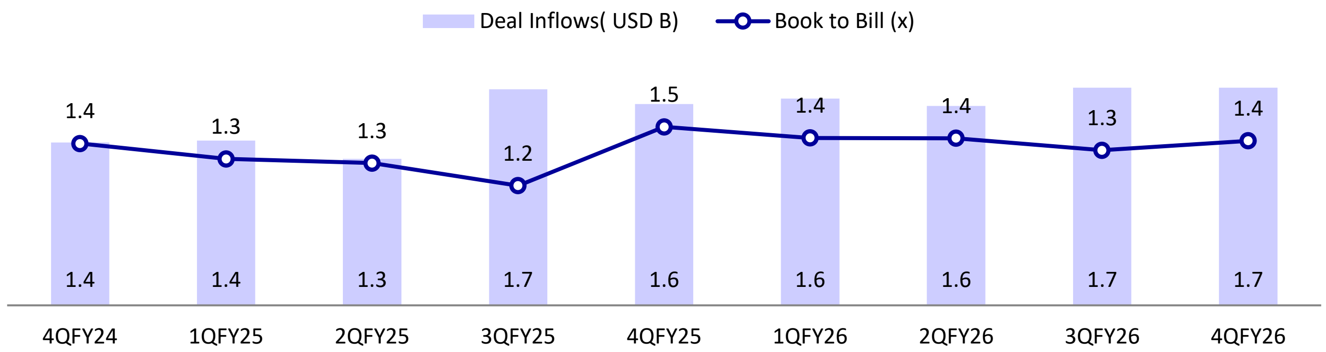
- Revenue stood at USD1.2b, up 1.2% QoQ CC vs. our estimate of 1.5% QoQ CC. Reported USD revenue was up 1.2% QoQ/8.1% YoY. For FY26, revenue stood at USD4.8b, up 5.3% YoY CC.
- HLS/Technology grew 8.9%/8.3% QoQ, whereas BFSI declined 4.9% QoQ.
- EBIT margin at 15.1% was in line with our estimate of 15.2% for 4Q. FY26 EBIT margin stood at 15.4% vs. 14.5% in FY25.
- Employee metrics: Software headcount increased by 93 (0.1% QoQ), utilization declined by 120bp QoQ to 85.7%, and attrition was down 50bp QoQ at 13.3%.
- Adj. PAT came in at INR13.4b, down 4.3% QoQ/up 18.8% YoY, below our est. of INR14b in 4Q. For FY26, adj. PAT stood at INR54b, up 16.9% YoY.
- Order inflows were flat at USD1.7b. For FY26, the order book stood at USD6.6b.
- The company declared a final dividend of INR53/share for FY26.

Key highlights from the management commentary

- Management sees continued demand for AI-led transformation heading into FY27 and remains confident in sustaining growth momentum built during FY26.
- FY27 is expected to be the inflection year for AI-led business process spending as enterprise readiness broadens; contract structures will evolve accordingly from project-based to longer-duration engagements.
- Clients are not triggering early contract renegotiations; LTM is managing competitive pressure through deeper domain context, delivery model innovation, and commercial differentiation - and has won more competitive renewals than it has lost in FY26.
- Four out of five verticals delivered double-digit YoY growth in 4Q; three out of five delivered double-digit growth for the full year.

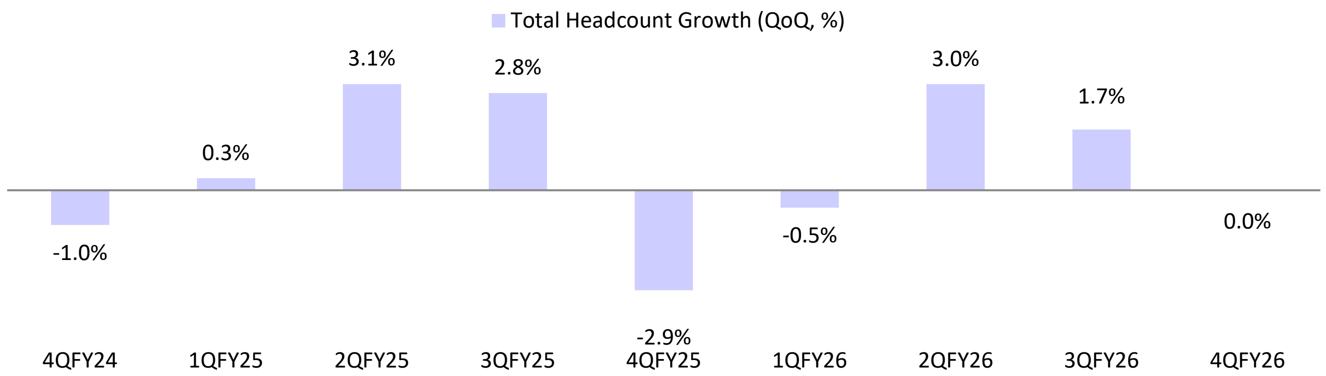
- Large deals announced in 1HFY26 are in the final stages of transition ramp-up; the CBDT deal carries a longer transition timeline due to hardware delivery dependencies and is expected to ramp up in FY27.
- **BFSI**: LTM is positioned as a prime supplier for up to seven of the largest global banks - a structural advantage as spending recovers and AI transformation programs scale up.

Exhibit 1: Deal wins of USD1.7b, flat YoY; book-to-bill at 1.4x



Source: MOFSL, Company

Exhibit 2: Headcount growth was nil



Source: MOFSL, Company

Exhibit 3: Europe-led growth in 4Q

Geographies	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26	4QFY26
North America	0.5	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9	1.8	2.0	0.4	0.5
Europe	4.4	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1	5.3
RoW	0.2	-7.8	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8	-5.7	3.3	14.4	0.3

Exhibit 4: Technology and HLS-led growth in 4QFY26

Verticals	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	1QFY26	2QFY26	3QFY26	4QFY26
BFSI	2.7	-1.2	-1.1	-1.7	-2.7	2.8	3.9	3.3	1.2	1.7	0.1	-0.7	-4.9
Manufacturing	1.0	-1.0	5.1	14.3	-9.6	2.0	0.6	7.8	2.4	0.4	1.8	9.2	0.7
CPG, Retail & Pharma	2.4	-1.8	2.9	-3.2	1.4	-1.6	2.8	-0.3	-2.1	5.6	9.3	1.1	2.5
Technology, Media & Communication	-1.5	3.2	2.0	-3.0	4.7	8.0	2.0	-5.7	-1.9	1.1	0.1	0.1	8.0
Healthcare	-2.2	5.0	3.2	0.8	4.8	-7.9	6.1	-0.5	-13.3	3.8	9.6	10.9	8.9

Source: MOFSL, Company

Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY26	(% / bp)
Revenue (USD m)	1,096	1,127	1,139	1,131	1,153	1,180	1,208	1,222	4,493	4,763	1,228	(0.5)
QoQ (%)	2.5	2.8	1.1	-0.7	2.0	2.3	2.4	1.2	4.8	6.0	1.6	(47)
Revenue (INR B)	91	94	97	98	98	104	108	113	380	423	112	0.8
YoY (%)	5.1	5.9	7.1	9.9	7.6	10.2	11.6	15.6	7.0	11.3	14.6	94
GPM (%)	30.3	30.8	28.8	27.9	29.1	30.3	29.4	27.8	29.4	29.1	29.0	(123)
SGA (%)	12.7	12.8	12.3	11.6	12.3	11.7	10.8	10.3	12.3	11.3	11.3	(101)
EBITDA	16	17	16	16	16	19	20	20	65	76	20	(0.5)
EBITDA Margin (%)	17.6	18.0	16.5	16.3	16.8	18.6	18.6	17.5	17.1	17.9	17.7	(23)
EBIT	14	15	13	13	14	16	17	17	55	65	17	0.4
EBIT Margin (%)	15.0	15.5	13.8	13.8	14.3	15.9	16.1	15.1	14.5	15.4	15.2	(6)
Other income	1.5	2.3	1.4	1.8	3.2	2.3	1.6	1.1	7	8	2	(46)
ETR (%)	25.6	25.8	26.2	26.2	27.3	26.5	26.0	26.3	25.9	26.5	25.0	
Adj PAT	11	13	11	11	13	14	14	13	46	54	14	(6.1)
QoQ (%)	3.1	10.3	-13.2	3.9	11.2	10.1	1.5	-4.3			1.9	
YoY (%)	-1.5	7.7	-7.1	2.5	10.5	10.4	29.0	18.8	0.4	16.9	26.5	
Exceptional Items	0	0	0	0	0	0	4	0	0	4	0.0	
PAT	11	13	11	11	13	14	10	14	46	50	14	(2.8)
EPS (INR)	38.2	42.2	36.6	38.0	42.3	47.2	47.6	45.4	155.0	182.5	48.6	(6.6)

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	2.6	2.3	1.8	-0.6	0.8	2.4	2.4	1.2		
Margins (%)										
Gross Margin	30.3	30.8	28.8	27.9	29.1	30.3	29.4	27.8	29.4	29.1
EBIT Margin	15.0	15.5	13.8	13.8	14.3	15.9	16.1	15.1	14.5	15.4
Net Margin	12.4	13.3	11.2	11.5	12.7	13.3	13.0	11.9	12.1	12.7
Operating metrics										
Headcount	81,934	84,438	86,800	84,307	83,889	86,447	87,958	87,950	84,307	87,950
Attrition (%)	14.4	14.5	14.3	14.4	14.4	14.2	13.8	13.3	14.4	13
Utilization (excl. trainees)	88.3	87.7	85.4	85.8	88.1	88.1	86.9	85.7	86.8	87.2
Key Verticals (QoQ %)										
BFSI	2.8	3.9	3.3	1.2	1.7	0.1	-0.7	-4.9	4.5	3.7
CMT	8.0	2.0	-5.7	-1.9	1.1	0.1	0.1	8.0	8.5	-0.7
MFG	2.0	0.6	7.8	2.4	0.4	1.8	9.2	0.7	7.2	12.8
Healthcare	-7.9	6.1	-0.5	-13.3	3.8	9.6	10.9	8.9	-2.8	9.3
CPG, Retail and Pharma	-1.6	2.8	-0.3	-2.1	5.6	9.3	1.1	2.5	-0.1	13.1
Key Geographies (QoQ %)										
North America	4.3	2.6	0.7	-0.9	1.8	2.0	0.4	0.5	7.0	4.0
Europe	1.1	2.8	-3.1	-2.1	10.2	2.3	3.1	5.3	-1.2	12.5

CONFERENCE CALL

Key highlights from the management commentary

Demand and industry outlook

- Management sees continued demand for AI-led transformation heading into FY27 and remains confident in sustaining growth momentum built through FY26.
- FY27 is expected to be the inflection year for AI-led business process spend as enterprise readiness broadens; contract structures will evolve accordingly from project-based to longer-duration engagements.
- Clients are not triggering early contract renegotiations; LTM is managing competitive pressure through deeper domain context, delivery model innovation, and commercial differentiation - and has won more competitive renewals than it has lost in FY26.
- Four out of five verticals delivered double-digit YoY growth in 4Q; three out of five delivered double-digit growth for the full year.
- Large deals announced in 1HFY26 are in the final stages of transition ramp; the CBDT deal carries a longer transition timeline due to hardware delivery dependencies and is expected to ramp up in FY27.
- Client spend remains structured across three categories: (1) core IT run/build systems - long-term 3-5 year contracts, stable; (2) modernization programs - project-duration, discretionary; (3) AI adoption and business process reimagination - scaling up from project-based to long-term operational constructs through FY27.
- FY26 full-year revenue reached USD4.76b, up 6% in USD terms and 5.3% in CC, reflecting broad-based growth despite top-account headwinds.
- FY26 total order inflow reached USD6.6b, up 10.3% YoY; large deal momentum was exceptional with a 300% YoY jump in large deal wins and six USD100m-plus deals won across each quarter of the year.
- Key 4Q deal wins: (1) Central Board of Direct Taxes - modernization of India's national direct tax analytics platform; (2) a European medtech company - multi-year product development engagement; (3) a US global financial institution - AI-led business process reimagination as part of operating model transformation; (4) a US enterprise software provider - AI-driven digital transformation across its customer ecosystem; (5) a US P&C insurer - AI and automation-led reimagination of HR and finance back-office workflows.
- Management aspires to **increase order bookings further into FY27** and views consistency in deal closures as the structural foundation for industry-leading growth.
- **BFSI**: LTM is positioned as a prime supplier for up to seven of the largest global banks - a structural advantage as spending recovers and AI transformation programs scale.
- Recovery in the top BFSI account is expected to begin in 1QFY27, though the pace of recovery is unlikely to match the pace of the prior decline; except for the top account, BFSI grew well ahead of the vertical average through FY26.
- **Technology, Media & Communications:** It declined 0.7% in FY26, impacted by the productivity transition at the top account in 1H; the segment witnessed a faster-than-expected recovery in 4Q, driven by accelerated cloud ramp-ups.

Management expects near-term momentum to continue; the top-account headwind is now largely resolved.

- **Manufacturing:** Manufacturing and Resources delivered 12.7% growth in FY26, one of the strongest full-year performances across verticals; this segment will be reported as 'Production' from 1QFY27 to reflect its expanded energy and utilities scope.
- **Healthcare, Life Sciences & Public Services:** It grew 9.6% for FY26; this vertical will be merged into the Consumer segment under the new four-segment reporting structure from 1QFY27.
- **India:** India growth was driven by the CBDT deal ramp-up; sovereign AI stack and government digital infrastructure are emerging as a key growth area.
- **Europe:** Potential inorganic opportunities in aerospace, defense, and automotive in Europe are being actively evaluated to accelerate penetration.
- Utilization, excluding trainees, dipped to 85.7% from 86.9% in 3Q; the delivery model is transitioning from a traditional pyramid to a skill-based, roles-driven workforce structure.
- Partnerships with IIT Kharagpur and MIT were formalized for deep-dive AI training; 30,000 developers trained on GitHub Copilot and 1,000+ engineers on Claude (Anthropic) skills.
- BlueVerse ecosystem expanded with three new platforms: **Agent IQ** (agentic platform technology operations), App IQ (AI-led application modernization), and Fusion IQ (quality engineering at scale).
- Salesforce partnership formalized to co-create Blue Max, an agentic marketing execution solution built on AgentForce and Salesforce Marketing Cloud.
- Key AI client outcomes in 4Q: (1) enterprise-scale AI platform deployed across legal, manufacturing, and procurement for a global automaker; (2) AI automation CoE for a water management manufacturer - 40% reduction in cycle times; (3) unified HR platform across 70+ countries for a global aerospace manufacturer - 62% reduction in service requests.
- Lakshya 31 five-year strategy anchored in three AI pivots: (1) domain-technology convergence; (2) reimagined lines of business - iRun, iTransform, Business AI; (3) reimagined partner ecosystem deepening hyperscaler and new-age AI platform relationships.
- Management has set a target to double revenue over five years, with both organic and inorganic components; acquisition priorities include capability jumps, European sovereign AI stack, and geographic white spaces.
- Segment reporting will be consolidated to four verticals from 1QFY27: BFSI, Technology Media & Communication, Production, and Consumer.

Margin performance

- FY26 full-year operating EBIT margin improved 90bp YoY to 15.4%, reflecting delivery of Fit4Future objectives across the year.
- 4QFY26 EBIT margin declined 100bp QoQ to 15.1%, primarily due to partial wage hikes implemented from 1st Jan’26, covering 50% of the workforce, partially offset by forex benefits; productivity commitments in key accounts were an additional headwind.

- Adjusted PAT for FY26 was INR53.7b, up 17% YoY; reported PAT, including the labor code exceptional item, was INR49.8b, up 8.3% YoY. Adjusted PAT margin was 12.7% for FY26.
- Management is targeting continued margin expansion under the New Horizons program.
- FY26 OCF-to-PAT was 96.3% and FCF-to-PAT was 78.1%; cash and investments hit an all-time high of USD1.63b (Rs.15,445 crores) at year-end.

Exhibit 5: Top client contributions

Clients	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	22.5	-5.2	-12.2
Top 10 clients	30.7	-2.0	-3.3
Top 20 clients	41.6	-2.8	0.3

Source: MOFSL, Company

Exhibit 6: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	93.8	95.0	93.8	95.0	0.0%	0.0%
USD Revenue (m)	5,078	5,497	5,160	5,647	-1.6%	-2.7%
Growth (%)	6.6	8.2	8.2	9.4	-160bps	-120bps
EBIT margin (%)	15.8	16.0	16.0	16.0	-20bps	0bps
Adj. PAT (INR m)	62,886	69,548	64,581	71,452	-2.6%	-2.7%
Adj. EPS	213.0	235.5	219.8	243.2	-3.1%	-3.2%

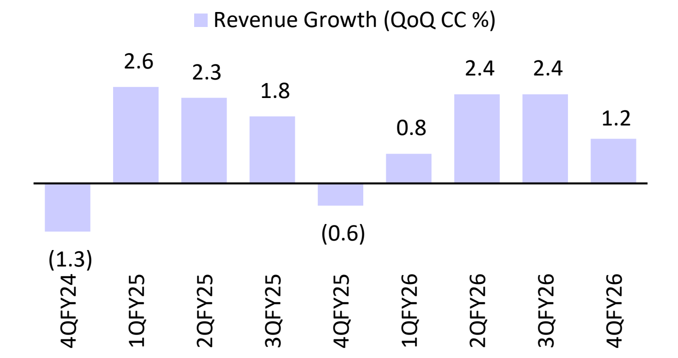
Source: MOFSL, Company

Valuation and view

- We believe LTM's estimated EPS CAGR of 14% for the next two years remains meaningfully better than that of large-caps; productivity pain for key accounts is behind, and this could be positive vs. peers in the next couple of years. While growth acceleration remains measured at ~7-8% over FY27-FY28 and the recovery in the top BFSI account recovery is likely to be gradual, strong deal wins and a robust pipeline provide visibility. We cut our estimates by 2-3% for FY27/FY28. We value the company at **23x FY28E EPS, implying a TP of INR5,400 and ~19**% upside. Reiterate BUY**.**

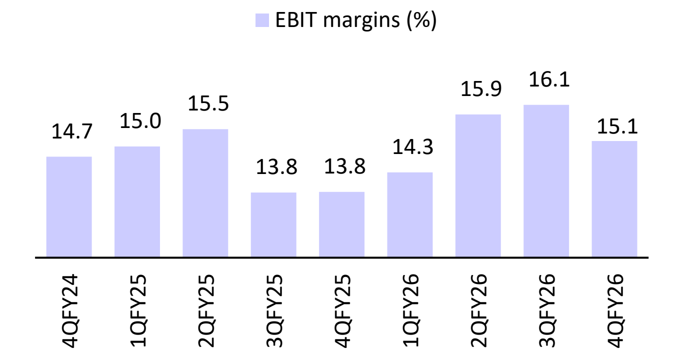
Story in charts

Exhibit 7: Revenue grew 1.2% QoQ



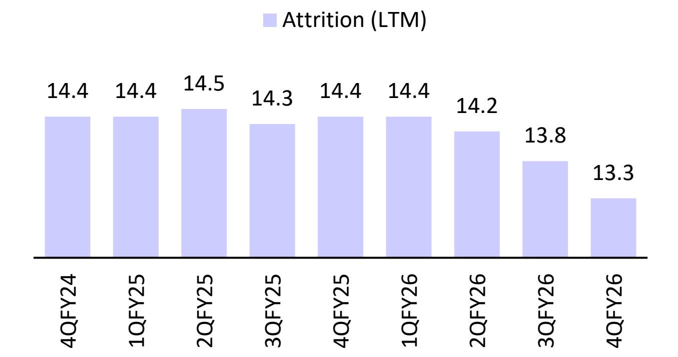
Source: Company, MOFSL

Exhibit 8: EBIT margin declined 100bp QoQ



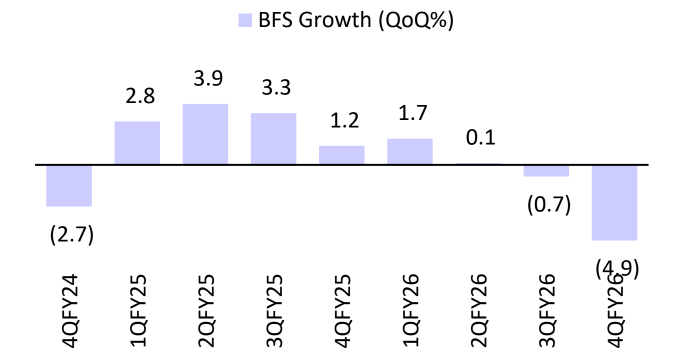
Source: Company, MOFSL

Exhibit 9: Attrition dropped 50bp QoQ



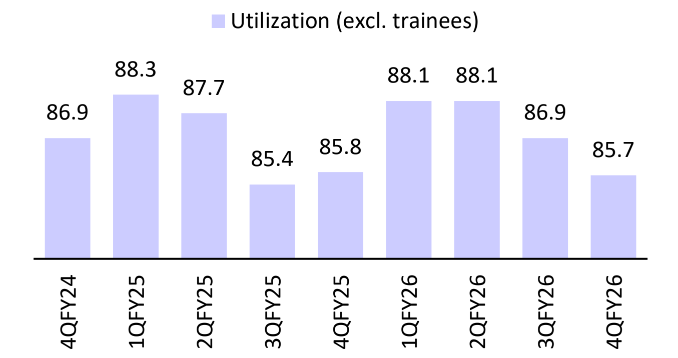
Source: Company, MOFSL

Exhibit 10: BFSI growth remained muted sequentially



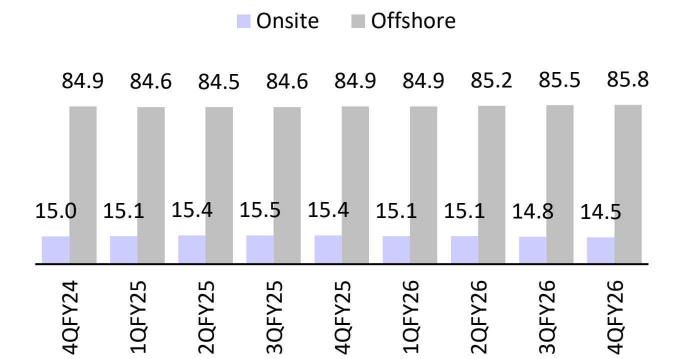
Source: Company, MOFSL

Exhibit 11: Utilization declined 120bp QoQ



Source: Company, MOFSL

Exhibit 12: The effort mix remained stable



Source: Company, MOFSL

Operating metrics

Exhibit 13: Operating metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Revenue by verticals (%)									
BFSI	35.1	35.2	35.6	36.4	37.1	37.0	36.2	35.1	33.0
Manufacturing	18.6	18.5	18.1	19.3	19.9	19.6	19.5	20.8	20.7
CPG, retail & pharma	15.1	14.5	14.5	14.3	14.1	14.6	15.6	15.4	15.6
High tech, media & entertainment	24.3	25.6	25.4	23.7	23.4	23.2	22.7	22.2	23.7
Healthcare, Life, Public Science	6.9	6.2	6.4	6.3	5.5	5.6	6.0	6.5	7.0
Revenue by geography (%)									
North America	73.8	75.1	75.0	74.7	74.5	74.4	74.2	72.8	72.3
Europe	14.6	14.4	14.4	13.8	13.6	14.7	14.7	14.8	15.4
ROW	11.6	10.5	10.6	11.5	11.9	11.0	11.1	12.4	12.3
Client metrics (% of revenues)									
Top 5 client	28.3	28.8	28.4	27.9	27.7	27.3	25.3	24.0	22.5
Top 10 client	35.5	35.7	35.0	34.5	34.3	34.3	32.8	31.7	30.7
Top 20 client	45.9	46.2	45.8	45.5	44.8	44.5	43.5	43.3	41.6
Top 40 client	58.0	58.9	58.2	58.1	57.2	56.8	56.1	56.8	55.3
Non-Top 20 clients	54.1	53.8	54.2	54.5	55.2	55.5	56.5	56.7	55.3
Number of active clients	738	748	742	742	741	741	749	746	751
New clients added in the period	30	27	22	23	26	17	23	26	13
Million $ clients									
5 Million $ clients	153	148	154	152	154	159	158	162	164
10 Million $ clients	91	87	88	90	89	90	93	97	101
20 Million $ clients	40	43	42	39	40	41	45	47	48
50 Million $ clients	13	12	12	13	14	14	14	12	14
100 Million $ clients	2	2	2	2	2	2	2	2	2
Employee metrics									
Development	76,460	76,837	79,374	81,641	79,081	78,729	81,355	82,911	83,004
Sales and support	5,190	5,097	5,064	5,159	5,226	5,160	5,092	5,047	4,946
Total employees	81,650	81,934	84,438	86,800	84,307	83,889	86,447	87,958	87,950
Efforts mix									
Onsite	15.1	15.4	15.5	15.4	15.1	15.1	14.8	14.5	14.2
Offshore	84.9	84.6	84.5	84.6	84.9	84.9	85.2	85.5	85.8
Utilization measures									
Excluding trainees	86.9	88.3	87.7	85.4	85.8	88.1	88.1	86.9	85.7
Attrition LTM (%)	14.4	14.4	14.5	14.3	14.4	14.4	14.2	13.8	13.3

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**2,61,086**	**3,31,830**	**3,55,170**	**3,80,081**	**4,23,076**	**4,76,469**	**5,22,212**
Change (%)	(8.8)	27.1	7.0	7.0	11.3	12.6	9.6
Cost of Services	1,78,271	2,32,037	2,46,214	2,68,217	2,99,909	3,36,840	3,66,815
Gross Profit	**82,815**	**99,793**	**1,08,956**	**1,11,864**	**1,23,167**	**1,39,629**	**1,55,397**
SG&A Expenses	30,330	37,915	45,082	46,915	47,615	53,876	60,054
EBITDA	**52,485**	**61,878**	**63,874**	**64,949**	**75,552**	**85,754**	**95,342**
% of Net Sales	20.1	18.6	18.0	17.1	17.9	18.0	18.3
Depreciation	5,971	7,227	8,189	9,915	10,541	10,482	12,011
EBIT	**46,514**	**54,651**	**55,685**	**55,034**	**65,011**	**75,271**	**83,331**
% of Net Sales	17.8	16.5	15.7	14.5	15.4	15.8	16.0
Other Income	6,426	4,065	4,802	7,108	8,181	8,576	9,400
PBT	**52,940**	**58,716**	**60,487**	**62,142**	**73,192**	**83,848**	**92,731**
Tax	13,439	13,812	14,641	16,122	19,414	20,962	23,183
Rate (%)	25.4	23.5	24.2	25.9	26.5	25.0	25.0
Minority Interest	0	11	25	27	0	0	0
Extraordinary	0	800	0	0	3,952	0	0
Adjusted PAT	**39,501**	**44,904**	**45,846**	**46,020**	**53,779**	**62,886**	**69,548**
Change (%)	-11	14	2	0	17	17	11

Balance Sheet							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	296	296	296	296	296	296	296
Reserves	1,42,576	1,65,625	1,99,876	2,26,687	2,39,954	2,80,333	3,24,989
Net Worth	**1,42,872**	**1,65,921**	**2,00,172**	**2,26,983**	**2,40,250**	**2,80,629**	**3,25,285**
Minority Interest	57	71	92	132	827	827	827
Other liabilities	11,972	14,143	17,934	19,526	33,046	32,912	32,966
Capital Employed	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,14,368**	**3,59,078**
Net Block	**13,772**	**17,823**	**21,224**	**25,406**	**30,092**	**27,610**	**23,599**
Intangibles	14,861	15,452	15,078	14,212	14,604	14,604	14,604
Other LT Assets	27,805	29,789	50,798	57,303	50,292	55,565	58,904
Curr. Assets	**1,49,386**	**1,71,897**	**1,88,530**	**2,09,379**	**2,76,972**	**2,78,755**	**3,28,848**
Current Investments	57,882	53,349	77,494	88,999	1,25,168	1,45,168	1,65,168
Debtors	56,271	72,284	70,387	76,882	94,716	83,545	91,566
Cash & Bank Balance	14,462	23,389	18,200	20,623	23,311	12,207	31,078
Other Current Assets	20,771	22,875	22,449	22,875	33,777	37,835	41,037
Current Liab. & Prov	**50,923**	**54,826**	**57,432**	**59,659**	**97,837**	**62,166**	**66,878**
Trade payables	13,250	12,938	14,939	15,499	20,610	11,912	13,055
Other liabilities	31,381	33,754	34,007	34,469	65,486	38,514	42,082
Provisions	6,292	8,134	8,486	9,691	11,741	11,741	11,741
Net Current Assets	**98,463**	**1,17,071**	**1,31,098**	**1,49,720**	**1,79,135**	**2,16,589**	**2,61,971**
Application of Funds	**1,54,901**	**1,80,135**	**2,18,198**	**2,46,641**	**2,74,123**	**3,14,368**	**3,59,078**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
EPS	**133.5**	**151.8**	**154.8**	**155.3**	**182.5**	**213.0**	**235.5**
Cash EPS	153.7	173.5	182.5	188.8	204.9	248.5	276.2
Book Value	483.0	560.9	676.0	766.2	816.2	950.3	1,101.6
DPS	63.9	60.0	65.0	65.0	65.3	76.2	84.3
Payout (%)	47.9	39.5	42.0	41.8	35.8	35.8	35.8
Valuation (x)							
P/E ratio	33.9	29.9	29.3	29.2	24.8	21.3	19.2
Cash P/E ratio	29.5	26.1	24.8	24.0	22.1	18.2	16.4
EV/EBITDA ratio	24.2	20.4	19.5	19.0	15.7	13.8	12.0
EV/Sales ratio	4.9	3.8	3.5	3.2	2.8	2.5	2.2
Price/Book Value ratio	9.4	8.1	6.7	5.9	5.6	4.8	4.1
Dividend Yield (%)	1.4	1.3	1.4	1.4	1.4	1.7	1.9
Profitability Ratios (%)							
RoE	36.6	26.1	24.4	23.3	21.3	24.1	22.9
RoCE	29.5	24.9	21.2	19.0	18.3	19.2	18.6
Turnover Ratios							
Debtors (Days)	79	80	72	74	82	64	64
Fixed Asset Turnover (x)	19.0	18.6	16.7	15.0	14.1	17.3	22.1

Cash Flow Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	44,695	48,591	50,720	50,261	53,157	73,368	81,559
Cash for Working Capital	-12,188	-17,645	5,975	-4,803	-5,169	-33,965	-9,797
Net Operating CF	**32,507**	**30,946**	**56,695**	**45,458**	**47,988**	**39,403**	**71,762**
Net Purchase of FA	-10,529	-9,346	-8,330	-9,336	-9,092	-8,000	-8,000
Free Cash Flow	**21,978**	**21,600**	**48,365**	**36,122**	**38,896**	**31,403**	**63,762**
Net Purchase of Invest.	-5,924	6,037	-30,791	-8,046	-8,587	-20,000	-20,000
Net Cash from Invest.	**-16,453**	**-3,309**	**-39,121**	**-17,382**	**-17,679**	**-28,000**	**-28,000**
Proc. from equity issues	2	12	0	0	0	0	0
Proceeds from LTB/STB	-3,529	-3,702	-4,947	-6,498	-9,353	0	0
Dividend Payments	-13,277	-15,627	-17,753	-19,246	-19,911	-22,507	-24,892
Cash Flow from Fin.	**-16,804**	**-19,317**	**-22,700**	**-25,744**	**-29,264**	**-22,507**	**-24,892**
Exchange difference	21	607	-63	91	1,643	0	0
Net Cash Flow	**-729**	**8,927**	**-5,189**	**2,423**	**2,688**	**-11,104**	**18,871**
Opening Cash Bal.	**15,191**	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**12,207**
Add: Net Cash	-729	8,927	-5,189	2,423	2,688	-11,104	18,871
Closing Cash Bal.	**14,462**	**23,389**	**18,200**	**20,623**	**23,311**	**12,207**	**31,078**

E: MOFSL estimates

NOTES

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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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.

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