14 October 2026
2QFY27 Results Update | Sector: Technology

Tata Technologies

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TATATECH IN
Equity Shares (m)	406
M.Cap.(INRb)/(USDb)	302.7 / 3.2
52-Week Range (INR)	891 / 505
1, 6, 12 Rel. Per (%)	1/38/18
12M Avg Val (INR M)	963
Free float (%)	44.8

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	55.1	68.5	75.2
EBIT Margin (%)	12.9	14.0	15.0
PAT	5.5	8.0	9.6
EPS (INR)	15.6	19.7	23.6
EPS Gr. (%)	(5.9)	26.4	19.9
BV/Sh. (INR)	96.6	102.4	111.1
Ratios			
RoE (%)	14.6	19.8	22.2
RoCE (%)	16.8	18.4	20.7
Payout (%)	75.1	70.6	63.4
Valuations			
P/E (x)	47.8	37.8	31.5
P/BV (x)	7.7	7.3	6.7
EV/EBITDA (x)	35.1	25.8	22.1
Div Yield (%)	1.6	1.9	2.0

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	55.2	55.2	55.2
DII	4.5	3.5	3.3
FII	6.3	5.8	4.9
Others	34.1	35.6	36.6

FII includes depository receipts

CMP: INR746 **TP: INR630 (-15%)** **Sell**

FY27 growth outlook intact

Revenue growth on track despite softness in Germany

- Tata Technologies (TTL) reported revenue of USD178m in 2QFY27, up 1.9% QoQ in CC terms (broadly in line with our est. of 1.8% QoQ in CC). Services segment's revenue was USD142m, up 4.3% QoQ in CC. EBIT margin was 12.9% (down 40bp QoQ), below our estimate of 13.5%. Adj. PAT dipped 5.1% QoQ, but rose 3.6% YoY to INR1,714m (below our est. of INR2,004m).
- For 1HFY27, TTL's revenue/EBIT/adj. PAT grew 31%/27.2%/4.9% YoY in INR terms. For 2HFY27, we expect its revenue/EBIT/adj. PAT to grow of 18.8%/ 42.6%/50.9% YoY.
- **At ~32x 12M fwd P/E, we view TTL's valuations as premium relative to its growth and peers; we assign a TP of INR630 and reiterate our Sell rating.**

Our view: Margin expansion likely to remain gradual

- TTL reiterated its expectation of **strong double-digit** consolidated revenue growth in FY27, supported by 1HFY27 performance, ongoing program ramp-ups and pipeline conversion. Services revenue grew 4.3% QoQ in CC terms, with Automotive and Non-automotive both growing **7.5% QoQ in USD terms, excluding ESTEC**. The **ramp-up of recently secured large engagements** is expected to support growth in 2HFY27. We are building in **13.9% organic YoY CC growth for FY27**.
- **Margins are likely to improve sequentially, with operating leverage partly offset by investments:** EBIT margin was down QoQ by ~40bps in 2QFY27, as ~100bp headwind from the **annual salary increments was absorbed through operational efficiencies and business mix**. Sequential margin improvement in 2HFY27 will be supported by program ramp-ups and productivity initiatives.
- However, **subcontracting costs, higher depreciation and lease-related interest costs** following the Pune office investment, and continued spending on talent and AI capabilities could moderate the pace of expansion. We maintain our **14%/15% EBIT margin** estimates for FY27/FY28.
- **Large deal wins reinforce the shift towards full-vehicle engineering programs: Five large deals** were secured in 2QFY27, including a **USD138m** full-vehicle engineering program for a European luxury automotive OEM, covering two **vehicle programs over ~2.5 years**. The program has begun ramping up and is expected to contribute from 2HFY27, with further benefits extending into FY28.
- **Germany remained soft, but the shift in OEM R&D spending could benefit Indian engineering partners:** Demand at ESTEC remains subdued, particularly from its largest German customer, with some **additional softness expected in 3QFY27**. The near-term weakness is linked to **restructuring and cost-optimization measures** among German OEMs. However, we believe the gradual **globalization of R&D spending beyond Germany** will create opportunities for TTL.

Abhishek Pathak - Research Analyst (Abhishek.Pathak@MotilalOswal.com)
Keval Bhagat - Research Analyst (Keval.Bhagat@MotilalOswal.com) | **Suket Kothari - Research Analyst** (Suket.Kothari@MotilalOswal.com)

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/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Aerospace is being developed as a **second growth engine**, supported by the **Airbus relationship** and demand for engineering capacity. In Technology Solutions, revenue declined **6.6% QoQ INR**, partly due to a change in the recognition of certain OEM-hosted licenses, which reduced **quarterly revenue by INR126m**. Excluding this impact, consolidated revenue growth would have been **2.8% QoQ INR vs. the reported 2.1%.** The product business is expected to **benefit from seasonal demand in 3QFY27**, while the **education business may remain under pressure** due to delays in infrastructure readiness at certain customer sites.

Valuations and changes to our estimates

- TTL's revenue CAGR is expected to be **~12.5% in USD terms over FY26-28**. We keep our estimates largely unchanged.
- Its EBITDA margin is likely to improve gradually through FY27, supported by operating leverage, business mix, program ramp-ups and productivity initiatives. However, margin **expansion will be limited** due to higher subcontracting costs to support global ramp-ups, higher lease and interest costs owing to the new Pune office and continued investments in AI and capabilities. The 18% and 20% EBITDA margin levels remain TTL's stated long-term aspirations rather than near-term guidance, and **we model 17.1%/18% EBITDA margins for FY27/FY28.**
- At ~32x FY28E P/E, **we believe the current valuation already reflects the strong double-digit growth guidance and continued margin expansion.** While execution has been better over the last three quarters, TTL trades at a ~90% premium to KPIT (17x FY28E P/E) and ~31% premium to Tata Elxsi (24x FY28E P/E). We therefore believe the premium valuation leaves limited room for error. We reiterate our **Sell** rating with a TP of INR630 based on 26x FY28E EPS**.**

Revenue in line but margins below est.; Services segment rose 4.3% QoQ CC

- TTL's USD revenue came in at USD178m; up 1.9% QoQ in CC terms, largely in line with our estimate of 1.8% QoQ CC growth.
- Services segment's revenue stood at USD142m and grew 4.3% QoQ in CC terms.
- Auto segment revenue was 80% in 2QFY27 (vs. 81% in 1QFY27).
- EBIT margin was 12.9% (down 40bp QoQ), below our estimate of 13.5%.
- Adj. PAT was down 5.1% QoQ, but was up 3.6% YoY to INR1,714m (below our estimate of INR2,004m).
- The Onsite:Offshore revenue mix was 65%: 35% vs. 66%: 34% in 1QFY27.
- Net headcount increased 2.5% QoQ in 2QFY27; total headcount stood at 12,895. Attrition (LTM) decreased 40bp QoQ to 15.6%.

Key highlights from the management commentary

- Management sees the auto industry at an inflection point, with Chinese OEMs setting new benchmarks on speed and cost, pushing Western OEMs to outsource more engineering.
- Germany remains weak, with VW targeting ~100,000 job cuts by 2030, but 2Q was in line with guidance and no incremental deterioration is seen in 2H.
- Management reiterated strong double-digit consolidated revenue growth for FY27, backed by program ramp-ups and healthy pipeline conversion.

- The 50m+ client bucket declined due to a planned, tactical change at one anchor customer, with recovery expected in 2HFY27.
- Strong double-digit growth is expected for several years, though 20%+ growth rate will become harder with scale, with investments in capability, infrastructure, and AI posing key challenges.
- Management expects to announce a couple more wins before the end of CY26, while competition outside India is mainly from European and North American ESPs, with Chinese players emerging.
- AI is a central pillar of its strategy, aimed at faster development cycles, lower costs and higher engineering productivity.

Exhibit 1: Services and Technology Solutions segments grew 22.5%/2.5% YoY

Segments	Contri. to Rev. (%)	QoQ Growth (%)	YoY Growth (%)
Services segment	80.0	4.0	22.5
Technology solutions segment	20.0	(7.8)	2.5

Source: Company, MOFSL

Exhibit 2: Auto and Non-Auto grew 21%/28.9 YoY

Revenue Mix- Services Segment	Contri. to Rev. (%)	QoQ Growth (%)	YoY Growth (%)
Auto	80.0	2.7	21.0
Non-Auto	20.0	9.5	28.9

Source: Company, MOFSL

Quarterly performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY27	(% / bp)
Revenue (USD m)	**145**	**151**	**153**	**171**	**175**	**178**	**181**	**184**	**620**	**719**	**178**	**-0.1**
QoQ (%)	-2.0	3.9	1.2	11.9	2.7	1.4	1.8	1.7			1.5	-5bp
Revenue (INR m)	**12,443**	**13,234**	**13,657**	**15,722**	**16,646**	**16,988**	**17,306**	**17,600**	**55,056**	**68,540**	**17,009**	**-0.1**
YoY (%)	-1.9	2.1	3.7	22.3	33.8	28.4	26.7	11.9	6.5	24.5	28.5	-16bp
GPM (%)	**23.2**	**22.7**	**21.9**	**24.8**	**25.0**	**27.1**	**28.0**	**28.0**	**23.2**	**27.0**	**24.2**	**286bp**
SGA (%)	7.1	7.0	7.8	8.7	8.9	11.0	10.0	10.0	7.7	10.0	7.9	308bp
EBITDA	**2,002**	**2,079**	**1,928**	**2,521**	**2,674**	**2,733**	**3,115**	**3,168**	**8,530**	**11,690**	**2,772**	**-1.4**
EBITDA Margin (%)	**16.1**	**15.7**	**14.1**	**16.0**	**16.1**	**16.1**	**18.0**	**18.0**	**15.5**	**17.1**	**16.3**	**-21bp**
EBIT	**1,688**	**1,770**	**1,568**	**2,054**	**2,207**	**2,190**	**2,561**	**2,605**	**7,080**	**9,563**	**2,295**	**-4.6**
EBIT Margin (%)	**13.6**	**13.4**	**11.5**	**13.1**	**13.3**	**12.9**	**14.8**	**14.8**	**12.9**	**14.0**	**13.5**	**-60bp**
Other income	589	436	227	152	215	113	277	282	1,404	886	357	-68.4
ETR (%)	26.8	26.7	27.7	28.5	28.2	29.1	26.0	26.0	27.4	27.2	27.0	207bp
Adj. PAT	**1,703**	**1,655**	**1,350**	**1,625**	**1,807**	**1,714**	**2,226**	**2,264**	**6,333**	**8,012**	**2,004**	**-14.4**
QoQ (%)	-9.8	-2.8	-18.4	20.4	11.2	-5.1	29.9	1.7			10.9	
YoY (%)	5.1	5.2	-19.9	-14.0	6.1	3.6	64.9	39.3	-5.9	26.5	21.1	
Exceptional Items	**0**	**0**	**1,284**	**-417**	**0**	**0**	**0**	**0**	**867**	**0**	0.0	
PAT	**1,703**	**1,655**	**66**	**2,042**	**1,807**	**1,714**	**2,226**	**2,264**	**5,466**	**8,012**	**2,004**	**-14.4**
Adj. EPS (INR)	4.2	4.1	3.3	4.0	4.5	4.2	5.5	5.6	15.6	19.7	4.9	-14.5



Highlights from the management commentary

Performance and demand outlook – 2QFY27

- Management sees the auto industry at an inflection point, with Chinese OEMs setting new benchmarks on speed and cost, pushing Western OEMs to outsource more engineering.
- Germany remains weak, with VW targeting ~100,000 job cuts by 2030, but 2Q was in line with the guidance and no incremental deterioration is seen in 2H.
- Management reiterated its strong double-digit consolidated revenue growth for FY27, backed by program ramp-ups and healthy pipeline conversion.
- The 50m+ client bucket declined due to a planned, tactical change at one anchor customer, with recovery expected in 2HFY27.
- Strong double-digit growth is expected for several years, though 20%+ growth gets harder with scale, with capability, infrastructure and AI investment as key challenges.
- Management expects to announce a couple more wins before end of CY26, while competition outside India is mainly from European and North American ESPs, with Chinese players emerging.
- AI is a central pillar of strategy, aimed at faster development cycles, lower costs and higher engineering productivity.
- BMW is cutting headcount in Germany while scaling its India JV, which management cites as proof of the outsourcing shift.
- Management expects German OEMs to extend R&D beyond Germany over time, with TTL positioned as a beneficiary.
- Anchor customers (JLR, Tata Motors PV and CV) remain a key lever, with JLR pivoting towards North America and Tata Motors CV completing the Iveco acquisition.
- Five large deals were secured in Q2, indicating strong pipeline conversion.
- Won a ~USD 138m full vehicle program from a European luxury OEM covering two vehicles, with a ~2.5-year tenure, ramp-up under way and contribution from 2HFY27.
- The deal gives TTL turnkey ownership from concept to launch, with client name withheld due to confidentiality.
- **Services Segment:** Services revenue grew ~4.3% QoQ in CC to ~INR 13.6b and ~26.2% YoY in CC (~USD 142m), contributing ~80% of total revenue, with ~22.1% YoY growth excluding STEC. Automotive remains the primary growth engine, with auto excluding ESTEC rising ~7.5% QoQ and ~16% YoY, while non-auto grew ~7.5% QoQ in USD terms.
- Aerospace is emerging as the second growth engine, focused on manufacturing engineering, propulsion, MRO, digital transformation and AI.
- Tata group assets such as Tata Electronics and TACO enable consortium propositions in auto, while humanoid and physical AI remain at POC stage with no material contribution expected in the next 12 to 18 months.
- **Technology Solutions:** Revenue grew ~9.2% YoY in CC but declined ~6.6% QoQ to ~INR 3.4b. From 1 July 2026, OEM-hosted SaaS license revenue is recognized over the license term instead of upfront, reducing revenue by ~INR 126m in the quarter. Product business is expected to recover in 3Q on seasonal demand.
- About 1,000 associates are building and deploying AI agents across engineering and business processes.

- Management is moving from AI-assisted to AI-native delivery, with gains seen in productivity, quality and speed.
- The goal is to offer China-like speed and cost with Western OEM-grade quality, safety and IP protection.
- Net headcount rose by 316 (~2.5% QoQ) to 12,895, driven by ramp-up of large programs, with capacity additions aligned to client demand.
- TTM voluntary attrition declined ~70bp QoQ to ~15.6%, helped by engagement and career development efforts.
- **BMW Techworks JV** continues to outperform, with profit share up ~20% QoQ and ~115% YoY to ~INR114m, and total contribution of ~INR197m including deferred income.

Margins:

- Operating EBITDA margin was stable at ~16.1% (up ~10bp QoQ), despite a ~100bp wage hike headwind.
- EBITDA grew ~2.2% QoQ and ~31.5% YoY to ~INR 2.7b, while EBIT rose ~25.3% YoY to ~INR2.4b, supported by discipline, productivity, and favorable mix.
- Subcontracting costs rose with program ramp-ups, and are expected to fall as permanent hiring replaces them.
- The new Pune office raised D&A and lease interest costs, which should be absorbed as scale builds.
- Management expects sequential margin expansion in 3Q and 4Q, even though 3Q is seasonally soft, with Germany softness seen as transient.
- Management retained 18% to 20% EBITDA margin as the North Star, though no explicit confirmation was given on the earlier 18% Q4 exit-rate target.
- Other income fell ~35% YoY to ~INR 310m, led by non-cash forex movements.
- PBT rose ~7% YoY to ~INR 2.4b, while underlying PBT grew ~16.4% excluding non-cash forex items.
- PAT was ~INR1.7b vs. ~INR1.66b a year ago, with PAT growth of ~13%.
- Net cash declined to ~INR 3.3b from ~INR 8.8b in 1Q, mainly due to a ~INR 4.8b dividend payout.

Valuation and view

- TTL's revenue CAGR is expected to be **~12.5% in USD terms over FY26-28**. We keep our estimates largely unchanged.
- Its EBITDA margin is likely to improve gradually through FY27, supported by operating leverage, business mix, program ramp-ups and productivity initiatives. However, margin **expansion will be limited** due to higher subcontracting costs to support global ramp-ups, higher lease and interest costs owing to the new Pune office and continued investments in AI and capabilities. The 18% and 20% EBITDA margin levels remain TTL's stated long-term aspirations rather than near-term guidance, and **we model 17.1%/18% EBITDA margins for FY27/FY28.**
- At ~32x FY28E P/E, **we believe the current valuation already reflects the strong double-digit growth guidance and continued margin expansion.** While execution has been better over the last three quarters, TTL trades at a ~90% premium to KPIT (17x FY28E P/E) and ~31% premium to Tata Elxsi (24x FY28E P/E). We therefore believe the premium valuation leaves limited room for error. We reiterate our **Sell** rating with a TP of INR630 based on 26x FY28E EPS.

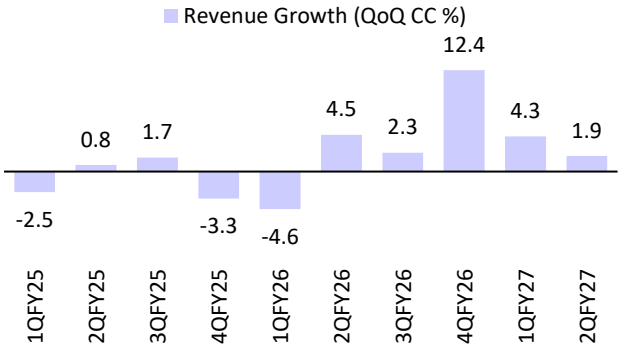
Exhibit 3: Summary of our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	95.3	96.0	95.3	96.0	0.0%	0.0%
USD Revenue (m)	719	784	719	783	0.0%	0.1%
YoY CC Growth (%)	18.7	9.3	18.7	9.2	0bps	10bps
EBIT margin (%)	14.0	15.0	13.8	15.1	10bps	-10bps
Adj. PAT (INR b)	8,012	9,603	8,192	9,602	-2.2%	0.0%
Adj. EPS	19.7	23.6	20.2	23.6	-2.2%	0.0%

Source: MOFSL

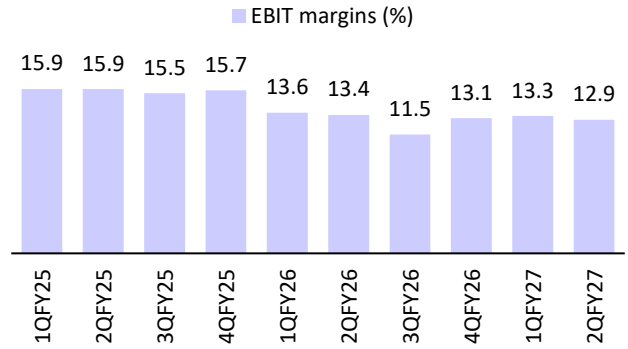
Story in charts

Exhibit 4: Revenue grew 1.9% QoQ in CC



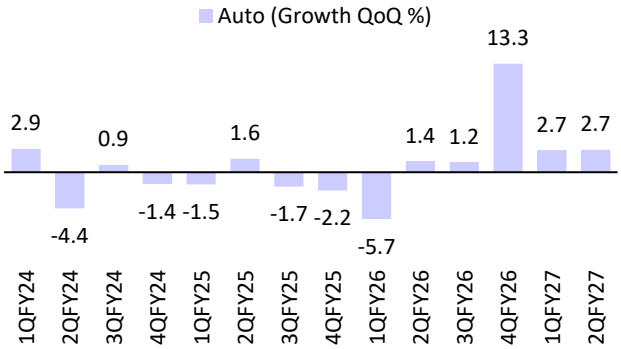
Source: Company, MOFSL

Exhibit 5: EBIT margin dipped 40bp QoQ



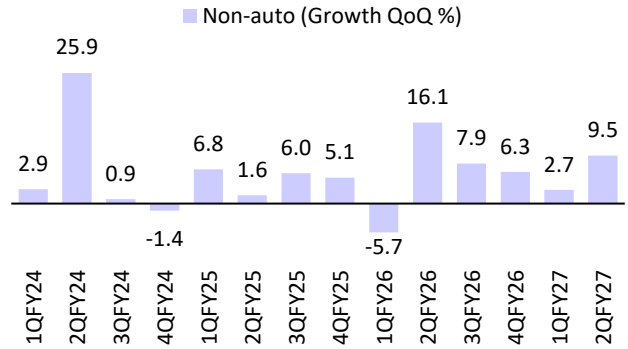
Source: Company, MOFSL

Exhibit 6: Auto segment was flat QoQ



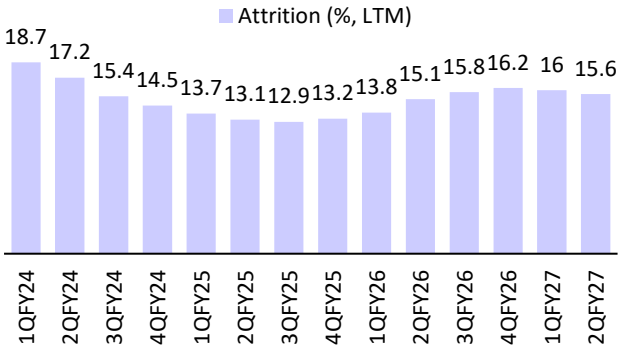
Source: Company, MOFSL

Exhibit 7: Non-Auto segment grew 9.5% QoQ



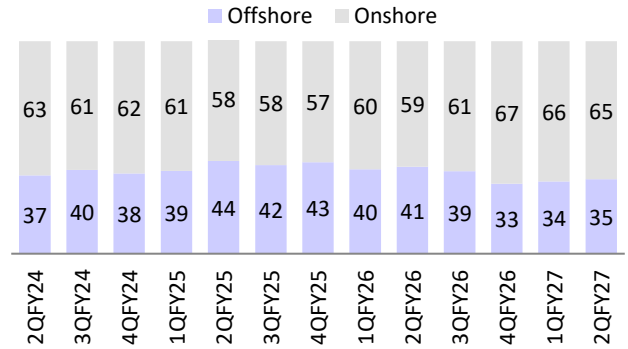
Source: Company, MOFSL

Exhibit 8: Attrition decreased 40bp QoQ



Source: Company, MOFSL

Exhibit 9: Onshore-offshore mix remained stable



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Segments (%)									
Services Segment	78	77	80	77	77	78	78	78	80
Technology Solutions Segment	22	23	20	23	23	22	22	22	20
Services Segment (%)									
Auto	85	84	83	83	81	80	81	81	80
Non-Auto	15	16	17	17	19	20	19	19	20
Revenue Mix (%)									
Onsite	44	42	43	40	41	39	33	34	35
Offsite	58	58	57	60	59	61	67	66	65
Customer Pyramid									
>50m	2	2	2	2	2	2	3	3	2
10-50m	6	5	3	3	3	4	5	5	6
5-10m	4	7	10	8	8	8	6	7	7
1-5m	30	29	29	32	33	32	33	34	37
Employee Metrics (%)									
Total Headcount	12,680	12,659	12,644	12,407	12,402	12,580	12,646	12,579	12,895
QoQ (%)	1.4	-0.2	-0.1	-1.9	0.0	1.4	0.5	-0.5	2.5
Attrition	13.1	12.9	13.2	13.8	15.1	15.8	16.2	16.0	15.6
DSO	85	90	81	87	109	111	95	97	102

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**35,296**	**44,142**	**51,172**	**51,685**	**55,056**	**68,540**	**75,230**
Change (%)	48.2	25.1	15.9	1.0	6.5	24.5	9.8
Employees Cost	24,841	30,236	36,676	38,440	42,274	50,006	54,910
Total Expenditure	**24,841**	**30,236**	**36,676**	**38,440**	**42,274**	**50,006**	**54,910**
% of Sales	70.4	68.5	71.7	74.4	76.8	73.0	73.0
Gross Profit	**10,455**	**13,906**	**14,496**	**13,245**	**12,782**	**18,533**	**20,320**
SG&A	3,998	5,697	5,084	3,904	4,252	6,844	6,771
EBITDA	**6,457**	**8,209**	**9,413**	**9,341**	**8,530**	**11,690**	**13,550**
% of Sales	18.3	18.6	18.4	18.1	15.5	17.1	18.0
Depreciation	857	946	1,059	1,212	1,450	2,127	2,257
EBIT	**5,600**	**7,264**	**8,354**	**8,128**	**7,080**	**9,563**	**11,293**
% of Sales	15.9	16.5	16.3	15.7	12.9	14.0	15.0
Other Income	269	698	966	1,045	1,404	886	1,204
Share of profit from JVs/Associate	0	0	0	0	240	553	750
PBT	**5,869**	**7,962**	**9,321**	**9,173**	**8,725**	**11,002**	**13,246**
Total Tax	1,499	1,721	2,527	2,445	2,391	2,990	3,643
Tax Rate (%)	25.5	21.6	27.1	26.6	27.4	27.2	27.5
Adjusted PAT	**4,370**	**6,240**	**6,794**	**6,729**	**6,333**	**8,012**	**9,603**
YoY Change (%)	78.7	42.8	8.9	-1.0	-5.9	26.5	19.9
Margin (%)	12.4	14.1	13.3	13.0	11.5	11.7	12.8
Exceptional Items	0	0	0	0	867	0	0
Reported PAT	**4,370**	**6,240**	**6,794**	**6,729**	**5,466**	**8,012**	**9,603**

Consolidated - Balance Sheet (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	418	811	811	811	812	812	812
Total Reserves	22,384	29,083	31,397	34,983	38,422	40,773	44,286
Net Worth	**22,802**	**29,895**	**32,208**	**35,794**	**39,234**	**41,585**	**45,098**
Minority Interest	0	0	0	0	0	0	0
Borrowings	4	5	8	5	7,390	7,390	7,390
Other Long term liabilities	2,418	2,381	2,339	4,013	5,004	5,154	5,229
Capital Employed	**25,223**	**32,281**	**34,555**	**39,812**	**51,628**	**54,130**	**57,716**
Net Fixed Assets	**3,024**	**3,005**	**3,103**	**2,609**	**3,110**	**2,785**	**2,506**
Goodwill	7,655	7,949	8,403	8,735	17,843	17,843	17,843
Capital WIP	3	27	0	0	6	6	6
Other Assets	1,696	3,060	4,548	8,571	10,500	11,439	11,906
Curr. Assets, Loans&Adv.	**29,802**	**37,975**	**39,730**	**46,728**	**58,077**	**66,571**	**74,134**
Account Receivables	7,682	11,062	11,479	10,056	11,869	13,647	14,979
Cash and Bank Balance	7,683	3,828	5,199	6,675	6,823	4,739	6,604
Current Investments	1,802	11,810	7,093	3,324	4,205	4,416	4,520
Other Current Assets	12,636	11,274	15,960	26,674	35,180	43,769	48,031
Curr. Liability & Prov.	**16,957**	**19,734**	**21,228**	**26,830**	**37,907**	**44,514**	**48,679**
Account Payables	3,366	6,578	4,814	4,767	5,814	6,258	6,872
Other Current Liabilities	13,284	12,817	16,122	21,795	31,212	37,375	40,926
Provisions	307	339	293	267	881	881	881
Net Current Assets	**12,845**	**18,241**	**18,502**	**19,898**	**20,170**	**22,057**	**25,456**
Appl. of Funds	**25,223**	**32,281**	**34,555**	**39,812**	**51,628**	**54,130**	**57,716**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic EPS (INR)	10.8	15.4	16.8	16.6	15.6	19.7	23.6
Cash EPS	12.9	17.7	19.4	19.6	17.0	25.0	29.2
BV/Share	109.1	73.7	79.4	88.2	96.6	102.4	111.1
DPS	42.5	7.7	10.1	11.7	11.7	13.9	15.0
Payout (%)	394.6	50.0	60.0	70.6	75.1	70.6	63.4
Valuation (x)							
P/E	69.2	48.4	44.5	45.0	47.8	37.8	31.5
Cash P/E	57.9	42.1	38.5	38.1	43.8	29.9	25.5
P/BV	6.8	10.1	9.4	8.4	7.7	7.3	6.7
EV/Sales	8.3	6.5	5.7	5.7	5.4	4.4	4.0
EV/EBITDA	45.4	34.9	30.8	31.3	35.1	25.8	22.1
Dividend Yield (%)	5.7	1.0	1.3	1.6	1.6	1.9	2.0
Return Ratios (%)							
RoE	19.8	23.7	21.9	19.8	14.6	19.8	22.2
RoCE	17.0	34.3	26.5	24.5	16.8	18.4	20.7

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	4,370	6,240	6,794	6,770	5,466	8,012	9,603
Depreciation	857	946	1,059	1,212	1,450	2,127	2,257
Interest & Finance Charges	-178	-235	-382	-481	-19	-886	-1,204
Direct Taxes Paid	-1,278	-2,429	-3,026	-3,140	-1,780	-3,052	-3,673
(Inc)/Dec in WC	-5,802	-2,191	-4,071	382	-214	-1,522	-812
Others	1,645	1,684	2,570	2,251	2,854	2,990	3,643
CF from Operations	**-387**	**4,014**	**2,943**	**6,993**	**7,757**	**7,669**	**9,814**
(Inc)/Dec in FA	-629	-652	-908	-307	-322	-1,802	-1,978
Free Cash Flow	**-1,016**	**3,362**	**2,036**	**6,686**	**7,435**	**5,866**	**7,836**
(Pur)/Sale of Investments	949	-4,078	4,394	-3,011	-933	-2,832	-1,405
Others	380	331	508	2,433	-7,454	886	1,204
CF from Investments	**700**	**-4,400**	**3,995**	**-885**	**-8,709**	**-3,748**	**-2,180**
Inc/(Dec) in Debt	-439	-509	-578	-694	-808	-495	247
Interest Paid	-4	-1	-1	-5	5,690	0	0
Dividend Paid	0	0	-4,990	-4,165	-4,766	-5,660	-6,091
Others	-1	-2,959	0	0	41	150	74
CF from Fin. Activity	**-444**	**-3,469**	**-5,568**	**-4,864**	**156**	**-6,005**	**-5,769**
Inc/Dec of Cash	**-130**	**-3,854**	**1,370**	**1,243**	**-796**	**-2,084**	**1,865**
Forex Adjustment	0	0	0	233	944	0	0
Opening Balance	7,810	7,680	3,825	5,196	6,672	6,821	4,737
Closing Balance	**7,680**	**3,825**	**5,196**	**6,672**	**6,821**	**4,737**	**6,601**

Investment in securities market is subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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.