

IT Services | Q4FY25 Result Update
CMP: Rs.4,537 | TP: Rs 5,690 | Upside 25%
Mixed results; Commentary constructive on navigating FY26

- LTIM reported CC Rev decline of 0.6% QoQ (DE: +0.3%), due to slower than expected deal ramp-up and project completion in Retail, CPG & Travel vertical. However, OPM was flat QoQ at 13.8% (in-line) due to operating efficiencies.
- While there was no specific guidance for FY26, LTIM remains optimistic about deal win opportunities in cost-take-out, vendor consolidation & select transformation programs. The confidence on improving TCV wins over FY25 (\$5.9bn; up 6.6%) is positive, but this potential success needs to be matched by timely execution.
- LTIM remains our preferred pick among Tier I names, supported by healthy deal wins, strong pipeline and optimism on navigating FY26 despite macro challenges. Given easing valuations, we revise our rating to 'BUY', with TP of Rs. 5,690 valuing at 29x on FY27E EPS.

Healthy order inflow and Pipeline commentary

LTIM achieved order inflow of \$1.6bn (TTM at \$5.9bn up 6.6% YoY), driven by large deal wins, especially in Insurance & Hi-tech verticals during Q4. Management is also in active pursuit of a few large deals in Retail and Manufacturing, and commentary suggests LTIM being in a favorable position, is poised to play out in Q1FY26. Discretionary spending remains muted, but deals in cost take-out, vendor consolidation and select transformation programs remain potential opportunities. Management is confident that the FY26 order book will be higher than FY25, though deal-ramp-up and execution timelines need to be watched out.

Three-pronged strategy prioritized for FY26

LTIM, under Mr. Venu Lambu identified 3 priorities for FY26: **a) Sales transformation** – simplifying sales structure, strengthening leadership in high potential biz. and exploring new sales model in AI-led world, **b) Large deal focus**– multi-service, multi-delivery and multi-geographical solutions, and **c) 'Fit for Future'** initiative for margin improvement - relook at existing team structures and reshape them towards reduction of extra layers.

Margin initiatives to be clearer after few quarters

EBIT margin stood at 13.8%, flat QoQ, due to operating efficiency. However, margins are below the 8-quarter average of 15.2%. Impact of wage hike in Q3 continued into Q4 as well, while pyramid correction remains an on-going exercise. We believe macro headwinds would remain an overhang on growth and limit margin improvement, and any improvement under new program 'Fit for future', would take at least a couple of quarters to bear fruit.

Key Data

Nifty	24,329
Equity / FV	Rs 296mn / Rs 1
Market Cap	Rs 1,343bn
	USD 15.7bn
52-Week High/Low	Rs 6,768/ 4,025
Avg. Volume (no)	425,636
Bloom Code	LTIM IN

	Current	Previous
Rating	BUY	Accumulate
Target Price	5,690	6,780

Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%)	Chg (%)
			bps	bps
Revenue	411	451	(2.4)	(2.7)
EBITDA	73	82	(6.1)	(6.2)
EBITDA (%)	17.8	18.2	(69)	(69)
APAT	52	58	(4.2)	(4.4)
EPS (Rs)	174.2	196.3	(4.2)	(4.4)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	29.3	26.0	23.1
EV/EBITDA	20.4	17.8	15.6
ROE (%)	21.5	21.4	21.3
RoACE (%)	23.0	22.7	22.5

Q4FY25 Result (Rs Mn)

Particulars	Q4FY25	YoY (%)	QoQ (%)
Revenue	97,717	9.9	1.1
Total Expense	81,755	11.1	1.3
EBITDA	15,962	3.9	0.2
Depreciation	2,508	10.5	(5.1)
EBIT	13,454	2.8	1.2
Other Income	2,512	21.0	18.2
Interest	673	(1.0)	(2.3)
EBT	15,293	5.6	3.9
Tax	4,007	15.3	3.9
RPAT	11,285	2.6	4.0
APAT	11,285	2.6	4.0
		(bps)	(bps)
Gross Margin	27.9	(189)	(89)
EBITDA (%)	16.3	(93)	(16)
NPM (%)	11.5	(82)	31
Tax Rate (%)	26.2	220	0
EBIT (%)	13.8	(95)	1

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Exhibit 1: Quarterly performance versus estimates

Particulars (Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
USD Revenue	1,131	1,140	1,143	(0.8)	(1.0)	Slower than exp. deal ramp-up led to Rev. miss
INR Revenue	97,717	97,466	98,724	0.3	(1.0)	
EBIT	13,454	13,353	14,189	0.8	(5.2)	OPM was in-line due to op. efficiencies
EBIT, margin	13.8	13.7	14.4	10 bps	-60 bps	
PAT	11,285	10,923	11,789	3.3	(4.3)	PAT beat from higher OI

Source: Company, Dolat Capital

Change in Estimates

For FY26E/FY27E, we have lowered our USD revenue growth estimates by 3%/3.5% due to macro headwinds from tariff-related disruptions and cautiously optimistic commentary of the company. Margins have been lowered by 67bps/61bps, noting slower growth affecting operating performance. Overall, we lower our earnings estimates by 4.2%/4.4%.

Exhibit 2: Change in Estimates

Particulars (Rs. mn)	FY24A	FY25E	FY26E			FY27E		
	Actual	Actual	Old	New	Chg.(%)	Old	New	Chg (%)
USD Revenue	4,287	4,493	4,921	4,775	(3.0)	5,385	5,196	(3.5)
YoY growth,	4.4	4.8	8.7	6.3	(241 bps)	9.4	8.8	(60 bps)
INR Revenue	3,55,170	380,081	420,751	410,616	(2.4)	463,082	450,744	(2.7)
YoY growth,	7.0	7.0	10.1	8.0	(209 bps)	10.1	9.8	(29 bps)
EBIT	55,685	55,034	66,683	62,324	(6.5)	75,475	70,708	(6.3)
EBIT Margin,	15.7	14.5	15.8	15.2	(67 bps)	16.3	15.7	(61 bps)
Net Profit	45,821	45,987	53,958	51,693	(4.2)	60,915	58,234	(4.4)
EPS (Rs)	154.4	155.0	181.9	174.2	(4.2)	205.3	196.3	(4.4)

Source: Dolat Capital, Company

What to expect next Quarter

We expect 2.2% QoQ growth in USD revenue for Q1FY26, led by the ramp-up of deals, which unanticipatedly slowed during Q4FY25. EBIT margin is expected to expand by a modest 13bps QoQ to 13.9%, noting limited margin levers and continued investments to drive deals. Overall, PAT is projected to grow 2.7% QoQ, aided by operational improvements.

Exhibit 3: What to expect next Quarter

Particulars (Rs Mn)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)
USD Revenue	1,156	1,131	1,096	2.2	5.4
INR Revenue	99,406	97,717	91,426	1.7	8.7
EBIT	13,817	13,454	13,709	2.7	0.8
PAT	11,595	11,285	11,338	2.7	2.3
EPS (Rs. Abs)	39.1	38.1	38.3	2.7	2.2
EBIT Margin (%)	13.9	13.8	15.0	13 bps	(109 bps)

Source: Company, Dolat Capital

Exhibit 4: Key Assumptions in our estimates

Assumptions Table	FY23A	FY24A	FY25A	FY26E	FY27E
CC revenue growth (%)	20.6	4.1	5.0	6.4	8.8
USD revenue growth (%)	17.2	4.4	4.8	6.3	8.8
INR revenue growth (%)	27.1	7.0	7.0	8.0	9.8
EBIT margins (% of sales)	16.2	15.7	14.5	15.2	15.7
EPS growth (%)	11.4	3.8	0.4	12.4	12.7
USD/INR	80.8	82.8	84.6	86.0	86.8

Source: Company, Dolat Capital

Exhibit 5: Key Revenue Matrix

YoY Growth	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
CC Growth	13.5	8.1	4.4	3.1	1.2	3.7	4.4	5.5	6.3
USD Growth	11.9	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8
INR Growth	21.9	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9

Source: Company, Dolat Capital

Exhibit 6: Quarterly and YTD Trend

Particulars (mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
USD Revenue	1,069.4	1,096.2	1,126.6	1,138.7	1,131.0	5.8	(0.7)	4,287	4,493	4.8
INR Revenue	88,929	91,426	94,329	96,609	97,717	9.9	1.1	355,170	380,081	7.0
Operating Expense	73,572	75,365	77,336	80,676	81,755	11.1	1.3	291,296	315,132	8.2
Cost of revenues	62,423	63,715	65,277	68,785	70,440	12.8	2.4	246,214	268,217	8.9
as % of sales	70.2	69.7	69.2	71.2	72.1	189 bps	89 bps	69.3	70.6	125 bps
SG&A expenses	11,149	11,650	12,059	11,891	11,315	1.5	(4.8)	45,082	46,915	4.1
as % of sales	12.5	12.7	12.8	12.3	11.6	(96 bps)	(73 bps)	12.7	12.3	-35 bps
EBITDA	15,357	16,061	16,993	15,933	15,962	3.9	0.2	63,874	64,949	1.7
Depreciation	2,270	2,352	2,411	2,644	2,508	10.5	(5.1)	8,189	9,915	21.1
EBIT	13,087	13,709	14,582	13,289	13,454	2.8	1.2	55,685	55,034	(1.2)
Other Income	1,396	1,547	2,286	1,436	1,839	31.7	28.1	4,802	7,108	48.0
PBT	14,483	15,256	16,868	14,725	15,293	5.6	3.9	60,487	62,142	2.7
Total Tax	3,476	3,905	4,352	3,858	4,007	15.3	3.9	14,641	16,122	10.1
PAT before MI	11,007	11,351	12,516	10,867	11,286	2.5	3.9	45,846	46,020	0.4
Minority Interest	8	13	6	13	1	(87.5)	(92.3)	25	33	32.0
PAT after MI	10,999	11,338	12,510	10,854	11,285	2.6	4.0	45,821	45,987	0.4
Reported EPS	37.2	38.3	42.3	36.7	38.1	2.5	4.0	154.9	155.3	0.3
Margins (%)						(bps)	(bps)			(bps)
EBITDA	17.3	17.6	18.0	16.5	16.3	(93 bps)	(16 bps)	18.0	17.1	(90 bps)
EBIT	14.7	15.0	15.5	13.8	13.8	(95 bps)	1 bps	15.7	14.5	(120 bps)
EBT	16.3	16.7	17.9	15.2	15.7	(64 bps)	41 bps	17.0	16.3	(68 bps)
PAT	12.4	12.4	13.3	11.2	11.5	(83 bps)	30 bps	12.9	12.1	(80 bps)
Effective Tax rate	24.0	25.6	25.8	26.2	26.2	220 bps	0 bps	24.2	25.9	174 bps

Source: Company, Dolat Capital

Earnings call KTAs

- **Revenue:** LTIM reported revenue decline of 0.6% QoQ in CC terms and growth of 6.3% YoY in CC terms, reaching \$1.13bn. Growth decline was primarily due to lower than expected deal ramp-up and project completion in Healthcare, Life Sciences and Public Services verticals.
- **Broad-Based Resilience in Global Demand:** LTIM's global demand remained strong despite macroeconomic headwinds, with Europe growing 3.0% QoQ in CC terms, supported by vendor consolidation and regulatory demand.
- **Vertical Commentary:** **BFSI** reported of 1.2% QoQ growth. Client priorities continue to revolve around regulatory commitment and data transformation for better reporting and decisions. **Manufacturing & Resources** grew 2.4% QoQ. Demand is healthy in vendor consolidation, ERP transformation and managed services deals. **Tech, Media & Entertainment** vertical declined 1.9% QoQ, but management continues to see good momentum in terms of deals and execution in this vertical. **Retail, CPG and Travel** vertical declined 2.1% QoQ, where Travel sub-vertical had some client-specific slowdowns. **Health, Life Sciences and Public Services** vertical declined by 13.3% QoQ, primarily due to project completion cycles and is expected to improve going forward.
- **Order Inflow and Deal Pipeline:** LTIM posted a healthy TCV of \$1.6bn (TTM up 6.6% QoQ). Management shared that the portfolio has seen a successful transition shift from higher discretionary mix towards cost efficiency deals. For FY'26, management shared that the deal pipeline continued to be robust and is in active pursuit of a few large deals in a favorable position.
- **Talent & Utilization:** Headcount lowered to 79,081, with an employee dip of 2,493 QoQ. Management shared that it had undertaken higher-than-expected capacity filling during Q2 and Q3, plus did not pursue backfilling for Q4. Utilization (excluding trainees) improved to 85.8% (+40bps QoQ). Attrition remained stable at 14.4% (+10bps QoQ).
- **Appointment of Mr. Venu Lambu as MD& CEO Designate:** On 24th Jan, 2025, LTIM appointed Mr. Venu Lambu as MD and CEO designate. Mr. Lambu stated that LTIM will focus on improving existing processes and frameworks that pursue an entirely revamped strategy. He outlined 3 initiatives: **a) Sales transformation** – simplifying sales structure, strengthening leadership in high potential business and exploring new sales model in AI led world, **b) Large deal focus** – multi-service, multi-delivery and multi-geographical solutions, and **c) 'Fit for Future'** initiative to drive margin improvement - relook at the existing team structures and alignments processes and reshape them towards reducing the extra layers where possible.
- **Dividend:** LTIM declared a final dividend of Rs. 45 per share.
- **Outlook:** While LTIM did not provide any explicit or indicative guidance, management shared that it expects FY26 TCV wins to be better than FY25 (\$5.98Bn). Q4 saw slower than expected ramp-up and some deal closures shifting to Q1, and management is confident of delivering a strong Q1. Overall, LTIM is positive on navigating macro challenges and executing well for FY'26. Margin improvement is expected to be led by 'Fit-for-future' initiative by re-aligning direct and indirect operational costs.

Exhibit 7: Vertical-Wise Trend for Q4FY25

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
BFSI	420	37	1.2	11.8	5	(66)
Hi-Tech, Media & Entertainment	265	23	(1.9)	1.8	(5)	68
Manufacturing & Resources	225	20	2.4	13.2	5	(69)
Retail, CPG, TTH	159	14	(2.1)	(1.2)	(3)	44
Health, Life Sciences & Public Services	62	6	(13.3)	(15.7)	(10)	124
Total	1,131	100	(0.7)	5.8	(8)	100

Source: Company, Dolat Capital

Exhibit 8: Geography Trend for Q4FY25

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
North America	843	75	(0.9)	6.8	(8)	104
Europe	154	14	(2.1)	(1.5)	(3)	43
ROW	135	12	2.8	8.5	4	(47)
Total	1,131	100	(0.7)	5.8	(8)	100

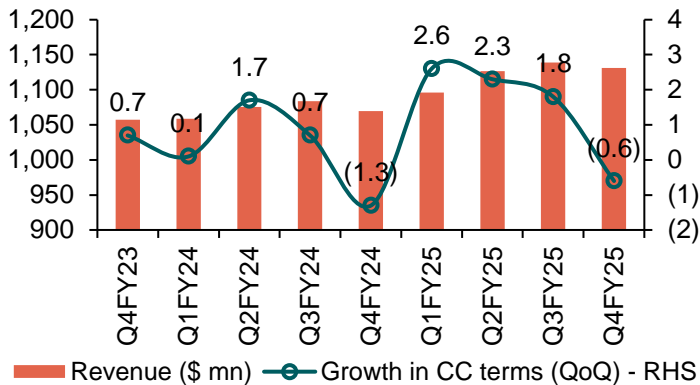
Source: Company, Dolat Capital

Valuation

FY26 is anticipated to face additional macro headwinds in the form of tariff-related disruptions, with Tier-1 peers expressing cautious commentary. Despite this, LTIM management is optimistic about navigating the year, although growth expectations have lowered. The company's recent deal wins, strong deal pipeline and execution rigour will support this optimism, and we remain watchful of the performance. With valuations easing over the last 4 months, LTIM is placed attractively. Accordingly, we currently value the stock at 29x on FY27E earnings of Rs. 196 with TP of Rs. 5,690 per share and revise our rating to **'BUY'**.

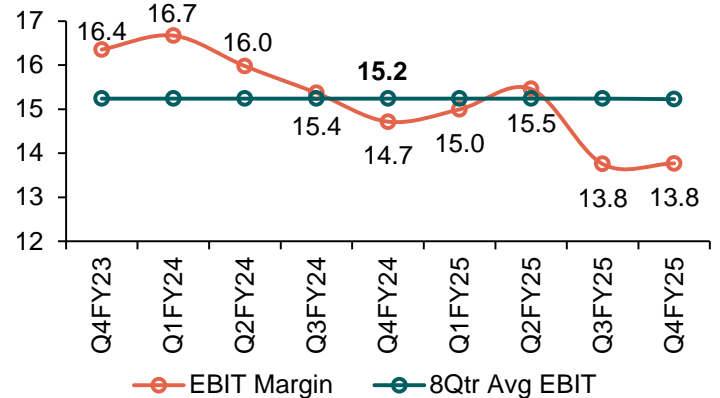
Story in Charts

Exhibit 9: Rev. declined by 0.6% QoQ in CC terms



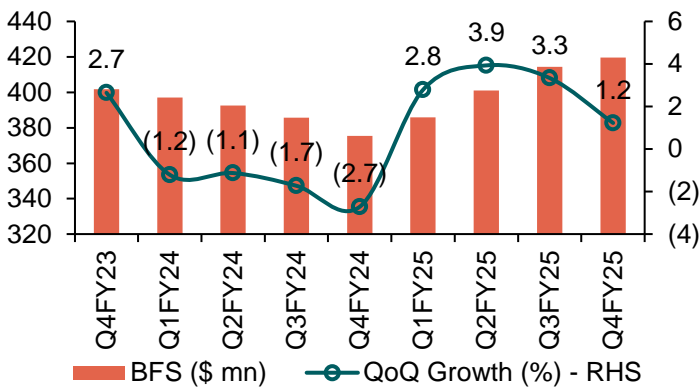
Source: Company, Dolat Capital

Exhibit 10: OPM was flat on QoQ Basis



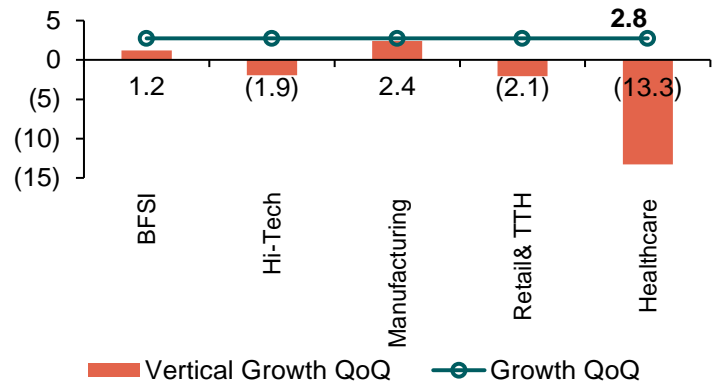
Source: Company, Dolat Capital

Exhibit 11: BFS Revenue grew by 1.2% QoQ



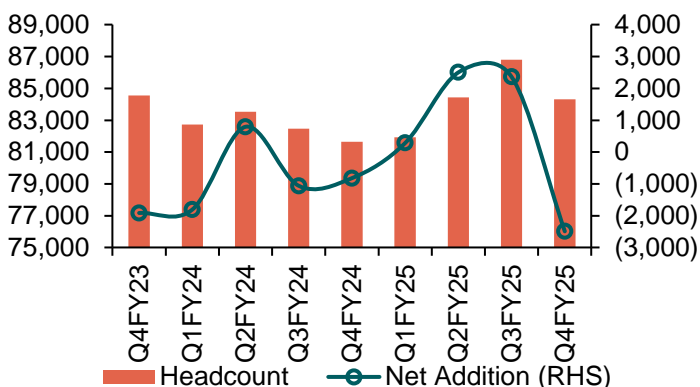
Source: Company, Dolat Capital

Exhibit 12: Slow deal ramp-up affected growth



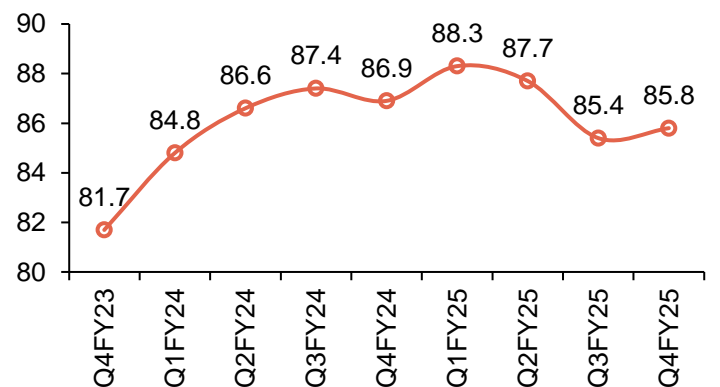
Source: Company, Dolat Capital

Exhibit 13: Headcount saw dip of 2,493 QoQ



Source: Company, Dolat Capital

Exhibit 14: Utilization improved by 40bps QoQ



Source: Company, Dolat Capital

Exhibit 15: Operating Metrics

Particulars	Q4FY23	Q1FY24	Q2FY24	Q3Y24	Q4Y24	Q1Y25	Q2Y25	Q3FY25	Q4FY25
CC growth (%) (QoQ)	0.7	0.1	1.7	0.7	(1.3)	2.6	2.3	1.8	(0.6)
CC growth (%) (YoY)	13.5	8.1	4.4	3.1	1.2	3.7	4.4	5.5	6.3
OPM (%)	16.4	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8
Vertical Amount (\$ mn)									
BFSI	402	397	393	386	375	386	401	414	420
Hi-Tech, Media & Entertainment	243	251	256	248	260	281	286	270	265
Manufacturing & Resources	185	183	193	220	199	203	204	220	225
Retail, CPG, TTH	163	160	165	159	161	159	163	163	159
Health, Life Sc & Public Services	65	68	70	70	74	68	72	72	62
Vertical Growth (QoQ)									
BFSI	2.7	(1.2)	(1.1)	(1.7)	(2.7)	2.8	3.9	3.3	1.2
Hi-Tech, Media & Ent	(1.5)	3.2	2.0	(3.0)	4.7	8.0	2.0	(5.7)	(1.9)
Manufacturing & Resources	1.0	(1.0)	5.1	14.3	(9.6)	2.0	0.6	7.8	2.4
Retail, CPG, TTH	2.4	(1.8)	2.9	(3.2)	1.4	(1.6)	2.8	(0.3)	(2.1)
Health, Life Sc & Public Ser	(2.2)	5.0	3.2	0.8	4.8	(7.9)	6.1	(0.5)	(13.3)
Vertical EBIT Margin (%)									
BFSI	17.8	17.4	17.2	17.0	15.6	15.8	16.4	14.9	16.2
Hi-Tech, Media & Ent	20.5	23.3	23.8	21.8	20.2	21.5	22.0	20.5	20.5
Manufacturing & Resources	17.6	17.6	15.2	13.5	15.6	15.6	15.0	13.6	13.5
Retail, CPG, TTH	19.5	18.8	19.6	18.5	18.1	17.7	18.8	17.9	17.4
Health, Life Sc & Public Ser	14.2	13.1	10.1	16.1	18.0	16.9	17.9	16.0	6.7
Geography Amount (\$ mn)									
North America	760	774	789	788	789	823	845	851	843
Europe	163	161	165	157	156	158	162	157	154
RoW	134	124	122	139	124	115	119	131	135
Geography Growth (QoQ)									
North America	0.5	1.8	2.0	(0.2)	0.2	4.3	2.6	0.7	(0.9)
Europe	4.4	(1.2)	2.3	(4.5)	(0.6)	1.1	2.8	(3.1)	(2.1)
ROW	0.2	(7.8)	(1.9)	14.1	(10.6)	(7.2)	3.8	9.7	2.8
Effort Mix									
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

Source: Company, Dolat Capital

Exhibit 16: Operating Metrics 2

Particulars	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Client Data									
Number of Active Clients	728	723	737	739	738	748	742	742	741
New Clients Added	31	19	30	23	30	27	22	23	26
1 Million Dollar +	383	388	391	388	394	390	392	401	410
5 Million Dollar +	146	148	146	149	153	148	154	152	154
10 Million Dollar +	81	88	90	89	91	87	88	90	89
20 Million Dollar +	38	40	41	40	40	43	42	39	40
50 Million Dollar +	13	13	14	12	13	12	12	13	14
100 Million Dollar +	2	2	2	2	2	2	2	2	2
Client Amount (\$ mn)									
Top 5 clients	269	283	288	298	303	316	320	318	313
Top 6-10 clients	79	78	81	85	77	76	74	75	75
Top 11-20 clients	117	114	117	115	111	115	122	125	507
Non-Top 20	592	583	589	586	579	590	611	621	140
Client Growth (QoQ)									
Top 5 clients	(2.4)	5.2	2.0	3.4	1.6	4.3	1.3	(0.7)	(1.4)
Top 6-10 clients	1.0	(1.2)	3.0	4.8	(8.9)	-1.8	-1.7	1.1	(0.7)
Top 11-20 clients	(1.9)	2.2	2.3	2.3	(1.3)	3.2	1.9	0.4	(5.2)
Non-Top 20	3.4	(1.5)	1.0	(0.5)	(1.3)	1.9	3.5	1.3	(2.3)
Order Book									
TCV (\$mn)	1,350	1,410	1,300	1,500	1,400	1,400	1,300	1680	1,600
QoQ	8.0	4.4	(7.8)	15.4	(6.7)	0.0	(7.1)	29.2	(4.8)
YoY	NA	16.5	22.6	20.0	3.7	(0.7)	0.0	20	14.3
TTM TCV (\$mn)	4,870	5,070	5,310	5,560	5,610	5,600	5,600	5780	5,980
QoQ	NA	4.1	4.7	4.7	0.9	(0.2)	0.0	3.2	3.5
YoY	NA	NA	NA	NA	15.2	10.5	5.5	4.0	6.6
Book-to-bill	1.19	1.21	1.25	1.30	1.31	1.29	1.28	1.30	1.33
Utilization									
Excluding Trainees	81.7	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8
Attrition % (LTM)	20.2	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4
Employees									
Development	80,283	77,555	78,276	77,203	76,460	76,837	79,374	81,641	79,081
Sales & Support	4,263	5,183	5,256	5,268	5,190	5,097	5,064	5,159	5,226
Total Headcount	84,546	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307
Net Addition	(1,916)	(1,808)	794	(1,061)	(821)	284	2,504	2,362	(2,493)

Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	355,170	380,081	410,616	450,744
Total Expense	291,296	315,132	337,615	368,768
COGS	246,214	268,217	288,611	314,918
Employees Cost	0	0	0	0
Other expenses	45,082	46,915	49,004	53,850
EBIDTA	63,874	64,949	73,000	81,976
Depreciation	8,189	9,915	10,676	11,269
EBIT	55,685	55,034	62,324	70,708
Interest	2,217	2,789	2,762	2,842
Other Income	7,019	9,897	10,293	10,829
Exc. / E.O. items	0	0	0	0
EBT	60,487	62,142	69,856	78,695
Tax	14,641	16,122	18,162	20,461
Minority Interest	25	33	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	45,821	45,987	51,693	58,234
Adjustments	0	0	0	0
APAT	45,821	45,987	51,693	58,234

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	296	296	296	296
Minority Interest	92	132	132	132
Reserves & Surplus	199,876	226,687	256,131	289,148
Net Worth	200,172	226,983	256,427	289,444
Total Debt	407	23	23	22
Net Deferred Tax Liability	(2,063)	(1,901)	(1,951)	(2,051)
Total Capital Employed	198,608	225,237	254,631	287,547

Applications of Funds

Net Block	48,333	52,663	54,212	53,308
CWIP	4,669	5,818	5,918	5,993
Investments	97,462	113,705	117,410	121,615
Current Assets, Loans & Advances	122,916	131,894	158,904	191,850
Current Investments	0	0	0	0
Inventories	30	28	28	27
Receivables	57,060	58,676	65,249	71,625
Cash and Bank Balances	18,200	20,623	40,484	65,657
Loans and Advances	0	0	0	0
Other Current Assets	47,626	52,567	53,143	54,541
Less: Current Liabilities & Provisions	74,772	78,843	81,814	85,219
Payables	14,939	15,499	16,677	18,198
Other Current Liabilities	59,833	63,344	65,136	67,022
<i>sub total</i>				
Net Current Assets	48,144	53,051	77,091	106,631
Total Assets	198,608	225,237	254,631	287,547

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	30.7	29.4	29.7	30.1
EBIDTA Margin	18.0	17.1	17.8	18.2
EBIT Margin	15.7	14.5	15.2	15.7
Tax rate	24.2	25.9	26.0	26.0
Net Profit Margin	12.9	12.1	12.6	12.9
(B) As Percentage of Net Sales (%)				
COGS	69.3	70.6	70.3	69.9
Employee	0.0	0.0	0.0	0.0
Other	12.7	12.3	11.9	11.9
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	25.1	19.7	22.6	24.9
Inventory days	0	0	0	0
Debtors days	59	56	58	58
Average Cost of Debt	267.1	1297.2	11949.0	12580.1
Payable days	15	15	15	15
Working Capital days	49	51	69	86
FA T/O	7.3	7.2	7.6	8.5
(D) Measures of Investment				
AEPS (Rs)	154.4	155.0	174.2	196.3
CEPS (Rs)	182.0	188.4	210.2	234.3
DPS (Rs)	65.0	65.0	75.0	85.0
Dividend Payout (%)	42.1	41.9	43.0	43.3
BVPS (Rs)	674.5	765.1	864.4	975.7
RoANW (%)	25.0	21.5	21.4	21.3
RoACE (%)	26.5	23.0	22.7	22.5
RoAIC (%)	34.7	28.6	29.8	32.4
(E) Valuation Ratios				
CMP (Rs)	4537	4537	4537	4537
Mcap (Rs Mn)	1,343,005	1,343,005	1,343,005	1,343,005
EV	1,325,212	1,322,405	1,302,544	1,277,371
MCap/ Sales	3.8	3.5	3.3	3.0
EV/Sales	3.7	3.5	3.2	2.8
P/E	29.4	29.3	26.0	23.1
EV/EBITDA	20.7	20.4	17.8	15.6
P/BV	6.7	5.9	5.2	4.6
Dividend Yield (%)	1.4	1.4	1.7	1.9
(F) Growth Rate (%)				
Revenue	7.0	7.0	8.0	9.8
EBITDA	4.6	1.7	12.4	12.3
EBIT	3.4	(1.2)	13.2	13.5
PBT	4.4	2.7	12.4	12.7
APAT	3.9	0.4	12.4	12.7
EPS	3.8	0.4	12.4	12.7

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	45,846	46,020	69,856	78,695
Depreciation & w.o.	8,189	9,915	10,676	11,269
Net Interest Exp	(797)	(632)	(7,531)	(7,987)
Direct taxes paid	(1,066)	(252)	(18,162)	(20,461)
Change in Working Capital	5,975	(4,803)	(4,478)	(4,730)
Non Cash	(1,452)	(4,790)	0	0
(A) CF from Operating Activities	56,695	45,458	50,359	56,785
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(8,389)	(9,411)	(12,400)	(10,540)
Free Cash Flow	48,365	36,122	37,959	46,245
(Inc.)/ Dec. in Investments	(33,305)	(11,547)	(3,700)	(4,200)
Other	2,573	3,576	0	0
(B) CF from Investing Activities	(39,121)	(17,382)	(16,100)	(14,740)
Issue of Equity/ Preference	12	35	0	0
Inc./(Dec.) in Debt	(280)	(744)	320	356
Interest exp net	(2,189)	(2,706)	7,531	7,987
Dividend Paid (Incl. Tax)	(17,753)	(19,246)	(22,250)	(25,216)
Other	(2,478)	(3,083)	0	0
(C) CF from Financing	(22,688)	(25,744)	(14,398)	(16,873)
Net Change in Cash	(5,177)	2,423	19,861	25,172
Opening Cash balances	23,377	18,200	20,623	40,484
Closing Cash balances	18,263	20,623	40,484	65,657

E – Estimates

Notes

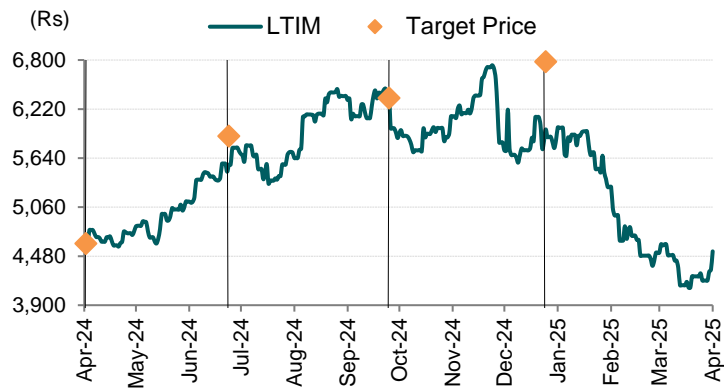
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	0	(24)	(4)
Rel to NIFTY (%)	(4)	(29)	(13)

Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	68.6	68.6	68.6
MF/Banks/FIs	14.8	14.9	15.5
FIIIs	7.4	7.5	7.0
Public / Others	9.2	9.1	8.9



Month	Rating	TP (Rs.)	Price (Rs.)
Apr-24	SELL	4,630	4,727
Jul-24	Accumulate	5,900	5,562
Oct-24	Reduce	6,350	6,394
Jan-25	Accumulate	6,780	5,979

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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