

### Deal Momentum continues, Guidance remains intact

- LTTS reported Rev of \$335mn down 4.2% QoQ in CC (DE: -0.5%); miss was on account of Smart World seasonality and slower ramp-up of deals (automotive, etc.). OPM up by 10 bps QoQ to 13.3% (DE: 13.8%) as profitability gains in the sustainability vertical got offset by weakness in Mobility & Hi-Tech.
- The company has retained its FY26 CC Rev growth guidance of double digits, reaffirming its optimism that FY26 will surpass FY25, as H2 will drive much higher growth than H1. Additionally, OPM might move on an upward trajectory targeting to reach the mid-16% levels between Q4 of FY27 and Q1 of FY28 set.
- LTTS expects continued progress in deal wins for FY26 following 3 consecutive quarters of \$200mn+ large deal TCV bookings (incl. Q1), but slower translation of same in revenues and adverse revenue mix has led to curtailing of earnings estimates by 4%/4.5% for FY26/FY27E factoring in for a soft start to the Fiscal. Maintain 'Reduce' rating with a revised TP of Rs. 4,600 valuing at 30x PER on FY27E EPS of Rs153.

### Persistent large deal TCV drives growth optimism

LTTS demonstrated strong deal win momentum by achieving \$200mn+ in large deals TCV for third consecutive quarter. This sustained performance, with deals ranging from \$10mn to over \$50mn across all segments, is particularly significant as more than half of Q1's large deals originated from the high-margin Sustainability segment. The trend, coupled with a robust pipeline of additional \$50M+ deals, indicates a strategic focus on scaling by mining reinforcing an optimistic outlook for double digit growth in FY26.

### Confident outlook on Growth starting Q2 & Margin Uplift in H2

Despite Q1 sequential revenue dip (\$10mn+ swing) from Smart World (Hi-Tech) seasonality and Auto headwinds (Mobility), there is positivity in outlook as the company anticipates sequential revenue growth from Q2 onwards (Verticals improving & revenues from Middle-East starting to flow in current FY) and OPM improvement in H2 onwards, targeting mid-16% EBIT by Q4 FY27/Q1 FY28. This outlook is underpinned by robust order books, AI integration across engagements, growth in high-margin Sustainability segment and operational efficiencies.

### Innovation & Market Expansion

The company's launch of PLxAI, an AI framework proven in Mobility and now cross-scaled, demonstrates a strategic push to accelerate product development globally. This is further supported by their new Plano, Texas design center, which strategically expands their U.S. presence.

#### Key Data

Nifty	25,212
Equity / FV	Rs 212mn / Rs 2
Market Cap	Rs 460bn
	USD 5.4bn
52-Week High/Low	Rs 6,000/ 3,991
Avg. Volume (no)	1,16,543
Bloom Code	LTTS IN

	Current	Previous
Rating	Reduce	Reduce
Target Price	4,600	4,810

#### Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%) /bps FY26E	Chg (%) /bps FY27E
Revenue	121	135	(1.1)	(1.2)
EBITDA	21	24	(4.1)	(3.7)
EBITDA (%)	17.4	17.9	(54)	(47)
APAT	14	16	(3.6)	(4.1)
EPS (Rs)	133.4	153.0	(4.0)	(4.5)

#### Valuation (x)

	FY25A	FY26E	FY27E
P/E	36.3	32.6	28.4
EV/EBITDA	23.6	20.9	17.8
ROE (%)	22.2	21.9	22.2
RoACE (%)	22.8	22.7	22.9

#### Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	28,660	16.4	(3.9)
Total Expense	24,036	19.8	(4.1)
EBITDA	4,624	1.4	(2.8)
Depreciation	811	11.7	(0.6)
EBIT	3,813	(0.6)	(3.2)
Other Income	677	8.8	37.3
Interest	165	26.0	3.8
EBT	4,325	0.0	1.2
Tax	1,164	(2.0)	(0.6)
RPAT	3,157	0.7	1.5
APAT	3,157	0.7	1.5
		(bps)	(bps)
Gross Margin	28.0	(128)	26
EBITDA (%)	16.1	(240)	19
NPM (%)	11.0	(172)	58
Tax Rate (%)	26.9	(54)	(49)
EBIT (%)	13.3	(228)	10

Director Research: Rahul Jain

+9122 40969771

[rahulj@dolatcapital.com](mailto:rahulj@dolatcapital.com)

Associate: Kashish Mehta

+9122 40969789

[kashishm@dolatcapital.com](mailto:kashishm@dolatcapital.com)

**Exhibit 1: Quarterly performance versus estimates**

Exhibit A: Quarterly performance versus estimates						
Particulars (Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat Consensus		Dolat	Consensus	
USD Revenue	335.3	350.3	338.9	(4.3)	(1.1)	Miss due to seasonality in SWC (Hi-Tech) & Auto stress (Mobility)
INR Revenue	28,660	30,019	29,152	(4.5)	(1.7)	
EBIT	3,813	4,143	3,953	(8.0)	(3.5)	Miss due to Mobility profitability weakness – client discounts & delays
EBIT, margin (%)	13.3	13.8	13.6	(50 bps)	(26 bps)	
PAT	3,157	3,166	3,140	(0.3)	0.5	In-line due to higher OI despite EBIT miss

Source: Company, Dolat Capital

**Change in Estimates**
**For FY26E/FY27E:**

1. **We lower USD rev estimates marginally** by 0.7%/0.9%, reflecting a weak start to the FY, but positive commentary and guidance being reiterated give no reason for any undue concern.
2. We lower **EBIT margin estimates** by **53bps/46bps**, factoring in lag for Mobility growth and as IntelliSwift's lower-margin profile continues to drag Hi-Tech margins.
3. **EPS estimates** are revised down by **4.0%/4.5%**, now expected at **Rs.133.6/153.2**, respectively, in anticipation of slower margin gains.

**Exhibit 2: Change in Estimates**

Particulars (Rs. mn)	FY24A	FY25A	FY26E			FY27E		
	Actual	Actual	Old	New	Chg.(%)	Old	New	Chg (%)
USD Revenue	1,163.9	1,258.9	1,426.6	1,416.2	(0.7)	1,578.4	1,563.8	(0.9)
YoY growth,	6.9	8.2	13.3	12.5	(83 bps)	10.6	10.4	(22 bps)
INR Revenue	96,472	1,06,702	1,22,690	1,21,349	(1.1)	1,36,926	1,35,264	(1.2)
YoY growth,	9.4	10.6	15.0	13.7	(126 bps)	11.6	11.5	(14 bps)
EBIT	16,473	15,871	18,662	17,810	(4.6)	21,658	20,779	(4.1)
EBIT Margin,	17.1	14.9	15.2	14.7	(53 bps)	15.8	15.4	(46 bps)
Net Profit	13,036	12,667	14,695	14,163	(3.6)	16,942	16,245	(4.1)
EPS (Rs)	123.0	119.4	139.1	133.6	(4.0)	160.3	153.2	(4.5)

Source: Company, Dolat Capital

**What to expect next Quarter**

We expect Q2FY26 growth of 3.3% QoQ, on the back of robust order books, AI integration across engagements. Margins are expected to increase by 125bps QoQ on better growth and operational efficiencies.

**Exhibit 3: What to expect next Quarter**

(Rs Mn)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
USD Revenue	346.4	335.3	306.7	3.3	12.9
INR Revenue	29,701	28,660	25,729	3.6	15.4
EBIT	4,321	3,813	3,877	13.3	11.5
PAT	3,400	3,157	3,196	7.7	6.4
EPS (Rs. Abs)	32.1	29.8	30.1	7.7	6.5
EBIT Margin (%)	14.6	13.3	15.1	125 bps	(52 bps)

Source: Company, Dolat Capital

#### Exhibit 4: Key Assumptions in our estimates

Assumptions Table	FY23A	FY24A	FY25A	FY26E	FY27E
CC revenue growth (%)	15.2	6.9	9.8	11.8	10.4
USD revenue growth (%)	23.7	6.9	8.2	12.5	10.4
USD/INR	81.0	82.9	84.7	85.7	86.5
INR Revenue Growth (%)	34.2	9.4	10.6	13.7	11.5
EBIT Margin (%)	17.3	17.1	14.9	14.7	15.4
EPS Growth (%)	26.6	7.5	(2.9)	11.8	14.7

Source: Company, Dolat Capital

#### Exhibit 5: Key Revenue Matrix

YoY Growth	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
CC Growth	10.0	1.4	11.0	6.3	6.1	6.3	8.7	14.2	12.8
USD Growth	9.1	1.8	11.5	5.8	5.4	6.5	7.3	13.1	13.6
INR Growth	14.7	4.6	18.2	7.0	7.0	7.8	9.5	17.5	16.4

Source: Company, Dolat Capital

#### Exhibit 6: Quarterly and YTD Trend

Particulars (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)
<b>USD Revenue</b>	<b>295.2</b>	<b>306.7</b>	<b>311.9</b>	<b>345.1</b>	<b>335.3</b>	<b>(2.8)</b>	<b>13.6</b>	<b>1,164</b>	<b>1,259</b>	<b>8.2</b>
<b>INR Revenue</b>	<b>24,619</b>	<b>25,729</b>	<b>26,530</b>	<b>29,824</b>	<b>28,660</b>	<b>(3.9)</b>	<b>16.4</b>	<b>96,472</b>	<b>1,06,702</b>	<b>10.6</b>
Operating Exp.	20,057	21,069	21,583	25,069	24,036	(4.1)	19.8	77,283	87,778	13.6
Cost of revenues	17,403	18,192	18,849	21,540	20,625	(4.2)	18.5	68,467	75,984	11.0
as % of sales	70.7	70.7	71.0	72.2	72.0	(26 bps)	128 bps	71.0	71.2	24 bps
SG&A expenses	2,654	2,877	2,734	3,529	3,411	(3.3)	28.5	8,816	11,794	33.8
as % of sales	10.8	11.2	10.3	11.8	11.9	7 bps	112 bps	9.1	11.1	191 bps
<b>EBITDA</b>	<b>4,562</b>	<b>4,660</b>	<b>4,947</b>	<b>4,755</b>	<b>4,624</b>	<b>(2.8)</b>	<b>1.4</b>	<b>19,189</b>	<b>18,924</b>	<b>(1.4)</b>
Depreciation	726	783	728	816	811	(0.6)	11.7	2,716	3,053	12.4
<b>EBIT</b>	<b>3,836</b>	<b>3,877</b>	<b>4,219</b>	<b>3,939</b>	<b>3,813</b>	<b>(3.2)</b>	<b>(0.6)</b>	<b>16,473</b>	<b>15,871</b>	<b>(3.7)</b>
Other Income	491	531	180	334	512	53.3	4.3	1,564	1,536	(1.8)
PBT	4,327	4,408	4,399	4,273	4,325	1.2	(0.0)	18,037	17,407	(3.5)
Total Tax	1,188	1,208	1,204	1,171	1,164	(0.6)	(2.0)	4,975	4,771	(4.1)
PAT before MI	3,139	3,200	3,195	3,102	3,161	1.9	0.7	13,062	12,636	(3.3)
Minority Interest	3	4	(29)	(9)	4	(144.4)	33.3	26	(31)	(219.2)
PAT after MI	3,136	3,196	3,224	3,111	3,157	1.5	0.7	13,036	12,667	(2.8)
<b>Reported EPS</b>	<b>29.6</b>	<b>30.1</b>	<b>30.4</b>	<b>29.3</b>	<b>29.8</b>	<b>1.5</b>	<b>0.7</b>	<b>123.0</b>	<b>119.4</b>	<b>(2.9)</b>
<b>Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
EBIDTA	18.5	18.1	18.6	15.9	16.1	19 bps	(240 bps)	19.9	17.7	(216 bps)
EBIT	15.6	15.1	15.9	13.2	13.3	10 bps	(228 bps)	17.1	14.9	(220 bps)
EBT	17.6	17.1	16.6	14.3	15.1	76 bps	(249 bps)	18.7	16.3	(238 bps)
PAT	12.7	12.4	12.2	10.4	11.0	58 bps	(172 bps)	13.5	11.9	(164 bps)
Effective Tax rate	27.5	27.4	27.4	27.4	26.9	(49 bps)	(54 bps)	27.6	27.4	(17 bps)

Source: Company, Dolat Capital

## Earnings Call KTAs

- **Revenue:** Revenue stood at \$335mn with -2.8%/+13.6% QoQ/YoY growth (Rev was at -4.2%/+12.8% in CC terms) due to Smart World seasonality and weaker ramp-up headwinds in automotive (Delays & disruptions in Mobility Segment).
- **TCV Wins:** LTTS continued its large-deal TCV bookings momentum in Q1 (\$200mn+), securing significant wins including 1 deal over \$50mn, 3 deals in \$20-30mn, and 6 exceeding \$10mn. Achieved over \$200mn in large deal TCV for the 3<sup>rd</sup> consecutive quarters in a row, reinforcing its ability to secure substantial strategic engagements repeatedly. More than half of Q1 large deals were in the high-margin Sustainability segment, with a robust pipeline of \$50+ million deals expected to close in the coming quarters.
- **Mobility Vertical (30% of Rev):** Revenue declined by 1.5% QoQ in Q1FY26, as it faces near-term challenges from EV vs. ICE uncertainty in the US, while Chinese low-cost EV competition is impacting European OEMs. Despite this, other sub-segments, such as Highway, Aerospace, and Rail sub-segments saw strong growth. Growth is expected to remain muted for 2 more quarters before recovering in H2FY26.
- **Sustainability (31% of Rev):** Revenue grew 4.1% QoQ, surpassing \$100mn this quarter and achieving a \$400+ million annual run-rate. This was fueled by strong demand in plant engineering (Oil & Gas, CPG) and industrial subsegment growth from large deals, boosted by AI interventions. Higher deal traction in Sustainability would also improve overall margins.
- **Hi-Tech (39% of Rev):** Revenue slipped by 8.5% QoQ, due to Smart World seasonality (more than \$10mn swing QoQ). Its AI offerings in software/platforms received positive client responses across hyper-scalers, fintech, and healthcare while winning an Indian Safe City project with its computer vision platforms.
- **EBIT Margin:** OPM remained flattish (up 10bps QoQ) at 13.3%. Vertical-wise, Sustainability improved its profitability by ~400bps while Mobility & Hi-Tech's margins declined by ~360bps/120 bps respectively.
- **Guidance for FY26:** The company expects sequential revenue growth from Q2 onwards with margin improvement in H2 compared to H1, targeting mid-16% EBIT margins of Q4 FY27/Q1 FY28, driven by a broad-based growth across segments. Backed by a strong pipeline and increasing order backlog, management reiterated its confidence and kept its previous guidance for double-digit CC growth in FY26 intact.
- **Headcount and Talent Metrics:** Total headcount decreased slightly to 23.6k (from 24.2k in Q4FY25), decreasing by 632 QoQ. Attrition remained at 14.8% vs 14.3% QoQ.
- **New Initiatives:** The company is launching PLxAI, a new proprietary AI framework designed to accelerate product development for global clients. PLxAI leverages smart prompting, contextual intelligence, and agentic workflows, and, after incubation in the Mobility segment, has now been scaled across other verticals. Furthermore, to address specific growth demands, they have inaugurated a new design center in Plano, Texas, expanding their U.S. footprint with a focus on cutting-edge technologies, cybersecurity, and AI.

### Exhibit 7: Revenue Mix

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
Mobility	99	30	(1.5)	(4.5)	(1.5)	16
Sustainability	103	31	4.3	16.6	4.2	(43)
Hi-Tech	133	39	(8.6)	29.3	(12.5)	128
<b>Total</b>	<b>335</b>	<b>100</b>	<b>(2.8)</b>	<b>13.6</b>	<b>(9.8)</b>	<b>100</b>

Source: Company, Dolat Capital

### Exhibit 8: Geography Mix

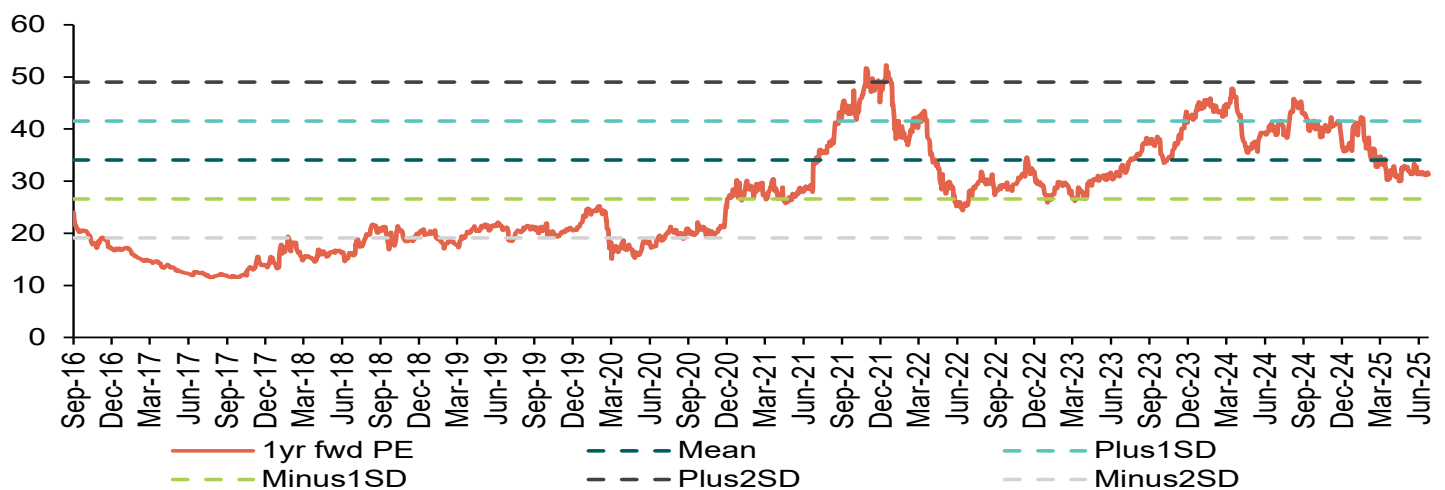
Geography	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
North America	181	54	1.3	16.2	2.3	(23)
Europe	57	17	0.7	7.3	0.4	(4)
India	70	21	(16.4)	8.4	(13.8)	141
Rest of the World	26	8	5.3	26.6	1.3	(13)
<b>Total</b>	<b>335</b>	<b>100</b>	<b>(2.8)</b>	<b>13.6</b>	<b>(9.8)</b>	<b>100</b>

Source: Company, Dolat Capital

### Valuation

LTTS's long-term growth story remains intact, with strong engineering capabilities and a superior margin profile. We believe that growth and profitability are well built into present valuations; however, risks of macro uncertainty persist. Consequently, **we retain rating to 'Reduce' with a revised TP of Rs. 4,600 at 30x PER (FY27E EPS of 153).**

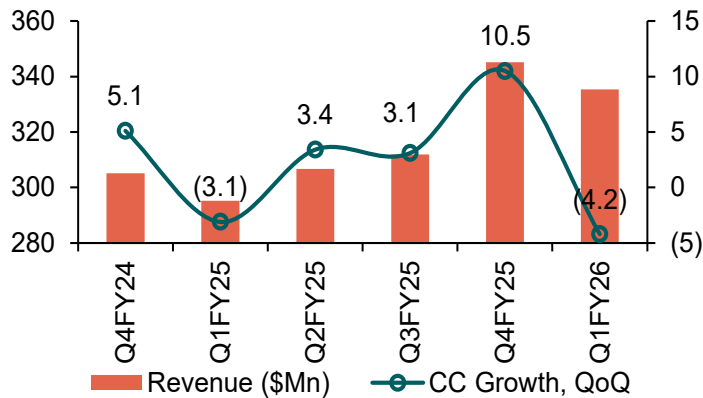
### Exhibit 9: LTTS trades at a PE of ~30x on 12m forward EPS



Source: Company, Dolat Capital

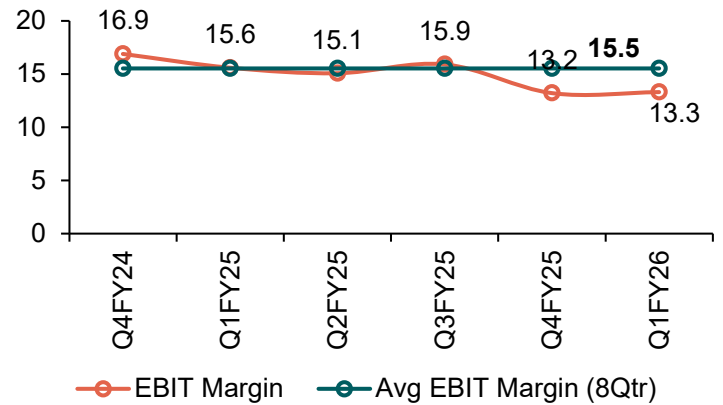
## Key Charts

**Exhibit 10: Rev. declined by 4.2% QoQ in CC terms**



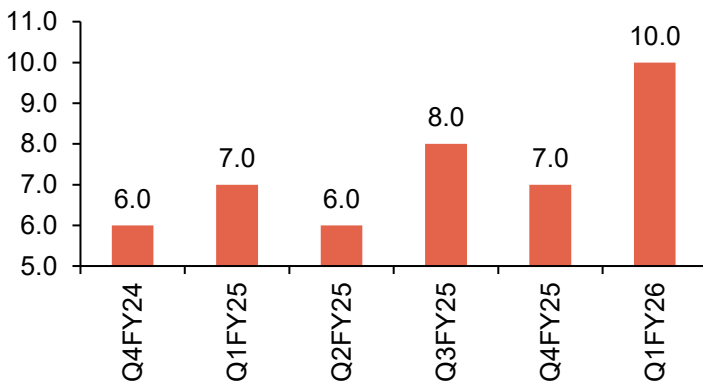
Source: Company, Dolat Capital

**Exhibit 11: OPM up by 10bps on QoQ basis**



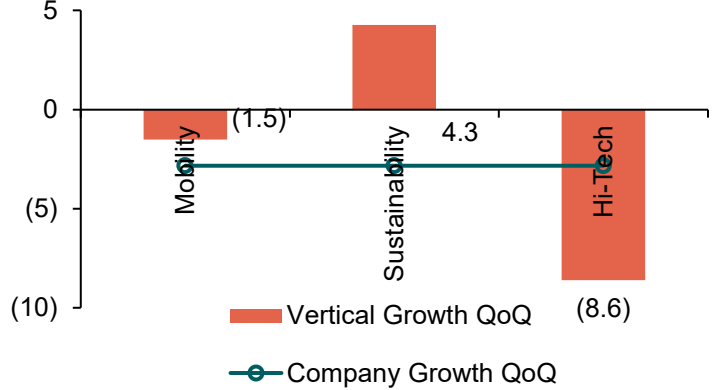
Source: Company, Dolat Capital

**Exhibit 12: Won 10 large deals**



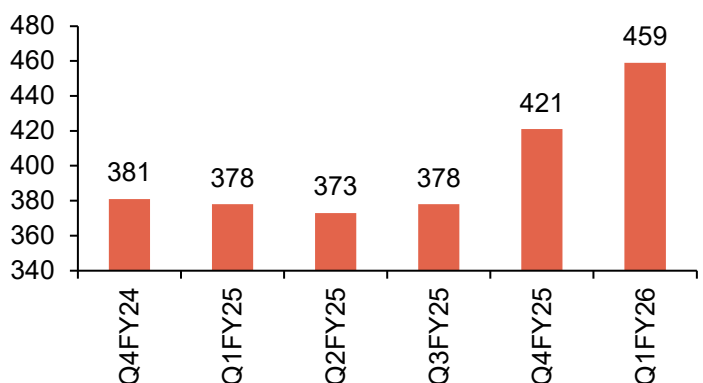
Source: Company, Dolat Capital

**Exhibit 13: Hi-Tech led decline due to seasonality**



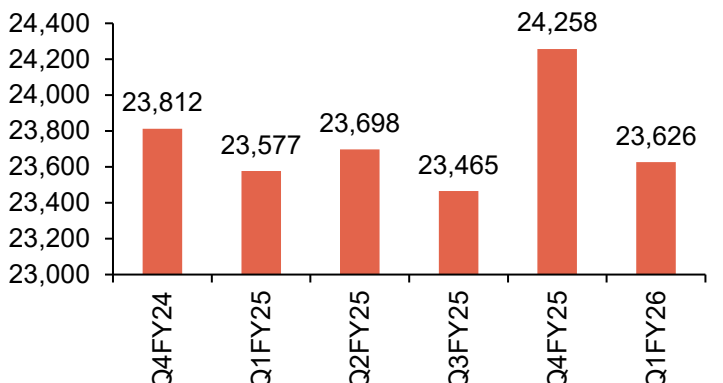
Source: Company, Dolat Capital

**Exhibit 14: Added 81 clients on YoY Basis**



Source: Company, Dolat Capital

**Exhibit 15: Headcount saw QoQ decrease by 632**



Source: Company, Dolat Capital



## Exhibit 16: Operating Metrics 1

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
CC Growth (QoQ)	(2.9)	3.2	0.9	5.1	(3.1)	3.4	8.7	10.5	(4.2)
CC Growth (YoY)	10.0	1.4	11.0	6.3	6.1	6.3	7.3	14.2	12.8
EBIT Margin (%)	17.2	17.1	17.2	16.9	15.6	15.1	9.5	13.2	13.3
<b>Region Amount (\$mn)</b>									
North America	158	159	159	164	156	161	161	179	181
Europe	43	46	48	48	53	56	57	57	57
India	58	62	63	72	65	67	71	84	70
Rest of the World	21	21	21	21	21	22	24	25	26
<b>Region Growth (YoY)</b>									
North America	5.0	1.8	2.1	6.8	(1.3)	1.1	1.2	9.3	16.2
Europe	9.1	15.7	16.9	15.3	23.9	24.0	17.6	18.1	7.3
India	18.8	(8.0)	10.8	0.3	12.0	7.9	13.3	16.5	8.4
Rest of the World	17.0	7.7	11.3	(1.5)	(0.3)	5.0	11.7	19.8	26.6
<b>Vertical Amount (\$mn)</b>									
Mobility (Transportation)	92	96	97	98	104	109	101.1	101	99
Sustainability	88	90	91	92	89	94	97.3	99	103
- Industrial Products	49	50	50	48	N.A	N.A	N.A	N.A	N.A
- Plant Engineering	39	40	41	43	N.A	N.A	N.A	N.A	N.A
Hi-Tech	100	102	103	116	103	103	113.5	145	133
- Telecom & Hi-tech	71	73	74	89	N.A	N.A	N.A	N.A	N.A
- Medical Devices	29	29	30	27	N.A	N.A	N.A	N.A	N.A
<b>Vertical Growth (YoY)</b>									
Mobility (Transportation)	15.4	11.9	8.4	10.6	13.5	13.8	4.7%	3.2	(4.5)
Sustainability	4.8	3.8	5.9	2.0	0.4	4.8	7.3%	8.2	16.6
- Industrial Products	7.9	6.7	5.8	(1.7)	N.A	N.A	N.A	N.A	N.A
- Plant Engineering	1.1	0.4	6.0	6.5	N.A	N.A	N.A	N.A	N.A
Hi-Tech	7.6	(7.7)	19.7	5.2	2.5	1.1	9.7%	25.0	29.3
- Telecom & Hi-tech	8.7	(12.8)	23.4	9.1	N.A	N.A	N.A	N.A	N.A
- Medical Devices	5.0	8.6	11.3	(6.0)	N.A	N.A	N.A	N.A	N.A
<b>Segmental Margin (%)</b>									
Mobility (Transportation)	18.4	19.6	20.4	20.0	18.8	19.5	19.2%	18.8	15.2
Sustainability	27.8	27.8	28.5	28.8	27.1	25.4	24.8%	23.2	27.4
- Industrial Products	24.4	25.5	27.1	25.2	N.A	N.A	N.A	N.A	N.A
- Plant Engineering	30.4	29.8	29.7	32.0	N.A	N.A	N.A	N.A	N.A
Hi-Tech	15.8	15.6	14.9	15.6	12.6	11.5	14.7%	10.1	8.9
- Telecom & Hi-tech	33.0	32.0	27.2	31.8	N.A	N.A	N.A	N.A	N.A
- Medical Devices	8.9	9.1	10.0	10.8	N.A	N.A	N.A	N.A	N.A
<b>Client Rev (\$mn)</b>									
Top 5 Clients	41	43	46	47	44	46	47	52	51
Top 6-10 Clients	31	32	32	34	33	35	36	37	34
Top 11-20 Clients	43	45	44	43	44	46	41	47	44
Non Top 20 Clients	164	168	169	181	173	179	188	209	207
<b>Client Growth (YoY)</b>									
Top 5 Clients	(4.0)	(14.3)	5.3	11.6	7.6	7.2	3.9	10.9	14.3
Top 6-10 Clients	12.1	12.9	17.8	5.8	6.4	9.3	14.2	10.0	0.5
Top 11-20 Clients	8.4	11.1	15.1	(1.2)	2.0	2.4	(6.9)	8.3	(0.8)
Non Top 20 Clients	12.5	2.5	10.9	6.1	5.6	6.8	10.6	15.4	19.6
<b>Client Bucket</b>									
\$30mn+	3	4	4	5	6	7	7	6	6
\$20mn+	12	12	14	12	12	13	10	11	10
\$10mn+	32	31	31	35	31	33	34	32	34
\$5mn+	56	55	56	58	60	60	64	59	64
\$1mn+	181	177	175	180	177	176	183	194	200
Active Client	357	362	364	381	378	373	378	421	459

Source: Company, DART, restated with integration of SWC biz.

## Exhibit 17: Operating Metrics 2

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Billable Employees	21,933	22,366	21,887	22,392	22,120	22,185	21,947	22,579	21,962
Sales & Support Employees	1,459	1,514	1,411	1,420	1,457	1,513	1,518	1,679	1,664
Total Employees	23,392	23,880	23,298	23,812	23,577	23,698	23,465	24,258	23,626
Attrition (LTM) (%)	18.9	16.7	15.8	14.8	14.8	14.3	14.4	14.3	14.8
Utilization Incl. Trainees	N.A	N.A	N.A	N.A	0.0	0.0	0.0	0.0	0.0
Deals (Below \$10mn)	0	0	0	0	0	0	0	0	0
Deals (\$10mn - \$25mn)	5	7	6	4	5	4	3	4	6
Deals (Above \$25mn)	1	0	1	1	2	2	5	3	4
Total Deals	6	7	6	6	7	6	8	7	10
<b>Rev. Mix Amount (\$mn)</b>									
Onsite	114	116	120	126	121	128	129	153	147
Offshore	166	172	171	179	174	179	183	193	188
<b>Rev. Mix Growth (YoY)</b>									
Onsite	8.5	4.4	12.7	15.0	6.5	9.9	7.6	21.1	21.3
Offshore	9.4	0.1	10.4	0.2	4.7	4.1	7.1	7.5	8.2
<b>Rev. Type Amount (\$mn)</b>									
Fixed Project	100	103	112	121	109	115	129	138	127
Time & Material	180	185	179	185	186	192	183	207	209
<b>Rev. Type Growth (YoY)</b>									
Fixed Project	22.1	0.7	33.1	12.0	9.3	11.5	14.8	14.3	16.4
Time & Material	3.0	2.4	1.0	2.1	3.3	3.6	2.6	12.4	12.0
Total Patents	1,145	1,198	1,249	1,296	1,343	1,394	1,448	1,502	1,550
Co-Authored Patents	757	785	811	833	853	877	9.3	929	952
Billed DSO on LTM Rev.	114	109	111	107	107	106	102	100	110
UnBilled DSO on LTM Rev.	25	23	21	16	24	19	19	20	19
Total DSO on LTM Rev.	138	132	132	123	131	125	121	120	129
<b>CF - Quarterly (Rs. Mn)</b>									
CFO	(8,009)	2,918	2,710	6,515	(640)	4,381	6,660	4,410	83
Capex	1,278	(899)	(728)	(283)	(250)	-213	-284	-271	(366)
FCF	(6,731)	2,019	1,982	6,232	(890)	4,168	6,376	4,139	(283)

Source: Company, DART, restated with integration of SWC biz.



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Revenue</b>	<b>96,472</b>	<b>1,06,702</b>	<b>1,21,349</b>	<b>1,35,264</b>
<b>Total Expense</b>	<b>77,283</b>	<b>87,778</b>	<b>1,00,242</b>	<b>1,11,004</b>
COGS	68,467	75,984	86,305	95,823
Employees Cost	0	0	0	0
Other expenses	8,816	11,794	13,937	15,181
<b>EBIDTA</b>	<b>19,189</b>	<b>18,924</b>	<b>21,107</b>	<b>24,260</b>
Depreciation	2,716	3,053	3,297	3,481
<b>EBIT</b>	<b>16,473</b>	<b>15,871</b>	<b>17,810</b>	<b>20,779</b>
Interest	509	564	672	704
Other Income	2,073	2,100	2,267	2,206
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>18,037</b>	<b>17,407</b>	<b>19,405</b>	<b>22,281</b>
Tax	4,975	4,771	5,222	6,016
<b>Minority Interest</b>	<b>26</b>	<b>(31)</b>	<b>19</b>	<b>20</b>
Profit/Loss share of associates	0	0	0	0
RPAT	13,036	12,667	14,163	16,245
Adjustments	0	0	0	0
<b>APAT</b>	<b>13,036</b>	<b>12,667</b>	<b>14,163</b>	<b>16,245</b>

### Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Sources of Funds</b>				
Equity Capital	212	212	212	212
Minority Interest	207	175	194	214
Reserves & Surplus	53,059	60,588	68,406	77,778
<b>Net Worth</b>	<b>53,271</b>	<b>60,800</b>	<b>68,617</b>	<b>77,990</b>
Total Debt	0	0	0	0
Net Deferred Tax Liability	691	594	669	769
<b>Total Capital Employed</b>	<b>54,169</b>	<b>61,569</b>	<b>69,480</b>	<b>78,973</b>

### Applications of Funds

Net Block	<b>16,126</b>	<b>22,449</b>	<b>23,067</b>	<b>23,844</b>
CWIP	131	280	280	280
Investments	17,611	14,923	15,623	16,223
<b>Current Assets, Loans &amp; Advances</b>	<b>50,963</b>	<b>58,619</b>	<b>69,395</b>	<b>81,451</b>
Current Investments	0	0	0	0
Inventories	33	39	39	39
Receivables	21,803	25,126	28,259	31,407
Cash and Bank Balances	11,221	13,831	19,792	27,287
Loans and Advances	0	0	0	0
Other Current Assets	17,906	19,623	21,305	22,718
<b>Less: Current Liabilities &amp; Provisions</b>	<b>30,662</b>	<b>34,702</b>	<b>38,884</b>	<b>42,825</b>
Payables	14,117	16,223	18,126	19,768
Other Current Liabilities	16,545	18,479	20,758	23,057
<i>sub total</i>				
Net Current Assets	20,301	23,917	30,510	38,626
<b>Total Assets</b>	<b>54,169</b>	<b>61,569</b>	<b>69,480</b>	<b>78,973</b>

E – Estimates

### Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
<b>(A) Margins (%)</b>				
Gross Profit Margin	29.0	28.8	28.9	29.2
EBIDTA Margin	19.9	17.7	17.4	17.9
EBIT Margin	17.1	14.9	14.7	15.4
Tax rate	27.6	27.4	26.9	27.0
Net Profit Margin	13.5	11.9	11.7	12.0
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	71.0	71.2	71.1	70.8
Employee	0.0	0.0	0.0	0.0
Other	9.1	11.1	11.5	11.2
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	32.4	28.1	26.5	29.5
Inventory days	0	0	0	0
Debtors days	82	86	85	85
Average Cost of Debt				
Payable days	53	55	55	53
Working Capital days	29	31	31	32
FA T/O	6.0	4.8	5.3	5.7
<b>(D) Measures of Investment</b>				
AEPS (Rs)	122.8	119.7	133.4	153.0
CEPS (Rs)	148.4	148.6	164.4	185.8
DPS (Rs)	49.9	54.9	59.9	64.9
Dividend Payout (%)	40.6	45.8	44.9	42.4
BVPS (Rs)	501.8	574.7	646.2	734.5
RoANW (%)	26.7	22.2	21.9	22.2
RoACE (%)	27.4	22.8	22.7	22.9
RoAIC (%)	40.0	35.0	36.6	41.0
<b>(E) Valuation Ratios</b>				
CMP (Rs)	4347	4347	4347	4347
Mcap (Rs Mn)	4,59,883	4,59,883	4,59,883	4,59,883
EV	4,48,662	4,46,052	4,40,091	4,32,596
MCap/ Sales	4.8	4.3	3.8	3.4
EV/Sales	4.7	4.2	3.6	3.2
P/E	35.4	36.3	32.6	28.4
EV/EBITDA	23.4	23.6	20.9	17.8
P/BV	8.7	7.6	6.7	5.9
Dividend Yield (%)	1.1	1.3	1.4	1.5
<b>(F) Growth Rate (%)</b>				
Revenue	9.4	10.6	13.7	11.5
EBITDA	9.0	(1.4)	11.5	14.9
EBIT	7.9	(3.7)	12.2	16.7
PBT	7.0	(3.5)	11.5	14.8
APAT	7.5	(2.8)	11.8	14.7
EPS	7.6	(2.5)	11.4	14.7

E – Estimates

## Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
<b>Profit before tax</b>	<b>18,038</b>	<b>17,407</b>	<b>19,405</b>	<b>22,281</b>
Depreciation & w.o.	2,716	3,053	3,297	3,481
Net Interest Exp	(307)	(1,536)	(1,595)	(1,502)
Direct taxes paid	(5,256)	(4,771)	(5,222)	(6,016)
Change in Working Capital	294	0	(2)	0
Non Cash	(557)	(1,233)	(557)	(521)
<b>(A) CF from Operating Activities</b>	<b>14,928</b>	<b>12,920</b>	<b>15,325</b>	<b>17,723</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(10,506)	(12,300)	(3,915)	(4,258)
<b>Free Cash Flow</b>	<b>4,422</b>	<b>620</b>	<b>11,410</b>	<b>13,465</b>
(Inc.)/ Dec. in Investments	8,015	2,688	(700)	(600)
Other	158	1,536	1,595	1,502
<b>(B) CF from Investing Activities</b>	<b>(2,333)</b>	<b>(8,076)</b>	<b>(3,020)</b>	<b>(3,356)</b>
Issue of Equity/ Preference	0	(32)	19	20
Inc./(Dec.) in Debt	0	0	0	0
Interest exp net	0	0	0	0
Dividend Paid (Incl. Tax)	(4,967)	(5,807)	(6,362)	(6,892)
Other	(1,612)	0	0	0
<b>(C) CF from Financing</b>	<b>(6,579)</b>	<b>(5,839)</b>	<b>(6,344)</b>	<b>(6,872)</b>
Net Change in Cash	6,016	(995)	5,961	7,495
<b>Opening Cash balances</b>	<b>5,272</b>	<b>11,288</b>	<b>10,293</b>	<b>16,254</b>
<b>Closing Cash balances</b>	<b>11,288</b>	<b>10,293</b>	<b>16,254</b>	<b>23,748</b>

E – Estimates

## Notes

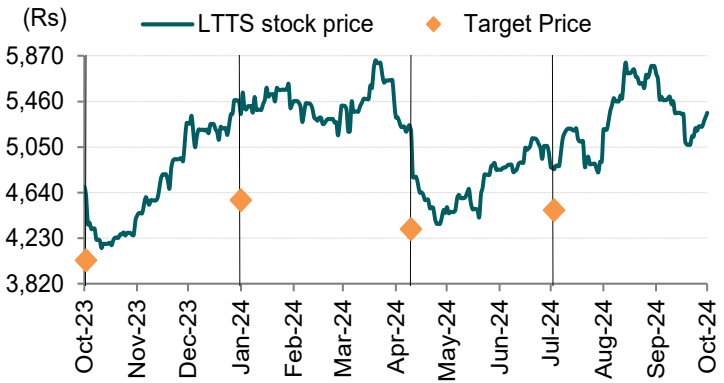
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(4)	3	(11)
Rel to NIFTY (%)	(5)	(5)	(13)

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	73.7	73.7	73.7
MF/Banks/FIs	14.3	13.7	13.7
FIIIs	4.2	5.2	5.2
Public / Others	7.9	7.5	7.5



Month	Rating	TP (Rs.)	Price (Rs.)
Jul-24	Sell	4,480	4,850
Oct-24	Sell	4,800	5,357
Jan-25	REDUCE	5,050	4,852
Apr-25	REDUCE	4,810	4,478

\*Price as on recommendation date

Notes

### Dolat Rating Matrix

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Dolat Team

<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>
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#### CONTACT DETAILS

<b>Equity Sales</b>	<b>Designation</b>	<b>E-mail</b>	<b>Direct Lines</b>
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
<b>Equity Trading</b>	<b>Designation</b>	<b>E-mail</b>	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Nishit Sariya	VP - Derivatives Sales Trading	nishits@dolatcapital.com	+9122 4096 9765
Monali Jobanputra	Co - Head Asia Derivatives	monalij@dolatcapital.com	+9122 6176 4841
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

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Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: [research@dolatcapital.com](mailto:research@dolatcapital.com) | [www.dolatresearch.com](http://www.dolatresearch.com)

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