

### Results on expected lines, no undue surprises in commentary

- LTIM reported a mild CC Rev growth of 0.8% QoQ (in line with DE: +0.8%), with a broad-based flattish growth across all verticals. OPM was up 50 bps QoQ at 14.3%, improvement (~100bps) was driven by Fit4Future initiatives, partly offset by visa seasonality and forex.
- While there was no specific guidance for FY26, LTIM remains optimistic about deal win opportunities (TCV remained strong at \$1.63bn for Q4 – TTM TCV up 11% YoY) as management highlighted strengthening large deal capabilities under centralized leadership, with robust pipeline and improved win rates.
- 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 some recent surge in price, we now revise our rating to 'Accumulate', with TP of Rs. 5,700 valuing at 29x on FY27E EPS (20% premium to Tier I valuations).

### Focus on large deals and Pipeline commentary

Q1 order inflow stood at \$1.63bn, up 17% YoY, marking the 3<sup>rd</sup> consecutive quarter sustaining above \$1.5bn TCV levels. A notable win included their largest-ever AI-led deal with a global agri-business player (\$450mn in TCV). Management expressed confidence in sustaining growth into Q2 (no commitment yet for FY), supported by a robust pipeline, improved win rates, and a disciplined, client-centric execution strategy focused on large deals under centralized leadership. Also launched Blue-Verse, an Agentic AI ecosystem, and introduced AI-led GCC-as-a-Service, driving innovation across offerings and internal operations.

### Margin Expansion and Improved Utilization levels

EBIT margins expanded 50bps QoQ to 14.3% in Q1 FY26, driven by (~100bps) benefit from Fit4Future initiatives, partially offset by visa seasonality and forex. Utilization rose 230 bps to 88.1%, aiding margins though still above the ideal 86-87% range. To ease delivery pressure, over ~1.6k freshers were onboarded during the quarter. Management remains confident of further margin expansion in Q2, backed by Fit4Future (sales productivity, process optimization) led by cost and operational efficiencies.

### Vertical commentary is stable with no significant concerns

Most verticals exhibited modest performance. BFSI remained cautious but focused on key accounts, while Tech stabilized with rising AI investments. Manufacturing held momentum, Consumer saw broad-based growth, and HLS rebounded with anticipated margin recovery. Continued focus on AI, operational efficiency, and large deals is expected to sustain.

### Key Data

Nifty	25,112
Equity / FV	Rs 296mn / Rs 1
Market Cap	Rs 1,538bn
	USD 17.9bn
52-Week High/Low	Rs 6,768/ 4,025
Avg. Volume (no)	3,23,643
Bloom Code	LTIM IN

	Current	Previous
Rating	Accumulate	BUY
Target Price	5,700	5,690

### Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%)	Chg (%)
			bps	bps
Revenue	406	440	(1.2)	(2.3)
EBITDA	71	79	(2.6)	(3.3)
EBITDA (%)	17.5	18.0	(25)	(18)
APAT	52	58	0.0	0.0
EPS (Rs)	174.3	196.4	0.0	0.1

### Valuation (x)

	FY25A	FY26E	FY27E
P/E	33.5	29.8	26.4
EV/EBITDA	23.4	21.0	18.6
ROE (%)	21.5	21.4	21.3
RoACE (%)	23.0	22.8	22.6

### Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	98,406	7.6	0.7
Total Expense	81,912	8.7	0.2
EBITDA	16,494	2.7	3.3
Depreciation	2,429	3.3	(3.1)
EBIT	14,065	2.6	4.5
Other Income	3,921	72.7	56.1
Interest	724	0.0	7.6
EBT	17,262	13.1	12.9
Tax	4,716	20.8	17.7
RPAT	12,541	10.6	11.1
APAT	12,541	10.6	11.1
		(bps)	(bps)
Gross Margin	29.1	(125)	115
EBITDA (%)	16.8	(81)	43
NPM (%)	12.7	34	120
Tax Rate (%)	27.3	172	112
EBIT (%)	14.3	(70)	52

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### Exhibit 1: Quarterly performance versus estimates

Particulars (Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
USD Revenue	1,153	1,148	1,146	0.5	0.6	CC Rev In-line
INR Revenue	98,406	97,807	98,554	0.6	(0.2)	
EBIT	14,065	13,889	14,158	1.3	(0.7)	Mild beat, driven by Fit4Future initiatives, partly offset by visa costs & forex
EBIT, margin	14.3	14.2	14.4	10 bps	(10 bps)	
PAT	12,541	11,667	11,941	7.5	5.0	Higher OI led to beat

Source: Company, Dolat Capital

### Change in Estimates

**For FY26E/FY27E**, we have lowered our USD revenue growth estimates by 0.8%/2.0% since despite decent TCV wins, in view of ongoing weakened macros. Margins have been cut by 14bps/18bps as management's intention to lower utilization rates from current levels would drag margins to some extent. Overall, our earnings estimates remain largely unchanged.

### Exhibit 2: Change in Estimates

Particulars (Rs. mn)	FY24A	FY25A	FY26E			FY27E		
	Actual	Actual	Old	New	Chg.(%)	Old	New	Chg (%)
USD Revenue	4,287	4,493	4,775	4,738	(0.8)	5,196	5,092	(2.0)
YoY growth,	4.4	4.8	6.3	5.5	(81 bps)	8.8	7.5	(135 bps)
INR Revenue	3,55,170	380,081	4,10,616	4,05,798	(1.2)	4,50,744	4,40,472	(2.3)
YoY growth,	7.0	7.0	8.0	6.8	(127 bps)	9.8	8.5	(123 bps)
EBIT	55,685	55,034	62,324	61,014	(2.1)	70,708	68,298	(3.4)
EBIT Margin,	15.7	14.5	15.2	15.0	(14 bps)	15.7	15.5	(18 bps)
Net Profit	45,821	45,987	51,693	51,696	0.0	58,234	58,259	0.0
EPS (Rs)	154.4	155.0	174.2	174.3	0.0	196.3	196.4	0.1

Source: Dolat Capital, Company

### What to expect next Quarter

We expect 1.9% QoQ growth in USD revenue for Q2FY26, supported by modest broad-based expectations and confident near-term outlook. EBIT margin is expected to expand by a 51bps QoQ to 14.8% as seasonal visa & travel costs would subside while benefits from Fit4Future initiatives would continue. Overall, PAT is projected to be flattish (-0.5% QoQ).

### Exhibit 3: What to expect next Quarter

Particulars (Rs Mn)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
USD Revenue	1,175	1,153	1,127	1.9	4.3
INR Revenue	1,00,774	98,406	94,329	2.4	6.8
EBIT	14,915	14,065	14,582	6.0	2.3
PAT	12,483	12,541	12,510	(0.5)	(0.2)
EPS (Rs. Abs)	42.1	42.3	42.3	(0.5)	(0.3)
EBIT Margin (%)	14.8	14.3	15.5	51 bps	(66 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	5.0	7.5
USD revenue growth (%)	17.2	4.4	4.8	5.5	7.5
INR revenue growth (%)	27.1	7.0	7.0	6.8	8.5
EBIT margins (% of sales)	16.2	15.7	14.5	15.0	15.5
EPS growth (%)	11.4	3.8	0.4	12.4	12.7
USD/INR	80.8	82.8	84.6	85.6	86.5

Source: Company, Dolat Capital

**Exhibit 5: Key Revenue Matrix**

YoY Growth	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
CC Growth	8.1	4.4	3.1	1.2	3.7	4.4	5.5	6.3	4.4
USD Growth	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8	5.2
INR Growth	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9	7.6

Source: Company, Dolat Capital

**Exhibit 6: Quarterly and YTD Trend**

Particulars (mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
<b>USD Revenue</b>	<b>1,096.2</b>	<b>1,126.6</b>	<b>1,138.7</b>	<b>1,131.0</b>	<b>1,153.3</b>	<b>5.2</b>	<b>2.0</b>	<b>4,287</b>	<b>4,493</b>	<b>4.8</b>
<b>INR Revenue</b>	<b>91,426</b>	<b>94,329</b>	<b>96,609</b>	<b>97,717</b>	<b>98,406</b>	<b>7.6</b>	<b>0.7</b>	<b>355,170</b>	<b>380,081</b>	<b>7.0</b>
Operating Expense	75,365	77,336	80,676	81,755	81,912	8.7	0.2	291,296	315,132	8.2
Cost of revenues	63,715	65,277	68,785	70,440	69,807	9.6	(0.9)	246,214	268,217	8.9
as % of sales	69.7	69.2	71.2	72.1	70.9	125 bps	(115 bps)	69.3	70.6	125 bps
SG&A expenses	11,650	12,059	11,891	11,315	12,105	3.9	7.0	45,082	46,915	4.1
as % of sales	12.7	12.8	12.3	11.6	12.3	(44 bps)	72 bps	12.7	12.3	(35 bps)
EBITDA	16,061	16,993	15,933	15,962	16,494	2.7	3.3	63,874	64,949	1.7
Depreciation	2,352	2,411	2,644	2,508	2,429	3.3	(3.1)	8,189	9,915	21.1
<b>EBIT</b>	<b>13,709</b>	<b>14,582</b>	<b>13,289</b>	<b>13,454</b>	<b>14,065</b>	<b>2.6</b>	<b>4.5</b>	<b>55,685</b>	<b>55,034</b>	<b>(1.2)</b>
Other Income	1,547	2,286	1,436	1,839	3,197	106.7	73.8	4,802	7,108	48.0
PBT	15,256	16,868	14,725	15,293	17,262	13.1	12.9	60,487	62,142	2.7
Total Tax	3,905	4,352	3,858	4,007	4,716	20.8	17.7	14,641	16,122	10.1
PAT before MI	11,351	12,516	10,867	11,286	12,546	10.5	11.2	45,846	46,020	0.4
Minority Interest	13	6	13	1	5	(61.5)	400.0	25	33	32.0
<b>PAT after MI</b>	<b>11,338</b>	<b>12,510</b>	<b>10,854</b>	<b>11,285</b>	<b>12,541</b>	<b>10.6</b>	<b>11.1</b>	<b>45,821</b>	<b>45,987</b>	<b>0.4</b>
Reported EPS	38.3	42.3	36.7	38.1	42.3	10.5	11.1	154.9	155.3	0.3
<b>Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
EBITDA	17.6	18.0	16.5	16.3	16.8	(81 bps)	43 bps	18.0	17.1	(90 bps)
EBIT	15.0	15.5	13.8	13.8	14.3	(70 bps)	52 bps	15.7	14.5	(120 bps)
EBT	16.7	17.9	15.2	15.7	17.5	85 bps	189 bps	17.0	16.3	(68 bps)
PAT	12.4	13.3	11.2	11.5	12.7	33 bps	120 bps	12.9	12.1	(80 bps)
Effective Tax rate	25.6	25.8	26.2	26.2	27.3	172 bps	112 bps	24.2	25.9	174 bps

Source: Company, Dolat Capital

## Earnings Call KTAs

- **Revenue:** LTIM reported revenue growth of 0.8% QoQ in CC terms and growth of 4.4% YoY in CC terms, with total revenue reaching \$1,153mn. It was broad based modest performance, led by Consumer business' (Retail) growth of 5.6% QoQ (\$ terms), while other verticals did reasonably well.
- **OPM:** Margin stood at 14.3% up 52 bps QoQ. Improvement (~100bps) was driven by Fit4Future initiatives, partly offset by visa seasonality and forex. Management remains confident in Q2 expansion, with Fit4Future focused on cost re-baselining, process simplification, and operational efficiency.
- **Global Demand:** Europe led the momentum with a strong QoQ growth of 9.7% (CC basis must be much lower), while America's growth was 1.8% QoQ. The RoW segment declined 6% sequentially, primarily due to seasonal factors including license revenue timing and the smaller base size amplifying variations.
- **Vertical Commentary (note CC basis growth must be much different in Q1)**
- **BFSI** grew 1.6% QoQ amid macro caution; focus remains on high-potential accounts. Insurance saw fewer deals with tech modernization and AI driving demand.
- **Manufacturing & Resources:** Reported 0.3% growth despite Q4 pass-through roll-offs, driven by new deals and ramp-ups indicating underlying momentum.
- **Tech, Media & Entertainment:** Stabilized at 0.8% growth; clients are cautiously investing in AI while realigning business models for long-term value.
- **Retail, CPG and Travel:** Delivered strong 6.2% growth, aided by the company's largest-ever deal and broad-based sub-vertical recovery, especially in travel and transport.
- **Health, Life Sciences and Public Services:** Posted 4.8% growth after multiple soft quarters; margins dipped due to high-margin project completion, with recovery expected as new projects stabilize.
- **Order Inflow and Deal Pipeline:** LTIM posted a healthy TCV of \$1.63bn (TTM up 3.8% QoQ, up 11% YoY). Key wins included their largest-ever deal with a global agri-business leader for AI-driven application management and infrastructure support. The company's Next-Era JV with Aramco Digital became fully operational during the quarter.
- **Talent & Utilization:** Headcount lowered to 83.9k, with an employee dip of 418 QoQ. Utilization (excluding trainees) improved to 88.1% (+230bps QoQ). The company onboarded ~1.6k freshers during the quarter and acknowledged that the current utilization level is higher than preferred, ideally targeting 86-87% to better handle within-quarter demand fulfilment. Attrition remained flat at 14.4%.
- **AI Initiatives:** Launched Blue-Verse, an Agentic AI ecosystem with AI Advisory, AI Foundry, and a 300+ agent Marketplace. Introduced AI-driven GCC-as-a-Service and internally implemented 62 AI initiatives across products and processes.
- **Outlook:** Management remains confident about Q2 growth but withheld full-year guidance amid macro uncertainties. Focus is on disciplined, client-led execution, enhanced large deal capabilities, and strategic initiatives like sales transformation, Fit4Future, and AI-driven shift.

### Exhibit 7: Vertical-Wise Trend

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
BFSI	427	37	1.7	10.6	7	32
Hi-Tech, Media & Entertainment	268	23	1.1	(4.7%)	3	13
Manufacturing & Resources	226	20	0.4	11.5	1	4
Retail, CPG, TTH	168	15	5.6	5.9	9	40
Health, Life Sciences & Public Services	65	6	3.8	(5.0%)	2	11
<b>Total</b>	<b>1,153</b>	<b>100</b>	<b>2.0</b>	<b>5.2</b>	<b>22</b>	<b>100</b>

Source: Company, Dolat Capital

### Exhibit 8: Geography Trend

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
North America	858	74	1.8	4.2	15	69
Europe	168	15	9.5	6.7	15	65
ROW	127	11	(5.7%)	10.2	(8)	(35%)
<b>Total</b>	<b>1,153</b>	<b>100</b>	<b>2.0</b>	<b>5.2</b>	<b>22</b>	<b>100</b>

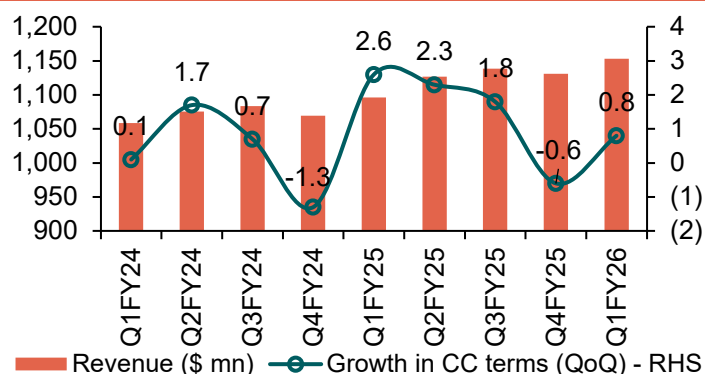
Source: Company, Dolat Capital

### Valuation

For FY26, LTIM is expected to experience a steady year with an optimistic outlook from management. Although growth expectations have lowered in the absence of significant growth drivers. The company's recent deal wins, strong deal pipeline, and execution rigour will support this optimism, and we remain watchful of the performance. LTIM is well placed amongst the top Tier companies & accordingly, we value the stock at 29x on FY27E earnings of Rs. 196, largely retaining our estimates and TP of Rs. 5,700 per share. But based on recent price run-up, we revise our rating to **'Accumulate'**.

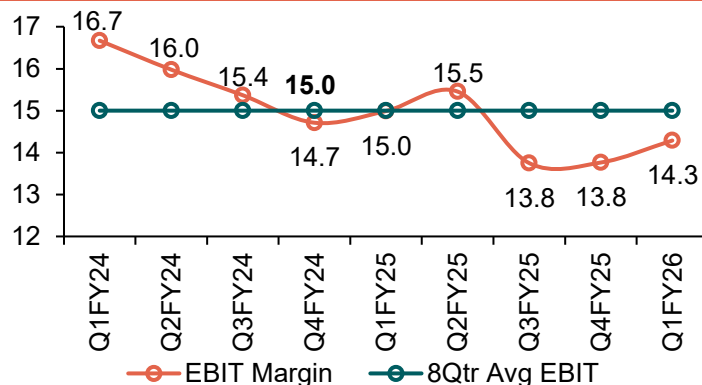
## Story in Charts

**Exhibit 9: Rev. grew by 0.8% QoQ in CC terms**



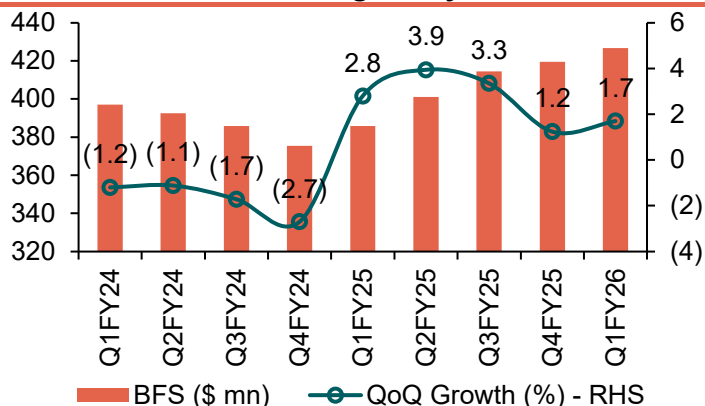
Source: Company, Dolat Capital

**Exhibit 10: OPM up by 50bps on QoQ Basis**



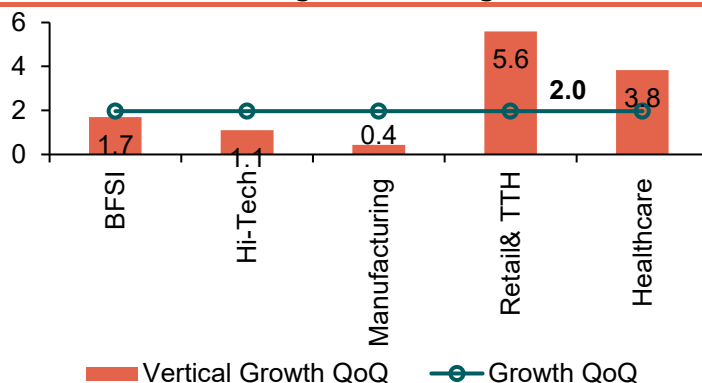
Source: Company, Dolat Capital

**Exhibit 11: BFS Revenue grew by 1.7% QoQ**



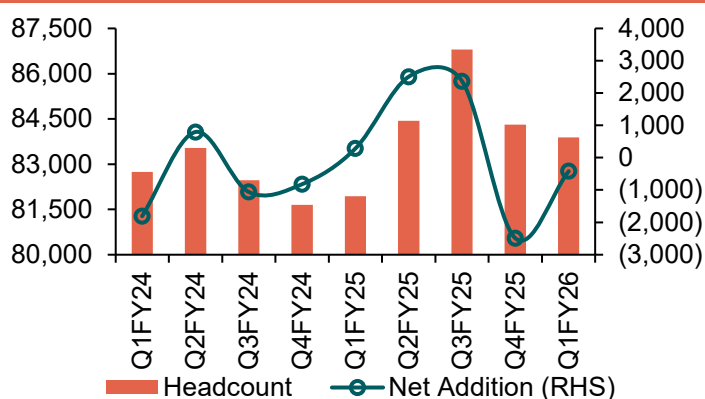
Source: Company, Dolat Capital

**Exhibit 12: Retail led growth amongst verticals**



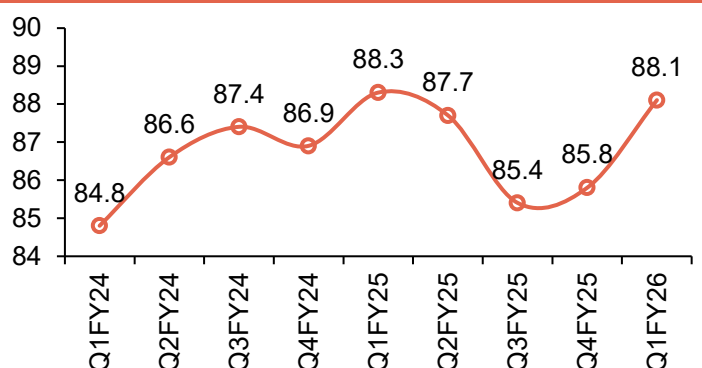
Source: Company, Dolat Capital

**Exhibit 13: Headcount saw dip of 418 QoQ**



Source: Company, Dolat Capital

**Exhibit 14: Utilization improved by 230bps QoQ**



Source: Company, Dolat Capital



## Exhibit 15: Operating Metrics

Particulars	Q1FY24	Q2FY24	Q3Y24	Q4Y24	Q1Y25	Q2Y25	Q3FY25	Q4FY25	Q1FY26
CC growth (%) (QoQ)	0.1	1.7	0.7	(1.3)	2.6	2.3	1.8	(0.6)	0.8
CC growth (%) (YoY)	8.1	4.4	3.1	1.2	3.7	4.4	5.5	6.3	4.4
OPM (%)	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	14.3
<b>Vertical Amount (\$ mn)</b>									
BFSI	397	393	386	375	386	401	414	420	427
Hi-Tech, Media & Entertainment	251	256	248	260	281	286	270	265	268
Manufacturing & Resources	183	193	220	199	203	204	220	225	226
Retail, CPG, TTH	160	165	159	161	159	163	163	159	168
Health, Life Sc & Public Services	68	70	70	74	68	72	72	62	65
<b>Vertical Growth (QoQ)</b>									
BFSI	(1.2)	(1.1)	(1.7)	(2.7)	2.8	3.9	3.3	1.2	1.7
Hi-Tech, Media & Ent	3.2	2.0	(3.0)	4.7	8.0	2.0	(5.7)	(1.9)	1.1
Manufacturing & Resources	(1.0)	5.1	14.3	(9.6)	2.0	0.6	7.8	2.4	0.4
Retail, CPG, TTH	(1.8)	2.9	(3.2)	1.4	(1.6)	2.8	(0.3)	(2.1)	5.6
Health, Life Sc & Public Ser	5.0	3.2	0.8	4.8	(7.9)	6.1	(0.5)	(13.3)	3.8
<b>Vertical EBIT Margin (%)</b>									
BFSI	17.4	17.2	17.0	15.6	15.8	16.4	14.9	16.2	16.7
Hi-Tech, Media & Ent	23.3	23.8	21.8	20.2	21.5	22.0	20.5	20.5	18.6
Manufacturing & Resources	17.6	15.2	13.5	15.6	15.6	15.0	13.6	13.5	14.9
Retail, CPG, TTH	18.8	19.6	18.5	18.1	17.7	18.8	17.9	17.4	19.8
Health, Life Sc & Public Ser	13.1	10.1	16.1	18.0	16.9	17.9	16.0	6.7	8.0
<b>Geography Amount (\$ mn)</b>									
<b>North America</b>	774	789	788	789	823	845	851	843	858
<b>Europe</b>	161	165	157	156	158	162	157	154	168
<b>RoW</b>	124	122	139	124	115	119	131	135	127
<b>Geography Growth (QoQ)</b>									
North America	1.8	2.0	(0.2)	0.2	4.3	2.6	0.7	(0.9)	1.8
Europe	(1.2)	2.3	(4.5)	(0.6)	1.1	2.8	(3.1)	(2.1)	9.5
ROW	(7.8)	(1.9)	14.1	(10.6)	(7.2)	3.8	9.7	2.8	(5.7)
<b>Effort Mix</b>									
Onsite	14.8	14.8	15.0	15.1	15.4	15.5	15.4	15.1	15.1
Offshore	85.2	85.2	85.0	84.9	84.6	84.5	84.6	84.9	84.9

Source: Company, Dolat Capital

## Exhibit 16: Operating Metrics 2

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Client Data</b>									
Number of Active Clients	723	737	739	738	748	742	742	741	741
New Clients Added	19	30	23	30	27	22	23	26	17
1 Million Dollar +	388	391	388	394	390	392	401	410	404
5 Million Dollar +	148	146	149	153	148	154	152	154	159
10 Million Dollar +	88	90	89	91	87	88	90	89	90
20 Million Dollar +	40	41	40	40	43	42	39	40	41
50 Million Dollar +	13	14	12	13	12	12	13	14	14
100 Million Dollar +	2	2	2	2	2	2	2	2	2
<b>Client Amount (\$ mn)</b>									
Top 5 clients	283	288	298	303	316	320	318	313	315
Top 6-10 clients	78	81	85	77	76	74	75	75	81
Top 11-20 clients	114	117	115	111	115	122	125	507	513
Non-Top 20	583	589	586	579	590	611	621	140	142
<b>Client Growth (QoQ)</b>									
Top 5 clients	5.2	2.0	3.4	1.6	4.3	1.3	(0.7)	(1.4)	0.5
Top 6-10 clients	(1.2)	3.0	4.8	(8.9)	-1.8	-1.7	1.1	(0.7)	8.2
Top 11-20 clients	2.2	2.3	2.3	(1.3)	3.2	1.9	0.4	(5.2)	(0.9)
Non-Top 20	(1.5)	1.0	(0.5)	(1.3)	1.9	3.5	1.3	(2.3)	1.1
<b>Order Book</b>									
TCV (\$mn)	1,410	1,300	1,500	1,400	1,400	1,300	1680	1,600	1,630
QoQ	4.4	(7.8)	15.4	(6.7)	0.0	(7.1)	29.2	(4.8)	1.9
YoY	16.5	22.6	20.0	3.7	(0.7)	0.0	20	14.3	16.4
TTM TCV (\$mn)	5,070	5,310	5,560	5,610	5,600	5,600	5780	5,980	6,210
QoQ	4.1	4.7	4.7	0.9	(0.2)	0.0	3.2	3.5	3.8
YoY	NA	NA	NA	15.2	10.5	5.5	4.0	6.6	10.9
Book-to-bill	1.21	1.25	1.30	1.31	1.29	1.28	1.30	1.33	1.36
<b>Utilization</b>									
Excluding Trainees	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8	88.1
Attrition % (LTM)	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4	14.4
<b>Employees</b>									
Development	77,555	78,276	77,203	76,460	76,837	79,374	81,641	79,081	78,729
Sales & Support	5,183	5,256	5,268	5,190	5,097	5,064	5,159	5,226	5,160
Total Headcount	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307	83,889
Net Addition	(1,808)	794	(1,061)	(821)	284	2,504	2,362	(2,493)	(418)

Source: Company, Dolat Capital



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Revenue</b>	<b>3,55,170</b>	<b>3,80,081</b>	<b>4,05,798</b>	<b>4,40,472</b>
<b>Total Expense</b>	<b>2,91,296</b>	<b>3,15,132</b>	<b>3,34,671</b>	<b>3,61,162</b>
COGS	2,46,214	2,68,217	2,85,375	3,07,987
Employees Cost	0	0	0	0
Other expenses	45,082	46,915	49,296	53,175
<b>EBIDTA</b>	<b>63,874</b>	<b>64,949</b>	<b>71,127</b>	<b>79,309</b>
Depreciation	8,189	9,915	10,114	11,012
<b>EBIT</b>	<b>55,685</b>	<b>55,034</b>	<b>61,014</b>	<b>68,298</b>
Interest	2,217	2,789	2,926	3,006
Other Income	7,019	9,897	12,090	13,437
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>60,487</b>	<b>62,142</b>	<b>70,177</b>	<b>78,729</b>
Tax	14,641	16,122	18,474	20,470
<b>Minority Interest</b>	<b>25</b>	<b>33</b>	<b>7</b>	<b>0</b>
Profit/Loss share of associates	0	0	0	0
RPAT	45,821	45,987	51,696	58,259
Adjustments	0	0	0	0
<b>APAT</b>	<b>45,821</b>	<b>45,987</b>	<b>51,696</b>	<b>58,259</b>

### Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Sources of Funds</b>				
Equity Capital	296	296	296	296
Minority Interest	92	132	139	139
Reserves & Surplus	1,99,876	2,26,687	2,56,137	2,89,184
<b>Net Worth</b>	<b>2,00,172</b>	<b>2,26,983</b>	<b>2,56,433</b>	<b>2,89,480</b>
Total Debt	407	23	23	22
Net Deferred Tax Liability	(2,063)	(1,901)	(1,951)	(2,051)
<b>Total Capital Employed</b>	<b>1,98,608</b>	<b>2,25,237</b>	<b>2,54,644</b>	<b>2,87,590</b>

### Applications of Funds

Net Block	<b>48,333</b>	<b>52,663</b>	<b>54,774</b>	<b>54,127</b>
CWIP	4,669	5,818	5,918	5,993
Investments	97,462	1,13,705	1,17,415	1,21,620
<b>Current Assets, Loans &amp; Advances</b>	<b>1,22,916</b>	<b>1,31,894</b>	<b>1,58,164</b>	<b>1,90,668</b>
Current Investments	0	0	0	0
Inventories	30	28	28	27
Receivables	57,060	58,676	63,371	68,786
Cash and Bank Balances	18,200	20,623	40,851	65,778
Loans and Advances	0	0	0	0
Other Current Assets	47,626	52,567	53,914	56,077
<b>Less: Current Liabilities &amp; Provisions</b>	<b>74,772</b>	<b>78,843</b>	<b>81,627</b>	<b>84,819</b>
Payables	14,939	15,499	16,490	17,797
Other Current Liabilities	59,833	63,344	65,136	67,022
<i>sub total</i>				
Net Current Assets	48,144	53,051	76,537	1,05,850
<b>Total Assets</b>	<b>1,98,608</b>	<b>2,25,237</b>	<b>2,54,644</b>	<b>2,87,590</b>

E – Estimates

### Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
<b>(A) Margins (%)</b>				
Gross Profit Margin	30.7	29.4	29.7	30.1
EBIDTA Margin	18.0	17.1	17.5	18.0
EBIT Margin	15.7	14.5	15.0	15.5
Tax rate	24.2	25.9	26.3	26.0
Net Profit Margin	12.9	12.1	12.7	13.2
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	69.3	70.6	70.3	69.9
Employee	0.0	0.0	0.0	0.0
Other	12.7	12.3	12.1	12.1
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	25.1	19.7	20.9	22.7
Inventory days	0	0	0	0
Debtors days	59	56	57	57
Average Cost of Debt	10.9	12.8	13.2	13.3
Payable days	15	15	15	15
Working Capital days	31	31	32	33
FA T/O	7.3	7.2	7.4	8.1
<b>(D) Measures of Investment</b>				
AEPS (Rs)	154.4	155.0	174.3	196.4
CEPS (Rs)	182.0	188.4	208.4	233.5
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	864.5	975.9
RoANW (%)	25.0	21.5	21.4	21.3
RoACE (%)	26.5	23.0	22.8	22.6
RoAIC (%)	34.7	28.6	29.2	31.4
<b>(E) Valuation Ratios</b>				
CMP (Rs)	5195	5195	5195	5195
Mcap (Rs Mn)	15,37,735	15,37,735	15,37,735	15,37,735
EV	15,19,942	15,17,135	14,96,907	14,71,979
MCap/ Sales	4.3	4.0	3.8	3.5
EV/Sales	4.3	4.0	3.7	3.3
P/E	33.6	33.5	29.8	26.4
EV/EBITDA	23.8	23.4	21.0	18.6
P/BV	7.7	6.8	6.0	5.3
Dividend Yield (%)	1.3	1.3	1.4	1.6
<b>(F) Growth Rate (%)</b>				
Revenue	7.0	7.0	6.8	8.5
EBITDA	4.6	1.7	9.5	11.5
EBIT	3.4	(1.2)	10.9	11.9
PBT	4.4	2.7	12.9	12.2
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
<b>Profit before tax</b>	<b>45,846</b>	<b>46,020</b>	<b>70,177</b>	<b>78,729</b>
Depreciation & w.o.	8,189	9,915	10,114	11,012
Net Interest Exp	(797)	(632)	(9,164)	(10,431)
Direct taxes paid	(1,066)	(252)	(18,474)	(20,470)
Change in Working Capital	5,975	(4,803)	(3,563)	(4,747)
Non Cash	(1,452)	(4,790)	0	0
<b>(A) CF from Operating Activities</b>	<b>56,695</b>	<b>45,458</b>	<b>49,090</b>	<b>54,092</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(8,389)	(9,411)	(12,400)	(10,540)
<b>Free Cash Flow</b>	<b>48,365</b>	<b>36,122</b>	<b>36,690</b>	<b>43,552</b>
(Inc.)/ Dec. in Investments	(33,305)	(11,547)	(3,700)	(4,200)
Other	2,573	3,576	0	0
<b>(B) CF from Investing Activities</b>	<b>(39,121)</b>	<b>(17,382)</b>	<b>(16,100)</b>	<b>(14,740)</b>
Issue of Equity/ Preference	12	35	0	0
Inc./(Dec.) in Debt	(280)	(744)	320	356
Interest exp net	(2,189)	(2,706)	9,164	10,431
Dividend Paid (Incl. Tax)	(17,753)	(19,246)	(22,246)	(25,213)
Other	(2,478)	(3,083)	0	0
<b>(C) CF from Financing</b>	<b>(22,688)</b>	<b>(25,744)</b>	<b>(12,762)</b>	<b>(14,425)</b>
Net Change in Cash	(5,177)	2,423	20,228	24,927
<b>Opening Cash balances</b>	<b>23,377</b>	<b>18,200</b>	<b>20,623</b>	<b>40,851</b>
<b>Closing Cash balances</b>	<b>18,263</b>	<b>20,623</b>	<b>40,851</b>	<b>65,778</b>

E – Estimates

## Notes

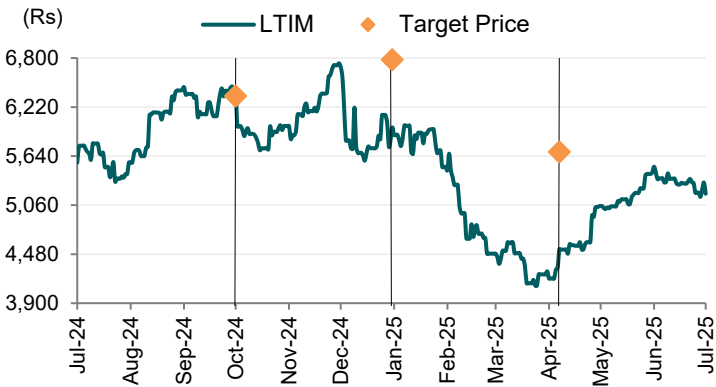
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(6)	24	(7)
Rel to NIFTY (%)	(7)	19	(9)

Shareholding Pattern

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



Month	Rating	TP (Rs.)	Price (Rs.)
Oct-24	Reduce	6,350	6,394
Jan-25	Accumulate	6,780	5,979
Apr-25	BUY	5,690	4,537

\*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

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