15 January 2026

3QFY26 Results Update | Sector: Technology

L&T Technology

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR4,244 TP: INR4,500 (+6%) Neutral

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	449.8 / 5
52-Week Range (INR)	5647 / 3855
1, 6, 12 Rel. Per (%)	-8/-5/-21
12M Avg Val (INR M)	561

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	117.5	127.2	140.0
EBIT Margin (%)	13.8	14.6	15.2
Adj. PAT	13.1	15.6	18.1
Adj. EPS (INR)	123.8	147.0	170.3
EPS Gr. (%)	4.0	18.8	15.8
BV/Sh. (INR)	652.9	747.1	856.2
Ratios			
RoE (%)	19.7	21.0	21.2
RoCE (%)	16.3	16.2	16.4
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	34.3	28.8	24.9
P/BV (x)	6.5	5.7	5.0
EV/EBITDA (x)	21.1	18.5	15.9
Div Yield (%)	0.9	1.0	1.2

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	73.6	73.6	73.7
DII	14.6	14.1	14.3
FII	4.2	4.7	4.2
Others	7.6	7.6	7.9

FII includes depository receipts

Ebbing momentum

FY26 guidance cut amid portfolio exits

- L&T Technology's (LTTS) 3QFY26 revenue declined 2.8% QoQ in CC terms vs. our estimate of 1.3% QoQ growth. Sustainability segment grew 2.0% QoQ, while Tech declined 10% QoQ. Mobility was flat QoQ.
- EBIT margin stood at 14.6%, up 120bp QoQ vs. our estimate of 14.1%.
- Adj. PAT was flat QoQ and up 3.9% YoY at INR3.2b, below our estimate of INR 3.4b. This excluded the one-time impact of new labor codes of INR354m (1.2% of 3QFY26 revenue).
- For 9MFY26, revenue/EBIT/adj. PAT grew 14.1%/1.1%/2.5% YoY in INR terms compared to 9MFY25. In 4QFY26, we expect revenue to decline 0.2% and EBIT/adj. PAT to grow 5.8%/9.2% YoY. **We reiterate our Neutral rating on the stock with a TP of INR4,500, implying a 6% potential upside.**

Our view: Miss on FY26 growth guidance a negative

- **Growth reset in the near term; organic revenue likely to decline in FY26:** 3QFY26 revenue declined 2.8% QoQ CC, below our estimates, due to portfolio exits and regional rationalization for the five-year Lakshya plan. Management has cut FY26 growth guidance to mid-single digits from double digits earlier. Given the relatively weak FY26 exit (1.5% QoQ CC vs. seasonally strong growth of ~4.5-5% earlier) and still uneven revenue visibility, we now build in organic revenue decline of 0.8% (vs. earlier 2.8% organic growth) and overall revenue growth of 5% YoY CC in FY26.
- **Sustainability steady; Mobility likely bottomed out; Tech still volatile**: Sustainability continues to anchor performance, with steady deal ramp-ups across industrial and plant engineering, supported by AI-led automation programs. Mobility appears to have bottomed out, with early signs of recovery in auto, aero, and rail, and improving mix toward OEMs. That said, we think ramp-ups are likely to remain gradual, with some recent wins yet to scale up meaningfully. We believe the Tech segment remains choppy due to deliberate exits from low-margin work and a slower recovery in certain sub-segments.
- **Deal momentum supportive, but conversion remains a key monitorable:** Large-deal TCV has averaged ~USD200m for five consecutive quarters, providing comfort on medium-term demand. That said, we would look for stable conversion of recent Mobility and Sustainability wins to gain confidence in a more consistent growth profile.
- **Margins improving on better revenue quality; wage headwinds in 4Q:** EBIT margins improved 120bp QoQ to 14.6%, helped by better revenue quality, operational efficiencies, portfolio pruning, and currency tailwinds. Management maintained medium-term margin guidance of mid-16% by 4QFY27-1QFY28; however, wage hikes in 4Q could create near-term pressure. Margin expansion from here is likely to be gradual and driven more by revenue mix and execution than by operating leverage. We expect margin of 13.8%/14.6% in FY26/FY27.

Abhishek Pathak - Research analyst (Abhishek.Pathak@MotilalOswal.com)

Research analysts- Keval Bhagat (Keval.Bhagat@MotilalOswal.com) | **Tushar Dhonde** (Tushar.Dhonde@MotilalOswal.com)

Valuation and revisions to our estimates

- We model USD revenue CAGR of 7.4% over FY25-28E, factoring in a near-term growth reset and gradual recovery thereafter. EBIT margins are expected to improve to 15.2% by FY28E. Organic revenue is likely to fall in FY26 (-0.8% YoY CC) due to portfolio exits, regional rationalization under the five-year Lakshya plan, and a weak FY26 exit. Sustainability remains steady, while Mobility shows early signs of bottoming out.
- We have cut our FY26-28 estimates by ~3.5% to factor in the guidance revision, weaker exit, and portfolio rationalization. We reiterate our **Neutral rating with a TP of INR4,500, based on 26x FY28E EPS.**

Miss on revenue; margin beat; FY26 growth guidance cut to mid-single digits from double digits

- USD revenue declined 2.8% QoQ CC, below our estimate of 1.3% QoQ CC growth. Revenue stood at USD326m.
- LTTS lowered its FY26 guidance to mid-single digits from double digits earlier.
- Sustainability segment grew 2.0% QoQ, while Tech declined 10% QoQ. Mobility was flat QoQ.
- EBIT margin stood at 14.6%, up 120bp QoQ vs. our estimate of 14.1%.
- Adj. PAT was flat QoQ and up 3.9% YoY at INR3.2b, below our estimate of INR3.4b. This excluded the one-time impact of new labor codes of INR354m (Tax: INR89m, Net: INR265m).
- Employee additions were flat QoQ at 23,639; attrition declined 20bp QoQ to 14.6%.
- **Deal signings**: Large-deal TCV sustained momentum with an average TCV of USD200m for five consecutive quarters.

Key highlights from the management commentary

- Based on management interactions, CY26 holds promise as the macro situation improves and demand continues to strengthen, particularly in new-age technologies. This is also reflected in the large deal pipeline and deal closures.
- USD revenue declined 2.8% QoQ in cc terms, driven by portfolio rebalancing, with selective exits from offerings and regions, in line with the upcoming five-year strategic plan.
- LTTS is guiding for mid-single-digit overall growth in FY26.
- The company maintains its aspiration to reach mid-16% EBIT margins between FY27 and 1QFY28, with intent to achieve this earlier than guided.
- Wage hikes are expected in 4Q, with a potential ~1% impact on margins.
- Mobility showed early signs of improvement despite a seasonally slow quarter. Around 50% of large deals were from the Mobility segment.
- Management believes Mobility has bottomed out, with growth and ramp-ups expected from hereon.
- The Sustainability segment grew 11.4% YoY and QoQ, reflecting steady demand and strong execution on deals won in recent quarters. Mobility is witnessing a turnaround.
- Demand remains strong across O&G and CPG for capex projects and digital modernization of legacy plants in India, with additional traction from the chemical industry.

Quarterly Performance

(INR Million)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var. (%
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	/ bp)
Revenue (USD m)	**295**	**307**	**312**	**345**	**335**	**337**	**326**	**332**	**1,259**	**1,330**	**341**	**-4.3**
QoQ (%)	-3.2	3.9	1.7	10.6	-2.8	0.5	-3.2	1.7	8.2	5.7	1.1	-435bp
Revenue (INR m)	**24,619**	**25,729**	**26,530**	**29,824**	**28,660**	**29,795**	**29,235**	**29,760**	**1,06,702**	**1,17,450**	**30,357**	**-3.7**
YoY (%)	7.0	7.8	9.5	17.5	16.4	15.8	10.2	-0.2	10.6	10.1	14.4	-423bp
GPM (%)	**29.3**	**29.3**	**29.0**	**27.8**	**28.0**	**28.0**	**30.0**	**28.8**	**28.8**	**28.7**	**27.9**	**209bp**
SGA (%)	10.8	11.2	10.3	11.8	11.9	11.5	12.4	11.8	11.1	11.9	10.8	162bp
EBITDA	**4,562**	**4,660**	**4,947**	**4,755**	**4,624**	**4,908**	**5,138**	**5,059**	**18,924**	**19,729**	**5,191**	**-1.0**
EBITDA Margin (%)	**18.5**	**18.1**	**18.6**	**15.9**	**16.1**	**16.5**	**17.6**	**17.0**	**17.7**	**16.8**	**17.1**	**47bp**
EBIT	**3,836**	**3,877**	**4,219**	**3,939**	**3,813**	**3,982**	**4,271**	**4,166**	**15,871**	**16,232**	**4,280**	**-0.2**
EBIT Margin (%)	**15.6**	**15.1**	**15.9**	**13.2**	**13.3**	**13.4**	**14.6**	**14.0**	**14.9**	**13.8**	**14.1**	**51bp**
Other income	491	531	180	334	512	498	184	476	1,536	1,670	486	-62.1
ETR (%)	27.5	27.4	27.4	27.4	26.9	26.5	26.0	26.7	27.4	26.5	27.1	-104bp
Adj PAT	**3,136**	**3,196**	**3,166**	**3,111**	**3,157**	**3,287**	**3,291**	**3,397**	**12,609**	**13,132**	**3,472**	**-5.2**
Exceptional items	0.0	0.0	0.0	0.0	0.0	0.0	265	0.0	0.0	265		
PAT	**3,136**	**3,196**	**3,166**	**3,111**	**3,157**	**3,287**	**3,026**	**3,397**	**12,609**	**12,867**	**3,472**	**-12.8**
QoQ (%)	-8.0	1.9	-0.9	-1.7	1.5	4.1	0.1	3.2			5.6	
YoY (%)	0.8	1.3	-5.8	-8.7	0.7	2.8	3.9	9.2	-3.3	4.2	9.7	
Adj. EPS (INR)	29.6	29.8	30.4	29.3	29.8	31.0	31.0	32.0	119.0	123.8	32.7	-5.2

Key Performance Indicators

Y/E March	FY25				FY26			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	-3.1	3.4	3.1	10.5	-4.2	1.3	-2.8	
Margins (%)								
Gross Margin	29.3	29.3	29.0	27.8	28.0	28.0	30.0	28.8
EBIT Margin	15.6	15.1	15.9	13.2	13.3	13.4	14.6	14.9
Net Margin	12.7	12.4	11.9	10.4	11.0	11.0	11.3	11.8
Operating metrics								
Headcount	23,577	23,698	23,465	24,258	23,626	23,698	23,639	23,577
Attrition (%)	14.8	14.3	14.4	14.3	14.8	14.8	14.6	14.8
Key Geographies (YoY %)								
North America	-1.3	1.1	1.2	9.3	16.2	14.5	15.4	2.6
Europe	23.9	24.0	17.6	18.1	7.3	3.3	1.2	20.8

CONFERENCE CALL

Key highlights from the management commentary

Demand and industry outlook

- Based on management interactions, CY26 holds promise as the macro situation improves and demand continues to strengthen, particularly in new-age technologies. This is also reflected in the large deal pipeline and deal closures.
- USD revenue declined 2.8% QoQ in cc terms. This was driven by portfolio rebalancing, with selective exits from offerings and regions in line with the upcoming five-year strategic plan.
- The Sustainability segment continued to grow at a double-digit rate on a YoY basis, while Mobility is witnessing a turnaround.
- The company is guiding for mid-single-digit overall growth in FY26.
- The company has rationalized parts of the portfolio, including certain technology businesses in the Middle East and Europe, and legacy technology work in the US that is expected to become commoditized over the next 18 months. In such cases, operations were shut down and equipment returned to customers.
- Several large deal bookings were recorded in 3Q, including a USD70m deal from a global OEM, a USD30m deal, a USD20m program, and five deals above USD10m.
- The company sustained momentum in large deal wins, delivering an average TCV of ~USD200m for five consecutive quarters.

Vertical-specific demand commentary

- **Mobility:** The business showed early signs of improvement despite a seasonally slow quarter. Around 50% of large deals were from the Mobility segment. Aero and rail subsegments grew sequentially, while highway traction was slightly subdued. The auto subsegment turned the corner and is seeing positive traction. Software-defined vehicle offerings are being accelerated by incorporating advanced AI capabilities across software lifecycle and product development. From a geographic perspective, the US market is positioned for recovery after several quarters of subdued spending, with increased investments in SDV technologies. Europe's focus has shifted toward cost optimization and strategic partnerships, with deferred investments in new vehicle models. The company is well positioned to benefit, as evidenced by recent large deal wins.
- **Sustainability**: The segment grew 11.4% YoY and QoQ, reflecting steady demand and strong execution on deals won in recent quarters. The industrial subsegment is benefiting from AI solutions combining digital automation and AI-powered platforms across PDLC offerings. Energy, automation, and industrial machinery sectors continue to see strong demand, supported by a robust pipeline in asset management and large deals. The USD100m deal announced last quarter is ramping up as planned, leveraging AI capabilities for new product development and platform automation in plant engineering. Demand remains strong across O&G and CPG for capex projects and digital modernization of legacy plants in India, with additional traction from the chemical industry.
- **Hi-Tech:** The business has been recalibrated to focus on future technologies that offer higher profitable growth. The media tech subsegment is evolving rapidly, with a strong emphasis on design-led offerings and higher-end, higher-margin work. Steady growth was seen in semiconductor accounts, along with a multi-

year engagement with a global semiconductor platform provider to consolidate advanced lab support operations. Telecom subsegment deals won in earlier quarters continued to ramp up, while the medtech subsegment saw healthy demand across geographies.

- Medtech is expected to grow in FY26, supported by AI-led digital manufacturing solutions. The software and platforms subsegment, including SWC, is enabling the deployment of the engineering intelligence framework across data science, automation, and data engineering. A large hyperscaler empanelment has been received, with ramp-ups expected from 1Q onward. Tech segment margins improved to 10.6%, up 160bp QoQ, driven by improved revenue quality, discontinuation of strategic support, and portfolio and geographic recalibration aligned with the five-year strategy.

Margin performance and outlook

- EBIT margin stood at 14.6%, up 120bp QoQ.
- 3QFY26 saw a ~200bp sequential improvement in gross margins, largely driven by improved revenue quality, operational efficiencies, discontinuation of strategic support provided in prior quarters, and INR depreciation.
- In preparation for the Lakshya five-year strategy commencing 1st Apr'26, LTTS reassessed market trends, client spending priorities, and high-growth profit pools.
- Decisive actions were taken to pivot toward full-stack Engineering Intelligence solutions and to reassess regional focus and offerings not aligned with the five-year roadmap. These actions are already yielding results, reflected in the QoQ margin improvement.
- Margins are expected to continue improving on a YoY basis, supported by capital allocation toward higher-margin Sustainability and Mobility segments, selective portfolio and geography choices, and better operational efficiencies.
- The company maintains its aspiration to reach mid-16% EBIT margins between FY27 and 1QFY28, with intent to achieve this earlier than guided.
- Wage hikes are expected in 4Q, with a potential ~1% impact on margins.

Exhibit 1: India saw a double-digit decline sequentially due to optimization in billing of some contracts

Geographies (QoQ, %)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
North America	-0.7	-1.2	3.0	0.7	-0.4	3.2	-4.7	3.1	-0.2	11.5	1.3	1.7	0.5
Europe	1.6	4.8	3.1	5.6	6.0	-0.1	10.8	5.6	0.6	0.3	0.7	1.7	-1.5
India	6.6	15.0	49.5	7.4	0.4	15.7	-10.2	3.4	5.4	18.9	-16.4	2.9	-18.1
RoW	-3.4	11.0	-0.9	1.5	0.9	-2.2	-0.4	6.9	7.3	4.8	5.3	-16.2	10.2

Source: Company, MOFSL

Exhibit 2: Hi-tech declined sequentially due to rationalization of some accounts

Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Mobility	30.1	0.5	(2.8)
Sustainability	33.2	1.7	11.3
Hi-Tech	36.7	(9.8)	5.5

Source: MOFSL, Company

Valuation and view

- We have cut our FY26-28 estimates by ~3.5% to factor in the guidance revision, weaker exit, and portfolio rationalization. We model USD revenue CAGR of 7.4% over FY25-28E, factoring in a near-term growth reset and gradual recovery thereafter. EBIT margins are expected to improve to 15.2% by FY28E. We reiterate our **Neutral rating with a TP of INR4,500, based on 26x FY28E EPS.**

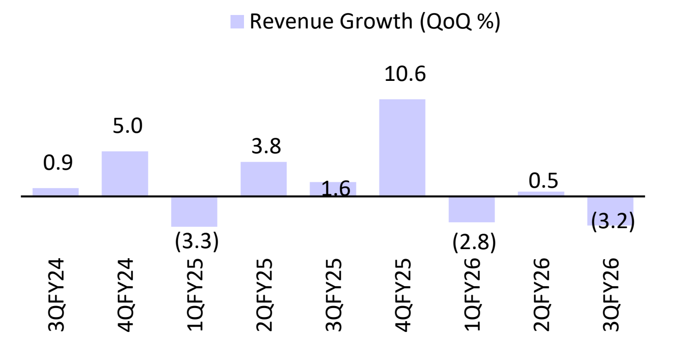
Exhibit 3: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	88.3	89.7	89.7	88.2	89.7	89.7	0.2%	0.0%	0.0%
USD Revenue (m)	1,330	1,417	1,561	1,375	1,509	1,667	-3.3%	-6.1%	-6.4%
Growth (%)	5.7	6.5	10.1	9.2	9.8	10.4	-360bps	-320bps	-30bps
EBIT margin (%)	13.8	14.6	15.2	13.7	14.7	15.4	10bps	-10bps	-20bps
Adj.PAT (INR b)	13,132	15,603	18,069	13,618	16,349	18,811	-3.6%	-4.6%	-3.9%
Adj.EPS	123.8	147.0	170.3	128.3	154.0	177.2	-3.6%	-4.6%	-3.9%

Source: MOFSL

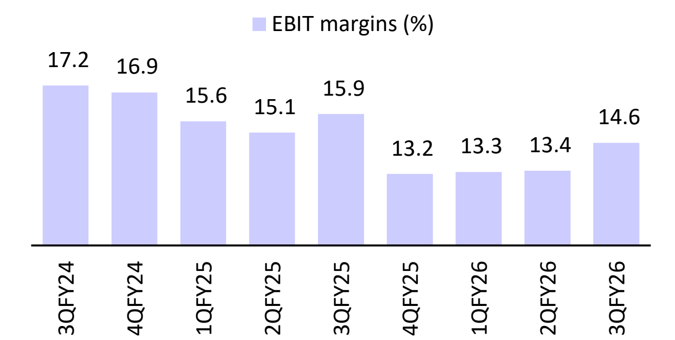
Story in charts

Exhibit 4: Revenue declined 3.2 % QoQ



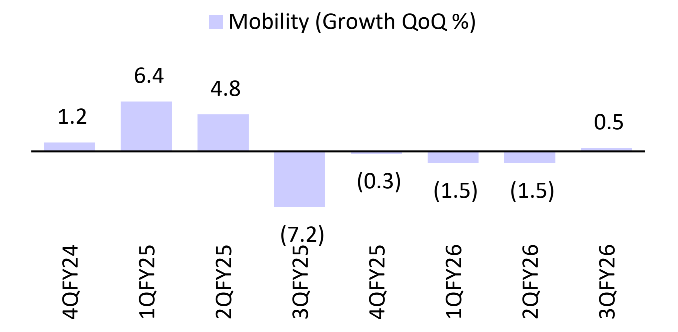
Source: Company, MOFSL

Exhibit 5: EBIT margins improved by 120bp QoQ



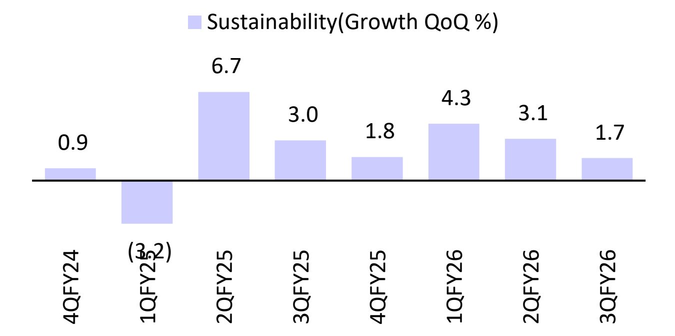
Source: Company, MOFSL

Exhibit 6: Mobility saw modest recovery



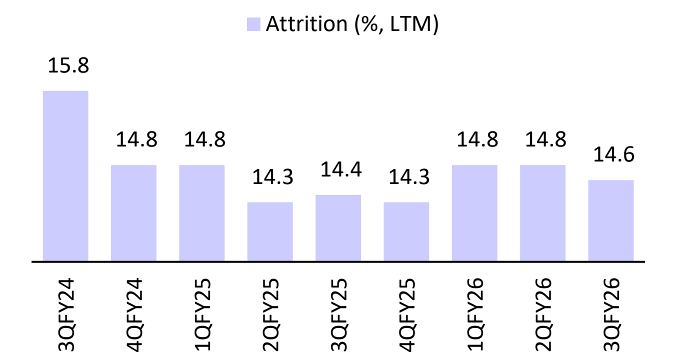
Source: Company, MOFSL

Exhibit 7: Sustainability vertical continues stable growth



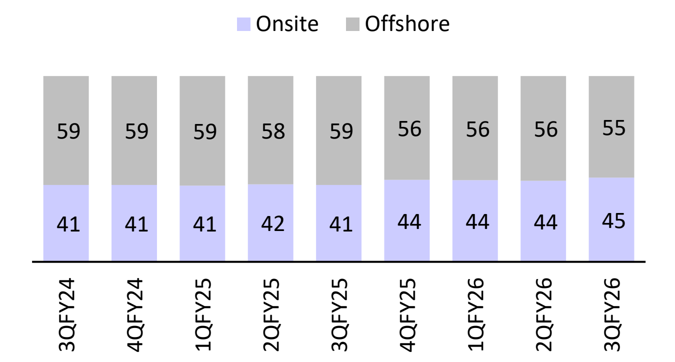
Source: Company, MOFSL

Exhibit 8: Attrition declined by 20bp in 3QFY26



Source: Company, MOFSL

Exhibit 9: Effort Mix remains stable



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**54,497**	**65,697**	**80,136**	**96,472**	**1,06,702**	**1,17,450**	**1,27,166**	**1,40,018**
Change (%)	-3.0	20.6	22.0	20.4	10.6	10.1	8.3	10.1
Employees Cost	33,550	36,505	45,639	49,298	56,886	64,479	67,652	74,413
Other Expenses	4,566	7,286	8,342	19,169	19,098	19,263	23,642	25,870
Total Expenditure	**38,116**	**43,791**	**53,981**	**68,467**	**75,984**	**83,742**	**91,294**	**1,00,282**
% of Sales	69.9	66.7	67.4	71.0	71.2	71.3	71.8	71.6
Gross Profit	**16,381**	**21,906**	**26,155**	**28,005**	**30,718**	**33,708**	**35,872**	**39,736**
SG&A	6,307	7,757	9,023	8,816	11,794	13,979	13,892	14,917
EBITDA	**10,074**	**14,149**	**17,132**	**19,189**	**18,924**	**19,729**	**21,980**	**24,819**
% of Sales	18.5	21.5	21.4	19.9	17.7	16.8	17.3	17.7
Depreciation	2,183	2,144	2,314	2,716	3,053	3,497	3,399	3,500
EBIT	**7,891**	**12,005**	**14,818**	**16,473**	**15,871**	**16,232**	**18,581**	**21,319**
% of Sales	14.5	18.3	18.5	17.1	14.9	13.8	14.6	15.2
Other Income	1,082	1,087	1,620	1,564	1,536	1,670	2,453	2,800
PBT	**8,973**	**13,092**	**16,438**	**18,037**	**17,407**	**17,903**	**21,034**	**24,119**
Total Tax	2,307	3,486	4,697	4,975	4,771	4,751	5,410	6,030
Tax Rate (%)	25.7	26.6	28.6	27.6	27.4	26.5	25.7	25.0
Minority Interest	-32	-36	-43	-26	-27	-19	-20	-20
Exceptional Items	0	0	0	0	0	265	0	0
Adjusted PAT	**6,634**	**9,570**	**11,698**	**13,036**	**12,609**	**13,132**	**15,603**	**18,069**
Tax Rate (%)	-19.0	44.3	22.2	11.4	-3.3	4.2	18.8	15.8

Consolidated - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	210	211	211	212	212	212	212	212
Total Reserves	34,521	41,414	49,298	53,059	60,588	68,993	78,979	90,543
Net Worth	**34,731**	**41,625**	**49,509**	**53,271**	**60,800**	**69,205**	**79,191**	**90,755**
Minority Interest	101	137	180	207	175	194	214	234
Borrowings	0	0	0	0	0	0	0	0
Other Long term liabilities	4,915	5,359	4,293	6,036	5,560	10,593	11,469	12,628
Capital Employed	**39,747**	**47,121**	**53,982**	**59,514**	**66,535**	**79,991**	**90,874**	**1,03,617**
Net Fixed Assets	**6,997**	**6,946**	**6,930**	**10,091**	**11,122**	**9,255**	**7,619**	**6,061**
Goodwill	5,827	5,881	6,010	6,035	11,327	11,327	11,327	11,327
Capital WIP	119	99	65	131	280	280	280	280
Other Assets	2,760	4,733	4,758	6,325	9,065	8,973	9,219	9,543
Curr. Assets, Loans&Adv.	**35,026**	**43,251**	**51,410**	**62,303**	**64,641**	**68,587**	**81,288**	**95,775**
Account Receivables	12,346	16,959	17,301	21,803	25,126	25,742	27,872	30,689
Cash and Bank Balance	1,751	2,347	5,346	11,221	13,831	19,544	26,988	35,329
Current Investments	15,725	18,313	22,641	15,620	11,430	13,930	16,430	18,930
Other Current Assets	5,204	5,632	6,122	13,659	14,254	9,370	9,997	10,827
Curr. Liability & Prov.	**10,982**	**13,789**	**15,191**	**25,371**	**29,900**	**18,430**	**18,859**	**19,369**
Account Payables	2,352	3,934	4,505	14,117	16,223	4,753	5,182	5,692
Other Current Liabilities	7,046	7,903	9,321	9,714	11,678	11,678	11,678	11,678
Provisions	1,584	1,952	1,365	1,540	1,999	1,999	1,999	1,999
Net Current Assets	**24,044**	**29,462**	**36,219**	**36,932**	**34,741**	**50,156**	**62,429**	**76,406**
Appl. of Funds	**39,747**	**47,121**	**53,982**	**59,514**	**66,535**	**79,991**	**90,874**	**1,03,617**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic EPS (INR)	62.8	90.5	110.5	123.0	119.0	123.8	147.0	170.3
Cash EPS	83.5	110.8	132.4	148.7	147.9	156.7	179.1	203.2
BV/Share	330.8	394.5	469.3	502.6	573.6	652.9	747.1	856.2
DPS	22.0	35.0	45.0	50.0	55.0	37.1	44.1	51.1
Payout (%)	35.0	38.7	40.7	40.6	46.2	30.0	30.0	30.0
Valuation (x)								
P/E	67.5	46.8	38.4	34.5	35.6	34.3	28.8	24.9
Cash P/E	50.8	38.3	32.0	28.5	28.7	27.1	23.7	20.9
P/BV	12.8	10.7	9.0	8.4	7.4	6.5	5.7	5.0
EV/Sales	7.8	6.5	5.2	4.4	4.0	3.5	3.2	2.8
EV/EBITDA	42.4	30.1	24.5	21.9	22.3	21.1	18.5	15.9
Dividend Yield (%)	0.5	0.8	1.1	1.2	1.3	0.9	1.0	1.2
Return Ratios (%)								
RoE	21.2	25.0	25.6	25.3	22.0	19.7	21.0	21.2
RoCE	16.2	20.3	20.9	21.0	18.3	16.3	16.2	16.4

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	8,973	13,092	16,437	18,038	17,407	17,903	21,034	24,119
Depreciation	2,183	2,144	2,315	2,716	3,053	3,497	3,399	3,500
Interest & Finance Charges	455	437	435	509	565	0	0	0
Direct Taxes Paid	-2,523	-3,563	-4,670	-5,256	-4,928	-4,751	-5,410	-6,030
(Inc)/Dec in WC	4,245	-1,452	-1,188	-557	-223	-2,078	-1,697	-2,302
Others	-60	-597	-177	-522	-1,063	0	0	0
CF from Operations	**13,273**	**10,061**	**13,152**	**14,928**	**14,811**	**14,570**	**17,325**	**19,288**
(Inc)/Dec in FA	-756	-1,555	-1,726	-10,397	-8,116	-1,629	-1,764	-1,942
Free Cash Flow	**12,517**	**8,506**	**11,426**	**4,531**	**6,695**	**12,941**	**15,561**	**17,345**
(Pur)/Sale of Investments	-9,653	-3,393	-5,018	6,911	1,908	-2,500	-2,500	-2,500
Others	355	465	1,026	1,153	1,114	0	0	0
CF from Investments	**-10,054**	**-4,483**	**-5,718**	**-2,333**	**-5,094**	**-4,129**	**-4,264**	**-4,442**
Issue of Shares	1	1	0	0	0	0	0	0
Inc/(Dec) in Debt	-995	-913	-833	-1,103	-1,325	0	0	0
Interest Paid	-455	-437	-435	-509	-565	0	0	0
Dividend Paid	-2,198	-3,633	-3,167	-4,967	-5,292	-4,728	-5,617	-6,505
CF from Fin. Activity	**-3,647**	**-4,982**	**-4,435**	**-6,579**	**-7,182**	**-4,728**	**-5,617**	**-6,505**
Inc/Dec of Cash	**-428**	**596**	**2,999**	**6,016**	**2,535**	**5,713**	**7,444**	**8,340**
Forex Adjustment	0	0	0	-67	75	0	0	0
Opening Balance	2,179	1,751	2,347	5,272	11,221	13,831	19,544	26,988
Closing Balance	**1,751**	**2,347**	**5,346**	**11,221**	**13,831**	**19,544**	**26,988**	**35,329**

NOTES

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.