

Tata Technologies | BUY

Surprisingly upbeat

TATATECH reported better than feared revenue performance. Revenues declined 4.6% cc QoQ, versus JMFe: -7.3%. Beat was however led by lumpy Tech Solutions (+7.3%). Core Services revenues declined by 7.6% QoQ cc, as expected. A weak quarter and a still uncertain macro notwithstanding, management was surprisingly upbeat on near-term outlook. Improved deal wins - six large deals, best in past six quarters - especially towards second half of Q1, underpins the confidence. It believes that the current delays/pauses of on-going OEM programs are tactical (read temporary) in nature and should resume as clarity emerges. No project cancellations thus far underscore their assertion. Momentum in Aerospace (+13% QoQ, atop 8% QoQ in 4Q) is helping as well. Improving growth trajectory should help recoup 1Q margin dip (-210bps QoQ) too, albeit gradually. Better than expected growth in BMW JV further aids earnings resilience. As a result, our FY26-28E EPS is down marginally by 1-3%, driven largely by 25-75bps cut in margin assumptions. Multiples will however track top-line growth, which is looking up. We therefore maintain BUY with a revised TP of INR 780 (from 790).

- **1QFY26 – revenue and PAT beat:** TATATECH reported 4.6% cc QoQ decline in revenues, with services revenue declining 7.6%. Within Services, Auto and non-auto both declined at 4.7% QoQ, but Aerospace grew by 13%. Within Tech Solutions, revenues rose 7.3% QoQ led by a rebound in Education (labs readiness) even as Products remained seasonally weak. EBITDA margin contracted 210bps QoQ to 16.1% lower than JMFe: 16.9%. Lower subcontracting expenses (+80bps) and decline in operating expenses (+60bps) was offset by higher employee benefit expenses (-170bps) and operating deleverage. Higher other income, aided by FX gains and INR 48mn profit share from BMW JV (vs INR 35.6mn in 4Q), helped restrict PAT decline to 10% QoQ. PAT stood at INR 1,703mn, c.13% ahead of JME: INR 1,511mn.
- **Outlook - cautious optimism:** TATATECH reiterated cautious optimism on recovery, led by improved customer sentiment and a stronger deal pipeline. While Auto demand remains muted, especially in US OEMs (impacted by tariff-driven delays and EV-related policy shifts), anchor clients (TML/JLR) continue to invest in new product development. Management expects sequential growth from Q2 onwards, aided by six large deal wins in Q1. Aerospace remains strong, with momentum expanding beyond Airbus into supply chain vendors and propulsion OEMs. BMW JV continues to outperform, with headcount likely to cross 1,000 well before end-CY25. Overall, TATATECH remains confident of a stronger 2H, with deal conversion rates expected to improve as uncertainty subsides. In Tech Solutions, Education should benefit from infra-readiness, while Products should seasonally pick up in 2H. Margin outlook remains stable.
- **EPS changes -3% to 0%; Retain BUY:** Better growth outlook drives 200bps improvement in FY26E cc growth. Margin miss however drives 25-75bps EBITDA margin cut, as we build a gradual recovery. Higher profit share from BMW partially offsets the impact on EPS. Deal momentum and improving outlook suggest worst is behind. BUY.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	51,173	51,685	52,218	58,746	65,815
Sales Growth (%)	15.9	1.0	1.0	12.5	12.0
EBITDA	9,413	9,340	8,918	10,938	12,539
EBITDA Margin (%)	18.4	18.1	17.1	18.6	19.1
Adjusted Net Profit	6,794	6,728	6,728	8,130	9,237
Diluted EPS (INR)	16.7	16.6	17.1	20.9	24.0
Diluted EPS Growth (%)	8.9	-1.0	3.3	21.8	15.2
ROIC (%)	28.5	23.9	20.1	23.9	29.8
ROE (%)	21.9	19.8	18.3	20.8	21.8
P/E (x)	42.8	43.2	41.9	34.4	29.8
P/B (x)	9.0	8.1	7.7	7.2	6.6
EV/EBITDA (x)	30.0	30.2	31.6	25.8	21.6
Dividend Yield (%)	1.4	1.6	1.8	1.9	2.1

Source: Company data, JM Financial. Note: Valuations as of 14/Jul/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	780
Upside/(Downside)	8.8%
Previous Price Target	790
Change	-1.3%

Key Data – TATATECH IN

Current Market Price	INR717
Market cap (bn)	INR290.8/US\$3.4
Free Float	44%
Shares in issue (mn)	405.7
Diluted share (mn)	405.7
3-mon avg daily val (mn)	INR2,287.3/US\$26.6
52-week range	1,131/592
Sensex/Nifty	82,253/25,082
INR/US\$	86.0

Price Performance

%	1M	6M	12M
Absolute	-4.4	-9.9	-30.3
Relative*	-5.8	-16.0	-31.7

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key Highlights from the call

- **Demand:** Tata Technologies witnessed a subdued demand environment in Q1 FY26, primarily impacted by external macroeconomic headwinds and geopolitical developments. They highlighted that within the automotive vertical, delays in ramp-ups and elongated decision-making cycles particularly from North America affected revenue momentum due to tariff-related uncertainty. Nonetheless, the Aerospace vertical emerged as a key growth driver, posting 13% sequential growth supported by sustained execution across core sub-segments including MRO, PLM, and digital transformation. The Technology Solutions business also delivered a sequential uptick, led by a rebound in the education segment. Management remains optimistic on recovery trends, citing strong deal closures toward the quarter-end and a healthy uptick in client engagement, which is expected to support sequential recovery from Q2 onwards.
- **BMW JV:** The company reported that the BMW JV continued to outperform expectations during Q1 FY26, scaling ahead of internal milestones and on track to exceed four-digit headcount well before the originally anticipated timeline. The company recorded a share of profit of INR 48mn from the JV, marking a 35% QoQ increase and a 5.6% contribution to pre-tax profits. Additionally, the quarter included deferred income of INR 83mn reflecting fair value gains from JV-related option valuation. Management reiterated strong confidence in the partnership, noting that execution remains ahead of schedule and demand visibility remains firm, reinforcing the JV's growing strategic importance in the premium engineering space and its ongoing contribution to the company's earnings visibility for FY26.
- **Outlook:** The Company maintained a constructive stance on the near-term outlook, underpinned by an improving deal pipeline and increased client engagement toward the latter half of Q1. Management highlighted that while macro uncertainty and policy-related disruptions weighed on the start of the fiscal year, early signs of recovery were visible, particularly in automotive and aerospace. Confidence in sequential growth was supported by strong order inflow and reaffirmed client commitment across anchor accounts. Additionally, management noted that visibility for H2 remains healthy, driven by a combination of deal conversions, diversification across verticals, and continued traction in smart manufacturing and embedded systems.
- **Margins:** The Company reported an EBITDA margin of 16.1% in Q1 FY26, reflecting a sequential decline of 210bps, primarily attributable to operating deleverage stemming from revenue softness. A breakdown of the margin walk shows that employee benefit expenses remained flat in absolute terms but rose by 170bps as a % of revenue, as the company retained strategic talent in anticipation of demand recovery. This was partially offset by a 13% QoQ reduction in outsourcing and consultancy costs, contributing to an 80bps margin benefit, and a 9% decline in other operating expenses, which supported a further 60bps improvement.
- **Offerings:** The Company reported that services revenue, which constituted 77% of total revenue in Q1, declined 5.9% QoQ in INR terms, impacted by delays in large deal ramp-ups and prolonged decision-making cycles, particularly in North America. In contrast, the Technology Solutions business posted a sequential growth of 7.3%, led by a recovery in the Education vertical as infrastructure-related delays eased.
- **Automotive segment:** The company indicated that the automotive vertical remained soft during the quarter, primarily due to macroeconomic uncertainty, evolving US trade policies, and continued caution among North American OEMs. While ramp-up delays weighed on revenue performance, management emphasized that structural demand drivers such as electrification, SDV, and hybrid technologies remain intact. Additionally, anchor clients Tata Motors and JLR reaffirmed their long-term investment plans, which the Company expects to positively influence project conversions and deal activity in the upcoming quarters.
- **Aerospace and Industrial Heavy Machinery segment:** The Aerospace business emerged as a standout performer, delivering 13% sequential growth in Q1, underpinned by consistent execution and robust demand across PLM, MRO, digital transformation, and

Aerospace vertical emerged as a key growth driver with 13% QoQ growth

Faster than expected ramp up in BMW JV. Contributed 5.6% to pre-tax profits

Cautiously optimistic about the demand environment, healthy H2 visibility

EBITDA margins declined 210bps, primarily due to revenue decline and increase in employee benefits expenses (-170bps)

Decline in Services due to delays in large deal ramp-ups and prolonged decision-making cycles

manufacturing engagements. Management also noted strong traction in newer areas such as propulsion systems, with the business benefiting from expanded relationships within the Airbus ecosystem. In the Industrial Heavy Machinery segment, demand remained largely stable, although a project closure impacted short-term performance. Overall, both segments continued to be supported by healthy pipelines and growing strategic relevance in global engineering programs.

- **Bookings:** The Company recorded healthy deal activity in Q1, closing six significant engagements, including four deals valued over USD 10mn and two in the USD 5–10mn range. The current pipeline was described as materially better than the same period last year, with early order book buildup providing improved revenue visibility for the remainder of FY26. Continued momentum across core verticals and geographies is expected to support sequential growth beginning Q2.
- **Supply:** Management reiterated its focus on disciplined delivery planning and talent alignment, with Q1 headcount standing at 12,407, reflecting a net reduction of 237 employees on a sequential basis. According to the leadership, utilization remained strong and broadly stable, while LTM attrition rose slightly to 13.8%, in line with broader industry trends.

Six large deals closed in the quarter, including four deals over USD 10mn

1QFY26 result review

Exhibit 1. 1QFY26 Result Summary

	1Q26 A	4Q25 A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate Consensus	QoQ estimate	
							JMFe	Consensus
USD-INR	85.64	86.69	-1.2%	85.71	-0.1%	85.73	-1.1%	-1.1%
Revenue (USD mn)	145.3	148.3	-2.0%	140.2	3.6%	146.2	-5.5%	-1.4%
QoQ cc	-4.6%	-3.3%	-130bp	-7.3%				
Revenue (INR mn)	12,443	12,857	-3.2%	12,015	3.6%	12,535	-6.5%	-2.5%
EBITDA (INR mn)	2,001	2,334	-14.3%	2,027	-1.3%	2,200	-13.1%	-5.8%
EBITDA margin	16.1%	18.2%	-207bp	16.9%	-79bp	17.5%	-128bp	-61bp
EBIT (INR mn)	1,819	2,023	-10.1%	1,719	5.8%	1,910	-15.0%	-5.5%
EBIT margin	14.6%	15.7%	-111bp	14.3%	31bp	15.2%	-143bp	-49bp
PAT (INR mn)	1,703	1,889	-9.8%	1,511	12.7%	1,663	-20.0%	-12.0%
EPS (INR)	4.19	4.65	-10.0%	3.72	12.5%	4.10	-20.0%	-12.0%

Source: Company, JM Financial

Exhibit 1. Key financial summary

	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26
Revenue (USD mn)	617.9	152.1	154.6	155.7	148.3	610.7	145.3
YoY/QoQ cc growth	12.6%	-2.9%	0.8%	1.7%	-3.3%	-0.7%	-4.6%
Services	483	118.1	119.9	119.9	118.1	476.0	112.5
QoQ cc growth	9.2%	-1.7%	0.3%	1.1%	0.0%	-1.0%	-7.6%
Technology Solution	136.4	34.0	34.7	35.8	30.2	134.7	32.8
Revenue (INRmn)	51,173	12,690	12,965	13,174	12,857	51,685	12,443
Gross Margins	28.2%	28.2%	26.4%	28.7%	31.0%	29.3%	25.6%
Total operating expenses	5,005	1,270	1,073	1,436	1,653	5,780	1,190
EBITDA	9,413	2,311	2,355	2,340	2,334	9,340	2,001
EBITDA Margin	18.4%	18.2%	18.2%	17.8%	18.2%	18.1%	16.1%
Depreciation & amortization	1,058	297	299	305	312	1,212	313
EBIT	8,355	2,014	2,056	2,036	2,023	8,128	1,688
EBIT Margin	16.3%	15.9%	15.9%	15.5%	15.7%	15.7%	13.6%
Other income	965.9	182.7	118.4	221.2	522.7	1045	589.4
Profit Before Tax	9,321	2,197	2,174	2,257	2,545	9,173	2,277
Income tax expense	2,527	576	601	576	692	2,445	623
Net income from operations	6,794	1,621	1,574	1,681	1,853	6,769	1,702
Net margin	13.3%	12.8%	12.1%	12.8%	14.4%	13.1%	13.7%
EPS	16.74	3.99	3.88	4.14	4.65	16.68	4.20

Source: Company, JM Financial

Beat on expectations was mainly due to sequential growth in tech solutions business

Other income was aided by unrealised foreign exchange gains and gain on options related to BMW JV. In the quarter, BMW JV contributed INR 48mn to profits.

Exhibit 2. Key Operating Metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
% Auto Share					
% of services segment revenue					
Auto	85%	85%	84%	83%	83%
Non-Auto	15%	15%	16%	17%	17%
Revenue mix					
Offshore	61.0%	56.3%	58.3%	57.0%	60.3%
Onshore	39.0%	41.7%	41.7%	43.0%	39.7%
Services: Customer Pyramid					
>50mn	2	2	2	2	2
10-50 mn	6	6	5	3	3
5-10 mn	3	4	7	10	8
1-5 mn	29	30	29	29	32
Employee Metrics					
Headcount	12,505	12,680	12,659	12,644	12,407
LTM Attrition	13.7%	13.1%	12.9%	13.2%	13.8%

Source: Company, JM Financial

Retain BUY, Revised TP of 780.

We have revised our YoY (USD) growth expectations by (124bps)-217bps over FY26-28E. Our estimates for IT services growth are revised by (158bps)-92bps and our estimates for Technology solutions growth have been revised by 0bps-656bps. We have raised our FY26E growth expectations for both segments. EBITDA margin estimates have been lowered by 26-78 bps over FY26-28E. This is due to an increase in employee benefit expense estimates and an increase in estimates for the other expense item. We are building 50-150bps margin expansion over FY27-28E. EBIT margin estimates have been lowered in line with EBITDA margins resulting in downward revision of PAT estimates. Our PAT estimates have been revised by downward by 0.9%-2.8%. PAT estimates are aided by an increase in other income estimates but this is offset by an increase in tax expense. BMW JV profit assumptions have seen an increase of 5% for FY26E, while seeing marginal decrease for FY27-28. We continue to value TataTech at 36x 12 M fwd EPS. Maintain BUY with a revised TP of INR 780.

Exhibit 3. What has changed

	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Consolidated									
Exchange rate (INR/USD)	85.93	86.00	86.00	85.91	86.00	86.00	0.0%	0.0%	0.0%
Consolidated revenue (USD mn)	595	676	756	608	683	765	2.2%	1.1%	1.3%
Growth in USD revenues (YoY)	-2.6%	13.6%	11.8%	-0.5%	12.4%	12.0%	217bp	-124bp	20bp
Consolidated revenue (INR mn)	51,092	58,101	64,975	52,218	58,746	65,815	2.2%	1.1%	1.3%
EBITDA margin	17.9%	19.1%	19.3%	17.1%	18.6%	19.1%	-78bp	-46bp	-26bp
EBIT margin	15.4%	16.7%	17.0%	14.6%	16.2%	16.8%	-78bp	-47bp	-26bp
Adjusted PAT (INR mn)	7,149	8,642	9,830	6,949	8,463	9,746	-2.8%	-2.1%	-0.9%
Adjusted EPS (INR)	17.6	21.3	24.2	17.1	20.9	24.0	-2.8%	-2.1%	-0.9%

Source: JM Financial estimates

Exhibit 4. JMFe vs. Consensus estimates

	Consensus			JMFe			Difference		
	FY26E	FY27E	FY28E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales (USD mn)	616	696	769	608	683	765	-1%	-2%	0%
Sales (INR mn)	52,826	59,676	65,909	52,218	58,746	65,815	-1%	-2%	0%
EBITDA (INR mn)	9,501	10,898	12,072	8,918	10,938	12,539	-6%	0%	4%
EBITDA margin (%)	18.0%	18.3%	18.3%	17.1%	18.6%	19.1%	-91bp	36bp	74bp
EBIT (INR mn)	8,296	9,581	10,632	7,645	9,529	11,043	-8%	-1%	4%
EBIT margin (%)	15.7%	16.1%	16.1%	14.6%	16.2%	16.8%	-106bp	17bp	65bp
EPS (INR)	17.8	20.7	23.4	17.1	20.9	24.0	-4%	1%	3%

Note: Consensus estimates as of 10th Jul and may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

Valuation Table

Exhibit 5. ER&D Services – Global valuation comp

Global Valuation Comp												
Company	CMP (LC)	Mcap (USD m)	FY25	P/E FY26	FY27	PEG	EV/EBITDA			EV/Sales		
							FY25	FY26	FY27	FY25	FY26	FY27
India												
Tata Tech	717	3,382	40.5x	34.5x	30.3x	2.2x	29.1x	25.1x	23.3x	5.3x	4.6x	4.2x
KPIT	1,267	4,040	39.8x	32.9x	27.9x	1.7x	24.3x	20.4x	17.7x	5.1x	4.4x	3.8x
Tata Elxsi	6,179	4,476	NA	NA	NA	n.m.	35.4x	30.4x	26.7x	9.6x	8.5x	7.4x
L&T TS	4,343	5,353	32.3x	27.3x	24.3x	1.8x	20.5x	17.6x	15.8x	3.6x	3.2x	2.9x
Cyient	1,294	1,671	20.4x	16.9x	15.4x	1.1x	11.3x	9.6x	8.8x	1.8x	1.6x	1.5x
Average			33.3x	27.9x	24.5x	1.7x	24.1x	20.6x	18.4x	5.1x	4.5x	4.x
Global												
Alten	76	2,451	11.3x	9.9x	9.3x	1.x	6.5x	6.x	5.5x	.7x	.6x	.6x
Bertrandt	21	194	-11.4x	5.8x	4.7x	nm	11.9x	4.x	3.5x	.4x	.4x	.3x
EDAG	6	133	77.3x	7.1x	5.8x	.x	6.3x	4.3x	3.9x	.5x	.5x	.4x
Desay SV	102	51,738	20.7x	16.1x	13.1x	.6x	15.8x	12.7x	10.5x	1.7x	1.4x	1.2x
AFRY	165	17,175	14.1x	11.7x	10.6x	.8x	9.2x	7.9x	7.3x	.9x	.9x	.8x
Etteplan	11	251	14.7x	12.4x	10.7x	.7x	8.3x	7.3x	6.6x	.9x	.9x	.9x
Assytem	43	619	18.x	16.1x	14.2x	1.3x	10.1x	9.7x	9.x	.9x	.9x	.9x
Thundersoft	56	23,444	49.4x	39.x	32.1x	1.6x	25.6x	20.4x	15.4x	3.7x	3.3x	2.7x
Arcsoft	47	17,261	75.8x	55.x	39.x	1.4x	61.x	40.8x	26.3x	16.5x	12.7x	9.6x
Average			30.x	19.2x	15.5x	.9x	17.2x	12.6x	9.8x	2.9x	2.4x	1.9x

Source: Bloomberg estimates as on 14th Jul 2025, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	51,173	51,685	52,218	58,746	65,815
Sales Growth	15.9%	1.0%	1.0%	12.5%	12.0%
Other Operating Income	0	0	0	0	0
Total Revenue	51,173	51,685	52,218	58,746	65,815
Cost of Goods Sold/Op. Exp	36,755	36,565	37,931	41,784	46,365
Personnel Cost	0	0	0	0	0
Other Expenses	5,005	5,780	5,368	6,024	6,911
EBITDA	9,413	9,340	8,918	10,938	12,539
EBITDA Margin	18.4%	18.1%	17.1%	18.6%	19.1%
EBITDA Growth	14.7%	-0.8%	-4.5%	22.7%	14.6%
Depn. & Amort.	1,058	1,212	1,274	1,409	1,496
EBIT	8,355	8,128	7,645	9,529	11,043
Other Income	966	1,045	1,615	1,311	1,272
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	9,321	9,173	9,260	10,840	12,316
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	9,321	9,173	9,260	10,840	12,316
Taxes	2,527	2,445	2,532	2,710	3,079
Extraordinary Inc./Loss(-)	0	0	222	332	509
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	6,794	6,728	6,949	8,463	9,746
Adjusted Net Profit	6,794	6,728	6,728	8,130	9,237
Net Margin	13.3%	13.0%	12.9%	13.8%	14.0%
Diluted Share Cap. (mn)	405.7	405.7	405.7	405.7	405.7
Diluted EPS (INR)	16.7	16.6	17.1	20.9	24.0
Diluted EPS Growth	8.9%	-1.0%	3.3%	21.8%	15.2%
Total Dividend + Tax	4,908	5,714	6,202	6,690	7,179
Dividend Per Share (INR)	10.1	11.7	12.7	13.7	14.7

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,794	6,770	9,260	10,840	12,316
Depn. & Amort.	1,059	1,212	1,274	1,409	1,496
Net Interest Exp. / Inc. (-)	189	196	159	134	130
Inc (-) / Dec in WCap.	-4,071	382	-1,353	-1,240	2,528
Others	1,999	1,805	0	0	0
Taxes Paid	-3,026	-3,140	-2,532	-2,710	-3,079
Operating Cash Flow	2,943	7,224	6,807	8,433	13,390
Capex	-918	-315	-1,576	-3,031	3,064
Free Cash Flow	2,025	6,909	5,231	5,402	16,454
Inc (-) / Dec in Investments	4,808	-946	0	0	0
Others	47	375	0	0	0
Investing Cash Flow	3,936	-885	-1,576	-3,031	3,064
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-4,990	-4,165	-5,153	-5,559	-5,965
Inc / Dec (-) in Loans	-578	-694	0	0	0
Others	-1	-5	-159	-134	-130
Financing Cash Flow	-5,568	-4,864	-5,312	-5,693	-6,095
Inc / Dec (-) in Cash	1,312	1,475	-81	-291	10,359
Opening Cash Balance	10,290	9,134	9,026	9,166	9,208
Closing Cash Balance	11,601	10,609	8,945	8,876	19,567

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	32,208	35,794	37,591	40,494	44,276
Share Capital	811	811	811	811	811
Reserves & Surplus	31,397	34,983	36,779	39,683	43,465
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	8	5	5	5	5
Def. Tax Liab. / Assets (-)	0	0	0	0	0
Total - Equity & Liab.	32,216	35,799	37,596	40,499	44,281
Net Fixed Assets	11,505	11,303	11,517	12,051	11,686
Gross Fixed Assets	3,103	2,609	2,823	3,357	2,992
Intangible Assets	8,403	8,694	8,694	8,694	8,694
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	0	0	0	0	0
Current Assets	44,278	55,340	57,244	62,974	63,906
Inventories	0	0	0	0	0
Sundry Debtors	11,479	10,056	11,445	12,554	13,884
Cash & Bank Balances	9,134	9,026	9,166	9,208	20,077
Loans & Advances	0	0	0	0	0
Other Current Assets	23,665	36,259	36,632	41,212	29,946
Current Liab. & Prov.	23,567	30,843	31,165	34,526	31,311
Current Liabilities	23,567	30,843	31,165	34,526	31,311
Provisions & Others	0	0	0	0	0
Net Current Assets	20,711	24,497	26,079	28,449	32,596
Total - Assets	32,216	35,799	37,596	40,499	44,281

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	13.3%	13.0%	12.9%	13.8%	14.0%
Asset Turnover (x)	1.5	1.4	1.3	1.4	1.4
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE	21.9%	19.8%	18.3%	20.8%	21.8%

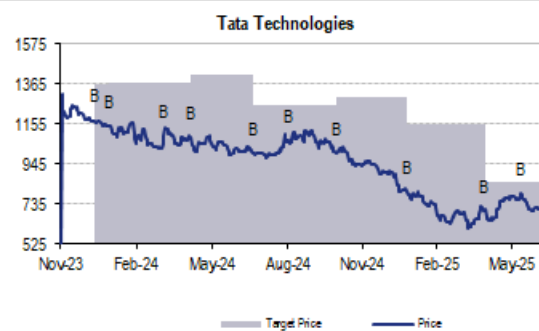
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	79.4	88.2	92.6	99.8	109.1
ROIC	28.5%	23.9%	20.1%	23.9%	29.8%
ROE	21.9%	19.8%	18.3%	20.8%	21.8%
Net Debt/Equity (x)	-0.3	-0.3	-0.2	-0.2	-0.5
P/E (x)	42.8	43.2	41.9	34.4	29.8
P/B (x)	9.0	8.1	7.7	7.2	6.6
EV/EBITDA (x)	30.0	30.2	31.6	25.8	21.6
EV/Sales (x)	5.5	5.5	5.4	4.8	4.1
Debtor days	82	71	80	78	77
Inventory days	0	0	0	0	0
Creditor days	186	231	229	233	187

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
8-Jan-24	Buy	1,360	
27-Jan-24	Buy	1,370	0.7
2-Apr-24	Buy	1,370	0.0
4-May-24	Buy	1,410	2.9
19-Jul-24	Buy	1,250	-11.3
1-Sep-24	Buy	1,250	0.0
29-Oct-24	Buy	1,290	3.2
22-Jan-25	Buy	1,150	-10.9
27-Apr-25	Buy	850	-26.1
10-Jun-25	Buy	850	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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