

Estimate change



TP change



Rating change



CMP: INR3,427

TP: INR2,970 (-13%)

Sell

Margins to recover gradually

Growth momentum improves, but Europe remains a key constraint

Bloomberg	TELX IN
Equity Shares (m)	62
M.Cap.(INRb)/(USDb)	213.5 / 2.2
52-Week Range (INR)	5950 / 2996
1, 6, 12 Rel. Per (%)	4/-18/-26
12M Avg Val (INR M)	1532
Free float (%)	56.1

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	37.6	42.5	46.2
EBIT Margin (%)	20.0	21.1	22.5
PAT	6.3	8.0	9.2
EPS (INR)	100.9	127.9	148.3
EPS Gr. (%)	(19.9)	26.8	15.9
BV/Sh. (INR)	488.3	541.2	614.5

Ratios

RoE (%)	21.3	24.9	25.7
RoCE (%)	15.5	16.8	17.8
Payout (%)	74.3	58.6	50.6

Valuations

P/E (x)	34.0	26.8	23.1
P/BV (x)	7.0	6.3	5.6
EV/EBITDA (x)	23.3	19.8	17.0
Div Yield (%)	2.2	2.2	2.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	43.9	43.9	43.9
DII	11.0	11.4	9.8
FII	9.9	11.1	12.7
Others	35.2	33.6	33.6

FII Includes depository receipts

■ Tata Elxsi (TELX) reported revenue of USD110m in 2QFY27, up 2.3% QoQ in CC terms, above our estimate of 1.7% QoQ CC. Growth was led by HLS /Media and Communication/Transportation, up 3.5%/3.4%/2.0% QoQ CC, whereas Others declined 10.2% QoQ CC. EBIT margin was 19.7% (up 70bp QoQ), above our estimate of 19.2%. Adj. PAT declined 0.2% QoQ and rose 10% YoY to INR1,703m (below our est. of INR1,862m).

■ For 1HFY27, revenue/EBIT/adj. PAT grew 14.7%/20.8%/13.9% YoY in INR terms. We expect revenue/EBIT/adj. PAT to grow 11.6%/17.8%/14.2% YoY in 2HFY27. We value TELX at 20x FY28E EPS, resulting in a revised TP of INR2,970. We reiterate our Sell rating.

Our view: 2H revenue growth to be better than 1H

■ Revenue grew 2.3% QoQ CC in 2QFY27, with growth across **all three major verticals (~98% of revenue)**. The **2HFY27 growth outlook** is expected to be better than 1HFY27 on a YoY basis. However, a sustained acceleration will **depend on the conversion of deal wins** into revenue, as new engagements typically take 2-3 quarters to ramp up. Accordingly, a larger contribution from recently closed deals is expected to be **reflected in FY28, where we build in 8.2% YoY CC growth**.

■ **European automotive demand is likely to remain a key growth constraint:** Demand across Europe remains subdued, with automotive engineering spending and **deal closures affected by cautious customer** spending and delayed decision-making. The **US and India are expected to remain relatively supportive**, while growth across other verticals and geographies should partly offset continued weakness in Europe.

■ EBITDA margin expanded by **70bp QoQ to 21.9% in 2QFY27**. However, the benefit from cross-currency movements was estimated at 60-70bp, suggesting **limited underlying sequential expansion**. Company-wide wage hikes in 2Q were **largely mitigated by reversal in one-offs**, while continued investments in capabilities and delivery are expected to **constrain near-term margin improvement**. We build in a gradual improvement in margin and expect **23.3%/24.7% EBITDA margin** in FY27/FY28.

■ **Deal pipeline provides visibility, but conversion and ramp-up remain key monitorable:** Multi-year engagements and a pipeline of opportunities across existing and emerging verticals provide revenue visibility. Aerospace and defense opportunities are progressing, although their near-term revenue contribution is likely to remain modest.

■ **Demand remains selective, with growth dependent on execution across verticals rather than a broad-based spending recovery:** Healthcare is expected to improve in 2HFY27, while Media & Communications continues to benefit from project ramp-ups. We expect growth to remain uneven across verticals, with the strength of project ramp-ups and a **recovery in Transportation** determining the extent of any acceleration.

Valuations and changes to our estimates

- We lowered our FY27/FY28 EPS estimates by ~3%/~1%, reflecting a gradual margin recovery amid continued investments and an uneven demand environment, particularly continued softness in European automotive. We believe meaningful margin expansion is likely to depend on revenue growth, utilization gains and employee-pyramid correction.
- In addition, revenue conversion remains a key monitorable, as new engagements typically take 2-3 quarters to ramp up, limiting the near-term contribution from recently closed deals. We continue to model USD revenue CAGR of ~6.3% over FY26-28E. We value TELX at 20x FY28E EPS, resulting in a revised TP of INR2,970, and reiterate our Sell rating.

Beat on revenue and margins; broad-based growth across all verticals

- USD revenue came in at USD110m, up 2.3% QoQ in CC terms, above our estimate of 1.7% QoQ CC growth.
- Growth was led by HLS/media and communication/Transportation, up 3.5%/3.4%/2.0% QoQ CC, whereas Others declined 10.2% QoQ CC.
- In terms of geographies, America/India grew 7.3%/3.7% QoQ in USD terms, while Europe was down 1.2%.
- EBIT margin was 19.7% (up 70bp QoQ), above our estimate of 19.2%.
- Adj. PAT was down 0.2% QoQ and up 10% YoY at INR1,703m (below our est. of INR1,862m).
- The net headcount decreased by 187 employees to 11,149 (down 1.6% QoQ) in 2QFY27. Attrition (LTM) decreased by 10bp QoQ to 15.9%.

Key highlights from the management commentary

- Global environment remains uncertain, but client priorities around innovation, digital engineering, AI and product modernization offer steady opportunities.
- European OEM issues are systemic (cost base, electrification), so Chinese vehicle import curbs are unlikely to change near-term spending.
- Demand is broad-based across verticals, with Europe auto being the only soft spot.
- Management expects H2 to be better than H1.
- Enterprise AI budgets continue, but are now more ROI-focused after early overspend, a slight qualitative improvement.
- Multi-year deal from a leading auto OEM for next-gen cloud-based telematics and connected vehicle ecosystem, only just started.

Exhibit 1: Vertical-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Transportation	6.4	3.1	9.8	4.8	8.4	-3.3	-9.3	5.2	-2.0	5.7	1.1	-3.0	2.5
Media and Communications	-0.4	0.8	-11.7	1.1	-1.9	-0.2	-6.6	-3.7	4.5	-2.0	6.9	0.9	3.1
Healthcare and Life Sciences	3.2	4.4	-10.8	-4.5	-10.5	0.5	2.9	-5.5	-4.1	-5.7	-12.5	-2.3	3.6

Source: Company, MOFSL

Exhibit 2: Region-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Europe	10.2	4.0	-1.4	7.0	3.9	-7.7	-11.3	3.9	-1.7	10.7	4.1	-3.1	-1.2
Americas	1.5	-3.0	-4.6	-4.3	-7.7	-0.5	-6.3	-2.0	5.4	3.1	-8.1	8.6	7.3
India	-6.0	8.7	4.5	4.0	9.7	0.7	9.2	-11.9	-3.7	-10.5	2.3	-3.4	3.7
RoW	-4.7	19.5	9.5	5.5	31.1	9.3	-7.5	15.0	2.3	-11.5	21.4	-13.5	0.3

Source: Company, MOFSL

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27E	Est. 2QFY27	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	105	105	107	109	108	110	113	115	426	446	109	1.3
QoQ (%)	-0.3	0.4	1.8	1.7	-1.0	2.4	2.0	1.9			1.1	130bp
Revenue (INR m)	8,921	9,181	9,535	9,938	10,211	10,557	10,768	10,972	37,575	42,508	10,423	1.3
YoY (%)	-3.7	-3.9	1.5	9.4	14.5	15.0	12.9	10.4	0.8	13.1	13.5	146bp
GPM (%)	20.9	21.1	23.3	24.6	21.2	21.9	24.5	25.5	22.5	23.3	21.4	52bp
SGA (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0bp
EBITDA	1,867	1,933	2,222	2,446	2,160	2,314	2,638	2,798	8,469	9,910	2,230	3.7
EBITDA Margin (%)	20.9	21.1	23.3	24.6	21.2	21.9	24.5	25.5	22.5	23.3	21.4	52bp
EBIT	1,625	1,699	1,994	2,213	1,937	2,078	2,401	2,557	7,531	8,972	2,003	3.7
EBIT Margin (%)	18.2	18.5	20.9	22.3	19.0	19.7	22.3	23.3	20.0	21.1	19.2	46bp
Other income	339	448	425	465	387	313	517	527	1,677	1,744	479	-34.6
ETR (%)	26.5	27.9	26.0	17.7	26.6	28.8	24.0	24.0	24.1	25.6	25.0	377bp
Adj PAT	1,444	1,548	1,791	2,204	1,706	1,703	2,218	2,343	6,987	7,970	1,862	-8.5
Exceptional items	0.0	0.0	702	0.0	0.0	0.0	0	0.0	702	0	0.0	
PAT	1,444	1,548	1,089	2,204	1,706	1,703	2,218	2,343	6,285	7,970	1,862	-8.5
QoQ (%)	-16.3	7.2	-29.7	102.4	-22.6	-0.2	30.2	5.7			9.1	
YoY (%)	-21.6	-32.5	-45.3	27.8	18.2	10.0	103.6	6.3	-11.0	14.1	20.3	
EPS (INR)	23.2	24.9	17.5	35.4	27.4	27.3	35.6	37.6	100.9	127.9	29.9	-8.5

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	-3.9	1.0	3.2	0.9	1.3	2.3	
Margins (%)							
Gross Margin	20.9	21.1	23.3	24.6	21.2	21.9	22.5
EBIT Margin	18.2	18.5	20.9	22.3	19.0	19.7	20.0
Net Margin	16.2	16.9	18.8	22.2	16.7	16.1	18.6
Operating metrics							
Headcount	12,127	11,951	11,594	11,590	11,336	11,149	12,127
Attrition (%)	15.0	15.4	15.6	15.8	16.0	15.9	15.0
Key Geographies (YoY %)							
Europe	-11.7	-16.4	0.4	17.8	9.9	10.4	-3.4
USA	-15.7	-3.8	-0.3	-2.2	8.4	10.3	-5.8



Highlights from the management commentary

2QFY27 performance and demand outlook

- Global environment remains uncertain, but client priorities around innovation, digital engineering, AI and product modernization offer steady opportunities.
- European OEM issues are systemic (cost base, electrification), so Chinese vehicle import curbs are unlikely to change near-term spending.
- Demand is broad-based across verticals, with Europe auto being the only soft spot.
- Management expects 2H to be better than 1H.

- Enterprise AI budgets remain intact but are now more ROI-focused after early overspend, a slight qualitative improvement.
- A multi-year deal from a leading auto OEM for next-gen cloud-based telematics and connected vehicle ecosystem only just started.
- Large Europe deals are in play and TELX is shortlisted in many, but OEM decision-making remains slow.
- Closure could come in 3Q or 4Q, though timing is hard to call.
- 3Q is seasonally short, with customer-specific furloughs possible.
- Leakage has improved YoY, as multi-year OEM and media deals protect the base and supplier-side attrition has largely played out.
- Large deals typically take 2-3 quarters to fully ramp up, so growth needs both ramp-ups and new wins to offset project closures.
- Collaboration with Sarla Aviation on Shunya, India's first indigenous eVTOL aircraft.
- Aerospace win from a global supplier for test rig development and commercial aircraft system validation.
- End-to-end engineering win from a global renal care leader for next-gen home dialysis systems.
- **Transportation:** Revenue grew ~2% QoQ in CC, driven mainly by auto OEMs, with aerospace adding on a small base. Growth came mostly from US and India, with Japan and the rest of Asia remaining flat.
- Growth came largely from non-group customers, with revenue share of Tata Motors and JLR undisclosed.
- Aerospace growth is not disclosed given the small base, and new deals need ~2-3 quarters to scale.
- JLR is facing business challenges, including layoffs, with clarity expected in 2H.
- **Healthcare & Life Sciences:** Revenue grew ~3.4% QoQ in CC, led by sustained ramp-ups and AI-led wins. Sizable opportunities in the pipeline support continued growth in 2H.
- **Media & Communication:** Revenue grew ~3.5% QoQ in CC, with growth resuming after bottoming out last quarter. Concentration risk is being addressed through new customers and geographies (e.g., Bayer in Germany, Terumo in Japan). Pipeline visibility is good, with 2H expected to be better than 1H.
- **Americas:** US was a key growth driver, supported by new OEM wins and ramp-ups. Management is confident of sustaining momentum.
- **Europe:** Europe remained soft, with auto OEM weakness continuing in 2Q as well. No ramp-downs in signed deals, but ramp-ups are slow and some projects have been closed. Europe's share is falling as other regions grow, though it remains important.
- AI-led wins supported Media & Communication growth, including a GenAI multilingual virtual assistant engagement with a global technology leader.
- Enterprises still earmark AI budgets for transformation, which dilutes discretionary R&D spend, unchanged from last quarter.
- Clients are turning more ROI-focused after early token overspend, a slight qualitative improvement.
- Management sees ROI ownership with function heads, with supply chain and manufacturing being the largest cost areas for OEM clients.
- Pyramid correction is in focus in 2H, shifting engagements from senior experts to junior staff over time.
- Utilization improved to ~78% QoQ vs. a pre-Covid peak of ~81-82%, leaving some headroom.

- Growth in salary per employee has outpaced growth in revenue per employee, as the wage hike came earlier this year than last year's back-ended cycle.

Margin outlook

- EBITDA rose ~7.1% QoQ and ~19.7% YoY to ~INR2.3b, with margin up ~70bp QoQ to ~21.9%.
- Margin walk (QoQ): ~70bp expansion to ~21.9%, driven by ~60-70bp cross-currency benefit and ~10-20bp from operating leverage and absence of one-offs, which together absorbed the wage hike impact.
- The absence of 1Q one-offs and operating leverage offset the wage hike impact.
- Wage hikes are complete for the year, so no material employee cost movement is expected except selective investments.
- Management expects a gradual, calibrated margin improvement over the next 2-3 quarters, with no target given.
- Levers are operating leverage, higher utilization and pyramid correction.
- New deals are led by innovation and product engineering deals, so margins are likely to be flat rather than back-ended.

Valuation and view

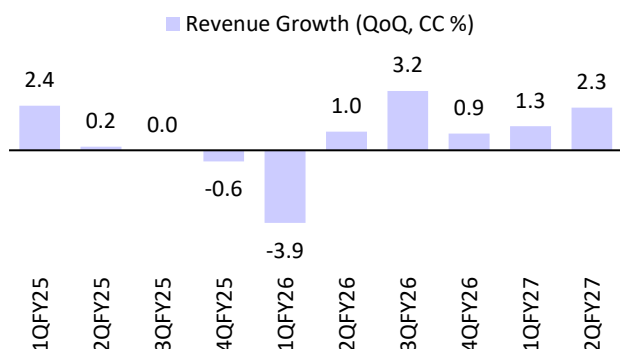
- We lowered our FY27/FY28 EPS estimates by ~3%/~1%, reflecting a gradual margin recovery amid continued investments and an uneven demand environment, particularly continued softness in European automotive. We believe meaningful margin expansion is likely to depend on revenue growth, utilization gains and employee-pyramid correction.
- In addition, revenue conversion remains a key monitorable, as new engagements typically take 2-3 quarters to ramp up, limiting the near-term contribution from recently closed deals. We continue to model USD revenue CAGR of ~6.3% over FY26-28E. We value TELX at 20x FY28E EPS, resulting in a revised TP of INR2,970, and reiterate our Sell rating.

Exhibit 3: Summary of our revised estimates

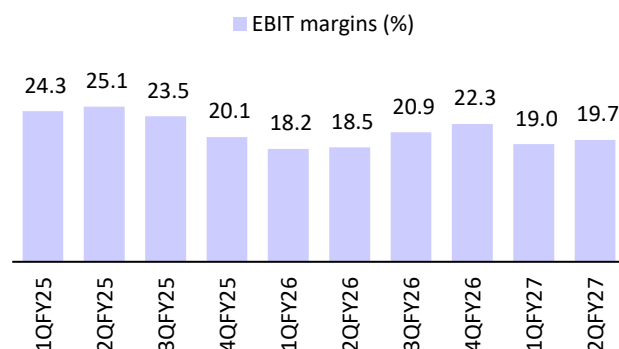
	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	95.3	96.0	95.3	96.0	0.0%	0.0%
USD Revenue (m)	446	481	442	476	0.8%	1.1%
Growth (%)	4.6	8.0	3.8	7.7	80bps	30bps
EBIT margin (%)	21.1	22.5	21.5	22.5	-40bps	0bps
Adj. PAT (INR b)	7,970	9,237	8,218	9,337	-3.0%	-1.1%
Adj. EPS	127.9	148.3	131.9	149.9	-3.0%	-1.0%

Source: MOFSL

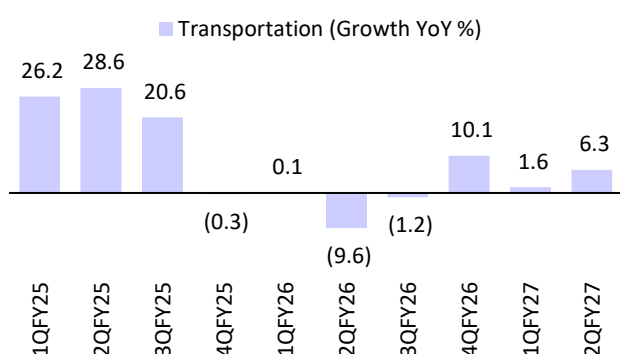
Story in charts

Exhibit 4: Revenue grew 2.3% QoQ CC


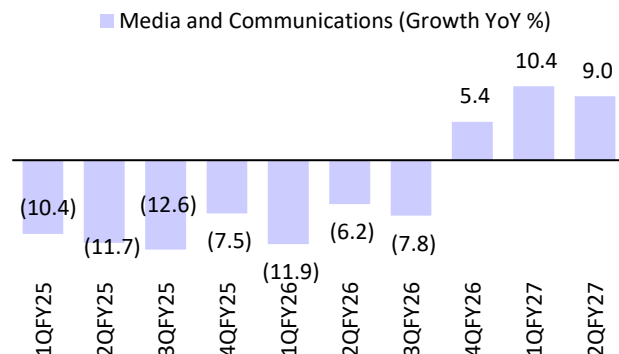
Source: Company, MOFSL

Exhibit 5: EBIT margin expanded 70bp QoQ


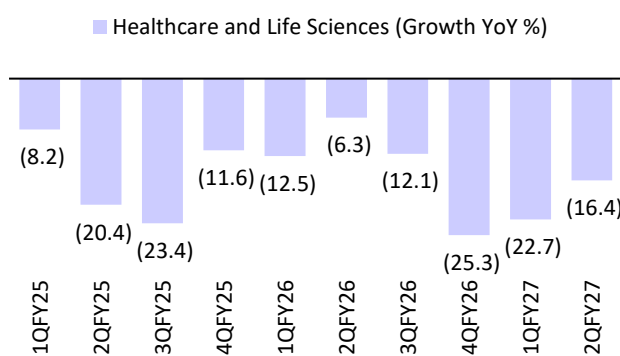
Source: Company, MOFSL

Exhibit 6: Transportation grew 6.3% YoY


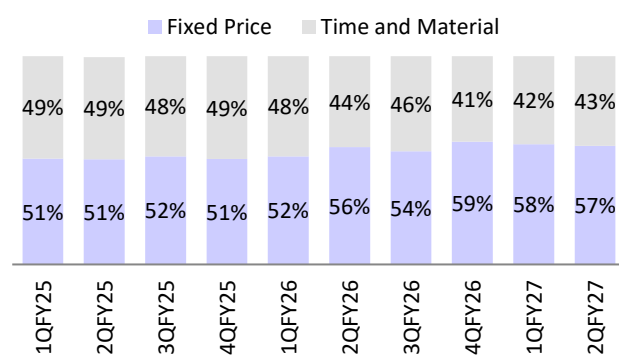
Source: Company, MOFSL

Exhibit 7: Media and Comms grew 9% YoY


Source: Company, MOFSL

Exhibit 8: HLS declined 16.4% YoY


Source: Company, MOFSL

Exhibit 9: T&M remained stable


Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Verticals (%)									
Transportation	55.7	55.0	53.4	55.8	54.7	56.6	56.3	55.3	55.3
Media and Communications	31.8	32.4	32.4	31.0	32.4	31.1	32.7	33.4	33.6
Healthcare and Life Sciences	11.5	11.8	13.0	12.2	11.7	10.8	9.3	9.2	9.3
Geographies (%)									
Europe	42.7	40.4	37.9	39.5	38.7	42.1	43.1	42.2	40.7
Americas	30.3	30.9	30.6	30.1	31.6	32.0	28.9	31.7	33.2
India	18.8	19.4	22.4	19.8	19.0	16.7	16.8	16.4	16.6
Row	8.3	9.3	9.1	10.5	10.7	9.3	11.1	9.7	9.5
Segments (%)									
Software Development and Services	97.1	97.5	96.3	97.3	96.9	97.2	97.1	96.9	97.0
System Integration and Support	2.9	2.5	3.7	2.7	3.1	2.8	2.9	3.1	3.0
Project Type (%)									
Fixed Price	50.5	51.9	50.7	51.9	56.3	54.4	58.9	57.8	56.9
Time and Material	49.0	48.1	49.3	48.1	43.7	45.6	41.1	42.2	43.1
Revenue Mix (%)									
Onsite	25.3	25.8	25.9	26.9	26.1	27.0	25.0	25.9	26.0
Offsite	74.7	74.2	74.1	73.1	73.9	73.0	75.0	74.1	74.0
QoQ growth (CC, %)									
Transportation	4.4	0.5	-9.7	0.0	-0.5	7.3	0.2	-0.4	2.0
Media and Communications	-2.6	0.4	-6.3	-5.5	3.7	-1.3	5.6	2.9	3.4
Healthcare and Life Sciences	-11.2	1.1	3.5	-6.7	-4.6	-4.3	-13.1	-0.3	3.5
Client Metrics (%)									
Top 5 Clients	45.1	44.8	46.2	44.7	44.2	49.4	49.6	49.2	48.9
Top 10 Clients	55.6	54.2	55.9	54.6	54.7	59.4	58.8	59.7	59.2
Employee Metrics (%)									
Total Employees	12,793	12,878	12,414	12,127	11,951	11,594	11,590	11,336	11,149
Attrition (%)	12.5	12.4	13.3	15.0	15.4	15.6	15.8	16.0	15.9

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	24,708	31,447	35,521	37,290	37,575	42,508	46,220
Change (%)	35.3	27.3	13.0	5.0	0.8	13.1	8.7
Employees Cost	17,050	21,834	25,057	27,561	29,106	32,598	34,818
Total Expenditure	17,050	21,834	25,057	27,561	29,106	32,598	34,818
% of Sales	69.0	69.4	70.5	73.9	77.5	76.7	75.3
Gross Profit	7,658	9,613	10,464	9,730	8,469	9,910	11,402
SG&A	0	0	0	0	0	0	0
EBITDA	7,658	9,613	10,464	9,730	8,469	9,910	11,402
% of Sales	31.0	30.6	29.5	26.1	22.5	23.3	24.7
Depreciation	557	814	994	1,049	938	937	1,017
EBIT	7,101	8,799	9,470	8,681	7,531	8,972	10,385
% of Sales	28.7	28.0	26.7	23.3	20.0	21.1	22.5
Other Income	351	576	1,017	1,603	1,677	1,744	1,987
PBT	7,452	9,375	10,487	10,284	9,209	10,717	12,372
Total Tax	1,958	1,823	2,564	2,435	2,221	2,747	3,136
Tax Rate (%)	26.3	19.4	24.5	23.7	24.1	25.6	25.3
Adjusted PAT	5,494	7,552	7,922	7,850	6,987	7,970	9,237
Change (%)	49.2	37.5	4.9	-0.9	-11.0	14.1	15.9
Margin (%)	22.2	24.0	22.3	21.1	18.6	18.7	20.0
Minority Interest/Exceptional Items	0	0	0	0	702	0	0
Reported PAT	5,494	7,552	7,922	7,850	6,285	7,970	9,237

Consolidated - Balance Sheet

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	623	623	623	623	623	623	623
Total Reserves	15,386	20,235	24,434	27,977	29,790	33,088	37,653
Net Worth	16,009	20,858	25,057	28,600	30,413	33,711	38,276
Minority Interest	0	0	0	0	0	0	0
Borrowings	1,183	1,537	1,812	1,393	1,037	1,037	1,037
Other long-term liabilities	398	455	542	568	605	647	703
Capital Employed	17,590	22,849	27,410	30,560	32,055	35,395	40,017
Net Fixed Assets	2,512	3,174	3,825	3,092	2,542	2,880	3,250
Goodwill	203	162	134	88	50	50	50
Capital WIP	221	70	22	16	0	0	0
Other Assets	1,799	1,094	2,521	4,686	7,351	8,520	9,244
Curr. Assets, Loans&Adv.	16,957	23,135	25,367	27,975	29,681	30,925	34,643
Account Receivables	6,728	9,764	9,716	9,715	10,794	10,481	11,397
Cash and Bank Balance	1,511	1,339	1,332	1,353	1,945	3,193	5,780
Current Investments	8,294	11,051	12,806	14,992	14,990	15,060	15,084
Other Current Assets	424	981	1,513	1,915	1,953	2,189	2,381
Curr. Liability & Prov.	4,102	4,786	4,459	5,297	7,570	6,978	7,169
Account Payables	843	1,032	856	1,230	1,203	1,234	1,318
Other Current Liabilities	3,133	3,498	3,218	3,575	5,044	4,422	4,528
Provisions	126	256	385	492	1,323	1,323	1,323
Net Current Assets	12,855	18,349	20,908	22,678	22,112	23,947	27,474
Appl. of Funds	17,590	22,849	27,410	30,560	32,055	35,395	40,017

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic EPS (INR)	88.3	121.3	127.2	126.0	100.9	127.9	148.3
Cash EPS	97.2	134.3	143.2	142.8	115.9	143.0	164.6
BV/Share	257.1	334.9	402.3	459.2	488.3	541.2	614.5
DPS	42.5	60.6	70.0	75.0	75.0	75.0	75.0
Payout (%)	48.2	50.0	55.0	59.5	74.3	58.6	50.6
Valuation (x)							
P/E	38.8	28.3	26.9	27.2	34.0	26.8	23.1
Cash P/E	35.2	25.5	23.9	24.0	29.6	24.0	20.8
P/BV	13.3	10.2	8.5	7.5	7.0	6.3	5.6
EV/Sales	8.3	6.4	5.7	5.3	5.3	4.6	4.2
EV/EBITDA	26.7	21.1	19.2	20.4	23.3	19.8	17.0
Dividend Yield (%)	1.2	1.8	2.0	2.2	2.2	2.2	2.2
Return Ratios (%)							
RoE	37.2	41.0	34.5	29.3	21.3	24.9	25.7
RoCE	27.1	29.0	24.3	19.8	15.5	16.8	17.8

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	7,452	9,375	10,487	10,284	8,252	10,717	12,372
Depreciation	553	814	994	1,049	938	937	1,017
Interest & Finance Charges	94	162	203	190	162	0	0
Direct Taxes Paid	-2,062	-1,848	-2,580	-2,239	-2,240	-2,247	-3,192
(Inc)/Dec in WC	-1,002	-3,097	-1,351	-242	674	-586	-941
Others	-208	-538	-741	-921	-1,145	-1,702	-1,931
CF from Operations	4,827	4,867	7,012	8,120	6,641	7,119	7,326
(Inc)/Dec in FA	-712	-637	-830	-162	-103	-1,275	-1,387
Free Cash Flow	4,116	4,230	6,182	7,959	6,537	5,844	5,939
(Pur)/Sale of Investments	-656	-1,695	-2,745	-3,741	-1,879	-1,668	-668
Others	285	313	874	820	1,257	1,744	1,987
CF from Investments	-1,083	-2,019	-2,701	-3,083	-725	-1,199	-67
Inc/(Dec) in Debt	-271	-381	-498	-612	-659	0	0
Interest Paid	-1	-4	-7	-14	-18	0	0
Dividend Paid	-2,989	-2,647	-3,774	-4,359	-4,671	-4,672	-4,672
CF from Fin. Activity	-3,261	-3,031	-4,278	-4,986	-5,348	-4,672	-4,672
Inc/Dec of Cash	483	-183	33	51	567	1,248	2,587
Forex Adjustment	20	10	-39	-31	26	0	0
Opening Balance	1,007	1,511	1,338	1,331	1,352	1,945	3,193
Closing Balance	1,511	1,338	1,331	1,352	1,945	3,193	5,780

Investment in securities market is subject to market risks. Read all the related documents carefully before investing.

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

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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, nor 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.