

## Execution impacted amid disruptions...

L&T's adjusted standalone revenues (ex-E&A business) for the quarter de-grew 50.6% YoY to ₹ 8150 crore, below our estimate of ₹ 8865.7 crore. On a standalone basis, infrastructure segment reported a subdued performance with revenue decline of 53.8% YoY to ₹ 6040.2 crore. Heavy engineering segment revenue de-grew 57.1% YoY to ₹ 425.1 crore. On the other hand, power segment revenues continued to decline 32.5% to ₹ 380 crore, defence engineering segment revenues de-grew 49.3% to ₹ 476.5 crore. Consequently, for Q1FY21, standalone adjusted PAT came in at ₹ 306.6 crore, which de-grew 65.6% YoY (below our estimate of ₹ 323.6 crore) aided by lower raw material cost and higher other income. On a consolidated basis, adjusted revenues from continuing operations on a like-to-like basis declined 31.4% to ₹ 21260 crore on a YoY basis.

## Decent order inflows led by infrastructure & services segment

For Q1FY21, L&T registered reasonable order inflows at the group level worth ₹ 23574 crore, which de-grew 39% YoY, characterised by low interest in fresh investment and order deferrals. International orders for Q1FY21 were at ₹ 8872 crore contributing 38% to order inflows. Overall infrastructure segment contributed 48% to total inflows, which included orders in rural water supply scheme, expressway project and some international orders in power T&D, mainly from Middle East while services contributed 42% to order inflows. L&T's order backlog was at ₹ 305083 crore, up 3.8% YoY with international orders constituting 24% of order backlog.

## Working capital, cash flows to be closely monitored in FY21E

During the quarter, net working capital increased to 28.6% (vs. 23.7% in Q4FY20) owing to reduced revenue while absolute working capital was maintained and expected to remain at this levels. However, borrowings (ex-services) increased to ₹ 61300, as on Q1FY21 (vs. ₹ 47100 crore as on Q4FY20) to create liquidity buffer amid challenges and same was channelised to treasury investments. For Q1FY21, L&T generated net cash flow from operations (CFO) of ₹ 880 crore, on a consolidated basis suggesting sufficient levels of cash on b/s to gradually pick up execution.

## Valuation & Outlook

L&T reported reasonable order inflows while execution challenges remains amid Covid-19, which could have some impact in the near term. Also, preservation of working capital to be closely monitored to provide comfort on the balance sheet front. We expect it to deliver standalone revenue CAGR of 1.2% and EBITDA CAGR of 4.3% over FY20-22E. We value L&T on SoTP (base business at 16x FY22E EPS) basis with a revised target price of ₹ 1045. We maintain our **HOLD** rating.



### Particulars

Particular	Amount
Market Capitalization	₹127636.0 crore
Total Debt (FY 20)	₹25786.0 crore
Cash & Inv. (FY 20)	₹3263.0 crore
EV	₹150159 crore
52 week H/L	₹ 554/ ₹661
Equity capital	₹277.5 Crore
Face value	₹2

### Key Highlights

- Q1FY21 order inflow at ₹ 23574 crore at group level, down 39% YoY led by infrastructure segment
- Net working capital increased to 28.6% (vs. 23.7% in Q4FY20) owing to reduced revenue while absolute working capital was maintained and is expected to remain at this level
- We value L&T on SoTP (base business at 16x FY22E EPS) with a revised target price of ₹ 1045. Maintain HOLD rating

### Research Analyst

Chirag Shah  
shah.chirag@icicisecurities.com

Amit Anwani  
amit.anwani@icicisecurities.com

### Key Financial Summary

Particulars (₹ crore)	FY18	FY19*	FY20*	FY21E*	FY22E*	CAGR (FY20P-FY22E)*
Net Sales	74,454.4	82,106.4	82,389.2	65,173.7	84,347.0	1.2%
EBITDA	7,407.7	7,708.7	6,856.3	4,205.5	7,458.6	4.3%
EBITDA Margin (%)	9.9	9.4	8.3	6.5	8.8	
Net Profit	5,387.1	6,107.7	6,876.5	3,446.6	6,124.3	-5.6%
EPS (₹)	38.8	44.0	49.6	24.8	44.1	
P/E (x)	23.7	20.9	18.6	37.0	20.8	
RoNW (%)	11.0	12.2	13.2	6.4	10.7	
RoCE (%)	10.6	10.7	7.5	3.9	7.6	

\*E&A business has been now reported as discontinued operations at PAT level. Numbers restated for FY19, FY20P, FY21E, FY22E.

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis (Standalone)

	Q1FY21	Q1FY21E	Q1FY20	YoY (Chg %)	Q4FY20	QoQ (Chg %)	Comments
Revenue	8,150.0	8,865.7	16,498.9	-50.6	27,252.8	-70.1	Like-to-like revenue declined 50.6% YoY owing to disruptions due to Covid-19
Other Income	698.3	465.5	462.1	51.1	801.7	-12.9	Other income as liquidity was parked in treasury investments
Employee Expenses	1,359.8	1,418.5	1,448.0	-6.1	1,425.8	-4.6	
Raw Material Expenses	5,763.9	6,587.3	13,289.1	-56.6	22,395.2	57.4	
Other Operating Expenses	444.7	354.6	545.3	-18.4	808.8	-45.0	
EBITDA	581.6	505.3	1,216.5	-52.2	2,623.0	-77.8	
EBITDA Margin (%)	7.1	5.7	7.4	-24 bps	9.6	-249 bps	Margins below above estimates on account of raw material benefits and cost control measures
Depreciation	234.8	231.5	233.9	0.4	257.1	-8.7	
Interest	708.5	486.3	481.6	47.1	563.7	25.7	Interest costs were higher than our estimates on account of increased borrowings to create liquidity buffer
PBT (befor exp. Item)	336.7	253.0	963.0	-65.0	2,603.9	-87.1	
PBT (after exp. Item)	336.7	253.0	1,589.6	-	2,603.9	-	
Total Tax	55.0	47.7	315.8	-82.6	489.6	-88.8	
Adj. PAT	306.6	323.6	890.0	-65.6	2,254.6	-60.5	Adjusted PAT below our estimate on account of execution challenges

Key Metrics

Order inflows	12,541.4	13,227.7	26,780.4	-53.2	50,746.0	-75.3	Decent order inflows in infrastructure segment despite economic slowdown
Order backlog	295,017.9	295,036.9	253,722.0	16.3	290,674.9	1.5	Backlog provides strong visibility for next two to three years

Adjusted for E&A business Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY21E*			FY22E*			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	65,132.5	65,173.7	0.1	84,341.9	84,347.0	0.0	Execution impact due to Covid-19
EBITDA	4,179.9	4,205.5	0.6	7,467.4	7,458.6	-0.1	
EBITDA Margin (%)	6.4	6.5	5 bps	8.9	8.8	-1 bps	
PAT	3,217.5	3,446.6	7.1	6,274.8	6,124.3	-2.4	
EPS (₹)	23.2	24.8	7.1	45.2	44.1	-2.4	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current				Earlier		Comments
	FY19	FY20	FY21E*	FY22E*	FY21E	FY22E	
Order Inflow growth	33.6	-12.7	-20.3	49.3	-27.2	31.2	
Order Backlog growth	6.0	14.7	13.2	21.3	10.1	12.4	
Revenue growth	10.3	0.3	-20.9	29.4	-20.9	29.5	Revised due to likely execution challenges amid Covid-19
EBITDA Margins	9.4	8.3	6.5	8.8	6.4	8.9	

Source: Company, ICICI Direct Research

## Key result highlights

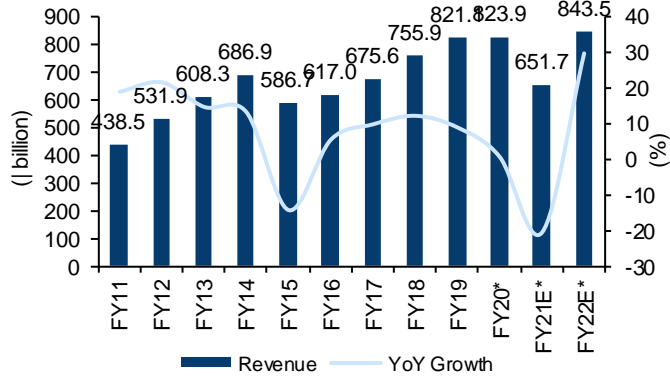
- L&T's adjusted standalone revenues (ex-E&A business) for the quarter de-grew 50.6% YoY to ₹ 8150 crore, below our estimate of ₹ 8865.7 crore. On a standalone basis, the infrastructure segment reported a subdued performance with revenue decline of 53.8% to ₹ 6040.2 crore YoY. Heavy engineering segment revenue de-grew 57.1% YoY to ₹ 425.1 crore. While power segment revenues continued to decline 32.5% to ₹ 380 crore, defence engineering segment revenue de-grew 49.3% to ₹ 476.5 crore. Electrical and automation segment (discontinued) de-grew 51.8% to ₹ 565.7 crore YoY. (Note: L&T has started classifying electrical & automation business as 'discontinued operations', consolidating only at profit level in its P&L account)
- On a consolidated basis, adjusted revenues from continuing operations on a like-to-like basis (excluding E&A business and including Mindtree) declined 31.4% YoY to ₹ 21260 crore. On a consolidated basis, infrastructure segment net revenue de-grew 53.1% YoY to ₹ 6456.1 crore. While hydrocarbon segment posted a revenue decline of 18.5% to ₹ 3070.1 crore, IT & technology segment (including Mindtree) grew 6.4% to ₹ 6043.4 crore, on a like-to-like basis. Financial services segment de-grew 5.1% to ₹ 3284.2 crore for the quarter while IDPL segment declined 43.5% to ₹ 554.3 crore
- For Q1FY21, L&T registered reasonable order inflows at the group level worth ₹ 23574 crore, which de-grew 39% YoY, characterised by low interest in fresh investment and order deferrals. International orders for Q1FY21 came in at ₹ 8872 crore contributing 38% to order inflows. Overall infrastructure segment secured orders worth ₹ 11349 crore (~48% of total inflows), which included orders like large barrage project, rural water supply scheme, expressway project, and some international orders in power T&D mainly from Middle East. L&T's order backlog was at ₹ 305083 crore, up 3.8% YoY with international orders constituting 24% of the order backlog
- During the quarter, net working capital rose to 28.6% (vs. 23.7% in Q4FY20) owing to reduced revenue while absolute working capital was maintained and is expected to remain at this level. However, borrowings (ex-services) increased to ₹ 61300 crore, as on Q1FY21 (vs. ₹ 47100 crore as on Q4FY20) to create liquidity buffer amid challenges. The same was channelised to treasury investments
- During the quarter, standalone EBITDA margins fell marginally by 30 bps to 7.1% (vs. our estimate of 5.7%) YoY affected by headwinds in execution due to lockdowns. On a consolidated basis, EBITDA margins were at 7.6%. From a segmental perspective, infrastructure segment EBITA margins declined marginally by 10 bps to 6.3% owing to favourable input cost and cost control measures despite adverse impact of Covid-19. Power segment EBITDA margin declined 230 bps to 1.0%, heavy engineering segment EBITDA margins came in at 17.5% (declined 200 bps YoY), on account of under-recovery of overheads amid low capacity utilisation. Hydrocarbon EBITDA margin declined 230 bps to 5.3% YoY due to impact of cost pressures on project margins amid lockdowns
- Consequently, for Q1FY21, standalone adjusted PAT came in at ₹ 306.6 crore, which de-grew 65.6% YoY (below our estimate of ₹ 323.6 crore) aided by lower raw material cost and higher other income. For Q1FY21, other income grew 51% to ₹ 698.3 crore on a YoY basis while interest expenses has also grew 47% to ₹ 708.5 crore impacting profitability. Consolidated PAT for Q1FY21 came in at ₹ 543.9 crore (vs. ₹ 1809.7 crore in Q1FY20)

## Conference call highlights

- For Q1FY21, L&T lost revenues to the tune of ₹ 12500 crore. The company managed to collect ~₹ 30000 crore through follow-ups in Q1FY21, which supported executions for the quarter
- As of now, the company has refrained from providing any guidance on revenue, margins and order inflows for FY21E
- On the labour front, the company had 160000 labourer at the start of lockdown (paid them wages and provided food & medical facilities). This fell to a low of 70000 labourers. The same is up now to 190000 labourers. The company is adding 1500-1600 labourers per day. By 45 days, they will be back to normal level of 220000 labourers
- Total 82% of the domestic backlog comes from the central government /state governments (~50%) and PSU (~32%) where the risk of cancellation or deferral are very minimal. Of this, ~50% of the above backlog is funded by multilateral agencies like JICA /ADB World Bank. Government related agencies have been quite accommodative in terms of modification of payment terms/ relaxing milestone payment criteria, etc
- On the ordering pipeline front, L&T expects order prospects to the tune of ₹ 6.32 lakh core for 9MFY21E. Out of this, ₹ 5.02 lakh crore in infrastructure segment, ₹ 0.5 lakh core in power, ₹ 0.7 lakh crore in hydrocarbon and ₹ 0.1 lakh core in the heavy engineering segment. Geography-wise, ~₹ 5.1 lakh crore order prospects in domestic markets across urban infra, transportation, water, power T&D and ~₹ 1.2 lakh crore in International market across hydrocarbon, power T&D in Middle East, Africa, Asean, Indonesia, Philippines, etc
- The electrical & automation (E&A) deal is likely to be closed over the next three months. On account of lockdown, there was some delay in the final formalities in terms of transfer of properties and rented space, renovation of contracts with distributors, etc. There is no risk of the deal amount getting reduced
- Hyderabad has been metro fully operationalised. Revenues for Q1FY21 were zero as it is under complete lockdown
- Execution in Middle East is relatively better and there is no major execution risk, going forward. In terms of ordering, hydrocarbon will see some slowdown in 9MFY21 amid lower oil prices

### Financial Story in Charts

Exhibit 4: Trend in revenue growth



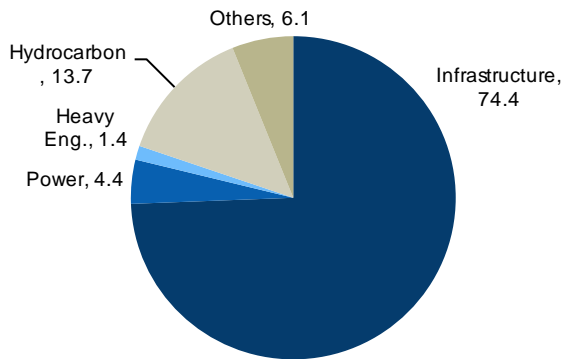
\*E&A business has been restated as discontinued Ops.  
Source: ICICI Direct Research, Company

Exhibit 5: How L&T has fared across business cycles

	Inflow Growth (%)		Revenue Growth (%)	
	Guidance	Achievement	Guidance	Achievement
FY 08	30	40	30-35	45
FY 09	30	28	30	47
FY 10	25-35	41	15-20	14
FY 11	25	14	20	19
FY 12	5	-12	25.00	21
FY 13	15-20	25	15-20	15
FY 14	15-20	15	15	10
FY 15E	20	22	15	3
FY 16	0	-13	15	12
FY 17	15	10.9	15	10
FY 18	0	7	10	9.5
FY 19	10% -12%	16	12% -15%	18
FY 20P	10% -12%	9	12% -15%	8
FY 21E	Not Provided		Not Provided	

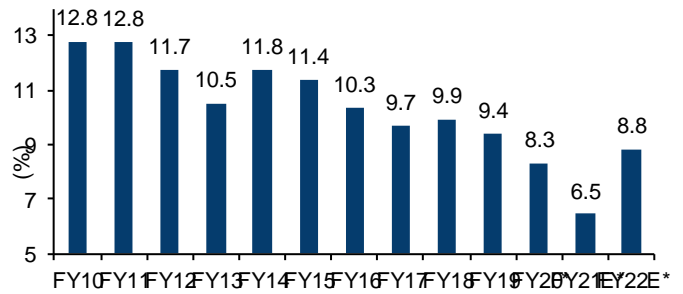
Source: ICICI Direct Research, Company

Exhibit 6: Break-up of consolidated backlog...



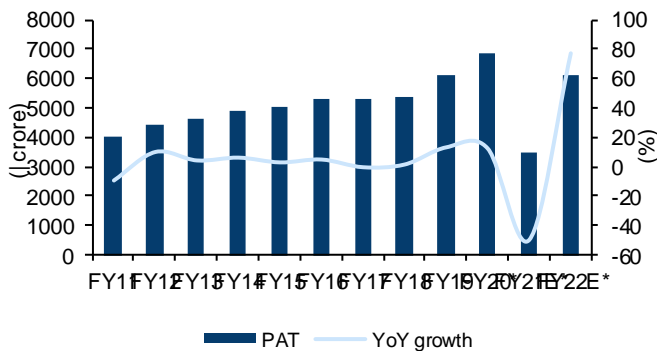
Source: Company, ICICI Direct Research

Exhibit 7: Trend in EBITDA margins...



\*E&A business has been restated as discontinued ops.  
Source: Company, ICICI Direct Research

Exhibit 8: Trend in profitability...



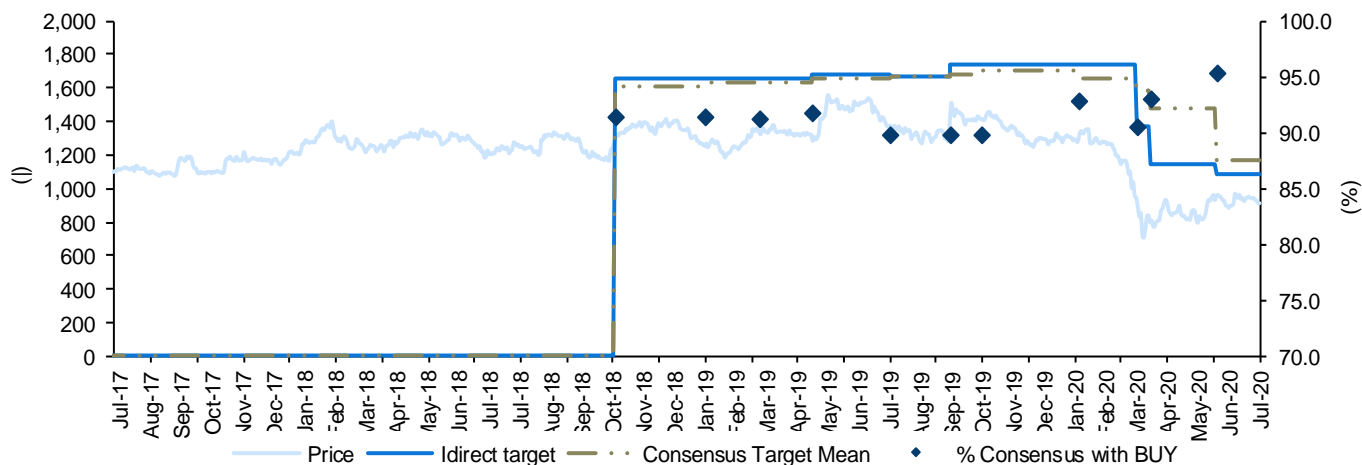
\*E&A business has been restated as discontinued ops.  
Source: Company, ICICI Direct Research

Exhibit 9: SoTP valuation of L&T

Company (₹ per share)	Bull case	% of total	Base Case	% of total	Bear Case	% of total
Base Business	888	57.9	705.6	67.5	512.7	72.1
L&T Finance Holdings	45	2.9	37	3.5	23	3.2
L&T IT Subsidiaries	289	18.8	173	16.6	95.3	13.4
L&T Power Developn	18	1.1	7.5	0.7	7.7	1.1
L&T MHI JV	13	0.9	5.0	0.5	5.7	0.8
L&T IDPL	176	11.5	47.4	4.5	30.9	4.3
Other E&C, MIP & E&E	29	1.9	13.3	1.3	15.0	2.1
Hydrocarbon	30	2.0	10	0.9	1	0.2
Others	46.7	3.0	46.2	4.4	20.4	2.9
<b>Total</b>	<b>1534</b>	<b>100.0</b>	<b>1046</b>	<b>100.0</b>	<b>711</b>	<b>100.0</b>

Source: Company, ICICI Direct Research

Exhibit 10: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 11: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (%)	Change
1	Life Insurance Corp	31-Mar-20	14.9	209.18m	9.14m
2	L&T Employees Trust	31-Mar-20	13.2	185.52m	13.40m
3	Hdfc Asset Managemen	31-Dec-19	4.5	62.98m	8.14m
4	Sbi Funds Management	30-Jun-20	3.5	49.28m	0.20m
5	Icici Prudential Ass	31-May-20	2.0	28.69m	(0.06)m
6	General Insurance Co	31-Mar-20	1.8	25.26m	0.33m
7	Republic Of Singapor	31-Mar-20	1.8	24.73m	7.57m
8	Reliance Capital Tru	31-Mar-20	1.7	23.12m	0.80m
9	Icici Prudential Lif	31-Mar-20	1.4	19.94m	(6.99)m
10	Kotak Mahindra Asset	31-May-20	1.3	17.54m	(0.71)m

Source: Reuters, ICICI Direct Research

Exhibit 12: Shareholding Pattern

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	0.0	0.0	0.0	0.0	0.0
FII	20.0	19.5	18.8	16.9	18.8
DII	37.6	37.8	37.7	38.4	36.5
Others	42.4	42.7	43.5	44.7	44.7

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 13: Profit and loss statement					₹ crore
(Year-end March)	FY19*	FY20*	FY21E*	FY22E*	
<b>Total operating income</b>	<b>82,106.4</b>	<b>82,389.2</b>	<b>65,173.7</b>	<b>84,347.0</b>	
Growth (%)	10.3	0.3	-20.9	29.4	
Raw Material Expenses	6,705.4	7,031.9	6,701.5	9,046.6	
Employee Expenses	6,042.9	5,926.9	5,508.4	6,147.7	
Other Operating Expenses	51,211.4	51,938.7	38,742.0	50,395.2	
Sales, admin & Other Expenses	2,531.0	2,696.8	2,514.3	3,095.3	
Other Mfg. Expenses	7,907.0	7,938.5	7,501.9	8,203.6	
Total Operating Expenses	74,397.7	75,532.8	60,968.2	76,888.4	
<b>EBITDA</b>	<b>7,708.7</b>	<b>6,856.3</b>	<b>4,205.5</b>	<b>7,458.6</b>	
Growth (%)	4.1	-11.1	-38.7	77.4	
Depreciation	1,051.4	985.2	1,102.7	1,167.9	
Interest	1,678.0	2,194.2	2,763.8	2,225.5	
Other Income	2,924.7	2,918.9	3,269.0	2,758.9	
PBT	8,379.0	7,876.8	4,222.6	7,499.7	
Others	0.0	0.0	0.0	0.0	
Total Tax	2,271.3	1,000.3	775.9	1,375.4	
<b>PAT</b>	<b>6,107.7</b>	<b>6,876.5</b>	<b>3,446.6</b>	<b>6,124.3</b>	
Growth (%)	13.4	12.6	-49.9	77.7	
<b>EPS (₹)</b>	<b>44.0</b>	<b>49.6</b>	<b>24.8</b>	<b>44.1</b>	

\*E&A business has been restated as discontinued ops.

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement					₹ crore
(Year-end March)	FY19	FY20	FY21E	FY22E	
Profit after Tax	6,107.7	6,876.5	3,446.6	6,124.3	
Add: Depreciation	1,051.4	985.2	1,102.7	1,167.9	
(Inc)/dec in Current Assets	-7,992.8	-6,905.3	-3,983.9	-1,748.0	
Inc/(dec) in CL and Provisions	6,890.8	739.0	538.0	-397.9	
Others	-	-	-	-	
<b>CF from operating activities</b>	<b>6,057.0</b>	<b>1,695.4</b>	<b>1,103.4</b>	<b>5,146.3</b>	
(Inc)/dec in Investments	545.1	-6,919.3	-300.0	500.0	
(Inc)/dec in Fixed Assets	-3,263.8	-291.8	-403.5	-2,000.0	
Others	0.0	0.0	0.0	0.0	
<b>CF from investing activities</b>	<b>-2,702.3</b>	<b>-10,212.1</b>	<b>-714.7</b>	<b>-328.1</b>	
Issue/(Buy back) of Equity	0.3	0.2	0.0	0.0	
Inc/(dec) in loan funds	0.0	0.0	0.0	0.0	
Dividend paid & dividend received	-2,596.8	-4,159.2	-2,189.0	-2,525.8	
Inc/(dec) in Sec. premium	109.0	127.6	50.0	50.0	
Others	0.0	7.6	0.0	0.0	
<b>CF from financing activities</b>	<b>-3,804.9</b>	<b>9,046.1</b>	<b>-1,867.0</b>	<b>-3,353.8</b>	
Net Cash flow	-450.1	529.4	-1,478.3	1,464.5	
Opening Cash	3,183.8	2,733.6	3,263.0	1,784.7	
<b>Closing Cash</b>	<b>2,733.6</b>	<b>3,263.0</b>	<b>1,784.7</b>	<b>3,249.2</b>	

Source: Company, ICICI Direct Research

Exhibit 15: Balance sheet					₹ crore
(Year-end March)	FY19	FY20	FY21E	FY22E	
<b>Liabilities</b>					
Equity Capital	280.6	280.8	280.8	280.8	
Reserve and Surplus	49,660.9	51,794.7	53,224.3	56,994.8	
Total Shareholders funds	49,941.5	52,075.4	53,505.1	57,275.6	
Total Debt	11,989.7	25,785.3	25,935.3	24,935.3	
Deferred Tax Liability	0.0	0.0	0.0	0.0	
Minority Interest / Other	0.0	0.0	0.0	0.0	
<b>Total Liabilities</b>	<b>62,618.0</b>	<b>78,775.9</b>	<b>80,455.5</b>	<b>83,241.1</b>	
<b>Assets</b>					
Gross Block	12,170.5	11,872.8	12,672.8	14,172.8	
Less: Acc Depreciation	3,807.2	4,529.0	5,559.0	6,649.4	
Net Block	8,363.3	7,343.8	7,113.8	7,523.4	
Capital WIP	567.3	796.6	400.0	900.0	
Total Fixed Assets	8,930.6	8,140.3	7,513.8	8,423.4	
Investments	27,790.7	34,710.0	35,010.0	34,510.0	
Inventory	3,349.2	2,769.9	3,015.4	3,085.3	
Debtors	28,212.6	27,913.0	29,462.1	30,041.4	
Loans and Advances	1,305.9	515.1	1,049.0	1,312.7	
Other Current Assets	45,864.6	54,439.6	56,095.0	56,930.0	
Cash	2,733.6	3,263.0	1,784.7	3,249.2	
Total Current Assets	81,465.9	88,900.6	91,406.2	94,618.6	
Creditors	36,225.0	36,629.4	36,961.5	36,974.0	
Provisions	1,483.6	1,555.4	1,681.7	1,700.8	
Total Current Liabilities	62,041.7	62,780.7	63,318.6	62,920.7	
Net Current Assets	19,424.2	26,119.9	28,087.6	31,697.9	
Others Assets	0.0	0.0	0.0	0.0	
<b>Application of Funds</b>	<b>62,618.0</b>	<b>78,775.9</b>	<b>80,455.5</b>	<b>83,241.1</b>	

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios					₹ crore
(Year-end March)	FY19*	FY20*	FY21E*	FY22E*	
<b>Per share data (₹)</b>					
EPS	44.0	49.6	24.8	44.1	
Cash EPS	51.6	56.7	32.8	52.6	
BV	360.7	376.1	386.4	413.6	
DPS	16.0	28.0	13.0	15.0	
Cash Per Share	19.7	23.5	12.9	23.4	
<b>Operating Ratios (%)</b>					
EBITDA Margin	9.4	8.3	6.5	8.8	
PBT / Total Operating income	10.2	9.6	6.5	8.9	
PAT Margin	7.4	8.3	5.3	7.3	
Inventory days	13.0	13.6	16.2	13.2	
Debtor days	125.4	123.7	165.0	130.0	
Creditor days	161.0	162.3	207.0	160.0	
<b>Return Ratios (%)</b>					
RoE	12.2	13.2	6.4	10.7	
RoCE	10.7	7.5	3.9	7.6	
RoIC	11.2	7.9	3.9	8.7	
<b>Valuation Ratios (x)</b>					
P/E	20.9	18.6	37.0	20.8	
EV / EBITDA	17.8	21.9	36.1	20.0	
EV / Net Sales	1.7	1.8	2.3	1.8	
Market Cap / Sales	1.6	1.5	2.0	1.5	
Price to Book Value	2.6	2.4	2.4	2.2	
<b>Solvency Ratios</b>					
Debt/EBITDA	1.6	3.8	6.2	3.3	
Debt / Equity	0.2	0.5	0.5	0.4	
Current Ratio	1.3	1.4	1.4	1.5	
<b>Quick Ratio</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	

\*Adjusted for E&A business

Source: Company, ICICI Direct Research



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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com**

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