

Persistent Systems

Estimate change	↓
TP change	↔
Rating change	↔

CMP: INR5,330 **TP: INR6,200(+16%)** **Buy**

Soft exit on core growth

USD2b revenue target intact; margins steady with reinvestment bias

Bloomberg	PSYS IN
Equity Shares (m)	158
M.Cap.(INRb)/(USD\$b)	840.8 / 9
52-Week Range (INR)	6599 / 4449
1, 6, 12 Rel. Per (%)	7/-3/7
12M Avg Val (INR M)	3251

- Persistent Systems (PSYS) reported 4QFY26 revenue of USD436m (vs. est. USD438m), up 3.2% QoQ in USD terms and 3.4% in CC (est. +3.5%). Adj. EBIT margin stood at 16.3% (est. 16.6%).
- Adj. EBIT grew 16.3% QoQ/16.2% YoY to INR6.6b. Adj. PAT came in at INR5.3b (est. INR5.3b), up 4.5% QoQ/33.7% YoY.
- For FY26, revenue/adj. EBIT/adj. PAT grew 23.5%/36.6%/3.79% YoY in INR terms. We expect revenue/adj. EBIT/adj. PAT to grow 26.9%/38.9%/34.8% YoY in 1QFY27. Free cash flow stood at 94.7% of net profit for FY26. FY26 RoE came in at 27.3% (vs. 24.8%/25.6%/25.9% in FY25/FY24/FY23). TTM TCW was USD601m, down 10.8% QoQ and up 16.1% YoY (1.4x book-to-bill). We value PSYS at 34x FY28E EPS. Reiterate **BUY** with a TP of INR6,200.

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	147.5	178.3	209.7
EBIT Margin (%)	16.2	16.7	16.8
Adj. PAT	19.3	23.7	27.9
Adj. EPS (INR)	123.3	150.1	177.1
EPS Gr.(%)	36.7	21.7	18.0
BV/Sh.(INR)	503.6	591.3	698.3

Ratios

RoE (%)	27.3	27.7	27.7
RoCE (%)	24.6	24.6	24.6
Payout (%)	40.0	40.0	40.0

Valuations

P/E (x)	43.2	35.5	30.1
P/BV (x)	10.6	9.0	7.6
EV/EBITDA (x)	28.5	23.2	19.4
Div. Yield (%)	0.9	1.1	1.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	30.3	30.6	30.7
DII	29.8	30.6	26.3
FII	23.7	21.7	25.8
Others	16.2	17.2	17.2

FII Includes depository receipts

Our view: Reinvestment to cap near-term margin upside

- **Fifth straight quarter of deceleration in revenue growth excl. software licenses:** 4Q revenue grew 3.4% QoQ in CC terms, a slight miss on consensus numbers. Revenue growth (excl. software licenses) continues to soften, with ~15% YoY growth in 4Q. While PSYS remains one of the fastest-growing IT services companies in our coverage, this marks the fifth straight quarter of YoY deceleration in revenue growth excl. software licenses (Exhibit 2).
- **The ask rate for next four-quarter CQGR for guided USD2b revenue is ~3.5% QoQ CC.** This would imply ~15% YoY growth for PSYS in FY27, again better than the industry but lower than our earlier expectation of ~18%.
- **Top 5 clients' revenue declined ~1.2% QoQ,** with YoY growth moderating to ~12% (vs. ~25% earlier). This moderation is largely driven by offshoring shifts and execution-related changes rather than demand weakness. Management indicated no structural issue in large accounts, with wallet share remaining intact.
- **Margin recovery with reinvestment bias:** 4Q EBIT margin at 16.3% (down 40bp QoQ) was supported by absence of 3Q one-offs (+220bp), operational efficiencies (+40bp), and favorable currency (+60bp), partly offset by higher consulting/advisory (-60bp) and software/travel costs (-70bp).
- However, management reiterated that growth reinvestment, particularly in AI platforms, consulting, and capability buildout, remains the priority. While the 16-17% margin band is achievable, near-term expansion could be capped by continued investments. We estimate EBIT margin of 16.7%/16.8% for FY27/FY28.

Valuation and revisions to our estimates

- **We now build in ~16% USD revenue CAGR over FY26-28E for PSYS,** reflecting moderation in core growth. Along with gradual margin expansion, this translates into ~20-22% EPS CAGR, still among the stronger growth profiles in mid-tier IT, though lower than earlier expectations.

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Research analyst: **Keval Bhagat** (Keval.Bhagat@MotilalOswal.com)

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **We cut our estimates by ~4-5%**, factoring in a soft 4Q exit and continued reinvestments in AI platforms and consulting capabilities. We now build in a more gradual margin expansion to ~16.7-16.8% over FY27-28E. We value PSYS at **34x FY28E EPS** and maintain **BUY** with a revised TP of **INR6,200**.

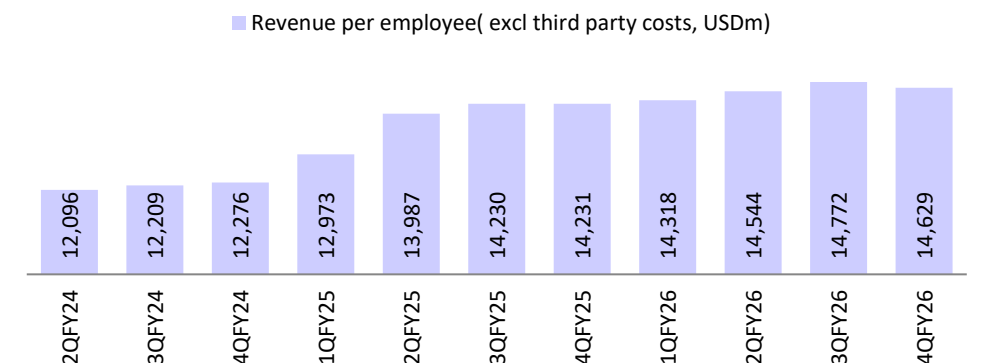
Revenue in line with our estimate and miss on margins; Healthcare & Hi-tech led growth

- 4QFY26 revenue stood at USD436m, up 3.2% QoQ in USD terms (below our estimate of 3.6% QoQ). It reported CC growth of 3.4% QoQ vs. our estimate of 3.5% QoQ CC growth. FY26 revenue stood at USD1,654.4m, up 17.4% YoY.
- Growth was led by Healthcare (up 6.9% QoQ) and Hi-tech (up 2.2% QoQ).
- Adj. EBIT margin at 16.3% was down by 40bp QoQ, below our estimate of 16.6%. For FY26, adj. EBIT margin stood at 16.2% vs. 14.7% in FY25.
- TCV was USD601m, down 10.9% QoQ/up 16.1% YoY (1.4x book-to-bill).
- Net new TCV was up 10.8% QoQ at USD409m. TTM ACV stood at USD445.1m. For FY26, deal TCV stood at USD2.4b, up 14.4%.
- Net headcount increased by 3% QoQ. Utilization declined 40bp QoQ to 88%. TTM attrition was down 50bp QoQ at 13%.
- Adj. PAT stood at INR5.3b (up 4.5% QoQ/33.7% YoY), in line with our estimate.
- The board approved the final dividend of INR18/share.

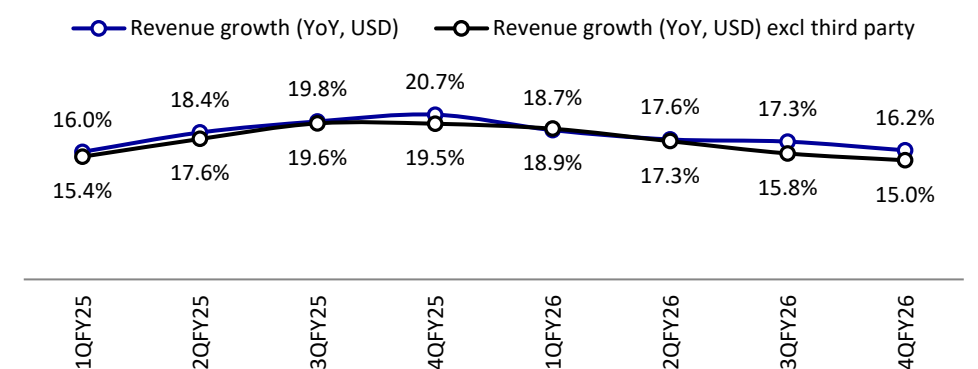
Key highlights from the management commentary

- Management acknowledged ongoing geopolitical headwinds (Middle East conflict, tariff uncertainty) but noted minimal direct revenue exposure to the affected regions.
- Management expects FY27 vertical growth to be led by Healthcare/Life Sciences and BFSI (neck-and-neck), followed by Hi-Tech & Emerging – directional guidance, not formal.
- Management noted increasing positioning as a credible challenger to Tier-1 outsourcing firms, evidenced by bypassing multi-vendor RFPs (e.g., French multinational bank data modernization win via direct Databricks expertise).
- Two senior leadership additions: Ruchi Kulhari (EVP, Enterprise Strategy & Execution) and Hari Abhyankar (EVP & Global Head, Private Equity & Professional Services – prior McKinsey, enterprise software background).
- AI strategy anchored on three pillars: (1) Engineering Hyper Productivity (SASVA - AI-embedded SDLC), (2) Business Hyper Productivity (GenAI Hub, Agent Studio - agentic workflow automation), (3) Enterprise Data Readiness (ERA - governance, semantic layer, knowledge graphs).

Exhibit 1: Steady improvement in realizations YoY



Source: Company, MOFSL

Exhibit 2: Excl. software licenses revenue growth weakens YoY for fifth straight quarter


Source: Company, MOFSL

Quarterly Performance (IFRS)

Y/E March (Consolidated)	FY25				FY26				FY25	FY26	Est. 4QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	328	346	360	375	390	406	423	436	1,409	1,654	437.7	-0.4
QoQ (%)	5.6	5.3	4.3	4.2	3.9	4.2	4.0	3.2	18.8	17.4	3.6	-41bp
Revenue (INR m)	27,372	28,972	30,623	32,421	33,336	35,807	37,782	40,559	1,19,387	1,47,485	39,930	1.6
QoQ (%)	5.7	5.8	5.7	5.9	2.8	7.4	5.5	7.4			5.7	166bp
YoY (%)	17.9	20.1	22.6	25.2	21.8	23.6	23.4	25.1	21.6	23.5	23.2	194bp
GPM (%)	33.0	33.4	34.7	34.9	35.3	36.0	36.1	35.3	34.0	35.7	36.1	-81bp
SGA (%)	16.4	16.8	17.1	16.8	16.9	16.9	16.8	16.4	16.8	16.7	16.8	-44bp
EBITDA	4,552	4,807	5,378	5,844	6,116	6,838	7,324	7,677	20,581	27,955	7,707	-0.4
EBITDA Margin (%)	16.6	16.6	17.6	18.0	18.3	19.1	19.4	18.9	17.2	19.0	19.3	-37bp
EBIT	3,840	4,062	4,557	5,053	5,178	5,837	6,318	6,592	17,512	23,925	6,628	-0.6
EBIT Margin (%)	14.0	14.0	14.9	15.6	15.5	16.3	16.7	16.3	14.7	16.2	16.6	-35bp
Other income	165	283	263	-1	376	331	222	148	710	1,078	280	-47.0
ETR (%)	23.5	25.2	22.6	21.7	23.5	23.6	22.6	21.5	23.2	22.7	23.5	
Adj. PAT	3,064	3,250	3,729	3,958	4,249	4,715	5,063	5,293	14,001	19,320	5,285	0.2
QoQ (%)	-2.8	6.1	14.7	6.1	7.4	10.9	7.4	4.5			4.4	16bp
YoY (%)	10.5	23.4	30.3	25.5	38.7	45.1	35.8	33.7	22.6	38.0	33.5	20bp
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	668.3	0.0	0.0	668.3	0.0	
PAT	3,064	3,250	3,729	3,958	4,249	4,715	4,395	5,293	14,001	18,651	5,285	
Adj. EPS (INR)	19.9	21.0	23.9	25.4	27.2	30.2	32.4	33.6	90.2	123.3	34.0	-1.2

Key Performance Indicators

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Revenue (QoQ CC %)	5.6	5.1	4.6	4.5	3.3	4.4	4.1	3.4	
Margins									
Gross Margin	33.0	33.4	34.7	34.9	35.3	36.0	36.1	35.3	34.0
EBIT Margin	14.0	14.0	14.9	15.6	15.5	16.3	16.7	16.3	14.7
Net Margin	11.2	11.2	12.2	12.2	12.7	13.2	13.4	13.0	11.7
Operating metrics									
Headcount	23,519	23,237	23,942	24,594	25,340	26,224	26,711	27,502	24,594
Voluntary Attrition (%)	11.9	12.0	12.6	12.9	13.9	13.8	13.5	13.0	12.9
Utilisation (%)	82.1	84.8	87.4	88.4	88.7	88.2	88.4	88.0	88.4
Effort Mix(%)									
Global Delivery Centers	15.2	15.8	15.1	14.8	14.5	14.1	14.2	14.6	15.2
India	84.8	84.2	84.9	85.2	85.5	85.9	85.8	85.4	84.8



Highlights from the management commentary

Growth and demand outlook

- Management acknowledged ongoing geopolitical headwinds (Middle East conflict, tariff uncertainty) but noted minimal direct revenue exposure to the affected regions.
- Management expects FY27 vertical growth pecking order to be Healthcare/Life Sciences and BFSI at the top (neck-and-neck), followed by Hi-Tech & Emerging - directional guidance, not formal.
- Management noted increasing positioning as a credible challenger to Tier-1 outsourcing firms, evidenced by bypassing multi-vendor RFPs (e.g., French multinational bank data modernization win via direct Databricks expertise).
- Two senior leadership additions: Ruchi Kulhari (EVP, Enterprise Strategy & Execution) and Hari Abhyankar (EVP & Global Head, Private Equity & Professional Services - prior McKinsey, enterprise software background).
- AI strategy anchored on three pillars: (1) Engineering Hyper Productivity (SASVA - AI-embedded SDLC), (2) Business Hyper Productivity (GenAI Hub, Agent Studio - agentic workflow automation), (3) Enterprise Data Readiness (ERA - governance, semantic layer, knowledge graphs).
- AI adoption is expected to accelerate materially in coming quarters, with tech companies leading enterprise adoption; ecosystem announcements from Anthropic, OpenAI, Nvidia, Microsoft, Google, Snowflake, and Databricks seen as structural tailwinds.
- India revenue classification anomaly noted: Revenue from a GCC renewal (billed in INR) was classified as India rather than North America, artificially inflating India and compressing North America; management expects normalization in 1QFY27.
- Third-party software license revenue rose 40% QoQ; management attributed this to bundled engagements (cybersecurity managed services, AI platform deployments) and guided that IP and services revenue lines will blur over time as integrated deal structures scale.
- BFSI wins included a large Nordic bank (payment platform modernization - won against incumbent providers), an Australian life insurer (digital underwriting platform), and a European bank (IOTA agentic AI for data management, reducing documentation cycles by 70%).
- Marquee new deal in Hi-Tech: Japan-headquartered B2B industrial technology leader selected PSYS as long-term transformation partner (hardware-to-software shift) - deal spans SAP, IT, and data analytics; TCV exceeds USD50m, one of the largest SAP services deals won.
- **BFSI:** Strongest performing vertical – 4Q YoY growth of 24.3% (annualized run-rate USD600m); full-year FY26 growth of 28.4%, the highest across all verticals.
- **Hi-tech:** The company's differentiation in hi-tech lies in product engineering core (not peripheral IT), making it less exposed to the capex-driven services freeze; growth driven by AI-led product development, managed services for PE-backed carve-outs, and engineering productivity improvements.
- **Healthcare and Life Sciences:** Management guided Healthcare to be a co-leader (with BFSI) in FY27 growth – strongest directional signal in months; portfolio of wins reflects new logos, alongside existing account expansion.

- 4Q examples include: pharma drug discovery platform leveraging NVIDIA BioNeMo toolkit for protein structure prediction and molecular simulation; a diabetes-focused pharma client using proprietary knowledge graphs and fine-tuned LLMs on Google Cloud (MedGemma, Gemma).
- **North America** remains the dominant geography (80% of revenue); sequentially flat on reported basis; underlying demand healthy.
- **Europe:** Sequential decline of 1.8% in 4Q was attributed to specific account puts and takes; management acknowledged the need to double down in Europe and expressed confidence in the pipeline; FY26 full-year growth of 26.7% was one of the highest among peers.
- SASVA IP portfolio expanded to 120+ patents filed (including a significant batch in Q3); expanded to run natively on DigitalOcean infrastructure with Anthropic and OpenAI model access, offering private cloud and sovereign deployment options.
- Agent portfolio exceeded 500 agents in 4Q (vs. 200+ in 3Q) - built in-house and across partner ecosystem including Google, Microsoft, Salesforce, and Nvidia; Agent Processing Unit launched for external agent orchestration.
- FY27 revenue guidance: Management reaffirmed confidence in continuing growth momentum and aspirational USD2b by Mar'27 trajectory (noted as aspiration, not guidance); margin aspiration of 16-17% reiterated with growth investment as primary focus.

Margin performance and outlook

- 4Q EBIT margin expanded by a notable 190bp QoQ to 16.3%, with EBIT growing 21.4% QoQ and 30.4% YoY. The sharp sequential recovery largely reflects the absence of the one-time new wage code provisioning (230bp headwind in 3Q).
- 4Q margin tailwinds: Absence of 3Q one-time labor code impact (+220bp), operational efficiencies (+40bp), favorable currency (+60bp). Headwinds: increased consulting/advisory costs related to corporate development (-60bp), higher software license and travel expenses tied to annual planning (-70bp).
- Full-year FY26 EBIT margin at 15.6%, up 90bp YoY. EBIT grew 31.5% YoY in absolute terms; PAT margin at 12.6% with PAT growing 33.2% YoY.
- Management reiterated margin aspiration range of 16-17% but emphasized growth reinvestment as the priority; margin expansion is a second-order outcome of AI-led platform monetization.
- OCF-to-PAT moderated to 77% in 4Q (vs. 91% in 3Q) due to high unbilled revenue proportion and delayed tax refunds/insurance payments; full-year OCF-to-PAT improved meaningfully to 93.6% from 82.6% in FY25, a positive structural signal.

Exhibit 3: Healthcare and Hi-tech led growth

Verticals (QoQ USD, %)	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
BFSI	2.9	6.2	0.0	-0.5	1.8	5.9	7.7	4.9	6.1	9.0	7.0	4.6	1.7
Healthcare and Lifesciences	4.4	-2.7	7.0	16.4	14.8	16.5	9.6	4.3	0.4	-1.9	3.8	4.8	6.9
Software and Hi-tech and Emerging verticals	4.3	3.2	3.8	0.1	-0.8	-0.5	0.8	3.7	5.2	3.6	2.2	3.0	2.2

Source: Company, MOFSL

Exhibit 4: RoW runs the growth show

Geographies (QoQ USD, %)	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
North America	4.9	4.7	3.1	3.7	3.9	6.4	6.1	3.2	4.2	3.0	4.2	6.2	3.1
Europe	18.9	-3.0	1.0	-3.5	-9.4	5.6	6.6	8.2	6.7	11.3	7.7	-4.9	-1.7
RoW	-11.8	-3.1	5.0	4.0	9.8	0.3	-1.1	9.1	2.3	4.8	1.4	-4.6	8.4

Source: Company, MOFSL

Valuation and view:

- **We now build in ~16% USD revenue CAGR over FY26-28E for PSYS**, reflecting moderation in core growth. Along with gradual margin expansion, this translates into ~20-22% EPS CAGR, still among the stronger growth profiles in mid-tier IT, though lower than earlier expectations.
- **We cut our estimates by ~4-5%**, factoring in a soft 4Q exit and continued reinvestments in AI platforms and consulting capabilities. We now build in a more gradual margin expansion to ~16.7-16.8% over FY27-28E. We value PSYS at **34x FY28E EPS** and maintain **BUY** with a revised TP of **INR6,200**.

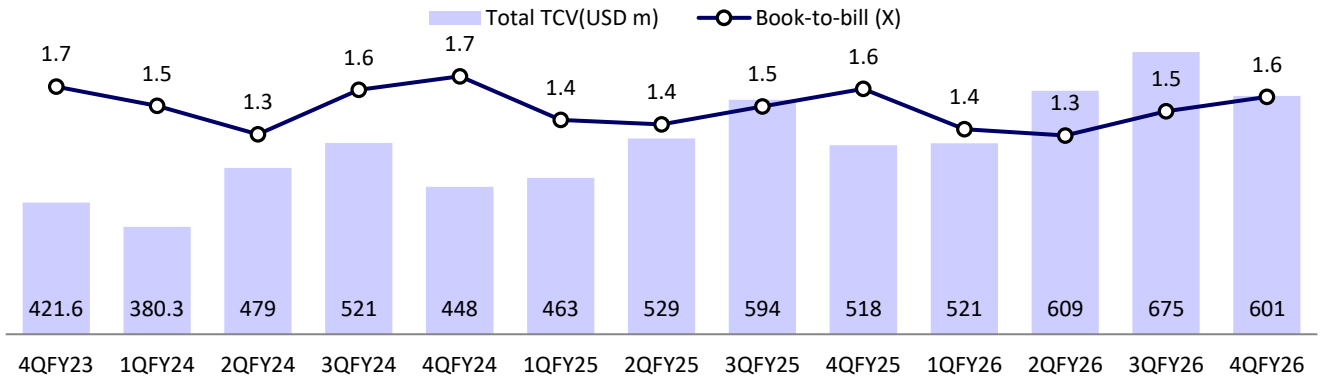
Exhibit 5: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	93.8	95.0	93.8	95.0	0.0%	0.0%
USD Revenue (m)	1,900	2,207	1,954.9	2,309.5	-2.8%	-4.4%
Growth (%)	14.8	16.2	18.0	18.1	-320bps	-200bps
EBIT margin (%)	16.7	16.8	16.7	16.8	0bps	0bps
PAT (INR m)	23,677	27,944	24,355.4	29,239.5	-2.8%	-4.4%
EPS	150.1	177.1	155.8	187.0	-3.6%	-5.3%

Source: MOFSL, Company

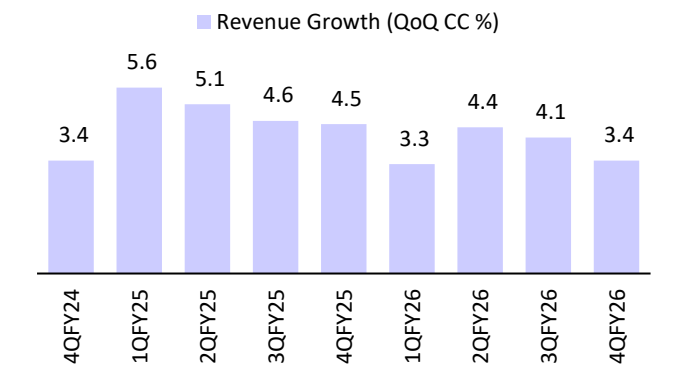
Story in charts

Exhibit 4: BTB rose to 1.6x; TCV stood at USD 601m



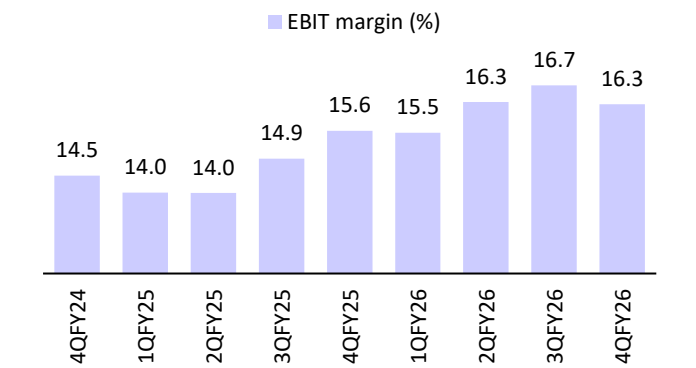
Source: Company, MOFSL

Exhibit 5: Reported 3.4% QoQ CC growth, in line with Estimate of 3.5%



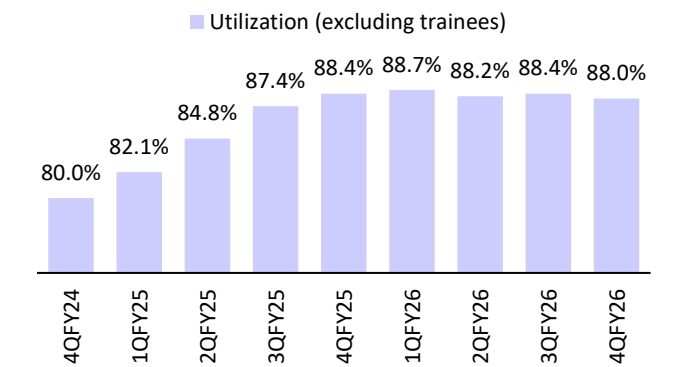
Source: Company, MOFSL

Exhibit 6: Margins declined 40bp QoQ



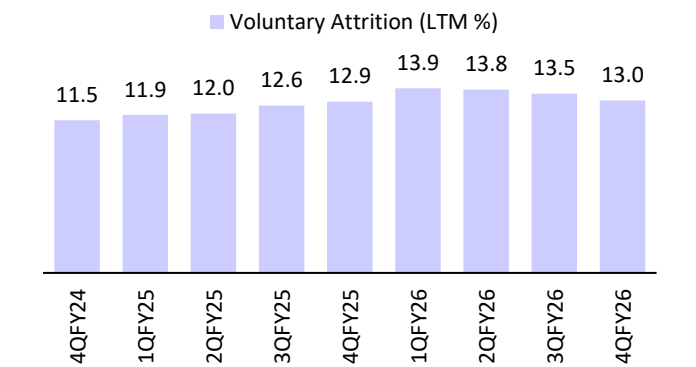
Source: Company, MOFSL

Exhibit 7: Utilization declined 40bp to 88% in 4QFY26



Source: Company, MOFSL

Exhibit 8: Attrition rate declined 50bp QoQ



Source: Company, MOFSL

Exhibit 9: Operating metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Geography (%)									
North America	80.1	80.7	81.3	80.5	80.5	79.8	79.8	81.5	81.4
Europe	7.8	7.8	7.9	8.2	8.4	9	9.3	8.5	8.1
RoW	12.1	11.5	10.8	11.3	11.1	11.2	10.9	10	10.5
Vertical Mix (%)									
BFSI	30.7	30.8	31.5	31.7	32.3	33.9	34.8	35	34.5
Healthcare & Life Science	24.2	26.7	27.8	27.8	26.8	25.3	25.2	25.4	26.3
Tech. Cos. & Emerging Verticals	45.1	42.5	40.7	40.5	40.9	40.8	40	39.6	39.2
Client Metrics (%)									
Top 5 Clients	29.2	30.7	31.4	30.8	32.7	31.8	32.9	32.9	31.5
Top 10 Clients	40	41.5	41.5	40	42.2	42	43.2	43.7	42.1
Employee Metrics									
Technical People	22,224	21,866	21,675	22,407	23,072	23,787	24,608	25,077	25,849
Sales & BD	484	510	492	489	485	496	510	520	543
Others	1,142	1,143	1,070	1,046	1,037	1,057	1,106	1,114	1,110
Total	23,850	23,519	23,237	23,942	24,594	25,340	26,224	26,711	27,502
Effort Mix									
- Global Delivery Centers	14.80	15.20	15.80	15.10	14.80	14.50	14.10	14.20	14.60
- India	85.20	84.80	84.20	84.90	85.20	85.50	85.90	85.80	85.40
Attrition (%)	80	82.1	84.8	87.4	88.4	88.7	88.2	88.4	88
Linear Utilization %	11.5	11.9	12.0	12.6	12.9	13.9	13.8	13.5	13.0

Source: Company, MOFSL

Financials and valuations

Income Statement						(INR m)	
Y/E March	2022	2023	2024	2025	2026	2027E	2028E
Sales	57,107	83,506	98,216	1,19,387	1,47,485	1,78,268	2,09,688
Change (%)	36.4	46.2	17.6	21.6	23.5	20.9	17.6
Cost of Goods Sold	37,895	55,315	65,231	78,740	94,874	1,14,787	1,34,871
Gross Profit	19,212	28,191	32,985	40,647	52,610	63,481	74,817
Selling Expenses	9,556	12,999	15,742	20,066	24,656	29,322	34,599
EBITDA	9,656	15,191	17,243	20,581	27,955	34,159	40,219
% of Net Sales	16.9	18.2	17.6	17.2	19.0	19.2	19.2
Depreciation	1,660	2,719	3,094	3,069	4,030	4,457	5,033
EBIT	7,996	12,472	14,149	17,512	23,925	29,702	35,186
% of Net Sales	14.0	14.9	14.4	14.7	16.2	16.7	16.8
Other Income	1,321	233	813	710	1,078	1,248	1,468
PBT	9,317	12,705	14,962	18,222	25,002	30,950	36,654
Tax	2,339	3,198	3,541	4,222	5,683	7,273	8,710
Rate (%)	25.1	25.2	23.7	23.2	22.7	23.5	23.8
Extraordinary Item	75	297	486	0	668	0	0
Adjusted PAT	6,904	9,211	10,935	14,001	19,320	23,677	27,944
Change (%)	53.2	33.4	18.7	28.0	33.2	26.9	18.0

Balance Sheet						(INR m)	
Y/E March	2022	2023	2024	2025	2026	2027E	2028E
Share Capital	764	764	770	779	789	789	789
Other Reserves	32,918	38,887	48,807	62,411	77,590	91,796	1,08,563
Net Worth	33,682	39,651	49,577	63,191	78,379	92,585	1,09,351
Loans	4,889	4,947	99	-	-	-	-
Other liabilities	1,360	2,013	2,218	2,848	6,144	7,427	8,736
Capital Employed	39,931	46,610	51,894	66,038	84,523	1,00,011	1,18,087
Gross Block	27,391	33,914	32,079	36,920	42,839	48,339	53,839
Less : Depreciation	14,965	17,684	20,777	23,847	27,876	32,333	37,366
Net Block	4,276	7,058	6,727	8,150	9,441	10,484	10,951
CWIP	1,071	161	335	42	107	107	107
Intangibles	11,060	16,355	15,488	17,261	19,119	19,119	19,119
Investments	3,878	4,516	5,539	6,415	7,001	7,001	7,001
Deferred Tax Assets	1,123	1,129	1,360	2,024	3,460	4,182	4,919
Other	4,394	1,792	3,056	3,215	3,665	4,429	5,210
Current Assets	28,339	35,179	41,232	50,260	70,973	88,697	1,09,269
Debtors	9,484	15,705	16,761	18,478	21,332	25,397	29,873
Investments	10,514	6,242	6,330	6,899	22,665	13,153	15,653
Cash & BB	2,978	4,670	6,625	6,744	10,749	30,533	40,672
Loans & Advances	16	-	-	-	-	-	-
Other Current Assets	5,347	8,562	11,515	18,139	16,227	19,614	23,071
Current Liab. & Prov	14,210	19,581	21,842	21,328	29,243	34,009	38,491
Trade payables	4,299	5,689	8,139	8,886	11,342	14,164	16,660
Other Liabilities	5,961	9,243	10,372	8,413	9,058	9,157	9,258
Provisions	3,950	4,649	3,331	4,029	8,843	10,689	12,573
Net Current Assets	14,130	15,598	19,390	28,932	41,730	54,688	70,778
Application of Funds	39,931	46,610	51,894	66,038	84,523	1,00,011	1,18,086

Financials and valuations

Ratios

Y/E March	2022	2023	2024	2025	2026	2027E	2028E
EPS	45.7	62.5	75.1	90.2	123.3	150.1	177.1
Cash EPS	56.5	80.4	95.4	110.0	149.0	178.3	209.0
Book Value	220.4	260.7	325.9	411.9	503.6	591.3	698.3
DPS	15.5	25.0	26.0	35.0	49.3	60.0	70.9
Payout %	33.9	40.0	34.6	38.8	40.0	40.0	40.0

Valuation (x)

P/E	116.7	85.3	71.0	59.1	43.2	35.5	30.1
Cash P/E	94.3	66.3	55.9	48.4	35.8	29.9	25.5
EV/EBITDA	83.5	53.0	46.3	39.1	28.5	23.2	19.4
EV/Sales	14.1	9.6	8.1	6.7	5.4	4.4	3.7
Price/Book Value	24.2	20.4	16.4	12.9	10.6	9.0	7.6
Dividend Yield (%)	0.3	0.5	0.5	0.7	0.9	1.1	1.3

Profitability Ratios (%)

RoE	22.6	25.9	25.6	24.8	27.3	27.7	27.7
RoCE	17.4	21.6	21.9	22.8	24.6	24.6	24.6

Turnover Ratios

Debtors (Days)	61	69	62	56	53	52	52
Asset Turnover (x)	15.2	14.7	14.2	16.1	16.8	17.9	19.6

Cash Flow Statement

Y/E March	2022	2023	2024	2025	2026	2027E	2028E
CF from Operations	8,857	13,935	14,265	17,803	23,458	28,134	32,977
Chg. in Working Capital	-407	-4,377	-2,052	-6,233	-5,788	9,122	-3,661
Net Operating CF	8,450	9,558	12,213	11,569	17,670	37,256	29,316
Net Purchase of FA	-3,808	-4,290	-2,710	-1,931	-1,952	-5,500	-5,500
Free Cash Flow	4,642	5,268	9,503	9,638	15,718	31,756	23,816
Net Purchase of Invest.	-5,965	76	-1,985	-2,414	-4,147	-2,500	-2,500
Net Cash from Inv.	-9,773	-4,213	-4,695	-4,344	-6,099	-8,000	-8,000
Issue of shares	0	0	1,608	0	499	0	0
Proceeds from LTB/STB	3,810	-1,059	-3,461	-1,309	-1,798	0	0
Dividend Payments	-1,987	-2,981	-4,084	-4,973	-6,183	-9,471	-11,178
Net CF from Finan.	1,823	-4,039	-5,937	-6,282	-7,482	-9,471	-11,178
Net Cash Flow	499	1,305	1,581	943	4,090	19,785	10,138
Exchange difference	59	387	374	-824	-85	0	0
Opening Cash Balance	2,420	2,979	4,671	6,626	6,745	10,749	30,534
Closing CashBalance	2,979	4,671	6,626	6,745	10,749	30,534	40,673

(INR m)

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UNDER REVIEW	Rating may undergo a change
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