3 August 2026

1QFY27 Results Update | Sector: Technology

Persistent Systems

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	PSYS IN
Equity Shares (m)	158
M.Cap.(INRb)/(USDb)	879.5 / 9.2
52-Week Range (INR)	6599 / 4243
1, 6, 12 Rel. Per (%)	17/-7/9
12M Avg Val (INR M)	3533

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	147.5	181.7	212.2
EBIT Margin (%)	16.2	16.2	16.6
Adj. PAT	19.3	23.0	28.5
Adj. EPS (INR)	123.3	145.0	180.0
EPS Gr.(%)	36.7	17.6	24.2
BV/Sh.(INR)	503.6	597.9	716.3
Ratios			
RoE (%)	27.3	26.7	27.7
RoCE (%)	24.6	24.5	24.2
Payout (%)	32.4	34.0	35.0
Valuations			
P/E (x)	44.5	37.9	30.5
P/BV (x)	10.9	9.2	7.7
EV/EBITDA (x)	29.4	23.7	19.6
Div. Yield (%)	0.7	0.9	1.1

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	30.3	30.3	30.6
DII	30.2	30.5	27.8
FII	21.5	23.1	24.8
Others	18.0	16.2	16.9

FII Includes depository receipts

CMP: INR5,575 TP: INR6,400(+15%) Buy

Consistent show all around

Strong deal TCV ensures near-term visibility

- Persistent Systems (PSYS) reported 1QFY27 revenue of USD452.4m (vs. est. USD449m), up 3.8% QoQ in USD terms and 4.1% in CC (est. +3%). Adj. EBIT margin stood at 16% (est. 16.1%).
- Adj. EBIT grew 4.2% QoQ/32.7% YoY to INR6.9b. Adj. PAT came in at INR4.8b (est. INR5.5b), down 8.7% QoQ/up 13.7% YoY. PAT miss can be attributed to rupee volatility and receivables revaluation, leading to a loss of INR1,052m (vs a gain of INR11.9m in 4Q).
- For 1QFY27, revenue/adj. EBIT/adj. PAT grew 29.1%/32.7%/13.7% YoY in INR terms. We expect revenue/adj. EBIT/adj. PAT to grow 24.5%/20.7%/20.1% YoY in 2QFY27. TCV was USD1,146m, up 91%/120% QoQ/YoY (2.5x book-to-bill). We value PSYS at 35x FY28E EPS. Reiterate **BUY** with a TP of INR6,400.

Our view: Margins to remain under pressure in 2Q due to wage hikes

- **1Q revenue beat driven by large deal ramp-up and key client strength:** Revenue growth was driven by the ramp-up of a large USD650m deal, with peak revenue of ~75-80% expected in 2Q. **Growth was further supported by robust traction in the top hi-tech customer**, reflected in 9.4% QoQ growth in the top-five customer bucket, partially offset by a 4.1% QoQ decline in the 6–10 customer bucket. We build in 4.5% QoQ USD revenue growth for 2Q.
- **Margins soften on investments; FY27 guidance maintained:** 1Q EBIT margin contracted 30bp QoQ to 16.0%**, driven by front-loaded hiring to support the ramp-up of large deals, which led to lower utilization (-60bp),** along with higher AI tooling costs (-20bp). Margins next quarter are expected to be impacted by wage hikes (~180bp gross), which would be partially offset by operational gains. **For FY27, we expect margins to be range-bound at 16.2%** and at the lower end of management's stated guidance of 16-17%.
- **Cash conversion temporarily impacted by one-offs:** 1Q OCF/PAT stood at 24.2% (vs. ~77% in 4Q), impacted by **USD23m of delayed collections** (largely recovered in early 2Q) and **USD10m of delayed tax refunds.** Adjusting for these one-offs, OCF/PAT would have been ~83%. Management continues to target ~100% OCF/PAT for FY27 but has shifted its guidance to a TTM basis.
- **Nagarro acquisition closure expected by early CY27:** Management expects **to complete the Nagarro acquisition by 4QCY26 or 1QCY27,** which remains a key catalyst for expanding capabilities and strengthening the company's European presence.

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Valuation and revisions to our estimates

- **We now build in ~16% USD revenue CAGR over FY26-28E for PSYS,** reflecting growth acceleration driven by the ramp-up of large deals and peak revenue conversion beginning 2Q onwards. **We are not factoring in margin expansion in FY27 over FY26,** as additional hiring, transition costs related to large deals, and AI investments/tool purchases are expected to keep margins under pressure.
- We cut our **EPS estimates** for FY27 by 4.5% to factor in the foreign exchange losses and trim EBIT margin estimates for FY27/FY28 by 30bp/20bp, respectively, as growth remains the priority for management. We value PSYS at **35x FY28E EPS** and reiterate **BUY** with a revised TP of **INR6,400.**

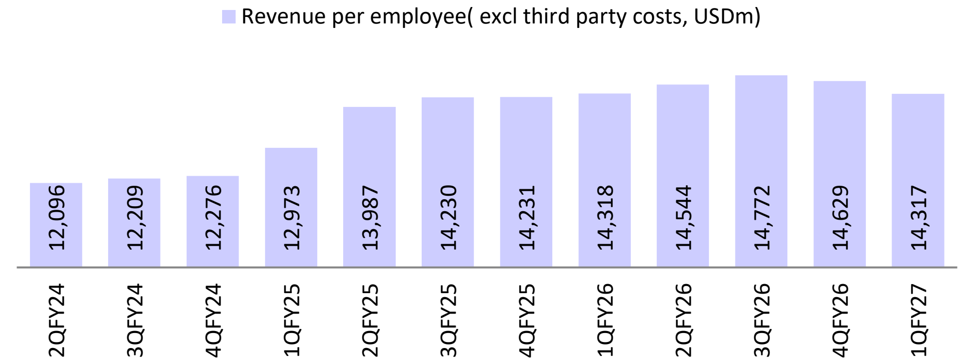
Revenue beat and margins in line; TCV of USD1.15b, up 91% QoQ

- 1QFY27 revenue stood at USD452.4m, up 3.8% QoQ in USD terms (above our estimate of 3% QoQ). It reported CC growth of 4.1% QoQ vs our estimate of 3% QoQ CC growth.
- Growth was led by Hi-tech (up 7.7% QoQ) and BFSI (up 2.2% QoQ).
- Adj. EBIT margin at 16% was down by 30bp QoQ, broadly in line with our estimate of 16.1%.
- TCV was USD1,146m, up 91%/120% QoQ/YoY (2.5x book-to-bill). It included a 6.5-year strategic services agreement with a leading global technology company, with a TCV of USD650m+.
- Net new TCV was up 132.9% QoQ at USD952m. TTM ACV stood at USD537m.
- Net headcount increased by 4.1% QoQ. Utilization declined 150bp QoQ at 86.5%. TTM attrition was down 70bp QoQ at 12.3%.
- Adj. PAT stood at INR4.8b (down 8.7% QoQ/ up13.7% YoY), below our estimate of INR5.5b. The PAT miss was driven by a foreign exchange loss of INR1,052m in 1QFY27 (vs a gain of INR11.9mn in 4QFY26).

Key highlights from the management commentary

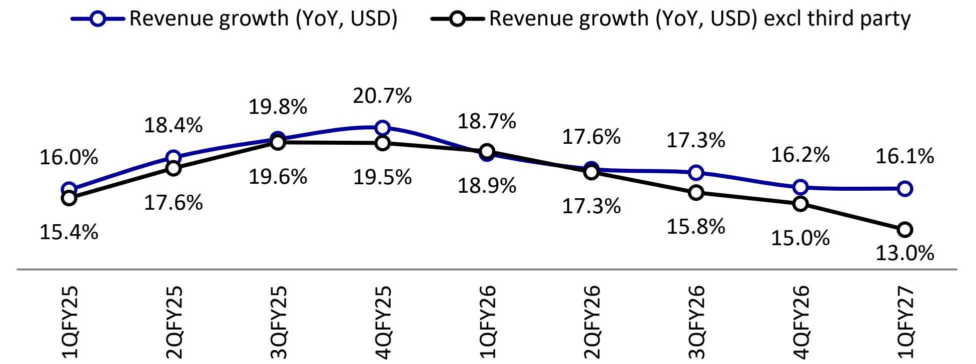
- Management reiterated a healthy demand environment, with the quarter's growth outperforming listed India IT peers by an estimated **~3.5%** for the 16th consecutive quarter, reflecting continued market share gains.
- Demand momentum was driven by a mix of vendor consolidation wins against larger and mid-tier peers, as well as proactive outsourcing pitches, including the marquee USD650m+ deal signed in the quarter.
- Management indicated that growth is increasingly outcome-based, with clients favoring end-to-end deals where PSYS owns delivery, tooling, and AI-led execution rather than staff augmentation.
- Client cohort growth was broad-based, with top five clients growing 21.2% YoY, top 10 at 19.1%, top 20 at 15.8%, top 50 at 17.1%, and top 100 at 17.4%.
- Cited measurable client outcomes: a kidney-care platform delivered ~30% lower readmissions, 20% higher patient engagement, and ~15% lower cost-of-care; engineering-led modernization work compressed cycles by up to 25% and lifted feature throughput by up to 40%; and an enterprise spend-intelligence platform for a travel management client delivered ~20% procurement savings and 10% operational improvement.
- Nagarro combination: An Open Offer document has been submitted to BaFin (Germany's securities regulator) for review, with publication expected in the coming week; RBI approval has been applied for, and FDI/merger control filings are progressing across jurisdictions. A bridge loan is committed, with long-term financing being arranged to replace it. The AGM was held on the results day, with voting outcomes expected by August 5. Deal closure is guided for 4QCY26 or 1QCY27 at the latest.

Exhibit 1: Revenue per employee remained flat YoY



Source: Company, MOFSL

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



Source: Company, MOFSL

Quarterly Performance (IFRS)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var. (% /
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	bp)
Revenue (USD m)	390	406	423	436	452	472	491	506	1,654	1,921	448.9	0.8
QoQ (%)	3.9	4.2	4.0	3.2	3.8	4.3	4.0	3.0	17.4	16.1	3.0	81bp
Revenue (INR m)	33,336	35,807	37,782	40,559	43,032	44,577	46,360	47,750	1,47,485	1,81,719	42,495	1.3
QoQ (%)	2.8	7.4	5.5	7.4	6.1	3.6	4.0	3.0			4.8	133bp
YoY (%)	21.8	23.6	23.4	25.1	29.1	24.5	22.7	17.7	23.5	23.2	27.5	161bp
GPM (%)	35.3	36.0	36.1	35.3	35.1	34.8	35.8	35.5	35.7	35.3	35.4	-27bp
SGA (%)	16.9	16.9	16.8	16.4	16.5	16.3	16.4	16.4	16.7	16.4	16.5	-1bp
EBITDA	6,116	6,838	7,324	7,677	8,022	8,247	8,994	9,120	27,955	34,382	8,031	-0.1
EBITDA Margin (%)	18.3	19.1	19.4	18.9	18.6	18.5	19.4	19.1	19.0	18.9	18.9	-26bp
EBIT	5,178	5,837	6,318	6,592	6,869	7,043	7,742	7,831	23,925	29,485	6,842	0.4
EBIT Margin (%)	15.5	16.3	16.7	16.3	16.0	15.8	16.7	16.4	16.2	16.2	16.1	-14bp
Other income	376	331	222	148	-638	312	325	334	1,078	333	297	NA
ETR (%)	23.5	23.6	22.6	21.5	22.5	23.0	23.0	23.5	22.7	23.0	23.5	
Adj. PAT	4,249	4,715	5,063	5,293	4,830	5,664	6,211	6,246	19,320	22,952	5,461	-11.6
QoQ (%)	7.4	10.9	7.4	4.5	-8.7	17.3	9.7	0.6			3.2	-1192bp
YoY (%)	38.7	45.1	35.8	33.7	13.7	20.1	22.7	18.0	38.0	18.8	28.5	-1485bp
Exceptional Items	0.0	0.0	668.3	0.0	0.0	0.0	0.0	0.0	668.3	0.0	0.0	
PAT	4,249	4,715	4,395	5,293	4,830	5,664	6,211	6,246	18,651	22,952	5,461	-11.6
Adj. EPS (INR)	27.2	30.2	32.4	33.6	30.5	36.2	39.7	39.9	123.3	145.0	34.9	-12.5

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	3.3	4.4	4.1	3.4	4.1	
Margins						
Gross Margin	35.3	36.0	36.1	35.3	35.1	35.7
EBIT Margin	15.5	16.3	16.7	16.3	16.0	16.2
Net Margin	12.7	13.2	13.4	13.0	11.2	13.1
Operating metrics						
Headcount	25,340	26,224	26,711	27,502	28,640	25,340
Voluntary Attrition (%)	13.9	13.8	13.5	13.0	12.3	13.9
Utilisation (%)	88.7	88.2	88.4	88.0	86.5	88.7
Effort Mix(%)						
Global Delivery Centers	14.5	14.1	14.2	14.6	15.2	15.2
India	85.5	85.9	85.8	85.4	84.8	84.8

Highlights from the management commentary

Growth and demand outlook

- Management reiterated a healthy demand environment, with the quarter's growth outperforming listed India IT peers by an estimated **~3.5%** for the 16th consecutive quarter, reflecting continued market share gains.
- Demand momentum was driven by a mix of vendor consolidation wins against larger and mid-tier peers, as well as proactive outsourcing pitches, including the marquee USD650m+ deal signed in the quarter.
- Management indicated that growth is increasingly outcome-based, with clients favoring end-to-end deals, where PSYS owns delivery, tooling, and AI-led execution rather than staff augmentation.
- Client cohort growth was broad-based, with top five clients growing 21.2% YoY, top 10 at 19.1%, top 20 at 15.8%, top 50 at 17.1%, and top 100 at 17.4%.
- Cited measurable client outcomes: a kidney-care platform delivered ~30% lower readmissions, 20% higher patient engagement, and ~15% lower cost-of-care; engineering-led modernization work compressed cycles by up to 25% and lifted feature throughput by up to 40%; and an enterprise spend-intelligence platform for a travel management client delivered ~20% procurement savings and 10% operational improvement.
- Nagarro combination: An Open Offer document has been submitted to BaFin (Germany's securities regulator) for review, with publication expected in the coming week; RBI approval has been applied for, and FDI/merger control filings are progressing across jurisdictions. A bridge loan is committed, with long-term financing being arranged to replace it. The AGM was held on the results day, with voting outcomes expected by August 5. Deal closure is guided for 4QCY26 or 1QCY27 at the latest.
- Client count in the USD5m+ bucket rose to 60 from 56 YoY, while the USD10m+ bucket increased sharply to 32 from 22 a year ago, reflecting deepening account mining.
- The standout win was a 6.5-year, USD650m+ strategic services agreement with a US-headquartered global technology leader, covering product development, support, and cloud operations across multiple SaaS products.
- Management clarified this deal has already begun ramping, with ~75–80% of peak revenue expected to be realized in the current quarter and full peak run-rate visible from the following quarter; minimal incremental margin drag is expected as manpower has already been onboarded.

- Key sector-specific wins included a USD50m+ renewal-cum-expansion deal with a global insurance claims management provider (250+ application modernization), and an integration mandate with a US genomics and life sciences company following its proteomics acquisition.
- **BFSI:** BFSI grew 16.3% YoY, moderating from the low-20s pace seen in preceding quarters, though management does not read this as a structural slowdown, attributing QoQ bucket movements to a handful of client-level dynamics.
- **Hi-tech:** Software, Hi-Tech & Emerging Industries grew 15.7% YoY, reaccelerating sharply from 4QFY26 levels, led largely by the ramp-up of the new large technology-sector client.
- **Healthcare and Life Sciences:** Healthcare & Life Sciences led vertical growth at 16.4% YoY; management noted that the segment is moderating off a high base but the pipeline remains healthy across scientific instruments, medical devices, pharma/CRO and payer segments, while the provider sub-segment remains comparatively tepid. Full-year growth is still expected to be healthy.
- **North America** revenue grew 15.1% YoY in dollar terms; management expects it to strengthen further as the large tech deal ramps and the Nagarro integration broadens the US base over time.
- **Europe:** Europe grew 9.5% YoY; management expects a step-up post the Nagarro combination, given the meaningful European revenue base being inherited.
- **India:** India grew 15.8% YoY, its second consecutive quarter of strong growth; management clarified this partly reflects Global Capability Centre (GCC)-led procurement, where multinational clients increasingly route billing through India-based GCCs, described as a recurring but non-linear phenomenon tied to specific transformation/carve-out programs rather than a deliberate revenue shift.
- FY26 performance bonus was paid out at 103%, and the company rolled out its annual wage hike effective July 1, 2026, with an expected gross margin impact of ~180bp, partially offset by efficiency gains recouped largely within 2Q.
- Management framed its AI strategy around a 3C architecture — Core (trust, security, governance), Context (unifying enterprise knowledge and data), and Coordination (enabling people, applications and AI agents to collaborate), positioning "Enterprise Context" as the emerging differentiator versus foundation models alone.
- Platform updates in the quarter included Sasva adding "Storyboard" for architect-led agentic workflow orchestration and an "Incognito" mode for sovereign/private AI deployments; GenAI Hub expanded to multi-cloud (AWS, Azure, Google Cloud); and iAURA added agentic data-engineering integrations with GitHub Copilot and Cursor.
- AI IP portfolio expanded to 239 patent filings, including 18 new filings in the quarter, alongside continued ecosystem partnerships with Nvidia, Microsoft, Google, Databricks, Snowflake and Salesforce.

Margin performance and outlook

- EBIT margin came in at 16.0%, up 50bp YoY but down ~30bp QoQ; EBIT grew 4.2% QoQ and 32.7% YoY to INR6,868.8m.
- PAT margin was 11.2%, down from 13.0% in 4QFY26, translating to an 8.7% QoQ decline but 13.7% YoY growth; the sequential dip was entirely attributable to a forex loss of INR1,052.7m, driven by rupee volatility and receivables revaluation.
- QoQ EBIT bridge: lower utilization was a 60bp headwind (due to hiring ahead of large-deal ramp-ups), higher AI tooling/purchase costs were largely offset by

personnel efficiencies (net 20bp headwind), while favorable currency movements (+30bp) and lower doubtful-debt provisions (+20bp) were tailwinds — netting to a 30bp QoQ margin decline.

- Effective tax rate rose to 22.5% from 21.5% in the prior quarter.
- Management guided to maintaining an operating margin band of 16–17% for the year, while declining to give more granular forward guidance.
- Return on Capital Employed (ex-cash) was 43.7%, largely stable versus 44.5% in 4QFY26.

Exhibit 3: Healthcare and Hi-tech led growth

Verticals (QoQ USD, %)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
BFSI	6.2	0.0	-0.5	1.8	5.9	7.7	4.9	6.1	9.0	7.0	4.6	1.7	2.3
Healthcare and Lifesciences	-2.7	7.0	16.4	14.8	16.5	9.6	4.3	0.4	-1.9	3.8	4.8	6.9	-0.2
Software and Hi-tech and Emerging verticals	3.2	3.8	0.1	-0.8	-0.5	0.8	3.7	5.2	3.6	2.2	3.0	2.2	7.7

Source: Company, MOFSL

Exhibit 4: RoW runs the growth show

Geographies (QoQ USD, %)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
North America	4.7	3.1	3.7	3.9	6.4	6.1	3.2	4.2	3.0	4.2	6.2	3.1	0.8
Europe	-3.0	1.0	-3.5	-9.4	5.6	6.6	8.2	6.7	11.3	7.7	-4.9	-1.7	8.9
RoW	-3.1	5.0	4.0	9.8	0.3	-1.1	9.1	2.3	4.8	1.4	-4.6	8.4	22.5

Source: Company, MOFSL

Valuation and view

- **We now build in ~16% USD revenue CAGR over FY26-28E for PSYS**, reflecting growth acceleration driven by the ramp-up of large deals and peak revenue conversion beginning 2Q onwards. **We are not factoring in margin expansion in FY27 over FY26,** as additional hiring, transition costs related to large deals, and AI investments/tool purchases are expected to keep margins under pressure.
- We cut our **EPS estimates** for FY27 by 4.5% to factor in the foreign exchange losses and trim EBIT margin estimates for FY27/FY28 by 30bp/20bp, respectively, as growth remains the priority for management. We value PSYS at **35x FY28E EPS** and reiterate **BUY** with a revised TP of **INR6,400**.

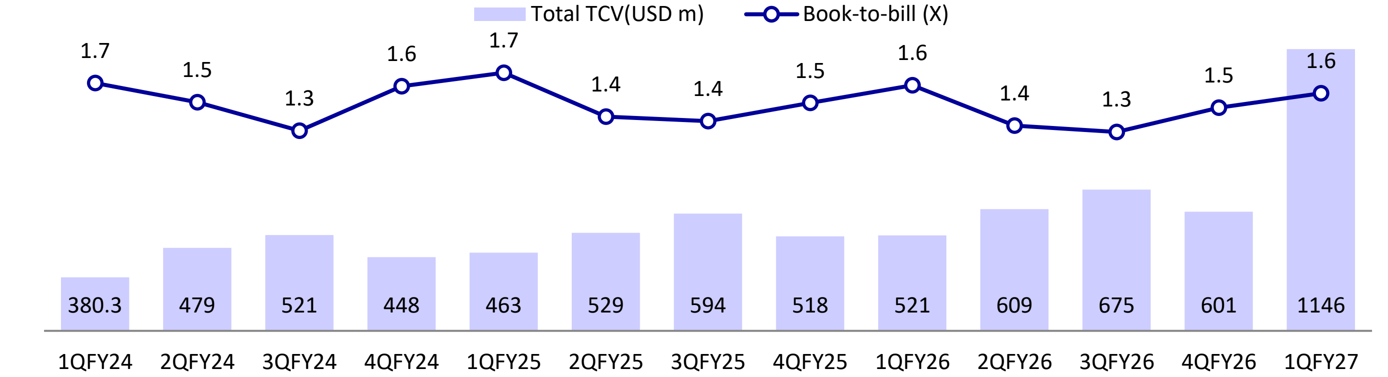
Exhibit 5: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.6	95.0	94.5	95.0	0.1%	0.0%
USD Revenue (m)	1,921	2,233	1,930	2,270	-0.5%	-1.6%
Growth (%)	16.1	16.2	16.7	17.6	-50bps	-130bps
EBIT margin (%)	16.2	16.6	16.5	16.8	-30bps	-20bps
PAT (INR m)	22,952	28,495	23,960	28,733	-4.2%	-0.8%
EPS	145.0	180.0	151.9	182.1	-4.6%	-1.2%

Source: MOFSL, Company

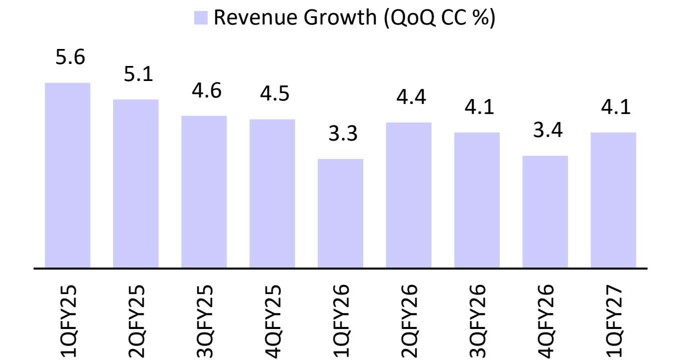
Story in charts

Exhibit 4: BTB rose to 1.6x; TCV stood at USD 1,146m



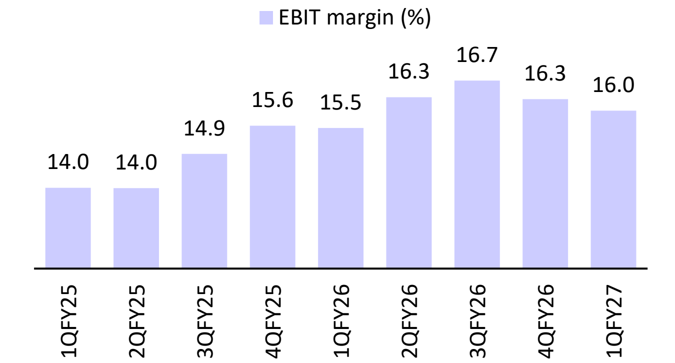
Source: Company, MOFSL

Exhibit 5: Revenue grew 4.1% QoQ CC in 1QFY27



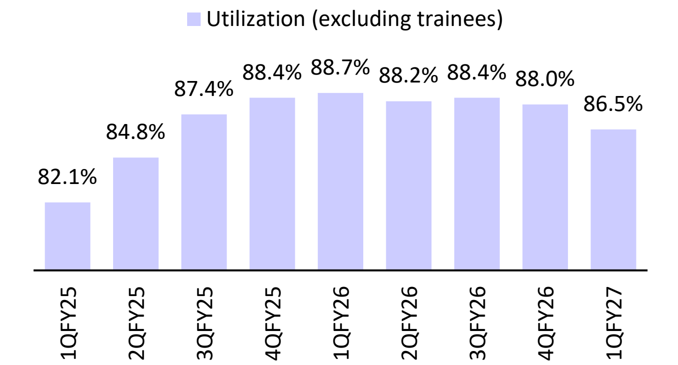
Source: Company, MOFSL

Exhibit 6: Margins contracted 30bp QoQ



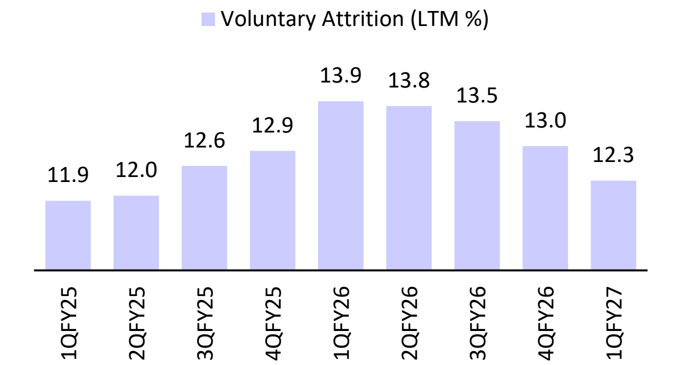
Source: Company, MOFSL

Exhibit 7: Utilization declined 150bp to 86.5% in 1QFY27



Source: Company, MOFSL

Exhibit 8: Attrition rate declined 70bp QoQ



Source: Company, MOFSL

Exhibit 9: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Geography (%)									
North America	80.7	81.3	80.5	80.5	79.8	79.8	81.5	81.4	79.1
Europe	7.8	7.9	8.2	8.4	9	9.3	8.5	8.1	8.5
India	9.8	9.2	9.4	9.3	9.8	9.2	7.8	8.3	9.8
RoW	1.7	1.6	1.9	1.8	1.4	1.7	2.2	2.2	2.6
Vertical Mix (%)									
BFSI	30.8	31.5	31.7	32.3	33.9	34.8	35	34.5	34
Healthcare & Life Science	26.7	27.8	27.8	26.8	25.3	25.2	25.4	26.3	25.3
Tech. Cos. & Emerging Verticals	42.5	40.7	40.5	40.9	40.8	40	39.6	39.2	40.7
Client Metrics (%)									
Top 5 Clients	30.7	31.4	30.8	32.7	31.8	32.9	32.9	31.5	33.2
Top 10 Clients	41.5	41.5	40	42.2	42	43.2	43.7	42.1	43
Employee Metrics									
Technical People	21,866	21,675	22,407	23,072	23,787	24,608	25,077	25,849	26,905
Sales & BD	510	492	489	485	496	510	520	543	579
Others	1,143	1,070	1,046	1,037	1,057	1,106	1,114	1,110	1,156
Total	**23,519**	**23,237**	**23,942**	**24,594**	**25,340**	**26,224**	**26,711**	**27,502**	**28,640**
Effort Mix									
- Global Delivery Centers	15.20	15.80	15.10	14.80	14.50	14.10	14.20	14.60	15.20
- India	84.80	84.20	84.90	85.20	85.50	85.90	85.80	85.40	84.80
Attrition (%)	82.1	84.8	87.4	88.4	88.7	88.2	88.4	88	86.5
Linear Utilization %	11.9	12.0	12.6	12.9	13.9	13.8	13.5	13.0	12.3

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**	**1,81,719**	**2,12,157**
Change (%)	36.4	46.2	17.6	21.6	23.5	23.2	16.8
Cost of Goods Sold	37,895	55,315	65,231	78,740	94,874	1,17,541	1,36,458
Gross Profit	**19,212**	**28,191**	**32,985**	**40,647**	**52,610**	**64,178**	**75,698**
Selling Expenses	9,556	12,999	15,742	20,066	24,656	29,795	34,844
EBITDA	**9,656**	**15,191**	**17,243**	**20,581**	**27,955**	**34,382**	**40,855**
% of Net Sales	16.9	18.2	17.6	17.2	19.0	18.9	19.3
Depreciation	1,660	2,719	3,094	3,069	4,030	4,897	5,728
EBIT	**7,996**	**12,472**	**14,149**	**17,512**	**23,925**	**29,485**	**35,126**
% of Net Sales	14.0	14.9	14.4	14.7	16.2	16.2	16.6
Other Income	1,321	233	813	710	1,078	333	2,122
PBT	**9,317**	**12,705**	**14,962**	**18,222**	**25,002**	**29,818**	**37,248**
Tax	2,339	3,198	3,541	4,222	5,683	6,866	8,753
Rate (%)	25.1	25.2	23.7	23.2	22.7	23.0	23.5
Extraordinary Item	75	297	486	0	668	0	0
Adjusted PAT	**6,904**	**9,211**	**10,935**	**14,001**	**18,651**	**22,952**	**28,495**
Change (%)	53.2	33.4	18.7	28.0	33.2	23.1	24.2

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	92,738	1,11,259
Net Worth	**33,682**	**39,651**	**49,577**	**63,191**	**78,379**	**93,527**	**1,12,048**
Loans	4,889	4,947	99	-	-	-	-
Other liabilities	1,360	2,013	2,218	2,848	6,144	7,571	8,839
Capital Employed	**39,931**	**46,610**	**51,894**	**66,038**	**84,523**	**1,01,097**	**1,20,887**
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	32,774	38,502
Net Block	**4,276**	**7,058**	**6,727**	**8,150**	**9,441**	**10,043**	**9,815**
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	4,263	4,977
Other	4,394	1,792	3,056	3,215	3,665	4,515	5,272
Current Assets	**28,339**	**35,179**	**41,232**	**50,260**	**70,973**	**90,549**	**1,13,438**
Debtors	9,484	15,705	16,761	18,478	21,332	25,889	30,225
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	31,514	44,217
Loans & Advances	16	-	-	-	-	-	-
Other Current Assets	5,347	8,562	11,515	18,139	16,227	19,993	23,342
Current Liab. & Prov	**14,210**	**19,581**	**21,842**	**21,328**	**29,243**	**34,501**	**38,843**
Trade payables	4,299	5,689	8,139	8,886	11,342	14,438	16,856
Other Liabilities	5,961	9,243	10,372	8,413	9,058	9,168	9,266
Provisions	3,950	4,649	3,331	4,029	8,843	10,896	12,721
Net Current Assets	**14,130**	**15,598**	**19,390**	**28,932**	**41,730**	**56,047**	**74,595**
Application of Funds	**39,931**	**46,610**	**51,894**	**66,038**	**84,523**	**1,01,096**	**1,20,886**

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**	**145.0**	**180.0**
Cash EPS	56.5	80.4	95.4	110.0	149.0	175.9	216.2
Book Value	220.4	260.7	325.9	411.9	503.6	597.9	716.3
DPS	15.5	25.0	26.0	35.0	40.0	49.3	63.0
Payout %	33.9	40.0	34.6	38.8	32.4	34.0	35.0
Valuation (x)							
P/E	120.2	87.8	73.1	60.8	44.5	37.9	30.5
Cash P/E	97.1	68.3	57.5	49.9	36.8	31.2	25.4
EV/EBITDA	86.0	54.6	47.7	40.3	29.4	23.7	19.6
EV/Sales	14.5	9.9	8.4	6.9	5.6	4.5	3.8
Price/Book Value	24.9	21.1	16.8	13.3	10.9	9.2	7.7
Dividend Yield (%)	0.3	0.5	0.5	0.6	0.7	0.9	1.1
Profitability Ratios (%)							
RoE	22.6	25.9	25.6	24.8	27.3	26.7	27.7
RoCE	17.4	21.6	21.9	22.8	24.6	24.5	24.2
Turnover Ratios							
Debtors (Days)	61	69	62	56	53	52	52
Asset Turnover (x)	15.2	14.7	14.2	16.1	16.8	18.7	21.4

Cash Flow Statement							(INR m)
Y/E March	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
CF from Operations	8,857	13,935	14,265	17,803	23,458	27,849	34,223
Chg. in Working Capital	-407	-4,377	-2,052	-6,233	-5,788	8,720	-3,546
Net Operating CF	**8,450**	**9,558**	**12,213**	**11,569**	**17,670**	**36,569**	**30,677**
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**	**31,069**	**25,177**
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	-7,804	-9,973
Net CF from Finan.	**1,823**	**-4,039**	**-5,937**	**-6,282**	**-7,482**	**-7,804**	**-9,973**
Net Cash Flow	**499**	**1,305**	**1,581**	**943**	**4,090**	**20,765**	**12,704**
Exchange difference	59	387	374	-824	-85	0	0
Opening Cash Balance	**2,420**	**2,979**	**4,671**	**6,626**	**6,745**	**10,749**	**31,515**
Closing CashBalance	**2,979**	**4,671**	**6,626**	**6,745**	**10,749**	**31,515**	**44,218**

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

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