

Persistent Systems

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR5158 TP: INR6300 (+22%) Buy

Another strong show

Strong growth and commendable profitability management

■ Persistent Systems (PSYS) reported 2QFY25 revenue of USD345.5m, +5.3% QoQ in USD terms, above our estimate of ~+4.6% QoQ. It reported CC growth of 5.1% QoQ. EBIT margin stood at 14%, above our estimate of 13.6%. EBIT grew 5.8% QoQ/22.8% YoY to INR4.1b. PAT came in at INR3.2b, up 6.1% QoQ/23.4% YoY, in line with our estimate of INR3.2b. For 1HFY25, revenue/EBIT/PAT grew 19.0%/16.7%/16.8% vs. 1HFY24. We expect revenue/EBIT/PAT to grow by 20.2%/23.9%/23.2% YoY in 2HFY25. TTM TCV was USD529m, up 14% QoQ and 10% YoY (1.5x book-to-bill).

Our view:

- **Continues to grow faster than the rest of the market:** Despite a slowdown in its key vertical, PSYS has continued to grow at a breakneck pace of 20.1% YoY this quarter; both healthcare and BFSI contributed to the growth. PSYS's presence in high-growth verticals provides it a natural advantage and is one of the key reasons why it secures the no. 1 rank in our IMPACT framework analysis in our Sep'24 thematic report ([Technology: Bounce-back! Charting the path to revival for IT services](#)).
- **Margins management commendable:** PSYS's margins and the one-offs have been an area of intense focus. This quarter, PSYS managed to maintain flat margins despite headwinds such as wage hikes (210bp), ESOP costs (60bp), and the absence of one-off benefits (130bp); the headwinds were offset by utilization gains (120bp), pricing (130bp), lower sub-con cost (70bp) and other gains such as visa, forex, and lower pass-through (140bp).
- We have written earlier in our 6th Sep'24 [PSYS management meet note](#) as well; despite one-off gains, the company has enough operational levers to pull: utilization levels are comfortable and could go higher, SG&A investments are now behind, and subcontracting costs (thanks to the healthcare deal ramp up) are bound to come down.
- The management continues to prioritize growth and wallet share gains, and we believe this is the right strategy.
- **Hi-tech to join the party:** We are seeing the foundations of a recovery in hi-tech in commentaries this earnings season, and PSYS corroborated the same. This gives PSYS an additional growth tailwind, and we expect growth rates across the three key verticals to converge going forward.

Valuation and changes to our estimates

- **We project a 19% USD revenue CAGR over FY24-27E for PSYS**, which, combined with margin expansion, could result in a ~21%+ EPS CAGR. This positions PSYS in a league of its own as a diversified product engineering and IT services player, justifying a premium valuation multiple.
- Our estimates are largely unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 50x Sep'26E EPS. **Reiterate BUY with a TP of INR6,300.**

Bloomberg	PSYS IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	803.9 / 9.6
52-Week Range (INR)	5693 / 2840
1, 6, 12 Rel. Per (%)	1/37/49
12M Avg Val (INR M)	2707

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	117.5	139.7	166.2
EBIT Margin (%)	14.5	15.5	15.2
Adj. PAT	13.7	17.6	20.5
Adj. EPS (INR)	89.5	115.0	133.8
EPS Gr.(%)	19.3	28.4	16.4
BV/Sh.(INR)	377.1	446.1	526.4
Ratios			
RoE (%)	25.6	27.9	27.5
RoCE (%)	23.1	25.1	24.6
Payout (%)	40.0	40.0	40.0
Valuations			
P/E (x)	57.9	45.1	38.7
P/BV (x)	13.7	11.6	9.8
EV/EBITDA (x)	38.7	30.4	25.8
Div. Yield (%)	0.7	0.9	1.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	30.7	31.0	31.1
DII	27.4	28.2	28.7
FII	25.0	23.2	23.3
Others	17.0	17.5	17.0

FII Includes depository receipts

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

Revenue and margins beat estimates; healthcare and BFSI lead the charge

- 2QFY25 revenue stood at USD345.5m, up 5.3% QoQ in USD terms (above our estimate of 4.6% QoQ). It reported CC growth of 5.1% QoQ.
- Growth was broad-based across the US and Europe and was led by both healthcare (up 9.6% QoQ) and BFSI (up 7.7% QoQ). Hi-tech was again flat QoQ.
- EBIT margin at 14% was flat QoQ, and above our estimate of 13.6%.
- TTM TCV was USD529m, up 14% QoQ and 10% YoY (1.5x book-to-bill; in line with average for past 2 years).
- Net new TCV was up 25% QoQ at US389.8m. ACV stood at USD348.3m.
- Net headcount declined by 1.2% QoQ. Utilization was up 270bp QoQ at 84.8%. TTM attrition was flat QoQ at 12%.
- The top 5 clients witnessed growth of 7.7% QoQ, whereas the top 10 clients grew 5.3% QoQ.
- EBITDA grew 5.6% QoQ/18.6% YoY to INR4.8b and EBITDA margin came in at 16.6%, below our estimate of 16.2%.
- Adj. PAT stood at INR3.2b (up 6.1% QoQ/23.4% YoY), in line with our estimate of INR3.2b.

Key highlights from the management commentary

- The demand environment is pivoting based on market needs. The company is strategizing itself as a platform-driven business, utilizing AI solutions.
- All verticals are expected to see secular growth over the next couple of quarters. HLS is a non-discretionary spend vertical; this more resilient sector has been able to deliver growth.
- Winning new deals and offshoring mitigated the deflationary impact on revenue.
- Client decision-making on discretionary spending: deal wins span various sectors, focusing on setting up platforms for clients, which is revenue-bearing and not discretionary spending.
- Launching the T100 program—an initiative focused on the top 100 clients, designed to drive enhanced customer value, deepen customer intimacy, and unlock the next wave of opportunities for PSYS and its clients.
- Incremental levers for margin expansion include maintaining utilization at 83-85%, significant investments in SG&A (with a slower pace going forward), right shoring, and pricing growth momentum, all of which will help improve margins.

Valuation and view:

- Our estimates are broadly unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 50x Sep'26E EPS. **Reiterate BUY with a TP of INR6,300.**

Quarterly Performance (IFRS)

(INR m)

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	282.9	291.7	300.6	310.9	328.2	345.5	357.8	370.3	1,186	1,402	343.5	0.6
QoQ (%)	3.0	3.1	3.0	3.4	5.6	5.3	3.5	3.5	14.5	18.2	4.6	62bp
Revenue (INR m)	23,212	24,117	24,982	25,905	27,372	28,972	30,052	31,104	98,216	1,17,499	28,776	0.7
QoQ (%)	3.0	3.9	3.6	3.7	5.7	5.8	3.7	3.5			5.1	71bp
YoY (%)	23.6	17.7	15.2	14.9	17.9	20.1	20.3	20.1	17.6	19.6	19.3	81bp
GPM (%)	34.2	33.1	33.8	33.3	33.0	33.4	33.0	34.0	33.6	33.4	32.2	120bp
SGA (%)	16.0	16.3	16.1	15.7	16.4	16.8	16.0	16.0	16.0	16.3	16.0	81bp
EBITDA	4,229	4,052	4,418	4,544	4,552	4,807	5,109	5,599	17,243	20,067	4,662	3.1
EBITDA Margin (%)	18.2	16.8	17.7	17.5	16.6	16.6	17.0	18.0	17.6	17.1	16.2	39bp
EBIT	3,466	3,308	3,631	3,744	3,840	4,062	4,337	4,799	14,149	17,038	3,914	3.8
EBIT Margin (%)	14.9	13.7	14.5	14.5	14.0	14.0	14.4	15.4	14.4	14.5	13.6	42bp
Other income	90	250	262	210	165	283	240	249	813	937	230	22.9
ETR (%)	22.0	26.0	26.5	20.3	23.5	25.2	23.0	23.0	23.7	23.6	22.0	
Adj. PAT	2,774	2,633	2,861	3,153	3,064	3,250	3,524	3,889	11,421	13,727	3,232	0.6
QoQ (%)	10.3	-5.1	8.7	10.2	-2.8	6.1	8.4	10.3			5.5	58bp
YoY (%)	31.1	19.7	6.9	25.4	10.5	23.4	23.2	23.3	20.1	20.2	22.8	68bp
Reported EPS (INR)	15.0	17.3	18.8	20.7	19.9	21.2	23.0	25.4	71.9	89.5	21.0	1.0

Key Performance Indicators

Y/E March	FY24				FY25		FY24
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	2.9	3.2	3.1	3.4	5.6	5.1	
Margins							
Gross Margin	34.2	33.1	33.8	33.3	33.0	33.4	0.3
EBIT Margin	14.9	13.7	14.5	14.5	14.0	14.0	0.1
Net Margin	12.0	10.9	11.5	12.2	11.2	11.2	0.1
Operating metrics							
Headcount	23,130	22,842	23,336	23,850	23,519	23,237	23,850
Voluntary Attrition (%)	15.50	13.50	11.90	11.50	11.90	12.00	11.5
Utilisation (%)	78.3	80.6	81.5	80.0	82.1	84.8	80.0
Effort Mix(%)							
Global Delivery Centers	13.1	12.7	13.8	14.8	15.2	15.8	14.1
India	86.9	87.3	86.2	85.2	84.8	84.2	85.9



Highlights from the management commentary

Growth and demand outlook

- 3Q will see furloughs in BFSI and a couple of clients in Hi-tech.
- Order book is healthy, with a decent pipeline and a push for conversion in 3Q.
- The demand environment is pivoting based on market needs. The company is strategizing itself as a platform-driven business, utilizing AI solutions.
- All verticals are expected to see secular growth over the next couple of quarters. HLS is a non-discretionary spend vertical; this more resilient sector has been able to deliver growth.
- There is enough headroom in USD75m+ customers.
- The target is to achieve USD2b by FY27, on a decent trajectory for that goal. Winning new deals and offshoring have mitigated the deflationary impact on revenue.
- TTM TCV stands at USD529m, with TTM TCV from new bookings at USD389m.
- 3Q ACV is expected to be higher due to new deals and renewals in the US.
- Client decision-making on discretionary spending: deal wins span various sectors, focusing on setting up platforms for clients, which is revenue-bearing and not discretionary spending.

- Some deals involve establishing centers for clients with PSYS scaling teams in conjunction with them. Most deals are offshore development projects and extended engineering engagements.
- BFSI: Robust offerings in underwriting, claims processing, digital banking, and payment automation. Tech spend outlook: Interest rate easing; it's too early to discuss the impact as elections are pending.
- Utilization is up by 270bp QoQ at 84.8%; the comfortable range is 83-85%.
- Sales and BD headcount is declining; the company is implementing performance management to help reduce SG&A.
- A comprehensive AI strategy encompasses AI for tech and AI for business.
- AI for tech: SASVA flagship program for AI in PDLC. Key impact areas include comprehensive product assessment, efficiency and value maximization, intelligent backlog management, and context-aware release planning. It plays a critical role in customer support activities, providing real-time insights into project progress and issue status.
- AI for business: Expansion of the GenAI hub library and advanced data assessment tools.
- Launching the T100 program—an initiative focused on the top 100 clients, designed to drive enhanced customer value, deepen customer intimacy, and unlock the next wave of opportunities for PSYS and its clients.
- Acquisition of Arkka, a Pune-based startup focused on data privacy management.
- Fully integrated Starfish—AI-enabled administration, with early deal wins expected by next quarter.
- Strong partnerships with hyperscalers; co-hosted the Google Gemini summit in Pune. Premier Google Cloud partner.
- OCF to PAT ratio of 108.3% in 2QFY25 vs. 49.3% in 1QFY25.
- ESG update: Achieved carbon neutrality for Scope 1 and Scope 2 ahead of deadlines; aiming for net-zero emissions before 2050.

Margin performance and outlook

- Wage hikes are effective from 1st Jul'24.
- Margin walk: Headwinds include -210bp from wage hikes, a 130bp impact due to the absence of benefits announced in 1Q, a 60bp incremental impact from fresh ESOP issuances, and a 60bp headwind from lower earnout reversals.
- Tailwinds include incremental revenue growth (120bp), improvement in utilization (70bp), a 50bp reduction in resale business, a 130bp combination of pricing and right shoring, currency movements (30bp), and a 60bp additional tailwind from the absence of visa costs.
- Going forward, CSR expenses will be included in G&A, and doubtful debts will be categorized under Sales and Marketing expenses.
- The effective tax rate is expected to be in the range of 23.5% to 24.5% for FY25.
- Incremental levers for margin expansion include maintaining utilization at 83-85%, significant investments in SG&A (with a slower pace going forward), right shoring, and pricing growth momentum, all of which will help improve margins.
- There are expected headwinds in 2H due to seasonal furloughs, as seen last year.

- PSYS is fairly confident about expanding margins by 200-300bp over the next couple of years.
- The cost optimization program at PSYS is ongoing, with costs made to support this program not persisting going forward.
- Balance Earnout reversals will happen in this FY; the current acquisition will impact next FY. Adjustments have been made for earnout reversals, which have delivered industry-leading growth.

Exhibit 1: Growth led by the Healthcare & Life Science vertical

Verticals (QoQ USD, %)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
BFSI	8.9	14.5	9.8	15.6	3.0	2.8	2.9	6.2	0.0	-0.5	1.8	5.9	7.7
Healthcare and Lifesciences	13.0	6.6	9.1	6.9	4.8	2.9	4.4	-2.7	7.0	16.4	14.8	16.5	9.6
The., Cos., and Emerging verticals	7.9	6.9	8.7	10.0	8.3	4.1	4.3	3.2	3.8	0.1	-0.8	-0.5	0.8

Source: Company, MOFSL

Exhibit 2: Strong growth in North America and Europe

Geographies (QoQ USD, %)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
North America	9.0	9.9	8.3	10.9	6.1	1.5	4.9	4.7	3.1	3.7	3.9	6.4	6.1
Europe	1.2	3.0	10.5	12.5	3.3	12.2	18.9	-3.0	1.0	-3.5	-9.4	5.6	6.6
RoW	17.8	9.2	13.5	12.0	5.0	10.6	-11.8	-3.1	5.0	4.0	9.8	0.3	-1.1

Source: Company, MOFSL

Valuation and view:

- Our estimates are broadly unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 50x Sep'26E EPS. **Reiterate BUY with a TP of INR6,300.**

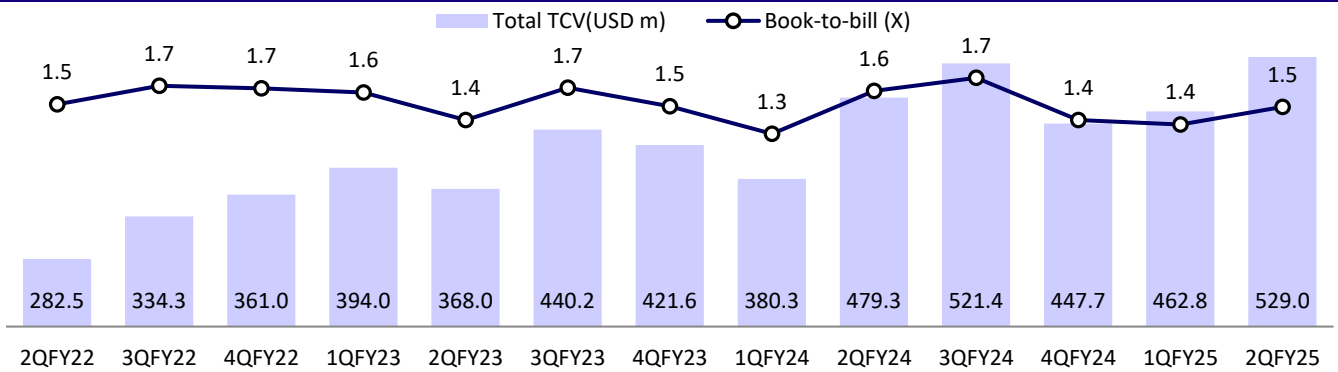
Exhibit 3: Changes to our estimates

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	83.8	84.0	84.0	83.6	83.6	83.6	0.3%	0.5%	0.5%
USD Revenue (m)	1,402	1,663	1,979	1,395	1,653	1,967.3	0.5%	0.6%	0.6%
Growth (%)	18.2	18.6	19.0	17.6	18.5	19.0	50bp	20bp	0bp
EBIT margin (%)	14.5	15.5	15.2	14.5	15.5	15.1	0bp	0bp	0bp
PAT (INR m)	13,727	17,626	20,517	13,823	17,783	20,682	-0.7%	-0.9%	-0.8%
EPS	89.5	115.0	133.8	89.7	115.4	134.3	-0.2%	-0.4%	-0.3%

Source: MOFSL, Company

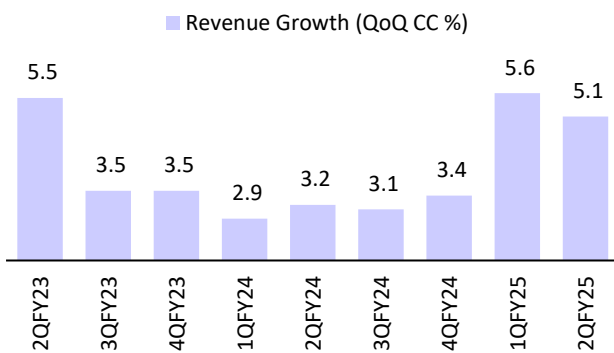
Story in charts

Exhibit 4: Total TCV reached USD529m in 2QFY25



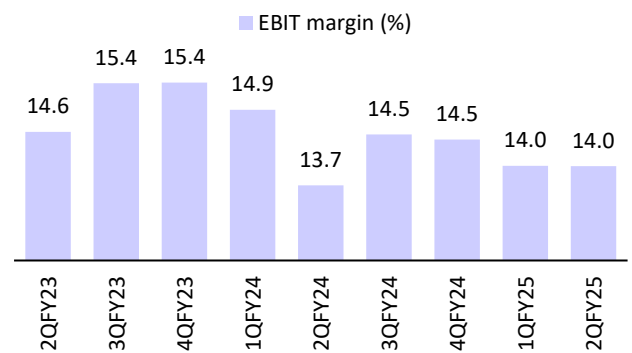
Source: Company, MOFSL

Exhibit 5: Strong 5.1% QoQ CC growth in 2QFY25



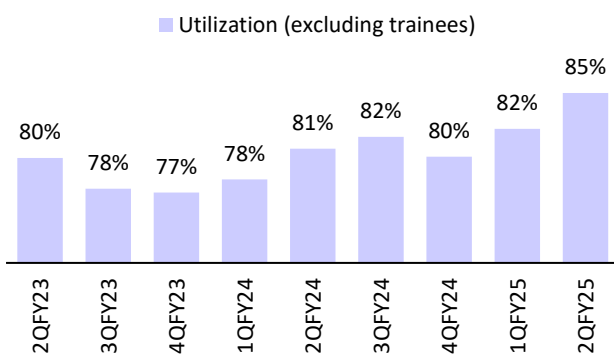
Source: Company, MOFSL

Exhibit 6: EBIT margin remained flat at 14%



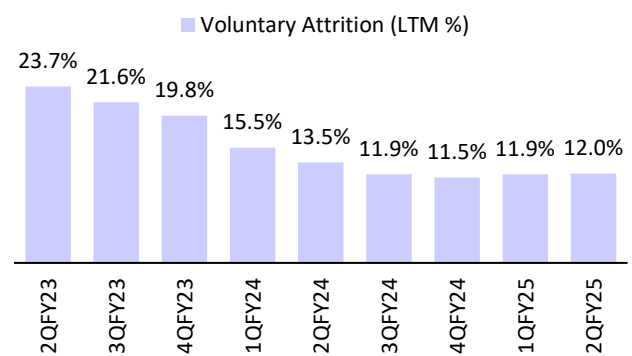
Source: Company, MOFSL

Exhibit 5: Utilization improved to 85% in 2QFY25



Source: Company, MOFSL

Exhibit 6: Attrition rate inched up by 10bp QoQ



Source: Company, MOFSL

Exhibit 9: Operating metrics

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Geography (%)									
North America	78.6	77.1	77.9	79.2	79.2	79.7	80.1	80.7	81.3
Europe	8.3	9	10.3	9.7	9.5	8.9	7.8	7.8	7.9
RoW	13	13.9	11.8	11.1	11.3	11.4	12.1	11.5	10.8
Vertical Mix (%)									
BFSI	32.8	32.6	32.3	33.3	32.3	31.2	30.7	30.8	31.5
Healthcare & Life Science	19.7	19.6	19.7	18.6	19.3	21.8	24.2	26.7	27.8
Tech. Cos. & Emerging Verticals	47.5	47.8	48	48.1	48.4	47	45.1	42.5	40.7
Client Metrics (%)									
Top 5 Clients	26.9	24.7	26.5	27.9	28.3	28	29.2	30.7	31.4
Top 10 Clients	36.7	35	37.4	39.6	39.5	39.3	40	41.5	41.5
Employee Metrics									
Technical People	20,941	21,033	21,295	21,511	21,263	21,738	22,224	21,866	21,675
Sales & BD	387	405	414	428	443	465	484	510	492
Others	1,148	1,160	1,180	1,191	1,136	1,133	1,142	1,143	1,070
Total	22,476	22,598	22,889	23,130	22,842	23,336	23,850	23,519	23,237
Effort Mix									
- Global Delivery Centers	14.4	14.3	13.1	13.10	12.7	13.8	14.8	15.20	15.80
- India	85.6	85.7	86.9	86.90	87.3	86.2	85.2	84.80	84.20
Attrition (%)	79.9	77.6	77.3	78.3	80.6	81.5	80	82.1	84.8
Linear Utilization %	23.70	21.60	19.80	15.50	13.50	11.90	11.50	11.90	12.00

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	35,658	41,879	57,107	83,506	98,216	1,17,499	1,39,705	1,66,235
Change (%)	5.9	17.4	36.4	46.2	17.6	19.6	18.9	19.0
Cost of Goods Sold	23,494	27,650	37,895	55,315	65,231	78,286	92,904	1,11,165
Gross Profit	12,164	14,229	19,212	28,191	32,985	39,213	46,801	55,070
Selling Expenses	7,234	7,398	9,556	12,999	15,742	19,146	21,515	25,600
EBITDA	4,930	6,830	9,656	15,191	17,243	20,067	25,286	29,470
% of Net Sales	13.8	16.3	16.9	18.2	17.6	17.1	18.1	17.7
Depreciation	1,660	1,756	1,660	2,719	3,094	3,029	3,591	4,272
EBIT	3,270	5,075	7,996	12,472	14,149	17,038	21,696	25,197
% of Net Sales	9.2	12.1	14.0	14.9	14.4	14.5	15.5	15.2
Other Income	1,254	1,020	1,321	233	813	937	1,397	1,662
PBT	4,523	6,094	9,317	12,705	14,962	17,975	23,093	26,860
Tax	1,121	1,588	2,339	3,198	3,541	4,249	5,467	6,343
Rate (%)	24.8	26.1	25.1	25.2	23.7	23.6	23.7	23.6
Extraordinary Item	0	0	75	297	486	0	0	0
Adjusted PAT	3,403	4,507	6,904	9,211	10,935	13,727	17,626	20,517
Change (%)	28.4	32.4	53.2	33.4	18.7	25.5	28.4	16.4

Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	764	764	764	764	770	770	770	770
Other Reserves	23,093	27,192	32,918	38,887	48,807	57,043	67,618	79,928
Net Worth	23,858	27,957	33,682	39,651	49,577	57,813	68,389	80,699
Loans	46	44	4,889	4,947	99	99	99	99
Other liabilities	544	957	1,360	2,013	2,218	2,654	3,155	3,754
Capital Employed	24,448	28,958	39,931	46,610	51,894	60,566	71,643	84,552
Net Block	2,791	3,254	4,276	7,058	6,727	7,198	7,108	6,335
CWIP	166	122	1,071	161	335	335	335	335
Intangibles	1,661	1,315	11,060	16,355	15,488	15,488	15,488	15,488
Investments	4,621	3,621	3,878	4,516	5,539	5,539	5,539	5,539
Deferred Tax Assets	960	1,038	1,123	1,129	1,360	1,627	1,934	2,301
Other	866	602	4,394	1,792	3,056	3,655	4,346	5,172
Current Assets	19,856	26,703	28,339	35,179	41,232	50,524	63,334	78,979
Debtors	5,922	5,709	9,484	15,705	16,761	18,671	22,200	26,415
Investments	5,165	13,765	10,514	6,242	6,330	11,830	17,330	22,830
Cash & BB	4,572	2,419	2,978	4,670	6,625	6,246	7,425	10,243
Loans & Advances	14	71	16	-	-	-	-	-
Other Current Assets	4,183	4,739	5,347	8,562	11,515	13,776	16,380	19,490
Current Liab. & Prov	6,474	7,697	14,210	19,581	21,842	23,800	26,441	29,596
Trade payables	2,247	2,733	4,299	5,689	8,139	9,336	11,100	13,208
Other Liabilities	2,616	2,486	5,961	9,243	10,372	10,480	10,604	10,751
Provisions	1,611	2,478	3,950	4,649	3,331	3,985	4,738	5,637
Net Current Assets	13,382	19,006	14,130	15,598	19,390	26,724	36,893	49,382
Application of Funds	24,448	28,958	39,931	46,610	51,894	60,566	71,643	84,552

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	22.3	29.5	45.7	62.5	75.1	89.5	115.0	133.8
Cash EPS	33.1	41.0	56.5	80.4	95.4	109.3	138.4	161.7
Book Value	156.1	182.9	220.4	260.7	325.9	377.1	446.1	526.4
DPS	6.0	10.0	15.5	25.0	26.0	35.8	46.0	53.5
Payout (%)	26.9	33.9	33.9	40.0	34.6	40.0	40.0	40.0
Valuation (x)								
P/E ratio	232.7	175.7	113.5	82.9	69.0	57.9	45.1	38.7
Cash P/E ratio	156.4	126.4	91.7	64.5	54.3	47.4	37.4	32.0
EV/EBITDA ratio	158.7	113.6	81.1	51.5	45.0	38.7	30.4	25.8
EV/Sales ratio	21.9	18.5	13.7	9.4	7.9	6.6	5.5	4.6
Price/Book Value	33.2	28.3	23.5	19.9	15.9	13.7	11.6	9.8
Dividend Yield (%)	0.1	0.2	0.3	0.5	0.5	0.7	0.9	1.0
Profitability Ratios (%)								
RoE	14.4	17.4	22.6	25.9	25.6	25.6	27.9	27.5
RoCE	10.2	14.1	17.4	21.6	21.9	23.1	25.1	24.6
Turnover Ratios								
Debtors (Days)	61	50	61	69	62	58	58	58
Asset Turnover (x)	13.9	13.9	15.2	14.7	14.2	16.9	19.5	24.7

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CF from Operations	4,597	5,781	8,857	13,935	14,265	16,756	21,216	24,789
Chg. in Working Capital	-1,369	1,578	-407	-4,377	-2,052	-2,644	-3,988	-4,764
Net Operating CF	3,229	7,359	8,450	9,558	12,213	14,112	17,228	20,025
Net Purchase of FA	-746	-1,251	-3,808	-4,290	-2,710	-3,500	-3,500	-3,500
Free Cash Flow	2,483	6,108	4,642	5,268	9,503	10,612	13,728	16,525
Net Purchase of Invest.	597	-4,166	-5,965	76	-1,985	-5,500	-5,500	-5,500
Net Cash from Inv.	-148	-5,417	-9,773	-4,213	-4,695	-9,000	-9,000	-9,000
Issue of shares	0	0	0	0	1,608	0	0	0
Proceeds from LTB/STB	-2,344	-3,044	3,810	-1,059	-3,461	0	0	0
Dividend Payments	-2,978	-1,070	-1,987	-2,981	-4,084	-5,491	-7,050	-8,207
Net CF from Finan.	-5,321	-4,114	1,823	-4,039	-5,937	-5,491	-7,050	-8,207
Net Cash Flow	-2,241	-2,171	499	1,305	1,581	-379	1,178	2,818
Exchange difference	84	19	59	387	374	0	0	0
Opening Cash Balance	6,729	4,572	2,420	2,979	4,671	6,626	6,247	7,426
Closing Cash Balance	4,572	2,420	2,979	4,671	6,626	6,247	7,426	10,244

E: MOFSL estimates

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NOTES

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