

# Persistent Systems

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	PSYS IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	1000.5 / 11
52-Week Range (INR)	6599 / 4149
1, 6, 12 Rel. Per (%)	2/13/-4
12M Avg Val (INR M)	3077

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	146.5	177.3	221.5
EBIT Margin (%)	16.3	16.8	16.8
Adj. PAT	19.2	23.7	29.5
Adj. EPS (INR)	123.0	151.5	188.8
EPS Gr. (%)	36.3	23.1	24.7
BV/Sh.(INR)	476.6	567.5	681.4
<b>Ratios</b>			
RoE (%)	28.0	29.2	30.4
RoCE (%)	25.4	26.5	27.6
Payout (%)	40.0	40.0	40.0
<b>Valuations</b>			
P/E (x)	51.6	41.9	33.6
P/BV (x)	13.3	11.2	9.3
EV/EBITDA (x)	34.5	28.1	22.3
Div. Yield (%)	0.8	1.0	1.2

## 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

**CMP: INR6,343**

**TP: INR8,500 (+34%)**

**Buy**

## Business as usual

### Margin beat surprising, but we await more clarity on it sustaining

- Persistent Systems (PSYS) reported a 3QFY26 revenue of USD422m (vs. est. USD420m), up 4.0% QoQ in USD terms and 4.1% in CC (est. +3.5%). Adj. EBIT margin stood at 16.7% (est. 15.0%).
- Adj. EBIT grew 8.2% QoQ/38.7% YoY to INR6.3b. Adj. PAT came in at INR5b (est. INR4.5b), up 7.4% QoQ/35.7% YoY. This excluded the one-time impact of costs related to labor codes of INR890m.
- For 9MFY26, PSYS's revenue/adj. EBIT/adj. PAT grew 23%/39%/40% YoY in INR terms. We expect its revenue/adj. EBIT/adj. PAT to grow 22%/29%/31% YoY in 4QFY26. TTM TCV was USD674.5m, up 11% QoQ/13.5% YoY with a book-to-bill ratio of 1.6x. Given its consistent execution and visibility on growth, we value PSYS at 45x FY28E EPS. **We reiterate our BUY rating with a TP of INR8,500.**

## Our view: AI tools translate into margins

- **Margin expansion surprising; internal AI tools/platforms emerging as a margin lever:** Despite the impact of wage hikes and furloughs, PSYS reported strong margin performance, with adj. EBIT margin expanding 40bp QoQ to 16.7% in 3QFY26. This was attributed to in-house AI tools/platforms such as SASVA, iAura, and the GenAI Hub, which are now embedded in delivery and pricing discussions with clients.
- Around ~150bp of margin benefit this quarter came from a combination of tool-led pricing and productivity-led manpower optimization, as per the management. **However, the surprising element was that this was not visible in higher revenue per employee, which was flat.** Per the management, we should not expect further expansion due to this lever, likely because PSYS would want to reinvest additional gains to drive growth.
- **Growth came in above estimate; FY27 target intact:** PSYS posted 4.1% QoQ CC revenue growth, above our est. This was led by BFSI (+4.6% QoQ) and Healthcare (+4.8% QoQ). Top-100 clients (~82% of revenue) continue to grow at ~20%, aided by deeper wallet share and AI-led transformation programs. With ACV at USD502m and multi-year deal ramp-ups continuing, **we remain comfortable with PSYS' ability to sustain high-teens CC growth** and stay on track for its USD2b FY27 revenue aspiration, which implies ~18% CC CAGR over FY25-27.
- **Emerging AI partnerships signal maturing AI services stack and faster enterprise adoption:** New partnerships with Anthropic and DigitalOcean signal the next leg of PSYS' AI journey. Much like other large SIs are becoming the route to market for AI-native vendors, these alliances allow PSYS to embed GenAI deeper into core services such as modernization, engineering, and managed services.
- As AI projects move from pilots to larger rollouts, we see these partnerships helping accelerate adoption and support meaningful AI-led services growth through CY26 (see our report dated 24<sup>th</sup> Nov'25: [Time to buy the next cycle](#)).

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

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### Valuation and revisions to our estimates

- **We project an 18% USD revenue CAGR over FY25-27 for PSYS**, which, combined with margin expansion, could result in ~28%+ EPS CAGR. This places the company in a league of its own as a diversified product engineering and IT services player.
- We raise our estimates by 3-4%, reflecting strong margin gains in 3Q and continued revenue momentum. We factor in margin expansion of 160bp over FY26E (and another 50bp by FY27E). Owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 45x FY28E EPS. **Reiterate BUY with a TP of INR8,500.**

### Beat on revenue and margins; BFSI and Healthcare lead the growth

- PSYS's 3QFY26 revenue stood at USD422m, up 4.0% QoQ in USD terms (above our estimate of 3.4% QoQ). It reported CC growth of 4.1% QoQ vs our estimate of 3.5% QoQ CC growth.
- Growth was led by BFSI (up 4.6% QoQ) and Healthcare (up 4.8% QoQ).
- Adj. EBIT margin at 16.7% was up by 40bp QoQ, and above our estimate of 15.0%.
- TCV was USD674.5m, up 11%/13.5% QoQ/YoY (1.6x book-to-bill).
- Net new TCV was up 5.6% QoQ at USD369m. TTM ACV stood at USD501.9m.
- Net headcount increased by 1.8% QoQ. Utilization improved 20bp QoQ at 88.4%. TTM attrition was down 30bp QoQ at 13.5%.
- Adj. PAT was INR5b (up 7.4% QoQ/35.7% YoY), above our estimate of INR4.5b. This excludes the one-time impact of costs related to labor codes INR890m.
- The Board of Directors approved an interim dividend of INR22/share.

### Key highlights from the management commentary

- The intent is to build stronger technology capabilities and leverage them to improve productivity per employee, enabling a decoupling of revenue growth from linear headcount growth.
- Software license revenue includes third-party licenses as well as proprietary platforms such as iAura and SASVA. These are sold as part of integrated engagements rather than standalone products, and revenue recognition depends on the overall deal structure and pricing.
- Over time, IP-led offerings and services are likely to be increasingly bundled together.
- The company remains firmly on track to achieve its USD2b and USD5b revenue aspirations by March 2027 and March 2030, respectively.
- Adjusted EBIT margin stood at 16.7%, up 40bp QoQ.
- The ~150bp margin improvement from AI platforms reflects a combination of upfront monetization and productivity benefits through reduced manpower deployment. The company continues to balance investments in technology with disciplined harvesting of returns.
- Mid-to-large high-tech firms are increasingly adopting AI to drive productivity in product development.

### Valuation and view

- **We project an 18% USD revenue CAGR over FY25-27 for PSYS**, which, combined with margin expansion, could result in ~28%+ EPS CAGR. This places the company in a league of its own as a diversified product engineering and IT services player.
- We raise our estimates by 3-4%, reflecting strong margin gains in 3Q and continued revenue momentum. We factor in margin expansion of 160bp over FY26E (and another 50bp by FY27E). Owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 45x FY28E EPS. **Reiterate BUY with a TP of INR8,500.**

## Exhibit 1: Realizations were flat QoQ

■ Revenue per employee (excl third party costs, USDm)



Source: Company, MOFSL

Quarterly Performance (IFRS)										(INR m)		
Y/E March (Consolidated)	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	328	346	360	375	390	406	423	441	1,409	1,659	420.1	0.6
QoQ (%)	5.6	5.3	4.3	4.2	3.9	4.2	4.0	4.3	18.8	17.7	3.4	60bp
Revenue (INR m)	27,372	28,972	30,623	32,421	33,336	35,807	37,782	39,543	1,19,387	1,46,468	37,399	1.0
QoQ (%)	5.7	5.8	5.7	5.9	2.8	7.4	5.5	4.7			4.4	107bp
YoY (%)	17.9	20.1	22.6	25.2	21.8	23.6	23.4	22.0	21.6	22.7	22.1	125bp
GPM (%)	33.0	33.4	34.7	34.9	35.3	36.0	36.1	36.1	34.0	35.9	34.2	194bp
SGA (%)	16.4	16.8	17.1	16.8	16.9	16.9	16.8	16.8	16.8	16.8	16.6	16bp
EBITDA	4,552	4,807	5,378	5,844	6,116	6,838	7,324	7,632	20,581	27,909	6,582	11.3
EBITDA Margin (%)	16.6	16.6	17.6	18.0	18.3	19.1	19.4	19.3	17.2	19.1	17.6	178bp
EBIT	3,840	4,062	4,557	5,053	5,178	5,837	6,318	6,525	17,512	23,858	5,610	12.6
EBIT Margin (%)	14.0	14.0	14.9	15.6	15.5	16.3	16.7	16.5	14.7	16.3	15.0	172bp
Other income	165	283	263	-1	376	331	222	277	710	1,206	299	-25.7
ETR (%)	23.5	25.2	22.6	21.7	23.5	23.6	22.6	23.5	23.2	23.3	23.3	
Adj. PAT	3,064	3,250	3,729	3,958	4,249	4,715	5,063	5,203	14,001	19,230	4,532	11.7
QoQ (%)	-2.8	6.1	14.7	6.1	7.4	10.9	7.4	2.8			-3.9	1125bp
YoY (%)	10.5	23.4	30.3	25.5	38.7	45.1	35.8	31.5	22.6	37.4	21.5	1423bp
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	668.3	0.0	0.0	668.3		
PAT	3,064	3,250	3,729	3,958	4,249	4,715	4,395	5,203	14,001	18,562		
Adj. EPS (INR)	19.9	21.0	23.9	25.4	27.2	30.2	32.4	33.4	90.2	123.0	29.1	11.1

## Key Performance Indicators

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



## Highlights from the management commentary

### Growth and demand outlook

- The company remains firmly on track to achieve its USD2b and USD5b revenue aspirations by March 2027 and March 2030, respectively.
- Software license revenue includes third-party licenses as well as proprietary platforms such as iAura and SASVA. These are sold as part of integrated engagements rather than standalone products, and revenue recognition depends on the overall deal structure and pricing.
- Over time, IP-led offerings and services are expected to be increasingly bundled together.
- The growth in intangible assets on the balance sheet reflects sustained investments in AI tools, productivity platforms, and SaaS offerings. These assets have now reached a reasonable level of maturity, and growth in intangibles is expected to moderate versus prior periods. Importantly, the company has begun generating revenue from these investments, supporting the capitalization approach.
- There is a meaningful IP portfolio and a strong set of case studies that are being taken to the top 100 customers. These customers account for ~82% of revenue and are currently growing at ~20%.
- The intent is to build stronger technology capabilities and leverage them to improve productivity per employee, enabling a decoupling of revenue growth from linear headcount growth.
- Management remains confident in PSYS's growth momentum.
- **BFSI:** A tier-one US bank selected the company to support a cybersecurity transformation program covering data provisioning for monitoring, data leakage prevention, and identity and access management optimization across enterprise applications.
- The company secured a total USD100m deal with this customer during the quarter, including a 25% net-new TCV component.
- AI-led productivity platforms are enabling 60–70% reverse engineering of legacy systems that were previously difficult to decode manually, supporting large-scale migration from legacy to modern platforms.
- Application and data modernization discussions have gained momentum over the last 3–4 months.
- **Healthcare & Life Sciences:** The company was selected by a leading US-based professional organization for pathologists and laboratory professionals as an end-to-end technology partner to modernize applications, data, cloud infrastructure, and security.
- The engagement, valued at USD50m+ over five years, is among the largest deals signed in pathology and laboratory automation.
- Demand has strengthened over the last 3–4 months across application modernization and transformation programs.
- Wins span payer-provider technology, provider-side systems, and pharma, reflecting broad-based and forward-looking demand.
- **Hi-Tech:** Mid-to-large high-tech firms are increasingly adopting AI to drive productivity in product development.
- The company supports clients across product engineering, professional services, and customer support.
- Solutions are customized for varied use cases, including private equity-led carve-outs where the company supports greenfield IT setup and managed services for newly independent entities.

- SASVA continues to be a central AI driver for clients, scaling through assessment-led expansions and delivering 60–75% cycle-time reduction in workstreams such as private-equity due diligence, application modernization, and data transformation.
- In one European bank engagement, SASVA assessed millions of lines of legacy code, enabling a full-scale transformation win to a modern technology stack. The platform helped decode fragmented legacy logic, design the target architecture, and deliver ~22% productivity improvement alongside faster time-to-market.
- Partnerships with DigitalOcean and Anthropic are accelerating adoption. DigitalOcean strengthens private cloud and sovereign deployments, while Anthropic enhances access to frontier AI models.

### Margin performance and outlook

- Adjusted EBIT margin stood at 16.7%, up 40bp QoQ.
- Margin walk: + Tailwinds included currency benefits (30bp), lower subcontracting costs (20bp), higher utilization and SG&A optimization (40bp), and ~150bp benefit from pricing driven by increased use of AI platforms and tools. A growing proportion of engagements is now driven by AI platforms, with evolving commercial models combining people- and tool-based pricing. Several such engagements signed in prior quarters are now scaling.
- Headwinds included wage hikes (180bp), labor code impact (230bp), and furloughs (20bp).
- Monetization of platforms such as SASVA, iAura, and the GenAI Hub is beginning to reflect in margins.
- The ~150bp margin improvement from AI platforms reflects a combination of upfront monetization and productivity benefits through reduced manpower deployment. The company continues to balance investments in technology with disciplined harvesting of returns.
- Stock option costs, recognized as per Black-Scholes valuation, relate to grants made in earlier periods. No significant new grants have been issued recently, and these costs are expected to decline in 2026 and 2027.

### Exhibit 2: BFSI and Healthcare lead the growth

Verticals (QoQ USD, %)	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
BFSI	2.8	2.9	6.2	0.0	-0.5	1.8	5.9	7.7	4.9	6.1	9.0	7.0	4.6
Healthcare and Lifesciences	2.9	4.4	-2.7	7.0	16.4	14.8	16.5	9.6	4.3	0.4	-1.9	3.8	4.8
Software, Hi-tech, and Emerging verticals	4.1	4.3	3.2	3.8	0.1	-0.8	-0.5	0.8	3.7	5.2	3.6	2.2	3.0

Source: Company, MOFSL

### Exhibit 3: Europe runs the growth show

Geographies (QoQ USD, %)	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
North America	1.5	4.9	4.7	3.1	3.7	3.9	6.4	6.1	3.2	4.2	3.0	4.2	6.2
Europe	12.2	18.9	-3.0	1.0	-3.5	-9.4	5.6	6.6	8.2	6.7	11.3	7.7	-4.9
RoW	10.6	-11.8	-3.1	5.0	4.0	9.8	0.3	-1.1	9.1	2.3	4.8	1.4	-4.6

Source: Company, MOFSL

**Valuation and view:**

- We project an 18% USD revenue CAGR over FY25-27 for PSYS, which, combined with margin expansion, could result in ~28%+ EPS CAGR. This places the company in a league of its own as a diversified product engineering and IT services player.
- We raise our estimates by 3-4%, reflecting strong margin gains in 3Q and continued revenue momentum. We factor in margin expansion of 160bp over FY26E (and another 50bp by FY27E). Owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 45x FY28E EPS. **Reiterate BUY with a TP of INR8,500.**

**Exhibit 4: Changes to our estimates**

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.9	90.0	92.0	87.8	90.0	92.0	0.1%	0.0%	0.0%
USD Revenue (m)	1,659	1,970	2,408	1,653	1,955.3	2,389.2	0.4%	0.8%	0.8%
Growth (%)	17.7	18.8	22.2	17.3	18.3	22.2	40bp	50bp	0bp
EBIT margin (%)	16.3	16.8	16.8	15.8	16.2	16.0	50bp	50bp	80bp
Adj. PAT (INR m)	19,230	23,684	29,522	18,629	22,997.7	28,307.7	3.2%	3.0%	4.3%
Adj. EPS	123.0	151.5	188.8	119.2	147.1	181.0	3.2%	3.0%	4.3%

Source: MOFSL, Company

## Story in charts

Exhibit 4: BTB rose to 1.6x; TCV stood at USD675m

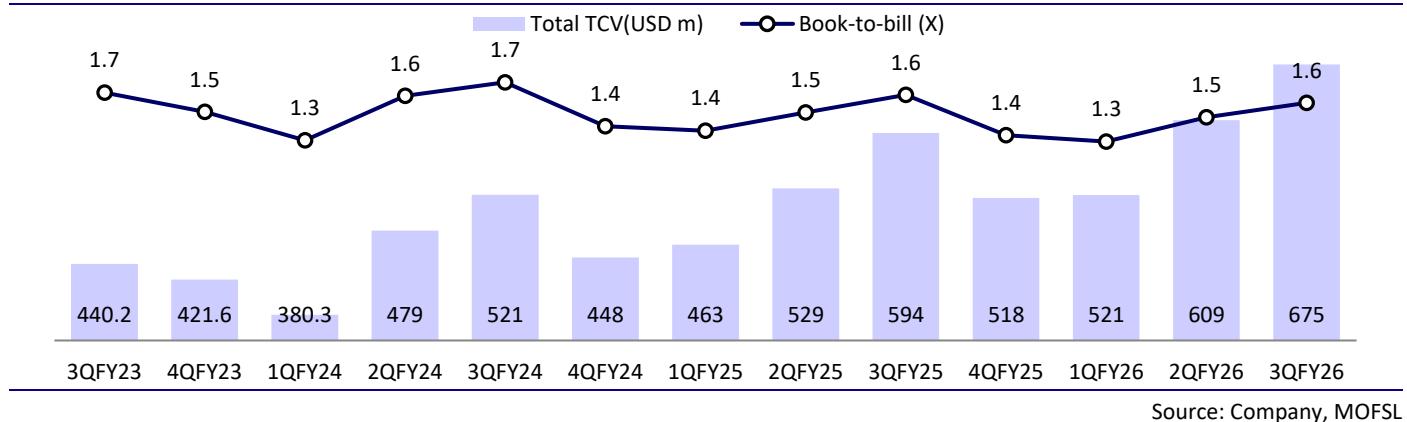


Exhibit 5: Reported 4.1% QoQ CC growth, above estimates

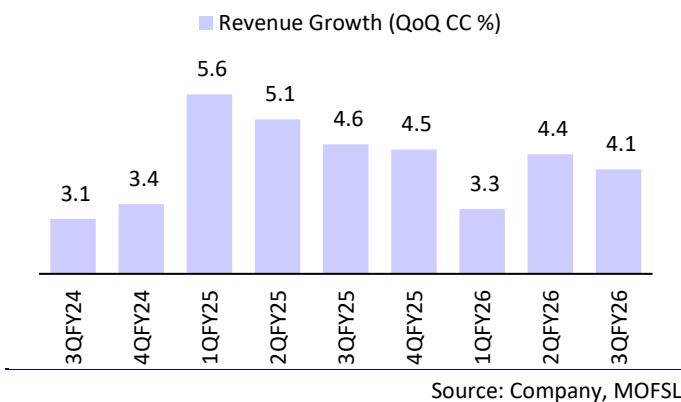


Exhibit 6: Margins expanded 40bp QoQ

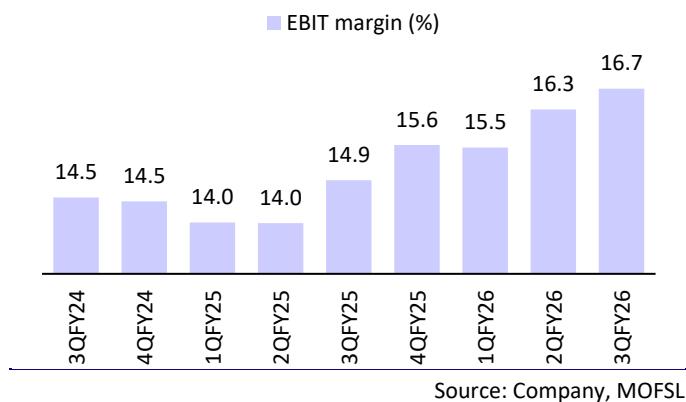


Exhibit 7: Utilization inched up 20bp to 88.4% in 3QFY26

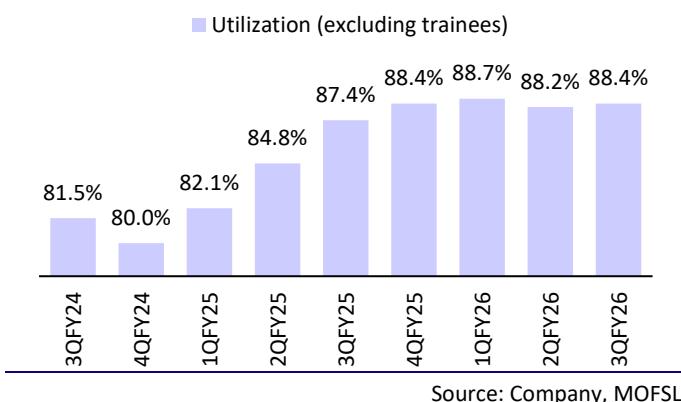
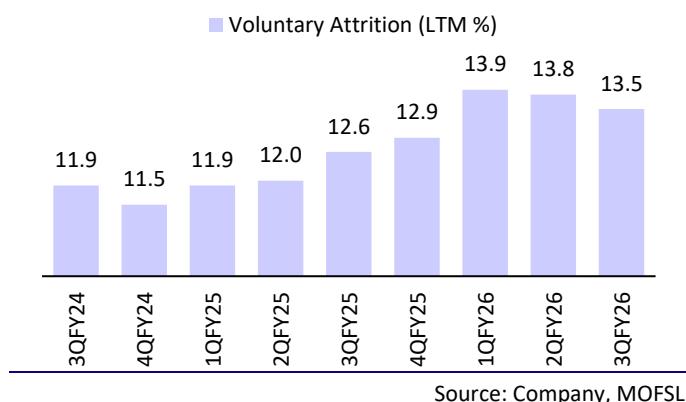


Exhibit 8: Attrition rate declined 30bp QoQ



**Exhibit 9: Operating metrics**

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Geography (%)</b>									
North America	79.7	80.1	80.7	81.3	80.5	80.5	79.8	79.8	81.5
Europe	8.9	7.8	7.8	7.9	8.2	8.4	9	9.3	8.5
RoW	11.4	12.1	11.5	10.8	11.3	11.1	11.2	10.9	10
<b>Vertical Mix (%)</b>									
BFSI	31.2	30.7	30.8	31.5	31.7	32.3	33.9	34.8	35
Healthcare & Life Science	21.8	24.2	26.7	27.8	27.8	26.8	25.3	25.2	25.4
Tech. Cos. & Emerging Verticals	47	45.1	42.5	40.7	40.5	40.9	40.8	40	39.6
<b>Client Metrics (%)</b>									
Top 5 Clients	28	29.2	30.7	31.4	30.8	32.7	31.8	32.9	32.9
Top 10 Clients	39.3	40	41.5	41.5	40	42.2	42	43.2	43.7
<b>Employee Metrics</b>									
Technical People	21,738	22,224	21,866	21,675	22,407	23,072	23,787	24,608	25,077
Sales & BD	465	484	510	492	489	485	496	510	520
Others	1,133	1,142	1,143	1,070	1,046	1,037	1,057	1,106	1,114
<b>Total</b>	<b>23,336</b>	<b>23,850</b>	<b>23,519</b>	<b>23,237</b>	<b>23,942</b>	<b>24,594</b>	<b>25,340</b>	<b>26,224</b>	<b>26,711</b>
<b>Effort Mix</b>									
- Global Delivery Centers	13.80	14.80	15.20	15.80	15.10	14.80	14.50	14.10	14.20
- India	86.20	85.20	84.80	84.20	84.90	85.20	85.50	85.90	85.80
Attrition (%)	81.5	80	82.1	84.8	87.4	88.4	88.7	88.2	88.4
Linear Utilization %	11.9	11.5	11.9	12.0	12.6	12.9	13.9	13.8	13.5

Source: Company, MOFSL

## Financials and valuations

Income Statement								(INR m)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Sales</b>	<b>41,879</b>	<b>57,107</b>	<b>83,506</b>	<b>98,216</b>	<b>1,119,387</b>	<b>1,46,468</b>	<b>1,77,335</b>	<b>2,21,512</b>
Change (%)	17.4	36.4	46.2	17.6	21.6	22.7	21.1	24.9
Cost of Goods Sold	27,650	37,895	55,315	65,231	78,740	93,895	1,14,194	1,42,472
<b>Gross Profit</b>	<b>14,229</b>	<b>19,212</b>	<b>28,191</b>	<b>32,985</b>	<b>40,647</b>	<b>52,573</b>	<b>63,141</b>	<b>79,040</b>
Selling Expenses	7,398	9,556	12,999	15,742	20,066	24,663	29,168	36,549
<b>EBITDA</b>	<b>6,830</b>	<b>9,656</b>	<b>15,191</b>	<b>17,243</b>	<b>20,581</b>	<b>27,909</b>	<b>33,974</b>	<b>42,491</b>
% of Net Sales	16.3	16.9	18.2	17.6	17.2	19.1	19.2	19.2
Depreciation	1,756	1,660	2,719	3,094	3,069	4,051	4,256	5,316
<b>EBIT</b>	<b>5,075</b>	<b>7,996</b>	<b>12,472</b>	<b>14,149</b>	<b>17,512</b>	<b>23,858</b>	<b>29,718</b>	<b>37,175</b>
% of Net Sales	12.1	14.0	14.9	14.4	14.7	16.3	16.8	16.8
Other Income	1,020	1,321	233	813	710	1,206	1,241	1,551
<b>PBT</b>	<b>6,094</b>	<b>9,317</b>	<b>12,705</b>	<b>14,962</b>	<b>18,222</b>	<b>25,064</b>	<b>30,959</b>	<b>38,725</b>
Tax	1,588	2,339	3,198	3,541	4,222	5,834	7,275	9,203
Rate (%)	26.1	25.1	25.2	23.7	23.2	23.3	23.5	23.8
Extraordinary Item	0	75	297	486	0	668	0	0
<b>Reported PAT</b>	<b>4,507</b>	<b>6,904</b>	<b>9,211</b>	<b>10,935</b>	<b>14,001</b>	<b>18,562</b>	<b>23,684</b>	<b>29,522</b>
Change (%)	32.4	53.2	33.4	18.7	28.0	32.6	27.6	24.7

Balance Sheet								(INR m)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	764	764	764	770	779	779	779	779
Other Reserves	27,192	32,918	38,887	48,807	62,411	73,281	87,491	1,05,204
<b>Net Worth</b>	<b>27,957</b>	<b>33,682</b>	<b>39,651</b>	<b>49,577</b>	<b>63,191</b>	<b>74,060</b>	<b>88,270</b>	<b>1,05,984</b>
Loans	44	4,889	4,947	99	-	-	-	-
Other liabilities	957	1,360	2,013	2,218	2,848	3,494	4,230	5,284
<b>Capital Employed</b>	<b>28,958</b>	<b>39,931</b>	<b>46,610</b>	<b>51,894</b>	<b>66,038</b>	<b>77,844</b>	<b>92,342</b>	<b>1,09,354</b>
Gross Block	17,788	27,391	33,914	32,079	36,920	42,420	47,920	53,420
Less : Depreciation	13,305	14,965	17,684	20,777	23,847	27,898	32,154	37,470
<b>Net Block</b>	<b>3,254</b>	<b>4,276</b>	<b>7,058</b>	<b>6,727</b>	<b>8,150</b>	<b>9,598</b>	<b>10,842</b>	<b>11,026</b>
CWIP	122	1,071	161	335	42	42	42	42
Intangibles	1,315	11,060	16,355	15,488	17,261	17,261	17,261	17,261
Investments	3,621	3,878	4,516	5,539	6,415	6,415	6,415	6,415
Deferred Tax Assets	1,038	1,123	1,129	1,360	2,024	1,465	1,773	2,215
Other	602	4,394	1,792	3,056	3,215	3,944	4,775	5,964
<b>Current Assets</b>	<b>26,703</b>	<b>28,339</b>	<b>35,179</b>	<b>41,232</b>	<b>50,260</b>	<b>64,605</b>	<b>80,793</b>	<b>1,02,932</b>
Debtors	5,709	9,484	15,705	16,761	18,478	20,867	25,264	31,558
Investments	13,765	10,514	6,242	6,330	6,899	9,399	11,899	14,399
Cash & BB	2,419	2,978	4,670	6,625	6,744	13,834	18,803	25,964
Loans & Advances	71	16	-	-	-	-	-	-
Other Current Assets	4,739	5,347	8,562	11,515	18,139	20,505	24,827	31,012
<b>Current Liab. &amp; Prov</b>	<b>7,697</b>	<b>14,210</b>	<b>19,581</b>	<b>21,842</b>	<b>21,328</b>	<b>25,107</b>	<b>28,732</b>	<b>33,920</b>
Trade payables	2,733	4,299	5,689	8,139	8,886	11,637	14,090	17,600
Other Liabilities	2,486	5,961	9,243	10,372	8,413	8,528	8,659	8,846
Provisions	2,478	3,950	4,649	3,331	4,029	4,942	5,984	7,475
<b>Net Current Assets</b>	<b>19,006</b>	<b>14,130</b>	<b>15,598</b>	<b>19,390</b>	<b>28,932</b>	<b>39,498</b>	<b>52,061</b>	<b>69,012</b>
<b>Application of Funds</b>	<b>28,958</b>	<b>39,931</b>	<b>46,610</b>	<b>51,894</b>	<b>66,038</b>	<b>78,222</b>	<b>93,169</b>	<b>1,11,936</b>

## Financials and valuations

### Ratios

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>EPS</b>	<b>29.5</b>	<b>45.7</b>	<b>62.5</b>	<b>75.1</b>	<b>90.2</b>	<b>123.0</b>	<b>151.5</b>	<b>188.8</b>
Cash EPS	41.0	56.5	80.4	95.4	110.0	148.9	178.7	222.8
Book Value	182.9	220.4	260.7	325.9	411.9	476.6	567.5	681.4
DPS	10.0	15.5	25.0	26.0	35.0	49.2	60.6	75.5
Payout %	33.9	33.9	40.0	34.6	38.8	40.0	40.0	40.0
<b>Valuation (x)</b>								
P/E	215.1	138.9	101.5	84.5	70.3	51.6	41.9	33.6
Cash P/E	154.8	112.2	78.9	66.5	57.7	42.6	35.5	28.5
EV/EBITDA	139.5	99.5	63.1	55.2	46.6	34.5	28.1	22.3
EV/Sales	22.8	16.8	11.5	9.7	8.0	6.6	5.4	4.3
Price/Book Value	34.7	28.8	24.3	19.5	15.4	13.3	11.2	9.3
Dividend Yield (%)	0.2	0.2	0.4	0.4	0.6	0.8	1.0	1.2
<b>Profitability Ratios (%)</b>								
RoE	17.4	22.6	25.9	25.6	24.8	28.0	29.2	30.4
RoCE	14.1	17.4	21.6	21.9	22.8	25.4	26.5	27.6
<b>Turnover Ratios</b>								
Debtors (Days)	50	61	69	62	56	52	52	52
Asset Turnover (x)	13.9	15.2	14.7	14.2	16.1	16.5	17.4	20.3

### Cash Flow Statement

(INR m)

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
CF from Operations	5,781	8,857	13,935	14,265	17,803	23,281	27,940	34,838
Chg. in Working Capital	1,578	-407	-4,377	-2,052	-6,233	-500	-5,498	-7,868
<b>Net Operating CF</b>	<b>7,359</b>	<b>8,450</b>	<b>9,558</b>	<b>12,213</b>	<b>11,569</b>	<b>22,782</b>	<b>22,442</b>	<b>26,970</b>
Net Purchase of FA	-1,251	-3,808	-4,290	-2,710	-1,931	-5,500	-5,500	-5,500
<b>Free Cash Flow</b>	<b>6,108</b>	<b>4,642</b>	<b>5,268</b>	<b>9,503</b>	<b>9,638</b>	<b>17,282</b>	<b>16,942</b>	<b>21,470</b>
Net Purchase of Invest.	-4,166	-5,965	76	-1,985	-2,414	-2,500	-2,500	-2,500
<b>Net Cash from Inv.</b>	<b>-5,417</b>	<b>-9,773</b>	<b>-4,213</b>	<b>-4,695</b>	<b>-4,344</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-8,000</b>
Issue of shares	0	0	0	1,608	0	0	0	0
Proceeds from LTB/STB	-3,044	3,810	-1,059	-3,461	-1,309	0	0	0
Dividend Payments	-1,070	-1,987	-2,981	-4,084	-4,973	-7,692	-9,473	-11,809
<b>Net CF from Finan.</b>	<b>-4,114</b>	<b>1,823</b>	<b>-4,039</b>	<b>-5,937</b>	<b>-6,282</b>	<b>-7,692</b>	<b>-9,473</b>	<b>-11,809</b>
<b>Net Cash Flow</b>	<b>-2,171</b>	<b>499</b>	<b>1,305</b>	<b>1,581</b>	<b>943</b>	<b>7,090</b>	<b>4,968</b>	<b>7,161</b>
Exchange difference	19	59	387	374	-824	0	0	0
Opening Cash Balance	<b>4,572</b>	<b>2,420</b>	<b>2,979</b>	<b>4,671</b>	<b>6,626</b>	<b>6,745</b>	<b>13,835</b>	<b>18,804</b>
<b>Closing Cash Balance</b>	<b>2,420</b>	<b>2,979</b>	<b>4,671</b>	<b>6,626</b>	<b>6,745</b>	<b>13,835</b>	<b>18,804</b>	<b>25,965</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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