

Solid Execution Meets Macro Caution

- PSYS posted Rev. of \$389.7mn, up 3.3% in CC terms (DE 4.2%), led by strong growth in BFSI growing 9.0% QoQ, while Hi-Tech was up +3.6% QoQ. Healthcare saw a decline of 1.9% QoQ due to a planned shift from onsite to offshore for a key client. OPM remained resilient at 15.5% (DE 14.8%), supported by lowered ESOP charge (+230bps QoQ), offsetting the impact of Fx and increased amortization.
- Mgmt. acknowledged increased macro uncertainty and cautious client spending, causing delayed ramp-up. Commentary remained cautiously optimistic, supported by a robust deal win (TTM ACV up 11% YoY at \$1.5bn), pipeline and momentum in its AI-led strategy.
- While mgmt. remains confident in delivering top-quartile growth, we believe risks from macro headwinds and cautious client spending are not well priced in. We revise earnings estim. by 1%/-3% for FY26/FY27E and maintain our 'SELL' rating with a TP of Rs. 4,730, valuing the company at 39x our FY27E EPS.

Macro Realities to tone down the growth pace

PSYS delivered its 21st consecutive superlative quarter of growth, with rev of \$389mn (up 3.3% QoQ CC). While mgmt. reiterated its growth confidence, which comes against a backdrop of what they term a "challenging macroeconomic environment" and "cautious client spending". Execution still remains strong, reflected in a healthy Q1 TCV of \$521mn and a TTM ACV that grew 3.3% QoQ to \$1,512mn, providing near-term visibility. However, slower ramp-up as witnessed in Q1 may persist, potentially impacting traction hereon.

Margin Stability Aided by One-offs and Peak Utilization

OPM remained resilient at 15.5%, but this stability was supported by non-recurring or peak-level levers, a further 60bps QoQ rise in utilization to a high of 88.7%. Management has deferred wage hikes despite increased attrition (13.9%), suggesting caution on growth traction. With limited room for further utilization gains, we believe sustainable margin expansion towards the company's 200bps target will be challenging and gradual.

Uneven Vertical Growth Highlights Risk at Stretched Valuations

Management continues to remain confident in growth to be led by Financials (9% QoQ, 30% YoY) and Hitech (3.6% QoQ, 14% YoY), while seeing Healthcare (flat for the last 2 quarters) as a growth drag for FY26. This mixed performance underscores operational risks that we believe are not adequately reflected in the stock's valuation, which trades near its +2 standard deviation. Lowered growth mav also limit margin gains hereon.

Key Data

Nifty	25,220
Equity / FV	Rs 779mn / Rs 10
Market Cap	Rs 882bn
	USD 10.2bn
52-Week High/Low	Rs 6,789/ 4,341
Avg. Volume (no)	4,87,348
Bloom Code	PSYS IN

	Current	Previous
Rating	SELL	SELL
Target Price	4,730	4,760

Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%) /bps FY26E	Chg (%) /bps FY27E
Revenue	140	158	(0.4)	(2.0)
EBITDA	25	28	0.3	(3.2)
EBITDA (%)	17.6	17.4	12	(23)
APAT	17	19	1.1	(2.9)
EPS (Rs)	107.8	121.2	0.7	(3.3)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	63.0	53.0	47.1
EV/EBITDA	42.3	35.0	30.9
ROE (%)	24.8	24.4	23.5
RoACE (%)	25.1	25.1	24.1

Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	33,336	21.8	2.8
Total Expense	27,220	19.3	2.4
EBITDA	6,116	34.4	4.7
Depreciation	938	31.7	18.5
EBIT	5,178	34.8	2.5
Other Income	376	127.6	(47)100.0
Interest	0		
EBT	5,554	38.7	9.9
Tax	1,305	38.6	19.2
RPAT	4,249	38.7	7.4
APAT	4,249	38.7	7.4
		(bps)	(bps)
Gross Margin	35.3	224	41
EBITDA (%)	18.3	172	32
NPM (%)	12.7	155	54
Tax Rate (%)	23.5	(1)	183
EBIT (%)	15.5	150	(5)

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Exhibit 1: Quarterly performance versus estimates

Particulars (Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
USD Revenue	390	394	389	(1.2)	0.3	Slight miss on weaker HLS vertical.
INR Revenue	33,336	33,597	33,570	(0.8)	(0.7)	
EBIT	5,178	4,972	5,258	4.1	(1.5)	Beat on higher utilization and lower ESOP charge.
EBIT, margin (%)	15.5	14.8	15.7	70 bps	(10 bps)	
PAT	4,249	3,853	4,194	10.3	1.3	Strong beat led by high OI.

Source: Company, Dolat Capital

Change in Estimates

For FY26E/FY27E: Following the Q1 results, we have trimmed our USD rev forecasts by 1.0%/2.8% to factor in ongoing macro caution, although this is partially offset by a marginal upgrade to INR rev on currency assumptions. We are also lowering our OPM estm. by 7bps/39bps to account for sustained investments in GenAI and talent, which will likely temper near-term margin expansion. Despite the modest operating profit adjustments, we are revising our EPS estimates by 0.7%/-3.3%.

Exhibit 2: Change in Estimates

Particulars (Rs. mn)	FY24A	FY25E	FY26E			FY27E		
	Actual	Actual	Old	New	Chg.(%)	Old	New	Chg.(%)
USD Revenue	1,186	1,409	1,639	1,623	(1.0)	1,861	1,809	(2.8)
YoY growth,	14.5	18.8	16.3	15.2	(111 bps)	13.6	11.5	(211 bps)
INR Revenue	98,216	119,387	1,40,956	1,40,354	(0.4)	1,61,467	1,58,313	(2.0)
YoY growth,	17.6	21.6	18.1	17.6	(50 bps)	14.6	12.8	(176 bps)
EBIT	13,663	17,512	21,241	21,054	(0.9)	24,956	23,853	(4.4)
EBIT Margin,	13.9	14.7	15.1	15.0	(7 bps)	15.5	15.1	(39 bps)
Net Profit	10,935	14,001	16,520	16,701	1.1	19,341	18,774	(2.9)
EPS (Rs)	71.9	90.7	107.0	107.8	0.7	125.3	121.2	(3.3)

Source: Dolat Capital, Company

What to expect next Quarter

We expect rev growth of 3.3% QoQ in Q2FY26, driven by the continued ramp-up from healthy TCV/ACV conversions. OPM is expected to dip by ~17 bps QoQ due to the full-Q on need for investment in resources. Continued strategic investments in SG&A, talent, and GenAI capabilities will also contribute to margin moderation.

Exhibit 3: What to expect next Quarter

Particulars (Rs. Mn)	Q2FY6E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
USD Revenue	403	390	346	3.3	16.5
INR Revenue	34,922	33,336	28,972	4.8	20.5
EBIT	5,365	5,178	4,062	3.6	32.1
PAT	4,202	4,249	3,250	(1.1)	29.3
EPS (Rs. Abs)	26.9	27.2	21.0	(1.1)	28.3
EBIT Margin (%)	15.4	15.5	14.0	(17 bps)	134 bps

Source: Company, Dolat Capital

Exhibit 4: Key Assumptions in Our Estimates

Key Assumptions	FY23	FY24A	FY25A	FY26E	FY27E
USD revenue growth (%)	35.3	14.5	18.8	15.2	11.5
INR revenue growth (%)	46.2	17.6	21.6	17.6	12.8
EBIT margin (%)	14.9	14.4	14.7	15.0	15.1
EPS growth (%)	36.4	16.7	26.2	18.8	12.4
USD/INR	80.6	82.8	84.7	86.5	87.5

Source: Company, Dolat Capital

Exhibit 5: Key Growth Matrix

Growth YoY (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
USD Revenue	14.1	13.7	13.2	16.0	18.4	19.8	20.7	18.7
INR Revenue	17.7	15.2	14.9	17.9	20.1	22.6	25.2	21.8

Source: Company, Dolat Capital

Exhibit 6: Quarterly and YTD Trend

Particulars (mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
USD Revenue	328.2	345.5	360.2	375.2	389.7	18.7	3.9	1,186.1	1,409.1	18.8
INR Revenue	27,372	28,972	30,623	32,421	33,336	21.8	2.8	98,216	1,19,387	21.6
Operating Expenses	22,820	24,164	25,245	26,577	27,220	19.3	2.4	81,459	98,806	21.3
Cost of revenue	18,329	19,294	20,000	21,117	21,576	17.7	2.2	65,717	78,740	19.8
as % of sales	67.0	66.6	65.3	65.1	64.7	(224 bps)	(41 bps)	66.9	66.0	(96 bps)
SG&A expenses	4,491	4,870	5,244	5,460	5,644	25.7	3.4	15,742	20,066	27.5
as % of sales	16.4	16.8	17.1	16.8	16.9	52 bps	9 bps	16.0	16.8	78 bps
EBITDA	4,552	4,807	5,378	5,844	6,116	34.4	4.7	16,757	20,582	22.8
Depreciation	712	745	821	791	938	31.7	18.5	3,094	3,069	(0.8)
EBIT	3,840	4,062	4,557	5,053	5,178	34.8	2.5	13,663	17,512	28.2
Other Income	165	283	263	(1)	376	127.6	NM	813	710	(12.6)
PBT	4,005	4,345	4,820	5,052	5,554	38.7	9.9	14,476	18,223	25.9
Total Tax	941	1,095	1,090	1,095	1,305	38.6	19.2	3,541	4,221	19.2
Reported PAT	3,064	3,250	3,730	3,958	4,249	38.7	7.4	10,935	14,001	28.0
Reported EPS	20.1	21.2	24.3	25.6	27.4	36.5	7.0	72.4	91.2	26.0
Margins (%)						(bps)	(bps)			(bps)
EBIDTA	16.6	16.6	17.6	18.0	18.3	172 bps	32 bps	17.1	17.2	18
EBIT	14.0	14.0	14.9	15.6	15.5	150 bps	(5 bps)	13.9	14.7	76
EBT	14.6	15.0	15.7	15.6	16.7	203 bps	108 bps	14.7	15.3	52
PAT	11.2	11.2	12.2	12.2	12.7	155 bps	54 bps	11.1	11.7	59
Effective Tax rate	23.5	25.2	22.6	21.7	23.5	(1 bps)	183 bps	24.5	23.2	(130)

Source: Company

Earning Call KTAs

- **Revenue:** PSYS's CC rev was \$389.5mn, up 3.3%/18.7% QoQ/YoY (cross currency gains stood at 60bps taking USD revenue growth to 3.9% QoQ). Rev in INR terms: Rs. 33,336mn, up 2.8%/21.8% QoQ/YoY. This marks the 21 Qs of rev growth (best-in-class).
- **Geography & Verticals:** North America (79.8% of rev) saw growth of 3.0%/17.4% QoQ/YoY growth, while Europe (9.0% of rev) grew 11.3%/37.0% QoQ/YoY increase, reflecting scaling of digital engagements across new clients. India (9.8% of rev) posted a 9.4%/18.7% QoQ/YoY on higher momentum in platform and data engineering deals. Vertical performance was led by BFSI (33.9% of rev), which grew 9.0%/30.7% QoQ/YoY driven by continued ramp-up in large digital transformation programs and healthy pipeline conversion. Software, Hi-Tech & Emerging Industries (40.8% of rev) at +3.6%/14.0% QoQ/YoY, with Q1 seeing stable spends and some project transition activity. Healthcare & Life Sciences (25.3% of rev) -1.9%/12.5% QoQ/YoY as rev softened due to a planned shift from onsite to offshore delivery for major clients, in line with cost optimization initiatives and delayed timing of ramp-ups in new deals.
- **EBIT Margin:** OPM came in at 15.5% (down 10bps QoQ, up 150bps YoY). OPM has remained resilient, supported by lowered ESOP charges (+230bps) that are expected to now sustain the current run rate (Rs418mn Vs LQ at Rs1185mn).
- **Margin Walk:** Utilization up 60bps QoQ to 88.7%. SG&A grew 3.4% QoQ, S&M at 7.9% of sales. Amortization rose 24.3% QoQ (Rs.685mn) due to the need for additional charges towards catch-up on lower charges towards the SOHO Dragon acquisition.
- **Other Income:** Total other income stood at Rs. 376mn boosted by a strong FX favourable swing vs last quarter (Rs.189mn gain vs Rs.154mn loss).
- **PAT:** PAT stood at Rs.4,249mn (7.4%/38.7% QoQ/YoY), with PAT margin at 12.7% (up 54bps/155bps QoQ/YoY). EPS for the Q at Rs.27.2 (up 7.2% QoQ)
- **Top-Clients:** Top-5 clients contributed 31.8% of rev (down from 32.7% in Q4). Top-10 rev share stood at 42%, \$5mn+ client count at 56 (up 1 QoQ). Client mining efforts continue to diversify account concentration.
- **TCV:** TCV for Q1FY26 was \$521mn (up 0.6% QoQ), with new TCV at \$337mn. TTM TCV: \$2,161mn (up 2.8% QoQ); TTM ACV: \$1,512mn (up 3.3% QoQ). The deal pipeline remains broad-based, anchored in multi-year, AI-led digital transformation engagements.
- **Employees:** Net headcount rose by 746 during Q1 to 25,340, mainly in digital, AI/ML, and cloud. Attrition increased to 13.9% (TTM, up from 12.9%). Utilization (including trainees) further improved to 88.7% (+60bps QoQ).
- **Outlook:** Mgmt. projects steady near-term rev growth in FY26, backed by large, multi-year digital transformation deals and a robust AI-led, platform-driven strategy. They aim to sustain OPM in the 15–16% band, using operational levers like utilization and mix, while continuing investments in GenAI, platforms, and leadership. The medium-term target of \$2bn rev by FY27 and 200bps OPM improvement is reaffirmed, although margin gains are expected to be gradual. Despite macro uncertainties and cautious client spending, healthy deal conversion and renewal activity may help offset risks. Mgmt. remains focused on expanding client wallet share and driving long-term, profitable growth with strategic investments in talent and industry-specific AI platforms.

Exhibit 7: Vertical Trend for Q1FY26

Vertical	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
BFSI	132	34	9.0	30.7	11	75
Tech & Emerging Vertical	159	41	3.6	14.0	6	38
Healthcare	99	25	(1.9)	12.5	(2)	(14)
Total	390	100	3.9	18.7%	14	100

Source: Company, Dolat Capital

Exhibit 8: Geography Trend for Q1FY26

Geography	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
North America	311	80	3.0	17.4	9	62
Europe	35	9	11.3	37.0	4	25
India	38	10	9.4	18.7	3	23
RoW	5	1	(19.2)	(2.2)	(1)	(9)
Total	390	100	3.9	18.7	15	100

Source: Company, Dolat Capital

Exhibit 9: Client Bucket Trend for Q1FY26

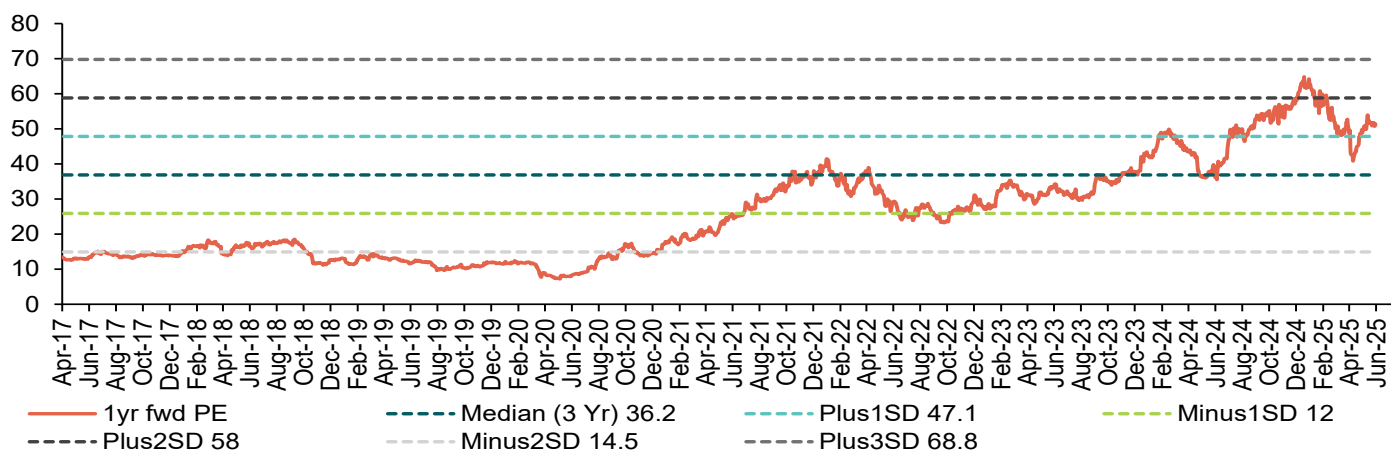
Client	Amount (\$ mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (\$ mn)	% Contribution of Incremental Revenue
Top 5 client	124	32	14.2	47.3	13.0	44.0
Top 6-10 client	40	10	13.9	17.0	6.6	22.4
Top 10 Client	164	42	14.2	38.6	19.6	66.4
Non-Top 10 clients	226	58	11.8	23.9	9.9	33.6
Total	390	100	12.8	29.7	30	100.0

Source: Company, Dolat Capital

Valuation

We believe PSYS is well-positioned to deliver consistent rev growth, which we expect will translate into a healthy ~16% EPS CAGR over FY25-27E. However, the stock's current valuation of 52x on a TMF basis is extremely rich, trading near its +2 standard deviation and at a significant premium to its 5-year avg P/E of 29x. This elevated multiple, in our view, does not adequately factor in potential risks from continued macro uncertainty and moderating growth in FY27. Hence, we value the stock at 39x FY27E EPS (implies ~2.6x PEG) of Rs. 121 with **TP of Rs. 4,730** and **maintain our 'SELL' rating on the stock.**

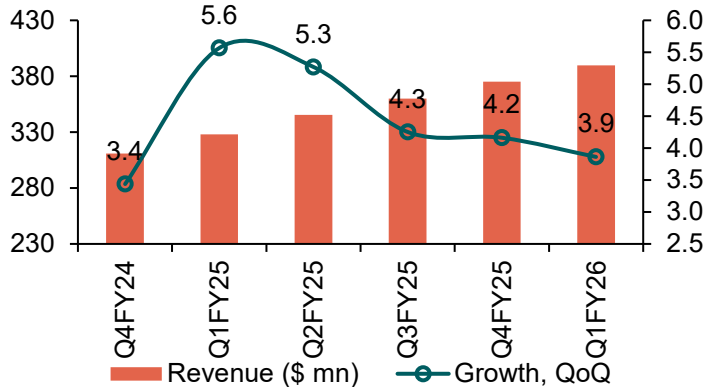
Exhibit 10: PSYS trades at 55.6x TMF (near +2 Std dev) vs 3-yr median of 36x, implying stretched valuations



Source: Company, Dolat Capital

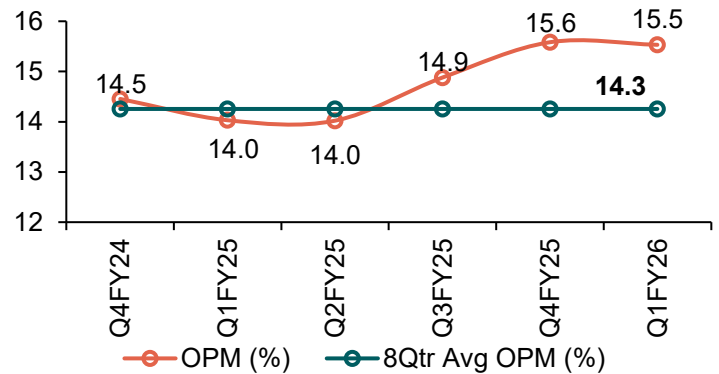
Story in Charts

Exhibit 11: Rev Grew by 3.9% in \$ terms (3.3%-CC)



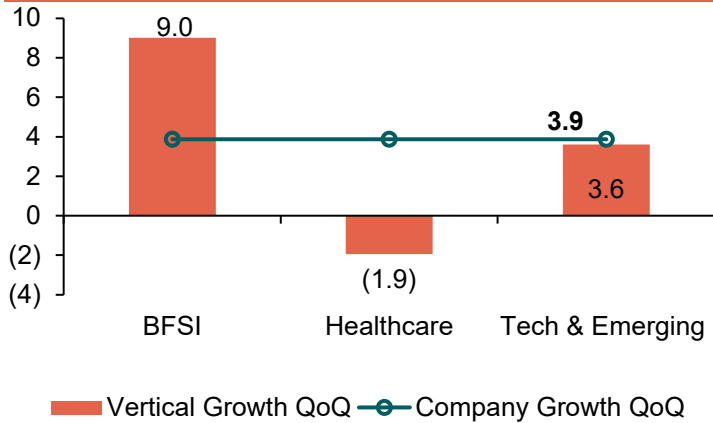
Source: Company, Dolat Capital

Exhibit 12: OPM of 15.5%, above prev. 6Q average



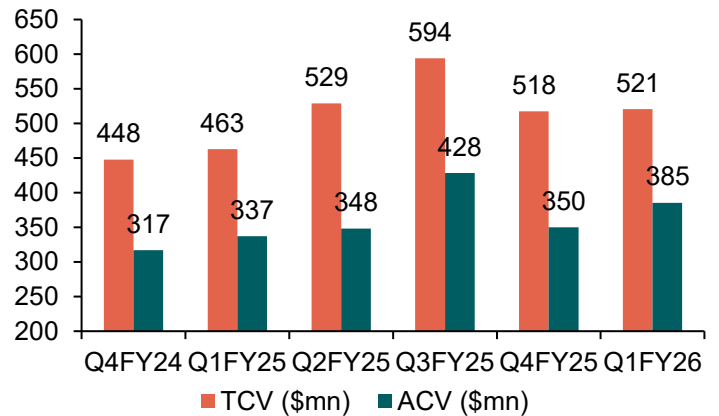
Source: Company, Dolat Capital

Exhibit 13: BFSI and Tech led growth



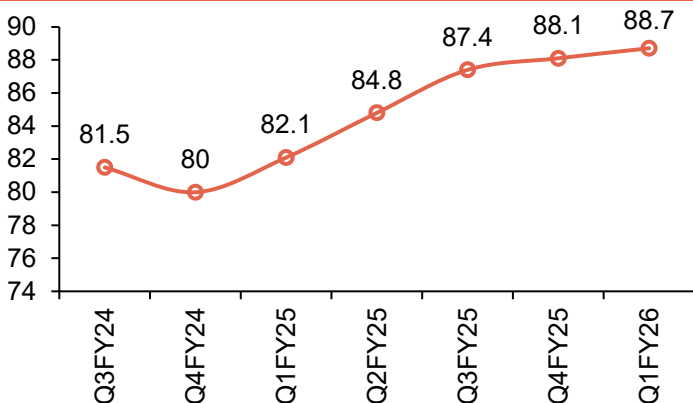
Source: Company, Dolat Capital

Exhibit 14: TCV/ACV at \$521mn/\$385mn



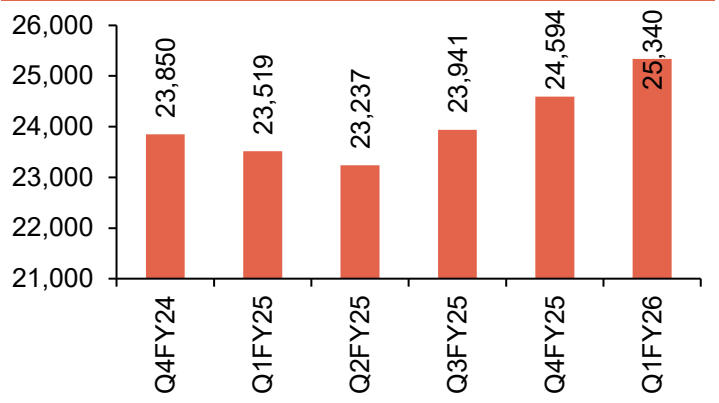
Source: Company, Dolat Capital

Exhibit 15: Utilization at all time high of 88.7%



Source: Company, Dolat Capital

Exhibit 16: Headcount saw net add. of 746 in Q1



Source: Company, Dolat Capital

Exhibit 17: Operating Metrics

Operating Metrics	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
\$ Revenue	282.9	291.7	300.6	310.9	328.2	345.5	360.2	375.2	389.7
USD Growth, QoQ	3.0	3.1	3.0	3.4	5.6	5.3	4.3	4.2	3.9
USD Growth, YoY	17.1	14.1	13.7	13.2	16.0	18.4	19.8	20.7	18.7
Geographical Amount									
US & Canada	224.1	231.0	239.5	249.0	264.9	280.9	290.0	302.0	311.0
UK	27.4	27.7	26.7	24.2	25.6	27.3	29.5	31.5	35.1
India	28.0	28.3	30.1	31.4	32.2	31.8	33.9	34.9	38.2
RoW	3.4	4.7	4.2	6.2	5.6	5.5	6.8	6.8	5.5
Geographical YoY % Growth									
US & Canada	18.3	15.0	17.5	16.4	18.2	21.6	21.0	21.3	17.4
UK	33.7	30.6	12.4	(14.2)	(6.7)	(1.5)	10.4	30.0	37.0
India	2.6	(3.7)	(7.6)	14.4	14.8	12.3	12.7	11.1	18.7
RoW	(21.9)	14.1	(0.5)	25.8	64.4	18.4	62.6	8.6	(2.2)
Vertical Amount									
BFSI	94.2	94.2	93.8	95.4	101.1	108.8	114.2	121.2	132.1
CMT	136.1	141.2	141.3	140.2	139.5	140.6	145.9	153.5	159.0
Healthcare	52.6	56.3	65.5	75.2	87.6	96.0	100.1	100.6	98.6
Vertical YoY % Growth									
BFSI	15.8	12.4	8.8	7.6	7.3	15.5	21.8	27.0	30.7
CMT	21.4	16.3	11.8	6.4	2.5	(0.4)	3.3	9.4	14.0
Healthcare	9.5	11.8	26.5	39.1	66.5	70.6	52.3	33.7	12.5
Top Client Amount									
Top 5 client	78.9	82.6	84.2	90.8	100.8	108.5	110.9	122.7	123.9
Top 6-10 client	33.1	32.7	34.0	33.6	35.4	34.9	33.1	35.6	39.7
Top 10 clients	112.0	115.2	118.1	124.4	136.2	143.4	144.1	158.3	163.7
Non-Top 10 clients	170.9	176.5	182.4	186.5	192.0	202.1	216.1	216.9	226.0
Top Client YoY % Growth									
Top 5 client	6.1	20.1	28.9	24.8	27.7	31.4	31.8	35.2	47.3
Top 6-10 client	38.4	30.5	24.7	12.2	7.1	6.8	(2.4)	6.2	17.0
Top 10 clients	14.0	22.9	27.7	21.1	21.6	24.4	22.0	27.3	38.6
Non-Top 10 clients	19.3	9.1	6.2	8.5	12.4	14.5	18.5	16.3	23.9
Client Engagement Size									
Large > USD 5M	38	39	38	40	41	43	47	55	56
Medium > USD 1M, < USD 5M	129	136	138	138	137	141	142	136	135
Active Billed Clients	367	375	375	382	374	379	383	371	0
DSO	67	66	66	63	67	68	64	58	56
Employee Data									
Technical	21,511	21,263	21,738	22,224	21,866	21,675	22,407	23,072	23,787
Sales and BD	428	443	465	484	510	492	489	485	496
Others	1,191	1,136	1,133	1,142	1,143	1,070	1,046	1,037	1,057
Total Employees	23,130	22,842	23,336	23,850	23,519	23,237	23,941	24,594	25,340
Attrition Rate (LTM)	15.5	13.5	11.9	11.5	11.9	12.0	12.6	12.9	13.9
Reported Utilization	78.3	80.6	81.5	80.0	82.1	84.8	87.4	88.1	88.7

Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	98,216	1,19,387	1,40,354	1,58,313
Total Expense	80,973	98,806	1,15,674	1,30,729
COGS	65,231	78,740	91,733	1,03,954
Employees Cost	0	0	0	0
Other expenses	15,742	20,065	23,940	26,775
EBIDTA	17,243	20,582	24,680	27,584
Depreciation	3,094	3,069	3,626	3,731
EBIT	14,149	17,512	21,054	23,853
Interest	0	0	0	0
Other Income	813	710	818	850
Exc. / E.O. items	(486)	0	0	0
EBT	14,476	18,223	21,872	24,703
Tax	3,541	4,221	5,171	5,929
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	10,935	14,001	16,701	18,774
Adjustments	362	0	0	0
APAT	11,297	14,001	16,701	18,774

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	770	779	779	779
Minority Interest	0	0	0	0
Reserves & Surplus	48,807	62,411	73,021	84,924
Net Worth	49,577	63,191	73,801	85,703
Total Debt	2,073	0	20	70
Net Deferred Tax Liability	(1,341)	(1,874)	(1,924)	(1,994)
Total Capital Employed	50,309	61,317	71,897	83,779

Applications of Funds

Net Block	22,331	26,143	24,835	24,453
CWIP	219	42	42	42
Investments	8,266	9,803	9,803	9,803
Current Assets, Loans & Advances	41,898	49,354	64,036	78,889
Current Investments	0	0	0	0
Inventories	0	0	0	0
Receivables	17,491	19,142	22,967	25,713
Cash and Bank Balances	10,229	10,255	18,871	29,238
Loans and Advances	0	0	0	0
Other Current Assets	14,178	19,957	22,199	23,939
Less: Current Liabilities & Provisions	22,404	24,025	26,819	29,408
Payables	8,139	8,886	10,304	11,606
Other Current Liabilities	14,266	15,139	16,515	17,802
<i>sub total</i>				
Net Current Assets	19,494	25,329	37,217	49,481
Total Assets	50,309	61,317	71,897	83,779

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	33.6	34.0	34.6	34.3
EBIDTA Margin	17.6	17.2	17.6	17.4
EBIT Margin	14.4	14.7	15.0	15.1
Tax rate	24.5	23.2	23.6	24.0
Net Profit Margin	11.1	11.7	11.9	11.9
(B) As Percentage of Net Sales (%)				
COGS	66.4	66.0	65.4	65.7
Employee	0.0	0.0	0.0	0.0
Other	16.0	16.8	17.1	16.9
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage				
Inventory days	0	0	0	0
Debtors days	65	59	60	59
Average Cost of Debt	0.0	0.0	0.0	0.0
Payable days	37	33	33	32
Working Capital days	34	46	48	47
FA T/O	4.4	4.6	5.7	6.5
(D) Measures of Investment				
AEPS (Rs)	74.3	90.7	107.8	121.2
CEPS (Rs)	94.6	110.6	131.2	145.3
DPS (Rs)	26.3	35.3	39.3	44.4
Dividend Payout (%)	35.4	39.0	36.5	36.6
BVPS (Rs)	325.9	409.4	476.4	553.2
RoANW (%)	24.5	24.8	24.4	23.5
RoACE (%)	24.5	25.1	25.1	24.1
RoAIC (%)	38.3	38.4	40.5	44.3
(E) Valuation Ratios				
CMP (Rs)	5714	5714	5714	5714
Mcap (Rs Mn)	8,81,871	8,81,871	8,81,871	8,81,871
EV	8,73,715	8,71,616	8,63,021	8,52,704
MCap/ Sales	9.0	7.4	6.3	5.6
EV/Sales	8.9	7.3	6.1	5.4
P/E	76.9	63.0	53.0	47.1
EV/EBITDA	50.7	42.3	35.0	30.9
P/BV	17.5	14.0	12.0	10.3
Dividend Yield (%)	0.5	0.6	0.7	0.8
(F) Growth Rate (%)				
Revenue	17.6	21.6	17.6	12.8
EBITDA	13.5	19.4	19.9	11.8
EBIT	13.4	23.8	20.2	13.3
PBT	16.7	25.9	20.0	12.9
APAT	19.8	23.9	19.3	12.4
EPS	17.7	22.1	18.8	12.4

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	14,476	18,223	21,872	24,703
Depreciation & w.o.	3,094	3,069	3,626	3,731
Net Interest Exp	10	675	(818)	(850)
Direct taxes paid	(3,414)	(5,114)	(5,171)	(5,929)
Change in Working Capital	(2,052)	(6,233)	(3,322)	(1,967)
Non Cash	98	950	0	0
(A) CF from Operating Activities	12,213	11,569	16,187	19,689
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(4,864)	(2,420)	(2,318)	(3,350)
Free Cash Flow	9,423	9,639	13,868	16,339
(Inc.)/ Dec. in Investments	(428)	(2,494)	0	0
Other	597	570	818	850
(B) CF from Investing Activities	(4,695)	(4,344)	(1,500)	(2,500)
Issue of Equity/ Preference	1,608	1,846	0	0
Inc./(Dec.) in Debt	(2,234)	(2,061)	20	50
Interest exp net	(349)	(373)	0	0
Dividend Paid (Incl. Tax)	(4,084)	(4,600)	(6,091)	(6,872)
Other	(760)	(1,094)	0	0
(C) CF from Financing	(5,819)	(6,282)	(6,071)	(6,822)
Net Change in Cash	2,073	931	8,616	10,367
Opening Cash balances	4,670	6,743	7,675	16,290
Closing Cash balances	6,743	7,675	16,290	26,657

E – Estimates

Notes

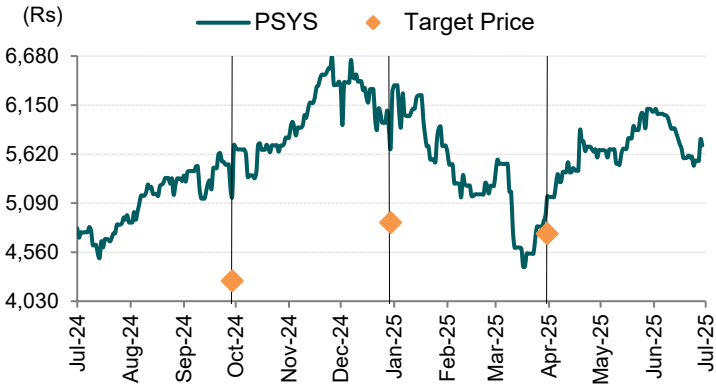
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(6)	11	19
Rel to NIFTY (%)	(7)	7	15

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	30.7	30.7	30.6
MF/Banks/FIs	26.6	26.9	24.2
FIIIs	24.8	24.4	27.8
Public / Others	18.0	18.1	17.5



Month	Rating	TP (Rs.)	Price (Rs.)
Oct-24	SELL	4,250	5,158
Jan-25	SELL	4,880	5,683
Apr-25	SELL	4,760	5,164

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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