

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR7,497 TP: INR11,000 (+47%) BUY

Deal TCV velocity anchors growth visibility

Margins set to expand as one-offs subside

- COFORGE reported a strong 4QFY25 revenue growth of 3.4% QoQ in CC terms, above our estimate of 3.0% QoQ CC. Reported revenue (adjusted for disc. operations) stood at USD404m (up 3.3% QoQ/43.6% YoY). The company reported an order intake of USD2.1b in 4Q with five large deals, resulting in a robust 12-month executable order book of USD1.5b (+47% YoY). Adj. EBITDA (pre-RSU) margin came in at 18.7% (est. 18.3%). Adj. PAT stood at INR2.9b (up 25% QoQ/23% YoY).
- The company's revenue/EBIT/adj. PAT grew 33.8%/28.6%/17.0% in FY25. We expect revenue/EBIT/adj. PAT to grow by 55.1%/58.7%/66.6% YoY in 1QFY26. **We reiterate our BUY rating on COFORGE with a TP of INR11,000, implying a 47% potential upside.**

Our view: Stronger organic growth and deal bookings point to a brisk FY26E

- **High revenue growth visibility led by executable order book:** COFORGE's executable order book remains a reliable indicator of short-term revenue growth outlook; it is up 47% YoY in FY25. The underlying business momentum is healthy, driven by consistent deal wins and resilient client spending across key verticals. Management also expects organic growth in FY26 to exceed FY25 (~15% cc YoY), reflecting continued confidence in the core business. Taken together, we believe revenue visibility over the next 12 months remains high.
- **Sabre deal ramp-up on track; management confident of improving margins despite the ramp-up:** According to management, the Sabre ramp-up was on track, and more importantly, it was confident that this ramp-up will not be margin dilutive, aided by steady execution and a favorable offshore delivery mix.
- COFORGE has also proactively de-risked the engagement with credit insurance, and Sabre's ongoing deleveraging further strengthens confidence. In our view, this deal not only validates COFORGE's large-deal execution capabilities but also reinforces its ability to scale without materially impacting profitability.
- **Confident of reaching USD2b by FY27E:** Management reiterated its confidence in achieving the USD2b revenue mark before FY27. Growth in FY26 is expected to exceed FY25 levels (which already saw ~31% YoY growth), fueled by transformation-led demand, cross-sell momentum, and continued traction in large managed services deals.

Bloomberg	COFORGE IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	501.4 / 6
52-Week Range (INR)	10027 / 4287
1, 6, 12 Rel. Per (%)	7/-2/58
12M Avg Val (INR M)	4313

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	120.5	159.3	191.6
EBIT Margin (%)	13.0	13.5	14.1
PAT	8.4	15.7	19.7
EPS (INR)	126.2	231.6	290.5
Adj. PAT	10.0	15.7	19.7
Adj. EPS (INR)	152.5	231.6	290.5
Adj. EPS Gr. (%)	10.5	53.3	25.4
BV/Sh. (INR)	968.9	1,063.5	1,208.1

Ratios

RoE (%)	13.9	18.0	20.6
RoCE (%)	16.3	15.7	17.6
Payout (%)	60.2	50.0	50.0

Valuations

P/E (x)	59.4	32.4	25.8
P/BV (x)	7.7	7.0	6.2
EV/EBITDA (x)	24.2	17.4	13.9
Div Yield (%)	1.0	1.5	1.9

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	49.9	47.9	54.3
FII	40.2	42.6	35.0
Others	9.9	9.6	10.7

FII Includes depository receipts

- **Margin guidance constructive; room for upside as one-offs normalize:** FY25 adjusted EBITDA margin stood at 18%, impacted by one-off M&A costs (Cigniti integration, Rhythmos acquisition, and AdvantageGo divestment). Most of these headwinds are now behind. We expect its EBITDA margin to expand 100-120bp over the next 12–18 months, with management guiding for ~18% EBITDA margin by FY27. COFORGE expects the reported EBIT margin to expand materially in FY26 and reach 14% by FY27. ESOP costs are also expected to decline ~80bp by 2HFY26, creating additional margin headroom.
- As we mentioned in our earlier reports (dated 4th Apr'25: [Liberation Day and Indian IT: Breaking point or turning point?](#) and dated 30th Mar'25: [Technology 4Q Preview: Tempered expectations](#)), there is earnings risk for Indian IT services across the board, and prefer bottom-up and margin expansion stories in place of top-down discretionary bets. The previous downcycle showed that mid-tier firms can thrive in cost-focused environments.
- Coforge's recent deal with Sabre is a strong indicator that mid-tiers now have both the scale and the solution maturity to win cost-saving deals. Among Tier-II players, our top pick is COFORGE. Its strong offerings in BFS should enable it to participate in a demand recovery, and a strong TCV also indicates a robust near-term growth outlook. We believe COFORGE's organic business is in great shape and Cigniti could prove to be an effective long-term asset.

Valuation and changes to our estimates

- We broadly maintain our estimates. We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value COFORGE at 38x FY27E EPS to arrive at our TP of INR11,000, **implying a 47% potential upside. We reaffirm COFORGE as our top pick.**

Beat on revenue and margins; deal TCV strong with 5 large deal wins in 4Q

- COFORGE's revenue grew 3.4% QoQ CC (est. 3.0% CC). Reported USD growth (adj. discontinued operations) was 3.3% QoQ. For FY25, the company's revenue stood at USD1.5b, up ~31% YoY (15% CC organic).
- Growth was led by the BFS vertical (+11.6% QoQ), followed by TTH, which was up 5.5% QoQ.
- Order intake was USD2.1b. Five large deals were signed during the quarter. The 12-month executable order book rose 47.4% YoY at USD1.5b. It added 10 new logos during the quarter.
- The EBIT margin for COFORGE was 13.2%, above our estimates of 12.9%. For FY25, its EBIT margin stood at ~13%.
- EBITDA rose 14% QoQ/36% YoY to INR5.7b.
- Utilization improved 70bp QoQ to 82.0%. Net employee addition stood at 403, up ~1% QoQ. Attrition dropped 100bp QoQ at 10.9%.
- Adj. PAT stood at INR2.9b (up 25% QoQ/23% YoY). The Cigniti M&A expenses were INR148m compared to 162m in 3QFY25. The PAT miss was on account of one-off M&A expenses (Cigniti, Rhythmos + AdvantageGo divestment expense).
- The Board declared an interim dividend of INR19/share.

Key highlights from the management commentary

- COFORGE enters FY26 with its highest-ever order intake, and the large deal pipeline remains robust. Growth in FY25 has been broad-based across geographies, service lines, and industry verticals.
- The company is focusing heavily on execution discipline and scaling large-deal solutions to gain wallet share. Industry-led engineering is a key strategic pillar.
- Transformation and legacy modernization initiatives will accelerate growth in the coming fiscal year.
- COFORGE remains confident in reaching its USD2b revenue target by or before FY27. The quality of growth remains high, led by large deals and strong deal momentum. Significant cross-sell and upsell opportunities exist in acquired accounts.
- GCC-driven and GCC-led revenue contributes ~10% of total revenue. Several organizations are turning to COFORGE for offshore execution.
- The FY25 deal TCV reached USD3.5b, with USD2.1b booked in 4Q alone. The company added 10 new logos in 4Q and expects the median size of large deals to remain consistent. The Sabre USD1.5b deal has ramped up strongly and will continue over the next three quarters. It is not expected to dilute margins.
- Reported EBITDA margin is expected to approach 18% by FY27. The 4QFY25 EBIT margin was 13.2%; the company aims to raise this to 14% by FY27, with visible improvements in FY26. Reported EBIT will expand materially in FY26.
- It expects material additions in the coming quarters to support deal ramp-ups.
- Recent acquisitions (Rhythmos and ServiceNow capabilities) have margin profiles comparable to COFORGE's core business.

Valuation and view

- We broadly maintain our estimates. We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value the stock at 38x FY27E EPS to arrive at our TP of INR11,000, **implying a 47% potential upside. We reaffirm COFORGE as our top pick.**

Quarterly Performance (IND-AS)

Y/E March (Consolidated)	FY24				FY25				FY24		FY25		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				Est.	Var.
												4QFY25	(%/bp)
Rev. (USD m)	272	278	282	281	291	369	391	404	1,099	1,445	406	-0.6	
QoQ (%)	2.8	2.3	1.4	-0.4	3.7	26.8	5.7	3.3	9.7	31.5	2.2	114bp	
Revenue (INR m)	22,210	22,762	23,233	23,184	24,008	30,623	32,581	34,099	90,089	1,20,507	35,184	-3.1	
YoY (%)	21.4	16.2	13.0	6.8	8.1	34.5	40.2	47.1	12.4	33.8	49.2	-210bp	
GPM (%)	30.7	32.5	33.1	34.7	33.0	32.4	33.4	34.1	33.2	33.6	33.6	50bp	
SGA (%)	14.7	14.9	15.1	15.5	15.1	15.9	15.7	15.4	15.2	15.6	15.3	10bp	
EBITDA (INRm)	3,329	3,473	4,012	4,229	4,099	4,840	5,072	5,761	15,170	19,960	5,805	-0.8	
EBITDA Margin (%)	15.0	15.3	17.3	18.2	17.1	15.8	15.6	16.9	16.8	16.6	16.5	39bp	
EBIT (INRm)	2,572	2,701	3,201	3,437	3,284	3,597	3,907	4,507	12,198	15,684	4,539	-0.7	
EBIT Margin (%)	11.6	11.9	13.8	14.8	13.7	11.7	12.0	13.2	13.5	13.0	12.9	32bp	
Other income	-152	-295	-257	-453	-272	-173	-329	-300	-1,153	-1,080	-35	752.7	
ETR (%)	21.5	21.9	17.5	20.4	31.8	25.5	25.5	22.2	20.5	25.7	24.5	-9.6	
Minority Interest	-104.0	-69.0	-48.0	-55.0	-61.0	-314.0	-404.0	-461.0	-276.0	-1,240.0	-390.2	18.2	
Reported PAT	1,666	1,809	2,380	2,245	1,344	2,021	2,142	2,611	8,299	8,372	3,010	-13.3	
QoQ (%)	-28.4	8.6	31.6	-5.7	-40.2	50.4	6.0	21.9			39.7	-1779bp	
YoY (%)	11.0	-10.3	4.3	-3.5	-19.4	11.7	-10.0	16.3	2.1	0.9	31.2	-1494bp	
Extra-ordinary items	165	0	0	96	953	290	162	261	261	1,666	0.0		
Adj. PAT	1,831	1,809	2,380	2,341	2,297	2,311	2,304	2,872	8,362	9,783	3,010.0		
EPS (INR)	29.2	29.0	38.1	38.5	20.8	30.1	31.5	38.5	131.7	126.2	44.6	-13.8	

Note: 3Q/4QFY25, 4QFY24 and FY24&25 numbers have been restated to reflect continuing business.

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	2.7	2.3	1.8	1.9	1.6	26.3	8.4	3.4		
Margins										
Gross Margin	30.7	32.5	33.1	34.7	33.0	32.4	33.4	34.1	33.2	33.6
EBIT Margin	11.6	11.9	13.8	14.8	13.7	11.7	12.0	13.2	13.5	13.0
Net Margin	7.5	7.9	10.2	9.7	5.6	6.6	6.6	7.7	9.2	6.9
Operating metrics										
Headcount	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497	24,726	33,497
Attrition (%)	13.3	13.0	12.1	11.5	11.4	11.7	11.9	10.9	11.5	10.9
Deal Win TCV (USD b)	531	313	354	774	314	516	501	2,126	774	2,126
Key Verticals (YoY USD %)										
BFS	20.0	12.3	16.0	15.5	9.6	23.6	18.3	28.7	15.8	20.3
Insurance	11.4	9.7	11.5	3.4	1.5	12.3	18.3	21.0	8.9	13.3
Travel and Transport	8.6	8.0	3.3	(0.5)	4.9	30.0	40.8	53.4	4.7	32.2
Key Geographies (YoY USD %)										
North America	10.3	8.5	6.1	4.9	7.6	48.2	66.4	62.0	7.4	45.9
Europe	19.1	13.5	11.2	7.6	7.5	15.7	18.4	19.3	12.6	15.4



Key highlights from the management commentary

Demand outlook

- COFORGE enters FY26 with its highest-ever order intake, and the large deal pipeline remains robust.
- Growth in FY25 has been broad-based across geographies, service lines, and industry verticals.
- The company is focusing heavily on execution discipline and scaling large-deal solutions to gain wallet share. Industry-led engineering is a key strategic pillar.
- Transformation and legacy modernization initiatives will accelerate growth in the coming fiscal year.
- COFORGE remains confident in reaching its USD2b revenue target by or before FY27. Organic growth in FY26 is expected to surpass FY25.
- FY25 revenue stood at USD1.5b, a ~31% YoY increase, including 15% organic CC growth. The quality of growth remains high, led by large deals and strong deal momentum. The company's top client cohort remains stable and resilient.
- GCC-driven and GCC-led revenue contributes ~10% of total revenue. Several organizations are turning to COFORGE for offshore execution. Significant cross-sell and upsell opportunities exist in acquired accounts.
- FY25 deal TCV reached USD3.5b, with USD2.1b booked in 4Q alone. Five large deals were signed in 4Q, ensuring a strong start to FY26. The 12-month executable order book grew 47.4% YoY to USD1.5b.
- The Sabre USD1.5b deal has ramped up strongly and will continue over the next three quarters. It is not expected to dilute margins. Sabre's financial situation poses no risk, as they are deleveraging, and COFORGE has a credit insurance policy in place.
- **TTH:** The travel industry remains cautious due to geopolitical issues. Recovery is being driven by low-cost carriers and digital-first models, especially in Europe. Steady demand continues in APAC and MEA. Key focus areas include Modern airline retailing, M&A integration opportunities, data modernization, and loyalty solutions.
- The company is actively building capabilities and presence in government outside India and healthcare verticals.

- AdvantageGo Limited's business was divested during the quarter. Recent acquisitions (Rhythmos and ServiceNow capabilities) have margin profiles comparable to COFORGE's core business.
- A client complaint filed regarding database access was deemed misrepresentative. The client, with an eight-year relationship, is not in COFORGE's top 50 accounts and COFORGE had no role in managing their database.
- The company expects material headcount additions in the coming quarters to support deal ramp-ups.
- COFORGE has developed 200+ real-world AI-led solutions for clients.
- The company is building competencies in Agentic AI, signaling deeper investment in next-gen AI capabilities.

Margin performance and other comments

- FY25 adjusted EBITDA margin was 18%. 4QFY25 EBIT margin was 13.2%; the company aims to raise this to 14% by FY27, with visible improvements in FY26. Reported EBIT will expand materially in FY26.
- One-off expenses from M&A (Cigniti, Rhythmos, and AdvantageGo divestment) impacted PAT. These costs were INR148m in 4Q (vs. INR162m in 3Q).
- The AdvantageGo divestment alone had a 50 bps margin impact. ESOP costs declined 33 bps QoQ and currently stand at 1.8%. This is expected to reduce to ~1.0% by 2HFY26.
- Reported EBITDA margin is expected to approach 18% by FY27.
- Cash flow performance is typically stronger in 2H. On an ongoing basis, OCF/EBITDA conversion is targeted at 67–70%
- No margin pressure is expected in 1QFY26, except for visa-related costs.
- Working capital utilization is improving, which should positively impact cash flow. However, other income is not expected to be a lever for PBT in FY26.

Exhibit 1: BFS and Transportation grew sequentially

Verticals (QoQ, USD %)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	2.3	9.4	11.1	0.0	4.7	3.1	4.0	3.3	4.3	-2.1	17.2	-1.1	13.5
Insurance	-3.0	-7.7	3.9	-2.9	5.5	4.7	2.3	-1.3	-2.2	2.8	13.1	4.1	0.0
Transportation	15.2	-0.9	2.9	1.9	2.3	1.2	2.3	-2.4	-1.5	6.7	26.8	5.7	7.3
Government outside India										6.5	23.5	-4.0	9.3
Others	9.0	8.5	-4.7	8.7	7.0	2.1	0.5	4.0	-30.6	11.2	56.5	17.6	-8.2

Source: Company, MOFSL.

Exhibit 2: APAC contributed growth geo-wise

Geography (QoQ, USD %)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
US	-1.8	5.6	3.4	-2.2	3.1	5.8	1.7	-4.3	2.0	8.5	40.0	7.4	-0.7
EMEA	23.9	-4.8	7.9	6.7	3.2	0.2	2.8	4.5	-0.1	0.1	10.7	7.0	0.6
APAC	-16.9	18.7	-11.3	4.9	21.1	-0.6	3.2	15.2	-9.3	-3.1	23.4	-6.7	36.0

Source: Company, MOFSL

Valuation and view:

- We broadly maintain our estimates. We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value COFORGE at 38x FY27E EPS to arrive at our TP of INR11,000, **implying a 47% potential upside. We reaffirm COFORGE as our top pick.**

Exhibit 3: Summary of our revised estimates

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
INR/USD	86.0	86.0	86.0	86.0	0.1%	0.1%
USD revenue (m)	1,852	2,228	1,876	2,243	-1.3%	-0.7%
Growth (%)	28.2	20.3	28.2	19.6	0bps	70bps
EBIT margin (%)	13.5	14.1	13.3	13.5	10bps	60bps
PAT (INR M)	15,714	19,710	15,775	19,037	-0.4%	3.5%
EPS	231.6	290.5	233.8	282.1	-1.0%	2.9%

Source: MOFSL

Exhibit 4: Operating metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue mix Geography-wise (%)									
Americas	48.3	49.7	49.4	46.6	47.7	49.9	55.1	56.0	53.8
EMEA	39.6	38.6	38.8	40.0	40.1	38.7	33.8	34.2	33.3
RoW	12.1	11.7	11.8	13.4	12.2	11.4	11.1	9.8	12.9
Revenue mix Vertical-wise (%)									
BFS	31.0	31.1	31.6	32.2	33.7	31.8	29.4	27.5	30.2
Insurance	22.2	22.6	22.6	22.0	21.6	21.4	19.1	18.8	18.2
Transportation	18.8	18.5	18.5	17.8	17.6	18.1	18.1	18.1	18.8
Manufacturing/Media/Others	28.0	27.8	27.3	28.0	19.5	21.0	25.9	28.7	25.5
Revenue mix (%)									
Top Clients contribution (%)									
Top – 5	23.0	25.1	23.5	22.7	23.0	21.0	18.7	19.8	18.0
Top -10	35.5	37.7	35.2	34.3	34.4	32.9	28.2	30.0	27.7
Fresh order Intake - USD m									
USA	130	155	118	110	627	126	245	294	1828
EMEA	113	346	138	172	102	96	184	93	170
RoW	58	30	57	72	46	92	86	114	128
Deals signed - USD m	301	531	313	354	774	314	516	501	2126
Executable Order Book (NTM) - USD m	869	897	935	974	1019	1070	1105	1365	1505
Employee metrics									
Billable Personnel	21,815	22,762	23,131	23,107	23,243	25,037	30,434	30,981	31,354
Sales and Marketing	350	363	360	368	388	442	575	583	586
Others	1,059	1,099	1,147	1,132	1,095	1,133	1,474	1,530	1,557
Total	23,224	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497
Utilization	81.5	81	80	79.4	81.7	81.6	82.2	81.3	82
Attrition	14.1	13.3	13.0	12.1	11.5	11.4	11.7	11.9	10.9

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Sales	41,809	46,628	64,320	80,146	90,089	1,20,507	1,59,286	1,91,568
Change (%)	13.7	11.5	37.9	24.6	12.4	33.8	32.2	20.3
Cost of revenue	27,502	31,692	43,736	54,059	60,179	80,017	1,05,068	1,26,903
Gross Profit	14,307	14,936	20,584	26,087	29,910	40,490	54,218	64,665
SGA expenses	6,840	6,545	8,527	11,438	13,694	18,799	24,371	28,735
RSU costs	17	480	633	587	1,046	1,731	2,048	1,734
EBITDA	7,450	7,911	11,424	14,062	15,170	19,960	27,799	34,195
% of Net Sales	17.8	17.0	17.8	17.5	16.8	16.6	17.5	17.9
Depreciation	1,730	1,836	2,272	2,585	2,972	4,276	6,371	7,280
EBIT	5,720	6,075	9,152	11,477	12,198	15,684	21,428	26,916
% of Net Sales	13.7	13.0	14.2	14.3	13.5	13.0	13.5	14.1
Other Income	461	113	-266	-630	-1,153	-1,080	-478	-498
PBT	6,181	6,188	8,886	10,847	11,045	14,604	20,950	26,418
Tax	1,229	1,302	1,468	2,208	2,209	3,326	5,133	6,604
Rate (%)	19.9	21.0	16.5	20.4	20.0	22.8	24.5	25.0
Extraordinary Items	128	226	269	1,188	261	1,666	0	0
Minority Interest	238	104	530	513	276	1,240	103	103
Adjusted PAT	4,714	4,782	6,888	8,126	8,560	10,038	15,714	19,710
Change (%)	15.3	1.4	44.0	18.0	5.3	17.3	56.5	25.4

Balance Sheet							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	625	606	609	611	618	669	669	669
Reserves	23,340	24,055	26,722	30,214	35,648	63,123	70,848	80,570
Net Worth	23,965	24,661	27,331	30,825	36,266	63,792	71,517	81,239
Loans	48	5	3,365	3,382	3,399	67	-1,433	-1,433
Minority Interest	0	0	983	874	1,003	19,498	19,498	19,498
Other liabilities	2,443	2,043	6,073	4,360	5,094	13,750	18,175	21,858
Capital Employed	26,456	26,709	37,752	39,441	45,762	97,107	1,07,756	1,21,162
Net Block	4,013	3,902	4,452	4,455	4,470	7,682	5,585	2,761
CWIP	3	2	86	46	232	24	24	24
Intangibles	5,988	5,690	14,821	16,299	16,133	49,726	48,452	46,996
Investments	0	0	0	0	0	0	0	0
Deferred tax assets	2,884	4,245	7,976	9,970	14,217	19,860	26,251	31,571
Curr. Assets	21,510	21,295	22,209	26,064	26,025	43,508	59,344	75,518
Debtors	8,565	8,895	13,894	16,131	18,039	25,771	29,675	35,689
Cash & Bank Balance	8,195	7,999	4,468	5,699	3,213	7,956	17,491	25,656
Investments	976	247	67	88	139	2,333	2,333	2,333
Other Current Assets	3,774	4,154	3,780	4,146	4,634	7,448	9,845	11,840
Current Liab. & Prov	7,942	8,425	11,792	17,393	15,315	27,375	35,580	39,389
Trade payables	2,634	3,398	6,160	6,481	8,062	9,883	17,861	21,481
Other liabilities	4,979	4,802	5,316	10,552	6,836	16,786	16,786	16,786
Provisions	329	225	316	360	417	706	933	1,122
Net Current Assets	13,568	12,870	10,417	8,671	10,710	16,133	23,763	36,129
Application of Funds	26,456	26,709	37,752	39,441	45,762	97,107	1,07,757	1,21,163

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
EPS	75.5	77.4	110.9	130.6	131.7	126.2	231.6	290.5
Cash EPS	101.2	103.4	143.2	153.0	178.9	190.6	325.5	397.7
Book Value	384.1	407.0	448.7	504.8	584.4	968.9	1,063.5	1,208.1
DPS	31.0	20.5	52.0	64.0	76.0	76.0	115.8	145.2
Payout %	41.0	26.5	46.9	49.0	57.7	60.2	50.0	50.0

Valuation (x)

P/E	99.2	96.9	67.6	57.4	56.9	59.4	32.4	25.8
Cash P/E	74.1	72.5	52.4	49.0	41.9	39.3	23.0	18.8
EV/EBITDA	61.6	56.4	39.9	32.4	30.7	24.2	17.4	13.9
EV/Sales	11.0	9.6	7.1	5.7	5.2	4.0	3.0	2.5
Price/Book Value	19.5	18.4	16.7	14.9	12.8	7.7	7.0	6.2
Dividend Yield (%)	0.4	0.3	0.7	0.9	1.0	1.0	1.5	1.9

Profitability Ratios (%)

RoE	21.1	19.7	26.0	27.1	24.1	13.9	18.0	20.6
RoCE	18.6	18.0	23.7	23.7	22.8	16.3	15.7	17.6

Turnover Ratios

Debtors (Days)	63	68	65	68	69	66	64	62
Fixed Asset Turnover (x)	10.2	11.8	15.4	18.0	20.2	19.8	24.0	45.9

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
CF from Operations	5,633	7,121	9,089	10,532	11,834	15,060	21,921	26,960
Cash for Working Capital	-2,664	502	-1,433	-1,027	-2,800	-2,689	-62	-5,837
Net Operating CF	2,969	7,623	7,656	9,505	9,034	12,371	21,859	21,123
Net Purchase of FA	-703	-757	-1,475	-1,537	-2,598	-5,572	-3,000	-3,000
Free Cash Flow	2,266	6,866	6,181	7,968	6,436	6,799	18,859	18,123
Net Purchase of Invest.	1,826	-1,597	-8,089	-1,179	120	-18,911	0	0
Net Cash from Invest.	1,123	-2,354	-9,564	-2,716	-2,478	-24,483	-3,000	-3,000
Proceeds from Equity	275	18	51	18	-3,516	21,831	0	0
Proceeds from LTB/STB	-133	-697	2,139	-1,315	-573	19	-1,467	-103
Dividend Payments	-1,469	-4,852	-3,748	-4,285	-4,781	-5,097	-7,857	-9,855
Cash Flow from Fin.	-1,327	-5,531	-1,558	-5,582	-8,870	16,753	-9,324	-9,958
Net Cash Flow	2,765	-262	-3,466	1,207	-2,314	4,641	9,535	8,165
Exchange difference	236	66	-65	24	-172	102	0	0
Opening Cash Bal.	5,193	8,194	7,998	4,467	5,698	3,212	7,955	17,490
Add: Net Cash	3,001	-196	-3,531	1,231	-2,486	4,743	9,535	8,165
Closing Cash Bal.	8,194	7,998	4,467	5,698	3,212	7,955	17,490	25,655

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