24 October 2025
2QFY26 Result Update | Sector: Technology

Coforge

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USDb)	588.9 / 6.7
52-Week Range (INR)	2005 / 1191
1, 6, 12 Rel. Per (%)	5/15/9
12M Avg Val (INR M)	4223

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	164.9	206.3	255.5
EBIT Margin (%)	13.8	14.0	14.2
PAT	15.2	20.0	25.3
EPS (INR)	44.7	58.7	74.3
Adj. PAT	15.9	20.0	25.3
Adj. EPS (INR)	46.9	58.7	74.3
Adj. EPS Gr. (%)	86.1	25.2	26.5
BV/Sh. (INR)	214.4	243.5	280.7
Ratios			
RoE (%)	17.4	20.7	23.5
RoCE (%)	16.9	18.3	20.3
Payout (%)	50.0	50.0	50.0
Valuations			
P/E (x)	39.4	30.0	23.7
P/BV (x)	8.2	7.2	6.3
EV/EBITDA (x)	19.2	15.4	12.1
Div Yield (%)	1.3	1.7	2.1

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	54.9	52.3	48.2
FII	34.1	37.4	42.1
Others	11.0	10.3	9.8

FII Includes depository receipts

CMP: INR1,760 TP: INR2,400 (+36%) Buy

A clean win

Healthy cash conversion and margin gains stand out

- COFORGE reported strong 2QFY26 revenue growth of 5.9% QoQ in CC terms, in line with our estimate of 6.0% QoQ CC. The company reported an order intake of USD514m (up 1% YoY) in 2Q with five large deals, resulting in a robust 12-month executable order book of USD1.6b. EBIT margin stood at 14%, in line with our estimate. PAT stood at INR3.7b (up 18% QoQ/86% YoY) vs. our estimates of INR3.8b. FCF to NI stood at 86%.
- The company's revenue/EBIT/adj. PAT grew 41%/44%/68% YoY in 1HFY26. We expect revenue/EBIT/adj. PAT to grow 32%/48%/59% YoY in 2HFY26.
- COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We now value COFORGE at 38x Jun'27E EPS, arriving at a TP of INR2,400, implying 36% potential upside.

Our view: Solid execution; may just fall short of full-year margin target

- **Notable improvement in FCF conversion as well as EBIT margin reporting key positives:** FCF-to-NI improved to 86% in 2QFY26 (vs -56% in 1QFY26). We expect this number to settle around 75-80% going forward. We believe that for a company with 20%+ revenue growth, this is a fair cash conversion ratio. GAAP margin and fact sheet margin are now fully reconciled, and we believe the reporting is now clean. This is a key positive and lends credence to the numbers.
- **Sabre deal fully ramped up; strong executable order book provides growth visibility:** A strong executable order book of USD1.6b, up 26% YoY/5% QoQ, along with order intake of over USD500m in the last few quarters, provides growth visibility. Further, cross-selling initiatives with Cigniti are beginning to yield results, enabling COFORGE to win large deals. Management aims to close 20 large deals (10 deals won in 1HFY26) in FY26 (vs. 14 in FY25). Taken together, revenue visibility over the next 12 months remains high, and we expect organic growth of 23% YoY CC in FY26.
- **Revenue per employee improved meaningfully; efficiency trends encouraging:** Revenue per employee has improved by 17% YoY, and this will be a key metric to track for the industry, with COFORGE having taken an early lead. As we argued in our note (dated 19th Sep'25: GenAI and IT Services: The waiting game), to avoid margin pressure, hiring has to be somewhat decoupled from revenue growth - this should increase revenue per employee and defend margins, and COFORGE seems to be executing this fairly well.
- **Management has guided for margins to be stable at 14%**, though we believe that in the current demand environment, margins could be at risk. It is possible that management may fall short of its margin guidance. That said, we still expect a notable improvement YoY in FY26, with margins likely to land fairly close to the management's target. We estimate the FY26 EBIT margin at 13.8% (vs. the company's guidance of 14%).

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Valuation and changes to our estimates

- We expect COFORGE to be the growth leader in our coverage universe and reiterate it as our top pick. We have kept our estimates largely unchanged. COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business, while cross-selling opportunities with Cigniti remain highly synergistic for the company. We value COFORGE at 38x Jun'27E EPS with a TP of INR2,400, **implying a 36% potential upside**. **We reiterate our BUY rating on the stock.**

In-line revenue and margins; TTH led growth, FCF/NI improves to 86%

- Revenue grew 5.9% QoQ CC (est. 6.0% CC). Reported USD growth was 4.5% QoQ.
- Growth was led by the TTH vertical (6.4% QoQ), followed by Others (Healthcare, Retail and Hi-Tech), which was up 5.9% QoQ. BFS also grew 4.0% QoQ.
- Order intake was USD514m (up 1% YoY). Five large deals were signed during the quarter. The 12-month executable order book rose 26.7% YoY to USD1.6b. It added nine new logos during the quarter.
- EBIT margin was 14%, in line with our estimate.
- Utilization grew 20bp QoQ to 82.3%. Net employee addition stood at 709, up 2.1% QoQ. Attrition was stable at 11.4%.
- PAT stood at INR3.7b (up 18% QoQ/86% YoY) vs. our estimates of INR3.8b. FCF-to-NI stood at 86% vs. -56% in 1QFY26.
- Coforge announced an interim dividend of INR4 per share.

Key highlights from the management commentary

- Demand remains muted, but the addressable opportunity continues to grow, led by positive trends in BFS, Insurance, and Travel.
- Management highlighted that margin-led demand is emerging, where enterprises prefer vendors with strong engineering and AI capabilities. AI is viewed as a clear structural tailwind, though enterprise implementation complexity remains high, favoring firms like Coforge with deep cloud, data, and engineering expertise.
- The company expects 2H to outperform 1H, driving robust full-year growth.
- It continues to focus on organic growth and expects to sustain robust growth over the next 2-3 years.
- The velocity and median size of large deals have been increasing over the years.
- Large deals: three came from North America (two in Insurance) and two from APAC. One of the NA deals was a legacy modernization engagement.
- Two of Cigniti's top 10 clients have already signed large deals with COFORGE, indicating early cross-selling traction that is expected to improve further.
- Management iterated potential margin exit of 14% in FY26 while emphasizing that growth remains the primary focus.
- Wage hikes, effective 1st Oct'25, are expected to impact margins by 100-200bp, partially offset by lower ESOP and D&A expenses.
- The Sabre deal has reached the steady-state level; rebadging activities are now complete.
- Revenue per employee continues to improve, driven by AI-based delivery platforms and non-linear growth.

Quarterly Performance (IND-AS)

(INR Million)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var.
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26	(%/bp)
Rev. (USD m)	**286**	**369**	**391**	**404**	**442**	**462**	**482**	**511**	**1,445**	**1,898**	**471**	**-1.9**
QoQ (%)	2.0	29.0	5.7	3.3	9.6	4.5	4.4	6.0	31.5	31.3	6.5	-204bp
Revenue (INR m)	**23,751**	**30,623**	**32,581**	**34,099**	**36,886**	**39,857**	**42,780**	**45,347**	**1,20,507**	**1,64,870**	**41,116**	**-3.1**
YoY (%)	6.9	34.5	40.2	47.1	55.3	30.2	31.3	33.0	33.8	36.8	34.3	-411bp
GPM (%)	**32.2**	**32.4**	**33.4**	**34.1**	**33.7**	**34.0**	**33.0**	**34.0**	**33.6**	**33.7**	**34.3**	**-30bp**
SGA (%)	**13.4**	**15.9**	**15.7**	**15.4**	**15.0**	**14.3**	**14.5**	**14.2**	**15.6**	**14.5**	14.9	-61bp
EBITDA (INRm)	**4,275**	**4,840**	**5,072**	**5,761**	**6,308**	**7,294**	**7,487**	**8,616**	**19,960**	**29,704**	**7,442**	**-2.0**
EBITDA Margin (%)	18.0	15.8	15.6	16.9	17.1	18.3	17.5	19.0	16.6	18.0	18.1	20bp
EBIT (INRm)	**3,558**	**3,597**	**3,907**	**4,507**	**4,716**	**5,575**	**5,690**	**6,802**	**15,684**	**22,782**	**5,756**	**-3.2**
EBIT Margin (%)	15.0	11.7	12.0	13.2	12.8	14.0	13.3	15.0	13.0	13.8	14.0	-1bp
Other income	-516	-173	-329	-300	383	18	-214	-317	-1,080	-130	-206	-108.8
ETR (%)	34.4	25.5	25.5	22.2	18.2	23.7	24.0	24.0	25.7	22.8	24.0	-1.1
Minority Interest	-61.0	-314.0	-404.0	-461.0	-390.0	-496.0	-400.0	-440.0	-1,240.0	-1,726.0	-440.0	12.7
Reported PAT	**1,310**	**2,021**	**2,142**	**2,611**	**3,168**	**3,769**	**3,762**	**4,488**	**8,372**	**15,186**	**3,779**	**-0.3**
QoQ (%)	-41.6	54.3	6.0	21.9	21.3	19.0	-0.2	19.3			19.0	
YoY (%)	-21.4	11.7	-10.0	16.3	141.8	86.5	75.6	71.9	0.9	81.4	87.0	
Extra-ordinary items	953	290	162	261	749	0	0	0	1,666	1,462	0.0	
Adj. PAT	**2,263**	**2,311**	**2,304**	**2,872**	**3,917**	**3,769**	**3,762**	**4,488**	**9,750**	**15,935**	**3,779**	
EPS (INR)	**4.2**	**6.0**	**6.3**	**7.7**	**9.4**	**11.1**	**11.0**	**13.2**	**25.2**	**44.7**	**11**	-0.9

Key Performance Indicators

Y/E March	FY25				FY26E		FY25
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	1.6	26.3	8.4	3.4	8.0	5.9	
Margins							
Gross Margin	32.2	32.4	33.4	34.1	33.7	34.0	33.6
EBIT Margin	15.0	11.7	12.0	13.2	12.8	14.0	13.0
Net Margin	5.5	6.6	6.6	7.7	8.6	9.5	6.9
Operating metrics							
Headcount	26,612	32,483	33,094	33,497	34,187	34,896	33,497
Attrition (%)	11.4	11.7	11.9	10.9	11.3	11.4	10.9
Deal Win TCV (USD b)	314	516	501	2,126	507	514	3,457
Key Verticals (YoY USD %)							
BFS	9.4	23.6	18.3	30.9	32.5	17.4	20.8
Insurance	(6.8)	12.3	18.3	11.7	19.7	(1.1)	8.9
Travel and Transport	4.8	30.0	40.8	55.9	92.2	61.0	32.7
Key Geographies (YoY USD %)							
North America	7.7	48.2	66.4	64.7	72.4	31.5	46.6
Europe	2.4	15.7	18.4	15.3	22.8	7.0	13.1

CONFERENCE CALL

Key highlights from the management commentary

Demand outlook

- Demand remains muted, but the addressable opportunity continues to grow, led by positive trends in BFS, Insurance, and Travel.
- Management highlighted that margin-led demand is emerging, where enterprises prefer vendors with strong engineering and AI capabilities. AI is viewed as a clear structural tailwind, though enterprise implementation complexity remains high, favoring firms like COFORGE with deep cloud, data, and engineering expertise.
- The company expects 2H to outperform 1H, driving robust full-year growth.
- It continues to focus on organic growth and expects to sustain robust growth over the next 2-3 years.
- Reported USD growth was 4.5%. Hedge losses doubled to INR300m in 2Q (vs. INR150m in 1Q), primarily due to high exposure to GDP and EUR, which muted potential currency tailwinds.
- Growth continues to be driven by execution intensity and rising AI-led service delivery.
- Furloughs are expected to remain at levels similar to prior years.
- Order intake stood at USD514m, up 1% YoY. Five large deals were signed during the quarter.
- The company added nine new logos during the quarter and has signed 10 large deals in 1HFY26, out of the full-year target of 20.
- The velocity and median size of large deals have been increasing over the years.
- **Large deals:** three came from North America (two in Insurance), and two from APAC. One of the NA deals was a legacy modernization engagement.
- Two of Cigniti's top 10 clients have already signed large deals with Coforge, indicating early cross-selling traction that is expected to improve further.
- **BFS:** Banking is seeing positive trends driven by lower interest rates and evolving regulatory requirements. Financial services demand is supported by shifts toward T+0 settlements, regulatory changes, and payments modernization.
- **Insurance:** Insurance industry seeing 4.5% growth, led by cyber and P&C demand.
- **Travel:** Travel and transportation continue to show strong growth. The Sabre deal has reached the steady-state level; rebadging activities are now complete.
- Healthcare business is on track to the USD 100m revenue goal and could surpass it. AI is being leveraged to enhance patient care through intelligent platforms.
- Increased focus on the payer and life sciences space, particularly AI-driven insights for drug discovery.
- Government business outside India has surpassed USD150m in revenue and is on track to reach USD200m run rate.
- **EMEA:** Deal signing delays seen in prior quarters are now easing, with recovery visible. Life insurance and public sector demand are showing healthy pickup.
- **RoW**: Extremely bullish on Australia, New Zealand, APAC, and MEA markets.
- The Code Insights platform, focused on legacy modernization and reverse engineering, is helping enhance productivity and revenue per employee.
- **GenAI:** COFORGE remains a trusted partner for enterprise-wide AI adoption, moving beyond pilot programs.
- AI-led automation is fundamentally transforming BPO delivery models, leveraging proprietary COFORGE platforms.

- The company expects a surge in competing AI platforms over the next 18-24 months.

Margin performance and other comments

- Management iterated potential margin exit of 14% in FY26 while emphasizing that growth remains the primary focus.
- Wage hikes, effective 1st Oct'25, are expected to impact margins by 100-200bp, partially offset by lower ESOP and D&A expenses.
- DSO (as % of LTM revenue) has risen YoY due to currency effects, though FCF-to-PAT remains intact.
- ETR is expected to be stable at 23.5-24%.
- ESOP costs stood at 1.4% of revenue.
- Revenue per employee continues to improve, driven by AI-based delivery platforms and non-linear growth.
- Announced an interim dividend of INR4 per share.
- The Cigniti acquisition is expected to close by Dec'25–Jan'26, with NCI to be removed retrospectively from 1st Apr'25.

Exhibit 1: TTH led growth as Sabre becomes steady-state

Verticals (QoQ, USD %)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
BFS	11.1	0.0	4.7	3.1	4.0	3.3	4.3	-2.3	17.4	-1.1	15.4	-1.1	4.1
Insurance	3.9	-2.9	5.5	4.7	2.3	-1.3	-2.2	-5.6	23.2	4.1	-7.7	1.2	1.8
Transportation	2.9	1.9	2.3	1.2	2.3	-2.4	-1.5	6.6	26.9	5.7	9.0	31.5	6.3
Govt Outside India								7.3	22.5	-4.0	10.8	6.7	0.1
Others	-4.7	8.7	7.0	2.1	0.5	4.0	-30.6	11.4	56.2	17.6	-6.4	12.6	6.0

Source: Company, MOFSL.

Exhibit 2: US and APAC contributed to growth, while EMEA is expected to recover

Geography (QoQ, USD %)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
US	3.4	-2.2	3.1	5.8	1.7	-4.3	2.0	8.6	39.9	7.4	0.9	13.6	6.7
EMEA	7.9	6.7	3.2	0.2	2.8	4.5	-0.1	-4.7	16.3	7.0	-2.7	1.5	1.3
APAC	-11.3	4.9	21.1	-0.6	3.2	15.2	-9.3	-3.1	23.4	-6.7	38.1	13.0	2.1

Source: Company, MOFSL

Valuation and view:

- We expect COFORGE to be the growth leader across our coverage universe and reiterate it as our top pick. We have kept our estimates largely unchanged. COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business, while cross-sell opportunities with Cigniti remain highly synergistic for the company. We value COFORGE at 38x Jun'27E EPS with a TP of INR2,400, **implying a 36% potential upside**. **We reiterate our BUY rating on the stock.**

Exhibit 3: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.8	88.7	88.7	87.6	88.7	88.7	0.3%	0.0%	0.0%
USD Revenue - m	1,898	2,325	2,880	1,939	2,373	2,874	-2.1%	-2.0%	0.2%
Growth (%)	31.3	22.5	23.9	34.1	22.4	21.1	-280bps	10bps	280bps
EBIT margin (%)	13.8	14.0	14.2	13.7	14.0	14.2	10bps	0bps	0bps
Adj. PAT (INR M)	15,935	19,996	25,285	15,970	20,431	25,231	-0.2%	-2.1%	0.2%
Adj. EPS	46.9	58.7	74.3	47.2	60.4	74.6	-0.6%	-2.7%	-0.4%

Source: MOFSL

Exhibit 4: Operating metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Revenue mix Geography-wise (%)									
Americas	49.4	46.6	47.7	50.8	55.1	56.0	54.7	56.7	57.9
EMEA	38.8	40.0	40.1	37.5	33.8	34.2	32.2	29.8	28.9
RoW	11.8	13.4	12.2	11.6	11.1	9.8	13.1	13.5	13.2
Revenue mix Vertical-wise (%)									
BFS	31.6	32.2	33.7	32.3	29.4	27.5	30.7	27.7	27.6
Insurance	22.6	22.0	21.6	20.0	19.1	18.8	16.8	15.5	15.1
Transportation	18.5	17.8	17.6	18.4	18.1	18.1	19.1	22.9	23.3
Manufacturing/Media/Others	27.3	28.0	19.5	21.3	25.9	28.7	25.9	26.7	27.0
Revenue mix (%)									
Top Clients contribution (%)									
Top – 5	23.5	22.7	23.0	21.0	18.7	19.8	18.0	20.7	21.0
Top -10	35.2	34.3	34.4	32.9	28.2	30.0	27.7	29.3	30.8
Fresh order Intake - USD m									
USA	118	110	627	126	245	294	1828	272	281
EMEA	138	172	102	96	184	93	170	140	122
RoW	57	72	46	92	86	114	128	95	110
Deals signed - USD m	313	354	774	314	516	501	2126	507	514
Executable Order Book (NTM) - USD m	935	974	1019	1070	1105	1365	1505	1550	1635
Employee metrics									
Billable Personnel	23131	23107	23243	25037	30434	30981	31354	32013	32710
Sales and Marketing	360	368	388	442	575	583	586	594	622
Others	1147	1132	1095	1133	1474	1530	1557	1580	1564
Total	**24638**	**24607**	**24726**	**26612**	**32483**	**33094**	**33497**	**34187**	**34896**
Utilization	80	79.4	81.7	81.6	82.2	81.3	82	82.1	82.3
Attrition	13.0	12.1	11.5	11.4	11.7	11.9	10.9	11.3	11.4

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Sales	**64,320**	**80,146**	**90,089**	**1,20,507**	**1,64,870**	**2,06,268**	**2,55,519**
Change (%)	37.9	24.6	12.4	33.8	36.8	25.1	23.9
Cost of revenue	43,736	54,059	60,179	80,017	1,09,353	1,36,259	1,68,854
Gross Profit	**20,584**	**26,087**	**29,910**	**40,490**	**55,517**	**70,010**	**86,664**
SGA expenses	8,527	11,438	13,694	18,799	23,869	31,447	38,259
RSU costs	633	587	1,046	1,731	1,945	1,650	2,044
EBITDA	**11,424**	**14,062**	**15,170**	**19,960**	**29,704**	**36,913**	**46,362**
% of Net Sales	17.8	17.5	16.8	16.6	18.0	17.9	18.1
Depreciation	2,272	2,585	2,972	4,276	6,922	8,033	9,965
EBIT	**9,152**	**11,477**	**12,198**	**15,684**	**22,782**	**28,880**	**36,396**
% of Net Sales	14.2	14.3	13.5	13.0	13.8	14.0	14.2
Other Income	-266	-630	-1,153	-1,080	-130	-619	-1,083
PBT	**8,886**	**10,847**	**11,045**	**14,604**	**22,652**	**28,261**	**35,313**
Tax	1,468	2,208	2,209	3,326	4,991	7,065	8,828
Rate (%)	16.5	20.4	20.0	22.8	22.0	25.0	25.0
Extraordinary Items	269	1,188	261	1,666	749	0	0
Minority Interest	530	513	276	1,240	1,726	1,200	1,200
Adjusted PAT	**6,888**	**8,126**	**8,560**	**10,038**	**15,935**	**19,996**	**25,285**
Change (%)	44.0	18.0	5.3	17.3	58.7	25.5	26.5

Balance Sheet							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Share Capital	609	611	618	669	669	669	669
Reserves	26,722	30,214	35,648	63,123	71,335	81,201	93,711
Net Worth	**27,331**	**30,825**	**36,266**	**63,792**	**72,004**	**81,870**	**94,380**
Loans	3,365	3,382	3,399	67	67	67	67
Minority Interest	983	874	1,003	19,498	19,498	19,498	19,498
Other liabilities	6,073	4,360	5,094	13,750	18,812	23,535	29,155
Capital Employed	**37,752**	**39,441**	**45,762**	**97,107**	**1,10,381**	**1,24,970**	**1,43,100**
Net Block	**4,452**	**4,455**	**4,470**	**7,682**	**5,145**	**5,718**	**4,746**
CWIP	86	46	232	24	24	24	24
Intangibles	14,821	16,299	16,133	49,726	48,342	46,735	44,742
Investments	0	0	0	0	0	0	0
Deferred tax assets	7,976	9,970	14,217	19,860	27,171	33,994	42,110
Curr. Assets	**22,209**	**26,064**	**26,025**	**43,508**	**62,257**	**75,941**	**94,731**
Debtors	13,894	16,131	18,039	25,771	30,716	38,428	47,604
Cash & Bank Balance	4,468	5,699	3,213	7,956	19,019	22,432	29,002
Investments	67	88	139	2,333	2,333	2,333	2,333
Other Current Assets	3,780	4,146	4,634	7,448	10,190	12,749	15,792
Current Liab. & Prov	**11,792**	**17,393**	**15,315**	**27,375**	**36,239**	**41,124**	**46,935**
Trade payables	6,160	6,481	8,062	9,883	18,487	23,129	28,652
Other liabilities	5,316	10,552	6,836	16,786	16,786	16,786	16,786
Provisions	316	360	417	706	966	1,208	1,497
Net Current Assets	**10,417**	**8,671**	**10,710**	**16,133**	**26,018**	**34,817**	**47,796**
Application of Funds	**37,752**	**39,441**	**45,762**	**97,107**	**1,10,381**	**1,24,970**	**1,43,100**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
EPS	**22.2**	**26.1**	**27.6**	**25.2**	**44.7**	**58.7**	**74.3**
Cash EPS	28.6	30.6	37.5	38.1	65.1	82.3	103.5
Book Value	89.7	101.0	122.5	193.4	214.4	243.5	280.7
DPS	10.4	12.8	15.2	15.2	22.3	29.4	37.1
Payout %	46.9	49.0	55.1	60.3	50.0	50.0	50.0
Valuation (x)							
P/E	79.3	67.4	63.7	69.9	39.4	30.0	23.7
Cash P/E	61.5	57.5	46.9	46.2	27.0	21.4	17.0
EV/EBITDA	46.8	38.0	34.3	28.6	19.2	15.3	11.9
EV/Sales	8.3	6.7	5.8	4.7	3.5	2.7	2.2
Price/Book Value	19.6	17.4	14.4	9.1	8.2	7.2	6.3
Dividend Yield (%)	0.6	0.7	0.9	0.9	1.3	1.7	2.1
Profitability Ratios (%)							
RoE	26.0	27.1	24.1	13.9	17.4	20.7	23.5
RoCE	23.7	23.7	22.8	16.3	16.9	18.3	20.3
Turnover Ratios							
Debtors (Days)	65	68	69	66	63	61	61
Fixed Asset Turnover (x)	15.4	18.0	20.2	19.8	25.7	38.0	48.8

Cash Flow Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
CF from Operations	9,089	10,532	11,834	15,060	22,692	27,999	35,221
Cash for Working Capital	-1,433	-1,027	-2,800	-2,689	-1,072	-7,485	-8,905
Net Operating CF	**7,656**	**9,505**	**9,034**	**12,371**	**21,620**	**20,514**	**26,315**
Net Purchase of FA	-1,475	-1,537	-2,598	-5,572	-3,000	-7,000	-7,000
Free Cash Flow	**6,181**	**7,968**	**6,436**	**6,799**	**18,620**	**13,514**	**19,315**
Net Purchase of Invest.	-8,089	-1,179	120	-18,911	0	0	0
Net Cash from Invest.	**-9,564**	**-2,716**	**-2,478**	**-24,483**	**-3,000**	**-7,000**	**-7,000**
Proceeds from Equity	51	18	-3,516	21,831	0	0	0
Proceeds from LTB/STB	2,139	-1,315	-573	19	33	-103	-103
Dividend Payments	-3,748	-4,285	-4,781	-5,097	-7,591	-9,998	-12,642
Cash Flow from Fin.	**-1,558**	**-5,582**	**-8,870**	**16,753**	**-7,558**	**-10,101**	**-12,745**
Net Cash Flow	**-3,466**	**1,207**	**-2,314**	**4,641**	**11,063**	**3,413**	**6,570**
Exchange difference	-65	24	-172	102	0	0	0
Opening Cash Bal.	**7,998**	**4,467**	**5,698**	**3,212**	**7,955**	**19,017**	**22,431**
Add: Net Cash	-3,531	1,231	-2,486	4,743	11,063	3,413	6,570
Closing Cash Bal.	**4,467**	**5,698**	**3,212**	**7,955**	**19,017**	**22,431**	**29,001**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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