

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USDb)	548.3 / 6
52-Week Range (INR)	1994 / 1191
1, 6, 12 Rel. Per (%)	-4/-11/-19
12M Avg Val (INR M)	4159

#### Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	164.3	206.4	259.4
EBIT Margin (%)	13.8	14.0	14.3
PAT	14.1	21.2	27.0
EPS (INR)	41.9	60.3	76.7
Adj. PAT	16.3	21.2	27.0
Adj. EPS (INR)	47.5	60.3	76.7
Adj. EPS Gr. (%)	88.6	26.9	27.2
BV/Sh. (INR)	214.8	238.9	277.2
<b>Ratios</b>			
ROE (%)	16.4	21.8	24.7
RoCE (%)	16.9	18.2	20.4
Payout (%)	50.0	50.0	50.0
<b>Valuations</b>			
P/E (x)	39.0	27.1	21.3
P/BV (x)	7.6	6.9	5.9
EV/EBITDA (x)	18.0	14.7	11.5
Div Yield (%)	1.3	1.8	2.3

#### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	53.7	54.9	47.9
FII	34.5	34.1	42.6
Others	11.8	11.0	9.6

FII Includes depository receipts

**CMP: INR1,636** **TP: INR2,500 (+53%)** **Buy**

#### A decent quarter

**Margin set to improve in 4Q; pass-through-led growth mix a watch point**

- COFORGE reported a strong 3Q revenue growth of 4.4% QoQ in CC terms, above our estimate of 3.3% QoQ CC. The company reported an order intake of USD593m (up 18% YoY) in 3Q with six large deals, resulting in a robust 12-month executable order book of USD1.7b. EBIT margin stood at 13.4%, in line with our estimate of 13.3%. Adj. PAT stood at INR3.6b (down 3% QoQ/up 63% YoY) vs. our estimates of INR3.7b. This excluded the one-time impact of costs related to changes in labor codes and legal expenses related to the acquisition, amounting to INR1,476m. The FCF to NI stood at 110%.
- The company's revenue/EBIT/adj. PAT grew 46%/63%/82% YoY in 9MFY26. We expect revenue/EBIT/adj. PAT to grow 33.9%/51.9%/73% YoY in 4QFY26.
- COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value COFORGE at 32x FY28 EPS, arriving at a TP of INR2,500, implying 53% potential upside.

#### Our view: 16 large deals signed YTD keep FY26 execution on track

- **Executable order book up; improved visibility into FY27:** A large portion of incremental growth in 3Q (94%) was driven by pass-through revenues, which management attributed to the seasonal nature. We remain watchful of any increase in the growth of this nature. That said, with strong order intake in 3Q, COFORGE's executable order book stands at USD 1.7bn (up 18% YoY), providing improved revenue visibility through FY27E.
- As shown in Exhibit 1, the historical average NTM revenue-to-order book multiple (~1.3x) implies potential NTM revenue growth of ~29% YoY. Taken together, revenue visibility over the next 12 months remains high, and we expect organic growth of 23% YoY CC in FY26.
- **BFSI deceleration expected to reverse:** COFORGE's 3Q performance was led by Healthcare and Hi-Tech, while BFSI and Public Services declined sequentially. The outlook for Healthcare, Hi-Tech, and Transportation remains strong, and we expect the YoY deceleration in BFSI to reverse going forward.
- **Strong deal wins; pipeline remains robust:** COFORGE reported another quarter of strong deal wins, with TCV intake of USD 593m (up 18% YoY), including six large deal signings during the quarter. Management indicated that large deal velocity remains intact and expects to close another notable large deal in 4Q within the public services segment. With these signings, COFORGE has already surpassed its FY25 large deal count (14 deals) within 9MFY26, reaching 16 deals. Management aims to close 20 large deals in FY26. We expect continued sales execution and cross-sell opportunities to sustain deal momentum.
- **Margins to improve in 4Q; unbilled revenue growth to be monitored:** EBIT margin dipped 60bp QoQ to 13.4%, due to wage hikes, partially offset by lower ESOP expenses and cost optimization initiatives. We expect these headwinds to reverse in 4Q, leading to sequential margin improvement.

- Unbilled DSO days increased to 28 (up 2/4 days QoQ/YoY), while long-term unbilled revenues grew 22% QoQ and 127% YoY. Management attributed this increase to the nature of contracts signed and reiterated its guardrail of maintaining FCF-to-PAT conversion at 70–80%. Nonetheless, we remain watchful of the rise in unbilled revenues and will continue to monitor these metrics closely.
- **Bridge loan to be raised to retire Encora's debt:** Management has decided to raise USD 550m through a consortium of 4–5 banks to retire debt on Encora's books. The transaction is expected to be completed over the next couple of quarters.

#### Valuation and changes to our estimates

- We expect COFORGE to be the growth leader within our coverage universe and reiterate it as our top pick. We have kept our estimates largely unchanged, except for FY27, as we expect Cigniti to close by 4QFY26 and EPS to be accretive. COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business.
- We continue to view COFORGE as a structurally strong mid-tier player well-placed to benefit from vendor consolidation/cost-takeout deals and digital transformation. We value COFORGE at 32x FY28 EPS with a TP of INR2,500, **implying a 53% potential upside. We reiterate our BUY rating on the stock.**

#### Beat on revenue, but margins in line; deal TCV healthy with six large deal wins in 3Q

- COFORGE's revenue grew 4.4% QoQ CC (est. 3.0% CC). Reported USD growth was 3.5% QoQ.
- Growth was led by Healthcare & Hi-tech and Others, which grew 8.5%/18.3% QoQ, while BFS declined 2.3% QoQ.
- Order intake was USD593mn(up 18% YoY). Six large deals were signed during the quarter. The 12-month executable order book rose 30% YoY to USD1.7b. It added nine new logos during the quarter.
- EBIT margin for COFORGE was 13.4%, in line with our estimates of 13.3%.
- Utilization declined 60bp QoQ to 81.7%. Net employee addition stood at 445, up 1.3% QoQ. Attrition was down 50bp QoQ at 10.9%.
- Adj. PAT stood at INR 3.6b (down 3% QoQ/up 63% YoY) vs. our estimate of INR3.7b. This excludes the impact of costs related to labor codes, legal expenses related to the acquisition, and cybersecurity issues amounting to INR 1,476m.
- FCF to Adj. NI stood at 110% vs. 86% in 2QFY26. The Board declared an interim dividend of INR4/share.

#### Key highlights from the management commentary

- Two years ago, boards were asking how to implement AI; now they want a clear transformation path with measurable KPIs and enterprise-grade delivery. Witnessing a clear market inflection point.
- Enterprises are done managing fragmented vendor relationships and want partners that can move at start-up speed while managing enterprise risk.
- Management indicated that reported EBIT margins and the plan to report ~15% margins in 4Q imply an exit margin of ~14% for FY26.

- Large deal velocity and growth in key accounts remain reassuring for the growth outlook; six large deals were signed during the quarter.
- Given the current and expected large deal momentum, banking is likely to be the fastest-growing vertical next year.
- Post-Sabre, COFORGE is seeing USD20m airline opportunities that were not accessible earlier. Sabre is viewed not just as a client but as a partner, with significant cross-sell potential.
- The company is likely to close a large UK public services deal in 4Q.
- AI is being infused across every engagement, with delivery models restructured and a willingness to underwrite outcomes.

**Exhibit 1: NTM revenue-to-order book multiple (~1.3x) implies potential NTM revenue growth of ~29% YoY**

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Executable Order book over 12M	897	935	974	1,019	1,070	1,105	1,365	1,505	1,550	1,635	1,717
Next 12M Revenue	1,127	1,219	1,327	1,450	1,606	1,699	1,786	1,891	1,981	2,079	2,318
Revenue/order book	1.3	1.3	1.4	1.4	1.5	1.5	1.3	1.3	1.3	1.3	1.3
Implied YoY Growth											29 %
MOFSL Estimate											22 %

Source: Company, MOFSL

Quarterly Performance (IND-AS) (INR m)												
Y/E March (Consolidated)	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Rev. (USD m)	286	369	391	404	442	462	478	509	1,445	1,891	474	0.9
QoQ (%)	2.0	29.0	5.7	3.3	9.6	4.5	3.5	6.4	31.5	30.9	2.5	97bp
Revenue (INR m)	23,751	30,623	32,581	34,099	36,886	39,857	41,881	45,648	1,20,507	1,64,272	42,176	-0.7
YoY (%)	6.9	34.5	40.2	47.1	55.3	30.2	28.5	33.9	33.8	36.3	29.5	-91bp
GPM (%)	32.2	32.4	33.4	34.1	33.7	34.0	32.9	34.0	33.6	33.7	33.0	-10bp
SGA (%)	13.4	15.9	15.8	15.4	15.0	14.3	14.4	14.2	15.6	14.5	14.5	-10bp
EBITDA (INRm)	4,275	4,840	5,050	5,761	6,308	7,294	7,302	8,673	19,960	29,577	7,381	-1.1
EBITDA Margin (%)	18.0	15.8	15.5	16.9	17.1	18.3	17.4	19.0	16.6	18.0	17.5	-6bp
EBIT (INRm)	3,558	3,597	3,885	4,507	4,716	5,575	5,594	6,847	15,684	22,732	5,609	-0.3
EBIT Margin (%)	15.0	11.7	11.9	13.2	12.8	14.0	13.4	15.0	13.0	13.8	13.3	6bp
Other income	-516	-173	-329	-300	383	18	-276	-320	-1,080	-195	-211	30.9
ETR (%)	34.4	25.5	25.6	22.2	18.2	23.7	22.8	24.0	25.7	22.5	24.0	-5.1
Minority Interest	-61.0	-314.0	-404.0	-461.0	-390.0	-496.0	-465.0	0.0	-1,240.0	-1,351.0	-400.0	16.3
Reported PAT	1,310	2,021	2,120	2,611	3,168	3,769	2,502	4,961	8,372	14,399	3,703	-32.4
QoQ (%)	-41.6	54.3	4.9	23.1	21.3	19.0	-33.6	98.3			-1.7	
YoY (%)	-21.4	11.7	-10.9	16.3	141.8	86.5	18.0	90.0	0.9	72.0	72.9	
Extra-ordinary items	953	290	162	261	749	0	1,139	0	1,666	2,601	0.0	
Adj. PAT	2,263	2,311	2,241	2,872	3,917	3,769	3,641	4,961	9,686	16,288	3,703	-1.7
EPS (INR)	4.2	6.0	6.2	7.7	9.4	11.1	7.4	14.1	25.2	41.9	11	-32.1

## 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	4.4
<b>Margins</b>							
Gross Margin	32.2	32.4	33.4	34.1	33.7	34.0	33.6
EBIT Margin	15.0	11.7	11.9	13.2	12.8	14.0	13.0
Net Margin	5.5	6.6	6.5	7.7	8.6	9.5	6.9
<b>Operating metrics</b>							
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	593
<b>Key Verticals (YoY USD %)</b>							
BFS	9.4	23.6	18.3	30.9	32.5	17.4	15.8
Insurance	(6.8)	12.3	18.3	11.7	19.7	(1.1)	(3.6)
Travel and Transport	4.8	30.0	40.8	55.9	92.2	61.0	54.9
<b>Key Geographies (YoY USD %)</b>							
North America	7.7	48.2	66.4	64.7	72.4	31.5	24.2
Europe	2.4	15.7	18.4	15.3	22.8	7.0	2.0
							13.1



## Key highlights from the management commentary

## Demand outlook

- Two years ago, boards were asking how to implement AI; now they want a clear transformation path with measurable KPIs and enterprise-grade delivery.
- Witnessing a clear market inflection point.
- AI, driven by data and cloud, is becoming the engine of enterprise reinvention.
- Enterprises are done managing fragmented vendor relationships and want partners that can move at start-up speed while managing enterprise risk.
- Execution intensity is expected to further accelerate with the Encora acquisition.
- COFORGE's revenue grew 4.4% QoQ in CC terms, following 5.9% and 8% CC growth in the previous two quarters.
- Large deal velocity and growth in key accounts remain reassuring for the growth outlook; six large deals were signed during the quarter.
- Closed 16 large deals in FY26 YTD.
- Increase in unbilled revenues is tied to the nature of contracts signed; internal guardrails are in place to maintain FCF to PAT within the stated range.
- Order intake stood at USD593m (up 18% YoY). Six large deals were signed during the quarter.
- The 12-month executable order book increased 30% YoY to USD 1.7 bn. Added nine new logos during the quarter.
- **BFSI:** Two large deals were signed in banking and one in insurance. Given the current and expected large deal momentum, banking is likely to be the fastest-growing vertical next year. Insurance is not declining; management expects stronger growth in FY27 compared to FY26.
- **Travel:** Travel and banking are expected to outpace insurance next year. Sabre deal ramp-up in 1Q and 2Q progressed as planned, with costs tracking lower than initial estimates. Delivery execution remains comfortable for CY26. Post-Sabre, COFORGE is seeing USD20m airline opportunities that were not accessible earlier. Sabre is viewed not just as a client but as a partner, with significant cross-sell potential.
- **Healthcare and Hi-Tech:** Growth was led by Healthcare and Hi-Tech, which grew 8.5% QoQ. Together, these verticals now contribute ~10% of revenue, doubling

YoY. One large, completely net-new deal was signed in healthcare during 3Q, with another large deal expected in 4Q from provider clients.

- Continued focus on life sciences and payer segments; combined COFORGE-Encora capabilities are expected to win tactical deals as well. Management expects this segment to grow sharply next year.
- **Govt. outside India:** Likely to close a large UK public services deal in 4Q. Continued focus on government opportunities in the UK and Australia, not the US.
- Net headcount additions during the quarter; it continued aggressive hiring from campuses and lateral channels.
- Utilization is expected to improve sharply in 4Q; near-term pressure is due to fresher intake.
- Outcome-based contracts are increasingly part of deal structures, carrying higher margins due to risk underwriting and leading to higher revenue per employee.

### Margin performance and other comments

- EBIT margin stood at 13.4%, down 60 bp QoQ. Wage hikes of ~150 bp were partly offset by cost optimization initiatives and lower ESOP costs.
- Management indicated that reported EBIT margins and the plan to report ~15% margins in 4Q imply an exit margin of ~14% for FY26.
- FCF to PAT came in at 110%, well above the company's guided range.
- Exceptional items included INR135m of legal and professional charges related to the Encora acquisition. Additional acquisition-related expenses of USD10–15m are expected over the next few quarters, likely by next quarter or at the latest by 1Q.
- Other acquisition-related expenses may spill into 1Q.
- Cigniti acquisition update: NCLT hearing is expected in March, with resolution likely within one to two hearings. By the next earnings call, integration is expected to reflect in numbers, including minority interest addition and new shares issued to Cigniti shareholders.
- Very close to finalizing a USD550m term loan for three years with a consortium of four to five banks. Management believes there is no need for a QIP. Interest rate expected to be in the mid-single digits.
- **Encora acquisition closure:** regulatory filings are complete. HSR/CCI approval is expected in February, with all approvals anticipated between March and April, post which consolidation will begin.
- Guidance of no EPS dilution in FY27 remains intact.
- Other direct costs typically include third-party components for large SI deals and fluctuate based on milestone deliveries; this is seasonal and impacts DSO and liabilities.
- Sub-contracting costs as a percentage of revenue have started to decline. Hedge losses are in line with the existing hedging policy: 90% exposure hedged for the next quarter, then tapering to 80%, 70%, and 60%, averaging ~75% over one year.
- Hedge losses are largely due to USD movement. The company uses cash-flow hedges and is revisiting the hedge strategy, including balance sheet hedges, which could result in FX income being booked under other income.

- ESOP costs as a percentage of revenue are not expected to impact margins; incremental pool additions will not affect margins, though absolute ESOP costs may vary.
- Wage hikes are unlikely over the next four quarters.

#### Exhibit 2: Healthcare and Hi-Tech led the growth during the quarter

Verticals (QoQ, USD%)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
BFS	0.0	4.7	3.1	4.0	3.3	4.3	-2.3	17.4	-1.1	15.4	-1.1	4.1	-2.5
Insurance	-2.9	5.5	4.7	2.3	-1.3	-2.2	-5.6	23.2	4.1	-7.7	1.2	1.8	1.4
Transportation	1.9	2.3	1.2	2.3	-2.4	-1.5	6.6	26.9	5.7	9.0	31.5	6.3	1.7
Govt Outside India							7.3	22.5	-4.0	10.8	6.7	0.1	-5.5
Healthcare and Hi-tech*													8.7
Others	8.7	7.0	2.1	0.5	4.0	-30.6	11.4	56.2	-14.0	27.9	12.6	-33.5	18.7

Note: New vertical reporting started from 3QFY26, Source: Company, MOFSL.

#### Exhibit 3: APAC & EMEA contributed to growth

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

Source: Company, MOFSL

#### Valuation and view:

- We expect COFORGE to be the growth leader within our coverage universe and reiterate it as our top pick. We have kept our estimates largely unchanged, except for FY27, as we expect Cigniti to close by 4QFY26 and EPS to be accretive. COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business.
- We continue to view COFORGE as a structurally strong mid-tier player well-placed to benefit from vendor consolidation/cost-takeout deals and digital transformation. We value COFORGE at 32x FY28 EPS with a TP of INR2,500, implying a 53% potential upside. We reiterate our BUY rating on the stock.

#### Exhibit 4: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	88.2	90.0	90.5	88.1	90.0	90.5	0.0%	0.0%	0.0%
USD Revenue - m	1,891	2,294	2,819	1,882	2,289	2,853	0.5%	0.2%	-1.2%
Growth (%)	30.9	21.3	22.9	30.2	21.6	24.6	60bps	-40bps	-170bps
EBIT margin (%)	13.8	14.0	14.3	13.8	14.0	14.4	0bps	0bps	-20bps
Adj. PAT (INR M)	16,288	21,213	26,983	15,862	19,973	26,405	2.7%	6.2%	2.2%
Adj. EPS	47.5	60.3	76.7	46.2	56.6	74.8	2.8%	6.6%	2.6%

Source: MOFSL

**Exhibit 5: Operating metrics**

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Revenue mix Geography-wise (%)</b>									
Americas	46.6	47.7	50.8	55.1	56.0	54.7	56.7	57.9	56.8
EMEA	40.0	40.1	37.5	33.8	34.2	32.2	29.8	28.9	28.5
RoW	13.4	12.2	11.6	11.1	9.8	13.1	13.5	13.2	14.7
<b>Revenue mix Vertical-wise (%)</b>									
BFS	32.2	33.7	32.3	29.4	27.5	30.7	27.7	27.6	26.0
Insurance	22.0	21.6	20.0	19.1	18.8	16.8	15.5	15.1	14.8
Transportation	17.8	17.6	18.4	18.1	18.1	19.1	22.9	23.3	22.9
Manufacturing/Media/Others	28.0	19.5	21.3	25.9	21.0	25.9	26.7	17.0	19.5
<b>Revenue mix (%)</b>									
Top Clients contribution (%)									
Top - 5	22.7	23.0	21.0	18.7	19.8	18.0	20.7	21.0	21.0
Top - 10	34.3	34.4	32.9	28.2	30.0	27.7	29.3	30.8	30.7
<b>Fresh order Intake - USD m</b>									
USA	110	627	126	245	294	1828	272	281	304
EMEA	172	102	96	184	93	170	140	122	194
RoW	72	46	92	86	114	128	95	110	95
Deals signed - USD m	354	774	314	516	501	2126	507	514	593
Executable Order Book (NTM) - USD m	974	1019	1070	1105	1365	1505	1550	1635	1717
<b>Employee metrics</b>									
Billable Personnel	23107	23243	25037	30434	30981	31354	32013	32710	33178
Sales and Marketing	368	388	442	575	583	586	594	622	617
Others	1132	1095	1133	1474	1530	1557	1580	1564	1546
<b>Total</b>	<b>24607</b>	<b>24726</b>	<b>26612</b>	<b>32483</b>	<b>33094</b>	<b>33497</b>	<b>34187</b>	<b>34896</b>	<b>35341</b>
Utilization	79.4	81.7	81.6	82.2	81.3	82	82.1	82.3	81.7
Attrition	12.1	11.5	11.4	11.7	11.9	10.9	11.3	11.4	10.9

Source: Company, MOFSL

## Financials and valuations

Income Statement		(INR m)						
Y/E March		FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Sales</b>		<b>64,320</b>	<b>80,146</b>	<b>90,089</b>	<b>1,20,507</b>	<b>1,64,272</b>	<b>2,06,429</b>	<b>2,59,381</b>
Change (%)		37.9	24.6	12.4	33.8	36.3	25.7	25.7
Cost of revenue		43,736	54,059	60,179	80,017	1,08,991	1,36,362	1,71,795
<b>Gross Profit</b>		<b>20,584</b>	<b>26,087</b>	<b>29,910</b>	<b>40,490</b>	<b>55,281</b>	<b>70,067</b>	<b>87,586</b>
SGA expenses		8,527	11,438	13,694	18,799	23,742	31,471	38,837
RSU costs		633	587	1,046	1,731	1,963	1,651	2,075
<b>EBITDA</b>		<b>11,424</b>	<b>14,062</b>	<b>15,170</b>	<b>19,960</b>	<b>29,577</b>	<b>36,944</b>	<b>46,674</b>
% of Net Sales		17.8	17.5	16.8	16.6	18.0	17.9	18.0
Depreciation		2,272	2,585	2,972	4,276	6,845	8,041	9,597
<b>EBIT</b>		<b>9,152</b>	<b>11,477</b>	<b>12,198</b>	<b>15,684</b>	<b>22,732</b>	<b>28,903</b>	<b>37,077</b>
% of Net Sales		14.2	14.3	13.5	13.0	13.8	14.0	14.3
Other Income		-266	-630	-1,153	-1,080	-195	-619	-1,100
<b>PBT</b>		<b>8,886</b>	<b>10,847</b>	<b>11,045</b>	<b>14,604</b>	<b>22,537</b>	<b>28,284</b>	<b>35,977</b>
Tax		1,468	2,208	2,209	3,326	4,562	7,071	8,994
Rate (%)		16.5	20.4	20.0	22.8	20.2	25.0	25.0
Extraordinary Items		269	1,188	261	1,666	2,225	0	0
Minority Interest		530	513	276	1,240	1,351	0	0
<b>Adjusted PAT</b>		<b>6,888</b>	<b>8,126</b>	<b>8,560</b>	<b>9,686</b>	<b>16,288</b>	<b>21,213</b>	<b>26,983</b>
Change (%)		44.0	18.0	5.3	13.2	68.2	30.2	27.2

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	72,103	82,577	95,936
<b>Net Worth</b>		<b>27,331</b>	<b>30,825</b>	<b>36,266</b>	<b>63,792</b>	<b>72,772</b>	<b>83,246</b>	<b>96,605</b>
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	18,744	23,554	29,596
<b>Capital Employed</b>		<b>37,752</b>	<b>39,441</b>	<b>45,762</b>	<b>97,107</b>	<b>1,11,081</b>	<b>1,26,365</b>	<b>1,45,766</b>
<b>Net Block</b>		<b>4,452</b>	<b>4,455</b>	<b>4,470</b>	<b>7,682</b>	<b>5,206</b>	<b>5,773</b>	<b>5,096</b>
CWIP		86	46	232	24	24	24	24
Intangibles		14,821	16,299	16,133	49,726	48,357	46,749	44,829
Investments		0	0	0	0	0	0	0
Deferred tax assets		7,976	9,970	14,217	19,860	27,073	34,020	42,747
<b>Curr. Assets</b>		<b>22,209</b>	<b>26,064</b>	<b>26,025</b>	<b>43,508</b>	<b>62,907</b>	<b>77,259</b>	<b>96,778</b>
Debtors		13,894	16,131	18,039	25,771	30,604	38,458	48,323
Cash & Bank Balance		4,468	5,699	3,213	7,956	19,817	23,710	30,091
Investments		67	88	139	2,333	2,333	2,333	2,333
Other Current Assets		3,780	4,146	4,634	7,448	10,153	12,758	16,031
<b>Current Liab. &amp; Prov</b>		<b>11,792</b>	<b>17,393</b>	<b>15,315</b>	<b>27,375</b>	<b>36,169</b>	<b>41,143</b>	<b>47,391</b>
Trade payables		6,160	6,481	8,062	9,883	18,420	23,147	29,085
Other liabilities		5,316	10,552	6,836	16,786	16,786	16,786	16,786
Provisions		316	360	417	706	962	1,209	1,520
<b>Net Current Assets</b>		<b>10,417</b>	<b>8,671</b>	<b>10,710</b>	<b>16,133</b>	<b>26,739</b>	<b>36,116</b>	<b>49,388</b>
<b>Application of Funds</b>		<b>37,752</b>	<b>39,441</b>	<b>45,762</b>	<b>97,107</b>	<b>1,11,081</b>	<b>1,26,365</b>	<b>1,45,766</b>

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>EPS</b>	<b>21.3</b>	<b>22.3</b>	<b>27.6</b>	<b>25.2</b>	<b>41.9</b>	<b>60.3</b>	<b>76.7</b>
Cash EPS	28.6	30.6	37.5	37.0	61.1	83.2	104.0
Book Value	89.7	101.0	122.5	193.4	214.8	238.9	277.2
DPS	10.4	12.8	15.2	15.2	21.0	30.2	38.4
Payout %	48.8	57.4	55.1	60.3	50.0	50.0	50.0
<b>Valuation (x)</b>							
P/E	76.8	73.4	59.3	64.9	39.0	27.1	21.3
Cash P/E	57.1	53.5	43.6	44.2	26.8	19.7	15.7
EV/EBITDA	43.5	35.4	31.9	26.5	18.0	14.7	11.5
EV/Sales	7.7	6.2	5.4	4.4	3.2	2.6	2.1
Price/Book Value	18.2	16.2	13.4	8.5	7.6	6.9	5.9
Dividend Yield (%)	0.6	0.8	0.9	0.9	1.3	1.8	2.3
<b>Profitability Ratios (%)</b>							
RoE	25.0	23.1	24.1	13.9	16.4	21.8	24.7
RoCE	23.6	22.9	22.8	16.3	16.9	18.2	20.4
<b>Turnover Ratios</b>							
Debtors (Days)	65	68	69	66	63	61	61
Fixed Asset Turnover (x)	15.4	18.0	20.2	19.8	25.5	37.6	47.7

### Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	(INR m)
CF from Operations	9,089	10,532	11,834	15,060	22,968	29,224	36,551	
Cash for Working Capital	-1,433	-1,027	-2,800	-2,689	-963	-7,623	-9,575	
<b>Net Operating CF</b>	<b>7,656</b>	<b>9,505</b>	<b>9,034</b>	<b>12,371</b>	<b>22,004</b>	<b>21,602</b>	<b>26,976</b>	
Net Purchase of FA	-1,475	-1,537	-2,598	-5,572	-3,000	-7,000	-7,000	
<b>Free Cash Flow</b>	<b>6,181</b>	<b>7,968</b>	<b>6,436</b>	<b>6,799</b>	<b>19,004</b>	<b>14,602</b>	<b>19,976</b>	
Net Purchase of Invest.	-8,089	-1,179	120	-18,911	0	0	0	
<b>Net Cash from Invest.</b>	<b>-9,564</b>	<b>-2,716</b>	<b>-2,478</b>	<b>-24,483</b>	<b>-3,000</b>	<b>-7,000</b>	<b>-7,000</b>	
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	-7,176	-10,607	-13,492	
<b>Cash Flow from Fin.</b>	<b>-1,558</b>	<b>-5,582</b>	<b>-8,870</b>	<b>16,753</b>	<b>-7,143</b>	<b>-10,710</b>	<b>-13,595</b>	
<b>Net Cash Flow</b>	<b>-3,466</b>	<b>1,207</b>	<b>-2,314</b>	<b>4,641</b>	<b>11,862</b>	<b>3,892</b>	<b>6,381</b>	
Exchange difference	-65	24	-172	102	0	0	0	
<b>Opening Cash Bal.</b>	<b>7,998</b>	<b>4,467</b>	<b>5,698</b>	<b>3,212</b>	<b>7,955</b>	<b>19,816</b>	<b>23,709</b>	
Add: Net Cash	-3,531	1,231	-2,486	4,743	11,862	3,892	6,381	
<b>Closing Cash Bal.</b>	<b>4,467</b>	<b>5,698</b>	<b>3,212</b>	<b>7,955</b>	<b>19,816</b>	<b>23,709</b>	<b>30,090</b>	

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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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