Coforge

Estimate change	⟷
TP change	↑
Rating change	⟷

CMP: INR1,900 **TP: INR2,370 (+25%)** **Buy**

A quarter for integration

Margin push encouraging as benefits from AI continue

- COFORGE reported 2QFY27 organic revenue growth of 3.8% QoQ in CC terms, above our estimate of 3.5% QoQ CC. The company reported an order intake of USD1,040m (up 102.3% YoY) with eight large deal wins. Consolidated EBIT margin stood at 16%, in line with our estimate.
- Consolidated adjusted PAT stood at INR6.3b (up 12.5% QoQ/67.8% YoY), in line with our estimate.
- 1HFY27 revenue/EBIT/adj. PAT grew 52.1%/78.8%/59.8% YoY. In 2HFY27, we expect revenue/EBIT/adj. PAT growth of 51.5%/58.1%/47.6% YoY in INR terms. **We value COFORGE at 32x FY28E EPS with a TP of INR2,370**, implying a 25% potential upside. We reiterate our **BUY** rating on the stock.

Our view: Strong order book supports growth acceleration in 2H

- **Deal momentum remains strong, supporting growth visibility:** Coforge reported a record quarterly order intake of USD1.04b, up 51% QoQ and 102% YoY, with eight large deal wins. The next 12-month executable order book rose 45% YoY to a record USD2.4b. With eight or more large deal wins targeted in 3QFY27, deal momentum is expected to support growth visibility. Most large deals are proactively sourced and solution-led, limiting direct pricing competition.
- **Encora integration nearing completion; growth expected to accelerate in 2HFY27:** YoY organic growth has decelerated over the past two quarters, partly reflecting the Encora integration, with Encora's revenue remaining broadly flat QoQ at USD147-148m in 2QFY27. With integration largely complete, Encora's growth is expected to converge with Coforge's from 3QFY27. Encora's margin expansion is also ahead of the acquisition plan, while a strong deal pipeline, including the largest deal currently being pursued with an Encora client and expected to close in 3Q or 4Q, provides further growth opportunities.
- **Margin trajectory improving, with further expansion levers:** Margin gains have so far been supported by G&A efficiency, with G&A growing only 15.6% YoY against revenue and sales and marketing growth of ~52% YoY. Further improvement is expected from AI-led efficiency and high utilization, currently at 82.4% vs. ~86% for peers. Gross margin expansion is expected to become more visible from 4QFY27. We expect consolidated EBIT margins at 16% in FY27E and build in 40bp improvement in FY28E. The margin upgrade, alongside continued investment in sales and solutioning, supports the view that profitability gains are not being pursued at the expense of growth.
- **Organic growth led by BFSI and government; healthcare and high-tech decline:** Organic **QoQ CC revenue growth** was led by government outside India **(+20.8% QoQ)**, BFSI **(+8.3%)**, insurance **(+3.6%),** emerging verticals **(+2.3%),** and travel, transportation and hospitality **(+1.8%).** Healthcare and high-tech declined **6.4%. Organic growth led by BFSI and government; healthcare and high-tech decline:** Organic **QoQ CC revenue growth** was led by government outside India **(+20.8% QoQ)**, BFSI **(+8.3%)**, insurance **(+3.6%),** emerging verticals **(+2.3%),** and travel, transportation and hospitality **(+1.8%).** Healthcare and high-tech declined **6.4%.**

Bloomberg	COFORGE IN
Equity Shares (m)	443
M.Cap.(INRb)/(USDb)	841.8 / 8.9
52-Week Range (INR)	2022 / 1008
1, 6, 12 Rel. Per (%)	10/62/21
12M Avg Val (INR M)	4793

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	164.0	248.5	298.7
EBIT Margin (%)	14.4	16.0	16.4
PAT	14.7	25.0	32.4
EPS (INR)	35.2	56.9	72.7
Adj. PAT	17.0	25.9	33.0
Adj. EPS (INR)	40.2	58.7	74.0
Adj. EPS Gr. (%)	102.5	45.8	26.1
BV/Sh. (INR)	226.9	541.5	588.8
Ratios			
RoE (%)	16.5	14.9	13.0
RoCE (%)	19.5	14.4	11.8
Payout (%)	43.8	24.6	27.5
Valuations			
P/E (x)	54.0	33.4	26.1
P/BV (x)	8.4	3.5	3.2
EV/EBITDA (x)	25.9	15.7	12.9
Div Yield (%)	0.8	0.7	1.1

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	43.7	42.6	54.9
FII	24.8	24.3	34.1
Others	31.5	33.1	11.0

FII Includes depository receipts

Abhishek Pathak - Research Analyst (Abhishek.Pathak@MotilalOswal.com)
Keval Bhagat - Research Analyst (Keval.Bhagat@MotilalOswal.com) | **Suket Kothari - Research Analyst** (Suket.Kothari@MotilalOswal.com)

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Cash conversion on track despite temporary collection delays:** FCF-to-PAT conversion stood at 89% in 2Q, with **100% conversion targeted for FY27.** OCF-to-EBITDA (~42%) **conversion** has been **affected by the transfer of contracts** from US entities to India as part of Encora's legal entity rationalization and tax structuring, resulting in temporary delays in invoicing and collections**.**

Valuation and view

- We expect COFORGE to be the **growth leader** within our coverage universe, and we reiterate it as our top pick. Strong deal wins, continued execution, improving cash conversion, and EBIT margin guidance upgrade, along with further expansion in FY28, provide **confidence in the medium-term growth outlook.**
- We keep our estimates unchanged and raise our **target multiple to 32x FY28E EPS** (earlier 29x), arriving at a TP of INR2,370, implying 25% upside. The higher multiple reflects **improved visibility** from strong deal wins and structurally higher margins. We reiterate our **BUY** rating on the stock.

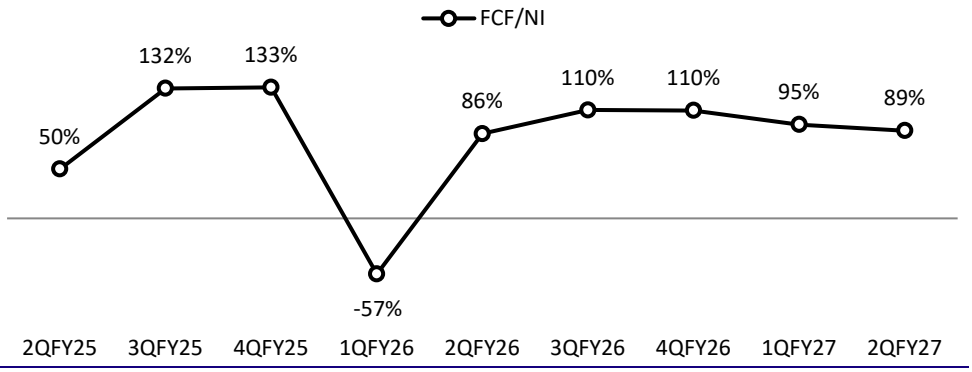
Miss on revenue, margins in line; FY27 EBIT margin guidance upgraded from 15.5% to 16%

- Organic revenue grew 3.8% QoQ CC (vs. our estimate of 3.5% QoQ CC).
- Revenue rose 10.9% QoQ CC (est. 12% CC). Reported USD growth was 10.1% QoQ.
- Growth was led by the Government outside India, BFS, Healthcare and Hi-Tech vertical (up 20.8%/14.3%/13.7% QoQ).
- Order intake was USD1,040m (up 102.3% YoY). 12-month executable order book rose 45.4% YoY to USD2.38b. It signed eight large deals in 2Q, the highest for any quarter.
- FY27 consolidated EBIT margin guidance has been upgraded from 15.5% to 16.0%. For FY28, the company expects to further improve its EBIT margin to 17%.
- EBIT margin was 16%, in line with our estimates of 16%.
- Utilization was down 10bp QoQ at 82.4%. Net employee addition stood at 1,137, up 2.5% QoQ. Attrition remained flat QoQ at 10.4%.
- Adj. PAT stood at INR6.3b (up 12.5% QoQ/67.8% YoY) vs. our estimates of INR6.4b.
- FCF to Adj. NI stood at 89% vs. 95% in 1QFY27.

Key highlights from the management commentary

- Management sees **acute industry pricing pressure** from AI-led deflation, with time-and-material economics weakening as automation reduces labor content.
- COFORGE expects to be the **industry growth leader for the third consecutive year** in FY27, which will be the 10th year of its current leadership team.
- Management aims to **accelerate growth** from hereon and reiterates that growth remains the first priority over margins.
- A **second client has crossed USD100m in annualized revenue**, while a large deal was signed during the quarter at one of the company's highest-margin accounts.
- Management expects **eight or more large deals in 3QFY27**, the shortest quarter, potentially surpassing the 2Q record.
- Client outcomes include an AI quote agent reducing turnaround time from **three weeks to under five days,** and the release of **15,000 business hours** at a pharma client.
- Management expects the commercial model to shift from effort-based to **value-based pricing** as proactive, outcome-led proposals gain share.

Exhibit 1: Management has reiterated its target of 100%+ FCF-to-PAT conversion for FY27



Source: Company, MOFSL

Quarterly Performance (IND-AS)

Y/E March	FY26				FY27E				FY26*	FY27E*
(Consolidated)	1Q*	2Q	3Q*	4Q*	1Q*	2Q	3QE	4QE		
Rev. (USD m)	**444**	**462**	**481**	**489**	**592**	**652**	**682**	**709**	**1,870**	**2,635**
QoQ (%)	10.1	4.0	4.1	1.7	21.1	10.1	4.5	4.0	29.1	40.9
Revenue (INR m)	**37,044**	**39,857**	**42,315**	**44,504**	**55,277**	**61,708**	**64,475**	**67,054**	**1,64,027**	**2,48,513**
YoY (%)	56.0	30.2	29.9	30.0	49.2	54.8	52.4	50.7	35.9	51.5
GPM (%)	**34.0**	**34.0**	**33.6**	**34.4**	**34.3**	**34.1**	**34.1**	**34.1**	**33.8**	**34.1**
SGA (%)	**16.5**	**15.7**	**15.3**	**13.8**	**13.9**	**13.5**	**13.5**	**13.5**	**15.3**	**13.6**
EBITDA (INRm)	**6,471**	**7,282**	**7,735**	**9,168**	**11,233**	**12,697**	**13,282**	**13,813**	**30,464**	**51,025**
EBITDA Margin (%)	17.5	18.3	18.3	20.6	20.3	20.6	20.6	20.6	18.6	20.5
EBIT (INRm)	**4,879**	**5,563**	**6,027**	**7,368**	**8,822**	**9,847**	**10,380**	**10,796**	**23,645**	**39,845**
EBIT Margin (%)	13.2	14.0	14.2	16.6	16.0	16.0	16.1	16.1	14.4	16.0
Other income	-477	18	-710	-582	-803	-686	-645	-671	-2,058	-2,805
ETR (%)	21.7	23.8	22.8	-6.6	24.3	24.3	24.0	24.0	13.4	24.1
Minority Interest	-390.0	-496.0	-465.0	-539.0	-131.0	-168.0	-130.0	-130.0	-1,890.0	-559.0
Reported PAT	**2,471**	**3,757**	**2,501**	**6,123**	**5,186**	**5,881**	**6,809**	**7,141**	**14,854**	**25,017**
QoQ (%)	1.2	22.9	-3.1	79.7	-14.4	12.5	8.0	4.9		
YoY (%)	35.1	62.6	62.5	116.6	83.2	67.8	87.0	9.2	74.5	52.1
Adj. PAT	**3,057**	**3,757**	**3,640**	**6,541**	**5,602**	**6,303**	**6,809**	**7,141**	**16,996**	**25,852**
EPS (INR)	**7.2**	**8.9**	**8.6**	**15.5**	**13.3**	**14.1**	**15.3**	**16.0**	**40.2**	**58.7**

Note: *Figures are adjusted for the change in the revenue recognition accounting policy. In addition, 1QFY27 figures include two months of contribution from Encora.

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	8.0	5.9	4.4	2.0	22.3	10.9	
Margins							
Gross Margin	34.0	34.0	33.6	34.4	34.3	34.1	33.8
EBIT Margin	13.2	14.0	14.2	16.6	16.0	16.0	14.4
Net Margin	6.7	9.4	5.9	13.8	9.4	9.5	9.1
Operating metrics							
Headcount	34,187	34,896	35,341	35,777	46,228	47,365	35,777
Attrition (%)	11.3	11.4	10.9	10.8	10.4	10.4	10.8
Deal Win TCV (USD b)	507	514	593	648	691	1,040	2,262
Key Verticals (YoY USD %)							
BFS	33.0	17.4	16.4	(1.7)	18.9	29.5	15.0
Insurance	20.2	(1.1)	(3.1)	6.8	17.0	19.6	4.9
Travel and Transport	93.0	61.0	55.8	48.5	24.0	22.4	62.3
Key Geographies (YoY USD %)							
North America	73.1	31.5	24.9	25.6	45.3	53.8	35.7
Europe	23.3	7.0	2.6	6.5	20.8	20.1	9.2

Key highlights from the management commentary

Demand outlook

- Management sees **acute industry pricing pressure** from AI-led deflation, with time-and-material economics weakening as automation reduces labor content.
- Coforge expects to be the **industry growth leader for the third consecutive year** in FY27, which will be the 10th year of the current leadership team.
- Management aims to **accelerate growth** from hereon and reiterates that growth remains the first priority over margins.
- A **second client has crossed USD100m in annualized revenue**, while a large deal was signed during the quarter at one of the company's highest-margin accounts.
- Management expects **eight or more large deals in 3QFY27**, the shortest quarter, potentially surpassing the 2Q record.
- Client outcomes include an AI quote agent reducing turnaround time from **three weeks to under five days,** and the release of **~15,000 business hours** at a pharma client.
- Management expects the commercial model to shift from effort-based to **value-based pricing** as proactive, outcome-led proposals gain share.
- The demand slowdown is attributed mainly to **slower procurement-led RFPs**, while enterprise appetite for AI-led transformation continues to strengthen.
- Management calls 2Q a **critical tipping point** in internal AI adoption, prompting the margin guidance upgrade.
- Enterprises extract the most AI value from redesigning and automating workflows, shifting the opportunity from supplying effort to owning business outcomes.
- New deals are expected to ramp up almost immediately, with no long-gestation programs.
- Most large deals are sole-sourced and proactive, led by an onsite solutioning engine, helping avoid price-led competition.
- Consolidated revenue grew 10.9% QoQ CC (10.1% in USD and 11.6% in INR) to USD652.2m (INR61.7b), marking the first full quarter of Encora consolidation.
- Organic growth stood at 3.8% QoQ CC, with Encora contributing an implied ~USD147-148m, broadly flat on a full-quarter basis and in line with expectations.
- Encora's growth is expected to mirror Coforge's from 3QFY27, as integration is complete and both businesses now operate as a single unit.
- AI-led engineering, data, integration and cloud contributed **~86% of cons. revenue**.
- Order intake exceeded **USD1b** (**+51% QoQ and +102% YoY**), marking only the second time in company history, led by Europe at USD485m and North America at USD455m.
- One of the large deals was a **USD230m UK public sector engagement**, signed in Jul'26.
- **BFS:** BFSI grew **8.3% QoQ CC organically**, the strongest performance among the large verticals, with two of the eight large deals coming from the segment. A North American wealth management platform deployed an **AI trade assistant** that increases advisor capacity without incremental headcount.
- **Insurance:** Insurance grew **3.6% QoQ CC**, with AI adoption remaining strong as legacy modernization is a key use case. A North American P&C insurer migrated legacy integration services to AWS microservices through an **AI-powered Mod Squad**, enabling ~30% faster delivery.

- **Healthcare & Hi-Tech:** Healthcare & hi-tech declined **6.4% QoQ CC organically**, although the Encora-led healthcare account remains a top-10 client and is growing strongly. Two of the eight large deals came from hi-tech, while the Encora healthcare and hi-tech pipeline supports growth from 3QFY27.
- **Government (overseas):** Government outside India grew **20.8% QoQ CC**, the fastest across verticals, with three of the eight large deals coming from public sector.
- Revenue growth of 40–50% was absorbed in G&A **without incremental hiring**, aided by technology adoption across finance, HR and IT.
- Coforge runs **520+ AI engagements for 225+ clients**, with **260+ agents deployed in live operations**.
- **Neuron and Momentum Blue** (forward-deployed engineer unit), supported by Mod Squads, anchor the AI delivery model.
- The largest program involves migrating **12m lines of code to Google Cloud over ~4.5 years**, with execution largely AI-led.
- An AI drilling advisor at an energy services client now plans **half of new well projects**, reducing analysis time from weeks to hours.
- Encora's margin expansion is **ahead of the acquisition plan**, with its largest healthcare client and the largest pipeline deal both within the Encora business.
- Partnerships were expanded with **Pega** for own-brand offerings and **AWS** through a forward-deployed engineer pilot, with AWS co-investing.

Margin performance and other comments

- Consolidated EBIT margin stood at 16%, ahead of the 15.5% guidance, while standalone EBIT margin was ~17%.
- FY27 EBIT margin guidance was raised to 16% from 15.5%, with 4QFY27 targeted at 17% and margins expected to remain at or above 17% in FY28.
- EBITDA margin stood at 20.5% in 1HFY27, with FY27 guidance of 20.5-21% maintained.
- Combined G&A improved to 6.3% of revenue from 6.6% in 1QFY27. YoY G&A growth was only ~15.6%, against revenue growth of ~53%, while S&M grew ~52%.
- Gross margin is expected to see a material uplift from 3Q or 4QFY27 as Momentum Blue investments scale.
- Hedge losses stood at USD10.2m, broadly in line with 1QFY27. Mark-to-market losses are expected at USD7m in 3Q and USD1.2m in 4Q, followed by nil thereafter.
- Exceptional items stood at USD5.9m, relating to legal entity rationalization and tax structuring, and are expected to be nil from 3QFY27.
- Total integration costs were ~USD17m vs. the guided USD15-16m, owing to higher-than-expected overseas tax planning costs and the rationalization of ~95 entities.
- Nil exceptional items, lower hedge losses and a 17% EBIT margin exit rate imply significant upside to 4QFY27 exit EPS, with management indicating ~INR19-20.
- The steady-state tax rate is guided at 23-24%, while minority interest is likely to stay unchanged, relating to the Coforge DPS JV, in which the client holds a 20% stake.
- FCF/PAT stood at 89% in 2QFY27 (USD 53.8m) and 92% in 1HFY27, with FY27 guidance of 100%+ maintained.

Exhibit 2: Govt Outside India, Healthcare and BFS led the growth during the quarter

Verticals (QoQ, USD%)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	QFY27	2QFY27
BFS	4.0	3.3	4.3	-2.3	17.4	-1.1	15.4	-0.7	3.7	-2.0	-2.6	20.1	12.9
Insurance	2.3	-1.3	-2.2	-5.6	23.2	4.1	-7.7	1.6	1.3	2.0	1.7	11.3	3.7
Transportation	2.3	-2.4	-1.5	6.6	26.9	5.7	9.0	32.0	5.8	2.3	3.9	10.2	4.4
Govt Outside India				7.3	22.5	-4.0	10.8	7.1	-0.3	-5.0	21.1	-3.1	19.3
Healthcare and Hi-tech*										9.3	11.4	82.1	12.3
Others	0.5	4.0	-30.6	11.4	56.2	-14.0	-13.4	-1.2	11.9	19.4	-6.6	15.7	13.0

Note: New vertical reporting started from 3QFY26, Healthcare also included Encora's business, which is double the COFORGE's healthcare business; Source: Company, MOFSL

Exhibit 3: US & APAC contributed to growth

Geography(QoQ, USD%)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
US	1.7	-4.3	2.0	8.6	39.9	7.4	0.9	14.1	6.2	2.1	1.5	32.0	12.4
EMEA	2.8	4.5	-0.1	-4.7	16.3	7.0	-2.7	1.9	0.9	2.6	1.0	15.5	0.3
APAC	3.2	15.2	-9.3	-3.1	23.4	-6.7	38.1	13.4	1.7	15.9	3.8	-9.6	20.9

Source: Company, MOFSL

Valuation and view

- We expect COFORGE to be the **growth leader** within our coverage universe, and we reiterate it as our top pick. Strong deal wins, continued execution, improving cash conversion, and EBIT margin guidance upgrade, along with further expansion in FY28, provide **confidence in the medium-term growth outlook.**
- We keep our estimates unchanged and raise our **target multiple to 32x FY28E EPS** (earlier 29x), arriving at a TP of INR2,370, implying 25% upside. The higher multiple reflects **improved visibility** from strong deal wins and structurally higher margins. We reiterate our **BUY** rating on the stock.

Exhibit 4: Revisions to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.3	96.0	95.3	96.0	-1.1%	0.0%
USD Revenue (m)	2,635	3,111	2,667	3,163	-1.2%	-1.6%
Growth (%)	40.9	18.1	42.6	18.6	-170bps	-50bps
EBIT margin (%)	16.0	16.4	16.0	16.1	0bps	30bps
Adj. PAT (INR m)	25,852	32,966	25,824	32,505	0.1%	1.4%
Adj. EPS	58.7	74.0	58.6	72.9	0.1%	1.5%

Source: MOFSL

Exhibit 5: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Revenue mix Geography-wise (%)									
Americas	55.1	56.0	54.7	56.7	57.9	56.8	56.7	61.8	63.1
EMEA	33.8	34.2	32.2	29.8	28.9	28.5	28.3	27.0	24.6
RoW	11.1	9.8	13.1	13.5	13.2	14.7	15.0	11.2	12.3
Revenue mix Vertical-wise (%)									
BFS	29.4	27.5	30.7	27.7	27.6	26.0	24.9	24.7	25.3
Insurance	19.1	18.8	16.8	15.5	15.1	14.8	14.8	13.6	12.8
Transportation	18.1	18.1	19.1	22.9	23.3	22.9	23.4	21.3	20.2
Manufacturing/Media/Others	25.9	21.0	17.6	15.8	17.0	19.5	17.9	17.1	17.5
Revenue mix (%)									
Top Clients contribution (%)									
Top – 5	18.7	19.8	18.0	20.7	21.0	21.0	21.8	18.0	18.1
Top -10	28.2	30.0	27.7	29.3	30.8	30.7	31.4	26.1	26.4
Fresh order Intake - USD m									
USA	245	294	1,828	272	281	304	437	364	455
EMEA	184	93	170	140	122	194	156	260	485
RoW	86	114	128	95	110	95	55	67	101
Deals signed - USD m	516	501	2,126	507	514	593	648	691	1,040
Executable Order Book (NTM) - USD m	1,105	1,365	1,505	1,550	1,635	1,717	1,752	2,228	2,380
Employee metrics									
Billable Personnel	30,434	30,981	31,354	32,013	32,710	33,178	33,643	43,421	44,652
Sales and Marketing	575	583	586	594	622	617	577	687	673
Others	1,474	1,530	1,557	1,580	1,564	1,546	1,557	2,120	2,040
Total	**32,483**	**33,094**	**33,497**	**34,187**	**34,896**	**35,341**	**35,777**	**46,228**	**47,365**
Utilization	82.2	81.3	82	82.1	82.3	81.7	82.5	82.5	82.4
Attrition	11.7	11.9	10.9	11.3	11.4	10.9	10.8	10.4	10.4

Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**64,320**	**80,146**	**90,089**	**1,20,733**	**1,64,027**	**2,48,513**	**2,98,679**
Change (%)	37.9	24.6	12.4	34.0	35.9	51.5	20.2
Cost of revenue	43,736	54,059	60,179	79,999	1,08,527	1,63,705	1,96,583
Gross Profit	**20,584**	**26,087**	**29,910**	**40,734**	**55,500**	**84,808**	**1,02,096**
SGA expenses	8,527	11,438	13,694	23,516	25,036	33,783	40,322
RSU costs	633	587	1,046	1,742	1,979	1,883	2,389
EBITDA	**11,424**	**14,062**	**15,170**	**17,218**	**30,464**	**51,025**	**61,775**
% of Net Sales	17.8	17.5	16.8	14.3	18.6	20.5	20.7
Depreciation	2,272	2,585	2,972	4,276	6,819	11,180	12,843
EBIT	**9,152**	**11,477**	**12,198**	**12,942**	**23,645**	**39,845**	**48,931**
% of Net Sales	14.2	14.3	13.5	10.7	14.4	16.0	16.4
Other Income	-266	-630	-1,153	19	-2,058	-5,031	-4,820
PBT	**8,886**	**10,847**	**11,045**	**12,961**	**21,587**	**34,814**	**44,111**
Tax	1,468	2,208	2,209	3,326	2,583	8,131	10,587
Rate (%)	16.5	20.4	20.0	25.7	12.0	23.4	24.0
Extraordinary Items	269	1,188	261	0	2,260	1,107	557
Minority Interest	530	513	276	1,240	1,890	559	558
Adjusted PAT	**6,888**	**8,126**	**8,560**	**9,742**	**16,996**	**25,852**	**32,966**
Change (%)	44.0	18.0	5.3	13.8	74.5	52.1	27.5

Balance Sheet							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	609	611	618	669	672	886	886
Reserves	26,722	30,214	35,648	63,123	94,704	2,35,998	2,60,047
Net Worth	**27,331**	**30,825**	**36,266**	**63,792**	**95,376**	**2,36,884**	**2,60,933**
Loans	3,365	3,382	3,399	67	1,167	49,707	31,467
Minority Interest	983	874	1,003	19,498	1,430	1,193	674
Other liabilities	6,073	4,360	5,094	13,750	14,147	21,434	25,760
Capital Employed	**37,752**	**39,441**	**45,762**	**97,107**	**1,12,120**	**3,09,218**	**3,18,835**
Net Block	**4,452**	**4,455**	**4,470**	**7,682**	**9,425**	**9,481**	**8,207**
CWIP	86	46	232	24	33	33	33
Intangibles	14,821	16,299	16,133	49,726	55,114	1,74,936	1,72,367
Investments	0	0	0	0	0	0	0
Deferred tax assets	7,976	9,970	14,217	19,860	25,184	38,156	45,858
Curr. Assets	**22,209**	**26,064**	**26,025**	**43,508**	**59,058**	**1,37,703**	**1,50,150**
Debtors	13,894	16,131	18,039	25,771	39,700	46,298	55,644
Cash & Bank Balance	4,468	5,699	3,213	7,956	10,936	78,674	79,216
Investments	67	88	139	2,333	56	56	56
Other Current Assets	3,780	4,146	4,634	7,448	8,366	12,675	15,234
Current Liab. & Prov	**11,792**	**17,393**	**15,315**	**27,375**	**36,694**	**51,091**	**57,780**
Trade payables	6,160	6,481	8,062	9,883	17,754	31,643	38,030
Other liabilities	5,316	10,552	6,836	16,786	17,953	17,953	17,953
Provisions	316	360	417	706	987	1,495	1,797
Net Current Assets	**10,417**	**8,671**	**10,710**	**16,133**	**22,364**	**86,612**	**92,370**
Application of Funds	**37,752**	**39,441**	**45,762**	**97,107**	**1,12,120**	**3,09,218**	**3,18,835**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
EPS	**15.7**	**16.4**	**19.7**	**19.9**	**35.2**	**56.9**	**72.7**
Cash EPS	21.1	22.5	26.7	33.2	51.0	82.3	101.5
Book Value	65.0	73.3	86.3	151.8	226.9	541.5	588.8
DPS	10.4	12.8	15.2	15.2	15.4	14.0	20.0
Payout %	66.4	77.9	77.3	76.5	43.8	24.6	27.5
Valuation (x)							
P/E	121.3	115.7	96.7	95.6	54.0	33.4	26.1
Cash P/E	90.3	84.3	71.2	57.3	37.2	23.1	18.7
EV/EBITDA	69.8	56.6	52.7	45.8	25.9	15.7	12.9
EV/Sales	12.4	9.9	8.9	6.5	4.8	3.2	2.7
Price/Book Value	29.2	25.9	22.0	12.5	8.4	3.5	3.2
Dividend Yield (%)	0.5	0.7	0.8	0.8	0.8	0.7	1.1
Profitability Ratios (%)							
RoE	25.0	23.1	24.1	13.9	16.5	14.9	13.0
RoCE	23.6	22.9	22.8	13.4	19.5	14.4	11.8
Turnover Ratios							
Debtors (Days)	65	68	69	66	73	63	62
Fixed Asset Turnover (x)	15.4	18.0	20.2	19.9	19.2	26.3	33.8

Cash Flow Statement							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	9,089	10,532	11,834	15,060	24,538	34,112	43,457
Cash for Working Capital	-1,433	-1,027	-2,800	-2,689	-6,621	-2,195	-8,591
Net Operating CF	**7,656**	**9,505**	**9,034**	**12,371**	**17,917**	**31,917**	**34,866**
Net Purchase of FA	-1,475	-1,537	-2,598	-5,572	-2,953	-9,000	-9,000
Free Cash Flow	**6,181**	**7,968**	**6,436**	**6,799**	**14,964**	**22,917**	**25,866**
Net Purchase of Invest.	-8,089	-1,179	120	-18,911	-1,395	-1,39,815	0
Net Cash from Invest.	**-9,564**	**-2,716**	**-2,478**	**-24,483**	**-4,348**	**-1,48,815**	**-9,000**
Proceeds from Equity	51	18	-3,516	21,831	-111	1,40,029	0
Proceeds from LTB/STB	2,139	-1,315	-573	19	-5,395	50,767	-16,406
Dividend Payments	-3,748	-4,285	-4,781	-5,097	-5,431	-6,160	-8,917
Cash Flow from Fin.	**-1,558**	**-5,582**	**-8,870**	**16,753**	**-10,937**	**1,84,636**	**-25,324**
Net Cash Flow	**-3,466**	**1,207**	**-2,314**	**4,641**	**2,632**	**67,740**	**541**
Exchange difference	-65	24	-172	102	348	0	0
Opening Cash Bal.	**7,998**	**4,467**	**5,698**	**3,212**	**7,955**	**10,935**	**78,674**
Add: Net Cash	-3,531	1,231	-2,486	4,743	2,980	67,740	541
Closing Cash Bal.	**4,467**	**5,698**	**3,212**	**7,955**	**10,935**	**78,674**	**79,216**

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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