

TBO Tek | BUY

H&P growth accelerates; investments behind; Upgrade to BUY

TBO Tek's (TBO) consol. GTV growth in 2Q accelerated to 12% YoY from just 2% YoY in 1Q, in-line JMFe. Acceleration was driven by both H&P growth improving to 20%+ from 12%/17% in 1QFY26/4QFY25 and air trends turning flattish YoY vs. low-teens decline in the prior 2 quarters. We expect organic GTV growth trends in both these segments to be stable in the near term in the absence of any macro challenges. While reported EBITDA of INR 881mn was c.2% ahead of JMFe, adjusted for one-off M&A expense (related to Classic Vacations acquisition) of INR 132mn, the beat was 17%. Importantly, the management noted that SG&A expense growth is likely to decelerate henceforth on account of upfronting of most sales headcount expansion related costs. This, in turn, should enable the much-awaited operating leverage to play out (on an organic basis) latest by 4QFY26, in our opinion. Valuations too appear attractive as the stock has given up most of the early gains post Classic Vacations M&A announcement. We, therefore, upgrade TBO to BUY with a Sep'26 TP of INR 1,750 (unchanged multiple of 40x EPS).

- **H&P growth recovery driven by key international markets:** TBO's consol. GTV grew 12.1% YoY (+9.6% QoQ) to INR 89bn in 2QFY26, in line with JMFe. Segment-wise, H&P GTV grew 20.4% YoY from 12.5%/17.4% in 1QFY26/2QFY25, respectively, whereas Air ticketing GTV was flattish YoY vs. low-teens decline in the prior 2 quarters. H&P segment in turn saw broad-based improvement in trends across key international markets, particularly Europe (+20% YoY), MEA (+27% YoY) and APAC (+41% YoY). Other markets, the US, LATAM and India grew 16%, 10% and 4%, respectively. Consol. revenue grew 25.9% YoY to INR 5.67bn, a beat on JMFe/ Cons. By 2.8%/ 4.9% respectively, aided by the H&P (+34.3% YoY) segment that reported better-than expected take-rate on account higher share of commission income. While gross take-rates in the H&P segment stood at 8.46% vs. 8.36%/7.59% in 1QFY26/2QFY25, air segment take-rate was 2.41% vs. 2.56%/2.60% in 1QFY26/2QFY25, respectively.
- **Strong EBITDA beat excluding one-off, cost discipline to aid expansion ahead:** Consol. gross margin was down 390bps YoY (-116bps QoQ) to 64.0%, a miss on our estimate of 65.8% due to sharp decline in H&P as well as the air segment margin. While reported EBITDA margin was down 288bps YoY (+28bps QoQ) to 15.5%, adjusted for one-off M&A expense of INR 132mn, the margin was down only c.55bps YoY to 17.8%. Excluding the one-off, EBITDA grew 22% YoY to INR 1,013mn (reported grew 6% to INR 881mn), a beat on JMFe by c.17% (~2% beat on reported). The management indicated that incremental hiring and frontline expansion are largely behind and hence SG&A growth (in the organic business) relative to gross profit growth will continue to moderate over the next few quarters. This, in turn should help TBO's organic business EBITDA margin expand from 4QFY26 (seasonality may weigh on 3Q).
- **Upgrade to 'BUY' with revised TP of INR 1,750:** We marginally raise consol. GTV estimates by ~1% over FY26-28. Consol. Revenue has been raised by c.2% during this period, assuming higher take-rates in the H&P segment basis 2Q results. However, we cut EBITDA margin forecasts by 44 for FY26 due to one-off M&A expense impact but raise the same by 10-11bps over FY27-28. Overall, our EPS forecasts are raised by c.1-5%. Due to improved earnings growth visibility and attractive valuations (post recent correction in the stock), we upgrade TBO to BUY rating with a Sep'26 TP of INR 1,750 derived basis 40x NTM PER.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	ADD
Current Price Target (12M)	1,750
Upside/(Downside)	16.9%
Previous Price Target	1,680
Change	4.2%

Key Data – TBOTEK IN

Current Market Price	INR1,497
Market cap (bn)	INR162.5/US\$1.8
Free Float	56%
Shares in issue (mn)	108.6
Diluted share (mn)	108.6
3-mon avg daily val (mn)	INR458.0/US\$5.2
52-week range	1,846/986
Sensex/Nifty	83,978/25,763
INR/US\$	88.8

Price Performance

%	1M	6M	12M
Absolute	-6.5	38.7	-10.3
Relative*	-9.6	32.9	-14.8

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,928	17,375	27,001	36,216	42,022
Sales Growth (%)	30.8	24.7	55.4	34.1	16.0
EBITDA	2,583	3,009	3,881	5,605	7,134
EBITDA Margin (%)	18.5	17.3	14.4	15.5	17.0
Adjusted Net Profit	2,093	2,172	2,511	4,014	5,480
Diluted EPS (INR)	20.4	20.0	23.1	37.0	50.5
Diluted EPS Growth (%)	47.7	-1.8	15.6	59.9	36.5
ROIC (%)	0.0	0.0	277.7	125.0	183.9
ROE (%)	47.3	25.0	19.0	24.3	25.7
P/E (x)	73.5	74.8	64.7	40.5	29.7
P/B (x)	28.0	13.6	11.2	8.8	6.8
EV/EBITDA (x)	60.4	49.8	39.1	26.3	19.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 03/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key highlights from conference call and shareholders letter:

- **Key growth drivers:** (1) TBO reported a broad-based recovery in 2Q, with GTV increasing by c.12% YoY to INR 89,010mn and revenue growing by c.26% YoY, driven by continued strength in the Hotels & Ancillaries (H&A) segment. The H&P business grew by 20.4% YoY, and its saliency further increased to ~64% of GTV and ~87% of GP, reinforcing the structurally margin-accretive shift towards higher-quality business. (2) Regionally, H&P momentum remained strong across key markets. Europe grew 20% YoY to INR 20,360mn, MEA grew 27% YoY to INR 16,000mn, and APAC delivered the highest growth across regions at 41% YoY to INR 5,230mn. In India, the business returned to growth, with the H&P segment increasing by 4% YoY to INR 5,180mn, marking the first quarter of positive traction after three muted quarters.
- **Growth and margin outlook:** While the management refrained from issuing formal GTV or revenue guidance, its commentary was cautiously optimistic - 1) Adjusted EBITDA margin (before acquisition-related costs) improved to 18.3% in 2Q, reflecting the early benefits of operating leverage as prior investments in sales and technology start to yield returns. The management reiterated its stance that EBITDA growth should outpace gross profit growth from the second half of FY26, with the margin expansion trend expected to become more visible from 4Q onwards. 2) The management also indicated that incremental hiring and frontline expansion are largely behind the company. As SG&A growth continues to moderate through the next few quarters, core business EBITDA margins are expected to expand, barring the seasonal softness normally seen in 3Q.
- **International expansion outlook:** 1) Monthly Transacting Buyers (MTBs) rose by 8% YoY to 30,662, led by a 23.6% YoY increase in International MTBs, while the India base was stable with healthy engagement levels. 2) The key account manager (KAM)-led expansion strategy exhibited strong productivity trends, with a majority of newly hired KAMs approaching breakeven on contribution within the first year. Regions such as Europe and MEA are witnessing the fastest activation and revenue contribution from new agents, demonstrating the effectiveness of the investments made in CY25.
- **LATAM recovery and Classic integration:** 1) The LATAM region delivered a 10% YoY increase in H&A GTV, supported by a recovery in key markets such as Brazil and Argentina after the tax-led disruption seen in 1Q. While structural challenges such as FX volatility and longer booking windows continue to pose risks, management remains constructive on sustaining the current momentum into 3Q. 2) The acquisition of Classic Vacations was completed on 1st Oct'25, adding a complementary luxury travel portfolio to TBO. Classic reported GTV of USD 475.1mn, revenue of USD 111mn and EBITDA of USD 11.2mn in CY24. The management noted that synergy benefits are expected to flow first through margin expansion, with meaningful top line acceleration expected over the medium term. Consolidation will begin from 3QFY26.
- **Air business – early signs of recovery but with softer yield:** The air business returned to GTV growth during the quarter; however, take-rates softened to ~2.41% on account of yield compression and competitive intensity across key markets. The management expects take-rates to be largely stable at current levels, with growth driven more by volume recovery and better route penetration rather than pricing. 2) Air remains a strategic category for agent acquisition and cross-sell, and TBO aims to maintain relevance and share in the segment, while continuing to prioritise a shift towards the structurally higher-margin H&A business.
- **Cost efficiency – SG&A moderation and tech infra update:** 1) SG&A expenses (before one-off M&A costs) grew by 17.5% YoY in 2Q, a sharp moderation from 28.8% YoY growth in 1Q, and increased by only 2.7% QoQ. Employee benefit expenses grew by 14.1% YoY to INR 1,079mn, while business support services increased by just 3.5% YoY to INR 426mn, reflecting clear tapering of investment-led costs. 2) Hosting and bandwidth expenses stood at INR 237mn, with cost-per-search seeing further improvement. Hosting and bandwidth as a percentage of GTV declined from 0.30% in 1Q to 0.27% in 2Q, driven by optimisation in AI and platform infrastructure.
- **One-offs:** TBO incurred one-time M&A expenses of INR 132mn during the quarter related to the Classic acquisition. Finance costs increased 49% YoY in 2Q to INR 89mn due to the unwinding of an earlier debt facility. Starting 3Q, interest costs related to the USD 70mn Classic Vacations acquisition financing will begin reflecting in the P&L. FX gain for the quarter stood at INR 4.5mn, including a revaluation gain of ~INR 30mn on an inter-company loan associated with the Classic Vacations transaction.
- **Cash and cash equivalents balance** stood at INR 19.56bn as of 30th Sep'25 (including USD 70mn drawdown from the debt facility).

Exhibit 1. 2QFY26 Actuals vs. JMFe and consensus estimates

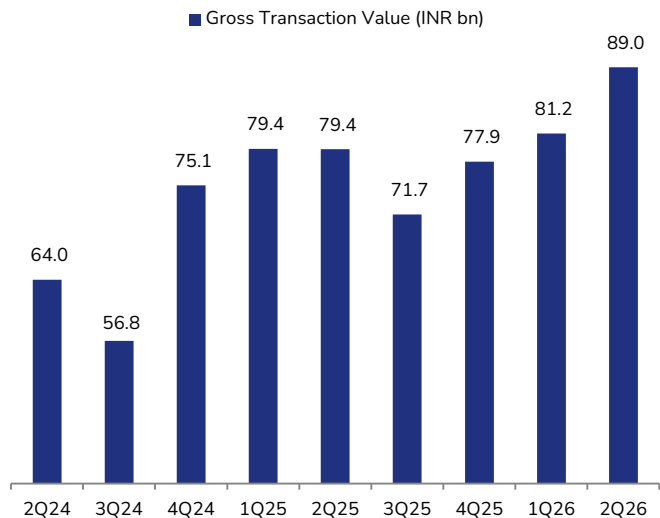
Financial Performance	2QFY26A	2QFY25A	Change (YoY)	1QFY26A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Cons)	Variance (vs. Cons.)
Reported Revenue (INR mn)	5,675	4,507	25.9%	5,113	11.0%	5,519	2.8%	5,410	4.9%
Gross Profit (INR mn)	3,633	3,061	18.7%	3,333	9.0%	3,632	0.0%	3,548	2.4%
Gross Profit margin	64.0%	67.9%	-390 bps	65.2%	-116 bps	65.8%	-178 bps	65.6%	-156 bps
EBITDA (INR mn)	881	829	6.2%	779	13.0%	865	1.8%	871	1.1%
EBITDA margin	15.5%	18.4%	-288 bps	15.2%	28 bps	15.7%	-15 bps	16.1%	-59 bps
EBIT (INR mn)	719	702	2.4%	639	12.5%	723	-0.5%	701	2.5%
EBIT margin	12.7%	15.6%	-290 bps	12.5%	17 bps	13.1%	-42 bps	13.0%	-29 bps
PBT (INR mn)	782	713	9.8%	753	3.9%	794	-1.4%	749	4.5%
Adj. PAT (INR mn)	675	601	12.4%	552	22.3%	643	5.1%	641	5.4%
Diluted EPS (INR)	6.22	5.53	12.4%	5.09	22.3%	5.92	5.1%	6.27	-0.8%
Gross Transaction Value (INR mn)	89,010	79,374	12.1%	81,190	9.6%	89,105	-0.1%		
Airline ticketing	32,361	32,337	0.1%	30,609	5.7%	32,660	-0.9%		
Hotel and packages	56,649	47,037	20.4%	50,581	12.0%	56,444	0.4%		
Gross Take Rate	6.38%	5.68%	70 bps	6.30%	8 bps	6.19%	18 bps		
Airline ticketing	2.41%	2.60%	-18 bps	2.56%	-14 bps	2.57%	-16 bps		
Hotel and packages	8.46%	7.59%	87 bps	8.36%	11 bps	8.10%	36 bps		
Reported Revenue (INR mn)	5,675	4,507	25.9%	5,113	11.0%	5,519	2.8%		
Airline ticketing	781	840	-7.0%	782	-0.2%	839	-7.0%		
Hotel and packages	4,795	3,571	34.3%	4,226	13.4%	4,572	4.9%		
Others	100	96	4.0%	104	-4.2%	108	-7.6%		
Gross Margin	64.0%	67.9%	-390 bps	65.2%	-116 bps	65.8%	-178 bps		
Airline ticketing	47.7%	46.1%	161 bps	54.4%	-663 bps	49.0%	-126 bps		
Hotel and packages	66.1%	72.4%	-636 bps	66.5%	-47 bps	68.3%	-223 bps		

Source: Company, JM Financial, Bloomberg

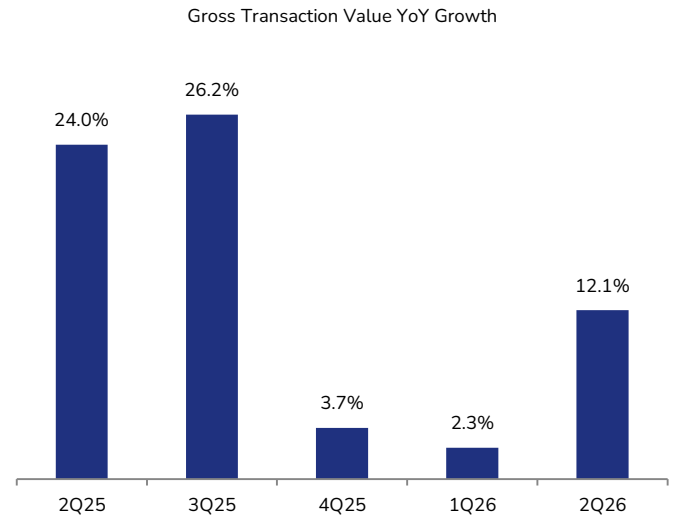
Exhibit 2. Key consolidated financials

All numbers are in INR mn	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	2QFY26
GTV	79,402	79,374	71,662	77,879	308,317	81,190	89,010
Change (YoY)	14.3%	24.0%	26.2%	3.7%	16.2%	2.3%	12.1%
Revenue	4,185	4,507	4,222	4,461	17,375	5,113	5,675
Change (YoY)	21.5%	27.9%	29.2%	20.9%	24.7%	22.2%	25.9%
Cost of Goods Sold	1,387	1,446	1,255	1,352	5,440	1,780	2,042
Gross profit	2,798	3,061	2,967	3,109	11,935	3,333	3,633
Gross profit margin	66.9%	67.9%	70.3%	69.7%	68.7%	65.2%	64.0%
Total operating expense	2,011	2,232	2,289	2,394	8,926	2,554	2,753
EBITDA	786	829	678	716	3,009	779	881
EBITDA margin	18.8%	18.4%	16.1%	16.0%	17.3%	15.2%	15.5%
Adjusted EBITDA	851	896	748	794	3,288	779	909
Adjusted EBITDA margin	20.3%	19.9%	17.7%	17.8%	18.9%	15.2%	16.0%
Depreciation & amortization	124	127	129	139	519	140	161
EBIT	663	702	548	577	2,490	639	719
EBIT margin	15.8%	15.6%	13.0%	12.9%	14.3%	12.5%	12.7%
Other income (net)	92	11	-16	41	128	36	63
PBT before exceptional items	755	713	532	618	2,619	676	782
Exceptional items	0	0	-37	-90	-127	-77	0
Profit before tax	755	713	569	708	2,746	753	782
Income tax expense	146	112	70	119	447	123	107
PAT	609	601	500	589	2,299	630	675
Change (YoY)	28.8%	7.1%	-1.6%	27.0%	14.6%	3.4%	12.4%
Diluted EPS (INR)	5.61	5.53	4.60	5.42	21.17	5.80	6.27
Change (YoY)	20.5%	0.7%	-8.0%	20.0%	7.6%	3.4%	11.2%

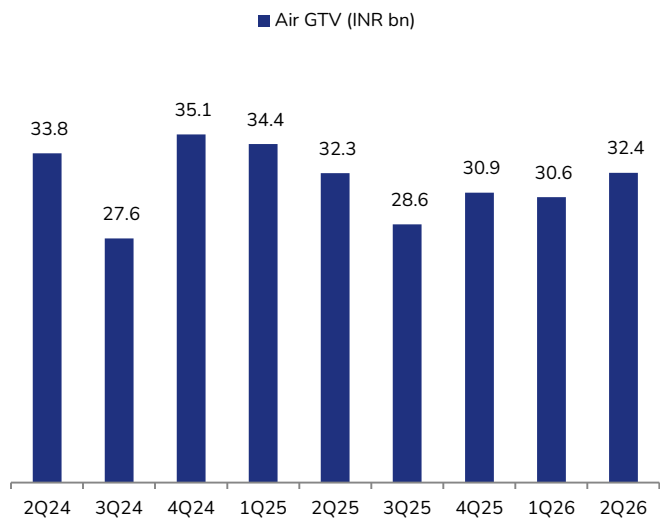
Source: Company, JM Financial

Exhibit 3. Consol. GTV trend

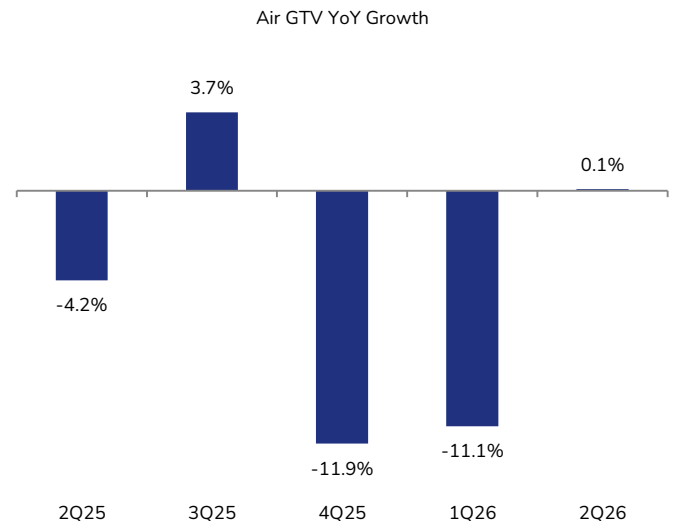
Source: Company, JM Financial

Exhibit 4. Consol. GTV YoY growth trend

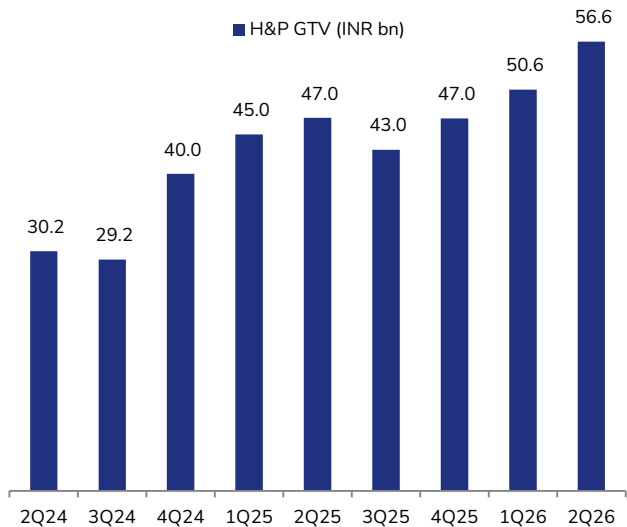
Source: Company, JM Financial

Exhibit 5. Air ticketing segment GTV trend

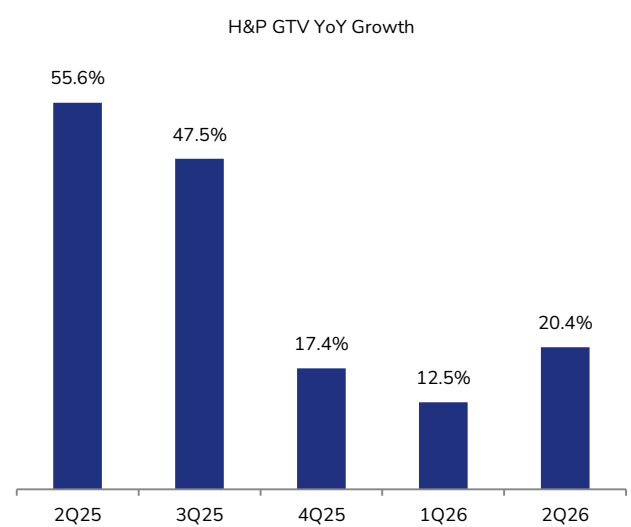
Source: Company, JM Financial

Exhibit 6. Air ticketing GTV YoY growth trend

Source: Company, JM Financial

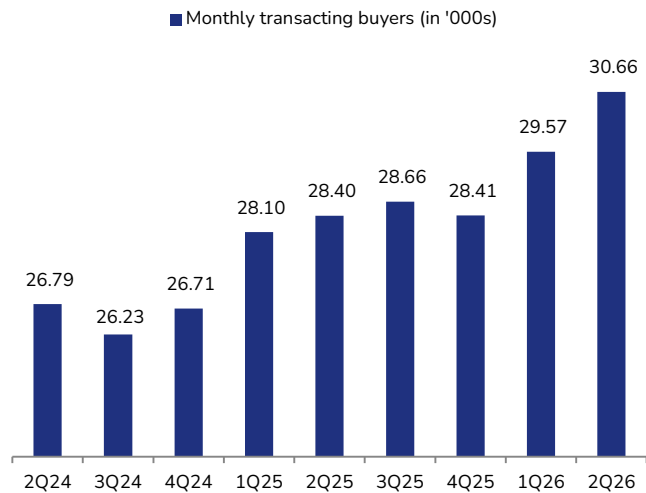
Exhibit 7. H&P segment GTV trend

Source: Company, JM Financial

Exhibit 8. H&P GTV YoY growth trend

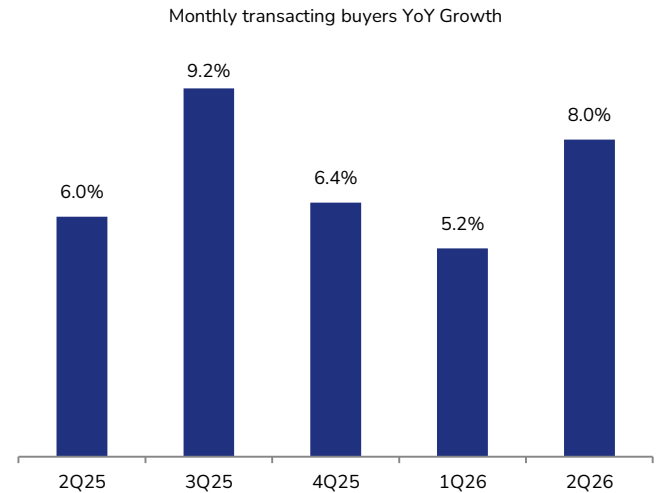
Source: Company, JM Financial

Exhibit 9. Monthly transacting buyers trend



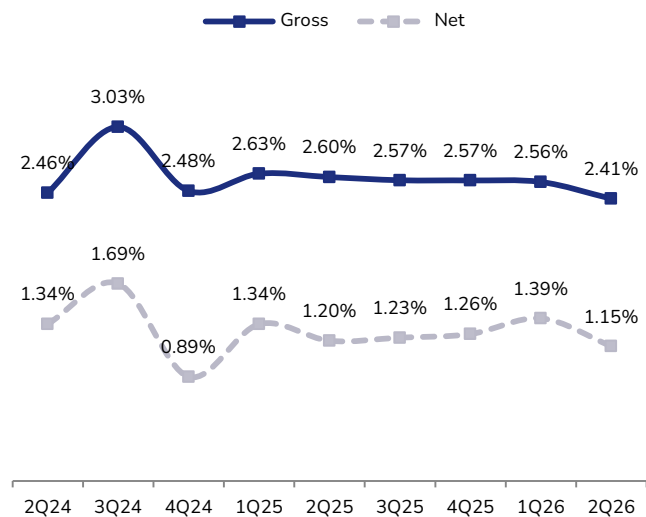
Source: Company, JM Financial

Exhibit 10. Monthly transacting buyers YoY growth trend



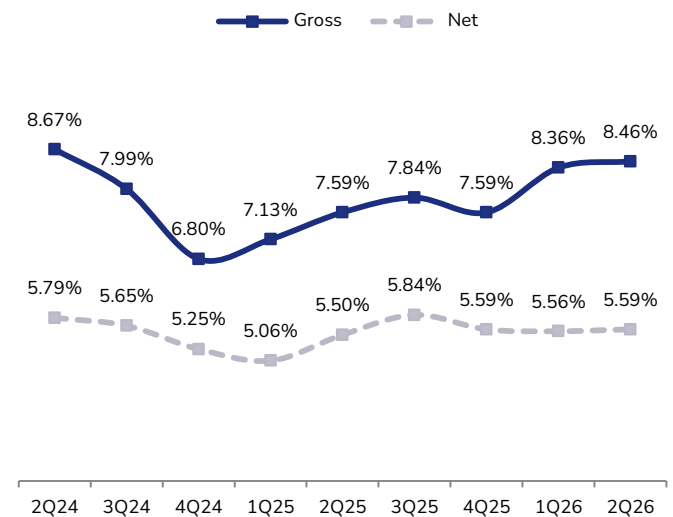
Source: Company, JM Financial

Exhibit 11. Air ticketing segment take-rates (gross and net)



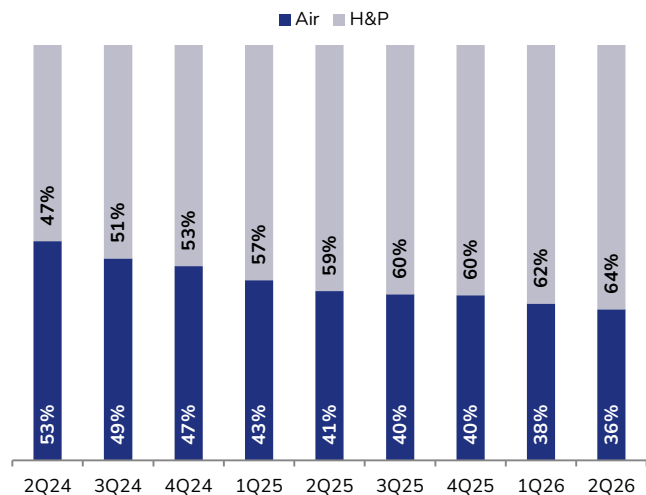
Source: Company, JM Financial

Exhibit 12. H&P segment take-rates (gross and net)



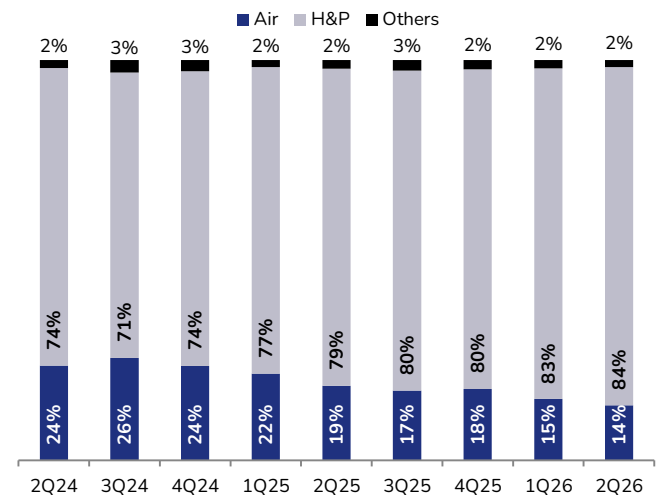
Source: Company, JM Financial

Exhibit 13. Segment-wise GTV mix

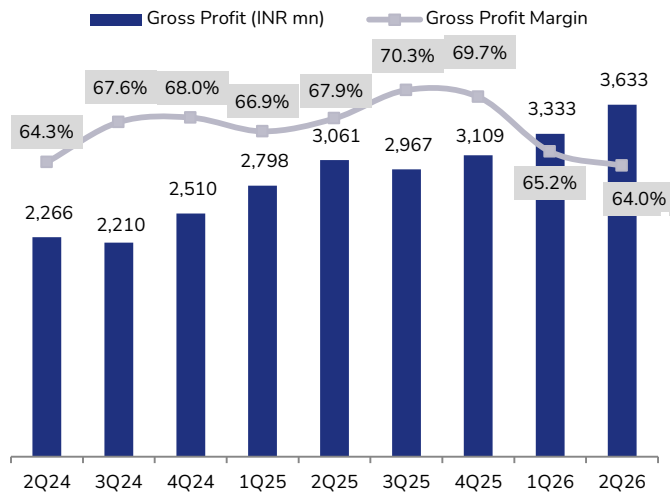


Source: Company, JM Financial

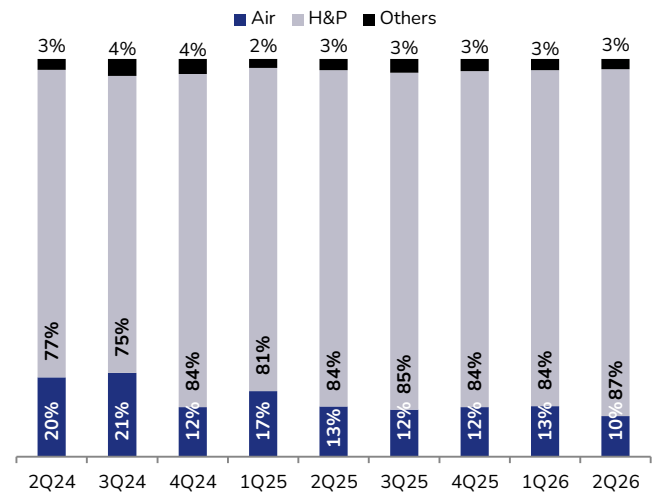
Exhibit 14. Segment-wise revenue mix



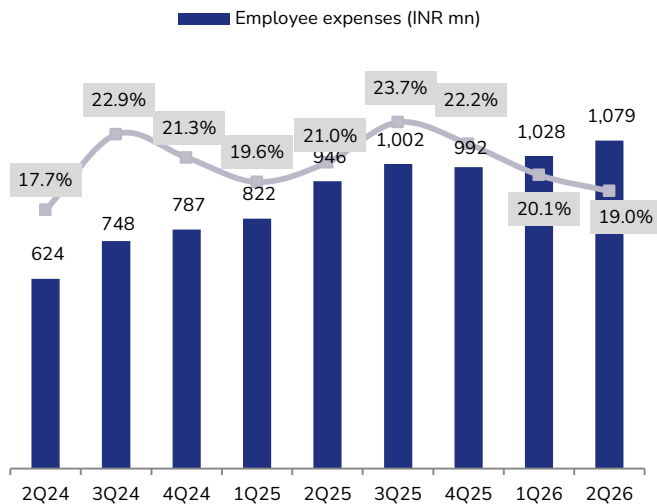
Source: Company, JM Financial

Exhibit 15. Gross profit and gross profit margin

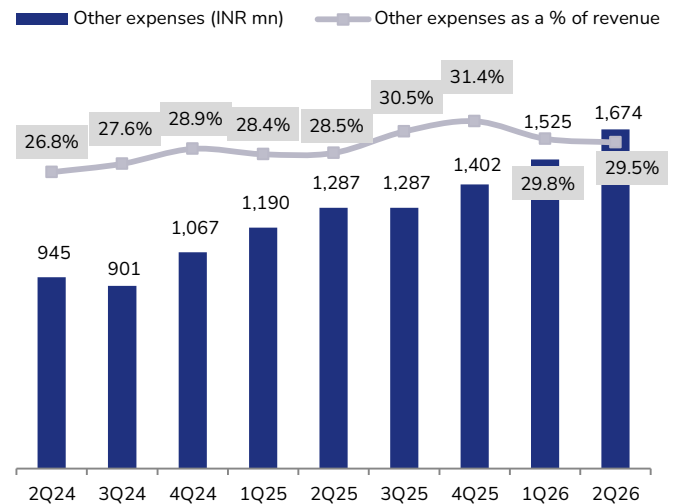
Source: Company, JM Financial

Exhibit 16. Segment-wise gross profit mix

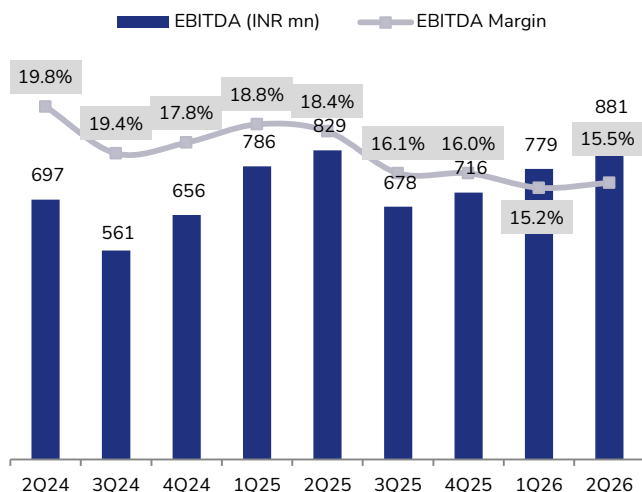
Source: Company, JM Financial

Exhibit 17. Employee expenses trends

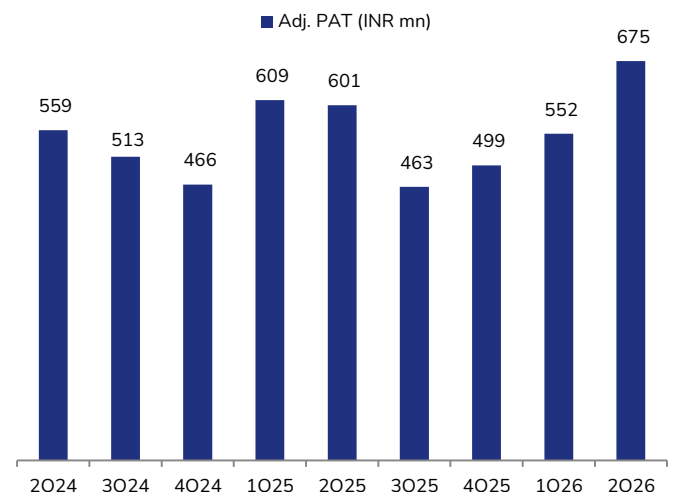
Source: Company, JM Financial

Exhibit 18. Other expenses trend

Source: Company, JM Financial

Exhibit 19. EBITDA and EBITDA margin

Source: Company, JM Financial

Exhibit 20. Adjusted PAT

Source: Company, JM Financial

Exhibit 21. Key source market metrics

Particulars	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Monthly Transacting Buyers (number)								
India	18,354	18,298	18,652	18,444	18,677	18,436	18,486	18,354
International	7,877	8,407	9,449	9,958	9,980	9,973	11,085	12,308
Total	26,231	26,705	28,101	28,402	28,657	28,409	29,570	30,662
GTV (INR mn)								
India	31,010	38,249	39,559	35,567	32,472	33,914	35,919	35,675
International	25,768	36,860	39,844	43,807	39,190	43,964	45,274	53,336
Total	56,778	75,109	79,403	79,374	71,662	77,878	81,193	89,011
GTV Mix (%)								
India	54.6%	50.9%	49.8%	44.8%	45.3%	43.5%	44.2%	40.1%
International	45.4%	49.1%	50.2%	55.2%	54.7%	56.5%	55.8%	59.9%
Revenue (INR mn)								
India	1,035	1,089	1,224	1,087	954	1,020	1,091	987
International	2,233	2,602	2,961	3,420	3,268	3,441	4,022	4,688
Total	3,269	3,691	4,185	4,507	4,222	4,461	5,113	5,675
Revenue Mix (%)								
India	31.67%	29.51%	29.25%	24.12%	22.60%	22.86%	21.34%	17.39%
International	68.33%	70.49%	70.75%	75.88%	77.40%	77.14%	78.66%	82.61%
Gross Take Rate (%)								
India	3.34%	2.85%	3.09%	3.06%	2.94%	3.01%	3.04%	2.77%
International	8.67%	7.06%	7.43%	7.81%	8.34%	7.83%	8.88%	8.79%
Total	5.76%	4.91%	5.27%	5.68%	5.89%	5.73%	6.30%	6.38%
Gross Profit (INR mn)								
India	581	444	632	534	499	530	563	466
International	1,629	2,065	2,166	2,527	2,468	2,579	2,770	3,168
Total	2,210	2,510	2,798	3,061	2,967	3,109	3,333	3,634
Gross Profit Mix (%)								
India	26.29%	17.70%	22.59%	17.45%	16.82%	17.05%	16.89%	12.82%
International	73.71%	82.30%	77.41%	82.55%	83.18%	82.95%	83.11%	87.18%
Net Take Rate (%)								
India	1.87%	1.16%	1.60%	1.50%	1.54%	1.56%	1.57%	1.31%
International	6.32%	5.60%	5.44%	5.77%	6.30%	5.87%	6.12%	5.94%
Total	3.89%	3.34%	3.52%	3.86%	4.14%	3.99%	4.11%	4.08%

Source: Company, JM Financial

Upgrade to BUY; TP raised to INR 1,750

Exhibit 22. What has changed in our assumptions?

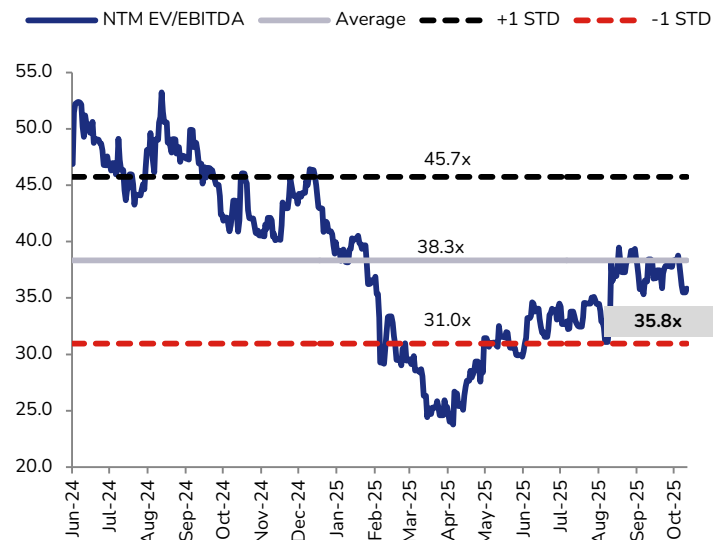
	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
GTV (INR mn)	359,372	437,060	501,935	363,059	440,931	506,000	1.0%	0.9%	0.8%
Revenue (INR mn)	26,375	35,572	41,243	27,001	36,216	42,022	2.4%	1.8%	1.9%
EBITDA (INR mn)	3,906	5,467	6,962	3,881	5,605	7,134	-0.6%	2.5%	2.5%
EBITDA margin (%)	14.8%	15.4%	16.9%	14.4%	15.5%	17.0%	-44bp	11bp	10bp
EBIT (INR mn)	3,043	4,436	5,879	3,017	4,574	6,050	-0.8%	3.1%	2.9%
EBIT margin (%)	11.5%	12.5%	14.3%	11.2%	12.6%	14.4%	-36bp	16bp	14bp
Adjusted PAT (INR mn)	2,491	3,846	5,259	2,511	4,014	5,480	0.8%	4.4%	4.2%
Adjusted EPS (INR)	23.65	35.42	48.43	23.84	36.97	50.46	0.8%	4.4%	4.2%

Source: JM Financial

Key Risks

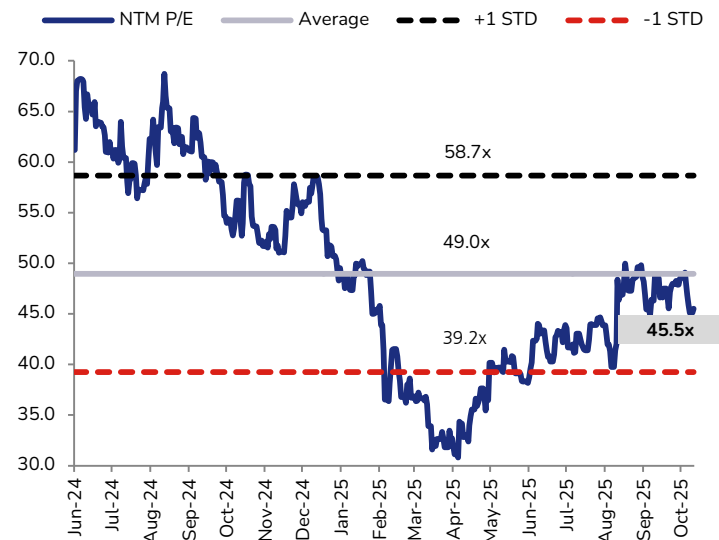
- **Key downside risks are:** (1) disruptions in global travel and tourism industry, (2) pricing pressure from suppliers, 3) execution challenges during organic/inorganic expansion and (4) sudden change in the competitive landscape.

Exhibit 23. NTM EV/EBITDA valuation chart



Source: Bloomberg, JM Financial

Exhibit 24. NTM PER valuation chart



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,928	17,375	27,001	36,216	42,022
Sales Growth	30.8%	24.7%	55.4%	34.1%	16.0%
Other Operating Income	0	0	0	0	0
Total Revenue	13,928	17,375	27,001	36,216	42,022
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	2,773	3,761	4,423	5,161	5,978
Other Expenses	8,572	10,605	18,697	25,450	28,909
EBITDA	2,583	3,009	3,881	5,605	7,134
EBITDA Margin	18.5%	17.3%	14.4%	15.5%	17.0%
EBITDA Growth	42.0%	16.5%	29.0%	44.4%	27.3%
Depn. & Amort.	362	519	864	1,031	1,084
EBIT	2,221	2,490	3,017	4,574	6,050
Other Income	120	128	45	322	633
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,341	2,619	3,062	4,895	6,683
Excep. & Forex Inc./Loss(-)	-72	127	77	0	0
PBT	2,269	2,746	3,140	4,895	6,683
Taxes	263	447	551	881	1,203
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-16	0	0	0	0
Reported Net Profit	2,021	2,299	2,589	4,014	5,480
Adjusted Net Profit	2,093	2,172	2,511	4,014	5,480
Net Margin	15.0%	12.5%	9.3%	11.1%	13.0%
Diluted Share Cap. (mn)	102.8	108.6	108.6	108.6	108.6
Diluted EPS (INR)	20.4	20.0	23.1	37.0	50.5
Diluted EPS Growth	47.7%	-1.8%	15.6%	59.9%	36.5%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,269	2,746	3,140	4,895	6,683
Depn. & Amort.	362	519	864	1,031	1,084
Net Interest Exp. / Inc. (-)	-20	-127	-45	-322	-633
Inc (-) / Dec in WCap.	-152	-123	6,631	-145	283
Others	71	185	243	384	461
Taxes Paid	-265	-312	-551	-881	-1,203
Operating Cash Flow	2,265	2,888	10,281	4,963	6,675
Capex	-383	-531	-679	-821	-828
Free Cash Flow	1,882	2,357	9,602	4,142	5,847
Inc (-) / Dec in Investments	0	0	0	0	0
Others	-1,154	-3,902	-987	865	1,048
Investing Cash Flow	-1,537	-4,434	-1,665	44	220
Inc / Dec (-) in Capital	0	0	-9,573	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-35	0	5,948	-850	-1,700
Others	1,188	3,648	-728	-927	-876
Financing Cash Flow	1,153	3,648	-4,353	-1,777	-2,576
Inc / Dec (-) in Cash	1,881	2,102	4,263	3,230	4,318
Opening Cash Balance	5,634	7,515	9,617	13,880	17,110
Closing Cash Balance	7,515	9,617	13,880	17,110	21,428

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	5,448	11,951	14,539	18,553	24,033
Share Capital	104	109	109	109	109
Reserves & Surplus	5,344	11,842	14,431	18,445	23,924
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,351	1,364	7,312	6,462	4,762
Def. Tax Liab. / Assets (-)	-144	-164	-164	-164	-164
Total - Equity & Liab.	6,654	13,150	21,687	24,851	28,631
Net Fixed Assets	3,629	3,843	13,546	13,726	13,938
Gross Fixed Assets	259	315	363	426	497
Intangible Assets	3,499	3,715	13,404	13,560	13,748
Less: Depn. & Amort.	130	188	221	261	307
Capital WIP	0	0	0	0	0
Investments	1,046	4,959	6,476	6,476	6,476
Current Assets	43,755	53,178	62,284	73,703	86,655
Inventories	0	0	0	0	0
Sundry Debtors	33,067	40,613	44,359	51,866	59,783
Cash & Bank Balances	7,515	9,617	13,880	17,110	21,428
Loans & Advances	13	23	23	23	23
Other Current Assets	3,160	2,924	4,022	4,703	5,421
Current Liab. & Prov.	41,775	48,829	60,633	69,067	78,452
Current Liabilities	36,787	43,990	47,938	55,374	63,707
Provisions & Others	4,988	4,839	12,694	13,693	14,745
Net Current Assets	1,980	4,349	1,652	4,636	8,203
Total - Assets	6,654	13,150	21,673	24,838	28,617

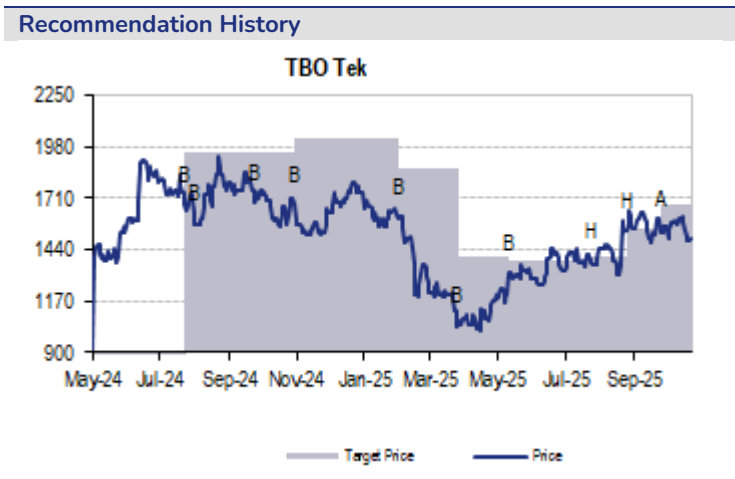
Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	15.0%	12.5%	9.3%	11.1%	13.0%
Asset Turnover (x)	0.4	0.3	0.4	0.4	0.4
Leverage Factor (x)	8.4	6.4	5.5	5.3	4.7
RoE	47.3%	25.0%	19.0%	24.3%	25.7%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	53.5	110.1	133.9	170.9	221.3
ROIC	0.0%	0.0%	277.7%	125.0%	183.9%
ROE	47.3%	25.0%	19.0%	24.3%	25.7%
Net Debt/Equity (x)	-1.3	-1.1	-0.8	-0.8	-0.9
P/E (x)	73.5	74.8	64.7	40.5	29.7
P/B (x)	28.0	13.6	11.2	8.8	6.8
EV/EBITDA (x)	60.4	49.8	39.1	26.3	19.8
EV/Sales (x)	11.2	8.6	5.6	4.1	3.4
Debtor days	867	853	600	523	519
Inventory days	0	0	0	0	0
Creditor days	1,159	1,098	745	651	658

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
5-Aug-24	Buy	1,950	
14-Aug-24	Buy	1,950	0.0
7-Oct-24	Buy	1,950	0.0
12-Nov-24	Buy	2,020	3.6
13-Feb-25	Buy	1,870	-7.4
7-Apr-25	Buy	1,400	-25.1
23-May-25	Buy	1,380	-1.4
5-Aug-25	Hold	1,400	1.4
7-Sep-25	Hold	1,550	10.7
8-Oct-25	ADD	1,680	8.4



APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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