PL Capital
PRABHUDAS LILLADHER

Coforge (COFORGE IN)

Event Update

September 15, 2026

■ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,120		2,120	
Sales (INR bn)	245	288	245	288
% Chng.	-	-		
EBITDA (INR bn)	49	58	49	58
% Chng.	-	-		
EPS (INR)	60.0	75.8	60.0	75.8
% Chng.	-	-		

Key Data	COFO.BO | COFORGE IN
BSE Code	532541
NSE Code	COFORGE
52-W High / Low	INR 2,021 / INR 1,008
Face Value	2
Sensex / Nifty	74,782 / 23,398
Market Cap	INR 818 bn / $ 8,560 mn
Shares Outstanding	442.98 mn
3M Avg. Daily Value	INR 5,545.39 mn

Shareholding Pattern (%)

Promoters	-
FIIs	24.31
Mutual Funds	30
Domestic Institutions	12.62
Public & Others	33.07
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	1.5	32.5	66.5	4.3
Relative	6.1	30.8	71.2	13.7

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	121	164	245	288
EBITDA (INR bn)	17	30	49	58
Margin (%)	*14.3*	*18.6*	*20.0*	*20.1*
PAT (INR bn)	8	17	25	32
EV (INR bn)	609	617	811	785
Total Debt (INR bn)	11	7	58	41
C&C Eq. (INR bn)	9	11	25	34
EPS (INR)	26.3	51.0	60.0	75.8
Gr. (%)	*(4.7)*	*94.1*	*17.5*	*26.3*
DPS (INR)	16.2	12.2	12.1	12.1
Yield (%)	*0.9*	*0.7*	*0.7*	*0.7*
RoE (%)	*16.8*	*21.5*	*15.5*	*13.1*
RoCE (%)	*16.9*	*23.5*	*14.7*	*11.5*
EV/Sales (x)	5.0	3.8	3.3	2.7
EV/EBITDA (x)	35.4	20.2	16.5	13.6
PE (x)	70.2	36.2	30.8	24.4
P/BV (x)	9.2	6.5	3.4	3.0

CG issues addressed, Business Outlook maintained

Quick Pointers

- Egon Zehnder appointed to search candidates for appointing new Independent directors
- FY27 guidance of consol. EBITDA margin of 20.5-21% and consol. EBIT margin of at least 15.5% maintained

Coforge's governance call provided clarity on the recent resignations of Chairman O.P. Bhatt and NRC Chair D.K. Singh, which followed observations from the internal audit of the Board Evaluation Report around inadequate disclosure of certain evaluation findings to other Board members, including the Chairman's lowest performance rating. While the episode raises a governance overhang, the Board indicated that the matter has been addressed through the internal audit process and does not expect further board churn. Interim Chair Vivek Sharma will lead the search for two additional independent directors and oversee the permanent Chair selection. The Board further clarified that Vivek Sharma has excluded himself from consideration for the permanent Chair role, with the company evaluating both internal and external candidates, including the new independent directors appointed through the ongoing search. Management emphasised that it sees no impact on business operations, client engagements or financial outlook and reaffirmed its FY27 guidance. Management also remained confident on Q2 FY27, reiterating that the company is on track to potentially deliver its highest-ever number of large deal wins in a quarter, providing comfort on demand momentum despite the ongoing governance transition. We view the governance developments as a near-term sentiment overhang; however, the unchanged operating outlook and strong deal pipeline limit the risk of any meaningful impact on our underlying investment thesis. We maintain our BUY rating with a target price of INR 2,120, based on 28x FY28E EPS.

Internal Audit flags gaps: KPMG's internal audit of the Board Evaluation Report identified concerns around the process, particularly inadequate disclosure of certain material evaluation findings to other Board members, including the Chairman's lowest performance rating. The Board subsequently sought explanations from the concerned directors and based on the audit findings and their responses, accepted the resignations of O.P. Bhatt and D.K. Singh. The developments have resulted in a change in Board leadership and triggered a process to induct two additional independent directors and appoint a permanent Chairperson, although the Board maintains that there is no further expected churn.

Business outlook maintained: CFO reiterated that the recent Board developments have no impact on Coforge's business operations, financial performance or outlook, with management fully focused on execution. The company maintained its FY27 guidance of 20.5–21% EBITDA margin, ≥15.5% EBIT margin and >100% FCF/PAT conversion, along with its ~US$5bn four-year revenue ambition. Management also remains confident on the near-term trajectory, with Q2 FY27 progressing as planned and no disruption to client engagements.

Pritesh Thakkar
priteshthakkar@plindia.com | +91-22-66322533

Sujay Chavan
sujaychavan@plindia.com | +91-22-66322536

Arhan Shah
arhanshah@plindia.com | +91-22-66322527

Other KTA's from the call

- The company has appointed Egon Zehnder to conduct a global search for two additional independent directors, with the process already underway. The Board is looking for candidates with strong governance experience, professional expertise and strategic perspectives, while the permanent Chair selection will consider both existing and newly appointed directors.
- The Audit Committee has expanded the internal audit focus beyond the original governance scope, with AI governance identified as a new audit area for FY27. Other recurring audits include delivery efficiency and third-party subcontractor risk.
- Management clarified that the KPMG review relating to the Board Evaluation Report has been completed with no further observations in this area. The Board also indicated that it is functioning cohesively and does not foresee further churn.
- Management clarified that the internal audit was conducted by KPMG, an external Big Four firm, and therefore there is no need for another external advisor to review the matter. The Board considers the BER-related audit fully covered, with no further observations identified in this area, reducing the risk of additional near-term governance surprises.
- Management emphasised that all key Board decisions, including the Encora acquisition, were preceded by robust and healthy debate, with all views and concerns discussed comprehensively. However, decisions were ultimately unanimous, with no dissent recorded from any Board member, reinforcing management's view of a cohesive and functioning Board

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**121**	**164**	**245**	**288**
YoY gr. (%)	*34.0*	*35.9*	*49.7*	*17.3*
Cost of Goods Sold	80	109	163	191
Gross Profit	41	56	83	97
Margin (%)	*33.7*	*33.8*	*33.8*	*33.7*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	**17**	**30**	**49**	**58**
YoY gr. (%)	*13.5*	*76.9*	*61.2*	*17.8*
Margin (%)	*14.3*	*18.6*	*20.0*	*20.1*
Depreciation and Amortization	4	7	11	13
EBIT	**13**	**24**	**38**	**45**
Margin (%)	*10.7*	*14.4*	*15.5*	*15.6*
Net Interest	-	-	-	-
Other Income	-	(2)	(4)	(2)
Profit Before Tax	**13**	**22**	**34**	**43**
Margin (%)	*10.7*	*13.2*	*13.9*	*15.0*
Total Tax	3	3	8	11
Effective Tax Rate (%)	*25.7*	*12.0*	*24.4*	*25.0*
Profit After Tax	**10**	**19**	**26**	**32**
Minority Interest	(1)	(2)	(1)	(1)
Share Profit from Associate	-	-	-	-
Adjusted PAT	**8**	**17**	**25**	**32**
YoY gr. (%)	*(1.9)*	*103.9*	*47.3*	*26.3*
Margin (%)	*7.0*	*10.4*	*10.3*	*11.1*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**8**	**16**	**25**	**32**
YoY gr. (%)	*(2.1)*	*91.6*	*58.5*	*29.1*
Margin (%)	*6.7*	*9.5*	*10.0*	*11.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8	16	25	32
Equity Shares O/s (bn)	**-**	**-**	**-**	**-**
EPS (INR)	**26.3**	**51.0**	**60.0**	**75.8**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**38**	**48**	**100**	**109**
Tangibles	17	28	80	88
Intangibles	20	20	20	20
Acc: Dep / Amortization	**15**	**22**	**33**	**46**
Tangibles	6	13	24	37
Intangibles	9	9	9	9
Net Fixed Assets	**23**	**26**	**67**	**63**
Tangibles	11	15	56	51
Intangibles	11	11	11	11
Capital Work In Progress	-	-	-	-
Goodwill	38	42	163	163
Non-Current Investments	5	9	9	9
Net Deferred Tax Assets	6	7	10	12
Other Non-Current Assets	6	6	9	9
Current Assets				
Investments	1	-	-	-
Inventories	-	-	-	-
Trade Receivables	26	40	54	63
Cash & Bank Balance	9	11	25	34
Other Current Assets	7	8	10	14
Total Assets	**125**	**149**	**346**	**366**
Equity				
Equity Share Capital	1	1	1	1
Other Equity	63	95	229	255
Total Networth	**64**	**95**	**229**	**256**
Non-Current Liabilities				
Long Term Borrowings	3	3	54	37
Provisions	-	-	-	-
Other Non Current Liabilities	11	12	15	14
Current Liabilities				
ST Debt / Current of LT Debt	8	4	4	4
Trade Payables	10	18	28	37
Other Current Liabilities	10	15	14	16
Total Equity & Liabilities	**125**	**149**	**346**	**366**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	13	20	34	43
Add. Depreciation	5	7	11	13
Add. Interest	1	2	-	-
Less Financial Other Income	-	(2)	(4)	(2)
Add. Other	-	-	-	-
Op. Profit before WC Changes	19	29	45	56
Net Changes-WC	(3)	(7)	(12)	(5)
Direct Tax	(4)	(4)	(8)	(11)
Net Cash from Op. Activities	**12**	**18**	**24**	**40**
Capital Expenditures	(26)	(6)	(173)	(9)
Interest / Dividend Income	-	-	-	-
Others	2	2	-	-
Net Cash from Invt. Activities	**(24)**	**(4)**	**(173)**	**(9)**
Issue of Share Cap. / Premium	22	-	115	-
Debt Changes	1	(4)	53	(17)
Dividend Paid	(5)	(5)	(5)	(5)
Interest Paid	(1)	(1)	-	-
Others	-	-	-	-
Net Cash from Fin. Activities	**17**	**(11)**	**163**	**(23)**
Net Change in Cash	**5**	**3**	**14**	**9**
Free Cash Flow	6	10	(28)	32

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**40**	**42**	**45**	**55**
YoY gr. (%)	*8.1*	*6.2*	*5.2*	*24.2*
Raw Material Expenses	26	28	29	36
Gross Profit	14	14	15	19
Margin (%)	*34.0*	*33.6*	*34.4*	*34.3*
EBITDA	**7**	**8**	**9**	**11**
YoY gr. (%)	-	-	-	-
Margin (%)	*18.3*	*18.3*	*20.6*	*20.3*
Depreciation / Depletion	2	2	2	2
EBIT	**6**	**6**	**7**	**9**
Margin (%)	*14.0*	*14.2*	*16.6*	*16.0*
Net Interest	-	-	-	-
Other Income	-	(1)	(1)	(1)
Profit before Tax	**6**	**5**	**7**	**8**
Margin (%)	*14.0*	*12.6*	*15.2*	*13.7*
Total Tax	1	1	-	2
Effective Tax Rate (%)	*23.8*	*16.5*	*(6.1)*	*22.5*
Profit After Tax	**4**	**4**	**7**	**6**
Minority Interest	-	-	(1)	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**4**	**4**	**7**	**6**
YoY gr. (%)	*16.7*	*5.9*	*67.4*	*(13.9)*
Margin (%)	*9.4*	*9.4*	*15.0*	*10.4*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**4**	**3**	**6**	**5**
YoY gr. (%)	*18.4*	*(33.4)*	*144.8*	*(15.3)*
Margin (%)	*9.4*	*5.9*	*13.8*	*9.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**4**	**3**	**6**	**5**
Avg. Shares O/s (bn)	-	-	-	-
EPS (INR)	**11.2**	**11.9**	**19.8**	**13.6**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	26.3	51.0	60.0	75.8
CEPS	39.7	71.4	86.4	106.6
BVPS	199.8	284.5	546.1	609.8
FCF	19.5	31.3	(66.1)	75.7
DPS	16.2	12.2	12.1	12.1
Return Ratio (%)				
RoCE	16.9	23.5	14.7	11.5
ROIC	10.3	18.0	9.3	10.4
RoE	16.8	21.5	15.5	13.1
Balance Sheet				
Net Debt : Equity (x)	-	-	0.1	-
Net Working Capital (Days)	48	49	38	34
Valuation (x)				
PER	70.2	36.2	30.8	24.4
P/B	9.2	6.5	3.4	3.0
P/CEPS	46.5	25.9	21.4	17.3
EV/EBITDA	35.4	20.2	16.5	13.6
EV/Sales	5.0	3.8	3.3	2.7
Dividend Yield (%)	0.9	0.7	0.7	0.7
FCFF Yield (%)	1.1	1.7	(3.6)	4.1
PEG Ratio	(15.1)	0.4	1.8	0.9

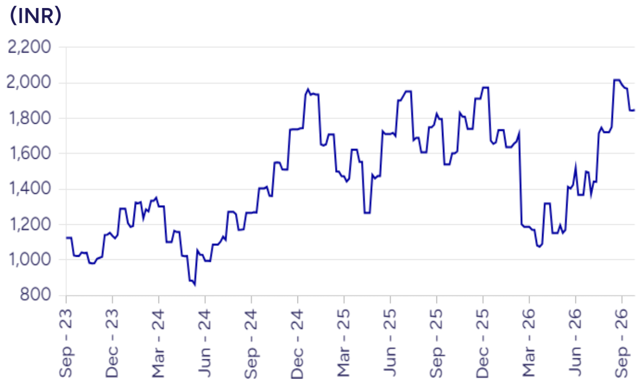
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (in US$ mn)	1,445	1,868	2,637	3,030

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	28-Jul-26	BUY	2120	1686
2	02-Jul-26	BUY	1980	1442
3	18-Jun-26	Buy	2020	1466
4	17-Jun-26	Buy	2020	1466
5	06-May-26	BUY	2020	1169
6	01-Apr-26	BUY	1870	1154
7	23-Jan-26	BUY	2150	1636
8	06-Jan-26	BUY	2140	1642
9	23-Jul-22	BUY	4031	3726
10	04-Jul-22	BUY	4095	3488

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2120	1686
2	Cyient	HOLD	1040	979
3	Firstsource Solutions	BUY	330	260
4	Fractal Analytics	Buy	1010	845
5	HCL Technologies	HOLD	1160	1221
6	Infosys	BUY	1240	1047
7	KPIT Technologies	SELL	460	639
8	L&T Technology Services	HOLD	3350	3293
9	Latent View Analytics	Accumulate	320	298
10	LTM	Accumulate	4200	4037
11	Mphasis	BUY	2820	2288
12	Persistent Systems	Accumulate	5860	5575
13	Sagility	BUY	60	46
14	Tata Consultancy Services	BUY	2500	2050
15	Tata Elxsi	Reduce	3350	3697
16	Tata Technologies	SELL	610	758
17	Tech Mahindra	BUY	1780	1510
18	Wipro	Reduce	165	178

PL's Recommendation Nomenclature (Absolute Performance)

BUY : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Pritesh Thakkar MBA Finance, Mr. Sujay Chavan MMS-Finance, Mr. Arhan Shah CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443,
2.5.4.20=21151ea12dd366d1ac370cb42343ee44b6e851c37bdbac5f86aa4ff3e6948487,
postalCode=400015, st=Maharashtra,
serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf53182e368b3ca14a5e4,
cn=AMNISH AGGARWAL
Date: 2026.09.15 08:02:18 +05'30'

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Pritesh Thakkar MBA Finance, Mr. Sujay Chavan MMS-Finance, Mr. Arhan Shah CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.