28 July 2026

1QFY27 Result Update | Sector: Technology

Coforge

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USDb)	746.8 / 7.8
52-Week Range (INR)	1990 / 1008
1, 6, 12 Rel. Per (%)	13/5/1
12M Avg Val (INR M)	4260

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	164.0	251.3	300.6
EBIT Margin (%)	14.4	16.1	16.1
PAT	14.7	25.3	32.2
EPS (INR)	35.2	59.8	76.2
Adj. PAT	17.0	25.7	32.2
Adj. EPS (INR)	40.2	60.8	76.2
Adj. EPS Gr. (%)	102.5	51.1	25.3
BV/Sh. (INR)	226.9	547.9	586.1
Ratios			
RoE (%)	16.5	15.4	13.4
RoCE (%)	19.5	14.6	11.9
Payout (%)	43.8	50.0	50.0
Valuations			
P/E (x)	47.9	28.2	22.1
P/BV (x)	7.4	3.1	2.9
EV/EBITDA (x)	22.9	13.6	11.3
Div Yield (%)	0.9	1.8	2.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	42.6	56.2	52.3
FII	24.3	30.7	37.4
Others	33.1	13.2	10.3

FII Includes depository receipts

CMP: INR1,686 TP: INR2,200 (+30%) Buy

Ticks all the boxes

Delivers on growth, margin, and cashflow

- COFORGE reported 1Q revenue growth of 1.1% QoQ in CC terms, above our estimate of flat QoQ CC. The company reported an order intake of USD691m (up 36.3% YoY) in 1Q with four large deals. Consolidated EBIT margin stood at 16%, above the consensus estimate of 15.6%. Consolidated adjusted PAT stood at INR5.6b (down 14.4% QoQ and up 83.2% YoY) vs. the consensus estimate of INR5.4b. Our PAT estimate of INR5.1b reflects only the organic business and is, therefore, not directly comparable, as the reported results include Encora's contribution and the higher post-acquisition share count.
- 1QFY27 revenue/EBIT/adj. PAT grew 49.2%/80.8%/83.2% YoY. In 2QFY27, we expect revenue/EBIT/adj. PAT growth of 57%/82.2%/70.4% YoY in INR terms. **We value COFORGE at 29x FY28E EPS with a TP of INR2,200**, implying a 31% potential upside. We reiterate our BUY rating on the stock.

Our view: Strong deal pipeline and structurally better cash flow profile keep us positive

- **Large deal momentum remains strong; executable order book provides better growth visibility:** COFORGE reported another strong quarter of deal wins with order intake of USD691m, taking the **next 12-month executable order book to an all-time high of USD2.23b (+44% YoY).** More importantly, large-deal momentum has continued into 2Q, with the recently announced USD230m European transformation deal already ramping up.
- **While most of these wins should start contributing meaningfully from 3QFY27**, management expects 2Q itself to be a strong growth quarter. We believe the current order book, along with healthy deal momentum, **provides strong revenue visibility over the next 14-16 months.**
- **Cash flow profile appears structurally better:** Free cash flow-to-PAT conversion improved to 95% in 1QFY27. We believe this is not just a strong quarter but **reflects structural changes made over the last few years (refer to Exhibit 1)**, with the historically weak 1H cash flow pattern largely behind the company. **Management has reiterated its target of 100%+ FCF-to-PAT conversion for FY27**. We would still like to see this sustained over the next few quarters; but if it does, **it would be a meaningful improvement in COFORGE's cash generation profile** and one of the key positives from this quarter.
- **Underlying organic growth remains healthy:** Reported revenue grew 22.3% QoQ CC, while organic revenue (excluding Encora) grew 1.1% QoQ CC. However, this number is impacted by the planned exit from the India government and data center businesses. **Adjusting for these exits, underlying organic growth stood at 5.2% QoQ CC, which, in our view**, points to the continued strength of the core business.

Abhishek Pathak - Research analyst (Abhishek.Pathak@MotilalOswal.com)
Research analyst: Keval Bhagat (Keval.Bhagat@MotilalOswal.com)

- **Growth becoming more broad-based across verticals:** Healthcare & Hi-tech (+11.6% QoQ CC) remained the strongest vertical, while Insurance (+4.6% QoQ CC) and BFSI (+2.9% QoQ CC) also delivered healthy growth. We believe this is encouraging as growth is no longer dependent on one or two verticals. Management also highlighted healthy **demand across key markets, and we expect most major verticals to contribute to growth over the next few quarters**.
- **Margins already ahead of guidance; further upside possible:** Consolidated EBIT margin came in at 16.0%, already ahead of the company's FY27 guidance of 15.5%, while standalone margin stood at 16.7%.
- Management indicated that Encora integration is progressing faster than planned, with nearly 40% of G&A costs already removed**, and expects further synergy benefits from 2Q onwards.** In our view, **if execution remains on track, there could be room for further margin expansion. Hence, we build in a 16.1% EBIT margin for FY27/FY28.**

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 further margin upside from the Encora integration provide confidence in the medium-term growth outlook.
- **We value COFORGE at 29x FY28E (earlier 26x) EPS with a TP of INR2,200**, implying a 31% potential upside. We reiterate our BUY rating on the stock.

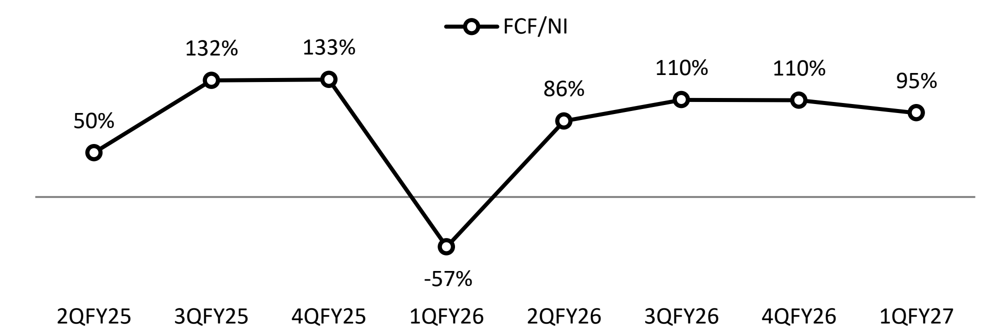
Beat on revenue and margins; 4 large deal wins in 1Q; FCF/NI stands at 95%

- COFORGE's organic revenue grew 1.1% QoQ CC (vs. our estimate of flat QoQ CC). Excluding the exited businesses^^, organic revenue grew 5.2% QoQ CC.
- Consolidated revenue (1QFY27 includes two months of Encora's contribution following its consolidation effective 1st May 2026) grew 22.3% QoQ CC to USD592.2m (up 21.1% QoQ and 33.3% YoY in USD terms).
- Organic growth was led by Healthcare & HiTech (up 11.6% QoQ CC) and Insurance (up 4.6% QoQ CC), while others declined 8.0% QoQ CC.
- Order intake stood at USD691m (up 36.3% YoY). The company signed four large deals during the quarter.
- Consolidated EBIT margin came in at 16.0%, above the consensus estimate of 15.6%.
- Utilization remained flat QoQ at 82.5%. Net headcount increased by 10,451, primarily due to the Encora acquisition, while attrition declined 40bp QoQ to 10.4%.
- Consolidated adjusted PAT stood at INR5.6b (down 14.4% QoQ and up 83.2% YoY) vs. consensus estimate of INR5.4b. Our PAT estimate of INR5.1b reflects only the organic business and is, therefore, not directly comparable, as the reported results include Encora's contribution and the higher post-acquisition share count.
- Note ^^: adjusting for the planned discontinuation of a USD15m low-margin India Government portfolio and a USD4m revenue impact from the divestment of a data center asset during the quarter.

Key highlights from the management commentary

- Management believes the AI-driven disruption will create select but outsized winners, with the industry pivoting from a scale of people to a scale of intelligence.
- Differentiation is expected to come from applying AI within business context, process, and risk, not from model ownership, given ubiquitous access to models, cloud, and agents.
- Delivery model is evolving around Neuron + forward-deployed engineers + 'Mod Squads' (hybrid agent-human pods), shifting from effort-based to outcome-based engagement models.
- The enterprise conversation has shifted from AI adoption to operationalization, governance, and measurable outcomes, a shift management refers to as enterprise autonomy.
- Over the last nine years, COFORGE has delivered a 21.9% revenue CAGR, 24.6% EBIT CAGR, and 24.1% PAT CAGR, reflecting sustained, profitable growth.
- Coforge Neuron, the company's AI operationalization platform, integrates enterprise knowledge, workflows, governance, and agents to help enterprises move from AI pilots to production.

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 (Consolidated)	FY26				FY27E				FY26*	FY27E*
	1Q*	2Q	3Q*	4Q*	1Q*	2QE	3QE	4QE		
Rev. (USD m)	**444**	**462**	**481**	**489**	**592**	**663**	**693**	**720**	**1,870**	**2,668**
QoQ (%)	10.1	4.0	4.1	1.7	21.1	11.9	4.5	4.0	29.1	42.7
Revenue (INR m)	**37,044**	**39,857**	**42,315**	**44,504**	**55,277**	**62,579**	**65,395**	**68,011**	**1,64,027**	**2,51,262**
YoY (%)	56.0	30.2	29.9	30.0	49.2	57.0	54.5	52.8	35.9	53.2
GPM (%)	**34.0**	**34.0**	**33.6**	**34.4**	**34.3**	**34.5**	**34.1**	**34.5**	**33.8**	**34.3**
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**	**12,641**	**12,948**	**13,738**	**30,464**	**50,560**
EBITDA Margin (%)	17.5	18.3	18.3	20.6	20.3	20.2	19.8	20.2	18.6	20.1
EBIT (INRm)	**4,879**	**5,563**	**6,027**	**7,368**	**8,822**	**10,138**	**10,332**	**11,154**	**23,645**	**40,446**
EBIT Margin (%)	13.2	14.0	14.2	16.6	16.0	16.2	15.8	16.4	14.4	16.1
Other income	-477	18	-710	-582	-1251	-814	-850	-884	-2,058	-5,574
ETR (%)	21.7	23.8	22.8	-6.6	24.3	25.0	25.0	25.0	13.4	24.9
Minority Interest	-390.0	-496.0	-465.0	-539.0	-131.0	-130.0	-130.0	-130.0	-1,890.0	-521.0
Reported PAT	**2,471**	**3,757**	**2,501**	**6,123**	**5,186**	**6,403**	**6,528**	**7,154**	**14,854**	**25,272**
QoQ (%)	-4.9	52.0	-33.4	144.8	-15.3	23.5	2.0	9.6		
YoY (%)	88.6	85.9	18.0	135.7	109.9	70.4	161.0	16.8	76.9	70.1
Adj. PAT	**3,057**	**3,757**	**3,640**	**6,541**	**5,602**	**6,403**	**6,528**	**7,154**	**16,996**	**25,686**
EPS (INR)	**5.9**	**8.9**	**5.9**	**14.5**	**12.3**	**15.2**	**15.5**	**16.9**	**35.2**	**59.8**

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

Key highlights from the management commentary

Demand outlook

- Management believes the AI-driven disruption will create select but outsized winners, with the industry pivoting from a scale of people to a scale of intelligence.
- Differentiation is expected to come from applying AI within business context, process, and risk, not from model ownership, given ubiquitous access to models, cloud, and agents.
- Delivery model is evolving around Neuron + forward-deployed engineers + 'Mod Squads' (hybrid agent-human pods), shifting from effort-based to outcome-based engagement models.
- The enterprise conversation has shifted from AI adoption to operationalization, governance, and measurable outcomes, a shift management refers to as enterprise autonomy.
- Over the last nine years, COFORGE has delivered a 21.9% revenue CAGR, 24.6% EBIT CAGR, and 24.1% PAT CAGR, reflecting sustained, profitable growth.
- Coforge Neuron, the company's AI operationalization platform, integrates enterprise knowledge, workflows, governance, and agents to help enterprises move from AI pilots to production.
- ~USD58m was invested in AI innovation in FY26; ~30% of active engagements already leverage AI within delivery workflows.
- Consolidated revenue stood at USD592.2m (INR 55,277m), including only two months of the Encora contribution (from May 1, not the April 24 close).
- AI-led engineering, data, and cloud together contributed 86% of revenue, ahead of the 80% guided at deal announcement — engineering at 50%, data at 21%, cloud at 15%.
- The client mix broadened post-Encora: 1 client >USD 100m, 3 clients in the USD 50–100m band, 14 in USD 20–50m, and 29 in USD 10–20m; top 5/top 10 clients contributed 18%/26.1% of revenue.
- The next-12-month executable order book rose to an all-time high of USD2.23b, up 44.2% YoY from USD 1.55b, underpinning strong revenue visibility.

- Management expects 2Q no. of large-deal signings to approach full-year FY24 levels, with most large deals closed in 2Q impacting revenue from 3Q onward.
- A USD230m+, five-year AI-led transformation deal was signed with a European client (announced post quarter-end, to reflect in 2Q); ramp-up has already begun, adding 20–30 delivery teams.
- Outcome-based/subscription contracts currently form 6–7% of global revenue on a run-rate basis.
- **BFS:** Growth trajectory remains steady, with management flagging BFSI-linked large deals (e.g., a leading global financial institution's AI platform/agent ecosystem build-out targeting 50%+ productivity gains) as evidence of continued momentum.
- **Insurance:** Delivery wins included a large-scale core platform transformation for an Australian medical indemnity insurer (~40,000 healthcare professionals served) and a Code Insight AI-led Azure migration for a specialty insurer, cutting technical debt by 92%, with 99.93% field-level accuracy and **65%** productivity gains.
- **Travel, Transportation, and Hospitality (TTH):** The Mod Squad delivery model drove 30% productivity gains and a 22% reduction in manual effort for a global travel technology client. The company's cargo platform went live for one of India's largest aviation hubs, extending its footprint to 20 airports globally, a proof point for scalability within the vertical.
- **Healthcare & Hi-Tech:** In life sciences, a genetic audit platform for a biopharma client identified USD4m in savings opportunities at 95% accuracy; in manufacturing, Code Insight AI reduced documentation effort by 70%, modernization cycles by 50%, and operating costs by 35% for a global automotive client. Growth was aided by Encora's healthcare exposure, which management noted nearly doubles COFORGE's healthcare business and adds hi-tech as a new vertical, both tick-marks against the original acquisition thesis.
- **Government (overseas):** India government revenue (~USD 50m prior-year run-rate) saw a USD 15m step-down in 1Q, already reflected in the base, with no incremental drag expected going forward. Contributed 6% of revenue; management described UK public sector momentum as strong (‘on steroids’), distinct from the India government business being wound down.
- Wage hikes were effected only for a select group in 1Q; broader organization-wide hikes are not expected before 4QFY27, if at all.
- Within the AI-led engineering/data/cloud core, engineering rose to 50% of revenue (up ~5 pts), partly a classification effect as Encora's revenue is almost entirely engineering-led with negligible cloud contribution; cloud revenue itself still grew ~4% QoQ on a standalone basis.
- Delivery milestones cited across clients include productivity gains of 30–50% via AI-led Mod Squads, an AI-native advisor platform driving 30%+ productivity gains, and a Code Insight AI-led modernization program cutting technical debt by 92%.
- Enterprises are increasingly avoiding lock-in to single model/cloud providers, pursuing ‘enterprise sovereign AI’. Management noted no active client adoption of Chinese LLMs in North America, UK, or Europe.
- A USD550m term loan (3-year tenor, ~2.99% post-tax cost) was fully drawn as of June 30; repayment schedule: USD 59m in FY27, USD 209m in FY28, USD 258m in FY29, and a final USD 75m tranche in Q1 FY30.

- The Encora acquisition (equity value basis: INR fair value per share of 1,220 vs. 1,815 at signing) resulted in ~USD 600m lower goodwill on the balance sheet; customer relationship intangibles of ~USD 480m will be amortized over 12 years (~USD 40m/year D&A impact).
- Hedge losses of USD1.1m (likely ~USD10–11m) were incurred in the quarter, with an additional mark-to-market loss to unwind over the next two quarters; management expects a positive earnings impact once the hedge book normalizes beyond Q3.
- Two ex-Encora accounts are being scaled toward the top-10 client list, with one identified as having potential to become a USD 50m+ account within 12–18 months.

Margin performance and other comments

- Consolidated EBIT margin came in at 16% in 1Q itself, already ahead of the 15.5% full-year FY27 guidance; standalone COFORGE EBIT margin was 16.7%.
- Encora delivered EBITDA margin of 20.3% and EBIT margin of 19.1% in its first quarter under COFORGE, aided by rapid integration synergies.
- Combined G&A improved to 6.6% of revenue (COFORGE standalone at 6.7%, Encora at 10% pre-acquisition), implying a ~40% reduction in Encora's G&A cost base; further improvement expected in 2Q.
- Acquisition/integration costs of USD 6.5m were incurred in 1Q (vs. a USD 15m full budget), with marginal costs expected in 2Q and none from 3Q.
- Free cash flow stood at USD 52.9m, translating into 95.3% FCF/PAT conversion, a sharp improvement from (56.5)% in 1Q FY26; FY27 FCF/PAT guidance of 100%+ was reiterated.
- FY27 guidance reaffirmed: EBITDA margin of 20.5–21% and EBIT margin of 15.5%+ on a consolidated basis (16.5–17% standalone), with management now targeting to exceed these levels.
- Reported EPS was INR 13.30 (ex-exceptional items) vs. INR 13.80 prior quarter, impacted by a 25% increase in equity base and incremental acquisition-related interest costs. The company remains on track to be EPS-accretive in FY27.

Exhibit 2: Healthcare and BFS led the growth during the quarter

Verticals (QoQ, USD%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	QFY26	1QFY27
BFS	3.1	4.0	3.3	4.3	-2.3	17.4	-1.1	15.4	-0.7	3.7	-2.0	-2.6	20.1
Insurance	4.7	2.3	-1.3	-2.2	-5.6	23.2	4.1	-7.7	1.6	1.3	2.0	1.7	11.3
Transportation	1.2	2.3	-2.4	-1.5	6.6	26.9	5.7	9.0	32.0	5.8	2.3	3.9	10.2
Govt Outside India					7.3	22.5	-4.0	10.8	7.1	-0.3	-5.0	21.1	-3.1
Healthcare and Hi-tech*											9.3	11.4	82.1
Others	2.1	0.5	4.0	-30.6	11.4	56.2	-14.0	27.9	13.1	-33.8	19.4	-6.6	15.7

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 & EMEA contributed to growth

Geography(QoQ, USD%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
US	5.8	1.7	-4.3	2.0	8.6	39.9	7.4	0.9	14.1	6.2	2.1	1.5	32.0
EMEA	0.2	2.8	4.5	-0.1	-4.7	16.3	7.0	-2.7	1.9	0.9	2.6	1.0	15.5
APAC	-0.6	3.2	15.2	-9.3	-3.1	23.4	-6.7	38.1	13.4	1.7	15.9	3.8	-9.6

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 further margin upside from the Encora integration provide confidence in the medium-term growth outlook.
- **We value COFORGE at 29x FY28E (earlier 26x) EPS with a TP of INR2,200**, implying a 31% potential upside. We reiterate our BUY rating on the stock.

Exhibit 4: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue mix Geography-wise (%)									
Americas	50.8	55.1	56.0	54.7	56.7	57.9	56.8	56.7	61.8
EMEA	37.5	33.8	34.2	32.2	29.8	28.9	28.5	28.3	27.0
RoW	11.6	11.1	9.8	13.1	13.5	13.2	14.7	15.0	11.2
Revenue mix Vertical-wise (%)									
BFS	32.3	29.4	27.5	30.7	27.7	27.6	26.0	24.9	24.7
Insurance	20.0	19.1	18.8	16.8	15.5	15.1	14.8	14.8	13.6
Transportation	18.4	18.1	18.1	19.1	22.9	23.3	22.9	23.4	21.3
Manufacturing/Media/Others	21.3	25.9	21.0	25.9	26.7	17.0	19.5	17.9	17.1
Revenue mix (%)									
Top Clients contribution (%)									
Top – 5	21.0	18.7	19.8	18.0	20.7	21.0	21.0	21.8	18.0
Top -10	32.9	28.2	30.0	27.7	29.3	30.8	30.7	31.4	26.1
Fresh order Intake - USD m									
USA	126	245	294	1828	272	281	304	437	364
EMEA	96	184	93	170	140	122	194	156	260
RoW	92	86	114	128	95	110	95	55	67
Deals signed - USD m	314	516	501	2126	507	514	593	648	691
Executable Order Book (NTM) - USD m	1070	1105	1365	1505	1550	1635	1717	1752	2228
Employee metrics									
Billable Personnel	25037	30434	30981	31354	32013	32710	33178	33643	43421
Sales and Marketing	442	575	583	586	594	622	617	577	687
Others	1133	1474	1530	1557	1580	1564	1546	1557	2120
Total	**26612**	**32483**	**33094**	**33497**	**34187**	**34896**	**35341**	**35777**	**46228**
Utilization	81.6	82.2	81.3	82	82.1	82.3	81.7	82.5	82.5
Attrition	11.4	11.7	11.9	10.9	11.3	11.4	10.9	10.8	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**	**2,51,262**	**3,00,590**
Change (%)	37.9	24.6	12.4	34.0	35.9	53.2	19.6
Cost of revenue	43,736	54,059	60,179	79,999	1,08,527	1,64,975	1,97,840
Gross Profit	**20,584**	**26,087**	**29,910**	**40,734**	**55,500**	**86,287**	**1,02,749**
SGA expenses	8,527	11,438	13,694	23,516	25,036	34,159	40,580
RSU costs	633	587	1,046	1,742	1,979	2,025	2,405
EBITDA	**11,424**	**14,062**	**15,170**	**17,218**	**30,464**	**50,560**	**59,765**
% of Net Sales	17.8	17.5	16.8	14.3	18.6	20.1	19.9
Depreciation	2,272	2,585	2,972	4,276	6,819	10,114	11,351
EBIT	**9,152**	**11,477**	**12,198**	**12,942**	**23,645**	**40,446**	**48,414**
% of Net Sales	14.2	14.3	13.5	10.7	14.4	16.1	16.1
Other Income	-266	-630	-1,153	19	-2,058	-5,574	-4,820
PBT	**8,886**	**10,847**	**11,045**	**12,961**	**21,587**	**34,872**	**43,594**
Tax	1,468	2,208	2,209	3,326	2,583	8,529	10,898
Rate (%)	16.5	20.4	20.0	25.7	12.0	24.5	25.0
Extraordinary Items	269	1,188	261	0	2,260	550	0
Minority Interest	530	513	276	1,240	1,890	521	520
Adjusted PAT	**6,888**	**8,126**	**8,560**	**9,742**	**16,996**	**25,686**	**32,175**
Change (%)	44.0	18.0	5.3	13.8	74.5	51.1	25.3

Balance Sheet							(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	609	611	618	669	672	885	885
Reserves	26,722	30,214	35,648	63,123	94,704	2,29,357	2,45,444
Net Worth	**27,331**	**30,825**	**36,266**	**63,792**	**95,376**	**2,30,242**	**2,46,329**
Loans	3,365	3,382	3,399	67	1,167	49,835	31,785
Minority Interest	983	874	1,003	19,498	1,430	1,575	1,575
Other liabilities	6,073	4,360	5,094	13,750	14,147	21,671	25,925
Capital Employed	**37,752**	**39,441**	**45,762**	**97,107**	**1,12,120**	**3,03,323**	**3,05,615**
Net Block	**4,452**	**4,455**	**4,470**	**7,682**	**9,425**	**10,333**	**10,253**
CWIP	86	46	232	24	33	33	33
Intangibles	14,821	16,299	16,133	49,726	55,114	1,75,149	1,72,879
Investments	0	0	0	0	0	0	0
Deferred tax assets	7,976	9,970	14,217	19,860	25,184	38,578	46,151
Curr. Assets	**22,209**	**26,064**	**26,025**	**43,508**	**59,058**	**1,30,687**	**1,34,334**
Debtors	13,894	16,131	18,039	25,771	39,700	46,811	56,000
Cash & Bank Balance	4,468	5,699	3,213	7,956	10,936	71,005	62,946
Investments	67	88	139	2,333	56	56	56
Other Current Assets	3,780	4,146	4,634	7,448	8,366	12,815	15,331
Current Liab. & Prov	**11,792**	**17,393**	**15,315**	**27,375**	**36,694**	**51,458**	**58,035**
Trade payables	6,160	6,481	8,062	9,883	17,754	31,993	38,273
Other liabilities	5,316	10,552	6,836	16,786	17,953	17,953	17,953
Provisions	316	360	417	706	987	1,512	1,809
Net Current Assets	**10,417**	**8,671**	**10,710**	**16,133**	**22,364**	**79,229**	**76,299**
Application of Funds	**37,752**	**39,441**	**45,762**	**97,107**	**1,12,120**	**3,03,323**	**3,05,615**

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**	**59.8**	**76.2**
Cash EPS	21.1	22.5	26.7	33.2	51.0	83.8	103.1
Book Value	65.0	73.3	86.3	151.8	226.9	547.9	586.1
DPS	10.4	12.8	15.2	15.2	15.4	29.9	38.1
Payout %	66.4	77.9	77.3	76.5	43.8	50.0	50.0
Valuation (x)							
P/E	107.6	102.6	85.8	84.8	47.9	28.2	22.1
Cash P/E	80.1	74.8	63.2	50.8	33.0	20.1	16.4
EV/EBITDA	61.9	50.2	46.7	40.6	22.9	13.6	11.3
EV/Sales	11.0	8.8	7.9	5.8	4.3	2.7	2.3
Price/Book Value	25.9	23.0	19.5	11.1	7.4	3.1	2.9
Dividend Yield (%)	0.6	0.8	0.9	0.9	0.9	1.8	2.3
Profitability Ratios (%)							
RoE	25.0	23.1	24.1	13.9	16.5	15.4	13.4
RoCE	23.6	22.9	22.8	13.4	19.5	14.6	11.9
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	25.4	29.2

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	33,260	41,712
Cash for Working Capital	-1,433	-1,027	-2,800	-2,689	-6,621	-2,666	-8,447
Net Operating CF	**7,656**	**9,505**	**9,034**	**12,371**	**17,917**	**30,594**	**33,264**
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**	**21,594**	**24,264**
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	1,40,028	0
Proceeds from LTB/STB	2,139	-1,315	-573	19	-5,395	50,898	-16,236
Dividend Payments	-3,748	-4,285	-4,781	-5,097	-5,431	-12,636	-16,088
Cash Flow from Fin.	**-1,558**	**-5,582**	**-8,870**	**16,753**	**-10,937**	**1,78,290**	**-32,323**
Net Cash Flow	**-3,466**	**1,207**	**-2,314**	**4,641**	**2,632**	**60,069**	**-8,059**
Exchange difference	-65	24	-172	102	348	0	0
Opening Cash Bal.	**7,998**	**4,467**	**5,698**	**3,212**	**7,955**	**10,935**	**71,004**
Add: Net Cash	-3,531	1,231	-2,486	4,743	2,980	60,069	-8,059
Closing Cash Bal.	**4,467**	**5,698**	**3,212**	**7,955**	**10,935**	**71,004**	**62,945**

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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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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