

Estimate change



TP change



Rating change



Bloomberg	COFORGE IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	504.1 / 6
52-Week Range (INR)	7649 / 4287
1, 6, 12 Rel. Per (%)	16/36/27
12M Avg Val (INR m)	2932

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	120.8	150.7	174.0
EBIT Margin (%)	12.6	15.0	15.7
PAT	9.8	16.0	19.5
EPS (INR)	147.9	240.5	292.6
Adj. PAT	9.8	16.0	19.5
Adj. EPS (INR)	147.1	239.2	291.0
Adj. EPS Gr. (%)	10.4	62.6	21.7
BV/Sh. (INR)	621.8	732.8	877.1

Ratios

RoE (%)	24.6	34.9	35.7
RoCE (%)	23.3	30.8	31.7
Payout (%)	50.0	50.0	50.0

Valuations

P/E (x)	51.4	31.6	26.0
P/BV (x)	12.2	10.3	8.6
EV/EBITDA (x)	25.1	18.0	14.9
Div Yield (%)	1.0	1.6	1.9

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	0.0	0.0	0.0
DII	48.2	47.3	54.3
FII	42.1	41.4	34.4
Others	9.8	11.3	11.4

FII Includes depository receipts

CMP: INR7,558

TP: INR10,000 (+32%)

BUY

A blazing quarter

Growth across the board and a strong start to Cigniti integration

- COFORGE reported 2QFY25 organic revenue growth of 6.3% QoQ in USD terms, above our estimate of 4.3%. It reported an organic CC QoQ growth of 5.5% (consol. CC QoQ growth of 26.3%). Consol. revenue stood at USD369.4m (up 26.8% QoQ/32.8% YoY). Organic order intake of USD448m in 2Q with three large deals, resulting in a robust organic 12-month executable order book of USD1,105m (+18% YoY). Organic EBIT margin, adjusted for transaction-related costs of INR201m, came in at 12.2% (est. 12.5%). Organic adj. PAT stood at INR1.8b (+39.5% QoQ/2.7% YoY) due to lower SG&A costs and higher other income. The company's revenue grew 10.4% in 1HFY25, while EBIT/PAT declined 0.7%/12.4% vs. 1HFY24 in organic terms. We expect revenue/EBIT/PAT to grow organically by 19.0%/20.6%/17.0% YoY in 2HFY25. **We reiterate our BUY rating on COFORGE with a TP of INR10,000, implying a 32% potential upside.**

Our view: Coforge in pole position to participate in recovery

- COFORGE had a robust quarter, to lead the industry on the growth front:** COFORGE's organic growth was broad-based across BFS, Insurance, and Travel. Order intake was quite healthy too, up 43% QoQ. We believe COFORGE's organic business is in great shape, and its executable order book over the next 12 months (up 18% YoY) provides confidence in FY25 growth. Further, its presence in high growth verticals in a recovering demand environment positions it as a growth leader alongside Persistent.
- Not just margins, but Cigniti growth could surprise on the upside too:** While the EBITDA margin expansion from 12.6% in Q1 to 16.2% in Q2 was the key highlight, Cigniti's growth numbers were an even bigger surprise. Cigniti reported revenue growth of 6.1% sequentially.
- COFORGE believes it can extract further synergies and expand margin to over 18% by 4QFY25. Further, early cross-selling initiatives between COFORGE and Cigniti indicate that COFORGE could engineer a growth turnaround at Cigniti earlier than expected.
- Demand turnaround now certain, COFORGE a key beneficiary:** The 2Q earnings season corroborates our thesis that demand is recovering, and COFORGE's offerings and vertical exposures put it in pole position to lead growth. It continues to be our top pick, as detailed in our IMPACT framework analysis (Exhibit 3).

Valuation and changes to our estimates

- We integrate Cigniti numbers in our financial model, and we now assume 80% ownership of Cigniti by FY25E and 100% ownership beyond FY26E. We value COFORGE organically at 40x Sep'26E EPS (vs. 38x earlier) and value the Cigniti business at 25x Sep'26E EPS. This SOTP-based approach yields a rounded TP of INR10,000 (INR8,700 for COFORGE and INR1,300 for Cigniti). **We reiterate our BUY rating on the stock with a TP of INR10,000, implying a 32% potential upside.**

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- Our FY25E adj. PAT has reduced on account of higher-than-expected RSU costs and one-offs; otherwise we have raised our organic estimates by 3% to 7% for FY25/FY26/FY27, driven by the company's higher-than-expected organic growth. We believe the company's healthy executable order book and a rebound in BFS client spending bode well for its organic business. Cigniti could prove to be an effective long-term asset.

Significant beat on revenue (both organic and Cigniti included), margins miss; organic deal-win TCV up 43% QoQ

- COFORGE's organic USD revenue grew 6.3% QoQ (est. 4.3% QoQ). Organically, growth was led by the insurance vertical (+8.4% QoQ), followed by transportation, which was up 5.8% QoQ. BFS grew 4.7% QoQ during the quarter.
- Organic order intake was USD448m (consol. order intake at USD516m), returning to its normal run rate (43% QoQ). Organic 12-month executable order book rose 18% YoY at USD1,105m (consol. Order book stood at USD1,305m). It added nine (13 clients on a consol. basis) new clients organically in 2Q.
- Cigniti's EBITDA margin stood at 16%, above consensus estimates.
- Organic EBIT margin for COFORGE was 12.2% (barring transaction-related expenses), below our estimates of 12.5%
- Organic adj. EBITDA (pre-RSU) rose 21.6% QoQ/1.4% YoY to INR4.0b and EBITDA margin (pre-RSU) came in at 15.8%, up 190bp QoQ.
- Utilization grew 60bp QoQ to 82.2%. Net employee addition stood at 5,871, up 5.4% QoQ. Attrition inched up 30bp QoQ at 11.7%
- Organic Adj. PAT came in at INR1.8b (est. INR2.3b), up 39.5% QoQ/2.7% YoY
- The Board declared a dividend of INR19 per share.

Key highlights from the management commentary

- Headcount additions and a strong large-deal pipeline give confidence in robust and sustained growth in the coming quarters.
- The Cigniti acquisition is now fully operationally integrated.
- The management is confident of a strong growth story for the next seven years, which is built upon: 1) a much more diversified organization compared to the last 7 years (reduced airline exposure); 2) growth vectors primarily driven by industry build in product engineering, in cloud services, in data services, and experience-based technologies; and 3) an expanded geographical mix.
- This was an exceptionally strong quarter for COFORGE. The quarter validates three key assertions made at the beginning of the year: 1) the credibility of Cigniti's business is strong, and synergies will be realized, 2) despite stopping annual guidance, organic COFORGE growth remains strong, and 3) the first management team to announce a positive turnaround in demand.
- The go-to-market (GTM) engine is already in place, headed by a COFORGE leader.
- In the GCC space, the company has seen strong activity. GCCs are led by leaders of Indian origin who have risen through the ranks. The company has built GCC capabilities and is in the process of creating virtual GCCs. The sales plan includes both micro and mega GCCs.
- Large deal velocity remains strong, with three large deals signed during the quarter. The vertical mix has evolved, with notable traction in newer verticals such as healthcare and increased activity in product engineering. COFORGE is also widening the funnel and expanding geographical presence.

Exhibit 1: SoTP-based TP at INR10,000

SoTP valuation	EPS (Sep'26)	Target Multiple	Target Price
COFORGE Organic	215	40	8700
Cigniti	45	25	1300
Consolidated TP (Rounded)			10,000

Source: MOFSL

Exhibit 2: HCLT and LTIM lead in the IMPACT ranking among Tier-1 companies

IMPACT framework- large caps	Industry exposure (5- best)	Margin expansion (5- best)	Partnerships (5- best)	Automation threat (5: minimum)	Client strategies (5-best)	NextGen readiness (5-best)	Total Score
HCL	●●●●●	●●●	●●●●●	●●●●●	●●●	●●●	24
LTIM	●●●●●	●	●●●●●	●●●●●	●●●	●●●●●	24
Infosys	●●●	●●●	●●●●●	●●●	●●●	●●●●●	22
TCS	●●●	●●●	●●●●●	●●●	●●●	●●●●●	22
Wipro	●●●	●●●	●●●●●	●●●	●●●	●●●	20
TechM	●	●●●	●●●●●	●●●	●●●	●●●	18

Source: MOFSL

Exhibit 3: PSYS and COFORGE lead in the IMPACT ranking among Tier-2 companies

IMPACT framework- mid tier	Industry exposure (5- best)	Margin expansion (5- best)	Partnerships (5- best)	Automation threat (5: minimum)	Client strategies (5-best)	NextGen readiness (5-best)	Total Score
Persistent	●●●●●	●●●	●●●●●	●●●●●	●●●●●	●●●●●	28
Coforge	●●●●●	●●●	●●●●●	●●●	●●●●●	●●●	24
Zensar	●●●	●●●	●●●	●●●●●	●●●●●	●●●	22
LTTS	●●●	●●●	●●●	●●●●●	●●●●●	●●●	22
Mphasis	●●●	●●●	●●●●●	●●●	●●●	●●●	20
Cyient	●●●	●●●	●	●●●●●	●●●●●	●●●	20

Source: MOFSL

Valuation and view:

- We integrate Cigniti numbers in our financial model, and we now assume 80% ownership of Cigniti by FY25E and 100% ownership beyond FY26E. We value COFORGE organically at 40x Sep'26E EPS (vs. 38x earlier) and value the Cigniti business at 25x Sep'26E EPS. This SOTP-based approach yields a rounded TP of INR10,000 (INR8,700 for COFORGE and INR1,300 for Cigniti). **We reiterate our BUY rating on the stock with a TP of INR10,000, implying a 32% potential upside.**

Quarterly Performance (IND-AS)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q*	3QE	4QE		
Rev. (USD m)	272	278	282	287	291	369	386	402	1,119	1,449
QoQ (%)	2.8	2.3	1.4	1.7	1.6	26.8	4.5	4.3	11.7	29.5
Revenue (INR m)	22,210	22,762	23,233	23,585	24,008	30,623	32,411	33,792	91,790	1,20,833
YoY (%)	21.4	16.2	13.0	8.7	8.1	34.5	39.5	43.3	14.5	31.6
GPM (%)	30.7	32.5	33.1	34.1	33.0	32.4	35.0	35.0	32.6	33.9
SGA (%)	14.7	14.9	15.1	15.5	19.1	16.5	15.1	15.1	15.1	16.2
EBITDA (INRm)	3,329	3,473	4,012	4,163	3,134	4,640	5,834	6,083	14,977	19,690
EBITDA Margin (%)	15.0	15.3	17.3	17.7	13.1	15.2	18.0	18.0	16.3	16.3
EBIT (INRm)	2,572	2,701	3,201	3,317	2,319	3,397	4,641	4,894	11,791	15,251
EBIT Margin (%)	11.6	11.9	13.8	14.1	9.7	11.1	14.3	14.5	12.8	12.6
Other income	-152	-295	-257	-452	-272	-262	-218	-228	-1,156	-980
ETR (%)	20.0	21.9	17.5	19.7	31.9	25.5	25.2	25.2	19.7	26.2
Minority Interest	-104.0	-69.0	-48.0	-55.0	-61.0	-314.0	-275.2	-123.2	-276.0	-773.4
Adj. PAT	1,831	1,809	2,380	2,246	1,332	2,022	3,034	3,369	8,266	9,757
QoQ (%)	-21.3	-1.2	31.6	-5.6	-40.7	51.8	50.1	11.0		
YoY (%)	22.0	-10.3	4.3	-3.5	-27.3	11.8	27.5	50.0	1.7	18.0
Adj. EPS (INR)	29.2	29.0	38.1	36.2	20.8	30.1	45.2	50.2	133.2	147.1

Source: MOFSL estimates; *Financial figures for 2QFY25 onwards are taken on consolidated basis which includes organic and Cigniti results.

Key Performance Indicators

Y/E March	FY24				FY25		FY24
	1Q	2Q	3Q	4Q	1Q	2Q*	
Revenue (QoQ CC %)	2.7	2.3	1.8	1.9	1.6	26.3	
Margins							
Gross Margin	30.7	32.5	33.1	34.1	33.0	32.4	32.6
EBIT Margin	11.6	11.9	13.8	14.1	9.7	11.1	12.8
Net Margin	8.2	7.9	10.2	9.5	5.5	6.6	9.0
Operating metrics							
Headcount	24,224	24,638	24,607	24,726	26,612	32,483	24,726
Attrition (%)	13.3	13.0	12.1	11.5	11.4	11.7	11.5
Deal Win TCV (USD b)	531	313	354	774	314	516	774
Key Verticals (YoY USD %)							
BFS	20.0	12.3	16.0	17.9	9.6	23.6	16.5
Insurance	11.4	9.7	11.5	5.5	1.5	12.3	9.5
Travel and Transport	8.6	8.0	3.3	1.5	4.9	30.0	5.3
Key Geographies (YoY USD %)							
North America	10.3	8.5	6.1	7.1	7.6	48.2	8.0
Europe	19.1	13.5	11.2	9.8	7.5	15.7	13.2

*Financial figures for 2QFY25 are taken on consolidated basis which includes organic and Cigniti results.



Key highlights from the management commentary

Demand outlook

- The growth story of COFORGE is 29 quarters old, driven by intense execution capability. The next seven years are expected to be even better than the last seven years. Headcount additions and a strong large-deal pipeline give confidence in robust and sustained growth in the coming quarters.
- The confidence in strong growth story emanates from: 1) a much more diversified organization compared to the last seven years (reduced airline exposure), 2) growth vectors primarily driven by industry build in product engineering, cloud services, data services, and experience-based technologies, and 3) an expanded geographical mix.
- This was an exceptionally strong quarter for COFORGE. The quarter validates three key assertions made at the beginning of the year: 1) the credibility of

Cigniti's business is strong, and synergies will be realized, 2) despite stopping annual guidance, organic COFORGE growth remains strong, and 3) the first management team to announce a positive turnaround in demand.

- Growth was evenly spread across all verticals. All verticals are expected to deliver growth going forward. The GTM engine is already in place, headed by a COFORGE leader.
- Order intake exceeded USD300m in the last 10 consecutive quarters. In 2Q, order intake totaled USD516m, of which USD67m came from Cigniti.
- Large deal velocity remains strong, with three large deals signed during the quarter. The vertical mix has evolved, with notable traction in newer verticals like healthcare, and increased activity in product engineering. COFORGE is also widening the funnel and expanding geographical presence.
- The Cigniti acquisition is now fully operationally integrated.
- **BFS:** BFS is expected to achieve double-digit growth in the coming quarters. While uncertainty in the sector continues, clients are increasing tech spending on IT, cloud, and data.
- Emerging spending areas include financial crime prevention, digital compliance initiatives in the UK, and open banking initiatives (ramping up in the US). The legacy modernization agenda is being driven by GenAI. Significant exposure to the mortgage industry is expected to see a gradual resurgence due to interest rate reductions, aiding loan origination and processing volumes.
- **Travel & Transportation:** The company has renewed a three-year contract with an Australian airline to deliver managed services: FY24 performance was not strong, but the large deal pipeline is promising. Key spending areas include IT modernization, mainframe offload, India GCC ramp-up led deals, e-commerce and NDC for airline-led deals and guest experience and hospitality personalization.
- Focused on airline and travel technology; travel tech companies are in a spending spree, and the company's farming efforts are benefiting airline clients.
- Utilization level is at 82% (including trainees). The pipeline is strong, and utilization is expected to remain constant to meet demand.
- The company has focused on intense execution and was able to hire a quarter in advance based on indents received from the sales team. Indents are raised 120 days in advance. Deal closures and hiring ramp-ups depend on the supply chain, helping maintain tight utilization.
- **Cigniti:** Cross-selling is progressing exceptionally well, with significant collaboration with the Cigniti sales team. Horizontal business units are well-prepared, creating great synergy with the market-facing units of Cigniti.
- The company has successfully cross-sold to large clients through strong sales execution, with benefits from the cross-selling pipeline expected to materialize in 3Q.
- Cigniti's margin expansion still has some low-hanging fruits that will support the guided range of 18% for COFORGE.
- SEBI approval for the open offer is expected to close by mid-Nov'24.

Margin performance and other comments

- EBITDA was USD58.4m, with a margin of 15.8% in 2Q, up 17.6% QoQ.
- Reported EBITDA was up 125bp in 1HFY25 compared to 1HFY24.

- Acquisition-related expenses in 1H FY25 are expected to normalize in the coming quarters, estimated at 2.3%.
- ESOP costs are expected to impact 180-200bp in the coming 3Q and 4Q quarters (incremental impact is 100-120bp). In 1Q FY25, the current 60bp ESOP cost is expected to be eliminated.
- One-off liabilities from the Cigniti acquisition will not recur, and merger expenses are expected to decrease.
- Historically, OCF to EBITDA ~67%. The challenge of cash burn in 1Q/2Q due to bonuses is expected to stabilize, likely operating at ~70%.
- Cigniti's margin is projected to be 18% for standalone Cigniti by 4Q FY25.
- Impact of amortization of intangibles, such as customer relationships and non-compete that got created on account of purchase price allocation because of Cigniti acquisition. Amortization of USD 10.7 million per year is expected for the next three years.

Exhibit 4: Organic growth was driven by Insurance and Transportation in 2Q

Verticals (QoQ, USD %)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25*
BFS	21.8	22.7	2.3	9.4	11.1	0.0	4.7	3.1	4.0	3.3	6.4	-4.1	17.2
Insurance	1.1	-0.9	-3.0	-7.7	3.9	-2.9	5.5	4.7	2.3	-1.3	-0.1	0.7	13.1
Transportation	4.9	2.5	15.2	-0.9	2.9	1.9	2.3	1.2	2.3	-2.4	0.6	4.5	26.8
Others	2.6	-5.5	9.0	8.5	-4.7	8.7	7.0	2.1	0.5	4.0	-1.6	7.6	47.5

Source: Company, MOFSL; *Financial figures for 2QFY25 are taken on consolidated basis which includes organic and Cigniti results.

Exhibit 5: Organically growth was driven by RoW and US

Geography (QoQ, USD %)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25*
US	7.9	6.3	-1.8	5.6	3.4	-2.2	3.1	5.8	1.7	-4.3	4.1	6.3	40.0
EMEA	-1.8	8.0	23.9	-4.8	7.9	6.7	3.2	0.2	2.8	4.5	2.0	-1.9	10.7
RoW	24.5	-11.5	-16.9	18.7	-11.3	4.9	21.1	-0.6	3.2	15.2	-7.4	-5.1	23.4

Source: Company, MOFSL; *Financial figures for 2QFY25 are taken on consolidated basis which includes organic and Cigniti results.

Valuation and view:

- We integrate Cigniti numbers in our financial model, and we now assume 80% ownership of Cigniti by FY25E and 100% ownership beyond FY26E. We value COFORGE organically at 40x Sep'26E EPS (vs. 38x) and value the Cigniti business at 25x Sep'26E EPS. This SOTP-based approach yields a rounded TP of INR10,000 (INR8,700 for COFORGE and INR1,300 for Cigniti). **We reiterate our BUY rating on the stock with a TP of INR10,000, implying a 32% potential upside.**

Exhibit 6: Summary of our revised estimates (Organic business)

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	83.8	84.0	84.0	83.6	83.6	83.6	0.3%	0.5%	0.5%
USD Revenue - m	1,265	1,521	1,765	1,244	1,419	1,604	1.7%	7.2%	10.0%
Growth (%)	13.1	20.3	16.0	11.2	14.1	13.0	190bp	620bp	300bp
EBIT margin (%)	12.4	14.5	15.3	13.3	14.5	15.1	-90bp	0bp	20bp
Adj. PAT (INR M)	9,755	12,818	15,763	10,569	12,428	14,710	-7.7%	3.1%	7.2%

Source: MOFSL

Exhibit 7: Operating metrics

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25*
Revenue Mix Geography-wise (%)									
Americas	51.3	49.2	48.3	49.7	49.4	46.6	47.7	49.9	55.1
EMEA	38.5	40.3	39.6	38.6	38.8	40.0	40.1	38.7	33.8
RoW	10.2	10.5	12.1	11.7	11.8	13.4	12.2	11.4	11.1
Revenue mix Vertical-wise (%)									
BFS	31.7	31.1	31.0	31.1	31.6	32.2	33.7	31.8	29.4
Insurance	23.2	22.1	22.2	22.6	22.6	22.0	21.6	21.4	19.1
Transportation	19.3	19.3	18.8	18.5	18.5	17.8	17.6	18.1	18.1
Manufacturing/Media/Others	25.8	27.5	28.0	27.8	27.3	28.0	27.1	28.7	33.4
Revenue Mix (%)									
Top Clients contribution (%)									
Top – 5	23.1	23.9	23.0	25.1	23.5	22.7	23.0	21.0	23.0
Top -10	35.8	36.3	35.5	37.7	35.2	34.3	34.4	32.9	34.4
Fresh order Intake - USD m									
USA	141	208	130	155	118	110	627	126	245
EMEA	134	113	113	346	138	172	102	96	184
RoW	29	24	58	30	57	72	46	92	86
Deals signed - USD m	304	345	301	531	313	354	774	314	516
Executable Order Book (NTM) - USD m	802	841	869	897	935	974	1019	1070	1305
Employee Metrics									
Billable Personnel	21692	21153	21815	22762	23131	23107	23243	25037	30434
Sales and Marketing	291	317	350	363	360	368	388	442	575
Others	1008	1035	1059	1099	1147	1132	1095	1133	1474
Total	22991	22505	23224	24224	24638	24607	24726	26612	32483
Utilization	77.3	80.3	81.5	81	80	79.4	81.7	81.6	82.2
Attrition	16.4	15.8	14.1	13.3	13.0	12.1	11.5	11.4	11.7

Source: Company, MOFSL; *Financial figures for 2QFY25 are taken on consolidated basis which includes organic and Cigniti results.

Financials and valuations

Income Statement						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	41,809	46,628	64,320	80,146	91,790	1,20,833	1,50,661	1,74,010
Change (%)	13.7	11.5	37.9	24.6	14.5	31.6	24.7	15.5
Cost of revenue	27,502	31,692	43,736	54,059	61,872	79,847	99,274	1,14,242
Gross Profit	14,307	14,936	20,584	26,087	29,918	40,987	51,387	59,769
SGA expenses	6,840	6,545	8,527	11,438	13,821	19,604	21,550	25,215
RSU costs	17	480	633	587	1,120	1,693	2,260	1,572
EBITDA	7,450	7,911	11,424	14,062	14,977	19,690	27,577	32,981
% of Net Sales	17.8	17.0	17.8	17.5	16.3	16.3	18.3	19.0
Depreciation	1,730	1,836	2,272	2,585	3,186	4,440	4,930	5,704
EBIT	5,720	6,075	9,152	11,477	11,791	15,251	22,647	27,277
% of Net Sales	13.7	13.0	14.2	14.3	12.8	12.6	15.0	15.7
Other Income	461	113	-266	-630	-1,156	-980	-1,022	-1,186
PBT	6,181	6,188	8,886	10,847	10,635	14,271	21,625	26,091
Tax	1,229	1,302	1,468	2,208	2,093	3,740	5,442	6,566
Rate (%)	19.9	21.0	16.5	20.4	19.7	26.2	25.2	25.2
Extraordinary Items	128	226	269	1,188	165	0	0	0
Minority Interest	238	104	530	513	276	773	136	0
Adjusted PAT	4,714	4,782	6,888	8,126	8,266	9,757	16,047	19,525
Change (%)	15.3	1.4	44.0	18.0	1.7	18.0	64.5	21.7

Balance Sheet						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	625	606	609	611	618	618	618	618
Reserves	23,340	24,055	26,722	30,214	35,648	40,394	48,285	57,915
Net Worth	23,965	24,661	27,331	30,825	36,266	41,012	48,903	58,533
Loans	48	5	3,365	3,382	3,399	2,203	703	703
Minority Interest	0	0	983	874	1,003	1,003	1,003	1,003
Other liabilities	2,443	2,043	6,073	4,360	5,094	6,706	8,361	9,657
Capital Employed	26,456	26,709	37,752	39,441	45,762	50,924	58,970	69,896
Net Block	4,013	3,902	4,452	4,455	4,470	3,918	2,974	1,411
CWIP	3	2	86	46	232	232	232	232
Intangibles	5,988	5,690	14,821	16,299	16,133	15,245	14,259	13,118
Investments	0	0	0	0	0	0	0	0
Deferred tax assets	2,884	4,245	7,976	9,970	14,217	18,715	23,335	26,952
Curr. Assets	21,510	21,295	22,209	26,064	26,025	34,399	43,396	56,260
Debtors	8,565	8,895	13,894	16,131	18,039	22,511	28,068	32,418
Cash & Bank Balance	8,195	7,999	4,468	5,699	3,213	5,648	7,583	14,917
Investments	976	247	67	88	139	139	139	139
Other Current Assets	3,774	4,154	3,780	4,146	4,634	6,100	7,606	8,785
Current Liab. & Prov	7,942	8,425	11,792	17,393	15,315	21,586	25,227	28,077
Trade payables	2,634	3,398	6,160	6,481	8,062	14,201	17,707	20,451
Other liabilities	4,979	4,802	5,316	10,552	6,836	6,836	6,836	6,836
Provisions	329	225	316	360	417	549	684	791
Net Current Assets	13,568	12,870	10,417	8,671	10,710	12,813	18,169	28,182
Application of Funds	26,456	26,709	37,752	39,441	45,762	50,924	58,970	69,896

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	75.5	77.4	110.9	130.6	133.2	147.1	239.2	291.0
Cash EPS	101.2	103.4	143.2	153.0	181.9	214.0	312.7	376.1
Book Value	384.1	407.0	448.7	504.8	584.5	621.8	732.8	877.1
DPS	31.0	20.5	52.0	64.0	70.0	73.5	119.6	145.5
Payout %	41.0	26.5	46.9	49.0	52.5	50.0	50.0	50.0

Valuation (x)

P/E	100.0	97.6	68.1	57.9	56.7	51.4	31.6	26.0
Cash P/E	74.6	73.1	52.8	49.4	41.5	35.3	24.2	20.1
EV/EBITDA	62.1	56.8	40.2	32.6	31.3	25.1	18.0	14.9
EV/Sales	11.1	9.6	7.1	5.7	5.1	4.1	3.3	2.8
Price/Book Value	19.7	18.6	16.8	15.0	12.9	12.2	10.3	8.6
Dividend Yield (%)	0.4	0.3	0.7	0.8	0.9	1.0	1.6	1.9

Profitability Ratios (%)

RoE	21.1	19.7	26.0	27.1	24.0	24.6	34.9	35.7
RoCE	18.6	18.0	23.7	23.7	22.2	23.3	30.8	31.7

Turnover Ratios

Debtors (Days)	63	68	65	68	68	61	61	63
Fixed Asset Turnover (x)	10.2	11.8	15.4	18.0	20.6	28.8	43.7	79.4

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CF from Operations	5,633	7,121	9,089	10,532	11,834	14,065	20,844	25,096
Cash for Working Capital	-2,664	502	-1,433	-1,027	-2,800	-2,554	-6,386	-4,999
Net Operating CF	2,969	7,623	7,656	9,505	9,034	11,510	14,458	20,097
Net Purchase of FA	-703	-757	-1,475	-1,537	-2,598	-3,000	-3,000	-3,000
Free Cash Flow	2,266	6,866	6,181	7,968	6,436	8,510	11,458	17,097
Net Purchase of Invest.	1,826	-1,597	-8,089	-1,179	120	0	0	0
Net Cash from Invest.	1,123	-2,354	-9,564	-2,716	-2,478	-3,000	-3,000	-3,000
Proceeds from Equity	275	18	51	18	-3,516	0	0	0
Proceeds from LTB/STB	-133	-697	2,139	-1,315	-573	-1,196	-1,500	0
Dividend Payments	-1,469	-4,852	-3,748	-4,285	-4,781	-4,878	-8,023	-9,762
Cash Flow from Fin.	-1,327	-5,531	-1,558	-5,582	-8,870	-6,075	-9,523	-9,762
Net Cash Flow	2,765	-262	-3,466	1,207	-2,314	2,436	1,934	7,335
Exchange difference	236	66	-65	24	-172	0	0	0
Opening Cash Bal.	5,193	8,194	7,998	4,467	5,698	3,212	5,647	7,582
Add: Net Cash	3,001	-196	-3,531	1,231	-2,486	2,436	1,934	7,335
Closing Cash Bal.	8,194	7,998	4,467	5,698	3,212	5,647	7,582	14,916

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