

India

REDUCE (no change)

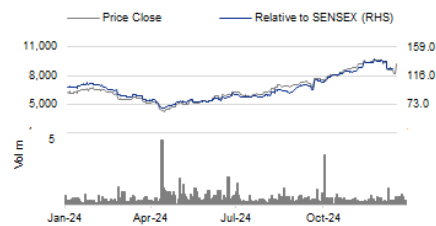
Consensus ratings*: Buy 22 Hold 3 Sell 10

Current price: Rs9,196
 Target price: ▲ Rs7,748
 Previous target: Rs4,431
 Up/downside: -15.7%
 InCred Research / Consensus: -13.1%

Reuters:
 Bloomberg: COFORGE IN
 Market cap: US\$8,468m
 Rs614,869m
 Average daily turnover: US\$50.0m
 Rs3634.2m
 Current shares o/s: 66.5m
 Free float: 100.0%
 *Source: Bloomberg

Key changes in this note

- Expect 15.9% revenue CAGR over FY25F-27F.
- Expect 29.1% EBIT CAGR over FY25F-27F.
- Expect 30.8% EPS CAGR over FY25F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(2.2)	21.7	48.3
Relative (%)	0.3	27.3	37.7

Major shareholders	% held
Motilal Oswal Midcap Fund	8.1
HDFC Midcap Opportunities Fund	6.4
LIC	5.3

Research Analyst(s)



Abhishek SHINDADKAR
 T (91) 22 4161 1543
 E abhishek.shindadkr@incredresearch.com
Vikas SWAMI
 T (91) 22 4161 1544
 E vikas.swami@incredresearch.com

Coforge Limited

Good on revenue but not so on profitability

- 3QFY25 revenue growth and order bookings were better than expected.
- However, the EBIT margin missed estimates.
- Retain REDUCE rating but with a higher target price of Rs7,748.

3QFY25 results summary

Coforge reported strong 3QFY25 revenue (8.4% qoq in constant currency or CC terms) led by the others vertical and aided by insurance and travel, while the FSI vertical was soft. Cigniti grew 3.5% while the core business grew 9.4% qoq in CC terms. However, despite strong revenue growth, the EBIT margin at 11.8% was 60bp below the InCred estimate. Deal wins were healthy (order intake at US\$501m) led by four large deals, taking the executable order book to US\$1.37bn, up 40% yoy. Commentary suggests the pipeline remains strong with a gradual improvement in demand across verticals. We adjust our estimates, introduce FY27F and reiterate REDUCE rating on the stock. The shift to FY25F-27F CAGR drives our target price higher despite retaining the target PE/G multiple at 1x.

Deals wins strong, scaling of GCC operations may aid bookings

Reported qoq growth was led by the others vertical, which primarily includes healthcare, retail, hitech, manufacturing and governments outside India (35.6% of revenue; up 14.2% qoq and 78.4% yoy), followed by travel, transportation and hospitality (18.1%; up 7.5% qoq and 43.2% yoy), insurance (18.8% of revenue; up 5.8% qoq and 20.3% yoy) and BFSI (27.5%; up 0.6% qoq and 20.3% yoy). Across geographies, America (56% of revenue; up 9.3% qoq and 69.2% yoy) and EMEA (34.2%; up 8.8% qoq and 20.4% yoy) led growth which was offset by RoW (9.8%; down 5.1% qoq but up 3% yoy). Fresh order intake of US\$501m was driven by four large deals, with one being in the Cigniti client portfolio. The four deals came from the asset and wealth management vertical, ASEAN region, a leading airline and a renewal with an existing insurance customer.

EBIT margin below estimate

The EBIT margin at 11.8% was below estimate driven by higher ESOP costs at 2.1% of revenue, up 130bp qoq, offset by gross margin improvement of 84bp qoq and depreciation (3.8% vs. 4.1% 2QFY25). Commentary suggests that ESOP costs could decline to 1% by 3QFY26F and help margin expansion. We model an average 13.4% EBIT margin over FY25F-27F.

Retain REDUCE rating with a higher target price of Rs7,748

We model a 18.5% US\$ revenue CAGR over FY25F-27F and a 30.8% PAT (Rs) CAGR driven by organic growth and acquisition contribution. We retain our target PE/G multiple of 1x to arrive at our target P/E multiple of 31x and a higher target price of Rs7,748 vs. Rs4,431 earlier. Upside risks: Strong execution and growth visibility could support premium valuation.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	80,146	91,790	122,495	154,582	180,012
Operating EBITDA (Rsm)	14,058	15,053	19,875	26,588	31,502
Net Profit (Rsm)	6,943	8,081	8,401	14,695	18,065
Core EPS (Rs)	154.3	137.9	126.3	205.0	252.0
Core EPS Growth	41.9%	(10.7%)	(8.4%)	62.3%	22.9%
FD Core P/E (x)	82.35	71.01	72.83	44.87	36.50
DPS (Rs)	64.0	76.0	76.0	120.8	146.5
Dividend Yield	0.70%	0.83%	0.81%	1.23%	1.51%
EV/EBITDA (x)	40.72	38.45	31.00	24.68	20.62
P/FCFE (x)	77.94	130.03	89.67	43.09	41.27
Net Gearing	(0.5%)	10.5%	7.9%	(8.6%)	(19.6%)
P/BV (x)	18.55	15.82	15.38	14.21	12.09
ROE	33.0%	25.6%	22.1%	34.1%	35.8%
% Change In Core EPS Estimates			(29.75%)	(8.70%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	3QFY25F	Var. (%)
Revenue (US\$ m)	397.1	282.0	40.8	369.4	7.5	387.1	2.6
Revenue (Rs m)	33,182	23,233	42.8	30,623	8.4	32,693	1.5
USD-INR realization	83.6	82.4	1.4	82.9	0.8	84.5	(1.1)
EBITDA	5,190	4,013	29.3	4,841	7.2	5,394	(3.8)
EBITDA margin (%)	15.6	17.3	(163bp)	15.8	(17bp)	16.5	(86bp)
EBIT	3,922	3,202	22.5	3,598	9.0	4,067	(3.6)
EBIT margin (%)	11.8	13.8	(196bp)	11.7	7bp	12.4	(62bp)
Depreciation	1,268	811	56.4	1,243	2.0	1,327	(4.4)
Net other income	-327	-257	27.2	-173	89.0	-141	132.7
PBT	3,595	2,945	22.1	3,425	5.0	3,927	(8.5)
Provision for tax	874	516	69.4	799	9.4	903	(3.2)
% tax rate	24.3	17.5	679 bp	23.3	98 bp	23.0	131 bp
Net profit	2,155	2,381	(9.5)	2,022	6.6	2,710	(20.5)
EPS (Rs)	31.9	38.1	(9.5)	30.1	6.0	40.4	(20.9)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key takeaways from the earnings conference call

- **Guidance:** Coforge has maintained a positive outlook on achieving robust and sustained growth and reaffirmed its medium-term guidance of reaching US\$2bn. Expects a reversal of furloughs to be a key tailwind in 4QFY25F.
- **Demand outlook:** Gradual improvement in demand across sectors. The insurance vertical could do well in FY26F.
- Vertical-wise commentary
 - **FSI:** Continues to see demand in micro areas, particularly in operational resilience and regulatory compliance. Expanded solutions to include core banking testing, DORA compliance and strengthened the Agile framework for a wholesale banking division. Partnered a Fortune 100 bank on a financial crime prevention program deploying an artificial intelligence or AI-powered platform to combat human trafficking.
 - **Travel:** Witnessing a lot of demand around GenAI and AI platforms, primarily to improve personalization in products and offerings and to automate processes. The immediate demand is coming from travel tech players, the travel platform players that are focused on loyalty, legacy modernization, and network and capacity expansion by airlines. The company is very bullish despite the ongoing inflationary pressure. Started a large program to develop a scalable low-code-no-code SaaS platform focused on improving customer care processes for a major transport company.
 - **Healthcare:** Signed a large deal to modernize a British healthcare system over the next six years.
- Created an offering to reverse engineer legacy mainframe applications using GenAI. The solution offers 25-30% time and cost savings for large modernization programs.
- Actively working with strategic partners Microsoft and ServiceNow to embed AI and GenAI in solutions.
- Formed Global Capability Centres or GCC centre of excellence to help clients establish and/or scale GCCs. Recently helped a leading US-based wealth management firm managing US\$1.5tr in assets to set up GCCs. The company expects to see significant updates in the subsequent quarter.
- The board of directors has approved amalgamation of Cigniti. The share swap ratio is one share of Coforge for every five shares of Cigniti. The effective date of the merger is 1 Apr 2025.

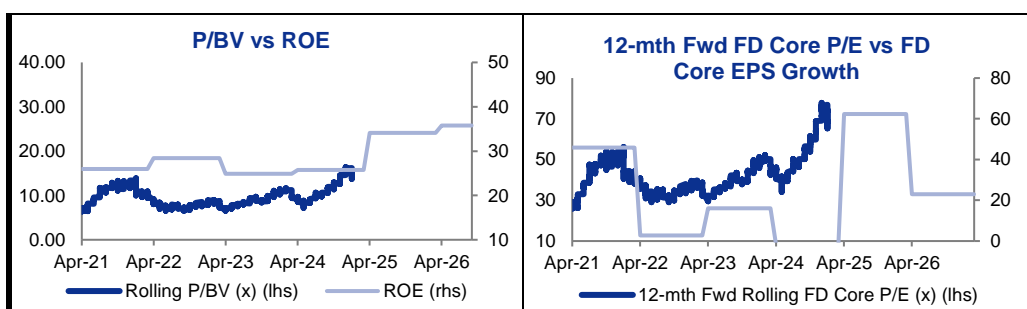
Figure 2: Operating metric trends

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Revenue (US\$ m)	239	247	252	264	272	278	282	287	291	369	397
Growth yoy (%)	19.5	16.0	13.6	13.8	13.9	12.6	12.0	8.5	7.2	32.8	40.8
Growth qoq (%)	2.7	3.4	1.9	5.0	2.8	2.3	1.4	1.7	1.6	26.8	7.5
Revenue (Rs. m)	18,294	19,594	20,558	21,700	22,210	22,762	23,233	23,585	24,008	30,623	33,182
Growth yoy (%)	25.2	24.9	24.0	24.5	21.4	16.2	13.0	8.7	8.1	34.5	42.8
Growth qoq (%)	5.0	7.1	4.9	5.6	2.4	2.5	2.1	1.5	1.8	27.6	8.4
EBIT Margin (%)	12.5	14.4	14.5	15.5	11.5	11.9	13.8	14.4	13.6	11.7	11.8
US\$-Rs realized rate	76.6	79.4	81.7	82.1	81.7	81.8	82.4	82.2	82.4	82.9	83.6
Headcount	22,742	22,991	22,505	23,224	24,224	24,638	24,607	24,726	26,612	32,483	33,094
Utilization including trainees (%)	76.2	77.3	80.3	81.5	81.0	80.0	79.4	81.7	81.6	82.2	81.3
LTM attrition (%)	18.0	16.4	15.8	14.1	13.3	13.0	12.1	11.5	11.4	11.7	11.9
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
BFS	29.5	31.7	31.1	31.0	31.1	31.6	32.2	33.7	31.8	29.4	27.5
Insurance	23.1	23.2	22.1	22.2	22.6	22.6	22.0	21.6	21.4	19.1	18.8
TTH	19.4	19.3	19.3	18.8	18.5	18.5	17.8	17.6	18.1	18.1	18.1
Others	28.0	25.8	27.4	28.0	27.8	27.3	28.1	27.1	28.8	33.5	35.6
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
BFS	70	78	78	82	85	88	91	97	93	109	109
Insurance	55	57	56	59	61	63	62	62	62	71	75
TTH	46	48	49	50	50	51	50	50	53	67	72
Others	67	64	69	74	76	76	79	78	84	124	141
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
BFS	67.9	52.6	24.4	27.3	20.0	12.3	16.0	17.9	9.6	23.6	20.3
Insurance	-10.9	-7.8	-9.7	-1.7	11.4	9.7	11.5	5.5	1.5	12.3	20.3
TTH	22.0	20.4	19.8	6.4	8.6	8.0	3.3	1.5	4.9	30.0	43.2
Others	15.4	6.5	22.5	20.2	13.1	19.2	14.9	5.0	11.1	63.0	78.4
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
BFS	9.4	11.1	0.0	4.7	3.1	4.0	3.3	6.4	-4.1	17.2	0.6
Insurance	-7.7	3.9	-2.9	5.5	4.7	2.3	-1.3	-0.1	0.7	13.1	5.8
TTH	-0.9	2.9	1.9	2.3	1.2	2.3	-2.4	0.6	4.5	26.8	7.5
Others	8.5	-4.7	8.3	7.3	2.1	0.5	4.4	-1.9	8.0	47.5	14.2
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
BFS	6.0	7.9	0.0	3.7	2.6	3.3	2.9	5.8	-4.0	15.9	0.6
Insurance	-4.6	2.1	-1.7	3.1	2.7	1.4	-0.8	-0.1	0.4	8.2	4.1
TTH	-0.4	1.3	0.9	1.1	0.6	1.2	-1.3	0.3	2.3	14.1	5.0
Others	5.2	-3.1	5.3	5.1	1.5	0.4	3.3	-1.5	6.2	39.8	17.6
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Americas	51.3	51.3	49.2	48.3	49.7	49.4	46.6	47.7	49.9	55.1	56
EMEA	36.9	38.5	40.3	39.6	38.6	38.8	40.0	40.1	38.7	33.8	34.2
ROW	11.9	10.2	10.5	12.1	11.7	11.8	13.4	12.2	11.4	11.1	9.8
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Americas	122	127	124	128	135	137	131	137	145	204	222
EMEA	88	95	101	105	105	108	113	115	113	125	136
ROW	28	25	26	32	32	33	38	35	33	41	39
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Americas	17.9	14.0	4.8	10.1	10.3	8.5	6.1	7.1	7.6	48.2	69.2
EMEA	26.0	37.4	35.8	13.2	19.1	13.5	11.2	9.8	7.5	15.7	20.4
ROW	9.4	-22.7	-8.3	33.7	12.0	30.3	43.0	9.4	4.5	25.0	3.0
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Americas	5.6	3.4	-2.2	3.1	5.8	1.7	-4.3	4.1	6.3	40.0	9.3
EMEA	-4.8	7.9	6.7	3.2	0.2	2.8	4.5	2.0	-1.9	10.7	8.8
ROW	18.7	-11.3	4.9	21.1	-0.6	3.2	15.2	-7.4	-5.1	23.4	-5.1
Incremental revenue (US\$ m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Americas	6.5	4.2	-2.8	3.9	7.4	2.3	-6.0	5.4	8.6	58.1	18.8
EMEA	-4.4	7.0	6.4	3.3	0.2	3.0	4.9	2.2	-2.2	12.1	11.0
ROW	4.5	-3.2	1.2	5.6	-0.2	1.0	5.0	-2.8	-1.8	7.8	-2.1
Deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Order intake	315	304	345	301	531	313	354	775	314	515	501
qoq (%)	4.3	-3.5	13.5	-12.8	76.4	-41.1	13.1	118.9	-59.5	64.0	-2.7
yoy (%)	-1.3	6.7	39.1	-0.3	68.6	3.0	2.6	157.5	-40.9	64.5	41.5
TTM order intake	1,150	1,169	1,266	1,265	1,481	1,490	1,499	1,973	1,756	1,958	2,105
Executable book over the next 12 months	745	802	841	869	897	935	974	1,019	1,070	1,305	1,365
qoq (%)	3.5	7.7	4.9	3.3	3.2	4.2	4.2	4.6	5.0	22.0	4.6
yoy (%)	15.5	16.6	20.0	20.7	20.4	16.6	15.8	17.3	19.3	39.6	40.1
Clients (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Top 5	22.9	23.1	23.9	23.0	25.1	23.5	22.7	23.0	21.0	23.0	19.8
Top 6-10	12.6	12.7	12.4	12.5	12.6	11.7	11.6	11.4	11.9	11.4	10.2
Non-top 10	64.5	64.2	63.7	64.5	62.3	64.8	65.7	65.6	67.1	65.6	70.0
Clients (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Top 5	55	57	60	61	68	65	64	66	61	85	79
Top 6-10	30	31	31	33	34	33	33	33	35	42	41
Non-top 10	154	159	160	171	169	180	185	188	196	242	278
Clients yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Top 5	11.3	19.1	7.7	13.3	24.8	14.6	6.4	8.5	-10.3	30.0	22.8
Top 6-10	33.3	40.3	29.2	19.5	13.9	3.8	4.8	-1.1	1.3	29.4	23.8
Non-top 10	20.3	11.2	13.2	12.9	10.0	13.7	15.6	10.3	15.5	34.5	50.0
Clients qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Top 5	1.8	4.3	5.5	1.1	12.2	-4.2	-2.0	3.0	-7.2	38.8	-7.5
Top 6-10	8.8	4.3	-0.5	5.9	3.6	-5.0	0.5	-0.1	6.1	21.4	-3.8
Non-top 10	1.9	3.0	1.2	6.4	-0.7	6.4	2.8	1.5	3.9	23.9	14.7
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25

Top 5	1.0	2.4	3.1	0.7	7.4	-2.9	-1.3	2.0	-4.8	23.8	-6.3
Top 6-10	2.4	1.3	-0.1	1.8	1.2	-1.7	0.2	-0.0	2.0	7.4	-1.6
Non-top 10	2.9	4.5	1.8	10.2	-1.2	10.9	5.1	2.9	7.4	46.8	35.6
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Revenue (US\$ m) - TTM	906	940	970	1,002	1,035	1,066	1,096	1,119	1,138	1,230	1,345
Employees (average TTM)	22,040	22,591	22,685	22,866	23,236	23,648	24,173	24,549	25,146	27,107	29,229
Revenue per employee (TTM)	41,085	41,592	42,747	43,808	44,534	45,078	45,352	45,571	45,268	45,361	46,006

SOURCES: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	80,146	91,790	122,495	154,582	180,012
Gross Profit	26,087	29,910	40,294	51,321	59,944
Operating EBITDA	14,058	15,053	19,875	26,588	31,502
Depreciation And Amortisation	(2,585)	(3,186)	(4,651)	(5,410)	(6,120)
Operating EBIT	11,473	11,867	15,224	21,178	25,382
Financial Income/(Expense)	(634)	(1,186)	(924)	(682)	(490)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	4	30			
Profit Before Tax (pre-EI)	10,843	10,711	14,300	20,496	24,892
Exceptional Items					
Pre-tax Profit	10,843	10,711	14,300	20,496	24,892
Taxation	(2,061)	(2,093)	(3,311)	(4,724)	(5,750)
Exceptional Income - post-tax	(1,326)	(261)	(1,405)		
Profit After Tax	7,456	8,357	9,584	15,772	19,142
Minority Interests	(513)	(276)	(1,183)	(1,077)	(1,077)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	6,943	8,081	8,401	14,695	18,065
Recurring Net Profit	9,595	8,603	8,401	14,695	18,065
Fully Diluted Recurring Net Profit	9,595	8,603	8,401	14,695	18,065

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	14,058	15,053	19,875	26,588	31,502
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,027)	(2,800)	(5,090)	(1,937)	(2,797)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(513)	(276)	(1,183)	(1,077)	(1,077)
Other Operating Cashflow					
Net Interest (Paid)/Received	(806)	(1,256)	(1,279)	(1,300)	(1,300)
Tax Paid	(2,800)	(3,661)	(3,311)	(4,724)	(5,750)
Cashflow From Operations	8,912	7,060	9,012	17,550	20,578
Capex	(1,582)	(2,655)	(2,400)	(2,800)	(4,600)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,134)	177	355	618	810
Cash Flow From Investing	(2,716)	(2,478)	(2,045)	(2,182)	(3,790)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(4,285)	(4,781)	(4,930)	(8,082)	(9,936)
Preferred Dividends					
Other Financing Cashflow	(1,297)	(566)	49		
Cash Flow From Financing	(5,582)	(5,347)	(4,881)	(8,082)	(9,936)
Total Cash Generated	614	(765)	2,086	7,286	6,852
Free Cashflow To Equity	7,330	4,405	6,612	14,750	15,978
Free Cashflow To Firm	7,002	5,838	8,246	16,668	18,088

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	5,787	3,352	4,033	11,319	18,171
Total Debtors	16,131	18,039	25,724	30,453	35,462
Inventories					
Total Other Current Assets	4,146	4,634	4,634	4,634	4,634
Total Current Assets	26,064	26,025	34,391	46,406	58,268
Fixed Assets	6,866	7,629	5,378	2,767	1,247
Total Investments	2,484	2,339	2,339	2,339	2,339
Intangible Assets	16,299	16,133	16,133	16,133	16,133
Total Other Non-Current Assets	5,121	8,951	8,951	8,951	8,951
Total Non-current Assets	30,770	35,052	32,801	30,190	28,670
Short-term Debt	454	1,544	1,544	1,544	1,544
Current Portion of Long-Term Debt					
Total Creditors	6,481	8,062	10,657	13,449	15,661
Other Current Liabilities	10,458	5,709	5,709	5,709	5,709
Total Current Liabilities	17,393	15,315	17,910	20,702	22,914
Total Long-term Debt	5,168	5,716	5,716	5,716	5,716
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,574	2,777	2,777	2,777	2,777
Total Non-current Liabilities	7,742	8,493	8,493	8,493	8,493
Total Provisions					
Total Liabilities	25,135	23,808	26,403	29,195	31,407
Shareholders Equity	30,825	36,266	39,786	46,398	54,528
Minority Interests	874	1,003	1,003	1,003	1,003
Total Equity	31,699	37,269	40,789	47,401	55,531

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	24.6%	14.5%	33.5%	26.2%	16.5%
Operating EBITDA Growth	26.0%	7.1%	32.0%	33.8%	18.5%
Operating EBITDA Margin	17.5%	16.4%	16.2%	17.2%	17.5%
Net Cash Per Share (Rs)	2.65	(62.63)	(48.51)	56.61	152.18
BVPS (Rs)	495.82	581.18	597.99	647.14	760.52
Gross Interest Cover	14.23	9.45	11.90	16.29	19.52
Effective Tax Rate	19.0%	19.5%	23.2%	23.0%	23.1%
Net Dividend Payout Ratio	48.1%	56.9%	50.3%	55.0%	55.0%
Accounts Receivables Days	68.37	67.94	65.20	66.32	66.83
Inventory Days					
Accounts Payables Days	42.68	42.89	41.56	42.60	44.25
ROIC (%)	29.9%	30.2%	28.1%	36.7%	44.6%
ROCE (%)	26.3%	23.3%	25.3%	31.7%	33.2%
Return On Average Assets	17.5%	16.2%	18.2%	22.7%	23.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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InCred Research Services Private Limited

Research Analyst SEBI Registration Number: INH000011024

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.