

India

**HOLD** (no change)

Consensus ratings\*: Buy 6 Hold 9 Sell 1

Current price: Rs421  
 Target price: ▼ Rs421  
 Previous target: Rs509  
 Up/downside: 0.0%  
 InCred Research / Consensus: -6.4%

Reuters: BIRS.NS  
 Bloomberg: BSOFT IN  
 Market cap: US\$1,367m  
 Rs116,917m  
 Average daily turnover: US\$9.6m  
 Rs820.9m  
 Current shares o/s: 281.3m  
 Free float: 59.1%

\*Source: Bloomberg

**Key changes in this note**

- Expect ~5% yoy revenue CAGR over FY25-27F.
- Expect ~11% EBIT CAGR over FY25-27F.
- Expect 15% yoy PAT growth in FY27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	5.8	(0.8)	(32.2)
Relative (%)	4.0	(11.0)	(38.6)

Major shareholders	% held
Kotak Emerging Equity Scheme	7.6
HDFC Flexi Cap Fund	4.3
ICICI Prudential Technology Fund	2.3

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**Birlasoft****Weak execution continues**

- Weak execution continues. Revenue missed estimates while the EBIT margin beat was driven by one-offs.
- Client-specific challenges, especially in top 6-10, continue to impact execution.
- Cash balance (US\$259m), and valuation (11x EV/EBITDA) are key anchors.

**4QFY25 earnings summary**

Birlasoft's (BSOFT) revenue weakness (-5.4% in US\$ terms) was driven by project closures/ramp-downs, leading to a qoq decline in key verticals (BFSI, manufacturing, life sciences) and horizontals (digital & data, ERP) while the EBIT margin beat was aided by a one-time benefit of 200bp due to lower variable pay & leave encashment for senior executives and Indian rupee (INR) depreciation. Management commentary suggests the ask rate to achieve flat yoy revenue in FY26F is very steep while large deal transition costs are key margin headwind. Weak execution drives a cut in our estimates and target price to Rs421 (Rs509 earlier). Healthy cash balance (US\$259m), ~21x m-cap/FY25 FCF & 11x EV/FY27F EBITDA are key anchors to valuation.

**Demand environment commentary**

Demand commentary suggests cautious optimism in the US (87% revenue) despite the challenging macroeconomic uncertainty. That said, 1QFY26F could be soft, with growth recovery expected from 2QFY26F. 4QFY25 new order intake was better (up 75% qoq but up by a modest 4.7% yoy) while total/renewal bookings were up/down by 4.4%/23.5%, respectively. Although the overall order TCV intake may appear muted in 1QFY26F, new order intake could be better led by closure of two large deals (hi-tech/financial services with US\$30-40m/US\$25-30m TCV each). Rationalization of the tail continues as active clients declined by 11 qoq to 254 (US\$1m+ bucket saw a reduction of five clients qoq).

**We expect flattish EBIT margin yoy**

The EBIT margin beat was driven by operational efficiency, INR depreciation & one-offs, a part of which could recur in FY26F. Recovery in ERP, offshoring & efficiency are key margin tailwinds while restoration of variable pay, muted revenue growth & consolidation-driven deals with a lower-than-company avg. margin are key headwinds. Consequently, we trim our average FY26F-27F EBIT margin assumption to 13.6% vs. 13.9% earlier.

**Retain HOLD rating but with a lower target price of Rs421**

We model a 5% US\$ revenue growth CAGR over FY25-27F and an average 12% PAT (Rs) over FY26F-27F. Although we retain our HOLD rating, trimming of estimates drives our target price lower. We now apply a target PE/G of ~1.2x on FY27F yoy EPS growth (vs. average FY26F-27F earnings growth earlier) to arrive at our target P/E multiple and discount FY27F EPS to set a lower target price of Rs421 (Rs509 earlier). Growth moderation driven by client-specific challenges, weak order booking & margin execution are downside risks, while the better-than-expected growth led by M&A is an upside risk.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	47,948	52,781	53,752	55,640	61,557
Operating EBITDA (Rsm)	6,715	8,362	6,974	7,456	8,433
Net Profit (Rsm)	4,826	6,238	5,168	5,633	6,475
Core EPS (Rs)	17.1	22.2	18.3	20.0	23.0
Core EPS Growth	4.6%	29.8%	(17.5%)	9.0%	15.0%
FD Core P/E (x)	24.57	18.93	22.95	21.06	18.32
DPS (Rs)	3.5	6.5	6.5	9.5	11.0
Dividend Yield	0.83%	1.54%	1.54%	2.26%	2.61%
EV/EBITDA (x)	16.20	12.45	14.39	13.02	11.14
P/FCFE (x)	29.62	21.27	22.69	23.80	23.43
Net Gearing	(39.9%)	(46.0%)	(54.0%)	(58.6%)	(61.5%)
P/BV (x)	4.84	3.88	3.51	3.23	2.96
ROE	19.2%	22.7%	16.1%	16.0%	16.9%
% Change In Core EPS Estimates			(1.22%)	(7.17%)	(8.12%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25F	Var. (%)
Revenue (US\$ m)	152.2	163.9	(7.1)	160.8	(5.3)	160.6	(5.2)
Revenue (Rs m)	13,169	13,625	(3.4)	13,627	(3.4)	13,722	(4.0)
USD-INR realization	86.5	83.1	4.1	84.7	2.1	85.5	1.2
EBITDA	1,736	2,217	(21.7)	1,634	6.2	1,674	3.7
EBITDA margin (%)	13.2	16.3	(309 bp)	12.0	119 bp	12.2	98 bp
EBIT	1,519	2,006	(24.2)	1,422	6.9	1,460	4.1
EBIT margin (%)	11.5	14.7	(318 bp)	10.4	111 bp	10.6	90 bp
Depreciation	216	211	2.6	213	1.8	214	1.1
Net other income	144	416	(65.5)	138	3.9	232	(38.2)
PBT	1,663	2,422	(31.3)	1,560	6.6	1,692	(1.7)
Provision for tax	442	621	(28.9)	390	13.2	426	3.6
% tax rate	26.6	25.7	92 bp	25.0	155 bp	25.2	138 bp
Net profit	1,221	1,801	(32.2)	1,168	4.5	1,266	(3.5)
EPS (Rs)	4.3	6.4	(32.2)	4.2	4.5	4.5	(3.4)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key takeaways from the earnings conference call

- **Guidance:** Birlasoft expects muted revenue growth in 1QFY26F, while deal ramp-ups could aid recovery from 2QFY26F with growth accelerating in 3Q/4QFY26F.
- **Demand outlook:** Customers are holding back discretionary spending, given the macroeconomic challenges.
- **Vertical-wise commentary**
  - **BFSI:** Growth could recover led by deal closures.
  - **Manufacturing:** Leadership refresh could aid business recovery. Tariff uncertainty has led to insourcing and ramp-down across at least three customers in manufacturing and healthcare verticals put together.
  - **Lifesciences (LS):** Medtech accounts for ~75% of the business. Vertical revenue is prone to tariffs; given that it has similar attributes to manufacturing. LS also witnessed a change in leadership.
  - **Energy:** The vertical witnessed growth in 4QFY25, and management expects the growth to continue.
- The increase in onsite revenue was due to higher discretionary demand.
- The company is investing in front-end sales and could increase SG&A costs, even as costs are being reduced in other functions.
- Agentic artificial intelligence or AI and other technology will be used to regain the loss of margin due to vendor consolidation-led deals which are below the company margin.

Figure 2: Operating metrics

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$m)	148.6	148.8	148.4	149.1	153.6	158.3	161.3	163.9	159.1	163.3	160.8	152.2
Growth yoy (%)	15.7	8.7	3.5	1.8	3.4	6.4	8.7	9.9	3.6	3.2	-0.3	-7.1
Growth qoq (%)	1.5	0.1	-0.3	0.5	3.0	3.1	1.9	1.6	-2.9	2.6	-1.5	-5.3
Revenue (Rsm)	11,544	11,921	12,219	12,264	12,628	13,099	13,430	13,625	13,274	13,682	13,627	13,169
Growth yoy (%)	22.1	17.8	14.0	11.3	9.4	9.9	9.9	11.1	5.1	4.5	1.5	-3.4
Growth qoq (%)	4.8	3.3	2.5	0.4	3.0	3.7	2.5	1.5	-2.6	3.1	-0.4	-3.4
EBIT margin (%)	13.0	13.1	11.2	11.9	13.6	14.2	14.4	14.7	13.1	10.5	10.4	11.5
US\$-INR realized rate	77.7	80.1	82.3	82.3	82.2	82.7	83.3	83.1	83.4	83.8	84.7	86.5
Headcount	12,565	12,758	12,530	12,193	12,235	12,322	12,356	12,595	12,865	12,578	12,125	11,930
Utilization (%)	82.5	82.4	84.0	84.8	84.9	86.5	87.1	86.3	81.7	82.0	81.8	81.0
LTM attrition (%)	27.9	27.4	25.5	22.1	18.8	15.0	12.6	12.4	11.6	11.8	12.7	12.8
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	17.8	19.1	20.1	20.5	20.7	21.1	20.6	21.2	23.6	23.3	24.1	24.0
Energy & Utilities	14.3	14.1	13.9	14.9	14.3	13.7	14.5	14.8	15.8	16.1	15.7	16.9
Lifesciences	26.5	25.0	26.0	24.5	24.4	24.0	23.9	22.1	21.4	20.6	20.0	19.6
Manufacturing	41.4	41.8	40.0	40.1	40.7	41.1	41.1	41.9	39.2	40.0	40.1	39.5
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	26.5	28.4	29.8	30.6	31.8	33.4	33.2	34.7	37.5	38.0	38.8	36.5
Energy & Utilities	21.2	21.0	20.6	22.2	22.0	21.7	23.4	24.3	25.1	26.3	25.2	25.7
Lifesciences	39.4	37.2	38.6	36.5	37.5	38.0	38.6	36.2	34.0	33.6	32.2	29.8
Manufacturing	61.5	62.2	59.4	59.8	62.5	65.1	66.3	68.7	62.4	65.3	64.5	60.1
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	17.7	14.7	17.5	21.4	20.2	17.5	11.4	13.7	18.1	13.9	16.6	5.1
Energy & Utilities	11.1	7.2	-2.8	0.5	3.4	3.4	13.4	9.2	14.4	21.2	7.9	6.0
Lifesciences	31.1	12.3	20.7	15.5	-4.8	2.1	-0.1	-0.8	-9.2	-11.5	-16.6	-17.6
Manufacturing	8.4	4.7	-8.4	-11.4	1.6	4.6	11.7	14.9	-0.2	0.4	-2.7	-12.5

Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	5.0	7.4	5.0	2.5	4.0	5.1	-0.5	4.6	8.1	1.3	1.8	-5.7
Energy & Utilities	-3.9	-1.3	-1.7	7.7	-1.1	-1.3	7.8	3.7	3.6	4.6	-4.0	1.9
Lifesciences	24.5	-5.5	3.7	-5.3	2.6	1.4	1.5	-6.0	-6.0	-1.2	-4.4	-7.2
Manufacturing	-8.8	1.1	-4.6	0.7	4.6	4.1	1.9	3.6	-9.2	4.7	-1.3	-6.8
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	1.3	2.0	1.4	0.7	1.2	1.6	-0.2	1.5	2.8	0.5	0.7	-2.2
Energy & Utilities	-0.9	-0.3	-0.4	1.6	-0.3	-0.3	1.7	0.9	0.9	1.2	-1.0	0.5
Lifesciences	7.8	-2.2	1.4	-2.1	0.9	0.5	0.6	-2.3	-2.2	-0.4	-1.5	-2.3
Manufacturing	-6.0	0.7	-2.8	0.4	2.7	2.5	1.2	2.4	-6.3	3.0	-0.8	-4.4
New deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Order intake	112	138	102	114	80	167	94	107	94	89	64	112
qoq (%)	-10.4	23.2	-26.1	11.8	-29.8	108.8	-43.7	13.8	-12.1	-5.3	-28.1	75.0
yoy (%)	19.1	32.7	-15.7	-8.8	-28.6	21.0	-7.8	-6.1	17.5	-46.7	-31.9	4.7
TTM order intake	462	496	477	466	434	463	455	448	462	384	354	359
Clients (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	30.7	31.1	31.7	32.8	33.3	33.6	34.5	35.4	36.2	36.7	37.0	37.1
Top 6-10	16.3	16.1	16.2	15.9	16.3	17.4	17.5	16.7	16.4	15.8	15.2	14.9
Top 11-20	16.1	16.5	16.2	15.2	14.3	12.9	12.7	12.7	12.5	12.4	12.8	13.2
Non-top 20	36.9	36.3	35.9	36.1	36.1	36.1	35.3	35.2	34.9	35.1	35.0	34.8
Clients (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	45.6	46.3	47.0	48.9	51.1	53.2	55.6	58.0	57.6	59.9	59.5	56.5
Top 6-10	24.2	24.0	24.0	23.7	25.0	27.5	28.2	27.4	26.1	25.8	24.4	22.7
Top 11-20	23.9	24.6	24.0	22.7	22.0	20.4	20.5	20.8	19.9	20.2	20.6	20.1
Non-top 20	54.8	54.0	53.3	53.8	55.4	57.1	56.9	57.7	55.5	57.3	56.3	53.0
Clients yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	16.5	13.8	12.0	11.7	12.1	14.9	18.3	18.6	12.6	12.7	6.9	-2.7
Top 6-10	35.7	12.9	3.5	2.5	3.4	15.0	17.4	15.5	4.2	-6.3	-13.4	-17.1
Top 11-20	16.5	12.1	7.5	-0.8	-8.2	-16.8	-14.8	-8.2	-9.5	-0.8	0.5	-3.5
Non-top 20	7.8	1.7	-4.5	-5.0	1.1	5.8	6.9	7.2	0.1	0.3	-1.2	-8.2
Clients qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	4.2	1.4	1.7	4.0	4.6	4.0	4.6	4.3	-0.7	4.1	-0.7	-5.1
Top 6-10	4.7	-1.1	0.4	-1.4	5.6	10.0	2.5	-3.0	-4.7	-1.1	-5.3	-7.2
Top 11-20	4.8	2.6	-2.1	-5.7	-3.1	-7.0	0.3	1.6	-4.5	1.8	1.6	-2.4
Non-top 20	-3.2	-1.5	-1.4	1.0	3.0	3.1	-0.4	1.3	-3.8	3.2	-1.8	-5.9
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	1.8	0.7	0.8	1.9	2.2	2.0	2.5	2.4	-0.4	2.3	-0.4	-3.0
Top 6-10	1.1	-0.3	0.1	-0.3	1.3	2.5	0.7	-0.9	-1.3	-0.3	-1.4	-1.8
Top 11-20	1.1	0.6	-0.5	-1.4	-0.7	-1.5	0.1	0.3	-0.9	0.4	0.3	-0.5
Non-top 20	-1.8	-0.8	-0.7	0.5	1.6	1.7	-0.2	0.8	-2.2	1.8	-1.0	-3.3
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Active clients	300	301	299	288	285	278	272	259	258	261	265	254
Revenue per active client	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.5	2.5	2.5	2.4	2.5
US\$1m+	82	76	83	83	86	85	83	87	88	89	85	80
US\$5m+	25	27	24	26	27	27	26	26	23	24	27	27
US\$10m+	13	14	13	13	13	11	11	12	12	12	12	12
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$ m) - TTM	575	587	592	595	600	609	622	637	643	648	647	635
Employees (average TTM)	12,195	12,368	12,514	12,512	12,429	12,320	12,277	12,377	12,535	12,599	12,541	12,375
Revenue per employee (TTM)	47,176	47,477	47,322	47,548	48,266	49,464	50,690	51,475	51,267	51,403	51,600	51,348

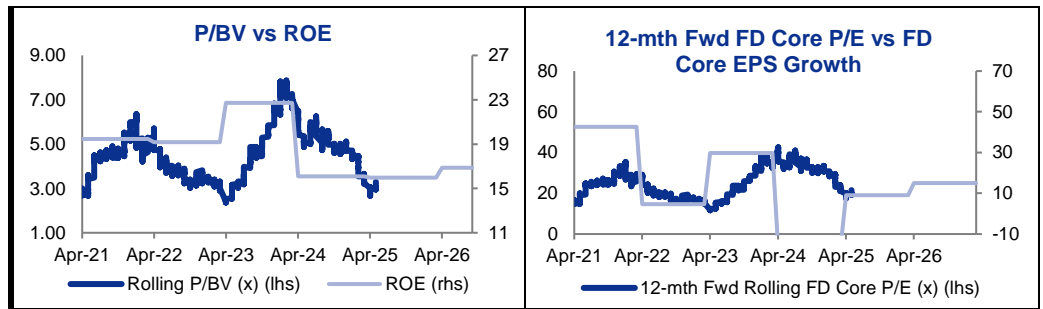
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY26F			FY27F		
	New	Old	% change	New	Old	% change
US\$ revenue	642	676	-5.1	700	724	-3.3
Revenue	55,640	58,491	-4.9	61,557	63,309	-2.8
EBIT	6,571	7,019	-6.4	7,510	8,091	-7.2
EBIT margin (%)	11.8	12.0	(19)bp	12.2	12.8	(58)bp
Net PAT	5,633	6,070	-7.2	6,475	7,050	-8.2
EPS (Rs)	20.0	21.5	-7.2	23.0	25.0	-8.1

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>47,948</b>	<b>52,781</b>	<b>53,752</b>	<b>55,640</b>	<b>61,557</b>
<b>Gross Profit</b>	<b>19,817</b>	<b>22,298</b>	<b>21,744</b>	<b>22,256</b>	<b>24,777</b>
<b>Operating EBITDA</b>	<b>6,715</b>	<b>8,362</b>	<b>6,974</b>	<b>7,456</b>	<b>8,433</b>
Depreciation And Amortisation	(823)	(850)	(857)	(885)	(923)
<b>Operating EBIT</b>	<b>5,892</b>	<b>7,512</b>	<b>6,117</b>	<b>6,571</b>	<b>7,510</b>
Financial Income/(Expense)	42	836	851	990	1,181
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>5,934</b>	<b>8,348</b>	<b>6,968</b>	<b>7,561</b>	<b>8,691</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>5,934</b>	<b>8,348</b>	<b>6,968</b>	<b>7,561</b>	<b>8,691</b>
Taxation	(1,108)	(2,110)	(1,801)	(1,928)	(2,216)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>4,826</b>	<b>6,238</b>	<b>5,168</b>	<b>5,633</b>	<b>6,475</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>4,826</b>	<b>6,238</b>	<b>5,168</b>	<b>5,633</b>	<b>6,475</b>
Recurring Net Profit	4,826	6,238	5,168	5,633	6,475
<b>Fully Diluted Recurring Net Profit</b>	<b>4,826</b>	<b>6,238</b>	<b>5,168</b>	<b>5,633</b>	<b>6,475</b>

### Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>6,715</b>	<b>8,362</b>	<b>6,974</b>	<b>7,456</b>	<b>8,433</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(800)	(730)	417	(98)	(601)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(1,315)	(1,807)	(1,801)	(1,928)	(2,216)
<b>Cashflow From Operations</b>	<b>4,600</b>	<b>5,825</b>	<b>5,591</b>	<b>5,429</b>	<b>5,616</b>
Capex	(577)	(262)	(376)	(445)	(554)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	3,094	(6,007)	1,085	1,224	1,416
<b>Cash Flow From Investing</b>	<b>2,517</b>	<b>(6,269)</b>	<b>709</b>	<b>779</b>	<b>862</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(5,994)	(1,240)	(1,832)	(2,678)	(3,101)
Preferred Dividends					
Other Financing Cashflow	(368)	(438)	(234)	(234)	(234)
<b>Cash Flow From Financing</b>	<b>(6,362)</b>	<b>(1,678)</b>	<b>(2,067)</b>	<b>(2,912)</b>	<b>(3,335)</b>
Total Cash Generated	755	(2,123)	4,234	3,296	3,142
<b>Free Cashflow To Equity</b>	<b>4,022</b>	<b>5,562</b>	<b>5,215</b>	<b>4,984</b>	<b>5,062</b>
<b>Free Cashflow To Firm</b>	<b>7,117</b>	<b>(445)</b>	<b>6,300</b>	<b>6,208</b>	<b>6,477</b>

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	10,425	14,586	18,819	22,115	25,257
Total Debtors	9,071	10,365	9,867	10,061	10,962
Inventories					
Total Other Current Assets	2,201	2,723	2,723	2,723	2,723
<b>Total Current Assets</b>	<b>21,698</b>	<b>27,674</b>	<b>31,409</b>	<b>34,899</b>	<b>38,943</b>
Fixed Assets	2,390	2,036	1,555	1,115	746
Total Investments	1,014	3,023	3,023	3,023	3,023
Intangible Assets	5,034	5,052	5,052	5,052	5,052
Total Other Non-Current Assets	1,737	1,472	1,472	1,472	1,472
<b>Total Non-current Assets</b>	<b>10,175</b>	<b>11,582</b>	<b>11,102</b>	<b>10,662</b>	<b>10,293</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	2,313	2,805	2,724	2,820	3,120
Other Current Liabilities	3,927	4,653	4,653	4,653	4,653
<b>Total Current Liabilities</b>	<b>6,240</b>	<b>7,458</b>	<b>7,377</b>	<b>7,473</b>	<b>7,773</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,150	1,357	1,357	1,357	1,357
<b>Total Non-current Liabilities</b>	<b>1,150</b>	<b>1,357</b>	<b>1,357</b>	<b>1,357</b>	<b>1,357</b>
Total Provisions					
<b>Total Liabilities</b>	<b>7,390</b>	<b>8,815</b>	<b>8,734</b>	<b>8,830</b>	<b>9,130</b>
Shareholders Equity	24,483	30,441	33,777	36,731	40,106
Minority Interests					
<b>Total Equity</b>	<b>24,483</b>	<b>30,441</b>	<b>33,777</b>	<b>36,731</b>	<b>40,106</b>

### Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	16.1%	10.1%	1.8%	3.5%	10.6%
Operating EBITDA Growth	4.9%	24.5%	(16.6%)	6.9%	13.1%
Operating EBITDA Margin	14.0%	15.8%	13.0%	13.4%	13.7%
Net Cash Per Share (Rs)	34.65	49.92	64.71	76.40	87.55
BVPS (Rs)	86.89	108.47	119.82	130.30	142.27
Gross Interest Cover	31.70	37.67	26.10	28.04	32.04
Effective Tax Rate	18.7%	25.3%	25.8%	25.5%	25.5%
Net Dividend Payout Ratio	20.4%	29.2%	35.5%	47.5%	47.9%
Accounts Receivables Days	66.83	67.20	68.69	65.36	62.33
Inventory Days					
Accounts Payables Days	28.60	30.64	31.53	30.31	29.47
ROIC (%)	32.3%	39.5%	32.0%	36.8%	43.2%
ROCE (%)	18.5%	20.0%	13.9%	13.7%	14.3%
Return On Average Assets	14.6%	15.8%	11.1%	11.1%	11.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## 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.