

# Hexaware Technologies

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	HEXT IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	409.5 / 4.6
52-Week Range (INR)	900 / 590
1, 6, 12 Rel. Per (%)	-5/-6/-
12M Avg Val (INR m)	928
Free float (%)	25.5

## Financials & Valuations (INR b)

Y/E Mar	CY25E	CY26E	CY27E
Sales	134.0	146.8	163.2
EBIT Margin (%)	13.3	14.8	15.2
PAT	14.4	16.6	19.2
EPS (INR)	23.3	26.9	31.1
EPS Gr. (%)	20.8	15.5	15.6
BV/Sh. (INR)	99.9	113.6	129.4

## Ratios

RoE (%)	25.2	25.6	26.0
RoCE (%)	20.1	24.1	27.9
Payout (%)	50.0	50.0	50.0

## Valuations

P/E (x)	28.9	25.0	21.6
P/BV (x)	6.7	5.9	5.2
EV/EBITDA (x)	18.2	14.8	12.6
Div Yield (%)	1.7	2.0	2.3

## Shareholding pattern (%)

As On	Sep-25	Jun-25
Promoter	74.6	74.6
DII	11.1	9.9
FII	8.3	9.9
Others	6.0	5.6

FII Includes depository receipts

**CMP: INR672** **TP: INR850(+26%)** **Buy**

## Not out of the woods yet

### Incremental headwinds to weigh on 4QCY25 performance

- Hexaware Technologies (HEXT) reported revenue of USD395m in 3QCY25, up 3.4% QoQ in CC terms vs. our estimate of 3.3% QoQ CC. Growth was led by Manufacturing and Consumer (up 16.5% QoQ), followed by Healthcare and Insurance (up 11.3% QoQ). Hi-Tech and PS & Travel verticals declined by 8.6%/9.8% QoQ. The reported EBIT margin stood at 14.7%, broadly in line with our estimate of 14.9%. PAT was down 2.6% QoQ/up 23.4% YoY at INR3.7b (our est. of INR3.8b).
- In INR terms, 3Q revenue/EBIT/PAT grew 11.1%/22.8%/23.4% YoY. In 4Q, we expect its revenue/EBIT/PAT to grow 9.2%/18.1%/13.1% YoY. We expect near-term softness from incremental headwinds in 4Q, though HEXT's USD3b deal pipeline and margin discipline highlight steady execution. Visibility into CY26 should improve as client budgets are finalized by Jan'26. **We reiterate our BUY rating with a TP of INR850 (based on 28x Jun'27E EPS, 30x earlier), implying a 26% potential upside.**

### Our view: Continued pressure in near term

- **Headwinds to weigh on 4Q growth:** HEXT reported 3.4% QoQ CC growth (1.7% organic) in 3QCY25, broadly in line with expectations, aided by higher license-linked revenues. We believe the demand environment is largely unchanged, and short-term challenges persist.
- **US government shutdown has temporarily restricted H1-B visa transfers** between employers, which we think could constrain onsite growth in the near term; this is an additional headwind and was not baked into our estimates.
- Incremental furloughs and budget constraints in select Professional Services accounts may also weigh on 4Q performance. That said, we expect visibility to improve into CY26 as client budgets close out over Dec'25-Jan'26. **We expect YoY CC growth of 7.1%/7.9% in CY25E/CY26E**, with organic YoY CC growth of 5.7% for each.
- **Vertical momentum mixed; BFSI remains key driver:** Financial Services will remain the primary growth driver, aided by new logos and deal ramp-ups. Healthcare & Insurance benefitted from license-linked revenue, while Hi-Tech & Professional Services remained under pressure due to client-level budget cuts and slower project ramp-ups; we expect a gradual recovery over the next couple of quarters.
- **Short-cycle deals returning, but yet to make a dent:** We note a sequential improvement in deal activity, led by some traction in short-cycle, GCC-led, and renewal-based engagements. Two large consolidation deals were won in BFSI and Insurance. We believe the record USD3b pipeline could offer momentum in CY26, though some moderation in 4Q is likely as decisions close.

- **Marginal revision to EBITDA guidance:** EBITDA margin expanded 30bp QoQ to 17.5%, supported by operational efficiency and forex gains, partly offset by higher license and travel costs. Offshore mix improved to ~49%, providing structural leverage. SMC integration helped to tilt the mix to offshore, which helped in margin gains. We expect margins to stay within the revised guidance of 17.1-17.2% as the company continues to reinvest operational savings in growth. We expect EBITDA margin of 17.1%/17.9% in CY25E/CY26E.

#### Valuation and view

- Amid a cautious demand environment, HEXT's execution remains steady, supported by traction in short-cycle and consolidation deals. The company is navigating transient challenges, such as furlough impact in 4Q, visa transfer restrictions and selective client budget constraints, while maintaining margin discipline within the guided band. Our estimates are broadly unchanged. We expect a PAT CAGR of 15.5% over CY25-27E. **We reiterate our BUY rating with a TP of INR850 (based on 28x Jun'27E EPS), implying a 26% potential upside.**

#### Revenue and margins in line with our estimate; Manufacturing and Healthcare led growth

- USD revenue came in at USD394.8m, up 3.4% QoQ in CC terms vs. our estimate of an increase of 3.3% QoQ CC.
- Growth was led by Manufacturing and Consumer (up 16.5% QoQ), followed by Healthcare and Insurance (up 11.3% QoQ). Hi-Tech and Professional Services & Travel and Transportation verticals declined by 8.6%/9.8% QoQ.
- In terms of geographies, Americas was up 3.7% QoQ, and Europe grew 2.4% QoQ in USD terms.
- EBITDA margin stood at 17.3% (est. 17.3%). The company revised its EBITDA guidance to 17.1-17.2% (from 17.1-17.4% earlier) after wage hikes in CY25.
- Reported EBIT margin stood at 14.7%, broadly in line with our estimate of 14.9%.
- PAT was down 2.6% QoQ/up 23.4% YoY at INR3.7b (our est. of INR3.8b).
- The headcount rose to 33,590 (up 3.6% QoQ) in 3QCY25. Attrition (LTM) increased by 30bp QoQ to 11.4%. Utilization was up 10bp QoQ at 83.8%.
- The company announced the acquisition of a 100% stake in Cybersolve to enhance its capabilities in identity access and management solutions. The company will pay USD34.5m upfront, while the remaining payment of USD31.5m is contingent on financial performance, taking the total consideration to USD66m.

#### Key highlights from the management commentary

- The demand environment has stabilized, with improving trends across verticals and early signs of recovery in the Manufacturing & Consumer (M&C) sector — the key drag in earlier quarters.
- Short-term headwinds emerged from the US government shutdown, restricting visa transfers (for employees moving between US employers), which could constrain onsite growth temporarily.
- Management expects CY26 to be better than CY25, supported by improved demand visibility and ongoing client budget discussions for next year. Further clarity on client spending plans is expected in 4QCY25.
- This quarter benefited from higher license revenue, which offset headwinds from a higher offshore mix and moderation in the BPO segment.

- Management guided for a flat 4QCY25, factoring in regular furloughs (~2.5-3% impact) and temporary government shutdown-related disruptions.
- Two major consolidation deals were won — one with a Canadian bank and another with a Germany-based global insurer.
- Deal momentum remains healthy across categories — short-cycle, GCC-led, and renewal-based engagements.
- Manufacturing & Consumer: Early recovery signs are visible, aided by SMC contribution. Excluding SMC, the segment still delivered positive growth. New logos were added, and the decline has largely bottomed out.

### Quarterly Performance

Y/E March	CY24				CY25E				CY24	CY25E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			Est. 3QCY25	Var. (% / bp)
Revenue (USD m)	331	352	374	372	372	382	395	391	1,429	1,539	397	-0.6
QoQ (%)	5.3	6.4	6.4	-0.5	-0.2	2.9	3.3	-1.0			3.9	-66bp
Revenue (INR m)	27,488	29,355	31,357	31,544	32,079	32,607	34,836	34,448	1,19,744	1,33,970	34,659	0.5
YoY (%)	9.6	12.7	18.3	20.6	16.7	11.1	11.1	9.2		11.9	10.5	56bp
GPM (%)	41.4	41.2	42.3	42.3	41.9	41.5	43.1	42.4	41.8	42.2	42.8	26bp
Other (%)	26.2	26.6	26.6	26.8	25.5	29.1	25.8	25.8	26.6	26.5	25.5	30bp
EBITDA	4,176	4,311	4,911	4,904	5,278	4,044	6,013	5,718	18,302	21,053	5,996	0.3
EBITDA Margin (%)	15.2	14.7	15.7	15.5	16.5	12.4	17.3	16.6	15.3	15.7	17.3	-4bp
EBIT	3,576	3,624	4,173	4,141	4,543	3,292	5,124	4,892	15,514	17,851	5,164	-0.8
EBIT Margin (%)	13.0	12.3	13.3	13.1	14.2	10.1	14.7	14.2	13.0	13.3	14.9	-19bp
Other income	2	172	-114	29	-180	1,391	-157	-69	89	985	-104	51.0
PBT	3,578	3,796	4,059	4,170	4,363	4,683	4,967	4,823	15,603	18,836	5,060	
ETR (%)	22.0	27.7	26.2	23.1	25.0	18.9	25.5	24.8	24.8	23.6	25.0	53bp
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0	
Reported PAT	2,790	2,746	2,997	3,207	3,271	3,797	3,699	3,627	11,740	14,394	3,795	-2.5
QoQ (%)	45.8	-1.6	9.1	7.0	2.0	16.1	-2.6	-2.0			0.0	
YoY (%)	NA	NA	NA	67.6	17.2	38.3	23.4	13.1	17.7	22.6	26.6	
Extra-ordinary items	0	0	0	0	0	0	0	0	0	0	0	
Adj. PAT	2,790	2,746	2,997	3,207	3,271	3,797	3,699	3,627	11,740	14,394	3,795	
EPS (INR)	4.6	4.5	5.0	5.2	5.3	6.2	6.0	5.9	19.3	23.3	6.1	-2.6

### Exhibit 1: Healthcare and Manufacturing led growth in 3Q

Verticals (QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25
Financial Services	8.6	5.2	5.3	3.9	4.6	1.2	2.0
Healthcare and Insurance	3.1	6.3	8.5	-2.3	-1.5	2.2	11.3
Manufacturing and Consumer	4.0	7.2	-4.4	-6.9	0.2	-0.7	16.5
Hi-Tech and Professional Services	7.9	9.2	15.9	1.3	-5.4	2.7	-8.7
Banking	3.7	4.2	1.4	5.0	-11.4	13.5	4.1
Travel and Transportation	-0.9	6.3	14.2	-7.5	9.2	7.1	-9.9

Source: Company, MOFSL

### Exhibit 2: North America and Europe led growth

Geography (QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25
America	5.4	9.1	5.5	2.3	0.5	1.7	3.7
Europe	4.8	-4.2	11.5	-8.1	-2.2	8.0	2.2
APAC	5.1	11.4	1.6	-9.0	-2.9	2.1	1.4

Source: Company, MOFSL



## Highlights from the management commentary

### Performance and demand outlook: 3QCY25

- The demand environment has stabilized, with improving trends across verticals and early signs of recovery in the Manufacturing & Consumer sector — the key drag in earlier quarters.
- Short-term headwinds emerged from the US government shutdown, restricting visa transfers (for employees moving between US employers), which could constrain onsite growth temporarily.
- Management expects CY26 to be better than CY25, supported by improved demand visibility and ongoing client budget discussions for next year. Further clarity on client spending intentions is expected in 4QCY25.
- Revenue for the quarter stood at USD395m, up 3.4% QoQ in CC terms. Reported growth was slightly impacted by adverse forex movements.
- This quarter benefited from higher license revenue, which offset headwinds from a higher offshore mix and moderation in the BPO segment.
- Among verticals, Financial Services led growth, followed by Travel & Transportation and Healthcare & Insurance.
- Several leadership transitions took place during the quarter to strengthen vertical focus and execution agility.
- Management has guided for a flat 4QCY25, factoring in regular furloughs (~2.5-3% impact) and temporary government shutdown-related disruptions.
- The company has been steadily reducing its dependence on H-1B visa hires over the past five years; new applications stand at zero.
- After a temporary slowdown in the previous quarter, deal momentum picked up in 3Q, though the benefit will reflect from 1QCY26.
- Two major consolidation deals were won — one with a Canadian bank and another with a Germany-based global insurer. The latter is a book-of-work consolidation deal rather than an enterprise-level integration.
- Other ongoing ramp-ups from previously won large deals are progressing as planned. Deal momentum remains healthy across categories — short-cycle, GCC-led, and renewal-based engagements.
- Overall pipeline stood at a record (~USD3b), though a moderation is expected in 4Q as several pending decisions close.
- Legacy modernization pipeline continues to strengthen, with at least three deals moving to full-scale transformation, including two RFP-based and one sole-sourced opportunity.
- Management noted that AI-linked productivity is now embedded in all renewals, leading to pricing deflation being offset by higher volumes and deeper transformation work.
- **Financial Services:** Continued to lead growth and is expected to be the fastest-growing vertical in CY25. Despite headwinds from a large client's budget cuts in 1Q, momentum has recovered strongly with new deal ramp-ups.
- **Healthcare & Insurance:** License-linked revenue boosted performance in 3Q. Growth expected to continue in 4Q, aided by new client additions and platform-led transformation deals.
- **Manufacturing & Consumer:** Early recovery signs are visible, aided by SMC contribution. Excluding SMC, the segment still delivered positive growth. New logos were added, and the decline has largely bottomed out.
- **Hi-Tech & Professional Services:** Headwinds from budget cuts and project closures continue; recovery expected in 1-2 quarters. One large professional services client saw a slowdown in consolidation ramp-up due to internal budget

tightening, though HEXT continues to gain wallet share. Another top-20 client faced budget cuts, which will bottom out in 4Q.

- Verticals are restructured into Hi-Tech, Products, and Platforms under the new leadership.
- **Banking:** Sharp recovery driven by new logos and deal ramp-ups. Expected to lead sequential growth.
- **Travel & Transportation:** Declined due to project closure; however, full-year performance will remain ahead of company average growth.
- Offshore revenue mix rose to **~49%**, driven partly by SMC integration, supporting overall margin expansion.
- Announced acquisition of Cybersolve (USD66m total consideration: USD34.5m upfront, USD31.5m performance-linked) to strengthen identity access and management capabilities.
- The Cybersolve acquisition is margin-neutral at EBITDA level but EPS-dilutive in the near term due to amortization of intangibles but is expected to normalize.

#### Margin performance and outlook

- EBITDA margins improved 30bp QoQ to 17.5%, driven by 40bp of operational tailwinds (utilization and mix) and 110bp forex benefit, partially offset by 70bp from higher license costs and 50bp from medical and travel expenses.
- ERP-driven cost optimization benefits have yet to be realized; management intends to reinvest these savings into growth rather than margin expansion.
- EBITDA margin guidance was revised to 17.1-17.2% (earlier 17.1-17.4%) after wage hikes, effective Oct'25.
- ETR guidance lowered to 23.7% (earlier 24%).
- LTM OCF to EBITDA conversion stood strong at ~80%, exceeding internal expectations.

#### Valuation and view

- Amid a cautious demand environment, HEXT's execution remains steady, supported by traction in short-cycle and consolidation deals. The company is navigating transient challenges such as furlough impact in 4Q, visa transfer restrictions and selective client budget constraints, while maintaining margin discipline within the guided band. Our estimates are broadly unchanged. We expect a PAT CAGR of 15.5% over CY25-27E. **We reiterate our BUY rating with a TP of INR850 (based on 28x Jun'27E EPS), implying a 26% potential upside.**

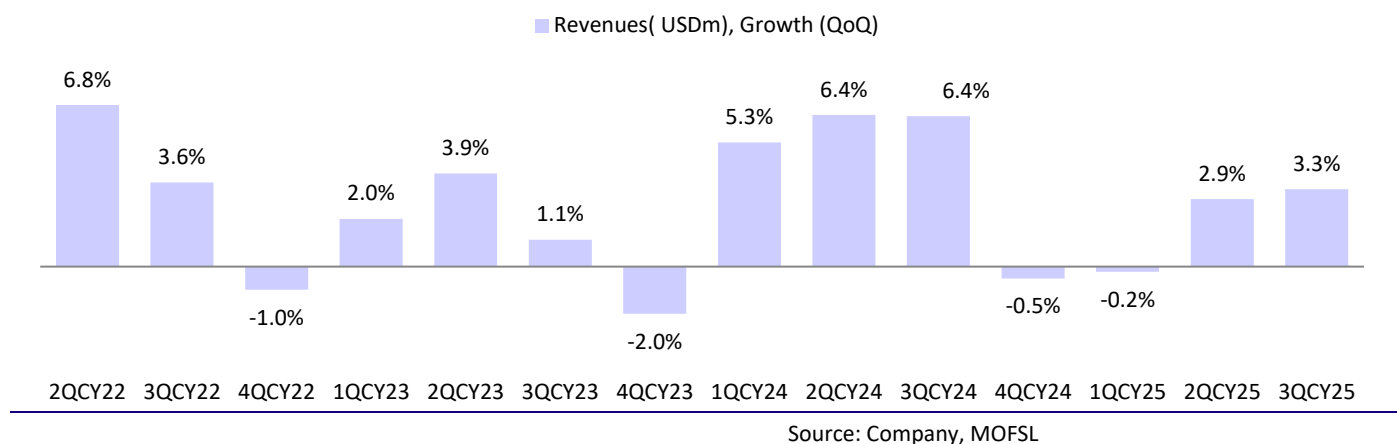
#### Exhibit 3: Revisions to our estimates

	Revised			Earlier			Change		
	CY25E	CY26E	CY27E	CY25E	CY26E	CY27E	CY25E	CY26E	CY27E
INR/USD	87.0	88.2	88.2	86.9	88.7	88.7	0.1%	-0.6%	-0.6%
USD Revenue (m)	1,539	1,664	1,850	1,552	1,721	1,947	-0.8%	-3.3%	-5.0%
Growth (%)	7.7	8.2	11.2	8.6	10.9	13.1	-90bps	-280bps	-200bps
EBIT margin (%)	13.3	14.8	15.2	13.6	15.0	15.3	-30bps	-20bps	-10bps
PAT (INR b)	14,394	16,623	19,209	14,786	17,147	19,780	-2.7%	-3.1%	-2.9%
EPS	23.3	26.9	31.1	23.9	27.8	32.0	-2.7%	-3.1%	-2.9%

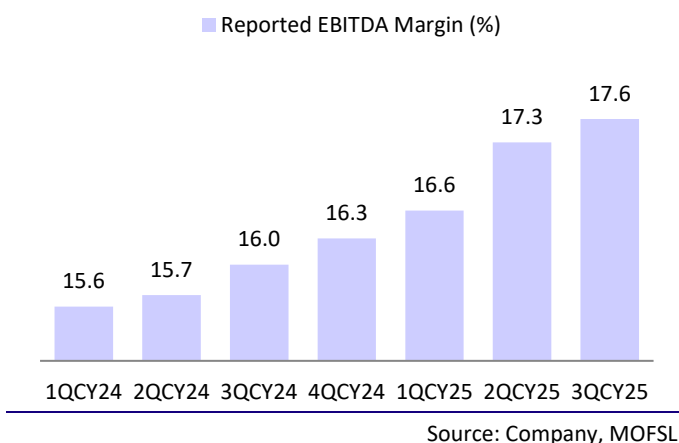
Source: MOFSL

## Story in charts

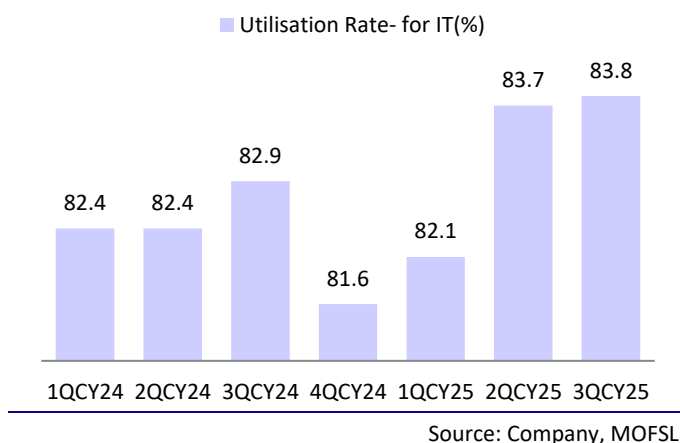
**Exhibit 4: USD revenue growth of 3.3% was in line with expectations**



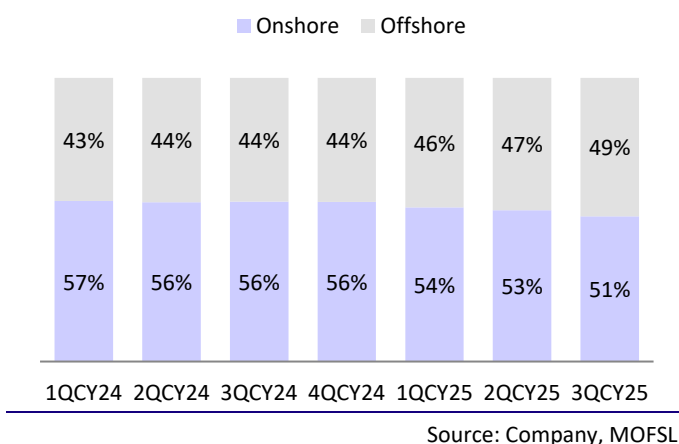
**Exhibit 5: Reported EBITDA margin improved 30bp QoQ**



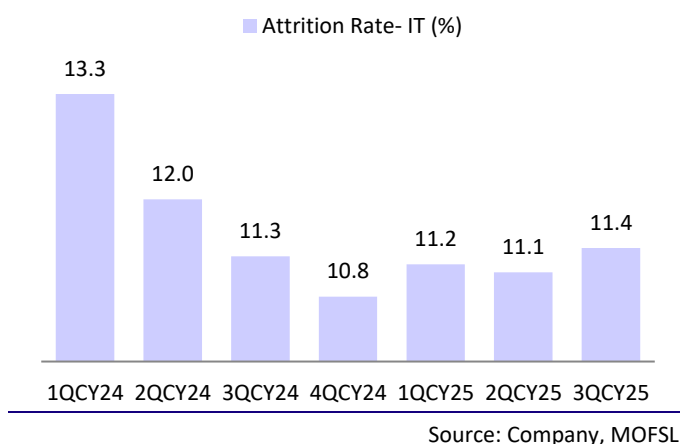
**Exhibit 6: Utilization improved 10bp QoQ**



**Exhibit 7: SMC aided increase in offshore mix**



**Exhibit 8: Attrition increased 30bp QoQ**



## Operating metrics

### Exhibit 9: Operating metrics

	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25
<b>Revenue by Verticals (%)</b>							
Financial Services	28.5%	28.2%	27.9%	29.1%	30.5%	30.0%	29.6%
Healthcare and Insurance	21.1%	21.0%	21.5%	21.1%	20.8%	20.7%	22.3%
Manufacturing and Consumer	17.5%	17.6%	15.9%	14.8%	14.9%	14.4%	16.2%
Hi-Tech and Professional Services	16.1%	16.5%	18.0%	18.3%	17.3%	17.3%	15.3%
Banking	8.9%	8.7%	8.3%	8.8%	7.8%	8.6%	8.7%
Travel and Transportation	7.9%	7.9%	8.5%	7.9%	8.6%	9.0%	7.8%
<b>Revenue - Geography (%)</b>							
America	72.3%	74.2%	73.6%	75.6%	76.1%	75.3%	75.6%
Europe	21.3%	19.2%	20.1%	18.6%	18.2%	19.1%	19.0%
APAC	6.3%	6.6%	6.3%	5.8%	5.6%	5.6%	5.5%
<b>Revenue Mix- IT, BPS, and Others</b>							
IT Services	84.1%	84.2%	84.9%	84.3%	84.8%	85.8%	83.8%
BPS	12.4%	12.7%	12.2%	12.9%	12.4%	12.2%	11.7%
Others	3.5%	3.2%	2.9%	2.8%	2.8%	2.0%	4.6%
<b>Client Profile</b>							
>1m	178	177	186	186	195	197	199
>5m	53	56	59	61	66	66	65
>10m	29	30	31	31	30	31	30
>20m	13	14	15	15	15	15	15
>50m	3	3	3	3	3	4	4
>75m	2	3	3	3	3	3	3
<b>Total Headcount</b>	<b>30,135</b>	<b>31,870</b>	<b>32,536</b>	<b>32,309</b>	<b>31,564</b>	<b>32,410</b>	<b>33,590</b>
Utilisation Rate- for IT	82.4%	82.4%	82.9%	81.6%	82.1%	83.7%	83.8%
Attrition Rate- IT	13.3%	12.0%	11.3%	10.8%	11.2%	11.1%	11.4%
<b>DSO( Billed)</b>	<b>40</b>	<b>42</b>	<b>40</b>	<b>38</b>	<b>39</b>	<b>40</b>	<b>37</b>

Source: Company, MOFSL



## Financials and valuations

### Consolidated - Income Statement

(InR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
<b>Total Income from Operations</b>	<b>71,777</b>	<b>91,996</b>	<b>1,03,803</b>	<b>1,19,744</b>	<b>1,33,970</b>	<b>1,46,789</b>	<b>1,63,195</b>
Change (%)	14.6	28.2	12.8	15.4	11.9	9.6	11.2
Employees Cost	42,772	55,582	61,282	69,649	77,377	84,628	93,847
<b>Total Expenditure</b>	<b>42,772</b>	<b>55,582</b>	<b>61,282</b>	<b>69,649</b>	<b>77,377</b>	<b>84,628</b>	<b>93,847</b>
% of Sales	59.6	60.4	59.0	58.2	57.8	57.7	57.5
<b>Gross Profit</b>	<b>29,005</b>	<b>36,414</b>	<b>42,521</b>	<b>50,095</b>	<b>56,593</b>	<b>62,161</b>	<b>69,348</b>
SG&A	17,676	24,197	26,710	31,793	35,540	36,991	40,799
<b>EBITDA</b>	<b>11,329</b>	<b>12,217</b>	<b>15,811</b>	<b>18,302</b>	<b>21,053</b>	<b>25,170</b>	<b>28,549</b>
% of Sales	15.8	13.3	15.2	15.3	15.7	17.1	17.5
Depreciation	2,241	2,444	2,836	2,788	3,203	3,447	3,753
<b>EBIT</b>	<b>9,088</b>	<b>9,773</b>	<b>12,975</b>	<b>15,514</b>	<b>17,851</b>	<b>21,724</b>	<b>24,796</b>
% of Sales	12.7	10.6	12.5	13.0	13.3	14.8	15.2
Other Income	324	1,457	-290	89	985	440	816
<b>PBT</b>	<b>9,412</b>	<b>11,230</b>	<b>12,685</b>	<b>15,603</b>	<b>18,836</b>	<b>22,164</b>	<b>25,611</b>
Total Tax	1,924	2,388	2,709	3,863	4,442	5,541	6,403
Tax Rate (%)	20.4	21.3	21.4	24.8	23.6	25.0	25.0
<b>Reported PAT</b>	<b>7,488</b>	<b>8,842</b>	<b>9,976</b>	<b>11,740</b>	<b>14,394</b>	<b>16,623</b>	<b>19,209</b>
Change (%)	26.0	18.1	12.8	17.7	22.6	15.5	15.6
Margin (%)	10.4	9.6	9.6	9.8	10.7	11.3	11.8
Minority Interest	0	0	0	0	0	0	0
<b>Adjusted PAT</b>	<b>7,488</b>	<b>8,842</b>	<b>9,976</b>	<b>11,740</b>	<b>14,394</b>	<b>16,623</b>	<b>19,209</b>
Tax Rate (%)	26.0	18.1	12.8	17.7	22.6	15.5	15.6

### Consolidated - Balance Sheet

(InR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Equity Share Capital	603	604	607	608	608	608	608
Total Reserves	37,276	40,626	45,745	52,961	60,158	68,469	78,074
<b>Net Worth</b>	<b>37,879</b>	<b>41,230</b>	<b>46,352</b>	<b>53,569</b>	<b>60,766</b>	<b>69,077</b>	<b>78,682</b>
Minority Interest	0	0	0	-23	-23	-23	-23
Borrowings	0	0	0	0	0	0	0
Other Long term liabilities	4,328	4,363	4,111	7,678	7,942	8,180	8,485
<b>Capital Employed</b>	<b>42,207</b>	<b>45,593</b>	<b>50,463</b>	<b>61,224</b>	<b>68,685</b>	<b>77,234</b>	<b>87,143</b>
<b>Net Fixed Assets</b>	<b>9,964</b>	<b>9,863</b>	<b>9,018</b>	<b>10,358</b>	<b>9,721</b>	<b>9,085</b>	<b>8,456</b>
Goodwill	12,252	14,205	14,290	23,871	23,871	23,871	23,871
Capital WIP	121	63	552	1,308	1,308	1,308	1,308
Other Assets	5,075	6,490	6,144	8,897	8,987	9,069	9,173
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>29,323</b>	<b>34,519</b>	<b>42,017</b>	<b>45,511</b>	<b>52,651</b>	<b>62,383</b>	<b>73,694</b>
Account Receivables	13,669	18,818	18,458	19,755	20,921	20,108	20,120
Cash and Bank Balance	11,787	12,916	17,734	19,766	25,930	36,476	47,775
Current Investments	2,010	291	2,724	711	711	711	711
Other Current Assets	1,857	2,494	3,101	5,279	5,088	5,088	5,088
<b>Curr. Liability &amp; Prov.</b>	<b>14,528</b>	<b>19,547</b>	<b>21,558</b>	<b>28,721</b>	<b>27,853</b>	<b>28,481</b>	<b>29,359</b>
Account Payables	3,877	5,357	6,595	9,140	8,480	9,274	10,285
Other Current Liabilities	9,227	12,369	12,676	17,165	16,957	16,791	16,658
Provisions	1,424	1,821	2,287	2,416	2,416	2,416	2,416
<b>Net Current Assets</b>	<b>14,795</b>	<b>14,972</b>	<b>20,459</b>	<b>16,790</b>	<b>24,798</b>	<b>33,902</b>	<b>44,335</b>
<b>Appl. of Funds</b>	<b>42,207</b>	<b>45,593</b>	<b>50,463</b>	<b>61,224</b>	<b>68,685</b>	<b>77,234</b>	<b>87,143</b>



## Financials and valuations

### Ratios

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
<b>Basic EPS (INR)</b>	12.3	14.5	16.4	19.3	23.3	26.9	31.1
Cash EPS	16.0	18.5	21.1	23.9	28.5	32.5	37.2
BV/Share	62.8	68.3	76.4	88.1	99.9	113.6	129.4
DPS	4.0	11.0	8.8	8.7	11.7	13.5	15.6
Payout (%)	32.5	75.7	53.3	45.3	50.0	50.0	50.0
<b>Valuation (x)</b>							
P/E	54.6	46.3	41.0	34.9	28.9	25.0	21.6
Cash P/E	42.0	36.3	31.9	28.2	23.6	20.7	18.1
P/BV	10.7	9.9	8.8	7.6	6.7	5.9	5.2
EV/Sales	5.5	4.3	3.7	3.2	2.9	2.5	2.2
EV/EBITDA	34.5	32.1	24.2	21.2	18.2	14.8	12.6
Dividend Yield (%)	0.6	1.6	1.3	1.3	1.7	2.0	2.3
<b>Return Ratios (%)</b>							
RoE	39.5	22.4	22.8	23.5	25.2	25.6	26.0
RoCE	17.1	16.6	20.4	19.9	20.1	24.1	27.9

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
OP/(Loss) before Tax	9,412	11,230	12,685	15,603	18,836	22,164	25,611
Depreciation	2,241	2,444	2,836	2,788	3,203	3,447	3,753
Interest & Finance Charges	315	322	315	284	-985	-440	-816
Direct Taxes Paid	-2,019	-2,435	-2,579	-3,122	-4,442	-5,541	-6,403
(Inc)/Dec in WC	-1,580	-3,824	1,223	-628	-1,636	1,608	998
Others	1,429	469	676	555	0	0	0
<b>CF from Operations</b>	<b>9,798</b>	<b>8,206</b>	<b>15,156</b>	<b>15,480</b>	<b>14,976</b>	<b>21,237</b>	<b>23,145</b>
(Inc)/Dec in FA	-1,084	-1,190	-634	-1,312	-2,565	-2,811	-3,125
<b>Free Cash Flow</b>	<b>8,714</b>	<b>7,016</b>	<b>14,522</b>	<b>14,168</b>	<b>12,410</b>	<b>18,426</b>	<b>20,020</b>
(Pur)/Sale of Investments	3,408	9,054	3,778	19,696	0	0	0
Others	-4,570	-8,015	-6,140	-25,074	895	359	712
<b>CF from Investments</b>	<b>-2,246</b>	<b>-151</b>	<b>-2,996</b>	<b>-6,690</b>	<b>-1,671</b>	<b>-2,452</b>	<b>-2,413</b>
Issue of Shares	3	1	3	1	0	0	0
Inc/(Dec) in Debt	-2,858	-59	-1,870	-1,370	56	72	172
Interest Paid	-65	-56	-136	-136	0	0	0
Dividend Paid	-2,409	-6,637	-5,308	-5,314	-7,197	-8,311	-9,604
Others	-691	-460	-190	0	0	0	0
<b>CF from Fin. Activity</b>	<b>-6,020</b>	<b>-7,211</b>	<b>-7,501</b>	<b>-6,819</b>	<b>-7,141</b>	<b>-8,240</b>	<b>-9,433</b>
<b>Inc/Dec of Cash</b>	<b>1,532</b>	<b>844</b>	<b>4,659</b>	<b>1,971</b>	<b>6,164</b>	<b>10,546</b>	<b>11,299</b>
Forex Adjustment	141	285	159	61	0	0	0
Opening Balance	10,114	11,787	12,916	17,734	19,766	25,930	36,476
<b>Closing Balance</b>	<b>11,787</b>	<b>12,916</b>	<b>17,734</b>	<b>19,766</b>	<b>25,930</b>	<b>36,476</b>	<b>47,775</b>

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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