

Hexaware Technologies

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR461

TP: INR570 (+24%)

Buy

A better setup expected from 2Q onwards

CY26 growth floor maintained; ramp-ups and AI-led wins expected to aid growth

Bloomberg	HEXT IN
Equity Shares (m)	611
M.Cap.(INRb)/(USD\$b)	281.4 / 3
52-Week Range (INR)	900 / 400
1, 6, 12 Rel. Per (%)	-5/-27/-33
12M Avg Val (INR M)	656
Free float (%)	25.7

Financials & Valuations (INR b)

Y/E Mar	CY25	CY26E	CY27E
Sales	134.3	155.2	171.8
Adj. EBIT Margin (%)	14.0	13.5	13.8
Adj. PAT	14.3	15.2	17.4
Adj. EPS (INR)	23.1	24.6	28.1
EPS Gr. (%)	19.6	6.4	14.6
BV/Sh. (INR)	103.7	116.2	130.4

Ratios

RoE (%)	23.5	23.1	23.1
RoCE (%)	19.6	17.9	19.5
Payout (%)	49.0	50.0	50.0

Valuations

P/E (x)	20.0	18.8	16.4
P/BV (x)	4.4	4.0	3.5
EV/EBITDA (x)	11.5	10.0	8.6
Div Yield (%)	2.5	2.7	3.1

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	74.3	74.3	74.7
DII	15.0	11.3	9.1
FII	4.5	8.4	10.6
Others	6.2	6.0	5.7

FII Includes depository receipts

- Hexaware Technologies (HEXT) reported revenue of USD389m in 1QCY26, down 0.3% QoQ in CC terms vs. our estimate of 0.5% QoQ CC. Healthcare & Insurance and Professional services increased 10.1%/1.0% QoQ in USD terms, whereas Travel and Transportation and Banking declined 8.6%/7.9% QoQ. The Adj. EBIT margin stood at 13.3%, above our estimate of 11.9%. Adj. PAT declined 5.8% QoQ/ 0.6% YoY to INR3.2b (our est. of INR3.1b).
- HEXT maintained its CY26 guidance of baseline revenue growth of 7.6%, with 13–14% EBIT margins.
- For 1QCY26, revenue/Adj. EBIT increased 12.6%/5.7%, while PAT declined 0.6% YoY (in INR terms). In 2QCY26, we expect revenue/Adj. EBIT to grow 17.1%/4.7% YoY, while PAT is expected to decline 2.2% YoY. The LTM OCF-to-NI ratio stood at 125.1% in 1QCY26. **We reiterate our BUY rating with a TP of INR570 (based on 20x CY27E EPS), implying ~24% potential upside.**

Our view: Better-than-expected margins despite large deal ramp-up cost

- Growth acceleration expected from 2Q onward:** HEXT reported -0.3% QoQ revenue growth in 1QCY26, as underlying volume growth of ~USD3m was offset by seasonal furloughs and lower billing days. Management expects **these headwinds to reverse meaningfully from 2Q onward**. We think commentary around deal ramp-ups and demand visibility was incrementally better, with confidence around entering a more sustained growth phase supported by already won deals. **The company also reiterated its CY26 baseline revenue growth floor of 7.6% YoY USD.**
- We are building in QoQ CC growth of 5.0%/5.8% for 2Q/3QCY26E, driven by large deal ramp-ups, reversal of seasonal headwinds, and improving contribution from consolidation wins. While 4Q is expected to remain seasonally weaker, management indicated the quarter should hold up better than earlier years due to stronger deal execution and ramp-up visibility. **We estimate USD revenue growth of ~7.8% YoY in CY26E.**
- Large deal momentum healthy; consolidation wins to aid 2H growth:** HEXT reported one of its strongest deal quarters, with wins across outsourcing, vendor consolidation, AI-led transformation, and GCC setup mandates. The large global bank consolidation win was the key positive surprise of the quarter, **with meaningful volume ramp-up expected in 2HCY26**. Commentary suggests that deal conversion timelines are improving, particularly in AI-led engagements, where clients are seeking measurable productivity benefits. We believe these wins improve revenue visibility into 2HCY26.
- AI moving from experimentation to revenue opportunity:** Management highlighted AI in SDLC as the single-largest driver of current deal activity, with clients increasingly pushing for productivity-linked outcomes. Unlike earlier phases, where AI discussions were largely exploratory, **we think enterprises are now moving toward implementation-led spending.**

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **The company identified 12 AI-led opportunity areas**, which management believes are incremental rather than cannibalistic to existing revenues. **While AI-led deflation across ADM, testing, and traditional software work remains a key monitorable for the sector**, we think HEXT's strategy of participating in client productivity gains and building new AI-led revenue streams could help offset part of this pressure over time.
- **Margins stable despite ramp-up costs; expansion expected in 2H:** Adj. EBIT margin came in at 13.3% in 1QCY26, above consensus and our estimates. Margin headwinds from large deal ramp-ups, lower calendar benefits, and recurring labor code impacts were offset by FX gains and operational improvements. **Management maintained its CY26 EBIT margin guidance of 13–14%**, and indicated that margins are expected to expand as large deals mature through 2H. **We estimate EBIT margins of ~13.8% for CY26.**

Valuation and view

- While 1QCY26 revenues remained impacted by seasonal furloughs and lower billing days, management commentary around deal ramp-ups and conversion timelines was incrementally better. We think HEXT is entering a phase where already-won consolidation deals and AI-led engagements start contributing more meaningfully from 2Q onward, improving growth visibility through H2CY26.
- HEXT maintained its EBIT margin guidance of 13–14% despite continued investments in large deal transitions and AI capabilities, with management expecting margin expansion through 2H as deals mature. **We largely maintain our estimates and reiterate our BUY rating with a TP of INR570 (based on 20x CY27E EPS), implying ~24% upside.**

Revenues in line with our estimates and beat on margins; maintains its CY26 guidance of baseline revenue growth of 7.6%, with 13–14% EBIT margins

- HEXT's USD revenue came in at USD389m, declining 0.3% QoQ in CC terms vs. our estimates of a decline of 0.5% QoQ CC.
- HEXT maintained its CY26 guidance of baseline revenue growth of 7.6%, with 13–14% EBIT margins.
- In terms of geographies, Asia was down 8% QoQ, and Europe grew 1.3% QoQ in USD terms.
- Healthcare & Insurance and Professional services increased 10.1%/1.0% QoQ in USD terms, whereas Travel and Transportation and Banking declined 8.6%/7.9% QoQ.
- EBIT margin stood at 13.3%, above our estimate of 11.9%.
- Adj. PAT was down 5.8% QoQ/0.6% YoY to INR3.2b (our est. of INR3.1b).
- The headcount declined to 33,798 (down 0.1% QoQ) in 1QCY26. Attrition (LTM) increased by 10bp QoQ to 11.1%. Utilization was up 180bp QoQ to 82.6%.

Key highlights from the management commentary

- Demand environment continues to improve; management expressed confidence in entering a phase of sustained growth, with 2Q results expected to validate the underlying momentum.
- Management reaffirmed the growth floor of 7.6% USD YoY (CY25 base) for CY26; current growth is underpinned by deals already won, with upside pathways identified to be discussed post 2Q.

- Calendar and furlough impacts are seasonal in nature and are expected to reverse materially from 2Q onward, providing a visible growth tailwind.
- Management expects growth to accelerate sequentially from 2Q and into 3Q, with 4Q expected to remain seasonally weaker but holding up better than prior years due to deal ramp-ups.
- 34 clients now contribute over USD10m in annual revenues, with two clients added on a sequential basis and four on a YoY basis, a key indicator of broad-based account growth and deepening wallet share.
- Management strategy targets launching one new service every month (new or relaunched); this cadence has been maintained thus far and is expected to continue, expanding the 12 AI opportunity streams over time.
- AI deflation has been acknowledged and already budgeted into CY26 guidance; management sees new opportunity streams (zero license, legacy modernization, AI for business) more than offsetting the deflation.

Quarterly Performance

Y/E March	CY25				CY26E				CY25	CY26E	(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			Est. 1QCY26	Var. (% / bp)
Revenue (USD m)	372	382	395	389	389	407	430	432	1,537	1,658	387	0.5
QoQ (%)	-0.2	2.9	3.3	-1.4	-0.1	4.7	5.8	0.3			-0.6	46bp
Revenue (INR m)	32,079	32,607	34,836	34,782	36,130	38,173	40,387	40,508	1,34,304	1,55,197	35,276	2.4
YoY (%)	16.7	11.1	11.1	10.3	12.6	17.1	15.9	16.5	12.2	15.6	10.0	266bp
GPM (%)	41.9	42.5	43.1	41.3	40.6	41.5	42.0	42.0	42.2	41.6	41.3	-69bp
Other (%)	25.5	25.1	25.8	25.5	24.8	25.0	25.3	25.5	25.5	25.2	26.4	-159bp
EBITDA	5,278	5,676	6,013	5,498	5,708	6,298	6,745	6,684	22,465	25,435	5,256	8.6
EBITDA Margin (%)	16.5	17.4	17.3	15.8	15.8	16.5	16.7	16.5	16.7	16.4	14.9	90bp
EBIT	4,543	4,924	5,124	4,261	4,801	5,153	5,533	5,469	18,852	20,956	4,198	14.4
EBIT Margin (%)	14.2	15.1	14.7	12.3	13.3	13.5	13.7	13.5	14.0	13.5	11.9	139bp
Other income	-180	-196	-157	-409	-337	-153	-81	-41	-942	-611	0	
PBT	4,363	4,728	4,967	3,852	4,464	5,001	5,452	5,428	17,910	20,345	4,198	
ETR (%)	25.0	18.9	25.5	10.4	27.2	25.0	25.0	25.0	20.4	25.5	25.0	215bp
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0	
Reported PAT	3,271	3,798	3,699	2,916	3,516	3,750	4,089	4,071	13,684	15,427	3,148	11.7
QoQ (%)	2.0	16.1	-2.6	-21.2	20.6	6.7	9.0	-0.4			8.0	
YoY (%)	17.2	38.3	23.4	-9.1	7.5	-1.2	10.5	39.6	21.4	6.4	-3.7	
Extra-ordinary items	0	36	0	535	-264	0	0	0	571	-264	0	
Adj. PAT	3,271	3,834	3,699	3,451	3,252	3,750	4,089	4,071	14,256	15,163	3,148	
Adj. EPS (INR)	5.3	6.2	6.0	5.6	5.3	6.1	6.6	6.6	23.1	24.6	5.1	3.3

Exhibit 1: Banking and Travel declined sequentially in 4Q

Verticals(QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
Financial Services	8.6	5.2	5.3	3.9	4.6	1.2	2.0	0.1	-1.8
Healthcare and Insurance	3.1	6.3	8.5	-2.3	-1.5	2.2	11.3	-9.0	10.1
Manufacturing and Consumer	4.0	7.2	-4.4	-6.9	0.2	-0.7	16.5	-0.7	-1.7
Hi-Tech and Professional Services	7.9	9.2	15.9	1.3	-22.4	25.3	-8.7	-19.2	1.0
Banking	3.7	4.2	1.4	5.0	-11.4	13.5	4.1	11.1	-7.9
Travel and Transportation	-0.9	6.3	14.2	-7.5	9.2	7.1	-9.9	5.2	-8.6

Source: Company, MOFSL

Exhibit 2: APAC declined sequentially in 4Q

Geography(QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
America	5.4	9.1	5.5	2.3	0.5	1.7	3.7	-2.9	0.1
Europe	4.8	-4.2	11.5	-8.1	-2.2	8.1	2.2	0.2	1.1
APAC	5.1	11.4	1.6	-9.0	-2.6	1.8	1.4	13.8	-6.6

Source: Company, MOFSL



Highlights from the management commentary

Performance and demand outlook:

- Demand environment continues to improve; management expressed confidence in entering a phase of sustained growth, with 2Q results expected to validate the underlying momentum.
- Management reaffirmed the growth floor of 7.6% USD YoY (CY25 base) for CY26; current growth is underpinned by deals already won, with upside pathways identified to be discussed post 2Q.
- Calendar and furlough impacts are seasonal in nature and are expected to reverse materially from 2Q onward, providing a visible growth tailwind.
- Management expects growth to accelerate sequentially from 2Q and into 3Q, with 4Q expected to remain seasonally weaker but holding up better than prior years due to deal ramp-ups.
- 34 clients now contribute over USD10m in annual revenues, with two clients added on a sequential basis and four on a YoY basis, a key indicator of broad-based account growth and deepening wallet share.
- Management strategy targets launching one new service every month (new or relaunched); this cadence has been maintained thus far and is expected to continue, expanding the 12 AI opportunity streams over time.
- AI deflation has been acknowledged and already budgeted into CY26 guidance; management sees new opportunity streams (zero license, legacy modernisation, AI for business) more than offsetting the deflation.
- AI in SDLC has emerged as the single-largest driver of deal activity; clients are showing urgency to demonstrate measurable productivity gains using AI, generating a surge in new conversations and deal closures.
- License revenues stood at USD11m, remaining flat QoQ but below the historical quarterly average of ~USD13m; no license revenue upside was factored into the quarter.
- Approximately two-thirds of the net volume growth of USD3m came from acquired entities; the balance was organic.
- HEXT reported one of its strongest deal quarters, winning across outsourcing, consolidation, and transformation categories; management noted that wins were far more than the eight highlighted on the call.
- **Large global bank (Phase 2 consolidation):** Biggest positive surprise of the quarter; client has a large IT spend and is aggressively consolidating vendors; material volume increases are expected in 2HCY26.
- **European bank consolidation:** Existing client; won a share of a large program being consolidated to two vendors; HEXT is one of the two.
- **Global professional services firm (new client):** Book-of-work consolidation initiated and closed within the quarter; HEXT to become a sole provider post the transition completion.
- **Large speaker manufacturer:** Full-scale ITO with BPO components; revenue contribution expected from late 2Q, with stronger impact in 2HCY26.
- **Fab-based manufacturer:** AI for business engagement focused on building custom models to improve fab productivity and increase SKU throughput amid a sector-level capex boom.
- **Large brand-name workspace company:** AMS deal won.
- **Data center company:** Identity-led cybersecurity deal sourced through the CyberSolve acquisition.
- ACV performance in CY25 was better than CY24; pipeline remains strong; deal wins reaffirm management's confidence in meeting the CY26 growth floor.

- **FS:** FS delivered a steady performance; 75 delivery AI champions are now deployed exclusively within FS, continuously executing new client projects using AI in SDLC -enabling both productivity gains and market share gains.
- **Healthcare & Insurance:** HNI delivered very strong sequential and YoY growth, driven by large deal ramp-ups and broad-based momentum across Europe. Management had guided HNI to grow faster than the company average for CY26; 1Q performance validates this trajectory with high confidence; HNI is expected to lead company growth for the year.
- **Manufacturing and Consumer:** Management upgraded its outlook for MNC vs prior commentary, now expecting the vertical to be among the top growth contributors for CY26; macro headwinds from tariffs and other factors are seen easing.
- **Hi-Tech and Professional Services:** HTPS has been formally split into Professional Services (PS) and Technology Products & Platforms (TPP) from 1QCY26 to sharpen strategic focus and accountability.
- **Travel and Transportation:** T&T is expected to lag company growth due to macro headwinds, primarily fuel price pressures on the airline industry. Management indicated the T&T shortfall will be offset by stronger performance in MNC, HNI, and Banking.
- **America:** North America's performance incorporates the known full-quarter headwind from the GSE client (called out in 4QCY25 and 1QCY26).
- **Europe:** Europe returned to strong growth and is expected to lead full-year CY26 growth, driven by HNI deal ramp-ups and new logo additions.
- Overall headcount saw a net decline of 46 QoQ; this was entirely driven by BPS headcount reduction, while IT recorded a net addition, -marking the 11th consecutive quarter of IT headcount growth.
- 90–95% of clients have purchased AI tools but are capped at 10–15% productivity gains; HEXT is demonstrating materially superior outcomes by optimizing tool usage, redesigning SDLC workflows, and reconfiguring team structures.
- New-generation Tensai reasoning ops platform was launched with three key differentiations: (1) moves from task-level to complex reasoning for IT operations; (2) uses an enterprise custom SLM with a proprietary ontology model for rapid client onboarding; (3) captures ~80% of inferencing at SLM level, reducing LLM token costs and creating a revenue-sharing model for HEXT on client token savings.
- Zero license offering: HEXT claims to be the first and currently the only IT services provider with a focused offering enabling clients to achieve independence from SaaS, targeting a USD400b market, enabled through the RapidX platform.
- **SMC earnout:** CY25 performance led to a payable of ~USD20m; ~USD3m was reversed and recorded in other income; does not impact reported EBIT; signifies the acquired asset is broadly delivering against expectations.
- OCF to PAT (LTM) at 125%, industry-leading; management expects this metric to remain elevated in the coming quarters.
- ETR for 1QCY26 at 25.5%; full-year ETR guidance for CY26 maintained at 25–26%.
- Margin reporting aligned to **EBIT from this quarter** (excludes other income and FX hedging/translation impact), consistent with broader market practice.

Margin performance and outlook

- Reported EBIT for 1QCY26 came in at 13%, up ~570bp QoQ when normalized for one-time items in 4QCY25; on a like-for-like basis, EBIT was flat sequentially.
- Key puts and takes: FX tailwind of ~90bp and operational improvements of ~50bp were offset by lower calendar impact (~90 bps), large deal ramp-up costs, and a recurring labor code impact of ~20 bps.
- New deal constructs carry a near-term margin headwind during the initial ramp phase; improvement is expected as deals mature into 2H.
- Full-year EBIT guidance of 13–14% maintained; management indicated a better-than-planned start on margins; 2H exit rate expected to be higher than the full-year average.
- No one-off items impacted EBIT in the current quarter; the SMC earnout reversal of ~USD3m was recorded in other income and did not affect reported EBIT.
- Labor code impact of ~20bp will be a recurring item every quarter going forward.
- Management indicated that productivity gains from AI are partly reinvested into higher-caliber talent and delivery capabilities, supporting long-term structural profitability.

Valuation and view

- While 1QCY26 revenues remained impacted by seasonal furloughs and lower billing days, management commentary around deal ramp-ups and conversion timelines was incrementally better. We think HEXT is entering a phase where already-won consolidation deals and AI-led engagements start contributing more meaningfully from 2Q onward, improving growth visibility through H2CY26.
- HEXT maintained its EBIT margin guidance of 13–14% despite continued investments in large deal transitions and AI capabilities, with management expecting margin improvement through 2H as deals mature. **We largely maintain our estimates and reiterate our BUY rating with a TP of INR570 (based on 20x CY27E EPS), implying ~24% upside.**

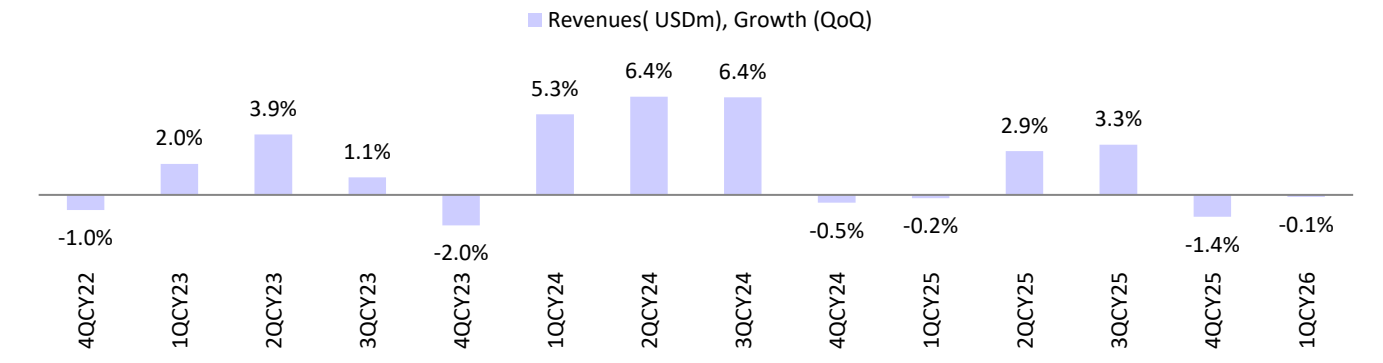
Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change	
	CY26E	CY27E	CY26E	CY27E	CY26E	CY27E
INR/USD	93.5	95.0	93.2	95.0	0.4%	0.0%
USD Revenue (m)	1,658	1,808	1,656	1,795	0.1%	0.7%
Growth (%)	7.8	9.1	7.7	8.4	10bps	70bps
Adj. EBIT margin (%)	13.5	13.8	13.0	13.1	50bps	70bps
Adj. PAT (INR b)	15,163	17,370	15,013	17,020	1.0%	2.1%
Adj. EPS	24.6	28.1	24.3	27.6	1.0%	2.1%

Source: MOFSL

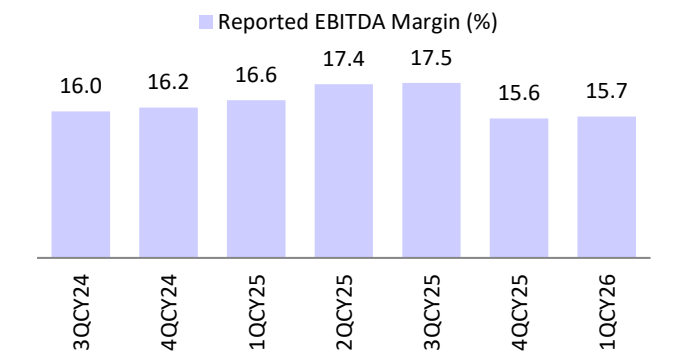
Story in charts

Exhibit 4: USD revenue declined 0.1% QoQ CC as underlying volume growth of ~USD3m was offset by seasonal furloughs and lower billing days



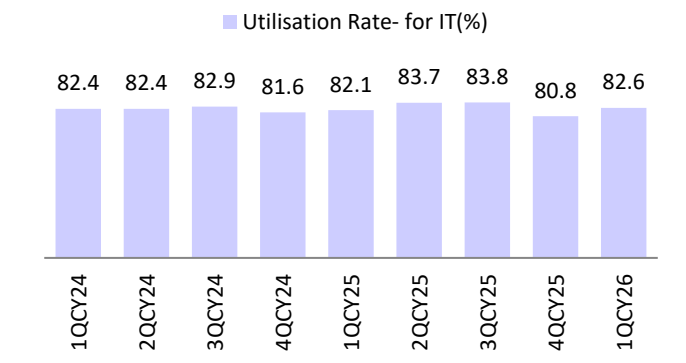
Source: Company, MOFSL

Exhibit 5: EBITDA increased 10bp



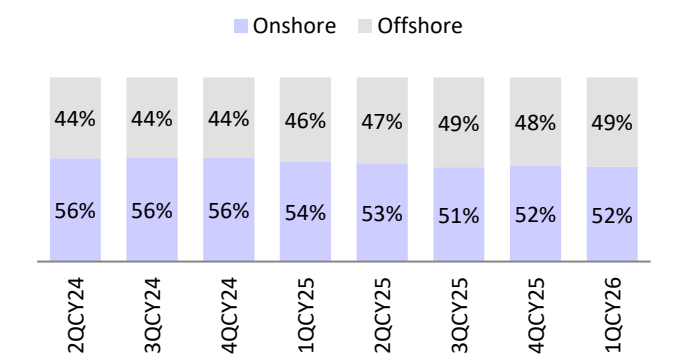
Source: Company, MOFSL

Exhibit 6: Utilization increased 180bp sequentially



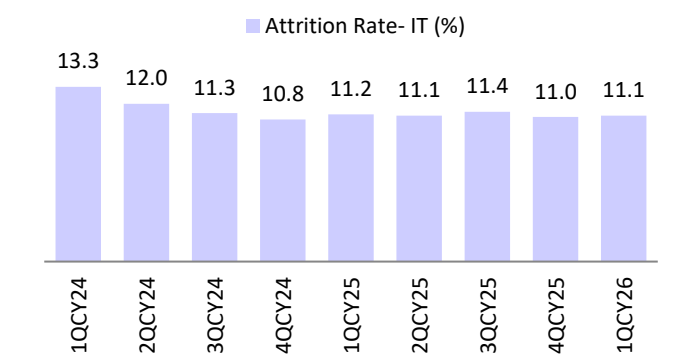
Source: Company, MOFSL

Exhibit 7: Offshore mix remained stable



Source: Company, MOFSL

Exhibit 8: Attrition increased 10bp QoQ



Source: Company, MOFSL

Operating metrics

Exhibit 9: Operating metrics

	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
Revenue by Verticals (%)							
Financial Services	27.9%	29.1%	30.5%	30.0%	29.6%	30.1%	29.6%
Healthcare and Insurance	21.5%	21.1%	20.8%	20.7%	22.3%	20.6%	22.7%
Manufacturing and Consumer	15.9%	14.8%	14.9%	14.4%	16.2%	16.3%	16.1%
Hi-Tech and Professional Services	18.0%	18.3%	14.2%	17.3%	15.3%	12.6%	12.7%
Banking	8.3%	8.8%	7.8%	8.6%	8.7%	9.8%	9.0%
Travel and Transportation	8.5%	7.9%	8.6%	9.0%	7.8%	8.4%	7.7%
Revenue - Geography (%)							
America	73.6%	75.6%	76.1%	75.3%	75.6%	74.4%	74.6%
Europe	20.1%	18.6%	18.2%	19.1%	19.0%	19.3%	19.5%
APAC	6.3%	5.8%	5.6%	5.6%	5.5%	6.3%	5.9%
Revenue Mix- IT, BPS, and Others							
IT Services	84.9%	84.3%	84.8%	85.8%	83.8%	85.5%	84.6%
BPS	12.2%	12.9%	12.4%	12.2%	11.7%	11.8%	12.2%
Others	2.9%	2.8%	2.8%	2.0%	4.6%	2.8%	3.2%
Client Profile							
>1m	186	186	195	197	199	192	198
>5m	59	61	66	66	65	59	66
>10m	31	31	30	31	30	32	34
>20m	15	15	15	15	15	16	15
>50m	3	3	3	4	4	4	4
>75m	3	3	3	3	3	3	3
Total Headcount	32,536	32,309	31,564	32,410	33,590	33,844	33,798
Utilisation Rate- for IT	82.9%	81.6%	82.1%	83.7%	83.8%	80.8%	82.6%
Attrition Rate- IT	11.3%	10.8%	11.2%	11.1%	11.4%	11.0%	11.1%
DSO(Billed)	40	38	39	40	37	38	44

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

	(INR m)					
Y/E March	CY22	CY23	CY24	CY25	CY26E	CY27E
Total Income from Operations	91,996	1,03,803	1,19,744	1,34,304	1,55,197	1,71,764
Change (%)	28.2	12.8	15.4	12.2	15.6	10.7
Employees Cost	55,582	61,282	69,649	77,610	90,707	99,910
Total Expenditure	55,582	61,282	69,649	77,610	90,707	99,910
% of Sales	60.4	59.0	58.2	57.8	58.4	58.2
Gross Profit	36,414	42,521	50,095	56,694	64,490	71,854
SG&A	24,197	26,710	31,793	34,229	39,056	43,117
EBITDA	12,217	15,811	18,302	22,465	25,435	28,737
% of Sales	13.3	15.2	15.3	16.7	16.4	16.7
Depreciation	2,444	2,836	2,788	3,613	4,479	4,981
EBIT	9,773	12,975	15,514	18,852	20,956	23,755
% of Sales	10.6	12.5	13.0	14.0	13.5	13.8
Other Income	1,457	-290	89	-942	-611	-515
PBT	11,230	12,685	15,603	17,910	20,345	23,240
Total Tax	2,388	2,709	3,863	3,654	5,182	5,870
Tax Rate (%)	21.3	21.4	24.8	20.4	25.5	25.3
Reported PAT	8,842	9,976	11,740	13,684	15,427	17,370
Change (%)	18.1	12.8	17.7	16.6	12.7	12.6
Margin (%)	9.6	9.6	9.8	10.2	9.9	10.1
Minority Interest	0	0	0	0	0	0
Adjusted PAT	8,842	9,976	11,740	14,256	15,163	17,370
Tax Rate (%)	18.1	12.8	17.7	21.4	6.4	14.6

Consolidated - Balance Sheet

	(INR m)					
Y/E March	CY22	CY23	CY24	CY25	CY26E	CY27E
Equity Share Capital	604	607	608	609	609	609
Total Reserves	40,626	45,745	52,961	62,549	70,130	78,815
Net Worth	41,230	46,352	53,569	63,158	70,739	79,424
Minority Interest	0	0	-23	-32	-32	-32
Borrowings	0	0	0	0	0	0
Other Long term liabilities	4,363	4,111	7,678	10,817	11,318	11,715
Capital Employed	45,593	50,463	61,224	73,943	82,025	91,108
Net Fixed Assets	9,863	9,018	10,358	12,905	14,943	17,175
Goodwill	14,205	14,290	23,871	35,768	35,768	35,768
Capital WIP	63	552	1,308	505	505	505
Other Assets	6,490	6,144	8,897	9,391	9,528	9,636
Curr. Assets, Loans&Adv.	34,519	42,017	45,511	50,477	57,286	64,963
Account Receivables	18,818	18,458	19,755	20,556	22,536	23,529
Cash and Bank Balance	12,916	17,734	19,766	19,708	24,537	31,220
Current Investments	291	2,724	711	2,395	2,395	2,395
Other Current Assets	2,494	3,101	5,279	7,818	7,818	7,818
Curr. Liability & Prov.	19,547	21,558	28,721	35,103	36,004	36,939
Account Payables	5,357	6,595	9,140	10,069	11,225	12,364
Other Current Liabilities	12,369	12,676	17,165	22,401	22,146	21,942
Provisions	1,821	2,287	2,416	2,633	2,633	2,633
Net Current Assets	14,972	20,459	16,790	15,374	21,281	28,023
Appl. of Funds	45,593	50,463	61,224	73,943	82,025	91,108

Financials and valuations

Ratios

Y/E March	CY22	CY23	CY24	CY25	CY26E	CY27E
Basic EPS (INR)	14.5	16.4	19.3	23.1	24.6	28.1
Cash EPS	18.5	21.1	23.9	28.9	31.8	36.2
BV/Share	68.3	76.4	88.1	103.7	116.2	130.4
DPS	11.0	8.8	8.7	11.3	12.3	14.1
Payout (%)	75.7	53.3	45.3	49.0	50.0	50.0
Valuation (x)						
P/E	31.7	28.1	23.9	20.0	18.8	16.4
Cash P/E	24.9	21.9	19.3	15.9	14.5	12.7
P/BV	6.8	6.0	5.2	4.4	4.0	3.5
EV/Sales	2.9	2.5	2.2	1.9	1.6	1.4
EV/EBITDA	21.7	16.2	14.1	11.5	10.0	8.6
Dividend Yield (%)	2.4	1.9	1.9	2.5	2.7	3.1
Return Ratios (%)						
RoE	22.4	22.8	23.5	23.5	23.1	23.1
RoCE	16.6	20.4	19.9	19.6	17.9	19.5

Consolidated - Cash Flow Statement

(INR m)

Y/E March	CY22	CY23	CY24	CY25	CY26E	CY27E
OP/(Loss) before Tax	11,230	12,685	15,603	17,268	20,345	23,240
Depreciation	2,444	2,836	2,788	3,613	4,479	4,981
Interest & Finance Charges	322	315	284	485	611	515
Direct Taxes Paid	-2,435	-2,579	-3,122	-3,681	-5,182	-5,870
(Inc)/Dec in WC	-3,824	1,223	-628	104	-823	145
Others	469	676	555	-398	0	0
CF from Operations	8,206	15,156	15,480	17,391	19,429	23,012
(Inc)/Dec in FA	-1,190	-634	-1,312	-1,635	-6,517	-7,213
Free Cash Flow	7,016	14,522	14,168	15,756	12,912	15,799
(Pur)/Sale of Investments	9,054	3,778	19,696	12,725	0	0
Others	-8,015	-6,140	-25,074	-21,052	-748	-624
CF from Investments	-151	-2,996	-6,690	-9,962	-7,265	-7,837
Issue of Shares	1	3	1	599	0	0
Inc/(Dec) in Debt	-59	-1,870	-1,370	-1,668	246	193
Interest Paid	-56	-136	-136	-244	0	0
Dividend Paid	-6,637	-5,308	-5,314	-6,995	-7,581	-8,685
Others	-460	-190	0	0	0	0
CF from Fin. Activity	-7,211	-7,501	-6,819	-8,308	-7,335	-8,492
Inc/Dec of Cash	844	4,659	1,971	-879	4,829	6,683
Forex Adjustment	285	159	61	821	0	0
Opening Balance	11,787	12,916	17,734	19,766	19,708	24,537
Closing Balance	12,916	17,734	19,766	19,708	24,537	31,220

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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