

Hexaware Technologies

Estimate change

TP change

Rating change



Bloomberg	HEXT IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	392 / 4.3
52-Week Range (INR)	900 / 590
1, 6, 12 Rel. Per (%)	-11/-16/-
12M Avg Val (INR m)	807
Free float (%)	25.7

Financials & Valuations (INR b)

Y/E Mar	CY25	CY26E	CY27E
Sales	134.3	148.4	170.6
Adj. EBIT Margin (%)	14.0	13.0	13.1
Adj. PAT	14.3	15.1	17.5
Adj. EPS (INR)	23.1	24.4	28.3
EPS Gr. (%)	19.6	5.6	16.1
BV/Sh. (INR)	103.7	116.1	130.4

Ratios

RoE (%)	23.5	22.5	23.3
RoCE (%)	19.6	17.4	19.3
Payout (%)	49.0	50.0	50.0

Valuations

P/E (x)	27.8	26.3	22.7
P/BV (x)	6.2	5.5	4.9
EV/EBITDA (x)	16.4	15.3	13.4
Div Yield (%)	1.8	1.9	2.2

Shareholding pattern (%)

As On	Dec-25	Sep-25
Promoter	74.3	74.6
DII	11.3	11.1
FII	8.4	8.3
Others	6.0	6.0

FII Includes depository receipts

CMP: INR642

TP: INR770 (+20%)

Buy

A weak quarter

Margin reset amid ramp-up investments; recovery 2H-weighted

- Hexaware Technologies (HEXT) reported revenue of USD389m in 4QCY25, down 1.4% QoQ in CC terms vs. our estimate of 2.6% QoQ CC. In CY25, revenue grew 7.6%/7.1% YoY in USD/CC. Healthcare and Insurance declined 9% QoQ, whereas Banking/Travel grew 11.1%/5.1% QoQ. The Adj. EBIT margin stood at 12.3%, below our estimate of 14.3%. Adj. PAT declined 6.7% QoQ/rose 7.0% YoY to INR3.4b (our est. of INR3.7b).
- HEXT expects CY26 revenue growth to be better than CY25 USD growth of 7.6%. The company guided for 13-14% EBIT margin guidance in CY26.
- For the full year (CY25), revenue/EBIT/PAT increased 12.2%/21.5%/16.6% YoY (in INR terms). In 1QFY26, we expect revenue/PAT to grow 8.6%/flat YoY, while EBIT is expected to decline 7.2% YoY.
- We expect near-term growth softness driven by delayed deal closures, seasonal weakness, and margin reset amid ramp-up investments, with recovery likely 2H-weighted. Visibility into CY26 should improve as client budgets are finalized over Mar-Apr. We reiterate our BUY rating with a TP of INR770 (based on 27x CY27E EPS), implying ~20% potential upside.

Our view: Continued pressure in the near term

- **Near-term growth visibility remains soft; margin outlook reset lower:** HEXT reported a decline of 1.4% QoQ CC due to furloughs, lower license revenue, fewer billing days, and FX headwinds. While management commentary suggests an improvement in client decision-making, visibility remains limited with uneven demand environment. The company indicated seasonally weak trends ahead, and we expect 1QCY26 to remain soft, modeling ~1.1% QoQ organic decline. We expect visibility to improve into CY26 as client budgets close out over Mar-Apr.
- While management guides for higher growth in CY26 vs CY25 (7.6% USD YoY), we currently estimate broadly similar growth (~7.3% YoY USD), with organic YoY CC growth of 4.8% in CY26.
- **Deal wins progressing, but key consolidation deal slip a negative:** Most expected deal closures were achieved in 4Q except one large consolidation deal with a top client, which has been under pursuit for some time and was earlier expected to close in 4QCY25. The delay is a key near-term negative for growth visibility. That said, the company secured another large consolidation deal in software engineering, and the pipeline crossed USD4b, indicating steady underlying demand despite stretched conversion timelines.
- **AI push continues through proprietary IPs:** HEXT continues to push AI-led offerings through platforms such as Tenzai and RapidX, alongside new service launches and workforce reskilling. Management expects AI to create new revenue streams over time; however, renewal work could see a 30–40% impact if the scope remains unchanged, particularly across software engineering, testing, and IT operations.

- In our view, accelerated AI-led productivity gains impacting ADM, testing, and potentially ERP implementation raise the risk of near-term revenue deflation. Similar to the early cloud cycle, legacy work may compress before new AI-led opportunities scale, making the timing gap between deflation and revenue acceleration the key monitorable.
- **Margin guidance reset lower amid ramp-up investments:** Adj. EBIT margin contracted to 12.3% in 4Q, with pressures from utilization, wage hikes, and calendar-related impacts. The company guided for CY26 EBIT margins (incl. other income) of 13–14%, which implies a lower baseline vs CY25 adj. EBIT levels (excl. other income) of 14%. Management expects margin pressure in 1H due to large deal ramp-ups and rebadging, with recovery skewed toward 2H. We model EBIT margins of ~13.4% (incl. other income) in CY26.

Valuation and view

- Near-term growth visibility remains soft amid delayed deal closures, seasonal weakness, and an uneven demand environment. However, pipeline momentum and consolidation wins support medium-term positioning.
- Margin guidance has also been reset lower, reflecting ramp-up investments and utilization pressures, with recovery expected to be 2H-weighted. We trim our growth expectations by ~13% and factor in slower conversion timelines, modeling broadly stable CY26 growth vs CY25. However, a strong pipeline and AI-led capabilities should support a gradual recovery beyond near-term softness. **We reiterate our BUY rating with a TP of INR770 (based on 27x CY27E EPS), implying ~20% upside.**

Beat on revenue and miss on margins; HEXT guides for higher growth in CY26, with 13–14% EBIT margins

- HEXT's USD revenue came in at USD389m, down 1.4% QoQ in CC terms vs. our estimates of a decline of 2.6% QoQ CC. In CY25, revenue grew 7.6%/7.1% in YoY USD/CC.
- HEXT expects CY26 revenue growth to be better than CY25 USD growth of 7.6%.
- In terms of geographies, Americas was down 3.3% QoQ, and Europe grew 1.1% QoQ in USD terms.
- Healthcare and Insurance declined 9% QoQ, whereas Hi-tech and Professionals services declined 4.5% QoQ. Financial services were flat QoQ and Banking/Travel grew 11.1%/5.1% QoQ.
- Adj. EBIT margin stood at 12.3%, below our estimate of 14.3%. For CY25, Adj. EBIT margin stood at 14.0%. The company guided for 13-14% EBIT margin guidance in CY26.
- Adj. PAT was down 6.7% QoQ/up 7.0% YoY to INR3.4b (our est. of INR3.7b). This excludes the one-time impact of labor codes amounting to INR1,111m.
- The headcount rose to 33,844 (up 0.7% QoQ) in 4QCY25. Attrition (LTM) decreased 40bp QoQ to 11.0%. Utilization was down 200bp QoQ to 80.8%.

Key highlights from the management commentary

- The demand environment is improving, with better decision-making by clients.
- AI will create several new growth avenues but will also act as a dampener in certain existing areas, such as software engineering, testing, and IT operations. Renewal business could see a 30–40% impact if the scope remains unchanged. The company continues to launch at least one major new service every quarter, and growth from these new services is expected to drive net positive growth over time.

- Legacy modernization is a key growth accelerator, with 2–3 projects expected to be completed in CY26. Management believes the largest opportunity still lies ahead.
- The GSE has not yet finalized the design of the consolidation deal.
- The deal pipeline crossed USD4b for the first time.
- CY26 growth could improve based on deal ramp-ups (including consolidation deals with a bank and a tech company), execution of deals won in 2HCY25, and new wins in CY26.
- 1Q is seasonally weak, and the company is currently experiencing an unusually weak patch due to multiple unrelated one-offs.
- CY26 EBIT margin guidance is 13.0–14.0%, lower than CY25. 1H will see pressure due to large deal ramp-ups, while calendar effects are expected to recover sharply in 2H. The 2H exit margin is expected to be better than 2HCY25, while the full-year margin remains within the guided band.

Quarterly Performance

Y/E March	CY24				CY25E				CY24	CY25	(INR M)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			Est. 4QCY25	Var. (% / bp)
Revenue (USD m)	331	352	374	372	372	382	395	389	1,429	1,537	386	0.9
QoQ (%)	5.3	6.4	6.4	-0.5	-0.2	2.9	3.3	-1.4			-2.3	84bp
Revenue (INR m)	27,488	29,355	31,357	31,544	32,079	32,607	34,836	34,782	1,19,744	1,34,304	34,604	0.5
YoY (%)	9.6	12.7	18.3	20.6	16.7	11.1	11.1	10.3		12.2	9.7	57bp
GPM (%)	41.4	41.2	42.3	42.3	41.9	42.5	43.1	41.3	41.8	42.2	42.5	-116bp
Other (%)	26.2	26.6	26.6	26.8	25.5	25.1	25.8	25.5	26.6	25.5	25.8	-27bp
EBITDA	4,176	4,311	4,911	4,904	5,278	5,676	6,013	5,498	18,302	22,465	5,779	-4.9
EBITDA Margin (%)	15.2	14.7	15.7	15.5	16.5	17.4	17.3	15.8	15.3	16.7	16.7	-89bp
EBIT	3,576	3,624	4,173	4,141	4,543	4,924	5,124	4,261	15,514	18,852	4,948	-13.9
EBIT Margin (%)	13.0	12.3	13.3	13.1	14.2	15.1	14.7	12.3	13.0	14.0	14.3	-205bp
Other income	2	172	-114	29	-180	-196	-157	-409	89	-942	-69	491.0
PBT	3,578	3,796	4,059	4,170	4,363	4,728	4,967	3,852	15,603	17,910	4,879	
ETR (%)	22.0	27.7	26.2	23.1	25.0	18.9	25.5	10.4	24.8	20.4	24.8	-1440bp
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	3,798	3,699	2,916	11,740	13,684	3,669	-20.5
QoQ (%)	45.8	-1.6	9.1	7.0	2.0	16.1	-2.6	-21.2			-0.8	
YoY (%)	NA	NA	NA	67.6	17.2	38.3	23.4	-9.1	17.7	21.4	14.4	
Extra-ordinary items	0	0	0	0	0	36	0	535	0	571	0	
Adj. PAT	2,790	2,746	2,997	3,207	3,271	3,834	3,699	3,451	11,740	14,256	3,669	
Adj. EPS (INR)	4.6	4.5	5.0	5.2	5.3	6.2	6.0	5.6	19.3	23.1	5.9	-5.9

Exhibit 1: Healthcare and Hi-tech declined sequentially in 4Q

Verticals(QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25
Financial Services	8.6	5.2	5.3	3.9	4.6	1.2	2.0	0.1
Healthcare and Insurance	3.1	6.3	8.5	-2.3	-1.5	2.2	11.3	-9.0
Manufacturing and Consumer	4.0	7.2	-4.4	-6.9	0.2	-0.7	16.5	-0.7
Hi-Tech and Professional Services	7.9	9.2	15.9	1.3	-5.4	2.7	-8.7	-4.5
Banking	3.7	4.2	1.4	5.0	-11.4	13.5	4.1	11.1
Travel and Transportation	-0.9	6.3	14.2	-7.5	9.2	7.1	-9.9	5.2

Source: Company, MOFSL

Exhibit 2: America declined due to lower calendar but volumes remain high

Geography(QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25
America	5.4	9.1	5.5	2.3	0.5	1.7	3.7	-3.3
Europe	4.8	-4.2	11.5	-8.1	-2.2	8.0	2.2	1.1
APAC	5.1	11.4	1.6	-9.0	-2.9	2.1	1.4	15.1

Source: Company, MOFSL



Highlights from the management commentary

Performance and demand outlook:

- The demand environment is improving, with better decision-making by clients.
- AI will create several new growth avenues but will also act as a dampener in certain existing areas such as software engineering, testing, and IT operations. Renewal business could see a 30–40% impact if scope remains unchanged.
- The company continues to launch at least one major new service every quarter, and growth from these new services is expected to drive net positive growth over time.
- Four key AI-led initiatives are positively impacting customers: 1) Building AI into platforms (Tenzai, RapidX); 2) Creating and launching new AI-enabled services and revenue streams; 3) Workforce training; and 4) Redesigning processes for AI adoption (e.g., reworking the SDLC).
- HEXT is approaching clients with a proposition to define guardrails and allow AI to execute work, particularly in IT operations and data engineering.
- **AI for IT:** RapidX was launched as the first product for legacy reverse engineering, a critical first step in coding. AI for outsourcing is enabled through the Tenzai platform, which has ~400 atomic agents.
- Software products are increasingly being replaced by agentic AI.
- AI for business: Across the industries where HEXT operates, the AI impact is categorized across levels 1 to 5, depending on process complexity.
- Legacy modernization is a key growth accelerator, with 2–3 projects expected to be completed in CY26. Management believes the largest opportunity still lies ahead.
- HEXT's revenue came in at USD389m, down 1.4% QoQ in constant currency terms. For CY25, revenue grew 7.6% YoY in USD terms and 7.1% in constant currency.
- Revenues were slightly lower than expected due to: 1) A GSE-related cut with a ~70 bp annualized impact, which will also affect 1Q, 2) Furloughs at one client, which is atypical, and 3) Lower pass-through revenues.
- License revenues relate to third-party licenses.
- 1Q will continue to face headwinds from calendar-related issues and furloughs.
- License revenues were lower than historical levels, while volume growth resulted in headcount additions that impacted utilization.
- CY26 growth could improve based on deal ramp-ups (including consolidation deals with a bank and a tech company), execution of deals won in 2HCY25, and new wins in CY26.
- Banking and Healthcare & Insurance are expected to lead growth in CY26 (above company average), followed by Financial Services and GTT (around company average).
- Manufacturing & Consumer is expected to resume growth. Both M&C and HTPS (to be split into PS and TPP in CY26) are expected to grow, though they may trail company growth.
- 1Q is seasonally weak, and the company is currently experiencing an unusually weak patch due to multiple unrelated one-offs.
- Growth is expected to accelerate sequentially after 1Q, with higher ask rates in 2Q and 3Q.
- Progress on deal wins remains strong, with all expected deals in 4QCY25 closed except for one major consolidation deal with a GSE, which remains a work-in-progress. Wins include another major consolidation deal in software engineering.

- The GSE has not yet finalized the design of the consolidation deal.
- The deal pipeline crossed USD4b for the first time. The company won a large consolidation deal with a big tech client, which provides access to a significant pool of spend.
- ACV performance in CY25 was better than CY24.

Margin performance and outlook

- Adjusted EBIT margin stood at 12.3% in Q4. For CY25, adjusted EBIT margin was 14.0%.
- Normalized EBITDA margins were at 15%, reflecting a sequential decline of 250bp. The key contributors were FX headwinds (20 bps), calendar/furloughs (60 bps), utilization (80 bps), and wage hikes (80 bps).
- Earnout reversals were one-off in nature following impairment testing as part of the annual exercise; one-offs reversals will occur in the future.
- Additional expected credit loss provisions were taken due to observed credit risks over recent years. If collections improve, these provisions could reverse.
- One-time reversals had a 160bps impact on EBITDA.
- Accelerated amortization of leases in Europe resulted in a 64bps impact at the EBIT level.
- Ongoing labor code impact is estimated at ~20bps for CY26.
- CY26 EBIT margin guidance is 13.0–14.0%, lower than CY25. 1H will see pressure due to large deal ramp-ups, while calendar effects are expected to recover sharply in 2H. The 2H exit margin is expected to be better than 2HCY25, while the full-year margin remains within the guided band.
- 1QCY26 EBIT is expected to be lower than 4QCY25 due to higher seasonality and calendar impact.
- 2HCY26 EBIT is expected to be better than 1H, with 1H weakness driven by large ramp-ups, including rebadging deals.
- Offshore mix dipped in 4Q due to deal constructs, with SMC contributing ~100 bps to the offshore mix.
- ETR for CY26 is expected to be 25–26%.

Valuation and view

- Near-term growth visibility remains soft amid delayed deal closures, seasonal weakness, and an uneven demand environment. However, pipeline momentum and consolidation wins support medium-term positioning.
- Margin guidance has also been reset lower, reflecting ramp-up investments and utilization pressures, with recovery expected to be 2H-weighted. We trim our growth expectations by ~13% and factor in slower conversion timelines, modeling broadly stable CY26 growth vs CY25. However, strong pipeline and AI-led capabilities should support gradual recovery beyond near-term softness. **We reiterate our BUY rating with a TP of INR770 (based on 27x CY27E EPS), implying ~20% upside.**

Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change	
	CY26E	CY27E	CY26E	CY27E	CY26E	CY27E
INR/USD	90.0	92.0	90.0	92.0	0.0%	0.0%
USD Revenue (m)	1,649	1,854	1,697	1,942	-2.9%	-4.6%
Growth (%)	7.3	12.4	10.7	14.4	-340bps	-200bps
Adj. EBIT margin (%)	13.0	13.1	14.8	15.2	-180bps	-210bps
Adj. PAT (INR b)	15,054	17,479	17,303	21,033	-13.0%	-16.9%
Adj. EPS	24.4	28.3	28.0	34.1	-13.0%	-16.9%

Source: MOFSL

Story in charts

Exhibit 4: USD revenue declined 1.4% QoQ CC due to furloughs and lower license revenues

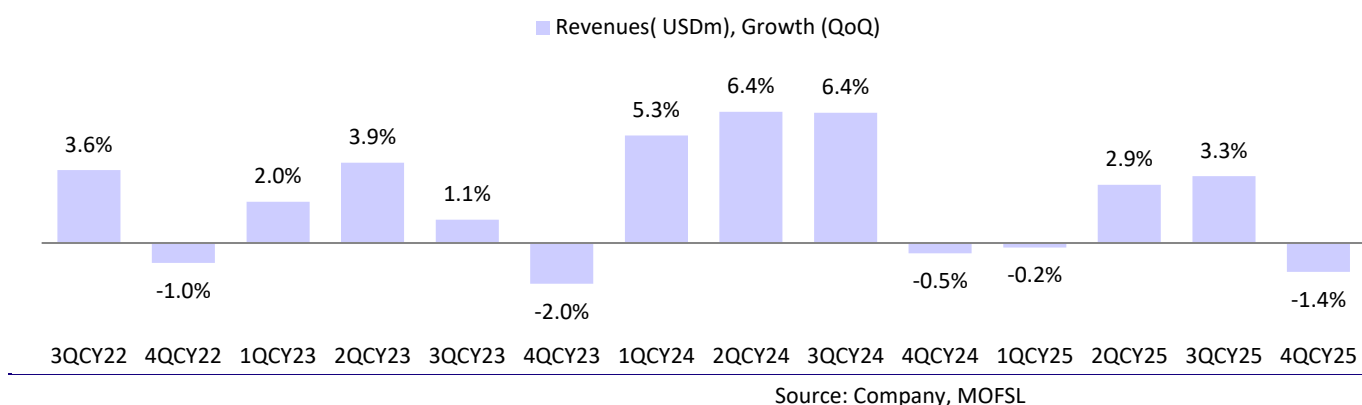


Exhibit 5: EBIDA declined 210bp sequentially

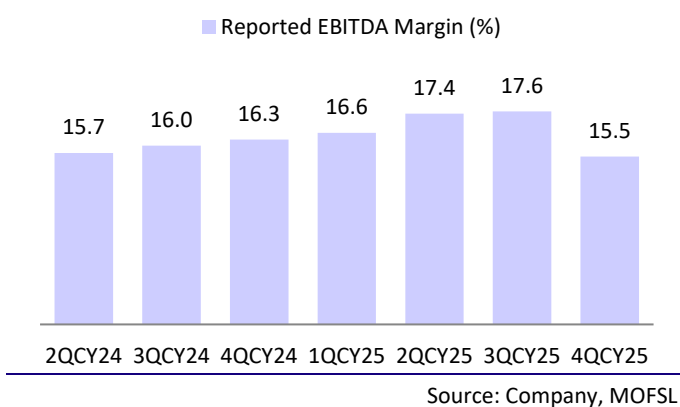


Exhibit 6: Utilization dipped 300bp sequentially

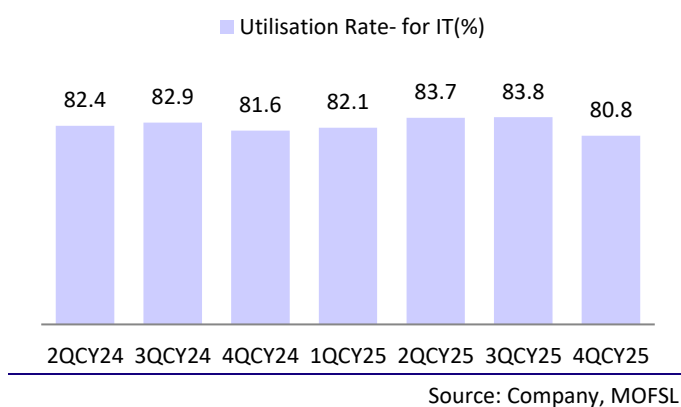


Exhibit 7: Offshore mix remained stable

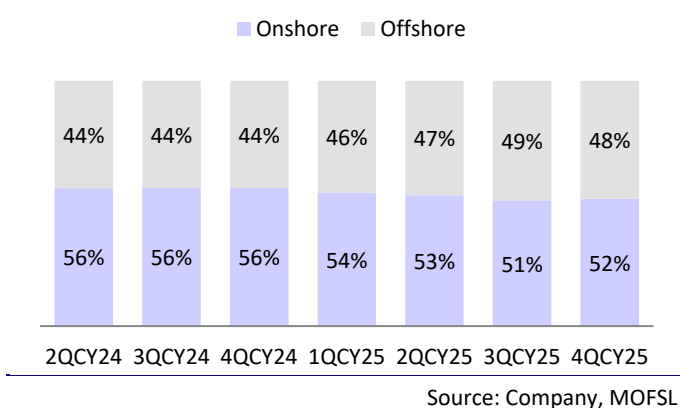
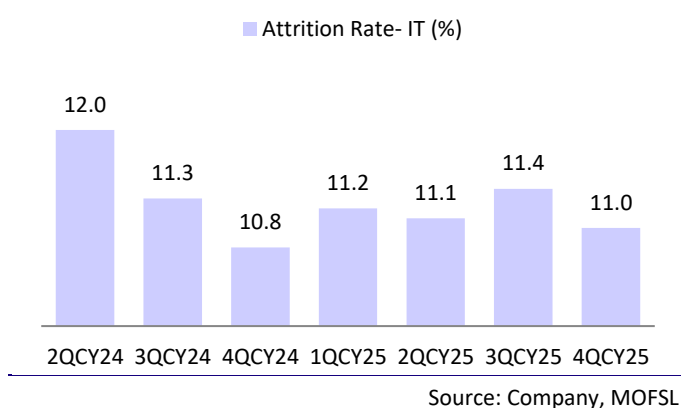


Exhibit 8: Attrition declined 40bp QoQ



Operating metrics

Exhibit 9: Operating metrics

	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25
Revenue by Verticals (%)							
Financial Services	28.2%	27.9%	29.1%	30.5%	30.0%	29.6%	30.1%
Healthcare and Insurance	21.0%	21.5%	21.1%	20.8%	20.7%	22.3%	20.6%
Manufacturing and Consumer	17.6%	15.9%	14.8%	14.9%	14.4%	16.2%	16.3%
Hi-Tech and Professional Services	16.5%	18.0%	18.3%	17.3%	17.3%	15.3%	14.8%
Banking	8.7%	8.3%	8.8%	7.8%	8.6%	8.7%	9.8%
Travel and Transportation	7.9%	8.5%	7.9%	8.6%	9.0%	7.8%	8.4%
Revenue - Geography (%)							
America	74.2%	73.6%	75.6%	76.1%	75.3%	75.6%	74.2%
Europe	19.2%	20.1%	18.6%	18.2%	19.1%	19.0%	19.4%
APAC	6.6%	6.3%	5.8%	5.6%	5.6%	5.5%	6.4%
Revenue Mix- IT, BPS, and Others							
IT Services	84.2%	84.9%	84.3%	84.8%	85.8%	83.8%	85.5%
BPS	12.7%	12.2%	12.9%	12.4%	12.2%	11.7%	11.8%
Others	3.2%	2.9%	2.8%	2.8%	2.0%	4.6%	2.8%
Client Profile							
>1m	177	186	186	195	197	199	192
>5m	56	59	61	66	66	65	59
>10m	30	31	31	30	31	30	32
>20m	14	15	15	15	15	15	16
>50m	3	3	3	3	4	4	4
>75m	3	3	3	3	3	3	3
Total Headcount	31,870	32,536	32,309	31,564	32,410	33,590	33,844
Utilisation Rate- for IT	82.4%	82.9%	81.6%	82.1%	83.7%	83.8%	80.8%
Attrition Rate- IT	12.0%	11.3%	10.8%	11.2%	11.1%	11.4%	11.0%
DSO(Billed)	42	40	38	39	40	37	38

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	1,48,396	1,70,562
Change (%)	28.2	12.8	15.4	12.2	10.5	14.9
Employees Cost	55,582	61,282	69,649	77,610	86,303	99,202
Total Expenditure	55,582	61,282	69,649	77,610	86,303	99,202
% of Sales	60.4	59.0	58.2	57.8	58.2	58.2
Gross Profit	36,414	42,521	50,095	56,694	62,092	71,360
SG&A	24,197	26,710	31,793	34,229	38,341	44,687
EBITDA	12,217	15,811	18,302	22,465	23,752	26,673
% of Sales	13.3	15.2	15.3	16.7	16.0	15.6
Depreciation	2,444	2,836	2,788	3,613	4,452	4,264
EBIT	9,773	12,975	15,514	18,852	19,300	22,409
% of Sales	10.6	12.5	13.0	14.0	13.0	13.1
Other Income	1,457	-290	89	-942	0	0
PBT	11,230	12,685	15,603	17,910	19,300	22,409
Total Tax	2,388	2,709	3,863	3,654	4,246	4,930
Tax Rate (%)	21.3	21.4	24.8	20.4	22.0	22.0
Reported PAT	8,842	9,976	11,740	13,684	15,054	17,479
Change (%)	18.1	12.8	17.7	16.6	10.0	16.1
Margin (%)	9.6	9.6	9.8	10.2	10.1	10.2
Minority Interest	0	0	0	0	0	0
Adjusted PAT	8,842	9,976	11,740	14,256	15,054	17,479
Tax Rate (%)	18.1	12.8	17.7	21.4	5.6	16.1

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	70,076	78,815
Net Worth	41,230	46,352	53,569	63,158	70,685	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	11,155	11,687
Capital Employed	45,593	50,463	61,224	73,943	81,808	91,079
Net Fixed Assets	9,863	9,018	10,358	12,905	14,685	17,583
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	9,483	9,628
Curr. Assets, Loans&Adv.	34,519	42,017	45,511	50,477	56,826	64,446
Account Receivables	18,818	18,458	19,755	20,556	21,548	23,365
Cash and Bank Balance	12,916	17,734	19,766	19,708	25,065	30,868
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	35,459	36,852
Account Payables	5,357	6,595	9,140	10,069	10,680	12,277
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	21,367	27,594
Appl. of Funds	45,593	50,463	61,224	73,943	81,808	91,079

Financials and valuations

Ratios

Y/E March	CY22	CY23	CY24	CY25	CY26E	CY27E
Basic EPS (INR)	14.5	16.4	19.3	23.1	24.4	28.3
Cash EPS	18.5	21.1	23.9	28.9	31.6	35.2
BV/Share	68.3	76.4	88.1	103.7	116.1	130.4
DPS	11.0	8.8	8.7	11.3	12.2	14.2
Payout (%)	75.7	53.3	45.3	49.0	50.0	50.0
Valuation (x)						
P/E	44.2	39.1	33.3	27.8	26.3	22.7
Cash P/E	34.6	30.4	26.9	22.2	20.3	18.2
P/BV	9.4	8.4	7.3	6.2	5.5	4.9
EV/Sales	4.1	3.5	3.1	2.7	2.4	2.1
EV/EBITDA	30.6	23.0	20.1	16.4	15.3	13.4
Dividend Yield (%)	1.7	1.4	1.4	1.8	1.9	2.2
Return Ratios (%)						
RoE	22.4	22.8	23.5	23.5	22.5	23.3
RoCE	16.6	20.4	19.9	19.6	17.4	19.3

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	19,300	22,409
Depreciation	2,444	2,836	2,788	3,613	4,452	4,264
Interest & Finance Charges	322	315	284	485	0	0
Direct Taxes Paid	-2,435	-2,579	-3,122	-3,681	-4,246	-4,930
(Inc)/Dec in WC	-3,824	1,223	-628	104	-381	-221
Others	469	676	555	-398	0	0
CF from Operations	8,206	15,156	15,480	17,391	19,125	21,522
(Inc)/Dec in FA	-1,190	-634	-1,312	-1,635	-6,232	-7,163
Free Cash Flow	7,016	14,522	14,168	15,756	12,893	14,360
(Pur)/Sale of Investments	9,054	3,778	19,696	12,725	0	0
Others	-8,015	-6,140	-25,074	-21,052	-92	-145
CF from Investments	-151	-2,996	-6,690	-9,962	-6,324	-7,308
Issue of Shares	1	3	1	599	0	0
Inc/(Dec) in Debt	-59	-1,870	-1,370	-1,668	83	328
Interest Paid	-56	-136	-136	-244	0	0
Dividend Paid	-6,637	-5,308	-5,314	-6,995	-7,527	-8,739
Others	-460	-190	0	0	0	0
CF from Fin. Activity	-7,211	-7,501	-6,819	-8,308	-7,444	-8,412
Inc/Dec of Cash	844	4,659	1,971	-879	5,357	5,803
Forex Adjustment	285	159	61	821	0	0
Opening Balance	11,787	12,916	17,734	19,766	19,708	25,065
Closing Balance	12,916	17,734	19,766	19,708	25,065	30,868

Investment in securities market is subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL), National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.