

IT SERVICES

09 July 2026

‘Show me the growth’ phase will keep valuations compressed

- Nifty IT PE derated CYTD (~35%) due to concerns on long term growth. AI reinvention services hold out hope. We remain skeptical
- 1QFY27 is expected to be soft and could trigger modest revenue and EPS cuts by consensus. AI tailwinds to headwinds ratio will be key
- We lower Target PE multiples. Even these multiples do not capture extent of disruption risk. Hence, we continue to remain UW

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PE analysis gives an enticing picture but DCF points to caution: CYTD2026 Nifty IT underperformed (UP) Nifty by ~19 ppt (on top of ~23 ppt UP in 2025). PE (12mth forward) for Nifty IT has come off from ~25x (1 Jan 2026) to ~16x (8 July 2026). Believe a smaller part of the derating is due to the realisation that FY27 organic revenue growth is going to be weaker than in FY26 (contrary to the view in Jan 2026 that it would be 100-150bps better) and that market is going to see a fourth successive year of low single digit USD organic revenue growth for Tier-1 set. A larger part of the PE derating is likely driven by long term growth concerns due to disruption by AI Models. PE of the Tier-1s set is at ~1.8SD and ~3SD below 10 year and 5-year averages respectively (charts inside). Valuations therefore look enticing. Short-term bounces are possible. Believe historical PE analysis does not capture AI disruption risks adequately. Our DCF analysis indicates current price for Infosys (for instance) factors in not only a mid-single digit FCF growth for the next 10 years but also a similar terminal growth rate. It does not factor in flat/declining FCF during the next 10 years and/or zero terminal growth, both of which have a non-zero probability. Lack of clarity on structural pressure points will keep valuations subdued.

The buyers at this point think AI disruption is similar to tech shifts seen in the last 25 years. We think it is a structural business model change: Investors who find value in IT services stocks now, we think, have the view that the current AI disruption is similar to the number of technology shifts that the industry successfully navigated during the last 25-30 years whereas we think this is an operating model change and the disruption is more drastic and structural in nature and may put the cost effective offshore delivery driven IT/ITES model at greater risk than anything else in the last 25-30 years. As we mentioned in our 17 Feb 2026 note ([Existential threat, value trap or Temporary blip](#)) we think it is as seminal as the offshore delivery value migration that global IT services industry saw during 1995-2005 which resulted in some of the then incumbent leaders in global IT services losing market share/market value and becoming less relevant to their clients. Those incumbents that executed offshore shift properly not only survived but also thrived (Accenture and Capgemini, to a lesser extent).

Recommendation snapshot

Ticker	Price	Target	Rating
BSOFT IN	272	255	SELL
COFORGE IN	1,446	1,117	SELL
ECLX IN	1,477	1,670	HOLD
FSOL IN	237	284	BUY
HCLT IN	1,146	1,068	SELL
INFO IN	1,069	1,135	HOLD
LTM IN	3,794	3,782	HOLD
MPHL IN	2,242	2,153	HOLD
PSYS IN	4,770	3,145	SELL
TCS IN	2,058	1,937	HOLD
TECHM IN	1,429	1,371	HOLD
WPRO IN	173	176	HOLD
ZENT IN	451	425	HOLD

Price & Target in Rupees | Price as of 8 Jul 2026



We do not think the Global IT/IT enabled services industry as a whole faces existential risk – but we believe many of the incumbent players likely do if they do not pivot to the new model. It is difficult to point to winners of the next phase currently. The game is no longer an offshore scale play as it was for the last 25 years. It is going to be one of smaller teams with greater understanding of technology as well as domain and business processes.

Enterprise-wide AI reinvention/transformation (which is what vendors want enterprise clients to undertake) may be slower to pick up than digital.

Except for productivity related AI spending on very specific areas where ROI is clear, ROI on enterprise-wide AI reinvention services is likely weak currently due to significant upfront spending for preparing companies to implement it (in moving to the cloud, data modernization and cyber security).

- No catalyst to push AI spending unlike what Digital saw during the pandemic. Successful AI transformations that lead to significant profit pool and market share/market cap shifts will be drivers. That is likely to be a slow process. The AI ecosystem is trying to force a faster pace but we believe unless there is a clear catalyst the pace will not pick up.
- Spending fatigue on technology. There was significant spending forced on enterprises during the pandemic in the not-too-distant past – 2020-2022. ‘Compressed transformation’ resulted in pulling forward of spending that was to be done over multiple future years. Enterprise clients may not want to be forced into another high spending cycle so soon.
- AI frontier models evolving at a rapid pace and enterprise CIOs may want the technology to mature. They may not be comfortable with a vendor lock in or obsolescence at this stage of the AI technology development cycle.
- Enterprise-wide AI reinvention projects that employ AI agents require significant workflow redesign that possibly involve multiple departments. It would require top management (possibly CEO level) sponsorship and bandwidth and patience. There could also be significant people displacement and change in power structures within companies, all of which may lead to delayed decision making.
- Believe enterprises will likely not want to be guinea pigs as the technology and processes are tested and refined. They may want to be followers rather than first movers.
- Continued deflation in broader areas of IT/ITES spend as AI frontier models become better in capability and add more tools. We think the surface area of deflation may increase over time.
- Legacy modernization (of hitherto untouched parts) has been indicated to be a new area of growth. These legacy technologies (which are mission critical) may be left alone for some more time as the AI models improve in accuracy. We are also not sure to what extent it can offset the deflation in other services.
- While offshore outsourcers were important when one did large volume work at low cost, we believe the AI reinvention services requires people with greater level of

skills (both technology and domain related). We are not sure about the supply of talent for instance of FDEs (forward deployed engineers).

There is going to be greater fragmentation of the market in AI enterprise reinvention services. The competitive landscape is going to expand materially as cost effective execution with a large army of offshore talent is unlikely to be a big differentiator

- Deployment companies launched by various players like Anthropic, Open AI, Microsoft, Google, etc will be new players to contend with. Many of these have been backed by large private equity companies which have a large portfolio of enterprises who will be the first set of clients these deployment companies will work with. Unlike the professional services set ups that multiple software companies have tried to build in the past (and which did not take off in a big way) we think the focus on lean teams of FDEs make them relevant in this new era. We believe Anthropic and Open AI would want to capture more of the enterprise technology spends and would try to eat into the profit pools of IT services and enterprise software players. To justify their high private market valuations.
- Multiple startups in this space will nibble away at the opportunity. We believe enterprises would be open to experimenting with vendors as they have done so at the onset of such cycles in the past. Like 8090 (of Chamath Palihapitiya) and Hang Ten systems (floated by Vishal Sikka, ex-CEO of Infosys). These have been among the higher profile startups. We also see a number of senior management personnel of incumbent IT services companies step out and incubate entities that have hit the ground running as they have strong client relationships, understand client pain points and do not require an army of execution staff and are able to price their services at very competitive rates against incumbents
- Palantir which is the pioneer of the FDE model has started shifting a lot more of its attention to the commercial market compared to the defense and government markets that it has traditionally been addressing in the past. We expect it to be a key player in the commercial market going forward especially in the US.

Expect lower level of outsourcing

- Without the necessity of a large body of offshore talent, we believe enterprises may want to (for competitive reasons) redesign workflows and keep them internally (onsite or in their GCCs). So, we think that could also lead to some insourcing of work. We saw that with Opendoor (US real estate technology company) for instance recently.
- We believe AI reinvention services require strong domain and workflow specific skills which we believe reside internally in enterprises.

Expansion of TAM has been a key driver of the optimistic narrative of a number of Indian players

- To counter the pessimism around Indian IT services industry, the players have been building a counter narrative in the last few months during their analyst days. This has been in the form of expansion in TAM that they have been espousing.

- Much of this expansion has been the result of a move to 'AI in business' from 'AI in IT'. Which is largely a new area for the Indian IT services industry. 'AI in IT' is largely a deflationary story currently.
- We believe 'AI in business' story is one of redesign of work and workflows and use of AI agents. While the market around this is very significant (Cognizant during its recent analyst day indicated that the TAM will expand from US\$1trn to US\$6trn) there is no timeline when this TAM will play out. This would involve a partial hollowing of the services sector in the developed markets with human employees replaced by AI agents. Besides the usual issues around AI governance, Trust and Guard rails, we believe the industry will have to handle issues around loss of white collar jobs which are politically sensitive. While this remains a large opportunity we do not see an immediate acceleration.

We see downside risks to margins

- From a Covid and post Covid induced offshore shift, we believe the Forward Deployed Engineer (FDE) model is much more onsite oriented. The FDEs need to work closely with the client personnel to redesign work and workflows and that would require presence onsite.
- Combine that with the more restrictive people movement policies of the current Trump 2.0 regime (H1-B visas largely) we expect onsite share of revenue will likely move up. While that may be revenue inflationary, we believe that it could be margin deflationary
- The Forward Deployed Engineer model also leads to paying more for higher quality talent which the vendor should be able to compensated for adequately.
- We suspect subcon cost will likely move up – companies are probably going to hire a lot of ex-employees of their clients who can be domain and workflow related consultants.
- Even offshore we believe could see employee structure shift towards a diamond shape impacting offshore margins compared to the pyramid model that companies been focusing on.
- Already the hiring of freshers at the bottom of the pyramid has been meager and the focus has been on hiring high performers at compensation levels that are 3-5 times of average that was paid out in the not-too-distant past.
- The output driven commercial model in our view carries greater amount of risk for the vendor. Just like in fixed price projects, we believe vendors must be very proficient in execution. Slip ups and weak commercial and legal structuring of contracts could land them in trouble and adversely impact martins.

1QFY27 Preview- expect a soft start to FY27 and some modest consensus downward revisions to revenue and EPS: 1QFY27 will likely be weaker than it has traditionally been due to both Macro (impact of West Asia war) and release of AI Frontier models. A part of this was captured by the Accenture results (May quarter, 3QFY26) where it indicated that it lost some revenue due to direct and indirect impact of the West Asia war and that it will lose some more revenue in 4QFY26 (YE Aug). Accenture also reduced the organic growth guidance due to these issues. It also indicated postponement of 2 large deals to FY27 (YE Aug). With its 2HFY26 coinciding with 1HFY27 of Indian players we expect soft demand not only in 1QFY27 but also in 2QFY27.

We think Infosys and HCLT (the only companies among the Tier-1 set that give numerical guidance) will wait till end of 2QFY27 to make any changes to their guidance. However, if 1QFY27 is unusually weak then possibly the higher end of their guidance may be lowered. With the seasonally strong 1HFY27 for the industry being weak, we think overall organic growth in FY27 may turnout out to be weaker than the market thought 3 months back let alone at the beginning of 2026.

A lowering of the bottom end of revenue guidance range by anyone (if it happens) may not be taken well by the market, Such a move would give the impression that FY27 may be much weaker than currently anticipated.

One of the key discussion points to watch for would be the extent of first and second order impact of the West Asia war on developed market enterprise spending decisions. And when that spending would open up and the variations across verticals and geographies around this.

On the AI discourse, the points to be watched out for would be the extent of deflation that the new and much improved AI frontier models are making on the services industry. The improved models were released in the middle of 4Q and we will see the full impact of those in 1QFY27 and beyond

We would also like to see the strength of the enterprise AI reinvention services and when they could outstrip the deflation seen so that there is a net revenue pick up.

Valuation

There has been significant PE contraction of both Tier-1 and Tier-2 companies (see exhibits 1-2) since 1 Jan 2025. Part of this has been because both FY26 and FY27 (as it stands today) are not the strong years that investors were expecting them to be.

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We lower Target PE multiples for our entire coverage universe and we believe there are risks to even our medium estimates of revenue and EPS. We are shifting from using TCS as the industry benchmark and moving towards Tier-1 PE multiple based PE analysis during the FY15-FY20 phase when Tier-1 grew USD revenue organically by ~7%. The average PE multiple for the Tier-1 set during this phase was 17.6 and the SD was 1.7.

We are using as our benchmark Target PE multiple of 14.1x which turns out to be the average of that period less 2SD. We think that is fair multiple to work with as a benchmark as we believe the organic USD revenue growth has slowed to 2-3% starting FY24 and we see that continuing into the foreseeable future. We think the earnings and FCF growth would at best be a mid-single digit levels.

While Nifty IT is currently trading at ~16x 12 months forward EPS, Both Accenture and Cognizant are trading at 10x and 8x respectively. While Indian companies have traded at

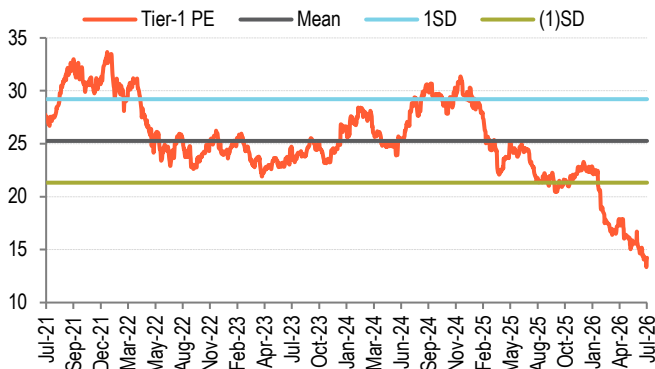
a premia to overseas listed players in the past, with organic growth largely converging, the very large premium that Nifty IT trades at is probably waiting for a reset.

We have given subjective discounts to this PE multiple to arrive at individual Target PE multiples. The new and the old Target PE multiples used, the new Target prices and the change in ratings have been captured in Fig 13.

While most ratings have remained the same following change some ratings have shifted. Coforge from Hold to Sell, Eclerx from Buy to Hold and Zensar from Sell to Hold.

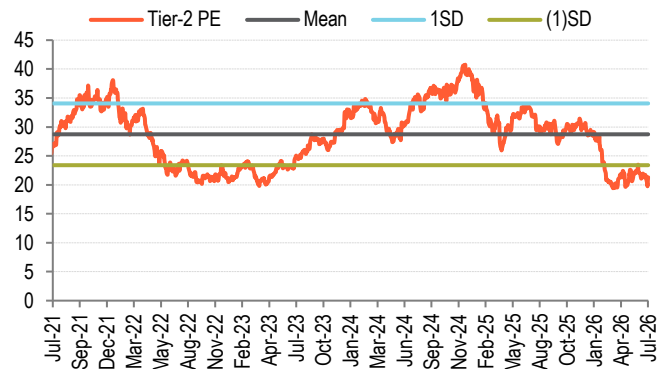
12-month Forward PE charts

Fig 1 – Tier-1 companies (Jul 2021 – Jul 2026)



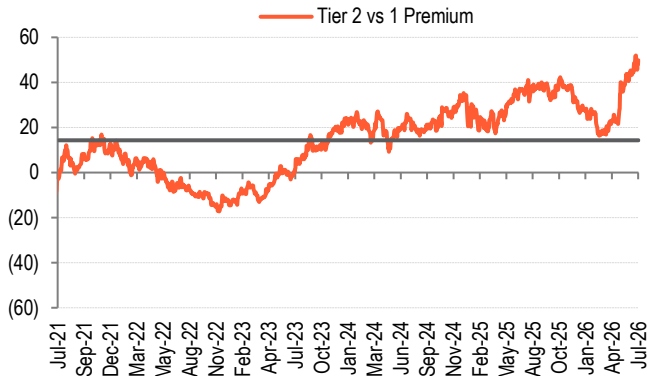
Source: Bloomberg, BOBCAPS Research

Fig 2 – Tier-2 companies (Jul 2021 – Jul 2026)



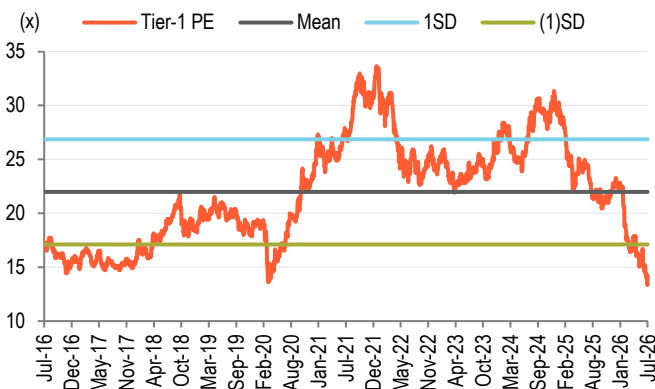
Source: Bloomberg, BOBCAPS Research

Fig 3 – Tier-2 versus Tier-1 (Jul 2021 – Jul 2026)



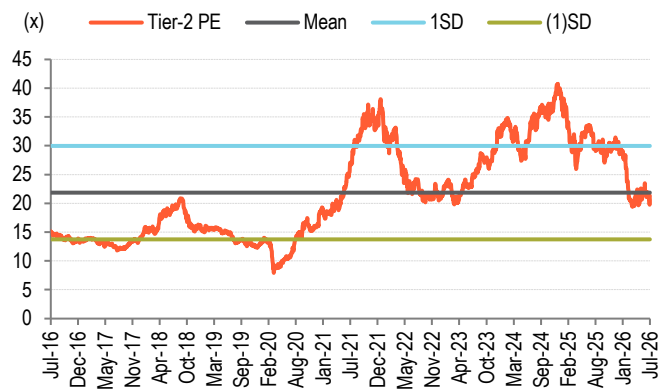
Source: Bloomberg, BOBCAPS Research

Fig 4 – Tier-1 companies (Jul 2016 – Jul 2026)



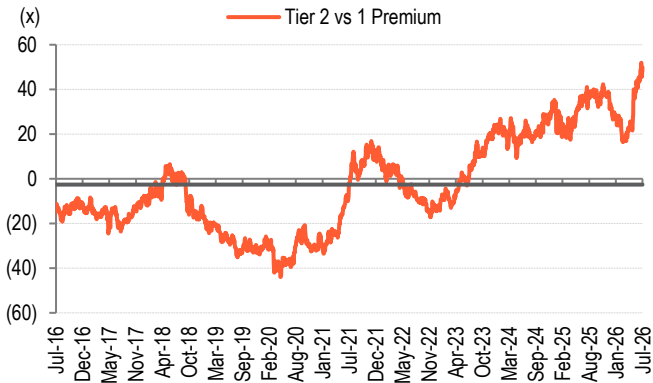
Source: Bloomberg, BOBCAPS Research

Fig 5 – Tier-2 companies (Jul 2016 – Jul 2026)



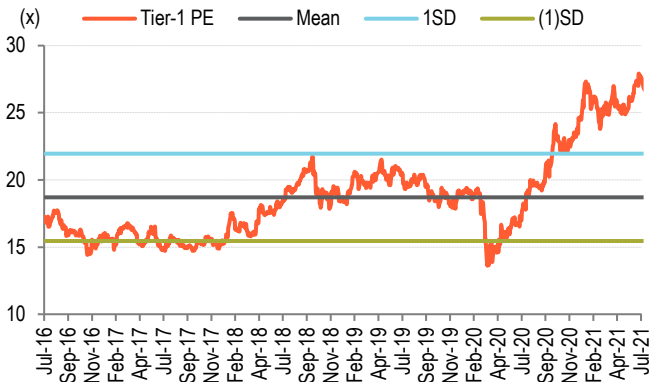
Source: Bloomberg, BOBCAPS Research

Fig 6 – Tier-2 versus Tier-1 (Jul 2016 – Jul 2026)



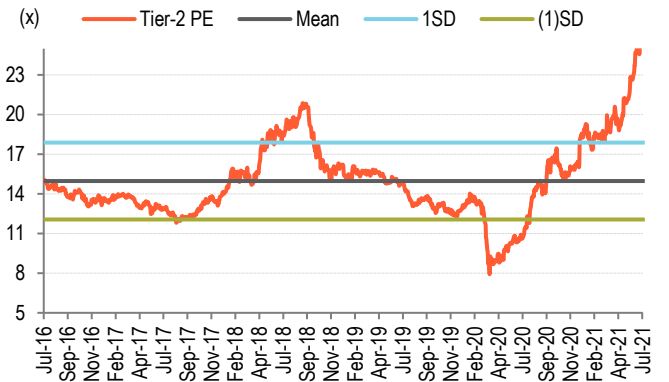
Source: Bloomberg, BOBCAPS Research

Fig 7 – Tier-1 companies (Jul 2016 – Jul 2021)



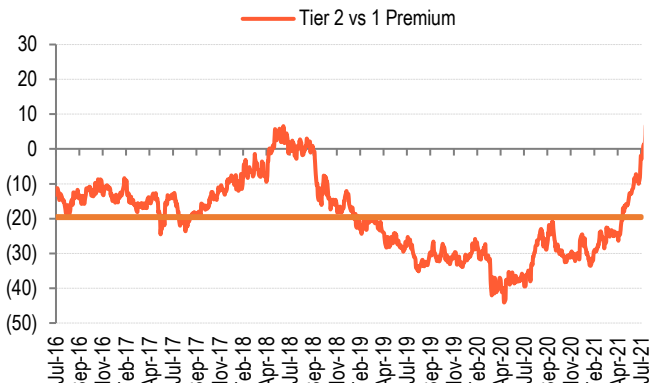
Source: Bloomberg, BOBCAPS Research

Fig 8 – Tier-2 companies (Jul 2016 – Jul 2021)



Source: Bloomberg, BOBCAPS Research

Fig 9 – Tier-2 versus Tier-1 (Jul 2016 – Jul 2021)



Source: Bloomberg, BOBCAPS Research

Fig 10 – Performance of stocks and indices

Stock Performance(%)	CY23	CY24	CY25	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26	2QCY26	YTD	QTD
TCS	16.5	7.9	(21.7)	2.2	0.7	9.3	(4.1)	(11.9)	(4.0)	(16.6)	11.0	(26.4)	(13.9)	(35.8)	1.3
Infosys	2.3	21.8	(14.1)	(2.9)	4.6	19.7	0.2	(16.5)	2.0	(10.0)	12.0	(22.6)	(20.0)	(33.8)	6.9
HCL Tech	41.1	30.8	(15.3)	5.3	(5.4)	23.1	6.8	(16.9)	8.5	(19.9)	17.2	(17.4)	(20.1)	(29.4)	6.9
Wipro	20.0	28.1	(12.8)	1.9	7.2	5.2	11.5	(13.1)	1.4	(10.0)	10.0	(28.7)	(9.2)	(34.4)	1.4
LTIM	44.2	(11.3)	8.6	(21.5)	9.0	16.0	(10.5)	(19.6)	18.4	(3.0)	17.6	(33.8)	(11.9)	(37.4)	7.2
Tech Mahindra	25.2	34.1	(6.8)	(1.9)	14.6	10.3	8.2	(16.9)	18.9	(17.0)	13.6	(13.0)	1.5	(10.2)	1.7
Hexaware Tech	NA	NA	NA	NA	NA	NA	NA	NA	21.4	(21.2)	14.2	(44.5)	21.1	(31.8)	1.4
Firstsource	80.7	103.4	(10.7)	6.9	6.2	48.2	20.8	(9.5)	10.1	(12.2)	2.1	(39.1)	11.8	(29.4)	3.8
Eclerx	102.6	34.4	34.8	(8.7)	2.2	24.3	15.8	(20.3)	26.1	14.7	16.9	(40.9)	(4.5)	(37.1)	11.5
Sagility	NA	NA	3.1	NA	NA	NA	NA	(14.9)	(4.0)	3.5	21.9	(23.2)	(1.4)	(22.4)	2.5
Mphasis	38.9	3.9	(2.0)	(12.8)	2.9	22.5	(5.4)	(12.2)	13.8	(6.7)	5.1	(26.4)	5.3	(19.7)	3.7
Persistent	90.9	74.8	(2.9)	7.8	6.4	28.5	18.5	(14.6)	9.6	(20.2)	30.1	(22.2)	(11.3)	(24.0)	10.2
Coforge	61.5	54.0	(13.9)	(12.3)	(0.8)	28.5	37.7	(16.1)	18.7	(17.3)	4.5	(33.0)	31.5	(13.1)	(1.4)
Birlasoft	141.4	(22.3)	(22.7)	2.9	(7.0)	(12.8)	(6.9)	(30.8)	11.8	(18.6)	22.8	(23.3)	(13.9)	(37.2)	(4.9)
Zensar	186.7	23.1	(6.4)	(0.6)	23.2	(9.6)	11.3	(6.8)	20.2	(9.4)	(7.8)	(26.9)	(17.3)	(35.9)	6.1
LTTS	42.7	(9.8)	(5.8)	4.3	(10.5)	8.9	(11.4)	(5.0)	(2.2)	(6.5)	8.5	(30.0)	0.6	(29.6)	0.0
Tata Elxsi	39.3	(22.4)	(22.9)	(11.1)	(10.1)	10.3	(12.0)	(23.3)	21.0	(17.2)	0.3	(24.1)	(3.7)	(30.9)	(5.4)
KPIT Infotech	115.0	(3.2)	(19.9)	(1.8)	10.0	(0.4)	(10.0)	(10.7)	(3.7)	(12.8)	6.8	(45.9)	5.8	(52.7)	(17.4)
Cyient	182.7	(19.9)	(39.2)	(12.9)	(8.0)	2.4	(2.3)	(31.2)	1.9	(11.1)	(2.5)	(32.6)	15.8	(25.3)	(4.3)
Mastek	64.9	5.7	(31.1)	(9.7)	7.2	(4.7)	14.6	(26.8)	11.9	(10.1)	(6.5)	(34.6)	18.9	(21.7)	0.6
Newgen Software	333.7	117.9	(50.3)	1.8	22.2	38.0	26.9	(41.5)	17.6	(24.1)	(5.0)	(52.4)	17.2	(44.9)	(1.3)
Happiest Minds	1.7	(18.0)	(37.3)	(16.9)	9.8	(1.1)	(9.1)	(18.8)	9.9	(19.1)	(13.3)	(21.6)	(5.5)	(25.2)	1.0
HGS	(25.6)	(29.8)	(35.9)	(25.4)	13.6	(3.2)	(14.5)	(33.0)	19.8	(12.1)	(9.1)	(22.6)	19.8	(8.9)	(1.7)
Intellect Design	87.5	14.3	1.6	31.1	(2.6)	(9.9)	(0.6)	(27.5)	65.9	(15.2)	(0.4)	(38.4)	19.8	(22.8)	4.5
OFSS	39.3	203.6	(39.9)	108.3	12.6	16.0	11.6	(38.6)	14.5	(6.5)	(8.5)	(12.4)	60.1	43.1	2.1
Ramco Systems	14.8	45.2	34.1	(9.1)	23.2	21.4	6.8	(21.8)	23.4	21.0	14.9	(39.4)	143.0	50.9	2.4
DXC	33.5	23.8	(27.0)	(7.3)	(10.0)	8.7	(3.7)	(14.5)	(10.5)	(10.9)	7.5	(18.4)	(25.9)	(30.6)	14.8
Endava	30.7	68.8	(23.2)	(51.1)	(23.1)	(12.7)	21.0	(35.5)	(23.1)	(40.6)	(30.5)	(30.9)	(35.2)	(54.9)	0.7
Cognizant	70.4	139.0	(26.9)	(3.0)	(7.2)	13.5	(0.4)	(1.3)	2.8	(14.0)	23.8	(26.4)	(36.6)	(47.1)	13.5
Accenture	141.4	(22.3)	(22.7)	(1.2)	(12.5)	16.5	(0.5)	(13.5)	(1.8)	(17.5)	8.8	(26.4)	(37.0)	(47.0)	14.2
Globant SA	64.9	5.7	(31.1)	(15.2)	(11.7)	11.2	8.2	(44.7)	(23.3)	(36.8)	13.9	(30.1)	(36.6)	(51.6)	9.4
Epam Systems INC	186.7	23.1	(6.4)	(7.1)	(31.9)	5.8	17.5	(27.8)	4.7	(14.7)	35.9	(33.5)	(41.7)	(56.3)	12.9
Cap Gemini	333.7	117.9	(50.3)	13.0	(12.9)	4.4	(18.5)	(8.1)	(0.2)	(14.8)	15.1	(31.2)	(10.1)	(34.0)	6.7
Genpact	1.7	(18.0)	(37.3)	(5.1)	(2.3)	21.8	9.5	16.4	(12.0)	(4.8)	11.7	(19.9)	(26.6)	(36.4)	8.1
Perficient Inc	(25.6)	(29.8)	(35.9)	(14.5)	32.9	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Thought Works Inc	(5.7)	NA	NA	(47.4)	12.3	55.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Just Dial	115.0	(3.2)	(19.9)	0.1	28.0	12.3	(14.0)	(17.9)	13.9	(10.7)	(12.5)	(32.3)	7.0	(25.5)	3.0
Infoedge	(25.1)	23.7	8.9	8.8	21.3	19.4	7.1	(17.2)	3.6	(12.0)	1.9	(27.4)	1.1	(11.6)	20.6
Makemytrip	(52.8)	NA	NA	51.2	18.4	10.5	20.8	(7.8)	(5.3)	(4.5)	(12.3)	(55.7)	46.5	(28.5)	10.2
Eternal	108.6	124.8	0.0	47.2	10.1	36.3	1.7	(27.5)	31.0	23.2	(14.6)	(17.6)	15.6	3.1	8.4
Nykaa	12.3	(5.9)	61.9	(6.9)	8.9	10.9	(16.3)	9.4	16.4	11.5	14.1	(11.4)	32.3	19.9	2.3
Paytm	19.7	60.2	27.6	(36.6)	(0.2)	71.3	47.9	(23.0)	17.9	21.6	15.6	(26.2)	19.0	(5.8)	7.2
PB Infotech	77.3	165.4	(13.4)	41.5	24.3	15.9	30.2	(24.6)	14.7	(6.7)	7.3	(21.8)	14.1	(14.4)	(4.1)

Stock Performance(%)	CY23	CY24	CY25	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26	2QCY26	YTD	QTD
Index Performance (%)															
Nasdaq	53.8	24.9	20.2	8.5	7.8	1.9	4.7	(8.2)	17.6	8.8	2.3	(9.1)	31.9	15.5	(3.6)
S&P 500	24.2	23.3	16.4	10.2	3.9	5.5	2.1	(5.1)	11.2	7.8	2.3	(7.3)	18.2	9.6	0.1
Stox 600	12.7	6.0	16.7	7.0	(0.2)	2.2	(2.9)	6.8	(0.1)	3.1	6.1	(1.9)	10.5	9.1	0.7
DAX	20.3	NA	NA	10.4	(1.4)	6.0	NA	NA	6.4	(0.1)	NA	NA	10.8	NA	1.9
Nikkei	28.2	NA	NA	20.0	(1.5)	(4.2)	NA	NA	9.1	11.0	NA	NA	35.0	NA	(4.6)
MSCI EM	7.0	5.1	30.6	1.6	4.4	7.8	(8.1)	4.2	9.1	10.1	4.3	0.6	22.0	20.1	(2.1)
Bovespa	NA	NA	NA	(4.5)	(3.3)	6.4	NA	NA	5.3	5.3	NA	NA	(5.7)	NA	(0.0)
HSCEI	(14.0)	26.4	22.3	0.7	9.0	18.6	(2.9)	18.1	0.8	10.1	(6.7)	(5.8)	(10.0)	(12.8)	2.8
NIFTY IT	24.1	22.0	(12.6)	(1.7)	3.6	16.0	3.3	(14.9)	5.6	(13.6)	12.6	(23.3)	(9.5)	(27.3)	4.8
NIFTY BANK	12.3	5.3	17.1	(2.4)	11.1	1.2	(4.0)	1.4	11.1	(4.7)	9.1	(15.6)	14.5	(4.8)	(1.4)
NIFTY FMCG	29.0	(0.3)	(2.3)	(5.3)	5.2	15.5	(13.3)	(5.7)	2.4	(0.3)	1.4	(17.9)	7.1	(11.7)	0.4
NIFTY AUTO	47.6	22.6	23.5	15.0	17.7	7.2	(15.5)	(6.7)	12.1	11.2	6.2	(15.7)	11.4	(5.2)	1.0
NIFTY ENERGY	29.4	5.1	0.4	16.6	7.1	5.3	(20.1)	(4.6)	8.9	(4.3)	0.9	(1.3)	14.0	9.5	(2.6)
NIFTY PHARMA	33.6	39.1	(2.9)	12.9	3.9	18.0	0.6	(9.7)	4.3	(2.7)	5.9	(2.2)	13.9	11.9	0.4
NIFTY METAL	18.7	8.4	29.1	3.5	18.9	3.9	(15.2)	5.1	4.9	5.3	11.3	(0.3)	12.4	11.7	(0.4)
NIFTY INFRA	39.1	15.9	13.6	14.1	9.6	4.8	(11.6)	(0.1)	11.3	(4.3)	6.8	(11.0)	9.7	(3.8)	(1.5)
NIFTYMIDCAP	46.6	23.9	5.7	4.1	15.9	7.9	(4.9)	(9.7)	15.6	(5.4)	7.0	(13.0)	17.4	1.4	(0.8)
NIFTY SMALLCAP	55.6	23.9	(5.6)	0.8	20.0	4.7	(2.1)	(14.2)	18.5	(7.9)	0.9	(14.2)	24.1	6.0	(0.4)
NIFTY	20.0	8.8	10.5	2.7	7.5	7.5	(8.4)	(0.5)	8.5	(3.6)	6.2	(14.5)	6.9	(8.6)	0.1
USD/INR				83.0	83.4	83.8	84.4	86.6	85.6	87.3	89.1	91.4	94.7	93.2	95.2

Source: Bloomberg, BOBCAPS Research; as on 8th July, 2026**Fig 11 – Assumptions on macro and companies**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
INR/ USD	70.1	71.0	74.1	74.6	80.7	82.8	84.6	88.9	95.1	96.1	97.1
USD Revenue Growth (%)											
TCS	9.6	5.4	0.6	15.9	8.6	4.1	3.8	(0.5)	0.9	0.9	2.0
Infosys	7.9	8.3	6.1	20.3	11.7	1.9	3.9	4.6	1.6	2.3	3.6
HCL Tech	10.1	15.1	2.4	12.8	9.6	5.4	4.3	6.0	2.2	3.5	3.5
Wipro	1.6	0.8	(1.4)	27.3	8.5	(3.8)	(2.4)	(0.7)	(0.3)	1.6	1.9
Tech Mahindra	4.2	4.3	(1.4)	17.3	10.1	(5.0)	(0.2)	1.9	2.6	4.0	4.9
LTIM	19.1	13.0	9.5	109.7	17.2	4.4	4.8	6.0	7.1	7.2	6.4
Persistent	2.2	4.3	12.9	35.2	35.3	14.5	18.8	17.4	33.2	51.5	12.6
Mphasis	13.1	10.8	5.6	21.7	7.8	(6.3)	4.4	6.9	7.9	7.7	8.0
Coforge	12.8	13.4	5.8	38.0	15.6	11.7	30.6	28.3	39.3	15.1	14.8
Birlasoft	(19.4)	27.4	3.4	15.7	7.2	7.1	(0.3)	(6.0)	(1.2)	1.4	2.3
Zensar	17.6	4.0	(16.2)	15.3	6.1	(2.0)	5.4	3.1	2.1	3.6	3.3
Firstsource	(0.2)	5.7	18.7	15.9	(5.5)	1.9	23.4	14.5	12.2	13.1	12.8
Eclerx	1.1	(0.1)	4.9	35.2	16.9	6.4	12.3	17.9	14.8	11.0	10.3
EBIT Margin (INR) (%)											
TCS	25.6	24.6	25.9	25.3	24.1	24.6	24.3	25.0	24.3	24.5	24.4
Infosys	22.8	21.3	24.5	23.0	21.1	20.7	21.1	21.0	20.8	20.9	20.7
HCL Tech	19.6	19.6	21.4	18.9	18.2	18.2	18.3	17.2	17.4	17.3	17.3
Wipro	17.1	17.3	19.9	17.7	15.4	15.2	17.0	16.9	16.6	16.5	16.7
Tech Mahindra	15.0	11.6	14.2	14.6	11.4	6.1	9.7	12.6	15.1	15.7	16.0

	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
LTIM	18.4	16.1	19.3	17.8	16.2	15.7	14.5	15.4	15.4	15.5	15.6
Persistent	12.6	9.2	12.1	13.9	14.9	14.4	14.7	16.2	15.0	13.7	14.5
Mphasis	16.1	16.0	16.1	15.3	15.3	15.1	15.3	15.3	15.1	15.2	15.2
Coforge	14.2	13.1	13.0	14.2	14.3	12.9	12.6	14.6	15.4	15.6	15.6
Birlasoft	10.1	9.2	12.6	13.6	9.1	14.2	11.4	14.8	13.3	13.3	13.7
Zensar	10.2	8.5	13.9	11.1	7.6	15.1	13.5	14.5	14.0	13.8	13.8
Firstsource	12.0	10.8	11.7	12.0	9.4	11.0	11.0	11.7	12.3	12.7	13.6
Eclerx	18.5	17.7	24.5	26.4	23.8	22.2	20.2	21.3	21.3	21.1	21.2
EPS (Rs)											
TCS	83.1	86.2	89.3	103.6	115.2	128.1	134.2	145.5	146.3	151.6	155.6
Infosys	36.0	38.9	45.5	52.4	57.6	63.3	64.4	71.5	76.3	79.6	83.3
HCL Tech	36.8	40.8	47.7	49.8	54.9	57.9	64.1	61.4	72.0	74.9	78.4
Wipro	9.3	8.3	9.6	11.1	10.3	10.4	12.5	12.5	13.7	14.4	15.5
Tech Mahindra	48.7	45.2	49.9	62.7	54.7	26.5	47.8	57.3	82.9	85.0	98.5
LTIM	86.5	87.1	111.2	133.3	149.0	154.6	153.4	169.2	225.6	249.3	273.9
Persistent	22.0	22.2	29.4	45.1	60.3	71.2	90.2	118.9	150.8	174.1	221.3
Mphasis	56.1	63.6	64.7	76.4	87.1	82.6	89.3	97.5	116.6	129.4	143.0
Coforge	13.1	14.3	14.9	21.8	22.8	26.3	24.5	44.3	63.1	75.6	90.1
Birlasoft	13.9	8.1	11.6	16.6	12.0	22.6	18.3	18.4	22.6	23.7	25.4
Zensar	13.7	11.5	15.3	18.3	14.4	29.1	28.4	33.7	34.8	36.9	40.1
Firstsource	5.4	4.9	5.2	7.7	7.3	7.3	8.4	9.6	13.5	16.4	20.8
Eclerx	20.1	19.3	27.5	42.7	49.2	52.0	56.5	74.7	87.4	100.2	111.4
EPS growth (%)											
TCS	24.0	3.8	3.6	16.0	11.2	11.2	4.7	8.4	0.6	3.6	2.6
Infosys	10.8	8.1	17.0	15.2	9.8	10.0	1.7	11.1	6.7	4.3	4.7
HCL Tech	16.9	10.9	17.0	4.5	10.1	5.5	10.8	(4.2)	17.4	3.9	4.8
Wipro	10.5	(10.4)	14.9	16.6	(7.2)	0.2	20.9	0.1	9.1	5.0	8.1
Tech Mahindra	13.7	(7.0)	10.2	25.7	(12.8)	(51.6)	80.6	19.7	44.7	2.6	15.9
LTIM	36.0	0.7	27.7	19.9	11.7	3.8	(0.8)	10.3	33.4	10.5	9.9
Persistent	9.2	0.7	32.4	53.5	33.6	18.1	26.7	31.8	26.9	15.4	27.2
Mphasis	31.2	13.3	1.8	18.0	14.0	(5.1)	8.1	9.2	19.6	10.9	10.5
Coforge	47.7	9.0	4.5	45.9	4.4	15.5	(6.9)	81.1	42.4	19.9	19.1
Birlasoft	6.0	(41.8)	42.6	44.1	(27.8)	88.3	(19.0)	0.4	22.7	4.8	7.5
Zensar	28.9	(16.1)	32.8	19.8	(21.5)	102.6	(2.5)	18.6	3.2	6.1	8.9
Firstsource	14.5	(10.1)	5.3	48.9	(4.6)	0.3	14.9	13.4	40.9	22.0	26.4
Eclerx	(11.3)	(4.0)	42.7	55.2	15.2	5.8	8.7	32.2	16.9	14.6	11.2

Source: Company, BOBCAPS Research

Fig 12 – Indian IT Services sector valuations

	TCS	Infosys	HCL Tech	Wipro	Tech Mahindra	LTIM	Persistent	Mphasis	Coforge	Birlasoft	Zensar	Firstsource	eClerx
Year ending	March	March	March	March	March	March	March	March	March	March	March	March	March
Prices as on 8th Jul 2026	2,058	1,069	1,146	173	1,429	3,794	4,770	2,242	1,446	272	451	237	1,477
Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Market Value (Rs Bn)	7,398.9	4,312.4	3,089.8	1,803.2	1,391.8	1,117.9	747.8	425.3	636.2	75.6	102.0	164.4	138.1
(US\$m)	77,883	45,393	32,525	18,981	14,650	11,767	7,872	4,477	6,697	796	1,074	1,730	1,454
Mar 2027 Target Price	1,937	1,135	1,068	176	1,371	3,782	3,145	2,153	1,117	255	425	284	1,670
Upside/downside %	(5.9)	6.2	(6.8)	1.8	(4.1)	(0.3)	(34.1)	(4.0)	(22.7)	(6.3)	(5.8)	19.7	13.1
Recommendation	HOLD	HOLD	SELL	HOLD	HOLD	HOLD	SELL	HOLD	SELL	SELL	HOLD	BUY	HOLD
FDEPS (Rs)													
FY24	128.1	63.3	57.9	10.4	26.5	154.6	71.2	82.6	26.3	22.6	29.1	7.3	52.0
FY25	134.2	64.4	64.1	12.5	47.8	153.4	90.2	89.3	24.5	18.3	28.4	8.4	56.5
FY26	145.5	71.5	61.4	12.5	57.3	169.2	118.9	97.5	44.3	18.4	33.7	9.6	74.7
FY27E	146.3	76.3	72.0	13.7	82.9	225.6	150.8	116.6	63.1	22.6	34.8	13.5	87.4
FY28E	151.6	79.6	74.9	14.4	85.0	249.3	174.1	129.4	75.6	23.7	36.9	16.4	100.2
FY29E	155.6	83.3	78.4	15.5	98.5	273.9	221.3	143.0	90.1	25.4	40.1	20.8	111.4
PE (x)													
FY24	16.1	16.9	19.8	16.7	53.9	24.5	67.0	27.2	55.0	12.0	15.5	32.3	28.4
FY25	15.3	16.6	17.9	13.8	29.9	24.7	52.9	25.1	59.1	14.8	15.9	28.1	26.1
FY26	14.1	14.9	18.7	13.8	25.0	22.4	40.1	23.0	32.6	14.8	13.4	24.8	19.8
FY27E	14.1	14.0	15.9	12.6	17.2	16.8	31.6	19.2	22.9	12.1	13.0	17.6	16.9
FY28E	13.6	13.4	15.3	12.0	16.8	15.2	27.4	17.3	19.1	11.5	12.2	14.4	14.7
FY29E	13.2	12.8	14.6	11.1	14.5	13.9	21.5	15.7	16.0	10.7	11.2	11.4	13.3
EV/EBITDA (x)													
FY24	11.4	11.8	11.9	8.7	23.7	17.3	41.2	16.6	29.0	8.5	10.8	18.8	17.5
FY25	10.9	10.7	11.2	7.5	17.0	17.0	35.3	15.1	23.8	10.2	11.6	15.8	16.0
FY26	10.2	9.9	10.6	7.4	13.1	14.7	26.3	13.7	15.4	8.3	10.1	12.4	12.3
FY27E	9.7	9.0	9.7	6.6	10.3	11.9	23.3	12.0	12.4	8.2	9.3	10.1	9.3
FY28E	9.4	8.6	9.3	5.7	9.3	10.8	15.7	10.9	11.0	7.4	8.7	8.5	7.7
FY29E	9.1	8.1	8.9	4.7	8.5	9.7	12.8	9.9	9.5	6.5	8.0	7.0	6.4
EV/Sales (x)													
FY24	3.1	2.8	2.6	1.7	2.3	3.1	7.2	3.0	4.8	1.3	1.9	2.8	4.6
FY25	2.9	2.6	2.5	1.6	2.2	2.9	6.1	2.8	3.9	1.3	1.8	2.4	3.9
FY26	2.8	2.4	2.2	1.5	2.1	2.6	5.0	2.6	2.9	1.3	1.6	2.0	3.1
FY27E	2.6	2.1	2.0	1.3	1.9	2.2	4.2	2.2	2.4	1.2	1.5	1.7	2.4
FY28E	2.5	2.0	1.9	1.2	1.8	2.0	2.7	2.0	2.1	1.1	1.4	1.4	2.0
FY29E	2.4	1.9	1.8	1.0	1.7	1.8	2.3	1.8	1.8	1.0	1.3	1.2	1.6
Post Tax ROIC (%)													
FY24	53.8	32.4	29.9	17.3	9.8	42.6	37.2	22.1	25.0	27.0	35.8	10.7	33.9
FY25	52.5	34.0	31.5	19.8	16.8	41.3	36.1	21.4	17.6	20.4	32.8	11.2	32.7
FY26	49.1	39.3	31.7	19.7	21.4	41.2	39.5	20.2	21.8	21.1	34.8	11.5	38.7
FY27E	45.8	41.7	33.3	19.9	26.7	47.1	18.8	20.4	13.6	20.7	34.4	13.2	44.2
FY28E	46.0	41.8	33.9	21.0	28.8	55.1	15.4	21.3	10.4	20.9	34.5	15.1	48.4
FY29E	45.6	42.2	34.8	22.7	30.8	55.7	18.9	22.0	11.9	21.8	35.4	17.7	52.2

Source: Company, BOBCAPS Research

Fig 13 – Changes made to Estimates, Target PE multiples, Target Prices and Ratings

Company	CMP (Rs.) (as on 8th Jul 2026)	Market Cap.(US\$ bn)	New FY27E EPS (Rs)	New FY28E EPS (Rs)	New FY29E EPS (Rs)	Old FY27E EPS (Rs)	Old FY28E EPS (Rs)	Old FY29E EPS (Rs)	New Target PE (x)	Old Target PE (x)	New Rating	Old Rating	New TP (Rs.)	Upside to CMP (%)	Old TP (Rs.)	Change in TP (%)
TCS	2,058	77.9	146.3	151.6	155.6	149.5	155.2	159.5	12.7	16.8	HOLD	HOLD	1,937	(5.9)	2,607	(25.7)
Infosys	1,069	45.4	76.3	79.6	83.3	76.0	79.1	82.8	14.1	17.6	HOLD	HOLD	1,135	6.2	1,396	(18.7)
HCL Tech	1,146	32.5	72.0	74.9	78.4	71.8	75.5	79.5	14.1	16.8	SELL	SELL	1,068	(6.8)	1,268	(15.8)
Wipro	173	19.0	13.7	14.4	15.5	14.3	15.3	16.8	12.0	14.3	HOLD	HOLD	176	1.8	219	(19.7)
Tech Mahindra	1,429	14.7	82.9	85.0	98.5	83.1	85.6	97.4	15.5	16.8	HOLD	HOLD	1,371	(4.1)	1,439	(4.7)
LTIM	3,794	11.8	225.6	249.3	273.9	223.9	247.6	270.6	14.8	17.6	HOLD	HOLD	3,782	(0.3)	4,367	(13.4)
Persistent	4,770	7.9	150.8	174.1	221.3	145.9	172.0	197.3	16.9	21.0	SELL	SELL	3,145	(34.1)	3,611	(12.9)
Mphasis	2,242	4.5	116.6	129.4	143.0	116.4	129.3	142.3	16.2	18.5	HOLD	HOLD	2,153	(4.0)	2,389	(9.9)
Coforge	1,446	6.7	63.1	75.6	90.1	62.7	77.4	91.4	14.1	16.8	SELL	HOLD	1,117	(22.7)	1,300	(14.0)
Birlasoft	272	0.8	22.6	23.7	25.4	22.8	24.2	25.4	10.6	13.4	SELL	SELL	255	(6.3)	325	(21.6)
Zensar	451	1.1	34.8	36.9	40.1	34.5	36.3	39.6	11.3	13.4	HOLD	SELL	425	(5.8)	488	(12.9)
Firstsource	237	1.7	13.5	16.4	20.8	13.5	16.2	20.4	16.2	20.2	BUY	BUY	284	19.7	299	(5.1)
Eclerx	1,477	1.5	87.4	100.2	111.4	86.2	98.7	109.8	16.2	18.5	HOLD	BUY	1,670	13.1	1,824	(8.4)

Source: BOBCAPS Research

Fig 14 – Summary of estimated financial performance by Indian IT services industry for 1QFY27

Company Name	1QFY27E Revenue		QoQ CC		US\$ revenue growth (%)		EBIT Margin (%)		
	US\$ mn	Growth (%)	QoQ	YoY	1QFY26	4QFY26	1QFY27E		
TCS	7,606	-	(0.2)	2.5	24.5	25.3	24.3		
Infosys	5,052	0.7	0.2	2.2	20.8	21.0	21.5		
HCLT	3,632	(1.2)	(1.3)	2.5	16.3	16.5	16.7		
Wipro	2,593	(1.9)	(2.2)	0.2	16.1	17.2	16.4		
Tech Mahindra	1,612	-	(0.7)	3.1	11.1	13.8	14.6		
LTM	1,240	1.5	1.5	7.5	14.3	15.1	15.6		
Mphasis	471	2.0	1.8	7.7	15.3	15.4	15.3		
Persistent Systems	448	3.0	2.6	14.8	15.5	16.3	16.5		
Coforge	597	21.9	22.0	34.9	13.1	16.6	15.9		
Birlasoft	146	-	0.2	(3.3)	10.7	17.0	14.7		
Zensar	160	1.0	1.1	(1.1)	13.5	14.7	14.6		
Firstsource	289	2.2	2.1	11.6	11.3	12.2	12.4		
Eclerx	128	4.7	4.7	17.4	20.0	21.2	19.5		

Source: Company, BOBCAPS Research

Fig 15 – TCS

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	7,421	7,621	7,606	(0.2)	2.5	<ul style="list-style-type: none"> Expect flat QoQ CC revenue growth with AI deflation being offset by seasonal strength. Expect direct and second order impact of West Asia war to not only hit 1Q but also 2Q. Expect some modest consensus revenue downgrades post 1Q. Will keep an eye on extent of AI related deflation and also AI native services growth
Revenue (Rs mn)	634,370	706,980	720,265	1.9	13.5	
EBIT (Rs mn)	155,140	178,700	175,219	(1.9)	12.9	<ul style="list-style-type: none"> EBIT margins expected at 24.3%, decline of 95 bps QoQ. Wage hike impact (effective 1 April) is the dominant headwind. Tailwinds will be INR depreciation, part retention of AI productivity benefits, realization improvement, easing of partnership and GTM costs and integration related investments booked in 4QFY26
PAT (Rs mn)	127,600	137,180	132,156	(3.7)	3.6	
EBIT Margin (%)	24.5	25.3	24.3	(95bps)	(13bps)	<ul style="list-style-type: none"> TCV to remain healthy - expect US\$9-10bn, which will be a sharp dip QoQ as 4QFY26 had 3 mega deals and TCV of US\$12bn
PAT Margin (%)	20.1	19.4	18.3	(106bps)	(177bps)	

Source: Company, BOBCAPS Research

Fig 16 – INFO

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	4,941	5,040	5,052	0.2	2.2	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 0.7% Growth expected to be led by Financial Services and EURS, both flagged by management to accelerate in FY27 vs FY26; Manufacturing likely to stay a drag given the ~75-100bps guided impact for FY27 from the large European client exit (likely Mercedes Benz which moved to HCLT)
Revenue (Rs mn)	422,790	464,020	478,393	3.1	13.2	
EBIT (Rs mn)	88,030	97,430	102,856	5.6	16.8	<ul style="list-style-type: none"> Expect EBIT margin at 21.5%, up 50bps QoQ FY27 organic revenue growth guidance below FY26 actuals was a notable negative signal 3 months back. Expect this number to remain the same post 1QFY27. Margins to remain the same.
PAT (Rs mn)	69,210	85,010	77,928	(8.3)	12.6	
EBIT Margin (%)	20.8	21.0	21.5	50bps	68bps	<ul style="list-style-type: none"> Expect large deal TCV to be in the US\$3-4bn range Elevated competitive intensity and continued manufacturing weakness remain the key factors to keep an eye on
PAT Margin (%)	16.4	18.3	16.3	(203bps)	(8bps)	

Source: Company, BOBCAPS Research

Fig 17 – HCLT

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	3,545	3,682	3,632	(1.3)	2.5	<ul style="list-style-type: none"> Expect QoQ CC revenue decline of 1.2%, continuing the weakness seen in 4QFY26. Do not expect a change in guidance on either revenue or on margins after just 1QFY27.
Revenue (Rs mn)	303,490	339,810	343,984	1.2	13.3	
EBIT (Rs mn)	49,420	56,200	57,613	2.5	16.6	<ul style="list-style-type: none"> Management expects telecom weakness to persist through the rest of CY2026. SAP program discontinuations add to the growth headwind Expect EBIT margin at 16.7%, up 21 bps QoQ. We expect TCV number ~US\$2.25bn. Deal TCV was weak in 4Q. The mega European deal will likely be accounted for in 2QFY27.
PAT (Rs mn)	38,430	44,880	45,605	1.6	18.7	
EBIT Margin (%)	16.3	16.5	16.7	21bps	46bps	<ul style="list-style-type: none"> To keep an eye on the large deal ramp-up (deals won in earlier quarters) as management had said that this would offset the client-specific headwinds in 1QFY27. Would like to see the impact of the European auto business on spending decisions and how that would impact HCLT. It had done an acquisition in this space – ASAP. There Will be a focus on AI services related revenue that it has been making public.
PAT Margin (%)	12.7	13.2	13.3	5bps	60bps	

Source: Company, BOBCAPS Research

Fig 18 – WPRO

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	2,587	2,651	2,593	(2.2)	0.2	<ul style="list-style-type: none"> Expect QoQ CC revenue decline of 1.9%, reflecting continued weakness from the top client issue and delayed large deal ramp-ups - both flagged by management as headwinds that will extend into 1QFY27
Revenue (Rs mn)	221,346	242,363	247,612	2.2	11.9	
EBIT (Rs mn)	35,724	41,691	40,708	(2.4)	14.0	<ul style="list-style-type: none"> Expect EBIT margin at 16.4%, down ~76bps QoQ Full-quarter impact of wage hikes is a direct 1Q margin headwind. Execution of a few recently won large deals adds further dilution pressure
PAT (Rs mn)	33,304	34,746	33,768	(2.8)	1.4	
EBIT Margin (%)	16.1	17.2	16.4	(76bps)	30bps	<ul style="list-style-type: none"> To monitor: whether TCV strength starts converting into revenue, or the 'leaking bucket' issue continues to persist We are expecting the company to indicate a QoQ revenue growth of -1% to 1% in CC terms
PAT Margin (%)	15.0	14.3	13.6	(70bps)	(141bps)	

Source: Company, BOBCAPS Research

Fig 19 – TECHM

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	1,564	1,625	1,612	(0.7)	3.1	<ul style="list-style-type: none"> Expect QoQ CC revenue growth to be flat Expect net new TCV of US\$800mn – US\$1bn.
Revenue (Rs mn)	133,512	150,761	152,702	1.3	14.4	
EBIT (Rs mn)	14,771	20,842	22,243	6.7	50.6	<ul style="list-style-type: none"> Expect EBIT margin at 14.6%, up 74bps QoQ - continuing the steady margin improvement trend seen through FY26 Fixed-price projects have better margins - mix shift toward more fixed-price project remains a margin lever to track
PAT (Rs mn)	11,406	13,538	17,253	27.4	51.3	
EBIT Margin (%)	11.1	13.8	14.6	74bps	350bps	<ul style="list-style-type: none"> Expect the company to stick to its guidance of 15% EBIT margin and better-than-peer average revenue growth.
PAT Margin (%)	8.5	9.0	11.3	232bps	276bps	

Source: Company, BOBCAPS Research

Fig 20 – LTM

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	1,153	1,222	1,240	1.5	7.5	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 1.5% in line with the full year revenue narrative of the company that it would exceed FY26 revenue growth and the Lakshya revenue organic CAGR of ~14%.
Revenue (Rs mn)	98,406	112,917	117,459	4.0	19.4	
EBIT (Rs mn)	14,065	17,094	18,335	7.3	30.4	<ul style="list-style-type: none"> Top BFSI account expected to return to growth from 1QFY27 onwards, as guided by management Expect EBIT margin at 15.6%, up 47bps QoQ, supported by the benefits from 'Fit for Future' program and INR depreciation.
PAT (Rs mn)	12,546	13,873	15,875	14.4	26.5	
EBIT Margin (%)	14.3	15.1	15.6	47bps	132bps	<ul style="list-style-type: none"> Expect TCV to be US\$1.6-1.7bn.
PAT Margin (%)	12.7	12.3	13.5	123bps	77bps	

Source: Company, BOBCAPS Research

Fig 21 – PSYS

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	390	436	448	2.6	14.8	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 3%. Need to keep track whether it sticks to its goal of hitting US\$2bn revenue run rate by 4QFY27.
Revenue (Rs mn)	33,336	40,559	42,525	4.8	27.6	<ul style="list-style-type: none"> Expect EBIT margin at 16.5%, up 23bps QoQ
EBIT (Rs mn)	5,178	6,592	7,008	6.3	35.3	<ul style="list-style-type: none"> To keep an eye on the Hi-tech services revenue growth
PAT (Rs mn)	4,249	5,293	5,535	4.6	30.3	<ul style="list-style-type: none"> To monitor the growth in software license sales and capitalization of expenses connected to development of platforms
EBIT Margin (%)	15.5	16.3	16.5	23bps	95bps	<ul style="list-style-type: none"> Expect company to share more details regarding Nagarro, the acquisition that it announced in Europe, recently.
PAT Margin (%)	12.7	13.0	13.0	(3bps)	27bps	

Source: Company, BOBCAPS Research

Fig 22 – COFORGE

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	442	489	597	22.0	34.9	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 21.9%, driven by the two months of Encora consolidation. The company had indicated a revenue of US\$2.6bn which seemed underwhelming as the implied organic growth for FY27 falls much short of the 15% CAGR that the company has been talked about at its recent analyst day.
Revenue (Rs mn)	36,886	44,504	56,527	27.0	53.2	<ul style="list-style-type: none"> Encora's integration/cross-sell signals to be watched. Want to see what is the stand-alone growth of each of the entities at the integration point. Whether there has been an acceleration at all in Encora's rather tepid growth in organic terms that it had.
EBIT (Rs mn)	4,850	7,368	8,973	21.8	85.0	<ul style="list-style-type: none"> Expect EBIT margin at 15.9%, down 68bps QoQ. This is inclusive of amortization expenses arising out of the Encora deal.
PAT (Rs mn)	2,082	6,123	6,720	9.8	222.8	<ul style="list-style-type: none"> Management had characterized the 4Q EBIT margin expansion as a structural reset - automation and AI-led interventions, combined with an AI-enabled strategy to hold G&A costs constant. Will look for follow through on this.
EBIT Margin (%)	13.1	16.6	15.9	(68bps)	273bps	
PAT Margin (%)	5.6	13.8	11.9	(187bps)	624bps	

Source: Company, BOBCAPS Research

Fig 23 – MPHL

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	437	463	471	1.8	7.7	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 2%
Revenue (Rs mn)	37,324	42,427	44,595	5.1	19.5	<ul style="list-style-type: none"> Expect EBIT Margin at 15.3%, broadly stable
EBIT (Rs mn)	5,709	6,525	6,826	4.6	19.6	<ul style="list-style-type: none"> TMT saw a decline in 4Q on project completions and delayed decisions - management expects it to return to sequential growth in the coming quarters - to check whether this stabilizes in 1QFY27
PAT (Rs mn)	4,417	5,096	5,343	4.9	21.0	<ul style="list-style-type: none"> TCV momentum remains a key. Expect TCV to be in the US\$400mn territory.
EBIT Margin (%)	15.3	15.4	15.3	(7bps)	1bps	
PAT Margin (%)	11.8	12.0	12.0	(3bps)	15bps	

Source: Company, BOBCAPS Research

Fig 24 – ZENT

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	162	158	160	1.1	(1.1)	<ul style="list-style-type: none"> Expect 1% QoQ CC revenue growth - management indicated that 1QFY27 is not expected to be a degrowth quarter Expect EBIT margin at 14.6%, broadly stable QoQ. Whether TCV numbers will exceed US\$200mn TMT top client continues to insource and is expected to remain under pressure through FY27 - this vertical should stay a structural drag Mega deal (from ZENT perspective) execution to be watched. And the extent of revenue booking and margin impact. To monitor: Management's commentary on competitive intensity, having flagged that Tier-1 players are now showing up in nearly every competitive bid
Revenue (Rs mn)	13,850	14,504	15,166	4.6	9.5	
EBIT (Rs mn)	1,875	2,129	2,216	4.1	18.2	
PAT (Rs mn)	1,820	2,106	1,961	(6.9)	7.7	
EBIT Margin (%)	13.5	14.7	14.6	(7bps)	108bps	
PAT Margin (%)	13.1	14.5	12.9	(159bps)	(21bps)	

Source: Company, BOBCAPS Research

Fig 25 – BSOFT

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	151	145	146	0.2	(3.3)	<ul style="list-style-type: none"> Expect flat QoQ CC revenue growth Expect EBIT margin at 14.7%, decline of 235 bps QoQ. Management guided that ~170bps of one-off benefits in 4QFY26 (non-forex items like compensation/leave provision reversals and lower ESOP) would not repeat in 1QFY27. Incremental sales/growth investment and upfront productivity commitments on AI-led deals are expected to create additional initial margin pressure Manufacturing and medical devices weakness was described by management as 'largely behind' – to watch for signs of stabilization BFSI should see some benefit from more working days in 1Q vs. 4Q, after working-day drag in 4Q Management has said no meaningful deal losses occurred in 4QFY26 - deal closures were pushed into 1QFY27 rather than lost - To monitor the conversion of these delayed deals in 1QFY27
Revenue (Rs mn)	12,849	13,486	13,794	2.3	7.4	
EBIT (Rs mn)	1,380	2,299	2,027	(11.8)	46.9	
PAT (Rs mn)	1,064	1,759	1,696	(3.6)	59.3	
EBIT Margin (%)	10.7	17.0	14.7	(235bps)	395bps	
PAT Margin (%)	8.3	13.0	12.3	(75bps)	401bps	

Source: Company, BOBCAPS Research

Fig 26 – FSOL

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	259	283	289	2.1	11.6	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 2.2% Expect EBIT margin at 12.4%, up 25bps QoQ - within the FY27 guidance band of 12.25-12.75% UK collections deal which got delayed into 1QFY27 due to regulatory approval timelines should be a positive contributor to 1QFY27 growth. Healthcare payer segment also saw a timing-related pause in 4QFY26; to monitor its resumption in 1Q
Revenue (Rs mn)	22,177	25,835	27,362	5.9	23.4	
EBIT (Rs mn)	2,498	3,144	3,397	8.1	36.0	
PAT (Rs mn)	1,693	2,053	2,250	9.6	32.9	
EBIT Margin (%)	11.3	12.2	12.4	25bps	115bps	
PAT Margin (%)	7.6	7.9	8.2	28bps	59bps	

Source: Company, BOBCAPS Research

Fig 27 – ECLX

	1QFY26	4QFY26	1QFY27E	QoQ growth (%)	YoY growth (%)	Comments
Revenue (US\$ mn)	109	122	128	4.7	17.4	
Revenue (Rs mn)	9,346	11,073	12,144	9.7	29.9	<ul style="list-style-type: none"> Expect QoQ CC revenue growth of 4.7% - management had guided for better sequential growth in 1Q
EBIT (Rs mn)	1,872	2,344	2,367	1.0	26.4	<ul style="list-style-type: none"> To watch out for recovery in BFSI vertical
PAT (Rs mn)	1,417	1,894	1,810	(4.4)	27.8	<ul style="list-style-type: none"> Expect EBIT margin at 19.5%, down 168bps QoQ - driven primarily by the annual wage hike cycle effective April 1, which management guided to have a similar impact to prior years (300-350bps). This will be partially offset by INR depreciation and productivity gains.
EBIT Margin (%)	20.0	21.2	19.5	(168bps)	(54bps)	
PAT Margin (%)	15.2	17.1	14.9	(220bps)	(25bps)	

Source: Company, BOBCAPS Research

We have an Underweight stance on Indian IT Services

We reinitiated coverage on the Indian IT Services with an Underweight stance through a report on 1 January 2025 (**Slow is the (new/old) normal**) and reiterated our view with updates on 12th March 2025 (**FY26 unlikely to be better than FY25**), 10th July 2025 (**Uncertainty stays and 'eating the tariff' may impact even FY27**) and 12 January 2026 (**A fourth slow year?**).

While both earnings and PE multiples have corrected since 1 Jan 2025, the industry's structural organic revenue growth from here on will be much lower vs ~7% CAGR seen during FY15-FY20; possibly ~2-3% CAGR over FY25-FY30 in constant currency (CC) terms.

We believe the release of advanced AI models will cause significant disruption to the industry rendering the sector to be a 'value trap'. We wrote about this in our 17 February 2026 report (**Existential threat, value trap or Temporary blip**) and through our 6 April 2026 report (**Narrative of FY27 being modestly better, set for its first test**).

Multiple speed breakers drive our Underweight stance

Gen AI and GCCs are going to disrupt growth: We believe that AI/Gen AI will lead to compression of revenue for the industry in the next 12-24 months, as companies self-cannibalize to hold on to their existing clients. Rapid growth of the GCCs is a threat to outsourcing. While there seems to be collaboration between outsourcers and their clients in setting up these GCCs, there will be growth discontinuity when the business is insourced at some point.

Massive hyper scaler AI capex should accentuate re-alignment in IT spend:

Software players, including hyper scalers, are increasing capex on AI-related data centres. This will drive higher pricing, forcing enterprises to allocate more IT spend to Cloud/SaaS and move it away from the ones with lower bargaining power – global IT Services players.

Higher competition: Indian Tier-1 companies now face higher competition from Accenture, Tier-2 players and Cognizant, likely slowing their growth vs FY15-FY20. This is besides the fact that by FY25, Tier-1 revenue has reached US\$ 85bn, double that in FY15. Due to the higher base now, growth may not be as rapid. In AI reinvention services we see a new set of competitors come in the forms of AI deployment companies from Anthropic, Open AI, Microsoft, Google etc. While professional services companies of software players did not make much of an impact in the past, we believe the situation could be different this time. With the requirement of a large army of offshore bodies being taken away by AI models we believe players with high technical skills and deep domain and workflow expertise will become competitors. We will have a number of players from other industries as well senior management personnel from current incumbents to step out and startup companies and compete with the incumbents.

How we are valuing companies: We are using PE methodology. However, we are moving away from the earlier stance that we had taken of using TCS as our industry benchmark and using 16.8x (average PE multiple of TCS over the last 10 years less 1.5SD) as the Target PE multiple. We have been giving subjective premium/discount to this benchmark target PE to arrive at target PE multiples for the rest of our coverage

Considering the underperformance of TCS in terms of growth in FY26 and the likelihood of that repeating in the foreseeable future we have decided to shift from using TCS as the benchmark and move to Tier-1 PE multiple based valuation. That too using the valuation used in the FY15-FY20 timeframe when the Tier-1 USD revenue CAGR was ~7% in organic terms. Our analysis indicates that Tier-1 (consisting of TCS, Infosys, HCLT, Wipro and Tech Mahindra) were collectively trading at mean multiple of 17.6x forward EPS with an SD of 1.7. We are using 14.1x as the benchmark multiple for the basis of valuation which is mean multiple of Tier-1 companies during this period less 2SD. We have been giving subjective premium/discount to this benchmark target PE to arrive at target PE multiples for the rest of our coverage

Our target PE multiples are lower than those used by consensus/competitors. Through our choice of the benchmark target PE multiple, we seek to capture the mortality and relevance risk that players face in this era of advanced AI models.

Tier- 2 valuation reflects growth gap with Tier-1

Tier-2 set has been taking away market share from the Tier-1 set, due to better execution as well as their smaller size. And, unlike previous cycles, they have performed better than the Tier-1 set, largely on better management teams.

However, current PE premium to Tier-1s is excessive for certain stocks, because to deliver on the high consensus revenue growth expectations, they may be taking on more cost take-out projects that are likely to impact margins adversely.

Also, some of the Tier-2s have been underperforming on the growth front, being discretionary project-oriented businesses struggling to pivot to a cost-take-out-driven demand environment.

Change in Estimates

Fig 28 – TCS

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	30,279	30,557	31,173	30,867	31,489	32,123	(1.9)	(3.0)	(3.0)
USD Revenue Growth (%)	0.9	0.9	2.0	2.8	2.0	2.0			
Revenue (Rsbn)	2,879	2,936	3,026	2,898	2,988	3,080	(0.7)	(1.7)	(1.7)
EBIT (Rsbn)	699	721	739	714	739	759	(2.2)	(2.5)	(2.7)
EBIT Margin (%)	24.3	24.5	24.4	24.6	24.7	24.7			
PAT (Rsbn)	529	549	563	541	561	577	(2.1)	(2.3)	(2.5)
FDEPS (Rs)	146.3	151.6	155.6	149.5	155.2	159.5	(2.1)	(2.3)	(2.5)

Source: BOBCAPS Research

Fig 29 – INFO

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	20,484	20,961	21,722	20,480	20,962	21,723	0.0	(0.0)	(0.0)
USD Revenue Growth (%)	1.6	2.3	3.6	1.6	2.4	3.6			
Revenue (Rsbn)	1948	2014	2109	1923	1989	2083	1.3	1.3	1.2
EBIT (Rsbn)	406	420	437	404	418	434	0.5	0.6	0.7
EBIT Margin (%)	20.8	20.9	20.7	21.0	21.0	20.8			
PAT (Rsbn)	309	323	338	308	321	335	0.5	0.6	0.7
FDEPS (Rs)	76.3	79.6	83.3	76.0	79.1	82.8	0.5	0.6	0.7

Source: BOBCAPS Research

Fig 30 – HCLT

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	14,987	15,518	16,069	14,948	15,476	16,025	0.3	0.3	0.3
USD Revenue Growth (%)	2.2	3.5	3.5	1.9	3.5	3.5			
Revenue (Rsbn)	1,425	1,491	1,560	1,403	1,468	1,536	1.5	1.5	1.5
EBIT (Rsbn)	248	258	270	247	260	274	0.4	(0.8)	(1.4)
EBIT Margin (%)	17.4	17.3	17.3	17.6	17.7	17.8			
PAT (Rsbn)	195	203	213	195	205	215	0.4	(0.8)	(1.4)
FDEPS (Rs)	72.0	74.9	78.4	71.8	75.5	79.5	0.4	(0.8)	(1.4)

Source: BOBCAPS Research

Fig 31 – WPRO

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
IT Services USD Revenue (USD mn)	10,447	10,612	10,812	10,577	10,763	10,965	(1.2)	(1.4)	(1.4)
USD Revenue Growth (%)	(0.3)	1.6	1.9	0.9	1.8	1.9			
Revenue (Rsbn)	1,002	1,028	1,058	1,002	1,030	1,060	(0.0)	(0.2)	(0.2)
EBIT (Rsbn)	166	170	177	167	172	179	(0.5)	(1.3)	(1.4)
EBIT Margin (%)	16.6	16.5	16.7	16.7	16.7	16.9			
PAT (Rsbn)	136	142	154	141	152	166	(4.1)	(6.1)	(7.4)
FDEPS (Rs)	13.7	14.4	15.5	14.3	15.3	16.8	(4.1)	(6.1)	(7.4)

Source: BOBCAPS Research

Fig 32 – TECHM

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	6,552	6,815	7,148	6,597	6,883	7,220	(0.7)	(1.0)	(1.0)
USD Revenue Growth (%)	2.6	4.0	4.9	3.3	4.3	4.9			
Revenue (Rsmn)	622.9	654.8	693.9	619.3	653.1	692.2	0.6	0.3	0.2
EBIT (Rsmn)	94.1	102.9	111.3	94.4	101.6	110.0	(0.3)	1.3	1.2
EBIT Margin (%)	15.1	15.7	16.0	15.2	15.6	15.9			
PAT (Rsmn)	73.5	75.4	87.5	73.8	76.0	86.4	(0.3)	(0.7)	1.2
EPS (Rs)	82.9	85.0	98.5	83.1	85.6	97.4	(0.3)	(0.7)	1.2

Source: BOBCAPS Research

Fig 33 – LTM

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	5,099	5,466	5,815	5,099	5,466	5,815	0.0	0.0	0.0
USD Revenue Growth (%)	7.1	7.2	6.4	7.1	7.2	6.4			
Revenue (Rsmn)	484,838	525,139	564,486	478,719	518,581	557,508	1.3	1.3	1.3
EBIT (Rsmn)	74,617	81,146	88,298	73,892	80,412	87,008	1.0	0.9	1.5
EBIT Margin (%)	15.4	15.5	15.6	15.4	15.5	15.6			
PAT (Rsmn)	66,693	73,692	80,958	66,191	73,178	80,003	0.8	0.7	1.2
EPS (Rs)	225.6	249.3	273.9	223.9	247.6	270.6	0.8	0.7	1.2

Source: BOBCAPS Research

Fig 34 – PSYS

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.4	96.4	97.4	93.9	94.9	95.9	1.6	1.6	1.6
USD Revenue (USD mn)	2,203	3,339	3,760	1,886	2,154	2,460	16.8	55.0	52.8
USD Revenue Growth (%)	33.2	51.5	12.6	14.0	14.2	14.2			
Revenue (Rsmn)	210,112	321,818	366,124	177,105	204,405	235,886	18.6	57.4	55.2
EBIT (Rsmn)	31,477	43,977	52,994	29,049	34,197	39,146	8.4	28.6	35.4
EBIT Margin (%)	15.0	13.7	14.5	16.4	16.7	16.6			
PAT (Rsmn)	23,791	27,458	34,916	23,024	27,129	31,120	3.3	1.2	12.2
FDEPS (Rs)	150.8	174.1	221.3	145.9	172.0	197.3	3.3	1.2	12.2

Source: BOBCAPS Research

Fig 35 – COFORGE

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	2,611	3,006	3,450	2,716	3,135	3,572	(3.9)	(4.1)	(3.4)
USD Revenue Growth (%)	39.3	15.1	14.8	45.1	15.4	13.9			
Revenue (Rsmn)	248,282	288,865	334,929	255,009	297,461	342,516	(2.6)	(2.9)	(2.2)
EBIT (Rsmn)	38,354	45,202	52,192	39,471	45,729	52,416	(2.8)	(1.2)	(0.4)
EBIT Margin (%)	15.4	15.6	15.6	15.5	15.4	15.3			
PAT (Rsmn)	27,136	32,538	38,764	26,960	33,297	39,327	0.6	(2.3)	(1.4)
EPS (Rs)	63.1	75.6	90.1	62.7	77.4	91.4	0.6	(2.3)	(1.4)

Source: BOBCAPS Research

Fig 36 – MPHL

Mphasis Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (in mn)	1,938	2,088	2,255	1,942	2,092	2,259	(0.2)	(0.2)	(0.2)
USD Revenue Growth (%)	7.9	7.7	8.0	8.1	7.7	8.0			
Revenue (Rsmn)	184,309	200,637	218,871	182,348	198,528	216,599	1.1	1.1	1.0
EBIT (Rsmn)	27,840	30,506	33,262	27,690	30,437	33,044	0.5	0.2	0.7
EBIT Margin (%)	15.1	15.2	15.2	15.2	15.3	15.3			
PAT (Rsmn)	22,280	24,710	27,309	22,227	24,693	27,181	0.2	0.1	0.5
FDEPS (Rs)	116.6	129.4	143.0	116.4	129.3	142.3	0.2	0.1	0.5

Source: BOBCAPS Research

Fig 37 – BSOFT

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	590.3	598.8	612.5	600.4	619.1	638.0	(1.7)	(3.3)	(4.0)
Growth (%)	(1.2)	1.4	2.3	0.5	3.1	3.1			
Revenue (Rsmn)	56,128.2	57,530.8	59,464.7	56,360.9	58,733.6	61,169.3	(0.4)	(2.0)	(2.8)
EBIT (Rsmn)	7,442.3	7,661.9	8,141.0	7,516.4	7,872.4	8,147.7	(1.0)	(2.7)	(0.1)
EBIT Margin (%)	13.3	13.3	13.7	13.3	13.4	13.3			
PAT (Rsmn)	6,366.2	6,670.5	7,171.2	6,421.0	6,822.0	7,173.8	(0.9)	(2.2)	(0.0)
FDEPS (Rs)	22.6	23.7	25.4	22.8	24.2	25.4	(0.9)	(2.2)	(0.0)

Source: BOBCAPS Research

Fig 38 – ZENT

Zensar Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	97.1	93.9	94.9	95.9	1.3	1.3	1.3
USD Revenue (USD mn)	657	681	703	657	682	707	0.0	(0.2)	(0.5)
USD revenue growth (%)	2.1	3.6	3.3	2.1	3.9	3.5			
Revenue (Rsmn)	62,476	65,407	68,265	61,673	64,752	67,757	1.3	1.0	0.8
EBIT (Rsmn)	8,755	9,027	9,430	8,691	8,905	9,374	0.7	1.4	0.6
EBIT Margin (%)	14.0	13.8	13.8	14.1	13.8	13.8			
PAT (Rsmn)	7,880	8,356	9,100	7,829	8,228	8,983	0.6	1.6	1.3
FDEPS (Rs)	34.8	36.9	40.1	34.5	36.3	39.6	0.6	1.6	1.3

Source: BOBCAPS Research

Fig 39 – FSOL

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95	96	97	94	95	96	1.3	1.3	1.3
USD Revenue (USD mn)	1,213	1,372	1,548	1,213	1,363	1,537	(0.1)	0.7	0.7
USD Revenue Growth (%)	12.2	13.1	12.8	12.2	12.3	12.8			
Revenue (Rsmn)	115,314	131,820	150,253	113,917	129,292	147,390	1.2	2.0	1.9
EBIT (Rsmn)	14,174	16,737	20,410	14,165	16,498	20,053	0.1	1.4	1.8
EBIT Margin (%)	12.3	12.7	13.6	12.4	12.8	13.6			
PAT (Rsmn)	9,500	11,585	14,640	9,500	11,416	14,367	0.0	1.5	1.9
FDEPS (Rs)	13.5	16.4	20.8	13.5	16.2	20.4	0.0	1.5	1.9

Source: BOBCAPS Research

Fig 40 – ECLX

Change in estimates	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.1	96.1	96.3	93.9	94.9	95.1	1.3	1.3	1.3
USD Revenue (USD mn)	538	597	659	537	596	657	0.3	0.3	0.3
USD Revenue Growth (%)	14.8	11.0	10.3	14.4	11.0	10.3			
Revenue (Rsmn)	51,169	57,406	63,966	50,373	56,519	62,987	1.6	1.6	1.6
EBIT (Rsmn)	10,898	12,125	13,534	10,747	11,938	13,335	1.4	1.6	1.5
EBIT Margin (%)	21.3	21.1	21.2	21.3	21.1	21.2			
PAT (Rsmn)	8,263	9,472	10,532	8,149	9,333	10,384	1.4	1.5	1.4
FDEPS (Rs)	87.4	100.2	111.4	86.2	98.7	109.8	1.4	1.5	1.4

Source: BOBCAPS Research

BOBCAPS vs Consensus Estimates

Fig 41 – TCS

TCS	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenues (Rs bn)	2,892	3,045	3,195	2,879	2,936	3,026	100	96	95
EBIT (Rs bn)	725	767	801	699	721	739	96	94	92
PAT Adj (Rs bn)	563	598	624	529	549	563	94	92	90
FDEPS Adj (Rs)	155.6	165.2	173.3	146.3	151.6	155.6	94	92	90
EBIT Margin (%)	25.1	25.2	25.1	24.3	24.5	24.4			

Source: Bloomberg, BOBCAPS Research

Fig 42 – INFO

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs bn)	1,942	2,047	2,155	1,948	2,014	2,109	100	98	98
EBIT (Rs bn)	406.7	429.9	452.1	405.9	420.4	437.3	100	98	97
PAT Adj (Rs bn)	314.3	333.2	349.3	309.2	322.5	337.7	98	97	97
FDEPS Adj (Rs)	77.1	81.7	86.6	76.3	79.6	83.3	99	97	96
EBIT Margin (%)	20.9	21.0	21.0	21.0	20.8	20.9			

Source: Bloomberg, BOBCAPS Research

Fig 43 – HCLT

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs bn)	1,410	1,493	1,570	1,425	1,491	1,560	101	100	99
EBIT (Rs bn)	251	269	279	248	258	270	99	96	97
PAT (Rs bn)	196	210	220	195	203	213	99	96	97
EPS (Rs)	72.4	77.5	79.7	72.0	74.9	78.4	100	97	98
EBIT Margin (%)	17.8	18.0	17.8	17.4	17.3	17.3			

Source: Bloomberg, BOBCAPS Research

Fig 44 – WPRO

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs bn)	994	1,031	1,067	1,002	1,028	1,058	101	100	99
EBIT (Rs bn)	166	174	179	166	170	177	100	98	99
PAT (Rs bn)	139	146	151	136	142	154	97	98	102
FDEPS (Rs)	13.7	14.3	15.0	13.7	14.4	15.5	100	100	104
EBIT Margin (%)	16.7	16.9	16.7	16.6	16.5	16.7			

Source: Bloomberg, BOBCAPS Research

Fig 45 – TECHM

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs bn)	619.2	655.9	696.9	622.9	654.8	693.9	101	100	100
EBIT (Rs bn)	90.4	98.4	106.6	94.1	102.9	111.3	104	105	104
PAT (Rs bn)	68.5	75.3	83.4	73.5	80.5	87.5	107	107	105
EPS (Rs)	77.0	84.6	93.8	82.9	85.0	98.5	108	100	105
EBIT Margin (%)	14.6	15.0	15.3	15.1	15.7	16.0			

Source: Bloomberg, BOBCAPS Research

Fig 46 – LTM

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	476,678	523,266	538,264	484,838	525,139	564,486	102	100	105
EBIT (Rs mn)	74,876	82,852	89,875	74,617	81,146	88,298	100	98	98
PAT (Rs mn)	62,272	69,537	76,889	66,693	73,692	80,958	107	106	105
EPS (Rs)	208.9	233.1	255.8	225.6	249.3	273.9	108	107	107
EBIT Margin (%)	15.7	15.8	16.7	15.4	15.5	15.6			

Source: Bloomberg, BOBCAPS Research

Fig 47 – PSYS

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	176,671	204,735	233,617	210,112	321,818	366,124	119	157	157
EBIT (Rs mn)	29,063	34,210	39,117	31,477	43,977	52,994	108	129	135
PAT (Rs mn)	23,080	27,543	31,486	23,791	27,458	34,916	103	100	111
EPS (Rs)	147.1	175.4	200.9	150.8	174.1	221.3	103	99	110
EBIT Margin (%)	16.5	16.7	16.7	15.0	13.7	14.5			

Source: Bloomberg, BOBCAPS Research

Fig 48 – COFORGE

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	225,053	259,486	297,418	248,282	288,865	334,929	110	111	113
EBIT (Rs mn)	34,340	39,942	46,418	38,354	45,202	52,192	112	113	112
PAT (Rs mn)	23,248	27,833	33,076	27,136	32,538	38,764	117	117	117
EPS (Rs)	58.9	70.0	80.8	63.1	75.6	90.1	107	108	111
EBIT Margin (%)	15.3	15.4	15.6	15.4	15.6	15.6			

Source: Bloomberg, BOBCAPS Research

Fig 49 – MPHL

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	180,950	198,811	218,375	184,309	200,637	218,871	102	101	100
EBIT (Rs mn)	27,947	30,970	34,429	27,840	30,506	33,262	100	99	97
PAT (Rs mn)	21,733	24,314	27,126	22,280	24,710	27,309	103	102	101
EPS (Rs)	113.4	126.4	142.1	116.6	129.4	143.0	103	102	101
EBIT Margin (%)	15.4	15.6	15.8	15.1	15.2	15.2			

Source: Bloomberg, BOBCAPS Research

Fig 50 – BSOFT

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	55,096	58,793	62,762	56,128	57,531	59,465	102	98	95
EBIT (Rs mn)	7,529	8,080	8,689	7,442	7,662	8,141	99	95	94
PAT (Rs mn)	6,239	6,787	7,852	6,366	6,670	7,171	102	98	91
EPS (Rs)	22.4	24.4	27.9	22.6	23.7	25.4	101	97	91
EBIT Margin (%)	13.7	13.7	13.8	13.3	13.3	13.7			

Source: Bloomberg, BOBCAPS Research

Fig 51 – ZENT

Zensar	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	62,222	66,919	71,171	62,476	65,407	68,265	100	98	96
EBIT (Rs mn)	8,700	9,647	10,400	8,755	9,027	9,430	101	94	91
PAT (Rs mn)	8,055	8,970	9,834	7,880	8,356	9,100	98	93	93
EPS (Rs)	35.1	39.9	42.9	34.8	36.9	40.1	99	92	94
EBIT Margin (%)	14.0	14.4	14.6	14.0	13.8	13.8			

Source: Bloomberg, BOBCAPS Research

Fig 52 – FSOL

FSOL	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenues (Rs mn)	111,443	123,266	138,858	115,314	131,820	150,253	103	107	108
EBIT (Rs mn)	13,816	15,678	17,976	14,174	16,737	20,410	103	107	114
PAT Adj (Rs mn)	9,534	11,054	12,916	9,500	11,585	14,640	100	105	113
FDEPS Adj (Rs)	13.5	15.7	18.4	13.5	16.4	20.8	100	104	113
EBIT Margin (%)	12.4	12.7	12.9	12.3	12.7	13.6			

Source: Bloomberg, BOBCAPS Research

Fig 53 – ECLX

eClerx	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	48,674	54,982	60,716	51,169	57,406	63,966	105	104	105
EBIT (Rs mn)	10,490	11,928	13,053	10,898	12,125	13,534	104	102	104
PAT (Rs mn)	8,015	9,304	10,303	8,263	9,472	10,532	103	102	102
EPS (Rs)	85.2	98.5	109.0	87.4	100.2	111.4	103	102	102
EBIT Margin (%)	21.6	21.7	21.5	21.3	21.1	21.2			

Source: Bloomberg, BOBCAPS Research

Stock performance

Fig 54 – BSOFT

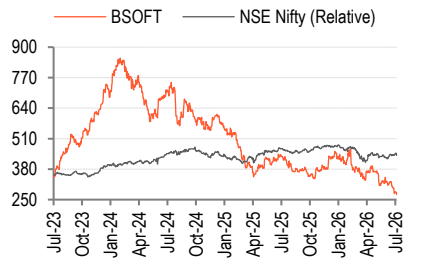


Fig 55 – COFORGE

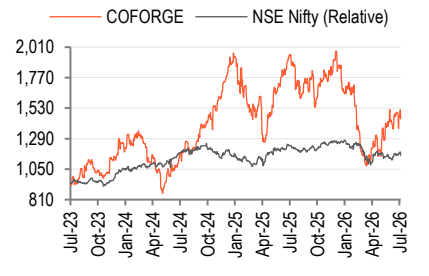


Fig 56 – ECLX

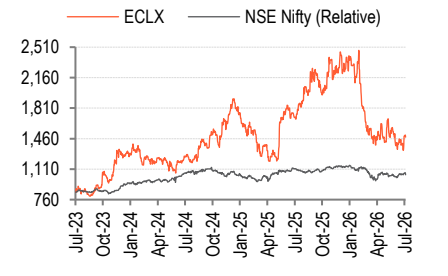


Fig 57 – FSOL

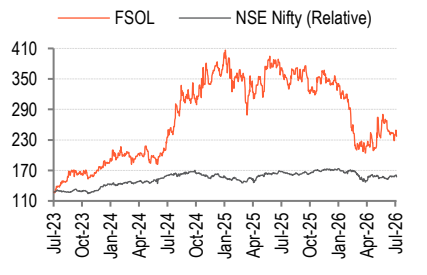


Fig 58 – HCLT

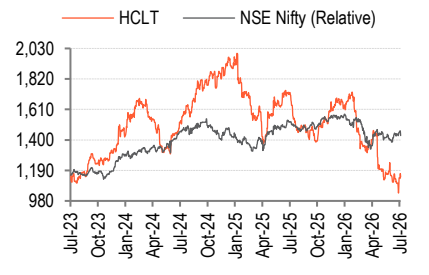


Fig 59 – INFO

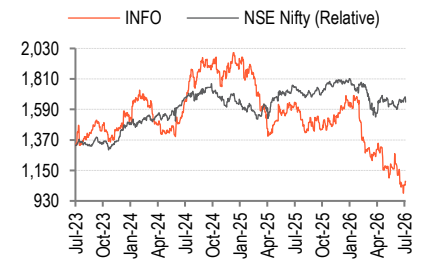


Fig 60 – LTM

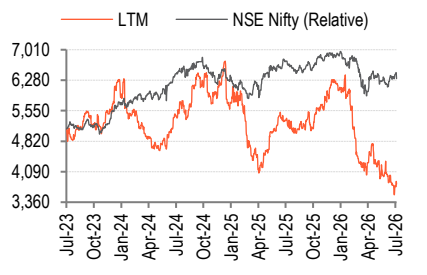


Fig 61 – MPHL

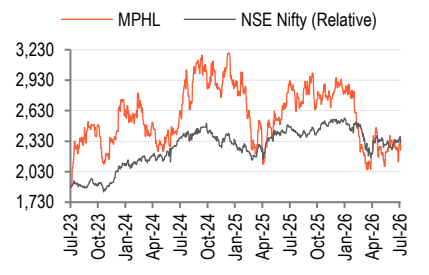


Fig 62 – PSYS

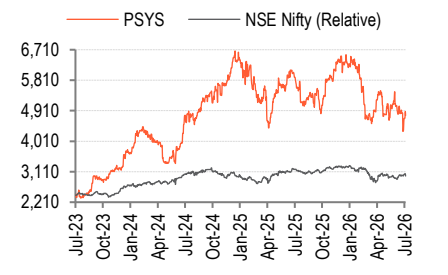


Fig 63 – TCS

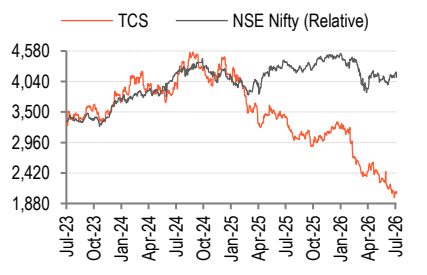


Fig 64 – TECHM

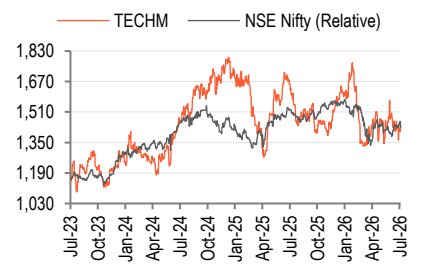


Fig 65 – WPRO

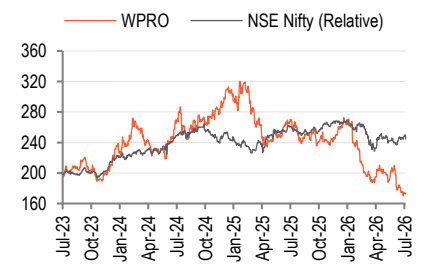
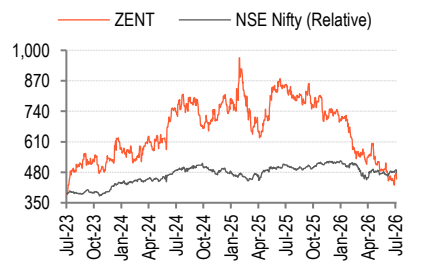


Fig 66 – ZENT



Source: NSE

Financials – BSOFT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	53,752	53,099	56,128	57,531	59,465
EBITDA	6,974	8,661	8,238	8,495	9,012
Depreciation	857	803	795	833	871
EBIT	6,117	7,857	7,442	7,662	8,141
Net interest inc./(exp.)	234	196	184	189	195
Other inc./(exp.)	1,085	648	1,287	1,481	1,680
Exceptional items	0	0	0	0	0
EBT	6,968	7,903	8,545	8,954	9,626
Income taxes	1,801	2,719	2,179	2,283	2,455
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	5,168	5,183	6,366	6,670	7,171
Adjustments	0	0	0	0	0
Adjusted net profit	5,168	5,183	6,366	6,670	7,171

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	2,353	2,551	2,737	2,765	2,890
Other current liabilities	5,469	6,539	7,666	7,736	8,039
Provisions	757	1,279	1,279	1,279	1,279
Debt funds	114	83	0	0	0
Other liabilities	1,148	1,079	1,079	1,079	1,079
Equity capital	556	559	559	559	559
Reserves & surplus	34,227	40,572	44,694	48,979	53,486
Shareholders' fund	34,782	41,131	45,253	49,538	54,045
Total liab. and equities	44,624	52,663	58,014	62,398	67,332
Cash and cash eq.	4,449	4,659	9,073	13,225	17,384
Accounts receivables	9,802	12,125	12,847	12,982	13,568
Inventories	104	46	46	46	46
Other current assets	17,278	22,340	22,485	22,512	22,630
Investments	2,972	1,810	1,810	1,810	1,810
Net fixed assets	1,031	1,452	1,523	1,593	1,664
CWIP	49	18	18	18	18
Intangible assets	5,072	5,648	5,648	5,648	5,648
Deferred tax assets, net	1,002	1,138	1,138	1,138	1,138
Other assets	2,866	3,425	3,425	3,425	3,425
Total assets	44,624	52,663	58,014	62,398	67,332

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	5,388	7,316	6,933	7,756	8,513
Capital expenditures	(746)	(1,224)	(866)	(904)	(941)
Change in investments	(4,234)	(5,334)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(4,981)	(6,558)	(866)	(904)	(941)
Equities issued/Others	4	3	0	0	0
Debt raised/repaid	114	(31)	(83)	0	0
Interest expenses	(234)	(196)	(184)	(189)	(195)
Dividends paid	(1,808)	(1,819)	(2,244)	(2,385)	(2,665)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(1,924)	(2,043)	(2,512)	(2,574)	(2,861)
Chg in cash & cash eq.	199	210	4,414	4,152	4,159
Closing cash & cash eq.	4,449	4,659	9,073	13,225	17,384

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	18.6	18.5	22.7	23.8	25.6
Adjusted EPS	18.3	18.4	22.6	23.7	25.4
Dividend per share	6.5	6.5	8.0	8.5	9.5
Book value per share	125.1	147.0	161.3	176.6	192.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.5	1.5	1.5	1.5	1.5
EV/EBITDA	11.5	9.3	10.1	10.3	10.2
Adjusted P/E	14.8	14.8	12.1	11.5	10.7
P/BV	2.2	1.9	1.7	1.5	1.4

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.7	74.2	65.6	74.5	74.5
Interest burden (PBT/EBIT)	111.1	113.9	100.6	114.8	116.9
EBIT margin (EBIT/Revenue)	14.2	11.4	14.8	13.3	13.3
Asset turnover (Rev./Avg TA)	148.4	128.2	109.2	101.4	95.6
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	1.3
Adjusted ROAE	22.7	15.8	13.7	14.7	14.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	1.8	(1.2)	5.7	2.5	3.4
EBITDA	(16.6)	24.2	(4.9)	3.1	6.1
Adjusted EPS	(19.0)	0.4	22.7	4.8	7.5
Profitability & Return ratios (%)					
EBITDA margin	13.0	16.3	14.7	14.8	15.2
EBIT margin	11.4	14.8	13.3	13.3	13.7
Adjusted profit margin	9.6	9.8	11.3	11.6	12.1
Adjusted ROAE	15.8	13.7	14.7	14.1	13.8
ROCE	13.9	13.6	12.8	12.0	11.7
Working capital days (days)					
Receivables	67	83	84	82	83
Inventory	NA	NA	NA	NA	NA
Payables	16	17	18	17	17
Ratios (x)					
Gross asset turnover	52.1	36.6	36.9	36.1	35.7
Current ratio	4.0	4.3	4.3	4.6	4.9
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – COFORGE

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	122,035	163,562	248,282	288,865	334,929
EBITDA	18,251	30,585	48,906	55,313	63,915
Depreciation	4,580	6,819	10,552	10,110	11,723
EBIT	13,671	23,766	38,354	45,202	52,192
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	(1,034)	(1,286)	(1,991)	(1,732)	(529)
Exceptional items	89	2,718	0	0	0
EBT	12,548	19,762	36,363	43,471	51,663
Income taxes	3,201	2,973	8,727	10,433	12,399
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	1,240	1,890	500	500	500
Reported net profit	8,107	14,899	27,136	32,538	38,764
Adjustments	0	0	0	0	0
Adjusted net profit	8,107	14,899	27,136	32,538	38,764

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	27,800	36,694	54,235	62,887	72,913
Provisions	1,743	3,189	3,189	3,189	3,189
Debt funds	3,502	5,051	46,501	25,701	4,901
Other liabilities	28,070	8,504	9,398	9,853	9,853
Equity capital	669	672	860	860	860
Reserves & surplus	63,123	94,704	283,475	304,827	331,544
Shareholders' fund	63,792	95,376	284,335	305,687	332,405
Total liab. and equities	124,907	148,814	397,658	407,318	423,261
Cash and cash eq.	8,832	10,992	16,662	13,097	15,630
Accounts receivables	25,771	39,700	58,677	68,039	78,886
Inventories	0	0	0	0	0
Other current assets	11,555	8,366	12,365	14,338	16,624
Investments	1,457	0	0	0	0
Net fixed assets	7,682	9,425	17,536	19,425	19,703
CWIP	24	33	33	33	33
Intangible assets	49,726	55,114	267,202	267,202	267,202
Deferred tax assets, net	5,470	6,870	6,870	6,870	6,870
Other assets	14,390	18,314	18,314	18,314	18,314
Total assets	124,907	148,814	397,658	407,318	423,261

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	12,129	25,980	32,751	40,466	47,879
Capital expenditures	(41,804)	(13,461)	(230,750)	(12,000)	(12,000)
Change in investments	1,457	(1,457)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(40,347)	(14,918)	(230,750)	(12,000)	(12,000)
Equities issued/Others	22,400	0	170,326	0	0
Debt raised/repaid	(651)	1,549	41,450	(20,800)	(20,800)
Interest expenses	0	0	0	0	0
Dividends paid	(5,019)	(4,244)	(8,604)	(11,186)	(12,046)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	16,730	(2,695)	203,172	(31,986)	(32,846)
Chg in cash & cash eq.	5,480	2,160	5,670	(3,565)	2,533
Closing cash & cash eq.	8,832	10,992	16,662	13,097	15,630

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	24.5	44.3	63.1	75.6	90.1
Adjusted EPS	24.5	44.3	63.1	75.6	90.1
Dividend per share	15.2	12.0	20.0	26.0	28.0
Book value per share	190.5	285.5	660.9	710.5	772.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	4.0	3.0	1.9	1.6	1.4
EV/EBITDA	26.8	16.1	9.7	8.4	7.6
Adjusted P/E	59.1	32.6	22.9	19.1	16.0
P/BV	7.6	5.1	2.2	2.0	1.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	64.2	66.3	74.6	74.8	75.0
Interest burden (PBT/EBIT)	82.0	94.4	94.8	96.2	99.0
EBIT margin (EBIT/Revenue)	12.6	14.6	15.4	15.6	15.6
Asset turnover (Rev./Avg TA)	170.8	156.3	109.0	84.0	96.4
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.2	1.2	1.1
Adjusted ROAE	16.2	18.7	14.3	11.0	12.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	33.0	34.0	51.8	16.3	15.9
EBITDA	22.0	67.6	59.9	13.1	15.6
Adjusted EPS	(6.9)	81.1	42.4	19.9	19.1
Profitability & Return ratios (%)					
EBITDA margin	15.0	18.7	19.7	19.1	19.1
EBIT margin	11.2	14.5	15.4	15.6	15.6
Adjusted profit margin	6.6	9.1	10.9	11.3	11.6
Adjusted ROAE	16.2	18.7	14.3	11.0	12.1
ROCE	16.1	19.7	12.8	10.0	11.4

Working capital days (days)

	FY25A	FY26E	FY27E	FY28E	FY29E
Receivables	77	89	86	86	86
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA

Ratios (x)

	FY25A	FY26E	FY27E	FY28E	FY29E
Gross asset turnover	15.9	17.4	14.2	14.9	17.0
Current ratio	1.7	1.6	1.6	1.5	1.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	0.1	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ECLX

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	33,659	41,170	51,169	57,406	63,966
EBITDA	8,209	10,523	13,075	14,664	16,072
Depreciation	1,412	1,754	2,178	2,539	2,539
EBIT	6,797	8,769	10,898	12,125	13,534
Net interest inc./(exp.)	(349)	(421)	(470)	(470)	(470)
Other inc./(exp.)	737	1,003	549	928	928
Exceptional items	0	0	0	0	0
EBT	7,185	9,351	10,977	12,584	13,992
Income taxes	1,773	2,287	2,714	3,112	3,460
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2	3	4	4	4
Reported net profit	5,411	7,062	8,259	9,468	10,528
Adjustments	0	0	0	0	0
Adjusted net profit	5,411	7,062	8,259	9,468	10,528

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	4,459	6,913	8,552	9,594	10,690
Provisions	258	217	421	472	526
Debt funds	0	0	0	0	0
Other liabilities	3,660	4,197	4,766	5,252	5,757
Equity capital	470	920	920	920	920
Reserves & surplus	22,610	24,722	32,885	42,252	52,674
Shareholders' fund	23,080	25,642	33,805	43,172	53,595
Total liab. and equities	31,457	36,970	47,543	58,491	70,567
Cash and cash eq.	7,391	7,380	15,481	24,335	33,962
Accounts receivables	4,954	6,665	8,411	9,437	10,515
Inventories	2	6	6	6	6
Other current assets	5,370	7,969	8,411	9,437	10,515
Investments	3,090	3,079	3,079	3,079	3,079
Net fixed assets	2,409	2,735	2,348	1,819	1,519
CWIP	2	49	49	49	49
Intangible assets	4,079	4,493	4,493	4,493	4,493
Deferred tax assets, net	727	1,167	1,339	1,486	1,639
Other assets	3,434	3,478	3,974	4,399	4,839
Total assets	31,457	36,970	47,543	58,491	70,567

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	6,668	9,175	9,913	10,510	11,517
Capital expenditures	(1,151)	(1,179)	(1,791)	(2,009)	(2,239)
Change in investments	1,291	132	0	0	0
Other investing cash flows	1,165	(361)	79	458	458
Cash flow from investing	1,305	(1,408)	(1,711)	(1,551)	(1,780)
Equities issued/Others	(3,839)	(3,000)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(2,210)	(3,169)	0	0	0
Dividends paid	(47)	(47)	(100)	(105)	(110)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(6,096)	(6,216)	(100)	(105)	(110)
Chg in cash & cash eq.	1,877	1,551	8,101	8,854	9,627
Closing cash & cash eq.	7,391	7,380	15,481	24,335	33,962

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	57.6	76.3	89.3	102.4	113.8
Adjusted EPS	56.5	74.7	87.4	100.2	111.4
Dividend per share	1.0	1.0	1.1	1.2	1.3
Book value per share	245.5	277.2	365.4	466.7	579.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	4.3	3.5	2.9	2.7	2.6
EV/EBITDA	17.5	13.7	11.3	10.7	10.3
Adjusted P/E	26.1	19.8	16.9	14.7	13.3
P/BV	6.0	5.3	4.0	3.2	2.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.3	75.5	75.2	75.2	
Interest burden (PBT/EBIT)	105.7	106.6	100.7	103.8	0.0
EBIT margin (EBIT/Revenue)	20.2	21.3	21.3	21.1	117.4
Asset turnover (Rev./Avg TA)	110.8	120.3	121.1	108.3	0.0
Leverage (Avg TA/Avg Equity)	1.3	1.4	1.4	1.4	1.3
Adjusted ROAE	23.7	29.0	27.8	24.6	

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	15.1	22.3	24.3	12.2	11.4
EBITDA	5.9	28.2	24.3	12.2	9.6
Adjusted EPS	8.7	32.2	16.9	14.6	11.2
Profitability & Return ratios (%)					
EBITDA margin	24.4	25.6	25.6	25.5	25.1
EBIT margin	20.2	21.3	21.3	21.1	21.2
Adjusted profit margin	16.1	17.2	16.1	16.5	16.5
Adjusted ROAE	23.7	29.0	27.8	24.6	21.8
ROCE	22.5	27.0	27.3	23.5	20.9
Working capital days (days)					
Receivables	54	52	54	57	57
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	14.9	16.0	20.1	27.6	38.3
Current ratio	4.4	3.5	3.9	4.6	5.2
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.5)	(0.6)	(0.6)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – FSOL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	79,803	95,564	115,314	131,820	150,253
EBITDA	12,077	15,562	19,067	22,273	26,590
Depreciation	3,271	4,341	4,893	5,536	6,179
EBIT	8,806	11,221	14,174	16,737	20,410
Net interest inc./(exp.)	(1,383)	(1,814)	(2,436)	(2,436)	(2,436)
Other inc./(exp.)	(104)	74	324	408	613
Exceptional items	0	0	0	0	0
EBT	7,319	9,481	12,062	14,709	18,587
Income taxes	1,462	1,754	2,562	3,124	3,948
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	5,857	7,726	9,500	11,585	14,640
Adjustments	0	0	0	0	0
Adjusted net profit	5,857	7,726	9,500	11,585	14,640

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	3,976	5,579	6,546	7,481	8,507
Other current liabilities	20,311	29,206	29,206	29,206	29,206
Provisions	241	1,140	1,140	1,140	1,140
Debt funds	3,419	1,897	897	(103)	(1,103)
Other liabilities	10,299	11,534	11,534	11,534	11,534
Equity capital	6,970	6,970	6,970	6,970	6,970
Reserves & surplus	34,006	36,875	41,537	47,247	54,629
Shareholders' fund	40,976	43,845	48,507	54,217	61,599
Total liab. and equities	79,222	93,200	97,829	103,474	110,882
Cash and cash eq.	1,670	2,693	3,241	4,965	8,110
Accounts receivables	16,860	20,786	24,389	27,871	31,694
Inventories	0	0	0	0	0
Other current assets	3,710	4,144	4,144	4,144	4,144
Investments	115	658	658	658	658
Net fixed assets	2,763	3,103	3,581	4,020	4,459
CWIP	491	299	299	299	299
Intangible assets	47,173	52,565	52,565	52,565	52,565
Deferred tax assets, net	3,449	4,806	4,806	4,806	4,806
Other assets	2,991	4,146	4,146	4,146	4,146
Total assets	79,222	93,200	97,829	103,474	110,882

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	8,805	14,711	14,193	17,010	20,458
Capital expenditures	(1,790)	(1,410)	(1,029)	(1,082)	(1,082)
Change in investments	(315)	(429)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(2,105)	(1,839)	(1,029)	(1,082)	(1,082)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	7,204	4,048	(1,000)	(1,000)	(1,000)
Interest expenses	(1,383)	(1,814)	(2,436)	(2,436)	(2,436)
Dividends paid	(2,751)	(3,802)	(4,839)	(5,875)	(7,258)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	3,070	(1,569)	(8,274)	(9,311)	(10,694)
Chg in cash & cash eq.	(214)	1,023	548	1,724	3,146
Closing cash & cash eq.	1,670	2,693	3,241	4,965	8,110

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	8.6	9.8	13.7	16.8	21.2
Adjusted EPS	8.4	9.6	13.5	16.4	20.8
Dividend per share	4.0	5.5	7.0	8.5	10.5
Book value per share	59.7	63.4	70.2	78.4	89.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.1	1.7	1.4	1.3	1.1
EV/EBITDA	13.6	10.5	8.7	7.5	6.4
Adjusted P/E	28.1	24.8	17.6	14.4	11.4
P/BV	4.0	3.7	3.4	3.0	2.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.3	79.4	78.8	78.8	78.8
Interest burden (PBT/EBIT)	84.1	75.7	85.1	87.9	91.1
EBIT margin (EBIT/Revenue)	11.0	11.7	12.3	12.7	13.6
Asset turnover (Rev./Avg TA)	114.0	110.8	120.7	131.0	140.2
Leverage (Avg TA/Avg Equity)	1.7	2.0	2.0	1.9	1.7
Adjusted ROAE	14.5	15.4	19.6	21.4	23.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	25.9	19.7	20.7	14.3	14.0
EBITDA	26.3	28.9	22.5	16.8	19.4
Adjusted EPS	14.9	13.4	40.9	22.0	26.4
Profitability & Return ratios (%)					
EBITDA margin	15.1	16.3	16.5	16.9	17.7
EBIT margin	11.0	11.7	12.3	12.7	13.6
Adjusted profit margin	7.3	8.1	8.2	8.8	9.7
Adjusted ROAE	15.0	18.2	20.6	22.6	25.3
ROCE	10.6	10.9	12.5	14.1	16.2
Working capital days (days)					
Receivables	77	79	77	77	77
Inventory	NA	NA	NA	NA	NA
Payables	18	21	20	20	20
Ratios (x)					
Gross asset turnover	28.9	30.8	32.2	32.8	33.7
Current ratio	0.9	0.8	0.9	1.0	1.2
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	0.0	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – HCLT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	1,170,550	1,301,440	1,424,946	1,490,979	1,559,906
EBITDA	255,050	267,520	292,333	302,671	315,530
Depreciation	40,840	43,550	44,373	44,877	45,382
EBIT	214,210	223,970	247,961	257,793	270,148
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	18,410	(2,950)	12,482	12,814	13,348
Exceptional items	0	0	0	0	0
EBT	232,620	221,020	260,443	270,608	283,496
Income taxes	58,620	54,500	65,111	67,652	70,874
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	90	100	80	80	80
Reported net profit	173,910	166,420	195,252	202,876	212,542
Adjustments	0	0	0	0	0
Adjusted net profit	173,910	166,420	195,252	202,876	212,542

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	244,710	298,280	320,215	333,375	348,773
Provisions	0	0	0	0	0
Debt funds	22,910	1,590	1,590	1,590	1,590
Other liabilities	91,270	111,060	115,486	118,141	121,247
Equity capital	5,430	5,430	5,430	5,430	5,430
Reserves & surplus	691,120	746,220	768,336	787,255	815,841
Shareholders' fund	696,550	751,650	773,766	792,685	821,271
Total liab. and equities	1,055,440	1,162,580	1,211,057	1,245,791	1,292,881
Cash and cash eq.	82,450	82,650	130,077	140,977	160,838
Accounts receivables	195,230	235,850	253,194	263,599	275,774
Inventories	0	0	0	0	0
Other current assets	343,410	386,920	362,360	369,223	377,253
Investments	12,970	21,760	21,760	21,760	21,760
Net fixed assets	332,150	338,470	342,249	346,123	349,997
CWIP	0	0	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	89,230	96,930	101,417	104,108	107,258
Total assets	1,055,440	1,162,580	1,211,057	1,245,791	1,292,881

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	233,950	195,940	232,856	243,724	253,196
Capital expenditures	(50,380)	(49,870)	(48,152)	(48,751)	(49,256)
Change in investments	(38,770)	(25,220)	36,000	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(89,150)	(75,090)	(12,152)	(48,751)	(49,256)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	5,200	(10,610)	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(162,528)	(129,852)	(173,136)	(183,957)	(183,957)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(157,328)	(140,462)	(173,136)	(183,957)	(183,957)
Chg in cash & cash eq.	(12,021)	388	47,568	11,017	19,984
Closing cash & cash eq.	82,539	82,838	130,218	141,094	160,961

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	64.2	61.5	72.2	75.0	78.6
Adjusted EPS	64.1	61.4	72.0	74.9	78.4
Dividend per share	60.0	48.0	64.0	68.0	68.0
Book value per share	256.5	277.3	285.5	292.5	303.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.7	2.4	2.2	2.2	2.1
EV/EBITDA	12.4	11.8	11.0	10.7	10.3
Adjusted P/E	17.9	18.7	15.9	15.3	14.6
P/BV	4.5	4.1	4.0	3.9	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.8	75.3	75.0	75.0	75.0
Interest burden (PBT/EBIT)	108.6	98.7	105.0	105.0	104.9
EBIT margin (EBIT/Revenue)	18.3	17.2	17.4	17.3	17.3
Asset turnover (Rev./Avg TA)	114.0	117.4	120.1	121.4	122.9
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.6	1.6	1.6
Adjusted ROAE	25.2	23.0	25.6	25.9	26.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.5	11.2	9.5	4.6	4.6
EBITDA	5.4	4.9	9.3	3.5	4.2
Adjusted EPS	10.8	(4.2)	17.4	3.9	4.8
Profitability & Return ratios (%)					
EBITDA margin	21.8	20.6	20.5	20.3	20.2
EBIT margin	18.3	17.2	17.4	17.3	17.3
Adjusted profit margin	14.9	12.8	13.7	13.6	13.6
Adjusted ROAE	25.2	23.0	25.6	25.9	26.3
ROCE	20.1	20.1	21.2	21.4	21.8
Working capital days (days)					
Receivables	61	66	65	65	65
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	3.5	3.8	4.2	4.3	4.5
Current ratio	2.7	2.5	2.4	2.4	2.4
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – INFO

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	1,629,900	1,786,500	1,947,563	2,013,905	2,108,768
EBITDA	392,350	424,440	458,444	474,753	494,221
Depreciation	48,110	49,010	52,584	54,375	56,937
EBIT	344,240	375,430	405,859	420,377	437,284
Net interest inc./(exp.)	(4,160)	(4,160)	(4,200)	(4,200)	(4,200)
Other inc./(exp.)	35,990	28,680	19,029	22,606	26,401
Exceptional items	0	0	0	0	0
EBT	376,070	399,950	420,689	438,783	459,485
Income taxes	108,570	105,210	111,483	116,278	121,764
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	370	340	0	0	0
Reported net profit	267,130	294,400	309,206	322,506	337,722
Adjustments	0	0	0	0	0
Adjusted net profit	267,130	294,400	309,206	322,506	337,722

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	41,640	47,440	47,440	47,440	47,440
Other current liabilities	372,110	460,660	476,436	493,393	518,569
Provisions	14,750	15,120	17,208	17,873	18,860
Debt funds	0	0	0	0	0
Other liabilities	98,500	103,480	103,480	103,480	103,480
Equity capital	20,730	20,240	20,240	20,240	20,240
Reserves & surplus	941,300	912,730	1,005,492	1,102,244	1,203,560
Shareholders' fund	962,030	932,970	1,025,732	1,122,484	1,223,800
Total liab. and equities	1,489,030	1,559,670	1,670,296	1,784,670	1,912,149
Cash and cash eq.	244,550	222,010	284,672	362,240	438,747
Accounts receivables	311,580	352,340	372,307	386,692	408,047
Inventories	0	0	0	0	0
Other current assets	375,470	410,190	429,804	443,282	463,292
Investments	235,410	218,800	218,800	218,800	218,800
Net fixed assets	128,000	133,310	141,296	149,966	159,169
CWIP	0	0	0	0	0
Intangible assets	128,720	149,420	149,420	149,420	149,420
Deferred tax assets, net	11,080	22,640	22,640	22,640	22,640
Other assets	54,220	50,960	51,357	51,629	52,034
Total assets	1,489,030	1,559,670	1,670,296	1,784,670	1,912,149

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	373,630	360,050	343,877	370,568	383,251
Capital expenditures	(89,650)	(75,020)	(60,570)	(63,046)	(66,139)
Change in investments	13,230	17,950	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(76,420)	(57,070)	(60,570)	(63,046)	(66,139)
Equities issued/Others	0	(180,000)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(4,160)	(4,160)	(4,200)	(4,200)	(4,200)
Dividends paid	(178,111)	(196,490)	(216,444)	(225,754)	(236,405)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(182,271)	(380,650)	(220,644)	(229,954)	(240,605)
Chg in cash & cash eq.	96,690	(22,670)	62,662	77,568	76,506
Closing cash & cash eq.	244,550	221,880	284,672	362,240	438,747

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	64.5	71.6	76.4	79.7	83.5
Adjusted EPS	64.4	71.5	76.3	79.6	83.3
Dividend per share	43.0	48.0	53.5	55.8	58.4
Book value per share	232.2	230.6	253.5	277.4	302.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.8	2.6	2.4	2.3	2.2
EV/EBITDA	11.5	10.7	10.0	9.8	9.6
Adjusted P/E	16.6	14.9	14.0	13.4	12.8
P/BV	4.6	4.6	4.2	3.9	3.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.1	73.7	73.5	73.5	0.0
Interest burden (PBT/EBIT)	109.2	106.5	103.7	104.4	0.0
EBIT margin (EBIT/Revenue)	21.1	21.0	20.8	20.9	0.0
Asset turnover (Rev./Avg TA)	113.7	117.2	120.6	116.6	0.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	0.0
Adjusted ROAE	29.0	31.1	31.6	30.0	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.1	9.6	9.0	3.4	4.7
EBITDA	7.7	8.2	8.0	3.6	4.1
Adjusted EPS	1.7	11.1	6.7	4.3	4.7
Profitability & Return ratios (%)					
EBITDA margin	24.1	23.8	23.5	23.6	23.4
EBIT margin	21.1	21.0	20.8	20.9	20.7
Adjusted profit margin	16.4	16.5	15.9	16.0	16.0
Adjusted ROAE	28.9	31.1	31.6	30.0	28.8
ROCE	26.5	29.2	30.5	28.8	27.4
Working capital days (days)					
Receivables	102	106	103	103	104
Inventory	NA	NA	NA	NA	NA
Payables	9	10	9	8	8
Ratios (x)					
Gross asset turnover	12.7	13.4	13.8	13.4	13.2
Current ratio	2.2	1.9	2.0	2.1	2.2
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.2)	(0.3)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – LTM

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	380,081	423,076	484,838	525,139	564,486
EBITDA	64,949	75,552	88,804	95,333	102,485
Depreciation	9,915	10,541	14,187	14,187	14,187
EBIT	55,034	65,011	74,617	81,146	88,298
Net interest inc./(exp.)	(2,789)	(2,763)	(2,748)	(2,914)	(3,076)
Other inc./(exp.)	12,686	13,707	18,558	21,684	24,546
Exceptional items	0	0	0	0	0
EBT	64,931	75,955	90,427	99,916	109,768
Income taxes	16,122	19,570	23,734	26,225	28,811
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	48,809	52,434	66,693	73,692	80,958
Adjustments	0	0	0	0	0
Adjusted net profit	48,809	52,434	66,693	73,692	80,958

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	31,075	61,345	98,687	104,531	109,356
Provisions	9,691	11,741	11,741	11,741	11,741
Debt funds	554	13,397	13,397	13,397	13,397
Other liabilities	37,997	45,227	45,697	46,164	46,620
Equity capital	296	296	296	296	296
Reserves & surplus	226,687	239,954	278,588	322,743	368,258
Shareholders' fund	226,983	240,250	278,884	323,039	368,554
Total liab. and equities	306,300	371,960	448,406	498,873	549,668
Cash and cash eq.	20,623	23,311	79,847	107,461	137,811
Accounts receivables	76,882	94,717	104,353	113,579	121,195
Inventories	28	33	33	33	33
Other current assets	38,106	38,556	42,022	45,341	48,081
Investments	111,515	146,055	154,055	162,055	170,055
Net fixed assets	15,946	13,431	10,119	10,363	10,607
CWIP	5,818	9,171	9,171	9,171	9,171
Intangible assets	12,036	12,923	12,923	12,923	12,923
Deferred tax assets, net	5,303	12,980	14,300	15,565	16,609
Other assets	20,043	20,783	21,583	22,383	23,183
Total assets	306,300	371,960	448,406	498,873	549,668

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	54,672	51,800	107,868	84,092	92,688
Capital expenditures	(3,825)	(7,049)	(6,000)	(6,000)	(6,000)
Change in investments	(12,747)	(34,540)	(8,000)	(8,000)	(8,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(16,572)	(41,589)	(14,000)	(14,000)	(14,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	236	12,843	0	0	0
Interest expenses	(2,789)	(2,763)	(2,748)	(2,914)	(3,076)
Dividends paid	(19,261)	(22,081)	(28,059)	(29,536)	(35,443)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(21,814)	(12,001)	(30,807)	(32,450)	(38,519)
Chg in cash & cash eq.	2,423	23,311	79,847	107,461	137,811
Closing cash & cash eq.	20,623	23,311	79,847	107,461	137,811

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	153.7	169.3	225.8	249.5	274.1
Adjusted EPS	153.4	169.2	225.6	249.3	273.9
Dividend per share	65.0	75.0	95.0	100.0	120.0
Book value per share	766.0	816.2	947.0	1,096.5	1,250.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.0	2.7	2.4	2.3	2.2
EV/EBITDA	17.4	14.9	12.9	12.5	11.9
Adjusted P/E	24.7	22.4	16.8	15.2	13.9
P/BV	5.0	4.6	4.0	3.5	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.2	74.4	73.8	73.8	0.0
Interest burden (PBT/EBIT)	118.0	108.7	121.2	123.1	0.0
EBIT margin (EBIT/Revenue)	14.5	15.4	15.4	15.5	0.0
Asset turnover (Rev./Avg TA)	130.6	124.8	118.2	110.9	0.0
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.6	1.6	0.0
Adjusted ROAE	22.8	22.5	25.6	24.4	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.0	11.3	14.6	8.3	7.5
EBITDA	1.7	16.3	17.5	7.4	7.5
Adjusted EPS	(0.8)	10.3	33.4	10.5	9.9
Profitability & Return ratios (%)					
EBITDA margin	17.1	17.9	18.3	18.2	18.2
EBIT margin	14.5	15.4	15.4	15.5	15.6
Adjusted profit margin	12.8	12.4	13.8	14.0	14.3
Adjusted ROAE	22.9	22.4	25.7	24.5	23.4
ROCE	18.4	18.0	17.3	16.6	16.1
Working capital days (days)					
Receivables	74	82	79	79	78
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	23.8	31.5	47.9	50.7	53.2
Current ratio	3.3	2.1	2.0	2.3	2.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	0.0	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – MPHL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	142,300	158,796	184,309	200,637	218,871
EBITDA	26,471	29,835	33,656	36,678	39,691
Depreciation	4,762	5,554	5,816	6,172	6,429
EBIT	21,709	24,281	27,840	30,506	33,262
Net interest inc./(exp.)	(1,656)	(2,040)	(3,006)	(2,868)	(2,730)
Other inc./(exp.)	2,550	3,206	4,952	5,398	5,978
Exceptional items	0	0	0	0	0
EBT	22,603	25,447	29,787	33,036	36,510
Income taxes	5,579	6,467	7,507	8,326	9,201
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	17,024	18,980	22,280	24,710	27,309
Adjustments	0	0	0	0	0
Adjusted net profit	17,024	18,980	22,280	24,710	27,309

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	31,445	39,998	44,748	49,183	53,523
Provisions	833	2,457	2,749	3,021	3,288
Debt funds	11,159	17,929	17,129	16,329	15,529
Other liabilities	9,346	9,998	9,998	9,998	9,998
Equity capital	1,901	1,908	1,908	1,908	1,908
Reserves & surplus	94,383	105,529	114,441	124,325	135,248
Shareholders' fund	96,284	107,437	116,349	126,233	137,157
Total liab. and equities	149,067	177,819	190,973	204,764	219,494
Cash and cash eq.	16,126	17,527	22,545	24,246	30,424
Accounts receivables	31,604	44,718	50,029	54,987	59,839
Inventories	0	0	0	0	0
Other current assets	18,192	29,504	33,008	36,279	39,480
Investments	22,082	17,366	17,366	17,366	17,366
Net fixed assets	8,463	9,694	8,499	11,877	11,905
CWIP	2	1	1	1	1
Intangible assets	42,907	47,677	47,677	47,677	47,677
Deferred tax assets, net	3,246	4,348	4,864	5,346	5,818
Other assets	6,445	6,984	6,984	6,984	6,984
Total assets	149,067	177,819	190,973	204,764	219,494

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	21,215	12,325	27,329	30,228	33,021
Capital expenditures	(6,328)	(6,784)	(4,621)	(9,551)	(6,457)
Change in investments	8,428	3,614	(516)	(482)	(472)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	2,100	(3,170)	(5,137)	(10,033)	(6,928)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(3,953)	6,877	(800)	(800)	(800)
Interest expenses	(1,656)	(2,040)	(3,006)	(2,868)	(2,730)
Dividends paid	0	0	(13,368)	(14,826)	(16,385)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(5,609)	4,837	(17,174)	(18,494)	(19,915)
Chg in cash & cash eq.	7,982	1,401	5,018	1,701	6,177
Closing cash & cash eq.	16,126	17,527	22,545	24,246	30,424

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	89.9	97.8	116.9	129.6	143.2
Adjusted EPS	89.3	97.5	116.6	129.4	143.0
Dividend per share	0.0	0.0	70.1	77.8	85.9
Book value per share	507.0	563.5	610.3	662.1	719.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.0	2.7	2.3	2.2	2.0
EV/EBITDA	16.1	14.4	12.8	11.8	11.0
Adjusted P/E	25.1	23.0	19.2	17.3	15.7
P/BV	4.4	4.0	3.7	3.4	3.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.3	73.2	74.8	74.8	74.8
Interest burden (PBT/EBIT)	104.1	104.8	107.0	108.3	109.8
EBIT margin (EBIT/Revenue)	15.3	15.3	15.1	15.2	15.2
Asset turnover (Rev./Avg TA)	98.0	97.2	100.0	101.4	103.2
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	1.6
Adjusted ROAE	18.5	18.3	19.9	20.4	20.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.2	11.6	16.1	8.9	9.1
EBITDA	9.3	12.7	12.8	9.0	8.2
Adjusted EPS	8.1	9.2	19.6	10.9	10.5
Profitability & Return ratios (%)					
EBITDA margin	18.6	18.8	18.3	18.3	18.1
EBIT margin	15.3	15.3	15.1	15.2	15.2
Adjusted profit margin	12.0	12.0	12.1	12.3	12.5
Adjusted ROAE	18.5	18.6	19.9	20.4	20.7
ROCE	14.2	14.4	14.9	15.4	15.8
Working capital days (days)					
Receivables	81	103	99	100	100
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	16.8	16.4	21.7	16.9	18.4
Current ratio	2.2	2.3	2.4	2.3	2.4
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	0.0	0.0	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – PSYS

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	119,387	147,485	210,112	321,818	366,124
EBITDA	20,581	27,955	37,501	54,967	64,586
Depreciation	3,069	4,030	6,024	10,991	11,593
EBIT	17,512	23,925	31,477	43,977	52,994
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	710	1,078	902	829	827
Exceptional items	0	0	0	0	0
EBT	18,223	25,002	31,462	38,137	48,495
Income taxes	4,222	5,461	7,671	10,678	13,579
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	14,001	19,542	23,791	27,458	34,916
Adjustments	0	0	0	0	0
Adjusted net profit	14,001	19,542	23,791	27,458	34,916

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	17,299	28,672	61,530	59,898	75,970
Provisions	4,029	570	1,018	1,203	1,335
Debt funds	0	0	152,950	124,950	96,950
Other liabilities	2,848	6,144	6,144	6,144	6,144
Equity capital	779	789	789	789	789
Reserves & surplus	62,411	77,590	90,675	105,777	124,981
Shareholders' fund	63,191	78,379	91,464	106,566	125,770
Total liab. and equities	87,366	113,765	313,106	298,761	306,169
Cash and cash eq.	10,255	12,183	25,610	6,129	13,523
Accounts receivables	19,142	22,231	39,677	46,901	52,050
Inventories	0	0	0	0	0
Other current assets	18,926	30,358	46,724	55,232	61,295
Investments	9,803	16,148	16,148	16,148	16,148
Net fixed assets	13,805	15,232	22,030	16,214	9,796
CWIP	42	107	107	107	107
Intangible assets	12,338	13,597	120,662	120,662	120,662
Deferred tax assets, net	2,024	3,460	3,460	3,460	3,460
Other assets	1,031	450	450	450	450
Total assets	87,366	113,765	274,868	265,303	277,491

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	8,433	17,789	30,226	27,940	56,826
Capital expenditures	(3,787)	(3,849)	(3,330)	(3,330)	(3,330)
Change in investments	(1,367)	(4,903)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(5,154)	(8,751)	(3,330)	(3,330)	(3,330)
Equities issued/Others	9	10	0	0	0
Debt raised/repaid	51	176	152,950	(28,000)	(28,000)
Interest expenses	0	0	0	0	0
Dividends paid	(5,387)	(8,574)	(10,706)	(12,356)	(15,712)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(5,327)	(8,389)	142,244	(40,356)	(43,712)
Chg in cash & cash eq.	26	1,928	13,428	(19,481)	7,393
Closing cash & cash eq.	10,255	12,183	25,610	6,129	13,523

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	91.2	119.7	152.1	175.5	223.2
Adjusted EPS	90.2	118.9	150.8	174.1	221.3
Dividend per share	34.9	54.8	68.4	79.0	100.4
Book value per share	405.4	496.8	579.8	675.5	797.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.3	5.1	3.3	1.9	1.8
EV/EBITDA	36.8	27.1	18.4	11.3	10.0
Adjusted P/E	52.9	40.1	31.6	27.4	21.5
P/BV	11.8	9.6	8.2	7.1	6.0

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	76.8	77.4	75.6	72.0	72.0
Interest burden (PBT/EBIT)	104.1	100.8	100.0	86.7	91.5
EBIT margin (EBIT/Revenue)	14.7	16.2	15.0	13.7	14.5
Asset turnover (Rev./Avg TA)	211.3	207.7	129.9	135.1	161.0
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.9	2.4	2.0
Adjusted ROAE	24.8	26.3	28.0	27.7	30.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	21.6	23.5	42.5	53.2	13.8
EBITDA	19.3	35.8	34.2	46.6	17.5
Adjusted EPS	26.7	31.8	26.9	15.4	27.2
Profitability & Return ratios (%)					
EBITDA margin	17.2	19.0	17.8	17.1	17.6
EBIT margin	14.7	16.2	15.0	13.7	14.5
Adjusted profit margin	11.7	13.2	11.3	8.5	9.5
Adjusted ROAE	24.8	27.6	28.0	27.7	30.1
ROCE	23.8	26.1	14.7	13.3	16.8
Working capital days (days)					
Receivables	59	55	69	53	52
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	8.6	9.7	9.5	19.8	37.4
Current ratio	2.3	2.2	1.8	1.8	1.6
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	1.4	1.1	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – TCS

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	2,553,240	2,670,210	2,878,693	2,935,789	3,026,119
EBITDA	674,070	723,980	758,270	786,506	810,451
Depreciation	52,420	55,600	59,761	65,774	71,786
EBIT	621,650	668,380	698,509	720,732	738,665
Net interest inc./(exp.)	(7,960)	(12,270)	(10,600)	(10,600)	(10,600)
Other inc./(exp.)	39,620	(1,240)	20,921	24,139	25,508
Exceptional items	0	0	0	0	0
EBT	653,310	654,870	708,829	734,271	753,573
Income taxes	165,340	160,330	176,725	183,068	187,880
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2,440	2,440	2,640	2,640	2,640
Reported net profit	485,530	526,491	529,465	548,563	563,053
Adjustments	0	0	0	0	0
Adjusted net profit	485,530	526,491	529,465	548,563	563,053

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	139,090	148,080	150,084	155,482	160,260
Other current liabilities	373,580	428,980	432,790	443,051	452,132
Provisions	1,800	13,780	13,780	13,780	13,780
Debt funds	0	0	0	0	0
Other liabilities	124,110	148,100	148,577	149,863	151,001
Equity capital	3,620	3,620	3,620	3,620	3,620
Reserves & surplus	954,090	1,081,160	1,140,273	1,200,394	1,256,915
Shareholders' fund	957,710	1,084,780	1,143,893	1,204,014	1,260,535
Total liab. and equities	1,596,290	1,823,720	1,889,125	1,966,191	2,037,708
Cash and cash eq.	154,630	129,080	237,697	267,325	295,191
Accounts receivables	591,750	679,270	688,464	713,226	735,142
Inventories	280	290	290	290	290
Other current assets	180,670	215,020	217,258	223,285	228,619
Investments	306,890	337,700	267,700	267,700	267,700
Net fixed assets	125,240	136,970	151,526	166,023	180,520
CWIP	0	0	0	0	0
Intangible assets	28,000	92,840	92,840	92,840	92,840
Deferred tax assets, net	35,780	44,650	45,254	46,882	48,323
Other assets	173,120	187,900	188,095	188,619	189,084
Total assets	1,596,360	1,823,720	1,889,125	1,966,191	2,037,708

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	551,930	534,120	596,526	611,580	633,921
Capital expenditures	(68,260)	(67,330)	(74,317)	(80,271)	(86,283)
Change in investments	7,980	(30,240)	70,000	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(60,280)	(97,570)	(4,317)	(80,271)	(86,283)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(7,960)	(12,270)	(10,600)	(10,600)	(10,600)
Dividends paid	(549,334)	(479,578)	(566,773)	(588,572)	(610,371)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(557,294)	(491,848)	(577,373)	(599,172)	(620,971)
Chg in cash & cash eq.	21,770	(25,550)	108,617	29,628	27,866
Closing cash & cash eq.	154,630	129,080	237,697	267,325	295,191

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	134.2	136.0	146.3	151.6	155.6
Adjusted EPS	134.2	136.0	146.3	151.6	155.6
Dividend per share	126.0	110.0	130.0	135.0	140.0
Book value per share	264.7	299.8	316.2	332.8	348.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	3.0	2.8	2.6	2.6	2.6
EV/EBITDA	11.3	10.5	10.1	9.8	9.5
Adjusted P/E	15.3	15.1	14.1	13.6	13.2
P/BV	7.8	6.9	6.5	6.2	5.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.3	75.1	74.7	74.7	0.0
Interest burden (PBT/EBIT)	105.1	98.0	101.5	101.9	0.0
EBIT margin (EBIT/Revenue)	24.3	25.0	24.3	24.5	0.0
Asset turnover (Rev./Avg TA)	166.8	156.2	155.1	152.3	0.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	0.0
Adjusted ROAE	50.7	45.4	46.3	45.6	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.0	4.6	7.8	2.0	3.1
EBITDA	4.8	7.4	4.7	3.7	3.0
Adjusted EPS	4.2	1.4	7.6	3.6	2.6
Profitability & Return ratios (%)					
EBITDA margin	26.4	27.1	26.3	26.8	26.8
EBIT margin	24.3	25.0	24.3	24.5	24.4
Adjusted profit margin	19.0	19.7	18.4	18.7	18.6
Adjusted ROAE	51.9	51.6	47.5	46.7	45.7
ROCE	33.8	33.1	31.5	31.3	30.9
Working capital days (days)					
Receivables	85	93	87	89	89
Inventory	NA	NA	NA	NA	NA
Payables	20	20	19	19	19
Ratios (x)					
Gross asset turnover	20.4	19.5	19.0	17.7	16.8
Current ratio	1.8	1.7	1.9	2.0	2.0
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – TECHM

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	529,883	568,154	622,915	654,803	693,945
EBITDA	69,911	90,341	114,469	125,003	135,161
Depreciation	18,529	18,816	20,342	22,085	23,828
EBIT	51,382	71,525	94,128	102,918	111,333
Net interest inc./(exp.)	(3,217)	(3,374)	(3,552)	(3,552)	(3,552)
Other inc./(exp.)	8,554	319	8,002	8,537	9,487
Exceptional items	0	0	0	0	0
EBT	56,719	68,470	98,578	107,903	117,267
Income taxes	14,002	17,676	25,137	27,515	29,903
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(101)	53	104	104	104
Reported net profit	42,818	50,741	73,337	80,284	87,260
Adjustments	0	0	0	0	0
Adjusted net profit	42,818	50,741	73,337	80,284	87,260

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	126,740	144,975	152,121	160,899	171,351
Provisions	0	0	0	0	0
Debt funds	160	548	548	548	548
Other liabilities	44,430	52,017	52,017	52,017	52,017
Equity capital	4,424	4,428	4,428	4,428	4,428
Reserves & surplus	269,191	291,726	303,217	317,223	330,227
Shareholders' fund	273,615	296,154	307,645	321,651	334,655
Total liab. and equities	444,945	493,694	512,331	535,115	558,571
Cash and cash eq.	74,350	84,409	91,611	102,342	112,793
Accounts receivables	115,470	133,577	140,161	148,249	157,879
Inventories	394	1,042	1,042	1,042	1,042
Other current assets	47,117	57,269	60,092	63,559	67,688
Investments	7,836	3,984	3,984	3,984	3,984
Net fixed assets	47,636	44,278	44,204	42,119	38,291
CWIP	206	268	268	268	268
Intangible assets	76,993	84,560	84,560	84,560	84,560
Deferred tax assets, net	18,573	21,864	21,864	21,864	21,864
Other assets	56,370	62,443	64,545	67,127	70,201
Total assets	444,945	493,694	512,331	535,115	558,571

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	61,621	62,312	95,074	103,247	111,438
Capital expenditures	(10,899)	(15,520)	(20,268)	(20,000)	(20,000)
Change in investments	(8,433)	(896)	(2,102)	(2,582)	(3,074)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(19,332)	(16,416)	(22,370)	(22,582)	(23,074)
Equities issued/Others	11	4	0	0	0
Debt raised/repaid	3,686	7,661	0	0	0
Interest expenses	(3,217)	(3,374)	(3,552)	(3,552)	(3,552)
Dividends paid	(39,857)	(45,209)	(62,054)	(66,486)	(74,464)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(39,377)	(40,918)	(65,606)	(70,038)	(78,016)
Chg in cash & cash eq.	(799)	10,059	7,202	10,731	10,451
Closing cash & cash eq.	74,350	84,409	91,611	102,342	112,793

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	47.9	57.3	83.0	85.1	98.7
Adjusted EPS	47.8	57.3	82.9	85.0	98.5
Dividend per share	45.0	51.0	70.0	75.0	84.0
Book value per share	308.9	334.1	347.0	362.8	377.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.5	2.4	2.2	2.1	2.0
EV/EBITDA	19.2	14.9	11.8	10.9	10.2
Adjusted P/E	29.9	25.0	17.2	16.8	14.5
P/BV	4.6	4.3	4.1	3.9	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.5	74.1	74.4	74.4	74.4
Interest burden (PBT/EBIT)	110.4	95.7	104.7	104.8	105.3
EBIT margin (EBIT/Revenue)	9.7	12.6	15.1	15.7	16.0
Asset turnover (Rev./Avg TA)	169.2	170.4	175.7	178.3	182.3
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.2	1.2
Adjusted ROAE	15.8	17.8	24.3	25.5	26.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	1.9	7.2	9.6	5.1	6.0
EBITDA	40.8	29.2	26.7	9.2	8.1
Adjusted EPS	80.6	19.7	44.7	2.6	15.9
Profitability & Return ratios (%)					
EBITDA margin	13.2	15.9	18.4	19.1	19.5
EBIT margin	9.7	12.6	15.1	15.7	16.0
Adjusted profit margin	8.1	8.9	11.8	12.3	12.6
Adjusted ROAE	15.8	17.8	24.3	25.5	26.6
ROCE	12.4	15.9	19.8	20.9	21.8
Working capital days (days)					
Receivables	80	86	82	83	83
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	11.1	12.8	14.1	15.5	18.1
Current ratio	1.9	1.9	1.9	2.0	2.0
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – WPRO

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	890,884	926,240	1,001,526	1,027,878	1,057,823
EBITDA	190,397	193,268	204,948	212,527	223,545
Depreciation	39,126	36,632	38,586	42,586	46,586
EBIT	151,271	156,636	166,363	169,941	176,959
Net interest inc./(exp.)	(14,770)	(14,577)	(15,017)	(15,017)	(15,017)
Other inc./(exp.)	38,456	36,748	29,088	34,575	42,787
Exceptional items	0	0	0	0	0
EBT	174,957	173,150	180,433	189,499	204,729
Income taxes	42,777	40,767	44,206	46,427	50,159
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	826	681	680	680	680
Reported net profit	131,354	131,702	135,547	142,392	153,890
Adjustments	0	0	0	0	0
Adjusted net profit	131,354	131,702	135,547	142,392	153,890

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	88,252	94,924	99,008	102,532	104,617
Other current liabilities	189,976	303,993	302,679	305,337	306,909
Provisions	294	224	224	224	224
Debt funds	63,954	1,962	1,962	1,962	1,962
Other liabilities	111,036	125,040	125,040	125,040	125,040
Equity capital	20,944	20,977	19,777	19,777	19,777
Reserves & surplus	809,503	866,900	832,128	952,304	1,082,601
Shareholders' fund	830,447	887,877	851,905	972,081	1,102,378
Total liab. and equities	1,283,959	1,414,020	1,380,818	1,507,176	1,641,130
Cash and cash eq.	121,974	105,555	92,534	232,344	387,481
Accounts receivables	118,044	136,250	142,112	147,170	150,163
Inventories	694	517	517	517	517
Other current assets	147,815	182,871	175,414	179,489	181,900
Investments	439,259	467,859	467,859	467,859	467,859
Net fixed assets	55,235	67,962	44,949	22,363	(4,222)
CWIP	25,449	13,825	18,252	18,252	18,252
Intangible assets	352,464	416,575	416,575	416,575	416,575
Deferred tax assets, net	2,561	5,242	5,242	5,242	5,242
Other assets	20,464	17,364	17,364	17,364	17,364
Total assets	1,283,959	1,414,020	1,380,818	1,507,176	1,641,130

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	190,916	173,676	182,016	197,723	214,427
Capital expenditures	(4,063)	827	(20,000)	(20,000)	(20,000)
Change in investments	(105,133)	(27,801)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(109,196)	(26,974)	(20,000)	(20,000)	(20,000)
Equities issued/Others	10,494	33	(150,000)	0	0
Debt raised/repaid	20,351	6,057	0	0	0
Interest expenses	(14,770)	(14,577)	(15,017)	(15,017)	(15,017)
Dividends paid	(6)	(52,366)	(20,319)	(22,216)	(23,593)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	16,069	(60,853)	(185,336)	(37,233)	(38,611)
Chg in cash & cash eq.	25,021	(16,151)	(13,321)	139,750	155,076
Closing cash & cash eq.	121,974	105,823	92,234	232,284	387,421

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	12.6	12.6	13.7	14.4	15.6
Adjusted EPS	12.5	12.5	13.7	14.4	15.5
Dividend per share	0.0	5.0	2.1	2.2	2.4
Book value per share	79.4	84.7	86.2	98.4	111.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.1	2.0	1.9	1.9	2.0
EV/EBITDA	9.7	9.8	9.3	9.3	9.5
Adjusted P/E	13.8	13.8	12.6	12.0	11.1
P/BV	2.2	2.0	2.0	1.8	1.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.1	76.1	75.1	75.1	75.2
Interest burden (PBT/EBIT)	115.7	110.5	108.5	111.5	115.7
EBIT margin (EBIT/Revenue)	17.0	16.9	16.6	16.5	16.7
Asset turnover (Rev./Avg TA)	73.1	68.5	71.4	70.9	67.0
Leverage (Avg TA/Avg Equity)	1.5	1.6	1.6	1.6	1.5
Adjusted ROAE	16.6	15.3	15.6	15.6	14.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(0.7)	4.0	8.1	2.6	2.9
EBITDA	7.9	1.5	6.0	3.7	5.2
Adjusted EPS	20.9	0.1	9.1	5.0	8.1
Profitability & Return ratios (%)					
EBITDA margin	21.4	20.9	20.5	20.7	21.1
EBIT margin	17.0	16.9	16.6	16.5	16.7
Adjusted profit margin	14.7	14.2	13.5	13.9	14.5
Adjusted ROAE	16.6	15.3	15.6	15.6	14.8
ROCE	10.9	10.4	10.8	10.6	10.0
Working capital days (days)					
Receivables	75	87	84	85	84
Inventory	NA	NA	NA	NA	NA
Payables	36	37	36	36	36
Ratios (x)					
Gross asset turnover	16.1	13.6	22.3	46.0	(250.5)
Current ratio	1.4	1.1	1.0	1.4	1.7
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ZENT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	52,806	56,874	62,476	65,407	68,265
EBITDA	8,166	9,162	9,741	10,139	10,667
Depreciation	1,019	913	986	1,112	1,237
EBIT	7,147	8,249	8,755	9,027	9,430
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	1,429	2,217	1,822	2,190	2,785
Exceptional items	0	0	0	0	0
EBT	8,577	10,466	10,577	11,217	12,215
Income taxes	2,079	2,471	2,697	2,860	3,115
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	6,498	7,995	7,880	8,356	9,100
Adjustments	0	0	0	0	0
Adjusted net profit	6,498	7,995	7,880	8,356	9,100

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	3,454	3,674	4,084	4,189	4,405
Other current liabilities	5,385	7,826	8,156	8,240	8,414
Provisions	53	59	59	59	59
Debt funds	0	0	0	0	0
Other liabilities	3,239	3,184	3,184	3,184	3,184
Equity capital	454	453	453	453	453
Reserves & surplus	39,144	45,639	50,254	54,893	60,048
Shareholders' fund	39,598	46,092	50,707	55,346	60,501
Total liab. and equities	51,729	60,835	66,191	71,019	76,563
Cash and cash eq.	7,436	9,315	11,118	13,467	16,205
Accounts receivables	7,901	9,242	10,274	10,538	11,080
Inventories	0	0	0	0	0
Other current assets	5,272	5,352	5,534	5,580	5,676
Investments	12,537	16,594	18,594	20,594	22,594
Net fixed assets	908	1,051	1,390	1,558	1,727
CWIP	6	10	10	10	10
Intangible assets	9,819	10,508	10,508	10,508	10,508
Deferred tax assets, net	1,079	1,101	1,101	1,101	1,101
Other assets	6,771	7,662	7,662	7,662	7,662
Total assets	51,729	60,835	66,191	71,019	76,563

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	7,240	9,999	8,472	9,427	10,169
Capital expenditures	2,335	1,440	1,325	1,280	1,406
Change in investments	6,031	4,057	2,000	2,000	2,000
Other investing cash flows	0	0	0	0	0
Cash flow from investing	3,696	2,617	675	720	594
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(2,951)	(3,400)	(3,264)	(3,718)	(3,944)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(2,951)	(3,400)	(3,264)	(3,718)	(3,944)
Chg in cash & cash eq.	195	1,879	1,803	2,349	2,738
Closing cash & cash eq.	7,436	9,315	11,118	13,467	16,205

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	28.7	34.1	34.8	36.9	40.1
Adjusted EPS	28.4	33.7	34.8	36.9	40.1
Dividend per share	13.0	15.0	14.4	16.4	17.4
Book value per share	174.4	203.3	223.7	244.1	266.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.1	1.9	1.8	1.8	1.7
EV/EBITDA	13.4	12.1	11.5	11.3	11.0
Adjusted P/E	15.9	13.4	13.0	12.2	11.2
P/BV	2.6	2.2	2.0	1.8	1.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.8	76.4	74.5	74.5	0.0
Interest burden (PBT/EBIT)	120.0	126.9	120.8	124.3	0.0
EBIT margin (EBIT/Revenue)	13.5	14.5	14.0	13.8	0.0
Asset turnover (Rev./Avg TA)	107.5	101.1	98.4	95.3	0.0
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	0.0
Adjusted ROAE	17.5	18.7	16.3	15.8	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.7	7.7	9.9	4.7	4.4
EBITDA	(6.3)	12.2	6.3	4.1	5.2
Adjusted EPS	(2.5)	18.6	3.2	6.1	8.9
Profitability & Return ratios (%)					
EBITDA margin	15.5	16.1	15.6	15.5	15.6
EBIT margin	13.5	14.5	14.0	13.8	13.8
Adjusted profit margin	12.3	14.1	12.6	12.8	13.3
Adjusted ROAE	17.5	18.7	16.3	15.8	15.7
ROCE	13.4	13.7	12.6	12.0	11.5
Working capital days (days)					
Receivables	55	59	60	59	59
Inventory	NA	NA	NA	NA	NA
Payables	24	23	24	23	23
Ratios (x)					
Gross asset turnover	58.2	54.1	45.0	42.0	39.5
Current ratio	3.7	3.5	3.7	4.0	4.3
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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