RESULT REVIEW

HOLD
TP: Rs 1,132 | ⮝ 8%

INFOSYS | IT Services | 24 July 2026

Organic revenue guidance weak. New CEO low key insider

- **1QFY27 saw organic revenue decline QoQ. For FY27 organic growth reduced from 2.25% three months back to 0.55% now. Big deceleration**
- **Client specific issues, higher AI deflation, macro uncertainty, higher competitive intensity leads to both weaker volume and price in FY27**
- **Incorporate lower organic growth, M&A and broadly maintain estimates. Maintain our Target PE multiple and HOLD rating**

Girish Pai
Research Analyst
Lopa Notaria, CFA
Research Associate
research@bobcaps.in

1QFY27 was weaker than estimated both on revenue and margin: Revenue declined organically by 10bps against our estimate of 70bps growth. Client specific issues in EURS and European Auto verticals impacted growth towards end of 1Q. EBIT margin at 21.1% (estimate 21.5%) on project termination and AI investments.

Weak guidance on organic revenue growth: Organic revenue growth guidance for FY27 was reduced from 2.25% at the mid-point of the range (3 months back) to 0.55% growth currently. A reduction of 170bps. This significant cut has been due to (1) client specific issues (2) higher than expected AI related productivity (3) high competitive intensity (4) weak macro environment leading to client uncertainty.

EBIT margin guidance retained at 20-22%. We believe that number would come at the mid-lower end of this range (1) because of pricing pressure (2) because of investments required in AI and (3) salary hike in 2HFY27

Announces a CEO designate in Ashiss Kumar Dash: He will take over from Salil Parekh starting 1 April 2027. Ashiss is a 30+ year veteran and is currently EVP & Global Head, EURS vertical. He is a relative unknown to the market, we think.

Tweak estimates: We have kept estimates broadly similar. However, we have lowered organic growth to zero and added 170bp of inorganic impact (from Optimum and Stratus). EPS broadly maintained.

Believe historical PE analysis does not capture AI disruption risks adequately. If we go by historical 5- year and 10-year PE measures stock looks cheap. Our DCF analysis indicates current price for Infosys factors 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. Nevertheless, we have been generous in giving it a Target PE multiple of 14.1x (same as sector benchmark) and retain our HOLD rating on the stock.

Key changes

Target	Rating
▼	◄►

Ticker/Price	INFO IN/Rs 1,047
Market cap	US$ 44.6bn
Free float	86%
3M ADV	US$ 172.5mn
52wk high/low	Rs 1,728/Rs 982
Promoter/FPI/DII	14%/27%/43%

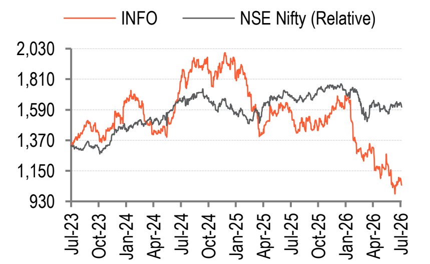
Source: NSE | Price as of 23 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,786,500	1,950,985	2,015,078
EBITDA (Rs mn)	424,440	454,152	465,525
Adj. net profit (Rs mn)	294,400	307,940	319,798
Adj. EPS (Rs)	71.5	76.0	78.9
Consensus EPS (Rs)	71.5	77.1	81.7
Adj. ROAE (%)	31.1	33.1	32.7
Adj. P/E (x)	14.6	13.8	13.3
EV/EBITDA (x)	10.5	9.8	9.7
Adj. EPS growth (%)	11.1	6.2	3.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Key Points from the quarter and the earnings call

- Revenue stood at US$5,082 mn, up 1% QoQ and 2.4% YoY in CC terms; acquisitions contributed ~1.1% QoQ. Organic CC QoQ revenue declined by 0.1% (against our estimate of 0.7% growth)
    - 1QFY27 revenue growth was below expectations of the management due to a 50 bps impact from program termination by an EURS client, which was not factored into earlier guidance
    - Volumes were weaker than expectations and also versus the historical 1Q trends
    - Client productivity expectations and high competitive intensity resulted in softer price increases than expected
    - Sequential revenue growth was also impacted by higher offshoring to de-risk the business model and lower revenue from a European manufacturing client
- AI revenue reached 8.2% of total revenue, growing strong double digits QoQ over the last many quarters with traction across all six AI value pools, led by Process AI, AI Strategy, Engineering and Data for AI. The AI revenue number was 5.5% in 3QFY26. The 2 quarter CQGR is ~22%.
- EBIT margin stood at 21.1% (against our estimate of 21.5%), improving 10 bps QoQ
    - Tailwinds included 70 bps from rupee depreciation, 20 bps from Project Maximus and 20 bps net benefit from amortization of intangible costs incurred in 4Q offset by new acquisitions
    - Headwinds included 50 bps from investments in AI sales and marketing and 40 bps from one-time revenue impact due to program termination
    - One-time cost benefit of ~30 bps was offset by 20 bps increase in various other expenses
- Utilization excluding trainees improved 190bps to 84.9% driven by operational efficiency initiatives
- Onsite mix excluding new acquisitions declined 30 bps, while including acquisitions remained flat. Onsite mix excluding acquisitions is expected to reduce 75 bps to 1% during FY27
- Headcount stood at 3,28,062, declining by 532 despite addition of over 2,000 employees through acquisitions
- Attrition increased to 13% from 12.6% QoQ in line with normal 1Q seasonality
- Salary hikes for most employees will be effective October, with remaining senior employees covered in January 2027
- Large deal TCV stood at US$3.6 bn (increasing 12% QoQ and declining 4% YoY) with 61% being net new

   - Benefited from vendor consolidation with 20% of large deal TCV coming from new vendor consolidation deals
- FY27 constant currency revenue growth guidance revised to 1.5% to 3% (earlier 1.5%-3.5%)
   - Revised guidance includes ~1.7% contribution from Optimum Healthcare and Stratus acquisitions
   - Guidance incorporates slightly over 1% impact from reduced spending by a large European manufacturing client and the decision not to pursue deals that did not meet return expectations
   - Guidance also includes ~0.75% to 1% impact from increased offshoring
   - Soft 1Q volumes will have a cascading impact on 2QFY27 and the rest of FY27
   - Guidance revision reflects the one-off EURS client project termination
- Softer than expected volumes, higher client productivity asks and increased pricing competition led to lower than expected pricing, with impact continuing through FY27
- Operating margin guidance maintained at 20% to 22%
   - Margin guidance factors in headwinds from wage hikes, productivity pass-through, AI investments and 50 bps impact from Optimum Healthcare and Stratus acquisitions. Margin headwinds are expected to be partly offset by Project Maximus initiatives and currency benefits
- Overall business environment remained volatile
- Lower end of guidance assumes further macro deterioration, while upper end assumes macro improvement, though below April assumptions
- Financial Services and EURS are expected to grow faster than the company average
- Client spending continued shifting towards AI-led modernization, cost transformation, cybersecurity, cloud optimization and vendor consolidation

Vertical Commentary:

- Financial Services clients remained cautious due to uncertainty and geopolitical instability, with spending focused on efficiency, productivity and modernization while discretionary spending being evaluated more carefully
   - Saw momentum across banking, payments, capital markets and wealth management
   - AI adoption remained incremental and additive, with increasing engagements across AI strategy, platforms, engineering and operations
   - GCC activity remained strong with participation in both setup and expansion of client GCCs

- Manufacturing growth continued to be impacted by lower revenue from a large client
  - Manufacturing clients remained cautious on discretionary spending with elongated decision making, particularly in European automotive
  - Tariffs, geopolitical uncertainty and energy costs continued to keep manufacturing budgets tightly controlled
  - AI adoption created new opportunities but also increased client productivity expectations
  - Getting better pricing for AI skills and consulting
  - Focus remains on supporting clients through digital, AI modernization and consolidation initiatives while balancing growth with disciplined deal selection and sustainable pricing
- EURS performance was impacted by one-off client termination; excluding this impact, growth remained strong
  - Macroeconomic uncertainty continued to influence client spending and decision timelines
  - EURS client priorities remained focused on cost optimization, operational resilience, productivity improvements and regulatory compliance
  - Generative AI emerged as a strong growth catalyst driving process reimagination and productivity initiatives
- Retail and CPG
  - Partnerships with hyperscalers and AI-native companies enabled faster experimentation and innovation
  - Consumer spending remained muted with budgets tightly controlled due to geopolitics, inflation and tariffs
  - Retail spending continued shifting towards AI modernization and productivity-led programs funded through cost optimization and operational efficiency
  - Clients are demanding AI-led productivity commitments, resulting in new pricing structures
  - Large deal pipeline remained healthy, although decision cycles were longer
- Communications operating environment remained challenging as clients continued to exercise discipline on discretionary spending and closely scrutinize investment decisions
  - AI continued reshaping spending patterns with enterprises prioritizing initiatives delivering near-term gains
  - Telecom industry continued to undergo consolidation and M&A with increased investments, particularly by OEMs

Other Points:

- Management said that the company entered FY27 amid a dynamic and evolving business environment with lower-than-expected volumes. Clients prioritized investments in AI modernization, cloud and productivity initiatives while remaining selective on discretionary spending
- Building a team of 6,000 frontier engineers over the next few years to support client work
- AI services pipeline remains healthy, supporting confidence in continued AI demand
- Impact of the EURS client program termination has been fully incorporated in 1QFY27
- Volume softness was seen through the quarter. One-off impact from the EURS client project termination and additional impact from the large European manufacturing client occurred towards the end of the quarter
- Pricing is still increasing, but the increase is lower than expected at the start of FY27. Lower than expected pricing reflects higher client productivity asks and intensified competitive intensity
- Impact from the large European manufacturing client came from certain deals in 1Q that were consciously not pursued as they did not make economic or commercial sense. Separate EURS client contract termination also had no link to AI and resulted in a revenue reduction
- Maintained FY27 operating margin guidance of 20% to 22% with confidence
    - 2H margin headwinds include acquisition-related amortization of intangibles and retention payouts to founders and management of acquired entities
    - Margin tailwinds include currency, Project Maximus and a 0.75% to 1% reduction in onsite mix
- Large deal contract duration remains broadly unchanged at 3-5 years on average, with only some mega deals having longer tenures
- Renewals continue to carry client productivity asks, with AI-led productivity creating additional deflation. This is offset by net new business
- AI productivity demands are broad-based across most industries. Highest AI adoption is being seen in Telecom, Financial Services, Retail and Utilities, particularly in foundation models, modernization and coding tools
- AI productivity asks are common at contract renewals but can also arise during the contract period
- AI revenue increased from 5.5% in 3Q to 8.2% in 1Q and has grown at a strong double-digit rate over the last 5-6 quarters, reinforcing confidence in AI as the growth engine

- Launch of AI services practices by hyperscalers is viewed positively as it validates the long-term relevance of Infosys' AI services
- Competitive advantage lies in a 300,000+ employee base and deep client knowledge, enabling AI deployment in complex enterprise environments
- Partnerships with hyperscalers continue, with their relatively smaller services teams viewed as complementary rather than competitive. Similar partnership models have existed previously with software companies having their own services businesses
- FY27 hiring plan remains at 20,000 college graduates, with over 4,000 recruited in 1Q
- Management did not provide an external year-end headcount outlook but expects hiring to continue as revenue grows
- Vendor consolidation deals are being won due to strong delivery capabilities and ability to manage complex technology environments. Vendor consolidation deals continue to include productivity commitments as part of commercial discussions
- Vendor consolidation deals were won at healthy margins, even relative to the overall large deal portfolio. Management will compete aggressively but will not accept uneconomic productivity assumptions
- Campus hiring remains a key talent source as graduates have stronger native AI understanding. Lateral hiring is used for specialized AI skills, supported by targeted reskilling where required

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**).and the 9 July 2026 one (**'Show me the growth' phase will keep valuations compressed**)

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 FY26, Tier-1 revenue has reached US$ 85bn, double that in FY15 (6.5% CAGR). 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 several 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 seen 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.

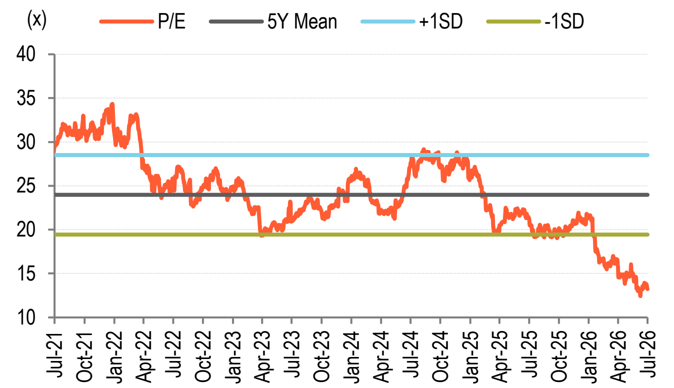
Also, some of the Tier-2s have been underperforming on the growth front, being discretionary project-oriented businesses struggling to pivot to a cost-take-out-driven demand environment.

Fig 1 – Quarterly results: Comparison of actuals with estimates

Y/E Mar (Rs mn)	1QFY26	4QFY26	1QFY27	YoY (%)	QoQ (%)	1QFY27E	Dev (%)
Net Sales (USD mn)	**4,941**	**5,040**	**5,082**	**2.9**	**0.8**	**5,052**	**0.6**
Net Sales	**422,790**	**464,020**	**482,110**	**14.0**	**3.9**	**478,393**	**0.8**
Software Development Expenses	292,240	320,580	330,330	13.0	3.0	329,133	0.4
% of Sales	69.1	69.1	68.5			68.8	
Gross Margin	130550	143440	151780	16.3	5.8	149260	1.7
% of Sales	30.9	30.9	31.5			31.2	
SG&A	42,520	46,010	50,150	17.9	9.0	46,404	8.1
% of Sales	10.1	9.9	10.4			9.7	
EBIT	**88,030**	**97,430**	**101,630**	**15.4**	**4.3**	**102,856**	**(1.2)**
EBIT Margin (%)	**20.8**	**21.0**	**21.1**		**26**	**21.5**	
Other Income	10,420	11,590	9,840	(5.6)	(15.1)	4,218	133.3
PBT	97,400	107,970	110,280	13.2	2.1	106,024	4.0
Provision for Tax	28,160	22,880	32,530	15.5	42.2	28,096	15.8
Effective Tax Rate	28.9	21.2	29.5			26.5	
PAT (reported)	69,240	85,090	77,750	12.3	(8.6)	77,928	(0.2)
Margin%	16.4	18.3	16.1			16.3	
Exceptional items	0	0	0			0	
Minority Interest	30	80	60			0	
PAT (adjusted)	**69,210**	**85,010**	**77,690**	**12.3**	**(8.6)**	**77,928**	**(0.3)**
Margin%	**16.4**	**18.3**	**16.1**			**16.3**	

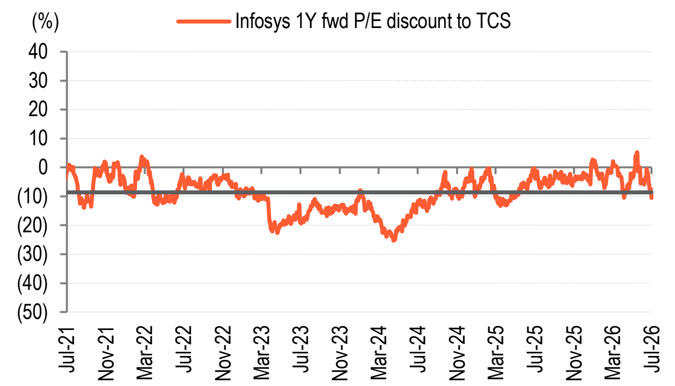
Source: Company, BOBCAPS Research

Fig 2 – 5 Year PE trend



Source: Bloomberg, BOBCAPS Research

Fig 3 – Premium/ Discount to TCS



Source: Bloomberg, BOBCAPS Research

Fig 4 – Revised Estimates

	New			Old			Change (%)		
Change in estimates	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
INR/USD	95.3	96.3	97.3	95.1	96.1	97.1	0.2	0.2	0.2
USD Revenue (USD mn)	20,481	20,932	21,685	20,484	20,961	21,722	(0.0)	(0.1)	(0.2)
USD Revenue Growth (%)	1.6	2.2	3.6	1.6	2.3	3.6			
Revenue (Rs bn)	1951	2015	2109	1948	2014	2109	0.2	0.1	0.0
EBIT (Rs bn)	402	411	432	406	420	437	(0.9)	(2.2)	(1.2)
EBIT Margin (%)	20.6	20.4	20.5	20.8	20.9	20.7			
PAT (Rs bn)	308	320	342	309	323	338	(0.4)	(0.8)	1.4
FDEPS-Adjusted (Rs)	76.0	78.9	84.5	76.3	79.6	83.3	(0.4)	(0.9)	1.3

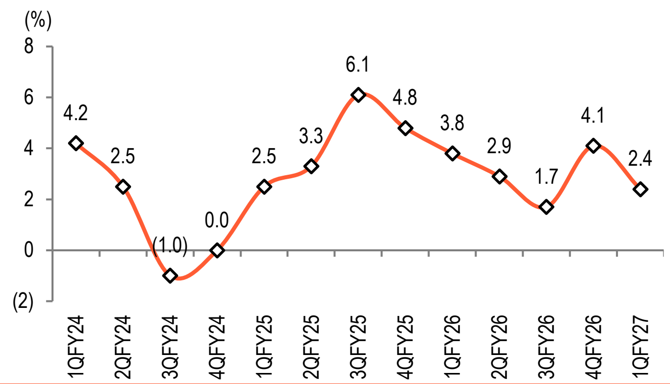
Source: BOBCAPS Research

Fig 5 – P&L at a glance

(YE March) Rs bn	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Average INR/USD	65.7	67.1	64.5	70.0	71.0	74.1	74.5	80.9	82.7	84.6	88.6	95.3	96.3	97.3
Net Sales (USD mn)	**9,499**	**10,206**	**10,940**	**11,799**	**12,781**	**13,562**	**16,310**	**18,212**	**18,562**	**19,277**	**20,156**	**20,481**	**20,932**	**21,685**
-Growth (%)	**9.0**	**7.4**	**7.2**	**7.9**	**8.3**	**6.1**	**20.3**	**11.7**	**1.9**	**3.9**	**4.6**	**1.6**	**2.2**	**3.6**
Net Sales	624	685	705	827	908	1,005	1,216	1,468	1,537	1,630	1,787	1,951	2,015	2,109
-Growth (%)	17.1	9.7	3.0	17.2	9.8	10.7	21.1	20.7	4.7	6.1	9.6	9.2	3.3	4.7
Direct Costs	391	433	451	539	607	654	820	1,024	1,074	1,133	1,234	1,355	1,406	1,471
Gross Margin	233	252	254	288	301	351	396	444	463	496	552	596	609	639
% of sales	37.4	36.8	36.0	34.8	33.1	34.9	32.6	30.3	30.1	30.5	30.9	30.6	30.2	30.3
SG& A	77	83	82	99	107	104	116	135	145	152	177	194	197	207
% of sales	12.4	12.2	11.7	12.0	11.8	10.4	9.6	9.2	9.4	9.3	9.9	9.9	9.8	9.8
EBIT	**156**	**169**	**171**	**189**	**194**	**246**	**280**	**309**	**317**	**344**	**375**	**402**	**411**	**432**
% of sales	**25.0**	**24.7**	**24.3**	**22.8**	**21.3**	**24.5**	**23.0**	**21.1**	**20.7**	**21.1**	**21.0**	**20.6**	**20.4**	**20.5**
Other income (net)	31	31	32	33	28	22	23	27	47	36	29	40	47	58
PBT	187	200	204	213	220	266	301	333	360	376	400	437	454	486
-PBT margin (%)	30.0	29.1	28.9	25.8	24.2	26.5	24.8	22.7	23.4	23.1	22.4	22.4	22.5	23.0
Provision for tax	53	56	57	56	54	72	80	92	97	109	105	129	134	143
Effective tax rate (%)	28.0	28.1	28.0	26.4	24.4	27.1	26.4	27.7	27.1	28.9	26.3	29.5	29.5	29.5
Net profit (post minority interest)	**135**	**144**	**147**	**157**	**166**	**194**	**221**	**241**	**262**	**267**	**294**	**308**	**320**	**342**
-Growth (%)	9.4	6.4	2.3	6.8	5.8	16.6	14.3	9.0	8.9	1.8	10.2	4.6	3.9	7.0
-Net profit margin (%)	21.6	21.0	20.8	19.0	18.3	19.3	18.2	16.4	17.1	16.4	16.5	15.8	15.9	16.2

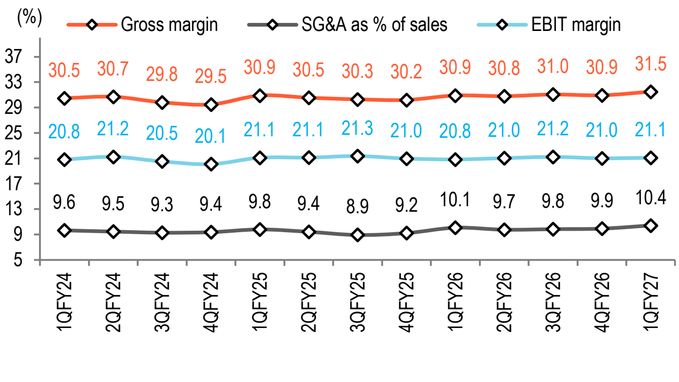
Source: Company, BOBCAPS Research

Fig 6 – Revenue Growth YoY (CC terms)



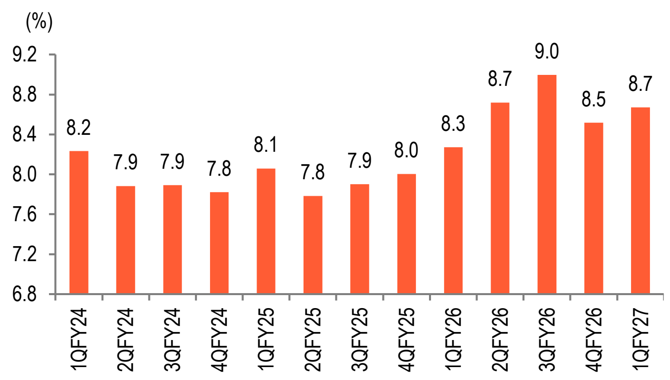
Source: Company, BOBCAPS Research

Fig 7 – Gross Margin, SG&A (as % of sales) and EBIT Margin



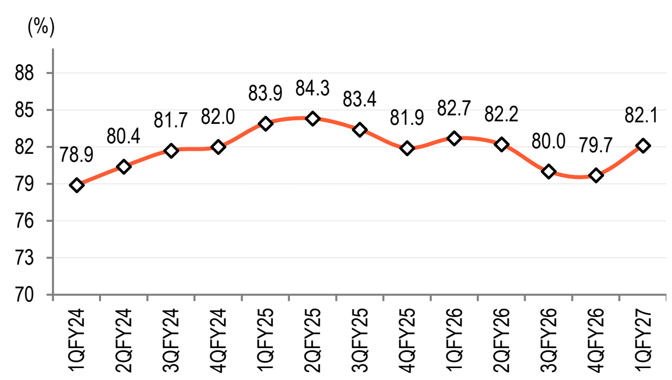
Source: Company, BOBCAPS Research

Fig 8 – Cost of technical sub-contractors as % of sales



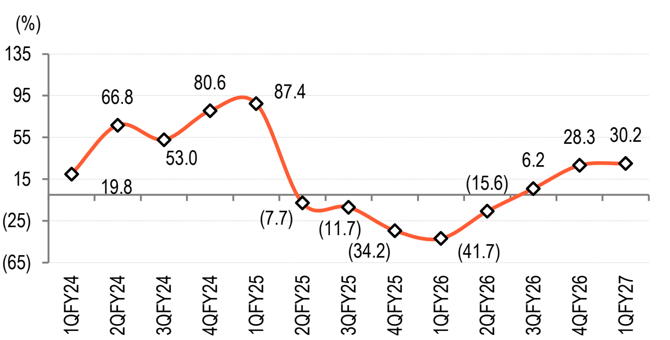
Source: Company, BOBCAPS Research

Fig 9 – Utilisation (%) (including trainees)



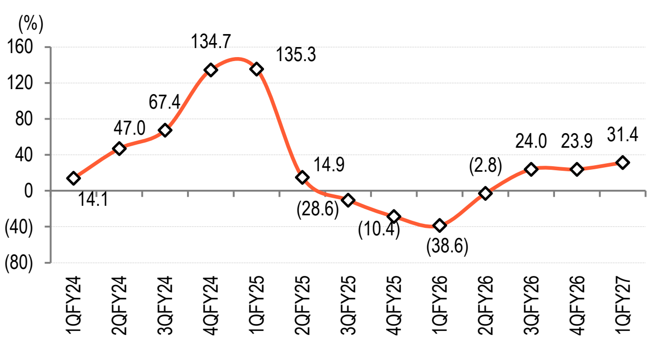
Source: Company, BOBCAPS Research

Fig 10 – Large deal TCV YoY growth – TTM (%)



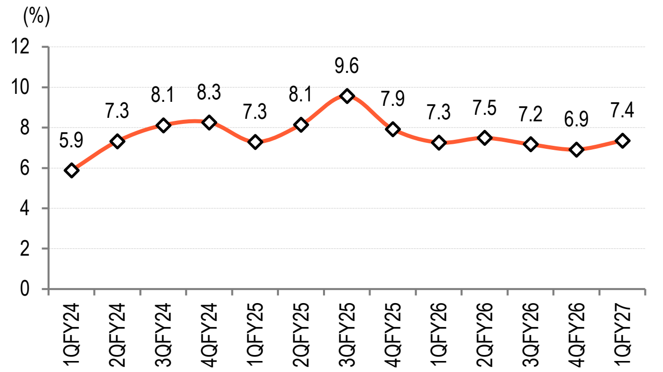
Source: Company, BOBCAPS Research

Fig 11 – Growth in Net New large deal TCV – TTM (%)



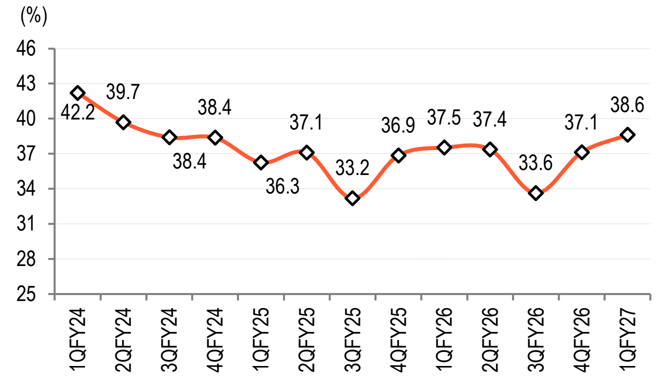
Source: Company, BOBCAPS Research

Fig 12 – Third-party items for service delivery (% of sales)



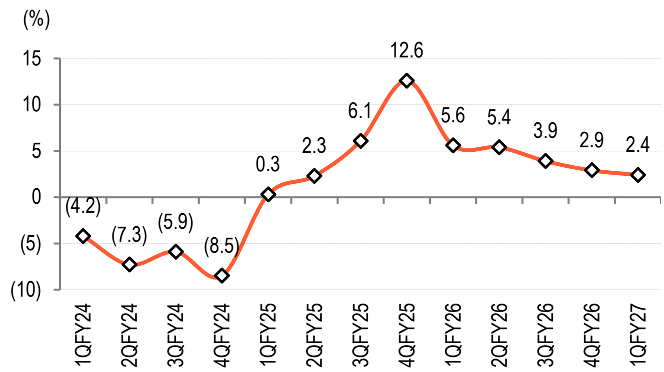
Source: Company, BOBCAPS Research

Fig 13 – Unbilled Revenue (% of sales)



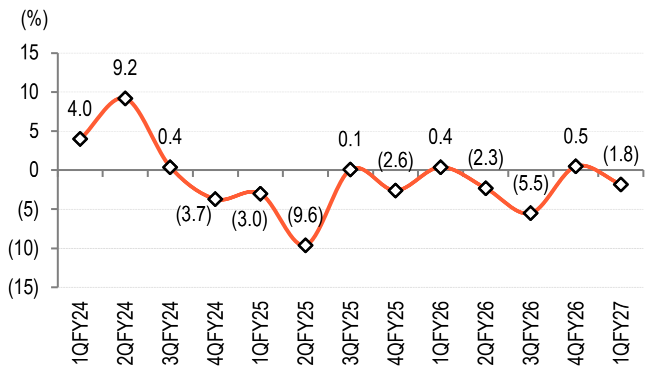
Source: Company, BOBCAPS Research

Fig 14 – YoY Revenue growth: BFSI vertical (CC terms)



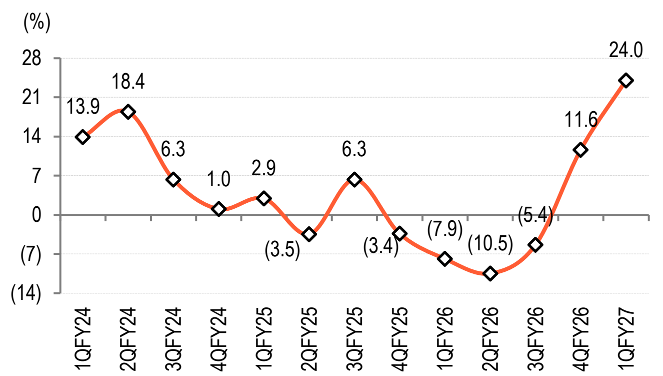
Source: Company, BOBCAPS Research

Fig 15 – YoY Revenue growth: Retail vertical (CC terms)



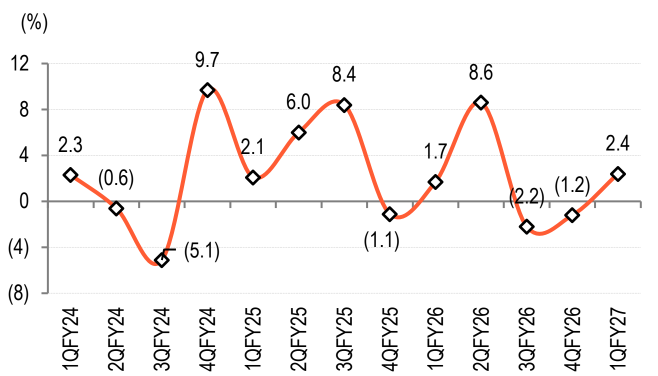
Source: Company, BOBCAPS Research

Fig 16 – YoY Revenue growth: Life Sciences vertical (CC terms)



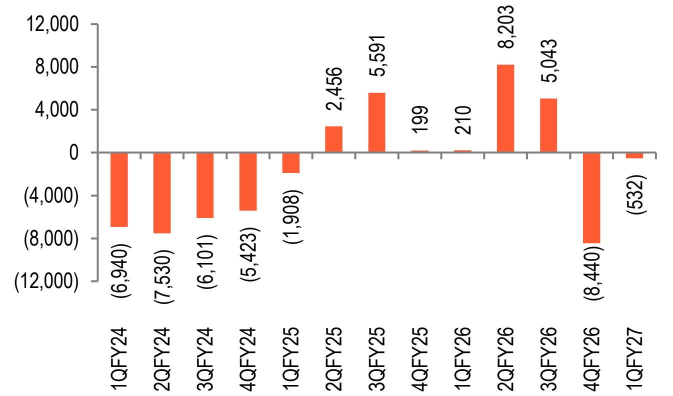
Source: Company, BOBCAPS Research

Fig 17 – YoY Revenue growth: Hi-tech vertical (CC terms)



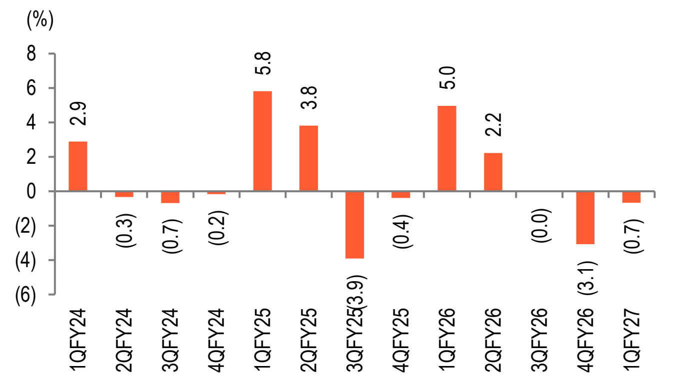
Source: Company, BOBCAPS Research

Fig 18 – Net Employee Addition (QoQ)



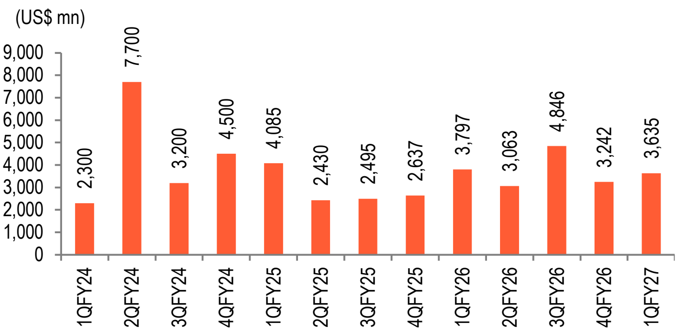
Source: Company, BOBCAPS Research

Fig 19 – Revenue trend from Top 10 clients (QoQ Growth)



Source: Company, BOBCAPS Research

Fig 20 – Total Deal TCV trend (US$ mn)



Source: Company, BOBCAPS Research

Fig 21 – Quarterly Snapshot

Year to 31 March	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
(Rsmn)													
INR/USD	82.0	82.5	83.0	83.4	83.4	83.8	84.5	86.6	85.6	87.6	89.2	92.0	94.9
USD Revenue (USD mn)	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730	4,941	5,076	5,099	5,040	5,082
INR Revenue	379,330	389,940	388,210	379,230	393,150	409,860	417,640	409,250	422,790	444,900	454,790	464,020	482,110
Gross margin	115,510	119,630	115,680	111,750	121,380	125,120	126,440	123,500	130,550	136,900	141,160	143,440	151,780
SGA	36,600	36,890	36,070	35,540	38,500	38,630	37,320	37,750	42,520	43,370	44,720	46,010	50,150
EBIT	78,910	82,740	79,610	76,210	82,880	86,490	89,120	85,750	88,030	93,530	96,440	97,430	101,630
Other income	5,610	6,320	7,890	27,290	8,380	7,120	8,590	11,900	10,420	9,820	(3,150)	11,590	9,840
PBT	83,620	87,680	86,190	102,400	90,210	92,530	96,700	96,630	97,400	102,290	92,290	107,970	110,280
Tax	24,170	25,530	25,060	22,650	26,470	27,370	28,480	26,250	28,160	28,540	25,630	22,880	32,530
PAT-Adjusted	59,450	62,120	61,060	79,690	63,680	65,060	68,060	70,330	69,210	73,640	66,540	85,010	77,690
Shares Outstanding (basic)	4,137	4,139	4,139	4,139	4,140	4,142	4,142	4,142	4,144	4,145	4,115	4,046	4,048
EPS Adjusted (Rs)	14.4	15.0	14.8	19.3	15.4	15.7	16.4	17.0	16.7	17.8	16.2	21.0	19.2
YoY Growth (%)													
USD Revenue	3.9	3.6	0.1	0.2	2.1	3.7	5.9	3.6	4.8	3.7	3.2	6.6	2.9
INR Revenue	10.0	6.7	1.3	1.3	3.6	5.1	7.6	7.9	7.5	8.5	8.9	13.4	14.0
Gross profit	14.4	7.5	(1.6)	(2.2)	5.1	4.6	9.3	10.5	7.6	9.4	11.6	16.1	16.3
EBIT	14.1	5.1	(3.4)	(3.2)	5.0	4.5	11.9	12.5	6.2	8.1	8.2	13.6	15.4
Net profit	10.9	3.2	(7.3)	30.0	7.1	4.7	11.5	(11.7)	8.7	13.2	(2.2)	20.9	12.3
QoQ Growth (%)													
USD Revenue	1.4	2.2	(1.2)	(2.1)	3.3	3.8	0.9	(4.2)	4.5	2.7	0.5	(1.2)	0.8
INR Revenue	1.3	2.8	(0.4)	(2.3)	3.7	4.3	1.9	(2.0)	3.3	5.2	2.2	2.0	3.9
EBIT	0.2	4.9	(3.8)	(4.3)	8.8	4.4	3.0	(3.8)	2.7	6.2	3.1	1.0	4.3
Net profit	(3.0)	4.5	(1.7)	30.5	(20.1)	2.2	4.6	3.3	(1.6)	6.4	(9.6)	27.8	(8.6)
Margins (%)													
Gross margin	30.5	30.7	29.8	29.5	30.9	30.5	30.3	30.2	30.9	30.8	31.0	30.9	31.5
SGA	9.6	9.5	9.3	9.4	9.8	9.4	8.9	9.2	10.1	9.7	9.8	9.9	10.4
EBIT	20.8	21.2	20.5	20.1	21.1	21.1	21.3	21.0	20.8	21.0	21.2	21.0	21.1
PAT	15.7	15.9	15.7	21.0	16.2	15.9	16.3	17.2	16.4	16.6	14.6	18.3	16.1

Source: Company, BOBCAPS Research

Fig 22 – Segmental Information

Rs mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenues													
Financial Services	106,610	107,050	107,830	100,100	108,160	111,560	115,890	116,140	117,960	123,200	128,170	129,760	134,630
Retail	55,130	59,130	56,490	54,290	54,280	54,460	57,460	54,400	56,510	56,390	58,290	59,580	61,720
Communication	44,410	44,630	44,210	46,660	47,440	48,790	46,880	47,980	50,970	53,970	55,180	57,520	57,910
E and U	48,890	49,570	51,210	50,680	52,200	55,460	56,350	53,080	57,420	59,450	60,160	61,140	64,520
Manufacturing	53,500	55,740	57,860	55,890	57,780	64,240	64,790	65,270	68,040	73,470	75,700	73,580	76,680
Hi-Tech	30,560	30,530	29,850	33,160	31,470	32,660	32,790	33,970	32,960	37,030	33,710	35,580	37,100
Life Sciences	27,490	30,500	29,540	27,620	28,660	30,040	31,950	27,650	27,450	28,630	32,670	33,930	38,420
All other Segments	12,740	12,790	11,220	10,830	13,160	12,650	11,530	10,760	11,480	12,760	10,910	12,930	11,130
Total	379,330	389,940	388,210	379,230	393,150	409,860	417,640	409,250	422,790	444,900	454,790	464,020	482,110
QoQ Revenue Growth %													
Financial Services	(1.5)	0.4	0.7	(7.2)	8.1	3.1	3.9	0.2	1.6	4.4	4.0	1.2	3.8
Retail	(0.4)	7.3	(4.5)	(3.9)	0.0	0.3	5.5	(5.3)	3.9	(0.2)	3.4	2.2	3.6
Communication	0.7	0.5	(0.9)	5.5	1.7	2.8	(3.9)	2.3	6.2	5.9	2.2	4.2	0.7
E and U	1.3	1.4	3.3	(1.0)	3.0	6.2	1.6	(5.8)	8.2	3.5	1.2	1.6	5.5
Manufacturing	5.4	4.2	3.8	(3.4)	3.4	11.2	0.9	0.7	4.2	8.0	3.0	(2.8)	4.2
Hi-Tech	2.2	(0.1)	(2.2)	11.1	(5.1)	3.8	0.4	3.6	(3.0)	12.3	(9.0)	5.5	4.3
Life Sciences	2.5	10.9	(3.1)	(6.5)	3.8	4.8	6.4	(13.5)	(0.7)	4.3	14.1	3.9	13.2
All other Segments	15.6	0.4	(12.3)	(3.5)	21.5	(3.9)	(8.9)	(6.7)	6.7	11.1	(14.5)	18.5	(13.9)
Total	1.3	2.8	(0.4)	(2.3)	3.7	4.3	1.9	(2.0)	3.3	5.2	2.2	2.0	3.9
YoY Revenue Growth %													
Financial Services	0.9	(4.0)	(4.0)	(7.5)	1.5	4.2	7.5	16.0	9.1	10.4	10.6	11.7	14.1
Retail	10.2	14.1	3.1	(2.0)	(1.5)	(7.9)	1.7	0.2	4.1	3.5	1.4	9.5	9.2
Communication	(0.5)	(0.8)	(6.1)	5.8	6.8	9.3	6.0	2.8	7.4	10.6	17.7	19.9	13.6
E and U	14.8	10.2	3.3	5.0	6.8	11.9	10.0	4.7	10.0	7.2	6.8	15.2	12.4
Manufacturing	28.2	19.0	13.5	10.1	8.0	15.2	12.0	16.8	17.8	14.4	16.8	12.7	12.7
Hi-Tech	8.7	2.8	(3.6)	10.9	3.0	7.0	9.8	2.4	4.7	13.4	2.8	4.7	12.6
Life Sciences	21.8	24.4	9.6	3.0	4.3	(1.5)	8.2	0.1	(4.2)	(4.7)	2.3	22.7	40.0
All other Segments	35.5	16.4	7.2	(1.7)	3.3	(1.1)	2.8	(0.6)	(12.8)	0.9	(5.4)	20.2	(3.0)
Total	10.0	6.7	1.3	1.3	3.6	5.1	7.6	7.9	7.5	8.5	8.9	13.4	14.0
Segment Profit													
Financial Services	25,450	25,790	22,600	19,410	26,120	28,600	26,790	29,480	29,730	30,590	32,360	34,100	36,620
Retail	16,290	16,740	17,150	18,640	17,510	17,680	19,750	16,400	16,910	17,200	18,670	18,110	17,010
Communication	9,840	10,350	8,600	8,100	7,960	8,920	8,180	8,360	8,800	10,170	9,360	10,270	11,800
E and U	12,900	13,520	14,500	14,310	15,570	14,350	15,280	15,770	14,370	15,060	14,930	15,480	15,760
Manufacturing	9,720	10,330	11,100	10,810	10,060	12,970	13,570	11,960	14,160	17,520	17,350	15,410	16,850
Hi-Tech	8,020	7,880	7,580	8,030	8,140	7,940	8,160	7,950	7,680	7,630	7,670	9,300	9,110
Life Sciences	7,020	7,990	7,660	6,320	6,110	6,140	8,190	6,170	5,540	5,340	6,980	6,590	6,190
All other Segments	1,400	1,800	2,180	2,220	2,900	1,490	1,230	2,650	2,240	1,840	670	2,410	750
Total	90,640	94,400	91,370	87,840	94,370	98,090	101,150	98,740	99,430	105,350	107,990	111,670	114,090
Segment Profit Margin (%)													
Financial Services	23.9	24.1	21.0	19.4	24.1	25.6	23.1	25.4	25.2	24.8	25.2	26.3	27.2
Retail	29.5	28.3	30.4	34.3	32.3	32.5	34.4	30.1	29.9	30.5	32.0	30.4	27.6
Communication	22.2	23.2	19.5	17.4	16.8	18.3	17.4	17.4	17.3	18.8	17.0	17.9	20.4
E and U	26.4	27.3	28.3	28.2	29.8	25.9	27.1	29.7	25.0	25.3	24.8	25.3	24.4
Manufacturing	18.2	18.5	19.2	19.3	17.4	20.2	20.9	18.3	20.8	23.8	22.9	20.9	22.0
Hi-Tech	26.2	25.8	25.4	24.2	25.9	24.3	24.9	23.4	23.3	20.6	22.8	26.1	24.6
Life Sciences	25.5	26.2	25.9	22.9	21.3	20.4	25.6	22.3	20.2	18.7	21.4	19.4	16.1
All other Segments	11.0	14.1	19.4	20.5	22.0	11.8	10.7	24.6	19.5	14.4	6.1	18.6	6.7
Total	23.9	24.2	23.5	23.2	24.0	23.9	24.2	24.1	23.5	23.7	23.7	24.1	23.7

Source: Company, BOBCAPS Research

Fig 23 – Key Metrics

Key Metrics	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
P and L (Rs mn)													
Revenue	379,330	389,940	388,210	379,230	393,150	409,860	417,640	409,250	422,790	444,900	454,790	464,020	482,110
EBITDA	78,910	82,740	79,610	76,210	82,880	86,490	89,120	85,750	88,030	93,530	96,440	97,430	101,630
PAT	59,450	62,120	61,060	79,690	63,680	65,060	68,060	70,330	69,210	73,640	66,540	85,010	77,690
Vertical Mix (%)													
Manufacturing	22.2	22.1	22.6	23.4	22.7	23.7	23.4	24.2	23.9	24.8	24.1	23.6	23.6
Insurance Finance and Banking	28.1	27.5	27.8	26.4	27.5	27.2	27.8	28.4	27.9	27.7	28.2	28.0	27.9
Telecom	11.7	11.4	11.4	12.3	12.1	11.9	11.2	11.7	12.0	12.1	12.1	12.4	12.0
Retailing & CPG	14.5	15.2	14.6	14.3	13.8	13.3	13.8	13.3	13.4	12.7	12.8	12.8	12.8
Others (utilities, logistic, transportation,etc)	16.3	16.0	16.1	16.3	16.6	16.6	16.2	15.6	16.3	16.3	15.6	15.9	15.7
Life Sciences	7.2	7.8	7.6	7.3	7.3	7.3	7.6	6.8	6.5	6.4	7.2	7.3	8.0
Geographic Mix (%)													
North America	60.8	61.1	59.0	59.6	58.9	57.4	58.4	57.1	56.5	56.3	55.9	55.7	56.4
Europe	26.8	26.5	28.2	28.6	28.4	29.8	29.8	31.2	31.5	31.7	32.7	32.6	32.1
India	2.7	2.8	2.4	2.2	3.1	3.1	3.1	2.9	2.9	3.1	2.8	2.6	2.5
Rest of the world	9.7	9.6	10.4	9.6	9.6	9.7	8.7	8.8	9.1	8.9	8.6	9.1	9.0
Utilization (%) (including Trainees)	78.9	80.4	81.7	82.0	83.9	84.3	83.4	81.9	82.7	82.2	80.0	79.7	82.1
Utilization (%) (Excluding Trainees)	81.1	81.8	82.7	83.5	85.3	85.9	86.0	84.9	85.2	85.1	84.1	83.0	84.9
Effort Mix (%)													
Onsite	24.7	24.6	24.4	24.2	23.9	24.1	24	23.6	23.6	23.2	23.1	22.8	22.8
Offshore	75.3	75.4	75.6	75.8	76.1	75.9	76	76.4	76.4	76.8	76.9	77.2	77.2
Clients Concentration (%)													
Top 5 clients	13.4	13.3	13.4	13.6	13.5	13.7	12.7	13.1	13.2	13.0	12.8	12.6	12.1
Top 10 clients	20.4	19.9	20.0	20.4	20.9	20.9	19.9	20.7	20.8	20.7	20.6	20.2	19.9
Number of Client													
$1m+	940	951	944	959	987	985	997	992	1,011	1,012	1,012	1,018	1,026
$10m+	312	312	308	315	309	307	301	309	317	322	326	328	333
$50m+	79	80	82	83	84	86	89	85	85	85	84	88	85
$100m+	38	39	40	40	40	41	41	39	41	41	41	41	41
Employees	336,294	328,764	322,663	317,240	315,332	317,788	323,379	323,578	323,788	331,991	337,034	328,594	328,062
Net addition	-6,940	-7,530	-6,101	-5,423	-1,908	2,456	5,591	199	210	8,203	5,043	-8,440	-532
Attrition (consolidated)(%)	17.3	14.6	12.9	12.6	12.7	12.9	13.7	14.1	14.4	14.3	12.3	12.6	13.0
Profit and Loss Statement (in mn USD)													
Revenue	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730	4,941	5,076	5,099	5,040	5,082
EBIT	961	1,000	956	917	994	1,033	1,053	992	1,028	1,065	937	1,055	1,072
PAT	724	751	734	959	764	778	806	814	809	840	748	920	820
Productivity Metrics													
Per Capita (Annualised)													
Revenue	54,916	57,403	57,806	57,546	59,797	61,601	61,092	58,471	61,040	61,158	60,516	61,352	61,964
EBIT	11,430	12,167	11,851	11,562	12,609	13,002	13,025	12,263	12,700	12,832	11,121	12,843	13,071
PAT	8,612	9,137	9,099	12,092	9,691	9,793	9,970	10,062	9,994	10,121	8,877	11,199	9,998

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**1,629,900**	**1,786,500**	**1,950,985**	**2,015,078**	**2,109,294**
EBITDA	392,350	424,440	454,152	465,525	488,982
Depreciation	48,110	49,010	52,120	54,407	56,951
EBIT	344,240	375,430	402,033	411,118	432,031
Net interest inc./(exp.)	(4,160)	(4,160)	(4,760)	(4,760)	(4,760)
Other inc./(exp.)	35,990	28,680	39,592	47,242	58,294
Exceptional items	0	0	0	0	0
EBT	376,070	399,950	436,865	453,599	485,565
Income taxes	108,570	105,210	128,865	133,801	143,230
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	370	340	60	0	0
Reported net profit	**267,130**	**294,400**	**307,940**	**319,798**	**342,335**
Adjustments	0	0	0	0	0
Adjusted net profit	**267,130**	**294,400**	**307,940**	**319,798**	**342,335**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	41,640	47,440	43,870	43,870	43,870
Other current liabilities	372,110	460,660	477,809	494,831	520,043
Provisions	14,750	15,120	16,696	17,337	18,287
Debt funds	0	0	0	0	0
Other liabilities	98,500	103,480	103,910	103,910	103,910
Equity capital	20,730	20,240	20,250	20,250	20,250
Reserves & surplus	941,300	912,730	910,002	1,005,941	1,108,642
Shareholders' fund	962,030	932,970	930,252	1,026,191	1,128,892
Total liab. and equities	**1,489,030**	**1,559,670**	**1,572,537**	**1,686,140**	**1,815,002**
Cash and cash eq.	244,550	222,010	220,822	298,634	378,109
Accounts receivables	311,580	352,340	343,810	357,011	376,565
Inventories	0	0	0	0	0
Other current assets	375,470	410,190	439,369	453,037	473,281
Investments	235,410	218,800	166,670	166,670	166,670
Net fixed assets	128,000	133,310	140,696	149,329	158,493
CWIP	0	0	0	0	0
Intangible assets	128,720	149,420	193,290	193,290	193,290
Deferred tax assets, net	11,080	22,640	21,460	21,460	21,460
Other assets	54,220	50,960	46,421	46,709	47,135
Total assets	**1,489,030**	**1,559,670**	**1,572,537**	**1,686,140**	**1,815,002**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**373,630**	**360,050**	**371,735**	**369,471**	**389,984**
Capital expenditures	(89,650)	(75,020)	(103,375)	(63,041)	(66,114)
Change in investments	13,230	17,950	52,790	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(76,420)**	**(57,070)**	**(50,585)**	**(63,041)**	**(66,114)**
Equities issued/Others	0	(180,000)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(4,160)	(4,160)	(4,760)	(4,760)	(4,760)
Dividends paid	(178,111)	(196,490)	(215,558)	(223,859)	(239,634)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(182,271)**	**(380,650)**	**(220,318)**	**(228,619)**	**(244,394)**
Chg in cash & cash eq.	**96,690**	**(22,670)**	**(1,168)**	**77,812**	**79,475**
Closing cash & cash eq.	**244,550**	**221,880**	**220,842**	**298,634**	**378,109**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	64.5	71.6	76.1	79.0	84.6
Adjusted EPS	64.4	71.5	76.0	78.9	84.5
Dividend per share	43.0	48.0	53.3	55.3	59.2
Book value per share	232.2	230.6	229.8	253.5	278.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.7	2.5	2.3	2.2	2.2
EV/EBITDA	11.3	10.5	9.8	9.7	9.4
Adjusted P/E	16.3	14.6	13.8	13.3	12.4
P/BV	4.5	4.5	4.6	4.1	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.1	73.7	70.5	70.5	0.0
Interest burden (PBT/EBIT)	109.2	106.5	108.7	110.3	0.0
EBIT margin (EBIT/Revenue)	21.1	21.0	20.6	20.4	0.0
Asset turnover (Rev./Avg TA)	113.7	117.2	124.6	123.7	0.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.7	1.7	0.0
Adjusted ROAE	29.0	31.1	33.1	32.7	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.1	9.6	9.2	3.3	4.7
EBITDA	7.7	8.2	7.0	2.5	5.0
Adjusted EPS	1.7	11.1	6.2	3.9	7.0
Profitability & Return ratios (%)					
EBITDA margin	24.1	23.8	23.3	23.1	23.2
EBIT margin	21.1	21.0	20.6	20.4	20.5
Adjusted profit margin	16.4	16.5	15.8	15.9	16.2
Adjusted ROAE	28.9	31.1	33.1	32.7	31.8
ROCE	26.5	29.2	30.4	29.6	28.3
Working capital days (days)					
Receivables	102	106	98	99	100
Inventory	NA	NA	NA	NA	NA
Payables	9	10	8	8	7
Ratios (x)					
Gross asset turnover	12.7	13.4	13.9	13.5	13.3
Current ratio	2.2	1.9	1.9	2.0	2.1
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)

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

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

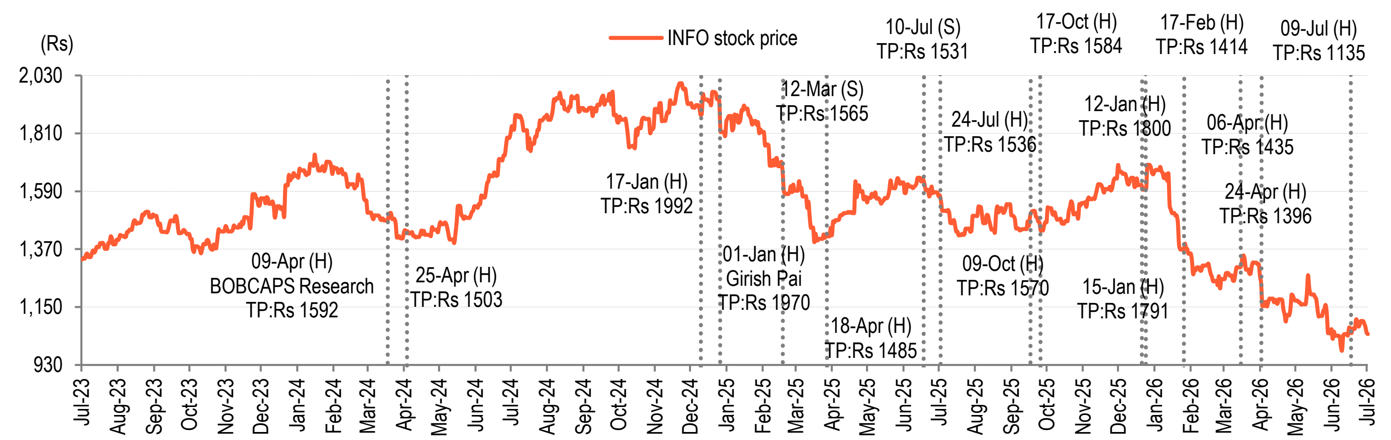
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): INFOSYS (INFO IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as "**MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.