RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 3,957 | ∀ 2%

LTM | IT Services | 13 July 2026

Soft start. FY27 organic growth short of Lakshya Target

- **FY27 may just about beat FY26 USD revenue growth of 6.1%. Unlikely to be anywhere close to the 13% CAGR indicated for its 5 year target**
- **15% CAGR (13% CAGR organic) revenue growth was indicated to be evenly spread out. ~6.5% FY27 USD organic growth will fall short**
- **Incorporate Randstad from 3QFY27. Looks EPS accretive. Maintain Target PE (5% premium to benchmark) and maintain our Hold Rating**

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

1QFY27 fell a short of our estimate: Revenue growth at 0.3% in CC terms fell short of our 1.5% estimate due to lower pass through items, weakness in demand from Middle East (3% of revenue) and weak ramp up in India (CBDT project).

Weak FY27 will mean revenue growth pick up has to be back ended in its 5-year plan (Lakshya). We believe FY27 USD organic revenue growth will likely be at ~6.5% (even after assuming ~2% CQGR for the rest of FY27), considerably below the 13% organic CAGR indicated in its Lakshya plan (of the overall 15% CAGR to hit the 2x revenue number by FY31 which was indicated to be evenly spread out). The 13% CAGR itself seemed aggressive under the current demand environment hit by both macro factors and AI disruption. While the medium-term picture is quite hazy considering the AI disruption that is on the anvil, we believe its excellent client list of ~100 Fortune 500 clients lends itself, at least theoretically, for deeper mining and accelerated growth from the mid -single digit level seen in FY23-FY26. A step-up in TCV from the US$1.4bn average to US$1.6-1.7bn level has driven the modest revenue acceleration in FY26. A sharper pick up is required for double-digit growth.

Incorporating Randstad in LTM financials: The deal (details inside) will strengthen its European and Australian operations considerably. We have incorporated it from 3QFY27 and are assuming a annual revenue run rate of US$480mn to begin with. While the overall deal with Randstad (including creation of a GCC) was indicated to be margin neutral we have assumed that it would be tad margin dilutive. However, we expect the deal to be EPS accretive as the acquisition valuation was a reasonable 0.3x TTM revenue.

Maintain Target PE multiple and retain HOLD rating: Post 1QFY27 we raise estimates based on incorporation of Randstad. We believe LTIM's organic revenue growth in USD terms over the next 2-3 years will likely be modestly above mid-single digits and hence give it a 5% premium to our benchmark multiple (changed valuation methodology through this report ('Show me the growth') and arrive at a Target PE of 14.8x on June 2028EPS. Retain Hold rating.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	LTM IN/Rs 4,037
Market cap	US$ 12.6bn
Free float	31%
3M ADV	US$ 19.6mn
52wk high/low	Rs 6,430/Rs 3,528
Promoter/FPI/DII	69%/7%/17%

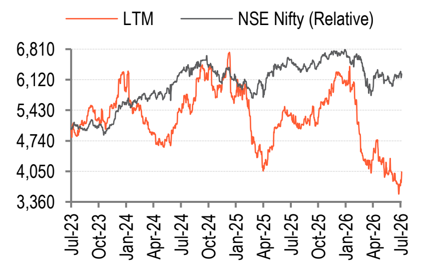
Source: NSE | Price as of 10 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	423,076	505,106	574,993
EBITDA (Rs mn)	75,552	89,698	98,449
Adj. net profit (Rs mn)	52,434	68,015	77,404
Adj. EPS (Rs)	169.2	226.2	260.4
Adj. ROAE (%)	22.4	26.7	26.4
Adj. P/E (x)	23.9	17.8	15.5
EV/EBITDA (x)	16.1	13.7	12.8
Adj. EPS growth (%)	10.3	33.7	15.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Key Points from the quarter and the earnings call

- 1QFY27 revenue stood at US$1,223.5mn, growing 0.3% QoQ (below our estimate of 1.5%) and 6.4% YoY in CC terms
- Vertical Growth (CC terms)
  - There has been reclassification of verticals starting 1QFY27
  - Financial Services grew 3.2% QoQ and declined 2.5% YoY in constant currency
  - Technology & Services grew 3.4% QoQ and 10% YoY
  - Production declined 5.7% QoQ due to seasonal pass-through fall-off but grew 5.3% Yo. Erstwhile manufacturing & Resources segment has been renamed Production.
  - Consumer declined 0.7% QoQ due to delayed ramp-ups and project delays in India and the Middle East, while growing 18.2% YoY. Healthcare, Life Sciences & Public Services businesses are now part consumer
- EBIT margin expanded 40 bps QoQ to 15.5% (broadly in line with our estimate of 15.6%) despite wage hikes, primarily driven by operational efficiencies under the New Horizon program
  - Wage hike impact was ~1%. Forex gains and wage hike impact broadly offset each other, with margin improvement driven by operational efficiencies due to the New Horizons program.
- SG&A is expected to remain broadly stable at current levels (~10.2%), although minor QoQ fluctuations may occur due to continued sales investments
- OCF/PAT ratio declined to 79% from 96% in 4QFY26, while FCF/PAT declined to 63% from 75%. Normalized for the one-time gain, OCF/PAT and FCF/PAT would have been 88% and 70%, respectively
- Utilization (excluding trainees) stood at 86.4%; TTM attrition stood at 13.3%
- Headcount stood at 87,886. Fresher additions stood at 1,308 during the quarter
- Order inflow stood at US$1.68 bn, including two large deal wins. Order book remains strong and broad-based, with pipeline continuing to build across segments and converting into sustained deal momentum
- AI revenue across Creative AI, Industrial AI and Business AI reached a quarterly run rate of US$150mn (12% of revenue)
- Productivity-linked pricing discussions with large clients have been completed and are now viewed as a strategic strength rather than a headwind
- Strong order book, AI proof points, and completion of client transition provides management the confidence in growth acceleration through 2Q and into 2H, along with further margin expansion

- Growth acceleration commentary is based on organic business and QoQ CC growth
- Acquisition-related contribution is expected only after the transaction closes, likely at the beginning of 3Q
- Largest industry segments are in a growth trajectory in 1Q, with momentum expected to continue in 2Q. Seasonal pass-through and delayed India and Middle East ramp-ups impacted 1Q. Barring any geopolitical escalation beyond management's control, growth momentum is expected to continue in 2Q
- Increase in subcontracting was driven by vendor consolidation programs, where work from tail vendors is initially transitioned before moving to the company's end-state delivery model. Higher subcontracting is a temporary spike and not indicative of a long-term trend
- Consumer declined QoQ due to delays in India tax department related engagement (Rs30bn deal over 7 years), war-related hardware shipment disruptions, and memory chip challenges. Shipment acceleration is expected and the QoQ decline in Consumer is not expected to continue
    - Delayed ramp-up of the India Income-tax deal is expected to begin in 2Q. In February 2026 LTM had announced that it is collaborating with NVIDIA to support the Central Board of Direct Taxes (CBDT) in modernizing India’s national tax analytics platform under the Insight 2.0 initiative. The nation’s seven-year mandate aims to bolster tax administration with scalable AI and advanced analytics. LTM’s BlueVerse serves as the intelligence backbone of the entire program, enabling AI integration across all operational layers of the tax platform, supporting features such as a smart citizen portal, automated campaign management, enhanced case workflows, and AI-driven helpdesk assistance.
    - Hardware shipment timelines and memory pricing remain watch areas over the next one to two months
- North America demand remained broad-based, supported by 3.4% QoQ and 10% YoY growth in Technology & Services. Financial Services also returned to sequential growth with strong demand traction. Management remains optimistic on sustained growth momentum across North America
- Utilization target remains 86%-87%, with current utilization at the midpoint of the range
- Focus remains on building AI-ready talent, with the workforce gradually shifting from a traditional pyramid to a more diamond-shaped structure
- Middle East contributes less than 3% of revenue
- Management remains confident of growth acceleration in the coming quarters and sustained momentum into 2H
- Added over 1,100 freshers in 1Q, with the same number of freshers expected to be added on a quarterly basis for the year

- Management expects FY27 growth to be better than FY26
- AI ecosystem strategy is being strengthened through investments in Voicing AI, Uniphore and partnerships with hyperscalers and AI labs
- Client discretionary spending remains constrained, but management expects improvement over the medium term, supporting growth
- AI productivity-related headwinds in large accounts have been fully addressed and are now behind the company
- Most top clients have already completed the AI productivity transition phase
- Delivered multiple AI proof points with measurable business outcomes during the quarter
- The company operated through three lines of business: iRun, iTransform and Business AI
  - iRun operates and secures our clients technology estates with an AI infused approach
  - iTransform delivers large scale transformation, modernization and differentiated experiences through AI LED software engineering, data interactive and enterprise platforms
  - Business AI reimagines the core business process and clients business model through our domain data, agentic and SLM capabilities.
  - BlueVerse serves as the foundational AI ecosystem. It brings together AI-led offerings and deployment capabilities with future-ready talent, domain-specific SLMs, and growing library of pre-built agents supported by new AI-native business models and expanded GTM partnerships.
- AI strategy is delivered through four workstreams: Enterprise AI, Business AI, Industrial AI and Creative AI. Enterprise AI, which embeds intelligence into enterprise technology stack. Business AI, which reimagines core business processes and business models. Industrial AI, which infuses AI into clients' manufacturing process and supply chains through connected products and solutions. And Creative AI, which transform clients' creative content, design, and experiences.
- Strong sequential growth in large industry segments provides a solid foundation for the year ahead.
- AI adoption across internal IT, finance, HR and operations is driving productivity benefits, resulting in lower support headcount
- Europe remains a key growth opportunity, with the structured deal expected to accelerate growth from 3Q onwards. Asia-Pacific also represents a significant white-space opportunity, supported by the announced acquisition
- Organic margins are expected to continue expanding, supported by ongoing margin improvement initiatives and stronger growth

- IT services engagement with Randstad has already started ramping up and will contribute from 2QFY27. No material margin impact is expected from the Randstad acquisition, with margins expected to remain similar to or better than last year
- Financial Services margin improved due to revenue growth and higher utilization, with further improvement expected as growth continues

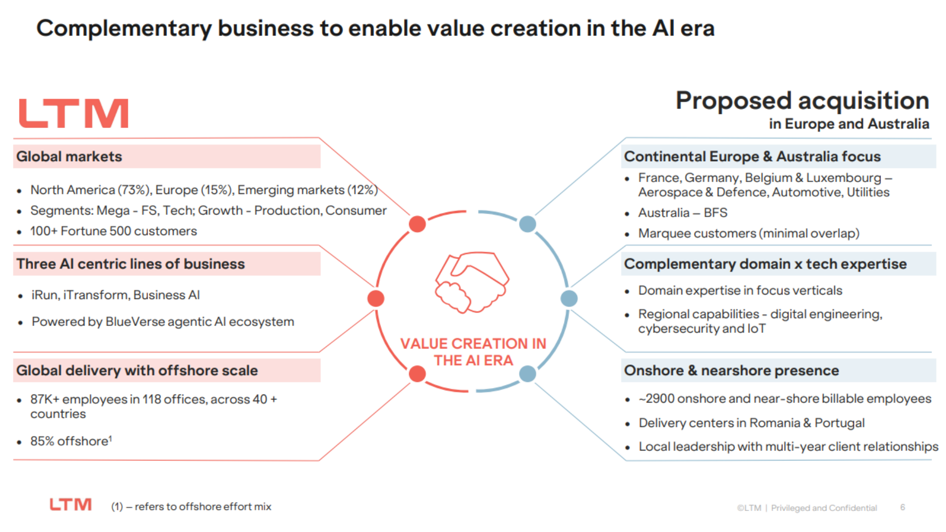
LTM's acquisition of Randstad's IT services business in Europe and Australia

- On 22 May 2026 LTM offerered to acquire Randstad's Technology and Consulting Services business in Europe and Australia to scale domain-driven solutions and AI services
- Randstad is a US$24 bn+ company. The asset being acquired is a dedicated internal business unit, within the group, focused solely on technology and consulting services in Europe and Australia - not the broader Randstad Group
- Proposed acquisition of USD 500mn+ (€469mn) business, primarily across Aerospace & Defence, Automotive, Utilities and BFS. 78% Europe, 22% Australia
- Five-year IT services partnership to drive AI-enabled transformation for Randstad's India Global Capability Center
- Strategic talent Managed services project (MSP) to support LTM's expanding global workforce
- Enterprise value: €160 mn proposed, on a cash- and debt-free basis
- The deal is expected to close by 3QFY27.
- Marquee customers: Multi-year relationships, 15+ scale accounts (Scale accounts with $10M+ revenue)
- These clients have global aspirations and a strong need for global delivery scale - which is the precise headroom opportunity LTM is targeting
- ~2900 billable talent: Onshore and nearshore scale, delivery centers in Romania, Portugal
- Geographies: Europe & Australia presence. France, Germany, Belgium & Luxembourg, Australia. Near-shore delivery centers in Romania, Portugal
- Significant presence in Australia (Australia will be a >US$100 mn revenue geography for LTM)
- Domain expertise in regulated and high growth verticals: Aerospace & Defence (Security cleared talent, Sovereign Digital Factory); Auto (Intelligent shop floor operations, dealer management, Infotainment); Utilities (Grid modernization, asset optimization) and BFS (Core modernization, regulatory compliance)
- Local capabilities in domain-driven digital engineering, cybersecurity and IoT

- The geographic markets (Continental Europe, Australia) and the verticals (Aerospace & Defence, Automotive, Utilities) are described as 'completely white space' - LTM's current presence is 'subscale' in all of these
- North America currently contributes 73% of LTM revenues; Europe contributes 15%; Emerging Markets contributes 12%. This transaction advances the strategy goal of building a more balanced portfolio, with a specific push to scale Europe and grow non-US regions faster
- Post closure, LTM will exceed US$1 bn in European revenues, 2x in APAC and Australia will be a >US$100 mn revenue
- Both regulated and high-growth industries in these markets have identified sovereign AI as a high-growth area. Management described the acquisition as giving LTM a 'headstart' as sovereign AI momentum builds in these markets
- The acquired entity lacks enterprise platform (SAP/ Oracle), cloud, data and Business AI capabilities, creating a significant opportunity for LTM. Management described this as a 'huge cross-sell and upsell opportunity'
- Expanded European and APAC scale will strengthen LTM's ability to participate in and win large global multi-region deals, and to grow wallet share with existing global US customers that also have European and APAC footprints – Management described this as 'cross-pollination of expertise across regions to scale'.
- Target company revenue decline reasons:
    - Macro: Macroeconomic headwinds in Europe over the past two years
    - Tail rationalisation: A conscious effort by Randstad during FY25 to rationalise tail accounts ahead of the divestiture, to make the asset easier to transact
    - Client GCC ramp-ups: Several marquee clients expanded their own GCCs in India over the past two years, partly driven by India-Europe trade agreements and offset deals. Randstad Technology &Consulting Services lacked the offshore scale to complement and retain this business - resulting in revenue leakage in the latter part of last year. Management stated: "If we were there one year back, probably we would have arrested that decline"
- Management acknowledged that some further revenue haircut is likely in the near term, as the focus will be redirected towards the marquee scale accounts - customers with multi-billion-dollar technology and AI spends. Any tail account trimming that results from this reprioritization is viewed as short-term. The long-term business plan and value creation thesis is built entirely on cross-sell, upsell, and growing the marquee accounts - consistent with LTM's five-year strategy of doubling revenue
- The revenue concentration of the acquired portfolio is described as a key attraction of the asset. In Europe, the top 25 customers account for 65% of revenues; in Australia, the top 10 customers account for 80% of revenues. Management noted this aligns with LTM's own account-depth model

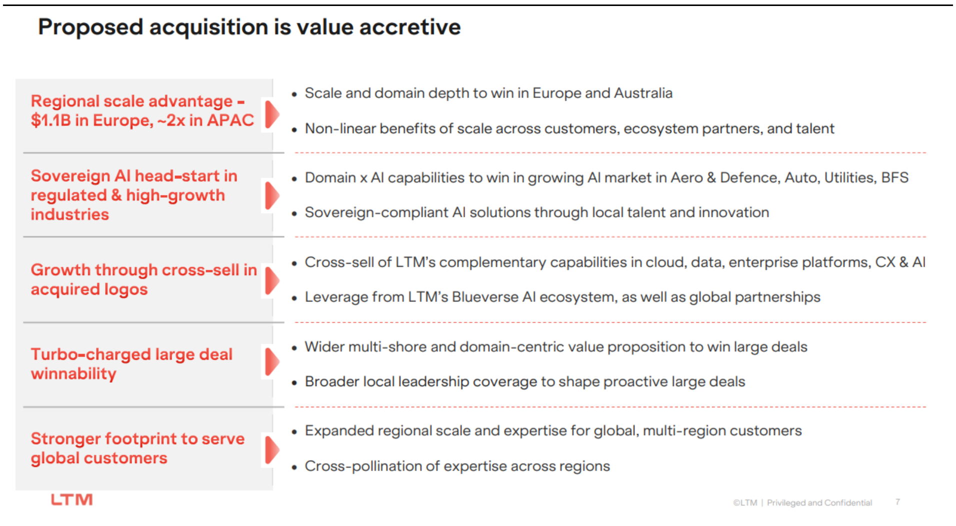
- Margin Improvement
  - The onsite/nearshore gross margin of the acquired entity is described as ‘pretty good’ and, in management's view, better than LTM's own gross margin for nearshore resources in Poland
  - LTM's offshore scale will help in expanding revenue and margins in the acquired business
  - Margin contribution is expected from all three deal components: (i) gross margin + offshore leverage (ii) margin contribution from scaling the GCC partnership (iii) cost savings from subcontractor efficiency
  - Management guided to ‘no material impact’ on EBIT margin - both in FY27and FY28 - stating that plans are in place to improve both revenue and margin
- On the GCC partnership, the initial TCV identified for the Randstad GCC ramp-up is ~US$55–60mn. While it was not specifically indicated we think this may be the ACV.
- It is expected to be margin neutral transaction in FY27 and FY28. However, LTM did not indicate whether this is an EPS accretive transaction.
- From a medium to long term perspective, it will address ‘white spaces’ like non-Nordic Europe, Australia and verticals like Aerospace & Defence and Automotive. We believe LTM has a larger exposure to Nordic countries within Europe before the transaction.
- This transaction creates an LTM that is more balanced and makes it resemble some of its larger Indian peers from a breadth perspective. This will add ~10% to the USD revenue on a run rate basis by the end of FY27. We believe this move will be additive to its goal of doubling revenue within 5 years – by FY31 (which we believe is ambitious in the context of AI disrupted industry and extent of competitive intensity).
- We think the valuation of the acquired entity (at 0.3x CY2025 revenue) is appropriate as the sector’s valuation has been impacted by AI disruption and macro/geopolitical issues. The entity has also been showing a declining revenue trend (for specific reasons) over the last 2 years and will continue to do so in the near term. Also, it is a ‘traditional’ M&A move rather than an AI driven one.
- While the Randstad GCC business may not be at risk due to vendor consolidation pressures, we believe rest of the business that it has acquired likely faces the issue.
- The geographic extension into continental Europe and Australia may help exploit its existing excellent client list – which has ~100 Fortune 500 clients.

Fig 1 – Value Creation in the AI Era



Source: Company, BOBCAPS Research

Fig 2 – Ways the Acquisition Creates Value



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**).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.

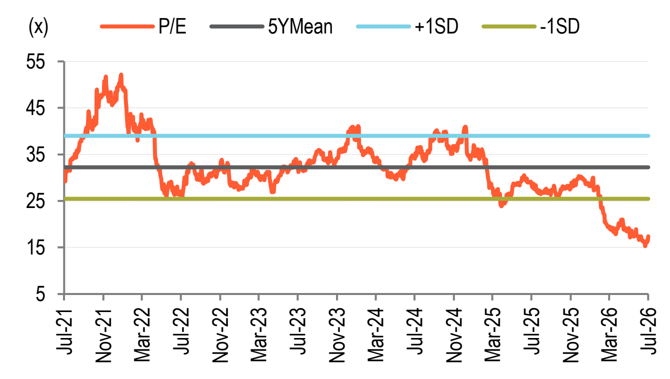
BOBCAPS
TRUST | INNOVATION | EXCELLENCE

Fig 3 – Quarterly results: Comparison of actuals with estimates

Y/E Mar (Rsmn)	1QFY26	4QFY26	1QFY27	YoY (%)	QoQ (%)	1QFY27E	Dev (%)
Net Sales (USD mn)	**1,153**	**1,222**	**1,224**	**6.1**	**0.1**	**1,240**	**(1.4)**
Net Sales	98,406	112,917	116,080	18.0	2.8	117,459	(1.2)
Software Expenses (Direct Costs)	69,807	81,565	83,620	19.8	2.5	82,544	1.3
% of Sales	70.9	72.2	72.0			70.3	
Gross Margin	28,599	31,352	32,460	13.5	3.5	34,915	(7.0)
% of Sales	29.1	27.8	28.0			29.7	
Operating Expenses (Selling, General & Administration Expenses)	12,105	11,622	11,854	(2.1)	2.0	13033.9	(9.1)
% of Sales	12.3	10.3	10.2			11.1	
EBIT	**14,065**	**17,094**	**17,993**	**27.9**	**5.3**	**18,335**	**(1.9)**
EBIT Margin (%)	**14.3**	**15.1**	**15.5**			**15.6**	
Other Income	3,197	1,094	1,791	(44.0)	63.7	3,190	(43.9)
PBT	17,262	18,188	19,784	14.6	8.8	21,525	(8.1)
Provision for Tax	4,716	4,781	5,098	8.1	6.6	5,650	(9.8)
Effective Tax Rate	27.3	26.3	25.8			26.2	
Minority share in Profit / Loss	0	0	0			0	
Adjusted PAT	**12,546**	**13,407**	**14,686**	**17.1**	**9.5**	**15,875**	**(7.5)**
Margin (%)	**12.7**	**11.9**	**12.7**			**13.5**	

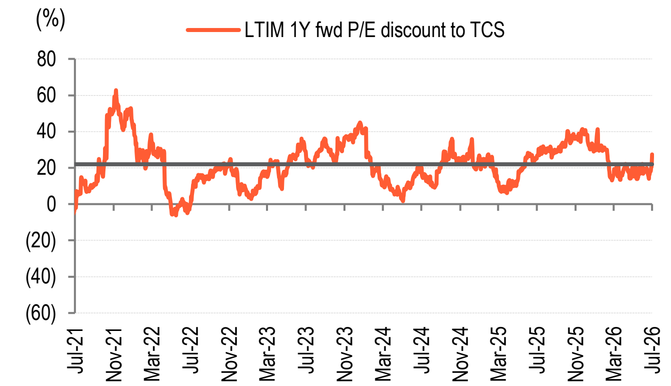
Source: Company, BOBCAPS Research

Fig 4 – 5 Year PE trend



Source: Bloomberg, BOBCAPS Research

Fig 5 – Premium/ Discount to TCS



Source: Bloomberg, BOBCAPS Research

Fig 6 – Revised Estimates

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
INR/USD	95.2	96.2	97.2	95.1	96.1	97.1	0.2	0.2	0.2
USD Revenue (USD mn)	5,302	5,974	6,363	5,099	5,466	5,815	4.0	9.3	9.4
USD Revenue Growth (%)	11.3	12.7	6.5	7.1	7.2	6.4			
Revenue (Rs mn)	505,106	574,993	618,795	484,838	525,139	564,486	4.2	9.5	9.6
EBIT (Rs mn)	76,445	84,262	91,853	74,617	81,146	88,298	2.5	3.8	4.0
EBIT Margin (%)	15.1	14.7	14.8	15.4	15.5	15.6			
PAT (Rs mn)	68,015	77,404	85,626	66,693	73,692	80,958	2.0	5.0	5.8
EPS (Rs)	226.2	260.4	288.0	225.6	249.3	273.9	0.3	4.4	5.2

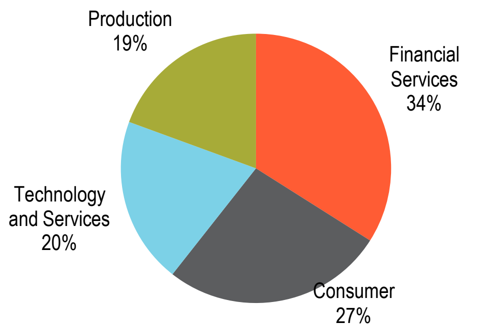
Source: BOBCAPS Research

Fig 7 – P&L at a glance

(YE March) (Rsmn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Average INR/USD	60.8	61.2	65.9	67.0	64.5	70.0	71.4	74.2	75.0	80.7	82.8	84.6	88.8	95.2	96.2	97.2
Net Sales (USD mn)	**809**	**813**	**887**	**970**	**1,132**	**1,349**	**1,525**	**1,670**	**3,502**	**4,106**	**4,287**	**4,493**	**4,763**	**5,302**	**5,974**	**6,363**
-Growth (%)		0.5	9.1	9.3	16.7	19.1	13.0	9.5	109.7	17.2	4.4	4.8	6.0	11.3	12.7	6.5
Net Sales	49,205	49,780	58,463	65,009	73,065	94,458	108,786	123,698	261,086	331,830	355,170	380,081	423,076	505,106	574,993	618,795
-Growth (%)	-	1.2	17.4	11.2	12.4	29.3	15.2	13.7	111.1	27.1	7.0	7.0	11.3	19.4	13.8	7.6
Cost of Sales & Services	32,473	34,128	38,230	42,122	49,124	61,643	73,589	82,193	178,271	232,037	246,214	268,217	299,909	364,268	421,693	450,804
Gross Margin	16,732	15,652	20,233	22,887	23,941	32,815	35,197	41,505	82,815	99,793	108,956	111,864	123,167	140,838	153,299	167,991
% of sales	34.0	31.4	34.6	35.2	32.8	34.7	32.4	33.6	31.7	30.1	30.7	29.4	29.1	27.9	26.7	27.1
SG& A	5,259	5,607	10,000	10,583	12,065	13,980	14,905	14,254	30,330	38,715	45,082	46,915	47,615	51,140	54,851	61,951
% of sales	10.7	11.3	17.1	16.3	16.5	14.8	13.7	11.5	11.6	11.7	12.7	12.3	11.3	10.1	9.5	10.0
EBITDA	11473	10044	10233	12304	11876	18835	20292	27251	52485	61078	63874	64949	75552	89698	98449	106040
% of sales	23.3	20.2	17.5	18.9	16.3	19.9	18.7	22.0	20.1	18.4	18.0	17.1	17.9	17.8	17.1	17.1
Depreciation and Amortisation	1,300	1,579	1,738	1,780	1,563	1,471	2,731	3,325	5,971	7,227	8,189	9,915	10,541	13,253	14,187	14,187
% of sales	2.6	3.2	3.0	2.7	2.1	1.6	2.5	2.7	2.3	2.2	2.3	2.6	2.5	2.6	2.5	2.3
EBIT	**10,173**	**8,465**	**8,495**	**10,524**	**10,313**	**17,364**	**17,561**	**23,926**	**46,514**	**53,851**	**55,685**	**55,034**	**65,011**	**76,445**	**84,262**	**91,853**
EBIT Margin (%)	**20.7**	**17.0**	**14.5**	**16.2**	**14.1**	**18.4**	**16.1**	**19.3**	**17.8**	**16.2**	**15.7**	**14.5**	**15.4**	**15.1**	**14.7**	**14.8**
Gross other income (incl Forex gains/(loss))	-833	915	1914	1855	4225	3021	3291	2743	8892	7073	9236	12686	13707	18167	23603	27301
Interest cost	305	104	59	17	123	106	826	788	1,233	1,504	2,217	2,789	2,763	3,251	3,591	3,804
PBT	9,034	9,276	10,350	12,362	14,415	20,279	20,026	25,881	54,173	59,420	62,704	64,931	75,955	91,361	104,274	115,350
-PBT margin (%)	18.4	18.6	17.7	19.0	19.7	21.5	18.4	20.9	20.7	17.9	17.7	17.1	18.0	18.1	18.1	18.6
Provision for tax	1,943	1,666	1,983	2,649	3,290	5,122	4,825	6,500	13,439	13,812	14,641	16,122	19,570	23,346	26,870	29,724
Effective tax rate (%)	21.5	18.0	19.2	21.4	22.8	25.3	24.1	25.1	24.8	23.2	23.3	24.8	25.8	25.6	25.8	25.8
Net profit	**7,091**	**7,609**	**8,367**	**9,713**	**11,125**	**15,157**	**15,201**	**19,381**	**40,734**	**45,608**	**48,063**	**48,809**	**52,434**	**68,015**	**77,404**	**85,626**
-Growth (%)	**-**	**7.3**	**10.0**	**16.1**	**14.5**	**36.2**	**0.3**	**27.5**	**110.2**	**12.0**	**5.4**	**1.6**	**7.4**	**29.7**	**13.8**	**10.6**
-Net profit margin (%)	**14.4**	**15.3**	**14.3**	**14.9**	**15.2**	**16.0**	**14.0**	**15.7**	**15.6**	**13.7**	**13.5**	**12.8**	**12.4**	**13.5**	**13.5**	**13.8**

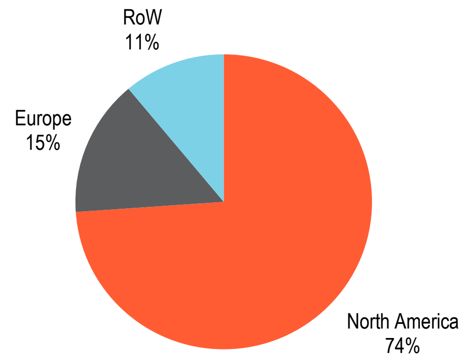
Source: Company, BOBCAPS Research

Fig 8 – Revenue by Vertical (%) – 1QFY27



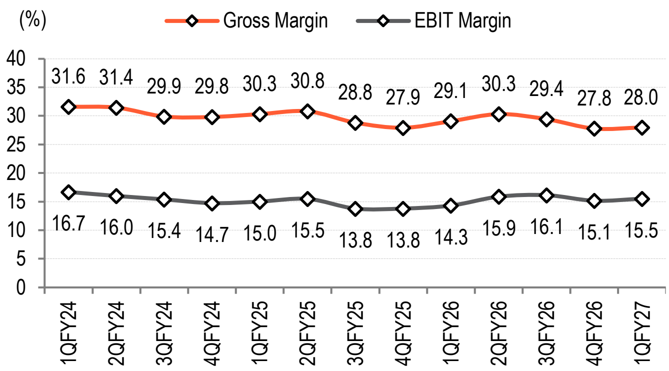
Source: Company, BOBCAPS Research

Fig 9 – Revenue by Geography (%) – 1QFY27



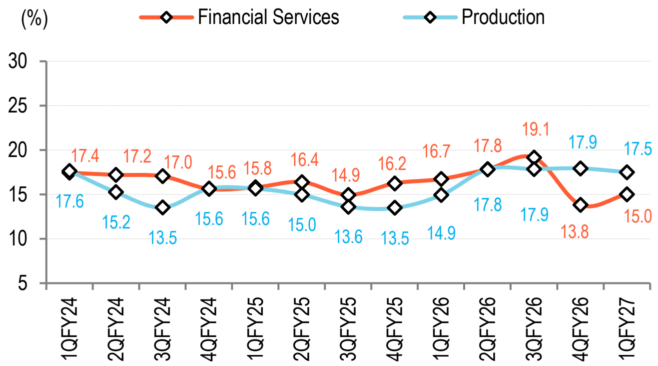
Source: Company, BOBCAPS Research

Fig 10 – Gross Margin and EBIT Margin



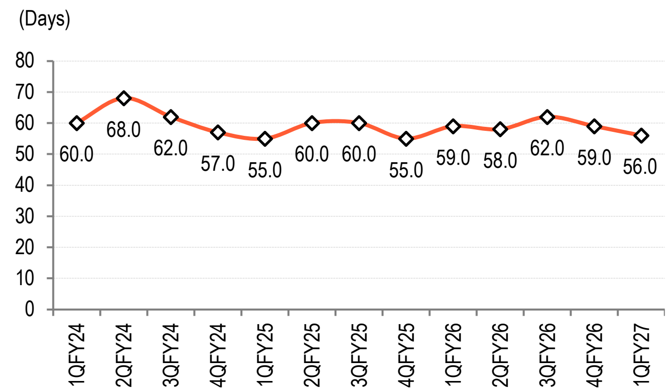
Source: Company, BOBCAPS Research

Fig 11 – EBITDA margin trends of Financial services and Production



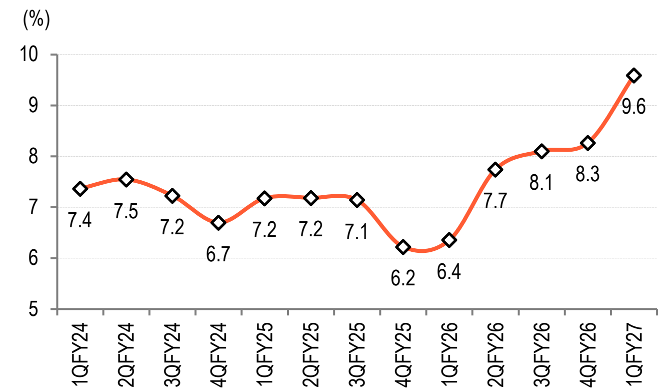
Source: Company, BOBCAPS Research

Fig 12 – DSO (Billed) trend



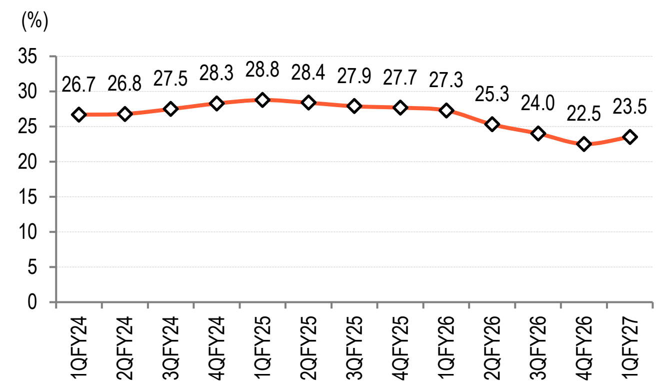
Source: Company, BOBCAPS Research

Fig 13 – Sub-contracting charges



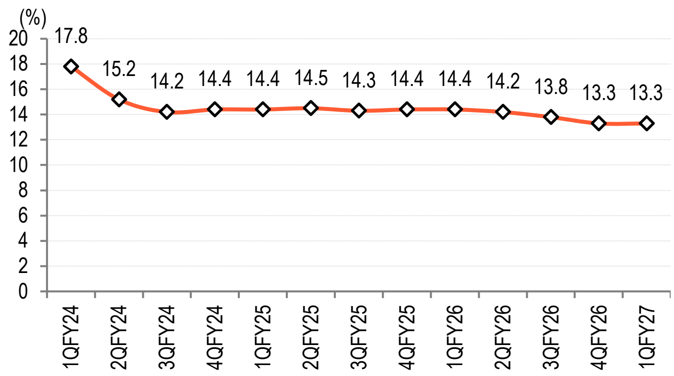
Source: Company, BOBCAPS Research

Fig 14 – Top 5 client concentration (%)



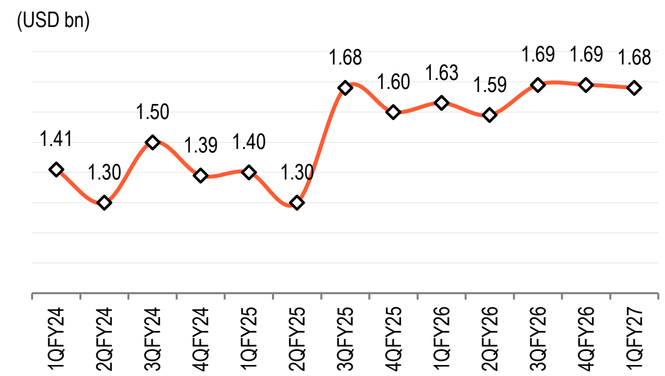
Source: Company, BOBCAPS Research

Fig 15 – Attrition trend on a QoQ basis (%)



Source: Company, BOBCAPS Research

Fig 16 – Order Inflow (USD bn)



Source: Company, BOBCAPS Research

Fig 17 – Quarterly Snapshot

Year to 31 March (Rsmn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
INR/USD	82.2	82.8	83.2	83.2	83.4	83.7	84.8	86.4	85.3	88.1	89.3	92.4	94.9
Revenue (in USDmn)	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131	1,153	1,180	1,208	1,222	1,224
Revenue	87021	89054	90166	88929	91426	94329	96609	97717	98406	103943	107810	112917	116080
Gross margin	27502	28006	26942	26506	27711	29052	27824	27277	28599	31504	31712	31352	32460
SGA	11147	11693	11093	11149	11650	12059	11891	11315	12105	12203	11685	11622	11854
Depreciation and Amortisation	1847	2082	1990	2270	2352	2411	2644	2508	2429	2820	2656	2636	2613
EBIT	14508	14231	13859	13087	13709	14582	13289	13454	14065	16481	17371	17094	17993
Revenue Related Forex gain/loss	(123)	(21)	426	(164)	134	751	132	232	1291	652	(501)	(786)	(2664)
Other income	1,439	1,453	1,769	2,240	2,137	2,238	1,993	2,280	2,630	2,352	2,773	2,533	5,218
Interest	460	470	607	680	724	703	689	673	724	693	693	653	763
PBT	15364	15193	15447	14483	15256	16868	14725	15293	17262	18792	13047	18810	19784
Tax	3841	3570	3754	3476	3905	4352	3858	4007	4716	4980	3451	4937	5098
PAT	11523	11623	11693	11007	11351	12516	10867	11286	12546	13812	9596	13873	14686
EPS	38.9	39.2	39.4	37.1	38.2	42.2	36.6	36.4	42.3	47.2	32.7	46.9	49.4
YoY Growth													
USD Revenue	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8	5.2	4.7	6.1	8.0	6.1
INR Revenues	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9	7.6	10.2	11.6	15.6	18.0
Gross profit	15.6	10.4	9.3	2.0	0.8	3.7	3.3	2.9	3.2	8.4	14.0	14.9	13.5
EBIT	9.3	(1.2)	15.8	(7.9)	(5.5)	2.5	(4.1)	2.8	2.6	13.0	30.7	27.1	27.9
Net profit	4.1	(2.2)	16.8	(1.2)	(1.5)	7.7	(7.1)	2.5	10.5	10.4	(11.7)	22.9	17.1
QoQ Growth													
USD Revenues	0.1	1.6	0.8	(1.3)	2.5	2.8	1.1	(0.7)	2.0	2.3	2.4	1.2	0.1
INR Revenues	0.1	2.3	1.2	(1.4)	2.8	3.2	2.4	1.1	0.7	5.6	3.7	4.7	2.8
EBIT	2.1	(1.9)	(2.6)	(5.6)	4.8	6.4	(8.9)	1.2	4.5	17.2	5.4	(1.6)	5.3
Net profit	3.4	0.9	0.6	(5.9)	3.1	10.3	(13.2)	3.9	11.2	10.1	(30.5)	44.6	5.9
Margins (%)													
Gross margin	31.6	31.4	29.9	29.8	30.3	30.8	28.8	27.9	29.1	30.3	29.4	27.8	28.0
EBIT	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	14.3	15.9	16.1	15.1	15.5
PAT	13.2	13.1	13.0	12.4	12.4	13.3	11.2	11.5	12.7	13.3	8.9	12.3	12.7
SGA	12.8	13.1	12.3	12.5	12.7	12.8	12.3	11.6	12.3	11.7	10.8	10.3	10.2

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

Fig 18 – Key Metrics

Key Metrics	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
P and L (Rs mn)													
Revenue	87,021	89,054	90,166	88,929	91,426	94,329	96,609	97,717	98,406	103,943	107,810	112,917	116,080
EBIT	14,508	14,231	13,859	13,087	13,709	14,582	13,289	13,454	14,065	16,481	17,371	17,094	17,993
PAT	11,523	11,623	11,693	11,007	11,351	12,516	10,867	11,286	12,546	13,812	9,596	13,873	14,686
Revenue - Vertical Mix (%)													
Financial Services	37.5	36.5	35.6	35.1	35.2	35.6	36.4	37.1	37.0	36.2	35.1	33.0	34.0
Consumer									24.1	25.7	25.8	26.9	26.6
Technology and Services									19.3	18.6	18.2	19.4	20.0
Production	17.3	17.9	20.3	18.6	18.5	18.1	19.3	19.9	19.6	19.5	20.8	20.7	19.4
High-Tech, Media & Entertainment	23.7	23.8	22.9	24.3	25.6	25.4	23.7	23.4					
CPG, Retail, Travel Transportation & Hospitality	15.1	15.3	14.7	15.1	14.5	14.5	14.3	14.1					
Health, Life sciences & Public Services	6.4	6.5	6.5	6.9	6.2	6.4	6.3	5.5					
Revenue - Geographic Mix (%)													
North America	73.1	73.4	72.7	73.8	75.1	75.0	74.7	74.5	74.4	74.2	72.8	72.3	73.9
Europe	15.2	15.3	14.5	14.6	14.4	14.4	13.8	13.6	14.7	14.7	14.8	15.4	15.0
RoW	11.7	11.3	12.8	11.6	10.5	10.6	11.5	11.9	11.0	11.1	12.4	12.3	11.1
Effort mix (%)													
Onsite	14.8	14.8	15.0	15.1	15.4	15.5	15.4	15.1	15.1	14.8	14.5	14.2	14.2
Off shore	85.2	85.2	85.0	84.9	84.6	84.5	84.6	84.9	84.9	85.2	85.5	85.8	85.8
Utilization (%) (including Trainees)	84.80	86.60	87.40	86.90	88.30	87.70	85.40	85.80	88.10	88.10	86.90	85.70	86.40
Clients Concentration (%)													
Top 5 Clients	26.7	26.8	27.5	28.3	28.8	28.4	27.9	27.7	27.3	25.3	24.0	22.5	23.5
Top 10 Clients	34.1	34.3	35.3	35.5	35.7	35.0	34.5	34.3	34.3	32.8	31.7	30.7	32.0
Top 20 Clients	44.9	45.2	45.9	45.9	46.2	45.8	45.5	44.8	44.5	43.5	43.3	41.6	42.8
Top 40 Clients	57.2	57.6	58.5	58.0	58.9	58.2	58.1	57.2	56.8	56.1	56.8	55.3	56.1
Client Profile													
Number of Active Clients	723	737	739	738	748	742	742	741	741	749	746	751	740
New Clients Added	19	30	23	30	27	22	23	26	17	23	26	13	16
100 Million dollar +	2	2	2	2	2	2	2	2	2	2	2	2	2
50 Million dollar +	13	14	12	13	12	12	13	14	14	14	12	14	15
20 Million dollar +	40	41	40	40	43	42	39	40	41	45	47	48	52
10 Million dollar +	88	90	89	91	87	88	90	89	90	93	97	101	104
5 Million dollar +	148	146	149	153	148	154	152	154	159	158	162	164	170
1 Million dollar +	388	391	388	394	390	392	401	410	404	402	399	411	407
Employee Number	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307	83,889	86,447	87,958	87,950	87,886
Net employee addition	(1,808)	794	(1,061)	(821)	284	2,504	2,362	(2,493)	(418)	2,558	1,511	(8)	(64)
Attrition LTM (%)	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4	14.4	14.2	13.8	13.3	13.3
(USD mn)													
Revenue	1,058.7	1,075.5	1,083.7	1,069.4	1,096.2	1,126.6	1,138.7	1,131.0	1,153.3	1,180.1	1,208.0	1,222.0	1,223.5
USD-INR	82.20	82.80	83.20	83.16	83.40	83.73	84.84	86.40	85.33	88.08	89.25	92.37	94.87
TCV (US$mn)	1410	1300	1500	1390	1400	1300	1680	1600	1630	1590	1690	1690	1680

Source: Company, BOBCAPS Research

Fig 19 – QoQ and YoY growth of various parameter

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
QoQ Growth (%)													
Geographical Data													
North America	1.8	2.0	(0.2)	0.2	4.3	2.6	0.7	(0.9)	1.8	2.0	0.4	0.5	2.3
Europe	(1.2)	2.3	(4.5)	(0.6)	1.1	2.8	(3.1)	(2.1)	10.2	2.3	3.1	5.3	(2.5)
RoW	(7.8)	(1.9)	14.1	(10.6)	(7.2)	3.8	9.7	2.8	(5.7)	3.3	14.4	0.3	(9.6)
Verticals													
Financial Services	(1.2)	(1.1)	(1.7)	(2.7)	2.8	3.9	3.3	1.2	1.7	0.1	(0.7)	(4.9)	3.2
Consumer										9.1	2.8	5.5	(1.0)
Technology and Services										(1.4)	0.2	7.8	3.2
Production	(1.0)	5.1	14.3	(9.6)	2.0	0.6	7.8	2.4	0.4	1.8	9.2	0.7	(6.2)
High-Tech, Media & Entertainment	3.2	2.0	(3.0)	4.7	8.0	2.0	(5.7)	(1.9)	1.1				
CPG, Retail, Travel Transportation & Hospitality	(1.8)	2.9	(3.2)	1.4	(1.6)	2.8	(0.3)	(2.1)	5.6				
Health, Life sciences & Public Services	5.0	3.2	0.8	4.8	(7.9)	6.1	(0.5)	(13.3)	3.8				
Client Metrics													
Top 5 Clients	5.2	2.0	3.4	1.6	4.3	1.3	(0.7)	(1.4)	0.5	(5.2)	(2.9)	(5.2)	4.6
Top 10 Clients	3.8	2.2	3.7	(0.8)	3.1	0.8	(0.4)	(1.3)	2.0	(2.2)	(1.1)	(2.0)	4.4
Top 20 Clients	2.2	2.3	2.3	(1.3)	3.2	1.9	0.4	(2.2)	1.3	0.0	1.9	(2.8)	3.0
Top 40 clients	0.8	2.3	2.3	(2.2)	4.1	1.6	0.9	(2.2)	1.3	1.1	3.6	(1.5)	1.6
YoY Growth (%)													
Geographical Data													
North America	10.2	6.0	4.1	3.8	6.4	7.0	8.0	6.8	4.2	3.6	3.4	4.9	5.4
Europe	7.4	10.3	0.8	(4.1)	(1.9)	(1.4)	0.0	(1.5)	7.4	6.9	13.8	22.3	8.3
RoW	(2.7)	(4.9)	3.5	(7.6)	(7.1)	(1.7)	(5.6)	8.5	10.2	9.7	14.4	11.7	7.1
Verticals													
Financial Services	12.3	6.1	(1.4)	(6.6)	(2.8)	2.2	7.4	11.8	10.6	6.5	2.3	(3.9)	(2.5)
Consumer													17.1
Technology and Services													9.9
Production	14.7	16.3	20.1	7.5	10.7	5.9	(0.1)	13.2	11.5	12.9	14.3	12.4	5.0
High-Tech, Media & Entertainment	0.9	(1.0)	0.5	6.8	11.8	11.8	8.7	1.8	(4.7)	(6.4)	(0.6)	9.4	
CPG, Retail, Travel Transportation & Hospitality	4.0	4.6	0.1	(0.8)	(0.6)	(0.7)	2.2	(1.2)	5.9	12.7	14.2	19.5	
Health, Life sciences & Public Services	4.8	0.6	6.8	14.4	0.3	3.1	1.8	(15.7)	(5.0)	(1.8)	9.5	37.5	
Client Metrics													
Top 5 Clients	7.7	5.6	8.3	12.7	11.7	11.0	6.6	3.5	(0.3)	(6.7)	(8.7)	(12.2)	(8.7)
Top 10 Clients	6.8	5.2	8.1	9.1	8.4	6.9	2.7	2.2	1.1	(1.8)	(2.5)	(3.3)	(1.0)
Top 20 Clients	6.7	5.5	4.9	5.5	6.5	6.1	4.2	3.2	1.3	(0.5)	1.0	0.3	2.0
Top 40 clients	5.3	5.6	5.2	3.3	6.6	5.8	4.4	4.3	1.5	1.0	3.7	4.5	4.8

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**380,081**	**423,076**	**505,106**	**574,993**	**618,795**
EBITDA	64,949	75,552	89,698	98,449	106,040
Depreciation	9,915	10,541	13,253	14,187	14,187
EBIT	55,034	65,011	76,445	84,262	91,853
Net interest inc./(exp.)	(2,789)	(2,763)	(3,251)	(3,591)	(3,804)
Other inc./(exp.)	12,686	13,707	18,167	23,603	27,301
Exceptional items	0	0	0	0	0
EBT	64,931	75,955	91,361	104,274	115,350
Income taxes	16,122	19,570	23,346	26,870	29,724
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**48,809**	**52,434**	**68,015**	**77,404**	**85,626**
Adjustments	0	0	0	0	0
Adjusted net profit	**48,809**	**52,434**	**68,015**	**77,404**	**85,626**

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	97,850	103,475	108,120
Provisions	9,691	11,741	12,320	12,320	12,320
Debt funds	554	13,397	9,218	9,218	9,218
Other liabilities	37,997	45,227	48,236	48,749	49,242
Equity capital	296	296	296	296	296
Reserves & surplus	226,687	239,954	269,422	317,158	367,181
Shareholders' fund	226,983	240,250	269,718	317,454	367,477
Total liab. and equities	**306,300**	**371,960**	**437,342**	**491,216**	**546,377**
Cash and cash eq.	20,623	23,311	58,803	88,609	122,321
Accounts receivables	76,882	94,717	112,775	122,740	130,968
Inventories	28	33	28	28	28
Other current assets	38,106	38,556	48,454	52,374	55,612
Investments	111,515	146,055	149,801	157,801	165,801
Net fixed assets	15,946	13,431	9,125	9,369	9,613
CWIP	5,818	9,171	10,012	10,012	10,012
Intangible assets	12,036	12,923	12,860	12,860	12,860
Deferred tax assets, net	5,303	12,980	12,870	14,007	14,946
Other assets	20,043	20,783	22,616	23,416	24,216
Total assets	**306,300**	**371,960**	**437,342**	**491,216**	**546,377**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**54,672**	**51,800**	**93,653**	**86,921**	**96,796**
Capital expenditures	(3,825)	(7,049)	(6,000)	(6,000)	(6,000)
Change in investments	(12,747)	(34,540)	(3,746)	(8,000)	(8,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(16,572)**	**(41,589)**	**(9,746)**	**(14,000)**	**(14,000)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	236	12,843	(4,179)	0	0
Interest expenses	(2,789)	(2,763)	(3,251)	(3,591)	(3,804)
Dividends paid	(19,261)	(22,081)	(28,185)	(29,669)	(35,602)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(21,814)**	**(12,001)**	**(35,615)**	**(33,260)**	**(39,407)**
Chg in cash & cash eq.	**2,423**	**23,311**	**58,803**	**88,609**	**122,321**
Closing cash & cash eq.	**20,623**	**23,311**	**58,803**	**88,609**	**122,321**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	153.7	169.3	226.7	260.9	288.6
Adjusted EPS	153.4	169.2	226.2	260.4	288.0
Dividend per share	65.0	75.0	95.0	100.0	120.0
Book value per share	766.0	816.2	912.0	1,072.9	1,241.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.2	2.9	2.4	2.2	2.1
EV/EBITDA	18.7	16.1	13.7	12.8	12.2
Adjusted P/E	26.3	23.9	17.8	15.5	14.0
P/BV	5.3	4.9	4.4	3.8	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.2	74.4	74.4	74.2	0.0
Interest burden (PBT/EBIT)	118.0	108.7	119.5	123.8	0.0
EBIT margin (EBIT/Revenue)	14.5	15.4	15.1	14.7	0.0
Asset turnover (Rev./Avg TA)	130.6	124.8	124.8	123.8	0.0
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.6	1.6	0.0
Adjusted ROAE	22.8	22.5	26.6	26.3	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.0	11.3	19.4	13.8	7.6
EBITDA	1.7	16.3	18.7	9.8	7.7
Adjusted EPS	(0.8)	10.3	33.7	15.1	10.6
Profitability & Return ratios (%)					
EBITDA margin	17.1	17.9	17.8	17.1	17.1
EBIT margin	14.5	15.4	15.1	14.7	14.8
Adjusted profit margin	12.8	12.4	13.5	13.5	13.8
Adjusted ROAE	22.9	22.4	26.7	26.4	25.0
ROCE	18.4	18.0	18.2	17.8	17.0
Working capital days (days)					
Receivables	74	82	81	78	77
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	23.8	31.5	55.4	61.4	64.4
Current ratio	3.3	2.1	2.0	2.3	2.6
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

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%

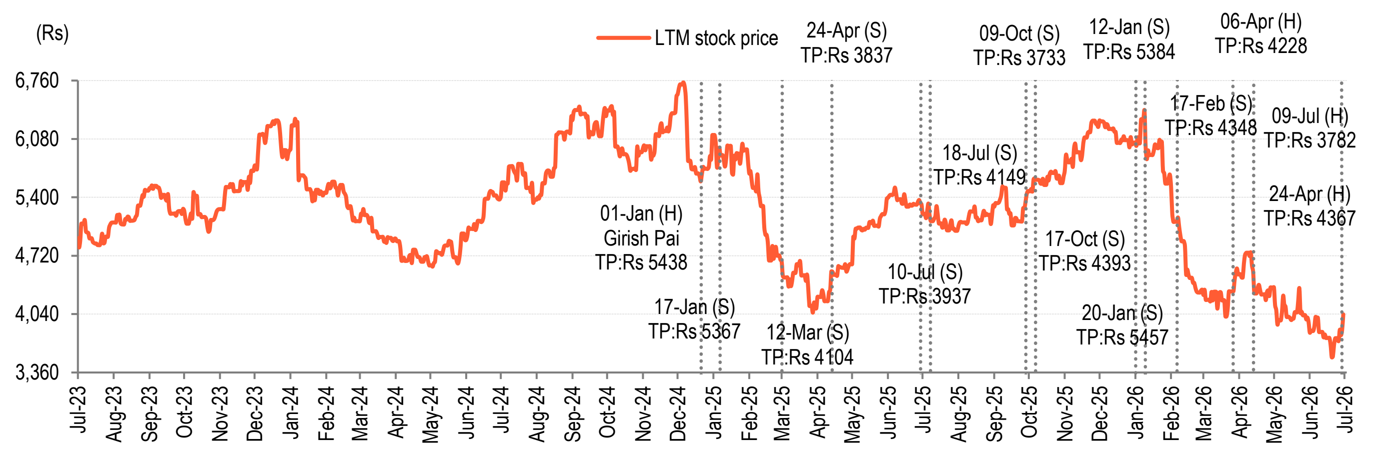
HOLD – Expected return from -6% to +15%

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): LTM (LTM 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.