

Indian IT sector: Q4 FY26 preview

A reset post the (AI)pocalypse; M&A and Partnerships back in vogue...

Sensex: 73,320

Nifty: 22,713



Sushovon Nayak, Research Analyst

Apoorva Khandelwal, Research Associate

Harshita Parakh, Research Associate

Executive summary (1 / 3): No Bad news is Good news; Q4 FY26 - Business as usual...

Q4FY26 saw no change in the demand environment vs. Q3FY26. We expect median q/q constant currency (“cc”) revenue growth of top-6 & midcap IT names to be 0.2/1.5%. Margins to benefit from rupee depreciation of 2.6% q/q. While we expect Top-6 median EBIT margins to improve to 17.4% (vs. 17.3% in Q3FY26), within mid-caps, median EBIT margins remaining flat at 15.1%.

- Sequential revenue growth benefited from cross currency tailwinds (headwinds in Q3FY26), as GBP (1.4%), EUR (0.6%) & AUD (5.8%) appreciated vs. USD, partially offset by INR (2.6%) & JPY (1.7%) depreciation, driving higher USD revenue growth vis-à-vis cc growth.
- **Overall, we continue to favor large cap IT. Within top-6, HCL Tech (“HCLT”), Infosys & LTM continue to be our top picks. In mid-cap IT, Persistent & Mphasis are our top picks, while Mastek’s undemanding valuations warrant a Buy on the stock.**
- NiftyIT has corrected ~20% YTD due to the launch of Anthropic's Claude Cowork plug-ins & Claude Code's ability to understand & modernize COBOL triggering a broad repricing of IT services & SaaS companies. Large Cap IT companies have de-rated amid sell-off, now trading at FY27/28e P/E of 17.0x/15.9x, correcting 22.3%/21.3% since our Q3FY26 result update.
- Indian IT is navigating a cyclical slowdown marked by cautious spending & AI-related pricing concerns, with the underlying structural shift characterized by —
 - Indian IT pivoting toward **AI-led, outcome-based service models**
 - Leaders such as **Infosys, TCS & HCLT** are engaging in targeted M&A to shift from broad capability building to execution-led, vertically-integrated enterprise AI orchestration.
 - An **"implementation super cycle"** is underway, with value migrating from AI infrastructure to enterprise deployment, positioning Indian IT as execution & governance layer.
 - **Leaders like TCS, Infosys, & HCL Tech** are poised to be the primary monetization layer for AI through **partnerships with firms like OpenAI & Anthropic**,
 - While near-term pricing pressure exists, AI structurally expands the addressable market & reinforces the advantage of scaled players.

- Within Top-6, LTM is expected to show highest organic revenue growth with 1.4% q/q cc, albeit weaker than expected. Infosys (-0.6% q/q cc) & HCLT (-0.3%) are expected to have in-line seasonally weak quarter. TCS (1% cc q/q; 0.6% organic) and Wipro (0.5%; -1.1%) sequential cc growth benefits from acquisitions
- Infosys margins expected to be ~21%, while HCLT’s margins (17.7%) to be impacted by wage hike & restructuring charges, partially offset by currency tailwinds. LTM’s margins (15.4% vs 16.1% in Q3FY26) impacted by wage hikes, fewer working days and client specific issues
- Within midcap IT names, Persistent (“PSYS”) is expected to report strong sequential cc growth of ~4.0%, followed by Mphasis at 3.1% q/q cc growth. FSOL (4.0% cc q/q; 2.7% organic) sequential cc growth benefits from Telemedik acquisition
 - Mphasis’s margins are expected to remain stable at ~15.1–15.2% (flat to +10 bps q/q), supported by improving gross margins (ex-hedge).
 - LVA to show modest growth (0.5–1% q/q) as Consumer & BFSI offset Tech decline; EBITDA margins stable at ~24 - 24.5% with AI-led delivery (50–60% of SOWs)

State of IT services

Puts & Takes

Executive summary (2 / 3): Strategic Orchestration & The Rise of Sovereign AI...

Scaling the AI Stack through Partnerships & Targeted M&A

- Indian IT firms are rapidly deepening partnerships with leading AI platforms such as OpenAI, Anthropic, NVIDIA, & enterprise platforms like ServiceNow — indicating a shift from broad capability building to execution-led, revenue-linked ecosystems
- Collaborations such as Infosys-Anthropic, TCS-OpenAI & HCL-OpenAI, highlight that Indian IT is moving into the orchestration layer of enterprise AI adoption.
- AI is accelerating a structural shift from “Buy to Build”, as enterprises increasingly leverage LLMs & agentic AI to develop custom applications in-house. This is repositioning IT services firms as end-to-end LLM implementation partners—spanning consulting, model selection, integration, & deployment.
- Infosys announced acquisitions of Optimum Healthcare IT (\$465 mn) & P&C insurance technology player, Stratus (\$95 mn). Both are all-cash, US-focused deals at reasonable valuations of ~1.7x & ~2.2x revenue, respectively. Infosys announced 5 acquisitions this year incl. MRE Consulting, Versent, Missing Link, with total capital allocation of ~\$808 Mn. The strategy mirrors Accenture’s inorganic playbook — focusing on vertical expertise, onshore talent, & platform capabilities in healthcare & insurance.
- Earlier, TCS acquired Coastal Cloud (\$700 mn) to scale Salesforce capabilities, HCLTech bought assets like HPE’s Telco Solutions & Jaspersoft to build its software/IP portfolio, & Wipro acquired HARMAN’s DTS (\$375 mn, 5,600 engineers) unit to expand its engineering R&D practice.

Rise of Sovereign AI & India as Compute Hub

- The global shift toward sovereign AI is accelerating, with governments & regulated industries prioritizing control over data, models, & infrastructure, driven by national security, data residency, & long-term competitiveness.
- McKinsey estimates that 30-40% of all AI spending could be influenced by sovereignty requirements, representing a total addressable market of \$500- 600bn globally by 2030 (up from ~\$150-200bn in 2025), with the fastest growing segment being models, data, & tooling (~20% of TAM) at 77%+ CAGR, followed by applications (~30%) at 35%+ CAGR.
- The sovereign AI buildout is now accelerating with Microsoft investing \$1bn+ in Thailand for cloud & AI infrastructure; Saudi Arabia deploying \$20bn+ across sovereign AI & data centres; among Indian IT players, Tech Mahindra co-developed Indonesia's Sahabat-AI LLM, TCS partnering with Philippines-based PSU NOW Telecom to develop a sovereign data cloud & strengthen digital infrastructure
- Under the IndiaAI Mission, Sarvam AI was selected to build India's first indigenous sovereign LLM. At the AI Impact Summit, Sarvam unveiled its 30B & 105B parameter models built from scratch using mixture-of-experts architecture, supporting 22+ Indian languages.

- As per Moneycontrol, HCLT, NVIDIA & Bessemer Venture Partners are in advanced talks to invest \$200-250mn (valuation of \$1.5bn post money) in Sarvam AI.

Executive summary (3 / 3): AI Commentary & Valuation: Risk reward continues to favour Large Cap IT

Sector De-Rated by ~25%, post AI driven Tech Sell-off, however AI now unlocks TAM for the next leg of growth

Notable Gen-AI Disclosures

- Infosys at its Analyst Day (18th Feb'26) highlighted — AI value creation will be driven by legacy modernization & data engineering, with a widening execution gap (adoption vs technology) & a shift from “Buy to Build” positioning IT firms as end-to-end orchestrators across platforms, models, & enterprise transformation.
- Infosys outlined a \$300-400bn AI services opportunity by 2030, with AI already contributing ~5.5% of revenue & scaling rapidly. Topaz Fabric platform (600+ agents) is central to delivery, enabling customized AI agents & continuous learning via enterprise context integration.
- Accenture stopped providing disclosures from Q2FY26 (ending Feb-26; FYE Aug) and stated that AI has become so deeply embedded across nearly all client engagements that isolating it no longer accurately represents its contribution.
- Globant is leveraging AI Pods — agent-driven, industry-specific service units — to autonomously build software & run business processes with human oversight, enabling continuous learning & productivity gains.

Valuations

- We continue ascribing a 50% weight each to DCF & the multiples method, have rolled over our target prices to LTM Mar28, for the latter
- Basis FY27e/FY28e mkt. cap weighted P/Es, the top-6 trade at 17.0x/15.9x, with an FY26-28 EPS CAGR of 8.0%. FY28e P/E provides valuation comfort, trading at a ~11% discount to the 15-yr average of the 1yr-forward P/Es of 17.8x.
- Basis FY27e/FY28e mkt. cap-weighted P/E, midcap-ITs trade at 26.2x/22.4x, with an FY26-28 EPS CAGR of 16.9%. FY28e P/E trading at a ~3% discount to the 15-yr average of the 1yr-forward P/Es of 23.2x.
- With median of avg FCF yield (pre-acquisition) of FY26e for the large caps at 5.6% (vs. 4.4% for the mid caps), coupled with the undemanding current valuations, resilient FY26e-28e EPS CAGR of 8.0%, we continue to see an attractive risk reward profile for large caps even as we remain selective while picking amongst mid cap plays at current valuations.

Top picks & Notable mentions...

Large caps

HCL Tech

Leading growth among top-5 IT services firms (median q/q USD CQGR of 1.3% vs 0.4% peer median over last 8 qtrs), supported by a diversified revenue engine across IT Services (~74%), ER&D (~17%), & HCLSoftware (~10).

Infosys

Sustained growth visibility supported by large-deal momentum (~\$5bn TCV including the ~\$1.6bn NHS win), & accelerating deal activity in FS & Energy, while ~21% margin stability & disciplined M&A supports earnings expansion.

LTM

Despite revenues higher correlation to discretionary spend (~60-70%), in a weak discretionary demand environment, LTM has been able to capture market share in cost take-out deals, reinforcing the new incumbent's execution capabilities.

Mid caps

Mphasis

With ~67% of revenue tied to BFSI & the Fed shifting toward liquidity easing & potential rate cuts in FY26, Mphasis is well-placed to ride an improving demand outlook in its core segment.

Persistent

The company is well-positioned with proprietary platforms SASVA, ~20% CAGR in USD revenue over FY19-25, outpacing the industry (6.6%) & ~150bps margin uplift in Q3FY26 from scaling AI-led engagements.

Mastek

Supported by resilient UK government revenues, US turnaround potential, & AI-led margin expansion, driving steady growth recovery & improving profitability over FY26-28e.

Key Monitorables

- UK's fiscal challenges may weigh on Mastek's UK government business
- US revenue growth rate and orderbook conversion
- EBIT margin and EBIT/employee
- Delay in order book growth translating to topline expansion
- Impact of Middle East conflict of AMEA business and path to normalisation
- Data, Automation & AI service line revenue share

● Top picks
● Buy Rating, with key Monitorables

How are International IT Companies riding the AI wave? (1/2)

1 Accenture

- Accenture saw AI moving from a reported metric to being fully embedded in large reinvention deals—signaling a shift to execution-led, enterprise-wide AI adoption..
 - AI is now fully embedded in large-scale transformation deals (no separate disclosure), with demand accelerating toward production-stage use cases (cloud, data, security, agentic AI) & a continued tilt toward fixed-price execution (>60%).
 - Increased M&A deployment (~\$5Bn from \$3Bn earlier) toward AI-native, data, cybersecurity, & ecosystem capabilities reinforces a shift toward non-linear, IP-led growth.
- Strengthens outlook for scaled Indian IT plays, as enterprises move from AI PoCs to execution, driving large SI-led programs, ERP modernization, & scaled AI integration
- ACN raised FY26 outlook to 4–6% cc growth (excl. Federal impact) supported by ~1.5% inorganic contribution, translating to ~3.5% organic growth at the midpoint.

2 EPAM

- EPAM's DIAL 3.0 is an open-source, vendor-agnostic GenAI platform designed for enterprise AI deployment with built-in interoperability & governance.
 - Integrates with OpenAI, Anthropic, Google Gemini, & AWS Bedrock to support hybrid environments & eliminate vendor lock-in.
- Launched in 2023, DIAL 3.0 now supports agentic workflows, data-native reasoning, data processing, with deployment across BFS, healthcare, insurance, CPG, & retail.
- As a Microsoft Global Systems Integrator with 17 specializations, EPAM focuses on agentic AI & production deployments while also collaborating with AWS.
- **EPAM's AI revenue in Q4CY25 was at ARR \$420Mn (~7.5% of total revenue), which is expected to contribute \$600Mn in CY26 (~10.1% of revenue).**

3 Globant

- Globant's AI Pods are a subscription-based, token-metered model delivering agentic AI, enabling scalable & lower-cost service delivery.
- AI Pods are powered by Globant Enterprise AI (GEAI), a model-agnostic platform supporting end-to-end agent orchestration, automated code generation, testing, & deployment.
- Offers broad interoperability via (MCP) & (A2A) connectivity Agentforce, Azure AI Foundry etc, while integrating frontier models including OpenAI, Anthropic xAI.
- Agentic Commerce Protocol (ACP) for AI-driven transactions for client & 50+ agents, with outcomes of ~80% faster legacy modernization, ~50% lower development costs.
- **AI revenue in Q4CY25 was at ARR \$20.6Mn (~0.8% of total revenue), which is expected to contribute \$80Mn in CY26 (~3.2% of revenue).**

How are International IT Companies riding the AI wave? (2/2)

4

Capgemini

- Resonance AI Framework scales agentic & GenAI across enterprises, supported by RAISE (GenAI agents & solutions gallery), 150k GenAI-trained employees, & AI CoEs; & partnerships with AWS, Google Cloud, Microsoft etc
- Through its AWS partnership, It is accelerating GenAI adoption, building industry solutions, optimising LLM costs to move deployments from pilot to production.
- With Google Cloud, it is developing agentic AI solutions for customer experience using the Agent2Agent protocol to enable cross-platform agent collaboration.
- With Microsoft, it is delivering sovereign cloud & AI solutions using Microsoft Sovereign Cloud to address digital sovereignty, compliance, & resilient cloud operations
 - With OpenAI, it is deploying AI coworkers through the Frontier platform, building enterprise AI operating models & multi-agent workflows to scale adoption.
- **Capgemini's Q4CY25 bookings stood at ~\$8.4Bn (up 9.1% y/y cc), out of which 10% >(\$0.8Bn; +111.8% y/y) of bookings were GenAI Bookings.**

5

Cognizant

- Its proprietary AI stack spans the:
 - Neuro AI Suite (Work IQ, Foundry IQ, Fabric IQ) for mission-critical workflow automation; Neuro IT Operations for AIOps-driven reliability
 - Flowsource for AI-led software engineering (delivering 16% higher developer productivity, 76% faster velocity, & 35% lower IT spend)
 - Skygrade for cloud modernisation & legacy migration
 - Agent Foundry, a no-code platform for building & deploying agentic AI solutions at scale.
- **Cognizant is targeting 50% AI-generated code** within a year through its Neuro platform & GitHub Copilot training, reflecting a deliberate shift toward agent-driven, automated software development.
- Through its Microsoft partnership, it embeds agentic AI across Azure, Azure AI Foundry, MS 365 Copilot, & GitHub Copilot, leveraging proprietary platforms
- With, NVIDIA, it delivers AI-driven enterprise solutions using NVIDIA AI & Omniverse Enterprise
- With GCP, it is scaling agentic AI using Gemini Enterprise & Google Workspace, underpinned by a dedicated Gemini Enterprise CoE & its ADLC¹ for enterprise AI deployment.

EPAM Systems: Investor Day Key Takeaways (March 13, 2026)

1	The Adoption Gap	<ul style="list-style-type: none">• Enterprises have experimented with AI but struggle to operationalize it at scale. Barriers include fragmented AI experimentation with no path to scale, lack of governance and ROI measurement frameworks, engineering teams not structured for AI-native workflows, and integration challenges across complex enterprise technology stacks.• IT service players work in this layer as the SI partners, enabling enterprises be “AI ready”
2	AI Commoditizing Coding	<ul style="list-style-type: none">• Despite fears of AI-generated code eating into IT services, EPAM argues, while agents can generate code, hard work moves to everything above & around the code, incl. but not limited to:<ul style="list-style-type: none">– Designing what agents build (specification), architecting how agents work (orchestration/governance), judging what agents produce (quality), and connecting agents to enterprise reality (compliance, security, integration).
3	Agentic BPO, Physical AI & Sovereign AI	<ul style="list-style-type: none">• EPAM called Agentic BPO as a new services category — AI-enabled managed services where EPAM can take on operational processes with AI augmentation.• Beyond core software engineering, EPAM is expanding into physical AI (robotics across multiple sectors), and sovereign AI (governance, security, compliance frameworks).• This represents a meaningful expansion of EPAM’s TAM beyond traditional software engineering into business process territory.
4	Evolving Business Model	<ul style="list-style-type: none">• Commercial model are evolving from FTE-based to outcome/ROI-based pricing, with AI-led services already demonstrating margin accretion.<ul style="list-style-type: none">– However, T&M remains the dominant model and the transition to outcome-based or fixed-price models is WIP• AI native projects operate at higher margins than the company average. However, token costs are currently paid by clients (because of data security, models run in client infrastructure)• As the model transitions to fixed-price or outcome-based contracts, token costs will need to be embedded in pricing which EPAM is still figuring out
5	AI Unlocking New TAM	<ul style="list-style-type: none">• As per Gartner, Total IT Services Market (ex. IaaS) of \$1.8tn with ~5% CAGR till 2029.<ul style="list-style-type: none">– EPAM is aligned to higher growth Business Consulting, Technology Consulting, and Application Implementation segments, which are estimated to grow at ~6.5% CAGR
6	Financial Outlook	<ul style="list-style-type: none">• FY26 guidance remains at 3-6% growth & ~15-16% margins. Over the medium term, EPAM targets a return to double-digit growth, 16%+ margins, & strong FCF generation.• The core thesis is that as AI commoditizes coding, value shifts to solving enterprise complexity, which structurally favors EPAM’s deep engineering & domain-led model.

Stock Price Performance: Last 12-month & 3-year returns

Still hurting from the AI-induced bloodbath...

3-mth, 6-mth, 9-mth, 12-mth & 3Y performances of stocks, Nifty IT, Nifty

	3-Months	6-Months	9-Months	12-Months	3Y
TCS	(23.7)%	(15.3)%	(29.4)%	(32.2)%	(23.7)%
Infosys	(19.6)%	(10.0)%	(19.0)%	(17.4)%	(9.1)%
HCLT	(14.1)%	0.6%	(19.4)%	(12.5)%	28.4%
Wipro	(26.0)%	(18.6)%	(26.8)%	(25.7)%	6.7%
TECHM	(9.7)%	2.6%	(14.9)%	1.3%	30.3%
LTIM	(29.3)%	(16.9)%	(19.4)%	(4.6)%	(10.0)%
Accenture	(26.6)%	(20.1)%	(34.1)%	(35.2)%	(31.1)%
Nifty IT	(19.6)%	(9.5)%	(21.8)%	(17.5)%	6.1%
Nifty	(13.1)%	(7.7)%	(11.0)%	(3.4)%	30.8%

	3-Months	6-Months	9-Months	12-Months	3Y
Mphasis	(21.1)%	(17.1)%	(22.6)%	(11.9)%	22.6%
PSYS	(16.7)%	8.4%	(13.5)%	(5.2)%	126.7%
LTTS	(25.5)%	(19.2)%	(24.4)%	(26.1)%	(1.6)%
KPIT	(40.6)%	(36.6)%	(44.7)%	(46.8)%	(24.8)%
FSL	(35.3)%	(34.0)%	(42.0)%	(36.2)%	105.8%
SonataSW	(35.7)%	(33.1)%	(43.5)%	(33.0)%	(43.9)%
BirlaSoft	(14.9)%	4.5%	(14.9)%	(4.9)%	41.2%
Mastek	(26.7)%	(31.5)%	(38.4)%	(31.1)%	(2.5)%
Intellect	(32.7)%	(32.9)%	(43.1)%	(5.6)%	59.2%
Happiest Minds	(14.9)%	(26.2)%	(40.2)%	(34.3)%	(49.0)%
LatentView	(31.7)%	(23.3)%	(23.8)%	(14.7)%	(2.4)%

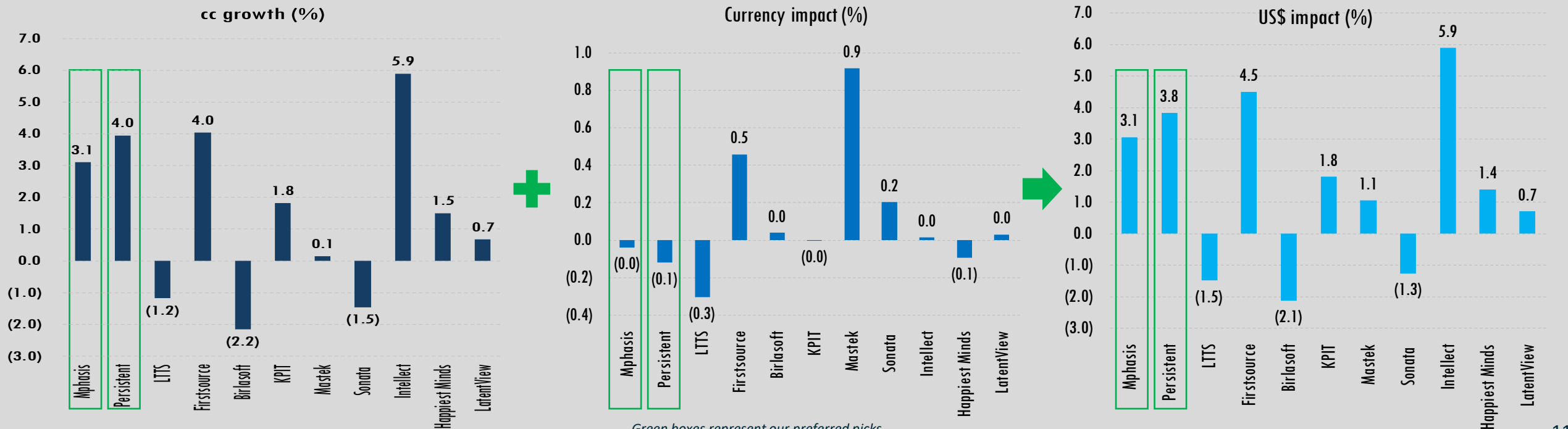
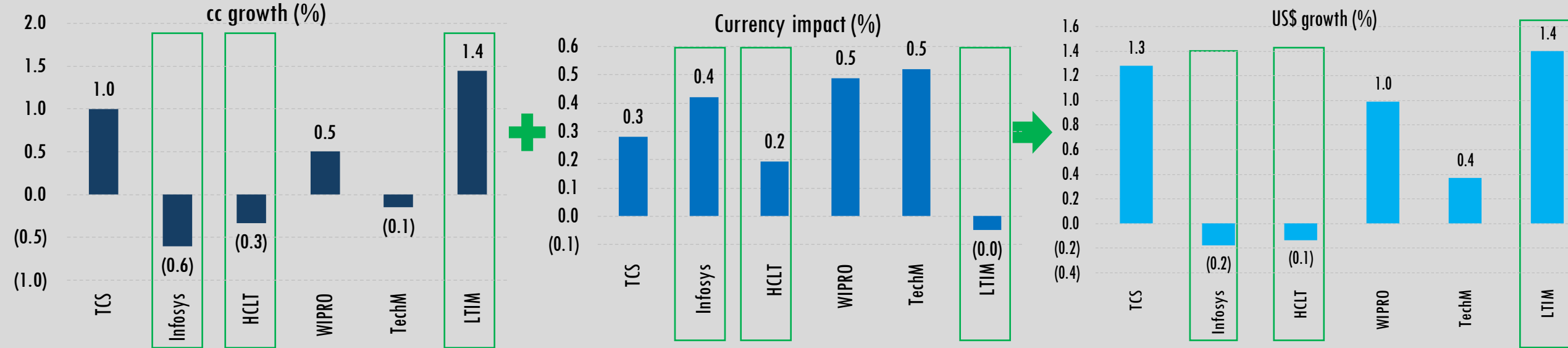
- The Nifty IT has fallen ~23% in YTD, with large cap stocks falling 13-34%.
- This sell-off was a result of Anthropic's launch of Claude Co-work plug-ins & update in Claude Code's ability which now understands the legacy COBOL code & helps in its modernization significantly, compressing deal timelines, triggering a broad repricing of IT services & SaaS companies

Q4 FY26 estimates preview

	TCS	Infosys	HCLT	WIPRO	TechM	LTIM	MPHL	Persistent	LTTS	FSOL	BSOFT	KPIT	Mastek	Sonata	Intellect	Happiest M	LatentView
Sales (\$ m)	7,605	5,090	3,788	2,662	1,616	1,225	465	439	321	286	148	184	103	81	87	67	32
% chg. Q/Q CC	1.0	(0.6)	(0.3)	0.5	(0.1)	1.4	3.1	4.0	(1.2)	4.0	(2.2)	1.8	0.1	(1.5)	5.9	1.5	0.7
% chg. Y/Y CC	(0.5)	4.8	5.9	0.2	1.6	7.6	7.6	16.6	(7.4)	12.3	(3.8)	(0.7)	(5.9)	(1.9)	2.1	6.2	17.1
% chg. Q/Q	1.3	(0.2)	(0.1)	1.0	0.4	1.4	3.1	3.8	(1.5)	4.5	(2.1)	1.8	1.1	(1.3)	5.9	1.4	0.7
% chg. Y/Y	1.9	7.6	8.3	2.5	4.3	8.3	8.2	16.9	(6.8)	14.5	(3.0)	3.9	(1.4)	(0.0)	3.4	6.0	17.3
Sales (Rsm)	6,95,914	4,65,735	3,46,597	2,45,543	1,47,870	1,12,084	42,572	40,141	29,416	26,199	13,507	16,862	9,442	7,436	7,950	6,100	2,884
% chg. Q/Q	3.7	2.4	2.3	4.2	2.7	4.0	5.4	6.2	0.6	6.2	0.2	4.2	4.3	0.7	8.7	3.8	3.8
% chg. Y/Y	7.9	13.8	14.6	9.1	10.5	14.7	14.5	23.8	(1.4)	20.9	2.6	10.3	4.3	5.9	9.5	12.0	24.2
EBITDA (Rsm)	1,90,455	1,09,370	72,656	50,898	24,879	19,905	8,187	7,906	5,162	4,616	2,083	3,480	1,509	1,450	1,588	1,144	691
% chg. Q/Q	4.3	2.8	(2.0)	18.4	5.2	(0.6)	4.1	8.0	0.5	8.1	(14.9)	4.4	(0.7)	0.7	58.4	6.8	3.4
% chg. Y/Y	12.2	10.8	12.1	10.5	33.2	24.7	15.3	35.3	8.6	36.1	20.0	7.7	8.8	25.3	(22.2)	36.3	25.7
EBITDA margin (%)	27.4	23.5	21.0	20.7	16.8	17.8	19.2	19.7	17.5	17.6	15.4	20.6	16.0	19.5	20.0	18.7	23.9
chg. Q/Q	14 bps	10 bps	-92 bps	248 bps	39 bps	-82 bps	-25 bps	31 bps	-3 bps	31 bps	-274 bps	3 bps	-80 bps	0 bps	627 bps	52 bps	-8 bps
chg. Y/Y	103 bps	-64 bps	-47 bps	25 bps	287 bps	142 bps	13 bps	167 bps	161 bps	197 bps	224 bps	-49 bps	66 bps	302 bps	-816 bps	334 bps	29 bps
EBIT (Rsm)	1,76,379	97,820	61,274	41,948	20,000	17,223	6,409	7,085	4,295	3,448	1,882	2,662	1,329	1,268	1,088	920	585
% chg. Q/Q	4.4	3.2	(2.5)	20.0	5.7	(0.9)	5.3	12.1	0.6	9.2	(16.2)	5.5	(0.9)	3.3	131.4	8.2	3.9
% chg. Y/Y	13.1	14.1	12.6	7.9	42.3	28.0	13.0	40.2	9.0	38.7	23.9	0.4	10.7	30.3	(33.1)	49.9	27.5
EBIT margin (%)	25.3	21.0	17.7	17.1	13.5	15.4	15.1	17.6	14.6	13.2	13.9	15.8	14.1	17.1	13.7	15.1	20.3
chg. Q/Q	17 bps	16 bps	-88 bps	225 bps	38 bps	-75 bps	-3 bps	93 bps	-1 bps	36 bps	-274 bps	18 bps	-73 bps	43 bps	726 bps	61 bps	2 bps
chg. Y/Y	115 bps	5 bps	-31 bps	-19 bps	303 bps	160 bps	-20 bps	206 bps	139 bps	170 bps	240 bps	-156 bps	81 bps	319 bps	-874 bps	381 bps	52 bps
PBT (Rsm)	1,82,221	1,06,593	63,164	47,683	17,352	19,330	6,616	7,663	4,337	3,064	2,059	2,769	1,325	1,092	1,274	832	710
Net income (Rsm)	1,35,344	75,684	46,742	35,799	12,701	14,327	4,933	5,960	3,144	2,431	1,236	2,015	980	809	934	497	522
% chg. Y/Y	10.7	7.6	8.5	0.3	8.9	27.0	10.5	50.6	1.1	51.3	1.2	(17.7)	20.9	29.9	(31.0)	46.0	1.8
Net Margin %	19.4%	16.3%	13.5%	14.6%	8.6%	12.8%	11.6%	14.8%	10.7%	9.3%	9.1%	11.9%	10.4%	10.9%	11.7%	8.1%	18.1%

Sonata corresponds to the International IT business

Currency tailwinds, driving higher USD sequential growth vs. Constant Currency growth...

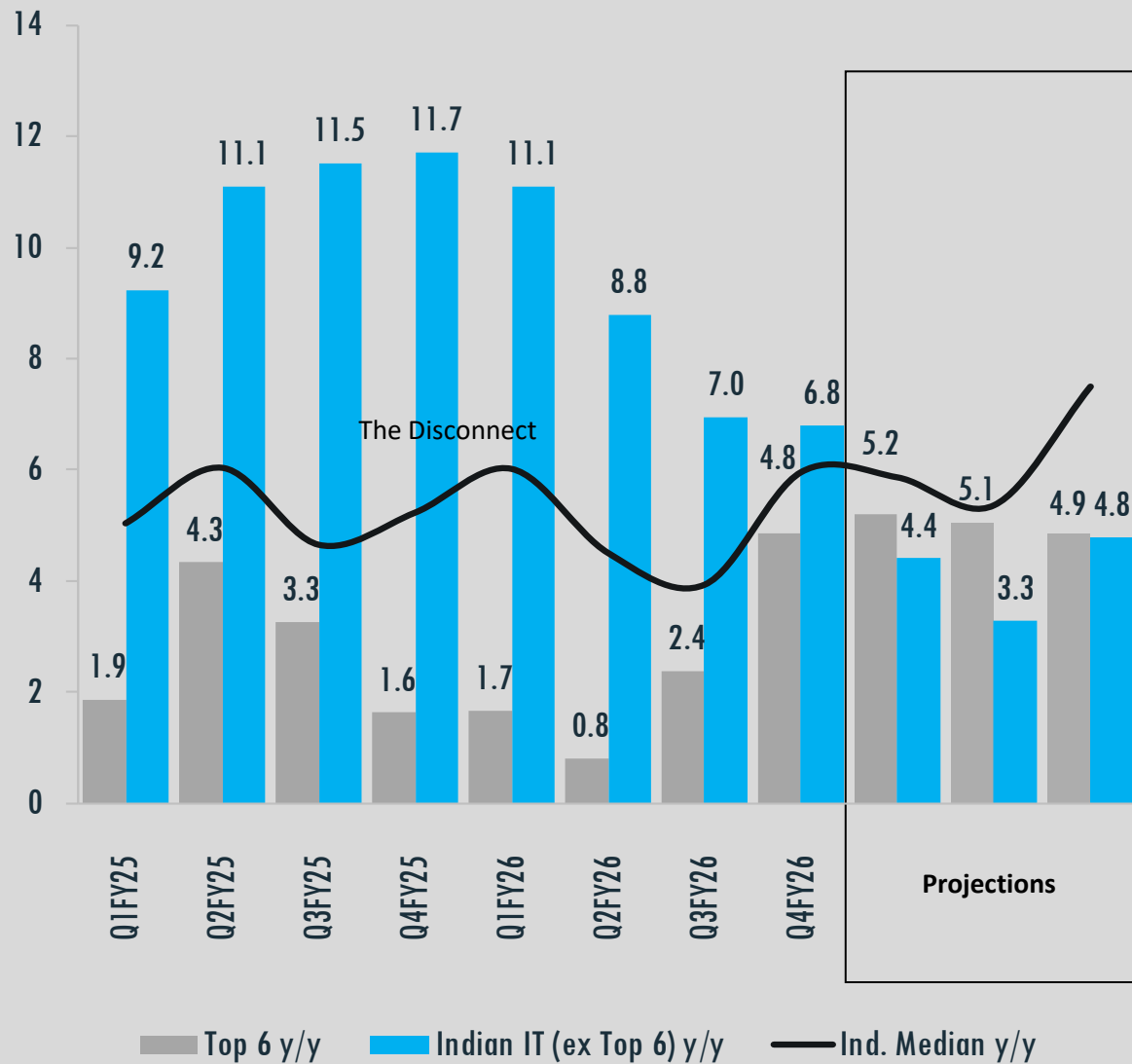


Note: Sonata refers to the International IT business

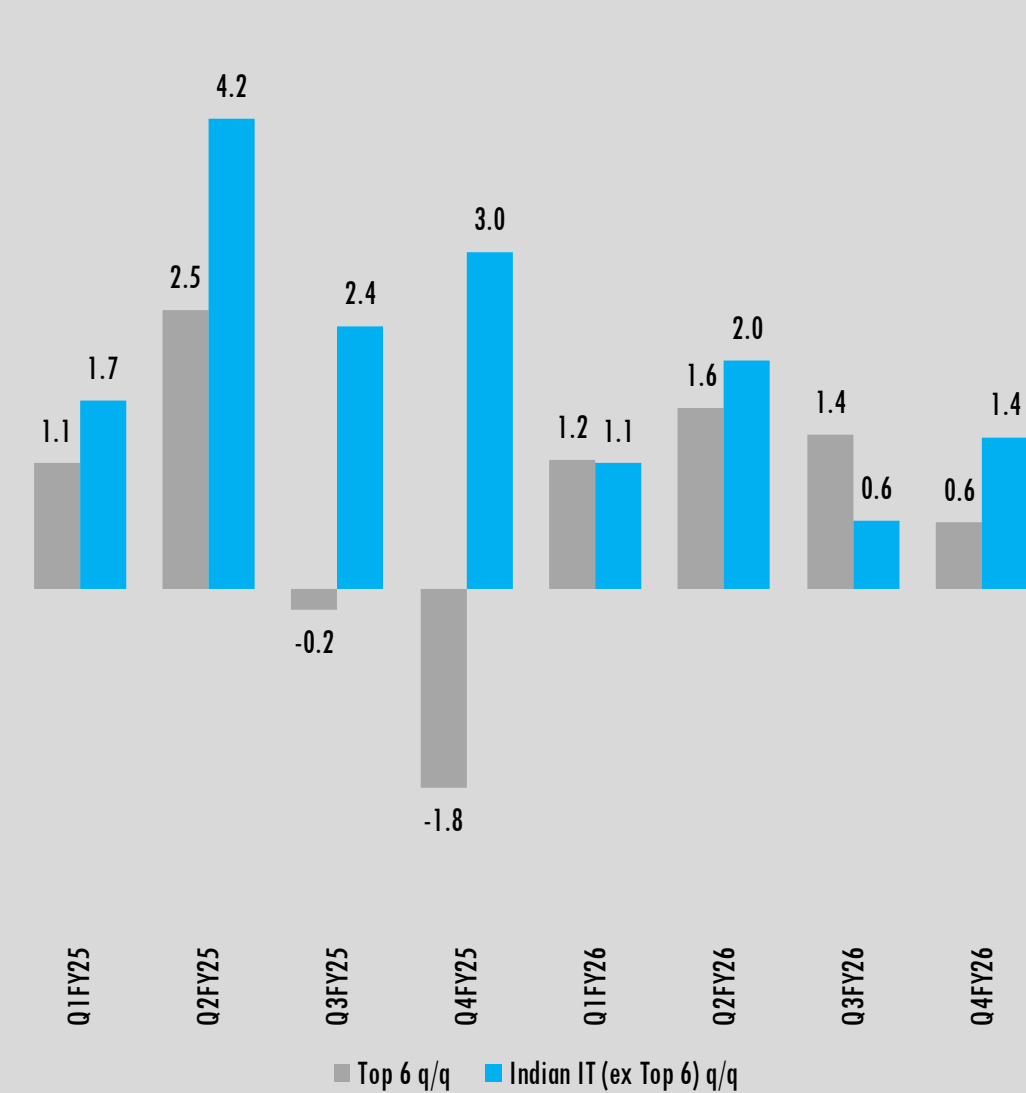
Green boxes represent our preferred picks

Top-6 & midcap IT growth differential narrowing in Q4FY26; Risk:Reward skewed towards Large-Caps

Y/Y Revenue, (US\$) growth, %



Q/Q Revenue, (US\$) growth, %



* Q4 FY26 onward are AR estimates

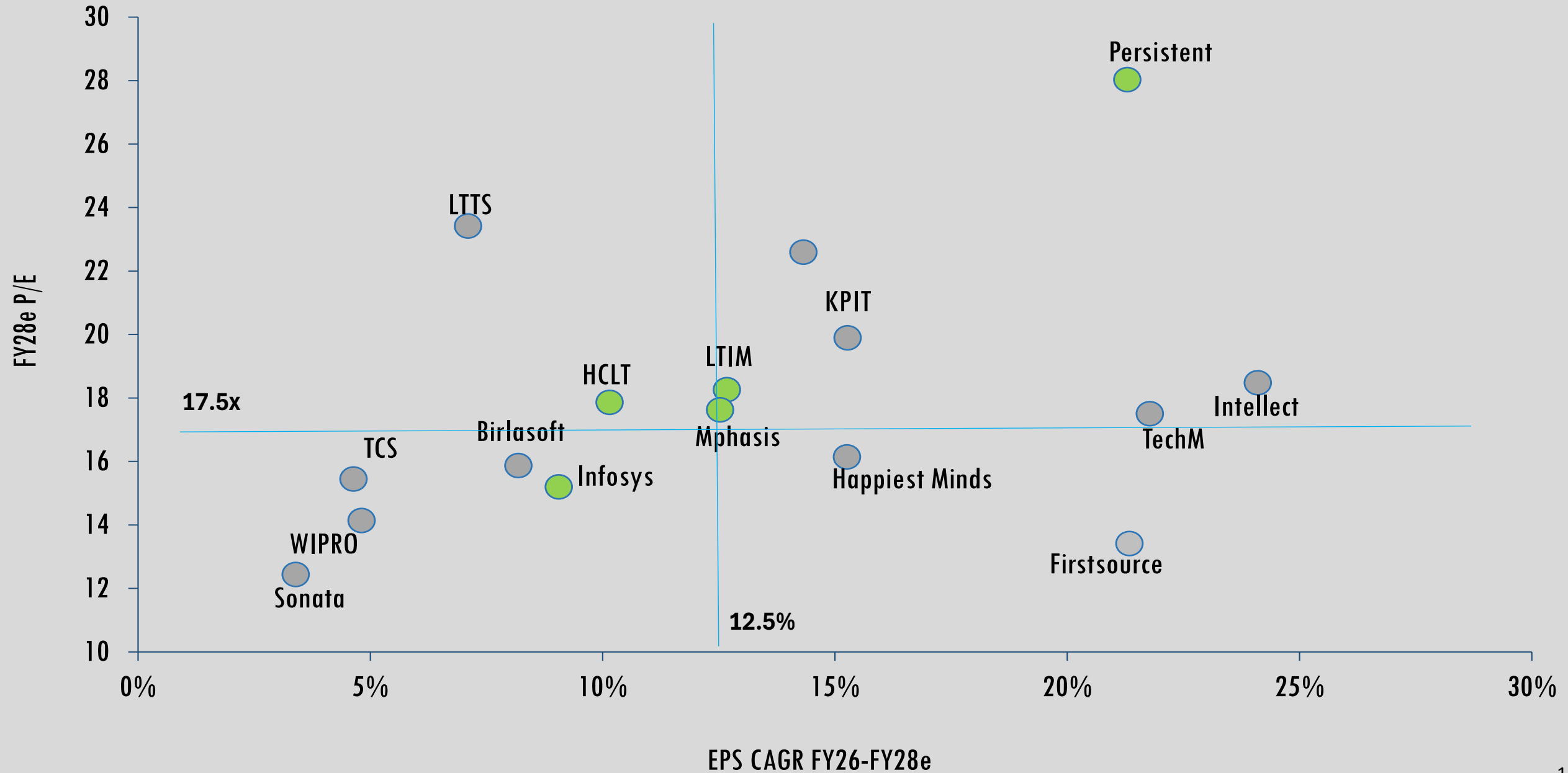
Valuation summary: Risk reward in favor of large caps, with selective mid-cap plays

S.No.	Company	CMP (Rs.)	Market Cap. (\$ Bn.)	Net Debt / (Cash) (\$ Bn.)	EV (\$ Bn.)	Target	Upside / (Downside)	ROE (%)	ROCE (%)	ROIC (%)	Historical			P/E (x.)			FY26e-FY28e EPS CAGR (%)	FY27e PEG (x.)
								FY25	FY25	FY25	One Yr. Fwd. P/E (x.)			FY26e	FY27e	FY28e		
											L5Y	L10Y	L15Y					
1.	TCS	2,451	97.7	(7.2)	90.5	2,674	9.1%	51.2%	43.5%	82.3%	26.2x.	22.6x.	20.3x.	16.9x.	16.1x.	15.4x.	4.6%	3.5x.
2.	Infosys	1,301	58.3	(3.9)	54.4	1,579	21.4%	29.1%	23.9%	41.6%	24.4x.	19.9x.	17.5x.	18.1x.	16.4x.	15.2x.	9.1%	1.8x.
3.	HCL Tech	1,402	41.9	(3.2)	38.7	1,636	16.7%	25.2%	20.1%	31.1%	20.8x.	16.2x.	14.6x.	21.7x.	19.1x.	17.9x.	10.2%	1.9x.
4.	Wipro	195	22.7	(4.8)	17.8	216	10.8%	16.6%	10.9%	20.7%	20.4x.	17.5x.	16.0x.	15.5x.	14.5x.	14.1x.	4.8%	3.0x.
5.	TechM	1,442	14.1	(0.9)	13.2	1,660	15.1%	15.7%	11.9%	15.9%	23.1x.	17.3x.	14.8x.	25.9x.	19.6x.	17.5x.	21.8%	0.9x.
6.	LTIM	4,304	14.1	(1.6)	12.5	5,062	17.6%	21.5%	17.3%	36.8%	32.5x.	25.6x.	NA	23.2x.	20.5x.	18.2x.	12.7%	1.6x.
	Overall Large Cap IT		248.8					Mkt. cap weighted average >>			24.5x.	20.3x.	17.8x.	18.7x.	17.0x.	15.9x.	8.0%	2.5x.
1.	Persistent	5,228	9.1	(0.3)	8.8	6,302	20.5%	24.8%	22.2%	32.5%	43.7x.	29.4x.	23.5x.	41.2x.	33.1x.	28.0x.	21.3%	1.6x.
2.	Mphasis	2,210	4.7	(0.2)	4.5	2,709	22.6%	18.5%	14.2%	21.4%	27.1x.	20.5x.	16.4x.	22.3x.	19.9x.	17.6x.	12.5%	1.6x.
3.	Intellect Design Arena	658	1.0	(0.1)	0.9	737	12.1%	12.7%	10.3%	15.3%	29.0x.	49.4x.	49.4x.	28.5x.	24.9x.	18.5x.	24.1%	1.0x.
4.	Birlasoft	371	1.2	(0.3)	0.9	386	4.2%	15.8%	13.0%	30.1%	23.0x.	16.4x.	12.7x.	18.6x.	17.7x.	15.9x.	8.2%	2.2x.
5.	Sonata Software	232	0.7	(0.0)	0.7	251	8.2%	27.3%	18.0%	29.3%	23.9x.	17.2x.	16.2x.	13.3x.	13.8x.	12.4x.	3.4%	4.1x.
6.	Happiest Minds	393	0.7	(0.0)	0.6	476	21.0%	12.1%	7.7%	16.9%	51.9x.	NA	NA	21.4x.	18.4x.	16.1x.	15.3%	1.2x.
7.	Latent View Analytics	312	0.7	(0.1)	0.6	315	1.0%	12.3%	7.7%	33.5%	NA	NA	NA	29.6x.	26.5x.	22.6x.	14.3%	1.9x.
8.	Mastek	1,508	0.5	(0.0)	0.5	2,078	37.8%	16.1%	12.9%	15.9%	21.4x.	14.4x.	14.2x.	11.8x.	11.0x.	9.9x.	8.8%	1.2x.
	IT Services (mcap weighted)		18.6								36.0x.	26.3x.	23.2x.	31.3x.	26.2x.	22.4x.	16.9%	1.7x.
9.	FSL	218	1.7	0.1	1.8	281	28.9%	15.2%	11.4%	11.8%	23.4x.	15.8x.	12.3x.	19.7x.	15.4x.	13.4x.	21.3%	0.7x.
	BPO (mcap weighted)		1.7								23.4x.	15.8x.	12.3x.	19.7x.	15.4x.	13.4x.	21.3%	0.7x.
10.	LTTS	3,348	3.9	(0.3)	3.6	3,365	0.5%	22.2%	17.9%	32.4%	36.8x.	29.6x.	NA	26.9x.	26.6x.	23.4x.	7.1%	3.7x.
11.	KPIT	697	2.1	(0.1)	2.0	788	13.0%	33.2%	24.2%	40.4%	48.1x.	39.6x.	NA	26.4x.	22.3x.	19.9x.	15.3%	1.5x.
	ER&D (mcap weighted)		6.0								40.8x.	29.9x.	NA	26.7x.	25.1x.	22.2x.	10.0%	2.9x.

- We continue to see value in Lcaps with their FY28e multiples trading at ~11% discount to their 15yr avg of the historical 1yr. Fwd. Our top-picks are Infosys, HCLT & LTM.
- Mid-caps: Persistent (product engg & execution) & Mphasis (BFSI exposure) are our top picks. Mastek (non-US exposure coupled with attractive valuations) warrants a buy
- TechM and FSOL continue to remain a Buy, primarily on the back of sustained disciplined execution under their respective CEOs

Top picks are tilted more toward Growth at Reasonable Price Thesis...

PEGs of the Top picks b/w 1.6x - 1.9x.



Appendix

TCS - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	29,080	30,179	30,001	31,210	32,329
Growth (%)	4.1	3.8	-0.6	4.0	3.6
Net revenues (Rs m)	24,08,930	25,53,240	26,59,144	28,55,782	29,58,240
Employee & Direct Costs	17,14,970	18,27,130	18,79,041	20,10,974	20,80,964
Gross Profit	6,93,960	7,26,110	7,80,104	8,44,808	8,77,276
Gross Margin %	28.81	28.44	29.34	29.58	29.66
SG&A	51,010	52,040	58,428	67,141	69,766
EBITDA	6,42,950	6,74,070	7,21,675	7,77,667	8,07,510
EBITDA margins (%)	26.7	26.4	27.1	27.2	27.3
- Depreciation	49,840	52,420	55,616	59,119	59,119
Other income	30,500	31,660	32,671	23,783	24,461
Interest Exp	-0	-0	-0	-0	-0
PBT	6,23,610	6,53,310	6,76,031	7,42,331	7,72,852
Effective tax rate (%)	26	25	25	25	25
+ Associates/(Minorities)	-1,910	-2,440	-2,410	-2,520	-2,520
Net Income	4,59,080	4,85,530	5,07,273	5,51,413	5,74,188
WANS	3,647	3,618	3,618	3,618	3,618
FDEPS (Rs/share)	125.9	134.2	140.2	152.4	158.7

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	6,23,610	6,53,310	6,76,031	7,42,331	7,72,852
+ Non-cash items	49,840	52,420	33,056	59,119	59,119
Operating profit before WC	6,73,450	7,05,730	7,09,087	8,01,450	8,31,972
- Incr./(decr.) in WC	69,280	36,460	-25,929	14,618	-6,956
Others including taxes	-1,68,990	-1,65,260	-1,60,796	-1,88,398	-1,96,144
Operating cash-flow	4,35,180	5,04,010	5,74,219	5,98,434	6,42,783
- Capex (tangible + Intangible)	22,020	29,170	53,183	57,116	59,165
Free cash-flow	4,13,160	4,74,840	5,21,036	5,41,318	5,83,619
Acquisitions	-	-	-69,472	-	-
- Dividend (including buyback & taxes)	4,61,770	4,49,620	4,05,226	4,45,748	4,90,323
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-96,070	-	-	-	-
- Misc. Items (CFI + CFF)	20,410	73,490	69,472	-	-
Net cash-flow	27,050	-48,270	-23,135	95,570	93,295

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	3,620	3,620	3,620	3,620	3,620
Net worth	9,26,120	9,68,820	9,84,386	10,90,051	11,73,916
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	8,300	10,150	12,560	15,080	17,600
DTL/(Asset)	-39,920	-41,290	-41,290	-41,290	-41,290
Capital employed	8,94,500	9,37,680	9,55,656	10,63,841	11,50,226
Net tangible assets	71,481	48,231	45,798	43,794	43,840
Net Intangible assets	44,990	49,640	1,19,112	1,19,112	1,19,112
Goodwill					
CWIP (tang. & intang.)	1,19,619	1,73,839	1,73,839	1,73,839	1,73,839
Other Long term Assets/(Liabilities)	-57,600	-76,090	-76,090	-76,090	-76,090
Investments (Financial)	3,44,270	3,46,210	3,46,210	3,46,210	3,46,210
Current Assets (ex Cash)	6,71,920	7,52,840	7,57,883	8,10,015	8,35,024
Cash	1,50,630	1,62,660	1,39,525	2,35,095	3,28,391
Current Liabilities	4,50,810	5,19,650	5,50,622	5,88,135	6,20,100
Working capital	2,21,110	2,33,190	2,07,261	2,21,880	2,14,924
Capital deployed	8,94,500	9,37,680	9,55,656	10,63,841	11,50,226

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	19.3	18.3	18.1	16.1	15.4
EV/EBITDA (x)	12.9	12.3	11.5	10.7	10.3
EV/sales (x)	3.48	3.27	3.15	2.90	2.77
P/B (x)	9.6	9.2	9.0	8.1	7.6
RoE (%)	49.6	51.2	50.2	53.2	50.7
RoCE (%) - After tax	42.5	43.5	45.4	45.8	44.1
RoIC (%) - After tax	83.9	82.3	82.4	84.2	87.4
DPS (Rs per share)	55.0	126.0	112.0	123.2	135.5
Dividend yield (%)	2.2	5.1	4.6	5.0	5.5
Dividend payout (%) - Inc. DDT	95.8	135.1	82.7	80.8	85.4
Net debt/equity (x)	-0.5	-0.5	-0.5	-0.5	-0.6
Receivables (days)	81	81	81	81	80
Inventory (days)					
Payables (days)	15	20	21	22	23
CFO: PAT%	102	105	117	108	111
FCF: PAT% - includ M&A payout	90	98	89	98	102

Source: Company, Anand Rathi Research

Infosys - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	18,562	19,277	20,206	21,301	22,472
Growth (%)	1.9	3.9	4.8	5.4	5.5
Net revenues (Rs m)	15,36,710	16,29,900	17,88,215	19,49,137	20,56,306
Employee & Direct Costs	11,08,760	11,71,010	12,92,164	13,97,227	14,61,114
Gross Profit	4,27,950	4,58,890	4,96,051	5,51,910	5,95,192
Gross Margin %	27.85	28.15	27.74	28.32	28.94
SG&A	63,700	66,540	75,562	79,070	84,471
EBITDA	3,64,250	3,92,350	4,20,490	4,72,840	5,10,721
EBITDA margins (%)	23.7	24.1	23.5	24.3	24.8
- Depreciation	46,780	48,110	46,320	48,774	50,754
Other income	42,420	31,830	37,294	30,922	30,043
Interest Exp	-	-	-	-	-
PBT	3,59,890	3,76,070	4,11,463	4,54,988	4,90,009
Effective tax rate (%)	26	29	27	29	29
+ Associates/(Minorities)	-160	-370	-380	-420	-56
Net Income	2,67,570	2,67,130	2,97,964	3,23,145	3,48,414
WANS	4,145	4,152	4,069	4,069	4,069
FDEPS (Rs/share)	64.6	64.3	73.2	79.4	85.6

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	3,59,890	3,76,070	4,11,463	4,54,988	4,90,009
+ Non-cash items	63,290	58,230	46,320	48,774	50,754
Operating profit before WC	4,23,180	4,34,300	4,57,783	5,03,761	5,40,763
- Incr./(decr.) in WC	52,050	-35,800	18,347	15,195	8,425
Others including taxes	-1,10,470	-1,02,240	-1,13,119	-1,31,423	-1,45,339
Operating cash-flow	2,60,660	3,67,860	3,26,317	3,57,144	3,86,999
- Capex (tangible + Intangible)	22,010	22,370	21,861	20,904	22,053
Free cash-flow	2,38,650	3,45,490	3,04,456	3,36,240	3,64,946
Acquisitions	-1,010	-31,550	-22,229	-4,438	-4,438
- Dividend (including buyback & taxes)	1,46,920	2,02,870	3,72,059	2,01,418	2,21,560
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	43,380	-17,550	-11,771	-11,182	-10,623
- Misc. Items (CFI + CFF)	21,210	31,930	-	-	-
Net cash-flow	26,130	96,690	-78,061	1,41,566	1,49,571

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	20,710	20,730	20,730	20,230	20,230
Net worth	8,81,160	9,58,180	8,71,195	9,92,922	11,19,777
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	3,450	3,850	4,230	4,650	4,706
DTL/(Asset)	-81,020	-39,830	-39,830	-39,830	-39,830
Capital employed	8,03,590	9,22,200	8,48,485	9,70,632	10,97,543
Net tangible assets	1,89,220	1,80,890	1,56,431	1,28,561	99,860
Net Intangible assets	87,000	1,28,720	1,50,949	1,55,386	1,59,824
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	4,480	10,220	10,220	10,220	10,220
Other Long term Assets/(Liabilities)	-54,400	-43,280	-43,280	-43,280	-39,480
Investments (Financial)	2,46,230	2,35,410	2,23,640	2,12,458	2,01,835
Current Assets (ex Cash)	5,71,140	5,94,190	6,42,106	6,89,209	7,27,104
Cash	1,47,860	2,44,550	1,66,489	3,08,055	4,57,626
Current Liabilities	3,87,940	4,28,500	4,58,069	4,89,977	5,19,447
Working capital	1,83,200	1,65,690	1,84,037	1,99,232	2,07,657
Capital deployed	8,03,590	9,22,200	8,48,485	9,70,632	10,97,543
-	-	-	-	-	-
-	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	19.8	19.8	18.6	16.4	15.2
EV/EBITDA (x)	13.0	12.1	11.3	10.0	9.3
EV/sales (x)	3.26	3.02	2.80	2.50	2.31
P/B (x)	6.1	5.6	6.2	5.4	4.8
RoE (%)	32.7	29.1	31.2	34.7	33.0
RoCE (%) - After tax	25.4	23.9	26.7	29.1	28.2
RoIC (%) - After tax	41.2	41.6	46.6	52.0	57.4
DPS (Rs per share)	46.0	43.0	47.2	49.5	54.5
Dividend yield (%)	3.5	3.3	3.6	3.8	4.2
Dividend payout (%) - Inc. DDT	71.3	66.8	130.5	62.3	63.6
Net debt/equity (x)	-0.4	-0.5	-0.4	-0.5	-0.6
Receivables (days)	106	104	102	100	100
Inventory (days)	-	-	-	-	-
Payables (days)	12	12	12	12	12
CFO:PAT%	97	138	114	110	111
FCF:PAT% - includ M&A payout	89	118	95	103	103

Source: Company, Anand Rathi Research

HCL Tech - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	13,270	13,840	14,770	15,702	16,575
Growth (%)	5.4	4.3	6.7	6.3	5.6
Net revenues (Rs m)	10,99,130	11,70,550	13,08,227	14,36,821	15,16,643
Employee & Direct Costs	8,07,850	8,78,283	9,93,227	10,91,281	11,48,311
Gross Profit	2,91,280	2,92,268	3,15,001	3,45,540	3,68,332
Gross Margin %	26.50	24.97	24.08	24.05	24.29
SG&A	49,280	37,228	41,945	42,053	43,215
EBITDA	2,42,000	2,55,040	2,73,056	3,03,488	3,25,117
EBITDA margins (%)	22.0	21.8	20.9	21.1	21.4
- Depreciation	41,730	40,840	44,013	47,853	51,798
Other income	14,920	24,850	16,020	18,824	19,588
Interest Exp	5,530	6,440	8,340	5,348	5,348
PBT	2,09,660	2,32,610	2,36,724	2,69,110	2,87,559
Effective tax rate (%)	25	25	26	26	26
+ Associates/(Minorities)	-80	-90	-140	-120	-120
Net Income	1,57,010	1,73,900	1,75,370	1,99,282	2,12,952
WANS	2,713	2,712	2,714	2,714	2,714
FDEPS (Rs/share)	57.9	64.1	64.6	73.4	78.5

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	2,09,660	2,32,610	2,36,724	2,69,110	2,87,559
+ Non-cash items	33,890	22,330	34,453	47,853	51,798
Operating profit before WC	2,43,550	2,54,940	2,71,176	3,16,963	3,39,357
- Incr./(decr.) in WC	-23,050	-10,100	26,749	24,917	13,539
Others including taxes	-42,120	-42,430	-59,629	-70,614	-75,411
Operating cash-flow	2,24,480	2,22,610	1,84,798	2,21,433	2,50,407
- Capex (tangible + Intangible)	10,480	11,080	12,383	13,600	14,356
Free cash-flow	2,14,000	2,11,530	1,72,414	2,07,832	2,36,051
Acquisitions	-20,430	-19,820	-	-36,601	-
- Dividend (including buyback & taxes)	1,40,730	1,62,500	1,49,469	1,58,437	1,67,943
+ Equity raised	-	-	0	-0	-
+ Debt raised	760	-360	-700	-	-
- Fin Investments	17,090	12,540	26,270	31,524	37,829
- Misc. Items (CFI + CFF)	16,020	24,120	-177	-124	-87
Net cash-flow	20,490	-7,810	-3,847	-18,606	30,366

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	5,430	5,430	5,430	5,430	5,430
Net worth	6,82,630	6,96,550	7,15,364	7,56,209	8,01,218
Total debt (incl. Pref)	23,270	22,910	22,210	22,210	22,210
Minority interest	80	180	320	440	560
DTL/(Asset)	-2,600	5,510	4,446	3,276	1,988
Capital employed	7,03,380	7,25,150	7,42,338	7,82,133	8,25,974
Net tangible assets	78,010	75,170	73,848	73,092	71,909
Net Intangible assets	2,72,620	2,86,550	2,55,741	2,58,845	2,22,587
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	1,080	590	413	289	202
Other Long term Assets/(Liabilities)	-36,360	-30,530	-29,642	-28,736	-27,812
Investments (Financial)	1,07,880	1,31,350	1,57,620	1,89,144	2,26,973
Current Assets (ex Cash)	3,30,480	3,49,550	3,84,122	4,14,696	4,30,151
Cash	1,64,990	1,57,180	1,53,333	1,34,727	1,65,093
Current Liabilities	2,15,320	2,44,710	2,53,597	2,60,424	2,63,627
Working capital	1,15,160	1,04,840	1,30,525	1,54,272	1,66,523
Capital deployed	7,03,380	7,25,150	7,41,838	7,81,633	8,25,474
Contingent Liabilities	6,730	6,110	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	24.2	21.9	22.6	19.1	17.9
EV/EBITDA (x)	14.6	13.8	12.9	11.6	10.9
EV/sales (x)	3.2	3.0	2.7	2.4	2.3
P/B (x)	5.6	5.5	5.3	5.0	4.7
RoE (%)	23.5	25.2	23.8	27.1	27.3
RoCE (%) - After tax	19.8	20.1	20.7	22.3	22.7
RoIC (%) - After tax	28.9	31.1	32.6	35.6	37.9
DPS (Rs per share)	52.0	60.0	55.1	58.4	61.9
Dividend yield (%)	3.7	4.3	3.9	4.2	4.4
Dividend payout (%) - Inc. DDT	89.8	93.6	88.8	79.5	78.9
Net debt/equity (x)	-0.4	-0.4	-0.4	-0.4	-0.5
Receivables (days)	87	84	84	84	84
Inventory (days)	-	-	-	-	-
Payables (days)	11	12	11	10	9
FCF: PAT%	142.9	127.9	109.7	111.0	117.5
FCF: PAT% - incl M&A payout	123.3	110.2	98.3	85.9	110.8

Source: Company, Anand Rathi Research

Wipro - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	10,805	10,512	10,489	10,913	11,240
Growth (%)	-3.2	-2.7	-0.2	4.0	3.0
Net revenues (Rs m)	8,97,603	8,90,884	9,29,420	10,01,215	10,30,069
Employee & Direct Costs	6,87,261	6,68,900	7,05,079	7,52,050	7,73,130
Gross Profit	2,10,342	2,21,984	2,24,341	2,49,165	2,56,939
Gross Margin %	23.43	24.92	24.14	24.89	24.94
SG&A	40,512	41,166	43,861	41,607	43,155
EBITDA	1,69,830	1,80,818	1,80,480	2,07,558	2,13,784
EBITDA margins (%)	18.9	20.3	19.4	20.7	20.8
- Depreciation	34,071	29,579	30,772	36,250	36,980
Other income	24,236	38,234	38,840	29,295	26,963
Interest Exp	12,552	14,770	14,349	12,241	9,970
PBT	1,47,443	1,74,703	1,74,199	1,88,362	1,93,797
Effective tax rate (%)	24	24	24	24	24
+ Associates/(Minorities)	-902	-572	-462	-835	-835
Net Income	1,10,452	1,31,354	1,32,755	1,41,405	1,45,509
WANS	10,445	10,437	10,554	10,554	10,554
FDEPS (Rs/share)	10.6	12.6	12.6	13.4	13.8

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	1,47,443	1,74,703	1,74,199	1,88,362	1,93,797
+ Non-cash items	25,594	10,300	30,772	36,250	36,980
Operating profit before WC	1,73,037	1,85,003	2,04,971	2,24,612	2,30,777
- Incr./(decr.) in WC	-18,051	-10,274	1,166	-954	-10,422
Others including taxes	-14,872	-25,851	-41,924	-47,129	-48,531
Operating cash-flow	1,76,216	1,69,426	1,61,881	1,78,436	1,92,668
- Capex (tangible + Intangible)	10,510	14,737	13,129	15,352	15,173
Free cash-flow	1,65,706	1,54,689	1,48,752	1,63,084	1,77,496
Acquisitions	-6,585	-964	-33,750	-	-
- Dividend (including buyback & taxes)	5,218	62,750	1,16,094	1,27,703	1,40,474
+ Equity raised	13	27	-	-	-
+ Debt raised	-10,057	17,923	-80,909	-40,454	-20,227
- Fin Investments	-3,529	95,062	-	-	-
- Misc. Items (CFI + CFF)	1,42,315	-11,158	-	-	-
Net cash-flow	5,073	25,021	-82,000	-5,074	16,795

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	10,450	20,944	20,944	20,944	20,944
Net worth	7,49,883	8,28,309	8,44,970	8,58,671	8,63,706
Total debt (incl. Pref)	1,41,466	1,61,817	80,909	40,454	20,227
Minority interest	1,340	2,138	2,600	3,435	4,270
DTL/(Asset)	123	235	235	235	235
Capital employed	8,92,812	9,92,499	9,28,713	9,02,795	8,88,439
Net tangible assets	92,083	1,04,071	86,428	65,530	43,722
Net Intangible assets	3,48,750	3,52,464	3,86,214	3,86,214	3,86,214
Goodwill					
CWIP (tang. & intang.)	7,480	2,211	2,211	2,211	2,211
Other Long term Assets/(Liabilities)	-61,282	-83,703	-82,761	-81,754	-80,676
Investments (Financial)	3,32,800	4,37,932	4,37,932	4,37,932	4,37,932
Current Assets (ex Cash)	2,40,099	2,38,209	2,44,311	2,53,172	2,50,167
Cash	96,953	1,21,974	39,974	34,900	51,695
Current Liabilities	1,64,071	1,80,659	1,85,595	1,95,409	2,02,827
Working capital	76,028	57,550	58,716	57,762	47,340
Capital deployed	8,92,812	9,92,499	9,28,713	9,02,795	8,88,439

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	18.6	15.7	15.5	14.5	14.1
EV/EBITDA (x)	9.6	9.0	9.0	7.9	7.6
EV/sales (x)	2.1	2.1	2.0	1.8	1.7
P/B (x)	2.7	2.5	2.4	2.4	2.4
RoE (%)	14.4	16.6	15.9	16.6	16.9
RoCE (%) - After tax	10.3	10.9	10.7	12.6	13.2
RoIC (%) - After tax	18.0	20.7	20.6	23.4	25.3
DPS (Rs per share)	2.0	6.0	11.0	12.1	13.3
Dividend yield (%)	1.0	3.1	5.6	6.2	6.8
Dividend payout (%) - Inc. DDT	143.1	39.6	87.5	90.3	96.5
Net debt/equity (x)	-0.4	-0.5	-0.5	-0.5	-0.5
Receivables (days)	72	75	77	77	77
Inventory (days)					
Payables (days)	44	45	43	43	43
CFO: PAT%	158	128	122	125	132
FCF: PAT% - includ M&A payout	144	117	87	115	122

Source: Company, Anand Rathi Research

TechM - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	6,277	6,264	6,376	6,703	6,995
Growth (%)	-5.0	-0.2	1.8	5.1	4.4
Net revenues (Rs m)	5,19,955	5,29,883	5,65,263	6,13,319	6,40,098
Employee & Direct Costs	3,87,772	3,80,848	3,97,341	4,20,153	4,32,812
Gross Profit	1,32,183	1,49,035	1,67,922	1,93,166	2,07,286
Gross Margin %	25.42	28.13	29.71	31.50	32.38
SG&A	74,313	79,124	78,355	85,403	89,716
EBITDA	57,870	69,911	89,567	1,07,763	1,17,570
EBITDA margins (%)	11.1	13.2	15.8	17.6	18.4
- Depreciation	18,171	18,529	18,884	20,009	20,512
Other income	-3,638	8,554	654	4,926	5,447
Interest Exp	3,922	3,217	3,422	2,995	2,396
PBT	32,139	56,719	65,191	89,684	1,00,109
Effective tax rate (%)	26	25	28	27	27
+ Associates/(Minorities)	-285	-202	100	81	33
Net Income	23,578	42,515	47,272	65,551	73,113
WANS	887	887	887	887	887
FDEPS (Rs/share)	26.6	47.9	53.3	73.9	82.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	32,139	56,719	65,191	89,684	1,00,109
+ Non-cash items	31,097	19,544	18,230	15,084	15,065
Operating profit before WC	63,236	76,263	83,421	1,04,768	1,15,174
- Incr./(decr.) in WC	-12,987	2,662	3,397	3,365	-1,780
Others including taxes	-12,459	-15,744	-25,135	-32,398	-36,440
Operating cash-flow	63,764	57,857	54,889	69,005	80,514
- Capex (tangible + Intangible)	7,911	5,935	6,331	6,870	7,169
Free cash-flow	55,853	51,922	48,558	62,136	73,345
Acquisitions	-7,488	-1,620	-	-	-
- Dividend (including buyback & taxes)	39,170	38,418	47,922	52,714	57,986
+ Equity raised	238	90	-0	-0	0
+ Debt raised	-472	-10,596	-1,886	-1,131	-679
- Fin Investments	984	-2,477	-7,528	-6,023	-4,818
- Misc. Items (CFI + CFF)	5,069	4,141	-654	-4,926	-5,447
Net cash-flow	2,908	-286	6,933	19,239	24,946

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	4,413	4,424	4,424	4,424	4,424
Net worth	2,66,694	2,73,615	2,72,965	2,85,802	3,00,929
Total debt (incl. Pref)	15,310	4,714	2,828	1,697	1,018
Minority interest	4,774	4,302	4,202	4,120	4,087
DTL/(Asset)	-11,651	-16,294	-16,294	-16,294	-16,294
Capital employed	2,75,127	2,66,337	2,63,701	2,75,325	2,89,740
Net tangible assets	34,171	38,785	41,339	44,207	47,274
Net Intangible assets	1,04,467	1,00,690	85,583	69,575	53,166
Goodwill					
CWIP (tang. & intang.)	1,011	206	206	206	206
Other Long term Assets/(Liabilities)	5,525	5,362	12,478	20,660	30,071
Investments (Financial)	40,119	37,642	30,114	24,091	19,273
Current Assets (ex Cash)	1,54,896	1,58,427	1,66,043	1,76,946	1,81,318
Cash	43,471	43,185	50,118	69,356	94,302
Current Liabilities	1,08,533	1,17,960	1,22,179	1,29,717	1,35,869
Working capital	46,363	40,467	43,864	47,229	45,449
Capital deployed	2,75,127	2,66,337	2,63,701	2,75,325	2,89,740
Contingent Liabilities					

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	54.3	30.1	27.1	19.5	17.5
EV/EBITDA (x)	20.8	17.2	13.4	11.2	10.2
EV/sales (x)	2.33	2.27	2.13	1.94	1.82
P/B (x)	4.8	4.7	4.7	4.5	4.3
RoE (%)	8.6	15.7	17.3	23.5	24.9
RoCE (%) - After tax	8.8	11.9	15.7	19.4	20.6
RoIC (%) - After tax	11.6	15.9	20.9	26.3	29.6
DPS (Rs per share)	40.0	45.0	54.0	59.4	65.3
Dividend yield (%)	2.8	3.1	3.7	4.1	4.5
Dividend payout (%) - Inc. DDT	150.5	93.9	101.4	80.4	79.3
Net debt/equity (x)	-0.3	-0.3	-0.3	-0.3	-0.4
Receivables (days)	80	80	79	78	77
Inventory (days)					
Payables (days)	30	35	35	36	37
CFO:PAT%	267	135	116	105	110
FCF:PAT% - includ M&A payout	205	118	103	95	100

Source: Company, Anand Rathi Research

LTM - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	4,287	4,493	4,766	5,150	5,555
Growth (%)	4.4	4.8	6.1	8.0	7.9
Net revenues (Rs m)	3,55,170	3,80,081	4,22,243	4,71,239	5,08,347
Employee & Direct Costs	2,64,218	2,82,128	3,04,365	3,36,699	3,62,444
Gross Profit	90,952	97,953	1,17,878	1,34,540	1,45,903
Gross Margin %	25.61	25.77	27.92	28.55	28.70
SG&A	27,078	33,004	42,150	48,660	50,462
EBITDA	63,874	64,949	75,727	85,880	95,441
EBITDA margins (%)	18.0	17.1	17.9	18.2	18.8
- Depreciation	8,189	9,915	10,588	11,001	11,448
Other income	7,019	9,897	11,998	11,486	11,952
Interest Exp	2,217	2,789	2,803	2,145	1,407
PBT	60,487	62,142	68,431	84,220	94,538
Effective tax rate (%)	24	26	27	26	26
+ Associates/(Minorities)	-25	-33	414	440	440
Net Income	45,821	45,987	50,585	62,383	69,972
WANS	296	296	297	297	297
FDEPS (Rs/share)	155	155	170	210	236

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	60,487	62,142	68,431	84,220	94,538
+ Non-cash items	5,940	4,493	10,587	11,001	11,448
Operating profit before WC changes	66,427	66,635	79,019	95,221	1,05,986
- Incr./(decr.) in WC	-5,975	4,803	4,603	3,996	1,394
Others including taxes	-15,707	-16,374	-18,260	-22,277	-25,006
Operating cash-flow	56,695	45,458	56,156	68,948	79,585
- Capex (tangible + Intangible)	8,330	9,336	9,316	8,983	7,657
Free cash-flow	48,365	36,122	46,840	59,965	71,928
Acquisitions	-59	-75	-	-	-
- Dividend (including buyback & taxes)	17,753	19,246	21,221	23,343	25,677
+ Equity raised	-	-	-	-	-
+ Debt raised	-866	-399	-	-	-
- Fin Investments	33,305	11,547	22,740	27,288	32,745
- Misc. Items (CFI + CFF)	1,559	2,432	-	-	-
Net cash-flow	-5,177	2,423	2,879	9,334	13,506

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	296	296	296	296	296
Net worth	2,00,172	2,26,983	2,56,347	2,95,388	3,39,682
Total debt (incl. Pref)	407	23	23	23	23
Minority interest	92	132	-282	-722	-1,162
DTL/(Asset)	-2,314	-1,978	-1,978	-1,978	-1,978
Capital employed	1,98,357	2,25,160	2,54,110	2,92,711	3,36,565
Net tangible assets	35,568	39,631	39,359	38,342	35,551
Net Intangible assets	15,078	14,212	13,212	12,212	11,212
Goodwill	6,900	6,900	6,900	6,900	6,900
CWIP (tang. & intang.)	4,669	5,818	5,818	5,818	5,818
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	97,396	1,13,699	1,36,439	1,63,727	1,96,472
Current Assets (ex Cash)	1,02,218	1,10,020	1,19,060	1,29,206	1,35,903
Cash	18,200	20,623	23,502	32,836	46,341
Current Liabilities	74,772	78,843	83,280	89,430	94,732
Working capital	27,446	31,177	35,780	39,777	41,171
Capital deployed	1,98,357	2,25,160	2,54,110	2,92,711	3,36,565
-	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	27.9	27.8	23.2	20.5	18.3
EV/EBITDA (x)	17.8	17.5	15.0	13.2	11.9
EV/sales (x)	3.2	3.0	2.7	2.4	2.2
P/B (x)	6.4	5.6	5.0	4.3	3.8
RoE (%)	25.0	21.5	20.9	22.6	22.0
RoCE (%) - After tax	20.8	17.3	18.1	18.5	18.2
RoIC (%) - After tax	41.0	36.8	40.7	45.9	51.5
DPS (Rs per share)	65.0	65.0	71.5	78.7	86.5
Dividend yield (%)	1.5	1.5	1.7	1.8	2.0
Dividend payout (%) - Inc. DDT	42.0	41.9	42.0	37.4	36.7
Net debt/equity (x)	-0.6	-0.6	-0.6	-0.7	-0.7
Receivables (days)	72	74	73	72	71
Inventory (days)	-	-	-	-	-
Payables (days)	19	18	18	18	19
CFO: PAT%	124	99	112	111	114
FCF: PAT% - includ M&A payout	105	78	93	96	103

Source: Company, Anand Rathi Research

Mphasis - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	1,610	1,680	1,799	1,970	2,143
Growth (%)	-6.3	4.4	7.1	9.5	8.8
Net revenues (Rs m)	1,33,340	1,42,234	1,59,604	1,80,249	1,96,133
Employee & Direct Costs	97,984	1,03,617	1,15,599	1,31,301	1,43,110
Gross Profit	35,356	38,617	44,005	48,948	53,022
Gross Margin %	26.52	27.15	27.57	27.16	27.03
SG&A	10,581	12,212	13,373	14,741	15,906
EBITDA	24,775	26,405	30,632	34,207	37,116
EBITDA margins (%)	18.6	18.6	19.2	19.0	18.9
- Depreciation	4,106	4,762	6,466	7,219	7,146
Other income	1,623	2,615	2,765	2,908	3,507
Interest Exp	1,608	1,656	1,678	1,217	1,065
PBT	20,684	22,602	25,252	28,680	32,412
Effective tax rate (%)	25	25	25	25	25
+ Associates/(Minorities)	-	-	-	-	-
Net Income	15,549	17,022	18,819	21,385	24,167
WANS	190	190	193	193	193
FDEPS (Rs/share)	81.7	89.6	97.7	111.0	125.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	20,684	22,602	25,252	28,680	32,412
+ Non-cash items	2,987	5,902	5,520	5,634	4,806
Operating profit before WC	23,671	28,504	30,772	34,314	37,218
- Incr./((decr.) in WC	4,028	-2,341	-2,139	-3,095	-1,756
Others including taxes	-5,902	-7,111	-6,433	-7,296	-8,245
Operating cash-flow	13,742	23,734	26,478	30,113	30,729
- Capex (tangible + Intangible)	937	618	3,192	3,605	3,923
Free cash-flow	12,805	23,116	23,286	26,508	26,806
Acquisitions	-12,333	-2,800	-2,661	-	-
- Dividend (including buyback & taxes)	9,427	10,401	12,083	13,291	13,291
+ Equity raised	301	575	-	-	-
+ Debt raised	12,965	-4,455	-1,116	-1,004	-904
- Fin Investments	-11,572	3,839	-	-	-
- Misc. Items (CFI + CFF)	3,208	3,378	-1,108	-1,764	-2,536
Net cash-flow	12,674	-1,181	8,534	13,976	15,147

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	1,890	1,901	1,901	1,901	1,901
Net worth	87,946	96,284	1,03,020	1,11,113	1,21,988
Total debt (incl. Pref)	15,436	11,159	10,043	9,039	8,135
Minority interest	-	-	-	-	-
DTL/(Asset)	-7,977	-9,590	-9,428	-9,249	-9,053
Capital employed	95,405	97,853	1,03,636	1,10,903	1,21,071
Net tangible assets	9,216	8,218	8,177	8,172	8,522
Net Intangible assets	4,795	49,599	49,027	45,418	41,845
Goodwill	41,793	-	-	-	-
CWIP (tang. & intang.)	137	-	-	-	-
Long-term Assets (Liabilities)	-7,739	-5,970	-5,970	-5,970	-5,970
Investments (Financial)	30,899	22,082	22,082	22,082	22,082
Current Assets (ex Cash)	36,332	40,077	55,932	62,673	67,659
Cash	8,144	16,126	20,382	28,168	39,803
Current Liabilities	28,172	32,277	45,994	49,640	52,869
Working capital	8,160	7,799	9,939	13,034	14,790
Capital deployed	95,405	97,853	1,03,636	1,10,903	1,21,071
	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	27.1	24.7	22.3	19.9	17.6
EV/EBITDA (x)	16.4	15.4	13.3	11.9	11.0
EV/sales (x)	2.9	2.7	2.4	2.1	1.8
P/B (x)	4.8	4.4	4.1	3.8	3.5
RoE (%)	18.6	18.5	18.9	20.0	20.7
RoCE (%) - After tax	15.2	14.2	15.0	15.9	16.6
RoIC (%) - After tax	22.7	21.4	22.7	25.2	28.3
DPS (Rs per share)	55.0	57.0	62.7	69.0	69.0
Dividend yield (%)	2.5	2.6	2.8	3.1	3.1
Dividend payout (%) - Inc. DDT	67.4	63.6	64.2	62.2	55.0
Net debt/equity (x)	-0.3	-0.3	-0.3	-0.4	-0.4
Receivables (days)	74	81	87	86	85
Inventory (days)					
Payables (days)	27	31	34	34	34
CFO:PAT%	140	112	118	112	113
FCF:PAT% - includ M&A payout	3	119	110	124	111

Source: Company, Anand Rathi Research

Persistent Systems - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	1,186	1,409	1,657	1,917	2,214
Growth (%)	14.5	18.8	17.6	15.7	15.5
Net revenues (Rs m)	98,216	1,19,387	1,47,067	1,75,455	2,02,619
Employee & Direct Costs	65,231	78,740	94,182	1,12,345	1,30,038
Gross Profit	32,985	40,647	52,884	63,111	72,582
Gross Margin %	33.6	34.0	36.0	36.0	35.8
SG&A	15,742	20,066	24,700	28,787	32,717
EBITDA	17,243	20,581	28,184	34,324	39,865
EBITDA margins (%)	17.6	17.2	19.2	19.6	19.7
- Depreciation	3,094	3,069	3,766	4,042	4,233
Other income	327	710	1,507	1,840	2,296
Interest Exp					
PBT	14,476	18,223	25,035	32,122	37,928
Effective tax rate (%)	24	23	23	22	22
+ Associates/(Minorities)					
Net Income	10,935	14,001	19,319	24,952	29,425
WANS	154	154	158	158	158
FDEPS (Rs/share)	71.0	90.9	122.5	158.2	186.5

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	14,476	18,223	25,035	32,122	37,928
+ Non-cash items	3,202	4,694	3,588	2,523	2,232
Operating profit before WC changes	17,678	22,917	28,623	34,645	40,160
- Incr./(decr.) in WC	2,052	6,233	4,769	3,545	3,033
Others including taxes	-3,414	-5,114	-5,716	-7,169	-8,503
Operating cash-flow	12,213	11,569	18,138	23,930	28,623
- Capex (tangible + Intangible)	2,791	1,931	2,130	2,130	2,130
Free cash-flow	9,423	9,638	16,008	21,800	26,493
Acquisitions	2,074	490	470	485	-
- Dividend (including buyback & taxes)	4,084	4,600	9,118	13,100	17,007
+ Equity raised	1,608	1,846	-	-	-
+ Debt raised	-2,234	-2,061	-	-	-
- Fin Investments	428	350	1,694	2,541	3,812
- Misc. Items (CFI + CFF)	1,365	3,957	-178	-1,519	-2,001
Net cash-flow	846	26	4,903	7,193	7,675

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	770	779	779	779	779
Net worth	49,577	63,191	73,391	85,243	97,660
Total debt (including Pref)	2,073	-	-	-	-
Minority interest					
DTL/(Asset)	-1,360	-2,024	-2,024	-2,024	-2,024
Capital employed	50,291	61,166	71,368	83,219	95,636
Net tangible assets	6,727	8,150	8,358	8,245	7,973
Net Intangible assets	4,575	4,923	3,937	2,816	1,081
Goodwill	10,913	12,338	12,338	12,338	12,338
CWIP (tangible and intangible)	335	774	387	193	97
Investments (Strategic)	5,539	6,415	6,415	6,415	6,415
Investments (Financial)	2,727	3,388	5,082	7,623	11,435
Current Assets (ex Cash) Incl LT assets	31,332	39,099	45,865	52,707	59,174
Cash	10,229	10,255	15,158	22,351	30,026
Current Liabilities (ex ST Loan/Current Portion) i	22,086	24,175	26,173	29,470	32,903
Working capital	9,246	14,924	19,693	23,238	26,271
Capital deployed	50,291	61,166	71,367	83,219	95,636
Contingent Liabilities	1,284	2,308	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	75.4	58.9	42.7	33.1	28.0
EV/EBITDA (x)	46.4	38.8	28.4	23.3	20.0
EV/sales (x)	8.3	6.8	5.5	4.5	3.9
P/B (x)	16.6	13.1	11.2	9.7	8.4
RoE (%)	24.5	24.8	28.3	31.5	32.2
RoCE (%) - After tax	20.5	22.2	26.2	28.4	29.1
RoC (%) - After tax	30.5	32.5	38.8	45.8	52.2
DPS (Rs per share)	26.0	38.1	57.8	83.0	107.8
Dividend yield (%)	0.5	0.7	1.1	1.6	2.1
Dividend payout (%) - Inc. DDT	36.6	41.9	47.2	52.5	57.8
Net debt/equity (x)	-0.3	-0.3	-0.4	-0.4	-0.5
Receivables (days)	89	87	86	85	85
Inventory (days)					
Payables (days)	37	33	30	30	31
CFO: PAT%	112	83	94	96	97
FCF: PAT% - includ M&A payout	67	62	80	85	90

Source: Company, Anand Rathi Research

LTTS - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	1,164	1,259	1,320	1,283	1,321
Growth (%)	17.6	8.2	4.9	-2.8	2.9
Net revenues (Rs m)	96,472	1,06,702	1,17,106	1,17,439	1,20,834
Employee & Direct Costs	68,467	75,984	82,994	81,028	81,426
Gross Profit	28,005	30,718	34,112	36,410	39,408
Gross Margin %	29.03	28.79	29.13	31.00	32.61
SG&A	8,816	11,794	14,280	14,851	15,527
EBITDA	19,189	18,924	19,832	21,559	23,881
EBITDA margins (%)	19.9	17.7	16.9	18.4	19.8
- Depreciation	2,716	3,053	3,471	3,556	3,700
Other income	2,073	2,100	1,857	978	1,287
Interest Exp	509	564	621	507	507
PBT	18,037	17,407	17,597	18,475	20,961
Effective tax rate (%)	28	27	26	27	27
+ Associates/(Minorities)	-26	31	-19	-24	-36
Net Income	13,036	12,667	12,968	13,387	15,181
WANS	106	106	106	106	106
FDEPS (Rs/share)	123	119	122	126	143

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	18,037	17,407	17,597	18,475	20,961
+ Non-cash items	2,704	2,555	2,235	3,084	2,920
Operating profit before WC changes	20,741	19,962	19,832	21,559	23,881
- Incr./(decr.) in WC	-437	1,217	5,218	-4,123	-3,540
Others including taxes	-6,250	-3,934	-4,611	-5,064	-5,745
Operating cash-flow	14,928	14,811	10,003	20,618	21,676
- Capex (tangible + Intangible)	2,419	1,018	1,117	1,120	1,153
Free cash-flow	12,509	13,793	8,886	19,498	20,523
Acquisitions	-7,978	-7,364	-	4,520	-
- Dividend (including buyback & taxes)	4,967	5,292	6,350	6,985	7,684
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-6,911	-1,908	-	-	-
- Misc. Items (CFI + CFF)	2,832	3,195	-1,236	-471	-780
Net cash-flow	3,643	-150	3,772	17,504	13,619
Cash classified as other asset/overdraft	-2,232	-2,760	-	-	-

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	212	212	212	212	212
Net worth	53,271	60,800	67,418	69,360	76,857
Total debt (including Pref)	-	-	-	-	-
Minority interest	207	175	194	218	254
DTL/(Asset)	691	594	594	594	594
Capital employed	54,169	60,630	67,266	69,233	76,765
Net tangible assets	9,878	7,843	5,489	3,054	507
Net Intangible assets	6,248	13,667	13,667	4,688	4,688
Goodwill	6,248	13,667	13,667	4,688	4,688
CWIP (tangible and intangible)	131	280	280	280	280
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	17,611	14,923	14,923	14,923	14,923
Current Assets (ex Cash) Incl LT assets	39,742	44,788	55,939	52,865	50,926
Cash	11,221	13,831	17,603	35,107	48,726
Current Liabilities (ex ST Loan/Current Portion) i	30,662	34,702	40,635	41,684	43,284
Working capital	9,080	10,086	15,304	11,181	7,641
Capital deployed	54,169	60,630	67,266	69,233	76,765
Contingent Liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	27.3	28.1	27.4	26.6	23.4
EV/EBITDA (x)	17.0	17.3	16.5	15.2	13.7
EV/sales (x)	3.4	3.1	2.8	2.6	2.4
P/B (x)	6.7	5.8	5.3	5.1	4.6
RoE (%)	25.4	22.2	20.2	19.6	20.8
RoCE (%) - After tax	20.6	17.9	17.0	17.3	18.3
RoIC (%) - After tax	41.7	32.4	29.8	38.2	62.6
DPS (Rs per share)	50.0	55.0	59.8	65.8	72.4
Dividend yield (%)	1.5	1.6	1.8	2.0	2.2
Dividend payout (%) - Inc. DDT	40.7	46.1	49.0	52.2	50.6
Net debt/equity (x)	-0.5	-0.5	-0.5	-0.7	-0.8
Receivables (days)	100	92	115	105	95
Inventory (days)	-	-	-	-	-
Payables (days)	67	67	69	71	73
CFO: PAT%	114	117	77	154	142
FCF: PAT% - incl M&A payout	35	51	69	179	135

Source: Company, Anand Rathi Research

Firstsource Solutions - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	765	944	1,084	1,207	1,299
Growth (%)	1.9	23.4	14.9	11.3	7.6
Net revenues (Rs m)	63,325	79,721	96,230	1,10,473	1,18,856
Employee & Direct Costs	39,089	49,958	56,348	65,558	69,773
Gross Profit	24,237	29,763	39,882	44,914	49,083
Gross Margin %	38.3	37.3	41.4	40.7	41.3
SG&A	14,710	17,769	23,707	25,861	28,331
EBITDA	9,527	11,994	16,175	19,053	20,753
EBITDA margins (%)	15.0	15.0	16.8	17.2	17.5
- Depreciation	2,602	3,270	4,348	5,003	5,181
Other income	406	162	-209	120	354
Interest Exp	1,034	1,479	1,679	1,308	1,112
PBT	6,297	7,407	8,956	12,862	14,813
Effective tax rate (%)	18	20	20	22	22
+ Associates/(Minorities)	1	0	0	0	0
Net Income	5,148	5,945	7,122	10,032	11,554
WANS	703	705	711	711	711
FDEPS (Rs/share)	7.3	8.4	10.0	14.1	16.2

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	6,297	7,407	8,956	12,862	14,813
+ Non-cash items	3,273	5,767	6,025	6,191	5,940
Operating profit before WC	9,570	13,174	14,981	19,053	20,753
- Incr./((decr.) in WC	2,404	4,944	2,035	1,213	-59
Others including taxes	-718	-1,219	-2,805	-2,987	-3,424
Operating cash-flow	6,448	7,011	10,141	14,853	17,388
- Capex (tangible + Intangible)	851	2,412	2,291	2,630	2,830
Free cash-flow	5,597	4,599	7,850	12,223	14,558
Acquisitions	-583	-5,099	-4,034	-527	-
- Dividend (including buyback & taxes)	2,406	2,759	3,913	4,304	4,735
+ Equity raised	-	-	-	-	-
+ Debt raised	-291	6,787	215	-2,626	-2,149
- Fin Investments	-416	160	-	-	-
- Misc. Items (CFI + CFF)	2,501	3,574	1,678	1,188	758
Net cash-flow	232	-206	-1,560	3,577	6,916

Source: Company, Anand Rahi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	6,970	6,970	6,970	6,970	6,970
Net worth	37,004	40,976	46,294	52,566	59,385
Total debt (incl. Pref)	8,123	15,327	15,542	12,916	10,767
Minority interest	4	4	4	4	4
DTL/(Asset)	-2,259	-1,803	-1,786	-1,786	-1,786
Capital employed	42,872	54,504	60,055	63,700	68,370
Net tangible assets	7,996	11,889	12,006	12,135	12,375
Net Intangible assets	649	9,162	14,131	13,700	12,110
Goodwill	29,885	28,885	27,885	26,885	25,885
CWIP (tang. & intang.)	171	491	491	491	491
Long-term Assets (Liabilities)	2,911	2,991	3,141	3,298	3,463
Investments (Financial)	552	859	859	859	859
Current Assets (ex Cash)	13,189	19,955	23,343	25,942	26,991
Cash	1,748	1,542	-	3,577	10,493
Current Liabilities	14,229	21,270	21,801	23,188	24,296
Working capital	-1,040	-1,315	1,541	2,754	2,695
Capital deployed	42,872	54,504	60,054	63,700	68,370
			0.0	0.0	0.2

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	30.1	26.1	21.8	15.4	13.4
EV/EBITDA (x)	17.4	13.8	10.2	8.7	8.0
EV/sales (x)	2.6	2.1	1.7	1.5	1.4
P/B (x)	4.1	3.7	3.3	2.9	2.6
RoE (%)	14.6	15.2	16.3	20.3	20.6
RoCE (%) - After tax	11.0	11.4	13.2	14.5	15.2
RoIC (%) - After tax	11.5	11.8	13.5	15.0	16.9
DPS (Rs per share)	3.5	4.0	5.5	6.1	6.7
Dividend yield (%)	1.6	1.8	2.5	2.8	3.1
Dividend payout (%) - Inc. DDT	48	47	55	43	41
Net debt/equity (x)	0.2	0.3	0.3	0.2	-0.0
Receivables (days)	67	77	76	75	74
Inventory (days)					
Payables (days)	21	21	21	21	21
CFO:PAT%	125	118	142	148	150
FCF:PAT% - incl M&A payout	97	-8	54	117	126

Source: Company, Anand Rahi Research

BirlaSoft - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	635	635	600	610	647
Growth (%)	6.8	0.0	-5.6	1.6	6.2
Net revenues (Rs m)	52,781	53,752	53,120	55,784	59,243
Employee & Direct Costs	39,403	41,636	39,695	41,930	44,481
Gross Profit	13,379	12,116	13,425	13,854	14,762
Gross Margin %	25.35	22.54	25.27	24.84	24.92
SG&A	5,017	5,142	5,173	5,389	5,675
EBITDA	8,362	6,974	8,252	8,465	9,087
EBITDA margins (%)	15.8	13.0	15.5	15.2	15.3
- Depreciation	850	857	811	827	844
Other income	1,035	1,085	919	1,077	1,335
Interest Exp	199	234	214	227	227
PBT	8,348	6,968	8,146	8,487	9,350
Effective tax rate (%)	25	26	40	30	29
+ Associates/(Minorities)	-	-	-	-	-
Net Income	6,238	5,168	4,660	5,941	6,639
WANS	281	278	284	284	284
FDEPS (Rs/share)	22.2	18.6	16.4	20.9	23.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	8,348	6,968	8,146	8,487	9,350
+ Non-cash items	1,372	641	-301	-23	-192
Operating profit before WC	9,720	7,609	7,845	8,465	9,159
- Incr./(decr.) in WC	730	-144	-525	-73	-60
Others including taxes	-1,807	-1,878	-3,079	-2,546	-2,746
Operating cash-flow	7,182	5,875	5,291	5,991	6,473
- Capex (tangible + Intangible)	262	486	480	504	536
Free cash-flow	6,920	5,389	4,811	5,487	5,937
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	1,240	1,796	1,959	2,155	2,371
+ Equity raised	99	106	-	-	-
+ Debt raised	-	111	-	-	-
- Fin Investments	6,467	4,376	-	-	378
- Misc. Items (CFI + CFF)	55	89	-1,079	-1,122	-1,335
Net cash-flow	-743	-655	3,930	4,454	4,523

Source: Company, Anand Rafi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	552	556	556	556	548
Net worth	30,441	34,782	37,483	41,269	45,536
Total debt (incl. Pref)	-	114	114	114	114
Minority interest	-	-	-	-	-
DTL/(Asset)	-1,042	-1,142	-1,122	-1,101	-1,077
Capital employed	29,399	33,755	36,475	40,282	44,574
Net tangible assets	1,919	2,306	1,975	1,652	1,344
Net Intangible assets	5,052	5,310	5,310	5,310	5,310
Goodwill	4,568	4,568	4,568	4,568	4,568
CWIP (tang. & intang.)	116	49	49	49	49
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	13,519	18,902	18,902	18,902	19,280
Current Assets (ex Cash)	13,441	13,449	13,224	13,710	14,402
Cash	3,926	3,271	7,201	11,655	16,178
Current Liabilities	8,574	9,532	10,187	10,996	11,989
Working capital	4,867	3,917	3,037	2,714	2,412
Capital deployed	29,399	33,754	36,475	40,282	44,573
Contingent Liabilities	1,497	1,200	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	16.9	20.4	22.6	17.7	15.9
EV/EBITDA (x)	9.8	11.8	9.9	9.7	9.0
EV/sales (x)	1.6	1.5	1.5	1.5	1.4
P/B (x)	3.5	3.0	2.8	2.6	2.3
RoE (%)	22.7	15.8	12.9	15.1	15.3
RoCE (%) - After tax	19.1	13.0	11.5	12.6	12.5
RoIC (%) - After tax	37.3	30.1	30.4	37.8	42.5
DPS (Rs per share)	6.5	6.5	6.9	7.6	8.3
Dividend yield (%)	1.8	1.8	1.9	2.0	2.3
Dividend payout (%) - Inc. DDT	29.3	35.0	42.0	36.3	35.7
Net debt/equity (x)	-0.6	-0.6	-0.7	-0.7	-0.8
Receivables (days)	72	67	66	65	64
Inventory (days)	-	-	-	-	-
Payables (days)	23	18	18	18	18
CFO:PAT%	115	114	114	101	98
FCF:PAT% - includ M&A payout	111	104	103	92	89

Source: Company, Anand Rafi Research

KPIT Technology - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	587	691	724	771	824
Growth (%)	40.3	17.7	4.7	6.5	6.9
Net revenues (Rs m)	48,715	58,423	64,301	70,547	75,428
Employee & Direct Costs	33,227	38,791	41,842	45,212	47,705
Gross Profit	15,488	19,632	22,459	25,336	27,723
Gross Margin %	31.79	33.60	34.93	35.91	36.75
SG&A	5,577	7,336	9,057	10,386	11,274
EBITDA	9,911	12,296	13,402	14,949	16,449
EBITDA margins (%)	20.3	21.0	20.8	21.2	21.8
- Depreciation	1,958	2,250	3,004	3,355	3,492
Other income	603	1,673	512	1,057	1,014
Interest Exp	548	424	750	887	843
PBT	8,008	11,296	10,160	11,763	13,128
Effective tax rate (%)	25	26	26	26	26
+ Associates/(Minorities)	-45	28	-364	-162	-149
Net Income	5,944	8,394	7,201	8,577	9,603
WANS	273	274	274	274	274
FDEPS (Rs/share)	21.8	30.7	26.3	31.3	35.0

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	8,008	11,296	10,160	11,763	13,128
+ Non-cash items	2,510	2,482	2,407	3,355	3,492
Operating profit before WC	10,518	13,778	12,567	15,119	16,620
- Incr./(decr.) in WC	-1,625	-1,551	714	679	393
Others including taxes	-2,125	-1,434	-1,955	-2,921	-3,246
Operating cash-flow	10,018	13,895	9,898	11,519	12,981
- Capex (tangible + Intangible)	1,553	1,295	1,104	1,035	918
Free cash-flow	8,464	12,600	8,794	10,484	12,063
Acquisitions	-3,286	-2,066	-4,529	-4,667	-3,660
- Dividend (including buyback & taxes)	1,287	1,928	3,084	4,626	6,939
+ Equity raised	-	-	-	-	-
+ Debt raised	-156	-393	-15	-	-
- Fin Investments	428	1,441	-	-	-
- Misc. Items (CFI + CFF)	342	1,476	238	-170	-171
Net cash-flow	2,965	5,297	927	1,361	1,635

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	2,712	2,717	2,717	2,717	2,717
Net worth	21,459	29,122	32,794	36,745	39,408
Total debt (incl. Pref)	447	15	-	-	-
Minority interest	171	-	364	526	675
DTL/(Asset)	-788	-783	-783	-783	-783
Capital employed	21,289	28,354	32,375	36,487	39,300
Net tangible assets	5,434	6,031	5,840	5,533	5,054
Net Intangible assets	2,837	6,330	11,664	16,013	18,680
Goodwill	11,463	7,451	4,843	3,148	2,046
CWIP (tang. & intang.)	5	94	94	94	94
Longterm assets (Liabilities)	-5,302	-2,491	-2,740	-3,014	-3,315
Investments (Financial)	1,561	4,685	4,685	4,685	4,685
Current Assets (ex Cash)	11,596	12,038	13,161	14,343	15,232
Cash	7,705	10,743	11,670	13,031	14,665
Current Liabilities	14,006	16,434	16,843	17,346	17,841
Working capital	-2,410	-4,396	-3,682	-3,003	-2,610
Capital deployed	21,289	28,354	32,375	36,487	39,300
Contingent Liabilities	177	-	-	-	-
	0.0	0.0	0.0	0.0	0.0

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	32.1	22.8	28.3	22.3	19.9
EV/EBITDA (x)	18.2	14.7	13.4	12.1	11.0
EV/sales (x)	3.7	3.0	2.7	2.4	2.3
P/B (x)	8.9	6.6	5.8	5.2	4.8
RoE (%)	31.3	33.2	21.8	24.7	25.2
RoCE (%) - After tax	23.3	24.2	21.4	21.2	21.5
RoIC (%) - After tax	33.7	40.4	38.2	36.4	36.8
DPS (Rs per share)	6.7	8.5	11.3	16.9	25.3
Dividend yield (%)	1.0	1.2	1.6	2.4	3.6
Dividend payout (%) - Inc. DDT	30.8	27.7	45.6	53.9	72.3
Net debt/equity (x)	-0.4	-0.5	-0.5	-0.5	-0.5
Receivables (days)	72	56	55	55	54
Inventory (days)					
Payables (days)	23	14	14	14	14
CFO: PAT%	167	166	139	132	133
FCF: PAT% - incl M&A payout	87	125	59	68	88

Source: Company, Anand Rathi Research

Mastek - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	368	408	421	441	477
Growth (%)	15.8	10.9	3.1	4.8	8.2
Net revenues (Rs m)	30,548	34,552	37,050	40,361	43,653
Employee & Direct Costs	23,445	26,148	28,891	32,222	34,477
Gross Profit	7,103	8,404	8,159	8,138	9,175
Gross Margin %	23.25	24.32	22.02	20.16	21.02
SG&A	2,016	2,939	2,301	1,673	2,097
EBITDA	5,087	5,465	5,858	6,465	7,078
EBITDA margins (%)	16.7	15.8	15.8	16.0	16.2
- Depreciation	899	751	722	739	769
Other income	160	223	535	287	299
Interest Exp	445	421	323	199	199
PBT	3,903	4,516	5,349	5,814	6,408
Effective tax rate (%)	19	18	25	26	26
+ Associates/(Minorities)	-107	-	-	-	-
Net Income	3,044	3,683	4,007	4,302	4,742
WANS	31	31	31	31	31
FDEPS (Rs/share)	98.7	119.0	128.3	137.7	151.8

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	3,903	4,516	5,349	5,814	6,408
+ Non-cash items	1,603	1,290	202	540	567
Operating profit before WC	5,506	5,806	5,551	6,354	6,975
- Incr./decr. in WC	237	634	47	97	-14
Others including taxes	-1,069	-1,221	-1,326	-1,512	-1,666
Operating cash-flow	4,199	3,951	4,178	4,745	5,324
- Capex (tangible + Intangible)	315	201	351	382	413
Free cash-flow	3,885	3,750	3,827	4,363	4,910
Acquisitions	-2,050	-2,055	-863	-	-
- Dividend (including buyback & taxes)	581	587	752	809	907
+ Equity raised	4	3	-0	-0	0
+ Debt raised	911	436	-1,638	-1,047	-705
- Fin Investments	291	692	22	24	27
- Misc. Items (CFI + CFF)	133	60	-535	-287	-299
Net cash-flow	1,745	796	1,087	2,771	3,570

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	154	155	155	155	155
Net worth	21,004	24,623	27,762	31,138	34,924
Total debt (incl. Pref)	4,866	5,552	3,914	2,867	2,162
Minority interest	-	-	-	-	-
DTL/(Asset)	-732	-1,229	-1,229	-1,229	-1,229
Capital employed	25,138	28,946	30,447	32,776	35,856
Net tangible assets	881	822	639	430	227
Net Intangible assets	2,546	-769	-956	-1,104	-1,258
Goodwill	16,072	18,127	18,990	18,990	18,990
CWIP (tang. & intang.)	9	18	18	18	18
Other Long term Assets/(Liabilities)	-1,342	-580	-638	-701	-771
Investments (Financial)	938	1,780	1,780	1,780	1,780
Current Assets (ex Cash)	10,841	12,037	12,509	13,009	13,640
Cash	3,826	4,615	5,665	8,504	12,038
Current Liabilities	8,635	7,106	7,558	8,178	8,836
Working capital	2,206	4,932	4,951	4,831	4,804
Capital deployed	25,138	28,946	30,447	32,776	35,856

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	15.5	12.8	11.9	11.0	9.9
EV/EBITDA (x)	8.9	8.3	7.7	7.0	6.4
EV/sales (x)	1.5	1.3	1.2	1.1	1.0
P/B (x)	2.2	1.9	1.6	1.5	1.3
RoE (%)	16.1	16.1	14.9	14.2	14.2
RoCE (%) - After tax	12.5	12.9	11.7	11.6	12.0
RoIC (%) - After tax	14.6	15.9	14.9	15.7	17.8
DPS (Rs per share)	19.0	23.0	25.6	28.2	31.0
Dividend yield (%)	1.3	1.5	1.7	1.9	2.1
Dividend payout (%) - Inc. DDT	19.3	19.3	19.3	19.3	19.3
Net debt/equity (x)	0.0	-0.0	-0.1	-0.2	-0.3
Receivables (days)	109	102	102	102	102
Inventory (days)					
Payables (days)	32	32	31	31	31
CFO:PAT%	133	107	106	110	112
FCF:PAT% - includ M&A payout	60	46	74	101	104

Source: Company, Anand Rathi Research

Sonata Software - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	1,042	1,203	1,215	1,218	1,349
Growth (%)	11.3	15.5	1.0	0.2	10.7
Net revenues (Rs m)	86,131	1,01,573	1,07,328	1,11,468	1,23,427
Employee & Direct Costs	71,543	86,795	94,400	97,306	1,08,530
Gross Profit	14,588	14,778	12,928	14,162	14,897
Gross Margin %	16.94	14.55	12.05	12.71	12.07
SG&A	7,314	7,881	5,788	6,895	6,741
EBITDA	7,274	6,896	7,140	7,267	8,155
EBITDA margins (%)	8.4	6.8	6.7	6.5	6.6
- Depreciation	1,319	1,215	1,015	981	1,086
Other income	-491	708	397	383	306
Interest Exp	850	653	453	390	390
PBT	4,614	5,737	6,070	6,280	6,986
Effective tax rate (%)	33	26	27	26	26
+ Associates/(Minorities)	-	-	-	-	-
Net Income	3,085	4,247	4,450	4,655	5,178
WANS	278	278	278	278	278
FDEPS (Rs/share)	11.1	15.3	16.0	16.8	18.6

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,614	5,737	6,070	6,280	6,986
+ Non-cash items	2,909	1,312	1,070	988	1,170
Operating profit before WC	7,522	7,049	7,140	7,268	8,156
- Incr./(decr.) in WC	2,094	-1,030	3,722	-275	-33
Others including taxes	-2,623	-1,636	-1,501	-1,495	-1,664
Operating cash-flow	2,805	6,443	1,917	6,048	6,525
- Capex (tangible + Intangible)	254	685	699	735	788
Free cash-flow	2,552	5,758	1,217	5,314	5,736
Acquisitions	-726	-5,919	-3,926	-	-
- Dividend (including buyback & taxes)	2,189	1,226	1,458	1,604	1,765
+ Equity raised	-	-	-0	-0	0
+ Debt raised	6,404	-488	-1,104	-828	-621
- Fin Investments	150	-1,595	-3,492	-349	-35
- Misc. Items (CFI + CFF)	4,704	1,980	56	7	84
Net cash-flow	1,186	-2,260	-1,835	3,224	3,302

Source: Company, Anand Rafi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	278	278	278	278	278
Net worth	14,063	17,059	20,051	23,102	26,515
Total debt (incl. Pref)	6,743	4,416	3,312	2,484	1,863
Minority interest	-0	-0	-0	-0	-0
DTL/(Asset)	-2,239	-2,360	-2,261	-2,152	-2,032
Capital employed	18,567	19,115	21,102	23,434	26,346
Net tangible assets	1,327	1,036	1,228	1,472	1,718
Net Intangible assets	13,176	13,052	16,470	15,980	15,437
Goodwill	2,207	2,207	2,207	2,207	2,207
CWIP (tang. & intang.)	-	-	-	-	-
Long-term Assets (Liabilities)	-770	-511	-530	-552	-575
Investments (Financial)	5,740	3,880	388	39	4
Current Assets (ex Cash)	19,785	20,372	20,842	20,936	22,396
Cash	5,360	3,100	1,265	4,489	7,791
Current Liabilities	28,258	24,021	20,770	21,139	22,632
Working capital	-8,473	-3,649	73	-202	-235
Capital deployed	18,567	19,115	21,101	23,434	26,346
Contingent Liabilities	7,804	7,470	-	-	-
	-0.0	0.1	-0.1	0.0	-0.3

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	20.9	15.2	14.5	13.8	12.4
EV/EBITDA (x)	9.2	9.7	9.4	9.3	8.2
EV/sales (x)	0.8	0.7	0.6	0.6	0.5
P/B (x)	4.6	3.8	3.2	2.8	2.4
RoE (%)	22.8	27.3	24.0	21.6	20.9
RoCE (%) - After tax	16.8	18.0	18.3	17.4	17.8
RoIC (%) - After tax	29.8	29.3	22.2	19.7	22.4
DPS (Rs per share)	7.9	4.4	5.3	5.8	6.4
Dividend yield (%)	3.4	1.9	2.3	2.5	2.7
Dividend payout (%) - Inc. DDT	71.1	28.8	32.8	34.5	34.1
Net debt/equity (x)	-0.3	-0.2	0.1	-0.1	-0.2
Receivables (days)	73	66	66	65	65
Inventory (days)					
Payables (days)	66	60	58	57	56
CFO:PAT%	91	152	43	130	126
FCF:PAT% - includ M&A payout	59	-4	-61	114	111

Source: Company, Anand Rafi Research

Intellect Design Arena - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	303	295	337	354	387
Growth (%)	9.0	-2.5	14.2	5.0	9.3
Net revenues (Rs m)	25,064	25,000	29,862	32,397	35,394
Employee & Direct Costs	15,666	15,636	19,144	19,396	20,263
Gross Profit	9,399	9,364	10,718	13,001	15,131
Gross Margin %	37.50	37.45	35.89	40.13	42.75
SG&A	3,980	4,058	5,159	6,069	6,277
EBITDA	5,418	5,306	5,559	6,932	8,854
EBITDA margins (%)	21.6	21.2	18.6	21.4	25.0
- Depreciation	1,372	1,564	2,002	2,242	2,509
Other income	440	747	1,061	680	697
Interest Exp	26	42	56	58	58
PBT	4,460	4,447	4,562	5,312	6,984
Effective tax rate (%)	28	25	25	26	26
+ Associates/(Minorities)	12	-26	11	-16	-43
Net Income	3,212	3,328	3,186	3,923	5,136
WANS	141	141	146	146	146
Adj. EPS (Rs/share)	22.1	22.0	23.1	26.4	35.6

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,460	4,447	4,562	5,312	6,984
+ Non-cash items	1,959	1,790	689	1,620	1,870
Operating profit before WC	6,419	6,237	5,251	6,932	8,854
- Incr./(decr.) in WC	1,304	935	1,631	405	522
Others including taxes	-1,013	-988	-1,079	-1,373	-1,805
Operating cash-flow	4,101	4,314	2,541	5,154	6,527
- Capex (tangible + Intangible)	1,730	1,718	2,173	3,133	3,047
Free cash-flow	2,372	2,595	368	2,021	3,480
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	337	482	1,023	1,023	1,023
+ Equity raised	6	10	-	-	-
+ Debt raised	0	-0	-	-	-
- Fin Investments	1,140	1,119	-	-	-
- Misc. Items (CFI + CFF)	-159	-237	-1,005	-622	-639
Net cash-flow	1,059	1,241	350	1,620	3,097

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	684	694	694	694	694
Net worth	24,389	27,858	30,022	32,922	37,035
Total debt (incl. Pref)	0	-	-	-	-
Minority interest	123	310	299	316	359
DTL/(Asset)	-480	-427	-427	-427	-427
Capital employed	24,032	27,741	29,894	32,811	36,967
Net tangible assets	2,060	2,407	2,580	3,465	4,210
Net Intangible assets					
Goodwill	7,216	7,890	7,889	7,895	7,688
CWIP (tang. & intang.)	10	19	19	19	19
Investments (Strategic)	-0	-0	-0	-0	-0
Investments (Financial)	5,758	6,970	6,970	6,970	6,970
Current Assets (ex Cash)	16,077	17,315	20,146	21,611	23,342
Cash	1,998	3,239	3,589	5,209	8,307
Current Liabilities	9,088	10,099	11,299	12,359	13,568
Working capital	6,990	7,216	8,847	9,253	9,775
Capital deployed	24,032	27,741	29,894	32,811	36,967

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	29.9	28.9	28.5	24.9	18.5
EV/EBITDA (x)	16.0	16.4	15.6	12.5	9.8
EV/sales (x)	3.46	3.47	2.91	2.68	2.45
P/B (x)	3.9	3.4	3.2	2.9	2.6
RoE (%)	14.3	12.7	11.0	12.5	14.7
RoCE (%) - After tax	12.5	10.3	8.7	10.5	12.8
RoIC (%) - After tax	17.5	15.3	13.2	16.0	20.5
DPS (Rs per share)	3.5	7.0	7.0	7.0	7.0
Dividend yield (%)	0.5	1.1	1.1	1.1	1.1
Dividend payout (%) - Inc. DDT	15.8	31.9	30.3	26.5	19.7
Net debt/equity (x)	-0.3	-0.4	-0.3	-0.4	-0.4
Receivables (days)	201	221	220	218	216
Inventory (days)					
Payables (days)	39	31	31	31	31
CFO: PAT%	128	129	80	131	126
FCF: PAT% - includ M&A payout	74	78	12	52	68

Source: Company, Anand Rathi Research

Happiest Minds - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	196	244	262	281	304
Growth (%)	10.3	24.2	7.5	7.3	8.0
Net revenues (Rs m)	16,247	20,608	23,211	25,721	27,778
Employee & Direct Costs	9,920	13,115	14,389	15,852	17,266
Gross Profit	6,326	7,494	8,822	9,870	10,512
Gross Margin %	38.94	36.36	38.01	38.37	37.84
SG&A	2,968	3,949	4,681	5,154	5,354
EBITDA	3,359	3,545	4,141	4,716	5,158
EBITDA margins (%)	20.7	17.2	17.8	18.3	18.6
- Depreciation	583	887	890	894	857
Other income	854	1,014	831	645	654
Interest Exp	423	995	993	755	582
PBT	3,207	2,677	3,090	3,711	4,374
Effective tax rate (%)	27	26	24	26	26
+ Associates/(Minorities) / Exceptional Items	140	-122	-122	-122	-
Net Income	2,484	1,847	2,232	2,637	3,252
WANS	148	152	152	152	152
Adj. FDEPS (Rs/share)	17.6	17.3	17.3	21.4	24.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	3,207	2,677	3,090	3,711	4,374
+ Non-cash items	249	1,007	1,052	1,005	784
Operating profit before WC	3,456	3,683	4,141	4,716	5,158
- Incr./(decr.) in WC	306	373	554	260	187
Others including taxes	-1,024	-946	-736	-952	-1,122
Operating cash-flow	2,126	2,364	2,851	3,504	3,849
- Capex (tangible + Intangible)	82	77	86	96	103
Free cash-flow	2,043	2,288	2,765	3,408	3,746
Acquisitions	-	-7,312	-1,950	-2,150	-
- Dividend (including buyback & taxes)	-860	-859	-1,005	-1,106	-1,216
+ Equity raised	4,856	-	-	-	-
+ Debt raised	395	7,372	-580	-159	-2,174
+ Fin Investments	-1,653	-3,463	-	-	-
+ Misc. Items (CFI + CFF)	-5,334	1,714	-160	-111	73
Net cash-flow	-553	-261	-930	-117	428

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	299	300	300	300	300
Net worth	14,802	15,746	16,973	18,504	20,540
Total debt (including Pref)	4,424	11,609	11,029	10,869	8,695
Minority interest	-	-	-	-	-
DTL/(Asset)	-33	-231	-231	-231	-231
Capital employed	19,193	27,123	27,770	29,141	29,003
Net tangible assets	1,948	2,105	1,793	1,490	1,194
Net Intangible assets (incl. Goodwill)	2,182	10,008	11,462	13,117	12,659
Goodwill	-	-	-	-	-
CWIP (tangible and intangible)	1	-	-	-	-
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	12,218	12,895	12,895	12,895	12,895
Current Assets (ex Cash) Incl LT assets	4,819	6,676	7,360	8,005	8,509
Cash	1,147	1,191	261	144	572
Current Liabilities (ex ST Loan/Current Portion) i	3,122	5,753	6,005	6,511	6,828
Working capital	1,697	923	1,355	1,493	1,680
Capital deployed	19,193	27,123	27,770	29,141	29,003
Contingent Liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
Adj. P/E (x)	22.3	22.8	22.8	18.4	16.1
EV/EBITDA (x)	17.2	16.3	14.0	12.3	11.2
EV/sales (x)	3.1	2.8	2.5	2.2	2.0
P/B (x)	4.0	3.8	3.5	3.2	2.9
RoE (%)	21.4	12.1	13.6	14.9	16.7
RoCE (%) - After tax	11.7	7.7	8.1	9.0	9.9
RoIC (%) - After tax	28.2	16.9	14.7	15.3	16.8
DPS (Rs per share)	5.8	6.0	6.6	7.3	8.0
Dividend yield (%)	1.5	1.5	1.7	1.8	2.0
Dividend payout (%) - Inc. DDT	34.4	49.5	45.0	41.9	37.4
Net debt/equity (x)	-0.6	-0.2	-0.1	-0.1	-0.2
Receivables (days)	83	90	89	88	87
Inventory (days)	-	-	-	-	-
Payables (days)	22	22	22	22	22
CFO: PAT%	86	128	128	133	118
FCF: PAT% - includ M&A payout	82	-272	37	48	115

Source: Company, Anand Rathi Research

LatentView Analytics - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues (US\$m)	77	100	120	136	153
Growth (%)	15.9	29.4	19.9	13.0	12.5
Net revenues (Rs m)	6,407	8,478	10,600	12,416	13,967
Employee & Direct Costs	4,339	5,609	6,993	8,323	9,404
Gross Profit	2,068	2,870	3,607	4,093	4,563
Gross Margin %	32.28	33.85	34.02	32.97	32.67
SG&A	708	982	1,182	1,166	1,235
EBITDA	1,360	1,888	2,424	2,927	3,328
EBITDA margins (%)	21.2	22.3	22.9	23.6	23.8
- Depreciation	97	293	411	435	452
Other income	737	758	746	696	889
Interest Exp	30	66	99	59	59
PBT	1,970	2,287	2,614	3,129	3,705
Effective tax rate (%)	19	24	24	27	27
+ Associates/(Minorities)	-	7	-22	-	-
Net Income	1,586	1,742	1,970	2,300	2,723
WANS	207	207	208	208	208
FDEPS (Rs/share)	7.6	8.4	9.5	11.1	13.1

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	1,970	2,287	2,614	3,129	3,705
+ Non-cash items	-560	-263	411	435	452
Operating profit before WC	1,410	2,025	3,025	3,564	4,157
- Incr./(decr.) in WC	-46	191	403	346	283
Others including taxes	-302	-528	-1,269	-1,466	-1,811
Operating cash-flow	1,154	1,305	1,353	1,752	2,062
- Capex (tangible + Intangible)	46	162	159	99	98
Free cash-flow	1,108	1,143	1,194	1,653	1,965
Acquisitions	-	-3,312	-640	-	-
- Dividend (including buyback & taxes)	-	311	415	415	415
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-0	-0	-0
- Fin Investments	2,107	1,474	-	-	-
- Misc. Items (CFI + CFF)	-1,605	-2,797	-647	-636	-830
Net cash-flow	605	-1,158	785	1,874	2,379

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	206	206	206	206	206
Net worth	13,744	15,000	16,555	18,439	20,747
Total debt (including Pref)	2	1	1	1	1
Minority interest	-	370	392	392	392
DTL/(Asset)	-169	273	273	273	273
Capital employed	13,578	15,323	16,900	18,784	21,092
Net tangible assets	275	395	329	137	-75
Net Intangible assets	-	3,615	4,068	3,926	3,783
Goodwill	-	87	87	87	87
CWIP (tangible and intangible)	-	87	87	87	87
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	10,919	10,250	10,250	10,250	10,250
Current Assets (ex Cash) Incl LT assets	1,547	2,797	3,260	3,676	4,017
Cash	1,649	694	1,480	3,353	5,732
Current Liabilities (ex ST Loan/Current Portion) incl LT liabilities	812	2,515	2,574	2,644	2,703
Working capital	735	282	686	1,031	1,315
Capital deployed	13,578	15,323	16,900	18,785	21,091

Fig 4 – Ratio analysis

Year end Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	40.8	37.2	29.5	26.5	22.6
EV/EBITDA (x)	39.6	28.5	22.2	18.4	16.2
EV/sales (x)	8.4	6.3	5.1	4.3	3.9
P/B (x)	4.7	4.3	3.9	3.5	3.1
RoE (%)	12.3	12.1	12.5	13.1	13.9
RoCE (%) - After tax	7.7	7.9	8.8	9.6	9.9
RoIC (%) - After tax	59.1	33.5	25.1	28.1	32.6
DPS (Rs per share)	-	1.5	2.0	2.0	2.0
Dividend yield (%)	-	0.5	0.6	0.6	0.6
Dividend payout (%) - Inc. DDT	-	17.9	21.1	18.1	15.3
Net debt/equity (x)	-0.9	-0.7	-0.7	-0.7	-0.8
Receivables (days)	72	83	80	79	78
Inventory (days)	-	-	-	-	-
Payables (days)	7	11	10	10	10
CFO: PAT%	73	75	68	76	76
FCF: PAT% - incl M&A payout	70	-125	28	72	72

Source: Company, Anand Rathi Research

Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101 st -250 th company)	>20%	0-20%	<0%
Small Caps (251 st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number - 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report 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. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may, (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

- ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
- ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
- ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
- However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
- As of the publication of this report, ARSSBL does not make a market in the subject securities.
- ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2026. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Additional information on recommended securities/instruments is available on request.

Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000

Grievance officer: Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai - 400097. Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.