Jefferies

India | Computer Services & IT Consulting

Equity Research
September 11, 2025

AI Stalls IT Growth Engine

AI may drive c.20% revenue-deflation in IT services over CY25-30 with higher impact on high-margin revenue streams. This is likely to keep the growth of our coverage limited to 3.8% CAGR and keep margins in check. Higher growth uncertainty will cap valuations. We lower our revenue and EPS estimates by up to 5% and cut PTs by up to 10%. Among large caps, INFO and HCLT have lower risk of revenue deflation. We prefer COFORGE & HEXT and have UNPF on TECHM & WPRO.

AI to pose growth challenges: AI is likely to limit growth in IT services market to 1.5%-3% CAGR over 2024-29 due to three key reasons. (1) Clients may delay IT spends on concerns of rapid AI advancements rendering current investments obsolete. (2) AI-led productivity gains may impact existing IT services revenues by 20% over FY25-30, while growth opportunities arising from AI may be back ended. (3) clients have not fully realised ROIs on elevated incremental tech. spends of US$280bn avg. over 2021-24, vs. US$130bn over 2016-20. We expect our coverage to grow at 3.8% CAGR over FY25-28, due to market share gains. Infosys and HCLT have the lowest risk of AI-led revenue deflation, while mid-sized firms have higher risk.

AI-disruption higher for high-margin revenue streams: AI will also impact margins given that higher deflationary impact on application managed services and BPO which have higher margins. AI-led growth will come from advisory and implementation services which have lower margins. Also, amid slower growth, higher competitive intensity may keep margins in check. IT firms are likely to limit hiring to support margins. We expect agg. Ebit margins for our coverage to be flat over FY25-28 at 20%. Amongst larger IT firms, we see limited scope for margin expansion except TechM, however mid-sized IT firms may continue to see their margins expand as each of these have specific levers (Coforge - lower ESOP costs, Hexaware - Lower ERP costs, IKS - Aquity integration).

Uncertain growth outlook to cap valuations. While macro pressures are impacting growth in FY26, these may ease from FY27. However, AI-led growth challenges are likely to add to uncertainty on growth as AI-led productivity gains rise with time. Also, further de-rating risks can't be ruled out as Indian IT firms are trading at 22% premium to Accenture, vs. 13% avg. discount over the past decade.

Lower earnings/PTs by upto 5-10%: We cut our FY26-28 US$ revenue estimate by 2-4% factoring in AI-led revenue deflation, which is partly offset by the recent USD/INR depreciation. We cut our earnings estimates by upto 5% and expect a 6.7% CAGR in earnings over FY26-28. We expect Coforge, Hexaware and Mphasis to grow faster at 11-21% CAGR driven by higher revenue growth. Our earnings estimates are upto 16% below consensus and risks to consensus earnings will cap PE expansion. We cut our PTs by upto 10% on lower growth and target PEs.

Stay selective; Prefer Mid-sized IT stocks: Amidst weak growth outlook and high uncertainty, large-cap IT stocks are likely to remain range-bound. Among them, we like Infosys and HCLT due to relatively lower exposure to AI-led revenue deflation which should support relatively higher (6-7%) earning growth. We prefer mid-sized IT firms, despite the 45% PE premium to large IT names as they are better positioned to quickly pivot towards AI-led IT services and can grow materially faster than the industry average, given their smaller revenue base. Moreover, these companies have scope to improve margins as well which will support double-digit earnings growth. We prefer Coforge, Hexaware, Mphasis and Sagility among mid-sized IT names. TechM and Wipro are our Key U-PF ideas.

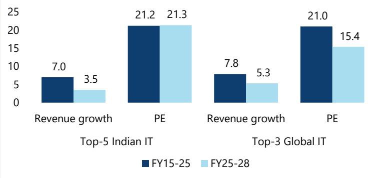
KEY STOCKS FEATURED INCLUDE:

TICKER	RATING	PRICE TARGET
TCS IN	**HOLD**	INR3,230
INFO IN	**BUY**	INR1,750
HCLT IN	**BUY**	INR1,680
WPRO IN	**UNPF**	INR220
TECHM IN	**UNPF**	INR1,315

KEY CHANGES INCLUDE:

TICKER	RATING	PRICE TARGET
TCS IN	**HOLD**	↓ INR3,230 (INR3,480)
INFO IN	**BUY**	↓ INR1,750 (INR1,860)
HCLT IN	**BUY**	↓ INR1,680 (INR1,850)
WPRO IN	**UNPF**	↓ INR220 (INR235)
TECHM IN	**UNPF**	↓ INR1,315 (INR1,400)

Indian IT at a risk of derating
Indian IT vs Global IT comparison



Source: Company data, Jefferies estimates. FY25-28 PE denotes current 1-yr fwd PE

Changes to PT and Target PE

Company	Price Target		Target PE	
	Old	New	Old	New
TCS	3,480	3,230	23	22
Infosys	1,860	1,750	24	23
HCL Tech	1,850	1,680	25	23
Wipro	235	220	19	17
TechM	1,400	1,315	20	19
LTIMindtree	4,865	5,070	25	26
Mphasis	3,100	3,330	27	29
Hexaware	930	930	31	31
Coforge	2,030	2,030	34	34
Sagility	56	54	24	24
IKS	1,630	1,580	28	28

Source: Jefferies estimates

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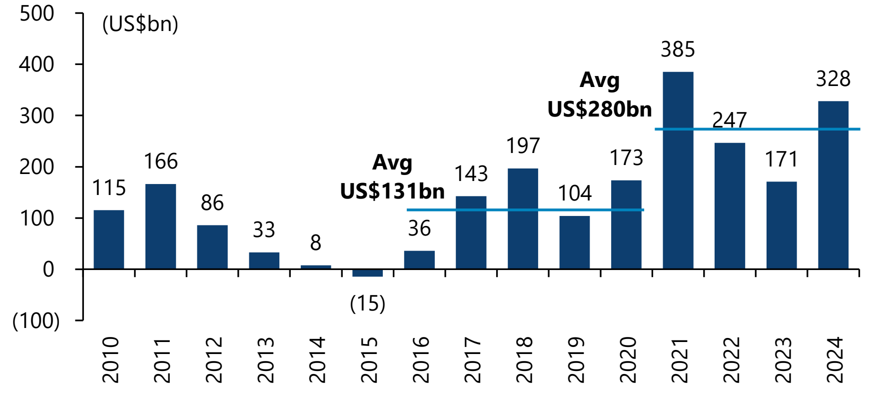
Exhibit 1 - AI-led productivity boost may drive 20% deflation in IT services revenues
Effort savings and revenue mix service line wise

Revenue mix (%), 2024	Effort savings	TCS	Infosys	HCLTech	Wipro	TechM	LTIM	Coforge	Mphasis	Hexaware	Aggregate
Consulting	**5%**	**8**	**15**	**11**	**15**	**11**	**17**	**1**	**1**	**5**	**11**
Application services	**25%**	**56**	**52**	**41**	**52**	**61**	**59**	**74**	**71**	**68**	**54**
Implementation	15%	30	30	19	17	29	32	32	38	23	27
Managed service	35%	27	22	22	35	32	27	42	33	45	27
Infrastructure services	**10%**	**24**	**26**	**44**	**20**	**15**	**19**	**17**	**12**	**18**	**26**
Implementation	10%	8	14	11	7	6	3	0	0	6	9
Managed service	10%	16	11	33	12	10	16	17	12	12	17
Business Process Services	**35%**	**12**	**7**	**4**	**14**	**12**	**5**	**9**	**16**	**8**	**10**
Net savings		**21**	**18**	**17**	**22**	**22**	**19**	**24**	**24**	**24**	**20**

Source: Gartner, Jefferies estimates

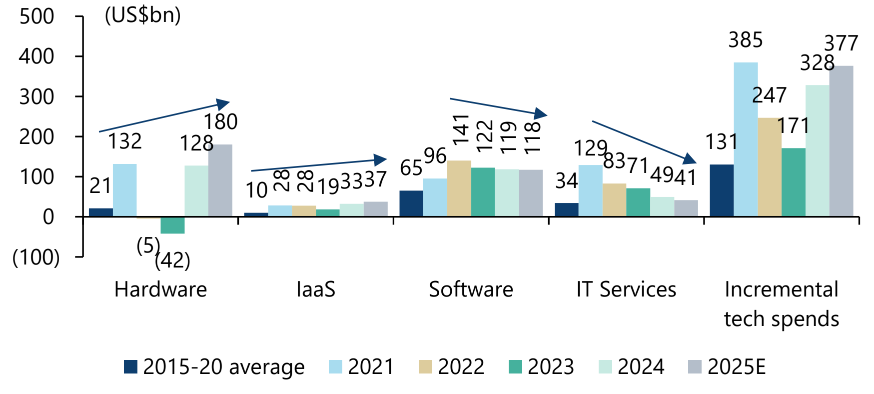
Exhibit 2 - Incremental technology spends by enteprises globally



Source: Gartner, Jefferies

Enteprises are yet to fully realize ROIs on recently elevated IT spends...

Exhibit 3 - Segment wise incremental tech spending

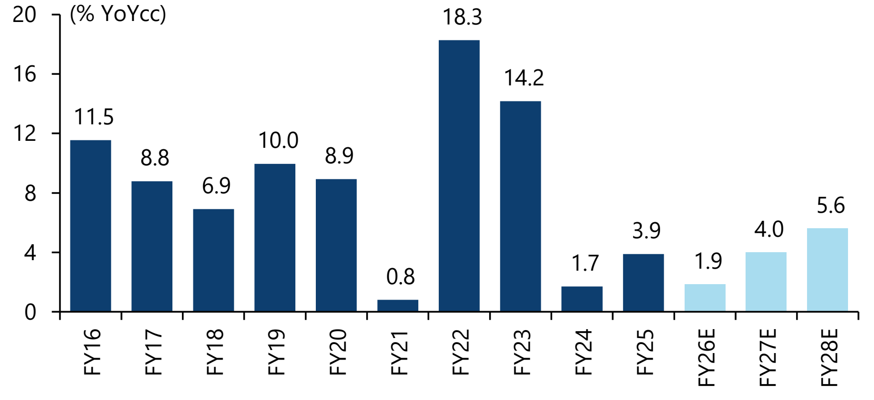


Source: Gartner, Jefferies

... and are prioritizing hardware and software spends over IT services

AI-led revenue deflation will precede AI-driven growth, thus limited growth of our IT coverage

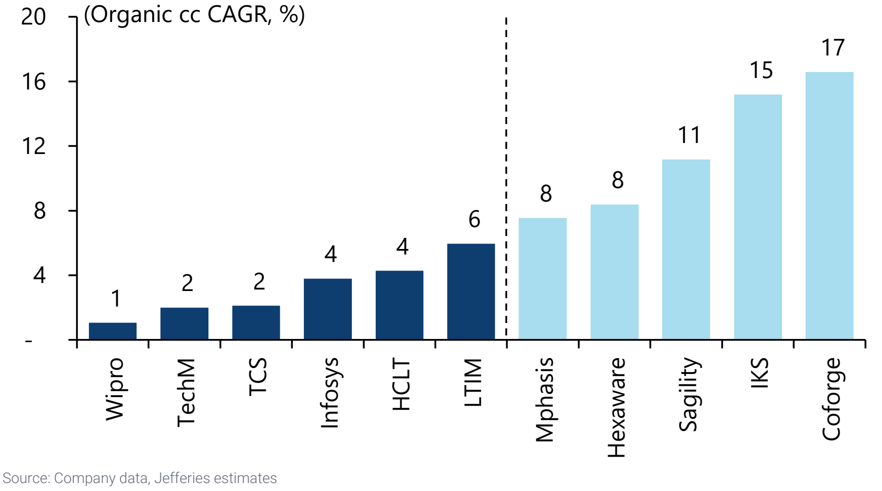
Exhibit 4 - Aggregate revenue growth for IT companies under coverage



Source: Company data, Jefferies estimates

Mid-sized firms are likely to grow faster than large IT firms over FY25-28E

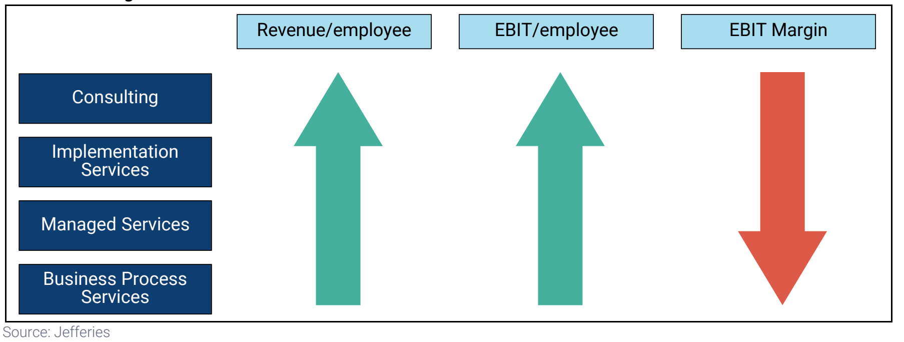
Exhibit 5 - Revenue growth comparison



Source: Company data, Jefferies estimates

Ai will have a higher impact on BPO and managed services which have higher margins

Exhibit 6 - Margin trends service line mix



Source: Jefferies

Exhibit 7 - Revenue estimates: Jefferies vs Consensus

(%YoY US$)	Jefferies			Consensus			Difference (bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	0.0%	2.5%	4.9%	0.4%	5.4%	5.7%	(42)	(296)	(81)
Infosys	4.3%	4.1%	6.1%	3.3%	5.6%	6.6%	93	(156)	(59)
HCLT	5.7%	4.1%	5.9%	4.6%	5.9%	6.3%	115	(179)	(42)
Wipro	-0.2%	4.0%	2.7%	-1.2%	4.0%	4.3%	106	0	(161)
TechM	1.8%	3.0%	3.7%	1.5%	5.7%	6.0%	26	(268)	(227)
LTIM	5.9%	6.0%	6.9%	5.1%	8.0%	8.9%	79	(200)	(201)
Coforge	31.0%	13.5%	14.4%	28.1%	15.1%	13.2%	289	(157)	121
Hexaware	8.0%	10.3%	10.5%	7.9%	8.4%	10.6%	12	186	(12)
Mphasis	7.3%	7.4%	8.4%	6.9%	9.3%	8.9%	37	(189)	(43)
Sagility	21.5%	11.0%	10.5%	20.9%	11.7%	11.5%	60	(67)	(98)
IKS	12.6%	16.1%	16.9%	14.0%	17.3%	17.1%	(134)	(117)	(24)
Aggregate	**3.2%**	**4.0%**	**5.6%**	**2.7%**	**6.0%**	**6.4%**	**47**	**(191)**	**(88)**

Source: Company data, Jefferies estimates

Our growth is 200bps below consensus in FY27

Exhibit 8 - EPS estimates: Jefferies vs Consensus

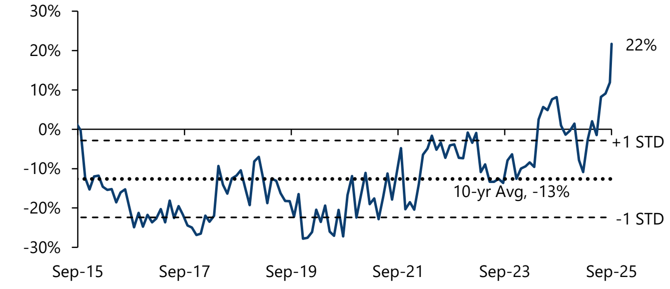
EPS (Rs/share)	Jefferies			Consensus			Difference (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	139	143	151	141	152	164	-1%	-6%	-8%
Infosys	69	73	79	68	74	80	2%	-1%	-2%
HCLT	64	70	76	64	72	78	-1%	-2%	-3%
Wipro	12	13	14	13	13	14	-3%	-4%	-5%
TechM	58	65	70	60	74	83	-3%	-12%	-16%
LTIM	167	184	206	173	199	224	-3%	-8%	-8%
Coforge	44	54	65	41	52	61	7%	4%	7%
Hexaware	24	27	31	24	26	30	1%	5%	4%
Mphasis	98	108	121	99	113	127	-1%	-4%	-4%
Sagility	1.7	2.1	2.4	1.6	2.0	2.5	4%	3%	-1%
IKS	39	50	63	39	50	62	1%	1%	1%

Source: Company data, Jefferies estimates

Growth and earnings risks to weigh on valuations

Exhibit 9 - Sharp derating in Accenture is a risk on Indian IT valuations

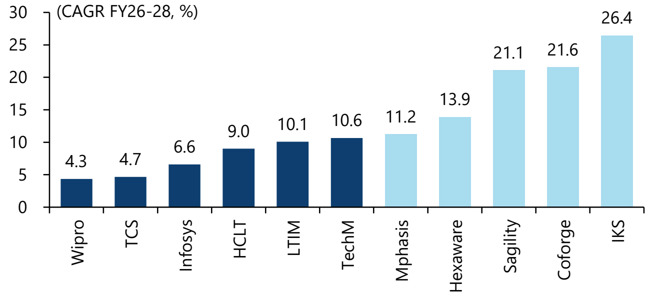
Top-5 Indian IT PE premium/(discount) to Accenture



Source: Company data, Bloomberg, Jefferies estimates

Exhibit 10 - Mid-sized IT names better placed

Earnings growth comparison



Source: Company data, Jefferies estimates

Exhibit 11 - Recommendation summary

	Rec.	Market Cap	CMP	Target	Target PE	Upside	Div yield	PE (x)			EPS Cagr-FY26-28E	EV/Sales (x)			US$ Sales Cagr-FY25-28E
		(US$bn)	(Rs)	(Rs)	(x)	(%)	(%)	FY26	FY27	FY28	(%)	FY26	FY27	FY28	(%)
Infosys	Buy	71	1,510	1,750	23	16	3	21.7	20.6	19.1	7	3.5	3.3	3.0	5
HCL Tech	Buy	45	1,468	1,680	23	14	4	23.0	20.9	19.3	9	3.0	2.8	2.6	5
Coforge	Buy	7	1,771	2,030	34	15	1	40.1	32.8	27.1	22	3.8	3.3	2.9	19
Hexaware	Buy	5	754	930	31	23	2	31.8	27.5	24.3	15	3.3	3.0	2.7	10
Sagility	Buy	2	45	54	24	21	0	26.8	21.5	18.3	21	3.9	3.2	2.8	11
Mphasis	Buy	6	2,926	3,330	29	14	2	29.8	27.0	24.1	11	3.5	3.2	2.9	8
TCS	Hold	128	3,124	3,230	22	3	4	22.5	21.9	20.7	4	4.2	4.0	3.8	2
LTIMindtree	Hold	18	5,292	5,070	26	(4)	1	31.6	28.7	25.7	11	3.6	3.4	3.1	6
IKS	Hold	3	1,535	1,580	28	3	0	39.1	30.4	24.5	26	10.1	8.8	7.4	15
Newgen	UPF	1	886	835	25	(6)	1	34.1	29.0	24.4	18	6.9	5.9	5.0	15
Wipro	UPF	30	254	220	17	(13)	3	20.4	19.7	18.8	4	2.5	2.4	2.3	2
TechM	UPF	17	1,521	1,315	19	(14)	3	26.3	23.3	21.6	10	2.6	2.5	2.4	2

Source: Company data, Bloomberg, Jefferies estimates

AI to pose growth challenges

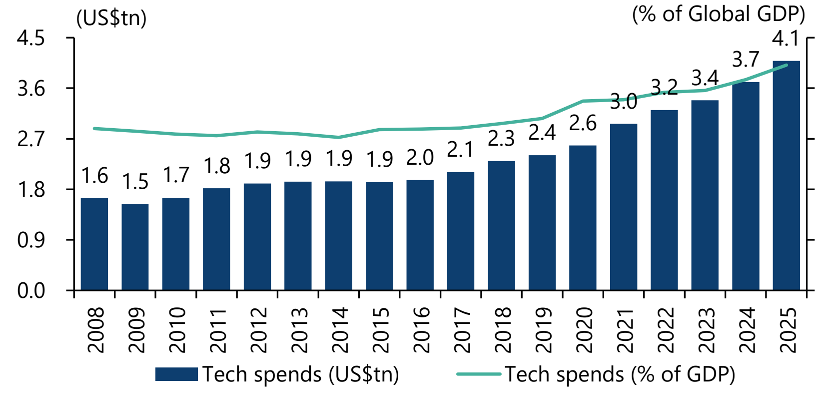
Rapid pace of AI development stalling enterprise IT spends

Internet boom drove sub-sea cable infrastructure, enabling cloud, e-commerce, and rising tech spend post-2015

The emergence of Internet led to sharp growth in sub-sea cable infrastructure (late 90x, early 2000s) to the point that the world has excess capacity even today. Internet was the key enabler for e-commerce (1990s onward), cloud computing (2002 onward) and the emergence of smartphones (2009 onward) amplified the need to move to the cloud and spurred e-commerce adoption. However, mass adoption of these technologies by enterprises took place from 2015 and these technologies had matured to a large degree. As a result, technology spends grew at 6% CAGR over 2015-20 to US$2.6tn, vs. global GDP growth of 2.6% CAGR.

Exhibit 12 - Trend in Technology spending

Enterprise tech adoption surged post-2015, driving 6% CAGR in tech spendings vs 2.6% CAGR of Global GDP growth



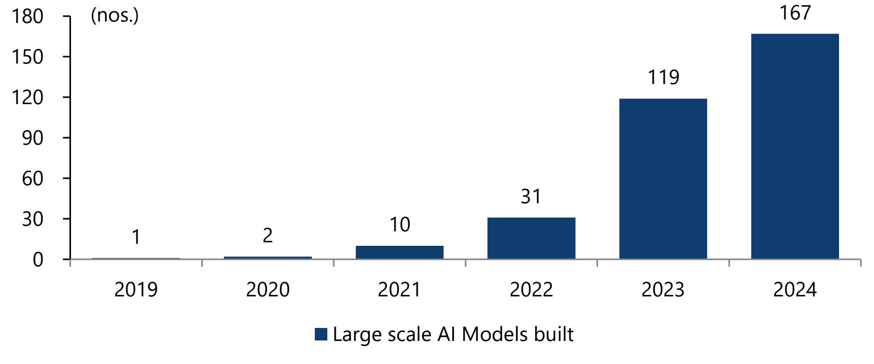
Source: Gartner, Jefferies

GenAI has reset the tech cycle, leading to delay in enterprise tech spends; only few pilots scale beyond PoC

Generative AI has reset the technology cycle and whenever this happens, enterprises tend to postpone spends over concerns that rapid advancements could quickly render current investments obsolete. As a result, clients are engaging IT vendors in proof of concepts but few of these are scaling up. The ones which are scaling are being funded from existing cost optimization initiatives.

Exhibit 13 - Number of new LLMs developed year wise

Rapid developments in AI are stalling IT services spending



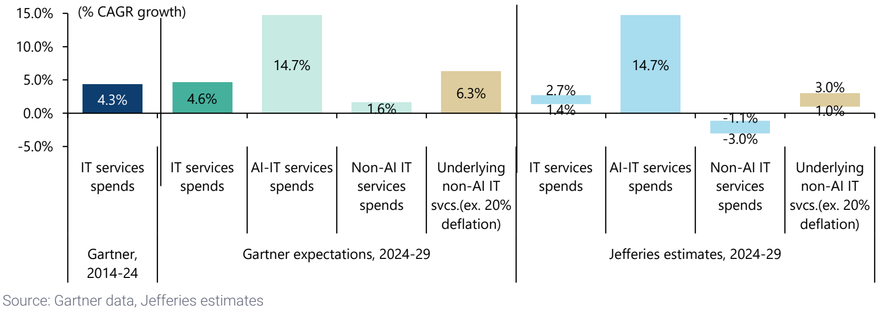
Source: Epoch AI report, Jefferies

AI-led revenue deflation to precede AI-led growth

AI-led revenue deflation will be front-load, impacting growth in CY26/FY27 despite long-term gains

AI-led revenue deflation is likely to impact growth in FY27 as revenue deflation from AI may be front-ended and any new spends driven by AI are likely to be back-ended. Over 2024-29, Gartner expects AI-led IT Services spends to grow at 15% CAGR led by application implementation and consulting services. While we expect underlying growth in non-AI related IT services to grow at 1-3% every year, the 20% revenue deflation in these services will result in a 1-3% decline each year. As a result, overall IT services spends globally may grow in the range of 1.5-3.0% CAGR over CY24-29.

Exhibit 14 - IT services spends growth over CY2024-29



Source: Gartner data, Jefferies estimates

AI to impact 20% of existing IT services revenues by FY30

AI to drive 5-35% productivity; IT firms may face 20% revenue deflation risk by FY30

We expect AI to drive 5-35% productivity boost across consulting, Application services, infrastructure services and BPO services. Among these, we expect higher productivity boost in application services and BPO relative to consulting and infrastructure services. Given our productivity led savings assumptions across different service lines and the service line revenue mix of IT firms in our coverage, we expect the revenue deflation for existing IT services revenues to average 20% by FY30. Per our analysis, Infosys and HCLTech have relatively lower risk to AI-Led revenue deflation while TechM and Wipro have relatively higher exposure. Mid-sized IT firms have higher risk of AI-led revenue deflation vs. their larger IT peers.

Exhibit 15 - Infosys/HCLT have lower risk of AI-led revenue deflation; mid-sized firms at higher risk
Effort savings and revenue mix service line wise

Revenue mix (%), 2024	Effort savings	TCS	Infosys	HCLTech	Wipro	TechM	LTIM	Coforge	Mphasis	Hexaware	Aggregate
Consulting	**5%**	**8**	**15**	**11**	**15**	**11**	**17**	**1**	**1**	**5**	**11**
Application services	**25%**	**56**	**52**	**41**	**52**	**61**	**59**	**74**	**71**	**68**	**54**
Implementation	15%	30	30	19	17	29	32	32	38	23	27
Managed service	35%	27	22	22	35	32	27	42	33	45	27
Infrastructure services	**10%**	**24**	**26**	**44**	**20**	**15**	**19**	**17**	**12**	**18**	**26**
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Business Process Services	**35%**	**12**	**7**	**4**	**14**	**12**	**5**	**9**	**16**	**8**	**10**
Net savings		**21**	**18**	**17**	**22**	**22**	**19**	**24**	**24**	**24**	**20**

Source: Gartner, Jefferies estimates

Application services to see 15% productivity benefit

Our recent conversations with IT firms suggest that they are already sharing 10-15% productivity benefits with clients on application services.

The software development process broadly comprises Requirement Gathering, Design & Development, Testing and Maintenance. Once the software is ready, IT services firms implement it for their clients. In the entire project, requirement gathering involves 15% of the project time, Design & development phase accounts for 20% of project time, Testing takes 30% of the project time and implementation takes 40% of the application services project time.

GenAI may offer higher productivity benefits during testing and implementation phases. Even though IT service firms are seeing productivity gains in new code generation with over 20% of code output being generated using AI tools, AI-generated code requires excessive developer scrutiny resulting in limited productivity benefits in the software design phase. As per Gartner, Requirement Gathering and testing phases of software development may see 35-50% productivity improvements by 2029 while application Implementation phase may see a 35% saving.

Our recent conversations with IT firms suggest that they are already sharing 10-15% productivity benefits with clients. These providers see this as a competitive advantage and have noticed wallet share increases from clients in such cases.

Per Gartner estimates, GenAI is expected to improve developer team productivity by 25%, while the cost per project is expected to reduce by 20% by over 2024-2029

Exhibit 16 - Impact of GenAI on Application Services at Project Level

Application Svcs. at Project Level *(% of efforts)*	Requirement Analysis *14%*	Design and Development *19%*	Testing *28%*	Implementing *39%*	Overall *100%*
Net productivity impact	-36%	21%	-50%	-36%	-25%

Source: Gartner, Jefferies

Infrastructure services to see 10% productivity benefit

Gen-AI enhances IMS automation, but overall productivity gains remain limited

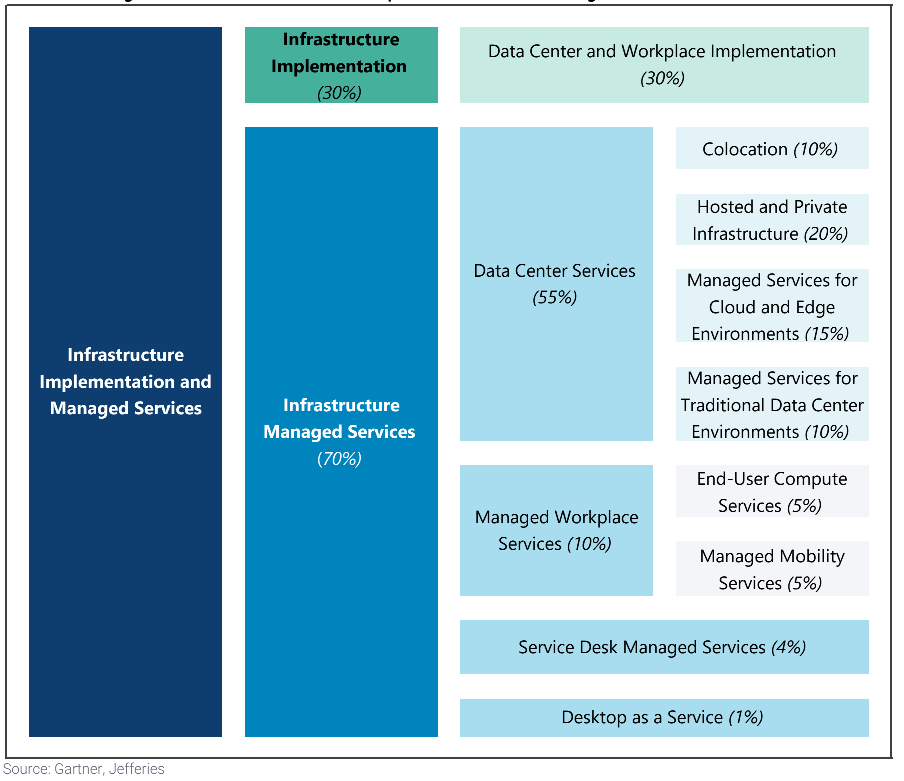
Infrastructure services comprise Infrastructure implementation (30%) and infrastructure managed services (70%). Infrastructure implementation services are project-based services which include technology assessments, project planning, hardware integration, detailed design and implementation of programming interfaces and middle-ware systems, migration to a converged infrastructure system or migration to cloud-based environments.

Infrastructure managed services (IMS) are run-the-business contracts to maintain, enhance, modernize and manage compute, storage, desktop, service desk and network. IMS includes traditional deployment methods and models, as well as managed services for cloud infrastructure.

We expect 5-10% productivity benefit on infrastructure services, lower than application services. IMS services (70% of infrastructure service market) such as data center maintenance and monitoring, load balancing, resource allocation are platform-based and fairly automated since IT firms had to offer 5-7% productivity benefits on existing contracts every year. However, Gen-AI can help drive efficiency in automating manual workloads such as creating documentation, log monitoring and audit.

We expect 5-10% productivity benefit on infrastructure services, lower than application services

Exhibit 17 - Segmentation of Infrastructure Implementation and Managed Services



Source: Gartner, Jefferies

Business Process Services at higher risk

By 2029, LLMs will automate over 50% of enterprise interactions; BPO firms face 35% revenue deflation risk

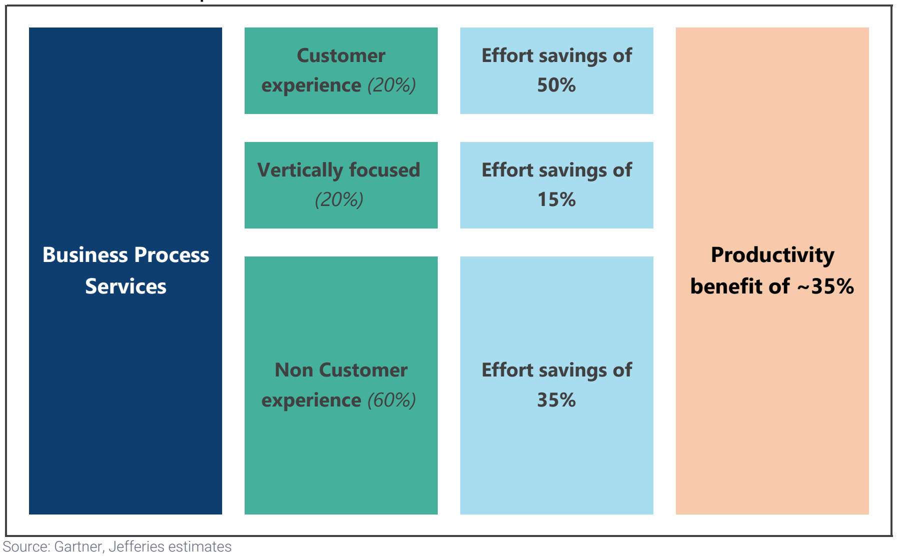
As per Gartner, by 2029, more than 50% of user interactions linked to enterprise business processes will leverage LLMs up from less than 5% in 2025 at present. Within this, functions such as customer service, claims processing, data entry, and back-office operations are increasingly being performed by AI-powered digital assistants, reducing the need for human effort. In contact centers, AI can automate routine tasks like call handling across voice, chat, and email, while providing real-time agent assistance, intelligent routing, and Voice of the Customer (VoC) analytics to enhance customer experience and operational efficiency.

Recent commentary from IT firms already talks about up to 50% productivity gains in this customer experience/contact centers. We believe that Cx based BPO services have the highest risk of productivity led revenue deflation, however we note that, Indian IT firms have very limited exposure to this service line. We expect horizontally aligned BPO firms offering non-Cx services to revenue deflation of unto 35%. Vertically-focused BPO firms (Sagility/IKS) are at a lower risk vs. horizontally-aligned BPO firms, given their domain-specialization which makes them understand workflows more closely and can help their clients to implement AI in workflows more closely.

Clients are looking for more cost-effective, agile solutions that go beyond labor arbitrage, pushing BPO providers to deliver transformation-led efficiencies. As AI adoption grows, BPO firms will be forced to rethink their delivery models, invest in intelligent platforms, and pivot toward outcome-based contracts. We believe that BPO firms are likely to face the highest headwind and may have to pass on 35% productivity benefit over the next five years.

We estimate a total productivity benefit pass through of ~35% over the next 5 years for BPS

Exhibit 18 - Revenue impact on BPS service line



Source: Gartner, Jefferies estimates

Productivity benefits limited to 5% for Consulting services

We expect a limited 5-10% impact of AI on existing consulting revenue streams

Consulting services comprise application consulting, infrastructure consulting and Technology strategy and governance. Consulting services are advisory services that help clients assess and develop strategies for optimal alignment of business goals with technology road-map. These services involve providing strategic, architectural, operational and implementation planning. More specifically, services like readiness-assessment, formulating system-implementation plans, bench-marking and governance.

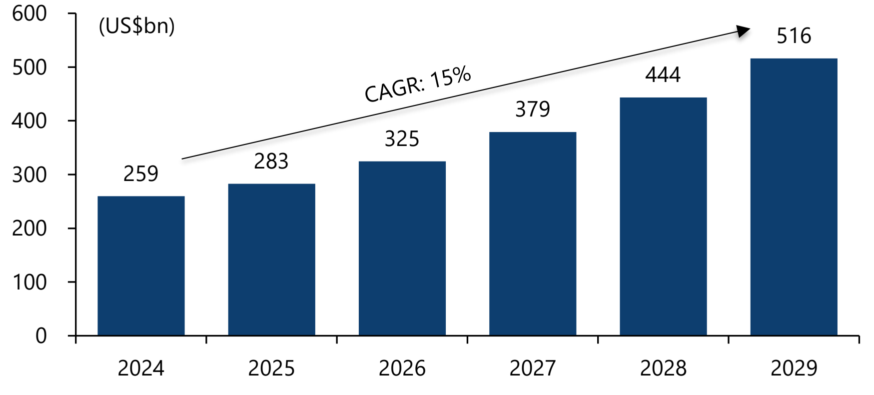
Given that advisory services are more about trust and involve human interactions to a large degree, revenue deflation for these services seems less likely. However, even in these functions, AI-led knowledge management tools can be used for document summarization, streamlining audit and help in scenario modeling and predictive analysis allowing consultants to deliver faster outcomes. We see a limited 5-10% impact of AI on existing consulting revenue streams.

AI-led IT Services to grow 15% CAGR over 2024-29

Over CY24-29, Gartner expects AI led IT services to grow at 15% CAGR, driven by application implementation services and consulting services. We expect AI to drive growth in consulting services, application modernisation , Data and analytics and cloud services for IT firms.

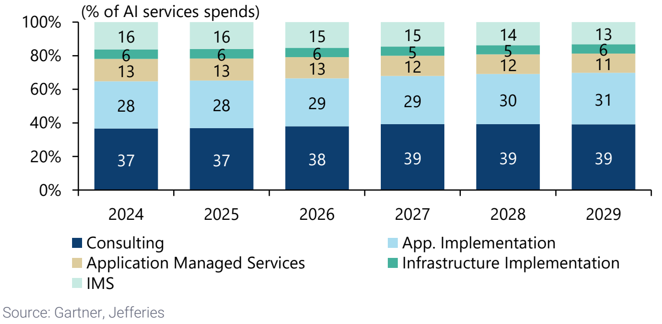
Gartner expects AI led IT services to grow at 15% CAGR over CY24-29E

Exhibit 19 - Trend in AI services related IT spends



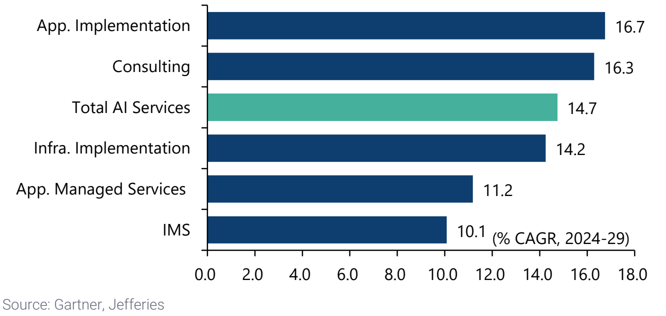
Source: Gartner, Jefferies

Exhibit 20 - Service line segmentation of AI services IT spends



Source: Gartner, Jefferies

Exhibit 21 - Growth in service line wise AI related IT services spends



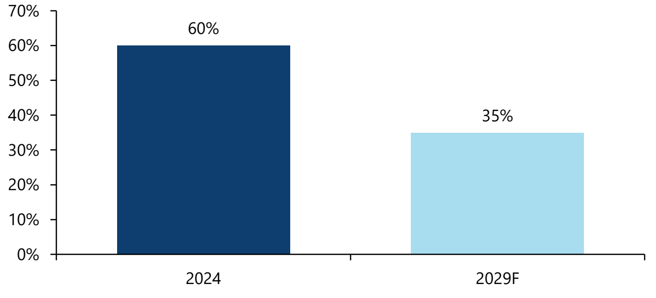
Source: Gartner, Jefferies

High churn in GenAI POCs today...

GenAI adoption is pressured by leadership; 60% POCs abandoned in 2024, but expected to drop to 35% by 2029

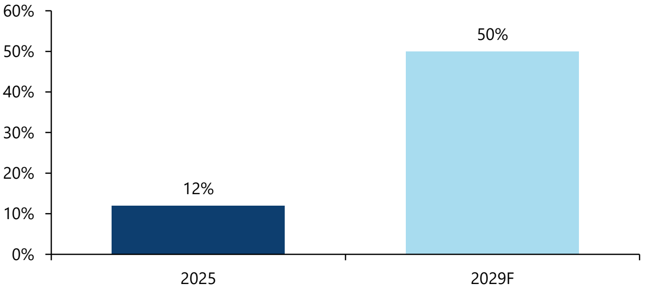
As per Gartner, many organizations adopting GenAI do not know what problems to solve with the technology, with CIOs deploying GenAI only because of pressure from the Board/CEO. These pressures create a "checkbox" approach to GenAI, evident from the high churn of GenAI POCs among end-user organizations. Our conversation with IT services firms suggest that at present many GenAI projects are being abandoned in the ideation or proof-of-concept phase, resulting in limited revenue engagements. As a result, 60% of Generative-AI POCs were abandoned upon completion in 2024. Gartner expects this number to fall to 35% by 2029 as GenAI technology matures and use-cases and ROIs become clearer. Gartner expects that by 2029, 50% of all AI Projects moving into production will be Generative AI-centric vs 12% in 2025.

Exhibit 22 - Fewer Gen-AI POCs will be abandoned by 2029
Share of GenAI POC abandoned after completion



Source: Gartner, Jefferies

Exhibit 23 - 50% of AI projects in production will be GenAI-centric
Share of GenAI projects moving into production



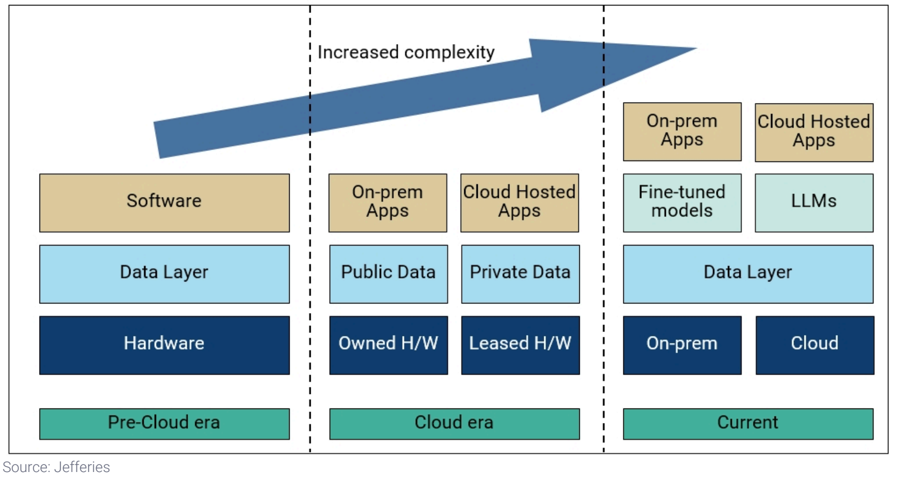
Source: Gartner, Jefferies

... but rising tech-stack complexity to support long term growth

Fundamentally, with AI, the technology stack has become more complex with an inference layer being introduced between data layer and application layer. The value proposition of IT services increases as complexity in technology stacks increase. Hence, we believe that IT Services firms will play a crucial role in Enterprise AI adoption.

As the tech stack continues to be more complex, value proposition of IT firms increases

Exhibit 24 - Evolution of technology stack



Source: Jefferies

Four key growth opportunities from AI

Consulting demand strong in AI cost optimization, peer benchmarking, and spend planning; Infosys, Wipro, LTIM lead in Consulting services

Strong demand in consulting services: We see strong demand for consulting services in three key areas. Firstly, IT services firms are best placed to help clients optimize the costs of deploying AI/ Gen-AI in their tech-stack. Secondly, clients will also engage with IT services firms to understand how their peers are leveraging the technology. Thirdly, as new applications emerge due to AI, engagement around where should incremental spends go to will rise. Per Gartner, Infosys, Wipro and LTIM have the highest exposure to consulting services.

Modernisation of Legacy apps to drive application services growth: Large enterprises are currently working with hundreds of applications which require modernization not just in terms of the language in which they are coded, but also need re-architecting from the old mono-lithic system to composable architecture to allow these to be efficiently hosted on the cloud. AI can meaningfully accelerate this modernization. IT services firms have already come up application modernization tools such as MasterCraft by TCS and RapidX by Hexaware for this purpose and acceleration in application modernization will support growth in application services.

Exhibit 25 - AI led modernization platforms

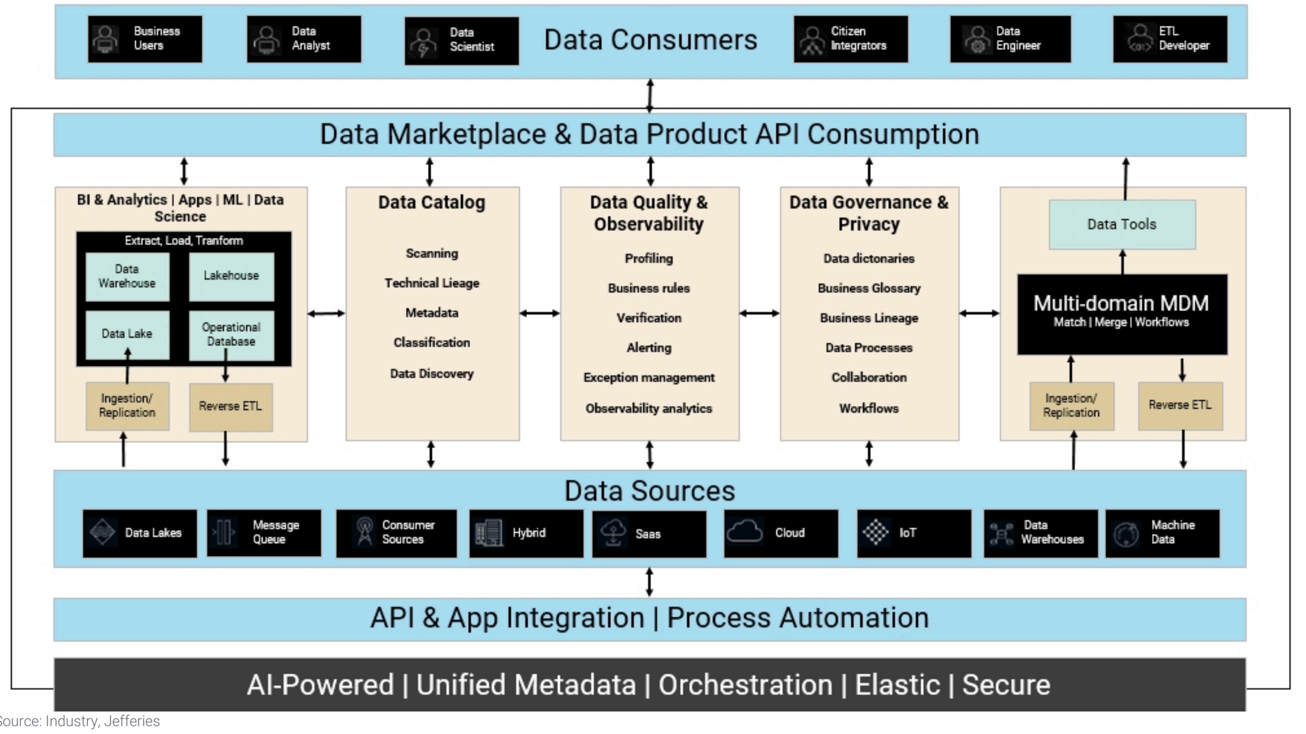
IT services firm	Platform
Tata Consultancy Services	TCS MasterCraft™
HCL Technologies	AI Force™
Hexaware Technologies	RapidX™
Persistent Systems	SASVA™

Source: Companies, Jefferies

Modern data foundations will drive demand for analytics services, enabling AI innovation and enterprise value creation

Data and Analytics Services: Enabling AI for enterprises will require a modern data foundation. This is likely to spur demand in Data and Analytics services, such as data architecture modeling, data platform engineering, Data integration and unification, metadata tagging and indexing of structured and unstructured data. Client will also need to engage IT services to formulate data governance strategy. This positions data and analytics as one of the core enablers of AI-driven innovation, prompting increased enterprise spending to unlock long-term business value.

Exhibit 26 - Modern data architecture



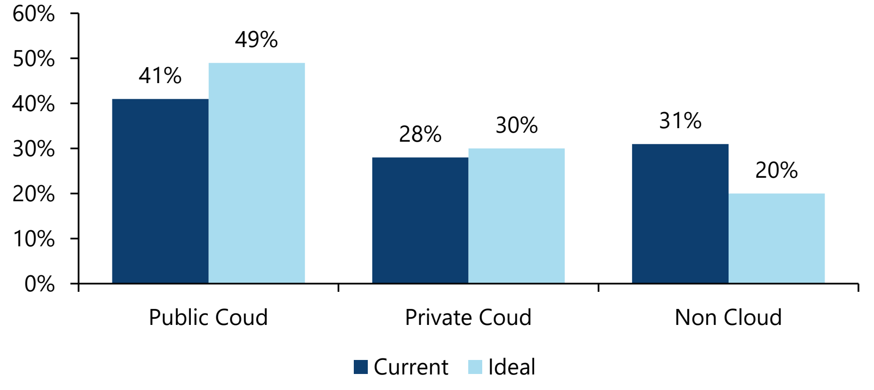
Source: Industry, Jefferies

AI adoption drives cloud usage; enterprises shift to cloud-first models, seeking scalable infrastructure and MSP-led transformation

Cloud Services: The increased adoption of AI and GenAI will spur enterprise cloud usage due to the need for scalable, high-performance infrastructure capable of supporting complex AI workloads. AI models require elastic compute environments, which cloud platforms are uniquely positioned to provide. As organizations modernize legacy systems and pursue digital transformation, cloud becomes the foundational layer for delivering real-time, personalized experiences and integrating advanced analytics, automation, and AI. According to the 2024 Gartner Cloud and Hybrid Infrastructure Survey, infrastructure and operations leaders indicated that in an ideal scenario, 49% of workloads should be on public cloud models, vis-a-vis just 20% on non-cloud infrastructure suggesting a strategic pivot toward cloud-first architectures. Enterprises are increasingly turning to managed service providers (MSPs) for strategic guidance, helping them optimize infrastructure, integrate AI and automation, and maintain competitive advantage

Enterprises lag on cloud deployment which is much lower compared to in an ideal scenario

Exhibit 27 - Cloud deployment scenarios



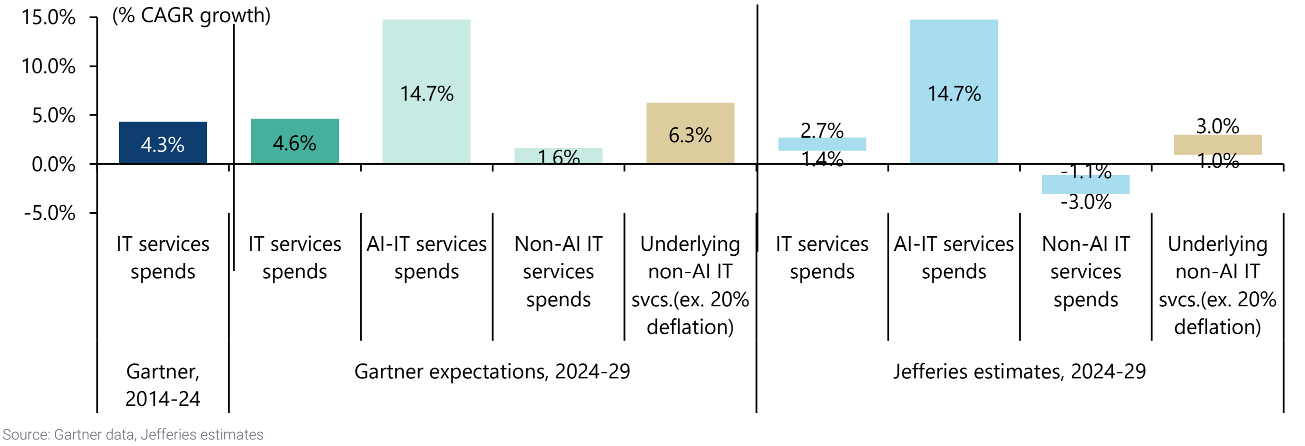
Source: Gartner, Jefferies

AI-led revenue deflation to precede AI-led growth opportunities

AI-led deflation front-loaded; non-AI IT services to grow at 1.6% CAGR, underlying growth of 6.3% CAGR seems optimistic

AI-led revenue deflation is likely to impact growth in CY26/FY27 as revenue deflation from AI is likely to be front-ended and any new spends driven by AI are likely to be back-ended. Over 2024-29, Gartner expects Global IT Services spends to grow at 4.6% CAGR to US$1.7tn. Gartner also expects AI-led IT Services to grow at 15% CAGR over the same period. This suggests that non-AI IT services will grow at 1.6% CAGR over 2024-29 as per Gartner. Given that we expect AI to drive 20% deflation in non-AI IT services revenues over the same period, Gartner's 1.6% CAGR in non-IT services growth implies an effective 6.3% CAGR in underlying growth (ex deflation) in non-AI IT services revenues which seems fairly optimistic.

Exhibit 28 - IT services spends growth over CY2024-29

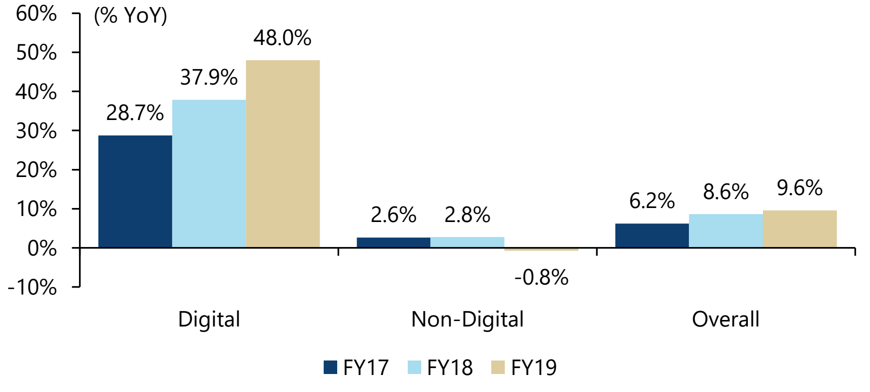


Source: Gartner data, Jefferies estimates

In our view, the underlying growth (ex-deflation) in non-AI IT services over the next five years is likely to range between 1-3%, similar to the growth seen in non-digital revenues by IT firms during FY17-19. Assuming this range of underlying growth and overlaying the cumulative revenue deflation of 20% on these services over CY25-29, we estimate that the net revenue deflation on non-AI IT services will range between 5-15% over CY25-29. A 15% CAGR in AI IT Service revenues along with a 1-3% decline in non-AI IT service revenues is likely to keep the overall IT Services growth in the range of 1.5-3.0% CAGR over CY24-29.

Non-AI IT services may face 5-15% deflation offset by growth in AI services, taking overall CAGR at 1.5-3%

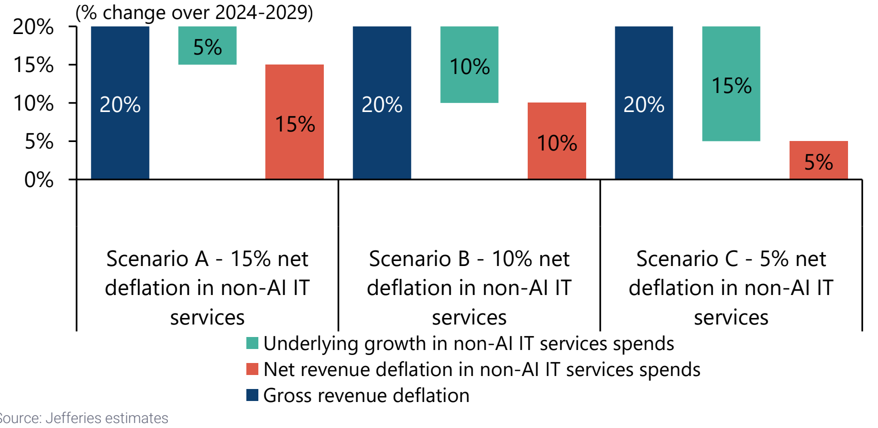
Exhibit 29 - TCS' revenue growth in digital and non-digital



Source: Company data, Jefferies

Non-AI IT services expected to grow 1-3%, mirroring FY17-19 non-digital revenue trends

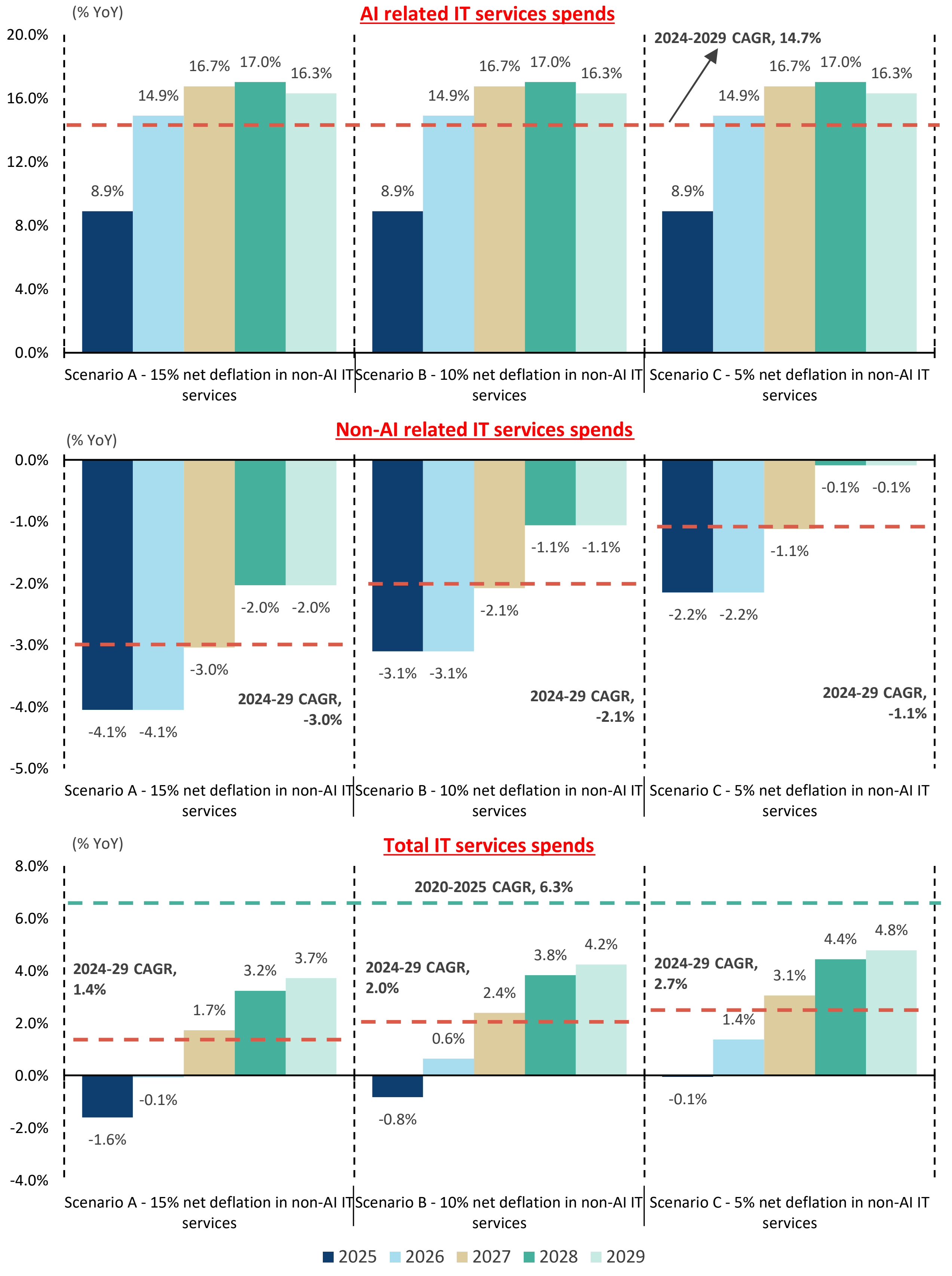
Exhibit 30 - Net revenue deflation assumptions for non-AI related IT spends



Source: Jefferies estimates

Non-AI IT services may see 5-15% net revenue deflation over CY25-29 due to AI

Exhibit 31 - Scenario Analysis for IT Services spends growth



Source: Gartner data, Jefferies estimates

Exhibit 32 - Scenario Analysis for Total IT services spends growth

Scenario Analysis for Total IT services spends	2024	2025	2026	2027	2028	2029	2024-2029 CAGR
Total IT services spends (US$bn)	**1,372**						
AI-IT services spends (US$bn)	259	283	325	379	444	516	
Growth in AI-IT services spends (% YoY)		*8.9%*	*14.9%*	*16.7%*	*17.0%*	*16.3%*	
Non-AI IT services spends (US$bn)	**1,112**						
Assumed revenue deflation in Non-AI IT services		5%	5%	4%	3%	3%	
Cumulative revenue deflation in Non-AI IT services		*5%*	*10%*	*14%*	*17%*	*20%*	
Assumed underlying growth in non-AI IT services							
Scenario A - 15% net deflation in non-AI IT services		1%	1%	1%	1%	1%	
Scenario B - 10% net deflation in non-AI IT services		2%	2%	2%	2%	2%	
Scenario C - 5% net deflation in non-AI IT services		3%	3%	3%	3%	3%	
Net growth in non-AI IT services spends							
Scenario A - 15% net deflation in non-AI IT services		-4.1%	-4.1%	-3.0%	-2.0%	-2.0%	**-3.0%**
Scenario B - 10% net deflation in non-AI IT services		-3.1%	-3.1%	-2.1%	-1.1%	-1.1%	**-2.1%**
Scenario C - 5% net deflation in non-AI IT services		-2.2%	-2.2%	-1.1%	-0.1%	-0.1%	**-1.1%**
Non-AI IT services spends (US$bn)							
Scenario A - 15% net deflation in non-AI IT services	1,112	1,067	1,024	993	973	953	
Scenario B - 10% net deflation in non-AI IT services	1,112	1,078	1,044	1,023	1,012	1,001	
Scenario C - 5% net deflation in non-AI IT services	1,112	1,088	1,065	1,053	1,052	1,051	
Total IT services spends (US$bn)							
Scenario A - 15% net deflation in non-AI IT services	1,372	1,350	1,349	1,372	1,416	1,469	
Scenario B - 10% net deflation in non-AI IT services	1,372	1,360	1,369	1,402	1,455	1,517	
Scenario C - 5% net deflation in non-AI IT services	1,372	1,371	1,390	1,432	1,496	1,567	
Blended growth in Total IT services spends (% YoY)	**2020-25 CAGR**	**2025**	**2026**	**2027**	**2028**	**2029**	**2024-2029 CAGR**
Scenario A - 15% net deflation in non-AI IT services	6.3%	-1.6%	-0.1%	1.7%	3.2%	3.7%	**1.4%**
Scenario B - 10% net deflation in non-AI IT services	6.3%	-0.8%	0.6%	2.4%	3.8%	4.2%	**2.0%**
Scenario C - 5% net deflation in non-AI IT services	6.3%	-0.1%	1.4%	3.1%	4.4%	4.8%	**2.7%**

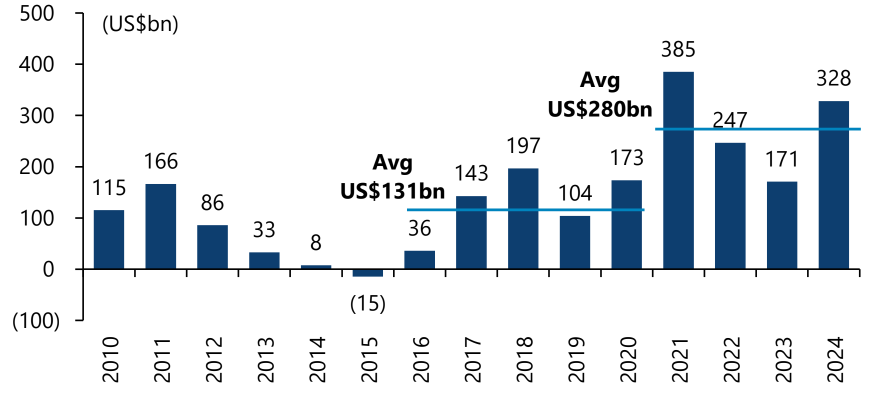
Source: Gartner data, Jefferies estimates

Clients prioritizing ROI on elevated IT spends done over 2021-24

Since 2020, incremental enterprise technology spending has increased by US$280bn every year - 2x of the average incremental tech. spend over 2015-20 driven by fast-paced modernization of tech-stack to enable digital sales channels, remote work during Covid. With clients yet to completely realize the ROI of the accelerated spending done during 2021-24, their focus has primarily been on optimizing existing budgets.

Enterprise avg. tech spends doubled post-2020, but focus now shifts to optimizing budgets amid ROI concerns

Exhibit 33 - Incremental technology spends by enteprises globally

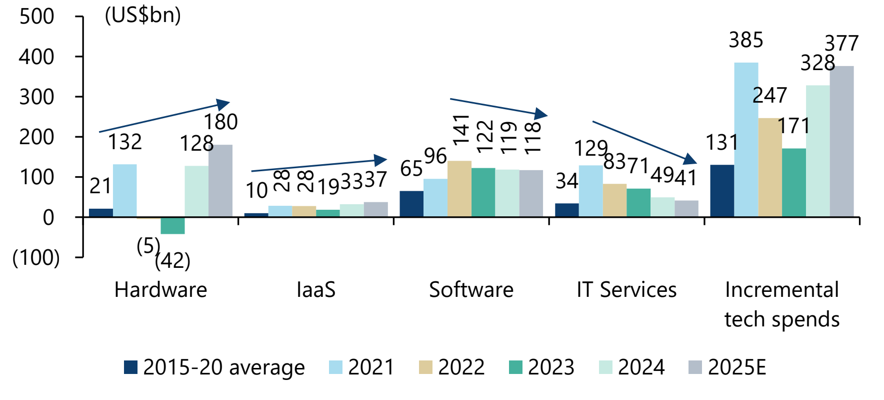


Source: Gartner, Jefferies

Increased enterprise tech spending is driven by rapid modernization, digital channel expansion and increased remote work

In this setup, IT services firms have been the worst placed as incremental spending on IT services has halved since 2022. Incremental spends on Software have not increased but have also not moderated either suggesting that clients are holding back escalation in software spends. IT spends on hardware have meaningfully grown, primarily driven by big-tech firms investing in AI.

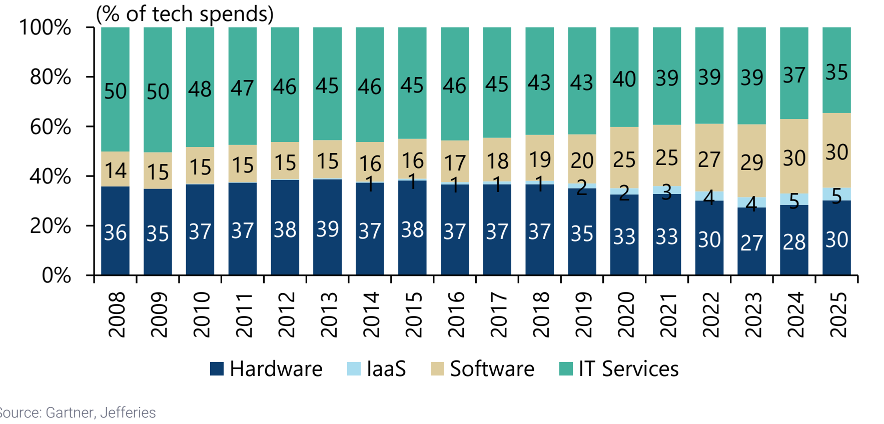
Exhibit 34 - Segment wise incremental tech spending



Source: Gartner, Jefferies

Since 2022, IT services spending has halved, software spends stagnated, while hardware spending surged

Exhibit 35 - Share of enterprise technology spends



Source: Gartner, Jefferies

... resulting in Software tech spends to double over 2009-24 (30% share in 2025 vs 15% in 2009)

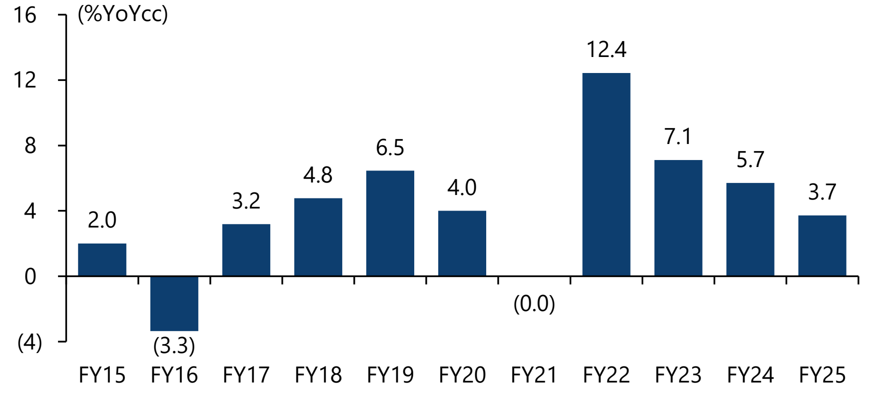
Tariff-led margin pressures to weigh on incremental IT spends

The tariffs introduced on US enterprises will lead to cost pressures for them in CY26. This is unlikely to be fully absorbed by either their suppliers or their customers. As a result, US firms are likely to face margin pressures in CY26. Hence, even if the US Fed cuts rates, US-based firms are more likely to absorb the benefits of these cuts rather than utilise it to increase discretionary IT spends.

Tariffs will pressure US firms' margins in CY26, limiting discretionary IT spending despite rate cuts

IT services spends has grown at 4% CAGR over last 10 years

Exhibit 36 - IT services spending growth



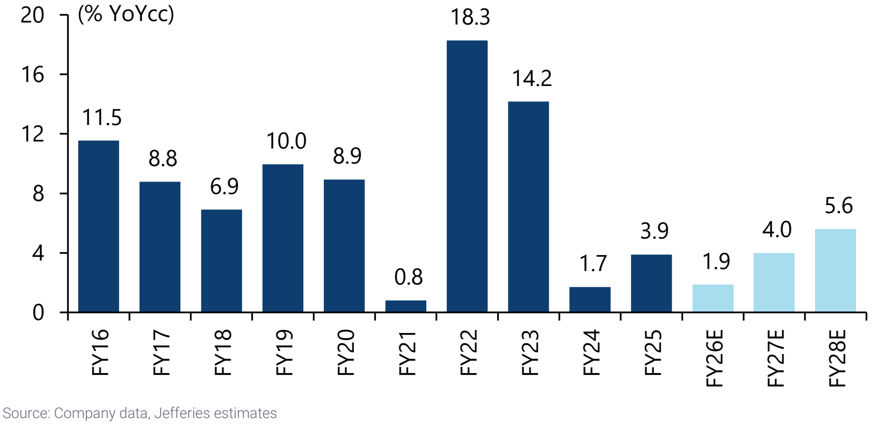
Source: Gartner, Jefferies

Expect 3.8% revenue CAGR for our coverage over FY25-28

Over FY25-28, we expect our coverage to grow its revenues at 3.8% CAGR in cc terms slightly ahead of the 1.5-3% CAGR growth range that we expect for global IT services market. However, we expect growth for our coverage to improve from 1.9% in FY26 to 5.6% in FY28 primarily because AI-led revenue deflation and macro pressures will impact revenues in FY26/27 while pick up in AI-adoption and declining pressure of revenue-deflation will support a pick-up in growth from FY28.

We expect growth for IT coverage to gradually improve from 1.9% YoYcc in FY26E to 5.6% YoYcc in FY28E

Exhibit 37 - Aggregate revenue growth for IT companies under coverage



Source: Company data, Jefferies estimates

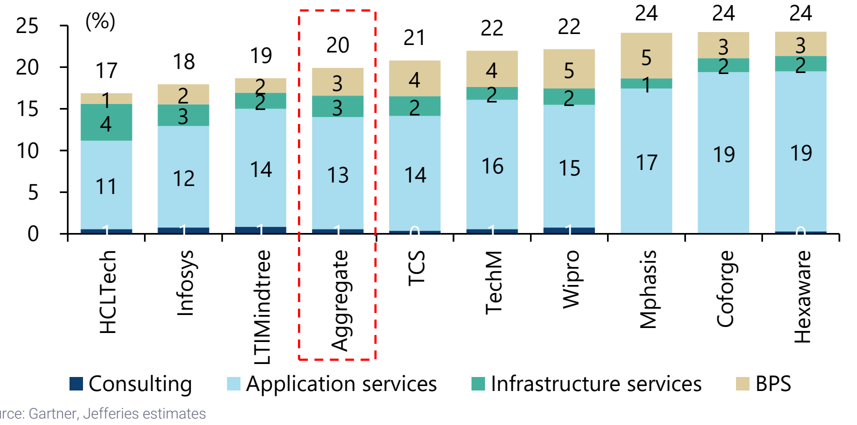
Among large caps, we expect LTIM, Infosys and HCLT to deliver 4-6% CAGR in cc revenues over FY25-28, higher than our expectations of 1-2% CAGR for TCS, Wipro and TechM. This is largely driven by lower risk of AI-led revenue deflation for Infosys. HCLTech and LTIM.

Mid-sized IT firms face higher AI deflation risk but are better positioned for market share growth

Despite mid-sized IT firms having higher risks of AI-led revenue deflation, we believe they are still better placed to deliver higher growth as they are better placed to gain market share as 1) Scale up of revenues to US$1bn+ has helped them break into the consideration set of large deals, 2) Smaller revenue base not only aids in faster growth but also enables these firms to pivot towards new opportunities faster than their larger peers, 3) Greater focus on growth vs margins, evident from their margins being lower at 13-15% range vs. larger peers at 17%-24% despite similar revenue/ employee.

Majority of the effort savings are expected to come in Application service line followed by BPS

Exhibit 38 - Effort savings across companies



Source: Gartner, Jefferies estimates

We expect aggregate organic revenue growth of 3.5% YoYcc over CY25-28E

Exhibit 39 - Revenue growth trends and forecasts

% YoYcc	FY15-25	FY20-25	FY25-28E (organic)	FY25-28E (overall)
TCS	7.8	6.7	2.1	2.1
Infosys	8.5	8.4	3.8	4.2
HCLT	7.0	6.2	4.3	4.6
Wipro	2.1	1.9	1.1	2.1
TechM	3.6	2.3	2.0	2.0
LTIM	12.1	11.8	6.0	6.0
Coforge	12.6	16.0	16.6	18.6
Mphasis	5.0	3.9	7.5	7.5
Hexaware	12.9	12.1	8.4	9.1
Sagility	NA	NA	11.2	14.2
IKS	18.2	17.4	15.2	15.2
Aggregate	**6.9**	**6.3**	**3.5**	**3.8**

Source: Company data, Jefferies estimates

AI to impact high-margin revenue streams

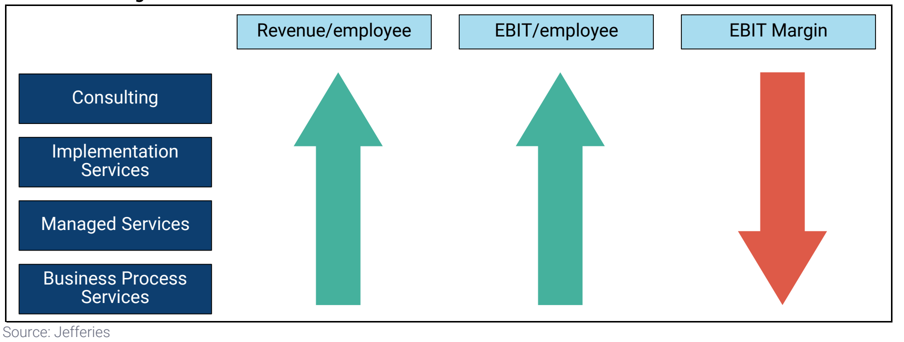
Higher-margin IT services revenues at higher AI risk

IT service margins vary by type; consulting has high revenue/employee but BPO shows higher EBITDA margins

Different type of IT services have very different margin profiles. This is primarily dependent on the experience profile of employees required to deliver the service and the location from which the service is being delivered. Usually, consulting services require more experienced staff and higher on-shoring due to which revenue per employee and EBITDA per employee of these services is higher, however, EBITDA margins are lower mainly because employee costs as a percentage of sales is higher. Business process services lie at the other end of this spectrum, with most of the work being done offshore and by younger people. This is evident from EBITDA margins of Sagility (BPO) being 5.7ppts higher than Accenture at 23% despite revenue/employee being 1/5th of Accenture.

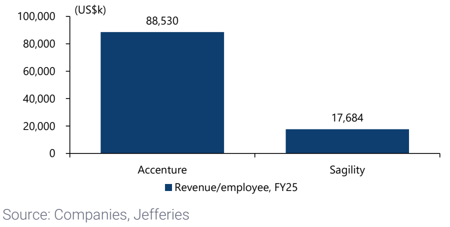
Due to productivity benefits from AI adoption, while revenue/employee and EBIT/ employee will increase, EBIT margins will decline

Exhibit 40 - Margin trends service line mix



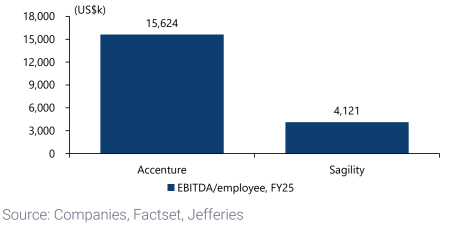
Source: Jefferies

Exhibit 41 - Revenue per employee comparison



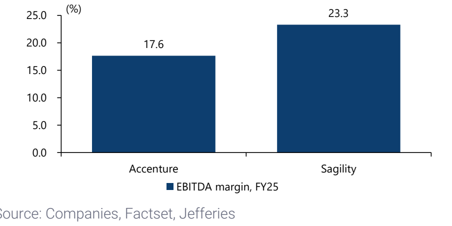
Source: Companies, Jefferies

Exhibit 42 - EBITDA per employee comparison



Source: Companies, Factset, Jefferies

Exhibit 43 - EBITDA margin comparison



Source: Companies, Factset, Jefferies

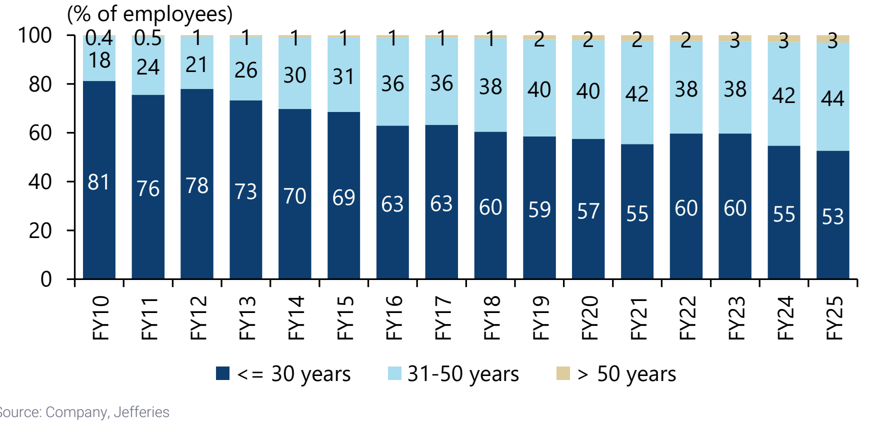
AI to worsen employee pyramids further

IT firms' employee pyramids worsened as consulting and implementation demand increased

Over the past 15 years, employee pyramids for IT services firms has consistently worsened mainly because firms moved up the value chain from managed services towards implementation and consulting services which required experienced staff. This is evident from the consistent fall in the share of employees below 30 years of age for Infosys.

Infosys' share of employees below 30 years of age has fallen from 81% in 2010 and to 53% in 2025

Exhibit 44 - Infosys' age-wise pyramid mix trend



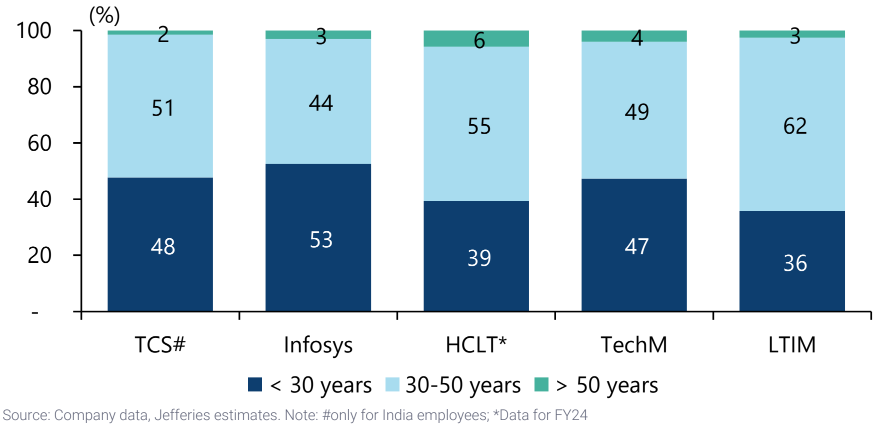
Source: Company, Jefferies

TCS and Infosys benefit from junior staff; AI shifts may worsen pyramids, pressuring delivery margins

TCS and Infosys have managed to operate with meaningfully higher share of junior employees vs. their peers, which has helped them have up to 5-10ppts lower cost of delivery vs. peers. With AI's impact being higher on services such as BPO and application testing, which are primarily delivered offshore, employee pyramids are likely to worsen. Furthermore, given our expectation that AI led services will primarily be in the domain of consulting and implementation services - which have greater share of onshore delivery and requires more experienced staff - employee pyramids will worsen further which will hit margins.

TCS/Infosys have better employee pyramid mix compared to other large-IT sized firms...

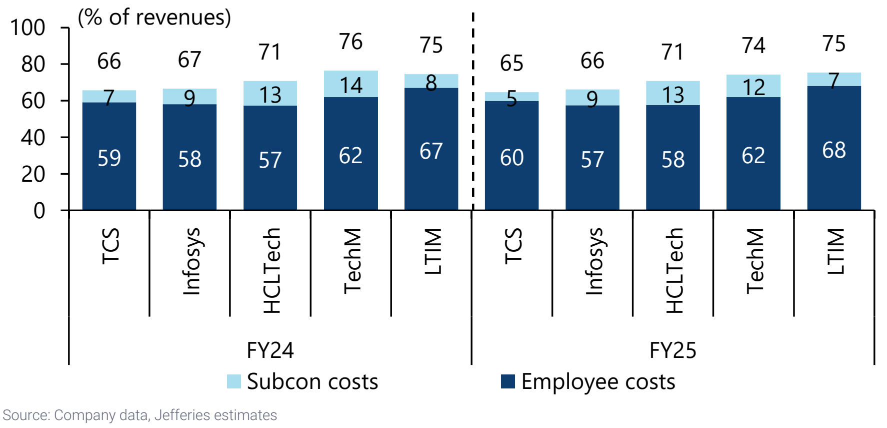
Exhibit 45 - Employee pyramid comparison, FY25



Source: Company data, Jefferies estimates. Note: #only for India employees; *Data for FY24

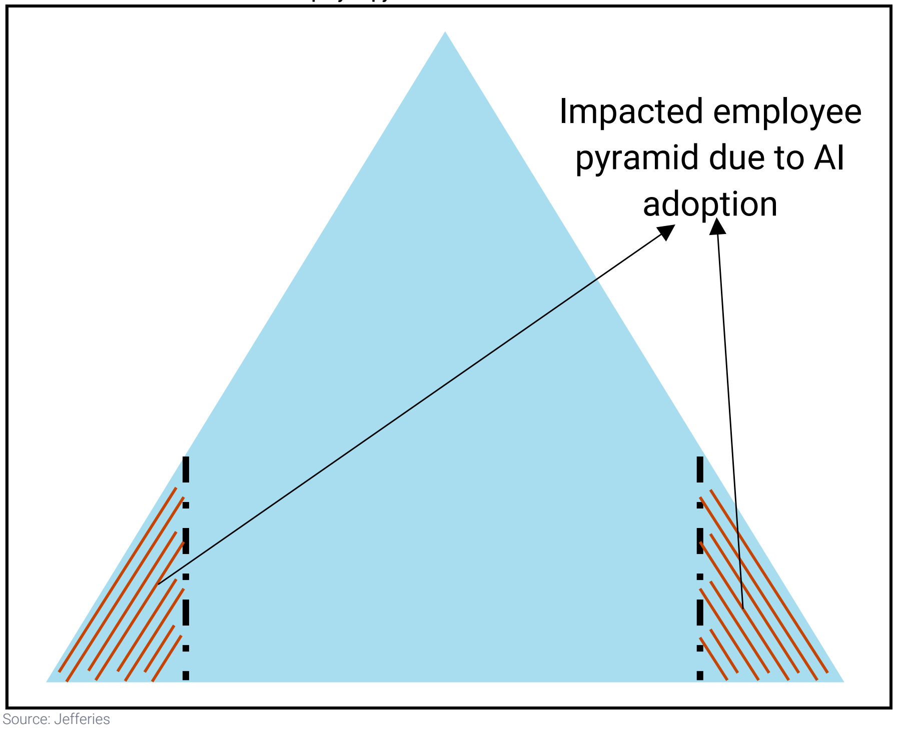
... resulting in lower delivery costs (employee + subcontractors costs)

Exhibit 46 - Comparison of delivery costs as a % of revenues (ex-passthrough)



Source: Company data, Jefferies estimates

Exhibit 47 - Probable evolution of employee pyramid of IT firms



Source: Jefferies

We believe, employee pyramid for Indian IT firms will become relatively flat

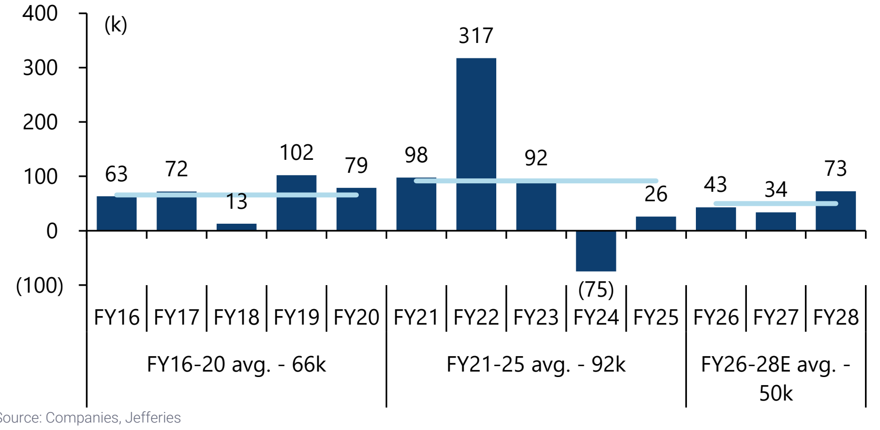
IT firms to limit hiring to support margins

IT firms to limit hiring and run lean benches amid margin pressures

IT firms are very likely to limit employee hiring over the next 1-2 years and work with thinner benches to offset the margin pressures from slower revenue growth and worsening employee pyramids. Moreover, in a slower growth setup, competitiveness among IT vendors will continue to rise. We see this already happening as several IT Services firms have pointed out vendor consolidation as a growth opportunity.

Exhibit 48 - Aggregate net headcount addition trend

We expect net hiring for our coverage to moderate over FY26-28E



Source: Companies, Jefferies

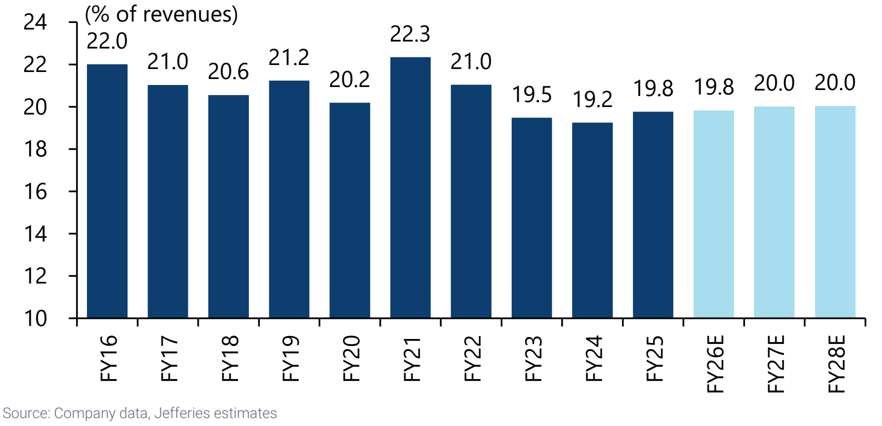
Aggregate margins unlikely to expand over FY25-28

Margins pressured by consolidation and automation; mid-tier IT firms may expand via company-specific cost levers

With increasing competitive intensity amid slower growth, incremental deals being driven by vendor consolidation and cost take-out opportunities, margins will remain under pressure. IT firms offset this by investing in boosting employee efficiency, automating a larger portion of their work which in turn will allow them to work with thinner benches and limit hiring. We expect aggregate Ebit margins for our coverage universe to remain flat over FY25-28 at 20%. Among larger IT firms, we see limited scope for margin expansion except TechM, however mid-sized IT firms may continue to see their margins expand as each of these companies have specific levers (Coforge - lower ESOP costs, Hexaware - Lower ERP costs, IKS - Aquity integration).

We estimates flat margins for our coverage over FY26-28E...

Exhibit 49 - Aggregate EBIT margin for our coverage



Source: Company data, Jefferies estimates

... with margins expanding for HCLTech, TechM, Coforge, Sagility and IKS

Exhibit 50 - Company wise EBIT margin trends

EBIT margin (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
TCS	24.1	24.6	24.3	24.5	24.5	24.4
Infosys	21.1	20.7	21.1	21.3	21.2	21.2
HCL Tech	18.2	18.2	18.3	17.5	18.1	18.2
Wipro	15.1	15.1	17.0	16.7	16.6	16.6
Tech M	11.4	6.1	9.7	12.2	13.4	13.8
LTIM	16.5	15.7	14.5	14.3	14.7	15.0
Coforge	14.3	13.5	13.0	13.5	14.2	14.2
Hexaware	10.6	12.5	13.3	14.6	15.0	15.1
Mphasis	15.3	15.1	15.3	15.4	15.4	15.4
Sagility	9.1	8.4	14.9	16.2	17.0	17.1
IKS	35.6	27.6	24.7	28.1	28.9	29.6
Aggregate	**19.5**	**19.2**	**19.8**	**19.8**	**20.0**	**20.0**

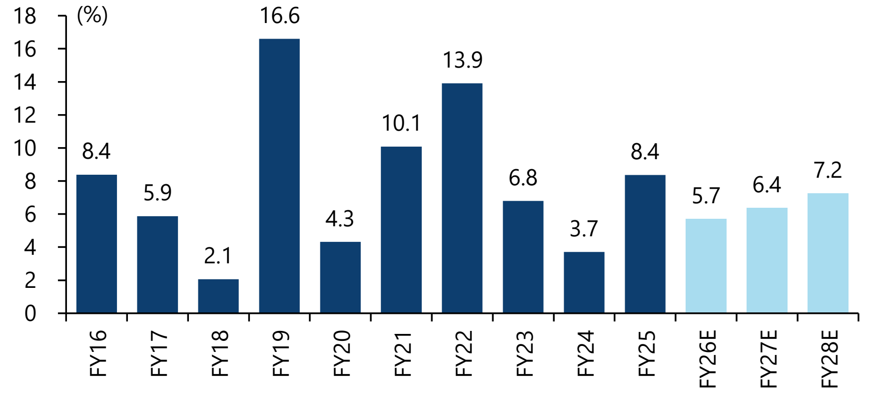
Source: Company data, Jefferies estimates

Lackluster aggregate earnings growth; Mid-sized IT firms to grow faster

Given the muted revenue growth and margin pressures, aggregate earnings growth for our coverage is likely to remain subdued at 6-7% levels. Mid-sized IT services firms are likely to grow their earnings faster at 11-26% CAGR driven by their higher revenue growth and margins that have scope to improve.

We expect a 7% earnings CAGR over FY26-28E for our coverage...

Exhibit 51 - Aggregate earnings growth trend for companies under our coverage



Source: Company data, Jefferies estimates

... led by Coforge, Hexaware, Sagility and IKS

Exhibit 52 - Earnings growth trends company wise

Earnings growth	FY15-25	FY20-25	FY26E	FY26-28E
TCS	8.4	8.5	2.6	4.7
Infosys	7.9	9.8	8.7	6.6
HCLT	8.8	8.9	2.1	9.0
Wipro	4.3	6.4	-0.7	4.3
TechM	4.1	-1.3	30.1	10.3
LTIM	13.5	16.4	7.6	10.9
Coforge	18.6	15.7	63.7	21.6
Mphasis	9.7	7.5	9.6	11.2
Hexaware	14.0	13.0	19.5	14.5
Sagility	NA	NA	45.0	21.1
IKS	46.4	28.7	34.3	26.4
Aggregate	**8.0**	**8.6**	**5.7**	**6.8**

Source: Company data, Jefferies estimates

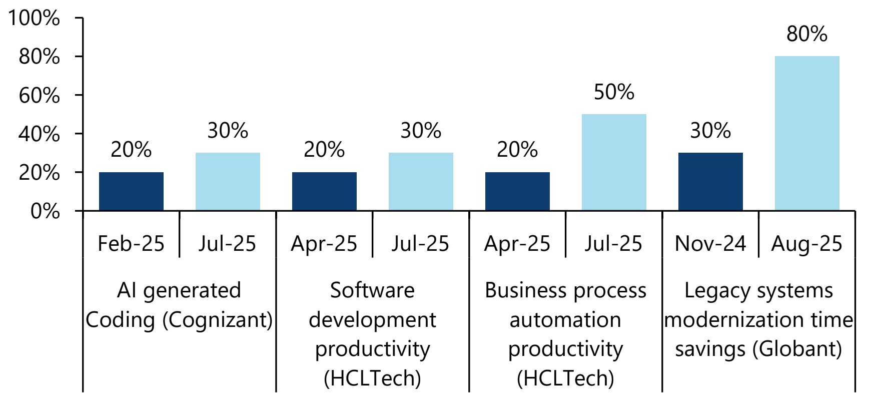
Growth uncertainty to cap valuations

AI adding to growth uncertainty

While one can take a view that macro pressures are at their peak at present and may improve as we move towards CY26/27, AI-driven growth challenges have only started to emerge. While AI-led productivity pass-through (revenue deflation) was hardly brought up during earnings calls till 4QFY25, most IT firms were visibly vocal about this during their 1QFY26 earnings calls. Furthermore, the range of productivity benefits being envisioned by IT firms is also rising with time, which add to uncertainty on growth in our view. This limit PE rerating for IT stocks in our view.

Macro pressures may ease by CY26, but rising AI-led deflation limits IT growth visibility and PE re-rating

Exhibit 53 - Productivity benefits trend across service areas



Source: Companies, Jefferies

Rising AI productivity estimates witnessed by IT firms increases growth uncertainty, limiting potential PE rerating for IT stocks

Consensus numbers are at risk

Our earnings estimates are 3-14% below consensus mainly because of lower growth and margin assumptions. Street expects aggregate US$ revenue growth for the sector to double from 3% in FY26 to 6% in FY27 which looks reasonably optimistic to us. In our view, aggregate growth is likely to see a slight uptick to 4% in FY27 due to previously mentioned reasons. Furthermore, street also expects margins to expand which in our view may be difficult considering the growth challenges and impact on employee pyramids.

Margin expansion unlikely amid growth challenges and worsening employee pyramids suggesting risk to consensus estimates

Exhibit 54 - Revenue estimates: Jefferies vs Consensus

(%YoY US$)	Jefferies			Consensus			Difference (bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	0.0%	2.5%	4.9%	0.4%	5.4%	5.7%	(42)	(296)	(81)
Infosys	4.3%	4.1%	6.1%	3.3%	5.6%	6.6%	93	(156)	(59)
HCLT	5.7%	4.1%	5.9%	4.6%	5.9%	6.3%	115	(179)	(42)
Wipro	-0.2%	4.0%	2.7%	-1.2%	4.0%	4.3%	106	0	(161)
TechM	1.8%	3.0%	3.7%	1.5%	5.7%	6.0%	26	(268)	(227)
LTIM	5.9%	6.0%	6.9%	5.1%	8.0%	8.9%	79	(200)	(201)
Coforge	31.0%	13.5%	14.4%	28.1%	15.1%	13.2%	289	(157)	121
Hexaware	8.0%	10.3%	10.5%	7.9%	8.4%	10.6%	12	186	(12)
Mphasis	7.3%	7.4%	8.4%	6.9%	9.3%	8.9%	37	(189)	(43)
Sagility	21.5%	11.0%	10.5%	20.9%	11.7%	11.5%	60	(67)	(98)
IKS	12.6%	16.1%	16.9%	14.0%	17.3%	17.1%	(134)	(117)	(24)
Aggregate	**3.2%**	**4.0%**	**5.6%**	**2.7%**	**6.0%**	**6.4%**	**47**	**(191)**	**(88)**

Source: Company data, Jefferies estimates

Our revenue growth estimates are lower to consensus estimates

Exhibit 55 - Ebit margin estimates: Jefferies vs Consensus

Ebit Margin (%)	Jefferies			Consensus			Difference (bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	24.5%	24.5%	24.4%	24.8%	25.1%	25.2%	(28)	(59)	(83)
Infosys	21.3%	21.2%	21.2%	21.2%	21.4%	21.6%	9	(17)	(38)
HCLT	17.5%	18.1%	18.2%	17.7%	18.4%	18.5%	(18)	(24)	(38)
Wipro	16.7%	16.6%	16.6%	16.8%	17.0%	17.1%	(9)	(39)	(52)
TechM	12.2%	13.4%	13.8%	12.1%	14.0%	14.6%	12	(63)	(80)
LTIM	14.3%	14.7%	15.0%	14.8%	15.6%	15.9%	(51)	(86)	(89)
Coforge	13.5%	14.2%	14.2%	13.5%	14.0%	14.3%	1	16	(5)
Hexaware	14.6%	15.0%	15.1%	13.8%	14.8%	15.3%	76	22	(14)
Mphasis	15.4%	15.4%	15.4%	15.4%	15.7%	15.8%	3	(31)	(40)
Sagility	16.2%	17.0%	17.1%	15.9%	16.7%	17.7%	27	33	(55)
IKS	28.1%	28.9%	29.6%	28.0%	28.8%	29.7%	7	17	(9)
Aggregate	**19.8%**	**20.0%**	**20.0%**	**20.0%**	**20.4%**	**20.6%**	**(13)**	**(43)**	**(60)**

Source: Company data, Jefferies estimates

Our margin estimates are below consensus estimates for allcompanies barring Coforge and Sagility

Exhibit 56 - EPS estimates: Jefferies vs Consensus

EPS (Rs/share)	Jefferies			Consensus			Difference (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	139	143	151	141	152	164	-1%	-6%	-8%
Infosys	69	73	79	68	74	80	2%	-1%	-2%
HCLT	64	70	76	64	72	78	-1%	-2%	-3%
Wipro	12	13	14	13	13	14	-3%	-4%	-5%
TechM	58	65	70	60	74	83	-3%	-12%	-16%
LTIM	167	184	206	173	199	224	-3%	-8%	-8%
Coforge	44	54	65	41	52	61	7%	4%	7%
Hexaware	24	27	31	24	26	30	1%	5%	4%
Mphasis	98	108	121	99	113	127	-1%	-4%	-4%
Sagility	1.7	2.1	2.4	1.6	2.0	2.5	4%	3%	-1%
IKS	39	50	63	39	50	62	1%	1%	1%

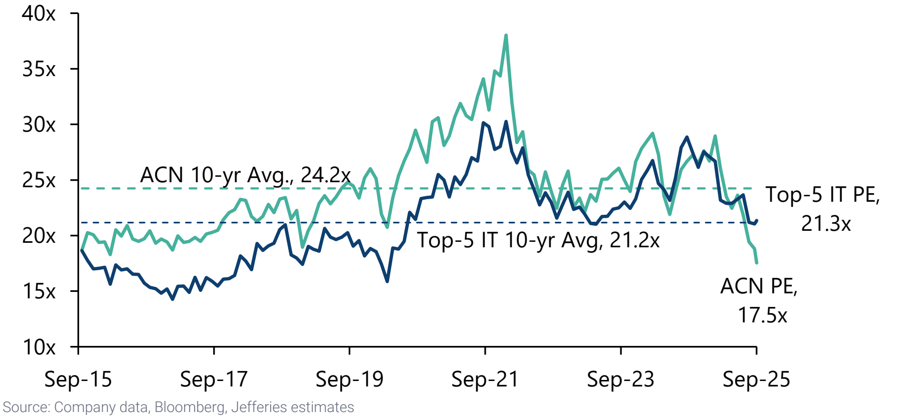
Source: Company data, Jefferies estimates

Our EPS estimates are below consensus (barring Coforge and Hexaware)

Sharp derating in global IT firms adds PE derating risks

Over the past decade, Accenture and Top-5 Indian IT firms delivered similar revenue growth with PE premium of Accenture vs top-5 Indian IT firms averaging at 15%. At present while Accenture is trading at 17.5x PE, while the Top-5 Indian IT names are trading at 21x, at 22% premium to Accenture. Weaker than expected growth can result in Indian IT firms derating further - Just like Accenture.

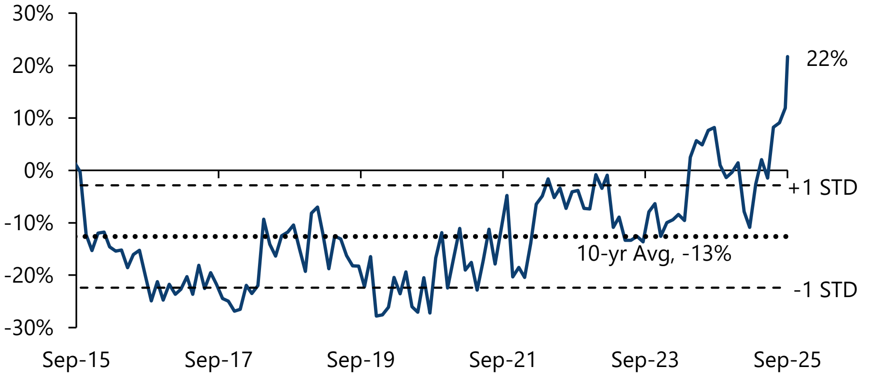
Exhibit 57 - Top-5 India IT PE vs Accenture



Source: Company data, Bloomberg, Jefferies estimates

Top-5 Indian IT is trading at 21x 1-yr fwd PE...

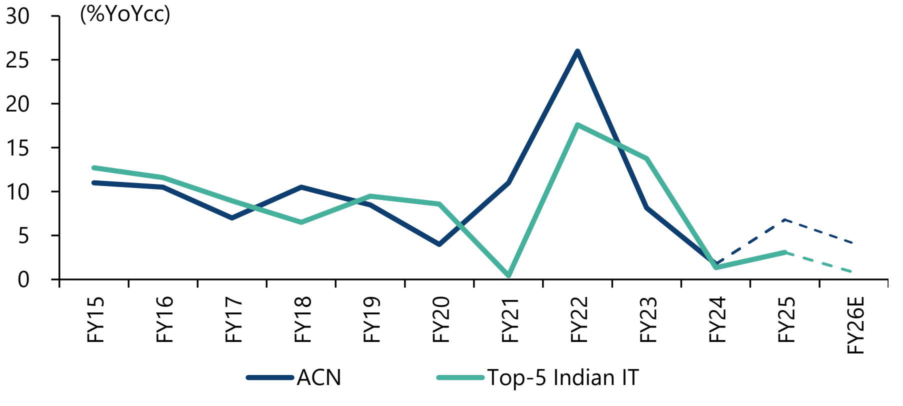
Exhibit 58 - Top-5 Indian IT PE premium/(discount) to Accenture



Source: Company data, Bloomberg, Jefferies estimates

... at a 22% premium to Accenture vs 10-yr average discount of 13%

Exhibit 59 - Revenue growth comparison



Source: Company data, Jefferies; FY25 is Aug-25 for ACN

Revenue growth performance of Top-5 Indian IT companies mirror Accenture's performance

Lower earnings/PTs by upto 5-10%

Exhibit 60 - Changes to estimates

(Rsbn)	Old			New			% change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS									
USDINR avg.	85.8	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	30	32	34	30	31	32	(0.5)	(2.3)	(3.6)
EBIT	631	679	737	640	668	705	1.4	(1.7)	(4.3)
EBIT margin	24.3	24.6	24.9	24.5	24.5	24.4	21bps	-12bps	-47bps
PAT	496	524	569	503	516	545	1.3	(1.5)	(4.1)
EPS (Rs/sh)	137.2	145.0	157.3	139.1	142.8	150.8	1.3	(1.5)	(4.1)
Infosys									
USDINR avg.	85.8	87.0	88.0	86.7	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	20	21	23	20	21	22	(0.0)	(1.3)	(1.7)
EBIT	363	394	429	371	391	419	2.0	(0.8)	(2.2)
EBIT margin	21.1	21.4	21.6	21.3	21.2	21.2	21bps	-13bps	-35bps
PAT	283	307	334	288	304	327	1.8	(0.8)	(2.2)
EPS	68.3	74.1	80.7	69.5	73.4	79.0	1.8	(0.8)	(2.2)
HCL Tech									
USDINR avg.	85.8	87.0	88.0	86.7	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	15	15	16	15	15	16	(0.2)	(1.7)	(1.8)
EBIT	221	243	265	222	243	261	0.1	0.0	(1.8)
EBIT margin	17.6	18.0	18.4	17.5	18.1	18.2	-12bps	12bps	-19bps
PAT	173	191	209	173	191	206	0.1	0.0	(1.6)
EPS	63.8	70.3	77.2	63.9	70.4	75.9	0.1	0.0	(1.6)
Wipro									
USDINR avg.	85.7	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	10	11	11	11	11	11	0.6	1.8	1.7
EBIT	147	156	163	152	160	166	3.4	2.8	1.5
EBIT margin	16.4	16.6	16.8	16.7	16.6	16.6	29bps	-3bps	-21bps
PAT	125	133	141	129	135	142	2.5	1.5	0.6
EPS	12.0	12.7	13.5	12.3	12.9	13.5	2.5	1.5	0.6
TechM									
USDINR avg.	85.7	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	6	7	7	6	7	7	(0.1)	(1.4)	(2.2)
EBIT	66	77	86	68	77	84	2.7	0.1	(2.2)
EBIT margin	12.0	13.3	14.0	12.2	13.4	13.8	22bps	6bps	-15bps
PAT	50	58	64	51	58	62	2.6	0.3	(2.1)
EPS	56.3	65.1	71.9	57.8	65.3	70.4	2.6	0.3	(2.1)
LTIM									
USDINR avg.	85.7	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	5	5	5	5	5	5	0.0	(0.9)	(1.6)
EBIT	58	65	72	59	65	72	1.6	0.6	(0.2)
EBIT margin	14.3	14.7	15.0	14.3	14.7	15.0	8bps	5bps	3bps
PAT	49	54	61	49	54	61	1.3	0.6	(0.1)
EPS	165.1	183.2	206.0	167.3	184.2	205.8	1.3	0.6	(0.1)
Coforge									
USDINR avg.	84.0	85.3	86.2	84.8	86.2	87.2	1.0	1.1	1.1
Revenue (US$bn)	1.9	2.2	2.5	1.9	2.2	2.5	0.0	0.0	(0.0)
EBIT	21	26	31	22	26	31	1.2	0.9	(0.7)
EBIT margin	13.5	14.2	14.5	13.5	14.2	14.2	2bps	-3bps	-26bps
PAT	15	19	23	15	19	23	1.3	1.0	(0.7)
EPS	43.5	53.4	65.7	44.1	54.0	65.3	1.3	1.0	(0.7)
Hexaware									
USDINR avg.	85.8	86.8	87.8	86.4	87.8	88.8	0.7	1.2	1.1
Revenue (US$bn)	1.5	1.7	1.9	1.5	1.7	1.9	0.0	0.0	(0.0)
EBIT	19	22	25	19	22	25	0.6	1.5	(0.0)
EBIT margin	14.6	15.0	15.3	14.6	15.0	15.1	-1bps	5bps	-18bps
PAT	14	16	19	14	17	19	0.6	1.5	(0.0)
EPS	23.5	27.1	31.1	23.6	27.5	31.1	0.6	1.5	(0.0)
Mphasis									
USDINR avg.	85.7	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	1.8	1.9	2.1	1.8	1.9	2.1	0.1	(0.1)	(0.1)
EBIT	24	26	29	24	26	29	1.7	0.6	(0.2)
EBIT margin	15.3	15.4	15.6	15.4	15.4	15.4	9bps	-7bps	-18bps
PAT	18	21	23	19	21	23	1.6	0.7	(0.1)
EPS	96.5	107.8	121.5	98.1	108.5	121.3	1.6	0.7	(0.1)
Sagility									
USDINR avg.	85.7	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	0.8	0.9	1.0	0.8	0.9	1.0	0.0	(0.9)	(1.8)
EBIT	11	13	16	11	13	15	3.8	(1.2)	(4.8)
EBIT margin	15.7	17.2	17.9	16.2	17.0	17.1	43bps	-26bps	-74bps
PAT	8	10	12	8	10	11	4.0	(1.2)	(4.7)
EPS (Rs/sh)	1.6	2.1	2.6	1.7	2.1	2.4	4.0	(1.2)	(4.7)
IKS									
USDINR avg.	85.8	87.0	88.0	86.6	88.0	89.0	1.0	1.1	1.1
Revenue (US$bn)	0.4	0.4	0.5	0.4	0.4	0.5	(1.0)	(2.1)	(2.1)
EBIT	9	11	13	9	11	13	(0.1)	(2.8)	(2.8)
EBIT margin	28.1	29.5	30.1	28.1	28.9	29.6	-1bps	-54bps	-55bps
PAT	7	9	11	7	8	10	(0.1)	(2.7)	(2.7)
EPS (Rs/sh)	39.2	51.9	64.5	39.2	50.5	62.7	(0.1)	(2.7)	(2.7)

Source: Company data, Jefferies estimates

Exhibit 61 - Changes to PT and Target PE

Company	Price Target		Target PE	
	Old	New	Old	New
TCS	3,480	3,230	23	22
Infosys	1,860	1,750	24	23
HCL Tech	1,850	1,680	25	23
Wipro	235	220	19	17
TechM	1,400	1,315	20	19
LTIMindtree	4,865	5,070	25	26
Mphasis	3,100	3,330	27	29
Hexaware	930	930	31	31
Coforge	2,030	2,030	34	34
Sagility	56	54	24	24
IKS	1,630	1,580	28	28

Source: Jefferies estimates

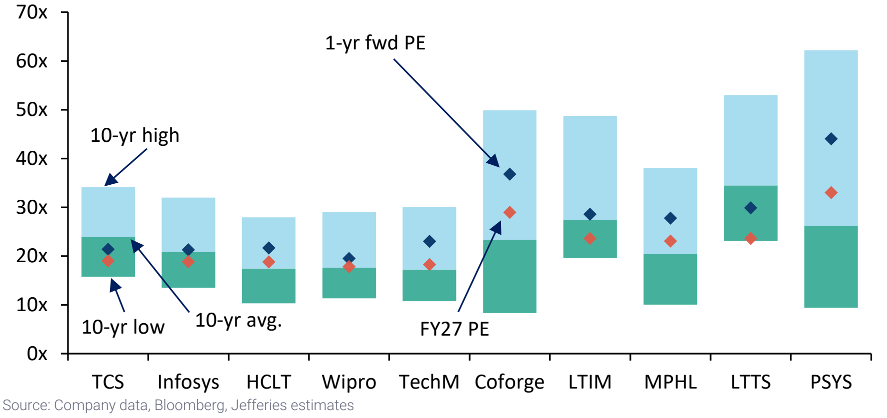
Prefer Mid-sized IT over large IT stocks

We prefer mid-sized IT firms for faster AI pivot and potential margin upside; Prefer Infosys, HCLT among large caps

IT stocks offering stronger growth continue to trade at 25-35x PE while most large IT names barring LTIM and TechM are trading at 20-21x. Despite the valuation premium of mid-sized IT firms, we prefer them over large IT firms as they are better positioned to quickly pivot towards AI-led IT services can grow materially faster than the industry average, given their smaller revenue base. Moreover, these companies have scope to improve margins as well which will support double-digit earnings growth. We prefer Coforge, Hexaware, Sagility among mid-sized IT names. Among large-cap IT names, we like Infosys and HCLT due to relatively lower exposure to AI-led revenue deflation which should support relatively higher (6-7%) earning growth. TechM and Wipro are our key U-PF ideas.

Despite the valuation premium of mid-sized IT firms, we prefer them over large IT firms...

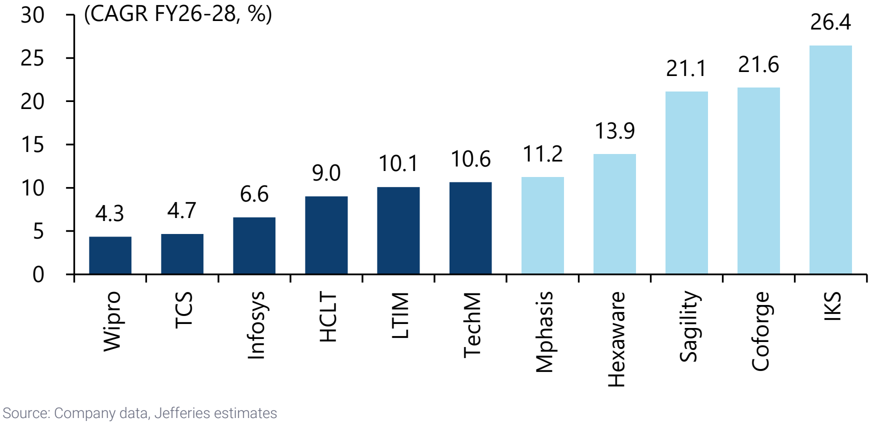
Exhibit 62 - Current 1-yr fwd PE vs 10-yr benchmarks



Source: Company data, Bloomberg, Jefferies estimates

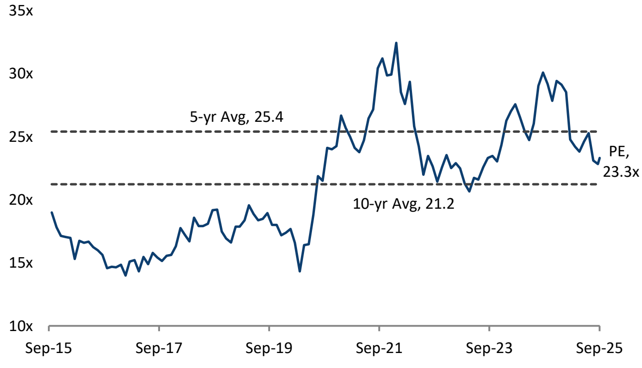
... given double-digit earnings growth vs mid-single digit growth for large-sized IT firms

Exhibit 63 - Earnings growth comparison



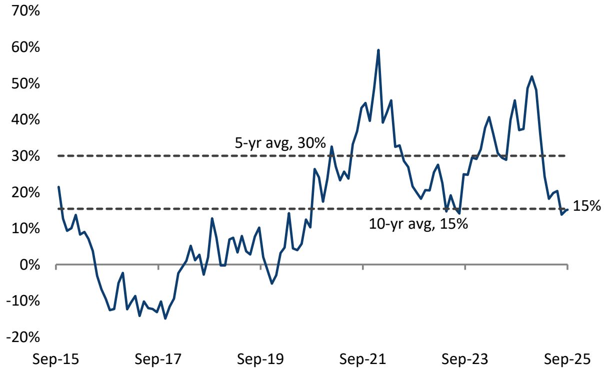
Source: Company data, Jefferies estimates

Exhibit 64 - Nifty IT is trading at 23x, above 10-yr average valuations...
Nifty IT 1-year fwd PE



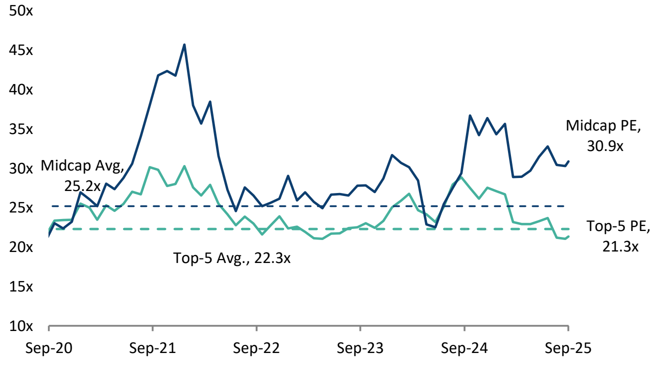
Source: Bloomberg, Jefferies

Exhibit 65 - ... and at a 15% premium to Nifty vs 5-year average premium of 30%
Nifty IT premium vs Nifty



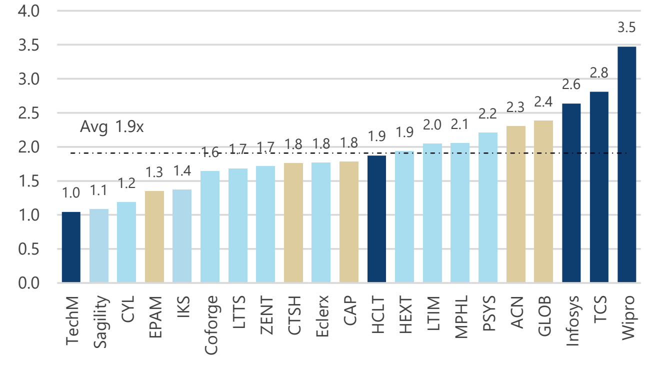
Source: Bloomberg, Jefferies

Exhibit 66 - Mid-sized IT firms are trading at a 45% premium to large sized firms in aggregate
IT Large Sized vs Mid-sized valuations



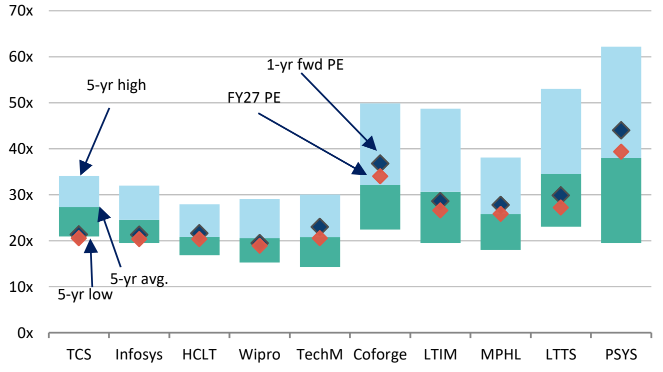
Source: Company data, Jefferies estimates

Exhibit 67 - TechM/Sagility/IKS/Coforge trade below sector average PEG
PEG ratios



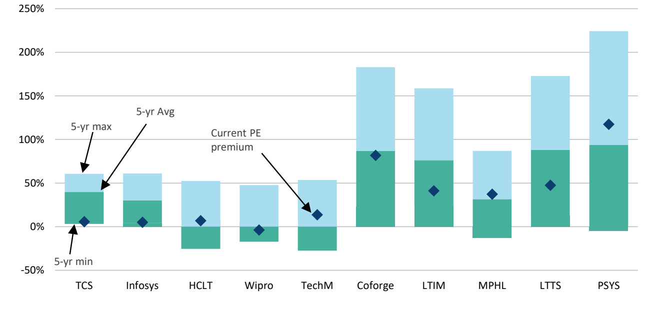
Source: Bloomberg, Jefferies

Exhibit 68 - Current valuations is at comfortable range for most of the IT firms
Current 1-yr fwd PE vs 5-yr benchmarks



Source: Bloomberg, Jefferies

Exhibit 69 - Most IT stocks (Barring HCLT, TechM and PSYS) are trading below 5-yr avg. premiums to Nifty
PE Premium relative to Nifty50



Source: Bloomberg, Jefferies

Exhibit 70 - Recommendation summary

	Rec.	Market Cap	CMP	Target	Target PE	Upside	Div yield	PE (x)			EPS Cagr-FY26-28E	EV/Sales (x)			US$ Sales Cagr-FY25-28E
		(US$bn)	(Rs)	(Rs)	(x)	(%)	(%)	FY26	FY27	FY28	(%)	FY26	FY27	FY28	(%)
Infosys	Buy	71	1,510	1,750	23	16	3	21.7	20.6	19.1	7	3.5	3.3	3.0	5
HCL Tech	Buy	45	1,468	1,680	23	14	4	23.0	20.9	19.3	9	3.0	2.8	2.6	5
Coforge	Buy	7	1,771	2,030	34	15	1	40.1	32.8	27.1	22	3.8	3.3	2.9	19
Hexaware	Buy	5	754	930	31	23	2	31.8	27.5	24.3	15	3.3	3.0	2.7	10
Sagility	Buy	2	45	54	24	21	0	26.8	21.5	18.3	21	3.9	3.2	2.8	11
Mphasis	Buy	6	2,926	3,330	29	14	2	29.8	27.0	24.1	11	3.5	3.2	2.9	8
TCS	Hold	128	3,124	3,230	22	3	4	22.5	21.9	20.7	4	4.2	4.0	3.8	2
LTIMindtree	Hold	18	5,292	5,070	26	(4)	1	31.6	28.7	25.7	11	3.6	3.4	3.1	6
IKS	Hold	3	1,535	1,580	28	3	0	39.1	30.4	24.5	26	10.1	8.8	7.4	15
Newgen	UPF	1	886	835	25	(6)	1	34.1	29.0	24.4	18	6.9	5.9	5.0	15
Wipro	UPF	30	254	220	17	(13)	3	20.4	19.7	18.8	4	2.5	2.4	2.3	2
TechM	UPF	17	1,521	1,315	19	(14)	3	26.3	23.3	21.6	10	2.6	2.5	2.4	2

Source: Company data, Bloomberg, Jefferies estimates

Exhibit 71 - Earnings Summary

	USD assumption			USD revenue growth (%)				EBIT Margin			EPS (Rs)			
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28E Cagr	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26-28E Cagr
Infosys	87	88	89	4.3	4.1	6.1	4.8	21.3	21.2	21.2	69.5	73.4	79.0	6.6
HCL Tech	87	88	89	5.7	4.1	5.9	5.2	17.5	18.1	18.2	63.9	70.4	75.9	9.0
Coforge	85	86	87	31.0	13.5	14.4	19.4	13.5	14.2	14.2	44.2	54.0	65.3	21.6
Hexaware	86	88	89	8.0	10.3	10.5	9.6	14.6	15.0	15.1	23.7	27.5	31.1	14.5
Sagility	87	88	89	21.5	11.0	10.5	14.2	16.2	17.0	17.1	1.7	2.1	2.4	21.1
Mphasis	87	88	89	7.3	7.4	8.4	7.7	15.4	15.4	15.4	98.1	108.5	121.3	11.2
TCS	87	88	89	0.0	2.5	4.9	2.4	24.5	24.5	24.4	139.1	142.8	150.8	4.1
LTIMindtree	87	88	89	5.9	6.0	6.9	6.3	14.3	14.7	15.0	167.3	184.2	205.8	10.9
IKS	87	88	89	12.6	16.1	16.9	15.2	28.1	28.9	29.6	39.2	50.5	62.7	26.4
Newgen	86	87	88	12.3	15.5	16.8	14.9	23.4	23.1	22.9	26.0	30.5	36.3	18.1
Wipro	87	88	89	(0.1)	4.0	2.7	2.2	16.7	16.6	16.6	12.4	12.9	13.5	4.3
TechM	87	88	89	(0.5)	2.8	3.7	2.0	12.2	13.4	13.8	57.8	65.3	70.4	10.3

Source: Company data, Bloomberg, Jefferies estimates

Exhibit 72 - Valuation Matrix

	Ticker	Currency	Price	Rating	PT	Upside	MCAP	Turnover	FY26-28E		EV/Sales			P/E			Div. Yield	ROE	
							(US$bn)	(US$m)	Sales Cagr	EPS Cagr	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY26	FY27
Large Indian IT services firms																			
TCS	TCS IN	Rs	3,124	Hold	3,230	3%	128	108	3.7	4.7	4.2	4.0	3.8	22.7	21.9	20.7	4.2	50.9	50.2
Infosys	INFO IN	Rs	1,510	Buy	1,750	16%	71	142	5.1	6.6	3.5	3.3	3.0	21.7	20.6	19.1	3.3	28.3	27.2
HCL Tech	HCLT IN	Rs	1,468	Buy	1,680	14%	45	59	5.0	9.0	3.0	2.8	2.6	23.0	20.9	19.3	4.1	24.4	25.9
Wipro	WPRO IN	Rs	254	UPF	220	-13%	30	27	3.4	4.3	2.5	2.4	2.3	20.4	19.7	18.8	3.3	15.1	15.1
TechM	TECHM IN	Rs	1,521	UPF	1,315	-14%	17	36	3.4	10.3	2.6	2.5	2.4	26.3	23.3	21.6	3.3	17.5	19.1
LTIMindtree	LTIM IN	Rs	5,292	Hold	5,070	-4%	18	16	6.5	10.9	3.6	3.4	3.1	31.6	28.7	25.7	1.2	20.4	19.8
Average									**4.3**	**8.2**	**3.5**	**3.3**	**3.1**	**22.4**	**21.7**	**20.6**	**3.7**	**29.2**	**29.7**
Mid-size Indian IT services firms																			
Persistent	PSYS IN	Rs	5,433	NC	NA		9.6	32	17.1	20.5	5.9	5.0	4.3	48.2	39.6	33.2	0.8	25.1	26.1
Coforge	COFORGE IN	Rs	1,771	Buy	2,030	15%	6.7	38	14.0	21.6	3.8	3.3	2.9	40.1	32.8	27.1	0.9	19.5	18.6
Mphasis	MPHL IN	Rs	2,926	Buy	3,330	14%	6.3	16	7.9	11.2	3.5	3.2	2.9	29.8	27.0	24.1	2.1	18.5	18.8
Hexaware	HEXT IN	Rs	754	Buy	930	23%	5.2	7	10.4	14.5	3.3	3.0	2.7	31.8	27.5	24.3	2.0	25.5	26.6
L&T Technology Services	LTTS IN	Rs	4,210	NC	NA		5.0	4	11.8	17.3	3.5	3.1	2.8	32.5	27.2	23.6	1.4	21.3	22.6
KPIT Tech	KPITTECH IN	Rs	1,261	NC	NA		3.9	17	15.5	20.5	5.1	4.4	3.8	41.4	33.9	28.6	0.8	25.7	26.2
Zensar	ZENT IN	Rs	818	NC	NA		2.1	6	11.7	18.6	2.9	2.6	2.3	26.1	22.6	18.5	1.4	16.4	17.0
Cyient	CYL IN	Rs	1,236	NC	NA		1.6	6	7.4	15.9	1.8	1.7	1.6	21.7	18.4	16.2	2.8	11.3	12.8
BirlaSoft	BSOFT IN	Rs	376	NC	NA		1.2	7	9.0	20.8	1.6	1.5	1.4	21.7	17.1	14.9	2.0	13.5	15.5
Average									**10.3**	**15.9**	**3.2**	**2.9**	**2.6**	**49.5**	**42.6**	**37.6**	**1.7**	**18.9**	**20.1**
BPO																			
Sagility	SAGILITY IN	Rs	45	Buy	54	21%	2.4	20	10.7	21.1	3.9	3.2	2.8	26.8	21.5	18.3	0.0	9.0	10.1
First Source	FSOL IN	Rs	365	NC	NA		2.9	5	14.2	22.4	2.9	2.6	2.2	33.9	27.1	22.7	1.4	17.3	19.6
eClerx	ECLX IN	Rs	4,484	NC	NA		2.4	6	13.9	17.6	5.2	4.6	4.0	33.5	28.1	24.2	1.4	25.6	26.3
IKS	IKS IN	Rs	1,535	Hold	1,580	3%	3.0	9	16.5	26.4	10.1	8.8	7.4	39.5	30.7	24.7	0.0	30.9	30.2
Genpact	G US	US$	43	Buy	56	30%	7.5	75	7.0	10.6	1.7	1.6	1.5	12.1	11.1	9.9	1.6	24.2	21.0
WNS	WNS US	US$	76	Hold	77	1%	3.2	132	9.7	7.5	2.8	2.5	2.3	16.7	16.3	14.5	0.0	21.3	19.2
Teleperformance	TEP FP	EUR	63	NC	NA		4.4	29	2.6	8.7	0.8	0.8	0.7	4.5	4.1	3.8	6.9	16.8	16.6
EXL Service	EXLS US	USD	43	Buy	56	31%	6.9	96	11.2	13.3	3.3	3.0	2.7	22.5	19.8	17.5	0.0	42.1	27.7
Average									**6.0**	**18.7**	**4.3**	**3.7**	**3.2**	**13.6**	**12.3**	**11.1**	**1.5**	**20.6**	**19.3**
Global Peers																			
IBM	IBM US	US$	257	Hold	280	9%	239	1,220	4.4	6.2	4.4	4.2	4.0	23.1	21.7	20.5	2.6	33.7	30.7
Accenture	ACN US	US$	243	Hold	260	7%	152	1,089	4.6	6.2	2.1	1.9	1.9	17.6	16.3	15.6	2.6	26.2	25.2
Cognizant	CTSH US	US$	69	Buy	95	37%	34	285	5.3	10.8	1.6	1.5	1.4	13.4	12.5	11.5	1.8	16.6	16.1
Capgemini	CAP FP	EUR	190	Hold	134	-29%	25	70	3.9	7.0	1.1	1.1	1.0	10.7	10.1	9.3	2.8	15.2	15.8
Endava	DAVA US	USD	9	NC	NA		1	12	0.9	(1.7)	0.7	0.7	0.7	8.4	11.0	8.7	0.0	10.0	8.3
EPAM	EPAM US	USD	153	Buy	230	50%	9	119	8.2	10.9	1.4	1.3	1.2	13.8	12.5	11.2	0.0	15.2	14.2
Globant	GLOB US	USD	57	Buy	80	40%	3	115	5.9	6.3	1.2	1.2	1.1	9.3	9.0	8.2	0.0	11.5	10.5
Average									**4.5**	**20.6**	**2.6**	**2.5**	**2.4**	**18.4**	**17.1**	**15.9**	**2.5**	**24.5**	**23.5**

Source: Company data, Bloomberg, Jefferies estimates

Exhibit 73 - TCS: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	74.6	80.7	82.8	84.6	86.6	88.0	89.0
Revenue (US$m)	**25,707**	**27,927**	**29,080**	**30,179**	**30,186**	**30,936**	**32,452**
Revenue	1,917,540	2,254,580	2,408,930	2,553,240	2,615,148	2,722,387	2,888,208
EBITDA	530,570	592,600	642,950	674,070	691,187	717,674	758,334
EBIT	**484,530**	**542,370**	**593,110**	**621,650**	**639,912**	**667,662**	**705,427**
PBT (Reported)	516,870	569,070	619,970	653,310	676,196	696,633	735,679
PAT (Reported)	383,270	421,470	459,080	485,530	503,067	516,499	545,487
PAT (Recurring)	383,270	421,470	465,850	485,530	498,019	516,499	545,487
Recurring EPS	**103.7**	**115.2**	**128.8**	**134.2**	**137.7**	**142.8**	**150.8**
Balance Sheet							
Networth	912,590	925,420	926,120	968,820	1,006,811	1,052,995	1,110,078
Minority interest	7,070	7,820	8,300	10,150	12,016	14,509	17,103
Gross debt	0	0	0	0	0	0	0
Lease liabilities	78,180	76,880	80,210	93,920	111,550	134,250	159,350
Current liabilities	409,010	420,730	445,990	514,470	579,228	596,401	640,128
Other liabilities	29,490	26,840	25,100	30,190	29,440	29,440	29,440
Total Liabilities	**1,436,340**	**1,457,690**	**1,485,720**	**1,617,550**	**1,739,045**	**1,827,595**	**1,956,099**
PPE+ROU	197,160	191,550	191,100	222,070	227,667	232,581	238,298
Receivables	464,290	561,330	598,610	591,750	653,614	672,992	722,335
Cash and Investments	497,120	488,440	468,250	472,300	544,602	606,362	669,395
Goodwill	39,350	40,060	39,890	40,240	41,410	41,410	41,410
Intangible assets	11,010	8,670	5,100	9,400	4,287	2,007	254
Other assets	227,410	167,640	182,770	281,790	267,465	272,243	284,408
Total assets	**1,436,340**	**1,457,690**	**1,485,720**	**1,617,550**	**1,739,045**	**1,827,595**	**1,956,099**
Cash Flow Statement							
CFO	421,450	445,030	469,320	514,260	583,906	562,021	583,207
CFI	(37,910)	(32,780)	27,340	(56,760)	(58,589)	(29,946)	(31,770)
Capex	(29,610)	(30,610)	(26,470)	(39,090)	(35,809)	(29,946)	(31,770)
Acquisitions	0	0	0	(10,890)	0	0	0
CFF	(328,830)	(470,990)	(478,370)	(465,980)	(482,286)	(470,315)	(488,404)
FCFE	**377,670**	**399,270**	**426,710**	**458,530**	**548,098**	**532,075**	**551,437**
Growth							
US$ revenue growth (%YoY)	15.9	8.6	4.1	3.8	0.0	2.5	4.9
Revenue growth (%YoYcc)	15.4	13.7	3.4	4.2	(1.1)	2.5	5.0
Revenue growth (Organic %YoYcc)	14.2	13.7	3.4	4.2	(1.1)	2.5	5.0
INR Revenue growth (%YoY)	16.8	17.6	6.8	6.0	2.4	4.1	6.1
EBITDA Growth (%YoY)	14.0	11.7	8.5	4.8	2.5	3.8	5.7
EBIT Growth (%YoY)	14.1	11.9	9.4	4.8	2.9	4.3	5.7
PAT Grwoth (%YoY)	18.2	10.0	8.9	5.8	3.6	2.7	5.6
Recurring EPS growth (%YoY)	16.1	11.1	11.8	4.2	2.6	3.7	5.6
Margin							
EBITDA Margin (%)	27.7	26.3	26.7	26.4	26.4	26.4	26.3
EBIT Margin (%)	25.3	24.1	24.6	24.3	24.5	24.5	24.4
Reported PAT Margin (%)	20.0	18.7	19.1	19.0	19.2	19.0	18.9
Return ratios							
ROE	42.6	45.9	49.6	51.2	50.9	50.2	50.4
ROA	27.8	29.2	31.3	31.4	30.1	29.1	29.0
ROIC	78.1	93.0	96.8	95.5	97.5	106.4	114.4
ROCE	63.3	74.8	78.8	77.2	76.8	80.2	82.7
Per share							
EPS	103.7	115.2	128.8	134.2	137.7	142.8	150.8
DPS	43.0	115.0	74.1	126.0	128.7	135.0	142.0
BPS	246.9	250.3	250.5	262.1	272.3	284.8	300.3
FCF/share	103.2	109.1	116.6	125.3	149.8	145.4	150.7
Valuation							
PE	30.0	27.0	24.2	23.2	22.6	21.8	20.7
PB	12.6	12.4	12.4	11.9	11.4	10.9	10.4
P/sales	5.9	5.1	4.7	4.5	4.4	4.2	3.9
P/FCF	30.2	28.5	26.7	24.9	20.8	21.4	20.7
FCF yield	3.3	3.5	3.7	4.0	4.8	4.7	4.8
Dividend yield	1.4	3.7	2.4	4.0	4.1	4.3	4.6

Source: Company data, Jefferies estimates

Exhibit 74 - Infosys: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	74.6	80.6	82.8	84.6	86.7	88.0	89.0
Revenue (US$m)	**16,310**	**18,212**	**18,562**	**19,277**	**20,097**	**20,915**	**22,181**
Revenue	1,216,410	1,467,670	1,536,710	1,629,900	1,741,469	1,840,556	1,974,108
EBITDA	314,920	351,310	364,250	392,350	417,935	441,913	471,965
EBIT	**280,150**	**309,060**	**317,470**	**344,240**	**370,656**	**391,035**	**419,029**
PBT (Reported)	301,100	333,220	359,890	376,070	405,416	428,506	460,667
PAT (Reported)	221,110	240,950	262,320	267,130	287,940	304,308	327,175
PAT (Recurring)	221,110	240,950	248,346	264,797	287,940	304,308	327,175
Recurring EPS	**52.5**	**57.6**	**60.0**	**63.9**	**69.5**	**73.4**	**79.0**
Balance Sheet							
Networth	753,500	754,070	881,160	958,180	1,077,102	1,157,635	1,232,028
Minority interest	3,860	3,880	3,450	3,850	4,270	4,630	4,990
Gross debt	0	0	0	0	0	0	0
Lease liabilities	54,740	82,990	83,590	82,270	82,821	81,482	81,686
Current liabilities	327,310	379,440	368,350	403,950	427,287	457,656	491,105
Other liabilities	39,440	37,780	41,590	40,780	41,180	41,180	41,180
Total Liabilities	**1,178,850**	**1,258,160**	**1,378,140**	**1,489,030**	**1,632,660**	**1,742,584**	**1,850,988**
PPE+ROU	184,020	206,750	193,700	191,110	188,225	183,865	178,799
Receivables	352,070	421,620	447,410	462,410	495,131	530,322	569,081
Cash and Investments	377,960	316,510	394,090	479,960	559,909	630,923	695,626
Goodwill	61,950	72,480	73,030	101,060	111,190	111,190	111,190
Intangible assets	17,070	17,490	13,970	27,660	51,543	48,452	46,158
Other assets	185,780	223,310	255,940	226,830	226,663	237,832	250,133
Total assets	**1,178,850**	**1,258,160**	**1,378,140**	**1,489,030**	**1,632,660**	**1,742,584**	**1,850,988**
Cash Flow Statement							
CFO	249,640	230,220	260,660	367,860	307,851	302,083	321,220
CFI	(74,950)	(17,640)	(58,650)	(30,380)	32,304	18,592	21,061
Capex	(21,610)	(25,790)	(22,010)	(22,370)	(25,133)	(23,007)	(24,676)
Acquisitions	(530)	(9,700)	(1,010)	(31,550)	(28,073)	0	0
CFF	(246,420)	(266,950)	(175,040)	(241,610)	(210,127)	(249,661)	(277,578)
FCFE	**224,540**	**189,280**	**221,830**	**295,710**	**258,006**	**294,789**	**317,486**
Growth							
US$ revenue growth (%YoY)	20.3	11.7	1.9	3.9	4.3	4.1	6.1
Revenue growth (%YoYcc)	19.7	15.4	1.4	4.2	2.8	3.9	6.1
Revenue growth (Organic %YoYcc)	19.3	15.0	1.3	3.4	2.0	3.4	6.1
INR Revenue growth (%YoY)	21.1	20.7	4.7	6.1	6.8	5.7	7.3
EBITDA Growth (%YoY)	12.9	11.6	3.7	7.7	6.5	5.7	6.8
EBIT Growth (%YoY)	13.8	10.3	2.7	8.4	7.7	5.5	7.2
PAT Grwoth (%YoY)	14.3	9.0	8.9	1.8	7.8	5.7	7.5
Recurring EPS growth (%YoY)	15.2	9.7	4.1	6.5	8.7	5.7	7.5
Margin							
EBITDA Margin (%)	25.9	23.9	23.7	24.1	24.0	24.0	23.9
EBIT Margin (%)	23.0	21.1	20.7	21.1	21.3	21.2	21.2
Reported PAT Margin (%)	18.2	16.4	17.1	16.4	16.5	16.5	16.6
Return ratios							
ROE	29.2	32.0	32.1	29.0	28.3	27.2	27.4
ROA	19.6	19.8	19.9	18.7	18.5	18.1	18.2
ROIC	54.4	54.5	49.7	50.4	52.5	52.8	55.5
ROCE	44.0	43.2	39.3	40.1	42.1	42.8	45.2
Per share							
EPS	52.5	57.6	60.0	63.9	69.5	73.4	79.0
DPS	31.0	34.0	46.0	43.0	50.0	58.0	64.0
BPS	181.9	182.1	212.8	231.4	260.1	279.5	297.5
FCF/share	54.2	45.7	53.6	71.4	62.3	71.2	76.7
Valuation							
PE	28.8	26.3	25.2	23.7	21.8	20.6	19.2
PB	8.3	8.3	7.1	6.5	5.8	5.4	5.1
P/sales	5.2	4.3	4.1	3.9	3.6	3.4	3.2
P/FCF	27.9	33.1	28.3	21.2	24.3	21.3	19.8
FCF yield	3.6	3.0	3.5	4.7	4.1	4.7	5.1
Dividend yield	2.0	2.2	3.0	2.8	3.3	3.8	4.2

Source: Company data, Jefferies estimates

Exhibit 75 - HCLTech: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	74.6	80.6	82.8	84.6	86.7	88.0	89.0
Revenue (US$m)	**11,481**	**12,586**	**13,270**	**13,840**	**14,631**	**15,225**	**16,125**
Revenue	856,510	1,014,560	1,099,130	1,170,550	1,268,253	1,339,839	1,435,162
EBITDA	205,300	226,290	242,000	255,050	266,684	287,312	306,872
EBIT	**162,040**	**184,850**	**200,270**	**214,210**	**221,641**	**242,642**	**260,703**
PBT (Reported)	169,510	194,880	209,670	232,620	233,152	256,477	276,642
PAT (Reported)	134,990	148,490	157,020	173,910	173,410	190,995	206,018
PAT (Recurring)	132,373	145,344	157,079	169,856	173,346	190,995	206,018
Recurring EPS	**48.8**	**53.6**	**57.9**	**62.6**	**63.9**	**70.4**	**75.9**
Balance Sheet							
Networth	619,140	654,050	682,630	696,550	725,723	748,472	778,101
Minority interest	920	(70)	80	180	260	340	420
Gross debt	39,850	22,510	23,270	22,910	22,930	22,930	22,930
Lease liabilities	23,580	25,350	34,290	39,850	42,620	42,620	42,620
Current liabilities	180,140	204,200	215,320	244,710	253,122	263,582	287,715
Other liabilities	26,700	28,070	42,180	51,240	51,960	51,960	51,960
Total Liabilities	**890,330**	**934,110**	**997,770**	**1,055,440**	**1,096,615**	**1,129,904**	**1,183,746**
PPE+ROU	78,133	77,117	77,845	75,204	67,269	54,616	41,401
Receivables	206,710	255,060	255,210	258,420	284,919	296,693	323,857
Cash and Investments	220,820	230,900	282,750	309,440	333,717	373,481	415,181
Goodwill	170,898	185,732	200,545	217,528	222,058	222,058	222,058
Intangible assets	95,596	83,497	71,083	68,976	57,788	49,887	42,766
Other assets	118,174	101,803	110,337	125,872	130,865	133,169	138,484
Total assets	**890,330**	**934,110**	**997,770**	**1,055,440**	**1,096,615**	**1,129,904**	**1,183,746**
Cash Flow Statement							
CFO	168,940	179,759	224,603	222,944	200,429	232,128	243,921
CFI	10,997	(39,741)	(67,318)	(49,802)	(1,440)	(24,117)	(25,833)
Capex	(15,540)	(14,429)	(10,844)	(11,321)	(21,219)	(24,117)	(25,833)
Acquisitions	(3,730)	(7,416)	(20,515)	(13,540)	0	0	0
CFF	(141,456)	(159,043)	(154,584)	(185,251)	(161,545)	(168,247)	(176,388)
FCFE	**144,224**	**154,206**	**188,692**	**192,264**	**179,210**	**208,011**	**218,088**
Growth							
US$ revenue growth (%YoY)	12.8	9.6	5.4	4.3	5.7	4.1	5.9
Revenue growth (%YoYcc)	12.7	13.7	5.0	4.7	3.7	4.0	6.0
Revenue growth (Organic %YoYcc)	11.7	13.4	4.0	4.3	2.9	4.0	6.0
INR Revenue growth (%YoY)	13.6	18.5	8.3	6.5	8.3	5.6	7.1
EBITDA Growth (%YoY)	(1.2)	10.2	6.9	5.4	4.6	7.7	6.8
EBIT Growth (%YoY)	0.2	14.1	8.3	7.0	3.5	9.5	7.4
PAT Grwoth (%YoY)	21.1	10.0	5.7	10.8	(0.3)	10.1	7.9
Recurring EPS growth (%YoY)	2.6	9.8	8.1	8.1	2.1	10.2	7.9
Margin							
EBITDA Margin (%)	24.0	22.3	22.0	21.8	21.0	21.4	21.4
EBIT Margin (%)	18.9	18.2	18.2	18.3	17.5	18.1	18.2
Reported PAT Margin (%)	15.8	14.6	14.3	14.9	13.7	14.3	14.4
Return ratios							
ROE	22.2	23.3	23.5	25.2	24.4	25.9	27.0
ROA	15.4	16.3	16.3	16.9	16.1	17.2	17.8
ROIC	29.6	31.8	34.5	38.5	40.0	44.4	49.5
ROCE	20.9	22.6	22.6	22.6	22.8	25.4	27.8
Per share							
EPS	48.8	53.6	57.9	62.6	63.9	70.4	75.9
DPS	44.0	48.0	52.0	60.0	60.0	65.0	70.0
BPS	228.2	241.0	251.6	256.7	267.4	275.8	286.7
FCF/share	53.1	56.8	69.5	70.9	66.0	76.7	80.4
Valuation							
PE	30.1	27.4	25.3	23.4	23.0	20.8	19.3
PB	6.4	6.1	5.8	5.7	5.5	5.3	5.1
P/sales	4.6	3.9	3.6	3.4	3.1	3.0	2.8
P/FCF	27.6	25.8	21.1	20.7	22.2	19.1	18.2
FCF yield	3.6	3.9	4.7	4.8	4.5	5.2	5.5
Dividend yield	2.9	3.2	3.5	4.0	4.1	4.4	4.8

Source: Company data, Jefferies estimates

Exhibit 76 - Wipro: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	75.1	80.4	82.7	84.5	86.6	88.0	89.0
Revenue (US$m) - IT services	**10,456**	**11,234**	**10,805**	**10,513**	**10,502**	**10,922**	**11,217**
Revenue	790,934	904,876	897,603	890,884	911,697	963,551	1,000,883
EBITDA	164,656	169,896	167,639	180,818	180,783	192,230	199,229
EBIT	**133,745**	**136,494**	**135,216**	**151,239**	**151,917**	**160,046**	**166,005**
PBT (Reported)	151,275	147,657	147,210	174,957	171,068	180,498	189,157
PAT (Reported)	122,191	113,500	110,452	131,354	128,585	135,476	142,013
PAT (Recurring)	120,423	114,547	110,042	131,354	130,421	135,476	142,013
Recurring EPS	**11.0**	**10.4**	**10.4**	**12.6**	**12.4**	**12.9**	**13.5**
Balance Sheet							
Networth	658,158	781,164	749,883	828,309	875,085	921,461	969,133
Minority interest	515	589	1,340	2,138	2,288	3,088	3,888
Gross debt	151,696	150,093	141,466	161,817	126,766	126,766	126,766
Lease liabilities	24,233	24,573	23,183	30,218	42,500	56,680	71,020
Current liabilities	204,040	170,312	164,071	180,365	210,377	216,265	225,054
Other liabilities	40,540	49,091	72,516	83,673	81,201	81,201	81,201
Total Liabilities	**1,079,182**	**1,175,822**	**1,152,459**	**1,286,520**	**1,338,217**	**1,405,461**	**1,477,062**
PPE+ROU	109,768	107,361	99,563	106,282	112,155	119,171	125,869
Receivables	180,793	187,728	177,867	182,324	202,832	208,508	216,982
Cash and Investments	364,600	421,832	429,753	559,906	540,648	603,561	667,264
Goodwill	246,989	307,970	316,002	325,014	328,439	328,439	328,439
Intangible assets	43,555	43,045	32,748	27,450	52,136	41,569	31,001
Other assets	133,477	107,886	96,526	85,544	102,007	104,214	107,508
Total assets	**1,079,182**	**1,175,822**	**1,152,459**	**1,286,520**	**1,338,217**	**1,405,461**	**1,477,062**
Cash Flow Statement							
CFO	110,797	130,601	176,216	169,426	139,983	146,013	149,906
CFI	(224,495)	(84,065)	11,680	(80,730)	(15,903)	20,510	23,823
Capex	(19,417)	(14,288)	(6,488)	(12,915)	(13,085)	(14,453)	(15,013)
Acquisitions	(128,194)	(45,555)	(5,291)	(964)	(32,625)	0	0
CFF	46,586	(60,881)	(182,567)	(63,963)	(140,672)	(103,611)	(110,025)
FCFE	**(39,356)**	**66,454**	**164,035**	**164,895**	**114,318**	**152,012**	**158,044**
Growth							
US$ revenue growth (%YoY)	26.6	7.4	(3.8)	(2.7)	(0.1)	4.0	2.7
Revenue growth (%YoYcc)	26.9	11.5	(4.4)	(2.3)	(0.5)	4.0	2.8
Revenue growth (Organic %YoYcc)	13.8	7.9	(4.7)	(2.4)	(1.3)	1.7	2.8
INR Revenue growth (%YoY)	27.7	14.4	(0.8)	(0.7)	2.3	5.7	3.9
EBITDA Growth (%YoY)	11.4	3.2	(1.3)	7.9	(0.0)	6.3	3.6
EBIT Growth (%YoY)	11.3	2.1	(0.9)	11.8	0.4	5.4	3.7
PAT Grwoth (%YoY)	13.2	(7.1)	(2.7)	18.9	(2.1)	5.4	4.8
Recurring EPS growth (%YoY)	15.1	(5.0)	(0.4)	20.7	(0.9)	3.9	4.8
Margin							
EBITDA Margin (%)	20.8	18.8	18.7	20.3	19.8	20.0	19.9
EBIT Margin (%)	16.9	15.1	15.1	17.0	16.7	16.6	16.6
Reported PAT Margin (%)	15.4	12.5	12.3	14.7	14.1	14.1	14.2
Return ratios							
ROE	20.2	15.8	14.4	16.6	15.1	15.1	15.0
ROA	12.8	10.1	9.5	10.8	9.8	9.9	9.9
ROIC	29.7	22.0	21.0	25.5	25.6	26.5	28.5
ROCE	25.8	19.2	17.9	20.7	20.3	20.6	21.4
Per share							
EPS	11.0	10.4	10.4	12.6	12.4	12.9	13.5
DPS	3.4	0.5	1.0	6.0	8.6	8.5	9.0
BPS	60.0	71.2	70.9	79.1	83.5	87.9	92.5
FCF/share	(3.6)	6.1	15.5	15.8	10.9	14.5	15.1
Valuation							
PE	23.0	24.2	24.3	20.2	20.3	19.6	18.7
PB	4.2	3.6	3.6	3.2	3.0	2.9	2.7
P/sales	3.5	3.1	3.1	3.1	3.0	2.9	2.8
P/FCF	(70.4)	41.8	16.3	16.1	23.2	17.4	16.8
FCF yield	(1.4)	2.4	6.1	6.2	4.3	5.7	6.0
Dividend yield	1.4	0.2	0.4	2.4	3.4	3.4	3.6

Source: Company data, Jefferies estimates

Exhibit 77 - TechM: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	74.4	80.7	82.8	84.6	86.6	88.0	89.0
Revenue (US$m)	**5,998**	**6,606**	**6,277**	**6,264**	**6,375**	**6,568**	**6,811**
Revenue	446,460	532,902	519,956	529,883	552,071	577,997	606,157
EBITDA	80,200	80,288	49,645	69,911	86,533	97,593	105,136
EBIT	**64,996**	**60,721**	**31,474**	**51,382**	**67,593**	**77,470**	**83,850**
PBT (Reported)	74,521	64,455	32,244	56,532	70,436	79,723	85,987
PAT (Reported)	55,661	48,313	23,578	42,515	51,187	57,778	62,331
PAT (Recurring)	55,661	50,099	26,984	39,333	51,187	57,778	62,331
Recurring EPS	**63.5**	**57.0**	**30.6**	**44.5**	**57.8**	**65.3**	**70.4**
Balance Sheet							
Networth	281,161	291,549	278,998	285,919	299,438	306,771	308,922
Minority interest	4,954	4,702	4,774	4,302	4,164	4,584	5,024
Gross debt	15,817	15,782	15,310	4,714	2,476	2,476	2,476
Lease liabilities	10,367	11,620	10,057	15,538	19,672	25,481	32,091
Current liabilities	107,484	114,999	108,533	117,960	125,907	130,099	136,990
Other liabilities	28,924	22,881	16,564	16,512	17,417	17,417	17,417
Total Liabilities	**448,707**	**461,533**	**434,236**	**444,945**	**469,074**	**486,829**	**502,920**
PPE+ROU	38,643	41,176	36,906	39,537	40,490	41,575	42,951
Receivables	119,343	128,827	114,017	115,470	130,572	134,920	142,066
Cash and Investments	86,614	74,699	79,271	76,704	82,256	97,917	107,907
Goodwill	74,258	76,657	75,106	76,993	78,385	78,385	78,385
Intangible assets	36,586	32,677	28,350	23,491	20,757	15,763	10,620
Other assets	93,263	107,497	100,586	112,750	116,614	118,269	120,991
Total assets	**448,707**	**461,533**	**434,236**	**444,945**	**469,074**	**486,829**	**502,920**
Cash Flow Statement							
CFO	52,853	55,720	63,764	57,857	58,626	74,257	78,943
CFI	4,815	(2,785)	(13,137)	(232)	(11,724)	(4,577)	(4,311)
Capex	(8,353)	(9,692)	(7,377)	(4,829)	(9,016)	(10,404)	(10,911)
Acquisitions	(45,888)	(10,672)	(7,488)	(1,620)	(195)	0	0
CFF	(46,666)	(50,781)	(47,672)	(57,992)	(48,908)	(54,019)	(64,642)
FCFE	**(10,853)**	**25,617**	**38,320**	**45,870**	**50,576**	**66,106**	**70,170**
Growth							
US$ revenue growth (%YoY)	17.3	10.1	(5.0)	(0.2)	1.8	3.0	3.7
Revenue growth (%YoYcc)	16.4	13.7	(4.7)	0.3	(0.5)	2.8	3.7
Revenue growth (Organic %YoYcc)	12.8	9.7	(4.9)	(0.2)	(0.5)	2.8	3.7
INR Revenue growth (%YoY)	17.9	19.4	(2.4)	1.9	4.2	4.7	4.9
EBITDA Growth (%YoY)	17.1	0.1	(38.2)	40.8	23.8	12.8	7.7
EBIT Growth (%YoY)	20.6	(6.6)	(48.2)	63.3	31.6	14.6	8.2
PAT Grwoth (%YoY)	25.7	(13.2)	(51.2)	80.3	20.4	12.9	7.9
Recurring EPS growth (%YoY)	27.4	(10.3)	(46.3)	45.3	30.0	12.9	7.9
Margin							
EBITDA Margin (%)	18.0	15.1	9.5	13.2	15.7	16.9	17.3
EBIT Margin (%)	14.6	11.4	6.1	9.7	12.2	13.4	13.8
Reported PAT Margin (%)	12.5	9.1	4.5	8.0	9.3	10.0	10.3
Return ratios							
ROE	20.5	16.9	8.3	15.1	17.5	19.1	20.2
ROA	13.3	10.7	5.4	9.6	10.8	12.0	12.5
ROIC	26.8	20.2	10.2	17.7	21.8	26.2	29.4
ROCE	22.5	17.4	9.0	15.4	18.7	21.9	23.7
Per share							
EPS	63.5	57.0	30.6	44.5	57.8	65.3	70.4
DPS	45.0	51.8	45.8	41.6	50.0	60.0	70.0
BPS	320.9	331.6	316.4	323.3	338.3	346.6	349.1
FCF/share	(12.4)	29.1	43.5	51.9	57.1	74.7	79.3
Valuation							
PE	23.8	26.6	49.4	34.0	26.2	23.2	21.5
PB	4.7	4.6	4.8	4.7	4.5	4.4	4.3
P/sales	3.0	2.5	2.6	2.5	2.4	2.3	2.2
P/FCF	(122.1)	51.9	34.8	29.2	26.5	20.3	19.1
FCF yield	(0.8)	1.9	2.9	3.4	3.8	4.9	5.2
Dividend yield	3.0	3.4	3.0	2.8	3.3	4.0	4.6

Source: Company data, Jefferies estimates

Exhibit 78 - LTIM: Financial Summary

Rs m	FY23PF	FY24	FY25	FY26E	FY27E	FY28E
P&L						
USDINR	80.8	82.8	84.6	86.6	88.0	89.0
Revenue (US$m)	**4,106**	**4,287**	**4,493**	**4,759**	**5,046**	**5,394**
Revenue	331,830	355,170	380,081	412,107	444,025	480,109
EBITDA	62,113	63,874	64,949	69,246	76,846	84,777
EBIT	**54,886**	**55,685**	**55,034**	**59,090**	**65,479**	**72,145**
PBT (Reported)	57,915	60,487	62,142	67,211	73,642	82,282
PAT (Reported)	44,083	45,821	45,987	49,489	54,475	60,869
PAT (Recurring)	44,590	45,821	45,987	49,489	54,475	60,869
Recurring EPS	**150.8**	**154.9**	**155.5**	**167.3**	**184.2**	**205.8**
Balance Sheet						
Networth	165,921	200,172	226,983	257,859	291,632	328,841
Minority interest	71	92	132	155	175	195
Gross debt	1,253	407	23	12	12	12
Lease liabilities	14,159	20,299	21,850	23,646	25,564	27,639
Current liabilities	51,286	53,998	56,242	61,078	65,399	70,906
Other liabilities	2,271	662	1,070	1,586	1,586	1,586
Total Liabilities	**234,961**	**275,630**	**306,300**	**344,336**	**384,367**	**429,179**
PPE+ROU	30,362	40,237	45,449	50,888	56,230	61,578
Receivables	72,245	70,321	76,882	84,100	90,050	97,633
Cash and Investments	76,738	95,694	109,622	126,012	153,052	182,665
Goodwill	11,892	11,927	12,036	12,456	12,456	12,456
Intangible assets	3,560	3,151	2,176	2,020	1,942	1,944
Other assets	40,164	54,300	60,135	68,858	70,636	72,903
Total assets	**234,961**	**275,630**	**306,300**	**344,336**	**384,367**	**429,179**
Cash Flow Statement						
CFO	30,946	56,696	45,458	48,715	54,292	59,042
CFI	(3,309)	(39,122)	(17,382)	(1,262)	(4,951)	(4,700)
Capex	(9,346)	(8,330)	(9,336)	(10,244)	(10,657)	(11,523)
Acquisitions	(1,486)	(59)	(81)	(439)	0	0
CFF	(19,317)	(22,687)	(25,746)	(26,508)	(28,007)	(31,551)
FCFE	**17,023**	**46,797**	**33,484**	**35,271**	**42,036**	**46,450**
Growth						
US$ revenue growth (%YoY)	17.2	4.4	4.8	5.9	6.0	6.9
Revenue growth (%YoYcc)	19.9	4.2	5.0	4.9	6.0	7.0
INR Revenue growth (%YoY)	27.1	7.0	7.0	8.4	7.7	8.1
EBITDA Growth (%YoY)	103.1	2.8	1.7	6.6	11.0	10.3
EBIT Growth (%YoY)	103.0	1.5	(1.2)	7.4	10.8	10.2
PAT Growth (%YoY)	91.9	3.9	0.4	7.6	10.1	11.7
Recurring EPS growth (%YoY)	14.9	2.8	0.4	7.6	10.1	11.7
Margin						
EBITDA Margin (%)	18.7	18.0	17.1	16.8	17.3	17.7
EBIT Margin (%)	16.5	15.7	14.5	14.3	14.7	15.0
Reported PAT Margin (%)	13.3	12.9	12.1	12.0	12.3	12.7
Return ratios						
ROE	26.6	25.0	21.5	20.4	19.8	19.6
ROA	20.0	18.0	15.8	15.2	15.0	15.0
ROIC	51.9	43.2	36.6	34.9	35.8	37.4
ROCE	43.7	36.2	30.6	29.2	30.0	31.3
Per share						
EPS	149.1	154.9	155.5	167.3	184.2	205.8
DPS	60.0	65.0	65.0	65.0	75.0	85.0
FCF/share	57.6	158.2	113.2	119.3	142.1	157.1
Valuation						
PE	34.8	33.9	33.8	31.4	28.5	25.5
PB	9.4	7.8	6.8	6.0	5.3	4.7
P/sales		4.4	4.1	3.8	3.5	3.2
P/FCF		33.2	46.4	44.0	36.9	33.4
FCF yield		3.0	2.2	2.3	2.7	3.0
Dividend yield	1.1	1.2	1.2	1.2	1.4	1.6

Source: Company data, Jefferies estimates

Exhibit 79 - Coforge: Financial Summary

Rs m	FY23	FY24	FY25	FY26	FY27	FY28
P&L						
USDINR	80.0	82.0	83.4	84.8	86.2	87.2
Revenue (US$m)	**1,002**	**1,099**	**1,445**	**1,894**	**2,150**	**2,460**
Revenue	80,146	90,089	120,507	160,631	185,428	214,599
EBITDA	14,053	15,169	19,981	28,299	33,280	38,330
EBIT	**11,468**	**12,197**	**15,705**	**21,678**	**26,244**	**30,557**
PBT (Reported)	9,512	10,698	12,961	20,308	25,288	30,515
PAT (Reported)	6,938	8,080	8,121	15,288	18,726	22,646
PAT (Recurring)	8,117	8,355	9,359	15,324	18,726	22,646
Recurring EPS	**26.6**	**27.0**	**28.0**	**44.2**	**54.0**	**65.3**
Balance Sheet						
Networth	30,825	36,266	63,792	93,209	107,699	125,829
Minority interest	874	1,003	19,498	1,968	2,208	2,448
Gross debt	3,382	4,366	7,005	7,426	2,426	2,426
Lease liabilities	2,240	2,894	3,699	4,246	4,699	5,046
Current liabilities	15,065	15,837	26,495	33,997	38,229	43,067
Other liabilities	4,448	711	4,418	4,418	4,418	4,418
Total Liabilities	**56,834**	**61,077**	**124,907**	**145,264**	**159,679**	**183,234**
PPE+ROU	6,866	7,629	11,260	14,622	14,021	13,434
Receivables	17,903	19,503	29,665	41,303	49,711	59,883
Cash and Investments	5,699	3,213	9,413	8,205	12,912	24,577
Goodwill	11,665	11,738	38,430	41,048	41,048	41,048
Intangible assets	4,634	4,395	11,296	12,772	12,473	12,151
Other assets	10,067	14,599	24,843	27,314	29,514	32,141
Total assets	**56,834**	**61,077**	**124,907**	**145,264**	**159,679**	**183,234**
Cash Flow Statement						
CFO	9,505	9,034	12,371	18,778	21,900	24,055
CFI	(2,716)	(6,001)	(24,667)	(12,126)	(3,926)	(4,013)
Capex	(1,537)	(2,598)	(5,572)	(12,577)	(4,636)	(5,365)
Acquisitions	(1,222)	(3,523)	(20,994)	0	0	0
CFF	(5,582)	(5,347)	16,937	(7,859)	(13,268)	(8,377)
FCFE	**5,654**	**1,493**	**(15,785)**	**3,924**	**15,260**	**17,495**
Growth						
US$ revenue growth (%YoY)	15.6	11.7	31.5	31.0	13.5	14.4
Revenue growth (%YoYcc)	22.4	13.3	32.0	28.5	13.5	14.5
Revenue growth (Organic %YoYcc)	21.6	13.3	15.1	21.9	13.5	14.5
INR Revenue growth (%YoY)	24.6	12.4	33.8	33.3	15.4	15.7
EBITDA Growth (%YoY)	26.0	7.9	31.7	41.6	17.6	15.2
EBIT Growth (%YoY)	29.1	6.4	28.8	38.0	21.1	16.4
PAT Grwoth (%YoY)	4.8	16.5	0.5	88.3	22.5	20.9
Recurring EPS growth (%YoY)	22.3	1.7	3.5	57.8	22.2	20.9
Margin						
EBITDA Margin (%)	17.5	16.8	16.6	17.6	17.9	17.9
EBIT Margin (%)	14.3	13.5	13.0	13.5	14.2	14.2
Reported PAT Margin (%)	8.7	9.0	6.7	9.5	10.1	10.6
Return ratios						
ROE	23.9	24.1	16.2	19.5	18.6	19.4
ROA	14.0	14.2	10.1	11.5	12.4	13.3
ROIC	31.6	28.5	19.6	18.9	20.3	22.3
ROCE	26.2	24.8	17.8	17.3	18.6	20.5
Per share						
EPS	26.6	27.0	28.0	44.2	54.0	65.3
DPS	2.6	3.0	3.0	16.0	16.0	16.8
BPS	92.2	108.4	190.7	278.7	322.0	376.2
FCF/share	16.9	4.5	(47.2)	11.7	45.6	52.3
Valuation						
PE	66.5	65.3	63.1	40.0	32.7	27.1
PB	19.2	16.3	9.3	6.3	5.5	4.7
P/sales	6.7	6.0	4.5	3.4	2.9	2.5
P/FCF	104.5	395.7	(37.4)	150.5	38.7	33.8
FCF yield	1.0	0.3	(2.7)	0.7	2.6	3.0
Dividend yield	0.1	0.2	0.2	0.9	0.9	1.0

Source: Company data, Jefferies estimates

Exhibit 80 - Mphasis: Financial Summary

Rs m	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L							
USDINR	74.5	80.6	82.8	84.6	86.6	88.0	89.0
Revenue (US$m)	**1,606**	**1,712**	**1,603**	**1,682**	**1,804**	**1,938**	**2,102**
Revenue	119,614	137,984	132,785	142,299	156,249	170,559	187,058
EBITDA	21,175	24,339	24,220	26,470	29,541	32,212	35,399
EBIT	**18,269**	**21,086**	**20,114**	**21,708**	**24,067**	**26,192**	**28,854**
PBT (Reported)	19,130	21,730	20,684	22,602	25,081	27,520	30,773
PAT (Reported)	14,310	16,379	15,549	17,023	18,652	20,640	23,079
PAT (Recurring)	14,310	16,379	15,549	17,023	18,652	20,640	23,079
Recurring EPS	**76.4**	**87.0**	**82.4**	**89.9**	**98.1**	**108.5**	**121.3**
Balance Sheet							
Networth	69,431	79,348	87,946	96,284	105,341	114,566	125,279
Minority interest	0	0	0	0	0	0	0
Gross debt	5,272	1,985	15,436	11,159	11,719	11,719	11,719
Lease liabilities	7,247	8,543	8,450	7,723	9,558	11,614	13,757
Current liabilities	22,421	24,267	24,911	31,444	42,815	46,504	50,941
Other liabilities	3,190	1,952	4,560	2,456	2,297	2,297	2,297
Total Liabilities	**107,561**	**116,095**	**141,302**	**149,066**	**171,730**	**186,700**	**203,993**
PPE+ROU	8,803	9,773	9,352	8,218	9,244	9,966	10,367
Receivables	22,269	26,540	27,027	31,604	33,674	36,575	40,065
Cash and Investments	27,624	28,061	39,043	38,208	45,295	56,701	69,803
Goodwill	27,348	29,586	41,793	42,907	43,209	43,209	43,209
Intangible assets	1,695	1,563	4,796	6,692	5,057	3,728	2,500
Other assets	19,821	20,572	19,291	21,438	35,251	36,521	38,050
Total assets	**107,561**	**116,095**	**141,302**	**149,066**	**171,730**	**186,700**	**203,993**
Cash Flow Statement							
CFO	17,157	14,618	21,797	19,052	19,274	24,849	27,125
CFI	(2,820)	1,825	(24,821)	441	(1,188)	(585)	(504)
Capex	(1,192)	(1,112)	(916)	(599)	(1,109)	(1,512)	(1,658)
Acquisitions	(5,219)	0	(12,333)	(2,800)	(257)	0	0
CFF	(13,886)	(14,402)	771	(17,557)	(13,590)	(15,021)	(16,212)
FCFE	**8,884**	**11,329**	**5,809**	**12,840**	**15,157**	**20,658**	**22,775**
Growth							
US$ revenue growth (%YoY)	22.3	6.6	(6.4)	4.9	7.3	7.4	8.4
Revenue growth (%YoYcc)	22.0	8.5	(6.5)	4.6	6.6	7.5	8.5
Revenue growth (Organic %YoYcc)	20.2	7.4	(11.0)	0.3	6.6	7.5	8.5
INR Revenue growth (%YoY)	23.0	15.4	(3.8)	7.2	9.8	9.2	9.7
EBITDA Growth (%YoY)	17.5	14.9	(0.5)	9.3	11.6	9.0	9.9
EBIT Growth (%YoY)	17.0	15.4	(4.6)	7.9	10.9	8.8	10.2
PAT Grwoth (%YoY)	17.6	14.5	(5.1)	9.5	9.6	10.7	11.8
Recurring EPS growth (%YoY)	17.2	13.9	(5.3)	9.1	9.1	10.6	11.8
Margin							
EBITDA Margin (%)	17.7	17.6	18.2	18.6	18.9	18.9	18.9
EBIT Margin (%)	15.3	15.3	15.1	15.3	15.4	15.4	15.4
Reported PAT Margin (%)	12.0	11.9	11.7	12.0	11.9	12.1	12.3
Return ratios							
ROE	21.2	22.0	18.6	18.5	18.5	18.8	19.2
ROA	14.2	14.6	12.1	11.7	11.6	11.5	11.8
ROIC	30.9	31.7	25.7	24.5	25.4	27.8	31.6
ROCE	25.4	26.2	21.4	20.9	22.0	23.5	26.0
Per share							
EPS	76.4	87.0	82.4	89.9	98.1	108.5	121.3
DPS	46.0	50.0	55.0	57.0	60.0	65.0	70.0
BPS	367.9	420.5	466.1	510.2	558.2	607.1	663.9
FCF/share	47.2	60.2	30.9	68.2	80.5	109.7	121.0
Valuation							
PE	38.0	33.4	35.3	32.3	29.6	26.8	24.0
PB	7.9	6.9	6.2	5.7	5.2	4.8	4.4
P/sales	4.6	4.0	4.1	3.8	3.5	3.2	2.9
P/FCF	61.6	48.3	94.2	42.6	36.1	26.5	24.0
FCF yield	1.6	2.1	1.1	2.3	2.8	3.8	4.2
Dividend yield	1.6	1.7	1.9	2.0	2.1	2.2	2.4

Source: Company data, Jefferies estimates

Exhibit 81 - Hexaware: Financial Summary

Rs m	CY22	CY23	CY24	CY25	CY26	CY27
P&L						
USDINR	79.0	82.6	83.8	86.4	87.8	88.8
Revenue (US$m)	**1,165**	**1,256**	**1,429**	**1,543**	**1,702**	**1,880**
Revenue	91,996	103,803	119,744	133,405	149,337	166,863
EBITDA	12,217	15,811	18,698	22,502	26,041	29,341
EBIT	**9,773**	**12,975**	**15,910**	**19,418**	**22,438**	**25,219**
PBT (Reported)	11,230	12,685	15,603	18,925	22,338	25,263
PAT (Reported)	8,842	9,976	11,764	14,387	16,721	18,909
PAT (Recurring)	8,842	9,976	12,064	14,413	16,721	18,909
Recurring EPS	**14.6**	**16.4**	**19.9**	**23.7**	**27.5**	**31.1**
Balance Sheet						
Networth	41,230	46,352	53,569	59,120	66,404	74,049
Minority interest	0	0	(23)	(31)	(43)	(55)
Gross debt	827	0	0	0	0	0
Lease liabilities	3,738	3,936	5,742	5,802	5,816	5,903
Current liabilities	18,853	20,773	27,682	29,493	32,982	36,845
Other liabilities	468	960	2,975	1,310	1,310	1,310
Total Liabilities	**65,116**	**72,021**	**89,945**	**95,694**	**106,469**	**118,051**
PPE+ROU	9,926	9,570	11,666	12,014	11,975	11,996
Receivables	18,818	18,458	19,755	23,587	26,377	29,466
Cash and Investments	13,668	21,019	21,136	18,083	21,920	30,445
Goodwill	14,205	14,290	23,871	23,910	23,910	23,910
Intangible assets	1,807	1,227	3,366	6,244	9,599	8,625
Other assets	6,692	7,457	10,151	11,856	12,688	13,609
Total assets	**65,116**	**72,021**	**89,945**	**95,694**	**106,469**	**118,051**
Cash Flow Statement						
CFO	8,206	15,156	15,480	13,502	20,279	22,828
CFI	(151)	(2,996)	(6,690)	(5,656)	(5,429)	(1,441)
Capex	(1,190)	(634)	(1,312)	(1,878)	(2,212)	(2,336)
Acquisitions	(227)	0	(8,268)	(4,472)	(3,960)	0
CFF	(7,211)	(7,501)	(6,819)	(11,436)	(11,014)	(12,862)
FCFE	**5,880**	**13,414**	**4,638**	**6,090**	**13,274**	**19,788**
Growth						
US$ revenue growth (%YoY)	20.0	7.8	13.7	8.0	10.3	10.5
Revenue growth (%YoYcc)	23.3	7.7	13.5	7.0	9.8	10.4
Revenue growth (Organic %YoYcc)	23.3	7.7	12.1	5.7	9.1	10.4
INR Revenue growth (%YoY)	28.2	12.8	15.4	11.4	11.9	11.7
EBITDA Growth (%YoY)	10.0	29.4	18.3	20.3	15.7	12.7
EBIT Growth (%YoY)	10.3	32.8	22.6	22.1	15.6	12.4
PAT Grwoth (%YoY)	21.7	12.8	17.9	22.3	16.2	13.1
Recurring EPS growth (%YoY)	21.5	12.0	21.2	19.1	16.0	13.1
Margin						
EBITDA Margin (%)	13.3	15.2	15.6	16.9	17.4	17.6
EBIT Margin (%)	10.6	12.5	13.3	14.6	15.0	15.1
Reported PAT Margin (%)	9.6	9.6	9.8	10.8	11.2	11.3
Return ratios						
ROE	22.4	22.8	23.5	25.5	26.6	26.9
ROA	14.5	14.5	14.5	15.5	16.5	16.8
ROIC	28.9	38.0	41.8	40.2	39.3	42.9
ROCE	24.7	32.5	33.8	33.1	33.7	36.9
Per share						
EPS	14.6	16.4	19.4	23.6	27.5	31.1
DPS	10.9	8.8	13.0	14.8	16.6	19.6
BPS	67.9	76.4	88.3	88.0	109.1	121.7
FCF/share	9.7	22.1	7.6	10.0	21.9	32.6
Valuation						
PE	52.2	46.6	38.4	32.3	27.8	24.6
PB	11.2	10.0	8.7	8.7	7.0	6.3
P/sales	5.0	4.5	3.9	3.5	3.1	2.8
P/FCF	78.8	34.6	99.9	76.1	34.9	23.4
FCF yield	1.3	2.9	1.0	1.3	2.9	4.3
Dividend yield	1.4	1.1	1.7	1.9	2.2	2.6

Source: Company data, Jefferies estimates

Exhibit 82 - IKS: Financial Summary

Rs m	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L						
USDINR	78.7	82.7	84.4	86.6	88.0	89.0
Revenue (US$m)	**131**	**220**	**316**	**355**	**413**	**482**
Revenue	10,313	18,179	26,640	30,794	36,308	42,924
EBITDA	3,913	5,596	7,697	9,795	11,707	13,941
EBIT	**3,668**	**5,010**	**6,570**	**8,641**	**10,510**	**12,697**
PBT (Reported)	3,593	4,417	6,063	8,370	10,835	13,641
PAT (Reported)	3,052	3,705	4,860	6,528	8,397	10,435
PAT (Recurring)	3,052	3,705	4,860	6,528	8,397	10,435
Recurring EPS	**18.4**	**22.4**	**29.2**	**39.2**	**50.5**	**62.7**
Balance Sheet						
Networth	8,286	11,579	17,897	24,425	31,158	39,929
Minority interest	0	0	0	0	0	0
Gross debt	0	11,934	7,550	50	0	0
Lease liabilities	523	1,177	1,006	937	885	854
Current liabilities	1,019	3,858	2,523	2,953	3,482	4,116
Other liabilities	54	1,728	1,542	1,542	1,542	1,542
Total Liabilities	**9,883**	**30,275**	**30,518**	**29,908**	**37,067**	**46,442**
PPE+ROU	576	1,571	1,294	1,246	1,236	1,276
Receivables	1,636	3,625	5,537	5,315	6,267	7,409
Cash and Investments	6,264	3,420	1,923	642	7,356	16,016
Goodwill	0	11,683	11,973	11,973	11,973	11,973
Intangible assets	13	5,102	4,764	4,243	3,747	3,279
Other assets	1,038	2,397	3,295	3,295	3,295	3,295
Total assets	**9,528**	**27,797**	**28,786**	**26,714**	**33,873**	**43,247**
Cash Flow Statement						
CFO	2,880	2,098	3,179	8,606	8,846	10,227
CFI	(1,560)	(11,413)	2,444	(1,766)	(93)	427
Capex	(84)	(326)	(424)	(431)	(508)	(601)
Acquisitions	(395)	(14,119)	(644)	(1,462)	0	0
CFF	(1,522)	7,804	(3,895)	(8,121)	(2,039)	(1,994)
FCFE	**2,356**	**(12,567)**	**1,320**	**6,219**	**8,429**	**10,325**
Growth						
US$ revenue growth (%YoY)	31.0	67.8	43.5	12.6	16.1	16.9
Revenue growth (%YoYcc)	31.0	67.8	43.5	12.6	16.1	16.9
Revenue growth (Organic %YoYcc)	31.0	16.7	8.7	12.6	16.1	16.9
INR Revenue growth (%YoY)	35.1	76.3	46.5	15.6	17.9	18.2
EBITDA Growth (%YoY)	31.7	43.0	37.6	27.3	19.5	19.1
EBIT Growth (%YoY)	33.9	36.6	31.1	31.5	21.6	20.8
PAT Growth (%YoY)	31.0	21.4	31.2	34.3	28.6	24.3
Recurring EPS growth (%YoY)	28.8	21.8	30.5	34.3	28.6	24.3
Margin						
EBITDA Margin (%)	37.9	30.8	28.9	31.8	32.2	32.5
EBIT Margin (%)	35.6	27.6	24.7	28.1	28.9	29.6
Reported PAT Margin (%)	29.6	20.4	18.2	21.2	23.1	24.3
Return ratios						
ROE	41.4	37.3	33.0	30.9	30.2	29.4
ROA	34.4	18.5	16.0	21.6	25.1	25.0
ROIC	152.1	33.9	22.5	27.3	33.0	39.8
ROCE	118.3	32.0	21.4	26.6	33.2	40.1
Per share						
EPS	18.4	22.4	29.2	39.2	50.5	62.7
DPS	0.0	10.0	0.0	10.0	10.0	10.0
BPS	49.9	69.9	107.5	146.7	187.2	239.9
FCF/share	14.2	(75.9)	7.9	37.4	50.6	62.0
Valuation						
PE	83.8	68.8	52.7	39.2	30.5	24.5
PB	30.9	22.0	14.3	10.5	8.2	6.4
P/sales	24.8	14.0	9.6	8.3	7.1	6.0
P/FCF	108.6	(20.3)	194.0	41.2	30.4	24.8
FCF yield	0.9%	-4.9%	0.5%	2.4%	3.3%	4.0%
Dividend yield	0.0%	0.6%	0.0%	0.6%	0.6%	0.6%

Source: Company data, Jefferies estimates

Exhibit 83 - Sagility: Financial Summary

Rs m	FY23	FY24	FY25	FY26E	FY27E	FY28E
P&L						
USDINR	81.4	83.0	84.6	86.6	88.0	89.0
Revenue (US$m)	**518**	**573**	**658**	**800**	**888**	**981**
Revenue	42,184	47,536	55,699	69,252	78,128	87,312
EBITDA	10,272	10,881	12,979	16,088	18,406	20,294
EBIT	**3,829**	**3,989**	**8,310**	**11,191**	**13,266**	**14,947**
PBT (Reported)	1,857	2,417	7,602	10,548	13,071	15,365
PAT (Reported)	1,436	2,283	5,391	7,816	9,725	11,462
PAT (Recurring)	1,436	2,283	5,391	7,816	9,725	11,462
Recurring EPS	**0.31**	**0.49**	**1.15**	**1.67**	**2.08**	**2.45**
Balance Sheet						
Networth	62,067	64,431	83,361	91,176	100,901	112,364
Minority interest	0	0	0	0	0	0
Gross debt	23,479	19,335	8,170	5,670	0	0
Lease liabilities	5,479	5,982	5,850	6,058	6,280	6,516
Current liabilities	3,502	4,120	4,052	5,080	5,731	6,405
Other liabilities	11,378	12,774	9,075	9,050	9,050	9,050
Total Liabilities	**105,905**	**106,642**	**110,507**	**117,034**	**121,963**	**134,334**
PPE+ROU	8,253	9,554	9,221	9,166	9,066	8,972
Receivables	10,686	11,813	12,668	15,219	17,169	19,188
Cash and Investments	5,853	3,441	3,438	8,032	12,106	23,521
Goodwill	54,598	57,096	60,390	60,390	60,390	60,390
Intangible assets	23,221	20,078	20,362	18,577	16,858	15,141
Other assets	3,294	4,659	4,428	5,649	6,373	7,122
Total assets	**105,905**	**106,642**	**110,507**	**117,034**	**121,962**	**134,334**
Cash Flow Statement						
CFO	8,568	9,733	12,141	10,612	13,037	14,298
CFI	(1,291)	(4,691)	(9,642)	(1,613)	(1,713)	(1,772)
Capex	(1,412)	(1,824)	(1,223)	(1,697)	(1,836)	(1,965)
Acquisitions	(164)	(3,010)	(8,582)	0	0	0
CFF	(5,446)	(7,513)	(2,561)	(4,738)	(7,740)	(1,880)
FCFE	**3,519**	**1,762**	**(147)**	**6,760**	**9,254**	**10,646**
Growth						
US$ revenue growth (%YoY)		10.6	14.9	21.5	11.0	10.5
Revenue growth (%YoYcc)		10.6	14.9	21.5	11.0	10.5
Revenue growth (Organic %YoYcc)		8.1	13.2	12.0	11.0	10.5
INR Revenue growth (%YoY)		12.7	17.2	24.3	12.8	11.8
EBITDA Growth (%YoY)		5.9	19.3	24.0	14.4	10.3
EBIT Growth (%YoY)		4.2	108.3	34.7	18.5	12.7
PAT Growth (%YoY)		59.0	136.2	45.0	24.4	17.9
Recurring EPS growth (%YoY)		59.0	136.2	45.0	24.4	17.9
Margin						
EBITDA Margin (%)	24.4	22.9	23.3	23.2	23.6	23.2
EBIT Margin (%)	9.1	8.4	14.9	16.2	17.0	17.1
Reported PAT Margin (%)	3.4	4.8	9.7	11.3	12.4	13.1
Return ratios						
ROE	2.8	3.6	7.3	9.0	10.1	10.7
ROA	1.4	2.1	5.0	6.9	8.1	8.9
ROIC	3.6	3.7	7.4	9.5	11.2	12.6
ROCE	3.0	3.1	6.2	8.1	9.5	10.7
Per share						
EPS	0.3	0.5	1.2	1.7	2.1	2.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0
BPS	13.3	13.8	17.8	19.5	21.6	24.0
FCF/share	0.8	0.4	(0.0)	1.4	2.0	2.3
Valuation						
PE	145.8	91.7	38.8	26.8	21.5	18.3
PB	3.4	3.2	2.5	2.3	2.1	1.9
P/sales	5.0	4.4	3.8	3.0	2.7	2.4
P/FCF	59.5	118.8	(1,427.9)	31.0	22.6	19.7
FCF yield	0.0	0.0	(0.0)	3.2%	4.4%	5.1%
Dividend yield	0.0	0.0	0.0	0.0%	0.0%	0.0%

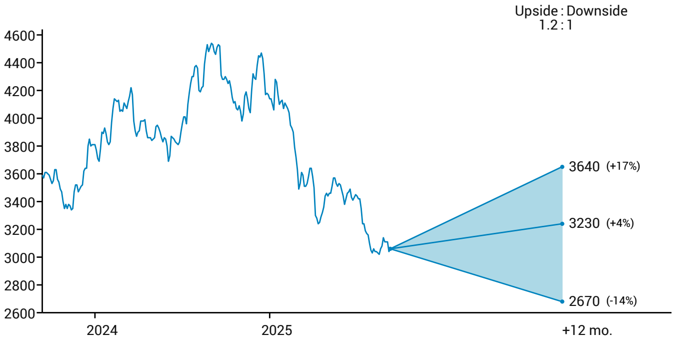
Source: Company data, Jefferies estimates

The Long View: Tata Consultancy Services

Investment Thesis / Where We Differ

- Ramp down of BSNL deal will impact FY26 revenue growth and is expected to under-perform its peers
- Revenue CAGR of 2.1% YoYcc in FY25-28E
- EBIT margin to gradually improve in FY25-28E on account of BSNL ramp-down
- While upsides are capped, stock provides limited downside from current levels

Risk/Reward - 12 Month View



Base Case,
INR3230, +4%

- Revenue CAGR of 2.1% YoYcc in FY25-28E
- INR-USD at 86.6/88/89 in FY26-28E
- EBIT margin to stay flat at 24-25% levels in FY26-28E
- FY26/27/28E EPS of Rs138/143/151
- Fair value of Rs3,230 based on 22x 12m fwd EPS

Upside Scenario,
INR3640, +17%

- Revenue CAGR of 3.5-4% YoYcc in FY25-28E
- Sharper-than-expected INR depreciation
- EBIT margin at ~26+% in FY25-28E
- FY26/27/28E EPS of Rs138/151/166
- Fair value of Rs3,640 based on 23x 12m fwd EPS

Downside Scenario,
INR2670, -14%

- Sharper-than-expected or longer-than-expect recession is the bear case
- Revenue CAGR of 1-1.5% YoYcc in FY25-28E
- EBIT margin to be below 24% levels in FY25-28E
- FY26/27/28E EPS of Rs136/138/142
- Fair value of Rs2,670 based on 19x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Achieve net zero status by 2030 and 70% reduction in Scope 1+2 emissions by 2025 (vs base year 2016). **2)** Recycle 100% biodegradable wastes by 2025. **3)** Focus on talent diversity and inclusion and increase women in workforce, especially in middle to senior management. **4)** Strong focus on maintaining data security and customer privacy and adhering to regulations around data privacy.

Qs to Mgmt: 1) What are the steps that the company is taking to ensure strong data security and customer privacy given a more hybrid work environment? **2)** What are some of the new initiatives that the company is taking to meet its net zero target by 2030? **3)** What are some of the steps that have been taken to promote gender diversity at different levels at TCS? What are the initiatives taken toward employee reskilling and training? **4)** How important a criterion is sustainability for selection of IT vendors for clients? How is TCS able to deploy best practices for clients to attain ESG targets.

Catalysts

- Higher/lower-than-expected growth
- Market share gains/losses
- Higher/lower-than-expected margins
- Favorable/Unfavorable currency movement

Financials: Tata Consultancy Services

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	2,615.1 <1%	2,722.4 ↓ -1%	2,888.2 ↓ -2%	-
Previous	2,601.0	2,755.7	2,962.2	
EBIT (B)	639.9 ↑ +1%	667.7 ↓ -2%	705.4 ↓ -4%	-
Previous	631.1	679.2	737.5	
Net Profit (B)	498.0 ↑ +1%	516.5 ↓ -2%	545.5 ↓ -4%	-
Previous	491.4	524.4	569.0	
EPS	137.70 ↑ +1%	142.80 ↓ -2%	150.80 ↓ -4%	-
Previous	135.80	145.00	157.30	
Dividend	130.00 ↓ -2%	135.00 ↓ -1%	142.00	-
Previous	132.00	137.00		
ROE	51% ↑ +3%	50%	50% <1%	-
Previous	50%		51%	
Cons. EPS	141.00 ↓ -1%	152.00 ↓ -3%	162.00 ↓ -4%	-
Previous	143.00	156.00	168.00	
Cons. Rev.	2,626.9 ↓ -1%	2,813.5 ↓ -2%	3,008.0 ↓ -2%	-
Previous	2,658.4	2,860.6	3,066.4	

Valuation metrics

INR	2026E	2027E	2028E	2029E
EV/EBITDA	15.6x	15.0x	14.2x	
Div. Yield	4.18%	4.34%	4.57%	
FY P/E	22.6x	21.8x	20.6x	

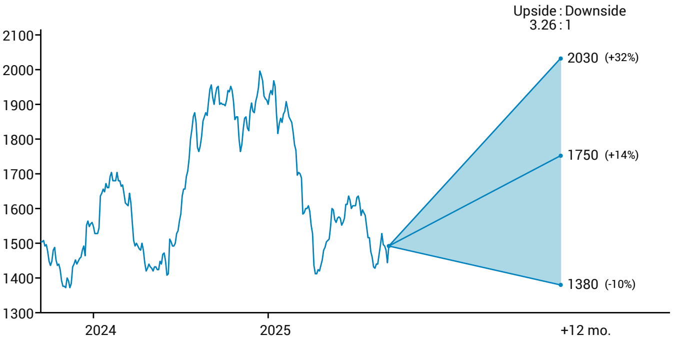
The Long View: Infosys

Investment Thesis / Where We Differ

After a subdued growth in FY24, revenue growth picked up in FY25 on the back of mega deals. Over FY25-28, we believe Infosys will deliver industry-leading revenue growth for the company.

Risk reward is attractive with limited PE de-rating risks given marked improvement in FCF conversion/higher payouts.

Risk/Reward - 12 Month View



Base Case,
INR1750, +14%

- Revenue CAGR of 4.2% YoYcc in FY25-28E
- INR-USD of 86.7/88/89 in FY26/27/28E
- EBIT margin to be 21.2% by FY28E
- FY26/27/28E EPS of Rs70/73/79
- Price target of Rs1,750, based on 23x 12m fwd EPS

Upside Scenario,
INR2030, +32%

- Revenue growth CAGR of 5-6% YoYcc in FY25-28E
- EBIT margin rises to ~22+% levels by FY28E, helped by better cost management
- FY26/27/28E EPS of Rs70/77/85
- PT of Rs2,030, based on 25x 12m fwd EPS

Downside Scenario,
INR1380, -10%

- Revenue growth CAGR of 2.5-3% YoYcc in FY25-28E
- EBIT margin to be ~20% levels by FY28E
- FY26/27/28E EPS of Rs66/68/71
- PT of Rs1,380 based on 20x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Already carbon-neutral, Infosys aims to maintain carbon neutrality across Scope 1, 2, 3 emissions every year and also to reduce Scope 1 and 2 GHG emissions by 75% by 2030. **2)** Maintaining 100% wastewater recycling every year and ensuring zero waste to landfill **3)** Extending digital skills to 10m+ people, including employees, client's workforce, teachers and communities by 2025. **4)** Creating a gender- diverse workforce with 45% women 5) Adopting leading data privacy standards.

Qs to Mgmt: 1) How does Infosys ensure that it meets the highest quality of data security and privacy standards? What are the challenges for a company on this front? **2)** What are some of the steps that the company is taking to promote women representation especially in the middle and senior management? **3)** What are the steps taken to reduce emissions and what are the cost implications of these investments? **4)** List some initiatives to ensure strong learning, reskilling, and upskilling opportunities for employees.

Catalysts

- Higher-than-expected revenue growth
- Higher-than-expected margins
- Gain in market share
- Better-than-expected growth/margin guidance
- Favorable currency movement

Financials: Infosys

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	**1,741.5**	**1,840.6**	**1,974.1**	-
	<1%	<1%	<1%	
Previous	1,724.9	1,843.9	1,986.1	
Cons. EPS	**69.00**	**74.00**	**81.00**	-
	↑ +1%		↑ +1%	
Previous	68.00		80.00	
Cons. Rev. (B)	**1,791.0**	**1,957.2**	-	-
EBITDA (B)	**417.9**	**441.9**	**472.0**	-
	↑ +2%	<1%	↓ -2%	
Previous	410.6	444.0	480.6	
EBIT (B)	**370.7**	**391.0**	**419.0**	-
	↑ +2%	<1%	↓ -2%	
Previous	363.5	394.1	428.6	
Net Profit (B)	**287.9**	**304.3**	**327.2**	-
	↑ +2%	<1%	↓ -2%	
Previous	282.9	306.9	334.5	
Dividend	**50.00**	**58.00**	**64.00**	-
ROE	**28%**	**27%**	**27%**	-
		↓ -1%	↓ -2%	
Previous		28%	28%	
BV/Share	**260.10**	**279.50**	**297.50**	-
	<1%	<1%	<1%	
Previous	258.80	278.90	298.70	
EPS	**69.50**	**73.40**	**79.00**	-
	↑ +2%	<1%	↓ -2%	
Previous	68.30	74.10	80.70	

Valuation metrics

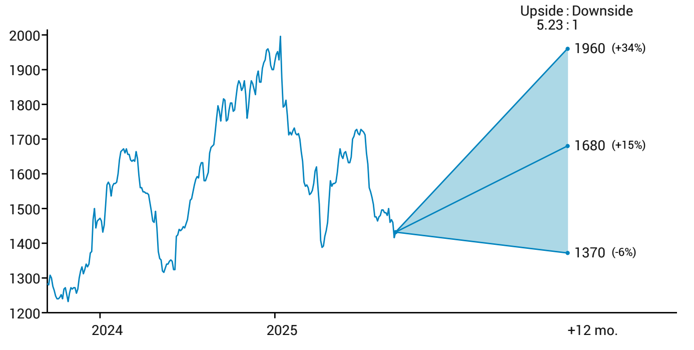
INR	2026E	2027E	2028E	2029E
EV/EBITDA	14.0x	13.3x	12.4x	
Div. Yield	3.26%	3.78%	4.18%	
P/B	5.9x	5.5x	5.2x	
FY P/E	22.1x	20.9x	19.4x	

The Long View: HCL Technologies

Investment Thesis / Where We Differ

- Resilient growth and large deal ramp-ups to support growth.
- Revenue CAGR of 4.6% YoYcc in FY25-28E.
- EBIT margin to improve to 18.2% by FY28E after declining to 17.5% in FY26.
- Superior growth in a weak demand period along with similar FCF conversion to that of TCS/Infosys should keep valuation at a premium.

Risk/Reward - 12 Month View



Base Case, INR1680, +15%

- Const. ccy rev CAGR of 4.6% in FY25-28E.
- INR-USD at 86.7/88/89 in FY26/27/28E.
- EBIT margin to reach ~18.2% by FY28E.
- FY26/27/28E EPS of Rs64/70/76.
- Price target of Rs1,680, based on 23x 12m fwd EPS.

Upside Scenario, INR1960, +34%

- Revenue CAGR of 7% YoYcc in FY25-28E.
- EBIT margin to expand to 19%+ by FY28E.
- FY26/27/28E EPS of Rs67/77/86.
- Price target of Rs1,960, based on 24x 12m fwd EPS.

Downside Scenario, INR1370, -6%

- A stronger or prolonged recessionary environment leading to cut in IT spending.
- Revenue CAGR of 3-3.5% YoYcc in FY25-28E.
- EBIT margin to remain close to 17% levels in FY26-28E.
- FY26/27/28E EPS of Rs63/66/70.
- Price target of Rs1,370, based on 20x 12m fwd EPS.

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Limit greenhouse gas emissions aligned to 1.5° C pathway by 2030 and achieve net zero by 2040. **2)** Transition 80% of electricity usage to renewable energy by 2030. **3)** Maintain zero discharge from all owned facilities and zero waste to landfill at all owned facilities by 2025. **4)** Being recognised among industry leaders in terms of information security and data privacy. **5)** Improve gender diversity in the workforce, with 40% women by 2030, and increase gender representation in senior leadership levels to 30% by 2030.

Qs to Mgmt: 1) What are some of the initiatives that the company has taken on the environmental front to achieve its objectives? **2)** What are the initiatives taken in terms of employee training and career enhancement? **3)** How does the company plan to achieve its gender diversity targets particularly in senior leadership levels? **4)** What measures is the company taking to ensure high levels of security and privacy? 5) How is management remuneration aligned with the company's performance?

Catalysts

- Better-than-expected growth/margin resilience and market share gains
- Better--than-expected scale-up of P&P segment
- Faster-than-expected recovery in ERS segment
- Favorable currency movement

Financials: HCL Technologies

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	**1,268.3**	**1,339.8**	**1,435.2**	-
	<1%	<1%	<1%	
Previous	1,257.8	1,348.1	1,445.5	
Cons. Rev.	**1,256.3**	**1,352.0**	**1,451.6**	-
	<1%	<1%	<1%	
Previous	1,245.4	1,339.3	1,442.7	
EBIT (B)	**221.6**	**242.6**	**260.7**	-
	<1%		-2%	
Previous	221.3		265.4	
Net Profit (B)	**173.3**	**191.0**	**206.0**	-
	<1%	<1%	-2%	
Previous	173.1	190.9	209.4	
EPS	**63.90**	**70.40**	**75.90**	-
	<1%	<1%	-2%	
Previous	63.80	70.30	77.20	
EBITDA (B)	**266.7**	**287.3**	**306.9**	-
	<1%	<1%	-1%	
Previous	266.4	287.2	311.5	
Dividend	**60.00**	**65.00**	**70.00**	-
		-2%	-3%	
Previous		66.00	72.00	
ROE	**24%**	**26%**	**27%**	-
BV/Share	**267.40**	**275.80**	**286.70**	-
		<1%	<1%	
Previous		275.70	286.90	
Cons. EPS	**64.00**	**72.00**	**78.00**	-
	-4%	-3%	-2%	
Previous	67.00	74.00	80.00	

Valuation metrics

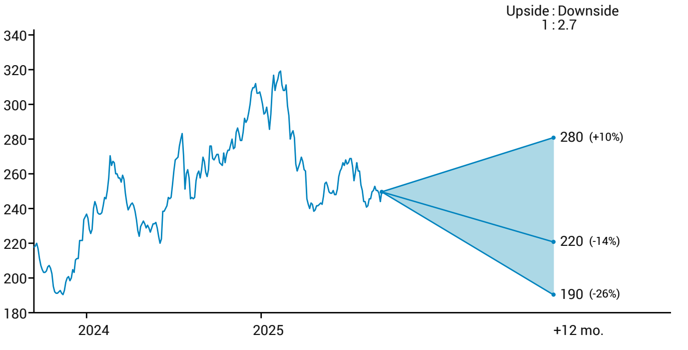
INR	2026E	2027E	2028E	2029E
EV/EBITDA	13.8x	12.8x	12.0x	
Div. Yield	4.10%	4.44%	4.78%	
FY P/E	22.9x	20.8x	19.3x	

The Long View: Wipro

Investment Thesis / Where We Differ

- Risk to revenue growth amid economic slowdown, given higher exposure to Consulting services
- Revenue growth to lag peers in FY25-28E
- Stock is likely to remain under pressure, given weak outlook
- Track record of growth underperformance in the past could limit upside

Risk/Reward - 12 Month View



Base Case, INR220, -14%

- Revenue growth CAGR of 2.1% YoYcc in FY25-28E
- INR-USD at 86.6/88/89 in FY26/27/28E
- EBIT margin to expand to 16.6% by FY28E
- FY26/27/28E EPS of 12/13/14
- Price target of Rs220 based on 17x 12m fwd EPS

Upside Scenario, INR280, +10%

- Revenue growth CAGR of ~3-4% YoYcc in FY25-28E
- EBIT margin to expand to 18.0%+ by FY28E
- FY26/27/28E EPS of 13/13/15
- Price target of Rs280 based on 20x 12m fwd EPS

Downside Scenario, INR190, -26%

- Sharper-than-expected or longer-than-expected recession is the bear case
- Revenue growth CAGR below 0.5% YoYcc in FY25-28E
- EBIT margin to be around ~15-15.5% levels in FY28E
- FY26/27/28E EPS of Rs12/12/12
- Price target of Rs190 based on 16x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Achieve Net Zero greenhouse gas emissions for Scopes 1, 2, and 3 by the year 2040. **2)** Reduce absolute Scope 1 and 2 GHG emissions by FY30 from a FY17 base year, and absolute Scope 3 GHG emissions 55% by FY30 form a FY20 base year. **3)** Reduce both absolute and area-based intensity consumption of externally procured freshwater by 50% by 2030 compared to FY17. **4)** Build a diverse and inclusive workforce

Qs to Mgmt: 1) What are the steps that the company is taking to maintain high standards of data security and privacy **2)** How is the managerial remuneration at Wipro aligned with the company's performance? **3)** What are the steps the company is taking to achieve its net neutrality target? What are the cost implications of this? **4)** How important is sustainability as a criterion for vendor selection for clients? **5)** What are the key learning and training initiatives that the company has taken? How does Wipro plan to offer employees greater upskilling and reskilling opportunities?

Catalysts

- Weaker-than-expected growth profile
- Weaker-than-expected margin defense
- New CEO strategy proves unsuccessful
- Unfavorable currency movement

Financials: Wipro

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	911.7 ↑ +2%	963.6 ↑ +3%	1,000.9 ↑ +3%	-
Previous	897.6	935.5	973.1	
EBITDA (B)	180.8 ↑ +4%	192.2 ↑ +5%	199.2 ↑ +3%	-
Previous	174.3	183.8	192.6	
EBIT (B)	151.9 ↑ +3%	160.0 ↑ +3%	166.0 ↑ +2%	-
Previous	147.0	155.7	163.5	
Net Profit (B)	130.4 ↑ +2%	135.5 ↑ +2%	142.0 <1%	-
Previous	127.3	133.4	141.1	
ROE	15% ↑ +5%	15%	15%	-
Previous	14%			
BV/Share	83.50 <1%	87.90 <1%	92.50 <1%	-
Previous	83.20	87.40	91.90	
Dividend	8.60	8.50	9.00	-
EPS	12.40 ↑ +2%	12.90 ↑ +2%	13.50	-
Previous	12.10	12.70		

Valuation metrics

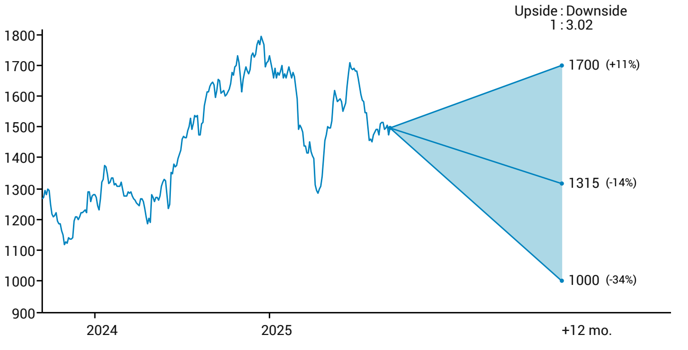
INR	2026E	2027E	2028E	2029E
EV/EBITDA	12.6x	11.9x	11.5x	
Div. Yield	3.36%	3.32%	3.52%	
FY P/E	20.6x	19.8x	18.9x	

The Long View: Tech Mahindra

Investment Thesis / Where We Differ

While management's plan is comprehensive, its execution amid a weak demand environment carries risk. Management commentary on growth and margin drives risks to consensus estimates for TechM.

Risk/Reward - 12 Month View



Base Case,
INR1315, -14%

- Revenue CAGR of ~2.0%YoYcc in FY25-28E
- INR-USD at 86.6/88/89 in FY26/27/28E
- EBIT margin to reach 13.4% by FY27E and 13.8% by FY28E
- FY26/27/28E EPS of Rs58/65/70
- Price Target of Rs1,315, based on 20x 12m fwd EPS

Upside Scenario,
INR1700, +11%

- Revenue growth CAGR of 4-5%YoYcc in FY25-28E
- Higher than expected INR depreciation
- EBIT margin to reach 15.5% by FY27E
- FY26/27/28E EPS of Rs60/70/78
- Price Target of Rs1,700, based on 23x 12m fwd EPS

Downside Scenario,
INR1000, -34%

- Sharper than expected or longer than expected recession is the bear case
- Revenue growth of 1-1.5% YoYcc in FY25-28E
- Unfavourable currency movement
- EBIT margin to be in 11-12% range by 27E
- FY26/27/28E EPS of Rs53/58/60
- Price Target of Rs1,000, based on 17x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management.

Company Target(s): 1) Achieve carbon neutrality by the year 2030. **2)** Build a diverse workforce with 37% representation of women in the entire workforce and 12% in senior management by 2025-26. **3)** Achieve 39% reduction in Scope 1+2 emission in 2025-26 vs 2015-16 and increase by percentage of renewable energy used to 50% by 2025-26. **4)** Ensure continuous zero data privacy complaints and incidents.

Qs to Mgmt: 1) What are the some of the initiatives taken to achieve carbon neutrality by 2030? What could be the capex/opex implications of this? **2)** How does the company plan to encourage gender diversity and inclusion in its workforce, particularly in middle/senior management? **3)** How do you ensure high levels of data security and privacy standards? What initiatives have you taken on this front? **4)** What is TechM doing to drive higher employee engagement and higher learning and reskilling opportunities?

Catalysts

- Weaker-than-expected growth in 5G spend/ communication vertical
- Slowdown in deal announcements
- Weaker-than-expected margin defense
- Unfavourable currency movement

Financials: Tech Mahindra

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	**552.1**	**578.0**	**606.2**	-
	<1%	<1%	↓ -1%	
Previous	547.1	579.7	612.9	
EBITDA (B)	**86.5**	**97.6**	**105.1**	-
	↑ +2%	<1%	↓ -2%	
Previous	84.7	97.5	107.0	
EBIT (B)	**67.6**	**77.5**	**83.8**	-
	↑ +3%	<1%	↓ -2%	
Previous	65.8	77.4	85.7	
Net Profit (B)	**51.2**	**57.8**	**62.3**	-
	↑ +3%	<1%	↓ -2%	
Previous	49.9	57.6	63.6	
BV/Share	**338.30**	**346.60**	**349.10**	-
	<1%	<1%	<1%	
Previous	336.90	345.00	348.90	
ROE	**18%**	**19%**	**20%**	-
	↑ +2%		↓ -2%	
Previous	17%		21%	
Dividend	**50.00**	**60.00**	**70.00**	-
EPS	**57.80**	**65.30**	**70.40**	-
	↑ +3%	<1%	↓ -2%	
Previous	56.30	65.10	71.90	
Cons. EPS	**59.00**	**74.00**	**84.00**	-
	↓ -2%	↓ -1%		
Previous	60.00	75.00		

Valuation metrics

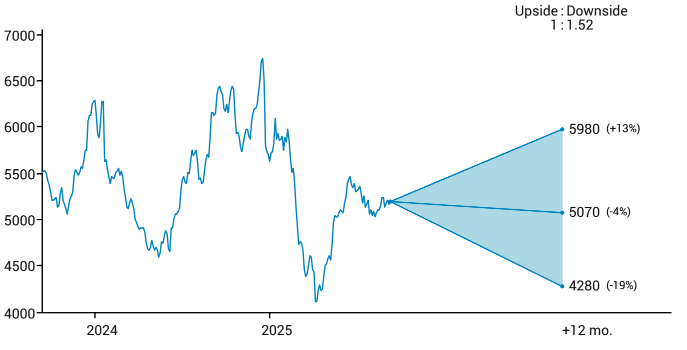
INR	2026E	2027E	2028E	2029E
EV/EBITDA	14.8x	13.1x	12.2x	
Div. Yield	3.28%	3.93%	4.59%	
FY P/E	26.4x	23.4x	21.7x	

The Long View: LTIMindtree

Investment Thesis / Where We Differ

- Higher exposure to Americas region, BFSI vertical, and discretionary IT spending may dent LTIM's revenue growth outlook
- We expect 6.0% YoYcc revenue CAGR over FY25-28E
- Expect EBIT margins to reach ~15% by FY28E
- At current price, risk/reward remains unfavorable

Risk/Reward - 12 Month View



Base Case,
INR5070, -4%

- Revenue CAGR of 6.0% YoYcc in FY25-28E
- FY26/27/28 USD/INR at 86.6/88/89
- EBIT margins to be ~15% by FY28E
- FY26/27/28E EPS of Rs167/184/206
- PT of Rs5,070, based on 26x 12m-fwd EPS

Upside Scenario,
INR5980, +13%

- Revenue growth CAGR of ~8% YoYcc in FY25-28E
- Sharper-than-expected INR depreciation
- Higher-than-expected EBIT margins
- FY26/27/28E EPS of Rs171/197/230
- PT of Rs5,980, based on 28x 12m-fwd EPS

Downside Scenario,
INR4280, -19%

- Sharper-than-expected or longer- than-expected recession is the bear case
- Unfavorable USDINR movement
- Lower-than-expected EBIT margins
- FY26/27/28E EPS of Rs160/171/185
- PT of Rs4,280, based on 24x 12m-fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Achieve carbon neutrality and water neutrality for India operations by 2030. **2)** 30% reduction in electricity consumption than business as usual. **3)** 12% reduction in attrition by 2030 and 30% increase in diversity. **4)** 50% of new role requirements to be fulfilled by internally developed team member.

Qs to Mgmt: 1) What initiatives is the company taking to achieve its carbon and water neutrality goals? **2)** How does the company intend to encourage employee engagement, reskilling and career development? **3)** How important is sustainability as a criterion for vendor selection? **4)** What initiatives are being taken to ensure data security and privacy?

Catalysts

- Higher/lower-than-expected growth
- Faster/slower-than-expected recovery in US
- Higher/slower-than-expected margins
- Favorable/Unfavorable currency movement

Financials: LTIMindtree

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	**412.1** ↑ +1%	**444.0** <1%	**480.1** <1%	-
Previous	408.0	443.0	482.2	
EBITDA (B)	**69.2** ↑ +1%	**76.8** <1%	**84.8** <1%	-
Previous	68.3	76.4	84.9	
EBIT (B)	**59.1** ↑ +2%	**65.5** <1%	**72.1** <1%	-
Previous	58.2	65.1	72.3	
Net Profit (B)	**49.5** ↑ +1%	**54.5** <1%	**60.9**	-
Previous	48.8	54.2		
ROE	**20%** ↑ +7%	**20%** ↑ +6%	**20%** ↑ +5%	-
Previous	19%	19%	19%	
BV/Share	**871.90** <1%	**986.10** <1%	**1,111.90** <1%	-
Previous	869.70	982.90	1,108.90	
Dividend	**65.00**	**75.00**	**85.00**	-
EPS	**167.30** ↑ +1%	**184.20** <1%	**205.80** <1%	-
Previous	165.10	183.20	206.00	

Valuation metrics

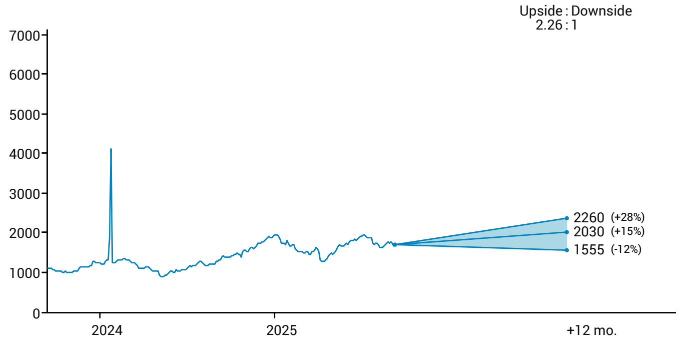
INR	2026E	2027E	2028E	2029E
EV/Rev	3.5x	3.3x	3.0x	
EV/EBITDA	21.1x	19.0x	17.2x	
P/B	6.1x	5.4x	4.8x	
Div. Yield	1.23%	1.41%	1.60%	
FY P/E	31.7x	28.8x	25.8x	

The Long View: Coforge

Investment Thesis / Where We Differ

Coforge's healthy order book, synergy benefits from Cigniti acquisition, and continued execution amid a tough demand environment imply a strong growth outlook and earnings. Buy.

Risk/Reward - 12 Month View



Base Case, INR2030, +15%

- Revenue CAGR of 18.6% YoYcc in FY25-28
- USDINR at 84.8/86/87 in FY 26/27/28E
- EBIT margin to reach 14.2% by FY27E
- FY26/27/28E EPS of Rs44/54/65
- Fair value of Rs2,030 based on 34x 12m fwd EPS

Upside Scenario, INR2260, +28%

- Revenue CAGR of 22% YoYcc in FY25-28E
- Higher-than-expected INR depreciation
- Higher-than-expected EBIT margins
- FY26/27/28E EPS of Rs45/57/72
- Fair value of Rs2,260 based on 35x 12m fwd EPS

Downside Scenario, INR1555, -12%

- A stronger or prolonged recessionary environment leading to cut in IT spending
- Revenue CAGR of 13-15% in FY25-28E
- Lower-than-expected INR depreciation
- Lower-than-expected EBIT margins
- FY26/27/28E EPS of Rs41/47/54
- Fair value of Rs1,555 based on 31x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Data Security, Customer privacy, Employee engagement, Energy management

Company Target(s): 1) Focus on reducing carbon footprint. **2)** Focus on reducing water and energy consumption and efficient waste disposal. **3)** Focus on increasing share of renewable energy. 4) Focus on waste management and recycling to reduce resource consumption to minimum level.

Qs to Mgmt: 1) What are the environmental initiatives that the company has taken? **2)** How does the company plan to increase gender diversity at workplace as well as employee engagement? **3)** What are some initiatives being taken to ensure data security and privacy? **4)** How is management compensation linked to ESG initiatives?

Catalysts

- Lower-than-expected impact of global slowdown in BFSI vertical
- Synergy benefits from the Cigniti merger
- Stronger-than-expected traction on large deal wins
- Higher-than-expected growth/margins
- Favorable currency movement

Financials: Coforge

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	**160.6** ↑ +1%	**185.4** ↑ +1%	**214.6** ↑ +1%	-
Previous	159.0	183.3	212.2	
EBIT (B)	**21.7** ↑ +1%	**26.2** <1%	**30.6** <1%	-
Previous	21.4	26.0	30.8	
Net Profit (B)	**15.3** ↑ +1%	**18.7** ↑ +1%	**22.6** <1%	-
Previous	15.1	18.5	22.8	
EPS	**44.20** ↑ +1%	**54.00** ↑ +1%	**65.30** <1%	-
Previous	43.60	53.40	65.70	
EBITDA (B)	**28.3** ↑ +1%	**33.3** <1%	**38.3** <1%	-
Previous	28.0	33.0	38.5	
ROE	**20%** ↑ +20%	**19%** ↑ +8%	**19%** ↑ +7%	-
Previous	16%	17%	18%	
BV/Share	**278.70** <1%	**322.00** <1%	**376.20** <1%	-
Previous	278.00	320.80	375.40	
Dividend	**16.00**	**16.00**	**16.80**	-
Cons. EPS	**43.00** ↑ +2%	**53.00**	**63.00** ↑ +3%	-
Previous	42.00		61.00	

Valuation metrics

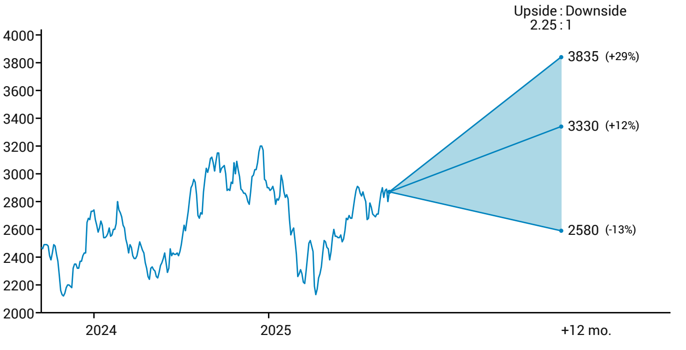
INR	2026E	2027E	2028E	2029E
EV/Rev	3.7x	3.2x	2.7x	
EV/EBITDA	20.8x	17.7x	15.4x	
P/B	6.4x	5.5x	4.7x	
Div. Yield	0.90%	0.90%	0.95%	
FY P/E	40.1x	32.8x	27.1x	

The Long View: Mphasis

Investment Thesis / Where We Differ

- Given its high exposure in BFSI and US, we believe revenue growth will improve considering pick-up in spends.
- We expect revenue growth of 8% YoYcc CAGR over FY26-FY28E, on the back of strong deal bookings and helathy pipeline.
- EBITM to remain in a narrow-band of 15-16% over FY25-28E.
- Earnings growth of 11% over FY26-28E.

Risk/Reward - 12 Month View



Base Case, INR3330, +12%

- US$ Revenue growth of 8% CAGR in FY26-28E
- EBIT margin to reach 15.4% in FY28E
- FY26/27/28E EPS of Rs98/109/121
- Price target of Rs3,330 based on 29x 12m fwd EPS

Upside Scenario, INR3835, +29%

- Higher-than-expected revenue growth of 10% in FY26-28E
- EBIT margin of 17%+ by FY28E
- FY26/27/28E EPS of Rs103/119/137
- Price target of Rs3,835 based on 30x 12m fwd EPS

Downside Scenario, INR2580, -13%

- Revenue growth to slow down to 4-5% in FY26-28E
- Lower than expected EBIT margin
- FY26/27/28E EPS of Rs95/103/112
- Price target of Rs2,580 based on 24x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Customer Protection and Data privacy, Data Security, Workforce Management & Diversity, Impact on Environment & Society.

Company Target(s): 1) Reducing ecological footprint through optimized utilization of natural resources and ensuring the responsible use of energy. **2)** Reducing and working towards the elimination of the use of plastic products by becoming Plastic Free and introducing more sustainable and green products. **3)** Preventing pollution and minimising all types of waste by adopting Reduce-Reuse-Recycle philosophy. **4)** Build a workforce with a range of backgrounds and diversity and focus on training new talent and building competencies.

Qs to Mgmt: 1) What safeguards are in place to protect the company's IP and ensure security and customer privacy? **2)** How does the company ensure employee engagement and upskilling? **3)** What environmental initiatives are being taken by the company to ensure data security and customer privacy?

Catalysts

- Faster-than-expected recovery in US
- Faster-than-expected interest rate cuts
- Traction in new client addition, leading to higher-than-expected revenue growth
- Margin to be range-bound
- Favorable currency movement

Financials: Mphasis

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (MM)	156,249 ↑ +1%	170,559 ↑ +1%	187,058 <1%	-
Previous	154,591	168,720	185,233	
EBITDA (MM)	29,540.9 ↑ +1%	32,211.5 <1%	35,398.8 <1%	-
Previous	29,147.6	32,049.8	35,452.0	
EBIT (MM)	24,066.7 ↑ +2%	26,191.7 <1%	28,854.4 <1%	-
Previous	23,674.2	26,033.3	28,913.2	
Net Profit	18,652.4 ↑ +2%	20,639.7 <1%	23,079.4 <1%	-
Previous	18,355.1	20,506.1	23,109.9	
Dividend	60.00	65.00	70.00	-
EPS	98.07 ↑ +2%	108.49 <1%	121.31 <1%	-
Previous	96.51	107.79	121.47	
BV/Share	558.24 <1%	607.13 <1%	663.90 <1%	-
Previous	556.67	604.85	661.78	
ROE	19% ↑ +6%	19% ↑ +4%	19%	-
Previous	17%	18%		
Cons. Rev.	155,735.2 <1%	172,886.7 ↑ +1%	191,328.2 ↑ +2%	-
Previous	155,042.7	170,896.8	188,107.0	
Cons. EPS	98.86 <1%	112.63 <1%	127.22 <1%	-
Previous	99.37	112.60	125.97	

Valuation metrics

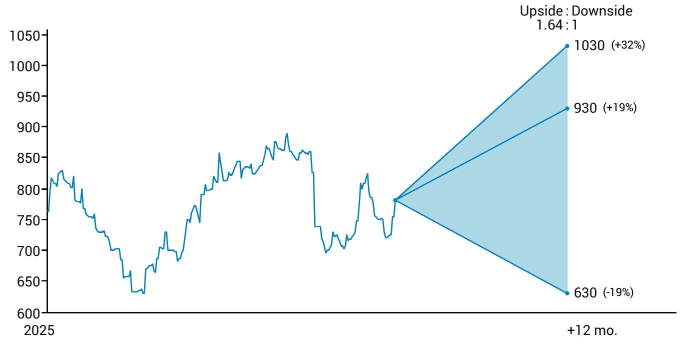
INR	2026E	2027E	2028E	2029E
EV/Rev	3.4x	3.1x	2.9x	
P/Rev	3.6x	3.3x	3.0x	
EV/EBITDA	18.1x	16.6x	15.1x	
EV/EBIT	22.2x	20.4x	18.5x	
Div. Yield	2.02%	2.19%	2.36%	
FY P/E	30.2x	27.3x	24.5x	
P/B	5.3x	4.9x	4.5x	

The Long View: Hexaware Technologies

Investment Thesis / Where We Differ

- Hexaware offers the growth characteristics of a mid-sized IT firm with a well-diversified business mix and quality metrics rivaling large IT firms.
- Strong client additions/mining, platform-led legacy modernization and expansion in new verticals/regions should support 10%/15% CAGRs in revenues/EPS over CY25-27.
- Superior quality with healthy growth will support premium valuations in our view.

Risk/Reward - 12 Month View



Base Case, INR930, +19%

- Revenue growth of 10% CAGR over CY25-27E.
- EBIT margin to remain at 15% levels.
- CY25/26/27E EPS of Rs24/28/31.
- Price target of Rs930 based on 31x 12m fwd EPS.

Upside Scenario, INR1030, +32%

- Higher-than-expected revenue growth of 12-13% CAGR over CY25-27E.
- EBIT margin at 16%+ levels.
- CY25/26/27E EPS of Rs24/29/34.
- Price target of Rs1,030 based on 32x 12m fwd EPS.

Downside Scenario, INR630, -19%

- Weaker-than-expected revenue growth of 7% CAGR over CY25-27E.
- EBIT margin at 13% levels.
- CY25/26/27E EPS of Rs22/23/25.
- Price target of Rs630 based on 26x 12m fwd EPS.

Sustainability Matters

Top Material Issue(s): Carbon Emissions, Water Neutrality, Skilled-Diverse Global Workforce, ESG Governance, Cybersecurity and Data Privacy.

Company Target(s): 1) Achieve net-zero GHG emissions (scope 1&2) by 2040. **2)** Transition 70% of campus electricity usage to renewable sources by 2030. **3)** Achieve water neutrality by 2030 for owned operations. **4)** Increase the share of women employees to 40% by 2030. **5)** Strive to achieve zero cases of data breach every year. **6)** Achieve 100% employee coverage of code of conduct training annually.

Qs to Mgmt: 1) What are the safeguards in place for the company to protect its IP and ensure security and customer privacy? **2)** How does the company ensure employee engagement and upskilling? **3)** What are some of the environmental initiatives taken by the company to ensure data security and customer privacy?

Catalysts

- Traction in new client addition along with strong account mining leading to higher-than-expected revenue growth
- Better-than-expected cross/up-sell with acquisitions
- Beat in margins
- Favorable US macro
- Favorable currency movement

Financials: Hexaware Technologies

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (B)	149.3 ↑ +1%	166.9 ↑ +1%	-	-
Previous	147.6	165.0		
EBITDA (B)	26.0 ↑ +1%	29.3	-	-
Previous	25.7			
EBIT (B)	22.4 ↑ +1%	25.2	-	-
Previous	22.1			
Net Profit (B)	16.7 ↑ +1%	18.9	-	-
Previous	16.5			
EPS	27.50 ↑ +1%	31.10	-	-
Previous	27.10			
Cons. Rev. (B)	149.3	167.6	-	-
Cons. EPS	28.00 ↑ +4%	32.00	-	-
Previous	27.00			

Valuation metrics

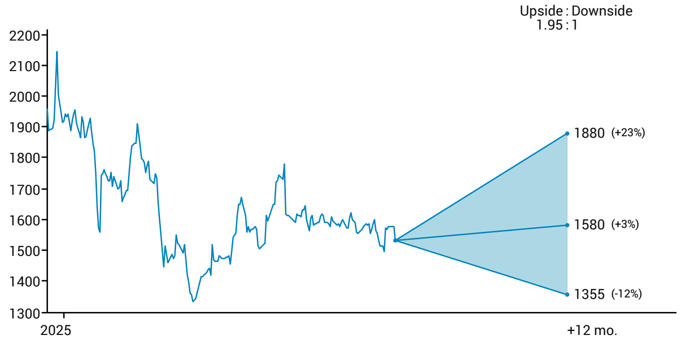
INR	2026E	2027E	2028E	2029E
FY P/E	28.4x	25.1x		

The Long View: IKS Limited

Investment Thesis / Where We Differ

- Leading tech-enabled services and solutions firm to healthcare providers with US focus.
- Healthy US$ organic revenue growth CAGR of ~16.5% over FY26-28E.
- EBITDA margins to expand to ~32.5% by FY28E.
- Strong EBIT CAGR of 21% over FY26-28E.
- Rich valuations keep us on sidelines.

Risk/Reward - 12 Month View



Base Case,
INR1580, +3%

- US$ organic revenue growth of ~16.5% Cagr over FY26-28E
- EBITDA margin of ~32-33% in FY26-28E
- FY26/27/28E EPS of Rs 39/51/63
- Price target of Rs1,580 based on 28x 12m fwd EPS

Upside Scenario,
INR1880, +23%

- Higher-than-expected US$ revenue growth of 17.5-18% over FY26-28E
- EBITDA margin of 34%+ by FY28E
- FY26/27/28E EPS of Rs 42/56/70
- Price target of Rs1,880 based on 30x 12m fwd EPS

Downside Scenario,
INR1355, -12%

- Revenue growth to slow down to 12-13% over FY26-28E
- Slightly-lower-than-expected EBITDA margin
- FY26/27/28E EPS of Rs 39/49/59
- Price target of Rs1,355 based on 25x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Customer Protection and Data privacy, Data Security, Workforce Management & Diversity, Impact on Environment & Society.

Company Target(s): 1) Reducing ecological footprint through optimized utilization of natural resources and by ensuring the responsible use of energy. 2) Reducing and working toward the elimination of the use of plastic products by becoming plastic-free and introducing more sustainable and green products. 3) Preventing pollution and minimizing all types of waste by adopting Reduce-Reuse-Recycle philosophy. 4) Build a workforce with a range of backgrounds and diversity and focus on training new talent and building competencies.

Qs to Mgmt: 1) What are the safeguards in place for the company to protect its IP and ensure security and customer privacy? 2) How does the company ensure employee engagement and upskilling? 3) What are some of the environmental initiatives taken by the company to ensure data security and customer privacy?

Catalysts

- Higher-than-expected cross-sell among AQuity's client sets
- Lower-than-expected churn among clients
- Beat in margin
- Favorable currency movement

Financials: IKS Limited

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (MM)	**30,794.5** <1%	**36,307.8** <1%	**42,924.5** <1%	-
Previous	30,800.1	36,662.4	43,357.9	
EBITDA (MM)	**9,794.9** <1%	**11,706.6** ↓ -3%	**13,940.7** ↓ -3%	-
Previous	9,800.2	12,007.8	14,307.8	
EBIT (MM)	**8,640.8** <1%	**10,510.2** ↓ -3%	**12,697.1** ↓ -3%	-
Previous	8,646.1	10,810.9	13,062.8	
Net Profit	**6,528.3** <1%	**8,397.4** ↓ -3%	**10,435.3** ↓ -3%	-
Previous	6,532.5	8,634.2	10,728.5	
Dividend	**10.00**	**10.00**	**10.00**	-
EPS	**39.22** <1%	**50.45** ↓ -3%	**62.70** ↓ -3%	-
Previous	39.25	51.87	64.46	
ROE	**31%**	**30%** ↓ -2%	**29%** ↓ -2%	-
Previous		31%	30%	
Cons. Rev.	**31,505.2** <1%	**37,433.5** <1%	**44,260.3** <1%	-
Previous	31,712.5	37,626.6	44,418.1	

Valuation metrics

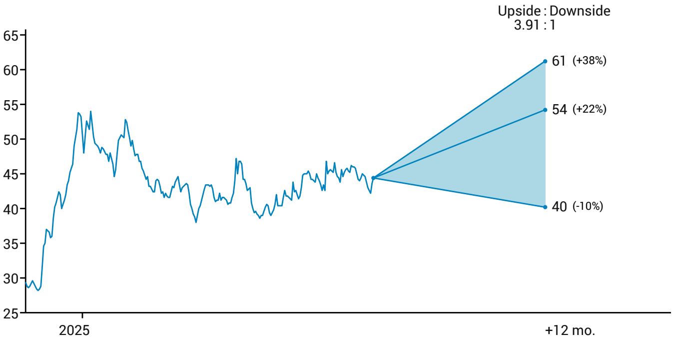
INR	2026E	2027E	2028E	2029E
EV/Rev	8.5x	7.3x	6.1x	
P/Rev	8.4x	7.1x	6.0x	
EV/EBITDA	26.9x	22.5x	18.9x	
EV/EBIT	30.5x	25.1x	20.7x	
Div. Yield	0.65%	0.65%	0.65%	
FY P/E	39.1x	30.4x	24.5x	

The Long View: Sagility

Investment Thesis / Where We Differ

- Leading BPM firm focused on US Healthcare
- Strong organic revenue growth CAGR of 11% over FY25-FY28E, led by continued traction in existing clients and cross-sell opportunities
- Steady adjusted EBITDA margins to be ~23% in FY26-28E
- Healthy EBIT CAGR of ~16% in FY26-28E
- Strong earnings growth of ~21% CAGR to sustain valuations

Risk/Reward - 12 Month View



Base Case,
INR54, +22%

- Organic Revenue growth of 11% CAGR over FY25-28E
- Adjusted EBITDA margin of ~23% in FY26-28E
- FY26/27/28E EPS of Rs1.7/2.1/2.5
- Price target of Rs54 based on 24x 12m fwd EPS

Upside Scenario,
INR61, +38%

- Higher-than-expected organic revenue growth of 15% in FY25-28E
- Adjusted EBITDA margin of 25%+ by FY28E
- FY26/27/28E EPS of Rs1.6/2.2/2.8
- Price target of Rs61 based on 26x 12m fwd EPS

Downside Scenario,
INR40, -10%

- Organic revenue growth to slow down to 9-10% in FY25-28E
- Lower than expected EBITDA margin
- FY26/27/28E EPS of Rs1.6/1.9/2.2
- Price target of Rs40 based on 20x 12m fwd EPS

Sustainability Matters

Top Material Issue(s): Customer Protection and Data privacy, Data Security, Workforce Management & Diversity, Impact on Environment & Society.

Company Target(s): 1) Reducing ecological footprint through optimized utilization of natural resources and by ensuring the responsible use of energy. **2)** Reducing and working towards the elimination of the use of plastic products by becoming Plastic Free and introducing more sustainable and green products. **3)** Preventing pollution and minimizing all types of waste by adopting Reduce-Reuse-Recycle philosophy. **4)** Build a workforce with a range of backgrounds and focus on training new talent and building competencies.

Qs to Mgmt: 1) What safeguards are in place to protect the company's IP and ensure security and customer privacy? **2)** How does the company ensure employee engagement and upskilling? **3)** What environmental initiatives are being taken by the company to ensure data security and customer privacy?

Catalysts

- Traction in new client addition, leading to higher-than-expected revenue growth
- Beat in margin
- Lower receivable/debtor days
- Favorable currency movement

Financials: Sagility

Estimate changes

INR	2026E	2027E	2028E	2029E
Rev. (MM)	69,252.4 ↑ +1%	78,127.8 <1%	87,312.3 <1%	-
Previous	68,561.3	77,935.9	87,897.3	
EBITDA (MM)	16,088.2 ↑ +3%	18,406.3 <1%	20,294.1 ↓ -4%	-
Previous	15,679.7	18,567.7	21,040.6	
EBIT (MM)	11,191.5 ↑ +4%	13,266.0 ↓ -1%	14,947.4 ↓ -5%	-
Previous	10,786.0	13,433.6	15,698.1	
Net Profit	7,815.8 ↑ +4%	9,725.0 ↓ -1%	11,462.4 ↓ -5%	-
Previous	7,513.4	9,846.0	12,024.9	
Dividend	0.00	0.00	0.00	-
EPS	1.67 ↑ +4%	2.08 ↓ -1%	2.45 ↓ -5%	-
Previous	1.61	2.10	2.57	
ROE	9%	10%	11%	-
Cons. Rev.	68,785.9 <1%	78,033.3 <1%	87,954.4 <1%	-
Previous	68,674.0	77,799.8	87,703.5	

Valuation metrics

INR	2026E	2027E	2028E	2029E
Div. Yield	0.00%	0.00%	0.00%	
FY P/E	26.5x	21.3x	18.1x	

We would like to thank Harish Mundada, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

Company Description

Coforge

Coforge (erstwhile NIIT Technologies) was established in 2004 as a result of a spinoff from NIIT Limited. The company was rebranded to Coforge in 2020. Coforge is a global IT solutions provider with a strong presence in select industry verticals: Banking and Financial Services, Insurance, and Travel & Hospitality. In addition to these, the company has a growing presence in Retail, Healthcare and Hi-tech, Manufacturing, and Public Sector/Government verticals.

HCL Technologies

Founded in 1991, HCLT focused on technology and R&D outsourcing before diversifying into enterprise applications. In the Infrastructure business, it has been gradually shifting focus from domestic sales to global services. In BPO, it is undergoing a transition from largely being voice-centric to non-voice-centric. The company leverages its extensive offshore infrastructure and its global network to deliver solutions across verticals, including banking, insurance, retail, consumer, aerospace, automotive, semiconductors, telecom, and life sciences.

Hexaware Technologies

Hexaware Technologies, founded in 1990, is an IT and business process outsourcing company headquartered in India. Serving 31 Fortune 500 clients, Hexaware operates across six key industry verticals: Financial Services, Healthcare & Insurance, Manufacturing & Consumer, Hi-Tech & Professional Services, Banking, and Travel & Transportation. In 2020, Hexaware was delisted from Indian exchanges, and in 2021, the Carlyle Group took over as the new promoter. The company re-entered public markets in 2025, having evolved into one of India's top 10 IT services firms by revenue.

IKS Limited

Inventurus Knowledge Solutions, established in 2006 and headquartered in Mumbai, is a technology-enabled healthcare solutions provider which offers care enablement platform assisting physician enterprises in the US, Canada and Australia, with a focus on the US markets. The Company is a leading partner for outpatient and inpatient care organizations, enabling healthcare organizations deliver superior clinical care, improve population health outcomes, and transition to the "fee for value" model while optimizing their revenue and reducing operating costs.

Infosys

Founded in 1981 and headquartered in Bangalore (India), Infosys is a leading provider of offshore-centric consulting and IT services. Using a global delivery model, Infosys offers IT solutions from both client locations and its own offshore facilities, primarily in India. Infosys's worldwide headcount stands at approximately 315,000 employees.

LTIMindtree

LTIMindtree is an IT services company incorporated in 1996. It was formed in 2022 after the merger of LTI and Mindtree. It is a subsidiary of L&T, which is a leading Indian Conglomerate in engineering, construction, manufacturing, finance, and technology. LTI provides IT services to a range of verticals, including Banking and Financial Services, Insurance, Manufacturing, Energy & Utilities, Retail/CPG & Pharma, Hi-Tech, and Media & Entertainment.

Mphasis

Mphasis was formed in 2000 after the merger of Mphasis Corporation and BFL Software. It supports Global 1000 companies around the world with integrated solutions involving Applications, BPO and Infrastructure services. Besides an onsite presence at key locations globally, the company headquartered in India has an extensive offshore infrastructure. It is majority owned by HP, the global technology giant which also happens to be its largest customer.

Sagility

Sagility is a technology-enabled, healthcare-focused solutions and services provider that supports U.S.-based payers, providers, and their partners. The company serves five of the top ten health insurance companies in the U.S., utilizing its advanced technology, processes, and solutions to ensure efficient operations and minimize additional administrative costs. The Company delivers these services through its skilled talent pool across five global service delivery centers located in India, the Philippines, the U.S., Jamaica, and Colombia.

Tata Consultancy Services

Tata Consultancy Services is the largest and among the oldest IT companies in India. It is a part of the diversified Tata Group, one of the largest corporate houses in Asia. It provides a comprehensive range of IT services to industries such as banking & financial services, insurance, manufacturing, telecom, retail, and transportation. Since inception, it has come a long way over the past three decades, with deep technical and project management expertise in handling complex client projects and strong offshore processes.

Tech Mahindra

Tech Mahindra is a large provider of offshore IT services. The company is a part of Mahindra Group conglomerate and is headquartered in Mumbai, India. The merger with Satyam has clearly reduced the risk of high exposure to telecom (pre-merger almost 100% of Tech M's revenue now at below 50%). Tech Mahindra has a long history of doing large scale projects for Telecom vertical and engages with virtually every large provider ranging from British Telecom, Hutch, AT&T, etc. It has access to numerous non-telecom Satyam customers who have started ramping up business again after the merger.

Wipro

Wipro Limited (formerly Western India Products Limited) is a multinational IT consulting and system integration services company headquartered in Bangalore, India. The company has 146,000 employees servicing more than 900 large enterprise corporations with a presence in 61 countries. Wipro is the third-largest IT services company in India with annualized revenues in excess of US$10bn. Wipro was one of the pioneers of IMS amongst the Indian player and until recently was also the largest. It has been the most acquisitive company amongst the large-cap Indian IT vendors.

Company Valuation/Risks

Coforge

Our price target of Rs2,030 is based on 34x 12m fwd EPS. Downside risks: Slower-than-expected demand recovery, merger synergies not flowing in as expected, lower-than-expected revenue growth, lower-than-expected margin, unfavorable currency movements.

HCL Technologies

Our price target of Rs1,680 is based on 23x 12m fwd EPS. Downside risks: Weaker organic revenue growth, lower margins, value-destroying acquisitions, and adverse forex movements.

Hexaware Technologies

Our Rs930 price target is based on 31x 12m fwd EPS. Risks include 1) Restructuring exercise in 2 of its Top-3 clients, 2) Key man risk, and 3) Promoter might look to pare down its stake (~75%).

IKS Limited

Our Rs1,580 price target is based on 28x 12m fwd EPS. Risks include 1) Single vertical concentration; 2) High concentration risk as it derives significant proportion of revenues from top 10 clients; 3) weaker macro, lower traction in the US, and higher competition from Tier 1 players hurting growth; 3) higher wage inflation and other expenses leading to miss in margin; and 4) adverse currency.

Infosys

Our price target of Rs1,750 is based on 23x 12m fwd EPS. PE. Key risks include weaker revenue growth, lower margin, unfavorable currency, and corporate action.

LTIMindtree

Our price target of Rs5,070 is based on 26x 12m fwd EPS. Downside risks: Lower-than-expected revenue growth; lower-than-expected margin expansion, unfavorable forex movements, and lower-than-expected merger synergies. Upside risks: Higher-than-expected revenue growth; higher-than-expected margin expansion, favorable forex movements, and higher-than-expected merger synergies.

Mphasis

Our Rs3,330 price target is based on 29x 12m fwd EPS. Risks include 1) high concentration risk; 2) slower-than-expected pickup in the mortgage business; 3) weaker macro, lower traction in the US, and higher competition from Tier 1 players hurting growth; 4) higher wage inflation and other expenses leading to miss in margin; and 5) adverse currency.

Sagility

Our Rs54 price target is based on 24x 12m fwd EPS. Risks include 1) single vertical concentration; 2) high concentration risk, as it derives ~90% from top 10 clients; 3) higher wage inflation and other expenses leading to miss in margin; and 4) adverse currency.

Tata Consultancy Services

Our price target of Rs3,230 is based on 22x 12m fwd EPS. Key downside risks include slower-than-expected deal momentum, higher-than-expected margin decline, and adverse currency moves. Key upside risks include stronger-than-expected deal momentum, high margin resilience, and favourable currency movement.

Tech Mahindra

We value Tech Mahindra at Rs1,315 per share, at 19x 12m forward EPS. Upside risks: 1) Stronger-than-expected margin; 2) positive news flow on 5G; 3) acceleration in growth in other verticals; and 4) favorable currency movement.

Wipro
Our price target of Rs220 is based on 17x 12m fwd EPS. Key upside risks: 1) Stronger-than-expected organic revenue growth; 2) better margin; 3) value-accretive acquisitions; and 4) favorable forex movement.

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

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Other Companies Mentioned in This Report

- Accenture plc (ACN: $243.11, HOLD)
- Capgemini (CAP FP: €122.45, HOLD)
- Coforge Limited (COFORGE IN: INR1,770.95, BUY)
- Cognizant Technology Solutions Corp. (CTSH: $69.16, BUY)
- EPAM Systems (EPAM: $153.10, BUY)
- ExlService Holdings, Inc. (EXLS: $42.71, BUY)
- Gartner, Inc. (IT: $232.59, HOLD)

- Genpact Ltd. (G: $43.00, BUY)
- Globant (GLOB: $57.15, BUY)
- HCL Technologies (HCLT IN: INR1,464.70, BUY)
- Hexaware Technologies Ltd (HEXT IN: INR781.55, BUY)
- Infosys (INFO IN: INR1,532.65, BUY)
- International Business Machines Corporation (IBM: $256.88, HOLD)
- Inventurus Knowledge Solutions (IKS IN: INR1,533.00, HOLD)
- LTIMindtree (LTIM IN: INR5,305.25, HOLD)
- Mphasis (MPHL IN: INR2,966.55, BUY)
- Newgen Software Technologies Limited (NEWGEN IN: INR885.35, UNDERPERFORM)
- Sagility India Ltd (SAGILITY IN: INR44.28, BUY)
- Tata Consultancy Services (TCS IN: INR3,110.15, HOLD)
- Tech Mahindra (TECHM IN: INR1,525.85, UNDERPERFORM)
- WNS (Holdings) Limited (WNS: $75.51, HOLD)
- Wipro (WIT: $2.81, UNDERPERFORM)
- Wipro (WPRO IN: INR255.70, UNDERPERFORM)

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2117	60.73%	374	17.67%	118	5.57%
HOLD	1212	34.77%	109	8.99%	23	1.90%
UNDERPERFORM	157	4.50%	3	1.91%	3	1.91%

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