

## Deceleration in FY26 likely

- The -14.4pps lag of Nifty IT versus Nifty during 4QFY25 likely negates the FY26 acceleration thesis. Deceleration/No growth risks are rising
- We do not think those fears are fully factored in both earnings and PE multiples and hence continue to remain underweight
- Tariffs including retaliatory ones and fiscal repair in the US may lead to EPS cuts even in FY27, where the street still expects a sharp recovery

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**Rotation trade reversed:** One factor that drove the ~22pps outperformance of Nifty IT over Nifty during 2H2024 was the rotation trade away from domestic sectors to Indian IT services as there was earnings resilience seen in the latter whereas many domestic focused companies saw earnings cuts. But the situation has reversed in the last 3 months (as we had predicted in our sector notes [Slow is the \(new/old\) normal](#) and [FY26 unlikely to be better than FY25](#)) with IT services companies seeing earnings downgrades while some domestic focused areas of the market like large cap lenders likely seeing earnings resilience on the back of various actions by RBI.

### **Possibility of flat to low single digit FY26 CC revenue growth guidance high:**

While consensus had moved from a 7-8% CC revenue growth in FY26 it had 3 months back, to a low to mid-single digit number a few weeks back, we believe the odds of further deceleration are real considering the uncertainty induced by the higher-than-expected reciprocal tariffs, retaliatory ones, DOGE, etc. If these tariffs are in place the uncertainty could be around for a while not only from first order impacts but also from the second order ones over the next 12-24 months, negatively impacting spending intentions.

### **The focus will be more on forward commentary than on 4QFY25 performance:**

Nature of demand (will it shift back to cost takeout), health of the deal pipeline, decision making speed, conversion from pipeline to orders and then to revenue, competitive intensity, pricing pressure, etc. will be the key points to focus on. Visibility of a 2HFY26 uptick will also be explored.

### **Accenture weak guidance coincides with 1HFY26 for Indian industry:**

Recent Accenture guidance for FY25 had hinted at a sharp deceleration from 4.5% YoY organic growth in 2QFY25 to 0.5% in 4QFY25(Aug YE). That roughly translates to an annualized revenue drop of US\$2.7bn over two quarters. Accenture had not clearly called out contribution from DOGE and overall uncertainty to the projected revenue loss.



**Expectations likely lowered:** The sharp stock downturn in the last few days factor in a flat to low single digit growth in CC terms as revenue guidance for both Infosys and HCLT in FY26. Similarly, consensus is probably pricing in a low teen growth for Tier-2 in FY26 compared to the high teen number that it had few months back.

We believe (1) the follow through on reduction in Fiscal spending in the US during FY26 (September yearend) (2) second order impact of the announced tariffs and the likely retaliation from countries like China could also have negative implications for FY27 estimates

We could potentially be staring at 3/4 successive years of slow growth beginning FY24 for the industry with a possible 1-2 years of acceleration starting FY27/FY28 before settling down into the mid-single normal that we expect for the Tier-1 companies ahead.

- As noted in our sector update dated 12<sup>th</sup> March 2025 (**FY26 unlikely to be better than FY25**), Trump 2.0's focus on structural reforms—addressing US debt and fiscal deficits—could pressure near-term US economic growth.
- The reciprocal tariffs on individual countries were higher than expected: 26% on India, 34% on China (54% including previous levies, 74% with Trump 1.0 tariffs), 20% on the EU, 24% on Japan, 32% on Taiwan, 25% on South Korea and 46% on Vietnam
- China has announced retaliatory tariff of 34% on US goods coming into it and this could negatively impact a lot of US corporates that have a sizable revenue exposure to it.
- Tariffs, alongside reforms on DOGE and immigration, may result in slower growth and higher inflation/interest rates, dampening IT demand.

### What will we watch out for from a sector perspective during the 4QFY25 results season

- The Trump policy agenda is leading to uncertainty. How is this affecting spending decisions across geographies and verticals. Will we be back to customer focus on cost take out projects with Discretionary spending being again put on the back burner?
- How has the deal activity been in 4QFY25 in comparison with the previous quarters (news flow has been weak in the last 3 months). Has the current uncertainty impacted the pipeline too?
- As has been the case in recent quarters, why were there no announcements of mega deals (>US\$500mn). Or is it that many of them have been closed but are kept under wraps? Or has the texture of demand changed and big orders are being split into smaller ones.
- Has there been any scale up in Gen AI engagements? Are some of these deals even reaching US\$10mn per annum in size?
- When will the large legacy transformation driven by Gen AI start to be a tailwind?

- How much of the Gen-AI work is productivity driven compared to transformation/innovation driven. Have recent macro news led to any change in the productivity to innovation mix.
- Has the leakage of the book of business (due to rescoping or cancellation of orders) come to an end completely or is it still a problem? Or has the weakening macro re-ignited this trend
- There has been media talk of renegotiation of large deals that are not up for renewal for many years. Is this driven by the customer or by a self-cannibalization motive or aggressive challengers?
- Are the clients who signed large contracts in the last 24 months coming back to renegotiate them as they may not have Gen AI productivity benefits embedded in them?
- What exactly is the GCC strategy of various players – some players seem to be helping customers to set them up – what is the long-term plan on this front? How do the players hope to handle divestments going forward. What is the share of incremental business coming from the GCC side.
- In a recent news flow around Citigroup, while there is an effort to insource, there also seems to be a move to take work back to higher cost locations (we believe in the US). Is this due to pressure being felt by the top management from the MAGA crowd. What are the implications for this across other US companies.
- In the savings led transformation that many players are talking about, are the savings being deployed immediately towards new projects or are such savings being redeployed for some other purposes which are not related to IT?
- Which margin levers remain as many of them have been milked to the maximum extent during the last few years of slow growth.
- Will the compensation increases be large as previously planned as demand uncertainty has picked up.
- Thoughts on likely changes to the H1-B visa program and how prepared they are to face problems if they crop up.
- Manufacturing: How are the anticipated supply-side disruptions due to tariffs impact the sector, especially in the automotive segment.
- What will be the structure of a Gen AI infused IT services organization? Will it be flatter on the delivery side, and would it require employees with more experience and therefore increase the average resource cost? What is the improvement in revenue per capita anticipated in the coming days.
- There has been considerable talk of a new revenue stream from mainframe modernization – hitherto untouched – using Gen AI by various services providers. Have any revenues been clocked or is it that players are talking only about its potential

- There have been several guidance reductions, layoffs of employees and closure of stores by various retail players in the US. Are we reaching another point of weakness in the retail vertical which is a sizable exposure for Indian players.
- Global currency volatility will be a major factor affecting profitability. While a stronger dollar (and hence a weaker INR) benefits most IT companies, the weakness of currencies like the EUR, GBP, JPY, and AUD is likely to offset these gains (cross currency impact)
- **Gen AI:** Data around traction here. Enterprises remain cautious regarding Gen AI, carefully considering ROI and taking time to thoroughly assess potential returns before committing to adoption. As Accenture had said in their results that while many clients are eager to explore AI, the overall spending environment remains cautious, with most prioritizing AI spending within their existing budgets rather than increasing overall budgets.

**Fig 1 – Performance of stocks and indices**

Stock Performance (%)	CY22	CY23	CY24	1QCY23	2QCY23	3QCY23	4QCY23	1QCY24	2QCY24	3QCY24	4QCY24	QTD
TCS	(12.9)	18.8	8.4	0.4	3.0	6.9	7.5	2.7	0.7	9.3	(4.1)	(10.5)
Infosys	(20.1)	2.3	22.5	(5.3)	(6.5)	7.5	7.5	(2.9)	5.2	19.7	0.2	(16.5)
HCL Tech	(21.2)	41.1	30.8	4.4	9.5	3.9	18.7	5.3	(5.4)	23.1	6.8	(16.7)
Wipro	(45.1)	20.0	28.1	(7.0)	6.5	4.3	16.1	1.9	7.2	5.2	11.5	(13.1)
LTIM	(40.5)	44.2	(11.3)	9.0	9.2	0.2	20.8	(21.5)	9.0	16.0	(10.5)	(19.6)
Tech Mahindra	(41.4)	25.2	34.1	8.4	2.6	8.1	4.1	(1.9)	14.6	10.3	8.2	(16.9)
Firstsource	(44.1)	80.7	103.4	3.1	20.7	31.6	10.3	6.9	6.2	48.2	20.8	(9.5)
Eclerx	(26.5)	102.6	34.4	0.9	25.9	10.9	43.8	(8.7)	2.2	24.3	15.8	(20.3)
Mphasis	(41.9)	38.9	3.9	(9.0)	5.5	25.4	15.3	(12.8)	2.9	22.5	(5.4)	(12.2)
Persistent	(21.1)	91.3	74.8	19.1	8.7	15.9	27.5	7.8	6.4	28.5	18.5	(14.6)
Coforge	(34.1)	61.5	54.0	(1.8)	23.5	8.3	22.9	(12.3)	(0.8)	28.5	37.7	(16.1)
Birlasoft	(45.2)	141.4	(22.3)	(12.6)	37.4	34.7	49.2	2.9	(7.0)	(12.8)	(6.9)	(30.8)
Zensar	(59.2)	186.7	23.1	28.8	41.0	33.7	18.0	(0.6)	23.2	(9.6)	11.3	(6.8)
LTTS	(34.2)	42.7	(9.8)	(8.3)	16.5	16.3	14.8	4.3	(10.5)	8.9	(11.4)	(5.0)
Tata Elxsi	7.1	39.3	(22.4)	(5.2)	27.3	(4.8)	21.1	(11.1)	(10.1)	10.3	(12.0)	(23.3)
KPIT Infotech	14.9	115.0	(3.2)	31.4	17.8	5.7	31.4	(1.8)	10.0	(0.4)	(10.0)	(10.7)
Cyient	(20.7)	182.7	(19.9)	22.7	50.8	12.9	35.3	(12.9)	(8.0)	2.4	(2.3)	(31.2)
Mastek	(43.4)	64.9	5.7	(9.8)	26.1	23.5	17.4	(9.7)	7.2	(4.7)	14.6	(26.8)
Newgen Software	(38.9)	333.7	117.9	25.1	50.6	32.7	73.5	1.8	22.2	38.0	26.9	(41.5)
Happiest Minds	(32.0)	1.7	(18.0)	(12.9)	27.4	(10.6)	2.4	(16.9)	9.8	(1.1)	(9.1)	(18.8)
HGS	(19.5)	(25.6)	(29.8)	(22.6)	4.8	(7.0)	(1.4)	(25.4)	13.6	(3.2)	(14.5)	(33.0)
Intellect Design	(39.9)	87.5	14.3	(8.0)	53.1	12.4	18.4	31.1	(2.6)	(9.9)	(0.6)	(27.5)
OFSS	(23.7)	39.3	203.6	8.0	18.2	6.5	2.5	108.3	12.6	16.0	11.6	(38.6)
Ramco Systems	(46.4)	14.8	45.2	(24.7)	33.6	29.5	(11.9)	(9.1)	23.2	21.4	6.8	(21.8)
DXC	(17.7)	33.5	23.8	(3.5)	4.5	(22.0)	9.8	(7.3)	(10.0)	8.7	(3.7)	(13.0)
Endava	(54.4)	30.7	68.8	(12.2)	(22.9)	10.7	35.7	(51.1)	(23.1)	(12.7)	21.0	(33.1)
Cognizant	(35.5)	70.4	139.0	6.5	7.1	3.8	11.5	(3.0)	(7.2)	13.5	(0.4)	0.9
Accenture	(35.6)	141.4	(22.3)	7.1	8.0	(0.5)	14.3	(1.2)	(12.5)	16.5	(0.5)	(12.3)
Globant SA	(46.5)	64.9	5.7	(2.5)	9.6	10.1	20.3	(15.2)	(11.7)	11.2	8.2	(41.1)
Epam Systems INC	(51.0)	186.7	23.1	(8.8)	(24.8)	13.8	16.3	(7.1)	(31.9)	5.8	17.5	(25.5)
Cap Gemini	(27.6)	333.7	117.9	9.5	1.6	(4.5)	13.8	13.0	(12.9)	4.4	(18.5)	(7.0)
Genpact	(12.7)	1.7	(18.0)	(0.2)	(18.7)	(3.6)	(4.1)	(5.1)	(2.3)	21.8	9.5	18.2
Perficient Inc	(46.0)	(25.6)	(29.8)	3.4	15.4	(30.6)	13.8	(14.5)	32.9	0.9	NA	NA

Stock Performance (%)	CY22	CY23	CY24	1QCY23	2QCY23	3QCY23	4QCY23	1QCY24	2QCY24	3QCY24	4QCY24	QTD
Thought Works Inc	(62.0)	(5.7)	NA	(27.8)	2.6	(46.0)	17.9	(47.4)	12.3	55.6	NA	NA
Just Dial	(26.5)	115.0	(3.2)	(0.9)	24.1	(1.3)	10.0	0.1	28.0	12.3	(14.0)	(17.9)
Infoedge	(29.5)	(25.1)	23.7	(5.3)	20.4	(7.1)	23.4	8.8	21.3	19.4	7.1	(17.2)
Makemytrip	(0.5)	(52.8)	NA	(11.2)	10.3	50.2	15.9	51.2	18.4	10.5	20.8	(5.7)
Zomato	(56.8)	108.6	124.8	(14.0)	47.2	35.2	21.9	47.2	10.1	36.3	1.7	(27.5)
Nykaa	(55.8)	12.3	(5.9)	(19.8)	19.6	3.1	13.5	(6.9)	8.9	10.9	(16.3)	9.4
Paytm	(60.2)	19.7	60.2	19.9	36.3	(1.2)	(25.9)	(36.6)	(0.2)	71.3	47.9	(23.0)
PB Infotech	(52.8)	77.3	165.4	42.5	9.1	9.8	3.8	41.5	24.3	15.9	30.2	(24.6)
Index Performance (%)												
Nasdaq	(33.0)	53.8	24.9	20.5	15.2	(3.1)	14.3	8.5	7.8	1.9	4.7	(5.8)
S&P 500	(19.4)	24.2	23.3	7.0	8.3	(3.6)	11.2	10.2	3.9	5.5	2.1	(3.2)
Stox 600	(12.9)	12.7	6.0	7.8	0.9	(2.5)	6.4	7.0	(0.2)	2.2	(2.9)	7.6
DAX	(12.3)	20.3	NA	12.2	3.3	(4.7)	8.9	10.4	(1.4)	6.0	NA	NA
Nikkei	(9.4)	28.2	NA	7.5	18.4	(4.0)	5.0	20.0	(1.5)	(4.2)	NA	NA
MSCI EM	(22.4)	7.0	5.1	3.5	(0.1)	(3.7)	7.4	1.6	4.4	7.8	(8.1)	5.1
Bovespa	NA	NA	NA	NA	15.9	(1.3)	15.1	(4.5)	(3.3)	6.4	NA	NA
HSCEI	(18.6)	(14.0)	26.4	3.9	(7.8)	(4.3)	(6.2)	0.7	9.0	18.6	(2.9)	19.0
NIFTY IT	(26.0)	24.1	22.0	0.3	3.0	7.5	11.7	(1.7)	3.6	16.0	3.3	(14.9)
NIFTY BANK	21.2	12.3	5.3	(5.5)	10.2	(0.4)	8.3	(2.4)	11.1	1.2	(4.0)	1.4
NIFTY FMCG	17.5	29.0	(0.3)	3.9	13.7	(1.1)	10.4	(5.3)	5.2	15.5	(13.3)	(5.7)
NIFTY AUTO	15.3	47.6	22.6	(2.9)	23.7	6.8	15.0	15.0	17.7	7.2	(15.5)	(6.7)
NIFTY ENERGY	14.3	29.4	5.1	(11.8)	8.2	10.6	22.5	16.6	7.1	5.3	(20.1)	(4.6)
NIFTY PHARMA	(11.4)	33.6	39.1	(4.6)	14.6	12.0	9.1	12.9	3.9	18.0	0.6	(9.7)
NIFTY METAL	21.8	18.7	8.4	(18.2)	12.9	10.1	16.6	3.5	18.9	3.9	(15.2)	5.1
NIFTY INFRA	6.1	39.1	15.9	(3.1)	12.7	8.8	17.0	14.1	9.6	4.8	(11.6)	(0.1)
NIFTYMIDCAP	3.5	46.6	23.9	(4.7)	19.0	13.4	13.9	4.1	15.9	7.9	(4.9)	(9.7)
NIFTY SMALLCAP	(13.8)	55.6	23.9	(7.6)	20.5	17.6	18.8	0.8	20.0	4.7	(2.1)	(14.2)
NIFTY	4.3	20.0	8.8	(4.1)	10.5	2.3	10.7	2.7	7.5	7.5	(8.4)	(0.5)
USD/INR				82.3	82.2	82.7	83.3	83.0	83.4	83.8	84.4	86.6

Source: Company, BOBCAPS Research; as on 28<sup>th</sup> March, 2025

**Fig 2 – Summary of financial performance by Indian IT services industry for 4QFY25**

Company Name	4QFY25E Revenue		QoQ CC		US\$ revenue growth (%)		EBIT Margin (%)		
	US\$ mn	Growth (%)	QoQ	YoY	4QFY24	3QFY25	4QFY25E		
TCS	7,516	0.5	(0.3)	2.1	26.0	24.5	25.0		
Infosys	4,933	0.4	(0.1)	8.1	20.1	21.3	20.5		
HCLT	3,491	(0.5)	(1.2)	1.8	17.6	19.5	17.9		
Wipro	2,617	-	(0.5)	(1.5)	15.9	17.3	17.1		
Tech Mahindra	1,556	0.0	(0.7)	0.5	7.4	10.2	10.2		
LTI Mindtree	1,144	1.0	0.5	7.0	14.7	13.8	14.3		
Mphasis	422	1.0	0.6	2.8	14.9	15.3	15.5		
Persistent Systems	376	5.0	4.5	21.1	14.5	14.9	15.3		
Coforge	409	4.0	3.1	42.7	14.4	11.8	11.8		
Birlasoft	160	-	(0.2)	(2.1)	14.7	10.4	11.0		
Zensar	161	3.0	2.4	8.6	14.6	13.8	13.4		
Firstsource	255	3.0	2.4	26.8	11.0	11.1	11.4		
Eclerx	104	4.3	3.7	13.6	21.1	20.0	20.6		

Source: Company, BOBCAPS Research.

**Fig 3 – TCS**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	7,363	7,539	7,516	(0.30)	2.08
Revenue (Rs mn)	612,370	639,730	650,141	1.63	6.17
EBIT (Rs mn)	159,180	156,570	162,473	3.77	2.07
PAT (Rs mn)	124,340	123,800	129,279	4.43	3.97
EBIT Margin (%)	26.0	24.5	25.0	52bps	(100bps)
PAT Margin (%)	20.3	19.4	19.9	53bps	(42bps)

Source: Company, BOBCAPS Research

**Fig 4 – Infosys**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	4,564	4,939	4,933	(0.12)	8.08
Revenue (Rs mn)	379,230	417,640	426,700	2.17	12.52
EBIT (Rs mn)	76,210	89,120	87,490	(1.83)	14.80
PAT (Rs mn)	79,690	68,060	67,070	(1.45)	(15.84)
EBIT Margin (%)	20.1	21.3	20.5	(84bps)	41bps
PAT Margin (%)	21.0	16.3	15.7	(58bps)	(530bps)

Source: Company, BOBCAPS Research

**Fig 5 – HCL Technologies**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	3,430	3,533	3,491	(1.20)	1.77
Revenue (Rs mn)	284,990	298,900	301,940	1.02	5.95
EBIT (Rs mn)	50,180	58,210	53,918	(7.37)	7.45
PAT (Rs mn)	39,860	45,910	42,695	(7.00)	7.11
EBIT Margin (%)	17.61	19.47	17.86	(162bps)	25bps
PAT Margin (%)	13.99	15.36	14.14	(122bps)	15bps

Source: Company, BOBCAPS Research

**Fig 6 – Wipro**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	2,657	2,629	2,617	(0.45)	(1.51)
Revenue (Rs mn)	222,083	223,188	227,221	1.81	2.31
EBIT (Rs mn)	35,373	38,503	38,923	1.09	10.04
PAT (Rs mn)	28,346	33,075	34,076	3.03	20.21
EBIT Margin (%)	15.93	17.25	17.13	(12bps)	120bps
PAT Margin (%)	12.76	14.82	15.00	18bps	223bps

Source: Company, BOBCAPS Research

**Fig 7 – Tech Mahindra**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	1,548	1,567	1,556	(0.70)	0.54
Revenue (Rs mn)	128,713	132,856	134,637	1.34	4.60
EBIT (Rs mn)	9,464	13,502	13,800	2.21	45.82
PAT (Rs mn)	6,610	9,832	10,682	8.64	61.60
EBIT Margin (%)	7.4	10.2	10.2	9bps	290bps
PAT Margin (%)	5.1	7.4	7.9	53bps	280bps

Source: Company, BOBCAPS Research

**Fig 8 – LTI Mindtree**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	1,069	1,139	1,144	0.50	7.01
Revenue (Rs mn)	88,929	96,609	98,985	2.46	11.31
EBIT (Rs mn)	13,087	13,289	14,180	6.71	8.35
PAT (Rs mn)	11,007	10,867	12,092	11.27	9.86
EBIT Margin (%)	14.72	13.76	14.33	57bps	(39bps)
PAT Margin (%)	12.38	11.25	12.22	97bps	(16bps)

Source: Company, BOBCAPS Research

**Fig 9 – Mphasis**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	411	419	422	0.65	2.75
Revenue (Rs mn)	34,121	35,613	36,504	2.50	6.99
EBIT (Rs mn)	5,081	5,458	5,656	3.63	11.33
PAT (Rs mn)	3,933	4,280	4,481	4.69	13.93
EBIT Margin (%)	14.89	15.33	15.49	17bps	61bps
PAT Margin (%)	11.53	12.02	12.27	26bps	75bps

Source: Company, BOBCAPS Research

**Fig 10 – Persistent Systems**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	311	360	376	4.48	21.07
Revenue (Rs mn)	25,906	30,623	32,558	6.32	25.68
EBIT (Rs mn)	3,745	4,557	4,997	9.66	33.43
PAT (Rs mn)	3,154	3,730	3,769	1.04	19.48
EBIT Margin (%)	14.46	14.88	15.35	47bps	89bps
PAT Margin (%)	12.18	12.18	11.58	(60bps)	(60bps)

Source: Company, BOBCAPS Research

**Fig 11 – Coforge**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	287	397	409	3.09	42.73
Revenue (Rs mn)	23,585	33,182	35,409	6.71	50.13
EBIT (Rs mn)	3,405	3,922	4,192	6.88	23.10
PAT (Rs mn)	2,238	2,155	2,724	26.40	21.71
EBIT Margin (%)	14.4	11.8	11.8	2bps	(260bps)
PAT Margin (%)	9.5	6.5	7.7	120bps	(180bps)

Source: Company, BOBCAPS Research

**Fig 12 – Birlasoft**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	164	161	160	(0.25)	(2.14)
Revenue (Rs mn)	13,625	13,627	13,874	1.82	1.83
EBIT (Rs mn)	2,006	1,422	1,530	7.65	(23.71)
PAT (Rs mn)	1,801	1,169	1,265	8.15	(29.77)
EBIT Margin (%)	14.7	10.4	11.0	60bps	(369bps)
PAT Margin (%)	13.2	8.6	9.1	53bps	(410bps)

Source: Company, BOBCAPS Research

**Fig 13 – Zensar Technologies**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	148	157	161	2.43	8.59
Revenue (Rs mn)	12,297	13,256	13,911	4.94	13.13
EBIT (Rs mn)	1,793	1,832	1,869	2.04	4.26
PAT (Rs mn)	1,733	1,597	1,623	1.62	(6.35)
EBIT Margin (%)	14.6	13.8	13.4	(38bps)	(114bps)
PAT Margin (%)	14.1	12.0	11.7	(38bps)	(243bps)

Source: Company, BOBCAPS Research

**Fig 14 – Firstsource Solutions**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	201	249	255	2.38	26.83
Revenue (Rs mn)	16,705	21,024	22,052	4.89	32.01
EBIT (Rs mn)	1,831	2,333	2,518	7.93	37.50
PAT (Rs mn)	1,336	1,603	1,762	9.93	31.87
EBIT Margin (%)	10.96	11.10	11.42	32bps	46bps
PAT Margin (%)	8.00	7.62	7.99	37bps	(1bps)

Source: Company, BOBCAPS Research

**Fig 15 – Eclerx**

	4QFY24	3QFY25	4QFY25E	QoQ growth (%)	YoY growth (%)
Revenue (US\$ mn)	92	101	104	3.74	13.63
Revenue (Rs mn)	7,665	8,538	9,033	5.79	17.84
EBIT (Rs mn)	1,620	1,709	1,860	8.87	14.81
PAT (Rs mn)	1,305	1,371	1,424	3.86	9.06
EBIT Margin (%)	21.1	20.0	20.6	58bps	(54bps)
PAT Margin (%)	17.0	16.1	15.8	(29bps)	(127bps)

Source: Company, BOBCAPS Research

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