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IT SERVICES

16 September 2026

Macro will weigh down as much as AI near term

- **~15.5ppt OP of Nifty IT versus Nifty QTD is not presaging a growth pick up in the next 18 months or lower AI disruption risks, in our view**
- **Some Tier-2 PEs show unsustainably high growth scarcity premia. Tier-1s at similar size clocked much faster growth at lower PEs 20 yrs back**
- **Reiterate UW. Retain estimates and below consensus multiples which factor prolonged slow growth and AI disruption risk**

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Points tackled in this note: (1) macro risks raise their head again (2) AI deflation headwind will play out at least till FY29. Believe slower AI capex will not make a difference near term (3) IT services players are being edged out in enterprise IT spend on lower bargaining power (4) Examining Tier-2 growth scarcity premium

2HFY27/FY28 looks subdued: Lowering of organic revenue for 2026 by global players implies a 2HFY27 growth uptick for Indian players is highly unlikely. Current adverse global macro (rise in commodities, rising DM bond yields, resurfacing of Tariff concerns) is likely to add to client anxieties that led to postponement of discretionary projects/delayed ramp ups in 2025/1H2026. If these do not subside by end of 2026, they are likely to adversely impact FY28 spending plans.

There is a structural overlay of AI deflation/disruption impact: Believe AI deflation risks will last till FY29 at least. Believe, clients are redistributing savings to other players in the IT ecosystem who have greater bargaining power. While Business AI has been touted to be the mega opportunity, we believe new players (AI labs, Hyperscalers and new entrants) will vie for the enterprise spend Believe slowing down of AI capex, as is being currently debated, is not going to have a positive impact on IT services spend near term

Unsustainable growth scarcity premium: In chasing pockets of growth, market, we believe, is giving unsustainable scarcity premium to certain Tier-2 players. Today's Tier-1s (at similar size 20 years back) delivered much faster growth and in a more benign demand environment but traded at lower PE multiples. Besides weaker growth, Tier-2s of today are facing a more hostile environment.

We stick to our low target PE multiples. Considering much weaker growth and more importantly AI disruption risks, we have used lower than consensus Target PE multiples (see valuation section inside). Based on this we now have 6 Sells and 6 Holds and 1 Buy. A reverse DCF analysis of Infosys (as an example) indicates CMP implies mid-single digit FCF growth over next 10 years and a similar terminal rate of growth. We do not think that is conservative enough.

Recommendation snapshot

Ticker	Price	Target	Rating
BSOFT IN	286	252	SELL
COFORGE IN	1,776	1,236	SELL
ECLX IN	1,895	1,855	HOLD
FSOL IN	283	343	BUY
HCLT IN	1,254	1,081	SELL
INFO IN	1,077	1,150	HOLD
LTM IN	4,347	4,042	SELL
MPHL IN	2,378	2,246	HOLD
PSYS IN	5,478	3,510	SELL
TCS IN	2,251	2,002	SELL
TECHM IN	1,576	1,625	HOLD
WPRO IN	170	178	HOLD
ZENT IN	440	427	HOLD

Price & Target in Rupees | Price as of 15 Sep 2026

Industry growth unlikely to pick up anytime soon

The QTD outperformance by ~15.5ppt of Nifty IT versus Nifty is not presaging a material pickup in revenue growth in 2HFY27 or FY28, in our view. Some of our bullish competitors may take the view that after 4 straight years of weak revenue growth in the low single digit territory in USD terms, the sector is set for growth pick up into the mid to high single digits (in CC/USD terms) in FY28 and beyond. At the most some companies may display sharp stock price rebounds on optically low valuation, market positioning and FOMO a supposed turnaround.

Macro conditions have taken a turn for the worse. Higher level of AI deflation is on the cards in the next 18-30 months as some of the older contracts come up for renewal. All of these indicate subdued growth at least till FY29.

Macro conditions have started to deteriorate again

Macro conditions – (1) developed market government bond yields, (2) commodity inflation- across both hard and soft commodities, (3) tariff related friction - have not only resurfaced but have taken on a more adverse turn compared to what we have been witness to in the last 6 months.

During the last 21 months the industry has been facing significant macro-economic and geopolitical challenges. Thes have in the form of unilateral and high tariffs on goods by US, the US-Iran war since February 2026 being the key ones. This has led to project cancellations, postponements, discretionary spending cutbacks, cost take outs and vendor consolidation moves.

Even before the recent deterioration in the relations between Iran and USA (the second episode in the 6-month-old war), many global IT services companies had signaled a weaker 2026 organic growth in the last few months driven by lack of discretionary spending in many client sectors, delayed decision making on the back of both Macro and AI related factors. These were also exacerbated by deflation headwinds from AI (which were offset to some extent by Advanced AI related new services).

Fig 1 – Organic growth has been reduced by many global IT services companies over the last 3 months

Company	Period in discussion	Organic revenue growth guidance change	Comment
Accenture	FY26 (August YE)	Lowered by 50bps to 2%	
Capgemini	2026	Lifted from 2.75% to 3.75%.	However, organic growth of 4.8% in 1H decelerates to ~2.75% for 2H.
Cognizant	2026	Lowered from 3.75% at the midpoint to 3.25%.	
Infosys	FY27 (March YE)	Reduced from 2.25% to 0.55%	
Epam	2026	Reduced to 2.5% from 3.75%	

Source: Companies, BOBCAPS Research

With announcement of a ceasefire and ongoing talks there was an expectation that the US-Iran conflict would cool down leading to cool off in Crude and other commodities, inflation, yields, etc. However, all that has been reversed with the turn of recent events.

DM market government bond yields (US, UK, Europe, Japan, etc) are at their highest in the last 15-20 years as US/DM fiscal deficits have not been contained, there is competition for debt capital to fund AI capex, inflation in the US and many DMs have been above targeted levels. Besides we have seen new fronts open in the Tariff fight say between US and Canada which could impact US manufacturing players.

All of these could have an adverse impact on spending decisions for consumer and manufacturing segments of the US/DM economies and consequently on IT spends - whether to start new projects, continue with existing ones or push vendors to cut costs on annuity ones.

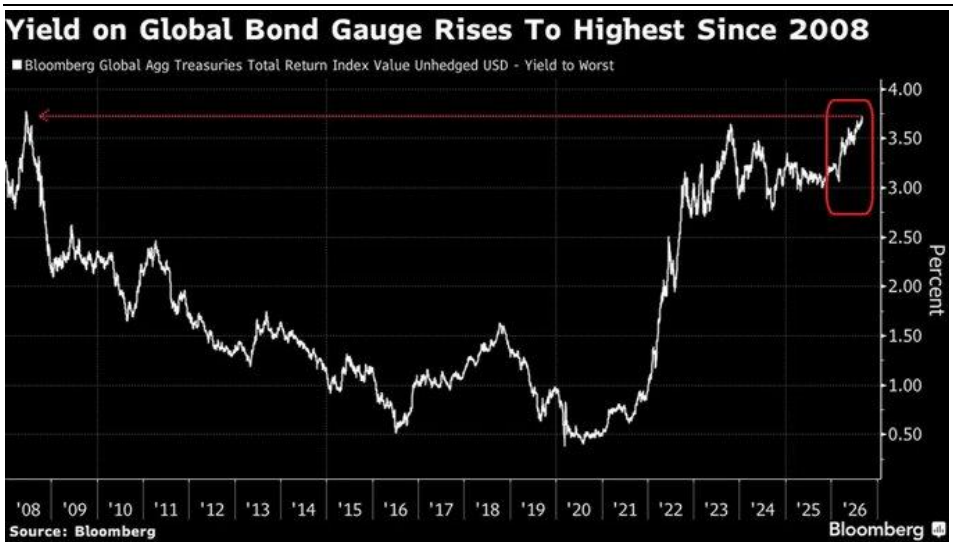
Higher inflation could lead to lower consumer purchasing power and the inability of enterprises to pass on higher input costs to end customers impacting their margins. As can be seen in Fig 2 the commodity complex (combination of both hard and soft commodities) has risen to levels not seen in the last 15/20 years. The US economy and employment seem to be holding up quite well due to large fiscal spending and investment into AI infrastructure by various players.

Developed market – DM – yields are at levels not seen since GFC and will have an impact on various interest rate sensitive sectors like Housing/Auto which are key to the DM economies.

Fig 2 – Bloomberg commodity Index is at 15-year highs

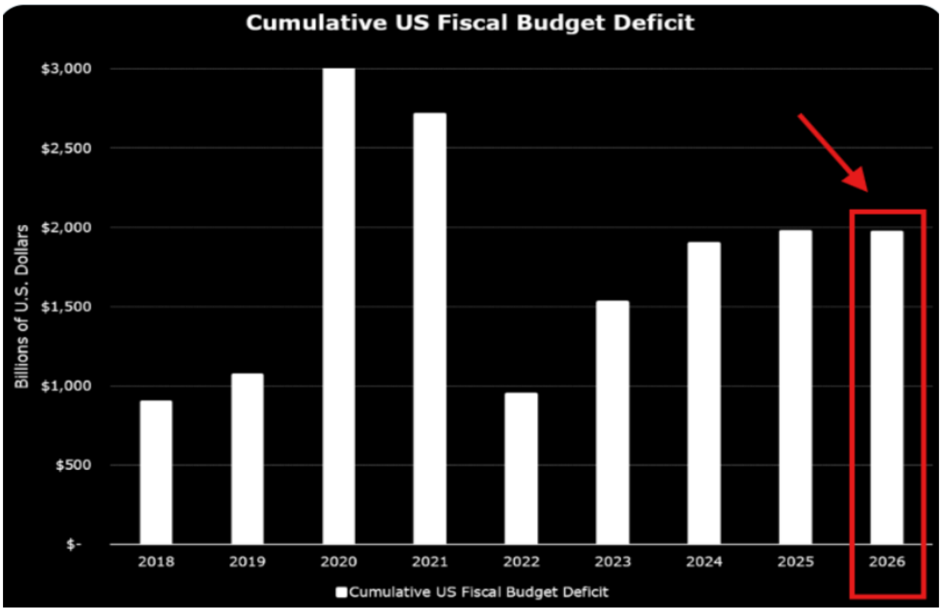
Source: Bloomberg, BOBCAPS Research

Fig 3 – DM yields have collectively moved to pre-GFC peaks across major economies



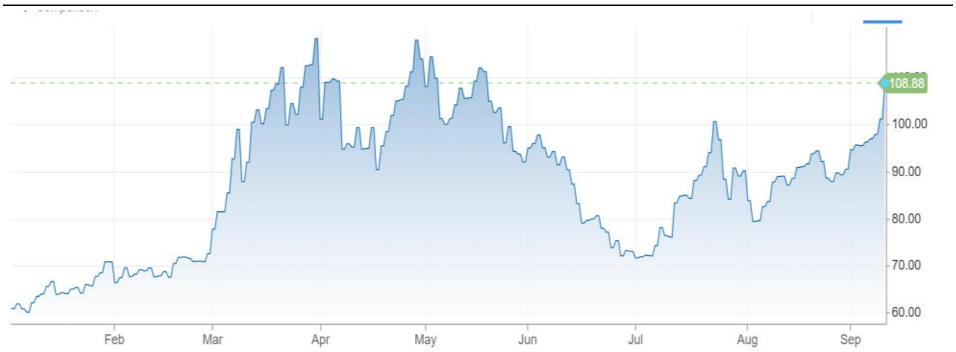
Source: Bloomberg, BOBCAPS Research

Fig 4 – US fiscal deficit has not been under control during Trump 2.0



Source: Bloomberg, BOBCAPS Research

Fig 5 – Brent crude has almost hit US$110/bl again due to recent US-Iran flareup



Source: Yahoo Finance, BOBCAPS Research

Fig 6 – US 10-year Govt Bond yield is at 5%...

Source: Bloomberg, BOBCAPS Research

Fig 7 – US 30-year mortgage rate is rising towards 7% and refinancing activity is subdued.

Source: Bloomberg, BOBCAPS Research

US- Canada Tariff Tensions

Based on various media sources we understand that the US- Canada Tariff tension has ratcheted up in recent months. This could have some impact on US corporations Here is a timeline of various events in 2026

Supreme Court Intervention (February 2026): In a landmark ruling (Learning Resources, Inc. v. Trump), the U.S. Supreme Court struck down the initial emergency tariffs Trump had enacted against Canada and Mexico under the International Emergency Economic Powers Act.

New U.S. Global Tariff (Early 2026): In response to the Supreme Court ruling, Trump announced a new temporary 10% global tariff, though CUSMA-compliant Canadian products were largely exempted once again.

U**.S. Metal Tariff Adjustments (June 2026):** On June 8, 2026, the U.S. reduced tariffs on specific machinery from 25% to 15%, but non-U.S. content in CUSMA-compliant Canadian goods still faced complex duty assessments.

USMCA/CUSMA Review Tensions (July 2026): During a required joint review on July 1, 2026, the U.S. refused to extend the CUSMA agreement for another 16 years, meaning the trade pact is now subject to high-stakes annual reviews until 2036.

Steep 50% U.S. Tariffs Ordered (July 2026): On July 20, 2026, President Trump signed proclamations imposing severe 50% tariffs on a broad range of Canadian products. These tariffs officially went into effect on August 22, 2026.

Canada's Unprecedented Retaliation (September 2026): In response to the 50% U.S. duties, Canada implemented massive counter-tariffs of 15%, 25%, and 50% on approximately C$27.6 billion of U.S. imports, which just took effect on September 8, 2026.

AI deflation risks will continue till at least FY29

Since November 2022 the industry has been facing structural and business model pressure from use of Generative AI and Frontier models like Claude, ChatGpt and Gemini. While the industry has faced relatively gentle deflation till February 2026, it accelerated when dramatically improved versions of AI models were released since February 2026 by various AI labs like Anthropic and OpenAI. These models also with the usage of tools infused into them have led to situations where considerable human labor/intelligence could be displaced.

Since most large contracts are for 3-5 years, we believe these will definitely face deflation risks in the period of FY26-FY29, at the very least as they are renewed. Possibly the customers may force AI deflation on vendors even before the renewal date.

The continuous release of improved versions of these frontier AI models has led to greater levels of deflation in various types of IT/ITES work as labor intensity reduced immensely.

Investors who find value in IT services stocks now, we think, have the view that the current AI disruption is similar to the number of technology shifts that the industry successfully navigated during the last 25-30 years whereas we think this is an operating model change and the disruption is more drastic and structural in nature and may put the cost effective offshore delivery driven IT/ITES model at greater risk than anything else in the last 25-30 years. As we mentioned in our 17 Feb 2026 note (**Existential threat, value trap or Temporary blip**) we think it is as seminal as the offshore delivery value migration that global IT services industry saw during 1995-2005 which resulted in some of the then incumbent leaders in global IT services losing market share/market value and becoming less relevant to their clients and to investors. Those incumbents that executed offshore shift properly not only survived but also thrived (Accenture and Capgemini, to a lesser extent).

We do not think the Global IT/IT enabled services industry faces existential risk – but we believe many of the incumbent players likely do if they do not pivot to the new model. It is difficult to point to winners of the next phase currently. The game is no longer an offshore scale play as it was for the last 25 years. It is going to be one of smaller teams with greater understanding of technology as well as domain and business processes.

Enterprise-wide AI reinvention/transformation (which is what vendors want enterprise clients to undertake) may be slower to pick up than digital.

Except for productivity related AI spending on very specific areas where ROI is clear, ROI on enterprise-wide AI reinvention services is weak due to significant upfront spending for preparing companies to implement it (in moving to the cloud, data modernization and cyber security).

- There is also no catalyst to push AI spending unlike what Digital saw during the pandemic. Successful AI transformations that lead to significant profit pool and market share/market cap shifts will be drivers. That is likely to be a slow process. The AI ecosystem is trying to force a faster pace but we believe unless there is a clear catalyst the pace will not pick up. It is because we do not agree with the narrative that a slowdown in AI Capex (as is being currently debated in the US among the AI labs) will lead to a IT services pick up.

- Spending fatigue on technology. There was significant spending forced on enterprises during the pandemic in the not-too-distant past – 2020-2022. 'Compressed transformation' resulted in pulling forward of spending that was to be done over multiple future years. Enterprise clients may not want to be forced into another high spending cycle so soon.
- AI frontier models evolving at a rapid pace and enterprise CIOs may want the technology to mature. They may not be comfortable with a vendor lock in or obsolescence at this stage of the AI technology development cycle.
- Enterprise-wide AI reinvention projects that employ AI agents require significant workflow redesign that possibly involve multiple departments. It would require top management (possibly CEO level) sponsorship and bandwidth and patience. There could also be significant people displacement and change in power structures within companies, all of which may lead to delayed decision making.
- While AI technology is evolving at a very rapid pace and there is discussion around autonomous agents running large organizations in a very cost-effective fashion, the governance of these agents is falling behind. Therefore, their uptake by regulated and mission critical industries may be slower.
- Believe enterprises will likely not want to be guinea pigs as the technology and processes are tested and refined. They may want to be followers rather than first movers.
- Continued deflation in broader areas of IT/ITES spend as AI frontier models become better in capability and add more tools. We think the surface area of deflation may increase over time.
- Legacy modernization (of hitherto untouched parts) has been indicated to be a new area of growth. These legacy technologies (which are mission critical) may be left alone for some more time as the AI models improve in accuracy. We are also not sure to what extent it can offset the deflation in other services.
- While offshore outsourcers were important when one did large volume work at low cost, we believe the AI reinvention services require people with greater level of skills (both technology and domain related). We are not sure about the supply of FDEs (forward deployed engineers).

There is going to be greater fragmentation of the market in AI enterprise reinvention services. The competitive landscape is going to expand materially as cost effective execution with a large army of offshore talent is unlikely to be a big differentiator

- Deployment companies launched by various players like Anthropic, Open AI, Microsoft, Google, etc will be new players to contend with. Many of these have been backed by large private equity companies which have a large portfolio of enterprises who will be the first set of clients these deployment companies will work with. Unlike the professional services set ups that multiple software companies have tried to build in the past (and which did not take off in a big way) we think the focus on lean teams of FDEs make them relevant in this new era. We believe Anthropic and Open AI would want to capture more of the enterprise technology spends and would try to eat into the profit pools of IT services and enterprise software players. To justify their high private market valuations.

- Multiple startups in this space will nibble away at the opportunity. We believe enterprises would be open to experimenting with vendors as they have done so at the onset of such cycles in the past. Like 8090 (of Chamath Palihapitiya) and Hang Ten systems (floated by Vishal Sikka, ex-CEO of Infosys). These have been among the higher profile startups. We also see a number of senior management personnel of incumbent IT services companies step out and incubate entities that have hit the ground running as they have strong client relationships, understand client pain points and do not require an army of execution staff and are able to price their services at very competitive rates against incumbents

- Palantir, which is the pioneer of the FDE model has started shifting a lot more of its attention to the commercial market compared to the defense and government markets that have traditionally been addressed in the past. We expect it to be a key player in the commercial market going forward especially in the US. It is very difficult to define Palantir's work – whether it falls in the domain of SAAS or in IT services. Palantir has been touting sovereignty as a key factor while selling its services to enterprise clients.

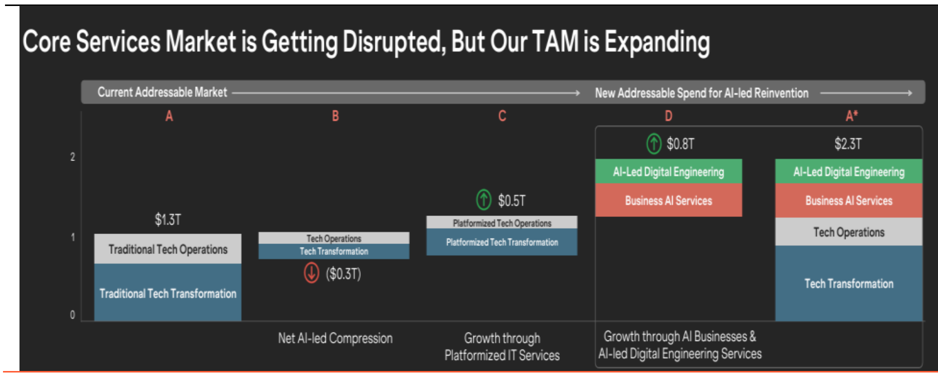
Expect lower level of outsourcing

- Without the necessity of a large body of offshore talent, we believe enterprises may want to (for competitive reasons) redesign workflows and keep them internally (onsite or in their GCCs). So, we think that could also lead to some insourcing of work. We saw that with Opendoor (US real estate technology company) for instance recently.

- We believe AI reinvention services require strong domain and workflow specific skills which we believe reside internally in enterprises.

Expansion of TAM has been a key driver of the optimistic narrative of several Indian players

Fig 8 – Core services impacted but TAM expands due to AI – says LTM



Source: LTM, BOBCAPS Research

- To counter the pessimism around deflation (which has moved from 10-15% pre Frontier AI models to 20-30% now as can be seen in the presentation of LTM in Fig 8) Indian IT services industry, IT services players have been building a counter narrative in the last few months during their analyst days. This has been in the form of expansion in TAM that they have been espousing.
- Much of this expansion has been the result of a move to 'AI in business' from 'AI in IT'. Which is largely a new area for the Indian IT services industry. 'AI in IT' is largely a deflationary story currently.
- We believe 'AI in business' story is one of redesign of work and workflows and use of AI agents. While the market around this is very significant (Cognizant during its recent analyst day indicated that the TAM would expand from US$1trn to US$6trn) there is no timeline when this TAM will play out. This would involve a partial hollowing of the services sector in the developed markets with human employees replaced by AI agents. Besides the usual issues around AI governance, Trust and Guard rails, we believe the industry will have to handle issues around loss of white-collar jobs which are politically sensitive. While this remains a large opportunity, we do not see immediate acceleration.

Lower Bargaining power of IT services industry

A look at the growth shown by hyperscalers and other enterprise software companies (see Fig 9) shows where the current enterprise IT spend is moving. Enterprises seem to be making space in their P&Ls and balance sheets for these companies as they seem to have much higher bargaining power while also funneling savings from their IT services vendors (who collectively are growing in the low single digit rate organically).

We believe some of the faster growth YoY is also due to bundling of AI capabilities into their software. With many of them ratcheting up their capex on AI data centers, higher pricing for the enterprise software is the only way some of these companies get a payback. We think the token market has not developed enough to pay for the current elevated capex.

Fig 9 – YoY revenue growth of various entities that soak up Enterprise IT spend

(%)	AWS	GCP	Azure	SAP	SALESFORCE	ADOBE	SERVICENOW	Snowflake
1Q2024	17.2	28.4	21.4	9.3	10.7	11.3	24.2	32.9
2Q2024	18.7	28.8	19.6	8.5	8.4	10.2	22.2	28.9
3Q2024	19.1	35.0	20.4	10.4	8.3	10.6	22.2	28.3
4Q2024	18.9	30.1	18.7	9.7	7.6	11.1	21.3	27.4
1Q2025	16.9	28.1	20.8	8.7	7.6	10.3	18.6	25.7
2Q2025	17.5	31.7	25.6	14.7	9.8	10.6	22.4	31.8
3Q2025	20.2	33.5	28.2	14.0	8.6	10.7	21.8	28.7
4Q2025	23.6	47.8	28.8	12.7	12.1	10.5	20.7	30.1
1Q2026	28.4	63.4	29.6	17.9	13.3	12.0	22.1	33.5
2Q2026	36.8	81.8	31.6	12.2	10.8	12.7	24.0	35.1

Source: Companies, BOBCAPS Research

Excessive growth scarcity premium for selective Tier-2 players.

As can be seen in the Fig 11-13 certain Tier-2 companies like Persistent Systems and Coforge are trading at significantly higher PEs compared to the Tier-1 set. In some cases by as much 100%. We think this is excessive and is probably the result of funds trying to force fit their exposure to index weights of the sector (which are lower than where they were 5-10 years back).

An analysis of the current Tier-1s and their peak PE multiples in the FY04-FY08 era indicates that not only is the current organic revenue growth (low to mid-teens) inferior to that of players like Infosys, TCS and HCLT but they are commanding higher multiples. Unlike in the FY04-FY08 (when the current Tier-1s were of the same size as current Tier-2) when growth was much more organic, in a demand constrained environment with higher competitive intensity, Persistent and Coforge seem to be taking the inorganic route aggressively. Unlike the tuck in smaller acquisitions that they could easily manage, the acquisitions of Nagarro and Encora are of entities which are much larger in size have lower organic growth and have issues like a high Time and material exposure. These acquisitions carry large execution risks in our view, return ratio and stock dilution.

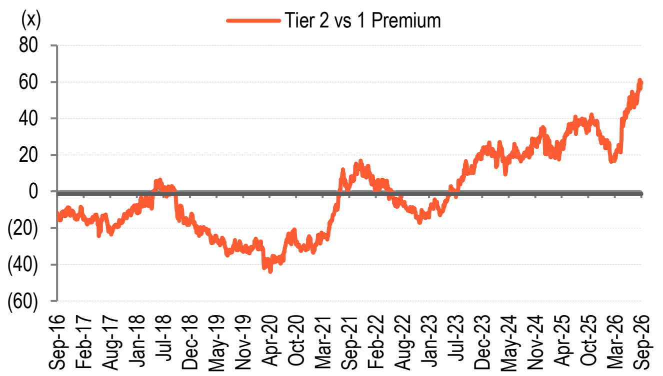
The current forward multiples for the two are 33x (Persistent) and 26x (Coforge) respectively (after large price and time corrections). Detailed notes on the two are given in the links in Fig 24

Fig 10 – Revenue growth CAGR of Tier-1 players 20 years back and the higher PE multiple that they traded at then

Company	FY2004 Revenue (USD M)	FY2008 Revenue (USD M)	4-Year CAGR (%)	Highest Fwd P/E (x)
Infosys	1,063	4,150	41	33
TCS	1,551	5,685	38	27
HCLT	565	1,875	35	23

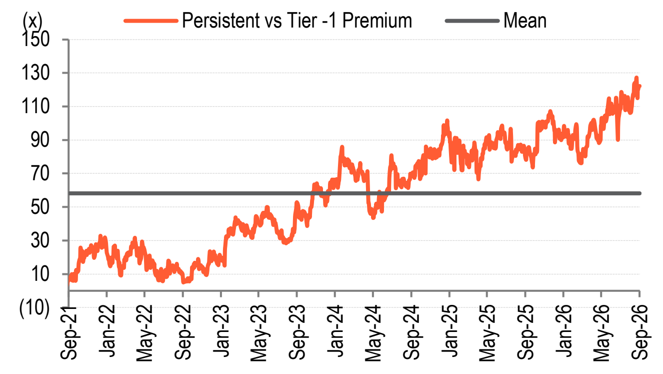
Source: Bloomberg, BOBCAPS Research

Fig 11 – Tier-2 versus Tier-1 (Sep 2016 – Sep 2026)



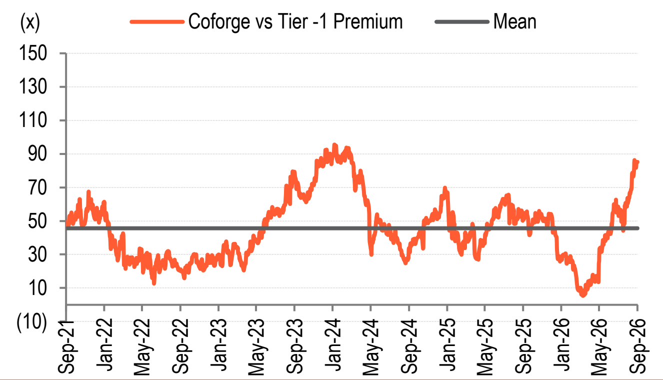
Source: Bloomberg, BOBCAPS Research

Fig 12 – PSYS vs Tier-1 (1 Yr Fwd PE comparison)



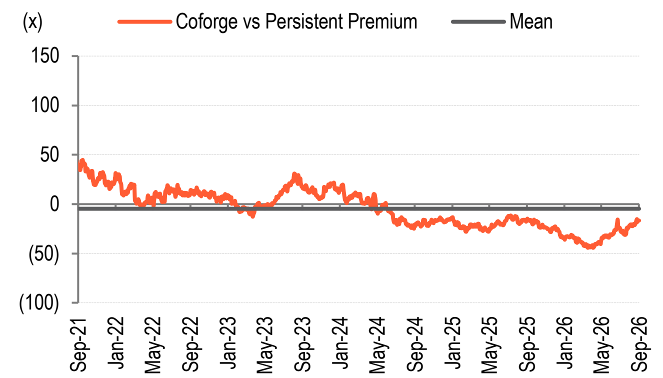
Source: Bloomberg, BOBCAPS Research

Fig 13 – Coforge vs Tier-1 (1 Yr Fwd PE comparison)



Source: Bloomberg, BOBCAPS Research

Fig 14 – Coforge vs Persistent (1 Yr Fwd PE comparison)



Source: Bloomberg, BOBCAPS Research

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Fig 15 – Performance of stocks and indices

Stock Performance (%)	CY23	CY24	CY25	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26	2QCY26	YTD	QTD	MTD
TCS	16.5	7.9	(21.7)	2.2	0.7	9.3	(4.1)	(11.9)	(4.0)	(16.6)	11.0	(26.4)	(13.9)	(29.8)	10.8	(6.2)
Infosys	2.3	21.8	(14.1)	(2.9)	4.6	19.7	0.2	(16.5)	2.0	(10.0)	12.0	(22.6)	(20.0)	(33.3)	7.7	(5.0)
HCL Tech	41.1	30.8	(15.3)	5.3	(5.4)	23.1	6.8	(16.9)	8.5	(19.9)	17.2	(17.4)	(20.1)	(22.8)	17.0	(4.5)
Wipro	20.0	28.1	(12.8)	1.9	7.2	5.2	11.5	(13.1)	1.4	(10.0)	10.0	(28.7)	(9.2)	(35.4)	(0.2)	(7.9)
LTIM	44.2	(11.3)	8.6	(21.5)	9.0	16.0	(10.5)	(19.6)	18.4	(3.0)	17.6	(33.8)	(11.9)	(28.3)	22.9	(4.3)
Tech Mahindra	25.2	34.1	(6.8)	(1.9)	14.6	10.3	8.2	(16.9)	18.9	(17.0)	13.6	(13.0)	1.5	(0.9)	12.2	(3.2)
Hexaware Tech	NA	NA	NA	NA	NA	NA	NA	NA	21.4	(21.2)	14.2	(44.5)	21.1	(32.4)	0.5	(6.7)
Firstsource	80.7	103.4	(10.7)	6.9	6.2	48.2	20.8	(9.5)	10.1	(12.2)	2.1	(39.1)	11.8	(15.6)	24.0	7.0
Eclerx	102.6	34.4	34.8	(8.7)	2.2	24.3	15.8	(20.3)	26.1	14.7	16.9	(40.9)	(4.5)	(19.3)	43.0	(4.2)
Sagility	NA	NA	3.1	NA	NA	NA	NA	(14.9)	(4.0)	3.5	21.9	(23.2)	(1.4)	(12.3)	15.7	(3.1)
Mphasis	38.9	3.9	(2.0)	(12.8)	2.9	22.5	(5.4)	(12.2)	13.8	(6.7)	5.1	(26.4)	5.3	(14.8)	10.0	(2.0)
Persistent	90.9	74.8	(2.9)	7.8	6.4	28.5	18.5	(14.6)	9.6	(20.2)	30.1	(22.2)	(11.3)	(12.7)	26.6	(2.1)
Coforge	61.5	54.0	(13.9)	(12.3)	(0.8)	28.5	37.7	(16.1)	18.7	(17.3)	4.5	(33.0)	31.5	6.8	21.1	(10.6)
Birlasoft	141.4	(22.3)	(22.7)	2.9	(7.0)	(12.8)	(6.9)	(30.8)	11.8	(18.6)	22.8	(23.3)	(13.9)	(33.9)	0.1	(1.6)
Zensar	186.7	23.1	(6.4)	(0.6)	23.2	(9.6)	11.3	(6.8)	20.2	(9.4)	(7.8)	(26.9)	(17.3)	(37.4)	3.5	(4.4)
LTTS	42.7	(9.8)	(5.8)	4.3	(10.5)	8.9	(11.4)	(5.0)	(2.2)	(6.5)	8.5	(30.0)	0.6	(25.4)	6.0	(7.8)
Tata Elxsi	39.3	(22.4)	(22.9)	(11.1)	(10.1)	10.3	(12.0)	(23.3)	21.0	(17.2)	0.3	(24.1)	(3.7)	(34.4)	(10.2)	(3.9)
KPIT Infotech	115.0	(3.2)	(19.9)	(1.8)	10.0	(0.4)	(10.0)	(10.7)	(3.7)	(12.8)	6.8	(45.9)	5.8	(52.0)	(16.2)	(3.8)
Cyient	182.7	(19.9)	(39.2)	(12.9)	(8.0)	2.4	(2.3)	(31.2)	1.9	(11.1)	(2.5)	(32.6)	15.8	(3.5)	23.7	(8.2)
Mastek	64.9	5.7	(31.1)	(9.7)	7.2	(4.7)	14.6	(26.8)	11.9	(10.1)	(6.5)	(34.6)	18.9	(19.4)	3.5	(5.5)
Newgen Software	333.7	117.9	(50.3)	1.8	22.2	38.0	26.9	(41.5)	17.6	(24.1)	(5.0)	(52.4)	17.2	(40.9)	5.9	(5.6)
Happiest Minds	1.7	(18.0)	(37.3)	(16.9)	9.8	(1.1)	(9.1)	(18.8)	9.9	(19.1)	(13.3)	(21.6)	(5.5)	(29.3)	(4.5)	(20.0)
HGS	(25.6)	(29.8)	(35.9)	(25.4)	13.6	(3.2)	(14.5)	(33.0)	19.8	(12.1)	(9.1)	(22.6)	19.8	(14.3)	(7.6)	(4.7)
Intellect Design	87.5	14.3	1.6	31.1	(2.6)	(9.9)	(0.6)	(27.5)	65.9	(15.2)	(0.4)	(38.4)	19.8	(31.8)	(7.6)	(2.7)
OFSS	39.3	203.6	(39.9)	108.3	12.6	16.0	11.6	(38.6)	14.5	(6.5)	(8.5)	(12.4)	60.1	53.5	9.5	(5.9)
Ramco Systems	14.8	45.2	34.1	(9.1)	23.2	21.4	6.8	(21.8)	23.4	21.0	14.9	(39.4)	143.0	0.1	(32.1)	(1.3)
DXC	33.5	23.8	(27.0)	(7.3)	(10.0)	8.7	(3.7)	(14.5)	(10.5)	(10.9)	7.5	(18.4)	(25.9)	(22.3)	28.7	0.8
Endava	30.7	68.8	(23.2)	(51.1)	(23.1)	(12.7)	21.0	(35.5)	(23.1)	(40.6)	(30.5)	(30.9)	(35.2)	(54.0)	2.8	(12.3)
Cognizant	70.4	139.0	(26.9)	(3.0)	(7.2)	13.5	(0.4)	(1.3)	2.8	(14.0)	23.8	(26.4)	(36.6)	(27.7)	54.9	(7.1)
Accenture	141.4	(22.3)	(22.7)	(1.2)	(12.5)	16.5	(0.5)	(13.5)	(1.8)	(17.5)	8.8	(26.4)	(37.0)	(31.5)	47.8	(3.1)
Globant SA	64.9	5.7	(31.1)	(15.2)	(11.7)	11.2	8.2	(44.7)	(23.3)	(36.8)	13.9	(30.1)	(36.6)	(42.3)	30.4	(7.3)
Epam Systems INC	186.7	23.1	(6.4)	(7.1)	(31.9)	5.8	17.5	(27.8)	4.7	(14.7)	35.9	(33.5)	(41.7)	(42.4)	48.6	0.1
Cap Gemini	333.7	117.9	(50.3)	13.0	(12.9)	4.4	(18.5)	(8.1)	(0.2)	(14.8)	15.1	(31.2)	(10.1)	(27.7)	17.0	(4.1)
Genpact	1.7	(18.0)	(37.3)	(5.1)	(2.3)	21.8	9.5	16.4	(12.0)	(4.8)	11.7	(19.9)	(26.6)	(24.9)	27.8	(7.5)
Perficient Inc	(25.6)	(29.8)	(35.9)	(14.5)	32.9	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Thought Works Inc	(5.7)	NA	NA	(47.4)	12.3	55.6	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Just Dial	115.0	(3.2)	(19.9)	0.1	28.0	12.3	(14.0)	(17.9)	13.9	(10.7)	(12.5)	(32.3)	7.0	(9.0)	25.7	(7.1)
Infoedge	(25.1)	23.7	8.9	8.8	21.3	19.4	7.1	(17.2)	3.6	(12.0)	1.9	(27.4)	1.1	(5.4)	29.0	(3.9)
Makemytrip	(52.8)	NA	NA	51.2	18.4	10.5	20.8	(7.8)	(5.3)	(4.5)	(12.3)	(55.7)	46.5	(39.0)	(6.0)	(14.0)
Eternal	108.6	124.8	0.0	47.2	10.1	36.3	1.7	(27.5)	31.0	23.2	(14.6)	(17.6)	15.6	13.4	19.1	(1.4)
Nykaa	12.3	(5.9)	61.9	(6.9)	8.9	10.9	(16.3)	9.4	16.4	11.5	14.1	(11.4)	32.3	26.8	8.2	(3.8)
Paytm	19.7	60.2	27.6	(36.6)	(0.2)	71.3	47.9	(23.0)	17.9	21.6	15.6	(26.2)	19.0	33.2	51.6	0.8
PB Infotech	77.3	165.4	(13.4)	41.5	24.3	15.9	30.2	(24.6)	14.7	(6.7)	7.3	(21.8)	14.1	(4.9)	6.6	(7.4)

Stock Performance (%)	CY23	CY24	CY25	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26	2QCY26	YTD	QTD	MTD
Index Performance (%)																
Nasdaq	53.8	24.9	20.2	8.5	7.8	1.9	4.7	(8.2)	17.6	8.8	2.3	(9.1)	31.9	16.3	(3.0)	(0.3)
S&P 500	24.2	23.3	16.4	10.2	3.9	5.5	2.1	(5.1)	11.2	7.8	2.3	(7.3)	18.2	11.9	2.1	(0.4)
Stox 600	12.7	6.0	16.7	7.0	(0.2)	2.2	(2.9)	6.8	(0.1)	3.1	6.1	(1.9)	10.5	7.9	(0.4)	(1.8)
DAX	20.3	NA	NA	10.4	(1.4)	6.0	NA	NA	6.4	(0.1)	NA	NA	10.8	NA	2.3	(2.6)
Nikkei	28.2	NA	NA	20.0	(1.5)	(4.2)	NA	NA	9.1	11.0	NA	NA	35.0	NA	(9.4)	(3.5)
MSCI EM	7.0	5.1	30.6	1.6	4.4	7.8	(8.1)	4.2	9.1	10.1	4.3	0.6	22.0	22.6	(0.1)	0.1
Bovespa	NA	NA	NA	(4.5)	(3.3)	6.4	NA	NA	5.3	5.3	NA	NA	(5.7)	NA	8.8	5.5
HSCEI	(14.0)	26.4	22.3	0.7	9.0	18.6	(2.9)	18.1	0.8	10.1	(6.7)	(5.8)	(10.0)	(7.5)	9.1	(3.1)
NIFTY IT	24.1	22.0	(12.6)	(1.7)	3.6	16.0	3.3	(14.9)	5.6	(13.6)	12.6	(23.3)	(9.5)	(22.0)	12.4	(5.2)
NIFTY BANK	12.3	5.3	17.1	(2.4)	11.1	1.2	(4.0)	1.4	11.1	(4.7)	9.1	(15.6)	14.5	(6.4)	(3.0)	(3.8)
NIFTY FMCG	29.0	(0.3)	(2.3)	(5.3)	5.2	15.5	(13.3)	(5.7)	2.4	(0.3)	1.4	(17.9)	7.1	(19.2)	(8.1)	(2.6)
NIFTY AUTO	47.6	22.6	23.5	15.0	17.7	7.2	(15.5)	(6.7)	12.1	11.2	6.2	(15.7)	11.4	(5.1)	1.0	(7.2)
NIFTY ENERGY	29.4	5.1	0.4	16.6	7.1	5.3	(20.1)	(4.6)	8.9	(4.3)	0.9	(1.3)	14.0	5.2	(6.5)	(2.1)
NIFTY PHARMA	33.6	39.1	(2.9)	12.9	3.9	18.0	0.6	(9.7)	4.3	(2.7)	5.9	(2.2)	13.9	15.2	3.4	(3.7)
NIFTY METAL	18.7	8.4	29.1	3.5	18.9	3.9	(15.2)	5.1	4.9	5.3	11.3	(0.3)	12.4	13.4	1.2	(4.0)
NIFTY INFRA	39.1	15.9	13.6	14.1	9.6	4.8	(11.6)	(0.1)	11.3	(4.3)	6.8	(11.0)	9.7	(7.3)	(5.1)	(2.9)
NIFTYMIDCAP	46.6	23.9	5.7	4.1	15.9	7.9	(4.9)	(9.7)	15.6	(5.4)	7.0	(13.0)	17.4	0.7	(1.5)	(5.2)
NIFTY SMALLCAP	55.6	23.9	(5.6)	0.8	20.0	4.7	(2.1)	(14.2)	18.5	(7.9)	0.9	(14.2)	24.1	9.6	3.0	(2.6)
NIFTY	20.0	8.8	10.5	2.7	7.5	7.5	(8.4)	(0.5)	8.5	(3.6)	6.2	(14.5)	6.9	(11.5)	(3.1)	(4.0)
USD/INR				**83.0**	**83.4**	**83.8**	**84.4**	**86.6**	**85.6**	**87.3**	**89.1**	**91.4**	**94.7**	**93.8**	**95.5**	**95.0**

Source: Bloomberg, BOBCAPS Research, As of 15th Sep, 2026

Fig 16 – Assumptions on macro and companies

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
INR/ USD	70.1	71.0	74.1	74.6	80.7	82.8	84.6	88.9	95.1	96.1	97.1
USD Revenue Growth (%)											
TCS	9.6	5.4	0.6	15.9	8.6	4.1	3.8	(0.5)	1.0	1.3	2.0
Infosys	7.9	8.3	6.1	20.3	11.7	1.9	3.9	4.6	1.5	2.3	3.6
HCL Tech	10.1	15.1	2.4	12.8	9.6	5.4	4.3	6.0	2.5	3.5	3.5
Wipro	1.6	0.8	(1.4)	27.3	8.5	(3.8)	(2.4)	(0.7)	(0.5)	1.4	1.9
Tech Mahindra	4.2	4.3	(1.4)	17.3	10.1	(5.0)	(0.2)	1.9	6.2	5.2	4.9
LTIM	19.1	13.0	9.5	109.7	17.2	4.4	4.8	6.0	11.3	12.6	6.5
Persistent	2.2	4.3	12.9	35.2	35.3	14.5	18.8	17.4	34.1	51.5	12.6
Mphasis	13.1	10.8	5.6	21.7	7.8	(6.3)	4.4	6.9	8.7	8.0	8.0
Coforge	12.8	13.4	5.8	38.0	15.6	11.7	30.6	28.3	41.6	13.2	9.6
Birlasoft	(19.4)	27.4	3.4	15.7	7.2	7.1	(0.3)	(6.0)	(2.1)	0.8	2.3
Zensar	17.6	4.0	(16.2)	15.3	6.1	(2.0)	5.4	3.1	1.8	3.7	3.3
Firstsource	(0.2)	5.7	18.7	15.9	(5.5)	1.9	23.4	14.5	11.4	13.4	13.4
Eclerx	1.1	(0.1)	4.9	35.2	16.9	6.4	12.3	17.9	13.3	12.1	10.4
EBIT Margin (INR) (%)											
TCS	25.6	24.6	25.9	25.3	24.1	24.6	24.3	25.0	24.3	24.3	24.2
Infosys	22.8	21.3	24.5	23.0	21.1	20.7	21.1	21.0	20.6	20.4	20.4
HCL Tech	19.6	19.6	21.4	18.9	18.2	18.2	18.3	17.2	17.4	17.3	17.4
Wipro	17.1	17.3	19.9	17.7	15.4	15.2	17.0	16.9	16.2	16.4	16.6
Tech Mahindra	15.0	11.6	14.2	14.6	11.4	6.1	9.7	12.6	15.1	15.9	16.4
LTIM	18.4	16.1	19.3	17.8	16.2	15.7	14.5	15.4	15.1	14.6	14.8
Persistent	12.6	9.2	12.1	13.9	14.9	14.4	14.7	16.2	15.1	14.0	14.8
Mphasis	16.1	16.0	16.1	15.3	15.3	15.1	15.3	15.3	15.1	15.4	15.3
Coforge	14.2	13.1	13.0	14.2	14.3	12.9	12.6	14.6	15.4	15.5	15.9
Birlasoft	10.1	9.2	12.6	13.6	9.1	14.2	11.4	14.8	13.3	13.1	13.6
Zensar	10.2	8.5	13.9	11.1	7.6	15.1	13.5	14.5	12.8	13.4	13.6
Firstsource	12.0	10.8	11.7	12.0	9.4	11.0	11.0	11.7	12.4	12.9	13.7
Eclerx	18.5	17.7	24.5	26.4	23.8	22.2	20.2	21.3	21.4	21.2	21.3
EPS (Rs)											
TCS	83.1	86.2	89.3	103.6	115.2	128.1	134.2	145.5	150.0	155.2	160.3
Infosys	36.0	38.9	45.5	52.4	57.6	63.3	64.4	71.5	75.8	78.8	84.3
HCL Tech	36.8	40.8	47.7	49.8	54.9	57.9	64.1	61.4	72.1	74.6	78.7
Wipro	9.3	8.3	9.6	11.1	10.3	10.4	12.5	12.5	13.1	14.3	15.5
Tech Mahindra	48.7	45.2	49.9	62.7	54.7	26.5	47.8	57.3	80.4	87.0	105.0
LTIM	86.5	87.1	111.2	133.3	149.0	154.6	153.4	169.2	225.9	259.3	286.8
Persistent	22.0	22.2	29.4	45.1	60.3	71.2	90.2	118.9	153.4	183.8	231.1
Mphasis	56.1	63.6	64.7	76.4	87.1	82.6	89.3	97.5	116.6	132.6	144.5
Coforge	13.1	14.3	14.9	21.8	22.8	26.3	24.5	44.3	62.3	76.8	90.2
Birlasoft	13.9	8.1	11.6	16.6	12.0	22.6	18.3	18.4	22.1	22.9	24.8
Zensar	13.7	11.5	15.3	18.3	14.4	29.1	28.4	33.7	33.5	36.2	39.4
Firstsource	5.4	4.9	5.2	7.7	7.3	7.3	8.4	9.6	12.7	17.4	21.6
Eclerx	20.1	19.3	27.5	42.7	49.2	52.0	56.5	74.7	84.9	99.3	111.2

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
EPS growth (%)											
TCS	24.0	3.8	3.6	16.0	11.2	11.2	4.7	8.4	3.1	3.5	3.3
Infosys	10.8	8.1	17.0	15.2	9.8	10.0	1.7	11.1	5.9	4.0	7.0
HCL Tech	16.9	10.9	17.0	4.5	10.1	5.5	10.8	(4.2)	17.4	3.5	5.4
Wipro	10.5	(10.4)	14.9	16.6	(7.2)	0.2	20.9	0.1	4.5	8.7	8.7
Tech Mahindra	13.7	(7.0)	10.2	25.7	(12.8)	(51.6)	80.6	19.7	40.4	8.3	20.6
LTIM	36.0	0.7	27.7	19.9	11.7	3.8	(0.8)	10.3	33.5	14.8	10.6
Persistent	9.2	0.7	32.4	53.5	33.6	18.1	26.7	31.8	29.1	19.8	25.8
Mphasis	31.2	13.3	1.8	18.0	14.0	(5.1)	8.1	9.2	19.6	13.7	9.0
Coforge	47.7	9.0	4.5	45.9	4.4	15.5	(6.9)	81.1	40.7	23.2	17.4
Birlasoft	6.0	(41.8)	42.6	44.1	(27.8)	88.3	(19.0)	0.4	20.1	3.4	8.6
Zensar	28.9	(16.1)	32.8	19.8	(21.5)	102.6	(2.5)	18.6	(0.6)	8.2	8.9
Firstsource	14.5	(10.1)	5.3	48.9	(4.6)	0.3	14.9	13.4	32.8	36.8	24.3
Eclerx	(11.3)	(4.0)	42.7	55.2	15.2	5.8	8.7	32.2	13.6	16.9	12.0

Source: Company, BOBCAPS Research

Fig 17 – Indian IT services sector valuations

	TCS	Infosys	HCL Tech	Wipro	Tech Mahindra	LTIM	Persistent	Mphasis	Coforge	Birlasoft	Zensar	Firstsource	eClerx
Year ending	March	March	March	March	March	March	March	March	March	March	March	March	March
Prices as on 15 Sep 2026	**2,251**	**1,077**	**1,254**	**170**	**1,576**	**4,347**	**5,478**	**2,378**	**1,776**	**286**	**440**	**283**	**1,895**
Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Market Value (Rs Bn)	8,070	4,331	3,371	1,668	1,530	1,277	856	450	779	79	99	196	177
(US$mn)	84,942	45,585	35,483	17,562	16,110	13,447	9,011	4,734	8,203	836	1,045	2,063	1,859
Sep 2027 Target Price	**2,002**	**1,150**	**1,081**	**178**	**1,625**	**4,042**	**3,510**	**2,246**	**1,236**	**252**	**427**	**343**	**1,855**
Upside/(downside) (%)	(11.1)	6.7	(13.8)	4.8	3.1	(7.0)	(35.9)	(5.5)	(30.4)	(12.0)	(3.0)	21.2	(2.1)
Recommendation	**SELL**	**HOLD**	**SELL**	**HOLD**	**HOLD**	**SELL**	**SELL**	**HOLD**	**SELL**	**SELL**	**HOLD**	**BUY**	**HOLD**
FDEPS (Rs)													
FY24	128.1	63.3	57.9	10.4	26.5	154.6	71.2	82.6	26.3	22.6	29.1	7.3	52.0
FY25	134.2	64.4	64.1	12.5	47.8	153.4	90.2	89.3	24.5	18.3	28.4	8.4	56.5
FY26	145.5	71.5	61.4	12.5	57.3	169.2	118.9	97.5	44.3	18.4	33.7	9.6	74.7
FY27E	150.0	75.8	72.1	13.1	80.4	225.9	153.4	116.6	62.3	22.1	33.5	12.7	84.9
FY28E	155.2	78.8	74.6	14.3	87.0	259.3	183.8	132.6	76.8	22.9	36.2	17.4	99.3
FY29E	160.3	84.3	78.7	15.5	105.0	286.8	231.1	144.5	90.2	24.8	39.4	21.6	111.2
PE (x)													
FY24	17.6	17.0	21.7	16.4	59.5	28.1	77.0	28.8	67.6	12.7	15.1	38.6	36.4
FY25	16.8	16.7	19.6	13.6	33.0	28.3	60.7	26.6	72.6	15.6	15.5	33.6	33.5
FY26	15.5	15.1	20.4	13.6	27.5	25.7	46.1	24.4	40.1	15.6	13.1	29.6	25.4
FY27E	15.0	14.2	17.4	13.0	19.6	19.2	35.7	20.4	28.5	13.0	13.2	22.3	22.3
FY28E	14.5	13.7	16.8	11.9	18.1	16.8	29.8	17.9	23.1	12.5	12.2	16.3	19.1
FY29E	14.0	12.8	15.9	11.0	15.0	15.2	23.7	16.5	19.7	11.5	11.2	13.1	17.0
EV/EBITDA (x)													
FY24	12.5	11.8	13.1	8.6	26.3	19.9	47.4	17.7	35.7	8.9	10.6	22.2	22.7
FY25	12.0	10.7	12.4	7.4	18.9	19.5	40.6	16.0	29.3	10.8	11.3	18.5	20.8
FY26	11.2	10.0	11.7	7.3	14.5	16.9	30.2	14.6	19.0	8.7	9.8	14.5	16.0
FY27E	10.8	9.4	11.0	7.0	11.1	13.8	26.1	13.0	14.6	8.8	9.9	11.6	11.9

	TCS	Infosys	HCL Tech	Wipro	Tech Mahindra	LTIM	Persistent	Mphasis	Coforge	Birlasoft	Zensar	Firstsource	eClerx
FY28E	10.5	9.0	10.6	5.8	9.9	12.3	17.4	11.6	13.4	8.3	8.8	9.5	9.6
FY29E	10.2	8.4	10.0	4.8	9.0	11.1	14.4	10.7	11.8	7.3	8.0	7.8	8.2
EV/Sales (x)													
FY24	3.3	2.8	2.9	1.7	2.5	3.6	8.3	3.2	5.9	1.4	1.9	3.4	6.0
FY25	3.2	2.6	2.7	1.6	2.5	3.3	7.0	3.0	4.8	1.4	1.7	2.8	5.1
FY26	3.0	2.4	2.4	1.5	2.3	3.0	5.7	2.7	3.6	1.4	1.6	2.4	4.1
FY27E	2.8	2.2	2.2	1.4	2.0	2.5	4.7	2.4	2.9	1.3	1.4	1.9	3.2
FY28E	2.7	2.1	2.1	1.2	1.9	2.1	3.0	2.1	2.5	1.2	1.3	1.7	2.6
FY29E	2.7	1.9	2.0	1.0	1.7	1.9	2.6	1.9	2.3	1.1	1.2	1.4	2.2
Post Tax ROIC (%)													
FY24	53.8	32.4	29.9	17.3	9.8	42.6	37.2	22.1	25.0	27.0	35.8	10.7	33.9
FY25	52.5	34.0	31.5	19.8	16.8	41.3	36.1	21.4	17.6	20.4	32.8	11.2	32.7
FY26	49.1	39.3	31.7	19.7	21.4	41.2	39.5	20.2	21.8	21.1	34.8	11.5	38.7
FY27E	46.3	38.9	32.5	18.8	27.8	45.8	18.2	19.7	15.4	20.7	31.5	13.0	44.2
FY28E	46.8	38.0	31.9	19.6	31.3	50.3	14.9	20.6	11.8	20.8	33.5	15.3	51.4
FY29E	46.5	38.9	32.9	21.1	34.6	50.9	18.2	21.2	13.3	21.9	34.9	17.9	58.3

Source: Company, BOBCAPS Research

Fig 18 – Rating Table

Company Name	Old Rating	New Rating	New Target PE (x)	Premium/ Discount to Target PE (%)	CMP (as on 15th Sep 2026)	Target Price	Upside to CMP (%)
TCS	HOLD	SELL	12.7	(10.0)	2,251	2,002	(11.1)
Infosys	HOLD	HOLD	14.1	0.0	1,077	1,150	6.7
HCL Tech	SELL	SELL	14.1	0.0	1,254	1,081	(13.8)
Wipro	HOLD	HOLD	12.0	(15.0)	170	178	4.8
Tech Mahindra	HOLD	HOLD	16.9	20.0	1,576	1,625	3.1
LTIM	HOLD	SELL	14.8	5.0	4,347	4,042	(7.0)
Persistent	SELL	SELL	16.9	20.0	5,478	3,510	(35.9)
Mphasis	HOLD	HOLD	16.2	15.0	2,378	2,246	(5.5)
Coforge	SELL	SELL	14.8	5.0	1,776	1,236	(30.4)
Birlasoft	SELL	SELL	10.6	(25.0)	286	252	(12.0)
Zensar	SELL	HOLD	11.3	(20.0)	440	427	(3.0)
Firstsource	HOLD	BUY	17.6	25.0	283	343	21.2
Eclerx	HOLD	HOLD	17.6	25.0	1,895	1,855	(2.1)

Source: BOBCAPS Research

Valuation

There has been significant PE contraction of both Tier-1 and Tier-2 companies (see Fig 19-20) since 1 Jan 2025. Part of this has been because both FY26 and FY27 (as it stands today) are not the strong years that investors were expecting them to be before the respective years started.

CYTD2026 Nifty IT underperformed (UP) Nifty by ~11.5 ppt (on top of ~23 ppt UP in 2025). PE (12mth forward) for Nifty IT has come off from ~25x (1 Jan 2026) to ~16x (15 Sept 2026). Believe a smaller part of the derating is due to the realisation that FY27 organic revenue growth is going to be weaker than in FY26 (contrary to the view in Jan 2026 that it would be 100-150bps better) and that market is going to see a fourth successive year of low single digit USD organic revenue growth for Tier-1 set.

A larger part of the PE derating is likely driven by long term growth concerns due to disruption by AI Models. PE of the Tier-1s set is at ~1SD and ~2SD below 10 year and 5-year averages respectively (see Fig 19,22). Valuations therefore look enticing. Sharp short-term bounces are possible. Believe historical PE analysis does not capture AI disruption risks adequately.

Our DCF analysis indicates current price for Infosys (for instance) factors in not only a mid-single digit FCF growth for the next 10 years but also a similar terminal growth rate. It does not factor in flat/declining FCF during the next 10 years and/or zero terminal growth, both of which have a non-zero probability. Lack of clarity on structural pressure points will keep valuations subdued.

Investors who find value in IT services stocks now, we think, have the view that the current AI disruption is similar to the number of technology shifts that the industry successfully navigated during the last 25-30 years whereas we think this is an operating model change and the disruption is more drastic and structural in nature and may put the cost effective offshore delivery driven IT/ITES model at greater risk than anything else in the last 25-30 years. As we mentioned in our 17 Feb 2026 note (**Existential threat, value trap or Temporary blip**) we think it is as seminal as the offshore delivery value migration that global IT services industry saw during 1995-2005 which resulted in some of the then incumbent leaders in global IT services losing market share/market value and becoming less relevant to their clients and investors. Those incumbents that executed offshore shift properly not only survived but also thrived (Accenture and Capgemini, to a lesser extent).

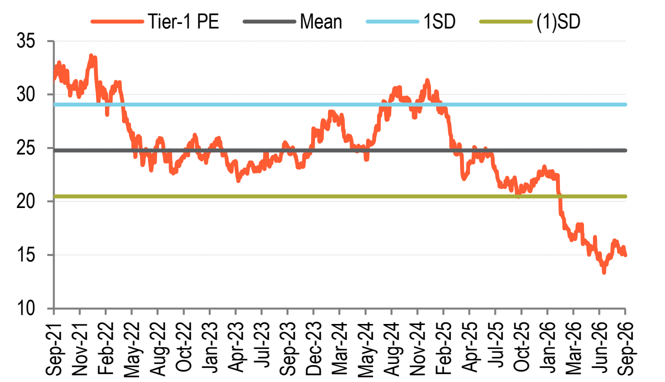
We lower Target PE multiples for our entire coverage universe as we believe there are risks to even our medium estimates of revenue and EPS. We had shifted from using TCS as the industry benchmark and moving towards Tier-1 PE multiple based PE analysis during the FY15-FY20 phase when Tier-1 grew USD revenue organically by ~7%. The average PE multiple for the Tier-1 set during this phase was 17.6 and the SD was 1.7.

We are using as our benchmark Target PE multiple of 14.1x which turns out to be the average of that period less 2SD. We think that is fair to work with as a benchmark as we believe the organic USD revenue growth has slowed to 2-3% starting FY24 and we see that continuing into the foreseeable future. We think the earnings and FCF growth would at best be mid-single digit levels.

We have given subjective discounts to this PE multiple to arrive at individual Target PE multiples. The new and the old Target PE multiples used, the new Target prices and the change in ratings have been captured in Fig 18.

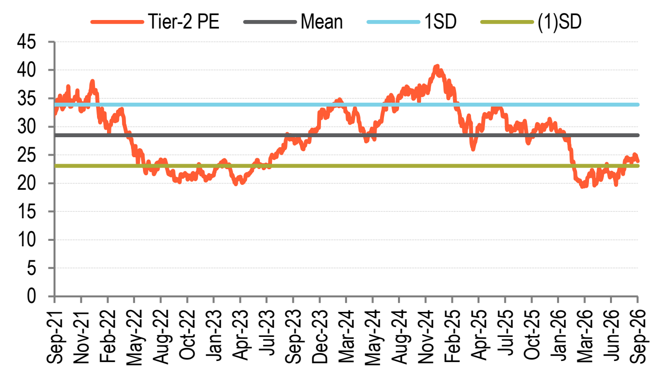
12-month Forward PE charts

Fig 19 – Tier-1 companies (Sep 2021 – Sep 2026)



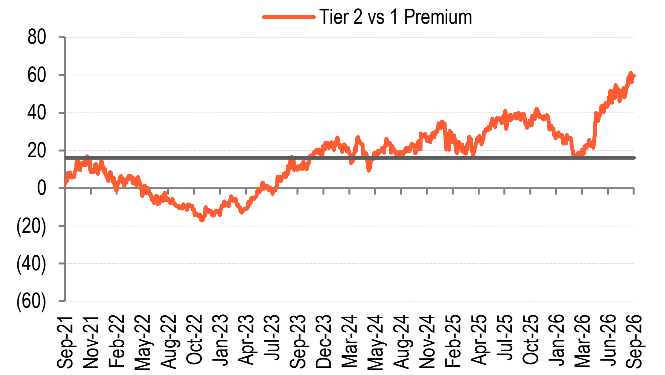
Source: Bloomberg, BOBCAPS Research

Fig 20 – Tier-2 companies (Sep 2021 – Sep 2026)



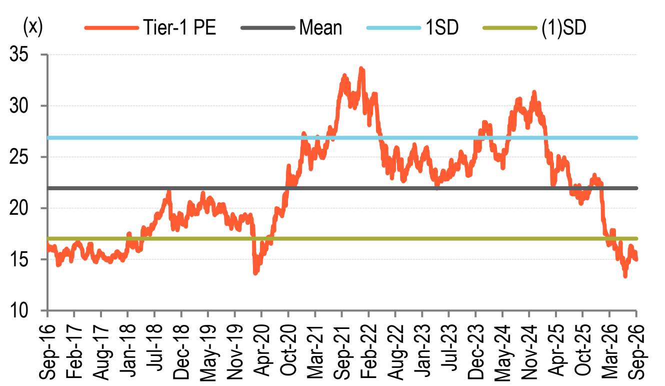
Source: Bloomberg, BOBCAPS Research

Fig 21 – Tier-2 versus Tier-1 (Sep 2021 – Sep 2026)



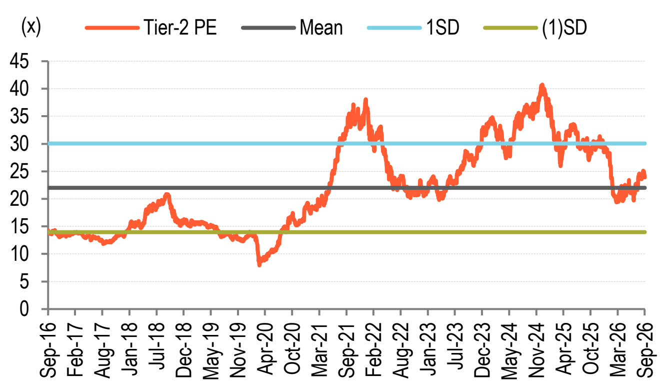
Source: Bloomberg, BOBCAPS Research

Fig 22 – Tier-1 companies (Sep 2016 – Sep 2026)



Source: Bloomberg, BOBCAPS Research

Fig 23 – Tier-2 companies (Sep 2016 – Sep 2026)



Source: Bloomberg, BOBCAPS Research

We have an Underweight stance on Indian IT Services

We reinitiated coverage on the Indian IT Services with an Underweight stance through a report on 1 January 2025 (**Slow is the (new/old) normal**) and reiterated our view with updates on 12th March 2025 (**FY26 unlikely to be better than FY25**), 10th July 2025 (**Uncertainty stays and 'eating the tariff' may impact even FY27**) and 12 January 2026 (**A fourth slow year?**).

While both earnings and PE multiples have corrected since 1 Jan 2025, the industry's structural organic revenue growth from here on will be much lower vs ~7% CAGR seen during FY15-FY20; possibly ~2-3% CAGR over FY25-FY30 in constant currency (CC) terms.

We believe the release of advanced AI models will cause significant disruption to the industry rendering the sector to be a 'value trap'. We wrote about this in our 17 February 2026 report (**Existential threat, value trap or Temporary blip**) and through our 6 April 2026 report (**Narrative of FY27 being modestly better, set for its first test**).and the 9 July 2026 one (**'Show me the growth' phase will keep valuations compressed**).

Multiple speed breakers drive our Underweight stance

Gen AI and GCCs are going to disrupt growth: We believe that AI/Gen AI will lead to compression of revenue for the industry in the next 12-24 months, as companies self-cannibalize to hold on to their existing clients. Rapid growth of the GCCs is a threat to outsourcing. While there seems to be collaboration between outsourcers and their clients in setting up these GCCs, there will be growth discontinuity when the business is insourced at some point.

Massive hyper scaler AI capex should accentuate re-alignment in IT spend: Software players, including hyper scalers, are increasing capex on AI-related data centres. This will drive higher pricing, forcing enterprises to allocate more IT spend to Cloud/SaaS and move it away from the ones with lower bargaining power – global IT Services players.

Higher competition: Indian Tier-1 companies now face higher competition from Accenture, Tier-2 players and Cognizant, likely slowing their growth vs FY15-FY20. This is besides the fact that by FY26, Tier-1 revenue has reached US$ 85bn, double that in FY15 (6.5% CAGR). Due to the higher base now, growth may not be as rapid. In AI reinvention services we see a new set of competitors come in the forms of AI deployment companies from Anthropic, Open AI, Microsoft, Google etc. While professional services companies of software players did not make much of an impact in the past, we believe the situation could be different this time. With the requirement of a large army of offshore bodies being taken away by AI models, we believe players with high technical skills and deep domain and workflow expertise will become competitors. We will have several players from other industries as well senior management personnel from current incumbents to step out and startup companies and compete with the incumbents.

How we are valuing companies: We are using PE methodology. However, we are moving away from the earlier stance that we had taken of using TCS as our industry benchmark.

Considering the underperformance of TCS in terms of growth in FY26 and the likelihood of that repeating in the foreseeable future we have decided to shift from using TCS as the benchmark and move to Tier-1 PE multiple based valuation. That too using the valuation seen in the FY15-FY20 timeframe when the Tier-1 USD revenue CAGR was ~7% in organic terms. Our analysis indicates that Tier-1 (consisting of TCS, Infosys, HCLT, Wipro and Tech Mahindra) were collectively trading at mean multiple of 17.6x forward EPS with an SD of 1.7. We are using 14.1x as the benchmark multiple for the basis of valuation which is mean multiple of Tier-1 companies during this period less 2SD. We have been giving subjective premium/discount to this benchmark target PE to arrive at target PE multiples for the rest of our coverage

Our target PE multiples are lower than those used by consensus/competitors**.** Through our choice of the benchmark target PE multiple, we seek to capture the mortality and relevance risk that players face in this era of advanced AI models.

Tier- 2 valuation reflects growth gap with Tier-1

Tier-2 set has been taking away market share from the Tier-1 set, due to better execution as well as their smaller size. And, unlike previous cycles, they have performed better than the Tier-1 set, largely on better management teams.

However, current PE premium to Tier-1s is excessive for certain stocks, because to deliver on the high consensus revenue growth expectations, they may be taking on more cost take-out projects that are likely to impact margins adversely.

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

Fig 24 – Recent reports of our coverage universe

Company	Link
Tata Consultancy Services	Inline soft quarter
LTIMindtree	Soft start. FY27 organic growth short of Lakshya Target
HCL Technologies	Tad better than expected
Tech Mahindra	Likely to lead Tier-1 pack in FY27. Valuation caps upside
Wipro	FY27 likely the fourth successive year of revenue decline
Infosys	Organic revenue guidance weak. New CEO low key insider
Mphasis	Steady 1QFY27; Performance of Tria a key monitorable
Coforge	Operationally inline quarter
Birlasoft	Margins normalize, growth remains the bigger challenge
Zensar Technologies	Revenue Inline; margin under pressure
Persistent Systems	1Q strong but has issues. Nagarro M&A too big a bite?
Firstsource Solutions	Inline operationally, One-offs hit PAT
eClerx Services	1Q revenue falls short. Expect top quartile growth in FY27

Source: BOBCAPS Research

BOBCAPS vs Consensus Estimates

We broadly maintain our estimates which we had put out post 1QFY27. Among the notable changes that we have not incorporated are the Porsche IT acquisition of TCS and the second HPE Telco acquisition by HCLT. However, we do not think those will change the view on these stocks in a material way even if were to include them. Compared to consensus, our estimates seem to be higher for Tech Mahindra, Wipro, LTM, Persistent Systems, Coforge and Firstsource.

Fig 25 – TCS

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenues (Rs bn)	2,907	3,026	3,169	2,884	2,952	3,043	99	98	96
EBIT (Rs bn)	718	752	786	701	719	737	98	96	94
PAT Adj (Rs bn)	559	585	614	548	561	580	98	96	94
FDEPS Adj (Rs)	154.6	161.6	169.8	150.0	155.2	160.3	97	96	94
EBIT Margin (%)	24.7	24.8	24.8	24.3	24.3	24.2			

Source: BOBCAPS Research, Bloomberg

Fig 26 – INFO

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsbn)	1,950	2,022	2,118	1,949	2,015	2,109	100	100	100
EBIT (Rsbn)	404.1	421.0	442.6	400.7	410.3	431.1	99	97	97
PAT Adj (Rsbn)	310.8	325.8	341.7	307.0	319.2	341.7	99	98	100
FDEPS Adj (Rs)	76.7	80.1	84.2	75.8	78.8	84.3	99	98	100
EBIT Margin (%)	20.7	20.8	20.9	21.0	20.6	20.4			

Source: BOBCAPS Research, Bloomberg

Fig 27 – HCLT

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsbn)	1,422	1,494	1,570	1,430	1,496	1,566	101	100	100
EBIT (Rsbn)	251	267	281	248	258	272	99	97	97
PAT (Rsbn)	197	209	221	195	202	213	99	97	97
EPS (Rs)	72.6	76.8	80.5	72.1	74.6	78.7	99	97	98
EBIT Margin (%)	17.7	17.9	17.9	17.4	17.3	17.4			

Source: BOBCAPS Research, Bloomberg

Fig 28 – WPRO

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsbn)	990	1,017	1,045	988	1,015	1,045	100	100	100
EBIT (Rsbn)	162	168	173	160	167	174	99	99	101
PAT (Rsbn)	135	139	143	131	141	153	97	101	107
FDEPS (Rs)	13.4	13.9	14.3	13.1	14.3	15.5	98	103	108
EBIT Margin (%)	16.4	16.5	16.5	16.2	16.4	16.6			

Source: BOBCAPS Research, Bloomberg

Fig 29 – TECHM

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsbn)	633.8	669.1	713.4	644.4	685.3	726.3	102	102	102
EBIT (Rsbn)	94.1	101.7	110.0	97.5	109.1	119.3	104	107	108
PAT (Rsbn)	68.3	77.3	84.5	71.4	84.7	93.2	104	109	110
EPS (Rs)	77.1	87.0	95.0	80.4	87.0	105.0	104	100	110
EBIT Margin (%)	14.9	15.2	15.4	15.1	15.9	16.4			

Source: BOBCAPS Research, Bloomberg

Fig 30 – LTM

LTM	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	481,379	524,676	568,312	504,958	574,564	618,334	105	110	109
EBIT (Rsmn)	74,984	81,768	89,137	76,297	83,833	91,393	102	103	103
PAT (Rsmn)	61,600	68,202	75,249	67,907	77,076	85,251	110	113	113
EPS (Rs)	205.7	229.9	254.2	225.9	259.3	286.8	110	113	113
EBIT Margin (%)	15.6	15.6	15.7	15.1	14.6	14.8			

Source: BOBCAPS Research, Bloomberg

Fig 31 – PSYS

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
Persistent	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	184,977	224,255	258,333	211,892	324,442	369,106	115	145	143
EBIT (Rsmn)	29,489	35,490	41,530	32,002	45,486	54,588	109	128	131
PAT (Rsmn)	22,731	27,902	32,804	24,284	29,094	36,591	107	104	112
EPS (Rs)	144.3	177.2	208.1	153.4	183.8	231.1	106	104	111
EBIT Margin (%)	15.9	15.8	16.1	15.1	14.0	14.8			

Source: BOBCAPS Research, Bloomberg

Fig 32 – COFORGE

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	246,967	285,616	324,101	251,581	288,770	319,703	102	101	99
EBIT (Rsmn)	38,569	45,039	51,897	38,840	44,628	50,888	101	99	98
PAT (Rsmn)	25,707	31,505	37,689	26,277	32,377	38,027	102	103	101
EPS (Rs)	59.5	71.7	84.9	62.3	76.8	90.2	105	107	106
EBIT Margin (%)	15.6	15.8	16.0	15.4	15.5	15.9			

Source: BOBCAPS Research, Bloomberg

Fig 33 – MPHL

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	183,026	201,069	220,617	185,033	202,757	221,181	101	101	100
EBIT (Rsmn)	27,910	30,952	34,203	27,873	31,254	33,799	100	101	99
PAT (Rsmn)	21,559	24,234	26,763	22,283	25,338	27,621	103	105	103
EPS (Rs)	112.9	127.0	140.3	116.6	132.6	144.5	103	104	103
EBIT Margin (%)	15.2	15.4	15.5	15.1	15.4	15.3			

Source: BOBCAPS Research, Bloomberg

Fig 34 – ZENT

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	62,571	67,355	73,119	62,313	65,339	68,194	100	97	93
EBIT (Rsmn)	8,162	8,583	9,087	7,998	8,746	9,288	98	102	102
PAT (Rsmn)	7,739	8,762	9,693	7,613	8,211	8,940	98	94	92
EPS (Rs)	33.8	38.2	44.1	33.5	36.2	39.4	99	95	89
EBIT Margin (%)	13.0	12.7	12.4	12.8	13.4	13.6			

Source: BOBCAPS Research, Bloomberg

Fig 35 – BSOFT

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	55,534	58,572	63,894	55,795	56,824	58,733	100	97	92
EBIT (Rsmn)	7,804	8,229	9,151	7,442	7,426	7,993	95	90	87
PAT (Rsmn)	6,356	6,900	7,813	6,246	6,459	7,013	98	94	90
EPS (Rs)	22.7	24.4	27.8	22.1	22.9	24.8	97	94	89
EBIT Margin (%)	14.1	14.0	14.3	13.3	13.1	13.6			

Source: BOBCAPS Research, Bloomberg

Fig 36 – FSOL

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenues (Rs mn)	112,541	124,769	139,596	115,297	132,415	151,650	102	106	109
EBIT (Rs mn)	13,971	15,832	18,115	14,254	17,144	20,820	102	108	115
PAT Adj (Rs mn)	9,327	11,084	12,994	8,925	12,213	15,181	96	110	117
FDEPS Adj (Rs)	13.0	15.8	18.5	12.7	17.4	21.6	98	110	117
EBIT Margin (%)	12.4	12.7	13.0	12.4	12.9	13.7			

Source: BOBCAPS Research, Bloomberg

Fig 37 – ECLX

	Consensus			BOBCAPS			BOBCAPS/Consensus (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rsmn)	48,708	55,449	62,368	50,130	57,252	63,880	103	103	102
EBIT (Rsmn)	10,229	11,887	13,498	10,709	12,134	13,632	105	102	101
PAT (Rsmn)	7,916	9,222	10,640	8,028	9,386	10,511	101	102	99
EPS (Rs)	83.8	98.2	111.0	84.9	99.3	111.2	101	101	100
EBIT Margin (%)	21.0	21.4	21.6	21.4	21.2	21.3			

Source: BOBCAPS Research, Bloomberg

Stock performance

Fig 38 – BSOFT

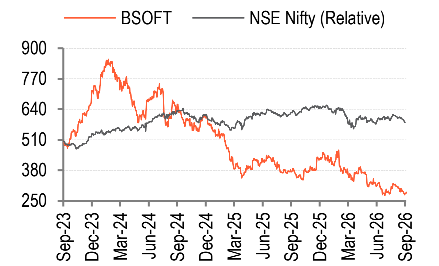


Fig 39 – COFORGE

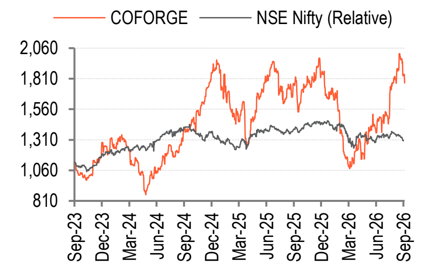


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Fig 41 – ECLX

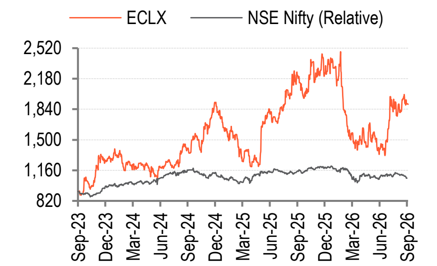


Fig 42 – FSOL

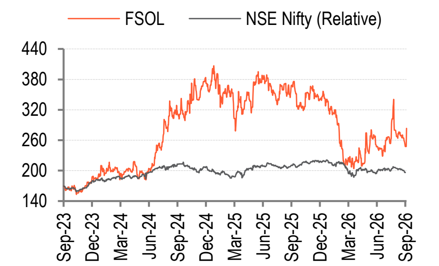
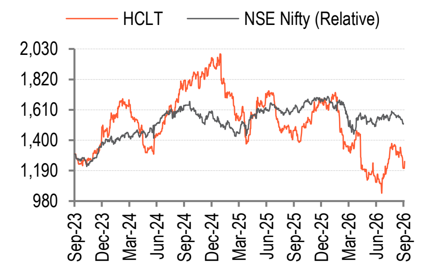


Fig 43 – HCLT



Fi

Fig 45 – INFO

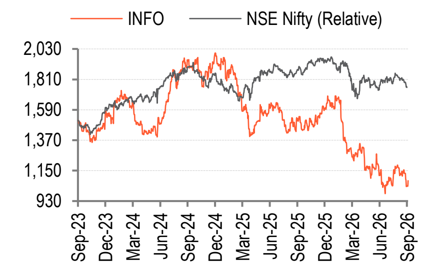


Fig 46 – LTM

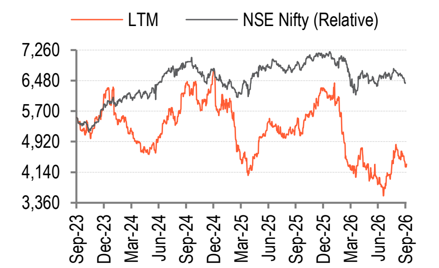
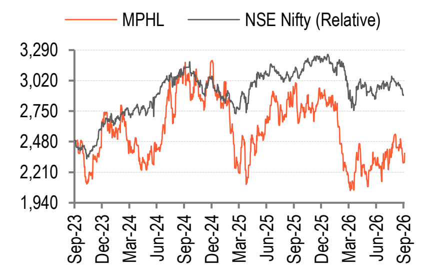


Fig 47 – MPHL



Fi

Fig 49 – PSYS

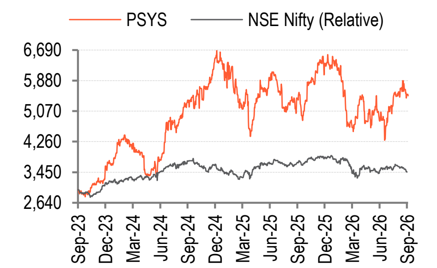


Fig 50 – TCS

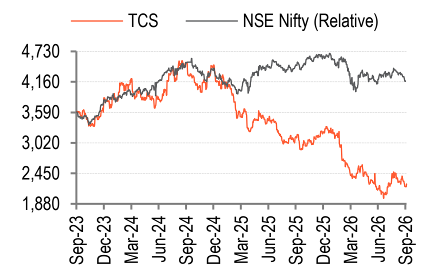
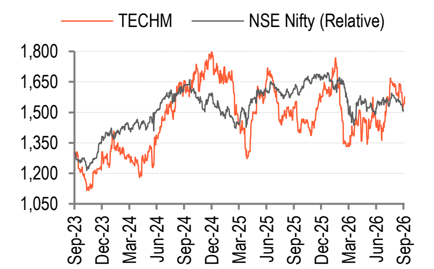


Fig 51 – TECHM



Fi

Fig 53 – WPRO

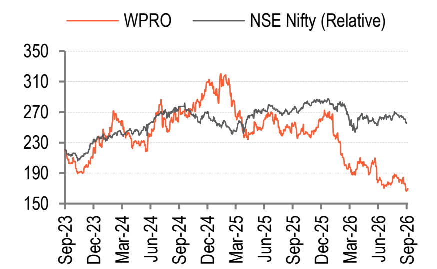
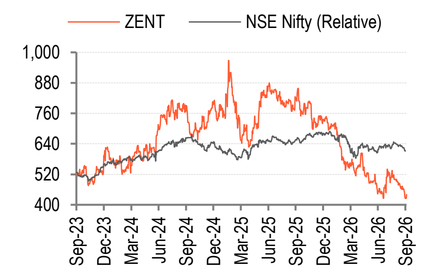


Fig 54 – ZENT



Fi

Source: NSE

Financials – BSOFT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**53,752**	**53,099**	**55,795**	**56,824**	**58,733**
EBITDA	6,974	8,661	8,227	8,247	8,850
Depreciation	857	803	785	821	857
EBIT	6,117	7,857	7,442	7,426	7,993
Net interest inc./(exp.)	234	196	195	205	212
Other inc./(exp.)	1,085	648	1,299	1,508	1,697
Exceptional items	0	0	0	0	0
EBT	6,968	7,903	8,546	8,729	9,478
Income taxes	1,801	2,719	2,301	2,270	2,464
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**5,168**	**5,183**	**6,246**	**6,459**	**7,013**
Adjustments	0	0	0	0	0
Adjusted net profit	**5,168**	**5,183**	**6,246**	**6,459**	**7,013**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	2,353	2,551	2,992	3,023	3,159
Other current liabilities	5,469	6,539	7,694	7,762	8,061
Provisions	757	1,279	1,346	1,346	1,346
Debt funds	114	83	0	0	0
Other liabilities	1,148	1,079	1,000	1,000	1,000
Equity capital	556	559	559	559	559
Reserves & surplus	34,227	40,572	44,603	48,670	53,009
Shareholders' fund	34,782	41,131	45,162	49,229	53,568
Total liab. and equities	**44,624**	**52,663**	**58,193**	**62,360**	**67,135**
Cash and cash eq.	4,449	4,659	7,846	11,784	15,799
Accounts receivables	9,802	12,125	11,481	11,601	12,125
Inventories	104	46	36	36	36
Other current assets	17,278	22,340	25,826	25,864	26,029
Investments	2,972	1,810	1,779	1,779	1,779
Net fixed assets	1,031	1,452	1,588	1,659	1,730
CWIP	49	18	48	48	48
Intangible assets	5,072	5,648	5,635	5,635	5,635
Deferred tax assets, net	1,002	1,138	1,022	1,022	1,022
Other assets	2,866	3,425	2,932	2,932	2,932
Total assets	**44,624**	**52,663**	**58,193**	**62,360**	**67,135**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**5,388**	**7,316**	**6,194**	**7,544**	**8,336**
Capital expenditures	(746)	(1,224)	(922)	(892)	(928)
Change in investments	(4,234)	(5,334)	(2,299)	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(4,981)**	**(6,558)**	**(3,221)**	**(892)**	**(928)**
Equities issued/Others	4	3	0	0	0
Debt raised/repaid	114	(31)	(83)	0	0
Interest expenses	(234)	(196)	(195)	(205)	(212)
Dividends paid	(1,808)	(1,819)	(2,252)	(2,392)	(2,674)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(1,924)**	**(2,043)**	**(2,530)**	**(2,598)**	**(2,886)**
Chg in cash & cash eq.	**199**	**210**	**3,186**	**3,938**	**4,015**
Closing cash & cash eq.	**4,449**	**4,659**	**7,846**	**11,784**	**15,799**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	18.6	18.5	22.2	22.9	24.9
Adjusted EPS	18.3	18.4	22.1	22.9	24.8
Dividend per share	6.5	6.5	8.0	8.5	9.5
Book value per share	125.1	147.0	160.5	174.9	190.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.6	1.6	1.6	1.6	1.6
EV/EBITDA	12.2	9.8	10.6	11.0	10.7
Adjusted P/E	15.6	15.6	13.0	12.5	11.5
P/BV	2.3	1.9	1.8	1.6	1.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.7	74.2	65.6	73.1	74.0
Interest burden (PBT/EBIT)	111.1	113.9	100.6	114.8	117.5
EBIT margin (EBIT/Revenue)	14.2	11.4	14.8	13.3	13.1
Asset turnover (Rev./Avg TA)	148.4	128.2	109.2	100.7	94.3
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	1.3
Adjusted ROAE	22.7	15.8	13.7	14.5	13.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	1.8	(1.2)	5.1	1.8	3.4
EBITDA	(16.6)	24.2	(5.0)	0.2	7.3
Adjusted EPS	(19.0)	0.4	20.1	3.4	8.6
Profitability & Return ratios (%)					
EBITDA margin	13.0	16.3	14.7	14.5	15.1
EBIT margin	11.4	14.8	13.3	13.1	13.6
Adjusted profit margin	9.6	9.8	11.2	11.4	11.9
Adjusted ROAE	15.8	13.7	14.5	13.7	13.6
ROCE	13.9	13.6	12.6	11.6	11.5
Working capital days (days)					
Receivables	67	83	75	75	75
Inventory	NA	NA	NA	NA	NA
Payables	16	17	19	19	19
Ratios (x)					
Gross asset turnover	52.1	36.6	35.1	34.2	33.9
Current ratio	4.0	4.3	4.2	4.6	4.8
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)

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

Financials – COFORGE

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**122,035**	**163,562**	**251,581**	**288,770**	**319,703**
EBITDA	18,251	30,585	49,813	54,735	62,078
Depreciation	4,580	6,819	10,973	10,107	11,190
EBIT	13,671	23,766	38,840	44,628	50,888
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	(1,034)	(1,286)	(3,000)	(1,338)	(163)
Exceptional items	89	2,718	550	0	0
EBT	12,548	19,762	35,290	43,291	50,724
Income taxes	3,201	2,973	8,488	10,390	12,174
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	1,240	1,890	524	524	524
Reported net profit	**8,107**	**14,899**	**26,277**	**32,377**	**38,027**
Adjustments	0	0	0	0	0
Adjusted net profit	**8,107**	**14,899**	**26,277**	**32,377**	**38,027**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	27,800	36,694	43,235	47,755	52,740
Provisions	1,743	3,189	6,292	6,292	6,292
Debt funds	3,502	5,051	43,203	22,403	1,603
Other liabilities	28,070	8,504	23,670	24,113	24,113
Equity capital	669	672	843	843	843
Reserves & surplus	63,123	94,704	231,073	252,487	278,709
Shareholders' fund	63,792	95,376	231,916	253,331	279,552
Total liab. and equities	**124,907**	**148,814**	**348,316**	**353,894**	**364,301**
Cash and cash eq.	8,832	10,992	20,739	17,272	18,980
Accounts receivables	25,771	39,700	50,275	55,530	61,328
Inventories	0	0	0	0	0
Other current assets	11,555	8,366	18,130	20,026	22,116
Investments	1,457	0	0	0	0
Net fixed assets	7,682	9,425	9,816	11,709	12,519
CWIP	24	33	33	33	33
Intangible assets	49,726	55,114	220,598	220,598	220,598
Deferred tax assets, net	5,470	6,870	8,394	8,394	8,394
Other assets	14,390	18,314	20,332	20,332	20,332
Total assets	**124,907**	**148,814**	**348,316**	**353,894**	**364,301**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**12,129**	**25,980**	**24,526**	**40,377**	**46,838**
Capital expenditures	(41,804)	(13,461)	(176,848)	(12,000)	(12,000)
Change in investments	1,457	(1,457)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(40,347)**	**(14,918)**	**(176,848)**	**(12,000)**	**(12,000)**
Equities issued/Others	22,400	0	1,144,880	0	0
Debt raised/repaid	(651)	1,549	38,152	(20,800)	(20,800)
Interest expenses	0	0	0	0	0
Dividends paid	(5,019)	(4,244)	(8,011)	(10,962)	(11,806)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**16,730**	**(2,695)**	**1,175,021**	**(31,762)**	**(32,606)**
Chg in cash & cash eq.	**5,480**	**2,160**	**9,747**	**(3,385)**	**1,708**
Closing cash & cash eq.	**8,832**	**10,992**	**20,739**	**17,353**	**18,980**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	24.5	44.3	62.3	76.8	90.2
Adjusted EPS	24.5	44.3	62.3	76.8	90.2
Dividend per share	15.2	12.0	19.0	26.0	28.0
Book value per share	190.5	285.5	550.1	600.8	663.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.2	4.6	2.9	2.5	2.4
EV/EBITDA	41.1	24.7	14.9	13.4	12.2
Adjusted P/E	72.6	40.1	28.5	23.1	19.7
P/BV	9.3	6.2	3.2	3.0	2.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	64.2	66.3	73.3	74.8	75.0
Interest burden (PBT/EBIT)	82.0	94.4	92.3	97.0	99.7
EBIT margin (EBIT/Revenue)	12.6	14.6	15.4	15.5	15.9
Asset turnover (Rev./Avg TA)	170.8	156.3	120.6	94.5	103.5
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.3	1.3	1.2
Adjusted ROAE	16.2	18.7	16.1	13.3	14.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	33.0	34.0	53.8	14.8	10.7
EBITDA	22.0	67.6	62.9	9.9	13.4
Adjusted EPS	(6.9)	81.1	40.7	23.2	17.4
Profitability & Return ratios (%)					
EBITDA margin	15.0	18.7	19.8	19.0	19.4
EBIT margin	11.2	14.5	15.4	15.5	15.9
Adjusted profit margin	6.6	9.1	10.4	11.2	11.9
Adjusted ROAE	16.2	18.7	16.1	13.3	14.3
ROCE	16.1	19.7	14.2	11.1	12.5
Working capital days (days)					
Receivables	77	89	73	70	70
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	15.9	17.4	25.6	24.7	25.5
Current ratio	1.7	1.6	2.1	1.9	1.9
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	0.1	0.0	(0.1)

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

Financials – ECLX

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**33,659**	**41,170**	**50,130**	**57,252**	**63,880**
EBITDA	8,209	10,523	13,426	15,581	17,079
Depreciation	1,412	1,754	2,717	3,447	3,447
EBIT	6,797	8,769	10,709	12,134	13,632
Net interest inc./(exp.)	(349)	(421)	(595)	(595)	(595)
Other inc./(exp.)	737	1,003	571	953	953
Exceptional items	0	0	0	0	0
EBT	7,185	9,351	10,685	12,492	13,990
Income taxes	1,773	2,287	2,657	3,107	3,479
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2	3	2	4	4
Reported net profit	**5,411**	**7,062**	**8,026**	**9,382**	**10,507**
Adjustments	0	0	0	0	0
Adjusted net profit	**5,411**	**7,062**	**8,026**	**9,382**	**10,507**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	4,459	6,913	8,378	9,568	10,676
Provisions	258	217	412	471	525
Debt funds	0	0	0	0	0
Other liabilities	3,660	4,197	4,710	5,239	5,750
Equity capital	470	920	920	920	920
Reserves & surplus	22,610	24,722	32,650	41,930	52,331
Shareholders' fund	23,080	25,642	33,570	42,850	53,252
Total liab. and equities	**31,457**	**36,970**	**47,070**	**58,129**	**70,202**
Cash and cash eq.	7,391	7,380	15,991	25,529	36,035
Accounts receivables	4,954	6,665	8,241	9,411	10,501
Inventories	2	6	6	6	6
Other current assets	5,370	7,969	8,241	9,411	10,501
Investments	3,090	3,079	3,079	3,079	3,079
Net fixed assets	2,409	2,735	1,773	329	(882)
CWIP	2	49	49	49	49
Intangible assets	4,079	4,493	4,493	4,493	4,493
Deferred tax assets, net	727	1,167	1,322	1,482	1,637
Other assets	3,434	3,478	3,925	4,388	4,833
Total assets	**31,457**	**36,970**	**47,070**	**58,129**	**70,202**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**6,668**	**9,175**	**10,490**	**11,289**	**12,493**
Capital expenditures	(1,151)	(1,179)	(1,755)	(2,004)	(2,236)
Change in investments	1,291	132	0	0	0
Other investing cash flows	1,165	(361)	(24)	358	358
Cash flow from investing	**1,305**	**(1,408)**	**(1,779)**	**(1,646)**	**(1,877)**
Equities issued/Others	(3,839)	(3,000)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(2,210)	(3,169)	0	0	0
Dividends paid	(47)	(47)	(100)	(105)	(110)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(6,096)**	**(6,216)**	**(100)**	**(105)**	**(110)**
Chg in cash & cash eq.	**1,877**	**1,551**	**8,611**	**9,538**	**10,506**
Closing cash & cash eq.	**7,391**	**7,380**	**15,991**	**25,529**	**36,035**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	57.6	76.3	86.8	101.4	113.6
Adjusted EPS	56.5	74.7	84.9	99.3	111.2
Dividend per share	1.0	1.0	1.1	1.2	1.3
Book value per share	245.5	277.2	362.9	463.2	575.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	5.4	4.4	3.7	3.4	3.2
EV/EBITDA	22.1	17.3	13.9	12.5	12.0
Adjusted P/E	33.5	25.4	22.3	19.1	17.0
P/BV	7.7	6.8	5.2	4.1	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.3	75.5	75.1	75.1	
Interest burden (PBT/EBIT)	105.7	106.6	99.8	103.0	0.0
EBIT margin (EBIT/Revenue)	20.2	21.3	21.4	21.2	117.4
Asset turnover (Rev./Avg TA)	110.8	120.3	119.3	108.8	0.0
Leverage (Avg TA/Avg Equity)	1.3	1.4	1.4	1.4	1.3
Adjusted ROAE	23.7	29.0	27.1	24.6	

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	15.1	22.3	21.8	14.2	11.6
EBITDA	5.9	28.2	27.6	16.1	9.6
Adjusted EPS	8.7	32.2	13.6	16.9	12.0
Profitability & Return ratios (%)					
EBITDA margin	24.4	25.6	26.8	27.2	26.7
EBIT margin	20.2	21.3	21.4	21.2	21.3
Adjusted profit margin	16.1	17.2	16.0	16.4	16.4
Adjusted ROAE	23.7	29.0	27.1	24.6	21.9
ROCE	22.5	27.0	26.9	23.7	21.2
Working capital days (days)					
Receivables	54	52	54	56	57
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	14.9	16.0	22.2	54.5	(231.0)
Current ratio	4.4	3.5	4.0	4.7	5.4
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.5)	(0.6)	(0.7)

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

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Financials – FSOL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**79,803**	**95,564**	**115,297**	**132,415**	**151,650**
EBITDA	12,077	15,562	19,196	23,036	27,663
Depreciation	3,271	4,341	4,942	5,892	6,843
EBIT	8,806	11,221	14,254	17,144	20,820
Net interest inc./(exp.)	(1,383)	(1,814)	(2,126)	(1,646)	(1,646)
Other inc./(exp.)	(104)	74	387	648	895
Exceptional items	0	0	0	0	0
EBT	7,319	9,481	12,515	16,146	20,070
Income taxes	1,462	1,754	2,874	3,933	4,888
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**5,857**	**7,726**	**9,642**	**12,213**	**15,181**
Adjustments	0	0	0	0	0
Adjusted net profit	**5,857**	**7,726**	**9,642**	**12,213**	**15,181**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	3,976	5,579	6,665	7,616	8,702
Other current liabilities	20,311	29,206	30,488	30,488	30,488
Provisions	241	1,140	1,171	1,171	1,171
Debt funds	3,419	1,897	(750)	(1,750)	(2,750)
Other liabilities	10,299	11,534	10,909	10,909	10,909
Equity capital	6,970	6,970	6,970	6,970	6,970
Reserves & surplus	34,006	36,875	41,601	47,938	55,861
Shareholders' fund	40,976	43,845	48,571	54,908	62,831
Total liab. and equities	**79,222**	**93,200**	**97,054**	**103,342**	**111,351**
Cash and cash eq.	1,670	2,693	4,565	6,925	10,543
Accounts receivables	16,860	20,786	22,839	26,097	29,818
Inventories	0	0	0	0	0
Other current assets	3,710	4,144	5,505	5,505	5,505
Investments	115	658	657	657	657
Net fixed assets	2,763	3,103	3,847	4,517	5,187
CWIP	491	299	299	299	299
Intangible assets	47,173	52,565	52,118	52,118	52,118
Deferred tax assets, net	3,449	4,806	4,397	4,397	4,397
Other assets	2,991	4,146	2,827	2,827	2,827
Total assets	**79,222**	**93,200**	**97,054**	**103,342**	**111,351**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**8,805**	**14,711**	**14,704**	**17,444**	**21,034**
Capital expenditures	(1,790)	(1,410)	(1,345)	(1,620)	(1,620)
Change in investments	(315)	(429)	(343)	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(2,105)**	**(1,839)**	**(1,687)**	**(1,620)**	**(1,620)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	7,204	4,048	38	(1,000)	(1,000)
Interest expenses	(1,383)	(1,814)	(2,126)	(1,646)	(1,646)
Dividends paid	(2,751)	(3,802)	(4,839)	(5,876)	(7,259)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**3,070**	**(1,569)**	**(6,927)**	**(8,522)**	**(9,905)**
Chg in cash & cash eq.	**(214)**	**1,023**	**1,873**	**2,360**	**3,617**
Closing cash & cash eq.	**1,670**	**2,693**	**4,565**	**6,925**	**10,543**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	8.6	9.8	12.9	17.7	22.0
Adjusted EPS	8.4	9.6	12.7	17.4	21.6
Dividend per share	4.0	5.5	7.0	8.5	10.5
Book value per share	59.7	63.4	70.3	79.4	90.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.5	2.0	1.7	1.5	1.4
EV/EBITDA	16.2	12.6	10.4	8.8	7.5
Adjusted P/E	33.6	29.6	22.3	16.3	13.1
P/BV	4.7	4.5	4.0	3.6	3.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.3	79.4	75.6	75.6	75.6
Interest burden (PBT/EBIT)	84.1	75.7	82.8	94.2	96.4
EBIT margin (EBIT/Revenue)	11.0	11.7	12.4	12.9	13.7
Asset turnover (Rev./Avg TA)	114.0	110.8	121.2	132.2	141.3
Leverage (Avg TA/Avg Equity)	1.7	2.0	2.0	1.8	1.7
Adjusted ROAE	14.5	15.4	18.4	22.2	24.2

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	25.9	19.7	20.6	14.8	14.5
EBITDA	26.3	28.9	23.4	20.0	20.1
Adjusted EPS	14.9	13.4	32.8	36.8	24.3
Profitability & Return ratios (%)					
EBITDA margin	15.1	16.3	16.6	17.4	18.2
EBIT margin	11.0	11.7	12.4	12.9	13.7
Adjusted profit margin	7.3	8.1	8.4	9.2	10.0
Adjusted ROAE	15.0	18.2	20.9	23.6	25.8
ROCE	10.6	10.9	12.1	13.9	15.9
Working capital days (days)					
Receivables	77	79	72	72	72
Inventory	NA	NA	NA	NA	NA
Payables	18	21	21	21	21
Ratios (x)					
Gross asset turnover	28.9	30.8	30.0	29.3	29.2
Current ratio	0.9	0.8	0.9	1.0	1.2
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	0.0	(0.1)	(0.2)	(0.2)

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

Financials – HCLT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**1,170,550**	**1,301,440**	**1,430,184**	**1,496,440**	**1,565,615**
EBITDA	255,050	267,520	289,840	300,215	314,739
Depreciation	40,840	43,550	41,512	41,915	42,395
EBIT	214,210	223,970	248,328	258,300	272,344
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	18,410	(2,950)	9,798	8,894	9,351
Exceptional items	0	0	0	0	0
EBT	232,620	221,020	258,126	267,195	281,695
Income taxes	58,620	54,500	62,630	64,830	68,348
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	90	100	80	80	80
Reported net profit	**173,910**	**166,420**	**195,416**	**202,284**	**213,267**
Adjustments	0	0	0	0	0
Adjusted net profit	**173,910**	**166,420**	**195,416**	**202,284**	**213,267**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	244,710	298,280	289,116	300,996	314,898
Provisions	0	0	0	0	0
Debt funds	22,910	1,590	1,510	1,510	1,510
Other liabilities	91,270	111,060	111,860	114,375	117,317
Equity capital	5,430	5,430	5,430	5,430	5,430
Reserves & surplus	691,120	746,220	748,564	766,862	796,143
Shareholders' fund	696,550	751,650	753,994	772,292	801,573
Total liab. and equities	**1,055,440**	**1,162,580**	**1,156,480**	**1,189,174**	**1,235,298**
Cash and cash eq.	82,450	82,650	136,466	145,166	163,877
Accounts receivables	195,230	235,850	241,003	250,906	262,494
Inventories	0	0	0	0	0
Other current assets	343,410	386,920	306,520	314,047	322,856
Investments	12,970	21,760	34,940	34,940	34,940
Net fixed assets	332,150	338,470	336,916	340,796	344,676
CWIP	0	0	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	89,230	96,930	100,636	103,318	106,455
Total assets	**1,055,440**	**1,162,580**	**1,156,480**	**1,189,174**	**1,235,298**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**233,950**	**195,940**	**195,062**	**238,729**	**249,247**
Capital expenditures	(50,380)	(49,870)	(39,958)	(45,795)	(46,275)
Change in investments	(38,770)	(25,220)	94,850	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(89,150)**	**(75,090)**	**54,892**	**(45,795)**	**(46,275)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	5,200	(10,610)	(310)	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(162,528)	(129,852)	(162,341)	(183,986)	(183,986)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(157,328)**	**(140,462)**	**(162,651)**	**(183,986)**	**(183,986)**
Chg in cash & cash eq.	**(12,021)**	**388**	**54,304**	**8,948**	**18,986**
Closing cash & cash eq.	**82,539**	**82,838**	**136,954**	**145,413**	**164,152**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	64.2	61.5	72.2	74.8	78.8
Adjusted EPS	64.1	61.4	72.1	74.6	78.7
Dividend per share	60.0	48.0	60.0	68.0	68.0
Book value per share	256.5	277.3	278.2	284.9	295.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.0	2.7	2.4	2.4	2.3
EV/EBITDA	13.6	12.9	12.1	11.8	11.3
Adjusted P/E	19.6	20.4	17.4	16.8	15.9
P/BV	4.9	4.5	4.5	4.4	4.2

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.8	75.3	75.7	75.7	75.7
Interest burden (PBT/EBIT)	108.6	98.7	103.9	103.4	103.4
EBIT margin (EBIT/Revenue)	18.3	17.2	17.4	17.3	17.4
Asset turnover (Rev./Avg TA)	114.0	117.4	123.3	127.6	129.2
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.5	1.5
Adjusted ROAE	25.2	23.0	26.0	26.5	27.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.5	11.2	9.9	4.6	4.6
EBITDA	5.4	4.9	8.3	3.6	4.8
Adjusted EPS	10.8	(4.2)	17.4	3.5	5.4
Profitability & Return ratios (%)					
EBITDA margin	21.8	20.6	20.3	20.1	20.1
EBIT margin	18.3	17.2	17.4	17.3	17.4
Adjusted profit margin	14.9	12.8	13.7	13.5	13.6
Adjusted ROAE	25.2	23.0	26.0	26.5	27.1
ROCE	20.1	20.1	21.7	22.3	22.8
Working capital days (days)					
Receivables	61	66	62	61	61
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	3.5	3.8	4.2	4.4	4.5
Current ratio	2.7	2.5	2.5	2.5	2.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)

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

Financials – INFO

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**1,629,900**	**1,786,500**	**1,949,035**	**2,015,078**	**2,109,294**
EBITDA	392,350	424,440	452,789	464,683	488,095
Depreciation	48,110	49,010	52,067	54,407	56,951
EBIT	344,240	375,430	400,722	410,276	431,144
Net interest inc./(exp.)	(4,160)	(4,160)	(4,760)	(4,760)	(4,760)
Other inc./(exp.)	35,990	28,680	39,608	47,189	58,214
Exceptional items	0	0	0	0	0
EBT	376,070	399,950	435,570	452,704	484,598
Income taxes	108,570	105,210	128,483	133,537	142,945
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	370	340	60	0	0
Reported net profit	**267,130**	**294,400**	**307,027**	**319,167**	**341,653**
Adjustments	0	0	0	0	0
Adjusted net profit	**267,130**	**294,400**	**307,027**	**319,167**	**341,653**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	41,640	47,440	43,870	43,870	43,870
Other current liabilities	372,110	460,660	477,809	494,831	520,043
Provisions	14,750	15,120	16,696	17,337	18,287
Debt funds	0	0	0	0	0
Other liabilities	98,500	103,480	103,910	103,910	103,910
Equity capital	20,730	20,240	20,250	20,250	20,250
Reserves & surplus	941,300	912,730	909,728	1,005,478	1,107,974
Shareholders' fund	962,030	932,970	929,978	1,025,728	1,128,224
Total liab. and equities	**1,489,030**	**1,559,670**	**1,572,263**	**1,685,677**	**1,814,334**
Cash and cash eq.	244,550	222,010	220,548	298,170	377,441
Accounts receivables	311,580	352,340	343,810	357,011	376,565
Inventories	0	0	0	0	0
Other current assets	375,470	410,190	439,369	453,037	473,281
Investments	235,410	218,800	166,670	166,670	166,670
Net fixed assets	128,000	133,310	140,696	149,329	158,493
CWIP	0	0	0	0	0
Intangible assets	128,720	149,420	193,290	193,290	193,290
Deferred tax assets, net	11,080	22,640	21,460	21,460	21,460
Other assets	54,220	50,960	46,421	46,709	47,135
Total assets	**1,489,030**	**1,559,670**	**1,572,263**	**1,685,677**	**1,814,334**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**373,630**	**360,050**	**370,769**	**368,840**	**389,302**
Capital expenditures	(89,650)	(75,020)	(103,323)	(63,041)	(66,114)
Change in investments	13,230	17,950	52,790	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(76,420)**	**(57,070)**	**(50,533)**	**(63,041)**	**(66,114)**
Equities issued/Others	0	(180,000)	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(4,160)	(4,160)	(4,760)	(4,760)	(4,760)
Dividends paid	(178,111)	(196,490)	(214,919)	(223,417)	(239,157)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(182,271)**	**(380,650)**	**(219,679)**	**(228,177)**	**(243,917)**
Chg in cash & cash eq.	**96,690**	**(22,670)**	**(1,442)**	**77,623**	**79,271**
Closing cash & cash eq.	**244,550**	**221,880**	**220,568**	**298,170**	**377,441**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	64.5	71.6	75.9	78.9	84.4
Adjusted EPS	64.4	71.5	75.8	78.8	84.3
Dividend per share	43.0	48.0	53.1	55.2	59.1
Book value per share	232.2	230.6	229.8	253.4	278.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.8	2.6	2.3	2.3	2.2
EV/EBITDA	11.6	10.8	10.1	9.9	9.6
Adjusted P/E	16.7	15.1	14.2	13.7	12.8
P/BV	4.6	4.7	4.7	4.3	3.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.1	73.7	70.5	70.5	0.0
Interest burden (PBT/EBIT)	109.2	106.5	108.7	110.3	0.0
EBIT margin (EBIT/Revenue)	21.1	21.0	20.6	20.4	0.0
Asset turnover (Rev./Avg TA)	113.7	117.2	124.5	123.7	0.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.7	1.7	0.0
Adjusted ROAE	29.0	31.1	33.0	32.6	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.1	9.6	9.1	3.4	4.7
EBITDA	7.7	8.2	6.7	2.6	5.0
Adjusted EPS	1.7	11.1	5.9	4.0	7.0
Profitability & Return ratios (%)					
EBITDA margin	24.1	23.8	23.2	23.1	23.1
EBIT margin	21.1	21.0	20.6	20.4	20.4
Adjusted profit margin	16.4	16.5	15.8	15.8	16.2
Adjusted ROAE	28.9	31.1	33.0	32.6	31.7
ROCE	26.5	29.2	30.3	29.6	28.2
Working capital days (days)					
Receivables	102	106	99	99	100
Inventory	NA	NA	NA	NA	NA
Payables	9	10	8	8	7
Ratios (x)					
Gross asset turnover	12.7	13.4	13.9	13.5	13.3
Current ratio	2.2	1.9	1.9	2.0	2.1
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)

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

Financials – LTM

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**380,081**	**423,076**	**504,958**	**574,564**	**618,334**
EBITDA	64,949	75,552	89,551	98,020	105,580
Depreciation	9,915	10,541	13,253	14,187	14,187
EBIT	55,034	65,011	76,297	83,833	91,393
Net interest inc./(exp.)	(2,789)	(2,763)	(3,250)	(3,589)	(3,802)
Other inc./(exp.)	12,686	13,707	18,167	23,588	27,254
Exceptional items	0	0	0	0	0
EBT	64,931	75,955	91,215	103,832	114,844
Income taxes	16,122	19,570	23,308	26,756	29,593
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**48,809**	**52,434**	**67,907**	**77,076**	**85,251**
Adjustments	0	0	0	0	0
Adjusted net profit	**48,809**	**52,434**	**67,907**	**77,076**	**85,251**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	31,075	61,345	97,802	103,423	108,065
Provisions	9,691	11,741	12,320	12,320	12,320
Debt funds	554	13,397	9,218	9,218	9,218
Other liabilities	37,997	45,227	48,235	48,748	49,241
Equity capital	296	296	296	296	296
Reserves & surplus	226,687	239,954	269,313	316,721	366,370
Shareholders' fund	226,983	240,250	269,609	317,017	366,666
Total liab. and equities	**306,300**	**371,960**	**437,185**	**490,726**	**545,509**
Cash and cash eq.	20,623	23,311	58,773	88,258	121,600
Accounts receivables	76,882	94,717	112,691	122,648	130,871
Inventories	28	33	28	28	28
Other current assets	38,106	38,556	48,421	52,338	55,573
Investments	111,515	146,055	149,801	157,801	165,801
Net fixed assets	15,946	13,431	9,125	9,369	9,613
CWIP	5,818	9,171	10,012	10,012	10,012
Intangible assets	12,036	12,923	12,860	12,860	12,860
Deferred tax assets, net	5,303	12,980	12,860	13,996	14,935
Other assets	20,043	20,783	22,616	23,416	24,216
Total assets	**306,300**	**371,960**	**437,185**	**490,726**	**545,509**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**54,672**	**51,800**	**93,613**	**86,598**	**96,424**
Capital expenditures	(3,825)	(7,049)	(6,000)	(6,000)	(6,000)
Change in investments	(12,747)	(34,540)	(3,746)	(8,000)	(8,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(16,572)**	**(41,589)**	**(9,746)**	**(14,000)**	**(14,000)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	236	12,843	(4,179)	0	0
Interest expenses	(2,789)	(2,763)	(3,250)	(3,589)	(3,802)
Dividends paid	(19,261)	(22,081)	(28,185)	(29,669)	(35,602)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(21,814)**	**(12,001)**	**(35,614)**	**(33,258)**	**(39,405)**
Chg in cash & cash eq.	**2,423**	**23,311**	**58,764**	**88,287**	**121,951**
Closing cash & cash eq.	**20,623**	**23,311**	**58,764**	**88,287**	**121,951**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	153.7	169.3	226.3	259.8	287.3
Adjusted EPS	153.4	169.2	225.9	259.3	286.8
Dividend per share	65.0	75.0	95.0	100.0	120.0
Book value per share	766.0	816.2	911.6	1,071.4	1,238.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.4	3.1	2.6	2.4	2.2
EV/EBITDA	20.1	17.3	14.7	13.8	13.1
Adjusted P/E	28.3	25.7	19.2	16.8	15.2
P/BV	5.7	5.3	4.8	4.1	3.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.2	74.4	74.4	74.2	0.0
Interest burden (PBT/EBIT)	118.0	108.7	119.6	123.9	0.0
EBIT margin (EBIT/Revenue)	14.5	15.4	15.1	14.6	0.0
Asset turnover (Rev./Avg TA)	130.6	124.8	124.8	123.8	0.0
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.6	1.6	0.0
Adjusted ROAE	22.8	22.5	26.5	26.2	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.0	11.3	19.4	13.8	7.6
EBITDA	1.7	16.3	18.5	9.5	7.7
Adjusted EPS	(0.8)	10.3	33.5	14.8	10.6
Profitability & Return ratios (%)					
EBITDA margin	17.1	17.9	17.7	17.1	17.1
EBIT margin	14.5	15.4	15.1	14.6	14.8
Adjusted profit margin	12.8	12.4	13.4	13.4	13.8
Adjusted ROAE	22.9	22.4	26.6	26.3	24.9
ROCE	18.4	18.0	18.1	17.7	17.0
Working capital days (days)					
Receivables	74	82	81	78	77
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	23.8	31.5	55.3	61.3	64.3
Current ratio	3.3	2.1	2.0	2.3	2.6
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	0.0	(0.2)	(0.2)	(0.3)

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

Financials – MPHL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**142,300**	**158,796**	**185,033**	**202,757**	**221,181**
EBITDA	26,471	29,835	33,579	37,227	39,958
Depreciation	4,762	5,554	5,706	5,973	6,159
EBIT	21,709	24,281	27,873	31,254	33,799
Net interest inc./(exp.)	(1,656)	(2,040)	(1,910)	(1,832)	(1,753)
Other inc./(exp.)	2,550	3,206	3,896	4,138	4,538
Exceptional items	0	0	0	0	0
EBT	22,603	25,447	29,859	33,561	36,584
Income taxes	5,579	6,467	7,576	8,222	8,963
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**17,024**	**18,980**	**22,283**	**25,338**	**27,621**
Adjustments	0	0	0	0	0
Adjusted net profit	**17,024**	**18,980**	**22,283**	**25,338**	**27,621**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	31,445	39,998	41,478	45,588	49,610
Provisions	833	2,457	1,838	2,020	2,199
Debt funds	11,159	17,929	19,095	18,295	17,495
Other liabilities	9,346	9,998	10,008	10,008	10,008
Equity capital	1,901	1,908	1,909	1,909	1,909
Reserves & surplus	94,383	105,529	115,498	125,633	136,681
Shareholders' fund	96,284	107,437	117,406	127,542	138,590
Total liab. and equities	**149,067**	**177,819**	**189,824**	**203,452**	**217,901**
Cash and cash eq.	16,126	17,527	11,963	13,826	19,363
Accounts receivables	31,604	44,718	49,182	54,055	58,825
Inventories	0	0	0	0	0
Other current assets	18,192	29,504	34,306	37,706	41,032
Investments	22,082	17,366	23,832	23,832	23,832
Net fixed assets	8,463	9,694	11,494	14,573	14,986
CWIP	2	1	15	15	15
Intangible assets	42,907	47,677	47,856	47,856	47,856
Deferred tax assets, net	3,246	4,348	4,158	4,570	4,973
Other assets	6,445	6,984	7,019	7,019	7,019
Total assets	**149,067**	**177,819**	**189,824**	**203,452**	**217,901**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**21,215**	**12,325**	**21,495**	**29,162**	**31,637**
Capital expenditures	(6,328)	(6,784)	(7,520)	(9,052)	(6,572)
Change in investments	8,428	3,614	(6,276)	(412)	(403)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**2,100**	**(3,170)**	**(13,796)**	**(9,464)**	**(6,975)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(3,953)	6,877	1,160	(800)	(800)
Interest expenses	(1,656)	(2,040)	(1,910)	(1,832)	(1,753)
Dividends paid	0	0	(13,370)	(15,203)	(16,572)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(5,609)**	**4,837**	**(14,120)**	**(17,835)**	**(19,125)**
Chg in cash & cash eq.	**7,982**	**1,401**	**(5,564)**	**1,863**	**5,537**
Closing cash & cash eq.	**16,126**	**17,527**	**11,963**	**13,826**	**19,363**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	89.9	97.8	116.8	132.8	144.7
Adjusted EPS	89.3	97.5	116.6	132.6	144.5
Dividend per share	0.0	0.0	70.1	79.7	86.8
Book value per share	507.0	563.5	615.2	668.3	726.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.2	2.9	2.4	2.2	2.0
EV/EBITDA	17.1	15.3	13.4	12.0	11.3
Adjusted P/E	26.6	24.4	20.4	17.9	16.5
P/BV	4.7	4.2	3.9	3.6	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.3	73.2	74.6	75.5	75.5
Interest burden (PBT/EBIT)	104.1	104.8	107.1	107.4	108.2
EBIT margin (EBIT/Revenue)	15.3	15.3	15.1	15.4	15.3
Asset turnover (Rev./Avg TA)	98.0	97.2	100.7	103.1	105.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	1.6
Adjusted ROAE	18.5	18.3	19.8	20.7	20.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.2	11.6	16.5	9.6	9.1
EBITDA	9.3	12.7	12.5	10.9	7.3
Adjusted EPS	8.1	9.2	19.6	13.7	9.0
Profitability & Return ratios (%)					
EBITDA margin	18.6	18.8	18.1	18.4	18.1
EBIT margin	15.3	15.3	15.1	15.4	15.3
Adjusted profit margin	12.0	12.0	12.0	12.5	12.5
Adjusted ROAE	18.5	18.6	19.8	20.7	20.8
ROCE	14.2	14.4	14.8	15.6	15.9
Working capital days (days)					
Receivables	81	103	97	97	97
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	16.8	16.4	16.1	13.9	14.8
Current ratio	2.2	2.3	2.4	2.4	2.4
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	0.0	0.1	0.0	0.0

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

Financials – PSYS

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**119,387**	**147,485**	**211,892**	**324,442**	**369,106**
EBITDA	20,581	27,955	38,113	56,492	66,103
Depreciation	3,069	4,030	6,111	11,006	11,515
EBIT	17,512	23,925	32,002	45,486	54,588
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	710	1,078	926	1,592	1,559
Exceptional items	0	0	0	0	0
EBT	18,223	25,002	32,010	40,408	50,821
Income taxes	4,222	5,461	7,727	11,314	14,230
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**14,001**	**19,542**	**24,284**	**29,094**	**36,591**
Adjustments	0	0	0	0	0
Adjusted net profit	**14,001**	**19,542**	**24,284**	**29,094**	**36,591**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	17,299	28,672	62,032	60,386	76,588
Provisions	4,029	570	509	602	668
Debt funds	0	0	152,950	124,950	96,950
Other liabilities	2,848	6,144	9,251	9,251	9,251
Equity capital	779	789	789	789	789
Reserves & surplus	62,411	77,590	91,908	107,910	128,035
Shareholders' fund	63,191	78,379	92,697	108,699	128,824
Total liab. and equities	**87,366**	**113,765**	**317,439**	**303,887**	**312,281**
Cash and cash eq.	10,255	12,183	16,389	(3,768)	3,744
Accounts receivables	19,142	22,231	46,495	54,960	60,993
Inventories	0	0	0	0	0
Other current assets	18,926	30,358	53,197	62,882	69,785
Investments	9,803	16,148	15,071	15,071	15,071
Net fixed assets	13,805	15,232	22,037	15,271	7,997
CWIP	42	107	186	186	186
Intangible assets	12,338	13,597	120,647	120,647	120,647
Deferred tax assets, net	2,024	3,460	4,588	4,588	4,588
Other assets	1,031	450	592	592	592
Total assets	**87,366**	**113,765**	**279,202**	**270,430**	**283,603**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**8,433**	**17,789**	**18,823**	**27,066**	**56,764**
Capital expenditures	(3,787)	(3,849)	(4,556)	(4,556)	(4,556)
Change in investments	(1,367)	(4,903)	181	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(5,154)**	**(8,751)**	**(4,375)**	**(4,556)**	**(4,556)**
Equities issued/Others	9	10	0	0	0
Debt raised/repaid	51	176	154,368	(28,000)	(28,000)
Interest expenses	0	0	0	0	0
Dividends paid	(5,387)	(8,574)	(10,928)	(13,092)	(16,466)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(5,327)**	**(8,389)**	**143,440**	**(41,092)**	**(44,466)**
Chg in cash & cash eq.	**26**	**1,928**	**2,175**	**(22,317)**	**5,351**
Closing cash & cash eq.	**10,255**	**12,183**	**14,358**	**(5,928)**	**1,583**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	91.2	119.7	155.2	186.0	233.9
Adjusted EPS	90.2	118.9	153.4	183.8	231.1
Dividend per share	34.9	54.8	69.9	83.7	105.3
Book value per share	405.4	496.8	585.5	686.6	813.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	7.3	5.9	3.7	2.2	2.0
EV/EBITDA	42.1	31.1	20.8	12.8	11.3
Adjusted P/E	60.7	46.1	35.7	29.8	23.7
P/BV	13.5	11.0	9.4	8.0	6.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	76.8	77.4	75.9	72.0	72.0
Interest burden (PBT/EBIT)	104.1	100.8	100.0	88.8	93.1
EBIT margin (EBIT/Revenue)	14.7	16.2	15.1	14.0	14.8
Asset turnover (Rev./Avg TA)	211.3	207.7	130.0	134.4	159.5
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.9	2.4	1.9
Adjusted ROAE	24.8	26.3	28.4	28.9	30.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	21.6	23.5	43.7	53.1	13.8
EBITDA	19.3	35.8	36.3	48.2	17.0
Adjusted EPS	26.7	31.8	29.1	19.8	25.8
Profitability & Return ratios (%)					
EBITDA margin	17.2	19.0	18.0	17.4	17.9
EBIT margin	14.7	16.2	15.1	14.0	14.8
Adjusted profit margin	11.7	13.2	11.5	9.0	9.9
Adjusted ROAE	24.8	27.6	28.4	28.9	30.8
ROCE	23.8	26.1	14.9	13.6	17.0
Working capital days (days)					
Receivables	59	55	80	62	60
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	8.6	9.7	9.6	21.2	46.2
Current ratio	2.3	2.2	1.9	1.9	1.7
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	1.5	1.2	0.7

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

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Financials – TCS

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**2,553,240**	**2,670,210**	**2,883,819**	**2,951,704**	**3,042,523**
EBITDA	674,070	723,980	750,226	772,198	794,119
Depreciation	52,420	55,600	49,704	53,552	57,392
EBIT	621,650	668,380	700,522	718,646	736,727
Net interest inc./(exp.)	(7,960)	(12,270)	(12,330)	(12,800)	(12,800)
Other inc./(exp.)	39,620	(1,240)	47,805	48,612	55,235
Exceptional items	0	0	0	0	0
EBT	653,310	654,870	735,997	754,458	779,162
Income taxes	165,340	160,330	185,541	190,195	196,423
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2,440	2,440	2,840	2,840	2,840
Reported net profit	**485,530**	**526,491**	**547,616**	**561,422**	**579,899**
Adjustments	0	0	0	0	0
Adjusted net profit	**485,530**	**526,491**	**547,616**	**561,422**	**579,899**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	139,090	148,080	153,327	158,842	163,723
Other current liabilities	373,580	428,980	445,355	455,566	464,604
Provisions	1,800	13,780	4,380	4,380	4,380
Debt funds	0	0	0	0	0
Other liabilities	124,110	147,890	147,671	148,915	150,015
Equity capital	3,620	3,620	3,620	3,620	3,620
Reserves & surplus	954,090	1,081,160	1,131,886	1,259,138	1,404,867
Shareholders' fund	957,710	1,084,780	1,135,506	1,262,758	1,408,487
Total liab. and equities	**1,596,290**	**1,823,510**	**1,886,239**	**2,030,461**	**2,191,208**
Cash and cash eq.	154,630	129,080	264,870	365,238	485,904
Accounts receivables	591,750	679,270	684,160	708,767	730,546
Inventories	280	290	270	270	270
Other current assets	180,670	215,020	212,191	218,223	223,563
Investments	306,890	337,700	270,560	270,560	270,560
Net fixed assets	125,240	136,970	148,562	159,602	170,642
CWIP	0	0	0	0	0
Intangible assets	28,000	92,630	91,890	91,890	91,890
Deferred tax assets, net	35,780	44,650	43,660	45,230	46,620
Other assets	173,120	187,900	170,076	170,680	171,214
Total assets	**1,596,360**	**1,823,510**	**1,886,239**	**2,030,461**	**2,191,208**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**551,930**	**533,910**	**641,985**	**614,771**	**638,908**
Capital expenditures	(68,260)	(67,330)	(61,296)	(64,592)	(68,432)
Change in investments	7,980	(30,240)	66,890	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(60,280)**	**(97,570)**	**5,594**	**(64,592)**	**(68,432)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(7,960)	(12,270)	(12,330)	(12,800)	(12,800)
Dividends paid	(549,334)	(479,578)	(510,096)	(523,175)	(523,175)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(557,294)**	**(491,848)**	**(522,426)**	**(535,975)**	**(535,975)**
Chg in cash & cash eq.	**21,770**	**(25,760)**	**154,333**	**111,494**	**135,500**
Closing cash & cash eq.	**154,630**	**128,870**	**283,413**	**376,364**	**500,738**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	134.2	145.5	150.0	155.2	160.3
Adjusted EPS	134.2	145.5	150.0	155.2	160.3
Dividend per share	126.0	110.0	117.0	120.0	120.0
Book value per share	264.7	299.8	313.8	349.0	389.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.2	3.1	2.9	2.9	2.8
EV/EBITDA	12.3	11.4	11.1	11.0	10.8
Adjusted P/E	16.8	15.5	15.0	14.5	14.0
P/BV	8.5	7.5	7.2	6.4	5.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.3	75.1	74.4	74.4	0.0
Interest burden (PBT/EBIT)	105.1	98.0	105.1	105.0	0.0
EBIT margin (EBIT/Revenue)	24.3	25.0	24.3	24.3	0.0
Asset turnover (Rev./Avg TA)	166.8	156.2	155.5	150.7	0.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	0.0
Adjusted ROAE	50.7	45.4	48.2	44.5	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	6.0	4.6	8.0	2.4	3.1
EBITDA	4.8	7.4	3.6	2.9	2.8
Adjusted EPS	4.7	8.4	3.1	3.5	3.3
Profitability & Return ratios (%)					
EBITDA margin	26.4	27.1	26.0	26.2	26.1
EBIT margin	24.3	25.0	24.3	24.3	24.2
Adjusted profit margin	19.0	19.7	19.0	19.0	19.1
Adjusted ROAE	51.9	51.6	49.3	46.8	43.4
ROCE	33.8	33.1	31.6	30.6	29.0
Working capital days (days)					
Receivables	85	93	87	88	88
Inventory	NA	NA	NA	NA	NA
Payables	20	20	19	19	19
Ratios (x)					
Gross asset turnover	20.4	19.5	19.4	18.5	17.8
Current ratio	1.8	1.7	1.9	2.1	2.3
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.1)	(0.2)	(0.3)	(0.3)

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

Financials – TECHM

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**529,883**	**568,154**	**644,376**	**685,293**	**726,265**
EBITDA	69,911	90,341	117,120	129,756	140,947
Depreciation	18,529	18,816	19,628	20,677	21,691
EBIT	51,382	71,525	97,492	109,079	119,255
Net interest inc./(exp.)	(3,217)	(3,374)	(4,445)	(2,178)	(2,178)
Other inc./(exp.)	8,554	319	2,895	5,822	6,988
Exceptional items	0	0	0	0	0
EBT	56,719	68,470	95,942	112,723	124,065
Income taxes	14,002	17,676	24,426	28,181	31,016
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(101)	53	360	140	140
Reported net profit	**42,818**	**50,741**	**71,156**	**84,402**	**92,909**
Adjustments	0	0	0	0	0
Adjusted net profit	**42,818**	**50,741**	**71,156**	**84,402**	**92,909**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	0	0	0	0	0
Other current liabilities	126,740	144,975	154,853	164,606	175,300
Provisions	0	0	0	0	0
Debt funds	160	548	1,089	1,089	1,089
Other liabilities	44,430	52,017	51,800	51,800	51,800
Equity capital	4,424	4,428	4,429	4,429	4,429
Reserves & surplus	269,191	291,726	302,215	320,423	339,160
Shareholders' fund	273,615	296,154	306,644	324,852	343,589
Total liab. and equities	**444,945**	**493,694**	**514,386**	**542,346**	**571,778**
Cash and cash eq.	74,350	84,409	92,882	113,782	135,648
Accounts receivables	115,470	133,577	143,321	152,348	162,246
Inventories	394	1,042	984	984	984
Other current assets	47,117	57,269	61,396	65,263	69,503
Investments	7,836	3,984	4,082	4,082	4,082
Net fixed assets	47,636	44,278	40,193	31,516	21,824
CWIP	206	268	885	885	885
Intangible assets	76,993	84,560	85,810	85,810	85,810
Deferred tax assets, net	18,573	21,864	20,206	20,206	20,206
Other assets	56,370	62,443	64,626	67,471	70,590
Total assets	**444,945**	**493,694**	**514,386**	**542,346**	**571,778**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**61,621**	**62,312**	**91,654**	**104,257**	**113,474**
Capital expenditures	(10,899)	(15,520)	(16,160)	(12,000)	(12,000)
Change in investments	(8,433)	(896)	(959)	(2,844)	(3,119)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(19,332)**	**(16,416)**	**(17,119)**	**(14,844)**	**(15,119)**
Equities issued/Others	11	4	1	0	0
Debt raised/repaid	3,686	7,661	47	0	0
Interest expenses	(3,217)	(3,374)	(4,445)	(2,178)	(2,178)
Dividends paid	(39,857)	(45,209)	(62,043)	(66,475)	(74,452)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(39,377)**	**(40,918)**	**(66,440)**	**(68,653)**	**(76,630)**
Chg in cash & cash eq.	**(799)**	**10,059**	**8,473**	**20,900**	**21,866**
Closing cash & cash eq.	**74,350**	**84,409**	**92,882**	**113,782**	**135,648**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	47.9	57.3	80.5	87.2	105.1
Adjusted EPS	47.8	57.3	80.4	87.0	105.0
Dividend per share	45.0	51.0	70.0	75.0	84.0
Book value per share	308.9	334.1	346.0	366.5	387.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.8	2.6	2.3	2.2	2.1
EV/EBITDA	21.0	16.3	12.7	11.6	10.8
Adjusted P/E	33.0	27.5	19.6	18.1	15.0
P/BV	5.1	4.7	4.6	4.3	4.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.5	74.1	74.2	74.9	74.9
Interest burden (PBT/EBIT)	110.4	95.7	98.4	103.3	104.0
EBIT margin (EBIT/Revenue)	9.7	12.6	15.1	15.9	16.4
Asset turnover (Rev./Avg TA)	169.2	170.4	182.0	185.9	187.6
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.2	1.2
Adjusted ROAE	15.8	17.8	23.6	26.7	27.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	1.9	7.2	13.4	6.3	6.0
EBITDA	40.8	29.2	29.6	10.8	8.6
Adjusted EPS	80.6	19.7	40.4	8.3	20.6
Profitability & Return ratios (%)					
EBITDA margin	13.2	15.9	18.2	18.9	19.4
EBIT margin	9.7	12.6	15.1	15.9	16.4
Adjusted profit margin	8.1	8.9	11.0	12.3	12.8
Adjusted ROAE	15.8	17.8	23.6	26.7	27.8
ROCE	12.4	15.9	20.5	22.2	23.1
Working capital days (days)					
Receivables	80	86	81	81	82
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA
Ratios (x)					
Gross asset turnover	11.1	12.8	16.0	21.7	33.3
Current ratio	1.9	1.9	1.9	2.0	2.1
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)

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

Financials – WPRO

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**890,884**	**926,240**	**988,466**	**1,015,438**	**1,045,235**
EBITDA	190,397	193,268	191,831	207,999	219,147
Depreciation	39,126	36,632	32,151	41,316	45,316
EBIT	151,271	156,636	159,680	166,682	173,831
Net interest inc./(exp.)	(14,770)	(14,577)	(18,585)	(18,475)	(18,475)
Other inc./(exp.)	38,456	36,748	31,131	37,186	46,161
Exceptional items	0	0	0	0	0
EBT	174,957	173,150	172,227	185,393	201,517
Income taxes	42,777	40,767	40,714	44,494	48,364
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	826	681	172	172	172
Reported net profit	**131,354**	**131,702**	**131,341**	**140,726**	**152,981**
Adjustments	0	0	0	0	0
Adjusted net profit	**131,354**	**131,702**	**131,341**	**140,726**	**152,981**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	88,252	94,924	99,880	103,462	105,580
Other current liabilities	189,976	303,993	309,981	312,488	313,971
Provisions	294	224	144	144	144
Debt funds	63,954	1,962	0	0	0
Other liabilities	111,036	125,040	131,685	131,685	131,685
Equity capital	20,944	20,977	19,807	19,807	19,807
Reserves & surplus	809,503	866,900	834,855	953,585	1,083,076
Shareholders' fund	830,447	887,877	854,662	973,392	1,102,883
Total liab. and equities	**1,283,959**	**1,414,020**	**1,396,352**	**1,521,171**	**1,654,263**
Cash and cash eq.	121,974	105,555	204,099	341,517	494,768
Accounts receivables	118,044	136,250	135,727	140,594	143,473
Inventories	694	517	869	869	869
Other current assets	147,815	182,871	170,029	173,879	176,157
Investments	439,259	467,859	338,581	338,581	338,581
Net fixed assets	55,235	67,962	46,109	24,793	(524)
CWIP	25,449	13,825	21,888	21,888	21,888
Intangible assets	352,464	416,575	456,262	456,262	456,262
Deferred tax assets, net	2,561	5,242	4,359	4,359	4,359
Other assets	20,464	17,364	18,429	18,429	18,429
Total assets	**1,283,959**	**1,414,020**	**1,396,352**	**1,521,171**	**1,654,264**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**190,916**	**173,676**	**183,710**	**198,062**	**215,389**
Capital expenditures	(4,063)	827	(13,652)	(20,000)	(20,000)
Change in investments	(105,133)	(27,801)	129,271	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(109,196)**	**(26,974)**	**115,619**	**(20,000)**	**(20,000)**
Equities issued/Others	10,494	33	(150,000)	0	0
Debt raised/repaid	20,351	6,057	9,775	0	0
Interest expenses	(14,770)	(14,577)	(18,585)	(18,475)	(18,475)
Dividends paid	(6)	(52,366)	(40,847)	(21,996)	(23,490)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**16,069**	**(60,853)**	**(199,657)**	**(40,471)**	**(41,966)**
Chg in cash & cash eq.	**25,021**	**(16,151)**	**98,672**	**137,590**	**153,424**
Closing cash & cash eq.	**121,974**	**105,823**	**204,227**	**341,689**	**494,940**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	12.6	12.6	13.1	14.3	15.5
Adjusted EPS	12.5	12.5	13.1	14.3	15.5
Dividend per share	0.0	5.0	4.1	2.2	2.4
Book value per share	79.4	84.7	86.7	98.7	111.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.0	2.0	2.0	2.0	2.1
EV/EBITDA	9.6	9.6	10.1	9.9	10.0
Adjusted P/E	13.6	13.6	13.0	11.9	11.0
P/BV	2.1	2.0	2.0	1.7	1.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.1	76.1	76.3	75.9	75.9
Interest burden (PBT/EBIT)	115.7	110.5	107.9	111.2	115.9
EBIT margin (EBIT/Revenue)	17.0	16.9	16.2	16.4	16.6
Asset turnover (Rev./Avg TA)	73.1	68.5	70.1	69.4	65.7
Leverage (Avg TA/Avg Equity)	1.5	1.6	1.6	1.6	1.5
Adjusted ROAE	16.6	15.3	15.1	15.4	14.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(0.7)	4.0	6.7	2.7	2.9
EBITDA	7.9	1.5	(0.7)	8.4	5.4
Adjusted EPS	20.9	0.1	4.5	8.7	8.7
Profitability & Return ratios (%)					
EBITDA margin	21.4	20.9	19.4	20.5	21.0
EBIT margin	17.0	16.9	16.2	16.4	16.6
Adjusted profit margin	14.7	14.2	13.3	13.9	14.6
Adjusted ROAE	16.6	15.3	15.1	15.4	14.7
ROCE	10.9	10.4	10.4	10.3	9.8
Working capital days (days)					
Receivables	75	87	81	81	81
Inventory	NA	NA	NA	NA	NA
Payables	36	37	36	37	36
Ratios (x)					
Gross asset turnover	16.1	13.6	21.4	41.0	(1,996.4)
Current ratio	1.4	1.1	1.2	1.6	1.9
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.4)	(0.4)

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

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Financials – ZENT

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**52,806**	**56,874**	**62,313**	**65,339**	**68,194**
EBITDA	8,166	9,162	9,025	9,846	10,512
Depreciation	1,019	913	1,027	1,099	1,223
EBIT	7,147	8,249	7,998	8,746	9,288
Net interest inc./(exp.)	0	0	0	0	0
Other inc./(exp.)	1,429	2,217	2,200	2,252	2,687
Exceptional items	0	0	0	0	0
EBT	8,577	10,466	10,198	10,998	11,975
Income taxes	2,079	2,471	2,585	2,787	3,035
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**6,498**	**7,995**	**7,613**	**8,211**	**8,940**
Adjustments	0	0	0	0	0
Adjusted net profit	**6,498**	**7,995**	**7,613**	**8,211**	**8,940**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	3,454	3,674	4,080	4,185	4,400
Other current liabilities	5,385	7,826	8,153	8,237	8,410
Provisions	53	59	59	59	59
Debt funds	0	0	0	0	0
Other liabilities	3,239	3,184	3,184	3,184	3,184
Equity capital	454	453	453	453	453
Reserves & surplus	39,144	45,639	49,989	54,483	59,479
Shareholders' fund	39,598	46,092	50,442	54,936	59,932
Total liab. and equities	**51,729**	**60,835**	**65,918**	**70,600**	**75,985**
Cash and cash eq.	7,436	9,315	10,354	12,558	15,137
Accounts receivables	7,901	9,242	10,264	10,527	11,068
Inventories	0	0	0	0	0
Other current assets	5,272	5,352	5,532	5,579	5,674
Investments	12,537	16,594	19,094	21,094	23,094
Net fixed assets	908	1,051	1,393	1,562	1,731
CWIP	6	10	10	10	10
Intangible assets	9,819	10,508	10,508	10,508	10,508
Deferred tax assets, net	1,079	1,101	1,101	1,101	1,101
Other assets	6,771	7,662	7,662	7,662	7,662
Total assets	**51,729**	**60,835**	**65,918**	**70,600**	**75,985**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**7,240**	**9,999**	**8,274**	**9,329**	**10,055**
Capital expenditures	2,335	1,440	1,369	1,268	1,392
Change in investments	6,031	4,057	2,500	2,000	2,000
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**3,696**	**2,617**	**1,131**	**732**	**608**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(2,951)	(3,400)	(3,264)	(3,717)	(3,943)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(2,951)**	**(3,400)**	**(3,264)**	**(3,717)**	**(3,943)**
Chg in cash & cash eq.	**195**	**1,879**	**1,039**	**2,204**	**2,579**
Closing cash & cash eq.	**7,436**	**9,315**	**10,354**	**12,558**	**15,137**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	28.7	34.1	33.6	36.2	39.4
Adjusted EPS	28.4	33.7	33.5	36.2	39.4
Dividend per share	13.0	15.0	14.4	16.4	17.4
Book value per share	174.4	203.3	222.6	242.4	264.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.0	1.9	1.8	1.7	1.7
EV/EBITDA	13.1	11.8	12.1	11.3	10.8
Adjusted P/E	15.5	13.1	13.2	12.2	11.2
P/BV	2.5	2.2	2.0	1.8	1.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.8	76.4	74.7	74.7	0.0
Interest burden (PBT/EBIT)	120.0	126.9	127.5	125.7	0.0
EBIT margin (EBIT/Revenue)	13.5	14.5	12.8	13.4	0.0
Asset turnover (Rev./Avg TA)	107.5	101.1	98.3	95.7	0.0
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	0.0
Adjusted ROAE	17.5	18.7	15.8	15.6	0.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	7.7	7.7	9.6	4.9	4.4
EBITDA	(6.3)	12.2	(1.5)	9.1	6.8
Adjusted EPS	(2.5)	18.6	(0.6)	8.2	8.9
Profitability & Return ratios (%)					
EBITDA margin	15.5	16.1	14.5	15.1	15.4
EBIT margin	13.5	14.5	12.8	13.4	13.6
Adjusted profit margin	12.3	14.1	12.2	12.6	13.1
Adjusted ROAE	17.5	18.7	15.8	15.6	15.6
ROCE	13.4	13.7	11.6	11.7	11.4
Working capital days (days)					
Receivables	55	59	60	59	59
Inventory	NA	NA	NA	NA	NA
Payables	24	23	24	23	23
Ratios (x)					
Gross asset turnover	58.2	54.1	44.7	41.8	39.4
Current ratio	3.7	3.5	3.7	4.0	4.3
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)

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

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