

IT SERVICES

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Existential threat, Value Trap or Temporary blip?

- Assuming current AI trends stay, value migration is seen to AI model developers and semiconductor players. Not sure if this is structural
- Medium term earnings visibility low; No existential threat, we think. It may trade at low PE until there is greater clarity
- A stop of current AI trends can lift outlook. But that is not our base case. We are veering towards the 'Value Trap' camp. Remain UW

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This tech disruption is different from the earlier ones. But do not think it raises existential risks: We believe disruption from latest AI models and tools is different from disruption seen in earlier tech cycles. The lower labor intensity indicated is significantly different from that of the past and could put revenue growth and profits estimates of services companies at risk. However, we believe it is not an existential risk as (1) AI embrace by enterprises is low/slow as many are not ready (2) CIOs may want AI models to stabilize (3) ROI thresholds need to be met (4) there is room for further reduction in errors by AI models (4) integrators required to make AI work with the varied and legacy tech of enterprises (5) deep domain skills are required.

Believe there are no immediate catalysts to push enterprise AI adoption. Digital cycle that played out in the last 10-15 years was embraced by enterprises quite slowly until there was a 'compressed transformation' phase during Covid. We are not sure what the catalyst would be for Gen AI/Agentic AI. We believe a company which successfully deploys AI to gain a larger part of the profit pool in that industry could be the catalyst for others to jump in. There are no large-scale examples right now.

Our base case is for current AI trends to continue: Where each succeeding version of LLM is better than its predecessor. While Gen AI has been around for more than 3 years and has been compressing labor intensity and impacting growth and PE multiples, the latest models (see Fig 19) and the upcoming versions (with tools added) seem many notches better and are likely to be bigger disruptors.

Nifty IT underperforms Nifty by ~34ppt in the last 12 months but we remain UW: Unless AI trends reverse, which is not our base case, we believe uncertain outlook on medium term earnings could keep sector valuations depressed. We are lowering Target PE multiple to 16.8x (10-year average less 1.5SD) on TCS (our industry benchmark) from 21.7x previously (10-year average less 0.5SD) and also roll forward to FY28E. All other stocks are at discount/premium to that. No high conviction winners so early in this disruption. While on many measures like PE ratios and FCF yield stocks look cheap the trajectory of medium-term growth may be weak or even negative. Ingredients of a value trap.

Recommendation snapshot

| Ticker | Price | Target | Rating |
|------------|-------|--------|--------|
| BSOFT IN | 390 | 295 | SELL |
| COFORGE IN | 1,393 | 1,212 | SELL |
| ECLX IN | 3,629 | 3,890 | HOLD |
| FSOL IN | 248 | 322 | BUY |
| HCLT IN | 1,462 | 1,280 | SELL |
| INFO IN | 1,366 | 1,414 | HOLD |
| LTIM IN | 5,119 | 4,348 | SELL |
| MPHL IN | 2,462 | 2,324 | HOLD |
| PSYS IN | 5,582 | 3,602 | SELL |
| TCS IN | 2,707 | 2,654 | HOLD |
| TECHM IN | 1,513 | 1,466 | HOLD |
| WPRO IN | 213 | 211 | HOLD |
| ZENT IN | 576 | 502 | SELL |

Price & Target in Rupees | Price as of 16 Feb 2026



Value migration & creative destruction at play. There is a mortality/irrelevance discount and survivor/winners' premium: We have seen this play out over multiple industries/sub segments over the last 100 plus years or more. Even within global IT services significant value migration happened at the turn of the century when players like EDS, CSC, HP global services, IBM and hundreds of small local firms in US and Europe lost value to offshore delivery driven ones like TCS, Cognizant, Infosys, HCLT, Wipro, Epam and Globant. Western firms which embraced the offshore model aggressively like Accenture and Cap Gemini thrived/survived and retained value relatively.

When market begins to believe in the longevity of a company and its cashflow growth it begins to give high PE multiples especially if growth is relatively strong. The moment market begins to doubt survival or begins to attach some probability of medium-term earnings decline it will attach low multiples even if near term numbers look good. While we do not think the market is questioning existence, we believe it is putting some probability to materially slower earnings/cashflow growth or even a decline in the medium term. So, talking of attractive multiples based on near term earnings or FCF yields may be misleading.

We have been asked by institutional investors in the past as to why Indian IT services industry cannot command Indian FMCG type valuations when growth, return ratios and excess capital distribution is somewhat similar. Our argument has been around the relatively high mortality risk attached to the industry based on what has happened to leading firms in the past when they could not effectively execute the offshore pivot. While the current AI trends may not lead to an existential threat to the industry, we would lay greater probability of individual firm mortality/irrelevance if there is no adequate AI pivot. But it's difficult to figure that out right now which ones will execute that well.

Is the worst behind? We think not. With AI models getting better (see Fig 19 on how current AI models are better) and becoming more accurate we expect labor intensity in many service lines like Application development and maintenance, package implementation and maintenance, testing, infrastructure management services, business process services, product engineering services, etc. to be significantly lower, even from current levels. So, while near term earnings may look unaffected, we cannot say the same for medium term earnings as enterprises begin to embrace AI in a bigger way.

High Surround services spend around Gen AI/Agentic AI a key reason for the low enterprise uptake: The big opportunity for the IT services industry in the short to medium term is not around implementation of Gen AI/Agentic AI solutions themselves but in getting enterprises ready for AI implementation. This will be in surround services like Data modernization, Cloud migration and cyber security. A statistic shared by a large Indian IT services company CEO on an analyst call 2-3 years ago was a ratio of 25:1 between surround services spend versus actual Gen AI spend. We think the ratio has probably changed now. But this does indicate that the surround services opportunity is quite high. On the other hand, enterprises will do this spend only if ROIs on the entire project makes sense.

Cost cutting delivers the best ROI: Until it is demonstrated that AI/Gen AI/Agentic AI has created a significant competitive advantage leading to shift in market share or creation of new category or market, we believe the best ROI for global enterprises will be to use the new technology for reducing costs, running better operations, etc. So, when we hear about enterprise scale up AI/Gen AI/Agentic AI we believe it is for higher productivity benefits implying a higher level of deflation in IT/ITE services revenues.

Being a sell side analyst during structural shifts is a hard job: One is grappling with multiple unknowns – (1) whether this is indeed a structural shift from a value migration perspective. As an analyst tracking Indian IT services, we have only seen a one-way move over the last 30 years where players who have leveraged offshore delivery and executed well have seen massive value accretion. While events like the dot com bust, GFC and Covid destroyed value temporarily before it bounced back, we are not sure whether we are in such a situation currently (2) hardest part is to give price targets and stock calls when there is so much uncertainty on medium term earnings.

Value/Profit migration seems real but not sure if that is a structural: Over the last 2-3 years we have seen value migration from global IT services industry to hyper scalers (Microsoft, Google and Amazon) who are growing their AI infused cloud software at a fast clip (at 10-40% YoY in different quarters compared to growth in low single digits of global IT services industry). Some AI model developers like Open AI and Anthropic have also benefited. The semiconductor and AI ancillary players have seen significant value creation too (see Fig 18) since the AI wave started – these include the likes of Nvidia, AMD, Broadcom, Micron, TSMC, Samsung Electronics, SK Hynix, etc. The value migration has also played out against enterprise software players like SAP, Salesforce, ServiceNow, Adobe, etc over the last 12 months as there is perception that Agentic AI will eat into the opportunity of these players (see Fig 14). The AI players as a cohort have outperformed S&P 500 index handsomely since the ChatGPT moment in November 2022 (see Fig 16).

However, we are not sure if this value migration is a structural one or a temporary/cyclical one (though the cycle seems to run into a few years). It is not clear whether the pendulum will swing back in favor of those that help create business value for enterprises using AI technology. Like IT services companies as well as enterprise software ones.

There is valuation froth built up in the hyper scalers, AI model builders and AI semiconductor proxies driven by the promise that they would get an outsized part of the profit pool at some point in time in the future. The AI semiconductor proxies are already seeing their profits expanding due to demand supply mismatch.

While enterprise IT and operations spend may grow/decline in line with sales growth there could be shift in value or profit pools. Many of the AI hyper scalers and model generators have done considerable capex in the last few years around AI data centers and are slated to spend much more in 2026 (see Fig 15). We believe the only way these players can justify the capex numbers to the investors is if they eat into the profit pools of others or shift internal spend of enterprises towards themselves.

Within the global IT services industry those who can successfully pivot to the new regime whether they be incumbents or new firms may be rewarded both in profit and market capitalization terms.

Labor intensity is probably going much lower: Expect higher labor intensity compression using the new variant of LLMs. The variants seem to be capable of doing much more than their earlier avatars (see Fig 19) with fewer mistakes committed. Plus usage of tools (plugins) leads to better commercial application. We expect these models to get better in the next 12-24-36 months.

Could the current derating be a temporary blip

A more optimistic take on the current situation is that the derating that the global IT services sector has seen over the last 24 months (and especially in the month of February 2026) can be reversed to some extent if Gen AI/Agentic AI march is stopped. The premise here is that risks of material revenue deflation can be arrested. This is not our base case currently. However, there are voices and views pointing to the unsustainability of current pace of AI model development. The key points being made are

- The significant investments made by Hyper scalers and others to develop enhanced versions of their AI models are without showing near-term revenue and profits. The high valuations being given by the market are driving the capex moves and market's falling out of love with the theme (if it happens) due to poor fundamentals could put AI model development at risk
- While most hyper scaler balance sheets are healthy, if the intended capex in 2026 of US\$650bn is followed through then there is going to be very little FCF for the year and likely very little money left for stock buybacks – that has typically helped keep the valuation up in the past. Some companies have even started to borrow.
- Enterprises embrace of AI is low/slow. Without them being on board in a much bigger way the economics for the high capex for model development/improvement does not add up
- The intended capex will not happen as elements going into setting up the AI data centers like power and water are not easily available in such a short time frame.
- The AI industry faces supply chain constraints due to a shortage of GPU chip manufacturing facilities. The chips also require rare earth metals and high-grade silicon, which could constrain their production.
- Data center construction requires copious amounts of materials such as copper, cement and steel, which are subject to global supply chain constraints and tariffs. Rising costs and import restrictions on essential materials can delay construction, increase costs and create bottlenecks for operators.
- Circular financing is inflating the AI bubble (see Fig 13). A stock market correction could put a halt to this. One of the reasons for the adverse reaction of the market to recent Microsoft quarterly results (which were quite decent) was the revelation that OpenAI constituted 45% of its commercial remaining performance obligation of

US\$625bn, essentially revenue that has been contracted but not yet realised. OpenAI is loss making company and is not expected to generate profits in the foreseeable future. Microsoft also has a relationship with Anthropic. In November 2025, Microsoft announced a US\$5bn investment in Anthropic, alongside a deal for US\$30bn in Azure compute capacity.

What will we watch out for in the coming days

- Is the near-term demand environment deteriorating? Is enterprise decision making getting delayed due to AI (as indicated by Kyndryl recently during its 4Q2025 analyst call). This is important as it could impact growth in 2026/FY27 where consensus (us included) is expecting a modest acceleration?
- Is there competition from new players (both onsite and offshore) who adopt an AI first approach and have no legacy business to defend?
- Are clients asking for larger productivity pass-backs as they realize that the new LLMs and AI tools could mean significantly lower costs for their vendors.
- Are some of the long duration 5/7/10 year contracts being renegotiated much before renewal date as customers want to partake of the new LLM related productivity gains?
- Do the new long-term contracts have larger productivity pass backs built in?
- Is Agentic AI taking over from software packages? Will this lead to a lot of custom development? Will incremental custom development business offset loss of business from package implementation work?
- While both Cognizant and Capgemini have indicated better organic revenue growth for 2026 is that being echoed by other players?
- While cost take out and vendor consolidation has been an ongoing theme for the last 2-3 years do we see a fresh and more intensive round of it due to the better AI models around?
- In the savings led transformation that many players are talking about, are the savings being deployed immediately towards new projects or are such savings used for other purposes which are not related to IT or are they going to the AI model builders and from there to semiconductor players due to higher pricing on AI models?
- In the last 12 months, Accenture, TCS, HCL Tech, Wipro and Capgemini have already announced restructuring costs connected with staff that could not be retrained to new skill sets (largely around AI). Could these be recurring exercises in upcoming years?
- Are hiring costs going up for fresher talent? Recent news flow indicates that companies are willing to pay a significant premium to fresh engineers who possess AI related skills.

- Metrics around revenue per employee across companies as players are indicating that the industry has started to move away from linear headcount led growth. But is this translating into higher profit per employee too?
- With software development and business operations related work being increasingly automated through usage of AI models, we believe consulting/advisory part may begin to gain prominence. Will this be more onsite oriented and what does this mean for margins?
- Will enterprises decide to do more work inhouse as more of the routine work is done by AI models. Will GCCs hold up while outsourcers see reduction in business?
- Are any industries/subsegments seeing the rise of new players who are AI first in their approach to business. Are they succeeding?

Valuations

- We continue to use PE methodology. We have lowered Target PE for TCS, our industry benchmark, from the previously used 21.7x, which is the average PE multiple of TCS over the last 10 years less 0.5SD to 16.8x, which is average PE multiple of TCS over the last 10 years less 1.5SD. We have given subjective premium/discount to the benchmark target PE to arrive at target PE multiples for the rest of our coverage.
- We have not changed our EPS estimates for FY27 and FY28 at this point in time. The uncertainty is being reflected through application of lower Target PE multiples.
- We have rolled forward the basis of valuation to FY28 EPS estimates instead of Dec '27 EPS estimates.
- The 12-month forward Tier-1 PE multiple is currently just below 20x (which is the 10 year mean). This seems to a bit elevated in the context of likely downside to estimates.
- With Nifty IT underperforming Nifty by ~34ppt over the last 12 months, one would think that the worst is probably behind us. While a short term rebound from oversold levels is quite possible, we think the uncertainty on revenue growth and earnings is likely to last for the next 12-24 months if not longer and expect weakness to persist.
- 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 downside risks to our/consensus medium term EPS estimates from the current AI related turmoil.
- We have broadly held on to our premium/discount to TCS that we had prior to this report. The only change we have done is to Tech Mahindra where we have moved from a discount of 10% to no discount as we expect the company to not only deliver on its FY27 margin target of 15% but also move further in FY28. We have also lowered the premium on Eclerx and Firstsource by 10ppt to take care of what we perceive to be added risks from new AI models on BPS businesses.

Tier-1 vs Tier- 2

- Tier-2 set in the past 5 years has been taking away market share from Tier-1 set largely due to their smaller size and better execution. Hence collectively they have been trading at a significant PE premium to their Tier-1 peers (see Fig 6).
- We think future winners will be those that pivot to the new AI reality faster and execute well. These can come from either set. The task before the Tier-2 companies is probably less onerous as they do not carry the legacy book of business that is/will be facing deflation.
- A good way to look at who is an AI winner would be to look at revenue exposure in 'Advanced AI' business. However, just like in the Digital, this tends to be tricky as each company tends to define 'Advanced AI' differently.

Stock calls difficult under current uncertainty

- While we remain underweight the sector, FirstSource is our only Buy. TCS, Infosys, Wipro, TechM, Mphasis and Eclerx are Holds whereas the rest are all Sells. But this is time of great uncertainty with lack of clarity on who will be able to execute the AI pivot well and emerge a winner over the next 3-5 years.

Fig 1 – Assumptions on macro and companies

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| INR/ USD | 70.1 | 71.0 | 74.1 | 74.6 | 80.7 | 82.8 | 84.6 | 88.0 | 89.4 | 91.1 |
| USD Revenue Growth (%) | | | | | | | | | | |
| TCS | 9.6 | 5.4 | 0.6 | 15.9 | 8.6 | 4.1 | 3.8 | (0.7) | 4.3 | 5.0 |
| Infosys | 7.9 | 8.3 | 6.1 | 20.3 | 11.7 | 1.9 | 3.9 | 4.7 | 5.7 | 5.6 |
| HCL Tech | 10.1 | 15.1 | 2.4 | 12.8 | 9.6 | 5.4 | 4.3 | 6.8 | 6.6 | 5.7 |
| Wipro | 1.6 | 0.8 | (1.4) | 27.3 | 8.5 | (3.8) | (2.4) | (0.3) | 3.7 | 3.7 |
| Tech Mahindra | 4.2 | 4.3 | (1.4) | 17.3 | 10.1 | (5.0) | (0.2) | 2.2 | 6.6 | 7.3 |
| LTIM | 19.1 | 13.0 | 9.5 | 109.7 | 17.2 | 4.4 | 4.8 | 6.4 | 7.8 | 8.0 |
| Persistent | 2.2 | 4.3 | 12.9 | 35.2 | 35.3 | 14.5 | 18.8 | 17.7 | 15.6 | 14.8 |
| Mphasis | 13.1 | 10.8 | 5.6 | 21.7 | 7.8 | (6.3) | 4.4 | 6.8 | 9.2 | 10.4 |
| Coforge | 12.8 | 13.4 | 5.8 | 38.0 | 15.6 | 11.7 | 31.2 | 27.9 | 42.1 | 23.7 |
| Birlasoft | (19.4) | 27.4 | 3.4 | 15.7 | 7.2 | 7.1 | (0.3) | (5.3) | 3.1 | 4.5 |
| Zensar | 17.6 | 4.0 | (16.2) | 15.3 | 6.1 | (2.0) | 5.4 | 3.6 | 4.1 | 7.5 |
| Firstsource | (0.2) | 5.7 | 18.7 | 15.9 | (5.5) | 1.9 | 23.4 | 15.2 | 15.4 | 14.7 |
| Eclerx | 1.1 | (0.1) | 4.9 | 35.2 | 16.9 | 6.4 | 12.3 | 18.6 | 16.5 | 12.6 |
| EBIT Margin (INR) (%) | | | | | | | | | | |
| TCS | 25.6 | 24.6 | 25.9 | 25.3 | 24.1 | 24.6 | 24.3 | 24.8 | 24.4 | 24.3 |
| Infosys | 22.8 | 21.3 | 24.5 | 23.0 | 21.1 | 20.7 | 21.1 | 21.0 | 20.7 | 20.8 |
| HCL Tech | 19.6 | 19.6 | 21.4 | 18.9 | 18.2 | 18.2 | 18.3 | 17.5 | 17.7 | 17.5 |
| Wipro | 17.1 | 17.3 | 19.9 | 17.7 | 15.4 | 15.2 | 17.0 | 16.4 | 16.4 | 16.5 |
| Tech Mahindra | 15.0 | 11.6 | 14.2 | 14.6 | 11.4 | 6.1 | 9.7 | 12.6 | 15.1 | 15.5 |
| LTIM | 18.4 | 16.1 | 19.3 | 17.8 | 16.2 | 15.7 | 14.5 | 15.7 | 15.6 | 16.1 |
| Persistent | 12.6 | 9.2 | 12.1 | 13.9 | 14.9 | 14.4 | 14.7 | 16.4 | 16.7 | 16.7 |
| Mphasis | 16.1 | 16.0 | 16.1 | 15.3 | 15.3 | 15.1 | 15.3 | 15.2 | 15.4 | 15.2 |
| Coforge | 14.2 | 13.1 | 13.0 | 14.2 | 14.3 | 12.9 | 12.5 | 13.9 | 14.0 | 14.7 |
| Birlasoft | 10.1 | 9.2 | 12.6 | 13.6 | 9.1 | 14.2 | 11.4 | 13.9 | 13.2 | 12.9 |
| Zensar | 10.2 | 8.5 | 13.9 | 11.1 | 7.6 | 15.1 | 13.5 | 14.7 | 14.2 | 14.3 |
| Firstsource | 12.0 | 10.8 | 11.7 | 12.0 | 9.4 | 11.0 | 11.0 | 11.8 | 12.3 | 13.0 |
| Eclerx | 18.5 | 17.7 | 24.5 | 26.4 | 23.8 | 22.2 | 20.2 | 21.5 | 21.9 | 22.3 |
| EPS (Rs) | | | | | | | | | | |
| TCS | 83.1 | 86.2 | 89.3 | 103.6 | 115.2 | 128.1 | 134.2 | 143.5 | 148.5 | 158.0 |
| Infosys | 36.0 | 38.9 | 45.5 | 52.4 | 57.6 | 63.3 | 64.4 | 69.0 | 73.8 | 80.2 |
| HCL Tech | 36.8 | 40.8 | 47.7 | 49.8 | 54.9 | 57.9 | 64.1 | 62.4 | 71.7 | 76.2 |
| Wipro | 9.3 | 8.3 | 9.6 | 11.1 | 10.3 | 10.4 | 12.5 | 12.6 | 13.8 | 14.8 |
| Tech Mahindra | 48.7 | 45.2 | 49.9 | 62.7 | 54.7 | 26.5 | 47.8 | 60.2 | 84.3 | 87.2 |
| LTIM | 86.5 | 87.1 | 111.2 | 133.3 | 149.0 | 154.6 | 153.4 | 175.3 | 218.6 | 246.5 |
| Persistent | 22.0 | 22.2 | 29.4 | 45.1 | 60.3 | 71.2 | 90.2 | 119.3 | 147.6 | 171.5 |
| Mphasis | 56.1 | 63.6 | 64.7 | 76.4 | 87.1 | 82.6 | 89.3 | 96.7 | 113.2 | 125.7 |
| Coforge | 13.1 | 14.3 | 14.9 | 21.8 | 22.8 | 26.3 | 24.5 | 40.1 | 57.6 | 72.1 |
| Birlasoft | 13.9 | 8.1 | 11.6 | 16.6 | 12.0 | 22.6 | 18.3 | 16.4 | 20.9 | 21.9 |
| Zensar | 13.7 | 11.5 | 15.3 | 18.3 | 14.4 | 29.1 | 28.4 | 34.0 | 33.6 | 37.4 |
| Firstsource | 5.4 | 4.9 | 5.2 | 7.7 | 7.3 | 7.3 | 8.4 | 9.8 | 13.7 | 17.4 |
| Eclerx | 40.2 | 38.5 | 55.0 | 85.3 | 98.3 | 104.0 | 113.1 | 147.9 | 176.6 | 210.5 |
| EPS growth (%) | | | | | | | | | | |
| TCS | 24.0 | 3.8 | 3.6 | 16.0 | 11.2 | 11.2 | 4.7 | 6.9 | 3.5 | 6.4 |
| Infosys | 10.8 | 8.1 | 17.0 | 15.2 | 9.8 | 10.0 | 1.7 | 7.2 | 7.0 | 8.6 |
| HCL Tech | 16.9 | 10.9 | 17.0 | 4.5 | 10.1 | 5.5 | 10.8 | (2.7) | 14.9 | 6.3 |
| Wipro | 10.5 | (10.4) | 14.9 | 16.6 | (7.2) | 0.2 | 20.9 | 0.7 | 9.5 | 7.0 |
| Tech Mahindra | 13.7 | (7.0) | 10.2 | 25.7 | (12.8) | (51.6) | 80.6 | 25.9 | 40.0 | 3.5 |
| LTIM | 36.0 | 0.7 | 27.7 | 19.9 | 11.7 | 3.8 | (0.8) | 14.3 | 24.7 | 12.8 |
| Persistent | 9.2 | 0.7 | 32.4 | 53.5 | 33.6 | 18.1 | 26.7 | 32.2 | 23.7 | 16.2 |
| Mphasis | 31.2 | 13.3 | 1.8 | 18.0 | 14.0 | (5.1) | 8.1 | 8.3 | 17.1 | 11.1 |
| Coforge | 47.7 | 9.0 | 4.5 | 45.9 | 4.4 | 15.5 | (6.9) | 64.1 | 43.5 | 25.2 |
| Birlasoft | 6.0 | (41.8) | 42.6 | 44.1 | (27.8) | 88.3 | (19.0) | (10.6) | 27.6 | 4.8 |
| Zensar | 28.9 | (16.1) | 32.8 | 19.8 | (21.5) | 102.6 | (2.5) | 19.7 | (1.2) | 11.3 |
| Firstsource | 14.5 | (10.1) | 5.3 | 48.9 | (4.6) | 0.3 | 14.9 | 16.4 | 39.5 | 27.1 |
| Eclerx | (11.3) | (4.0) | 42.7 | 55.2 | 15.2 | 5.8 | 8.7 | 30.8 | 19.4 | 19.2 |

Source: Company, BOBCAPS Research

Fig 2 – 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 16th Feb 2025 | 2,707 | 1,366 | 1,462 | 213 | 1,513 | 5,119 | 5,582 | 2,462 | 1,393 | 390 | 576 | 248 | 3,629 |
| Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| Market Value (Rs Bn) | 9,806.6 | 5,648.3 | 4,010.8 | 2,250.1 | 1,481.5 | 1,520.3 | 891.3 | 473.8 | 468.6 | 107.1 | 132.6 | 173.1 | 170.7 |
| (US\$mn) | 108,962 | 62,758 | 44,564 | 25,001 | 16,461 | 16,892 | 9,903 | 5,265 | 5,206 | 1,190 | 1,473 | 1,924 | 1,897 |
| Mar 2027 Target Price | 2,654 | 1,414 | 1,280 | 211 | 1,466 | 4,348 | 3,602 | 2,324 | 1,212 | 295 | 502 | 322 | 3,890 |
| Upside/(downside) (%) | (1.9) | 3.6 | (12.4) | (1.0) | (3.1) | (15.1) | (35.5) | (5.6) | (13.0) | (24.5) | (12.8) | 29.8 | 7.2 |
| Recommendation | HOLD | HOLD | SELL | HOLD | HOLD | SELL | SELL | HOLD | SELL | SELL | SELL | BUY | HOLD |
| FDEPS (Rs) | | | | | | | | | | | | | |
| FY23 | 115.2 | 57.6 | 54.9 | 10.3 | 54.7 | 149.0 | 60.3 | 87.1 | 22.8 | 12.0 | 14.4 | 7.3 | 98.3 |
| 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 | 104.0 |
| 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 | 113.1 |
| FY26E | 143.5 | 69.0 | 62.4 | 12.6 | 60.2 | 175.3 | 119.3 | 96.7 | 40.1 | 16.4 | 34.0 | 9.8 | 147.9 |
| FY27E | 148.5 | 73.8 | 71.7 | 13.8 | 84.3 | 218.6 | 147.6 | 113.2 | 57.6 | 20.9 | 33.6 | 13.7 | 176.6 |
| FY28E | 158.0 | 80.2 | 76.2 | 14.8 | 87.2 | 246.5 | 171.5 | 125.7 | 72.1 | 21.9 | 37.4 | 17.4 | 210.5 |
| PE (x) | | | | | | | | | | | | | |
| FY23 | 23.5 | 23.7 | 26.6 | 20.6 | 27.7 | 34.4 | 92.6 | 28.3 | 61.2 | 32.5 | 40.1 | 33.8 | 36.9 |
| FY24 | 21.1 | 21.6 | 25.3 | 20.6 | 57.1 | 33.1 | 78.4 | 29.8 | 53.0 | 17.2 | 19.8 | 33.8 | 34.9 |
| FY25 | 20.2 | 21.2 | 22.8 | 17.0 | 31.6 | 33.4 | 61.9 | 27.6 | 56.9 | 21.3 | 20.3 | 29.4 | 32.1 |
| FY26E | 18.9 | 19.8 | 23.4 | 16.9 | 25.1 | 29.2 | 46.8 | 25.4 | 34.7 | 23.8 | 16.9 | 25.2 | 24.5 |
| FY27E | 18.2 | 18.5 | 20.4 | 15.4 | 17.9 | 23.4 | 37.8 | 21.7 | 24.2 | 18.7 | 17.2 | 18.1 | 20.6 |
| FY28E | 17.1 | 17.0 | 19.2 | 14.4 | 17.3 | 20.8 | 32.5 | 19.6 | 19.3 | 17.8 | 15.4 | 14.2 | 17.2 |
| EV/EBITDA (x) | | | | | | | | | | | | | |
| FY23 | 16.4 | 15.8 | 16.7 | 11.5 | 15.9 | 24.4 | 55.7 | 18.1 | 29.7 | 18.9 | 22.2 | 22.4 | 23.3 |
| FY24 | 15.1 | 15.1 | 15.4 | 11.1 | 25.2 | 23.4 | 48.3 | 18.3 | 27.9 | 12.4 | 14.1 | 19.6 | 21.7 |
| FY25 | 14.4 | 13.8 | 14.6 | 9.8 | 18.1 | 23.1 | 41.4 | 16.6 | 23.0 | 14.9 | 15.0 | 16.4 | 19.9 |
| FY26E | 13.8 | 13.4 | 13.7 | 9.8 | 14.0 | 19.1 | 30.6 | 15.3 | 15.1 | 12.7 | 13.4 | 12.4 | 14.8 |
| FY27E | 13.1 | 12.4 | 12.5 | 8.3 | 11.1 | 17.2 | 25.5 | 13.6 | 13.1 | 12.2 | 12.8 | 10.3 | 11.2 |
| FY28E | 12.2 | 11.4 | 11.8 | 7.5 | 9.9 | 15.3 | 22.0 | 12.1 | 10.7 | 11.3 | 11.5 | 8.5 | 9.0 |
| EV/Sales (x) | | | | | | | | | | | | | |
| FY23 | 4.3 | 3.8 | 3.7 | 2.3 | 2.4 | 4.5 | 10.1 | 3.2 | 5.2 | 2.0 | 2.5 | 3.1 | 6.6 |
| FY24 | 4.0 | 3.6 | 3.4 | 2.2 | 2.4 | 4.2 | 8.5 | 3.3 | 4.6 | 2.0 | 2.5 | 3.0 | 5.7 |
| FY25 | 3.8 | 3.3 | 3.2 | 2.1 | 2.4 | 3.9 | 7.1 | 3.1 | 3.8 | 1.9 | 2.3 | 2.5 | 4.8 |
| FY26E | 3.7 | 3.2 | 2.9 | 2.0 | 2.2 | 3.5 | 5.8 | 2.9 | 2.7 | 2.0 | 2.2 | 2.0 | 3.8 |
| FY27E | 3.5 | 2.9 | 2.6 | 1.8 | 2.0 | 3.1 | 4.9 | 2.6 | 2.4 | 1.8 | 2.0 | 1.7 | 3.0 |
| FY28E | 3.3 | 2.7 | 2.4 | 1.6 | 1.9 | 2.8 | 4.2 | 2.3 | 1.9 | 1.6 | 1.8 | 1.4 | 2.5 |
| Post Tax ROIC (%) | | | | | | | | | | | | | |
| FY23 | 50.4 | 34.4 | 28.3 | 19.0 | 19.0 | 43.9 | 40.8 | 27.0 | 26.9 | 16.2 | 15.9 | 9.0 | 39.8 |
| 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 | 17.5 | 20.4 | 32.8 | 11.2 | 32.7 |
| FY26E | 51.3 | 38.7 | 32.0 | 19.8 | 22.2 | 45.7 | 39.9 | 21.2 | 18.9 | 19.1 | 34.9 | 12.0 | 41.9 |
| FY27E | 49.6 | 41.4 | 33.9 | 20.7 | 29.5 | 47.2 | 43.9 | 21.8 | 12.4 | 21.1 | 34.2 | 13.8 | 49.5 |
| FY28E | 48.9 | 42.5 | 35.0 | 22.8 | 32.3 | 49.0 | 48.4 | 22.9 | 10.5 | 21.1 | 36.7 | 16.4 | 56.7 |

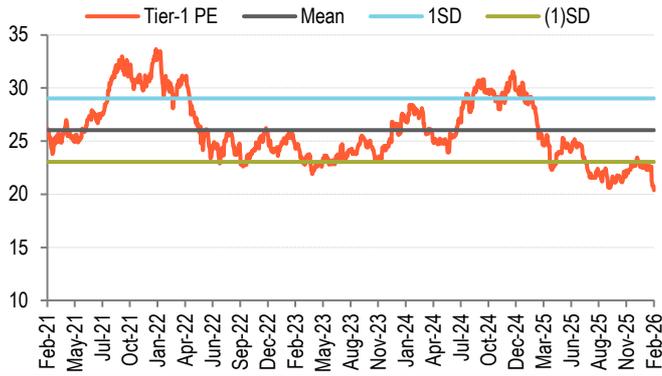
Source: Company, BOBCAPS Research

Fig 3 – Change in target price and ratings

| Company | CMP (Rs.) (as on 16th Feb 2026) | Market Cap. (US\$ bn) | New Target PE (x) | Old Target PE (x) | New Rating | Old Rating | New TP (Rs.) | Upside to CMP (%) | Old TP (Rs.) | Change in TP (%) |
|---------------|---------------------------------------|--------------------------|----------------------|----------------------|------------|------------|-----------------|----------------------|-----------------|---------------------|
| TCS | 2,707 | 109.0 | 16.8 | 21.7 | HOLD | HOLD | 2,654 | (1.9) | 3,377 | (21.4) |
| Infosys | 1,366 | 62.8 | 17.6 | 22.8 | HOLD | HOLD | 1,414 | 3.6 | 1,791 | (21.0) |
| HCL Tech | 1,462 | 44.6 | 16.8 | 21.7 | SELL | HOLD | 1,280 | (12.4) | 1,629 | (21.4) |
| Wipro | 213 | 25.0 | 14.3 | 18.4 | HOLD | HOLD | 211 | (1.0) | 268 | (21.3) |
| Tech Mahindra | 1,513 | 16.5 | 16.8 | 19.5 | HOLD | HOLD | 1,466 | (3.1) | 1,783 | (17.8) |
| LTIM | 5,119 | 16.9 | 17.6 | 22.8 | SELL | SELL | 4,348 | (15.1) | 5,457 | (20.3) |
| Persistent | 5,582 | 9.9 | 21.0 | 27.1 | SELL | SELL | 3,602 | (35.5) | 4,490 | (19.8) |
| Mphasis | 2,462 | 5.3 | 18.5 | 23.9 | HOLD | HOLD | 2,324 | (5.6) | 2,927 | (20.6) |
| Coforge | 1,393 | 5.2 | 16.8 | 21.7 | SELL | SELL | 1,212 | (13.0) | 1,486 | (18.5) |
| Birlasoft | 390 | 1.2 | 13.4 | 17.4 | SELL | SELL | 295 | (24.5) | 376 | (21.7) |
| Zensar | 576 | 1.5 | 13.4 | 17.4 | SELL | SELL | 502 | (12.8) | 632 | (20.6) |
| Firstsource | 248 | 1.9 | 18.5 | 26.0 | BUY | BUY | 322 | 29.8 | 429 | (25.0) |
| Eclerx | 3,629 | 1.9 | 18.5 | 26.0 | HOLD | HOLD | 3,890 | 7.2 | 5,261 | (26.1) |

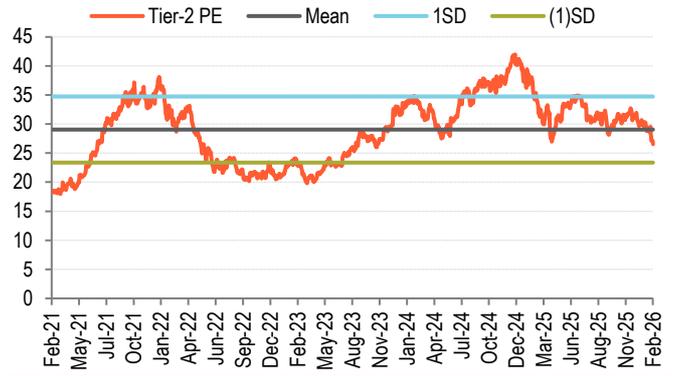
Source: Company, BOBCAPS Research

Fig 4 – Tier-1 companies (Feb 2021 – Feb 2026)



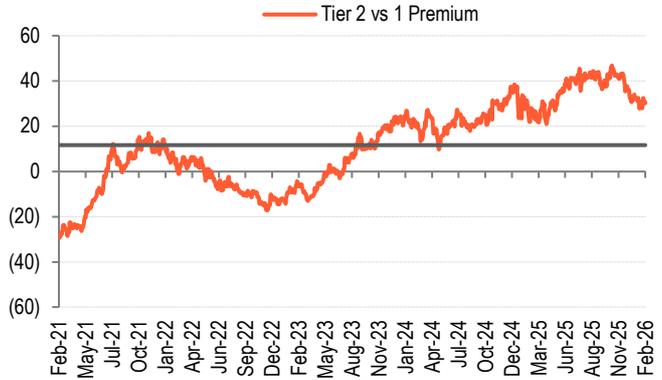
Source: Bloomberg, BOBCAPS Research

Fig 5 – Tier-2 companies (Feb 2021 – Feb 2026)



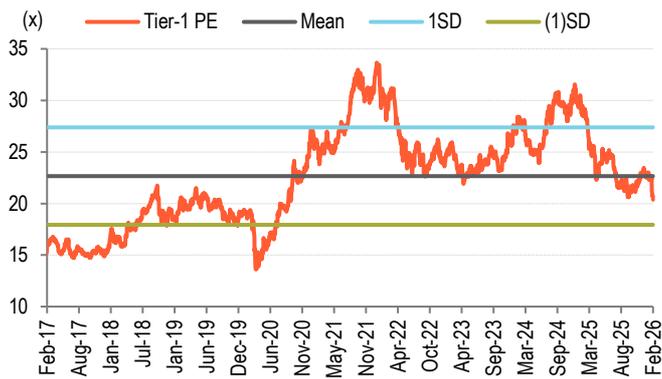
Source: Bloomberg, BOBCAPS Research

Fig 6 – Tier-2 versus Tier-1 (Feb 2021 – Feb 2026)



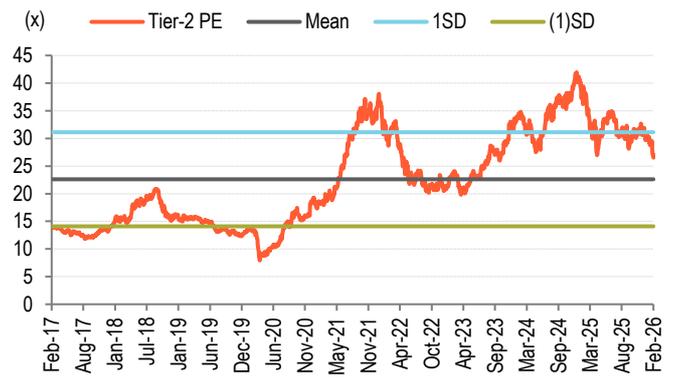
Source: Bloomberg, BOBCAPS Research

Fig 7 – Tier-1 companies (Feb 2017 – Feb 2026)



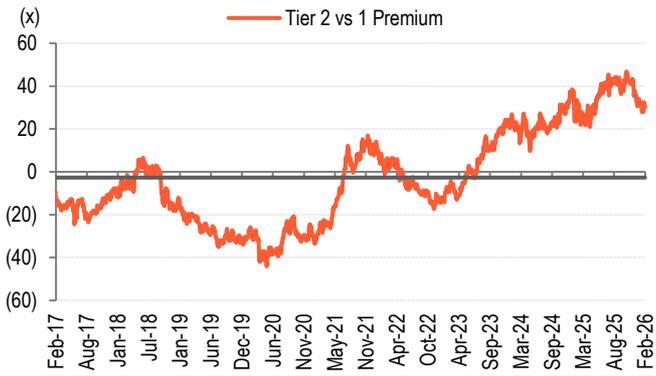
Source: Bloomberg, BOBCAPS Research

Fig 8 – Tier-2 companies (Feb 2017 – Feb 2026)



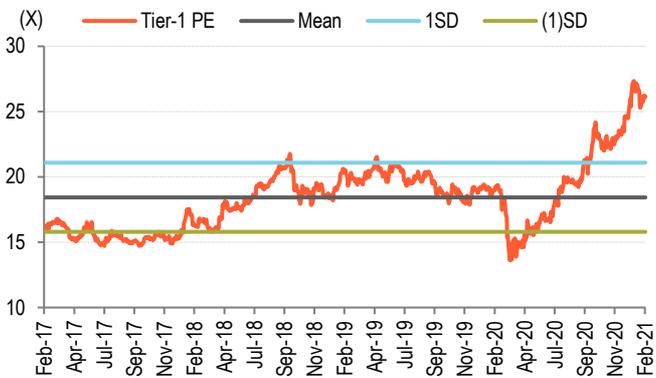
Source: Bloomberg, BOBCAPS Research

Fig 9 – Tier-2 versus Tier-1 (Feb 2017 – Feb 2026)



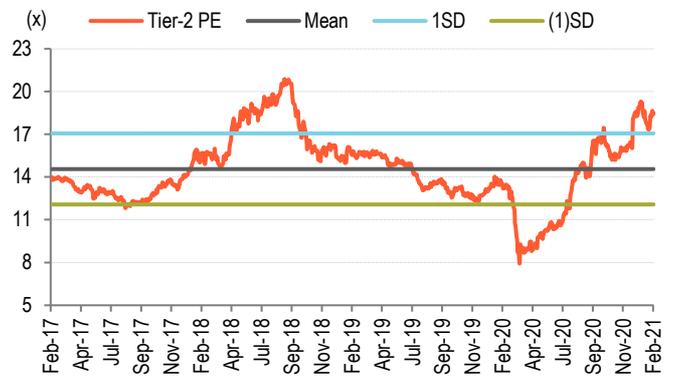
Source: Bloomberg, BOBCAPS Research

Fig 10 – Tier-1 companies (Feb 2017 – Feb 2021)



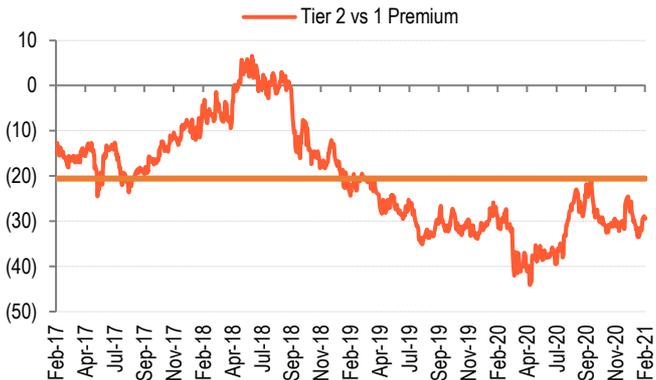
Source: Bloomberg, BOBCAPS Research

Fig 11 – Tier-2 companies (Feb 2017 – Feb 2021)



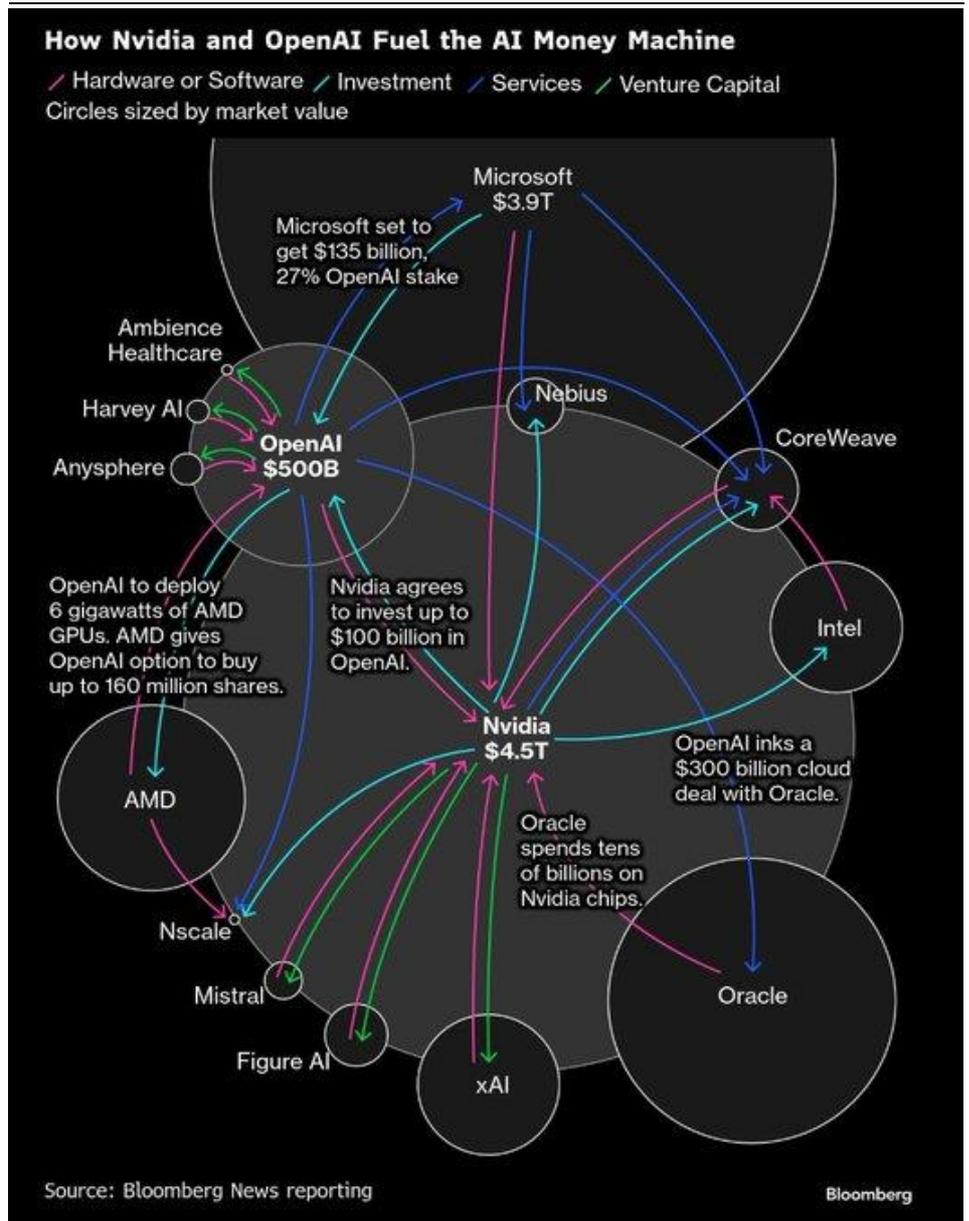
Source: Bloomberg, BOBCAPS Research

Fig 12 – Tier-2 versus Tier-1 (Feb 2017 – Feb 2021)



Source: Bloomberg, BOBCAPS Research

Fig 13 – Circular financing that may add risk to current AI trends

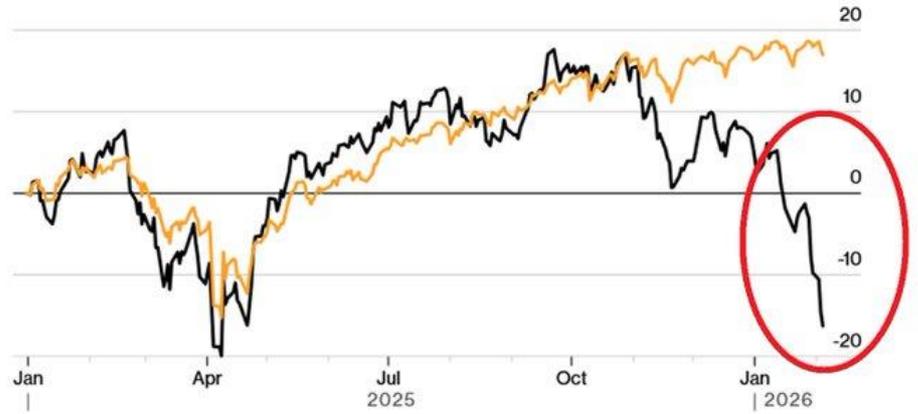


Source: Company, BOBCAPS Research, Bloomberg

Fig 14 – The enterprise software has underperformed S&P 500 since Oct '25

Hard Times for Software Stocks

— S&P 500 — iShares Expanded Tech-Software Sector ETF



Source: Bloomberg

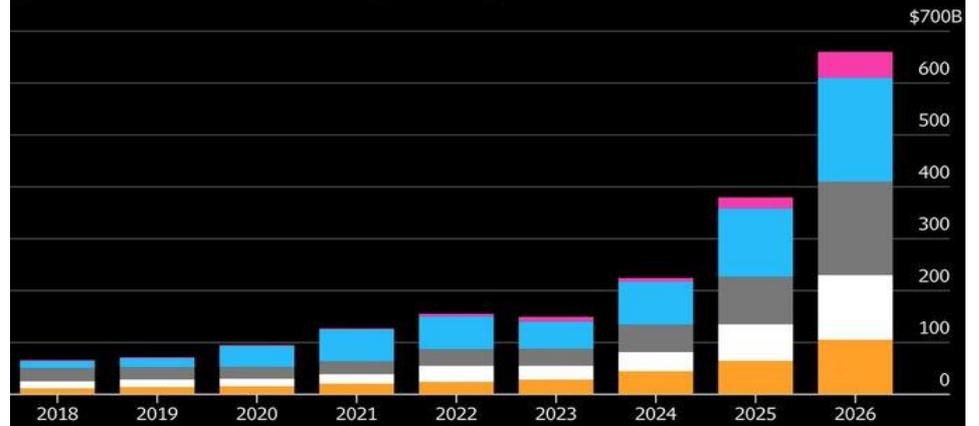
Note: Data is normalized with percentage appreciation as of December 31, 2024.

Source: Company, BOBCAPS Research, Bloomberg

Fig 15 – Hyperscaler capex has dramatically increased since 2023

Hyperscaler Spending Soars as Firms Double Down on AI
Combined capital expenditures expected to top \$650 billion in 2026

■ Microsoft ■ Meta ■ Alphabet ■ Amazon ■ Oracle



Source: Bloomberg

Note: 2026 estimates based on the midpoint of guidance for Meta, Alphabet and Amazon, and analyst consensus for Microsoft and Oracle.

Bloomberg

Source: Company, BOBCAPS Research, Bloomberg

Fig 16 – AI specific index has outperformed SPX since Mid-2023 and more so since March 2025



Source: Company, BOBCAPS Research, Bloomberg

Fig 17 – Nifty IT underperformance versus Nifty picked up in Feb 2026



Source: Company, BOBCAPS Research, Bloomberg

Fig 18 – Semiconductor Index has outperformed SPX in the last 5 years and especially so since mid-2025



Source: Company, BOBCAPS Research, Bloomberg

Fig 19 – Latest models and what how they are different from their earlier avatars

| Company | Model Family | Latest Version | Release Date | Key Change in Latest Version |
|-----------|--------------|----------------------------|--------------|---|
| OpenAI | GPT | GPT-5.2 | 11-Dec-25 | <p>Overall Model Improvements: Significant improvements in general intelligence, long-context understanding, agentic tool-calling, and vision, enabling better execution of complex, real-world tasks end-to-end.</p> <p>State-of-the-Art Agentic Coding: Demonstrates state-of-the-art long-horizon reasoning and tool-calling performance, with stronger interactive coding, code review, and bug detection.</p> <p>GDPval Performance: GPT-5.2 Thinking sets a new state-of-the-art score on GDPval, performing at or above human expert level on professional knowledge-work tasks.</p> <p>SWE-Bench Pro: Achieves a new state-of-the-art score on SWE-Bench Pro and improved results on SWE-Bench Verified, reflecting stronger real-world software engineering capability.</p> <p>Reduced Hallucinations: GPT-5.2 Thinking makes fewer factual errors compared to GPT-5.1 Thinking on internal evaluations.</p> <p>Long-Context Reasoning: Sets a new state-of-the-art in long-context reasoning on MRCRv2 evaluations, improving accuracy across deep document analysis.</p> <p>Vision Capabilities: Shows stronger vision performance, with improved interpretation of images and visual inputs compared to GPT-5.1.</p> <p>Tool-Calling Reliability: Achieves top results on long multi-turn tool usage evaluations, demonstrating more reliable agentic workflows.</p> <p>ChatGPT Experience (Instant & Thinking): GPT-5.2 Instant improves everyday tasks such as information-seeking and writing; GPT-5.2 Thinking is designed for more complex, structured reasoning tasks.</p> <p>GPT-5.2 Pro: Positioned as the smartest and most trustworthy option for difficult questions and complex domains, with fewer major errors.</p> <p>Safety Enhancements: Builds on safe completion research introduced with GPT-5 and reduces undesirable outputs compared to previous models.</p> <p>Availability: GPT-5.2 (Instant, Thinking, Pro) rolls out across ChatGPT and the API, with GPT-5.1 remaining temporarily available.</p> |
| Anthropic | Claude | Claude Opus 4.6 | 05-Feb-26 | <p>Coding Skills: Improves on its predecessor's coding skills. Plans more carefully. Sustains agentic tasks for longer. Operates more reliably in larger codebases. Better code review and debugging skills to catch its own mistakes.</p> <p>Context Window: Features a 1M token context window in beta. First for an Opus-class model.</p> <p>Everyday Work Tasks: Applies improved abilities to running financial analyses, doing research, and using and creating documents, spreadsheets, and presentations.</p> <p>Terminal-Bench 2.0: Achieves the highest score on the agentic coding evaluation Terminal-Bench 2.0.</p> <p>GDPval-AA: Outperforms OpenAI's GPT-5.2 and its own predecessor Claude Opus 4.5 on GDPval-AA. (On GDPval-AA - an evaluation of performance on economically valuable knowledge work tasks in finance, legal, and other domains - Opus 4.6 outperforms the industry's next-best model (OpenAI's GPT-5.2) by around 144 Elo points, and its own predecessor (Claude Opus 4.5) by 190 points.</p> <p>BrowseComp: Performs better than any other model on BrowseComp, which measures a model's ability to locate hard-to-find information online</p> <p>Agent Teams: Claude Code allows users to assemble agent teams to work on tasks together.</p> <p>Effort Controls: Introduces new effort controls to give developers more control over intelligence, speed, and cost.</p> <p>Excel & PowerPoint: Substantial upgrades to Claude in Excel. Releasing Claude in PowerPoint in research preview.</p> <p>Safety: Shows an overall safety profile as good as, or better than, any other frontier model in the industry, with low rates of misaligned behavior.</p> |
| Meta | LLaMA | LLaMA 4 (Scout & Maverick) | 05-Apr-25 | <p>First Natively Multimodal Llama Models: Llama 4 models are natively multimodal, built to jointly process text and images within a single unified architecture. Earlier Llama models were primarily text-based.</p> <p>Introduction of Llama 4 Scout and Maverick: Expands the model family with new variants designed for different performance and efficiency trade-offs compared to prior Llama generations.</p> |

| Company | Model Family | Latest Version | Release Date | Key Change in Latest Version |
|--------------------------------|--------------|--------------------------------|--------------|---|
| Google / Google DeepMind | Gemini | Gemini 3 Pro (and variants) | 18-Nov-25 | <p>Unprecedented Context Length Support: Llama 4 introduces significantly longer context length support than previous Llama models, enabling stronger long-document understanding and sustained reasoning.</p> <p>Mixture-of-Experts (MoE) Architecture: Llama 4 uses a Mixture-of-Experts architecture, marking a shift from the dense architecture used in earlier Llama generations.</p> <p>Open-Weight Multimodal Models: First time Meta is releasing open-weight models that are natively multimodal, extending the open Llama ecosystem beyond text-only models.</p> <p>Improved Multimodal Intelligence: Meta positions Llama 4 as its most advanced generation for multimodal intelligence compared to prior Llama versions.</p> <hr/> <p>Most Advanced Reasoning and Multimodal Model: Gemini 3 Pro is positioned as Google's most advanced reasoning-first model, delivering stronger complex reasoning and problem-solving abilities than prior Gemini versions.</p> <p>Expanded Multimodal Understanding: It can understand and integrate text, image, audio, video, PDFs, and entire code repositories with its enhanced multimodal capabilities, surpassing the multimodal support of previous generations.</p> <p>1 mn Token Context Window: Gemini 3 Pro supports a 1M token context window, meaning it can process much larger inputs (long documents, codebases, etc.) more effectively than earlier models.</p> <p>Superior Video and Vision Understanding: The model introduces enhanced video comprehension and reasoning, including faster frame analysis and "video reasoning," which goes beyond simple object recognition.</p> <p>Improved Screen and Spatial Understanding: Gemini 3 Pro significantly boosts understanding of user interfaces, spatial layouts, and computer screens, enabling more robust automated workflows and QA tasks.</p> <p>Enhanced Document Reasoning: Gemini 3 Pro delivers higher performance in complex document understanding and workflows for domains such as law and finance compared to previous versions.</p> <p>New Parameters for Visual Quality Control: Introduces the media resolution parameter to fine-tune visual fidelity and cost trade-offs — a capability not present in earlier Gemini releases.</p> |

Source: Company, AI models, BOBCAPS Research

Stock performance

Fig 20 – TCS

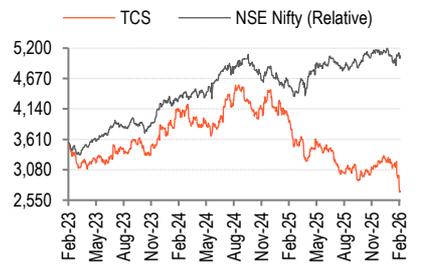


Fig 21 – INFO

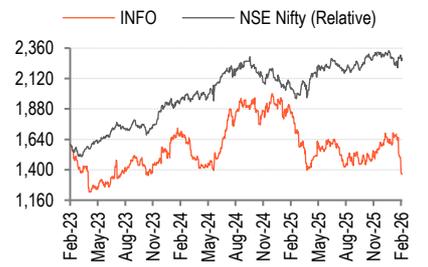


Fig 22 – HCLT

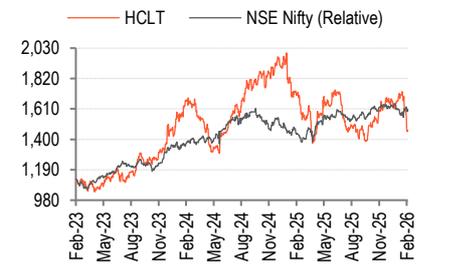


Fig 23 – WPRO

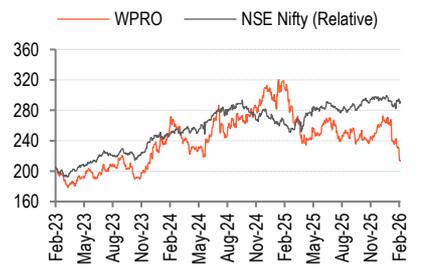


Fig 24 – TECHM

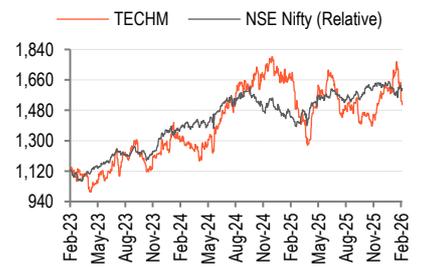


Fig 25 – LTIM

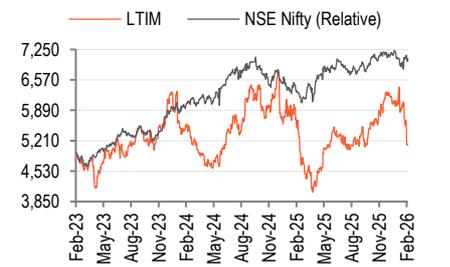


Fig 26 – PSYS

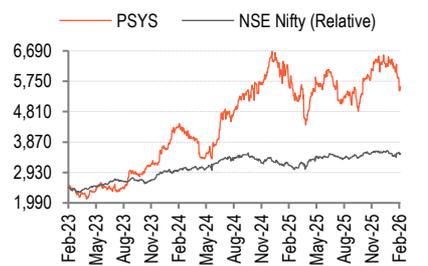


Fig 27 – COFORGE

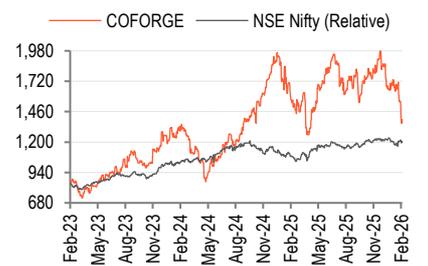


Fig 28 – MPHL

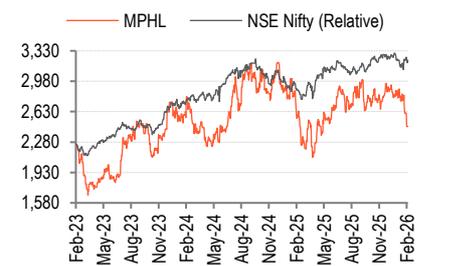


Fig 29 – BSOFT

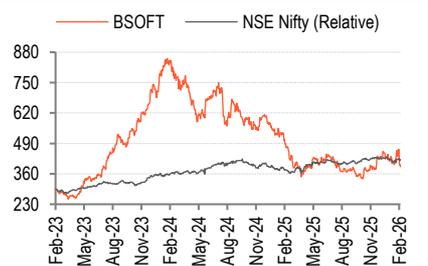


Fig 30 – ZENT

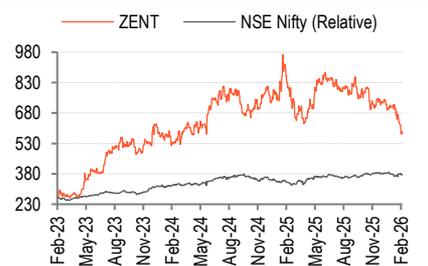


Fig 31 – FSOL

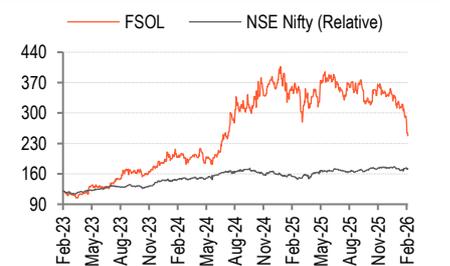
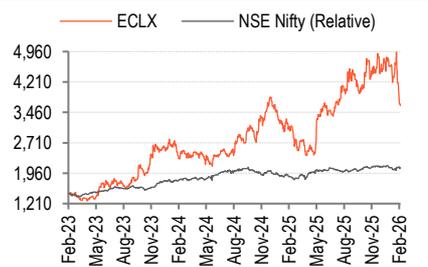


Fig 32 – ECLX



Source: NSE

Financials – TCS

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Total revenue | 2,408,930 | 2,553,240 | 2,638,214 | 2,793,638 | 2,987,300 |
| EBITDA | 642,950 | 674,070 | 709,665 | 745,423 | 804,074 |
| Depreciation | 49,840 | 52,420 | 55,631 | 64,467 | 79,513 |
| EBIT | 593,110 | 621,650 | 654,035 | 680,956 | 724,561 |
| Net interest inc./(exp.) | (7,780) | (7,960) | (15,000) | (21,520) | (21,520) |
| Other inc./(exp.) | 45,050 | 39,620 | 3,611 | 49,474 | 50,996 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 630,380 | 653,310 | 642,646 | 708,910 | 754,036 |
| Income taxes | 162,620 | 165,340 | 155,433 | 169,095 | 179,859 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 1,910 | 2,440 | 2,410 | 2,520 | 2,520 |
| Reported net profit | 465,850 | 485,530 | 519,193 | 537,295 | 571,657 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 465,850 | 485,530 | 519,193 | 537,295 | 571,657 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Accounts payables | 99,810 | 139,090 | 147,197 | 155,654 | 166,854 |
| Other current liabilities | 344,780 | 373,580 | 398,236 | 413,471 | 433,646 |
| Provisions | 1,400 | 1,800 | 11,950 | 11,950 | 11,950 |
| Debt funds | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 105,310 | 124,110 | 142,197 | 144,150 | 146,736 |
| Equity capital | 3,620 | 3,620 | 3,620 | 3,620 | 3,620 |
| Reserves & surplus | 909,570 | 954,090 | 1,091,179 | 1,158,122 | 1,223,247 |
| Shareholders' fund | 913,190 | 957,710 | 1,094,799 | 1,161,742 | 1,226,867 |
| Total liab. and equities | 1,464,490 | 1,596,290 | 1,794,379 | 1,886,967 | 1,986,053 |
| Cash and cash eq. | 132,860 | 154,630 | 103,339 | 179,303 | 175,855 |
| Accounts receivables | 537,200 | 591,750 | 657,538 | 695,316 | 745,345 |
| Inventories | 280 | 280 | 260 | 260 | 260 |
| Other current assets | 148,930 | 180,670 | 182,064 | 191,054 | 202,960 |
| Investments | 314,810 | 306,890 | 455,460 | 385,460 | 385,460 |
| Net fixed assets | 109,400 | 125,240 | 137,289 | 173,853 | 210,091 |
| CWIP | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | 23,420 | 28,000 | 29,390 | 29,390 | 29,390 |
| Deferred tax assets, net | 34,030 | 35,780 | 40,265 | 42,579 | 45,642 |
| Other assets | 163,560 | 173,120 | 188,774 | 189,753 | 191,050 |
| Total assets | 1,464,490 | 1,596,360 | 1,794,379 | 1,886,967 | 1,986,053 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash flow from operations | 486,970 | 551,930 | 543,943 | 601,385 | 642,876 |
| Capital expenditures | (44,600) | (68,260) | (67,680) | (101,030) | (115,752) |
| Change in investments | 54,010 | 7,980 | (148,310) | 70,000 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | 9,410 | (60,280) | (215,990) | (31,030) | (115,752) |
| Equities issued/Others | (207,400) | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 0 | 0 | 0 | 0 | 0 |
| Interest expenses | (7,780) | (7,960) | (15,000) | (21,520) | (21,520) |
| Dividends paid | (318,888) | (549,334) | (562,414) | (566,773) | (610,371) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (534,068) | (557,294) | (577,414) | (588,293) | (631,891) |
| Chg in cash & cash eq. | 22,540 | 21,770 | (51,291) | 75,964 | (3,448) |
| Closing cash & cash eq. | 132,860 | 154,630 | 103,339 | 179,303 | 175,855 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 128.8 | 134.2 | 134.0 | 148.5 | 158.0 |
| Adjusted EPS | 128.8 | 134.2 | 134.0 | 148.5 | 158.0 |
| Dividend per share | 73.2 | 126.0 | 129.0 | 130.0 | 140.0 |
| Book value per share | 252.4 | 264.7 | 302.6 | 321.1 | 339.1 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 4.1 | 3.9 | 3.8 | 3.6 | 3.3 |
| EV/EBITDA | 15.4 | 14.7 | 14.0 | 13.3 | 12.4 |
| Adjusted P/E | 21.0 | 20.2 | 20.2 | 18.2 | 17.1 |
| P/BV | 10.7 | 10.2 | 8.9 | 8.4 | 8.0 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 73.9 | 74.3 | 75.4 | 75.8 | 75.8 |
| Interest burden (PBT/EBIT) | 106.3 | 105.1 | 98.3 | 104.1 | 104.1 |
| EBIT margin (EBIT/Revenue) | 24.6 | 24.3 | 24.8 | 24.4 | 24.3 |
| Asset turnover (Rev./Avg TA) | 166.1 | 166.8 | 155.6 | 151.8 | 154.3 |
| Leverage (Avg TA/Avg Equity) | 1.6 | 1.6 | 1.5 | 1.6 | 1.6 |
| Adjusted ROAE | 51.0 | 50.7 | 44.3 | 46.2 | 46.6 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|-------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 6.8 | 6.0 | 3.3 | 5.9 | 6.9 |
| EBITDA | 8.5 | 4.8 | 5.3 | 5.0 | 7.9 |
| Adjusted EPS | 11.8 | 4.2 | (0.1) | 10.8 | 6.4 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 26.7 | 26.4 | 26.9 | 26.7 | 26.9 |
| EBIT margin | 24.6 | 24.3 | 24.8 | 24.4 | 24.3 |
| Adjusted profit margin | 19.3 | 19.0 | 19.7 | 19.2 | 19.1 |
| Adjusted ROAE | 51.0 | 51.9 | 50.6 | 47.6 | 47.9 |
| ROCE | 33.6 | 33.8 | 32.8 | 31.5 | 31.9 |
| Working capital days (days) | | | | | |
| Receivables | 81 | 85 | 91 | 91 | 91 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 15 | 20 | 20 | 20 | 20 |
| Ratios (x) | | | | | |
| Gross asset turnover | 22.0 | 20.4 | 19.2 | 16.1 | 14.2 |
| Current ratio | 1.8 | 1.8 | 1.7 | 1.8 | 1.8 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.1) | (0.2) | (0.1) | (0.2) | (0.1) |

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

Financials – INFO

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Total revenue | 1,536,710 | 1,629,900 | 1,779,304 | 1,921,248 | 2,052,580 |
| EBITDA | 364,250 | 392,350 | 422,172 | 450,526 | 481,524 |
| Depreciation | 46,780 | 48,110 | 48,475 | 51,874 | 55,420 |
| EBIT | 317,470 | 344,240 | 373,698 | 398,652 | 426,104 |
| Net interest inc./(exp.) | (4,690) | (4,160) | (4,110) | (4,000) | (4,000) |
| Other inc./(exp.) | 47,110 | 35,990 | 25,138 | 16,405 | 24,339 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 359,890 | 376,070 | 394,725 | 411,057 | 446,443 |
| Income taxes | 97,410 | 108,570 | 110,864 | 114,155 | 123,982 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 160 | 370 | 260 | 0 | 0 |
| Reported net profit | 262,320 | 267,130 | 283,602 | 296,902 | 322,461 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 262,320 | 267,130 | 283,602 | 296,902 | 322,461 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Accounts payables | 39,560 | 41,640 | 48,260 | 48,260 | 48,260 |
| Other current liabilities | 330,420 | 372,110 | 435,338 | 465,048 | 495,651 |
| Provisions | 17,960 | 14,750 | 17,608 | 18,911 | 20,253 |
| Debt funds | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 105,590 | 98,500 | 99,970 | 99,970 | 99,970 |
| Equity capital | 20,710 | 20,730 | 19,740 | 19,740 | 19,740 |
| Reserves & surplus | 863,900 | 941,300 | 638,126 | 727,196 | 823,935 |
| Shareholders' fund | 884,610 | 962,030 | 657,866 | 746,936 | 843,675 |
| Total liab. and equities | 1,378,140 | 1,489,030 | 1,259,042 | 1,379,126 | 1,507,809 |
| Cash and cash eq. | 147,860 | 244,550 | 20,309 | 81,895 | 150,068 |
| Accounts receivables | 301,930 | 311,580 | 361,932 | 388,709 | 416,291 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 398,700 | 375,470 | 357,647 | 379,525 | 402,061 |
| Investments | 246,230 | 235,410 | 158,100 | 158,100 | 158,100 |
| Net fixed assets | 128,180 | 128,000 | 132,101 | 140,207 | 148,810 |
| CWIP | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | 87,000 | 128,720 | 147,070 | 147,070 | 147,070 |
| Deferred tax assets, net | 4,540 | 11,080 | 17,400 | 17,400 | 17,400 |
| Other assets | 63,700 | 54,220 | 64,484 | 66,220 | 68,007 |
| Total assets | 1,378,140 | 1,489,030 | 1,259,042 | 1,379,126 | 1,507,809 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash flow from operations | 255,420 | 373,630 | 359,160 | 333,397 | 361,919 |
| Capital expenditures | (34,060) | (89,650) | (70,925) | (59,980) | (64,023) |
| Change in investments | (48,150) | 13,230 | 79,270 | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (82,210) | (76,420) | 8,345 | (59,980) | (64,023) |
| Equities issued/Others | 0 | 0 | (180,000) | 0 | 0 |
| Debt raised/repaid | 0 | 0 | 0 | 0 | 0 |
| Interest expenses | (4,690) | (4,160) | (4,110) | (4,000) | (4,000) |
| Dividends paid | (190,400) | (178,111) | (165,716) | (207,831) | (225,722) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (195,090) | (182,271) | (349,826) | (211,831) | (229,722) |
| Chg in cash & cash eq. | 26,120 | 96,690 | (224,241) | 61,586 | 68,174 |
| Closing cash & cash eq. | 147,850 | 244,550 | 20,309 | 81,895 | 150,068 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 63.4 | 64.5 | 69.1 | 73.9 | 80.3 |
| Adjusted EPS | 63.3 | 64.4 | 69.0 | 73.8 | 80.2 |
| Dividend per share | 46.0 | 43.0 | 40.5 | 51.8 | 56.2 |
| Book value per share | 213.7 | 232.2 | 163.9 | 186.0 | 210.1 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 3.7 | 3.6 | 3.2 | 3.0 | 2.8 |
| EV/EBITDA | 15.8 | 14.8 | 13.6 | 12.6 | 11.9 |
| Adjusted P/E | 21.6 | 21.2 | 19.8 | 18.5 | 17.0 |
| P/BV | 6.4 | 5.9 | 8.3 | 7.3 | 6.5 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 72.9 | 71.1 | 71.9 | 72.2 | 72.2 |
| Interest burden (PBT/EBIT) | 113.4 | 109.2 | 105.6 | 103.1 | 104.8 |
| EBIT margin (EBIT/Revenue) | 20.7 | 21.1 | 21.0 | 20.7 | 20.8 |
| Asset turnover (Rev./Avg TA) | 116.6 | 113.7 | 129.5 | 145.7 | 142.2 |
| Leverage (Avg TA/Avg Equity) | 1.6 | 1.6 | 1.7 | 1.9 | 1.8 |
| Adjusted ROAE | 32.0 | 29.0 | 35.0 | 42.3 | 40.5 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------------|--------------|------------|--------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | 4.7 | 6.1 | 9.2 | 8.0 | 6.8 |
| EBITDA | 3.7 | 7.7 | 7.6 | 6.7 | 6.9 |
| Adjusted EPS | 10.0 | 1.7 | 7.2 | 7.0 | 8.6 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 23.7 | 24.1 | 23.7 | 23.4 | 23.5 |
| EBIT margin | 20.7 | 21.1 | 21.0 | 20.7 | 20.8 |
| Adjusted profit margin | 17.1 | 16.4 | 15.9 | 15.5 | 15.7 |
| Adjusted ROAE | 31.9 | 28.9 | 35.0 | 42.3 | 40.5 |
| ROCE | 28.2 | 26.5 | 33.2 | 41.0 | 38.7 |
| Working capital days (days) | | | | | |
| Receivables | 105 | 102 | 104 | 104 | 104 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 9 | 9 | 10 | 9 | 8 |
| Ratios (x) | | | | | |
| Gross asset turnover | 12.0 | 12.7 | 13.5 | 13.7 | 13.8 |
| Current ratio | 2.2 | 2.2 | 1.5 | 1.6 | 1.7 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.2) | (0.3) | 0.0 | (0.1) | (0.2) |

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

Financials – HCLT

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Total revenue | 1,099,130 | 1,170,550 | 1,299,207 | 1,407,533 | 1,516,473 |
| EBITDA | 242,000 | 255,050 | 271,161 | 294,721 | 311,485 |
| Depreciation | 41,730 | 40,840 | 43,894 | 45,382 | 45,905 |
| EBIT | 200,270 | 214,210 | 227,268 | 249,340 | 265,580 |
| Net interest inc./(exp.) | 0 | 0 | 0 | 0 | 0 |
| Other inc./(exp.) | 9,400 | 18,410 | 962 | 12,886 | 13,193 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 209,670 | 232,620 | 228,229 | 262,226 | 278,773 |
| Income taxes | 52,570 | 58,620 | 59,017 | 67,925 | 72,211 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 80 | 90 | 140 | 240 | 240 |
| Reported net profit | 157,020 | 173,910 | 169,072 | 194,062 | 206,322 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 157,020 | 173,910 | 169,072 | 194,062 | 206,322 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|----------------|------------------|------------------|------------------|------------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 215,320 | 244,710 | 274,471 | 291,655 | 320,341 |
| Provisions | 0 | 0 | 0 | 0 | 0 |
| Debt funds | 23,270 | 22,910 | 23,670 | 23,670 | 23,670 |
| Other liabilities | 76,550 | 91,270 | 112,162 | 116,201 | 122,943 |
| Equity capital | 5,430 | 5,430 | 5,430 | 5,430 | 5,430 |
| Reserves & surplus | 677,200 | 691,120 | 722,375 | 743,220 | 765,500 |
| Shareholders' fund | 682,630 | 696,550 | 727,805 | 748,650 | 770,930 |
| Total liab. and equities | 997,770 | 1,055,440 | 1,138,107 | 1,180,176 | 1,237,884 |
| Cash and cash eq. | 94,560 | 82,450 | 90,953 | 138,294 | 147,298 |
| Accounts receivables | 194,830 | 195,230 | 231,446 | 245,937 | 270,126 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 303,920 | 343,410 | 373,130 | 345,827 | 360,345 |
| Investments | 3,810 | 12,970 | 16,930 | 16,930 | 16,930 |
| Net fixed assets | 322,610 | 332,150 | 333,136 | 337,006 | 340,875 |
| CWIP | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets, net | 0 | 0 | 0 | 0 | 0 |
| Other assets | 78,040 | 89,230 | 92,511 | 96,182 | 102,310 |
| Total assets | 997,770 | 1,055,440 | 1,138,107 | 1,180,176 | 1,237,884 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash flow from operations | 205,170 | 233,950 | 196,220 | 233,680 | 242,446 |
| Capital expenditures | (41,120) | (50,380) | (44,880) | (49,251) | (49,774) |
| Change in investments | (47,780) | (38,770) | (23,250) | 36,000 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (88,900) | (89,150) | (68,130) | (13,251) | (49,774) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 9,700 | 5,200 | 8,280 | 0 | 0 |
| Interest expenses | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | (140,714) | (162,528) | (146,151) | (173,216) | (184,042) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (131,014) | (157,328) | (137,871) | (173,216) | (184,042) |
| Chg in cash & cash eq. | 3,910 | (12,021) | 8,219 | 47,213 | 8,630 |
| Closing cash & cash eq. | 94,560 | 82,539 | 90,669 | 138,166 | 146,923 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 58.0 | 64.2 | 62.5 | 71.7 | 76.2 |
| Adjusted EPS | 57.9 | 64.1 | 62.4 | 71.7 | 76.2 |
| Dividend per share | 52.0 | 60.0 | 54.0 | 64.0 | 68.0 |
| Book value per share | 251.2 | 256.5 | 268.7 | 276.4 | 284.7 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 3.7 | 3.4 | 3.1 | 2.9 | 2.7 |
| EV/EBITDA | 16.6 | 15.8 | 14.8 | 13.7 | 13.1 |
| Adjusted P/E | 25.3 | 22.8 | 23.4 | 20.4 | 19.2 |
| P/BV | 5.8 | 5.7 | 5.4 | 5.3 | 5.1 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 74.9 | 74.8 | 74.1 | 74.0 | 74.0 |
| Interest burden (PBT/EBIT) | 104.7 | 108.6 | 100.4 | 105.2 | 105.0 |
| EBIT margin (EBIT/Revenue) | 18.2 | 18.3 | 17.5 | 17.7 | 17.5 |
| Asset turnover (Rev./Avg TA) | 113.8 | 114.0 | 118.5 | 121.4 | 125.4 |
| Leverage (Avg TA/Avg Equity) | 1.4 | 1.5 | 1.5 | 1.6 | 1.6 |
| Adjusted ROAE | 23.5 | 25.2 | 23.7 | 26.3 | 27.2 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|-------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 8.3 | 6.5 | 11.0 | 8.3 | 7.7 |
| EBITDA | 6.9 | 5.4 | 6.3 | 8.7 | 5.7 |
| Adjusted EPS | 5.5 | 10.8 | (2.7) | 14.9 | 6.3 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 22.0 | 21.8 | 20.9 | 20.9 | 20.5 |
| EBIT margin | 18.2 | 18.3 | 17.5 | 17.7 | 17.5 |
| Adjusted profit margin | 14.3 | 14.9 | 13.0 | 13.8 | 13.6 |
| Adjusted ROAE | 23.5 | 25.2 | 23.7 | 26.3 | 27.2 |
| ROCE | 19.8 | 20.1 | 20.1 | 21.1 | 21.8 |
| Working capital days (days) | | | | | |
| Receivables | 65 | 61 | 65 | 64 | 65 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 3.4 | 3.5 | 3.9 | 4.2 | 4.4 |
| Current ratio | 2.9 | 2.7 | 2.7 | 2.6 | 2.5 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.1) | (0.1) | (0.1) | (0.2) | (0.2) |

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

Financials – WPRO

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|----------------|----------------|----------------|----------------|------------------|
| Total revenue | 897,603 | 890,884 | 927,972 | 989,659 | 1,037,500 |
| EBITDA | 176,379 | 190,397 | 185,624 | 210,262 | 223,189 |
| Depreciation | 40,280 | 39,126 | 33,246 | 47,657 | 52,345 |
| EBIT | 136,099 | 151,271 | 152,377 | 162,605 | 170,844 |
| Net interest inc./(exp.) | (12,552) | (14,770) | (14,906) | (16,120) | (16,120) |
| Other inc./(exp.) | 23,663 | 38,456 | 39,168 | 46,436 | 51,583 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 147,210 | 174,957 | 173,611 | 192,921 | 206,307 |
| Income taxes | 36,089 | 42,777 | 40,518 | 47,266 | 50,545 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 669 | 826 | 633 | 600 | 600 |
| Reported net profit | 110,452 | 131,354 | 132,460 | 145,055 | 155,162 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 110,452 | 131,354 | 132,460 | 145,055 | 155,162 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Accounts payables | 88,566 | 88,252 | 97,638 | 101,044 | 106,144 |
| Other current liabilities | 154,671 | 189,976 | 279,666 | 281,966 | 285,410 |
| Provisions | 0 | 294 | 158 | 158 | 158 |
| Debt funds | 62,300 | 63,954 | 1,860 | 1,860 | 1,860 |
| Other liabilities | 93,882 | 111,036 | 127,777 | 127,777 | 127,777 |
| Equity capital | 10,450 | 20,944 | 20,974 | 20,974 | 20,974 |
| Reserves & surplus | 740,773 | 809,503 | 866,798 | 910,315 | 956,863 |
| Shareholders' fund | 751,223 | 830,447 | 887,772 | 931,289 | 977,837 |
| Total liab. and equities | 1,150,642 | 1,283,959 | 1,394,871 | 1,444,094 | 1,499,186 |
| Cash and cash eq. | 96,953 | 121,974 | 123,806 | 192,511 | 267,709 |
| Accounts receivables | 119,522 | 118,044 | 131,811 | 136,409 | 143,294 |
| Inventories | 907 | 694 | 755 | 755 | 755 |
| Other current assets | 140,136 | 147,815 | 160,887 | 164,463 | 169,818 |
| Investments | 333,844 | 439,259 | 484,959 | 484,959 | 484,959 |
| Net fixed assets | 52,640 | 55,235 | 60,357 | 30,673 | (1,672) |
| CWIP | 28,968 | 25,449 | 13,025 | 15,052 | 15,052 |
| Intangible assets | 348,750 | 352,464 | 397,129 | 397,129 | 397,129 |
| Deferred tax assets, net | 1,817 | 2,561 | 4,452 | 4,452 | 4,452 |
| Other assets | 27,105 | 20,464 | 17,691 | 17,691 | 17,691 |
| Total assets | 1,150,642 | 1,283,959 | 1,394,871 | 1,444,094 | 1,499,186 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash flow from operations | 170,637 | 190,916 | 172,847 | 206,964 | 220,531 |
| Capital expenditures | 16,664 | (4,063) | (9,537) | (20,000) | (20,000) |
| Change in investments | (2,848) | (105,133) | (45,036) | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | 13,817 | (109,196) | (54,573) | (20,000) | (20,000) |
| Equities issued/Others | (148,000) | 10,494 | 30 | 0 | 0 |
| Debt raised/repaid | (8,627) | 20,351 | 1,244 | 0 | 0 |
| Interest expenses | (12,552) | (14,770) | (14,906) | (16,120) | (16,120) |
| Dividends paid | (5,218) | (6) | (99,052) | (101,539) | (108,613) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (174,397) | 16,069 | (112,684) | (117,659) | (124,733) |
| Chg in cash & cash eq. | 5,073 | 25,021 | 1,589 | 68,565 | 75,058 |
| Closing cash & cash eq. | 96,953 | 121,974 | 123,563 | 192,371 | 267,569 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 10.4 | 12.6 | 12.6 | 13.8 | 14.8 |
| Adjusted EPS | 10.4 | 12.5 | 12.6 | 13.8 | 14.8 |
| Dividend per share | 0.5 | 0.0 | 9.5 | 9.7 | 10.4 |
| Book value per share | 71.9 | 79.4 | 84.7 | 88.9 | 93.3 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 2.5 | 2.6 | 2.5 | 2.4 | 2.4 |
| EV/EBITDA | 12.9 | 12.0 | 12.5 | 11.4 | 11.0 |
| Adjusted P/E | 20.6 | 17.0 | 16.9 | 15.4 | 14.4 |
| P/BV | 3.0 | 2.7 | 2.5 | 2.4 | 2.3 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 75.0 | 75.1 | 76.3 | 75.2 | 75.2 |
| Interest burden (PBT/EBIT) | 108.2 | 115.7 | 113.9 | 118.6 | 120.8 |
| EBIT margin (EBIT/Revenue) | 15.2 | 17.0 | 16.4 | 16.4 | 16.5 |
| Asset turnover (Rev./Avg TA) | 77.1 | 73.1 | 69.1 | 69.5 | 70.3 |
| Leverage (Avg TA/Avg Equity) | 1.5 | 1.5 | 1.6 | 1.6 | 1.5 |
| Adjusted ROAE | 14.4 | 16.6 | 15.4 | 15.9 | 16.3 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|-------|-------|-------|-------|---------|
| YoY growth (%) | | | | | |
| Revenue | (0.8) | (0.7) | 4.2 | 6.6 | 4.8 |
| EBITDA | (3.1) | 7.9 | (2.5) | 13.3 | 6.1 |
| Adjusted EPS | 0.2 | 20.9 | 0.7 | 9.5 | 7.0 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 19.7 | 21.4 | 20.0 | 21.2 | 21.5 |
| EBIT margin | 15.2 | 17.0 | 16.4 | 16.4 | 16.5 |
| Adjusted profit margin | 12.3 | 14.7 | 14.3 | 14.7 | 15.0 |
| Adjusted ROAE | 14.4 | 16.6 | 15.4 | 15.9 | 16.3 |
| ROCE | 10.3 | 10.9 | 10.2 | 10.2 | 10.3 |
| Working capital days (days) | | | | | |
| Receivables | 72 | 75 | 82 | 79 | 79 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 36 | 36 | 38 | 37 | 37 |
| Ratios (x) | | | | | |
| Gross asset turnover | 17.1 | 16.1 | 15.4 | 32.3 | (620.4) |
| Current ratio | 1.5 | 1.4 | 1.1 | 1.3 | 1.5 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | 0.0 | (0.1) | (0.1) | (0.2) | (0.3) |

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

Financials – TECHM

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Total revenue | 519,955 | 529,883 | 565,179 | 614,391 | 667,157 |
| EBITDA | 49,646 | 69,911 | 90,191 | 112,594 | 125,327 |
| Depreciation | 18,171 | 18,529 | 18,764 | 19,985 | 21,735 |
| EBIT | 31,475 | 51,382 | 71,426 | 92,609 | 103,592 |
| Net interest inc./(exp.) | (3,922) | (3,217) | (3,257) | (3,083) | (3,083) |
| Other inc./(exp.) | 9,169 | 8,554 | 4,807 | 9,568 | 10,205 |
| Exceptional items | (4,582) | 0 | 0 | 0 | 0 |
| EBT | 32,140 | 56,719 | 72,977 | 99,095 | 110,714 |
| Income taxes | 8,276 | 14,002 | 19,610 | 24,278 | 27,125 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | (285) | (101) | 30 | 16 | 16 |
| Reported net profit | 23,579 | 42,818 | 53,337 | 74,801 | 83,573 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 23,579 | 42,818 | 53,337 | 74,801 | 83,573 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 126,166 | 126,740 | 144,007 | 152,833 | 168,740 |
| Provisions | 0 | 0 | 0 | 0 | 0 |
| Debt funds | 1,570 | 160 | 1,352 | 1,352 | 1,352 |
| Other liabilities | 39,806 | 44,430 | 45,520 | 45,520 | 45,520 |
| Equity capital | 4,413 | 4,424 | 4,427 | 4,427 | 4,427 |
| Reserves & surplus | 262,281 | 269,191 | 266,943 | 279,728 | 296,853 |
| Shareholders' fund | 266,694 | 273,615 | 271,370 | 284,155 | 301,280 |
| Total liab. and equities | 434,236 | 444,945 | 462,249 | 483,860 | 516,892 |
| Cash and cash eq. | 75,149 | 74,350 | 79,021 | 87,135 | 97,605 |
| Accounts receivables | 114,011 | 115,470 | 125,618 | 133,316 | 147,192 |
| Inventories | 375 | 394 | 961 | 961 | 961 |
| Other current assets | 45,179 | 47,117 | 52,317 | 55,524 | 61,302 |
| Investments | 7,092 | 7,836 | 4,862 | 4,862 | 4,862 |
| Net fixed assets | 54,640 | 47,636 | 39,636 | 39,651 | 37,916 |
| CWIP | 1,011 | 206 | 230 | 230 | 230 |
| Intangible assets | 75,106 | 76,993 | 80,319 | 80,319 | 80,319 |
| Deferred tax assets, net | 14,396 | 18,573 | 20,536 | 20,536 | 20,536 |
| Other assets | 47,277 | 56,370 | 58,750 | 61,326 | 65,969 |
| Total assets | 434,236 | 444,945 | 462,249 | 483,860 | 516,892 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 59,607 | 61,621 | 76,740 | 95,804 | 104,659 |
| Capital expenditures | (7,600) | (10,899) | (10,774) | (20,000) | (20,000) |
| Change in investments | 5,805 | (8,433) | 161 | (2,576) | (4,643) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (1,795) | (19,332) | (10,613) | (22,576) | (24,643) |
| Equities issued/Others | 13 | 11 | 3 | 0 | 0 |
| Debt raised/repaid | (7,774) | 3,686 | 2,095 | 0 | 0 |
| Interest expenses | (3,922) | (3,217) | (3,257) | (3,083) | (3,083) |
| Dividends paid | (35,264) | (39,857) | (44,320) | (62,048) | (66,480) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (46,947) | (39,377) | (45,478) | (65,130) | (69,562) |
| Chg in cash & cash eq. | 4,770 | (799) | 4,671 | 8,114 | 10,470 |
| Closing cash & cash eq. | 75,149 | 74,350 | 79,021 | 87,135 | 97,605 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 26.9 | 47.9 | 60.3 | 84.4 | 87.4 |
| Adjusted EPS | 26.5 | 47.8 | 60.2 | 84.3 | 87.2 |
| Dividend per share | 40.3 | 45.0 | 50.0 | 70.0 | 75.0 |
| Book value per share | 304.6 | 308.9 | 306.1 | 320.6 | 339.9 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 2.7 | 2.7 | 2.5 | 2.3 | 2.1 |
| EV/EBITDA | 28.3 | 20.2 | 15.7 | 12.6 | 11.4 |
| Adjusted P/E | 57.1 | 31.6 | 25.1 | 17.9 | 17.3 |
| P/BV | 5.0 | 4.9 | 4.9 | 4.7 | 4.5 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 73.4 | 75.5 | 73.1 | 75.5 | 75.5 |
| Interest burden (PBT/EBIT) | 102.1 | 110.4 | 102.2 | 107.0 | 106.9 |
| EBIT margin (EBIT/Revenue) | 6.1 | 9.7 | 12.6 | 15.1 | 15.5 |
| Asset turnover (Rev./Avg TA) | 163.4 | 169.2 | 177.6 | 189.3 | 196.5 |
| Leverage (Avg TA/Avg Equity) | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Adjusted ROAE | 8.6 | 15.8 | 19.6 | 26.9 | 28.6 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | (2.4) | 1.9 | 6.7 | 8.7 | 8.6 |
| EBITDA | (38.2) | 40.8 | 29.0 | 24.8 | 11.3 |
| Adjusted EPS | (51.6) | 80.6 | 25.9 | 40.0 | 3.5 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 9.5 | 13.2 | 16.0 | 18.3 | 18.8 |
| EBIT margin | 6.1 | 9.7 | 12.6 | 15.1 | 15.5 |
| Adjusted profit margin | 4.5 | 8.1 | 9.4 | 12.2 | 12.5 |
| Adjusted ROAE | 8.6 | 15.8 | 19.6 | 26.9 | 28.6 |
| ROCE | 7.3 | 12.4 | 16.4 | 21.5 | 23.0 |
| Working capital days (days) | | | | | |
| Receivables | 80 | 80 | 81 | 79 | 81 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 9.5 | 11.1 | 14.3 | 15.5 | 17.6 |
| Current ratio | 1.9 | 1.9 | 1.8 | 1.8 | 1.8 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) |

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

Financials – LTIM

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Total revenue | 355,170 | 380,081 | 421,597 | 463,897 | 506,787 |
| EBITDA | 63,874 | 64,949 | 76,791 | 83,688 | 92,844 |
| Depreciation | 8,189 | 9,915 | 10,744 | 11,355 | 11,355 |
| EBIT | 55,685 | 55,034 | 66,047 | 72,334 | 81,489 |
| Net interest inc./(exp.) | (2,217) | (2,789) | (2,713) | (2,491) | (2,672) |
| Other inc./(exp.) | 9,236 | 12,686 | 14,941 | 17,353 | 19,498 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 62,704 | 64,931 | 78,275 | 87,196 | 98,314 |
| Income taxes | 14,641 | 16,122 | 20,230 | 23,064 | 26,005 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 48,063 | 48,809 | 53,628 | 64,132 | 72,310 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 48,063 | 48,809 | 53,628 | 64,132 | 72,310 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 30,980 | 31,075 | 69,899 | 72,620 | 76,627 |
| Provisions | 8,486 | 9,691 | 11,432 | 11,432 | 11,432 |
| Debt funds | 318 | 554 | 4,974 | 4,974 | 4,974 |
| Other liabilities | 35,674 | 37,997 | 43,197 | 43,645 | 44,114 |
| Equity capital | 296 | 296 | 296 | 296 | 296 |
| Reserves & surplus | 199,876 | 226,687 | 235,981 | 272,278 | 315,287 |
| Shareholders' fund | 200,172 | 226,983 | 236,277 | 272,574 | 315,583 |
| Total liab. and equities | 275,630 | 306,300 | 365,780 | 405,244 | 452,730 |
| Cash and cash eq. | 18,200 | 20,623 | 40,947 | 61,722 | 85,959 |
| Accounts receivables | 70,387 | 76,882 | 90,265 | 96,748 | 106,294 |
| Inventories | 30 | 28 | 31 | 31 | 31 |
| Other current assets | 32,379 | 38,106 | 36,947 | 39,423 | 43,070 |
| Investments | 98,768 | 111,515 | 134,792 | 142,792 | 150,792 |
| Net fixed assets | 15,037 | 15,946 | 12,064 | 12,308 | 12,552 |
| CWIP | 4,669 | 5,818 | 7,063 | 7,063 | 7,063 |
| Intangible assets | 11,927 | 12,036 | 12,720 | 12,720 | 12,720 |
| Deferred tax assets, net | 5,220 | 5,303 | 9,567 | 10,255 | 11,266 |
| Other assets | 19,013 | 20,043 | 21,384 | 22,184 | 22,984 |
| Total assets | 275,630 | 306,300 | 365,780 | 405,244 | 452,730 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 80,673 | 54,672 | 67,299 | 71,739 | 77,151 |
| Capital expenditures | (10,310) | (8,400) | (8,400) | (8,400) | (8,400) |
| Change in investments | (32,117) | (12,747) | (23,277) | (8,000) | (8,000) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (42,427) | (21,147) | (31,677) | (16,400) | (16,400) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | (1,456) | 236 | 4,420 | 0 | 0 |
| Interest expenses | (2,217) | (2,789) | (2,713) | (2,491) | (2,672) |
| Dividends paid | (19,234) | (19,261) | (22,542) | (27,836) | (29,301) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (22,907) | (21,814) | (20,836) | (30,326) | (31,973) |
| Chg in cash & cash eq. | (5,189) | 2,423 | 20,324 | 20,774 | 24,237 |
| Closing cash & cash eq. | 18,200 | 20,623 | 40,947 | 61,722 | 85,959 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|---------|
| Reported EPS | 154.9 | 153.7 | 175.4 | 218.9 | 246.8 |
| Adjusted EPS | 154.6 | 153.4 | 175.3 | 218.6 | 246.5 |
| Dividend per share | 65.0 | 65.0 | 77.0 | 95.0 | 100.0 |
| Book value per share | 676.8 | 766.0 | 809.2 | 933.1 | 1,079.9 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 4.3 | 4.0 | 3.6 | 3.3 | 3.1 |
| EV/EBITDA | 23.8 | 23.4 | 19.9 | 18.5 | 16.9 |
| Adjusted P/E | 33.1 | 33.4 | 29.2 | 23.4 | 20.8 |
| P/BV | 7.6 | 6.7 | 6.3 | 5.5 | 4.7 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 76.7 | 75.2 | 74.1 | 73.5 | 73.5 |
| Interest burden (PBT/EBIT) | 112.6 | 118.0 | 109.6 | 120.5 | 120.6 |
| EBIT margin (EBIT/Revenue) | 15.7 | 14.5 | 15.7 | 15.6 | 16.1 |
| Asset turnover (Rev./Avg TA) | 139.1 | 130.6 | 125.5 | 120.3 | 118.1 |
| Leverage (Avg TA/Avg Equity) | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 |
| Adjusted ROAE | 26.2 | 22.8 | 23.1 | 25.1 | 24.5 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------------|--------------|--------------|--------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | 7.0 | 7.0 | 10.9 | 10.0 | 9.2 |
| EBITDA | 4.6 | 1.7 | 18.2 | 9.0 | 10.9 |
| Adjusted EPS | 3.8 | (0.8) | 14.3 | 24.7 | 12.8 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 18.0 | 17.1 | 18.2 | 18.0 | 18.3 |
| EBIT margin | 15.7 | 14.5 | 15.7 | 15.6 | 16.1 |
| Adjusted profit margin | 13.5 | 12.8 | 12.7 | 13.8 | 14.3 |
| Adjusted ROAE | 26.3 | 22.9 | 23.2 | 25.2 | 24.6 |
| ROCE | 20.9 | 18.4 | 18.8 | 17.6 | 17.5 |
| Working capital days (days) | | | | | |
| Receivables | 72 | 74 | 78 | 76 | 77 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 23.6 | 23.8 | 34.9 | 37.7 | 40.4 |
| Current ratio | 3.1 | 3.3 | 2.1 | 2.4 | 2.7 |
| 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 – PSYS

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|----------------|----------------|----------------|----------------|
| Total revenue | 98,217 | 119,387 | 146,482 | 172,566 | 200,382 |
| EBITDA | 17,257 | 20,581 | 28,002 | 33,171 | 38,016 |
| Depreciation | 3,094 | 3,069 | 3,971 | 4,309 | 4,636 |
| EBIT | 14,163 | 17,512 | 24,032 | 28,862 | 33,380 |
| Net interest inc./(exp.) | 0 | 0 | 0 | 0 | 0 |
| Other inc./(exp.) | 327 | 710 | 1,215 | 1,483 | 1,887 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 14,490 | 18,223 | 25,247 | 30,345 | 35,267 |
| Income taxes | 3,541 | 4,222 | 5,655 | 7,131 | 8,288 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 10,949 | 14,001 | 19,592 | 23,214 | 26,979 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 10,949 | 14,001 | 19,592 | 23,214 | 26,979 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|---------------|----------------|----------------|----------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 18,511 | 17,299 | 26,183 | 30,045 | 35,167 |
| Provisions | 3,331 | 4,029 | 1,187 | 1,362 | 1,594 |
| Debt funds | 99 | 0 | 0 | 0 | 0 |
| Other liabilities | 2,218 | 2,848 | 5,251 | 5,251 | 5,251 |
| Equity capital | 770 | 779 | 789 | 789 | 789 |
| Reserves & surplus | 48,807 | 62,411 | 80,359 | 94,288 | 110,475 |
| Shareholders' fund | 49,577 | 63,191 | 81,148 | 95,077 | 111,264 |
| Total liab. and equities | 73,736 | 87,366 | 113,768 | 131,734 | 153,276 |
| Cash and cash eq. | 10,229 | 10,255 | 15,275 | 25,101 | 36,382 |
| Accounts receivables | 17,491 | 19,142 | 25,715 | 29,509 | 34,539 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 11,902 | 18,926 | 25,158 | 28,869 | 33,790 |
| Investments | 8,266 | 9,803 | 16,907 | 18,907 | 20,907 |
| Net fixed assets | 11,302 | 13,805 | 13,829 | 12,464 | 10,772 |
| CWIP | 335 | 42 | 568 | 568 | 568 |
| Intangible assets | 10,913 | 12,338 | 12,931 | 12,931 | 12,931 |
| Deferred tax assets, net | 1,360 | 2,024 | 2,874 | 2,874 | 2,874 |
| Other assets | 1,938 | 1,031 | 512 | 512 | 512 |
| Total assets | 73,736 | 87,366 | 113,768 | 131,734 | 153,276 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| Cash flow from operations | 8,911 | 8,433 | 17,579 | 24,056 | 27,017 |
| Capital expenditures | 1,769 | (3,787) | (3,752) | (2,944) | (2,944) |
| Change in investments | (2,179) | (1,367) | (5,910) | (2,000) | (2,000) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (410) | (5,154) | (9,662) | (4,944) | (4,944) |
| Equities issued/Others | 6 | 9 | 10 | 0 | 0 |
| Debt raised/repaid | (1,958) | 51 | 99 | 0 | 0 |
| Interest expenses | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | (3,933) | (5,387) | (7,628) | (9,286) | (10,792) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (5,886) | (5,327) | (7,520) | (9,286) | (10,792) |
| Chg in cash & cash eq. | 1,196 | 26 | 5,020 | 9,826 | 11,281 |
| Closing cash & cash eq. | 10,229 | 10,255 | 15,275 | 25,101 | 36,382 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 72.6 | 91.2 | 120.1 | 148.7 | 172.8 |
| Adjusted EPS | 71.2 | 90.2 | 119.3 | 147.6 | 171.5 |
| Dividend per share | 26.0 | 34.9 | 48.9 | 59.5 | 69.1 |
| Book value per share | 322.3 | 405.4 | 515.9 | 604.5 | 707.4 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 9.0 | 7.4 | 6.0 | 5.2 | 4.5 |
| EV/EBITDA | 51.0 | 42.8 | 31.6 | 26.9 | 23.7 |
| Adjusted P/E | 78.4 | 61.9 | 46.8 | 37.8 | 32.5 |
| P/BV | 17.3 | 13.8 | 10.8 | 9.2 | 7.9 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 75.6 | 76.8 | 76.8 | 76.5 | 76.5 |
| Interest burden (PBT/EBIT) | 102.3 | 104.1 | 101.4 | 105.1 | 105.7 |
| EBIT margin (EBIT/Revenue) | 14.4 | 14.7 | 16.4 | 16.7 | 16.7 |
| Asset turnover (Rev./Avg TA) | 215.0 | 211.3 | 202.4 | 195.3 | 193.8 |
| Leverage (Avg TA/Avg Equity) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Adjusted ROAE | 24.5 | 24.8 | 25.9 | 26.3 | 26.2 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------------|--------------|--------------|--------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | 17.6 | 21.6 | 22.7 | 17.8 | 16.1 |
| EBITDA | 13.6 | 19.3 | 36.1 | 18.5 | 14.6 |
| Adjusted EPS | 18.1 | 26.7 | 32.2 | 23.7 | 16.2 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 17.6 | 17.2 | 19.1 | 19.2 | 19.0 |
| EBIT margin | 14.4 | 14.7 | 16.4 | 16.7 | 16.7 |
| Adjusted profit margin | 11.1 | 11.7 | 13.4 | 13.5 | 13.5 |
| Adjusted ROAE | 24.5 | 24.8 | 27.1 | 26.3 | 26.2 |
| ROCE | 23.4 | 23.8 | 25.5 | 25.0 | 24.7 |
| Working capital days (days) | | | | | |
| Receivables | 65 | 59 | 64 | 62 | 63 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 8.7 | 8.6 | 10.6 | 13.8 | 18.6 |
| Current ratio | 1.8 | 2.3 | 2.4 | 2.7 | 2.8 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.2) | (0.2) | (0.2) | (0.3) | (0.3) |

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

Financials – COFORGE

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|----------------|----------------|----------------|----------------|
| Total revenue | 91,790 | 121,912 | 163,221 | 240,175 | 300,650 |
| EBITDA | 14,960 | 18,332 | 29,471 | 43,746 | 54,683 |
| Depreciation | 3,186 | 4,580 | 6,838 | 10,207 | 10,523 |
| EBIT | 11,774 | 13,752 | 22,633 | 33,538 | 44,160 |
| Net interest inc./(exp.) | 0 | 0 | 0 | 0 | 0 |
| Other inc./(exp.) | (1,156) | (1,072) | (702) | (610) | (1,152) |
| Exceptional items | 165 | 132 | 2,182 | 0 | 0 |
| EBT | 10,453 | 12,548 | 19,749 | 32,928 | 43,008 |
| Income taxes | 2,093 | 3,201 | 4,904 | 7,818 | 10,322 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 276 | 1,240 | 1,816 | 1,860 | 1,860 |
| Reported net profit | 8,084 | 8,107 | 13,029 | 23,250 | 30,826 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 8,084 | 8,107 | 13,029 | 23,250 | 30,826 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|----------------|----------------|----------------|----------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 15,315 | 27,800 | 31,218 | 46,677 | 56,685 |
| Provisions | 1,304 | 1,743 | 3,989 | 3,989 | 3,989 |
| Debt funds | 4,153 | 3,502 | 6,390 | 45,090 | 24,290 |
| Other liabilities | 4,039 | 28,070 | 35,234 | 36,967 | 37,964 |
| Equity capital | 618 | 669 | 670 | 855 | 855 |
| Reserves & surplus | 35,648 | 63,123 | 72,220 | 251,501 | 265,231 |
| Shareholders' fund | 36,266 | 63,792 | 72,890 | 252,356 | 266,086 |
| Total liab. and equities | 61,077 | 124,907 | 149,721 | 385,078 | 389,014 |
| Cash and cash eq. | 3,352 | 8,832 | 20,001 | 23,020 | 11,206 |
| Accounts receivables | 18,039 | 25,771 | 31,148 | 46,572 | 56,558 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 4,634 | 11,555 | 13,370 | 19,991 | 24,277 |
| Investments | 0 | 1,457 | 0 | 0 | 0 |
| Net fixed assets | 4,470 | 7,682 | 12,304 | 21,672 | 23,149 |
| CWIP | 232 | 24 | 174 | 174 | 174 |
| Intangible assets | 16,133 | 49,726 | 53,751 | 254,676 | 254,676 |
| Deferred tax assets, net | 5,583 | 5,470 | 6,314 | 6,314 | 6,314 |
| Other assets | 8,634 | 14,390 | 12,659 | 12,659 | 12,659 |
| Total assets | 61,077 | 124,907 | 149,721 | 385,078 | 389,014 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|-----------------|-----------------|------------------|-----------------|
| Cash flow from operations | 7,333 | 11,968 | 21,590 | 28,731 | 38,945 |
| Capital expenditures | (3,783) | (41,804) | (15,495) | (220,500) | (12,000) |
| Change in investments | 0 | 1,457 | (1,457) | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (3,783) | (40,347) | (16,952) | (220,500) | (12,000) |
| Equities issued/Others | 0 | 22,400 | 0 | 170,326 | 0 |
| Debt raised/repaid | 380 | (651) | 2,888 | 38,700 | (20,800) |
| Interest expenses | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | (4,673) | (5,019) | (6,682) | (14,208) | (17,096) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (4,293) | 16,730 | (3,794) | 194,818 | (37,896) |
| Chg in cash & cash eq. | (2,435) | 5,480 | 11,169 | 3,020 | (11,814) |
| Closing cash & cash eq. | 3,352 | 8,832 | 20,001 | 23,020 | 11,206 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 26.3 | 24.5 | 40.1 | 57.6 | 72.1 |
| Adjusted EPS | 26.3 | 24.5 | 40.1 | 57.6 | 72.1 |
| Dividend per share | 15.2 | 15.2 | 20.0 | 35.0 | 40.0 |
| Book value per share | 117.3 | 190.5 | 218.2 | 590.4 | 622.6 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 5.1 | 3.8 | 2.9 | 1.9 | 1.5 |
| EV/EBITDA | 31.1 | 25.5 | 16.1 | 10.5 | 8.2 |
| Adjusted P/E | 53.0 | 56.9 | 34.7 | 24.2 | 19.3 |
| P/BV | 11.9 | 7.3 | 6.4 | 2.4 | 2.2 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 77.3 | 63.9 | 59.4 | 70.6 | 71.7 |
| Interest burden (PBT/EBIT) | 88.1 | 83.0 | 96.7 | 98.2 | 97.4 |
| EBIT margin (EBIT/Revenue) | 12.9 | 12.5 | 13.9 | 14.0 | 14.7 |
| Asset turnover (Rev./Avg TA) | 215.5 | 170.7 | 151.4 | 105.1 | 89.6 |
| Leverage (Avg TA/Avg Equity) | 1.3 | 1.4 | 1.6 | 1.4 | 1.3 |
| Adjusted ROAE | 24.1 | 16.2 | 19.1 | 14.3 | 11.9 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|------------|--------------|--------------|------------|------------|
| YoY growth (%) | | | | | |
| Revenue | 14.5 | 32.8 | 33.9 | 47.1 | 25.2 |
| EBITDA | 6.5 | 22.5 | 60.8 | 48.4 | 25.0 |
| Adjusted EPS | 15.5 | (6.9) | 64.1 | 43.5 | 25.2 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 16.3 | 15.0 | 18.1 | 18.2 | 18.2 |
| EBIT margin | 12.8 | 11.3 | 13.9 | 14.0 | 14.7 |
| Adjusted profit margin | 8.8 | 6.6 | 8.0 | 9.7 | 10.3 |
| Adjusted ROAE | 24.1 | 16.2 | 19.1 | 14.3 | 11.9 |
| ROCE | 22.3 | 16.0 | 16.3 | 11.2 | 10.0 |
| Working capital days (days) | | | | | |
| Receivables | 72 | 77 | 70 | 71 | 69 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 20.5 | 15.9 | 13.3 | 11.1 | 13.0 |
| Current ratio | 1.7 | 1.7 | 2.1 | 1.9 | 1.6 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | 0.0 | (0.1) | (0.2) | 0.1 | 0.0 |

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

Financials – MPHL

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Total revenue | 132,785 | 142,300 | 157,805 | 176,364 | 196,977 |
| EBITDA | 24,220 | 26,471 | 29,581 | 33,192 | 36,636 |
| Depreciation | 4,106 | 4,762 | 5,611 | 6,033 | 6,652 |
| EBIT | 20,114 | 21,709 | 23,969 | 27,159 | 29,984 |
| Net interest inc./(exp.) | (1,608) | (1,656) | (1,635) | (1,425) | (1,352) |
| Other inc./(exp.) | 2,178 | 2,550 | 2,817 | 2,746 | 2,995 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 20,684 | 22,603 | 25,152 | 28,479 | 31,627 |
| Income taxes | 5,135 | 5,579 | 6,315 | 6,838 | 7,594 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 15,549 | 17,024 | 18,837 | 21,641 | 24,034 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 15,549 | 17,024 | 18,837 | 21,641 | 24,034 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 24,910 | 31,445 | 43,908 | 48,466 | 54,567 |
| Provisions | 3,261 | 833 | 1,990 | 2,196 | 2,473 |
| Debt funds | 15,436 | 11,159 | 15,993 | 15,193 | 14,393 |
| Other liabilities | 9,749 | 9,346 | 9,461 | 9,461 | 9,461 |
| Equity capital | 1,890 | 1,901 | 1,906 | 1,906 | 1,906 |
| Reserves & surplus | 86,056 | 94,383 | 93,620 | 102,277 | 111,890 |
| Shareholders' fund | 87,946 | 96,284 | 95,526 | 104,183 | 113,796 |
| Total liab. and equities | 141,302 | 149,067 | 166,878 | 179,499 | 194,690 |
| Cash and cash eq. | 8,144 | 16,126 | 13,368 | 13,850 | 20,114 |
| Accounts receivables | 27,028 | 31,604 | 35,220 | 38,877 | 43,771 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 16,434 | 18,192 | 31,077 | 34,303 | 38,621 |
| Investments | 30,899 | 22,082 | 16,771 | 16,771 | 16,771 |
| Net fixed assets | 6,285 | 8,463 | 14,930 | 19,798 | 18,996 |
| CWIP | 614 | 2 | 3 | 3 | 3 |
| Intangible assets | 41,793 | 42,907 | 45,227 | 45,227 | 45,227 |
| Deferred tax assets, net | 2,857 | 3,246 | 3,729 | 4,116 | 4,635 |
| Other assets | 7,248 | 6,445 | 6,553 | 6,553 | 6,553 |
| Total assets | 141,302 | 149,067 | 166,878 | 179,499 | 194,690 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|
| Cash flow from operations | 25,450 | 21,215 | 23,201 | 26,982 | 29,203 |
| Capital expenditures | (18,094) | (6,328) | (12,079) | (10,902) | (5,849) |
| Change in investments | (13,808) | 8,428 | 4,828 | (387) | (518) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (31,902) | 2,100 | (7,251) | (11,289) | (6,367) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 13,720 | (3,953) | 4,855 | (800) | (800) |
| Interest expenses | (1,608) | (1,656) | (1,635) | (1,425) | (1,352) |
| Dividends paid | (10,357) | 0 | (11,089) | (12,985) | (14,420) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | 1,755 | (5,609) | (7,869) | (15,210) | (16,572) |
| Chg in cash & cash eq. | (2,414) | 7,982 | (2,758) | 483 | 6,264 |
| Closing cash & cash eq. | 8,144 | 16,126 | 13,368 | 13,850 | 20,114 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 82.6 | 89.9 | 97.1 | 113.7 | 126.2 |
| Adjusted EPS | 82.6 | 89.3 | 96.7 | 113.2 | 125.7 |
| Dividend per share | 55.0 | 0.0 | 58.2 | 68.2 | 75.7 |
| Book value per share | 467.1 | 507.0 | 501.7 | 547.2 | 597.7 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 3.5 | 3.3 | 3.0 | 2.6 | 2.4 |
| EV/EBITDA | 19.4 | 17.7 | 15.9 | 14.1 | 12.9 |
| Adjusted P/E | 29.8 | 27.6 | 25.4 | 21.7 | 19.6 |
| P/BV | 5.3 | 4.9 | 4.9 | 4.5 | 4.1 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 75.2 | 75.3 | 73.5 | 76.0 | 76.0 |
| Interest burden (PBT/EBIT) | 102.8 | 104.1 | 104.9 | 104.9 | 105.5 |
| EBIT margin (EBIT/Revenue) | 15.1 | 15.3 | 15.2 | 15.4 | 15.2 |
| Asset turnover (Rev./Avg TA) | 103.7 | 98.0 | 99.9 | 101.8 | 105.3 |
| Leverage (Avg TA/Avg Equity) | 1.5 | 1.6 | 1.6 | 1.7 | 1.7 |
| Adjusted ROAE | 18.6 | 18.5 | 19.3 | 21.7 | 22.1 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|------------|--------------|------------|------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | (3.8) | 7.2 | 10.9 | 11.8 | 11.7 |
| EBITDA | (0.5) | 9.3 | 11.7 | 12.2 | 10.4 |
| Adjusted EPS | (5.1) | 8.1 | 8.3 | 17.1 | 11.1 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 18.2 | 18.6 | 18.7 | 18.8 | 18.6 |
| EBIT margin | 15.1 | 15.3 | 15.2 | 15.4 | 15.2 |
| Adjusted profit margin | 11.7 | 12.0 | 11.9 | 12.3 | 12.2 |
| Adjusted ROAE | 18.6 | 18.5 | 19.6 | 21.7 | 22.1 |
| ROCE | 14.8 | 14.2 | 15.1 | 16.5 | 17.1 |
| Working capital days (days) | | | | | |
| Receivables | 74 | 81 | 81 | 80 | 81 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 21.1 | 16.8 | 10.6 | 8.9 | 10.4 |
| Current ratio | 2.1 | 2.2 | 1.9 | 1.8 | 1.9 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | 0.1 | (0.1) | 0.0 | 0.0 | (0.1) |

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

Financials – BSOFT

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 52,781 | 53,752 | 53,050 | 55,791 | 58,993 |
| EBITDA | 8,362 | 6,974 | 8,196 | 8,243 | 8,541 |
| Depreciation | 850 | 857 | 815 | 852 | 909 |
| EBIT | 7,512 | 6,117 | 7,382 | 7,391 | 7,633 |
| Net interest inc./(exp.) | 200 | 234 | 224 | 276 | 292 |
| Other inc./(exp.) | 1,035 | 1,085 | 830 | 1,178 | 1,353 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 8,348 | 6,968 | 7,581 | 8,293 | 8,694 |
| Income taxes | 2,110 | 1,801 | 2,968 | 2,405 | 2,521 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 6,238 | 5,168 | 4,613 | 5,888 | 6,172 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 6,238 | 5,168 | 4,613 | 5,888 | 6,172 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts payables | 2,805 | 2,353 | 2,486 | 2,638 | 2,784 |
| Other current liabilities | 4,653 | 5,469 | 7,338 | 7,715 | 8,074 |
| Provisions | 712 | 757 | 1,216 | 1,216 | 1,216 |
| Debt funds | 0 | 114 | 0 | 0 | 0 |
| Other liabilities | 645 | 1,148 | 1,088 | 1,088 | 1,088 |
| Equity capital | 552 | 556 | 557 | 557 | 557 |
| Reserves & surplus | 29,889 | 34,227 | 37,795 | 41,582 | 45,654 |
| Shareholders' fund | 30,441 | 34,782 | 38,352 | 42,139 | 46,211 |
| Total liab. and equities | 39,256 | 44,624 | 50,480 | 54,796 | 59,372 |
| Cash and cash eq. | 4,249 | 4,449 | 5,414 | 8,809 | 12,504 |
| Accounts receivables | 10,365 | 9,802 | 11,156 | 11,840 | 12,493 |
| Inventories | 0 | 104 | 46 | 46 | 46 |
| Other current assets | 13,060 | 17,278 | 20,420 | 20,590 | 20,753 |
| Investments | 2,860 | 2,972 | 3,058 | 3,058 | 3,058 |
| Net fixed assets | 1,142 | 1,031 | 957 | 1,023 | 1,089 |
| CWIP | 116 | 49 | 11 | 11 | 11 |
| Intangible assets | 4,957 | 5,072 | 5,403 | 5,403 | 5,403 |
| Deferred tax assets, net | 1,044 | 1,002 | 1,200 | 1,200 | 1,200 |
| Other assets | 1,463 | 2,866 | 2,815 | 2,815 | 2,815 |
| Total assets | 39,256 | 44,624 | 50,480 | 54,796 | 59,372 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash flow from operations | 8,775 | 5,388 | 5,454 | 7,342 | 7,684 |
| Capital expenditures | (431) | (746) | (741) | (918) | (975) |
| Change in investments | (8,581) | (4,234) | (3,072) | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (9,012) | (4,981) | (3,813) | (918) | (975) |
| Equities issued/Others | 2 | 4 | 1 | 0 | 0 |
| Debt raised/repaid | 0 | 114 | (114) | 0 | 0 |
| Interest expenses | (200) | (234) | (224) | (276) | (292) |
| Dividends paid | (1,792) | (1,808) | (1,538) | (2,101) | (2,101) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (1,989) | (1,924) | (1,875) | (2,377) | (2,393) |
| Chg in cash & cash eq. | (5,309) | 199 | 965 | 3,395 | 3,695 |
| Closing cash & cash eq. | 4,249 | 4,449 | 5,414 | 8,809 | 12,504 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 22.6 | 18.6 | 16.5 | 21.0 | 22.0 |
| Adjusted EPS | 22.6 | 18.3 | 16.4 | 20.9 | 21.9 |
| Dividend per share | 6.5 | 6.5 | 5.5 | 7.5 | 7.5 |
| Book value per share | 110.4 | 125.1 | 137.1 | 150.4 | 165.0 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 2.2 | 2.1 | 2.1 | 2.1 | 2.0 |
| EV/EBITDA | 13.9 | 16.2 | 13.9 | 14.1 | 14.0 |
| Adjusted P/E | 17.2 | 21.3 | 23.8 | 18.7 | 17.8 |
| P/BV | 3.5 | 3.1 | 2.8 | 2.6 | 2.4 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 74.9 | 74.7 | 74.2 | 60.9 | 71.0 |
| Interest burden (PBT/EBIT) | 101.0 | 111.1 | 113.9 | 102.7 | 112.2 |
| EBIT margin (EBIT/Revenue) | 9.1 | 14.2 | 11.4 | 13.9 | 13.2 |
| Asset turnover (Rev./Avg TA) | 145.9 | 148.4 | 128.2 | 111.6 | 106.0 |
| Leverage (Avg TA/Avg Equity) | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Adjusted ROAE | 13.2 | 22.7 | 15.8 | 12.6 | 14.6 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------------|--------------|--------------|--------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | 10.1 | 1.8 | (1.3) | 5.2 | 5.7 |
| EBITDA | 60.7 | (16.6) | 17.5 | 0.6 | 3.6 |
| Adjusted EPS | 88.3 | (19.0) | (10.6) | 27.6 | 4.8 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 15.8 | 13.0 | 15.4 | 14.8 | 14.5 |
| EBIT margin | 14.2 | 11.4 | 13.9 | 13.2 | 12.9 |
| Adjusted profit margin | 11.8 | 9.6 | 8.7 | 10.6 | 10.5 |
| Adjusted ROAE | 22.7 | 15.8 | 12.6 | 14.6 | 14.0 |
| ROCE | 20.4 | 13.9 | 12.3 | 13.0 | 12.3 |
| Working capital days (days) | | | | | |
| Receivables | 72 | 67 | 77 | 77 | 77 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 19 | 16 | 17 | 17 | 17 |
| Ratios (x) | | | | | |
| Gross asset turnover | 46.2 | 52.1 | 55.4 | 54.5 | 54.2 |
| Current ratio | 3.7 | 4.0 | 3.8 | 4.0 | 4.2 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.1) | (0.1) | (0.1) | (0.2) | (0.3) |

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

Financials – ZENT

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 49,018 | 52,806 | 56,887 | 60,609 | 65,928 |
| EBITDA | 8,716 | 8,166 | 9,241 | 9,519 | 10,474 |
| Depreciation | 1,338 | 1,019 | 896 | 914 | 1,030 |
| EBIT | 7,378 | 7,147 | 8,345 | 8,606 | 9,444 |
| Net interest inc./(exp.) | 0 | 0 | 0 | 0 | 0 |
| Other inc./(exp.) | 1,379 | 1,429 | 2,220 | 1,511 | 1,812 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 8,757 | 8,577 | 10,565 | 10,117 | 11,256 |
| Income taxes | 2,107 | 2,079 | 2,520 | 2,489 | 2,769 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 6,650 | 6,498 | 8,045 | 7,628 | 8,486 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 6,650 | 6,498 | 8,045 | 7,628 | 8,486 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts payables | 3,224 | 3,454 | 3,692 | 3,946 | 4,352 |
| Other current liabilities | 5,445 | 5,385 | 5,759 | 5,987 | 6,353 |
| Provisions | 48 | 53 | 56 | 56 | 56 |
| Debt funds | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 3,241 | 3,239 | 3,072 | 3,072 | 3,072 |
| Equity capital | 453 | 454 | 455 | 455 | 455 |
| Reserves & surplus | 34,067 | 39,144 | 41,435 | 45,316 | 49,716 |
| Shareholders' fund | 34,520 | 39,598 | 41,890 | 45,771 | 50,171 |
| Total liab. and equities | 46,478 | 51,729 | 54,469 | 58,832 | 64,004 |
| Cash and cash eq. | 7,241 | 7,436 | 6,435 | 7,950 | 9,864 |
| Accounts receivables | 7,320 | 7,901 | 8,149 | 8,708 | 9,605 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 4,874 | 5,272 | 6,327 | 6,446 | 6,635 |
| Investments | 6,506 | 12,537 | 13,525 | 15,525 | 17,525 |
| Net fixed assets | 811 | 908 | 1,238 | 1,409 | 1,580 |
| CWIP | 52 | 6 | 61 | 61 | 61 |
| Intangible assets | 8,103 | 9,819 | 10,058 | 10,058 | 10,058 |
| Deferred tax assets, net | 1,099 | 1,079 | 1,026 | 1,026 | 1,026 |
| Other assets | 10,472 | 6,771 | 7,650 | 7,650 | 7,650 |
| Total assets | 46,478 | 51,729 | 54,469 | 58,832 | 64,004 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash flow from operations | 7,480 | 7,240 | 8,139 | 8,305 | 9,162 |
| Capital expenditures | (4) | 2,335 | 1,460 | 1,085 | 1,201 |
| Change in investments | 1,997 | 6,031 | 988 | 2,000 | 2,000 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | 2,001 | 3,696 | (472) | 915 | 799 |
| 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 | (2,378) | (2,951) | (3,951) | (3,746) | (4,087) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (2,378) | (2,951) | (3,951) | (3,746) | (4,087) |
| Chg in cash & cash eq. | (39) | 195 | (1,001) | 1,514 | 1,914 |
| Closing cash & cash eq. | 7,241 | 7,436 | 6,435 | 7,950 | 9,864 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 29.4 | 28.7 | 34.3 | 33.6 | 37.4 |
| Adjusted EPS | 29.1 | 28.4 | 34.0 | 33.6 | 37.4 |
| Dividend per share | 10.5 | 13.0 | 17.4 | 16.5 | 18.0 |
| Book value per share | 152.4 | 174.4 | 184.5 | 201.6 | 221.0 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 2.8 | 2.6 | 2.4 | 2.3 | 2.1 |
| EV/EBITDA | 15.8 | 16.9 | 14.9 | 14.5 | 13.3 |
| Adjusted P/E | 19.8 | 20.3 | 16.9 | 17.2 | 15.4 |
| P/BV | 3.8 | 3.3 | 3.1 | 2.9 | 2.6 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 75.9 | 75.8 | 76.1 | 75.4 | 75.4 |
| Interest burden (PBT/EBIT) | 118.7 | 120.0 | 126.6 | 117.6 | 119.2 |
| EBIT margin (EBIT/Revenue) | 15.1 | 13.5 | 14.7 | 14.2 | 14.3 |
| Asset turnover (Rev./Avg TA) | 111.8 | 107.5 | 107.1 | 107.0 | 107.3 |
| Leverage (Avg TA/Avg Equity) | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 |
| Adjusted ROAE | 20.9 | 17.5 | 19.7 | 17.4 | 17.7 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|-------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 1.1 | 7.7 | 7.7 | 6.5 | 8.8 |
| EBITDA | 57.8 | (6.3) | 13.2 | 3.0 | 10.0 |
| Adjusted EPS | 102.6 | (2.5) | 19.7 | (1.2) | 11.3 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 17.8 | 15.5 | 16.2 | 15.7 | 15.9 |
| EBIT margin | 15.1 | 13.5 | 14.7 | 14.2 | 14.3 |
| Adjusted profit margin | 13.6 | 12.3 | 14.1 | 12.6 | 12.9 |
| Adjusted ROAE | 20.9 | 17.5 | 19.7 | 17.4 | 17.7 |
| ROCE | 15.9 | 13.4 | 14.5 | 13.8 | 13.9 |
| Working capital days (days) | | | | | |
| Receivables | 73 | 55 | 52 | 52 | 53 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 24 | 24 | 23 | 23 | 24 |
| Ratios (x) | | | | | |
| Gross asset turnover | 60.4 | 58.2 | 46.0 | 43.0 | 41.7 |
| Current ratio | 3.0 | 3.7 | 3.6 | 3.9 | 4.1 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) |

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

Financials – FSOL

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|---------------|---------------|----------------|----------------|
| Total revenue | 63,363 | 79,803 | 95,745 | 112,936 | 131,132 |
| EBITDA | 9,566 | 12,077 | 15,652 | 18,630 | 22,219 |
| Depreciation | 2,603 | 3,271 | 4,315 | 4,771 | 5,165 |
| EBIT | 6,963 | 8,806 | 11,337 | 13,859 | 17,053 |
| Net interest inc./(exp.) | (1,034) | (1,383) | (1,802) | (2,030) | (2,030) |
| Other inc./(exp.) | 368 | (104) | 139 | 285 | 378 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 6,297 | 7,319 | 9,674 | 12,113 | 15,401 |
| Income taxes | 1,150 | 1,462 | 1,775 | 2,483 | 3,157 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 5,147 | 5,857 | 7,899 | 9,630 | 12,244 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 5,147 | 5,857 | 7,899 | 9,630 | 12,244 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|
| Accounts payables | 3,056 | 3,976 | 4,983 | 5,663 | 6,628 |
| Other current liabilities | 13,353 | 20,311 | 24,542 | 24,542 | 24,542 |
| Provisions | 188 | 241 | 1,176 | 1,176 | 1,176 |
| Debt funds | 42 | 3,419 | 1,548 | 548 | (452) |
| Other liabilities | 7,188 | 10,299 | 10,758 | 10,758 | 10,758 |
| Equity capital | 6,970 | 6,970 | 6,970 | 6,970 | 6,970 |
| Reserves & surplus | 30,034 | 34,006 | 40,214 | 45,351 | 52,064 |
| Shareholders' fund | 37,004 | 40,976 | 47,184 | 52,321 | 59,034 |
| Total liab. and equities | 60,830 | 79,222 | 90,190 | 95,007 | 101,686 |
| Cash and cash eq. | 1,884 | 1,670 | 4,293 | 6,171 | 8,751 |
| Accounts receivables | 11,608 | 16,860 | 19,629 | 22,307 | 26,108 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 1,881 | 3,710 | 4,688 | 4,688 | 4,688 |
| Investments | 115 | 115 | 302 | 302 | 302 |
| Net fixed assets | 1,641 | 2,763 | 3,245 | 3,505 | 3,802 |
| CWIP | 171 | 491 | 91 | 91 | 91 |
| Intangible assets | 36,889 | 47,173 | 50,713 | 50,713 | 50,713 |
| Deferred tax assets, net | 3,729 | 3,449 | 4,125 | 4,125 | 4,125 |
| Other assets | 2,911 | 2,991 | 3,105 | 3,105 | 3,105 |
| Total assets | 60,830 | 79,222 | 90,190 | 95,007 | 101,686 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash flow from operations | 5,886 | 8,805 | 14,829 | 14,433 | 16,603 |
| Capital expenditures | 126 | (1,790) | (1,526) | (716) | (691) |
| Change in investments | 296 | (315) | (382) | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | 422 | (2,105) | (1,908) | (716) | (691) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | (147) | 7,204 | 95 | (1,000) | (1,000) |
| Interest expenses | (1,034) | (1,383) | (1,802) | (2,030) | (2,030) |
| Dividends paid | (2,393) | (2,751) | (3,802) | (4,493) | (5,530) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (3,574) | 3,070 | (5,509) | (7,523) | (8,560) |
| Chg in cash & cash eq. | 329 | (214) | 2,623 | 1,878 | 2,580 |
| Closing cash & cash eq. | 1,884 | 1,670 | 4,293 | 6,171 | 8,751 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 7.5 | 8.6 | 10.0 | 13.9 | 17.7 |
| Adjusted EPS | 7.3 | 8.4 | 9.8 | 13.7 | 17.4 |
| Dividend per share | 3.5 | 4.0 | 5.5 | 6.5 | 8.0 |
| Book value per share | 53.7 | 59.7 | 68.3 | 75.7 | 85.4 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 2.7 | 2.1 | 1.8 | 1.6 | 1.4 |
| EV/EBITDA | 18.0 | 14.2 | 11.0 | 9.4 | 8.0 |
| Adjusted P/E | 33.8 | 29.4 | 25.2 | 18.1 | 14.2 |
| P/BV | 4.6 | 4.2 | 3.6 | 3.3 | 2.9 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 81.7 | 80.3 | 79.6 | 79.5 | 79.5 |
| Interest burden (PBT/EBIT) | 90.4 | 84.1 | 76.7 | 87.4 | 90.3 |
| EBIT margin (EBIT/Revenue) | 11.0 | 11.0 | 11.8 | 12.3 | 13.0 |
| Asset turnover (Rev./Avg TA) | 107.9 | 114.0 | 113.0 | 122.0 | 133.3 |
| Leverage (Avg TA/Avg Equity) | 1.6 | 1.7 | 1.8 | 1.8 | 1.7 |
| Adjusted ROAE | 13.9 | 14.5 | 14.7 | 18.4 | 20.7 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|-------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 5.2 | 25.9 | 20.0 | 18.0 | 16.1 |
| EBITDA | 15.8 | 26.3 | 29.6 | 19.0 | 19.3 |
| Adjusted EPS | 0.3 | 14.9 | 16.4 | 39.5 | 27.1 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 15.1 | 15.1 | 16.3 | 16.5 | 16.9 |
| EBIT margin | 11.0 | 11.0 | 11.8 | 12.3 | 13.0 |
| Adjusted profit margin | 8.1 | 7.3 | 8.3 | 8.5 | 9.3 |
| Adjusted ROAE | 14.6 | 15.0 | 17.9 | 19.4 | 22.0 |
| ROCE | 10.2 | 10.6 | 11.2 | 12.6 | 14.7 |
| Working capital days (days) | | | | | |
| Receivables | 67 | 77 | 75 | 72 | 73 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | 17 | 18 | 19 | 18 | 18 |
| Ratios (x) | | | | | |
| Gross asset turnover | 38.6 | 28.9 | 29.5 | 32.2 | 34.5 |
| Current ratio | 0.9 | 0.9 | 1.0 | 1.1 | 1.3 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | 0.0 | 0.0 | (0.1) | (0.1) | (0.2) |

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

Financials – ECLX

Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 29,255 | 33,659 | 41,365 | 49,463 | 56,377 |
| EBITDA | 7,750 | 8,209 | 10,689 | 13,422 | 15,573 |
| Depreciation | 1,258 | 1,412 | 1,812 | 2,572 | 2,981 |
| EBIT | 6,492 | 6,797 | 8,876 | 10,850 | 12,591 |
| Net interest inc./(exp.) | (235) | (349) | (403) | (396) | (396) |
| Other inc./(exp.) | 614 | 737 | 842 | 689 | 1,088 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 6,871 | 7,185 | 9,315 | 11,142 | 13,283 |
| Income taxes | 1,753 | 1,773 | 2,272 | 2,730 | 3,254 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 3 | 2 | 1 | 4 | 4 |
| Reported net profit | 5,115 | 5,411 | 7,042 | 8,409 | 10,024 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 5,115 | 5,411 | 7,042 | 8,409 | 10,024 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts payables | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 3,914 | 4,459 | 5,440 | 6,505 | 7,414 |
| Provisions | 124 | 258 | 340 | 407 | 463 |
| Debt funds | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 2,756 | 3,660 | 4,327 | 5,029 | 5,654 |
| Equity capital | 482 | 470 | 463 | 463 | 463 |
| Reserves & surplus | 22,012 | 22,610 | 26,585 | 34,951 | 44,933 |
| Shareholders' fund | 22,495 | 23,080 | 27,049 | 35,415 | 45,397 |
| Total liab. and equities | 29,290 | 31,457 | 37,155 | 47,355 | 58,928 |
| Cash and cash eq. | 6,921 | 7,391 | 10,695 | 18,664 | 28,636 |
| Accounts receivables | 4,960 | 4,954 | 6,233 | 7,453 | 8,495 |
| Inventories | 6 | 2 | 2 | 2 | 2 |
| Other current assets | 3,993 | 5,370 | 6,233 | 7,453 | 8,495 |
| Investments | 4,065 | 3,090 | 3,090 | 3,090 | 3,090 |
| Net fixed assets | 2,097 | 2,409 | 1,921 | 931 | (246) |
| CWIP | 8 | 2 | 2 | 2 | 2 |
| Intangible assets | 3,993 | 4,079 | 4,079 | 4,079 | 4,079 |
| Deferred tax assets, net | 591 | 727 | 862 | 1,005 | 1,132 |
| Other assets | 2,663 | 3,434 | 4,039 | 4,677 | 5,245 |
| Total assets | 29,290 | 31,457 | 37,155 | 47,355 | 58,928 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash flow from operations | 5,259 | 6,668 | 7,251 | 9,305 | 11,131 |
| Capital expenditures | (643) | (1,151) | (1,324) | (1,583) | (1,804) |
| Change in investments | (1,064) | 1,291 | 0 | 0 | 0 |
| Other investing cash flows | (3,172) | 1,165 | 451 | 293 | 691 |
| Cash flow from investing | (4,879) | 1,305 | (873) | (1,290) | (1,113) |
| Equities issued/Others | 0 | (3,839) | (3,028) | 0 | 0 |
| Debt raised/repaid | 0 | 0 | 0 | 0 | 0 |
| Interest expenses | (1,017) | (2,210) | 0 | 0 | 0 |
| Dividends paid | (48) | (47) | (46) | (46) | (46) |
| Other financing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (1,065) | (6,096) | (3,074) | (46) | (46) |
| Chg in cash & cash eq. | (685) | 1,877 | 3,304 | 7,968 | 9,972 |
| Closing cash & cash eq. | 6,921 | 7,391 | 10,695 | 18,664 | 28,636 |

Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 106.1 | 115.1 | 151.7 | 181.1 | 216.0 |
| Adjusted EPS | 104.0 | 113.1 | 147.9 | 176.6 | 210.5 |
| Dividend per share | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Book value per share | 466.5 | 491.0 | 582.7 | 762.9 | 978.0 |

Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 6.0 | 5.3 | 4.3 | 3.7 | 3.4 |
| EV/EBITDA | 22.8 | 21.7 | 16.8 | 13.8 | 12.5 |
| Adjusted P/E | 34.9 | 32.1 | 24.5 | 20.6 | 17.2 |
| P/BV | 7.8 | 7.4 | 6.2 | 4.8 | 3.7 |

DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 74.4 | 75.3 | 75.6 | 75.5 | 75.5 |
| Interest burden (PBT/EBIT) | 105.8 | 105.7 | 104.9 | 102.7 | 105.5 |
| EBIT margin (EBIT/Revenue) | 22.2 | 20.2 | 21.5 | 21.9 | 22.3 |
| Asset turnover (Rev./Avg TA) | 112.2 | 110.8 | 120.6 | 117.1 | 106.1 |
| Leverage (Avg TA/Avg Equity) | 1.3 | 1.3 | 1.4 | 1.4 | 1.3 |
| Adjusted ROAE | 25.8 | 23.7 | 28.1 | 26.9 | 24.8 |

Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|--------------|--------------|--------------|--------------|--------------|
| YoY growth (%) | | | | | |
| Revenue | 10.5 | 15.1 | 22.9 | 19.6 | 14.0 |
| EBITDA | 4.2 | 5.9 | 30.2 | 25.6 | 16.0 |
| Adjusted EPS | 5.8 | 8.7 | 30.8 | 19.4 | 19.2 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 26.5 | 24.4 | 25.8 | 27.1 | 27.6 |
| EBIT margin | 22.2 | 20.2 | 21.5 | 21.9 | 22.3 |
| Adjusted profit margin | 17.5 | 16.1 | 17.0 | 17.0 | 17.8 |
| Adjusted ROAE | 25.8 | 23.7 | 28.1 | 26.9 | 24.8 |
| ROCE | 24.4 | 22.5 | 26.8 | 26.2 | 23.5 |
| Working capital days (days) | | | | | |
| Receivables | 58 | 54 | 49 | 50 | 52 |
| Inventory | NA | NA | NA | NA | NA |
| Payables | NA | NA | NA | NA | NA |
| Ratios (x) | | | | | |
| Gross asset turnover | 12.9 | 14.9 | 19.1 | 34.7 | 164.6 |
| Current ratio | 4.9 | 4.4 | 4.5 | 5.3 | 6.2 |
| Net interest coverage ratio | NA | NA | NA | NA | NA |
| Adjusted debt/equity | (0.3) | (0.3) | (0.4) | (0.5) | (0.6) |

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

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