INSTITUTIONAL RESEARCH

IT Sector

Slow start amid uncertainty

The Indian IT services sector heads into another subdued patch, with Q1FY27E tier-1 growth projected at -1.3% to +1.1% QoQ CC and mid-tier companies ranging from -1.0% to +3.7%, as macro uncertainty, AI impact on traditional services, cautious client decision-making on large deals and lower discretionary spending amid war related uncertainty continue to weigh on near-term revenue traction. Adding to the caution, the start to Q1FY27E has come in slower than expected, pushing the bulk of FY27E's heavy lifting onto 2H — a dependency that now hinges critically on 2Q execution and consequently tempers full-year growth expectations. Rupee depreciation offers some margin cushion, but AI-led deflation concerns have triggered a broader multiple de-rating across the sector. The launch of new Gen-AI models/platforms fuelled a ~30% correction on slower growth expectations and fears of disruption to traditional SaaS/IT models. Indian IT companies state that deploying new Gen-AI models remains difficult in complex, regulatory-heavy brownfield environments and the expected ~6-7% deflation impact should be partly offset by net-new AI-centric deal wins, though the pace of recovery remains slow. Growth recovery is now a function of execution capability, as new deals are increasingly outcome-driven, pricing is agent-augmented, and renewals are coming at a discount. Valuations have corrected to historical lows, and FCF yields have turned attractive post-correction. We trim FY27/28E revenues by ~1-2%, cut multiples by ~10% and roll over to June-28E EPS. We retain Infosys and TechM as our preferred tier-1 picks, with Mphasis and Persistent preferred within mid-tier.

- **Q1FY27E expectations:** The average cross-currency headwind for the quarter will be ~10-20bps. The tier-1 QoQ USD revenue growth will range between -1.5% to +1.4%, and YoY growth will be between +1% to +6.4%. INFY and TECHM are expected to lead growth within tier-1, with +1.5/1.1% QoQ CC respectively, while TCS, HCLT, and WIPRO will report flat to negative QoQ CC growth. INFY has contribution from Optimum and Stratus acquisition and Wipro has half quarter contribution from Mindsprint integration. For mid-tier companies, growth ranges from +3.7% to -1.0% QoQ in CC terms. Within mid-tier IT, growth will be led by Happiest at +3.6% QoQ (BFSI and Healthcare), Persistent at +3.1% QoQ (BFSI and Tech), Mphasis at +2.1% QoQ (BFSI ramp up and TAP integration) and TELX +1% QoQ (healthcare and media growth). The growth laggards in mid-tier will be LTM (lower passthrough and delay in deal ramp-up), Zensar (weak TMT and Healthcare), Sonata (client-specific impact), LTTS (stable mobility and growth in sustainability) and Cyient DET (strong aerospace offset by weak mining and energy). Mastek will report ~1% QoQ CC growth (UK on track, US laggard) while Birlasoft will witness -0.7% QoQ decline (slow turnaround).
- **Guidance:** We anticipate Infosys will maintain its range of 2-3.5% YoY CC growth for FY27E and HCL Tech will cut the upper end of its services guidance (+1.5-3.5%) by 50bps. Wipro is likely to guide flat QoQ CC for Q2FY27E and L&T Tech will aim for mid-single digit growth for FY27E. The management commentary on demand outlook, discretionary spending, client budgets, AI deflationary impact, and delays in decision making will be closely monitored. Margin guidance across companies is expected to remain stable, supported by currency tailwind and peak utilization levels. Infosys is likely to maintain a margin band of 20-22%, HCL Tech 17.5-18.5%, and TCS 26-28%. For FY27/28E, we expect margin to improve by ~50/30bps YoY (+40/20bps for tier-1 and 50/35bps for mid-tier), led by currency depreciation, muted hiring, and improving productivity. TCS is expected to report TCV of USD 8-10bn and Infosys of about USD 2.5-3bn.

Company	CMP* (INR)	RECO	TP (INR)
TCS	2,068	ADD	2,575
INFO	1,041	BUY	1,380
HCLT	1,078	ADD	1,200
WPRO	174	ADD	220
TECHM	1,421	ADD	1,500
LTM	3,681	BUY	5,000
PSYS	4,581	ADD	5,280
MPHL	2,245	ADD	2,775
LTTS	3,167	ADD	3,350
TELX	3,671	ADD	4,700
ZENT	467	ADD	600
CYL	879	ADD	1,100
BSOFT	282	BUY	370
SSOF	274	BUY	325
HAPPSTMN	352	BUY	440
MAST	1,613	BUY	2,120

*CMP as on 2snd Jul 2026

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Vinesh Vala
vinesh.vala@hdfcsec.com
+91-22-6171-7332

Maitreyee Vaishampayan
maitreyee.vaishampayan@hdfcsec.com
+91-22-6171-7308

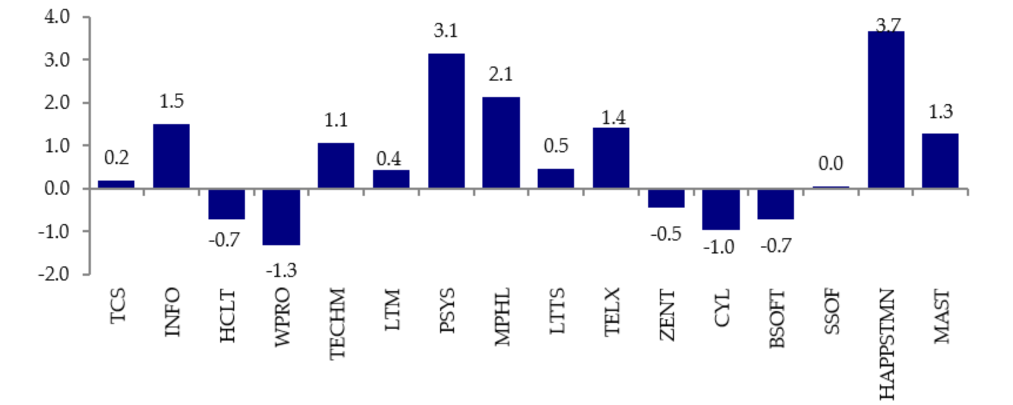
- **Outlook and valuation:** Nifty IT index has underperformed significantly, declining ~30% over the past six months due to AI-induced disruptions narrative, declining growth expectation, and protracted recovery. The Nifty IT Index is trading at a PE of 15.8x 1Y forward earnings, which is ~26% below its 10-year historical average (21.4x),10% lower than the pre-Covid 10-year average (17x) and a PEG of 1.2x. Large-cap IT companies are trading at 13.6x and 12.6x FY27E and FY28E earnings, respectively, while mid-caps trade at 16.4x and 14.4x. The IT sector is projected to achieve a 4% USD revenue CAGR and 8% EPS CAGR over FY26-29E, lower vs the pre-Covid five-year revenue/EPS CAGR of ~9-10%. The current multiples factors in a lot of pessimism and the FCF yield of 6-7% for tier-1 IT is attractive. The rupee depreciation will provide cushion for margins and will absorb wage hikes and higher investments.

Exhibit 1: IT Services: Q1FY27E Quarterly Financial Summary

Company	NET SALES (USD mn)			NET SALES (INR bn)			EBIT (INR bn)			EBIT Margin (%)			APAT (INR bn)			Adj. EPS (INR)		
	Q1 FY27E	QoQ (%)	YoY (%)	Q1 FY27E	QoQ (%)	YoY (%)	Q1 FY27E	QoQ (%)	YoY (%)	Q1 FY27E	QoQ (%)	YoY (%)	Q1 FY27E	QoQ (%)	YoY (%)	Q1 FY27E	Q4 FY26	Q1 FY26
TCS	7,627	0.1	2.8	722.26	2.2	13.9	179.33	0.4	15.6	24.8	-45	37	138.44	0.9	8.5	38.3	37.9	35.3
INFO	5,112	1.4	3.5	484.08	4.3	14.5	101.71	4.4	15.5	21.0	1	19	78.35	(7.8)	13.2	19.0	21.0	16.7
HCLT	3,651	(0.9)	3.0	345.70	1.7	13.9	58.11	3.4	17.6	16.8	27	52	44.18	(1.6)	15.0	16.3	16.6	14.2
WPRO	2,612	(1.5)	1.0	250.17	3.2	13.0	43.19	3.7	21.5	17.3	8	121	35.77	(4.1)	7.4	3.4	3.6	3.2
TECHM	1,641	1.0	4.9	155.43	3.1	16.4	22.04	5.8	49.2	14.2	36	312	14.92	10.2	30.8	16.8	15.3	12.9
LTM	1,227	0.4	6.4	116.17	2.9	18.1	17.97	5.1	28.5	15.5	33	126	13.93	0.4	11.7	47.1	45.4	42.1
PSYS	449	3.1	15.3	42.57	4.9	27.7	7.12	8.1	37.6	16.7	49	121	5.56	5.0	30.8	35.2	33.6	27.6
MPHL	472	2.1	8.0	44.72	5.4	19.8	6.95	6.5	21.7	15.5	16	24	5.30	4.1	20.1	28.4	27.2	23.6
LTTS	307	0.4	(8.4)	29.07	1.7	1.4	4.50	3.4	17.9	15.5	25	216	3.60	1.1	14.1	34.1	33.7	29.9
TELX	108	1.0	3.7	10.25	3.1	14.9	2.16	(2.4)	33.0	21.1	-119	287	1.91	(13.3)	32.3	30.7	35.4	23.2
ZENT	157	(0.6)	(2.8)	14.91	2.8	7.7	2.13	0.0	13.6	14.3	-40	75	2.00	(4.9)	9.9	8.7	9.1	7.9
CYL	162	(1.1)	(0.6)	15.31	2.1	10.0	1.90	2.2	13.4	12.4	1	38	1.50	69.9	(8.3)	13.6	7.9	14.8
BSOFT	144	(0.7)	(4.3)	13.66	1.3	6.3	1.94	(15.4)	40.8	14.2	-282	349	1.52	(13.9)	42.3	5.4	6.3	3.8
SSOF	82	0.0	0.7	7.80	0.1	11.5	1.60	1.6	38.5	20.5	30	400	1.46	(9.7)	33.8	5.2	4.7	3.9
HAPPSTMN	67	3.6	4.7	6.38	5.6	16.0	0.86	4.9	20.1	13.5	-8	46	0.60	1.8	4.4	3.9	3.8	3.8
MAST	105	1.0	(2.6)	9.57	2.0	4.6	1.38	4.2	15.9	14.4	30	141	1.03	(21.0)	11.5	32.4	41.1	29.1
Aggregrate	**23,924**	**0.2**	**3.1**	**2,268.06**	**2.9**	**14.3**	**452.89**	**2.6**	**18.8**	**20.0**	**-6**	**76**	**350.06**	**(1.7)**	**11.9**			

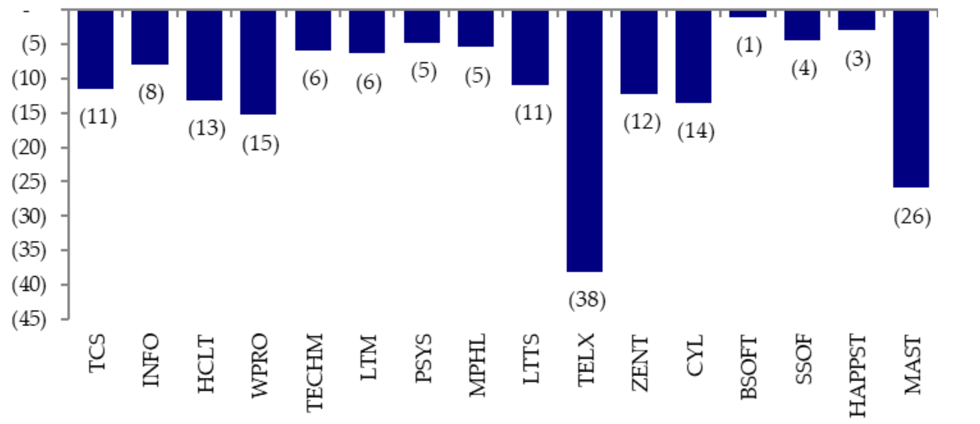
Source: HSIE Research, WPRO USD Rev is IT services, CYL is DET business and SSOF is IITS USD rev & IITS EBITDA margin

Exhibit 2: Q1FY27E revenue growth expectation (QoQ CC)



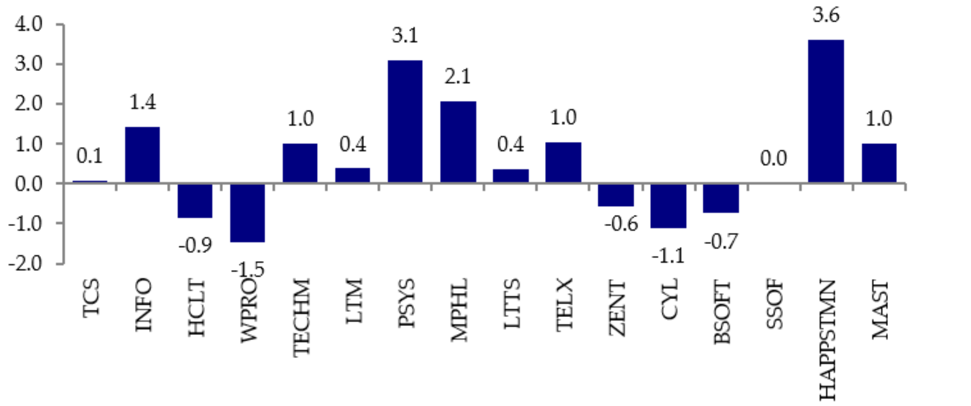
Source: HSIE Research

Exhibit 3: Q1FY27E cross currency impact (QoQ bps)



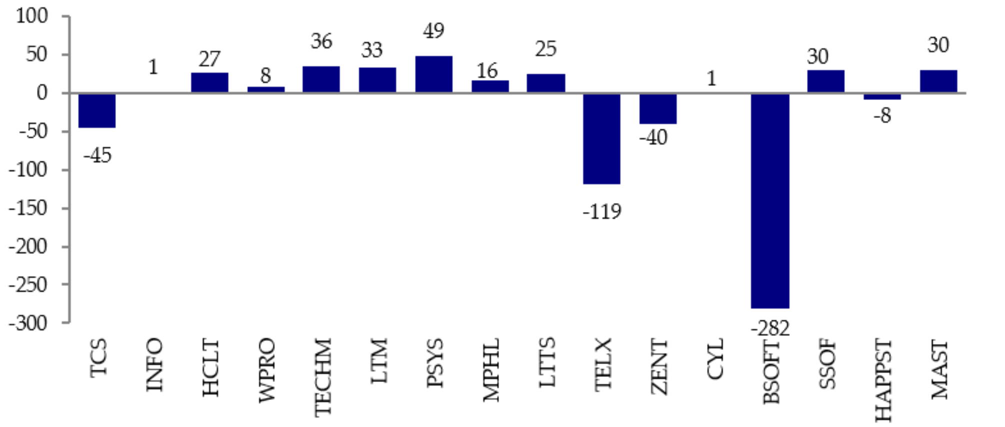
Source: HSIE Research

Exhibit 4: Q1FY27E revenue growth expectation (QoQ USD)



Source: HSIE Research

Exhibit 5: Q1FY27E EBITM QoQ bps expectation



Source: HSIE Research; Sonata is IITS EBITDA margin and Cyient is DET EBIT margin

Exhibit 6: IT Services: valuations & rating comparative table

Company	MCap (INR bn)	CMP (INR)	TP INR)	RECO	EPS (INR)				P/E (x)				RoE (%)				USD Rev CAGR% FY26-29E	EPS CAGR% FY26-29E
					FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E		
TCS	7,483	2,068	2,575	ADD	145.5	152.3	158.7	167.8	14.2	13.6	13.0	12.3	52.1	51.2	53.2	56.6	2.7	4.9
INFO	4,320	1,041	1,380	BUY	73.8	78.7	84.8	91.4	14.1	13.2	12.3	11.4	32.2	33.9	34.6	35.6	4.2	7.4
HCLT	2,920	1,078	1,200	ADD	64.1	72.4	77.5	87.4	16.8	14.9	13.9	12.3	24.0	25.5	26.1	27.9	5.1	10.9
WPRO	1,827	174	220	ADD	12.7	13.3	14.3	15.2	13.7	13.0	12.2	11.4	15.5	15.5	15.9	16.3	3.5	6.4
TECHM	1,260	1,421	1,500	ADD	56.5	74.9	85.9	92.4	25.2	19.0	16.5	15.4	17.6	21.7	23.3	23.3	4.5	17.8
LTM	1,089	3,681	5,000	BUY	182.9	201.4	240.0	276.1	20.1	18.3	15.3	13.3	23.2	23.2	24.2	24.3	8.9	14.7
PSYS	723	4,581	5,280	ADD	124.9	142.8	168.9	197.4	36.7	32.1	27.1	23.2	26.3	26.4	26.5	26.3	14.8	16.5
MPHL	421	2,245	2,775	ADD	101.5	113.8	130.1	138.9	22.1	19.7	17.3	16.2	18.6	19.1	20.2	20.0	9.8	11.0
LTTS	335	3,167	3,350	ADD	123.2	139.0	161.5	183.8	25.7	22.8	19.6	17.2	20.7	21.5	22.5	22.8	7.9	14.3
TELX	229	3,671	4,700	ADD	112.6	131.5	151.0	173.6	32.6	27.9	24.3	21.1	23.8	26.0	27.9	29.8	8.8	15.5
ZENT	106	467	600	ADD	35.0	35.6	39.5	43.2	13.4	13.1	11.8	10.8	17.6	15.9	15.8	15.6	7.4	7.3
CYL	97	879	1,100	ADD	48.4	60.9	72.5	83.6	18.2	14.4	12.1	10.5	9.7	11.5	12.9	13.9	6.5	20.0
BSOFT	79	282	370	BUY	19.5	21.3	23.6	27.1	14.5	13.2	11.9	10.4	14.3	13.8	14.1	14.8	5.8	11.6
SSOF	77	274	325	BUY	18.8	19.0	20.9	23.4	14.6	14.4	13.1	11.7	29.2	26.1	25.3	24.9	8.1	7.5
HAPPSTMN	54	352	440	BUY	14.9	18.4	21.1	24.6	23.7	19.1	16.6	14.3	13.9	15.8	16.3	16.9	11.2	18.2
MAST	51	1,613	2,120	BUY	137.2	130.9	145.7	168.9	11.8	12.3	11.1	9.6	15.9	13.1	13.1	13.6	8.3	7.2
IT AVG									**19.8**	**17.6**	**15.5**	**13.8**	**22.2**	**22.5**	**23.3**	**23.9**	**7.3**	**11.9**
IT Median									**17.5**	**14.7**	**13.5**	**12.3**	**19.7**	**21.6**	**22.9**	**23.0**	**7.6**	**11.3**

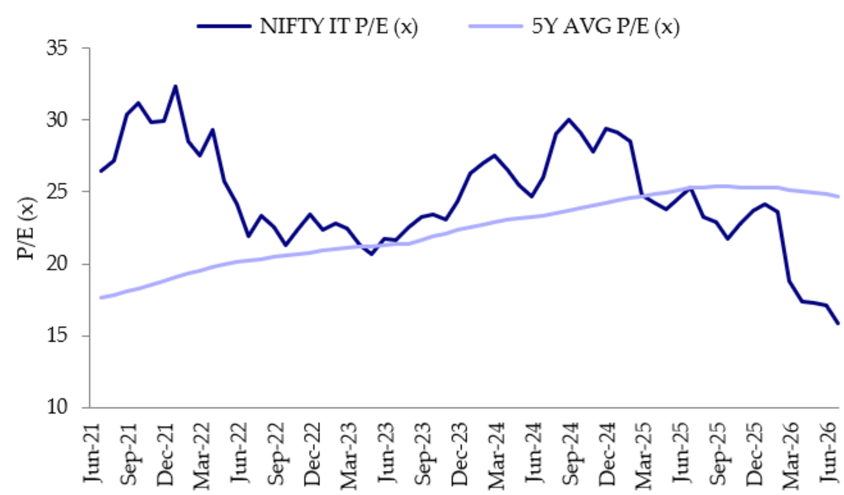
Source: HSIE Research, CMP as on 2nd Jul 2026

Exhibit 7: Global IT Peers: valuations

Company	MCap (USD bn)	CMP USD	TP	RECO	EPS				P/E (x)				RoE (%)				USD Rev CAGR% FY26-29E	EPS CAGR% FY26-29E
					FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E		
Accenture	84.1	137	NA	NR	12.3	13.9	14.7	15.8	11.2	9.9	9.3	8.7	25.8	27.0	25.7	24.7	5.0	8.8
Cognizant	19.9	42	NA	NR	4.6	5.7	6.2	6.8	9.2	7.4	6.8	6.2	15.2	18.8	17.3	16.7	5.4	14.1
Capgemini^	15.9	92	NA	NR	10.7	14.5	15.4	16.6	8.6	6.3	5.9	5.5	13.7	15.7	15.3	15.5	5.5	15.9
EPAM	4.6	88	NA	NR	6.8	13.1	14.2	15.5	13.1	6.8	6.2	5.7	10.3	14.9	13.9	13.5	5.9	31.9
Globant	1.4	33	NA	NR	2.3	6.2	6.6	7.2	14.0	5.2	4.9	4.5	5.1	11.9	10.6	10.0	4.4	45.6
TietoEVRY^	1.9	18	NA	NR	(1.3)	1.8	2.0	2.1	NA	9.7	8.9	8.2	(11.8)	17.0	17.0	17.8	0.9	NA
Global IT AVG									**11.2**	**7.6**	**7.0**	**6.5**	**9.7**	**17.6**	**16.6**	**16.4**	**4.5**	**23.3**
Global IT Median									**11.2**	**7.1**	**6.5**	**5.9**	**12.0**	**16.3**	**16.1**	**16.1**	**5.2**	**15.9**

Source: Bloomberg consensus, HSIE Research, CMP as on 2nd Jul 2026, ^ in EUR

Exhibit 8: NIFTY IT Index started de-rating from Jan 2026



Source: Bloomberg, HSIE Research

Exhibit 9: Change in estimates

Company	Revenue USD Mn (NEW)		Change (%)		EBIT % (NEW)		Change (bps)		EPS (INR) NEW		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
TCS	30,621	31,522	-2.3%	-4.4%	24.6	24.9	-78	-67	152.3	158.7	-2.7%	-5.0%
INFO	20,830	21,758	-0.4%	-1.9%	21.4	21.6	-5	-2	78.7	84.8	0.0%	-1.7%
HCLT	14,992	15,871	0.0%	0.0%	18.1	18.2	40	0	72.4	77.5	2.9%	0.0%
WPRO*	10,567	11,004	-1.0%	-1.0%	16.6	17.2	17	4	13.3	14.3	0.7%	0.0%
TECHM	6,655	6,946	0.0%	0.0%	14.3	15.3	0	0	74.9	85.9	0.0%	0.0%
LTM	5,060	5,585	-1.3%	-0.1%	15.7	16.5	-40	0	201.4	240.0	-3.7%	-0.1%
PSYS	1,895	2,181	-0.8%	-0.8%	16.1	16.2	-56	-57	142.8	168.9	-4.1%	-4.1%
MPHL	1,948	2,157	-0.8%	-0.8%	15.5	15.6	-9	-12	113.8	130.1	-0.5%	0.6%
LTTS	1,260	1,389	0.0%	0.0%	15.4	16.0	0	0	139.0	161.5	0.0%	0.0%
TELX	443	487	-4.2%	-7.1%	22.4	23.3	-43	-61	131.5	151.0	-2.4%	-6.0%
ZENT	655	724	-2.6%	-2.5%	14.1	14.3	-1	-12	35.6	39.5	0.5%	-0.6%
CYL	839	907	-2.4%	-2.4%	11.6	12.5	-38	-26	60.9	72.5	-2.3%	-1.9%
BSOFT	591	638	-1.3%	-1.3%	13.6	13.7	-1	-2	21.3	23.6	2.1%	1.3%
SSOF*	340	374	-1.9%	-1.9%	18.8	18.8	36	0	19.0	20.9	3.3%	1.0%
HAPPSTMN	285	320	0.0%	-1.9%	14.7	14.8	12	-26	18.4	21.1	4.5%	-1.1%
MAST	433	479	-1.8%	-1.8%	14.0	14.3	-7	-16	130.9	145.7	-2.3%	-3.0%
IT-Median			**-1.1%**	**-1.5%**			**-3**	**-7**			**0.0%**	**-0.4%**

Source: Company, HSIE Research; *Wipro is IT Services USD revenue and Sonata is IITS revenue & IITS EBITDA margin

Exhibit 10: Change in TP & Rating

Companies	M-cap (INR bn)	CMP (INR)	TP Old (INR)	New TP (INR)	Upside %	Old Rating	New Rating	Old multiple (x)	New multiple (x)	10Y Avg (x)	Pre Covid 10yr Avg (2010-2020) P/E multiple
TCS	7,483	2,068	3,000	2,575	25%	ADD	ADD	18	16	24	20
INFO	4,320	1,041	1,550	1,380	33%	BUY	BUY	18	16	21	17
HCLT	2,920	1,078	1,160	1,200	11%	ADD	ADD	15	15	18	14
WPRO	1,827	174	215	220	26%	ADD	ADD	15	15	18	15
TECHM	1,260	1,421	1,500	1,500	6%	ADD	ADD	17	17	18	13
LTM	1,089	3,681	5,280	5,000	36%	BUY	BUY	22	20	24	17
PSYS	723	4,581	5,500	5,280	15%	ADD	ADD	30	30	28	13
MPHL	421	2,245	2,715	2,775	24%	ADD	ADD	21	21	21	13
LTTS	335	3,167	3,350	3,350	6%	ADD	ADD	20	20	28	20
TELX	229	3,671	4,825	4,700	28%	ADD	ADD	30	30	36	17
ZENT	106	467	675	600	28%	ADD	ADD	17	15	17	9
CYL	97	879	1,100	1,100	25%	ADD	ADD	14	14	16	12
BSOFT	79	282	415	370	31%	BUY	BUY	18	15	15	NA
SSOF	77	274	330	325	19%	BUY	BUY	16	15	17	9
HAPPSTMN	54	352	470	440	25%	BUY	BUY	22	20	NA	NA
MAST	51	1,613	2,250	2,120	31%	BUY	BUY	15	14	15	8

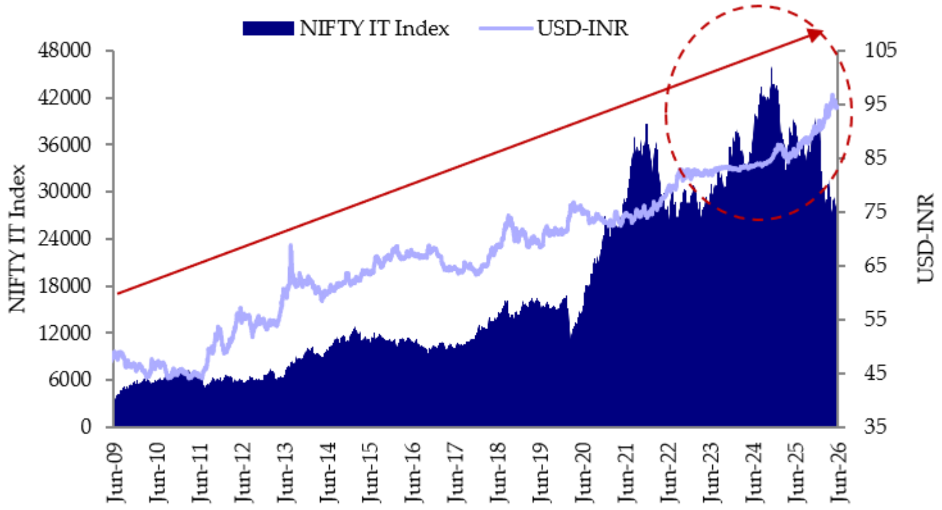
Source: Company, HSIE Research, CMP as on 2nd Jul 2026

Exhibit 11: IT Sector stock performance (%)

Company	M-cap (USD bn)	CMP (INR)	1W (%)	1M (%)	3M (%)	6M (%)	1Y (%)	3Y (%)	5Y (%)	YTD (%)
TCS	93.6	2,068	(0.9)	(9.7)	(13.5)	(36.4)	(41.1)	(38.2)	(39.0)	(36.4)
INFO	55.6	1,041	(2.8)	(13.8)	(20.0)	(38.1)	(37.5)	(25.1)	(36.7)	(38.1)
HCLT	39.5	1,078	(3.2)	(9.3)	(19.9)	(33.8)	(37.9)	(9.6)	9.2	(33.8)
WPRO	21.5	174	(2.2)	(16.4)	(9.0)	(35.2)	(35.8)	(12.3)	(37.4)	(35.1)
TECHM	14.8	1,421	(0.4)	(5.0)	1.8	(11.4)	(16.4)	24.6	28.7	(11.4)
LTM	13.1	3,681	(6.0)	(12.8)	(11.7)	(41.6)	(33.4)	(31.8)	(13.0)	(41.6)
PSYS	8.6	4,581	(10.4)	(16.6)	(11.2)	(30.9)	(28.3)	73.0	194.8	(30.9)
MPHL	4.4	2,245	(3.7)	(4.8)	5.3	(22.6)	(24.0)	14.1	1.3	(22.6)
LTTS	3.8	3,167	(5.4)	(8.4)	0.7	(29.5)	(28.6)	(20.1)	8.3	(29.5)
TELX	2.8	3,671	(6.0)	(10.6)	(3.6)	(26.9)	(39.2)	(49.5)	(11.0)	(26.9)
ZENT	1.3	467	(4.0)	(13.9)	(17.3)	(39.6)	(49.5)	9.9	36.6	(39.6)
BSOFT	1.0	282	(7.0)	(10.2)	(13.8)	(33.8)	(33.9)	(20.1)	(28.2)	(33.8)
CYL	0.9	879	(1.5)	(3.9)	15.9	(21.9)	(32.3)	(41.9)	1.5	(21.9)
SSOF	0.7	274	(6.7)	1.4	28.3	(25.3)	(34.4)	(46.7)	(4.0)	(25.3)
HAPPSTMN	0.6	352	(1.0)	(8.2)	(5.5)	(25.9)	(48.0)	(65.1)	(66.0)	(25.9)
MAST	0.5	1,613	1.1	(1.6)	19.2	(22.0)	(34.4)	(17.7)	(29.4)	(22.0)
NSE IT Index			(2.5)	(9.4)	(9.3)	(30.5)	(32.4)	(10.9)	(9.7)	(30.5)
NIFTY			**0.2**	**1.3**	**6.9**	**(8.7)**	**(6.5)**	**7.5**	**8.7**	**(8.7)**
Nasdaq			**0.9**	**(4.3)**	**19.6**	**11.1**	**26.8**	**87.3**	**78.0**	**11.1**

Source: Bloomberg, HSIE Research, CMP as on 2nd Jul 2026

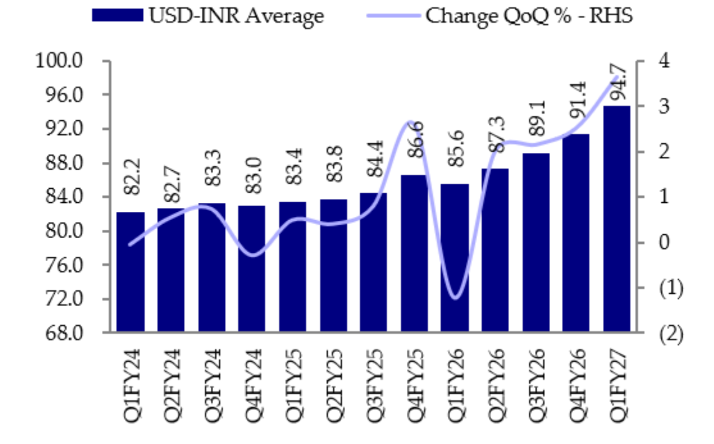
Exhibit 12: USD-INR vs IT index trend



Source: Bloomberg

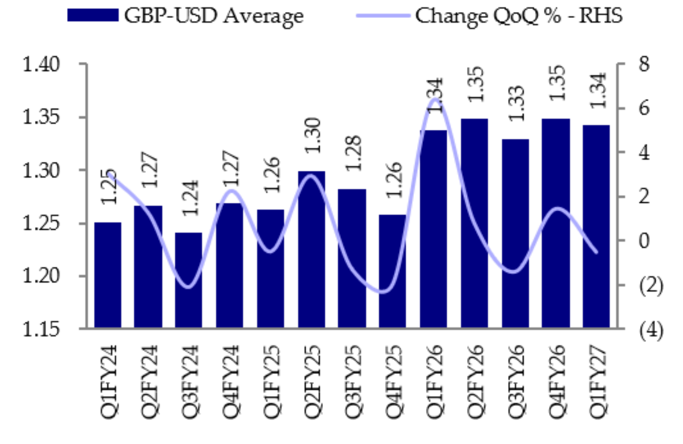
Exhibit 13: Currency trends

USD-INR trend



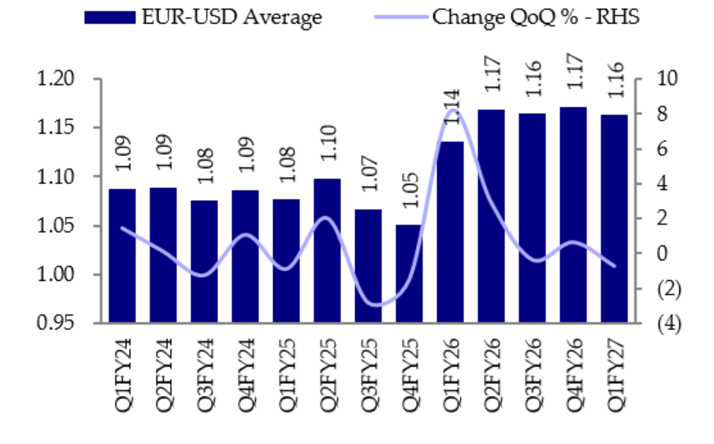
Source: NSE, Bloomberg, HSIE Research

GBP-USD trend



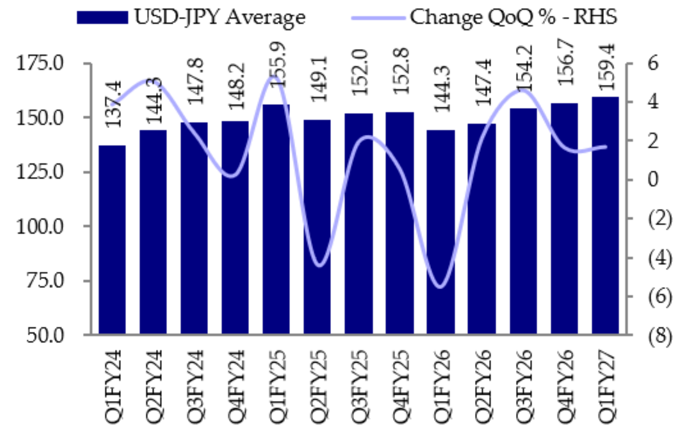
Source: NSE, Bloomberg, HSIE Research

EUR-USD trend



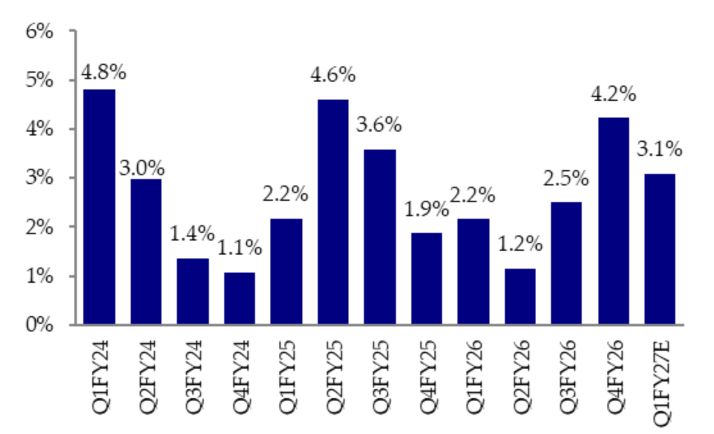
Source: NSE, Bloomberg, HSIE Research

USD-JPY trend



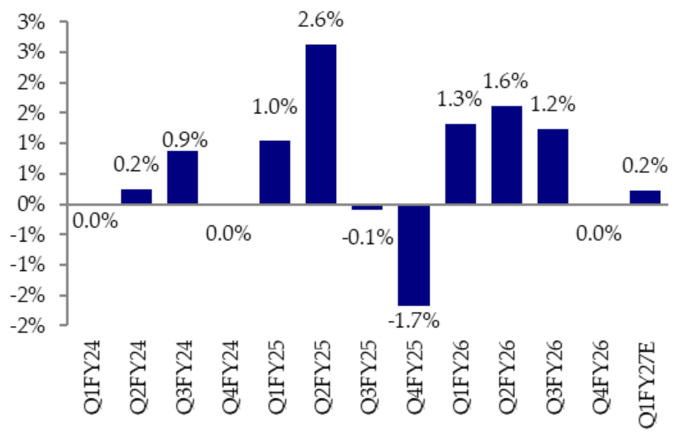
Source: NSE, Bloomberg, HSIE Research

Exhibit 14: IT Sector YoY revenue growth



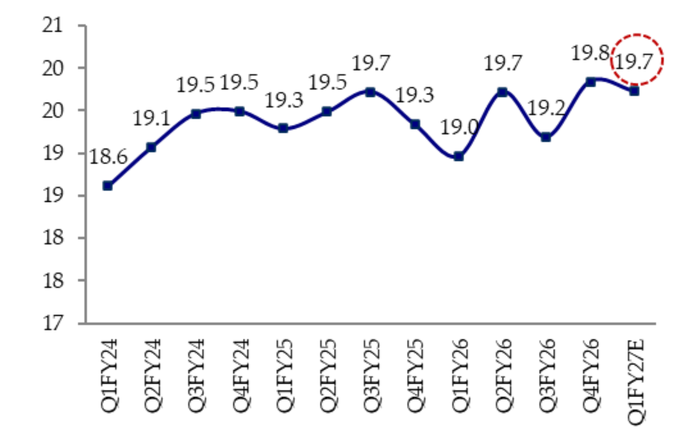
Source: Company, HSIE Research

Exhibit 15: IT Sector QoQ revenue growth



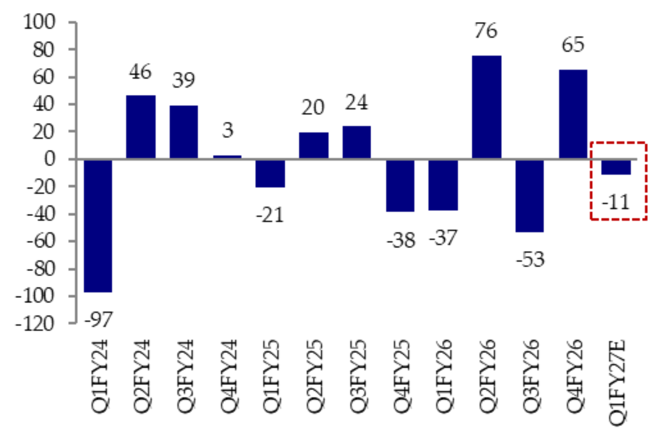
Source: Company, HSIE Research

Exhibit 16: QoQ margin expected to be stable



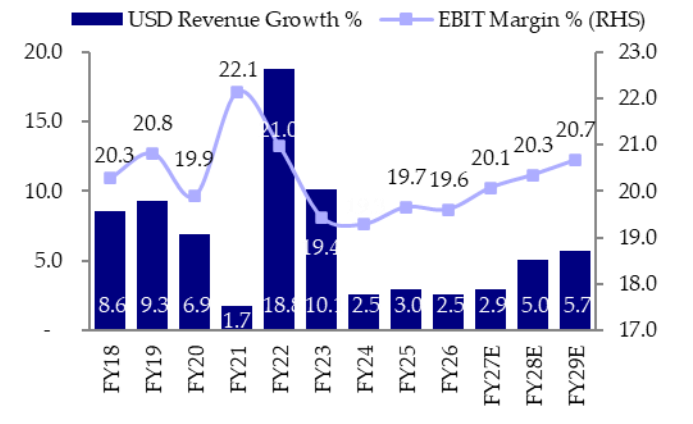
Source: Company, HSIE Research

Exhibit 17: Margin supported by FX tailwind



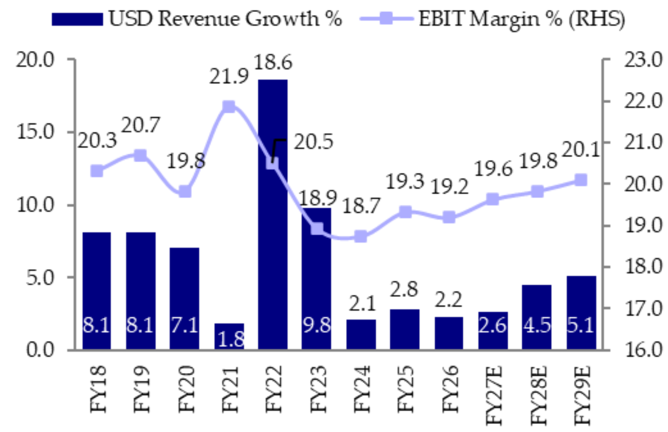
Source: Company, HSIE Research

Exhibit 18: IT Sector aggregate revenue growth and EBITM trend – Growth rate expected to improve (CAGR FY26-29E 4.6% vs FY24-26 2.7%)



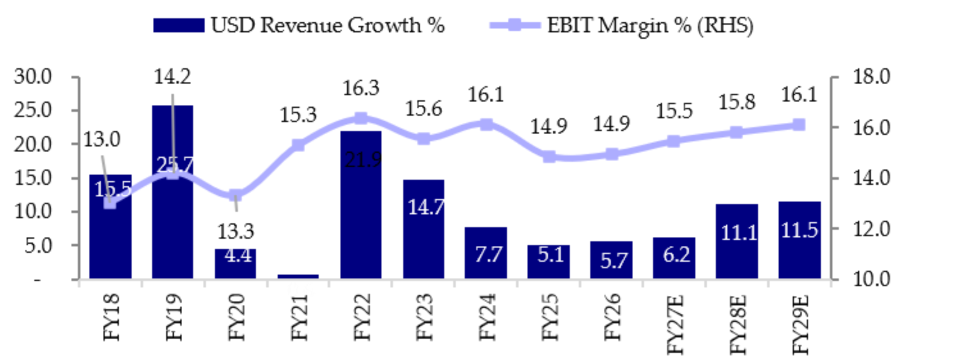
Source: Company, HSIE Research

Exhibit 19: Tier -1 IT revenue growth and margin trend: CAGR (FY26-29E) of 4.1% vs CAGR (FY24-26) 2.5%



Source: Company, HSIE Research; Tier 1 includes TCS, INFO, HCLT, WPRO, LTM & TECHM

Exhibit 20: Tier -2 IT revenue growth and margin trend – growth expected to accelerate sharply from ~5% (CAGR FY24-26) to 9.6% (CAGR FY26-29E)



Source: Company, HSIE Research; Tier 2 includes PSYS, MPHL, LTTS, TELX, ZENT, CYL, BSOFT, SSOF, HAPPSTMN, MAST

Exhibit 21: Key deals announced in Q1FY27

Company	Client	Vertical	Region	Services
TCS	Euroclear	BFSI	Finland	BaNCS for Market Infrastructure & Quartz (digital solutions); Renewal
	Nokian Tyres	Mfg	Finland	AI-led modernization
	Canada Life	BFSI	UK	AI-powered services transformation; Multi-year deal
	Tottenham Hotspur Football Club	Regional Markets & Others	UK	Digital transformation
	Elopak	Mfg	Norway	IT modernization - AI-service delivery suite of solutions - Cognix™; Multi-year deal
Infosys	Truist Financial	Financial Services	US	Set up GCC - Book, operate, transfer; USD 500mn deal
	Roland-Garros	Others	Europe	Infosys Topaz; Renewal
	DNB Bank	Financial Services	Norway	Modernize Financial Crime operations; Renewal
	IHH Healthcare	Life sciences	Malaysia	AI-powered ERP transformation
	Valmet	Hi-Tech	Finland	IT modernisation & transformation: Infosys Topaz Fabric & Infosys Cobalt
	Global Foundries	Hi-Tech	US	AI-led managed services; Multi-year renewal deal
	Sentara	Life sciences	US	Scale Enterprise AI in healthcare - Topaz Fabric
	Sterling Bank	Financial Services	Philippines	IT Transformation - Infosys Finacle
HCL Tech	Neste	Public Services	Finland	AI-led efficiency transformation
	Nokia	Telecommunication, Media, Publishing & Entertainment	Denmark	Accelerate autonomous networks with AI-driven rApps
Wipro	Olam Group	Manufacturing	US	AI-led transformation; 8-year, USD 1bn deal
LTM	SSP Group	Consumer business	UK	AI-led modernization & Application support
Mastek	Yanbu Cement Company	Manufacturing	Saudi Arabia	Modernise production, sales and dispatch operations

Source: Company, HSIE Research

Exhibit 22: Quarterly USD revenue growth trend (QoQ CC %)

USD Rev (QoQ CC %)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E
TCS	0.0	0.1	1.0	1.1	2.2	1.1	0.0	-0.8	-3.3	0.8	0.8	1.2	0.2
INFO	0.4	2.3	-1.0	-2.2	3.6	3.1	1.7	-3.5	2.6	2.2	0.6	-1.3	1.5
HCLT	-1.3	1.0	6.0	0.3	-1.6	1.6	3.8	-0.8	-0.8	2.4	4.2	-3.3	-0.7
WPRO	-2.8	-2.0	-1.7	-0.3	-1.0	0.6	0.1	-0.8	-2.0	0.3	1.4	0.2	-1.3
TECHM	-4.2	-2.4	1.1	-0.8	0.7	0.7	1.2	-1.5	-1.4	1.6	1.7	0.6	1.1
LTM	0.1	1.7	0.7	-1.3	2.6	2.3	1.8	-0.6	0.8	2.4	2.4	1.2	0.4
PSYS	2.9	3.2	3.1	3.4	5.6	5.1	4.6	4.5	3.3	4.4	4.4	3.4	3.1
MPHL	-3.5	0.0	1.0	2.1	-0.1	2.4	0.2	2.9	1.0	2.0	1.5	2.5	2.1
LTTS	-2.9	3.2	0.9	5.1	-3.1	3.4	3.1	10.5	0.0	-4.2	-2.8	-1.1	0.5
TELX	1.2	3.4	3.0	-0.6	2.4	0.2	0.0	-3.3	-3.9	1.0	3.2	0.9	1.4
ZENT	1.3	0.2	-3.2	2.0	4.3	0.3	0.7	0.9	1.9	0.0	-1.3	-1.9	-0.5
CYL	0.3	1.0	1.1	-0.5	-5.0	1.3	2.4	-1.9	-1.5	0.5	1.9	-2.4	-1.0
BSOFT	1.7	3.0	1.8	1.6	-2.7	2.2	-1.1	-5.3	-1.8	0.0	0.3	-3.7	1.2
SSOF	17.4	5.2	3.0	-2.2	1.4	1.5	4.4	-7.2	-0.9	1.0	0.3	0.6	0.0
HAPPSTMN	3.6	3.3	0.8	1.4	11.4	12.7	0.8	1.1	2.3	2.3	1.2	0.5	3.7
MAST	0.4	4.4	2.7	-1.4	4.1	4.7	0.1	2.9	-1.1	0.2	-4.8	0.3	1.3

Source: Company, HSIE Research, Wipro is IT services rev and Sonata is IITS Rev, HAPPSTMN is USD rev growth for Q2FY23

Exhibit 23: Quarterly EBIT Margin trend (%)

EBIT Margin (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E
TCS	23.2	24.3	25.0	26.0	24.7	24.1	24.5	24.2	24.5	25.2	25.2	25.3	24.8
INFO	20.8	21.2	20.5	20.1	21.1	21.1	21.3	21.0	20.8	21.0	18.4	21.0	21.0
HCLT	17.0	18.5	19.7	17.6	17.1	18.6	19.5	18.0	16.3	17.4	18.6	16.5	16.8
WPRO	16.0	16.1	16.0	16.4	16.5	16.8	17.5	17.5	17.3	16.7	17.6	17.3	17.4
TECHM	6.8	4.7	5.4	7.4	8.5	9.6	10.2	10.5	11.1	12.1	13.1	13.8	14.2
LTM	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	14.2	15.9	16.1	15.1	15.5
PSYS	14.9	13.7	14.5	14.5	14.0	14.0	14.9	15.6	15.5	16.3	14.4	16.3	16.7
MPHL	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.3	15.3	15.3	15.2	15.4	15.2
LTTS	18.5	17.2	17.1	17.2	17.1	15.6	15.1	15.9	14.9	13.3	14.8	15.2	15.5
TELX	27.1	27.1	26.8	25.8	24.3	25.1	23.5	20.1	18.2	18.5	20.9	22.3	21.1
ZENT	15.3	15.7	14.6	14.6	13.3	13.1	13.8	13.9	13.5	13.7	16.0	14.7	14.3
CYL	16.1	16.5	16.0	16.0	12.6	14.2	13.5	12.6	12.0	12.2	12.4	12.4	12.4
BSOFT	13.6	14.2	14.4	14.7	13.1	10.5	10.4	11.5	10.7	14.5	16.7	17.0	14.2
SSOF	21.1	23.1	22.6	17.3	18.7	18.2	14.6	16.5	16.5	17.3	19.5	20.2	20.5
HAPPSTMN	19.2	16.7	16.1	16.4	13.5	13.2	13.7	11.3	13.0	13.3	14.5	13.6	13.5
MAST	14.8	13.3	14.2	12.5	12.8	14.2	14.3	13.3	13.0	13.6	14.8	14.1	14.4

Source: Company, HSIE Research, WPRO is IT services margin, CYL is DET margin and SSOF is IITS EBITDA Margin

Exhibit 24: Financial Snapshot

TCS

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	27,927	29,080	30,179	30,017	30,621	31,522	32,552
Revenue	2,254.58	2,408.93	2,553.24	2,670.21	2,899.80	2,994.62	3,125.03
EBIT	542.37	593.11	621.65	668.39	713.72	745.00	788.34
APAT	421.47	466.35	485.53	526.50	551.06	574.27	607.22
AEPS (INR)	116.5	128.9	134.2	145.5	152.3	158.7	167.8
EBIT margin (%)	24.1	24.6	24.3	25.0	24.6	24.9	25.2
USD Revenue growth (%)	8.6	4.1	3.8	(0.5)	2.0	2.9	3.3
EPS growth (%)	10.0	10.6	4.1	8.4	4.7	4.2	5.7
P/E (x)	17.8	16.0	15.4	14.2	13.6	13.0	12.3
EV/EBITDA (x)	11.8	10.9	10.4	9.7	9.2	8.9	8.4
RoE (%)	46.9	51.6	52.4	52.1	51.2	53.2	56.6

Infosys

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	18,212	18,562	19,277	20,156	20,830	21,758	22,830
Revenue	1,467.67	1,536.71	1,629.90	1,786.50	1,972.61	2,067.03	2,191.72
EBIT	309.06	317.47	344.24	362.54	421.91	446.74	481.58
APAT	240.95	247.50	267.13	303.71	324.40	349.52	376.64
AEPS (INR)	58.0	59.6	64.3	73.8	78.7	84.8	91.4
EBIT margin (%)	21.1	20.7	21.1	20.3	21.4	21.6	22.0
USD Revenue growth (%)	11.7	1.9	3.9	4.6	3.3	4.5	4.9
EPS growth (%)	9.0	2.7	7.9	14.7	6.7	7.7	7.8
P/E (x)	17.9	17.5	16.2	14.1	13.2	12.3	11.4
EV/EBITDA (x)	11.4	10.8	9.8	9.5	8.2	7.7	7.1
RoE (%)	32.0	30.3	29.0	32.2	33.9	34.6	35.6

HCL Tech

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	12,586	13,270	13,840	14,664	14,992	15,871	17,016
Revenue	1,014.56	1,099.13	1,170.55	1,301.44	1,419.71	1,507.77	1,633.54
EBIT	184.84	200.27	214.21	221.79	257.64	274.18	309.22
APAT	148.52	157.02	169.61	173.61	196.24	209.94	236.71
AEPS (INR)	54.8	58.0	62.6	64.1	72.4	77.5	87.4
EBIT margin (%)	18.2	18.2	18.3	17.0	18.1	18.2	18.9
USD Revenue growth (%)	9.1	5.4	4.3	6.0	2.2	5.9	7.2
EPS growth (%)	10.2	5.7	8.0	2.4	13.0	7.0	12.7
P/E (x)	19.7	18.6	17.2	16.8	14.9	13.9	12.3
EV/EBITDA (x)	12.1	11.0	10.4	9.8	8.3	7.6	6.7
RoE (%)	23.3	23.5	24.6	24.0	25.5	26.1	27.9

Wipro

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
ITS Revenue (USD mn)	11,147	10,805	10,512	10,478	10,567	11,004	11,607
Revenue	904.88	897.60	890.88	926.24	1,016.25	1,060.05	1,131.13
EBIT	135.13	135.76	151.24	149.40	168.76	182.16	195.81
APAT	113.50	110.45	131.35	132.94	140.00	149.66	160.00
AEPS (INR)	10.8	10.5	12.5	12.7	13.3	14.3	15.2
IT Services EBIT margin (%)	15.7	16.1	17.1	17.2	16.8	17.3	17.3
Revenue growth (%)	7.6	(3.1)	(2.7)	(0.3)	0.8	4.1	5.5
EPS growth (%)	(7.1)	(2.7)	18.7	1.1	5.3	6.9	6.9
P/E (x)	16.1	16.5	13.9	13.7	13.0	12.2	11.4
EV/EBITDA (x)	9.5	9.3	8.2	8.4	7.2	6.5	5.6
RoE (%)	15.8	14.4	16.6	15.5	15.5	15.9	16.3

Tech Mahindra

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	6,606	6,277	6,264	6,385	6,655	6,946	7,282
Revenue	532.90	519.96	529.88	568.15	630.27	659.89	699.07
EBIT	60.72	31.47	51.38	71.53	90.32	100.64	108.46
APAT	50.10	26.98	43.76	50.10	66.39	76.19	81.95
AEPS (INR)	56.6	30.5	49.4	56.5	74.9	85.9	92.4
EBIT margin (%)	11.4	6.1	9.7	12.6	14.3	15.3	15.5
USD Revenue growth (%)	10.1	(5.0)	(0.2)	1.9	4.2	4.4	4.8
EPS growth (%)	(10.0)	(46.1)	62.2	14.4	32.5	14.8	7.6
P/E (x)	24.8	44.6	29.4	25.2	19.0	16.5	15.4
EV/EBITDA (x)	15.0	24.2	17.0	13.0	10.5	9.3	8.5
RoE (%)	18.3	9.9	16.2	17.6	21.7	23.3	23.3

LTM

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	4,106	4,287	4,493	4,763	5,060	5,585	6,151
Revenue	331.83	355.17	380.08	423.08	479.15	530.62	590.52
EBIT	53.85	55.69	55.03	64.93	75.06	87.75	100.51
APAT	44.10	45.85	46.02	54.09	59.58	71.00	81.66
AEPS (INR)	149.1	155.0	155.6	182.9	201.4	240.0	276.1
EBIT margin (%)	16.2	15.7	14.5	15.3	15.7	16.5	17.0
USD Revenue growth (%)	17.2	4.4	4.8	6.0	6.2	10.4	10.1
EPS growth (%)	11.6	4.0	0.4	17.5	10.2	19.2	15.0
P/E (x)	24.7	23.7	23.7	20.1	18.3	15.3	13.3
EV/EBITDA (x)	16.6	15.6	15.1	12.4	10.5	8.7	7.2
RoE (%)	28.6	25.0	21.5	23.2	23.2	24.2	24.3

Persistent Systems

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	1,036	1,186	1,409	1,654	1,895	2,181	2,503
Revenue	83.51	98.22	119.39	147.48	179.48	207.19	240.24
EBIT	12.47	14.15	17.51	23.03	28.82	33.61	40.07
APAT	9.43	11.30	14.00	19.34	22.53	26.64	31.14
AEPS (INR)	61.3	73.4	91.0	124.9	142.8	168.9	197.4
EBIT margin (%)	1,493.6	1,440.6	1,466.8	1,561.8	1,605.8	1,622.3	1,668.0
USD Revenue growth (%)	3,532.0	1,448.6	1,880.6	1,740.8	1,456.0	1,507.2	1,474.6
EPS growth (%)	36.6	19.8	23.9	37.2	14.4	18.2	16.9
P/E (x)	74.7	62.4	50.3	36.7	32.1	27.1	23.2
EV/EBITDA (x)	45.3	39.9	33.2	24.9	20.2	17.0	13.9
RoE (%)	25.1	24.5	24.8	26.3	26.4	26.5	26.3

Mphasis

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	1,718	1,609	1,681	1,797	1,948	2,157	2,378
Revenue	137.99	132.79	142.30	158.80	184.47	204.87	228.31
EBIT	21.09	20.11	21.71	24.28	28.60	32.05	36.16
APAT	16.38	15.55	17.02	18.98	21.28	24.33	25.98
AEPS (INR)	87.6	83.1	91.0	101.5	113.8	130.1	138.9
EBIT margin (%)	15.3	15.1	15.3	15.3	15.5	15.6	15.8
USD Revenue growth (%)	7.8	(6.3)	4.4	6.9	8.4	10.7	10.3
EPS growth (%)	13.2	(5.1)	9.5	11.5	12.1	14.3	0.1
P/E (x)	25.6	27.0	24.7	22.1	19.7	17.3	16.2
EV/EBITDA (x)	16.3	16.5	15.0	13.6	11.2	9.4	8.2
RoE (%)	22.0	18.6	18.5	18.6	19.1	20.2	20.0

L&T Technology Services

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	990	1,164	1,138	1,233	1,260	1,389	1,549
Revenue	80.14	96.47	96.42	109.96	119.29	131.94	148.73
EBIT	14.79	16.47	14.87	15.90	18.33	21.16	23.89
APAT	11.70	13.04	11.93	13.01	14.67	17.04	19.40
AEPS (INR)	110.8	123.5	113.1	123.2	139.0	161.5	183.8
EBIT margin (%)	18.5	17.1	15.4	14.5	15.4	16.0	16.1
USD Revenue growth (%)	12.4	17.6	(2.2)	8.3	2.2	10.3	11.5
EPS growth (%)	22.2	11.4	(8.5)	9.0	12.8	16.2	13.8
P/E (x)	28.6	25.6	28.0	25.7	22.8	19.6	17.2
EV/EBITDA (x)	17.9	16.0	17.3	15.7	13.6	11.6	10.0
RoE (%)	25.7	25.4	20.9	20.7	21.5	22.5	22.8

Tata Elxsi

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	390	429	441	423	443	487	545
Revenue	31.45	35.52	37.29	37.57	41.99	46.28	52.36
EBIT	8.80	9.47	8.68	7.53	9.39	10.77	12.54
APAT	7.55	7.92	7.85	7.01	8.19	9.41	10.81
AEPS (INR)	121.3	127.2	126.0	112.6	131.5	151.0	173.6
EBIT margin (%)	28.0	26.7	23.3	20.0	22.4	23.3	24.0
USD Revenue growth (%)	17.7	9.9	2.8	(3.9)	4.7	9.9	12.0
EPS growth (%)	37.4	4.9	(0.9)	(10.7)	16.8	14.8	14.9
P/E (x)	30.3	28.9	29.1	32.6	27.9	24.3	21.1
EV/EBITDA (x)	22.5	20.4	21.5	24.4	19.7	17.1	14.7
RoE (%)	41.0	34.5	29.3	23.8	26.0	27.9	29.8

Zensar Technologies

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	604	592	624	644	655	724	797
Revenue	48.48	49.02	52.81	56.87	62.02	68.76	76.48
EBIT	3.69	7.38	7.15	8.25	8.74	9.80	10.96
APAT	3.28	6.65	6.50	8.00	8.13	9.02	9.88
AEPS (INR)	14.3	29.1	28.4	35.0	35.6	39.5	43.2
EBIT margin (%)	7.6	15.0	13.5	14.5	14.1	14.3	14.3
USD Revenue growth (%)	6.1	(2.0)	5.4	3.1	1.7	10.5	10.1
EPS growth (%)	19.0	(21.3)	103.0	(2.2)	23.0	1.7	10.9
P/E (x)	32.6	16.1	16.4	13.4	13.1	11.8	10.8
EV/EBITDA (x)	19.3	11.6	12.0	10.1	9.0	7.5	6.3
RoE (%)	11.3	20.0	16.6	17.6	15.9	15.8	15.6

Cyient

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	632	714	671	658	659	702	754
Revenue	60.16	71.47	73.60	72.68	79.43	86.18	95.24
EBIT	7.67	10.36	8.84	6.88	9.18	10.78	12.35
APAT	5.65	7.41	6.22	5.34	6.73	8.01	9.23
AEPS (INR)	51.2	67.1	56.3	48.4	60.9	72.5	83.6
EBIT margin (%)	12.8	14.5	12.0	9.5	11.6	12.5	13.0
USD Revenue growth (%)	25.6	12.9	(6.1)	(2.0)	0.2	6.6	7.4
EPS growth (%)	40.5	8.2	31.1	(16.1)	(14.1)	25.9	19.1
P/E (x)	17.2	13.1	15.6	18.2	14.4	12.1	10.5
EV/EBITDA (x)	9.6	7.1	7.4	8.5	6.5	5.4	4.5
RoE (%)	17.2	19.2	13.0	9.7	11.5	12.9	13.9

Birlasoft

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	595	637	635	598	591	638	708
Revenue	47.95	52.78	53.75	53.10	55.92	60.65	67.98
EBIT	4.38	7.51	6.12	7.86	7.63	8.31	9.45
APAT	4.50	6.11	5.17	5.44	5.95	6.60	7.58
AEPS (INR)	16.3	22.2	18.8	19.5	21.3	23.6	27.1
EBIT margin (%)	9.1	14.2	11.4	14.8	13.6	13.7	13.9
USD Revenue growth (%)	7.2	7.1	(0.3)	(6.0)	(1.2)	8.1	10.9
EPS growth (%)	(3.0)	36.0	(15.5)	3.9	9.1	11.0	14.8
P/E (x)	17.2	12.7	15.0	14.5	13.2	11.9	10.4
EV/EBITDA (x)	12.8	7.2	7.9	5.8	5.5	4.7	3.9
RoE (%)	17.9	22.3	15.8	14.3	13.8	14.1	14.8

Sonata Software

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
IITS Revenue (USD mn)	241	324	336	329	340	374	415
Revenue	74.49	86.13	101.57	107.01	117.68	127.84	139.52
EBIT	5.45	5.96	5.68	6.37	6.76	7.45	8.35
APAT	4.52	4.83	4.25	5.27	5.32	5.87	6.55
AEPS (INR)	16.1	17.2	15.1	18.8	19.0	20.9	23.4
IITS EBITDA margin (%)	20.9	21.0	17.0	18.4	18.8	18.8	18.8
EBIT margin (%)	7.3	6.9	5.6	6.0	5.7	5.8	6.0
USD Revenue growth (%)	18.7	34.3	3.7	(2.1)	3.5	10.0	10.9
EPS growth (%)	54.3	20.0	6.9	(12.1)	24.2	0.9	10.4
P/E (x)	17.0	15.9	18.1	14.6	14.4	13.1	11.7
EV/EBITDA (x)	13.9	11.8	12.0	11.1	9.9	8.7	7.6
RoE (%)	37.7	35.7	27.3	29.2	26.1	25.3	24.9

Happiest Minds Technologies

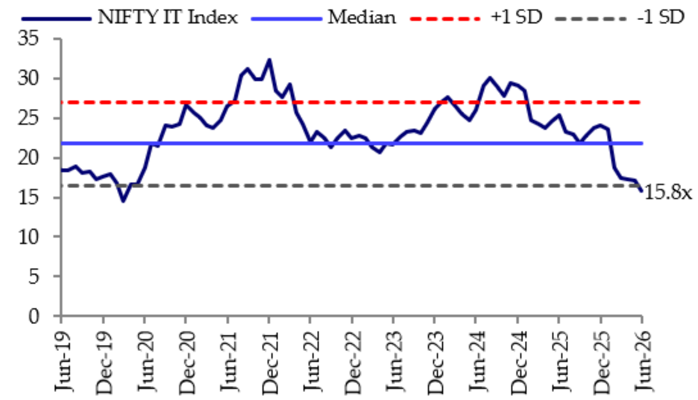
INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	178	196	244	260	285	320	358
Revenue	14.29	16.25	20.61	23.15	26.99	30.44	34.32
EBIT	3.17	2.78	2.66	3.15	3.98	4.49	5.19
APAT	2.36	2.38	1.93	2.27	2.81	3.22	3.74
AEPS (INR)	15.5	15.6	12.7	14.9	18.4	21.1	24.6
EBIT margin (%)	22.2	17.1	12.9	13.6	14.7	14.8	15.1
USD Revenue growth (%)	21.3	10.3	24.2	6.8	9.5	12.4	11.6
EPS growth (%)	26.9	1.0	(18.7)	17.1	23.9	14.7	16.2
P/E (x)	22.7	22.5	27.7	23.7	19.1	16.6	14.3
EV/EBITDA (x)	14.3	13.3	14.4	13.3	10.1	8.8	7.5
RoE (%)	31.3	20.5	12.7	13.9	15.8	16.3	16.9

Mastek

INR bn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	318	368	408	421	433	479	535
Revenue	25.63	30.55	34.55	36.99	39.66	44.31	49.52
EBIT	3.88	4.19	4.71	5.13	5.56	6.32	7.26
APAT	2.68	3.04	3.68	4.34	4.14	4.61	5.34
AEPS (INR)	86.6	96.2	116.4	137.2	130.9	145.7	168.9
EBIT margin (%)	15.2	13.7	13.6	13.9	14.0	14.3	14.7
USD Revenue growth (%)	8.6	15.8	10.9	3.1	2.9	10.5	11.8
EPS growth (%)	(10.4)	11.2	21.0	17.9	(4.6)	11.3	16.0
P/E (x)	18.6	16.8	13.9	11.8	12.3	11.1	9.6
EV/EBITDA (x)	11.2	10.1	9.2	7.8	6.8	5.7	18.9
RoE (%)	19.4	16.1	16.2	15.9	13.1	13.1	13.6

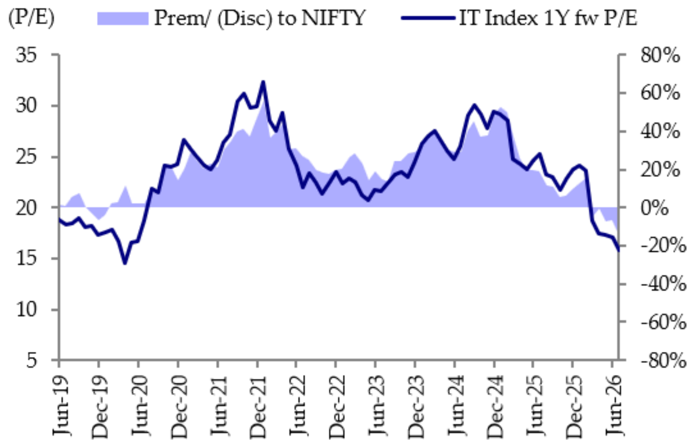
Exhibit 25: Valuation charts

NIFTY IT Index Valuation Trend (P/E 1-yr fwd)



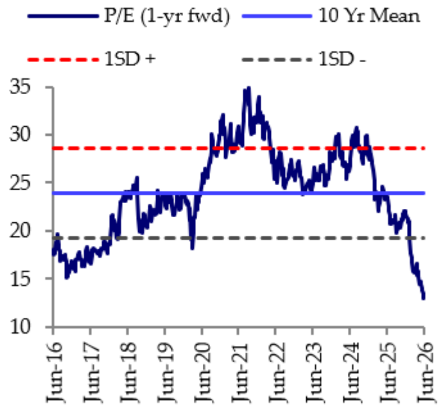
Source: Bloomberg, HSIE Research

IT Index Valuation Trend vs NIFTY

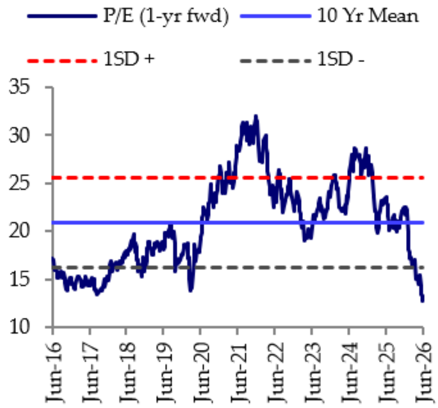


Source: Bloomberg, HSIE Research

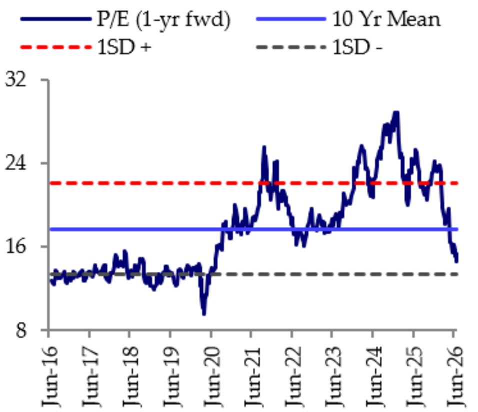
TCS P/E (1-yr fwd) Trend



INFO P/E (1-yr fwd) Trend

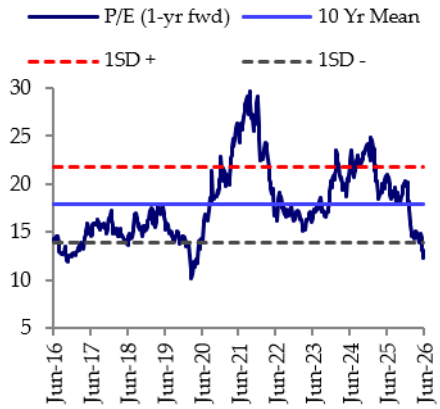


HCLT P/E (1-yr fwd) Trend

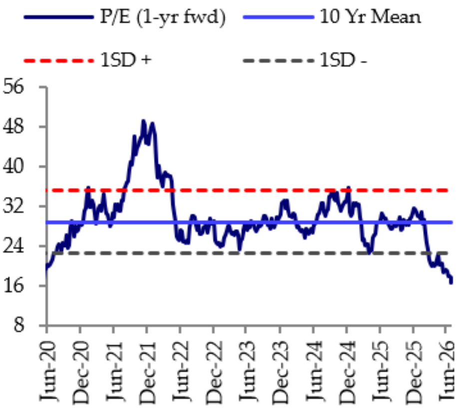


Source: Bloomberg, HSIE Research

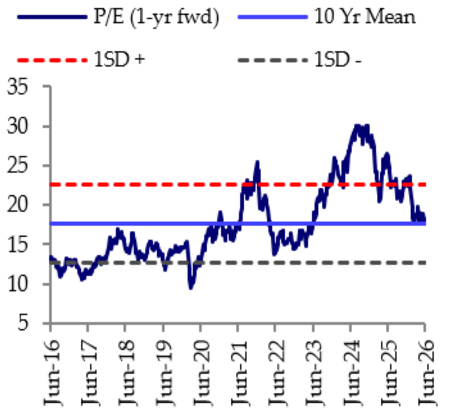
WPRO P/E (1-yr fwd) Trend



LTM P/E (1-yr fwd) Trend

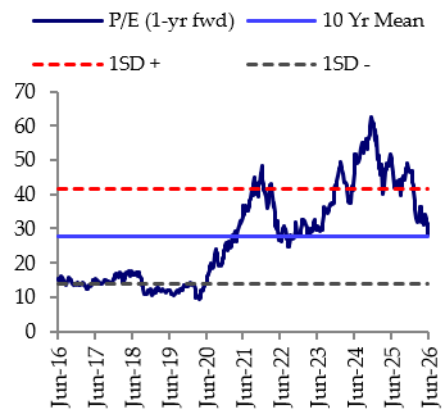


TECHM P/E (1-yr fwd) Trend

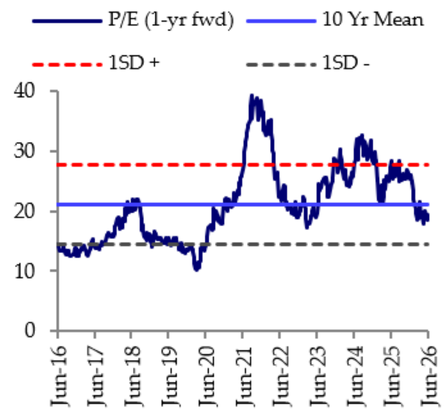


Source: Bloomberg, HSIE Research

PSYS P/E (1-yr fwd) Trend



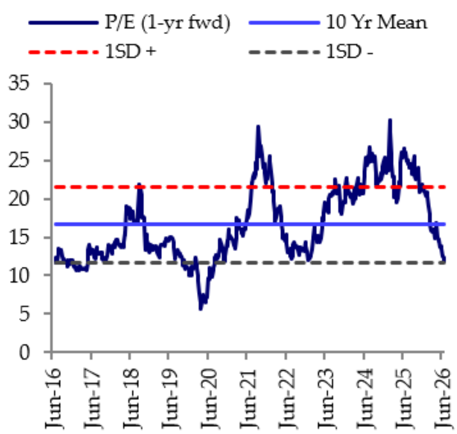
MPHL P/E (1-yr fwd) Trend



LTTS P/E (1-yr fwd) Trend

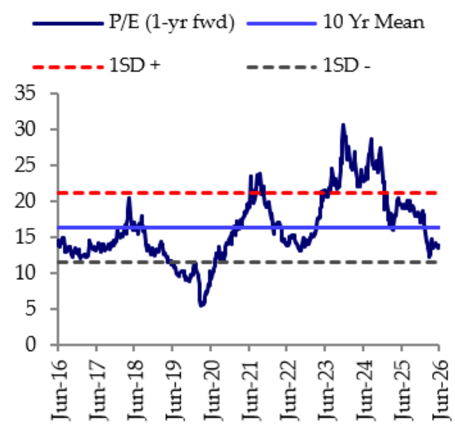
TELX P/E (1-yr fwd) Trend

ZENT P/E (1-yr fwd) Trend



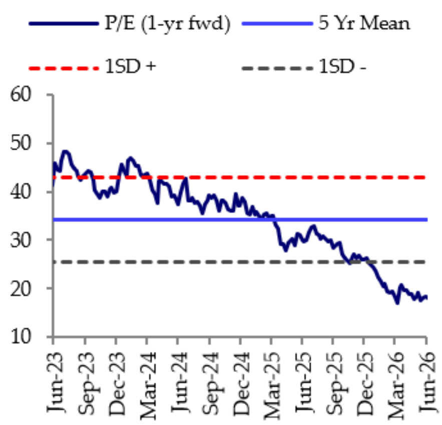
BSOFT P/E (1-yr fwd) Trend

CYL P/E (1-yr fwd) Trend

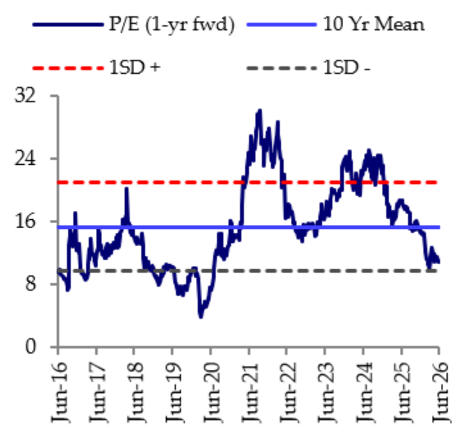


SSOF P/E (1-yr fwd) Trend

HAPPSTMN P/E (1-yr fwd) Trend

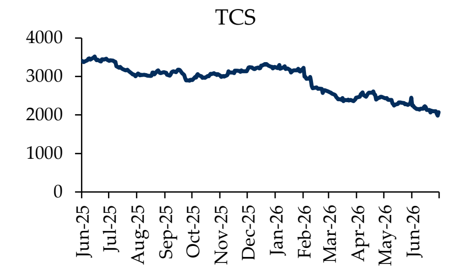


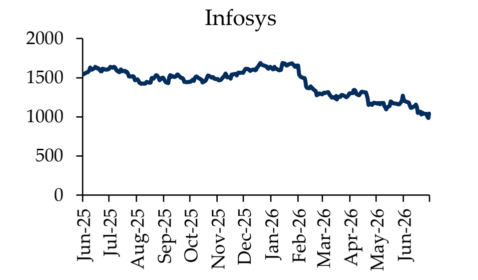
MAST P/E (1-yr fwd) Trend

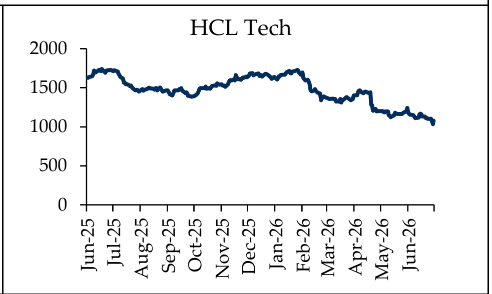


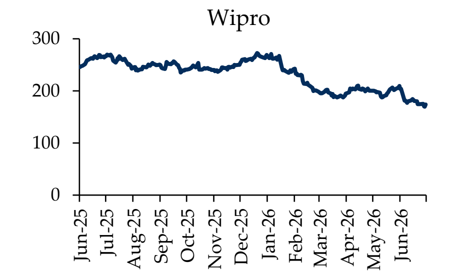
Source: Bloomberg, HSIE Research

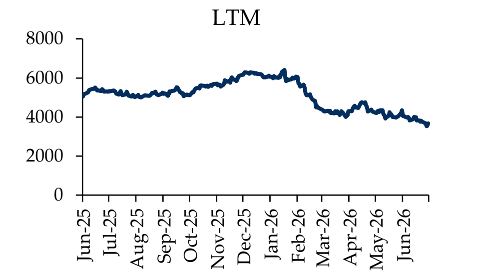
Price history

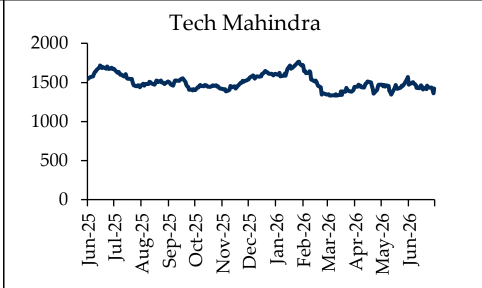


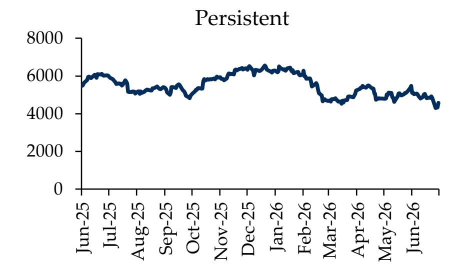


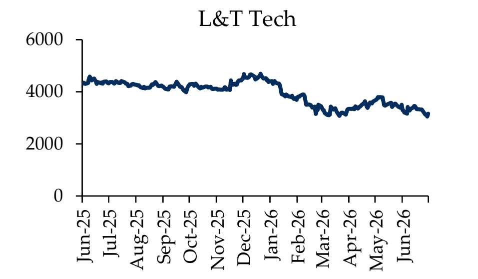


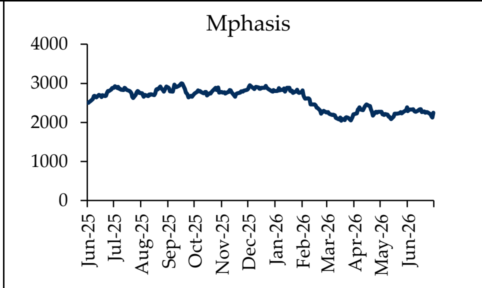


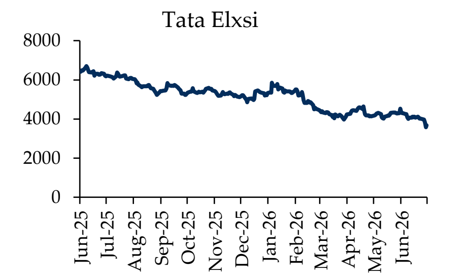


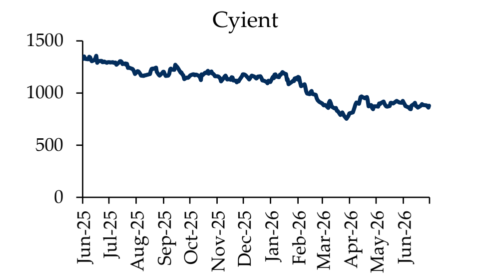


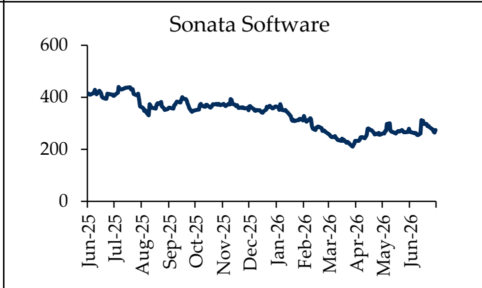


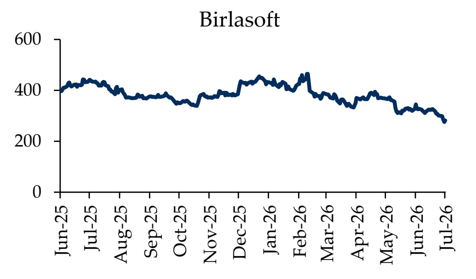


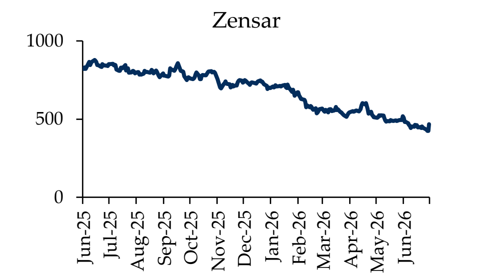


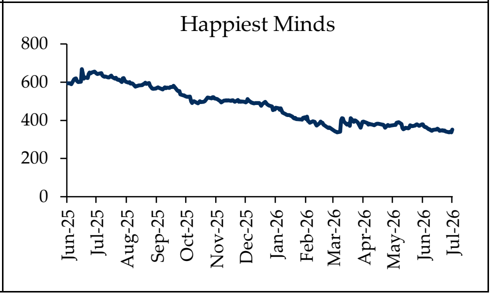


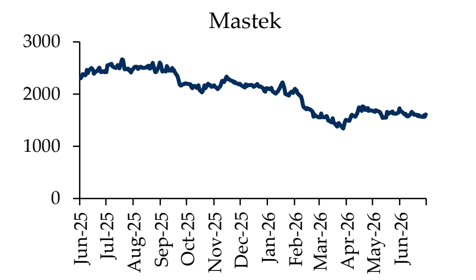












Rating Criteria

BUY:	>+15% return potential
ADD:	+5% to +15% return potential
REDUCE:	-10% to +5% return potential
SELL:	> 10% Downside return potential

Disclosure:
We, **Amit Chandra, MBA, Vinesh Vala, MBA & Maitreyee Vaishampayan, MSc** authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

Any holding in stock:

Amit Chandra	No
Vinesh Vala	No
Maitreyee Vaishampayan	Yes

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:
This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. This report may have been refined using AI tools to enhance clarity and readability.
Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.
This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.
If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.
Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.
This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.
HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.
HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.
HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.
HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.
HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.
Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.
Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.
HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400
HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.
Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board: +91-22-6171-7330 www.hdfcsec.com