

IT Services

India

Sector View: **Neutral**

NIFTY-50: **24,347**

May 02, 2025

A difficult time

IT services companies reported a weak March 2025 quarter led by select cases of delays in project ramp-ups and a cautious spending stance adopted by a few verticals in the run-up to the reciprocal tariff announcement. The revenue growth guidance for FY2026 is an expanded range that accounts for uncertainty in the quantum of tariff hikes by the US. The revised guidance may be a tad optimistic at the upper end of the band. Retail and manufacturing were impacted the most. Mid-tier companies once again outperformed large companies. TechM, Infosys, TCS, Coforge and Indegene are our top picks.

Muted quarter across companies; BFSI was the bright spot

All large IT services companies reported a sequential revenue decline in constant currency terms, a first since the June 2020 quarter. The decline was sharp in manufacturing and retail verticals, while revenues from the financial services vertical held up well. Revenue growth slowed down on yoy comparison across companies to low single digits. Headcounts increased across companies, indicating that they were building up capacity for growth but faced deterioration in demand (see Exhibit 21) toward the latter half of the quarter.

EBIT margins—impressive defense for now

All large IT companies, except for TCS, reported a yoy increase in EBIT margin and stable margins on a qoq basis. A combination of rupee depreciation, aggressive expense management and potential adjustment in variable compensation helped. Select companies also reported an increase in realization.

Mid-tier continues to shine

Mid-tier companies, such as Persistent, reported strong growth. Mphasis also reported a good revenue performance. We expect the mid-tier pack to outperform larger companies on growth, driven by a favorable revenue mix and lesser concern on deflationary risks from new technologies.

FY2026E guidance is aggressive at the upper end of the band

IT companies' revenue growth guidance band for FY2026E has expanded to 3% from the usual 2% to accommodate uncertain implementation of tariff hike by the US. Revenue CQGR during 1Q-4QFY26 stands at 0.5-1.7% for Infosys and 0.1-1.3% for HCLT. This might seem modest but faces the test of delay in project renewals and potentially even cancellations in retail and manufacturing verticals. Our growth estimates are based on the mid-point to the lower end of the guidance band.

[Full sector coverage on KINSITE](#)

Kawaljeet Saluja
kawaljeet.saluja@kotak.com
+91-22-4336-0860

Sathishkumar S
sathishkumar@kotak.com
+91-22-4336-0879

Vamshi Krishna
vamshi.krishna@kotak.com
+91-22-6166-1801

Modest growth for FY2026—balanced risk-reward

Our estimates are based on a US slowdown and not a recession. Certain segments of the markets are absolute no-go—the entire ERD space falls in this bucket. Risk-rewards in IT services is balanced. Tech Mahindra, TCS, Infosys, Coforge and Indegene are our key picks. FY2026 will mark another year of low single-digit growth for the incumbents, not encouraging, especially with potential deflationary GenAI risks for the sector. Exhibits 20 and 21 detail our base case and recession scenario estimates and fair values for IT companies.

GenAI—plenty of promise and concern in equal measure

GenAI was a recurrent discussion and theme across all earnings call. All companies had the same theme—(1) GenAI opens up new opportunities, (2) they are well positioned to capitalize on the GenAI wave due to early investments in people, platforms and certifications. Analyst focus was deflationary pressure for which there was no clear-cut answer.

Here's what we think—inherently, new technologies tend to be deflationary, a headwind for incumbents and an opportunity for challengers. Additionally, the difference in technology expertise (skill + scale) narrows down in new technologies, aiding challengers. It will be difficult for incumbents to aggressively incorporate gen AI into their services portfolios, given the larger size relative to challengers who can better afford to cannibalize existing revenues to get a bigger portion of the pie from incumbents.

We reiterate our view that the IT services industry will face temporary headwinds from gen AI adoption, leading to a 2-3% impact on growth for 2-3 years, perhaps starting in CY2025. Companies need to balance generating efficiencies in existing businesses and gaining market share through disruptive propositions. As AI adoption picks up in other use cases, the net impact on demand could turn neutral or positive.

Retail and manufacturing under pressure; mixed trends in telecom, tech & health; resilient BFS and E&U

Exhibit 8 provides snapshots of vertical-wise spending outlook across key companies. Retail, consumer, logistics, travel and manufacturing verticals are the most impacted due to tariff imposition by the US government and highly vulnerable to project delays, cancellations and cut to discretionary spending. Spending outlook is mixed across telecom, hi-tech and healthcare. Clients continue to have a cautious stance, partly due to higher macro uncertainties. It is reasonable to expect a slowdown in decision making and revenue pressure in these verticals. BFS and E&U continue to have a healthy demand outlook.

Margin—a weaker revenue environment poses more headwinds for improvement

Companies have already maxed out levers such as utilization. There is still some juice that can be extracted by lowering subcontractor usage and optimizing G&A. Companies will find it difficult to pull back on sales and marketing investments given the need to capture demand in a weak environment. Leverage from pyramid is also a challenge. Pricing will be under pressure. We do not expect material benefits from rupee depreciation, We believe companies will deploy levers linked with employee compensation, such as deferring wage hike (TCS is a recent example) and lower variable pay.

Deal wins have been healthy across several companies

Deals wins have been cost take-out led and healthy for quite a few. Still mega deals are proving to be elusive. Wipro won a mega deal in 4QFY25, at least part of which could have come at the expense of a peer. CTSH also won a mega deal in the March quarter. Coforge won a US\$1.2 bn deal with Sabre. The pipeline of large and mega deals is building up for companies. Select companies such as HCLT and LTIM expect a healthy quarter of deal signings in 1QFY26, given that a few large deals in the pipeline are in the latter stages of closing. Delays in conversion due to macro uncertainties can pose headwinds.

Growth in FY2026 will be a function of vertical, geo and service-line exposure along with execution

We expect firms with higher exposure to manufacturing and retail verticals, discretionary spending and the US geo to face higher headwinds from demand slowing down. Outcomes of cost take-out deals, including vendor consolidation, also matter. A recessionary scenario will result in additional risks for select companies. For example, margin expansion to 15% in FY2027 will be significantly impacted for TechM; financial troubles can increase for Sabre, leading to uncertainty over revenues from the mega deal for Coforge.

GCC intensity continues

Companies, such as Infosys, HCLT and Cognizant, reported deals involving setting up a GCC for clients. We believe the intensity in setting up and expanding GCCs has continued despite chatter around tariffs. Captive carve-out opportunities may be less among large deals, although the situation can be different for retail and manufacturing—the highest impacted verticals. Despite GCC deals signed by companies, we believe expansion of GCCs is a net headwind for the sector.

Focus shifts to 1QFY26; mixed outlook from companies

1Q is seasonally strong for IT services companies. A weak 1Q will be difficult to offset unless there is ramp-up of sufficient cost take-out deals. Outlook for June quarter is mixed. Wipro indicated impact on sequential revenue growth due to higher macro uncertainties. However, outlook from Capgemini and Cognizant indicates no significant deterioration in expected growth in 1Q compared to that expected from the start of the year.

Other key highlights of 4QFY25

- ▶ **Weak net hiring.** Net hiring by top 6 offshore pureplays increased by 0.1% qoq and 0.3% yoy.
- ▶ **Utilization.** Utilization rates remained stable at high levels, or increased across companies. Select companies, such as Persistent, are operating at unsustainable utilization rates.
- ▶ **Subcontracting usage.** Subcontracting costs as a % of revenue either remained stable or declined. Subcontractor usage is at multi-year lows for select companies, such as TCS.

Exhibit 1: Mar 2025 quarter financial performance of key companies under our coverage

	Mar-25	qoq (%)	yoy (%)	Mar-25E	versus est. (%)
TCS					
Revenues (US\$ mn)	7,539	(1.0)	1.4	7,502	0.5
Revenues (Rs mn)	644,790	0.8	5.3	649,639	(0.7)
EBIT (Rs mn)	156,010	(0.4)	(2.0)	161,985	(3.7)
Net income (Rs mn)	122,240	(1.3)	(1.7)	126,636	(3.5)
EBIT margin (%)	24.2			24.9	(74)bps
Infosys					
Revenues (US\$ mn)	4,939	(4.2)	3.6	4,823	2.4
Revenues (Rs mn)	409,250	(2.0)	7.9	417,672	(2.0)
EBIT (Rs mn)	85,750	(3.8)	12.5	86,640	(1.0)
Net income (Rs mn)	70,330	3.3	(11.7)	66,074	6.4
EBIT margin (%)	21.0			20.7	21 bps
Wipro					
Revenues (US\$ mn) - Global IT Services	2,626	(1.2)	(2.3)	2,614	0.5
Revenues (Rs mn) - Wipro Limited	225,266	0.7	1.5	227,518	(1.0)
EBIT (Rs mn) - Wipro Limited	39,087	0.3	10.5	39,933	(2.1)
Net income (Rs mn)	35,696	6.4	25.9	34,109	4.7
Global IT services EBIT margin (%)	17.5			17.6	(13)bps
HCLT					
Revenues (US\$ mn)	3,533	(1.0)	2.0	3,505	0.8
Revenues (Rs mn)	302,460	1.2	6.1	303,566	(0.4)
EBIT (Rs mn)	54,420	(6.5)	8.4	55,166	(1.4)
Net income (Rs mn)	43,070	(6.2)	8.1	43,696	(1.4)
EBIT margin (%)	18.0			18.2	(18)bps
Tech Mahindra					
Revenues (US\$ mn)	1,548	(1.2)	0.0	1,555	(0.5)
Revenues (Rs mn)	133,840	0.7	4.0	134,696	(0.6)
EBIT (Rs mn)	14,053	4.1	48.5	14,103	(0.4)
Net income (Rs mn)	11,881	20.8	22.5	9,948	19.4
EBIT margin (%)	10.5			10.5	3 bps
LTIMindtree					
Revenues (US\$ mn)	1,127	(0.7)	5.8	1,139	(1.1)
Revenues (Rs mn)	97,717	1.1	9.9	98,670	(1.0)
EBIT (Rs mn)	13,454	1.2	2.8	13,679	(1.6)
Net income (Rs mn)	11,285	4.0	2.6	11,438	(1.3)
EBIT margin (%)	13.8			13.9	(10)bps
Mphasis					
Revenues (US\$ mn)	421	2.6	4.8	431	(2.2)
Revenues (Rs mn)	37,100	4.2	8.7	36,998	0.3
EBIT (Rs mn)	5,672	3.9	11.7	5,628	0.8
Net income (Rs mn)	4,465	4.3	13.6	4,351	2.6
EBIT margin (%)	15.3			15.2	8 bps
Persistent					
Revenues (US\$ mn)	375	4.2	14.3	374	0.4
Revenues (Rs mn)	32,421	5.9	18.4	32,414	0.0
EBIT (Rs mn)	5,053	10.9	31.6	5,136	(1.6)
Net income (Rs mn)	4,041	10.2	35.9	4,123	(2.0)
EBIT margin (%)	15.6			15.8	(26)bps
Coforge					
Revenues (US\$ mn)	397	7.5	40.8	382	4.1
Revenues (Rs mn)	33,182	8.4	42.8	32,282	2.8
EBIT (Rs mn)	3,922	9.0	24.9	4,002	(2.0)
Net income (Rs mn)	2,278	1.8	(4.3)	2,607	(12.6)
EBIT margin (%)	11.8			12.4	(58)bps

Source: Companies, Kotak Institutional Equities estimates

Exhibit 2: Estimate revision for companies under coverage, Mar 2025

	New			Old			Change (%)		
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E
TCS									
Revenues (US\$ mn)	30,175	31,960	34,059	30,351	32,162	34,660	(0.6)	(0.6)	(1.7)
EPS (Rs)	141.1	153.2	166.1	146.2	158.7	177.4	(3.5)	(3.4)	(6.4)
EBIT margin (%)	24.7	25.0	25.1	25.4	25.4	26.0	-64 bps	-38 bps	-89 bps
Infosys									
Revenues (US\$ mn)	19,304	20,568	22,192	20,197	21,528	23,194	(4.4)	(4.5)	(4.3)
EPS (Rs)	66.1	72.4	80.0	69.2	75.7	82.8	(4.5)	(4.3)	(3.4)
EBIT margin (%)	21.2	21.4	21.7	21.2	21.5	21.6	-1 bps	-14 bps	11 bps
Wipro									
IT Services Revenues (US\$ mn)	10,130	10,396	10,681	10,509	10,823	11,322	(3.6)	(3.9)	(5.7)
EPS (Rs)	12.6	13.3	14.0	13.1	13.9	14.8	(3.6)	(4.2)	(5.9)
EBIT margin (%) - IT	17.4	17.4	17.3	17.4	17.5	17.5	-6 bps	-9 bps	-25 bps
HCLT									
Revenues (US\$ mn)	14,202	15,066	16,105	14,446	15,350	16,468	(1.7)	(1.8)	(2.2)
EPS (Rs)	66.2	71.7	78.3	67.4	74.9	82.1	(1.8)	(4.3)	(4.7)
EBIT margin (%)	18.2	18.3	18.3	18.5	18.7	18.8	-29 bps	-35 bps	-44 bps
Tech Mahindra									
Revenues (US\$ mn)	6,351	6,797	7,301	6,418	6,871	7,352	(1.1)	(1.1)	(0.7)
EPS (Rs)	60.4	78.8	88.8	62.0	80.8	91.1	(2.6)	(2.4)	(2.6)
EBIT margin (%)	12.8	14.9	15.5	12.6	15.0	15.5	21 bps	-10 bps	-6 bps
LTIMindtree									
Revenues (US\$ mn)	4,643	5,030	5,568	4,733	5,132	5,676	(1.9)	(2.0)	(1.9)
EPS (Rs)	170.4	195.7	219.5	174.5	202.4	228.4	(2.3)	(3.3)	(3.9)
EBIT margin (%)	14.4	15.0	15.0	14.6	15.0	15.1	-19 bps	-9 bps	-11 bps
Mphasis									
Revenues (US\$ mn)	1,781	1,928	2,096	1,803	1,935	2,127	(1.2)	(0.4)	(1.5)
EPS (Rs)	98.5	111.0	123.5	98.8	110.9	125.4	(0.4)	0.2	(1.5)
EBIT margin (%)	15.5	15.9	15.5	15.4	15.5	15.4	10 bps	41 bps	4 bps
Persistent									
Revenues (US\$ mn)	1,633	1,873	2,169	1,631	1,865	2,159	0.2	0.4	0.4
EPS (Rs)	110.9	128.3	153.2	107.8	129.2	158.7	3.0	(0.7)	(3.4)
EBIT margin (%)	15.2	15.6	15.8	15.0	15.5	16.1	25 bps	14 bps	-30 bps

Source: Companies, Kotak Institutional Equities estimates

Exhibit 3: Revenue growth trajectory and forecasts for IT services companies under coverage, March fiscal year-ends, 2018-27E (%)

	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Organic constant currency growth rate (%)										
HCLT	4.9	6.2	10.1	0.1	12.6	13.4	3.9	4.1	2.1	6.1
TCS	7.2	11.4	7.1	(0.8)	15.4	13.7	3.4	4.1	(0.1)	5.9
Infosys	5.8	8.6	8.5	4.1	19.7	15.3	1.4	3.4	4.8	6.5
Wipro	0.7	5.2	3.7	(3.2)	14.2	7.5	(3.9)	(2.5)	(2.6)	2.6
TechM	4.1	5.3	4.7	(4.4)	13.3	10.0	(5.4)	(0.1)	1.4	7.0
Mphasis	9.8	13.0	10.9	5.0	19.0	5.8	(8.6)	1.6	4.9	8.2
LTIMindtree	11.6	18.0	11.0	4.6	27.3	13.7	4.2	5.0	3.7	8.3
Persistent	7.7	2.3	4.1	10.9	31.2	26.1	14.1	18.1	15.5	14.7
Coforge	8.4	17.4	13.6	5.1	26.9	20.3	13.3	16.1	21.4	16.6

Note:

(a) KIE estimates have been provided wherever company disclosures are not available

(b) Wipro reclassified IT services business in 2019 and again in 2024; growth rates have been adjusted for divestments

Source: Companies, Kotak Institutional Equities estimates

Exhibit 4: EBIT margin trajectory and forecasts for IT services companies under coverage, March fiscal year-ends, 2018-27E (%)

	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
TCS	24.8	25.6	24.6	25.9	25.3	24.1	24.6	24.3	24.7	25.0
Infosys	24.3	22.8	21.3	24.5	23.0	21.1	20.7	21.1	21.2	21.4
HCLT	19.7	19.5	19.6	21.5	18.9	18.2	18.2	18.3	18.2	18.3
Wipro	15.8	17.1	17.9	20.3	17.5	15.7	15.9	17.1	17.4	17.4
TechM	11.8	15.0	11.6	14.2	14.6	11.4	6.1	9.7	12.6	15.1
Mphasis	15.1	16.1	16.0	16.1	15.3	15.3	15.1	15.3	15.3	15.5
LTIM	12.5	16.0	13.8	18.6	17.8	16.2	15.7	14.5	14.4	15.0
Persistent	10.2	12.6	9.2	12.1	13.9	14.9	14.4	14.7	15.2	15.6
Coforge	12.5	14.2	13.2	12.8	13.6	13.8	12.5	12.3	12.7	13.3

Source: Companies, Kotak Institutional Equities estimates

Exhibit 5: Revenue growth trend by industry verticals, Mar 2025

	Mar-25 quarter		Growth (US\$,%)		Growth (c/c,%)	
	Revenue	% of revenues	qoq	yoy	qoq	yoy
TCS						
BFSI	2,329	31.2	1.3	1.1		2.5
Retail & CPG	1,142	15.3	(1.0)	(1.2)		(0.2)
Communication & Media	433	5.8	(1.0)	(10.9)		(9.8)
Manufacturing	627	8.4	(1.0)	(3.2)		(2.9)
Life sciences & healthcare	754	10.1	(1.0)	(6.1)		(5.6)
Technology & Services	605	8.1	0.3	0.1		1.1
Energy, Resources & Utilities	426	5.7	0.8	3.2		4.6
Regional markets and others	1,150	15.4	(6.4)	21.0		22.5
Total	7,465	100.0	(1.0)	1.4		2.5
Infosys						
Financial Services	1,343	28.4	(2.2)	11.5		12.6
Retail	629	13.3	(7.7)	(3.6)		(2.6)
Communications	553	11.7	0.0	(1.4)		-
Energy, Utilities, Resources and Services	615	13.0	(7.8)	0.5		1.5
Manufacturing	752	15.9	(1.8)	12.1		14.0
Hi Tech	393	8.3	0.6	(1.1)		(1.1)
Life Sciences	322	6.8	(14.3)	(3.5)		(3.4)
Others	123	2.6	(7.8)	(7.1)		(2.8)
Total	4,730	100.0	(4.2)	3.6	(3.5)	4.8
Wipro						
Consumer	496	19.1	(0.7)	(0.2)	(1.3)	-
Energy, Manufacturing & Resources	449	17.3	1.1	(8.6)	1.1	(7.0)
Finance Solutions	888	34.1	(1.0)	(0.3)	(0.5)	0.8
Healthcare, Life Sciences & Services	374	14.4	(3.3)	(0.2)	(3.1)	0.1
Tech & Communications	395	15.2	(1.9)	(2.3)	(0.9)	(1.1)
Total	2,602	100.0	(1.2)	(2.3)	(0.8)	(1.2)
HCLT (IT services + ERD)						
Financial services	667	21.1	4.5	(0.5)		0.7
Manufacturing (new classification)	588	18.6	(2.1)	(7.1)		(6.1)
Technology&Services	424	13.4	1.3	11.0		10.8
Retail & CPG	307	9.7	(8.0)	8.6		9.5
Telecom, media, publishing, entertainment	440	13.9	13.6	23.1		24.3
Life sciences	465	14.7	(4.6)	(8.1)		(7.4)
Energy-utilities-public sector	272	8.6	(2.8)	(0.4)		(0.5)
Total	3,162	100.0	0.6	1.9	0.7	2.7
Tech Mahindra						
Communications	514	33.2	1.0	(2.3)		
Manufacturing	263	17.0	(0.0)	(5.4)		
Tech, Media & Entertainment	204	13.2	(8.5)	(4.4)		
BFSI	259	16.7	2.7	6.3		
Retail, transport, logistics	125	8.1	(1.3)	10.6		
Healthcare	113	7.3	(5.7)	2.1		
Others	70	4.5	(4.2)	11.9		
Total	1,549	100.0	(1.2)	0.0	(1.5)	0.3
LTIMindtree						
BFSI	420	37.1	1.2	11.8		
Hi-tech and media	265	23.4	(1.9)	1.8		
Manufacturing and resources	225	19.9	2.4	13.2		
Retail, CPG, travel	159	14.1	(2.1)	(1.2)		
Health, life sciences, public services	62	5.5	(13.3)	(15.7)		
Total	1,131	100.0	(0.7)	5.8	(0.6)	6.3
Mphasis						
Banking and Capital market	215	50.0	5.5	11.3		
Insurance	49	11.4	0.2	8.2		
IT, communication & Entertainment	76	17.8	7.5	16.6		
Logistics & transportation	47	10.9	(8.0)	(16.3)		
Emerging industries	43	9.9	(3.2)	(15.2)		
Total	430	100.0	2.6	4.8	5.4	2.9
Persistent						
BFSI	121	32.3	6.1	21.3		
Healthcare & life sciences	101	26.8	0.4	30.0		
Software, hi-tech & emerging verticals	153	40.9	5.2	10.7		
Total	375	100.0	4.2	20.7	4.5	NA

Source: Companies, Kotak Institutional Equities

Continued recovery in BFSI on yoy basis and deceleration in telecom and manufacturing

Exhibit 6: Trend in aggregate revenue growth in BFSI, telecom and manufacturing verticals, Mar 2023-Mar 2025 (US\$ mn)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BFSI									
TCS	2,367	2,348	2,350	2,308	2,305	2,319	2,362	2,299	2,329
Infosys	1,316	1,297	1,297	1,296	1,205	1,296	1,331	1,373	1,343
HCLT services	616	652	660	653	670	639	638	638	667
Wipro	977	942	912	869	890	893	926	897	888
TechM	266	248	240	233	243	245	251	252	259
LTIM	402	397	393	386	375	386	401	414	420
Mphasis	256	238	231	234	239	242	249	253	264
Persistent	89	94	94	94	95	101	109	114	121
Total	6,289	6,217	6,177	6,072	6,023	6,120	6,267	6,241	6,291
YoY revenue growth (%)	3.2	0.5	(1.5)	(3.3)	(4.2)	(1.5)	1.5	2.8	4.5
QoQ revenue growth (%)	0.2	(1.1)	(0.6)	(1.7)	(0.8)	1.6	2.4	(0.4)	0.8
Telecom									
TCS	511	506	497	488	486	465	453	437	433
Infosys	537	540	538	532	561	570	582	553	553
HCLT services	256	219	234	292	357	371	377	387	440
TechM	668	573	540	540	526	516	530	509	514
Total	1,973	1,838	1,809	1,851	1,930	1,923	1,942	1,886	1,940
YoY revenue growth (%)	2.1	(7.5)	(8.2)	(8.2)	(2.1)	4.6	7.4	1.9	0.5
QoQ revenue growth (%)	(2.1)	(6.8)	(1.6)	2.3	4.3	(0.4)	1.0	(2.9)	2.9
Manufacturing									
TCS	590	600	613	626	648	660	660	633	627
Infosys	615	651	675	695	671	693	768	766	752
HCLT services	553	574	564	605	633	590	607	601	588
TechM	266	268	272	284	278	285	274	263	263
LTIM	185	183	193	220	199	203	204	220	225
Total	2,208	2,276	2,316	2,429	2,429	2,431	2,513	2,482	2,456
YoY revenue growth (%)	11.9	13.9	9.7	10.0	10.0	6.8	8.5	2.2	1.1
QoQ revenue growth (%)	(0.0)	3.1	1.8	4.9	(0.0)	0.1	3.4	(1.2)	(1.1)

Source: Company, Kotak Institutional Equities

Yoy growth deteriorations in hi-tech, retail and healthcare verticals

Exhibit 7: Trend in aggregate revenue growth in hi-tech, retail & CPG and healthcare & life sciences verticals, Mar 2023- Mar 2025 (US\$ mn)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Hi-tech									
TCS	640	629	620	612	604	608	614	603	605
Infosys	364	374	368	359	397	377	392	390	393
HCLT services	419	386	383	385	382	395	408	418	424
Wipro	437	442	445	428	404	402	410	402	395
TechM	171	223	222	216	214	215	227	223	204
LTIM	243	251	256	248	260	281	286	270	265
Mphasis	58	60	69	63	66	66	69	71	76
Persistent	132	136	141	141	140	139	141	146	153
Total	2,464	2,500	2,504	2,451	2,466	2,483	2,546	2,524	2,515
YoY revenue growth (%)	6.6	3.5	0.7	(1.5)	0.1	(0.7)	1.7	3.0	2.0
QoQ revenue growth (%)	(1.0)	1.5	0.1	(2.1)	0.6	0.7	2.5	(0.9)	(0.4)
Retail, CPG									
TCS	1,151	1,163	1,146	1,143	1,156	1,156	1,158	1,153	1,142
Infosys	674	669	717	681	653	651	651	682	629
HCLT services	262	262	280	289	282	286	299	333	307
Wipro	537	520	507	499	497	504	511	500	496
TechM	127	114	120	128	113	119	126	127	125
LTIM	163	160	165	159	161	159	163	163	159
Total	2,913	2,888	2,936	2,899	2,863	2,875	2,908	2,958	2,859
YoY revenue growth (%)	8.8	3.7	3.5	0.3	(1.7)	(0.5)	(1.0)	2.0	(0.1)
QoQ revenue growth (%)	0.8	(0.8)	1.7	(1.3)	(1.2)	0.4	1.2	1.7	(3.3)
Healthcare and life sciences									
TCS	784	795	786	794	803	826	798	761	754
Infosys	328	332	368	354	333	344	357	375	322
HCLT services	509	505	511	493	506	483	498	487	465
Wipro	344	339	345	369	375	365	362	386	374
Persistent	54	53	56	66	75	88	96	100	101
Total	2,019	2,023	2,066	2,076	2,092	2,106	2,111	2,111	2,015
YoY revenue growth (%)	13.4	11.6	10.3	5.5	3.6	4.1	2.2	1.7	(3.7)
QoQ revenue growth (%)	2.6	0.2	2.1	0.5	0.7	0.7	0.2	(0.0)	(4.5)

Note:

(a) Wipro merged hi-tech and telecom verticals as tech & communications verticals; restated revenues as part of Hi-Tech vertical.

Source: Companies, Kotak Institutional Equities

Exhibit 8: Vertical-wise outlook across key IT services companies

	Infosys	TCS	Wipro	HCLT	TechM	Accenture	Cognizant	LTIM
BFS	Budgets are flat to slightly higher. Focus on AI, regulatory compliance and cost management. Expect steady growth in capital markets, cards and payments in large global banks and U.S. regional banks.	Continue to focus on tech modernization, cost optimization, vendor consolidation and regulatory spend.	Clients are cautious on discretionary spend and are in wait and watch mode. Some decisions have slowed down.		Discretionary spending continues	Discretionary spending improved in banking capital markets in US	Discretionary spending is healthy. Clients continued to invest in cloud and data modernization and in building foundations for AI-led innovation.	Focused on regulatory commitment and data transformation
Insurance		Instances of delayed decision making in the US.						
Telecom	Discretionary spending remains under pressure. Focus on cost take-outs	Discretionary spending remains under pressure. Focus on cost take-outs			Signs of stability returning, especially in Europe and Asia Pacific			
Technology	Discretionary spending remains under pressure.	Flat IT budgets. Cautious optimism.			Outlook has turned cautious due to macro pressure		Discretionary demand is stable, but not improving.	Expect continued momentum
Retail	Expect tightening of client budgets. Stretched decision cycles for discretionary spending and large deals. Focus on AI, cloud, cost takeouts.	Heightened caution and delays in discretionary projects, especially in the US. Focus on cost take-outs and core modernization.	Facing direct impact of tariffs	Expect retail and manufacturing to be among the first verticals to be impacted			Weak discretionary spending. Clients are slowing their spending decisions and preparing for more direct impact from changes in tariff policies	Discretionary spending trend remains the same
Manufacturing	Budgets are lower for auto and industrial manufacturing and flat for aero. Expect subdued spend and delayed decision making. Continued weakness in Europe auto. Focus on cost takeouts, infra transformation and in some cases, ERP programs.	Continued weakness. Auto OEMs are under pressure. Aero faces supply chain disruptions. Focus on cost take-outs and technical debt reduction.	Facing direct impact of tariffs especially automotive and industrial	Expect retail and manufacturing to be among the first verticals to be impacted	Weakness started from second half of 4QFY25 in auto		Weak discretionary spending. Clients are slowing their spending decisions and preparing for more direct impact from changes in tariff policies	Steady and growth oriented in the short term
E&U	Continues to grow. Strong pipeline. Volatile energy prices pose risks. Healthy demand in utilities.	Continues to grow well. Strong pipeline						
Healthcare		Focus on cost takeouts. Delayed deal closures. Reassessment of growth programs					Discretionary spending pressure continues. Some slowdown in client decision-making and discretionary spending. Clients are watchful of changes to government healthcare programs.	
<div> <div>Legend</div> <div>Headwinds</div> <div>Tailwinds</div> </div>								

Source: Companies, Kotak Institutional Equities

Exhibit 9: Revenue growth trend by geographies, Mar 2025 (US\$ mn, %)

	Mar-25 quarter		Growth (US\$, %)		Growth (c/c, %)	
	Revenues	% of revenues	qoq	yoy	qoq	yoy
TCS						
North America	3,598	48.2	0.1	(2.3)		(1.9)
Latin America	134	1.8	(6.2)	(8.8)		4.3
UK	1,254	16.8	0.2	1.4		1.2
Continental Europe	1,067	14.3	1.9	(0.7)		1.4
India	627	8.4	(15.1)	27.1		33.0
Asia Pacific	605	8.1	2.8	5.3		6.4
MEA	179	2.4	3.3	15.9		13.2
Total	7,465	100.0	(1.0)	1.4		2.5
Infosys						
North America	2,701	57.1	(6.4)	(0.7)		(0.4)
Europe	1,476	31.2	0.3	13.1		15.0
India	137	2.9	(10.4)	36.6		43.7
Rest of the world	416	8.8	(3.1)	(5.0)		(2.2)
Total	4,730	100.0	(4.2)	3.6	(3.5)	4.8
Wipro						
Americas 1	852	32.8	0.3	5.4	0.2	6.0
Americas 2	795	30.6	(1.2)	(2.6)	(1.0)	(1.8)
Europe	678	26.1	(3.5)	(8.3)	(2.5)	(6.9)
APMEA	273	10.5	(0.3)	(7.6)	1.0	(4.9)
Total	2,597	100.0	(1.2)	(2.3)	(0.8)	(1.2)
HCLT (IT services + ERD)						
US	2,021	63.9	(1.9)	(0.2)		0.1
Europe	923	29.2	(1.9)	(0.2)		4.3
ROW	218	6.9	4.1	2.9		23.2
Total	3,162	100.0	0.6	1.9	0.7	2.7
Tech M						
North America	750	48.4	(5.9)	(4.7)		
Europe	393	25.4	6.3	5.0		
Rest of the world	406	26.2	1.2	4.9		
Total	1,549	100.0	(1.2)	0.0	(1.5)	0.3
LTIMindtree						
North America	843	74.5	(0.9)	6.8		
Europe	154	13.6	(2.1)	(1.5)		
RoW	135	11.9	2.8	8.5		
Total	1,131	100.0	(0.7)	5.8	(0.6)	6.3
Mphasis						
Americas	353	82.0	3.3	6.2		
EMEA	43	9.9	0.5	(5.7)		
India	22	5.1	(12.7)	0.3		
ROW	13	2.9	26.6	15.7		
Total	430	100.0	2.6	4.8	0.2	2.9
Persistent						
North America	302	80.5	4.2	21.3		
Europe	32	8.4	6.7	30.0		
RoW	42	11.1	2.3	10.7		
Total	375	100.0	4.2	20.7	4.5	NA
Coforge						
Americas	222	56.0	9.2	69.2		
EMEA	136	34.2	8.7	20.4		
RoW	39	9.8	(5.1)	3.0		
Total	397	100.0	7.5	40.8	8.4	40.3

Source: Companies, Kotak Institutional Equities

Europe and RoW continue to outperform Americas on revenue growth

Exhibit 10: Revenue growth trend by geographies, Mar 2023-Mar 2025 (US\$ mn)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Total revenue									
TCS	7,195	7,226	7,210	7,281	7,363	7,505	7,670	7,539	7,465
Infosys	4,554	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730
HCLT services	2,908	2,883	2,922	3,009	3,104	3,041	3,114	3,144	3,162
Wipro	2,823	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,597
TechM	1,668	1,601	1,555	1,573	1,548	1,559	1,589	1,567	1,549
LTIM	1,058	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131
Mphasis	412	398	398	402	411	410	421	419	430
Persistent	275	283	292	301	311	328	346	360	375
Total	20,892	20,845	20,884	20,968	21,027	21,279	21,820	21,737	21,439
YoY revenue growth (%)	5.4	3.2	1.3	(0.4)	0.7	2.1	4.5	3.7	2.0
QoQ revenue growth (%)	(0.8)	(0.2)	0.2	0.4	0.3	1.2	2.5	(0.4)	(1.4)
Americas									
TCS	3,900	3,902	3,872	3,837	3,829	3,858	3,789	3,739	3,733
Infosys	2,778	2,807	2,883	2,751	2,720	2,777	2,809	2,884	2,701
HCLT services	1,855	1,860	1,884	1,941	2,024	2,007	2,027	2,060	2,021
Wipro	1,675	1,634	1,620	1,620	1,624	1,620	1,633	1,654	1,646
TechM	827	823	829	816	787	817	812	797	750
LTIM	760	774	789	788	789	823	845	851	843
Mphasis	333	323	316	323	333	332	340	342	353
Persistent	214	224	231	240	249	265	281	290	302
Total	12,342	12,346	12,424	12,315	12,354	12,498	12,537	12,616	12,348
YoY revenue growth (%)	6.6	2.5	(0.3)	(2.1)	0.1	1.2	0.9	2.4	(0.1)
QoQ revenue growth (%)	(1.9)	0.0	0.6	(0.9)	0.3	1.2	0.3	0.6	(2.1)
Europe									
TCS	2,216	2,262	2,264	2,286	2,312	2,349	2,424	2,299	2,322
Infosys	1,230	1,237	1,250	1,315	1,305	1,339	1,458	1,472	1,476
HCLT services	840	827	833	872	897	848	884	887	923
Wipro	832	820	776	736	739	725	742	702	678
TechM	422	394	367	374	375	365	381	370	393
LTIM	163	161	165	157	156	158	162	157	154
Mphasis	44	41	48	47	45	45	46	43	43
Persistent	28	27	28	27	24	26	27	30	32
Total	5,775	5,770	5,730	5,814	5,853	5,855	6,126	5,959	6,020
YoY revenue growth (%)	5.5	6.9	6.4	2.3	1.4	1.5	6.9	2.5	2.8
QoQ revenue growth (%)	1.6	(0.1)	(0.7)	1.5	0.7	0.0	4.6	(2.7)	1.0
RoW									
TCS	1,079	1,062	1,074	1,158	1,222	1,298	1,457	1,500	1,411
Infosys	546	573	585	597	539	599	626	583	553
HCLT services	212	196	205	196	183	185	202	198	218
Wipro	316	325	317	300	295	281	285	273	273
TechM	419	384	359	382	387	377	395	400	406
LTIM	134	124	122	139	124	115	119	131	135
Mphasis	35	34	35	33	33	33	35	35	35
Persistent	32	31	33	34	38	38	37	41	42
Total	2,775	2,729	2,730	2,839	2,820	2,926	3,158	3,162	3,071
YoY revenue growth (%)	0.2	(0.8)	(1.7)	1.5	1.6	7.2	15.7	11.4	8.9
QoQ revenue growth (%)	(0.8)	(1.6)	0.0	4.0	(0.6)	3.7	7.9	0.1	(2.9)

Notes:

- (a) Americas includes Latin America for TCS, HCLT, TechM, Wipro, and Mphasis and only North America for Infosys, LTIM, Persistent
(b) Wipro includes ISRE business from Sep-22 quarter

Source: Companies, Kotak Institutional Equities

Exhibit 11: Revenue growth trend by top clients, Mar 2025

	Mar-25 quarter		Growth (US\$, %)			Mar-25 quarter		Growth (US\$, %)	
	Revenues	% of revenues	qoq	yoy		Revenue	% of revenues	qoq	yoy
Infosys									
Top 5	620	13.1	(1.2)	(0.2)	Top 5	313	27.7	(1.4)	3.5
Top 10	979	20.7	(0.4)	5.2	Top 10	388	34.3	(1.3)	2.2
Top 25	1,646	34.8	(2.6)	5.1	Top 20	507	44.8	(2.2)	3.2
Ex-top 25	3,084	65.2	(5.1)	2.8	Top 40	647	57.2	(2.2)	4.3
Total revenue	4,730	100.0	(4.2)	3.6	Ex top 20	624	55.2	0.6	7.9
Wipro									
Top	114	4.4	(3.4)	13.1	Total revenue	1,131	100.0	(0.7)	5.8
Top 5	376	14.5	0.1	5.7	Persistent				
Top 10	628	24.2	0.8	7.5	Top client	40	10.6	6.8	59.5
Ex top 10	1,968	75.8	(1.9)	(5.0)	Top 5 clients	123	32.7	10.6	35.1
Total revenue	2,597	100.0	(1.2)	(2.3)	Top 10 clients	158	42.2	9.9	27.3
HCLT									
Top 5 (LTM)	1,758	9.8	1.3	27.4	Top 20 clients	199	53.0	8.5	25.2
Top 10 (LTM)	2,796	17.7	(0.0)	12.1	Ex top 20	176	47.0	(0.3)	16.0
Top 20 (LTM)	4,207	28.0	(1.1)	9.3	Total revenue	375	100.0	4.2	20.7
Ex top 20 (LTM)	9,633	72.0	1.2	2.2	Mphasis (LTM)				
Total revenue	3,498	100.0	(1.0)	2.0	Top (LTM)	235	15.0	(5.6)	4.4
Tech Mahindra									
Top 5	263	17.0	(0.0)	(5.4)	Top 5 (LTM)	706	43.0	(1.2)	(0.3)
Top 10	204	13.2	(8.5)	(4.4)	Top 10 (LTM)	908	53.0	3.1	4.4
Top 20	259	16.7	2.7	6.3	Ex top 10 (LTM)	773	47.0	(1.0)	4.4
Ex top 20	113	7.3	(5.7)	2.1	Total revenue	430	100.0	2.6	4.8
Total revenue	1,549	100.0	(1.2)	0.0					

Source: Companies, Kotak Institutional Equities

Companies have limited service-line disclosures over a period of time
Exhibit 12: Revenue growth trend by service lines, Mar 2025 (US\$ mn, %)

	Mar-25 quarter		Growth (US\$, %)		Growth (c/c, %)	
	Revenues	% of revenues	qoq	yoy	qoq	yoy
Infosys						
Services	4,507	95.3	(4.2)	3.8		
Products & platforms	223	4.7	(5.5)	(0.3)		
Total	4,730	100	(4.2)	3.6	(3.5)	4.8
HCLT						
IT and Business Services	2,564	73.3	(0.6)	0.5	(0.3)	1.4
Engineering and R&D Services	598	17.1	5.8	8.3	5.5	8.5
Products & Platforms	346	9.9	(13.3)	1.0	(12.9)	4.9
Total	3,498	100	(1.0)	2.0	(0.8)	2.9
Tech Mahindra						
IT services	1,311	84.6	(0.3)	(0.5)		
BPO	238	15.4	(5.7)	3.3		
Total	1,549	100	(1.2)	0.0	0.3	0.3

Source: Companies, Kotak Institutional Equities

Weak ttm deal TCV trend across most large companies with the exception of TechM
Exhibit 13: Trend in TCV of deals won in the past few quarters, Mar 2023-Mar 2025 (US\$ mn)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
TCV of deal wins (US\$ mn)									
TCS (a)	10,000	10,200	11,200	8,100	13,200	8,300	8,600	10,200	12,200
Infosys (b)	2,076	2,285	7,684	3,241	4,454	4,085	2,430	2,495	2,637
TechM (d)	592	359	640	381	500	534	603	745	798
Mphasis (c)	309	707	255	241	177	319	207	351	390
Wipro total (d)	4,172	3,724	3,800	3,791	3,607	3,284	3,561	3,514	3,955
Wipro large deals	1,083	1,198	1,300	909	1,191	1,154	1,489	961	1,763
HCLT (e)	2,074	1,565	3,969	1,927	2,290	1,960	2,218	2,095	2,995
Persistent (a)	422	380	479	521	448	463	529	594	518
LTIMindtree (a)	1,350	1,410	1,300	1,500	1,433	1,400	1,300	1,680	1,600
TCV of deal wins (YoY growth, %)									
TCS	(11.5)	24.4	38.3	3.8	32.0	(18.6)	(23.2)	25.9	(7.6)
Infosys	(8.0)	35.1	180.0	(1.8)	114.5	78.8	(68.4)	(23.0)	(40.8)
TechM	(41.4)	(55.2)	(10.6)	(52.1)	(15.5)	48.7	(5.8)	95.5	59.6
Mphasis	(11.0)	134.1	(15.6)	(39.9)	(42.7)	(54.9)	(18.8)	45.6	120.3
Wipro total				(12.5)	(13.5)	(11.8)	(6.3)	(7.3)	9.6
Wipro large deals	167.4	6.7	82.3	(7.1)	10.0	(3.7)	14.5	5.7	48.0
HCLT	(8.2)	(23.8)	66.5	(17.9)	10.4	25.2	(44.1)	8.7	30.8
Persistent	16.8	(3.5)	30.3	18.4	6.2	21.7	10.4	13.9	15.6
LTIMindtree				20.0	6.1	(0.7)	-	12.0	11.7
TCV on ttm basis (US\$ mn)									
TCS	34,100	36,100	39,200	39,500	42,700	40,800	38,200	40,300	39,300
Infosys	9,811	10,405	15,345	15,286	17,664	19,464	14,210	13,464	11,647
TechM	2,905	2,462	2,386	1,972	1,880	2,055	2,018	2,382	2,680
Mphasis	1,314	1,719	1,672	1,512	1,380	992	944	1,054	1,267
Wipro total			16,029	15,487	14,922	14,482	14,243	13,966	14,314
Wipro large deals	3,897	3,972	4,559	4,490	4,598	4,554	4,743	4,795	5,367
HCLT	8,859	8,370	9,955	9,535	9,751	10,146	8,395	8,563	9,268
Persistent	1,624	1,610	1,721	1,803	1,829	1,911	1,961	2,034	2,103
LTIMindtree			5,310	5,560	5,643	5,633	5,633	5,813	5,980
Growth in TCV on ttm basis (yoy, %)									
TCS	(1.4)	4.0	11.4	11.6	25.2	13.0	(2.6)	2.0	(8.0)
Infosys	3.2	20.6	66.5	53.0	80.0	87.1	(7.4)	(11.9)	(34.1)
TechM	(11.4)	(24.6)	(26.2)	(40.7)	(35.3)	(16.5)	(15.4)	20.8	42.6
Mphasis	(8.0)	40.3	30.0	11.8	5.0	(42.3)	(43.5)	(30.3)	(8.2)
Wipro total							(11.1)	(9.8)	(4.1)
Wipro large deals			60.5	39.5	18.0	14.7	4.0	6.8	16.7
HCLT	6.6	(3.8)	12.7	5.4	10.1	21.2	(15.7)	(10.2)	(5.0)
Persistent	32.8	17.4	18.1	15.3	12.6	18.7	13.9	12.8	15.0
LTIMindtree							6.1	4.6	6.0

Notes:

- (a) TCV of all deals signed
- (b) TCV of all deals signed in excess of US\$50 mn
- (c) TCV of new deal wins signed in Direct International business
- (d) TCV of new business signed in excess of US\$5 mn
- (e) TCV of new deal signed

Source: Company, Kotak Institutional Equities

Yoy EBIT margin improvement except for LTIM and TCS

Exhibit 14: EBIT margin trend across companies under coverage (%)

	Mar-24	Dec-24	Mar-25	qoq (bps)	yoy (bps)
TCS	26.0	24.5	24.2	-28 bps	-180 bps
Infosys	20.1	21.3	21.0	-39 bps	86 bps
Wipro IT	16.4	17.5	17.5	0 bps	110 bps
HCL Tech	17.6	19.5	17.9	-162 bps	32 bps
Tech Mahindra	7.4	10.2	10.5	34 bps	315 bps
LTIMindtree	14.7	13.8	13.8	1 bps	-95 bps
Mphasis	14.9	15.3	15.3	-4 bps	40 bps
Persistent	14.5	14.9	15.6	70 bps	113 bps

Note:

(a) Adjusted GAAP / non-GAAP EBIT margin

Source: Company, Kotak Institutional Equities

Attrition rates inched up for most companies on yoy comparison

Exhibit 15: Attrition rate among IT services companies, Mar 2023-Mar 2025 (%)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
TCS (a)	20.1	17.8	14.9	13.3	12.5	12.1	12.3	13.0	13.3
Infosys (b)	20.9	17.3	14.6	12.9	12.6	12.7	12.9	13.7	14.1
Wipro (b)	19.4	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15.0
HCL Tech (b)	19.5	16.3	14.2	12.8	12.4	12.8	12.9	13.2	13.0
Tech Mahindra (c)	14.8	12.8	11.0	10.3	10.0	10.1	10.6	11.2	11.8
LTIMindtree (b)	20.2	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4
Persistent (b)	19.8	15.5	13.5	11.9	11.5	11.9	12.0	12.6	12.9

Notes:

(a) LTM, IT services

(b) LTM, IT services, voluntary

(c) LTM, IT services, voluntary, organic

Source: Companies, Kotak Institutional Equities

High utilization levels except for Mphasis

Exhibit 16: Utilization rate among IT services companies, Mar 2023-Mar 2025 (%)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Infosys (a)	76.9	78.9	80.4	81.7	82.0	83.9	84.3	83.4	81.9
Infosys (b)	80.0	81.1	81.8	82.7	83.5	85.3	85.9	86.0	84.9
Wipro (d)	81.7	83.7	84.5	84.0	86.9	87.7	86.4	83.5	84.6
Tech Mahindra (c)	86.5	87.2	86.2	87.6	86.4	86.1	86.1	86.0	86.3
LTIMindtree (b)	81.7	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8
Mphasis (onsite) (c)	89.0	89.0	87.0	84.0	86.0	86.0	87.0	86.0	89.0
Mphasis (offshore) (c)	75.0	75.0	72.0	69.0	71.0	75.0	74.0	74.0	78.0
Persistent (c)	77.3	78.3	80.6	81.5	80.0	82.1	84.8	87.4	88.1
Coforge (c)	81.5	81.0	80.0	79.4	81.7	81.6	82.2	81.3	—

Notes:

(a) Including trainees, IT services and consulting

(b) Excluding trainees, IT services and consulting

(c) Including trainees

(d) Wipro IT Services net utilization (excl. trainees), IT Services excl. BPO, DOP and acquired entities

Source: Companies, Kotak Institutional Equities

Subcontractor usage reduction lever has been maxed out for a few companies such as TCS

Exhibit 17: Subcontracting costs as a % of revenue among IT services companies, Mar 2023-Mar 2025(%)

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Infosys	8.7	8.3	8.2	7.9	7.9	7.8	8.1	7.8	7.9	8.0
TCS	9.4	8.6	7.7	7.2	6.6	4.9	4.3	4.7	4.6	4.5
Wipro	12.2	12.1	11.6	11.8	11.6	11.0	11.3	11.0	11.6	11.1
HCLT	14.5	14.2	13.8	13.2	13.1	13.0	12.6	13.0	13.0	13.2
TechM	14.4	14.1	14.0	12.4	11.5	13.6	11.6	11.4	11.0	10.1
LTIMindtree	8.8	7.7	7.4	7.5	7.2	6.7	7.2	7.2	7.1	6.2
Persistent	13.2	10.3	10.2	10.0	12.2	14.1	15.4	14.7	14.1	14.5

Source: Companies, Kotak Institutional Equities

Mid-tier continues to outperform Tier-1

Exhibit 18: Revenue growth comparison between Tier-1 IT and mid-tier companies qoq and yoy, Mar 2023-Mar 2025 (%)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
USD revenues									
TCS	7,195	7,226	7,210	7,281	7,363	7,505	7,670	7,539	7,465
Infosys	4,554	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730
Wipro	2,823	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,597
HCL Tech	3,235	3,200	3,225	3,415	3,430	3,364	3,445	3,533	3,498
Tech Mahindra	1,668	1,601	1,555	1,573	1,548	1,559	1,589	1,567	1,549
Tier 1 IT	19,474	19,422	19,421	19,588	19,562	19,768	20,258	20,208	19,838
USD revenues									
LTIMindtree	1,058	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131
Mphasis	412	398	398	402	411	410	421	419	430
Persistent	275	283	292	301	311	328	346	360	375
Mid-Tier IT	1,744	1,740	1,766	1,787	1,791	1,834	1,893	1,918	1,937
QoQ % in USD revenues									
TCS	1.7	0.4	(0.2)	1.0	1.1	1.9	2.2	(1.7)	(1.0)
Infosys	(2.3)	1.4	2.2	(1.2)	(2.1)	3.3	3.8	0.9	(4.2)
Wipro	0.7	(1.6)	(2.3)	(2.1)	0.0	(1.2)	1.3	(1.2)	(1.2)
HCL Tech	(0.3)	(1.1)	0.8	5.9	0.4	(1.9)	2.4	2.6	(1.0)
Tech Mahindra	(0.0)	(4.0)	(2.8)	1.1	(1.6)	0.7	1.9	(1.3)	(1.2)
Tier 1 IT	0.1	(0.3)	(0.0)	0.9	(0.1)	1.0	2.5	(0.2)	(1.8)
QoQ % in USD revenues									
LTIMindtree	1.0	0.1	1.6	0.8	(1.3)	2.5	2.8	1.1	(0.7)
Mphasis	(4.1)	(3.4)	0.1	1.0	2.1	(0.2)	2.7	(0.4)	2.6
Persistent	3.9	3.0	3.1	3.0	3.4	5.6	5.3	4.3	4.2
Mid-Tier IT	(12.5)	(0.2)	1.5	1.2	0.2	2.4	3.2	1.3	1.0
YoY % in USD revenues									
TCS	7.5	6.6	4.8	2.9	2.3	3.9	6.4	3.5	1.4
Infosys	6.4	3.9	3.6	0.1	0.2	2.1	3.7	5.9	3.6
Wipro	3.7	1.6	(3.7)	(5.9)	(6.4)	(5.5)	(2.0)	(1.0)	(2.3)
HCL Tech	8.1	5.8	4.6	5.3	6.0	5.1	6.8	3.5	2.0
Tech Mahindra	3.7	(1.9)	(5.1)	(5.7)	(7.2)	(2.6)	2.2	(0.4)	0.1
Tier 1 IT	6.4	4.3	2.5	0.7	0.5	1.8	4.3	3.2	1.4
YoY % in USD revenues									
LTIMindtree	11.9	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8
Mphasis	(4.3)	(8.7)	(9.5)	(6.3)	(0.3)	3.0	5.7	4.2	4.8
Persistent	26.3	17.1	14.1	13.7	13.2	16.0	18.4	19.8	20.7
Mid-Tier IT	(4.4)	(8.2)	(10.1)	(10.3)	2.7	5.4	7.2	7.4	8.1

Note:

(a) Wipro reclassified global IT business revenues in Sep-23

Source: Companies

Exhibit 19: Revenue, margin and EPS estimates under recessionary scenario for IT services companies

Recessionary scenario															
	Revenue (US\$ mn)			Revenue growth (%)		US\$/Rs		EBIT margin (%)			EPS (Rs)			Growth (%)	
	2025	2026E	2027E	2026E	2027E	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2026E	2027E
TCS	30,179	28,798	30,094	(4.6)	4.5	85.5	86.0	24.3	24.2	24.5	134.2	130.4	138.0	(2.8)	5.9
Infosys	19,277	18,403	19,139	(4.5)	4.0	85.5	86.0	21.1	19.8	20.4	63.3	58.8	63.4	(7.2)	7.9
HCL Tech	13,840	13,538	14,039	(2.2)	3.7	85.5	86.0	18.3	17.1	17.6	63.6	59.1	62.9	(7.2)	6.5
Wipro	10,512	9,947	10,047	(5.4)	1.0	85.5	86.0	17.1	16.0	16.3	12.5	11.4	11.9	(9.1)	4.3
TechM	6,264	5,949	6,246	(5.0)	5.0	85.5	86.0	9.7	10.9	12.7	48.1	48.7	60.4	1.3	24.0
LTIMindtree	4,493	4,383	4,624	(2.4)	5.5	85.5	86.0	14.5	13.2	13.9	155.7	148.9	167.6	(4.3)	12.5
Mphasis	1,681	1,607	1,687	(4.4)	5.0	85.5	86.0	15.3	14.1	14.5	89.9	81.6	89.4	(9.2)	9.6
Persistent	1,409	1,582	1,787	12.2	13.0	85.5	86.0	14.7	13.5	13.8	90.0	94.6	105.4	5.0	11.5

Base case scenario															
	Revenue (US\$ mn)			Revenue growth (%)		US\$/Rs		EBIT margin (%)			EPS (Rs)			Growth (%)	
	2025	2026E	2027E	2026E	2027E	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2026E	2027E
TCS	30,179	30,175	31,960	(0.0)	5.9	86.6	88.5	24.3	24.7	25.0	134.2	141.1	153.2	5.1	8.6
Infosys	19,277	19,304	20,568	0.1	6.5	86.6	88.5	21.1	21.2	21.4	63.3	66.1	72.4	4.4	9.5
HCL Tech	13,840	14,202	15,066	2.6	6.1	86.6	88.5	18.3	18.2	18.3	63.6	66.2	71.7	4.0	8.3
Wipro	10,512	10,130	10,396	(3.6)	2.6	86.6	88.5	17.1	17.4	17.4	12.5	12.6	13.3	0.7	5.3
TechM	6,264	6,316	6,755	0.8	6.9	86.6	88.5	9.7	12.6	15.1	48.1	60.1	78.3	25.0	30.3
LTIMindtree	4,493	4,643	5,030	3.4	8.3	86.6	88.5	14.5	14.4	15.0	155.7	170.4	195.7	9.5	14.8
Mphasis	1,681	1,781	1,928	6.0	8.2	86.6	88.5	15.3	15.3	15.5	89.8	98.5	111.0	9.7	12.8
Persistent	1,409	1,633	1,873	15.9	14.7	86.6	88.5	14.7	15.2	15.6	90.0	110.9	128.3	23.2	15.7

Downside in recessionary scenario compared to base case scenario															
	Revenue (US\$ mn)					US\$/Rs		EBIT margin (%)			EPS (Rs)				
	2025	2026E	2027E			2026E	2027E	2025	2026E	2027E	2025	2026E	2027E		
TCS		(4.6)	(5.8)			(1.3)	(2.8)		(0.6)	(0.5)	0.0	(7.6)	(9.9)		
Infosys		(4.7)	(6.9)			(1.3)	(2.8)		(1.4)	(1.0)	0.0	(11.0)	(12.4)		
HCL Tech		(4.7)	(6.8)			(1.3)	(2.8)		(1.1)	(0.8)	—	(10.8)	(12.2)		
Wipro		(1.8)	(3.4)			(1.3)	(2.8)		(1.4)	(1.1)	0.0	(9.7)	(10.5)		
TechM		(5.8)	(7.5)			(1.3)	(2.8)		(1.7)	(2.3)	0.0	(19.0)	(22.9)		
LTIMindtree		(5.6)	(8.1)			(1.3)	(2.8)		(1.2)	(1.0)	0.0	(12.6)	(14.4)		
Mphasis		(9.8)	(12.5)			(1.3)	(2.8)		(1.2)	(1.0)	0.1	(17.1)	(19.5)		
Persistent		(3.2)	(4.6)			(1.3)	(2.8)		(1.8)	(1.9)	—	(14.8)	(17.8)		

Source: Companies, Kotak Institutional Equities estimates

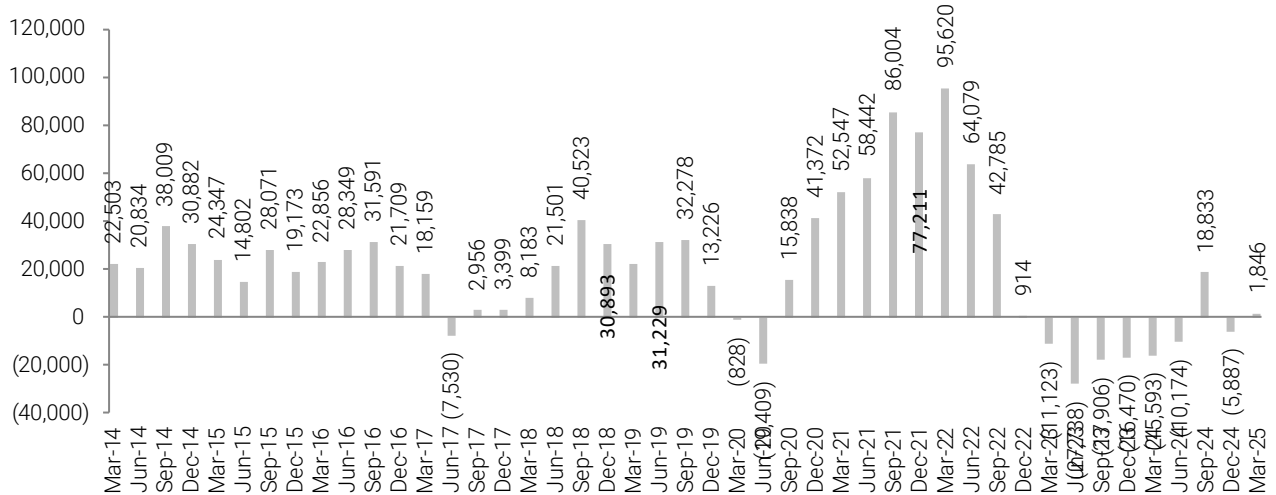
Exhibit 20: We estimate 17-39% downside to current FV and 22-45% downside compared to CMP for stocks under coverage in the event of a near term moderate recession

Company	Trough case EPS (Rs/ share)		PE multiple (X)	Current EPS (Rs/ share)		Change (%)		FV (Rs/ share)	Implied FV (Rs/ share)	CMP (Rs/ share)	Upside / (downside)	
	FY2026E	FY2027E		FY2026E	FY2027E	FY2026E	FY2027E				% vs CMP	% vs base case FV
TCS	130	138	18	141.1	153.2	(7.6)	(9.9)	3,800	2,661	3,445	(23)	(30)
Infosys	59	63	18	66.1	72.4	(11.0)	(12.4)	1,700	1,168	1,507	(22)	(31)
HCL Technologies	59	63	17	66.2	71.7	(10.8)	(12.2)	1,500	1,128	1,577	(28)	(25)
Wipro	11.4	11.9	15	12.6	13.3	(9.7)	(10.5)	225	187	243	(23)	(17)
Tech Mahindra	49	60	16	60.1	78.3	(19.0)	(22.9)	1,650	1,007	1,496	(33)	(39)
LTIMindtree	149	168	18	170.4	195.7	(12.6)	(14.4)	4,800	3,106	4,580	(32)	(35)
Mphasis	82	89	17	98.5	111.1	(17.1)	(19.5)	2,400	1,590	2,461	(35)	(34)
Coforge	171	206	25	205.5	262.2	(17.0)	(21.5)	8,500	5,243	7,382	(29)	(38)
Persistent System	95	105	28	110.9	128.3	(14.8)	(17.8)	4,500	2,990	5,426	(45)	(34)

Source: Companies, Kotak Institutional Equities estimates

Modest net headcount addition qoq

Exhibit 21: Net headcount addition across top-6 offshore pureplays (TCS, Infosys, CTSH, Wipro, HCLT and TM), Mar 2014-Mar 2025



Source: Companies, Kotak Institutional Equities

Exhibit 22: Valuation summary of key Indian technology companies

	2-May-25		Mkt cap.		EPS (Rs)			P/E (X)			EV/EBITDA (X)			RoE (%)		
Company	Price (Rs)	Rating	(Rs m)	(US\$ m)	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Coforge	7,382	BUY	493,700	5,843	141.9	205.5	262.2	52.0	35.9	28.1	25.0	19.0	15.5	19.7	22.3	25.6
Cyient	1,193	REDUCE	132,492	1,568	55.5	62.7	75.0	21.5	19.0	15.9	10.5	9.7	8.2	11.9	11.7	12.9
HCL Technologies	1,577	REDUCE	4,278,093	50,635	63.6	66.2	71.7	24.8	23.8	22.0	15.7	15.3	14.0	25.3	25.4	25.9
Indegene	532	BUY	127,636	1,511	17.0	20.0	23.6	31.2	26.6	22.5	20.2	16.7	13.9	20.9	17.1	17.4
Infosys	1,507	BUY	6,258,137	74,070	63.3	66.1	72.4	23.8	22.8	20.8	15.2	14.6	13.4	28.6	27.6	28.6
KPIT Technologies	1,233	SELL	338,129	4,002	27.6	30.4	36.6	44.7	40.6	33.7	26.3	24.1	19.9	29.7	26.0	26.2
L&T Technology Services	4,194	REDUCE	444,038	5,256	119.4	130.4	151.7	35.1	32.2	27.6	21.9	19.8	17.2	22.2	21.4	22.1
LTIMindtree	4,580	ADD	1,356,958	16,061	155.7	170.4	195.7	29.4	26.9	23.4	18.8	17.6	15.2	21.5	21.1	22.0
Mphasis	2,461	REDUCE	467,720	5,536	89.9	98.5	111.1	27.4	25.0	22.2	16.9	15.6	14.0	18.4	18.8	20.0
Persistent Systems	5,426	SELL	845,564	10,008	90.0	110.9	128.3	60.3	48.9	42.3	40.6	33.4	27.9	24.8	25.1	24.7
Rategain	448	REDUCE	52,888	626	17.7	19.4	21.7	25.3	23.2	20.7	19.7	17.1	14.0	13.4	12.8	12.6
Tata Elxsi	5,821	SELL	362,556	4,291	126.0	121.6	146.2	46.2	47.9	39.8	34.5	33.9	28.1	30.0	25.6	28.6
Tata Technologies	647	SELL	262,508	3,107	16.7	18.5	20.9	38.7	35.0	31.0	26.2	25.3	22.7	20.0	19.9	20.3
TCS	3,445	BUY	12,463,226	147,513	134.2	141.1	153.2	25.7	24.4	22.5	17.8	16.9	15.5	51.2	50.4	50.3
Tech Mahindra	1,496	BUY	1,323,864	15,669	48.1	60.1	78.3	31.1	24.9	19.1	17.9	14.4	11.4	15.8	19.1	23.8
Wipro	243	SELL	2,543,442	30,104	12.5	12.6	13.3	19.4	19.2	18.3	12.0	11.8	11.2	16.5	15.6	15.7

Company	Fair Value (Rs)	O/S shares (mn)	EPS CAGR (%)	EPS growth (%)			Net Profit (Rs mn)			EBITDA (Rs mn)			Sales (Rs mn)		
				2025-27E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E
Coforge	8,500	70	35.9	6.7	44.8	27.6	9,564	14,443	18,530	19,811	25,750	31,384	123,246	160,878	191,616
Cyient	1,150	111	16.3	(16.3)	13.1	19.5	6,157	6,966	8,327	11,433	11,882	13,876	73,604	75,596	85,221
HCL Technologies	1,500	2,718	6.2	9.9	4.0	8.3	172,773	179,899	195,024	255,029	260,393	281,970	1,171,033	1,230,313	1,333,382
Indegene	660	241	17.7	13.8	17.5	18.0	4,225	4,819	5,687	5,501	6,404	7,358	28,393	32,359	37,217
Infosys	1,700	4,151	6.9	8.2	4.4	9.5	262,930	274,378	300,478	392,350	404,808	439,663	1,629,900	1,672,266	1,820,248
KPIT Technologies	1,000	274	15.2	29.5	10.3	20.4	7,544	8,326	10,022	12,298	13,305	15,790	58,423	64,143	75,437
L&T Technology Services	4,100	106	12.7	(2.9)	9.2	16.4	12,666	13,833	16,096	18,924	20,961	23,817	106,702	121,259	135,946
LTIMindtree	4,800	296	12.1	0.4	9.5	14.8	46,020	50,372	57,850	64,949	68,332	77,676	380,081	402,223	445,199
Mphasis	2,400	189	11.2	9.1	9.5	12.8	16,991	18,607	20,992	26,467	28,505	31,230	142,299	154,269	170,657
Persistent Systems	4,500	156	19.4	22.2	23.2	15.7	14,001	17,292	20,004	20,582	24,749	29,342	119,387	141,517	165,749
Rategain	630	119	10.7	37.2	9.4	11.9	2,098	2,296	2,570	2,292	2,491	2,842	10,818	12,101	13,743
Tata Elxsi	4,100	62	7.7	(0.9)	(3.5)	20.2	8,047	7,577	9,109	9,927	10,036	12,084	37,290	38,818	45,203
Tata Technologies	500	406	11.7	(1.8)	10.6	12.9	6,787	7,504	8,471	9,341	9,541	10,521	51,685	53,061	57,878
TCS	3,800	3,619	6.9	3.5	5.1	8.6	485,530	510,462	554,428	674,070	706,858	769,199	2,553,240	2,614,044	2,828,488
Tech Mahindra	1,650	890	27.6	51.9	25.0	30.3	42,788	53,489	69,690	69,911	87,268	109,075	529,883	547,157	597,810
Wipro	225	10,491	3.0	22.2	0.7	5.3	130,225	132,374	139,384	180,851	179,733	186,668	890,917	880,291	922,885

Source: Kotak Institutional Equities estimates

"Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Kawaljeet Saluja, Sathishkumar S, Vamshi Krishna."

Ratings and other definitions/identifiers

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

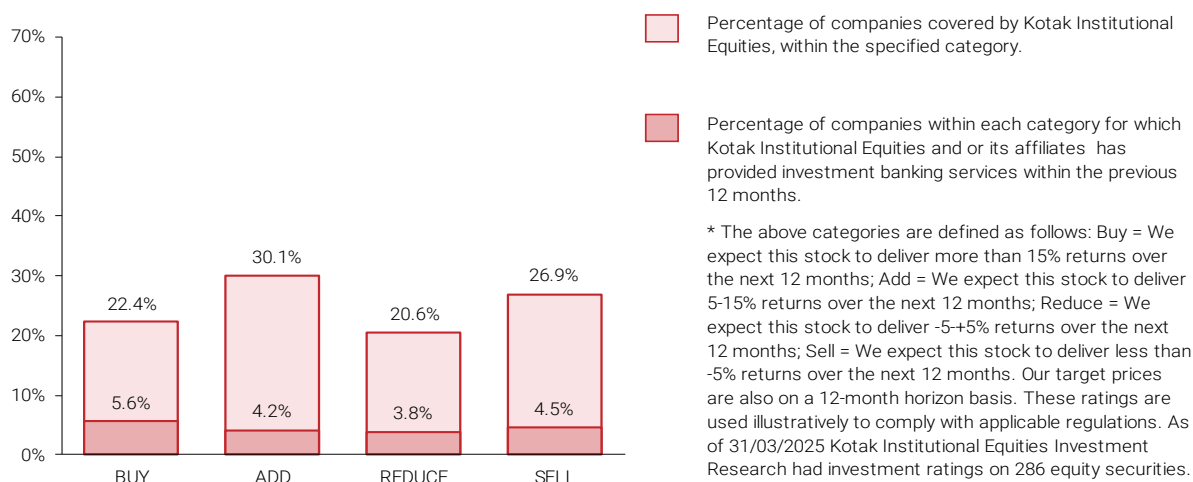
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis.

Our Ratings System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular Rating may not strictly be in accordance with the Rating System at all times.

Distribution of ratings/investment banking relationships

Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of March 31, 2025

Coverage view

The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Attractive, Neutral, Cautious.**

Other ratings/identifiers

NR = Not Rated. The investment rating and fair value, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

CS = Coverage Suspended. Kotak Securities has suspended coverage of this company.

NC = Not Covered. Kotak Securities does not cover this company.

RS = Rating Suspended. Kotak Securities Research has suspended the investment rating and fair value, if any, for this stock, because there is not a sufficient fundamental basis for determining an investment rating or fair value. The previous investment rating and fair value, if any, are no longer in effect for this stock and should not be relied upon.

NA = Not Available or Not Applicable. The information is not available for display or is not applicable.

NM = Not Meaningful. The information is not meaningful and is therefore excluded.

Corporate Office

Kotak Securities Ltd.
27 BKC, Plot No. C-27, "G Block" Bandra Kurla
Complex, Bandra (E) Mumbai 400 051, India
Tel: +91-22-43360000

Overseas Affiliates

Kotak Mahindra (UK) Ltd
8th Floor, Portoken House
155-157 Minories, London EC3N 1LS
Tel: +44-20-7977-6900

Kotak Mahindra Inc
PENN 1,1 Pennsylvania Plaza,
Suite 1720, New York, NY 10119, USA
Tel: +1-212-600-8858

Copyright 2025 Kotak Institutional Equities (Kotak Securities Limited). All rights reserved.

The Kotak Institutional Equities research report is solely a product of Kotak Securities Limited and may be used for general information only. The legal entity preparing this research report is not registered as a broker-dealer in the United States and, therefore, is not subject to US rules regarding the preparation of research reports and/or the independence of research analysts.

- Note that the research analysts contributing to this report are residents outside the United States and are not associates, employees, registered or qualified as research analysts with FINRA or a US-regulated broker dealer; and
- Such research analysts may not be associated persons of Kotak Mahindra Inc. and therefore, may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst.
- Kotak Mahindra Inc. does not accept or receive any compensation of any kind directly from US institutional investors for the dissemination of the Kotak Securities Limited research reports. However, Kotak Securities Limited has entered into an agreement with Kotak Mahindra Inc. which includes payment for sourcing new major US institutional investors and service existing clients based out of the US.
- In the United States, this research report is available solely for distribution to major US institutional investors, as defined in Rule 15a – 6 under the Securities Exchange Act of 1934. This research report is distributed in the United States by Kotak Mahindra Inc., a US-registered broker and dealer and a member of FINRA. Kotak Mahindra Inc., a US-registered broker-dealer, accepts responsibility for this research report and its dissemination in the United States.
- This Kotak Securities Limited research report is not intended for any other persons in the United States. All major US institutional investors or persons outside the United States, having received this Kotak Securities Limited research report shall neither distribute the original nor a copy to any other person in the United States. Any US recipient of the research who wishes to effect a transaction in any security covered by the report should do so with or through Kotak Mahindra Inc. Please contact a US-registered representative; Gijo Joseph, Kotak Mahindra Inc., PENN 1,1 Pennsylvania Plaza, Suite 1720, New York, NY 10119, Direct +1 212 600 8858, gijo.joseph@kotak.com.
- This document does not constitute an offer of, or an invitation by or on behalf of Kotak Securities Limited or its affiliates or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources, which Kotak Securities Limited or its affiliates consider to be reliable. None of Kotak Securities Limited accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions.

This report is distributed in Singapore by Kotak Mahindra (UK) Limited (Singapore Branch) to institutional investors, accredited investors or expert investors only as defined under the Securities and Futures Act. Recipients of this analysis /report are to contact Kotak Mahindra (UK) Limited (Singapore Branch) (16 Raffles Quay, #35-02/03, Hong Leong Building, Singapore 048581) in respect of any matters arising from, or in connection with, this analysis/report. Kotak Mahindra (UK) Limited (Singapore Branch) is regulated by the Monetary Authority of Singapore.

Kotak Securities Limited and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We along with our affiliates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our affiliates have investment banking and other business relationships with a significant percentage of the companies covered by our Investment Research Department. Our research professionals provide important input into our investment banking and other business selection processes. Investors should assume that Kotak Securities Limited and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. Our research professionals are paid in part based on the profitability of Kotak Securities Limited, which includes earnings from investment banking and other businesses. Kotak Securities Limited generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, Kotak Securities Limited generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of Kotak Securities Limited. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. Kotak Securities Limited does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment. Certain transactions – including those involving futures, options, and other derivatives as well as non-investment-grade securities – give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavor to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Kotak Securities Limited and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the current derivatives risk disclosure document before entering into any derivative transactions.

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited.

Kotak Securities Limited is a corporate trading and clearing member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and portfolio management.

Kotak Securities Limited is also a Depository Participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority and having composite license acts as Corporate Agent of Kotak Mahindra Life Insurance Company Limited and Zurich Kotak General Insurance Company (India) Limited (Formerly known as Kotak Mahindra General Insurance Company Limited) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). Kotak Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued adverse letters or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any stock exchange/SEBI or any other authorities, nor has our certificate of registration been cancelled by SEBI at any point of time.

We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. Details of Associates are available on website, i.e. www.kotak.com and <https://www.kotak.com/en/investor-relations/governance/subsidiaries.html>.

Research Analyst has served as an officer, director or employee of subject company(ies): No.

We or our associates may have received compensation from the subject company(ies) in the past 12 months.

We or our associates have managed or co-managed public offering of securities for the subject company(ies) or acted as a market maker in the financial instruments of the subject company/company (ies) discussed herein in the past 12 months. YES. Visit our website for more details <https://kie.kotak.com>.

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Our associates may have financial interest in the subject company(ies).

Research Analyst or his/her relative's financial interest in the subject company(ies): No

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of Research Report: YES. Nature of Financial interest: Holding equity shares or derivatives of the subject company.

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.

Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No.

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report.

A graph of daily closing prices of securities is available at <https://www.moneycontrol.com/india/stockpricequote/> and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>. (Choose a company from the list on the browser and select the "three years" icon in the price chart).

First Cut notes published on this site are for information purposes only. They represent early notations and responses by analysts to recent events. Data in the notes may not have been verified by us and investors should not act upon any data or views in these notes. Most First Cut notes, but not necessarily all, will be followed by final research reports on the subject.

There could be variance between the First Cut note and the final research note on any subject, in which case the contents of the final research note would prevail. We accept no liability of the First Cut Notes.

Analyst Certification

The analyst(s) authoring this research report hereby certifies that the views expressed in this research report accurately reflect such research analyst's personal views about the subject securities and issuers and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Firm. Firm Research is disseminated and available primarily electronically, and, in some cases, in printed form.

Additional information on recommended securities is available on request.

Our research should not be considered as an advertisement or advice, professional or otherwise. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

For more information related to investments in the securities market, please visit the SEBI Investor Website <https://investor.sebi.gov.in/> and the SEBI Saa®hi Mobile App.

Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com.

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Off. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com

Details of	Contact Person	Address	Contact No.	Email ID
Customer Care/ Complaints	Mr. Ritesh Shah	Kotak Towers, 8th Floor, Building No.21, Infinity Park, Off Western Express Highway, Malad (East), Mumbai, Maharashtra - 400097	18002099393	ks.escalation@kotak.com
Head of Customer Care	Mr. Tabrez Anwar		022-42858208	ks.servicehead@kotak.com
Compliance Officer	Mr. Hiren Thakkar		022-42858484	ks.compliance@kotak.com
CEO	Mr. Shripal Shah		022-42858301	ceo.ks@kotak.com
Principal Officer (For the purpose of Research Analyst activities)	Mr. Kawaljeet Saluja	Kotak Securities Limited, 27BKC, 8th Floor, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	022-62664011	ks.po@kotak.com

In absence of response/complaint not addressed to your satisfaction, you may lodge a complaint with SEBI at SEBI, NSE, BSE, Investor Service Center | NCDEX, MCX. Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchange portal at <https://scores.sebi.gov.in>. Kindly refer <https://www.kotaksecurities.com/contact-us/> and for online dispute Resolution platform - [Smart ODR](#)