

# IT Services

India

Sector View: **Neutral**

NIFTY-50: **24,866**

March 04, 2026

## Baking in higher Gen AI disruption risks

We bake in higher Gen AI-driven revenue deflation in FY2027-28E, noting increasing risks even as the current adoption rates align with our expectations. We expect the weak transmission of tech spending growth to services to continue leading to moderate industry growth in the next several years. We bake in higher disruption risks in the future by increasing the cost of equity assumption by 50-100 bps. These together drive cuts in fair values for companies under our coverage. We expect IT services to remain relevant in the long term and do not change our terminal growth assumptions. Quality challengers can have a leg up over incumbents. Prefer Infosys, TCS and TechM among Tier 1 names, with Coforge and Hexaware among mid-tier. Upgrade the rating of PSYS to REDUCE from SELL.

## Bake in higher Gen AI-driven revenue deflation in the next couple of years

We bake in ~3-3.5% revenue deflation for the IT services industry in FY2027-28E. Note that we expected a 2-3% deflation earlier. The faster pace of innovation, focus on automating software development by key AI labs, high rate of adoption by the developer community and AI-first mindset of enterprises make the upper end of the deflation range more likely, in our view. We slightly tweak Gen AI efficiency assumptions (Exhibit 1). The higher deflation assumptions drive ~1-2% cut in US\$ revenues for FY2027-28E.

## We assume weak transmission of tech spending growth to services to continue

Indian IT is an incumbent—we expect growth similar to the industry. The global IT services industry grew at 5%, on average, in the past 10 years (Exhibit 2). However, global IT services growth has trailed technology spending growth and long-term average growth in services in the last couple of years (Exhibit 3), a trend we expect to continue. As a result, while we expect robust overall technology spending growth in the next few years, driven by increased Gen AI adoption, we expect a larger portion of the benefit to be captured by frontier labs and hyperscalers, with a far smaller component flowing through to services. Better macro and lower Gen AI deflation headwinds (post FY2029) can drive better services growth. We bake in Indian IT industry growth to be similar to the overall industry growth for the next decade, in the 4-5% range.

## Target multiple of ~13-18X and FV cut of 15-21% for Tier 1 IT

The reduction in revenue growth estimates leads to a 1-3% cut in our EPS estimates across companies. We arrive at the PE multiples for stocks using a 2-stage DDM. We lower our growth rate assumption in the high growth phase to 5% in US\$ terms for Tier 1 IT. We maintain terminal growth of 5% in rupee terms (3% US\$ growth + 2% rupee depreciation) for all stocks. We bake in the risks from possible higher AI disruption and continued macro pressures by increasing our cost of equity assumptions by 50-100 bps. These changes result in a target multiple of ~13-18X for Tier 1 IT and 18-27X for mid-tier on March 2028E earnings. These together drive a 15-28% cut to FVs across companies. These are shown in Exhibits 4-6.

[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

### **Prefer Infosys, TCS and TechM among Tier 1 IT; Coforge and Hexaware in mid-tier**

The current stock prices of Infosys, TCS and TechM reflect low growth expectations. The stocks trade at ~16X FY2028E earnings and are available at ~4-5% payout yield and ~5-6% FCF yield. TechM has the potential to consistently grow above industry growth. Coforge and Hexaware trade at inexpensive valuations of 18X and 17X FY2028E earnings, respectively. We change the rating of Persistent to REDUCE from SELL, taking into account the reduced downside to our Fair Value.

### **Quality challengers can have a leg up over incumbents**

We believe that incumbents will need to carefully manage revenue deflation due to their large base. Challengers have the luxury of being able to cannibalize themselves in order to get a bigger portion of the pie. Quality mid-tier such as Persistent, Coforge, Hexaware and LTIM will benefit, while Tier 1 IT who are the incumbents will be under pressure. Note that these challengers also have a higher revenue exposure to application services, which is more vulnerable to Gen AI deflation. This needs to be offset by participation in new spend areas and share gains from incumbents.

### **We adopt a conservative stance in baking higher revenue deflation**

The current Gen AI adoption trends tie-in with ~2-2.5% impact, which was already baked in. Higher downside risks can accrue from further improvement in LLM capabilities in software engineering and broader services categories. We take particular note of improvements in agents and agentic AI. Capability improvement and experimentation with agentic software engineering are increasing. Agentic software engineering can drastically accelerate software development. While it has some applications in greenfield software development, we believe that the scope for broader application in implementing commercial software packages, complex system integration and brownfield development is limited as of now. Similarly, application of agentic systems in IMS and non-customer BPO is also limited. The higher deflation figures bake in some risk of broader adoption of AI agents and agentic AI systems.

### **Latest frontier models show incremental improvement in coding and material jump in other areas**

Exhibits 8-10 portray the performance of some of the latest models from the top three frontier AI labs—OpenAI, Anthropic and Google. Models show incremental accuracy improvements in coding and software engineering-related benchmarks and a material jump in a few other areas such as computer use, abstract reasoning and long-horizon professional tasks. Improvements in these other areas can also bring in productivity efficiencies in SDLC and other IT services segments.

It is difficult to gauge how incremental improvements in benchmarks on a high base will shape adoption. For example, it is possible that an increase of accuracy rate from 80% to 90% can catalyze a higher degree of adoption than an increase from, say, 10% to 60%. At the same time, the industry has replaced easier benchmarks with tougher benchmarks due to benchmark saturation.

### **Difficult to estimate level of productivity possible in IT services given complexities involved**

Based on our analysis and channel checks, we see two broad views emerging, which are described below:

- ▶ The current state-of-the-art coding LLMs and agents may not be sufficient to drive large productivity across real-world software engineering and IT services tasks. However, when combined with fine-tuning, training on enterprise data, ability to use external tools (both AI and deterministic), built-in verification modules and guardrails and smart usage of human-in-the-loop, they can deliver substantial productivity. The productivity levels will only keep improving as Gen AI capabilities and understanding of how to use the models improve.
- ▶ Enterprise IT is a complex maze of different IT systems and a result of decisions taken over several decades with insufficient documentation. Productivity benefits are possible but to a significantly lower extent than what is advertised. In many cases the risks from hallucinations, lower reliability, lower accuracy and higher costs outweigh productivity benefits.

As of now, we do not have sufficient data to validate either of these two views. We do acknowledge, however, that plenty of capital and talent is being deployed to make the first view a reality. The interest level among developers in experimenting with agents and agentic AI across software development is also high. These factors lead us to assume higher revenue deflation in FY2027-28E and bake in higher risk of disruption despite benign commentary by companies on net Gen AI headwinds in FY2027E.

#### **Expect IT services to continue to be relevant in the long term**

While we bake in a higher disruption and lower flow-through of technology spending growth to IT services, we do not agree with the view that IT services companies will not be required or the view that IT services will remain stagnant in the long term. The former aligns with the assumption of zero terminal value, while the latter can be taken aligning with zero terminal period growth. Exhibit 11 indicates the scenario of zero terminal period growth. The target multiple for Tier 1 IT is in the range of 10-13X.

Given the rapid progress in Gen AI capabilities in software engineering and broader IT services and no evidence of any theoretical limit to the extent of productivity possible, these scenarios have a non-zero probability, in our view. There is a large downside to stocks in either of the other scenarios. We believe that the perceived probability of such scenarios occurring may keep fluctuating with new developments in Gen AI and their applications to IT services, leading to volatility in stock prices. Our current belief is that IT services will be relevant in the long term. We do not expect either of these scenarios to play out.

#### **Extent of deflation will depend on the gross impact of productivity savings and reinvestment rate**

While Exhibit 1 lays out our assumptions leading to a deflation headwind of about 3%, we add that it is based on several assumptions. First and foremost, we expect the headwinds to be different for various service-lines, with application development and customer BPO being the most vulnerable and IMS and consulting the least. The productivity expectations will evolve with magnitude and direction of improvement of Gen AI capabilities.

Secondly, we expect 50% of the gross impact to be reinvested into IT services in the form of modernization initiatives, higher custom application development, new use cases, etc. While we expect savings to be reinvested in technology, we do not know whether it goes to IT services or whether a good portion gets diverted toward hardware, software and AI labs. The reinvestment rate matters a lot. For example, even if the gross impact were to double, a reinvestment rate of 75% instead of 50% would keep the overall net deflation number constant.

#### **Shift of impact to FY2027-29E compared to FY2026-28E earlier**

We estimate the peak impact of deflation to be in FY2028 from FY2027 earlier. We had earlier estimated net impact of 2.6% CAGR spread over three years (FY2026-28). We estimate that the impact in FY2026E has been lower at ~50-100 bps, while capability improvements in software development and broader IT services have continued to improve in the last 9-12 months. Enterprise Gen AI use-case adoption continues to be in early stages. These factors drive our shift of the impact to FY2027-29E.

#### **Measured recovery in demand drives moderated ERD growth over FY2027-28E**

R&D spending by clients is likely to be better in CY2026 across most verticals. However, automotive OEMs remain under pressure from weak demand and no material change in customer preferences, further delaying large platform development programs for up to a couple of years. The shift in the nature of demand would benefit companies with relatively higher exposure to body engineering and VAVE capabilities. These programs tend to be much smaller than larger development programs. Further, clients' priority to optimize R&D spending would imply some pricing pressure. Companies would need to focus on traditional levers to manage profitability. AI adoption would be limited to documentation and validation tasks, and we do not expect material deflation from AI adoption for ERD pure-plays. Aerospace demand continues to be led by after-market services and initiatives by OEMs to improve throughput. We expect the vertical to maintain momentum in the next year. Secular growth drivers from sustainability initiatives in utilities and industrial verticals would continue to drive growth.

**Contact services BPO could have higher deflationary impact in the upcoming quarters**

Indian pure-play BPO services companies benefited from increased outsourcing and offshoring of processes by clients. Some of this was from in-house G&A spends and more from share gains from competition. However, increased AI adoption by enterprises would increase the asks of the extent of productivity benefits to be passed back, impacting growth. Efficiency measures would enable the companies to manage profitability in the immediate term. On the other hand, while industry-specific BPO would remain relatively less impacted, cost pressures of healthcare clients, specifically those with greater exposure to Medicare Advantage plans would be a drag on medium-term performance for companies such as Sagility. However, we note that improved execution on mining smaller accounts would enable to minimize the drag on overall growth for the company. We raise CoE for pure-play BPO services companies by 50 bps to 12.5% while maintaining terminal growth at 5%. We also moderate our long-term growth assumptions across companies by 100-200 bps over FY2026-36E while also factoring in up to 100 bps moderation in profitability during the period, driving ~19-34% cut to our FVs. We maintain BUY on Sagility and REDUCE on ECLX and FSOL.

**We estimate 10.4% net impact on IT services spending over a period of three years (FY2027-29E)**

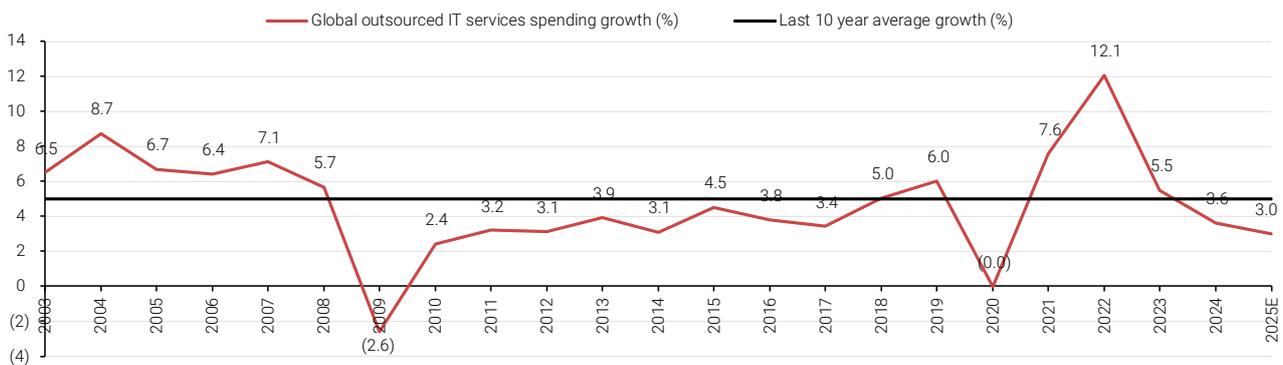
Exhibit 1: Estimating net impact of Gen AI adoption influenced revenue deflation in IT services spending

Key segments relevant to Indian IT services	Outsourced IT spending (US\$ mn)	Impact (% reduction in spend)	
		Old estimate	New estimate
Technology Consulting	160	10	10
Application Managed Services	140	15	25
Application Implementation	310	25	30
Infrastructure Managed Services	260	10	15
Infrastructure Implementation	100	10	15
Customer services BPO	40	30	35
Other BPO	180	15	20
<b>Total</b>	<b>1,190</b>	<b>15.9</b>	<b>20.8</b>
<b>Offset from new spending (assumed 50% of the gross impact)</b>		<b>8.0</b>	<b>10.4</b>
<b>Net impact</b>		<b>8.0</b>	<b>10.4</b>
<b>Annual CAGR impact</b>		<b>2.6</b>	<b>3.4</b>

Source: Kotak Institutional Equities estimates

**Global IT services spending growth has fallen below the last 10-year average in the last couple of years**

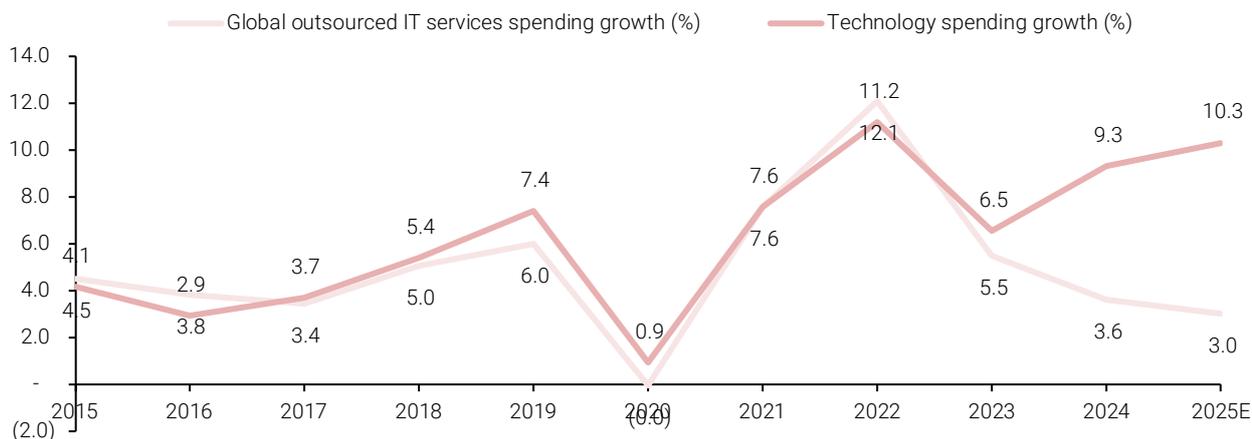
Exhibit 2: Historical trends in global outsourced IT services spending growth in constant currency US\$, Calendar year-ends, 2003-25E



Source: Gartner, Kotak Institutional Equities estimates

**Global technology spending growth has significantly outpaced global IT services spending growth in the last couple of years**

**Exhibit 3: Historical trends in global outsourced IT services spending growth and global technology spending growth in constant currency US\$, Calendar year-ends, 2015-25E**



Source: Gartner, Kotak Institutional Equities estimates

**We cut US\$ revenues by 1-2% across companies, baking in higher Gen AI-driven revenue deflation**

**Exhibit 4: Changes in estimates of revenue and revenue growth across IT coverage universe, March fiscal year-ends, 2026-28E**

	Revenue (US\$ mn)			US\$ revenue growth (%)			C/C revenue growth (%)			Organic c/c revenue growth (%)		
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E
<b>TCS</b>												
New	29,972	30,837	32,218	(0.7)	2.9	4.5	(2.5)	2.7	4.5	(2.5)	2.6	4.5
Old	29,972	31,114	32,665	(0.7)	3.8	5.0	(2.5)	3.6	5.0	(2.5)	3.6	5.0
Change (%)	-	(0.9)	(1.4)	-	(0.9)	(0.5)	-	(0.9)	(0.5)	-	(0.9)	(0.5)
<b>Infosys</b>												
New	20,210	21,050	22,237	4.8	4.2	5.6	3.4	4.2	5.6	2.8	4.2	5.6
Old	20,210	21,225	22,628	4.8	5.0	6.6	3.4	5.0	6.6	2.8	5.0	6.6
Change (%)	-	(0.8)	(1.7)	-	(0.9)	(1.0)	-	(0.9)	(1.0)	-	(0.9)	(1.0)
<b>Wipro</b>												
New	10,496	10,732	10,896	(0.2)	2.3	1.5	(1.2)	2.3	1.5	(2.1)	0.6	1.5
Old	10,496	10,828	11,098	(0.2)	3.2	2.5	(1.2)	3.2	2.5	(2.1)	1.5	2.5
Change (%)	-	(0.9)	(1.8)	-	(0.9)	(1.0)	-	(0.9)	(1.0)	-	(0.9)	(1.0)
<b>HCLT</b>												
New	14,727	15,375	16,161	6.4	4.4	5.1	4.6	4.4	5.1	3.6	4.4	5.1
Old	14,727	15,501	16,389	6.4	5.3	5.7	4.6	5.3	5.7	3.6	5.3	5.7
Change (%)	-	(0.8)	(1.4)	-	(0.9)	(0.6)	-	(0.9)	(0.6)	-	(0.9)	(0.6)
<b>TechM</b>												
New	6,376	6,665	7,106	1.8	4.5	6.6	0.5	4.5	6.6	0.5	4.5	6.6
Old	6,376	6,732	7,255	1.8	5.6	7.8	0.5	5.6	7.8	0.5	5.6	7.8
Change (%)	-	(1.0)	(2.0)	-	(1.0)	(1.2)	-	(1.0)	(1.2)	-	(1.0)	(1.2)
<b>LTIMindtree</b>												
New	4,775	5,124	5,518	6.3	7.3	7.7	5.5	7.3	7.7	5.5	7.3	7.7
Old	4,775	5,174	5,621	6.3	8.4	8.7	5.5	8.4	8.7	5.5	8.4	8.7
Change (%)	-	(1.0)	(1.8)	-	(1.0)	(1.0)	-	(1.0)	(1.0)	-	(1.0)	(1.0)
<b>Coforge</b>												
New	1,871	2,150	2,463	28.0	14.9	14.6	25.2	14.9	14.6	18.5	14.9	14.6
Old	1,871	2,171	2,510	28.0	16.0	15.6	25.2	16.0	15.6	18.5	16.0	15.6
Change (%)	-	(1.0)	(1.9)	-	(1.2)	(1.0)	-	(1.2)	(1.0)	-	(1.2)	(1.0)
<b>Persistent</b>												
New	1,657	1,908	2,172	17.6	15.1	13.9	17.6	15.1	13.9	16.8	15.1	13.9
Old	1,657	1,922	2,212	17.6	15.9	15.1	17.6	15.9	15.1	16.8	15.9	15.1
Change (%)	-	(0.7)	(1.8)	-	(0.8)	(1.2)	-	(0.8)	(1.2)	-	(0.8)	(1.2)
<b>Mphasis</b>												
New	1,797	1,934	2,071	6.9	7.6	7.1	6.9	7.6	7.1	5.1	7.4	7.1
Old	1,797	1,948	2,110	6.9	8.4	8.3	6.9	8.4	8.3	5.1	8.2	8.3
Change (%)	-	(0.7)	(1.9)	-	(0.8)	(1.2)	-	(0.8)	(1.2)	-	(0.8)	(1.2)
<b>Hexaware</b>												
New	1,538	1,628	1,812	7.6	5.9	11.3	6.7	5.9	11.3	4.5	3.3	11.3
Old	1,538	1,641	1,855	7.6	6.7	13.0	6.7	6.7	13.0	4.5	4.1	13.0
Change (%)	-	(0.8)	(2.3)	-	(0.9)	(1.7)	-	(0.9)	(1.7)	-	(0.9)	(1.7)

Source: Kotak Institutional Equities estimates

**We cut EPS by 1-3% and Fair Values by 15-28%**

**Exhibit 5: Changes in estimates of EBIT margin, EPS, FV and target multiple across IT coverage universe, March fiscal year-ends, 2026-28E**

	EBIT margin (%)			EPS (Rs/ share)			FV (Rs/ share)	Target multiple (P/E) (X)	Rating
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E			
<b>TCS</b>									
New	25.0	25.0	25.2	145.8	152.5	163.9	3,090	18	BUY
Old	25.0	25.0	25.2	145.8	153.8	166.1	3,675	22	BUY
Change (%)	-	(0.0)	(0.0)	-	(0.9)	(1.3)	(15.9)	(18.2)	
<b>Infosys</b>									
New	21.0	21.1	21.1	70.7	75.2	81.1	1,530	18	BUY
Old	21.0	21.1	21.1	70.7	75.7	82.2	1,900	23	BUY
Change (%)	-	0.0	0.0	-	(0.7)	(1.4)	(19.5)	(21.7)	
<b>Wipro</b>									
New	17.2	17.3	17.2	12.7	13.8	14.2	190	13	SELL
Old	17.2	17.3	17.2	12.7	13.9	14.4	240	16	SELL
Change (%)	-	(0.0)	(0.0)	-	(0.9)	(1.6)	(20.7)	(18.8)	
<b>HCLT</b>									
New	17.6	17.7	17.7	65.1	71.4	76.7	1,425	18	REDUCE
Old	17.6	17.7	17.8	65.1	72.1	77.9	1,680	22	REDUCE
Change (%)	-	(0.0)	(0.0)	-	(0.9)	(1.6)	(15.2)	(18.2)	
<b>TechM</b>									
New	12.4	15.0	15.1	56.6	75.8	85.9	1,615	18	BUY
Old	12.4	15.0	15.1	56.6	76.6	87.5	2,000	23	BUY
Change (%)	-	(0.0)	0.0	-	(1.0)	(1.9)	(19.3)	(21.7)	
<b>LTIMindtree</b>									
New	15.5	15.6	15.4	185.5	204.8	226.9	4,430	19	REDUCE
Old	15.5	15.8	15.5	185.5	208.9	231.5	5,700	25	REDUCE
Change (%)	-	(0.2)	(0.1)	-	(2.0)	(2.0)	(22.3)	(24.0)	
<b>Coforge</b>									
New	13.9	13.9	14.0	43.4	53.9	63.1	1,620	25	BUY
Old	13.9	14.0	14.1	43.4	54.6	65.0	2,250	35	BUY
Change (%)	0.0	(0.0)	(0.1)	0.0	(1.2)	(2.9)	(28.0)	(28.6)	
<b>Persistent</b>									
New	16.4	16.5	16.6	123.5	143.3	168.1	4,615	27	REDUCE
Old	16.4	16.7	16.8	123.5	145.8	173.6	5,900	35	SELL
Change (%)	-	(0.2)	(0.3)	-	(1.7)	(3.1)	(21.8)	(22.9)	
<b>Mphasis</b>									
New	15.3	15.4	15.4	99.8	112.2	123.4	2,275	18	REDUCE
Old	15.3	15.4	15.4	99.8	113.1	126.0	2,650	21	REDUCE
Change (%)	-	(0.0)	(0.1)	-	(0.8)	(2.0)	(14.2)	(14.3)	
<b>Hexaware</b>									
New	11.5	13.2	13.4	23.8	23.1	27.4	620	22	BUY
Old	11.5	13.3	13.5	23.8	23.6	28.2	750	26	BUY
Change (%)	-	(0.2)	(0.1)	-	(2.1)	(3.2)	(17.4)	(15.4)	

Notes

Source: Kotak Institutional Equities estimates

**We increase cost of equity by 50-100 bps across companies and project industry growth of ~4-5% in US\$ terms in high-growth phase**

**Exhibit 6: Key valuation parameters in a two-stage DDM for IT coverage universe, March fiscal year-end, 2027E**

	2027E		Payout ratio (%)		Explicit forecast period		Terminal assumptions			Implied target PE (X)	
	EPS (Rs)	DPS (Rs)	2027E	Terminal year	# years	growth (%)	CoE (%)	growth (%)	Implied RoE (%)	2027E	2028E
TCS	152.5	145.0	95	92	10	7.0	11.5	5.0	62.5	18.9	17.6
Infosys	75.2	63.9	85	90	10	7.0	11.5	5.0	52.6	19.1	17.7
HCL Tech	71.4	60.0	84	90	10	7.0	11.5	5.0	47.6	19.0	17.7
Wipro	13.8	9.7	70	85	10	4.0	12.0	4.0	27.6	13.0	12.7
TechM	75.8	66.3	87	90	12	8.5	11.5	5.0	50.0	20.2	17.8
LTM	204.8	99.0	48	85	15	14.5	12.5	5.0	33.3	24.4	22.0
Coforge	53.9	19.8	37	75	15	17.8	12.5	5.0	20.0	29.4	25.1
Persistent	143.3	53.8	38	80	15	18.0	12.5	5.0	25.0	31.7	27.0
Mphasis	112.2	77.0	69	80	15	11.0	12.5	5.0	25.0	19.1	17.4
Hexaware	23.1	14.4	62	84	15	14.3	12.5	5.0	31.3	26.0	22.0

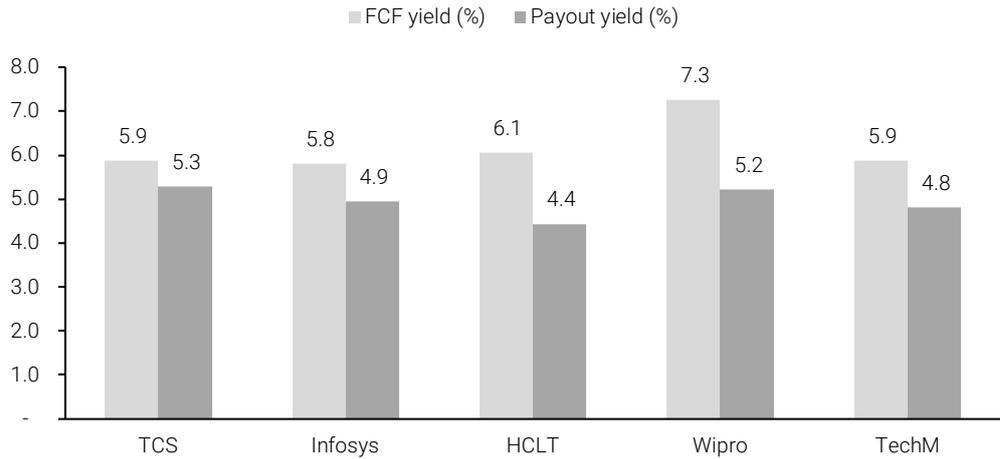
Notes:

(a) Implied growth rate in Rs terms, including 200 bps annual depreciation versus US\$.

Source: Kotak Institutional Equities estimates

**Tier 1 IT services companies trade in the range of ~4-5% payout yield**

**Exhibit 7: Comparison of FCF and payout yields across companies, March fiscal year-end, 2027E**



Source: Kotak Institutional Equities estimates

**GPT 5.3 Codex demonstrates significant improvement in Terminal-Bench 2.0 and large improvement on OSWorld-Verified benchmark**

**Exhibit 8: Comparison of performance of GPT 5.3 Codex model on key benchmarks with prior state-of-the-art models**

	GPT-5.3-Codex (xhigh)	GPT-5.2-Codex (xhigh)	GPT-5.2 (xhigh)
SWE-Bench Pro (Public)	56.8%	56.4%	55.6%
Terminal-Bench 2.0	77.3%	64.0%	62.2%
OSWorld-Verified	64.7%	38.2%	37.9%
GDPval (wins or ties)	70.9%	-	70.9% (high)
Cybersecurity Capture The Flag Challenges	77.6%	67.4%	67.7%
SWE-Lancer IC Diamond	81.4%	76.0%	74.6%

Source: Kotak Institutional Equities estimates

**Opus 4.6 demonstrates moderate improvements in agentic terminal coding and agentic computer use; large improvement in agentic search**

Exhibit 9: Comparison of performance of Opus 4.6 model on key benchmarks with prior state-of-the-art models

	Opus 4.6	Opus 4.5	Sonnet 4.5	Gemini 3 Pro	GPT-5.2 (all models)
<b>Agentic terminal coding</b> Terminal-Bench 2.0	<b>65.4%</b>	59.8%	51.0%	56.2% (54.2% self-reported)	64.7% (64.0% self-reported) (Codex CLI)
<b>Agentic coding</b> SWE-bench Verified	80.8%	<b>80.9%</b>	77.2%	76.2%	80.0%
<b>Agentic computer use</b> OSWorld	<b>72.7%</b>	66.3%	61.4%	—	—
<b>Agentic tool use</b> t2-bench	Retail <b>91.9%</b>	Retail 88.9%	Retail 86.2%	Retail 85.3%	Retail 82.0%
	Telecom <b>99.3%</b>	Telecom 98.2%	Telecom 98.0%	Telecom 98.0%	Telecom 98.7%
<b>Scaled tool use</b> MCP Atlas	59.5%	<b>62.3%</b>	43.8%	54.1%	60.6%
<b>Agentic search</b> BrowseComp	<b>84.0%</b>	67.8%	43.9%	59.2% (Deep Research)	77.9% (Pro)
<b>Multidisciplinary reasoning</b> Humanity's Last Exam	40.0% without tools	30.8% without tools	17.7% without tools	37.5% without tools	36.6% without tools (Pro)
	53.0% with tools	43.4% with tools	33.6% with tools	45.8% with tools	50.0% with tools (Pro)
<b>Agentic financial analysis</b> Finance Agent	<b>60.7%</b>	55.9%	54.2%	44.1%	56.6% (5.1)
<b>Office tasks</b> GDPVal-AA Elo	<b>1606</b>	1416	1277	1195	1462
<b>Novel problem-solving</b> ARC AGI 2	<b>68.8%</b>	37.6%	13.6%	45.1% (Deep Thinking)	54.2% (Pro)
<b>Graduate-level reasoning</b> GPQA Diamond	91.3%	87.0%	83.4%	91.9%	<b>93.2%</b> (Pro)
<b>Visual reasoning</b> MMMU Pro	73.9% without tools	70.6% without tools	63.4% without tools	<b>81.0%</b> without tools	79.5% without tools
	77.3% with tools	73.9% with tools	68.9% with tools	— with tools	<b>80.4%</b> with tools
<b>Multilingual Q&amp;A</b> MMMLU	91.1%	90.8%	89.5%	<b>91.8%</b>	89.6%

Source: Kotak Institutional Equities estimates

**Gemini 3.1 Pro demonstrates moderate improvement on software engineering benchmarks; larger improvements in abstract reasoning and long-horizon professional task benchmarks**

**Exhibit 10: Comparison of the performance of Gemini 3.1 Pro model on key benchmarks with prior state-of-the-art models**

Benchmark		Gemini 3.1 Pro Thinking (High)	Gemini 3 Pro Thinking (High)	Sonnet 4.6 Thinking (Med)	Opus 4.6 Thinking (Med)	GPT-5.2 Thinking (High)	GPT-5.3-Codex Thinking (High)
Humanity's Last Exam Academic reasoning (full set, text + MM)	No tools	44.4%	37.5%	33.2%	40.0%	34.5%	—
	Search (blocklist) + Code	51.4%	45.8%	49.0%	53.1%	45.5%	—
ARC-AGI-2 Abstract reasoning puzzles	ARC Prize Verified	77.1%	31.1%	58.3%	68.8%	52.9%	—
GPQA Diamond Scientific knowledge	No tools	94.3%	91.9%	89.9%	91.3%	92.4%	—
Terminal-Bench 2.0 Agentic terminal coding	Terminus-2 harness	68.5%	56.9%	59.1%	65.4%	54.0%	64.7%
	Other best self-reported harness	—	—	—	—	62.2% (Codex)	77.3% (Codex)
SWE-Bench Verified Agentic coding	Single attempt	80.6%	76.2%	79.6%	80.8%	80.0%	—
SWE-Bench Pro (Public) Diverse agentic coding tasks	Single attempt	54.2%	43.3%	—	—	55.6%	56.8%
LiveCodeBench Pro Competitive coding problems from Codeforces, ICPC, and IOI	Elo	2887	2439	—	—	2393	—
SciCode Scientific research coding		59%	56%	47%	52%	52%	—
APEX-Agents Long horizon professional tasks		33.5%	18.4%	—	29.8%	23.0%	—
GDPval-AA Elo Expert tasks		1317	1195	1633	1606	1462	—
I2-bench Agentic and tool use	Retail	90.8%	85.3%	91.7%	91.9%	82.0%	—
	Telecom	99.3%	98.0%	97.9%	99.3%	98.7%	—
MCP Atlas Multi-step workflows using MCP		69.2%	54.1%	61.3%	59.5%	60.6%	—
BrowseComp Agentic search	Search + Python + Browse	85.9%	59.2%	74.7%	84.0%	65.8%	—
MMMU-Pro Multimodal understanding and reasoning	No tools	80.5%	81.0%	74.5%	73.9%	79.5%	—
MMMLU Multilingual Q&A		92.6%	91.8%	89.3%	91.1%	89.6%	—
MRCR v2 (8-needle) Long context performance	128k (average)	84.9%	77.0%	84.9%	84.0%	83.8%	—
	1M (pointwise)	26.3%	26.3%	Not supported	Not supported	Not supported	—

Methodology: [deepmind.google/models/evals-methodology/gemini-3.1-pro](https://deepmind.google/models/evals-methodology/gemini-3.1-pro)

Source: Kotak Institutional Equities estimates

**No terminal growth assumption leads to 10-13X Fair Value multiple on FY2028E earnings for leading Tier 1 IT stocks**

**Exhibit 11: Fair Value multiple estimates assuming no terminal growth for the IT services industry**

	FY2027E		Payout ratio (%)		Explicit forecast period		Terminal assumptions		Fair Value (Rs)			FY2027E	FY2028E
	EPS (Rs)	DPS (Rs)	FY2027E	Terminal year	# years	growth (%)	CoE (%)	growth (%)	Explicit	Terminal	Total	PE (X)	PE (X)
TCS	152.5	145.0	95	92	10	7.0	11.5	-	1,309	850	2,159	14.2	13.2
Infosys	75.2	63.9	85	90	10	7.0	11.5	-	577	461	1,038	13.8	12.8
HCL Tech	71.4	60.0	84	90	10	7.0	11.5	-	542	438	980	13.7	12.8
Wipro	13.8	9.7	70	85	10	4.0	12.0	-	76	67	143	10.3	10.1
TechM	75.8	68.3	90	90	12	8.5	11.5	-	758	428	1,185	15.6	13.8
LTM	204.8	99.0	48	85	15	14.5	12.5	-	1,814	1,814	3,627	17.7	16.0
Coforge	53.9	19.8	37	75	15	17.8	12.5	-	458	645	1,103	20.5	17.5
Persistent	143.3	53.8	38	80	15	18.0	12.5	-	1,260	1,876	3,136	21.9	18.7
Mphasis	112.2	77.0	69	80	15	11.0	12.5	-	1,116	587	1,703	15.2	13.8
Hexaware	23.1	14.4	62	84	15	14.3	12.5	-	259	195	454	19.7	16.6

Source: Kotak Institutional Equities estimates

**We lower FY2027-28 revenue estimates by up to 3% across ERD companies**

**Exhibit 12: Key changes to revenue and revenue growth estimates across pure-play ERD services companies, March fiscal year-ends, 2026-28E**

	Revenue (US\$ mn)			US\$ revenue growth (%)			C/C revenue growth (%)			Organic c/c revenue growth (%)		
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E
<b>Cyient (DET)</b>												
New	664	700	743	(3.5)	5.5	6.0	0.3	5.6	6.0	0.1	5.6	6.0
Old	664	703	755	(3.5)	5.9	7.4	0.3	5.9	7.4	0.1	5.9	7.4
Change (%)	-	(0.4)	(1.6)									
<b>KPIT</b>												
New	724	776	860	4.8	7.2	10.8	0.8	7.4	10.8	(3.0)	5.0	10.8
Old	724	795	890	4.8	9.8	11.9	0.8	10.0	11.9	(3.0)	7.6	11.9
Change (%)	-	(2.3)	(3.3)									
<b>LTTS</b>												
New	1,324	1,376	1,503	5.2	3.9	9.2	5.0	4.4	9.2	(1.0)	4.4	9.2
Old	1,324	1,384	1,532	5.2	4.5	10.7	5.0	5.0	10.7	(1.0)	5.0	10.7
Change (%)	-	(0.6)	(1.9)									
<b>Tata Elxsi</b>												
New	425	466	516	(3.5)	9.6	10.7	(4.8)	10.2	10.7	(4.8)	10.2	10.7
Old	425	472	533	(3.5)	11.0	13.1	(4.8)	11.6	13.1	(4.8)	11.6	13.1
Change (%)	-	(1.2)	(3.3)									
<b>Tata Technologies</b>												
New	617	700	765	1.1	13.3	9.3	0.6	14.4	9.3	(1.7)	9.8	9.3
Old	617	697	760	1.1	13.0	9.0	0.6	14.0	9.0	(1.7)	9.4	9.0
Change (%)	-	0.3	0.6									

Source: Kotak Institutional Equities estimates

**We trim FV by ~4-24% across companies on roll-forward, 50 bps increase in CoE to 12% and moderated long-term growth and margin estimates**

**Exhibit 13: Key changes to EBITM, EPS estimates and FV across pure-play ERD services companies, March fiscal year-ends, 2026-28E**

	EBIT margin (%)			EPS (Rs/ share)			FV	Target multiple (P/E)	Rating
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	(Rs/ share)	(X)	
<b>Cyient (DET)</b>									
New	12.3	12.9	13.3	52.2	69.0	78.0	930	12	REDUCE
Old	12.3	13.0	13.7	52.2	69.5	80.7	1,225	16	REDUCE
Change (%)				-	(0.7)	(3.3)	(24.1)		
<b>KPIT</b>									
New	16.2	15.4	15.4	23.9	27.6	32.4	710	22	SELL
Old	16.2	16.5	16.6	23.9	31.0	36.5	950	27	SELL
Change (%)				-	(10.8)	(11.1)	(25.3)		
<b>LTTS</b>									
New	14.1	15.4	15.5	124.8	142.7	163.6	3,450	21	REDUCE
Old	14.1	15.4	15.7	124.8	143.6	167.9	4,300	27	REDUCE
Change (%)				-	(0.6)	(2.6)	(19.8)		
<b>Tata Elxsi</b>									
New	20.0	22.5	23.1	94.3	129.6	148.6	3,700	25	SELL
Old	20.0	22.7	23.3	105.8	132.1	154.4	4,200	29	SELL
Change (%)				(10.8)	(1.8)	(3.8)	(11.9)		
<b>Tata Technologies</b>									
New	13.1	14.4	15.0	15.9	19.3	22.8	450	20	SELL
Old	13.4	14.7	15.2	16.2	19.6	22.7	470	23	SELL
Change (%)				(1.8)	(2.0)	0.2	(4.3)		

Notes:

- (a) Implied target multiples based on DCF valuation for KPIT, TELX and TTL
- (b) Cyient - consolidated EPS; Target multiple for Cyient (DET)

Source: Kotak Institutional Equities estimates

**We lower FY2027-28 revenue estimates by ~1-4% across BPO companies**

**Exhibit 14: Key changes to revenue and revenue growth estimates across pure-play BPO services companies, March fiscal year-ends, 2026-28E**

	Revenue (US\$ mn)			US\$ revenue growth (%)			C/C revenue growth (%)			Organic c/c revenue growth (%)		
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E
<b>eClerx</b>												
New	472	537	591	18.6	13.8	10.2	17.7	13.8	10.2	17.7	13.8	10.2
Old	472	544	602	18.6	15.2	10.7	17.7	15.2	10.7	17.7	15.2	10.7
Change (%)	-	(1.2)	(1.7)									
<b>Firstsource Solutions</b>												
New	1,088	1,188	1,289	15.3	9.2	8.6	14.1	8.5	8.6	9.6	6.5	8.6
Old	1,088	1,219	1,340	15.3	12.0	10.0	14.5	12.5	10.0	10.0	10.5	10.0
Change (%)	-	(2.5)	(3.8)									
<b>Sagility</b>												
New	807	888	973	22.5	10.1	9.6	22.5	10.1	9.6	14.2	10.1	9.6
Old	807	898	991	22.5	11.3	10.4	22.5	11.3	10.4	14.2	11.3	10.4
Change (%)	-	(1.1)	(1.9)									

Source: Kotak Institutional Equities estimates

**We trim FV by ~19-34% across companies on roll-forward, 50 bps increase in CoE to 12.5% and moderated long-term growth and margin estimates**

**Exhibit 15: Key changes to EBITM, EPS estimates and FV across pure-play BPO services companies, March fiscal year-ends, 2026-28E**

	EBIT margin (%)			EPS (Rs/ share)			FV (Rs/ share)	Target multiple (P/E) (X)	Rating
	FY2026E	FY2027E	FY2028E	FY2026E	FY2027E	FY2028E			
<b>eClerx</b>									
New	21.5	21.4	21.3	145.5	160.1	185.5	3,250	18	REDUCE
Old	21.5	21.5	21.7	145.5	163.3	191.8	4,500	24	REDUCE
Change (%)				-	(2.0)	(3.3)	(27.8)		
<b>Firstsource Solutions</b>									
New	11.7	11.9	11.7	10.8	12.5	14.2	215	15	REDUCE
Old	11.7	12.1	12.4	10.8	13.2	15.8	325	22	REDUCE
Change (%)				-	(4.7)	(10.0)	(33.8)		
<b>Sagility</b>									
New	17.7	17.5	17.7	2.28	2.47	2.80	50	18	BUY
Old	17.7	17.6	18.5	2.27	2.50	2.96	62	22	BUY
Change (%)				0.5	(0.8)	(5.5)	(19.4)		

Notes:

(a) Implied target multiples based on DCF valuation.

Source: Kotak Institutional Equities estimates

**Aggregate of Tier 1 IT stocks (TCS, Infosys, HCLT, Wipro and TechM) trade at 17.2X 1-year forward PE**

**Exhibit 16: Historical 1-year PE valuation of Tier 1 IT stocks**



Source: Bloomberg consensus estimates, Kotak Institutional Equities estimates

**Aggregate of mid-tier IT stocks (LTM, Mphasis, Coforge and Persistent) trade at 22.8X 1-year forward PE**

Exhibit 17: Historical 1-year PE valuation of mid-tier IT stocks



Source: Bloomberg consensus estimates, Kotak Institutional Equities estimates

**We expect TCS' EPS to see 6% CAGR over FY2026-28E**

**Exhibit 18: Profit model, balance sheet, cash model of TCS, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
<b>Revenues</b>	<b>1,569,490</b>	<b>1,641,770</b>	<b>1,917,540</b>	<b>2,254,580</b>	<b>2,408,930</b>	<b>2,553,240</b>	<b>2,645,043</b>	<b>2,823,996</b>	<b>3,021,537</b>
Cost of sales	(923,220)	(971,380)	(1,146,210)	(1,362,680)	(1,435,950)	(1,559,940)	(1,584,238)	(1,678,622)	(1,787,724)
SG&A expenses	(260,470)	(245,580)	(286,800)	(349,530)	(379,870)	(371,650)	(399,704)	(439,947)	(471,207)
<b>EBIT</b>	<b>385,800</b>	<b>424,810</b>	<b>484,530</b>	<b>542,370</b>	<b>593,110</b>	<b>621,650</b>	<b>661,101</b>	<b>705,427</b>	<b>762,605</b>
Other income	36,680	24,970	32,340	26,700	37,270	31,660	41,576	45,307	47,356
<b>Pre-tax profits</b>	<b>422,480</b>	<b>449,780</b>	<b>516,870</b>	<b>569,070</b>	<b>630,380</b>	<b>653,310</b>	<b>702,677</b>	<b>750,734</b>	<b>809,961</b>
Provision for tax	(98,010)	(114,580)	(132,380)	(146,040)	(162,620)	(165,340)	(172,533)	(191,770)	(206,671)
<b>Recurring net income</b>	<b>324,470</b>	<b>335,200</b>	<b>384,490</b>	<b>423,030</b>	<b>467,760</b>	<b>487,970</b>	<b>530,145</b>	<b>558,964</b>	<b>603,290</b>
Minority Interest	(1,070)	(1,320)	(1,220)	(1,560)	(1,628)	(2,440)	(2,423)	(2,423)	(2,423)
Extraordinary items	-	-	-	-	(6,770)	-	(35,470)	-	-
<b>Reported net income</b>	<b>323,400</b>	<b>333,880</b>	<b>383,270</b>	<b>421,470</b>	<b>466,132</b>	<b>485,530</b>	<b>527,722</b>	<b>556,541</b>	<b>600,867</b>
<b>EPS (Rs)</b>	<b>86.2</b>	<b>89.3</b>	<b>103.6</b>	<b>115.2</b>	<b>129.6</b>	<b>134.2</b>	<b>145.8</b>	<b>153.8</b>	<b>166.1</b>
<b>Balance Sheet</b>									
Shareholders funds	862,400	885,550	912,590	925,420	926,120	968,820	1,023,063	1,117,675	1,219,822
Borrowings	-	-	-	-	-	-	-	-	-
Minority interest	6,230	6,750	7,070	7,820	8,300	10,150	12,573	14,995	17,418
Other non-current liabilities	88,820	88,240	90,670	85,770	90,720	109,130	108,763	110,144	111,676
<b>Total liabilities</b>	<b>957,450</b>	<b>980,540</b>	<b>1,010,330</b>	<b>1,019,010</b>	<b>1,025,140</b>	<b>1,088,100</b>	<b>1,144,399</b>	<b>1,242,814</b>	<b>1,348,916</b>
Net fixed assets	119,380	121,350	120,800	115,950	112,240	129,320	113,141	114,057	116,583
Goodwill	38,500	39,480	39,350	40,060	39,890	40,240	45,660	45,660	45,660
Intangibles	2,830	4,800	11,010	8,670	5,100	9,400	9,400	9,400	9,400
Investments	2,160	2,130	2,230	2,660	2,810	2,750	2,750	2,750	2,750
Other non-current assets	149,640	150,110	159,630	162,910	159,210	187,350	188,033	188,901	190,331
Cash and bank balances	441,092	502,338	555,770	495,973	465,440	469,550	500,164	568,231	638,847
Net current assets excluding cash	203,848	160,332	121,540	192,787	240,450	249,490	285,250	313,815	345,346
<b>Total assets</b>	<b>957,450</b>	<b>980,540</b>	<b>1,010,330</b>	<b>1,019,010</b>	<b>1,025,140</b>	<b>1,088,100</b>	<b>1,144,399</b>	<b>1,242,814</b>	<b>1,348,916</b>
<b>Cash flow</b>									
Operating cash flow, excl. working capital changes	370,360	388,970	427,180	461,820	512,360	525,540	508,970	570,138	611,753
Working capital	(46,670)	8,630	(27,690)	(42,170)	(75,940)	(36,460)	(36,477)	(27,584)	(30,449)
<b>Cash flow from operations</b>	<b>323,690</b>	<b>397,600</b>	<b>399,490</b>	<b>419,650</b>	<b>436,420</b>	<b>489,080</b>	<b>472,493</b>	<b>542,554</b>	<b>581,304</b>
Capital expenditure	(33,150)	(31,390)	(34,850)	(31,000)	(26,470)	(49,770)	(27,375)	(34,866)	(35,474)
Net finance cost/ income	36,680	24,970	32,340	26,700	37,270	31,660	41,576	45,307	47,356
Increase/(decrease) in lease liabilities	(10,620)	(13,360)	(14,170)	(15,150)	(16,140)	(16,360)	(22,150)	(23,000)	(23,850)
<b>Free cash flow</b>	<b>316,600</b>	<b>377,820</b>	<b>382,810</b>	<b>400,200</b>	<b>431,080</b>	<b>454,610</b>	<b>464,544</b>	<b>529,996</b>	<b>569,336</b>
<b>Ratios (%)</b>									
Gross profit margin	41.2	40.8	40.2	39.6	40.4	38.9	40.1	40.6	40.8
EBITDA margin	26.8	28.4	27.7	26.3	26.7	26.4	27.1	27.0	27.1
EBIT margin	24.6	25.9	25.3	24.1	24.6	24.3	25.0	25.0	25.2
EPS growth	3.8	3.7	16.0	11.1	12.6	3.5	8.7	5.5	8.0
RoAE	36.4	38.2	42.6	45.9	50.4	51.2	53.0	52.0	51.4

Source: Company, Kotak Institutional Equities estimates

**We expect Infosys' EPS to see 7.1% CAGR over FY2026-28E**
**Exhibit 19: Profit model, balance sheet, cash model of Infosys, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
Revenues	907,910	1,004,730	1,216,410	1,467,670	1,536,710	1,629,900	1,780,976	1,926,421	2,093,089
<b>EBITDA</b>	<b>222,680</b>	<b>278,900</b>	<b>314,920</b>	<b>351,310</b>	<b>364,250</b>	<b>392,350</b>	<b>421,468</b>	<b>454,688</b>	<b>491,741</b>
Interest (expense)/income	(1,690)	(1,950)	(2,000)	(2,840)	(4,690)	(4,160)	(4,140)	(4,924)	(4,788)
Depreciation	(28,940)	(32,680)	(34,770)	(42,250)	(46,780)	(48,110)	(47,363)	(48,845)	(50,467)
Other income	28,030	22,010	22,950	27,000	27,780	32,710	36,242	34,704	36,517
<b>Pretax profits</b>	<b>220,080</b>	<b>266,280</b>	<b>301,100</b>	<b>333,220</b>	<b>340,560</b>	<b>372,790</b>	<b>406,207</b>	<b>435,623</b>	<b>473,004</b>
Tax	(53,680)	(72,050)	(79,640)	(92,140)	(97,790)	(109,580)	(114,895)	(128,509)	(139,536)
<b>Profit after tax</b>	<b>166,400</b>	<b>194,230</b>	<b>221,460</b>	<b>241,080</b>	<b>242,770</b>	<b>263,210</b>	<b>291,312</b>	<b>307,114</b>	<b>333,468</b>
<b>Diluted earnings per share (Rs)</b>	<b>38.9</b>	<b>45.5</b>	<b>52.4</b>	<b>57.6</b>	<b>58.5</b>	<b>63.3</b>	<b>70.7</b>	<b>75.2</b>	<b>81.1</b>
Dividend per share (Rs)	17.5	27.0	31.0	35.0	46.0	47.5	53.0	64.4	69.9
<b>Balance sheet</b>									
Total equity	654,500	763,510	753,500	754,070	881,160	958,180	841,233	887,300	937,320
Assets held for sale	–	–	–	–	–	–	–	–	–
Minority interest	3,940	4,310	3,860	3,880	3,450	3,850	4,110	4,110	4,110
Lease liabilities	46,330	53,250	54,740	82,990	83,590	82,270	78,708	76,824	75,006
Current liabilities	213,230	254,040	355,190	405,020	409,940	444,730	487,985	512,793	541,222
<b>Total liabilities and equity</b>	<b>918,000</b>	<b>1,075,110</b>	<b>1,167,290</b>	<b>1,245,960</b>	<b>1,378,140</b>	<b>1,489,030</b>	<b>1,412,036</b>	<b>1,481,027</b>	<b>1,557,659</b>
Cash	186,490	267,720	196,820	146,170	173,680	274,860	142,496	164,474	185,725
Other current assets	385,300	397,430	503,630	608,040	672,990	647,850	703,916	752,032	807,137
Deferred taxation	7,760	2,230	560	250	4,540	11,080	11,080	11,080	11,080
Goodwill	52,860	60,790	61,950	72,480	73,030	101,060	101,060	101,060	101,060
Tangible fixed assets	197,670	204,890	201,090	224,240	207,670	218,770	218,074	216,972	217,247
Investments	87,920	142,050	203,240	194,780	246,230	235,410	235,410	235,410	235,410
<b>Total assets</b>	<b>918,000</b>	<b>1,075,110</b>	<b>1,167,290</b>	<b>1,245,960</b>	<b>1,378,140</b>	<b>1,489,030</b>	<b>1,412,036</b>	<b>1,481,027</b>	<b>1,557,659</b>
<b>Free cash flow</b>									
Operating cash flow, excl. working capital	204,960	234,950	253,090	288,110	301,800	373,910	306,573	326,180	352,205
Working capital changes	(19,380)	6,330	(14,240)	(63,440)	(51,620)	(6,050)	(12,811)	(23,307)	(26,676)
Capital expenditure	(33,070)	(21,070)	(21,610)	(25,790)	(22,010)	(22,370)	(32,267)	(33,343)	(36,342)
Acquisitions	(18,660)	(14,280)	(550)	(9,700)	(1,010)	(31,550)	–	–	–
Other income	3,750	5,150	18,980	15,250	10,400	9,480	36,242	34,704	36,517
Lease liability payments	(5,710)	(6,980)	(9,150)	(12,310)	(20,240)	(23,550)	(22,102)	(21,209)	(21,006)
<b>Free cash flow</b>	<b>131,890</b>	<b>204,100</b>	<b>226,520</b>	<b>192,120</b>	<b>217,320</b>	<b>299,870</b>	<b>275,635</b>	<b>283,025</b>	<b>304,699</b>
<b>Key ratios and assumptions</b>									
<b>Revenue growth (US\$ terms) (%)</b>	<b>15.8</b>	<b>5.8</b>	<b>11.5</b>	<b>5.6</b>	<b>9.1</b>	<b>7.4</b>	<b>7.2</b>	<b>7.9</b>	<b>8.3</b>
Re/US\$ rate	48.2	54.5	60.8	61.2	65.7	67.1	64.5	70.1	71.0
EBITDA margin (%)	24.5	27.8	25.9	23.9	23.7	24.1	23.7	23.6	23.5
<b>EBIT margin (%)</b>	<b>21.3</b>	<b>24.5</b>	<b>23.0</b>	<b>21.1</b>	<b>20.7</b>	<b>21.1</b>	<b>21.0</b>	<b>21.1</b>	<b>21.1</b>
Debt/equity	–	–	–	–	–	–	–	–	–
Net debt/equity	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.5)	(0.4)
RoAE	25.5	27.4	29.2	32.0	29.7	28.6	32.4	35.5	36.6
RoIC	40.6	48.9	58.3	58.3	51.8	53.5	58.9	60.2	62.0

Source: Company, Kotak Institutional Equities estimates

**We expect HCLT's EPS to see 8.5% CAGR over FY2026-28E**

**Exhibit 20: Profit model, balance sheet, cash model of HCLT, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
Revenues	706,780	753,786	856,513	1,014,560	1,099,155	1,170,567	1,298,643	1,395,715	1,494,897
<b>EBITDA</b>	<b>166,792</b>	<b>208,075</b>	<b>205,157</b>	<b>226,306</b>	<b>241,959</b>	<b>254,929</b>	<b>273,049</b>	<b>289,302</b>	<b>307,880</b>
Depreciation (incl amortization of intangibles)	(28,399)	(46,153)	(43,270)	(41,596)	(41,680)	(40,803)	(43,890)	(42,074)	(42,901)
<b>EBIT</b>	<b>138,393</b>	<b>161,921</b>	<b>161,888</b>	<b>184,710</b>	<b>200,279</b>	<b>214,126</b>	<b>229,159</b>	<b>247,227</b>	<b>264,979</b>
Other income	1,798	4,149	7,460	10,079	9,397	17,258	9,407	14,631	16,521
<b>Pretax profits</b>	<b>140,190</b>	<b>166,070</b>	<b>169,348</b>	<b>194,788</b>	<b>209,675</b>	<b>231,384</b>	<b>238,565</b>	<b>261,858</b>	<b>281,500</b>
Tax	(29,354)	(36,197)	(34,317)	(46,497)	(52,523)	(58,578)	(61,384)	(67,297)	(72,345)
Minority interest	(316)	(237)	(239)	25	(83)	(101)	(176)	(363)	(370)
<b>Profit after tax</b>	<b>110,521</b>	<b>129,636</b>	<b>134,792</b>	<b>148,316</b>	<b>157,070</b>	<b>172,704</b>	<b>177,005</b>	<b>194,198</b>	<b>208,784</b>
Extraordinary items	–	(18,069)	–	–	–	–	(7,231)	–	–
<b>Diluted earnings per share (Rs)</b>	<b>40.8</b>	<b>47.8</b>	<b>49.7</b>	<b>54.7</b>	<b>57.9</b>	<b>63.6</b>	<b>65.1</b>	<b>71.4</b>	<b>76.7</b>
Dividend per share (Rs)	5.0	26.0	44.0	48.0	52.0	60.0	58.0	60.0	60.0
<b>Balance sheet</b>									
Total equity	485,524	607,177	609,503	641,839	677,964	689,146	737,742	790,387	850,858
Deferred taxation liability	824	1,482	1,119	1,612	7,703	15,985	16,667	17,157	17,483
Total borrowings	47,869	39,560	39,241	22,088	23,192	22,667	23,633	24,329	24,790
Minority interest	5,348	1,630	895	(81)	83	169	353	726	1,110
Other non-current liabilities	41,296	48,079	41,479	42,241	57,567	60,897	63,757	65,633	66,878
Current liabilities	201,477	175,427	184,268	208,868	224,718	255,512	255,775	272,560	289,210
<b>Total liabilities and equity</b>	<b>782,339</b>	<b>873,355</b>	<b>876,506</b>	<b>916,567</b>	<b>991,227</b>	<b>1,044,376</b>	<b>1,097,926</b>	<b>1,170,792</b>	<b>1,250,328</b>
Cash	78,839	139,126	154,054	170,012	210,802	226,078	244,073	290,327	346,659
Other current assets	216,709	239,804	268,047	309,472	317,570	330,448	374,583	402,583	431,191
Goodwill and intangible assets	276,585	294,773	267,450	264,087	270,937	283,507	274,427	265,255	254,098
Tangible fixed assets	83,379	84,750	79,228	76,018	78,606	75,021	80,874	84,651	87,608
Investments	66,422	69,563	62,517	53,930	70,903	74,852	78,042	80,339	81,863
Other non-current assets	60,407	45,338	45,209	43,047	42,409	54,469	45,926	47,637	48,910
<b>Total assets</b>	<b>782,339</b>	<b>873,355</b>	<b>876,506</b>	<b>916,567</b>	<b>991,227</b>	<b>1,044,376</b>	<b>1,097,926</b>	<b>1,170,792</b>	<b>1,250,328</b>
<b>Free cash flow</b>									
Operating cash flow, excl. working capital	114,907	199,555	161,515	182,765	226,830	222,611	181,995	213,850	225,672
Working capital changes	(21,467)	26,003	(9,176)	(6,288)	27,085	10,149	(29,549)	(8,078)	(9,863)
Capital expenditure	(18,369)	(17,557)	(15,592)	(14,430)	(10,188)	(10,826)	(25,405)	(26,228)	(28,066)
Acquisitions	(65,450)	(76,305)	(4,103)	(7,416)	(20,459)	(13,448)	–	–	–
Other income	1,798	5,852	4,849	4,595	7,620	13,194	9,392	14,628	16,521
<b>Free cash flow</b>	<b>11,419</b>	<b>137,548</b>	<b>137,493</b>	<b>159,226</b>	<b>230,889</b>	<b>221,680</b>	<b>136,434</b>	<b>194,173</b>	<b>204,264</b>
<b>Key assumption and ratios (%)</b>									
<b>US\$ revenue growth (b)</b>	<b>15.1</b>	<b>2.4</b>	<b>12.8</b>	<b>9.6</b>	<b>5.4</b>	<b>4.3</b>	<b>6.4</b>	<b>4.4</b>	<b>5.1</b>
EBITDA margin	23.6	27.6	24.0	22.3	22.0	21.8	21.0	20.7	20.6
<b>EBIT margin</b>	<b>19.6</b>	<b>21.5</b>	<b>18.9</b>	<b>18.2</b>	<b>18.2</b>	<b>18.3</b>	<b>17.6</b>	<b>17.7</b>	<b>17.7</b>

Source: Company, Kotak Institutional Equities estimates

**We expect Wipro's EPS to record 5.8% CAGR over FY2026-28E**
**Exhibit 21: Profit model, balance sheet, cash model of Wipro, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
<b>Revenues</b>	<b>614,545</b>	<b>622,344</b>	<b>797,475</b>	<b>909,348</b>	<b>897,942</b>	<b>890,917</b>	<b>926,407</b>	<b>979,312</b>	<b>1,011,409</b>
Cost of revenues (including depreciation)	(436,085)	(423,205)	(555,872)	(645,446)	(631,496)	(617,802)	(652,382)	(684,523)	(707,708)
<b>Gross profit</b>	<b>178,460</b>	<b>199,139</b>	<b>241,603</b>	<b>263,902</b>	<b>266,446</b>	<b>273,115</b>	<b>274,025</b>	<b>294,789</b>	<b>303,701</b>
SG&A expenses (including depreciation)	(72,730)	(76,085)	(101,316)	(124,296)	(130,349)	(121,843)	(122,977)	(126,155)	(130,579)
<b>EBIT</b>	<b>105,730</b>	<b>123,054</b>	<b>140,287</b>	<b>139,606</b>	<b>136,097</b>	<b>151,272</b>	<b>151,048</b>	<b>168,635</b>	<b>173,122</b>
Other income	16,753	15,824	10,932	8,108	11,344	22,987	23,387	27,542	29,209
<b>Pre-tax profits</b>	<b>122,483</b>	<b>138,878</b>	<b>151,219</b>	<b>147,714</b>	<b>147,441</b>	<b>174,259</b>	<b>174,435</b>	<b>196,176</b>	<b>202,330</b>
Provision for tax	(24,799)	(30,345)	(28,946)	(33,992)	(36,089)	(42,777)	(41,087)	(50,221)	(52,606)
<b>PAT</b>	<b>97,684</b>	<b>108,533</b>	<b>122,273</b>	<b>113,722</b>	<b>111,352</b>	<b>131,482</b>	<b>133,349</b>	<b>145,955</b>	<b>149,724</b>
Equity in earnings of affiliates, minority interest (net)	(466)	(586)	(81)	(222)	(902)	(572)	(472)	(876)	(876)
<b>PAT from continuing operations</b>	<b>97,218</b>	<b>107,947</b>	<b>122,192</b>	<b>113,500</b>	<b>110,450</b>	<b>130,910</b>	<b>132,877</b>	<b>145,079</b>	<b>148,848</b>
<b>EPS (Rs)</b>	<b>16.6</b>	<b>9.5</b>	<b>11.1</b>	<b>10.3</b>	<b>10.3</b>	<b>12.5</b>	<b>12.7</b>	<b>13.8</b>	<b>14.2</b>
Dividend per share (Rs)	0.5	0.5	3.0	0.5	0.5	6.0	8.9	9.7	9.9
<b>Balance Sheet</b>									
Shareholders funds	557,458	553,095	658,158	781,164	749,883	828,309	868,172	911,696	956,350
Borrowings	17,478	20,971	71,640	77,225	76,262	86,147	86,147	86,147	86,147
Minority interest	1,875	1,498	515	589	1,340	2,138	2,868	3,856	4,844
Other liabilities	23,858	25,830	40,540	49,091	72,516	83,673	83,673	83,673	83,673
<b>Total liabilities</b>	<b>600,669</b>	<b>601,394</b>	<b>770,853</b>	<b>908,069</b>	<b>900,001</b>	<b>1,000,267</b>	<b>1,040,860</b>	<b>1,085,372</b>	<b>1,131,014</b>
Net fixed assets	97,868	101,612	109,768	107,361	99,563	106,282	108,908	105,413	103,675
Goodwill & intangibles	147,374	152,212	290,544	351,015	348,750	352,464	370,645	362,546	354,747
Cash and bank balances	343,436	356,076	364,600	421,832	429,753	559,906	569,313	618,795	670,216
Net current assets excluding cash	(24,627)	(47,996)	(28,303)	(6,906)	(5,875)	(41,627)	(31,989)	(26,196)	(22,987)
Other assets	36,618	39,490	34,244	34,767	27,810	23,242	23,983	24,815	25,364
<b>Total assets</b>	<b>600,669</b>	<b>601,394</b>	<b>770,853</b>	<b>908,069</b>	<b>900,001</b>	<b>1,000,267</b>	<b>1,040,860</b>	<b>1,085,372</b>	<b>1,131,014</b>
<b>Cashflow statement</b>									
Operating profit before working capital changes	127,829	150,456	173,817	175,515	174,452	186,899	181,851	200,217	204,697
Tax paid	(6,384)	(24,915)	(25,686)	(30,218)	(15,360)	(26,175)	(41,087)	(50,221)	(52,606)
Change in working capital/other adjustments	(23,855)	22,922	(36,488)	(14,556)	18,051	10,274	(10,121)	(6,512)	(3,646)
Capital expenditure	(22,227)	(18,824)	(19,417)	(14,288)	(6,488)	(12,915)	(25,577)	(19,988)	(22,038)
Acquisitions	(2,544)	(9,873)	(129,846)	(47,339)	(5,775)	(964)	(26,033-)	-	-
Other income	19,603	16,293	8,840	7,656	9,658	19,822	23,387	27,542	29,209
<b>Free cash flow</b>	<b>92,422</b>	<b>136,059</b>	<b>(28,780)</b>	<b>76,770</b>	<b>174,538</b>	<b>176,941</b>	<b>102,421</b>	<b>151,037</b>	<b>155,616</b>
<b>Margins and ratios</b>									
Consolidated gross profit margin (%)	29.0	32.0	30.3	29.0	29.7	30.7	29.6	30.1	30.0
Consolidated EBIT margin (%)	17.2	19.8	17.6	15.4	15.2	17.0	16.3	17.2	17.1
IT services EBIT margin (%)	17.9	20.3	17.5	15.7	15.9	17.1	17.2	17.3	17.2
RoAE (%)	17.3	19.4	20.2	15.8	14.4	16.6	15.7	16.3	15.9
RoACE (%)	15.0	17.3	18.7	14.9	13.4	14.5	13.6	14.1	13.7

Source: Company, Kotak Institutional Equities estimates

**We expect TechM's EPS to witness 23.1% CAGR over FY2026-28E**

**Exhibit 22: Profit model, balance sheet, cash model of TechM, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
Revenues	368,677	378,551	446,460	532,902	519,955	529,883	562,830	604,983	657,325
<b>EBITDA</b>	<b>57,261</b>	<b>68,471</b>	<b>80,200</b>	<b>80,288</b>	<b>49,645</b>	<b>69,911</b>	<b>88,544</b>	<b>109,368</b>	<b>118,863</b>
Interest (expense)/income	(1,919)	(1,740)	(1,626)	(3,256)	(3,922)	(3,217)	(3,443)	(3,038)	(3,038)
Depreciation	(14,458)	(14,576)	(15,204)	(19,567)	(18,171)	(18,529)	(18,728)	(18,552)	(19,382)
Other income	11,924	7,871	11,123	9,650	9,169	8,554	2,620	4,781	8,349
<b>Pretax profits</b>	<b>52,808</b>	<b>60,026</b>	<b>74,493</b>	<b>67,115</b>	<b>36,721</b>	<b>56,719</b>	<b>68,993</b>	<b>92,559</b>	<b>104,792</b>
Tax	(11,604)	(15,999)	(18,220)	(15,885)	(8,276)	(14,002)	(18,628)	(24,991)	(28,294)
Minority Interest	1,356	750	(640)	(272)	(294)	(15)	60	(80)	(80)
Share of profit/ (loss) from associates	(55)	12	28	(275)	9	86	(14)	–	–
<b>Profit after tax (recurring)</b>	<b>42,505</b>	<b>44,789</b>	<b>55,661</b>	<b>50,683</b>	<b>28,160</b>	<b>42,788</b>	<b>50,411</b>	<b>67,488</b>	<b>76,418</b>
Exceptional items	(2,175)	(507)	–	(2,372)	(4,582)	(273)	(2,024)	–	–
<b>Net profit</b>	<b>40,330</b>	<b>44,282</b>	<b>55,661</b>	<b>48,311</b>	<b>23,578</b>	<b>42,515</b>	<b>48,387</b>	<b>67,488</b>	<b>76,418</b>
<b>Recurring EPS (Rs) ex-treasury shares</b>	<b>45.9</b>	<b>50.9</b>	<b>62.8</b>	<b>57.0</b>	<b>31.6</b>	<b>48.1</b>	<b>56.6</b>	<b>75.8</b>	<b>85.9</b>
<b>Dividend per share (Rs)</b>	<b>15.0</b>	<b>45.0</b>	<b>45.0</b>	<b>50.0</b>	<b>40.0</b>	<b>45.0</b>	<b>47.0</b>	<b>60.0</b>	<b>70.0</b>
<b>Balance sheet</b>									
Total equity	218,131	248,650	268,857	279,245	266,694	273,615	280,172	294,260	308,377
Total borrowings	24,282	16,618	15,817	15,782	15,310	4,714	4,714	4,714	4,714
Minority interest	3,933	3,795	4,954	4,702	4,774	4,302	4,242	4,322	4,402
Current liabilities	83,303	84,573	112,036	114,999	108,533	117,960	118,570	121,919	126,078
Other liabilities (incl suspense account)	43,886	43,144	47,043	43,544	36,180	42,075	42,075	42,075	42,075
<b>Total liabilities and equity</b>	<b>373,535</b>	<b>396,780</b>	<b>448,707</b>	<b>458,272</b>	<b>431,491</b>	<b>442,666</b>	<b>449,773</b>	<b>467,290</b>	<b>485,647</b>
Cash	31,483	28,352	39,745	42,547	47,355	45,422	42,321	51,823	58,398
Other current assets	200,277	224,226	204,821	201,791	186,904	191,370	202,368	211,870	223,668
Fixed assets	89,221	91,368	149,488	150,512	139,649	139,681	137,889	135,121	133,514
Investments (incl treasury shares)	2,360	5,757	4,479	6,049	5,296	3,233	3,233	3,233	3,233
Other assets	50,194	47,077	50,175	57,373	52,287	62,960	63,962	65,243	66,834
<b>Total assets</b>	<b>373,535</b>	<b>396,780</b>	<b>448,707</b>	<b>458,272</b>	<b>431,491</b>	<b>442,666</b>	<b>449,773</b>	<b>467,290</b>	<b>485,647</b>
<b>Cash flows</b>									
Operating CF, excl. working capital	44,999	58,260	58,356	70,676	49,728	59,641	69,154	84,377	90,569
Working capital changes	(5,218)	15,635	(14,343)	(18,451)	12,987	(2,662)	(11,390)	(7,434)	(9,231)
Capital expenditure	(8,293)	(5,725)	(8,353)	(9,692)	(7,377)	(4,829)	(14,568)	(15,785)	(17,775)
Acquisitions	(4,678)	(11,340)	(45,888)	(10,672)	(7,488)	(1,620)	–	–	–
Other income	8,189	7,871	8,808	1,323	2,615	1,910	2,620	4,781	8,349
<b>Free cash flow</b>	<b>34,999</b>	<b>64,701</b>	<b>(1,420)</b>	<b>33,185</b>	<b>50,465</b>	<b>52,440</b>	<b>45,816</b>	<b>65,939</b>	<b>71,913</b>
<b>Ratios (%)</b>									
EBITDA margin	15.5	18.1	18.0	15.1	9.5	13.2	15.7	18.1	18.1
EBIT margin	11.6	14.2	14.6	11.4	6.1	9.7	12.4	15.0	15.1
Debt/equity	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
RoAE	20.2	19.2	21.5	18.5	10.3	15.8	18.2	23.5	25.4
<b>Key assumptions</b>									
Revenues (US\$ mn)	5,182	5,111	5,999	6,607	6,277	6,264	6,376	6,665	7,106
IT services (US\$ mn)	4,702	4,597	5,265	5,716	5,346	5,257	5,365	5,573	5,945
BPO (US\$ mn)	480	514	734	891	931	1,007	1,011	1,092	1,161
<b>Revenue growth (US\$ terms) (%)</b>	<b>4.3</b>	<b>(1.4)</b>	<b>17.4</b>	<b>10.1</b>	<b>(5.0)</b>	<b>(0.2)</b>	<b>1.8</b>	<b>4.5</b>	<b>6.6</b>
<b>IT services revenue growth (US\$, %)</b>	<b>2.9</b>	<b>(2.2)</b>	<b>14.5</b>	<b>8.6</b>	<b>(6.5)</b>	<b>(1.7)</b>	<b>2.0</b>	<b>3.9</b>	<b>6.7</b>
<b>BPO revenue growth (US\$, %)</b>	<b>19.0</b>	<b>7.2</b>	<b>42.6</b>	<b>21.5</b>	<b>4.5</b>	<b>8.1</b>	<b>0.5</b>	<b>8.0</b>	<b>6.3</b>
INR/USD rate	71.1	74.1	74.4	80.7	82.8	84.6	88.3	90.8	92.5

Source: Company, Kotak Institutional Equities estimates

**We expect LTM's EPS to see 10.6% CAGR over FY2026-28E**

**Exhibit 23: Profit model, balance sheet, cash model of LTM, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
Revenues	2,613	2,747	3,502	4,106	4,287	4,493	4,775	5,124	5,518
<b>EBITDA</b>	<b>31,190</b>	<b>43,818</b>	<b>52,571</b>	<b>61,030</b>	<b>63,874</b>	<b>64,949</b>	<b>75,822</b>	<b>83,794</b>	<b>90,589</b>
Depreciation and amortization	(5,484)	(5,921)	(5,970)	(7,227)	(8,189)	(9,915)	(10,635)	(11,255)	(12,047)
<b>EBIT</b>	<b>25,706</b>	<b>37,897</b>	<b>46,601</b>	<b>53,803</b>	<b>55,685</b>	<b>55,034</b>	<b>65,187</b>	<b>72,539</b>	<b>78,542</b>
Other income	1,927	3,882	3,196	4,594	6,901	8,648	10,631	11,946	13,589
Forex gains/(loss)	2,038	378	4,498	1,035	118	1,249	1,135	276	1,104
Interest expense	(1,355)	(1,292)	(1,229)	(1,489)	(2,217)	(2,789)	(2,817)	(2,972)	(3,091)
<b>Pretax profits</b>	<b>28,316</b>	<b>40,865</b>	<b>53,066</b>	<b>57,943</b>	<b>60,487</b>	<b>62,142</b>	<b>74,137</b>	<b>81,788</b>	<b>90,144</b>
Tax	(6,804)	(10,379)	(13,551)	(13,845)	(14,641)	(16,122)	(19,606)	(21,265)	(23,077)
<b>Adjusted profit from continuing ops</b>	<b>21,512</b>	<b>30,486</b>	<b>39,515</b>	<b>44,098</b>	<b>45,846</b>	<b>46,020</b>	<b>54,530</b>	<b>60,523</b>	<b>67,067</b>
<b>Adj diluted EPS (Rs)</b>	<b>72.8</b>	<b>103.1</b>	<b>133.6</b>	<b>149.1</b>	<b>155.0</b>	<b>155.7</b>	<b>185.5</b>	<b>204.8</b>	<b>226.9</b>
Dividend per share (Rs)	28.0	40.0	45.0	60.0	65.0	65.0	90.0	110.0	120.0
Weighted avg fully diluted shares (mn)	295.6	295.6	295.6	295.6	295.6	295.6	295.6	295.6	295.6
<b>Balance sheet</b>									
Total equity	85,619	116,261	142,929	165,992	200,264	227,115	250,624	278,632	310,227
<b>Borrowings</b>	<b>3,204</b>	<b>859</b>	<b>519</b>	<b>1,253</b>	<b>407</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long term liabilities	16,273	16,201	16,391	18,137	22,521	23,842	23,842	23,842	23,842
Current liabilities	34,719	37,384	45,985	49,579	52,438	55,320	62,701	67,122	71,774
<b>Total liabilities and equity</b>	<b>139,815</b>	<b>170,705</b>	<b>205,824</b>	<b>234,961</b>	<b>275,630</b>	<b>306,300</b>	<b>337,166</b>	<b>369,595</b>	<b>405,843</b>
Tangible fixed assets	21,052	18,776	25,335	31,259	41,075	46,445	48,246	48,580	49,222
Goodwill and Intangibles	12,965	13,928	14,422	14,555	14,240	13,216	13,416	13,453	13,525
Other non-current assets	7,005	6,407	16,681	17,250	31,785	37,260	37,260	37,260	37,260
Cash and cash equivalents	41,056	71,941	72,344	76,738	95,694	109,622	129,064	151,049	176,150
Other current assets	57,737	59,653	77,042	95,159	92,836	99,757	109,181	119,253	129,686
<b>Total assets</b>	<b>139,815</b>	<b>170,705</b>	<b>205,824</b>	<b>234,961</b>	<b>275,630</b>	<b>306,300</b>	<b>337,166</b>	<b>369,595</b>	<b>405,843</b>
<b>Cash flow</b>									
Operating cash flow, excl. w-capital	27,374	34,925	42,279	48,640	50,722	50,261	52,932	62,805	68,616
Working capital changes	(1,893)	6,835	(12,861)	(17,653)	5,975	(4,803)	(2,066)	(5,651)	(5,781)
Capital expenditure	(3,685)	(3,279)	(10,528)	(9,346)	(8,330)	(9,336)	(12,635)	(11,627)	(12,761)
Acquisitions	(488)	(426)	(779)	(1,486)	(59)	(81)	-	-	-
Other income (net)	1,710	2,658	4,449	1,266	2,573	3,582	10,631	11,946	13,589
<b>Free cash flow (includes other income)</b>	<b>23,018</b>	<b>40,713</b>	<b>22,560</b>	<b>21,421</b>	<b>50,881</b>	<b>39,623</b>	<b>48,862</b>	<b>57,472</b>	<b>63,663</b>
<b>Key ratios/metrics</b>									
<b>EBITDA margin before forex gains/loss (%)</b>	<b>16.7</b>	<b>21.5</b>	<b>20.1</b>	<b>18.4</b>	<b>18.0</b>	<b>17.1</b>	<b>18.0</b>	<b>18.0</b>	<b>17.7</b>
<b>EBIT margin before forex gains/loss (%)</b>	<b>13.8</b>	<b>18.6</b>	<b>17.8</b>	<b>16.2</b>	<b>15.7</b>	<b>14.5</b>	<b>15.5</b>	<b>15.6</b>	<b>15.4</b>
NPM (excluding extraordinary) (%)	11.5	15.0	15.1	13.3	12.9	12.1	13.0	13.0	13.1
<b>US\$ revenues from continuing ops</b>	<b>2,613</b>	<b>2,747</b>	<b>3,502</b>	<b>4,106</b>	<b>4,287</b>	<b>4,493</b>	<b>4,775</b>	<b>5,124</b>	<b>5,518</b>
<b>US\$ revenue growth (%)</b>	<b>11.2</b>	<b>5.1</b>	<b>27.5</b>	<b>17.2</b>	<b>4.4</b>	<b>4.8</b>	<b>6.3</b>	<b>7.3</b>	<b>7.7</b>
Net cash and cash equivalents	37,852	71,082	71,825	75,485	95,287	109,599	129,064	151,049	176,150
Effective tax rate (%)	24.0	25.4	25.5	23.9	24.2	25.9	26.4	26.0	25.6
RoAE (%)	25.7	30.2	30.5	28.5	25.0	21.5	23.0	22.9	22.8
RoACE (%)	22.0	24.1	24.2	24.5	21.0	18.0	19.1	19.3	18.8

Source: Company, Kotak Institutional Equities estimates

**We expect Persistent's EPS to record 16.7% CAGR over FY2026-28E**
**Exhibit 24: Profit model, balance sheet, cash model of Persistent, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
Revenue	35,658	41,879	57,107	83,506	98,216	119,387	146,440	173,217	200,928
Direct costs	(23,494)	(27,650)	(37,895)	(55,315)	(65,231)	(78,740)	(94,125)	(112,424)	(130,573)
SG&A expenses	(7,234)	(7,398)	(9,631)	(12,999)	(15,742)	(20,065)	(24,371)	(28,125)	(32,733)
<b>EBITDA</b>	<b>4,930</b>	<b>6,830</b>	<b>9,582</b>	<b>15,191</b>	<b>17,243</b>	<b>20,582</b>	<b>27,944</b>	<b>32,668</b>	<b>37,622</b>
Depreciation and amortization	(1,660)	(1,756)	(1,660)	(2,719)	(3,094)	(3,069)	(3,979)	(4,081)	(4,292)
<b>EBIT</b>	<b>3,270</b>	<b>5,075</b>	<b>7,922</b>	<b>12,472</b>	<b>14,149</b>	<b>17,513</b>	<b>23,965</b>	<b>28,587</b>	<b>33,329</b>
Other income, net	1,254	1,020	1,321	(64)	813	710	1,158	898	1,273
Pretax profits	4,523	6,094	9,243	12,409	14,962	18,223	25,122	29,485	34,603
Tax expense	(1,121)	(1,588)	(2,339)	(3,198)	(3,541)	(4,221)	(5,801)	(7,076)	(8,305)
Minority interest and exceptional items	–	–	–	–	(486)	–	–	–	–
<b>Profit after tax</b>	<b>3,403</b>	<b>4,507</b>	<b>6,904</b>	<b>9,211</b>	<b>11,421</b>	<b>14,001</b>	<b>19,322</b>	<b>22,408</b>	<b>26,298</b>
<b>Dil. EPS (Rs)</b>	<b>22</b>	<b>29</b>	<b>45</b>	<b>60</b>	<b>74</b>	<b>90</b>	<b>124</b>	<b>143</b>	<b>168</b>
DPS (Rs)	12	20	31	50	26	35	43	57	76
<b>Balance sheet</b>									
Total equity	23,858	27,957	33,682	39,651	49,577	63,190	75,787	89,280	103,692
Borrowings	46	44	4,325	4,285	2,073	–	–	–	–
Lease liabilities	662	938	1,457	2,269	2,439	3,109	3,509	3,909	4,309
Provisions	1,794	2,719	4,195	5,022	3,878	4,095	5,008	5,912	6,847
Other non-current liabilities	–	–	2,089	2,937	44	474	474	474	474
Other current liabilities	4,562	4,997	8,443	12,028	15,726	16,497	18,977	21,985	25,098
<b>Total liabilities and equity</b>	<b>30,922</b>	<b>36,655</b>	<b>54,191</b>	<b>66,191</b>	<b>73,737</b>	<b>87,366</b>	<b>103,755</b>	<b>121,560</b>	<b>140,419</b>
Cash and bank	4,572	9,809	9,145	9,033	10,229	10,255	19,879	29,244	34,879
Fixed assets	3,095	3,376	5,347	7,220	7,063	8,923	10,229	11,409	12,812
Intangible assets including goodwill	1,524	1,315	11,060	16,355	15,488	17,261	16,741	16,262	14,923
Receivables	5,922	5,709	9,484	15,830	17,491	19,142	22,896	28,084	38,534
Investments	9,786	9,996	8,225	6,396	8,266	9,803	9,803	9,803	9,803
Other assets	6,023	6,450	10,931	11,358	15,200	21,981	24,207	26,758	29,467
<b>Total assets</b>	<b>30,922</b>	<b>36,655</b>	<b>54,191</b>	<b>66,191</b>	<b>73,737</b>	<b>87,366</b>	<b>103,755</b>	<b>121,560</b>	<b>140,419</b>
<b>Cashflow statement</b>									
Operating cash flow, excl. wc	5,925	7,363	11,224	17,340	17,678	22,917	27,944	32,668	37,622
Working capital changes	(1,081)	1,578	(407)	(4,378)	(2,052)	(6,233)	(2,587)	(3,828)	(9,111)
Cash taxes paid	(1,328)	(1,582)	(2,367)	(3,405)	(3,414)	(5,114)	(5,801)	(7,076)	(8,305)
Capital expenditure	(746)	(1,251)	(3,808)	(4,321)	(2,839)	(1,931)	(3,264)	(4,182)	(3,658)
Acquisitions	(435)	(448)	(6,154)	(4,311)	(2,074)	(490)	–	–	–
Other income	(143)	(613)	237	500	502	1,103	760	853	945
<b>Free cash flow</b>	<b>2,770</b>	<b>6,108</b>	<b>4,642</b>	<b>5,236</b>	<b>9,374</b>	<b>9,638</b>	<b>16,292</b>	<b>17,582</b>	<b>16,548</b>
<b>Key ratios and assumptions</b>									
Revenue growth (%)	5.9	17.4	36.4	46.2	17.6	21.6	22.7	18.3	16.0
EBITDA margin (%)	13.8	16.3	16.8	18.2	17.6	17.2	19.1	18.9	18.7
EBIT margin (%)	9.2	12.1	13.9	14.9	14.4	14.7	16.4	16.5	16.6
RoAE (%)	14.4	17.4	22.4	25.1	24.5	24.8	27.8	27.2	27.3
RoACE (%)	10.2	14.0	17.3	21.6	21.5	22.4	25.3	25.2	25.2

Source: Company, Kotak Institutional Equities estimates

**We expect Coforge's EPS to witness 20.5% CAGR over FY2026-28E**

**Exhibit 25: Profit model, balance sheet, cash model of Coforge, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
<b>Revenue (US\$ mn)</b>	<b>593</b>	<b>627</b>	<b>867</b>	<b>1,002</b>	<b>1,119</b>	<b>1,461</b>	<b>1,871</b>	<b>2,150</b>	<b>2,463</b>
Average exchange rate (INR/ USD)	70.5	74.3	74.2	80.0	82.1	83.4	86.5	89.8	92.0
Revenue	41,839	46,628	64,320	80,146	91,790	121,912	161,827	192,998	226,607
Purchases of stock in trade/ contract cost	(844)	(1,935)	(1,724)	(551)	(94)	(101)	(56)	–	–
Employee expense	(25,298)	(28,158)	(38,346)	(47,475)	(54,904)	(73,162)	(91,521)	(109,832)	(131,356)
Other expense	(8,464)	(8,740)	(13,231)	(18,508)	(22,138)	(28,783)	(41,059)	(49,187)	(55,849)
<b>EBITDA</b>	<b>7,233</b>	<b>7,795</b>	<b>11,019</b>	<b>13,612</b>	<b>14,654</b>	<b>19,866</b>	<b>29,191</b>	<b>33,979</b>	<b>39,403</b>
Depreciation and amortization	(1,730)	(1,836)	(2,272)	(2,585)	(3,186)	(4,580)	(6,737)	(7,072)	(7,735)
<b>EBIT</b>	<b>5,503</b>	<b>5,959</b>	<b>8,747</b>	<b>11,027</b>	<b>11,468</b>	<b>15,286</b>	<b>22,455</b>	<b>26,907</b>	<b>31,667</b>
Other income	677	326	518	619	498	279	712	734	805
Interest expense	(155)	(143)	(650)	(806)	(1,256)	(1,351)	(1,727)	(1,721)	(1,604)
Pretax profits	6,025	6,142	8,615	10,840	10,710	14,214	21,440	25,920	30,869
Exceptional items	(71)	(180)	–	(1,326)	(261)	(1,652)	(1,523)	–	–
Tax expense	(1,278)	(1,302)	(1,468)	(2,061)	(2,093)	(3,201)	(4,581)	(6,610)	(8,180)
Minority interest	(236)	(104)	(530)	(513)	(276)	(1,240)	(1,821)	(264)	(275)
<b>Net income</b>	<b>4,440</b>	<b>4,556</b>	<b>6,617</b>	<b>6,940</b>	<b>8,080</b>	<b>8,121</b>	<b>13,515</b>	<b>19,047</b>	<b>22,414</b>
<b>Adjusted net income</b>	<b>4,497</b>	<b>4,697</b>	<b>6,618</b>	<b>7,977</b>	<b>8,289</b>	<b>9,166</b>	<b>14,688</b>	<b>19,047</b>	<b>22,414</b>
<b>EPS (Diluted)</b>	<b>14</b>	<b>15</b>	<b>21</b>	<b>22</b>	<b>26</b>	<b>24</b>	<b>40</b>	<b>54</b>	<b>63</b>
<b>EPS (Diluted)- adjusted</b>	<b>14</b>	<b>15</b>	<b>21</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>43</b>	<b>54</b>	<b>63</b>
DPS (Rs)	6	3	10	13	15	15	16	33	48
<b>Balance sheet</b>									
Total equity	23,965	24,661	28,314	31,699	37,269	83,290	93,307	101,180	107,062
Borrowings	352	10	3,545	3,382	4,366	7,005	8,071	6,938	–
Lease liabilities	973	816	1,351	2,240	2,894	3,699	4,756	6,159	7,637
Provisions	90	3	–	–	–	–	–	–	–
Payables	2,840	3,723	6,524	6,813	8,689	11,727	15,567	18,565	21,798
Other non-current liabilities	1,579	1,071	4,772	2,242	2,150	9,171	6,089	6,534	7,015
Other current liabilities	4,599	4,749	5,038	10,458	5,709	10,015	12,862	14,166	16,137
<b>Total liabilities and equity</b>	<b>34,398</b>	<b>35,033</b>	<b>49,544</b>	<b>56,834</b>	<b>61,077</b>	<b>124,907</b>	<b>140,651</b>	<b>153,543</b>	<b>159,649</b>
Cash and bank	9,034	8,122	4,535	5,787	3,352	8,832	14,782	19,459	16,539
Fixed assets	4,016	3,600	4,538	4,501	4,702	7,706	8,947	9,982	11,360
Intangible assets including goodwill	5,988	5,690	14,821	16,299	16,133	49,726	47,918	46,151	44,273
RoU assets	792	918	1,476	2,365	2,927	3,554	4,161	5,043	5,875
Receivables	11,196	12,896	16,769	19,415	21,294	32,108	41,863	49,926	58,620
Investments	137	124	–	–	–	1,457	1,457	1,457	1,457
Other assets	3,235	3,683	7,405	8,467	12,669	21,524	21,524	21,524	21,524
<b>Total assets</b>	<b>34,398</b>	<b>35,033</b>	<b>49,544</b>	<b>56,834</b>	<b>61,077</b>	<b>124,907</b>	<b>140,651</b>	<b>153,543</b>	<b>159,649</b>
<b>Cashflow statement</b>									
Operating cash flow, excl. wc	7,447	8,803	11,735	13,332	15,495	19,019	28,559	34,229	39,703
Working capital changes	(2,664)	502	(1,433)	(1,027)	(2,800)	(2,689)	(7,248)	(4,283)	(4,140)
Cash taxes paid	(1,814)	(1,682)	(2,646)	(2,800)	(3,661)	(3,959)	(4,581)	(6,610)	(8,180)
Capital expenditure	(725)	(782)	(1,541)	(1,582)	(2,655)	(6,144)	(4,622)	(4,852)	(5,459)
Acquisitions	(1,721)	(264)	(8,557)	(1,222)	(3,523)	(20,810)	–	–	–
Other income	(39)	(67)	(578)	(722)	(1,081)	(459)	(1,606)	(1,237)	(1,098)
<b>Free cash flow</b>	<b>2,244</b>	<b>6,841</b>	<b>6,115</b>	<b>7,923</b>	<b>6,379</b>	<b>6,227</b>	<b>12,109</b>	<b>18,484</b>	<b>21,923</b>
<b>Key ratios and assumptions</b>									
Revenue growth (US\$, %)	11.8	5.7	38.1	15.6	11.7	30.6	28.0	14.9	14.6
Revenue growth (%)	13.8	11.4	37.9	24.6	14.5	32.8	32.7	19.3	17.4
EBITDA margin (%)	17.3	16.7	17.1	17.0	16.0	16.3	18.0	17.6	17.4
EBIT margin (%)	13.2	12.8	13.6	13.8	12.5	12.5	13.9	13.9	14.0
RoAE (%)	20.9	19.2	27.5	25.6	24.9	18.7	22.6	25.5	27.5
RoACE (%)	17.5	17.6	22.5	22.4	21.5	15.9	16.9	17.9	19.3

**Notes:**

- (a) Adjusted PAT and adjusted EPS excludes exceptional items but includes ESOPs.
- (b) Includes impact of Cigniti acquisition, consolidated from 2QFY25.

Source: Company, Kotak Institutional Equities estimates

## We expect Mphasis' EPS to see 11.2% CAGR over FY2026-28E

Exhibit 26: Profit model, balance sheet, cash model of Mphasis, March fiscal year-ends, 2020-28E (Rs mn)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26E	Mar-27E	Mar-28E
<b>Profit model</b>									
Revenues	88,436	97,223	119,614	137,984	132,785	142,299	158,291	175,523	191,598
<b>EBITDA</b>	<b>16,505</b>	<b>18,028</b>	<b>21,175</b>	<b>24,339</b>	<b>24,190</b>	<b>26,467</b>	<b>29,426</b>	<b>32,585</b>	<b>35,092</b>
Depreciation (incl amortization of intangibles)	(2,317)	(2,419)	(2,906)	(3,253)	(4,076)	(4,762)	(5,251)	(5,516)	(5,658)
Other income	967	696	861	644	570	866	1,061	1,387	1,879
<b>Pretax profits</b>	<b>15,155</b>	<b>16,305</b>	<b>19,130</b>	<b>21,730</b>	<b>20,684</b>	<b>22,571</b>	<b>25,236</b>	<b>28,455</b>	<b>31,313</b>
Tax	(3,306)	(4,139)	(4,821)	(5,351)	(5,135)	(5,580)	(6,372)	(7,256)	(7,985)
<b>Recurring profit after tax</b>	<b>11,849</b>	<b>12,167</b>	<b>14,309</b>	<b>16,379</b>	<b>15,549</b>	<b>16,991</b>	<b>18,864</b>	<b>21,199</b>	<b>23,328</b>
Extraordinaries	-	-	-	-	-	-	(264)	-	-
<b>Net income</b>	<b>11,849</b>	<b>12,167</b>	<b>14,309</b>	<b>16,379</b>	<b>15,549</b>	<b>16,991</b>	<b>18,600</b>	<b>21,199</b>	<b>23,328</b>
<b>Recurring diluted earnings per share (Rs)</b>	<b>63.5</b>	<b>65.0</b>	<b>76.2</b>	<b>86.9</b>	<b>82.4</b>	<b>89.9</b>	<b>99.8</b>	<b>112.2</b>	<b>123.4</b>
Dividend per share (Rs)	35.0	65.0	46.0	50.0	55.0	55.0	70.0	75.0	75.0
<b>Balance sheet</b>									
Total equity	58,296	65,267	69,431	79,348	87,946	96,284	101,654	108,678	117,831
Total borrowings	12,954	11,811	12,519	10,528	23,886	18,882	18,882	18,882	18,882
Current liabilities	16,148	16,569	24,893	25,189	28,171	32,277	34,996	38,112	41,019
<b>Total liabilities and equity</b>	<b>87,398</b>	<b>93,647</b>	<b>106,843</b>	<b>115,065</b>	<b>140,003</b>	<b>147,443</b>	<b>155,532</b>	<b>165,672</b>	<b>177,732</b>
Cash	11,257	10,622	9,494	10,534	8,144	16,126	18,766	24,732	32,837
Other current assets	30,562	33,420	40,475	44,690	43,462	49,796	56,539	61,826	66,759
Goodwill	21,405	21,326	27,348	29,586	41,793	42,907	42,907	42,907	42,907
Investments	13,257	18,460	18,130	17,526	30,899	22,082	22,082	22,082	22,082
Tangible fixed assets	8,897	8,901	10,498	11,336	14,148	14,910	13,616	12,487	11,619
Deferred tax assets	2,020	918	898	1,393	1,557	1,623	1,623	1,623	1,623
<b>Total assets</b>	<b>87,398</b>	<b>93,647</b>	<b>106,843</b>	<b>115,065</b>	<b>140,003</b>	<b>147,443</b>	<b>155,532</b>	<b>165,658</b>	<b>177,827</b>
<b>Ratios (%)</b>									
EBITDA margin	18.7	18.5	17.7	17.6	18.2	18.6	18.6	18.6	18.3
EBIT margin	16.0	16.1	15.3	15.3	15.1	15.3	15.3	15.4	15.4
<b>Cashflow statement</b>									
Operating cash flow excl. WC changes	12,548	14,658	18,658	19,865	17,629	19,052	22,789	25,329	27,108
Change in WC/other adjustments	422	(453)	(1,501)	(5,779)	4,028	(2,341)	(4,024)	(2,172)	(2,026)
Capital expenditure (including acquisitions)	(1,243)	(2,057)	(6,411)	(1,112)	(13,249)	(3,418)	(3,957)	(4,388)	(4,790)
<b>Free cash flow</b>	<b>11,727</b>	<b>12,148</b>	<b>10,747</b>	<b>12,974</b>	<b>8,408</b>	<b>13,293</b>	<b>14,808</b>	<b>18,769</b>	<b>20,292</b>

Source: Company, Kotak Institutional Equities estimates

**We expect Hexaware's EPS to record 7.3% CAGR over CY2025-27E**

**Exhibit 27: Profit model, balance sheet, cash model of Hexaware, Calendar year-ends, 2021-27E (Rs mn)**

	2021	2022	2023	2024	2025E	2026E	2027E
<b>Profit model</b>							
<b>Revenue (US\$ mn)</b>	<b>971</b>	<b>1,165</b>	<b>1,256</b>	<b>1,429</b>	<b>1,538</b>	<b>1,628</b>	<b>1,812</b>
Average exchanging rate (INR/ USD)	73.9	79.0	82.6	83.8	87.3	90.4	92.5
Revenue	71,777	91,996	103,803	119,744	134,304	147,171	167,643
Employee expense	(42,772)	(55,582)	(61,282)	(69,649)	(77,938)	(86,064)	(98,448)
Other expense	(17,676)	(24,197)	(26,710)	(31,793)	(37,252)	(38,106)	(42,897)
<b>EBITDA</b>	<b>11,329</b>	<b>12,217</b>	<b>15,811</b>	<b>18,302</b>	<b>19,114</b>	<b>23,001</b>	<b>26,299</b>
Depreciation and amortization	(2,241)	(2,444)	(2,836)	(2,788)	(3,613)	(3,645)	(3,789)
<b>EBIT</b>	<b>9,088</b>	<b>9,773</b>	<b>12,975</b>	<b>15,514</b>	<b>15,501</b>	<b>19,356</b>	<b>22,510</b>
Interest expense	(345)	(335)	(378)	(660)	(1,005)	(854)	(924)
Other income	669	1,792	88	749	3,883	295	698
PBT	9,412	11,230	12,685	15,603	18,379	18,797	22,284
Exceptional items	-	-	-	-	(833)	-	-
Tax expense	(1,924)	(2,388)	(2,709)	(3,863)	(3,863)	(4,699)	(5,571)
Minority interest and exceptional items	-	-	-	24	9	-	-
<b>Net income</b>	<b>7,488</b>	<b>8,842</b>	<b>9,976</b>	<b>11,764</b>	<b>14,525</b>	<b>14,098</b>	<b>16,713</b>
<b>EPS (Diluted)</b>	<b>12.3</b>	<b>14.5</b>	<b>16.4</b>	<b>19.3</b>	<b>23.8</b>	<b>23.1</b>	<b>27.4</b>
DPS (Rs)	4.0	11.0	8.8	8.8	11.5	11.5	15.0
<b>Balance sheet</b>							
Total equity	37,879	41,230	46,352	53,546	63,126	70,198	77,745
Borrowings including lease liabilities	3,743	4,565	3,936	5,742	6,807	7,424	7,974
Provisions	2,460	2,484	3,081	3,168	4,674	4,674	4,674
Payables	3,877	5,357	6,595	9,140	10,069	11,034	12,568
Other non-current liabilities	48	632	166	2,223	3,221	3,221	3,221
Other current liabilities	8,728	10,872	11,891	16,126	21,126	22,035	23,519
<b>Total liabilities and equity</b>	<b>56,735</b>	<b>65,140</b>	<b>72,021</b>	<b>89,945</b>	<b>109,023</b>	<b>118,586</b>	<b>129,702</b>
Cash and bank	12,011	13,028	17,837	19,872	19,825	19,598	26,681
Investments	1,224	-	2,506	-	1,446	1,446	1,446
Fixed assets and CWIP	6,115	6,048	5,809	6,070	7,294	14,831	15,711
Intangible assets including goodwill	13,949	16,012	15,517	27,237	38,394	37,353	36,473
RoU assets	3,970	3,879	3,761	5,596	6,116	6,733	7,283
Receivables	13,669	18,818	18,458	19,755	20,556	22,525	25,659
Other assets	5,797	7,356	8,133	11,415	15,415	16,123	16,473
<b>Total assets</b>	<b>56,735</b>	<b>65,140</b>	<b>72,021</b>	<b>89,945</b>	<b>109,046</b>	<b>118,609</b>	<b>129,725</b>
<b>Cashflow statement</b>							
Operating cash flow, excl. wc	13,397	14,465	16,512	19,230	20,968	23,001	26,299
Working capital changes	(1,580)	(3,824)	1,223	(628)	104	(803)	(465)
Cash taxes paid	(2,019)	(2,435)	(2,579)	(3,122)	(3,681)	(4,699)	(5,571)
Capital expenditure	(1,084)	(1,190)	(634)	(1,312)	(1,635)	(2,035)	(1,925)
Acquisitions	-	(227)	-	(8,268)	(7,452)	(6,460)	-
Other income	(284)	(292)	(231)	(144)	(364)	(559)	(226)
<b>Free cash flow</b>	<b>8,430</b>	<b>6,497</b>	<b>14,291</b>	<b>5,756</b>	<b>7,940</b>	<b>8,445</b>	<b>18,111</b>
<b>Key ratios and assumptions</b>							
Revenue growth (US\$, %)	14.9	20.0	7.8	13.7	7.6	5.9	11.3
Revenue growth (%)	14.6	28.2	12.8	15.4	12.2	9.6	13.9
EBITDA margin (%)	15.8	13.3	15.2	15.3	14.2	15.6	15.7
EBIT margin (%)	12.7	10.6	12.5	13.0	11.5	13.2	13.4
RoAE (%)	21.3	22.4	22.8	23.5	24.9	21.1	22.6
RoACE (%)	18.1	17.6	21.2	21.3	18.7	19.7	20.7

Source: Company, Kotak Institutional Equities estimates

**We expect 6.4% EPS CAGR in FY2025-28E for Cyient (DET)**

**Exhibit 28: Cyient (DET) segment income statement, March fiscal year-ends, 2021-28E (Rs mn)**

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Revenue (US\$ mn)</b>	<b>461</b>	<b>504</b>	<b>632</b>	<b>714</b>	<b>688</b>	<b>664</b>	<b>700</b>	<b>743</b>
US\$/Rs	74.3	74.5	80.6	82.8	84.6	88.1	90.8	92.5
<b>Revenue</b>	<b>34,251</b>	<b>37,532</b>	<b>50,950</b>	<b>59,113</b>	<b>58,158</b>	<b>58,451</b>	<b>63,566</b>	<b>68,693</b>
Employee costs	(21,142)	(22,148)	(29,613)	(33,946)	(35,037)	(37,745)	(39,829)	(43,215)
Other expenses	(7,125)	(7,396)	(12,166)	(13,207)	(12,948)	(11,236)	(12,960)	(13,749)
<b>EBITDA</b>	<b>5,515</b>	<b>7,471</b>	<b>9,171</b>	<b>11,960</b>	<b>10,173</b>	<b>9,469</b>	<b>10,777</b>	<b>11,729</b>
Depreciation and amortization	(1,759)	(1,730)	(2,198)	(2,415)	(2,302)	(2,283)	(2,562)	(2,587)
<b>EBIT</b>	<b>3,755</b>	<b>5,741</b>	<b>6,973</b>	<b>9,545</b>	<b>7,871</b>	<b>7,187</b>	<b>8,216</b>	<b>9,143</b>
Other Income	1,166	1,121	751	382	760	1,370	854	931
Finance costs	(481)	(434)	(747)	(915)	(600)	(327)	(286)	(275)
<b>Profit before tax</b>	<b>4,440</b>	<b>6,428</b>	<b>6,977</b>	<b>9,011</b>	<b>8,031</b>	<b>8,230</b>	<b>8,783</b>	<b>9,798</b>
Provision for Tax	(1,095)	(1,652)	(1,724)	(2,104)	(1,982)	(2,200)	(2,240)	(2,498)
Profit before minority interest	3,345	4,777	5,253	6,908	6,049	6,030	6,544	7,300
Minority Interest and associate income	–	–	–	(10)	3	(2)	–	–
<b>Profit before extraordinary</b>	<b>3,345</b>	<b>4,777</b>	<b>5,253</b>	<b>6,898</b>	<b>6,052</b>	<b>6,028</b>	<b>6,544</b>	<b>7,300</b>
Extraordinaries (net of tax)	(76)	–	(506)	(519)	–	(288)	–	–
<b>Net profit - Reported</b>	<b>3,269</b>	<b>4,777</b>	<b>4,747</b>	<b>6,379</b>	<b>6,052</b>	<b>5,740</b>	<b>6,544</b>	<b>7,300</b>
<b>Key metrics</b>								
<b>EBITDA margin (%)</b>	<b>16.1</b>	<b>19.9</b>	<b>18.0</b>	<b>20.2</b>	<b>17.5</b>	<b>16.2</b>	<b>17.0</b>	<b>17.1</b>
<b>EBIT margin (%)</b>	<b>11.0</b>	<b>15.3</b>	<b>13.7</b>	<b>16.1</b>	<b>13.5</b>	<b>12.3</b>	<b>12.9</b>	<b>13.3</b>
PBT margin (%)	13.0	17.1	13.7	15.2	13.8	14.1	13.8	14.3
Net profit margin (%)	9.5	12.7	9.3	10.8	10.4	9.8	10.3	10.6
<b>Growth Rates (%)</b>								
<b>US\$ revenues</b>	<b>(16.3)</b>	<b>9.2</b>	<b>25.6</b>	<b>12.9</b>	<b>(3.7)</b>	<b>(3.5)</b>	<b>5.5</b>	<b>6.0</b>
Revenues	(12.2)	9.6	35.8	16.0	(1.6)	0.5	8.8	8.1
<b>EBITDA</b>	<b>(5.9)</b>	<b>35.5</b>	<b>22.7</b>	<b>30.4</b>	<b>(14.9)</b>	<b>(6.9)</b>	<b>13.8</b>	<b>8.8</b>
<b>EBIT</b>	<b>(8.1)</b>	<b>52.9</b>	<b>21.5</b>	<b>36.9</b>	<b>(17.5)</b>	<b>(8.7)</b>	<b>14.3</b>	<b>11.3</b>
PBT	(7.9)	44.8	8.5	29.2	(10.9)	2.5	6.7	11.6
<b>Adjusted Net profit</b>	<b>(5.3)</b>	<b>42.8</b>	<b>10.0</b>	<b>31.3</b>	<b>(12.3)</b>	<b>(0.4)</b>	<b>8.5</b>	<b>11.6</b>
Net profit - Reported	(4.6)	46.1	(0.6)	34.4	(5.1)	(5.1)	14.0	11.6

Source: Company, Kotak Institutional Equities estimates

## We expect 12% PAT CAGR for Cyient group in FY2025-28E

### Exhibit 29: Condensed consolidated financials for Cyient, March fiscal year-ends, 2021-28E (Rs mn)

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>								
Revenue	41,325	45,344	60,159	71,473	73,604	73,271	80,202	88,933
Employee costs	(21,611)	(22,665)	(30,260)	(35,120)	(36,899)	(40,010)	(42,075)	(45,947)
Other expenses	(13,606)	(14,462)	(19,658)	(23,324)	(25,272)	(23,374)	(25,520)	(28,979)
<b>EBITDA</b>	<b>6,108</b>	<b>8,217</b>	<b>10,241</b>	<b>13,029</b>	<b>11,433</b>	<b>9,886</b>	<b>12,607</b>	<b>14,006</b>
Depreciation and amortization	(1,944)	(1,923)	(2,566)	(2,667)	(2,672)	(2,788)	(3,048)	(3,138)
<b>EBIT</b>	<b>4,164</b>	<b>6,294</b>	<b>7,675</b>	<b>10,362</b>	<b>8,761</b>	<b>7,098</b>	<b>9,559</b>	<b>10,868</b>
Other income, net	685	687	(185)	(500)	38	1,329	1,325	1,555
Pretax profits	4,849	6,981	7,490	9,862	8,799	8,427	10,884	12,424
Tax expense	(1,133)	(1,761)	(1,838)	(2,313)	(2,267)	(2,136)	(2,658)	(3,034)
Minority interest and exceptional items	(76)	0	(506)	(719)	(375)	(711)	(556)	(720)
<b>Profit after tax</b>	<b>3,640</b>	<b>5,220</b>	<b>5,146</b>	<b>6,830</b>	<b>6,157</b>	<b>5,580</b>	<b>7,670</b>	<b>8,670</b>
<b>Dil. EPS (Rs)</b>	<b>33.1</b>	<b>47.8</b>	<b>46.9</b>	<b>61.6</b>	<b>55.5</b>	<b>50.2</b>	<b>69.0</b>	<b>78.0</b>
<b>Balance sheet</b>								
Total equity	29,541	31,134	34,635	45,569	57,604	60,226	64,200	68,217
Borrowings	3,184	3,264	9,336	4,526	2,138	2,138	2,138	2,138
Lease liabilities	2,590	2,470	2,842	3,350	2,996	3,065	3,136	3,209
Provisions	1,672	1,761	2,753	2,939	3,101	3,101	3,101	3,101
Other non-current liabilities	579	1,014	2,100	843	841	841	841	841
Other current liabilities	7,362	8,230	13,815	12,809	10,266	10,449	11,058	11,816
<b>Total liabilities and equity</b>	<b>44,928</b>	<b>47,873</b>	<b>65,481</b>	<b>70,036</b>	<b>76,946</b>	<b>79,820</b>	<b>84,474</b>	<b>89,322</b>
Cash and bank	14,650	12,666	7,194	9,835	13,142	15,615	16,698	17,854
Fixed assets	7,294	6,921	7,278	7,749	7,644	7,244	7,593	8,114
Intangible assets including goodwill	7,191	6,662	21,413	21,089	22,432	22,399	22,267	21,985
Receivables	8,026	7,333	11,271	12,617	14,067	14,454	15,766	17,421
Investments	344	4,448	5,181	4,356	4,452	4,452	4,452	4,452
Other assets	7,423	9,843	13,144	14,390	15,209	15,656	17,698	19,496
<b>Total assets</b>	<b>44,928</b>	<b>47,873</b>	<b>65,481</b>	<b>70,036</b>	<b>76,946</b>	<b>79,820</b>	<b>84,474</b>	<b>89,322</b>
<b>Cashflow statement</b>								
Operating cash flow, excl. wc	7,164	8,970	10,313	12,642	12,035	10,037	13,008	14,451
Working capital changes	2,686	(973)	(3,485)	(2,606)	(1,582)	(623)	(2,717)	(2,666)
Cash taxes paid	(1,292)	(1,652)	(1,288)	(2,775)	(2,554)	(2,136)	(2,658)	(3,034)
Capital expenditure	(985)	(647)	(645)	(853)	(1,039)	(1,612)	(1,764)	(1,957)
Acquisitions	(721)	(225)	(8,989)	(1,550)	(2,844)	–	–	–
Other income	64	86	(711)	(638)	(186)	1,329	1,325	1,555
<b>Free cash flow</b>	<b>7,637</b>	<b>5,784</b>	<b>4,184</b>	<b>5,770</b>	<b>6,674</b>	<b>6,995</b>	<b>7,194</b>	<b>8,350</b>
<b>Key ratios and assumptions</b>								
Revenue growth (%)	(6.7)	9.7	32.7	18.8	3.0	(0.5)	9.5	10.9
EBITDA margin (%)	14.8	18.1	17.0	18.2	15.5	13.5	15.7	15.7
EBIT margin (%)	10.1	13.9	12.8	14.5	11.9	9.7	11.9	12.2
RoAE (%)	13.2	17.2	15.6	17.0	11.9	9.5	12.3	13.1
RoACE (%)	9.9	13.6	14.4	16.1	11.1	8.2	10.6	11.4

Source: Company, Kotak Institutional Equities estimates

## We expect a 1.9% EPS CAGR during FY2025-28E for KPIT

### Exhibit 30: Condensed consolidated financials for KPIT Technologies, March fiscal year-ends, 2021-28E (Rs mn)

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>								
Revenue	20,357	24,324	33,650	48,715	58,423	64,038	70,480	79,592
Employee costs	(13,415)	(16,106)	(21,553)	(31,120)	(36,993)	(40,110)	(44,909)	(51,329)
Other expenses	(3,897)	(3,832)	(5,743)	(7,682)	(9,133)	(10,550)	(11,338)	(12,369)
<b>EBITDA</b>	<b>3,045</b>	<b>4,385</b>	<b>6,355</b>	<b>9,913</b>	<b>12,298</b>	<b>13,378</b>	<b>14,233</b>	<b>15,894</b>
Depreciation and amortization	(1,332)	(1,196)	(1,464)	(1,958)	(2,250)	(3,006)	(3,399)	(3,606)
<b>EBIT</b>	<b>1,714</b>	<b>3,189</b>	<b>4,891</b>	<b>7,955</b>	<b>10,048</b>	<b>10,373</b>	<b>10,834</b>	<b>12,288</b>
Other income, net	11	254	53	(80)	171	(1,116)	(278)	52
Pretax profits	1,725	3,443	4,944	7,876	10,219	9,257	10,556	12,340
Tax expense	(362)	(683)	(1,099)	(2,019)	(2,704)	(2,444)	(2,797)	(3,270)
Minority interest and exceptional items	42	(18)	(49)	89	880	(317)	(194)	(194)
<b>Profit after tax</b>	<b>1,404</b>	<b>2,742</b>	<b>3,796</b>	<b>5,945</b>	<b>8,396</b>	<b>6,496</b>	<b>7,564</b>	<b>8,876</b>
<b>Adj. dil. EPS (Rs)</b>	<b>5.2</b>	<b>10.0</b>	<b>14.0</b>	<b>21.8</b>	<b>30.7</b>	<b>23.7</b>	<b>27.6</b>	<b>32.4</b>
<b>Balance sheet</b>								
Total equity	12,097	13,251	16,633	21,630	29,122	33,604	38,408	44,036
Borrowings	31	26	492	447	15	4,390	4,390	4,390
Lease liabilities	2,268	2,246	2,373	2,840	3,433	3,590	3,753	3,925
Provisions	433	913	893	1,284	1,505	1,505	1,505	1,505
Other non-current liabilities	281	927	3,450	2,242	692	692	692	692
Other current liabilities	4,565	5,998	10,165	13,235	15,563	16,518	17,433	18,728
<b>Total liabilities and equity</b>	<b>19,675</b>	<b>23,361</b>	<b>34,006</b>	<b>41,679</b>	<b>50,330</b>	<b>60,298</b>	<b>66,182</b>	<b>73,275</b>
Cash and bank	7,008	8,928	5,491	7,705	12,681	5,210	10,945	17,085
Fixed assets	4,591	4,444	4,795	5,434	6,031	6,208	6,249	6,646
Intangible assets including goodwill	1,299	1,968	12,375	14,300	13,781	29,136	27,999	26,825
Receivables	3,777	4,410	7,748	9,558	8,895	10,452	11,696	13,426
Investments	1,276	1,292	642	945	4,323	4,674	4,674	4,674
Other assets	1,724	2,319	2,955	3,736	4,618	4,618	4,618	4,618
<b>Total assets</b>	<b>19,675</b>	<b>23,361</b>	<b>34,006</b>	<b>41,679</b>	<b>50,330</b>	<b>60,298</b>	<b>66,182</b>	<b>73,275</b>
<b>Cashflow statement</b>								
Operating cash flow, excl. wc	3,527	4,763	7,382	10,518	13,778	13,428	14,255	16,022
Working capital changes	3,076	875	(1,769)	871	2,167	(602)	(329)	(436)
Cash taxes paid	(327)	(888)	(989)	(1,371)	(2,049)	(2,444)	(2,797)	(3,270)
Capital expenditure	(600)	(686)	(1,295)	(1,553)	(1,295)	(1,665)	(1,903)	(2,129)
Acquisition consideration and deferred payments	(226)	(858)	(6,229)	(3,286)	(1,996)	(11,635)	(3,763)	—
Other income	121	(68)	754	381	73	1,116	278	(52)
<b>Free cash flow</b>	<b>5,676</b>	<b>4,064</b>	<b>3,329</b>	<b>8,464</b>	<b>12,600</b>	<b>8,717</b>	<b>9,225</b>	<b>10,188</b>
<b>Key ratios and assumptions</b>								
Revenue growth (%)	(5.6)	19.5	38.3	44.8	19.9	9.6	10.1	12.9
EBITDA margin (%)	15.0	18.0	18.9	20.3	21.0	20.9	20.2	20.0
EBIT margin (%)	8.4	13.1	14.5	16.3	17.2	16.2	15.4	15.4
RoAE (%)	12.0	21.8	25.7	30.6	29.8	20.9	21.0	21.5
RoACE (%)	10.4	16.7	19.7	24.3	25.5	20.3	17.9	18.1

Source: Company, Kotak Institutional Equities estimates

**We expect an 11% EPS CAGR for LTTS during FY2025-28E**
**Exhibit 31: Condensed consolidated financials for LTTS, March fiscal year-ends, 2021-28E (Rs mn)**

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>								
Revenues	54,497	65,697	80,136	96,472	106,702	117,000	124,875	139,010
<b>EBITDA</b>	<b>10,074</b>	<b>14,149</b>	<b>17,132</b>	<b>19,189</b>	<b>18,925</b>	<b>19,917</b>	<b>22,703</b>	<b>25,257</b>
Depreciation	(2,183)	(2,144)	(2,314)	(2,716)	(3,052)	(3,454)	(3,484)	(3,648)
<b>EBIT</b>	<b>7,891</b>	<b>12,005</b>	<b>14,818</b>	<b>16,473</b>	<b>15,873</b>	<b>16,463</b>	<b>19,219</b>	<b>21,609</b>
Other income	1,128	618	1,353	1,571	1,857	1,313	1,672	1,846
Forex gain/(loss)	408	906	727	502	243	350	501	869
Finance cost	(455)	(437)	(460)	(509)	(564)	(603)	(624)	(644)
<b>Pretax profits</b>	<b>8,972</b>	<b>13,092</b>	<b>16,438</b>	<b>18,037</b>	<b>17,409</b>	<b>17,523</b>	<b>20,768</b>	<b>23,680</b>
Tax	(2,308)	(3,486)	(4,697)	(4,975)	(4,772)	(4,644)	(5,607)	(6,394)
<b>Profit after tax</b>	<b>6,632</b>	<b>9,570</b>	<b>11,698</b>	<b>13,036</b>	<b>12,668</b>	<b>12,860</b>	<b>15,141</b>	<b>17,266</b>
<b>Diluted earnings per share (Rs)</b>	<b>62.8</b>	<b>90.6</b>	<b>110.5</b>	<b>123.0</b>	<b>119.4</b>	<b>124.8</b>	<b>142.7</b>	<b>163.6</b>
<b>Balance sheet</b>								
Total equity	34,731	41,625	49,509	53,271	60,800	67,873	76,201	85,697
Minority interest	101	137	180	207	175	194	214	234
Preference capital	—	—	—	—	—	—	—	—
Borrowings	—	—	—	—	—	—	—	—
Provisions	1,584	1,952	1,313	1,540	1,999	1,584	1,584	1,584
Other non-current liabilities	5,705	5,854	5,156	7,429	6,913	7,113	7,313	7,513
Other current liabilities	8,608	11,342	13,015	22,438	26,548	24,065	25,359	27,683
<b>Total liabilities and equity</b>	<b>50,729</b>	<b>60,910</b>	<b>69,173</b>	<b>84,885</b>	<b>96,435</b>	<b>100,829</b>	<b>110,671</b>	<b>122,711</b>
Cash and bank	2,327	6,742	6,899	13,905	15,658	20,097	27,876	35,066
Fixed assets	6,260	6,397	6,537	9,878	8,782	5,710	4,934	4,385
Intangible including goodwill	6,564	6,430	6,403	6,248	13,667	13,350	13,069	12,869
Capital work-in-progress	119	99	65	131	280	280	280	280
Receivables	14,761	19,569	20,498	26,146	29,930	32,055	34,212	38,085
Investments	15,149	14,779	22,840	14,927	13,096	13,096	13,096	13,096
Other assets	5,549	6,894	5,931	13,650	15,022	16,241	17,203	18,930
<b>Total assets</b>	<b>50,729</b>	<b>60,910</b>	<b>69,173</b>	<b>84,885</b>	<b>96,435</b>	<b>100,829</b>	<b>110,671</b>	<b>122,711</b>
<b>Free cash flow</b>								
Operating cash flow, excl. working capital	9,027	11,514	14,239	15,484	15,033	15,458	17,597	19,733
Working capital changes	4,245	(1,452)	(1,188)	(557)	(223)	(5,866)	(1,825)	(3,276)
Capital expenditure	(756)	(1,555)	(1,726)	(2,419)	(1,018)	(65)	(2,428)	(2,900)
Acquisitions	(795)	—	—	(7,978)	(7,098)	—	—	—
Other income	(100)	28	591	644	549	709	1,048	1,202
<b>Free cash flow</b>	<b>11,621</b>	<b>8,535</b>	<b>11,916</b>	<b>5,174</b>	<b>7,243</b>	<b>10,236</b>	<b>14,393</b>	<b>14,759</b>
<b>Key ratios and assumptions</b>								
<b>Revenue growth (US\$ terms) (%)</b>	<b>(6.3)</b>	<b>19.5</b>	<b>12.4</b>	<b>17.6</b>	<b>8.2</b>	<b>5.2</b>	<b>3.9</b>	<b>9.2</b>
Re/US\$ rate	74.0	74.6	81.0	82.9	84.8	88.3	90.8	92.5
EBITDA margin (%)	18.5	21.5	21.4	19.9	17.7	17.0	18.2	18.2
<b>EBIT margin (%)</b>	<b>14.5</b>	<b>18.3</b>	<b>18.5</b>	<b>17.1</b>	<b>14.9</b>	<b>14.1</b>	<b>15.4</b>	<b>15.5</b>
RoAE	21.2	25.0	25.6	25.3	22.1	19.9	21.0	21.3
RoACE	21.3	27.2	28.9	28.5	24.6	23.0	24.2	24.4

Source: Company, Kotak Institutional Equities estimates

**We expect a 5.7% EPS CAGR for Tata Elxsi in FY2025-28E**

**Exhibit 32: Condensed consolidated financials for Tata Elxsi, March fiscal year-ends, 2021-28E (Rs mn)**

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>								
Revenue	18,262	24,708	31,447	35,521	37,290	37,528	42,284	47,692
Employee costs	(10,245)	(12,881)	(15,978)	(19,119)	(20,464)	(21,798)	(24,049)	(26,923)
Other expenses	(2,792)	(4,170)	(5,845)	(5,936)	(6,899)	(7,301)	(7,754)	(8,687)
<b>EBITDA</b>	<b>5,224</b>	<b>7,657</b>	<b>9,624</b>	<b>10,466</b>	<b>9,927</b>	<b>8,430</b>	<b>10,481</b>	<b>12,082</b>
Depreciation and amortization	(444)	(553)	(814)	(994)	(1,049)	(930)	(987)	(1,081)
<b>EBIT</b>	<b>4,780</b>	<b>7,104</b>	<b>8,810</b>	<b>9,472</b>	<b>8,879</b>	<b>7,500</b>	<b>9,495</b>	<b>11,001</b>
Other income, net	338	351	576	1,017	1,603	1,474	1,493	1,595
Pretax profits	5,119	7,455	9,386	10,489	10,482	8,974	10,988	12,596
Tax expense	(1,437)	(1,958)	(1,823)	(2,564)	(2,435)	(2,395)	(2,912)	(3,338)
<b>Profit after tax</b>	<b>3,681</b>	<b>5,497</b>	<b>7,563</b>	<b>7,924</b>	<b>8,047</b>	<b>6,578</b>	<b>8,076</b>	<b>9,258</b>
<b>Reported Dil. EPS (Rs)</b>	<b>59.1</b>	<b>88.3</b>	<b>121.3</b>	<b>127.2</b>	<b>126.0</b>	<b>94.3</b>	<b>129.6</b>	<b>148.6</b>
<b>Balance sheet</b>								
Total equity	13,522	16,009	20,858	25,057	28,600	30,271	33,512	37,209
Lease liabilities	732	1,385	1,823	2,240	1,923	2,008	2,098	2,192
Provisions	522	524	711	927	1,059	1,059	1,059	1,059
Other current liabilities	2,391	3,774	4,244	3,647	4,275	4,279	4,436	4,613
<b>Total liabilities and equity</b>	<b>17,167</b>	<b>21,692</b>	<b>27,635</b>	<b>31,870</b>	<b>35,857</b>	<b>37,618</b>	<b>41,104</b>	<b>45,073</b>
Cash	8,596	9,652	11,916	13,571	16,064	18,232	20,627	23,195
Fixed assets	1,584	2,732	3,244	3,847	3,108	2,644	2,501	2,511
Intangible assets including goodwill	186	203	162	134	88	93	89	72
Receivables	4,894	6,728	9,764	9,716	9,715	9,768	11,005	12,413
Investments	1,224	1,384	685	1,943	3,964	3,964	3,964	3,964
Other assets	684	992	1,865	2,658	2,918	2,918	2,918	2,918
<b>Total assets</b>	<b>17,167</b>	<b>21,692</b>	<b>27,635</b>	<b>31,870</b>	<b>35,857</b>	<b>37,618</b>	<b>41,104</b>	<b>45,073</b>
<b>Cashflow statement</b>								
Operating cash flow, excl. wc	5,490	7,894	9,814	10,943	10,602	7,728	10,481	12,082
Working capital changes	122	(1,002)	(3,097)	(1,351)	(242)	(33)	(1,065)	(1,213)
Cash taxes paid	(1,237)	(2,062)	(1,848)	(2,580)	(2,239)	(2,395)	(2,912)	(3,338)
Capital expenditure	(388)	(712)	(641)	(830)	(163)	(450)	(740)	(954)
Other income	210	307	543	880	1,123	1,647	1,666	1,776
<b>Free cash flow</b>	<b>4,196</b>	<b>4,425</b>	<b>4,771</b>	<b>7,063</b>	<b>9,079</b>	<b>6,496</b>	<b>7,430</b>	<b>8,353</b>
<b>Key ratios and assumptions</b>								
Revenue growth (%)	13.4	35.3	27.3	13.0	5.0	0.6	12.7	12.8
EBITDA margin (%)	28.6	31.0	30.6	29.5	26.6	22.5	24.8	25.3
EBIT margin (%)	26.2	28.8	28.0	26.7	23.8	20.0	22.5	23.1
RoAE (%)	30.1	37.2	41.0	34.5	29.3	20.0	25.3	26.2
RoACE (%)	26.2	32.6	35.1	28.5	23.5	17.5	20.6	21.6

Source: Company, Kotak Institutional Equities estimates

**We expect a 10.6% EPS CAGR for Tata Tech in FY2025-28E**
**Exhibit 33: Condensed consolidated financials for Tata Technologies, March fiscal year-ends, 2021-28E (Rs mn)**

	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>								
Revenue	23,809	35,296	44,142	51,171	51,685	54,360	63,508	70,746
Employee costs	(12,160)	(15,127)	(19,295)	(23,637)	(24,889)	(26,781)	(31,041)	(35,116)
Other expenses	(7,792)	(13,712)	(16,638)	(18,122)	(17,455)	(19,031)	(21,493)	(23,015)
<b>EBITDA</b>	<b>3,857</b>	<b>6,456</b>	<b>8,209</b>	<b>9,412</b>	<b>9,341</b>	<b>8,548</b>	<b>10,974</b>	<b>12,616</b>
Depreciation and amortization	(922)	(857)	(946)	(1,059)	(1,212)	(1,438)	(1,848)	(2,007)
<b>EBIT</b>	<b>2,935</b>	<b>5,599</b>	<b>7,264</b>	<b>8,353</b>	<b>8,129</b>	<b>7,110</b>	<b>9,126</b>	<b>10,609</b>
Other income, net	272	269	698	966	1,045	1,405	996	1,143
Pretax profits	3,207	5,868	7,962	9,319	9,174	8,515	10,122	11,752
Tax expense	(761)	(1,499)	(1,721)	(2,405)	(2,445)	(2,325)	(2,744)	(3,220)
Minority interest, associate and exceptionals	(54)	–	–	(122)	41	(1,121)	431	633
<b>Profit after tax</b>	<b>2,392</b>	<b>4,370</b>	<b>6,240</b>	<b>6,792</b>	<b>6,770</b>	<b>5,068</b>	<b>7,809</b>	<b>9,165</b>
<b>Adj. Dil. EPS (Rs)</b>	<b>6.0</b>	<b>10.8</b>	<b>15.4</b>	<b>17.0</b>	<b>16.7</b>	<b>15.9</b>	<b>19.3</b>	<b>22.6</b>
<b>Balance sheet</b>								
Total equity	21,422	22,802	29,895	32,208	35,794	37,641	41,550	46,137
Borrowings	–	–	–	–	–	6,141	6,141	6,141
Lease liabilities	2,662	2,614	2,554	2,574	2,366	2,474	2,587	2,706
Provisions	271	493	572	581	595	595	595	595
Other non-current liabilities	5	4	5	8	1,833	3,409	2,621	1,833
Other current liabilities	11,368	16,267	18,989	20,412	26,054	26,846	30,984	33,054
<b>Total liabilities and equity</b>	<b>35,727</b>	<b>42,180</b>	<b>52,015</b>	<b>55,783</b>	<b>66,642</b>	<b>77,106</b>	<b>84,478</b>	<b>90,466</b>
Cash and bank	7,834	8,694	9,992	9,134	9,026	9,182	10,880	13,710
Fixed assets	3,199	3,026	3,031	3,103	2,609	2,624	2,692	2,762
Intangible assets including goodwill	7,700	7,655	7,950	8,403	8,694	16,483	16,193	15,925
Receivables	5,957	7,682	11,062	11,479	10,056	12,957	15,050	16,669
Investments	4,971	5,277	298	1,504	6,158	6,158	6,158	6,158
Other assets	6,066	9,846	19,682	22,162	30,101	29,702	33,504	35,242
<b>Total assets</b>	<b>35,727</b>	<b>42,180</b>	<b>52,015</b>	<b>55,783</b>	<b>66,642</b>	<b>77,106</b>	<b>84,478</b>	<b>90,466</b>
<b>Cashflow statement</b>								
Operating cash flow, excl. wc	4,174	6,693	8,635	10,040	9,751	7,427	11,405	13,249
Working capital changes	8,057	(5,802)	(2,191)	(4,071)	382	(1,711)	(1,758)	(1,286)
Cash taxes paid	(1,102)	(1,278)	(2,429)	(3,026)	(3,140)	(2,325)	(2,744)	(3,220)
Capital expenditure	(147)	(634)	(657)	(918)	(315)	(1,033)	(1,270)	(1,415)
Acquisitions	–	–	–	–	–	(6,301)	(788)	(788)
Other income	(99)	166	403	451	767	1,405	996	1,143
<b>Free cash flow</b>	<b>10,882</b>	<b>(855)</b>	<b>3,760</b>	<b>2,476</b>	<b>7,444</b>	<b>3,763</b>	<b>6,629</b>	<b>8,471</b>
<b>Key ratios and assumptions</b>								
Revenue growth (%)	(16.5)	48.2	25.1	15.9	1.0	5.2	16.8	11.4
EBITDA margin (%)	16.2	18.3	18.6	18.4	18.1	15.7	17.3	17.8
EBIT margin (%)	12.3	15.9	16.5	16.3	15.7	13.1	14.4	15.0
RoAE (%)	21.8	12.5	12.8	12.9	16.6	15.0	14.8	14.5
RoACE (%)	12.0	19.8	23.7	21.9	19.9	13.8	19.7	20.9

Source: Company, Kotak Institutional Equities estimates

**We expect an 18.2% EPS CAGR for eClerx during FY2025-28E**
**Exhibit 34: Condensed consolidated financials for eClerx, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
<b>Revenue (US\$ mn)</b>	<b>200.5</b>	<b>210.4</b>	<b>284.6</b>	<b>332.7</b>	<b>353.9</b>	<b>397.6</b>	<b>471.6</b>	<b>536.9</b>	<b>591.4</b>
Net revenue	14,376	15,645	21,603	26,479	29,255	33,659	41,363	48,737	54,706
Employee costs	(8,543)	(8,853)	(11,955)	(15,095)	(17,384)	(20,658)	(25,000)	(28,497)	(31,729)
Other expenses	(2,585)	(2,149)	(2,938)	(3,946)	(4,103)	(4,792)	(5,726)	(7,879)	(9,158)
<b>EBITDA</b>	<b>3,248</b>	<b>4,646</b>	<b>6,729</b>	<b>7,439</b>	<b>7,750</b>	<b>8,209</b>	<b>10,628</b>	<b>12,361</b>	<b>13,819</b>
Depreciation and amortization	(709)	(816)	(1,032)	(1,140)	(1,258)	(1,412)	(1,715)	(1,946)	(2,142)
<b>EBIT</b>	<b>2,539</b>	<b>3,830</b>	<b>5,697</b>	<b>6,299</b>	<b>6,492</b>	<b>6,797</b>	<b>8,913</b>	<b>10,415</b>	<b>11,677</b>
Other income, net	266	(21)	25	446	420	388	349	(182)	182
Pretax profits	2,805	3,809	5,722	6,745	6,912	7,185	9,262	10,233	11,859
Tax expense	(715)	(978)	(1,427)	(1,638)	(1,776)	(1,773)	(2,283)	(2,610)	(3,024)
Minority interest and exceptional items	0	(3)	(102)	(218)	(21)	(2)	0	–	–
<b>Profit after tax</b>	<b>2,090</b>	<b>2,829</b>	<b>4,193</b>	<b>4,889</b>	<b>5,115</b>	<b>5,411</b>	<b>6,979</b>	<b>7,624</b>	<b>8,835</b>
<b>Dil. EPS (Rs)</b>	<b>38.3</b>	<b>54.4</b>	<b>81.2</b>	<b>97.2</b>	<b>104.4</b>	<b>112.2</b>	<b>145.5</b>	<b>160.1</b>	<b>185.5</b>
<b>Balance sheet</b>									
Total equity	13,068	15,017	15,688	17,166	22,495	23,080	27,010	30,348	34,469
Borrowings	9	5	1	10	–	–	–	–	–
Lease liabilities	1,557	1,742	1,630	1,926	2,657	3,581	4,051	4,685	5,301
Provisions	443	562	544	549	678	811	811	811	811
Other non-current liabilities	226	205	183	152	99	78	78	78	78
Other current liabilities	2,056	2,550	2,653	3,076	3,360	3,907	4,380	4,582	4,746
<b>Total liabilities and equity</b>	<b>17,360</b>	<b>20,081</b>	<b>20,699</b>	<b>22,877</b>	<b>29,290</b>	<b>31,457</b>	<b>36,330</b>	<b>40,505</b>	<b>45,405</b>
Cash and bank	3,345	4,909	4,936	4,279	6,921	7,391	10,416	12,232	15,210
Fixed assets	2,533	3,559	3,394	3,973	4,444	5,662	6,187	6,788	7,287
Intangible assets including goodwill	2,272	3,726	3,753	3,960	3,993	4,079	4,079	4,079	4,079
Receivables	2,378	2,930	3,293	4,405	4,960	4,954	6,799	8,012	8,993
Investments	4,366	2,284	1,939	2,622	3,924	2,871	2,871	2,871	2,871
Other assets	2,466	2,674	3,383	3,638	5,047	6,499	5,977	6,523	6,964
<b>Total assets</b>	<b>17,360</b>	<b>20,081</b>	<b>20,699</b>	<b>22,877</b>	<b>29,290</b>	<b>31,457</b>	<b>36,330</b>	<b>40,505</b>	<b>45,405</b>
<b>Cashflow statement</b>									
Operating cash flow, excl. wc	3,431	4,577	6,785	7,580	8,264	9,008	10,628	12,361	13,819
Working capital changes	487	73	(704)	(873)	(1,281)	(821)	(1,401)	(1,556)	(1,259)
Cash taxes paid	(590)	(1,004)	(1,642)	(1,782)	(1,723)	(1,640)	(2,283)	(2,610)	(3,024)
Capital expenditure	(343)	(388)	(608)	(908)	(674)	(1,215)	(1,279)	(1,489)	(1,584)
Acquisitions	–	(2,161)	(138)	–	–	–	–	–	–
Other income	281	129	43	65	206	271	726	244	644
Payments for lease liabilities	(449)	(493)	(578)	(602)	(693)	(711)	(869)	(849)	(904)
<b>Free cash flow</b>	<b>2,817</b>	<b>2,894</b>	<b>3,296</b>	<b>3,480</b>	<b>4,098</b>	<b>4,892</b>	<b>5,521</b>	<b>6,102</b>	<b>7,693</b>
<b>Key ratios and assumptions</b>									
Revenue growth (%)	0.5	8.8	38.1	22.6	10.5	15.1	22.9	17.8	12.2
EBITDA margin (%)	22.6	29.7	31.1	28.1	26.5	24.4	25.7	25.4	25.3
EBIT margin (%)	17.7	24.5	26.4	23.8	22.2	20.2	21.5	21.4	21.3
RoAE (%)	15.5	20.1	27.3	29.8	25.8	23.7	27.9	26.6	27.3
RoACE (%)	16.4	21.4	28.9	30.4	25.7	23.5	27.4	27.6	27.3

Source: Company, Kotak Institutional Equities estimates

**We expect a 14.4% EPS CAGR during FY2025-28E for Firstsource**
**Exhibit 35: Condensed consolidated financials for Firstsource, March fiscal year-ends, 2020-28E (Rs mn)**

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>									
<b>Revenue (US\$ mn)</b>	<b>578</b>	<b>685</b>	<b>795</b>	<b>751</b>	<b>765</b>	<b>944</b>	<b>1,088</b>	<b>1,188</b>	<b>1,289</b>
Net revenue	40,986	50,780	59,212	60,223	63,362	79,803	95,846	107,808	119,275
Employee costs	(27,735)	(34,672)	(39,468)	(38,677)	(39,090)	(49,958)	(55,924)	(62,044)	(68,900)
Other expenses	(6,962)	(8,117)	(10,145)	(13,281)	(14,708)	(17,769)	(24,369)	(28,413)	(31,759)
<b>EBITDA</b>	<b>6,289</b>	<b>7,990</b>	<b>9,599</b>	<b>8,265</b>	<b>9,564</b>	<b>12,076</b>	<b>15,553</b>	<b>17,350</b>	<b>18,616</b>
Depreciation and amortization	(1,852)	(2,064)	(2,494)	(2,632)	(2,602)	(3,270)	(4,316)	(4,569)	(4,623)
<b>EBIT</b>	<b>4,437</b>	<b>5,927</b>	<b>7,105</b>	<b>5,633</b>	<b>6,962</b>	<b>8,806</b>	<b>11,237</b>	<b>12,781</b>	<b>13,993</b>
Other income, net	(495)	(510)	(634)	519	(665)	(1,487)	(1,676)	(1,681)	(1,438)
Pretax profits	3,942	5,417	6,471	6,152	6,297	7,318	9,562	11,100	12,555
Tax expense	(545)	(702)	(1,106)	(1,015)	(1,150)	(1,462)	(1,923)	(2,276)	(2,574)
Minority interest and exceptional items	–	(1,099)	8	0	–	88	(797)	–	–
<b>Profit after tax</b>	<b>3,397</b>	<b>3,617</b>	<b>5,374</b>	<b>5,137</b>	<b>5,147</b>	<b>5,945</b>	<b>6,841</b>	<b>8,825</b>	<b>9,981</b>
<b>Dil. EPS (Rs)</b>	<b>4.9</b>	<b>6.7</b>	<b>7.7</b>	<b>7.3</b>	<b>7.3</b>	<b>8.3</b>	<b>10.8</b>	<b>12.5</b>	<b>14.2</b>
<b>Balance sheet</b>									
Total equity	27,660	27,998	30,333	33,672	37,008	40,980	43,945	48,548	53,955
Borrowings	8,369	6,045	10,097	8,270	8,123	15,327	14,327	11,827	8,827
Lease liabilities	5,123	5,898	7,740	5,662	7,209	10,366	10,251	10,340	10,511
Provisions	547	927	671	963	860	1,034	1,034	1,034	1,034
Other non-current liabilities	735	470	2,281	1,377	1,470	2,226	2,892	2,892	2,892
Other current liabilities	3,437	6,958	5,965	6,699	6,160	9,290	9,788	10,363	10,929
<b>Total liabilities and equity</b>	<b>45,871</b>	<b>48,297</b>	<b>57,087</b>	<b>56,644</b>	<b>60,830</b>	<b>79,222</b>	<b>82,237</b>	<b>85,003</b>	<b>88,148</b>
Cash and bank	1,907	1,373	898	1,556	1,885	1,670	1,215	1,404	1,587
Fixed assets	5,885	7,487	9,043	6,732	8,167	12,380	12,632	12,980	13,563
Intangible assets including goodwill	22,824	22,489	28,423	30,465	30,534	38,047	40,732	40,414	40,192
Receivables	7,540	8,431	9,605	10,385	11,608	16,860	17,254	19,642	22,058
Investments	122	943	1,300	711	415	731	731	731	731
Other assets	7,592	7,574	7,817	6,795	8,221	9,534	9,673	9,833	10,017
<b>Total assets</b>	<b>45,871</b>	<b>48,297</b>	<b>57,087</b>	<b>56,644</b>	<b>60,830</b>	<b>79,222</b>	<b>82,237</b>	<b>85,003</b>	<b>88,148</b>
<b>Cashflow statement</b>									
Operating cash flow, excl. wc	5,993	7,558	9,865	7,841	9,570	13,174	14,871	17,400	18,686
Working capital changes	(1,354)	2,895	(1,884)	765	(2,404)	(4,944)	363	(1,813)	(1,851)
Cash taxes paid	(535)	(698)	(945)	(656)	(718)	(1,219)	(1,923)	(2,276)	(2,574)
Capital expenditure	(948)	(1,731)	(850)	(536)	(851)	(2,412)	(2,644)	(2,911)	(3,280)
Acquisitions	–	(950)	(5,067)	–	–	(5,099)	(2,530)	–	–
Other income	(170)	(968)	(580)	1,171	(639)	(1,781)	(1,791)	(1,731)	(1,508)
Payments for lease liabilities	(936)	(1,092)	(1,170)	(1,495)	(1,410)	(1,636)	(1,786)	(1,598)	(1,533)
<b>Free cash flow</b>	<b>2,050</b>	<b>5,965</b>	<b>4,435</b>	<b>7,090</b>	<b>3,547</b>	<b>1,182</b>	<b>7,090</b>	<b>7,071</b>	<b>7,941</b>
<b>Key ratios and assumptions</b>									
Revenue growth (%)	7.1	23.9	16.6	1.7	5.2	25.9	20.1	12.5	10.6
EBITDA margin (%)	15.3	15.7	16.2	13.7	15.1	15.1	16.2	16.1	15.6
EBIT margin (%)	10.8	11.7	12.0	9.4	11.0	11.0	11.7	11.9	11.7
RoAE (%)	12.4	13.0	18.4	16.1	14.6	15.2	16.1	19.1	19.5
RoACE (%)	12.7	15.4	15.5	11.4	13.3	14.2	15.8	16.7	17.0

Source: Company, Kotak Institutional Equities estimates

**We expect a 19.2% EPS CAGR for Sagility during FY2025-28E**

**Exhibit 36: Condensed consolidated financials for Sagility, March fiscal year-ends, 2022-28E (Rs mn)**

	2022*	2023	2024	2025	2026E	2027E	2028E
<b>Profit model</b>							
<b>Revenue (US\$ mn)</b>		<b>518</b>	<b>573</b>	<b>658</b>	<b>807</b>	<b>888</b>	<b>973</b>
Net revenue	9,234	42,184	47,536	55,699	71,010	80,608	89,985
Employee costs	(5,057)	(24,942)	(29,376)	(34,989)	(44,181)	(48,344)	(53,662)
Other expenses	(2,281)	(6,970)	(7,278)	(8,107)	(9,395)	(12,951)	(14,932)
<b>Adj. EBITDA</b>		<b>10,272</b>	<b>10,881</b>	<b>14,115</b>	<b>17,584</b>	<b>19,430</b>	<b>21,452</b>
<b>EBITDA</b>	<b>1,896</b>	<b>10,272</b>	<b>10,881</b>	<b>12,604</b>	<b>17,434</b>	<b>19,313</b>	<b>21,390</b>
Depreciation and amortization	(1,472)	(6,443)	(6,892)	(4,672)	(4,880)	(5,222)	(5,452)
<b>Adj. EBIT</b>		<b>8,012</b>	<b>8,246</b>	<b>10,843</b>	<b>14,114</b>	<b>15,664</b>	<b>17,456</b>
<b>EBIT</b>	<b>424</b>	<b>3,829</b>	<b>3,989</b>	<b>7,932</b>	<b>12,554</b>	<b>14,091</b>	<b>15,938</b>
Other income, net	(442)	(1,972)	(1,572)	(675)	(16)	(97)	183
Pretax profits	(19)	1,857	2,417	7,257	12,538	13,994	16,121
Tax expense	(28)	(421)	(134)	(2,211)	(3,039)	(3,526)	(4,063)
Minority interest and exceptional items	—	—	—	—	-246	—	—
<b>Profit after tax - Reported</b>	<b>(47)</b>	<b>1,436</b>	<b>2,283</b>	<b>5,046</b>	<b>9,253</b>	<b>10,467</b>	<b>12,059</b>
<b>Reported Dil. EPS (Rs)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.5</b>	<b>1.2</b>	<b>2.0</b>	<b>2.2</b>	<b>2.5</b>
<b>Adj. Dil. EPS (Rs)</b>		<b>1.0</b>	<b>1.3</b>	<b>1.7</b>	<b>2.3</b>	<b>2.5</b>	<b>2.8</b>
<b>Balance sheet</b>							
Total equity	40,266	62,067	64,431	83,361	92,377	98,111	104,253
Borrowings	42,392	23,479	19,335	8,170	5,670	—	—
Lease liabilities	5,485	5,479	5,982	5,850	5,706	5,549	5,343
Provisions	1,428	1,760	2,150	2,689	2,689	2,689	2,689
Other non-current liabilities	4,610	4,658	4,852	4,283	4,283	4,283	4,283
Other current liabilities	6,780	8,461	9,891	6,155	7,418	7,892	8,354
<b>Total liabilities and equity</b>	<b>100,963</b>	<b>105,905</b>	<b>106,642</b>	<b>110,507</b>	<b>118,142</b>	<b>118,523</b>	<b>124,922</b>
Cash and bank	3,738	5,853	3,441	3,438	9,176	8,717	14,349
Fixed assets	8,231	8,253	9,554	9,221	9,087	9,288	9,535
Intangible assets including goodwill	78,031	77,819	77,174	80,752	79,109	77,484	75,778
Receivables	9,262	10,686	11,813	12,668	16,342	18,606	20,832
Investments	771	641	827	976	976	976	976
Other assets	929	2,653	3,832	3,452	3,452	3,452	3,452
<b>Total assets</b>	<b>100,963</b>	<b>105,905</b>	<b>106,642</b>	<b>110,507</b>	<b>118,142</b>	<b>118,523</b>	<b>124,922</b>
<b>Cashflow statement</b>							
Operating cash flow, excl. wc changes	1,956	10,970	11,110	14,584	17,720	19,313	21,390
Working capital changes	(2,181)	(704)	(114)	(707)	(2,411)	(1,791)	(1,764)
Cash taxes paid	(93)	(1,698)	(1,263)	(1,734)	(3,039)	(3,526)	(4,063)
Capital expenditure	(71)	(1,437)	(1,827)	(1,244)	(1,953)	(2,418)	(2,475)
Acquisitions	(77,160)	(164)	(3,010)	(8,582)	—	—	—
Other income	1	10	25	159	373	535	625
Payments for lease liabilities	(348)	(1,411)	(1,677)	(1,774)	(1,856)	(1,978)	(2,166)
<b>Free cash flow</b>	<b>(737)</b>	<b>5,729</b>	<b>6,253</b>	<b>9,285</b>	<b>8,834</b>	<b>10,135</b>	<b>11,549</b>
<b>Key ratios and assumptions</b>							
Revenue growth (%)			12.7	17.2	27.5	13.5	11.6
Adj. EBITDA margin (%)		24.4	22.9	25.3	24.8	24.1	23.8
EBITDA margin (%)	20.5	24.4	22.9	23.3	24.6	24.0	23.8
Adj. EBIT margin (%)		19.0	17.3	19.5	19.9	19.4	19.4
EBIT margin (%)	4.6	9.1	8.4	14.9	17.7	17.5	17.7
RoAE (%)	(0.1)	2.8	3.6	7.3	10.5	11.0	11.9
RoACE (%)	1.2	3.1	4.0	6.0	9.0	9.7	10.7

**Notes:**

(a) Adj. EBITDA, Adj. EBIT, Adj PAT and Adj EPS exclude acquisition related intangibles created as part of carve out from HGS and share-based payment awards.

Source: Company, Kotak Institutional Equities estimates

**We change rating for Persistent from SELL to REDUCE**

**Exhibit 37: Kotak Institutional Equities: valuation summary of key Indian technology companies, March fiscal year-ends, 2026-28E**

Company	2-Mar-26		Mkt cap.		EPS (Rs)			P/E (X)			EV/EBITDA (X)			RoE (%)		
	Price (Rs)	Rating	(Rs m)	(US\$ m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Coforge	1,163	BUY	390,414	4,267	44.5	53.9	63.1	26.1	21.6	18.4	13.1	11.1	9.5	22.2	25.1	27.2
Cyient	899	REDUCE	99,925	1,092	52.2	69.0	78.0	17.2	13.0	11.5	8.6	6.6	5.9	9.8	12.3	13.1
eClerx Services	3,084	REDUCE	145,012	1,585	145.5	160.1	185.5	21.2	19.3	16.6	12.4	10.5	9.2	27.9	26.6	27.3
Firstsource Solutions	210	REDUCE	146,654	1,603	10.4	12.5	14.2	20.2	16.8	14.8	10.4	9.0	8.2	17.3	19.1	19.5
HCL Technologies	1,371	REDUCE	3,720,435	40,658	65.1	71.4	76.7	21.0	19.2	17.9	12.5	11.7	10.8	24.8	25.4	25.4
Hexaware Technologies	467	BUY	285,100	3,116	23.8	23.1	27.4	19.6	20.2	17.1	14.2	11.9	10.1	24.9	21.1	22.6
Indegene	480	BUY	115,412	1,261	17.9	20.8	25.9	26.8	23.1	18.6	16.1	13.0	10.2	15.4	15.7	17.0
Infosys	1,289	BUY	5,226,070	57,112	70.7	75.2	81.1	18.2	17.1	15.9	12.1	11.2	10.4	32.3	35.3	36.1
KPIT Technologies	754	SELL	206,773	2,260	23.9	27.6	32.4	31.6	27.3	23.3	15.2	13.9	12.1	20.9	21.0	21.5
L&T Technology Services	3,443	REDUCE	364,966	3,988	124.8	142.7	163.6	27.6	24.1	21.0	16.7	14.3	12.5	20.0	21.0	21.3
LTM	4,404	REDUCE	1,305,875	14,271	185.5	204.8	226.9	23.7	21.5	19.4	15.2	13.5	12.2	23.0	22.9	22.8
Mphasis	2,256	REDUCE	430,051	4,700	99.8	112.2	123.4	22.6	20.1	18.3	13.9	12.3	11.2	19.1	20.2	20.6
Persistent Systems	4,673	REDUCE	737,229	8,057	123.5	143.3	168.1	37.8	32.6	27.8	25.7	21.7	18.7	27.8	27.2	27.3
RateGain	494	SELL	58,324	637	17.3	20.8	24.4	28.5	23.8	20.2	20.6	12.1	10.6	11.5	12.2	12.5
Sagility	39	BUY	181,823	1,987	2.2	2.5	2.8	17.4	15.7	13.9	10.2	8.9	7.8	11.9	12.3	13.1
Tata Elxsi	4,449	SELL	277,173	3,029	94.3	129.6	148.6	47.2	34.3	29.9	30.2	24.1	20.7	22.3	25.3	26.2
Tata Technologies	580	SELL	235,527	2,574	15.9	19.3	22.6	36.5	30.2	25.7	26.2	20.2	17.4	17.6	19.7	20.9
TCS	2,614	BUY	9,455,872	103,337	136.0	152.5	163.9	19.2	17.1	15.9	12.5	11.8	10.9	53.0	51.6	50.8
Tech Mahindra	1,345	BUY	1,190,354	13,009	56.6	75.8	85.9	23.8	17.7	15.7	12.7	10.2	9.3	18.2	23.5	25.4
Wipro	199	SELL	2,082,576	22,759	12.7	13.8	14.2	15.7	14.4	14.0	9.4	8.3	7.8	15.7	16.3	15.9

Company	Fair	O/S shares	EPS CAGR (%)	EPS growth (%)			Net Profit (Rs mn)			EBITDA (Rs mn)			Sales (Rs mn)		
	Value (Rs)	(mn)	2026-28E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Coforge	1,620	338	19.1	53.3	21.2	17.1	15,038	19,047	22,414	29,191	33,979	39,403	161,827	192,998	226,607
Cyient	930	111	22.3	(6.0)	32.3	13.0	5,796	7,670	8,670	9,886	12,607	14,006	73,271	80,202	88,933
eClerx Services	3,250	48	12.9	29.7	10.0	15.9	6,979	7,624	8,835	10,628	12,361	13,819	41,363	48,737	54,706
Firstsource Solutions	215	705	16.7	23.6	20.5	13.1	7,337	8,825	9,981	15,252	17,350	18,616	95,545	107,808	119,275
HCL Technologies	1,425	2,718	8.5	2.4	9.6	7.4	177,005	194,198	208,784	273,049	289,302	307,880	1,298,643	1,395,715	1,494,897
Hexaware Technologies	620	611	7.3	23.1	(2.9)	18.5	14,525	14,098	16,713	19,114	23,001	26,299	134,304	147,171	167,643
Indegene	690	241	20.2	5.1	16.2	24.4	4,318	5,019	6,243	6,356	7,735	9,355	34,854	42,899	49,937
Infosys	1,530	4,120	7.1	11.5	6.5	7.8	291,052	305,016	328,663	421,468	451,650	484,892	1,780,976	1,910,486	2,056,920
KPIT Technologies	710	274	16.5	(13.4)	15.7	17.3	6,540	7,564	8,876	13,378	14,233	15,894	64,038	70,480	79,592
L&T Technology Services	3,450	103	14.5	4.5	14.3	14.7	12,860	15,141	17,266	19,917	22,703	25,257	117,000	124,875	139,010
LTM	4,430	296	10.6	19.2	10.4	10.8	54,834	60,523	67,067	75,822	83,794	90,589	421,180	465,065	510,437
Mphasis	2,275	189	11.2	11.0	12.4	10.0	18,864	21,199	23,328	29,426	32,585	35,092	158,291	175,523	191,598
Persistent Systems	4,615	156	16.7	37.2	16.0	17.4	19,322	22,408	26,298	27,944	32,668	37,622	146,440	173,217	200,928
RateGain	520	118	18.7	(1.7)	20.2	17.3	2,045	2,461	2,886	3,127	5,126	5,512	18,004	29,100	31,309
Sagility	50	4,707	12.0	35.7	11.0	13.1	10,499	11,714	13,250	17,434	19,313	21,390	71,010	80,608	89,985
Tata Elxsi	3,700	62	25.5	(25.1)	37.4	14.6	6,578	8,076	9,258	8,430	10,481	12,082	37,528	42,284	47,692
Tata Technologies	450	406	19.2	(4.7)	21.1	17.4	6,449	7,809	9,165	8,548	10,974	12,616	54,360	63,508	70,746
TCS	3,090	3,619	9.8	1.4	12.1	7.5	527,722	551,738	593,194	716,973	754,818	806,838	2,645,043	2,798,833	2,980,157
Tech Mahindra	1,615	890	23.1	17.8	33.9	13.2	50,411	67,488	76,418	88,544	109,368	118,863	562,830	604,983	657,325
Wipro	190	10,482	5.8	1.1	9.1	2.6	133,467	145,079	148,848	181,851	200,217	204,697	926,407	979,312	1,011,409

**Notes:**

(a) Hexaware has calendar-year ends.

Source: Kotak Institutional Equities estimates

“Each of the research analysts named below hereby certifies that, with respect to each subject company and its securities for which the research 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.

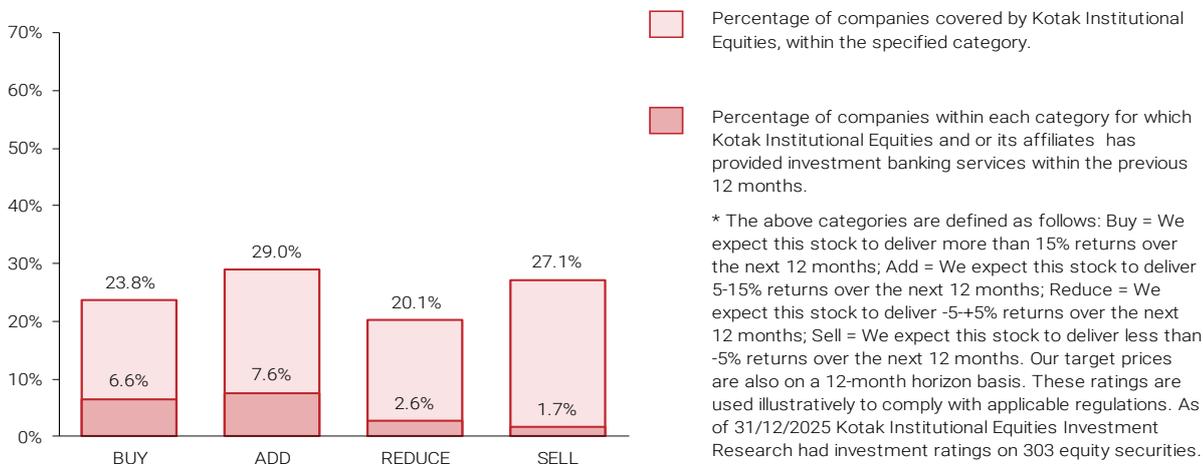
**SELL.** We expect this stock to deliver <-5% returns over the next 12 months.

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 December 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 2026 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, affectively 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 advise 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, enlistment with BSE 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 SaaRthi 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](mailto: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/](http://www.kotak.com/) [www.kotaksecurities.com](http://www.kotaksecurities.com). Correspondence Address: Infinity IT Park, Bldg. No.21, Opp. 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 IH0000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: [ks.compliance@kotak.com](mailto: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	<a href="mailto:ks.escalation@kotak.com">ks.escalation@kotak.com</a>
Head of Customer Care	Mr. Tabrez Anwar		022-42858208	<a href="mailto:ks.servicehead@kotak.com">ks.servicehead@kotak.com</a>
Compliance Officer	Mr. Hiren Thakkar		022-42858484	<a href="mailto:ks.compliance@kotak.com">ks.compliance@kotak.com</a>
CEO	Mr. Shripal Shah		022-42858301	<a href="mailto:ceo.ks@kotak.com">ceo.ks@kotak.com</a>
Principal Officer (For the purpose of Research Analyst activities)	Mr. Kawaljeet Saluja	"A" Wing, 8th Floor, One BKC, Bandra Kurla Complex, Mumbai - 400051	022-62664011	<a href="mailto:ks.po@kotak.com">ks.po@kotak.com</a>

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](https://www.kotaksecurities.com/disclaimer/investor-charter/)

Our Investor Charter is your trusted companion, offering essential guidelines to navigate the investment landscape. Discover principles for informed decision-making, risk management, and ethical investing by visiting

<https://www.kotaksecurities.com/disclaimer/investor-charter/>

Please refer link for regulatory disclosure and terms and conditions as applicable to Research Analyst under SEBI norms. [Disclosure of minimum mandatory terms and conditions to clients](#)

**General Terms and Conditions for Usage of AI/ML in Research Services** These Terms and Conditions ("T&C's") govern the use of research services provided by Kotak Securities Limited ("KSL"), where Artificial Intelligence (AI) and Machine Learning (ML) technologies are used as part of the research presentation and related services. By accessing or using such services, you acknowledge and agree to the following: **1. Purpose of AI/ML Usage** KSL employs AI/ML based tools for limited purposes such as • Audio and video generation using AI-created voices, avatars, and formats; • Enhancing accessibility and presentation of research insights; • Facilitating efficiency in dissemination of market related content and research content. The AI/ML tools are used only as a medium of presentation and/or dissemination and do not alter the substance of research prepared by KSL. **2. Extent of Usage** The specific scope and manner of AI/ML usage in research services is set out in the AI Disclaimer published along with the relevant research content and is also published on the website under the disclaimers section. Users are advised to carefully review such disclaimers for detailed information on the extent and limitations of AI/ML usage as may be updated by KSL from time to time in the disclaimer section <https://www.kotaksecurities.com/disclaimer/>. **3. Ownership of Research Content** The underlying research, market views, data, analysis, and opinions remain solely those of KSL. AI/ML is not used to create independent investment recommendations. **4. Accuracy and Limitations** While KSL takes reasonable care to ensure the accuracy of its research content: • AI/ML outputs may not always reflect complete, precise, or contextually appropriate information; • KSL makes no warranties, express or implied, as to the reliability, accuracy, or fitness of AI/ML generated presentations. **5. No Confidential Information Input** KSL does not upload, disclose, or process any client specific, confidential, or proprietary information through AI/ML platforms. All content generated through AI/ML is limited to publicly available information, market data, and internally developed research compliant with SEBI regulations. **6. Investor Responsibility** Clients and viewers shall not rely solely on AI generated content for making any investment or trading decisions. The AI/ML generated presentations, output and dissemination are only for informational and illustrative purposes. Investors are further advised to consult their financial advisor before making any investment or trading decisions. **7. No Liability** KSL shall not be responsible for or liable for any losses, damages, or claims arising directly or indirectly from reliance on AI/ML generated presentations or any output produced by the AI/ML. KSL shall not be liable for any loss, damage, or harm, whether direct, indirect, incidental, special, consequential, or punitive, arising from: • reliance on any AI-generated information; • business, financial, or investment decisions made based on such outputs; or • any inaccuracies, errors, or omissions in the responses. **8. Amendments** KSL reserves the right to modify, update, or withdraw these T&C's or its usage of AI/ML technologies at its sole discretion, subject to compliance with applicable laws and regulations"

Disclaimer: <https://bit.ly/DisclaimerKSLResearch>

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](mailto: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](http://www.kotak.com) / [www.kotaksecurities.com](http://www.kotaksecurities.com). Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. 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](mailto:ks.compliance@kotak.com)

"In case you require any clarification or have any query/concern, kindly write to us at [Service.securities@kotak.com](mailto:Service.securities@kotak.com). For grievances write to [KS.escalation@kotak.com](mailto:KS.escalation@kotak.com) and find Grievances Escalation matrix in the link below."

<https://www.kotaksecurities.com/disclaimer/>