India

Neutral *(no change)*

Highlighted Companies

Tech Mahindra

ADD, TP Rs1908, Rs1468 close

Tech Mahindra is our top pick driven by improved execution visibility, restructuring-led earnings growth, cash conversion, and improved capital allocation.

LTIMindtree

ADD, TP Rs5749, Rs5469 close

Large deal momentum could improve LTIMindtree's revenue growth trajectory and translate into an operating leverage-led earnings upgrade cycle.

Summary Valuation Metrics

P/E (x)	Mar26-F	Mar27-F	Mar28-F
Tech Mahindra	24.7	20.3	17.7
LTIMindtree	31.6	28.1	24.7

P/BV (x)	Mar26-F	Mar27-F	Mar28-F
Tech Mahindra	4.8	4.5	4.3
LTIMindtree	6.5	5.8	5.2

Dividend Yield	Mar26-F	Mar27-F	Mar28-F
Tech Mahindra	4.1%	3.9%	4.5%
LTIMindtree	1.8%	1.8%	2.0%

Research Analyst(s)

Abhishek SHINDADKAR

T (91) 22 4161 1543

E abhishek.shindadkr@incredresearch.com

IT Services

Tech disruption, protectionism, & weak macro

- Like CY12/13, the sector may be facing a lethal combination of headwinds.
- AI adoption is likely impacting volume growth. Backfilling could be challenging.
- YTD US federal & state government payrolls saw a reduction of 113k.

We learn from history but conveniently overlook occasionally

Although our sector rating downgrade to Neutral on 2 Feb 2025 was on the basis that tariffs & related uncertainty is not conducive for IT spending, decision-making and, in turn, for earnings upgrade, the pertinent question for investors today is "what is the extent of operating model disruption in an AI-first world & in the backdrop of protectionism & weak macro." The rationale is that although valuations appear reasonable vs. their five-year average, the sector could be facing a set-up like CY12/13, which saw a combination of headwinds from technology disruption (cloud), protectionism (visa), and macroeconomic challenges, leading to growth moderation subsequently (Fig. 1). Put together, it could moderate the growth of services companies over a longer horizon than anticipated and warrants a revisit to the valuation thesis.

AI transforms everything - could shrink the scope of work

Artificial intelligence (AI) is starting to disrupt everything, especially software development and could shrink the scope of traditional application development, customization and maintenance work and, in turn, volume growth. To illustrate, recent industry interactions suggest deploying AI tools for data projects (labelling, annotation, synthesization) is driving a 20%+ deflation in volume. Backfilling such a quantum in the absence of structural demand tailwinds, as seen in the post Covid-19 period, could be demanding. Finally, although the disruption may not mean displacement, growth expectations need to be altered.

Adoption could be like cloud curve: B2C followed by enterprise

As witnessed during the cloud era, the adoption could be gradual as the technology trend starts with consumers, startups and small businesses, with the eventual embrace by medium & large enterprises as solutions/platforms standardize & applications are robust. Conversely, cloud adoption post Covid-19 may have accelerated such standardization, which, coupled with the Retrieval Augmented Generation (RAG) architecture for better retrieval of unstructured data, could mean a steep adoption curve.

Protectionism increases the cost of doing business

Recent US visa regulations could 1) delay deal closures or project starts as clients & vendors re-evaluate the contract terms, and 2) increase sub-contracting costs over time as talent scarcity and near-shoring could increase onsite wages. Analyzing such protectionism measures historically (visa fee increase in 2010, localization, etc.) suggests that the cost of doing business has increased (Figs. 2-4). Finally, offshoring and global competency centre or GCC-as-a-service is an alternative but must be viewed in the context that 1) critical roles require regulatory clearances and are difficult to offshore, and 2) material offshoring is revenue deflationary first and then EBIT margin beneficiary.

Challenging macro makes productivity the key tool to gain share

An analysis of US jobs data, shared in our 2 Feb 2025 sector update, suggests that government hiring (federal, state, and local) accounted for an average ~25% of total non-farm payrolls (NFP) during 2023-24 vs. an average 6.9% during 2014-22, and an average 2.9% during 2011-20. Interestingly, government accounted for 1.3% of NFP in Aug 2025 (Fig. 11), led by local, while state & federal saw a reduction and does not bode well for consumer demand and, in turn, for corporate America. In this backdrop, productivity pass-back could be a key tool to win market share, which, in general, could limit earnings upgrade.

Put together - converting order book to revenue could be taxing

Although the demand environment is stable & broad-based across verticals, the urgency to spend is lacking, and could impact order book conversion. In this backdrop, we believe the reasonable valuation thesis warrants a revisit as it cannot remain sacrosanct in the absence of earnings upgrade. Finally, with capital allocation at its peak, prolonged subdued earnings growth may drive valuations towards their historical averages (Figs. 13-14).

Figure 1: US$ revenue yoy growth saw a significant deterioration during FY16-19

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tata Consultancy Services	13.8%	16.2%	15.0%	7.1%	6.2%	8.6%	9.6%	5.4%	0.6%	15.9%	8.6%	4.1%	3.8%
Infosys	5.8%	11.5%	5.6%	9.1%	7.4%	7.2%	7.9%	8.3%	6.1%	20.3%	11.7%	1.9%	3.9%
Wipro	5.0%	6.4%	7.0%	3.7%	4.9%	4.6%	0.7%	1.7%	-1.4%	27.3%	8.5%	-3.8%	-2.7%
HCL Technologies	12.5%	14.1%	12.4%	7.1%	11.9%	12.4%	10.1%	15.1%	2.4%	12.8%	9.6%	5.4%	4.3%
Tech Mahindra	6.9%	17.7%	18.2%	10.2%	7.8%	9.6%	4.2%	4.3%	-1.4%	17.3%	10.1%	-5.0%	-0.2%
LTIMindtree	20.9%	5.4%	8.5%	9.5%	9.3%	16.7%	19.1%	13.0%	9.5%	25.9%	95.3%	4.4%	4.8%
Coforge	12.9%	2.9%	1.1%	6.0%	1.6%	10.9%	13.9%	12.4%	5.7%	38.1%	15.6%	11.7%	30.6%
Persistent Systems	14.7%	15.2%	12.6%	14.0%	22.0%	9.7%	2.2%	4.3%	12.8%	35.2%	35.3%	14.5%	18.8%
Mphasis	-10.4%	-4.3%	1.2%	-2.1%	-2.3%	12.1%	9.0%	12.3%	5.7%	22.4%	6.6%	-6.4%	4.9%
Hexaware Technologies	6.4%	8.9%	14.9%	8.3%	15.6%	11.6%	17.1%	6.5%	14.9%	20.0%	7.8%	13.7%	NA
Average	9.1%	9.4%	9.7%	7.3%	8.4%	10.3%	9.4%	8.3%	5.5%	23.5%	20.9%	4.1%	7.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 2: FY16 onwards - gross margin trend reflects the impact of the cost of protectionism…

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tata Consultancy Services	45.8%	47.4%	44.5%	43.9%	43.3%	42.1%	41.9%	41.2%	40.8%	40.2%	39.6%	40.4%	38.9%
Infosys	37.4%	35.9%	38.3%	37.4%	36.8%	36.0%	34.8%	33.1%	34.9%	32.6%	30.3%	30.1%	30.5%
Wipro	30.4%	32.0%	31.6%	30.4%	28.9%	29.2%	29.5%	28.5%	31.7%	29.7%	28.7%	29.6%	30.7%
HCL Technologies	33.3%	36.4%	34.6%	32.8%	32.1%	31.4%	31.5%	31.9%	33.7%	31.6%	30.7%	30.6%	30.0%
Tech Mahindra	34.5%	35.1%	30.5%	28.0%	26.1%	26.5%	29.5%	25.6%	27.8%	27.2%	24.8%	21.3%	24.6%
LTIMindtree	34.5%	35.3%	33.1%	31.7%	32.5%	31.5%	33.2%	29.8%	31.5%	29.7%	28.6%	28.8%	28.3%
Coforge	32.1%	31.5%	30.2%	32.4%	31.5%	31.6%	31.6%	30.1%	28.1%	28.5%	29.3%	29.1%	29.4%
Persistent Systems	37.5%	36.8%	35.2%	34.0%	30.5%	29.8%	31.8%	29.5%	29.8%	30.7%	30.5%	30.4%	31.5%
Mphasis	37.2%	26.3%	24.9%	25.3%	26.9%	26.6%	26.9%	26.2%	27.9%	26.8%	26.5%	27.0%	28.1%
Hexaware Technologies	37.6%	36.9%	35.7%	35.3%	34.8%	33.0%	29.3%	26.5%	24.8%	23.3%	25.8%	26.4%	NA
Average	32.3%	35.4%	33.8%	33.1%	32.3%	31.8%	32.0%	30.2%	31.1%	30.0%	29.5%	29.4%	30.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 3: ….and despite the INR's depreciation against the US$

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Price of INR per USD	61.2	65.5	67.1	64.5	69.9	70.9	74.2	74.5	80.4	82.8	84.6	86.6
INR depreciation	-1.1%	6.6%	2.4%	-4.1%	7.8%	1.4%	4.5%	0.4%	7.3%	2.9%	2.1%	2.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Gross margin pressure coupled with the rise in sub-contracting charges…

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tata Consultancy Services	6.0%	6.6%	7.0%	7.7%	7.5%	7.3%	7.7%	8.2%	8.1%	9.1%	9.5%	6.6%	4.6%
Infosys	3.6%	3.9%	4.1%	5.7%	5.6%	6.1%	7.3%	7.4%	7.0%	10.4%	9.6%	8.0%	7.9%
Wipro	9.7%	10.0%	11.1%	13.2%	15.0%	15.5%	16.2%	14.8%	13.5%	13.7%	12.8%	11.5%	11.3%
HCL Technologies	11.0%	12.8%	13.8%	16.1%	18.5%	17.0%	16.2%	15.1%	13.5%	14.6%	14.7%	13.3%	13.0%
Tech Mahindra	6.2%	9.1%	12.5%	13.5%	12.4%	12.6%	12.5%	14.8%	13.1%	15.6%	15.0%	12.9%	11.0%
LTIMindtree	-	-	-	6.9%	6.7%	7.3%	7.7%	8.3%	4.6%	9.0%	8.5%	7.2%	6.9%
Coforge	6.1%	4.7%	5.7%	5.3%	5.5%	7.1%	8.2%	6.9%	8.2%	10.2%	11.6%	9.9%	11.4%
Persistent Systems	4.1%	5.4%	5.8%	6.9%	7.6%	10.5%	10.4%	11.0%	13.3%	14.0%	12.5%	11.7%	14.7%
Mphasis	5.0%	3.7%	6.0%	5.5%	6.8%	9.4%	11.9%	15.3%	13.5%	14.4%	14.9%	12.8%	13.4%
Hexaware Technologies	15.2%	15.5%	17.1%	17.8%	18.8%	22.1%	16.4%	14.5%	15.6%	16.3%	15.2%	15.5%	NA
Average	6.7%	7.2%	8.3%	9.9%	10.4%	11.5%	11.4%	11.6%	11.0%	12.7%	12.4%	10.9%	9.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 5: …were key EBIT margin headwinds over time

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tata Consultancy Services	27.0%	29.1%	26.9%	26.5%	25.7%	24.8%	25.6%	24.6%	25.1%	25.3%	24.1%	24.6%	24.3%
Infosys	25.8%	24.0%	25.9%	25.0%	24.7%	24.3%	22.8%	21.3%	24.5%	23.0%	21.1%	20.7%	21.1%
Wipro	18.0%	19.8%	19.5%	18.2%	15.6%	15.2%	15.8%	16.6%	19.4%	16.9%	14.9%	15.1%	17.0%
HCL Technologies	NA	23.3%	23.3%	20.1%	20.3%	19.8%	19.6%	19.6%	21.4%	18.9%	18.2%	18.2%	18.3%
Tech Mahindra	18.7%	19.4%	15.8%	13.3%	11.0%	11.8%	15.0%	11.6%	14.2%	14.6%	11.4%	6.1%	9.7%
LTIMindtree	19.2%	18.4%	17.2%	14.6%	16.2%	15.0%	18.4%	16.1%	18.6%	17.8%	16.2%	15.7%	14.5%
Coforge	13.5%	12.6%	10.7%	13.0%	12.7%	12.5%	14.2%	13.1%	12.9%	13.8%	14.3%	12.9%	12.5%
Persistent Systems	19.8%	19.6%	15.7%	13.9%	10.6%	10.2%	12.6%	9.2%	12.1%	13.9%	14.9%	14.4%	14.7%
Mphasis	15.0%	15.3%	13.7%	13.5%	14.6%	15.1%	16.1%	16.0%	16.1%	15.3%	15.3%	15.1%	15.3%
Hexaware Technologies	19.4%	16.8%	15.6%	14.8%	15.0%	14.4%	13.9%	13.0%	12.7%	10.6%	12.5%	12.9%	NA
Average	19.6%	19.8%	18.4%	17.3%	16.6%	16.3%	17.4%	16.1%	17.7%	17.0%	16.3%	15.6%	16.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 6: Revenue per employee (US$) saw an uptick but…

(US$)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tata Consultancy Services	44,605	46,596	49,159	48,694	46,888	48,918	50,570	49,440	47,811	47,018	45,571	47,885	49,574
Infosys	47,943	51,856	51,811	50,341	51,232	54,505	53,555	53,739	54,886	56,551	53,155	56,897	60,237
Wipro	44,674	45,098	45,922	43,766	47,579	49,381	48,042	45,457	43,108	45,719	42,988	44,615	45,000
HCL Technologies	60,853	66,074	64,185	65,511	68,923	72,274	72,192	72,876	69,612	63,970	61,253	63,242	67,063
Tech Mahindra	31,724	35,905	37,630	38,317	38,262	41,356	41,869	40,376	41,671	42,561	41,852	42,514	41,685
LTIMindtree	-	-	-	46,143	51,563	52,252	53,358	52,815	52,696	51,423	48,022	51,906	53,248
Coforge	47,930	46,946	46,840	47,141	51,439	55,901	57,495	59,845	55,059	40,346	43,797	45,582	46,510
Persistent Systems	38,181	38,972	40,807	43,059	49,481	55,145	55,430	51,909	51,150	49,796	49,684	54,697	63,316
Mphasis	27,149	26,399	28,062	41,704	43,278	48,545	46,712	46,820	47,369	47,532	47,808	47,706	53,433
Hexaware Technologies	43,799	42,163	42,673	43,233	44,320	41,820	39,666	42,606	40,187	40,723	44,408	44,226	NA
Average	38,686	40,001	40,709	46,791	49,296	52,010	51,889	51,588	50,355	48,564	47,854	49,927	53,341

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 7: …but so did the costs per employee

Rs'000	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tata Consultancy Services	1,262	1,438	1,656	1,666	1,644	1,701	1,892	1,929	1,980	1,967	2,081	2,307	2,395
Infosys	1,462	1,812	1,773	1,823	1,890	1,938	2,057	2,140	2,248	2,219	2,287	2,533	2,686
Wipro	1,810	1,938	2,000	2,036	2,275	2,280	2,328	2,286	2,096	2,318	2,340	2,467	2,518
HCL Technologies	1,633	1,838	1,911	2,120	2,259	2,286	2,449	2,562	2,658	2,570	2,690	2,978	3,235
Tech Mahindra	976	1,128	1,224	1,324	1,359	1,441	1,475	1,466	1,573	1,581	1,754	1,973	1,971
LTIMindtree	-	-	-	1,834	1,975	1,998	2,162	2,239	2,346	2,374	2,470	2,784	2,921
Coforge	1,428	1,583	1,610	1,767	2,033	2,123	2,344	2,552	2,471	1,785	2,111	2,243	2,328
Persistent System	1,154	1,293	1,470	1,723	2,036	2,146	2,218	2,231	2,273	2,250	2,383	2,749	3,089
Mphasis	989	1,103	1,064	1,679	1,773	1,826	1,815	1,855	2,031	2,081	2,255	2,359	2,588
Hexaware Technologies	1,380	1,457	1,540	1,641	1,582	1,530	1,514	1,863	1,770	1,943	2,166	2,156	NA
Average	1,209	1,359	1,425	1,761	1,883	1,927	2,025	2,112	2,145	2,109	2,254	2,455	2,637

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: FOR HEXAWARE, IT IS CALENDAR YEAR-END

Figure 8: Potential revenue impact from the recent US visa regulations

Companies	2024 new employment approvals	Revenue impact of 50% offshoring	75% offshoring	90% offshoring
Infosys & subsidiaries	2,504	0.63	0.95	1.14
TCS & subsidiaries	1,452	0.24	0.37	0.44
HCL Technologies & subsidiaries	1,248	0.44	0.66	0.79
LTIMindtree & subsidiaries	798	0.87	1.30	1.56
Wipro & subsidiaries	609	0.29	0.44	0.53
Tech Mahindra & subsidiaries	493	0.39	0.59	0.71
Persistent Systems & subsidiaries	312	1.00	1.50	1.80
Mphasis & subsidiaries	195	0.56	0.84	1.00
Birlasoft & subsidiaries	140	1.16	1.74	2.09
Coforge & subsidiaries	114	0.32	0.48	0.58
Tata Technologies & subsidiaries	37	0.32	0.48	0.57
Tata Elxsi & subsidiaries	36	0.43	0.65	0.78
Cyient & subsidiaries	24	0.18	0.28	0.33
Sonata Software & subsidiaries	15	0.23	0.34	0.41

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Illustration of the shift in US employee strength, mix, type of visa commentary for Infosys…

Fiscal year	Tech Professional	H-1B	L1	Employees in US
FY05	Majority of professionals either on H-1B or L1	4,350	700	NA
FY06	Majority of professionals either on H-1B or L1	6,130	790	NA
FY07	Majority of professionals either on H-1B or L1	7,100	650	NA
FY08	Majority of professionals either on H-1B or L1	8,400	1,300	NA
FY09	Majority of professionals either on H-1B or L1	8,200	1,400	NA
FY10	Majority of professionals either on H-1B or L1	8,200	1,400	NA
FY11	Majority of professionals either on H-1B or L1	8,200	1,400	NA
FY12	Majority of professionals either on H-1B or L1	10,115	1,988	NA
FY13	Majority of professionals either on H-1B or L1	10,800	1,600	NA
FY14	Majority of professionals either on H-1B or L1	12,769	1,322	NA
FY15	Majority of professionals either on H-1B or L1	14,035	1,246	NA
FY16	Majority of professionals either on H-1B or L1	14,659	1,364	NA
FY17	Majority of professionals either on H-1B or L1	14,859	1,549	NA
FY18	Majority of professionals either on H-1B or L1	NA	NA	25,265
FY19	Majority of professionals either on H-1B or L1	NA	NA	27,713
FY20	Less than 50% of employee in US	NA	NA	28,162
FY21	Less than 50% of employee in US	NA	NA	30,938
FY22	Less than 50% of employee in US	NA	NA	35,995
FY23	Less than 50% of employee in US	NA	NA	38,671
FY24	Less than 50% of employee in US	NA	NA	36,118
FY25	Less than 50% of employee in US	NA	NA	34,388

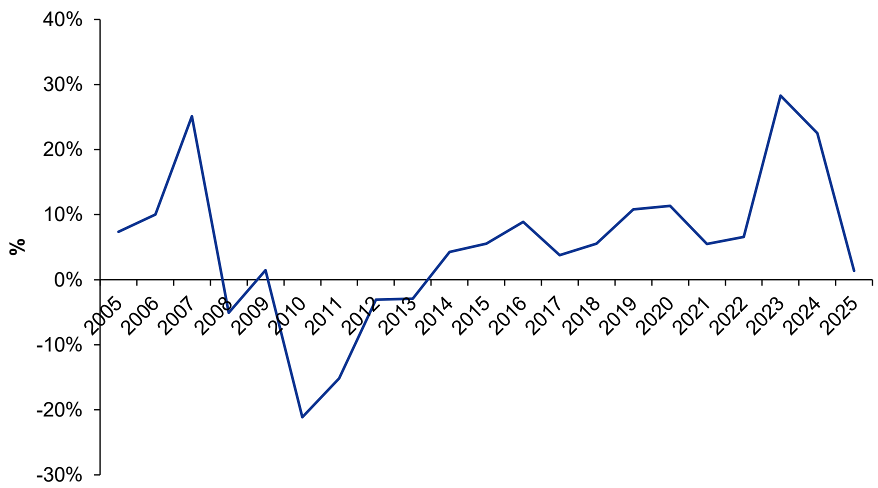
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: …and Cognizant Technology Solutions

Fiscal year	Tech Professional	Employees in US
FY05	NA	No data
FY06	NA	No data
FY07	NA	No data
FY08	Vast majority on visa and work permits	12,000
FY09	Majority on visa and work permits	13,000
FY10	Vast majority on visa and work permits	17,300
FY11	Vast majority on visa and work permits	21,800
FY12	Vast majority on visa and work permits	27,300
FY13	Vast majority on visa and work permits	31,500
FY14	Vast majority on visa and work permits	37,800
FY15	Vast majority on visa and work permits	40,800
FY16	Vast majority on visa and work permits	47,500
FY17	Vast majority on visa and work permits	50,400
FY18	Substantial portion on visa and work permits	50,000
FY19	Substantial portion on visa and work permits	46,400
FY20	Principal operating subsidiary in the United States had more than 50% of its employees on H-1B or L-1 visas	43,500
FY21	Less than 50% of our employees in the United States hold H-1B and L-1 visas	40,900
FY22	Principal operating subsidiary in the United States utilizes a high number of skilled workers holding H-1B and L-1 visas	41,100
FY23	Principal operating subsidiary in the United States utilizes a high number of skilled workers holding H-1B and L-1 visas	40,500
FY24	Principal operating subsidiary in the United States utilizes a high number of skilled workers holding H-1B and L-1 visas	42,800

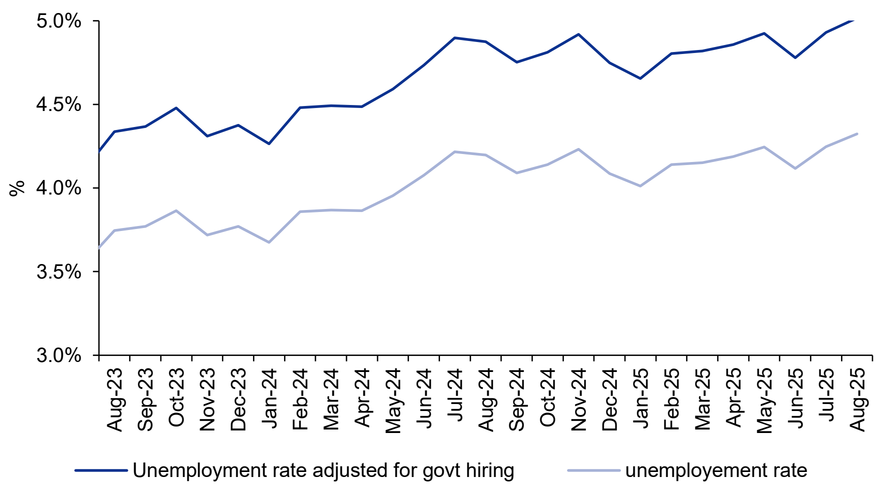
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 11: US government hiring accounted for 1.3% of NFP vs. an average 25.4% during 2023-24; federal and state saw a reduction of 113k



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: US unemployment rate, adjusted for government hiring, is at its highest level since Oct 2021



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Average one-year forward P/E

	CY20 to current	CY15 to current	CY13-18
Large-cap companies			
Tata Consultancy Services	27.0	23.7	19.4
Infosys	24.0	20.7	16.3
Wipro	19.8	17.5	14.5
HCL Technologies	20.1	17.5	13.6
Tech Mahindra	20.0	17.2	13.6
LTIMindtree	29.4	24.6	15.6
Mid-cap companies			
Coforge	30.7	22.6	11.7
Persistent Systems	34.7	25.5	14.4
Mphasis	24.4	19.7	13.3
Birlasoft	19.8	14.2	6.7
Sonata Software	20.3	16.6	11.2
ER&D companies			
Tata Elxsi	57.2	42.3	23.4
L&T Technology Services	32.4	28.3	19.8
Tata Technologies	46.4	46.4	NA
Cyient	18.1	16.0	12.8

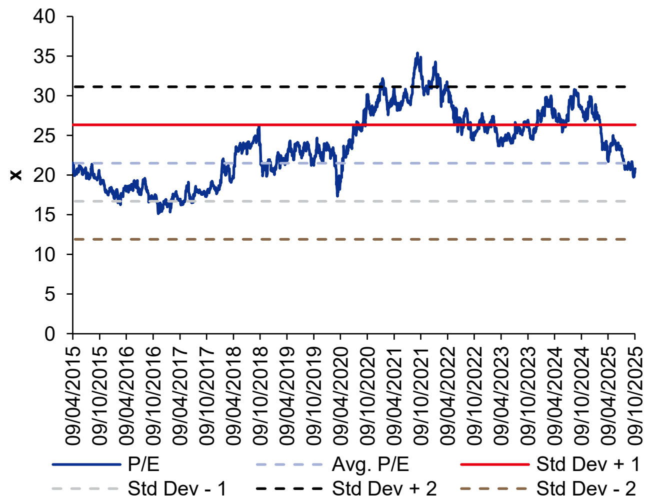
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Average one-year forward EV/EBITDA

	CY20 to current	CY15 to current	CY13-18
Large-cap companies			
Tata Consultancy Services	19.2	17.2	14.3
Infosys	16.5	14.1	10.8
Wipro	12.3	11.1	9.8
HCL Technologies	12.3	10.9	8.9
Tech Mahindra	13.3	11.4	11.1
LTIMindtree	20.7	17.5	11.6
Mid-cap companies			
Coforge	17.7	12.6	5.4
Persistent System	22.3	15.7	7.9
Mphasis	15.6	12.9	8.9
Birlasoft	10.0	8.4	9.6
Sonata Software	13.3	11.6	NA
ER&D companies			
Tata Elxsi	39.7	30.7	11.7
L&T Technology Services	21.1	19.2	15.4
Tata Technologies	32.7	32.7	NA
Cyient	9.9	9.3	7.8

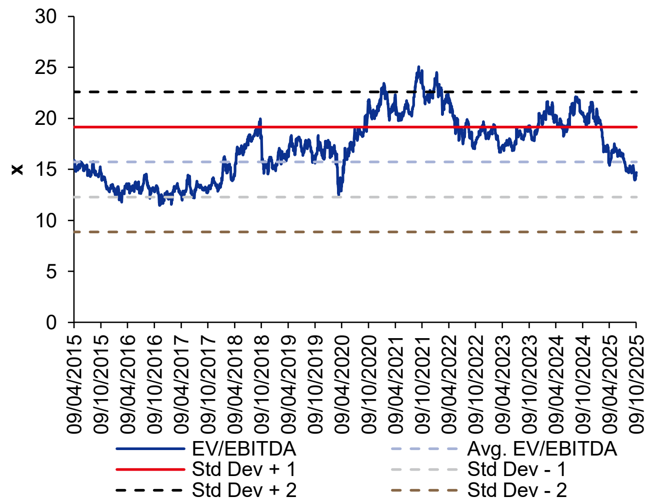
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 15: Tata Consultancy Services trades at one-year forward P/E of 20.8x vs. CY13-CY18 average of 19.4x



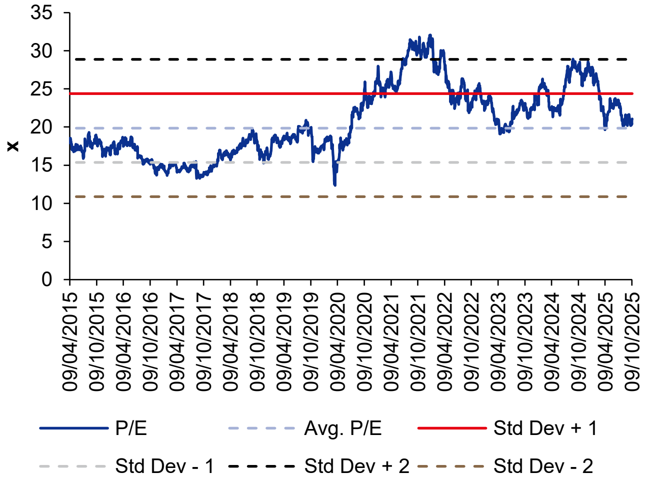
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 16: Tata Consultancy Services trades at one-year forward EV/EBITDA of 14.7x vs. CY13-CY18 average of 14.3x



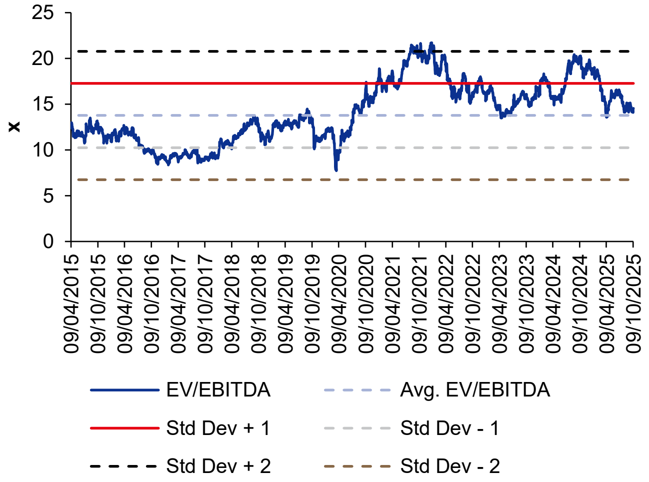
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 17: Infosys trades at one-year forward P/E of 21.1x vs. CY13-CY18 average of 16.3x



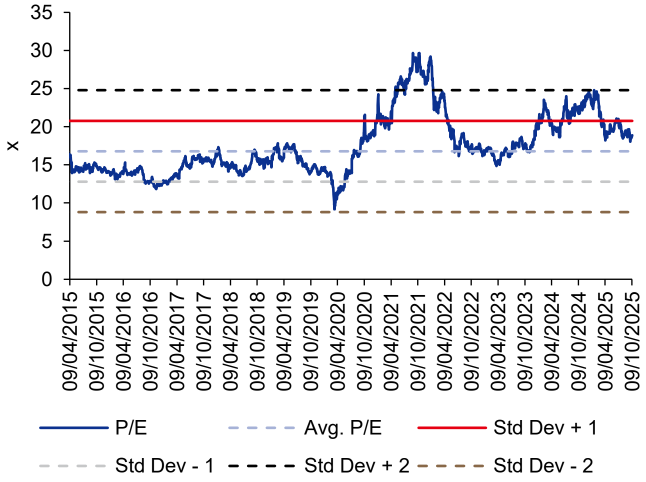
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 18: Infosys trades at one-year forward EV/EBITDA of 14.6x vs. CY13-CY18 average of 10.8x



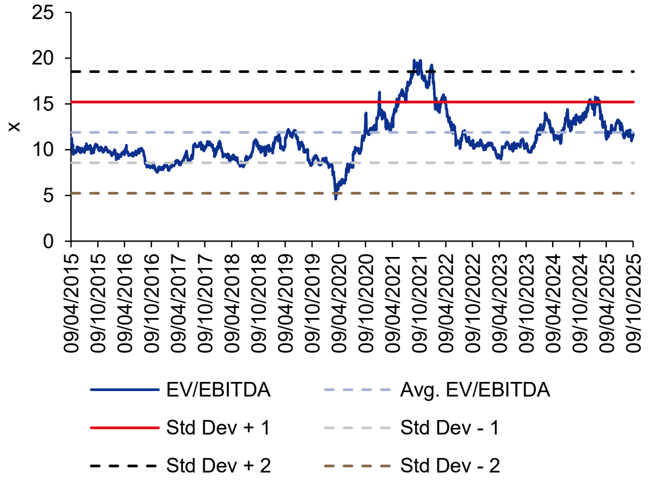
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 19: Wipro trades at one-year forward P/E of 18.9x vs. CY13-CY18 average of 14.5x



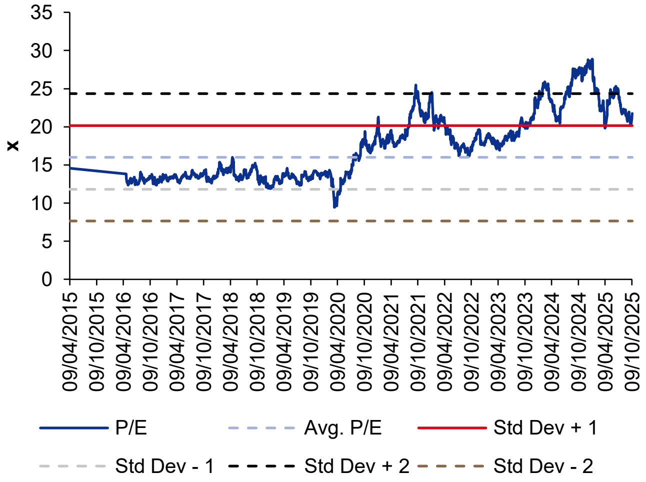
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 20: Wipro trades at one-year forward EV/EBITDA of 11.7x vs. CY13-CY18 average of 9.8x



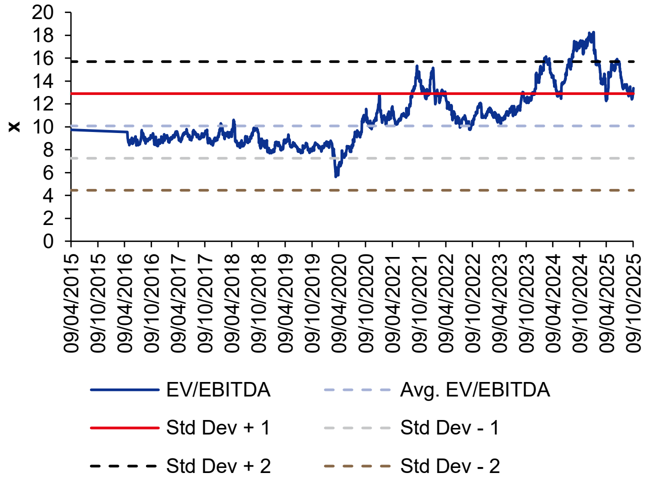
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 21: HCL Technologies trades at one-year forward P/E of 21.8x vs. CY13-CY18 average of 13.6x



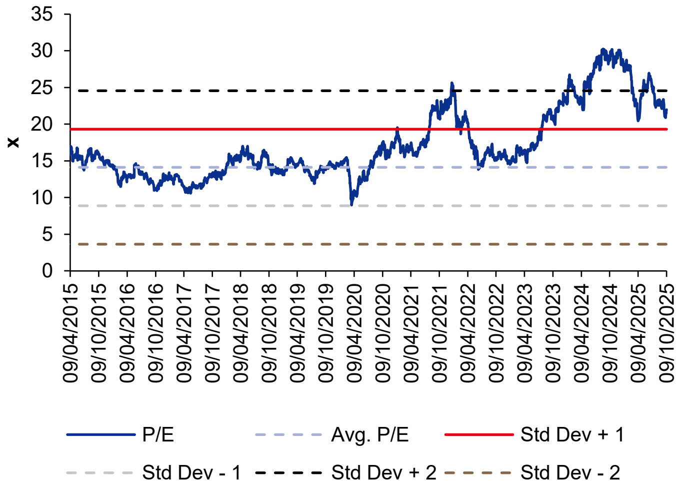
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 22: HCL Technologies trades at one-year forward EV/EBITDA of 13.4x vs. CY13-CY18 average of 8.9x



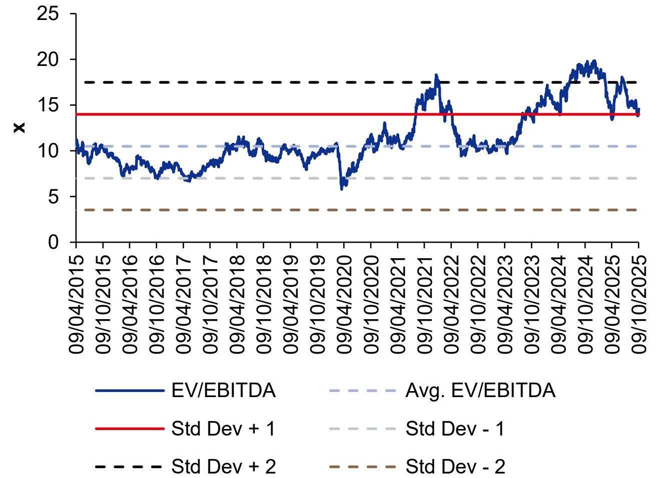
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 23: Tech Mahindra trades at one-year forward P/E of 22x vs. CY13-CY18 average of 13.6x



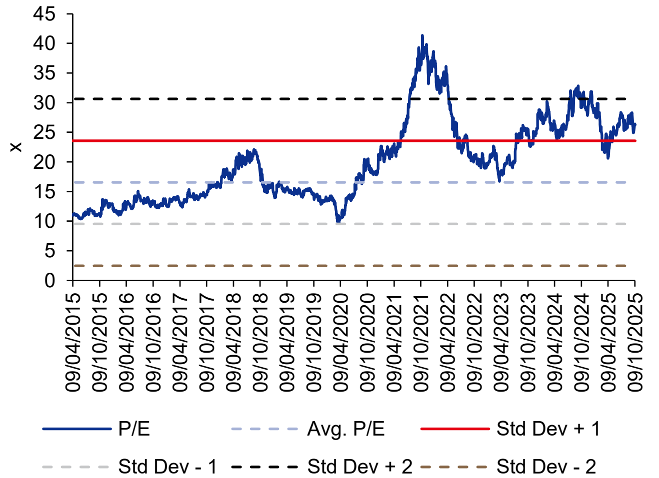
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 24: Tech Mahindra trades at one-year forward EV/EBITDA of 14.6x vs. CY13-CY18 average of 11.1x



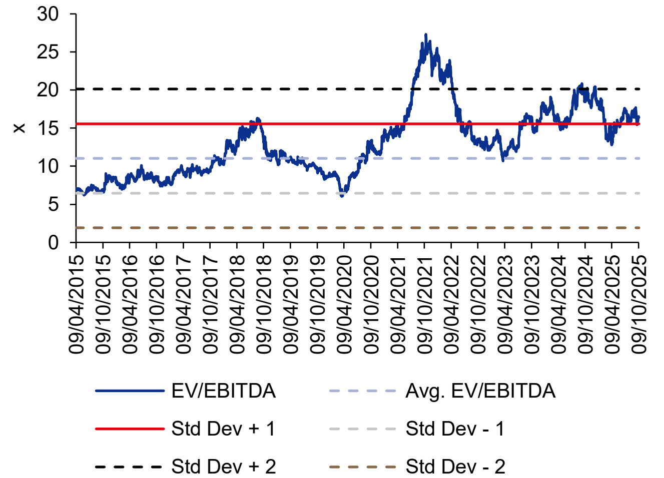
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 25: Mphasis trades at one-year forward P/E of 26.2x vs. CY13-CY18 average of 13.3x



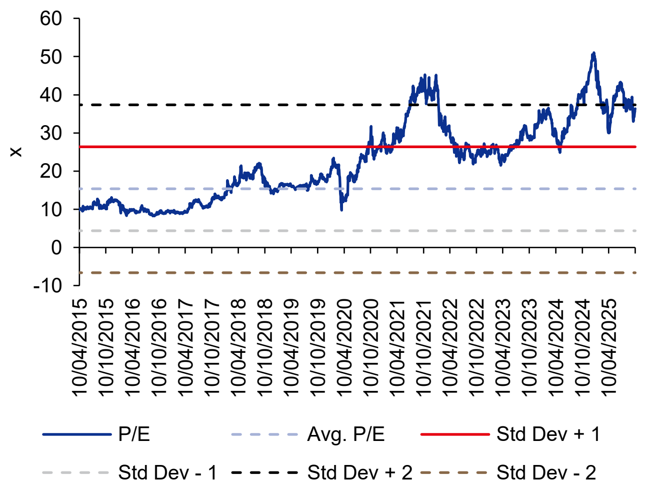
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 26: Mphasis trades at one-year forward EV/EBITDA of 16.4x vs. CY13-CY18 average of 8.9x



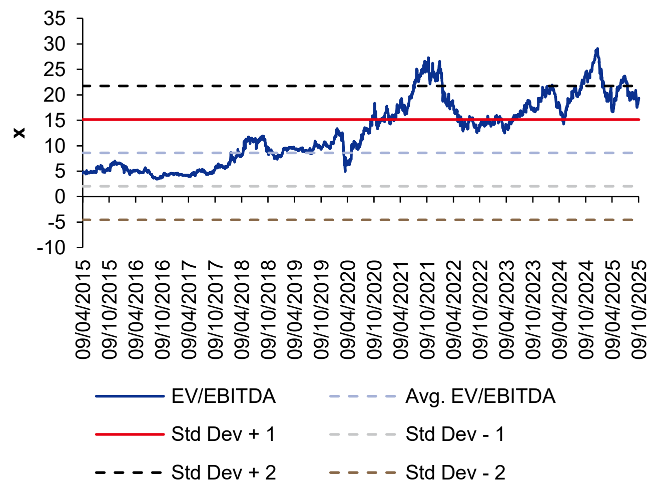
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 27: Coforge trades at one-year forward P/E of 36.4x vs. CY13-CY18 average of 11.7x



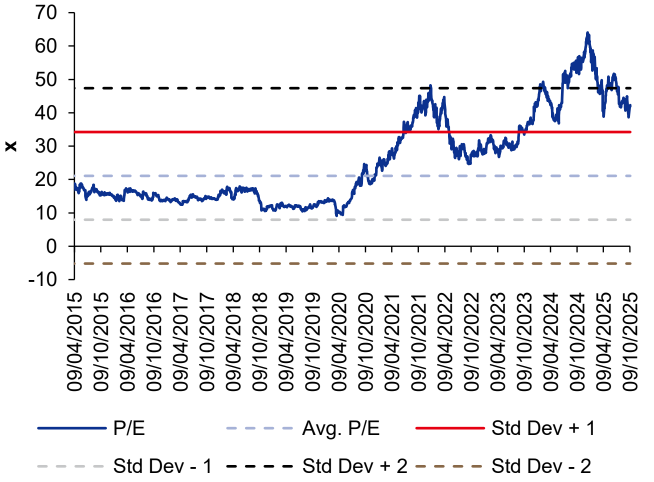
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 28: Coforge trades at one-year forward EV/EBITDA of 19.4x vs. CY13-CY18 average of 5.4x



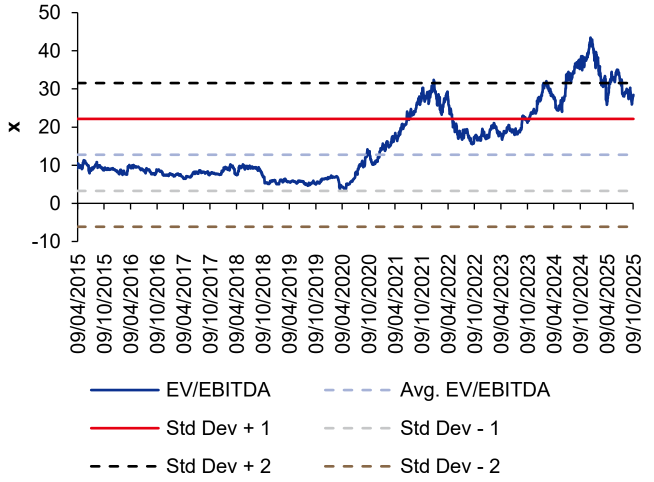
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 29: Persistent Systems trades at one-year forward P/E of 42.3x vs. CY13-CY18 average of 14.4x



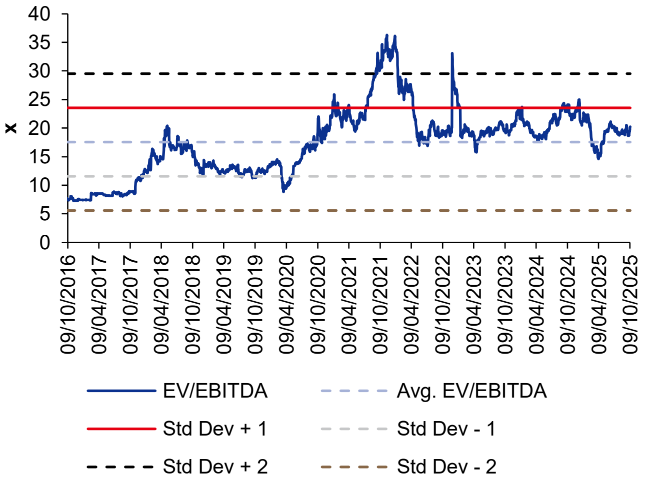
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 30: Persistent Systems trades at one-year forward EV/EBITDA of 28.5x vs. CY13-CY18 average of 7.9x



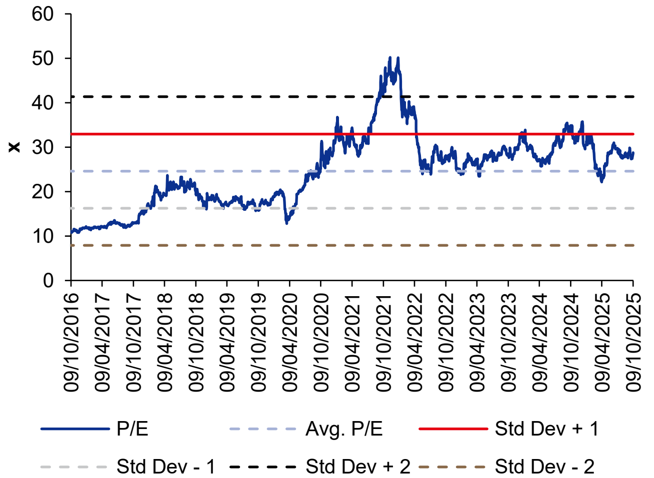
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 31: LTIMindtree trades at one-year forward P/E of 27.8x vs. CY13-CY18 average of 15.6x



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 32: LTIMindtree trades at one-year forward EV/EBITDA of 20.2x vs. CY13-CY18 average of 11.6x



SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Research Analyst SEBI Registration Number: INH000011024
Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051
Phone: +91-22-6844-6100
Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051
Phone: +91-22-4161-1500
Name of the Compliance Officer: Mr. Mayuresh Kadam
Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Rajarshi Maitra
Phone no. +91-022-41611546
Email ID: rajarshi.maitra@incredresearch.com
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Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.