

Information Technology

Demystifying disruption

Information Technology ► Sector Report ► February 18, 2026

NIFTY 50: 25,725

The Nifty IT index was down ~15% over the past 1M vs the broader market index. Nifty was flat on fears of advancement in AI disrupting IT/BPM services business. It is difficult to quantify the real impact of AI on IT Services business, as the timing of potential headwinds from AI-led productivity gains and tailwinds from modernization and new AI-led spending remain uncertain at this stage of the cycle. Also, it is overly simplistic to assume that AI can generate enterprise-grade code and replace IT Services companies. We expect IT services companies' role to evolve and business model to shift toward outcome-based compared to predominantly input-based/effort-based today. We believe the market reaction is excessive, aligning well with Amara's law, "*We tend to overestimate the effects of a technology in the short run and underestimate them in the long run.*" Enterprise systems are complex and adoption is expected to remain gradual. IT Services companies have the advantage of contextual understanding of enterprises' complex environment, domain knowledge, and clients trust; hence, they would remain relevant even in the AI era, in our view. Post correction, large-cap IT services companies are trading at FCF yield of ~5-6%, and valuations imply ~5-6% terminal growth (Exhibit 1). We believe the correction largely reflects fear of the unknown. With the impacts hard to quantify, investors have trimmed terminal growth assumptions. Management commentary providing clarity on human + agent offerings and flow through the services component on spend on external models, business model transition toward outcome-based, and deal intake would be keenly watched, in our view, which provide confidence on earnings trajectory. A durable recovery, however, would take some time and depend on consistent earnings delivery.

Claude turning from helper (assistance) to doer (autonomy)...

The latest leg of risk-off in software/SaaS/services has been catalyzed by high-velocity agent narratives: Anthropic's Cowork has been positioned as a more general-purpose agentic workflow layer (beyond coding), and the plug-in concept makes it feel closer to a reusable enterprise worker than a chatbot, reinforcing the fear that routine knowledge-work gets automated end-to-end. Cowork plug-ins could possibly standardize how work is done by connecting tools/data and enforcing consistent workflows, and Anthropic open-sourced a starter set (with [11 plug-ins](#)), which amplified concerns around faster diffusion.

...amplified by a compressed timeline to implement ERP...

In parallel, Palantir's commentary that its AI-forward deployment construct can compress complex SAP ECC to S/4 migrations from 'years to as little as two weeks' has further hardened the market's belief that large implementation pools will structurally shrink, especially for vendors whose economics are effort-and-labor heavy.

...driving fears of terminal growth and resulting in a sharp sell-off

Superimposed, these developments were quickly mapped onto Indian IT Services' perceived labor-dependent model and onto SaaS monetization risk. Indian IT Services firms have traditionally scaled revenue with headcount – more projects typically meant more people billed over longer timelines. If AI agents can execute meaningful portions of work autonomously, that link between effort, time, and revenue starts to weaken. The concern is not that demand disappears, but that the revenue per unit of work compresses as automation rises. With the rapid pace of developments by Anthropic, OpenAI, etc, this shift is unfolding faster than expected. Hence, the investors and the market at large have started questioning the relevance of these companies in future. Many SaaS businesses rely on seat-based pricing, where revenue grows with the number of human users. If AI agents become the primary actors interacting with software – running workflows, generating outputs, and making decisions – then the number of seats may no longer reflect actual value delivered. This raises the possibility that pricing models shift from per-user to per-usage, per-outcome, or platform fees, which could reset growth assumptions.

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But what is being missed or incorrectly assumed?

Amara's Law offers a fitting perspective here: *we tend to overestimate the short-term effects of technology while underestimating its long-term impact*. Yet current market positioning appears to assume a largely linear, frictionless disruption curve. Implicitly, it underwrites several assumptions: i) Agent capabilities seen in demos will translate quickly into production-grade autonomy, with limited friction from complex enterprise systems integration, controls, and exception handling. ii) Most routine delivery work will be executed by agents rather than by scaled delivery teams, meaning the scope of implementation shrinks rather than shifts. iii) Productivity gains will be passed through almost entirely to clients, compressing realization under T&M and forcing a rapid reset in pricing (even on complex programs). iv) The companies in the Indian IT Services space will struggle to pivot fast enough toward outcome-based constructs, integrating AI at a broader scale.

The opportunity pool remains large, with net-new work aided by AI

A coherent framing is that AI creates deflationary pressure in certain legacy revenue pools (routine maintenance, repetitive enhancements, standardized testing/documentation, etc), while simultaneously enabling net-new programs that were previously uneconomical or too risky. Before any AI works, companies need their data in the cloud, their apps modernized, and their systems integrated. Hence, the opportunity set includes legacy code modernization (including large estates, such as COBOL), building customizable to composable solutions, etc. Even where AI shortens parts of delivery, the end-to-end enterprise journey still requires redesigning data models, controls, workflows, and integrations; the services burden often shifts rather than disappears.

Our view is anchored on the following points

- Complexity of enterprise workflows remains the binding constraint

Enterprise delivery is constrained less by code production and more by end-to-end workflow complexity across apps, data, controls, security, and stakeholder approvals. Even when AI accelerates discrete tasks (drafting code, generating tests, summarizing requirements, etc), IT services firms bring the context – understanding legacy tech stacks, business processes, and regulatory environments – that allows solutions to actually work in production.
- Enterprise readiness is lagging the pace of foundational AI advancement

AI is progressing on a curve that looks exponential, while enterprises change on curves that are organizational, budgetary, and human. This mismatch creates a persistent deployment gap: models get better, cheaper, and more capable every passing day, yet many companies still struggle to move beyond pilots. While AI adoption among users is the fastest of any technology, enterprise value realization lags due to legacy systems, data silos, governance needs, change-management complexity, and connecting AI to such unstructured data, and legacy workflows. As a result, the realized value compounds more slowly, increasing scope for SIs to act as a bridge in making enterprises AI ready (Exhibit 3).
- SLMs (Small language models) are strategically important for enterprises

Enterprises increasingly evaluate AI through the lenses of cost, latency, deployment control, data residency, and domain fit, which often favor smaller or specialized models over the largest frontier models. The trend toward SLM adoption plays directly to the strengths of IT Services providers who possess deep domain expertise, access to proprietary industry data through decades of client engagements, and established relationships with enterprise clients who require customization rather than off-the-shelf solutions. The value chain will be distributed across companies that can integrate, customize, deploy, and maintain AI systems within complex enterprise environments.

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Maintenance consumes 60% of IT budgets, a burden intensified by a dwindling COBOL workforce now just 5% of developers, per a 2025 Gartner estimate

Code Reborn: AI-Driven Legacy Systems Modernization from COBOL to Java

...And I think the other things that if you really want to use AI in an expansive way, you need your data in the cloud and you need your applications in the cloud. Those are all big tailwinds pushing people towards the cloud...

- Andy Jassy, CEO (Q3FY25 Earnings Call, Amazon)

- Legacy modernization and cloud migration remain a large and resilient spend category

Legacy modernization continues to represent a substantial and growing portion of the IT services opportunity landscape, providing a significant buffer against near-term AI displacement fears. An estimated ~800bn lines of COBOL code remain active in daily use on production systems, powering critical financial infra, as per MicroFocus and Vanson Bourne.

The opportunity of IT Services players in this context is expanding rather than shrinking, with AI acting as a key enabler. Most large enterprises still run critical business processes on mainframe systems, decades-old ERP implementations, custom COBOL applications, and monolithic architectures that were never built for cloud or AI-first environments. Modernizing these systems involves enormous technical debt and operational risk, which makes enterprises cautious and drives demand toward experienced service providers. AI helps in reducing costs and failure rates, and addresses the talent shortage issue in modernizing legacy code. While AI is accelerating parts of the modernization process (such as code analysis, translation, and testing), it is also increasing the overall scope of transformation by enabling more cloud, data, and AI-led re-architecting programs (Exhibit 9).

A meaningful portion of enterprise workloads remains on-prem, and shifting these workloads to cloud would be imperative in the AI-first landscape. In this context, Indian IT Services players are well-positioned to benefit from scale, cost efficiency, long-standing client relationships, and growing investments in cloud and AI capabilities, positioning them as preferred partners for large, multi-year modernization and transformation programs.

However, our view carries some downside and hence needs to be assessed in conjunction with the following

- Reinvestment shortfall, if savings are harvested and not redeployed

The constructive case assumes a decent portion of productivity gains would be reinvested into more modernization, data, cloud hardening, and automation initiatives. The downside is a procurement-led outcome, where clients bank the savings to offset macro pressure or fund non-services spend (spend with model providers, infrastructure compute platforms/cloud commitments, security products, internal hires), limiting the volume offset that IT Services vendors need to keep toplines stable.
- Timing mismatch between effort deflation and new growth opportunities and scope expansion

If AI materially improves code understanding, test generation, refactoring, and incident triage in production settings, a larger share of application work can be delivered with fewer billable hours and smaller teams, especially in run/change work. This would risk the monetization per unit of work getting compressed, as clients see tangible productivity and push for immediate pass-through at renewals, making revenue deflation visible before new AI-era workstreams scale.

Exhibit 1: Reverse DCF suggests current valuation implies 5-6% growth (assumed CoE: ~10.8%)

Company	Implied terminal growth	L10Y Rs/USD depreciation CAGR	Ex-currency growth required (assuming Rs/USD depreciation trend to continue)	L10Y FCF (ex-M&A) growth
TCS	5.5%	3.3%	2.2%	10.2%
INFO	5.2%	3.3%	1.9%	15.2%
HCLT	6.1%	3.3%	2.8%	16.4%
WPRO	4.8%	3.3%	1.5%	8.9%
TECHM	6.7%	3.3%	3.4%	14.8%

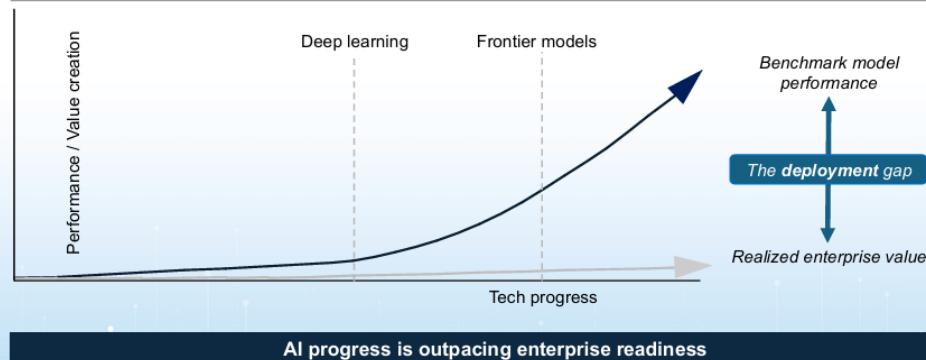
Source: Company, Emkay Research

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Exhibit 2: Mapping knowns vs unknowns – the clarity with respect to net impact will become clear once a few open questions are resolved

Category	What we know	What we do not know
Adoption and spending	AI adoption will increase as enterprises are looking for greater productivity.	How fast would adoption scale from pilots to enterprise-wide deployment, and would timelines compress or stretch?
	Clients are experimenting broadly but spending cautiously.	When does experimentation turn into large, recurring budgets?
Productivity and revenue impact	Productivity gains are real in coding, testing, documentation, analytics, and support.	What is the magnitude of sustainable productivity gains in real-world, complex enterprise environments?
	Some revenue deflation is inevitable in effort-based services as productivity improves.	What is the net revenue impact after considering both deflation and new demand creation?
	Cost of AI capability is falling due to model and compute efficiency.	How do falling costs reshape pricing power and margin structures in services?
Enterprise readiness and modernization	AI requires clean data, modern architecture, and governance to work well at scale.	How quickly can enterprises fix data and architecture gaps to become AI-ready?
	Legacy modernization demand is rising because AI works best on modern stacks.	Would modernization cycles accelerate budgets or crowd-out other spend?
	Enterprise tech change is historically slow and phased.	Will AI become an exception and drive unusually fast platform shifts?
Agents, autonomy, and its reliability	Agentic AI works well in bounded, well-defined tasks.	How does reliability in unbounded, mission-critical workflows with legal, financial, or operational risk play out?
	Human oversight remains necessary for risk, compliance, and accountability.	How far can autonomous agents operate independently without human-in-the-loop models?
Industry structure	IT Services firms play a key role in integration across multi-vendor ecosystems.	IT Services firms have played an important role in prior tech shifts and gained client's trust over the last few decades. Will AI curtail the role of such firms over time?
	New work is emerging in AI governance, model ops, security, and data engineering.	What is the size and durability of new AI-related revenue pools vs cannibalized legacy work?
	Domain expertise and contextual knowledge remain valuable.	Will AI be able to replicate deep domain context at scale?
	Vendor partnerships between AI firms and IT Services firms are increasing.	How is the value/profit pool ultimately split across models, platforms, and services?

Source: Industry, Emkay Research

Exhibit 3: AI progress vs enterprise readiness – the widening deployment gap**A widening gap between AI progress and enterprise value**

Source: Infosys, Emkay Research

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Exhibit 4: Time savings while using Claude across various occupation categories**Claude's estimates by occupation category**

Occupation Category	Time w/o AI (hours)	Avg. wage (\$/hr)	Avg. task cost (\$)	Time savings (%)
Management	2.0h	\$68/h	\$133	85.1%
Business & financial operations	1.5h	\$45/h	\$69	83.5%
Computer & mathematical	1.5h	\$56/h	\$82	80.2%
Architecture & engineering	1.3h	\$50/h	\$64	77.7%
Life, physical, & social science	1.5h	\$43/h	\$63	82.8%
Community & social service	1.1h	\$30/h	\$33	80.8%
Legal	1.8h	\$66/h	\$119	80.7%
Education, training, & library	1.7h	\$32/h	\$52	84.5%
Arts, design, entertainment, sports, & media	1.6h	\$37/h	\$58	78.6%
Healthcare practitioners & technical	0.9h	\$51/h	\$43	74.8%
Healthcare support	0.6h	\$19/h	\$10	75.9%
Protective service	0.3h	\$29/h	\$9	77.7%
Food preparation & serving	0.5h	\$17/h	\$8	75.4%
Building & grounds cleaning & maintenance	0.6h	\$19/h	\$11	75.8%
Personal care & service	0.5h	\$19/h	\$10	61.0%
Sales & related	0.6h	\$26/h	\$15	66.2%
Office & administrative support	0.7h	\$24/h	\$16	67.8%
Farming, fishing, & forestry	0.5h	\$20/h	\$10	83.3%
Construction & extraction	1.1h	\$31/h	\$35	86.7%
Installation, maintenance, & repair	0.5h	\$30/h	\$13	65.7%
Production	0.9h	\$24/h	\$22	79.7%
Transportation & material moving	0.3h	\$23/h	\$7	79.4%

Source: Anthropic, Emkay Research

Exhibit 5: Claude's estimates imply the current-generation AI models could increase US labor productivity growth by 1.8% annually over the next decade**Labor productivity contribution by occupation**

Occupation	Employment	Wage bill	Wage bill share	In (time est. ratio)	Annual labor prod contrib.
Overall economy	154.1M	\$10.46T	100.00%	0.196	1.80%
Software developers	1.65M	\$239.18B	2.3%	1.507	0.34%
General and operation managers	3.58M	\$477.16B	4.6%	0.224	0.10%
Market research analysts and marketing specialists	0.86M	\$74.47B	0.7%	1.271	0.09%
Secondary school teachers, except special and career/technical education	1.07M	\$79.05B	0.8%	0.820	0.06%
Lawyers	0.75M	\$136.66B	1.3%	0.451	0.06%
Customer service representatives	2.73M	\$123.70B	1.2%	0.431	0.05%
Retail salespersons	3.80M	\$141.18B	1.3%	0.360	0.05%
Computer and information systems managers	0.65M	\$121.44B	1.2%	0.379	0.04%
Marketing managers	0.38M	\$66.03B	0.6%	0.697	0.04%
Elementary school teachers, except special	1.39M	\$97.24B	0.9%	0.384	0.04%

Source: Anthropic, Emkay Research

Exhibit 6: Correlation between average hourly wage of an occupation category and the average Claude-estimated task duration**Task duration vs. wage by occupation**

Source: Anthropic, Emkay Research

Exhibit 7: Capgemini CEO challenging straight applicability of Palantir's claim to the large corps in the context of ERP migration

nascent stage as well. So are you seeing or expecting the scope of productivity gains, possible increasing and broadening the context, not limited to, but for example, comment from Palantir around achieving complex is for migration in as little as couple of weeks. How you would expect analyst community to reconcile with that?

A - Aiman Ezzat [BIO 16853274 <GO>]

So first, I mean, listen, the pipeline, as you know, when you get to large deals, I mean, the closing time is always somewhat difficult to be able to estimate because they can go on for months and months and months before we're able to get to that. But the pipeline is good.

We have some very large deal, but we also some deals which are multi-step. There's a client with whom we signed the first step around the two or three functions at the end of last year. And now we are basically looking at scope expansion already this year, probably in the first half, and maybe another one again later in the year. So they don't all come as one single deal.

Sometimes they come as a multiple steps in terms of closing some of these deals, but we have good confidence about EBITA to sustain double-digit growth. When we see the pipeline and the deals that we have, I'm good confidence for the near future to sustain the double-digit growth in around all that business. On the AI tools and productivity gains, the productivity is coming bit by bit. Whenever I talk to clients, everybody has some nice cases.

When I ask them at scale, I think there have been interviews with CIOs of large banks recently. When you see what they say, we see that at the beginning because the reality is that, besides generating code on an LLM and really trying to integrate that into an enterprise that's very complex with legacy systems, siloed data and all the like, it's a lot more complex. So it takes more time. And yes, there is a gap between CEO's expectation, I can tell you, and what his team is able to deliver today.

So everybody's trying to accelerate, but there is challenges. On things like Palantir, I think, again, people end up with the headline, and they don't dig in detail, okay? And whenever we see something else, we take it seriously. We take it seriously about what is happening, are we missing something, et cetera? And we dig in detail and we really understand what it is. You know, I think you need to get some people, maybe in your organization or other, to really dig in detail about what it is.

You know, it is, yes, there is advancement in certain areas. When you look really into detail of what it is and to what it applies, it's not going to make you an SAP migration in two weeks, okay? So don't stay on the headline, dig a little bit more in detail. As I say, we take things seriously. We did it, and we understand how, what exactly what is behind.

There is advancement in some areas, but it's not stratospheric in terms of suddenly you can do a SAP migration in two weeks, okay? That's the headline that people took, and that headline is significantly wrong. And some of what they do, really the way it shows, applies more to an environment of SMB data than it applies to large corporations, okay?

Source: Capgemini earnings call transcript, Bloomberg, Emkay Research

Exhibit 8: Cognizant's CEO emphasizing AI as a long-term tailwind, unlocking incremental and net-new opportunities

I think all of this is a lot of heavy lift. I mean, if this was all real and it would have switched on magically without anybody doing anything, we would have seen the drift of value already, and that's not happened yet. There is -- our studies say there's \$4.5 trillion of labor, which can actually be amplified with higher productivity out of the \$15 trillion in the United States in the last few years. It's not drifted yet because all of this has to be done.

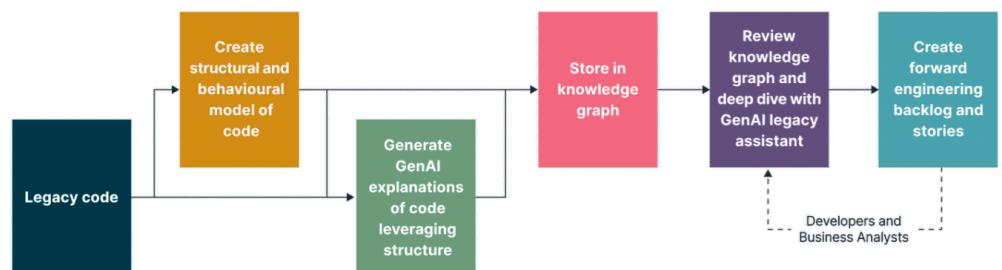
Equally, going back to what you just asked, there is technical debt. There is a lot of backlog. There is the elasticity of software, the traditional software, leave alone the new software we're going to write, which can actually expand. So, we see this as a net-new tailwind for us on two swim lanes, on the traditional software, apply it and do more for less, and get more consumption because of elasticity, take out technical debts, take out the backlog.

On the other end, apply this on a much new addressable spend, which classical software didn't penetrate. So, I see this as more of a bigger opportunity for us and with a higher surface area for us to actually operate. So, this is a tailwind. We are coming out to be winners, our builder strategy is working, and our three vector strategy we spoke about both on applying this to traditional software and writing new agentic software, which can actually capture significantly more surface area and enterprises, we think it's a phenomenal opportunity.

Now enterprise software package which you spoke about, package software has been there for the last 20 years. There has been deterministic code. There's been systems of record in it. We're going to apply layers of AI value on top of it actually generate more value than before. So, there is going to be a coexistence of deterministic and probabilistic software, and there's going to be interplay between the two.

Source: Cognizant earnings call transcript, Bloomberg, Emkay Research

Exhibit 9: Legacy modernization assisted by AI



Source: Thoughtworks, Emkay Research

Exhibit 10: Valuation Summary

Company	CMP (Rs)	Mkt Cap (USD bn)	Promoter Holding (%)	ADTV 6M (USD mn)	Target Price (Rs)	Rating	P/E (x)				EV/EBITDA (x)				ROE (%)			
							FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
TCS	2,717	108.4	72	104.7	3,500	ADD	20.2	21.0	18.1	16.9	13.9	13.0	12.3	11.4	51.2	53.4	51.6	52.2
INFO	1,391	62.2	15	146.3	1,750	BUY	21.6	20.0	18.4	17.0	13.5	12.6	11.4	10.4	28.9	32.0	33.7	33.0
HCLT	1,483	44.4	61	45.9	1,700	ADD	23.1	23.8	20.4	18.5	15.0	14.1	12.8	11.7	25.2	25.2	27.7	29.7
WPRO	216	24.9	73	27.5	270	REDUCE	17.2	17.2	15.9	15.1	10.3	10.3	9.4	8.8	16.6	16.0	16.5	16.9
TECHM	1,524	16.5	35	32.3	1,600	REDUCE	31.7	27.1	19.5	17.7	18.2	14.2	11.6	10.4	15.8	18.5	23.5	24.5
LTIM	5,165	16.9	69	18.3	6,500	ADD	33.3	30.5	24.7	21.7	23.2	19.9	17.0	14.9	21.5	22.6	22.6	22.4
MPHL	2,465	5.2	40	16.4	3,050	ADD	27.5	25.5	22.4	19.9	16.8	15.1	13.5	12.0	18.5	18.8	19.8	20.9
COFORGE	1,379	5.1	-	37.2	1,900	ADD	56.8	35.4	25.6	21.1	27.1	16.0	13.3	11.2	16.2	22.8	24.9	25.0
PSYS	5,628	9.8	30	31.4	6,700	ADD	62.4	48.5	38.3	32.1	41.6	31.0	25.5	21.2	24.9	27.6	28.4	28.4
HEXT	594	4.0	74	6.9	810	BUY	30.7	27.3	25.6	20.6	18.6	18.5	14.9	12.2	23.6	18.8	21.9	24.3
LTTS	3,512	4.1	74	4.2	4,500	ADD	29.4	28.8	23.7	19.8	18.3	17.2	14.7	12.2	22.1	20.5	21.8	23.2
CYL	1,010	1.2	23	5.3	1,150	REDUCE	18.2	21.5	16.1	12.6	8.8	9.9	7.9	6.3	13.0	10.3	12.3	14.8
SSOF	284	0.9	28	4.6	400	BUY	18.8	17.7	15.0	12.0	11.7	11.5	10.0	8.0	27.3	25.2	23.9	25.2
BSOFT	386	1.2	41	7.3	450	ADD	20.7	23.4	17.0	15.2	12.2	10.1	9.5	8.2	15.8	13.9	16.0	16.0
FSOL	252	1.9	54	3.6	370	ADD	29.6	25.9	18.8	15.6	15.6	12.3	10.3	8.9	15.0	18.3	20.2	21.8
ECLX	3,610	1.9	54	6.6	5,000	ADD	31.8	24.4	20.9	17.6	20.1	15.2	12.5	10.3	23.8	27.9	27.5	26.3
ROUTE	540	0.4	75	3.2	900	BUY	10.7	15.9	9.2	8.2	4.7	4.3	3.6	2.8	14.7	14.0	13.7	13.9
QUESS	207	0.3	57	1.0	300	BUY	14.6	14.6	12.8	11.3	10.8	9.3	8.3	7.2	10.8	19.9	20.4	21.8
TEAM	1,348	0.2	31	1.1	1,900	BUY	20.8	17.0	15.1	11.1	13.6	11.5	9.5	6.8	12.8	14.3	13.5	15.7

Source: Company, Bloomberg, Emkay Research

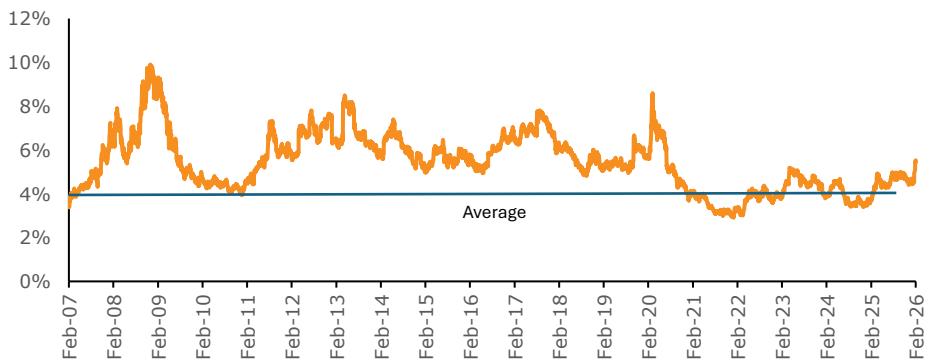
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Exhibit 11: Price performance

Index / Stock	CMP (Rs)	Return					Outperformance / Underperformance wrt Nifty				
		1M	3M	6M	1Y	3Y	1M	3M	6M	1Y	3Y
NIFTY 50	25,725	0%	-1%	3%	12%	43%					
NIFTY IT	33,075	-15%	-8%	-5%	-20%	7%	-16%	-7%	-8%	-32%	-37%
TCS	2,717	-15%	-11%	-9%	-29%	-22%	-15%	-10%	-12%	-42%	-66%
INFO	1,391	-18%	-8%	-4%	-24%	-12%	-18%	-7%	-7%	-37%	-56%
WPRO	216	-19%	-12%	-13%	-29%	6%	-19%	-11%	-16%	-41%	-37%
HCLT	1,483	-13%	-8%	0%	-13%	34%	-13%	-7%	-4%	-25%	-10%
TECHM	1,524	-9%	5%	2%	-8%	35%	-9%	6%	-1%	-21%	-8%
LTIM	5,165	-18%	-12%	1%	-6%	6%	-18%	-11%	-2%	-18%	-37%
MPHL	2,465	-15%	-8%	-9%	-5%	10%	-15%	-8%	-13%	-17%	-33%
PSYS	5,628	-12%	-8%	6%	2%	129%	-12%	-7%	3%	-10%	86%
COFORGE	1,379	-20%	-23%	-16%	-10%	64%	-21%	-23%	-19%	-22%	21%
HEXT	594	-20%	-16%	-17%	NA	NA	-20%	-15%	-21%	NA	NA
LTTS	3,512	-10%	-14%	-15%	-27%	-5%	-10%	-14%	-19%	-39%	-48%
CYL	1,010	-16%	-11%	-14%	-30%	9%	-16%	-10%	-17%	-42%	-34%
SSOF	284	-16%	-23%	-21%	-32%	-16%	-16%	-23%	-24%	-45%	-60%
BSOFT	386	-11%	-1%	5%	-19%	33%	-11%	-1%	1%	-31%	-11%
FSOL	252	-23%	-31%	-30%	-27%	114%	-23%	-30%	-33%	-39%	70%
ECLX	3,610	-22%	-21%	-10%	20%	148%	-22%	-20%	-13%	8%	104%
ROUTE	540	-16%	-22%	-38%	-50%	-59%	-16%	-21%	-41%	-62%	-103%
QUESS	208	1%	-5%	-22%	-29%	12%	1%	-4%	-25%	-41%	-31%
TEAM	1,348	-12%	-20%	-21%	-34%	-46%	-12%	-19%	-25%	-46%	-90%

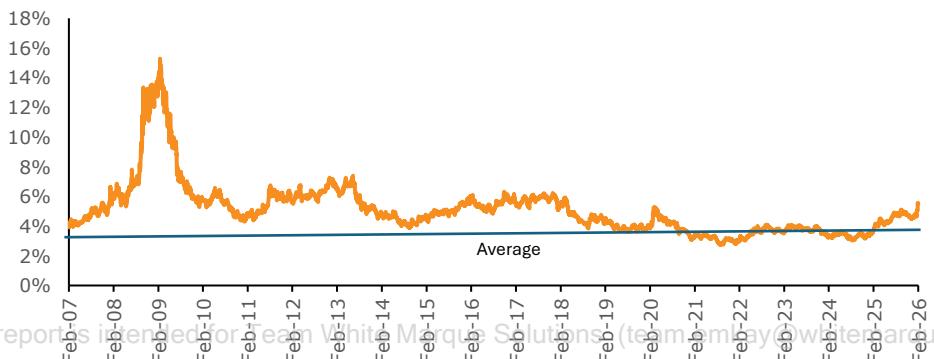
Source: Bloomberg, Emkay Research

Exhibit 12: Infosys – Earnings yield

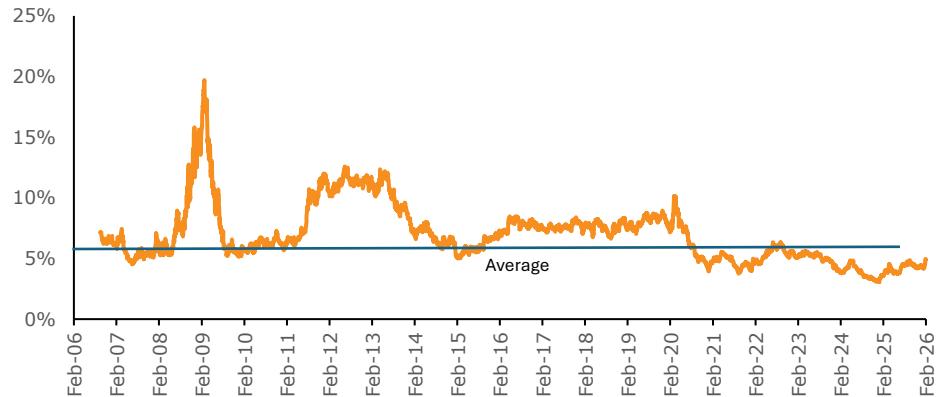


Source: Bloomberg, Emkay Research

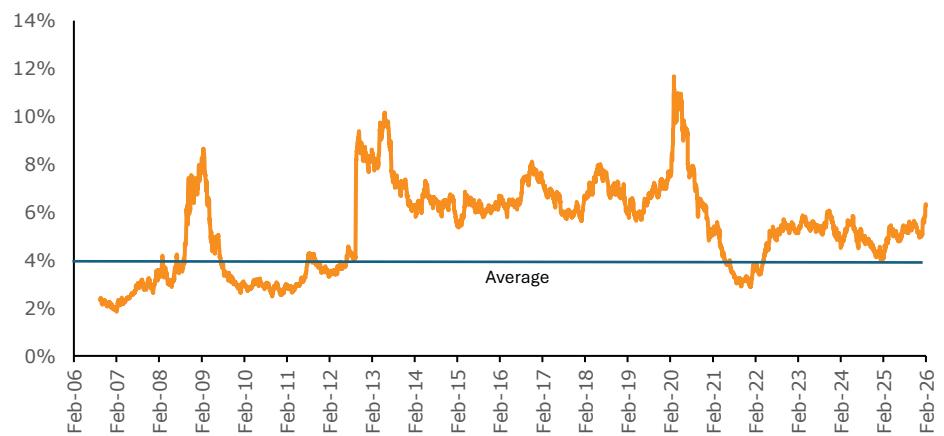
Exhibit 13: TCS – Earnings yield



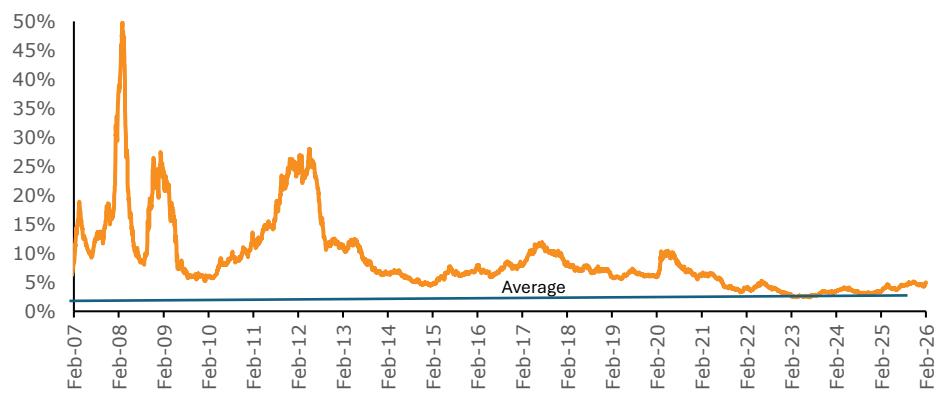
Source: Bloomberg, Emkay Research

Exhibit 14: HCLTech – Earnings yield

Source: Bloomberg, Emkay Research

Exhibit 15: Wipro – Earnings yield

Source: Bloomberg, Emkay Research

Exhibit 16: TechM – Earnings yield

Source: Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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