

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.

**Dipeshkumar Mehta**

dipeshkumar.mehta@emkayglobal.com

+91-22-66121253

**Jimit Gandhi**

jimit.gandhi@emkayglobal.com

+91-22-66121255

**Shivang Bagla**

shivang.bagla@emkayglobal.com

+91-22-66242491

This report is intended for Team White Marquee Solutions (team-emkay@whitemarquesolutions.com)

**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.

**...As the AI experiments  
will start to go into  
production, you're going to  
see discretionary new  
value pools opening up...**

**- Ravi Kumar S, CEO  
(Q4FY25 Earnings Call,  
Cognizant)**

**...There's a big gap  
between an AI model that  
works in a demo and one  
that works in a regulated  
industry – and if you want  
to close that gap, you need  
domain expertise...**

**- Dario Amodei, CEO and  
Co-Founder (Anthropic)**

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

**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 topline 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%

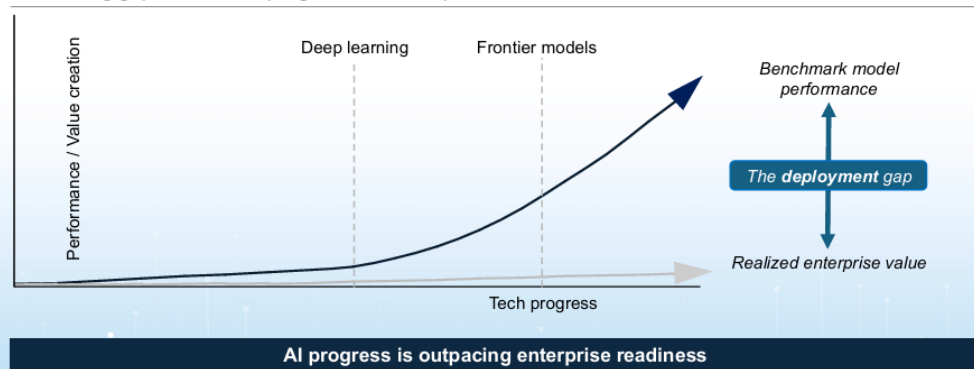
Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

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

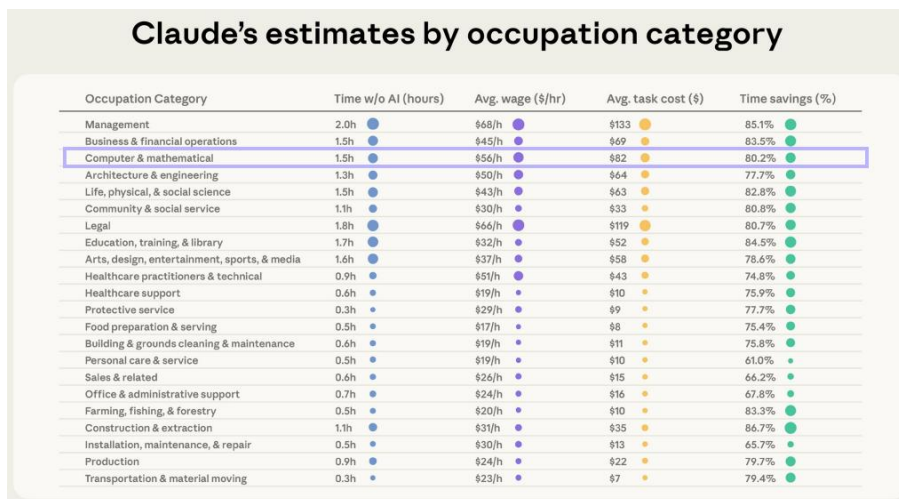
Category	What we know	What we do not know
Adoption and spending	AI adoption will increase as enterprises are looking for greater productivity.	How fast would adoption scale from pilots to enterprise-wide deployment, and would timelines compress or stretch?
	Clients are experimenting broadly but spending 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

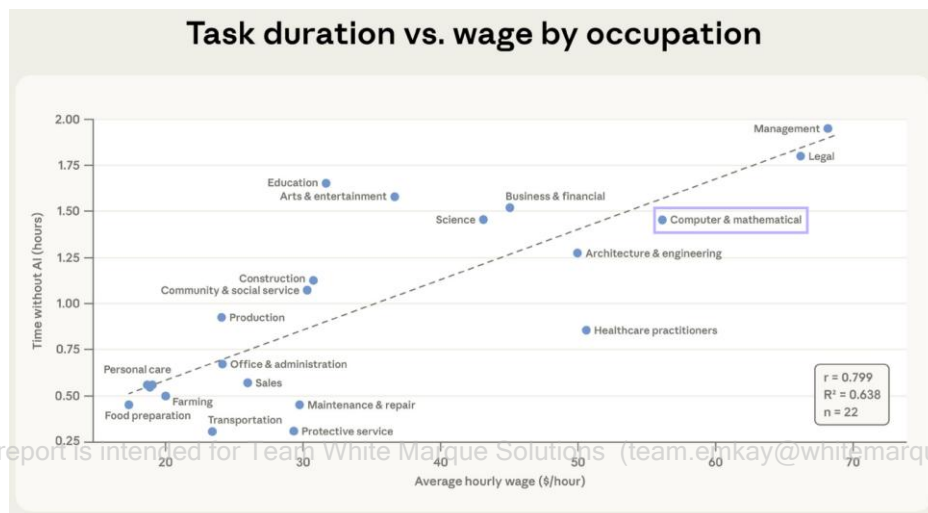
This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 4: Time savings while using Claude across various occupation categories**

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**

Source: Anthropic, Emkay Research

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

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.

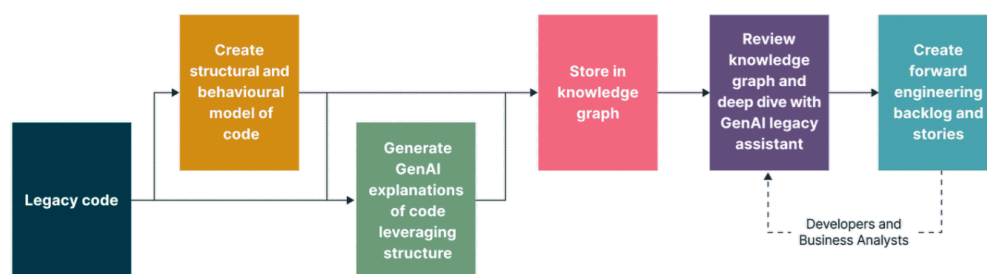
On the other end, apply this on a much new addressable spend, which classical software didn't penetrate. So, I see this as more of a bigger opportunity for us and with a higher surface area for us to actually operate. So, this is a tailwind. We are coming out to be winners, our builder strategy is working, 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

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

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

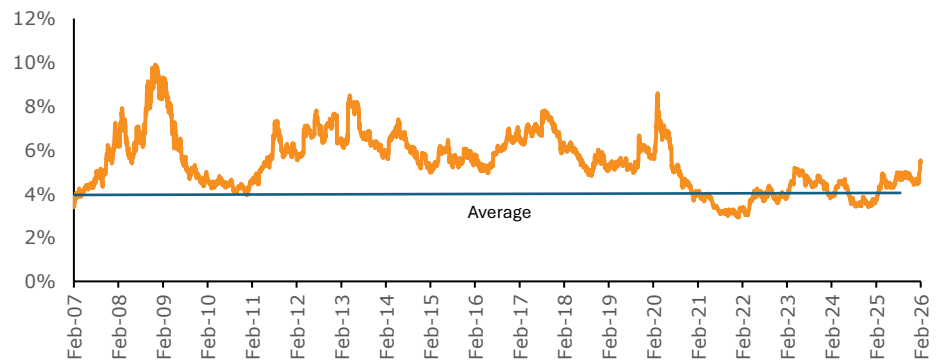
This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

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%

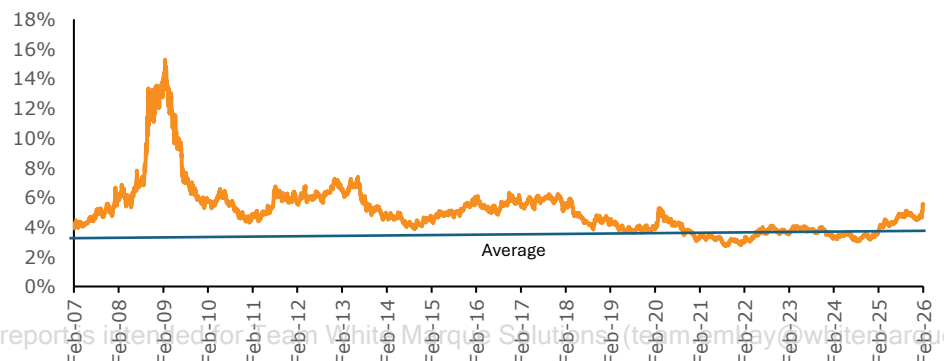
Source: Bloomberg, Emkay Research

Exhibit 12: Infosys – Earnings yield



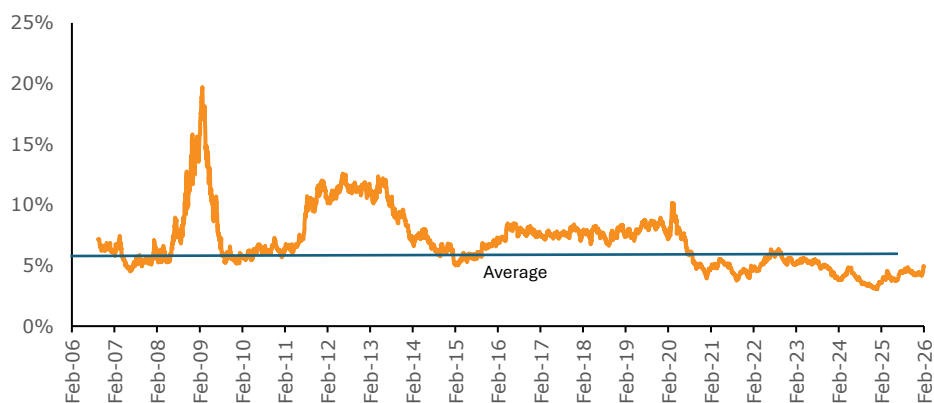
Source: Bloomberg, Emkay Research

Exhibit 13: TCS – Earnings yield

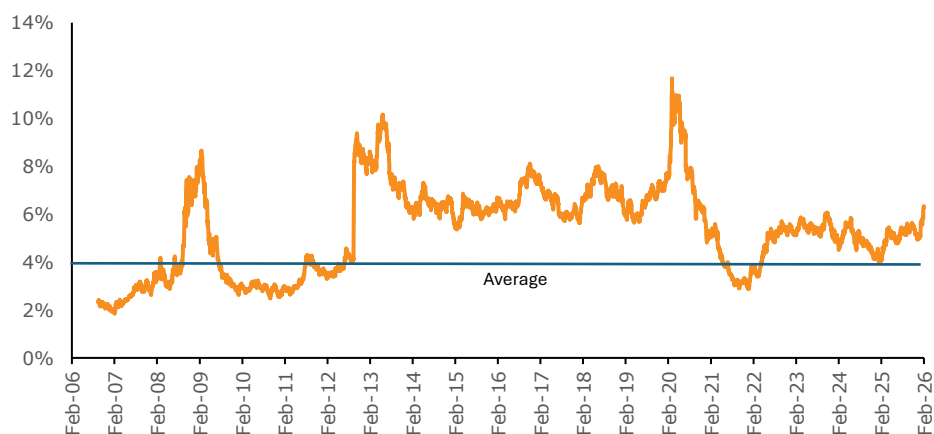


Source: Bloomberg, Emkay Research

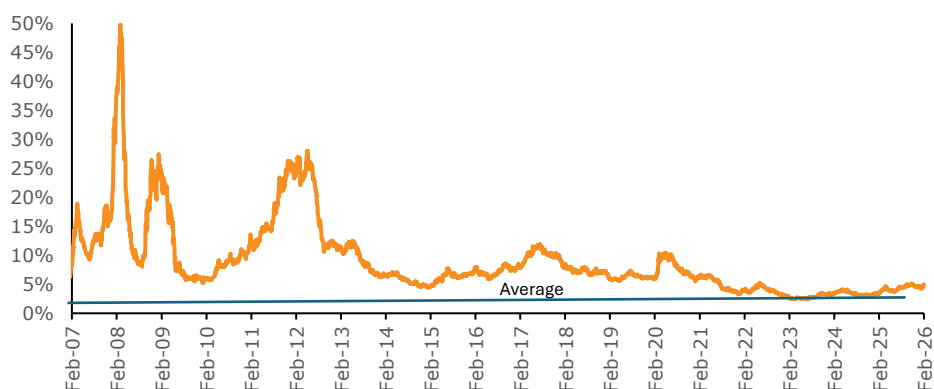


**Exhibit 14: HCLTech – Earnings yield**

Source: Bloomberg, Emkay Research

**Exhibit 15: Wipro – Earnings yield**

Source: Bloomberg, Emkay Research

**Exhibit 16: TechM – Earnings yield**

Source: Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

**Disclaimer for U.S. persons only:** Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions ([team.emkay@whitemarquessolutions.com](mailto:team.emkay@whitemarquessolutions.com))

**RESTRICTIONS ON DISTRIBUTION**

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons<sup>1</sup> may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of February 18, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

**Disclosure of previous investment recommendation produced:**

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of February 18, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the February 18, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

**Emkay Rating Distribution**

Ratings	Expected Return within the next 12-18 months.
<b>BUY</b>	>15% upside
<b>ADD</b>	5-15% upside
<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	>15% downside

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: [www.emkayglobal.com](http://www.emkayglobal.com)This report is intended for Team White Marque Solutions ([team.emkay@whitemarquessolutions.com](mailto:team.emkay@whitemarquessolutions.com))

**OTHER DISCLAIMERS AND DISCLOSURES:****Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)