

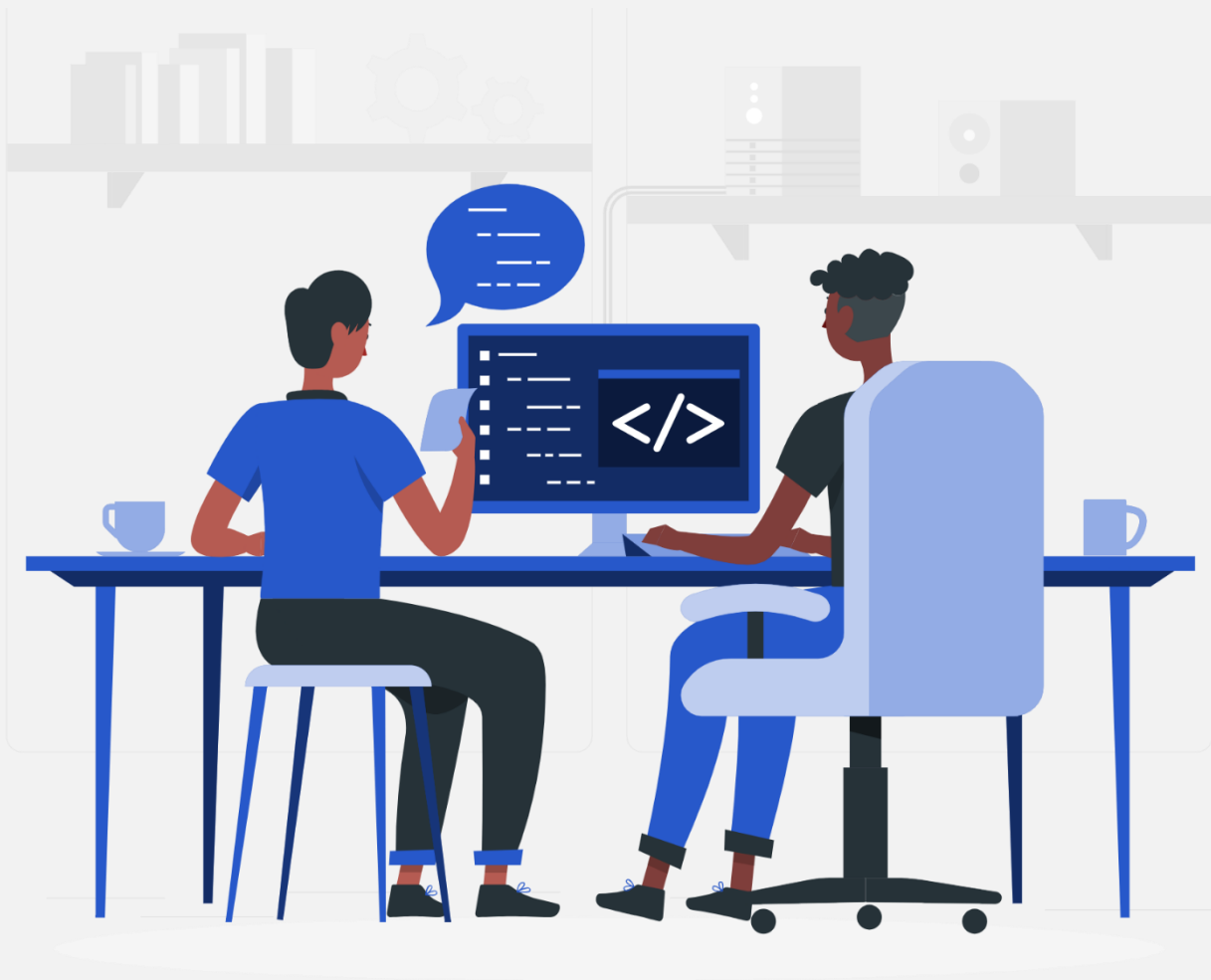
INDIAN IT SECTOR: Q4 FY24 UPDATE

No major relief from Q3: Slow revenue growth and steady margins

Sensex: 74684

Nifty: 22643

10 April 2024



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STATE OF IT SERVICES



Tight client spending, leading to slow growth

- Q4 is expected to have been sluggish, mirroring the trends of the last couple of quarters. Also, the US economy has been steady with no major ups or downs, as judged by S&P 500 companies' earnings/outlook.
- BFSI and E&U are the only ones improving somewhat but nothing meaningful to yet translate to Indian IT earnings
- Clients are holding back spending, perhaps anticipating lower interest rates. Hence, TCV growth may have been slower this quarter although given the low conversion in FY24 (and therefore larger order backlog), this will not impact near-term growth expectations
- Management commentary for FY25 is expected to be moderate.
- Cross-currency tailwinds of ~35bps in Q4, leading to higher reported dollar

THEMES AND OUTLIERS



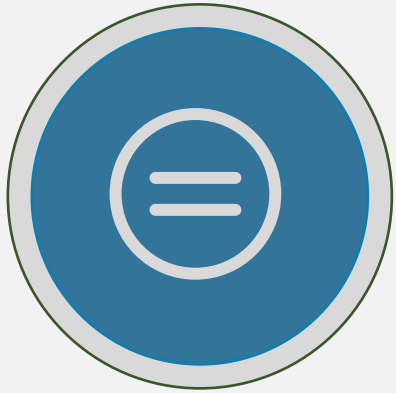
Mid- and small-caps continue to outperform larger peers

- Tier1 to report largely flattish growth (similar to Q3). TCS and HCLT doing better than the rest sequentially. Infosys and Wipro to be slow while TechM and LTIM (lack of pass-through) may report declines
- TCS growth to be aided by the BSNL deal in Q4. The company has announced many large deals, likely to cross \$10bn in TCV
- Growth for mid-sized and small companies continue to hold up, with LTTS, Persistent and LatentView likely to report industry-leading growth of respectively 6.3%, 4.4%, 3.4%. KPIT (up 3.3%), Coforge (up 3.1%), Mphasis (up 2.5%), FSL (up 2.9%), and Mastek (up 2.7%) also not far behind from leaders. Zensar on steady recovery in Q4 (up 1.5%).
- On the other end, HappiestMinds may see muted growth continuing in Q4. Sonata and TELX may also have been weak.

Median margins to inch up q/q on seasonality, steady over the last one year

- Companies have been holding on to margins for the last several quarters with the Q4 median likely to be 15.7%, (last four-quarter average: 15.8%). TCS and Wipro within large caps are likely to have improved margins and, within smaller names, LatentView is likely to have expanded them

BFSI AND HI-TECH SEE STRONG DEAL AWARDS



BFSI recovery delayed, outlook not negative

- BFSI has been slow for Indian IT for the last few quarters despite large US banks continuing to do well. Hopes of recovery are tied to a more supportive interest-rate environment
- Within companies, TCS expects BFSI bottoming out in Q3 while LTIM and Mphasis expect some recovery in Services in Q4 (from a low Q3). Coforge is also likely to report strong deal wins

Hi-Tech deal awards on the rise

- Hi-Tech has seen increase in deal award activity in Q4, which should help improve growth in H1 FY25. Clients continue to do well with a few exceptions. Professional services is on the weaker side

Manufacturing and E&U steady

- Manufacturing is supporting growth in the near term, although it may not accelerate ahead. E&U is also steady

LOOKING AHEAD



Valuations still holding up in anticipation of acceleration

- From the previous quarter, no growth acceleration or deceleration seen in S&P 500 sectoral components. So, trading multiples for Indian IT are likely to hold at current levels
- Budgets are likely to be flattish but FY25 is starting on a better note from a growth standpoint: larger order backlog, steady (to potentially declining) interest-rate environment, and expectations of fewer deal cancellations ahead. Despite these, delayed recovery expectations are leading to a ~2% estimate cut
- The median IT sector FY26e PE is now 24x (unchanged from Q3), with FY25e PE at 28x (unchanged). In comparison, the Nifty-50 is trading at 18x FY26e PE.
- **Top picks: PSYS, Cyient, Mastek**

Key Q4 estimates and a Preference Ladder

PSYS

- While growth has slowed down over the last year, the relative outperformance to the sector stays. TCV growth is healthy, with book-to-bill of 1.6x LTM
- Margins expected to expand ~200bps in the next 2 years
- The stock trades at 32x FY26e; it generated 70% returns over the last 12 months

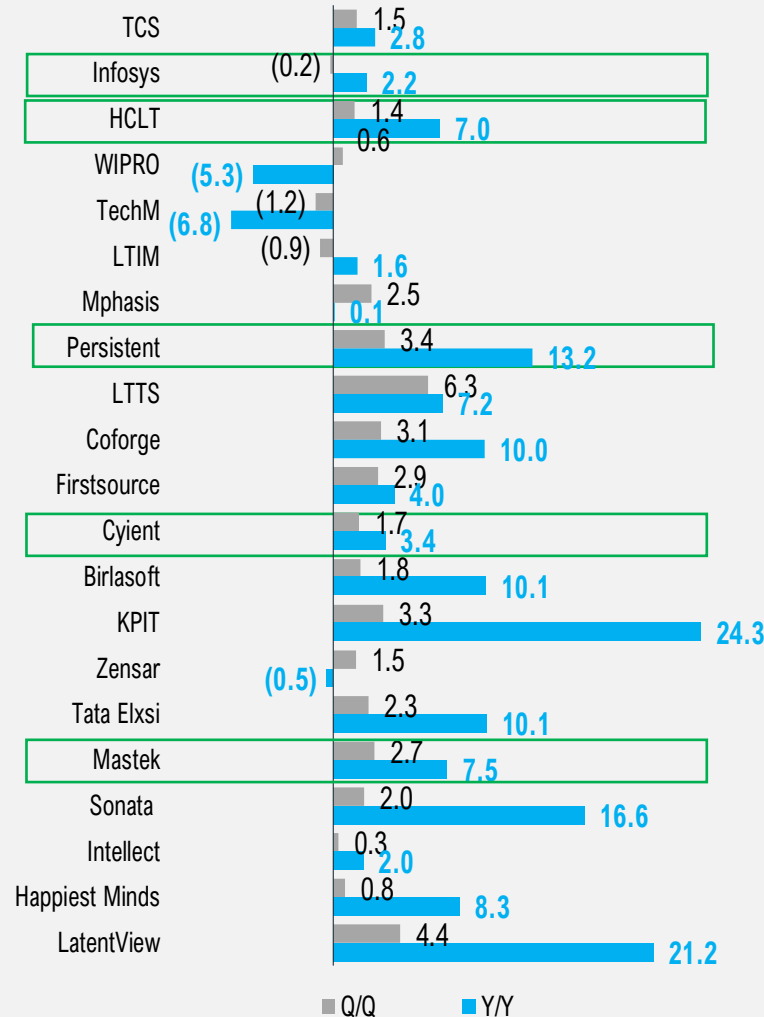
Cyient

- Deal wins in Q4 from Airbus and Deutsche Aircraft to help maintain DET growth in Aero for FY25. Has suffered in the Communications vertical in FY24, likely to be steady ahead
- DET has improved margins and cash generation in FY24, matching LTTS. If the FY25 growth-gap shrinks, there is a chance of narrowing the valuation gap as well
- The stock now trades at 25x FY26e, a ~27% discount to LTTS. Cyient has generated 96% returns over the last 12 months

Mastek

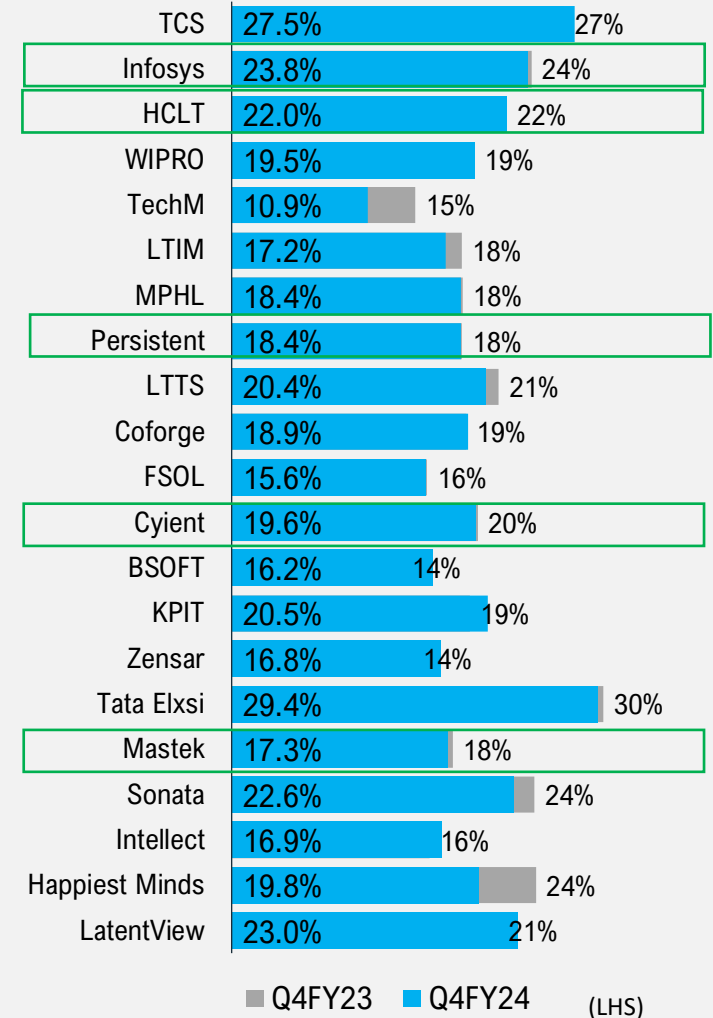
- Order backlog has grown sharply over the last 2 quarters, driving up FY25 expectations. Also, FY24 growth strong compared to the industry.
- UK government is the largest segment and is doing well. US growth recovery to improve company level margins.
- On track to reach \$500m revenue by FY26. By then, diversification will lead to lower volatility and valuation convergence to midcap IT. Mastek has generated 67% returns over the last 12 months

Q4FY24e Revenue growth



- *Cyient revenues are for Services only*
- *Green ones represent our preferred picks*

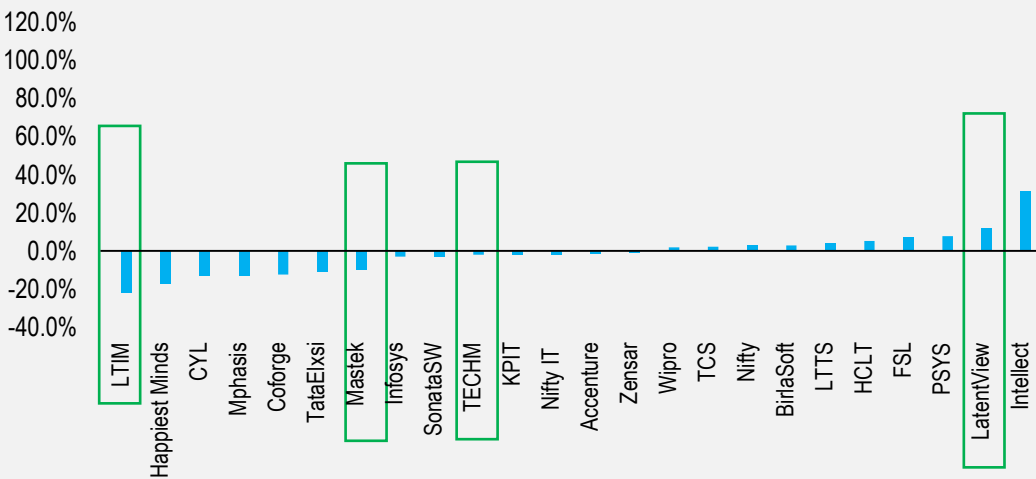
EBITDA margin, %



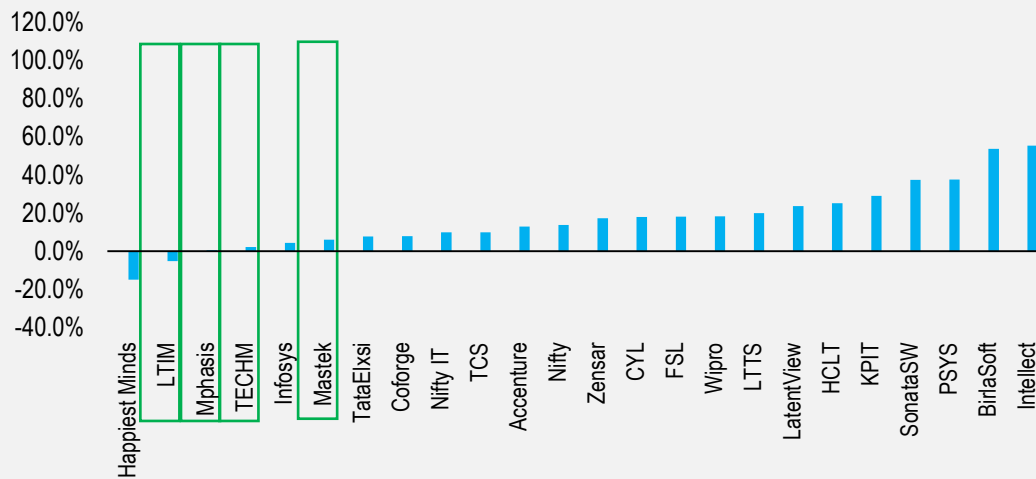
Performance of Indian IT over select timeframes

3-mth, 6-mth, 9-mth and 12-mth performances of stocks, Nifty IT, Nifty

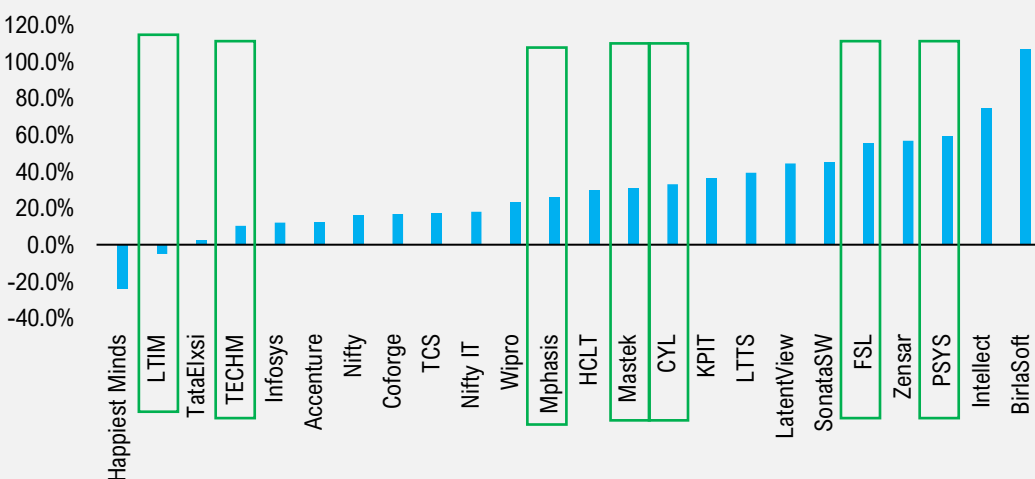
3-mth returns



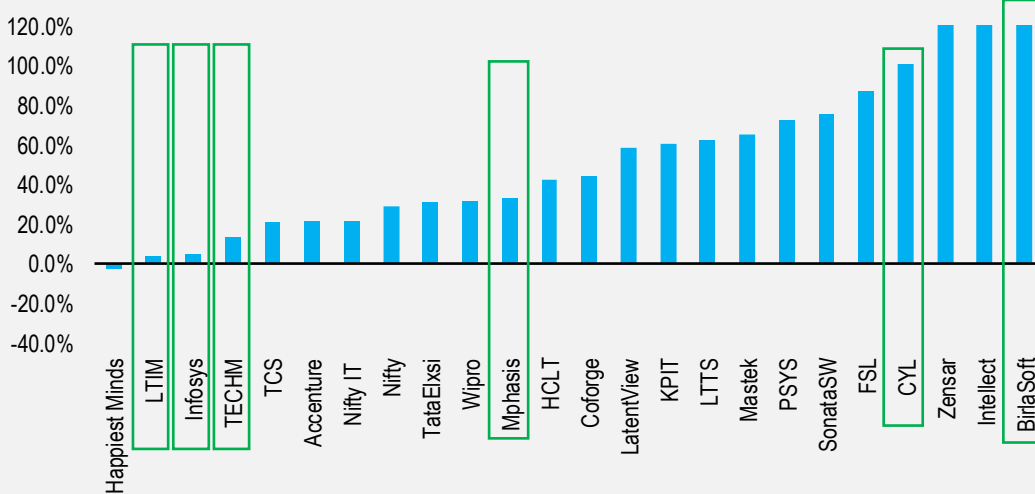
6-mth returns



9-mth returns



12-mth returns



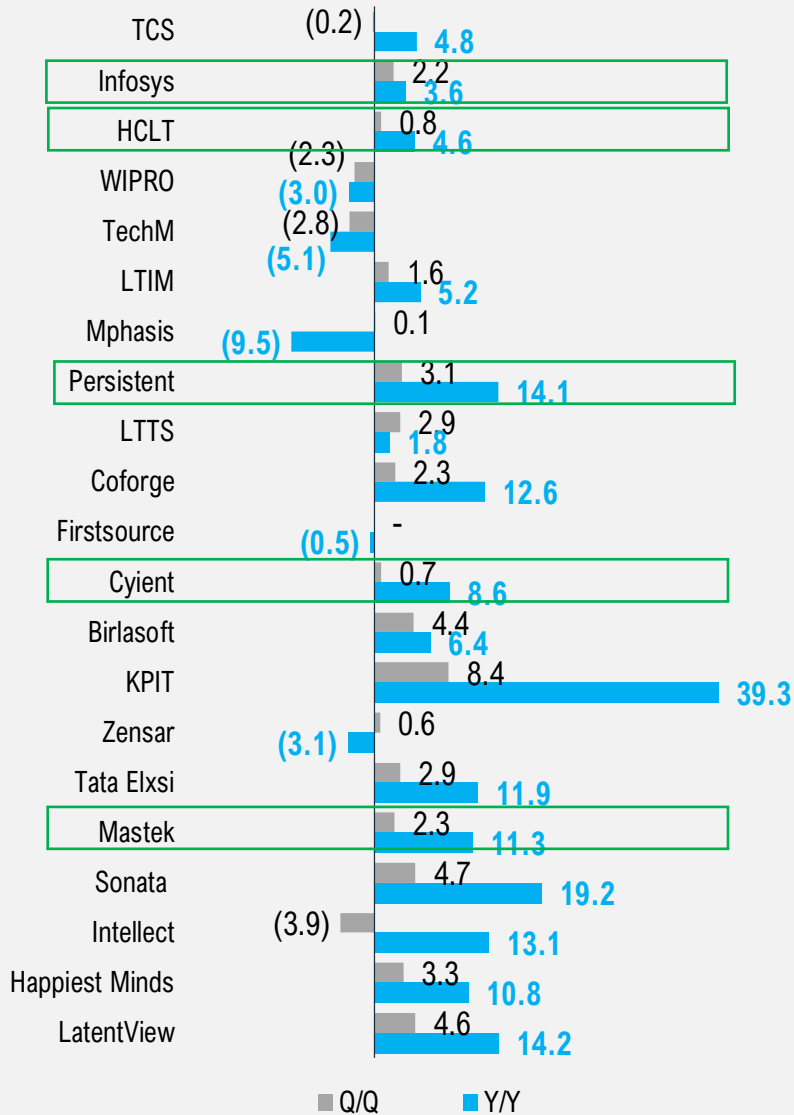
Green ones represent our preferred picks

Q4 FY24 Estimates Preview

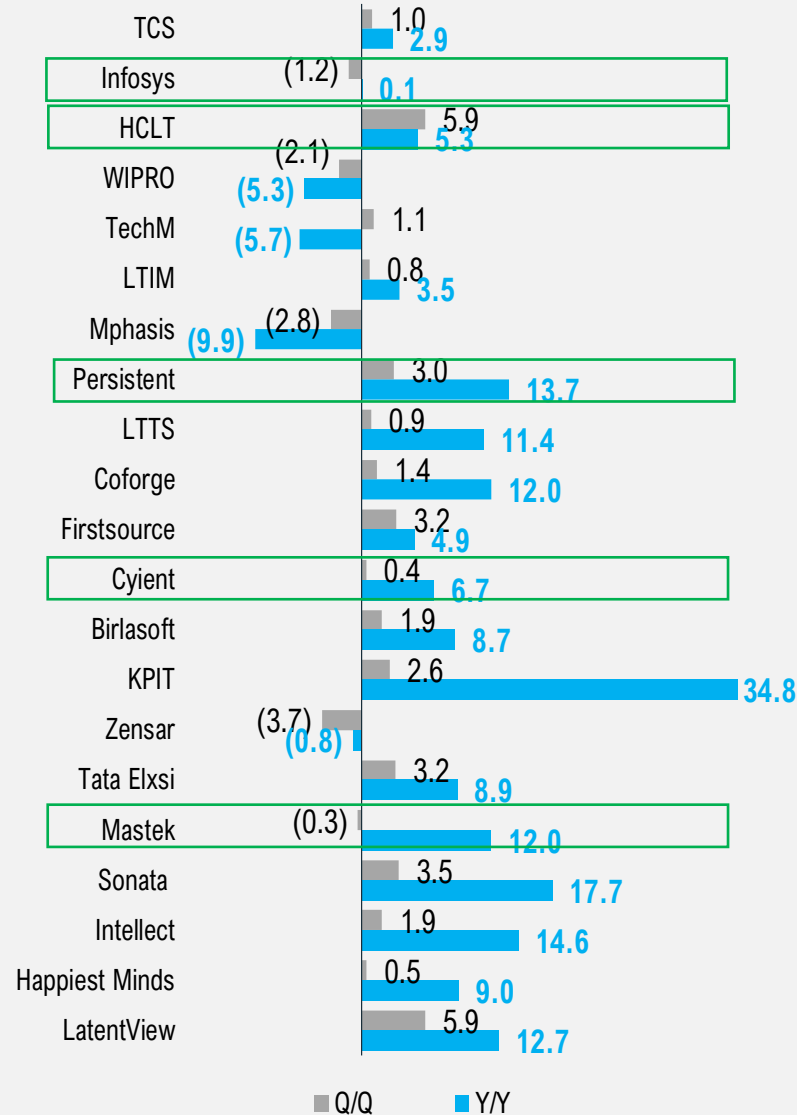
	TCS	Infosys	HCLT	WIPRO	TechM	LTIM	MPHL	Persistent	LTTS	Coforge	FSOL	Cyient	BSOFT	KPIT	Zensar	Tata Elxsi	Mastek	Sonata	Intellect	Happiest Minds	LatentView	Aggregate
Sales (\$ m)	7,393	4,654	3,462	2,673	1,554	1,074	412	311	309	291	198	182	164	154	147	112	97	85	76	50	21	23,420
% chg. Q/Q	1.5	(0.2)	1.4	0.6	(1.2)	(0.9)	2.5	3.4	6.3	3.1	2.9	1.7	1.8	3.3	1.5	2.3	2.7	2.0	0.3	0.8	4.4	1.8
% chg. Y/Y	2.8	2.2	7.0	(5.3)	(6.8)	1.6	0.1	13.2	21.1	10.0	4.0	3.4	10.1	24.3	(0.5)	10.1	11.9	29.8	2.0	8.3	21.2	7.0
Sales (Rsm)	6,14,008	3,86,552	2,87,546	2,22,501	1,29,094	89,222	34,244	25,803	25,657	24,152	16,415	15,134	13,635	12,781	12,195	9,336	8,020	7,092	6,350	4,132	1,727	19,45,596
% chg. Q/Q	1.3	(0.4)	1.1	0.2	(1.5)	(1.0)	2.2	3.3	5.9	4.0	2.9	1.5	1.5	1.7	1.3	2.1	2.3	1.8	0.1	0.8	4.2	1.5
% chg. Y/Y	3.8	3.2	8.1	(4.1)	(5.9)	2.7	1.0	14.5	22.4	11.3	5.5	4.5	11.2	25.6	0.6	11.4	13.1	32.9	3.2	9.3	22.4	8.1
EBITDA (Rsm)	1,68,806	91,808	63,370	43,384	14,065	15,337	6,286	4,751	5,232	4,570	2,553	2,970	2,204	2,624	2,051	2,742	1,390	1,602	1,422	819	397	4,38,381
% chg. Q/Q	3.0	0.5	(6.2)	3.5	2.9	(3.2)	2.5	7.5	7.3	13.9	8.5	(0.4)	2.8	1.5	(1.2)	1.5	4.1	1.8	8.6	1.2	7.8	2.8
% chg. Y/Y	7.0	2.0	8.1	(3.7)	(30.4)	(4.4)	0.3	14.1	16.5	12.1	4.7	4.0	32.0	35.1	16.7	9.8	10.7	23.6	3.2	(11.1)	31.6	8.1
EBITDA margin (%)	27.5	23.8	22.0	19.5	10.9	17.2	18.4	18.4	20.4	18.9	15.6	19.6	16.2	20.5	16.8	29.4	17.3	22.6	22.4	19.8	23.0	22.5
chg. Q/Q	44 bps	21 bps	-172 bps	62 bps	47 bps	-39 bps	5 bps	73 bps	25 bps	165 bps	80 bps	-36 bps	21 bps	-3 bps	(42.2)	-18 bps	31 bps	0 bps	175 bps	9 bps	77 bps	21 bps
chg. Y/Y	83 bps	-28 bps	0 bps	7 bps	-383 bps	-126 bps	-14 bps	-5 bps	-104 bps	14 bps	-12 bps	-9 bps	255 bps	144 bps	232.2	10 bps	-37 bps	-171 bps	1 bps	-456 bps	160 bps	-5 bps
EBIT (Rsm)	1,56,476	79,930	51,940	33,881	9,542	13,347	5,220	3,808	4,499	3,759	1,891	2,381	1,987	2,099	1,739	2,487	1,150	1,300	1,079	671	372	3,79,559
% chg. Q/Q	3.3	0.4	(7.5)	3.9	3.4	(3.7)	2.4	4.9	8.1	17.4	11.8	(0.2)	2.8	0.7	(1.4)	1.7	2.9	0.2	11.6	1.5	8.4	2.8
% chg. Y/Y	8.0	1.5	7.4	(7.4)	(37.6)	(6.1)	(3.9)	9.9	14.6	11.9	5.2	8.7	36.1	38.1	23.6	8.8	8.5	14.4	2.9	(15.3)	33.4	8.5
EBIT margin (%)	25.5	20.7	18.1	15.2	7.4	15.0	15.2	14.8	17.5	15.6	11.5	15.7	14.6	16.4	14.3	26.6	14.3	18.3	17.0	16.2	21.5	19.5
chg. Q/Q	47 bps	17 bps	-168 bps	54 bps	35 bps	-41 bps	3 bps	22 bps	35 bps	179 bps	91 bps	-26 bps	18 bps	-16 bps	-39 bps	-12 bps	10 bps	-29 bps	175 bps	11 bps	83 bps	17 bps
chg. Y/Y	100 bps	-36 bps	-11 bps	-55 bps	-376 bps	-140 bps	-79 bps	-61 bps	-120 bps	9 bps	-3 bps	62 bps	267 bps	148 bps	266 bps	-64 bps	-60 bps	-297 bps	-4 bps	-472 bps	177 bps	-36 bps
PBT (Rsm)	1,63,626	84,960	55,125	37,065	10,553	14,545	5,108	3,992	4,861	3,511	1,703	2,369	2,202	2,074	1,993	2,662	1,050	1,167	1,243	807	568	4,01,185
% chg. Q/Q	7.7	(1.4)	(6.1)	4.3	56.6	(5.8)	2.5	2.6	4.4	19.3	5.9	35.9	2.2	(1.9)	(6.0)	(2.9)	3.2	1.8	7.2	(0.1)	0.4	2.5
% chg. Y/Y	6.3	0.4	6.2	(7.8)	(31.0)	0.7	(4.4)	17.2	12.6	127.1	(0.9)	24.9	57.6	52.9	23.3	6.4	9.1	0.5	8.2	2.2	34.5	6.4
Tax rate (%)	(25.7)	(29.1)	(25.3)	(25.0)	(23.0)	(24.3)	(25.1)	(26.5)	(27.6)	(20.5)	(19.9)	(26.1)	(25.2)	(25.9)	(25.7)	(24.7)	(24.6)	(25.1)	(26.6)	(26.2)	(23.0)	(25.2)
chg. Q/Q	126 bps	0 bps	68 bps	-105 bps	0 bps	0 bps	0 bps	0 bps	0 bps	-300 bps	0 bps	-304 bps	0 bps	0 bps	-192 bps	-5 bps	-100 bps	0 bps	0 bps	-5 bps	-526 bps	0 bps
chg. Y/Y	0 bps	-153 bps	-188 bps	-200 bps	313 bps	-145 bps	-95 bps	-35 bps	37 bps	399 bps	-215 bps	-401 bps	-54820%	-777 bps	55 bps	-527 bps	-128%	-70 bps	176 bps	75 bps	-391 bps	-95 bps
Net income (Rsm)	1,21,189	60,188	41,204	27,724	8,057	11,006	3,828	2,934	3,511	2,752	1,364	1,751	1,646	1,531	1,481	2,004	792	874	1,000	595	437	2,95,868
Net Margin %	19.7%	15.6%	14.3%	12.5%	6.2%	12.3%	11.2%	11.4%	13.7%	11.4%	8.3%	11.6%	12.1%	12.0%	12.1%	21.5%	9.9%	12.3%	15.7%	14.4%	25.3%	15.2%

Median growth at ~2%; led by LTTS, Persistent, KPIT, and LatentView

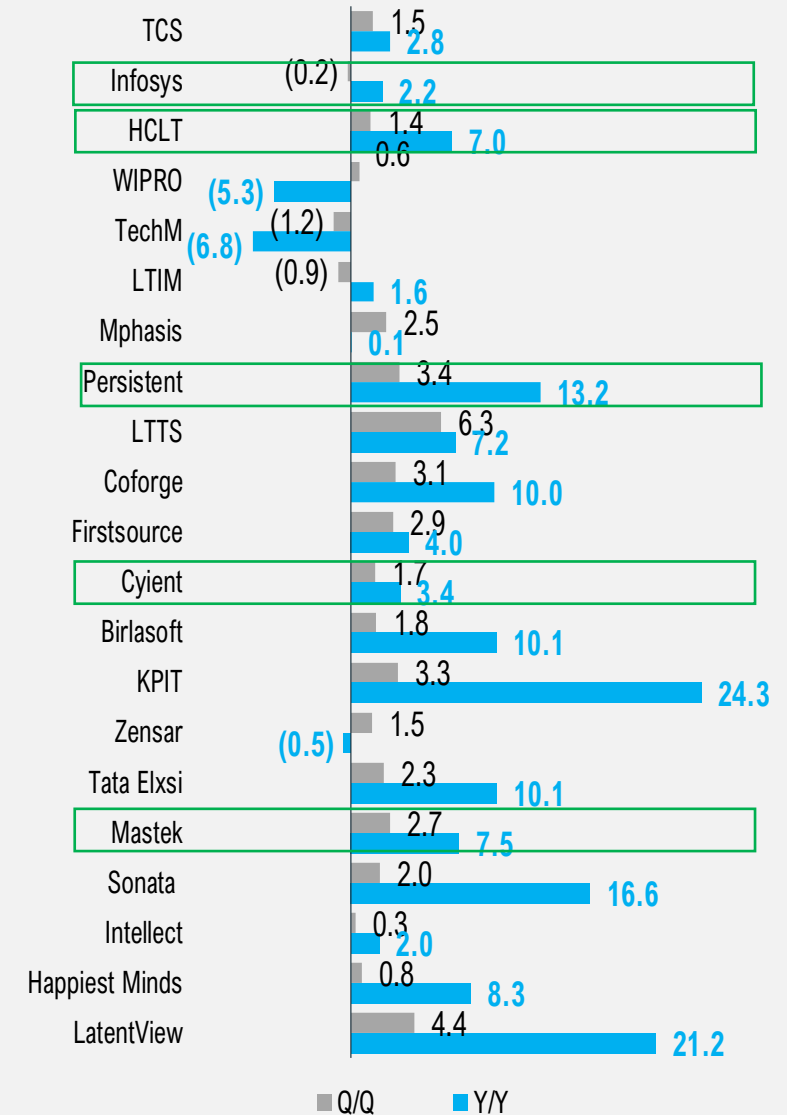
Q2FY24 Revenue growth



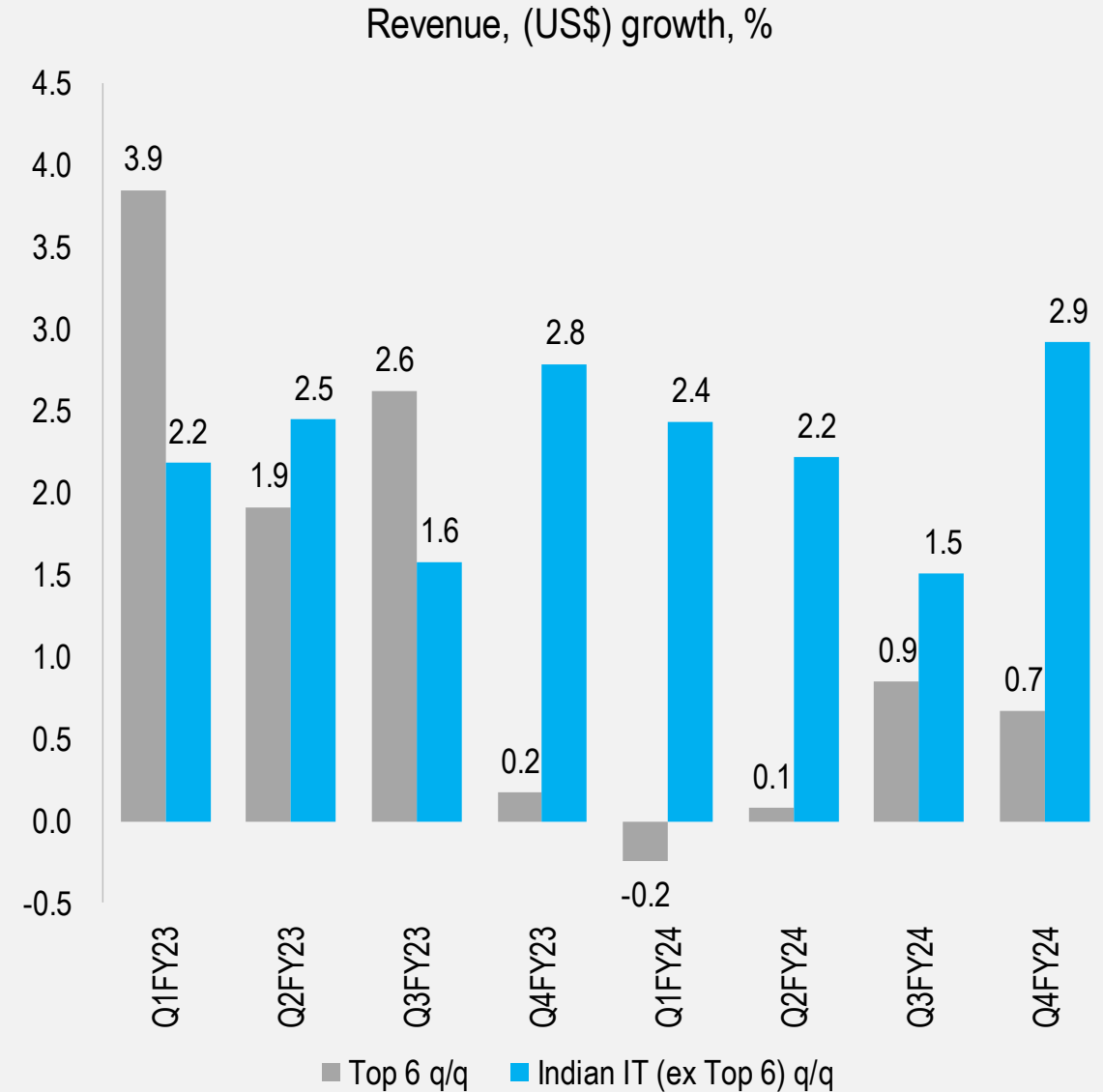
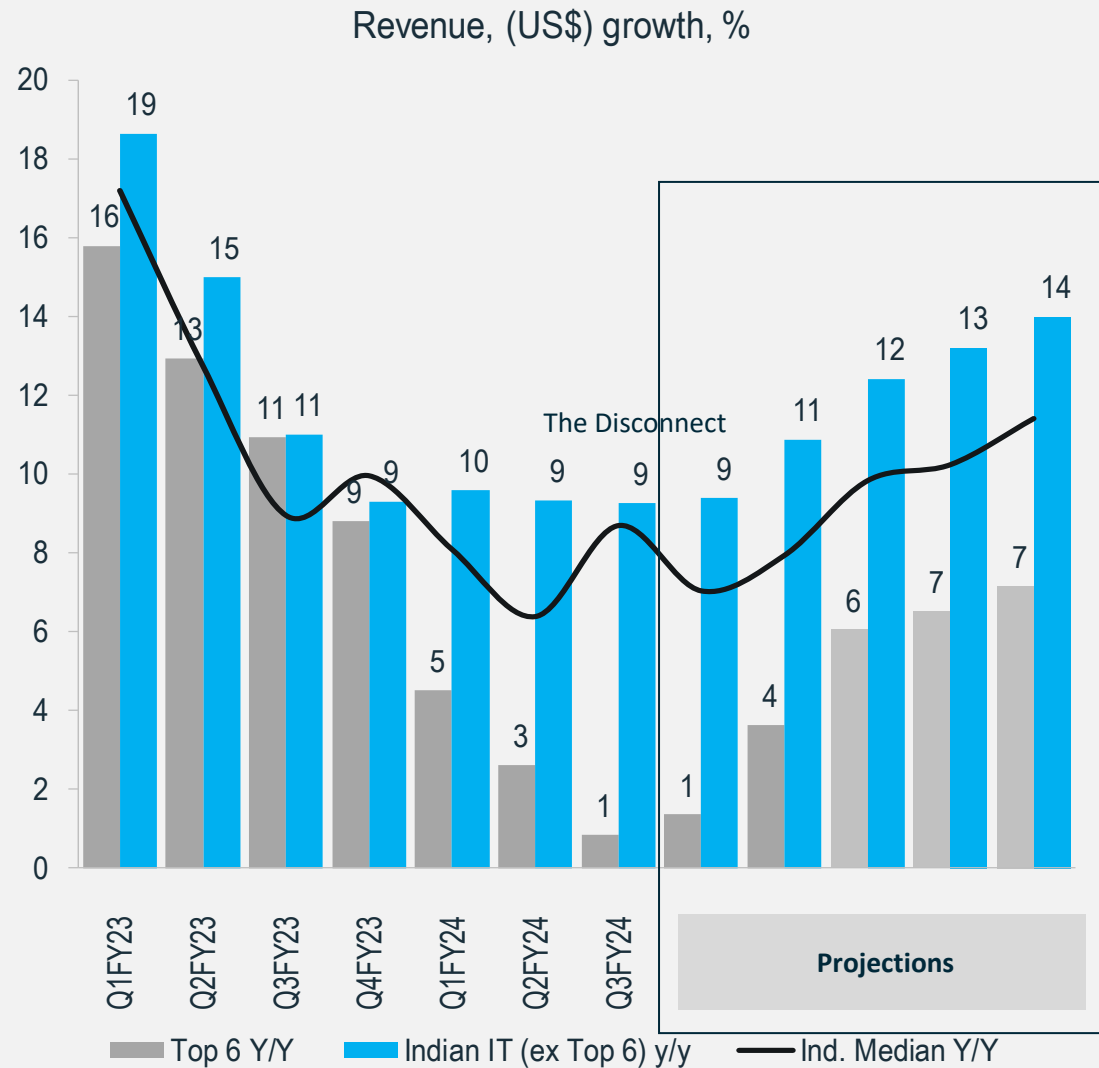
Q3FY24 Revenue growth



Q4FY24e Revenue growth



Mid-tier continues to outshine larger peers



*Q4FY24 onwards are AR estimates.

Productivity improvements driven by higher utilisation

Quarterly revenue was maintained at \$12,000-14,000 per employee for most in Q3 FY24. The slight increase we see here is on account of higher utilisation levels

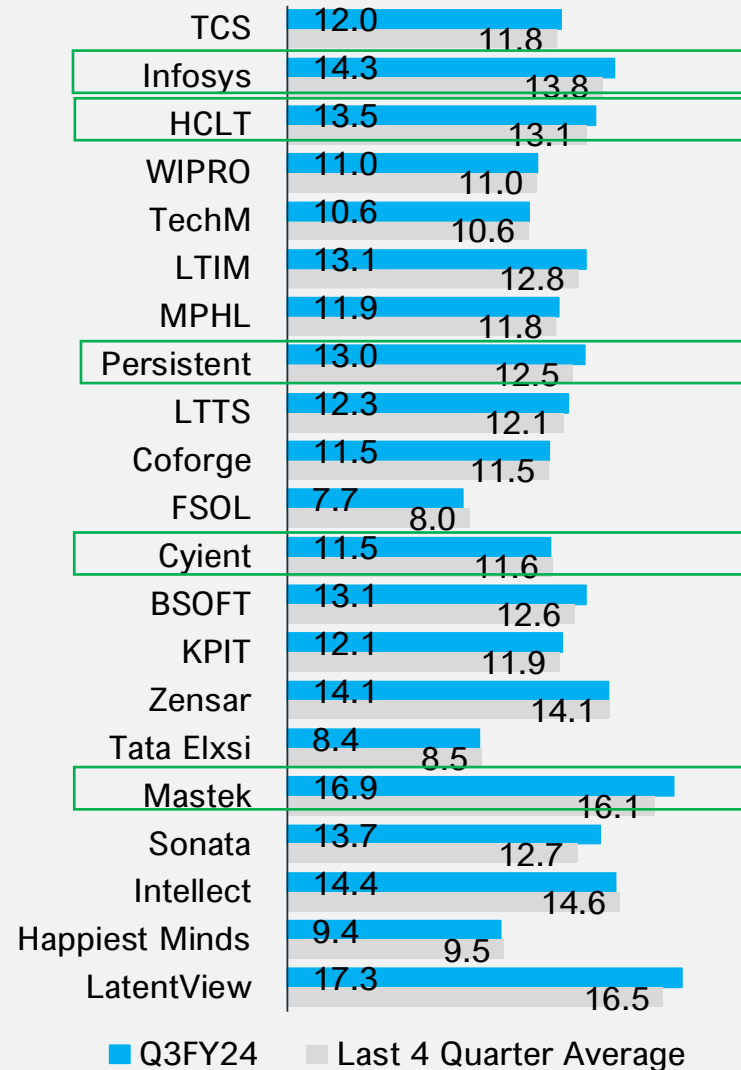
TechM operating below normal. TechM's renewed focus on the US and Enterprise sectors is expected to improve pricing. However, compared to expectations recovery has been delayed. Revenue curtailment is yet to reflect in the productivity.

FSOL's reduction is due to greater offshoring

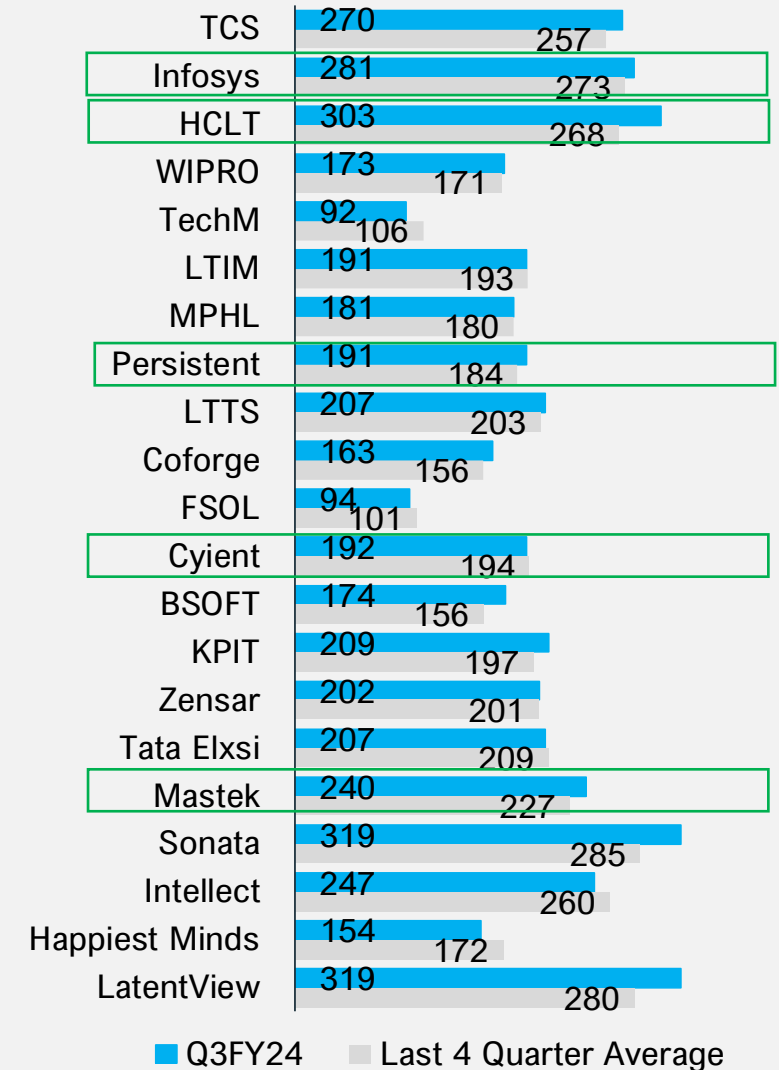
Zensar does not lag peers in productivity

Mastek and Sonata benefited from acquisitions

Revenue Productivity (US\$ 000/employee)



EBITDA Productivity (INR'000/employee)



Industry utilisation is at its highest of several quarters

Most of the companies close to three-year high utilisation

Industry-level utilisation at ~83% (in Q3 FY24), an all-time high. The higher utilisation rates are expected to lead to hiring, providing companies with opportunities for pyramid correction as growth resumes

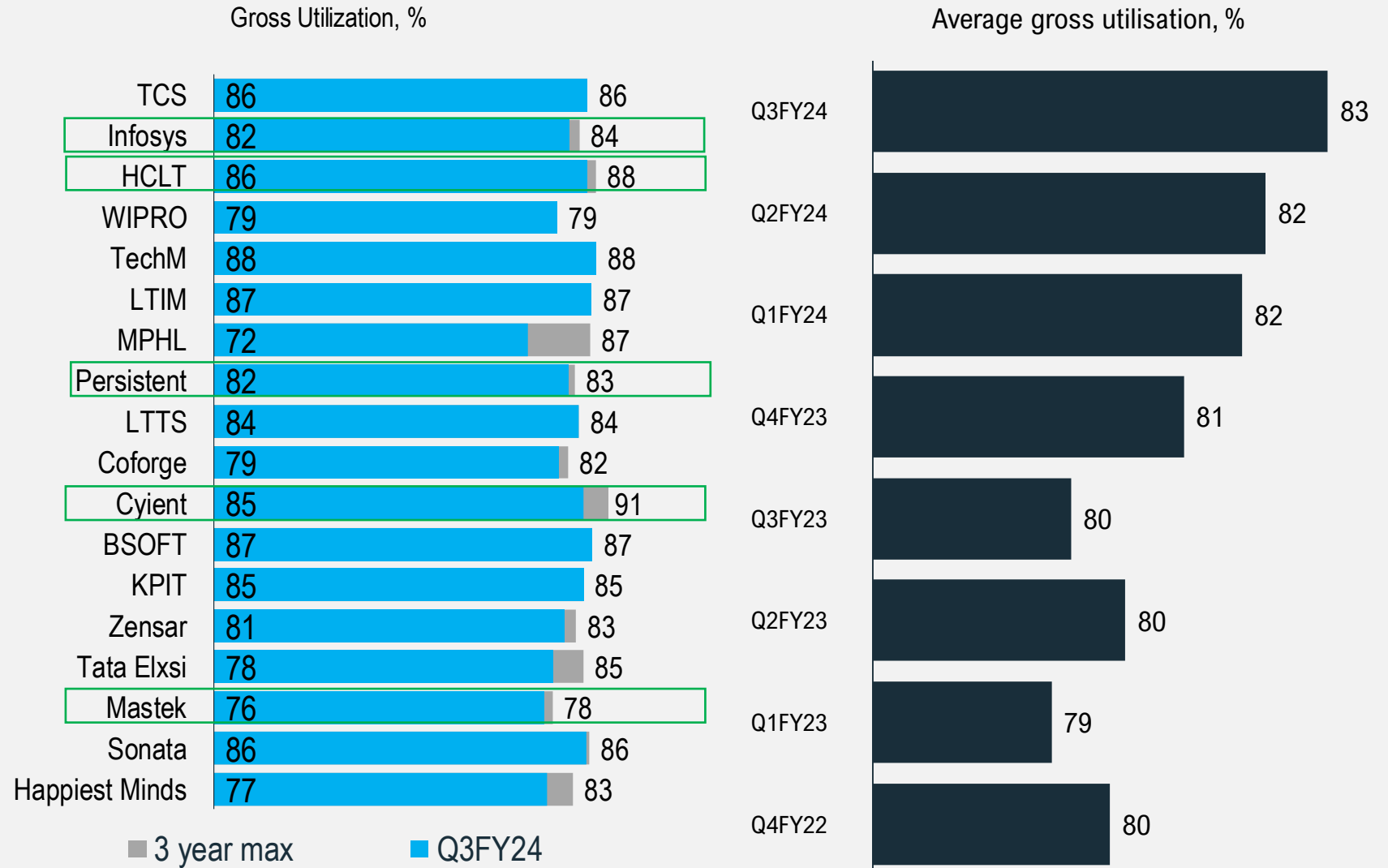
Example: TCS has opened a fresher-intake programme in April. JobSpeak index recorded its highest level in Feb24 after March 23.

Infosys and Wipro can use utilisation as a margin lever

Managements have spoken about increasing utilization in the near term.

Mphasis, Coforge, Zensar, TELX, Mastek, and Happiest have room to improve

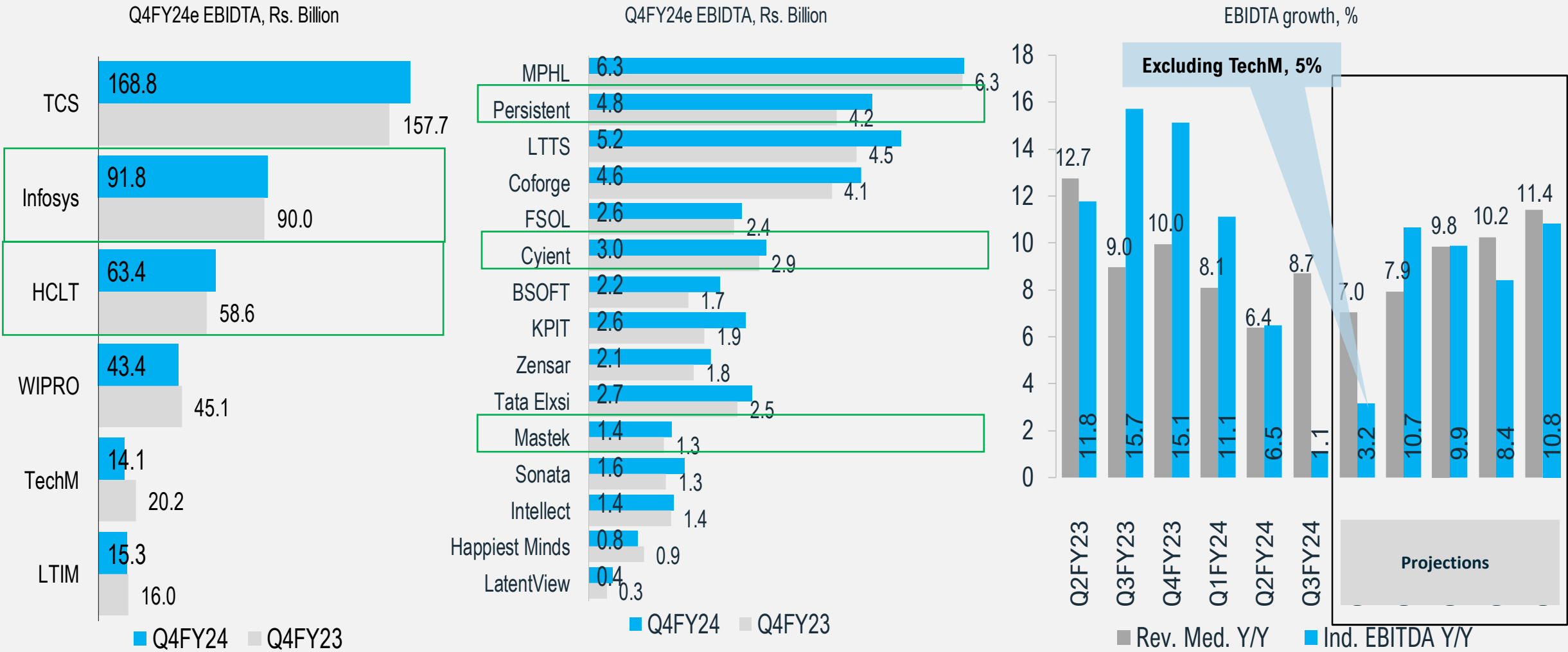
Companies below 80% have room to raise utilisation levels as growth returns while some of the larger companies like LTIM may see utilisation drop from current high levels



*TCS, HCLT, LTTS, Cyient and KPIT do not disclose utilisation; figures are estimates

Q4 industry EBITDA to largely remain steady q/q

LTIM, Wipro and TechM to see EBITDA declines; the rest all likely to expand

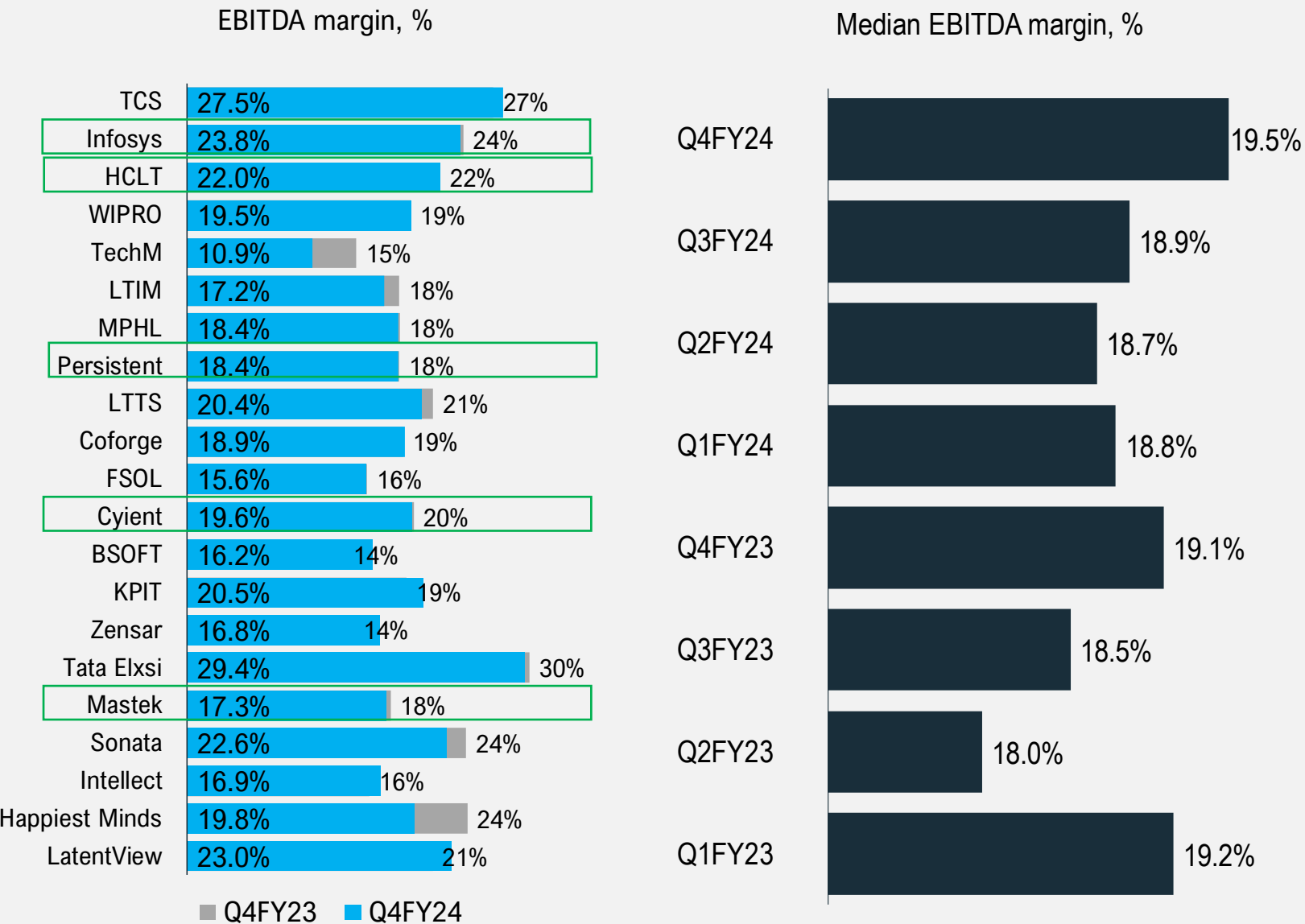


Median EBITDA margins at ~19.5%, expansion driven by Coforge, FSL and LatentView

Q4 exhibits seasonality, margins are usually higher. Q4 FY24 is no exception with margin expansion expectations driven by TCS, Wipro, TechM, PSYS, Coforge, FSL and LatentView

Most of the companies at last year's margins; exceptions: TechM, Sonata and Happiest. TechM is restructuring; hence, margin movement is not comparable. Sonata has invested in sales and large deals while Happiest is going through a patch of slow growth

Zensar is benefiting from one-time gains
Zensar's margin decline q/q is on account of lack of one-time gains it had in Q3 and Q2



* Intellect's margin above is non-GAAP adjusted for comparable evaluation. Sonata's IT Services' margin considered

PAT margin for most companies is 11-14%; largely stable q/q

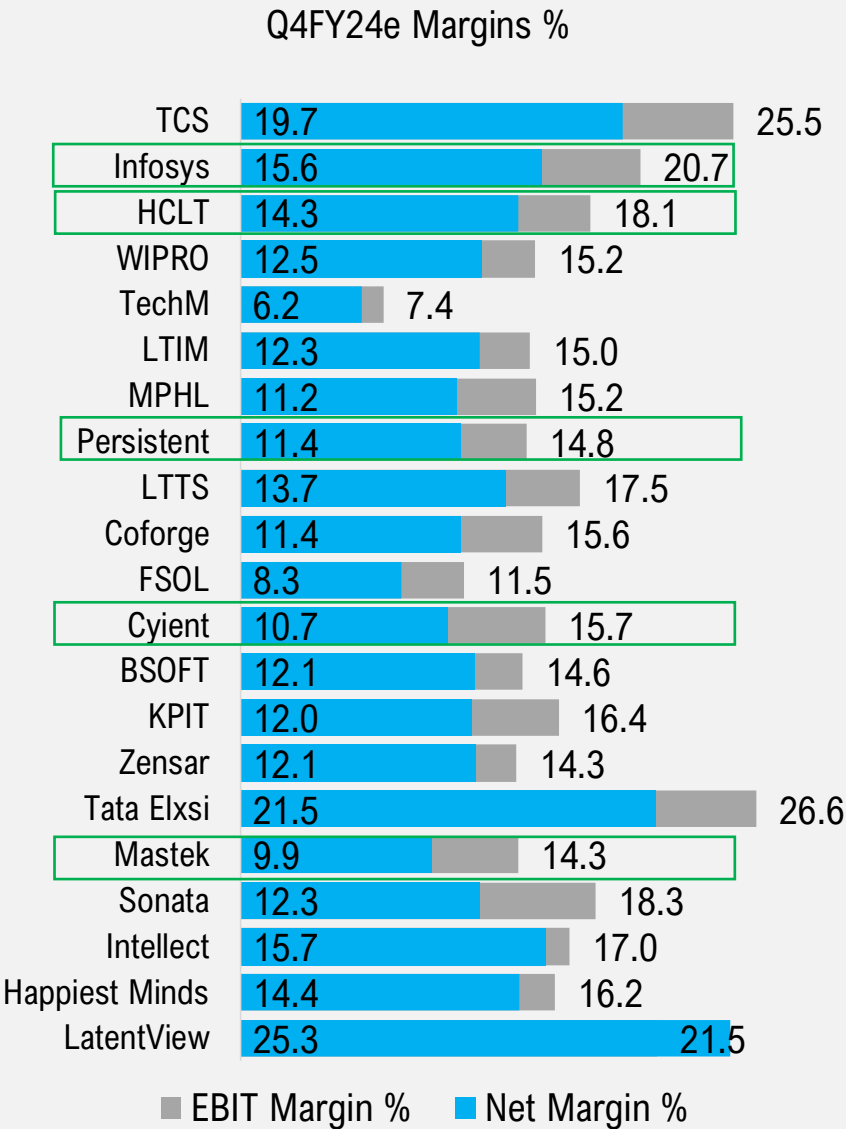
PAT margin for most: 11-13%

Industry profitability is now steady, 12-13% for the last four quarters. TechM, Cyient (higher amortization), Mastek and FSOL are slightly below industry profitability. TCS, Tata Elxsi and LatentView are at much higher profitability

TechM and Mastek are in special situations, expected to improve EBIT margins in FY25

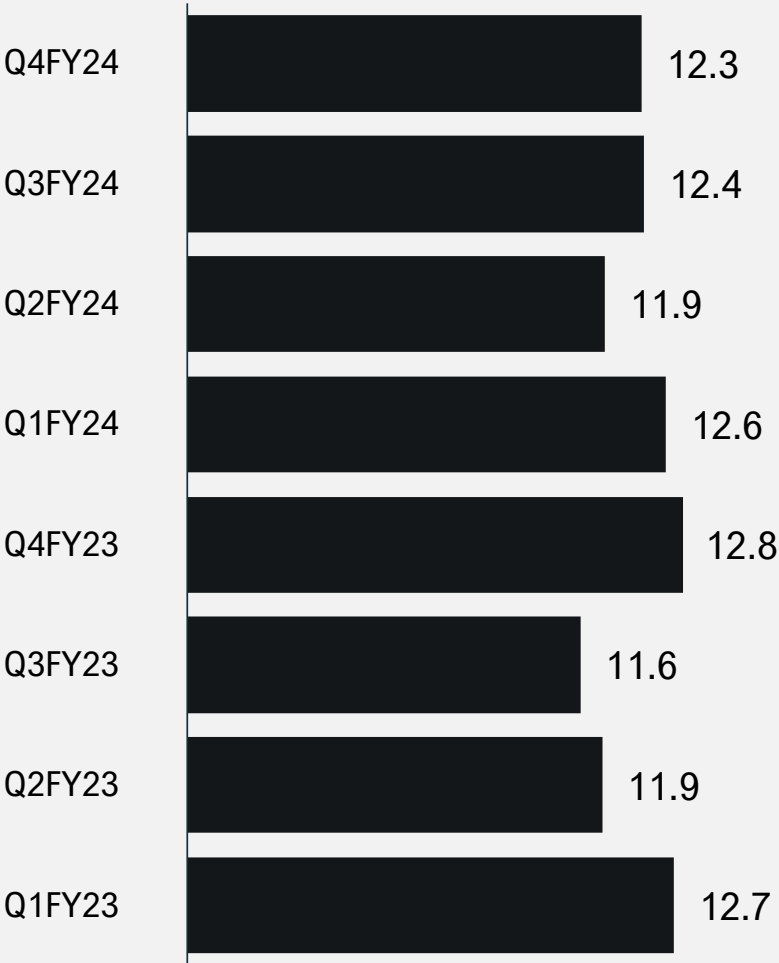
Sonata made an exceptional payment of Rs1.75bn in Q3 due to outperformances of its recent acquisitions. This resulted in a loss for Q3

LatentView’s net margins to normalize from Q1 FY25. The acquisition of Decision Point would lead to slightly lower other income and higher amortization cost, resulting in more normalized PAT margins



* Sonata’s is Services margin

Average PAT margin, %



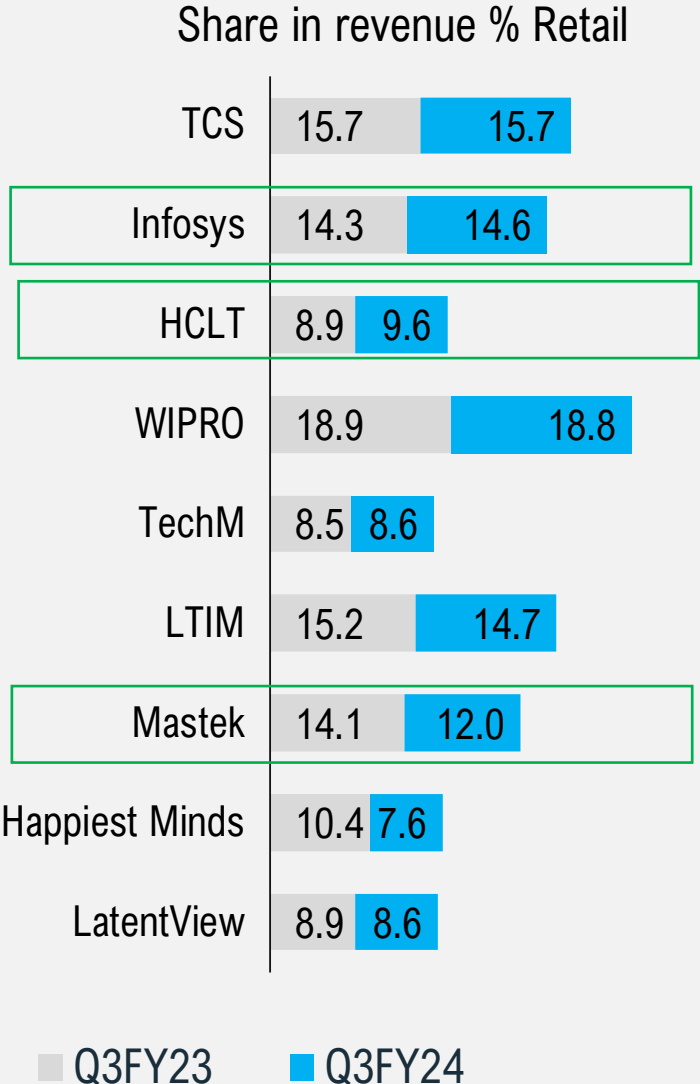
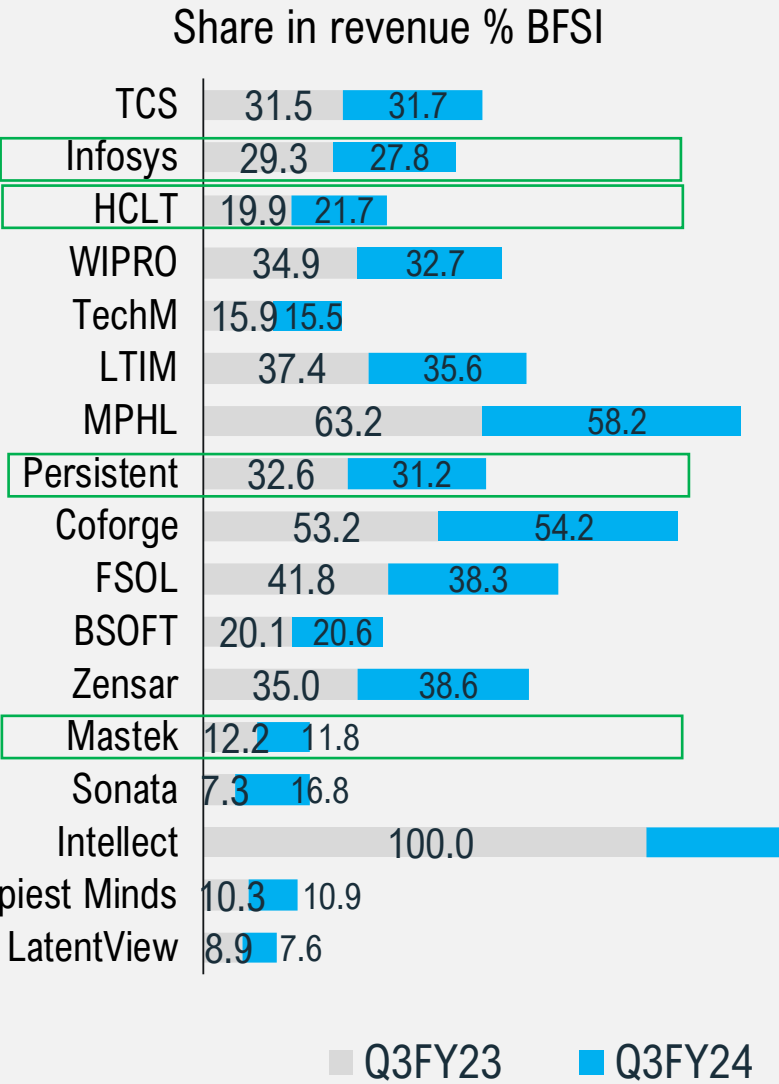
Delayed BFSI recovery, Deal wins steady

BFSI seeing deal wins, Sectoral scores also improving

TCS has seen deal activities improving in BFSI with three large deals (Aviva’s UK arm, Europ Assistance and Central Bank) announced during the quarter. This is also one of the sectors where we are still seeing improvements in our S&P sectoral components score

Retail CPG still weak

Deal flow in Retail CPG is steady with TCS (Co-operative group) and Infosys (Musgrave Group) announcing a few deals during the quarter. However, at the sector level overall, we don’t see near-term improvements



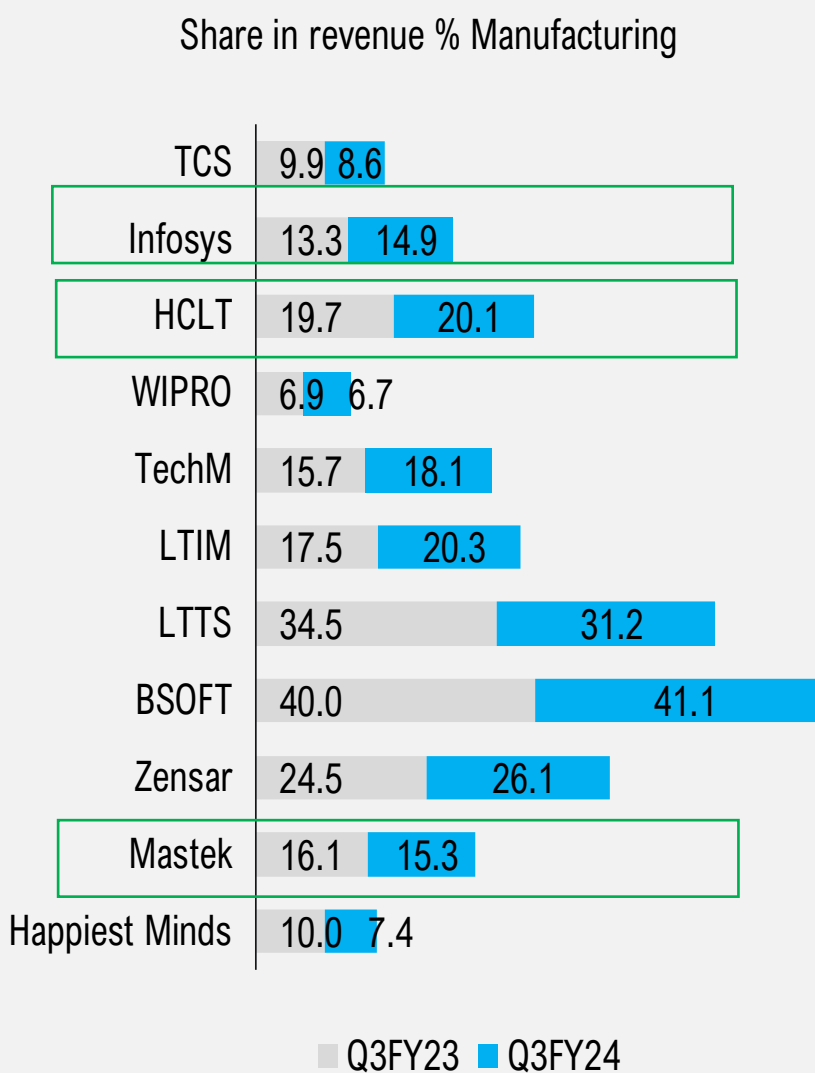
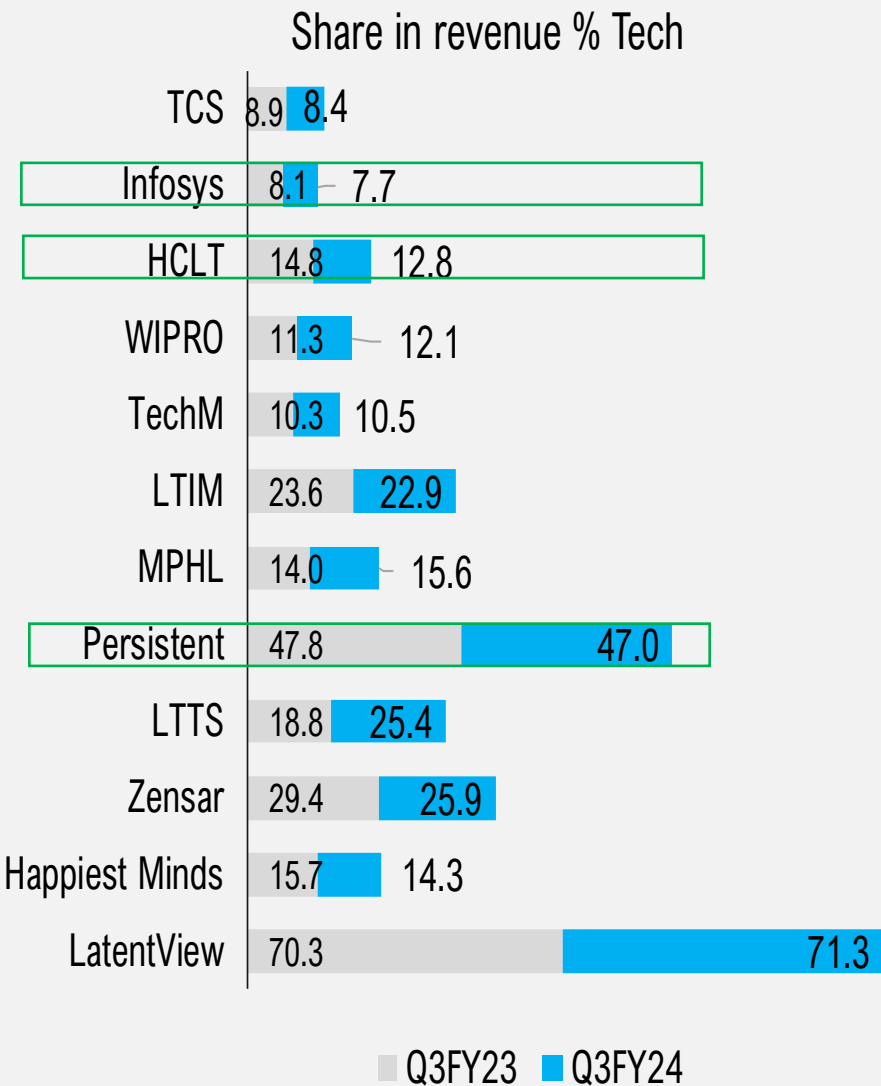
Hi-tech sees some large deals from semi-con, Manufacturing steady

Hi-tech has seen a couple of deals awarded to Indian IT. TCS has won a Multiyear deal from the Enento group to transform its IT applications, cloud and digital workplace. HCLT and Wipro signed an Intel-foundry deal to accelerate chip design and innovation. And LTTS from the Maharashtra State Cyber Department to develop inter-connected smart cities.

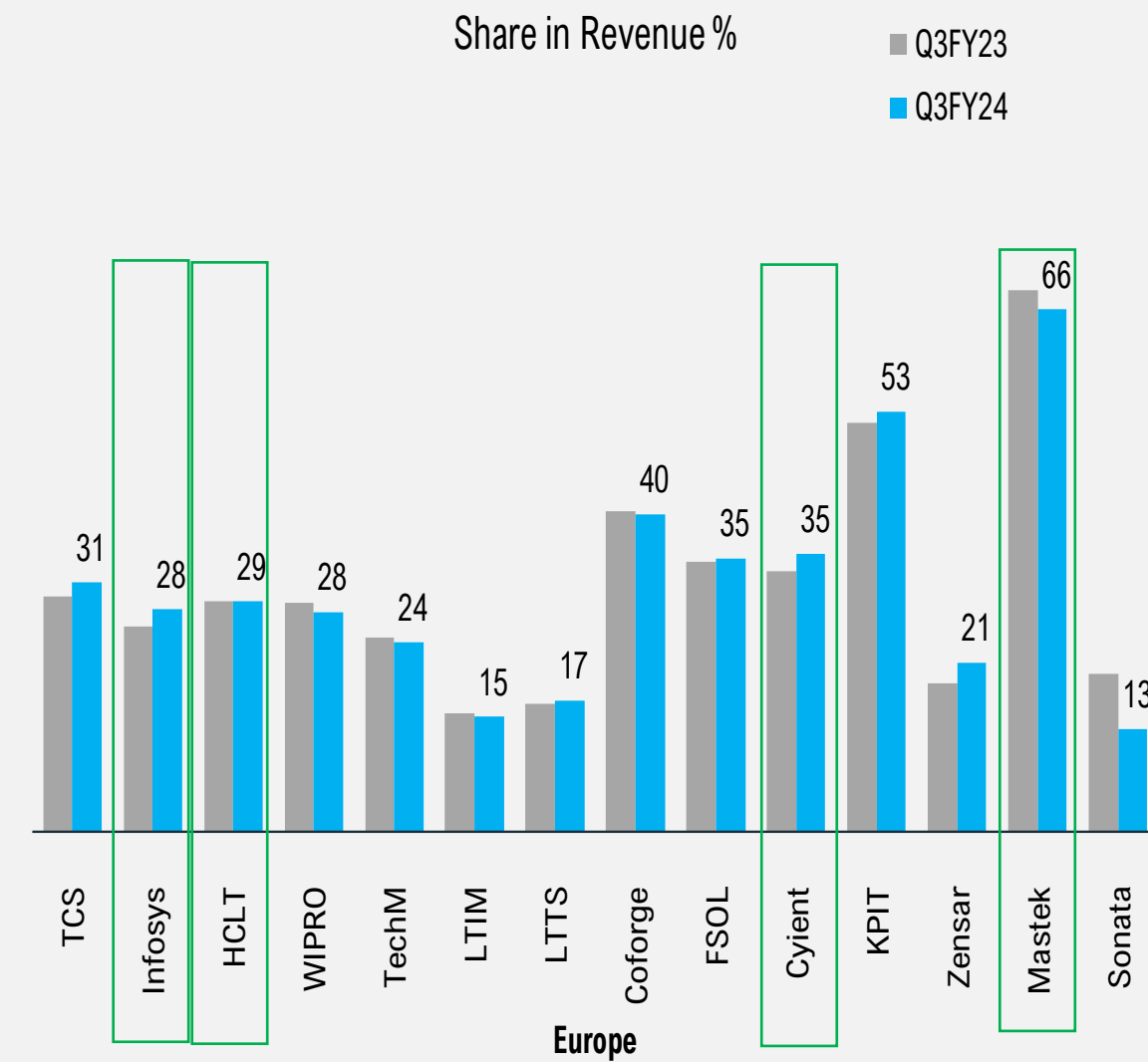
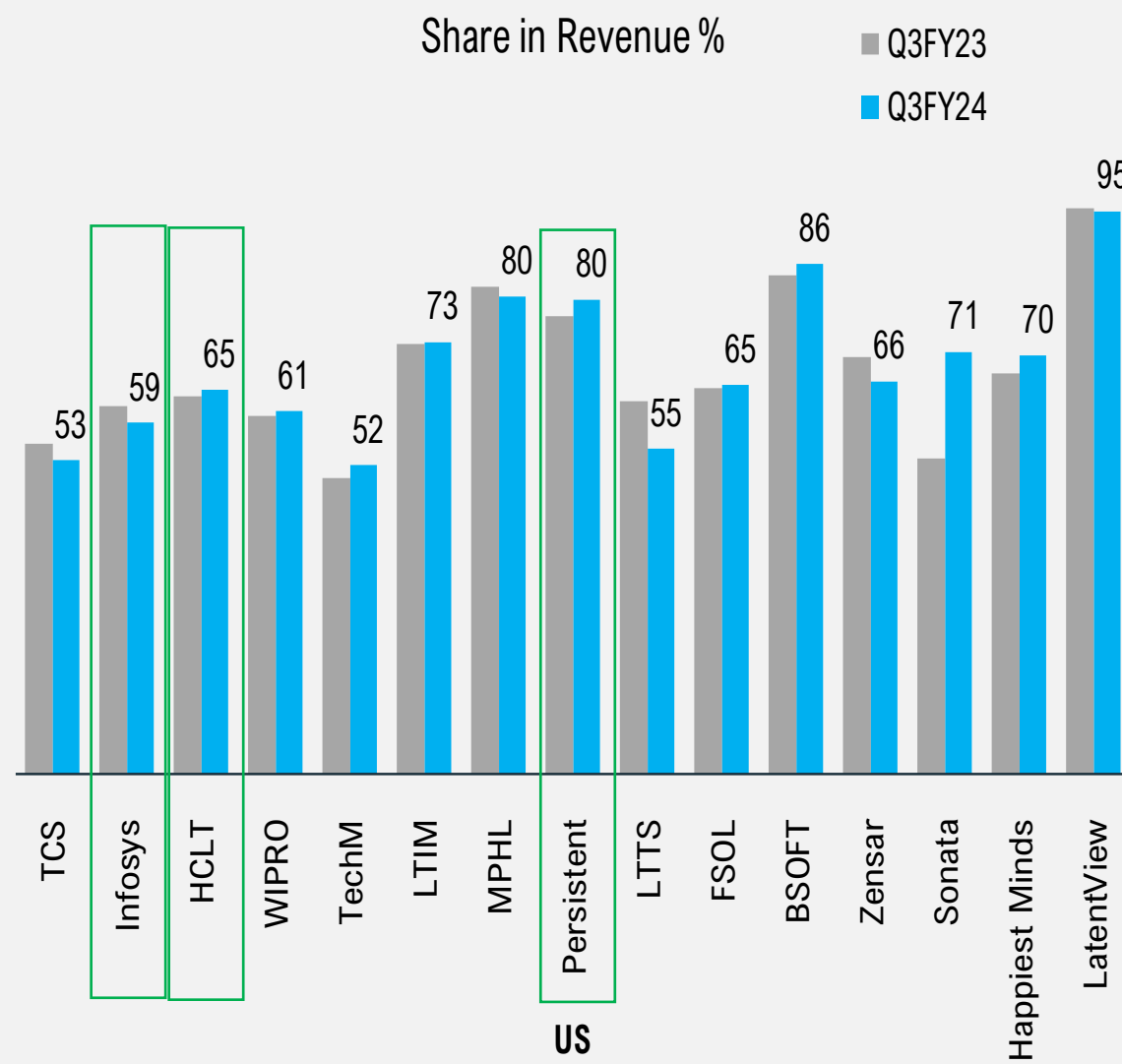
Telecoms is steady compared to the last quarter. No positives or negatives seen during the year

Infosys, TechM, LTIM and Zensar have seen a strong increase in revenue from manufacturing despite global challenges.

BSOFT leads the pack with a >40% revenue share



US seeing increase in revenue share, Europe steady



*Mastek's Europe contribution includes the Mid-East for uniformity in comparison

TCV to largely remain steady q/q, except TCS

Infosys and Zensar shine in TCV growth

These two companies have seen TCV growing much faster in FY24, leading to expectation so better growth in FY25.

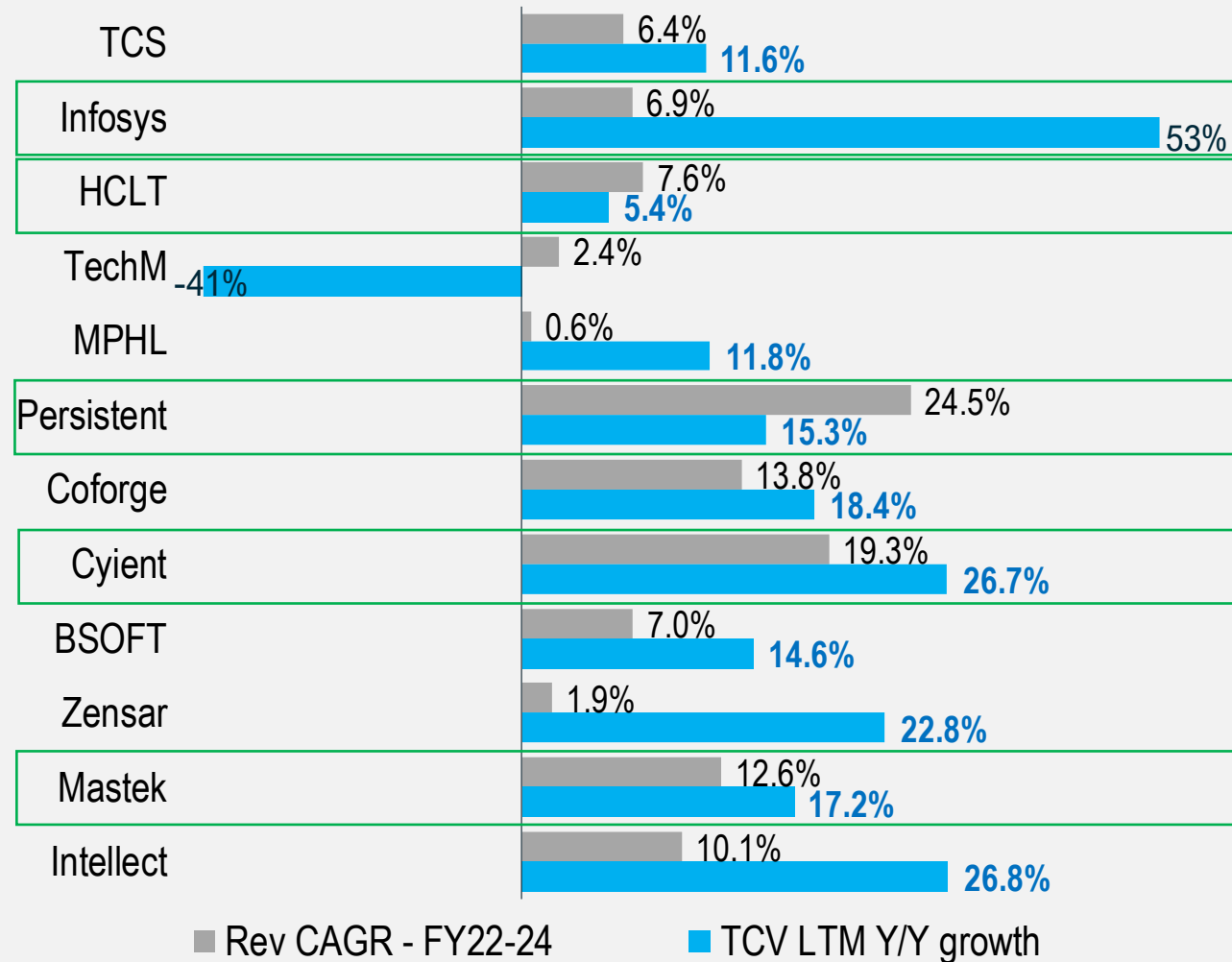
Intellect faced a large contract termination in FY24

Intellect faced termination of GeM which has resulted into weaker revenue growth in FY24/25 compared to the TCV.

Median TCV growth was 16%, reflecting strong underlying demand

Clients continued to award contracts last year despite uncertainties; hence, the case for FY25 growth acceleration as business environment improves.

TechM, which has high exposure to the telecom vertical, was the only company witnessing decline in TCV (They report net new deal wins). The company is under restructuring and is likely to bounce back in Q4.



Key Financial Data and Valuation Metrics

	Revenue CAGR		EBITDA CAGR		PAT CAGR		CFO:PAT		FCF:NI		Valuation		
Company	FY22-24	FY24-26	FY22-24	FY24-26	FY22-24	FY24-26	FY24	FY25	FY24	FY25	FY25e P/E	FY26e P/E	FCF Yield
TCS	6.4%	7.4%	9.8%	6.9%	9.1%	7.0%	106%	108%	101%	102%	28.1	26.5	3.7%
Infosys	6.9%	6.1%	8.1%	7.5%	4.7%	6.9%	102%	112%	91%	103%	24.2	22.2	4.3%
HCLT	7.6%	7.2%	10.4%	7.3%	8.0%	9.0%	120%	115%	98%	107%	23.8	22.0	4.6%
WIPRO	2.2%	4.6%	1.4%	10.5%	-5.0%	8.8%	142%	124%	134%	114%	19.9	18.5	6.8%
TechM	2.4%	4.6%	-15.1%	24.8%	-32.8%	47.8%	236%	91%	184%	75%	25.2	20.0	4.0%
LTI	10.5%	8.6%	10.4%	14.6%	7.9%	17.8%	104%	110%	88%	97%	27.7	22.8	3.8%
Median	6.7%	6.7%	9.0%	9.0%	6.3%	8.9%	113%	111%	100%	102%	24.7	22.1	4.1%
Average	6.0%	6.4%	4.2%	11.9%	-1.3%	16.2%	135%	110%	116%	100%	24.8	22.0	4.5%

	Revenue CAGR		EBITDA CAGR		PAT CAGR		CFO:PAT		FCF:NI		Valuation		
Company	FY22-24	FY24-26	FY22-24	FY24-26	FY22-24	FY24-26	FY24	FY25	FY24	FY25	FY25e P/E	FY26e P/E	FCF Yield
Mphasis	0.6%	9.2%	10.2%	11.3%	3.9%	13.6%	142%	120%	38%	96%	26.8	23.6	3.2%
Persistent	24.5%	17.2%	34.4%	25.9%	25.7%	31.6%	72%	109%	28%	87%	41.4	31.5	1.8%
Coforge	13.8%	15.7%	16.0%	19.9%	11.3%	27.7%	103%	124%	30%	103%	32.4	25.3	2.7%
LTTS	15.2%	15.3%	17.1%	17.0%	17.2%	17.2%	86%	85%	2%	66%	39.8	33.9	1.3%
KPIT	33.1%	20.1%	49.6%	24.5%	45.9%	29.9%	119%	115%	15%	74%	56.8	41.7	1.3%
Cyient	19.3%	10.6%	27.1%	10.9%	0.0%	24.2%	82%	81%	48%	71%	24.0	19.7	2.8%
Tata Elxsi	14.2%	15.1%	17.6%	15.4%	20.3%	14.9%	113%	98%	104%	87%	56.7	47.5	1.7%
Firstsource	-2.1%	9.3%	3.0%	12.6%	-1.8%	15.1%	117%	139%	91%	120%	23.6	20.7	4.5%
Sonata	18.5%	17.1%	28.2%	21.3%	-6.4%	51.5%	190%	125%	171%	50%	32.7	26.8	2.2%
Birlasoft	7.0%	11.2%	12.6%	18.2%	14.5%	15.7%	107%	89%	101%	75%	31.4	26.3	2.9%
Mastek	12.6%	15.3%	6.1%	20.5%	-5.8%	23.8%	111%	98%	21%	-6%	22.8	17.9	1.1%
Intellect	10.1%	11.2%	7.5%	26.3%	-0.8%	33.1%	103%	114%	53%	72%	30.1	23.6	2.2%
LatentView	19.1%	32.2%	5.5%	44.0%	10.2%	24.5%	71%	67%	68%	-112%	61.2	47.9	-0.3%
Happiest Minds	15.6%	14.6%	14.0%	18.8%	13.9%	21.2%	142%	97%	135%	91%	42.8	35.1	2.7%
Zensar	1.9%	5.5%	15.3%	4.9%	23.2%	7.0%	83%	92%	77%	84%	23.1	19.3	4.4%
Median	14.7%	14.8%	15.7%	18.5%	12.6%	22.5%	105%	98%	61%	79%	32.6	26.6	2.4%
Average	14.6%	14.4%	18.8%	18.5%	11.9%	22.6%	108%	103%	70%	66%	37.3	30.2	2.3%

Estimates Revision – lower on delayed recovery

Company	Revenue \$m			% Chg			EBIT			% Chg			Net Profit			% Chg		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
TCS	29,110	31,177	33,604	0.3	(0.4)	(0.3)	5,90,396	6,43,013	6,80,247	2	2	(0)	4,55,919	4,92,356	5,22,017	(0)	1	(0)
Infosys	18,652	19,661	20,995	0.0	(1.0)	(0.6)	3,21,190	3,42,166	3,74,793	1	(2)	(0)	2,42,818	2,54,254	2,77,328	0	(4)	(2)
Wipro	10,821	11,185	11,828	0.2	1.2	1.8	1,34,139	1,49,206	1,59,284	1	7	6	1,09,830	1,21,217	1,30,381	1	7	7
HCLT	13,302	14,280	15,296	0.5	(0.1)	(0.9)	2,02,030	2,22,604	2,39,915	1	3	2	1,58,364	1,73,824	1,88,013	1	2	3
Tech M	6,283	6,400	6,876	0.8	1.0	1.4	39,777	53,624	68,752	(3)	(10)	(7)	25,025	43,843	55,421	9	(4)	(3)
Coforge	1,123	1,288	1,503	(0.2)	(0.2)	1.2	12,221	15,396	18,943	1	(3)	(2)	8,594	11,248	14,403	0	(4)	(1)
LTIM	4,292	4,581	5,066	(0.6)	(3.0)	(4.6)	55,945	64,486	76,853	(2)	(4)	(3)	45,828	52,444	63,606	(2)	(3)	(4)
Mphasis	1,611	1,759	1,921	-	(0.3)	(1.2)	20,779	23,140	25,500	(0)	(3)	(3)	15,445	17,624	19,948	(0)	(3)	(3)
LTTS	1,168	1,351	1,553	0.4	2.9	4.0	16,690	20,048	23,264	1	(1)	(1)	13,138	15,349	18,033	3	(1)	(1)
Persistent	1,186	1,382	1,630	(0.3)	(0.3)	(0.3)	14,413	18,767	24,656	(1)	(1)	(1)	10,916	14,399	18,901	(1)	(1)	(1)
Firstsource	762	829	909	0.1	0.1	0.1	6,997	8,022	9,002	(1)	(5)	(5)	5,176	6,008	6,863	(1)	(5)	(5)
Cyient	717	789	878	(0.3)	(0.5)	(0.5)	9,541	10,925	12,623	(2)	(4)	(4)	6,364	8,322	9,824	(2)	(3)	(3)
KPIT	582	695	839	(0.3)	(2.9)	(4.2)	7,852	9,610	12,768	(1)	(7)	(6)	5,832	7,220	9,842	(1)	(6)	(5)
Zensar	591	609	658	(0.5)	(3.3)	(3.5)	7,323	7,168	8,362	4	0	(2)	6,397	6,135	7,330	6	(2)	(3)
Birlasoft	635	702	785	-	(0.1)	(0.7)	7,330	8,419	10,201	(1)	(4)	(1)	6,083	6,832	8,145	(1)	(4)	(2)
Sonata	327	386	468	(1.1)	(4.3)	(5.1)	6,642	8,088	9,768	(3)	(1)	(3)	3,296	6,213	7,563	(37)	1	1
Mastek	371	429	493	(0.2)	(0.2)	(0.2)	4,361	5,095	6,130	(1)	(3)	(1)	2,874	3,556	4,531	(1)	(3)	(1)
Intellect	305	327	378	0.1	0.1	0.1	4,097	5,678	7,327	1	2	3	3,482	4,810	6,141	1	2	3
Happiest Mind	196	219	257	(0.4)	(4.7)	(4.7)	2,763	3,356	4,200	(3)	(7)	(2)	2,349	2,829	3,452	2	(3)	1
Latent View	77	108	135	(0.4)	12.9	15.3	1,256	1,862	2,428	(1)	9	7	1,571	1,884	2,434	(1)	(4)	(2)

TechM's FY24 revision is on account of exceptional items.

Sonata SW reported loss in Q3FY24 on account of exceptional items. FY24 revision reflects that.

Source: Anand Rathi Research

Valuation Metrics and Target Revision

Company	Revenue CAGR		EBITDA CAGR		PAT CAGR		CFO:PAT		FCF:NI		Valuation	Target Price	
	FY22-24	FY24-26	FY22-24	FY24-26	FY22-24	FY24-26	FY24	FY25	FY24	FY25	FCF Yield	Old	New
LTI	10.5%	8.6%	10.4%	14.6%	7.9%	17.8%	104%	110%	88%	97%	3.8%	6,710	6,440
Mphasis	0.6%	9.2%	10.2%	11.3%	3.9%	13.6%	142%	120%	38%	96%	3.2%	2,810	2,730
Persistent	24.5%	17.2%	34.4%	25.9%	25.7%	31.6%	72%	109%	28%	87%	1.8%	4,205	4,670
KPIT	33.1%	20.1%	49.6%	24.5%	45.9%	29.9%	119%	115%	15%	74%	1.3%	1,730	1,640
Cyient	19.3%	10.6%	27.1%	10.9%	0.0%	24.2%	82%	81%	48%	71%	2.8%	2,470	2,470
Firstsource	-2.1%	9.3%	3.0%	12.6%	-1.8%	15.1%	117%	139%	91%	120%	4.5%	250	240
Sonata	18.5%	17.1%	28.2%	21.3%	-6.4%	51.5%	190%	125%	171%	50%	2.2%	690	780
Birlasoft	7.0%	11.2%	12.6%	18.2%	14.5%	15.7%	107%	89%	101%	75%	2.9%	910	870
Mastek	12.6%	15.3%	6.1%	20.5%	-5.8%	23.8%	111%	98%	21%	-6%	1.1%	3,580	3,630
Intellect	10.1%	11.2%	7.5%	26.3%	-0.8%	33.1%	103%	114%	53%	72%	2.2%	960	1,080
LatentView	19.1%	32.2%	5.5%	44.0%	10.2%	24.5%	71%	67%	68%	-112%	-0.3%	630	630

Meaningful revision in Target Prices

- PSYS: We have revised up our target price
 - While Q4 is likely to be steady, the company's resilience in difficult environment continues, building on hopes of faster growth in FY25.
 - Our revised multiple (38x FY26 EPS) reflects its relative outperformance to the industry.
- Sonata: We have revised up our target price
 - Sustained performance over the last few quarters is resulting into higher multiple although earnings revision is not meaningful.
 - The target multiple for IT services is revised to 34x FY26, in-line with the rest of high growth sector components.

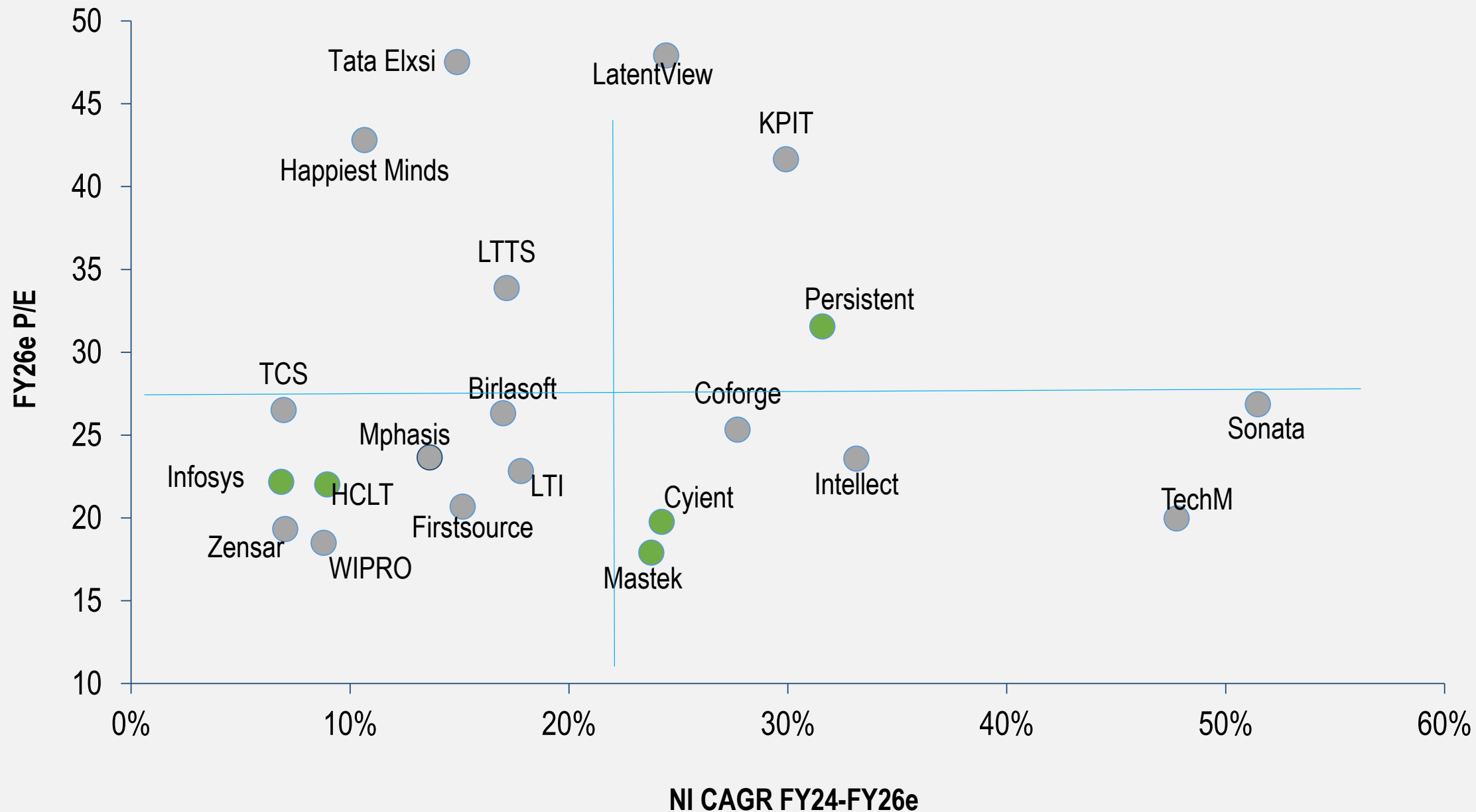
Source: Anand Rath Research

Valuation Metrics and Target Revision

Meaningful revision in Target Prices

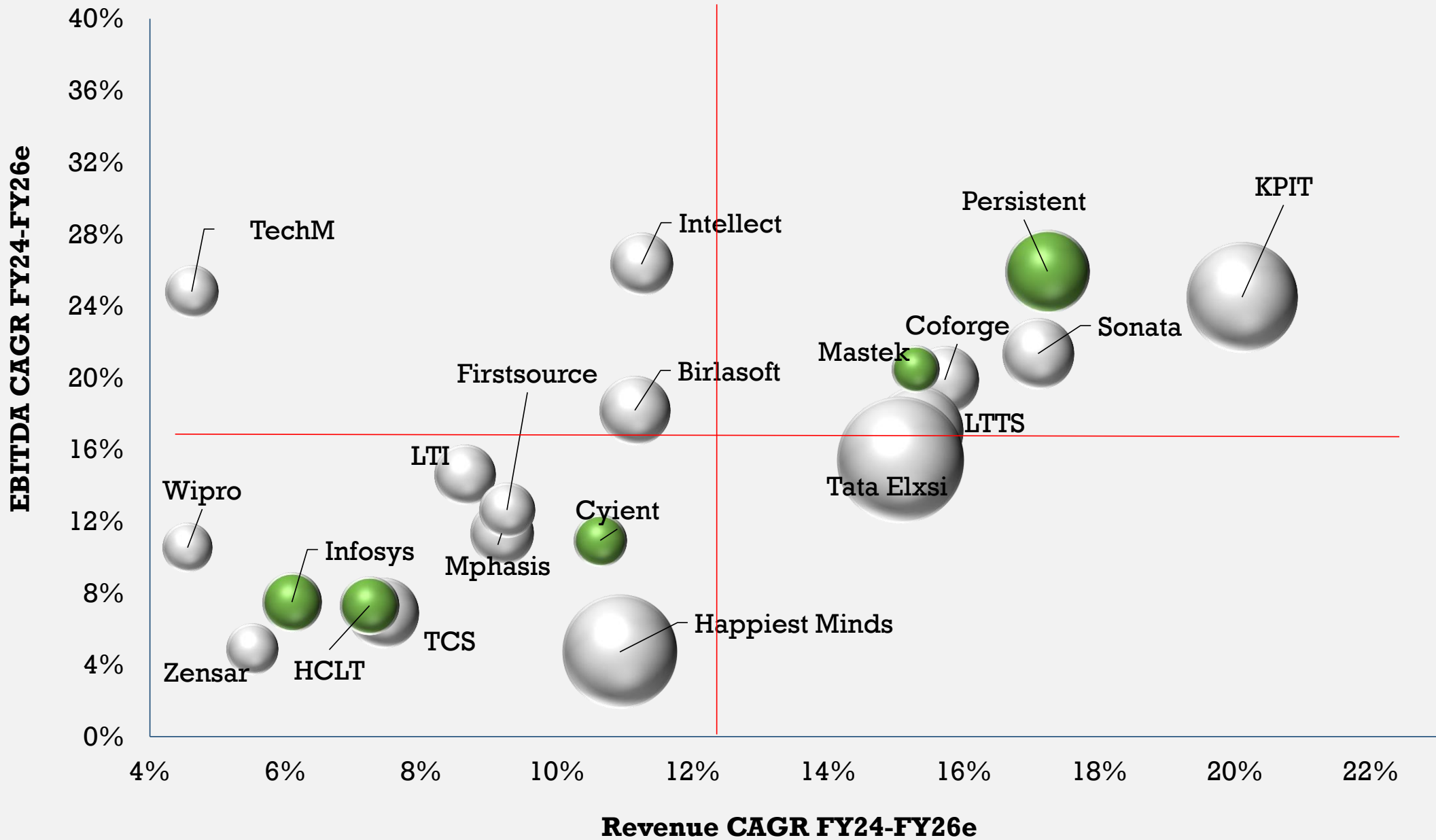
- INDIA: We have revised up our target price
 - The earnings estimates have moved up by ~3% as the company absorbs the loss of GeM contract without any decline in revenues in Q4.
 - Margins and Working capital are likely to improve as it moves away from the GeM business.
 - Competitive intensity has improved remarkably, leading to better export growth outlook on a relative basis.
 - Our revised multiple (25x FY26 EPS) reflects the above.

Top picks are blend of growth and value

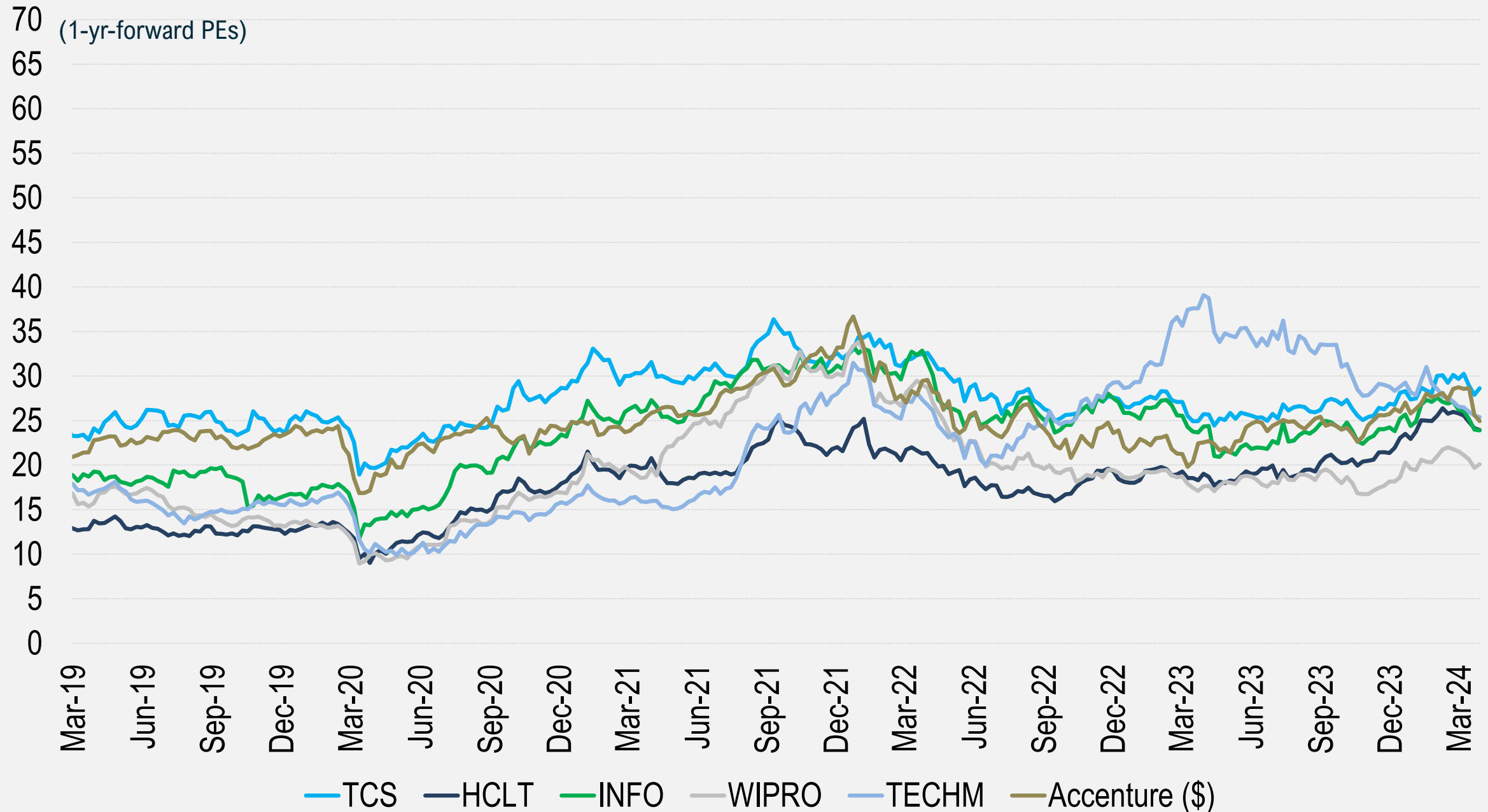


Note: LatentView CAGR appears lower due to change in tax rate; Birlasoft recurring earnings CAGR considered

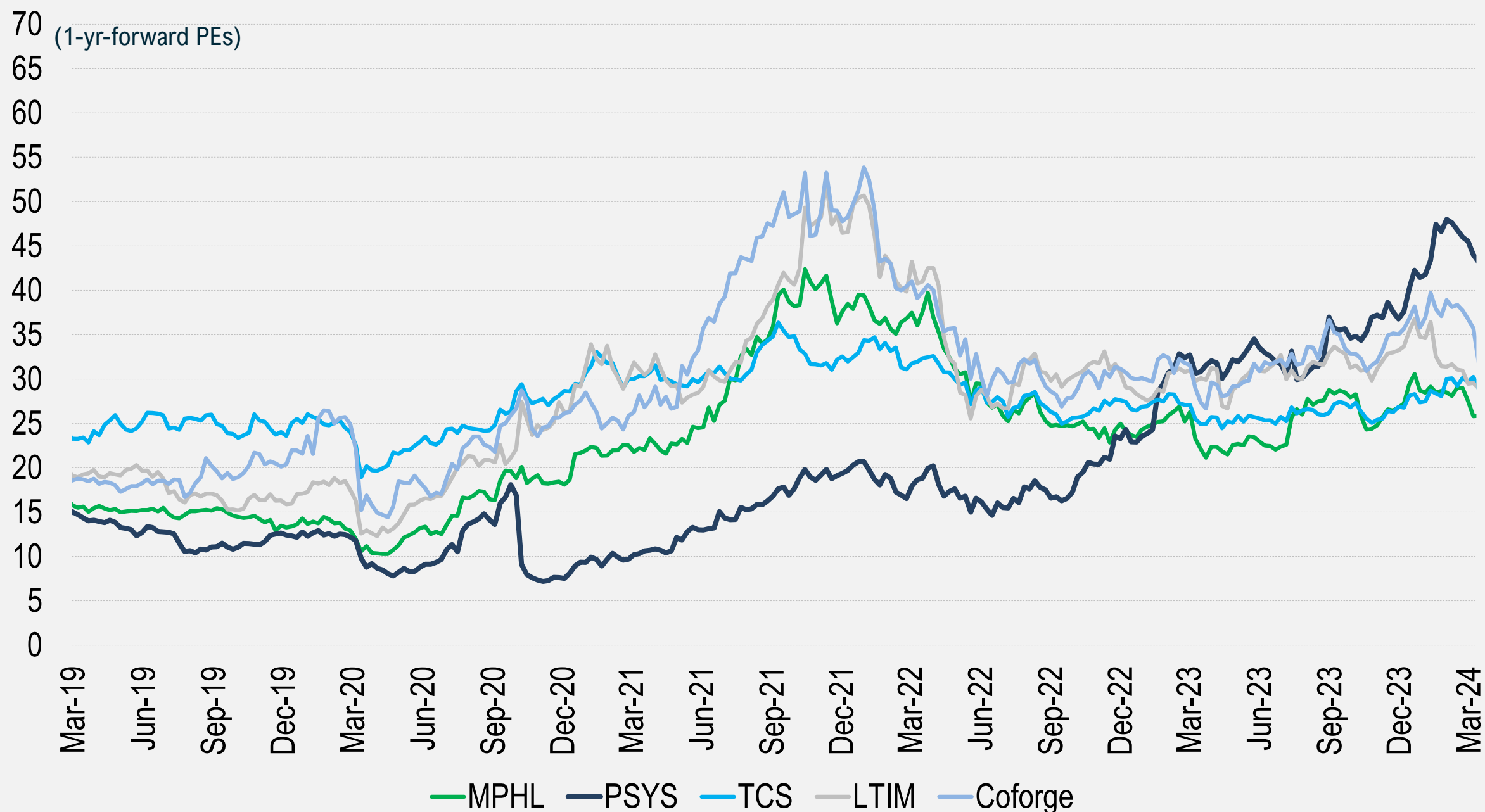
Top picks are a mix of value and growth



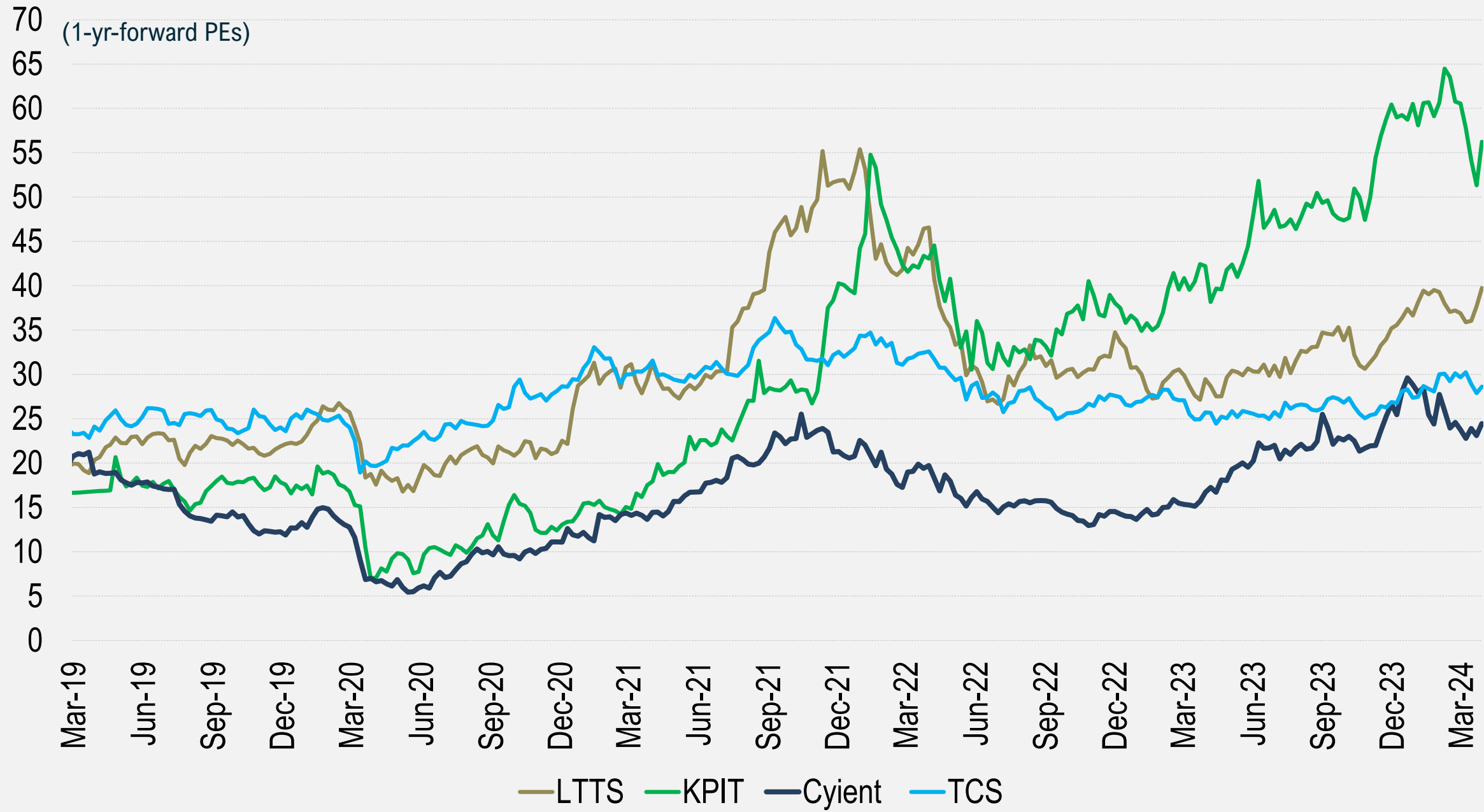
PE multiples are steady over the last few years, witnessed some correction in March



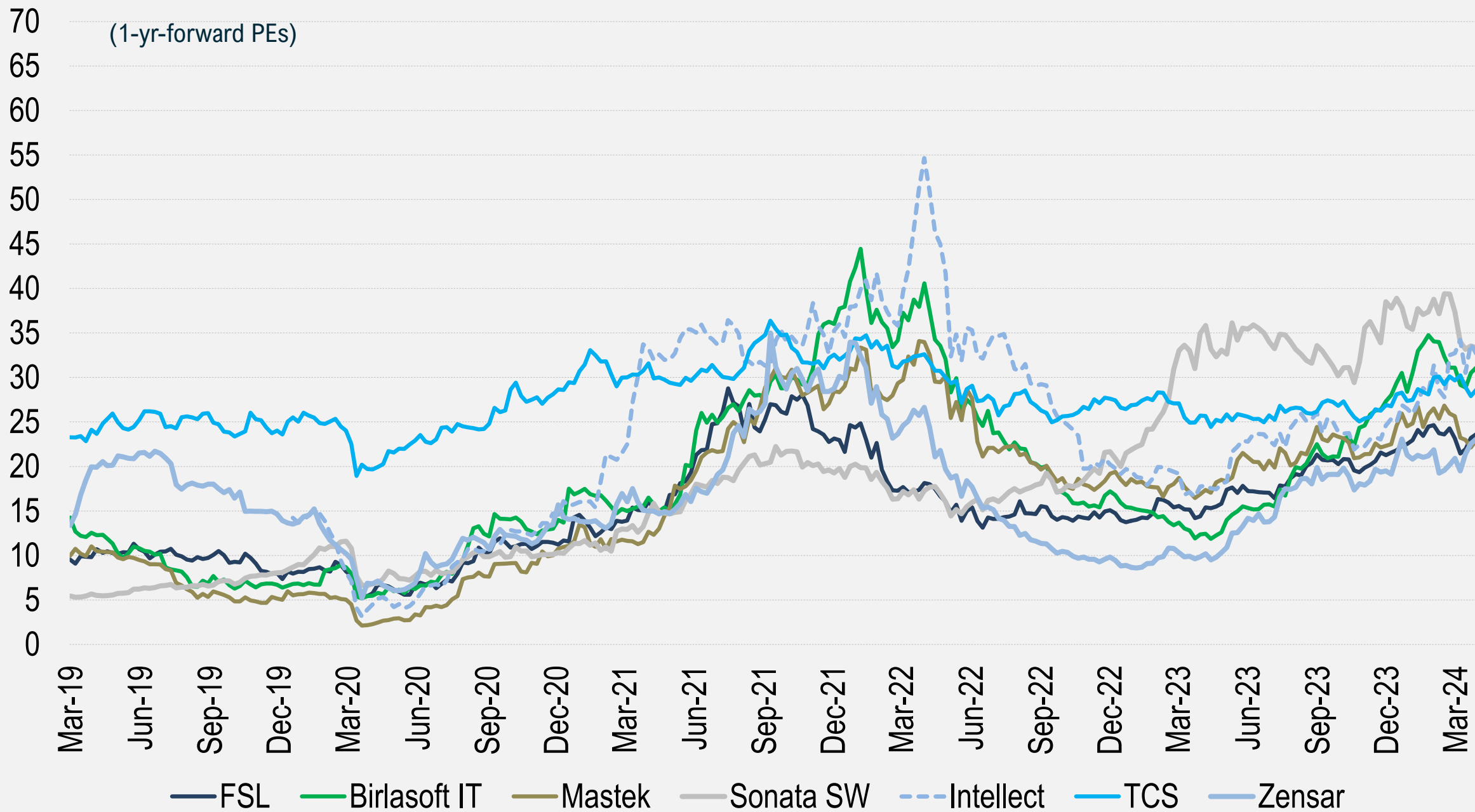
PSYS offers some opportunity owing to its growth profile



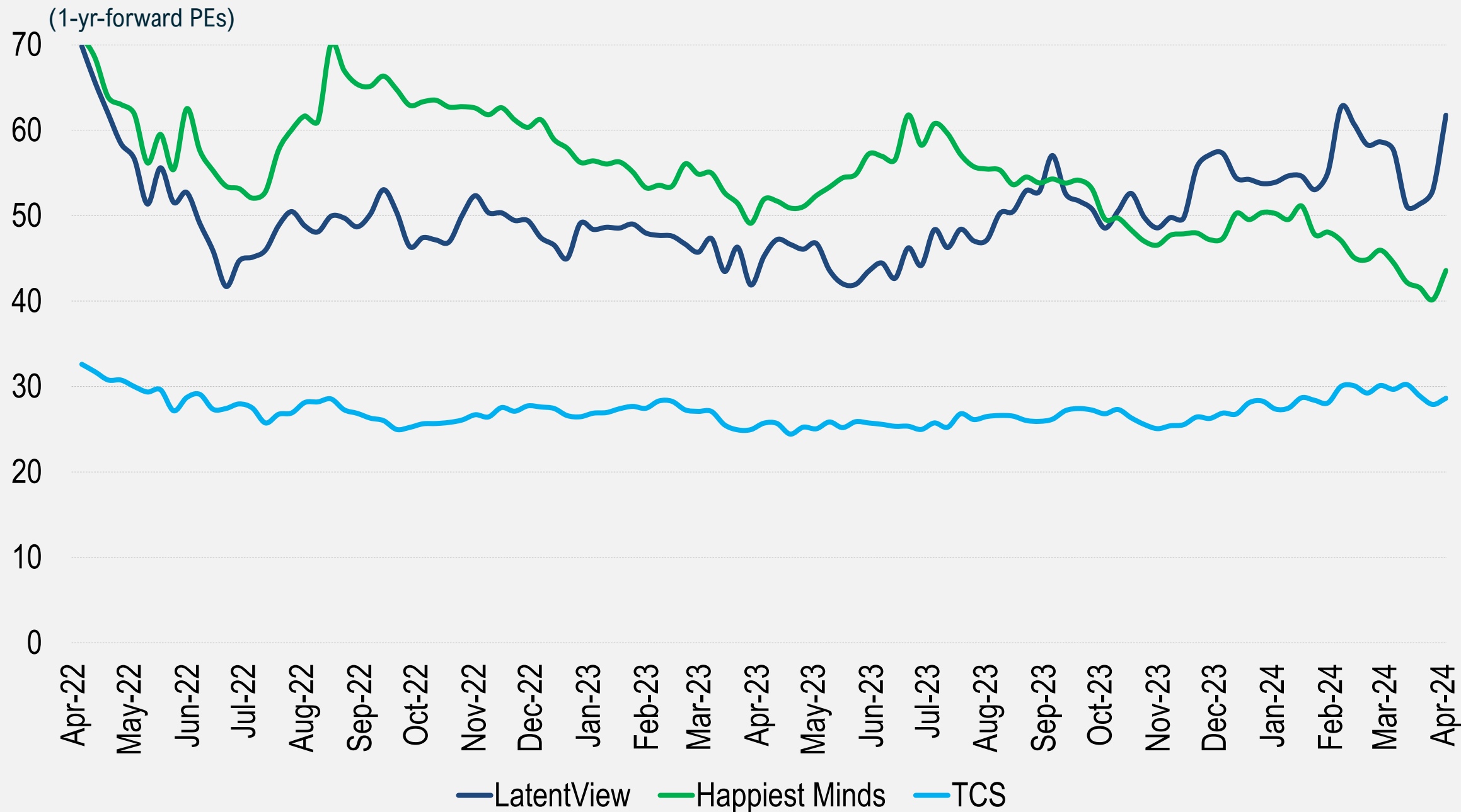
Cyient undervalued compared to peers, needs to accelerate growth



Mastek appears undervalued given our growth expectations



LatentView retaining its growth premium over Happiest Minds



TCS - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	25,707	27,927	29,110	31,177	33,604
Growth (%)	15.9	8.6	4.2	7.1	7.8
Net revenues (Rs m)	19,17,540	22,54,580	24,10,568	25,89,336	27,90,891
Employee & Direct Costs	13,50,870	16,15,160	17,19,637	18,40,431	20,03,190
Gross Profit	5,66,670	6,39,420	6,90,930	7,48,906	7,87,702
Gross Margin %	29.55	28.36	28.66	28.92	28.22
SG&A	36,100	46,820	50,814	55,706	56,259
EBITDA	5,30,570	5,92,600	6,40,116	6,93,200	7,31,443
EBITDA margins (%)	27.7	26.3	26.6	26.8	26.2
- Depreciation	46,040	50,230	49,720	50,187	51,196
Other income	32,340	26,700	28,340	27,270	30,287
Interest Exp	-0	-0	-0	-0	-0
PBT	5,16,870	5,69,070	6,18,736	6,70,283	7,10,534
Effective tax rate (%)	26	26	26	26	26
+ Associates/(Minorities)	-1,220	-1,560	-1,620	-1,560	-1,560
Net Income	3,83,270	4,21,470	4,55,919	4,92,356	5,22,017
WANS	3,699	3,659	3,618	3,570	3,523
FDEPS (Rs/share)	103.6	115.2	126.0	137.9	148.2

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	5,16,870	5,69,070	6,18,736	6,70,283	7,10,534
+ Non-cash items	46,040	50,230	49,720	50,187	51,196
Operating profit before WC	5,62,910	6,19,300	6,68,456	7,20,470	7,61,730
- Incr./ (decr.) in WC	26,460	43,870	19,554	12,059	13,157
Others including taxes	-1,15,000	-1,30,400	-1,63,872	-1,76,367	-1,86,958
Operating cash-flow	4,21,450	4,45,030	4,85,030	5,32,045	5,61,615
- Capex (tangible + Intangible)	24,830	25,320	24,106	28,483	30,700
Free cash-flow	3,96,620	4,19,710	4,60,924	5,03,562	5,30,915
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	1,33,750	4,14,100	4,58,356	4,88,607	5,08,916
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-29,280	23,980	-40,492	-	-
- Misc. Items (CFI + CFF)	1,98,270	57,090	-	-	-
Net cash-flow	93,880	-75,460	43,060	14,954	21,999

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	3,660	3,660	3,660	3,660	3,660
Net worth	9,12,590	9,25,420	9,22,983	9,26,732	9,39,832
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	7,070	7,820	9,440	11,000	12,560
DTL/(Asset)	-50,730	-50,680	-50,680	-50,680	-50,680
Capital employed	8,68,930	8,82,560	8,81,743	8,87,052	9,01,712
Net tangible assets	1,24,211	99,301	73,686	51,982	31,487
Net Intangible assets	50,360	48,730	48,730	48,730	48,730
Goodwill					
CWIP (tang. & intang.)	72,949	92,249	92,249	92,249	92,249
Other Long term Assets/(Liabilities)	-71,450	-59,020	-56,345	-56,345	-56,345
Investments (Financial)	3,85,460	4,04,920	3,64,428	3,64,428	3,64,428
Current Assets (ex Cash)	5,35,240	6,10,330	6,56,287	7,04,957	7,59,831
Cash	1,92,270	1,16,810	1,59,871	1,74,825	1,96,824
Current Liabilities	4,20,110	4,30,760	4,57,162	4,93,774	5,35,491
Working capital	1,15,130	1,79,570	1,99,124	2,11,183	2,24,340
Capital deployed	8,68,930	8,82,560	8,81,743	8,87,052	9,01,712
Contingent Liabilities	16,520	15,420	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	36.1	32.8	30.3	28.1	26.5
EV/EBITDA (x)	25.1	22.4	20.8	19.2	18.2
EV/sales (x)	7.17	6.13	5.73	5.33	4.93
P/B (x)	15.7	15.5	15.5	15.5	15.3
RoE (%)	42.6	45.9	49.3	53.2	55.9
RoCE (%) - After tax	36.0	39.5	42.5	46.1	48.3
RoIC (%) - After tax	79.8	85.4	86.7	95.3	102.6
DPS (Rs per share)	43.0	115.0	60.6	66.7	73.3
Dividend yield (%)	1.1	3.0	1.6	1.7	1.9
Dividend payout (%) - Inc. DDT	104.5	99.3	109.7	100.5	99.2
Net debt/equity (x)	-0.6	-0.6	-0.6	-0.6	-0.6
Receivables (days)	80	81	82	82	82
Inventory (days)					
Payables (days)	15	17	16	16	16
CFO:PAT%	110	105	106	108	107
FCF:PAT% - includ M&A payout	103	100	101	102	102

Source: Company, Anand Rathi Research

Infosys - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	16,310	18,212	18,652	19,661	20,995
Growth (%)	20.3	11.7	2.4	5.4	6.8
Net revenues (Rs m)	12,16,410	14,67,670	15,44,032	16,32,874	17,43,699
Employee & Direct Costs	8,50,080	10,54,020	11,11,696	11,74,028	12,45,316
Gross Profit	3,66,330	4,13,650	4,32,336	4,58,845	4,98,384
Gross Margin %	30.12	28.18	28.00	28.10	28.58
SG&A	51,410	62,340	64,118	67,969	72,903
EBITDA	3,14,920	3,51,310	3,68,218	3,90,877	4,25,481
EBITDA margins (%)	25.9	23.9	23.8	23.9	24.4
- Depreciation	34,770	42,250	47,028	48,710	50,688
Other income	20,950	24,160	21,260	15,921	15,548
Interest Exp	-	-	-	-	-
PBT	3,01,100	3,33,220	3,42,450	3,58,088	3,90,341
Effective tax rate (%)	26	28	29	29	29
+ Associates/(Minorities)	-350	-130	-170	-280	-140
Net Income	2,21,110	2,40,950	2,42,818	2,54,254	2,77,328
WANS	4,219	4,150	4,151	4,104	4,062
FDEPS (Rs/share)	52.4	58.1	58.5	61.9	68.3

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	3,01,100	3,33,220	3,42,450	3,58,088	3,90,341
+ Non-cash items	36,490	49,970	47,028	48,710	50,688
Operating profit before WC	3,37,590	3,83,190	3,89,478	4,06,798	4,41,029
- Incr./((decr.) in WC	34,120	65,030	44,946	11,762	18,052
Others including taxes	-53,830	-87,940	-97,689	-1,10,293	-1,20,961
Operating cash-flow	2,49,640	2,30,220	2,46,843	2,84,742	3,02,016
- Capex (tangible + Intangible)	21,610	25,790	22,500	23,794	25,409
Free cash-flow	2,28,030	2,04,430	2,24,343	2,60,948	2,76,607
Acquisitions	-530	-9,700	-3,390	-	-
- Dividend (including buyback & taxes)	1,26,520	1,36,310	2,66,209	2,79,776	2,94,702
+ Equity raised	210	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	59,250	-10,490	1,948	-	-
- Misc. Items (CFI + CFF)	1,14,360	1,21,900	-	-	-
Net cash-flow	-72,420	-52,990	-47,203	-18,829	-18,095

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	20,980	20,690	20,690	20,690	20,690
Net worth	7,53,500	7,54,070	7,30,679	7,05,156	6,87,782
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	3,860	3,880	4,050	4,330	4,470
DTL/(Asset)	-62,080	-64,840	-66,381	-66,381	-66,381
Capital employed	6,95,280	6,93,110	6,68,348	6,43,106	6,25,871
Net tangible assets	1,78,980	2,02,280	1,77,752	1,52,836	1,27,558
Net Intangible assets	79,020	89,970	93,360	93,360	93,360
Goodwill					
CWIP (tang. & intang.)	5,040	4,470	4,470	4,470	4,470
Other Long term Assets/(Liabilities)	-48,960	-60,680	-62,454	-55,714	-47,627
Investments (Financial)	2,03,240	1,94,780	1,96,728	1,96,728	1,96,728
Current Assets (ex Cash)	4,39,270	5,32,420	5,72,812	6,05,771	6,46,886
Cash	1,74,720	1,21,730	74,527	55,698	37,603
Current Liabilities	3,36,030	3,91,860	3,88,847	4,10,044	4,33,106
Working capital	1,03,240	1,40,560	1,83,965	1,95,727	2,13,780
Capital deployed	6,95,280	6,93,110	6,68,348	6,43,106	6,25,871
Contingent Liabilities	-0	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	27.8	25.5	25.3	24.2	22.2
EV/EBITDA (x)	18.7	16.7	16.0	15.1	13.8
EV/sales (x)	4.74	3.97	3.80	3.61	3.39
P/B (x)	8.2	8.1	8.4	8.7	8.9
RoE (%)	29.2	32.0	32.7	35.5	39.8
RoCE (%) - After tax	24.4	26.2	26.7	29.3	32.9
RoIC (%) - After tax	44.8	44.1	40.6	42.8	47.1
DPS (Rs per share)	31.0	34.0	37.3	41.0	45.1
Dividend yield (%)	2.1	2.3	2.5	2.8	3.0
Dividend payout (%) - Inc. DDT	97.1	104.9	109.6	110.0	106.3
Net debt/equity (x)	-0.5	-0.4	-0.4	-0.4	-0.3
Receivables (days)	106	105	108	108	108
Inventory (days)					
Payables (days)	17	13	11	11	11
CFO:PAT%	113	95	102	112	109
FCF:PAT% - includ M&A payout	103	81	91	103	100

Source: Company, Anand Rathi Research

HCL Tech - - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	11,481	12,586	13,302	14,280	15,296
Growth (%)	12.8	9.6	5.7	7.4	7.1
Net revenues (Rs m)	8,56,510	10,14,560	11,01,686	11,85,983	12,70,410
Employee & Direct Costs	5,47,010	6,61,550	8,09,213	8,70,102	9,33,898
Gross Profit	3,09,500	3,53,010	2,92,473	3,15,881	3,36,512
Gross Margin %	36.14	34.79	26.55	26.63	26.49
SG&A	1,09,090	1,26,720	48,213	51,472	55,334
EBITDA	2,00,410	2,26,290	2,44,260	2,64,409	2,81,177
EBITDA margins (%)	23.4	22.3	22.2	22.3	22.1
- Depreciation	38,740	41,440	42,230	41,805	41,262
Other income	8,560	10,030	10,065	12,324	14,219
Interest Exp	3,190	3,530	-	-	-
PBT	1,67,040	1,91,350	2,12,095	2,34,928	2,54,134
Effective tax rate (%)	20	24	25	26	26
+ Associates/(Minorities)	-490	50	20	-	-
Net Income	1,32,618	1,45,822	1,58,364	1,73,824	1,88,013
WANS	2,709	2,710	2,710	2,710	2,710
FDEPS (Rs/share)	49.0	53.8	58.4	64.1	69.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	1,67,040	1,91,350	2,12,095	2,34,928	2,54,134
+ Non-cash items	41,849	38,770	42,230	41,805	41,262
Operating profit before WC	2,08,889	2,30,120	2,54,325	2,76,733	2,95,396
- Incr./((decr.) in WC	5,446	13,050	5,855	15,664	14,896
Others incuding taxes	-34,353	-36,980	-57,823	-61,812	-66,843
Operating cash-flow	1,69,089	1,80,090	1,90,648	1,99,257	2,13,657
- Capex (tangible + Intangible)	16,487	16,610	11,426	12,301	13,176
Free cash-flow	1,52,602	1,63,480	1,79,221	1,86,956	2,00,481
Acquisitions	-	-7,060	-23,849	-660	-
- Dividend (including buyback & taxes)	1,13,993	1,29,950	1,50,680	1,65,748	1,82,323
+ Equity raised	-	-	0	-0	-0
+ Debt raised	-597	-16,731	-1,400	-10,555	-10,555
- Fin Investments	-54,910	-18,442	-	-	17,307
- Misc. Items (CFI + CFF)	57,101	8,119	-22,299	-360	-252
Net cash-flow	35,821	20,062	25,592	10,353	-9,452

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	5,371	5,430	5,430	5,430	5,430
Net worth	6,09,507	6,54,050	6,61,734	6,69,810	6,75,500
Total debt (incl. Pref)	39,241	22,510	21,110	10,555	-
Minority interest	895	-70	-90	-90	-90
DTL/(Asset)	-10,444	-10,910	-6,492	-7,431	-8,464
Capital employed	6,39,199	6,65,580	6,76,262	6,72,844	6,66,946
Net tangible assets	77,960	77,080	75,837	75,596	76,394
Net Intangible assets	2,67,452	2,69,110	2,63,398	2,34,794	2,05,911
Goodwill					
CWIP (tang. & intang.)	1,268	400	1,200	840	588
Other Long term Assets/(Liabilities)	-13,503	-20,490	-38,229	-37,522	-36,800
Investments (Financial)	62,443	57,690	57,690	57,690	74,997
Current Assets (ex Cash)	2,87,147	3,41,490	3,42,745	3,63,041	3,82,533
Cash	1,24,438	1,44,500	1,70,092	1,80,445	1,70,993
Current Liabilities	1,68,006	2,04,200	1,96,471	2,02,041	2,07,670
Working capital	1,19,141	1,37,290	1,46,275	1,61,000	1,74,863
Capital deployed	6,39,199	6,65,580	6,76,262	6,72,844	6,66,946
Contingent Liabilities	8,920	2,330	-	-	-
	-	-	-0.1	-0.1	-0.1

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	30.6	27.9	26.1	23.8	22.0
EV/EBITDA (x)	19.6	17.3	16.1	14.8	13.9
EV/sales (x)	4.7	3.9	3.6	3.3	3.1
P/B (x)	6.8	6.3	6.3	6.2	6.1
RoE (%)	21.9	23.5	24.1	26.1	28.0
RoCE (%) - After tax	18.1	19.6	20.3	21.7	23.5
RoIC (%) - After tax	25.1	26.8	28.5	31.4	34.6
DPS (Rs per share)	44.0	48.0	55.6	61.2	67.3
Dividend yield (%)	2.9	3.1	3.6	4.0	4.4
Dividend payout (%) - Inc. DDT	88.2	87.6	95.1	95.4	97.0
Net debt/equity (x)	-0.2	-0.3	-0.3	-0.3	-0.4
Receivables (days)	87	94	92	92	92
Inventory (days)					
Payables (days)	13	12	22	21	20
CFO:PAT%	124.6	121.3	120.4	114.6	113.6
FCF:PAT% - includ M&A payout	115.1	107.3	98.1	107.2	106.6

Source: Company, Anand Rathi Research

Wipro - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	10,356	11,160	10,821	11,185	11,828
Growth (%)	27.3	7.8	-3.0	3.4	5.8
Net revenues (Rs m)	7,90,934	9,04,876	8,98,021	9,30,944	9,84,034
Employee & Direct Costs	5,92,590	6,92,929	6,86,487	6,95,349	7,33,306
Gross Profit	1,98,344	2,11,947	2,11,535	2,35,596	2,50,727
Gross Margin %	25.08	23.42	23.56	25.31	25.48
SG&A	33,688	43,411	42,227	44,936	43,875
EBITDA	1,64,656	1,68,536	1,69,308	1,90,660	2,06,853
EBITDA margins (%)	20.8	18.6	18.9	20.5	21.0
- Depreciation	30,911	33,402	35,168	41,454	47,569
Other income	22,798	22,657	23,914	22,903	24,016
Interest Exp	5,325	10,077	12,369	10,000	8,000
PBT	1,51,218	1,47,714	1,45,684	1,62,110	1,75,300
Effective tax rate (%)	19	23	24	25	25
+ Associates/(Minorities)	-81	-222	-532	-272	-272
Net Income	1,22,191	1,13,500	1,09,830	1,21,217	1,30,381
WANS	5,482	5,487	5,231	5,041	4,868
FDEPS (Rs/share)	22.3	20.7	21.0	24.0	26.8

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	1,51,218	1,47,714	1,45,684	1,62,110	1,75,300
+ Non-cash items	21,753	27,661	35,168	41,454	47,569
Operating profit before WC	1,72,971	1,75,375	1,80,853	2,03,563	2,22,869
- Incr./ (decr.) in WC	36,488	14,556	-458	11,685	14,614
Others including taxes	-25,686	-30,218	-24,222	-41,811	-45,921
Operating cash-flow	1,10,797	1,30,601	1,57,089	1,50,067	1,62,334
- Capex (tangible + Intangible)	20,153	14,834	8,474	12,023	10,997
Free cash-flow	90,644	1,15,767	1,48,614	1,38,043	1,51,336
Acquisitions	-1,29,846	-47,350	-1,773	-	-
- Dividend (including buyback & taxes)	4,332	32,814	1,52,831	1,21,891	1,21,718
+ Equity raised	6	12	-	-	-
+ Debt raised	68,310	-7,876	-30,019	-36,022	-25,216
- Fin Investments	61,878	65,747	-13,198	-95,026	-66,518
- Misc. Items (CFI + CFF)	28,861	-26,052	-0	-	-
Net cash-flow	-65,957	-11,956	-22,810	75,156	70,921

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	10,964	10,976	10,976	10,976	10,976
Net worth	6,58,158	7,81,164	7,38,163	7,37,489	7,46,152
Total debt (incl. Pref)	1,51,696	1,50,093	1,20,074	84,052	58,836
Minority interest	515	589	1,121	1,393	1,665
DTL/(Asset)	-2,786	-3,960	-533	-533	-533
Capital employed	8,07,583	9,27,886	8,58,825	8,22,401	8,06,120
Net tangible assets	93,480	1,01,038	74,344	44,914	8,342
Net Intangible assets	2,90,544	3,51,015	3,52,788	3,52,788	3,52,788
Goodwill					
CWIP (tang. & intang.)	16,288	6,323	6,323	6,323	6,323
Other Long term Assets/(Liabilities)	-30,942	-37,766	-47,351	-46,160	-44,886
Investments (Financial)	2,60,764	3,29,952	3,16,754	2,21,728	1,55,209
Current Assets (ex Cash)	2,77,653	2,55,756	2,45,518	2,54,519	2,69,033
Cash	1,03,836	91,880	69,070	1,44,226	2,15,147
Current Liabilities	2,04,040	1,70,312	1,58,620	1,55,936	1,55,837
Working capital	73,613	85,444	86,898	98,583	1,13,197
Capital deployed	8,07,583	9,27,886	8,58,825	8,22,401	8,06,120
Contingent Liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	19.7	21.2	21.9	19.9	18.5
EV/EBITDA (x)	13.0	12.7	12.6	11.2	10.3
EV/sales (x)	3.04	2.60	2.62	2.51	2.35
P/B (x)	4.0	3.4	3.5	3.6	3.5
RoE (%)	20.2	15.8	14.5	16.4	17.6
RoCE (%) - After tax	13.9	11.1	10.4	12.1	13.3
RoIC (%) - After tax	25.8	19.0	17.9	20.5	22.5
DPS (Rs per share)	6.0	1.0	1.0	1.0	1.0
Dividend yield (%)	1.3	0.2	0.2	0.2	0.2
Dividend payout (%) - Inc. DDT	26.9	134.9	139.2	100.6	93.4
Net debt/equity (x)	-0.3	-0.3	-0.4	-0.4	-0.4
Receivables (days)	83	76	76	76	76
Inventory (days)					
Payables (days)	46	44	42	40	38
CFO:PAT%	91	115	142	124	124
FCF:PAT% - includ M&A payout	-32	60	134	114	116

Source: Company, Anand Rathi Research

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	5,998	6,607	6,283	6,400	6,876
Growth (%)	17.4	10.1	-4.9	1.9	7.4
Net revenues (Rs m)	4,46,460	5,32,902	5,20,336	5,31,544	5,71,110
Employee & Direct Costs	3,09,719	3,81,197	3,91,084	3,87,616	4,12,249
Gross Profit	1,36,741	1,51,705	1,29,252	1,43,928	1,58,861
Gross Margin %	30.63	28.47	24.84	27.08	27.82
SG&A	56,540	71,418	71,395	71,291	68,752
EBITDA	80,201	80,287	57,857	72,637	90,109
EBITDA margins (%)	18.0	15.1	11.1	13.7	15.8
- Depreciation	15,204	19,567	18,080	19,014	21,356
Other income	11,123	7,280	-2,227	7,543	7,170
Interest Exp	1,626	3,256	4,386	2,495	939
PBT	74,494	64,744	33,165	58,671	74,983
Effective tax rate (%)	24	25	23	25	26
+ Associates/(Minorities)	-612	-547	-385	-161	-66
Net Income	55,662	48,312	25,025	43,843	55,421
WANS	886	886	886	886	886
FDEPS (Rs/share)	62.8	54.5	28.2	49.5	62.5

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	74,494	64,744	33,165	58,671	74,983
+ Non-cash items	15,839	29,358	24,674	11,471	14,186
Operating profit before WC	90,333	94,102	57,839	70,142	89,169
- Incr./(decr.) in WC	14,343	18,451	-4,802	8,470	6,979
Others incuding taxes	-23,137	-19,931	-2,746	-21,431	-27,273
Operating cash-flow	52,853	55,720	59,896	40,241	54,917
- Capex (tangible + Intangible)	9,584	10,152	7,311	7,468	8,024
Free cash-flow	43,269	45,568	52,585	32,773	46,893
Acquisitions	-46,613	-10,672	-6,569	-	-
- Dividend (including buyback & taxes)	39,808	42,633	40,407	42,427	44,548
+ Equity raised	868	442	-	-0	0
+ Debt raised	-1,625	-35	-1,047	-7,851	-6,885
- Fin Investments	-57,651	-7,734	-1,957	-3,718	-6,692
- Misc. Items (CFI + CFF)	2,656	-414	11,977	-8,170	-7,170
Net cash-flow	11,086	818	-5,458	-5,617	9,322

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	4,388	4,400	4,400	4,400	4,400
Net worth	2,68,857	2,79,245	2,63,863	2,65,279	2,76,152
Total debt (incl. Pref)	15,817	15,782	14,735	6,885	-
Minority interest	4,954	4,702	5,087	5,248	5,313
DTL/(Asset)	-3,639	-9,704	-11,649	-11,649	-11,649
Capital employed	2,85,989	2,90,025	2,72,036	2,65,762	2,69,816
Net tangible assets	36,195	39,594	34,737	23,192	9,860
Net Intangible assets	1,13,610	1,09,334	1,09,991	1,09,991	1,09,991
Goodwill					
CWIP (tang. & intang.)	1,651	836	1,254	627	627
Other Long term Assets/(Liabilities)	-5,059	6,553	6,507	13,270	21,048
Investments (Financial)	46,869	39,135	37,178	33,460	26,768
Current Assets (ex Cash)	1,60,462	1,69,009	1,54,831	1,56,837	1,67,084
Cash	39,745	40,563	35,105	29,488	38,810
Current Liabilities	1,07,484	1,14,999	1,07,568	1,01,104	1,04,371
Working capital	52,978	54,010	47,263	55,733	62,712
Capital deployed	2,85,989	2,90,025	2,72,036	2,65,762	2,69,816
Contingent Liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	19.9	22.9	44.2	25.2	20.0
EV/EBITDA (x)	13.1	13.1	18.1	14.4	11.6
EV/sales (x)	2.32	1.96	2.01	1.98	1.82
P/B (x)	4.1	4.0	4.2	4.2	4.0
RoE (%)	21.5	17.6	9.2	16.6	20.5
RoCE (%) - After tax	15.0	13.3	9.1	12.5	15.8
RoIC (%) - After tax	22.5	17.6	11.7	15.8	19.8
DPS (Rs per share)	45.0	50.0	45.6	47.9	50.3
Dividend yield (%)					
Dividend payout (%) - Inc. DDT	71.6	91.7	161.5	96.8	80.4
Net debt/equity (x)	-0.3	-0.2	-0.2	-0.2	-0.2
Receivables (days)	98	88	82	82	82
Inventory (days)					
Payables (days)	41	35	30	25	22
CFO:PAT%	94	114	236	91	99
FCF:PAT% - includ M&A payout	-6	72	184	75	85

Source: Company, Anand Rathi Research

LTIMindtree - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	2,103	4,106	4,292	4,581	5,066
Growth (%)	25.9	17.7	4.5	6.7	10.6
Net revenues (Rs m)	1,56,687	3,31,830	3,55,463	3,80,476	4,20,772
Employee & Direct Costs	1,19,893	2,48,478	2,64,149	2,79,317	3,06,555
Gross Profit	36,794	83,352	91,314	1,01,159	1,14,217
Gross Margin %	23.48	25.12	25.69	26.59	27.14
SG&A	6,339	21,375	27,460	28,822	30,351
EBITDA	30,455	61,977	63,854	72,337	83,867
EBITDA margins (%)	19.4	18.7	18.0	19.0	19.9
- Depreciation	3,549	7,227	7,909	7,851	7,014
Other income	4,667	4,670	6,748	7,399	9,450
Interest Exp	728	1,504	2,144	2,131	1,728
PBT	30,845	57,916	60,549	69,755	84,575
Effective tax rate (%)	26	24	24	25	25
+ Associates/(Minorities)	-17	-20	-21	-10	8
Net Income	22,839	44,083	45,828	52,444	63,606
WANS	174	296	296	296	296
FDEPS (Rs/share)	131	149	155	177	215

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	30,845	57,916	60,549	69,755	84,575
+ Non-cash items	3,330	5,892	7,909	7,851	7,014
Operating profit before WC changes	34,175	63,808	68,458	77,606	91,589
- Incr./((decr.) in WC	9,542	17,645	4,270	2,740	5,055
Others including taxes	-8,113	-15,217	-16,583	-17,301	-20,977
Operating cash-flow	16,520	30,946	47,605	57,565	65,557
- Capex (tangible + Intangible)	8,590	9,346	7,109	6,658	6,312
Free cash-flow	7,930	21,600	40,496	50,907	59,246
Acquisitions	-779	-1,486	-	-	-
- Dividend (including buyback & taxes)	8,749	15,627	18,964	20,860	23,989
+ Equity raised	-	-	-	-	-
+ Debt raised	105	665	-1,253	-	-
- Fin Investments	-2,189	-6,257	27,231	26,324	31,939
- Misc. Items (CFI + CFF)	517	2,482	-	-	-
Net cash-flow	179	8,927	-6,952	3,723	3,317

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	175	296	296	296	296
Net worth	88,146	1,65,921	1,92,785	2,24,369	2,63,986
Total debt (incl. Pref)	519	1,253	-	-	-
Minority interest	57	71	92	102	94
DTL/(Asset)	-444	-3,662	-3,548	-3,548	-3,548
Capital employed	88,278	1,63,583	1,89,330	2,20,923	2,60,532
Net tangible assets	11,359	22,236	21,636	21,444	21,741
Net Intangible assets	10,057	15,452	15,252	14,252	13,252
Goodwill	6,900	6,900	6,900	6,900	6,900
CWIP (tang. & intang.)	4,374	8,126	8,126	8,126	8,126
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	34,820	60,514	87,745	1,14,069	1,46,008
Current Assets (ex Cash)	55,761	1,01,435	1,05,659	1,10,618	1,19,365
Cash	7,773	23,389	16,437	20,160	23,477
Current Liabilities	35,866	67,569	65,526	67,745	71,438
Working capital	19,895	33,866	40,133	42,872	47,927
Capital deployed	88,278	1,63,583	1,89,330	2,20,923	2,60,532
Contingent Liabilities	3,803	4,184	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	63.5	32.9	31.7	27.7	22.8
EV/EBITDA (x)	43.7	21.5	20.9	18.4	15.9
EV/sales (x)	8.5	4.0	3.7	3.5	3.2
P/B (x)	16.5	8.7	7.5	6.5	5.5
RoE (%)	28.3	28.6	25.6	25.1	26.0
RoCE (%) - After tax	22.2	29.7	21.6	21.7	22.3
RoIC (%) - After tax	44.1	54.0	41.7	46.5	53.9
DPS (Rs per share)	55.0	60.0	64.0	70.4	81.0
Dividend yield (%)	1.1	1.2	1.3	1.4	1.7
Dividend payout (%) - Inc. DDT	41.9	40.3	41.4	39.8	37.7
Net debt/equity (x)	-0.5	-0.5	-0.5	-0.6	-0.6
Receivables (days)	87	80	78	78	78
Inventory (days)	-	-	-	-	-
Payables (days)	23	17	20	20	20
CFO:PAT%	72	70	104	110	103
FCF:PAT% - includ M&A payout	31	46	88	97	93

Source: Company, Anand Rathi Research

Mphasis - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	1,593	1,718	1,611	1,759	1,921
Growth (%)	21.7	7.8	-6.2	9.2	9.2
Net revenues (Rs m)	1,18,612	1,38,431	1,33,434	1,46,089	1,59,522
Employee & Direct Costs	89,501	1,03,089	98,086	1,05,519	1,15,872
Gross Profit	29,111	35,342	35,348	40,569	43,650
Gross Margin %	24.54	25.53	26.49	27.77	27.36
SG&A	8,834	10,556	10,705	12,836	13,105
EBITDA	20,277	24,786	24,643	27,733	30,544
EBITDA margins (%)	17.1	17.9	18.5	19.0	19.1
- Depreciation	2,906	3,253	3,864	4,594	5,044
Other income	2,504	1,171	1,375	1,965	2,132
Interest Exp	744	973	1,584	1,553	974
PBT	19,131	21,731	20,569	23,552	26,658
Effective tax rate (%)	25	25	25	25	25
+ Associates/(Minorities)	-	-	-	-	-
Net Income	14,310	16,380	15,445	17,624	19,948
WANS	187	189	190	190	190
FDEPS (Rs/share)	76.4	86.5	81.2	92.7	104.9

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	19,131	21,731	20,569	23,552	26,658
+ Non-cash items	3,214	4,592	3,575	4,481	4,186
Operating profit before WC	22,344	26,323	24,144	28,033	30,844
- Incr./(decr.) in WC	1,501	5,779	-2,942	974	3,171
Others including taxes	-3,686	-5,926	-5,125	-5,928	-6,710
Operating cash-flow	17,157	14,618	21,962	21,131	20,963
- Capex (tangible + Intangible)	1,200	1,131	824	1,632	1,782
Free cash-flow	15,957	13,486	21,138	19,499	19,181
Acquisitions	-5,219	-	-15,208	-2,492	-
- Dividend (including buyback & taxes)	12,177	8,652	10,938	12,579	14,465
+ Equity raised	442	271	-	-	-
+ Debt raised	32	-3,557	4,612	-2,639	-3,958
- Fin Investments	-1,798	-2,936	7,010	7,361	2,552
- Misc. Items (CFI + CFF)	1,961	3,420	-2,204	-1,262	-2,121
Net cash-flow	-1,128	1,064	-5,203	-4,309	327

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	1,878	1,884	1,884	1,884	1,884
Net worth	69,431	79,348	83,855	88,900	94,383
Total debt (incl. Pref)	5,272	1,985	6,597	3,958	-
Minority interest	-	-	-	-	-
DTL/(Asset)	-5,979	-1,392	-7,968	-7,844	-7,708
Capital employed	68,724	79,941	82,484	85,014	86,675
Net tangible assets	8,693	11,012	8,744	6,702	4,449
Net intangible assets	1,695	0	14,435	16,008	14,999
Goodwill	27,348	29,586	29,586	29,586	29,586
CWIP (tang. & intang.)	110	324	324	324	324
Long-term Assets (Liabilities)	-7,642	-8,543	-10,252	-11,277	-12,404
Investments (Financial)	18,130	17,526	24,536	31,897	34,449
Current Assets (ex Cash)	33,317	43,390	35,216	36,435	39,861
Cash	9,494	10,558	5,355	1,046	1,373
Current Liabilities	22,421	23,912	25,462	25,707	25,962
Working capital	10,896	19,478	9,754	10,728	13,899
Capital deployed	68,724	79,941	82,484	85,014	86,675
Contingent Liabilities	21,330	18,973	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	32.4	28.6	30.5	26.8	23.6
EV/EBITDA (x)	22.0	18.0	18.1	16.1	14.6
EV/sales (x)	3.7	3.2	3.3	3.0	2.7
P/B (x)	6.8	5.9	5.6	5.3	5.0
RoE (%)	21.2	22.0	18.9	20.4	21.8
RoCE (%) - After tax	15.8	18.4	16.2	16.7	17.9
RoIC (%) - After tax	24.2	27.0	23.1	23.9	26.3
DPS (Rs per share)	46.0	50.0	57.5	66.1	76.0
Dividend yield (%)	1.9	2.0	2.3	2.7	3.1
Dividend payout (%) - Inc. DDT	60.2	57.8	70.8	71.4	72.5
Net debt/equity (x)	-0.3	-0.3	-0.3	-0.3	-0.4
Receivables (days)	69	72	74	76	78
Inventory (days)					
Payables (days)	32	28	26	24	22
CFO:PAT%	120	89	142	120	105
FCF:PAT% - includ M&A payout	75	82	38	96	96

Persistent Systems - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	766	1,036	1,186	1,382	1,630
Growth (%)	35.2	35.3	14.5	16.5	17.9
Net revenues (Rs m)	57,107	83,506	98,114	1,14,775	1,35,361
Employee & Direct Costs	37,895	55,315	64,937	75,597	88,380
Gross Profit	19,213	28,191	33,177	39,179	46,981
Gross Margin %	33.64	33.76	33.81	34.14	34.71
SG&A	9,557	12,999	15,727	17,316	19,315
EBITDA	9,655	15,191	17,450	21,863	27,666
EBITDA margins (%)	16.9	18.2	17.8	19.0	20.4
- Depreciation	1,660	2,719	3,037	3,096	3,010
Other income	1,248	-64	300	783	1,007
Interest Exp					
PBT	9,243	12,409	14,714	19,550	25,664
Effective tax rate (%)	25	26	26	26	26
+ Associates/(Minorities)					
Net Income	6,904	9,211	10,916	14,399	18,901
WANS	76	76	154	154	154
FDEPS (Rs/share)	90.3	120.5	71.0	93.6	122.9

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	9,243	12,409	14,714	19,550	25,664
+ Non-cash items	1,981	4,931	2,582	2,525	2,253
Operating profit before WC changes	11,224	17,340	17,296	22,075	27,917
- Incr./((decr.) in WC	407	4,377	5,639	1,197	3,252
Others including taxes	-2,368	-3,405	-3,797	-5,152	-6,763
Operating cash-flow	8,450	9,558	7,859	15,726	17,903
- Capex (tangible + Intangible)	3,808	4,321	3,033	2,123	2,123
Free cash-flow	4,642	5,237	4,826	13,603	15,779
Acquisitions	6,154	4,311	1,741	1,102	-
- Dividend (including buyback & taxes)	1,987	2,981	4,257	6,379	9,375
+ Equity raised	-	-	-	-	-
+ Debt raised	4,279	-40	-1,714	-2,571	-
- Fin Investments	-1,992	-3,879	4,135	3,007	4,511
- Misc. Items (CFI + CFF)	3,437	2,273	-150	-571	-757
Net cash-flow	-665	-488	-6,872	1,115	2,650

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	764	764	764	764	764
Net worth	33,682	39,651	46,310	54,330	63,856
Total debt (including Pref)	4,326	4,285	2,571	-	-
Minority interest					
DTL/(Asset)	-1,123	-1,129	-1,434	-1,434	-1,434
Capital employed	36,885	42,807	47,446	52,895	62,422
Net tangible assets	4,276	7,058	7,012	6,944	7,004
Net Intangible assets	8,270	9,171	10,697	10,978	10,199
Goodwill	2,790	7,184	7,184	7,184	7,184
CWIP (tangible and intangible)	1,071	161	420	336	168
Investments (Strategic)	3,878	4,516	4,516	4,516	4,516
Investments (Financial)	4,347	1,880	6,015	9,022	13,534
Current Assets (ex Cash) Incl LT assets	19,242	26,059	30,300	33,799	39,275
Cash	9,144	9,033	2,161	3,276	5,926
Current Liabilities (ex ST Loan/Current Portion) i	16,133	22,256	20,858	23,159	25,383
Working capital	3,110	3,804	9,443	10,640	13,892
Capital deployed	36,885	42,807	47,446	52,895	62,422
Contingent Liabilities	869	1,205	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	88.5	66.3	56.0	42.4	32.3
EV/EBITDA (x)	61.9	39.3	34.2	27.3	21.6
EV/sales (x)	5.2	3.6	3.0	2.5	2.1
P/B (x)	18.1	15.4	13.2	11.2	9.6
RoE (%)	22.4	25.1	25.4	28.6	32.0
RoCE (%) - After tax	17.0	20.4	21.3	25.6	29.5
RoIC (%) - After tax	35.9	31.9	29.5	35.2	44.0
DPS (Rs per share)	26.0	39.0	27.7	41.5	60.9
Dividend yield (%)	0.7	1.0	0.7	1.0	1.5
Dividend payout (%) - Inc. DDT	28.8	32.4	39.0	44.3	49.6
Net debt/equity (x)	-0.4	-0.3	-0.2	-0.3	-0.4
Receivables (days)	81	90	90	90	90
Inventory (days)					
Payables (days)	33	30	31	30	29
CFO:PAT%	122	104	72	109	95
FCF:PAT% - includ M&A payout	-23	10	28	87	83

Source: Company, Anand Rathi Research

LTTS - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	880	990	1,168	1,351	1,553
Growth (%)	19.5	12.4	18.0	15.7	14.9
Net revenues (Rs m)	65,697	80,136	96,754	1,12,234	1,28,996
Employee & Direct Costs	43,791	53,981	68,576	79,528	92,234
Gross Profit	21,906	26,155	28,179	32,706	36,762
Gross Margin %	33.34	32.64	29.12	29.14	28.50
SG&A	7,757	9,023	8,786	9,539	10,198
EBITDA	14,149	17,132	19,393	23,167	26,564
EBITDA margins (%)	21.5	21.4	20.0	20.6	20.6
- Depreciation	2,144	2,314	2,703	3,119	3,301
Other income	1,524	2,080	2,006	1,662	2,036
Interest Exp	437	460	508	524	524
PBT	13,092	16,438	18,188	21,186	24,776
Effective tax rate (%)	27	29	28	28	28
+ Associates/(Minorities)	-36	-43	-27	-20	-16
Net Income	9,570	11,698	13,138	15,349	18,033
WANS	105	106	106	106	106
FDEPS (Rs/share)	90.7	110.4	124.0	144.9	170.2

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	13,092	16,438	18,188	21,186	24,776
+ Non-cash items	1,985	2,471	1,205	1,981	1,789
Operating profit before WC changes	15,077	18,909	19,393	23,167	26,564
- Incr./(decr.) in WC	1,452	1,188	2,360	4,228	4,780
Others including taxes	-3,563	-4,670	-5,740	-5,817	-6,726
Operating cash-flow	10,062	13,051	11,292	13,122	15,058
- Capex (tangible + Intangible)	1,555	1,726	3,051	2,979	2,778
Free cash-flow	8,507	11,325	8,241	10,144	12,279
Acquisitions	-	-	-7,978	-	-
- Dividend (including buyback & taxes)	3,633	3,167	5,616	6,739	8,086
+ Equity raised	1	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-1,210	5,018	-9,757	732	768
- Misc. Items (CFI + CFF)	5,489	141	-1,498	-1,138	-1,512
Net cash-flow	596	2,999	5,903	3,811	4,936
Cash classified as other asset/overdraft	-	-	-	-	-

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	211	211	211	211	211
Net worth	41,625	49,509	57,032	65,642	75,589
Total debt (including Pref)	-	-	-	-	-
Minority interest	137	180	207	227	243
DTL/(Asset)	671	259	287	287	287
Capital employed	42,433	49,948	57,525	66,155	76,118
Net tangible assets	6,397	6,537	6,886	6,745	6,223
Net Intangible assets	6,430	6,403	14,381	14,381	14,381
Goodwill	6,430	6,403	14,381	14,381	14,381
CWIP (tangible and intangible)	99	65	65	65	65
Investments (Strategic)					
Investments (Financial)	19,174	24,393	14,636	15,368	16,136
Current Assets (ex Cash) Incl LT assets	26,325	26,291	40,348	45,307	50,478
Cash	2,347	5,346	11,249	15,060	19,996
Current Liabilities (ex ST Loan/Current Portion) i	18,339	19,087	30,039	30,770	31,161
Working capital	7,986	7,204	10,309	14,537	19,318
Capital deployed	42,433	49,948	57,525	66,155	76,118
Contingent Liabilities					

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	63.8	52.2	46.5	39.8	33.9
EV/EBITDA (x)	41.2	34.0	30.0	25.1	21.9
EV/sales (x)	8.9	7.2	6.0	5.1	4.4
P/B (x)	14.7	12.3	10.7	9.3	8.1
RoE (%)	25.1	25.7	24.7	25.0	25.5
RoCE (%) - After tax	20.0	20.7	20.6	21.8	22.3
RoIC (%) - After tax	35.8	41.3	39.2	37.7	39.7
DPS (Rs per share)	35.0	45.0	53.0	63.6	76.3
Dividend yield (%)	0.6	0.8	0.9	1.1	1.3
Dividend payout (%) - Inc. DDT	38.0	40.8	42.7	43.9	44.8
Net debt/equity (x)	-0.5	-0.6	-0.5	-0.5	-0.5
Receivables (days)	109	93	125	122	119
Inventory (days)					
Payables (days)	12	26	60	50	40
CFO:PAT%	105	111	86	85	83
FCF:PAT% - incl M&A payout	89	97	2	66	68

Source: Company, Anand Rathi Research

Coforge - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23e	FY24e	FY25e	FY26e
Revenues (US\$m)	867	1,002	1,123	1,288	1,503
Growth (%)	38.0	15.6	12.1	14.7	16.7
Net revenues (Rs m)	64,320	80,146	92,357	1,06,966	1,24,867
Employee & Direct Costs	42,645	54,095	63,357	73,543	87,030
Gross Profit	21,675	26,051	29,001	33,422	37,837
Gross Margin %	33.70	32.50	31.40	31.25	30.30
SG&A	10,251	11,989	13,629	14,856	15,747
EBITDA	11,424	14,062	15,372	18,567	22,090
EBITDA margins (%)	17.8	17.5	16.6	17.4	17.7
- Depreciation	2,272	2,585	3,151	3,171	3,147
Other income (includes exceptional items)	115	-2,485	-50	392	500
Interest Exp	650	806	1,232	1,152	561
PBT	8,617	8,186	10,938	14,635	18,883
Effective tax rate (%)	17	22	20	23	24
+ Associates/(Minorities)	-530	-513	-259	-91	-37
Net Income	6,619	6,938	8,594	11,248	14,403
WANS	62	62	62	64	64
FDEPS (Rs/share)	106.6	111.5	137.7	174.9	224.0

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23e	FY24e	FY25e	FY26e
PBT	8,617	8,186	10,938	14,635	18,883
+ Non-cash items	3,118	5,146	4,433	3,932	3,207
Operating profit before WC	11,735	13,332	15,372	18,567	22,090
- Incr./(decr.) in WC	1,433	1,027	4,266	1,299	1,095
Others including taxes	-2,646	-2,800	-2,250	-3,297	-4,442
Operating cash-flow	7,656	9,505	8,855	13,971	16,553
- Capex	1,541	1,582	2,747	2,379	1,840
Free cash-flow	6,115	7,923	6,109	11,592	14,713
Acquisitions	9,286	1,222	3,523	-	-
- Dividend (including buyback & taxes)	3,748	4,285	4,744	6,172	7,407
+ Equity raised	51	18	-	-	-
+ Debt raised	3,519	-180	5,073	-3,382	-5,073
- Fin Investments	-394	-21	-	-	-
- Misc. Items (CFI + CFF)	632	1,023	1,117	761	61
Net cash-flow	-3,587	1,252	1,798	1,277	2,172

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23e	FY24e	FY25e	FY26e
Share capital	609	611	611	611	611
Net worth	26,722	30,214	34,064	39,140	46,136
Total debt (including Pref)	3,545	3,382	8,455	5,073	-
Minority interest	983	874	1,133	1,224	1,261
DTL/(Asset)	-1,970	-3,174	-4,301	-4,301	-4,301
Capital employed	29,889	31,907	39,963	41,747	43,707
Net tangible assets	5,928	6,820	7,968	8,761	9,028
Net Intangible assets (includes googdwill)	14,739	16,299	18,247	16,661	15,088
Goodwill					
CWIP (tangible and intangible)	168	46	69	69	69
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	-	-	-	-	-
Current Assets (ex Cash) Incl LT assets	21,438	24,125	30,395	34,839	39,893
Cash	4,535	5,787	7,585	8,862	11,034
Current Liabilities (ex ST Loan/Current Portion) i	16,919	21,170	24,301	27,446	31,405
Working capital	4,519	2,955	6,094	7,394	8,488
Capital deployed	29,889	31,907	39,963	41,747	43,707
Contingent Liabilities					

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23e	FY24e	FY25e	FY26e
P/E (x)	55.1	52.6	42.4	32.4	25.3
EV/EBITDA (x)	31.8	25.8	23.6	19.6	16.4
EV/sales (x)	5.6	4.5	3.9	3.4	2.9
P/B (x)	13.3	11.8	10.5	9.2	7.8
RoE (%)	25.5	23.9	26.2	30.2	33.3
RoCE (%) - After tax	23.6	21.2	19.2	21.3	24.4
RoIC (%) - After tax	27.5	22.1	19.5	21.9	27.9
DPS (Rs per share)	52.0	64.0	76.0	96.0	115.2
Dividend yield (%)	0.9	1.1	1.3	1.7	2.0
Dividend payout (%) - Inc. DDT	48.8	57.4	55.2	54.9	51.4
Net debt/equity (x)	-0.0	-0.1	0.0	-0.1	-0.2
Receivables (days)	95	88	90	90	89
Inventory (days)					
Payables (days)	45	38	43	41	40
CFO:PAT%	115.7	137.0	103.0	124.2	114.9
FCF:PAT% - includ M&A payout	-47.9	96.6	30.1	103.1	102.1

Source: Company, Anand Rathi Research

Firstsource Solutions - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	795	751	762	829	909
Growth (%)	16.2	-5.6	1.4	8.8	9.7
Net revenues (Rs m)	58,657	59,859	63,048	68,836	75,520
Employee & Direct Costs	39,468	38,675	38,714	42,702	46,849
Gross Profit	19,190	21,184	24,334	26,133	28,671
Gross Margin %	32.7	35.4	38.6	38.0	38.0
SG&A	10,145	13,283	14,745	15,169	16,508
EBITDA	9,044	7,901	9,589	10,964	12,163
EBITDA margins (%)	15.4	13.2	15.2	15.9	16.1
- Depreciation	2,494	2,632	2,592	2,942	3,161
Other income	560	1,672	426	403	450
Interest Exp	639	790	1,016	825	546
PBT	6,471	6,152	6,407	7,599	8,906
Effective tax rate (%)	17	16	19	21	23
+ Associates/(Minorities)	8	0	1	0	0
Net Income	5,373	5,137	5,176	6,008	6,863
WANS	706	702	702	702	702
FDEPS (Rs/share)	7.6	7.3	7.4	8.6	9.8

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	6,471	6,152	6,407	7,599	8,906
+ Non-cash items	3,394	1,689	3,541	3,667	3,590
Operating profit before WC	9,865	7,841	9,949	11,266	12,496
- Incr./ (decr.) in WC	1,884	-765	2,199	1,143	1,616
Others including taxes	-945	-656	-1,697	-1,789	-2,264
Operating cash-flow	7,036	7,950	6,053	8,334	8,616
- Capex (tangible + Intangible)	850	536	740	851	979
Free cash-flow	6,185	7,414	5,313	7,483	7,637
Acquisitions	-5,067	-276	-583	-300	-
- Dividend (including buyback & taxes)	2,384	2,384	3,159	3,159	3,861
+ Equity raised	37	-	-	-	-
+ Debt raised	3,905	-2,351	-1,115	-2,146	-5,008
- Fin Investments	316	-428	-113	-	-447
- Misc. Items (CFI + CFF)	2,835	2,213	950	725	429
Net cash-flow	-475	617	-381	1,152	-1,214

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	6,970	6,970	6,970	6,970	6,970
Net worth	30,329	33,668	34,692	36,980	39,422
Total debt (incl. Pref)	10,097	8,270	7,155	5,008	-
Minority interest	4	4	4	4	4
DTL/(Asset)	-1,859	-2,539	-2,567	-2,477	-2,381
Capital employed	38,571	39,403	39,284	39,515	37,044
Net tangible assets	9,043	6,698	6,141	5,521	4,920
Net Intangible assets	1,215	1,015	309	-423	-1,564
Goodwill	27,208	29,450	28,450	27,450	26,450
CWIP (tang. & intang.)	-	34	34	34	34
Long-term Assets (Liabilities)	2,477	1,514	2,877	3,165	3,482
Investments (Financial)	1,300	751	639	639	192
Current Assets (ex Cash)	12,128	11,931	13,431	14,664	16,087
Cash	898	1,515	1,135	2,287	1,073
Current Liabilities	15,698	13,506	13,732	13,822	13,630
Working capital	-3,570	-1,575	-302	841	2,458
Capital deployed	38,571	39,403	39,284	39,515	37,044
Contingent Liabilities	763	623	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	26.4	27.6	27.4	23.6	20.7
EV/EBITDA (x)	16.1	18.4	15.2	13.3	12.0
EV/sales (x)	2.5	2.4	2.3	2.1	1.9
P/B (x)	4.7	4.2	4.1	3.8	3.6
RoE (%)	18.4	16.1	15.1	16.8	18.0
RoCE (%) - After tax	11.9	8.8	11.4	12.7	14.2
RoIC (%) - After tax	12.5	9.2	11.9	13.3	14.8
DPS (Rs per share)	3.5	3.5	4.5	4.5	5.5
Dividend yield (%)	1.7	1.7	2.2	2.2	2.7
Dividend payout (%) - Inc. DDT	46	48	61	53	56
Net debt/equity (x)	0.3	0.2	0.2	0.1	-0.0
Receivables (days)	60	63	68	68	68
Inventory (days)					
Payables (days)	13	16	18	18	16
CFO:PAT%	131	155	117	139	126
FCF:PAT% - includ M&A payout	21	139	91	120	111

Source: Company, Anand Rathi Research

Cyient - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (USm)	608	746	869	988	1,137
Growth (%)	9.2	22.7	16.4	13.7	15.1
Net revenues (Rs m)	45,344	60,159	71,971	82,064	94,421
Employee & Direct Costs	28,456	37,415	46,317	53,749	63,285
Gross Profit	16,888	22,744	25,655	28,315	31,136
Gross Margin %	37.24	37.81	35.65	34.50	32.98
SG&A	8,672	12,503	12,595	13,501	14,039
EBITDA	8,216	10,241	13,060	14,814	17,097
EBITDA margins (%)	18.1	17.0	18.1	18.1	18.1
- Depreciation	1,923	2,566	2,649	2,553	2,389
Other income	1,121	191	60	1,032	981
Interest Exp	434	999	1,119	671	336
PBT	6,980	6,867	9,352	12,622	15,354
Effective tax rate (%)	25	25	25	26	26
+ Associates/(Minorities)	-	-	-	-	-
Net Income	5,219	5,144	6,992	9,365	11,392
WANS	109	109	111	111	111
FDEPS (Rs/share)	47.8	47.2	63.1	84.5	102.8

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	6,980	6,867	9,352	12,622	15,354
+ Non-cash items	1,990	3,445	2,680	2,501	2,082
Operating profit before WC	8,970	10,312	12,032	15,122	17,436
- Incr./(decr.) in WC	973	3,485	3,950	4,235	4,115
Others including taxes	-1,652	-1,288	-2,360	-3,257	-3,962
Operating cash-flow	6,345	5,539	5,722	7,631	9,360
- Capex (tangible + Intangible)	647	675	1,017	986	1,160
Free cash-flow	5,698	4,864	4,706	6,644	8,200
Acquisitions	225	8,989	1,359	-	-
- Dividend (including buyback & taxes)	2,952	2,630	3,575	4,788	5,824
+ Equity raised	-829	79	-	-	-
+ Debt raised	-1,498	2,116	-3,734	-3,361	-1,344
- Fin Investments	3,229	606	-8,113	-615	-
- Misc. Items (CFI + CFF)	-1,051	306	1,059	-360	-646
Net cash-flow	-1,984	-5,472	3,092	-529	1,677

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	552	553	553	553	553
Net worth	31,166	34,667	40,421	44,998	50,566
Total debt (including Pref)	3,264	9,336	5,602	2,241	896
Minority interest	-32	-32	-32	-32	-32
DTL/(Asset)	97	348	155	88	13
Capital employed	34,495	44,319	46,146	47,294	51,443
Net tangible assets	6,787	7,251	5,634	3,968	2,639
Net Intangible assets	477	4,632	4,732	4,832	4,932
Goodwill	6,185	16,363	15,385	15,385	15,385
CWIP (tangible and intangible)	134	445	329	329	329
Investments (Strategic)	3,582	3,463	1,126	1,126	1,126
Investments (Financial)	866	1,718	615	-	-
Current Assets (ex Cash) Incl LT assets	16,928	23,933	28,272	30,697	33,755
Cash	12,666	7,194	10,286	9,757	11,434
Current Liabilities (ex ST Loan/Current Portion) i	13,130	20,680	20,234	18,799	18,156
Working capital	3,798	3,253	8,038	11,897	15,598
Capital deployed	34,495	44,319	46,146	47,294	51,443
Contingent Liabilities	553	519	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	43.1	43.7	32.2	24.0	19.7
EV/EBITDA (x)	26.6	21.3	16.7	14.8	12.8
EV/sales (x)	4.82	3.63	3.04	2.66	2.31
P/B (x)	7.2	6.5	5.6	5.0	4.4
RoE (%)	17.2	15.6	18.6	21.9	23.8
RoCE (%) - After tax	12.5	12.8	15.2	17.4	19.7
RoIC (%) - After tax	19.9	17.1	18.9	21.6	24.4
DPS (Rs per share)	24.0	24.1	32.3	43.2	52.6
Dividend yield (%)	1.2	1.2	1.6	2.1	2.6
Dividend payout (%) - Inc. DDT	50.2	51.1	51.1	51.1	51.1
Net debt/equity (x)	-0.3	0.0	-0.1	-0.2	-0.2
Receivables (days)	83	93	97	97	97
Inventory (days)					
Payables (days)	52	52	40	30	25
CFO:PAT%	121.6	107.7	81.8	81.5	82.2
FCF:PAT% - includ M&A payout	104.9	-80.2	47.9	70.9	72.0

BirlaSoft - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	555	595	635	702	785
Growth (%)	15.7	7.2	6.8	10.5	11.8
Net revenues (Rs m)	41,304	47,948	52,627	58,306	65,194
Employee & Direct Costs	30,413	36,459	39,458	43,856	48,677
Gross Profit	10,890	11,489	13,169	14,450	16,517
Gross Margin %	26.37	23.96	25.02	24.78	25.33
SG&A	4,489	4,774	4,983	5,073	5,223
EBITDA	6,401	6,715	8,186	9,377	11,294
EBITDA margins (%)	15.5	14.0	15.6	16.1	17.3
- Depreciation	765	823	856	958	1,093
Other income	661	228	1,013	932	906
Interest Exp	130	186	215	226	226
PBT	6,167	5,934	8,128	9,126	10,881
Effective tax rate (%)	25	25	25	25	25
+ Associates/(Minorities)	-	-	-	-	-
Net Income	4,636	3,315	6,083	6,832	8,145
WANS	282	279	281	273	266
FDEPS (Rs/share)	16.4	11.9	21.6	25.0	30.7

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	6,167	5,934	8,128	9,126	10,881
+ Non-cash items	987	1,790	-67	217	399
Operating profit before WC	7,153	7,724	8,060	9,343	11,279
- Incr./((decr.) in WC	2,563	800	-462	912	1,185
Others including taxes	-1,784	-1,315	-2,024	-2,317	-2,760
Operating cash-flow	2,807	5,609	6,499	6,114	7,335
- Capex (tangible + Intangible)	638	577	371	994	1,111
Free cash-flow	2,169	5,032	6,128	5,120	6,224
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	1,111	5,994	6,114	6,214	6,319
+ Equity raised	79	129	-	-	-
+ Debt raised	-405	-	-	-	-
- Fin Investments	2,114	-2,844	4,548	-552	210
- Misc. Items (CFI + CFF)	373	248	-1,013	-932	-906
Net cash-flow	-1,755	1,763	-3,521	392	601

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	559	550	542	534	526
Net worth	25,831	24,483	24,452	25,070	26,897
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	-	-	-	-	-
DTL/(Asset)	-1,048	-1,337	-1,272	-1,233	-1,190
Capital employed	24,782	23,146	23,180	23,838	25,707
Net tangible assets	2,584	2,325	1,840	1,876	1,893
Net Intangible assets	4,673	5,034	5,034	5,034	5,034
Goodwill	4,568	4,568	4,568	4,568	4,568
CWIP (tang. & intang.)	17	65	65	65	65
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	9,324	6,498	11,046	10,494	10,704
Current Assets (ex Cash)	12,939	11,619	12,488	13,983	15,797
Cash	2,906	4,669	1,147	1,539	2,139
Current Liabilities	7,660	7,064	8,439	9,152	9,924
Working capital	5,279	4,556	4,049	4,831	5,872
Capital deployed	24,782	23,146	23,180	23,838	25,707
Contingent Liabilities	1,513	1,513	-	-	-
	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	46.2	64.6	35.2	31.4	26.3
EV/EBITDA (x)	31.6	30.1	24.7	21.6	17.9
EV/sales (x)	4.9	4.2	3.8	3.5	3.1
P/B (x)	8.3	8.8	8.8	8.5	8.0
RoE (%)	19.5	13.2	24.9	27.6	31.3
RoCE (%) - After tax	16.4	16.4	20.8	23.5	27.1
RoIC (%) - After tax	29.9	29.0	37.4	43.0	48.4
DPS (Rs per share)	4.5	3.5	5.1	5.6	6.2
Dividend yield (%)	0.6	0.5	0.7	0.7	0.8
Dividend payout (%) - Inc. DDT	27.4	117.2	100.5	91.0	77.6
Net debt/equity (x)	-0.5	-0.5	-0.5	-0.5	-0.5
Receivables (days)	75	69	69	70	71
Inventory (days)	-	-	-	-	-
Payables (days)	25	20	24	23	22
CFO: PAT%	61	169	107	89	90
FCF: PAT% - includ M&A payout	47	152	101	75	76

Source: Company, Anand Rathi Research

KPIT Technology - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	328	418	582	695	839
Growth (%)	19.5	27.4	39.1	19.5	20.7
Net revenues (Rs m)	24,324	33,650	48,318	57,751	69,723
Employee & Direct Costs	17,074	23,462	33,182	39,893	48,491
Gross Profit	7,250	10,188	15,137	17,858	21,232
Gross Margin %	29.80	30.28	31.33	30.92	30.45
SG&A	2,866	3,835	5,329	5,904	6,035
EBITDA	4,384	6,353	9,807	11,953	15,197
EBITDA margins (%)	18.0	18.9	20.3	20.7	21.8
- Depreciation	1,196	1,464	1,956	2,344	2,429
Other income	448	376	537	513	844
Interest Exp	194	323	556	399	367
PBT	3,442	4,942	7,833	9,723	13,244
Effective tax rate (%)	20	22	25	26	26
+ Associates/(Minorities)	-18	-35	-30	-22	-22
Net Income	2,741	3,808	5,832	7,220	9,842
WANS	274	273	273	273	273
FDEPS (Rs/share)	10.0	14.0	21.4	26.5	36.1

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	3,442	4,942	7,833	9,723	13,244
+ Non-cash items	1,322	2,440	1,956	2,344	2,429
Operating profit before WC	4,763	7,382	9,788	12,067	15,673
- Incr./((decr.) in WC	-875	1,498	-561	1,545	1,940
Others including taxes	-888	-1,260	-3,364	-2,168	-3,383
Operating cash-flow	4,750	4,624	6,985	8,354	10,350
- Capex (tangible + Intangible)	686	1,295	1,014	1,212	940
Free cash-flow	4,064	3,329	5,971	7,142	9,410
Acquisitions	-858	-6,229	-5,092	-1,768	-
- Dividend (including buyback & taxes)	741	892	2,020	3,030	4,544
+ Equity raised	-	-	-	-	-
+ Debt raised	-5	-63	-492	-	-
- Fin Investments	-42	-5,280	287	1,246	2,492
- Misc. Items (CFI + CFF)	582	4,334	19	-114	-476
Net cash-flow	1,920	-2,909	-1,939	1,213	2,850

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	2,700	2,703	2,703	2,703	2,703
Net worth	13,096	16,515	20,327	24,518	29,816
Total debt (incl. Pref)	26	492	-	-	-
Minority interest	155	118	147	169	191
DTL/(Asset)	-764	-699	-769	-769	-769
Capital employed	12,513	16,426	19,706	23,919	29,238
Net tangible assets	4,440	4,738	4,970	5,244	5,213
Net Intangible assets	290	2,272	9,727	12,387	12,424
Goodwill	1,679	10,103	6,567	4,268	2,774
CWIP (tang. & intang.)	4	56	56	56	56
Longterm assets (Liabilities)	-2,923	-5,646	-4,235	-4,662	-5,135
Investments (Financial)	1,615	958	1,246	2,492	4,983
Current Assets (ex Cash)	5,138	9,135	10,233	12,231	14,766
Cash	8,928	5,491	3,552	4,765	7,616
Current Liabilities	6,657	10,682	12,410	12,863	13,458
Working capital	-1,519	-1,547	-2,177	-632	1,308
Capital deployed	12,513	16,426	19,706	23,918	29,238
Contingent Liabilities	131	151	-	-	-
	-	-0.0	-0.0	1.0	-0.0

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	149.6	107.7	70.3	56.8	41.7
EV/EBITDA (x)	92.1	63.6	41.2	33.8	26.6
EV/sales (x)	16.4	12.0	8.4	7.0	5.7
P/B (x)	31.3	24.8	20.2	16.7	13.7
RoE (%)	21.9	25.7	31.7	32.2	36.2
RoCE (%) - After tax	16.3	19.0	23.8	25.1	28.2
RoIC (%) - After tax	40.7	33.0	30.8	31.9	39.9
DPS (Rs per share)	3.1	4.1	7.4	11.1	16.7
Dividend yield (%)	0.2	0.3	0.5	0.7	1.1
Dividend payout (%) - Inc. DDT	31.0	29.4	34.6	42.0	46.2
Net debt/equity (x)	-0.8	-0.4	-0.2	-0.3	-0.4
Receivables (days)	66	84	70	70	70
Inventory (days)					
Payables (days)	25	22	24	24	24
CFO:PAT%	172	120	119	115	105
FCF:PAT% - includ M&A payout	117	-76	15	74	96

Source: Company, Anand Rathi Research

Zensar - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	569	604	591	609	658
Growth (%)	12.7	6.1	-2.2	3.0	8.0
Net revenues (Rs m)	42,437	48,482	48,916	50,578	54,643
Employee & Direct Costs	29,214	35,000	33,241	34,620	37,066
Gross Profit	13,223	13,482	15,675	15,958	17,577
Gross Margin %	31.16	27.81	32.04	31.55	32.17
SG&A	6,657	7,960	6,939	7,542	7,967
EBITDA	6,566	5,522	8,736	8,416	9,610
EBITDA margins (%)	15.5	11.4	17.9	16.6	17.6
- Depreciation	1,849	1,830	1,413	1,248	1,248
Other income	1,324	1,028	1,385	1,336	1,809
Interest Exp	354	278	245	248	307
PBT	5,687	4,442	8,463	8,256	9,864
Effective tax rate (%)	27	26	24	26	26
+ Associates/(Minorities)	-	-	-	-	-
Net Income	4,163	3,276	6,397	6,135	7,330
WANS	228	227	228	228	228
FDEPS (Rs/share)	18.3	14.4	28.0	26.9	32.1

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	5,687	4,442	8,463	8,256	9,864
+ Non-cash items	1,604	1,513	273	160	-255
Operating profit before WC changes	7,291	5,955	8,736	8,416	9,610
- Incr./(decr.) in WC	2,401	-2,026	1,372	643	1,004
Others including taxes	-1,533	-838	-2,066	-2,121	-2,534
Operating cash-flow	3,357	7,143	5,298	5,652	6,072
- Capex (tangible + Intangible)	568	368	371	506	519
Free cash-flow	2,789	6,775	4,927	5,146	5,553
Acquisitions	-1,773	-	-	-	-
- Dividend (including buyback & taxes)	881	1,132	1,416	1,699	2,039
+ Equity raised	32	4	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-2,138	5,500	-1,728	490	514
- Misc. Items (CFI + CFF)	743	457	-1,140	-1,088	-1,503
Net cash-flow	1,562	-310	6,380	4,045	4,502

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	452	453	453	453	453
Net worth	26,869	29,762	34,743	39,179	44,471
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	-	-	-	-	-
DTL/(Asset)	-539	-958	-1,150	-1,150	-1,150
Capital employed	26,330	28,804	33,594	38,030	43,321
Net tangible assets	3,810	3,262	2,785	2,542	2,313
Net Intangible assets	8,729	8,473	7,908	7,409	6,909
Goodwill	7,011	7,454	7,454	7,454	7,454
CWIP (tang. & intang.)	12	-	-	-	-
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	6,746	11,522	9,794	10,283	10,798
Current Assets (ex Cash)	13,505	12,251	13,219	13,777	14,965
Cash	5,054	4,744	11,124	15,169	19,671
Current Liabilities	11,526	11,448	11,236	11,151	11,336
Working capital	1,979	803	1,983	2,626	3,630
Capital deployed	26,330	28,804	33,594	38,030	43,321
Contingent Liabilities	468	502	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	34.0	43.2	22.1	23.1	19.3
EV/EBITDA (x)	18.0	21.4	13.6	14.1	12.3
EV/sales (x)	2.8	2.4	2.4	2.3	2.2
P/B (x)	5.3	4.8	4.1	3.6	3.2
RoE (%)	16.6	11.6	19.8	16.6	17.5
RoCE (%) - After tax	11.7	8.4	15.5	13.2	13.7
RoIC (%) - After tax	19.8	14.9	32.2	31.0	36.0
DPS (Rs per share)	5.0	5.0	6.2	7.4	8.9
Dividend yield (%)	0.8	0.8	1.0	1.2	1.4
Dividend payout (%) - Inc. DDT	27.4	34.7	22.1	27.7	27.8
Net debt/equity (x)	-0.4	-0.5	-0.6	-0.6	-0.7
Receivables (days)	87	73	77	78	79
Inventory (days)	-	-	-	-	-
Payables (days)	32	24	27	25	23
CFO: PAT%	80	218	83	92	83
FCF: PAT% - includ M&A payout	24	207	77	84	76

Source: Company, Anand Rathi Research

Tata Elxsi - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	331	391	432	487	572
Growth (%)	34.1	18.1	10.4	12.6	17.6
Net revenues (Rs m)	24,708	31,447	35,798	40,420	47,535
Employee & Direct Costs	15,536	19,541	21,219	24,088	28,943
Gross Profit	9,172	11,906	14,579	16,332	18,592
Gross Margin %	37.12	37.86	40.73	40.41	39.11
SG&A	1,515	2,293	3,985	4,307	4,482
EBITDA	7,657	9,613	10,593	12,025	14,109
EBITDA margins (%)	31.0	30.6	29.6	29.7	29.7
- Depreciation	553	814	973	916	916
Other income	445	738	1,113	960	1,172
Interest Exp	94	162	208	222	222
PBT	7,455	9,375	10,525	11,847	14,143
Effective tax rate (%)	26	19	24	26	26
+ Associates/(Minorities)	-	-	-	-	-
Net Income	5,497	7,552	7,957	8,799	10,504
WANS	62	62	62	62	62
FDEPS (Rs/share)	88.3	121.3	127.7	141.2	168.6

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	7,455	9,375	10,525	11,847	14,143
+ Non-cash items	440	439	973	916	916
Operating profit before WC changes	7,894	9,814	11,498	12,763	15,059
- Incr./(decr.) in WC	710	2,550	-233	1,124	1,449
Others including taxes	-2,354	-2,395	-2,761	-3,048	-3,639
Operating cash-flow	4,830	4,869	8,970	8,591	9,971
- Capex (tangible + Intangible)	712	641	730	937	1,013
Free cash-flow	4,119	4,228	8,240	7,654	8,958
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	2,989	2,647	3,775	4,342	4,993
+ Equity raised	-	-	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-	-4	-	3,173	4,125
- Misc. Items (CFI + CFF)	622	224	-	-	-
Net cash-flow	507	1,361	4,465	139	-160

Source: Company, Anand Rath Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	623	623	623	623	623
Net worth	16,009	20,858	25,039	29,496	35,008
Total debt (incl. Pref)	-	-	-	-	-
Minority interest	-	-	-	-	-
DTL/(Asset)	-90	-129	-180	-180	-180
Capital employed	15,919	20,729	24,859	29,316	34,827
Net tangible assets	2,512	3,174	2,951	2,972	3,069
Net Intangible assets	203	162	142	142	142
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	221	70	70	70	70
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	8,141	10,577	10,577	13,750	17,874
Current Assets (ex Cash)	9,014	12,185	12,474	13,935	16,183
Cash	1,511	1,339	5,804	5,942	5,782
Current Liabilities	5,683	6,777	7,157	7,494	8,294
Working capital	3,331	5,408	5,316	6,440	7,890
Capital deployed	15,919	20,729	24,859	29,316	34,827
Contingent Liabilities	420	124	-	-	-
	-	-	-0.0	-0.0	-0.0

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	90.8	66.1	62.7	56.7	47.5
EV/EBITDA (x)	62.8	50.0	45.4	40.0	34.1
EV/sales (x)	0.0	15.3	0.0	0.0	0.0
P/B (x)	31.2	23.9	19.9	16.9	14.3
RoE (%)	37.2	41.0	34.7	32.3	32.6
RoCE (%) - After tax	32.3	34.6	28.4	27.3	27.8
RoIC (%) - After tax	73.8	73.2	63.7	67.7	72.4
DPS (Rs per share)	42.5	60.6	60.6	69.7	80.1
Dividend yield (%)	0.5	0.8	0.8	0.9	1.0
Dividend payout (%) - Inc. DDT	48.2	50.0	47.4	49.3	47.5
Net debt/equity (x)	-0.6	-0.6	-0.7	-0.7	-0.7
Receivables (days)	99	113	93	93	93
Inventory (days)	-	-	-	-	-
Payables (days)	18	17	15	15	15
CF0:PAT%	88	64	113	98	95
FCF:PAT% - includ M&A payout	75	56	104	87	85

Source: Company, Anand Rath Research

Mastek - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	293	318	371	429	493
Growth (%)	26.3	8.6	16.7	15.5	15.1
Net revenues (Rs m)	21,838	25,635	30,770	35,600	40,982
Employee & Direct Costs	15,321	19,000	22,610	25,752	29,356
Gross Profit	6,518	6,635	8,160	9,848	11,627
Gross Margin %	29.85	25.88	26.52	27.66	28.37
SG&A	1,872	2,076	2,934	3,527	4,042
EBITDA	4,646	4,559	5,226	6,320	7,585
EBITDA margins (%)	21.3	17.8	17.0	17.8	18.5
- Depreciation	429	674	864	1,225	1,455
Other income	340	636	98	223	193
Interest Exp	77	247	486	507	193
PBT	4,480	4,274	3,974	4,811	6,130
Effective tax rate (%)	26	27	26	26	26
+ Associates/(Minorities)	-383	-173	-83	-	-
Net Income	2,951	2,931	2,874	3,556	4,531
WANS	28	31	31	31	31
FDEPS (Rs/share)	106.5	94.7	92.2	114.1	145.4

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	4,480	4,274	3,974	4,811	6,130
+ Non-cash items	432	868	1,108	1,379	1,676
Operating profit before WC	4,912	5,142	5,082	6,190	7,806
- Incr./decr.) in WC	1,091	2,711	785	1,465	1,921
Others including taxes	-1,090	-1,361	-1,016	-1,255	-1,599
Operating cash-flow	2,731	1,071	3,281	3,470	4,287
- Capex (tangible + Intangible)	365	315	317	366	1,036
Free cash-flow	2,366	756	2,964	3,104	3,250
Acquisitions	-1,660	-7,676	-2,337	-3,330	-847
- Dividend (including buyback & taxes)	475	573	575	711	906
+ Equity raised	19	24	381	0	-0
+ Debt raised	-779	1,645	269	-1,461	-1,761
- Fin Investments	-1,916	-69	-8	-318	-57
- Misc. Items (CFI + CFF)	30	-566	-98	-223	-193
Net cash-flow	1,357	-5,189	809	-1,858	-15

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	150	153	153	153	153
Net worth	10,714	16,835	19,515	22,359	25,984
Total debt (incl. Pref)	1,903	3,708	3,977	2,516	755
Minority interest	1,503	911	994	994	994
DTL/(Asset)	98	-166	-166	-166	-166
Capital employed	14,217	21,288	24,321	25,704	27,567
Net tangible assets	720	889	631	184	98
Net Intangible assets	1,710	2,538	2,248	1,836	1,503
Goodwill	5,980	13,976	16,313	19,643	20,490
CWIP (tang. & intang.)	44	67	67	67	67
Other Long term Assets/(Liabilities)	-2,339	-3,153	-3,279	-3,607	-3,968
Investments (Financial)	656	748	524	157	47
Current Assets (ex Cash)	7,333	9,759	11,692	13,235	15,236
Cash	7,271	2,082	2,891	1,033	1,018
Current Liabilities	7,158	5,617	6,765	6,844	6,924
Working capital	175	4,142	4,927	6,392	8,312
Capital deployed	14,217	21,288	24,321	25,704	27,567
Contingent Liabilities					

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	27.5	27.7	28.2	22.8	17.9
EV/EBITDA (x)	17.7	18.0	15.7	13.0	10.8
EV/sales (x)	3.8	3.2	2.7	2.3	2.0
P/B (x)	7.6	4.8	4.2	3.6	3.1
RoE (%)	30.6	21.3	15.8	17.0	18.7
RoCE (%) - After tax	18.3	13.0	11.8	12.5	14.1
RoIC (%) - After tax	34.3	17.2	13.3	13.6	14.6
DPS (Rs per share)	19.0	18.9	18.4	22.8	29.1
Dividend yield (%)	0.8	0.8	0.8	1.0	1.3
Dividend payout (%) - Inc. DDT	17.8	20.0	20.0	20.0	20.0
Net debt/equity (x)	-0.5	0.0	0.0	0.1	-0.0
Receivables (days)	107	122	120	117	117
Inventory (days)					
Payables (days)	7	32	28	22	17
CFO:PAT%	82	35	111	98	95
FCF:PAT% - includ M&A payout	24	-236	22	-6	53

Source: Company, Anand Rathi Research

Sonata Software - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	755	936	1,060	1,229	1,453
Growth (%)	31.2	23.9	13.2	15.9	18.3
Net revenues (Rs m)	55,534	74,491	87,603	1,02,035	1,20,673
Employee & Direct Costs	47,601	63,889	72,711	84,346	1,00,257
Gross Profit	7,933	10,603	14,892	17,689	20,416
Gross Margin %	14.29	14.23	17.00	17.34	16.92
SG&A	3,065	4,561	6,897	7,948	8,647
EBITDA	4,868	6,041	7,995	9,742	11,770
EBITDA margins (%)	8.8	8.1	9.1	9.5	9.8
- Depreciation	473	591	1,354	1,654	2,002
Other income	790	708	-855	734	800
Interest Exp	180	185	854	527	369
PBT	5,004	5,973	4,933	8,295	10,200
Effective tax rate (%)	25	24	33	25	26
+ Associates/(Minorities)	-	0	-	-	-
Net Income	3,765	4,519	3,296	6,213	7,563
WANS	208	278	278	278	278
FDEPS (Rs/share)	18.1	16.3	11.9	22.4	27.2

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	5,004	5,973	4,933	8,295	10,200
+ Non-cash items	409	232	3,062	1,446	1,570
Operating profit before WC	5,413	6,205	7,995	9,742	11,770
- Incr./(decr.) in WC	-1,003	1,766	323	-12	443
Others including taxes	-1,913	-1,754	-1,418	-2,016	-2,564
Operating cash-flow	4,503	2,684	6,254	7,738	8,763
- Capex (tangible + Intangible)	96	411	376	446	540
Free cash-flow	4,407	2,274	5,878	7,291	8,223
Acquisitions	-498	-5,294	-227	-4,155	-3,927
- Dividend (including buyback & taxes)	1,869	2,324	2,188	2,406	2,888
+ Equity raised	-	-	0	0	-0
+ Debt raised	-517	4,535	-1,280	-2,559	-1,097
- Fin Investments	772	3,229	-2,663	-1,864	3,995
- Misc. Items (CFI + CFF)	-175	-516	1,708	-208	-431
Net cash-flow	926	-3,522	3,137	243	-3,251

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	104	139	139	139	139
Net worth	10,992	13,007	14,115	17,922	22,598
Total debt (incl. Pref)	380	4,936	3,656	1,097	-
Minority interest	-	-0	-0	-0	-0
DTL/(Asset)	-261	-787	-74	-74	-74
Capital employed	11,111	17,156	17,697	18,946	22,524
Net tangible assets	1,233	1,308	1,308	927	466
Net Intangible assets	829	13,807	13,058	16,386	19,312
Goodwill	2,207	2,207	2,207	2,207	2,207
CWIP (tang. & intang.)	0	8	8	8	8
Long-term Assets (Liabilities)	-180	-5,012	-5,160	-5,226	-5,299
Investments (Financial)	1,586	5,326	2,663	799	4,794
Current Assets (ex Cash)	10,259	14,790	19,074	21,540	25,144
Cash	7,696	4,174	7,311	7,554	4,303
Current Liabilities	12,520	19,454	22,772	25,250	28,411
Working capital	-2,261	-4,664	-3,699	-3,710	-3,267
Capital deployed	11,111	17,156	17,697	18,946	22,524
Contingent Liabilities	8,257	8,708	-	-	-
		-0.0	0.0	0.1	0.6

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	53.9	44.9	61.6	32.7	26.8
EV/EBITDA (x)	40.3	32.5	24.5	20.1	16.7
EV/sales (x)	3.5	2.6	2.2	1.9	1.6
P/B (x)	18.5	15.6	14.4	11.3	9.0
RoE (%)	37.6	37.7	24.3	38.8	37.3
RoCE (%) - After tax	27.5	22.2	18.4	24.3	26.4
RoIC (%) - After tax	91.9	44.9	30.8	38.5	38.7
DPS (Rs per share)	21.0	15.8	7.9	8.7	10.4
Dividend yield (%)	2.9	2.2	1.1	1.2	1.4
Dividend payout (%) - Inc. DDT	116.1	96.7	66.4	38.7	38.2
Net debt/equity (x)	-0.8	-0.4	-0.4	-0.4	-0.4
Receivables (days)	62	66	73	72	71
Inventory (days)					
Payables (days)	76	69	74	72	70
CFO: PAT%	120	59	190	125	116
FCF: PAT% - includ M&A payout	104	-67	171	50	57

Source: Company, Anand Rathi Research

Intellect Design Arena - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	252	278	305	327	378
Growth (%)	24.6	10.2	10.0	7.2	15.4
Net revenues (Rs m)	18,782	22,313	25,278	27,177	31,373
Employee & Direct Costs	10,817	14,264	15,894	16,164	18,163
Gross Profit	7,965	8,049	9,383	11,012	13,210
Gross Margin %	42.41	36.07	37.12	40.52	42.11
SG&A	3,243	3,695	3,924	3,950	4,499
EBITDA	4,722	4,354	5,459	7,062	8,711
EBITDA margins (%)	25.1	19.5	21.6	26.0	27.8
- Depreciation	976	1,215	1,362	1,384	1,384
Other income	405	511	581	640	756
Interest Exp	43	32	26	26	26
PBT	4,108	3,618	4,652	6,292	8,058
Effective tax rate (%)	15	26	26	25	25
+ Associates/(Minorities)	11	2	55	66	66
Net Income	3,491	2,672	3,482	4,810	6,141
WANS	140	139	141	141	141
FDEPS (Rs/share)	25.0	19.2	24.8	34.2	43.7

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	4,108	3,618	4,652	6,292	8,058
+ Non-cash items	1,517	1,804	749	770	653
Operating profit before WC	5,625	5,422	5,401	7,062	8,711
- Incr./(decr.) in WC	944	2,959	732	180	883
Others including taxes	-152	-719	-1,154	-1,485	-1,926
Operating cash-flow	4,529	1,744	3,514	5,397	5,903
- Capex (tangible + Intangible)	1,292	1,659	1,656	1,956	2,306
Free cash-flow	3,237	85	1,859	3,441	3,597
Acquisitions	-	-	-	-	-
- Dividend (including buyback & taxes)	8	351	351	351	351
+ Equity raised	83	6	-	-	-
+ Debt raised	-434	-8	-	-	-
- Fin Investments	2,517	858	681	2,609	3,914
- Misc. Items (CFI + CFF)	64	-115	-951	-625	-748
Net cash-flow	297	-1,012	1,778	1,105	79

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	673	679	679	679	679
Net worth	18,087	20,577	23,708	28,166	33,956
Total debt (incl. Pref)	8	-	-	-	-
Minority interest	129	109	121	121	121
DTL/(Asset)	-1,036	-856	-270	-256	-243
Capital employed	17,189	19,830	23,559	28,031	33,834
Net tangible assets	1,719	1,817	1,601	1,680	1,909
Net Intangible assets	5,705	6,435	6,945	7,438	8,131
Goodwill	305	330	330	330	330
CWIP (tang. & intang.)	43	46	46	46	46
Investments (Strategic)	0	0	0	0	0
Investments (Financial)	3,638	4,538	5,219	7,828	11,742
Current Assets (ex Cash)	11,528	13,906	14,771	14,653	15,482
Cash	1,950	939	2,716	3,822	3,901
Current Liabilities	7,700	8,181	8,069	7,767	7,708
Working capital	3,829	5,725	6,702	6,886	7,774
Capital deployed	17,189	19,830	23,559	28,031	33,834
Contingent Liabilities	852	861	-	-	-
	-	-	-0.0	-0.0	

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	41.5	54.2	41.6	30.1	23.6
EV/EBITDA (x)	28.6	31.0	24.7	19.1	15.5
EV/sales (x)	7.18	6.05	5.34	4.97	4.30
P/B (x)	8.0	7.0	6.1	5.1	4.3
RoE (%)	21.8	13.8	15.7	18.5	19.8
RoCE (%) - After tax	19.2	11.8	13.3	16.1	17.4
RoIC (%) - After tax	25.5	16.4	18.9	25.5	30.6
DPS (Rs per share)	2.5	2.5	2.5	2.5	2.5
Dividend yield (%)	0.2	0.2	0.2	0.2	0.2
Dividend payout (%) - Inc. DDT	10.0	13.0	10.1	7.3	5.7
Net debt/equity (x)	-0.3	-0.3	-0.3	-0.4	-0.5
Receivables (days)	175	192	182	167	152
Inventory (days)					
Payables (days)	67	56	49	34	19
CF0:PAT%	130	65	103	114	97
FCF:PAT% - includ M&A payout	93	3	53	72	59

Source: Company, Anand Rathi Research

Happiest Mind - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	147	178	196	219	257
Growth (%)	40.2	21.2	10.1	11.7	17.5
Net revenues (Rs m)	10,937	14,293	16,205	18,167	21,340
Employee & Direct Costs	6,441	8,283	9,898	10,947	12,912
Gross Profit	4,496	6,010	6,308	7,220	8,427
Gross Margin %	41.11	42.05	38.92	39.74	39.49
SG&A	1,919	2,449	2,960	3,315	3,706
EBITDA (includes other income)	2,577	3,561	3,347	3,904	4,722
EBITDA margins (%)	23.6	24.9	20.7	21.5	22.1
- Depreciation	329	419	584	549	521
Other income	371	239	845	777	777
Interest Exp	100	219	427	300	300
PBT	2,519	3,162	3,181	3,833	4,677
Effective tax rate (%)	26	25	26	26	26
+ Associates/(Minorities)	-61	-63	-	-	-
Net Income	1,812	2,310	2,349	2,829	3,452
WANS	144	145	151	151	151
FDEPS (Rs/share)	12.6	15.9	15.6	18.8	22.9

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	2,519	3,162	3,181	3,833	4,677
+ Non-cash items	246	423	584	549	521
Operating profit before WC	2,766	3,585	3,765	4,382	5,199
- Incr./(decr.) in WC	550	625	-738	627	449
Others including taxes	-535	-888	-1,922	-1,004	-1,225
Operating cash-flow	1,681	2,072	2,581	2,751	3,525
- Capex (tangible + Intangible)	7	1,311	162	182	213
Free cash-flow	1,675	761	2,419	2,569	3,311
Acquisitions	-	-1,099	-10	-	-
- Dividend (including buyback & taxes)	683	572	940	1,034	1,137
+ Equity raised	-	-	5,000	-	-
+ Debt raised	196	1,889	-4,676	-	-
- Fin Investments	137	-4,720	-	1,070	1,284
- Misc. Items (CFI + CFF)	822	6,385	-	-	-
Net cash-flow	229	-685	1,793	466	891

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	285	287	297	297	297
Net worth	6,658	8,388	14,797	16,592	18,907
Total debt (including Pref)	1,906	4,676	-	-	-
Minority interest	-	-	-	-	-
DTL/(Asset)	-23	81	81	81	81
Capital employed	8,542	13,145	14,878	16,673	18,988
Net tangible assets	547	1,906	1,601	1,344	1,140
Net Intangible assets	1,029	2,410	2,303	2,193	2,089
Goodwill	-	-	-	-	-
CWIP (tangible and intangible)	-	19	19	19	19
Investments (Strategic)	-	-	-	-	-
Investments (Financial)	4,716	5,348	5,348	6,418	7,701
Current Assets (ex Cash) Incl LT assets	3,208	4,901	5,824	6,315	7,096
Cash	1,680	1,700	4,255	4,720	5,611
Current Liabilities (ex ST Loan/Current Portion) i	2,639	3,139	4,471	4,335	4,667
Working capital	569	1,763	1,353	1,980	2,428
Capital deployed	8,542	13,145	14,878	16,673	18,988
Contingent Liabilities	-	-	-	-	-

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	66.8	52.4	51.6	42.8	35.1
EV/EBITDA (x)	43.0	31.1	33.1	28.4	23.5
EV/sales (x)	10.3	8.0	6.6	5.8	4.8
P/B (x)	18.2	14.4	8.2	7.3	6.4
RoE (%)	29.9	30.7	20.3	18.0	19.4
RoCE (%) - After tax	19.2	19.8	13.1	13.9	15.6
RoIC (%) - After tax	59.7	45.2	27.9	33.5	40.8
DPS (Rs per share)	3.8	5.4	6.2	6.9	7.6
Dividend yield (%)	0.5	0.7	0.8	0.9	0.9
Dividend payout (%) - Inc. DDT	29.9	33.9	40.0	36.5	32.9
Net debt/equity (x)	-0.7	-0.3	-0.6	-0.7	-0.7
Receivables (days)	56	54	57	58	59
Inventory (days)	-	-	-	-	-
Payables (days)	27	24	22	20	18
CFO:PAT%	93	90	142	97	102
FCF:PAT% - includ M&A payout	92	-15	103	91	96

Source: Company, Anand Rathi Research

LatentView Analytics - Financials

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Revenues (US\$m)	55	67	77	108	135
Growth (%)	19.9	22.1	16.2	39.0	25.8
Net revenues (Rs m)	4,078	5,388	6,417	8,944	11,253
Employee & Direct Costs	2,422	3,361	4,366	6,012	7,583
Gross Profit	1,656	2,026	2,051	2,932	3,670
Gross Margin %	40.60	37.61	31.96	32.78	32.61
SG&A	440	576	698	776	866
EBITDA	1,216	1,451	1,353	2,156	2,804
EBITDA margins (%)	29.8	26.9	21.1	24.1	24.9
- Depreciation	82	88	97	294	376
Other income	438	558	783	680	846
Interest Exp	31	26	31	30	30
PBT	1,542	1,893	2,008	2,512	3,245
Effective tax rate (%)	16	18	22	25	25
+ Associates/(Minorities)	-	-	-	-70	-117
Net Income	1,295	1,554	1,571	1,814	2,317
WANS	189	206	207	207	207
FDEPS (Rs/share)	6.8	7.6	7.6	8.7	11.2

Fig 3 – Cash Flow statement (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
PBT	1,542	1,893	2,008	2,512	3,245
+ Non-cash items	-271	-324	97	294	376
Operating profit before WC	1,271	1,569	2,105	2,806	3,621
- Incr./(decr.) in WC	125	328	-27	324	219
Others including taxes	-271	-267	-1,023	-1,221	-1,558
Operating cash-flow	874	974	1,109	1,261	1,843
- Capex (tangible + Intangible)	65	32	38	121	152
Free cash-flow	809	942	1,071	1,141	1,692
Acquisitions	-	-	-	-3,245	-1,412
- Dividend (including buyback & taxes)	-	-	-	830	830
+ Equity raised	4,740	-	-	-	-
+ Debt raised	-	-	-3	-	-
- Fin Investments	5,365	3,146	-939	-	253
- Misc. Items (CFI + CFF)	-788	-289	-753	-650	-817
Net cash-flow	972	-1,915	2,759	-2,284	13

Source: Company, Anand Rath Research

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY22	FY23	FY24e	FY25e	FY26e
Share capital	200	205	205	205	205
Net worth	10,264	12,074	13,646	14,630	16,117
Total debt (including Pref)	4	3	-	-	-
Minority interest	-	-	-	70	187
DTL/(Asset)	-308	-236	-236	-236	-236
Capital employed	9,960	11,842	13,410	14,464	16,068
Net tangible assets	287	232	172	323	240
Net Intangible assets					
Goodwill	0	0	0	2,921	4,192
CWIP (tangible and intangible)	-	-	-	-	-
Investments (Strategic)					
Investments (Financial)	6,958	9,387	8,448	8,448	8,701
Current Assets (ex Cash) Incl LT assets	1,080	1,742	1,738	2,209	2,604
Cash	2,368	1,034	3,793	1,509	1,522
Current Liabilities (ex ST Loan/Current Portion) i	732	553	741	946	1,191
Working capital	348	1,189	997	1,263	1,413
Capital deployed	9,960	11,842	13,410	14,464	16,068
Contingent Liabilities					

Fig 4 – Ratio analysis

Year end Mar	FY22	FY23	FY24e	FY25e	FY26e
P/E (x)	85.7	71.4	70.6	61.2	47.9
EV/EBITDA (x)	82.2	68.9	73.8	46.3	35.6
EV/sales (x)	24.5	18.5	15.6	11.2	8.9
P/B (x)	10.8	9.2	8.1	7.6	6.9
RoE (%)	17.7	13.9	12.2	12.8	15.1
RoCE (%) - After tax	12.3	9.8	7.5	9.6	11.4
RoIC (%) - After tax	82.2	70.5	53.6	40.7	31.2
DPS (Rs per share)	-	-	-	4.0	4.0
Dividend yield (%)	-	-	-	0.7	0.7
Dividend payout (%) - Inc. DDT	-	-	-	45.7	35.8
Net debt/equity (x)	-0.9	-0.9	-0.9	-0.7	-0.6
Receivables (days)	76	71	72	73	74
Inventory (days)					
Payables (days)	5	4	7	8	9
CFO: PAT%	68	63	71	67	76
FCF: PAT% - includ M&A payout	62	61	68	-116	12

Source: Company, Anand Rath Research

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