

IT Sector

Steering through uncertainty

The IT sector is expected to report subdued revenue growth in an otherwise seasonally strong quarter, as persistent global macroeconomic uncertainty and recent US tariff measures continue to dampen discretionary spending. Clients remain cautious, resulting in slower growth and intensified pricing pressure, although deal activity witnessed some improvement towards the end of the quarter. The overall deal pipeline remains steady, with deal wins in cost optimization, infrastructure modernization, and AI-led initiatives. Within this, Gen AI is emerging as a growth driver, proving not to be deflationary as initially feared, with projects going beyond the proof-of-concept stage into full-scale deployment, as reflected in Accenture's recent commentary. The recent H1B visa fee hike is unlikely to cause near-term disruptions, but it is expected to alter delivery models by increasing onsite costs and accelerating offshoring trends over time. Margins for the quarter should see some support from the rupee's depreciation, which will help offset the impact of selective wage hikes, even as hiring trends remain muted across the sector. Against this backdrop, we maintain our cautiously optimistic outlook and remain selective, with a preference for Infosys, HCL Tech among tier-1 players and Persistent Systems, Tata Elxsi, and Mastek in the mid-tier segment.

Q2FY26E expectations: The cross-currency impact for the quarter will range between +10-50bps. Within tier-1, three out of six companies will report positive QoQ CC, while the rest will be flat sequentially. The tier-1 QoQ CC growth will range between 0% to +1.8%, and YoY CC growth will be between -2.7% to +4.6%. INFY and LTIM are expected to lead growth within tier-1, with +1.8% QoQ CC for both, while TCS, WPRO, HCLT, and TECHM will be flat QoQ. For mid-tier companies, growth ranges from +3.5% to -1.1% QoQ in CC terms. Within mid-tier IT, growth is expected to be led by Persistent, with +3.5% QoQ CC (BFSI and Tech), Mphasis with +1.8% QoQ CC (BFSI-led growth), and LTTS with +1.2% QoQ CC (deal ramp-up). The growth laggards in mid-tier will be Birlasoft (slower ramp-up), Tata Elxsi (weak transportation led by Jaguar), Cyient (weak Network and Infra), and Zensar (weak TMT). Mastek (NHS) and HAPPS (BFSI) will report +1.8/1.0% QoQ CC growth, while Sonata will have a soft quarter with +0.2% QoQ CC impacted by continued weakness in BFSI (client specific) and Retail headwinds.

Guidance—no major changes: We anticipate Infosys will keep its FY26E revenue growth guidance unchanged at 1-3% and HCL Tech will retain its guidance of 3-5% for FY26E. Wipro is likely to guide 0% to +1% QoQ for Q3FY26E and L&T Tech is expected to uphold its double-digit growth outlook for FY26E. Margin guidance across companies is expected to remain stable with most firms operating at peak utilization levels. Infosys is likely to maintain a margin band of 20-22%, HCL Tech at 17-18%, and TCS at 26-28%. For FY26E, we expect margin to be flat YoY (+6bps for tier-1 and -24bps for mid-tier) impacted by pricing pressure, AI transition, slower growth, and changing delivery models offset by muted hiring and rupee depreciation. TCVs are expected to improve with deals coming from cost optimization and GenAI initiatives (TCS at ~USD 8-10bn and Infosys at ~USD 3bn).

Outlook and valuation: The IT index is down 13% in the last three months triggered by the H1B visa fee hike and fear of further tightening on outsourcing by the Trump administration. The tariff related uncertainty is gradually subsiding, with some improvement in the deal activity, the demand deceleration has been lower vs earlier anticipated. We have cut our FY26/27E revenue estimates by ~1%, led by soft 1H; however, we have factored better exit for FY26E. Growth for ER&D companies is expected to bottom out in FY26E, led by improved deal activity. We project revenue growth for the Indian IT sector at 2.8% for FY26E, lower vs FY25. We cut our EPS estimates by 1.0/1.2% for FY26/27E, and cut multiples for TCS/WPRO, and roll over target prices to Sep-27E EPS. The valuations for tier-1 IT companies appear reasonable (upgrade INFY and HCLT to BUY from ADD), while mid-tier valuations continue to be elevated. The IT sector valuation at 21.7x is ~14% below its 5Y average (25.4x) and ~2% above the 10Y average (21.2x).

Company	CMP* (INR)	RECO	TP (INR)
TCS	2,914	ADD	3,730
INFY	1,446	BUY	1,800
HCLT	1,390	BUY	1,740
WPRO	241	REDUCE	240
LTIM	5,123	ADD	5,555
TECHM	1,416	REDUCE	1,470
PSYS	4,955	ADD	6,160
MPHL	2,691	REDUCE	2,735
LTTS	4,187	ADD	4,930
TELX	5,226	ADD	5,765
ZENT	769	ADD	840
CYL	1,149	ADD	1,300
SSOF	348	ADD	380
BSOFT	350	ADD	390
HAPPSTMN	526	ADD	645
MAST	2,209	BUY	3,100

*CMP as on 1st Oct 2025

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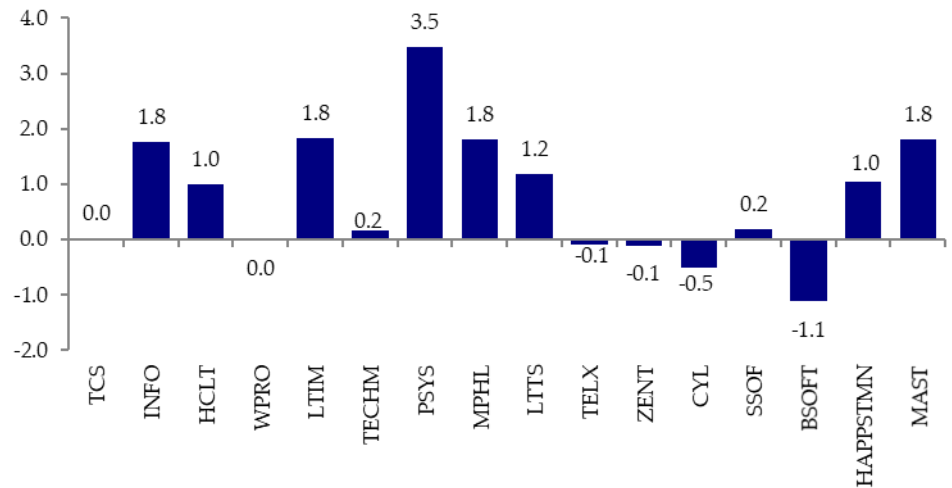
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Exhibit 1: IT Services: Q2FY26E Quarterly Financial Summary

Company	NET SALES (USD mn)			NET SALES (INR bn)			EBIT (INR bn)			EBIT Margin (%)			APAT (INR bn)			Adj. EPS (INR)		
	Q2 FY26E	QoQ (%)	YoY (%)	Q2 FY26E	QoQ (%)	YoY (%)	Q2 FY26E	QoQ (%)	YoY (%)	Q2 FY26E	QoQ (bps)	YoY (bps)	Q2 FY26E	QoQ (%)	YoY (%)	Q2 FY26E	Q1 FY26	Q1 FY25
TCS	7,459	0.5	(2.7)	650.45	2.5	1.2	158.49	2.2	2.5	24.4	(9)	30	123.46	(3.2)	3.7	34.1	35.3	32.9
INFY	5,057	2.4	3.3	440.99	4.3	7.6	91.48	3.9	5.8	20.7	(8)	(36)	70.25	1.5	8.0	16.9	16.7	15.7
HCLT	3,603	1.6	4.6	314.18	3.5	8.9	54.32	9.9	1.3	17.3	101	(129)	44.91	16.9	6.1	16.6	14.2	15.6
WPRO	2,594	0.3	(2.5)	227.11	2.6	1.8	38.17	7.4	1.7	16.8	75	(3)	31.89	(4.2)	(0.6)	3.0	3.2	3.1
LTIM	1,176	2.0	4.4	102.58	4.2	8.7	15.21	8.7	4.3	14.8	61	(64)	12.77	2.4	2.0	43.2	42.1	42.3
TECHM	1,576	0.7	(0.8)	137.40	2.9	3.2	15.74	6.5	22.9	11.5	39	184	12.70	11.4	(5.5)	14.3	12.9	15.2
PSYS	404	3.6	16.9	35.22	5.6	21.6	5.68	9.8	39.9	16.1	61	212	4.40	3.5	35.4	28.6	27.6	21.1
MPHL	446	1.9	5.9	38.87	4.2	9.9	5.85	2.4	7.4	15.0	(25)	(35)	4.54	2.8	7.2	24.3	23.6	22.6
LTTS	340	1.5	10.9	29.67	3.5	15.3	3.98	4.3	2.6	13.4	10	(166)	3.23	2.4	1.2	30.6	29.9	30.2
TELX	105	0.4	(8.1)	9.13	2.4	(4.4)	1.69	4.2	(29.2)	18.5	33	(651)	1.55	7.5	(32.4)	24.9	23.2	36.8
ZENT	162	0.1	3.8	14.14	2.1	8.1	1.89	0.8	10.2	13.4	(17)	26	1.77	(2.9)	13.5	7.7	7.9	6.8
CYL	163	0.0	(6.0)	14.19	1.9	(2.1)	1.73	3.5	(16.0)	12.2	18	(201)	1.45	(11.2)	(18.0)	13.1	14.8	16.0
SSOF	82	0.5	(2.8)	7.17	2.4	1.3	1.19	3.0	(7.7)	16.6	10	(160)	1.17	6.7	9.5	4.2	3.9	3.8
BSOFT	149	(1.0)	(8.7)	13.01	1.2	(4.9)	1.35	(2.5)	(5.9)	10.4	(39)	(11)	1.02	(4.1)	(20.0)	3.7	3.8	4.6
HAPPSTMN	65	1.2	4.4	5.68	3.3	8.9	0.68	(4.6)	(0.4)	12.0	(99)	(113)	0.50	(12.6)	0.9	3.3	3.8	3.3
MAST	110	2.6	6.3	9.61	5.0	10.8	1.29	8.3	4.4	13.4	40	(81)	0.91	(0.8)	(21.9)	28.9	29.1	37.0
Aggregate	23,492	1.2	0.8	2,049.41	3.3	4.9	398.74	4.6	3.9	19.5	25	(20)	316.53	1.2	3.8			

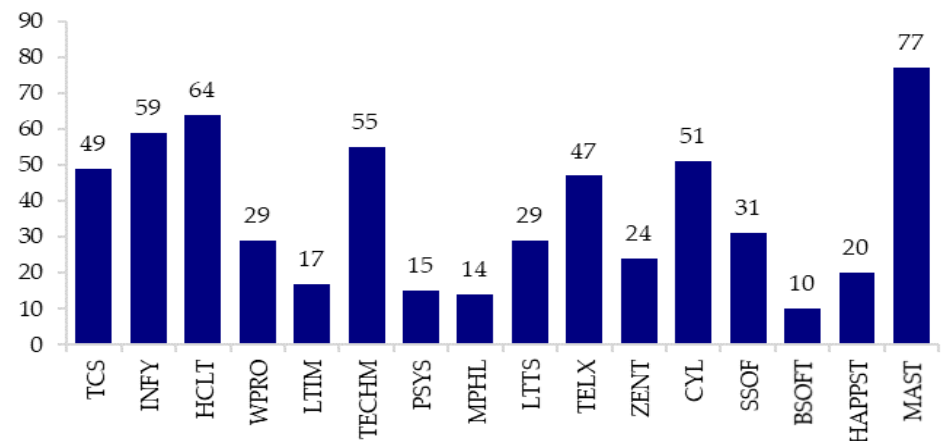
Source: HSIE Research, WPRO USD Rev is IT services, CYL is DET business and SSOF is IITS USD rev & IITS EBITDA margin

Exhibit 2: Q2FY26E revenue growth expectation (QoQ CC)



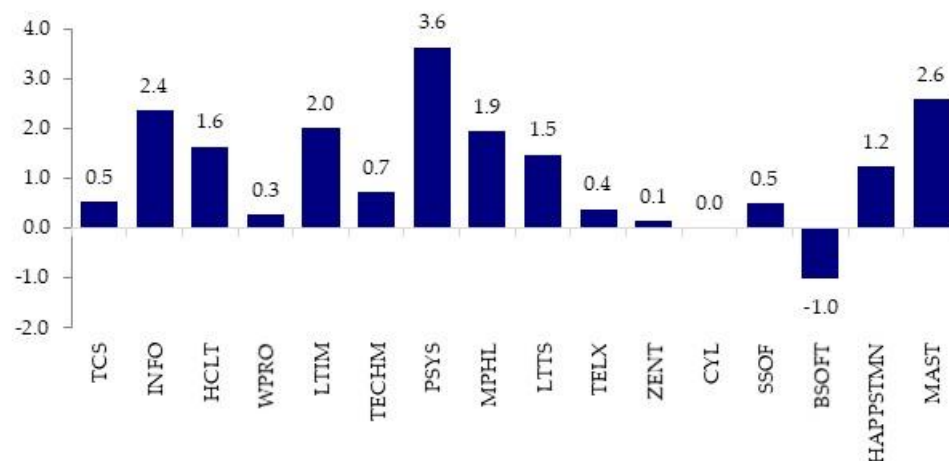
Source: HSIE Research

Exhibit 3: Q2FY26E cross currency impact (QoQ bps)



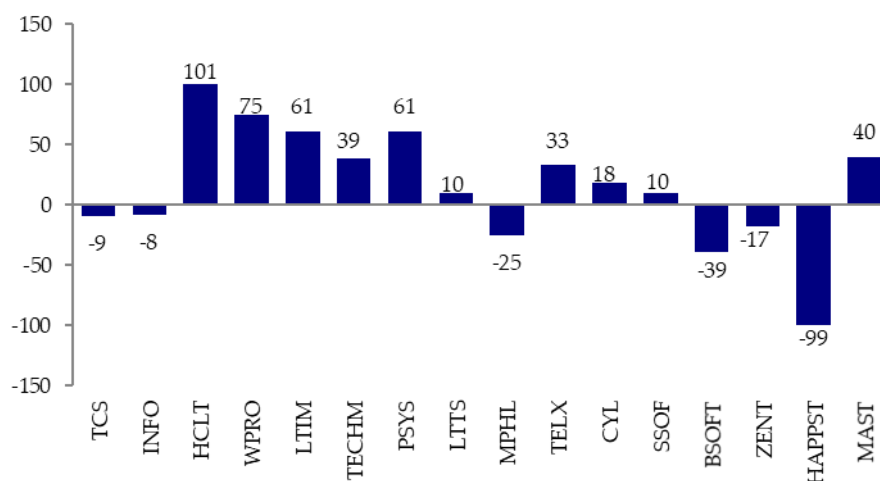
Source: HSIE Research

Exhibit 4: Q2FY26E revenue growth expectation (QoQ USD)



Source: HSIE Research

Exhibit 5: Q2FY26E EBITM QoQ bps expectation



Source: HSIE Research; Sonata is IITS EBITDA margin and Cyient is DET EBIT margin

Exhibit 6: IT Services: valuations & rating comparative table

Company	MCAp (INR bn)	CMP (INR)	TP (INR)	RECO	EPS (INR)				P/E (x)				RoE (%)				USD Rev CAGR% FY25-28E	EPS CAGR% FY25-28E
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E		
TCS	10,544	2,914	3,730	ADD	134.2	140.1	154.3	170.1	21.7	20.8	18.9	17.1	52.4	53.8	59.1	63.4	5.4	8.2
Infosys	6,001	1,446	1,800	BUY	64.3	69.4	77.1	86.0	22.5	20.8	18.8	16.8	29.0	29.0	30.3	32.2	6.2	10.2
HCL Tech	3,771	1,390	1,740	BUY	62.5	67.7	78.2	87.3	22.2	20.5	17.8	15.9	24.6	26.0	28.7	29.9	6.9	11.8
Wipro	2,529	241	240	REDUCE	12.5	12.8	13.7	14.8	19.3	18.9	17.6	16.3	16.6	15.8	16.2	16.7	3.3	5.8
LTIMindtree	1,515	5,123	5,555	ADD	155.6	176.6	211.4	251.5	32.9	29.0	24.2	20.4	21.5	21.5	22.6	23.5	10.4	17.4
TechM	1,255	1,416	1,470	REDUCE	49.4	60.6	75.3	88.3	28.7	23.4	18.8	16.0	16.2	19.2	22.7	24.8	5.7	21.4
Persistent	762	4,955	6,160	ADD	91.0	111.0	138.7	169.3	54.5	44.6	35.7	29.3	24.8	25.0	26.7	27.6	16.4	23.0
Mphasis	504	2,691	2,735	REDUCE	91.0	99.9	115.0	133.6	29.6	26.9	23.4	20.1	18.5	18.7	19.9	21.3	9.5	13.6
L&T Tech	442	4,187	4,930	ADD	119.9	132.2	164.6	187.5	34.9	31.7	25.4	22.3	22.2	21.6	23.8	23.8	10.7	16.1
Tata Elxsi	325	5,226	5,765	ADD	126.0	113.6	150.3	179.2	41.5	46.0	34.8	29.2	29.3	23.5	28.1	29.7	9.8	12.4
Zensar	175	769	840	ADD	28.4	31.5	35.6	40.6	27.0	24.4	21.6	18.9	16.6	16.3	16.4	16.8	9.4	12.6
Cyient	127	1,149	1,300	ADD	56.3	57.3	64.6	79.8	20.4	20.1	17.8	14.4	13.0	11.6	12.3	14.2	8.0	12.3
Sonata	98	348	380	ADD	15.1	15.3	17.7	20.9	23.0	22.7	19.7	16.7	27.3	23.7	24.3	25.3	7.1	11.3
Birlasoft	97	350	390	ADD	18.8	15.8	20.1	23.2	18.7	22.2	17.5	15.1	15.8	12.2	14.4	15.2	3.8	7.2
Happiest Minds	80	526	645	ADD	12.7	15.6	19.4	23.6	41.4	33.6	27.1	22.2	12.7	14.7	17.0	19.2	14.0	23.0
Mastek	70	2,209	3,100	BUY	116.4	121.3	146.5	164.1	19.0	18.2	15.1	13.5	16.2	14.6	15.6	15.4	11.4	12.1
IT AVG									28.6	26.5	22.1	19.0	22.3	21.7	23.6	24.9	8.6	13.7
IT Median									25.0	23.1	19.3	17.0	20.0	20.4	22.6	23.6	8.7	12.4

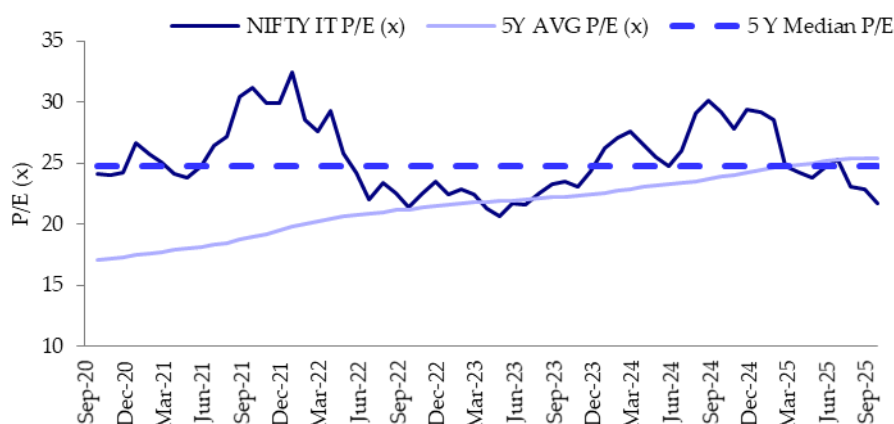
Source: HSIE Research, CMP as on 1st Oct 2025

Exhibit 7: Global IT Peers: valuations

Company	MCap (USD bn)	CMP USD	TP	RECO	EPS				P/E (x)				RoE (%)				USD Rev CAGR% FY25-28E	EPS CAGR% FY25-28E
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E		
Accenture	152.2	244	NA	NR	11.6	12.9	13.8	14.9	21.1	18.9	17.7	16.4	26.9	27.5	26.1	25.1	3.9	8.9
Cognizant	32.7	67	NA	NR	4.5	5.1	5.5	5.9	14.8	13.1	12.2	11.3	16.2	18.2	15.8	15.4	5.5	9.4
Capgemini^	21.3	125	NA	NR	9.8	11.6	12.0	13.0	12.7	10.8	10.4	9.6	15.0	14.9	14.7	14.6	3.9	9.7
EPAM	8.5	153	NA	NR	7.9	10.8	12.1	13.5	19.3	14.1	12.7	11.3	12.8	14.8	14.2	13.8	8.4	19.4
Globant	2.6	59	NA	NR	3.8	6.1	6.7	7.5	15.6	9.7	8.9	7.9	9.0	11.8	11.2	11.3	8.7	25.3
TietoEVRY^	1.9	16	NA	NR	NA	1.2	1.5	1.6	NA	12.8	10.4	9.7	(4.3)	3.3	13.2	15.7	NA	NA
Global IT AVG									16.7	13.3	12.4	11.3	16.0	17.5	16.4	16.1	6.1	14.6
Global IT Median									15.6	13.1	12.2	11.3	15.0	14.9	14.7	14.6	5.5	9.7

Source: Bloomberg consensus, HSIE Research, CMP as on 2nd Oct 2025, ^ in EUR, Global IT AVG and Median excludes TietoEVRY

Exhibit 8: NIFTY IT Index re-rated from June'24 but now trending below 5yr average



Source: Bloomberg, HSIE Research

Exhibit 9: Change in estimates

Company	Revenue USD Mn (NEW)			Change (%)			EBIT % (NEW)			Change (bps)			EPS (INR) NEW			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
TCS	30,313	32,659	35,386	-1.3%	-1.3%	-1.3%	24.4	25.1	25.2	-34	-40	-41	140.1	154.3	170.1	-1.4%	-1.7%	-1.7%
INFY	20,105	21,406	23,063	0.3%	-0.9%	-0.8%	21.1	21.7	21.9	-6	14	10	69.4	77.1	86.0	1.2%	0.8%	0.9%
HCLT	14,575	15,766	16,918	-0.1%	-0.2%	-0.2%	17.9	18.8	19.3	-14	5	-7	67.7	78.2	87.3	0.3%	1.2%	0.6%
WPRO*	10,448	10,987	11,600	-0.4%	-0.5%	-0.5%	17.1	17.4	17.8	7	16	23	12.8	13.7	14.8	0.5%	0.7%	1.1%
LTIM	4,772	5,358	6,049	-0.5%	-0.7%	-0.7%	14.8	16.0	16.9	-10	-14	-12	176.6	211.4	251.5	0.0%	-0.4%	-0.2%
TECHM	6,382	6,890	7,399	-0.9%	-1.1%	-1.1%	12.1	13.7	14.3	11	14	11	60.6	75.3	88.3	0.3%	1.0%	-0.2%
PSYS	1,646	1,927	2,222	-0.3%	-0.4%	-0.4%	15.2	16.0	16.6	8	7	-4	111.0	138.7	169.3	-0.6%	-0.3%	-0.7%
MPHL	1,805	2,000	2,205	-0.7%	-0.9%	-1.0%	15.4	15.8	16.3	-20	-24	-23	99.9	115.0	133.6	-1.9%	-2.1%	-2.0%
LTTS	1,379	1,542	1,707	-0.7%	-0.8%	-0.6%	14.4	15.9	16.1	6	8	8	132.2	164.6	187.5	0.8%	0.8%	0.9%
TELX	430	505	583	-1.5%	-0.8%	-0.7%	21.4	24.7	25.3	-92	-2	37	113.6	150.3	179.2	-4.4%	-0.8%	0.6%
ZENT	659	734	818	-1.7%	-2.2%	-2.2%	13.4	13.7	14.0	22	-27	-27	31.5	35.6	40.6	0.9%	-2.5%	-2.4%
CYL	856	946	1,074	-1.4%	-1.8%	-1.5%	10.3	10.9	11.7	-145	-160	-140	57.3	64.6	79.8	-7.2%	-8.6%	-6.6%
SSOF*	332	362	412	-0.4%	-0.5%	-0.5%	16.9	17.8	18.4	0	0	0	15.3	17.7	20.9	-4.5%	-4.6%	-4.3%
BSOFT	603	645	710	-2.0%	-2.5%	-2.4%	11.1	11.5	12.1	-36	-50	-50	15.8	20.1	23.2	-3.5%	-5.0%	-4.8%
HAPPSTMN	266	309	360	-1.5%	-1.6%	-1.4%	14.3	15.2	15.4	-38	-26	-35	15.6	19.4	23.6	-2.9%	-2.2%	-2.5%
MAST	446	501	565	-1.6%	-2.0%	-2.3%	13.6	14.3	14.1	-49	-25	-62	121.3	146.5	164.1	-4.4%	-3.0%	-5.1%
Median				-0.8%	-0.9%	-0.9%				(12)	(8)	(9)				-1.0%	-1.2%	-1.2%

Source : Company, HSIE Research; *Wipro is IT Services USD revenue and Sonata is IITS revenue & IITS EBITDA margin, Sonata – there is no change in IITS EBITDA margin, DPS EBITDA margin is cut by 25/26/26bps for FY26/27/28E respectively.

Exhibit 10: Change in TP & Rating

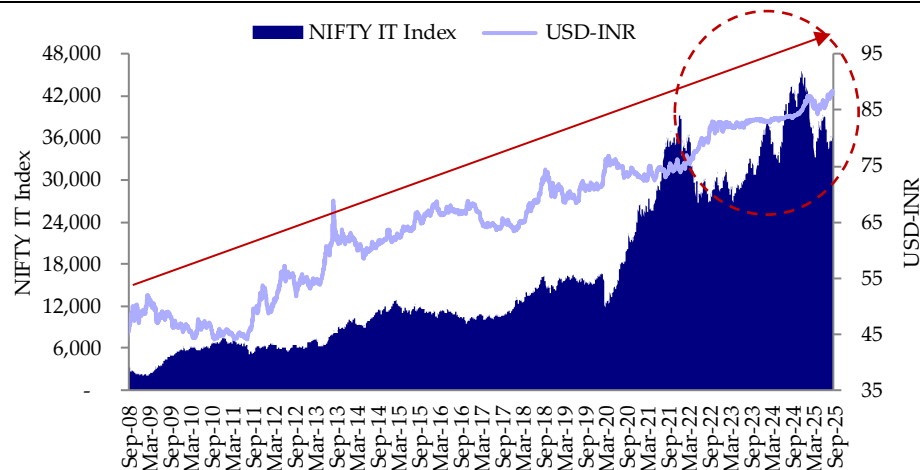
Companies	M-cap (INR bn)	CMP (INR)	TP Old (INR)	New TP (INR)	Old Rating	New Rating	Old multiple (x)	New multiple (x)	5Y Avg (x)	10Y Avg (x)	Prem/Disc. to 10Y Avg
TCS*	10,544	2,914	4,020	3,730	ADD	ADD	25	23	27	24	-16%
INFY^	6,001	1,446	1,735	1,800	ADD	BUY	22	22	25	21	-11%
HCLT*^	3,771	1,390	1,745	1,740	ADD	BUY	22	21	21	17	0%
WPRO*	2,529	241	250	240	REDUCE	REDUCE	18	17	21	18	-18%
LTIM	1,515	5,123	5,400	5,555	ADD	ADD	24	24	31	24	-22%
TECHM	1,255	1,416	1,425	1,470	REDUCE	REDUCE	18	18	21	17	-14%
PSYS	762	4,955	5,965	6,160	ADD	ADD	40	40	38	26	6%
MPHL	504	2,691	2,650	2,735	REDUCE	REDUCE	22	22	26	20	-15%
LTTS	442	4,187	4,700	4,930	ADD	ADD	28	28	35	28	-19%
TELX	325	5,226	5,700	5,765	ADD	ADD	35	35	52	36	-33%
ZENT	175	769	900	840	ADD	ADD	24	22	19	16	13%
CYL	127	1,149	1,350	1,300	ADD	ADD	18	18	19	16	-7%
BSOFT	97	350	395	390	ADD	ADD	18	18	21	14	-15%
SSOF	98	348	400	380	ADD	ADD	20	20	22	17	-8%
HAPPSTMN	80	526	640	645	ADD	ADD	30	30	49	NA	-38%
MAST	70	2,209	3,240	3,100	BUY	BUY	20	20	20	15	2%

Source : Company, HSIE Research, CMP as on 1st Oct 2025, * indicates multiple downgrade and ^ indicates rating change**Exhibit 11: IT Sector stock performance (%) – LTIM, ZENT, MPHL and MAST outperformed in last 6M**

Company	M-cap (USD bn)	CMP (INR)	1W (%)	1M (%)	3M (%)	6M (%)	1Y (%)	3Y (%)	5Y (%)	YTD (%)
TCS	144.0	2,888	(4.5)	(6.8)	(15.4)	(18.3)	(32.4)	(3.5)	14.9	(29.2)
INFY	79.0	1,442	(4.0)	(4.3)	(10.7)	(6.1)	(24.7)	1.5	40.9	(23.7)
HCLT	53.7	1,385	(4.1)	(5.8)	(19.5)	(9.6)	(23.8)	48.4	70.2	(27.8)
WPRO	32.8	239	(2.0)	(4.3)	(9.4)	(8.7)	(12.3)	21.6	53.1	(20.6)
LTIM	18.6	5,158	(2.3)	(2.1)	(4.0)	15.0	(18.9)	14.2	101.4	(8.9)
TECHM	18.6	1,400	(2.6)	(6.0)	(15.3)	1.4	(12.9)	40.3	72.1	(17.1)
PSYS	10.6	4,823	(4.9)	(8.9)	(18.3)	(5.3)	(10.1)	204.6	657.2	(23.6)
MPHL	6.4	2,655	(2.3)	(8.4)	(7.1)	9.4	(11.2)	28.2	97.3	(6.0)
LTTS	5.4	4,114	(0.8)	(2.2)	(4.7)	(9.1)	(22.4)	15.5	161.5	(12.4)
TELX	4.5	5,227	(5.2)	(2.6)	(16.0)	2.9	(32.8)	(39.0)	308.8	(23.2)
ZENT	2.2	763	(5.6)	(3.2)	(9.3)	10.2	12.3	260.3	296.4	1.4
CYL	1.7	1,146	(2.7)	(3.7)	(11.3)	(7.0)	(40.0)	44.9	203.0	(37.5)
BSOFT	1.4	353	(6.4)	(7.9)	(21.2)	(11.0)	(41.9)	22.3	77.6	(38.3)
SSOF	1.4	346	(8.7)	(2.8)	(16.0)	(1.2)	(45.8)	33.5	195.1	(42.6)
HAPPSTMN	1.1	531	(4.5)	(6.9)	(19.0)	(11.0)	(34.6)	(47.0)	53.7	(28.3)
MAST	0.9	2,193	(0.5)	(13.1)	(9.1)	3.9	(16.7)	26.6	157.2	(26.0)
NSE IT Index			-3.7	-5.7	-13.2	-6.3	-20.6	24.9	67.6	-22.2
NIFTY			-1.1	0.7	-3.0	7.0	-3.9	45.0	117.1	4.8
Nasdaq			0.7	5.6	12.2	29.9	26.5	114.3	100.1	17.3

Source: Bloomberg, HSIE Research, CMP as on 1st Oct 2025

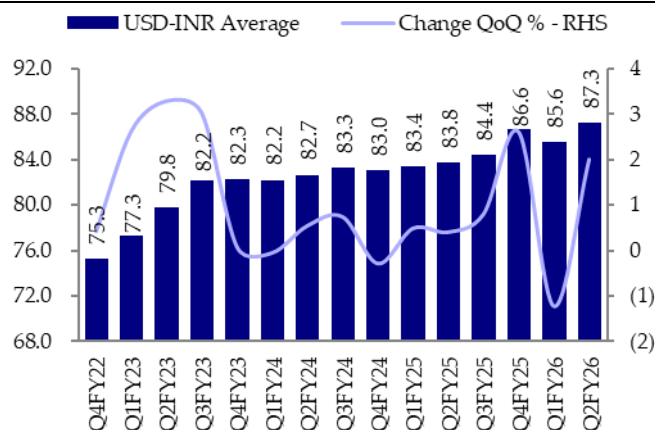
Exhibit 12: USD-INR vs IT index trend



Source: Bloomberg

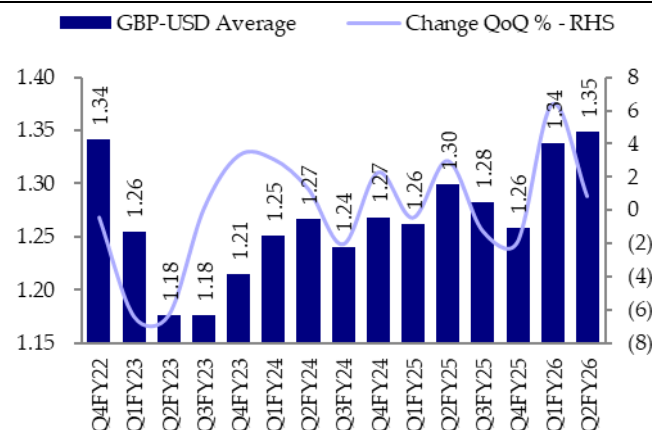
Exhibit 13: Currency trends – Favorable currency movement led positive cross currency impact in Q2

USD-INR trend



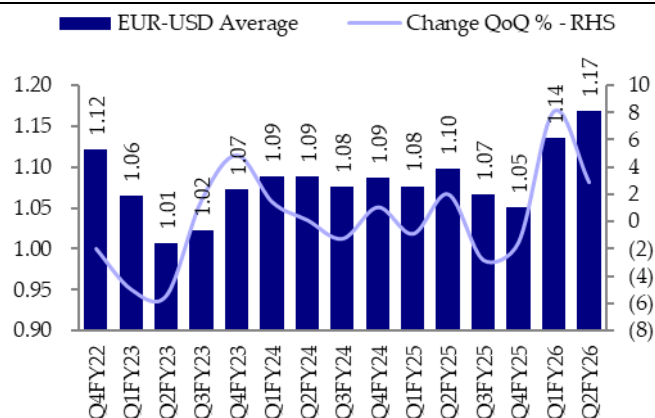
Source: NSE, Bloomberg, HSIE Research

GBP-USD trend



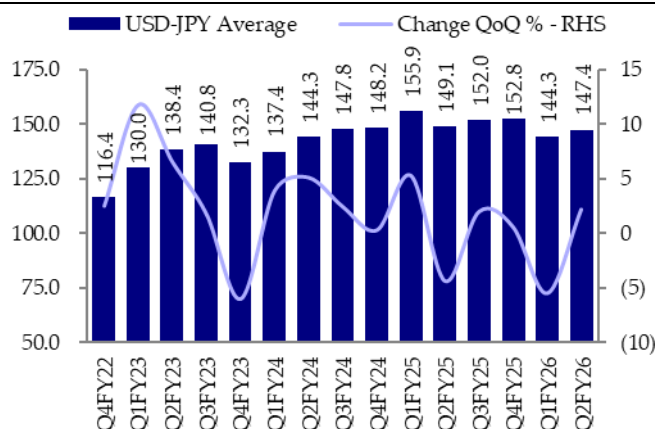
Source: NSE, Bloomberg, HSIE Research

EUR-USD trend



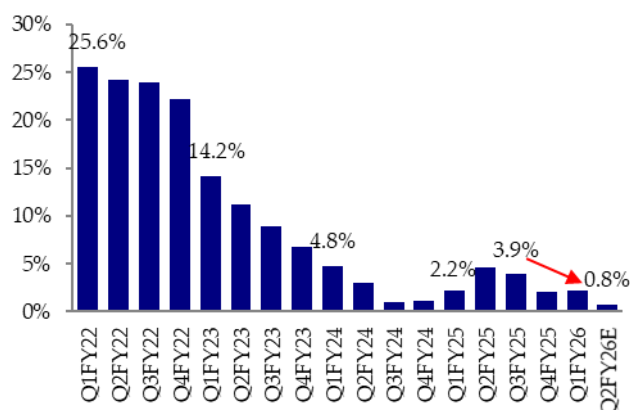
Source: NSE, Bloomberg, HSIE Research

USD-JPY trend



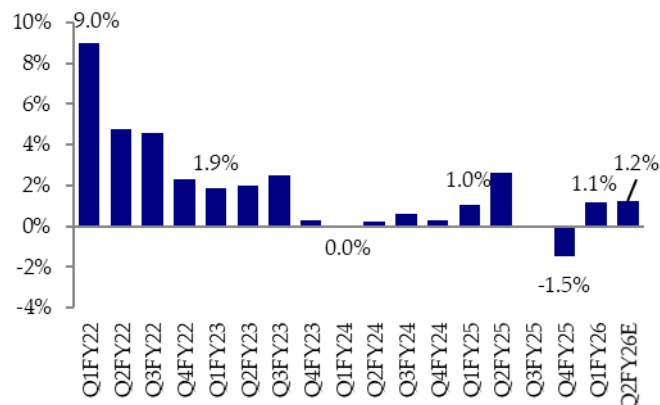
Source: NSE, Bloomberg, HSIE Research

Exhibit 14: IT Sector YoY revenue growth trending down



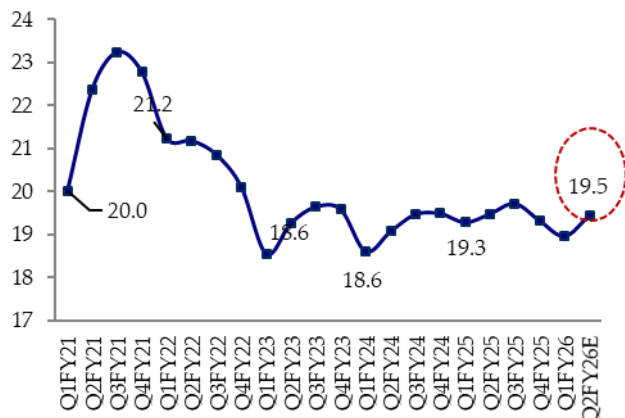
Source: Company, HSIE Research

Exhibit 15: IT Sector QoQ revenue growth supported by FX tailwinds



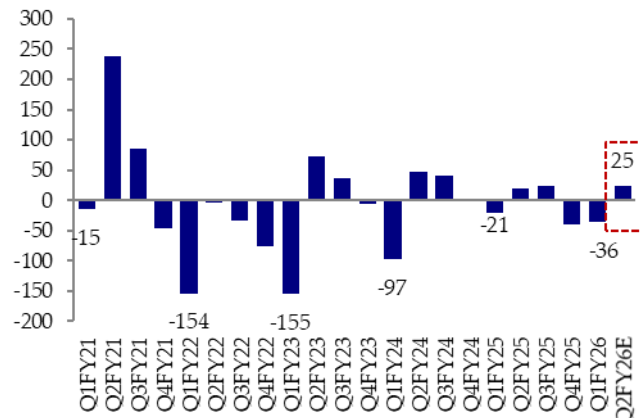
Source: Company, HSIE Research

Exhibit 16: Slight margin uptick



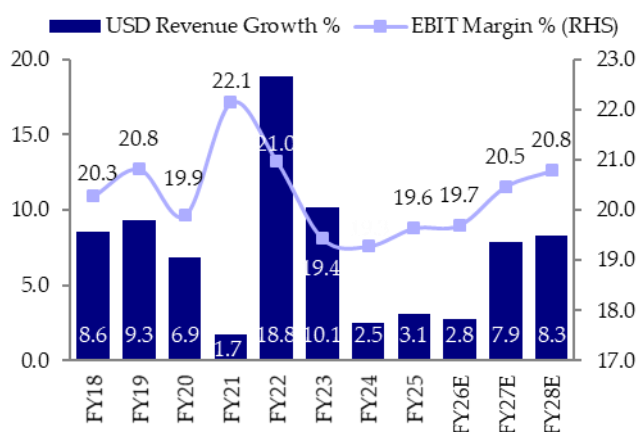
Source: Company, HSIE Research

Exhibit 17: Sequential margin improvement



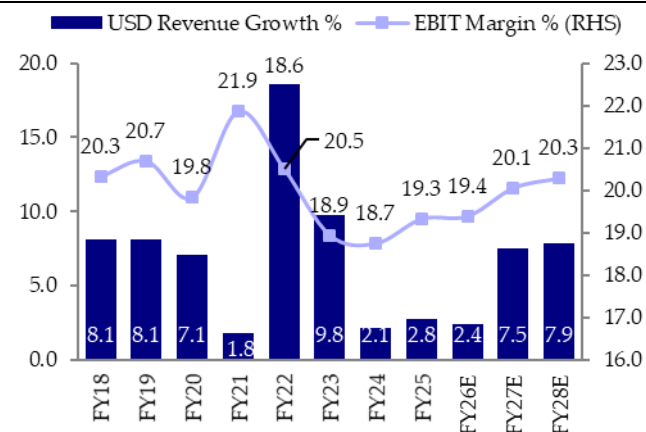
Source: Company, HSIE Research

Exhibit 18: H2FY26E YoY recovery expected with some cautiousness in spending - IT Sector aggregate revenue growth and EBITM trend



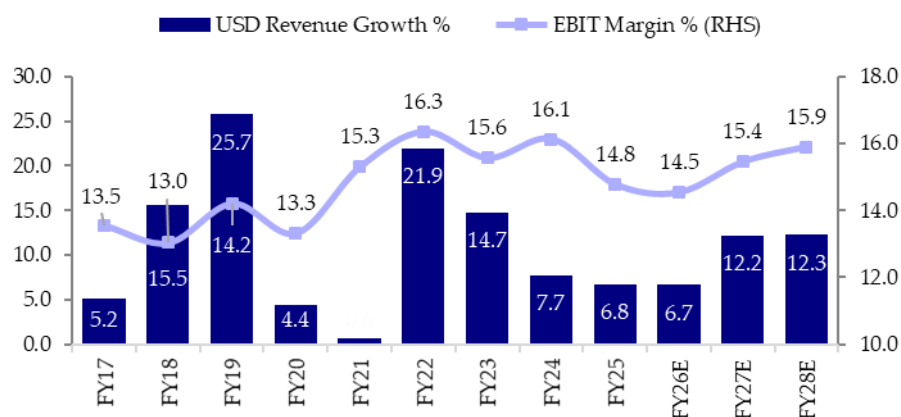
Source: Company, HSIE Research

Exhibit 19: Tier -1 IT revenue growth and margin trend



Source: Company, HSIE Research; Tier 1 includes TCS, INFO, HCLT, WPRO, LTIM & TECHM

Exhibit 20: Tier -2 IT revenue growth and margin trend



Source: Company, HSIE Research; Tier 2 includes PSYS, MPHL, LTTS, TELX, ZENT, CYL, BSOFT, SSOE, HAPPSTMN, MAST

Exhibit 21: Key deals announced in Q2FY26

Company	Client	Vertical	Region	Services
TCS	Weatherford International	Regional Markets & Others	US	AI-led business transformation, 5-year renewal deal
	Now Telecom	Communication & Media	Philippines	Sovereign Data Cloud & digital infrastructure
	Kesko	Mfg	Finland	IT transformation, multi-year
	ICICI Lombard	BFSI	India	AWS Cloud
	Unilab Inc	Life science & Healthcare	Philippines	Cloud-led enterprise modernization
	Lloyds bank	BFSI	UK	TCS BaNCS administration platform
	Tryg	BFSI	Denmark	Digital transformation, 7-year renewal deal worth €550M
	IIT Kanpur	Regional Markets & Others	India	AI-powered urban planning
	Government of Odisha	Regional Markets & Others	India	AI-powered Integrated Financial Management System (IMFS) 3.0 & AI Workbench
	CEA	Regional Markets & Others	France	AI-research to develop robotics solutions
	The Warehouse Group	Retail & CPG	Australia	IT modernization
	ARN Media	Communication & Media	Australia	IT modernization, multi-year deal
Infosys	Vodafone-Idea	Communication & Media	India	AI-powered customer experience platform, 5-year deal
	Melbourne Archdiocese Catholic Schools	Others	Australia	SAP S/4 HANA
	Telstra	Communication	Australia	AI-led modernization
	AGCO	Mfg	US	Infosys Cobalt and Topaz, renewal deal
	RWE AG	Energy, Utilities, Resources & Services	Germany	Workplace transformation
	Uniting Financial Services	Others	Australia	Finacle Digital Banking Suite
	Mastercard	Financial Services	India	Finacle
	Glion Arena Kobe	Others	Japan	Infosys Cobalt
	Bank CTBC	Financial Services	China	Finacle
	HanesBrands Inc	Retail & CPG	US	LEAP and Topaz, 10-year deal
HCL Tech	Sunrise	Communication	Switzerland	AI-led transformation, deal extension
	Equinor	Public Services	Europe	Digital transformation
	Astemo Cypremos	Technology & Services	Japan	TestSphere, AI-force, Cloud Bridge
	Swiss Network	Public Services	India	Enterprise technologies
	Pearson	Public Services	UK	AI-force, Career Shaper , multi-year deal
	SailPoint	Technology & Services	US	Cybersecurity
Wipro	Saudi Electric Company	Energy, Natural Resources and Utilities	Saudi Arabia	Smart Meter data management, multi-year deal
LTIM	Govt of India (IT Department)	Others	India	AI led PAN and TAN modernization, INR 7.9bn deal
	OKQ8	Energy & Utilities	Sweden	Digital transformation, renewal, multi-million dollar deal
	Shopify	Technology, Media & Communications	India	AI-powered commerce platform
Mphasis	Flagstar Bank	Banking, Capital Market and Insurance	US	IT modernization
LTTS	Traton Group	Mobility	Sweden	Engineering services
Tata Elxsi	Evergent	Broadcast & Communications	US	Unified digital storefront
Mastek	NHS London Procurement Partnership	Healthcare	UK	Clinical Digital Transformation, 4-year deal
	Harmony Australasia	Manufacturing & Technology	Australia	Oracle HCM Cloud application

Source: Company, HSIE Research

Exhibit 22: Quarterly USD revenue growth trend (QoQ CC %)

USD Rev (QoQ CC %)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26E
TCS	3.5	4.0	2.3	0.6	0.0	0.1	1.0	1.1	2.2	1.1	0.0	-0.8	-3.3	0.0
INFY	5.5	4.0	2.4	-3.2	0.4	2.3	-1.0	-2.2	3.6	3.1	1.7	-3.5	2.6	1.8
HCLT	2.7	3.8	5.0	-1.2	-1.3	1.0	6.0	0.3	-1.6	1.6	3.8	-0.8	-0.8	1.0
WPRO	2.1	4.1	0.6	-0.6	-2.8	-2.0	-1.7	-0.3	-1.0	0.6	0.1	-0.8	-2.0	0.0
LTIM	5.0	5.5	1.9	0.7	0.1	1.7	0.7	-1.3	2.6	2.3	1.8	-0.6	0.8	1.8
TECHM	3.5	2.9	0.2	0.3	-4.2	-2.4	1.1	-0.8	0.7	0.7	1.2	-1.5	-1.4	0.2
PSYS	12.0	6.6	3.5	3.5	2.9	3.2	3.1	3.4	5.6	5.3	4.6	4.5	3.3	3.5
MPHL	2.0	1.8	-2.5	-4.5	-3.5	0.0	1.0	2.1	-0.1	2.4	0.2	2.9	1.0	1.8
LTTS	4.7	4.5	0.0	2.2	-2.9	3.2	0.9	5.1	-3.1	3.4	3.1	10.5	-4.2	1.2
TELX	6.5	4.7	3.5	1.6	1.2	3.4	3.0	-0.6	2.4	0.2	0.0	-3.3	-3.9	-0.1
ZENT	3.1	1.6	-5.3	0.4	1.3	0.2	-3.2	2.0	4.3	0.3	0.7	0.9	1.9	-0.1
CYL	6.5	12.3	11.9	3.2	0.3	1.0	1.1	-0.5	-5.0	1.3	2.4	-1.9	-1.5	-0.5
BSOFT	2.3	1.1	0.0	3.1	1.7	3.0	1.8	1.6	-2.7	2.2	-1.1	-5.3	-1.8	-1.1
SSOF	3.9	3.3	3.9	8.0	17.4	5.2	3.0	-2.2	1.4	1.5	4.4	-7.2	-0.9	0.2
HAPPSTMN	5.9	5.0	2.1	1.4	3.6	3.3	0.8	1.4	11.4	12.7	0.8	1.1	2.3	1.0
MAST	-0.1	10.7	3.1	5.3	0.4	4.4	2.7	-1.4	4.1	4.7	0.1	2.9	-1.1	1.8

Source: Company, HSIE Research, Wipro is IT services rev and Sonata is IITS Rev, HAPPSTMN is USD rev growth from Q1FY23 to Q2FY23

Exhibit 23: Quarterly EBIT Margin trend (%)

EBIT Margin (%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26E
TCS	23.1	24.0	24.5	24.5	23.2	24.3	25.0	26.0	24.7	24.1	24.5	24.2	24.5	24.4
INFY	20.1	21.5	21.5	21.0	20.8	21.2	20.5	20.1	21.1	21.1	21.3	21.0	20.8	20.7
HCLT	17.0	17.9	19.6	18.2	17.0	18.5	19.7	17.6	17.1	18.6	19.5	18.0	16.3	17.3
WPRO	15.0	15.1	16.3	17.0	16.0	16.1	16.0	16.4	16.5	16.8	17.5	17.5	17.3	16.9
LTIM	17.4	17.5	13.9	16.4	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	14.2	14.8
TECHM	11.0	11.4	12.0	11.2	6.8	4.7	5.4	7.4	8.5	9.6	10.2	10.5	11.1	11.5
PSYS	14.3	14.6	15.4	15.4	14.9	13.7	14.5	14.5	14.0	14.0	14.9	15.6	15.5	16.1
MPHL	15.3	15.3	15.3	15.3	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.3	15.3	15.0
LTTS	18.3	18.1	18.7	18.7	17.2	17.1	17.2	16.9	15.6	15.1	15.9	13.2	13.3	13.4
TELX	30.5	26.8	27.6	27.3	27.1	27.1	26.8	25.8	24.3	25.1	23.5	20.1	18.2	18.5
ZENT	7.2	4.6	7.1	11.6	15.3	15.7	14.6	14.6	13.3	13.1	13.8	13.9	13.5	13.4
CYL	12.8	12.5	14.0	15.1	16.1	16.5	16.0	16.0	12.6	14.2	13.5	12.6	12.0	12.2
BSOFT	13.0	13.1	-1.1	11.9	13.6	14.2	14.4	14.7	13.1	10.5	10.4	11.5	10.7	10.4
SSOF	24.5	23.5	21.8	20.7	21.1	23.1	22.6	17.3	18.7	18.2	14.6	16.5	16.5	16.6
HAPPSTMN	23.5	22.7	21.7	21.0	19.2	16.7	16.1	16.4	13.5	13.2	13.7	11.3	13.0	12.0
MAST	17.2	14.4	14.3	14.9	14.8	13.3	14.2	12.5	12.8	14.2	14.3	13.3	13.0	13.4

Source: Company, HSIE Research, WPRO is IT services margin, CYL is DET margin and SSOF is IITS EBITDA Margin

Exhibit 24: Financial Snapshot**TCS**

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	25,707	27,927	29,080	30,179	30,313	32,659	35,386
Revenue	1,917.54	2,254.58	2,408.93	2,553.24	2,635.15	2,874.03	3,149.35
EBIT	484.53	542.37	593.11	621.65	642.73	721.19	795.11
APAT	383.27	421.47	466.35	485.53	506.96	558.28	615.28
AEPS (INR)	105.9	116.5	128.9	134.2	140.1	154.3	170.1
EBIT margin (%)	25.3	24.1	24.6	24.3	24.4	25.1	25.2
USD Revenue growth (%)	15.9	8.6	4.1	3.8	0.4	7.7	8.3
EPS growth (%)	14.9	10.0	10.6	4.1	4.4	10.1	10.2
P/E (x)	27.5	25.0	22.6	21.7	20.8	18.9	17.1
EV/EBITDA (x)	18.8	17.0	15.7	15.0	14.5	13.0	11.8
RoE (%)	43.7	46.9	51.6	52.4	53.8	59.1	63.4

Infosys

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	16,310	18,212	18,562	19,277	20,105	21,406	23,063
Revenue	1,216.41	1,467.67	1,536.71	1,629.90	1,748.15	1,883.72	2,052.58
EBIT	280.15	309.06	317.47	344.24	368.17	409.17	449.89
APAT	221.11	240.95	247.50	267.13	287.90	319.90	356.97
AEPS (INR)	53.3	58.0	59.6	64.3	69.4	77.1	86.0
EBIT margin (%)	23.0	21.1	20.7	21.1	21.1	21.7	21.9
USD Revenue growth (%)	20.3	11.7	1.9	3.9	4.3	6.5	7.7
EPS growth (%)	14.3	9.0	2.7	7.9	7.8	11.1	11.6
P/E (x)	27.1	24.9	24.3	22.5	20.8	18.8	16.8
EV/EBITDA (x)	17.9	16.2	15.4	14.1	13.1	11.9	10.8
RoE (%)	29.2	32.0	30.3	29.0	29.0	30.3	32.2

HCL Tech

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	11,537	12,586	13,270	13,840	14,575	15,766	16,918
Revenue	856.51	1,014.56	1,099.13	1,170.55	1,267.50	1,387.41	1,505.68
EBIT	162.04	184.84	200.27	214.21	226.54	261.34	289.87
APAT	134.99	148.52	157.02	169.61	183.79	212.28	236.92
AEPS (INR)	49.7	54.7	57.9	62.5	67.7	78.2	87.3
EBIT margin (%)	18.9	18.2	18.2	18.3	17.9	18.8	19.3
USD Revenue growth (%)	13.4	9.1	5.4	4.3	5.3	8.2	7.3
EPS growth (%)	8.3	10.0	5.7	8.0	8.4	15.5	11.6
P/E (x)	27.9	25.4	24.0	22.2	20.5	17.8	15.9
EV/EBITDA (x)	17.6	15.9	14.6	13.7	12.7	11.1	9.9
RoE (%)	22.1	23.3	23.5	24.6	26.0	28.7	29.9

Wipro

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
ITS Revenue (USD mn)	10,356	11,147	10,805	10,512	10,448	10,987	11,600
Revenue	790.93	904.88	897.60	890.88	910.83	969.16	1,034.76
EBIT	133.75	135.13	135.76	151.24	155.64	168.49	183.93
APAT	122.19	113.50	110.45	131.35	133.79	144.12	155.53
AEPS (INR)	11.7	10.8	10.5	12.5	12.8	13.7	14.8
IT Services EBIT margin (%)	17.8	15.7	16.1	17.1	17.4	17.4	17.8
USD Revenue growth (%)	27.3	7.6	(3.1)	(2.7)	(0.6)	5.2	5.6
EPS growth (%)	13.2	(7.1)	(2.7)	18.7	1.8	7.7	7.9
P/E (x)	20.7	22.2	22.9	19.3	18.9	17.6	16.3
EV/EBITDA (x)	14.3	13.6	13.4	12.1	11.8	10.8	9.8
RoE (%)	20.2	15.8	14.4	16.6	15.8	16.2	16.7

LTIMindtree

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	3,502	4,106	4,287	4,493	4,772	5,358	6,049
Revenue	261.09	331.83	355.17	380.08	414.66	471.49	538.40
EBIT	46.52	53.85	55.69	55.03	61.44	75.41	90.87
APAT	39.50	44.10	45.85	46.02	52.24	62.55	74.41
AEPS (INR)	133.5	149.1	155.0	155.6	176.6	211.4	251.5
EBIT margin (%)	17.8	16.2	15.7	14.5	14.8	16.0	16.9
USD Revenue growth (%)	27.5	17.2	4.4	4.8	6.2	12.3	12.9
EPS growth (%)	29.5	11.6	4.0	0.4	13.5	19.7	19.0
P/E (x)	38.4	34.4	33.1	32.9	29.0	24.2	20.4
EV/EBITDA (x)	27.5	23.6	22.2	21.6	19.2	15.5	12.7
RoE (%)	30.5	28.6	25.0	21.5	21.5	22.6	23.5

Tech Mahindra

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	5,998	6,606	6,277	6,264	6,382	6,890	7,399
Revenue	446.46	532.90	519.96	529.88	554.57	606.32	658.54
EBIT	65.00	60.72	31.47	51.38	67.14	82.90	94.41
APAT	55.66	50.10	26.98	43.76	53.68	66.73	78.25
AEPS (INR)	62.8	56.6	30.5	49.4	60.6	75.3	88.3
EBIT margin (%)	14.6	11.4	6.1	9.7	12.1	13.7	14.3
USD Revenue growth (%)	17.3	10.1	(5.0)	(0.2)	1.9	8.0	7.4
EPS growth (%)	24.7	(10.0)	(46.1)	62.2	22.6	24.3	17.3
P/E (x)	22.6	24.7	44.4	28.7	23.4	18.8	16.0
EV/EBITDA (x)	14.8	14.9	24.1	16.9	13.7	11.2	9.8
RoE (%)	21.5	18.3	9.9	16.2	19.2	22.7	24.8

Persistent Systems

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	766	1,036	1,186	1,409	1,646	1,927	2,222
Revenue	57.11	83.51	98.22	119.39	143.11	169.60	197.72
EBIT	7.92	12.47	14.15	17.51	21.79	27.20	32.74
APAT	6.90	9.43	11.30	14.00	17.08	21.34	26.05
AEPS (INR)	44.9	61.3	73.4	91.0	111.0	138.7	169.3
EBIT margin (%)	13.9	14.9	14.4	14.7	15.2	16.0	16.6
USD Revenue growth (%)	35.2	35.3	14.5	18.8	16.8	17.1	15.3
EPS growth (%)	53.2	36.6	19.8	23.9	22.0	24.9	22.1
P/E (x)	110.4	80.9	67.5	54.5	44.6	35.7	29.3
EV/EBITDA (x)	87.8	55.7	49.0	40.9	32.5	26.2	21.5
RoE (%)	22.4	25.1	24.5	24.8	25.0	26.7	27.6

Mphasis

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	1,593	1,718	1,609	1,681	1,805	2,000	2,205
Revenue	119.62	137.99	132.79	142.30	156.90	175.99	196.24
EBIT	18.27	21.09	20.11	21.71	24.15	27.82	31.98
APAT	14.46	16.38	15.55	17.02	18.68	21.51	24.98
AEPS (INR)	77.3	87.6	83.1	91.0	99.9	115.0	133.6
EBIT margin (%)	15.3	15.3	15.1	15.3	15.4	15.8	16.3
USD Revenue growth (%)	21.7	7.8	(6.3)	4.4	7.4	10.8	10.3
EPS growth (%)	18.9	13.2	(5.1)	9.5	9.8	15.1	16.1
P/E (x)	34.8	30.7	32.4	29.6	26.9	23.4	20.1
EV/EBITDA (x)	22.8	19.7	19.9	18.1	16.4	14.1	12.0
RoE (%)	21.5	22.0	18.6	18.5	18.7	19.9	21.3

L&T Technology Services

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	880	990	1,164	1,259	1,379	1,542	1,707
Revenue	65.70	80.14	96.47	106.70	119.90	135.68	151.90
EBIT	12.01	14.79	16.47	15.87	17.26	21.51	24.42
APAT	9.57	11.70	13.04	12.66	13.96	17.37	19.78
AEPS (INR)	90.7	110.8	123.5	119.9	132.2	164.6	187.5
EBIT margin (%)	18.3	18.5	17.1	14.9	14.4	15.9	16.1
USD Revenue growth (%)	19.5	12.4	17.6	8.2	9.6	11.8	10.7
EPS growth (%)	52.7	22.2	11.4	(2.9)	10.3	24.4	13.9
P/E (x)	46.2	37.8	33.9	34.9	31.7	25.4	22.3
EV/EBITDA (x)	29.8	24.2	21.7	22.0	19.7	15.7	13.6
RoE (%)	25.1	25.7	25.4	22.2	21.6	23.8	23.8

Tata Elxsi

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	331	390	429	441	430	505	583
Revenue	24.71	31.45	35.52	37.29	37.42	44.46	51.92
EBIT	7.10	8.80	9.47	8.68	8.02	10.99	13.16
APAT	5.50	7.55	7.92	7.85	7.07	9.36	11.16
AEPS (INR)	88.3	121.3	127.2	126.0	113.6	150.3	179.2
EBIT margin (%)	28.8	28.0	26.7	23.3	21.4	24.7	25.3
USD Revenue growth (%)	34.3	17.7	9.9	2.8	(2.3)	17.4	15.5
EPS growth (%)	49.3	37.4	4.9	(0.9)	(9.9)	32.4	19.2
P/E (x)	59.2	43.1	41.1	41.5	46.0	34.8	29.2
EV/EBITDA (x)	41.1	32.6	29.7	31.4	33.7	24.9	20.6
RoE (%)	37.2	41.0	34.5	29.3	23.5	28.1	29.7

Zensar Technologies

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	569	604	592	624	659	734	818
Revenue	42.44	48.48	49.02	52.81	57.30	64.57	72.80
EBIT	4.72	3.69	7.38	7.15	7.66	8.81	10.16
APAT	4.16	3.28	6.65	6.50	7.20	8.13	9.28
AEPS (INR)	18.2	14.3	29.1	28.4	31.5	35.6	40.6
EBIT margin (%)	11.1	7.6	15.0	13.5	13.4	13.7	14.0
USD Revenue growth (%)	15.3	6.1	(2.0)	5.4	5.5	11.3	11.5
EPS growth (%)	19.0	(21.3)	103.0	(2.2)	10.8	12.9	14.1
P/E (x)	42.2	53.6	26.4	27.0	24.4	21.6	18.9
EV/EBITDA (x)	24.6	28.4	17.4	18.2	16.5	13.9	11.7
RoE (%)	16.3	11.3	20.0	16.6	16.3	16.4	16.8

Cyient

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	504	632	714	671	654	700	776
Revenue	45.34	60.16	71.47	73.60	74.45	83.28	95.61
EBIT	6.30	7.67	10.36	8.84	7.65	9.08	11.15
APAT	5.22	5.65	7.41	6.22	6.32	7.13	8.81
AEPS (INR)	47.3	51.2	67.1	56.3	57.3	64.6	79.8
EBIT margin (%)	13.9	12.8	14.5	12.0	10.3	10.9	11.7
USD Revenue growth (%)	9.2	25.6	12.9	(6.1)	(2.4)	7.0	10.9
EPS growth (%)	40.5	8.2	31.1	(16.1)	1.7	12.7	23.6
P/E (x)	24.3	22.5	17.1	20.4	20.1	17.8	14.4
EV/EBITDA (x)	14.3	12.5	9.4	10.0	10.6	8.9	7.3
RoE (%)	17.2	17.2	19.2	13.0	11.6	12.3	14.2

Birlasoft

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	555	595	637	635	603	645	710
Revenue	41.30	47.95	52.78	53.75	52.41	56.73	63.17
EBIT	5.64	4.38	7.51	6.12	5.80	6.54	7.64
APAT	4.64	4.50	6.11	5.17	4.38	5.57	6.44
AEPS (INR)	16.8	16.3	22.2	18.8	15.8	20.1	23.2
EBIT margin (%)	13.6	9.1	14.2	11.4	11.1	11.5	12.1
USD Revenue growth (%)	15.7	7.2	7.1	(0.3)	(5.1)	6.9	10.1
EPS growth (%)	44.5	(3.0)	36.0	(15.5)	(16.1)	27.3	15.5
P/E (x)	20.8	21.4	15.8	18.7	22.2	17.5	15.1
EV/EBITDA (x)	13.1	16.4	9.4	10.6	10.9	9.4	7.8
RoE (%)	19.5	17.9	22.3	15.8	12.2	14.4	15.2

Sonata Software

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
IITS Revenue (USD mn)	203	241	324	336	332	362	412
Revenue	55.53	74.49	86.13	101.57	109.83	119.34	131.15
EBIT	4.16	5.45	5.96	5.68	5.54	6.38	7.52
APAT	3.76	4.52	4.83	4.25	4.29	4.97	5.86
AEPS (INR)	13.4	16.1	17.2	15.1	15.3	17.7	20.9
IITS EBITDA margin (%)	23.0	20.9	21.0	17.0	16.9	17.8	18.4
EBIT margin (%)	7.5	7.3	6.9	5.6	5.0	5.3	5.7
USD Revenue growth (%)	26.6	18.7	34.3	3.7	(1.2)	9.2	13.8
EPS growth (%)	54.3	20.0	6.9	(12.1)	1.1	15.7	17.9
P/E (x)	25.9	21.6	20.2	23.0	22.7	19.7	16.7
EV/EBITDA (x)	19.9	17.4	14.7	15.1	15.1	13.1	11.0
RoE (%)	37.6	37.7	35.7	27.3	23.7	24.3	25.3

Happiest Minds Technologies

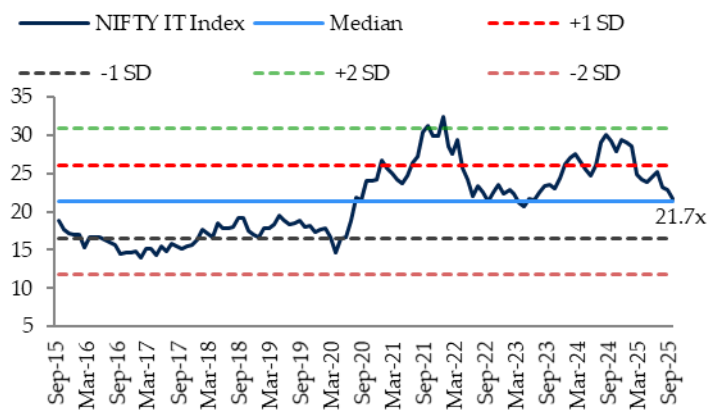
INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	147	178	196	244	266	309	360
Revenue	10.94	14.29	16.25	20.61	23.14	27.17	32.08
EBIT	2.25	3.17	2.78	2.66	3.32	4.12	4.94
APAT	1.86	2.36	2.38	1.93	2.38	2.95	3.60
AEPS (INR)	12.2	15.5	15.6	12.7	15.6	19.4	23.6
EBIT margin (%)	20.6	22.2	17.1	12.9	14.3	15.2	15.4
USD Revenue growth (%)	41.0	21.3	10.3	24.2	9.3	16.0	16.7
EPS growth (%)	14.3	26.9	1.0	(18.7)	23.2	23.9	22.0
P/E (x)	43.1	34.0	33.6	41.4	33.6	27.1	22.2
EV/EBITDA (x)	29.4	21.7	21.2	21.9	18.2	14.9	12.5
RoE (%)	30.6	31.3	20.5	12.7	14.7	17.0	19.2

Mastek

INR bn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	293	318	368	408	446	501	565
Revenue	21.84	25.63	30.55	34.55	38.74	44.06	50.26
EBIT	4.20	3.88	4.19	4.71	5.27	6.30	7.08
APAT	2.95	2.68	3.06	3.68	3.84	4.63	5.19
AEPS (INR)	96.6	86.6	96.2	116.4	121.3	146.5	164.1
EBIT margin (%)	19.2	15.2	13.7	13.6	13.6	14.3	14.1
USD Revenue growth (%)	26.3	8.6	15.8	10.9	9.2	12.3	12.8
EPS growth (%)	31.5	(10.4)	11.2	21.0	4.2	20.8	12.0
P/E (x)	22.9	25.5	23.0	19.0	18.2	15.1	13.5
EV/EBITDA (x)	13.3	15.2	13.8	12.7	10.8	8.7	7.4
RoE (%)	30.6	19.4	16.1	16.2	14.6	15.6	15.4

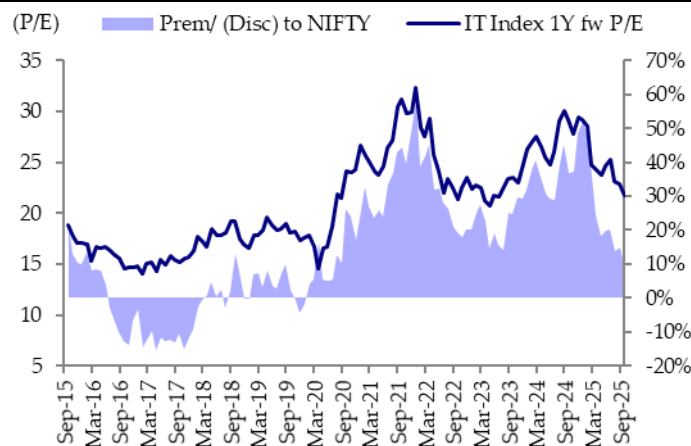
Exhibit 25: Valuation charts

NIFTY IT Index Valuation Trend (P/E 1-yr fwd)



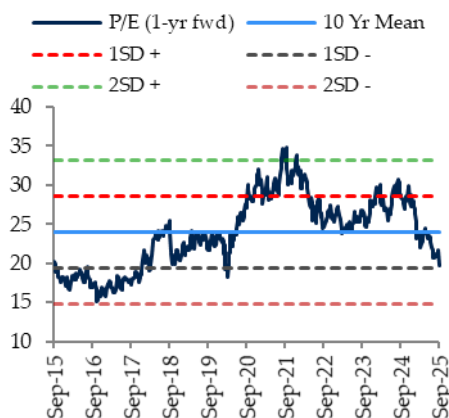
Source: Bloomberg, HSIE Research

IT Index Valuation Trend vs NIFTY

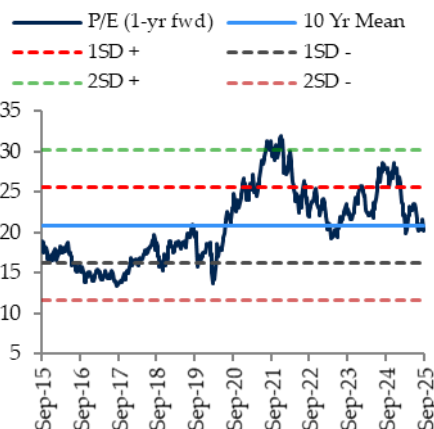


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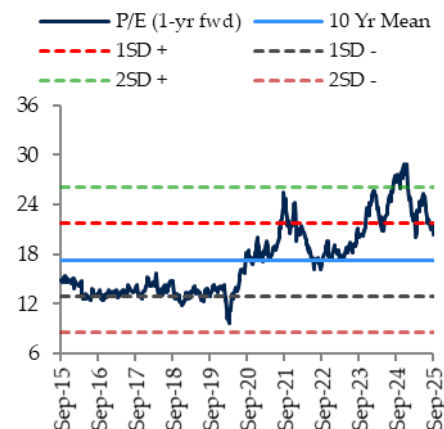
TCS P/E (1-yr fwd) Trend



INFY P/E (1-yr fwd) Trend

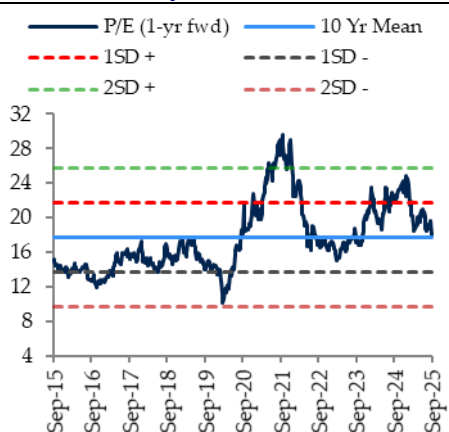


HCLT P/E (1-yr fwd) Trend

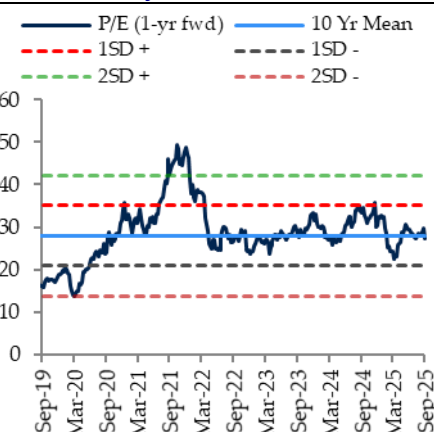


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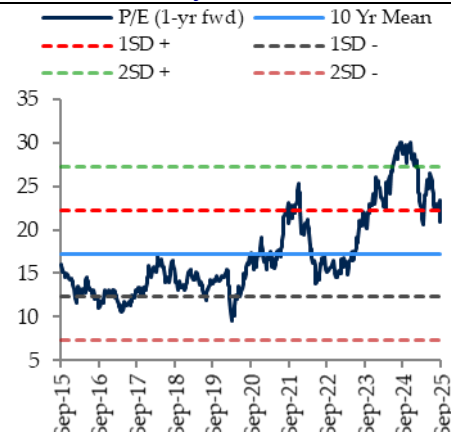
WPRO P/E (1-yr fwd) Trend



LTIM P/E (1-yr fwd) Trend

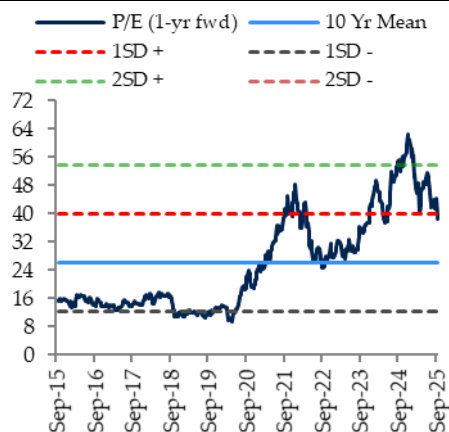


TECHM P/E (1-yr fwd) Trend

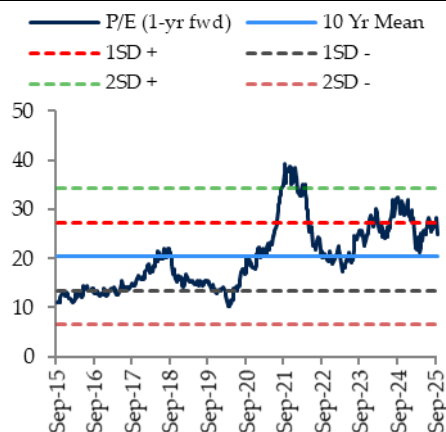


Source: Bloomberg, HSIE Research

PSYS P/E (1-yr fwd) Trend



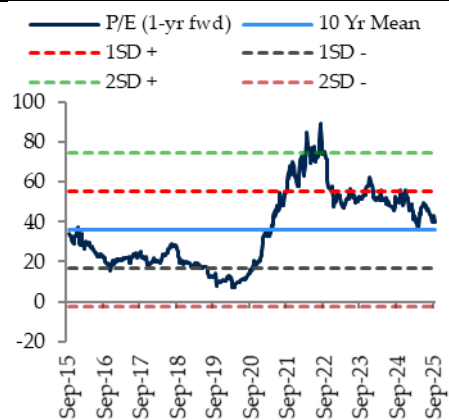
MPHL P/E (1-yr fwd) Trend



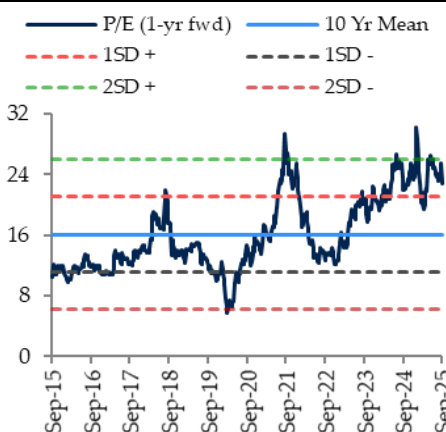
LTTS P/E (1-yr fwd) Trend



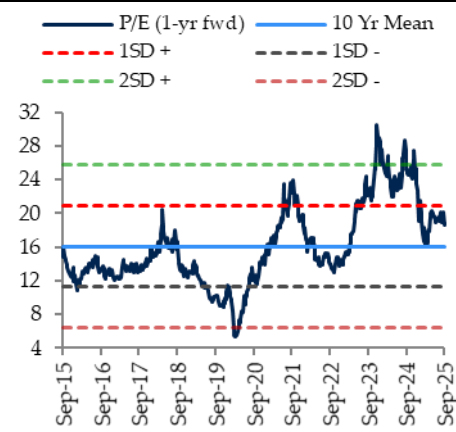
TELX P/E (1-yr fwd) Trend



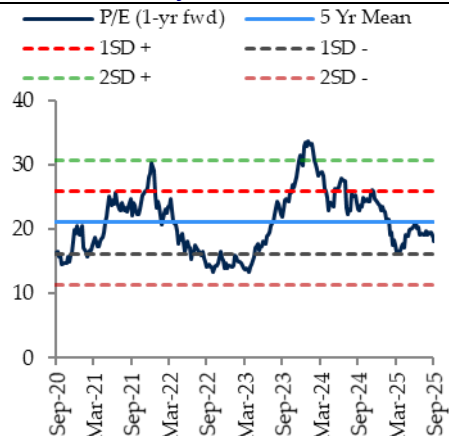
ZENT P/E (1-yr fwd) Trend



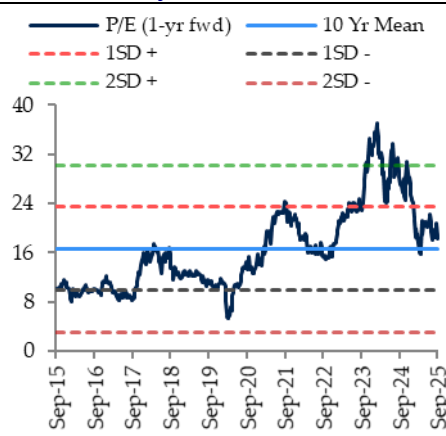
CYL P/E (1-yr fwd) Trend



BSOFT P/E (1-yr fwd) Trend



SSOF P/E (1-yr fwd) Trend



HAPPSTMN P/E (1-yr fwd) Trend

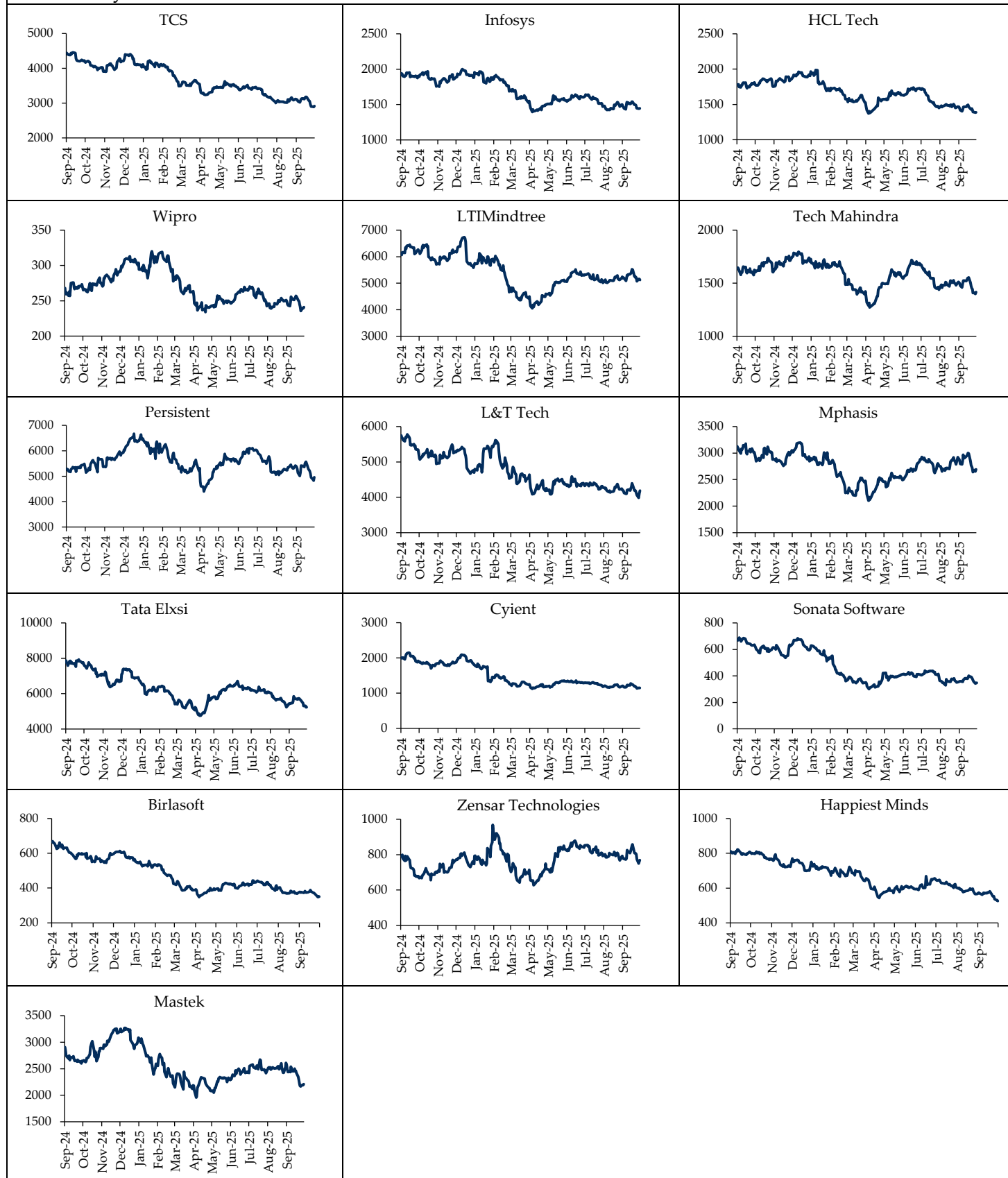


MAST P/E (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

Price history



Rating Criteria

BUY: $\geq +15\%$ return potentialADD: $+5\%$ to $+15\%$ return potentialREDUCE: -10% to $+5\%$ return potentialSELL: $> 10\%$ Downside return potential

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