

# IT majors reeling under pricing pressure, shift in payment models

**FACING THE HEAT.** Businesses prioritise cost optimisation over discretionary spends

**Vallari Sanzgiri**  
Mumbai

Pricing pressures and cost optimisation demands from various industry verticals are impacting the performance of information technology (IT) companies.

This is seen as a larger global trend that is gaining momentum, leading enterprises to prioritise operational cost rationalisation over discretionary technology spending.

Pricing models are also shifting away from long term contracts to usage-based payments and shorter contract periods.

During their respective earnings call, each company talked about growing pressure from different verticals.

While Infosys said price pressure remained stable in Q4, HCL Tech reported an impact in retail and manufacturing, including auto. C Vijayakumar, CEO and MD at HCL Tech said this impact will spill over to all verticals very quickly.

Wipro said the manufacturing and automotive sector is calling for reduced costs while TCS reported cost optimisation demands from consumer business group, healthcare and life sciences, and the BFSI verticals.

### PROJECT DELAYS

“The consumer business group saw heightened caution and delays in discretionary projects, especially in the US.

“This was driven by the significant drop in consumer sentiment in February, which preceded changes in global trade and tariffs, creating a domino effect on retail CPG and TTH indus-



**TREADING WITH CAUTION.** Pricing models are shifting away from long term contracts to usage-based payments and shorter contract periods ISTOCKPHOTO

tries... in healthcare, deals are taking longer to close. Customers are moving cautiously and prioritising critical business initiatives. Growth programs are being either postponed or timelines are being reassessed,” said K Krithivasan, CEO at TCS.

### ‘PAY-AS-YOU-GO’

The commentaries by companies are in line with Greyhound Research’s observations that pricing pressure is most acute in capital-intensive sectors, where technology costs have to directly compete with core operational investments.

According to the Greyhound Sector Pulse 2025, 66 per cent of manufacturing CIOs and 61 per cent of BFSI CIOs renegotiated technology contracts mid-term to preserve margins.

The manufacturing CIOs now insist on shorter contract durations (under three years) while the BFSI CIOs favour elastic, usage-based pricing models over fixed annual licensing.

Both sectors are championing pay-as-you-go pricing models over traditional capex-heavy deployments. “Notably, 39 per cent of

manufacturing CIOs are blending IT procurement with operational procurement teams to enforce financial discipline — a significant structural shift in enterprise IT governance.

Sector dynamics are amplifying technology cost scrutiny,” said Sanchit Vir Gogia, Chief Analyst and CEO at Greyhound Research.

“That is a sense we have based on analysing how each customer is impacted and what will that impact mean to both upstream and downstream in their value chain.

“I think it’s something which is going to be broad-based.

“It might show up in retail and manufacturing to start with, but it’s only a quarter lag before it has an impact on other verticals,” he said.

### SHIFT TO GENAI

In terms of a solution, companies appear to be turning towards GenAI to help with cost optimisation.

Data from Greyhound showed that among Fortune 2000 CIOs, 58 per cent are renegotiating current contracts, while 43 per cent are actively considering best-of-breed over bundled platform purchases to control costs.

Meanwhile, 34 per cent are experimenting with hybrid procurement models such as FinOps-managed IT consumption to reduce unpredictable outlays.

### HOLDING UP MARGINS

On an annual basis, India’s IT sector (Tata Consultancy Services or TCS, Wipro, Infosys and HCL Tech) grew 50 bps but declined sequentially.

Wipro managed to keep margins flat at 17.5 per cent while TCS and Infosys reported a 30 bps decline. HCL Tech slipped to 17.9 per cent from 19.5 per cent in the previous quarter.

Stating that IT companies’ revenue majorly comes from managed services and discretionary spends, Ashutosh Sharma, Vice-President and Research Director at Forrester, said, “Managed services deals used to be fairly profitable.

Over a period of time, due to automation, etc., the profits from these deals fell to single-digit or low double-digit margins.

“So, companies were making their numbers through discretionary spends.”

### FALL IN DEALS

“Until last calendar year, the numbers were looking good in terms of the deal numbers. But last quarter, many of those deals started to fall behind.

“The new deals coming in are more of a top-up in the form of a managed services relationship.

So, this supply dried up, putting a lot of margins under pressure,” he added.

Sharma said this pressure will remain until people start spending again, resulting in companies postponing all the expenses.

## ASCI modifies influencer guidelines in health, finance

**Sanjana B**  
Bengaluru

The Advertising Standards Council of India (ASCI) has released an update to its Influencer Advertising Guidelines for health and finance influencers.

The updated guidelines draw a distinction between generic promotion and those that involve technical aspects for a products and service, which consumers are likely to interpret as expert advice.

With this modification, health and financial influencers need to be qualified and declare their qualification only where technical information and advice are provided, ASCI stated.

### UPDATED NORMS

Earlier, all influencers providing advice and/or promoting and/or commenting on merits or demerits on aspects related to commercial goods and services in the fields of BFSI and health and nutrition were required to have the necessary qualifications and certifications.

“Where the advertisement is of a generic nature or in the form of a public service message, such qualifications are not necessary.

“For instance, an insurance company using an influencer to talk about the need for annual health check-ups, or a health food company tying up with a chef or food blogger to promote a meal service,” it added.

Manisha Kapoor, CEO & Secretary General, , stated, “Influencer marketing has matured beyond simple endorsements and now often involves strategic partnerships for various aspects of brand communication.”

## HCLTech, TechM among firms that have bucked IT slowdown

### At a glance

	HCLTech	Tech Mahindra	Persistent Systems	Mphasis
Revenue (₹ cr)	30,246	13,384	3,242	3,717.5
q-o-q revenue growth (%)	1.2	0.7	5.9	2.9
y-o-y revenue growth (%)	6.1	3.9	25.2	5.4
PAT (₹ cr)	4,307	1,166	395.76	446.5
q-o-q PAT (%)	-6.2	18.6	6.1	4.4
y-o-y PAT growth (%)	8.1	76.5	25.5	13.6

binning engineering expertise with adaptable, cloud-based solutions, along with a focus on embedding sustainability into its offerings, positions it as a strong transformation partner.

“HCLTech holds a healthy deal pipeline and continues to invest in AI and digital transformation, which are expected to fuel future growth. These strategic efforts strengthen its position as a global IT services provider, helping clients adapt to change and achieve long-term transformation goals.”

C Vijayakumar, CEO and MD of HCLTech, said, “Our FY25 growth was supported by our diverse and all-weather portfolio, despite global economic uncertainty. Our razor-sharp focus on clients during this period of uncertainty helped us achieve results that matched our guidance. Our guidance forecast of 2-6 per cent for FY26 is also driven by the Q4 bookings.

“We have had a good booking and it will convert into revenue and we have analysed each deal. We believe it’s important for clients to continue and some not be impacted by tariffs. We are confident about the ramp-up of our Q4 bookings, which have been among the strongest in recent quarters.”

**EXPERTISE** Biswajit Maity, Sr Principal Analyst, Gartner, said the company’s approach of com-

expect the impact of these steps to be visible gradually. Its bottom-up transformation appears relatively independent of discretionary spending. With the potential for telecom recovery and improved operational efficiency, we see room for sustained margin improvement.”

Persistent Systems also stood out with its consistent execution despite broader macroeconomic challenges. Kumar Rakesh, Analyst - IT & Auto at BNP Paribas India, said the company continues to deliver strong growth, demonstrating its solid execution engine.

“As the market gets comfortable with near-term macroeconomic concerns, we see the company’s solid long-term growth potential getting better appreciation,” Rakesh said in a report.

“Despite macroeconomic challenges over the last two years and DOGE-related impact in the recent quarter, it sustained solid revenue growth performance. We see its growth drivers diversifying and decoupling from macroeconomic uncertainties.

This raises our conviction on the strong long-term growth that we are building in our estimates. Recent quarters have also demonstrated that the company is back on track with margin expansion and management is targeting 100 bps margin expansion in FY26 and 200-300 bps over three years.”

## ‘Regional content is Zee5’s powerful growth engine’

bl.interview

**Vallari Sanzgiri**  
Mumbai

Regional content will remain the mainstay and growth driver for Zee Entertainment Enterprises’ OTT platform Zee5, according to Chief Content Officer Raghavendra Hunsur, who took charge in January this year. He said nearly half the premium consumption originated in South India. Stating that the company planned to focus on biopics and regional originals, he talked about investing in high-quality content across formats and enhancing user experiences, especially connected devices.



We plan to broaden our live streaming portfolio by integrating more regional and interest-based live events that resonate with diverse audiences

**RAGHAVENDRA HUNSUR,**  
Chief Content Officer, Zee Entertainment Enterprises

**Viewers tend to go to specific OTT for specific content. How does Zee5 plan to compete in this respect?**

While other OTT platforms may have carved out their niches, we believe in providing a holistic experience to our viewers. What sets us apart is our deep-rooted strength in regional content, and 46 per cent of our total 4K [Ultra High Definition] content consumption comes from South India alone.

**What’s your audience like outside metro regions?**

Zee5 viewership has seen a remarkable shift in the last two years, with a significant part of our viewership coming from tier II and-III cities.

**What is your content split for 2025?**

We’re expanding into genres like biopics and regional originals with titles like *Costao*, a biopic starring Nawazuddin Siddiqui; *Log Out*, (Babil Khan); and our new Kannada original, *Ayyana Mane*.

With *Zee5* crossing 105 billion watch time minutes, drama remains the most consumed genre on our platform, clocking 40.2 billion watch minutes, the highest across all genres. This is fol-



segments while driving value and scale. We’re the world’s largest entertainment platform for South Asian content and a leading player in India. We have over 580 million viewers globally, and content streamed in 190+ countries. In Hindi, originals like *Mrs., Despatch*, *Gyaarah Gyaarah*, *Mithya S2*, and *Bandaa* have generated strong engagement, alongside theatrical titles like *Gadar 2* and *Kisi Ka Bhai Kisi Ki Jaan*.

**Do you plan to experiment with sports or live streaming?**

We plan to broaden our live streaming portfolio by integrating more regional and interest-based live events that resonate with diverse audiences. We focus on delivering high-quality, accessible content while leveraging data insights to curate personalised and relevant experiences. Livestreaming has significantly enriched advertising-based video on demand — AVOD. We have streamed *Ganpati Aarti* during Ganesh Chaturthi and *Jalrikattu* celebrations during *Pongal* to the all-night-long Mahashivratri event streaming to sports tournaments like the DP World ILT20 and the Calcutta Football League.

**Do you plan to acquire new content in English or other regional languages?**

A major chunk of Zee5 content viewership comes from non-Hindi languages, signalling the demand for rooted storytelling and high-quality regional narratives. We’re strengthening our English catalogue, especially for pay-per-view, with acquisitions like *Oppenheimer*, *The Equalizer 3* and *Fast X*, which have seen strong traction.

**What are your goals for 2025?**

We aim to amplify our regional slate, invest in high-quality content across formats, and enhance user experiences, especially across connected devices.

## TVS HOLDINGS LIMITED

(Formerly known as Sundaram-Clayton Limited)

Regd office: "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006.  
Website : www.tvsholdings.com Tel : 044-2833 2115 Email : corpsec@tvsholdings.com  
CIN : L64200TN1962PLC004792

### STATEMENT OF STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH 2025

(Rs. in Crores)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Unaudited		Audited		Unaudited		Audited	
1	Total income	300.40	407.18	644.05	1,646.56	11,807.49	10,033.79	45,032.85	39,916.10
2	Net Profit / (Loss) for the period (before Tax, Exceptional items)	264.04	251.43	410.09	415.19	955.84	729.95	3,593.63	2,756.19
3	Net Profit / (Loss) for the period before tax (after Exceptional items) (including discontinued operations)	264.04	251.43	410.09	410.12	958.83	742.99	3,616.12	2,786.42
4	Net Profit / (Loss) for the period after tax (after exceptional items)	241.58	219.22	352.16	338.74	643.96	463.86	2,409.25	1,782.38
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income / (Loss) (after tax)]	240.22	219.86	349.73	336.08	682.84	418.52	2,458.30	1,728.28
6	Paid up Equity share capital (Face value of Rs.5/- each)	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12
7	Reserves (excluding Revaluation Reserve)			1,601.02	1,439.45			4,677.27	2,829.95
8	Securities Premium	36.42	36.42	36.42	36.42	36.42	36.42	36.42	36.42
9	Networth	1,604.56	1,440.37	1,604.56	1,440.37	3,685.20	2,619.28	3,685.20	2,619.28
10	Outstanding Debt (Excluding Non Convertible Redeemable Preference Shares)	943.81	550.00	943.81	550.00	32,488.03	26,232.48	32,488.03	26,232.48
11	Outstanding Redeemable Preference Shares	-	-	-	-	-	-	-	-
12	Debt Equity Ratio (including exceptional item) (Times)	0.45	0.31	0.45	0.31	5.93	8.24	5.93	8.24
13	Earnings Per Share (Face value of Rs. 5/- each) (not annualised) (for continuing and discontinued operations)								
	(i) Basic (in Rs.)	119.40	108.35	174.06	167.43	139.87	114.78	575.41	395.60
	(ii) Diluted (in Rs.)	119.40	108.35	174.06	167.43	139.87	114.78	575.41	395.60
14	Capital Redemption Reserve	- NOT APPLICABLE -							
15	Debenture Redemption Reserve	- NOT APPLICABLE -							
16	Debt Service Coverage Ratio (Excluding NBFC Subsidiary) (Times)	- NOT APPLICABLE -							
17	Interest Service Coverage Ratio (Excluding NBFC Subsidiary) (Times)	- NOT APPLICABLE -							
18	Current Ratio (Times)	- NOT APPLICABLE -							
19	Long term debt to working capital (Times)	- NOT APPLICABLE -							
20	Bad debts to Accounts Receivable ratio (Times)	- NOT APPLICABLE -							
21	Current liability ratio (Times)	- NOT APPLICABLE -							
22	Total debts to total assets ratio (Times)	0.34	0.23	0.34	0.23	0.60	0.59	0.60	0.59
23	Debtors Turnover ratio (Times)	- NOT APPLICABLE -							
24	Inventory Turnover ratio (Times)	- NOT APPLICABLE -							
25	Operating Margin (%)	- NOT APPLICABLE -							
26	Net Profit Margin (%)	80.42	53.84	54.68	20.57	5.45	4.58	5.35	4.44

Notes:

- The above is an extract of the detailed format of financial results filed with the Stock Exchanges under Regulations 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the Stock exchange websites (www.bseindia.com and www.nseindia.com) and on company's website (www.tvsholdings.com).
- Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.
- The Detailed Financial Results of the Company for the year ended 31st March 2025 can be accessed through the below QR code :



Date : 28<sup>th</sup> April 2025

For TVS Holdings Limited  
Sd/-  
Venu Srinivasan  
Chairman