RATING BUY | CMP INR 307 | TP INR 350

PL Capital
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Firstsource Solutions (FSOL IN)

Q2FY27 Result Update

October 29, 2026

☑ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	350		350	
Sales (INR mn)	130,296	148,316	128,379	146,091
% Chng.	*1.5*	*1.5*		
EBITDA (INR mn)	22,541	26,104	21,824	25,312
% Chng.	*3.3*	*3.1*		
EPS (INR)	17.3	20.5	16.8	20.0
% Chng.	*3.0*	*2.5*		

Key Data	FISO.BO | FSOL IN
BSE Code	532809
NSE Code	FSL
52-W High / Low	INR 371 / INR 200
Face Value	10
Sensex / Nifty	74,151 / 22,937
Market Cap	INR 215 bn / $ 2,252 mn
Shares Outstanding	697.99 mn
3M Avg. Daily Value	INR 1,200.89 mn

Shareholding Pattern (%)

Promoters	53.66
FIIs	7.44
Mutual Funds	19.24
Domestic Institution	7.60
Public & Others	12.06
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	23.5	4.7	43.3	(11.9)
Relative	20.8	9.7	49.8	1.0

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	95,564	114,362	130,296	148,316
EBITDA (INR mn)	15,562	19,129	22,541	26,104
Margin (%)	*16.3*	*16.7*	*17.3*	*17.6*
PAT (INR mn)	7,726	9,751	11,970	14,186
EV (INR mn)	228,376	227,891	225,340	221,164
Total Debt (INR mn)	19,375	19,175	18,975	18,775
C&C Eq. (INR mn)	2,693	3,300	5,651	9,626
EPS (INR)	11.2	14.1	17.3	20.5
Gr. (%)	*31.5*	*26.0*	*22.8*	*18.5*
DPS (INR)	10.9	11.0	13.5	15.0
Yield (%)	*3.5*	*3.6*	*4.4*	*4.9*
RoE (%)	*18.2*	*21.9*	*25.7*	*28.5*
RoCE (%)	*15.3*	*17.6*	*20.4*	*22.7*
EV/Sales (x)	2.4	2.0	1.7	1.5
EV/EBITDA (x)	14.7	11.9	10.0	8.5
PE (x)	27.5	21.8	17.8	15.0
P/BV (x)	4.8	4.7	4.4	4.1

Growth outlook improves, margin trajectory intact

Quick Pointers

- FY27 Revenue guidance band narrowed to 10.5-13% from 10-13% earlier, EBIT margin guidance maintained
- Aspiring to reach 14-15% margin band in the medium term

FSOL delivered an in-line Q2FY27 performance, with rev. growth of 2.0% QoQ CC and EBIT margin of 12.5%. Revenue growth was led by BFS (+9.9% QoQ) and EMEA (+6% QoQ), while Healthcare declined 1.6% QoQ, due to delay in program ramp ups and transitions. Management indicated that the impact of the healthcare project cancellation (~ 1.5% of FY27E rev.) and payer program wind-down is largely behind, with new client additions and scope expansions supporting recovery prospects. Deal momentum remained strong, with 4 large deal wins (7th consecutive qtr. of 4+ wins), including 2 from new logos. Headcount addition by 3.06k was strong (highest since Q2FY25) largely in anticipation of deal ramp-ups and transition of a major banking client, with over 85% of incremental hiring in India and the Philippines. Management expects H2FY27 to outperform H1, supported by large-deal ramp-ups, strong hiring, improving conversion and robust pipeline. Accordingly, the company raised the lower end of its FY27 CC rev. growth guidance to 10.5% from 10% earlier, retaining the upper end at 13%, while maintaining EBIT margin guidance of 12.25–12.75%. EBIT margin expanded 10bps QoQ to 12.5% despite the first phase of wage hikes and costs of onboarding employees ahead of revenue. Continued offshore/nearshore delivery, AI-led productivity and operating efficiencies support the margin trajectory towards FSOL's medium-term aspiration of 15%. With strong H1 execution and improving growth visibility, we raise our FY27E/FY28E revenue CC growth estimates to 11.5%/10.9% from 11.1%/10.5%, respectively, while retaining FY29E estimates. We also raise our FY27E/FY28E/FY29E EBIT margin estimates by 30bps each to 12.5%/13.0%/13.3% respectively, factoring in strong H1 performance. We continue to value the stock at 18x Sep. 28E earnings to arrive at TP of INR 350 and maintain our BUY rating.

Revenue: FSOL in Q2 reported revenue of US$296mn, up 2.0% QoQ CC & 2.8% in USD terms, in line of our estimate. Segment-wise, BFS & CMT grew by 9.9% & 2.8% QoQ respectively while Healthcare & Diverse declined by 1.6% & 4.2% QoQ respectively. Geography wise, North America & EMEA grew by 1.5% & 6% QoQ respectively, with EMEA growth mainly being led by strong BFS performance, and good momentum emerging in CMT.

Operating Margin: FSOL reported Q2 EBIT margin of 12.5%, up 10 bps QoQ (8th consecutive quarter of margin improvement) and in line of our and consensus estimates, despite rolling out the first phase of wage hikes. Management is expecting 50-75bps of margin improvement to continue to play out over the next couple of years.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	*% Var.*	Q2'26A	*YoY gr. (%)*
Net Sales (INR mn)	28,051	28,256	*0.7*	23,122	*22.2*
EBITDA (INR mn)	4,723	4,705	*(0.4)*	3,760	*25.1*
Margin (%)	*16.8*	*16.7*	*(10) bps*	*16.3*	*40 bps*
PAT (INR mn)	2,448	2,328	*(4.9)*	1,776	*31.1*

Source: Company, PL

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In line performance, revenue guidance increased by 50 bps at lower band

- Revenue stood at USD 296 mn, up 2% QoQ & 12.3% YoY in CC terms, in line of our est.,
- **Segment wise growth was driven by BFS & CMT which grew by 9.9% & 2.8% QoQ respectively while Healthcare & Diverse declined by 1.6% & 4.2% QoQ respectively**
- Geography wise, North America & EMEA grew by 1.5% & 6% QoQ respectively
- EBIT margin came at 12.5%, *up* 10 bps QoQ in line of our est. & consensus est. of 12.5%
- **Revenue guidance band for FY27 narrowed to 10.5-13% from 10-13% earlier while EBIT margin guidance maintained at 12.25-12.75%**
- Top 5 & Top clients grew by 1.3 % & 2% QoQ respectively while non top 10 clients grew by 3.3% QoQ
- Won 4 large deals during quarter (3rd successive quarter of winning of 4 large deals)
- **Onshore mix increased by 120 bps QoQ to 57.7% while Onshore revenue grew by 5% QoQ**
- Net headcount increased by 3.01k in quarter while attrition declined to 34% compared to 33.1% in Q1
- PAT came in at INR 2.32 bn, compared to our estimate of INR 2.45 bn due to lower other income & higher tax

Conference Call Highlights

- Segment wise, 9 new logos were added during the quarter in the BFS vertical with strong demand across intelligent operations, customer servicing, and financial crimes and compliance. Healthcare was impacted by timing of certain program ramps and transitions, with demand shifting from labor-led outsourcing to AI-enabled outcome-driven models.
- Management highlighted that Australia delivered a strong quarter with 50% YoY revenue growth supported by continued momentum across existing relationships and a steadily improving pipeline, and remained confident about South Africa region's growth trajectory, having secured 2 large wins in Q2.
- Management is expecting 50-75bps margin improvement to continue to play out over the next couple of years, driven by automation, process excellence, reducing dependence on low margin and loss-making accounts, and talent cost rationalization.
- Management remained confident on the scale and quality of wins, reflecting deep domain expertise, strong technology partnerships, and AI-first approach, with several of these being transformative programs that are in the ramp up phase.
- FSOL continues to broaden engagement across existing clients through scope expansion and greater utilization of nearshore and offshore delivery footprint, with growing cross-sell opportunities across consumer operations, collections, and AI-led transformation initiatives within existing client bases.
- Management highlighted that clients remain focused on improving customer experience while driving productivity and optimizing service costs through AI-led transformation initiatives spanning customer service, agent assist, automation, and service assurance.

- Management highlighted that client conversations continue to be centered on AI-led transformation, productivity improvement and operating model modernization, with growing demand for solutions that combine technology, AI, and operations expertise.
- Management highlighted the shift from services to productized services to better navigate repeatable workflows, embedded AI, and human judgment through its Kairos operating system.
- Management stated that the net increase of 3,062 in headcount was driven by the transition of associates from a major banking client alongside program ramp-ups predominantly in offshore and nearshore delivery geographies, primarily within India and Philippines.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr. (%)*	Q2FY27	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
Sales	27,249	*22.9*	28,256	*22.2*	29,005	*18.7*	29,852	*15.6*
EBIT	3,367	*34.8*	3,521	*32.1*	3,620	*24.2*	3,760	*19.6*
Margin (%)	*12.4*	*110bps*	*12.5*	*90bps*	*12.5*	*60bps*	*12.6*	*40bps*
Adj. PAT	2,376	*40.3*	2,328	*31.1*	2,468	*12.0*	2,578	*25.6*

Source: Company, PL

Exhibit 2: 2QFY27 result: In line quarter

	2QFY27	2QFY27E	*% Var.*	1QFY27	*QoQ gr. (%)*	2QFY26	*YoY gr. (%)*	1HFY27	1HFY26	*YoY gr. (%)*
Revenue (USD m)	**296**	**294**	***0.8***	**288**	***2.8***	**265**	***11.7***	**584**	**524**	***11.5***
Revenue (INR m)	**28,256**	**28,051**	***0.7***	**27,249**	***3.7***	**23,122**	***22.2***	**55,505**	**45,299**	***22.5***
Gross Profit	12,470	12,240	*1.9*	11,933	*4.5*	9,504	*31.2*	24,403	18,474	*32.1*
Gross Margin (%)	44.1	43.6	*50bps*	43.8	*30bps*	41.1	*300bps*	44.0	40.8	*320bps*
SG&A and Other Costs	7,764.9	7,517.6	*3.3*	7,420	*4.6*	5,744	*35.2*	15,185	11,243	*35.1*
% of Rev	27.5	26.8	*70bps*	27.2	*20bps*	24.8	*260bps*	27.4	24.8	*250bps*
EBITDA	**4,705**	**4,723**	***-0.4***	**4,513**	***4.3***	**3,760**	***25.1***	**9,218**	**7,231**	***27.5***
EBITDA Margin (%)	16.7	16.8	*-20bps*	16.6	*10bps*	16.3	*40bps*	16.6	16.0	*60bps*
Depreciation	1184	1206	*-1.8*	1146	*3*	1096	*8.1*	2,330	2,068	*12.7*
% of Rev	4.2	4.3	*-10bps*	4.2	*0bps*	4.7	*-50bps*	4.2	4.6	*-40bps*
EBIT	**3521**	**3516**	***0.1***	**3367**	***4.6***	**2665**	***32.1***	**6888**	**5163**	***33.4***
EBIT Margin (%)	12.5	12.5	*-10bps*	12.4	*10bps*	11.5	*90bps*	12.4	11.4	*100bps*
Other Income (net)	-528	-456	*15.7*	-456	*15.6*	-440	*19.8*	-984	-807	*22.0*
PBT	**2,994**	**3,060**	***-2.2***	**2,910.3**	***2.9***	**2,224.2**	***34.6***	**5,904**	**4,357**	***35.5***
Tax	669	612	*9.3*	534	*25.2*	448	*49.3*	1,203	887	*35.6*
Effective tax rate (%)	22.4	20.0	*240bps*	18.4	*400bps*	20.2	*220bps*	20.4	20.4	*0bps*
Adjusted PAT	**2,328**	**2,448**	***-4.9***	**2,376**	***-2.0***	**1,776**	***31.1***	**4,704**	**3,469**	***35.6***
Exceptional items	0.0	0.0	*NA*	716.9	*NA*	-19.0	*NA*	717	-19	*NA*
Reported PAT	**2,328**	**2,448**	***-4.9***	**1,659**	***40.3***	**1,795**	***29.7***	**3,987**	**3,488**	***14.3***
Adj. EPS (INR)	**3**	**4**	***-4.9***	**3**	***-2.0***	**3**	***30.9***	**7**	**5**	***35.5***

Source: Company, PL

Exhibit 3: Geography wise Growth (%)

Verticals	Contri. To Rev. (%)	QoQ Growth (%)
USA	65.6	1.5
EMEA	32.7	6.0
RoW	1.7	-8.0

Source: Company, PL

Exhibit 4: Segment Revenue Growth (%)

Geographies	Contri. To Rev. (%)	QoQ Growth (%)
BFSI	35.5	9.9
CMT	20.6	2.8
Healthcare	31.6	-1.6
Diverse	12.3	-4.2

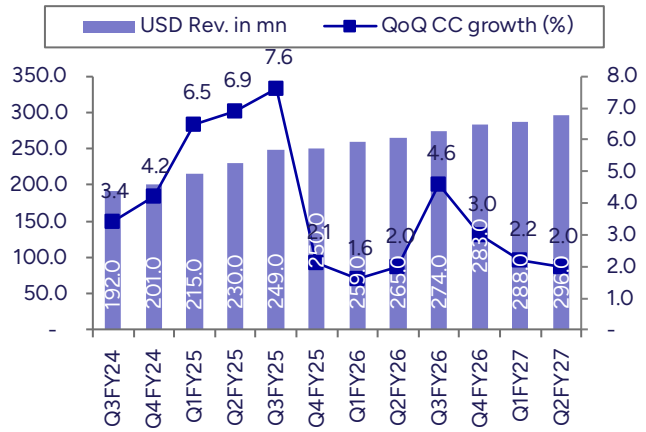
Source: Company, PL

Exhibit 5: Key Performance Indicator

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	**6.9**	**7.6**	**2.1**	**1.6**	**2.0**	**4.6**	**3.0**	**2.2**	**2.0**	**13.6**	**11.5**
Margins (%)											
Gross Margin	10.8	11.1	11.2	11.3	11.5	11.9	12.2	12.4	12.5	11.7	12.5
EBIT Margin	7.2	7.2	7.4	7.6	7.7	9.0	7.9	8.7	8.2	8.1	8.5
Operating metrics											
Headcount	32,898	34,144	34,651	34,495	35,997	36,689	36,205	36,875	39,937	36,205	-
Attrition (%)	30.9	31.4	29.8	28.9	28.0	27.4	29.7	33.1	34.0	29.7	-

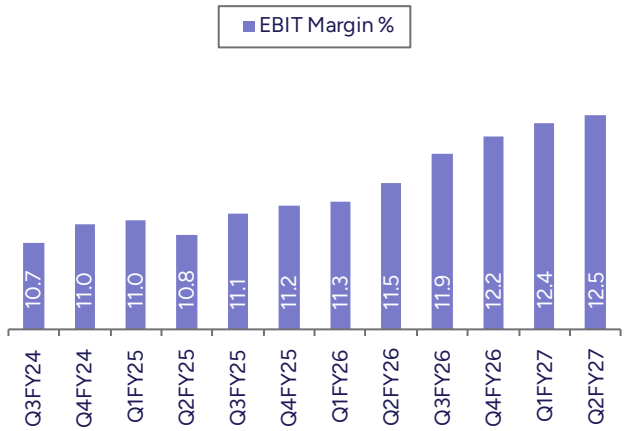
Source: Company, PL **YoY CC*

Exhibit 6: Q2 revenue growth inline with estimates



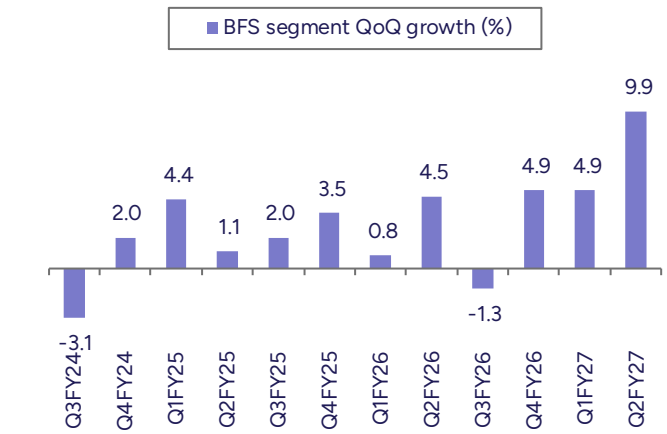
Source: Company, PL

Exhibit 7: EBIT margin improvement continues



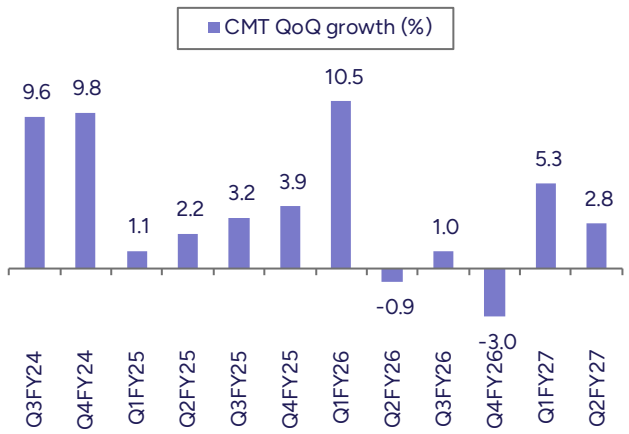
Source: Company, PL

Exhibit 8: BFS growth remains robust



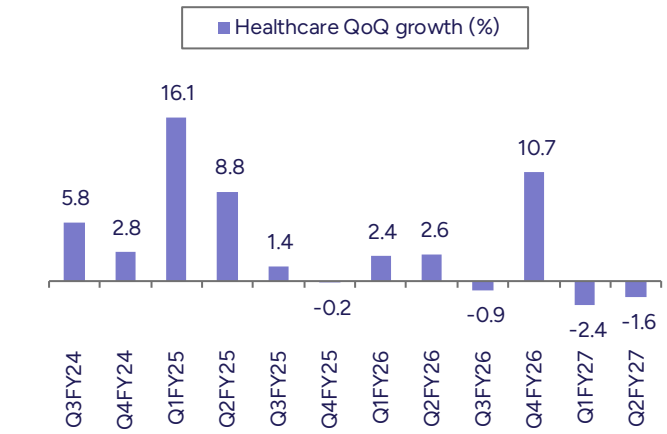
Source: Company, PL

Exhibit 9: CMT momentum continues



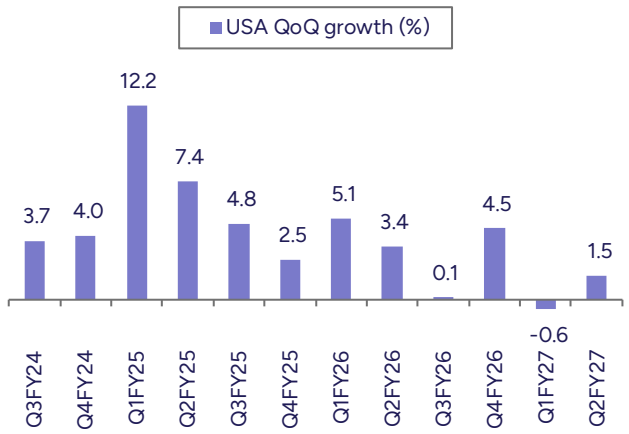
Source: Company, PL

Exhibit 10: Healthcare impacted by client ramp down



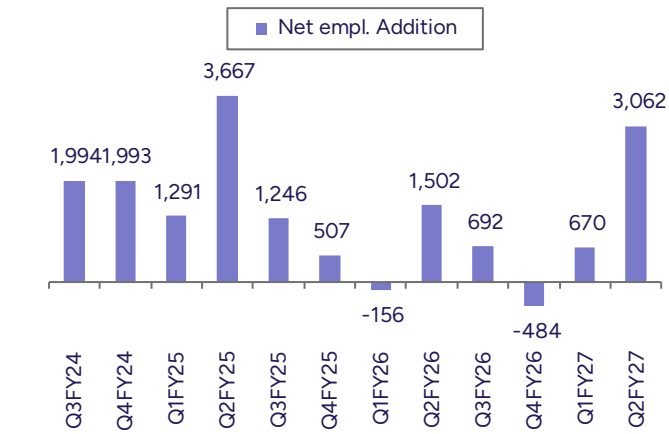
Source: Company, PL

Exhibit 11: USA performance steady in Q2



Source: Company, PL

Exhibit 12: Net headcount increases by 3,062



Source: Company, PL

Exhibit 13: Large deal wins steady

Source: Company, PL

Exhibit 14: Operating Metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Segment Mix (in %)											
BFS	37.3	36.4	34.4	32.4	33.4	32.5	33.2	31.7	32.2	33.2	35.5
CMT	23.6	22.3	21.3	20.3	21.0	22.4	21.7	21.2	19.9	20.6	20.6
Healthcare	32.9	35.7	36.3	34.0	33.8	33.4	33.5	32.1	34.4	33.0	31.6
Diverse	6.2	5.6	8.0	13.3	11.8	11.7	11.6	15.0	13.5	13.2	12.3
Geography Mix (in %)											
North America	65.0	68.2	68.5	66.3	67.7	68.7	69.4	67.2	68.0	66.4	65.6
EMEA	34.9	31.8	31.4	33.6	31.5	30.1	29.4	31.7	30.6	31.7	32.7
RoW	0.1	-	0.1	0.1	0.8	1.2	1.2	1.1	1.4	1.9	1.7
Delivery Mix (in %)											
Offshore & Nearshore	31.4	35.0	35.8	40.1	37.8	41.2	41.6	43.4	43.0	43.5	42.3
Onshore	68.6	65.0	64.2	59.9	62.2	58.8	58.4	56.6	57.0	56.5	57.7
Client Metrics											
>US$1mn	103	100	105	107	116	141	142	141	150	145	139
>US$5mn	25	25	26	28	30	38	39	41	42	45	51
>US$10mn	13	13	13	14	15	17	17	18	17	20	23
>US$20mn	8	9	11	10	10	11	9	9	9	10	9
>US$50mn	2	2	2	2	2	2	2	2	2	2	2
Top Clients											
Top 5 revenue mix (%)	36.7	34.6	32.5	29.2	29.3	29.6	28.9	28.1	28.0	27.4	27.0
Top 10 revenue mix (%)	52.6	51.5	48.6	43.4	43.7	42.6	42.3	40.7	39.9	39.2	38.9
Client Addition											
New logos	9	10	13	13	7	17	10	9	11	12	17
Strategic logos	3	2	3	5	2	9	4	5	6	3	6
Employee Metrics											
No. of employees	27,940	29,231	32,898	34,144	34,651	34,495	35,997	36,689	36,205	36,875	39,937
Attrition (%)	35.4	32.0	30.9	31.4	29.8	28.9	28.0	27.4	29.7	33.1	34.0

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**95,564**	**114,362**	**130,296**	**148,316**
YoY gr. (%)	*19.7*	*19.7*	*13.9*	*13.8*
Cost of Goods Sold	55,903	64,157	73,227	83,354
Gross Profit	39,661	50,205	57,070	64,962
Margin (%)	*41.5*	*43.9*	*43.8*	*43.8*
Employee Cost	-	-	-	-
Other Expenses	24,099	31,076	34,529	38,859
EBITDA	**15,562**	**19,129**	**22,541**	**26,104**
YoY gr. (%)	*28.9*	*22.9*	*17.8*	*15.8*
Margin (%)	*16.3*	*16.7*	*17.3*	*17.6*
Depreciation and Amortization	4,341	4,861	5,603	6,378
EBIT	**11,221**	**14,268**	**16,939**	**19,726**
Margin (%)	*11.7*	*12.5*	*13.0*	*13.3*
Net Interest	1,815	1,996	1,917	1,917
Other Income	75	102	130	148
Profit Before Tax	**9,481**	**12,374**	**15,151**	**17,957**
Margin (%)	*9.9*	*10.8*	*11.6*	*12.1*
Total Tax	1,754	2,627	3,182	3,771
Effective Tax Rate (%)	*18.5*	*21.2*	*21.0*	*21.0*
Profit After Tax	**7,726**	**9,747**	**11,970**	**14,186**
Minority Interest	-	(4)	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**7,726**	**9,751**	**11,970**	**14,186**
YoY gr. (%)	*31.9*	*26.2*	*22.8*	*18.5*
Margin (%)	*8.1*	*8.5*	*9.2*	*9.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**8,709**	**10,468**	**11,970**	**14,186**
YoY gr. (%)	*51.0*	*20.2*	*14.3*	*18.5*
Margin (%)	*9.1*	*9.2*	*9.2*	*9.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,709	10,468	11,970	14,186
Equity Shares O/s (mn)	**690**	**691**	**691**	**691**
EPS (INR)	**11.2**	**14.1**	**17.3**	**20.5**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**28,456**	**31,990**	**35,757**	**39,558**
Tangibles	28,456	31,990	35,757	39,558
Intangibles	-	-	-	-
Acc: Dep / Amortization	**16,794**	**21,656**	**27,258**	**33,636**
Tangibles	16,794	21,656	27,258	33,636
Intangibles	-	-	-	-
Net Fixed Assets	**13,013**	**11,685**	**9,850**	**7,273**
Tangibles	11,662	10,334	8,498	5,922
Intangibles	1,351	1,351	1,351	1,351
Capital Work In Progress	299	299	299	299
Goodwill	42,655	42,655	42,655	42,655
Non-Current Investments	658	658	658	658
Net Deferred Tax Assets	2,024	2,024	2,024	2,024
Other Non-Current Assets	5,042	6,013	6,831	7,776
Current Assets				
Investments	502	502	502	502
Inventories	-	-	-	-
Trade Receivables	20,786	23,785	27,023	30,761
Cash & Bank Balance	2,693	3,300	5,651	9,626
Other Current Assets	3,643	4,014	4,560	5,191
Total Assets	**93,200**	**96,825**	**101,944**	**108,656**
Equity				
Equity Share Capital	6,970	6,970	6,970	6,970
Other Equity	36,875	38,305	40,941	44,757
Total Networth	**43,845**	**45,275**	**47,911**	**51,727**
Non-Current Liabilities				
Long Term Borrowings	1,897	1,897	1,897	1,897
Provisions	-	-	-	-
Other Non Current Liabilities	10,783	10,783	10,783	10,783
Current Liabilities				
ST Debt / Current of LT Debt	17,478	17,278	17,078	16,878
Trade Payables	5,579	6,654	7,560	8,605
Other Current Liabilities	11,728	13,048	14,825	16,875
Total Equity & Liabilities	**93,200**	**96,825**	**101,944**	**108,656**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	8,498	12,374	15,151	17,957
Add. Depreciation	4,341	4,861	5,603	6,378
Add. Interest	1,815	1,996	1,917	1,917
Less Financial Other Income	75	102	130	148
Add. Other	2,465	(102)	(130)	(148)
Op. Profit before WC Changes	17,119	19,129	22,541	26,104
Net Changes-WC	(3,082)	(1,946)	(1,921)	(2,217)
Direct Tax	(1,897)	(2,627)	(3,182)	(3,771)
Net Cash from Op. Activities	**12,140**	**14,556**	**17,438**	**20,116**
Capital Expenditures	(3,963)	(3,440)	(3,674)	(3,708)
Interest / Dividend Income	41	102	130	148
Others	(602)	-	-	-
Net Cash from Invt. Activities	**(4,524)**	**(3,338)**	**(3,544)**	**(3,560)**
Issue of Share Cap. / Premium	(500)	-	-	-
Debt Changes	2,019	(200)	(200)	(200)
Dividend Paid	(3,801)	(7,605)	(9,333)	(10,370)
Interest Paid	(1,788)	(1,996)	(1,917)	(1,917)
Others	(2,597)	(93)	(93)	(93)
Net Cash from Fin. Activities	**(6,668)**	**(9,894)**	**(11,543)**	**(12,580)**
Net Change in Cash	**1,044**	**607**	**2,351**	**3,976**
Free Cash Flow	10,183	11,116	13,764	16,408

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**24,431**	**25,835**	**27,249**	**28,256**
YoY gr. (%)	*16.2*	*19.5*	*22.9*	*22.2*
Raw Material Expenses	14,312	14,766	15,316	15,786
Gross Profit	10,119	11,068	11,933	12,470
Margin (%)	*41.4*	*42.8*	*43.8*	*44.1*
EBITDA	**4,027**	**4,304**	**4,513**	**4,705**
YoY gr. (%)	*26.8*	*29.3*	*30.0*	*25.1*
Margin (%)	*16.5*	*16.7*	*16.6*	*16.7*
Depreciation / Depletion	1,112	1,161	1,146	1,184
EBIT	**2,915**	**3,143**	**3,367**	**3,521**
Margin (%)	*11.9*	*12.2*	*12.4*	*12.5*
Net Interest	433	520	518	510
Other Income	36	(17)	61	(18)
Profit before Tax	**2,518**	**2,606**	**2,910**	**2,994**
Margin (%)	*10.3*	*10.1*	*10.7*	*10.6*
Total Tax	313	554	534	669
Effective Tax Rate (%)	*12.4*	*21.2*	*18.4*	*22.4*
Profit After Tax	**2,205**	**2,052**	**2,376**	**2,324**
Minority Interest	-	-	-	(4)
Share Profit from Associate	-	-	-	-
Adjusted PAT	**2,205**	**2,052**	**2,376**	**2,328**
YoY gr. (%)	*45.5*	*27.7*	*40.3*	*31.1*
Margin (%)	*9.0*	*7.9*	*8.7*	*8.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**3,206**	**2,052**	**3,093**	**2,328**
YoY gr. (%)	*124.7*	*27.7*	*82.7*	*32.5*
Margin (%)	*13.1*	*7.9*	*11.4*	*8.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**3,206**	**2,052**	**3,093**	**2,328**
Avg. Shares O/s (mn)	692	691	691	691
EPS (INR)	**3.2**	**3.0**	**3.4**	**3.4**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	11.2	14.1	17.3	20.5
CEPS	17.5	21.1	25.4	29.7
BVPS	63.5	65.5	69.3	74.8
FCF	14.8	16.1	19.9	23.7
DPS	10.9	11.0	13.5	15.0
Return Ratio (%)				
RoCE	15.3	17.6	20.4	22.7
ROIC	11.2	13.3	15.1	16.5
RoE	18.2	21.9	25.7	28.5
Balance Sheet				
Net Debt : Equity (x)	0.4	0.3	0.3	0.2
Net Working Capital (Days)	58	55	55	55
Valuation (x)				
PER	27.5	21.8	17.8	15.0
P/B	4.8	4.7	4.4	4.1
P/CEPS	17.6	14.5	12.1	10.3
EV/EBITDA	14.7	11.9	10.0	8.5
EV/Sales	2.4	2.0	1.7	1.5
Dividend Yield (%)	3.5	3.6	4.4	4.9
FCFF Yield (%)	4.8	5.2	6.5	7.7
PEG Ratio	0.9	0.8	0.8	0.8

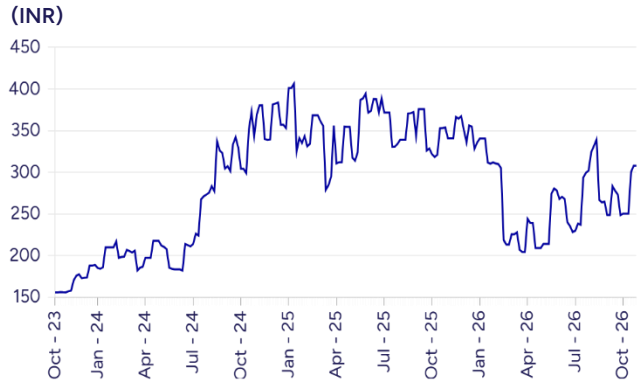
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	1,081	1,204	1,336	1,483

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	03-Oct-26	BUY	350	250
2	07-Sep-26	BUY	330	260

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2300	1901
2	Cyient	Accumulate	1310	1233
3	Firstsource Solutions	BUY	350	250
4	Fractal Analytics	BUY	1020	727
5	HCL Technologies	HOLD	1230	1223
6	Infosys	Accumulate	1200	1154
7	KPIT Technologies	REDUCE	520	553
8	L&T Technology Services	HOLD	3390	3611
9	Latent View Analytics	BUY	320	234
10	LTM	HOLD	4240	4390
11	Mphasis	BUY	2920	2250
12	Persistent Systems	Accumulate	6550	5840
13	Sagility	BUY	60	45
14	Tata Consultancy Services	BUY	2390	2076
15	Tata Elxsi	Accumulate	3790	3427
16	Tata Technologies	REDUCE	670	746
17	Tech Mahindra	BUY	1910	1650
18	Wipro	HOLD	166	174

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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