

Infosys (INFO IN)

Rating: BUY | CMP: Rs1,600 | TP: Rs1,900

January 15, 2026

Q3FY26 Result Update

☒ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY	BUY	BUY	BUY
Target Price	1,900	1,900	1,900	1,900
Sales (Rs bn)	1,933	2,132	1,922	2,116
% Chng.	0.6	0.7		
EBITDA (Rs bn)	470	526	471	527
% Chng.	(0.3)	(0.2)		
EPS (Rs.)	77.6	86.5	77.3	86.2
% Chng.	0.3	0.4		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	1,630	1,778	1,933	2,132
EBITDA (Rs. bn)	392	422	470	526
Margin (%)	24.1	23.7	24.3	24.7
PAT (Rs. bn)	267	293	319	356
EPS (Rs.)	64.5	71.0	77.6	86.5
Gr. (%)	10.0	10.1	9.2	11.6
DPS (Rs.)	43.0	60.2	65.7	73.4
Yield (%)	2.7	3.8	4.1	4.6
RoE (%)	29.0	30.6	33.2	36.9
RoCE (%)	26.6	27.9	30.4	34.0
EV/Sales (x)	3.8	3.5	3.2	2.9
EV/EBITDA (x)	15.9	14.8	13.2	11.8
PE (x)	24.8	22.5	20.6	18.5
P/BV (x)	6.9	6.9	6.8	6.8

Key Data

	INFY.BO INFO IN
52-W High / Low	Rs.1,972 / Rs.1,307
Sensex / Nifty	83,383 / 25,666
Market Cap	Rs.6,647bn / \$ 73,610m
Shares Outstanding	4,155m
3M Avg. Daily Value	Rs.13200.95m

Shareholding Pattern (%)

Promoter's	14.61
Foreign	31.92
Domestic Institution	39.60
Public & Others	13.87
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.1	1.9	(17.5)
Relative	2.4	0.5	(24.3)

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Early green shoots in discretionary paints better outlook for FY27

Quick Pointers:

- Rev. Guidance increased to 3-3.5% YoY CC from 2-3% YoY earlier
- Strong deal wins of USD 4.8 bn including 2 mega deals during the quarter

The revenue growth performance (+0.6% CC QoQ) was above our estimates (-0.5% QoQ CC), partly attributed to the ramp up of NHS deal and uptick in discretionary spends. The growth momentum within key verticals continued through Q3 despite having seasonality and no pass-throughs. Additionally, the growing client interest in embedding AI into business functions and processes partially supporting the overall topline growth. The large deal TCV was encouraging at USD4.8b (+60% QoQ) in Q3, even excluding the NHS deal (~USD1.6b), it exceeded Q2 wins that translates 9MFY26 deal TCV growth of 30% YoY. The management was hinting a positive outlook for FY27, where it expects BFSI and ER&U to contribute substantially to the topline on the back of notable wins and pick up in discretionary spends. The encouraging deal TCV, green shoots in discretionary and growing traction around advanced AI are setting up strong foundation for better revenue growth in FY27E/FY28E. On margins, we are keeping a tight band due to having higher appetite for investments in S&M, hiring/re-skilling AI talents and incremental cost of Labour Code, which partly get offset by project Maximus. We are baking in revenue growth of 3.2%/6.0%/6.8% CC YoY and margin improvement of flat/30bps/40bps YoY in FY26E/FY27E/FY28E, respectively. We assign 22x to FY28 EPS that translates to a TP of Rs. 1,900, retain BUY.

Revenue: INFO results came above our and consensus estimates in a seasonally weak quarter, despite lower pass-through revenues. INFO reported revenue growth of 0.6% QoQ CC versus our expectation of a 0.5% decline & consensus estimate of 0.3% growth. The growth was driven by strong performance in the Lifescience segment and the Europe region, aided by the ramp-up of NHS deal.

Operating Margin: Adj. EBIT margin (excluding one-offs) expanded by 20 bps QoQ to 21.2%, ahead of our estimate of 21.0% but marginally below the consensus estimate of 21.3%. Margin expansion was driven by tailwinds from currency movement (~40 bps) and Project Maximus (~50 bps), partially offset by headwinds from furloughs and lower utilization (~70 bps). The impact of higher variable pay during the quarter was largely offset by one-off gains from asset sales.

Guidance: Aided by a strong performance in a seasonally weak quarter, healthy YTD execution, and healthy deal momentum, INFO raised its FY26 revenue growth guidance to 3-3.5% YoY CC from 2-3% earlier. This implies Q4 growth ranging from flat QoQ at the upper end to a ~2% QoQ decline at the lower end. INFO maintained its adj. EBIT margin (excluding one-offs) guidance at 20-22% for FY26.

Valuations and outlook: We estimate USD revenues/earnings CAGR of 6.6%/10.2% over FY26E-FY28E. The stock is currently trading at 19x FY28E, we are assigning P/E of 22x to FY28E earnings with a target price of Rs. 1,900 while maintaining our **BUY** rating on the stock.

Strong performance drives upgrade of revenue guidance

- USD rev of USD 5.10bn, up 0.6% QoQ in CC (0.5% QoQ USD), above our estimate of 0.5% QoQ CC decline & consensus estimate of 0.3% QoQ CC growth
- Vertical wise, Lifescience led growth with 7.2% QoQ while FS grew by 2.3%. Hitech declined sharply by 10.4% QoQ
- Geography wise Europe grew by 3.6% QoQ while Americas & India declined by 0.3% & 9.3% QoQ respectively
- **FY26 revenue guidance increased to 3-3.5% YoY CC from 2-3% YoY CC earlier while Adj. EBIT margin maintained at the band of 20-22%. The revised guidance translates Q4 ask rate to flat to -2% QoQ CC**
- Adj. EBIT margin excluding one-offs came at 21.2%, up 20 bps QoQ, above our estimates of 21% & slightly below consensus estimate 21.3%
- Net headcount adds of 5.04k in Q3 after 8.2k net additions in 2Q. Attrition (LTM) was declined sharply by 200 bps QoQ to 12.3%
- **Large deal TCV came 4.8 bn compared to USD 3.1 bn in Q2 with book to bill of 0.9x**
- Adj. Net profit of INR 76b, up 3.4% QoQ, above our estimates of INR 74 bn

Conference Call Highlights

- Management highlighted early signs of a discretionary demand recovery led by FS and EURS, driven by AI-led transformation, platform modernization, and vendor consolidation programs. While other verticals remain focused on cost optimization, improving deal traction and expanding AI use cases support a constructive medium-term outlook. Management expects FS and EURS to deliver accelerated growth in FY27.
- Management highlighted AI as a core growth driver across majority of its top 200 clients. The strengthened Topaz platform, including Topaz Fabric, underpins its six AI-led value pools spanning engineering, data, agent-led operations, software modernization, and AI-enabled systems, which management expects to drive incremental growth and market share gains into FY27 despite legacy productivity headwinds.
- FS momentum continued with the third successive quarter of 2%+ sequential growth in Q3. Strong traction was witnessed across payments, mortgages, and asset & wealth management, supported by heightened interest in AI-led transformation, platform modernization, and vendor consolidation. Management also highlighted a shift from compliance-led spending to growth-driven investments, which augurs well for demand in the next fiscal year.
- EURS demand improved in Q3, driven by rising discretionary spending on AI infrastructure, data readiness, cloud platforms, and decarbonization initiatives. Management highlighted increasing traction in AI-led transformation and digital modernization programs, with robust deal momentum underpinning confidence of improved growth momentum in the next fiscal year.
- Manufacturing and Hi-Tech remained under pressure, with auto and select industrial sub-segments impacted by macro, tariff, and demand uncertainties, while Hi-Tech continued to face cost rationalization by clients. Spending in both segments remains skewed toward cost optimization, consolidation, and AI-led productivity initiatives, with management remaining constructive on a medium-term recovery driven by AI adoption and infrastructure-led demand.
- Lifescience & Healthcare delivered strong performance in Q3, driven by partial ramp-up of the UK NHS mega deal and increased adoption of AI-led operational and regulatory transformation programs. Management expects NHS deal to ramp gradually over few quarters.
- Retail demand remains subdued amid tariff and geopolitical uncertainty, with client spending focused on cost optimization and AI-led productivity, while discretionary recovery continues to lag other verticals. Spend visibility is limited outside select areas such as SAP programs, data initiatives, and AI-augmented services, which are seeing relatively better traction.
- INFO in Q3 won 26 large deals including 2 mega deals. Segment wise it won 10 deals in FS, 4 in Retail, 3 each in Lifescience & Manufacturing and 2 each in Comms, EURS & Hitech. Geographically it won 16 deals in Americas, 9 in Europe & 1 in RoW.

- INFO added ~5k, following net additions of ~8.2k in Q2. The company hired ~6k freshers during the quarter, taking total fresher intake to ~18k and keeping it on track to meet its annual target of ~20k. Management highlighted that the elevated hiring was aimed at building capacity for future growth.
- Management indicated that no decision has been taken on the next wage hike and noted that the gradual uptick in subcontractor usage over the past few quarters was driven by the ramp-up of large deals and near-term skill requirements across geographies linked to deal execution dynamics.
- A one-time provision of USD 143 mn was recorded due to changes in labour laws in Q3, and management expects the ongoing impact on margins to be in the range of ~15–20 bps.
- During the quarter Top 5/10/25 clients declined by 2.6%, 0.5% & 0.1% QoQ respectively while clients outside top 25 grew by 0.8% QoQ.

Exhibit 1: 3QFY26 Results: Both Revenue & Margin beat our estimates in Q3

Consolidated (INR b)	3QFY26	3QFY26E	% Var.	2QFY26	QoQ gr. (%)	1QFY25	YoY gr. (%)	9MFY26	9MFY25	YoY gr. (%)
IT Services Revenue (USD m)	5,099	5,054	0.9	5,076	0.5	4,939	3.2	15,116	14,547	3.9
Overall Revenue (INR b)	455	450	1.0	445	2.2	418	8.9	1,322	1,221	8.3
Gross Profit	141	136	3.5	137	3.1	126	11.6	409	373	9.6
<i>Gross Margin (%)</i>	<i>31.0</i>	<i>30.3</i>	<i>70bps</i>	<i>30.8</i>	<i>30bps</i>	<i>30.3</i>	<i>80bps</i>	<i>30.9</i>	<i>30.6</i>	<i>30bps</i>
SG&A and Other Costs	33.2	28.4	16.9	31.6	5.1	25.3	31.2	96	79	20.8
% of Rev	7.3	6.3	100bps	7.1	20bps	6.1	120bps	7.2	6.5	70bps
EBITDA	108	108	-0.1	105	2.5	101	6.8	313	294	6.5
<i>EBITDA Margin (%)</i>	<i>23.7</i>	<i>24.0</i>	<i>-30bps</i>	<i>23.7</i>	<i>10bps</i>	<i>24.2</i>	<i>-50bps</i>	<i>23.7</i>	<i>24.1</i>	<i>-40bps</i>
Depreciation	12	14	-14.5	12	-2	12	-4.0	35	35	-1.0
% of Rev	2.5	3.0	-50bps	2.7	-10bps	2.9	-30bps	2.6	2.9	-20bps
EBIT	96	95	2.0	94	3.1	89	8.2	278	258	7.5
<i>EBIT Margin (%)</i>	<i>21.2</i>	<i>21.0</i>	<i>20bps</i>	<i>21.0</i>	<i>20bps</i>	<i>21.3</i>	<i>-10bps</i>	<i>21.0</i>	<i>21.2</i>	<i>-20bps</i>
Other Income (net)	9	9	-3.0	9	-0.2	8	15.3	27	21	28.3
PBT	105	104	1.5	102	2.8	97	8.8	305	279	9.1
Tax	29	30	-3.7	29	1.4	28	1.6	86	82	4.0
<i>Effective tax rate (%)</i>	<i>27.5</i>	<i>29.0</i>	<i>-150bps</i>	<i>27.9</i>	<i>-40bps</i>	<i>29.5</i>	<i>-190bps</i>	<i>28.1</i>	<i>29.5</i>	<i>-140bps</i>
Adjusted PAT	76	74	3.7	74	3.4	68	11.8	219	197	11.3
Exceptional items	-10	0	NA	0	NA	0.0	NA	-9.6	0	NA
Reported PAT	67	74	-9.4	74	-9.6	68	-2.3	209	197	6.4
Reported EPS (INR)	18	18	4.4	18	4.1	16	12.5	53	48	11.4

Source: Company, PL

Exhibit 2: Regional growth (%)

Geographies	Contribution to revenue (%)	QoQ gr. (%)
North America	55.9	-0.3
Europe	32.7	3.6
India	2.8	-9.3
ROW	8.6	-2.9

Source: Company, PL

Exhibit 3: Vertical Growth (%)

Verticals	Contribution to revenue (%)	QoQ gr. (%)
Financial Services	28.2	2.3
Retail	12.8	1.2
Communications	12.1	0.5
Energy, Utilities, Resources	13.2	-1.0
Manufacturing	16.7	1.7
Hi Tech	7.4	-10.4
Life Sciences	7.2	13.0

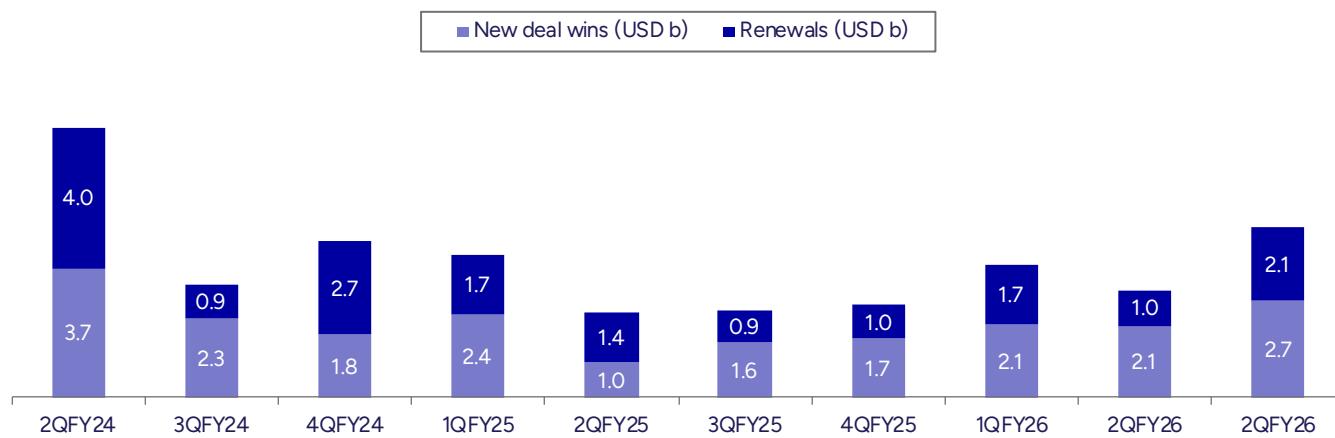
Source: Company, PL

Exhibit 4: Key Performance Indicator

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY25*	FY26*
Revenue (QoQ CC %)	-2.2	3.6	3.1	1.7	-3.5	2.6	2.2	0.6	4.2	3.2
Margins										
Gross Margin	29.5	30.9	30.5	30.3	30.2	30.9	30.8	31.0	30.5	30.7
EBIT Margin	20.1	21.1	21.1	21.3	21.0	20.8	21.0	21.2	21.1	21.0
Net Margin	15.8	16.2	15.9	16.3	17.2	16.4	16.6	16.7	16.4	16.5
Operating metrics										
Headcount	317	315	318	323	324	324	332	337	324	-
Voluntary Attrition (%)	12.6	12.7	12.9	13.7	14.1	14.4	14.3	12.3	14.1	-
Deal Win TCV (USD b)	4.5	4.1	2.4	2.5	2.6	3.8	3.1	4.8	11.6	-

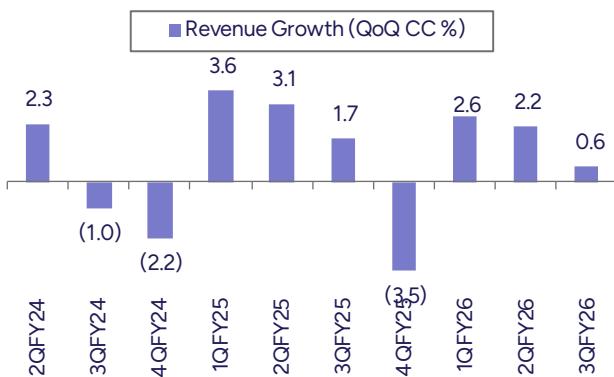
Source: Company, PL, * YoY CC

Exhibit 5: INFO won 26 large deals including 2 mega deals with Net new wins of 57% in Q3FY26



Source: Company, PL

Exhibit 6: Revenue grew in a seasonally weak quarter



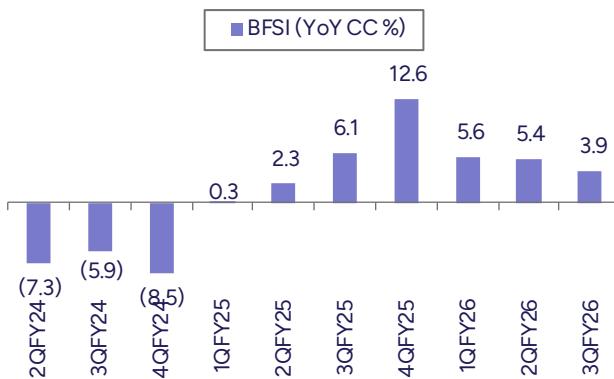
Source: Company, PL

Exhibit 7: Adj. EBIT margin improved by 20 bps in Q3



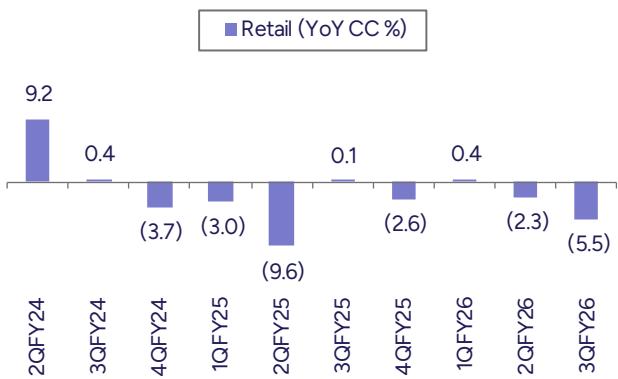
Source: Company, PL

Exhibit 8: BFSI growth trend



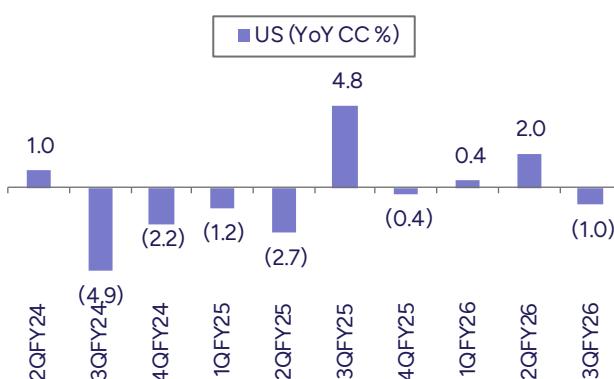
Source: Company, PL

Exhibit 9: Retail growth trend



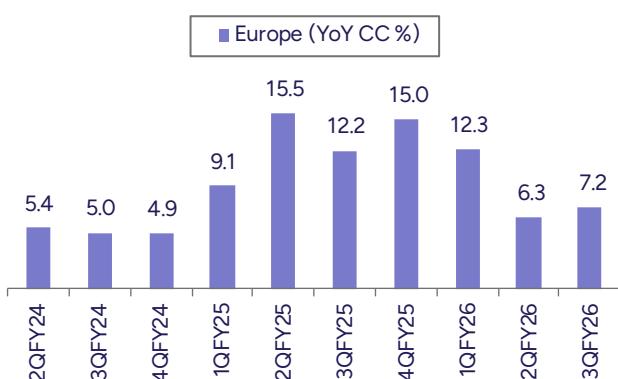
Source: Company, PL

Exhibit 10: US growth trend



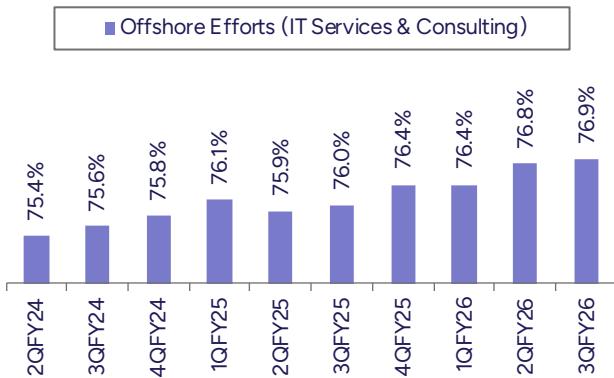
Source: Company, PL

Exhibit 11: Europe growth trend



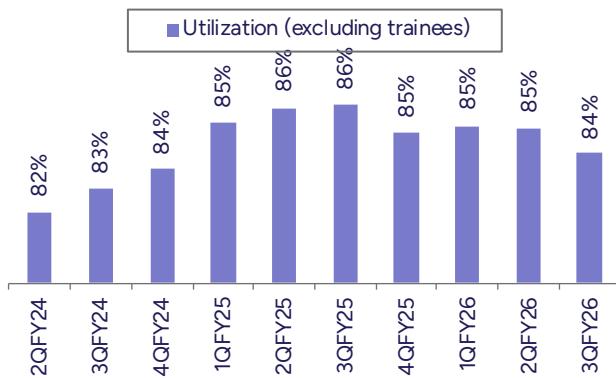
Source: Company, PL

Exhibit 12: Offshore efforts growth trend



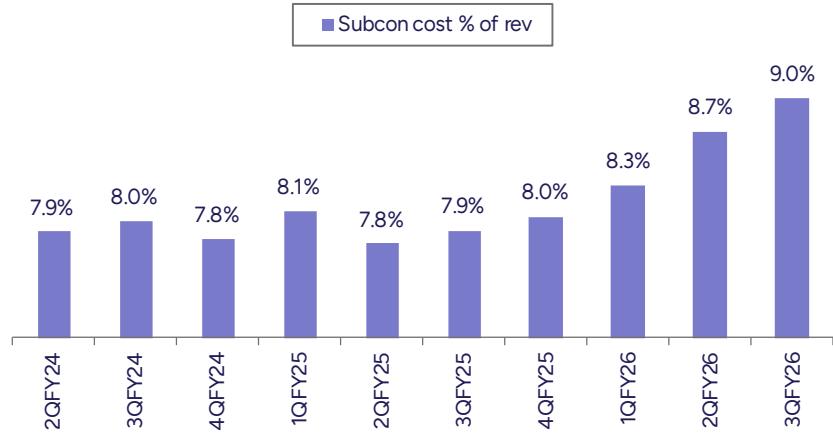
Source: PL, Company

Exhibit 13: Utilization growth trend



Source: PL, Company

Exhibit 14: Subcon % of Rev increasing gradually due to ramp up of deals



Source: Company, PL

Exhibit 15: Operating Metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Effort (IT Services and Consulting)												
Onsite	24.6%	24.7%	24.6%	24.4%	24.2%	23.9%	24.1%	24.0%	23.6%	23.6%	23.2%	23.1%
Offshore	75.4%	75.3%	75.4%	75.6%	75.8%	76.1%	75.9%	76.0%	76.4%	76.4%	76.8%	76.9%
Utilization (IT Services and Consulting)												
Including trainees	76.9%	78.9%	80.4%	81.7%	82.0%	83.9%	84.3%	83.4%	81.9%	82.7%	82.2%	80.0%
Excluding trainees	80.0%	81.1%	81.8%	82.7%	83.5%	85.3%	85.9%	86.0%	84.9%	85.2%	85.1%	84.1%
Employee Metrics												
Total Employees (Consolidated, in k)	343.2	336.3	328.8	322.7	317.2	315.3	317.8	323.4	323.6	323.8	332.0	337.0
S/W professional (k)	324.8	317.6	310.4	304.6	299.8	298.1	300.8	306.5	306.6	306.7	314.5	319.4
Support and sales (k)	18.4	18.7	18.4	18.1	17.4	17.2	17.0	18.1	17.0	17.1	17.5	17.7
Revenues by client geography												
North America	61.0%	60.8%	61.1%	59.0%	59.6%	58.9%	57.4%	58.4%	57.1%	56.5%	56.3%	55.9%
Europe	27.0%	26.8%	26.5%	28.2%	28.6%	28.4%	29.8%	29.8%	31.2%	31.5%	31.7%	32.7%
India	2.6%	2.7%	2.8%	2.4%	2.2%	3.1%	3.1%	3.1%	2.9%	2.9%	3.1%	2.8%
ROW	9.4%	9.7%	9.6%	10.4%	9.6%	9.6%	9.7%	8.7%	8.8%	9.1%	8.9%	8.6%
Revenues by Business segments												
Financial Services	28.9%	28.1%	27.5%	27.8%	26.4%	27.5%	27.2%	27.8%	28.4%	27.9%	27.7%	28.2%
Retail	14.8%	14.5%	15.2%	14.6%	14.3%	13.8%	13.3%	13.8%	13.3%	13.4%	12.7%	12.8%
Communications	11.8%	11.7%	11.4%	11.4%	12.3%	12.1%	11.9%	11.2%	11.7%	12.0%	12.1%	12.1%
Energy, Utilities, Resources and Services	12.9%	12.9%	12.7%	13.2%	13.4%	13.3%	13.5%	13.5%	13.0%	13.6%	13.4%	13.2%
Manufacturing	13.5%	14.1%	14.3%	14.9%	14.7%	14.7%	15.7%	15.5%	15.9%	16.1%	16.5%	16.7%
Hi Tech	8.0%	8.1%	7.8%	7.7%	8.7%	8.0%	8.0%	7.9%	8.3%	7.8%	8.3%	7.4%
Life Sciences	7.2%	7.2%	7.8%	7.6%	7.3%	7.3%	7.3%	7.6%	6.8%	6.5%	6.4%	7.2%
Others	2.9%	3.4%	3.3%	2.8%	2.9%	3.3%	3.1%	2.7%	2.6%	2.7%	2.9%	2.4%
Geography YoY % CC												
North America	6.0%	2.1%	1.0%	-4.9%	-2.2%	-1.2%	-2.7%	4.8%	-0.4%	0.4%	2.0%	-1.0%
Europe	20.3%	10.1%	5.4%	5.0%	4.9%	9.1%	15.5%	12.2%	15.0%	12.3%	6.3%	7.2%
India	-7.1%	13.7%	2.6%	-1.0%	-15.4%	19.9%	16.0%	40.1%	43.7%	-1.0%	6.8%	-1.8%
ROW	3.4%	-0.5%	3.9%	7.8%	4.5%	2.3%	3.8%	-11.1%	-2.2%	0.4%	-3.9%	2.5%
Business Segments YoY % CC												
Financial Services	0.4%	-4.2%	-7.3%	-5.9%	-8.5%	0.3%	2.3%	6.1%	12.6%	5.6%	5.4%	3.9%
Retail	12.6%	4.0%	9.2%	0.4%	-3.7%	-3.0%	-9.6%	0.1%	-2.6%	0.4%	-2.3%	-5.5%
Communications	0.3%	-5.6%	-4.3%	-8.0%	4.5%	5.4%	7.0%	4.0%	0.0%	4.0%	4.7%	9.9%
Energy, Utilities, Resources and Services	17.1%	8.6%	5.1%	0.3%	3.3%	6.3%	10.9%	8.6%	1.5%	6.4%	2.1%	0.5%
Manufacturing	26.5%	20.7%	12.6%	10.6%	8.7%	6.0%	12.3%	10.7%	14.0%	12.2%	6.6%	6.6%
Hi Tech	3.7%	2.3%	-0.6%	-5.1%	9.7%	2.1%	6.0%	8.4%	-1.1%	1.7%	8.6%	-2.2%
Life Sciences	15.7%	13.9%	18.4%	6.3%	1.0%	2.9%	-3.5%	6.3%	-3.4%	-7.9%	-10.5%	-5.4%
Others	13.4%	32.9%	15.3%	7.0%	0.5%	4.5%	-1.2%	3.2%	-2.8%	-15.3%	-2.4%	-9.3%
DSO	62	63	67	72	71	72	73	74	69	70	70	74
Large deal TCV (USD m)	2,076	2,285	7,684	3,241	4,454	4,085	2,430	2,495	2,637	3,797	3,063	4,846
Client (% of revenues)												
Top 10 client	20.1%	20.4%	19.9%	20.0%	20.4%	20.9%	20.9%	19.9%	20.7%	20.8%	20.8%	20.6%
Top 25 client	34.7%	34.6%	34.1%	33.7%	34.3%	34.9%	34.7%	34.2%	34.8%	35.2%	35.2%	35.0%
Number of active clients	1,872	1,883	1,884	1,872	1,882	1,867	1,870	1,876	1,869	1,861	1,861	1,949
New clients added in the period	115	99	100	88	98	87	86	101	91	93	93	121

Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,630	1,778	1,933	2,132
YoY gr. (%)	6.1	9.1	8.7	10.3
Employee Cost	1,133	1,232	1,351	1,482
Gross Profit	496	546	582	649
Margin (%)	30.5	30.7	30.1	30.5
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	392	422	470	526
YoY gr. (%)	7.7	7.6	11.2	11.9
Margin (%)	24.1	23.7	24.3	24.7
Depreciation and Amortization	48	48	58	64
EBIT	344	374	412	462
Margin (%)	21.1	21.0	21.3	21.7
Net Interest	-	-	-	-
Other Income	32	36	39	41
Profit Before Tax	376	410	450	502
Margin (%)	23.1	23.0	23.3	23.6
Total Tax	109	116	131	146
Effective tax rate (%)	28.9	28.3	29.0	29.0
Profit after tax	268	294	320	357
Minority interest	0	0	0	0
Share Profit from Associate	-	-	-	-
Adjusted PAT	267	293	319	356
YoY gr. (%)	10.1	9.8	8.8	11.6
Margin (%)	16.4	16.5	16.5	16.7
Extra Ord. Income / (Exp)	-	(10)	-	-
Reported PAT	267	284	319	356
YoY gr. (%)	1.8	6.2	12.5	11.6
Margin (%)	16.4	16.0	16.5	16.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	267	284	319	356
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	64.5	71.0	77.6	86.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	454	478	505	534
Tangibles	384	409	435	464
Intangibles	70	70	70	70
Acc: Dep / Amortization	(237)	(286)	(344)	(408)
Tangibles	(195)	(244)	(302)	(365)
Intangibles	(42)	(42)	(42)	(42)
Net fixed assets	327	303	272	237
Tangibles	300	276	244	209
Intangibles	28	28	28	28
Capital Work In Progress	-	-	-	-
Goodwill	101	101	101	101
Non-Current Investments	-	-	-	-
Net Deferred tax assets	(6)	(8)	(9)	(11)
Other Non-Current Assets	79	86	93	103
Current Assets				
Investments	125	125	125	125
Inventories	-	-	-	-
Trade receivables	312	340	370	407
Cash & Bank Balance	245	244	251	256
Other Current Assets	290	320	348	384
Total Assets	1,489	1,530	1,571	1,624
Equity				
Equity Share Capital	21	21	21	21
Other Equity	937	940	943	945
Total Networth	958	961	964	966
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	81	89	96	106
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	42	45	49	54
Other current liabilities	387	412	438	471
Total Equity & Liabilities	1,489	1,530	1,571	1,624

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	268	293	319	356
Add. Depreciation	48	48	58	64
Add. Interest	-	-	-	-
Less Financial Other Income	32	36	39	41
Add. Other	44	-	-	-
Op. profit before WC changes	360	342	377	420
Net Changes-WC	(3)	(28)	(26)	(33)
Direct tax	-	-	-	-
Net cash from Op. activities	357	314	351	387
Capital expenditures	(22)	(24)	(27)	(29)
Interest / Dividend Income	-	-	-	-
Others	3	-	-	-
Net Cash from Inv. activities	(19)	(24)	(27)	(29)
Issue of share cap. / premium	-	-	-	-
Debt changes	(24)	-	-	-
Dividend paid	(203)	(291)	(316)	(354)
Interest paid	-	-	-	-
Others	(15)	-	-	-
Net cash from Fin. activities	(242)	(291)	(316)	(354)
Net change in cash	96	(1)	8	4
Free Cash Flow	335	290	324	358

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		64.5	71.0	77.6	86.5
CEPS		76.1	82.7	91.7	102.1
BVPS		231.4	232.6	234.2	234.8
FCF		80.8	70.2	78.8	86.9
DPS		43.0	60.2	65.7	73.4
Return Ratio(%)					
RoCE		26.6	27.9	30.4	34.0
ROIC		19.4	20.7	22.0	23.9
RoE		29.0	30.6	33.2	36.9
Balance Sheet					
Net Debt : Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	
Net Working Capital (Days)	60	60	60	60	
Valuation(x)					
PER		24.8	22.5	20.6	18.5
P/B		6.9	6.9	6.8	6.8
P/CEPS		21.0	19.3	17.5	15.7
EV/EBITDA		15.9	14.8	13.2	11.8
EV/Sales		3.8	3.5	3.2	2.9
Dividend Yield (%)		2.7	3.8	4.1	4.6

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	409	423	445	455
YoY gr. (%)	7.9	7.5	8.5	8.9
Raw Material Expenses	286	292	308	314
Gross Profit	124	131	137	141
Margin (%)	30.2	30.9	30.8	31.0
EBITDA	99	99	105	108
YoY gr. (%)	12.4	5.4	7.4	6.8
Margin (%)	24.1	23.5	23.7	23.7
Depreciation / Depletion	13	11	12	12
EBIT	86	88	94	96
Margin (%)	21.0	20.8	21.0	21.2
Net Interest	-	-	-	-
Other Income	11	9	9	9
Profit before Tax	97	97	102	105
Margin (%)	23.6	23.0	23.0	23.1
Total Tax	26	28	29	29
Effective tax rate (%)	27.2	28.9	27.9	27.5
Profit after Tax	70	69	74	76
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	70	69	74	76
YoY gr. (%)	17.2	8.6	13.2	11.7
Margin (%)	17.2	16.4	16.6	16.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	70	69	74	67
YoY gr. (%)	(11.8)	8.6	13.2	(2.3)
Margin (%)	17.2	16.4	16.6	14.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	70	69	74	67
Avg. Shares O/s (bn)	4	4	4	4
EPS (Rs)	17.0	16.7	17.8	18.6

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	19,277	20,182	21,477	22,921

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jan-26	BUY	1,900	1,630
2	17-Oct-25	BUY	1,780	1,472
3	04-Oct-25	BUY	1,760	1,447
4	24-Jul-25	Accumulate	1,750	1,575
5	01-Jul-25	Accumulate	1,680	1,602
6	21-Apr-25	BUY	1,630	1,420
7	03-Apr-25	BUY	2,020	1,550
8	27-Mar-25	BUY	2,020	1,599
9	17-Jan-25	BUY	2,250	1,928

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	2,140	1,642
2	Cyient	Hold	1,070	1,109
3	HCL Technologies	BUY	1,910	1,667
4	Infosys	BUY	1,900	1,630
5	KPIT Technologies	BUY	1,380	1,168
6	L&T Technology Services	Hold	4,570	4,400
7	Latent View Analytics	BUY	630	454
8	LTI Mindtree	Hold	5,830	6,112
9	Mphasis	BUY	3,450	2,820
10	Persistent Systems	BUY	7,060	6,283
11	Tata Consultancy Services	BUY	4,040	3,240
12	Tata Elxsi	Hold	5,500	5,793
13	Tata Technologies	Hold	660	644
14	Tech Mahindra	Hold	1,570	1,607
15	Wipro	Hold	270	267

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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