

Infosys (INFO IN)

Q2FY27 Result Update

October 24, 2026

☒ Estimate Change | ☒ Target | ☒ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	ACCUMULATE		BUY	
Target Price	1,200		1,300	
Sales (INR bn)	2,056	2,177	2,063	2,184
% Chng.	(0.3)	(0.3)		
EBITDA (INR bn)	491	522	498	527
% Chng.	(1.4)	(0.9)		
EPS (INR)	82.4	88.0	83.9	89.3
% Chng.	(1.8)	(1.5)		

Key Data INFY.BO | INFO IN

BSE Code	500209
NSE Code	INFY
52-W High / Low	INR 1,728 / INR 980
Face Value	5
Sensex / Nifty	73,124 / 22,600
Market Cap	INR 4,682 bn / \$ 49,319 mn
Shares Outstanding	4058.28 mn
3M Avg. Daily Value	INR 13,678.34 mn

Shareholding Pattern (%)

Promoters	13.90
FII	27.44
MF	22.96
DII	19.89
Public	15.81
Promoter's Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	13.1	10.2	(7.0)	(24.5)
Relative	15.7	15.1	(1.2)	(12.7)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	1,787	1,951	2,056	2,177
EBITDA (INR bn)	424	457	491	522
Margin (%)	23.8	23.4	23.9	24.0
PAT (INR bn)	304	311	334	356
EV (INR bn)	4,398	4,322	4,314	4,308
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	222	223	232	237
EPS (INR)	73.9	76.7	82.4	88.0
Gr. (%)	14.6	3.8	7.4	6.8
DPS (INR)	48.0	64.6	70.0	74.7
Yield (%)	4.2	5.6	6.1	6.5
RoE (%)	32.2	33.4	35.7	38.0
RoCE (%)	29.3	30.9	32.9	35.1
EV/Sales (x)	2.5	2.2	2.1	2.0
EV/EBITDA (x)	10.4	9.5	8.8	8.3
PE (x)	15.6	15.0	14.0	13.1
P/BV (x)	5.1	5.0	5.0	5.0

Cloud of uncertainty, valuations remain stretched

Quick Pointers

- Rev. guidance reduced to 1-2% YoY CC from 1.5-3.0% YoY CC earlier for FY27
- AI services revenue at 10.5% of revenues in Q2, up 29% QoQ

INFO's Q2FY27 revenue growth of 1.2% QoQ CC (organic growth of ~0.8%) was marginally ahead of our estimate of 1.1%. Despite healthy deal wins, growth was constrained by softer volumes, lower-than-anticipated pricing amid heightened competitive intensity and subdued discretionary spending, particularly in Retail and Hi-Tech. Management highlighted that geopolitical tensions, inflation and tariffs are extending client decision cycles, while AI-led productivity commitments are driving pricing pressure across industries. Manufacturing also remained under pressure from lower revenue at a large client, although Financial Services, Energy & Utilities and Healthcare continued to show healthy traction. AI revenue grew to US\$540mn (10.5% of revenue vs. 8.2% in Q1), while large deal TCV remained robust at US\$5.2bn, with 62% net new, including a US\$2bn+ seven-year mega-deal that provides better organic revenue visibility in FY28E. Reflecting weaker-than-expected H1 performance and a cautious demand outlook, management lowered FY27 revenue growth guidance to 1-2% CC, while retaining its 20-22% EBIT margin guidance. We reduce our FY27E CC revenue growth estimate to 1.8% from 2.0%, while retaining FY28E/FY29E estimates, supported by the expected ramp-up of the mega-deal from Q4FY27 onwards. EBIT margin in Q2 declined 10bps QoQ to 21.0%, below our estimate of 21.5%, while H1 margin stood at 21.0%. Factoring in the Q2 margin miss and expected wage hikes & furlough-related headwinds in H2, we lower our FY27E/FY28E/FY29E EBIT margin estimates to 20.8%/21.1%/21.3% from 21.2%/21.3%/21.4%. We assign PE of 14x (15x earlier) to Sept. 28 EPS to arrive at a TP of Rs. 1,200 (earlier 1,300). Downgrade our rating to ACCUMULATE from BUY due to stretched valuations and blurry outlook.

Revenue: INFO reported Q2 revenue growth of 1.2% QoQ (CC), largely in line with our and consensus estimates of a 1.1% & 1.3% QoQ CC growth respectively. Segment-wise FS, EURS, Comms & Lifescience grew by 1.6%, 7.3%, 5.5% & 6.3% QoQ respectively while Retail & Hitech declined sharply by 9% & 10.6% QoQ respectively due to lower third-party revenues and reduced client spendings. AI services revenue formed 10.5% of overall revenue for Q2, up 29% QoQ.

Operating Margin: Q2 EBIT margin stood at 21.0% (down ~10 bps QoQ), below our & consensus estimate of 21.5%. Margins headwinds from changes in customer support (~70 bps) and acquisitions impact (~20 bps) were largely offset by tailwinds from currency (~40 bps), Project Maximus (~20 bps) and higher working days (~20 bps).

Deal Wins: Large deal wins in Q2 stood at US\$5.2bn, up 42% QoQ, including a 7-year mega deal of over USD 2bn and a renewal of USD 1bn, with a NN component of ~62%.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR bn)	490	492	0.4	445	10.6
EBITDA (INR bn)	118	117	(0.8)	105	11.4
Margin (%)	24.1	23.7	(40) bps	23.7	-
PAT (INR bn)	82	79	(3.7)	74	6.8

Source: Company, PL

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Mixed performance with strong deal wins, Guidance cut for second successive quarter

- USD rev of USD 5.14 bn, up 1.2% QoQ in CC & USD, largely inline of our estimate 1.1% & consensus estimate of 1.3% QoQ CC growth.
- AI revenue in Q2 came at USD 540 mn (10.5% of rev.), up 29% QoQ
- Segment wise FS, EURS, Comms & Lifescience grew by 1.6%, 7.3%, 5.5% & 6.3% QoQ respectively while Retail & Hitech declined sharply by 9% & 10.6% QoQ respectively.
- Geography wise North America declined by 2% QoQ while Europe, India & Others grew by 2.5%, 13.4% & 13.6% respectively
- **Guidance for FY27 lowered to 1-2% YoY CC compared to 1.5-3% earlier while EBIT margin guidance maintained at the band of 20-22%**
- EBIT margin came at 21%, down 10 bps QoQ, below our & consensus estimate of 21.5% due to higher SG&A exp,
- Net headcount increased by 4.5k while Attrition (LTM) increased by 30 bps QoQ to 12.7%
- **Large deal were strong with TCV wins of USD 5.2 bn compared to USD 3.6 bn in Q1. Large deal wins include a mega deal of USD 2 bn +**
- Net profit of INR 78.4 b, up 0.8% QoQ, below our estimates of INR 81.6 bn due to miss in operating margins and lower other income
- Declared interim dividend of INR 26 per share

Conference Call Highlights

- Segment wise, Manufacturing continues to face near-term pressures, including lower revenue from a large client, & Hi-tech segment was impacted by lower third-party revenues as well as reduced spendings in few large clients due to cost pressures emanating from budget cuts. EURS segment continues to see stable demand, with client spendings concentrated on targeted high-impact programs & management expects FS and EURS to grow higher than the company average.
- Management highlighted that large deal wins of USD 5.2bn includes a net new mega deal for over USD 2bn with a large international company for a period of 7 years, which is expected to contribute over 1% of revenue growth in FY28, and a USD 1bn mega deal which was a renewal.
- Management highlighted that client spending remains cautious, reflecting geopolitical tensions, inflationary pressures and shifting technology priorities. Selective discretionary spend, softer volumes and lower than anticipated price increases amidst high competitive intensity impacted the usual Q2 seasonal growth.
- Management highlighted that clients are prioritizing modernization and AI initiatives, focused on cost efficiency and enhanced customer experience, while increasingly moving from AI experimentation to enterprise-wide adoption.
- Management indicated increased pricing pressure on the back of competitive intensity over the couple of quarters along with muted discretionary spend in some of the sectors as the key reasons for the decline in overall guidance lowered to 1-2% YoY CC compared to 1.5-3% earlier.

- INFO hired about 13,000 freshers in H1, in line with the target of approximately 20,000 for FY27. Wage hikes will be implemented in a phased manner in Q3 & Q4.
- Management remains confident that the conversion ratio of deal wins to revenue remains stable, as revenue leakages from productivity led deflation already been witnessed in some parts of the portfolio.
- Management highlighted that as an ecosystem integrator, INFO continues to work closely with frontier model companies including both open weight and closed models

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	482,110	14.0	492,440	10.7	489,229	7.6	486,895	4.9
EBIT	101,630	21.1	103,300	21.0	99,558	20.4	100,096	20.6
Margin (%)	21.1	30bps	21.0	0bps	20.4	-90bps	20.6	-40bps
Adj. PAT	77,750	12.3	78,380	6.3	76,939	0.9	77,291	(9.2)

Source: Company, PL

Exhibit 2: 2QFY27 Result: Mixed result with in line revenue and miss in operating margin

	2QFY27	2QFY27E	% Var.	1QFY27	QoQ (%)	2QFY26	YoY (%)	1HFY27	1HFY26	YoY (%)
IT Services Revenue (USD m)	5,145	5,129	0.3	5,082	1.2	5,076	1.4	10,227	10,017	2.1
Overall Revenue (INR b)	492	490	0.5	482	2.1	445	10.7	975	868	12.3
Gross Profit	153	153	-0.1	152	0.8	137	11.8	305	267	14.0
Gross Margin (%)	31.1	31.3	-20bps	31.5	-40bps	30.8	30bps	31.3	30.8	50bps
SG&A and Other Costs	36.1	35.3	2.3	37.7	-4.2	31.6	14.5	74	63	17.8
% of Rev	7.3	7.2	10bps	7.8	-50bps	7.1	20bps	7.6	7.2	40bps
EBITDA	117	118	-0.8	114	2.5	105	11.0	231	205	12.8
EBITDA Margin (%)	23.7	24.1	-30bps	23.7	10bps	23.7	10bps	23.7	23.6	10bps
Depreciation	14	13	6.6	12	9	12	15.0	26	23	12.2
% of Rev	2.8	2.6	20bps	2.6	20bps	2.7	10bps	2.7	2.7	0bps
EBIT	103	105	-1.8	102	1.6	94	10.4	205	182	12.9
EBIT Margin (%)	21.0	21.5	-50bps	21.1	-10bps	21.0	0bps	21.0	20.9	10bps
Other Income (net)	7	10	-25.2	9	-15.3	9	-16.3	16	18	-11.9
PBT	111	115	-3.8	110	0.3	102	8.2	221	200	10.6
Tax	32	33	-3.3	33	-0.9	29	13.0	65	57	14.3
Effective tax rate (%)	29.2	29.0	20bps	29.5	-30bps	27.9	130bps	29.3	28.4	90bps
Adjusted PAT	78	82	-4.0	78	0.8	74	6.3	156	143	9.1
Exceptional items	0	0	NA	0	NA	0.0	NA	0.0	0	NA
Reported PAT	78	82	-4.0	78	0.8	74	6.3	156	143	9.1
Reported EPS (INR)	19	20	-4.0	19	0.7	18	8.8	39	34	11.8

Source: Company, PL

Exhibit 3: Regional growth during the quarter

Geographies	Contri. To Rev. (%)	CC Growth (QoQ %)
North America	54.6	-2.0
Europe	32.5	2.5
India	2.8	13.4
ROW	10.1	13.6

Source: Company, PL

Exhibit 4: Segment growth during the quarter

Verticals	Contri. To Rev. (%)	CC Growth (QoQ %)
Financial Services	28.0	1.6
Retail	11.5	-9.0
Communications	12.5	5.5
Energy, Utilities, Resources	14.2	7.3
Manufacturing	16.0	1.9
Hi Tech	6.8	-10.6
Life Sciences	8.4	6.3
Others	2.6	14.4

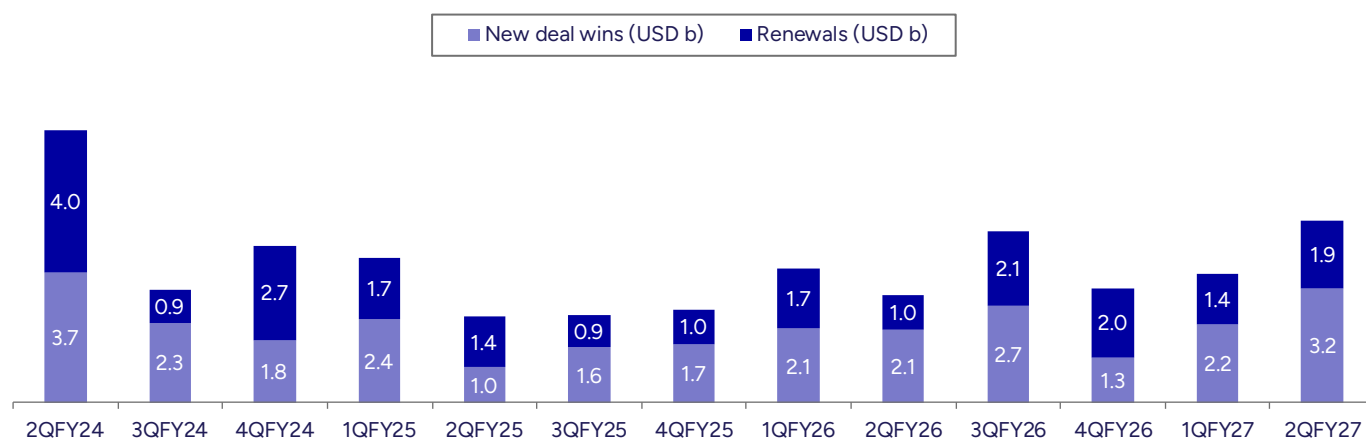
Source: Company, PL

Exhibit 5: KPI

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	3.1	1.7	-3.5	2.6	2.2	0.6	-1.3	1.0	1.2	3.1	1.8
Margins											
Gross Margin	30.5	30.3	30.2	30.9	30.8	31.0	30.9	31.5	31.1	30.9	30.6
EBIT Margin	21.1	21.3	21.0	20.8	21.0	21.2	21.0	21.1	21.0	21.0	20.7
Net Margin	15.9	16.3	17.2	16.4	16.6	16.7	18.3	16.1	15.9	17.0	15.9
Operating metrics											
Headcount	318	323	324	324	332	337	329	328	333	329	-
Voluntary Attrition (%)	12.9	13.7	14.1	14.4	14.3	12.3	12.6	13.0	12.7	12.6	-
Deal Win TCV (USD b)	2.4	2.5	2.6	3.8	3.1	4.8	3.2	3.6	5.2	14.9	-

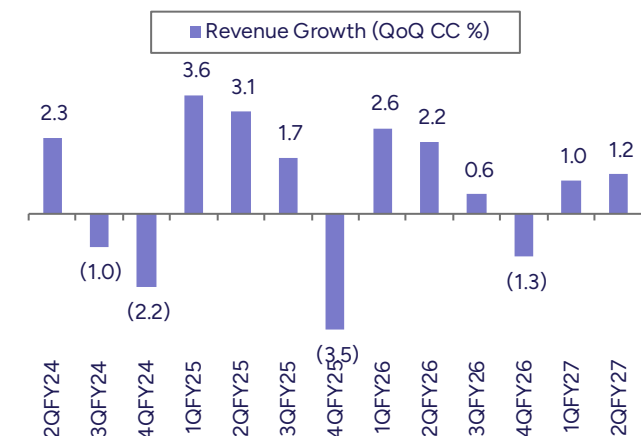
Source: Company, PL * YoY CC

Exhibit 6: Deal win momentum continues, NN wins of ~62% in Q2



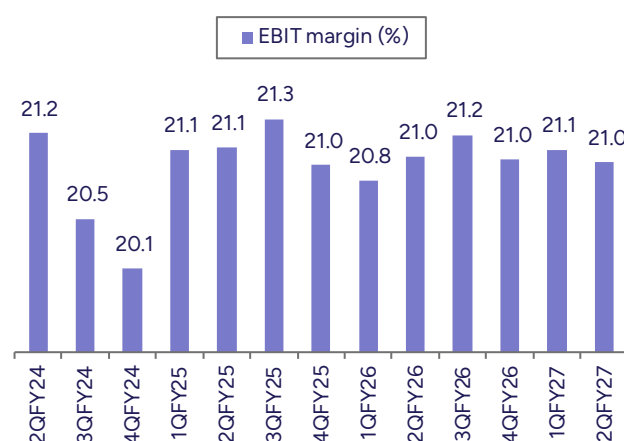
Source: Company, PL

Exhibit 7: Revenue came in line of estimates



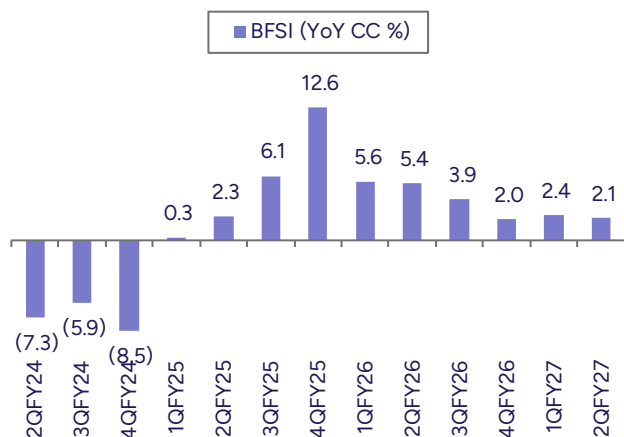
Source: Company, PL

Exhibit 8: EBIT margin came below estimate



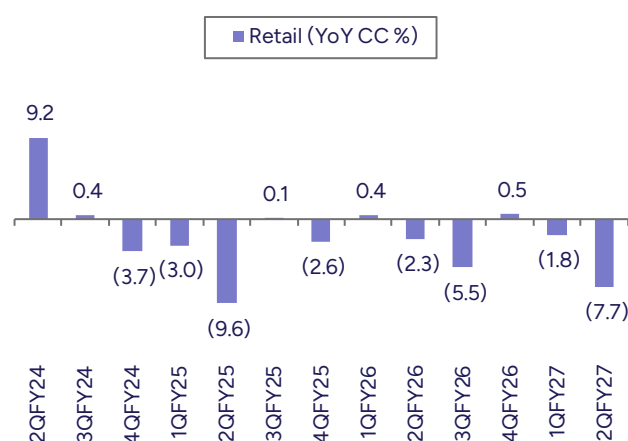
Source: Company, PL

Exhibit 10: BFSI growth trend



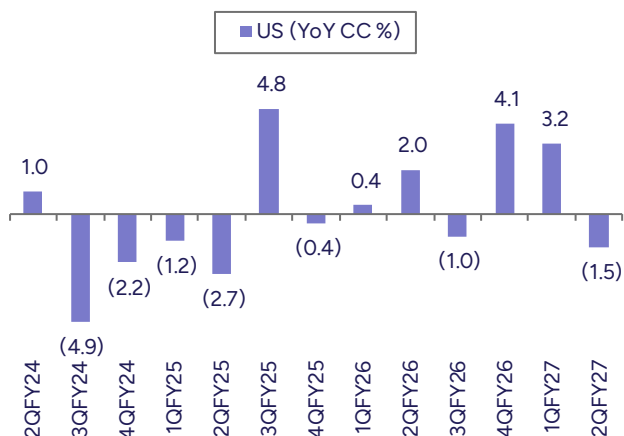
Source: Company, PL

Exhibit 11: Retail growth trend



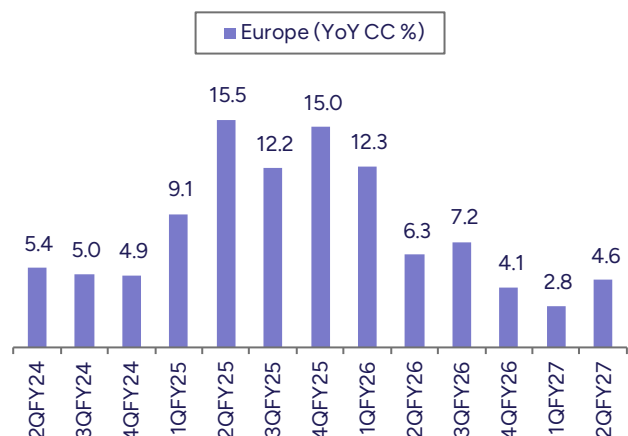
Source: Company, PL

Exhibit 12: US growth trend



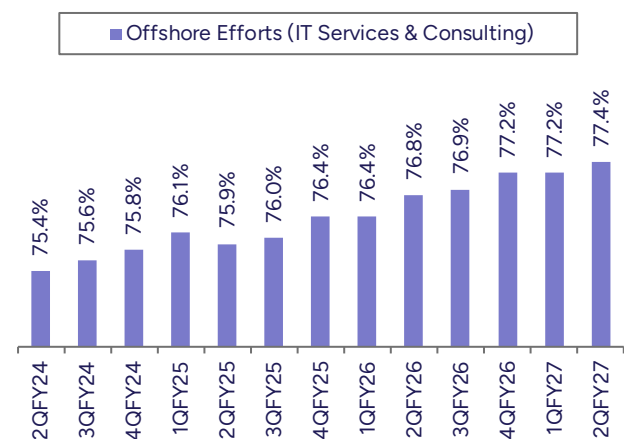
Source: Company, PL

Exhibit 13: Europe growth trend



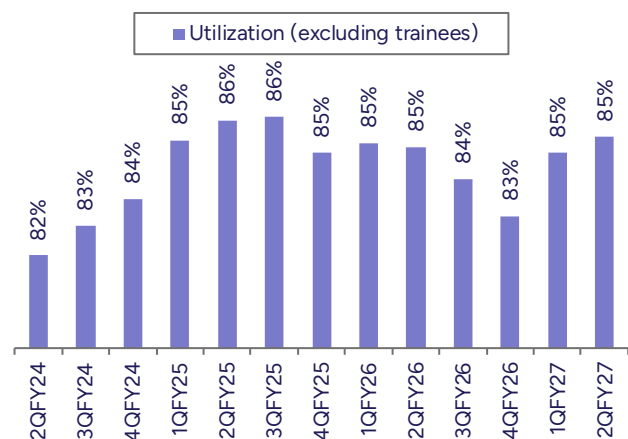
Source: Company, PL

Exhibit 14: Offshore efforts increase 20bps QoQ in Q2



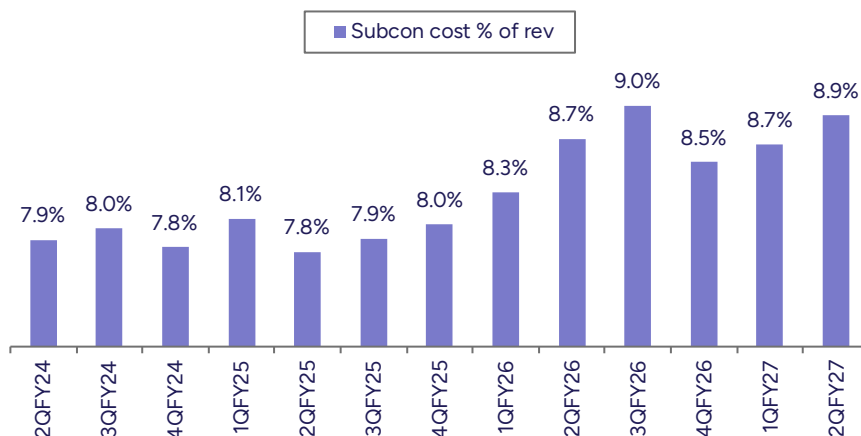
Source: Company, PL

Exhibit 15: Utilization growth trend



Source: Company, PL

Exhibit 16: Subcon % of rev increases in Q2



Source: Company, PL

Exhibit 17: Operating Metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Effort (IT Services and Consulting)													
Onsite	24.6%	24.4%	24.2%	23.9%	24.1%	24.0%	23.6%	23.6%	23.2%	23.1%	22.8%	22.8%	22.6%
Offshore	75.4%	75.6%	75.8%	76.1%	75.9%	76.0%	76.4%	76.4%	76.8%	76.9%	77.2%	77.2%	77.4%
Utilization (IT Services and Consulting)													
Including trainees	80.4%	81.7%	82.0%	83.9%	84.3%	83.4%	81.9%	82.7%	82.2%	80.0%	79.7%	82.1%	81.9%
Excluding trainees	81.8%	82.7%	83.5%	85.3%	85.9%	86.0%	84.9%	85.2%	85.1%	84.1%	83.0%	84.9%	85.4%
Employee Metrics													
Total Employees (Consolidated, in k)	328.8	322.7	317.2	315.3	317.8	323.4	323.6	323.8	332.0	337.0	328.6	328.1	332.5
S/W professional (k)	310.4	304.6	299.8	298.1	300.8	306.5	306.6	306.7	314.5	319.4	310.9	310.0	314.5
Support and sales (k)	18.4	18.1	17.4	17.2	17.0	18.1	17.0	17.1	17.5	17.7	17.7	18.0	18.0
Revenues by client geography													
North America	61.1%	59.0%	59.6%	58.9%	57.4%	58.4%	57.1%	56.5%	56.3%	55.9%	55.7%	56.4%	54.6%
Europe	26.5%	28.2%	28.6%	28.4%	29.8%	29.8%	31.2%	31.5%	31.7%	32.7%	32.6%	32.1%	32.5%
India	2.8%	2.4%	2.2%	3.1%	3.1%	3.1%	2.9%	2.9%	3.1%	2.8%	2.6%	2.5%	2.8%
ROW	9.6%	10.4%	9.6%	9.6%	9.7%	8.7%	8.8%	9.1%	8.9%	8.6%	9.1%	9.0%	10.1%
Revenues by Business segments													
Financial Services	27.5%	27.8%	26.4%	27.5%	27.2%	27.8%	28.4%	27.9%	27.7%	28.2%	28.0%	27.9%	28.0%
Retail	15.2%	14.6%	14.3%	13.8%	13.3%	13.8%	13.3%	13.4%	12.7%	12.8%	12.8%	12.8%	11.5%
Communications	11.4%	11.4%	12.3%	12.1%	11.9%	11.2%	11.7%	12.0%	12.1%	12.1%	12.4%	12.0%	12.5%
Energy, Utilities, Resources and Services	12.7%	13.2%	13.4%	13.3%	13.5%	13.5%	13.0%	13.6%	13.4%	13.2%	13.2%	13.4%	14.2%
Manufacturing	14.3%	14.9%	14.7%	14.7%	15.7%	15.5%	15.9%	16.1%	16.5%	16.7%	15.9%	15.9%	16.0%
Hi Tech	7.8%	7.7%	8.7%	8.0%	8.0%	7.9%	8.3%	7.8%	8.3%	7.4%	7.7%	7.7%	6.8%
Life Sciences	7.8%	7.6%	7.3%	7.3%	7.3%	7.6%	6.8%	6.5%	6.4%	7.2%	7.3%	8.0%	8.4%
Others	3.3%	2.8%	2.9%	3.3%	3.1%	2.7%	2.6%	2.7%	2.9%	2.4%	2.7%	2.3%	2.6%
Geography YoY % CC													
North America	1.0%	-4.9%	-2.2%	-1.2%	-2.7%	4.8%	-0.4%	0.4%	2.0%	-1.0%	4.1%	3.2%	-1.5%
Europe	5.4%	5.0%	4.9%	9.1%	15.5%	12.2%	15.0%	12.3%	6.3%	7.2%	4.1%	2.8%	4.6%
India	2.6%	-1.0%	-15.4%	19.9%	16.0%	40.1%	43.7%	-1.0%	6.8%	-1.8%	0.0%	-1.6%	-3.5%
ROW	3.9%	7.8%	4.5%	2.3%	3.8%	-11.1%	-2.2%	0.4%	-3.9%	2.5%	5.0%	-4.2%	10.9%

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Business Segments YoY % CC													
Financial Services	-7.3%	-5.9%	-8.5%	0.3%	2.3%	6.1%	12.6%	5.6%	5.4%	3.9%	2.0%	2.4%	2.1%
Retail	9.2%	0.4%	-3.7%	-3.0%	-9.6%	0.1%	-2.6%	0.4%	-2.3%	-5.5%	0.5%	-1.8%	-7.7%
Communications	-4.3%	-8.0%	4.5%	5.4%	7.0%	4.0%	0.0%	4.0%	4.7%	9.9%	9.0%	1.3%	4.1%
Energy, Utilities, Resources and Services	5.1%	0.3%	3.3%	6.3%	10.9%	8.6%	1.5%	6.4%	2.1%	0.5%	6.7%	1.3%	7.3%
Manufacturing	12.6%	10.6%	8.7%	6.0%	12.3%	10.7%	14.0%	12.2%	6.6%	6.6%	1.3%	1.0%	-0.7%
Hi Tech	-0.6%	-5.1%	9.7%	2.1%	6.0%	8.4%	-1.1%	1.7%	8.6%	-2.2%	-1.2%	2.4%	-17.3%
Life Sciences	18.4%	6.3%	1.0%	2.9%	-3.5%	6.3%	-3.4%	-7.9%	-10.5%	-5.4%	11.6%	24.0%	32.5%
Others	15.3%	7.0%	0.5%	4.5%	-1.2%	3.2%	-2.8%	-15.3%	-2.4%	-9.3%	14.0%	-9.9%	-4.7%
DSO	67	72	71	72	73	74	69	70	70	74	67	63	64
Large deal TCV (USD m)	7,684	3,241	4,454	4,085	2,430	2,495	2,637	3,797	3,063	4,846	3,242	3,635	5,174
Client (% of revenues)													
Top 10 client	19.9%	20.0%	20.4%	20.9%	20.9%	19.9%	20.7%	20.8%	20.8%	20.6%	20.2%	19.9%	19.8%
Top 25 client	34.1%	33.7%	34.3%	34.9%	34.7%	34.2%	34.8%	35.2%	35.2%	35.0%	34.5%	33.9%	34.0%
Number of active clients	1,884	1,872	1,882	1,867	1,870	1,876	1,869	1,861	1,861	1,949	1,965	2,027	2,060
New clients added in the period	100	88	98	87	86	101	91	93	93	121	111	155	142

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	1,787	1,951	2,056	2,177
YoY gr. (%)	9.6	9.2	5.4	5.9
Cost of Goods Sold	1,234	1,354	1,432	1,514
Gross Profit	552	597	625	664
Margin (%)	30.9	30.6	30.4	30.5
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	424	457	491	522
YoY gr. (%)	8.2	7.6	7.5	6.2
Margin (%)	23.8	23.4	23.9	24.0
Depreciation and Amortization	49	51	58	58
EBIT	375	405	433	463
Margin (%)	21.0	20.8	21.1	21.3
Net Interest	-	-	-	-
Other Income	37	34	37	39
Profit Before Tax	413	439	470	503
Margin (%)	23.1	22.5	22.9	23.1
Total Tax	109	128	136	146
Effective Tax Rate (%)	26.3	29.2	29.0	29.0
Profit After Tax	304	311	334	357
Minority Interest	-	-	-	1
Share Profit from Associate	-	-	-	-
Adjusted PAT	304	311	334	356
YoY gr. (%)	13.8	2.2	7.4	6.8
Margin (%)	17.0	15.9	16.2	16.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	294	311	334	356
YoY gr. (%)	10.2	5.5	7.4	6.8
Margin (%)	16.5	15.9	16.2	16.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	294	311	334	356
Equity Shares O/s (bn)	4	4	4	4
EPS (INR)	73.9	76.7	82.4	88.0

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	482	511	543	576
Tangibles	396	426	457	491
Intangibles	86	86	86	86
Acc: Dep / Amortization	(260)	(311)	(369)	(427)
Tangibles	(203)	(254)	(312)	(370)
Intangibles	(57)	(57)	(57)	(57)
Net Fixed Assets	311	289	263	238
Tangibles	283	261	235	210
Intangibles	28	28	28	28
Capital Work In Progress	-	-	-	-
Goodwill	121	121	121	121
Non-Current Investments	-	-	-	-
Net Deferred Tax Assets	6	5	5	4
Other Non-Current Assets	70	89	93	99
Current Assets				
Investments	130	130	130	130
Inventories	-	-	-	-
Trade Receivables	352	385	406	429
Cash & Bank Balance	222	223	232	237
Other Current Assets	331	351	370	392
Total Assets	1,560	1,611	1,639	1,670
Equity				
Equity Share Capital	20	20	20	20
Other Equity	908	913	915	918
Total Network	929	933	935	938
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	87	95	100	106
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	47	52	55	58
Other Current Liabilities	476	509	525	544
Total Equity & Liabilities	1,560	1,611	1,639	1,670

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	295	311	334	356
Add. Depreciation	49	51	58	58
Add. Interest	-	-	-	-
Less Financial Other Income	37	34	37	39
Add. Other	124	-	-	-
Op. Profit before WC Changes	468	362	391	415
Net Changes-WC	(23)	(25)	(20)	(22)
Direct Tax	(86)	-	-	-
Net Cash from Op. Activities	358	337	371	392
Capital Expenditures	(27)	(30)	(31)	(33)
Interest / Dividend Income	-	-	-	-
Others	28	-	-	-
Net Cash from Invst. Activities	1	(30)	(31)	(33)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(28)	-	-	-
Dividend Paid	(187)	(306)	(331)	(354)
Interest Paid	-	-	-	-
Others	(183)	-	-	-
Net Cash from Fin. Activities	(398)	(306)	(331)	(354)
Net Change in Cash	(39)	1	9	5
Free Cash Flow	331	307	340	359

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	455	464	482	492
YoY gr. (%)	8.9	13.4	14.0	10.7
Raw Material Expenses	314	321	330	339
Gross Profit	141	143	152	153
Margin (%)	31.0	30.9	31.5	31.1
EBITDA	108	112	114	117
YoY gr. (%)	6.8	13.1	14.7	11.0
Margin (%)	23.7	24.1	23.7	23.7
Depreciation / Depletion	12	14	12	14
EBIT	96	97	102	103
Margin (%)	21.2	21.0	21.1	21.0
Net Interest	-	-	-	-
Other Income	9	11	9	7
Profit before Tax	105	108	110	111
Margin (%)	23.1	23.3	22.9	22.5
Total Tax	29	23	33	32
Effective Tax Rate (%)	27.5	21.2	29.5	29.2
Profit After Tax	76	85	78	78
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	76	85	78	79
YoY gr. (%)	11.7	20.9	12.3	6.3
Margin (%)	16.8	18.4	16.1	15.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	67	85	78	79
YoY gr. (%)	(2.3)	20.9	12.3	6.3
Margin (%)	14.7	18.4	16.1	15.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	67	85	78	79
Avg. Shares O/s (bn)	4	4	4	4
EPS (INR)	18.6	21.1	19.2	19.4

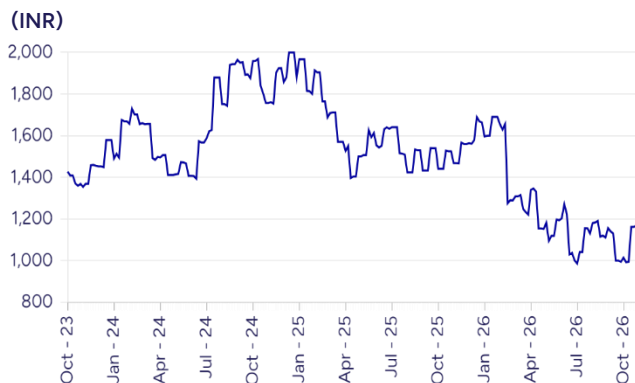
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	73.9	76.7	82.4	88.0
CEPS	85.8	89.4	96.6	102.4
BVPS	225.8	230.5	231.1	231.7
FCF	80.5	75.8	84.0	88.7
DPS	48.0	64.6	70.0	74.7
Return Ratio (%)				
RoCE	29.3	30.9	32.9	35.1
ROIC	20.5	20.8	21.9	23.0
RoE	32.2	33.4	35.7	38.0
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	62	62	62	62
Valuation (x)				
PER	15.6	15.0	14.0	13.1
P/B	5.1	5.0	5.0	5.0
P/CEPS	13.4	12.9	11.9	11.3
EV/EBITDA	10.4	9.5	8.8	8.3
EV/Sales	2.5	2.2	2.1	2.0
Dividend Yield (%)	4.2	5.6	6.1	6.5
FCFF Yield (%)	7.0	6.6	7.3	7.7
PEG Ratio	1.1	4.0	1.9	1.9

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	03-Oct-26	BUY	1300	1035
2	24-Jul-26	BUY	1240	1047
3	02-Jul-26	BUY	1350	1041
4	24-Apr-26	BUY	1570	1241
5	01-Apr-26	BUY	1740	1276
6	18-Feb-26	BUY	1900	1391
7	15-Jan-26	BUY	1900	1600
8	02-Jan-26	BUY	1900	1630
9	17-Oct-25	BUY	1780	1472
10	04-Oct-25	BUY	1760	1447

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2230	1826
2	Cyient	Accumulate	1240	1105
3	Firstsource Solutions	BUY	350	250
4	Fractal Analytics	BUY	1020	727
5	HCL Technologies	HOLD	1230	1223
6	Infosys	BUY	1300	1035
7	KPIT Technologies	Reduce	470	492
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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