RATING BUY | CMP INR 1,047 | TP INR 1,240

PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Infosys (INFO IN)

July 24, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,240		1,350	
Sales (INR bn)	1,923	2,022	1,950	2,072
% Chng.	*(1.4)*	*(2.4)*		
EBITDA (INR bn)	458	493	472	506
% Chng.	*(3.0)*	*(2.6)*		
EPS (INR)	77.8	82.4	79.2	84.7
% Chng.	*(1.8)*	*(2.7)*		

Key Data INFY.BO | INFO IN

BSE Code	500209
NSE Code	INFY
52-W High / Low	INR 1,728 / INR 982
Face Value	5
Sensex / Nifty	76,391 / 23,870
Market Cap	INR 4,250 bn / $ 44,008 mn
Shares Outstanding	4057.58 mn
3M Avg. Daily Value	INR 17,498.59 mn

Shareholding Pattern (%)

Promoters	13.82
FIIs	27.09
MF	23
DII	19.96
Public	16.13
Promoter's Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	1.8	(15.6)	(37.3)	(33.5)
Relative	1.5	(14.2)	(33.1)	(28.0)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	1,630	1,787	1,923	2,022
EBITDA (INR bn)	392	424	458	493
Margin (%)	*24.1*	*23.8*	*23.8*	*24.4*
PAT (INR bn)	267	304	315	334
EV (INR bn)	3,972	3,960	3,890	3,877
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	245	222	224	237
EPS (INR)	64.5	73.9	77.9	82.5
Gr. (%)	*10.0*	*14.6*	*5.3*	*5.9*
DPS (INR)	43.0	48.0	65.6	70.0
Yield (%)	*4.1*	*4.6*	*6.3*	*6.7*
RoE (%)	*29.0*	*32.2*	*33.9*	*35.7*
RoCE (%)	*26.6*	*29.3*	*31.0*	*32.9*
EV/Sales (x)	2.4	2.2	2.0	1.9
EV/EBITDA (x)	10.1	9.3	8.5	7.9
PE (x)	16.2	14.2	13.5	12.7
P/BV (x)	4.5	4.6	4.5	4.5

Weak Q1 resets FY27 growth expectations

Quick Pointers

- Rev. guidance reduced to 1.5-3.0% including acquisitions from organic 1.5-3.5% YoY CC
- AI services revenue formed 8.2% of overall revenue for Q1

INFO's organic revenue performance was flat QoQ CC, below our est. of 0.8% QoQ CC, attributed to softer volumes, a one-off EU&R client's project termination (~50bps QoQ impact) and weakness in a large European manufacturing client. EBIT margin at 21.1% (+20bps QoQ) was broadly in line despite muted growth, aided by currency tailwinds and Project Maximus. Management revised FY27 revenue guidance to 1.5-3.0% CC, which includes ~1.7% inorganic contribution from acquisitions, implies an organic growth outlook of ~flat-1.3% CC. The guidance factors in 100bps headwind from the large European manufacturing client and ~75-100bps impact from offshore delivery transition, along with the effect of weaker Q1 volumes. AI services revenue continued to scale rapidly to 8.2% of revenue (vs. 5.5% in Q3FY26), partly plugging the leakages into the traditional bucket despite productivity pass-on. Large deal momentum remained healthy at US$3.6bn TCV with 61% NN, including three ~US$400mn deals and 20% of wins from vendor consolidation. However, being selective on deal economics, prolonged decision-making and strategic offshoring are blurring the near-term growth outlook. Hence, we lower our FY27E/FY28E CC revenue growth est. to 2.0%/3.5% (from 4.0%/4.7% earlier), while maintaining EBIT margin estimates at 21.2%/21.4%, as Project Maximus, currency benefits and improved utilization should largely offset wage hikes, acquisition dilution and continued AI investments. Consequently, we cut our FY27E/FY28E EPS estimates by 1.8%/2.7%. The valuation comfort (12x FY28E EPS) and payout yield of ~6% should provide near-term cushion to the price. We assign PE of 15x (16x earlier) to FY28 EPS with a TP of Rs. 1,240. Retain BUY

Revenue: INFO reported Q1 revenue growth of 1.0% QoQ (CC), below our and consensus estimates of a 2.4% & 2.0% QoQ respectively, primarily due to ~50 bps impact of program termination by an EURS client during the quarter. Segment-wise, weakness was mainly in Comms (-2.4% QoQ), while FS, Manufacturing, EURS, Retail, Hitech & Lifescience grew by 0.5%, 0.8%, 2.4%, 0.8%, 0.8% & 8% QoQ respectively. AI services revenue formed 8.2% of overall revenue for Q1.

Operating Margin: Q1 EBIT margin stood at 21.1% (up ~10 bps QoQ), above our estimates 20.9% & inline of consensus estimate. Margins benefited from currency tailwinds (~70 bps) and Project Maximus-led efficiencies (~70 bps) which were largely offset by headwinds from investment in AI (~50 bps), and 1 time rev. impact (~40 bps).

Deal Wins: Large deal wins in Q1 stood at US$3.6bn, up 11% QoQ, comprising of 22 deals including 3 deals worth ~USD 400 mn each, with a NN component of ~61%.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR bn)	488	482	*-1.0*	423	*14.0*
EBITDA (INR bn)	116	114	*-2.0*	99	*15.0*
Margin (%)	*23.9*	*23.7*	*-20 bps*	*23.5*	*20 bps*
PAT (INR bn)	79	78	*-1.0*	69	*13.0*

Source: Company, PL

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Miss in Q1 revenue, New CEO Designate announced

- USD rev of USD 5.08 bn, up 1% QoQ in CC (0.8% QoQ USD), below our estimate 2.4% & consensus estimate of 2% QoQ CC growth. Quarter impacted one time client specific issue
- Segment wise FS, Manufacturing, EURS, Retail. Hitech & Lifescience grew by 0.5%, 0.8%, 2.4%, 0.8%, 0.8% & 8% QoQ respectively while Comms declined by 2.4%
- Geography wise North America grew by 2.1% QoQ while Europe, India & Others declined by 0.7%, 3% & 0.3% respectively
- **Guidance for FY27 lowered to 1.5-3% YoY CC compared to 1.5-3.5% organic growth earlier while EBIT margin guidance maintained at the band of 20-22%. The ask rate for remaining quarter comes to 0.5-1.4% CQGR based on the revised guidance.**
- EBIT margin came at 21.1%, up 10 bps QoQ, above our estimates 20.9% & inline of consensus estimate
- Net headcount declined by 532k while Attrition (LTM) increased by 40 bps QoQ to 13%
- **Large deal TCV came USD 3.6 bn compared to USD 3.24 bn in Q4 with book to bill of 0.7x**
- Net profit of INR 77.8 b, down 8.6% QoQ, below our estimates of INR 79.2 bn
- **Ashish Kumar Dash appointed as CEO designate to take over from incumbent CEO Salil Parekh from April 1, 2027**

Conference Call Highlights

- Geography wise, Telcom is undergoing significant transformation with consolidation and M&A with increased investments, especially for OEMs, and operating environment remains challenging as clients continue to exercise discipline on discretionary spending in comms. For FY27, management expects FS & EURS to grow higher than the company average
- Management highlighted that clients remain cautious on discretionary spend and decision making is elongated especially in European auto, with macroeconomic uncertainty continues to influence client spending patterns and decision making timelines.
- Management highlighted that spendings are shifting towards areas with clear business cases such as AI led modernization, cost transformation, cybersecurity, cloud optimization and vendor consolidation
- Management highlighted that there is broad based demand for AI productivity across most industries, particularly with the foundation models, modernization, and coding tools
- Management stated GenAI is emerging as a strong growth catalyst driving process reimagination and productivity initiatives
- Management plans to add ~20,000 college graduates in FY27, having recruited ~4,000 in Q1, with trainings focused around tools which are pre AI, Topaz and internal frameworks.
- Management highlighted that near term focus remains on supporting clients through digital AI modernization and consolidation initiatives while balancing growth opportunities with disciplined deal selection and sustainable pricing

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	4,82,110	*14.0*	4,79,331	*7.7*	4,82,084	*6.0*	4,79,094	*3.2*
EBIT	1,01,630	*21.1*	1,05,213	*22.0*	1,00,033	*20.8*	1,00,905	*21.1*
Margin (%)	*21.1*	*30bps*	*22.0*	*90bps*	*20.8*	*-50bps*	*21.1*	*10bps*
Adj. PAT	77,750	*12.3*	81,508	*10.5*	77,869	*2.1*	78,446	*(7.8)*

Source: Company, PL

Exhibit 2: 1QFY27 Result: Mixed result with miss in revenue with in line operating margin

	1QFY27	1QFY27E	% Var.	4QFY26	QoQ gr.	1QFY26	YoY gr.	FY27E	FY26	YoY gr.
IT Services Revenue (USD m)	**5,082**	**5,155**	***-1.4***	**5,040**	***0.8***	**4,941**	***2.9***	**20,571**	**20,156**	***2.1***
Overall Revenue (INR b)	**482**	**488**	***-1.2***	**464**	***3.9***	**423**	***14.0***	**1,923**	**1,787**	***7.6***
Gross Profit	152	148	*2.8*	143	*5.8*	131	*16.3*	593	552	*7.5*
Gross Margin (%)	*31.5*	*30.3*	*120bps*	*30.9*	*60bps*	*30.9*	*60bps*	*30.9*	*30.9*	*0bps*
SG&A and Other Costs	37.7	31.2	*20.7*	31.8	*18.6*	31.1	*21.1*	136	128	*6.3*
% of Rev	*7.8*	*6.4*	*140bps*	*6.8*	*100bps*	*7.4*	*50bps*	*7.1*	*7.1*	*-10bps*
EBITDA	**114**	**116**	***-2.0***	**112**	***2.2***	**99**	***14.7***	**458**	**424**	***7.8***
EBITDA Margin (%)	*23.7*	*23.9*	*-20bps*	*24.1*	*-40bps*	*23.5*	*10bps*	*23.8*	*23.8*	*0bps*
Depreciation	12	15	*-14.9*	14	*-13*	11	*9.3*	50	49	*1.8*
% of Rev	2.6	3.0	*-40bps*	3.1	*-50bps*	2.7	*-10bps*	2.6	2.7	*-10bps*
EBIT	**102**	**102**	***-0.1***	**97**	***4.3***	**88**	***15.4***	**408**	**375**	***8.6***
EBIT Margin (%)	*21.1*	*20.9*	*20bps*	*21.0*	*10bps*	*20.8*	*30bps*	*21.2*	*21.0*	*20bps*
Other Income (net)	9	10	*-11.4*	11	*-17.9*	9	*-7.7*	37	37	*0.1*
PBT	**110**	**112**	***-1.1***	**108**	***2.1***	**97**	***13.2***	**445**	**413**	***7.8***
Tax	33	32	*0.6*	23	*42.2*	28	*15.5*	130	109	*19.5*
Effective tax rate (%)	*29.5*	*29.0*	*50bps*	*21.2*	*830bps*	*28.9*	*60bps*	*29.1*	*26.3*	*280bps*
Adjusted PAT	**78**	**79**	***-1.8***	**85**	***-8.6***	**69**	***12.3***	**315**	**304**	***3.7***
Exceptional items	0	0	*NA*	0	*NA*	0.0	*NA*	0.0	-10	*NA*
Reported PAT	**78**	**79**	***-1.8***	**85**	***-8.6***	**69**	***12.3***	**315**	**294**	***7.1***
Reported EPS (INR)	**19**	**20**	***-1.7***	**21**	***-8.6***	**17**	***15.0***	**78**	**74**	***5.3***

Source: Company, PL

Exhibit 3: Regional growth during the quarter

Geographies	Contri. To Rev. (%)	CC Growth (QoQ %)
North America	56.4	2.1
Europe	32.1	-0.7
India	2.5	-3.0
ROW	9.0	-0.3

Source: Company, PL

Exhibit 4: Segment growth during the quarter

Verticals	Contri. To Rev. (%)	CC Growth (QoQ %)
Financial Services	27.9	0.5
Retail	12.8	0.8
Communications	12.0	-2.4
Energy, Utilities, Resources	13.4	2.4
Manufacturing	15.9	0.8
Hi Tech	7.7	0.8
Life Sciences	8.0	10.5
Others	2.3	-14.1

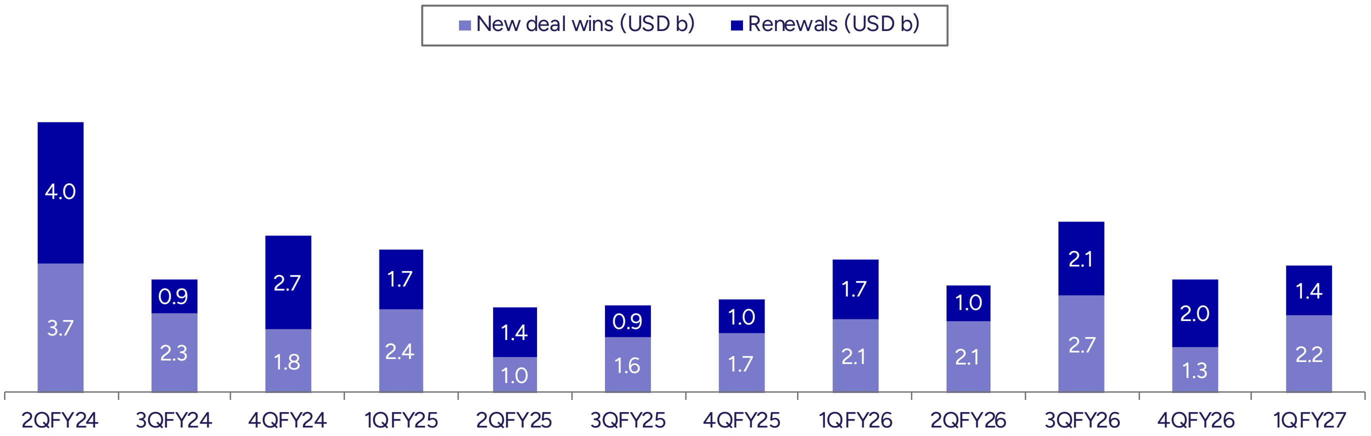
Source: Company, PL

Exhibit 5: KPI

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	**3.6**	**3.1**	**1.7**	**-3.5**	**2.6**	**2.2**	**0.6**	**-1.3**	**1.0**	**3.1**	**2.0**
Margins											
Gross Margin	30.9	30.5	30.3	30.2	30.9	30.8	31.0	30.9	31.5	30.9	30.9
EBIT Margin	21.1	21.1	21.3	21.0	20.8	21.0	21.2	21.0	21.1	21.0	21.2
Net Margin	16.2	15.9	16.3	17.2	16.4	16.6	16.7	18.3	16.1	17.0	16.4
Operating metrics											
Headcount	315	318	323	324	324	332	337	329	328	329	-
Voluntary Attrition (%)	12.7	12.9	13.7	14.1	14.4	14.3	12.3	12.6	13.0	12.6	-
Deal Win TCV (USD b)	4.1	2.4	2.5	2.6	3.8	3.1	4.8	3.2	3.6	14.9	-

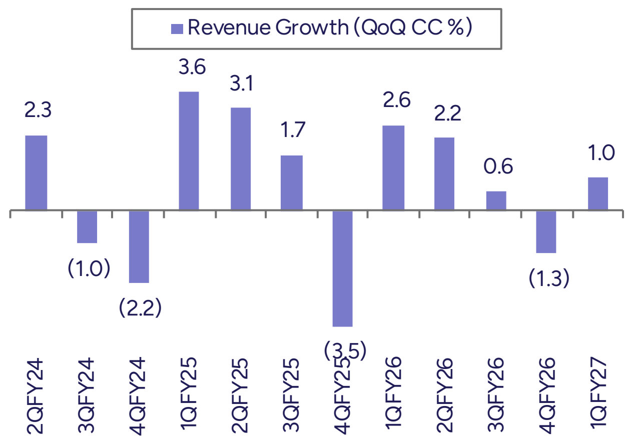
Source: Company, PL   ** YoY CC*

Exhibit 6: Deal win momentum continues, NN wins of ~61% in Q1



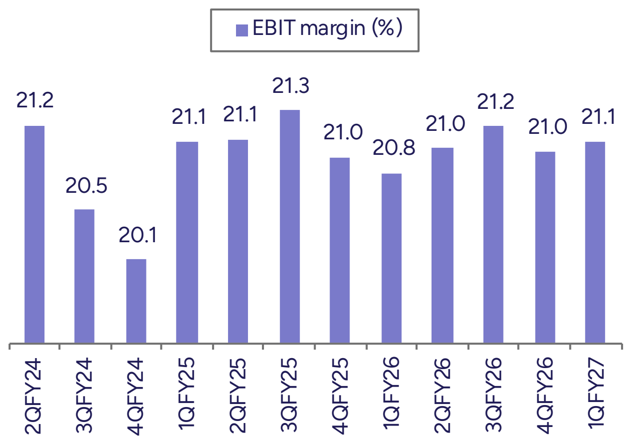
Source: Company, PL

Exhibit 7: : Revenue came below estimates



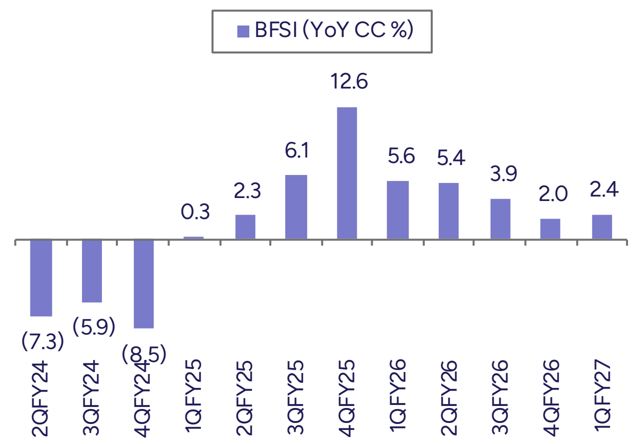
Source: Company, PL

Exhibit 8: EBIT margin came in line of estimate



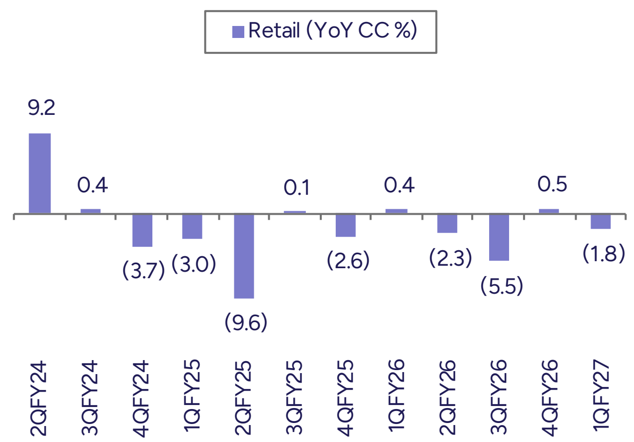
Source: Company, PL

Exhibit 10: BFSI growth trend



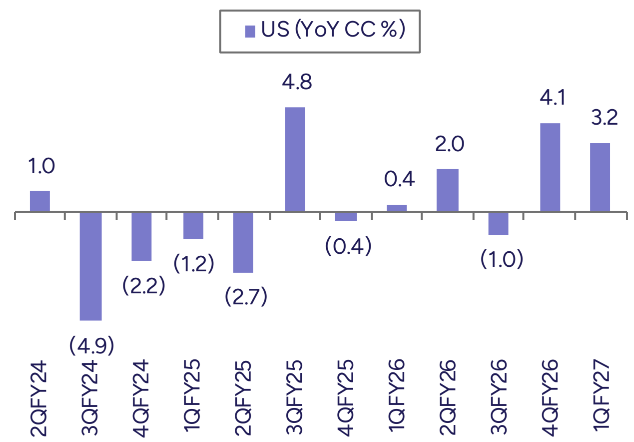
Source: Company, PL

Exhibit 11: Retail growth trend



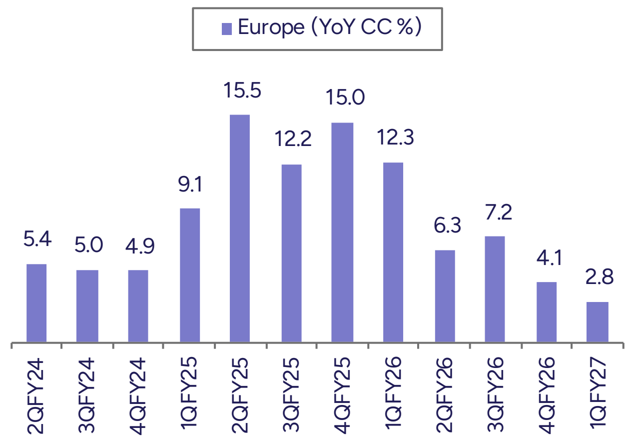
Source: Company, PL

Exhibit 12: US growth trend



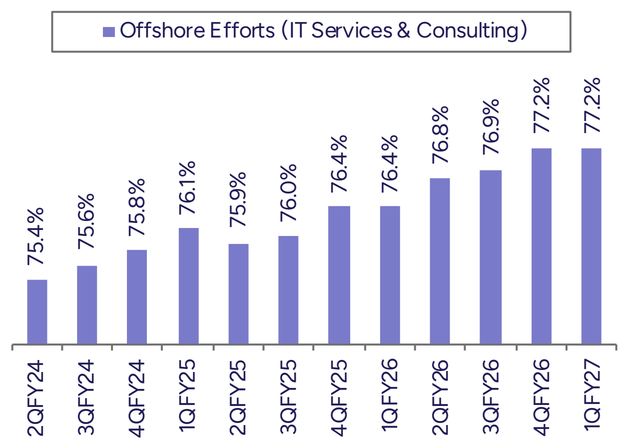
Source: Company, PL

Exhibit 13: Europe growth trend



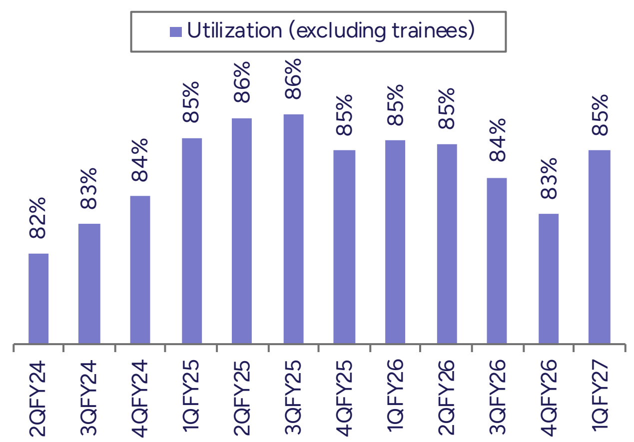
Source: Company, PL

Exhibit 14: Offshore efforts remains flat in Q1



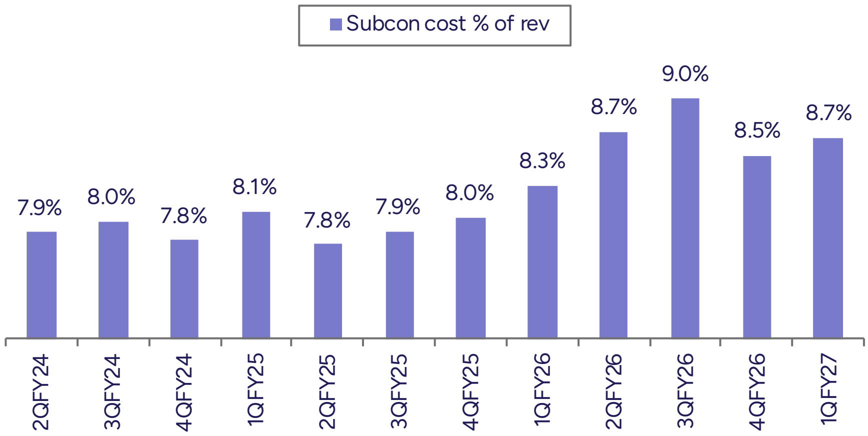
Source: Company, PL

Exhibit 15: Utilization growth trend



Source: Company, PL

Exhibit 16: Subcon % of rev increases in Q1



Source: Company, PL

Exhibit 17: Operating Metrics

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Effort (IT Services and Consulting)													
Onsite	24.7%	24.6%	24.4%	24.2%	23.9%	24.1%	24.0%	23.6%	23.6%	23.2%	23.1%	22.8%	22.8%
Offshore	75.3%	75.4%	75.6%	75.8%	76.1%	75.9%	76.0%	76.4%	76.4%	76.8%	76.9%	77.2%	77.2%
Utilization (IT Services and Consulting)													
Including trainees	78.9%	80.4%	81.7%	82.0%	83.9%	84.3%	83.4%	81.9%	82.7%	82.2%	80.0%	79.7%	82.1%
Excluding trainees	81.1%	81.8%	82.7%	83.5%	85.3%	85.9%	86.0%	84.9%	85.2%	85.1%	84.1%	83.0%	84.9%
Employee Metrics													
Total Employees (Consolidated, in k)	336.3	328.8	322.7	317.2	315.3	317.8	323.4	323.6	323.8	332.0	337.0	328.6	328.1
S/W professional (k)	317.6	310.4	304.6	299.8	298.1	300.8	306.5	306.6	306.7	314.5	319.4	310.9	310.0
Support and sales (k)	18.7	18.4	18.1	17.4	17.2	17.0	18.1	17.0	17.1	17.5	17.7	17.7	18.0
Revenues by client geography													
North America	60.8%	61.1%	59.0%	59.6%	58.9%	57.4%	58.4%	57.1%	56.5%	56.3%	55.9%	55.7%	56.4%
Europe	26.8%	26.5%	28.2%	28.6%	28.4%	29.8%	29.8%	31.2%	31.5%	31.7%	32.7%	32.6%	32.1%
India	2.7%	2.8%	2.4%	2.2%	3.1%	3.1%	3.1%	2.9%	2.9%	3.1%	2.8%	2.6%	2.5%
ROW	9.7%	9.6%	10.4%	9.6%	9.6%	9.7%	8.7%	8.8%	9.1%	8.9%	8.6%	9.1%	9.0%
Revenues by Business segments													
Financial Services	28.1%	27.5%	27.8%	26.4%	27.5%	27.2%	27.8%	28.4%	27.9%	27.7%	28.2%	28.0%	27.9%
Retail	14.5%	15.2%	14.6%	14.3%	13.8%	13.3%	13.8%	13.3%	13.4%	12.7%	12.8%	12.8%	12.8%
Communications	11.7%	11.4%	11.4%	12.3%	12.1%	11.9%	11.2%	11.7%	12.0%	12.1%	12.1%	12.4%	12.0%
Energy, Utilities, Resources and Services	12.9%	12.7%	13.2%	13.4%	13.3%	13.5%	13.5%	13.0%	13.6%	13.4%	13.2%	13.2%	13.4%
Manufacturing	14.1%	14.3%	14.9%	14.7%	14.7%	15.7%	15.5%	15.9%	16.1%	16.5%	16.7%	15.9%	15.9%
Hi Tech	8.1%	7.8%	7.7%	8.7%	8.0%	8.0%	7.9%	8.3%	7.8%	8.3%	7.4%	7.7%	7.7%
Life Sciences	7.2%	7.8%	7.6%	7.3%	7.3%	7.3%	7.6%	6.8%	6.5%	6.4%	7.2%	7.3%	8.0%
Others	3.4%	3.3%	2.8%	2.9%	3.3%	3.1%	2.7%	2.6%	2.7%	2.9%	2.4%	2.7%	2.3%
Geography YoY % CC													
North America	2.1%	1.0%	-4.9%	-2.2%	-1.2%	-2.7%	4.8%	-0.4%	0.4%	2.0%	-1.0%	4.1%	3.2%
Europe	10.1%	5.4%	5.0%	4.9%	9.1%	15.5%	12.2%	15.0%	12.3%	6.3%	7.2%	4.1%	2.8%
India	13.7%	2.6%	-1.0%	-15.4%	19.9%	16.0%	40.1%	43.7%	-1.0%	6.8%	-1.8%	0.0%	-1.6%
ROW	-0.5%	3.9%	7.8%	4.5%	2.3%	3.8%	-11.1%	-2.2%	0.4%	-3.9%	2.5%	5.0%	-4.2%
Business Segments YoY % CC													
Financial Services	-4.2%	-7.3%	-5.9%	-8.5%	0.3%	2.3%	6.1%	12.6%	5.6%	5.4%	3.9%	2.0%	2.4%

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Retail	4.0%	9.2%	0.4%	-3.7%	-3.0%	-9.6%	0.1%	-2.6%	0.4%	-2.3%	-5.5%	0.5%	-1.8%
Communications	-5.6%	-4.3%	-8.0%	4.5%	5.4%	7.0%	4.0%	0.0%	4.0%	4.7%	9.9%	9.0%	1.3%
Energy, Utilities, Resources and Services	8.6%	5.1%	0.3%	3.3%	6.3%	10.9%	8.6%	1.5%	6.4%	2.1%	0.5%	6.7%	1.3%
Manufacturing	20.7%	12.6%	10.6%	8.7%	6.0%	12.3%	10.7%	14.0%	12.2%	6.6%	6.6%	1.3%	1.0%
Hi Tech	2.3%	-0.6%	-5.1%	9.7%	2.1%	6.0%	8.4%	-1.1%	1.7%	8.6%	-2.2%	-1.2%	2.4%
Life Sciences	13.9%	18.4%	6.3%	1.0%	2.9%	-3.5%	6.3%	-3.4%	-7.9%	-10.5%	-5.4%	11.6%	24.0%
Others	32.9%	15.3%	7.0%	0.5%	4.5%	-1.2%	3.2%	-2.8%	-15.3%	-2.4%	-9.3%	14.0%	-9.9%
DSO	63	67	72	71	72	73	74	69	70	70	74	67	63
Large deal TCV (USD m)	2,285	7,684	3,241	4,454	4,085	2,430	2,495	2,637	3,797	3,063	4,846	3,242	3,600
Client (% of revenues)													
Top 10 client	20.4%	19.9%	20.0%	20.4%	20.9%	20.9%	19.9%	20.7%	20.8%	20.8%	20.6%	20.2%	19.9%
Top 25 client	34.6%	34.1%	33.7%	34.3%	34.9%	34.7%	34.2%	34.8%	35.2%	35.2%	35.0%	34.5%	33.9%
Number of active clients	1,883	1,884	1,872	1,882	1,867	1,870	1,876	1,869	1,861	1,861	1,949	1,965	2,027
New clients added in the period	99	100	88	98	87	86	101	91	93	93	121	111	155

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	1,630	1,787	1,923	2,022
YoY gr. (%)	*6.1*	*9.6*	*7.6*	*5.2*
Cost of Goods Sold	1,133	1,234	1,329	1,403
Gross Profit	496	552	593	619
Margin (%)	*30.5*	*30.9*	*30.9*	*30.6*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	392	424	458	493
YoY gr. (%)	*7.7*	*8.2*	*7.8*	*7.8*
Margin (%)	*24.1*	*23.8*	*23.8*	*24.4*
Depreciation and Amortization	48	49	50	61
EBIT	344	375	408	433
Margin (%)	*21.1*	*21.0*	*21.2*	*21.4*
Net Interest	-	-	-	-
Other Income	32	37	37	38
Profit Before Tax	376	413	445	471
Margin (%)	*23.1*	*23.1*	*23.2*	*23.3*
Total Tax	109	109	130	137
Effective Tax Rate (%)	*28.9*	*26.3*	*29.1*	*29.0*
Profit After Tax	268	304	316	334
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	267	304	315	334
YoY gr. (%)	*10.1*	*13.8*	*3.7*	*5.9*
Margin (%)	*16.4*	*17.0*	*16.4*	*16.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	267	294	315	334
YoY gr. (%)	*1.8*	*10.2*	*7.1*	*5.9*
Margin (%)	*16.4*	*16.5*	*16.4*	*16.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	267	294	315	334
Equity Shares O/s (mn)	4	4	4	4
EPS (INR)	64.5	73.9	77.9	82.5

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	454	482	511	542
Tangibles	384	396	426	456
Intangibles	70	86	86	86
Acc: Dep / Amortization	(237)	(260)	(310)	(370)
Tangibles	(195)	(203)	(253)	(313)
Intangibles	(42)	(57)	(57)	(57)
Net Fixed Assets	327	311	291	261
Tangibles	300	283	262	232
Intangibles	28	28	28	28
Capital Work In Progress	-	-	-	-
Goodwill	101	121	121	121
Non-Current Investments	-	-	-	-
Net Deferred Tax Assets	(6)	6	5	5
Other Non-Current Assets	79	70	87	92
Current Assets				
Investments	125	130	130	130
Inventories	-	-	-	-
Trade Receivables	312	352	379	399
Cash & Bank Balance	245	222	224	237
Other Current Assets	290	331	346	364
Total Assets	1,489	1,560	1,602	1,627
Equity				
Equity Share Capital	21	20	20	20
Other Equity	937	908	913	915
Total Networth	958	929	933	935
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	81	87	93	98
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	42	47	51	54
Other Current Liabilities	387	476	501	516
Total Equity & Liabilities	1,489	1,560	1,602	1,627

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	268	295	315	334
Add. Depreciation	48	49	50	61
Add. Interest	-	-	-	-
Less Financial Other Income	32	37	37	38
Add. Other	44	124	-	-
Op. Profit before WC Changes	360	468	365	395
Net Changes-WC	(3)	(23)	(23)	(19)
Direct Tax	-	(86)	-	-
Net Cash from Op. Activities	**357**	**358**	**342**	**376**
Capital Expenditures	(22)	(27)	(29)	(31)
Interest / Dividend Income	-	-	-	-
Others	3	28	-	-
Net Cash from Invt. Activities	**(19)**	**1**	**(29)**	**(31)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(24)	(28)	-	-
Dividend Paid	(203)	(187)	(310)	(332)
Interest Paid	-	-	-	-
Others	(15)	(183)	-	-
Net Cash from Fin. Activities	**(242)**	**(398)**	**(310)**	**(332)**
Net Change in Cash	**96**	**(39)**	**2**	**13**
Free Cash Flow	335	331	313	345

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**445**	**455**	**464**	**482**
YoY gr. (%)	*8.5*	*8.9*	*13.4*	*14.0*
Raw Material Expenses	308	314	321	330
Gross Profit	137	141	143	152
Margin (%)	*30.8*	*31.0*	*30.9*	*31.5*
EBITDA	**105**	**108**	**112**	**114**
YoY gr. (%)	*7.4*	*6.8*	*13.1*	*14.7*
Margin (%)	*23.7*	*23.7*	*24.1*	*23.7*
Depreciation / Depletion	12	12	14	12
EBIT	**94**	**96**	**97**	**102**
Margin (%)	*21.0*	*21.2*	*21.0*	*21.1*
Net Interest	-	-	-	-
Other Income	9	9	11	9
Profit before Tax	**102**	**105**	**108**	**110**
Margin (%)	*23.0*	*23.1*	*23.3*	*22.9*
Total Tax	29	29	23	33
Effective Tax Rate (%)	*27.9*	*27.5*	*21.2*	*29.5*
Profit After Tax	**74**	**76**	**85**	**78**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**74**	**76**	**85**	**78**
YoY gr. (%)	*13.2*	*11.7*	*20.9*	*12.3*
Margin (%)	*16.6*	*16.8*	*18.4*	*16.1*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**74**	**67**	**85**	**78**
YoY gr. (%)	*13.2*	*(2.3)*	*20.9*	*12.3*
Margin (%)	*16.6*	*14.7*	*18.4*	*16.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**74**	**67**	**85**	**78**
Avg. Shares O/s (mn)	4	4	4	4
EPS (INR)	**17.8**	**18.6**	**21.1**	**19.2**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	64.5	73.9	77.9	82.5
CEPS	76.1	85.8	90.2	97.5
BVPS	231.4	225.8	230.5	231.1
FCF	80.8	80.5	77.3	85.2
DPS	43.0	48.0	65.6	70.0
Return Ratio (%)				
RoCE	26.6	29.3	31.0	32.9
ROIC	19.4	20.5	21.0	22.0
RoE	29.0	32.2	33.9	35.7
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	60	62	62	62
Valuation (x)				
PER	16.2	14.1	13.4	12.6
P/B	4.5	4.6	4.5	4.5
P/CEPS	13.7	12.2	11.6	10.7
EV/EBITDA	10.1	9.3	8.4	7.8
EV/Sales	2.4	2.2	2.0	1.9
Dividend Yield (%)	4.1	4.5	6.2	6.6
FCFF Yield (%)	7.7	7.6	7.3	8.1
PEG Ratio	1.6	0.9	2.5	2.1

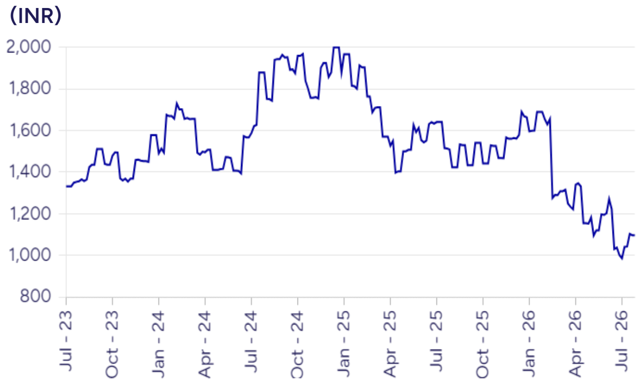
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	19,277	20,156	20,571	21,282

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Jul-26	BUY	1350	1041
2	24-Apr-26	BUY	1570	1241
3	01-Apr-26	BUY	1740	1276
4	18-Feb-26	BUY	1900	1391
5	15-Jan-26	BUY	1900	1600
6	02-Jan-26	BUY	1900	1630
7	17-Oct-25	BUY	1780	1472
8	04-Oct-25	BUY	1760	1447
9	24-Jul-25	Accumulate	1750	1575
10	01-Jul-25	Accumulate	1680	1602

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	1980	1442
2	Cyient	HOLD	900	879
3	Fractal Analytics	Accumulate	1020	897
4	HCL Technologies	HOLD	1160	1221
5	Infosys	BUY	1350	1041
6	KPIT Technologies	HOLD	580	559
7	L&T Technology Services	HOLD	3350	3293
8	Latent View Analytics	BUY	350	279
9	LTM	Accumulate	4200	4037
10	Mphasis	BUY	2990	2245
11	Persistent Systems	BUY	5570	4581
12	Tata Consultancy Services	BUY	2500	2050
13	Tata Elxsi	Reduce	3350	3697
14	Tata Technologies	SELL	610	758
15	Tech Mahindra	BUY	1780	1510
16	Wipro	Reduce	165	178

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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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