

February 3, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>630</b>		<b>630</b>	
Sales (Rs. m)	13,085	16,420	13,168	16,552
% Chng.	(0.6)	(0.8)		
EBITDA (Rs. m)	3,153	4,023	3,173	4,055
% Chng.	(0.6)	(0.8)		
EPS (Rs.)	12.4	15.6	12.5	15.7
% Chng.	(0.7)	(0.7)		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	8,478	10,589	13,085	16,420
EBITDA (Rs. bn)	2,016	2,507	3,153	4,023
Margin (%)	23.8	23.7	24.1	24.5
PAT (Rs. bn)	1,848	2,110	2,563	3,212
EPS (Rs.)	9.0	10.2	12.4	15.6
Gr. (%)	16.8	13.5	21.2	25.3
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	12.7	12.9	13.7	14.9
RoCE (%)	9.1	9.8	10.4	11.6
EV/Sales (x)	10.4	8.2	6.5	5.0
EV/EBITDA (x)	43.9	34.7	26.8	20.5
PE (x)	50.6	44.6	36.8	29.4
P/BV (x)	6.1	5.4	4.7	4.1

### Key Data LATN.BO | LATENTVI IN

52-W High / Low	Rs.518 / Rs.340
Sensex / Nifty	81,666 / 25,088
Market Cap	Rs.95bn/ \$ 1,034m
Shares Outstanding	207m
3M Avg. Daily Value	Rs.614.16m

### Shareholding Pattern (%)

Promoter's	65.10
Foreign	3.72
Domestic Institution	4.20
Public & Others	26.98
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.4)	13.8	4.2
Relative	4.6	12.3	(1.1)

**Pritesh Thakkar**

priteshtthakkar@plindia.com | 91-22-66322533

**Sujay Chavan**

sujaychavan@plindia.com | 91-22-66322536

## Consistent growth delivery while margins expand meaningfully

### Quick Pointers:

- Strong margin expansion during the quarter.
- Maintained USD revenue aspiration for FY26 to 19-20% while increasing EBITDA margin expectation to ~24% (earlier 22-23%)

*The revenue performance (+5.7% USD QoQ) was broadly in line with our estimates (+6.1% QoQ), attributed to continued momentum within Fin. Services with slight uptick in Technology. The growth within Consumer/Retail was muted sequentially in Q3 on account of unanticipated deferral of follow-on work. However, the impact is temporary in nature and should resume as it progresses through early FY27, the deal pipeline remains strong within Consumer/Retail space. The program renewals were encouraging in Q3 that has further supported by incremental focus on mining and hunting the strategic potential accounts. Databricks partnership is progressing well, and it is expected to mark USD16-17m revenue run-rate by FY26E, while it re-iterated its aspiration to achieve USD50m by FY28. The engagement is supportive in terms of funding POCs, which translated into 30+ joint wins and improved conversion rate (~25-30%) from pilots to production. Margin execution remains strong in Q3, although Forex contributed 230bp QoQ improvement, one-off charges of 70bps (severance pay) would be a tailwind in Q4. We are revising our USD revenue growth to 20.6%/21.4% (earlier 21.1%/21.6%) due to revenue miss, keeping our margin estimates unchanged for FY27E/FY28E. The stock is currently trading at 37x/29x FY27E/FY28E EPS. We assign 40x multiple to FY28E EPS, arriving at a target price of Rs. 630. Retain BUY.*

**Revenue:** Revenue momentum continued in Q3, with revenue of USD 31.3 mn, up 5.7% QoQ, marginally below our est. of USD 31.5 mn. In rupee terms, revenue stood at Rs. 2.78 bn, up 7.9% QoQ. The FS segment sustained its strong growth momentum, posting 20.8% QoQ growth, while the Tech segment, after two soft quarters, returned to growth with a 4% QoQ increase. CPG & Retail delivered a muted performance, with flattish growth due to project completions and delays in start of new programs. Geography-wise, USA, LATAM & Europe grew by 7%, 5.7% & 5.7% QoQ respectively while APAC declined by 9.4%.

**Operating Margin:** Margin performance was strong during the quarter driven by currency tailwinds, operational efficiency & lower travel exp. Adj. EBITDA margin excluding transaction costs and provision for new labour code came at 24.7% while adj. EBIT margin came at 20.9%, up 240 bps QoQ above our est. of 19.1%. Management expects Q4 EBITDA margin in range of 24.5-26% & FY26 of ~24%.

**Revenue Aspiration:** Management maintained its FY26 revenue guidance of USD 119-120 mn (19-20% growth) and highlighted the possibility of exceeding the guidance if ramp-up of ongoing and deferred projects accelerates. Management reiterated that the company remains on track to achieve its USD 200 mn revenue target over the FY27-FY28 period, driven by scaling of Databrick partnership, conversion of the deal pipeline, scaling of existing accounts, and improved execution.

**Valuations and outlook:** We estimate USD revenue/earnings CAGR of 21%/23.4% over FY26E-FY28E. The stock is currently trading at a PE of 29x FY28E earnings, we are assigning P/E of 40x to FY28E earnings and arrive at a target price of Rs. 630. We maintain our Buy rating on the stock.

## Marginal revenue miss, currency tailwind drives beat in margin

- Revenue stood at USD 31.3 mn, up 5.7% QoQ & 16.5% YoY in reported terms, came slightly below our est. of USD 31.5 mn
- **Segment wise FS continued its momentum and led the growth with 20.8% QoQ growth while Tech & Industrial segment grew by 4% & 5.7% QoQ respectively**
- Geography wise, USA, LATAM & Europe grew by 7%, 5.7% & 5.7% QoQ respectively while APAC declined by 9.4%
- Adj. EBITDA margin came at 24.7%, up 220 bps while Adj. EBIT margin excluding one-off & transaction related exp. came at 20.9%, up 240 bps % QoQ above our est. of 19.1%. Margin beat was due rupee depreciation & lower SG&A exp.
- **Net headcount declined by 2 in quarter, Utilization improved by 100 bp QoQ to 85%, Voluntary Attrition was stable at 22%**
- **Top 5/10 & 20 clients grew by 7.5%/5.7% & 7% QoQ respectively**
- Adj. PAT came in at INR 567 mn, compared to our estimate of INR 511 mn

## Conference Call Highlights

- Management highlighted that the FS segment's momentum is being driven by growth from clients added over the past 12 months and their sustained scaling. Management further expressed high confidence that this momentum will continue into FY27, with a key client expected to grow from ~USD 7–7.5 mn in FY26 to ~USD 10 mn+ in FY27, and with the potential to emerge as a top 3 account over the next two years.
- Tech segment, after reporting two weak quarters, returned to growth in Q3, aided by year-end project executions and price increases in select large accounts. However, management remained cautious on the near-term outlook for the segment due to headwinds at one large tech client stemming from vendor consolidation, which could impact LATENTVI's revenue by USD 5–6 mn in FY27. However, management expressed confidence in offsetting this potential revenue loss through scaling revenues from other clients within the Tech segment.
- Management mentioned that Retail & CPG performance was flattish QoQ in Q3, largely due to the absence of follow-on work from a few one-off projects in Q2 and the deferral of project starts with a large beverage client. However, management expects growth to resume in Q4 and be sustained into FY27, supported by recent deal wins, a strong pipeline, and an account mining strategy.

- Management highlighted that the Databricks partnership has generated ~30 qualified leads to date, with a healthy conversion ratio of ~30–35%, with four joint wins with cumulative revenue of ~USD 1.7 mn. Management noted that conversion rates are materially higher than traditional analytics deals due to joint go-to-market alignment.
- Management highlighted its growing suite of products and accelerators, with MigrateMate positioned as a key solution to accelerate client migration from legacy data warehouses to the Databricks Lakehouse. These accelerators are designed to shorten migration timelines, improve deal conversion, and serve as an entry point for larger, multi-phase analytics and AI engagements. Management further noted that the migration component currently contributes ~20% of overall project revenue, with the potential to scale to ~30–35%, while the remaining revenue is driven by analytics work.
- Management highlighted that the Databricks partnership is scaling well, with revenues reaching ~USD 16–17 mn in FY26 and indicated that it is on track to scale this to ~USD 50 mn by FY27–FY28.
- Management outlined a sharpened AI strategy anchored around three focus areas of conversational analytics, agentic business process automation, and AI governance. The company has operationalized this via an AI Center of Excellence, active pilots across large tech and retail accounts and plans for partnerships and selective investments.
- Management reiterated that client mining remains central to their growth strategy, anchored around its 25+ “diamond accounts”, which are expected to drive disproportionate revenue growth over the next two years. They also highlighted significant headroom for wallet expansion in some top accounts.
- Management highlighted that in Q3 they undertook a targeted, one-time rationalization, resulting in the exit of ~40 employees across sales, delivery, and market-facing roles, to remove excess capacity and better align the organization with its future strategy.

**Exhibit 1: 3QFY26 Results: Beat on revenue but miss in margins**

	3QFY26	3QFY26E	% Var.	2QFY26	QoQ gr. (%)	3QFY25	YoY gr. (%)	9MFY26	9MFY25	YoY gr. (%)
IT Services Revenue (USD m)	31	31	-0.5	30	5.7	27	16.5	89	73	20.9
<b>Overall Revenue (INR b)</b>	<b>2,780</b>	<b>2,802</b>	<b>-0.8</b>	<b>2,575</b>	<b>7.9</b>	<b>2,278</b>	<b>22.0</b>	<b>7,716</b>	<b>6,157</b>	<b>25.3</b>
Gross Profit	963	1,013	-4.9	896	7.5	809	19.1	2,620	2,039	28.5
Gross Margin (%)	34.7	36.1	-150bps	34.8	-10bps	35.5	-90bps	34.0	33.1	80bps
SG&A and Other Costs	276.4	364.3	-24.1	315.7	-12.4	213.8	29.3	829	590	40.5
% of Rev	9.9	13.0	-310bps	12.3	-230bps	9.4	60bps	10.7	9.6	120bps
<b>EBITDA</b>	<b>687</b>	<b>648</b>	<b>6.0</b>	<b>580</b>	<b>18.3</b>	<b>595</b>	<b>15.4</b>	<b>1,791</b>	<b>1,449</b>	<b>23.6</b>
EBITDA Margin (%)	24.7	23.1	160bps	22.5	220bps	26.1	-140bps	23.2	23.5	-30bps
Depreciation	105	112	-6	104	1	85	23.6	305	202	50.6
% of Rev	3.8	4.0	-20bps	4.0	-30bps	3.7	0bps	3.9	3.3	70bps
<b>EBIT</b>	<b>582</b>	<b>536</b>	<b>8.5</b>	<b>477</b>	<b>22.1</b>	<b>510</b>	<b>14.0</b>	<b>1486</b>	<b>1246</b>	<b>19.2</b>
EBIT Margin (%)	20.9	19.1	180bps	18.5	240bps	22.4	-150bps	19.3	20.2	-100bps
Other Income (net)	151	168	-10.0	160	-5	143	6.0	522	529	-1.2
<b>PBT</b>	<b>733</b>	<b>704</b>	<b>4.1</b>	<b>636</b>	<b>15.3</b>	<b>653</b>	<b>12.3</b>	<b>2,008</b>	<b>1,775</b>	<b>13.1</b>
Tax	160	190	-15.8	160	0.2	135	18.7	434	442	-1.9
Effective tax rate (%)	21.8	27.0	-520bps	25.1	-330bps	20.7	120bps	21.6	24.9	-330bps
<b>Adjusted PAT</b>	<b>566.8</b>	<b>511.3</b>	<b>10.9</b>	<b>462.9</b>	<b>22.4</b>	<b>525</b>	<b>7.9</b>	<b>1,552</b>	<b>1,340</b>	<b>15.8</b>
Exceptional items	65	19	NA	19	NA	92	NA	103	110	NA
<b>Reported PAT</b>	<b>501.3</b>	<b>492.3</b>	<b>1.8</b>	<b>443.9</b>	<b>12.9</b>	<b>433</b>	<b>15.7</b>	<b>1,448</b>	<b>1,230</b>	<b>17.8</b>
<b>Reported EPS (INR)</b>	<b>2.4</b>	<b>2.4</b>	<b>1.9</b>	<b>2.2</b>	<b>13.0</b>	<b>2.0</b>	<b>19.7</b>	<b>7.5</b>	<b>6.4</b>	<b>18.3</b>

Source: Company, PL

**Exhibit 2: Segmental Revenue growth (%)**

Segment	Contribution to revenue (%)	QoQ gr. (%)
Tech	61.0	4.0
FS	16.0	20.8
Retail & CPG	17.0	-0.1
Industrial	6.0	5.7

Source: Company, PL

**Exhibit 3: Region wise Growth (%)**

Region	Contribution to revenue (%)	QoQ gr. (%)
US	87.0	7.0
APAC	6.0	-9.4
LATAM	4.0	5.7
Europe	3.0	5.7

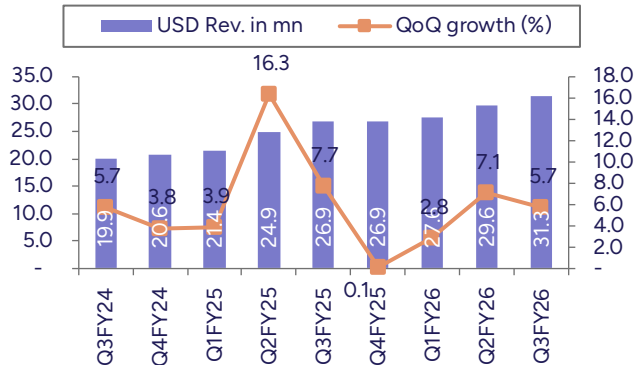
Source: Company, PL

**Exhibit 4: Key Performance Indicator**

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY25*	FY26E*
USD Revenue growth % (QoQ)	3.9	16.3	7.7	0.1	2.8	7.1	5.7	29.6	20.3
<b>Margins (%)</b>									
EBIT Margin	19.8	18.3	22.4	20.5	18.1	18.5	20.9	20.3	19.7
Adj. Net Margin	21.8	20.3	23.1	21.9	22.1	18.0	20.4	21.8	19.9
<b>Operating metrics</b>									
Headcount	1,261	1,608	1,622	1,650	1,670	1,729	1,727	1,650	-
Utilization (%)	77.0	78.0	83.0	83.0	82.0	84.0	85.0	83.0	-

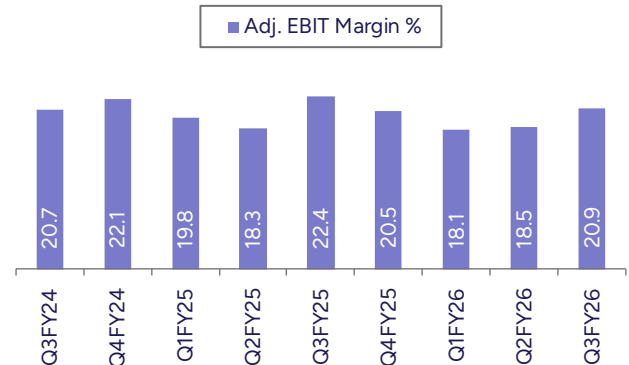
Source: Company, PL, YoY

**Exhibit 5: Q3 growth largely inline**



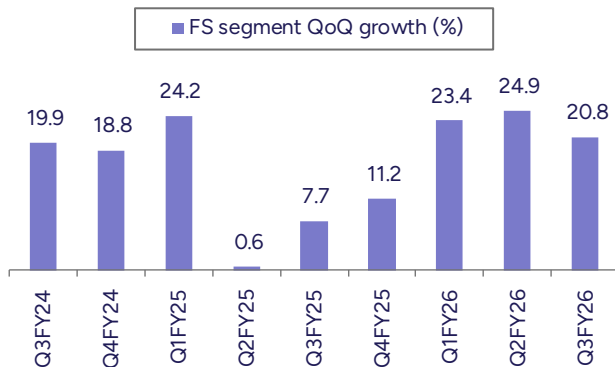
Source: Company, PL

**Exhibit 6: Strong margin improvement in Q3**



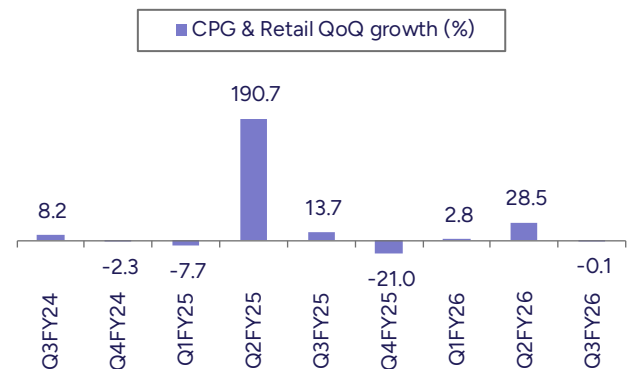
Source: Company, PL

**Exhibit 7: FS segment growth continues**



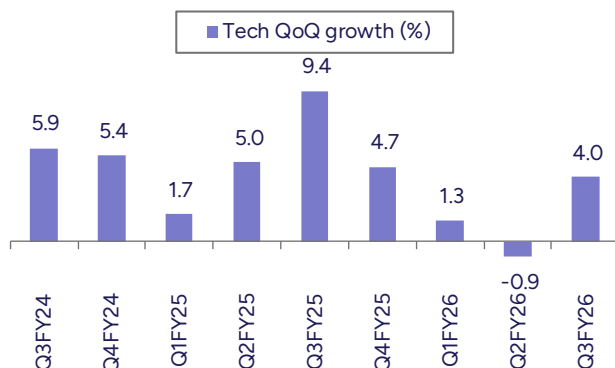
Source: Company, PL

**Exhibit 8: Retail & CPG muted due to deferrals & project completion**



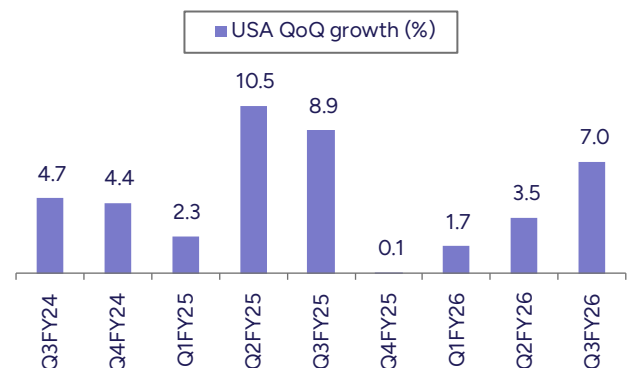
Source: Company, PL

**Exhibit 9: Tech segment grew after 2 weak quarters**



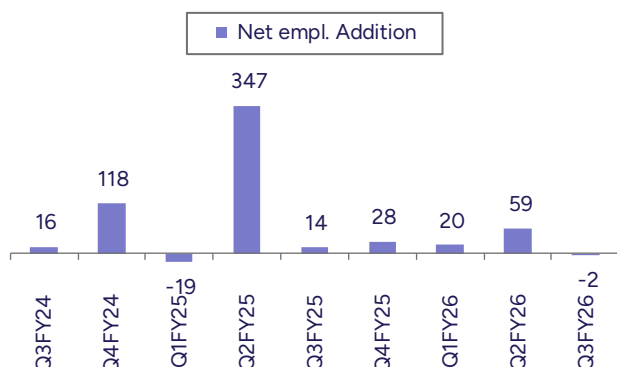
Source: Company, PL

**Exhibit 10: USA region growth trend**



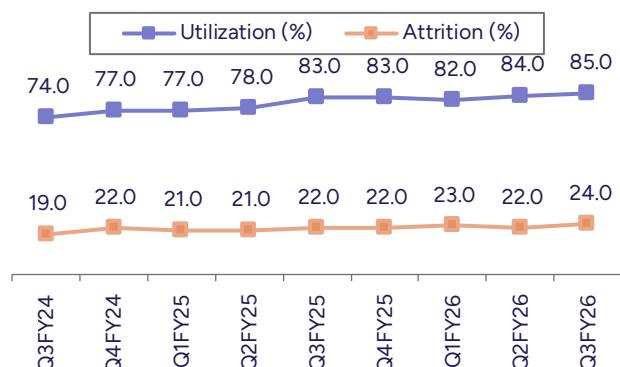
Source: Company, PL

Exhibit 11: Net empl. impacted role rationalization



Source: Company, PL

Exhibit 12: Utilization improved while attrition was steady



Source: Company, PL

Exhibit 13: Operating Metrics

Particulars	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Revenue (in USD mn)	20.6	21.4	24.9	26.9	26.9	27.6	29.6	31.3
<b>Segment Mix (in %)</b>								
Tech	72.4%	70.9%	64.0%	65.0%	68.0%	67.0%	62.0%	61.0%
Financial Services	8.7%	10.4%	9.0%	9.0%	10.0%	12.0%	14.0%	16.0%
CPG/Retail	8.1%	7.2%	18.0%	19.0%	15.0%	15.0%	18.0%	17.0%
Industrial	10.8%	11.5%	9.0%	7.0%	7.0%	6.0%	6.0%	6.0%
<b>Geography Mix (in %)</b>								
US	95.1%	93.7%	89.0%	90.0%	90.0%	89.0%	86.0%	87.0%
Europe	1.4%	1.3%	1.0%	1.0%	1.0%	2.0%	3.0%	3.0%
RoW	3.5%	5.0%	10.0%	9.0%	9.0%	9.0%	11.0%	10.0%
<b>Client Metrics (in nos)</b>								
over ₹500Mn	3	3	3	3	3	3	4	4
₹100 to ₹500Mn	11	12	11	12	11	12	12	13
₹50 to ₹100Mn	8	6	7	6	7	11	8	7
Under ₹50Mn	39	45	46	49	56	74	75	74
<b>Top Client revenue (in %)</b>								
Top 5	65.0%	65.0%	59.0%	60.0%	62.0%	62.0%	60.0%	61.0%
Top 10	77.0%	77.0%	71.0%	71.0%	72.0%	75.0%	74.0%	74.0%
Top 20	91.0%	91.0%	85.0%	84.0%	84.0%	86.0%	85.0%	86.0%
<b>Employee metrics</b>								
No. of employees	1280	1261	1608	1622	1650	1670	1729	1727
LTM Attrition (in %)	22.0%	21.0%	21.0%	22.0%	22.0%	23.0%	22.0%	22.0%
Utilization (in %)	77.0%	77.0%	78.0%	83.0%	83.0%	82.0%	84.0%	85.0%
Offshore mix (%)	83%	85%	85%	85%	84%	81%	81%	82%
Nearshore mix (%)			1%	1%	1%	2%	3%	4%

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>8,478</b>	<b>10,589</b>	<b>13,085</b>	<b>16,420</b>
YoY gr. (%)	32.3	24.9	23.6	25.5
Employee Cost	5,609	6,894	8,426	10,558
Gross Profit	2,870	3,695	4,658	5,862
Margin (%)	33.8	34.9	35.6	35.7
Employee Cost	-	-	-	-
Other Expenses	854	1,189	1,505	1,839
<b>EBITDA</b>	<b>2,016</b>	<b>2,507</b>	<b>3,153</b>	<b>4,023</b>
YoY gr. (%)	48.2	24.4	25.8	27.6
Margin (%)	23.8	23.7	24.1	24.5
Depreciation and Amortization	293	420	484	608
<b>EBIT</b>	<b>1,723</b>	<b>2,087</b>	<b>2,669</b>	<b>3,415</b>
Margin (%)	20.3	19.7	20.4	20.8
Net Interest	-	-	-	-
Other Income	693	694	850	985
<b>Profit Before Tax</b>	<b>2,415</b>	<b>2,781</b>	<b>3,520</b>	<b>4,401</b>
Margin (%)	28.5	26.3	26.9	26.8
Total Tax	552	643	950	1,188
Effective tax rate (%)	22.9	23.1	27.0	27.0
<b>Profit after tax</b>	<b>1,863</b>	<b>2,139</b>	<b>2,569</b>	<b>3,212</b>
Minority interest	15	29	6	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,848</b>	<b>2,110</b>	<b>2,563</b>	<b>3,212</b>
YoY gr. (%)	16.5	14.2	21.5	25.3
Margin (%)	21.8	19.9	19.6	19.6
Extra Ord. Income / (Exp)	128	122	-	-
<b>Reported PAT</b>	<b>1,720</b>	<b>1,987</b>	<b>2,563</b>	<b>3,212</b>
YoY gr. (%)	8.4	15.6	29.0	25.3
Margin (%)	20.3	18.8	19.6	19.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,848	2,110	2,563	3,212
<b>Equity Shares O/s (bn)</b>	<b>205</b>	<b>206</b>	<b>206</b>	<b>206</b>
<b>EPS (Rs)</b>	<b>9.0</b>	<b>10.2</b>	<b>12.4</b>	<b>15.6</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>2,149</b>	<b>2,467</b>	<b>2,859</b>	<b>3,680</b>
Tangibles	824	1,142	1,534	2,355
Intangibles	1,325	1,325	1,325	1,325
<b>Acc: Dep / Amortization</b>	<b>589</b>	<b>1,008</b>	<b>1,492</b>	<b>2,099</b>
Tangibles	430	849	1,333	1,940
Intangibles	159	159	159	159
<b>Net fixed assets</b>	<b>1,560</b>	<b>1,459</b>	<b>1,368</b>	<b>1,581</b>
Tangibles	394	293	202	415
Intangibles	1,166	1,166	1,166	1,166
Capital Work In Progress	87	87	87	87
Goodwill	2,449	2,449	2,449	2,449
Non-Current Investments	4,301	4,301	4,301	4,301
Net Deferred tax assets	1	1	1	1
Other Non-Current Assets	682	682	682	682
<b>Current Assets</b>				
Investments	4,179	4,179	4,179	4,179
Inventories	-	-	-	-
Trade receivables	1,848	1,881	1,946	2,425
Cash & Bank Balance	976	3,006	5,562	7,866
Other Current Assets	315	256	300	356
<b>Total Assets</b>	<b>17,886</b>	<b>19,867</b>	<b>22,658</b>	<b>26,150</b>
<b>Equity</b>				
Equity Share Capital	206	206	206	206
Other Equity	15,163	17,180	19,749	22,962
<b>Total Network</b>	<b>15,370</b>	<b>17,386</b>	<b>19,956</b>	<b>23,168</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1	1	1	1
Provisions	21	21	21	21
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	198	235	292	364
Other current liabilities	1,129	1,057	1,221	1,428
<b>Total Equity &amp; Liabilities</b>	<b>17,886</b>	<b>19,867</b>	<b>22,658</b>	<b>26,150</b>

Source: Company Data, PL Research



### Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,287	2,781	3,520	4,401
Add. Depreciation	293	420	484	608
Add. Interest	(377)	(694)	(850)	(985)
Less Financial Other Income	693	694	850	985
Add. Other	(179)	(122)	-	-
Op. profit before WC changes	2,025	2,384	3,153	4,023
Net Changes-WC	(191)	(88)	(105)	(695)
Direct tax	(528)	(643)	(950)	(1,188)
<b>Net cash from Op. activities</b>	<b>1,305</b>	<b>1,654</b>	<b>2,098</b>	<b>2,140</b>
Capital expenditures	(3,470)	(318)	(393)	(821)
Interest / Dividend Income	539	694	850	985
Others	514	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(2,417)</b>	<b>377</b>	<b>458</b>	<b>164</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	-	-	-	-
Interest paid	-	-	-	-
Others	(46)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(46)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash</b>	<b>(1,158)</b>	<b>2,030</b>	<b>2,556</b>	<b>2,304</b>
Free Cash Flow	(2,169)	1,336	1,706	1,319

Source: Company Data, PL Research

### Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>2,322</b>	<b>2,360</b>	<b>2,575</b>	<b>2,780</b>
YoY gr. (%)	35.3	31.9	23.3	22.0
Raw Material Expenses	1,491	1,600	1,679	1,817
Gross Profit	831	761	896	963
Margin (%)	35.8	32.2	34.8	34.7
<b>EBITDA</b>	<b>567</b>	<b>523</b>	<b>580</b>	<b>687</b>
YoY gr. (%)	40.4	36.8	23.3	15.4
Margin (%)	24.4	22.2	22.5	24.7
Depreciation / Depletion	91	96	104	105
<b>EBIT</b>	<b>477</b>	<b>427</b>	<b>477</b>	<b>582</b>
Margin (%)	20.5	18.1	18.5	20.9
Net Interest	-	-	-	-
Other Income	164	211	160	151
<b>Profit before Tax</b>	<b>641</b>	<b>639</b>	<b>636</b>	<b>733</b>
Margin (%)	27.6	27.1	24.7	26.4
Total Tax	110	114	160	160
Effective tax rate (%)	17.2	17.8	25.1	21.8
<b>Profit after Tax</b>	<b>531</b>	<b>525</b>	<b>476</b>	<b>573</b>
Minority interest	22	3	13	6
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>490</b>	<b>503</b>	<b>444</b>	<b>501</b>
YoY gr. (%)	13.2	2.5	(11.7)	12.9
Margin (%)	21.1	21.3	17.2	18.0
Extra Ord. Income / (Exp)	18	19	19	65
<b>Reported PAT</b>	<b>508</b>	<b>522</b>	<b>463</b>	<b>567</b>
YoY gr. (%)	(3.2)	2.6	(11.3)	22.4
Margin (%)	21.9	22.1	18.0	20.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>490</b>	<b>503</b>	<b>444</b>	<b>501</b>
Avg. Shares O/s (m)	189	204	206	206
<b>EPS (Rs)</b>	<b>2.6</b>	<b>2.5</b>	<b>2.2</b>	<b>2.4</b>

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	9.0	10.2	12.4	15.6
CEPS	10.5	12.3	14.8	18.5
BVPS	75.1	84.4	96.7	112.3
FCF	(10.6)	6.5	8.3	6.4
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	9.1	9.8	10.4	11.6
ROIC	11.4	11.8	11.9	12.5
RoE	12.7	12.9	13.7	14.9
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	65	63	51	46
<b>Valuation(x)</b>				
PER	50.6	44.6	36.8	29.4
P/B	6.1	5.4	4.7	4.1
P/CEPS	43.7	37.2	31.0	24.7
EV/EBITDA	43.9	34.7	26.8	20.5
EV/Sales	10.4	8.2	6.5	5.0
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

### Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (in US\$ mn)	100	121	145	177

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jan-26	BUY	630	454
2	27-Oct-25	BUY	600	425
3	04-Oct-25	BUY	570	415
4	29-Sep-25	BUY	570	402

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	2,150	1,636
2	Cyient	Hold	1,070	1,109
3	HCL Technologies	BUY	1,910	1,667
4	Infosys	BUY	1,900	1,600
5	KPIT Technologies	Hold	1,090	1,047
6	L&T Technology Services	Hold	4,070	4,244
7	Latent View Analytics	BUY	630	454
8	LTIMindtree	Hold	6,000	6,407
9	Mphasis	BUY	3,480	2,800
10	Persistent Systems	BUY	7,360	6,343
11	Tata Consultancy Services	BUY	4,040	3,240
12	Tata Elxsi	Hold	5,500	5,793
13	Tata Technologies	Hold	660	651
14	Tech Mahindra	Accumulate	1,860	1,671
15	Wipro	Hold	260	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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Pritesh Thakkar- MBA Finance, Mr. Sujay Chavan- MMS-Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Pritesh Thakkar- MBA Finance, Mr. Sujay Chavan- MMS-Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

### **Prabhudas Lilladher Pvt. Ltd.**

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

[www.plindia.com](http://www.plindia.com)