

Tata Consultancy Services (TCS IN)

Q2FY27 Result Update

October 09, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	2,390		2,580	
Sales (INR bn)	3,156	3,337	3,106	3,297
% Chng.	1.6	1.2		
EBITDA (INR bn)	829	887	835	893
% Chng.	(0.7)	(0.7)		
EPS (INR)	165.6	177.3	167.0	178.6
% Chng.	(0.8)	(0.7)		

Key Data

TCS.BO | TCS IN

BSE Code	532540
NSE Code	TCS
52-W High / Low	INR 3,350 / INR 1,976
Face Value	1
Sensex / Nifty	71,593 / 22,232
Market Cap	INR 7,511 bn / \$ 77,605 mn
Shares Outstanding	3618.09 mn
3M Avg. Daily Value	INR 8,544.25 mn

Shareholding Pattern (%)

Promoters	71.77
FIs	9.66
Mutual Funds	5.77
Domestic Institution	7.64
Public & Others	5.16
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(8.0)	0.9	(18.9)	(30.4)
Relative	(2.8)	7.8	(12.1)	(20.5)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	2,670	2,939	3,156	3,337
EBITDA (INR bn)	724	762	829	887
Margin (%)	27.1	25.9	26.3	26.6
PAT (INR bn)	528	559	599	641
EV (INR bn)	7,122	7,088	7,038	6,980
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	64	50	52	63
EPS (INR)	146.0	154.4	165.6	177.3
Gr. (%)	8.8	5.8	7.2	7.0
DPS (INR)	110.0	137.8	149.1	159.5
Yield (%)	5.3	6.6	7.2	7.7
RoE (%)	52.3	50.8	51.8	52.6
RoCE (%)	49.9	48.1	49.4	50.2
EV/Sales (x)	2.7	2.4	2.2	2.1
EV/EBITDA (x)	9.8	9.3	8.5	7.9
PE (x)	14.2	13.4	12.5	11.7
P/BV (x)	7.0	6.7	6.3	6.0

Balancing growth at the cost of margins

Quick Pointers

- Margins impacted by continued investments
- Annualised AI revenue at USD 3.1 bn, up 19.2% QoQ

TCS reported 0.5% QoQ CC rev. growth, largely in line with our est. of 0.4% and consensus est. of 0.6%, with international business growing 1.2% QoQ CC. Growth was broad-based, led by BFSI (+2.5% QoQ CC), Manufacturing (+3.1%) and Technology & Services (+3.1%), although the demand environment remained unchanged, with discretionary programs still under scrutiny and see delayed ramp ups. Consumer and ERU segments continued to decline in Q2, but management expects Consumer to recover in Q3, supported by seasonality, while recovery in ERU is expected to be gradual. TCV remained steady at USD 9.6bn, excluding the Porsche and Best Buy deals, while annualized AI revenue crossed USD 3.1bn (~10% of rev.), highlighting strong traction in AI-led services. Despite improving AI traction and a healthy deal pipeline, we expect modest improvement in H2FY27 organic growth, given furloughs and continued weakness in traditional services. However, with MHP expected to start contributing from Q4FY27E, we raise our FY27E/FY28E rev. growth est. to 3.4%/5.0% from 2.9%/3.6% earlier. On margins, EBIT margin at 24.0% was 40bps below our est. of 24.4%, as investments in AI capabilities, strategic partnerships, M&A, higher bench and subcon exp. weighed on profitability in Q2. Management also indicated ~50bps potential margin dilution from MHP integration. We therefore lower our FY27E/FY28E EBIT margin estimates to 24.0%/24.2% from 24.6%/24.8% earlier, factoring in the Q2 margin miss and MHP related dilution. We bake organic USD revenue/INR PAT CAGR of 3.0%/6.6% over FY27-FY29E. We value the stock at 14x (earlier 15x) Sept. 28E EPS, to arrive at a TP of INR2,390 (earlier INR2,580). Maintain BUY.

Revenue: TCS's Q2 performance of 0.5% QoQ CC growth was marginally ahead of our & below consensus estimates. Revenue growth was driven by BFSI, Tech & Manufacturing, which grew 2.5%, 3.1% & 3.1% QoQ CC respectively. Regional Markets, Consumer Business & EURS & declined 5.8%, 0.7% & 0.5% sequentially in CC terms respectively, and Healthcare & CMT remained flattish. In Q2 annualized AI revenue grew to USD 3.1 bn from USD 2.6 bn in Q1FY27, up 19.2% QoQ.

Operating Margin: EBIT margin remained flat QoQ at 24.0%, below our estimate of 24.4% and consensus estimate of 24.2%. Margin was impacted due to the headwinds from continued investments strategic partnerships, M&A-related initiatives, and hiring of niche talent, which were partially offset by tailwinds from currency & operational leverages.

Deal Wins: TCS in Q2 won deals of USD 9.6 bn largely in line of historical Q2 trend. This excludes the 5-year strategic partnership with Porsche AG & the Best Buy deal to transform its India GCC.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR bn)	731	732	0.1	658	11.2
EBITDA (INR bn)	194	188	(3.1)	180	4.4
Margin (%)	26.5	25.7	(80) bps	27.3	(160) bps
PAT (INR bn)	140	139	(0.7)	129	7.8

Source: Company, PL

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In line revenue growth, miss on margins

- Revenue grew by 0.5% QoQ in CC slightly above our estimates of 0.4% & below consensus estimate of 0.6% QoQ growth. International business grew by 1.2% QoQ in CC.
- **Annualized AI revenue came at USD 3.1 bn in Q2 compared to USD 2.6 bn in Q1**
- Segment wise in CC terms growth was led by Manufacturing & Tech grew by 3.1% QoQ CC each while BFSI grew by 2.5% QoQ CC. Regional Markets, Consumer & Energy segments declined by 5.8%, 0.7% & 0.5% QoQ CC.
- Geo wise, UK grew by 3.5% QoQ CC while North America & Continental Europe grew by 0.4% QoQ CC each. India region was laggard declining by 10.3% QoQ CC
- EBIT margin came at 24%, flat QoQ below our estimate of 24.4% & consensus estimates of 24.2%.
- Deal wins came at USD 9.6 bn compared to USD 9.5 bn in Q1.
- Adj. PAT came at Rs. 138.8 bn compared to our estimate of Rs. 140 bn due to miss in operating margins
- Declared Interim Dividend of Rs. 12/share
- Net employees increased by 4.3k to 598.1 k, while attrition declined by 30 bps QoQ to 13.3%

Conference Call Highlights

- The BFSI growth was led by continued client investment in AI risk and regulatory modernization & cyber resilience, while the Manufacturing vertical was supported by improving demand around factory automation, engineering productivity, product lifecycle modernization & Industrial AI. Retail and consumer products remained sensitive to inflation, energy cost and selective consumer spending while Travel, transportation and hospitality demand remain resilient but discretionary spending is being affected by cost pressure and increased insourcing.
- Management highlighted that the 5 key areas of focus include; (1) strengthening the portfolio through targeted capability acquisitions, (2) adding a stronger partnership ecosystem with frontier AI companies, hyperscalers, semiconductor ecosystem, tier-one industrial suppliers, and enterprise software providers, (3) accelerating investments in high-growth service areas, (4) investing in talent and capability creation at scale on learning and development & hiring niche talent and (5) creating new growth engines for the future
- Management highlighted that clients continue to see TCS as a partner who can use AI to enable growth, speed, efficiency, further emphasizing that they're keen to invest the productivity benefits from AI into enterprise transformation initiatives that will make their organization future-ready
- Management reiterated that its long-term margin aspiration of 26% remains unchanged, while in the near term, investments in capabilities that strengthen long-term competitiveness will be prioritized for growth.
- Management outlined AI-native solutions with business outcomes, AI-led transformation of enterprise systems, and autonomous GPS as three distinct demand and spending patterns.
- Management highlighted that the demand environment has not materially changed since last quarter, and discretionary programs without near-term value remain under scrutiny. Against this backdrop, the primary opportunity and focus remains on translating the advances in AI into measurable enterprise advantage for clients.

- TCS will continue to drive focus execution on the infrastructure to intelligence strategy to integrate the latest advances into services, platforms, and solutions in collaboration with partnerships with frontier companies and new launches.
- Management highlighted that as agents scale, enterprises will need more robust orchestration, access controls, security observability, cost controls and policy enforcement, requiring strong governance and clear guardrails to be built into every enterprise AI deployment. This creates a significant and growing opportunity for TCS across AI governance services and platforms.
- TCS onboarded 10,000 grads from the university this year globally, and are in the final stages of campus hiring. Overall learning hours increased 17% QoQ to 17.1 million hours.

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	7,22,750	13.9	731,880	11.2	728,956	8.7	754,968	6.8
EBIT	1,73,170	11.6	175,530	6.0	177,136	4.9	180,400	1.0
Margin (%)	24.0	-50bps	24.0	-120bps	24.3	-90bps	23.9	-140bps
Adj. PAT	1,38,490	8.5	138,810	7.6	139,390	3.7	142,091	3.6

Source: Company, PL

Exhibit 2: Results: Miss on margins, revenue growth in line

	2QFY27	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	2QFY26	YoY gr. (%)	1HFY27	1HFY26	YoY gr. (%)
IT Services Revenue (USD m)	7,642	7,650	-0.1	7,624	0.2	7,466	2.4	15,266	14,887	2.5
Overall Revenue (INR b)	732	731	0.1	723	1.3	658	11.2	1,455	1,292	12.6
Gross Profit	287	292	-1.8	286	0.3	260	10.3	573	509	12.7
Gross Margin (%)	39.2	40.0	-80bps	39.6	-40bps	39.6	-30bps	39.4	39.4	10bps
SG&A and Other Costs	112	114	-2.1	113	-1.3	95	17.8	225	188	19.6
% of Rev	15.3	15.6	-30bps	15.6	-40bps	14.4	90bps	15.4	14.5	90bps
EBITDA	188	194	-2.9	186	1.4	180	4.7	374	349	7.2
EBITDA Margin (%)	25.7	26.5	-80bps	25.7	0bps	27.3	-160bps	25.7	27.0	-130bps
Depreciation	13	15	-17.8	12	2	14	-10.7	25	28	-9.8
% of Rev	1.7	2.1	-40bps	1.7	0bps	2.1	-40bps	1.7	2.1	-40bps
EBIT	176	178	-1.6	173	1.4	166	6.0	349	321	8.7
EBIT Margin (%)	24.0	24.4	-40bps	24.0	0bps	25.2	-120bps	24.0	24.8	-90bps
Other Income (net)	11	10	14.2	13	-16.2	6	70.1	24	21	13.2
PBT	186	188	-0.8	186	0.1	172.0	8.3	373	342	9.0
Tax	47	47	0.2	47	0.3	42	10.9	94	84	11.9
Effective tax rate (%)	25.3	25.0	30bps	25.2	0bps	24.7	60bps	25.2	24.6	60bps
Adjusted PAT	139	140.3	-1.1	138	0.2	129	7.6	277	257	8.1
Exceptional items	0.0	0.0	NA	-5.0	NA	-11.4	NA	-5	-11.4	NA
Reported PAT	139	140	-1.1	133	4.0	118	18.0	272	245	11.0
Reported EPS (INR)	38	39	-1.1	37	4.0	36	7.1	75	71	5.6

Source: Company, PL

Exhibit 3: Regional growth (%)

Geographies	Cont. To Rev. (%)	QoQ Gr. (%)
North America	48.3	0.2
Latin America	2.1	5.2
UK	17.8	3.7
Continental Europe	15.2	-1.1
India	5.5	-11.1
Asia Pacific	8.6	2.6
MEA	2.5	0.2

Source: Company, PL

Exhibit 4: Vertical Growth (%)

Services	Cont. To Rev. (%)	QoQ Gr. (%)
BFSI	32.8	2.4
Retail & CPG	14.9	-0.4
Communications & Media	5.8	0.2
Manufacturing	9.0	3.7
Life Sciences & Healthcare	10.3	0.2
Technology & Services	8.6	1.4
Energy and Utilities	6.2	-1.4
Regional markets & Others	12.4	-6.5

Source: Company, PL

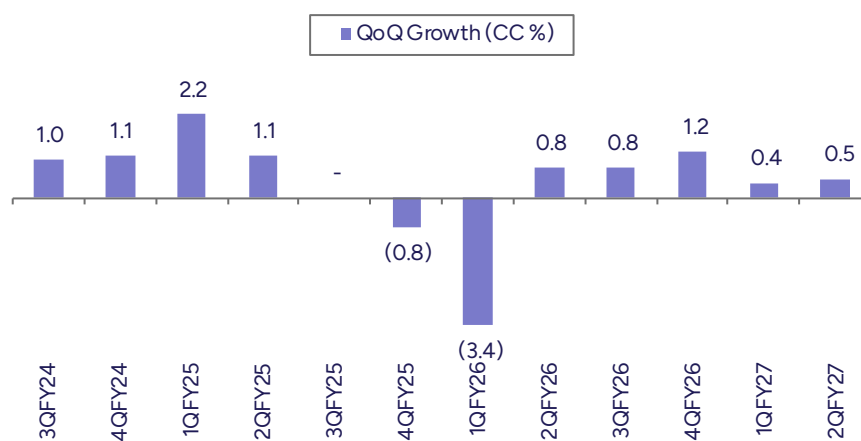
Exhibit 5: Key Performance Indicator

	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	0.0	-0.8	-3.4	0.8	0.8	1.2	0.4	0.5	-2.4	3.4
Costs (% of revenue)										
COGS	61.2	61.2	60.9	60.4	59.2	59.3	60.4	60.8	59.9	60.6
SGA	14.3	14.6	14.7	14.4	15.6	15.4	15.6	15.3	15.1	15.3
Margins										
Gross Margin	38.8	38.8	39.1	39.6	40.8	40.7	39.6	39.2	40.1	39.4
EBIT Margin	24.5	24.2	24.5	25.2	25.2	25.3	24.0	24.0	25.0	24.0
Net Margin	19.5	19.1	20.2	19.7	20.1	19.5	19.3	19.0	18.1	18.8
Operating metrics										
Headcount (k)	607	608	613	593	582	585	594	598	585	-
Attrition (%)	13.0	13.3	13.8	13.3	13.5	13.7	13.6	13.3	13.7	-
Deal Win TCV (USD bn)	10.2	12.2	9.4	10.0	9.3	12.0	9.5	9.6	40.7	-

Source: Company, PL

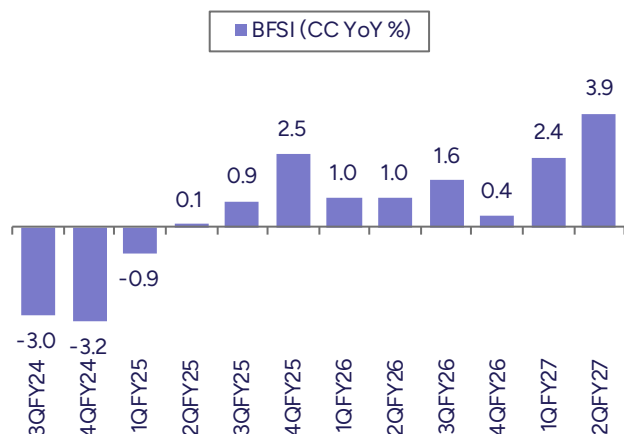
* YoY CC

Exhibit 6: Q2 revenue growth largely in line of PL



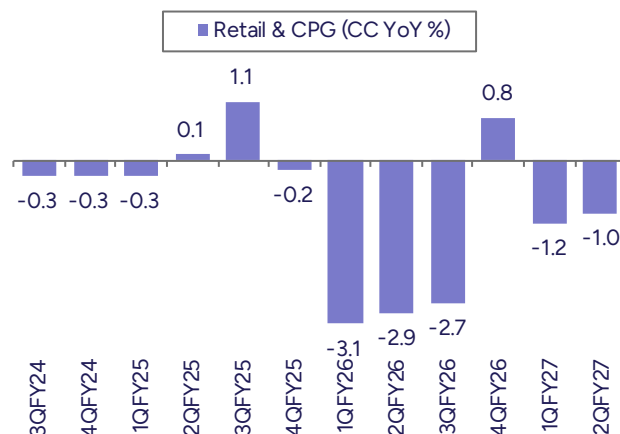
Source: Company, PL

Exhibit 7: BFSI growth remains strong



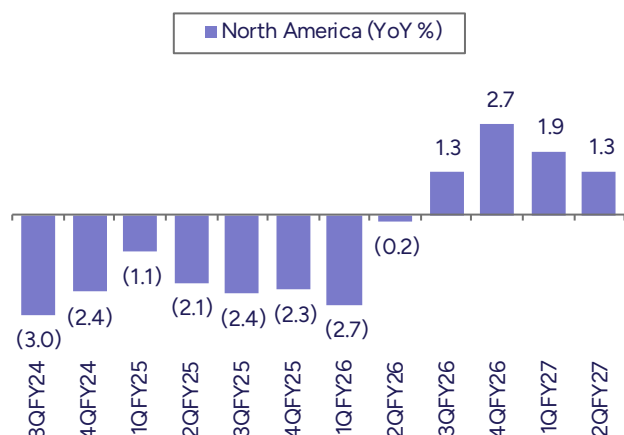
Source: Company, PL

Exhibit 8: Retail continues to show weakness



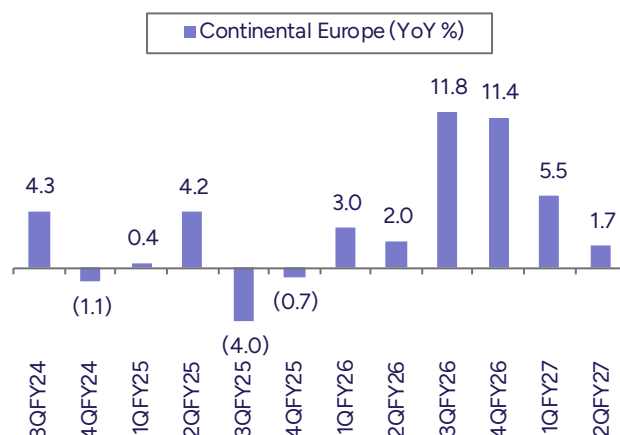
Source: Company, PL

Exhibit 9: North America growth continues



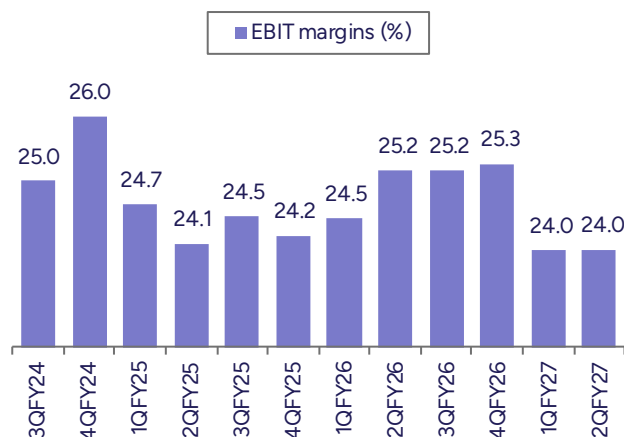
Source: Company, PL

Exhibit 10: Continental Europe growth moderates



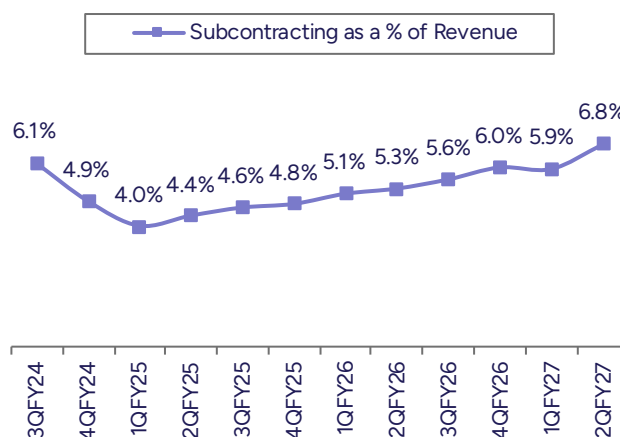
Source: Company, PL

Exhibit 11: Margins remain flat QoQ



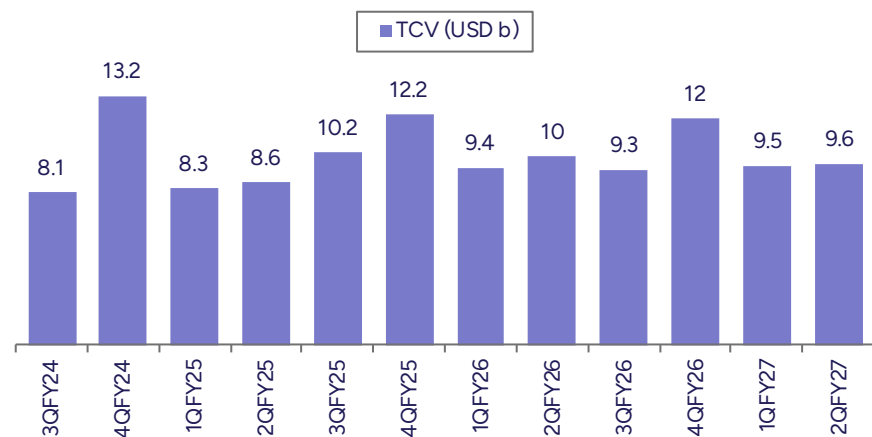
Source: Company, PL

Exhibit 12: Sub-contracting cost increasing



Source: Company, PL

Exhibit 13: Deal wins steady in Q2 in line of historical trend



Source: Company, PL

Exhibit 14: Operating Metrics

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Verticals (%)												
BFSI	31.7	31.3	30.9	30.8	30.5	31.2	32.0	32.2	31.9	31.6	32.1	32.8
Retail & CPG	15.7	15.7	15.4	15.1	15.3	15.3	15.6	15.3	15.4	15.7	15.0	14.9
Communication & Media	6.7	6.6	6.2	5.9	5.8	5.8	5.8	5.9	5.9	5.8	5.8	5.8
Manufacturing	8.6	8.8	8.8	8.6	8.4	8.4	8.7	8.8	8.8	8.8	8.7	9.0
Life Sciences & Healthcare	10.9	10.9	11.0	10.4	10.2	10.1	10.2	10.5	10.5	10.4	10.3	10.3
Technology & Services	8.4	8.2	8.1	8.0	8.0	8.1	8.4	8.5	8.4	8.4	8.5	8.6
Energy & Utilities	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Regional markets & Others	12.3	12.9	14.0	15.5	16.3	15.4	13.4	12.9	13.1	13.0	13.3	12.4
Geographies (%)												
North America	50.6	50.0	49.5	47.6	47.7	48.2	48.7	48.8	48.5	48.5	48.3	48.3
Latin America	2.1	2.0	1.9	1.8	1.9	1.8	1.9	1.9	2.0	1.9	2.0	2.1
UK	16.4	16.8	16.9	17.0	16.6	16.8	18.0	17.5	16.9	17.2	17.2	17.8
Continental Europe	15.0	14.6	14.4	14.6	13.9	14.3	15.0	15.3	15.6	15.6	15.4	15.2
India	6.1	6.7	7.5	8.9	9.8	8.4	5.8	5.8	6.1	6.0	6.2	5.5
Asia Pacific	7.8	7.8	7.8	8.0	7.8	8.1	8.4	8.3	8.3	8.3	8.4	8.6
MEA	2.0	2.1	2.0	2.1	2.3	2.4	2.2	2.4	2.6	2.5	2.5	2.5
QoQ growth (%)												
BFSI	-1.8	-0.1	0.6	1.9	-2.7	1.3	2.0	1.2	-0.4	0.5	1.6	2.4
Retail & CPG	-0.3	1.1	0.0	0.2	-0.4	-1.0	1.4	-1.3	1.2	3.5	-4.4	-0.4
Communication & Media	-1.9	-0.4	-4.2	-2.7	-3.4	-1.0	-0.6	2.3	0.6	-0.2	0.0	0.2
Manufacturing	2.2	3.5	1.9	-0.1	-4.0	-1.0	3.0	1.8	0.6	1.5	-1.1	3.7
Life Sciences & Healthcare	1.0	1.1	2.9	-3.4	-3.6	-2.0	0.4	3.6	0.6	0.5	-0.9	0.2
Technology & Services	-1.4	-1.3	0.7	0.9	-1.7	0.3	3.1	1.8	-0.6	1.5	1.2	1.4
Energy and Utilities	2.8	-0.6	1.9	4.0	-3.4	0.8	2.9	0.6	2.3	6.6	0.0	-1.4
Regional markets & Others	12.9	6.1	10.6	13.1	3.4	-6.4	-13.5	-3.1	2.1	0.7	2.3	-6.5
North America	-1.2	-0.1	0.9	-1.7	-1.5	0.1	0.4	0.8	0.0	1.5	-0.4	0.2
Latin America	6.0	-3.7	-3.2	-3.2	3.8	-6.2	4.9	0.6	5.9	1.1	5.3	5.2
UK	0.4	3.6	2.5	2.8	-4.0	0.2	6.5	-2.2	-2.9	3.3	0.0	3.7
Continental Europe	1.7	-1.6	0.5	3.6	-6.4	1.9	4.3	2.6	2.5	1.5	-1.2	-1.1
India	25.7	11.1	14.1	21.3	8.2	-15.1	-31.4	0.6	5.8	-0.2	3.4	-11.1
Asia Pacific	1.0	1.1	1.9	4.8	-4.2	2.8	3.1	-0.6	0.6	1.5	1.2	2.6
MEA	-8.2	6.2	-2.9	7.3	7.7	3.3	-8.9	9.8	9.0	-2.4	0.0	0.2
Total Employees (k)	603.3	601.5	607.0	612.7	607.4	608.0	613.1	593.3	582.2	584.5	593.8	598.1
Net Additions (k)	-5.7	-1.8	5.5	5.7	-5.4	0.6	5.1	-19.8	-11.2	2.4	9.3	4.3
Attrition (LTM %)	13.3	12.5	12.1	12.3	13.0	13.3	13.8	13.3	13.5	13.7	13.6	13.3

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	2,670	2,939	3,156	3,337
YoY gr. (%)	4.6	10.0	7.4	5.8
Cost of Goods Sold	1,600	1,782	1,913	2,013
Gross Profit	1,070	1,157	1,242	1,324
Margin (%)	40.1	39.4	39.4	39.7
Employee Cost	-	-	-	-
Other Expenses	73	450	480	507
EBITDA	724	762	829	887
YoY gr. (%)	7.6	5.3	8.7	7.0
Margin (%)	27.1	25.9	26.3	26.6
Depreciation and Amortization	56	56	66	70
EBIT	668	706	763	817
Margin (%)	25.0	24.0	24.2	24.5
Net Interest	-	-	-	-
Other Income	35	43	39	42
Profit Before Tax	704	749	802	858
Margin (%)	26.3	25.5	25.4	25.7
Total Tax	173	188	201	215
Effective Tax Rate (%)	24.6	25.1	25.0	25.0
Profit After Tax	531	561	602	644
Minority Interest	2	2	2	2
Share Profit from Associate	-	-	-	-
Adjusted PAT	528	559	599	641
YoY gr. (%)	8.8	5.8	7.2	7.0
Margin (%)	19.8	19.0	19.0	19.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	483	554	599	641
YoY gr. (%)	-	14.7	8.2	7.0
Margin (%)	18.1	18.8	19.0	19.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	483	554	599	641
Equity Shares O/s (bn)	4	4	4	4
EPS (INR)	146.0	154.4	165.6	177.3

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	749	795	844	895
Tangibles	749	795	844	895
Intangibles	-	-	-	-
Acc: Dep / Amortization	500	556	622	693
Tangibles	500	556	622	693
Intangibles	-	-	-	-
Net Fixed Assets	249	238	221	203
Tangibles	249	238	221	203
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	91	91	91	91
Non-Current Investments	43	47	50	53
Net Deferred Tax Assets	33	36	39	41
Other Non-Current Assets	39	43	46	49
Current Assets				
Investments	338	388	438	488
Inventories	-	-	-	-
Trade Receivables	576	634	681	720
Cash & Bank Balance	64	50	52	63
Other Current Assets	361	397	426	451
Total Assets	1,824	1,958	2,080	2,196
Equity				
Equity Share Capital	4	4	4	4
Other Equity	1,069	1,124	1,184	1,248
Total Network	1,072	1,128	1,188	1,252
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	118	130	139	147
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	148	165	177	186
Other Current Liabilities	461	507	545	576
Total Equity & Liabilities	1,824	1,958	2,080	2,196

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	495	744	802	858
Add. Depreciation	56	56	66	70
Add. Interest	(27)	-	-	-
Less Financial Other Income	35	43	39	42
Add. Other	3	-	-	-
Op. Profit before WC Changes	527	801	868	928
Net Changes-WC	(22)	(32)	(28)	(24)
Direct Tax	16	(188)	(201)	(215)
Net Cash from Op. Activities	521	580	640	690
Capital Expenditures	(116)	(46)	(49)	(52)
Interest / Dividend Income	31	-	-	-
Others	(43)	(50)	(50)	(50)
Net Cash from Invst. Activities	(128)	(96)	(99)	(102)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(396)	(498)	(539)	(577)
Interest Paid	(9)	-	-	-
Others	(17)	-	-	-
Net Cash from Fin. Activities	(421)	(498)	(539)	(577)
Net Change in Cash	(29)	(14)	2	11
Free Cash Flow	474	534	591	638

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	671	707	723	732
YoY gr. (%)	4.9	9.6	13.9	11.2
Raw Material Expenses	397	419	437	445
Gross Profit	274	288	286	287
Margin (%)	40.8	40.7	39.6	39.2
EBITDA	183	193	186	188
YoY gr. (%)	7.3	14.4	10.0	4.7
Margin (%)	27.2	27.3	25.7	25.7
Depreciation / Depletion	14	14	12	13
EBIT	169	179	173	176
Margin (%)	25.2	25.3	24.0	24.0
Net Interest	-	-	-	-
Other Income	9	5	13	11
Profit before Tax	178	184	186	186
Margin (%)	26.5	26.0	25.8	25.5
Total Tax	43	46	47	47
Effective Tax Rate (%)	24.2	24.9	25.2	25.3
Profit After Tax	135	138	139	139
Minority Interest	1	1	1	1
Share Profit from Associate	-	-	-	-
Adjusted PAT	134	137	138	139
YoY gr. (%)	8.5	12.2	8.5	7.6
Margin (%)	20.0	19.4	19.2	19.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	100	137	133	139
YoY gr. (%)	(18.8)	12.2	4.6	18.0
Margin (%)	15.0	19.4	18.5	19.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	100	137	133	139
Avg. Shares O/s (bn)	4	4	4	4
EPS (INR)	37.1	37.9	38.3	38.4

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	146.0	154.4	165.6	177.3
CEPS	161.4	170.0	184.0	196.6
BVPS	296.4	311.7	328.3	346.0
FCF	131.0	147.7	163.4	176.4
DPS	110.0	137.8	149.1	159.5
Return Ratio (%)				
RoCE	49.9	48.1	49.4	50.2
ROIC	29.7	29.1	29.6	30.0
RoE	52.3	50.8	51.8	52.6
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	59	58	58	58
Valuation (x)				
PER	14.2	13.4	12.5	11.7
P/B	7.0	6.7	6.3	6.0
P/CEPS	12.9	12.2	11.3	10.6
EV/EBITDA	9.8	9.3	8.5	7.9
EV/Sales	2.7	2.4	2.2	2.1
Dividend Yield (%)	5.3	6.6	7.2	7.7
FCFF Yield (%)	6.3	7.1	7.9	8.5
PEG Ratio	1.6	2.3	1.7	1.7

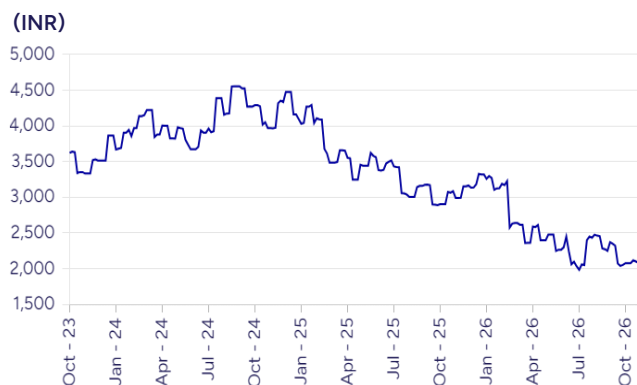
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	30,017	30,886	32,367	33,373

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	03-Oct-26	BUY	2580	2075
2	10-Jul-26	BUY	2500	2050
3	02-Jul-26	BUY	2540	2068
4	10-Apr-26	BUY	3450	2589
5	01-Apr-26	BUY	3520	2408
6	13-Jan-26	BUY	4040	3240
7	02-Jan-26	BUY	3970	3227
8	18-Dec-25	BUY	3800	3218
9	10-Oct-25	BUY	3800	3062
10	04-Oct-25	BUY	3950	2902

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	1243
6	Infosys	BUY	1300	1035
7	KPIT Technologies	Reduce	470	492
8	L&T Technology Services	HOLD	3300	3268
9	Latent View Analytics	BUY	320	234
10	LTM	Accumulate	4260	4007
11	Mphasis	BUY	2920	2250
12	Persistent Systems	BUY	6540	5367
13	Sagility	BUY	60	43
14	Tata Consultancy Services	BUY	2580	2075
15	Tata Elxsi	Accumulate	3480	3093
16	Tata Technologies	Reduce	630	699
17	Tech Mahindra	BUY	1900	1533
18	Wipro	HOLD	154	159

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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