PL Capital
PRABHUDAS LILLADHER

Q1FY27 Result Update

Tech Mahindra (TECHM IN)

July 17, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,780		1,650	
Sales (INR bn)	630	675	623	668
% Chng.	*1.1*	*1.0*		
EBITDA (INR bn)	114	124	111	122
% Chng.	*2.7*	*1.6*		
EPS (INR)	78.1	88.8	76.4	86.9
% Chng.	*2.2*	*2.2*		

Key Data TEML.BO | TECHM IN

BSE Code	532755
NSE Code	TECHM
52-W High / Low	INR 1,854 / INR 1,304
Face Value	5
Sensex / Nifty	77,187 / 24,073
Market Cap	INR 1,480 bn / $ 15,362 mn
Shares Outstanding	980.06 mn
3M Avg. Daily Value	INR 3,933.00 mn

Shareholding Pattern (%)

Promoters	34.97
FIIs	18.59
Mutual Funds	19.06
Domestic Institutions	18.27
Public & Others	9.11
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.4	1.3	(9.6)	(6.1)
Relative	3.9	2.3	(2.1)	0.6

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	530	568	630	675
EBITDA (INR bn)	70	90	114	124
Margin (%)	*13.2*	*15.9*	*18.1*	*18.4*
PAT (INR bn)	43	51	69	79
EV (INR bn)	1,273	1,261	1,255	1,246
Total Debt (INR bn)	5	1	1	1
C&C Eq. (INR bn)	43	50	52	57
EPS (INR)	48.0	57.3	78.1	88.8
Gr. (%)	*17.4*	*19.4*	*36.4*	*13.7*
DPS (INR)	44.9	50.9	70.2	79.8
Yield (%)	*3.0*	*3.4*	*4.6*	*5.3*
RoE (%)	*15.1*	*17.1*	*22.2*	*24.7*
RoCE (%)	*13.2*	*17.7*	*21.9*	*23.4*
EV/Sales (x)	2.4	2.2	2.0	1.8
EV/EBITDA (x)	18.2	14.0	11.0	10.0
PE (x)	31.5	26.4	19.3	17.0
P/BV (x)	4.7	4.3	4.2	4.1

Growth Momentum Sustains; FY27 Outlook Remains Strong

Quick Pointers

- Margin improvement trajectory continues
- NN Deal wins of US$ 1.1 bn, 3rd straight qtr, of USD 1bn+ TCV

TECHM reported strong Q1FY27 performance with revenue growth of 2.6% QoQ CC (2.5% organic), well ahead of our and consensus estimates of ~1.0% QoQ CC, while EBIT margin expanded 60bps QoQ to 14.4% (vs 14.1% PLe). The beat was aided by earlier-than-expected ramp-up of a large European automotive engagement. Ex-Manufacturing, the revenue growth was soft and stood at ~1.1% QoQ CC growth (our assumption) due to Comviva seasonality. Deal momentum remained robust with quarterly TCV of USD 1.08 bn, taking LTM deal wins to a record USD4.06bn (+37.5% YoY), providing strong revenue visibility over the coming quarters. Management reiterated confidence in achieving revenue growth above peer's average in FY27E, supported by a healthy order book and timely ramp ups. Q2 is likely to have an incremental headwind from normalization of the accelerated Europe automotive program, the headwind is likely to get compensated against a large deal (Comms) ramp up and overcoming Q1 seasonality. On margins, Project Fortius, operating leverage and other margins kickers are expected to more than offset continued investments in AI capabilities and talent, hence the management remains confident of achieving ~15% EBIT margin in FY27E. Driven by the stronger-than-expected execution, improving growth visibility and robust deal momentum, we revise our FY27E/FY28E CC revenue growth estimates to 6.0%/5.4% (from 4.8%/5.8%) while increasing our EBIT margin estimates to 14.8%/15.1% (from 14.5%/15.0%), resulting in an EPS upgrade of ~2.2% for both FY27E and FY28E. We assign 20x (earlier 19x) to arrive at a TP of INR 1,780 (INR 1,660). Retain BUY.

Revenue: TechM reported another quarter of improved performance, delivering revenue growth of 2.6% QoQ in CC, ahead of our and consensus est. of 1.0%QoQ CC growth. Growth was largely driven by Manufacturing, BFSI, Health & Retail which grew by 9%, 2.7%, 2.5% & 1.2% QoQ respectively while Comms & Tech declined by 1.3% & 1.7% respectively. Geographically, Europe & RoW grew by 8.1% & 0.6% QoQ while Americas declined by 0.1% QoQ.

Operating Margin: Margin continued to grow with another qtr. of strong expansion. EBIT margin improved by 60 bps QoQ to 14.4%, ahead of our and cons. est. of 14.1%. The margin expansion was largely driven by volume growth and savings from Project Fortius, partially offset by Comviva seasonality and business mix.

Deal Wins: Deal wins were strong, with the company recording LTM deal wins of USD 4.06 bn. In Q1 TechM secured net-new deal wins of USD 1.1 bn (3rd successive qtr. Of US$ 1 bn+ win).

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR bn)	155	157	*1.0*	134	*17.0*
EBITDA (INR bn)	27	27	-	19	*42.0*
Margin (%)	*17.4*	*17.5*	*10 bps*	*14.5*	*300 bps*
PAT (INR bn)	15	15	-	11	*36.0*

Source: Company, PL

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Solid performance, Beat on all fronts

- Rev. came at USD 1.66 bn, up 2.6% QoQ CC (+2.2% QoQ in USD), above our and consensus est. of 1% QoQ CC
- Segment wise growth was driven by Manufacturing, BFSI, Health & Retail which grew by 9%, 2.7%, 2.5% & 1.2% QoQ respectively while Comms & Tech declined by 1.3% & 1.7% respectively
- Geography-wise Europe & RoW grew by 8.1% & 0.6% QoQ while Americas declined by 0.1% QoQ
- **EBIT margin improved by 60 bps QoQ to 14.4% above our and consensus estimates of 14.1%**
- Net employees decreased by 863 QoQ with software & BPO employees declining by 688 & 250 respectively
- Utilization improved by 90 bps QoQ to 87%, LTM attrition was declined by 30bps QoQ to 11.8%
- NN Deal TCV came at US$ 1,078 mn (3rd successive qtr. Of US$ 1 bn+ win) taking LTM deal wins to USD 4.06 bn
- Top 5/10/20 clients grew by 0.8%, 0.9% & 0.3% QoQ respectively

Conference Call Highlights

- Management highlighted that investments made over the last two years are beginning to yield results, enabling the company to consistently outperform peers. Organic revenue grew 2.5% QoQ, aided by an earlier-than-expected ramp-up of a large European deal, while management expects the healthy pipeline to sustain momentum through the rest of FY27.
- The Communications vertical continues to stabilize with improved performance in key accounts and continued ramp-up of previously won large deals. Although Q1 was impacted by Comviva seasonality and lower cloud pass-through revenues, management expects both factors to normalize from Q2 and remains confident of strong growth in the Communications business for the remainder of FY27.
- Management remains optimistic on Manufacturing, supported by continued strength in aerospace and improving demand from U.S. automotive clients. Cost optimization initiatives across automotive customers are also creating opportunities for vendor consolidation and transformation deals despite productivity-led pricing pressure.
- The company continues to witness robust demand across ServiceNow, Salesforce, SAP, AI and GenAI programs, while legacy services such as manual testing remain under structural pressure due to automation and productivity initiatives.
- Management acknowledged a 1.0-1.3% revenue headwind in Q2 from normalization of an accelerated deal impact and moderation in the European large-deal ramp-up. However, it expects these headwinds to be largely offset by ramp-up of other large deals and remains cautiously optimistic about demand for the rest of FY27.
- EBIT margins benefited from operating leverage and Project Fortius savings but were offset by Comviva seasonality, higher travel costs and investments related to large deal ramp-ups. Gross margins are expected to improve from Q2 as these temporary headwinds normalize, with management reiterating confidence of exiting FY27 at 15%+ EBIT margin.

- Management remains confident of delivering above-industry growth while achieving approximately 15% EBIT margin for FY27, supported by healthy deal wins, execution momentum and an improving demand environment.

- Wage hikes will be implemented in a phased manner from Q2. Employee headcount declined as productivity improvements and greater use of automation reduced staffing requirements. Higher onsite mix reflects large-deal ramp-ups and rebadging arrangements rather than any structural shift. DSO improvement in Q1 was aided by certain one-off factors, while deal ramp-up delays remain within normal business-as-usual levels.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr. (%)*	Q2FY27E	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
Sales	1,57,119	*17.7*	1,55,769	*11.3*	1,57,382	*9.3*	1,59,699	*5.9*
EBIT	22,639	*53.3*	22,898	*34.8*	23,450	*23.9*	24,434	*17.2*
Margin (%)	*14.4*	*330bps*	*14.7*	*260bps*	*14.9*	*180bps*	*15.3*	*150bps*
Adj. PAT	14,651	*28.4*	17,718	*48.3*	18,133	*30.0*	18,870	*39.4*

Source: Company, PL

Exhibit 2: Result: Strong result with beat on all fronts

	1QFY27	1QFY27E	*% Var.*	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*	FY27E	FY26	*YoY gr. (%)*
IT Services Revenue (USD m)	**1,660**	**1,640**	***1.3***	**1,625**	**2.2**	**1,564**	***6.1***	**6,745**	**6,385**	***5.6***
Overall Revenue (INR b)	**157**	**155**	***1.2***	**151**	**4.2**	**134**	***17.7***	**630**	**568**	***10.9***
Gross Profit	48	47	*2.8*	47	2.4	38	*25.0*	194	169	*14.4*
Gross Margin (%)	*30.5*	*30.0*	*50bps*	*31.0*	*-50bps*	*28.7*	*180bps*	*30.8*	*29.8*	*90bps*
SG&A and Other Costs	20.4	19.6	*4.5*	21.1	-3.1	18.9	*8.0*	80	79	*1.1*
% of Rev	*13.0*	*12.6*	*40bps*	*14.0*	*-100bps*	*14.2*	*-120bps*	*12.7*	*13.9*	*-120bps*
EBITDA	**27**	**27**	***1.5***	**26**	**6.9**	**19**	***41.7***	**114**	**90**	***26.0***
EBITDA Margin (%)	*17.5*	*17.4*	*10bps*	*17.0*	*40bps*	*14.5*	*300bps*	*20.4*	*18.8*	*160bps*
Depreciation	5	5	*-6.6*	5	-1	5	*4.5*	20	19	*10.0*
% of Rev	*3.0*	*3.3*	*-30bps*	*3.2*	*-10bps*	*3.4*	*-40bps*	*3.2*	*3.3*	*0bps*
EBIT	**23**	**22**	***3.4***	**21**	**8.6**	**15**	***53.3***	**93**	**72**	***30.1***
EBIT Margin (%)	*14.4*	*14.1*	*30bps*	*13.8*	*60bps*	*11.1*	*330bps*	*14.8*	*12.6*	*220bps*
Other Income (net)	-2	-2	*43.0*	-2.9	-24.4	1	*-257.4*	2	-3	*-150.9*
PBT	**20**	**20**	***0.4***	**18**	**14.0**	**16**	***26.2***	**95**	**68.5**	***38.8***
Tax	6	5	*3.1*	4	28.0	5	*13.5*	25	18	*43.2*
Effective tax rate (%)	*27.2*	*26.5*	*70bps*	*24.2*	*300bps*	*30.2*	*-300bps*	*26.7*	*25.8*	*80bps*
Adjusted PAT	**15**	**15**	***-1.8***	**14**	**8.2**	**11**	***28.4***	**69**	**51**	***36.5***
Exceptional items	0.0	0.0	*NA*	0.0	NA	0.0	*NA*	0	-3	*NA*
Reported PAT	**14**	**15**	***-3.0***	**14**	**6.9**	**12**	***25.3***	**69**	**48**	***44.2***
Reported EPS (INR)	**16.5**	**16.8**	***-1.7***	**15.2**	**8.3**	**12.9**	***28.3***	**78**	**57**	***36.5***

Source: Company, PL

Exhibit 3: Regional Growth (%)

Geographies	Contribution to rev (%)	Growth (QoQ %)
Americas	48.6	-0.1
Europe	27.5	8.1
Rest of World	23.9	0.5

Source: Company, PL

Exhibit 4: Vertical Growth (%)

Verticals	Contribution to rev (%)	Growth (QoQ %)
Comm., Media & Ent.	32.3	-1.2
Manufacturing	19.3	9.0
Technology	12.9	-2.4
BFSI	16.7	2.8
Retail, Transport & Logistics	8.1	0.9
Healthcare	7.3	2.2
Others	3.4	19.8

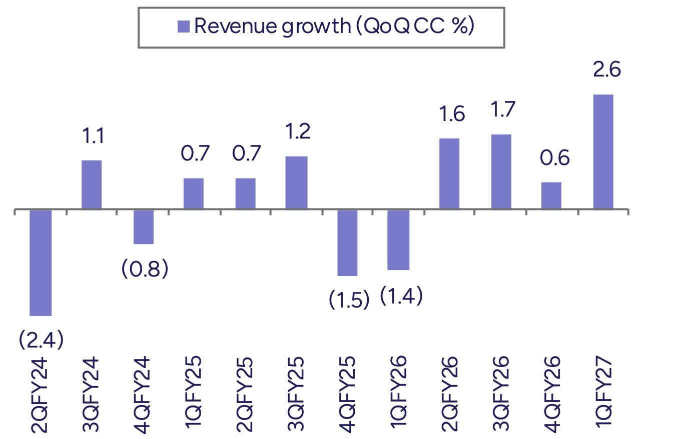
Source: Company, PL

Exhibit 5: Key performance Indicator

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	**0.7**	**0.7**	**1.2**	**-1.5**	**-1.4**	**1.6**	**1.7**	**0.6**	**2.6**	**0.6**	**6.0**
Margins (%)											
Gross Margin	26.5	27.9	28.8	29.2	28.7	29.1	30.3	31.0	30.5	29.8	30.8
EBITDA margin	12.0	13.1	13.6	14.0	14.5	15.5	16.4	17.0	17.5	15.9	18.1
EBIT Margin	8.5	9.6	10.2	10.5	11.1	12.1	13.1	13.8	14.4	12.6	14.8
Net Margin	6.5	9.4	7.4	8.7	8.5	8.5	9.7	9.0	9.3	8.9	11.0
Operating Metrics											
Headcount (k)	147.6	154.3	150.5	148.7	148.5	152.7	149.6	147.6	146.8	147.6	-
Util excl. trainees (%)	86.1	86.3	85.6	86.4	85.0	84.4	86.6	86.1	87.0	86.1	-
Attrition (%)	10.1	10.6	11.2	11.8	12.0	12.8	12.3	12.1	11.8	12.1	-
Deal TCV (USD m)	534	603	745	798	809	816	1096	1073	1078	3793	-

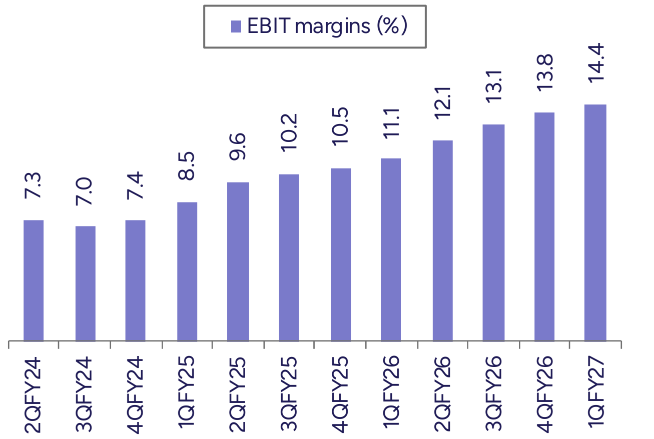
Source: Company, PL ** YoY CC*

Exhibit 6: Revenue Growth steady in Q1



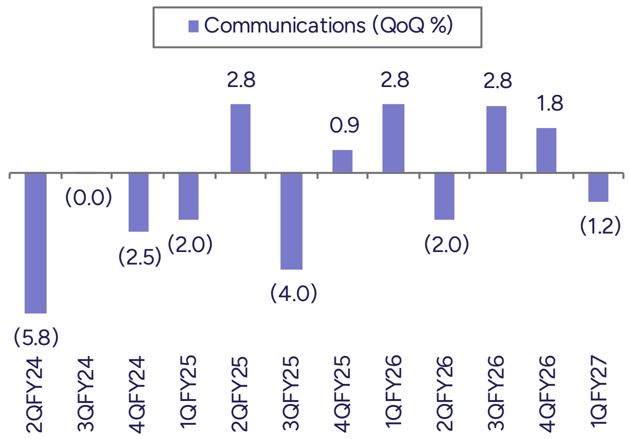
Source: Company, PL

Exhibit 7: EBIT margin (%) continues to improve



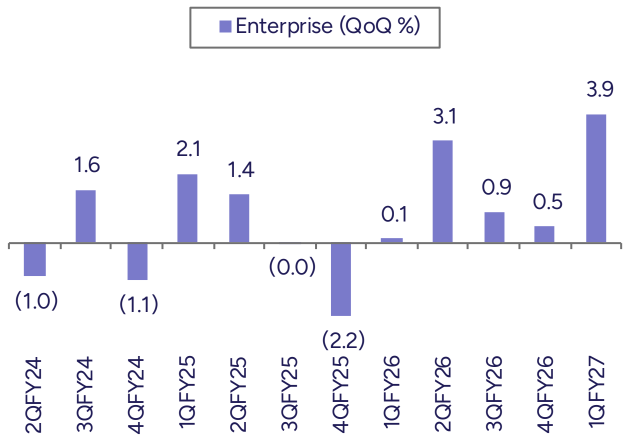
Source: Company, PL

Exhibit 8: Communications trend (QoQ %)



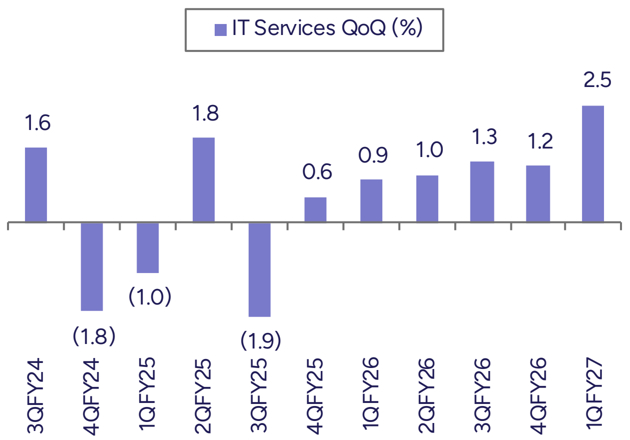
Source: Company, PL

Exhibit 9: Enterprise trend (QoQ CC %)



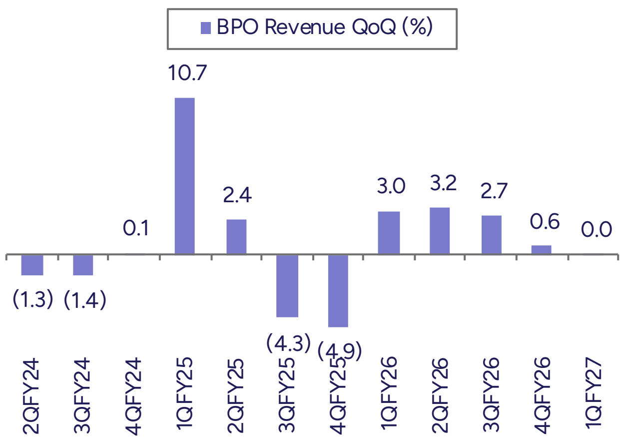
Source: Company, PL

Exhibit 10: IT Service Performance



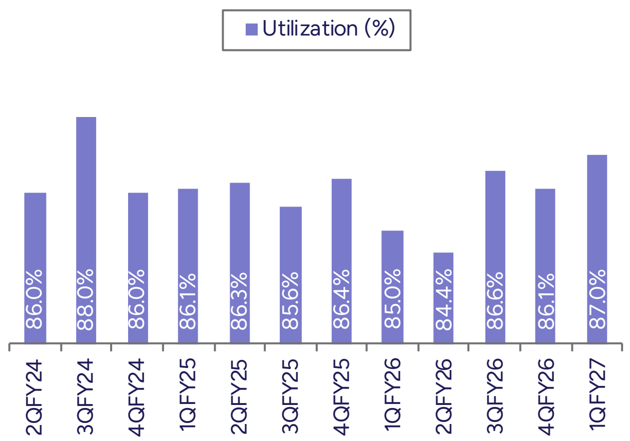
Source: Company, PL

Exhibit 11: BPO Performance



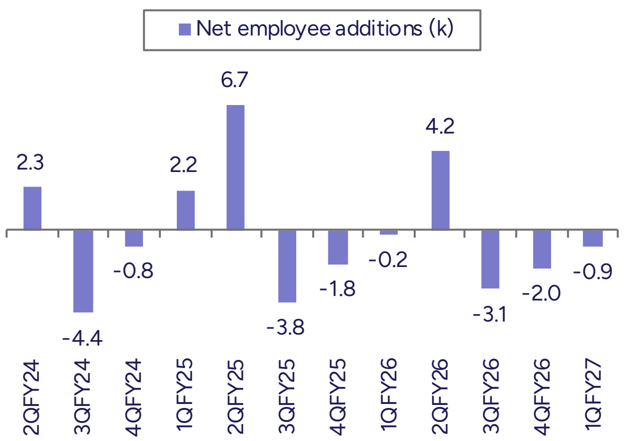
Source: Company, PL

Exhibit 12: Utilization (%)



Source: Company, PL

Exhibit 13: Net Employee Addition (k)



Source: Company, PL

Exhibit 14: Operating Metrics

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue by Geography (%)													
Americas	51.4	53.3	51.9	50.8	52.4	51.1	50.8	48.4	49.2	49.8	50.5	49.7	48.6
Europe	24.6	23.6	23.8	24.2	23.4	24.0	23.6	25.4	26.0	25.4	25.6	26.0	27.5
Rest of World	24.0	23.2	24.3	25.0	24.2	24.9	25.6	26.2	24.8	24.8	23.9	24.3	23.9
Vertical Split (%)													
Telecom	35.8	34.7	34.3	34.0	33.1	33.4	32.5	33.2	33.8	32.7	33.1	33.4	32.3
Manufacturing	16.7	17.5	18.0	18.0	18.3	17.2	16.8	17.0	17.5	18.1	18.3	18.1	19.3
Tech | Media | Entertainment	13.9	14.3	13.7	13.8	13.8	14.3	14.3	13.2	13.3	13.1	13.2	13.5	12.9
BFSI	15.5	15.4	14.8	15.7	15.7	15.8	16.1	16.7	16.4	16.8	15.5	16.6	16.7
Retail | Transport | Logistics	7.1	7.7	8.1	7.3	7.7	7.9	8.1	8.1	7.9	8.5	8.7	8.2	8.1
Others	4.0	10.4	11.0	4.0	3.7	4.0	4.5	4.5	3.9	3.9	3.7	2.9	3.4
No. of Million $ clients													
USD1m+	580	568	558	553	545	545	540	540	529	520	521	512	499
USD5m+	190	186	185	190	191	195	191	195	193	194	196	194	194
USD10m+	115	114	118	114	113	109	104	106	108	106	111	112	115
USD20m+	62	61	63	63	61	61	61	59	60	63	64	66	66
USD50m+	26	26	26	23	24	25	25	25	26	26	28	29	33
Client concentration (%)													
Top 5 Clients	17.4	16.6	16.1	15.8	15.5	15.1	14.8	15.5	15.6	15.6	15.2	14.9	14.7
Top 6-10	27.3	27.1	26.2	25.9	25.1	24.9	24.2	24.5	25.2	24.3	24.3	24.3	24.0
Top 11-20	39.4	39.5	38.6	38.8	38.4	38.6	38.0	38.2	39.0	37.1	37.7	38.0	37.3
Headcount (in 000's)													
Software professionals	81.5	81.2	81.7	80.9	80.4	80.6	80.9	80.6	80.0	78.5	76.2	75.4	74.7
BPO	58.1	61.0	56.2	55.5	58.2	64.9	61.1	59.6	60.3	66.1	65.5	64.3	64.1
Sales and support	8.7	8.4	8.3	9.0	9.0	8.7	8.6	8.5	8.3	8.1	8.0	7.9	8.0
Total	148.3	150.6	146.3	145.5	147.6	154.3	150.5	148.7	148.5	152.7	149.6	147.6	146.8
IT Attrition (LTM %)	13	11	10	10	10	11	11	12	12	13	12	12	12
IT Utilization (%)	87	86	88	86	86	86	86	86	85	84	87	86	87
IT Utilization (excl. trainees)	87	86	88	86	86	86	86	86	-	-	-	-	-
DSO - incl. unbilled	98	97	91	92	93	94	88	88	95	94	90	89	84
Borrowings (USD m)	185.0	116	181	184	127	116	109	55	29	30	14	7	7
Cash and Cash Equivalent (USD m)	939.0	784	843	949	966	784	799	896	941	821	853	892	1026
Capital Expenditure (USD m)	25	26	21	24	13	16	20	20	18	21	25	14	38

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**530**	**568**	**630**	**675**
YoY gr. (%)	*1.9*	*7.2*	*10.9*	*7.1*
Cost of Goods Sold	381	399	436	466
Gross Profit	149	169	194	209
Margin (%)	*28.1*	*29.8*	*30.8*	*30.9*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	**70**	**90**	**114**	**124**
YoY gr. (%)	*21.2*	*29.2*	*26.0*	*9.2*
Margin (%)	*13.2*	*15.9*	*18.1*	*18.4*
Depreciation and Amortization	19	19	20	22
EBIT	**51**	**72**	**93**	**102**
Margin (%)	*9.7*	*12.6*	*14.8*	*15.1*
Net Interest	-	-	-	-
Other Income	5	(3)	2	5
Profit Before Tax	**57**	**68**	**95**	**107**
Margin (%)	*10.7*	*12.0*	*15.1*	*15.9*
Total Tax	14	18	25	28
Effective Tax Rate (%)	*24.8*	*25.8*	*26.7*	*27.0*
Profit After Tax	**43**	**51**	**70**	**79**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**43**	**51**	**69**	**79**
YoY gr. (%)	*17.4*	*19.6*	*36.5*	*13.7*
Margin (%)	*8.0*	*8.9*	*11.0*	*11.7*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**43**	**51**	**69**	**79**
YoY gr. (%)	*80.3*	*19.6*	*36.5*	*13.7*
Margin (%)	*8.0*	*8.9*	*11.0*	*11.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	43	51	69	79
Equity Shares O/s (bn)	**1**	**1**	**1**	**1**
EPS (INR)	**48.0**	**57.3**	**78.1**	**88.8**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**214**	**232**	**243**	**254**
Tangibles	140	150	161	172
Intangibles	74	82	82	82
Acc: Dep / Amortization	**151**	**168**	**189**	**211**
Tangibles	100	106	126	149
Intangibles	50	62	62	62
Net Fixed Assets	**63**	**64**	**54**	**44**
Tangibles	39	44	35	24
Intangibles	23	20	20	20
Capital Work In Progress	-	-	-	-
Goodwill	77	85	85	85
Non-Current Investments	3	1	1	1
Net Deferred Tax Assets	19	22	22	24
Other Non-Current Assets	47	47	55	59
Current Assets				
Investments	31	34	39	44
Inventories	-	1	1	1
Trade Receivables	65	75	84	91
Cash & Bank Balance	43	50	52	57
Other Current Assets	42	52	50	54
Total Assets	**445**	**494**	**514**	**533**
Equity				
Equity Share Capital	4	4	4	4
Other Equity	281	304	311	320
Total Networth	**286**	**308**	**316**	**324**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	14	17	18	19
Other Non Current Liabilities	14	18	20	22
Current Liabilities				
ST Debt / Current of LT Debt	5	1	1	1
Trade Payables	23	30	28	30
Other Current Liabilities	99	114	125	132
Total Equity & Liabilities	**445**	**494**	**514**	**533**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	57	66	95	107
Add. Depreciation	19	19	20	22
Add. Interest	1	2	-	-
Less Financial Other Income	5	(3)	2	5
Add. Other	(1)	6	-	-
Op. Profit before WC Changes	75	93	115	130
Net Changes-WC	(3)	(15)	(10)	(9)
Direct Tax	(15)	(17)	(25)	(28)
Net Cash from Op. Activities	**58**	**62**	**80**	**92**
Capital Expenditures	(5)	(5)	(11)	(11)
Interest / Dividend Income	2	1	-	-
Others	3	-	(5)	(5)
Net Cash from Invt. Activities	**-**	**(4)**	**(16)**	**(16)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(11)	(4)	-	-
Dividend Paid	(38)	(40)	(62)	(71)
Interest Paid	(3)	(2)	-	-
Others	(6)	(5)	-	-
Net Cash from Fin. Activities	**(58)**	**(51)**	**(62)**	**(71)**
Net Change in Cash	**-**	**6**	**2**	**4**
Free Cash Flow	52	55	69	80

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**140**	**144**	**151**	**157**
YoY gr. (%)	*4.8*	*2.8*	*4.7*	*4.2*
Raw Material Expenses	99	100	104	109
Gross Profit	41	44	47	48
Margin (%)	*29.1*	*30.3*	*31.0*	*30.5*
EBITDA	**22**	**24**	**26**	**27**
YoY gr. (%)	-	-	-	-
Margin (%)	*15.5*	*16.4*	*17.0*	*17.5*
Depreciation / Depletion	5	5	5	5
EBIT	**17**	**19**	**21**	**23**
Margin (%)	*12.1*	*13.1*	*13.8*	*14.4*
Net Interest	-	-	-	-
Other Income	-	(1)	(3)	(2)
Profit before Tax	**17**	**18**	**18**	**20**
Margin (%)	*11.9*	*12.3*	*11.9*	*13.0*
Total Tax	5	4	4	6
Effective Tax Rate (%)	*27.6*	*21.7*	*24.2*	*27.2*
Profit After Tax	**12**	**14**	**14**	**15**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**12**	**14**	**14**	**15**
YoY gr. (%)	*4.7*	*16.7*	*(2.9)*	*8.2*
Margin (%)	*8.5*	*9.7*	*9.0*	*9.3*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**12**	**11**	**14**	**15**
YoY gr. (%)	*4.7*	*(6.1)*	*20.7*	*8.2*
Margin (%)	*8.5*	*7.8*	*9.0*	*9.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**12**	**11**	**14**	**15**
Avg. Shares O/s (bn)	1	1	1	1
EPS (INR)	**13.5**	**15.7**	**15.3**	**16.5**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	48.0	57.3	78.1	88.8
CEPS	68.9	78.5	101.1	113.9
BVPS	322.7	347.6	355.7	364.8
FCF	58.6	61.7	77.6	90.4
DPS	44.9	50.9	70.2	79.8
Return Ratio (%)				
RoCE	13.2	17.7	21.9	23.4
ROIC	11.0	13.1	16.5	17.5
RoE	15.1	17.1	22.2	24.7
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	30	30	33	33
Valuation (x)				
PER	31.4	26.3	19.3	17.0
P/B	4.6	4.3	4.2	4.1
P/CEPS	21.9	19.2	14.9	13.2
EV/EBITDA	18.2	13.9	11.0	10.0
EV/Sales	2.4	2.2	1.9	1.8
Dividend Yield (%)	2.9	3.3	4.6	5.2
FCFF Yield (%)	3.8	4.0	5.1	5.9
PEG Ratio	1.8	1.3	0.5	1.2

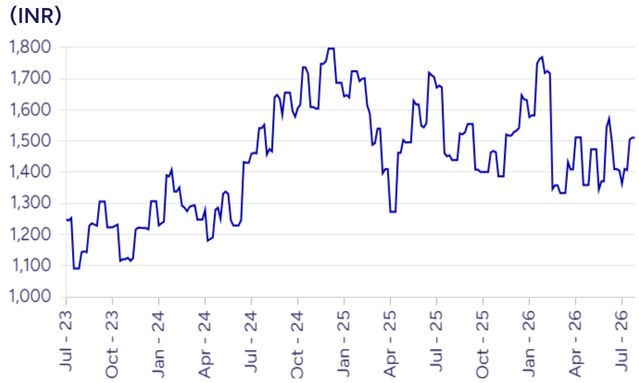
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	6,264	6,385	6,745	7,104

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Jul-26	BUY	1650	1421
2	23-Apr-26	Buy	1660	1463
3	01-Apr-26	BUY	1660	1405
4	17-Jan-26	Accumulate	1860	1671
5	02-Jan-26	Hold	1570	1607
6	15-Oct-25	Hold	1500	1468
7	04-Oct-25	Hold	1470	1401
8	17-Jul-25	Reduce	1470	1608
9	01-Jul-25	Reduce	1490	1687
10	25-Apr-25	Accumulate	1530	1445

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	510	712
15	Tech Mahindra	BUY	1650	1421
16	Wipro	HOLD	170	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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