

October 14, 2025

## Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>BUY</b>		<b>ACCUMULATE</b>	
<b>Target Price</b>	<b>1,760</b>		<b>1,560</b>	
Sales (Rs.bn)	1,295	1,420	1,278	1,391
% Chng.	1.4	2.1		
EBITDA (Rs.bn)	278	311	270	303
% Chng.	3.0	2.7		
EPS (Rs.)	69.1	76.3	65.4	74.1
% Chng.	5.7	2.9		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	1,171	1,295	1,420	1,577
EBITDA (Rs. bn)	255	278	311	350
Margin (%)	21.8	21.5	21.9	22.2
PAT (Rs. bn)	174	187	207	233
EPS (Rs.)	64.1	69.1	76.3	86.0
Gr. (%)	10.6	7.8	10.3	12.7
DPS (Rs.)	60.0	60.6	68.6	77.3
Yield (%)	4.0	4.1	4.6	5.2
RoE (%)	25.2	26.6	28.5	31.2
RoCE (%)	22.5	23.9	26.1	28.6
EV/Sales (x)	3.2	2.9	2.6	2.3
EV/EBITDA (x)	14.9	13.5	11.9	10.5
PE (x)	23.3	21.6	19.6	17.4
P/BV (x)	5.8	5.7	5.5	5.3

### Key Data

HCLT.BO | HCLT IN

52-W High / Low	Rs.2,005 / Rs.1,303
Sensex / Nifty	82,327 / 25,227
Market Cap	Rs.4,056bn / \$ 45,741m
Shares Outstanding	2,714m
3M Avg. Daily Value	Rs.4927.5m

### Shareholding Pattern (%)

Promoter's	60.99
Foreign	19.14
Domestic Institution	15.48
Public & Others	4.39
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	1.9	7.5	(18.5)
Relative	1.4	(1.9)	(19.4)

**Pritesh Thakkar**

priteshtthakkar@plindia.com | 91-22-66322533

**Sujay Chavan**

sujaychavan@plindia.com | 91-22-66322536

## Beat on result, investing for AI led growth...

### Quick Pointers:

- Revised Service guidance to 4-5% CC revenue growth (earlier 3-5%) & maintained consolidated revenue & EBIT margin guidance
- Strong Deals wins of USD 2.57 bn compared to USD 1.8 bn in Q1

*The revenue growth performance was ahead of our estimates, attributed to the uptick in IT Service business (+2.6% QoQ CC) & part of the ER&D service growth (+2.2% CC QoQ) which was led by 2-month integration of HPE. Services business outperformance further de-risks the odds of achieving the upper end of the guidance band (4-5% YoY CC). The broad-based growth along with robust deal TCV is largely a function of revenue cannibalization from legacy opportunities to advanced AI-led spending. The growth was largely driven by short-burst deals and lower client pyramids, the growth within top 10 accounts was below company growth at 1.5% QoQ. The management is doubling down on AI strategy and striving IP-led revenue opportunities, the early success from experimentation to production-grade is reflecting in the revenue generated (USD100m) through Advanced AI. The focus is to be asset-light and building a layer of AI Engineering on top. However, the new opportunities would require continued investments in R&D activities and IP accelerators. Additionally, the compensation revision in H2 would keep the margins under pressure. We are baking revenue growth of 4.4%/6.4%/7.5% YoY CC, while expecting adj. margins to be at 18.0%/18.3%/18.6% over FY26E/FY27E/FY28E, respectively. Considering the early green shoots in pockets beyond FS, and incremental traction around advanced AI, we are upgrading to BUY (earlier ACCUMULATE). The stock is currently trading at 22x and 20x FY26/FY27E EPS, we roll forward to Sep'27 EPS and assign 22x for a TP of 1,760.*

**Revenue:** HCLT delivered a strong Q2 performance, beating both our and Street expectations with 2.4% QoQ CC revenue growth (vs. 1.5% estimated). The Services business grew 2.5% QoQ CC, led by IT Services at 2.6% and ER&D at 2.2%. The P&P segment also surprised positively with 0.5% QoQ CC growth. Notably, the company disclosed its quarterly Advanced AI revenue for the first time, reporting USD 100 mn.

**Margins:** EBIT (ex-restructuring cost of 0.55%) came in at 17.9%, up 160 bps QoQ. Margin gains were aided by stronger P&P profitability (+35 bps), absence of Q1 one-offs (+30 bps), higher utilization (+50 bps) and currency tailwinds (+56 bps). IT Services and P&P margins expanded 120 bps and 410 bps QoQ, while ER&D declined 20 bps. Overall, Services (IT + ER&D) margin improved 90 bps QoQ.

**Guidance:** HCLT maintained its revenue guidance to 3-5% YoY CC for Consolidated business while for Services business it narrowed the guidance band to 4-5% CC growth from 3-5% given earlier. For FY26 company maintained its EBIT margin guidance of 17-18%.

**Valuations and outlook:** We are baking in USD revenue/Earnings CAGR of 7%/10.2% between FY25-28E. We are assigning a PE multiple of 22x to LTM Sep. 27E earnings and arrive at a TP of INR 1,760. We upgrade our rating on the stock from Accumulate to **BUY**.

### **Beat on all fronts, Deal TCV grew healthy**

- USD rev of 3.64b, up 2.4% QoQ in CC (up 5.2% QoQ reported), above our and consensus est. (+1.5% CC)
- Services business up 2.5% QoQ in CC, with IT services 2.6% QoQ in CC and ER&D up 2.2% QoQ in CC. ER&D revenue includes 2-month (~USD24m) integration of HPE assets
- HCL Software (P&P) revenue growth was up 0.5% QoQ CC and down 3.7% YoY CC
- **Q2 new Deal TCV up at \$2.57bn vs Q1 at \$1.8bn**
- Geography wise Europe grew by 2% QoQ while US grew by 1.5% QoQ. Vertical wise Fin. Services and Healthcare grew by 2.5% and 3.4% QoQ, while Telecom & Media de-grew by 1.1% QoQ
- **FY26 Service Revenue guidance narrowed to 4-5% CC YoY (vs 3-5% CC), while Console guidance maintained at 3-5% CC. Our number stands at 3.4% YoY CC. EBIT margin guidance maintained at 17-18%**
- **Advanced AI quarterly revenue crossed USD100m**
- **Q2 EBIT margin improved by 160bps to 17.9% (ex-one-off cost 55bps QoQ), against our est. of 30bps and consensus est. of 80bps QoQ, respectively**
- Services EBIT margin up 90bps QoQ. **Surprisingly, P&P margin was up 410 bps QoQ, despite the growth being muted**
- **Net employees addition by 3,489 QoQ, while fresher additions stood at ~5.2k QoQ during the quarter, LTM Attrition declined by 20 bps QoQ to 12.6%**
- Adjusted PAT of Rs. 44.1b, up 14.8% QoQ & 4.1% YoY, vs our estimates of Rs41.8b due to beat on operations
- The Board declared an interim dividend of Rs12/share
- FCF/NM at 125% on LTM basis

## Conference Call Highlights

- Geography-wise the growth was broad based with US & Europe reporting sequential growth of 1.5% & 2% QoQ respectively. In CC terms on YoY basis US & Europe reported growth of 2.4% & 7.6% respectively.
- Segment wise, on YoY CC basis Tech, TMPE, FS, Retail and Public services reported growth of 13.9%, 11.7%, 11.4%, 5.5% & 2.2% respectively while Lifescience & Manufacturing declined by 3% & 1.8% respectively.
- The demand environment is largely unchanged from last quarter, but AI-led traction remains strong. While management acknowledged that AI adoption is causing some deflation in the near term, the strength of AI-driven deal wins reinforces their view that AI will be a major demand catalyst over the long term despite short-term uncertainties.
- Segment-wise demand remains strong across Financial Services, Technology and TMPE, with early signs of recovery in Retail and Lifesciences. Manufacturing is performing well overall, except for Automotive, where demand remains weak; however, management expects the segment to recover over time.
- HCLT disclosed its Advanced AI revenue for the first time in Q2, reporting USD 100 mn (3% of revenue), and expects this to scale further as AI is now embedded in most new deal wins. To accelerate growth, the company is increasing investments in AI capabilities and strengthening its IP-led offerings across advanced and agentic AI, which management believes will enhance long-term client stickiness. Its flagship AI Force platform is currently deployed across 47 top clients, with a target to expand to 100.
- In P&P company is concisely moving away from perpetual license revenue to subscription. This shift was reason for company not increasing its consolidated revenue guidance for FY26 despite increasing Services revenue guidance
- HCLT is restructuring its workforce to address skill and location mismatches, which may result in the elimination of roles that are unable to transition to new capability requirements. This restructuring led to a 55 bps margin impact in the quarter. The company expects the exercise to continue through FY26, with further margin impact in Q3 and some spillover into Q4, resulting in a total FY26 margin drag of around 40 bps.
- The company will roll out wage hikes effective October, in line with last year. This is expected to impact operating margins by 70–80 bps in Q3 and around 40 bps in Q4.
- Deal wins were robust at USD 2.57 bn during the quarter, achieved without any mega deals. The company also closed two large deals that had been deferred from Q1. Management reiterated its aspiration to consistently scale quarterly deal wins from USD 2 bn to USD 2.5 bn.
- Top 5/10/20 clients revenue grew by 1.4%/1.5%/1.6% QoQ respectively.



**Exhibit 1: 2QFY26 Results: Beat on both Revenue & Margins**

Consolidated (Rs bn)	2QFY26	Q2FY26E	% Var.	1QFY26	QoQ (%)	2QFY25	YoY (%)	H1FY26	H1FY25	YoY (%)
IT Services Revenue (USD mn)	3,644	3,616	0.8	3,545	2.8	3,445	5.8	7,189	6,809	5.6
Overall Revenue (Rs bn)	319	315	1.3	303	5.2	289	10.7	623	569	9.4
Gross Profit	109	107	2.0	102	6.6	101	8.2	211	198	6.8
Gross Margin (%)	34.1	33.9	20bps	33.7	40bps	34.9	-80bps	33.9	34.7	-80bps
SG&A and Other Costs	41.3	43.3	-4.5	41.9	-1.4	37.0	11.5	83.2	76	9.4
% of Rev	12.9	13.7	-80bps	13.8	-90bps	12.8	10bps	13.3	13.4	0bps
EBITDA	68	64	6.4	60	12.2	64	6.3	128	122	5.3
EBIT Margin (%)	21.2	20.2	100bps	19.9	130bps	22.1	-90bps	20.6	21.4	-80bps
Depreciation	10	11	-8.1	11	-5	10	3.6	21	20	6.5
% of Rev	3.3	3.6	-30bps	3.6	-30bps	3.5	-20bps	3.4	3.5	-10bps
EBIT	57	52	9.5	49	15.9	54	6.8	107	102	5.0
EBIT Margin (%)	17.9	16.6	130bps	16.3	160bps	18.6	-70bps	17.1	17.8	-70bps
Other Income (net)	2	3	-56.2	2	-38.5	3	-53.2	4	12	-67.7
PBT	59	56	5.4	52	13.3	57	3.4	111	114	-2.9
Tax	15	14	5.2	13	9.0	15	1.1	28	29	-3.0
Effective tax rate (%)	24.9	25.0	-10bps	25.9	-100bps	25.5	-60bps	25.4	25.4	0bps
Adjusted PAT	44	42	5.5	38	14.8	42	4.1	83	85	-2.8
Exceptional items	-2	0	NA	0	NA	0	NA	-2	0	NA
Reported PAT	42	42	1.3	38	10.2	42	0.0	81	85	-4.9
Reported EPS (Rs)	16.3	15.4	5.7	14.2	14.9	15.6	4.1	16	16	4.1

Source: Company, PL

**Exhibit 2: Regional growth (%)**

Geographies	Contr. To rev. (%)	QoQ Gr. (%)
Americas	56.2	1.5
Europe	28.3	2.0
RoW	15.6	33.7

Source: Company, PL

**Exhibit 3: Vertical Growth (%)**

Verticals	Contr. To rev. (%)	QoQ Gr. (%)
Financial Services	21.7	2.5
Manufacturing	18.3	0.4
Technology	14.0	2.0
Life Sciences & Healthcare	14.7	3.4
Telecom MP&E	12.7	-1.1
Retail & CPG	9.6	1.0
Public Services	8.9	6.8

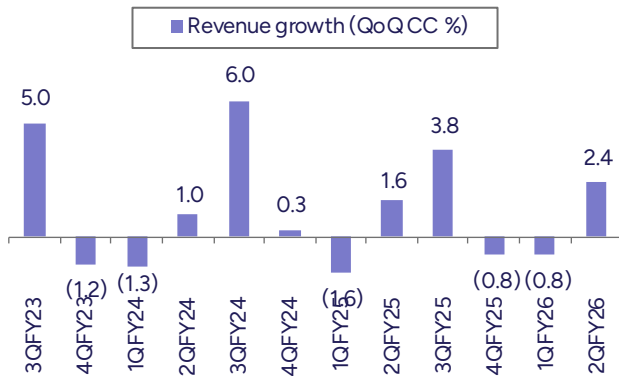
Source: Company, PL

**Exhibit 4: Key Performance Indicator**

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY25*	FY26*
Revenue (QoQ CC %)	6.0	0.3	-1.6	1.6	3.8	-0.8	-0.8	2.4	4.7	4.4
<b>Margins</b>										
Gross Margin	36.7	35.0	34.5	34.9	35.6	34.7	33.7	34.1	35.9	34.9
EBIT Margin	19.7	17.6	17.1	18.6	19.5	18.0	16.3	17.9	18.3	18.0
Net Margin	15.3	14.0	15.2	14.7	15.4	14.2	12.7	13.8	14.9	14.5
Headcount (k)	225	227	219	219	221	223	223	227	223	-
Attrition (%)	12.8	12.4	12.8	12.9	13.2	13.0	12.8	12.6	13.0	0.0

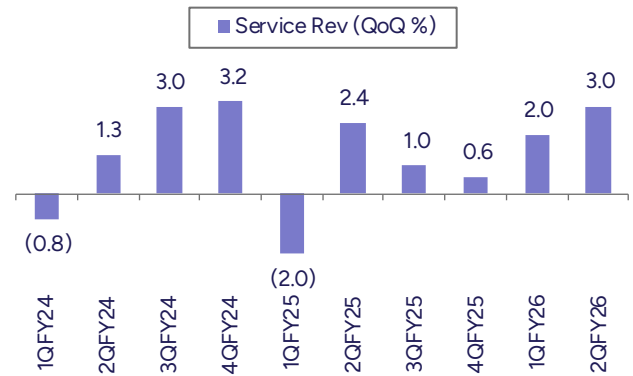
Source: Company, PL, \* YoY CC

**Exhibit 5: Beat on Q2 Revenue**



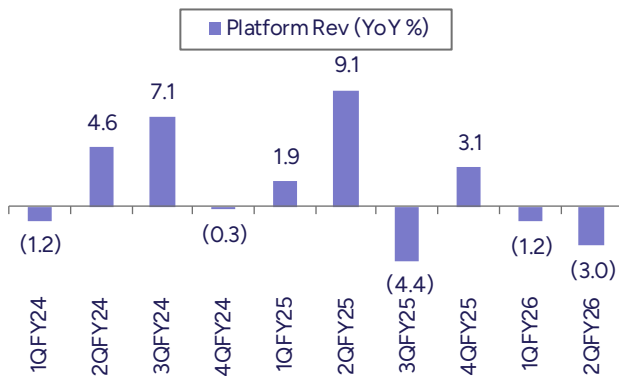
Source: Company, PL

**Exhibit 6: Services business (IT & ER&D) revenue growth %**



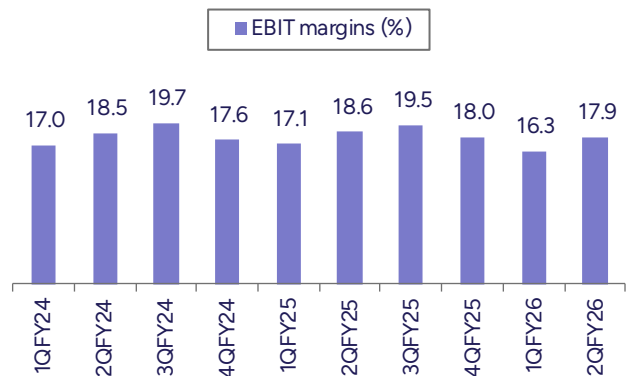
Source: Company, PL

**Exhibit 7: P&P grew moderately in QoQ**



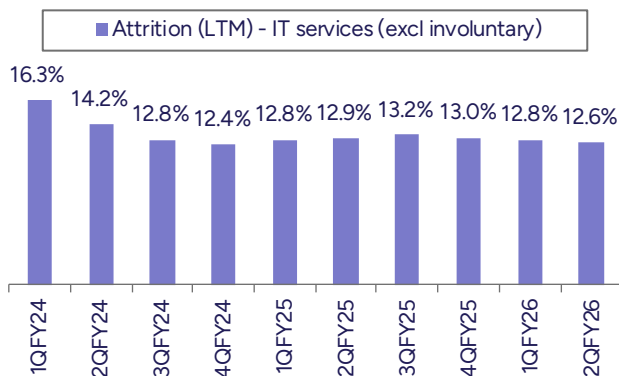
Source: Company, PL

**Exhibit 8: Adj EBIT margin grew by 160bps in Q2**



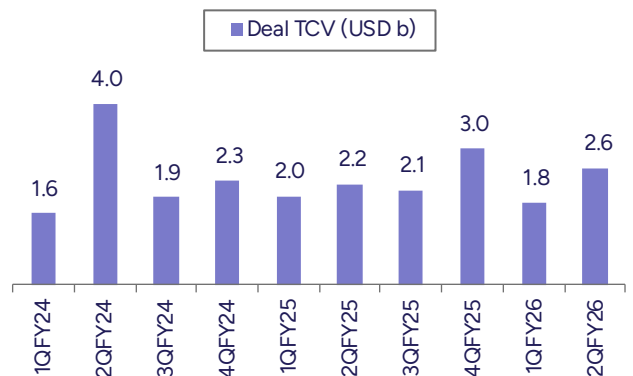
Source: Company, PL

**Exhibit 9: Attrition again declined by 20 bps QoQ**



Source: Company, PL

**Exhibit 10: Strong Deal wins without any large deals**



Source: Company, PL

**Exhibit 11: Operating Metrics**

Consolidated (Rs bn)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
<b>Service Line wise (%)</b>												
IT and Business Services	71.7	73.8	74.7	74.6	71.7	74.4	74.5	74.6	73.0	73.3	74.0	74.2
Engineering and R&D Services	16.6	16.1	15.4	16.0	16.4	16.1	15.9	15.8	16.0	17.1	17.0	17.0
Products and Platform	11.7	10.1	9.9	9.4	11.9	9.5	9.6	9.6	11.0	9.6	9.0	8.8
<b>Vertical wise (%)</b>												
BFSI	19.9	21.2	22.6	22.6	21.7	21.6	21.0	20.5	20.3	21.1	21.6	21.7
Manufacturing	18.3	19.0	19.0	19.0	20.1	20.4	19.4	19.5	19.1	18.6	18.6	18.3
Technology & Services	15.4	14.4	14.4	14.4	12.8	12.3	13.0	13.1	13.3	13.4	14.0	14.0
Retail & CPG	8.9	9.0	9.1	9.6	9.6	9.1	9.4	9.6	10.6	9.7	9.7	9.6
Telecom MP&E	9.4	8.8	7.6	8.0	9.7	11.5	12.2	12.1	12.3	13.9	13.1	12.7
Life Sciences	17.1	17.5	17.5	17.5	16.4	16.3	15.9	16.0	15.5	14.7	14.5	14.7
Public Services	10.2	10.2	10.0	9.9	9.7	8.8	9.1	9.2	8.9	8.6	8.5	8.9
<b>Geography wise (%)</b>												
US	63.5	63.8	64.5	64.5	64.5	65.2	59.6	58.5	65.5	57.4	56.5	56.2
Europe	29.1	28.9	28.7	28.5	29.0	28.9	25.9	26.7	28.2	27.5	28.3	28.3
ROW	7.4	7.3	6.8	7.0	6.4	5.9	14.5	14.8	6.3	12.0	11.9	15.6
<b>Client wise (%)</b>												
Top 5 clients	10.3	10.1	9.8	9.8	9.8	10.4	11.4	12.1	12.6	12.7	12.6	12.4
Top 10 clients	18.2	17.7	17.2	17.2	17.7	18.8	19.6	20.1	20.3	20.2	20.2	19.9
Top 20 clients	28.2	27.8	27.2	27.3	28.0	29.0	30.1	30.8	30.9	30.4	29.9	29.5

Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>1,171</b>	<b>1,295</b>	<b>1,420</b>	<b>1,577</b>
YoY gr. (%)	6.5	10.7	9.6	11.1
Employee Cost	762	847	921	1,018
Gross Profit	409	449	498	560
Margin (%)	34.9	34.6	35.1	35.5
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>255</b>	<b>278</b>	<b>311</b>	<b>350</b>
YoY gr. (%)	5.4	9.1	11.8	12.5
Margin (%)	21.8	21.5	21.9	22.2
Depreciation and Amortization	41	46	51	57
<b>EBIT</b>	<b>214</b>	<b>233</b>	<b>260</b>	<b>293</b>
Margin (%)	18.3	18.0	18.3	18.6
Net Interest	-	-	-	-
Other Income	18	11	16	17
<b>Profit Before Tax</b>	<b>233</b>	<b>244</b>	<b>276</b>	<b>311</b>
Margin (%)	19.9	18.8	19.4	19.7
Total Tax	59	61	69	78
Effective tax rate (%)	25.2	25.2	25.0	25.0
<b>Profit after tax</b>	<b>174</b>	<b>183</b>	<b>207</b>	<b>233</b>
Minority interest	0	0	0	0
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>174</b>	<b>187</b>	<b>207</b>	<b>233</b>
YoY gr. (%)	10.8	7.8	10.3	12.7
Margin (%)	14.9	14.5	14.6	14.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>174</b>	<b>183</b>	<b>207</b>	<b>233</b>
YoY gr. (%)	10.8	5.0	13.1	12.7
Margin (%)	14.9	14.1	14.6	14.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	174	183	207	233
<b>Equity Shares O/s (bn)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>EPS (Rs)</b>	<b>64.1</b>	<b>69.1</b>	<b>76.3</b>	<b>86.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>694</b>	<b>714</b>	<b>735</b>	<b>273</b>
Tangibles	408	441	478	33
Intangibles	287	273	258	241
<b>Acc: Dep / Amortization</b>	<b>332</b>	<b>378</b>	<b>429</b>	-
Tangibles	332	378	429	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>362</b>	<b>336</b>	<b>306</b>	<b>273</b>
Tangibles	76	63	49	33
Intangibles	287	273	258	241
Capital Work In Progress	-	-	-	-
Goodwill	-	-	-	-
Non-Current Investments	1	1	1	1
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	71	75	77	85
<b>Current Assets</b>				
Investments	205	205	205	205
Inventories	-	-	-	-
Trade receivables	258	285	314	349
Cash & Bank Balance	82	114	151	194
Other Current Assets	75	78	85	95
<b>Total Assets</b>	<b>1,055</b>	<b>1,094</b>	<b>1,139</b>	<b>1,202</b>
<b>Equity</b>				
Equity Share Capital	5	5	5	5
Other Equity	691	710	730	754
<b>Total Network</b>	<b>697</b>	<b>715</b>	<b>736</b>	<b>759</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1	1	1	1
Provisions	-	-	-	-
Other non current liabilities	78	80	85	91
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	22	22	22	22
Trade payables	62	70	75	84
Other current liabilities	196	205	220	244
<b>Total Equity &amp; Liabilities</b>	<b>1,055</b>	<b>1,094</b>	<b>1,139</b>	<b>1,202</b>

Source: Company Data, PL Research

**Cash Flow (Rs bn)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	233	183	207	233
Add. Depreciation	41	46	51	57
Add. Interest	-	-	-	-
Less Financial Other Income	18	11	16	17
Add. Other	(19)	-	-	-
Op. profit before WC changes	255	228	258	290
Net Changes-WC	(32)	(13)	(13)	(14)
Direct tax	-	-	-	-
<b>Net cash from Op. activities</b>	<b>223</b>	<b>215</b>	<b>245</b>	<b>276</b>
Capital expenditures	(31)	(19)	(21)	(24)
Interest / Dividend Income	-	-	-	-
Others	(18)	-	-	-
<b>Net Cash from Invst. activities</b>	<b>(49)</b>	<b>(19)</b>	<b>(21)</b>	<b>(24)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	(1)	-	-	-
Dividend paid	(163)	(164)	(186)	(209)
Interest paid	-	-	-	-
Others	(22)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(186)</b>	<b>(164)</b>	<b>(186)</b>	<b>(209)</b>
<b>Net change in cash</b>	<b>(12)</b>	<b>31</b>	<b>38</b>	<b>43</b>
Free Cash Flow	212	195	224	252

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	64.1	69.1	76.3	86.0
CEPS	79.2	86.0	95.1	106.9
BVPS	256.9	263.8	271.6	280.2
FCF	78.1	72.1	82.5	93.1
DPS	60.0	60.6	68.6	77.3
<b>Return Ratio(%)</b>				
RoCE	22.5	23.9	26.1	28.6
ROIC	23.0	23.4	24.3	25.1
RoE	25.2	26.6	28.5	31.2
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	61	61	61	61
<b>Valuation(x)</b>				
PER	23.3	21.6	19.6	17.4
P/B	5.8	5.7	5.5	5.3
P/CEPS	18.9	17.4	15.7	14.0
EV/EBITDA	14.9	13.5	11.9	10.5
EV/Sales	3.2	2.9	2.6	2.3
Dividend Yield (%)	4.0	4.1	4.6	5.2

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
<b>Net Revenue</b>	<b>299</b>	<b>302</b>	<b>303</b>	<b>319</b>
YoY gr. (%)	3.6	1.2	0.3	5.2
Raw Material Expenses	193	197	201	210
Gross Profit	106	105	102	109
Margin (%)	35.6	34.7	33.7	34.1
<b>EBITDA</b>	<b>69</b>	<b>65</b>	<b>60</b>	<b>68</b>
YoY gr. (%)	-	-	-	-
Margin (%)	23.0	21.4	19.9	21.2
Depreciation / Depletion	10	10	11	10
<b>EBIT</b>	<b>58</b>	<b>54</b>	<b>49</b>	<b>57</b>
Margin (%)	19.5	18.0	16.3	17.9
Net Interest	-	-	-	-
Other Income	3	3	2	2
<b>Profit before Tax</b>	<b>61</b>	<b>57</b>	<b>52</b>	<b>59</b>
Margin (%)	20.5	19.0	17.1	18.4
Total Tax	15	14	13	15
Effective tax rate (%)	25.1	24.9	25.9	24.9
<b>Profit after Tax</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>44</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>46</b>
YoY gr. (%)	8.4	(6.2)	(10.8)	19.3
Margin (%)	15.4	14.2	12.7	14.4
Extra Ord. Income / (Exp)	-	-	-	(2)
<b>Reported PAT</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>44</b>
YoY gr. (%)	8.4	(6.2)	(10.8)	14.8
Margin (%)	15.4	14.2	12.7	13.8
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>44</b>
Avg. Shares O/s (bn)	3	3	3	3
<b>EPS (Rs)</b>	<b>16.9</b>	<b>15.9</b>	<b>14.2</b>	<b>16.9</b>

Source: Company Data, PL Research

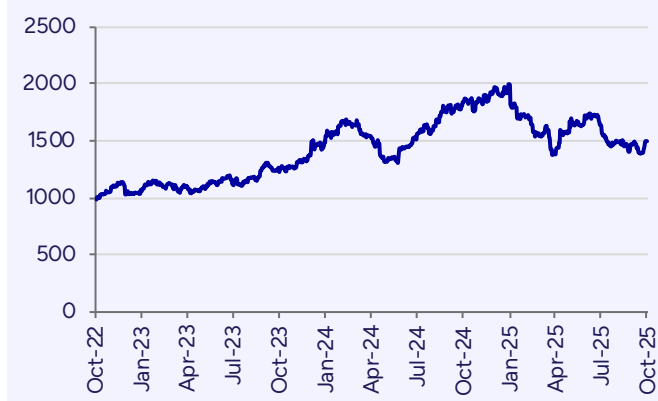
**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	13,840	14,770	15,775	16,961

Source: Company Data, PL Research



**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Oct-25	Accumulate	1,560	1,394
2	15-Jul-25	Hold	1,550	1,620
3	01-Jul-25	Reduce	1,530	1,729
4	23-Apr-25	Hold	1,540	1,480
5	03-Apr-25	Accumulate	1,740	1,528
6	27-Mar-25	Accumulate	1,860	1,633
7	14-Jan-25	Accumulate	2,080	1,989
8	07-Jan-25	Accumulate	2,120	1,947
9	15-Oct-24	BUY	2,130	1,856

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	1,130	1,170
2	HCL Technologies	Accumulate	1,560	1,394
3	Infosys	BUY	1,760	1,447
4	KPIT Technologies	BUY	1,360	1,158
5	L&T Technology Services	Hold	4,400	4,262
6	Latent View Analytics	BUY	570	415
7	LTIMindtree	Hold	5,380	5,120
8	Mphasis	Accumulate	2,920	2,737
9	Persistent Systems	BUY	5,970	5,069
10	Tata Consultancy Services	BUY	3,800	3,062
11	Tata Elxsi	Reduce	5,010	5,580
12	Tata Technologies	Sell	540	707
13	Tech Mahindra	Hold	1,470	1,401
14	Wipro	Hold	250	241

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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

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