

Jul-Sep'25 Earnings Preview

Steady quarter but broader recovery still away...

Quick Pointers:

- Moderate improvement in median sequential growth over last quarter
- Deal wins to remain steady despite no improvement in macro environment

2QFY26 is expected to be another quarter of muted performance, the on-ground demand remains unchanged with no recovery in spending sentiment. Although the intensity of tariff uncertainties has de-escalated, Fortune-500 companies continue to stay behind the fence and avoid committing anything upfront. The cost-optimization projects are still being prioritized over the "RUN" initiatives, cost savings are being re-invested to the projects instead of infusing new dollars. The weakness in demand also tends to defer compensation revision for most of the names (except TCS) in Q2, despite the fact the improvement in margins would witness flat to marginal improvement, partly aided by INR depreciation. We expect median revenue growth of 0.8% QoQ in CC terms & 1.2% QoQ in USD terms. While currency volatility is limited in Q2, major currencies like EUR and GBP have strengthened against USD by 1% and 3% QoQ, respectively, which will translate into tailwinds to the tune of 20-90bps QoQ in reported terms except LTTS & TATATECH.

Vertical-wise, BFSI should continue its growth momentum across IT Services, while Manufacturing and Consumer performance is expected to be on a weaker trajectory, as the challenges continue to persist within automotive and retail/CPG. Deal signing activities should be either flat or picking up slightly sequentially as slower decision making and weak sentiment weigh on deal closure activities. Structurally H2 tends to be weaker for IT Services, and with no incremental recovery in demand or client sentiment, we expect revenue guidance for Infosys and HCL Tech to largely remain unchanged, at least at the top-end. Q2 median margin improvement is expected to be flat on QoQ basis (PL coverage universe), on account of missing operating leverage, partly supported by INR depreciation against USD.

Tier I & II operating performance: We expect moderate Q2 performance with median growth of 1.4% QoQ for Tier I and 1.2% QoQ for Tier II companies. Within Tier I, Infosys (1.8% QoQ CC), LTIM (1.9% QoQ CC) and HCLT (1.5% QoQ CC) are likely to lead. TCS and TechM should see modest growth in the quarter while Wipro will witness another quarter of revenue decline. Within Tier II companies, ER&D firms will remain weak on auto softness & client specific issues. Growth within Tier II companies will be driven by Latent View and Persistent.

On the margins front we expect median margin to remain stable for both Tier I & Tier II companies at 16.8% & 15.4% respectively largely due to currency tailwinds & deferment of wage hike for most of the name.

Deal wins: We expect deal wins to remain steady with a slight uptick from Q1, despite an unchanged macro environment and fresh uncertainty from rising H-1B visa costs.

October 4, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Cyient	Hold	1,170	1130
HCL Technologies	Acc	1,394	1560
Infosys	Buy	1,447	1760
KPIT Technologies	Buy	1,158	1360
Latent View	Buy	415	570
LTIMindtree	Hold	5,120	5380
L&T Technology Services	Hold	4,262	4400
Mphasis	Acc	2,737	2920
Persistent Systems	Buy	5,069	5970
Tata Consultancy Services	Buy	2,902	3950
Tata Technologies	Sell	707	540
Tech Mahindra	Hold	1,401	1470
Tata Elxsi	Sell	5,356	4390
Wipro	Hold	241	250

Source: PL Acc=Accumulate

Top Picks

Infosys

Persistent Systems

Tata Consultancy Services

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Valuation and View

The underlying demand environment remains unchanged, while discretionary spends continues to see execution deferrals. The conversion pace from TCV to revenue seems unlikely to have changed. The growth beyond BFSI also seems to be limited and is more selective, based on the regional presence and the nature of offerings within our coverage universe. The incremental pessimism is reflected in the IT Index (down 12% over last 3m), the IT stocks have corrected in the past few sessions; hence we are very selective in picking up the names from the basket.

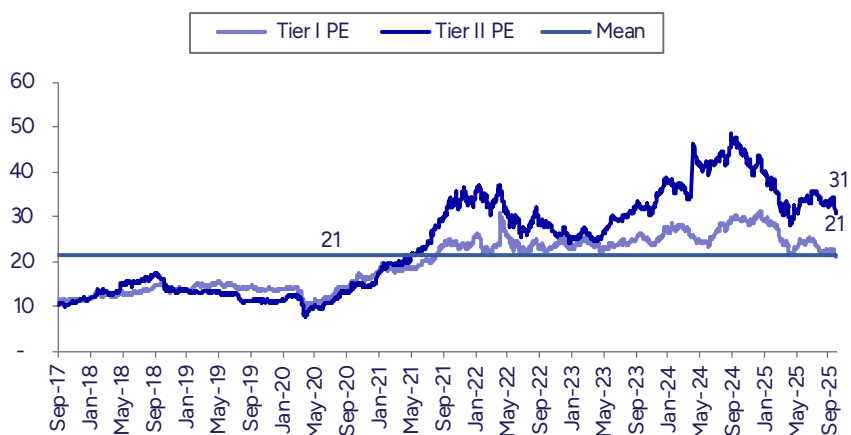
We continue to remain positive on INFY, PSYS and TCS, which are either less sensitive to discretionary spending or have low exposure to tariff-sensitive verticals. Given the stock price correction and achieving steady state, we are upgrading INFY/PSYS to BUY from ACCUMULATE earlier and KPIT to BUY from HOLD. We also upgrade HCLT to ACCUMUALTE and TechM to HOLD. The 1-year forward PE band of Tier 1 is flat to 10-year average PE while Tier 2 are trading at a premium of 47%, respectively to their 10-year average PE.

Exhibit 2: Change in Rating

Company	CMP	TP	Current Rating	Old Rating
Cyient	1,170	1,130	HOLD	Reduce
HCL Tech	1,394	1,560	ACC	HOLD
Infosys	1,447	1,760	BUY	ACC
KPIT	1,158	1,360	BUY	ACC
LTIM	5,120	5,380	HOLD	HOLD
LTTS	4,262	4,400	HOLD	HOLD
Mphasis	2,737	2,920	ACC	ACC
Persistent	5,069	5,970	BUY	HOLD
Tata Elxsi	5,356	4,390	SELL	SELL
Tata Tech	707	540	SELL	SELL
TCS	2,902	3,950	BUY	BUY
TechM	1,401	1,470	HOLD	Reduce
Wipro	241	250	HOLD	HOLD

Source: Company, PL

Exhibit 3: 1-year forward PE multiples of Tier I- & Tier II companies



Source: Company, PL

Exhibit 4: Quarterly snapshot of Tier I companies

Company	Revenue (USD mn)					Revenue (INR bn)				
	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)
TCS	7,447	7,421	0.4	7,670	-2.9	649	634	2.4	643	1.1
Infosys	5,054	4,941	2.3	4,894	3.3	441	423	4.2	410	7.5
Wipro*	2,591	2,587	0.1	2,660	-2.6	226	221	2.3	222	1.8
HCLT	3,616	3,545	2.0	3,445	4.9	315	303	3.9	289	9.2
TechM	1,576	1,564	0.7	1,589	-0.8	137	134	2.7	133	3.0
LTIM	1,179	1,153	2.2	1,127	4.6	103	98	4.5	94	9.0
Company	EBIT Margin (%)					PAT (INR bn)				
	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)
TCS	24.2	24.5	-30	24.1	10	125	128	-1.8	119	5.2
Infosys	21.2	20.8	40	21.1	10	72	69	4.1	65	10.7
Wipro*	17.0	17.3	-20	16.8	20	33	33	0.4	32	4.2
HCLT	16.6	16.3	30	18.6	-200	42	38	8.7	42	-1.4
TechM	11.6	11.1	50	9.6	200	13	11	12.4	13	2.6
LTIM	14.9	14.3	60	15.5	-60	13	13	2.1	13	2.3

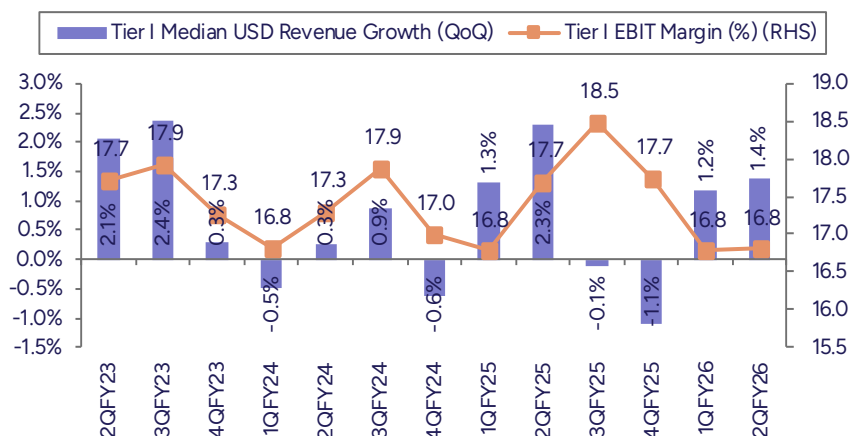
Source: Company, PL, * IT Service revenue and EBIT margin

Exhibit 5: Quarterly snapshot of Tier II companies

Company	Revenue (USD mn)					Revenue (INR bn)				
	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)
Cyient*	163.7	162.7	0.6	173.0	-5.4	14.3	13.9	2.5	14.5	-1.5
Persistent	404.8	389.7	3.9	345.5	17.2	35.3	33.3	5.9	29.0	21.8
Mphasis	442.7	437.3	1.2	421.1	5.1	38.5	37.3	3.1	35.3	9.2
KPIT	179.9	177.8	1.2	173.2	3.9	15.7	15.4	1.9	14.7	6.6
LTTS	339.2	335.3	1.2	306.7	10.6	29.6	28.7	3.2	25.7	14.9
Tata Elxsi	102.7	104.4	-1.6	114.0	-9.9	9.0	8.9	0.4	9.6	-6.2
Tata Technologies	141.0	145.3	-3.0	154.6	-8.8	12.3	12.4	-1.2	13.0	-5.2
Latent View	29.0	27.6	5.0	24.9	16.4	2.5	2.4	7.3	2.1	21.2
Company	EBIT Margin (%)					PAT (INR bn)				
	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)
Cyient*	12.0	12.0	-	14.2	-220	1.5	1.6	-7.5	1.8	-14.6
Persistent	15.8	15.5	30	14.0	180	4.5	4.2	5.5	3.2	37.9
Mphasis	15.0	15.3	-30	15.4	-40	4.6	4.4	3.3	4.2	7.8
KPIT	16.9	17.0	-	16.7	20	2.0	1.7	18.1	2.0	-0.3
LTTS	13.4	13.3	10	15.1	-170	3.1	3.2	-0.4	3.2	-1.6
Tata Elxsi	17.4	18.2	-80	25.0	-760	1.5	1.4	5.7	2.3	-33.5
Tata Technologies	12.6	13.6	-100	15.9	-330	1.6	1.7	-7.9	1.6	-0.4
Latent View	19.1	18.1	100	18.3	80	0.5	0.5	-9.9	0.4	10.7

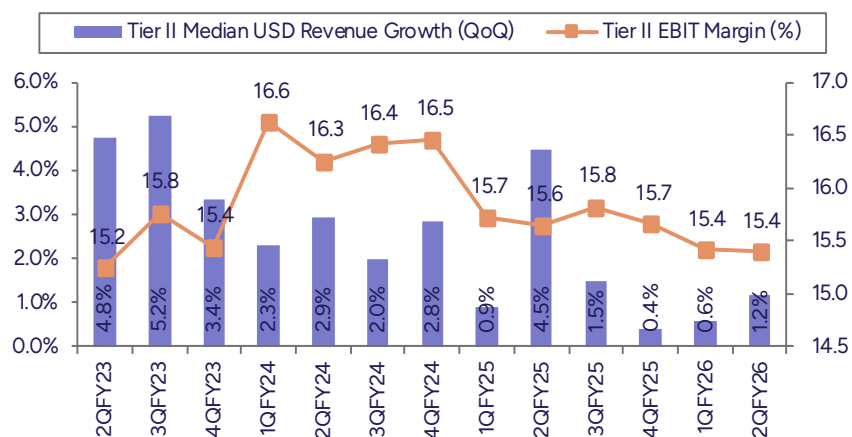
Source: Company, PL, * Cyient DET

Exhibit 6: Tier I revenue growth and margin trend



Source: Company, PL

Exhibit 7: Tier II revenue growth and margin trend



Source: Company, PL

Exhibit 8: Cross currency impact

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross currency impact (in bps)
TCS	0.4%	0.4%	-
Infosys	1.8%	2.3%	50
Wipro	-0.3%	0.1%	40
HCLT	1.5%	2.0%	50
TechM	0.5%	0.7%	20
LTIM	1.9%	2.2%	30
Cyient - DET	0.0%	0.6%	60
Persistent	3.7%	3.9%	20
Mphasis	1.2%	1.2%	-
KPIT	0.3%	1.2%	90
LTTS	1.3%	1.2%	-10
Tata Elxsi	-1.9%	-1.6%	30
Tata Technologies	-2.3%	-3.0%	-70
Latent View	5.0%	5.0%	-

Source: Company, PL

Exhibit 9: Currency movement against INR

	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD	EUR	GBP	AUD
Average	87.21	101.87	117.67	57.03	1.9%	4.9%	2.9%	4.0%
Closing	88.75	104.75	119.87	58.57	3.5%	4.2%	2.1%	3.8%

Source: Company, PL

Exhibit 10: Currency movement against USD

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR	GBP	AUD
Average	1.17	1.35	0.65	1.0%	3.0%	-0.6%
Closing	1.18	1.35	0.66	-1.4%	0.7%	1.7%

Source: Company, PL

Exhibit 11: Change in Estimates

	Revised EPS (in INR)			Earlier EPS (in INR)			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
HCLT	65.4	74.1	82.0	64.5	73.8	NA	1.4%	0.5%	NA
Infosys	69.3	76.9	85.1	68.7	76.0	NA	0.9%	1.1%	NA
LTIM	174.7	201.1	228.4	172.0	197.9	NA	1.4%	1.4%	NA
Mphasis	98.8	112.5	125.3	98.6	112.3	NA	-0.2%	-0.1%	NA
Persistent	111.7	138.8	175.1	109.8	136.9	NA	1.7%	1.4%	NA
TCS	144.4	158.0	174.3	143.2	156.7	NA	0.8%	0.8%	NA
TechM	55.8	73.6	79.6	55.9	73.5	NA	-0.2%	0.1%	NA
Wipro	12.7	13.4	14.9	12.8	13.4	NA	-0.7%	-0.5%	NA
KPIT	30.4	39.0	48.0	31.0	39.8	NA	-2.1%	-2.0%	NA
LTTS	128.4	151.6	175.9	126.5	146.3	NA	1.3%	3.5%	NA
Tata Elxsi	105.4	132.9	157.5	113.5	143.9	NA	-7.1%	-7.7%	NA
Tata Tech	16.4	19.2	22.4	17.3	20.2	NA	-5.3%	-5.3%	NA
Latent View	10.2	12.4	15.4	-	-	-	NA	NA	NA

Source: Company, PL

Exhibit 12: Valuation matrix

Company	Rating	Price (INR)	Mcap (USD bn)	TP (INR)	EPS (INR)			PE (x)			Rev growth (%) (CC)			EBIT Margin (%)			PEG FY25-27E
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	
Cyient	HOLD	1,170	2.7	1,130	52.1	56.3	64.3	22.5	20.8	18.2	-3.0%	-1.8%	3.5%	13.3%	13.0%	14.5%	1.6
HCL Tech	ACC	1,394	46.4	1,560	64.1	65.4	74.1	21.7	21.3	18.8	4.7%	3.4%	5.8%	18.3%	17.5%	18.2%	2.5
Infosys	BUY	1,447	79.7	1,760	64.5	69.3	76.9	22.5	20.9	18.9	4.3%	2.4%	6.0%	21.1%	21.2%	21.7%	2.1
KPIT	BUY	1,158	5.1	1,360	28.4	30.4	39.0	40.8	38.1	29.7	19.2%	5.8%	14.0%	17.1%	16.6%	17.3%	1.7
Latent View	BUY	415	1.0	570	9.0	10.2	12.4	46.0	40.6	33.6	29.6%	18.1%	19.5%	20.3%	20.2%	20.8%	2.0
LTIM	HOLD	5,120	18.3	5,380	155.4	174.7	201.1	33.0	29.4	25.5	4.9%	4.8%	8.3%	14.5%	14.6%	15.3%	1.9
LTTS	HOLD	4,262	5.2	4,400	119.0	128.4	151.6	35.6	33.4	28.3	8.9%	10.2%	10.2%	14.9%	13.8%	14.8%	2.3
Mphasis	ACC	2,737	7.1	2,920	89.3	98.4	112.2	30.7	27.8	24.4	4.6%	6.2%	8.0%	15.3%	15.5%	15.7%	2.0
Persistent	BUY	5,069	11.9	5,970	90.2	111.7	138.8	56.2	45.4	36.5	19.0%	15.4%	17.8%	14.7%	15.1%	15.6%	1.5
TCS	BUY	2,902	126.5	3,950	134.2	144.4	158.0	21.6	20.1	18.4	4.2%	-1.5%	5.3%	24.3%	24.5%	25.1%	2.2
Tata Tech	SELL	707	4.6	540	16.7	16.4	19.2	42.4	43.2	36.9	-0.7%	-3.5%	10.1%	15.7%	13.6%	15.0%	5.1
TechM	HOLD	1,401	15.9	1,470	48.0	55.8	73.6	29.2	25.1	19.0	0.3%	-1.1%	3.5%	9.7%	11.4%	14.2%	0.8
Tata Elxsi	SELL	5,356	5.5	4,390	126.0	105.4	132.9	42.5	50.8	40.3	3.1%	-5.9%	8.7%	23.3%	18.6%	20.2%	15.0
Wipro	HOLD	241	7.1	250	12.6	12.7	13.4	19.2	19.0	18.0	-2.3%	-1.6%	3.4%	17.1%	16.7%	16.8%	5.4

Source: Company, PL, *Bloomberg consensus, # Cyient DET Financials

Exhibit 13: Q2FY26 Result Preview (Rs bn)

Company Name		Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
Cyient	Sales (US\$ mn)	219.5	220.7	-0.6	200.0	9.7	We expect Cyient-DET business to flattish revenue in CC terms & 0.5% QoQ growth in USD terms. Growth in transportation & Connectivity is expected to be offset by weakness in sustainability. We expect DET margin to remain flat sequentially. At consolidated level we expect Cyient's revenue to decline by 0.6% QoQ in USD and EBIT margin to decline ~150 bps QoQ.
	Sales	19.1	18.5	3.5	17.1	11.8	
	EBIT	2.1	2.3	-8.8	1.6	29.1	
	Margin (%)	11.0	12.5	-149 bps	9.5	147 bps	
	PBT	2.4	2.5	-6.5	2.2	9.9	
	Adj. PAT	1.7	1.8	-3.4	1.5	12.4	
HCL Technologies	Sales (US\$ mn)	3,615.7	3,445.2	4.9	3,545.0	2.0	We expect HCLT to report 1.5% QoQ CC growth & 2% QoQ in USD with currency tailwinds of 50bps. We expect EBIT margin to improve slightly by 30bps QoQ. We expect deals wins in the range of USD 2.5-3 bn but better than Q1 wins. We expect HCLT to maintain its revenue & margin guidance.
	Sales	315.3	288.6	9.2	303.5	3.9	
	EBIT	52.3	53.6	-2.5	49.4	5.8	
	Margin (%)	16.6	18.6	-200 bps	16.3	29 bps	
	PBT	55.7	56.9	-2.0	51.9	7.4	
	Adj. PAT	41.8	42.4	-1.3	38.4	8.7	
Infosys	Sales (US\$ mn)	5,054.0	4,894.0	3.3	4,941.0	2.3	We expect INFO to strong report revenue growth of 1.8% QoQ CC & 2.3% QoQ in USD largely due to sustained momentum in FS segment. On margins front, we expect EBIT margin to improve by ~40 bps QoQ due to the tailwinds of operating leverage & currency depreciation mitigated by the headwinds of large deals ramp up costs. We expect the company to maintain its revenue & margin guidance.
	Sales	440.7	409.9	7.5	422.8	4.2	
	EBIT	93.4	86.5	8.0	88.0	6.1	
	Margin (%)	21.2	21.1	10 bps	20.8	38 bps	
	PBT	101.6	92.5	9.8	97.4	4.3	
	Adj. PAT	72.2	65.3	10.7	69.3	4.3	
KPIT Technologies	Sales (US\$ mn)	179.9	173.2	3.9	177.8	1.2	We expect KPIT organic revenue to decline by 2% QoQ in CC but with 1 month integration Caresoft we expect consolidated revenue of 0.3% QoQ CC. In USD terms we expect revenue growth of 1.2% QoQ with currency tailwind of 90 bps. We expect EBITDA to remain flattish due to currency benefits and deferment of wage hike to Q3.
	Sales	15.7	14.7	6.6	15.4	1.9	
	EBIT	2.7	2.5	8.2	2.6	1.8	
	Margin (%)	16.9	16.7	24 bps	17.0	-2 bps	
	PBT	2.8	2.9	-3.2	2.4	15.5	
	Adj. PAT	2.0	2.0	-0.3	1.7	18.1	
Latent View Analytics	Sales (US\$ mn)	29.0	24.9	16.4	27.6	5.0	We expect strong revenue growth of 5% QoQ driven by momentum in BFSI and Retail & CPG segments. On the margins front we expect EBIT margin improvement of 100 bps QoQ driven by operational efficiency and currency tailwinds. Key monitorable ahead will commentary for seasonally strong H2 after a robust H1.
	Sales	2.5	2.1	21.2	2.4	7.3	
	EBIT	0.5	0.4	26.4	0.4	13.2	
	Margin (%)	19.1	18.3	79 bps	18.1	99 bps	
	PBT	0.6	0.6	7.9	0.6	1.5	
	Adj. PAT	0.5	0.4	10.9	0.5	-10.3	
LTIMindtree	Sales (US\$ mn)	1,178.9	1,126.6	4.6	1,153.3	2.2	We expect LTIM to report growth of 1.9% QoQ CC & 2.2% QoQ in USD terms driven by ramp up of large deal in retail segment. We expect margins to improve by 30bps driven by operational efficiency, currency tailwinds, absence of visa costs incurred in Q1 mitigated by headwind of lower utilization. We expect deal wins in the band of USD 1.5-1.6 bn during the quarter.
	Sales	102.8	94.3	9.0	98.4	4.5	
	EBIT	15.3	14.6	5.0	14.1	8.9	
	Margin (%)	14.9	15.5	-56 bps	14.3	61 bps	
	PBT	17.3	16.9	2.4	17.3	0.0	
	Adj. PAT	12.8	12.5	2.3	12.5	2.1	
L&T Technology Services	Sales (US\$ mn)	339.2	306.7	10.6	335.3	1.2	We expect LTTS to report revenue growth of 1.3% QoQ driven by growth in sustainability segment mitigated by weakness in mobility segment. We expect margins to slightly improve by 10 bps QoQ due upfront cost of large deals ramp up. We expect strong deal wins in the quarter with total TCV upwards USD 150-200 mn+.
	Sales	29.6	25.7	14.9	28.7	3.2	
	EBIT	4.0	3.9	2.1	3.8	3.9	
	Margin (%)	13.4	15.1	-168 bps	13.3	9 bps	
	PBT	4.3	4.4	-1.4	4.3	0.4	
	Adj. PAT	3.1	3.2	-1.6	3.2	-0.4	
Mphasis	Sales (US\$ mn)	442.7	421.1	5.1	437.3	1.2	We expect MPHL to report growth of 1.2% QoQ CC driven by BFSI & insurance segments. On margin front we expect decline of 30 bps QoQ due to large deal ramp up cost. We expect deal wins of USD 400mn+ during the quarter. Key monitorable will be commentary of logistics segment which have remained weak for quite some time and outlook for H2FY26
	Sales	38.5	35.4	8.9	37.3	3.1	
	EBIT	5.8	5.4	6.1	5.7	1.2	
	Margin (%)	15.0	15.4	-39 bps	15.3	-30 bps	
	PBT	6.0	5.6	7.5	6.1	-0.9	
	Adj. PAT	4.6	4.2	7.8	4.4	3.3	
Sales (US\$ mn)		404.8	345.5	17.2	389.7	3.9	

Persistent Systems	Sales	35.3	29.0	21.8	33.3	5.9	We expect PSYS to continue its growth momentum with 3.7% QoQ CC & 3.9% QoQ USD driven by BFSI & Hitech segments. We also expect modest growth in healthcare segment. We expect modest EBIT margin improvement of 30 bps QoQ. We expect deal wins in Q2 to better than Q1.
	EBIT	5.6	4.1	37.3	5.2	7.7	
	Margin (%)	15.8	14.0	178 bps	15.5	27 bps	
	PBT	5.9	4.3	34.8	5.6	5.5	
	Adj. PAT	4.5	3.2	37.9	4.2	5.5	
Tata Consultancy Services	Sales (US\$ mn)	7,447.4	7,670.0	-2.9	7,421.0	0.4	We expect TCS revenue to report flattish quarter with 0.4 QoQ CC & USD growth. International business is expected to report modest growth during the quarter. On margins front we expect EBIT margin to decline by ~30bps due to partial wage hike implementation. We expect deal wins to be steady in the band of USD7-9bn excluding the mega deal. Key monitorable will be outlook in the key geography of US and employee restructuring program.
	Sales	649.4	642.6	1.1	634.4	2.4	
	EBIT	157.2	154.7	1.6	155.1	1.3	
	Margin (%)	24.2	24.1	13 bps	24.5	-26 bps	
	PBT	168.8	160.3	5.3	169.8	-0.6	
Tata Technologies	Adj. PAT	125.3	119.1	5.2	127.6	-1.8	We expect Tata Tech to report revenue decline of 2.3% QoQ CC at overall level due to continued weakness in automotive segment with shutdown of JLR operations also impacting revenue. EBIT margin is expected to decline by ~100 bps QoQ despite deferment of wage hike due to weak operational performance. Key monitorable will be commentary for resumption of operations of JLR and demand commentary of the overall automotive sector.
	Sales (US\$ mn)	141.0	154.6	-8.8	145.3	-3.0	
	Sales	12.3	13.0	-5.2	12.4	-1.2	
	EBIT	1.5	2.1	-24.8	1.7	-8.4	
	Margin (%)	12.6	15.9	-328 bps	13.6	-98 bps	
Tech Mahindra	PBT	2.0	2.2	-6.3	2.3	-10.5	We expect TECHM to report modest growth of 0.5% QoQ CC 0.7% QoQ in USD driven by Comms segment. On margins front we expect EBIT margin improvement to continue with ~50 bps margin improvement. We expect deal wins in the band of USD 600-800 mn during the quarter.
	Adj. PAT	1.6	1.6	-0.4	1.7	-7.9	
	Sales (US\$ mn)	1,576.1	1,588.7	-0.8	1,564.4	0.7	
	Sales	137.1	133.1	3.0	133.5	2.7	
	EBIT	15.9	12.8	24.2	14.8	7.7	
Tata Elxsi	Margin (%)	11.6	9.6	198 bps	11.1	54 bps	We expect TELX report revenue decline of 1.9% QoQ CC and 1.6% QoQ in USD impacted by halt of operations of JLR due to cyber security incident. We expect EBIT margin to decline by 80 bps QoQ due to weak quarterly performance. Key monitorable will be commentary for recovery in transportation segment and resumption of JLR operations.
	PBT	17.3	17.1	0.8	16.2	6.8	
	Adj. PAT	12.8	12.5	2.6	11.4	12.4	
	Sales (US\$ mn)	102.7	114.0	-9.9	104.4	-1.6	
	Sales	9.0	9.6	-6.2	8.9	0.4	
Wipro	EBIT	1.6	2.4	-34.8	1.6	-4.0	We expect WPRO to report revenue decline of 0.3% QoQ in CC & flattish growth in USD terms due weakness in Capco business & Retail segment. We expect margins to decline by ~30bps QoQ. Key monitorable will be outlook for Q3FY26 and H2FY26.
	Margin (%)	17.4	25.0	-763 bps	18.2	-78 bps	
	PBT	2.0	3.0	-32.8	2.0	2.3	
	Adj. PAT	1.5	2.3	-33.5	1.4	5.7	
	Sales (US\$ mn)	2,590.6	2,660.1	-2.6	2,587.4	0.1	
Wipro	Sales	226.7	223.0	1.6	221.3	2.4	We expect WPRO to report revenue decline of 0.3% QoQ in CC & flattish growth in USD terms due weakness in Capco business & Retail segment. We expect margins to decline by ~30bps QoQ. Key monitorable will be outlook for Q3FY26 and H2FY26.
	EBIT	38.5	37.1	3.8	38.2	1.0	
	Margin (%)	17.0	16.7	35 bps	17.3	-24 bps	
	PBT	44.2	42.8	3.4	45.0	-1.8	
	Adj. PAT	33.4	32.1	4.2	30.8	8.4	

Source: Company, PL

Exhibit 14: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Cyient	C	HOLD	1,170	1,130	129.9	73.6	74.8	83.5	93.0	11.5	11.2	13.6	15.0	6.2	6.8	8.3	9.2	56.0	61.4	74.6	82.6	13.0	12.4	14.1	14.6	20.9	19.1	15.7	14.2
HCL Technologies	C	Acc	1,394	1,560	3,781.5	1,170.6	1,277.9	1,390.7	1,524.1	255.1	270.2	303.1	335.0	173.9	177.5	201.1	222.5	64.1	65.4	74.1	82.0	25.2	25.2	27.8	29.9	21.7	21.3	18.8	17.0
Infosys	C	BUY	1,447	1,760	5,994.7	1,629.9	1,751.1	1,909.1	2,098.0	392.4	422.3	472.1	524.4	267.1	287.3	318.5	352.5	64.5	69.3	76.9	85.1	29.0	30.0	33.1	36.6	22.4	20.9	18.8	17.0
KPIT Technologies	C	BUY	1,158	1,360	314.4	58.4	65.8	77.0	91.3	12.3	13.5	16.3	19.8	7.7	8.2	10.6	13.0	28.4	30.4	39.0	48.0	30.3	25.9	27.7	28.3	40.8	38.1	29.7	24.1
Latent View Analytics	C	BUY	415	570	84.9	8.5	10.4	12.7	15.8	2.0	2.5	3.1	3.9	1.8	2.1	2.5	3.1	9.0	10.2	12.4	15.4	12.7	12.8	13.5	14.6	46.0	40.6	33.6	27.0
LTIMindtree	C	Hold	5,120	5,380	1,515.5	380.1	416.2	463.6	519.1	64.9	71.6	83.1	94.3	46.0	51.7	59.5	67.6	155.4	174.7	201.1	228.4	21.5	21.4	21.7	21.7	32.9	29.3	25.5	22.4
L&T Technology Services	C	HOLD	4,262	4,400	451.4	106.7	122.3	137.7	156.2	19.0	20.4	24.2	28.1	12.7	13.6	16.1	18.6	119.0	128.4	151.6	175.9	22.2	21.0	21.9	22.3	35.8	33.2	28.1	24.2
Mphasis	C	Acc	2,737	2,920	520.6	142.3	154.8	171.5	188.6	26.5	29.2	32.6	36.3	17.0	18.8	21.4	23.8	89.6	98.8	112.5	125.3	18.5	18.8	19.8	20.4	30.5	27.7	24.3	21.8
Persistent Systems	C	BUY	5,069	5,970	791.6	119.4	142.8	173.0	212.8	20.6	25.4	31.1	39.1	14.0	17.4	21.7	27.3	90.2	111.7	138.8	175.1	24.8	25.7	27.5	29.4	56.2	45.4	36.5	28.9
Tata Consultancy Services	C	BUY	2,902	3,950	10,499.3	2,553.2	2,656.6	2,872.9	3,126.4	672.8	707.1	781.8	865.1	485.5	522.6	571.7	630.6	134.2	144.4	158.0	174.3	51.8	53.7	55.6	57.9	21.6	20.1	18.4	16.6
Tata Technologies	C	SELL	707	540	287.3	51.7	51.8	57.9	65.1	9.3	8.3	10.0	11.8	6.8	6.6	7.8	9.1	16.7	16.4	19.2	22.4	19.9	18.1	20.0	21.7	42.4	43.2	36.9	31.6
Tech Mahindra	C	HOLD	1,401	1,470	1,240.9	529.9	544.2	578.9	614.3	69.9	80.5	101.3	109.4	42.5	49.5	65.2	70.5	48.0	55.8	73.6	79.6	15.1	17.2	22.2	23.5	29.2	25.1	19.0	17.6
Tata Elxsi	C	SELL	5,356	4,390	333.5	37.3	37.3	41.5	47.0	9.7	8.0	9.6	11.4	7.8	6.6	8.3	9.8	126.0	105.4	132.9	157.5	29.3	22.1	25.3	26.2	42.5	50.8	40.3	34.0
Wipro	C	HOLD	241	250	2,523.6	890.9	918.0	976.2	1,057.8	180.9	180.6	193.5	214.1	131.4	133.1	140.4	155.6	12.6	12.7	13.4	14.9	16.6	15.9	16.5	17.9	19.2	19.0	18.0	16.2

Source: Company, PL S=Standalone / C=Consolidated / Acc = Accumulate

Exhibit 15: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Cyient	HOLD	REDUCE	1,130	1,150	-1.7%	74.8	74.2	0.9%	83.5	82.9	0.7%	6.8	6.0	13.3%	8.3	7.4	11.2%	61.4	54.2	13.3%	74.6	67.1	11.2%
HCL Technologies	Acc	HOLD	1,560	1,550	0.6%	1,277.9	1,266.3	0.9%	1,390.7	1,378.1	0.9%	177.5	175.1	1.4%	201.1	200.1	0.5%	65.4	64.5	1.4%	74.1	73.7	0.5%
Infosys	BUY	Acc	1,760	1,750	0.6%	1,751.1	1,734.2	1.0%	1,909.1	1,889.2	1.1%	287.3	284.6	0.9%	318.5	315.0	1.1%	69.3	68.7	0.9%	76.9	76.0	1.1%
KPIT Technologies	BUY	Acc	1,360	1,390	-2.2%	65.8	65.6	0.4%	77.0	77.0	0.0%	8.2	8.4	-2.1%	10.6	10.8	-2.0%	30.4	31.0	-2.1%	39.0	39.8	-2.0%
Latent View Analytics	BUY	BUY	570	570	0.0%	10.4	10.4	0.0%	12.7	12.7	0.0%	2.1	2.1	0.0%	2.5	2.5	0.0%	10.2	10.2	0.0%	12.4	12.4	0.0%
LTIMindtree	Hold	Hold	5,380	5,340	0.7%	416.2	411.9	1.0%	463.6	457.9	1.2%	51.7	51.0	1.4%	59.5	58.7	1.4%	174.7	172.4	1.4%	201.1	198.3	1.4%
L&T Technology Services	HOLD	HOLD	4,400	4,250	3.5%	122.3	121.0	1.1%	137.7	135.0	2.0%	13.6	13.4	1.3%	16.1	15.5	3.5%	128.4	126.7	1.3%	151.6	146.5	3.5%
Mphasis	Acc	Acc	2,920	2,920	0.0%	154.8	155.0	-0.1%	171.5	171.8	-0.2%	18.8	18.8	-0.2%	21.4	21.4	-0.1%	98.8	99.0	-0.2%	112.5	112.7	-0.1%
Persistent Systems	BUY	Hold	5,970	5,890	1.4%	142.8	141.4	1.0%	173.0	171.2	1.0%	17.4	17.2	1.7%	21.7	21.4	1.4%	111.7	109.8	1.7%	138.8	136.9	1.4%
Tata Consultancy Services	BUY	BUY	3,950	3,920	0.8%	2,656.6	2,640.3	0.6%	2,872.9	2,854.7	0.6%	522.6	518.2	0.8%	571.7	567.0	0.8%	144.4	143.2	0.8%	158.0	156.7	0.8%
Tata Technologies	SELL	SELL	540	570	-5.3%	51.8	52.9	-2.1%	57.9	60.0	-3.4%	6.6	7.0	-5.3%	7.8	8.2	-5.3%	16.4	17.3	-5.3%	19.2	20.2	-5.3%
Tech Mahindra	HOLD	Reduce	1,470	1,470	0.0%	544.2	543.7	0.1%	578.9	578.1	0.1%	49.5	49.6	-0.2%	65.2	65.1	0.1%	55.8	55.9	-0.2%	73.6	73.5	0.1%
Tata Elxsi	SELL	SELL	4,390	4,750	-7.6%	37.3	38.0	-1.7%	41.5	42.4	-2.0%	6.6	7.1	-7.1%	8.3	9.0	-7.7%	105.4	113.5	-7.1%	132.9	143.9	-7.7%
Wipro	HOLD	HOLD	250	260	-3.8%	918.0	911.0	0.8%	976.2	968.8	0.8%	133.1	134.1	-0.7%	140.4	141.1	-0.5%	12.7	12.8	-0.7%	13.4	13.5	-0.5%

Source: Company, PL C=Current / P=Previous / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Reduce	1,150	1,289
2	HCL Technologies	Hold	1,550	1,620
3	Infosys	Accumulate	1,750	1,575
4	KPIT Technologies	Accumulate	1,390	1,269
5	L&T Technology Services	Hold	4,250	4,347
6	Latent View Analytics	BUY	570	402
7	LTIMindtree	Hold	5,340	5,195
8	Mphasis	Accumulate	2,920	2,625
9	Persistent Systems	Hold	5,890	5,606
10	Tata Consultancy Services	BUY	3,920	3,382
11	Tata Elxsi	Sell	4,750	6,138
12	Tata Technologies	Sell	570	717
13	Tech Mahindra	Reduce	1,470	1,608
14	Wipro	Hold	260	261

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

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